Stewardship

We prudently invest and manage the assets held in trust for current and future retirees.
We rigorously identify, measure and manage risk.

Best in Class Operations

We efficiently deliver accurate, timely retirement benefit payments and related services
with attentiveness to high quality customer service.

Trusted Source

We are our stakeholders' trusted source of reliable, comprehensive information about retirement
security and the role that Indiana Public Retirement System plays in the delivery of that security.

Collaboration and Shared Purpose

We value professionalism, teamwork and operational excellence to consistently
improve the quality and sustainability of our services.

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The Indiana Public Retirement System is a pension trust fund of the State of Indiana.

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INDIANA PUBLIC RETIREMENT SYSTEM

2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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The Indiana Public Retirement System is a pension trust fund of the State of Indiana.

Public Employees' Retirement Fund | Teachers' Retirement Fund | 1977 Police Officers' and Firefighters' Pension and Disability Fund Judges' Retirement System | State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan | Prosecuting Attorneys' Retirement Fund | Legislators' Retirement System: *Defined Benefit Plan and Defined Contribution Plan* | State Employees' Death Benefit Fund | Public Safety Officers' Special Death Benefit Fund | Pension Relief Fund

INPRS | One North Capitol, Suite 001 | Indianapolis, IN 46204
*Toll-free: (888) 526-1687 | **www.inprs.in.gov** | **questions@inprs.in.gov***

INPRS is a trust and an independent body, corporate and politic. The fund is not a department or agency of the State of Indiana, but is an independent instrumentality exercising essential governmental functions. (Indiana Code Section 5-10.5-2-3).

INDIANA PUBLIC RETIREMENT SYSTEM

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

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INTRODUCTORY SECTION

Introductory Section

INDIANA PUBLIC RETIREMENT SYSTEM
2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

December 21, 2012

Dear Board Members:

It is with pleasure that we present the first Comprehensive Annual Financial Report (CAFR) of the new Indiana Public Retirement System (INPRS) for the fiscal year ended June 30, 2012.

About the System

Effective July 1, 2011, the administration of the Indiana State Teachers' Retirement Fund (TRF), established in 1921, and the funds previously administered by the Indiana Public Employees' Retirement Fund (PERF), established in 1945, were consolidated as the Indiana Public Retirement System (INPRS).

As of June 30, 2012, INPRS was responsible for the investment of approximately $25.6 billion in net assets. In total, INPRS paid approximately $2.4 billion in monthly retirement, disability and survivor benefits to 126,813 benefit recipients. INPRS received contributions of approximately $2.0 billion from 230,703 members actively employed in public service and 1,187 participating employers statewide. INPRS also maintains accounts for 90,135 inactive members for a total membership of 447,651. Details about INPRS members and employers can be found in the Statistical Section of this report.

This report provides detailed information on the performance of all retirement plans [i.e., seven (7) Defined Benefit (DB) and one (1) Defined Contribution (DC) retirement plans] administered by INPRS, including:

- Public Employees' Retirement Fund (PERF)
- Teachers' Retirement Fund (TRF)
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
- Judges' Retirement System (JRS)
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (E,G,&C Plan)

- Prosecuting Attorneys’ Retirement Fund (PARF)
- Legislators’ Retirement System (LRS)
  - Legislators’ Defined Benefit Plan (LEDB Plan)
  - Legislators’ Defined Contribution Plan (LEDC Plan)

INPRS also administers two (2) special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, INPRS manages the Pension Relief Fund, which was created by the Indiana General Assembly to address the unfunded pension obligations of the police officers’ and firefighters’ pension systems of Indiana’s cities and towns. INPRS is not responsible for the administration of those local pension funds, which have been closed to new membership since the creation of the 1977 Police Officers’ and Firefighters’ Pension and Disability Fund. However, INPRS makes disbursements from funds provided by the General Assembly to the local police and firefighter units throughout the state that are still obliged to pay benefits under those former plans.

Since their establishment, the laws governing the administration of INPRS-administered funds have changed and expanded in response to the needs of our members, employers, and citizens.

In 1955, the Annuity Savings Account (ASA) was established as a supplemental benefit to the then existing defined benefit for PERF and TRF members, making these plans amongst the first in the nation to adopt a hybrid plan design. With employers paying the necessary contribution to fund the DB benefit, employees have since been required to make a contribution into a member managed account. Members are immediately vested in their ASAs. Upon retirement, PERF and TRF members can withdraw their ASA balance in a lump sum or they can convert their balance into an annuitized amount that is added to their Defined Benefit. Non-Vested inactive members (i.e., members who have not met the requirements for a DB pension benefit) may elect to withdraw their ASA balances upon termination of employment.

The 1995 legislative session brought several significant changes to TRF. Legislation was passed that closed the pay-as-you-go plan (named the Pre-1996 Account) to newly hired members and created a new account named the 1996 Account. All teachers hired after June 30, 1995, would be members of the 1996 Account. The 1996 Account was established to be actuarially pre-funded by requiring school corporations to set aside a fixed percentage of payrolls for teacher retirement benefits. Also, in 1995, the General Assembly passed legislation creating the Pension Stabilization Fund (PSF), designed to partially fund TRF’s unfunded liability of the Pre-1996 Account. The PSF was initially funded from $425 million of employer reserves from the Pre-1996 Account and, since that time, has received contributions from the Indiana State General Fund, contributions from the Indiana State Lottery, and interest earned from the investment of PSF assets. As of June 30, 2012, the PSF had a balance of $2.25 billion.

A public referendum held in 1996 approved an amendment to the Indiana Constitution to allow the funds to invest in equities. Since that time, INPRS has been able to diversify its investment asset classes and grow its asset base.

In 2000, legislation established that the fund's administrative bodies would no longer be state agencies but each would be an "independent body corporate and politic." This means INPRS is not a department or agency of the State, but is an independent instrument exercising essential government functions. Under Indiana law, INPRS is under the jurisdiction of the State Ethics Commission.

In 2011, legislation established a nine-member Board of Trustees to oversee the system. Indiana law requires the following board composition:

- One (1) trustee with experience in economics, finance, or investments
- One (1) trustee with experience in executive management or benefits administration
- One (1) trustee who is an active or retired member of the 1977 Fund
- Two (2) trustees who are TRF members with at least 10 years of creditable service
- One (1) trustee who is a PERF member with at least 10 years of creditable service
- Director of the State Budget Agency, or designee
- Auditor of State, or nominee
- Treasurer of State, or nominee

Benefit Plan and Other Legislative Changes during Fiscal Year 2012

Several changes were passed or took effect during fiscal year 2012:

- Legislation established an optional ASA-Only plan to newly hired state employees that are members of PERF. Implementation is to take place six (6) months after approval from the IRS. Once implemented, eligible newly hired state employees will have the option to participate in a plan that is solely comprised of an ASA. The employee will receive a contribution of three (3) percent plus the actuarial equivalent up to the PERF DB plan's normal cost.
- Legislation provided a 13th check to benefit recipients of PERF, TRF and the E,G,&C Plan in various amounts based on years of service. In addition, benefit recipients of the 1977 Fund and Judges' Retirement System received a COLA increase.
- Legislation allowed use of excess revenue in the State General Fund to help to increase the funding status to 80 percent for select DB retirement plans of INPRS. Those DB retirement plans include the E,G,&C Plan, JRS and PARF. The State Police Fund, which INPRS does not administer, also benefitted from this funding. Excess money remaining after funding the INPRS-administered plans and the State Police Fund will go to fund the TRF Pre-1996 Account. If there is an excess in or after 2013, then 50 percent of the excess will go to fund the TRF Pre-1996 Account.
- Legislation provides the INPRS Board with flexibility to establish a single or grouping of PERF employer contribution rates.
- Legislation requires certain INPRS investments' staff to file annual financial disclosures to the State Inspector General.

- The Department of Education may assign licensed or unlicensed teachers to work at failing schools. Licensed teachers are eligible for TRF membership while non-licensed teachers are eligible for PERF membership.

Management's Responsibility for Financial Reporting

INPRS management has the fiduciary responsibility to safeguard the system and is responsible for the contents of this report. INPRS management is also responsible for establishing and maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. INPRS management is responsible for ensuring that an adequate internal control structure is in place to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized user disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires management to make estimates and judgments. The internal control structure is subject to periodic evaluation by management and the internal audit staff to ensure compliance with applicable laws and regulations.

For financial reporting purposes, INPRS follows Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and as amended by GASB Statement No. 50, Pension Disclosures. Assets of INPRS are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the Required Supplementary Information following the Notes to the Financial Statements.

GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This Statement establishes financial reporting standards for state and local governments. The Management's Discussion and Analysis is contained within the Financial Section of this report and serves to supplement the Introductory Section of this CAFR, as well as financial statements, notes, and supplementary information within the Financial Section.

During fiscal year 2012, GASB adopted changes to its accounting standards related to public pensions. These changes will become effective in fiscal year 2014 for INPRS and fiscal year 2015 for state and local governments. GASB Statement No. 25 will be replaced by GASB Statement No. 67. Information about these upcoming changes can be found on the GASB website www.GASB.org.

Economic Condition

The economic condition of INPRS is based primarily upon investment results and contributions from members and employers. Strategic Investment Solutions, Inc. (SIS), the primary investment management consultant for INPRS, evaluated the impact of economic conditions on the investments of INPRS. The SIS Report on Investment Activities is located in the Investment Section of this report. In fiscal year 2012, the State of Indiana fully met its funding obligations to the TRF Pre-96 Account, JRS, PARF and LRS plans. All other required contributions from members and employers to all of the INPRS administered plans were also fully satisfied in fiscal year 2012.

Investments

Metaphorically, investing during fiscal year 2012 was akin to a roller coaster ride at an amusement park; several up and downs, only to get off the ride at the same place you started. In fiscal year 2012, INPRS Consolidated Defined Benefit Assets returned a positive 0.7 percent net of fees. While the 5-year return rate of 0.2 percent is below the fund's long-term actuarial assumed rate of 7.0 percent – reflecting the recession years of 2008 and 2009 – the 3-year return was 11.0 percent and the 10-year return was 5.7 percent.

Volatility has become the norm over the past decade in many of the asset classes. Add in an unprecedented and prolonged period of low interest rates and you have a recipe for a very challenging environment. INPRS is meeting this challenge with forward-looking approaches including an emphasis on managing risk. Managing risk and contribution rate volatility is paramount to the sustainability of any pension plan. To that end, INPRS has established a reasonable assumed long-term rate of return that was 7.0 percent during fiscal year 2012, then lowered to 6.75 percent for fiscal year 2013. INPRS has implemented an asset allocation to achieve the 6.75 percent over the long term with the least amount of acceptable expected volatility. By design, the INPRS asset allocation is likely to surrender a portion of the upside in strong public equity market cycles; however, should significantly protect the fund on the public equity market downsides.

The foundation of any successful investment program is the commitment to and execution of disciplined decision-making policies and processes conducted by competent investment professionals. During fiscal year 2012, INPRS established a new Investment Policy Statement (IPS) that included prior best practices of PERF and TRF, but also adopted best practices of our peers. The INPRS IPS is an essential element of our commitment to investments excellence. Detailed investment policies and results can be found in the Investment Section of this report.

Funding

An actuarial analysis of all INPRS-administered retirement plans is performed on an annual basis. An assumption experience study is performed every three to five years. PricewaterhouseCoopers (PwC) completed the most recent assumption experience study for all DB retirement plans except TRF as of June 30, 2010 and Nyhart completed the most recent assumption experience study for TRF as of June 30, 2011.

I am pleased to inform that, for the first time, the Actuarial Section of our CAFR includes an actuarial analysis covering the same time period as the financial statements. In past years, there was a one-year lag between the financial results and the actuarial analysis. The INPRS staff and actuarial firms PwC and Nyhart are to be commended for this accomplishment.

One purpose of the annual actuarial analysis is to measure the funding status, typically referred to as the funded percentage. The percentage is computed by dividing the actuarial value of net assets by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan, and generally, the greater this percentage, the stronger the plan.

As discussed earlier in this letter, INPRS administers seven (7) separate DB retirement plans. The aggregate funded status percentage for all the pre-funded plans is 81.2 percent. The TRF Pre-1996 pay-as-you-go account, designed in 1921 for a zero funded status, actually has a funded status of 30.1 percent thanks to the underpinning of the Pension Stabilization Fund. Actuarial standards consider a funded percentage of 80 percent or better as being healthy. We are pleased with our overall funded status and continue to work to achieve and maintain 100 percent funding.

Details of the actuarial analysis can be found in the Actuarial Section of this report and the supporting statistics can be found in the Statistical Section. In the Statement of Changes in Fiduciary Net Position, contained in the Financial Section of this report, the accumulated balance of funds derived from the excess of additions over deductions is referred to as the net assets held in trust for pension benefits. The actuarial accrued liability is not disclosed in the Financial Statements, but is disclosed in the Schedule of Funding Progress in the Required Supplementary Information following the Notes to the Financial Statements.

Accomplishments in 2012

INPRS continues to fulfill its mission while demonstrating commitment to its values. The INPRS strategic plan provides the foundation from which INPRS moves towards its vision to be the premier public retirement system, respected by customers, peers and community, and known for professional service, technological advancement and fund stability. A copy of the INPRS strategic plan can be found on the INPRS website www.in.gov/INPRS. To that end, there were several significant accomplishments during fiscal year 2012.

Members continued to receive outstanding customer service. More than 99 percent of new retirees received their first pension payment on time. More than 90 percent of members, who interacted with INPRS, rated their experience as good or excellent. In the fiscal year, the system increased by 20 percent, the number of customers served by retirement counselors without having to add additional staff.

Significant progress continues in the implementation of new information technologies. INPRS successfully completed its fifth year of a multi-year program to modernize its business processes and systems. During the year, substantial progress was made, working in close collaboration with employers, in designing and preparing for launch of the new Employer Reporting and Maintenance (ERM) system. This system is designed to simplify employer interaction with INPRS while getting members' retirement contributions into their individual accounts on a payroll basis. Previously, this was only possible quarterly. As of October 2012, the system was live and in active use by employers. Significant progress was also made towards the implementation of a new Defined Benefit administration system. Scheduled for completion in 2013, this new system will bring to a close a modernization program that will have overhauled every INPRS business process and IT platform.

Major strides towards fund stability and sustainability were accomplished in 2012. The strategic planning process was conducted with a greater emphasis on enterprise risk management. In June 2012, the INPRS Board reduced the INPRS actuarial-assumed rate of return – also known as the discount rate – to 6.75 percent from 7.0 percent. INPRS is now the lowest among the 126 public systems monitored by the annual Public Fund Survey. INPRS is the only public system below 7.0 percent. Since 2008, 45 public pension plans have reduced their return assumptions. Most now use 8.0 percent, and more than 90 percent assume 7.5 percent or more. Coupled with a corresponding asset allocation, these actions bring greater confidence that the appropriate mix of investment returns and employer/employee contributions will be received to ensure that monies are available for promised benefits.

As stewards of assets held in trust for current and future retirees, INPRS continues to find ways to deliver better services for fewer dollars. Savings resulting from the merger of PERF and TRF continue to increase. With incremental efforts achieved in 2012, the net present value of savings generated thus far is approaching $300 million to Indiana taxpayers. INPRS also continues to leverage technology to reduce the cost and environmental impact of printed paper.

Following this letter, you will find a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) and an Achievement Award from the Public Pension Coordinating Council (PPCC). The PPCC award recognizes INPRS' excellence in meeting professional standards for plan design and administration. This recognition rates INPRS' system management and administration among an exclusive handful of public retirement systems in the nation.

Acknowledgements

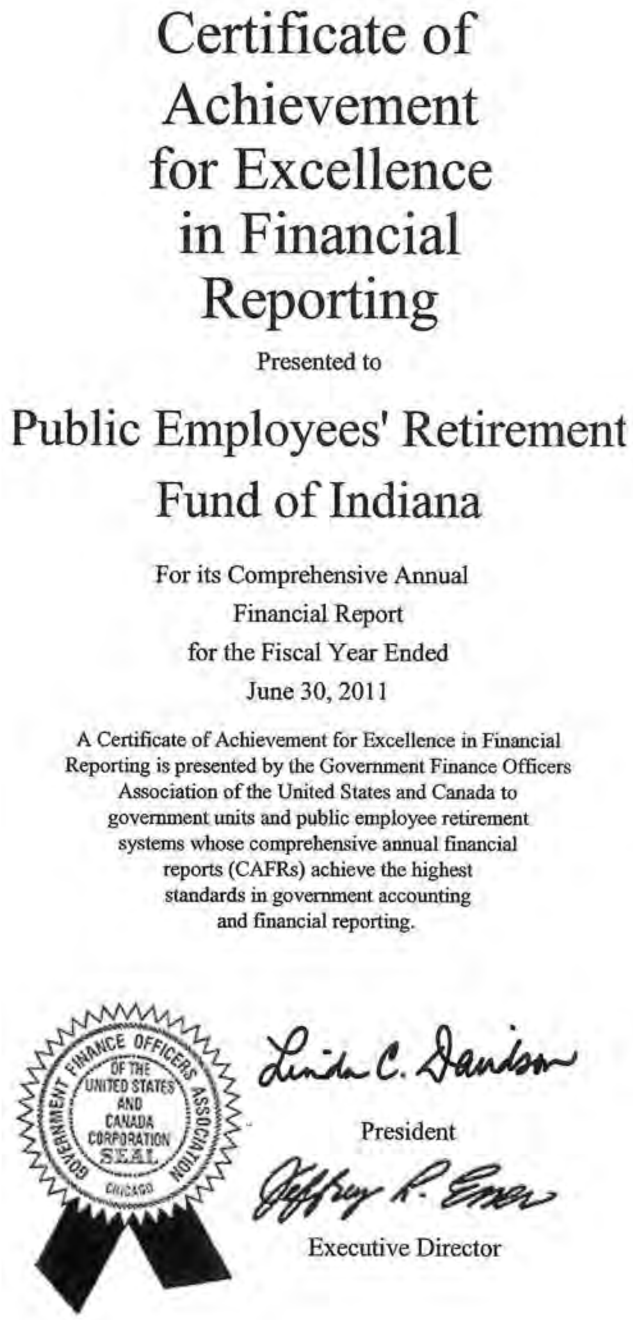
The compilation of this report reflects the combined efforts of INPRS staff and advisors. It is intended to demonstrate the spirit of full disclosure and to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

If, after reviewing this report, you would like more information, please feel free to contact us at questions@inprs.in.gov.

We express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report. The INPRS staff also wishes to express our gratitude to Indiana Governor Mitch Daniels, the Indiana General Assembly, members of the Indiana Pension Management Oversight Commission, and the INPRS Board of Trustees who provided INPRS staff the privilege of serving the needs of our members and employers.

Sincerely,

Steve Russo
Executive Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

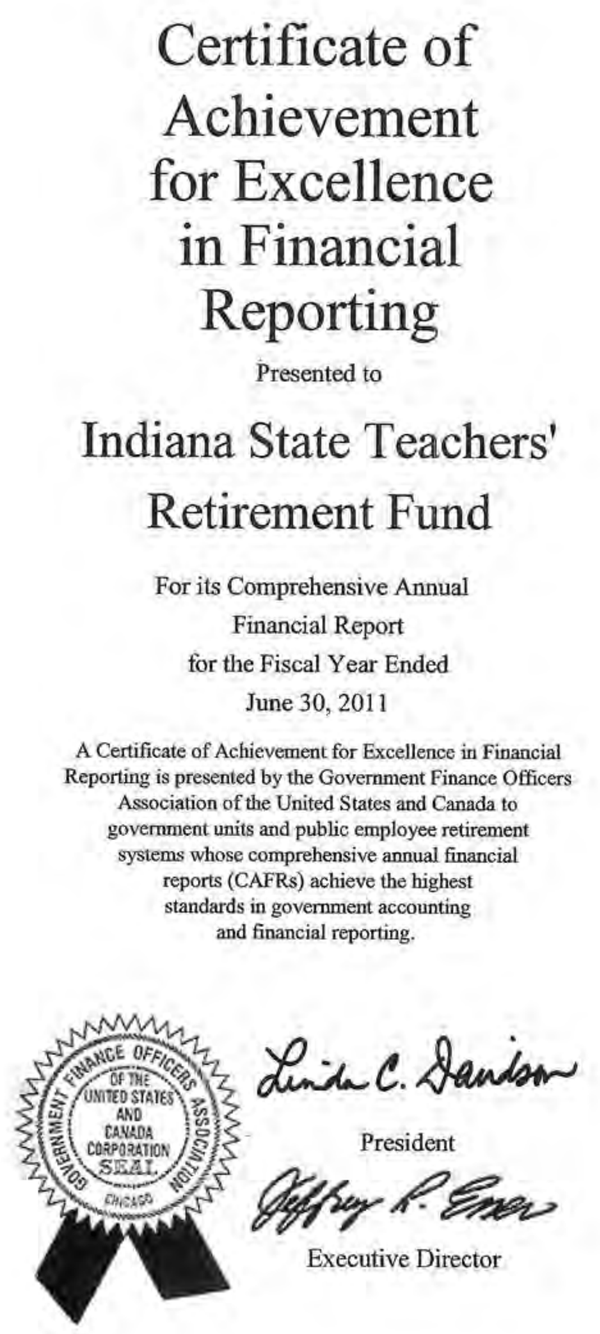
Public Employees' Retirement Fund of Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davidson
President

Jeffrey R. Esser
Executive Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indiana State Teachers' Retirement Fund

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
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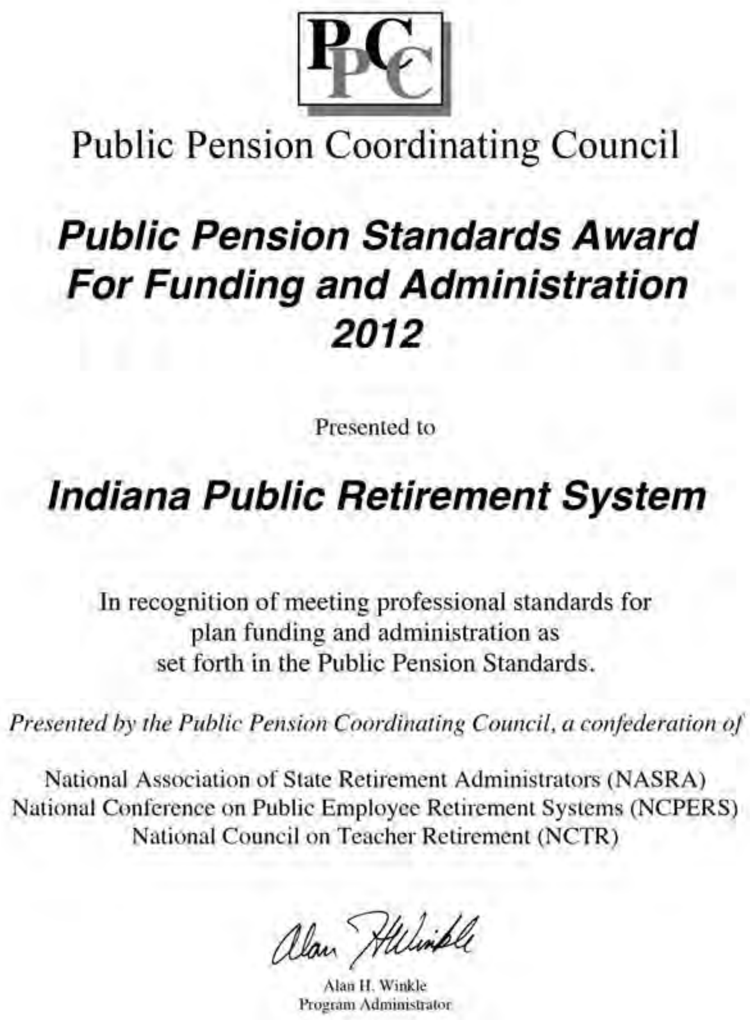

PPCC

Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
2012

Presented to

Indiana Public Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H Winkle

Alan H. Winkle
Program Administrator

Board of Trustees[1]


Brian Abbott


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Randy Brown


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Executive Team[1]


Steve Russo
Executive Director


Steven Barley
Chief Operations Officer and Deputy Director


David Cooper
Chief Investment Officer


Donna Grotz
Director of Strategic Initiatives and Administration


Mike Hineline
Chief Technology Officer


Jeffrey Hutson
Chief Communication Officer


Julia Pogue
Chief Financial Officer


Teresa Snedigar
Director of Internal Audit


Andrea Unzicker
Chief Legal and Compliance Officer

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[1] *As of December 2012.*

Mission Statement:

We advance the achievement of retirement security for current and future retirees and beneficiaries through our delivery of operational and investment excellence, exemplary customer service and trusted stakeholder communication.

Mission Principles:

Stewardship. We prudently invest and manage the assets held in trust for current and future retirees. We rigorously identify, measure and manage risk.

Best in Class Operations. We efficiently deliver accurate, timely retirement benefit payments and related services with attentiveness to high quality customer service.

Trusted Source. We are our stakeholders' trusted source of reliable, comprehensive information about retirement security and the role that Indiana Public Retirement System plays in the delivery of that security.

Collaboration and Shared Purpose. We value professionalism, teamwork and operational excellence to consistently improve the quality and sustainability of our services.

Mitch Daniels
Governor

Becky Skillman
Lt. Governor

Executive Team[1]

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Executive Director

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Chief Operations Officer
and Deputy Director

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Mike Hineline
Chief Technology Officer

Jeffrey Hutson
Chief Communication Officer

Julia Pogue
Chief Financial Officer

Teresa Snedigar
Director of Internal Audit

Andrea Unzicker
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Indianapolis, IN 46250

PricewaterhouseCoopers
101 W. Washington St., Suite 1300
Indianapolis, IN 46204

Strategic Investment Solutions, Inc.
333 Bush Street, Suite 2000
San Francisco, CA 94104

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[1] *As of December 2012.*

[2] *A complete list of investment professionals that have provided services to INPRS can be found at the end of the Investment Section.*

Summary of Key Data as of June 30, 2012

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- E,G,&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LEDB Plan = Legislators' Defined Benefit Plan
- LEDC Plan = Legislators' Defined Contribution Plan

(dollars in millions)

Description	**PERF**	**TRF Pre-1996 Account**	**TRF 1996 Account**	**Total TRF**	**1977 Fund**	**JRS**
Membership						
Number of Employers[2]	1,138			367	162	1
Active Members	145,519	22,688	47,885	70,573	13,390	361
Retirees, Disabilitants and Beneficiaries	72,992	47,000	2,971	49,971	3,208	311
Vested Inactive Members	21,200	3,382	2,985	6,367	122	72
Non-Vested Inactive Members	47,874	794	12,528	13,322	751	28
Total Number of Members	287,585	73,864	66,369	140,233	17,471	772
Financial Information						
Net Assets	$ 12,243.8			$ 9,077.1	$ 3,817.0	$ 262.3
Member Contributions	$ 158.7	$ 51.8	$ 78.1	$ 129.9	$ 40.9	$ 2.4
Member Contribution Rate	3.0%	3.0%	3.0%	3.0%	6.0%	6.0%
Employer Contributions	$ 397.8	$ 734.4	$ 181.1	$ 915.5	$ 135.6	$ 18.9
Employer Contribution Rate	State: 8.6% PSDs[3] 7.9% (July-Dec.) 8.8% (Jan.-June)	Pay-As-You-Go	7.5%		19.5% (July-Dec.) 19.7% (Jan.-June)	General Fund Appropriation
Benefit Payments[4]	$ 669.2	$ 1,179.5	$ 77.4	$ 1,256.9	$ 85.0	$ 16.7
Distributions[5]	$ 69.9	$ 10.2	$ 11.0	$ 21.2	$ 3.1	$ -
Average Annual Benefit[6] ($)	$ 7,901	$ 19,107	$ 18,672	$ 19,081	$ 23,977	$ 54,751
Actuarial Information						
Actuarial Value of Assets (AVA)	$ 12,088.2	$ 4,978.1	$ 3,936.4	$ 8,914.5	$ 3,786.6	$ 260.1
Actuarial Accrued Liabilities (AAL)	$ 15,784.2	$ 16,522.0	$ 4,338.3	$ 20,860.3	$ 4,122.4	$ 437.9
Unfunded AAL	$ 3,696.0	$ 11,543.9	$ 401.9	$ 11,945.8	$ 335.8	$ 177.8
Funded Status (AVA/AAL)	76.6%	30.1%[7]	90.7%	42.7%	91.9%	59.4%

[1] *Includes State Employees' Death Benefit Fund, Public Safety Officers' Special Death Benefit Fund, and Pension Relief Fund.*

[2] *Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.*

[3] *PSDs = Political Subdivisions' Aggregate Rate.*

[4] *Includes all benefit payments to members receiving benefits (i.e., defined benefit payments, COLA, annuity payments, ASA lump sum withdrawals/rollovers, special death benefits).*

[5] *Includes Annuity Savings Account withdrawals/rollovers to non-retired members.*

[6] *For PERF and TRF only, Average Annual Benefit includes member annuities.*

[7] *TRF Pre-1996 Account is pay-as-you-go (i.e., not pre-funded) and the funded status is low by design.*

[8] *Total INPRS, excluding TRF Pre-1996 Account (Pay-As-You-Go).*

Summary of Key Data as of June 30, 2012

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
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- PARF = Prosecuting Attorneys' Retirement Fund
- LEDB Plan = Legislators' Defined Benefit Plan
- LEDC Plan = Legislators' Defined Contribution Plan

(dollars in millions)

Description	**E,G,&C Plan**	**PARF**	**LEDB Plan**	**LEDC Plan**	**Other[1]**	**Total INPRS**
Membership						
Number of Employers[2]	1	1	1	1		1,187
Active Members	468	219	6	167		230,703
Retirees, Disabilitants and Beneficiaries	187	81	63			126,813
Vested Inactive Members	4	84	38			27,887
Non-Vested Inactive Members	61	165	-	47		62,248
Total Number of Members	720	549	107	214		447,651
Financial Information						
Net Assets	$ 76.5	$ 27.7	$ 3.4	$ 25.6	$ 30.7	$ 25,564.1
Member Contributions	$ 1.0	$ 1.3		$ 1.3		$ 335.5
Member Contribution Rate	4.0%	6.0%		5.0%		
Employer Contributions	$ 5.1	$ 1.8	$ 0.1	$ -	$ 131.0	$ 1,605.8
Employer Contribution Rate	20.75%	General Fund Appropriation	General Fund Appropriation	10.0% (July-Dec) 11.6% (Jan.-June)	General Fund Appropriation	
Benefit Payments[4]	$ 4.7	$ 1.8	$ 0.3		$ 0.2	$ 2,034.8
Distributions[5]	$ 0.1	$ 0.1	$ -	$ 1.0		$ 95.4
Average Annual Benefit[6] ($)	$ 23,810	$ 21,853	$ 5,536			
Actuarial Information						
Actuarial Value of Assets (AVA)	$ 76.0	$ 27.5	$ 3.4			$ 25,156.3
Actuarial Accrued Liabilities (AAL)	$ 113.3	$ 56.1	$ 4.5			$ 41,378.7
Unfunded AAL	$ 37.3	$ 28.6	$ 1.1			$ 16,222.4
Funded Status (AVA/AAL)	67.1%	49.0%	75.0%			81.2%[8]

[1] *Includes State Employees' Death Benefit Fund, Public Safety Officers' Special Death Benefit Fund, and Pension Relief Fund.*

[2] *Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.*

[3] *PSDs = Political Subdivisions' Aggregate Rate.*

[4] *Includes all benefit payments to members receiving benefits (i.e., defined benefit payments, COLA, annuity payments, ASA lump sum withdrawals/rollovers, special death benefits).*

[5] *Includes Annuity Savings Account withdrawals/rollovers to non-retired members.*

[6] *For PERF and TRF only, Average Annual Benefit includes member annuities.*

[7] *TRF Pre-1996 Account is pay-as-you-go (i.e., not pre-funded) and the funded status is low by design.*

[8] *Total INPRS, excluding TRF Pre-1996 Account (Pay-As-You-Go).*

Public Employees' Retirement Fund

	Defined Benefit (Pension)	Annuity Savings Account (ASA)
Vesting	**10 years** of PERF and/or TRF-covered service **8 years** for specified elected positions	**Immediate**
Contributions	**Employer pays 100 percent** ■ No member contributions ■ Employer contribution rates are determined annually by the INPRS Board based on recommendations by the INPRS actuary	**Mandatory 3 percent of gross wages paid by:** ■ Employer, or ■ Member, or ■ Shared by member and employer **Voluntary Contributions** ■ Member can elect to contribute additional monies ■ Member's voluntary contributions may be pre- or post-tax if their employer has submitted a resolution to participate and the member elects to do so within the election window
Eligibility for Pension Benefit Payment	■ Age 65 with 10 years of service ■ Age 60 with 15 years of service ■ At age 55 if age and creditable service total at least 85 ("Rule of 85") ■ Early retirement with reduced benefits between ages 50-59 with 15 years of service ■ Age 70 with 20 years of service[1] ■ Special provisions for certain elected officials	**Automatic eligibility for withdrawal once a member separates from service[2]**
Eligibility for Disability Benefit Payment	■ Qualified for Social Security disability benefits and furnished proof of qualification ■ In PERF-covered service at the Social Security disability onset date ■ Minimum of five years of service	**Automatic eligibility for withdrawal if receiving a disability benefit**
Benefit Formula	**Lifetime Annual Benefit** = (Years of Creditable Service x Final Average Annual Salary x .011) + Annuity Savings Account[3]	**Not applicable**
Cost of Living Allowance (COLA)	Allowances are granted by the Indiana General Assembly on an ad hoc basis.	**Not applicable**

[1] *Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed and receive monthly benefits.*

[2] *Certain restrictions may apply if a member is vested in a pension benefit.*

[3] *Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined benefit (pension) or in a total distribution.*

Teachers' Retirement Fund

	Defined Benefit (Pension)	Annuity Savings Account (ASA)
Vesting	**10 years** of TRF and/or PERF-covered service	**Immediate**
Contributions	**Employer pays 100 percent** ■ No member contributions ■ Employer contribution rate is determined annually by the INPRS Board for the 1996 Account based on recommendations by the INPRS actuary ■ Pre-1996 Account is funded by State General Fund appropriations and state lottery proceeds	**Mandatory 3 percent of gross wages paid by:** ■ Employer, or ■ Member, or ■ Shared by member and employer **Voluntary Contributions** ■ Member can elect to contribute additional monies ■ Member's voluntary contributions may be pre- or post-tax if their employer has submitted a resolution to participate and the member elects to do so within the election window
Eligibility for Pension Benefit Payment	■ Age 65 with 10 years of service ■ Age 60 with 15 years of service ■ At age 55 if age and creditable service total at least 85 ("Rule of 85") ■ Early retirement with reduced benefits between ages 50-59 with 15 years of service ■ Age 70 with 20 years of service[1]	**Automatic eligibility for withdrawal once a member separates from service[2]**
Eligibility for Disability Benefit Payment	■ Qualified for Social Security disability benefits and furnished proof of qualification ■ In TRF-covered service at the Social Security disability onset date ■ Minimum of five years of service ■ TRF classroom disability may be available for those who do not qualify for Social Security disability guidelines	**Automatic eligibility for withdrawal if receiving a disability benefit**
Benefit Formula	**Lifetime Annual Benefit** = (Years of Creditable Service x Final Average Annual Salary x .011) + Annuity Savings Account[3]	**Not applicable**
Cost of Living Allowance (COLA)	Allowances are granted by the Indiana General Assembly on an ad hoc basis.	**Not applicable**

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[1] *Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed and receive monthly benefits.*

[2] *Certain restrictions may apply if a member is vested in a pension benefit.*

[3] *Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined benefit (pension) or in a total distribution.*

1977 Police Officers' and Firefighters' Pension and Disability Fund

Vesting	**20 years** of covered service
Contributions	**Employer Contributions** ■ Employer contribution rate is adopted by the INPRS Board of Trustees based on recommendations by the INPRS actuary. **Member Contributions** ■ Member must also contribute 6 percent of first-class salary for the term of the member's employment up to 32 years. ■ Employers have the option of making all or part of this contribution on behalf of the member.
Eligibility for Pension Benefit Payment	■ Age 52 with 20 years of service ■ Deferred Retirement Option Plan (DROP) available to members who are eligible for an unreduced retirement – members continue to work and earn a salary while accumulating a DROP benefit ■ Early retirement with reduced benefits at age 50
Eligibility for Disability Benefit Payment	**Pre-1990 Disability Plan (for members hired prior to Jan. 1, 1990):** If eligible, member receives disability benefits equal to member's full normal retirement benefit at age 52 for member's lifetime, if found to have incurred a disability in the line of duty, or until age 52 if member's disability was not incurred in the line of duty. **1990 Disability Plan (for members hired after Dec. 31, 1989, or those electing coverage under the 1990 Plan):** If eligible, member receives disability benefits based on member's class of impairment. Member's class of impairment determines the base monthly benefit and the degree of impairment determines member's additional monthly benefit.
Benefit Formula	**Annual Benefit** = 50 percent[1] of first-class salary for 20 years of service.
Cost of Living Allowance (COLA)	Cost of living allowance is a percentage determined by statute equal to the change in the Consumer Price Index, but not in excess of a 3 percent increase.

[1] *This percentage is increased by 1 percent for each six months of active service accumulated after 20 years of service (to a maximum of 32 years, or 74 percent).*

Judges' Retirement System

Vesting	**8 years** of covered service
Contributions	**Employer Contributions** ■ Actuarially determined State General Fund appropriations ■ Certain court and docket fees **Member Contributions** ■ A member of either the 1977 or 1985 Judges' Retirement System is required to contribute 6 percent of the member's salary for a maximum period of 22 years. ■ No contributions are due to either retirement system during the time that a member is not employed as a judge or for any period of service as a senior judge.
Eligibility for Pension Benefit Payment	Member will be eligible for normal retirement with full benefits if: ■ Age 65 with at least eight years of service credit ■ At least age 55 and age in years plus years of creditable service is at least 85 ("Rule of 85") ■ Early retirement with reduced benefits at age 62 and at least eight years of service credit
Eligibility for Disability Benefit Payment	Member is considered to be disabled if the INPRS Board has received a written certification of member's disability by two licensed and practicing physicians appointed by the INPRS Board. This certification must state that the member is totally incapacitated from earning a livelihood and the member's condition is likely permanent. The salary that was paid to the member at the time of separation from service, multiplied by a percentage based on years of service will determine the amount of the disability benefit. A participant receiving disability benefits must be re-examined at least once a year. If a participant is no longer disabled, benefits stop as of the date of the physician examination, unless the participant meets the requirements for a retirement benefit.
Benefit Formula	Member is entitled to a monthly benefit payable for life in an amount calculated according to Indiana statutes. The calculation is based on the applicable salary multiplied by a percentage based on years of service. Early retirement benefits are reduced by 0.1 percent for each month that the member's retirement precedes member's 65th birthday. This does not apply to those judges who are separated from service because of permanent disability.
Cost of Living Allowance (COLA)	For participants of the 1977 System and the 1985 System (who apply for a benefit after 12/31/09), the cost of living allowance is a percentage increase equal to the increase in the salary of the participant's position from which the participant retired.

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

Vesting	**15 years** of covered service
Contributions	**Employer:** Employer contribution rate is adopted by the INPRS Board of Trustees based on recommendations by the INPRS actuary. **Member:** Member is required to contribute 4 percent of member's annual salary. The contribution is made through payroll deduction and is deposited in member's account.
Eligibility for Pension Benefit Payment	The mandatory retirement age for participants of this plan is 65. Member is eligible for early retirement if: ■ Age 45 with at least 15 years of creditable service (reduced benefit) ■ At least age 50 with at least 25 years of service (unreduced benefit) ■ At least age 55 and age plus years of service equal 85 (unreduced benefit) ■ Deferred Retirement Option Plan (DROP) – continue to work and earn a salary while accumulating a DROP benefit (unreduced benefit)
Eligibility for Disability Benefit Payment	The Board of Trustees of the Indiana Public Retirement System (INPRS), or its designee, determines the degree of impairment of any officer determined to be disabled; and whether the disability arose in the line of duty (as defined in the statute). **Disability benefits may not be provided for any disability:** ■ Resulting from an intentional self-inflicted injury or attempted suicide. ■ Resulting from the member's commission or attempted commission of a felony. ■ That begins within two years after a member's entry or re-entry into active service on the force and which was caused or contributed to by a mental or physical condition, which existed before the member entered or re-entered active service.
Benefit Formula	A normal retirement benefit is equal to 25 percent of member's average annual salary, increased by 1.67 percent of member's average annual salary for each completed year of creditable service more than 10 years. "Average annual salary" means the average annual salary of an officer during the five years of highest annual salary in the 10 years immediately preceding an officer's retirement date, determined without regard to any pre-tax salary reduction agreement. A reduced benefit is calculated the same as a regular retirement but is reduced by 0.25 percent for each full month that precedes the attainment of member's 60th birthday.
Cost of Living Allowance (COLA)	Cost of living allowance is applied at the same rate as was granted by the Indiana General Assembly for the Public Employees' Retirement Fund.

Prosecuting Attorneys' Retirement Fund

Vesting	**8 years** of covered service
Contributions	**Employer Contributions** ■ Actuarially determined State General Fund appropriations **Member Contributions** ■ A prosecuting attorney or chief deputy prosecuting attorney must contribute 6 percent of the state-paid portion of member's salary. This 6 percent contribution will be withheld by the Auditor of the State. ■ Prosecuting attorneys and chief deputy prosecuting attorneys are also PERF members, and the member's mandatory 3 percent PERF ASA contributions are paid on member's behalf by the state.
Eligibility for Pension Benefit Payment	■ At age 62 with at least eight years of creditable service (reduced benefit) ■ At age 65 with at least eight years of creditable service (unreduced benefit) ■ Member was serving on or began service after July 1, 2006 ■ Member has at least 10 years of creditable service if member ended service before July 1, 2006
Eligibility for Disability Benefit Payment	**A member who becomes disabled while in active service may receive monthly benefits for the duration of member's disability if:** ■ The member has at least five years of creditable service; and ■ The member is qualified for Social Security disability benefits (or has qualified for federal civil service disability benefits and has provided proof of qualification). The member's disability is subject to verification at least once a year until member reaches age 65. **Amount** The annual salary (state portion only) that a member was receiving at the time of separation from service, multiplied by a percentage based on years of service will determine the amount of the member's benefit. Disability benefits paid from the Prosecutors' Fund are reduced by pension benefits paid from PERF.
Benefit Formula	If a member is eligible and applies for a benefit at 65 years of age, the member is eligible for an annual retirement benefit. The highest state portion of an annual salary (state portion only) paid to the participant before separation from service multiplied by a percentage based on years of service will determine the amount of the member's benefit. If a member is not 65 years of age, a member is entitled to receive a reduced annual retirement benefit that equals the benefit that would be payable if the member was age 65 reduced by 0.25 percent for each month that the member's age at retirement precedes the member's 65th birthday.
Cost of Living Allowance (COLA)	No cost of living allowance is provided.

Legislators' Retirement System

	Defined Benefit Plan	Defined Contribution Plan
Vesting	**10 years** of service in the General Assembly[1]	Immediate[2]
Contributions	**Employer Contributions** ■ Actuarially determined State General Fund appropriations **No member contributions**	**Employer Contributions** The state contribution is determined by multiplying the member's salary for that year by a percentage determined by the INPRS Board and confirmed by the State Budget Agency not to exceed the total contribution rate paid that year by the state to INPRS for state members. **Member Contributions** The member must contribute 5 percent of member's salary for service after June 30, 1989.[3]
Eligibility for Pension Benefit Payment	**Normal Retirement with Unreduced Benefits** ■ At least age 65 with 10 years or more of creditable service as a member of the General Assembly (or meet the requirements for disability benefits under this plan); or ■ At least age 60 with at least 15 years of service as a member of the General Assembly; or ■ At least age 55 and years of service plus age equal at least 85. **Early Retirement with a Reduced Pension Benefit** ■ At least age 55 ■ Has terminated service in the General Assembly, ■ Are not receiving, nor are entitled to receive, compensation from the state for work in any capacity and; ■ Has achieved vested status, or 10 years of creditable service.	**Automatic eligibility for withdrawal once member separates from service.**
Eligibility for Disability Benefit Payment	■ Has at least five years of creditable service as a member of the General Assembly, ■ Has qualified for Social Security disability benefits and has furnished a Social Security award letter to the INPRS Board, and ■ Has member's continued disability verified by a board representative at least one time each year until member reaches age 65.	**Not applicable**
Benefit Formula	**Monthly benefit is the lesser of:** ■ \$40 x Years of service before November 8, 1989 or ■ Highest consecutive three-year average annual salary at termination ÷ 12	**Not applicable**
Cost of Living Allowance (COLA)	Cost of living allowance is applied at the same rate as was passed by the Indiana General Assembly for the PERF plan.	No cost of living allowance is provided.

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[1] *This plan applies only to legislators who were members of the General Assembly before or on April 30, 1989, and chose to participate.*

[2] *This plan applies only to legislators who were elected or appointed after April 30, 1989, or who were in service on this date and chose to participate.*

[3] *On July 1 following the date a member participates in the Defined Contribution Plan, the member may elect to transfer the amount in the member's Public Employees' Retirement Fund (PERF) or Teachers' Retirement Fund (TRF) Annuity Savings Account to the Defined Contribution Plan.This amount will then be credited to the member's account.*

Financial Section

INDIANA PUBLIC RETIREMENT SYSTEM
2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE INDIANA PUBLIC RETIREMENT SYSTEM BOARD OF TRUSTEES

We have audited the accompanying financial statements of the Indiana Public Retirement System Board of Trustees, as of and for the year ended June 30, 2012. These financial statements are the responsibility of the Indiana Public Retirement System Board of Trustees' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Indiana Public Retirement System Board of Trustees' internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Indiana Public Retirement System Board of Trustees, as of June 30, 2012, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress, and Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Administrative and Project Expenses, Schedule of Investment Expenses, and Schedule of Contractual and Professional Service Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Administrative and Project Expenses, Schedule of Investment Expenses, and Schedule of Contractual and Professional Service Expenses are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Introductory Section, Investment Section, Actuarial Section, and Statistical Section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

STATE BOARD OF ACCOUNTS

November 13, 2012

This section presents Management's Discussion and Analysis (MD&A) of the Indiana Public Retirement System (INPRS) financial position and performance for the fiscal year ended June 30, 2012. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal included in the Introductory Section of the INPRS Comprehensive Annual Financial Report (CAFR). The MD&A should also be read in conjunction with the Financial Statements, the Notes to the Financial Statements, Required Supplementary Information, and the Other Supplementary Schedules presented in the Financial Section of the CAFR.

Prior to July 1, 2011, the retirement plans for public employees in the State of Indiana were administered by independent instrumentalities governed by separate boards of appointed trustees, including the Public Employees' Retirement Fund and the Indiana State Teachers' Retirement Fund. Legislation adopted in 2010 called for a consolidation of these entities, which began with the appointment of a joint Executive Director in May 2010, and resulted in the creation, effective July 1, 2011, of INPRS.

INPRS is an independent instrumentality of the State of Indiana, administering eight (8) pension trust funds including seven (7) Defined Benefit retirement plans and one (1) Defined Contribution retirement plan, two (2) other employment benefit trust funds, and one (1) investment trust fund. The following retirement plans and non-retirement funds are included in the INPRS financial statements. In this regard, refer to the Notes to the Financial Statements for descriptions of these retirement plans and non-retirement funds.

Defined Benefit Retirement Plans:

1. Public Employees' Retirement Fund (PERF)
2. Indiana State Teachers' Retirement Fund (TRF)
3. 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
4. Judges' Retirement System (JRS)
5. State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (E,G,&C Plan)
6. Prosecuting Attorneys' Retirement Fund (PARF)
7. Legislators' Retirement System – Legislators' Defined Benefit Plan (LEDB Plan)

Defined Contribution Retirement Plan:

1. Legislators' Retirement System – Legislators' Defined Contribution Plan (LEDC Plan)

Other Employment Benefit Trust Funds:

1. State Employees' (SE) Death Benefit Fund
2. Public Safety Officers' (PSO) Special Death Benefit Fund

Investment Trust Fund:

1. Pension Relief Fund (PR Fund)

INPRS is governed by a nine-member Board of Trustees, appointed by the Governor pursuant to the following criteria:

A. One (1) trustee with experience in economics, finance, or investments
B. One (1) trustee with experience in executive management or benefits administration
C. One (1) trustee who is an active or retired member of the 1977 fund
D. Two (2) trustees who are TRF members with at least 10 years of creditable service
E. One (1) trustee who is a PERF member with at least 10 years of creditable service
F. Director of the State Budget Agency, or designee
G. Auditor of State, or nominee
H. Treasurer of State, or nominee

Each retirement plan will continue as a separate plan under the oversight of the INPRS Board of Trustees. INPRS is not a merger of the PERF and TRF retirement plans, and neither the assets nor the liabilities of one retirement plan become the assets or liabilities of the other. Individual funded status for each plan will continue to be calculated separately. The consolidation of retirement plan administration is anticipated to enable greater efficiency, by eliminating duplication of efforts and by pooling assets together for investment purposes.

Financial Highlights

- Total net assets of INPRS were $25,564 million as of June 30, 2012. Net assets of the retirement plans, which are held in trust to meet future benefit payments, were $25,547 million as of June 30, 2012. The remaining $17 million of net assets are held in trust to meet future death benefits and local unit withdrawals from the Pension Relief Fund.
- Total net assets of INPRS decreased by $192 million, or (0.7) percent, during fiscal year 2012. Deductions of $2,409 million were largely offset by contributions of $2,031 million, net investment income of $173 million, and other additions of $13 million.
- INPRS contributions primarily from employers and members increased to $2,031 million during fiscal year 2012, or by $107 million (5.6 percent) from contributions of $1,924 million during fiscal year 2011.
- The INPRS rate of return on the Consolidated Defined Benefit Assets for fiscal year 2012 was 0.7 percent, or $173 million, on a market value basis, compared to a return of 19.9 percent for the Public Employees' Retirement Fund and 18.0 percent for the Indiana State Teachers' Retirement Fund, or $3,943 million, for fiscal year 2011.
- INPRS paid $2,354 million in pension and disability benefits, special death benefits, distributions of contributions and interest, and pension relief distributions during fiscal year 2012. This represented an increase of $99 million, or 4.4 percent, from the $2,255 million paid during fiscal year 2011.
- Net assets of the Pension Relief Fund, which are held in trust for pool participants, were $18.4 million as of June 30, 2012, compared to $52.9 million as of June 30, 2011. PR Fund distributions are mandated by state law. The necessary funds required to pay the PR Fund distributions come primarily from State General Fund appropriations, State cigarette and alcohol taxes, and State lottery proceeds.
- INPRS membership was 447,651 as of June 30, 2012. There were 230,703 active members, 126,813 benefit recipients, 27,887 terminated vested members, and 62,248 terminated non-vested members.

- As of June 30, 2012, the date of the most recent actuarial valuation, the aggregate INPRS (excluding the TRF Pre-1996 Account Pay-As-You-Go plan) funded ratio was 81.2 percent. This represents a decrease of 3.7 percentage points from the 84.9 percent funded ratio as of June 30, 2011. The decrease was primarily due to the reduction in the interest rate / investment return assumption from 7.0 percent to 6.75 percent. In addition, since INPRS smoothes market gains and losses over four years, the decrease is also due to a loss on the Actuarial Value of Assets from smoothing investment losses that occurred in fiscal year 2009, as well as the INPRS rate of return being only 0.7 percent for fiscal year 2012 versus the actuarial-assumed 7.0 percent return.

Overview of the Financial Statements

The MD&A is intended to serve as an introduction and overview of the Financial Section in the INPRS CAFR. The INPRS CAFR Financial Section is comprised of four (4) components: (1) Financial Statements, (2) Notes to the Financial Statements, (3) Required Supplementary Information, and (4) Other Supplementary Schedules. The information available in each of these sections is briefly summarized as follows:

1. Financial Statements

The Statement of Fiduciary Net Position presents information on INPRS assets and liabilities and the resulting net assets held in trust for pension benefits, death benefits and pool participants. This statement reflects INPRS investments, at fair value, along with cash, receivables, and other assets and liabilities at June 30, 2012 and June 30, 2011. This statement indicates the net assets available to pay future pension and death benefits and gives a snapshot at a particular point in time.

The Statement of Changes in Fiduciary Net Position presents information showing how INPRS net assets held in trust for pension benefits, death benefits and pool participants changed during the fiscal years ended June 30, 2012 and June 30, 2011. This statement reflects additions primarily from contributions by employers, members, and State appropriations, lottery proceeds and taxes, as well as net investment income resulting from investing and securities lending activities during the period. This statement also includes deductions for pension, disability and death benefit distributions, PR Fund distributions and withdrawals, administrative and project expenses, and other deductions.

2. Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the financial statements and provide additional detailed information that is essential for a full understanding of the data provided in the INPRS financial statements.

Note 1. – provides a general description of the retirement plans administered by INPRS. Information regarding membership, retirement benefits, and disability and survivor benefits for each of the retirement plans is also provided.

Note 2. – provides a description of the non-retirement funds.

Note 3. – provides a summary of significant accounting policies, including the basis of accounting, investment accounting policies, management's use of estimates, and other significant accounting policies.

Note 4. – provides information about member and employer contributions for each retirement plan.

Note 5. – provides information on deposits and investments.

Note 6. – provides information on derivative financial instruments.

Note 7. – provides information on long-term commitments for alternative investments.

Note 8. – provides information on risk management.

Note 9. -- provides information on contingent liabilities.

Note 10. – provides information on the funded status and actuarial information for each of the defined benefit retirement plans.

Note 11. – provides information on subsequent events to fiscal year end 2012.

Note 12. – summarizes the Required Supplementary Information and Other Supplementary Schedules.

3. Required Supplementary Information

Because of the long-term nature of public defined benefit pension plans, financial statements for the past fiscal year alone cannot provide sufficient information to properly reflect the funding progress of the plans. Therefore, in addition to the basic financial statements, two (2) required schedules of historical trend information related to the defined benefit plans are presented as Required Supplementary Information (RSI) in the INPRS CAFR Financial Section. The two (2) RSI schedules consist of a Schedule of Funding Progress and a Schedule of Contributions from Employers and Other Contributing Entities. These two (2) schedules are based on the actuarial valuations performed by the INPRS actuaries. The actuarial information is based upon assumptions made about future events at the time the valuations were performed; and therefore, the amounts presented are management's estimates. The Actuarial Section of the INPRS CAFR provides additional actuarial-related information.

4. Other Supplementary Schedules

The Other Supplementary Schedules consist of a Schedule of Administrative and Project Expenses, Schedule of Investment Expenses, and Schedule of Contractual and Professional Services Expenses.

Financial Analysis

Statement of Fiduciary Net Position

As shown in the table on the next page, the total net assets for INPRS were $25,564 million as of June 30, 2012, which represents a decrease of $192 million, or (0.7) percent, compared to total net assets of $25,756 million as of June 30, 2011.

Net Position

(dollars in thousands)

	June 30, 2012	June 30, 2011	Increase/ (Decrease)	Percentage Change
Assets				
Cash	$ 28,134	$ 117,339	$ (89,205)	(76.0)%
Securities Lending Collateral	897,731	-	897,731	-
Receivables	1,992,854	1,971,918	20,936	1.1
Investments	26,667,234	26,071,048	596,186	2.3
Capitalized Assets (Net)	10,929	10,435	494	4.7
All Other Assets	97,615	42,300	55,315	130.8
Total Assets	**$ 29,694,497**	**$ 28,213,040**	**$1,481,457**	**5.3 %**
Liabilities				
Investments Payable	$ 3,067,466	$ 2,204,343	$ 863,123	39.2 %
Securities Lending Obligations	897,731	-	897,731	-
All Other Liabilities	165,174	253,024	(87,850)	(34.7)
Total Liabilities	**$ 4,130,371**	**$ 2,457,367**	**$1,673,004**	**68.1 %**
Total Net Assets	**$ 25,564,126**	**$ 25,755,673**	**$ (191,547)**	**(0.7)%**
Investment, Administrative and Project Expenses as a Percentage of Net Assets	0.62%	0.67%	(0.05)%	

Total assets of INPRS were $29,694 million as of June 30, 2012, compared to $28,213 million as of June 30, 2011, which represents an increase in total assets of $1,481 million, or 5.3 percent. The primary reasons for this increase are as follows:

- **Cash** decreased by $89 million, or (76.0) percent, primarily driven by an extra benefit payment ($90 million) during fiscal year 2012 for TRF benefit recipients (13 benefit payments paid during fiscal year 2012 for TRF, resulting from July 1, 2012, being on a weekend and the payment was made on June 29, 2012).
- **Securities Lending Collateral** increased by $898 million, as the program was reinstated with the new custodian, BNY Mellon, after the program was temporarily discontinued late in fiscal year 2011 due to the pending change to a new custodian on July 1, 2011.
- **Receivables** increased by $21 million, or 1.1 percent, primarily due to an increase in the receivable for investments sold driven by timing of transactions at the end of fiscal year 2012.
- **Investments** increased by $596 million, or 2.3 percent, driven primarily by the positive rate of return on investments of 0.7 percent for fiscal year 2012. More significant than the increase in investments is the change in asset classes. Equities decreased by $4,036 million (39 percent), fixed income increased by $2,803 million (32 percent), short-term investments increased by $23 million (1 percent), and other (alternative) investments increased by $1,806 million (41 percent). These changes reflect the overall investment strategy to decrease equity exposure and increase exposure in fixed income and other investments to diversify the investment portfolio. These changes also reflect the decision to invest PERF

Guaranteed Fund assets in short-dated fixed income instruments to better risk match the return offered to participants.

- **Net Capitalized Assets** increased by $0.5 million, or 4.7 percent, due to the capitalization of software costs related to the modernization projects, partially offset by the write-off of tenant improvements related to real estate held as an investment. These improvements are now included as part of the value of the investment.
- **All Other Assets** increased by $55 million, or 130.8 percent, due to an increase in repurchase agreements in fiscal year 2012.

Total liabilities of INPRS were $4,130 million as of June 30, 2012, compared to $2,457 million as of June 30, 2011, which represents an increase in total liabilities of $1,673 million, or 68.1 percent. The primary reasons for the increase are as follows:

- **Investments Payable** increased by $863 million, or 39.2 percent, due to the timing of transactions at the end of fiscal year 2012.
- **Securities Lending Obligations** increased by $898 million as the program was reinstated with the new custodian after the program was temporarily discontinued in late fiscal year 2011 due to the pending change to a new custodian on July 1, 2011.
- **All Other Liabilities** decreased by $88 million, or (34.7) percent, primarily due to a $99 million decrease in TRF retirement benefits payable since the TRF monthly benefit payments for July 2012 were paid in June 2012 due to the payment date of July 1 being on a weekend.

A summary of net assets by fund compared to the prior fiscal year is as follows:

Summary of Net Position by Fund

(dollars in thousands)

	June 30, 2012	June 30, 2011	Increase/ (Decrease)	Percentage Change
PERF	$ 12,243,755	$ 12,461,356	$ (217,601)	(1.7)%
TRF	9,077,059	9,121,738	(44,679)	(0.5)
1977 Fund	3,817,013	3,721,366	95,647	2.6
JRS	262,326	256,986	5,340	2.1
E,G,&C Plan	76,543	75,305	1,238	1.6
PARF	27,689	26,478	1,211	4.6
LEDB Plan	3,385	3,645	(260)	(7.1)
LEDC Plan	25,579	24,755	824	3.3
SE Death Benefit Fund	7,683	7,347	336	4.6
PSO Special Death Benefit Fund	4,683	3,758	925	24.6
PR Fund	18,411	52,939	(34,528)	(65.2)
Total Net Assets	**$ 25,564,126**	**$ 25,755,673**	**$ (191,547)**	**(0.7)%**

Liquidity

The System's defined benefit liquidity needs are met through employer and other contributions, earnings from investments, and the well diversified portfolio of INPRS. On June 30, 2012, INPRS held over $5.3 billion in Money Market Sweep Vehicles and U.S. Government and Agency Securities. INPRS also held over $1.6 billion in highly liquid, Large-Cap Domestic Equities. Because of their characteristics, investments in Non-U.S. Government Bonds, Corporate Bonds, Asset-backed Securities, other Domestic Equities, and International Equities are not considered a primary source of liquidity. Investments in Private Equity, Real Estate, and Alternative Investments are generally considered illiquid.

Statement of Changes in Fiduciary Net Position

As shown in the table below, the total net assets for INPRS decreased by $192 million, or (0.7) percent, for fiscal year 2012, compared to a total net assets increase of $3,574 million as of June 30, 2011. A summary of changes in net position during the fiscal years ended June 30, 2012 and June 30, 2011, is presented below:

Changes in Net Position

(dollars in thousands)

	June 30, 2012	June 30, 2011	Increase/ (Decrease)	Percentage Change
Additions				
Member Contributions	$ 335,548	$ 330,314	$ 5,234	1.6 %
Employer Contributions	1,605,839	1,493,683	112,156	7.5
Other Contributions	89,763	100,456	(10,693)	(10.6)
Net Investment Income	172,801	3,943,198	(3,770,397)	(95.6)
Other Additions	13,125	15,576	(2,451)	(15.7)
Total Additions	**$ 2,217,076**	**$ 5,883,227**	**$ (3,666,151)**	**(62.3)%**
Deductions				
Benefits – Pension, Disability, Death	$ 2,034,849	$ 1,944,624	$ 90,225	4.6 %
Distributions of Contributions and Interest	95,431	91,447	3,984	4.4
Pension Relief Distributions	224,220	219,425	4,795	2.2
Administrative Expenses	31,489	31,824	(335)	(1.1)
Project Expenses	9,359	4,094	5,265	128.6
All Other Deductions	13,275	18,304	(5,029)	(27.5)
Total Deductions	**$ 2,408,623**	**$ 2,309,718**	**$ 98,905**	**4.3 %**
Net Increase / (Decrease) in Net Assets	**$ (191,547)**	**$ 3,573,509**	**$ (3,765,056)**	**(105.4)%**
Changes in Net Assets Held in Trust for:				
Pension Benefits	$ (158,280)	$ 3,618,503	$ (3,776,783)	(104.4)%
Future Death Benefits[1]	1,261	771	490	63.6
Local Units[2]	(34,528)	(45,765)	11,237	24.6

[1] *Other Employee Benefit Trust Funds.*
[2] *Pension Relief Fund only.*

Additions to the net position of INPRS needed to finance retirement benefits are accumulated primarily through contributions and investment income. Total additions for INPRS were $2,217 million for fiscal year 2012, compared to $5,883 million for fiscal year 2011, which represents a decrease in total additions of $3,666 million, or (62.3) percent. The primary reasons for the decrease are as follows:

- Employer Contributions increased by $112 million, or 7.5 percent, primarily due to an increase in PERF employer contributions of $66 million largely driven by an increase in the PERF employer contribution rates due to poor investment returns in fiscal year 2008 and fiscal year 2009. In addition, there was an increase of $42 million in State of Indiana General Fund appropriations mainly due to higher TRF Pre-1996 Account and Pension Relief Fund appropriations.
- Other Contributions decreased by $11 million, or (10.6) percent, primarily due to a decline in lottery proceeds. Fiscal year 2011 included a one-time increase of $10 million in lottery proceeds due to a change in the timing of receipts.
- Net Investment Income declined by $3,770 million, or (95.6) percent, driven by a 0.7 percent return on Consolidated Defined Benefit Assets in fiscal year 2012 compared to a 19.9 percent return for the Public Employees' Retirement Fund and an 18.0 percent return for the Indiana State Teachers' Retirement Fund in fiscal year 2011. The significant difference was primarily due to a difficult and uncertain macro-economic environment, specifically in the first quarter of fiscal year 2012. Weaker than expected GDP, the United States debt downgrade, and renewed fears regarding Europe's fiscal situation all negatively contributed to the performance in fiscal year 2012.
- Other Additions declined by $2 million, or (15.7) percent, due to a decline in interfund transfers which by their nature, can fluctuate significantly from year to year.

Benefit payments, distributions of contributions and interest to members who terminate employment, administrative expenses and project expenses primarily comprise the INPRS expenses, or deductions from net position. Total deductions for INPRS were $2,409 million for fiscal year 2012, compared to $2,310 million for fiscal year 2011, which represents an increase in total deductions of $99 million, or 4.3 percent. The primary reasons for the increase are as follows:

- Pension, Disability and Death Benefits increased by $90 million, or 4.6 percent, due to an increase in the number of retirees.
- Project Expenses increased by $5 million, or 128.6 percent, primarily due to a higher amount of the project expenses for the Employer Reporting and Maintenance modernization program, as well as the development and infrastructure project work for the Indiana Pension Administration System modernization program, being incurred in fiscal year 2012 versus fiscal year 2011.
- All Other Deductions declined by $5 million, or (27.5) percent, due to lower local unit withdrawals and interfund transfers which by their nature, can fluctuate significantly from year to year.

Consolidated Defined Benefit Asset Allocation and Rate of Return on Investments

Effective October 28, 2011, the INPRS Board of Trustees approved the new strategic allocation for the Consolidated Defined Benefit Assets. Substantially all of the investments for the retirement plans administered by INPRS are pooled in the Consolidated Defined Benefit Retirement Assets. The following table presents the INPRS Consolidated Defined Benefit Assets investment allocation as of June 30, 2012, compared to the INPRS current target investment allocation and actual allocation as of June 30, 2011.

Consolidated Defined Benefit Asset Allocation

	June 30, 2012 Actual	June 30, 2012 Target	June 30, 2011 Actual	Allowable Range For Investments[1]
Public Equity	25.2%	22.5%	41.8%	20.0% to 25.0%
Private Equity	13.3	10.0	9.8	7.0% to 13.0%
Fixed Income - Ex Inflation-Linked	25.1	22.0	25.6	19.0% to 25.0%
Fixed Income - Inflation-Linked	10.5	10.0	8.6	7.0% to 13.0%
Commodities	7.9	8.0	3.7	6.0% to 10.0%
Real Estate	4.7	7.5	4.3	4.0% to 11.0%
Absolute Return	6.3	10.0	6.2	6.0% to 14.0%
Risk Parity	7.0	10.0	0.0	5.0% to 15.0%
Total	**100.0%**	**100.0%**	**100.0%**	

[1] *See Notes to the Financial Statements, Note 5. for additional information.*

During fiscal year 2012, INPRS shifted the asset allocation to reflect the overall investment strategy to decrease equity exposure and increase exposure in fixed income, commodities, risk parity, and other investments to diversify the investment portfolio.

The Consolidated Defined Benefit Assets (i.e., INPRS-controlled asset allocation) rate of return on investments was positive 0.7 percent for fiscal year 2012, compared to the 7.0 percent actuarial-assumed long-term rate of return. The following provides a brief summary of the rate of return for each asset class for fiscal year 2012, compared to the respective benchmark for each asset class. The Investment Section provides additional information for the INPRS investments.

- Public Equity, which seeks to provide long-term capital appreciation and income through exposure to public equity securities, had a return on investment of negative (6.1) percent for fiscal year 2012. This return compared 0.8 percentage points favorable to the benchmark of negative (6.9) percent for the MSCI All Country World IMI Index.
- Private Equity, which seeks to provide risk-adjusted returns in excess of the public equity markets while simultaneously decreasing the volatility of the INPRS investment portfolio through diversification, had a return on investment of positive 12.0 percent for fiscal year 2012. This return compared 5.2 percentage points favorable to the benchmark of positive 6.8 percent for the Russell 3000 Index plus 300 basis points.
- Fixed Income – Ex Inflation-Linked, which seeks to generate current income and long-term risk-adjusted returns through investments in debt securities, had a return on investment of positive 6.7 percent for fiscal year 2012. This return was the same as the benchmark of positive 6.7 percent for the Barclays Capital Global Aggregate Index.
- Fixed Income – Inflation-Linked, or Treasury Inflation Protected Securities (TIPS), which seeks to generate long-term risk-adjusted returns through investments in inflation-linked securities and to provide protection against unanticipated inflation, had a return on investment of positive 11.1 percent for fiscal year 2012. This return compared 2.2 percentage points favorable to the benchmark of positive 8.9 percent for the Barclays Capital Global Inflation-Linked Bond Index.

- Commodities, which seek to enhance long-term risk-adjusted returns by preserving investment capital, lowering overall volatility, and providing a hedge against certain types of inflation, had a return on investment of negative (11.7) percent for fiscal year 2012. This return compared 0.8 percentage points favorable to the benchmark of negative (12.5) percent for a 50/50 blend of the Dow Jones UBS Commodity Index and the Goldman Sachs Commodity Index.
- Real Estate, which seeks to generate attractive risk-adjusted returns by providing stable current income, preserving investment capital, and reducing volatility by providing a hedge against unanticipated inflation, had a return on investment of positive 9.0 percent for fiscal year 2012. This return compared (4.6) percentage points unfavorable to the benchmark of positive 13.6 percent for the NCREIF Open End Diversified Core Equity Index.
- Absolute Return, which seeks to enhance the long-term risk-adjusted returns by providing diversification benefits, while preserving capital and reducing volatility, had a return on investment of negative (2.5) percent for fiscal year 2012. This return compared 2.0 percentage points favorable to the benchmark of negative (4.5) percent for the HFRI Fund of Funds Composite Index.
- Risk Parity, which seeks to create risk-balance that is capable of delivering consistent and high risk-adjusted returns in several macro-economic environments, had a return on investment of 1.0 percent since the inception date of March 14, 2012. This return compared 3.1 percentage points favorable to the benchmark of negative (2.1) percent for the blended benchmark of the MSCI ACWI IMI Index (equities – 60 percent) and Barclays Global Aggregate Bond Index (40 percent).

Actuarial Valuations and Funding Progress

The overall objective of a pension fund is to accumulate sufficient funds to meet all expected future obligations to members. A pension fund is fully funded when it has enough money in reserve to meet all expected future obligations to participants. The goal for the defined benefit retirement plans is to make progress toward achieving full funding.

The funded ratios of the defined benefit pension plans administered by INPRS as of the latest actuarial valuations were as follows:

Historical Trends

	June 30, 2012	June 30, 2011
PERF	76.6%	80.5%
TRF 1996 Account	90.7	91.7
1977 Fund	91.9	98.8
JRS	59.4	62.1
E,G,&C Plan	67.1	71.5
PARF	49.0	48.2
LEDB Plan	75.0	78.6
Total INPRS (Excluding TRF Pre-1996 Account[1])	**81.2%**	**84.9%**
TRF Pre-1996 Account[1]	30.1	32.0
Total INPRS (Including TRF Pre-1996 Account[1])	**60.8%**	**63.0%**

[1] *Pay-As-You-Go Plan*

An analysis of the funding progress, employer contributions and a discussion of actuarial assumptions and methods is set forth in Note 10 and in the Required Supplementary Information of the Financial Section. For additional actuarial-related information, refer to the Actuarial Section of the CAFR.

Statement of Fiduciary Net Position

As of June 30, 2012 (with Comparative Totals for the Year Ended June 30, 2011)[1]

	Pension Trust Funds							
(dollars in thousands)	**Public Employees' Retirement Fund**	**Teachers' Retirement Fund**	**1977 Police Officers' and Firefighters' Pension and Disability Fund**	**Judges' Retirement System**	**State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan**	**Prosecuting Attorneys' Retirement Fund**	**Legislators' Defined Benefit Plan**	**Legislators' Defined Contribution Plan**
Assets								
Cash	$ 11,501	$ 11,358	$ 316	$ 106	$ 240	$ 50	$ 1	$ 27
Securities Lending Collateral	427,226	280,014	171,659	11,915	3,459	1,255	154	452
Repurchase Agreements	-	-	-	-	-	-	-	-
Receivables:								
Contributions Receivable	103,268	56,239	41,057	99	239	50	-	12
Miscellaneous Receivables	(410)	408	87	49	-	1	-	1,078
Investments Receivable	-	-	-	-	-	-	-	-
Interest and Dividends	-	-	-	-	-	-	-	-
Due From Other Funds	4,768	2,398	-	-	-	-	-	281
Total Receivables	107,626	59,045	41,144	148	239	51	0	1,371
Investments:								
Short Term Investments	-	-	-	-	-	-	-	-
Fixed Income	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-
Other Investments[2]	12,126,140	9,010,434	3,776,158	262,113	76,090	27,610	3,394	24,185
Total Investments	12,126,140	9,010,434	3,776,158	262,113	76,090	27,610	3,394	24,185
Other Assets	125	-	-	-	-	-	-	-
Gross Capitalized Assets	12,217	2,886	214	8	8	6	1	3
Less: Accumulated Depreciation and Amortization	(3,272)	(1,022)	(107)	(5)	(4)	(3)	(1)	(1)
Net Capitalized Assets	8,945	1,864	107	3	4	3	-	2
Total Assets	**12,681,563**	**9,362,715**	**3,989,384**	**274,285**	**80,032**	**28,969**	**3,549**	**26,037**
Liabilities								
Accounts Payable	4,999	1,066	138	17	12	11	6	1
Retirement Benefits Payable	703	239	16	-	-	-	1	-
Salaries and Benefits Payable	2,116	-	-	-	-	-	-	-
Investments Payable	85	10	1	-	-	-	-	-
Securities Lending Obligations	427,226	280,014	171,659	11,915	3,459	1,255	154	452
Securities Sold Under Agreement to Repurchase	-	-	-	-	-	-	-	-
Due to Other Funds	2,679	4,327	557	27	18	14	3	5
Total Liabilities	**437,808**	**285,656**	**172,371**	**11,959**	**3,489**	**1,280**	**164**	**458**
Net Assets Held in Trust for:								
Pension Benefits	12,243,755	9,077,059	3,817,013	262,326	76,543	27,689	3,385	25,579
Future Death Benefits	-	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-	-
Total Net Assets Held in Trust	**$ 12,243,755**	**$ 9,077,059**	**$ 3,817,013**	**$ 262,326**	**$ 76,543**	**$ 27,689**	**$ 3,385**	**$ 25,579**

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[1] The accompanying notes are an integral part of the financial statements. Please see the Notes to the Financial Statements for further details.

[2] The majority of the systems' investments are in unitized pools, and each fund owns shares of these unitized pools, not specific assets. The Unitized Investment Allocation column reflects the allocation of the unitized investments to each fund on the Other Investments line.

[3] Effective July 1, 2011, the two Indiana pension administrative agencies, Public Employees' Retirement Fund (PERF) and Indiana State Teachers' Retirement Fund (TRF), were merged to become Indiana Public Retirement System (INPRS). Statements of Fiduciary Net Assets as of June 30, 2011 for the two agencies have been combined, and financial statement lines have been restated to be more comparable to INPRS' June 30, 2012 reporting classifications.

Statement of Fiduciary Net Position, continued

As of June 30, 2012 (with Comparative Totals for the Year Ended June 30, 2011)[1]

	Other Employment Benefit Trust Funds		Investment Trust Fund			
(dollars in thousands)	**State Employees' Death Benefit Fund**	**Public Safety Officers' Special Death Benefit Fund**	**Pension Relief Fund**	**Unitized Investment Allocation**[2]	**2012 Totals**	**2011 Totals**[3]
Assets						
Cash	$ -	$ 215	$ 4,315	$ 5	$ 28,134	$ 117,339
Securities Lending Collateral	1,010	587	-	-	897,731	-
Repurchase Agreements	-	-	-	97,490	97,490	42,300
Receivables:						
Contributions Receivable	-	-	-	-	200,964	204,454
Miscellaneous Receivables	-	-	-	-	1,213	1,287
Investments Receivable	-	-	-	1,696,092	1,696,092	1,658,174
Interest and Dividends	-	-	-	86,947	86,947	81,050
Due From Other Funds	-	-	-	191	7,638	26,953
Total Receivables	-	-	-	1,783,230	1,992,854	1,971,918
Investments:						
Short Term Investments	-	-	-	2,494,039	2,494,039	2,471,198
Fixed Income	-	-	-	11,672,834	11,672,834	8,870,077
Equities	-	-	-	6,281,118	6,281,118	10,317,270
Other Investments[2]	7,683	4,468	14,116	(19,113,148)	6,219,243	4,412,503
Total Investments	7,683	4,468	14,116	1,334,843	26,667,234	26,071,048
Other Assets	-	-	-	-	125	-
Gross Capitalized Assets	-	-	2	-	15,345	13,723
Less: Accumulated Depreciation and Amortization	-	-	(1)	-	(4,416)	(3,288)
Net Capitalized Assets	-	-	1	-	10,929	10,435
Total Assets	**8,693**	**5,270**	**18,432**	**3,215,568**	**29,694,497**	**28,213,040**
Liabilities						
Accounts Payable	-	-	13	-	6,263	7,373
Retirement Benefits Payable	-	-	-	-	959	99,795
Salaries and Benefits Payable	-	-	-	-	2,116	1,461
Investments Payable	-	-	-	3,067,370	3,067,466	2,204,343
Securities Lending Obligations	1,010	587	-	-	897,731	-
Securities Sold Under Agreement to Repurchase	-	-	-	148,198	148,198	117,442
Due to Other Funds	-	-	8	-	7,638	26,953
Total Liabilities	**1,010**	**587**	**21**	**3,215,568**	**4,130,371**	**2,457,367**
Net Assets Held in Trust for:						
Pension Benefits	-	-	13,890	-	25,547,239	25,739,801
Future Death Benefits	7,683	4,683	-	-	12,366	11,105
Local Units	-	-	4,521	-	4,521	4,767
Total Net Assets Held in Trust	**$ 7,683**	**$ 4,683**	**$ 18,411**	**$ -**	**$ 25,564,126**	**$ 25,755,673**

[1] The accompanying notes are an integral part of the financial statements. Please see the Notes to the Financial Statements for further details.

[2] The majority of the systems' investments are in unitized pools, and each fund owns shares of these unitized pools, not specific assets. The Unitized Investment Allocation column reflects the allocation of the unitized investments to each fund on the Other Investments line.

[3] Effective July 1, 2011, the two Indiana pension administrative agencies, Public Employees' Retirement Fund (PERF) and Indiana State Teachers' Retirement Fund (TRF), were merged to become Indiana Public Retirement System (INPRS). Statements of Fiduciary Net Assets as of June 30, 2011 for the two agencies have been combined, and financial statement lines have been restated to be more comparable to INPRS' June 30, 2012 reporting classifications.

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2012 (with Comparative Totals for the Year Ended June 30, 2011)[1]

	Pension Trust Funds							
(dollars in thousands)	Public Employees' Retirement Fund	Teachers' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund	Legislators' Defined Benefit Plan	Legislators' Defined Contribution Plan
Additions								
Contributions:								
Member Contributions	$ 158,696	$ 129,962	$ 40,870	$ 2,468	$ 972	$ 1,277	$ -	$ 1,303
Employer Contributions	397,843	915,490	135,605	18,896	5,054	1,839	112	-
Other Contributions	-	30,000	-	-	-	-	-	-
Total Contributions	556,539	1,075,452	176,475	21,364	6,026	3,116	112	1,303
Investment Income:								
Net Appreciation/(Depreciation) Fair Value of Investments	(187,668)	(42,860)	(46,528)	(3,258)	(953)	(352)	(51)	(180)
Other Net Investment Income[2]	12,090	50,842	3,735	259	76	27	6	462
Net Interest and Dividends Income	218,757	176,625	68,266	4,749	1,380	497	64	253
Securities Lending Income	3,665	2,479	1,346	94	27	10	1	4
Total Net Investment Income	46,844	187,086	26,819	1,844	530	182	20	539
Less Direct Investment Expenses:								
Investment Management Fees[2]	(42,863)	(18,096)	(17,169)	(1,196)	(347)	(125)	(16)	(7)
Securities Lending Fees	(184)	(353)	(85)	(6)	(2)	(1)	-	-
Direct Investment Expenses	(7,749)	(2,636)	(815)	(47)	(21)	(14)	(1)	(5)
Net Investment Income/(Loss)	(3,952)	166,001	8,750	595	160	42	3	527
Other Additions:								
Miscellaneous Income	8	-	41	2	-	-	-	49
Interfund Transfers	3,341	9,304	123	257	-	-	-	-
Total Other Additions	3,349	9,304	164	259	-	-	-	49
Total Additions	**555,936**	**1,250,757**	**185,389**	**22,218**	**6,186**	**3,158**	**115**	**1,879**
Deductions								
Pension and Disability Benefits	669,181	1,256,938	84,208	16,727	4,717	1,802	338	-
Special Death Benefits	-	-	738	-	-	-	-	-
Distribution of Contributions and Interest	69,879	21,236	3,101	19	100	63	-	1,033
Pension Relief Distributions	-	-	-	-	-	-	-	-
Local Unit Withdrawals	-	-	-	-	-	-	-	-
Administrative Expenses	18,821	10,931	1,344	119	119	72	35	18
Project Expenses	5,972	3,023	318	13	12	10	2	4
Interfund Transfers	9,684	3,308	33	-	-	-	-	-
Total Deductions	**773,537**	**1,295,436**	**89,742**	**16,878**	**4,948**	**1,947**	**375**	**1,055**
Net Increase/(Decrease)	**(217,601)**	**(44,679)**	**95,647**	**5,340**	**1,238**	**1,211**	**(260)**	**824**
Beginning Net Assets Held in Trust for:								
Pension Benefits	12,461,356	9,121,738	3,721,366	256,986	75,305	26,478	3,645	24,755
Future Death Benefits	-	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-	-
Ending Net Assets Held in Trust	**$ 12,243,755**	**$ 9,077,059**	**$ 3,817,013**	**$ 262,326**	**$ 76,543**	**$ 27,689**	**$ 3,385**	**$ 25,579**

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[1] *The accompanying notes are an integral part of the financial statements. Please see the Notes to the Financial Statements for further details.*

[2] *Private equity investment results are reported to INPRS' investment custodian net of management fees. The Unitized Investment Allocation column reflects INPRS' adjustment to gross up revenue and recognize related management fees as expense.*

[3] *Effective July 1, 2011, the two Indiana pension administrative agencies, Public Employees' Retirement Fund (PERF) and Indiana State Teachers' Retirement Fund (TRF), were merged to become Indiana Public Retirement System (INPRS). Statements of Changes in Fiduciary Net Assets as of June 30, 2011 for the two agencies have been combined, and financial statement lines have been restated to be more comparable to INPRS' June 30, 2012 reporting classifications.*

Statement of Changes in Fiduciary Net Position, continued

For the Year Ended June 30, 2012 (with Comparative Totals for the Year Ended June 30, 2011)[1]

	Other Employment Benefit Trust Funds		Investment Trust Fund			
(dollars in thousands)	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund	Unitized Investment Allocation[2]	2012 Totals	2011 Totals[3]
Additions						
Contributions:						
Member Contributions	$ -	$ -	$ -	$ -	$ 335,548	$ 330,314
Employer Contributions	-	-	131,000	-	1,605,839	1,493,683
Other Contributions	-	716	59,047	-	89,763	100,456
Total Contributions	-	716	190,047	-	2,031,150	1,924,453
Investment Income:						
Net Appreciation/(Depreciation) Fair Value of Investments	160	84	-	-	(281,606)	3,528,633
Other Net Investment Income[2]	-	-	-	26,647	94,144	-
Net Interest and Dividends Income	236	130	82	-	471,039	541,153
Securities Lending Income	2	1	-	-	7,629	14,231
Total Net Investment Income	398	215	82	26,647	291,206	4,084,017
Less Direct Investment Expenses:						
Investment Management Fees[2]	(12)	(6)	-	(26,647)	(106,484)	(123,670)
Securities Lending Fees	-	-	-	-	(631)	(3,398)
Direct Investment Expenses	-	-	(2)	-	(11,290)	(13,751)
Net Investment Income/(Loss)	386	209	80	-	172,801	3,943,198
Other Additions:						
Miscellaneous Income	-	-	-	-	100	169
Interfund Transfers	-	-	-	-	13,025	15,407
Total Other Additions	-	-	-	-	13,125	15,576
Total Additions	**386**	**925**	**190,127**	**-**	**2,217,076**	**5,883,227**
Deductions						
Pension and Disability Benefits	-	-	-	-	2,033,911	1,943,400
Special Death Benefits	50	-	150	-	938	1,224
Distribution of Contributions and Interest	-	-	-	-	95,431	91,447
Pension Relief Distributions	-	-	224,220	-	224,220	219,425
Local Unit Withdrawals	-	-	250	-	250	2,894
Administrative Expenses	-	-	30	-	31,489	31,824
Project Expenses	-	-	5	-	9,359	4,094
Interfund Transfers	-	-	-	-	13,025	15,410
Total Deductions	**50**	**-**	**224,655**	**-**	**2,408,623**	**2,309,718**
Net Increase/(Decrease)	**336**	**925**	**(34,528)**	**-**	**(191,547)**	**3,573,509**
Beginning Net Assets Held in Trust for:						
Pension Benefits	-	-	48,172	-	25,739,801	22,164,175
Future Death Benefits	7,347	3,758	-	-	11,105	10,335
Local Units	-	-	4,767	-	4,767	7,654
Ending Net Assets Held in Trust	**$ 7,683**	**$ 4,683**	**$ 18,411**	**$ -**	**$ 25,564,126**	**$ 25,755,673**

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[1] *The accompanying notes are an integral part of the financial statements. Please see the Notes to the Financial Statements for further details.*

[2] *Private equity investment results are reported to INPRS' investment custodian net of management fees. The Unitized Investment Allocation column reflects INPRS' adjustment to gross up revenue and recognize related management fees as expense.*

[3] *Effective July 1, 2011, the two Indiana pension administrative agencies, Public Employees' Retirement Fund (PERF) and Indiana State Teachers' Retirement Fund (TRF), were merged to become Indiana Public Retirement System (INPRS). Statements of Changes in Fiduciary Net Assets as of June 30, 2011 for the two agencies have been combined, and financial statement lines have been restated to be more comparable to INPRS' June 30, 2012 reporting classifications.*

Note 1. Description of Retirement Plans

(A) Public Employees' Retirement Fund

Plan Description

The Public Employees' Retirement Fund (PERF) is an agent multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to full-time employees of the state of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions means a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation.

PERF was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement.

Membership

PERF acts as a common investment and administrative agent for units of state and local governments in Indiana and covers many officers and employees of municipalities of the state (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by INPRS. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year. Effective July 1, 2008, members who have at least one (1) year of service in both PERF and the TRF have the option of choosing from which of these funds they would like to retire.

As of June 30, 2012, the number of participating political subdivisions was 1,121, and there were also 17 State-related participating employers. As of June 30, 2012, PERF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	72,992
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	21,200
Terminated Non-Vested Members Entitled To a Distribution of ASA Balance	47,874
Active Members: Vested and Non-Vested	145,519
Total	**287,585**
Total Covered Payroll for Active Members *(dollars in thousands)*	**$ 4,904,052**

Retirement Benefits

The PERF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. The employer contribution rate is based on an actuarial valuation and is adopted by the INPRS Board of Trustees in accordance with IC 5-10.2-2-11. The annuity savings account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. A member's contributions and interest credits belong to the member and do not belong to the state or political subdivision.

Investments in the members' annuity savings accounts are individually directed and controlled by plan participants who direct the investment of their account balances among the following eight (8) investment options with varying degrees of risk and return potential.

- Guaranteed Fund – This fund's objective is to provide stability of principal and a competitive interest rate. The interest rate is set by the INPRS Board of Trustees each year and is guaranteed for the fiscal year. Market risk is assumed by the Fund.
- Large Cap Equity Index Fund – This fund's objective is to seek investment growth/capital appreciation through passive investment in the stocks of the 500 largest U.S. companies. Market risk is assumed by the member.
- Small/Mid Cap Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of small- and mid-sized U.S. companies. Market risk is assumed by the member.
- International Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets. Market risk is assumed by the member.
- Fixed Income Fund – This fund's objective is to seek total return, consisting of income and capital appreciation. Market risk is assumed by the member.
- Inflation-Linked Fixed Income Fund – This fund's objective is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation. Market risk is assumed by the member.
- Money Market Fund – This fund's objective is to provide a market rate of return consistent with the preservation of capital through a shorter maturity, high quality portfolio. Market risk is assumed by the member.
- Target Date Funds – The Funds are designed to seek an appropriate amount of total return, commensurate with risk, given the specific time horizon of each Fund. The Target Date Funds provide participants with a one-stop shop for investing. Participants simply choose the Fund most appropriate for them based on the year in which they plan to withdraw their money (usually their retirement year). Once a participant selects the appropriate Fund, the underlying asset allocation automatically adjusts over time. Market risk is assumed by the member.

Members may make changes to their investment directions daily. Investments of the plan are reported at fair market value.

Generally, the pension benefit vests after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position who wait 30 days after termination may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account at any time, but by doing so forfeit his/her creditable service. A member who returns to covered service may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the member's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status are increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis. There was no COLA for the year ended June 30, 2012; however, eligible members did receive a one-time check in September 2011. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before January 1, 2011, and who was entitled to receive a monthly benefit on July 1, 2011.

Disability and Survivor Benefits

PERF also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is $180 per month, or actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

(B) Teachers' Retirement Fund

Plan Description

The Indiana State Teachers' Retirement Fund (TRF) is a cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to public school teachers and administrators, regularly employed licensed teachers at certain state universities and other educational institutions, and certain INPRS employees hired by TRF before July 1, 2011. There are two (2) aspects to the TRF defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the TRF benefit structure is the annuity savings account that supplements the defined benefit at retirement.

TRF was established by the Indiana General Assembly in 1921. In 1955, TRF was designed as a pay-as-you-go defined benefit retirement plan. In 1995, legislation was passed that closed the pay-as-you-go plan (named the TRF Pre-1996 Account) to newly hired members and created a new account (named the TRF 1996 Account) for all members hired after June 30, 1995. TRF is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.4, and IC 5-10.5.

Membership

Membership in TRF is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the state at state institutions, and certain INPRS employees. Additionally, faculty members and professional employees at Ball State University, Vincennes University, and the University of Southern Indiana have the option of selecting membership in the Fund or the alternate University Plan. Membership in TRF is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers prior to their employment with the Board, and teachers employed by special management teams as defined under IC 20-31 et Seq.

As of June 30, 2012, the number of participating employers was 367. As of June 30, 2012, TRF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits		49,971
Terminated Vested Members Entitled To But Not Yet Receiving Benefits		6,367
Terminated Non-Vested Members Entitled To a Distribution of ASA Balance		13,322
Active Members: Vested and Non-Vested		70,573
Total		**140,233**
Total Covered Payroll for Active Members *(dollars in thousands)*	**$**	**4,232,018**

Retirement Benefits

The TRF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. The employer contribution is based on an actuarial valuation and is adopted by the INPRS Board of Trustees in accordance with IC 5-10.2-2-11 and IC 5-10.4-2-4. The annuity savings account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. A member's contributions and interest credits belong to the member.

Investments in the members' annuity savings accounts are individually directed and controlled by plan participants who direct the investment of their account balances among the following seven (7) investment options with varying degrees of risk and return potential.

- Guaranteed Fund – This fund's objective is to provide stability of principal and a competitive interest rate. The interest rate is set by the INPRS Board of Trustees each year and is guaranteed for the fiscal year. Market risk is assumed by the Fund.
- Large Cap Equity Index Fund – This fund's objective is to seek investment growth/capital appreciation through passive investment in the stocks of the 500 largest U.S. companies. Market risk is assumed by the member.
- Small/Mid Cap Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of small- and mid-sized U.S. companies. Market risk is assumed by the member.
- International Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets. Market risk is assumed by the member.
- Fixed Income Fund – This fund's objective is to seek total return, consisting of income and capital appreciation. Market risk is assumed by the member.

- Inflation-Linked Fixed Income Fund – This fund's objective is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation. Market risk is assumed by the member.
- Target Date Funds – The Funds are designed to seek an appropriate amount of total return, commensurate with risk, given the specific time horizon of each Fund. The Target Date Funds provide participants with a one-stop shop for investing. Participants simply choose the Fund most appropriate for them based on the year in which they plan to withdraw their money (usually their retirement year). Once a participant selects the appropriate Fund, the underlying asset allocation automatically adjusts over time. Market risk is assumed by the member.

Members may make changes to their investment directions daily. Investments of the plan are reported at fair market value.

The pension benefit vests after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested TRF members leaving a covered position who wait 30 days after termination may withdraw their annuity savings account and will not forfeit creditable service or a future retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account at any time, but by doing so forfeit his/her creditable service. A member who returns to covered service may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. Generally, the average annual compensation in this calculation is the average annual compensation for the five (5) years of service before retirement in which the member's annual compensation was the highest. For TRF members who take a leave of absence to serve as an elected official, the highest one (1) year of salary is used. In order for a year to be included in the five (5) years, the member must have received for the year credit under IC 5-10.4-4-2 for at least one-half (1/2) year of service. The five (5) years do not have to be continuous. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status are increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an “ad hoc” basis. There was no COLA for the year ended June 30, 2012; however, eligible members did receive a one-time check in September 2011. The amount of the one-time check ranged from $150 to $450, depending upon a member’s years of service, and was for a member who retired or was disabled on or before January 1, 2011, and who was entitled to receive a monthly benefit on July 1, 2011.

Disability and Survivor Benefits

TRF also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers’ compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement.

Members are eligible for a classroom disability benefit once they have earned five (5) years of service, have a temporary or permanent disability that continues for six (6) months or more, and applies for classroom disability benefits within one (1) year of the disability. Classroom disability refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet social security disability guidelines. The eligible members may receive $125 per month plus $5 for each additional year of service credit over five (5) years.

Upon the death in service of a member with 15 or more years of creditable service, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after March 31, 1990, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

(C) 1977 Police Officers’ and Firefighters’ Pension and Disability Fund

Plan Description

The 1977 Police Officers’ and Firefighters’ Pension and Disability Fund (1977 Fund) is a cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to all full-time police officers and firefighters who are hired (or rehired) after April 30, 1977. The 1977 Fund was established in 1977 and is governed by IC 36-8-8 to provide coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town, township or county.

Membership

As of June 30, 2012, the number of participating employers totaled 162 (which includes 257 police and fire departments). As of June 30, 2012, the 1977 Fund membership consisted of:

Retired Members, Beneficiaries and Disabled Members Receiving Benefits	3,208
Terminated Vested Plan Members Entitled To But Not Yet Receiving Benefits	122
Terminated Non-Vested Plan Members Entitled To a Distribution of Contributions	751
Active Members: Vested and Non-Vested	13,390
Total	**17,471**
Total Covered Payroll for Active Members *(dollars in thousands)*	**$ 697,111**

A member is required by statute to contribute six (6) percent of a first class officer's or firefighter's salary for the term of his/her employment up to 32 years. The accumulated value of the member's contribution, including interest, may be withdrawn if the member terminates employment prior to completing 20 years of service. The actuary determines employer contributions, subject to approval by the INPRS Board of Trustees.

Retirement Benefits

A member vests after 20 years of service. If the member retires at or after the age of 52 with 20 years of service, the benefit is equal to 50 percent of the salary of a first class officer, as reported by the employer in the year the 1977 Fund member ended service plus one (1) percent of that salary for each six (6) months of active service over 20 years to a maximum of 12 years. At age 50 and with 20 years of service, a member may elect to receive a reduced benefit by a factor established by the fund's actuary (IC 36-8-8-11).

The monthly pension benefits for members in pay status may be increased annually in accordance with the cost of living adjustment (COLA) statute (IC 36-8-8-15). A member is entitled to an annual increase in the member's benefit equal to the percentage increase in the Consumer Price Index; however, the maximum increase is 3.0 percent. There was a COLA increase of 2.1 percent effective July 1, 2011.

Disability and Survivor Benefits

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made by the local pension board, and reviewed by the INPRS Board of Trustees, as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not. The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive $12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18 or age 23 if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

(D) Judges' Retirement System

Plan Description

The Judges' Retirement System (JRS) is a single-employer defined benefit plan established to provide retirement, disability, and survivor benefits to judges and magistrates. JRS was established in 1953, and is governed through the INPRS Board of Trustees by IC 33-38-6, IC 33-38-7 (judges beginning service before September 1, 1985) and IC 33-38-8 (judges beginning service after August 31, 1985). Coverage is for any person who has served, is serving or shall serve as a regular judge or justice of the (1) Supreme Court of the state of Indiana, (2) Court of Appeals, (3) Indiana Tax Court, (4) Circuit Court of a Judicial Circuit, or (5) county courts including: Superior, Criminal, Probate, Juvenile, Municipal and County.

Membership

The Judges' Retirement System consists of two plans (the 1977 System and the 1985 System). The 1977 System includes all individuals who began service as a judge before September 1, 1985, unless the individual, within twenty days after becoming a judge, filed an irrevocable election not to participate in the 1977 System. The 1985 System covers all individuals who: (1) began service as a judge after August 31, 1985; and (2) are not participants in the 1977 System. Beginning January 1, 2011, full-time magistrates who were serving on July 1,2010, may elect to be members of the 1985 System. The 1985 System is mandatory for all new judges and beginning January 1, 2011, all new full-time magistrates.

As of June 30, 2012, the Judges' Retirement System membership consisted of:

Retired Members, Beneficiaries and Disabled Members Receiving Benefits	311
Terminated Vested Plan Members Entitled To But Not Yet Receiving Benefits	72
Terminated Non-Vested Plan Members Entitled To a Distribution of Contributions	28
Active Members: Vested and Non-Vested	361
Total	**772**
Total Covered Payroll for Active Members *(dollars in thousands)*	**$ 45,138**

Member contributions are established by statute at six (6) percent of total statutory compensation paid by the state of Indiana, deducted from the member's salary and remitted by the Auditor of State. However, no contribution is required and no such amounts shall be paid by the member for more than 22 years of service.

Employer contributions are actuarially determined and approved by the INPRS Board of Trustees and by the Indiana General Assembly as biennial appropriations from the state's General Fund. Indiana Code 33-38-6-17 provides that this appropriation include only funds sufficient to cover the aggregate liability of the fund for benefits to the end of the biennium on an actuarially funded basis. The statute also provides for remittance of docket fees and court fees which are considered employer contributions.

Retirement Benefits

A member vests after eight (8) years of creditable service. Judges who retire at or after age 65 with eight (8) years of creditable service (or are at least 55 years of age and the participant's age in years plus the participant's years of service total 85 or more) are entitled to an annual retirement benefit, payable monthly for life, in an amount calculated in accordance with statute.

The annual retirement benefit for a participant equals the product of the salary that was paid to the participant at the time of separation from service, multiplied by a percentage for years of service as defined in the statute. Applicable salary for participants in the 1985 Judges' System is defined in IC 33-38-8-14(e). The pension benefit for participants of the 1977 Judges' System is based on the salary being paid for the office that the participant held at the time of separation from service [IC 33-38-7-11(d)]. The statute provides for the percentage to be prorated for partial years of service. If the annual retirement benefit of a participant who began service as a judge before July 1, 1977, as computed per IC 33-38-7-11, is less than the benefit the participant would have received under IC 33-38-6 as in effect on June 30, 1977, the participant is entitled to receive the greater amount as the participant's annual retirement benefit.

A reduced amount is paid for early retirements that may be selected upon attainment of age 62. The participant's benefit is reduced by 0.1 percent for each month the member's age on the date the participant begins receiving a retirement benefit precedes the participant's 65th birthday.

The monthly pension benefits of the retired judges that were former participants in the 1977 System receive benefit increases whenever the salary of the position the retiree held at separation from service increases. Before fiscal year 2011, benefits of judges who are members of the 1985 System were tied to the salary of the position at the time the participant separated from service and did not increase if the salary of the position increased after the participant separated from service. Before fiscal year 2011, the General Assembly provided cost of living adjustment (COLA) increases to participants in the 1985 System on an ad hoc basis. Beginning after June 30, 2010, a participant in the 1985 System receives an increase in the monthly benefit of the same percentage by which the salary of the office of the participant held at separation from service increases. The percentage increase to the monthly benefit takes effect at the same time that the salary increase takes effect (IC 33-38-8-25). There was a COLA increase of 1.3 percent effective July 1, 2011, for eligible participants in the 1977 System and 1985 System.

Disability and Survivor Benefits

There is no vesting requirement for permanent disability benefits. For both the 1977 System and the 1985 System, a participant is considered permanently disabled if the INPRS Board of Trustees receives a written certification by at least two (2) licensed and practicing physicians appointed by the INPRS Board of Trustees. A participant receiving disability benefits must be reexamined at least once a year by at least two (2) physicians appointed by the INPRS Board of Trustees.

Surviving spouses or dependent child(ren) are entitled to benefits if the participant had qualified to receive a retirement or disability benefit, or had completed at least eight (8) years of service and was in service as a judge. The minimum survivor benefit is $12,000.

(E) State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

Plan Description

The State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (E,G,&C Plan) is a single-employer defined benefit plan established to provide retirement, disability, and survivor benefits to certain employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer, gaming agent or any gaming control officer who is engaged exclusively in the performance of law enforcement duties. The E,G,&C Plan was established in 1972 and is governed by IC 5-10-5.5.

Membership

As of June 30, 2012, the E,G,&C Plan membership consisted of:

Retired Members, Beneficiaries and Disabled Members Receiving Benefits	187
Terminated Vested Plan Members Entitled To But Not Yet Receiving Benefits	4
Terminated Non-Vested Plan Members Entitled To a Distribution of Contributions	61
Active Members: Vested and Non-Vested	468
Total	**720**
Total Covered Payroll for Active Members *(dollars in thousands)*	**$ 25,752**

Members are required by statute to contribute four (4) percent of the member's annual salary to the E,G,&C Plan. If a member leaves covered employment or dies before 15 years of creditable service, accumulated member contributions, plus interest as credited by the INPRS Board of Trustees, are distributed to the member, or to the designated beneficiary or the member's estate.

Retirement Benefits

Generally, retirement benefits vest after 15 years of creditable service. Officers becoming participants after age 50 are vested after completion of 10 years of service. A participant is entitled to an annual pension benefit, paid in equal monthly installments beginning on the participant's normal retirement date, equal to 25 percent of the participant's average annual salary. A participant who completes more than 10 years of creditable service is entitled to receive an additional amount equal to 1.67 percent of the participant's average annual salary for each completed year of creditable service over 10 years. However, a participant's annual pension benefit may not exceed 75 percent of the participant's average annual salary.

Each participant is required to retire on or before the first day of the month following the participant's 65th birthday. However, a participant who is hired after age 50 must retire upon the earlier of: (1) the first day of the month following the participant's 65th birthday; or (2) the first day of the month following the date the participant completes 15 years of creditable service. A participant, who is at least 55 years of age and the sum of the participant's years of creditable service and age in years equals at least 85, may retire and become eligible for full retirement benefits. In addition, a participant may elect full retirement benefits at age 50 with 25 years of service. A reduced benefit is provided for early retirements that are elected upon attainment of age 45 with at least 15 years of creditable service. The monthly benefit is reduced by 0.25 percent for each full month by which the participant's early retirement date precedes the participant's 60th birthday.

Any participant who terminates service before accumulating 15 years of creditable service may become a member of the Public Employees' Retirement Fund (PERF). Upon payment of contributions and interest required by the INPRS Board of Trustees, the withdrawing participant shall be entitled to transfer creditable service to PERF.

The monthly pension benefits for members in pay status are increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis. There was no COLA for the year ended June 30, 2012; however, eligible members did receive up to two (2) one-time checks in September 2011. The amount of the first one-time check ranged from $125 to $400, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2009, and who was entitled to receive a monthly benefit on July 1, 2010. The amount of the second one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before January 1, 2011, and who was entitled to receive a monthly benefit on July 1, 2011.

Disability and Survivor Benefits

A participant who becomes permanently or temporarily disabled from performing all suitable and available work "on the force" for which the participant is or may be capable of becoming qualified, considering reasonable accommodation to the extent required by the Americans and Disability Act, is entitled to receive a disability benefit. The amount of the disability benefit paid to a participant depends on whether the disability arose in the line of duty, the degree of impairment as determined by INPRS Board of Trustees' medical authority, and the participant's monthly salary. A participant is entitled to receive creditable service for the time the participant receives disability benefits under a state disability plan established under IC 5-10-8-7.

If a participant has more than 15 years of creditable service at the time of death, survivor benefits are payable to the surviving spouse, parents, or dependent children, as nominated by the participant's written direction, acknowledged, and filed with the INPRS Board of Trustees. The surviving spouse or the parent(s) is entitled to an annual survivor's allowance for life equal to 50 percent of the amount the participant would have been entitled to if he/she had retired on the date of death. If nominated and eligible, surviving unmarried minor child(ren) are entitled to an annual survivor's allowance equal to 50 percent of the amount the participant would have been entitled to if he/she had retired, divided equally between or among all nominated and eligible children. This benefit will continue until the child reaches 18 years of age or marries, whichever occurs first.

(F) Prosecuting Attorneys' Retirement Fund

Plan Description

The Prosecuting Attorneys' Retirement Fund (PARF) is a single-employer defined benefit plan established to provide retirement, disability, and survivor benefits to prosecuting attorneys. PARF was established in 1989 and is governed through the INPRS Board of Trustees by IC 33-39-7. Coverage is for individuals who: (1) serve as a prosecuting attorney or a chief deputy prosecuting attorney; or (2) serve as the executive director or assistant executive director of the Indiana Prosecuting Attorneys Council or as a state-paid deputy prosecuting attorney. These individuals' salaries are paid from the General Fund of the state of Indiana.

Membership

As of June 30, 2012, the PARF membership consisted of:

Retired Members, Beneficiaries and Disabled Members Receiving Benefits	81
Terminated Vested Plan Members Entitled To But Not Yet Receiving Benefits	84
Terminated Non-Vested Plan Members Entitled To a Distribution of Contributions	165
Active Members: Vested and Non-Vested	219
Total	**549**
Total Covered Payroll for Active Members *(dollars in thousands)*	**$ 21,705**

Members contribute six (6) percent of their salary to PARF. Members receive annual interest earnings on June 30 at a rate specified by the INPRS Board of Trustees on all amounts credited to the member as of June 30 of the preceding year in accordance with IC 33-39-7-14.

Retirement Benefits

A participant is entitled to a retirement benefit if the participant: (1) is at least age 62; (2) has at least eight (8) years of service credit; and (3) is not receiving salary for services currently performed. A member whose service ended prior to July 1, 2006 must have at least ten (10) years of service.

The retirement benefit of a participant who is at least age 65 is calculated by multiplying: (1) the highest annual salary paid to the participant before the participant's separation from service; by (2) a percentage based on the participant's years of service. The percentages range from 24 percent for eight (8) years of service to 60 percent for 22 or more years of service. If a participant is at least 62 years of age with at least eight (8) years of creditable service, a participant is entitled to receive a reduced annual retirement benefit that equals the benefit, as calculated above, reduced by 0.25 percent per month for each month the participant retires prior to age 65.

In addition, a PARF participant is a member of PERF. A PARF participant's retirement benefit is reduced by the amount of the employer-financed pension benefit that would be payable to the participant had the participant retired from PERF on the date of the participant's retirement from the fund. However, the benefits payable to a participant from the fund are not reduced by any payments made to the participant from the participant's

PERF annuity savings account. The state of Indiana has elected to pay the 3 percent employee contribution for the member's annuity savings account in the PERF plan.

Disability and Survivor Benefits

PARF also provides disability and survivor benefits. A participant who has at least five (5) years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the participant has qualified for social security disability benefits and has furnished proof of the qualification. The amount of the annual benefit payable to a participant for disability benefits is equal to the product of the annual salary that was paid to the participant at the time of separation from service multiplied by a percentage based on the participant's years of service. The percentages range from 40 percent for five (5) to 10 years of service to 50 percent for 20 or more years of service. These benefits are reduced by any benefits payable to the participant from PERF.

The surviving spouse of a participant is entitled to a benefit if, on the date of the participant's death, the participant: (1) was receiving benefits; (2) has completed at least eight (8) years of service and was in service as a prosecuting attorney or chief deputy prosecuting attorney, executive director or assistant executive director of the Indiana Prosecuting Attorneys Council, or as a state-paid deputy prosecuting attorney; or (3) had met the requirements for a disability benefit.

Regardless of the participant's age at death, the surviving spouse's benefit is equal to the greater of: (1) $7,000 annually; or (2) 50 percent of the amount of retirement benefit the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement benefits on the date of death; reduced, if necessary, because the participant was not yet 65 and by the amounts, if any, payable to the surviving spouse from PERF as a result of the participant's death. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

(G) Legislators' Retirement System

Plan Description

The Legislators' Retirement System was established in 1989 by IC 2-3.5. The retirement system is for certain members of the General Assembly of the state of Indiana as specified by the provisions of the statute.

The Legislators' Retirement System is comprised of two (2) separate and distinct plans. The Legislators' Defined Benefit Plan (LEDB Plan) (IC 2-3.5-4), a single-employer defined benefit plan, applies to members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (LEDC Plan) (IC 2-3.5-5) applies to: (1) members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b); (2) members of the General Assembly who are first elected or appointed after April 30, 1989; and (3) members of the General Assembly who: (a) served before April 30, 1989; (b) were not serving on April 30, 1989; and (c) are subsequently reelected or reappointed to the General Assembly.

Membership

As of June 30, 2012, the Legislators' Retirement System membership consisted of:

	Defined Benefit Plan	Defined Contribution Plan
Retired Members, Beneficiaries and Disabled Members Receiving Benefits	63	-
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	38	-
Terminated Non-Vested Plan Members Entitled To a Distribution	-	47
Active Members: Vested and Non-Vested	6	167
Total	**107**	**214**

Legislators' Defined Benefit Plan

The amount required to actuarially fund participants' retirement benefits, as determined by the INPRS Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund annually in equal installments in the month of July of each year of the biennium budget.

The LEDB Plan provides retirement, disability and survivor benefits. The LEDB Plan is closed to new entrants, as members of the General Assembly who began service after April 30, 1989, are not members of this plan.

A participant is entitled to an unreduced monthly retirement benefit if the participant is: (1) at least age 65 and has at least 10 years of service as a member of the General Assembly; (2) at least age 55 and whose years of service as a member of the General Assembly plus years of age equal at least 85; or (3) at least age 60 and has at least 15 years of service as a member of the General Assembly. To qualify for a monthly retirement benefit, the member: (1) must have terminated service as a member of the General Assembly; (2) has at least 10 years of service as a member of the General Assembly; and (3) is not receiving and is not entitled to receive a salary from the state.

The monthly retirement benefit is equal to the lesser of: (1) $40 multiplied by the number of years of service in the General Assembly completed before November 8, 1989, or (2) the highest consecutive three-year average annual salary of the participant under IC 2-3-1-1 at the date the participant's service as a member of the General Assembly is terminated, divided by 12.

A participant who has reached at least age 55, has terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly, and is not receiving, nor is entitled to receive, a salary from the state of Indiana is eligible for early retirement with a reduced benefit. The reduction in the benefit is equal to: (1) 0.1 percent a month between ages 60 and 65; and (2) 5/12 percent a month between ages 55 and 60.

The monthly pension benefits for members in pay status are increased periodically as cost of living adjustments (COLA). COLA increases for the LEDB Plan are equal to the increase for the PERF Plan in accordance with IC 2-3.5-4-13 on an ad hoc basis and are generally based on date of retirement, and other eligibility factors. There was no COLA for the year ended June 30, 2012.

The LEDB Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the member has qualified for social security disability and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. If a participant dies while receiving retirement benefits, or had completed at least 10 years of service as a member of the General Assembly, or was permanently disabled and receiving disability benefits from the system, the surviving spouse is entitled to receive survivor benefits. The benefits are for life and are equal to 50 percent of the amount of retirement benefits that the participant was receiving at the time of death or that the participant would have been entitled to receive at 55 years of age, or at the date of death, whichever is later. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

Legislators’ Defined Contribution Plan

Each participant in the LEDC Plan shall make employee contributions of five (5) percent of salary received for services rendered after June 30, 1989. The employer contribution prior to January 1, 2009, was equal to 20 percent of the annual salary received by each participant for services rendered after June 30, 1989, and was appropriated from the state of Indiana General Fund. Effective January 1, 2009, the employer contribution rate is established each year by the INPRS Board of Trustees and is confirmed by the State Budget Agency. This rate, by statute, cannot exceed the total contribution rate paid that year by the state to PERF for state employees. That state contribution rate is the sum of: (1) the state’s employer contribution rate for state employees, and (2) the rate the state pays on behalf of state employees to their annuity savings accounts (3.0 percent).

Investments in the members’ accounts are individually directed and controlled by plan participants who direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are nine (9) investment options available to LEDC Plan members: Defined Benefit Unitized Assets, Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily. Investments of the plan are reported at fair value.

A participant of the LEDC Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LEDC Plan. The amount available for withdrawal is the fair market value of the participant’s account on the payment date. Account balances are fully vested to the participants. The withdrawn amount can be paid in a lump sum, a partial lump sum, a monthly annuity as purchased by the INPRS Board of Trustees, or a series of monthly installment payments over 60, 120, or 180 months as elected by the participant.

If a participant dies while a member of the General Assembly or after terminating service as a member, but prior to withdrawing from the LEDC Plan, the participant’s account is to be paid to the beneficiary(ies) or to the survivor(s) if there is no properly designated beneficiary, or if no beneficiary survives the participant. The amount to be paid is the fair market value of the participant's account (employer and employee contributions) on the payment date.

A member of the LEDB Plan, under certain circumstances, may also be a member of the LEDC Plan.

Note 2. Description of Non-Retirement Funds

(A) State Employees' Death Benefit Fund

Indiana Code 5-10-11 established the State Employees' Death Benefit program. Under the program, a death benefit of $50,000 is to be paid in a lump sum to the surviving spouse, or if there is no surviving spouse, to the surviving child(ren) (to be shared equally) of a state of Indiana employee who dies in the line of duty as defined in the statute.

The law provides that "the state may provide these benefits by purchasing group life insurance or by establishing a program of self-insurance." It was determined that a program of self-insurance would be established, and effective with the state's pay period ended October 23, 1993, the state assessed state agencies 0.1 percent of gross pay to fund this program. Due to the size of the fund and the infrequency of payments, collection of the assessment ceased in November 1999.

(B) Public Safety Officers' Special Death Benefit Fund

Indiana Code 5-10-10 established the Special Death Benefit Fund. The fund was established for the purpose of paying a lump sum death benefit of $150,000 to the surviving spouse or child(ren) of a public safety officer (as defined by IC 5-10-10-4) or other eligible officers (as defined by IC 5-10-10-4.5) who die in the line of duty. If there is no surviving spouse or child(ren), the benefit is paid to the parent(s) in equal shares. The fund consists of bail bond fees remitted under IC 35-33-8-3.2, payments under IC 5-10-10-4.5, and investment earnings of the fund.

(C) Pension Relief Fund

The Pension Relief Fund (PR Fund) was created by the Indiana General Assembly in 1977 (IC 5-10.3-11). The purpose of the PR Fund is to give financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.

Funding for the PR Fund is derived from contributions from the state of Indiana from a portion of cigarette and alcohol taxes, a portion of the state's lottery proceeds, interest earned by the Public Deposit Insurance Fund, investment income earned, and appropriations from the General Assembly.

Distributions are made from the PR Fund to units of local government in two equal installments before July 1 and before October 2 of each year. Effective January 1, 2009, the distribution is determined by an estimate of the total amount of pension, disability and survivors benefits from the 1925 Police Pension Fund (IC 36-8-6), the 1937 Firefighters' Pension Fund (IC 36-8-7), and the 1953 Police Pension Fund (IC 36-8-7.5). The estimate is prepared by the actuary on a city-by-city basis, and on a departmental basis.

As defined by IC 36-8-8-20, the PR Fund also pays a lump sum line of duty death benefit of $150,000. As defined by IC 36-8-8-14.1, the benefit is paid to the following relative(s) of a fund member who dies in the line of duty: (1) to the surviving spouse; (2) if there is no surviving spouse, to the surviving child(ren) (to be shared equally); (3) if there is no surviving spouse or child(ren), to the parent(s) in equal shares.

In accordance with IC 5-10.3-11-6, separate accounts are maintained by INPRS for each unit of local government for amounts that have not been distributed to the local units. These amounts remain invested in the fund and are available to the units of local government at their request. As of June 30, 2012, units of local government had investments with a market value of approximately $4.5 million on deposit in the PR Fund.

Note 3. Summary of Significant Accounting Policies

(A) Reporting Entity

Established July 1, 2011, the Indiana Public Retirement System and the governing board of trustees merged the administration of the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF). INPRS is an independent body corporate and politic and is not a department or agency of the state, but is an independent instrumentality exercising essential government functions (Public Law 23-2011). For these reasons, INPRS is considered a component unit of the state of Indiana for financial statement reporting purposes.

The financial statements presented in this report represent only those funds for which the INPRS Board of Trustees has responsibility and are not intended to present the financial position or results of operations of the state of Indiana or all of the retirement and benefit plans administered by the state.

The following funds are included in the financial statements:

- Public Employees' Retirement Fund (PERF);
- Teachers' Retirement Fund (TRF);
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund);
- Judges' Retirement System (JRS);
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (E,G,&C Plan);
- Prosecuting Attorneys' Retirement Fund (PARF);
- Legislators' Defined Benefit Plan (LEDB Plan);
- Legislators' Defined Contribution Plan (LEDC Plan);
- State Employees' Death Benefit Fund;
- Public Safety Officers' Special Death Benefit Fund; and
- Pension Relief Fund (PR Fund).

See Notes 1 and 2 for descriptions of these funds.

(B) Basis of Accounting

The financial statements of INPRS have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations.

The INPRS Board of Trustees administers eight (8) pension trust funds [seven (7) Defined Benefit plans and one (1) Defined Contribution plan], two (2) death benefit funds accounted for as other employee benefit trust funds, and an investment trust fund. These fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

(C) Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, the Board makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

(D) Reclassifications

Certain reclassifications have been made within the fiscal year 2011 financial statements to conform with the classifications for fiscal year 2012. All such changes had no impact on fiscal year 2011 or fiscal year 2012 total net position.

(E) Contributions Receivable

Contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Employers are not required to submit contributions until the month following the end of the quarter. The estimates for contributions receivable at year end for each of the retirement funds were calculated utilizing that fund’s contributions from the prior quarter, timing of June 2012 contributions received, or a combination of the two.

(F) Deposit and Investment Policies and Provisions

Oversight of INPRS’ assets is the responsibility of the INPRS Board of Trustees. Indiana law requires the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control. The INPRS Board of Trustees is required to diversify investments in accordance with the prudent investor standards.

At June 30, 2012, cash and investments of the funds were held by banks or trust companies under custodial agreements with INPRS. The INPRS Board of Trustees contracts with investment counsel, trust companies or banks to assist INPRS in its investment program. The Investment Policy Statement adopted by the INPRS

Board of Trustees and the asset allocation approved by the Board of Trustees contains target allocations and allowable ranges that are expected to meet target rates of return over a long period of time while minimizing risk. See Note 5 for more information.

Investment purchases and sales of securities are recorded as of their trade date. A summary of investments held is as follows:

(dollars in thousands)

Investment Type	6/30/2012 Fair Value	% of Total Investments
Short Term Investments (1)		
Cash at Brokers	$ 323,859	1.2%
Money Market Sweep Vehicle	1,749,484	6.6
Commercial Paper	3,000	0.0
U.S. Treasury Obligations	413,976	1.6
Non-U.S. Governments	3,720	0.0
Total Short Term Investments	**2,494,039**	**9.4**
Fixed Income Investments		
U.S. Governments	3,497,061	13.1
Non-U.S. Governments	723,737	2.7
U.S. Agencies	1,592,872	6.0
Corporate Bonds	4,641,859	17.3
Asset-Backed Securities	1,217,305	4.6
Total Fixed Income Investments	**11,672,834**	**43.7**
Equity Investments		
Domestic Equities	3,907,881	14.7
International Equities	2,373,237	8.9
Total Equity Investments	**6,281,118**	**23.6**
Other Investments		
Private Equity	2,655,913	10.0
Absolute Return	1,221,243	4.6
Private Real Estate	964,900	3.6
Risk Parity	1,371,013	5.1
Derivatives	6,174	0.0
Total Other Investments	6,219,243	23.3
Total Investments	**$ 26,667,234**	**100.0%**

(1) Short Term Investments include highly liquid assets that are an integral part of the pension investments.

(G) Method Used to Value Investments

Plan Investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The market values for securities that have no quoted market price represent estimated fair value. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Many factors are considered in arriving at that value. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at June 30. Asset-backed securities have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investment securities is based on appraisals plus fiscal year-to-date capital expenditures. Publicly traded alternative investments are valued based on quoted market prices. In the absence of readily determinable public market values, alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Such valuations generally reflect discount for liquidity and considers variables such as financial performance of investments, discounted cash flow analysis, recent sales prices of comparable investments, and other pertinent information.

(H) Investment Unit Trust Accounting

Unit trust accounting involves assigning units to each fund based on the share of the fund's investment fair value to the total fair value of the consolidated investments. The per-unit value of all participating funds will increase or (decrease) based on investment earnings or (losses) and appreciation or (depreciation). Deposits and withdrawals for each fund change the number of units held by each fund. These changes are recorded at the unit value on the transaction date. Investment earnings or losses and fees for the total consolidated fund are allocated to each of the pension funds on a daily basis using the pro rata fair value share.

In accordance with GASB criteria for internal investment pools, the assets and liabilities are allocated pro rata to each of the retirement funds within the pool. This includes securities lending collateral, repurchase agreements, investment receivables, interest and dividend receivables, investment payables, securities lending obligations, securities sold under agreement to repurchase and the investment holdings. The assets and liabilities are recorded in the Statement of Fiduciary Net Position in the Unitized Investment Allocation column and each fund's unit value is recorded on the Other Investments line.

Prior to the merger of PERF and TRF, only the PERF defined benefit assets were unitized. Effective January 1, 2012, the INPRS Board of Trustees approved unitizing certain investment assets in order to provide for a consolidated rate of return and to invest in a diversified manner.

The INPRS Board of Trustees unitized, into a consolidated pool, the defined benefit assets of the following retirement funds and pension systems known collectively as the Consolidated Defined Benefit Assets:

- State Teachers' Retirement Fund (TRF)
- Public Employees' Retirement Fund (PERF)
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
- Judges' Retirement Fund (JRS)
- Legislators' Defined Benefit Plan (LEDB)
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Fund (E,G&C Plan)
- Prosecuting Attorneys' Retirement Fund (PARF)

The INPRS Board of Trustees also unitized into a separate consolidated pool the assets comprising the PERF Guaranteed Fund and the TRF Guaranteed Fund, also known as the Guaranteed Fund Assets.
In addition, the State Employees' Death Benefit Fund and the Public Safety Officers' Special Death Benefit Fund were consolidated into a pool effective September 2011.

A summary of investments held by unitized value and fund is as follows:

(dollars in thousands)

Trust Fund	Consolidated Defined Benefit Assets	ASA Guaranteed Fund Assets	All Other ASA/ Defined Contribution Assets (1)	Death Benefit Funds	Pension Relief Fund	Total INPRS Unitized Investments
Public Employees' Retirement Fund	$ 9,398,222	$ 2,095,235	$ 632,683	$ -	$ -	$12,126,140
Teachers' Retirement Fund	6,159,725	1,851,305	999,404	-	-	9,010,434
1977 Police Officers' and Firefighters' Pension and Disability Fund	3,776,158	-	-	-	-	3,776,158
Judges' Retirement System	262,113	-	-	-	-	262,113
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	76,090	-	-	-	-	76,090
Prosecuting Attorneys' Retirement Plan	27,610	-	-	-	-	27,610
Legislators' Defined Benefit Plan	3,394	-	-	-	-	3,394
Legislators' Defined Contribution Plan	9,949	-	14,236	-	-	24,185
State Employees' Death Benefit Fund	-	-	-	7,683	-	7,683
Public Safety Officers' Special Death Benefit Fund	-	-	-	4,468	-	4,468
Pension Relief Fund	-	-	-	-	14,116	14,116
Total INPRS Unitized Investments	**$ 19,713,261**	**$ 3,946,540**	**$ 1,646,323**	**$12,151**	**$ 14,116**	**$25,332,391**

(1) All other ASA/defined contributions consist of PERF and TRF ASA assets which are not invested into the Guaranteed Fund plus other Legislators' defined contributions that are not invested into the Consolidated Defined Benefit Assets.

(I) Investments Receivable and Investments Payable

Investments receivable and investments payable consist primarily of receivables or payables for securities purchased or sold, but not settled as of June 30, 2012.

(J) Capitalized Assets

Capital assets, fixed and intangible, are capitalized at historical cost when total cost is $20,000 or more. The cost of items like normal maintenance, repairs, and software license agreements that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation and amortization are calculated using straight-line method over the estimated useful life of assets exceeding one (1) year life; depreciation and amortization expenses are recognized in administrative expenses.

The following are net capitalized asset values as of June 30, 2012:

(dollars in thousands)

Capitalized Assets	Gross Cost	Accumulated Depreciation Amortization	Net Capitalized Assets
Land	$ 547	$ -	$ 547
Building	2,893	(1,143)	1,750
Equipment	87	(87)	-
Software	11,662	(3,163)	8,499
Leasehold Improvements	156	(23)	133
Total	**$ 15,345**	**$ (4,416)**	**$ 10,929**

INPRS owns and occupies the land and building at 143 W. Market Street, Indianapolis, IN. The building is being depreciated over 20 years.

All capitalized equipment is currently fully depreciated. No new equipment was capitalized during the current fiscal year.

INPRS is in the process of implementing new computer systems. Amortization is computed over five (5) years when assets are placed in service. Costs for purchase and development of computer software meeting minimum cost and service life estimates are capitalized as incurred. Two (2) new systems were placed in service during the current fiscal year.

INPRS has capitalized leasehold improvements made to office space leased at One North Capitol Avenue, Indianapolis, IN. Amortization for these leasehold improvements is calculated over 10 years.

(K) Benefits and Distributions

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or auto-distributed by the fund when certain criteria are met.

(L) Interfund Balances and Transfers

Total interfund balances represent routine transfers between funds for initial retirements and payments of shared administrative expenses between funds as part of the agency's operations. Payments of interfund balances are funded on a routine basis between funds.

When statute allows, transfers of member and employer reserves are made between funds when a retiring member has service in multiple funds. Once a member selects which fund he/she wishes to retire from, creditable service covered by the other fund and the related annuity savings account (ASA) balance will be transferred to the fund selected in calculating the member's retirement benefit. At the time the retirement is calculated, the fund selected sets up a receivable from the other fund for both the ASA account balance and the calculated reserve for the service credit brought in from the other fund. This receivable is included as a line item in the Receivables section of Statement of Fiduciary Net Position. On the reverse side, a payable is recognized in the Liabilities section of the Statement of Fiduciary Net Position.

(M) Compensated Absences

INPRS' full-time employees accumulate earned but unused vacation, sick pay, and personal time each pay period. Bonus vacation days are awarded upon completion of five (5), 10 and 20 years of employment with INPRS and/or the state of Indiana. Upon separation from service, employees in good standing will be paid for a maximum of 30 unused vacation leave days.

Vacation and personal leave are reported as part of the Salaries and Benefits Payable line in the Liabilities section of the Statement of Fiduciary Net Position. No liability is reported for unpaid accumulated sick leave.

(N) Administrative Expenses

An annual budget for the administrative expenses of INPRS is reviewed and approved by the INPRS Board of Trustees. Administrative expenses are paid from plan assets and investment earnings.

The PERF plan pays the shared administrative expenses of all the funds. At June 30, a receivable is established in the PERF plan and a payable in the other funds for the amount due to the PERF plan for the other funds' administrative expenses. The payable and receivable are settled routinely.

(O) Federal Income Tax Status

Plans administered by INPRS qualify under Section 401(a) of the Internal Revenue Code (IRC) and are exempt from federal income taxes under Section 501(a) of the IRC.

(P) Reserves and Designations

The following are the legally required reserves.

1. Member Reserve – The member reserve represents member contributions made by or on behalf of the members plus any interest or earnings, less amounts distributed or transferred to the Benefits in Force reserve for retirement, disability, or other benefits. For the PERF and TRF plans, this reserve includes the members' annuity savings accounts. Member reserves are fully funded.

2. Employer Reserve – This reserve consists of the accumulated employer contributions, plus earnings, less transfers made to the Benefits in Force reserve of the actuarial pension cost for retirement, disability, or other benefits. The funding status of the employer reserve is outlined in Note 10 and the accompanying Required Supplementary Information.

3. Benefits in Force – This reserve represents the actuarially determined present value of future benefits for all members who are currently retired or disabled and survivors of members who died in service. The accumulated contributions of the members who elect to annuitize their annuity savings accounts and the actuarial pension cost are transferred to the reserve upon retirement, disability, or death. This reserve is fully funded based on the latest actuarial valuation.

4. Undistributed Investment Income Reserve – This reserve is credited with all investment earnings. Interest transfers are made periodically during the year to the other reserves as allowed or required by the individual funds' statutes. The transfers are at rates established by the INPRS Board of Trustees, statutes or the actual earning rates of the investment options, depending on the statutes of the individual funds. Any remaining balance (positive or negative) is transferred to the employer reserve and allocated to the employers of the funds.

The following are the balances of the reserves as of June 30, 2012:

(dollars in thousands)

Retirement Funds	Member Reserve	Employer Reserve	Benefits in Force	Undistributed Income	Total Reserves
PERF	$ 2,786,848	$ 4,175,350	$ 5,281,557	$ -	$ 12,243,755
TRF	2,873,415	2,609,642	3,594,002	-	9,077,059
1977 Fund	739,192	2,166,540	911,281	-	3,817,013
Judges' Retirement System	28,401	51,332	182,593	-	262,326
E,G,&C Plan	6,800	27,049	42,694	-	76,543
PARF	23,761	(11,644)	15,572	-	27,689
Legislators' Retirement System:					
LEDB Plan	N/A	687	2,698	-	3,385
LEDC Plan	25,579	N/A	N/A	-	25,579

(Q) PERF Annual Pension Cost and Net Pension Obligation

PERF is a discretely presented component unit of the state of Indiana, and PERF employees are combined with the state of Indiana for actuarial purposes.

The Annual Pension Cost and Net Pension Obligations as of June 30, 2012, and the historical trend information for the state of Indiana PERF Defined Benefit retirement plan are as follows:

Annual Pension Cost and Net Pension Obligation *(dollars in thousands)*:	
Annual Required Contribution	$ 183,389
Interest on Net Pension Obligation	404
Adjustment to Annual Required Contribution	(465)
Annual Pension Cost	183,328
Actual Employer Contributions	138,328
Increase (Decrease) in Net Pension Obligation	45,000
Net Pension Obligation, Beginning of Year	5,773
Net Pension Obligation, End of Year	**$ 50,773**
Memo: State Contribution Rate – FY2012	**8.6%**

Three-Year Trend Information
(dollars in thousands)

Fiscal Year Ended	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
June 30, 2012	$ 183,328	75.5%	$ 50,773
June 30, 2011	176,882	65.1	5,773
June 30, 2010	118,839	93.9	(55,877)

(R) Adoption of New Accounting Standards

INPRS reviewed GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions (an amendment of GASB Statement No. 53), which is effective for fiscal years beginning on or after June 15, 2011. There was no impact on the INPRS' financial statements with the implementation of GASB Statement No. 64, as none of INPRS' derivative transactions meet the criteria for hedge accounting treatment.

The following statements are under review, and if applicable, will be adopted by INPRS for the fiscal year ending June 30, 2013.

- Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, which is effective for fiscal years beginning on or after December 15, 2011.
- Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, effective for fiscal years beginning on or after June 15, 2012.
- Statement No. 62, Derivative Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for fiscal years beginning on or after December 15, 2011.
- Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for fiscal years beginning on or after December 15, 2011.

The following statements are under review, and if applicable, will be adopted by INPRS for the fiscal year ending June 30, 2014.

- Statement No. 65, Items Previously Reported as Assets and Liabilities, effective for fiscal years beginning on or after December 15, 2012.
- Statement No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62, effective for fiscal years beginning on or after December 15, 2012.
- Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, effective for fiscal years beginning or after June 15, 2013.

The following statement is under review, and if applicable, will be adopted by INPRS for the fiscal year ended June 30, 2015.

- Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, effective for fiscal years beginning on or after June 15, 2014.

Note 4. Contributions Required and Contributions Made

Overview

In summary, the employer contribution rates for all of the INPRS defined benefit plans are actuarially determined, except for the TRF Pre-1996 Account. The TRF Pre-1996 Account is funded on a pay-as-you-go basis as described in the Teachers' Retirement Fund portion of this note below. For the other defined benefit retirement plans, the required employer contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation.

The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they come due. Employer contribution rates for fiscal year 2012 were determined by using the fiscal year 2010 actuarial valuation results projecting forward payroll for fiscal year 2012.

The unfunded actuarial accrued liability on any valuation date is the present value of projected future benefits to be paid less the actuarial value of assets (AVA). Actuarial assets are calculated using an asset smoothing method of investment gains and losses on the market value of assets (MVA). The asset smoothing method is used to reduce the year-over-year volatility in the calculation of the funded status and employer contribution rates. INPRS applies a four-year smoothing method, with a 20 percent corridor, where the AVA cannot be more than 120 percent or less than 80 percent of the MVA after the four-year smoothing of gains and losses is applied.

Except for the LEDB Plan, the actuarial cost method used in the valuation is the entry age normal cost method. Under this method, costs are spread evenly over a member's career. For the LEDB Plan, the actuarial cost method used is the Traditional Unit Credit method, since this is a frozen plan to new entrants and benefits are no longer increasing.

Annual actuarial costs consist of two (2) components, the normal cost and an amortized amount of the plan's unfunded liability. Normal cost represents the estimated amount of benefits earned during the current year and the unfunded liability amount is amortized over a 30-year closed period. There two (2) components make up the development of the employer contribution rates.

(A) Public Employees' Retirement Fund

The state of Indiana and any political subdivision that elects to participate in PERF is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. During fiscal year 2012, all participating employers were required to contribute 8.6 percent of covered payroll for State members. For political subdivisions, an average contribution rate of 7.9 percent was required from employers during the period of July 1 – December 31, 2011, and an average contribution rate of 8.8 percent was required for the period of January 1 – June 30, 2012.

PERF members contribute three (3) percent to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. Upon retirement, members may choose to annuitize the amount of their annuity saving accounts to be combined with their monthly pension amount.

(B) Teachers' Retirement Fund

The TRF Pre-1996 Account is funded on a pay-as-you-go basis for employees hired prior to July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date. State appropriations are made in accordance with IC 5-10.4-2-4 for each fiscal year. Currently, a three (3) percent year-over-year increase is being provided through state appropriations. If the actual pension benefit payout for the fiscal year exceeds the amount appropriated, the difference is paid from the Pension Stabilization Fund, which was established according to IC 5-10.4-2-5.

The employer contribution rate for the TRF 1996 Account (i.e., members hired on or after July 1, 1995; or hired before July 1, 1995, and prior to June 30, 2005, were either hired by another school corporation or institution covered by the Fund or were re-hired by a covered prior employer) is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. During fiscal year 2012, all participating employers in the TRF 1996 Account were required to contribute 7.5 percent of covered payroll.

TRF members contribute three (3) percent to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. Upon retirement, members may choose to annuitize the amount in their annuity savings accounts to be combined with their monthly pension amount.

(C) 1977 Police Officers' and Firefighters' Pension and Disability Fund

The funding policy for the 1977 Fund requires quarterly remittances of member and employer contributions based on percentages of the salary of a first class officer or firefighter rather than actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 36-8-8-6. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2012, all participating employers were required to contribute 19.5 percent during the period of July 1 – December 31, 2011 and 19.7 percent during the period of January 1 – June 30, 2012 of the salary of a first class officer or firefighter.

The member contribution rate is not actuarially determined but was established by statute IC 36-8-8-8 at six (6) percent of the salary of a first class officer or firefighter. Each fund member shall contribute during the period of the fund member's employment or for 32 years, whichever is shorter. The employer may pay all or a part of the contribution for the member. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before the fund member completes 20 years of active service. The INPRS Board of Trustees shall return to the fund member in a lump sum the fund member's contributions plus interest as determined by the INPRS Board of Trustees in accordance with IC 36-8-8-8.

(D) Judges' Retirement System

The funding policy for the Judges' Retirement System is in accordance with statute IC 33-38-6-17 that requires an appropriation, determined by the INPRS Board of Trustees from the state of Indiana General Fund, for each biennium to the Judges' Retirement System computed on an actuarially funded basis and the recommendation of the actuary.

The member contribution rate is not actuarially determined but was established by statute IC 33-38-7-10 (1977 System) and IC 33-38-8-11 (1985 System) at six (6) percent of salary. Each fund member shall contribute during the period of the fund member's employment, or for 22 years, whichever is shorter. The employer may pay all or a part of the contributions for the member. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before being eligible for a retirement benefit. The INPRS Board of Trustees shall return to the fund member an amount equal to the total sum contributed to the fund plus interest at a rate specified by the INPRS Board of Trustees in accordance with IC 33-38-7-13 (1977 System) and IC 33-38-8-12 (1985 System).

(E) State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

The funding policy for the E,G,&C Plan is in accordance with statute IC 5-10-5.5-8.5. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation. During fiscal year 2012, all participating employers were required to contribute 20.75 percent of covered payroll.

The member contribution rate is not actuarially determined but was established by statute IC 5-10-5.5-8 at four (4) percent of a participant's salary to be contributed to the participant's savings account. The employer may pay all or a part of the contribution for the participant. Member contributions are used to fund a portion of the defined benefit payment. Any participant who terminates employment before accumulating 15 years of creditable service and before attaining the age of 45 shall be entitled to a lump sum refund of all contributions in the participant's savings account plus accumulated interest as determined by the INPRS Board of Trustees in accordance with IC 5-10-5.5-17.

(F) Prosecuting Attorneys' Retirement Fund

The funding policy for PARF is in accordance with statute IC 33-39-7-23 that requires an appropriation, determined by the INPRS Board of Trustees from the state of Indiana General Fund, for each biennium to PARF computed on an actuarially funded basis and the recommendation of the actuary.

The member contribution rate is not actuarially determined but was established by statute IC 33-39-7-12 at six (6) percent of salary. The employer may elect to pay the contributions for a member. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before the member completes eight (8) years of creditable service. The INPRS Board of Trustees shall return to the fund member an amount equal to the total sum contributed to the fund plus interest at a rate specified by the INPRS Board of Trustees in accordance with IC 33-39-7-13.

(G) Legislators' Retirement System

For the LEDB Plan, the funding policy is in accordance with statute IC 2-3.5-4-9 and IC 2-3.5-4-10. The amount required to actuarially fund participants' retirement benefits, as determined by the INPRS Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund for each biennium.

For the LEDC Plan, each participant is required to contribute five (5) percent of annual salary in accordance with statute IC 2-3.5-5-4. In addition, the state of Indiana is required by statute IC 2-3.5-5-5.5 to contribute a percentage of the member's annual salary on behalf of the participant as determined by INPRS Board of Trustees and confirmed by the State Budget Agency each year. Effective January 1, 2012, the rate was established at 11.6 percent.

Note 5. Deposits and Investments

Investment Guidelines and Limitations

The Indiana General Assembly enacted the prudent investor standard to apply to the INPRS Board of Trustees and govern all its investments. Under statute (IC 5-10.3-5-3(a)) for PERF and (IC 5-10.4-3-10(a)) for TRF, the Board of Trustees must "invest its assets with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims." The Board of Trustees also is required to diversify such investments in accordance with the prudent investor standard.

Within these governing statutes, the INPRS Board of Trustees has broad authority to invest the assets of the plans. The INPRS Board of Trustees utilizes external investment managers, each with specific mandates to achieve the investment objectives of the retirement funds. Depending on the mandate and the contractual agreement with the investment manager, investments may be managed in separate accounts, commingled accounts, mutual funds or other structures acceptable to the INPRS Board of Trustees. An asset allocation review is conducted periodically.

The new strategic asset allocation for the Consolidated Defined Benefit Assets was approved by the INPRS Board of Trustees in October 2011, and is incorporated in the new INPRS Investment Policy (effective January 1, 2012) as follows:

Global Asset Classes	Target Allocation	Target Range
Public Equity	22.5%	20.0% to 25.0%
Private Equity	10.0%	7.0% to 13.0%
Fixed Income - Ex Inflation-Linked	22.0%	19.0% to 25.0%
Fixed Income - Inflation-Linked	10.0%	7.0% to 13.0%
Commodities	8.0%	6.0% to 10.0%
Real Estate	7.5%	4.0% to 11.0%
Absolute Return	10.0%	6.0% to 14.0%
Risk Parity	10.0%	5.0% to 15.0%

Contributions and asset reallocation in the PERF and TRF Annuity Savings Accounts and the Legislators' Defined Contribution Plan (LEDC) are directed by the members in each plan and as such, the asset allocation will differ from that of the Consolidated Defined Benefit Assets.

The Pension Relief Fund (PR Fund) is invested 100 percent in a money market fund. The State Employees' Death Benefit Fund and the Public Safety Officers' Special Death Benefit Fund are 100 percent invested in fixed income securities benchmarked against Barclays Capital U.S. Government Credit Index.

The following key factors are used in the analysis of the investment performance of the retirement funds:

- Net of fees, 10-year rolling annual rate of return equal to the target rate of return for the retirement funds.
- Net of fees, 1-year and 3-year rolling investment rate of return of the retirement funds, no less than a weighted average of benchmark indices which best describe the retirement funds' asset allocation.
- Net of fees, 3-year and 5-year Sharpe Ratio of the retirement funds, no less than a weighted average of benchmark indices' Sharpe Ratio which best describe the retirement funds' asset allocation.

Custodial Credit Risk

Deposits, investment securities, and collateral securities are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, INPRS will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of INPRS and are held by either the counterparty or the counterparty trust department's agent, but not in INPRS' name.

Per IC 5-10.3-5-4(a) and IC 5-10.3-5-5 for PERF and IC 5-10-4-3-14(a)) and IC 5-10.4-3-13 for TRF, securities are required to be held for the fund under custodial agreements. INPRS' custody agreement with the custodian requires that the custodian segregate the securities on the custodian's books and records from the custodian's own property. In addition, any investment manager for INPRS is not allowed, under any circumstances, to take possession, custody, title, or ownership of any managed assets.

There was no custodial credit risk for investments including investments related to securities lending collateral as of June 30, 2012.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. Deposits held in the demand deposit accounts are carried at cost and are insured up to $250 thousand for each institution. Deposits in the demand accounts held in excess of $250 thousand are not collateralized. Deposits with the Indiana Treasurer of State are entirely insured. Deposits held with brokers and counterparties are carried at cost and are not insured or collateralized.

(dollars in thousands)

Cash Deposits	Total
Demand Deposit Account – Bank Balances	$ 12,684
Held with Treasurer of State	15,451
Held with Counterparties	10
Held with Brokers	323,859
Total	**$ 352,004**

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Duration is a measure of interest rate risk. The longer the maturity, the more the value of the fixed-income investment will fluctuate with interest rate changes. The INPRS Investment Policy Statement recognizes interest rate risk as a market risk factor that is monitored on an absolute and relative basis.

As of June 30, 2012 the debt securities had the following duration information:

(dollars in thousands)

Debt Security Type	Fair Value 6/30/2012	% of All Debt Securities	Portfolio Weighted Average Effective Duration (Years)
Short Term Investments			
Cash at Brokers	$ 323,859	2.3%	-
Money Market Sweep Vehicle	1,749,484	12.4	0.01
Commercial Paper	3,000	0.0	0.01
U.S. Treasury Obligations	413,976	2.9	-
Non-U.S. Government	3,720	0.0	-
Total Short Term Investments	**2,494,039**	**17.6**	
Fixed Income Investments			
U.S. Governments	3,497,061	24.7	1.78
Non-U.S. Government	723,737	5.1	0.43
U.S. Agencies	1,589,888	11.2	0.42
Corporate Bonds	3,451,561	24.4	1.12
Asset-Backed Securities	1,141,669	8.1	0.19
Duration Not Available	1,268,918	8.9	N/A
Total Fixed Income Investments	**11,672,834**	**82.4**	
Total Debt Securities	**$ 14,166,873**	**100.0%**	

The $1,269 million, for which no duration was available, is primarily made up of commingled debt funds.

Credit Risk

The credit risk of investments is the risk that the issuer will default and not meet their obligations. The INPRS Investment Policy Statement recognizes credit (quality) risk as a market and strategic risk factor that is monitored on an absolute and relative basis.

The quality rating of investments in debt securities as described by Moody's at June 30, 2012 is as follows:

(dollars in thousands)

Moody's Rating	Short Term Investments	Debt Securities	Total	% of All Debt Securities
Aaa	$ 413,976	$ 6,077,018	$ 6,490,994	45.7%
U.S. Government Guaranteed	-	433,768	433,768	3.1
Aa	-	363,980	363,980	2.6
A	3,000	1,131,046	1,134,046	8.0
Baa	-	1,643,343	1,643,343	11.6
Ba	-	224,041	224,041	1.6
B	-	151,288	151,288	1.1
Below B	-	61,090	61,090	0.4
Unrated	2,077,063	1,587,260	3,664,323	25.9
Total	**$ 2,494,039**	**$ 11,672,834**	**$ 14,166,873**	**100.0%**

The $3,664 million not rated by Moody's is primarily in the following security types: cash at broker, money market sweep vehicles, asset-backed securities, commercial mortgages, CMO/Remics and commingled debt funds.

Concentration of Credit (Issuer) Risk

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. The INPRS Investment Policy Statement recognizes issuer risk as a strategic risk factor that is monitored on an absolute and relative basis.

INPRS Investment Policy Statement has placed an upper limit on the concentration of assets placed with an investment manager.

No investment manager shall manage more than 10 percent of the system's assets in actively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager shall be allowed to manage in excess of 15 percent of the systems' assets in actively managed portfolios without Board approval.

No investment manager shall manage more than 15 percent of the system's assets in passively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager shall be allowed to manage in excess of 20 percent of the system's assets in passively managed portfolios without Board approval.

No investment manager shall manage more than 25 percent of the system's assets in a combination of actively and passively managed portfolios.

At June 30, 2012, there was no concentration of credit (issuer) risk for the Consolidated Defined Benefit Assets.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. INPRS' foreign currency exposure is focused primarily in international equity holdings.

The INPRS Investment Policy Statement recognizes foreign exchange risk and the impact on incremental risk and return is assessed based on overall portfolio exposure. Unless otherwise approved by the Board, management of foreign currency exposure will only be implemented (1) by an Investment Manager on its Portfolio when the Investment Manager possesses recognized foreign exchange experience or (2) by an overlay manager or other third-party expert for a specific Portfolio or Retirement Fund. Any hedging strategy recommendation will be presented to the Board for approval and incorporated into the benchmark. The management and implementation of Board approved hedging activities will be implemented by the CIO, with the advice of the Executive Director and Consultants who are approved by the Board.

INPRS has exposure to foreign currency fluctuation as follows:

(dollars in thousands)	**Foreign Currency Held at June 30, 2012**					
Currency:	**Short Term Investments**	**Debt Securities**	**Equity Securities**	**Other Investments**	**Grand Total**	**% of Total**
Australian Dollar	$ 2,206	$ 16,093	$ 76,300	$ -	$ 94,599	0.4%
Brazilian Real	250	12,111	36,765	-	49,126	0.2
British Pound Sterling	670	143,544	295,294	3,248	442,756	1.7
Canadian Dollar	263	95,895	90,037	-	186,195	0.7
Chilean Peso	-	1,332	-	-	1,332	0.1
Colombian Peso	-	2,215	678	-	2,893	0.0
Czech Koruna	27	-	3,023	-	3,050	0.0
Danish Krone	27	-	20,269	-	20,296	0.1
Egyptian Pound	13	-	551	-	564	0.0
Euro Currency Unit	2,010	306,522	488,023	190,809	987,364	3.7
Hong Kong Dollar	84	-	121,300	-	121,384	0.5
Hungarian Forint	10	-	483	-	493	0.0
Indian Rupee	-	-	14,996	-	14,996	0.1
Indonesian Rupiah	79	-	5,729	-	5,808	0.0
Israeli Shekel	14	-	2,489	-	2,503	0.0
Japanese Yen	3,370	66,528	330,794	-	400,692	1.5
Korean Won	397	-	58,971	-	59,368	0.2
Malaysian Ringgit	4	-	7,637	-	7,641	0.0
Mexican Peso	4,234	28,102	8,549	-	40,885	0.2
New Zealand Dollar	12	7,899	833	-	8,744	0.0
Norwegian Krone	22	-	25,827	26,845	52,694	0.2
Philippine Peso	8	10,147	1,843	-	11,998	0.0
Polish Zloty	-	7,128	2,264	-	9,392	0.0
Singapore Dollar	211	-	37,633	-	37,844	0.1
South African Rand	44	-	38,869	-	38,913	0.1
Swedish Krona	17	37,754	69,079	-	106,850	0.4
Swiss Franc	1,164	-	114,578	-	115,742	0.4
Taiwan Dollar	646	-	34,721	-	35,367	0.1
Thai Baht	2	-	17,926	-	17,928	0.1
Turkish Lira	42	-	23,619	-	23,661	0.1
Held in Foreign Currency	15,826	735,270	1,929,080	220,902	2,901,078	10.9
Held in U.S. Dollar	2,478,213	10,937,564	4,352,038	5,998,341	23,766,156	89.1
Total	**$ 2,494,039**	**$ 11,672,834**	**$ 6,281,118**	**$ 6,219,243**	**$ 26,667,234**	**100.0%**

Securities Lending

Indiana Code 5-10.2-2-13(d) provides that the INPRS Board of Trustees may authorize a custodian bank to enter into a securities lending program agreement under which certain securities held by the custodian on behalf of INPRS may be loaned. The statute requires that collateral initially in excess of the total market value of the loaned securities must be pledged by the borrower and must be maintained at no less than the total market value of the loaned securities.

The purpose of such a program is to provide additional revenue for the Consolidated Defined Benefits Assets. The INPRS Investment Policy Statement requires that collateral securities and cash be initially pledged at 102 percent of the market value of the securities lent for domestic securities and 105 percent for international securities. No more than 40 percent of the Consolidated Defined Benefit Assets may be lent at one time. The custodian bank and/or its securities lending sub-agents provide 100 percent indemnification of the Consolidated Defined Benefit Assets against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold unless the borrower defaults. INPRS retains the market value risk with respect to the investment of the cash collateral.

Cash collateral investments are subject to the investment guidelines specified by the INPRS Investment Policy Statement. It states that the maximum weighted average days to maturity may not exceed 60. The securities lending agent matches the maturities of the cash collateral investments with stated securities loans' termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities.

(dollars in thousands)

Securities Lending as of June 30, 2012	
Market value of securities on loan	$ 1,692,637
Fair value of cash and non-cash collateral by investment type:	
U.S. Governments	$ 1,077,653
Domestic Equities	486,010
Corporate Bonds	104,316
International Equities	66,305
Fair value of cash and non-cash collateral	1,734,284
Fair value of non-cash collateral that is not included in the Statements of Fiduciary Plan Net Position	836,553
Fair value of cash collateral (liability to borrowers)	897,731
Fair value of reinvested cash collateral by type:	
Commercial Paper	376,699
Repurchase Agreements	248,954
Floating Rate Notes	139,744
Certificate of Deposits	132,334
Fair value of reinvested cash collateral	897,731
Net unrealized gain	$ -

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2012 is as follows:

(dollars in thousands)

Standard and Poor's Rating	Fair Value of Reinvested Cash Collateral	Percent of Portfolio
A-1 and A-1+	$ 507,045	56.5%
AA+	10,636	1.1
AA-	114,552	12.8
A+	11,419	1.3
A	3,115	0.3
Unrated	250,964	28.0
Total	**$ 897,731**	**100.0%**

The majority of the unrated reinvested cash collateral investments consist of repurchase agreements.

Repurchase Agreements

A repurchase agreement is an agreement in which INPRS transfers cash to a broker-dealer or financial institution. The broker dealer or financial institution transfer securities to INPRS and promises to repay the cash plus interest in exchange for the same securities. Repurchase agreements are assets with the security collateral held at INPRS' custodian bank.

A reverse repurchase agreement is the same as a repurchase agreement, but from the perspective of the buyer rather than the seller. Repurchase agreements are secured loans with INPRS' collateral held at the broker dealer or financial institution's custodian bank.

The amounts held at June 30, 2012, exclusive of securities lending reinvested cash collateral, are as follows:

(dollars in thousands)

Repurchase Agreements by Collateral Type	Cash Collateral Received	Market Value
U.S. Agencies	$ 96,400	$ 98,731
Corporate Bond	1,090	1,111
Total	**$ 97,490**	**$ 99,842**

Reverse Repurchase Agreements by Collateral Type	Market Value	Cash Collateral Posted
U.S. Inflation Linked Bonds	$ 147,680	$ 148,198
Total	**$ 147,680**	**$ 148,198**

Note 6. Derivative Financial Instruments

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indices. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position as either assets or liabilities, and the change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as investment income. A derivative instrument could be a contract negotiated on behalf of the Master Trust and a specific counterparty. This would typically be referred to as an "OTC contract" (Over the Counter) such as swaps, forward contracts and TBAs (Mortgage To Be Announced). Alternatively, a derivative instrument, such as futures, could be listed and traded on an exchange and referred to as "exchange traded". Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements. Investments in limited partnerships may include derivatives that are not shown in the derivative total.

During the year, the Fund's derivative investments included:

Futures

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

INPRS' investment managers use financial futures to replicate an underlying security or index they intend to hold or sell in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Additionally, INPRS' investment managers use futures contracts to adjust the portfolio risk exposure. Futures contracts may be used for the purpose of investing cash flows or modifying duration, but in no event may leverage be created by any individual security or combination of securities. No short sales of equity securities or equity index derivatives are permitted.

As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to, or received from, the clearinghouse. The cash or securities to fulfill these obligations are held in the investment portfolio.

Options

Options are agreements that give the owner of the option the right, but not obligation, to buy (in the case of a call) or to sell (in the case of a put) a specific amount of an asset for a specific price on or before a specified expiration date.

The purchaser of put options pays a premium at the outset of the agreement and stands to gain from an unfavorable change (i.e., a decrease) in the price of the instrument underlying the option. The writer of a call option receives a premium at the outset of the agreement and bears the risk of an unfavorable change (i.e., an increase) in the price of the instrument underlying the option. An interest rate swaption is the option to enter into an interest rate swap based off a set of predetermined conditions.

Options are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. The fair value of exchange traded options is determined based upon quoted market prices.

The fair value of over the counter options is determined by external pricing services, using various proprietary methods, based upon the type of option.

Rights/Warrants

Rights provide the holder with the right, but not the obligation, to buy a company's common stock at a predetermined price, the subscription price. The right is good until its expiration date. A right permits the investor to buy at a price that may be below the actual market price for that stock. A warrant is an option to buy an underlying equity security at a predetermined price for a finite period of time.

Forwards

Foreign Currency

A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as a forward contract when the settlement date is more than two days after the trade date. Risks associated with such contracts include movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation / depreciation in the Statement of Fiduciary Net Position. Realized gains or losses on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the Statement of Changes in Fiduciary Net Position.

The Fund enters into forward currency forwards to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings and to settle future obligations.

TBA

A TBA (Mortgage To Be Announced) is a contract for the purchase or sale of agency mortgage-backed securities to be delivered at a future agreed upon date. Associated gains are derived from the change in market value of the contract due to a change in price of the underlying security. Future settlement risk is the risk of not receiving the asset or associated gains specified in the contract.

TBA's are used to achieve the desired market exposure of a security or asset class or adjust portfolio duration. The fair value is determined by external pricing services using various proprietary methods. TBA's are classified as fixed income investments.

Swaps

Interest Rate Swaps

Interest rate swaps are derivative instruments in which one party exchanges a stream of fixed interest rate cash flows for floating interest rate cash flows. A notional amount of principal is required to compute the actual cash amounts and is determined at the inception of the contract.

Interest rate swaps are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation.

The fair value is determined by external pricing services using various proprietary methods.

Inflation Swaps

An inflation swap is a derivative used to transfer inflation risk from one party to another through an exchange of cash flows. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index (CPI) or an inflation bond.

Credit Default Swaps

Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other predetermined credit event for the referenced entity, obligation or index.

Credit default swaps are used to achieve the desired credit exposure of a security or basket of securities. One of the main advantages of a credit default swap is it allows for exposure to credit risk while limiting exposure to other risks, such as interest rate and currency risk.

The fair value is determined by external pricing services using various proprietary methods.

The table below summarizes INPRS' derivative information for the year ending June 30, 2012:

(dollars in thousands)

Investment Derivatives	Change in Fair Value	Fair Value	Notional (USD)
Listed Futures:			
Equity Index	$ 13,986	$ 13,986	$ 498,757
Commodity	(7,505)	(7,505)	1,009,250
Bond	(256)	(198)	278,813
Currency	(230)	275	246,611
Interest Rate	220	220	50,645
Total Listed Futures	**6,215**	**6,778**	**2,084,076**
Options:			
Listed			
Currency	(98)	83	10,870
Subtotal Listed	(98)	83	10,870
OTC			
Swaptions	2,493	(483)	498,720
Subtotal OTC	2,493	(483)	498,720
Total Options	**2,395**	**(400)**	**509,590**
Swaps:			
OTC			
Interest Rate Swaps	(1,007)	(2,104)	1,074,362
Inflation Swaps	49	49	13,440
Equity Index	68	(8)	8,100
Credit Default Swaps Single Name	827	1,195	263,429
Credit Default Swaps Index	1,191	664	301,647
Total Swaps	**1,128**	**(204)**	**1,660,978**
Sub Total Derivatives	**9,738**	**6,174**	**4,254,644**
TBA	**73**	**(70,287)**	**65,500**
TOTAL	**$ 9,811**	**$ (64,113)**	**$ 4,320,144**

(dollars in thousands)	**Swap Maturity Profile at June 30 , 2012 (dollars in thousands)**					
Swap Type	**< 1 yr**	**1-5 yrs**	**5-10 yrs**	**10-20 yrs**	**20+ yrs**	**Total**
Interest Rate Swaps	$ -	$ (369)	$ (967)	$ 553	$ (1,321)	$ (2,104)
Inflation Swaps	-	(98)	147	-	-	49
Equity Index	-	-	(8)	-		(8)
Credit Default Swaps Single Name	(28)	151	(169)	-	1,241	1,195
Credit Default Swaps Index	-	726	(62)	-	-	664
Total Swap Fair Value	**$ (28)**	**$ 410**	**$ (1,059)**	**$ 553**	**$ (80)**	**$ (204)**

Credit Risk

Counterparty credit risk exists on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract.

INPRS' investment managers use International Swaps and Derivative Association Master Agreements to further reduce counterparty risk by specifying credit protection mechanisms and providing standardization that improves legal certainty, thereby reducing the probability of unforeseen losses. Furthermore, the master agreements can provide additional credit protection through the requirement of collateral exchange and certain event of default and mutual termination provisions. Securities eligible as collateral are typically United States government bills and U.S. dollar cash.

The maximum amount of loss due to credit risk that the Fund would incur if the counterparty to the derivative instrument failed to perform according to the terms of the contract, without respect to any collateral or other security, or netting arrangements, is the total unrealized gain of derivatives at the end of the reporting period. The aggregate fair value of investment derivative instruments in asset positions at June 30, 2012, was $19,072 thousand of which $13,336 thousand was uncollateralized.

The tables below summarize INPRS's swap positions as of June 30, 2012:

(dollars in thousands)		**Fair Value**			**Collateral**	
Swaps Counterparty	**S&P Rating**	**Receivable Unrealized Gain**	**Payable (Unrealized Loss)**	**Total Fair Value**	**Posted**	**Received**
Bank of America	A	$ 1,467	$ (1,431)	$ (191)	$ -	$ -
Barclay's Capital London	A	1,748	(2,078)	393	473	(1,380)
BNP Paribas Securities Corp	AA-	15	(2)	15	-	-
Citibank	A	2,515	(3,126)	(680)	3,438	(970)
CME Central	AA-	2,698	(2,213)	792	-	-
Credit Suisse	A	1,836	(1,965)	(413)	1,030	(520)
Deutsche Bank	A+	3,104	(2,777)	(40)	500	(750)
Goldman	A-	1,084	(464)	301	9	(790)
HSBC Securities Inc.	A+	175	(127)	189	-	(330)
JPMorgan Chase Bank	A	2,379	(2,044)	(1,211)	940	-
Morgan Stanley Capital Services	A-	957	(1,203)	592	60	(715)
Royal Bank Of Scotland	A-	436	(121)	302	54	(1,190)
Societe Generale Paris	A	2	-	-	-	-
UBS	A	656	(394)	(253)	151	-
Grand Total		**$ 19,072**	**$ (17,945)**	**$ (204)**	**$ 6,655**	**$ (6,645)**

(dollars in thousands)

Credit Default Swaps				
Investment Type		**Reference**	**Fair Value**	**Notional**
Index	Bought	CDX IG	$ 270	$ 264,071
Index	Bought	CDX EM	637	8,800
Index	Bought	CDX HY	(128)	13,976
Index	Bought	CDX ITRAXX	(115)	14,800
Total CDS - Index			**$ 664**	**$ 301,647**
Single Name	Seller Protection	Various	$ (1,002)	$ 202,416
Single Name	Buyer Protection	Various	2,197	61,013
Total CDS - Single Name			**$ 1,195**	**$ 263,429**

Interest Rate Risk

The Fund has exposure to interest rate risk due to investments in interest rate and inflation swaps and TBAs. The required risk disclosures are included in the Interest Rate Risk schedule in Note 5.

The table below summarizes INPRS's Investments that are highly sensitive to interest rate changes:

(dollars in thousands)

Derivative Instruments Highly Sensitive to Interest Rate Changes		
Reference Rate	**Fair Value**	**Notional**
TBA Securities:		
3.50%	$ (7,396)	$ 7,000
4.00%	(2,660)	2,500
4.50%	(38,590)	36,000
5.00%	(21,641)	20,000
	$ (70,287)	$ 65,500
Interest Rate Swap:		
Pay Variable 3M CDOR / Receive Fixed Various 2.0% to 6.2%	$ 2,826	$ 52,087
Pay Fixed Various 1.8375% to 3.586% / Receive Variable 3M CDOR	(1,041)	26,191
Pay Fixed Various 1.01% to 3.06% / Receive Variable 6M EURIBOR	(1,912)	260,891
Pay Variable 6M EURIBOR / Receive Fixed Various 1.40% to 2.82%	1,829	243,137
Pay Variable 6M GBP-LIBOR / Receive Fixed Various 2.25% to 3.76%	132	18,178
Pay Fixed Various 2.25% to 3.94% / Receive Variable 6M GBP-LIBOR	(399)	40,842
Pay Variable MXN-TIIE / Receive Fixed Various 5.50% to 6.35%	102	9,690
Pay Fixed Various 1.135% to 2.75% / Receive Variable 3M USD-LIBOR	(4,945)	308,901
Pay Variable 3M USD-LIBOR / Receive Fixed Various 1.50% to 2.50%	1,106	108,500
Pay Variable BZDIOVRA / Receive Fixed Various 10.38% to 10.58%	198	5,945
	$ (2,104)	$ 1,074,362
Inflation Swap:		
Receive Variable CPURNSA / Pay 2.46%	$ (6)	$ 3,100
Pay Variable CPURNSA / Receive 1.84%	(98)	5,800
Pay Variable CPURANSA / Receive 2.66%	153	4,540
	$ 49	$ 13,440

Foreign Currency Risk

The Fund is exposed to foreign currency risk on its foreign currency forward contracts and futures contracts. The required risk disclosures are included in the Foreign Currency Risk schedule in Note 5.

At June 30, 2012, INPRS' investments included the following currency forwards balances:

(dollars in thousands)

Foreign Currency Contract Receivable	$	963,719
Foreign Currency Contract Payable	$	(967,097)

The aggregate realized gain/loss recognized for the period ended June 30, 2012 due to foreign currency transactions was a $72,998 thousand realized gain.

Note 7. Long Term Commitments for Alternative Investments

INPRS enters into long term commitments for funding other investments in private equity and private real estate. These amounts include Euro-currency denominated, Norwegian Krone denominated and British Pound Sterling denominated commitments to limited liability partnerships. The remaining amount of unfunded commitments, converted to U.S. dollars using the closing exchange rate, as of June 30, 2012 is as follows:

(dollars in thousands)

Currency		Total Unfunded Commitments
Euro Currency Unit	$	102,907
Norwegian Krone		19,624
British Pound Sterling		2,222
U.S. Dollar		1,763,899
	$	**1,888,652**

Note 8. Risk Management

INPRS is exposed to various risks of loss. This includes damage to property owned by INPRS, personal injury or property damage liabilities incurred by an INPRS officer, agent or employee, errors, omissions and theft by employees, certain employee death benefits, and unemployment and worker's compensation costs for INPRS employees.

INPRS records an expenditure for any loss as the liability is incurred or replacement items are purchased. Additionally, INPRS purchases commercial insurance related to property, general liability and employee crime. The INPRS Board of Trustees administers the state of Indiana's risk financing activity for the state employees' death benefits.

Note 9. Contingent Liabilities

INPRS participates in lawsuits that, in management's opinion, will not have a material effect on the financial statements.

Note 10. Funded Status and Actuarial Information – Defined Benefit Plans

The funded status of each Defined Benefit retirement plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

(dollars in thousands)

Retirement Plans	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) or (Funding Surplus) (b) - (a)	Funded Ratio (a) / (b)	Annual Covered Payroll (c)	UAAL or (Funding Surplus) as a Percent of Covered Payroll [(b)-(a)] / (c)
PERF	$12,088,225	$15,784,240	$ 3,696,015	76.6%	$4,904,052	75.4%
TRF 1996 Account	3,936,455	4,338,309	401,854	90.7	2,594,952	15.5
1977 Fund	3,786,595	4,122,436	335,841	91.9	697,111	48.2
JRS[1]	260,096	437,854	177,758	59.4	45,138	393.8
E,G,&C Plan[1]	76,007	113,283	37,276	67.1	25,752	144.8
PARF[1]	27,501	56,080	28,579	49.0	21,705	131.7
LEDB Plan	3,377	4,503	1,126	75.0	N/A[2]	N/A[2]
Total INPRS (*Excluding* TRF Pre-1996 Account)	**$20,178,256**	**$24,856,705**	**$ 4,678,449**	**81.2%**	**$8,288,710**	**56.4%**
TRF Pre-1996 Account	4,978,107	16,522,015	11,543,908	30.1	1,637,066	705.2
Total INPRS (*Including* TRF Pre-1996 Account)	**$25,156,363**	**$41,378,720**	**$ 16,222,357**	**60.8%**	**$9,925,776**	**163.4%**
Memo:						
TRF – Total	$ 8,914,562	$20,860,324	$ 11,945,762	42.7%	$4,232,018	282.3%

[1] *In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0% based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:*
Judges' Retirement System
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
Prosecuting Attorneys' Retirement Fund

[2] *Benefit formula is primarily based on service, rather than compensation.*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

The required Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying Schedule of Contributions from Employers and Other Contributing Entities presents trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statements 25, 27 and 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial accrued liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

In addition, the actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Key methods and assumptions used in the latest actuarial valuations are presented below:

Description	PERF	TRF	1977 Fund	JRS	E,G,&C Plan	PARF	LEDB Plan
Valuation Date	June 30, 2012						
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)						Traditional Unit Credit
Amortization Method	Level Dollar						
Amortization Period	30 Years, Closed						
Asset Valuation Method	4-Year Smoothed Market Value With 20% Corridor						
Actuarial Assumptions:							
Investment Rate of Return	6.75%						
Cost of Living Increases	1.0%	1.0%	2.25%	4.0%	1.0%	N/A	1.0%
Future Salary Increases	3.25% - 4.5%	3.0% - 12.5%	3.25%	4.0%	3.25%	4.0%	3.0%
Inflation	3.0%						

Note 11. Subsequent Events

Legislative Changes

Below is a summary of significant legislative changes that are effective July 1, 2012.

Public Employees' Retirement Fund

- PERF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2012. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2011, and who was entitled to receive a monthly benefit on July 1, 2012.

Teachers' Retirement Fund

- TRF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2012. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2011, and who was entitled to receive a monthly benefit on July 1, 2012.
- In accordance with legislation (House Enrolled Act No. 1376) passed during March 2012, the State of Indiana appropriated $206.8 million to the TRF Pension Stabilization Fund in November 2012.

1977 Police Officers' and Firefighters' Pension and Disability Fund

- A 2.8 percent COLA was paid to eligible participants effective July 1, 2012, in accordance with IC 36-8-8-15.

Judges' Retirement System

- A 2.2 percent COLA was paid effective July 1, 2012, to eligible participants.
- In accordance with legislation (House Enrolled Act No. 1376) passed during March 2012, the State of Indiana appropriated $90.2 million to the Judges' Retirement System in November 2012.

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

- E,G,&C Plan members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2012. The amount of the one-time check ranged from $125 to $400, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2011, and who was entitled to receive a monthly benefit on July 1, 2012.
- In accordance with legislation (House Enrolled Act No. 1376) passed during March 2012, the State of Indiana appropriated $14.6 million to the E,G,&C Plan in November 2012.

Prosecuting Attorneys' Retirement Fund

- In accordance with legislation (House Enrolled Act No. 1376) passed during March 2012, the State of Indiana appropriated $17.4 million to PARF in November 2012.

Note 12. Required Supplementary Information and Other Supplementary Schedules

The historical trend information designed to provide information about INPRS' progress in accumulating sufficient assets to pay benefits when due is included as Required Supplementary Information. The Schedule of Funding Progress and Schedule of Contributions from Employers and Other Contributing Entities are included immediately following the Notes to the Financial Statements. Other Supplementary Schedules (i.e., Schedule of Administrative and Project Expenses; Schedule of Investment Expenses; Schedule of Contractual and Professional Services Expenses) are presented for the purpose of additional analysis and are not a required part of the Financial Statements.

Schedule of Funding Progress

(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) or (Funding Surplus) (b) - (a)	Funded Ratio (a) / (b)	Annual Covered Payroll (c)	UAAL or (Funding Surplus) as Percent of Covered Payroll [(b)-(a)] / (c)
Public Employees' Retirement Fund						
6/30/07	$ 12,220,934	$ 12,439,798	$ 218,864	98.2%	$ 4,385,676	5.0%
6/30/08	12,780,116	13,103,221	323,105	97.5	4,600,354	7.0
6/30/09	12,569,336	13,506,280	936,944	93.1	4,931,423	19.0
6/30/10	12,357,199	14,506,052	2,148,853	85.2	4,896,013	43.9
6/30/11	12,000,586	14,913,147	2,912,561	80.5	4,818,774	60.4
6/30/12	12,088,225	15,784,240	3,696,015	76.6	4,904,052	75.4
Teachers' Retirement Fund – Pre-1996 Account[1]						
6/30/07	$ 5,763,508	$ 15,988,259	$ 10,224,751	36.0%	$ 2,376,390	430.3%
6/30/08	5,953,991	15,792,305	9,838,314	37.7	2,295,816	428.5
6/30/09	5,109,086	16,027,093	10,918,007	31.9	2,030,484	537.7
6/30/10	5,382,410	16,282,066	10,899,656	33.1	1,865,102	584.4
6/30/11	5,227,402	16,318,404	11,091,002	32.0	1,762,750	629.2
6/30/12	4,978,107	16,522,015	11,543,908	30.1	1,637,066	705.2
Teachers' Retirement Fund – 1996 Account						
6/30/07	$ 2,713,051	$ 2,827,554	$ 114,503	96.0%	$ 1,891,605	6.1%
6/30/08	3,080,057	2,957,758	(122,299)	104.1	2,052,720	(6.0)
6/30/09	2,920,735	3,135,533	214,798	93.1	2,308,548	9.3
6/30/10	3,422,554	3,614,559	192,005	94.7	2,447,509	7.8
6/30/11	3,664,657	3,996,839	332,182	91.7	2,507,193	13.2
6/30/12	3,936,455	4,338,309	401,854	90.7	2,594,952	15.5
Teachers' Retirement Fund – Total[1]						
6/30/07	$ 8,476,559	$ 18,815,813	$ 10,339,254	45.1%	$ 4,267,995	242.3%
6/30/08	9,034,048	18,750,063	9,716,015	48.2	4,348,536	223.4
6/30/09	8,029,821	19,162,626	11,132,805	41.9	4,339,032	256.6
6/30/10	8,804,964	19,896,625	11,091,661	44.3	4,312,611	257.2
6/30/11	8,892,059	20,315,243	11,423,184	43.8	4,269,943	267.5
6/30/12	8,914,562	20,860,324	11,945,762	42.7	4,232,018	282.3
1977 Police Officers' and Firefighters' Pension and Disability Fund						
12/31/06	$ 2,860,512	$ 2,649,525	$ (210,987)	108.0%	$ 557,644	(37.8)%
12/31/07	3,281,480	2,889,295	(392,185)	113.6	603,963	(64.9)
12/31/08	3,352,705	3,150,827	(201,878)	106.4	644,936	(31.3)
6/30/09	3,265,598	3,332,686	67,088	98.0	649,018	10.3
6/30/10	3,374,438	3,639,669	265,231	92.7	675,797	39.2
6/30/11	3,593,787	3,638,956	45,169	98.8	687,342	6.6
6/30/12	3,786,595	4,122,436	335,841	91.9	697,111	48.2

Schedule of Funding Progress, continued

(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) or (Funding Surplus) (b) - (a)	Funded Ratio (a) / (b)	Annual Covered Payroll (c)	UAAL or (Funding Surplus) as Percent of Covered Payroll [(b)-(a)] / (c)
Judges' Retirement System[1]						
6/30/07	$ 211,747	$ 283,995	$ 72,248	74.6%	$ 29,712	243.2%
6/30/08	234,881	338,749	103,868	69.3	33,729	307.9
6/30/09	240,954	330,551	89,597	72.9	36,196	247.5
6/30/10	242,143	364,123	121,980	66.5	36,722	332.2
6/30/11	248,623	400,274	151,651	62.1	45,764	331.4
6/30/12	260,096	437,854	177,758	59.4	45,138	393.8
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan[1]						
6/30/07	$ 57,414	$ 74,451	$ 17,037	77.1%	$ 17,715	96.2%
6/30/08	65,375	77,177	11,802	84.7	21,333	55.3
6/30/09	68,170	89,296	21,126	76.3	25,238	83.7
6/30/10	70,327	97,862	27,535	71.9	26,709	103.1
6/30/11	72,599	101,534	28,935	71.5	24,028	120.4
6/30/12	76,007	113,283	37,276	67.1	25,752	144.8
Prosecuting Attorneys' Retirement Fund[1]						
6/30/07	$ 23,815	$ 32,052	$ 8,237	74.3%	$ 18,092	45.5%
6/30/08	26,350	38,069	11,719	69.2	20,617	56.8
6/30/09	26,467	44,632	18,165	59.3	20,782	87.4
6/30/10	26,166	49,174	23,008	53.2	21,016	109.5
6/30/11	25,651	53,252	27,601	48.2	18,082	152.6
6/30/12	27,501	56,080	28,579	49.0	21,705	131.7
Legislators' Retirement System – Defined Benefit Plan						
6/30/07	$ 5,035	$ 5,169	$ 134	97.4%	N/A[2]	N/A[2]
6/30/08	5,120	5,039	(81)	101.6	N/A[2]	N/A[2]
6/30/09	4,730	5,087	357	93.0	N/A[2]	N/A[2]
6/30/10	4,075	4,909	834	83.0	N/A[2]	N/A[2]
6/30/11	3,634	4,621	987	78.6	N/A[2]	N/A[2]
6/30/12	3,377	4,503	1,126	75.0	N/A[2]	N/A[2]

[1] *In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0% based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:*

Judges' Retirement System – $90,187 thousand
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan – $14,619 thousand
Prosecuting Attorneys' Retirement Fund – $17,363 thousand

In addition the TRF Pre-1996 Account was appropriated $206,796 thousand during fiscal year 2013.

[2] *Benefit formula is primarily based on service, rather than compensation.*

Refer to Note 10. (Funded Status and Actuarial Information – Defined Benefit Plans) for the actuarial assumptions and methods used in preparing this schedule.

Schedule of Contributions from Employers and Other Contributing Entities

(dollars in thousands)

Public Employees' Retirement Fund

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 275,171	$ 260,150	94.5%
6/30/08	291,397	303,877	104.3
6/30/09	316,059	323,151	102.2
6/30/10	360,183	331,090	91.9
6/30/11	483,842	342,779	70.8
6/30/12	509,724	397,843	78.1

Teachers' Retirement Fund Pre-1996 Account

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 602,904	$ 636,039	105.5%
6/30/08	678,050	675,682	99.7
6/30/09	700,307	706,366	100.9
6/30/10	850,493	731,149	86.0
6/30/11	894,507	748,978	83.7
6/30/12	866,207	764,423	88.2

Teachers' Retirement Fund 1996 Account

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 139,978	$ 117,001	83.6%
6/30/08	122,009	132,446	108.6
6/30/09	119,331	147,425	123.5
6/30/10	101,627	154,491	152.0
6/30/11	154,142	166,633	108.1
6/30/12	173,651	181,067	104.3

Teachers' Retirement Fund – Total

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 742,882	$ 753,040	101.4%
6/30/08	800,059	808,128	101.0
6/30/09	819,638	853,791	104.2
6/30/10	952,120	885,640	93.0
6/30/11	1,048,649	915,611	87.3
6/30/12	1,039,858	945,490	90.9

1977 Police Officers' and Firefighters' Pension and Disability Fund

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
12/31/06	$ 102,964	$ 143,272	139.1%
12/31/07	108,741	122,712	112.7
12/31/08	117,773	133,196	112.6
6/30/09	62,881	64,285	102.2
6/30/10	126,558	130,775	103.3
6/30/11	133,903	133,726	99.9
6/30/12	141,988	135,605	95.5

Judges' Retirement System

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 12,249	$ 14,662	119.7%
6/30/08	10,028	15,920	158.8
6/30/09	16,131	20,861	129.3
6/30/10	16,077	18,631	115.9
6/30/11	18,910	19,200	101.5
6/30/12	19,664	18,896	96.1

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 3,128	$ 3,359	107.4%
6/30/08	3,676	4,854	132.0
6/30/09	4,427	5,294	119.6
6/30/10	5,237	5,256	100.4
6/30/11	5,179	5,197	100.3
6/30/12	5,532	5,054	91.4

Prosecuting Attorneys' Retirement Fund

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 1,044	$ 190	18.2%
6/30/08	1,040	170	16.3
6/30/09	1,340	170	12.7
6/30/10	1,663	170	10.2
6/30/11	1,960	170	8.7
6/30/12	2,037	1,839	90.3

Legislators' Retirement System Defined Benefit Plan

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/07	$ 120	$ 100	83.3%
6/30/08	66	100	151.5
6/30/09	45	100	222.2
6/30/10	63	0	0.0
6/30/11	113	0	0.0
6/30/12	113	112	99.1

Refer to Note 10. (Funded Status and Actuarial Information – Defined Benefit Plans) for the actuarial assumptions and methods used in preparing this schedule.

Schedule of Administrative and Project Expenses
Fiscal Year Ended June 30

(dollars in thousands)

	2012	2011
Personnel Services:		
Salaries and Wages	$ 9,113	$ 8,581
Temporary Services	6,898	7,379
Employee Benefits	3,828	3,716
Total Personnel Services	**19,839**	**19,676**
Contractual and Professional Services:		
Consulting Services / Information Technology	3,586	3,984
Benefit Payment Processing Fees	2,445	2,227
Actuarial Services	889	819
Legal Services	183	187
Total Contractual and Professional Services	**7,103**	**7,217**
Communications:		
Postage	1,004	869
Printing	763	921
Telephone	133	151
Total Communications	**1,900**	**1,941**
Miscellaneous:		
Depreciation and Amortization	1,375	1,216
Office Rent and Expenses	974	1,222
Memberships and Training	109	81
Equipment Rental	87	113
Travel	51	100
Other Administrative Expenses	51	258
Total Miscellaneous	**2,647**	**2,990**
Total Administrative Expenses	**$ 31,489**	**$ 31,824**
Total Project Expenses	**$ 9,359**	**$ 4,094**
Total Administrative and Project Expenses	**$ 40,848**	**$ 35,918**

Schedule of Contractual and Professional Services Expenses
Fiscal Year Ended June 30

(dollars in thousands)

Vendor Name	2012	2011	Nature of Services
Affiliated Computer Services, Inc. / Xerox	$ 2,506	$ 2,227	Recordkeeper Services
Oracle America, Inc.	887	871	Licenses and Training
Indiana Office of Technology	877	917	IT Network Support and Services
PricewaterhouseCoopers LLP	721	697	Actuarial Services
BlueLock LLC	540	508	Infrastructure Support
Protiviti Inc.	212	-	Enterprise Risk Management
Dell Marketing LP	180	29	Hardware / Software / Support
Ernst & Young LLP	172	344	Accounting & Process Documentation / Internal Audit
Nyhart, Inc.	167	88	Actuarial and Legislative Services
Auditor Of State - Oracle	135	79	Software Licenses
IBM Corporation	121	118	Software Licenses
Ice Miller LLP	116	112	Legal Services
AIRvan Consulting LLC	67	51	Market Research Services
Omkar Markand, M.D.	50	43	Medical Consulting - 1977 Fund
Gartner, Inc.	44	43	IT Research
Indiana State Board of Accounts	44	46	Audit Services
Information Builders	41	40	WebFocus Consulting / Maintenance
McLagan	40	-	Human Resource Management Services
CEM Benchmarking, Inc.	35	70	Benchmarking Services
LexisNexis	27	-	Address Search Services
Automatic Data Processing, Inc.	24	-	Payroll Processing Services
Krieg DeVault LLP	24	-	Legal Services
Policy Technologies International, Inc.	22	56	Software Services
DLT Solutions	21	36	Software Licenses
Novatus, Inc.	21	17	Contract Management Software License
ERP Control Specialists, LLC	20	29	Internal Audit Software
Stephenson Morow & Semler	11	26	Legal Services
Callan Associates, Inc.	-	56	Global Custody Consulting
Cortex Applied Research, Inc.	-	14	Research Services
Mariani Law LLC	-	62	Legal Services
McCready and Keene, Inc.	-	33	Actuarial Services
Robert Half International, Inc.	-	16	IT Supplemental Staffing
Serena Software, Inc.	-	114	Project Tracking Software Licenses
Strategic Financial Solutions LLC	-	59	Software Licenses
Vinzant Software Inc.	-	12	Software Licenses
KPMG LLP	(88)	304	Strategic Assessment and IT Consulting
Other Contractual and Professional Services	66	100	Other Services
Total Contractual and Professional Services Expenses	**$ 7,103**	**$ 7,217**	

Fees paid to investment professionals can be found in the Investment Section.

Schedule of Investment Expenses
Fiscal Year Ended June 30

(dollars in thousands)

	2012	2011
Investment Consultants:		
Strategic Investment Solutions	$ 1,071	$ 1,290
Aksia	525	825
ORG Portfolio Management LLC	339	275
Hinkle Creek Consulting	268	-
Capital Cities	128	88
Institutional Shareholder Services	93	94
Hamilton Lane	42	-
S.R. Batliboi and Co.	22	11
RV Kuhns and Associates Inc.	10	114
Mercer Investment Consulting	-	50
Callan Associates	-	24
Total Investment Consultants	**2,498**	**2,771**
Investment Custodians:		
BNY Mellon	439	-
JP Morgan	98	599
The Northern Trust Company	(5)	330
Total Investment Custodians	**532**	**929**
Investment Recordkeeper Fees	6,098	6,932
Investment Management Fees	106,484	123,670
Investment Staff Expenses	1,322	1,392
Investment Administrative Expenses	840	1,727
Total Investment Expenses	**$ 117,774**	**$ 137,421**

Investment Section

INDIANA PUBLIC RETIREMENT SYSTEM

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 BUSH STREET, STE. 2000
SAN FRANCISCO, CALIFORNIA 94104

TEL 415/362-3484 ■ FAX 415/362-2752

August 21, 2012

Board of Trustees
Indiana Public Retirement System
One North Capital Avenue
Indianapolis, IN 46204

Dear Trustees:

Strategic Investment Solutions is pleased to present the Indiana Public Retirement System ("INPRS") results for the fiscal year ended June 30, 2012.

As of June 30, 2012, the Consolidated Defined Benefit Fund had combined assets of $19.7 billion, a decrease of $2.1 billion since June 30, 2011. The decrease in assets was due to net cash outflows, specifically the removal of the PERF Guaranteed Fund assets, during the fiscal year rather than investment losses. The Consolidated Defined Benefit Fund's flat investment returns were benefited by strong results from fixed income, real estate, and private equity, offset by weak returns from public equities, particularly foreign equities, and commodities.

2012 Market Environment

The market environment during the 2012 fiscal year was driven by macro factors, both on the upside and downside. The first half of the fiscal year saw a return of optimism as investors believed the Euro crisis would be resolved through coordinated government intervention and economic growth started to pick up, particularly in the US. In the latter half of the year optimism soon turned to gloom as the sovereign debt crisis in the small peripheral markets of Greece and Portugal spread to the much larger markets of Spain and Italy, posing a bigger threat to the European economy and the future of European currency union.

Debt markets followed this "risk-on/risk-off" pattern as well; US Government bonds and other sovereign debt issued by "safe" countries such as Germany, Denmark, and Switzerland continued to rally, particularly in the second half of the year, with the two-year US Treasury yield falling to less than 30 basis points. For the three countries listed above, two-year yields went negative, meaning *lenders* were paying *borrowers* interest in exchange for greater confidence that their principal would be returned at maturity.

Asset Class Results

Overall, global equity markets suffered during the fiscal year, particularly during the second half, though the US held up relatively well. Domestic large cap stocks, represented by the Russell 1000 Index, led with a 4.4% gain, as high quality stocks with stable and growing earnings and dividends were preferred by investors. This gain outpaced the Russell 2000 Index of small cap stocks, which had a return of -2.1%. Growth stocks outperformed value stocks, 5.1% to 2.6%.

Within sectors, defensive sectors with high average dividend yields led the way, including Consumer Staples (13.5%), Telecommunication Services (13.1%) and Utilities (13.0%). Conversely, cyclical sectors lagged, including Energy (-9.5%) and Materials (-7.3%).

Internationally, both developed and emerging markets had a downturn as weak economic growth and concerns about sovereign risk weighed on risky assets. The MSCI EAFE Index, representing developed markets, lost 13.4% of its value while the MSCI Emerging Markets Index lost 15.7%, as local market weakness was exacerbated by the depreciating Euro and British Pound relative to the US Dollar and Japanese Yen.

Over the course of the year, interest rates moved lower, particularly during the second half. As a result, broad bond market indices posted gains, with the Barclays Capital Aggregate Index up 7.5% and the BC Government/Credit Index up 8.8%. High yield bonds surged during the first half of the year along with other risky assets, but gave up some ground during the second half; overall, the BC High Yield Index was up 7.3% during the year. In foreign bond markets, the benefit from lower rates was offset by weaker currencies and wider credit spreads, with the Citigroup Non-US WGBI up a modest 0.4%.

Real estate continued its rebound from the lows of 2009-10, with the NCREIF Property Index, representing private real estate, up 12.0% during the year and the NAREIT Equity REIT Index, representing public real estate securities, up 12.9%.

Private equity posted strong results during the year (+12.0% for Consolidated Defined Benefit Fund private equity holdings) but this result does not incorporate valuations from much of the second half of the year, which are likely to be lower.

Hedge funds, which many expected to benefit from the volatile market environment, posted disappointing results, with the HFRI Fund of Funds Composite Index down 4.5% during the year.

Consolidated Defined Benefit Fund's Performance

Consolidated Defined Benefit Fund assets returned 0.7% during the year (net of fees), under-performing the 1.4% gain of the Total Fund benchmark. Positive contributors to performance included global diversified fixed income (+6.7%), global inflation-linked bonds (+11.1%), real estate (+9.0%), and private equity (+12.0%). Global public equity (-6.1%) and commodities (-11.7%) lost ground, though both exceeded their respective benchmark returns.

Strategic Contribution

Mid-way through the fiscal year, the INPRS Board approved new asset allocation targets as part of an Asset-Liability Modeling study conducted during the fall of 2011. As part of this study, several substantive changes were made to the INPRS investment strategy, with the primary goals of achieving a long term rate of return of 7% *(note: INPRS's Board approved a long term rate of return of 6.75% effective for FY13)* while improving the risk diversification of the fund. Those changes include:

- Reduce reliance on public equities to drive returns
    - 16.4% reduction in Global Public Equity

- Increase exposure to inflation-sensitive assets as a hedge and diversifier
  - 4.3% increase in Commodities, with TIPS for collateral
  - 3.1% increase in Real Estate
- Improve risk diversification and downside protection
  - 3.2% increase in Absolute Return
  - Introduction of new 10% Risk Parity allocation

Although the Consolidated Defined Benefit Fund underperformed its benchmark during the fiscal year, this was during a transition period. The asset allocation changes will take several months to implement. Two Risk Parity managers were funded March 2012 with 1-2 additional managers expected in FY'13. We will seek to fund a small number of differentiated strategies to gain Risk Parity exposure. We believe this program will diversify the Consolidated Defined Benefit Fund's sources of risk and will allow the Fund to perform well in a variety of economic and market environments.

Manager Contribution

Overall, the Consolidated Defined Benefit Fund's investment managers had mixed relative results during the year. Bright spots for excess returns included: Private Equity (12.0% vs. 6.8%); Global Inflation-Linked Bonds (11.1% vs. 8.9%); and Absolute Return (-2.5% vs. -4.5%). Conversely, weak relative results in Domestic Equity (3.3% vs. 3.8%), in particular Large Cap and Micro Cap; Core Opportunistic Fixed Income (5.8% vs. 7.4%); and Real Estate (9.0% vs. 13.6%).

Observations

SIS believes the asset allocation changes made by INPRS during the fiscal year will benefit the Consolidated Defined Benefit Fund over the long term, with broader diversification by asset classes and risk factors and a greater emphasis on downside protection and inflation hedging, while still maintaining exposure to markets that should perform well during a pick-up in global economic growth. We look forward to our involvement in the implementation of these changes through our continued partnership with INPRS.

Best regards,

Pete Keliuotis, CFA
Managing Director

Report from the Chief Investment Officer

A new era began in Fiscal Year 2012 (FY12) for the Indiana Public Retirement System's (INPRS) investment portfolio as it did for the entire organization. It was a year of transition, from two entities (PERF and TRF) into one entity (INPRS). The investment staff spent much of FY12 consolidating, merging and capturing fee savings, as well as implementing best practices taken from both PERF and TRF.

Year in Review

The foundation for prudent investment management of the Fund is the investment policy governing such practices. As such, a new investment policy statement was developed which incorporated the best practices from PERF, TRF, and other peers. Other notable activities that occurred during the year include the consolidated role of the master custodian of the Fund, from two to one; as well as the consolidation of investment managers and mandates where appropriate. Although there is still work to do, savings thus far, relative to the merger into INPRS, has amounted to almost $300 million in net present value.

Along with the above accomplishments, INPRS' investments department documented the following three long term goals that are vital for the continued health of the Fund:

Achieve the long term rate of return assumption. During FY12, the long term rate of return assumption, set by the INPRS Board, was 7 percent (effective FY13 the long term rate of return, set by INPRS Board, is 6.75 percent). In order for INPRS' Funds to maintain a healthy funded status, it is imperative to achieve this rate of return over a long term period.

Accomplish the first goal as effectively and efficiently as possible. Recognizing that not only is it important to return 7 percent or the long term rate of return, annually; but as fiduciaries, just as important, is the need to accomplish this by focusing on return per unit of risk, diversification, and cost efficiency.

Have sufficient liquidity on hand to pay beneficiaries. INPRS is fortunate to have a highly liquid portfolio. The current liquidity profile is more than sufficient to match the beneficiary payment requirements of the Fund.

Another strong focus for the newly branded organization has been risk management. The investment department implemented a new risk system in FY12 to assist in risk identification, risk monitoring, and risk management of the portfolio. The risk system and risk culture being developed assisted in guiding the new asset allocation that was approved by the INPRS Board in October, 2011.

Global Asset Classes	Target Allocation	Target Range
Public Equity	22.5%	20.0% to 25.0%
Private Equity	10.0%	7.0% to 13.0%
Fixed Income – Ex Inflation-Linked	22.0%	19.0% to 25.0%
Fixed Income – Inflation-Linked	10.0%	7.0% to 13.0%
Commodities	8.0%	6.0% to 10.0%
Real Estate	7.5%	4.0% to 11.0%
Absolute Return	10.0%	6.0% to 14.0%
Risk Parity	10.0%	5.0% to 15.0%

INPRS assesses not only the *dollar* weight but more importantly, the *risk* weight. Equities (both public and private), as highly volatile asset classes, contributes much more risk for each dollar added than does fixed income. Diversification has always been a basic tenet of investing but given the uncertain economic times we currently face, it is prudent not to rely so heavily on economic environments in which equities perform best – high growth and low inflation, for achieving the long term rate of return. The new asset allocation is better balanced and positions the Fund to perform in diverse economic conditions.

The addition of Risk Parity is new to INPRS. Risk Parity, as its name suggests, is a strategy diversified by risk as opposed to a dollar percentage allocation. Risk Parity has been added to the strategic asset allocation, of the Fund, to assist in weathering many economic environments; and is comprised mostly of nominal bonds, TIPS (Treasury Inflation Protected Securities), commodities and equities. The nominal bonds will perform best in times of lower than expected growth and inflation. The TIPS will perform best in higher than expected times of inflation (as will commodities) and the equities will perform in higher than expected growth and lower than expected inflationary environments.

Performance

During FY12, markets experienced a high level of volatility. The U.S. downgrade, European Union viability concerns, as well as a fear of a global slowdown created volatility without much return to show for it. Despite significant market volatility, INPRS' one year return was +0.68 percent. While the return is slightly positive, it is well below the 7 percent long term rate of return assumption. It is expected that the asset allocation changes will present a higher probability of achieving the long term rate of return with less volatility in the future.

Negative contributors to performance included: Absolute Return -2.54 percent, Global Public Equity -6.13 percent, Commodities -11.71 percent.

Assets classes that were positively accretive to returns included: Global Private Equity +11.99 percent, Fixed Income - Inflation-Linked +11.07 percent, real estate +8.97 percent, Fixed Income – Ex Inflation-Linked +6.67 percent, Risk Parity +0.99 percent (*note: Risk Parity was implemented in March, 2012*).

In conclusion, the new era of INPRS began with significant changes that should position the portfolio to be better balanced, more efficient and effective to significantly increase the probability of achieving the goals of the Fund in the future.

Sincerely,

David C. Cooper
Chief Investment Officer

Outline of Investment Policies

The Indiana Public Retirement System (INPRS) Board of Trustees (Board) serves as the ultimate fiduciary of INPRS. Indiana Code, Article 5-10.5 provides that a nine-member Board of Trustees will oversee INPRS. The nine (9) trustees shall be appointed by the Governor, four (4) of whom must be members of INPRS. The INPRS Board of Trustees appoints the executive director.

The Board establishes investment policies; however, Indiana law establishes guidelines on the investment of the System's assets. At all times, INPRS must invest its assets in accordance with the "Prudent Investor" standard. Under this standard, investment decisions are based upon the same degree of care that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a similar character with similar aims.

The primary objective of the Board's Investment Policy Statement (IPS) is to maintain adequate funding for each retirement fund and pension system in order to provide for the payment of such fund's actuarially-determined liabilities over time in a cost-effective manner. The purpose of the IPS is to support this general objective by:

- Setting forth the investment policies which the Board judges to be appropriate and prudent, in consideration of the needs and legal requirements applicable to direct investment of the assets;
- Making a clear distinction between the roles and responsibilities of the Board, Staff, and each Service Provider;
- Establishing formalized criteria to measure, monitor and evaluate the performance results of the Investment Managers;
- Communicating the investment policies, objectives, guidelines, and performance criteria of the Board to the Staff, Investment Managers, Consultants, Service Providers, employers, members and all other interested parties; and
- Serving as a review document to guide the ongoing oversight of the investments by the System and demonstrating that the Board is fulfilling its fiduciary responsibilities in the administration and management of each retirement fund's assets solely in the interests of such retirement fund's members and beneficiaries.

The Board intends for the IPS to be a dynamic document, and, as such, expects to conduct periodic reviews utilizing input from INPRS Staff, Consultants and other knowledgeable parties. The Board anticipates approving changes from time to time to reflect changes in any or all of: economic and market conditions, investment opportunities, the system's investment strategy, benefit provisions, and the INPRS' governance.

The Board recognizes that asset allocation is the most important determinant of long-term investment results. The procedure for determining the allocation will consider the relevant characteristics of the liabilities and the potential assets of the fund. An asset liability study will be conducted no less than every three (3) years and will analyze the expected returns of various asset classes, projected liabilities, risks associated with alternative asset mix strategies and their effect on the projected market value of assets, funded status, and contributions to the fund.

The investment portfolio includes long-term commitments to the following asset classes: Public Equity, Private Equity, Fixed Income - Ex. Inflation-Linked, Fixed Income – Inflation-Linked, Commodities, Real Estate, Absolute Return, and Risk Parity.

The Board employs investment managers to implement the asset allocation through a selective and thorough search process that embodies the principles of procedural due diligence. It is the intent of the Board to encourage the participation of all qualified organizations in this process. The Board encourages investment managers to develop long-term investment strategies consistent with the guidelines outlined in the IPS, as well as governing Indiana statutes. Additionally, investment managers will adhere to and comply with the CFA Institute Global Investment Performance Standards in calculating and reporting investment performance. Performance of each manager is measured against the rate of return associated with appropriate market index benchmarks and an appropriate universe or style peer group of investment managers.

The Annuity Savings Account (ASA) is an account established for each member of the Public Employees' Retirement Fund and the Teachers' Retirement Fund. A member's account is credited with the legislated 3 percent mandatory contribution (either paid by the member or "picked-up" by the employer). The member has investment direction to several alternative funds or may direct contributions to the Guaranteed Fund. The ASA produces an additional separate benefit from the fixed-formula employer-funded pension benefit to the member. The ASA investment options currently include (click on each fund to be directed to the fund fact sheet for the fund option or access on the INPRS Web site at **http://www.in.gov/inprs/fundfactsheets.htm**):

- Large Cap Equity Index Fund;
- Small/Mid Cap Equity Fund;
- International Equity Fund;
- Fixed Income Fund;
- Inflation Linked Fixed Income Fund;
- Target-Date Retirement Funds;
- Money Market Fund;
- Stable Value Fund (Legislators' Plan only);
- Retirement Funds' assets (Legislators' Plan only);
- Guaranteed Fund

The Guaranteed Fund provides a guarantee of the value of an individual's contributions plus any interest credited. The INPRS Board of Trustees annually establishes the interest crediting rate for the Guaranteed Fund based on a uniform methodology. The interest crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section.

The number and types of investment funds offered will be periodically reviewed by the Board in order to ensure diversity of investment alternatives, adequate and reasonable availability of investment types, and clarity and usefulness of the investment choices. ASA performance data is included in the Investment Highlights of this section.

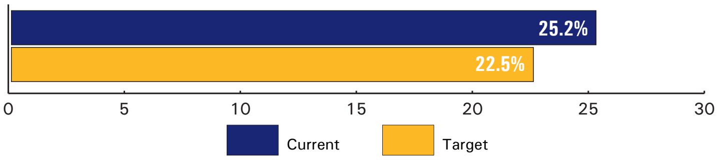
Public Equity

Market Value as of 06/30/12	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[1]
$4,975.4 Million	(6.1)%	(6.9)%

Portfolio Objective

The Global Public Equity portfolio seeks to provide long-term capital appreciation and income through exposure to public equity securities. INPRS uses a variety of external managers to create a globally-diversified portfolio within the asset class. Historically, global public equities have performed well in environments when actual economic growth came in higher than expectations and/or when actual inflation came in lower than expectations.

INPRS Allocation



Performance Attribution

INPRS one-year performance was favorable by 0.8 percentage points relative to its benchmark, driven primarily by the overweight in domestic equities versus the developed international and emerging markets equities.

Market Overview

During fiscal year 2012, global equities, as represented by the MSCI ACWI, were down (6.9) percent. Equity markets were volatile during fiscal year 2012 due to uncertainties with European countries like Greece, Spain, and Italy; the slowing economy of China; and the United States' mounting fiscal debt. Based on the Russell 3000 Index, domestic equities were up 3.8 percent for fiscal year 2012. In addition, international equities were down (14.8) percent based on the MSCI ACWI ex US IMI Index.

For the first quarter of fiscal year 2012, domestic equities declined (15.3) percent after U.S. lawmakers agreed to raise the debt ceiling and the government's credit rating was downgraded to AA+. In addition, international markets remained depressed as European bank stocks sharply declined due to their exposure to weak European countries. As a result, global equities finished the quarter down (17.8) percent.

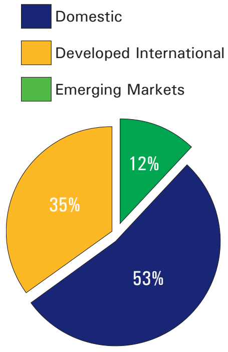
For the second quarter of fiscal year 2012, global equities rose 7.3 percent after the sluggish first quarter. Pressures on U.S. companies were rising due to a slowdown in foreign sales. However, investor confidence improved toward the end of the second quarter when economic data stated the U.S. was not headed back into a recession and European policymakers were taking bolder actions in an attempt to solve the sovereign debt crisis.

After the disappointing 2011, global public equity markets experienced success in the third quarter of fiscal year 2012, up 12.2 percent. Japan and Germany led the rising markets with quarterly returns near 20 percent. Central banks of developed countries across the world were stimulating, and economies were responding accordingly. The results of the Federal Reserve's stress test were released in March 2012, and 15 out of 19 bank holding companies passed, which showed significant signs of improvement in the economy. Overall, during the quarter, domestic equities were up 12.9 percent.

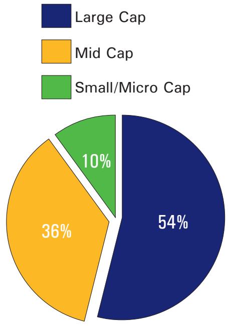
The fourth quarter of fiscal year 2012 experienced a decline in global growth and increased risk aversion among investors due to increased pressure to deleverage, less monetary stimulus in developed countries, and concerns over the future of the European Currency Union. Overall, for the fourth quarter, global equities were down (5.5) percent.

Portfolio Structure

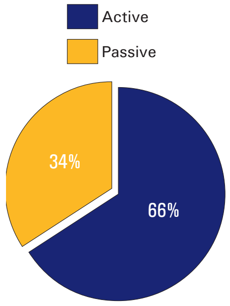
Regional Exposure



Market Cap Exposure



Investment Strategy



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[1] *Global Public Equity benchmark is the MSCI All Country World IMI Index ("MSCI ACWI").*

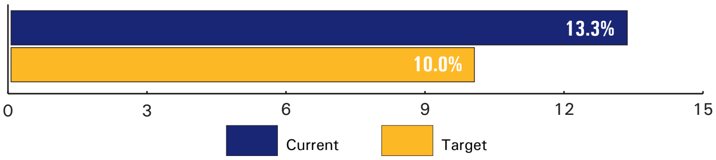
Private Equity

Market Value as of 06/30/12	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[1]
$2,621.0 Million	12.0%	6.8%

Portfolio Objective

The Private Equity portfolio seeks to provide risk-adjusted returns in excess of the public equity markets while simultaneously decreasing the volatility of the INPRS investment portfolio through diversification. The Private Equity portfolio is invested in the following sub-asset classes: venture and growth capital, buyout, energy, and debt-related strategies.

INPRS Allocation



Performance Attribution

The Private Equity portfolio's performance returns were primarily driven by investments in the energy, domestic mid-market buyout, domestic large market buyout, and distressed debt sub-asset classes. The INPRS investments in energy funds earned a 16.5 percent return for fiscal year 2012.

The INPRS investments in domestic mid-market buyout managers returned 19 percent during fiscal year 2012. Similarly, domestic large market buyout investments in the Private Equity portfolio earned 16.1 percent and returned $189.1 million of capital. Given the strong IPO exit environment in the first half of fiscal year 2012, it is not surprising that the INPRS investments in buyout funds fared well.

With the global uncertainty surrounding the credit markets, the INPRS investments with distressed debt managers had strong performance over fiscal year 2012. The distressed debt sub-asset class within the Private Equity portfolio returned $231.5 million in capital during fiscal year 2012.

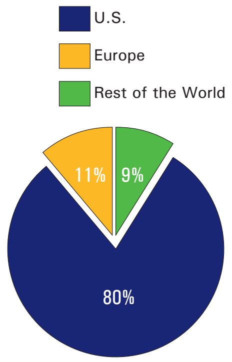
Market Overview

The Private Equity portfolio returned 12.0 percent for fiscal year 2012, which exceeded the benchmark return of 6.8 percent by 5.2 percentage points. In addition, the INPRS Private Equity portfolio has outperformed its benchmark over the 5-year period by 1.9 percentage points.

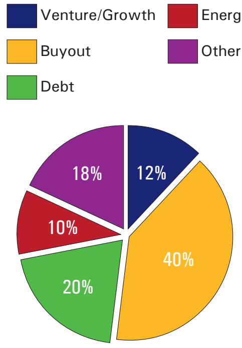
During fiscal year 2012, INPRS committed capital to a number of existing managers, as well as to a few new relationships. These commitments were made to managers who have shown strong prior performance in previous investments by INPRS and to strategies where additional exposure was desired. In making investments within the Private Equity asset class in fiscal year 2012, INPRS focused on balancing conviction in its chosen managers with appropriate diversification. To this end, INPRS made seven (7) investments ranging from $30 million to $100 million each in value, for a total of $402.5 million of new commitments.

Portfolio Structure

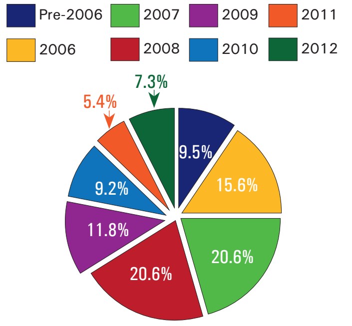
Investment by Region



Investment by Sub-Asset Class



Investment by Vintage Year



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[1] *Private Equity benchmark is the Russell 3000 Index Plus 300 Basis Points.*

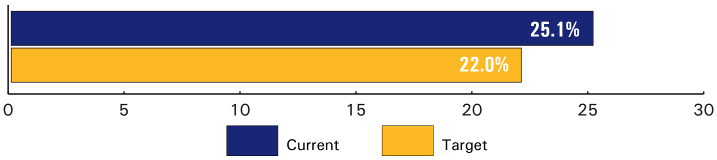
Fixed Income – Ex Inflation-Linked

Market Value as of 06/30/12[1]	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[2]
$4,943.8 Million	6.7%	6.7%

Portfolio Objective

The Fixed Income portfolio seeks to generate current income and long-term risk-adjusted return in excess of the Barclays Capital Global Aggregate Index ("Benchmark") through investment in debt securities. A focus is placed on preservation of capital. To minimize the probability of substantial principal loss over the investment horizon, the objective is to reduce portfolio volatility prior to enhancing portfolio returns.

INPRS Allocation



Portfolio Structure

	INPRS	Benchmark
Duration to worst:	6.04	6.37
Yield to worst:	3.25%	2.21%
Credit quality:	A+	AA / AA-

Performance Attribution

For fiscal year 2012, the INPRS Fixed Income portfolio returned 6.7 percent, essentially the same as the benchmark. The portfolio's overweight to the corporate sector and underweight to the government sector were the main factors impacting performance.

Market Overview

During fiscal year 2012, capital markets were volatile primarily due to concerns over fiscal debt in both the U.S. and Europe, and a global economic slowdown, especially in the U.S. and China.

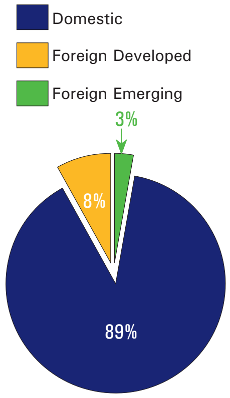
For the first quarter of fiscal year 2012, weak domestic economic data, the S&P downgrade of the U.S. sovereign rating to AA+ from AAA, and increased concerns over European sovereign debt unsettled markets. INPRS Fixed Income portfolio returned 0.9 percent for the quarter. The portfolio's overweight to the corporate sector and underweight to the government sector were the main detractors from performance.

For the second quarter of fiscal year 2012, measures put in place by European policymakers and major central banks around the world to help resolve concerns over European sovereign debt and to increase liquidity to the global banking system, calmed markets. The INPRS Fixed Income portfolio returned 1.5 percent for the quarter. The portfolio's overweight to the corporate sector and exposure to the mortgage-backed sector were the main contributors to performance.

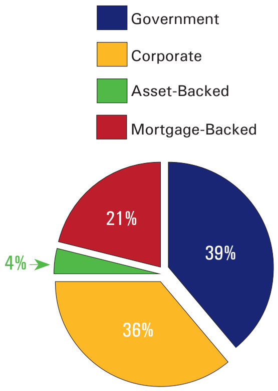
For the third quarter of fiscal year 2012, positive market sentiment from second quarter results directed a gain in momentum. The better-than-expected U.S. employment data, announcement by the Federal Reserve to keep interest rates exceptionally low until late 2014, and continued injection of liquidity by major central banks around the world into the global banking system, were the primary catalysts. The INPRS Fixed Income portfolio returned 2.3 percent for the quarter. The portfolio's overweight to the corporate sector was the main contributor to performance.

For the fourth quarter of fiscal year 2012, resurgence of concerns over European sovereign debt with a focus on deteriorating economic condition in Spain and Italy, weaker-than-expected U.S. employment data, and concerns over the U.S. fiscal cliff, dampened market sentiment. The INPRS Fixed Income portfolio returned 1.9 percent for the quarter. The portfolio's underweight to the government sector was the main detractor from performance.

Regional Exposure



Sector Exposure



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[1] *Market Value includes Cash.*

[2] *Fixed Income - Ex Inflation-Linked benchmark is the Barclays Capital Global Aggregate Index.*

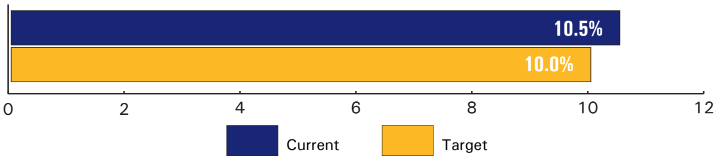
Fixed Income – Inflation-Linked

Market Value as of 06/30/12	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[1]
$2,078.7 Million	11.1%	8.9%

Portfolio Objective

The Treasury Inflation Protected Securities (“TIPS”) portfolio seeks to generate long-term risk-adjusted return in excess of the Barclays Capital Global Inflation-Linked Bond Index (“Benchmark”) through investment in inflation-linked securities, and to provide protection against unanticipated inflation.

INPRS Allocation

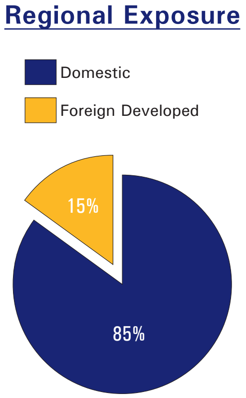


Portfolio Structure

	INPRS	Benchmark
Duration to worst:	9.65	9.28
Yield to worst:	1.49%	1.33%
Credit quality:	AA+	AAA

Performance Attribution

For fiscal year 2012, the INPRS TIPS portfolio returned 11.1 percent, outperforming the benchmark by 2.2 percentage points. The portfolio’s overweight to U.S. TIPS was the main contributor to performance.

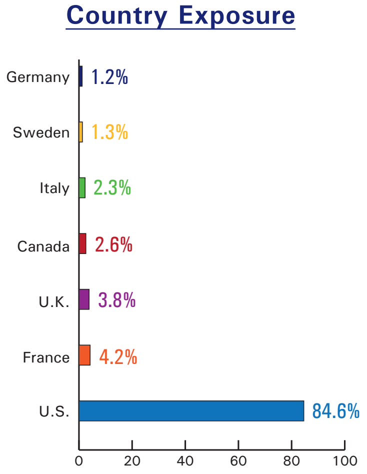


Market Overview

During fiscal year 2012, capital markets were volatile primarily due to concerns over fiscal debt in both the U.S. and Europe, and a global economic slowdown, especially in the U.S. and China.

For the first quarter of fiscal year 2012, weak domestic economic data, the S&P downgrade of the U.S. sovereign rating to AA+ from AAA, and increased concerns over European sovereign debt, unsettled markets. The INPRS TIPS portfolio returned 4.7 percent for the quarter. Deteriorating global economic data was the main detractor to performance.

For the second quarter of fiscal year 2012, measures put in place by European policymakers and major central banks around the world to help resolve concerns over European sovereign debt and to increase liquidity to the global banking system, calmed markets. The INPRS TIPS portfolio returned 2.6 percent for the quarter. Prospects of a global economic recovery and higher inflation expectations contributed to performance.



For the third quarter of fiscal year 2012, positive market sentiment directed a gain in momentum. The better-than-expected U.S. employment data, announcement by the Federal Reserve to keep interest rates exceptionally low until late 2014, and continued injection of liquidity by major central banks around the world into the global banking system, were the primary catalysts. The INPRS TIPS portfolio returned 1.0 percent for the quarter. Improving U.S. economic data and higher inflation expectations contributed to performance.

For the fourth quarter of fiscal year 2012, resurgence of concerns over European sovereign debt with a focus on deteriorating economic conditions in Spain and Italy, weaker-than-expected U.S. employment data, and concerns over the U.S. fiscal cliff, dampened market sentiment. The INPRS TIPS portfolio returned 2.4 percent for the quarter. Weakening U.S. economic data and lower commodity prices were the main detractors from performance.

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[1] *Fixed Income - Inflation-Linked benchmark is the Barclays Capital Global Inflation-Linked Bond Index.*

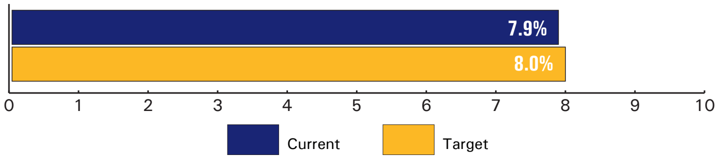
Commodities

Market Value as of 06/30/12	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[1]
$1,559.5 Million	(11.7)%	(12.5)%

Portfolio Objective

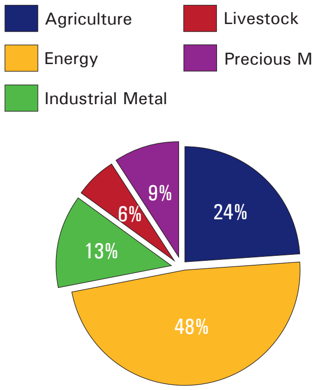
The purpose of the INPRS Commodity portfolio is to enhance long-term risk-adjusted returns by preserving investment capital and lowering overall volatility. The portfolio should also act as a hedge against unanticipated inflation. Commodity investments have historically delivered returns that are less correlated with equity and fixed income markets which may provide an opportunity to enhance returns and/or reduce volatility.

INPRS Allocation



Portfolio Structure

Sector Weights



Performance Attribution

The INPRS Commodity portfolio's one-year performance led its benchmark by 0.8 percentage points. The outperformance from active management came in the first half of fiscal year 2012, and was the result of various over- and under-weights to the benchmark within mainly the agriculture and energy sectors.

Market Overview

The INPRS commodity exposure is approximately equal to a 50/50 blend of the Dow Jones UBS Commodity Index and the Goldman Sachs Commodity Index. For fiscal year 2012, these indices were down (14.4) percent and (10.8) percent, respectively.

Commodity prices experienced a significant decline in the first quarter of fiscal year 2012. The sharp drop came in September 2011, as Eurozone uncertainty weighed heavily on commodity prices. The severity of the downward move across various commodity sectors, including precious metals, was highly correlated to the sharp decline in equity prices. Tight physical supply/demand balances in several commodities helped to support prices against further declines.

During the second quarter of fiscal year 2012, returns remained mostly unchanged, despite intra-quarter volatility. Notably, with the exception of precious metals, every major commodity sector (Energy, Industrial Metals, Livestock and Agriculture) ended calendar year 2011 lower.

Although commodity prices were generally higher throughout the third quarter of fiscal year 2012, components of the major indices saw an increasing price dispersion that highlighted differing supply/demand fundamentals. Geopolitical risks involving Iran helped support the petroleum sector over the quarter, while natural gas prices plummeted on warm weather and excess supply. Agriculture markets were generally subdued with the exception of soybeans, which staged a sharp rally on tightening fundamentals.

Commodity prices were generally lower throughout the fourth quarter of fiscal year 2012. The quarter was defined by growing concerns over the European debt crisis and weather-related volatility in the agricultural and natural gas markets. Industrial commodities generally trended lower, while grains experienced sharp gains as extreme weather reversed optimistic crop forecasts.

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[1] Commodities benchmark is a 50/50 blend of the Dow Jones UBS Commodity Index and the Goldman Sachs Commodity Index.

Consolidated Defined Benefit Assets

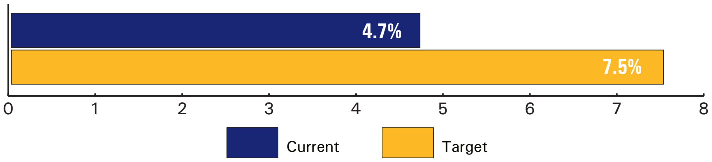
Real Estate

Market Value as of 06/30/12	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[1]
$919.5 Million	9.0%	13.6%

Portfolio Objective

The INPRS Real Estate portfolio is mostly comprised of investments in private real estate partnerships, and the underlying exposures are a mix of debt and equity holdings. The portfolio seeks to generate attractive risk-adjusted returns by providing stable current income and preserving investment capital. The portfolio should also reduce volatility by providing a hedge against unanticipated inflation and through the diversification benefits provided by real estate investments.

INPRS Allocation



Performance Attribution

For fiscal year 2012, the Real Estate portfolio trailed its benchmark by 4.6 percentage points. The INPRS real estate debt investments, while achieving a respectable 7.7 percent return on an absolute basis, did not perform well relative to the INPRS all-equity benchmark and proved to be a significant drag on overall relative performance.

Market Overview

Private equity real estate was the top-performing major asset class heading into the start of fiscal year 2012. Returns for the two (2) major private real estate benchmarks, NPI and NFI-ODCE, exceeded public equities and bonds during the first three quarters of calendar year 2011. The NCREIF Property Index (NPI) was up 16.7 percent for the twelve-month period ending June 30, 2011.

For the first quarter of fiscal year 2012, the U.S. commercial real estate market maintained trends seen in the first half of calendar year 2011, with the apartment sector showing the strongest performance. Both capitalization rate compression and net operating income (NOI) growth contributed to strong appreciation for the sector. Overall, the NPI was up 3.3 percent for the quarter.

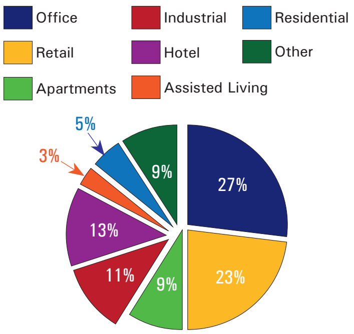
During the second quarter of fiscal year 2012, NPI was up 3.0 percent, marking the eighth consecutive quarter of positive total returns since the bottom of the market. Once again, apartments were the clear sector winner, with NOI growth contributing to its strong appreciation for the quarter. Nationally, investors continued to show their preference for the major gateway cities. Within the office sector, Manhattan, San Francisco and Washington D.C. comprised nearly half of the total property sales for calendar year 2011.

Following a very good calendar year 2011, commercial real estate continued its strong performance into 2012, with the NPI up 2.6 percent for the third quarter of fiscal year 2012. Appreciation return fell slightly from the prior quarter, as markets appeared to be stabilizing. Income return, however, was at a significant spread to Treasury yields, up 6.0 percent for the one-year period ending March 31, 2012.

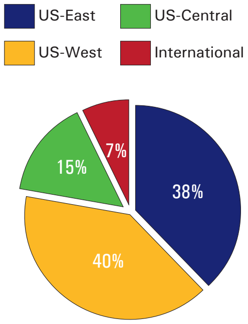
The NPI increased 2.7 percent during the fourth quarter of fiscal year 2012, with returns driven by appreciation and income. For the fiscal year, the office and hotel sectors were the only two (2) major sectors to underperform the headline NPI. The apartment and retail sectors led the outperforming sectors, returning 13.2 percent and 13.4 percent, respectively, for the twelve-month period.

Portfolio Structure

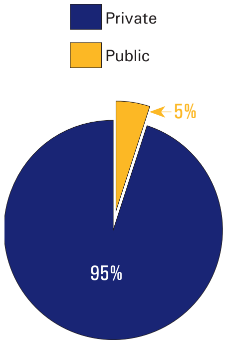
Property Type



Property Location



Market Type



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[1] *Real Estate benchmark is the NCREIF Open End Diversified Core Equity Index ("NCREIF ODCE").*

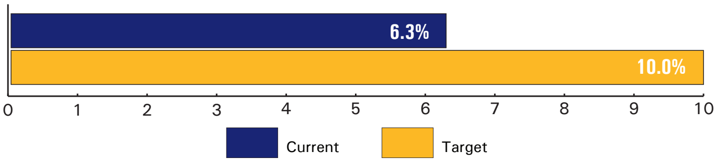
Absolute Return

Market Value as of 06/30/12	INPRS 1-Year Net Performance	Benchmark 1-Year Performance[1]
$1,241.0 Million	(2.5)%	(4.5)%

Portfolio Objective

The purpose of the Absolute Return Strategies Program is to enhance the long-term risk-adjusted returns by providing diversification benefits, while preserving capital and reducing volatility. Absolute Return Strategies generate returns by exploiting mispricing and inefficiencies in global capital markets, while attempting to reduce exposures to primary market factors (e.g., interest rates and equities) through various hedging techniques. These strategies have historically delivered returns that are less correlated with equity and fixed-income markets than traditional investment strategies. It is important to maintain an appropriate level of diversification among investment strategies in order to most effectively meet these stated objectives. At the end of fiscal year 2012, the Absolute Return portfolio consisted of 17 managers pursuing various investment strategies including long/short equity, event driven, relative value, and tactical trading.

INPRS Allocation



Performance Attribution

The INPRS Absolute Return portfolio's performance exceeded the benchmark (HFRI Fund of Funds Composite Index) by 2.0 percentage points. The favorable performance was the product of: (1) the portfolio's tactical trading managers capitalizing on the rally in developed market bonds; (2) a niche, asset-based investment manager producing yield and asset price appreciation; and (3) the portfolio's largest long/short equity manager returning over 8 percent during the course of fiscal year 2012.

Market Overview

The Absolute Return portfolio was not insulated from the volatility endemic to the developed markets' deleveraging process and slowing growth concerns related to the U.S. fiscal cliff, Euro currency crisis and austerity, and falling Chinese growth.

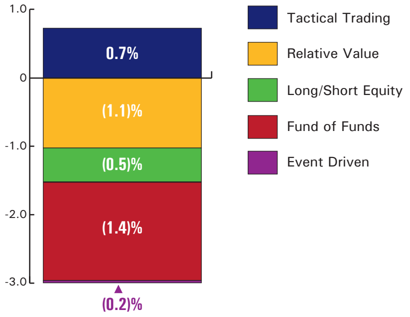
Risk aversion and increased correlations resulted in macro sentiment impacting prices more than fundamentals during the first quarter of fiscal year 2012. As a result, higher beta convertible arbitrage and long/short equities suffered, losing (11.9) percent and (6.4) percent, respectively. Macro funds gained 7.7 percent for the quarter, benefiting from the decline in rates.

Domestic equities and distressed names in the portfolio rallied on better economic data, with both rising approximately 1.5 percent during the second quarter of fiscal year 2012. Macro managers underperformed most strategies as domestic and European rates struggled to find direction throughout the quarter.

During the third quarter of fiscal year 2012, risk assets continued to perform well on the back of improving U.S. data and constructive speech from Europe. The S&P 500 rallied 12 percent, and convertible arbitrage, long/short equity, and long/short credit gained 5.1 percent, 3.9 percent and 3.4 percent, respectively. Macro managers continued to struggle as bearish European bets were defied.

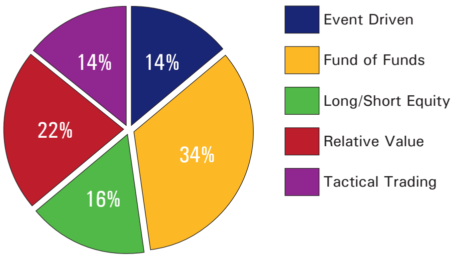
Closing out fiscal year 2012, in the fourth quarter a combination of negative news from Europe and weak U.S. data led to a risk-off quarter. The macro strategy fell (2.6) percent due to incorrect directional positions in rates, currencies, and volatility. However, long/short credit and convertible arbitrage performed relatively well due to defensive positioning, returning (0.4) percent and (0.9) percent, respectively, over the quarter.

Contribution to Performance by Strategy

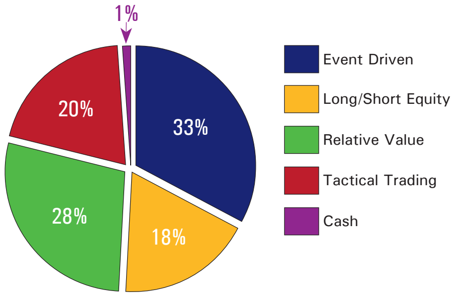


Portfolio Composition

Fund of Funds Separated



Fund of Funds Combined



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[1] *Absolute Return benchmark is the HFRI Fund of Funds Composite Index.*

Risk Parity

Market Value as of 06/30/12	INPRS 1-Year Net Performance[1]	Benchmark 1-Year Performance[2]
$1,370.0 Million	1.0%	(2.1)%

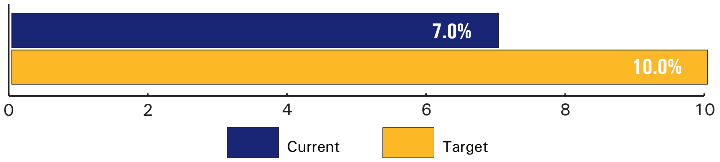
Portfolio Objective

The Risk Parity portfolio seeks to create risk-balance that is capable of delivering consistent and high risk-adjusted returns in several macro-economic environments. Unlike a traditional asset allocation that is highly dependent on positive equity returns, the Risk Parity portfolio is constructed to accrue various asset class risk premiums, including equity, without long-term dominance from any single asset class. As a result, the underperformance of a given asset class in a particular environment will automatically be offset by the outperformance of another asset with an opposing sensitivity to the environment.

The Risk Parity portfolio rests on the following key tenets:

1. Over a full market cycle, most asset classes carry a risk premium, and by investing in them, investors expect to earn a return higher than that offered by cash instruments.
2. The return of a particular asset class is proportional to its risk over long periods of time (i.e., different asset classes have similar Sharpe ratios).
3. The main drivers of returns are growth and inflation factors, and certain asset classes perform better than others depending on the particular combination of such factors the economy is facing.

INPRS Allocation



Performance Attribution

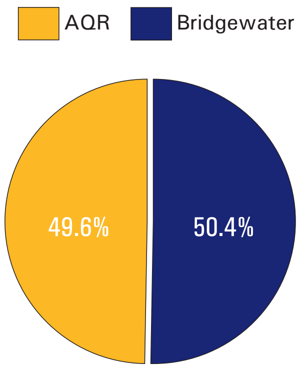
Since inception on March 14, 2012, the Risk Parity portfolio has produced a net of fees total return of 1.0 percent. This outperformed the traditional portfolio of 60 percent global equities and 40 percent global bonds by 3.1 percentage points over the same period.

Market Overview

In the fourth quarter of fiscal year 2012, global economic growth disappointed due to fading monetary policy support globally, an acceleration of deleveragings across Europe, and slower growth in China. However, inflation changes were minimal over the quarter. As a result, assets with a bias to benefit from weaker-than-discounted economic growth performed well. The Barclays Global Aggregate Bond Index, with significant nominal bond exposure, was up 1.5 percent, and the Barclays Global Inflation-Linked Bond Index was up 1.3 percent. Assets that tend to struggle in this environment performed poorly. Global equities fell (5.7) percent , as represented by the MSCI ACWI IMI Index, and commodities fell (12.4) percent , as represented by the S&P GSCI Index. By risk-balancing the allocation across asset classes that perform in either environment, the Risk Parity portfolio was able to offset the significantly negative equity and commodity returns with positive bond returns.

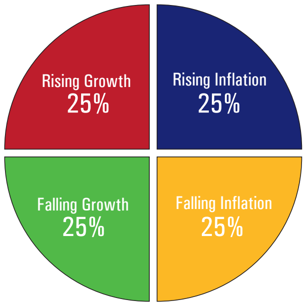
Portfolio Structure

Manager Allocation



Target Risk Allocation

Exposure to asset classes that perform well in the following economic environments.



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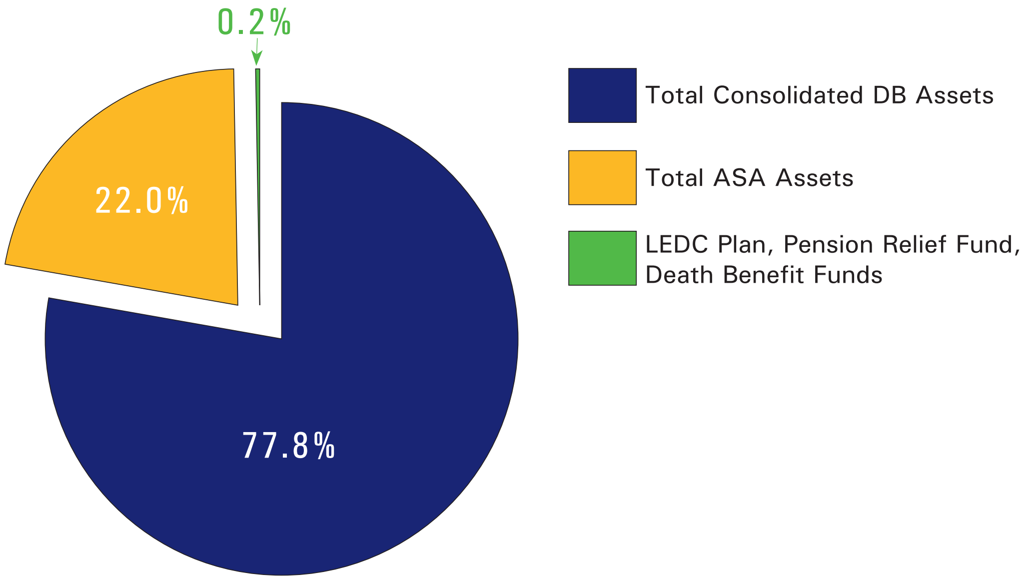
[1] *Inception date was March 14, 2012.*
[2] *Risk Parity benchmark comprised of 60 percent MSCI ACWI IMI Index (equities) and 40 percent Barclays Global Aggregate Bond Index (bonds).*

INPRS Unitized Investment Summary
Fiscal Year Ended June 30, 2012

(dollars in millions)

	Actual Assets	Percent
Consolidated Defined Benefit Assets:		
Defined Benefit Retirement Plans' Assets	$ 19,698.9	77.8%
Legislators' Defined Contribution Plan (LEDC Plan)[1]	10.0	-
Total Consolidated Defined Benefit Assets	**19,708.9**	**77.8**
Annuity Savings Accounts (ASA) Assets[2]:		
Public Employees' Retirement Fund (PERF)	2,727.9	10.8
Teachers' Retirement Fund (TRF)	2,850.7	11.2
Total Annuity Savings Accounts Assets	**5,578.6**	**22.0**
Legislators' Defined Contribution Plan[3]	14.2	0.1
Pension Relief Fund[4]	14.1	0.1
Death Benefit Funds[5]	12.2	-
Total INPRS Unitized Investments[6]	**$ 25,328.0**	**100.0%**

[1] Assets represent members of the LEDC Plan who have elected the Consolidated Defined Benefit Assets option.
[2] ASA assets are directed by PERF and TRF members outside the Consolidated Defined Benefit Assets.
[3] Account balances directed outside the Legislators' Consolidated Defined Benefit Assets option.
[4] Assets are invested in a Money Market Fund with Bank of New York Mellon.
[5] Includes State Employees' Death Benefit Fund and Public Safety Officers' Special Death Benefit Fund. Assets are invested in Fixed Income securities benchmarked against Barclays Capital U.S. Government Credit Index.
[6] Includes Securities Lending Collateral, Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, Securities Lending Obligations, Securities Sold Under Agreement to Repurchase, and immaterial timing differences compared to the accounting records.

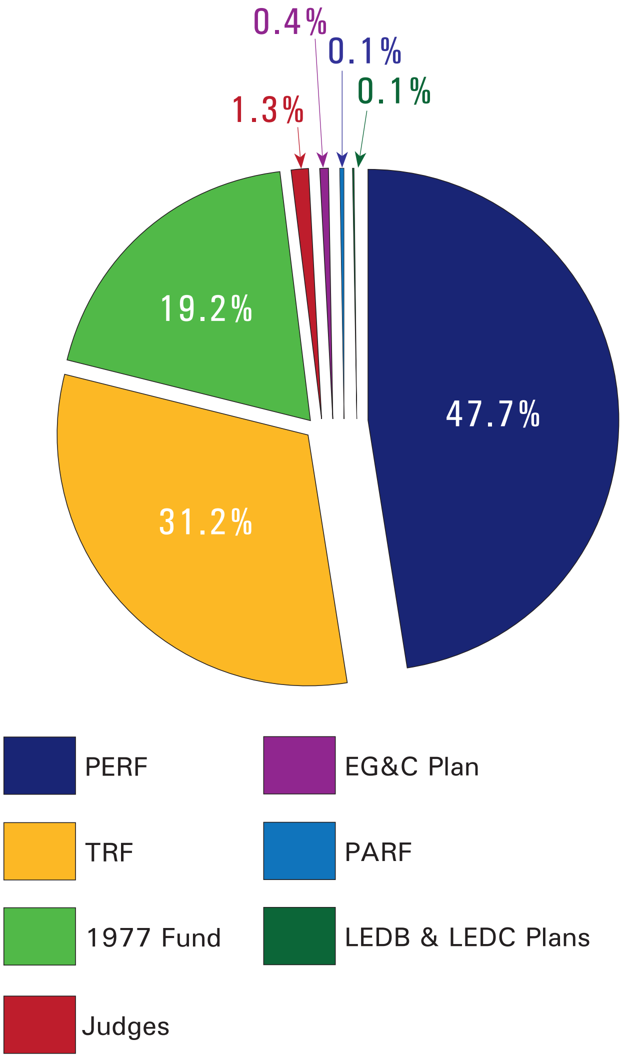


Retirement Plans in Consolidated Defined Benefit Assets
Fiscal Year Ended June 30, 2012

(dollars in millions)

Retirement Plan	Amount	Percent
Public Employees' Retirement Fund	$ 9,396.0	47.7%
Teachers' Retirement Fund	6,157.9	31.2
1977 Police Officers' & Firefighters' Pension and Disability Fund	3,775.8	19.2
Judges' Retirement System	262.1	1.3
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	76.1	0.4
Prosecuting Attorneys' Retirement Fund	27.6	0.1
Legislators' Retirement System – Defined Benefit Plan	3.4	-
Legislators' Retirement System – Defined Contribution Plan	10.0	0.1
Total Consolidated Defined Benefit Assets[1]	**$ 19,708.9**	**100.0%**

[1] Includes Securities Lending Collateral, Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, Securities Lending Obligations, Securities Sold Under Agreement to Repurchase, and immaterial timing differences compared to the accounting records.



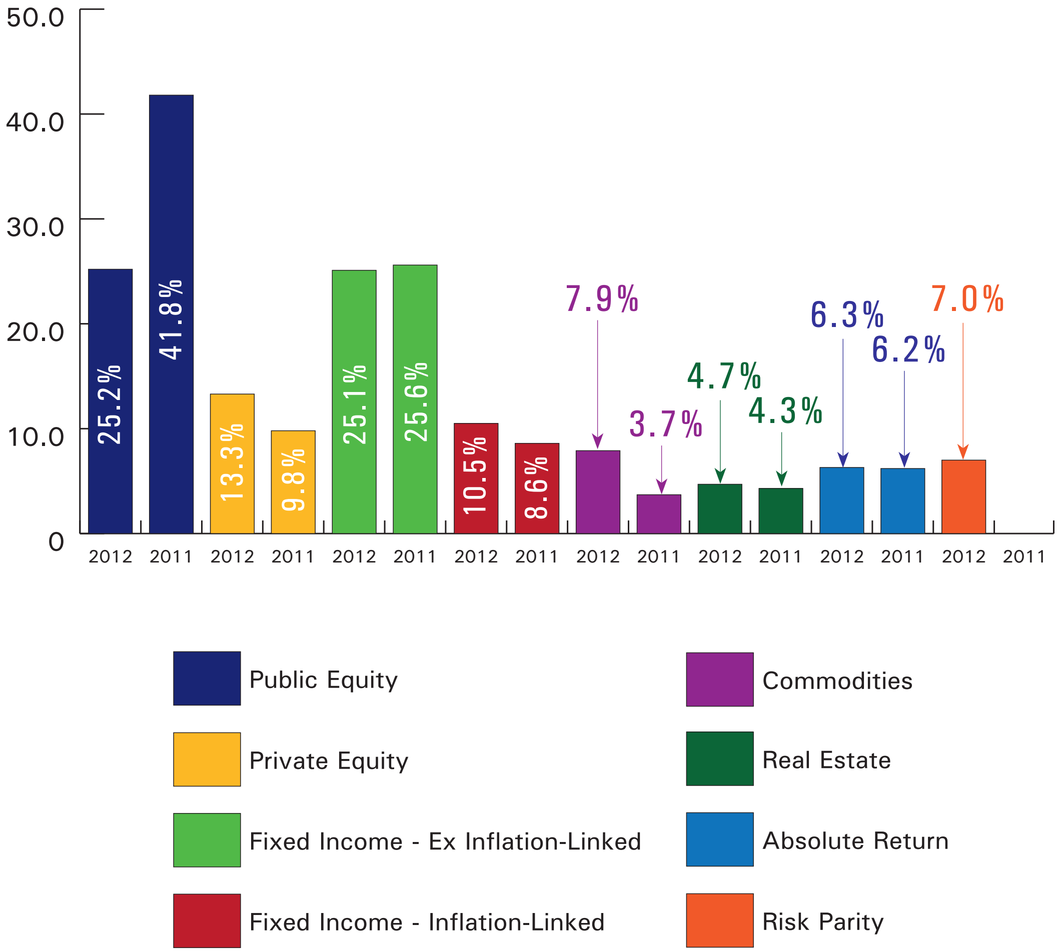
Consolidated Defined Benefit Assets
Asset Allocation Summary
June 30, 2012 Actual vs. June 30, 2011 Actual

(dollars in millions)

	June 30, 2012		June 30, 2011[1]	
Asset Class	**Amount**	**Percent**	**Amount**	**Percent**
Public Equity	$ 4,975.4	25.2%	$ 9,109.4	41.8%
Private Equity	2,621.0	13.3	2,143.1	9.8
Fixed Income – Ex Inflation-Linked	4,943.8	25.1	5,579.5	25.6
Fixed Income – Inflation-Linked	2,078.7	10.5	1,869.3	8.6
Commodities	1,559.5	7.9	802.3	3.7
Real Estate	919.5	4.7	928.8	4.3
Absolute Return	1,241.0	6.3	1,348.2	6.2
Risk Parity	1,370.0	7.0	N/A	N/A
Total Consolidated Defined Benefit Assets[2]	**$ 19,708.9**	**100.0%**	**$ 21,780.6**	**100.0%**

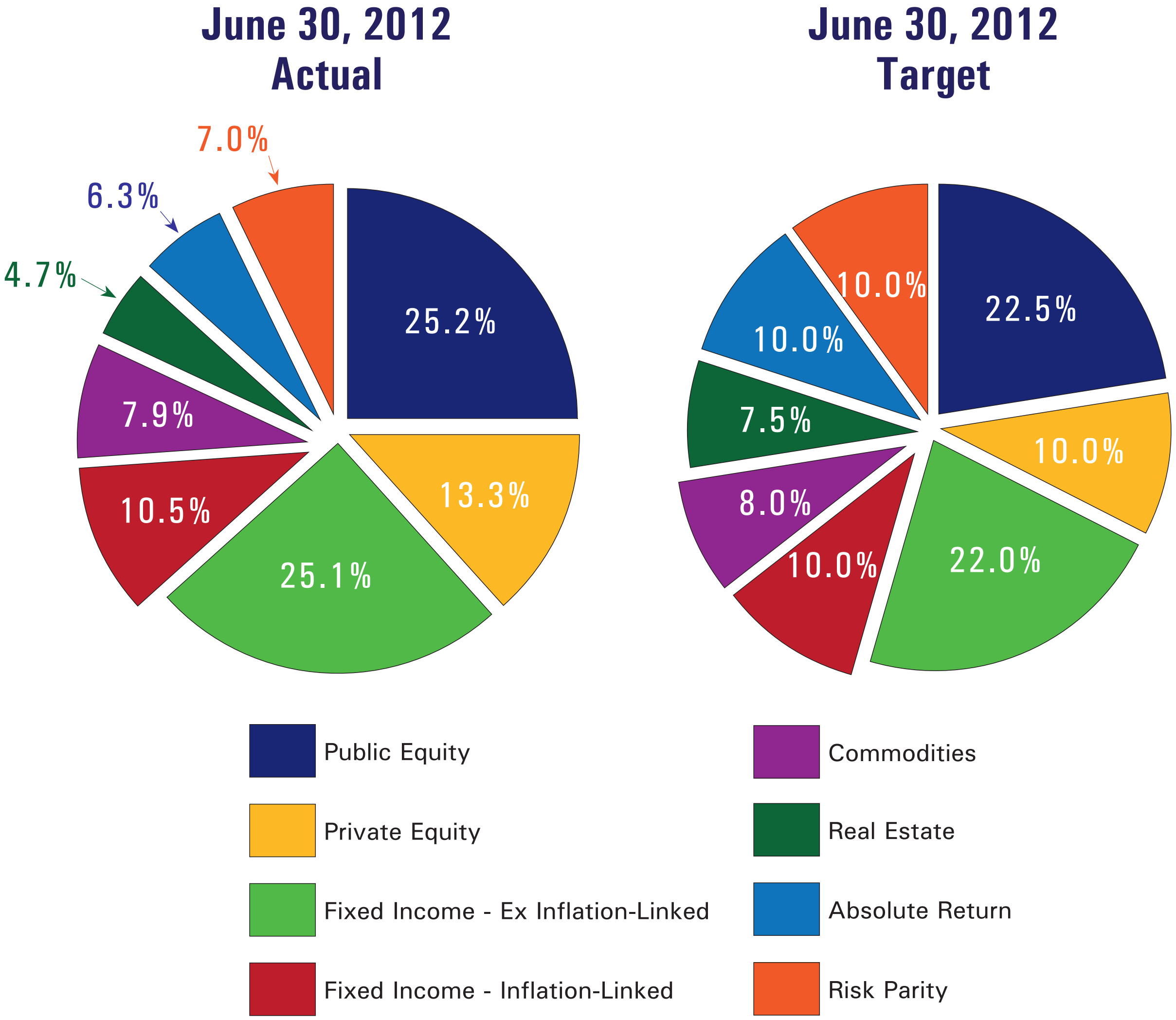
[1] *Asset allocation percentages are a combination of the PERF and TRF allocations to each respective asset class as previously reported for fiscal year 2011.*

[2] *Includes Securities Lending Collateral, Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, Securities Lending Obligations, Securities Sold Under Agreement to Repurchase, and immaterial timing differences compared to the accounting records.*



Consolidated Defined Benefit Assets
Asset Allocation Summary
June 30, 2012 Actual vs. Target

Asset Class	June 30, 2012 Actual	Target	Allowable Range for Investments
Public Equity	25.2%	22.5%	20.0 to 25.0%
Private Equity	13.3	10.0	7.0 to 13.0
Fixed Income - Ex Inflation-Linked	25.1	22.0	19.0 to 25.0
Fixed Income - Inflation-Linked	10.5	10.0	7.0 to 13.0
Commodities	7.9	8.0	6.0 to 10.0
Real Estate	4.7	7.5	4.0 to 11.0
Absolute Return	6.3	10.0	6.0 to 14.0
Risk Parity	7.0	10.0	5.0 to 15.0
Total Consolidated Defined Benefit Assets	**100.0%**	**100.0%**	



Consolidated Defined Benefit Assets
Annualized Rate of Return by Asset Class vs. Benchmark Returns
Fiscal Year Ended June 30, 2012

(Percent Return[1])

	1-Year[2]			
Asset Class	**Actual Return**	**Benchmark Return**	**Actual Over/ (Under) Benchmark (Pct. Points)**	**Benchmark**
Public Equity	(6.1)%	(6.9)%	0.8	MSCI All Country World IMI Index (MSCI ACWI)
Private Equity	12.0	6.8	5.2	Russell 3000 Index Plus 300 Basis Points
Fixed Income - Ex Inflation-Linked	6.7	6.7	-	Barclays Capital Global Aggregate Index
Fixed Income - Inflation-Linked	11.1	8.9	2.2	Barclays Capital Global Inflation-Linked Bond Index
Commodities	(11.7)	(12.5)	0.8	Custom Benchmark[3]
Real Estate	9.0	13.6	(4.6)	NCREIF Open End Diversified Core Equity Index
Absolute Return	(2.5)	(4.5)	2.0	HFRI Fund of Funds Composite Index
Risk Parity[4]	1.0	(2.1)	3.1	Custom Benchmark[5]
Total Consolidated Defined Benefit Assets	**0.7 %**	**1.4 %**	**(0.7)**	Custom Benchmark[6]

[1] Net of fees.
[2] Based on calculations made by the System's custodian, BNY Mellon. Time-weighted rates of return have been reported for fiscal year 2012.
[3] 50% Dow Jones UBS Commodity Index/50% Goldman Sachs Commodity Index.
[4] Inception date of the Risk Parity portfolio was March 14, 2012.
[5] 60% MSCI ACWI IMI Index (Equities)/40% Barclays Global Aggregate Bond Index (Bonds).
[6] Benchmark history through December 31, 2011, represents composite returns for the legacy PERF and TRF dynamic policies combined using dynamic market weights each month and reported under the single Total Consolidated Benefit Assets structure beginning January 1, 2012.

Consolidated Defined Benefit Assets
Comparative Investment Results
Fiscal Year Ended June 30, 2012

(Percent Return[1])

	Annualized Rates of Return		
	1-Year[2]	3-Year[2]	5-Year[2]
Total Consolidated Defined Benefit Assets	0.7 %	11.0%	0.2 %
vs. BNY Mellon Public Universe Median[3]	1.1	11.7	0.4
Target Reference Index[4]	1.4	10.1	1.9
Total Domestic Equity	3.3	16.8	1.1
vs. BNY Mellon Public Universe Median	3.5	16.6	0.1
Russell 3000 Index	3.8	16.7	0.4
Total International Equity	(14.5)	7.4	(4.0)
vs. BNY Mellon Public Universe Median	(13.2)	8.4	(4.2)
MSCI ACWI ex U.S. IMI Net	(14.8)	7.4	(4.5)
Total Domestic Fixed Income	6.8	9.7	6.9
vs. BNY Mellon Public Universe Median	7.8	9.3	6.9
Barclays U.S. Aggregate Bond Index	7.5	6.9	6.8
Total International Fixed Income[5]	3.4	5.4	N/A
vs. BNY Mellon Public Universe Median	0.8	8.1	6.8
Barclays Global Aggregate ex-USD (USDH)	6.2	4.5	4.9

[1] *Net of fees.*

[2] *Investment performance is based on calculations made by the system's custodian, BNY Mellon. The 1-year, 3-year, and 5-year performance returns are time-weighted rates of return based on the market rates of return.*

[3] *Universe of Public Funds.*

[4] *Benchmark history through December 31, 2011, represents composite returns for the legacy PERF and TRF dynamic policies combined using dynamic market weights each month and reported under the single Total Consolidated Benefit Assets structure beginning January 1, 2012.*

[5] *Inception date of International Fixed Income was during November 2008.*

Consolidated Defined Benefit Assets
Ten-Year Investment Rates of Return

(dollars in millions)

Fiscal Year Ended June 30		Market Value of Assets	Rate of Return[1]	Actuarial Assumed Rate
2003	PERF CRIF[2]	$ 9,704.1	4.7 %	7.25%
	TRF DB[3] Assets	3,377.0	4.6	7.50
2004	PERF CRIF	11,338.2	16.3	7.25
	TRF DB Assets	3,738.0	14.8	7.50
2005	PERF CRIF	12,435.3	9.8	7.25
	TRF DB Assets	4,041.0	9.1	7.50
2006	PERF CRIF	13,694.9	10.7	7.25
	TRF DB Assets	4,521.0	11.2	7.50
2007	PERF CRIF	16,114.3	18.2	7.25
	TRF DB Assets	5,501.0	17.9	7.50
2008	PERF CRIF	14,851.0	(7.6)	7.25
	TRF DB Assets	5,252.0	(6.0)	7.50
2009	PERF CRIF	11,795.1	(20.6)	7.25
	TRF DB Assets	4,236.0	(18.0)	7.50
2010	PERF CRIF	13,314.0	13.9	7.25
	TRF DB Assets	5,073.0	14.8	7.50
2011	PERF CRIF	15,796.6	20.1	7.00
	TRF DB Assets	5,984.0	18.2	7.00
2012	INPRS[4]	19,708.9	0.7	7.00

[1] *2003-2011: Gross of fees; 2012: Net of fees.*

[2] *Public Employees' Retirement Fund Consolidated Retirement Investment Fund*

[3] *Teachers' Retirement Fund Defined Benefit.*

[4] *INPRS Consolidated Defined Benefit Assets.*

Consolidated Defined Benefit Assets
Statistical Performance
Fiscal Year Ended June 30, 2012

Statistic	1-Year	3-Years	5-Years	10-Years
Annualized Rate of Return	0.7%	11.0%	0.2%	5.7%
Annualized Standard Deviation	8.87	8.28	12.42	10.56
Annualized Sharpe Ratio	0.12	1.30	0.01	0.42
Beta	0.49	0.50	0.62	0.59
Annualized Alpha	(0.81)	0.59	(0.16)	(0.13)
Correlation	0.96	0.95	0.95	0.88

Market proxy is the S&P 500.
Risk Free proxy is the Citigroup 3-month Treasury Bill.

Definition of Key Terms:

Standard Deviation: A statistic used to measure the dispersion in a distribution. Dispersion is measured relative to the mean, or average of the distribution. The greater the dispersion, the higher the risk associated with the pattern of observations. One standard deviation describes two-thirds of the observations in a normal, or bell-shaped distribution. In an asset allocation context, standard deviation is a conventional proxy for risk or volatility.

Sharpe Ratio: Ratio used to measure risk-adjusted performance. The Sharpe Ratio is calculated by subtracting a risk-free rate (proxy) from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The Sharpe Ratio provides insight on excess risk held in the portfolio. The greater a portfolio's Sharpe Ratio, the better its risk-adjusted performance has been. A negative Sharpe Ratio indicates that a risk-less asset would perform better than the security being analyzed.

Beta: A measure of the volatility, or systematic risk, of a security or portfolio in comparison to the market as a whole. Beta is the tendency of a security's return to respond to swings in the market. A Beta of less than one (1) indicates less volatility than the market. A Beta of greater than one (1) indicates greater volatility than the market.

Alpha: A measure of performance on a risk-adjusted basis. Alpha is the difference between the actual performance of the fund and the performance which should have been achieved given the market's performance and the fund's risk posture.

Correlation: A statistical measure of how two (2) securities move in relation to each other. A correlation of 1.0 indicates similar magnitude and direction of change. A correlation of negative (1.0) indicates similar magnitude, but opposite direction. A correlation of zero indicates the relationship is purely random. Often, the correlation is squared and known as R-squared or the Coefficient of the Correlation.

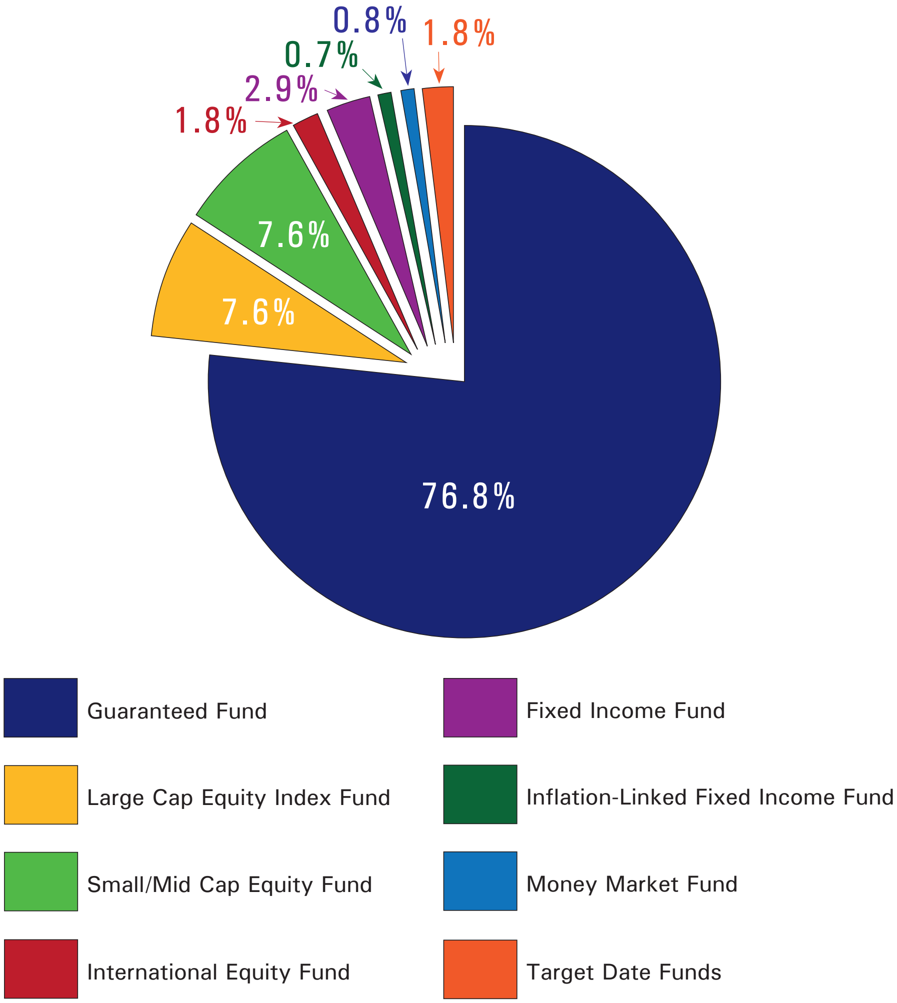
Public Employees' Retirement Fund (PERF)
Annuity Savings Accounts (ASA) – Assets by Investment Option
Fiscal Year Ended June 30, 2012

(dollars in millions)

Investment Option	PERF ASA Assets	Percent of Self-Directed Investments
Guaranteed Fund	$ 2,095.2	76.8%
Large Cap Equity Index Fund	207.1	7.6
Small/Mid Cap Equity Fund	206.4	7.6
International Equity Fund	49.7	1.8
Fixed Income Fund	78.1	2.9
Inflation-Linked Fixed Income Fund	19.6	0.7
Money Market Fund	21.0	0.8
Target Date Funds[1]	50.8	1.8
Total PERF ASA Assets[2]	**$ 2,727.9**	**100.0%**

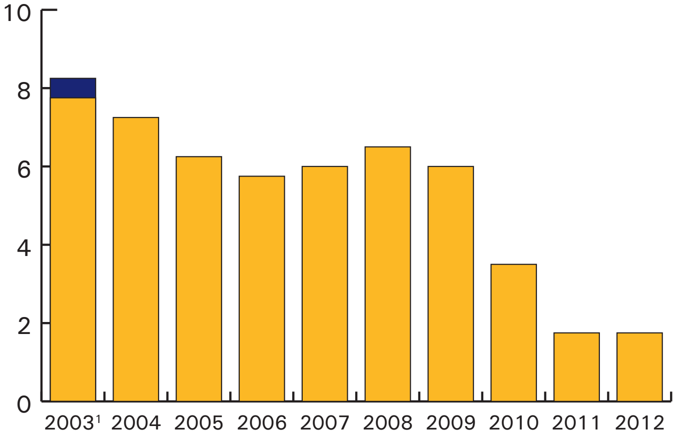
[1] Consolidated market values of all Target Date Funds.

[2] Includes Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, and Securities Sold Under Agreement to Repurchase.



PERF Annuity Savings Accounts
Guaranteed Fund Interest Crediting Rates

Fiscal Year Ended June 30	PERF ASA Interest Crediting Rate
2003[1]	8.25/7.75%
2004	7.25
2005	6.25
2006	5.75
2007	6.00
2008	6.50
2009	6.00
2010	3.50
2011	1.75
2012	1.75



[1] *For the fiscal year ended June 30, 2003, the interest crediting rate of the Guaranteed Fund is credited based on an annual rate of 8.25% for the first quarter and 7.75% for the remaining three quarters.*

Self-Directed Investment Options
PERF Annuity Savings Accounts
Annualized Rate of Return by Investment Option
Fiscal Year Ended June 30, 2012

(Percent Return[1])

Investment Option	1-Year[2]	3-Year[2]	5-Year[2]
Guaranteed Fund	1.75%	2.4%	3.9 %
Large Cap Equity Index Fund	5.5	16.5	0.2
Small / Mid Cap Equity Fund	(2.9)	18.7	1.8
International Equity Fund	(14.9)	7.4	(4.0)
Fixed Income Fund	7.7	8.2	7.7
Inflation-Linked Fixed Income Fund	11.2	9.3	8.5
Money Market Fund	0.1	0.1	1.1
Target Date Funds:			
Retirement Fund	6.2	7.9	6.3
Retirement Fund 2015	5.0	8.7	5.7
Retirement Fund 2020	3.8	9.5	5.1
Retirement Fund 2025	1.7	10.3	4.0
Retirement Fund 2030	(1.4)	10.9	1.9
Retirement Fund 2035	(2.4)	10.9	1.4
Retirement Fund 2040	(2.5)	10.9	1.3
Retirement Fund 2045	(2.5)	10.9	1.3
Retirement Fund 2050	(2.5)	10.9	1.3
Retirement Fund 2055	(2.5)	10.9	1.4

[1] *Net of fees.*

[2] *Based on performance calculations made by the system's recordkeeper, Xerox. The 1-year, 3-year, and 5-year performance returns are time-weighted rates of return for the fiscal year ended June 30, 2012. Prior to July 30, 2010, all data presented (excluding the Guaranteed Fund) is calculated from manager composite performance. After July 30, 2010, all performance presented consists of actual investment returns experienced by members.*

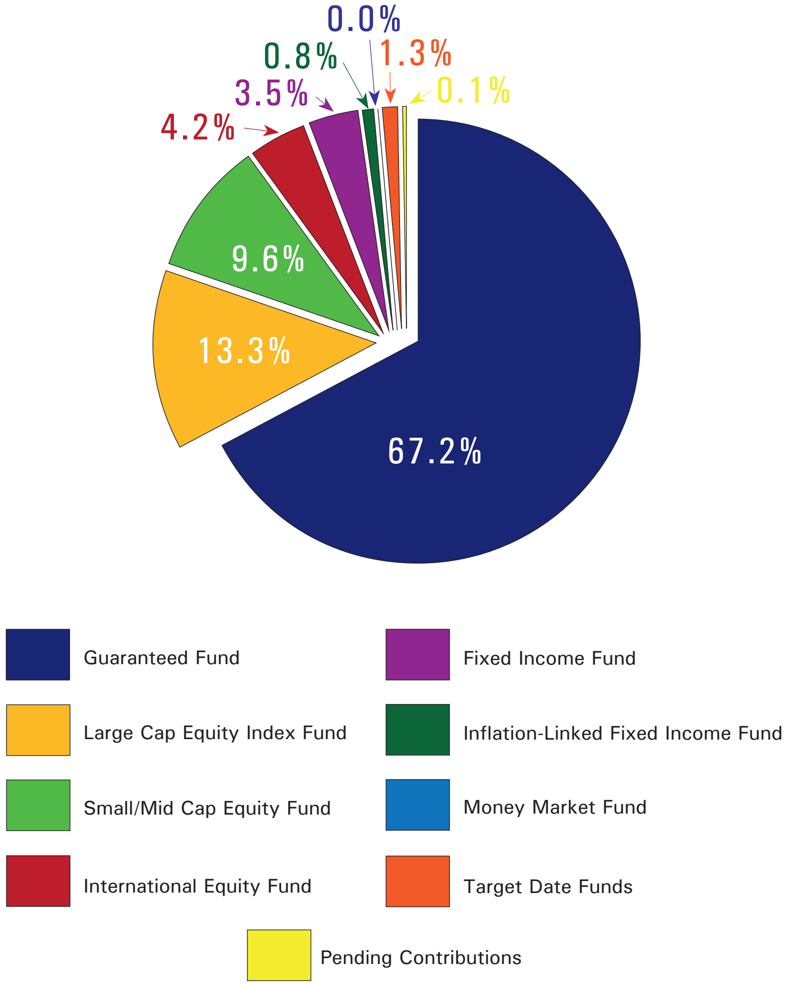
Teachers' Retirement Fund (TRF)
Annuity Savings Accounts (ASA) – Assets by Investment Option
Fiscal Year Ended June 30, 2012

(dollars in millions)

Investment Option	TRF ASA Assets	Percent of Self-Directed Investments
Guaranteed Fund	$ 1,916.5	67.2%
Large Cap Equity Index Fund	379.8	13.3
Small / Mid Cap Equity Fund	273.7	9.6
International Equity Fund	121.0	4.2
Fixed Income Fund	98.6	3.5
Inflation-Linked Fixed Income Fund	22.6	0.8
Money Market Fund	0.7	0.0
Target Date Funds[1]	36.2	1.3
Pending Contributions	1.6	0.1
Total TRF ASA Assets[2]	**$ 2,850.7**	**100.0%**

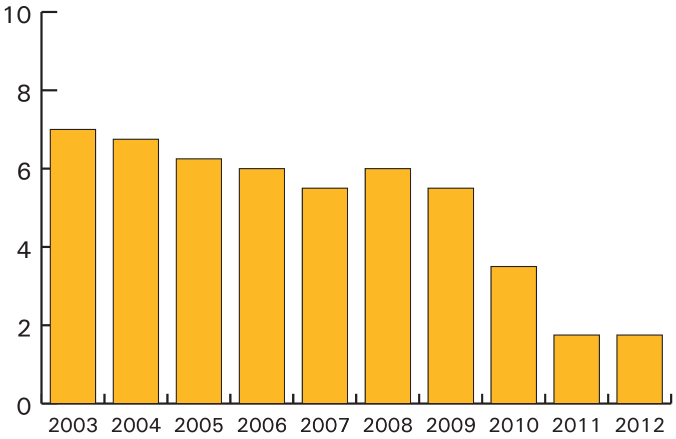
[1] *Consolidated market values of all Target Date Funds.*

[2] *Includes Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, and Securities Sold Under Agreement to Repurchase.*



TRF Annuity Savings Accounts
Guaranteed Fund Interest Crediting Rates

Fiscal Year Ended June 30	TRF ASA Interest Crediting Rate
2003	7.00%
2004	6.75
2005	6.25
2006	6.00
2007	5.50
2008	6.00
2009	5.50
2010	3.50
2011	1.75
2012	1.75



Self-Directed Investment Options
TRF Annuity Savings Accounts
Annualized Rate of Return by Investment Option
Fiscal Year Ended June 30, 2012

(Percent Return[1])

Investment Option	1-Year[2]	3-Year[2]	5-Year[2]
Guaranteed Fund	1.75%	2.4%	3.7 %
Large Cap Equity Index Fund	5.5	16.4	0.1
Small / Mid Cap Equity Fund	(3.0)	18.4	1.7
International Equity Fund	(15.0)	7.2	(4.1)
Fixed Income Fund	8.2	8.3	8.0
Inflation-Linked Fixed Income Fund	11.6	9.5	8.6
Money Market Fund	0.1	0.1	1.1
Target Date Funds:			
Retirement Fund	6.5	8.0	6.4
Retirement Fund 2015	5.4	8.8	5.8
Retirement Fund 2020	4.1	9.6	5.3
Retirement Fund 2025	2.0	10.4	4.1
Retirement Fund 2030	(1.2)	10.9	2.0
Retirement Fund 2035	(2.3)	10.9	1.4
Retirement Fund 2040	(2.4)	10.9	1.4
Retirement Fund 2045	(2.4)	10.8	1.4
Retirement Fund 2050	(2.4)	10.8	1.4
Retirement Fund 2055	(2.3)	10.9	1.4

[1] *Net of fees.*

[2] *Based on performance calculations made by the system's recordkeeper, Xerox. The 1-year, 3-year, and 5-year performance returns are time-weighted rates of return for the fiscal year ended June 30, 2012. Prior to July 30, 2010, all data presented (excluding the Guaranteed Fund) is calculated from manager composite performance. After July 30, 2010, all performance presented consists of actual investment returns experienced by members.*

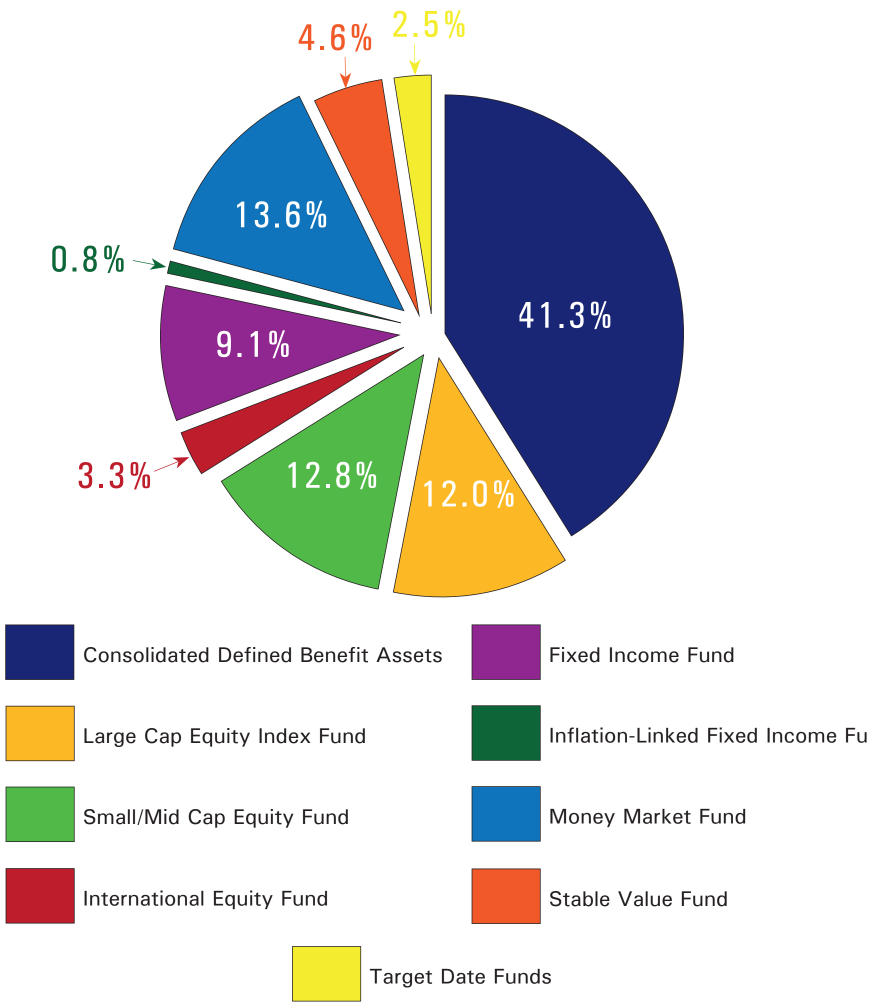
Legislators' Defined Contribution Plan Assets
Fiscal Year Ended June 30, 2012

(dollars in millions)

Investment Option	LEDC Plan Assets	Percent of Self-Directed Investments
Consolidated Defined Benefit Assets	$ 10.0	41.3%
Large Cap Equity Index Fund	2.9	12.0
Small / Mid Cap Equity Fund	3.1	12.8
International Equity Fund	0.8	3.3
Fixed Income Fund	2.2	9.1
Inflation-Linked Fixed Income Fund	0.2	0.8
Money Market Fund	3.3	13.6
Stable Value Fund	1.1	4.6
Target Date Funds[1]	0.6	2.5
Total LEDC Plan Assets[2]	**$ 24.2**	**100.0%**

[1] Consolidated market values of all Target Date Funds.

[2] Includes Securities Lending Collateral, Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, Securities Lending Obligations, and Securities Sold Under Agreement to Repurchase.



Self-Directed Investment Options
Legislators' Defined Contribution Plan
Annualized Rate of Return by Investment Option
Fiscal Year Ended June 30, 2012

(Percent Return[1])

Investment Option	1-Year[2]	3-Year[2]	5-Year[2]
Consolidated Defined Benefit Assets	0.2 %	10.8%	0.2 %
Large Cap Equity Index Fund	5.5	16.5	0.2
Small/Mid Cap Equity Fund	(2.9)	18.7	1.8
International Equity Fund	(14.9)	7.4	(4.0)
Fixed Income Fund	7.7	8.2	7.7
Inflation-Linked Fixed Income Fund	11.2	9.3	8.5
Money Market Fund	0.1	0.1	1.1
Stable Value Fund	3.2	4.0	4.2
Target Date Funds:			
Retirement Fund	6.2	7.9	6.3
Retirement Fund 2015	5.0	8.7	5.7
Retirement Fund 2020	3.8	9.5	5.1
Retirement Fund 2025	1.7	10.3	4.0
Retirement Fund 2030	(1.4)	10.9	1.9
Retirement Fund 2035	(2.4)	10.9	1.4
Retirement Fund 2040	(2.5)	10.9	1.3
Retirement Fund 2045	(2.5)	10.9	1.3
Retirement Fund 2050	(2.5)	10.9	1.3
Retirement Fund 2055	(2.5)	10.9	1.3

[1] *Net of fees.*

[2] *Based on performance calculations made by the system's recordkeeper, Xerox. The 1-year, 3-year, and 5-year performance returns are time-weighted rates of return for the fiscal year ended June 30, 2012. Prior to July 30, 2010, all data presented (excluding the Guaranteed Fund) is calculated from manager composite performance. After July 30, 2010, all performance presented consists of actual investment returns experienced by members.*

INPRS "Top 10" Equity Holdings
Fiscal Year Ended June 30, 2012
(by Market Value)[1]

(dollars in thousands)

Company	Shares	Market Value
Apple Inc.	135,272	$ 78,999
Exxon Mobil Corp.	501,737	42,934
Microsoft Corp.	1,064,396	32,560
Novartis	521,146	29,127
International Business Machine Corp.	144,555	28,272
General Electric Co.	1,340,823	27,943
AT&T Inc.	770,703	27,483
Philip Morris International Inc.	304,062	26,532
Wells Fargo & Co.	690,032	26,480
Intel Corp.	8,122,946	26,404

[1] A complete list of portfolio holdings is available upon request.

INPRS "Top 10" Fixed Income Holdings
Fiscal Year Ended June 30, 2012
(by Market Value)[1]

(dollars in thousands)

Description	Coupon Rate	Maturity Date	Par Value	Market Value
U.S. Treasury - CPI Inflation Index Bond	0.125%	4/15/16	$ 188,592	$ 196,298
U.S. Treasury - CPI Inflation Index Bond	0.125	1/15/22	134,410	142,212
U.S. Treasury Note	1.000	3/31/17	119,775	121,422
U.S. Treasury - CPI Inflation Index Bond	0.625	7/15/21	107,806	120,069
FNMA TBA 3.5%	3.500	8/01/42	114,500	120,028
U.S. Treasury - CPI Inflation Index Bond	1.125	1/15/21	97,521	112,226
U.S. Treasury - CPI Inflation Index Bond	2.375	1/15/25	76,668	100,968
U.S. Treasury - CPI Inflation Index Bond	2.000	1/15/14	93,826	97,418
U.S. Treasury - CPI Inflation Index Bond	5.000	4/15/15	91,120	94,608
U.S. Treasury - CPI Inflation Index Bond	1.250	7/15/20	76,879	89,264

[1] A complete list of portfolio holdings is available upon request.

Top 10 Brokers' Commission Fees
Fiscal Year Ended June 30, 2012

(dollars in thousands)

Broker	Amount Paid in Fees
Credit Suisse	$ 665
Morgan Stanley & Co. Inc.	602
UBS Securities LLC	222
Newedge USA LLC	186
Citigroup	175
Investment Technology Group	158
State Street Bank & Trust Co.	154
Instinet Europe Limited	142
Goldman Sachs & Co.	137
Liquidnet Inc.	131
Top 10 Brokers' Commission Fees	2,572
Other Brokers	3,908
Total Brokers' Commission Fees	**$ 6,480**

Investment Management Fees by Asset Class
Fiscal Year Ended June 30, 2012

(dollars in thousands)

Asset Class		Investment Management Fees
Consolidated Defined Benefit Assets		
Public Equity	$	24,510
Private Equity		28,000
Fixed Income - Ex Inflation-Linked		10,160
Fixed Income - Inflation-Linked		6,494
Commodities		2,350
Real Estate		3,181
Absolute Return		27,066
Risk Parity		359
Total Consolidated Defined Benefit Assets		102,120
Annuity Savings Account Assets		4,364
Total Investment Management Fees	**$**	**106,484**

Consolidated Defined Benefit Assets

Custodian

Bank of New York Mellon

Consultants

Aksia
ORG Real Property
Strategic Investment Solutions

Public Equity

Altrinsic Global Advisors, LLC
Arrowstreet Capital, LP
Artisan Partners Limited Partnership
Baillie Gifford & Company
Barrow Hanley
BlackRock Institutional Trust
Columbus Circle Investors
Delaware
DePrince Race & Zollo
Earnest Partners, LLC
Gryphon
JP Morgan Asset Management
Leading Edge Investment Advisors
Mondrian Investment Partners, Inc.
Rhumbline Advisers
Schroders
Times Square Capital Management, LLC
Wells Capital Management

Private Equity

A.M. Pappas & Associates, LLC
ABRY Partners, LLC
Accel Partners
Accent Equity Partners AB
Actis Capital LLP
Advanced Technology Ventures
Advent International Corp.
Aisling Capital
American Securities Capital Partners, LP
AnaCap Financial Partners LLP
Apax Partners
Apollo Advisors, LP
Arch Venture Partners
Ares Management, LLC
Austin Ventures
Avenue Capital Partners
Bain Capital, Inc.
Bay Partners
Bertram Capital
Black Diamond Capital Management, LLC
BPEP International
Brentwood Associates
Caltius Mezzanine
Candover Partners, Ltd
Cardinal Partners
Catterton Partners
Centerfield Capital Partners
Century Park Capital Partners
Cerberus Capital Management, LLC
Charterhouse Group International, Inc.
CID Capital
Cinven
Close Brothers Private Equity, Ltd
Code Hennessy & Simmons LLC
Coller Capital
Columbia Capital LLC
Court Square Capital Partners
Credit Suisse First Boston
Credit Suisse Private Equity
Crescent Capital
Crescent Mezzanine Partners
Crestview Capital Funds
CVC Capital Partners
Doll Capital Management
Elevation Associates, LP
EnCap Investments LP
Energy Capital Partners GP
Enhanced Capital Partners
Escalate Capital Partners
Falcon Strategic Partners
First Reserve Corporation
Forbion Capital Partners
Fortress Investment Group LLC
Gilde Buy Out Partners
Globespan Capital Partners
Green Equity Partners
Greenpark International Investors
GSO Capital Partners, LP
GTCR Golder Rauner, LLC
H2 Equity Partners BV
Hammond Kennedy Whitney & Co.
Hellman & Friedman LLC
Herkules Capital
High Road Capital Partners
Horsley Bridge Partners
Insight Venture Partners
Institutional Venture Partners
JFM Management Inc.
Kailai Investments
Khosla Ventures
KPS Special Situations Funds
Landmark Partners, Inc.
Lexington Capital Partners
Lightyear Capital LLC
Lindsay Goldberg
Lion Capital
MBK Partners
Merit Capital Partners
Mill Road Capital
Natural Gas Partners
Neovara
Neuberger Berman
New Enterprise Associates
New Mountain Partners
Oak Hill Advisors, LP
Oak Hill Capital Management, LLC
Oak Investment Partners
Oaktree Capital Management, LLC
Opus Capital
Panda Power Generation Infrastructure Fund, GP
Parthenon Capital Partners
Peninsula Capital Partners, LLC
Permira
Platinum Equity, LLC
Rho Capital Partners, Inc.
RJD Partners Limited
SAIF Partners
Sankaty Credit Advisors

Investment Professionals, continued

Scale Management
Silver Cup Partners
Silver Lake Partners, LLC
Sun Capital Partners, Inc.
TA Associates
Technology Crossover Ventures
Technology Partners
Terra Firma
Texas Pacific Group
The Blackstone Group
The Jordan Company
TowerBrook Investors LP
Trilantic Capital Partners
Trinity Ventures
Triton Partners
True Ventures
TSG6 Management, LLC
Veritas Capital
Veronis Suhler Stevenson
Vestar Capital Partners, Inc.
Vintage Venture Partners
Vision Capital LLP
Vista Equity Partners
Walden Group of Venture Capital Funds
Warburg, Pincus LLC
Wayzata Investment Partners, LLC
Weston Presido Capital Management
White Deer Management LLC
Windjammer Capital Investors
WL Ross & Company, LLC
Xenon Private Equity
York Capital Management

Fixed Income – Ex Inflation-Linked

Alliance Capital
Goldman Sachs Asset Management, LP
Loomis Sayles & Company, LP
Mondrian Investment Partners, Inc.
Pacific Investment Management Company (PIMCO)
Prudential
Reams Asset Management
Taplin Canida & Habacht

Fixed Income – Inflation-Linked

BlackRock Financial Management
Bridgewater Associates, Inc.
Northern Trust Global Investments

Commodities

CoreCommodity Management
Goldman Sachs Asset Management, LP
Gresham Investment Management, LLC
The Blackstone Group

Real Estate

Blackstone Real Estate Partners
Colony Capital, LLC
European Investors, Inc.
Greenfield Partners, LLC
H/2 Capital Partners
Harrison Street Real Estate Capital, LLC
House Investments
JDM Partners
LaSalle Investment Management
Lone Star
Mesa West
Prima Capital Advisors, LLC
Stockbridge Capital Group
TA Realty Associates
Walton Street Capital, LLC
WestRiver Capital, LLC

Absolute Return

Advent Capital Management, LLC
BellPoint
Blackstone Alternative Asset Management (BAAM)
Brevan Howard Asset Management, LLP
Bridgewater Associates, Inc.
Brigade
Brookside Capital, LLC
Davidson Kempner Capital Management
Elm Ridge Capital Management, LLC
Highfields Capital
King Street Capital Management
Linden
Pacific Alternative Asset Management Company (PAAMCO)
Paulson and Co, Inc.
Perella Weinberg
Theorema
Viking Global Investors

Risk Parity

AQR
Bridgewater Associates, Inc.

Annuity Savings Account and Legislators' Defined Contribution Plan Assets

- Public Employees' Retirement Fund (PERF)
- Teachers' Retirement Fund (TRF)
- Legislators' Defined Contribution Plan (LEDC Plan)

Consultant

Capital Cities

Large Cap Equity Index Fund

BlackRock Institutional Trust

Small/Mid Cap Equity Fund

CS McKee
Loomis Sayles & Company
Rhumbline Advisers

International Equity Fund

Baillie Gifford & Company
BlackRock Institutional Trust
Dimensional Fund Advisors
Earnest Partners

Fixed Income Fund

Loomis Sayles & Company
Northern Trust (PERF and LEDC Plan only)
Pacific Investment Management Company (PIMCO)
State Street Global Advisors (TRF only)

Inflation-Linked Fixed Income Fund

BlackRock Institutional Trust

Money Market Fund

Bank of New York Mellon

Stable Value Fund

Northern Trust Global Advisors (LEDC Plan only)

Pension Relief Fund

Bank of New York Mellon

Special Death Funds

PNC Institutional Investments

Actuarial Section

INDIANA PUBLIC RETIREMENT SYSTEM

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

Introduction

Prior to July 1, 2011, the Defined Benefit retirement plans for public employees in the State of Indiana were administered by independent instrumentalities governed by separate boards of appointed trustees, including the Public Employees' Retirement Fund and the Indiana State Teachers' Retirement Fund. Legislation adopted in 2010 called for a consolidation of these entities, which began with the appointment of a joint Executive Director in May 2010, and resulted in the creation of the Indiana Public Retirement System (INPRS) effective July 1, 2011.

For the seven (7) separate Defined Benefit retirement plans administered by INPRS, there are two (2) actuaries who currently provide the actuarial services as summarized below:

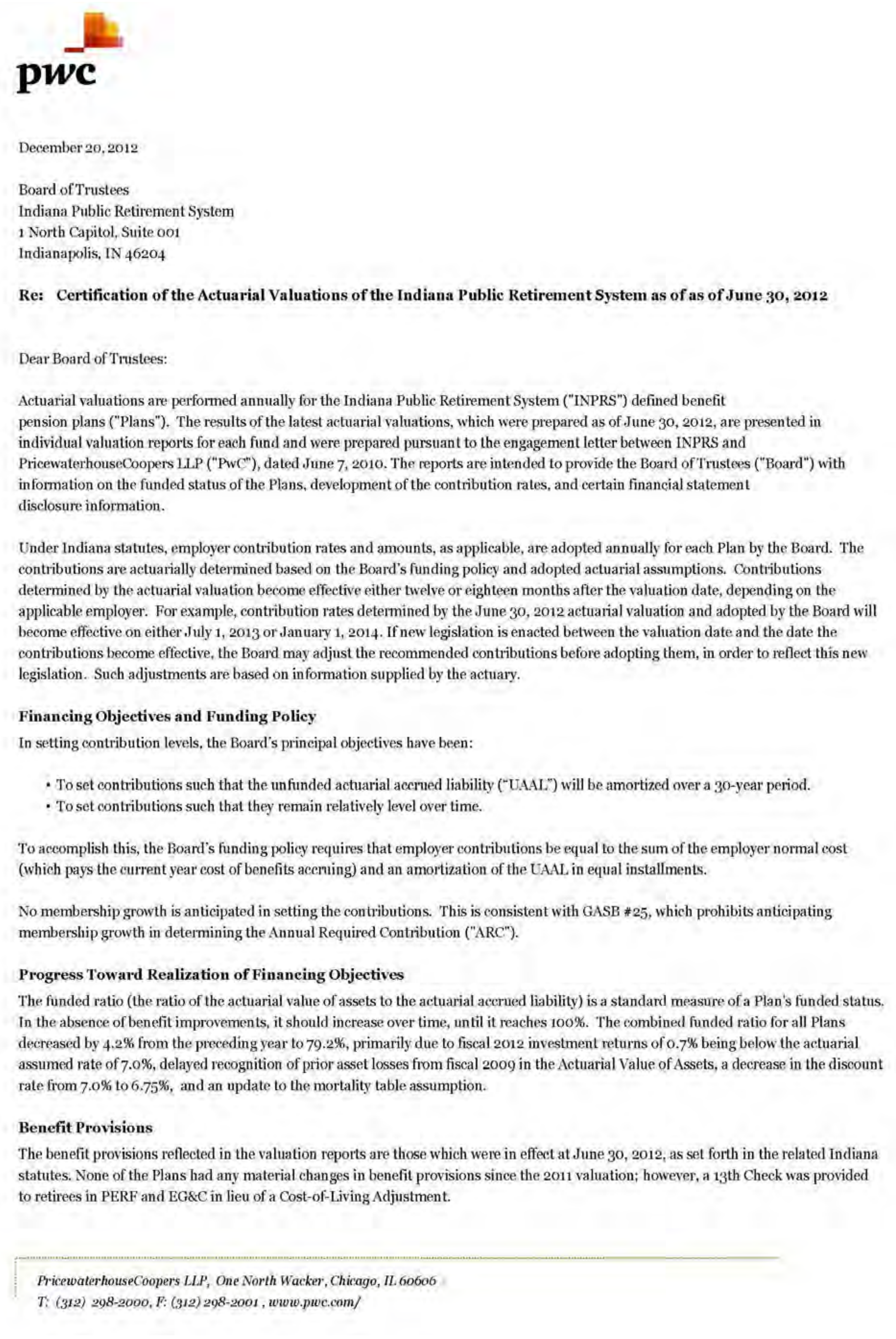
PricewaterhouseCoopers, LLP

- Public Employees' Retirement Fund
- 1977 Police Officers' and Firefighters' Pension and Disability Fund
- Judges' Retirement System
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- Prosecuting Attorneys' Retirement Fund
- Legislators' Defined Benefit Plan

Nyhart

- Teachers' Retirement Fund

Accordingly, the INPRS FY2012 CAFR Actuarial Section includes an Actuary Certification Letter from each actuary for the actuarial valuations prepared as of June 30, 2012.



pwc

December 20, 2012

Board of Trustees
Indiana Public Retirement System
1 North Capitol, Suite 001
Indianapolis, IN 46204

Re: Certification of the Actuarial Valuations of the Indiana Public Retirement System as of as of June 30, 2012

Dear Board of Trustees:

Actuarial valuations are performed annually for the Indiana Public Retirement System ("INPRS") defined benefit pension plans ("Plans"). The results of the latest actuarial valuations, which were prepared as of June 30, 2012, are presented in individual valuation reports for each fund and were prepared pursuant to the engagement letter between INPRS and PricewaterhouseCoopers LLP ("PwC"), dated June 7, 2010. The reports are intended to provide the Board of Trustees ("Board") with information on the funded status of the Plans, development of the contribution rates, and certain financial statement disclosure information.

Under Indiana statutes, employer contribution rates and amounts, as applicable, are adopted annually for each Plan by the Board. The contributions are actuarially determined based on the Board's funding policy and adopted actuarial assumptions. Contributions determined by the actuarial valuation become effective either twelve or eighteen months after the valuation date, depending on the applicable employer. For example, contribution rates determined by the June 30, 2012 actuarial valuation and adopted by the Board will become effective on either July 1, 2013 or January 1, 2014. If new legislation is enacted between the valuation date and the date the contributions become effective, the Board may adjust the recommended contributions before adopting them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing Objectives and Funding Policy

In setting contribution levels, the Board's principal objectives have been:

- To set contributions such that the unfunded actuarial accrued liability ("UAAL") will be amortized over a 30-year period.
- To set contributions such that they remain relatively level over time.

To accomplish this, the Board's funding policy requires that employer contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the UAAL in equal installments.

No membership growth is anticipated in setting the contributions. This is consistent with GASB #25, which prohibits anticipating membership growth in determining the Annual Required Contribution ("ARC").

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The combined funded ratio for all Plans decreased by 4.2% from the preceding year to 79.2%, primarily due to fiscal 2012 investment returns of 0.7% being below the actuarial assumed rate of 7.0%, delayed recognition of prior asset losses from fiscal 2009 in the Actuarial Value of Assets, a decrease in the discount rate from 7.0% to 6.75%, and an update to the mortality table assumption.

Benefit Provisions

The benefit provisions reflected in the valuation reports are those which were in effect at June 30, 2012, as set forth in the related Indiana statutes. None of the Plans had any material changes in benefit provisions since the 2011 valuation; however, a 13th Check was provided to retirees in PERF and EG&C in lieu of a Cost-of-Living Adjustment.

pwc

Assets and Member Data

The valuations were based on asset values of the trust funds and member census data as of June 30, 2012. All asset information and member data were provided by INPRS. While certain checks for reasonableness were performed, the data was used unaudited. The accuracy of the results presented in the reports is dependent upon the accuracy and completeness of the underlying asset and census information.

Actuarial Assumptions and Methods

The majority of the actuarial assumptions used in the June 30, 2012 valuations were adopted by the Board pursuant to the Experience Studies completed in September 2011, which reflected the experience period from July 1, 2005 through June 30, 2010, and were first used in the June 30, 2011 valuation. The actuarial assumptions for interest rate and mortality were updated for the June 30, 2012 valuation. The actuarial assumptions and methods are summarized in the Actuarial Assumptions and Methods section of each valuation report. We believe the actuarial assumptions and methods are reasonable for the purposes of the valuation reports and comply with the parameters set forth in Statements No. 25 and No. 27 of the Governmental Accounting Standards Board ("GASB"). Different assumptions and methods may be reasonable for other purposes. As such, the results presented in the valuation reports should only be relied upon for the intended purpose.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of each Plan administered by INPRS as of June 30, 2012 based on the underlying census data, asset information and selected assumptions and methods.

This report contains the required accounting information to be included in the Comprehensive Annual Financial Report. This information has been prepared in accordance with our understanding of Governmental Accounting Standards No. 25 and No. 27 (as amended by No. 50). This report does not contain accounting information prepared in accordance with Governmental Accounting Standards No. 67 and No. 68, which will become effective for financial statements for fiscal years beginning after June 15, 2013.

To the best of our knowledge this actuarial statement is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with our understanding of the requirements of Indiana state law. The undersigned actuaries are members of the Society of Actuaries and other professional organizations, including the American Academy of Actuaries, and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans. There is no relationship between the PwC practitioners involved in this engagement and INPRS that may impair our objectivity.

This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. This includes penalties that may apply if the transaction that is the subject of this document is found to lack economic substance or fails to satisfy any other similar rule of law. This document has been prepared pursuant to an engagement letter between INPRS and PwC, and is intended solely for the use and benefits of INPRS and not for reliance by any other person.

Respectfully submitted,

Cindy Fraterrigo

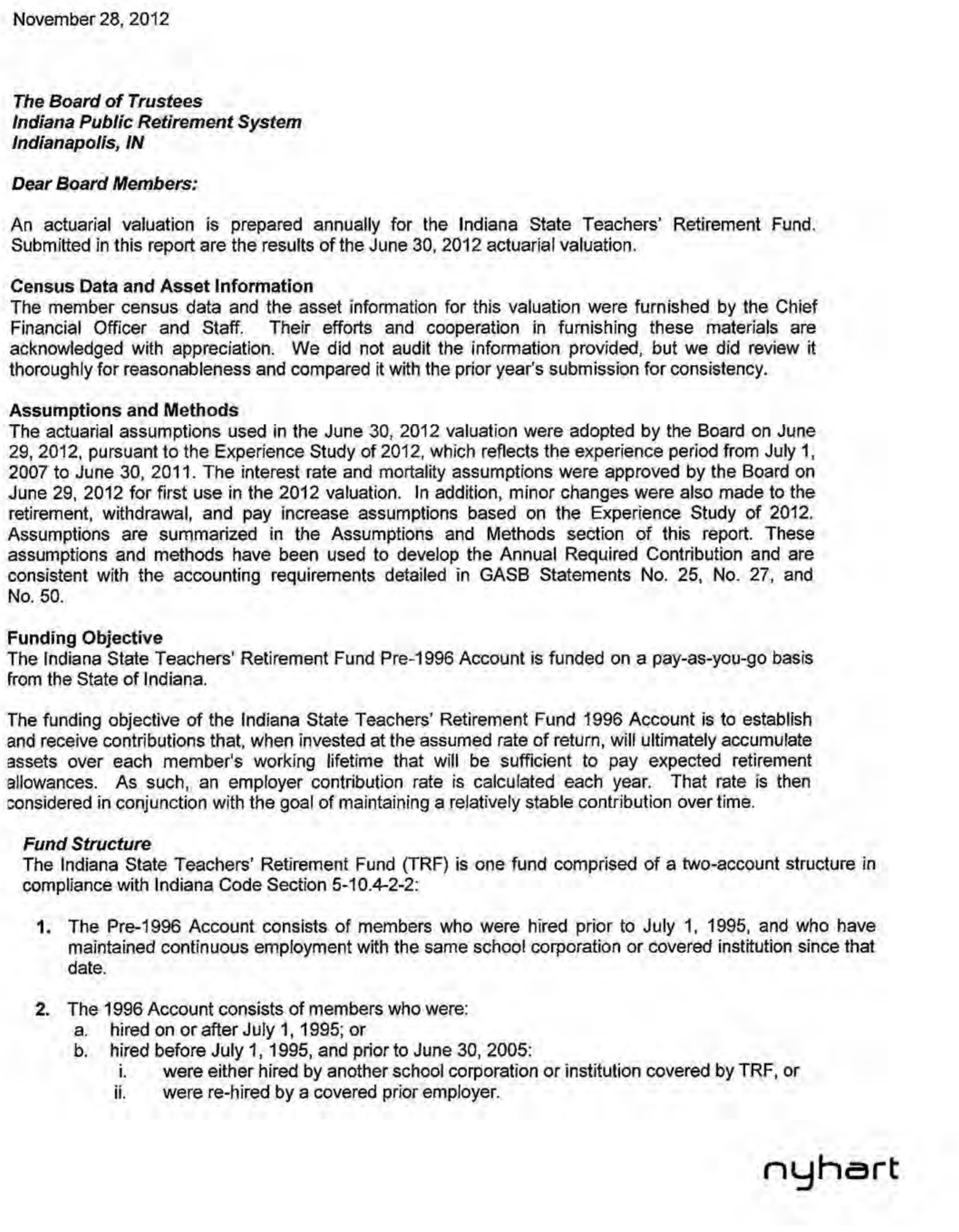
Ms. Cindy Fraterrigo
Member, American Academy of Actuaries
Fellow of the Society of Actuaries
Enrolled Actuary (No. 11-06229)

Sheldon A. Gamzon

Mr. Sheldon Gamzon
Member, American Academy of Actuaries
Fellow of the Society of Actuaries
Enrolled Actuary (No. 11-03238)

Brandon A. Robertson

Mr. Brandon Robertson
Member, American Academy of Actuaries
Associate of the Society of Actuaries
Enrolled Actuary (No. 11-07568)



November 28, 2012

The Board of Trustees
Indiana Public Retirement System
Indianapolis, IN

Dear Board Members:

An actuarial valuation is prepared annually for the Indiana State Teachers' Retirement Fund. Submitted in this report are the results of the June 30, 2012 actuarial valuation.

Census Data and Asset Information

The member census data and the asset information for this valuation were furnished by the Chief Financial Officer and Staff. Their efforts and cooperation in furnishing these materials are acknowledged with appreciation. We did not audit the information provided, but we did review it thoroughly for reasonableness and compared it with the prior year's submission for consistency.

Assumptions and Methods

The actuarial assumptions used in the June 30, 2012 valuation were adopted by the Board on June 29, 2012, pursuant to the Experience Study of 2012, which reflects the experience period from July 1, 2007 to June 30, 2011. The interest rate and mortality assumptions were approved by the Board on June 29, 2012 for first use in the 2012 valuation. In addition, minor changes were also made to the retirement, withdrawal, and pay increase assumptions based on the Experience Study of 2012. Assumptions are summarized in the Assumptions and Methods section of this report. These assumptions and methods have been used to develop the Annual Required Contribution and are consistent with the accounting requirements detailed in GASB Statements No. 25, No. 27, and No. 50.

Funding Objective

The Indiana State Teachers' Retirement Fund Pre-1996 Account is funded on a pay-as-you-go basis from the State of Indiana.

The funding objective of the Indiana State Teachers' Retirement Fund 1996 Account is to establish and receive contributions that, when invested at the assumed rate of return, will ultimately accumulate assets over each member's working lifetime that will be sufficient to pay expected retirement allowances. As such, an employer contribution rate is calculated each year. That rate is then considered in conjunction with the goal of maintaining a relatively stable contribution over time.

Fund Structure

The Indiana State Teachers' Retirement Fund (TRF) is one fund comprised of a two-account structure in compliance with Indiana Code Section 5-10.4-2-2:

1. The Pre-1996 Account consists of members who were hired prior to July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date.
2. The 1996 Account consists of members who were:
   a. hired on or after July 1, 1995; or
   b. hired before July 1, 1995, and prior to June 30, 2005:
      i. were either hired by another school corporation or institution covered by TRF, or
      ii. were re-hired by a covered prior employer.

nyhart

Characteristics of the Pre-1996 Account

1. Active membership in the Pre-1996 Account continues to decline as members quit, become disabled, die, or retire.

2. The Defined Benefits from the Pre-1996 Account are funded by State appropriations (including contributions of some revenue from the State Lottery). At the time of retirement, Annuity Savings Account (ASA) benefits payable from the Pre-1996 Account are funded by the annuitization of Pre-1996 Account member contributions.

Characteristics of the 1996 Account

1. As members depart from active service in the Pre-1996 Account, their replacements will become members of the 1996 Account. If the 1996 Account were a stand-alone plan, this pattern of departures and hirings would produce a fairly constant population size.

2. Defined Benefits payable from the 1996 Account are funded by contributions from local school corporations or other institutions that employ covered members. At the time of retirement, ASA benefits payable from the 1996 Account are funded by the annuitization of 1996 Account member contributions.

Funding Arrangements

Prior to the legislation that established the two-account structure of TRF, the Defined Benefits of the Indiana State Teachers' Retirement Fund were funded with a pay-as-you-go method. Under this arrangement, amounts were appropriated to meet the current year's pension payment requirements. Defined Benefits payable from the Pre-1996 Account continue to be funded on this basis.

In 1995, the Pension Stabilization Fund was set up for the Pre-1996 Account. Since then, some pre-funding progress has been made via State appropriations to this account.

Defined Benefits payable from the 1996 Account are funded through employer percent-of-pay contributions. The Board of the Indiana Public Retirement System sets this contribution rate after reviewing the most recent actuarial valuation report.

The contribution rate of 7.50% for fiscal year 2013 was set by the Board in fiscal year 2012 for the 1996 Account. The contribution rate of 7.50% for fiscal year 2014 was set by the Board in fiscal year 2013.

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The total funded ratio for the Plan (Pre-1996 Account and 1996 Account combined) decreased by 1.1%, to 42.7% from 43.8% for the preceding year due primarily to the reduction in the interest rate assumption from 7.0% to 6.75%, and 2009 – 2012 investment returns being lower than the actuarial assumed returns.

The funded ratio of the Pre-1996 Account (pay-as-you-go) decreased to 30.1% from 32.0% for the preceding year. Based on the actuarial assumptions, it is anticipated that the Pre-1996 Account will attain 100% funded status in FY2036.

The funded ratio of the 1996 Account decreased to 90.7% from 91.7% for the preceding year. Based on the actuarial assumptions, it is anticipated that the 1996 Account will attain 100% funded status in FY2021.

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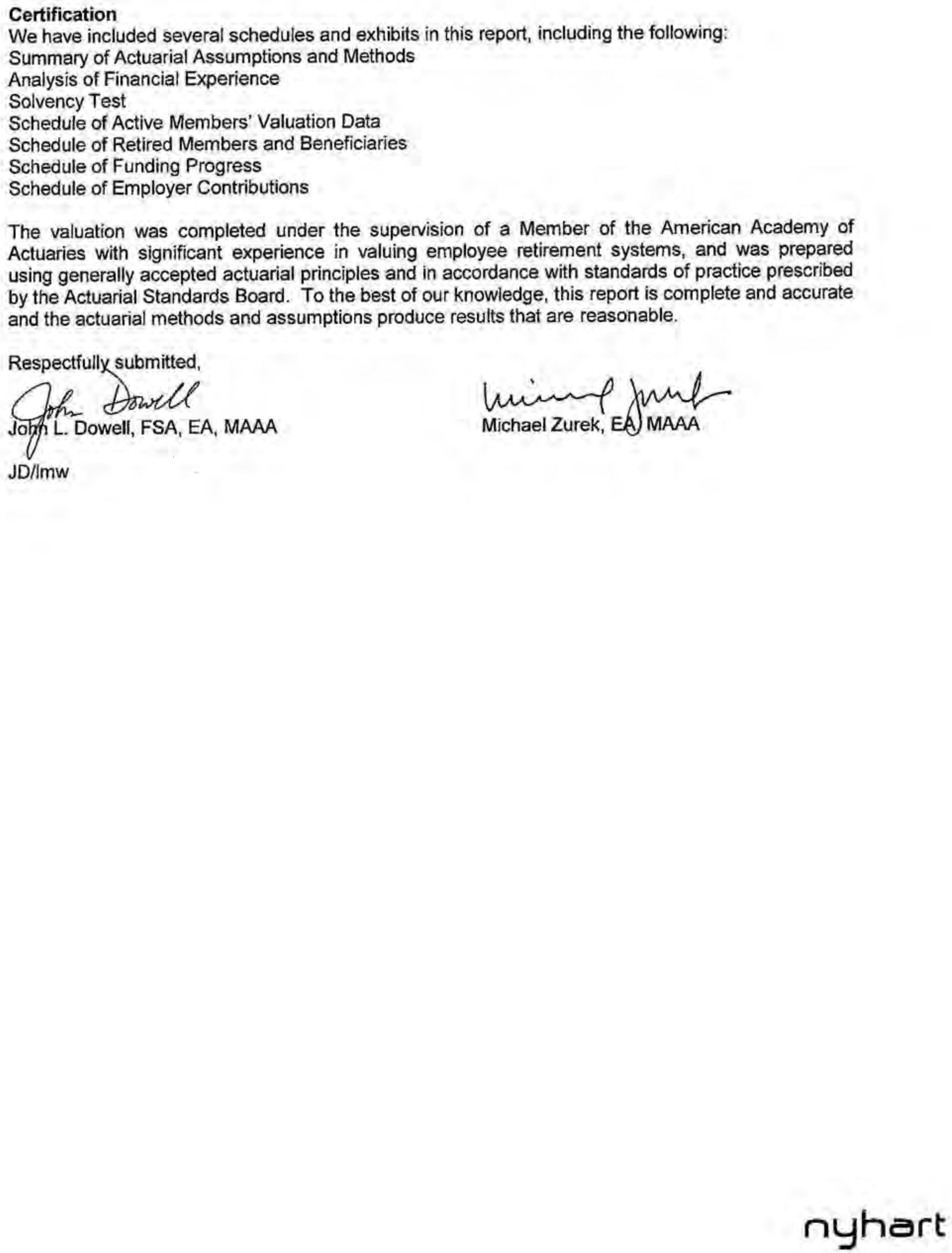


Certification
We have included several schedules and exhibits in this report, including the following:
Summary of Actuarial Assumptions and Methods
Analysis of Financial Experience
Solvency Test
Schedule of Active Members' Valuation Data
Schedule of Retired Members and Beneficiaries
Schedule of Funding Progress
Schedule of Employer Contributions

The valuation was completed under the supervision of a Member of the American Academy of Actuaries with significant experience in valuing employee retirement systems, and was prepared using generally accepted actuarial principles and in accordance with standards of practice prescribed by the Actuarial Standards Board. To the best of our knowledge, this report is complete and accurate and the actuarial methods and assumptions produce results that are reasonable.

Respectfully submitted,

John Dowell
John L. Dowell, FSA, EA, MAAA

Michael Zurek, EA, MAAA

JD/lmw

nyhart

Summary of Actuarial Assumptions and Methods as of June 30, 2012

The actuarial assumptions and methods used in the June 30, 2012 valuations for the following Defined Benefit retirement plans were adopted by the INPRS Board in June 2012:

- Public Employees' Retirement Fund (PERF)
- Teachers' Retirement Fund (TRF)
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
- Judges' Retirement System (JRS)
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (E,G,&C Plan)
- Prosecuting Attorneys' Retirement Fund (PARF)
- Legislators' Defined Benefit Plan (LEDB Plan)

It should be noted that the actuarial assumptions and methods are based primarily on plan experience from July 1, 2005 to June 30, 2010 for all the aforementioned Defined Benefit retirement plans except TRF (Note: adopted by INPRS Board in September 2011), and based on plan experience from July 1, 2007 to June 30, 2011 for TRF (Note: adopted by INPRS Board in June 2012).

Changes in Actuarial Assumptions:

For the June 30, 2012 actuarial valuations, the INPRS Board approved the following assumption changes:

- Interest Rate / Investment Return Assumption
    - All plans: Reduced from 7.0 percent to 6.75 percent.
- Mortality Assumption (Healthy and Disabled)
    - All plans: Changed from the IRS 2008 Static Mortality Table projected forward five (5) years with Scale AA to the IRS 2013 Static Mortality Table projected forward five (5) years with Scale AA.
- Future Salary Increases Assumption
    - TRF: Decreased slightly to reflect experience.
- Retirement Assumption Rates
    - TRF: Adjusted to reflect recent experience.
- Termination Assumption Rates
    - TRF: Adjusted to reflect recent experience.

For the June 30, 2011 actuarial valuations, the INPRS Board approved the following assumption changes:

- Future Salary Increases Assumption
    - PERF: Changed from 4.0 percent per year to age-based ranging from 3.25 percent to 4.5 percent.
    - 1977 Fund: Decreased from 4.0 percent per year to 3.25 percent per year.
    - E,G,&C Plan: Decreased from 4.5 percent to 3.25 percent.
- Retirement Assumption Rates
    - PERF: Decreased slightly to reflect experience.
    - 1977 Fund: Changed from age-based to age- and service-based, to reflect the service cap in the benefit formula and reflect recent experience.
    - JRS: Increased at ages 65-74 to reflect recent experience.

Summary of Actuarial Assumptions and Methods, continued
as of June 30, 2012

  - E,G,&C Plan: Increased at ages 55, 56 and 59 to reflect recent experience.
  - PARF: Increased to 20 percent for ages 62-64 to reflect recent experience.
- Disability Assumption Rates
  - 1977 Fund: Adjusted to reflect recent experience.
- Termination Assumption Rates
  - PERF: Increased to reflect recent experience and are now based on salary above or below $20,000.
  - 1977 Fund: Changed from age-based to service-based rates and slightly increased to reflect recent experience.
  - JRS: Increased for ages 38-65 from 4.0 percent to 7.0 percent to reflect recent experience.
- Marriage Assumption
  - PERF: Changed from 90 percent of members assumed to be married or to have a dependent beneficiary, to 75 percent of male members and 60 percent of female members assumed to be married or to have a dependent beneficiary.
  - 1977 Fund: Changed from 90 percent of members assumed to be married or to have a dependent beneficiary, to 80 percent of male members and 50 percent of female members assumed to be married or to have a dependent beneficiary.
- Age Difference Assumption
  - PERF: Changed from male members assumed to be three (3) years older than their spouses and female members assumed to be three (3) years younger than their spouses, to male members assumed to be three (3) years older than their spouses and female members assumed to be two (2) years younger than their spouses.
  - 1977 Fund: Changed from male members assumed to be three (3) years older than their spouses and female members assumed to be three (3) years younger than their spouses, to male members assumed to be three (3) years older than their spouses and female members assumed to be the same age as their spouses.
  - JRS: Changed from males assumed to be three (3) years older than their spouses and female members assumed to be three (3) years younger than their spouses, to male members assumed to be four (4) years older than their spouses and female members assumed to be two (2) years younger than their spouses.
- Annuity Savings Account (ASA) Withdrawal Assumption
  - PERF: Changed from 100 percent of inactive members assumed to withdraw their ASA balances immediately, to 100 percent of inactive non-vested members assumed to withdraw their ASA balances immediately, 50 percent of inactive vested members assumed to withdraw their ASA balances immediately, and 50 percent of inactive vested members assumed to annuitize their ASA balances upon commencement of their employer funded annuity benefit.

Changes in Actuarial Methods:

There were no changes in actuarial methods since the June 30, 2011 actuarial valuations.

For the June 30, 2011 actuarial valuations, the INPRS Board approved the following method changes:

- Contribution Rate Smoothing Rules
  - PERF: At the December 16, 2011 meeting, the INPRS Board resolved to discontinue the use of

contribution rate smoothing rules previously in effect. Based on the June 30, 2011 valuation results, the contribution rate (effective July 1, 2012) approved for the State is equal to the True Rate for the State, rounded up to the next tenth of a percent. For Political Subdivisions, the INPRS Board approved to begin migration to a single rate for all PERF employers. For Political Subdivisions contributing less than the Composite Rate (aggregate True Rate equal to 10 percent for fiscal year 2013) during fiscal year 2012, the contribution rate will increase no more than 1.5 percent, to a maximum of the Composite Rate during fiscal year 2013. For Political Subdivisions contributing more than or equal to the Composite Rate during fiscal year 2012, will contribute the Composite Rate during fiscal year 2013.

- 1977 Fund; E,G,&C Plan; PARF: At the December 16, 2011 meeting, the INPRS Board resolved to discontinue the use of contribution rate smoothing rules.

Changes in Plan Provisions:

There were no changes in plan provisions since the June 30, 2010 actuarial valuations.

Actuarial Cost Method:

For all systems except the LEDB Plan, the actuarial cost method is Entry Age Normal – Level Percent of Payroll. For the LEDB Plan, the actuarial cost method is Traditional Unit Credit.

For all systems except the LEDB Plan, the normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. For the LEDB Plan, the normal cost is calculated separately for each active member and is equal to actuarial present value of additional benefits expected to be accrued during the year following the valuation date. The actuarial accrued liability on any valuation date is the actuarial present value of the benefits earned for service prior to the valuation date.

Gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

Asset Valuation Method:

Actuarial Value of Assets is equal to a four-year smoothing of gains and losses on the Market Value of Assets subject to a 20 percent corridor. Accordingly, the Actuarial Value of Assets is limited to no more than 20 percent greater than or 20 percent less than the Market Value of Assets.

Public Employees' Retirement Fund
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return: 6.75 percent (net of administrative and investment expenses)

Cost of Living Increases: 1.0 percent per year in retirement

Future Salary Increases: Based on 2005-2010 experience. Illustrative rates shown below:

Age	Inflation	Productivity, Merit and Promotion	Total Individual Salary Growth
<31	3.00%	1.50%	4.50%
31-45	3.00	1.00	4.00
46-60	3.00	0.50	3.50
>=61	3.00	0.25	3.25

Inflation: 3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled): 2013 IRS Static Mortality projected five (5) years with Scale AA

Retirement: Based on PERF experience 2005-2010. Illustrative rates shown below:

	Service				
Age	10	15	20	30	31+
50	–%	4%	4%	4%	4%
55	–	7	7	12	7
60	–	10	10	10	10
65	30	30	30	30	30
70	25	25	25	25	25
75+	100	100	100	100	100

Termination: Select and ultimate tables based on 2005-2010 experience.

Illustrative rates shown below:

State (Male)

Earnings < $20,000

	Service					
Age	0	1	2	3	4	5+
20	57%	40%	23%	19%	17%	13%
30	56	34	21	17	15	11
40	55	29	18	15	13	9
50	55	24	15	13	11	6
60+	55	20	12	10	9	4

Public Employees' Retirement Fund
June 30, 2012 Actuarial Valuation

State (Male)

Earnings >= $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	43%	26%	13%	10%	9%	7%
30	39	20	12	9	8	6
40	36	16	11	8	7	5
50	36	14	9	7	7	4
60+	37	13	8	6	6	3

State (Female)

Earnings < $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	57%	40%	26%	26%	21%	16%
30	54	36	23	23	19	14
40	54	32	20	19	16	11
50	54	29	17	15	13	8
60+	54	25	15	11	11	6

State (Female)

Earnings >= $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	43%	25%	14%	14%	11%	8%
30	36	22	13	12	10	7
40	35	19	12	10	9	6
50	35	17	10	9	7	5
60+	36	16	9	7	6	4

Political Subdivisions (Male)

Earnings < $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	33%	25%	13%	12%	10%	7%
30	29	21	11	10	9	6
40	28	17	10	8	8	5
50	26	14	8	7	6	4
60+	25	11	6	5	5	3

Political Subdivisions (Male)

Earnings >= $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	30%	19%	7%	7%	5%	4%
30	22	14	7	6	5	4
40	22	11	6	5	4	3
50	21	10	5	5	4	3
60+	20	9	4	4	3	2

Public Employees' Retirement Fund
June 30, 2012 Actuarial Valuation

Political Subdivisions (Female)

Earnings < $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	36%	30%	16%	12%	11%	8%
30	32	25	14	11	10	7
40	32	21	12	10	9	5
50	31	18	9	8	7	4
60+	30	14	7	6	5	3

Political Subdivisions (Female)

Earnings >= $20,000

	Service					
Age	**0**	**1**	**2**	**3**	**4**	**5+**
20	31%	21%	10%	8%	7%	4%
30	24	16	9	7	6	4
40	23	14	8	6	5	3
50	23	12	7	6	5	3
60+	23	11	6	5	4	2

Disability:

Based on 2000 - 2005 experience for males and 1995 - 2000 experience for females.

Recent experience has been consistent.

Illustrative rates shown below:

Age	**Male**	**Female**
20	0.007%	0.005%
30	0.021	0.016
40	0.065	0.050
50	0.201	0.156
60	0.622	0.488
70	0.100	0.100
80	0.000	0.000

Spouse/Beneficiary:

75 percent of male members and 60 percent of female members are assumed to be married and or to have a dependent beneficiary. Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

Public Employees' Retirement Fund
June 30, 2012 Actuarial Valuation

ASA Withdrawal:	For active members who are expected to terminate prior to becoming vested (before 10 years of service),100 percent of such members are assumed to withdraw their ASA balance immediately upon termination. For all other active members, it is assumed that 50 percent of such members withdraw their ASA balance immediately upon termination and 50 percent of such members annuitize their ASA balance upon commencement of their employer funded annuity benefit. For inactive members who are not vested, 100 percent of such members are assumed to withdraw their ASA balance immediately. For inactive members who are vested, it is assumed that 50 percent of such members withdraw their ASA balance immediately and 50 percent of such members annuitize their ASA balance upon commencement of their employer funded annuity benefit.

Teachers' Retirement Fund
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Cost of Living Increases:	1.0 percent per year in retirement
Future Salary Increases:	Based on TRF 2007-2011 experience. Illustrative rates shown below:

Years of Service	Inflation	Merit & Seniority	Total Individual Salary Growth
1	3.00%	9.50%	12.50%
5	3.00	4.00	7.00
10	3.00	2.75	5.75
15	3.00	1.50	4.50
20	3.00	0.25	3.25
25	3.00	–	3.00
30	3.00	–	3.00
35	3.00	–	3.00
40	3.00	–	3.00

Inflation:	3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled):	2013 IRS Static Mortality projected five (5) years with Scale AA
Retirement:	Based on TRF 2007-2011 experience. Sample probabilities are shown on the next page:

Teachers' Retirement Fund
June 30, 2012 Actuarial Valuation

Retirement, cont.

Regular Retirement		Rule of 85 Retirement		Early Retirement	
Age	**Probability**	**Age**	**Probability**	**Age**	**Probability**
				50-53	2.0%
				54	5.0
		55	10.0%	55	5.0
		56	10.0	56	5.0
		57	10.0	57	5.0
		58	12.5	58	5.0
		59	15.0	59	10.0
60	17.5%	60	17.5		
61	20.0	61	20.0		
62	25.0	62	25.0		
63	25.0	63	25.0		
64	25.0	64	25.0		
65	30.0	65	30.0		
66	30.0	66	30.0		
67	30.0	67	30.0		
68	30.0	68	30.0		
69	30.0	69	30.0		
70	100.0	70	100.0		

Termination:

Based on TRF 2007-2011 experience. Sample probabilities are shown below:

Service Based			Age Based[1]		
Years of Service	**Male**	**Female**	**Attained Age**	**Male**	**Female**
0	35.0%	35.0%	25	2.0%	3.5%
1	14.0	14.0	30	2.0	3.5
2	11.0	11.0	35	2.0	3.0
3	8.0	9.0	40	2.0	2.0
4	6.0	8.0	45	2.0	2.0
5	4.5	7.0	50	2.0	2.0
6	4.0	6.0	55	2.0	2.0
7	4.0	5.0	60	2.0	2.0
8	3.5	4.5			
9	3.5	4.0			

[1] *Age-based rates apply only if 10 or more years of service.*

Teachers' Retirement Fund
June 30, 2012 Actuarial Valuation

Disability:

Based on TRF 2007-2011 experience. Sample probabilities are shown below:

Age	Male	Female
25	0.01%	0.01%
30	0.01	0.01
35	0.01	0.01
40	0.01	0.01
45	0.02	0.02
50	0.05	0.05
55	0.09	0.09
60	0.10	0.10

Spouse/Beneficiary:

100 percent of active and deferred vested members are assumed to be married.

Male spouses are assumed to be three (3) years older than female spouses.

1977 Police Officers' and Firefighters' Pension and Disability Fund
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Interest on Member Contributions:	5.5 percent per year
Cost of Living Increases:	2.25 percent per year in retirement
Future Salary Increases:	3.25 percent per year
Inflation:	3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled): 2013 IRS Static Mortality projected five (5) years with Scale AA

Retirement: Based on 2005-2010 experience. Illustrative rates shown below:

Ages	Service < 32	Service > = 32
45-51	10%	100%
52-57	10	20
58-61	15	20
62-64	20	20
65-69	50	50
70+	100	100

Termination: Based on 2005-2010 experience. Illustrative rates shown below:

Service	Rate	Service	Rate
0	40.0%	7-9	2.0%
1	20.0	10-14	1.5
2	5.0	15-19	1.0
3	4.0	20+	1.5
4	3.5		
5	3.0		
6	2.5		

Disability: Based on 2005-2010 experience. Illustrative rates shown below:

Age	Rate
20	0.000%
25	0.075
30	0.150
35	0.200
40	0.400
45+	0.700

1977 Police Officers' and Firefighters' Pension and Disability Fund
June 30, 2012 Actuarial Valuation

Spouse/Beneficiary:	80 percent of male members and 50 percent of female members are assumed to be married or to have a dependent beneficiary. Male members are assumed to be three (3) years older than females and female members are assumed to be the same age as males.
Disability Retirement:	For members hired after 1989 that become disabled, impairments are assumed to be 45 percent Class 1 (at 65 percent of salary), 10 percent Class 2 (at 50 percent of salary), and 45 percent Class 3 (at 36 percent of salary).
Pre-Retirement Death:	Of active member deaths, 10 percent are assumed to be in the line of duty and 90 percent are other than in the line of duty. Additionally, all deaths among retired and disabled members are other than in line of duty.

Judges' Retirement System
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Cost of Living Increases:	4.0 percent per year in deferral and retirement
Future Salary Increases:	4.0 percent per year
Inflation:	3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled): 2013 IRS Static Mortality projected five (5) years with Scale AA

Retirement: Based on 2005-2010 experience. Rates shown below:

Age	Rate	Age	Rate
55-61	20%	65	50%
62	25	66-74	30
63	15	75+	100
64	10		

Termination: Based on 2005-2010 experience. Rates shown below:

Age	Rate
20-37	4%
38-65	7
66+	4

Disability: 1964 OASDI Table. Illustrative rates shown below:

Age	Rate
20	0.060%
25	0.085
30	0.110
35	0.147
40	0.220
45	0.360
50	0.606
55	1.009
60	1.627
65+	0.000

Judges' Retirement System
June 30, 2012 Actuarial Valuation

Spouse/Beneficiary:	90 percent of members are assumed to be married or to have a dependent beneficiary. Male members are assumed to be four (4) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Cost of Living Increases:	1.0 percent per year in retirement
Future Salary Increases:	3.25 percent per year
Inflation:	3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled):	2013 IRS Static Mortality projected five (5) years with Scale AA
Retirement:	Based on 2005 - 2010 experience. Illustrative rates shown below:

Age	Rate	Age	Rate
45	3%	54	4%
46-49	2	55-59	15
50	3	60-64	20
51-52	2	65+	100
53	3		

Termination: Sarason T-1 Table. Illustrative rates shown below:

Age	Rate
20	5.4384%
25	4.8948
30	3.7020
35	2.3492
40	1.1283
45	0.2653
50+	0.0000

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan
June 30, 2012 Actuarial Valuation

Disability: 150 percent of 1964 OASDI Table. Illustrative rates shown below:

Age	Rate
20	0.0900%
25	0.1275
30	0.1650
35	0.2205
40	0.3300
45	0.5400
50	0.9090
55	1.5135
60	2.4405
65+	0.0000

Spouse/Beneficiary: 100 percent of members are assumed to be married or to have a dependent beneficiary. Males are assumed to be five (5) years older than females.

Prosecuting Attorneys' Retirement Fund
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Interest on Member Contributions:	5.5 percent per year
Cost of Living Increases:	N/A
Future Salary Increases:	4.0 percent per year
Inflation:	3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled):	2013 IRS Static Mortality projected five (5) years with Scale AA
Retirement:	Based on 2005 - 2010 experience. Rates shown below:

Age	Rate
62	20%
63	20
64	20
65	100

Termination:	10 percent per year for all members prior to retirement eligibility.
Disability:	Illustrative rates shown below:

Age	Male	Female
20	0.0067%	0.0050%
30	0.0208	0.0158
40	0.0646	0.0496
50	0.2005	0.1556
60	0.6220	0.4881
70	0.1000	0.1000
71+	0.0000	0.0000

Spouse/Beneficiary: 90 percent of participants are assumed either to be married or to have a dependent beneficiary.

Males are assumed to be three (3) years older than their spouses.

Legislators' Defined Benefit Plan
June 30, 2012 Actuarial Valuation

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Cost of Living Increases:	1.0 percent per year in retirement
Future Salary Increases:	3.0 percent per year
Inflation:	3.0 percent per year

Demographic Assumptions

Mortality (Healthy and Disabled):	2013 IRS Static Mortality projected five (5) years with Scale AA
Retirement:	Retirement rates based on actual experience of current retirees. Illustrative rates shown below:

Age	Rate
55	10%
56-57	8
58-61	2
62-64	5
65 +	100

Termination: Sarason T-2 Tables. Illustrative rates shown below:

Age	Rate
20	5.4384%
25	5.2917
30	5.0672
35	4.6984
40	3.5035
45	1.7686
50	0.4048
55 +	0.0000

Legislators' Defined Benefit Plan
June 30, 2012 Actuarial Valuation

Disability: 75 percent of 1964 OASDI Tables. Illustrative rates shown below:

Age	Rate
20	0.045%
25	0.064
30	0.083
35	0.111
40	0.165
45	0.270
50	0.454
55	0.757
60	1.220
65+	0.000

Spouse/Beneficiary: 90 percent of members are assumed to be married or to have a dependent beneficiary.

Males are assumed to be three (3) years older than females.

Summary of INPRS Funded Status

Actuarial Valuations as of June 30, 2012 and June 30, 2011

(dollars in millions)

	Actuarial Valuation as of June 30, 2012				Actuarial Valuation as of June 30, 2011			
Defined Benefit Retirement Plan	**Actuarial Accrued Liability**	**Actuarial Value of Assets**	**Unfunded Actuarial Accrued Liability**	**Actuarial Funded Status**	**Actuarial Accrued Liability**	**Actuarial Value of Assets**	**Unfunded Actuarial Accrued Liability**	**Actuarial Funded Status**
Public Employees' Retirement Fund	$ 15,784.2	$ 12,088.2	$ 3,696.0	76.6%	$ 14,913.1	$ 12,000.6	$ 2,912.5	80.5%
Teachers' Retirement Fund (TRF) – 1996 Account	4,338.3	3,936.4	401.9	90.7	3,996.8	3,664.6	332.2	91.7
1977 Police Officers' and Firefighters' Pension and Disability Fund	4,122.4	3,786.6	335.8	91.9	3,639.0	3,593.8	45.2	98.8
Judges' Retirement System[1]	437.9	260.1	177.8	59.4	400.3	248.6	151.7	62.1
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan[1]	113.3	76.0	37.3	67.1	101.5	72.6	28.9	71.5
Prosecuting Attorneys' Retirement Fund[1]	56.1	27.5	28.6	49.0	53.3	25.7	27.6	48.2
Legislators' Defined Benefit Plan	4.5	3.4	1.1	75.0	4.6	3.6	1.0	78.6
Total INPRS (Excluding TRF Pre-1996 Account)	**$ 24,856.7**	**$ 20,178.2**	**$ 4,678.5**	**81.2%**	**$ 23,108.6**	**$ 19,609.5**	**$ 3,499.1**	**84.9%**
Teachers' Retirement Fund – Pre-1996 Account (Pay-As-You-Go)	16,522.0	4,978.1	11,543.9	30.1	16,318.4	5,227.4	11,091.0	32.0
Total INPRS (Including TRF Pre-1996 Account)	**$ 41,378.7**	**$ 25,156.3**	**$16,222.4**	**60.8%**	**$ 39,427.0**	**$ 24,836.9**	**$ 14,590.1**	**63.0%**
Memo:								
Total Teachers' Retirement Fund	$ 20,860.3	$ 8,914.5	$11,945.8	42.7%	$ 20,315.2	$ 8,892.0	$ 11,423.2	43.8%

[1] *In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:*

Judges' Retirement System -- $90.2 million

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan – $14.6 million

Prosecuting Attorneys' Retirement Fund -- $17.4 million

Sensitivity of Actuarial Valuations to Changes in Assumed Investment Return – Interest Rate

Actuarial Valuations as of June 30, 2012

INPRS Management and the INPRS Board continually monitor the Investment Return - Interest Rate assumption on an annual basis and make changes in this assumption as appropriate. The INPRS Board last changed the assumption in June 2012, reducing the assumption from 7.0 percent to 6.75 percent.

To illustrate the importance of the Investment Return - Interest Rate assumption, which is used to discount the actuarial liabilities of the INPRS Defined Benefit retirement plans, the Unfunded Actuarial Accrued Liability and Funded Status are shown below at 6.75 percent (current assumption), 7.5 percent (0.75 percent increase), and 8.0 percent (1.25 percent increase).

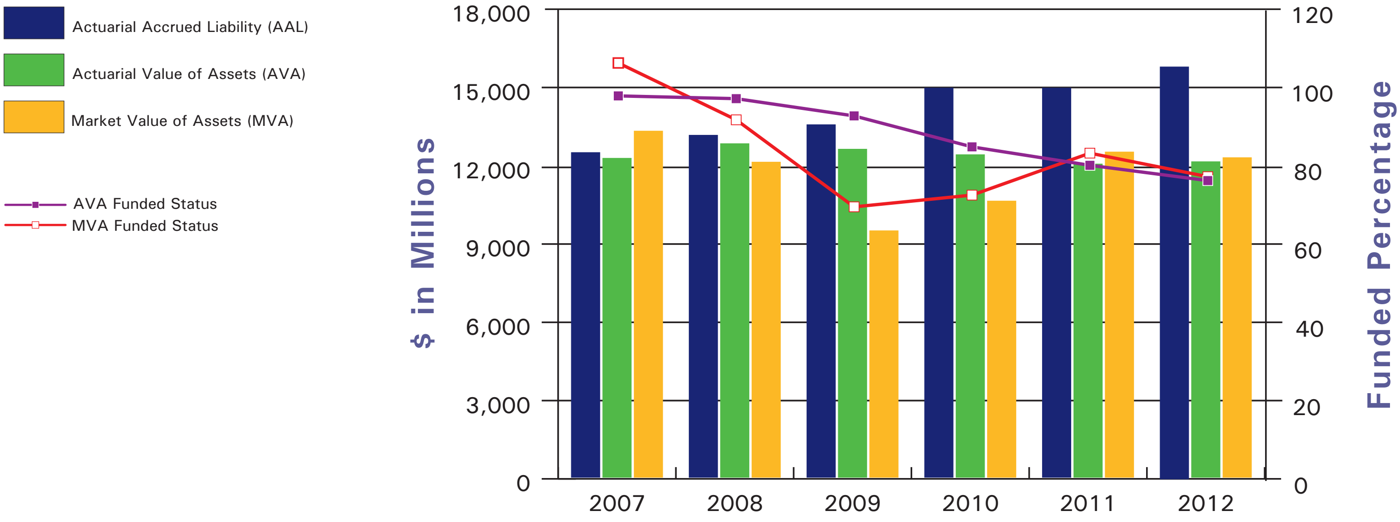
(dollars in millions)	Current Assumption (6.75%)		0.75% Increase (7.5%)		1.25% Increase (8.0%)	
Defined Benefit Retirement Plan	**Unfunded Actuarial Accrued Liability**	**Funded Status**	**Unfunded Actuarial Accrued Liability[1]**	**Funded Status**	**Unfunded Actuarial Accrued Liability[1]**	**Funded Status**
PERF	$ 3,696.0	76.6%	$ 2,601.8	82.3%	$ 1,946.8	86.1%
TRF – 1996 Account	401.9	90.7	13.9	99.6	(220.1)	105.9
1977 Fund	335.8	91.9	(102.3)	102.8	(358.7)	110.5
JRS	177.8	59.4	142.6	64.6	121.6	68.1
E,G,&C Plan	37.3	67.1	27.5	73.4	21.6	77.9
PARF	28.6	49.0	24.1	53.3	21.4	56.2
LEDB Plan	1.1	75.0	0.9	79.1	0.7	81.9
Total INPRS (*Excluding* TRF Pre-1996 Account)	**$ 4,678.5**	**81.2%**	**$ 2,708.5**	**88.2%**	**$ 1,533.3**	**92.9%**
TRF – Pre-1996 Account (Pay-As-You-Go)	11,543.9	30.1	10,567.4	32.0	9,953.1	33.3
Total INPRS (*Including* TRF Pre-1996 Account)	**$ 16,222.4**	**60.8%**	**$13,275.9**	**65.5%**	**$ 11,486.4**	**68.7%**
Memo:						
Total TRF	$ 11,945.8	42.7%	$10,581.3	45.7%	$ 9,733.0	47.8%

[1]( ) = Funding Surplus

PERF = Public Employees' Retirement Fund
TRF = Teachers' Retirement Fund
1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
JRS = Judges' Retirement System
E,G,&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
PARF = Prosecuting Attorneys' Retirement Fund
LEDB Plan = Legislators' Defined Benefit Plan

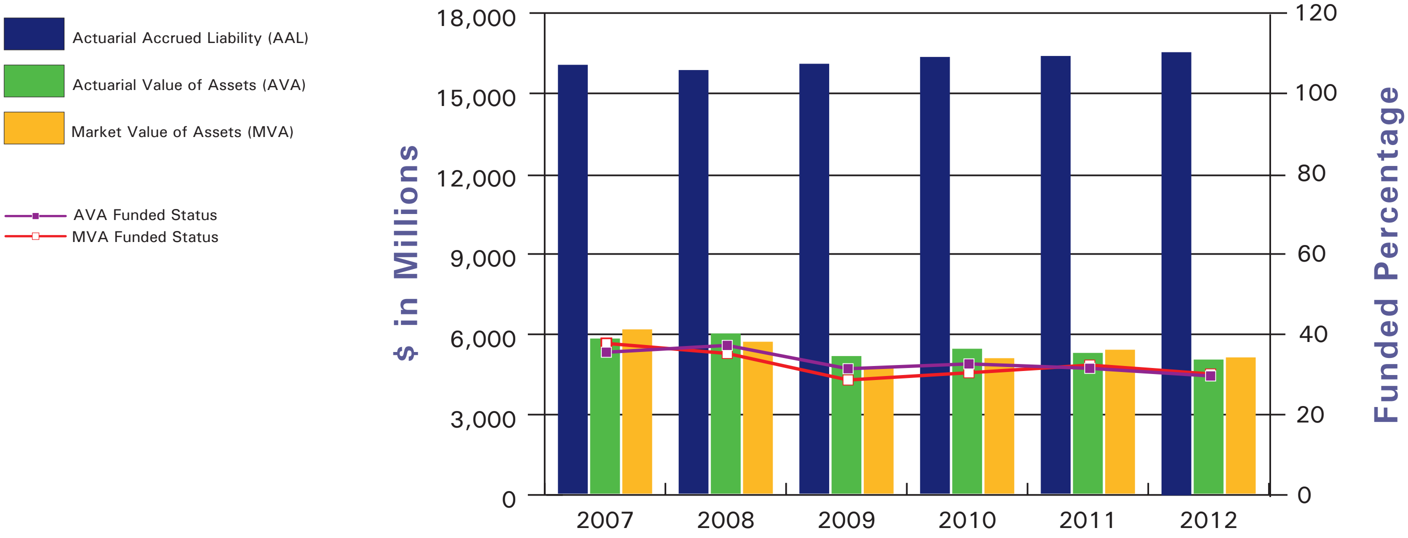
Historical Summary of Actuarial Valuation Results by Retirement Plan

Public Employees' Retirement Fund



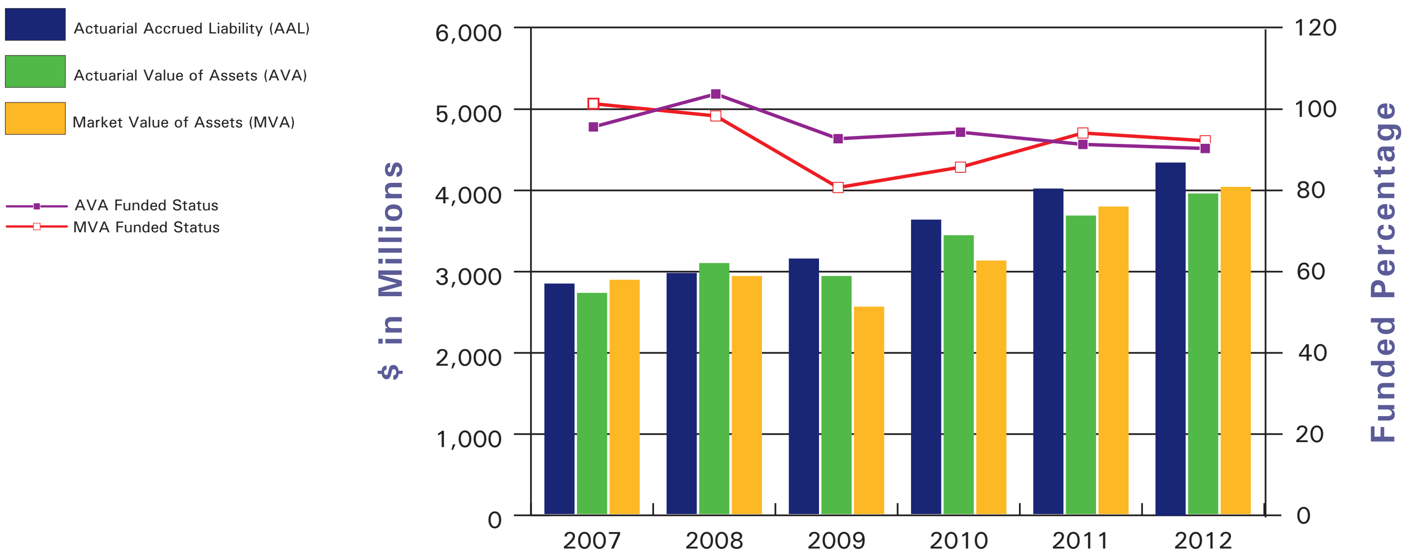
	Fiscal Year Ended June 30					
(dollars in millions)	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Actuarial Accrued Liability (AAL)	$ 12,439.8	$ 13,103.2	$ 13,506.2	$ 14,506.1	$ 14,913.1	$ 15,784.2
Actuarial Value of Assets (AVA)	$ 12,220.9	$ 12,780.1	$ 12,569.3	$ 12,357.2	$ 12,000.6	$ 12,088.2
Unfunded Liability (AAL - AVA)	$ 218.9	$ 323.1	$ 936.9	$ 2,148.9	$ 2,912.5	$ 3,696.0
AVA Funded Status (AVA / AAL)	98.2%	97.5%	93.1%	85.2%	80.5%	76.6%
Market Value of Assets (MVA)	$ 13,262.4	$ 12,073.5	$ 9,442.3	$ 10,581.3	$ 12,461.4	$ 12,243.8
MVA Funded Status (MVA / AAL)	106.6%	92.1%	69.9%	72.9%	83.6%	77.6%

Teachers' Retirement Fund – Pre-1996 Account



(dollars in millions)	Fiscal Year Ended June 30					
	2007	**2008**	**2009**	**2010**	**2011**	**2012**
Actuarial Accrued Liability (AAL)	$ 15,988.3	$ 15,792.3	$ 16,027.1	$ 16,282.1	$ 16,318.4	$ 16,522.0
Actuarial Value of Assets (AVA)	$ 5,763.5	$ 5,954.0	$ 5,109.1	$ 5,382.4	$ 5,227.4	$ 4,978.1
Unfunded Liability (AAL - AVA)	$ 10,224.8	$ 9,838.3	$ 10,918.0	$ 10,899.7	$ 11,091.0	$ 11,543.9
AVA Funded Status (AVA / AAL)	36.0%	37.7%	31.9%	33.1%	32.0%	30.1%
Market Value of Assets (MVA)	$ 6,106.4	$ 5,644.2	$ 4,655.9	$ 5,029.5	$ 5,345.9	$ 5,058.9
MVA Funded Status (MVA / AAL)	38.2%	35.7%	29.1%	30.9%	32.8%	30.6%

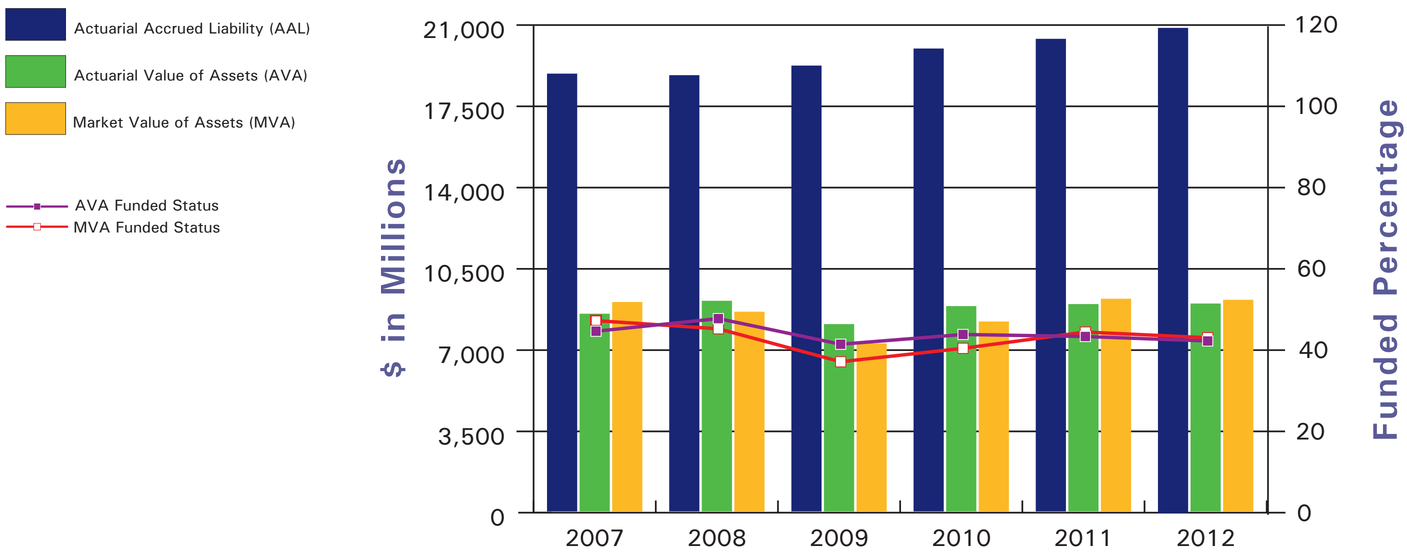
Teachers' Retirement Fund – 1996 Account



(dollars in millions)	Fiscal Year Ended June 30					
	2007	**2008**	**2009**	**2010**	**2011**	**2012**
Actuarial Accrued Liability (AAL)	$ 2,827.5	$ 2,957.8	$ 3,135.5	$ 3,614.6	$ 3,996.8	$ 4,338.3
Actuarial Value of Assets (AVA)	$ 2,713.0	$ 3,080.1	$ 2,920.7	$ 3,422.6	$ 3,664.6	$ 3,936.4
Unfunded Liability (AAL - AVA)	$ 114.5	$ (122.3)	$ 214.8	$ 192.0	$ 332.2	$ 401.9
AVA Funded Status (AVA / AAL)	96.0%	104.1%	93.1%	94.7%	91.7%	90.7%
Market Value of Assets (MVA)	$ 2,874.4	$ 2,919.8	$ 2,543.2	$ 3,111.3	$ 3,775.8	$ 4,018.2
MVA Funded Status (MVA / AAL)	101.7%	98.7%	81.1%	86.1%	94.5%	92.6%

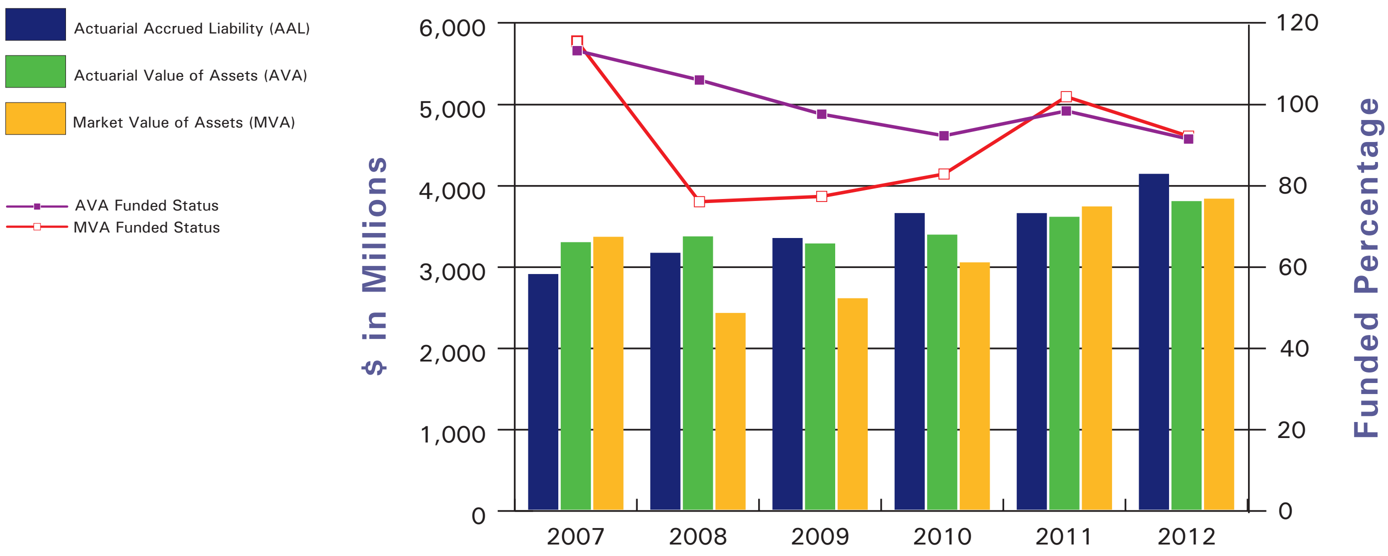
Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

Teachers' Retirement Fund – Total



	Fiscal Year Ended June 30					
(dollars in millions)	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Actuarial Accrued Liability (AAL)	$18,815.8	$18,750.1	$19,162.6	$19,896.7	$20,315.2	$20,860.3
Actuarial Value of Assets (AVA)	$ 8,476.5	$ 9,034.1	$ 8,029.8	$ 8,805.0	$ 8,892.0	$ 8,914.5
Unfunded Liability (AAL - AVA)	$10,339.3	$ 9,716.0	$11,132.8	$11,091.7	$11,423.2	$ 11,945.8
AVA Funded Status (AVA / AAL)	45.1%	48.2%	41.9%	44.3%	43.8%	42.7%
Market Value of Assets (MVA)	$ 8,980.8	$ 8,564.0	$ 7,199.1	$ 8,140.8	$ 9,121.7	$ 9,077.1
MVA Funded Status (MVA / AAL)	47.7%	45.7%	37.6%	40.9%	44.9%	43.5%

1977 Police Officers' and Firefighters' Pension and Disability Fund



	Fiscal Year Ended June 30					
(dollars in millions)	2007[1]	2008[1]	2009	2010	2011	2012
Actuarial Accrued Liability (AAL)	$ 2,889.3	$ 3,150.8	$ 3,332.7	$ 3,639.6	$ 3,639.0	$ 4,122.4
Actuarial Value of Assets (AVA)	$ 3,281.5	$ 3,352.7	$ 3,265.6	$ 3,374.4	$ 3,593.8	$ 3,786.6
Unfunded Liability (AAL - AVA)	$ (392.2)	$ (201.9)	$ 67.1	$ 265.2	$ 45.2	$ 335.8
AVA Funded Status (AVA / AAL)	113.6%	106.4%	98.0%	92.7%	98.8%	91.9%
Market Value of Assets (MVA)	$ 3,347.7	$ 2,410.8	$ 2,591.7	$ 3,033.3	$ 3,721.4	$ 3,817.0
MVA Funded Status (MVA / AAL)	115.9%	76.5%	77.8%	83.3%	102.3%	92.6%

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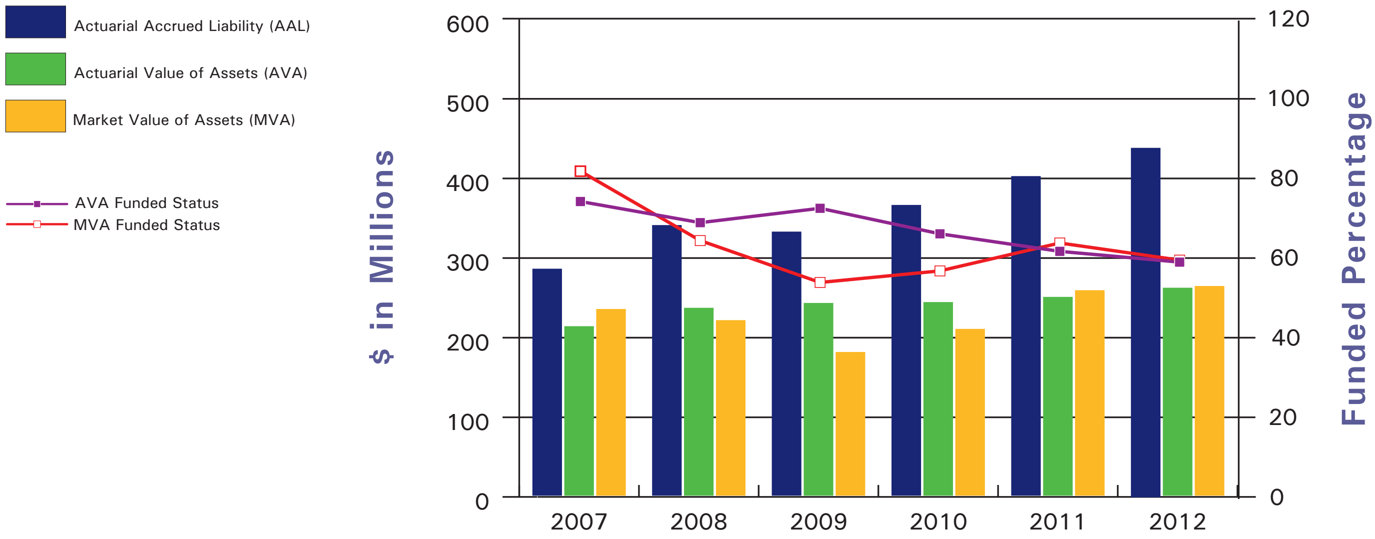
[1] *As of December 31 instead of June 30.*

Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

Judges' Retirement System[2]



	Fiscal Year Ended June 30					
(dollars in millions)	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Actuarial Accrued Liability (AAL)	$ 284.0	$ 338.8	$ 330.6	$ 364.1	$ 400.3	$ 437.9
Actuarial Value of Assets (AVA)	$ 211.8	$ 234.9	$ 241.0	$ 242.1	$ 248.6	$ 260.1
Unfunded Liability (AAL - AVA)	$ 72.2	$ 103.9	$ 89.6	$ 122.0	$ 151.7	$ 177.8
AVA Funded Status (AVA / AAL)	74.6%	69.3%	72.9%	66.5%	62.1%	59.4%
Market Value of Assets (MVA)	$ 233.4	$ 219.4	$ 179.4	$ 208.4	$ 257.0	$ 262.3
MVA Funded Status (MVA / AAL)	82.2%	64.8%	54.3%	57.2%	64.2%	59.9%

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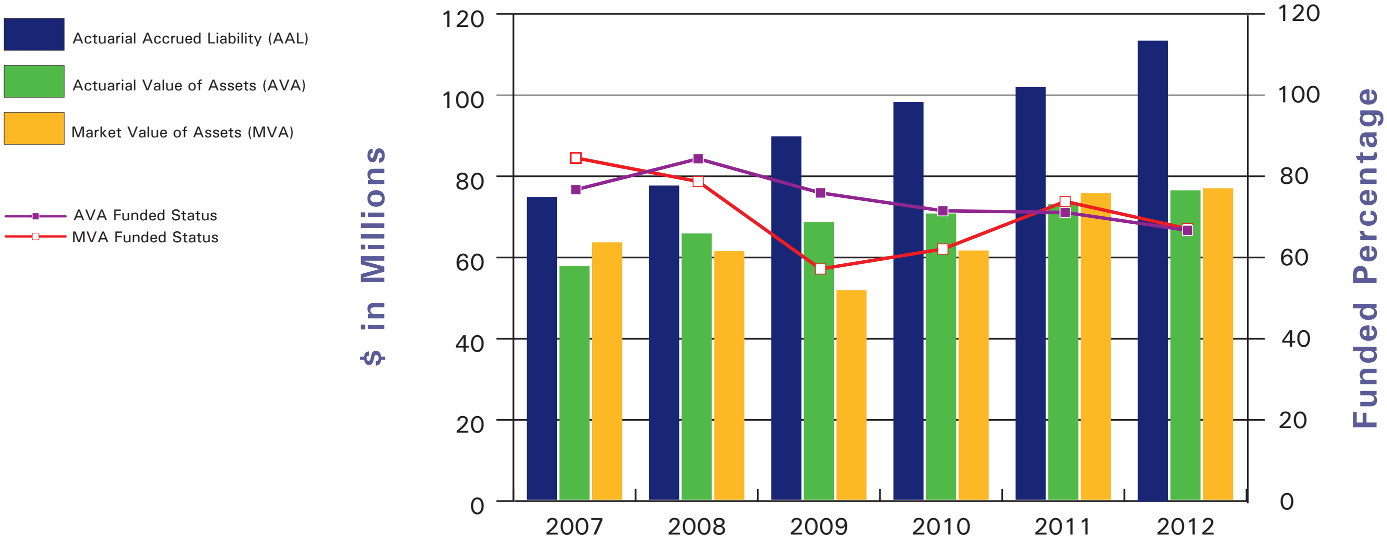
[2] In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0% based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:

Judges' Retirement System – $90.2 million
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan – $14.6 million
Prosecuting Attorneys' Retirement Fund – $17.4 million

Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan[2]



(dollars in millions)	Fiscal Year Ended June 30 2007	2008	2009	2010	2011	2012
Actuarial Accrued Liability (AAL)	$ 74.4	$ 77.2	$ 89.3	$ 97.8	$ 101.5	$ 113.3
Actuarial Value of Assets (AVA)	$ 57.4	$ 65.4	$ 68.2	$ 70.3	$ 72.6	$ 76.0
Unfunded Liability (AAL - AVA)	$ 17.0	$ 11.8	$ 21.1	$ 27.5	$ 28.9	$ 37.3
AVA Funded Status (AVA / AAL)	77.1%	84.7%	76.3%	71.9%	71.5%	67.1%
Market Value of Assets (MVA)	$ 63.2	$ 61.1	$ 51.4	$ 61.2	$ 75.3	$ 76.5
MVA Funded Status (MVA / AAL)	84.9%	79.1%	57.6%	62.5%	74.2%	67.5%

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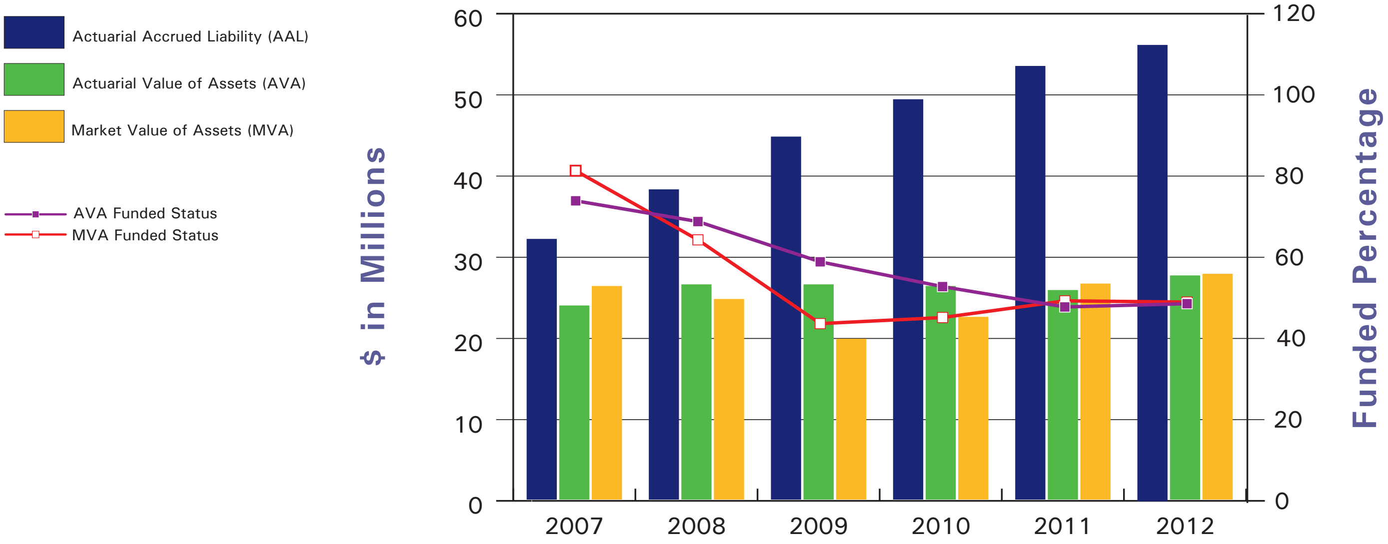
[2] In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0% based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:
Judges' Retirement System – $90.2 million
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan – $14.6 million
Prosecuting Attorneys' Retirement Fund – $17.4 million

Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

Prosecuting Attorneys' Retirement Fund[2]



	Fiscal Year Ended June 30					
(dollars in millions)	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Actuarial Accrued Liability (AAL)	$ 32.0	$ 38.1	$ 44.6	$ 49.2	$ 53.3	$ 56.1
Actuarial Value of Assets (AVA)	$ 23.8	$ 26.4	$ 26.4	$ 26.2	$ 25.7	$ 27.5
Unfunded Liability (AAL - AVA)	$ 8.2	$ 11.7	$ 18.2	$ 23.0	$ 27.6	$ 28.6
AVA Funded Status (AVA / AAL)	74.3%	69.2%	59.3%	53.2%	48.2%	49.0%
Market Value of Assets (MVA)	$ 26.2	$ 24.6	$ 19.7	$ 22.4	$ 26.5	$ 27.7
MVA Funded Status (MVA / AAL)	81.7%	64.7%	44.1%	45.6%	49.7%	49.4%

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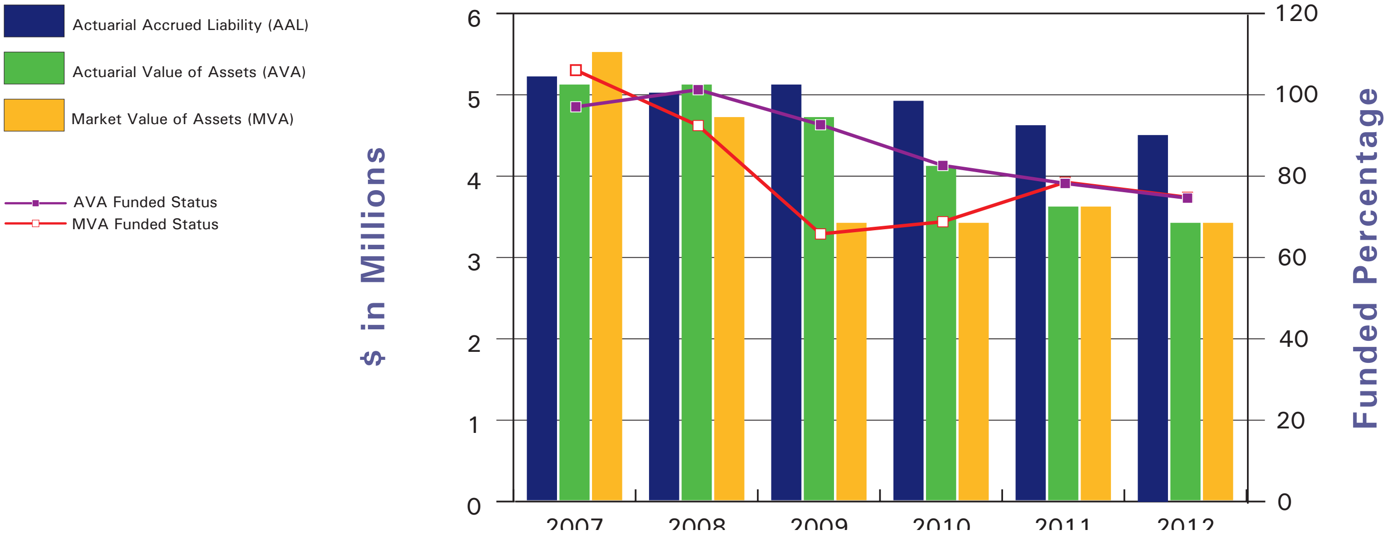
[2] *In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0% based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:*

Judges' Retirement System – $90.2 million
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan – $14.6 million
Prosecuting Attorneys' Retirement Fund – $17.4 million

Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

Legislators' Defined Benefit Plan



(dollars in millions)	Fiscal Year Ended June 30 2007	2008	2009	2010	2011	2012
Actuarial Accrued Liability (AAL)	$ 5.2	$ 5.0	$ 5.1	$ 4.9	$ 4.6	$ 4.5
Actuarial Value of Assets (AVA)	$ 5.1	$ 5.1	$ 4.7	$ 4.1	$ 3.6	$ 3.4
Unfunded Liability (AAL - AVA)	$ 0.1	$ (0.1)	$ 0.4	$ 0.8	$ 1.0	$ 1.1
AVA Funded Status (AVA / AAL)	97.4%	101.6%	93.0%	83.0%	78.6%	75.0%
Market Value of Assets (MVA)	$ 5.5	$ 4.7	$ 3.4	$ 3.4	$ 3.6	$ 3.4
MVA Funded Status (MVA / AAL)	106.4%	92.8%	66.2%	69.2%	78.9%	75.2%

(dollars in thousands)

		(Gain) / Loss				
Defined Benefit Retirement Plans	**June 30, 2011 UAAL[1]**	**Actuarial Value of Assets**	**Actuarial Accrued Liabilities**	**Amortization of Existing Bases**	**Actuarial Assumption & Methodology Changes[2]**	**June 30, 2012 UAAL[1]**
Public Employees' Retirement Fund	$ 2,912,561	$ 486,424	$ (87,831)	$ (34,376)	$ 419,237	$ 3,696,015
Teachers' Retirement Fund						
Pre-1996 Account	11,091,001	111,026	(46,791)	76,526	312,146	11,543,908
1996 Account	332,182	108,152	(24,911)	(10,975)	(2,594)	401,854
Total Teachers' Retirement Fund	11,423,183	219,178	(71,702)	65,551	309,552	11,945,762
1977 Police Officers' and Firefighters' Pension and Disability Fund	45,169	103,601	544	(766)	187,293	335,841
Judges' Retirement System	151,650	17,655	708	(2,089)	9,834	177,758
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	28,934	2,723	2,517	(394)	3,496	37,276
Prosecuting Attorneys' Retirement Fund	27,601	1,794	(2,404)	(367)	1,955	28,579
Legislators' Defined Benefit Plan	987	258	(175)	(28)	84	1,126

[1] *UAAL: Unfunded Actuarial Accrued Liabilities*

[2] *Actuarial Assumption and Methodology Assumption Changes include:*

For all plans, the change in the Interest Rate / Investment Return assumption from 7.0 percent to 6.75 percent.

For all plans, the change in the Mortality assumption from the 2008 IRS Static Mortality Table projected forward five (5) years to the 2013 IRS Static Mortality Table projected forward five (5) years.

For PERF, TRF, and the E,G,&C Plan, a one-time payment (i.e., 13th Check) was paid to benefit recipients in September 2012 in lieu of the 1.0 percent COLA assumption.

For TRF, changes to the Future Salary Increase, Retirement, and Termination assumptions to reflect recent experience.

For the 1977 Fund, a 2.8 percent COLA was paid to benefit recipients in July 2012, rather than the assumed COLA of 2.25 percent.

For the Judges Retirement System, a 2.2 percent COLA was paid to benefit recipients in July 2012, rather than the assumed COLA of 4.0 percent.

For the LEDB Plan, there was no COLA paid to benefit recipients versus than the assumed COLA of 1.0 percent.

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Fiscal Year Ended June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
Public Employees' Retirement Fund									
2007	$ 2,707,176	$ 4,007,389	$ 5,725,233	$ 12,439,798	$12,220,934	100.0%	100.0%	96.2%	98.2%
2008	2,694,331	4,227,366	6,181,524	13,103,221	12,780,116	100.0	100.0	94.8	97.5
2009	2,669,318	4,611,257	6,225,705	13,506,280	12,569,336	100.0	100.0	85.0	93.1
2010	2,780,570	4,931,592	6,793,890	14,506,052	12,357,199	100.0	100.0	68.4	85.2
2011	2,805,023	5,370,786	6,737,338	14,913,147	12,000,586	100.0	100.0	56.8	80.5
2012	2,749,449	5,895,779	7,139,012	15,784,240	12,088,225	100.0	100.0	48.2	76.6
Teachers' Retirement Fund – Pre-1996 Account									
2007	$ 3,016,052	$ 7,063,889	$ 5,908,318	$ 15,988,259	$ 5,763,508	100.0%	38.9%	0.0%	36.0%
2008	2,613,138	7,244,422	5,934,745	15,792,305	5,953,991	100.0	46.1	0.0	37.7
2009	2,389,886	7,891,346	5,745,861	16,027,093	5,109,086	100.0	34.5	0.0	31.9
2010	2,353,715	8,153,240	5,775,111	16,282,066	5,382,410	100.0	37.1	0.0	33.1
2011	2,015,580	8,776,916	5,525,908	16,318,404	5,227,402	100.0	36.6	0.0	32.0
2012	1,782,353	9,451,792	5,287,870	16,522,015	4,978,107	100.0	33.8	0.0	30.1
Teachers' Retirement Fund – 1996 Account									
2007	$ 656,918	$ 449,452	$ 1,721,184	$ 2,827,554	$ 2,713,051	100.0%	100.0%	93.3%	96.0%
2008	649,840	514,933	1,792,985	2,957,758	3,080,057	100.0	100.0	100.0	104.1
2009	655,843	432,942	2,046,748	3,135,533	2,920,735	100.0	100.0	89.5	93.1
2010	750,575	483,117	2,380,867	3,614,559	3,422,554	100.0	100.0	91.9	94.7
2011	840,341	562,445	2,594,053	3,996,839	3,664,657	100.0	100.0	87.2	91.7
2012	882,942	662,558	2,792,809	4,338,309	3,936,455	100.0	100.0	85.6	90.7
Teachers' Retirement Fund – Total									
2007	$ 3,672,970	$ 7,513,341	$ 7,629,502	$ 18,815,813	$ 8,476,559	100.0%	63.9%	0.0%	45.1%
2008	3,262,978	7,759,355	7,727,730	18,750,063	9,034,048	100.0	74.4	0.0	48.2
2009	3,045,729	8,324,288	7,792,609	19,162,626	8,029,821	100.0	59.9	0.0	41.9
2010	3,104,290	8,636,357	8,155,978	19,896,625	8,804,964	100.0	66.0	0.0	44.3
2011	2,855,921	9,339,361	8,119,961	20,315,243	8,892,059	100.0	64.6	0.0	43.8
2012	2,665,295	10,114,350	8,080,679	20,860,324	8,914,562	100.0	61.8	0.0	42.7
1977 Police Officers' and Firefighters' Pension and Disability Fund									
2006[1]	$ 455,476	$ 546,628	$ 1,647,421	$ 2,649,525	$ 2,860,512	100.0%	100.0%	100.0%	108.0%
2007[1]	498,662	655,827	1,734,806	2,889,295	3,281,480	100.0	100.0	100.0	113.6
2008[1]	534,303	765,909	1,850,615	3,150,827	3,352,705	100.0	100.0	100.0	106.4
2009	571,534	793,167	1,967,985	3,332,686	3,265,598	100.0	100.0	96.6	98.0
2010	634,865	859,626	2,145,178	3,639,669	3,374,438	100.0	100.0	87.6	92.7
2011	679,849	970,676	1,988,431	3,638,956	3,593,787	100.0	100.0	97.7	98.8
2012	728,892	1,135,538	2,258,006	4,122,436	3,786,595	100.0	100.0	85.1	91.9

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[1] *As of December 31 instead of June 30.*

Solvency Test, continued

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Fiscal Year Ended June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
Judges' Retirement System[2]									
2007	$ 21,276	$ 143,645	$ 119,074	$ 283,995	$ 211,747	100.0%	100.0%	39.3%	74.6%
2008	22,243	155,177	161,329	338,749	234,881	100.0	100.0	35.6	69.3
2009	21,649	170,962	137,940	330,551	240,954	100.0	100.0	35.0	72.9
2010	23,138	182,023	158,962	364,123	242,143	100.0	100.0	23.3	66.5
2011	24,359	198,797	177,118	400,274	248,623	100.0	100.0	14.4	62.1
2012	27,699	205,341	204,814	437,854	260,096	100.0	100.0	13.2	59.4
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan[2]									
2007	$ 3,527	$ 24,606	$ 46,318	$ 74,451	$ 57,414	100.0%	100.0%	63.2%	77.1%
2008	4,314	28,902	43,961	77,177	65,375	100.0	100.0	73.2	84.7
2009	5,274	35,039	48,983	89,296	68,170	100.0	100.0	56.9	76.3
2010	6,220	36,044	55,598	97,862	70,327	100.0	100.0	50.5	71.9
2011	6,271	46,695	48,568	101,534	72,599	100.0	100.0	40.4	71.5
2012	6,532	53,929	52,822	113,283	76,007	100.0	100.0	29.4	67.1
Prosecuting Attorneys' Retirement Fund[2]									
2007	$ 16,014	$ 3,192	$ 12,846	$ 32,052	$ 23,815	100.0%	100.0%	35.9%	74.3%
2008	17,428	5,173	15,468	38,069	26,350	100.0	100.0	24.2	69.2
2009	19,239	10,384	15,009	44,632	26,467	100.0	69.6	0.0	59.3
2010	20,999	12,557	15,618	49,174	26,166	100.0	41.1	0.0	53.2
2011	21,592	16,806	14,854	53,252	25,651	100.0	24.2	0.0	48.2
2012	23,406	18,660	14,014	56,080	27,501	100.0	21.9	0.0	49.0
Legislators' Defined Benefit Plan									
2007	$ 0	$ 2,432	$ 2,737	$ 5,169	$ 5,035	N/A	100.0%	95.1%	97.4%
2008	0	2,258	2,781	5,039	5,120	N/A	100.0	100.0	101.6
2009	0	3,147	1,940	5,087	4,730	N/A	100.0	81.6	93.0
2010	0	3,017	1,892	4,909	4,075	N/A	100.0	55.9	83.0
2011	0	3,037	1,584	4,621	3,634	N/A	100.0	37.7	78.6
2012	0	3,031	1,472	4,503	3,377	N/A	100.0	23.5	75.0

[2] In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuations as of June 30, 2012, for the following three (3) retirement plans:

Judges' Retirement System – $90,187 thousand
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan – $14,619 thousand
Prosecuting Attorneys' Retirement Fund – $17,363 thousand

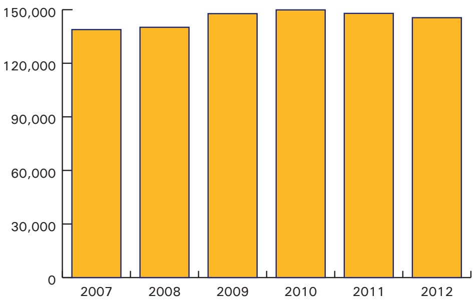
Schedule of Active Members Valuation Data

Public Employees' Retirement Fund

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	138,863	$4,385,676	$ 31,583	2.7%
2008	140,146	4,600,354	32,825	3.9
2009	147,792	4,931,423	33,367	1.7
2010	149,877	4,896,013	32,667	(2.1)
2011	147,933	4,818,774	32,574	(0.3)
2012	145,519	4,904,052	33,700	3.5

Total Number of Active Members Per Year

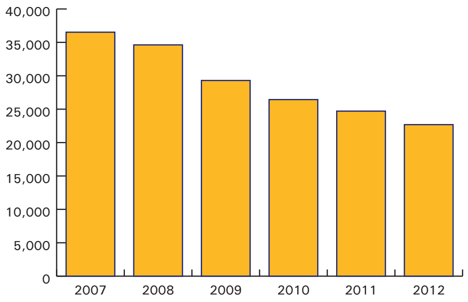


Teachers' Retirement Fund – Pre-1996 Account

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	36,526	$ 2,376,390	$ 65,060	7.6%
2008	34,628	2,295,816	66,299	1.9
2009	29,297	2,030,484	69,307	4.5
2010	26,439	1,865,102	70,544	1.8
2011	24,710	1,762,750	71,338	1.1
2012	22,688	1,637,066	72,156	1.1

Total Number of Active Members Per Year

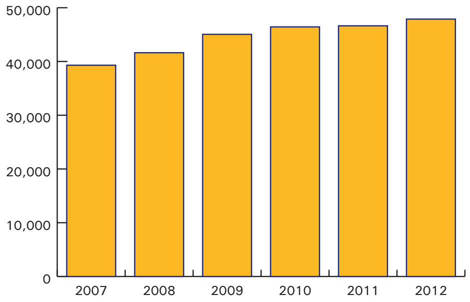


Teachers' Retirement Fund – 1996 Account

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	39,307	$ 1,891,605	$ 48,124	11.8%
2008	41,628	2,052,720	49,311	2.5
2009	45,046	2,308,548	51,249	3.9
2010	46,433	2,447,509	52,711	2.9
2011	46,633	2,507,193	53,764	2.0
2012	47,885	2,594,952	54,191	0.8

Total Number of Active Members Per Year

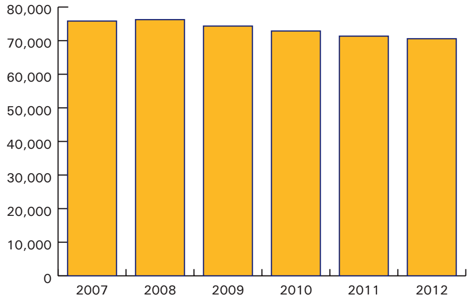


Teachers' Retirement Fund – Total

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	75,833	$ 4,267,995	$ 56,282	8.6%
2008	76,256	4,348,536	57,025	1.3
2009	74,343	4,339,032	58,365	2.3
2010	72,872	4,312,611	59,181	1.4
2011	71,343	4,269,943	59,851	1.1
2012	70,573	4,232,018	59,967	0.2

Total Number of Active Members Per Year

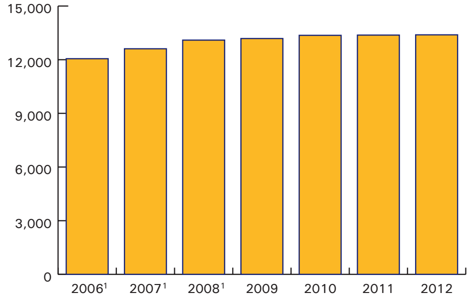


1977 Police Officers' and Firefighters' Pension and Disability Fund

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2006[1]	12,056	$ 557,644	$ 46,254	3.9%
2007[1]	12,611	603,963	47,892	3.5
2008[1]	13,095	644,936	49,251	2.8
2009	13,184	649,018	49,228	–
2010	13,362	675,797	50,576	2.7
2011	13,376	687,342	51,386	1.6
2012	13,390	697,111	52,062	1.3

Total Number of Active Members Per Year

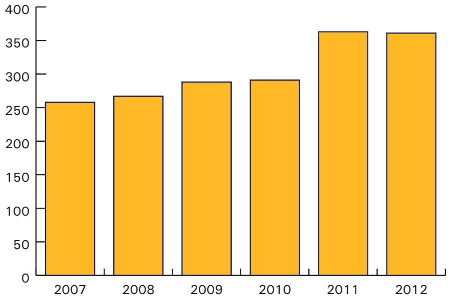


Judges' Retirement System

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	258	$ 29,712	$ 115,163	(7.4)%
2008	267	33,729	126,327	9.7
2009	288	36,196	125,680	(0.5)
2010	291	36,722	126,192	0.4
2011	363	45,764	126,072	(0.1)
2012	361	45,138	125,036	(0.8)

Total Number of Active Members Per Year



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[1] *As of December 31 instead of June 30.*

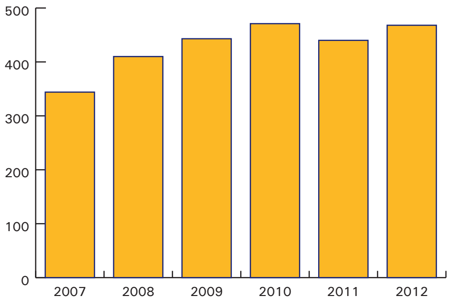
Schedule of Active Member Valuation Data, continued

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	344	$ 17,715	$ 51,497	7.2%
2008	410	21,333	52,033	1.0
2009	443	25,238	56,971	9.5
2010	471	26,709	56,707	(0.5)
2011	440	24,028	54,609	(3.7)
2012	468	25,752	55,026	0.8

Total Number of Active Members Per Year

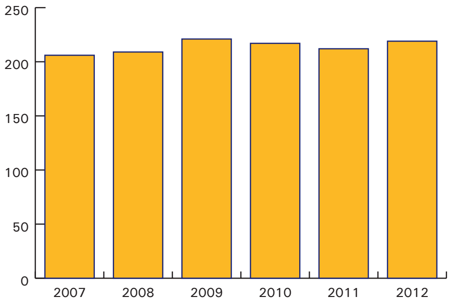


Prosecuting Attorneys' Retirement Fund

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	206	$ 18,092	$ 87,825	(0.4)%
2008	209	20,617	98,646	12.3
2009	221	20,782	94,037	(4.7)
2010	217	21,016	96,848	3.0
2011	212	18,082	85,292	(11.9)
2012	219	21,705	99,110	16.2

Total Number of Active Members Per Year

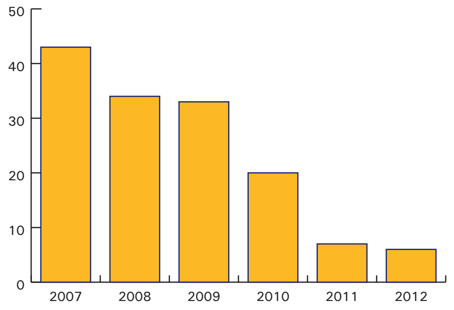


Legislators' Defined Benefit Plan[2]

(dollars in thousands - except annual average pay)

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase/ (Decrease) In Average Pay
2007	43	N/A	N/A	N/A
2008	34	N/A	N/A	N/A
2009	33	N/A	N/A	N/A
2010	20	N/A	N/A	N/A
2011	7	N/A	N/A	N/A
2012	6	N/A	N/A	N/A

Total Number of Active Members Per Year



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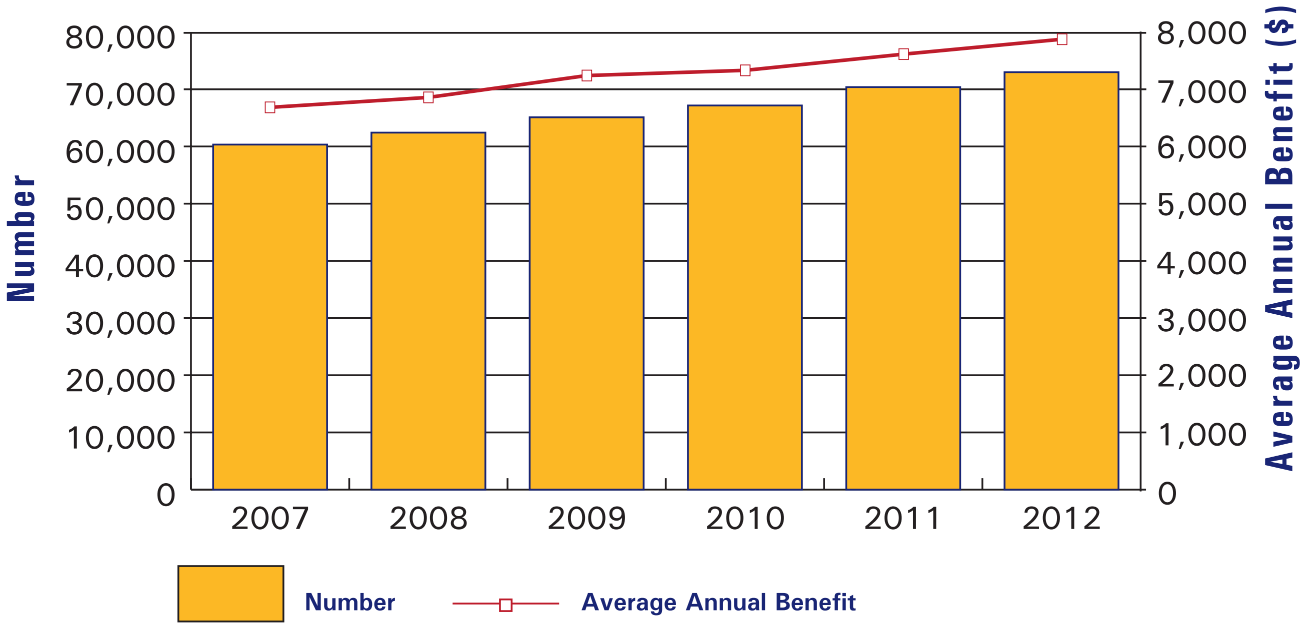
[2] *Benefits are not based on annual payroll.*

Public Employees' Retirement Fund

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit[2]
2007	4,633	$ 42,653	2,584	$ 15,229	60,332	$ 412,745	9.3%	$ 6,841
2008	5,376	43,915	3,284	18,022	62,424	436,749	5.8	6,996
2009	6,047	55,726	3,372	19,103	65,099	477,553	9.3	7,336
2010	4,827	39,214	2,760	19,022	67,166	498,199	4.3	7,417
2011	5,402	56,185	2,188	11,698	70,380	539,747	8.3	7,669
2012	4,751	49,766	2,139	12,540	72,992	576,678	6.8	7,901

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

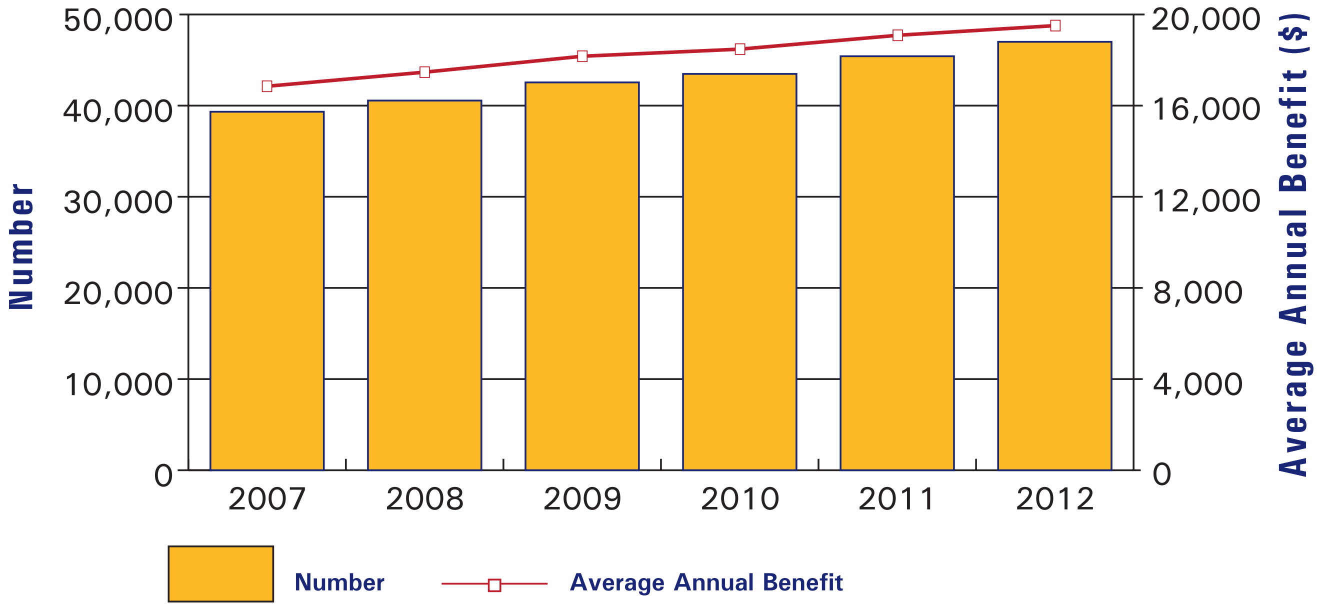
[2] *For PERF and TRF only, average annual benefit includes member annuities.*

Teachers' Retirement Fund – Pre-1996 Account

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	**Number**	**Annual Benefits**	**Number**	**Annual Benefits**	**Number**	**Total Annual Benefits[1]**	**Percent Increase / (Decrease) In Total Annual Benefits**	**Average Annual Benefit[2]**
2007[3]	2,292	$ 52,947	1,063	$ 12,167	39,328	$ 658,297	5.4%	$ 16,739
2008[3]	2,296	52,167	966	11,026	40,554	701,155	6.5	17,289
2009[3]	2,344	56,819	929	11,062	42,548	762,067	8.7	17,911
2010	1,940	47,657	1,010	11,982	43,478	790,773	3.8	18,188
2011	3,003	77,290	1,060	13,121	45,421	850,711	7.6	18,729
2012	2,541	63,923	962	12,216	47,000	898,006	5.6	19,107

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.

[2] For PERF and TRF only, average annual benefit includes member annuities.

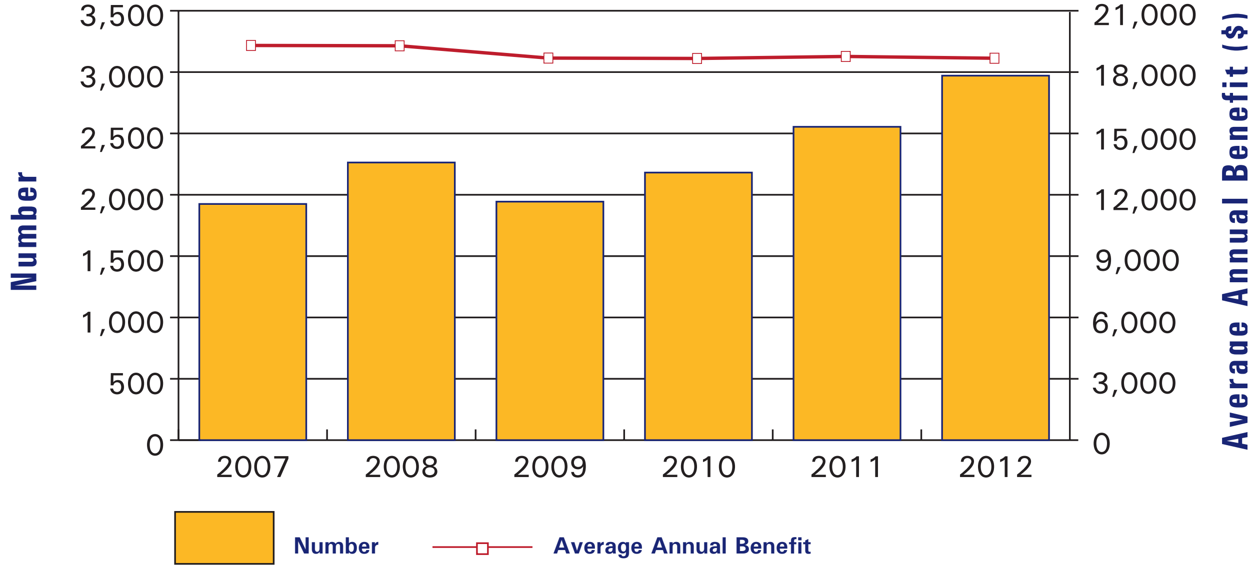
[3] For TRF only, end of year number of benefit recipients are not equal to prior end of year number of benefit recipients plus additions less removals due to reclassifications between Pre-1996 Account and 1996 Account.

Teachers' Retirement Fund – 1996 Account

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	**Number**	**Annual Benefits**	**Number**	**Annual Benefits**	**Number**	**Total Annual Benefits[1]**	**Percent Increase / (Decrease) In Total Annual Benefits**	**Average Annual Benefit[2]**
2007[3]	197	$ 3,658	22	$ 416	1,925	$ 37,013	45.4%	$ 19,228
2008[3]	255	5,126	21	316	2,263	43,482	17.5	19,214
2009[3]	270	5,145	10	119	1,944	36,312	(16.5)	18,679
2010	249	4,859	12	129	2,181	40,701	12.1	18,662
2011	390	7,666	17	253	2,554	47,887	17.7	18,750
2012	433	8,132	16	236	2,971	55,475	15.8	18,672

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

[2] *For PERF and TRF only, average annual benefit includes member annuities.*

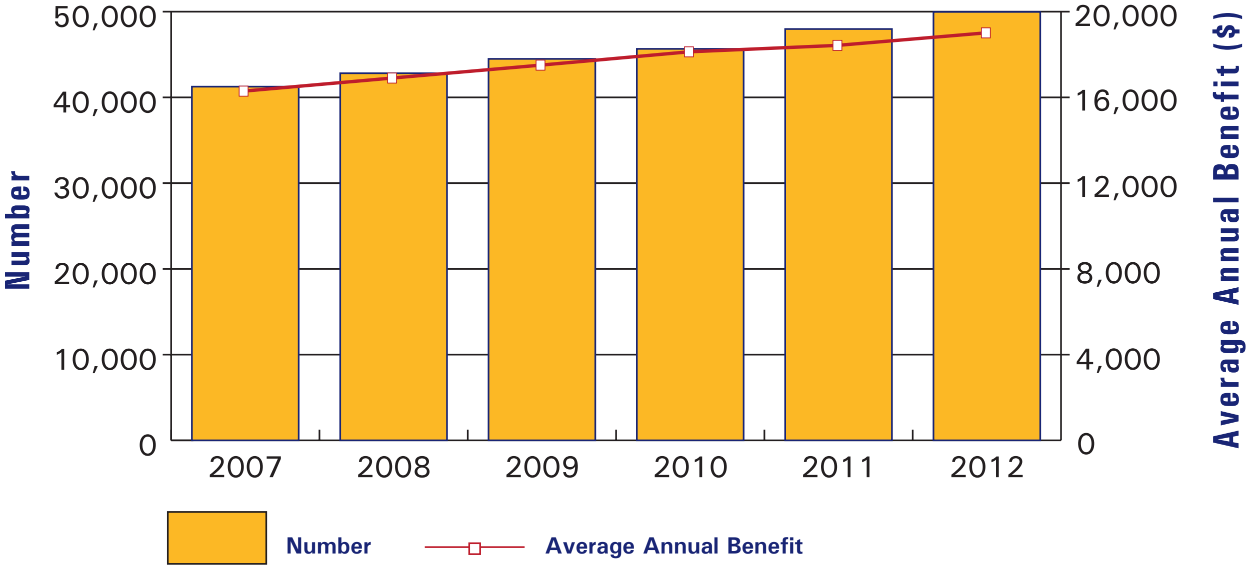
[3] *For TRF only, end of year number of benefit recipients are not equal to prior end of year number of benefit recipients plus additions less removals due to reclassifications between Pre-1996 Account and 1996 Account.*

Teachers' Retirement Fund – Total

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	**Number**	**Annual Benefits**	**Number**	**Annual Benefits**	**Number**	**Total Annual Benefits**[1]	**Percent Increase / (Decrease) In Total Annual Benefits**	**Average Annual Benefit**[2]
2007	2,489	$ 56,605	1,085	$ 12,583	41,253	$ 695,310	7.0%	$ 16,855
2008	2,551	57,293	987	11,342	42,817	744,637	7.1	17,391
2009	2,614	61,964	939	11,181	44,492	798,379	7.2	17,944
2010	2,189	52,516	1,022	12,111	45,659	831,474	4.1	18,211
2011	3,393	84,956	1,077	13,374	47,975	898,598	8.1	18,731
2012	2,974	72,055	978	12,452	49,971	953,481	6.1	19,081

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.

[2] For PERF and TRF only, average annual benefit includes member annuities.

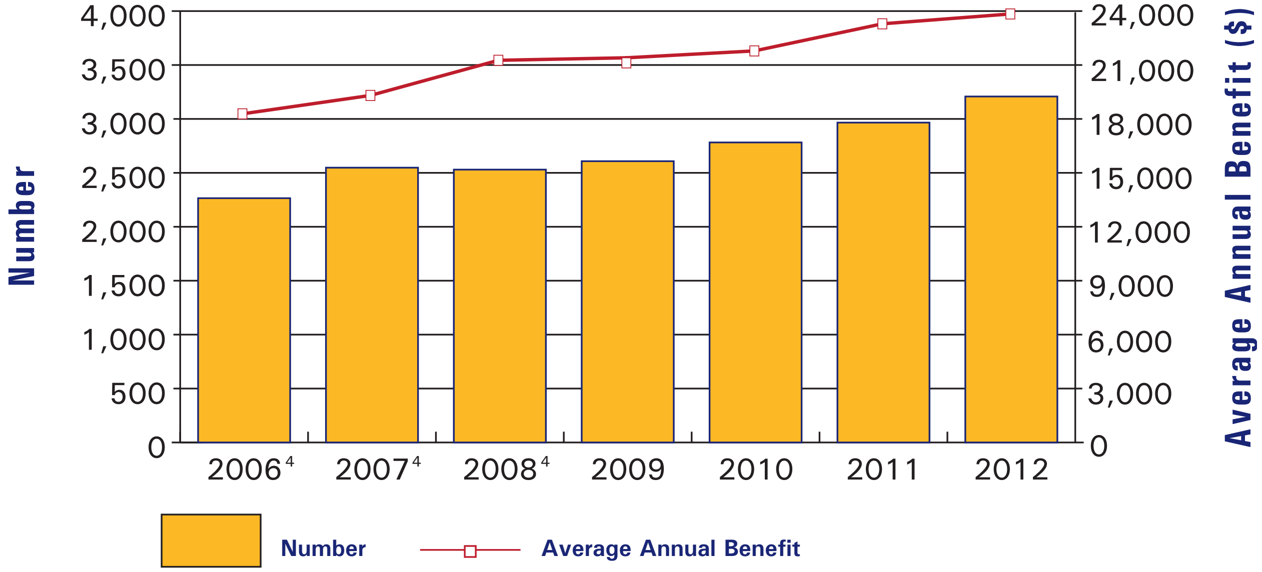
Schedule of Retirants and Beneficiaries, continued

1977 Police Officers' and Firefighters' Pension and Disability Fund

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit
2006[4]	172	$ 3,860	34	$ 592	2,265	$ 41,973	8.6%	$ 18,531
2007[4]	333	8,101	50	886	2,548	49,537	18.0	19,442
2008[4]	255	5,861	273	4,565	2,530	53,588	8.2	21,181
2009	102	2,571	24	479	2,608	55,564	3.7	21,305
2010	208	4,918	34	641	2,782	60,220	8.4	21,646
2011	218	6,179	34	609	2,966	68,179	13.2	22,987
2012	281	7,900	39	814	3,208	76,917	12.8	23,977

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.

[4] As of December 31 instead of June 30.

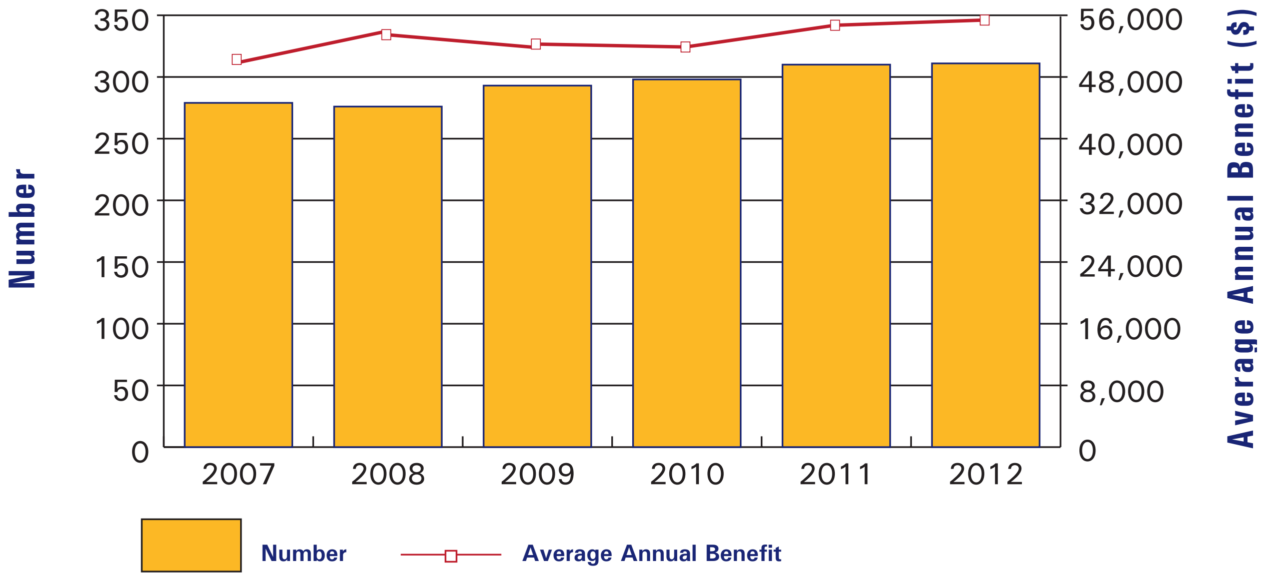
Schedule of Retirants and Beneficiaries, continued

Judges' Retirement System

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	**Number**	**Annual Benefits**	**Number**	**Annual Benefits**	**Number**	**Total Annual Benefits**[1]	**Percent Increase / (Decrease) In Total Annual Benefits**	**Average Annual Benefit**
2007	18	$ 976	8	$ 409	279	$ 13,899	7.1%	$ 49,819
2008	23	1,257	26	991	276	14,754	6.1	53,455
2009	74	3,744	57	1,835	293	15,230	3.2	51,978
2010	11	627	6	339	298	15,390	1.1	51,644
2011	21	1,452	9	200	310	16,787	9.1	54,152
2012	7	444	6	194	311	17,028	1.4	54,751

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

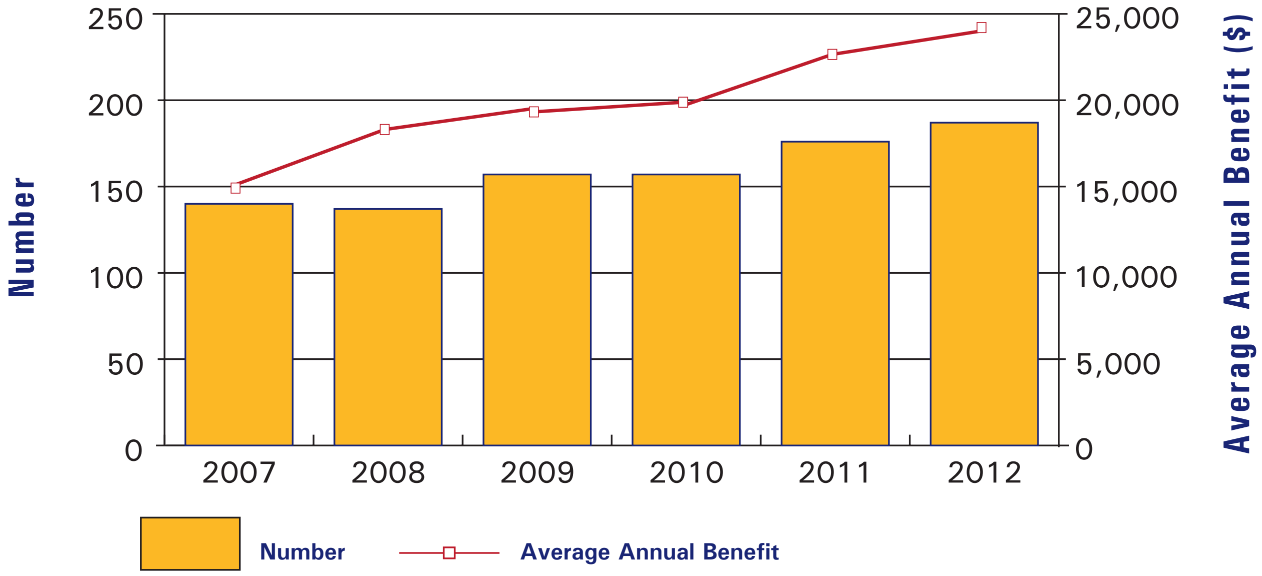
Schedule of Retirants and Beneficiaries, continued

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit
2007	13	$ 359	5	$ 74	140	$ 2,176	15.2%	$ 15,539
2008	9	302	12	119	137	2,518	15.8	18,382
2009	59	748	39	258	157	3,056	21.3	19,465
2010	6	136	6	49	157	3,134	2.6	19,962
2011	22	902	3	23	176	3,978	26.9	22,602
2012	14	495	3	14	187	4,452	11.9	23,810

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.

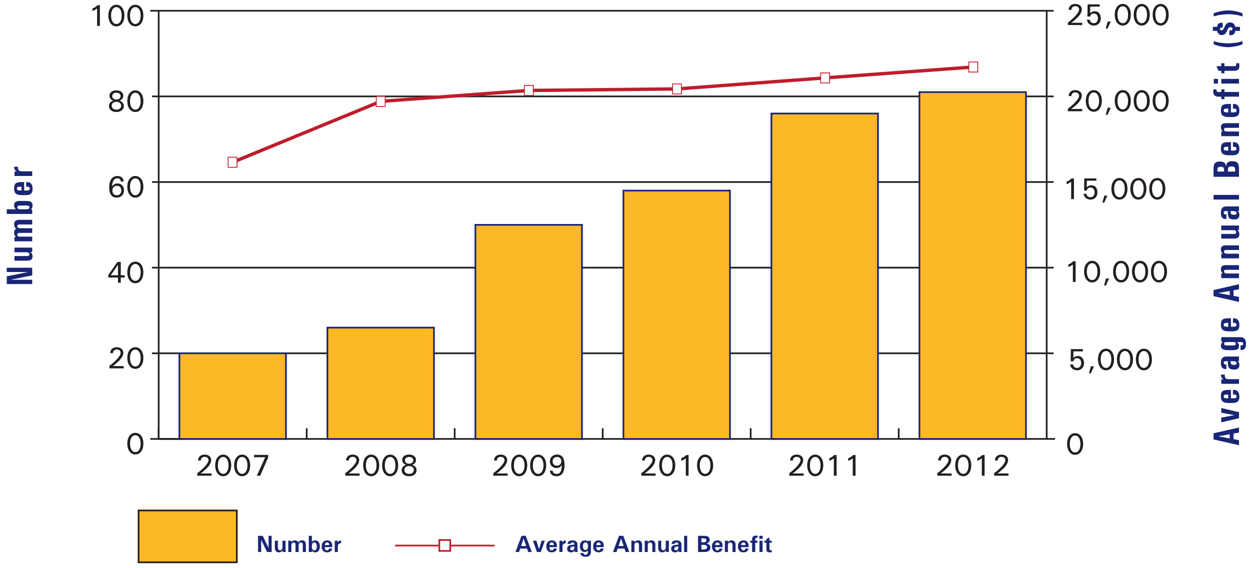
Schedule of Retirants and Beneficiaries, continued

Prosecuting Attorneys' Retirement Fund

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit
2007	4	$ 121	2	$ 32	20	$ 338	35.6%	$ 16,905
2008	7	207	1	14	26	522	54.3	20,068
2009	26	536	2	26	50	1,032	97.8	20,636
2010	9	187	1	16	58	1,201	16.4	20,715
2011	19	473	1	16	76	1,618	34.7	21,288
2012	6	178	1	27	81	1,770	9.4	21,853

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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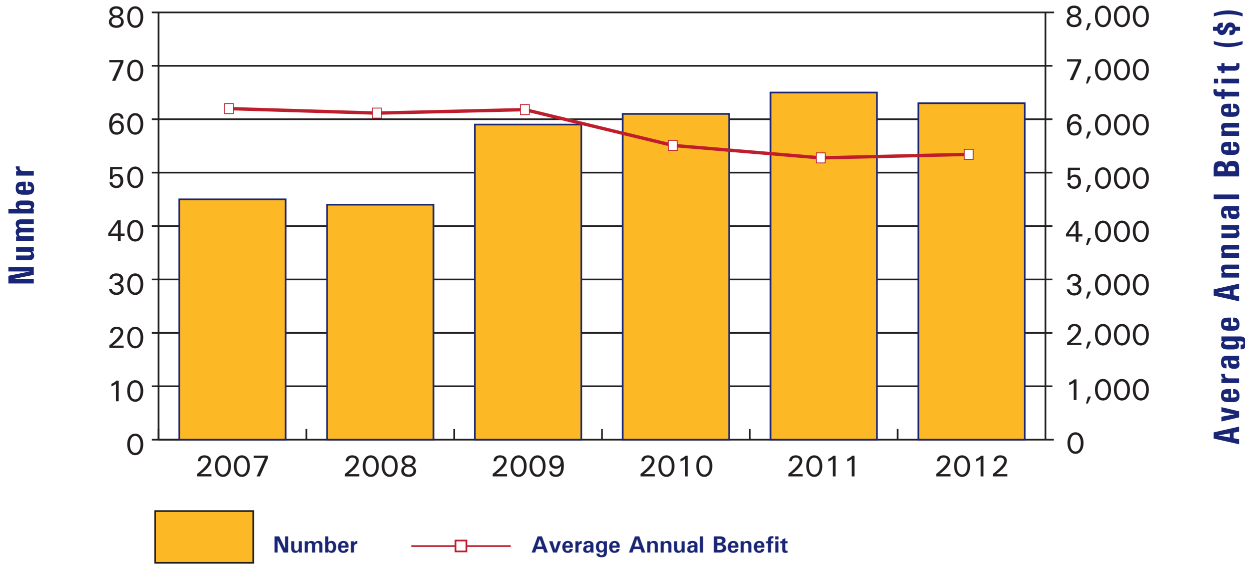
[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

Legislators' Defined Benefit Plan

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year Ended June 30	**Number**	**Annual Benefits**	**Number**	**Annual Benefits**	**Number**	**Total Annual Benefits[1]**	**Percent Increase / (Decrease) In Total Annual Benefits**	**Average Annual Benefit**
2007	6	$ 31	–	$ –	45	$ 283	9.1%	$ 6,298
2008	1	–	2	10	44	274	(3.4)	6,223
2009	17	88	2	2	59	371	35.3	6,281
2010	5	9	3	27	61	347	(6.5)	5,685
2011	4	22	–	–	65	356	2.6	5,477
2012	2	13	4	20	63	349	(2.0)	5,536

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

Statistical Section

INDIANA PUBLIC RETIREMENT SYSTEM

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

Summary of Statistical Section

This part of the Comprehensive Annual Financial Report contains more detailed information regarding the financial viability and pension benefit offerings for understanding the Financial Statements, Notes to the Financial Statements, and Required Supplementary Information.

Financial Trends

The following schedules contain trends to assist in understanding changes over time in financial performance of each retirement plan:

- Schedule of Changes in Net Position
- Summary of Income Sources for a 10-Year Period
- Schedule of Historical Contribution Rates

Demographic and Economic Information

The following schedules contain benefit and member data to provide a better understanding of the benefit offerings of each retirement plan:

- Membership Data Summary
- Ratio of Active Members to Annuitants
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Average Death Benefit Payments
- Schedule of Participating Employers: “Top 10”
- Schedule of Participating Employers

Schedule of Changes in Net Position

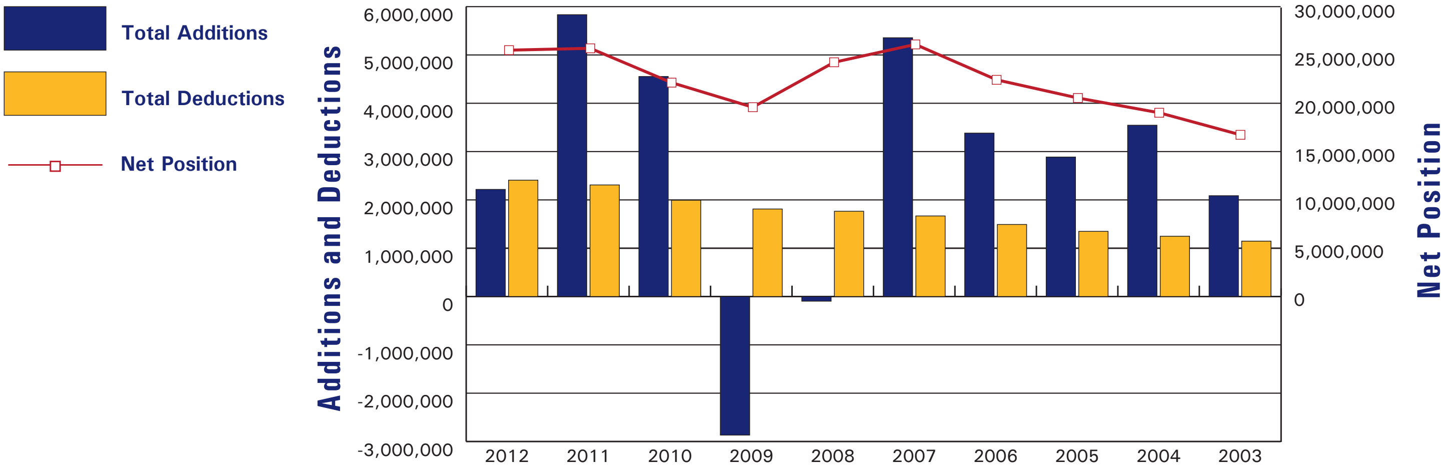
Total INPRS

(dollars in thousands)

Fiscal Year Ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 335,548	$ 330,314	$ 335,244	$ 332,959	$ 322,060	$ 312,488	$ 312,918	$ 290,407	$ 283,688	$ 272,366
Employer Contributions	1,605,839	1,493,683	1,471,776	1,347,376	1,232,602	1,120,316	1,022,249	795,651	757,811	899,216
Investment Income/ (Loss)	172,801	3,943,198	2,649,155	(4,646,978)	(1,752,577)	3,821,357	1,947,308	1,700,826	2,405,822	810,396
Interfund Transfers	13,025	15,410	8,176	7,662	9,608	6,965	6,606	6,955	5,145	5,621
Other Additions	89,863	100,622	89,771	91,627	92,442	94,731	93,524	93,436	93,337	99,214
Total Additions	**$2,217,076**	**$5,883,227**	**$4,554,122**	**$(2,867,354)**	**$ (95,865)**	**$5,355,857**	**$ 3,382,605**	**$ 2,887,275**	**$3,545,803**	**$2,086,813**
Deductions										
Pension Benefits	$1,976,672	$1,889,792	$1,623,749	$ 1,494,247	$ 1,477,798	$1,379,511	$ 1,215,172	$1,113,329	$1,044,057	$ 955,403
Disability Benefits	57,239	53,608	55,554	51,326	47,079	45,094	39,079	35,484	18,890	25,941
Death Benefits	938	1,224	1,464	806	1,008	372	209	860	1,008	806
Distributions of Contributions and Interest	95,681	94,341	53,393	54,375	62,862	67,649	81,807	51,980	51,227	44,767
Pension Relief Distributions	224,220	219,425	213,035	167,279	134,948	140,727	125,075	115,228	103,463	96,417
Administrative and Project Expenses	40,848	35,918	38,258	36,318	31,883	27,549	23,687	24,953	24,190	17,940
Interfund Transfers	13,025	15,410	8,176	7,662	9,608	6,965	6,606	6,955	5,145	5,621
Total Deductions	**$2,408,623**	**$2,309,718**	**$1,993,629**	**$ 1,812,013**	**$ 1,765,186**	**$1,667,867**	**$ 1,491,635**	**$ 1,348,789**	**$1,247,980**	**$1,146,895**
Changes in Net Position										
Beginning of Year	25,755,673	22,182,164	19,621,671	24,301,038	26,162,089	22,474,099	20,583,129	19,044,643	16,746,820	15,806,902
End of Year	25,564,126	25,755,673	22,182,164	19,621,671	24,301,038	26,162,089	22,474,099	20,583,129	19,044,643	16,746,820
Net Increase/(Decrease)	**$ (191,547)**	**$3,573,509**	**$2,560,493**	**$(4,679,367)**	**$(1,861,051)**	**$3,687,990**	**$ 1,890,970**	**$ 1,538,486**	**$2,297,823**	**$ 939,918**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



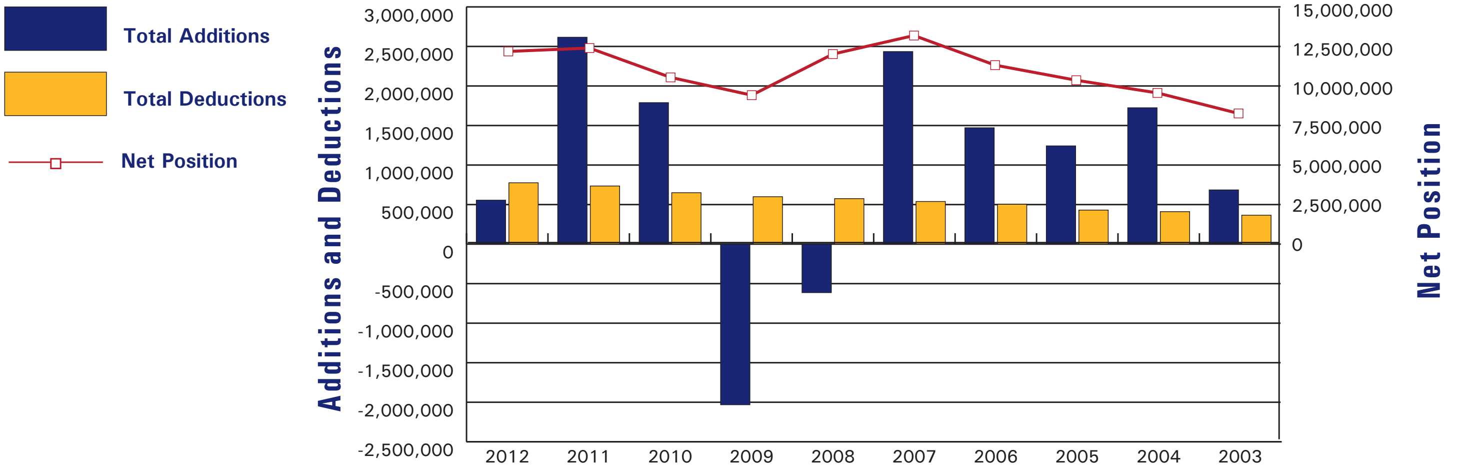
Public Employees' Retirement Fund

(dollars in thousands)

Fiscal Year Ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 158,696	$ 156,028	$ 158,089	$ 160,034	$ 155,728	$ 147,740	$ 145,753	$ 136,009	$ 135,963	$ 128,828
Employer Contributions	397,843	342,779	331,090	323,151	303,877	260,150	230,357	206,323	234,918	213,370
Investment Income/ (Loss)	(3,952)	2,112,090	1,297,543	(2,517,955)	(1,079,918)	2,024,539	1,093,658	896,408	1,351,210	340,970
Interfund Transfers	3,341	5,302	2,361	3,115	6,356	2,695	1,496	2,982	2,364	1,774
Other Additions	8	15	39	32	287	145	45	560	18	498
Total Additions	**$ 555,936**	**$ 2,616,214**	**$ 1,789,122**	**$ (2,031,623)**	**$ (613,670)**	**$ 2,435,269**	**$ 1,471,309**	**$ 1,242,282**	**$ 1,724,473**	**$ 685,440**
Deductions										
Pension Benefits	$ 628,522	$ 600,797	$ 539,540	$ 500,214	$ 467,994	$ 433,463	$391,173	$ 350,810	$ 346,878	$305,908
Disability Benefits	40,659	37,663	40,171	36,569	33,643	32,546	27,394	25,032	14,576	16,843
Death Benefits	-	-	-	-	-	-	-	1	-	-
Distributions of Contributions and Interest	69,879	65,178	39,632	36,099	45,610	48,334	65,804	35,009	32,906	29,637
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	24,793	22,461	24,959	21,497	21,183	17,943	14,273	15,688	13,418	9,247
Interfund Transfers	9,684	10,078	5,837	5,132	6,844	6,795	5,110	3,973	2,781	3,847
Total Deductions	**$ 773,537**	**$ 736,177**	**$ 650,139**	**$ 599,511**	**$ 575,274**	**$ 539,081**	**$ 503,754**	**$ 430,513**	**$ 410,559**	**$ 365,482**
Changes in Net Position										
Beginning of Year	12,461,356	10,581,319	9,442,336	12,073,470	13,262,414	11,366,226	10,398,671	9,586,902	8,272,988	7,953,030
End of Year	12,243,755	12,461,356	10,581,319	9,442,336	12,073,470	13,262,414	11,366,226	10,398,671	9,586,902	8,272,988
Net Increase/(Decrease)	**$ (217,601)**	**$ 1,880,037**	**$ 1,138,983**	**$ (2,631,134)**	**$ (1,188,944)**	**$ 1,896,188**	**$ 967,555**	**$ 811,769**	**$ 1,313,914**	**$ 319,958**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



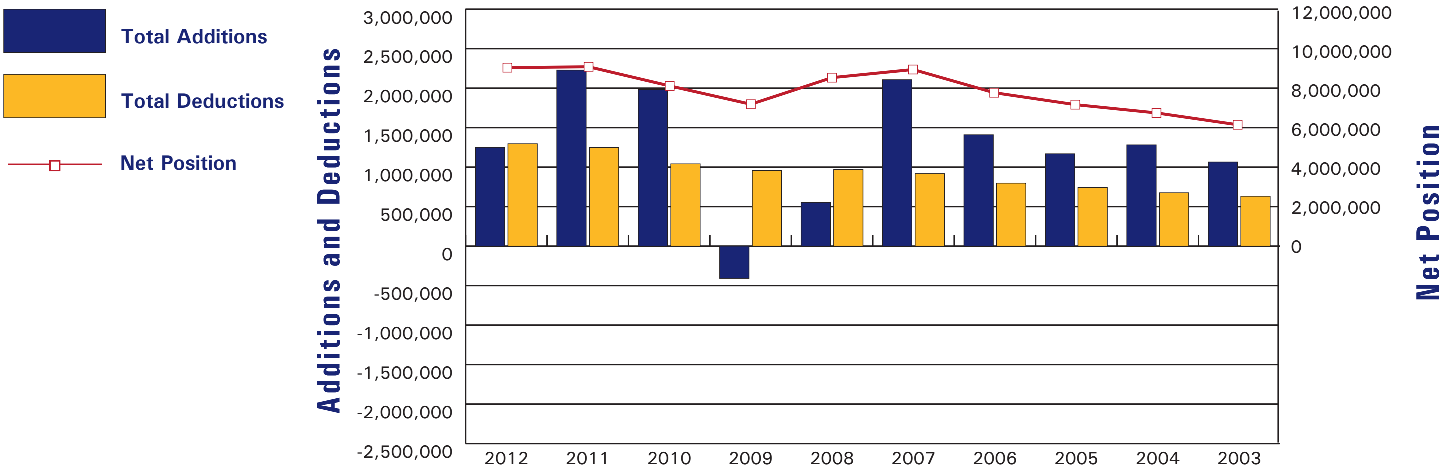
Teachers' Retirement Fund

(dollars in thousands)

Fiscal Year Ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 129,962	$ 126,784	$ 131,676	$ 128,568	$ 123,928	$ 126,195	$ 130,496	$ 117,897	$ 115,833	$ 109,500
Employer Contributions	915,490	880,611	849,855	819,187	778,128	723,039	671,340	454,779	408,180	575,066
Investment Income/ (Loss)	166,001	1,177,390	965,556	(1,390,148)	(381,080)	1,223,431	572,290	560,890	723,094	344,777
Interfund Transfers	9,304	8,827	5,510	4,260	3,188	3,841	5,092	3,973	2,781	3,847
Other Additions	30,000	35,000	30,000	30,000	30,000	30,000	30,000	30,864	31,424	31,354
Total Additions	**$1,250,757**	**$2,228,612**	**$1,982,597**	**$ (408,133)**	**$ 554,164**	**$ 2,106,506**	**$1,409,218**	**$1,168,403**	**$1,281,312**	**$ 1,064,544**
Deductions										
Pension Benefits	$1,256,887	$1,210,936	$1,017,030	$ 934,216	$ 950,755	$ 897,580	$ 779,616	$ 723,626	$ 655,234	$ 615,782
Disability Benefits	51	63	74	80	100	96	98	108	118	140
Death Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	21,236	20,565	10,447	9,613	10,463	12,901	9,562	9,237	9,704	7,397
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	13,954	10,840	11,076	10,254	6,920	6,522	6,750	7,025	7,628	6,677
Interfund Transfers	3,308	5,239	2,339	2,525	2,761	37	1,484	2,982	2,364	1,774
Total Deductions	**$1,295,436**	**$1,247,643**	**$1,040,966**	**$ 956,688**	**$ 970,999**	**$ 917,136**	**$ 797,510**	**$ 742,978**	**$ 675,048**	**$ 631,770**
Changes in Net Position										
Beginning of Year	9,121,738	8,140,769	7,199,138	8,563,959	8,980,794	7,791,424	7,179,716	6,754,291	6,148,027	5,715,253
End of Year	9,077,059	9,121,738	8,140,769	7,199,138	8,563,959	8,980,794	7,791,424	7,179,716	6,754,291	6,148,027
Net Increase/(Decrease)	**$ (44,679)**	**$ 980,969**	**$ 941,631**	**$(1,364,821)**	**$ (416,835)**	**$ 1,189,370**	**$ 611,708**	**$ 425,425**	**$ 606,264**	**$ 432,774**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



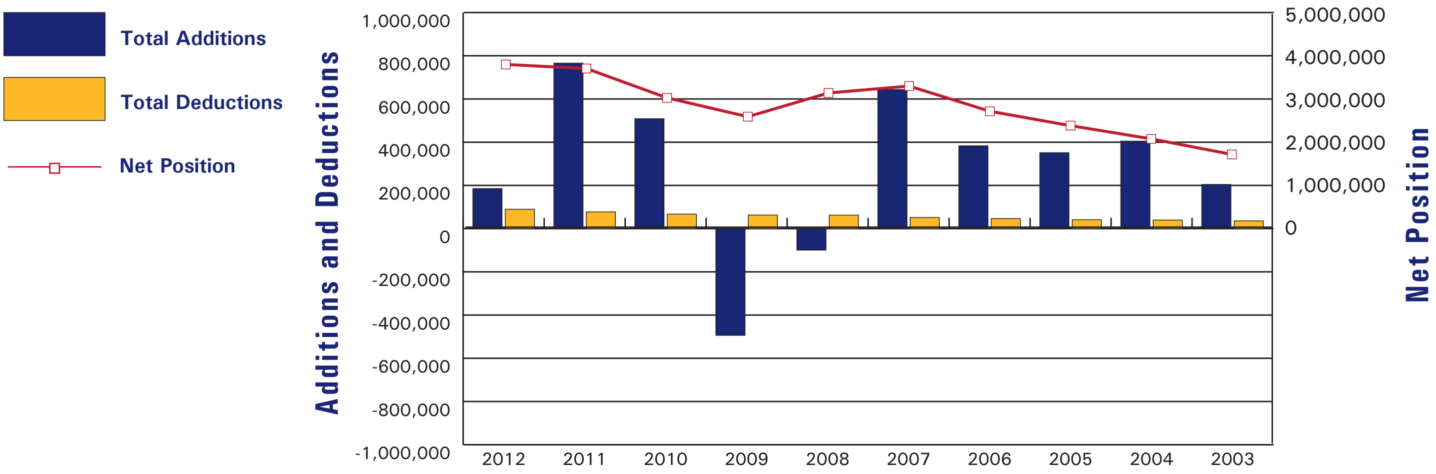
1977 Police Officers' and Firefighters' Pension and Disability Fund

(dollars in thousands)

Fiscal Year Ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 40,870	$ 40,532	$ 39,826	$ 38,520	$ 36,787	$ 33,898	$ 32,231	$ 32,622	$ 28,029	$ 30,350
Employer Contributions	135,605	133,726	130,774	130,002	129,553	118,816	104,247	117,678	98,489	94,920
Investment Income/ (Loss)	8,750	591,408	337,766	(662,681)	(265,745)	490,857	246,767	201,043	278,248	79,234
Interfund Transfers	123	-	237	131	-	-	-	-	-	-
Other Additions	41	83	90	115	57	76	78	132	141	-
Total Additions	**$ 185,389**	**$ 765,749**	**$ 508,693**	**$ (493,913)**	**$ (99,348)**	**$ 643,647**	**$ 383,323**	**$ 351,475**	**$ 404,907**	**$ 204,504**
Deductions										
Pension Benefits	$ 67,920	$ 56,503	$ 47,150	$ 41,019	$ 42,790	$ 33,661	$ 30,427	$ 26,967	$ 30,538	$ 23,002
Disability Benefits	16,288	15,710	15,199	14,541	13,184	12,256	11,389	10,158	4,121	8,765
Death Benefits	738	624	564	306	108	72	9	9	58	306
Distributions of Contributions and Interest	3,101	2,662	2,304	3,172	3,186	3,293	2,642	2,475	2,465	2,321
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	1,662	2,108	1,865	3,766	3,156	2,559	2,153	1,777	2,405	1,510
Interfund Transfers	33	61	-	5	3	-	-	-	-	-
Total Deductions	**$ 89,742**	**$ 77,668**	**$ 67,082**	**$ 62,809**	**$ 62,427**	**$ 51,841**	**$ 46,620**	**$ 41,386**	**$ 39,587**	**$ 35,904**
Changes in Net Position										
Beginning of Year	3,721,366	3,033,285	2,591,674	3,148,396	3,310,171	2,718,365	2,381,662	2,071,573	1,706,253	1,537,653
End of Year	3,817,013	3,721,366	3,033,285	2,591,674	3,148,396	3,310,171	2,718,365	2,381,662	2,071,573	1,706,253
Net Increase/(Decrease)	**$ 95,647**	**$ 688,081**	**$ 441,611**	**$ (556,722)**	**$ (161,775)**	**$ 591,806**	**$ 336,703**	**$ 310,089**	**$ 365,320**	**$ 168,600**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



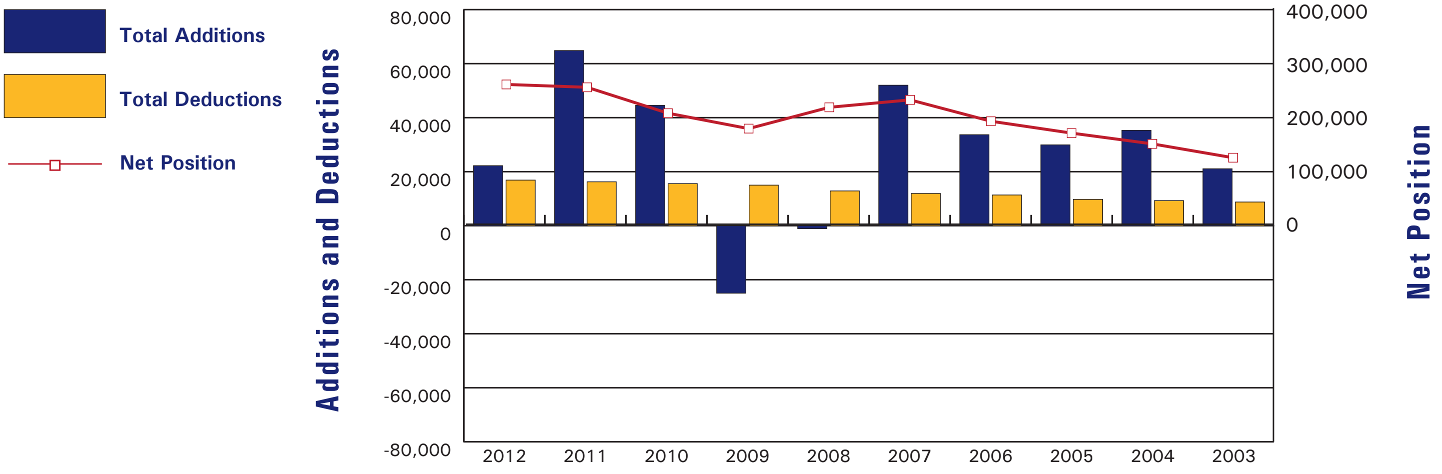
Judges' Retirement System

(dollars in thousands)

Fiscal Year Ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 2,468	$ 3,492	$ 2,229	$ 2,196	$ 2,062	$ 1,925	$ 1,839	$ 1,569	$ 1,560	$ 1,558
Employer Contributions	18,896	19,200	18,631	20,861	15,920	14,662	13,537	13,540	12,965	13,276
Investment Income/(Loss)	595	40,871	23,622	(48,194)	(19,133)	35,419	18,291	14,814	20,780	6,238
Interfund Transfers	257	1,281	59	151	64	-	18	-	-	-
Other Additions	2	-	-	-	-	-	-	-	1	-
Total Additions	**$ 22,218**	**$ 64,844**	**$ 44,541**	**$ (24,986)**	**$ (1,087)**	**$ 52,006**	**$ 33,685**	**$ 29,923**	**$ 35,306**	**$ 21,072**
Deductions										
Pension Benefits	$ 16,569	$ 15,996	$ 15,441	$ 14,595	$ 12,514	$ 11,554	$ 11,102	$ 9,393	$ 9,004	$ 8,491
Disability Benefits	158	92	29	54	65	110	113	94	37	120
Death Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	19	5	-	55	50	72	6	119	45	46
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	132	160	104	308	244	194	149	134	197	110
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 16,878**	**$ 16,253**	**$ 15,574**	**$ 15,012**	**$ 12,873**	**$ 11,930**	**$ 11,370**	**$ 9,740**	**$ 9,283**	**$ 8,767**
Changes in Net Position										
Beginning of Year	256,986	208,395	179,428	219,426	233,386	193,310	170,995	150,812	124,789	112,484
End of Year	262,326	256,986	208,395	179,428	219,426	233,386	193,310	170,995	150,812	124,789
Net Increase/(Decrease)	**$ 5,340**	**$ 48,591**	**$ 28,967**	**$ (39,998)**	**$ (13,960)**	**$ 40,076**	**$ 22,315**	**$ 20,183**	**$ 26,023**	**$ 12,305**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

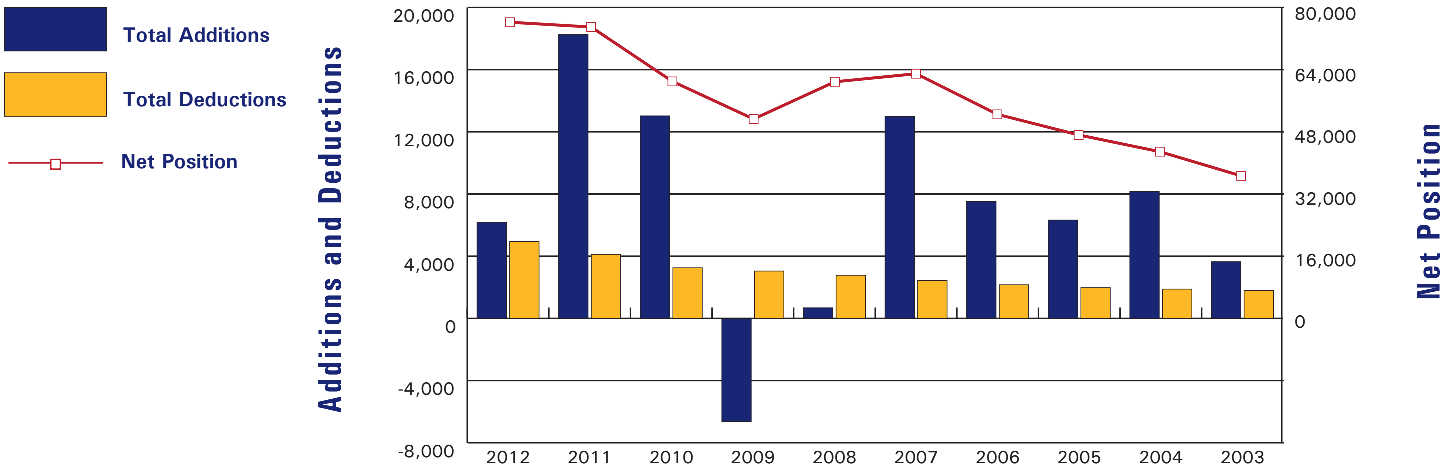


State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

(dollars in thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 972	$ 1,002	$ 1,010	$ 1,025	$ 981	$ 129	$ 96	$ 68	$ 74	$ 68
Employer Contributions	5,054	5,197	5,256	5,294	4,854	3,359	2,498	2,164	2,120	1,951
Investment Income/(Loss)	160	12,052	6,749	(12,951)	(5,156)	9,508	4,907	4,092	5,971	1,627
Interfund Transfers	-	-	9	5	-	-	-	-	-	-
Other Additions	-	-	-	-	-	-	10	-	-	-
Total Additions	**$ 6,186**	**$ 18,251**	**$ 13,024**	**$ (6,627)**	**$ 679**	**$ 12,996**	**$ 7,511**	**$ 6,324**	**$ 8,165**	**$ 3,646**
Deductions										
Pension Benefits	$ 4,656	$ 3,851	$ 3,092	$ 2,855	$ 2,616	$ 2,309	$ 2,039	$ 1,850	$ 1,795	$ 1,644
Disability Benefits	61	58	58	60	65	64	63	69	26	67
Death Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	100	99	31	36	11	3	-	15	-	40
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	131	112	73	94	83	64	47	40	63	40
Interfund Transfers	-	-	-	-	-	-	12	-	-	-
Total Deductions	**$ 4,948**	**$ 4,120**	**$ 3,254**	**$ 3,045**	**$ 2,775**	**$ 2,440**	**$ 2,161**	**$ 1,974**	**$ 1,884**	**$ 1,791**
Changes in Net Position										
Beginning of Year	75,305	61,174	51,404	61,076	63,172	52,616	47,266	42,916	36,635	34,780
End of Year	76,543	75,305	61,174	51,404	61,076	63,172	52,616	47,266	42,916	36,635
Net Increase/(Decrease)	**$ 1,238**	**$ 14,131**	**$ 9,770**	**$ (9,672)**	**$ (2,096)**	**$ 10,556**	**$ 5,350**	**$ 4,350**	**$ 6,281**	**$ 1,855**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

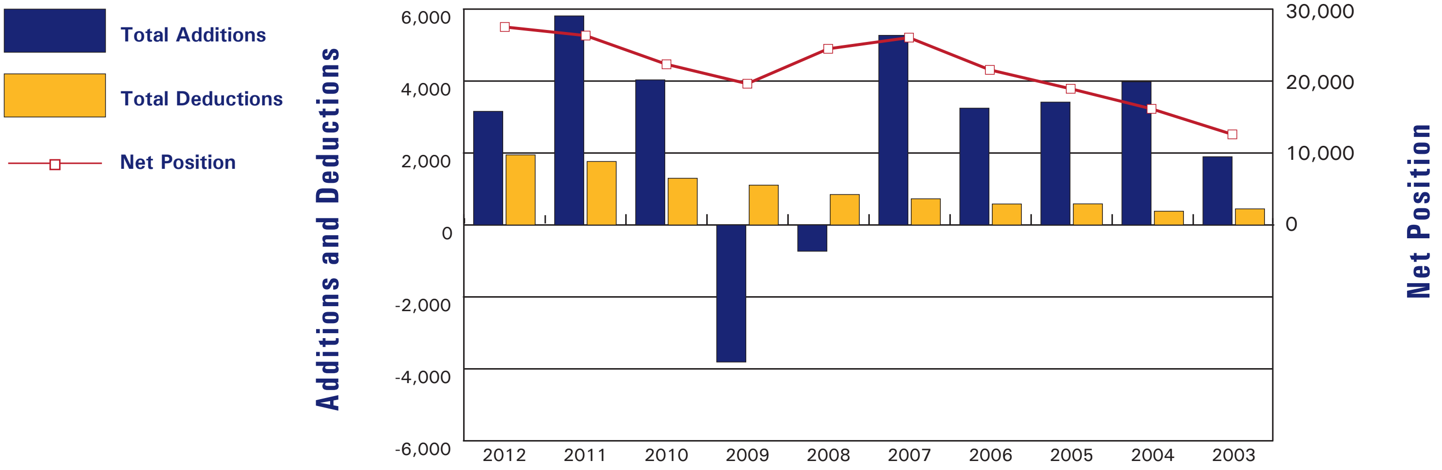


Prosecuting Attorneys' Retirement Fund

(dollars in thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 1,277	$ 1,271	$ 1,268	$ 1,274	$ 1,208	$ 1,133	$ 1,089	$ 856	$ 900	$ 836
Employer Contributions	1,839	170	170	170	170	190	170	961	933	446
Investment Income/(Loss)	42	4,370	2,595	(5,254)	(2,108)	3,948	1,988	1,598	2,147	614
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	-	-	-	-	-	-	-	-	-	-
Total Additions	**$ 3,158**	**$ 5,811**	**$ 4,033**	**$ (3,810)**	**$ (730)**	**$ 5,271**	**$ 3,247**	**$ 3,415**	**$ 3,980**	**$ 1,896**
Deductions										
Pension Benefits	$ 1,783	$ 1,372	$ 1,143	$ 988	$ 787	$ 614	$ 512	$ 403	$ 347	$ 254
Disability Benefits	19	19	20	19	19	19	19	20	10	-
Death Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	63	263	80	55	4	71	35	148	-	172
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	82	78	55	45	36	23	17	15	25	21
Interfund Transfers	-	32	-	-	-	-	-	-	-	-
Total Deductions	**$ 1,947**	**$ 1,764**	**$ 1,298**	**$ 1,107**	**$ 846**	**$ 727**	**$ 583**	**$ 586**	**$ 382**	**$ 447**
Changes in Net Position										
Beginning of Year	26,478	22,431	19,696	24,613	26,189	21,645	18,981	16,152	12,554	11,105
End of Year	27,689	26,478	22,431	19,696	24,613	26,189	21,645	18,981	16,152	12,554
Net Increase/(Decrease)	**$ 1,211**	**$ 4,047**	**$ 2,735**	**$ (4,917)**	**$ (1,576)**	**$ 4,544**	**$ 2,664**	**$ 2,829**	**$ 3,598**	**$ 1,449**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

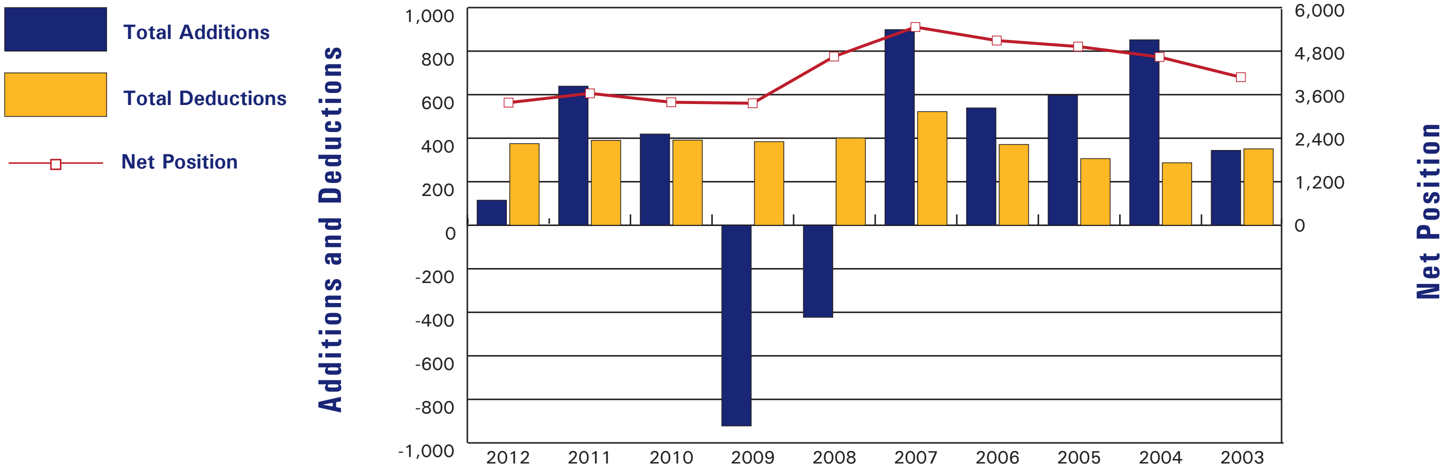


Legislators' Defined Benefit Plan

(dollars in thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	112	-	-	100	100	100	100	206	206	187
Investment Income/(Loss)	3	639	419	(1,037)	(523)	799	439	392	646	157
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	-	-	-	15	-	-	-	-	-	-
Total Additions	**$ 115**	**$ 639**	**$ 419**	**$ (922)**	**$ (423)**	**$ 899**	**$ 539**	**$ 598**	**$ 852**	**$ 344**
Deductions										
Pension Benefits	$ 335	$ 337	$ 353	$ 360	$ 342	$ 330	$ 303	$ 280	$ 261	$ 322
Disability Benefits	3	3	3	3	3	3	3	3	2	6
Death Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	-	-	-	-	-	-	-	-	-	-
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	37	50	35	21	56	56	65	23	24	23
Interfund Transfers	-	-	-	-	-	133	-	-	-	-
Total Deductions	**$ 375**	**$ 390**	**$ 391**	**$ 384**	**$ 401**	**$ 522**	**$ 371**	**$ 306**	**$ 287**	**$ 351**
Changes in Net Position										
Beginning of Year	3,645	3,396	3,368	4,674	5,498	5,121	4,953	4,661	4,096	4,103
End of Year	3,385	3,645	3,396	3,368	4,674	5,498	5,121	4,953	4,661	4,096
Net Increase/(Decrease)	**$ (260)**	**$ 249**	**$ 28**	**$ (1,306)**	**$ (824)**	**$ 377**	**$ 168**	**$ 292**	**$ 565**	**$ (7)**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

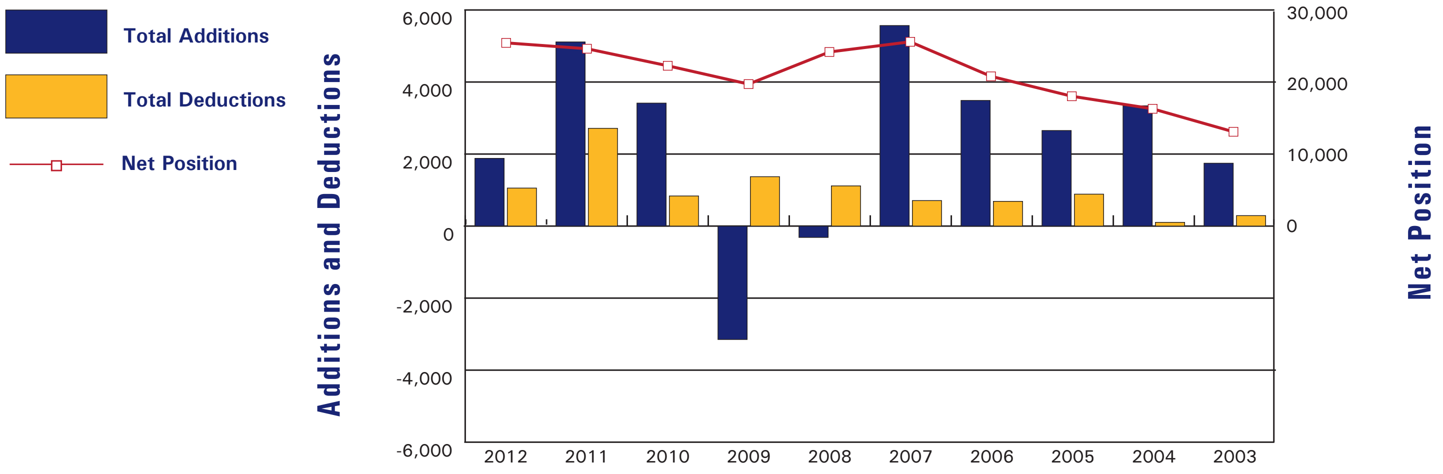


Legislators' Defined Contribution Plan

(dollars in thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ 1,303	$ 1,205	$ 1,146	$ 1,342	$ 1,366	$ 1,468	$ 1,414	$ 1,386	$ 1,329	$ 1,226
Employer Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income/(Loss)	527	3,840	2,243	(4,495)	(1,741)	3,639	2,041	1,240	1,974	519
Interfund Transfers	-	-	-	-	-	429	-	-	-	-
Other Additions	49	68	25	4	60	32	33	27	36	-
Total Additions	**$ 1,879**	**$ 5,113**	**$ 3,414**	**$ (3,149)**	**$ (315)**	**$ 5,568**	**$ 3,488**	**$ 2,653**	**$ 3,339**	**$ 1,745**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	1,033	2,675	803	1,325	1,116	708	686	886	103	290
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	22	39	33	46	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 1,055**	**$ 2,714**	**$ 836**	**$ 1,371**	**$ 1,116**	**$ 708**	**$ 686**	**$ 886**	**$ 103**	**$ 290**
Changes in Net Position										
Beginning of Year	24,755	22,356	19,778	24,298	25,729	20,869	18,067	16,300	13,064	11,609
End of Year	25,579	24,755	22,356	19,778	24,298	25,729	20,869	18,067	16,300	13,064
Net Increase/(Decrease)	**$ 824**	**$ 2,399**	**$ 2,578**	**$ (4,520)**	**$ (1,431)**	**$ 4,860**	**$ 2,802**	**$ 1,767**	**$ 3,236**	**$ 1,455**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



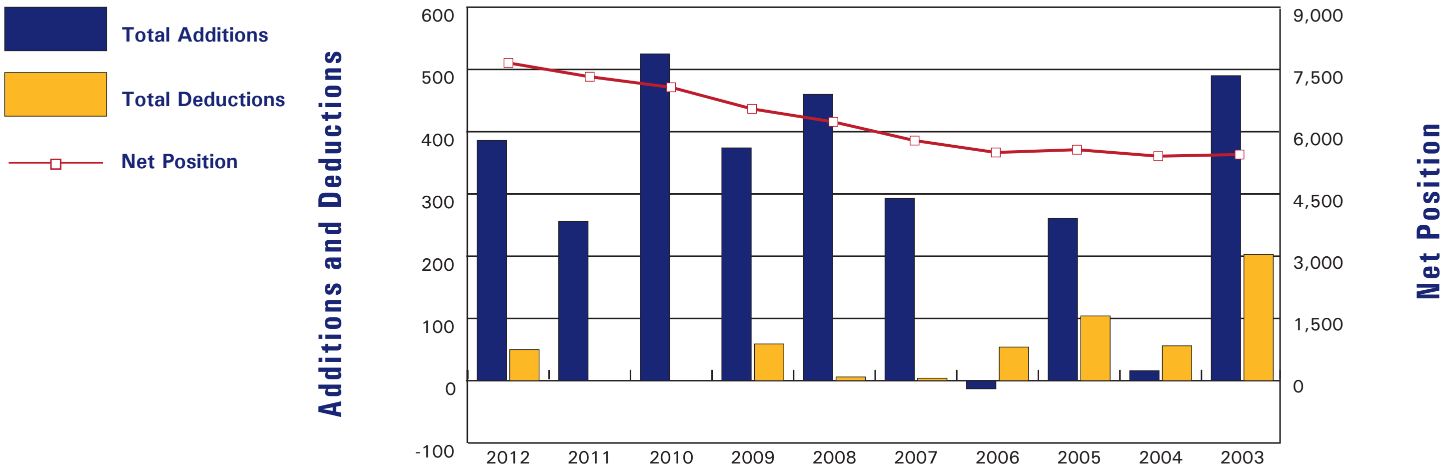
State Employees' Death Benefit Fund

(dollars in thousands)

Fiscal Year Ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income/(Loss)	386	256	525	374	460	293	(13)	261	16	490
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	-	-	-	-	-	-	-	-	-	-
Total Additions	**$ 386**	**$ 256**	**$ 525**	**$ 374**	**$ 460**	**$ 293**	**$ (13)**	**$ 261**	**$ 16**	**$ 490**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	50	-	-	50	-	-	50	100	50	200
Distributions of Contributions and Interest	-	-	-	-	-	-	-	-	-	-
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	-	-	-	9	6	4	4	4	6	3
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 50**	**$ -**	**$ -**	**$ 59**	**$ 6**	**$ 4**	**$ 54**	**$ 104**	**$ 56**	**$ 203**
Changes in Net Position										
Beginning of Year	7,347	7,091	6,566	6,251	5,797	5,508	5,575	5,418	5,458	5,171
End of Year	7,683	7,347	7,091	6,566	6,251	5,797	5,508	5,575	5,418	5,458
Net Increase/(Decrease)	**$ 336**	**$ 256**	**$ 525**	**$ 315**	**$ 454**	**$ 289**	**$ (67)**	**$ 157**	**$ (40)**	**$ 287**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

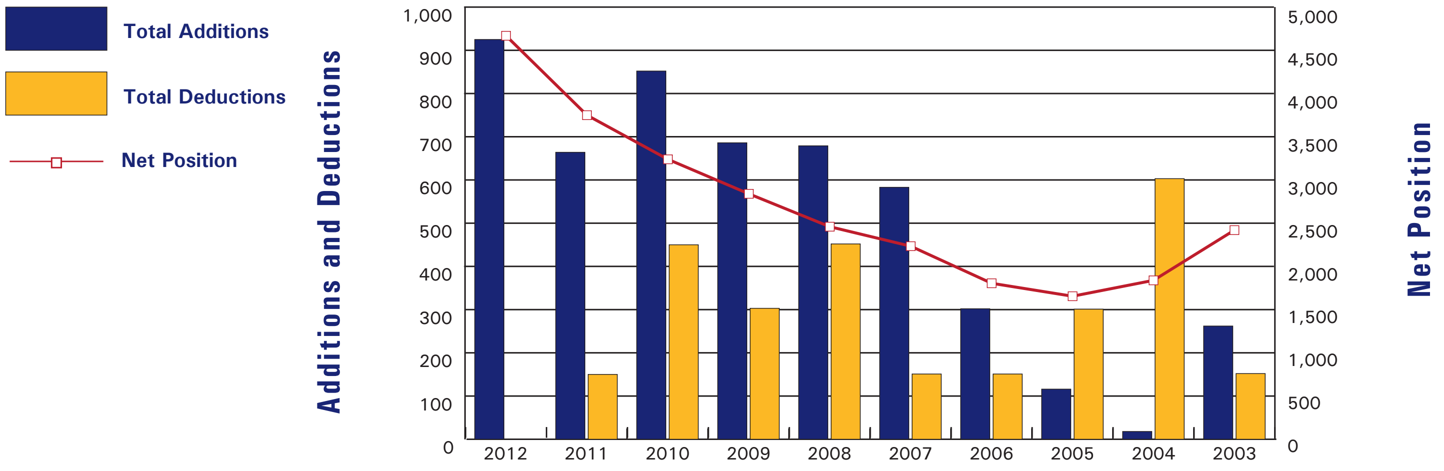


Public Safety Officers' Special Death Benefit Fund

(dollars in thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income/(Loss)	209	116	226	147	162	98	(5)	97	(4)	251
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	716	548	626	539	517	485	307	19	22	11
Total Additions	**$ 925**	**$ 664**	**$ 852**	**$ 686**	**$ 679**	**$ 583**	**$ 302**	**$ 116**	**$ 18**	**$ 262**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	-	150	450	300	450	150	150	300	600	150
Distributions of Contributions and Interest	-	-	-	-	-	-	-	-	-	-
Pension Relief Distributions	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	-	-	-	3	2	1	1	1	3	2
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ -**	**$ 150**	**$ 450**	**$ 303**	**$ 452**	**$ 151**	**$ 151**	**$ 301**	**$ 603**	**$ 152**
Changes in Net Position										
Beginning of Year	3,758	3,244	2,842	2,459	2,232	1,800	1,649	1,834	2,419	2,309
End of Year	4,683	3,758	3,244	2,842	2,459	2,232	1,800	1,649	1,834	2,419
Net Increase/(Decrease)	**$ 925**	**$ 514**	**$ 402**	**$ 383**	**$ 227**	**$ 432**	**$ 151**	**$ (185)**	**$ (585)**	**$ 110**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

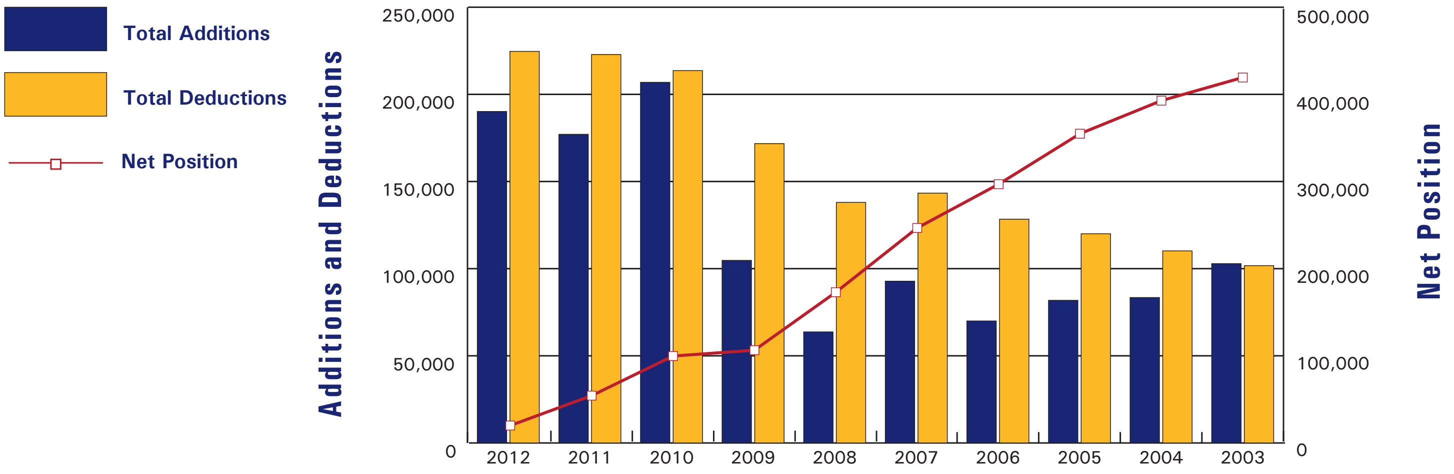


Pension Relief Fund

(dollars in thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	131,000	112,000	136,000	48,611	-	-	-	-	-	-
Investment Income/(Loss)	80	166	11,911	(4,784)	2,205	28,826	6,945	19,991	21,740	35,519
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	59,047	64,908	58,991	60,922	61,521	63,993	63,051	61,834	61,695	67,351
Total Additions	**$ 190,127**	**$ 177,074**	**$ 206,902**	**$ 104,749**	**$ 63,726**	**$ 92,819**	**$ 69,996**	**$ 81,825**	**$ 83,435**	**$ 102,870**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	150	450	450	150	450	150	-	450	300	150
Distributions of Contributions and Interest	250	2,894	96	4,020	2,422	2,267	3,072	4,091	6,004	4,864
Pension Relief Distributions	224,220	219,425	213,035	167,279	134,948	140,727	125,075	115,228	103,463	96,417
Administrative and Project Expenses	35	70	58	275	197	183	228	246	421	307
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 224,655**	**$ 222,839**	**$ 213,639**	**$ 171,724**	**$ 138,017**	**$ 143,327**	**$ 128,375**	**$ 120,015**	**$ 110,188**	**$ 101,738**
Changes in Net Position										
Beginning of Year	52,939	98,704	105,441	172,416	246,707	297,215	355,594	393,784	420,537	419,405
End of Year	18,411	52,939	98,704	105,441	172,416	246,707	297,215	355,594	393,784	420,537
Net Increase/(Decrease)	**$ (34,528)**	**$ (45,765)**	**$ (6,737)**	**$ (66,975)**	**$ (74,291)**	**$ (50,508)**	**$ (58,379)**	**$ (38,190)**	**$ (26,753)**	**$ 1,132**

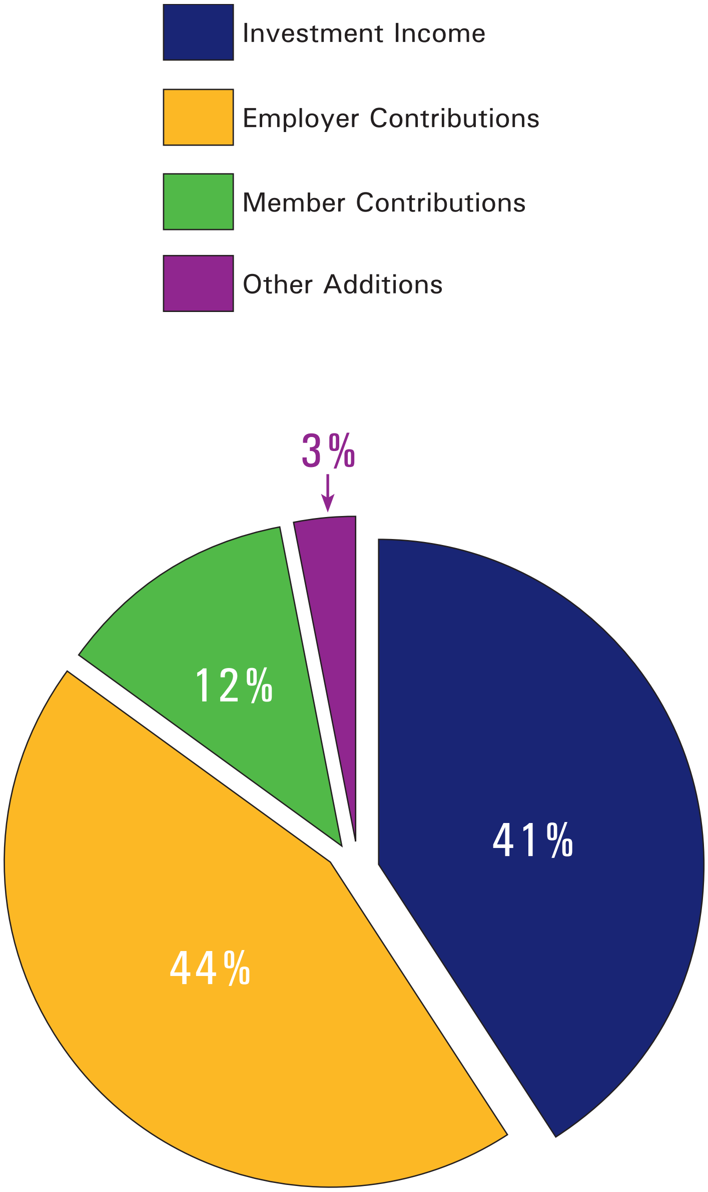
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Total INPRS

Fiscal Year 2003 - Fiscal Year 2012

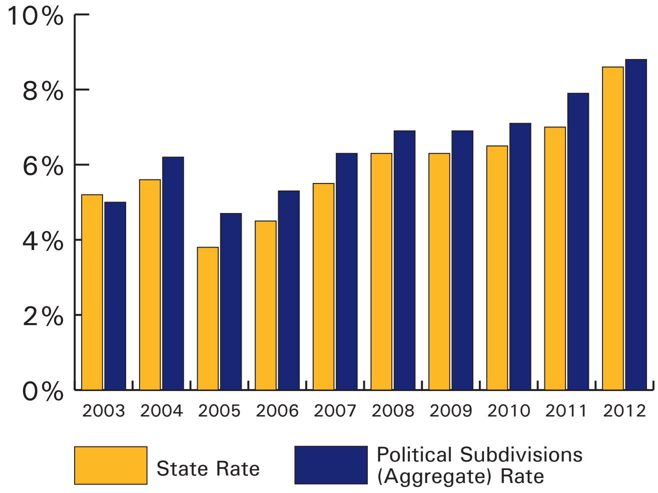
Investment Income	41%
Employer Contributions	44
Member Contributions	12
Other Additions	3



Schedule of Historical Contribution Rates

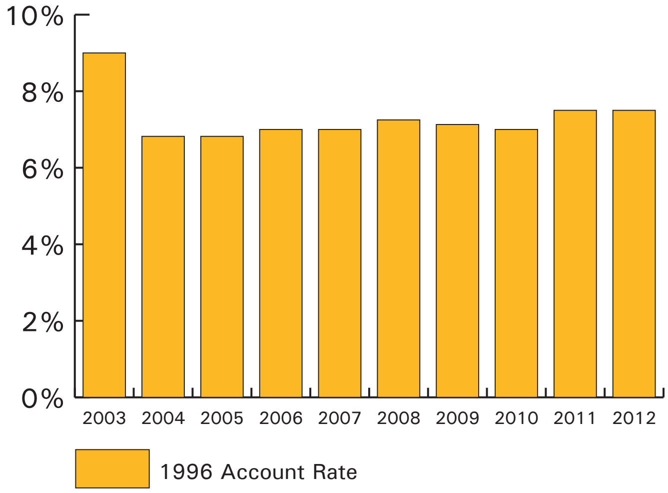
Public Employees' Retirement Fund

Fiscal Year Ended June 30	State Rate	Political Subdivisions (Aggregate) Rate
2003	5.2%	5.0%
2004	5.6	6.2
2005	3.8	4.7
2006	4.5	5.3
2007	5.5	6.3
2008	6.3	6.9
2009	6.3	6.9
2010	6.5	7.1
2011	7.0	7.9
2012	8.6	8.8
Memo: Effective Date	July 1	January 1



Teachers' Retirement Fund

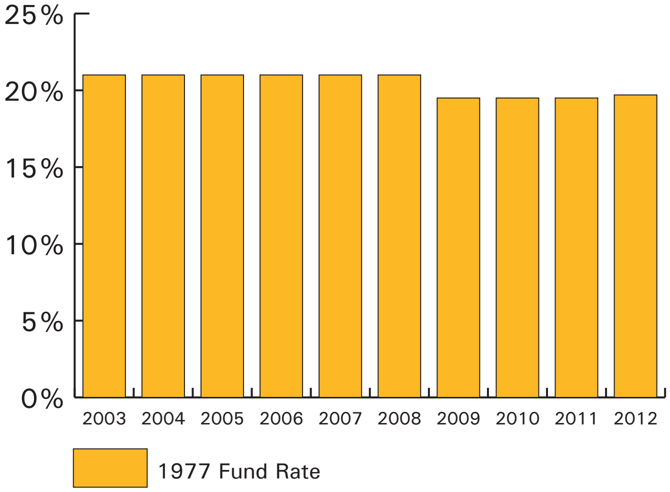
Fiscal Year Ended June 30	1996 Account Rate
2003	9.00%
2004	6.82
2005	6.82
2006	7.00
2007	7.00
2008	7.25
2009[1]	7.13
2010	7.00
2011	7.50
2012	7.50
Memo: Effective Date	July 1



[1] *7.25 percent from July 1 - December 31, 2008; 7.0 percent from January 1 - June 30, 2009*

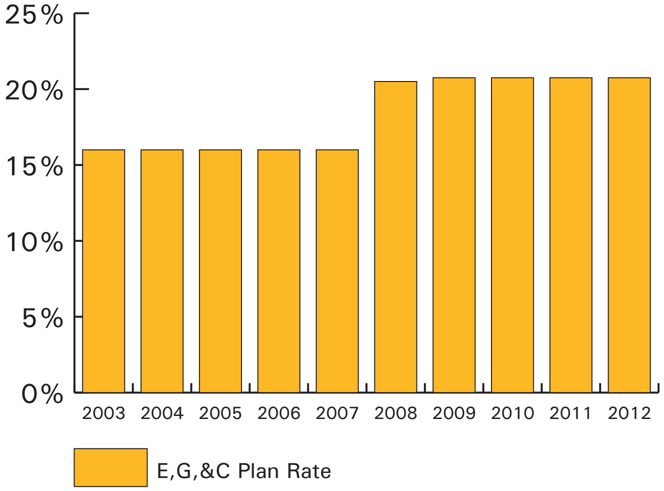
1977 Police Officers' and Firefighters' Pension and Disability Fund

Fiscal Year Ended June 30	1977 Fund Rate
2003	21.0%
2004	21.0
2005	21.0
2006	21.0
2007	21.0
2008	21.0
2009	19.5
2010	19.5
2011	19.5
2012	19.7
Memo: Effective Date	January 1



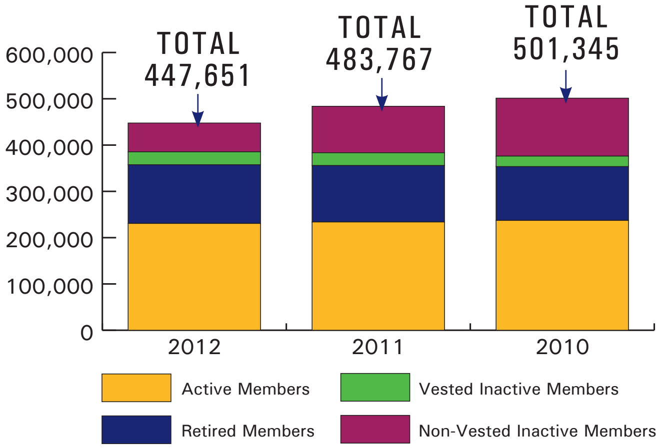
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

Fiscal Year Ended June 30	E,G,&C Plan Rate
2003	16.00%
2004	16.00
2005	16.00
2006	16.00
2007	16.00
2008	20.50
2009	20.75
2010	20.75
2011	20.75
2012	20.75
Memo: Effective Date	January 1



Membership Data Summary[1]

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- E,G,&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LEDB Plan = Legislators' Defined Benefit Plan
- LEDC Plan = Legislators' Defined Contribution Plan



Fiscal Year Ended June 30, 2012

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Terminated Vested Inactive Members	Terminated Non-Vested Inactive Members With Balance	Total Members
PERF	145,519	72,992	21,200	47,874	287,585
TRF	70,573	49,971	6,367	13,322	140,233
1977 Fund	13,390	3,208	122	751	17,471
JRS	361	311	72	28	772
E,G,&C Plan	468	187	4	61	720
PARF	219	81	84	165	549
LEDB Plan	6	63	38	-	107
LEDC Plan	167	-	-	47	214
Total INPRS	230,703	126,813	27,887	62,248	447,651

Fiscal Year Ended June 30, 2011

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Terminated Vested Inactive Members	Terminated Non-Vested Inactive Members With Balance	Total Members
PERF	147,933	70,380	20,634	72,105	311,052
TRF	71,343	47,975	6,636	27,168	153,122
1977 Fund	13,376	2,966	126	791	17,259
JRS	363	310	66	31	770
E,G,&C Plan	440	176	5	59	680
PARF	212	76	85	177	550
LEDB Plan	7	65	40	-	112
LEDC Plan	171	-	-	51	222
Total INPRS	233,845	121,948	27,592	100,382	483,767

Fiscal Year Ended June 30, 2010

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Terminated Vested Inactive Members	Terminated Non-Vested Inactive Members With Balance	Total Members
PERF	149,877	67,166	14,759	88,234	320,036
TRF	72,872	45,659	7,670	35,847	162,048
1977 Fund	13,362	2,782	111	771	17,026
JRS	291	298	73	31	693
E,G,&C Plan	471	157	4	52	684
PARF	217	58	74	177	526
LEDB Plan	20	61	34	-	115
LEDC Plan	169	-	-	48	217
Total INPRS	237,279	116,181	22,725	125,160	501,345

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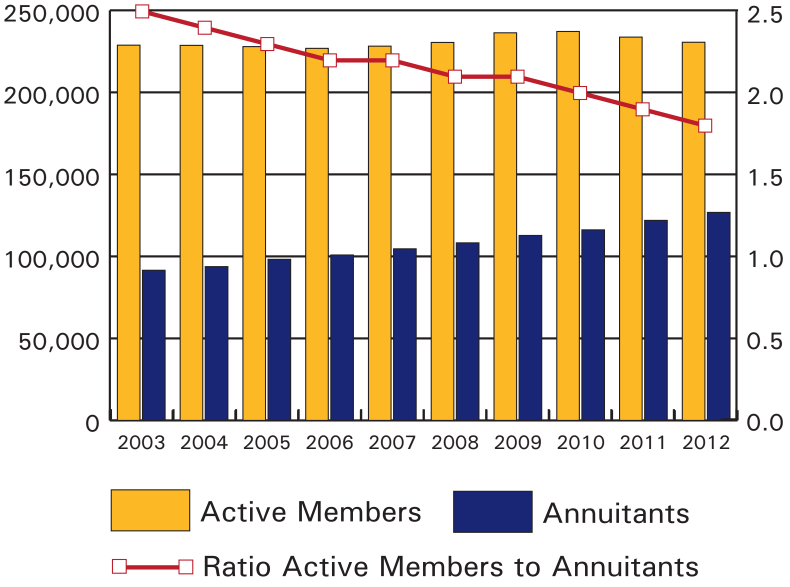
[1] INPRS intends to make this schedule a 10-year schedule over time. Terminated Non-Vested Inactive Members With Balance data was not available for select retirement plans prior to fiscal year 2010.

Ratio of Active Members to Annuitants

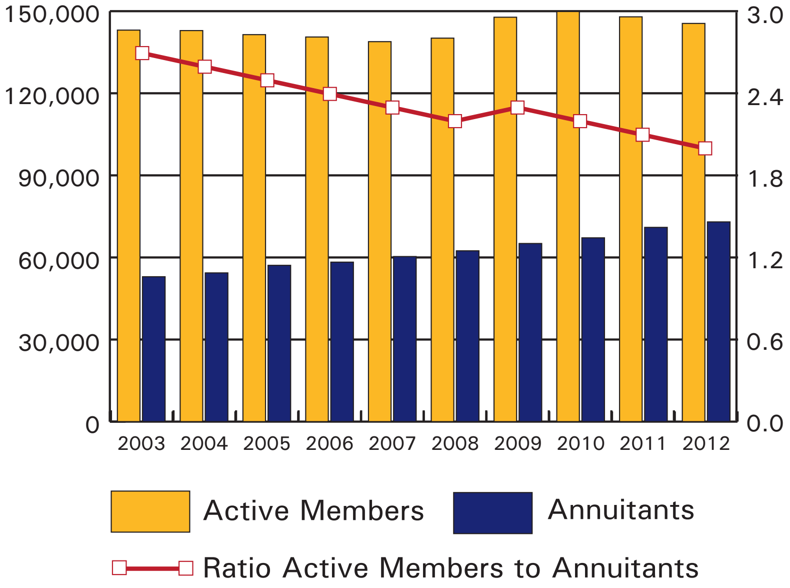
Total INPRS

Fiscal Year Ended June 30	Active Members[1]	Annuitants[2]	Ratio Active Members to Annuitants
2003	228,766	91,539	2.5
2004	228,637	93,767	2.4
2005	227,891	98,209	2.3
2006	226,817	100,855	2.2
2007	228,158	104,617	2.2
2008	230,417	108,254	2.1
2009	236,304	112,758	2.1
2010	237,110	116,181	2.0
2011	233,674	121,948	1.9
2012	230,536	126,813	1.8



Public Employees' Retirement Fund

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	143,082	52,956	2.7
2004	142,913	54,354	2.6
2005	141,428	57,121	2.5
2006	140,563	58,283	2.4
2007	138,863	60,332	2.3
2008	140,146	62,424	2.2
2009	147,792	65,099	2.3
2010	149,877	67,166	2.2
2011	147,933	70,380	2.1
2012	145,519	72,992	2.0



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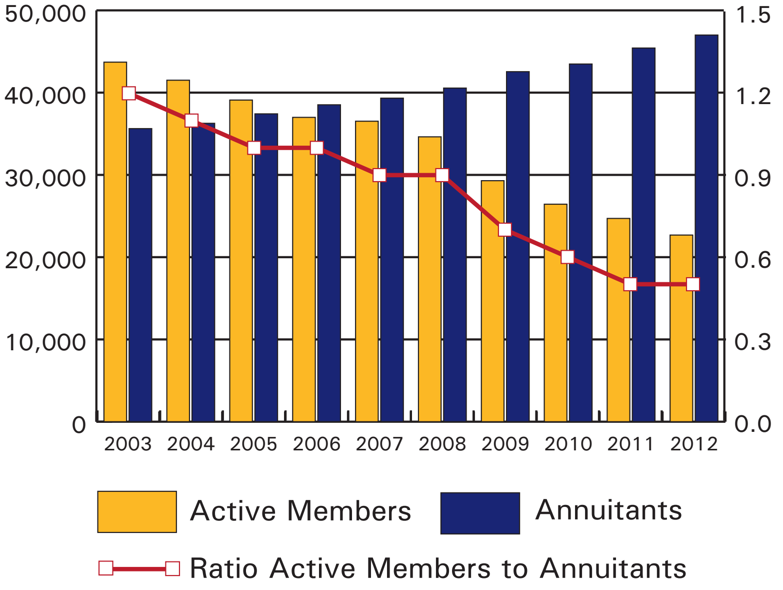
[1] *Active Members exclude Legislators' Defined Contribution Plan.*
[2] *Annuitants includes retirees, disabilitants, and beneficiaries.*

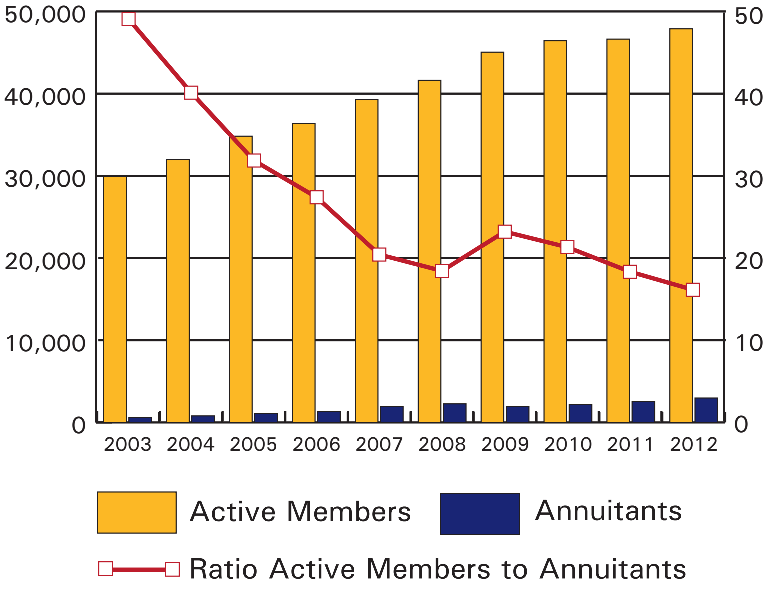
Teachers' Retirement Fund – Pre-1996 Account

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	43,705	35,627	1.2
2004	41,510	36,271	1.1
2005	39,097	37,421	1.0
2006	36,994	38,522	1.0
2007	36,526	39,328	0.9
2008	34,628	40,554	0.9
2009	29,297	42,548	0.7
2010	26,439	43,478	0.6
2011	24,710	45,421	0.5
2012	22,688	47,000	0.5



Teachers' Retirement Fund – 1996 Account

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	29,936	608	49.2
2004	32,000	797	40.2
2005	34,826	1,091	31.9
2006	36,356	1,327	27.4
2007	39,307	1,925	20.4
2008	41,628	2,263	18.4
2009	45,046	1,944	23.2
2010	46,433	2,181	21.3
2011	46,633	2,554	18.3
2012	47,885	2,971	16.1



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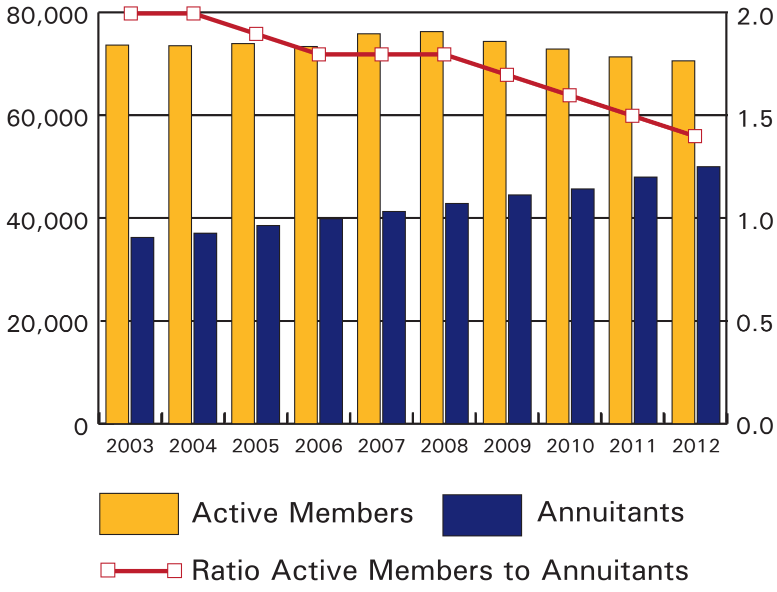
[2] *Annuitants includes retirees, disabilitants, and beneficiaries.*

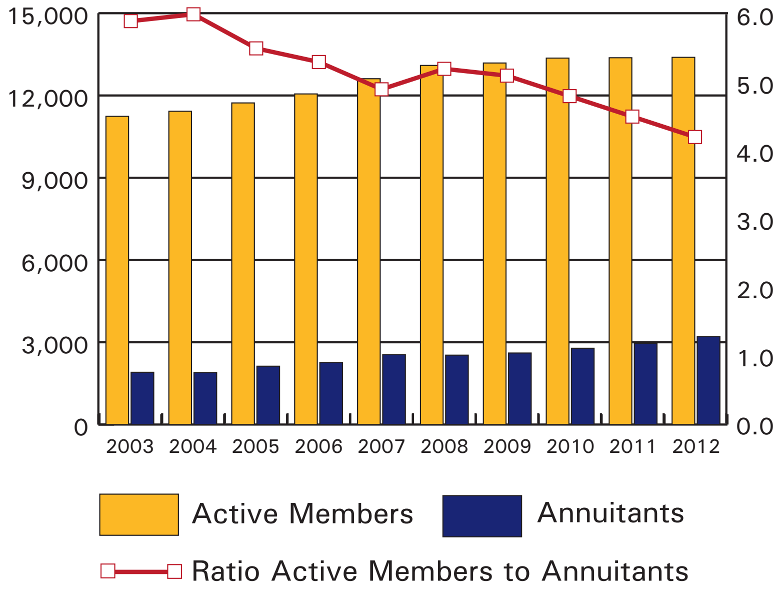
Teachers' Retirement Fund – Total

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	73,641	36,235	2.0
2004	73,510	37,068	2.0
2005	73,923	38,512	1.9
2006	73,350	39,849	1.8
2007	75,833	41,253	1.8
2008	76,256	42,817	1.8
2009	74,343	44,492	1.7
2010	72,872	45,659	1.6
2011	71,343	47,975	1.5
2012	70,573	49,971	1.4



1977 Police Officers' and Firefighters' Pension and Disability Fund

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003[3]	11,238	1,906	5.9
2004[3]	11,424	1,898	6.0
2005[3]	11,728	2,127	5.5
2006[3]	12,056	2,265	5.3
2007[3]	12,611	2,548	4.9
2008[3]	13,095	2,530	5.2
2009	13,184	2,608	5.1
2010	13,362	2,782	4.8
2011	13,376	2,966	4.5
2012	13,390	3,208	4.2



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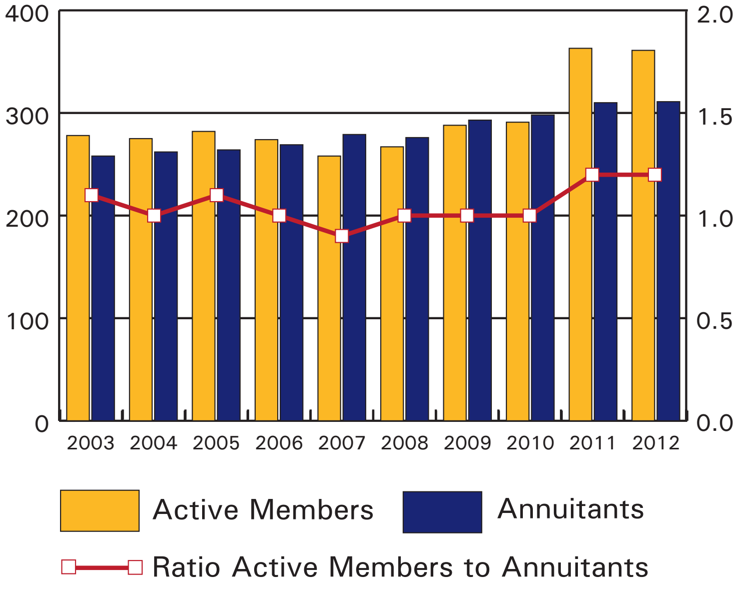
[2] *Annuitants includes retirees, disabilitants, and beneficiaries.*
[3] *As of December 31 instead of June 30.*

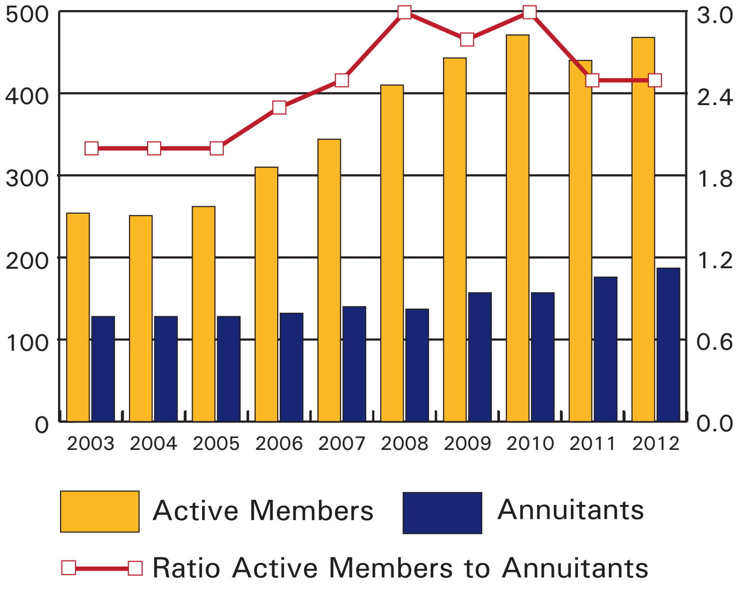
Judges' Retirement System

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	278	258	1.1
2004	275	262	1.0
2005	282	264	1.1
2006	274	269	1.0
2007	258	279	0.9
2008	267	276	1.0
2009	288	293	1.0
2010	291	298	1.0
2011	363	310	1.2
2012	361	311	1.2



State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	254	128	2.0
2004	251	128	2.0
2005	262	128	2.0
2006	310	132	2.3
2007	344	140	2.5
2008	410	137	3.0
2009	443	157	2.8
2010	471	157	3.0
2011	440	176	2.5
2012	468	187	2.5



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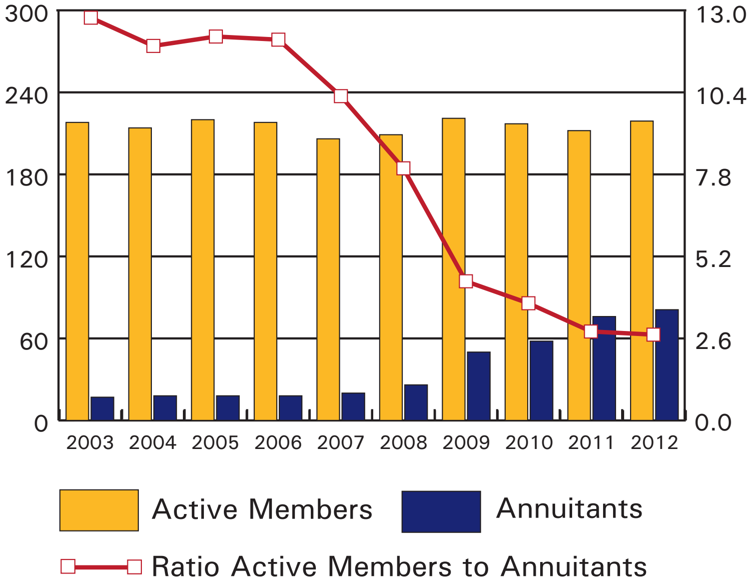
[2] Annuitants includes retirees, disabilitants, and beneficiaries.

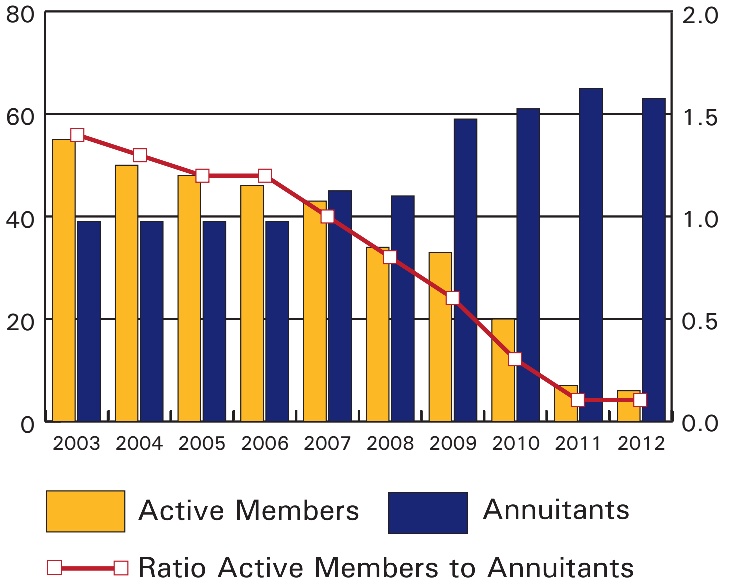
Prosecuting Attorneys' Retirement Fund

Fiscal Year Ended June 30	Active Members	Annuitants[2]	Ratio Active Members to Annuitants
2003	218	17	12.8
2004	214	18	11.9
2005	220	18	12.2
2006	218	18	12.1
2007	206	20	10.3
2008	209	26	8.0
2009	221	50	4.4
2010	217	58	3.7
2011	212	76	2.8
2012	219	81	2.7



Legislators' Defined Benefit Plan

Fiscal Year Ended June 30	Active Members[1]	Annuitants[2]	Ratio Active Members to Annuitants
2003	55	39	1.4
2004	50	39	1.3
2005	48	39	1.2
2006	46	39	1.2
2007	43	45	1.0
2008	34	44	0.8
2009	33	59	0.6
2010	20	61	0.3
2011	7	65	0.1
2012	6	63	0.1



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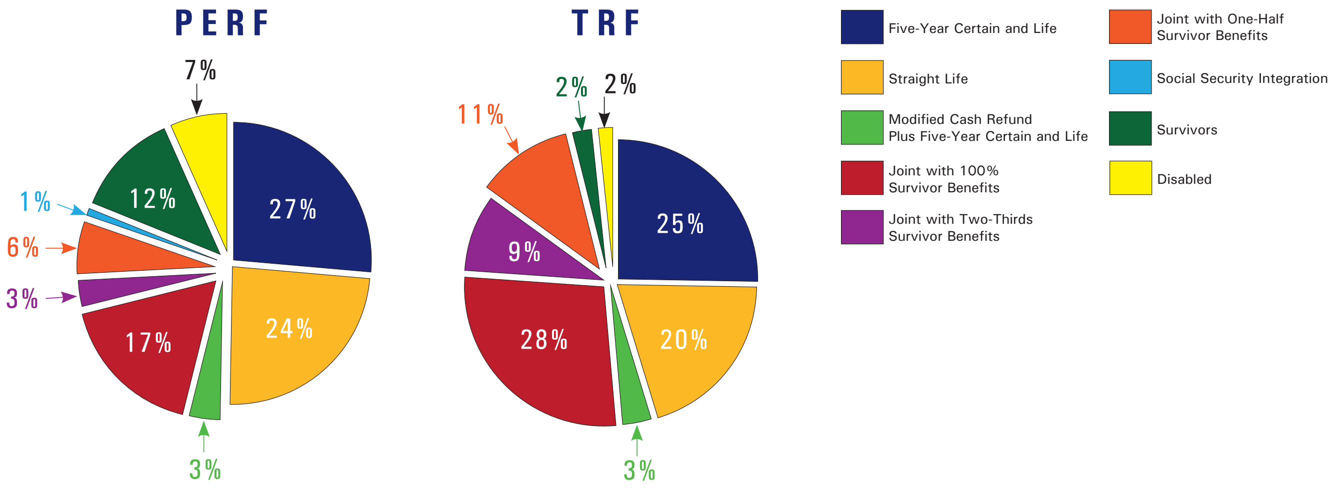
[1] *Active Members exclude Legislators' Defined Contribution Plan.*
[2] *Annuitants includes retirees, disabilitants, and beneficiaries.*

Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2012

Total Benefit Recipients by Type of Benefit Option



5-Year Certain and Life – Provides a monthly benefit for retiree's life. If retiree receives benefits for at least five (5) years prior to death, there is no benefit payable to a designated beneficiary. In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives the remainder of those five (5) years of monthly benefits, or the present value of those remaining payments in a lump sum.

Straight Life – Provides a monthly benefit for retiree's life. The benefit ceases upon the death of the retiree. If applicable, the balance of the retiree's Annuity Savings Account (ASA) is distributed to a designated beneficiary or estate if the remaining ASA is greater than the total payments previously paid to the retiree.

Modified Cash Refund Plus 5-Year Certain and Life – Provides a monthly benefit for retiree's life, including monthly annuitization of member's Annuity Savings Account (ASA). In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five (5) years of guaranteed pension payments, or the present value of those pension payments in a lump sum. If applicable, the balance of the retiree's ASA is distributed to a designated beneficiary or estate if the remaining ASA is greater than the ASA-related payments previously paid to the retiree.

Joint With 100% Survivor Benefits – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 100% of the member's monthly benefit for the remainder of the survivor's life.

Joint With Two-Thirds Survivor Benefits – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

Joint With One-Half Survivor Benefits – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of themember's monthly benefit for the remainder of the survivor's life.

Social Security Integration – Provides a higher monthly benefit for a retiree between the ages 50 and 62 who elects to integrate social security with the monthly benefit. For PERF retirees, the monthly benefit is reduced at age 62 to no less than $180 depending on the estimated monthly benefit from social security at age 62. For TRF retirees, social security integration can be incorporated with options 1-6 and the number of retirees electing social security integration is included in the number of retirees electing options 1-6. For TRF retirees, the monthly benefit is reduced or terminated at age 62 depending on the estimated monthly benefit from social security at age 62.

Survivors – Members receiving a survivor benefit in accordance with the applicable statute for each retirement plan. The benefit ceases upon the death of the survivor.

Disability – Members receiving a disability benefit in accordance with the applicable statute for each retirement plan. For PERF, TRF, PARF and LEDB Plan, five (5) or more years of creditable service is required to be eligible for a disability benefit. There is no minimum creditable service requirement for the 1977 Fund, JRS and E,G,&C Plan. For TRF, members may elect Classroom Disability (which provides a benefit of $125 per month plus $5 for each additional year of TRF-covered service over five (5) years) in lieu of the regular disability benefit.

Joint With 60% Survivor Benefits – Provides a monthly benefit for retiree's life. Upon retiree's death, surviving spouse receives 60 percent of monthly benefit for life and each surviving child receives 20 percent of monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university.

Schedule of Benefit Recipients by Type of Benefit Option, continued

Fiscal Year Ended June 30, 2012

	Number of Benefit Recipients by Benefit Option									
Amount of Monthly Benefit (in dollars)	5-Year Certain & Life	Straight Life	Modified Cash Refund Plus 5-Year Certain & Life	Joint With 100% Survivor Benefits	Joint With Two-Thirds Survivor Benefits	Joint With One-Half Survivor Benefits	Social Security Integration	Survivors	Disabled	Joint With 60% Survivor Benefits	Total Benefit Recipients
Public Employees' Retirement Fund											
$1 - 500	11,408	7,352	968	5,990	631	1,488	289	5,979	3,097	N/A	37,202
501 - 1,000	5,539	5,862	910	3,586	786	1,621	179	2,126	1,284	N/A	21,893
1,001 - 1,500	1,645	2,517	397	1,753	431	810	63	498	317	N/A	8,431
1,501 - 2,000	544	1,013	161	680	246	323	42	131	71	N/A	3,211
2,001 - 3,000	254	587	125	401	168	229	38	67	17	N/A	1,886
over 3,000	43	129	22	70	42	44	8	11	0	N/A	369
Total	**19,433**	**17,460**	**2,583**	**12,480**	**2,304**	**4,515**	**619**	**8,812**	**4,786**	**N/A**	**72,992**
Teachers' Retirement Fund – Pre-1996 Account											
$1 - 500	1,818	867	218	1,098	246	443	Incl. 1-6	485	87	N/A	5,262
501 - 1,000	2,172	1,447	320	1,941	696	900	Incl. 1-6	345	181	N/A	8,002
1,001 - 1,500	3,106	2,358	435	3,816	1,141	1,259	Incl. 1-6	151	221	N/A	12,487
1,501 - 2,000	2,875	2,608	343	3,906	1,304	1,508	Incl. 1-6	131	106	N/A	12,781
2,001 - 3,000	1,792	1,887	228	2,000	797	924	Incl. 1-6	38	21	N/A	7,687
over 3,000	181	204	19	188	87	91	Incl. 1-6	11	0	N/A	781
Total	**11,944**	**9,371**	**1,563**	**12,949**	**4,271**	**5,125**	**Incl. 1-6**	**1,161**	**616**	**N/A**	**47,000**
Teachers' Retirement Fund – 1996 Account											
$1 - 500	147	85	16	101	16	23	Incl. 1-6	23	50	N/A	461
501 - 1,000	193	152	39	181	31	60	Incl. 1-6	20	41	N/A	717
1,001 - 1,500	171	124	29	162	45	52	Incl. 1-6	3	11	N/A	597
1,501 - 2,000	132	102	21	153	46	69	Incl. 1-6	4	5	N/A	532
2,001 - 3,000	99	98	19	181	45	76	Incl. 1-6	3	5	N/A	526
over 3,000	31	33	1	43	13	16	Incl. 1-6	1	0	N/A	138
Total	**773**	**594**	**125**	**821**	**196**	**296**	**Incl. 1-6**	**54**	**112**	**N/A**	**2,971**
Teachers' Retirement Fund – Total											
$1 - 500	1,965	952	234	1,199	262	466	Incl. 1-6	508	137	N/A	5,723
501 - 1,000	2,365	1,599	359	2,122	727	960	Incl. 1-6	365	222	N/A	8,719
1,001 - 1,500	3,277	2,482	464	3,978	1,186	1,311	Incl. 1-6	154	232	N/A	13,084
1,501 - 2,000	3,007	2,710	364	4,059	1,350	1,577	Incl. 1-6	135	111	N/A	13,313
2,001 - 3,000	1,891	1,985	247	2,181	842	1,000	Incl. 1-6	41	26	N/A	8,213
over 3,000	212	237	20	231	100	107	Incl. 1-6	12	0	N/A	919
Total	**12,717**	**9,965**	**1,688**	**13,770**	**4,467**	**5,421**	**Incl. 1-6**	**1,215**	**728**	**N/A**	**49,971**
1977 Police Officers' and Firefighters' Pension and Disability Fund											
$1 - 500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	0	0	11
501 - 1,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137	27	10	174
1,001 - 1,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	304	121	163	588
1,501 - 2,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89	241	499	829
2,001 - 3,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	43	285	1,098	1,426
over 3,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	16	157	180
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**591**	**690**	**1,927**	**3,208**

Schedule of Benefit Recipients by Type of Benefit Option, continued

Fiscal Year Ended June 30, 2012

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option										
	5-Year Certain & Life	Straight Life	Modified Cash Refund Plus 5-Year Certain & Life	Joint With 100% Survivor Benefits	Joint With Two-Thirds Survivor Benefits	Joint With One-Half Survivor Benefits	Social Security Integration	Survivors	Disabled	Joint With 60% Survivor Benefits	Total Benefit Recipients
Judges' Retirement System											
$1 - 500	N/A	N/A	N/A	N/A	N/A	0	N/A	0	0	N/A	0
501 - 1,000	N/A	N/A	N/A	N/A	N/A	0	N/A	0	0	N/A	0
1,001 - 1,500	N/A	N/A	N/A	N/A	N/A	0	N/A	38	0	N/A	38
1,501 - 2,000	N/A	N/A	N/A	N/A	N/A	2	N/A	15	0	N/A	17
2,001 - 3,000	N/A	N/A	N/A	N/A	N/A	11	N/A	29	0	N/A	40
over 3,000	N/A	N/A	N/A	N/A	N/A	197	N/A	16	3	N/A	216
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**210**	**N/A**	**98**	**3**	**N/A**	**311**
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan											
$1 - 500	N/A	N/A	N/A	N/A	N/A	2	N/A	17	0	N/A	19
501 - 1,000	N/A	N/A	N/A	N/A	N/A	11	N/A	17	1	N/A	29
1,001 - 1,500	N/A	N/A	N/A	N/A	N/A	15	N/A	7	0	N/A	22
1,501 - 2,000	N/A	N/A	N/A	N/A	N/A	15	N/A	0	0	N/A	15
2,001 - 3,000	N/A	N/A	N/A	N/A	N/A	66	N/A	0	1	N/A	67
over 3,000	N/A	N/A	N/A	N/A	N/A	35	N/A	0	0	N/A	35
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**144**	**N/A**	**41**	**2**	**N/A**	**187**
Prosecuting Attorneys' Retirement Fund											
$1 - 500	N/A	N/A	N/A	N/A	N/A	6	N/A	2	0	N/A	8
501 - 1,000	N/A	N/A	N/A	N/A	N/A	14	N/A	2	0	N/A	16
1,001 - 1,500	N/A	N/A	N/A	N/A	N/A	16	N/A	0	0	N/A	16
1,501 - 2,000	N/A	N/A	N/A	N/A	N/A	7	N/A	1	1	N/A	9
2,001 - 3,000	N/A	N/A	N/A	N/A	N/A	16	N/A	0	0	N/A	16
over 3,000	N/A	N/A	N/A	N/A	N/A	16	N/A	0	0	N/A	16
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**75**	**N/A**	**5**	**1**	**N/A**	**81**
Legislators' Retirement System – Defined Benefit Plan											
$1 - 500	N/A	N/A	N/A	N/A	N/A	27	N/A	12	0	N/A	39
501 - 1,000	N/A	N/A	N/A	N/A	N/A	22	N/A	1	0	N/A	23
1,001 - 1,500	N/A	N/A	N/A	N/A	N/A	1	N/A	0	0	N/A	1
1,501 - 2,000	N/A	N/A	N/A	N/A	N/A	0	N/A	0	0	N/A	0
2,001 - 3,000	N/A	N/A	N/A	N/A	N/A	0	N/A	0	0	N/A	0
over 3,000	N/A	N/A	N/A	N/A	N/A	0	N/A	0	0	N/A	0
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**50**	**N/A**	**13**	**0**	**N/A**	**63**

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10[2]**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Public Employees' Retirement Fund							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 156	$ 265	$ 363	$ 504	$ 701	$ 1,139	$ 555
Average Monthly ASA Annuity[3]	$ 42	$ 89	$ 116	$ 171	$ 233	$ 407	$ 188
Average Final Average Salary	$ 22,105	$ 21,993	$ 24,513	$ 26,534	$ 29,347	$ 36,331	$ 27,306
Number of Benefit Recipients	2,523	12,369	19,361	15,258	10,589	12,892	72,992
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 159	$ 263	$ 358	$ 495	$ 687	$ 1,120	$ 542
Average Monthly ASA Annuity[3]	$ 39	$ 85	$ 110	$ 162	$ 223	$ 386	$ 176
Average Final Average Salary	$ 21,397	$ 21,487	$ 24,034	$ 25,883	$ 28,617	$ 35,542	$ 26,632
Number of Benefit Recipients	2,373	12,036	19,007	14,731	10,190	12,043	70,380
Teachers' Retirement Fund – Pre-1996 Account							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 311	$ 252	$ 503	$ 804	$ 1,150	$ 1,747	$ 1,405
Average Monthly ASA Annuity[3]	$ 14	$ 101	$ 101	$ 126	$ 156	$ 222	$ 187
Average Final Average Salary	$ 23,116	$ 21,575	$ 34,714	$ 41,788	$ 47,172	$ 54,014	$ 49,136
Number of Benefit Recipients	39	1,178	3,719	5,366	7,672	29,026	47,000
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 239	$ 250	$ 493	$ 785	$ 1,130	$ 1,722	$ 1,376
Average Monthly ASA Annuity[3]	$ 15	$ 99	$ 96	$ 125	$ 154	$ 220	$ 185
Average Final Average Salary	$ 20,085	$ 21,205	$ 33,684	$ 40,472	$ 45,837	$ 52,751	$ 47,787
Number of Benefit Recipients	37	1,170	3,735	5,252	7,467	27,760	45,421
Teachers' Retirement Fund – 1996 Account							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 274	$ 444	$ 682	$ 995	$ 1,401	$ 2,124	$ 1,391
Average Monthly ASA Annuity[3]	$ 29	$ 72	$ 97	$ 125	$ 207	$ 223	$ 165
Average Final Average Salary	$ 39,141	$ 43,284	$ 48,634	$ 55,970	$ 60,295	$ 69,381	$ 59,171
Number of Benefit Recipients	33	308	577	411	420	1,222	2,971
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 241	$ 419	$ 665	$ 963	$ 1,381	$ 2,080	$ 1,400
Average Monthly ASA Annuity[3]	$ 25	$ 76	$ 92	$ 122	$ 188	$ 216	$ 162
Average Final Average Salary	$ 37,883	$ 40,581	$ 47,337	$ 54,686	$ 59,531	$ 67,586	$ 58,202
Number of Benefit Recipients	27	247	453	341	363	1,123	2,554

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[1] INPRS intends to make this schedule a 10-year schedule over time.

[2] Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight (8) years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight (8) years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

[3] Members may choose to take the distribution of the Annuity Savings Account (ASA) in two (2) ways. This represents those retirees who elected to receive their ASAs as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

Schedule of Average Benefit Payments[1], continued

	Years of Credited Service						
Description	< 10[2]	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
1977 Police Officers' and Firefighters' Pension and Disability Fund[4]							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 1,766	$ 1,685	$ 1,685	$ 1,815	$ 2,284	$ 2,396	$ 1,999
Average Final Average Salary	$ 40,609	$ 45,578	$ 43,738	$ 42,368	$ 45,510	$ 47,219	$ 44,173
Number of Benefit Recipients	251	215	266	1,178	822	476	3,208
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 1,708	$ 1,609	$ 1,636	$ 1,758	$ 2,206	$ 2,272	$ 1,916
Average Final Average Salary	$ 40,474	$ 44,601	$ 43,597	$ 41,438	$ 44,731	$ 47,365	$ 43,362
Number of Benefit Recipients	241	208	264	1,102	755	396	2,966
Judges' Retirement System							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 2,508	$ 4,006	$ 4,999	$ 5,265	$ 6,212	$ 6,230	$ 4,478
Average Final Average Salary	$ 73,561	$ 114,043	$ 112,826	$114,625	$ 111,708	$ 122,579	$ 112,885
Number of Benefit Recipients	74	67	48	63	34	25	311
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 2,495	$ 4,104	$ 5,043	$ 5,317	$ 6,337	$ 6,162	$ 4,513
Average Final Average Salary	$ 57,717	$ 113,387	$ 112,461	$113,606	$ 111,708	$ 120,715	$ 111,151
Number of Benefit Recipients	75	66	47	64	35	23	310
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 1,498	$ -	$ 439	$ 923	$ 1,791	$ 2,593	$ 1,984
Average Final Average Salary	$ -	$ -	$ 22,436	$ 37,858	$ 45,830	$ 52,589	$ 47,203
Number of Benefit Recipients	7	0	11	23	55	91	187
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 1,339	$ -	$ 439	$ 894	$ 1,757	$ 2,507	$ 1,884
Average Final Average Salary	$ -	$ -	$ 22,436	$ 35,889	$ 45,638	$ 50,797	$ 45,695
Number of Benefit Recipients	8	0	11	23	54	80	176

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[1] INPRS intends to make this schedule a 10-year schedule over time.

[2] Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight (8) years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight (8) years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

[4] Members with less than 20 years of service are primarily receiving a disability benefit from the 1977 Fund.

Schedule of Average Benefit Payments[1], continued

Description	Years of Credited Service						
	< 10[2]	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
Prosecuting Attorneys' Retirement Fund							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 1,541	$ 1,421	$ 1,874	$ 2,283	$ 2,488	$ 2,496	$ 1,821
Average Final Average Salary	$ 63,714	$ 54,908	$ 72,709	$ 83,534	$ 103,220	$ 110,167	$ 72,130
Number of Benefit Recipients	17	21	21	13	5	4	81
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 1,541	$ 1,413	$ 1,831	$ 2,252	$ 2,219	$ 2,615	$ 1,774
Average Final Average Salary	$ 58,939	$ 55,721	$ 69,668	$ 79,113	$ 95,745	$ 101,967	$ 68,573
Number of Benefit Recipients	17	20	20	12	4	3	76
Legislators' Retirement System – Defined Benefit Plan[5]							
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 341	$ 356	$ 458	$ 629	$ 699	$ 669	$ 461
Average Final Average Salary	$ 7,078	$ 19,636	$ 27,391	$ 32,868	$ 27,614	$ 31,870	$ 27,195
Number of Benefit Recipients	8	22	16	7	3	7	63
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 341	$ 348	$ 448	$ 563	$ 699	$ 645	$ 456
Average Final Average Salary	$ 7,078	$ 18,880	$ 30,641	$ 32,804	$ 27,614	$ 32,151	$ 28,439
Number of Benefit Recipients	8	21	15	10	3	8	65

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[1] INPRS intends to make this schedule a 10-year schedule over time.

[2] Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight (8) years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight (8) years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

[5] Benefit calculations for the LEDB members are based on years of service, not final average salary.

Schedule of Average Death Benefit Payments

Fiscal Year Ended June 30

(amounts in dollars)

		State Employees' Death Benefit Fund[1]	Public Safety Officers' Special Death Benefit Fund[2]	Pension Relief Fund[3]
2003	Average Death Benefit	$ 50,000	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	4	1	1
2004	Average Death Benefit	$ 50,000	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	4	2
2005	Average Death Benefit	$ 50,000	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	2	2	3
2006	Average Death Benefit	$ 50,000	$ 150,000	$ –
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	1	–
2007	Average Death Benefit	$ –	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	–	1	1
2008	Average Death Benefit	$ –	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	–	3	3
2009	Average Death Benefit	$ 50,000	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	2	1
2010	Average Death Benefit	$ –	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	–	3	3
2011	Average Death Benefit	$ –	$ 150,000	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	–	1	3
2012	Average Death Benefit	$ 50,000	$ –	$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	–	1

1Lump sum death benefit of $50,000 paid to the surviving spouse or child(ren) of a state employee who dies in the line of duty as defined in statute (IC 5-10-11).

2Lump sum death benefit of $150,000 paid to the surviving spouse or child(ren) of a public safety officer who dies in the line of duty as defined in statute (IC 5-10-10). If there is no surviving spouse or child(ren), benefit is paid to the parent(s).

3Lump sum death benefit of $150,000 paid to the surviving spouse or child(ren) of a member of the 1977 Fund who dies in the line of duty as defined in statute (IC 36-8-8-20). If there is no surviving spouse or child(ren), benefit is paid to the parent(s).

Schedule of Participating Employers: "Top 10"

Public Employees' Retirement Fund (PERF)

	June 30, 2012			June 30, 2003		
Participating Employer	**Covered Members**	**Rank**	**Percentage of Total PERF**	**Covered Members**	**Rank**	**Percentage of Total PERF**
Top 10 Employers						
State of Indiana	29,509	1	20.3%	39,423	1	27.5%
Indiana University	6,585	2	4.5	7,269	2	5.1
Purdue University	4,658	3	3.2	4,655	3	3.3
Health & Hospital Corporation - Marion County	3,827	4	2.6	3,584	4	2.5
Marion County	2,813	5	2.0	2,597	5	1.8
Indianapolis Public Schools	2,073	6	1.4	2,434	6	1.7
Fort Wayne Community Schools	1,880	7	1.3	2,004	7	1.4
City of Indianapolis	1,614	8	1.1	1,917	8	1.3
Lake County	1,500	9	1.0	1,815	9	1.3
South Bend Community School Corporation	1,437	10	1.0	1,386	10	1.0
Total – "Top 10" Employers	**55,896**		**38.4**	**67,084**		**46.9**
All Other (1,128 Employers in 2012; 1,055 Employers in 2003)	89,623		61.6	75,998		53.1
Grand Total (1,138 Employers in 2012; 1,065 Employers in 2003)	**145,519**		**100.0%**	**143,082**		**100.0%**

Teachers' Retirement Fund (TRF)

	June 30, 2012			June 30, 2003		
Participating Employer	**Covered Members**	**Rank**	**Percentage of Total TRF**	**Covered Members**	**Rank**	**Percentage of Total TRF**
Top 10 Employers						
Indianapolis Public Schools	2,790	1	4.0%	3,575	1	4.9%
Fort Wayne Community Schools	2,306	2	3.3	2,226	2	3.0
Evansville-Vanderburgh School Corporation	1,655	3	2.3	1,683	3	2.3
South Bend Community School Corporation	1,573	4	2.2	1,640	4	2.2
Wayne Township Metropolitan School District	1,150	5	1.6	1,055	8	1.4
Hamilton Southeastern Schools	1,142	6	1.6			
Vigo County School Corporation	1,120	7	1.6	1,186	6	1.6
Carmel Clay Schools	1,114	8	1.6			
Hammond Public Schools	1,048	9	1.5	981	10	1.3
Elkhart Community Schools	1,013	10	1.4	986	9	1.4
Gary Community School Corporation				1,570	5	2.1
Lawrence Township Metropolitan School District				1,136	7	1.6
Total – "Top 10" Employers	**14,911**		**21.1**	**16,038**		**21.8**
All Other (357 Employers in 2012; 324 Employers in 2003)	55,662		78.9	57,603		78.2
Grand Total (367 Employers in 2012; 334 Employers in 2003)	**70,573**		**100.0%**	**73,641**		**100.0%**

1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)

	June 30, 2012			June 30, 2003		
Participating Employer	**Covered Members**	**Rank**	**Percentage of Total 1977 Fund**	**Covered Members**	**Rank**	**Percentage of Total 1977 Fund**
Top 10 Employers						
City of Indianapolis	2,440	1	18.2%	1,569	1	14.6%
City of Fort Wayne	785	2	5.9	692	2	6.4
City of Evansville	546	3	4.1	469	3	4.4
City of South Bend	483	4	3.6	405	5	3.8
City of Gary	468	5	3.5	466	4	4.3
City of Hammond	364	6	2.7	343	6	3.2
City of Terre Haute	274	7	2.0	256	7	2.4
City of Lafayette	265	8	2.0	221	9	2.1
City of Carmel	264	9	2.0	208	10	1.9
City of Anderson	243	10	1.8	229	8	2.1
Total – "Top 10" Employers	**6,132**		**45.8**	**4,858**		**45.2**
All Other (152 Employers in 2012; 146 Employers in 2003)	7,258		54.2	5,879		54.8
Grand Total (162 Employers in 2012; 156 Employers in 2003)	**13,390**		**100.0%**	**10,737**		**100.0%**

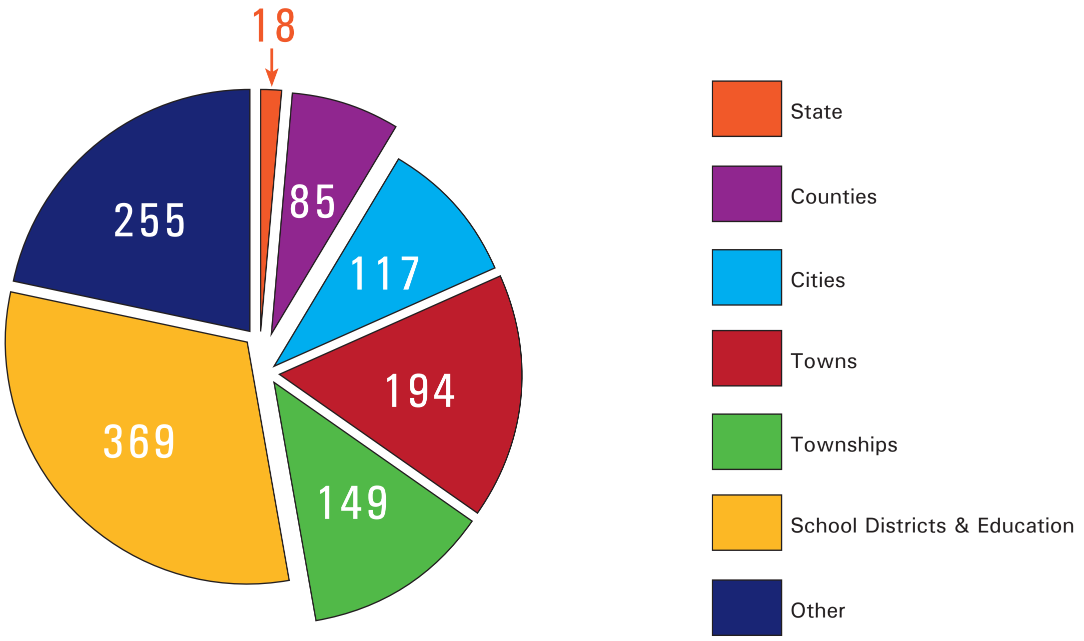
Schedule of Participating Employers

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- E,G,&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LE = Legislators' Retirement System

Fiscal Year Ended June 30, 2012

Employers	Total[1]	PERF	TRF	1977 Fund	JRS	E,G,&C Plan	PARF	LE
State	18	17	4	-	1	1	1	1
Counties	85	85	-	-	-	-	-	-
Cities	117	110	-	116	-	-	-	-
Towns	194	191	-	31	-	-	-	-
Townships	149	147	-	15	-	-	-	-
School Districts & Education	369	333	363	-	-	-	-	-
Other	255	255	-	-	-	-	-	-
Total	**1,187**	**1,138**	**367**	**162**	**1**	**1**	**1**	**1**

[1] Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.



Schedule of Participating Employers, continued

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- E,G,&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LE = Legislators' Retirement System

State: Total (18); PERF (17); TRF (4); Other Plans (4)

Fiscal Year Ended June 30, 2012

Employer's Name	**Fund**
State of Indiana	PERF, JRS, E,G,&C Plan, PARF, LE
Ball State University	PERF, TRF
Indiana Board for Depositories	PERF
Indiana Bond Bank	PERF
Indiana Finance Authority	PERF
Indiana Housing and Community Development Authority	PERF
Indiana Stadium and Convention Building Authority	PERF
Indiana State Fair Commission	PERF
Indiana State University	PERF
Indiana University	PERF
Ivy Tech Community College	PERF
Northwest Indiana Law Enforcement Academy	PERF
Public Employees' Retirement Fund	PERF
Purdue University	PERF
Teachers' Retirement Fund	TRF
University of Southern Indiana	PERF, TRF
Vincennes University	PERF, TRF
White River State Park Development Commission	PERF

Counties: Total (85); PERF (85)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Adams County	PERF
Allen County	PERF
Bartholomew County	PERF
Blackford County	PERF
Boone County	PERF
Brown County	PERF
Carroll County	PERF
Cass County	PERF
Clark County	PERF
Clay County	PERF
Clinton County	PERF
Crawford County	PERF
Daviess County	PERF
Dearborn County	PERF
Decatur County	PERF
DeKalb County	PERF
Delaware County	PERF
Dubois County	PERF
Elkhart County	PERF
Fayette County	PERF
Floyd County	PERF
Franklin County	PERF
Fulton County	PERF
Gibson County	PERF
Grant County	PERF
Greene County	PERF
Hamilton County	PERF
Hancock County	PERF
Harrison County	PERF
Hendricks County	PERF
Henry County	PERF
Howard County	PERF
Huntington County	PERF
Jackson County	PERF
Jasper County	PERF
Jay County	PERF
Jefferson County	PERF
Johnson County	PERF
Knox County	PERF
Kosciusko County	PERF
LaGrange County	PERF
Lake County	PERF
LaPorte County	PERF

Counties: Total (85); PERF (85)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Lawrence County	PERF
Madison County	PERF
Marion County	PERF
Marshall County	PERF
Martin County	PERF
Miami County	PERF
Monroe County	PERF
Montgomery County	PERF
Morgan County	PERF
Newton County	PERF
Noble County	PERF
Orange County	PERF
Owen County	PERF
Parke County	PERF
Perry County	PERF
Pike County	PERF
Porter County	PERF
Posey County	PERF
Pulaski County	PERF
Putnam County	PERF
Randolph County	PERF
Ripley County	PERF
Rush County	PERF
Scott County	PERF
Shelby County	PERF
Spencer County	PERF
St. Joseph County	PERF
Starke County	PERF
Steuben County	PERF
Tippecanoe County	PERF
Union County	PERF
Vanderburgh County	PERF
Vermillion County	PERF
Vigo County	PERF
Wabash County	PERF
Warren County	PERF
Warrick County	PERF
Washington County	PERF
Wayne County	PERF
Wells County	PERF
White County	PERF
Whitley County	PERF

Cities: Total (117); PERF (110); 1977 Fund (116)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
City of Alexandria	PERF, 1977 Fund
City of Anderson	PERF, 1977 Fund
City of Angola	PERF, 1977 Fund
City of Attica	PERF, 1977 Fund
City of Auburn	PERF, 1977 Fund
City of Aurora	PERF, 1977 Fund
City of Austin	PERF, 1977 Fund
City of Batesville	PERF, 1977 Fund
City of Bedford	PERF, 1977 Fund
City of Beech Grove	PERF, 1977 Fund
City of Berne	PERF, 1977 Fund
City of Bicknell	1977 Fund
City of Bloomington	PERF, 1977 Fund
City of Bluffton	PERF, 1977 Fund
City of Boonville	PERF, 1977 Fund
City of Brazil	1977 Fund
City of Butler	PERF, 1977 Fund
City of Cannelton	1977 Fund
City of Carmel	PERF, 1977 Fund
City of Charlestown	PERF, 1977 Fund
City of Clinton	PERF, 1977 Fund
City of Columbia City	PERF, 1977 Fund
City of Columbus	PERF, 1977 Fund
City of Connersville	PERF, 1977 Fund
City of Covington	1977 Fund
City of Crawfordsville	PERF, 1977 Fund
City of Crown Point	PERF, 1977 Fund
City of Decatur	PERF, 1977 Fund
City of Delphi	PERF, 1977 Fund
City of Dunkirk	PERF, 1977 Fund
City of East Chicago	PERF, 1977 Fund
City of Elkhart	PERF, 1977 Fund
City of Elwood	PERF, 1977 Fund
City of Evansville	PERF, 1977 Fund
City of Fort Wayne	PERF, 1977 Fund
City of Frankfort	PERF, 1977 Fund
City of Franklin	PERF, 1977 Fund
City of Garrett	PERF, 1977 Fund
City of Gary	PERF, 1977 Fund
City of Gas City	PERF, 1977 Fund
City of Goshen	PERF, 1977 Fund
City of Greencastle	PERF, 1977 Fund

Cities: Total (117); PERF (110); 1977 Fund (116)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
City of Greendale	PERF, 1977 Fund
City of Greenfield	PERF, 1977 Fund
City of Greensburg	PERF, 1977 Fund
City of Greenwood	PERF, 1977 Fund
City of Hammond	PERF, 1977 Fund
City of Hartford City	PERF, 1977 Fund
City of Hobart	PERF, 1977 Fund
City of Huntingburg	PERF, 1977 Fund
City of Huntington	PERF, 1977 Fund
City of Indianapolis	PERF, 1977 Fund
City of Jasonville	PERF, 1977 Fund
City of Jasper	PERF, 1977 Fund
City of Jeffersonville	PERF, 1977 Fund
City of Jonesboro	PERF, 1977 Fund
City of Kendallville	PERF, 1977 Fund
City of Knox	PERF, 1977 Fund
City of Kokomo	PERF, 1977 Fund
City of Lafayette	PERF, 1977 Fund
City of Lake Station	PERF, 1977 Fund
City of LaPorte	PERF, 1977 Fund
City of Lawrence	PERF, 1977 Fund
City of Lawrenceburg	PERF, 1977 Fund
City of Lebanon	PERF, 1977 Fund
City of Ligonier	PERF, 1977 Fund
City of Linton	PERF, 1977 Fund
City of Logansport	PERF, 1977 Fund
City of Loogootee	PERF, 1977 Fund
City of Madison	PERF, 1977 Fund
City of Marion	PERF, 1977 Fund
City of Martinsville	PERF, 1977 Fund
City of Michigan City	PERF, 1977 Fund
City of Mishawaka	PERF, 1977 Fund
City of Mitchell	PERF, 1977 Fund
City of Monticello	PERF, 1977 Fund
City of Montpelier	PERF, 1977 Fund
City of Mount Vernon	1977 Fund
City of Muncie	PERF, 1977 Fund
City of Nappanee	PERF, 1977 Fund
City of New Albany	PERF, 1977 Fund
City of New Castle	PERF, 1977 Fund
City of New Haven	PERF, 1977 Fund
City of Noblesville	PERF, 1977 Fund

Cities: Total (117); PERF (110); 1977 Fund (116)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
City of North Vernon	PERF, 1977 Fund
City of Oakland City	PERF, 1977 Fund
City of Peru	PERF, 1977 Fund
City of Petersburg	PERF, 1977 Fund
City of Plymouth	PERF, 1977 Fund
City of Portage	PERF, 1977 Fund
City of Portland	PERF, 1977 Fund
City of Princeton	PERF, 1977 Fund
City of Rensselaer	PERF, 1977 Fund
City of Richmond	PERF, 1977 Fund
City of Rising Sun	PERF, 1977 Fund
City of Rochester	PERF, 1977 Fund
City of Rockport	PERF
City of Rushville	PERF, 1977 Fund
City of Salem	PERF, 1977 Fund
City of Scottsburg	PERF, 1977 Fund
City of Seymour	PERF, 1977 Fund
City of Shelbyville	PERF, 1977 Fund
City of South Bend	PERF, 1977 Fund
City of Sullivan	1977 Fund
City of Tell City	PERF, 1977 Fund
City of Terre Haute	PERF, 1977 Fund
City of Tipton	1977 Fund
City of Union City	PERF, 1977 Fund
City of Valparaiso	PERF, 1977 Fund
City of Vincennes	PERF, 1977 Fund
City of Wabash	PERF, 1977 Fund
City of Warsaw	PERF, 1977 Fund
City of Washington	PERF, 1977 Fund
City of West Lafayette	PERF, 1977 Fund
City of Westfield	PERF, 1977 Fund
City of Whiting	PERF, 1977 Fund
City of Winchester	PERF, 1977 Fund

Towns: Total (194); PERF (191); 1977 Fund (31)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Town of Advance	PERF
Town of Akron	PERF
Town of Albany	PERF
Town of Albion	PERF
Town of Andrews	PERF
Town of Arcadia	PERF
Town of Argos	PERF, 1977 Fund
Town of Ashley	PERF
Town of Atlanta	PERF
Town of Avilla	PERF
Town of Avon	1977 Fund
Town of Bainbridge	PERF
Town of Bargersville	PERF, 1977 Fund
Town of Battle Ground	PERF
Town of Birdseye	PERF
Town of Bloomfield	PERF
Town of Boswell	PERF
Town of Bourbon	PERF
Town of Bremen	PERF, 1977 Fund
Town of Brook	PERF
Town of Brookston	PERF
Town of Brookville	PERF
Town of Brownsburg	PERF, 1977 Fund
Town of Bunker Hill	PERF
Town of Burlington	PERF
Town of Burns Harbor	PERF
Town of Cambridge City	PERF
Town of Campbellsburg	PERF
Town of Carbon	PERF
Town of Carlisle	PERF
Town of Cedar Lake	PERF, 1977 Fund
Town of Centerville	PERF
Town of Chandler	PERF
Town of Chesterfield	PERF
Town of Chesterton	PERF, 1977 Fund
Town of Chrisney	PERF
Town of Cicero	PERF, 1977 Fund
Town of Clarks Hill	PERF
Town of Clarksville	PERF, 1977 Fund
Town of Clear Lake	PERF
Town of Cloverdale	PERF
Town of Colfax	PERF
Town of Converse	PERF

Towns: Total (194); PERF (191); 1977 Fund (31)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Town of Corydon	PERF
Town of Crothersville	PERF
Town of Culver	PERF
Town of Cumberland	PERF
Town of Daleville	PERF
Town of Danville	PERF, 1977 Fund
Town of Darlington	PERF
Town of Dayton	PERF
Town of Dillsboro	PERF
Town of Dublin	PERF
Town of Dugger	PERF
Town of Dyer	PERF, 1977 Fund
Town of Eaton	PERF
Town of Edinburgh	PERF
Town of Edgewood	PERF
Town of Ellettsville	PERF
Town of Fairmount	PERF
Town of Farmland	PERF
Town of Fishers	PERF, 1977 Fund
Town of Flora	PERF
Town of Fort Branch	PERF
Town of Fortville	PERF
Town of Frankton	PERF
Town of Fremont	PERF
Town of French Lick	PERF
Town of Gaston	PERF
Town of Geneva	PERF
Town of Grabill	PERF
Town of Grandview	PERF
Town of Greentown	PERF
Town of Griffith	PERF, 1977 Fund
Town of Hagerstown	PERF
Town of Hamilton	PERF
Town of Hamlet	PERF
Town of Hanover	PERF
Town of Harmony	PERF
Town of Hebron	PERF
Town of Highland	PERF, 1977 Fund
Town of Huntertown	PERF
Town of Jamestown	PERF
Town of Kingsford Heights	PERF
Town of Knightstown	PERF
Town of Ladoga	PERF

Towns: Total (194); PERF (191); 1977 Fund (31)

Fiscal Year Ended June 30, 2012

Employer's Name	**Fund**
Town of Lafontaine	PERF
Town of LaGrange	PERF
Town of Lagro	PERF
Town of Lapaz	PERF
Town of Lapel	PERF
Town of Lewisville	PERF
Town of Liberty	PERF
Town of Long Beach	PERF
Town of Lowell	PERF, 1977 Fund
Town of Lynn	PERF
Town of Markle	PERF
Town of Matthews	PERF
Town of McCordsville	PERF
Town of Mentone	PERF
Town of Merrillville	PERF, 1977 Fund
Town of Middletown	PERF
Town of Milan	PERF
Town of Millersburg	PERF
Town of Milton	PERF
Town of Monon	PERF
Town of Monroe	PERF
Town of Monroe City	PERF
Town of Monroeville	PERF
Town of Montgomery	PERF
Town of Mooresville	PERF, 1977 Fund
Town of Morocco	PERF
Town of Mount Summit	PERF
Town of Mulberry	PERF
Town of Munster	PERF, 1977 Fund
Town of Nashville	PERF
Town of New Carlisle	PERF
Town of New Chicago	PERF, 1977 Fund
Town of New Harmony	PERF
Town of New Palestine	PERF
Town of New Pekin	PERF
Town of New Ross	PERF
Town of New Whiteland	PERF
Town of Newburgh	PERF, 1977 Fund
Town of North Judson	PERF
Town of North Liberty	PERF
Town of North Manchester	PERF
Town of North Webster	PERF
Town of Oaktown	PERF

Towns: Total (194); PERF (191); 1977 Fund (31)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Town of Odon	PERF
Town of Ogden Dunes	PERF
Town of Oolitic	PERF
Town of Orland	PERF
Town of Orleans	PERF
Town of Osgood	PERF
Town of Ossian	PERF, 1977 Fund
Town of Otterbein	PERF
Town of Paoli	PERF
Town of Paragon	PERF
Town of Pendleton	PERF
Town of Pierceton	PERF
Town of Pittsboro	PERF
Town of Plainfield	PERF, 1977 Fund
Town of Porter	PERF, 1977 Fund
Town of Poseyville	PERF
Town of Prince's Lakes	PERF
Town of Remington	PERF
Town of Roachdale	PERF
Town of Rockville	PERF
Town of Rome City	PERF
Town of Rossville	PERF
Town of Royal Center	PERF
Town of Russiaville	PERF
Town of Schererville	PERF, 1977 Fund
Town of Sellersburg	PERF, 1977 Fund
Town of Sharpsville	PERF
Town of Shelburn	PERF
Town of Shoals	PERF
Town of South Whitley	PERF
Town of Speedway	PERF, 1977 Fund
Town of Spencer	PERF
Town of Spiceland	PERF
Town of St. John	PERF, 1977 Fund
Town of St. Leon	PERF
Town of St. Paul	PERF
Town of Summitville	PERF
Town of Sweetser	PERF
Town of Tennyson	PERF
Town of Thorntown	PERF
Town of Topeka	PERF
Town of Trafalgar	1977 Fund
Town of Trail Creek	PERF

Towns: Total (194); PERF (191); 1977 Fund (31)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Town of Van Buren	PERF
Town of Versailles	PERF
Town of Walkerton	PERF
Town of Wanatah	PERF
Town of Waterloo	PERF
Town of West Baden Springs	PERF
Town of West Terre Haute	PERF
Town of Westport	PERF
Town of Whiteland	PERF
Town of Whitestown	PERF,1977 Fund
Town of Williamsport	PERF
Town of Winamac	PERF
Town of Windfall	PERF
Town of Winfield	PERF
Town of Winona Lake	PERF
Town of Winslow	PERF
Town of Wolcott	PERF
Town of Wolcottville	PERF
Town of Woodburn	1977 Fund
Town of Worthington	PERF
Town of Yorktown	PERF
Town of Zionsville	PERF, 1977 Fund

Townships: Total (149); PERF (147); 1977 Fund (15)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Aboite Township-Allen County	PERF
Adams Township-Allen County	PERF
Adams Township-Hamilton County	PERF
Adams Township-Parke County	PERF
Anderson Township-Madison County	PERF
Bainbridge Township-Dubois County	PERF
Beaver Township-Newton County	PERF
Beech Creek Township-Greene County	PERF
Bloomfield Township-LaGrange County	PERF
Bloomington Township-Monroe County	PERF
Bourbon Township-Marshall County	PERF
Brown Township-Morgan County	PERF, 1977 Fund
Buck Creek Township-Hancock County	PERF, 1977 Fund
Calumet Township-Lake County	PERF
Cedar Creek Township-Lake County	PERF
Center Township-Boone County	PERF, 1977 Fund
Center Township-Delaware County	PERF
Center Township-Grant County	PERF
Center Township-Hendricks County	PERF
Center Township-Howard County	PERF
Center Township-Lake County	PERF
Center Township-Marion County	PERF
Center Township-Marshall County	PERF
Center Township-Porter County	PERF
Center Township-Vanderburgh County	PERF
Centre Township-St. Joseph County	PERF
Charlestown Township-Clark County	PERF
Chester Township-Wabash County	PERF
Clay Township-Hamilton County	PERF
Clay Township-St. Joseph County	PERF
Clear Creek Township-Monroe County	PERF
Cleveland Township-Elkhart County	PERF
Clinton Township-Vermillion County	PERF
Columbia Township-Whitley County	PERF
Columbus Township-Bartholomew County	PERF
Concord Township-Elkhart County	PERF
Decatur Township-Marion County	PERF, 1977 Fund
Delaware Township-Hamilton County	PERF
Eel River Township-Hendricks County	PERF
Etna-Troy Township-Whitley County	PERF
Fairfield Township-Tippecanoe County	PERF
Franklin Township-Harrison County	PERF
Franklin Township-Marion County	PERF, 1977 Fund

Townships: Total (149); PERF (147); 1977 Fund (15)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Georgetown Township-Floyd County	PERF
German Township-Marshall County	PERF
Grant Township-Newton County	PERF
Guilford Civil Township-Hendricks County	PERF
Hanover Township-Lake County	PERF
Hanover Township-Shelby County	PERF
Harrison Township-Vigo County	PERF
Helt Township-Vermillion County	PERF
Henry Township-Henry County	PERF
Highland Township-Greene County	PERF
Hobart Township-Lake County	PERF
Honey Creek Township-Vigo County	PERF
Huntington Township-Huntington County	PERF
Jackson Township-Harrison County	PERF
Jackson Township-Jackson County	PERF
Jackson Township-Wayne County	PERF
Jamestown Township-Steuben County	PERF
Jefferson Township-Grant County	PERF
Jefferson Township-Greene County	PERF
Jefferson Township-Pike County	PERF
Jefferson Township-Whitley County	PERF
Jeffersonville Township-Clark County	PERF
Johnson Township-LaGrange County	PERF
Knight Township-Vanderburgh County	PERF
Lafayette Township-Floyd County	PERF
Lake Township-Kosciusko County	PERF
Lawrence Township-Marion County	PERF, 1977 Fund
Liberty Township-Porter County	PERF
Lost Creek Township-Vigo County	PERF
Madison Township-Dubois County	PERF
Madison Township-Jefferson County	PERF
Madison Township-Pike County	PERF
Marion Township-Jasper County	PERF
Michigan Township-LaPorte County	PERF
Middle Township-Hendricks County	1977 Fund
Middlebury Township-Elkhart County	PERF
Milan Township-Allen County	PERF
New Albany Township-Floyd County	PERF
Newbury Township-LaGrange County	PERF
Noble Township-Wabash County	PERF
Noblesville Township-Hamilton County	PERF
North Civil Township-Lake County	PERF
Ohio Township-Warrick County	PERF

Townships: Total (149); PERF (147); 1977 Fund (15)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Patoka Township-Gibson County	PERF, 1977 Fund
Penn Civil Township-St. Joseph County	PERF
Perry-Clear Creek Township-Monroe County	PERF, 1977 Fund
Perry Township-Allen County	PERF
Perry Township-Marion County	PERF
Perry Township-Martin County	PERF
Perry Township-Monroe County	PERF
Perry Township-Vanderburgh County	PERF
Peru Township-Miami County	PERF
Pigeon Township-Vanderburgh County	PERF
Pike Township-Marion County	PERF, 1977 Fund
Pipecreek Township-Madison County	PERF
Pleasant Township-Johnson County	PERF
Pleasant Township-Steuben County	PERF
Pleasant Township-Wabash County	PERF
Portage Township-Porter County	PERF
Portage Township-St. Joseph County	PERF
Posey Township-Fayette County	PERF
Posey Township-Washington County	PERF
Prairie Township-Kosciusko County	PERF
Richland Township-Greene County	PERF
Richland Township-Jay County	PERF
Richland Township-Monroe County	PERF
Root Township-Adams County	PERF
Ross Township-Lake County	PERF
Seward Township-Kosciusko County	PERF
Shawswick Township-Lawrence County	PERF
Spencer Township-Harrison County	PERF
Springfield Township-LaPorte County	PERF
St. John Township-Lake County	PERF
St. Joseph Township-Allen County	PERF
Stafford Township-Greene County	PERF
Stockton Township-Greene County	PERF
Sugar Creek Township-Hancock County	1977 Fund
Sugar Creek Township-Montgomery County	PERF
Sugar Creek Township-Vigo County	PERF
Taylor Township-Greene County	PERF
Taylor Township-Howard County	PERF
Thorncreek Township-Whitley County	PERF
Tippecanoe Township-Kosciusko County	PERF
Union Township-Adams County	PERF
Union Township-Marshall County	PERF
Union Township-Montgomery County	PERF

Townships: Total (149); PERF (147); 1977 Fund (15)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Union Township-Whitley County	PERF
Van Buren Township-Monroe County	PERF
Vincennes Township-Knox County	PERF, 1977 Fund
Warren Township-Marion County	PERF
Washington Township-Adams County	PERF
Washington Township-Daviess County	PERF
Washington Township-Grant County	PERF
Washington Township-Greene County	PERF
Washington Township-Hamilton County	PERF
Washington Township-Marion County	PERF
Washington Township-Morgan County	PERF, 1977 Fund
Washington Township-Pike County	PERF
Wayne Township-Allen County	PERF
Wayne Township-Marion County	PERF, 1977 Fund
Wayne Township-Wayne County	PERF
West Creek Township-Lake County	PERF
West Township-Marshall County	PERF
Wheatfield Township-Jasper County	PERF
White River Township-Randolph County	PERF, 1977 Fund
Wright Township-Greene County	PERF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
21st Century Charter School at Fountain Square	PERF, TRF
21st Century Charter School at Gary	PERF, TRF
21st Century Charter School at Indianapolis	TRF
Adams Central Community Schools	PERF, TRF
Adams-Wells Special Services Cooperative	PERF, TRF
Alexandria Community School Corporation	PERF, TRF
American Quality Schools	TRF
Anderson Community School Corporation	PERF, TRF
Anderson Preparatory Academy (Charter)	TRF
Area 30 Career Center (Charter)	PERF, TRF
Argos Community Schools	PERF, TRF
Attica Consolidated School Corporation	PERF, TRF
Auditor of State	TRF
Avon Community School Corporation	PERF, TRF
Barr-Reeve Community Schools	PERF, TRF
Bartholomew Consolidated School Corporation	PERF, TRF
Batesville Community School Corporation	PERF, TRF
Baugo Community Schools	PERF, TRF
Beacon Academy Inc. (Charter)	TRF
Beech Grove City Schools	PERF, TRF
Benton Community School Corporation	PERF, TRF
Blackford County Metropolitan School District	PERF, TRF
Bloomfield Project School (Charter)	TRF
Bloomfield School District	PERF, TRF
Blue River Career Programs	PERF, TRF
Blue River Valley Schools	PERF, TRF
Bluffton-Harrison Metropolitan School District	PERF, TRF
Boone Township Metropolitan School District	PERF, TRF
Bremen Public Schools	PERF, TRF
Brown County School Corporation	PERF, TRF
Brownsburg Community School Corporation	PERF, TRF
Brownstown Central Community School Corporation	PERF, TRF
Campagna Academy Charter School	TRF
Cannelton City Schools	PERF, TRF
Carmel Clay Schools	PERF, TRF
Carroll Consolidated School Corporation	PERF, TRF
Caston School Corporation	PERF, TRF
Center Grove Community School Corporation	PERF, TRF
Centerville-Abington Community Schools	PERF, TRF
Central Indiana Educational Service Center	PERF, TRF
Central Nine Career Center	PERF, TRF
Central Noble Community School Corporation	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Challenge Foundation Academy Charter School	PERF, TRF
Charles A. Beard Memorial School Corporation	PERF, TRF
Charles A. Tindley Accelerated School (Charter)	PERF, TRF
Charter School of the Dunes	PERF, TRF
Christel House Academy (Charter)	PERF, TRF
Clark Pleasant Community School Corporation	TRF
Clarksville Community School Corporation	PERF, TRF
Clay Community Schools	PERF, TRF
Clinton Central School Corporation	PERF, TRF
Clinton Prairie School Corporation	PERF, TRF
Cloverdale Community School Corporation	PERF, TRF
Community Montessori School (Charter)	PERF, TRF
Concord Community Schools	PERF, TRF
Covered Bridge Special Education District	PERF, TRF
Covington Community Schools	PERF, TRF
Cowan Community School Corporation	PERF, TRF
Crawford County Community School Corporation	PERF, TRF
Crawfordsville Community School Corporation	PERF, TRF
Crothersville Community Schools	PERF, TRF
Crown Point Community School Corporation	PERF, TRF
Culver Community School Corporation	PERF, TRF
Daleville Community Schools	PERF, TRF
Danville Community School Corporation	PERF, TRF
Daviess-Martin Special Education Cooperative	PERF, TRF
Decatur County Community Schools	PERF, TRF
Decatur Township Metropolitan School District	PERF, TRF
DeKalb County Central United School District	PERF, TRF
DeKalb County Eastern Community School District	PERF, TRF
Delaware Community School Corporation	PERF, TRF
Delphi Community School Corporation	PERF, TRF
Discovery Charter School	PERF, TRF
Duneland School Corporation	PERF, TRF
East Allen County Schools	PERF, TRF
East Central Indiana Educational Service Center	PERF, TRF
East Chicago City School Corporation	PERF, TRF
East Chicago Urban Enterprise Academy (Charter)	PERF, TRF
East Gibson School Corporation	PERF, TRF
East Noble School Corporation	PERF, TRF
East Porter County School Corporation	PERF, TRF
East Washington School Corporation	PERF, TRF
Eastbrook Community School Corporation	PERF, TRF
Eastern Greene Schools	TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Eastern Hancock County Community School Corporation	PERF, TRF
Eastern Pulaski Community School Corporation	PERF, TRF
Eastern-Howard County School Corporation	PERF, TRF
Edinburgh Community School Corporation	PERF, TRF
Elkhart Community Schools	PERF, TRF
Elwood Community School Corporation	PERF, TRF
Eminence Community School Corporation	TRF
Evansville-Vanderburgh School Corporation	PERF, TRF
Fairfield Community Schools	PERF, TRF
Fall Creek Academy	PERF
Fayette County School Corporation	PERF, TRF
Flanner House Elementary School (Charter)	PERF, TRF
Flat Rock-Hawcreek School Corporation	PERF, TRF
Fort Wayne Community Schools	PERF, TRF
Frankfort Community Schools	PERF, TRF
Franklin Community Schools	PERF, TRF
Franklin County Community School Corporation	PERF, TRF
Franklin Township Community School Corporation	PERF, TRF
Frankton-Lapel Community Schools	PERF, TRF
Fremont Community Schools	PERF, TRF
Frontier School Corporation	PERF, TRF
Galileo Charter School	PERF, TRF
Garrett-Keyser-Butler Community School District	PERF, TRF
Gary Community School Corporation	PERF, TRF
Goshen Community Schools	PERF, TRF
Greater Clark County Schools	PERF, TRF
Greater Jasper Consolidated Schools	PERF, TRF
Greater Randolph Interlocal Cooperative	PERF, TRF
Greencastle Consolidated Schools	PERF, TRF
Greene-Sullivan Special Education Co-op	TRF
Greenfield Central Community School Corporation	PERF, TRF
Greensburg Community Schools	PERF, TRF
Greenwood Community School Corporation	PERF, TRF
Griffith Public Schools	PERF, TRF
Hamilton Community Schools	PERF, TRF
Hamilton Heights School Corporation	PERF, TRF
Hamilton Southeastern Schools	PERF, TRF
Hammond Public Schools	PERF, TRF
Hammond Urban Academy (Charter)	PERF, TRF
Hancock-Madison-Shelby Special Services	PERF, TRF
Hanover Community School Corporation	PERF, TRF
Heartland Career Center	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Herron High School Charter School	TRF
Highland Town School Corporation	PERF, TRF
Hobart City School Corporation	PERF, TRF
Hoosier Academy Inc. - Indianapolis (Charter)	TRF
Hoosier Academy Inc. - Muncie (Charter)	TRF
Hope Academy (Recovery High School at Fairbanks)	PERF, TRF
Huntington County Community School Corporation	PERF, TRF
Indiana Math and Science Academy North (Charter)	PERF, TRF
Indiana Math and Science Academy West (Charter)	PERF, TRF
Indiana Virtual Academy	TRF
Indiana Virtual Pilot School	TRF
Indianapolis Metropolitan Career Academy #1 (Charter)	TRF
Indianapolis Public Schools	PERF, TRF
International School of Columbus (Charter)	TRF
Irvington Community School	PERF, TRF
J.E.S.S.E. School Corporation	PERF, TRF
Jac-Cen-Del Community School Corporation	PERF, TRF
Jay School Corporation	PERF, TRF
Jennings County School Corporation	PERF, TRF
John Glenn School Corporation	PERF, TRF
Johnson County Schools Special Services	PERF
Joshua Academy, Inc. (Charter)	PERF, TRF
Kankakee Valley School Corporation	TRF
Kipp Indianapolis Charter School	TRF
Kipp Lead College Preparatory Charter School	PERF, TRF
Knox Community School Corporation	PERF, TRF
Kokomo Center Township Schools	PERF, TRF
Lafayette School Corporation	PERF, TRF
Lake Central School Corporation	PERF, TRF
Lake Ridge Schools	PERF, TRF
Lake Station Community School Corporation	PERF, TRF
Lakeland School Corporation	PERF, TRF
Lanesville Community School Corporation	PERF, TRF
LaPorte Community School Corporation	PERF, TRF
Lawrence Township Metropolitan School District	PERF, TRF
Lawrenceburg Community School Corporation	PERF, TRF
Lebanon Community School Corporation	TRF
Liberty-Perry Community School Corporation	PERF, TRF
Linton-Stockton School Corporation	PERF, TRF
Logansport Community Schools	PERF, TRF
Loogootee Community School Corporation	PERF, TRF
Lost River Career Cooperative	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Maconaquah School Corporation	PERF, TRF
Madison Area Educational Special Services	PERF, TRF
Madison Consolidated Schools	PERF, TRF
Madison Grant United School Corporation	PERF, TRF
Manchester Community Schools	PERF, TRF
Marion Adams School Corporation (Sheridan Community Schools)	PERF, TRF
Marion Community Schools	PERF, TRF
Martinsville Metropolitan School District	PERF, TRF
Medora Community School Corporation	TRF
Merrillville Community School Corporation	PERF, TRF
Michigan City Area Schools	PERF, TRF
Middlebury Community School Corporation	PERF, TRF
Milan Schools	PERF, TRF
Mill Creek Community School Corporation	PERF, TRF
Mishawaka City School Corporation	PERF, TRF
Mississinewa Community Schools	PERF, TRF
Mitchell Community Schools	PERF, TRF
Monroe Central School Corporation	PERF, TRF
Monroe County Community School Corporation	PERF, TRF
Monroe-Gregg School District	PERF, TRF
Mooresville Consolidated School Corporation	PERF, TRF
Mount Pleasant Township Community School Corporation	TRF
Mount Vernon Community School Corporation	PERF, TRF
Mount Vernon Metropolitan School District	PERF, TRF
Muncie Community Schools	PERF, TRF
Munster City School Corporation	PERF, TRF
Nettle Creek School Corporation	PERF, TRF
New Albany-Floyd County School Corporation	PERF, TRF
New Castle Community School Corporation	PERF, TRF
New Community School (Charter)	PERF, TRF
New Durham Township - LaPorte County (Westville)	TRF
New Harmony Town/Township Community School Corporation	TRF
New Prairie United School Corporation	PERF, TRF
Nineveh Hensley Jackson United School Corporation	PERF, TRF
Noblesville School Corporation	PERF, TRF
North Adams Community Schools	PERF, TRF
North Daviess Community Schools	PERF, TRF
North Gibson School Corporation	PERF, TRF
North Harrison Community School Corporation	PERF, TRF
North Judson-San Pierre Schools	PERF, TRF
North Knox School Corporation	PERF, TRF
North Lawrence Schools	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
North Miami Community Schools	PERF, TRF
North Montgomery School Corporation	PERF, TRF
North Newton School Corporation	PERF, TRF
North Posey County Metropolitan School District	PERF, TRF
North Putnam Community School Corporation	PERF, TRF
North Spencer School Corporation	TRF
North Vermillion Community School Corporation	PERF, TRF
North White School Corporation	PERF, TRF
Northeast Dubois County School Corporation	PERF, TRF
Northeast School Corporation	PERF, TRF
Northeastern Wayne Schools	PERF, TRF
Northern Wells Community Schools	PERF, TRF
Northwest Allen County Schools	PERF, TRF
Northwest Hendricks Schools	PERF, TRF
Northwest Indiana Special Education Cooperative	PERF, TRF
Northwestern Consolidated School District of Shelby County	PERF, TRF
Northwestern School Corporation - Howard County	PERF, TRF
Oak Hill United School Corporation	PERF, TRF
Old National Trail Special Services	PERF, TRF
Options Charter School - Carmel	PERF, TRF
Options Charter School - Noblesville	PERF, TRF
Oregon-Davis School Corporation	PERF, TRF
Orleans Community Schools	PERF, TRF
Paoli Community School Corporation	PERF, TRF
Paramount School of Excellence (Charter)	PERF, TRF
Penn-Harris-Madison School Corporation	PERF, TRF
Perry Central Community School Corporation	PERF, TRF
Perry Township Metropolitan School District	PERF, TRF
Peru Community School Corporation	PERF, TRF
Pike County School Corporation	PERF, TRF
Pike Township Metropolitan School District	PERF, TRF
Pioneer Regional School Corporation	PERF, TRF
Plainfield Community School Corporation	PERF, TRF
Plymouth Community School Corporation	PERF, TRF
Portage Township Schools	PERF, TRF
Porter County Education Services	PERF, TRF
Porter Township School Corporation	TRF
Prairie Heights Community School Corporation	PERF, TRF
Project School Board	PERF
Randolph Central School Corporation	PERF, TRF
Randolph Eastern School Corporation	PERF, TRF
Randolph Southern School Corporation	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Region 8 Education Service Center	PERF
Renaissance Academy Charter School	PERF, TRF
Rensselaer Central School Corporation	PERF, TRF
Richland-Bean Blossom School Corporation	PERF, TRF
Richmond Community Schools	PERF, TRF
Rising Sun-Ohio County Community School Corporation	PERF, TRF
River Forest Community School Corporation	PERF, TRF
Rochester Community Schools	PERF, TRF
Rockville Community Schools	PERF, TRF
Rossville Consolidated School District	PERF, TRF
Rural Community Schools, Inc.	PERF, TRF
Rush County Schools	PERF, TRF
Salem Community Schools - Washington County	PERF, TRF
Scott County School District No. 1	PERF, TRF
Scott County School District No. 2	PERF, TRF
Seymour Community Schools	PERF, TRF
Shakamak Metropolitan School District	PERF, TRF
Shelby Eastern Schools	PERF, TRF
Shelbyville Central Schools	PERF, TRF
Shenandoah School Corporation	PERF, TRF
Shoals Community School Corporation	PERF, TRF
Signature Charter School	PERF, TRF
Smith-Green Community Schools	PERF, TRF
South Adams Schools	PERF, TRF
South Bend Career Academy	TRF
South Bend Community School Corporation	PERF, TRF
South Central Area Special Education Cooperative	PERF, TRF
South Central Community School Corporation	PERF, TRF
South Dearborn Community School Corporation	PERF, TRF
South Gibson School Corporation	PERF, TRF
South Harrison Community School Corporation	PERF, TRF
South Henry School Corporation	PERF, TRF
South Knox School Corporation	PERF, TRF
South Madison Community School Corporation	PERF, TRF
South Montgomery Community School Corporation	TRF
South Newton Community School Corporation	PERF, TRF
South Putnam Community School Corporation	PERF, TRF
South Ripley Community School Corporation	PERF, TRF
South Spencer County School Corporation	PERF, TRF
South Vermillion Community School Corporation	PERF, TRF
Southeast Dubois County School Corporation	TRF
Southeast Fountain School Corporation	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Southeast Neighborhood School of Excellence (Charter)	PERF, TRF
Southeastern Career Center	PERF, TRF
Southeastern School Corporation	PERF, TRF
Southern Hancock County Community Schools	PERF, TRF
Southern Wells Community Schools	PERF, TRF
Southside Special Services of Marion County	PERF, TRF
Southwest Allen County Metropolitan School District	PERF, TRF
Southwest Dubois County School Corporation	PERF, TRF
Southwest Parke Community School Corporation	PERF, TRF
Southwest School Corporation of Sullivan County	PERF, TRF
Southwestern Consolidated Schools of Shelby County	PERF, TRF
Southwestern High School	PERF
Southwestern Jefferson County Consolidated Schools	PERF, TRF
Special Services - Johnson County Schools	TRF
Speedway Public Schools	PERF, TRF
Spencer-Owen Community Schools	PERF, TRF
Spring Valley Community Schools	PERF, TRF
Steuben County Metropolitan School District	PERF, TRF
Sunman-Dearborn Community Schools	PERF, TRF
Switzerland Community School Corporation	PERF, TRF
Taylor Community Schools	PERF, TRF
Tell City Schools	PERF, TRF
The Excel Center (Charter)	TRF
The Project School (Charter)	PERF, TRF
Thea Bowman Leadership Academy (Charter)	PERF, TRF
Tippecanoe School Corporation	PERF, TRF
Tippecanoe Valley School Corporation	PERF, TRF
Tipton Community School Corporation	PERF, TRF
Tri-Central Community Schools	PERF, TRF
Tri-County School Corporation	PERF, TRF
Tri-Creek School Corporation	PERF, TRF
Triton Schools	PERF, TRF
Tri-Township Community School Corporation	TRF
Turkey Run Community School Corporation	PERF, TRF
Twin Lakes School Corporation	PERF, TRF
Twin Rivers Vocational School	PERF, TRF
Union County School Corporation	PERF, TRF
Union School Corporation	PERF, TRF
Union Township School Corporation	PERF, TRF
Union-North United School Corporation	PERF, TRF
Valparaiso Community Schools	PERF, TRF
Veritas Academy Charter School	PERF, TRF

School Districts and Education: Total (369); PERF (333); TRF (363)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Vigo County School Corporation	PERF, TRF
Vincennes Community School Corporation	PERF, TRF
Wabash City Schools	PERF, TRF
Wabash County Metropolitan School District	PERF, TRF
Wa-Nee Community Schools	PERF, TRF
Warren County Metropolitan School District	PERF, TRF
Warren Township Metropolitan School District	PERF, TRF
Warrick County School Corporation	PERF, TRF
Warsaw Community Schools	PERF, TRF
Washington Community Schools	PERF, TRF
Washington Township-Marion County Metropolitan School District	PERF, TRF
Wawasee Community School Corporation	PERF, TRF
Wayne Township Metropolitan School District	PERF, TRF
Wes-Del Community Schools	PERF, TRF
West Central Indiana Educational Service Center	PERF, TRF
West Central School Corporation	PERF, TRF
West Clark Community Schools	PERF, TRF
West Lafayette School City	PERF, TRF
West Noble School Corporation	PERF, TRF
West Washington School Corporation	PERF, TRF
Western Boone County Community School Corporation	TRF
Western Wayne Schools	PERF, TRF
Western-Howard County School Corporation	PERF, TRF
Westfield Washington Community School Corporation	TRF
Westview School Corporation	PERF, TRF
White River Valley School Corporation	PERF, TRF
Whiting School, City of	PERF, TRF
Whitko Community School Corporation	PERF, TRF
Whitley County Consolidated Schools	PERF, TRF
Wilson Education Center	PERF, TRF
Xavier School of Excellence (Charter)	PERF, TRF
Yorktown Community Schools	PERF
Zionsville Community Schools	TRF

Other: Total (255); PERF (255)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Adams County Public Library System	PERF
Akron Public Library	PERF
Alexandria Public Library	PERF
Allen County Public Library	PERF
Allen County Regional Waste and Sewer District	PERF
Anderson Public Library	PERF
Andrews-Dallas Township Public Library	PERF
And-Tro Water Authority	PERF
Angola Housing Authority	PERF
Argos Public Library	PERF
Aurora Public Library	PERF
Bartholomew County Library	PERF
Bedford Public Library	PERF
Beech Grove Public Library	PERF
Bell Memorial Public Library	PERF
Ben Davis Conservancy District	PERF
Benton County Highway	PERF
Benton County Public Library	PERF
Big Blue River Conservancy District	PERF
Bloomfield-Eastern Greene County Public Library	PERF
Boonville-Warrick County Public Library	PERF
Bourbon Public Library	PERF
Brazil Public Library	PERF
Bremen Public Library	PERF
Bristol Public Library	PERF
Brook-Iroquois Township Public Library	PERF
Brown County Public Library	PERF
Brownsburg Public Library	PERF
Cambridge City Library	PERF
Capital Improvements Board	PERF
Carmel Public Library	PERF
Carmel-Clay Department of Parks and Recreation	PERF
Centerville Library	PERF
Clarksville Sewage Department	PERF
Clay Township Regional Waste District	PERF
Clay-Owen-Vigo Solid Waste Management District	PERF
Clinton Public Library	PERF
Coatesville Library	PERF
Connersville Utilities	PERF
Converse-Jackson Township Library	PERF
Cordry-Sweetwater Conservancy District	PERF
Crawfordsville Public Library	PERF
Crown Point-Center Township Public Library	PERF

Other: Total (255); PERF (255)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Culver-Union Township Public Library	PERF
Danville-Center Township Public Library	PERF
Decatur County Board Of Health	PERF
Decatur Housing Authority	PERF
DeKalb County Airport Authority	PERF
Delaware County Airport Authority	PERF
Delaware County Housing Authority	PERF
Delaware County Regional Wastewater District	PERF
Delphi Public Library	PERF
Dubois County Contractual Library	PERF
East Central Indiana Solid Waste District	PERF
East Chicago Public Library	PERF
East Chicago Water Department	PERF
Eckhart Public Library	PERF
Elkhart Public Library	PERF
Evansville Housing Authority	PERF
Evansville Public Library	PERF
Evansville-Vanderburgh Airport Authority	PERF
Evansville-Vanderburgh County Building Authority	PERF
Fairmount Public Library	PERF
Fayette County Public Library	PERF
Flora-Monroe Public Library	PERF
Florence Regional Sewage District	PERF
Fort Branch-Johnson Township Public Library	PERF
Fort Wayne City Utilities	PERF
Fort Wayne Housing Authority	PERF
Fort Wayne-Allen County Airport Authority	PERF
Fortville-Vernon Township Public Library	PERF
Frankfort Community Public Library	PERF
Frankfort Utilities	PERF
Franklin County Public Library District	PERF
Fremont Public Library	PERF
Fulton County Library	PERF
Garrett Public Library	PERF
Gary Municipal Airport Authority	PERF
Gary Public Library	PERF
Gas City-Mill Township Public Library	PERF
Goshen Public Library	PERF
Greater Lafayette Public Transportation Corporation	PERF
Greentown and Eastern Howard Library	PERF
Greenwood Library	PERF
Hagerstown-Jefferson Township Public Library	PERF
Hamilton County Solid Waste District	PERF

Other: Total (255); PERF (255)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Hamilton East Public Library	PERF
Hamilton Lake Conservancy District	PERF
Hammond Public Library	PERF
Hancock County Public Library	PERF
Harrison County Lifelong Learning	PERF
Harrison County Public Library	PERF
Hartford City Public Library	PERF
Health and Hospital Corporation Of Marion County	PERF
Huntingburg Housing Authority	PERF
Huntingburg Public Library	PERF
Huntington Public Library	PERF
Hussey-Mayfield Memorial Public Library	PERF
Indiana 15 Regional Planning Commission	PERF
Indiana Port Commission	PERF
Indiana State Fair Commission	PERF
Indianapolis Local Public Improvement Bond Bank	PERF
Indianapolis Public Transportation Corporation	PERF
Indianapolis-Marion County Building Authority	PERF
Indianapolis-Marion County Public Library	PERF
Jackson County Public Library	PERF
Jackson County Solid Waste Management District	PERF
Jasper County Public Library	PERF
Jasper Public Library	PERF
Jay County Public Library	PERF
Jefferson County Public Library	PERF
Jeffersonville Flood Control District	PERF
Jeffersonville Park and Recreation	PERF
Jeffersonville Township Public Library	PERF
Jennings County Public Library	PERF
Johnson County Public Library	PERF
Kendallville Housing Authority	PERF
Kendallville Public Library	PERF
Kentland Public Library	PERF
Kewanna-Union Township Public Library	PERF
Knox County Housing Authority	PERF
Knox County Public Library	PERF
Kokomo Public Library	PERF
LaGrange County Public Library	PERF
Lake County Convention and Visitor Bureau	PERF
Lake County Library	PERF
Lake Lemon Conservancy District	PERF
LaPorte Municipal Airport Authority	PERF
LaPorte Public and County Libraries	PERF

Other: Total (255); PERF (255)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Lawrenceburg Flood Control District	PERF
Lawrenceburg Public Library	PERF
Lebanon Public Library	PERF
Leo-Cedarville Regional Sewer District	PERF
Lincoln-Heritage Public Library	PERF
Linton Housing Authority	PERF
Logansport Public Library	PERF
Loogootee Public Library	PERF
Lowell Public Library	PERF
Marion Public Library	PERF
Melton Public Library	PERF
Michiana Area Council of Governments	PERF
Michigan City Library	PERF
Middlebury Community Library	PERF
Milford Public Library	PERF
Mishawaka Public Library	PERF
Mitchell Community Public Library	PERF
Monon Town and Township Public Library	PERF
Monroe County Public Library	PERF
Monterey-Tippecanoe Public Library	PERF
Monticello-Union Township Public Library	PERF
Montpelier Public Library	PERF
Mooresville Public Library	PERF
Morgan County Public Library	PERF
Muncie Housing Authority	PERF
Muncie Indiana Transit System	PERF
Muncie Public Library	PERF
Nappanee Public Library	PERF
New Albany-Floyd County Public Library	PERF
New Carlisle-Olive Township Library	PERF
New Castle Housing Authority	PERF
New Castle-Henry County Public Library	PERF
New Paris Conservancy District	PERF
Noble County Library	PERF
Noblesville Housing Authority	PERF
North Madison County Public Library System	PERF
Northeast Indiana Solid Waste Management District	PERF
Northern Indiana Commuter Transportation District	PERF
Northwest Indiana Health Department Cooperative	PERF
Northwestern Indiana Regional Planning Commission	PERF
Oak Hill Cemetery	PERF
Oak Park Conservancy District	PERF
Ohio County Public Library	PERF

Other: Total (255); PERF (255)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Ohio Township Public Library System	PERF
Orleans Town and Township Public Library	PERF
Owen County Public Library	PERF
Paoli Public Library	PERF
Patoka Lake Regional Water and Sewer District	PERF
Peabody Public Library	PERF
Pendleton Community Public Library	PERF
Peru Public Library	PERF
Peru Utilities	PERF
Pike County Public Library	PERF
Plainfield Public Library	PERF
Plymouth Public Library	PERF
Porter County Public Library System	PERF
Porter County Solid Waste Management District	PERF
Pulaski County Public Library	PERF
Putnam County Public Library	PERF
Region 3-A Development and Regional Planning Commission	PERF
Regional Bus Authority	PERF
Remington-Carpenter Township Public Library	PERF
Richmond Sanitary District	PERF
Richmond-Morrison-Reeves Library	PERF
Rising Sun Municipal Utilities	PERF
Rockville Public Library	PERF
Rome City Housing Authority	PERF
Rushville Public Library	PERF
Salem Public Library	PERF
Scott County Public Library	PERF
Shelbyville-Shelby County Public Library	PERF
Sheridan Public Library	PERF
South Dearborn Regional Sewer District	PERF
Southeastern Indiana Regional Planning Commission	PERF
Southern Indiana Development Commission	PERF
Southwest Allen County Fire District	PERF
Speedway Public Library	PERF
Spencer County Public Library	PERF
St. Joseph County Airport Authority	PERF
St. Joseph County Public Library	PERF
Starke County Airport Authority	PERF
Starke County Public Library System	PERF
Steuben Lakes Regional Waste District	PERF
Stucker Fork Conservancy District	PERF
Sullivan County Public Library	PERF
Swayzee Public Library	PERF

Other: Total (255); PERF (255)

Fiscal Year Ended June 30, 2012

Employer's Name	Fund
Switzerland County Public Library	PERF
Tell City-Perry County Public Library	PERF
Terre Haute International Airport Authority	PERF
Three Rivers Solid Waste Management District	PERF
Tippecanoe County Public Library	PERF
Tipton County Library	PERF
Town Of Selma-Liberty Regional Waste District	PERF
Union City Housing Authority	PERF
Union City Library	PERF
Union County Public Library	PERF
Vermillion County Public Library	PERF
Vigo County Public Library	PERF
Vincennes Housing Authority	PERF
Vincennes Water and Sewer Department	PERF
Wabash Carnegie Library	PERF
Wabash County Solid Waste Management District	PERF
Wakarusa Public Library	PERF
Warren Public Library	PERF
Warrick County Solid Waste Management District	PERF
Warsaw Community Public Library	PERF
Washington Carnegie Library	PERF
Washington County Solid Waste Management District	PERF
Washington Housing Authority	PERF
Washington Township Library	PERF
Washington Township Public Library	PERF
Waterloo-Grant Township Public Library	PERF
Wells County Public Library	PERF
West Central Conservancy District	PERF
West Central Solid Waste District	PERF
West Lafayette Public Library	PERF
Westchester Public Library	PERF
Westfield Public Library	PERF
Whiting Public Library	PERF
Whitley County Solid Waste Management District	PERF
Willard Library of Evansville	PERF
Williamsport-Washington Township Public Library	PERF
Winchester Community Library	PERF
Worthington-Jefferson Township Public Library	PERF
Wright-Hageman Public Library	PERF
Yorktown-Mount Pleasant Community Library	PERF

INPRS

INDIANA PUBLIC RETIREMENT SYSTEM