INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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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

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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).

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INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

Introductory Section

December 20, 2013

Dear Board Members:

It is with pleasure that we present the Comprehensive Annual Financial Report (CAFR) of the Indiana Public Retirement System (INPRS) for the Fiscal Year ended June 30, 2013.

About the System

As of June 30, 2013, INPRS was responsible for the investment of approximately $27.1 billion in net assets. In total, INPRS paid approximately $2.5 billion in monthly retirement, disability and survivor benefits to 133,128 benefit recipients. INPRS received contributions of approximately $2.2 billion from 222,877 members actively employed in public service and 1,187 participating employers statewide, and approximately $0.3 billion in excess state reserves in accordance with 2012 HB 1376. INPRS also maintains accounts for 94,098 inactive members for a total membership of 450,103. 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 (EG&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, 2013, the PSF had a balance of $2.6 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.

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).

Benefit Plan and Other Legislative Changes during Fiscal Year 2013

- Several changes were passed or took effect during Fiscal Year 2013:
- Legislation provided a one-time check (a.k.a. 13th check) to benefit recipients of PERF, TRF and the EG&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 provided that for a member of PERF who dies after June 30, 2013, the beneficiary on file at the time of the member's death is the beneficiary PERF will pay out.
- Legislation required that an order for restitution be issued by the sentencing court before money may be taken from a PERF or TRF member's account to compensate an employer for a criminal taking by the member.
- Legislation increased the state employee line of duty death benefit from $50,000 to $100,000 and under certain conditions entitles stepchildren to receive survivor death benefits.

- Legislation clarified eligibility for the PERF ASA-Only Plan. Provides that any government agency that pays employees through the Auditor of State is a mandatory employer participant. Quasi-governmental and state educational employers may choose to offer the ASA-Only Plan as an option for their qualified employees.
- Legislation provided that a PARF member who took a withdrawal upon separation from service and who returns to service may buy back service credit at the full amount, plus interest at a rate specified by the INPRS Board.
- Legislation provides that on or after July 1, 2013, full time employees of the Lottery Commission shall become members of PERF.
- Legislation eliminated PERF second retirements. Provides that any retired PERF member reemployed in a PERF covered position July 1, 2013 and after shall not accrue a supplemental retirement benefit.
- Legislation provided several changes to the PARF plan including but not limited to 1) capped member contributions at 22 years of service, 2) provided immediate eligibility for disability benefits upon hire, 3) allowed members to receive full retirement benefits at age 65 or anytime after 55, if they meet the rule of 85, 4) increased the minimum survivor benefit from $7,000 to $12,000, and 5) clarified eligibility of certain survivor benefits to a surviving spouse and children.
- Legislation permitted certain 1977 Fund members who become employed by another participating employer to remain as a member of the 1977 Fund without undergoing another physical and mental examination for fund eligibility purposes.

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.

In June 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 Statements No. 25 and No. 50 will be replaced by GASB Statement No. 67 (Financial Reporting for Pension Plans) and GASB Statements No. 27 and No. 50 will be replaced by GASB Statement No. 68 (Accounting and Financial Reporting for Pensions). Information about these upcoming changes can be found on the GASB web site 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 2013, the State of Indiana exceeded its funding obligations to the TRF Pre-96 Account, JRS, PARF and LRS plans. In aggregate, all other required contributions from members and other employers to all of the INPRS administered plans were also fully satisfied in Fiscal Year 2013.

Investments

In Fiscal Year 2013, INPRS Consolidated Defined Benefit Assets returned a positive 6.0 percent net of fees. While the 5-year return rate of 3.0 percent is below the fund's long-term actuarial assumed rate of 6.75 percent – reflecting the recession years of 2008 and 2009 – the 3-year return was 8.4 percent. Three-year return performance is significant since it has been 3 years since the inception of the consolidated TRF and PERF risk-based asset allocation. During this 3 year period, actual returns were 1.65 percentage points better than our actuarial assumed rate of return, and volatility better than expectation. In FY2013, the INPRS risked-based asset allocation performed as we would have expected given US and global market conditions during the year. As with any long-term forward-looking asset allocation, the true test will be time as the portfolio weathers changing environments.

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 2013, INPRS built upon the foundation established in our new Investment Policy Statement (IPS) created in 2012. A recently implemented risk measurement system has contributed to better risk based decision making. Continued improvements to compliance systems and internal procedures further assure the integrity demanded by stakeholders. 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.

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 improved in FY2013 to 85.3 percent. The TRF Pre-1996 pay-as-you-go account, designed in 1921 for a zero funded status, actually has a funded status of 31.8 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 position restricted 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 2013

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 web site www.inprs.in.gov. To that end, there were several significant accomplishments during Fiscal Year 2013.

Members continue to receive outstanding customer service. More than 99 percent of new retirees received their first pension payment on time. More than 93 percent of members, who interacted with INPRS, rated their experience as good or excellent. As an organization, we carefully managed over 900,000 emails, 275,000 calls to the call center, and met with over 21,000 members to discuss their retirement options in detail. Comparing ourselves to similar retirement systems across the US, we rank highest in service capability and availability, and second highest in our 1-1 counseling service.

Significant progress continues in the implementation of new information technologies. INPRS successfully completed its sixth year of a multi-year program to modernize its business processes and systems. In October 2012, INPRS launched a new Employer Reporting and Maintenance (ERM) system. This system modernized employer interactions with INPRS while getting members' retirement contributions into their individual accounts on a payroll basis. Previously, this was only possible quarterly. In its first full year of operation, the ERM system has processed more than six million transactions and $1.2 billion dollars in contributions. The final major component of the INPRS modernization program is the implementation of a new Defined Benefit administration system. This system was launched in December 2013. Once fully operational in early 2014, this new system will bring to a close a modernization program that will have overhauled every INPRS business process and IT platform.

2013 marks the successful integration of all prior PERF and TRF activities into a unified INPRS culture. Last year's CAFR was the first consolidated INPRS CAFR and was awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. Assets of the ASA plans were consolidated into a structure that brought additional fee savings to members.

As stewards of assets held 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 $40+ million of additional savings achieved in 2013, the cumulative net present value of savings generated thus far is $330 million to Indiana taxpayers. INPRS also continues to leverage technology to reduce the cost and environmental impact of printed paper.

The continued pursuit of excellence at INPRS is also attracting nationwide attention from our peers and industry experts. INPRS was one of three finalist for Large Public Plan of the Year awarded by a leading industry investment publication.

INPRS was also named as a finalist for an award in Corporate Information Technology Excellence and Innovation. Last but not least is 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.

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 former Indiana Governor Mitch Daniels, current Indiana Governor Mike Pence, 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.

Steve Russo
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indiana Public Retirement System

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2013

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

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Administrative Organization[1]

Board of Trustees[2]


Brian Abbott


Chris Atkins


Ken Cochran


Steve Daniels


Jodi Golden

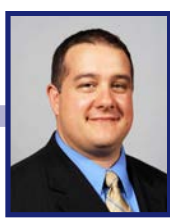

Mike Pinkham


Kyle Rosebrough


Bret Swanson

Executive Team


Steve Russo
Executive Director


Steven Barley
Chief Operations Officer and Deputy Director


David Cooper
Chief Investment Officer


Tony Green
Chief Legal and Compliance Officer


Donna Grotz
Director of Strategic Initiatives and Administration


Mike Hineline
Chief Information and Technology Officer


Jeffrey Hutson
Chief Communication Officer


Julia Pogue
Chief Financial Officer


Teresa Snedigar
Director of Internal Audit

[1] *As of December 2013.*
[2] *The ninth Board of Trustees position is currently vacant.*

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.

Mike Pence
Governor

Sue Ellspermann
Lt. Governor

Executive Team[1]

Steve Russo
Executive Director

Steven Barley
Chief Operations Officer
and Deputy Director

David Cooper
Chief Investment Officer

Tony Green
Chief Legal and Compliance Officer

Donna Grotz
Director of Strategic Initiatives
and Administration

Mike Hineline
Chief Information and Technology
Officer

Jeffrey Hutson
Chief Communication Officer

Julia Pogue
Chief Financial Officer

Teresa Snedigar
Director of Internal Audit

Professional Consultants[2]

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1701 Pennsylvania Ave., N.W.
Washington, DC 20006-5811

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One American Square, Suite 2900
Indianapolis, IN 46282

Krieg DeVault LLP
One Indiana Square, Suite 2800
Indianapolis, IN 46204

Nyhart
8415 Allison Pointe Blvd., Suite 300
Indianapolis, IN 46250

PricewaterhouseCoopers LLP
One North Wacker Drive
Chicago, IL 60606

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

[1]*As of December 2013.*
[2]*A complete list of investment professionals that have provided services to INPRS can be found at the end of the Investment Section.*

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Summary of Key Data as of June 30, 2013

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- EG&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)

Plan	Number of Employers[1]	Total Number of Members	Net Assets	Actuarial Value of Assets (AVA)	Actuarial Accrued Liabilities (AAL)	Unfunded AAL	Funded Status (AVA/AAL)
PERF	1,137	288,448	$ 12,721	$ 12,948	$ 16,146	$ 3,198	80.2%
TRF - Pre-1996 Account		72,415		5,235	16,462	11,227	31.8
TRF - 1996 Account		69,119		4,454	4,750	296	93.8
Total TRF	369	141,534	9,649	9,689	21,212	11,523	45.7
1977 Fund	161	17,703	4,117	4,181	4,393	212	95.2
JRS	1	785	376	381	453	72	84.1
EG&C Plan	1	757	97	98	118	20	83.5
PARF	1	550	48	49	62	13	78.7
LEDB Plan	1	101	3	3	4	1	79.8
LEDC Plan	1	225	25	-	-	-	-
Other[2]	-	-	49	-	-	-	-
Total	**1,187**	**450,103**	**$ 27,085**	**$ 27,349**	**$ 42,388**	**$ 15,039**	**85.3%[3]**

[1]Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.
[2]Includes State Employees' Death Benefit Fund, Public Safety Officers' Special Death Benefit Fund, and Pension Relief Fund.
[3]Total INPRS, excluding TRF Pre-1996 Account (Pay-As-You-Go).

Hybrid Plan

The membership of the Public Employees' Retirement Fund (PERF) Hybrid plan includes eligible state and local government entities.

Eligibility for Pension Benefit Payment[1]

- Early retirement with reduced benefits between ages 50-59 with 15 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 60 with 15 years of service
- Age 65 with 10 years of service
- Age 65 with 8 years of service[2]
- Age 70 with 20 years of service[3]

Contribution Rates

- Employer contribution rates for the Defined Benefit (pension) are determined annually by the INPRS Board based on recommendations by the INPRS actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account. Employers have the option of making all or part of this contribution on behalf of the member. Members may also make voluntary contributions to the Annuity Savings Account up to an additional 10 percent of their wages, under certain limitations.

Benefit Formula

Lifetime Annual Benefit = (Years of Creditable Service x Average Highest 20 Quarters of Salary x .011) + Annuity Savings Account[4]

Cost of Living Allowance (COLA)

Cost of living adjustments are granted by the Indiana General Assembly on an ad hoc basis.

ASA Only Plan

Established on March 1, 2013, the membership of the Public Employees' Retirement Fund (PERF) ASA Only plan includes first-time, full-time employees of the state of Indiana.

Eligibility for Plan Payment

- Members are fully vested in the 3 percent employee share (Annuity Savings Account) upon hire
- The member's share of the employer contribution is based on full years of participation:

1 year	= 20 percent
2 years	= 40 percent
3 years	= 60 percent
4 years	= 80 percent
5 years	= 100 percent

Contribution Rates

- Employer pays the mandatory 3 percent employee (member) share of gross wages.
- The employer share is also paid by the employer, but the member must meet vesting requirements.[5]

Benefit Formula

Not applicable

Cost of Living Allowance (COLA)

Not applicable

[1]A member is automatically eligible for withdrawal of the PERF Hybrid Plan Annuity Savings Account (ASA) benefit once he/she separates from service. Certain restrictions may apply if the member is vested in a pension benefit.

[2]A member who has at least eight years of PERF Plan service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner is eligible for normal retirement after reaching age 65. This change in the law applies only to members retiring after June 30, 2002. Public Law 73-2002 also provides that a member serving as state auditor, state treasurer or secretary of state, and whose term commences after the November 5, 2002 election, be vested with at least eight years of creditable service.

[3]Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed in a PERF covered position without a separation from service, and receive monthly benefits.

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

[5]Contribution amounts covering unfunded pension liability are not made to member ASA Only accounts.

The membership of the Indiana State Teachers' Retirement Fund includes eligible educators and administrators.

Eligibility for Pension Benefit Payment[1]

- Early retirement with reduced benefits between ages 50-59 with 15 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 60 with 15 years of service
- Age 65 with 10 years of service
- Age 70 with 20 years of service[2]

Contribution Rates

- The Pre-1996 Account is funded primarily by State General Fund appropriations and state lottery proceeds.
- Employer contribution rates for the 1996 Account are determined annually by the INPRS Board based on recommendations by the INPRS actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account. Employers have the option of making all or part of this contribution on behalf of the member. Members may also make voluntary contributions to the Annuity Savings Account up to an additional 10 percent of their wages, under certain limitations.

Benefit Formula

Lifetime Annual Benefit =
x (Years of Creditable Service
x Average Highest Five-Year Annual Salary
x .011) + Annuity Savings Account[3]

Cost of Living Allowance (COLA)

Cost of living adjustments are granted by the Indiana General Assembly on an ad-hoc basis.

[1]A member is automatically eligible for withdrawal of the Annuity Savings Account (ASA) benefit once he/she separates from service. Certain restrictions may apply if the member is vested in a pension benefit.
[2]Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed in a TRF covered position without a separation from service, and receive monthly benefits.
[3]Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined pension benefit or in a total distribution.

1977 Police Officers' and Firefighters' Pension and Disability Fund provides 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 or township.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 50
- 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

Contribution Rates

- Employer contribution rate is adopted by the INPRS Board of Trustees based on recommendations by the INPRS actuary.
- 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.

Benefit Formula

Annual Benefit = 50 percent of first-class salary for 20 years of service.[1]

Cost of Living Allowance (COLA)

Cost of living adjustment 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).

The Judges' Retirement System includes any person who has served, is serving or shall serve as a regular judge or justice of the Supreme Court of the state of Indiana, Court of Appeals, Indiana Tax Court, Circuit Court of a Judicial Court, or County Courts including: Superior, Criminal, Probate, Juvenile, Municipal and County Courts. Beginning Jan. 1, 2011, full-time magistrates who are 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 Jan.1, 2011, all new full-time magistrates.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 62 and at least eight years of service credit
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 65 with at least eight years of service credit

Contribution Rates

- Employer contributions are determined by the Indiana General Assembly as appropriations from the state's General Fund and certain court and docket fees.
- 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.

Benefit Formula

Annual Benefit = Salary at Retirement[1]
x Percentage Below

Years of Service	Percentages
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%
15	53%

Years of Service	Percentages
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

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.

[1]Benefit calculations for the 1977 System (those who began service as a judge before September 1, 1985) are based on the current salary of the judge's position from which they retired. The 1985 System (those who began service as a judge after August 31, 1985) uses the salary paid to the participant when they retired or the salary paid for the office the participant held at the time of the participant's separation, depending on the participant's separation date and date of retirement application.

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan includes members engaged exclusively in the performance of law enforcement duties 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 or gaming agent.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 45 with at least 15 years of creditable service
- Age 50 with 25 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Deferred Retirement Option Plan (DROP) – continue to work and earn a salary while accumulating a DROP benefit

Contribution Rates

- Employer contribution rate is adopted by the INPRS Board of Trustees based on recommendations by the INPRS actuary.
- 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.

Benefit Formula

Annual Benefit = 25 percent[1] x Average Annual Salary[2]

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.

[1]This percentage is increased by 1.67 percent of average annual salary for each completed year of creditable service after 10 years. However, the total percentage may not exceed 75 percent.
[2]Average Annual Salary is defined as 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.

The Prosecuting Attorneys' Retirement Fund (PARF) includes prosecuting attorneys, chief deputy prosecuting attorneys and other deputy prosecuting attorneys paid by the state. PARF members are also members of the PERF Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF Plan.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 62 and at least eight years of service credit
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 65 with at least eight years of service credit

Contribution Rates

- Actuarially determined State General Fund appropriations
- 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.

Benefit Formula

Annual Benefit = Highest Annual Salary
(state-paid portion only) at Retirement
x Percentage Below

Years of Service	Percentages
Less than 8	0%
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%

Years of Service	Percentages
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

Cost of Living Allowance (COLA)

No cost of living allowance is provided.

The Legislators' Retirement System Defined Benefit Plan (LEDB plan) includes only legislators of the state of Indiana who were serving on April 30, 1989, and elected participation. Legislators elected or appointed after April 30, 1989, participate in the Legislators' Defined Contribution Plan (LEDC plan).

Eligibility for Pension Benefit Payment

- Early retirement at least age 55 with 10 years of creditable service, when member is no longer serving in the General Assembly and is not receiving, nor entitled to receive, compensation from the state for work in any capacity
- At age 55 if age and creditable service equal at least 85 ("Rule of 85")
- Age 60 with at least 15 years of service as a member of the General Assembly
- 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)

Contribution Rates

- The LEDB plan employer contributions are actuarially determined State General Fund appropriations. There are no member contributions for the defined benefit plan.
- For the LEDC plan, 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. The member must contribute 5 percent of member's salary for service after June 30, 1989.

Benefit Formula

The lesser of:

- $40 x Years of service before November 8, 1989 or
- Highest consecutive three-year average annual salary at termination ÷ 12

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.

Financial Section

Financial Statements

Required Supplementary Information

Other Supplementary Schedules

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Indiana Public Retirement System's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Indiana Public Retirement System Board of Trustees' preparation and fair presentation of the financial statements in order to design 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. Accordingly we express no such opinion. An audit also includes evaluating the accounting principles used and significant estimates made by management, as well as evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the plan's net position of the fiduciary funds of the Indiana Public Retirement System Board of Trustees, as of June 30, 2013, and the respective changes in the financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters

Required Supplementary Information

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 Contributions from Employers and Other Contributing Entities 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Indiana Public Retirement System's basic financial statements. The Introductory Section, Schedule of Administrative and Project Expenses, Schedule of Administrative Contractual and Professional Services Expenses, Schedule of Project Expenses, Schedule of Project Contractual and Professional Services Expenses, Schedule of Investment Expenses, Investment Section, Actuarial Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Administrative and Project Expenses, Schedule of Administrative Contractual and Professional Services Expenses, Schedule of Project Expenses, Schedule of Project Contractual and Professional Services Expenses, and Schedule of Investment Expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Administrative Contractual and Professional Services Expenses, Schedule of Project Expenses, Schedule of Project Contractual and Professional Services Expenses, and Schedule of Investment Expenses, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Investment Section, Actuarial Section, and Statistical Section have 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.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

November 20, 2013

Management's Discussion and Analysis (MD&A) of the Indiana Public Retirement System (INPRS) provides a narrative summary of INPRS financial position and performance for fiscal year ended June 30, 2013, including highlights and comparative data. The MD&A is presented as required supplementary information to the financial statements of the INPRS Comprehensive Annual Financial Report (CAFR) and should be read in conjunction with the Letter of Transmittal included in the Introductory Section, and the Financial Statements, the Notes to the Financial Statements, Required Supplementary Information, and the Other Supplementary Schedules presented in the Financial Section.

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 (EG&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

Financial Highlights

- Total net position of INPRS was $27,085 million as of June 30, 2013. Net position of the retirement plans, which is restricted for future benefit payments, was $27,068 million as of June 30, 2013. The remaining $17 million of net position is restricted for future death benefits and local unit withdrawals from the Pension Relief Fund.

- Total net position of INPRS increased by $1,521 million, or 5.9 percent, during fiscal year 2013. The increase in net position from fiscal year 2012 to fiscal year 2013 was primarily due to net investment income of $1,514 million. Contributions of $2,503 million and other additions of $15 million were mostly offset with benefit payments/other deductions of $2,511 million.

- INPRS contributions primarily from employers and members increased to $2,503 million during fiscal year 2013, or by $472 million (23.2 percent), from contributions of $2,031 million during fiscal year 2012. The major reason for this increase was due to the State appropriating an additional $329 million from State excess reserves in accordance with 2012 HB 1376. There was also a $93 million increase in appropriations including the pre-funding of a one-time check (a.k.a.13th check) of $20 million. In addition, contributions due to employer rate increases/other increased by $50 million.

- The INPRS rate of return for fiscal year 2013 was 6.0 percent, or $1,514 million, on a market value basis, compared to a return of 0.7 percent or $173 million for fiscal year 2012.

- INPRS paid $2,450 million in pension and disability benefits, special death benefits, distributions of contributions and interest, and pension relief distributions during fiscal year 2013. This represented an increase of $96 million, or 4.1 percent, from the $2,354 million paid during fiscal year 2012.

- Net position of the Pension Relief Fund was $36.6 million as of June 30, 2013, compared to $18.4 million as of June 30, 2012. 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 450,103 as of June 30, 2013. There were 222,877 active members, 133,128 benefit recipients, 30,213 terminated vested members, and 63,885 terminated non-vested members.

- As of June 30, 2013, 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 85.3 percent. This represents an increase of 4.1 percentage points from the 81.2 percent funded ratio as of June 30, 2012. The increase was due to the State appropriating additional funds from State excess reserves in accordance with 2012 HB 1376, higher state and other employers' contribution rates and a favorable rate of return on investments.

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 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 is a point-in-time snapshot of the INPRS assets and liabilities at fiscal year end June 30, 2013 and June 30, 2012. It reports the net position (assets less liabilities equals net position) restricted 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, 2013 and June 30, 2012.

The Statement of Changes in Fiduciary Net Position displays the effect of financial transactions that occurred during fiscal year 2013, where additions less deductions equal net increase (or net decrease) in net position. Additions come 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. Deductions are pension, disability and death benefit distributions, PR Fund distributions and withdrawals, administrative and project expenses, and other deductions. This increase (or decrease) in net position reflects the change in the value of Fiduciary Net Position that occurred between June 30, 2013 and June 30, 2012.

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 2013.

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 Administrative Contractual and Professional Services Expenses, Schedule of Project Expenses, Schedule of Project Contractual and Professional Services Expenses, and Schedule of Investment Expenses.

Financial Analysis

Statement of Fiduciary Net Position

As shown in the table below, the total net position for INPRS was $27,085 million as of June 30, 2013 which represents an increase of $1,521 million, or 5.9 percent, compared to total net position of $25,564 million as of June 30, 2012.

Net Position
(dollars in thousands)

	June 30, 2013	June 30, 2012	Increase / (Decrease)	Percentage Change
Assets				
Cash	$ 11,295	$ 28,134	$ (16,839)	(59.9) %
Receivables	2,526,780	1,993,329	533,451	26.8
Investments	28,733,268	27,661,980	1,071,288	3.9
Capitalized Assets (Net)	12,154	10,929	1,225	11.2
All Other Assets	304	125	179	143.2
Total Assets	**$ 31,283,801**	**$ 29,694,497**	**$ 1,589,304**	**5.4 %**
Liabilities				
Investments Payable	$ 3,923,156	$ 3,965,197	$ (42,041)	(1.1) %
All Other Liabilities	276,001	165,174	110,827	67.1
Total Liabilities	**$ 4,199,157**	**$ 4,130,371**	**$ 68,786**	**1.7 %**
Total Net Position	**$ 27,084,644**	**$ 25,564,126**	**$ 1,520,518**	**5.9 %**
Investment, Administrative and Project Expenses as a Percentage of Net Position	0.68%	0.62%	0.06%	

Total assets of INPRS were $31,284 million as of June 30, 2013, compared to $29,695 million as of June 30, 2012, which represents an increase in total assets of $1,589 million, or 5.4 percent. The primary reasons for this increase are as follows:

- **Cash** decreased by $17 million, or (59.9) percent, as cash from contributions was invested more timely.
- **Receivables** increased by $533 million, or 26.8 percent, primarily due to an increase in the foreign currency futures contracts receivable. This increase was partially offset by a decrease in contributions receivable resulting from a new employer reporting

system which was implemented in October 2012. Employers report and pay contributions on a payroll basis instead of quarterly.

- **Investments** increased by $1,071 million, or 3.9 percent, driven primarily by the positive rate of return on investments of 6.0 percent for fiscal year 2013. Of the $1,071 million increase, other investments increased by $1,623 million (26 percent), equities increased by $470 million (8 percent), securities lending increased by $183 million (20 percent), short-term investments decreased by $1,026 million (41 percent), fixed income investments decreased by $110 million (1 percent), and repurchase agreements decreased by $69 million (70 percent).
- **Net Capitalized/Other Assets** increased by $1.4 million, or 12.7 percent, due to the capitalization of software costs related to the modernization projects.

Total liabilities of INPRS were $4,199 million as of June 30, 2013, compared to $4,131 million as of June 30, 2012, which represents an increase in total liabilities of $68 million, or 1.7 percent. The primary reasons for the increase are as follows:

- **Investments Payable** including Securities Lending Obligations decreased by $42 million, or (1.1) percent, due to the timing of transactions at the end of fiscal year 2013.
- **All Other Liabilities** increased by $110 million, or 67.1 percent, primarily due to TRF monthly retirement benefits payable. At the end of June 2012, there was no TRF payable due to the TRF July 2012 payment being paid in late June 2012.

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

Summary of Net Position by Fund
(dollars in thousands)

	June 30, 2013	June 30, 2012	Increase / (Decrease)	Percentage Change
PERF	$ 12,720,601	$ 12,243,755	$ 476,846	3.9 %
TRF	9,648,879	9,077,059	571,820	6.3
1977 Fund	4,116,861	3,817,013	299,848	7.9
JRS	375,752	262,326	113,426	43.2
EG&C Plan	97,019	76,543	20,476	26.8
PARF	47,920	27,689	20,231	73.1
LEDB Plan	3,337	3,385	(48)	(1.4)
LEDC Plan	25,322	25,579	(257)	(1.0)
SE Death Benefit Fund	7,683	7,683	-	-
PSO Special Death Benefit Fund	4,653	4,683	(30)	(0.6)
PR Fund	36,617	18,411	18,206	98.9
Total Net Position	**$ 27,084,644**	**$ 25,564,126**	**$ 1,520,518**	**5.9 %**

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, 2013, INPRS held over $4.2 billion in Money Market Sweep Vehicles and U.S. Government and Agency Securities. INPRS also held approximately $1.4 billion in highly liquid, Large-Cap Domestic

Equities. Because of their characteristics, investments in Asset Backed Securities, Commingled Funds, Corporate Bonds, Non U.S. Governments, other Domestic Equities, International Equities, and Risk Parity are not considered a primary source of liquidity. Investments in Private Equity, Absolute Return, and Private Real Estate are generally considered illiquid.

Statement of Changes in Fiduciary Net Position

As shown in the table below, the total net position for INPRS increased by $1,521 million, or 5.9 percent, for fiscal year 2013, compared to a total net position decrease of $192 million, or (0.7) percent as of June 30, 2012. A summary of changes in net position during the fiscal years ended June 30, 2013 and June 30, 2012, is presented below:

Changes in Net Position
(dollars in thousands)

	June 30, 2013	June 30, 2012	Increase / (Decrease)	Percentage Change
Additions				
Member Contributions	$ 326,518	$ 335,548	$ (9,030)	(2.7)%
Employer Contributions	2,087,315	1,605,839	481,476	30.0
Other Contributions	89,132	89,763	(631)	(0.7)
Net Investment Income	1,514,313	172,801	1,341,512	776.3
Other Additions	14,865	13,125	1,740	13.3
Total Additions	**$ 4,032,143**	**$ 2,217,076**	**$ 1,815,067**	**81.9 %**
Deductions				
Benefits – Pension, Disability, Death	$ 2,132,433	$ 2,034,849	$ 97,584	4.8 %
Distributions of Contributions and Interest	98,414	95,431	2,983	3.1
Pension Relief Distributions	219,814	224,220	(4,406)	(2.0)
Administrative Expenses	32,193	31,489	704	2.2
Project Expenses	13,728	9,359	4,369	46.7
All Other Deductions	15,043	13,275	1,768	13.3
Total Deductions	**$ 2,511,625**	**$ 2,408,623**	**$ 103,002**	**4.3 %**
Net Increase / (Decrease) in Net Position	**$ 1,520,518**	**$ (191,547)**	**$ 1,712,065**	**893.8 %**
Changes in Net Position Restricted for:				
Pension Benefits	$ 1,502,042	$ (158,280)		
Future Death Benefits*	270	1,261		
State and Local Units**	18,206	(34,528)		

**Other Employment Benefit Trust Funds*
***Pension Relief Fund only*

Additions

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 $4,032 million for fiscal year 2013, compared to $2,217 million for fiscal year 2012, which represents an increase in total additions of $1,815 million, or 81.9 percent. The primary reasons for the increase are as follows:

- Employer Contributions increased by $481 million, or 30.0 percent. The primary reason for this increase was due to the State appropriating an additional $329 million from State excess reserves in accordance with 2012 HB 1376. There was also a $93 million increase in appropriations including the pre-funding of a one-time check (a.k.a.13th check) of $20 million. In addition, contributions due to employer rate increases/other increased by $59 million.

- Net Investment Income increased by $1,342 million, or 776 percent, driven by a 6.0 percent return in fiscal year 2013 compared to a 0.7 percent return for fiscal year 2012.
- Other Additions increased by $2 million, or 13.3 percent, due to an increase in interfund transfers which by their nature, can fluctuate significantly from year to year.

Deductions

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 $2,511 million for fiscal year 2013, compared to $2,409 million for fiscal year 2012, which represents an increase in total deductions of $102 million, or 4.3 percent. The primary reasons for the increase are as follows:

- **Pension, Disability and Death Benefits** increased by $98 million, or 4.8 percent, due to an increase in the number of retirees.
- **Project Expenses** increased by $4 million, or 46.7 percent, primarily due to a higher amount of the project expenses for the Employer Reporting System and the Indiana Pension Administration System modernization program, in fiscal year 2013 versus fiscal year 2012.
- **All Other Deductions** increased by $2 million, or 13.3 percent, due to higher local 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, 2013, compared to the INPRS current target investment allocation and actual allocation as of June 30, 2012.

Consolidated Defined Benefit Asset Allocation

	June 30, 2013 Actual	June 30, 2013 Target	June 30, 2012 Actual	Allowable Range For Investments[1]
Public Equity	24.2%	22.5%	25.2%	20.0% to 25.0%
Private Equity	13.0	10.0	13.3	7.0% to 13.0%
Fixed Income - Ex Inflation-Linked	22.0	22.0	25.1	19.0% to 25.0%
Fixed Income - Inflation-Linked	10.0	10.0	10.5	7.0% to 13.0%
Commodities	7.3	8.0	7.9	6.0% to 10.0%
Real Estate	5.3	7.5	4.7	4.0% to 11.0%
Absolute Return	8.6	10.0	6.3	6.0% to 14.0%
Risk Parity	9.6	10.0	7.0	5.0% to 15.0%
Total	**100.0%**	**100.0%**	**100.0%**	

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

The Consolidated Defined Benefit Assets (i.e., INPRS-controlled asset allocation) rate of return on investments was positive 6.0 percent for fiscal year 2013, compared to the 6.75 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 2013, 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 positive 18.2 percent for fiscal year 2013. This return compared 1.1 percentage points favorable to the benchmark of positive 17.1 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 11.7 percent for fiscal year 2013. This return compared (12.8) percentage points unfavorable to the benchmark of positive 24.5 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 0.5 percent for fiscal year 2013. This return was (1.2) percentage points unfavorable to the benchmark of positive 1.7 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 negative (3.6) percent for fiscal year 2013. This return compared (0.2) percentage points unfavorable to the benchmark of negative (3.4) 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 unanticipated inflation, had a return on investment of negative (4.4) percent for fiscal year 2013. This return compared (1.4) percentage points unfavorable to the benchmark of negative (3.0) 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 13.8 percent for fiscal year 2013. This return compared 4.1 percentage points favorable to the benchmark of positive 9.7 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 positive 6.9 percent for fiscal year 2013. This return compared (0.3) percentage points unfavorable to the benchmark of positive 7.2 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 negative (0.4) percent for fiscal year 2013. This return compared (11.1) percentage points unfavorable to the benchmark of positive10.7 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, 2013	June 30, 2012
PERF	80.2%	76.6%
TRF 1996 Account	93.8	90.7
1977 Fund	95.2	91.9
JRS	84.1	59.4
EG&C Plan	83.5	67.1
PARF	78.7	49.0
LEDB Plan	79.8	75.0
Total INPRS (ExcludingTRF Pre-1996 Account[1])	**85.3%**	**81.2%**
TRF Pre-1996 Account[1]	31.8	30.1
Total INPRS (IncludingTRF Pre-1996 Account[1])	**64.5%**	**60.8%**

[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, 2013 (with Comparative Totals for the Year Ended June 30, 2012)[1]

(dollars in thousands)	Pension Trust Funds							
	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	$ 6,129	$ 2,703	$ 1,278	$ 13	$ 11	$ -	$ 1	$ 14
Receivables:								
Contributions Receivable	9,161	6,850	3,700	-	-	-	-	-
Miscellaneous Receivables	862	346	65	50	-	44	-	935
Investments Receivable	1,106,242	809,584	433,494	39,606	10,228	5,048	352	1,952
Interest and Dividends	43,340	33,242	13,025	1,190	307	152	11	69
Due From Other Funds	5,669	1,103	59	5	1	-	-	-
Total Receivables	1,165,274	851,125	450,343	40,851	10,536	5,244	363	2,956
Investments:								
Short Term Investments	-	-	-	-	-	-	-	-
Pooled Unit Trust Assets:								
Repurchase Agreements	13,294	9,281	5,511	504	130	64	4	12
Short Term Investments	665,202	488,496	245,323	22,414	5,788	2,857	199	994
Fixed Income	5,627,991	4,338,409	1,465,065	133,855	34,566	17,060	1,190	6,168
Equities	3,010,773	2,534,631	992,056	90,639	23,406	11,552	806	14,204
Other Investments	3,619,640	2,527,811	1,500,262	137,081	35,399	17,472	1,219	3,345
Securities Lending Collateral	497,524	347,371	206,268	18,846	4,867	2,402	168	458
Total Investments	13,434,424	10,245,999	4,414,485	403,339	104,156	51,407	3,586	25,181
Other Assets	304	-	-	-	-	-	-	-
Gross Capitalized Assets	13,776	4,553	527	21	20	15	1	3
Less: Accumulated Depreciation and Amortization	(4,820)	(1,732)	(188)	(7)	(7)	(5)	(1)	(2)
Net Capitalized Assets	8,956	2,821	339	14	13	10	-	1
Total Assets	**14,615,087**	**11,102,648**	**4,866,445**	**444,217**	**114,716**	**56,661**	**3,950**	**28,152**
Liabilities								
Accounts Payable	5,001	896	62	4	3	1	-	1
Retirement Benefits Payable	775	86,899	7	10	-	-	1	-
Salaries and Benefits Payable	2,589	-	-	-	-	-	-	-
Investments Payable	1,307,756	957,994	509,623	46,561	12,024	5,934	415	2,297
Securities Lending Obligations	497,525	347,369	206,268	18,846	4,867	2,402	169	458
Securities Sold Under Agreement to Repurchase	79,668	55,626	33,029	3,018	779	385	28	73
Due to Other Funds	1,172	4,985	595	26	24	19	-	1
Total Liabilities	**1,894,486**	**1,453,769**	**749,584**	**68,465**	**17,697**	**8,741**	**613**	**2,830**
Net Position Restricted for:								
Pension Benefits[2]	12,720,601	9,648,879	4,116,861	375,752	97,019	47,920	3,337	25,322
Future Death Benefits	-	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-	-
Total Net Position Restricted	**$ 12,720,601**	**$ 9,648,879**	**$ 4,116,861**	**$ 375,752**	**$ 97,019**	**$ 47,920**	**$ 3,337**	**$ 25,322**

[1]The accompanying notes are an integral part of the financial statements. Please see the Notes to the Financial Statements for further details.
[2]A schedule of funding progress for each plan is presented in the Required Supplementary Information.

Statement of Fiduciary Net Position, continued

As of June 30, 2013 (with Comparative Totals for the Year Ended June 30, 2012)[1]

(dollars in thousands)	Other Employment Benefit Trust Funds		Investment Trust Fund		
	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund	2013 Totals	2012 Totals
Assets					
Cash	$ -	$ 92	$ 1,054	$ 11,295	$ 28,134
Receivables:					
Contributions Receivable	-	-	-	19,711	200,964
Miscellaneous Receivables	-	-	-	2,302	1,213
Investments Receivable	-	-	-	2,406,506	1,696,567
Interest and Dividends	54	34	-	91,424	86,947
Due From Other Funds	-	-	-	6,837	7,638
Total Receivables	54	34	-	2,526,780	1,993,329
Investments:					
Short Term Investments	-	-	35,587	35,587	14,117
Pooled Unit Trust Assets:					
Repurchase Agreements	-	-	-	28,800	97,490
Short Term Investments	230	146	-	1,431,649	2,479,447
Fixed Income	7,402	4,683	-	11,636,389	11,746,258
Equities	-	-	-	6,678,067	6,207,694
Other Investments	-	-	-	7,842,229	6,219,243
Securities Lending Collateral	1,619	1,024	-	1,080,547	897,731
Total Investments	9,251	5,853	35,587	28,733,268	27,661,980
Other Assets	-	-	-	304	125
Gross Capitalized Assets	-	-	2	18,918	15,345
Less: Accumulated Depreciation and Amortization	-	-	(2)	(6,764)	(4,416)
Net Capitalized Assets	-	-	-	12,154	10,929
Total Assets	**9,305**	**5,979**	**36,641**	**31,283,801**	**29,694,497**
Liabilities					
Accounts Payable	-	300	9	6,277	6,263
Retirement Benefits Payable	-	-	-	87,692	959
Salaries and Benefits Payable	-	-	-	2,589	2,116
Investments Payable	3	2	-	2,842,609	3,067,466
Securities Lending Obligations	1,619	1,024	-	1,080,547	897,731
Securities Sold Under Agreement to Repurchase	-	-	-	172,606	148,198
Due to Other Funds	-	-	15	6,837	7,638
Total Liabilities	**1,622**	**1,326**	**24**	**4,199,157**	**4,130,371**
Net Position Restricted for:					
Pension Benefits[2]	-	-	32,375	27,068,066	25,547,239
Future Death Benefits	7,683	4,653	-	12,336	12,366
Local Units	-	-	4,242	4,242	4,521
Total Net Position Restricted	**$ 7,683**	**$ 4,653**	**$ 36,617**	**$ 27,084,644**	**$ 25,564,126**

[1]The accompanying notes are an integral part of the financial statements. Please see the Notes to the Financial Statements for further details.
[2]A schedule of funding progress for each plan is presented in the Required Supplementary Information.

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2013 (with Comparative Totals for the Year Ended June 30, 2012)[1]

(dollars in thousands)

	Pension Trust Funds							
	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	$ 156,408	$ 122,953	$ 40,786	$ 2,631	$ 1,006	$ 1,271	$ -	$ 1,463
Employer Contributions	455,658	1,163,794	137,111	111,419	19,740	19,443	150	-
Other Contributions	-	30,000	-	-	-	-	-	-
Total Contributions	612,066	1,316,747	177,897	114,050	20,746	20,714	150	1,463
Investment Income:								
Net Appreciation/(Depreciation) Fair Value of Investments	487,490	418,972	158,819	11,413	3,244	1,226	146	1,911
Other Net Investment Income	68,274	47,869	27,935	2,415	637	296	24	(214)
Net Interest and Dividends Income	199,248	150,797	59,730	5,054	1,346	620	51	234
Securities Lending Income	2,720	1,898	1,115	94	25	11	1	3
Total Net Investment Income	757,732	619,536	247,599	18,976	5,252	2,153	222	1,934
Less Direct Investment Expenses:								
Investment Management Fees	(58,931)	(42,118)	(23,207)	(1,967)	(523)	(238)	(20)	(70)
Securities Lending Fees	(408)	(284)	(167)	(14)	(4)	(2)	-	-
Direct Investment Expenses	(7,061)	(3,425)	(715)	(40)	(23)	(16)	(1)	(6)
Net Investment Income / (Loss)	691,332	573,709	223,510	16,955	4,702	1,897	201	1,858
Other Additions:								
Miscellaneous Income	31	10	18	5	-	-	-	42
Interfund Transfers	4,363	10,204	71	121	-	-	-	-
Total Other Additions	4,394	10,214	89	126	-	-	-	42
Total Additions	**1,307,792**	**1,900,670**	**401,496**	**131,131**	**25,448**	**22,611**	**351**	**3,363**
Deductions								
Pension and Disability Benefits	722,585	1,287,439	95,935	17,526	4,799	2,040	365	-
Special Death Benefits	-	-	794	-	-	-	-	-
Distribution of Contributions and Interest	68,775	22,664	3,074	53	37	195	-	3,616
Pension Relief Distributions	-	-	-	-	-	-	-	-
Local Unit Withdrawals	-	-	-	-	-	-	-	-
Administrative Expenses	20,346	10,127	1,312	102	99	128	31	4
Project Expenses	8,835	4,281	533	24	22	17	3	-
Interfund Transfers	10,405	4,339	-	-	15	-	-	-
Total Deductions	**830,946**	**1,328,850**	**101,648**	**17,705**	**4,972**	**2,380**	**399**	**3,620**
Net Increase / (Decrease)	**476,846**	**571,820**	**299,848**	**113,426**	**20,476**	**20,231**	**(48)**	**(257)**
Beginning Net Position Restricted 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	-	-	-	-	-	-	-	-
Ending Net Position Restricted	**$ 12,720,601**	**$ 9,648,879**	**$ 4,116,861**	**$ 375,752**	**$ 97,019**	**$ 47,920**	**$ 3,337**	**$ 25,322**

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

Statement of Changes in Fiduciary Net Position, continued

For the Year Ended June 30, 2013 (with Comparative Totals for the Year Ended June 30, 2012)[1]

(dollars in thousands)	Other Employment Benefit Trust Funds		Investment Trust Fund		
	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund	2013 Totals	2012 Totals
Additions					
Contributions:					
Member Contributions	$ -	$ -	$ -	$ 326,518	$ 335,548
Employer Contributions	-	-	180,000	2,087,315	1,605,839
Other Contributions	-	544	58,588	89,132	89,763
Total Contributions	-	544	238,588	2,502,965	2,031,150
Investment Income:					
Net Appreciation/(Depreciation) Fair Value of Investments	(148)	(96)	-	1,082,977	(281,606)
Other Net Investment Income	-	-	-	147,236	94,144
Net Interest and Dividends Income	208	128	79	417,495	471,039
Securities Lending Income	2	1	-	5,870	7,629
Total Net Investment Income	62	33	79	1,653,578	291,206
Less Direct Investment Expenses:					
Investment Management Fees	(12)	(7)	-	(127,093)	(106,484)
Securities Lending Fees	-	-	-	(879)	(631)
Direct Investment Expenses	-	-	(6)	(11,293)	(11,290)
Net Investment Income / (Loss)	50	26	73	1,514,313	172,801
Other Additions:					
Miscellaneous Income	-	-	-	106	100
Interfund Transfers	-	-	-	14,759	13,025
Total Other Additions	-	-	-	14,865	13,125
Total Additions	**50**	**570**	**238,661**	**4,032,143**	**2,217,076**
Deductions					
Pension and Disability Benefits	-	-	-	2,130,689	2,033,911
Special Death Benefits	50	600	300	1,744	938
Distribution of Contributions and Interest	-	-	-	98,414	95,431
Pension Relief Distributions	-	-	219,814	219,814	224,220
Local Unit Withdrawals	-	-	284	284	250
Administrative Expenses	-	-	44	32,193	31,489
Project Expenses	-	-	13	13,728	9,359
Interfund Transfers	-	-	-	14,759	13,025
Total Deductions	**50**	**600**	**220,455**	**2,511,625**	**2,408,623**
Net Increase / (Decrease)	**-**	**(30)**	**18,206**	**1,520,518**	**(191,547)**
Beginning Net Position Restricted 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
Ending Net Position Restricted	**$ 7,683**	**$ 4,653**	**$ 36,617**	**$ 27,084,644**	**$ 25,564,126**

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

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. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' ASA Only Plan (PERF ASA Only Plan). Details of the PERF Hybrid Plan and PERF ASA Only Plan are described below.

The PERF ASA Only Plan was effective March 1, 2013. For the first time, newly hired full-time employees of the state of Indiana can now elect to participate in either the PERF Hybrid Plan or the PERF ASA Only Plan.

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 TRF, have the option of choosing from which of these funds they would like to retire.

As of June 30, 2013, there were 1,120 participating political subdivisions and 17 State-related participating employers. As of June 30, 2013, PERF membership consisted of:

	Public Employees' Retirement Fund	
	Hybrid	**ASA Only**
Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	75,950	-
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	23,504	-
Terminated Non-Vested Members Entitled To a Distribution of ASA Balance	51,057	-
Active Members: Vested and Non-Vested	137,867	70
Total	**288,378**	**70**
Total Covered Payroll for Active Members (dollars in thousands)	**$4,766,910**	

PERF Hybrid Plan

The PERF Hybrid Plan 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 Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Annuity Savings Account (ASA) that supplements the defined benefit at retirement.

Retirement Benefits

The PERF Hybrid Plan 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 defined pension benefit 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, under certain conditions, 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.

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 after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position 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 may be 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 and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2013; however, eligible members did receive a one-time check (a.k.a. 13th check) 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 January 1, 2012, and who was entitled to receive a monthly benefit on July 1, 2012.

Disability and Survivor Benefits

The PERF Hybrid 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, 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 the 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.

PERF ASA Only Plan

The PERF ASA Only Plan was established by the Indiana Legislature in 2011, and is governed by the INPRS Board of Trustees in accordance with IC 5-10.3-12, and IC 5-10.5. This plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. PERF ASA Only Plan members are full-time employees of the state of Indiana (as defined in IC 5-10.3-7-1(d)), who are in a position that would otherwise be eligible for membership in the PERF Hybrid Plan and who elect to become members of the PERF ASA Only Plan. The PERF ASA Only Plan membership does not include individuals who: (1) before March 1, 2013, are or were members of the PERF Hybrid Plan or (2) on or after March 1, 2013, do not elect to participate in the PERF ASA Only Plan. Any government agency that pays employees through the Auditor of the State is a mandatory participant in the ASA Only Plan and must offer eligible employees the ASA Only Plan option. Quasi-government agencies and state educational institutions may choose to offer the ASA Only Plan as an option to their employees.

The PERF ASA Only Plan maintains an Annuity Savings Account for each member. Each member's account consists of two (2) subaccounts within the Annuity Savings Account structure. There is a member contribution subaccount (which is the same as the Annuity Savings Account in the PERF Hybrid Plan) and an employer contribution subaccount.

The member's contribution subaccount consists of the member's contributions, set by statue at three (3) percent of compensation as defined by IC 5-10.3-12-23 plus the interest/earnings or losses credited to the member's contribution subaccount. The state shall pay the member's contributions on behalf of the member. The employer contribution subaccount consists of the employer's contributions and the earnings on the employer's contributions. The employer contribution rate is set by INPRS Board of Trustees in accordance with IC 5-10.2-2-11.

The PERF ASA Only Plan allows members to actively participate in managing their retirement benefits through self-directed investment options. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. The members can direct their investments among the following aforementioned eight (8) investment options: Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Stable Value Fund, and Target Date Funds.

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

A member is immediately vested in the member contribution subaccount. In order to receive contributions and earnings from the employer contribution subaccount, a member must meet vesting requirements (full years of participation) to qualify for a distribution. The vesting schedule is as follows:

- One (1) year of participation = 20 percent
- Two (2) years of participation = 40 percent
- Three (3) years of participation = 60 percent
- Four (4) years of participation = 80 percent
- Five (5) years of participation = 100 percent

A member who terminates service in a covered position is entitled to withdraw total amounts in the member contribution subaccount. In addition, the member is entitled to withdraw amounts in the employer contribution subaccount to the extent the member is vested in this account. The member must be separated from employment for at least 30 days before the member may take a withdrawal from the member's account. The amount available for withdrawal is the fair value of the participant's account on the processing date. The withdrawal amount can be paid in a lump sum, a direct rollover to another eligible retirement plan, or if the member has attained normal retirement age and met other criteria established by the INPRS Board of Trustees as a monthly annuity.

If a member becomes disabled while in active service, subject to the member providing proof of the member's qualification for social security disability benefits to the Board of Trustees, a member may withdraw total amounts in the member contribution subaccount. To the extent that the member is vested, the member may make a withdrawal from the member's employer subaccount. The withdrawal amount can be paid in a lump sum, a direct rollover to another eligible retirement plan, or a monthly annuity if the member has attained normal retirement age and met other criteria established by the INPRS Board of Trustees.

If a member dies while in active service or after terminating service in a position covered by the Plan, but before withdrawing the member's account, all of the member's contribution subaccount, and to the extent that the member is vested, the employer contribution subaccount, will be paid to the beneficiary or beneficiaries designated by the member. The amount available for payment is the fair value of the participant's account. The beneficiary may elect to the have member's account paid as a lump sum, a direct rollover to another eligible retirement plan, or as a monthly annuity in accordance with the rules of the INPRS Board of Trustees. The monthly annuity is an option only on or after the beneficiary attains normal retirement age and meets other criteria established by the INPRS Board of Trustees. If a member dies in the line of duty while in active service, the designated beneficiary or beneficiaries or surviving spouse or dependents, are entitled to payment of the member's account as described above. In addition, if the member was not fully vested in the employer contribution subaccount, the account is deemed to be fully vested for purposes of withdrawal.

(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 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, 2013, the number of participating employers was 369. As of June 30, 2013, TRF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	53,010
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	6,417
Terminated Non-Vested Members Entitled To a Distribution of ASA Balance	11,693
Active Members: Vested and Non-Vested	70,414
Total	**141,534**
Total Covered Payroll for Active Members (dollars in thousands)	**$ 4,124,368**

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 for the TRF 1996 Account pension plan 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, under certain conditions, 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 after 30 days, but by doing so forfeit his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position 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 may be increased as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2013; however, eligible members did receive a one-time check (a.k.a. 13th check) 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 January 1, 2012, and who was entitled to receive a monthly benefit on July 1, 2012.

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, 2013, the number of participating employers totaled 161. As of June 30, 2013, the 1977 Fund membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	3,491
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	129
Terminated Non-Vested Members Entitled To a Distribution of Contributions	796
Active Members: Vested and Non-Vested	13,287
Total	**17,703**
Total Covered Payroll for Active Members (dollars in thousands)	**$ 706,603**

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 based on the percentage increase in the Consumer Price Index (January-March); however, the maximum increase is 3.0 percent. There was a COLA increase of 2.8 percent effective July 1, 2012.

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 for all new judges, and beginning January 1, 2011, all new full-time magistrates (IC 33-38-8-10).

As of June 30, 2013, the Judges' Retirement System membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	321
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	67
Terminated Non-Vested Members Entitled To a Distribution of Contributions	32
Active Members: Vested and Non-Vested	365
Total	**785**
Total Covered Payroll for Active Members (dollars in thousands)	**$ 46,967**

Member contributions are established by statute at six (6) percent of compensation as defined by IC 33-38-8-11, which is deducted from the member's salary and remitted by the Auditor of State or the county auditor to the fund. The state of Indiana may elect to pay the contribution on behalf of the member. After a member has contributed to the fund for 22 years, the member is not required to make any additional contributions to the fund.

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. IC 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 2.2 percent effective July 1, 2012, 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 (EG&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 EG&C Plan was established in 1972 and is governed by IC 5-10-5.5.

Membership

As of June 30, 2013, the EG&C Plan membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	193
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	4
Terminated Non-Vested Members Entitled To a Distribution of Contributions	87
Active Members: Vested and Non-Vested	473
Total	**757**
Total Covered Payroll for Active Members (dollars in thousands)	**$ 26,201**

Members are required by statute to contribute four (4) percent of the member's annual salary to the EG&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, pension 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 may be 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 and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2013; however, eligible members did receive a one-time check (a.k.a. 13th check) 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 January 1, 2012, and who was entitled to receive a monthly benefit on July 1, 2012.

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, 2013, the PARF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	95
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	83
Terminated Non-Vested Members Entitled To a Distribution of Contributions	162
Active Members: Vested and Non-Vested	210
Total	**550**
Total Covered Payroll for Active Members (dollars in thousands)	**$ 21,217**

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 employer may elect to make the contributions on behalf of the member.

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 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 or designated beneficiary 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; survivor benefits are not subject to reduction for early retirement. 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 20, 1989; and (c) are subsequently reelected or reappointed to the General Assembly.

Membership

As of June 30, 2013, the Legislators' Retirement System membership consisted of:

	Defined Benefit Plan	Legislators' Defined Contribution Plan
Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	68	-
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	9	-
Terminated Non-Vested Members Entitled To a Distribution of Contributions	-	58
Active Members: Vested and Non-Vested	24	167
Total	**101**	**225**

Legislators' Defined Benefit Plan

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, 2013.

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 processing 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 processing 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 Plans

(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) and stepchildren (to be shared equally) of a state of Indiana employee who dies in the line of duty as defined in the statute. The children and stepchildren must also be dependent on the state employee who died in the line of duty.

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, 2013, units of local government had investments with a market value of approximately $4.2 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 a pension trust fund 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 (EG&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 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 2012 financial statements to conform with the classifications for fiscal year 2013. All such changes had no impact on fiscal year 2012 or fiscal year 2013 total net position.

(E) Contributions Receivable

Contributions are recognized as revenues when earned, pursuant to formal commitments, as well as statutory or contractual requirements. Member and employer contributions are earned on the employers' payroll date. The estimate for contributions receivable at year end was calculated utilizing member and employer contributions from the last reported payroll period.

(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, 2013, 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, exclusive of the securities lending program which is fully disclosed in Note 5, is as follows:

(dollars in thousands)

Investment Type[1]	6/30/2013 Fair Value	% of Total Investments
Repurchase Agreements	$ 28,800	0.1 %
Short Term Investments[2]		
Cash at Brokers	227,648	0.8
Money Market Sweep Vehicle	983,930	3.6
Commercial Paper	9,692	-
U.S. Treasury Obligations	183,284	0.7
U.S. Agencies	43,070	0.2
Non-U.S. Governments	19,612	-
Total Short Term Investments	1,467,236	5.3
Fixed Income Investments		
U.S. Governments	3,720,035	13.5
Non-U.S. Governments	1,372,552	5.0
U.S. Agencies	1,036,209	3.7
Corporate Bonds	3,579,475	12.9
Asset-Backed Securities	885,358	3.2
Commingled Fixed Income Funds	1,042,760	3.8
Total Fixed Income Investments	11,636,389	42.1
Equity Investments		
Domestic Equities	2,921,738	10.6
International Equities	2,392,959	8.6
Commingled Equity Funds	1,363,370	4.9
Total Equity Investments	6,678,067	24.1
Other Investments		
Private Equity	4,416,139	16.0
Absolute Return	1,046,869	3.8
Private Real Estate	355,020	1.3
Risk Parity	2,062,492	7.4
Derivatives	(38,291)	(0.1)
Total Other Investments	7,842,229	28.4
Total Investments	**$ 27,652,721**	**100.0 %**

[1]The amounts disclosed above will differ from the Asset Allocation Summary shown in the Investment Section. The investment type disclosure groups assets according to the security type assigned to each investment by the Custodian. The Asset Allocation summary groups assets according to the investment objective of each investment manager.
[2]Short Term Investments include highly liquid assets, both non-pooled and pooled, 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 the 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 a general partner of investment manager. Moreover, holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. As a result of the inherent uncertainty that exists in the valuation of alternative investments the realized value, upon the sale of an asset, may differ from the fair value. Valuations are generally provided by the General Partner as of March 31, 2013 and are adjusted for cash activity to arrive at a fair value as of June 30, 2013.

(H) Pooled Investment Unit Trust Accounting

Pooled 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 monthly basis using the pro rata fair value share at month end.

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 INPRS Board of Trustees approved unitizing 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:

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

Prosecuting Attorneys' Retirement Fund (PARF)

Legislators' Defined Benefit Plan (LEDB Plan)

The INPRS Board of Trustees unitized into two separate consolidated pools that include the ASA investment assets of PERF and TRF and the Defined Contribution Assets of LEDC. The first pool is comprised of the PERF Guaranteed Fund and the TRF Guaranteed Fund, also known as the Guaranteed Fund Assets. The second pool was unitized effective April 2013 and is comprised of the other ASA assets and the LEDC Defined Contribution assets.

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 the pooled unit trust 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	Pooled Unit Trust Investments
Public Employees' Retirement Fund	$ 9,918,495	$ 1,995,708	$ 784,847	$ -	$ 12,699,050
Teachers' Retirement Fund	6,925,051	1,705,360	1,097,425	-	9,727,836
1977 Police Officers' and Firefighters' Pension and Disability Fund	4,112,085	-	-	-	4,112,085
Judges' Retirement System	375,710	-	-	-	375,710
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	97,022	-	-	-	97,022
Prosecuting Attorneys' Retirement Plan	47,886	-	-	-	47,886
Legislators' Defined Benefit Plan	3,340	-	-	-	3,340
Legislators' Defined Contribution Plan	9,126	-	15,249	-	24,375
State Employees' Death Benefit Fund	-	-	-	7,684	7,684
Public Safety Officers' Special Death Benefit Fund	-	-	-	4,861	4,861
Total INPRS Unitized Investments	**$ 21,488,715**	**$ 3,701,068**	**$ 1,897,521**	**$ 12,545**	**$ 27,099,849**

[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, 2013.

(J) Capitalized Assets

Capital assets, fixed and intangible, are capitalized at historical cost when total cost is $20,000 or more. The costs 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, 2013:

(dollars in thousands)

Capitalized Assets	Gross Cost	Accumulated Depreciation Amortization	Net Capitalized Assets
Land	$ 547	$ -	$ 547
Building	2,893	(1,288)	1,605
Equipment	87	(87)	-
Software	15,391	(5,389)	10,002
Total	**$ 18,918**	**$ (6,764)**	**$ 12,154**

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. A new employer reporting system was placed in service during fiscal year 2013.

(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 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 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 since it is not probable that sick leave will be paid.

(N) Administrative, Project and Direct Investment Expenses

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

The PERF plan pays the shared administrative, project and direct investment 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.

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.

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.

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.

Additional information regarding the funded status can be found in Note 10. The Member Reserve and Benefits in Force are fully funded.

The following are the balances of the reserves as of June 30, 2013:

(dollars in thousands)

Retirement Funds	Member Reserve	Employer Reserve [1]	Benefits in Force	Undistributed Income	Total Reserves
PERF	$ 2,798,494	$ 4,115,118	$ 5,806,989	$ -	$ 12,720,601
TRF	2,804,780	2,819,398	4,024,701	-	9,648,879
1977 Fund	782,969	2,261,498	1,072,394	-	4,116,861
Judges' Retirement System	29,056	156,840	189,856	-	375,752
EG&C Plan	7,495	40,115	49,409	-	97,019
PARF	25,371	5,175	17,374	-	47,920
Legislators' Retirement System:					
LEDB Plan	N/A	671	2,666	-	3,337
LEDC Plan	25,322	N/A	N/A	-	25,322

[1] The employer reserve includes $24 thousand of reserve monies for the unvested portion of the ASA Only Plan.

(Q) PERF Annual Pension Cost and Net Pension Obligation

PERF is a pension trust fund 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, 2013, and the historical trend information for the state of Indiana PERF Defined Benefit retirement plan are as follows:

Annual Pension Cost and Net Pension Obligations (dollars in thousands)	
Annual Required Contribution	$ 160,150
Interest on Net Pension Obligation	3,427
Adjustment to Annual Required Contribution	(3,989)
Annual Pension Cost	159,588
Actual Employer Contributions	157,581
Increase (Decrease) in Net Pension Obligation	2,007
Net Pension Obligation, Beginning of Year	50,773
Net Pension Obligation, End of Year	**$ 52,780**
Memo: State Contribution Rate - FY2013	9.7%

Three-Year Trend Information
(dollars in thousands)

Fiscal Year Ended	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
June 30, 2013	$ 159,588	98.7%	$ 52,780
June 30, 2012	183,328	75.5	50,773
June 30, 2011	176,882	65.1	5,773

(R) New Accounting Pronouncements

GASB Statement No. 60, *Accounting for Service Concession Arrangements*, improves financial reporting related to service concession arrangements which are a type of public-private or public-public partnerships where there is an arrangement between a government and a private sector entity to deliver a governmental asset (normally infrastructure or a public facility) and, often, the related public service (in some cases, the arrangement may be solely for the delivery of the public service related to an existing governmental asset). The provisions of GASB Statement No. 60 are effective for financial statements beginning after December 15, 2011. Management has evaluated GASB Statement No. 60 and determined the statement does not have an impact on INPRS' financial reporting.

GASB Statement No. 61, The *Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34,* modifies certain requirements for inclusion of component units in the financial reporting entity. The amendments to the criteria for including component units will allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The provisions of GASB Statement No. 61 are effective for financial statements beginning after June 15, 2012. Management has evaluated GASB Statement No. 61 and determined the amendment does not have an impact on INPRS' financial reporting.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standard Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The statement improves financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments into a single source with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statements users. The provisions of GASB Statement No. 62 are effective for financial statements for periods beginning after December 15, 2011. Management has evaluated GASB Statement No. 62 and determined the statement does not have an impact on INPRS' financial reporting.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. This statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The provisions of GASB Statement No. 63 are effective for financial statements for periods beginning after December 15, 2011. Management has evaluated GASB Statement No. 63 and determined the statement does not have an impact on INPRS' financial reporting.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of GASB Statement No. 65 are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating GASB Statement No. 65 and, if applicable, will implement it in the financial statements for fiscal year 2014.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of GASB Statement No. 66 are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating GASB Statement No. 66 and, if applicable, will implement it in the financial statements for fiscal year 2014.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* and No. 50, *Pension Disclosures,* as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of GASB Statement No. 67 are effective for financial statements for periods beginning after June 15, 2013. Management is currently evaluating GASB Statement No. 67 and will implement it in the financial statements for fiscal year 2014.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of GASB Statement No. 68 are effective for financial statements for periods beginning after June 15, 2014. Management is currently evaluating GASB Statement No. 68 to assist the employers in implementing in their financial statements for fiscal year 2015.

GASB Statement 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combination and disposals of government operations. The term, government combinations, include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement user to evaluate the nature and financial effects of those transactions. The provisions of Statement No. 69 are effective for financial statements for periods beginning after December 15, 2013. Management is currently evaluating GASB Statement No. 69 and, if applicable, will implement it in the financial statements for fiscal year 2015.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate, but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. The provisions of Statement No. 70 are effective for financial statement periods beginning after June 15, 2013. Management is currently evaluating GASB Statement No. 70 and, if applicable, will implement it in the financial statements for fiscal year 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 2013 were determined by using the fiscal year 2011 actuarial valuation results projecting forward payroll for fiscal year 2013.

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. These two (2) components make up the development of the employer contribution rates.

(A) Public Employees' Retirement Fund

The state of Indiana is obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan 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 2013, all participating employers were required to contribute 9.7 percent of covered payroll for State members. For political subdivisions, an average contribution rate of 8.8 percent was required from employers during the period of July 1 – December 31, 2012, and an average contribution rate of 9.7 percent was required for the period of January 1 – June 30, 2013. For the ASA Only Plan all participating employers were also required to contribute 9.7 percent of covered payroll. In accordance to IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less than 3 percent and not be greater than the normal cost of the fund which was 4.7 percent for fiscal year 2013 and any amount not credited to the member's account shall be applied to the Unfunded Actuarial Accrued Liability of the PERF Hybrid Plan.

The PERF Hybrid Plan or the PERF ASA Only Plan members contribute three (3) percent to their Annuity Savings Account, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member. The employer shall pay the member's contributions on behalf of the member for the PERF ASA Only Plan. In addition, members of the PERF Hybrid Plan may elect to make additional voluntary contributions, under certain criteria, 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 if the member has met all of the criteria established by the INPRS Board of Trustees.

(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. In fiscal year 2013, the State appropriated an additional \$207 million from State excess reserves in accordance with 2012 HB 1376 and also pre-funded a one-time check (a.k.a.13th check) of \$20 million in accordance with 2012 HB 1123 (which went into the Pension Stabilization Fund).

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. As the TRF 1996 Account is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2013, 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, under certain criteria, 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 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 2013, all participating employers were required to contribute 19.7 percent 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 State appropriated additional monies during fiscal year 2013 for the Judges' Retirement System of $90 million from state excess reserves in accordance with 2012 HB 1376.

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 EG&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 2013, all participating employers were required to contribute 20.75 percent of covered payroll. The State appropriated additional monies during fiscal year 2013 for the EG&C Plan of $15 million from state excess reserves in accordance with 2012 HB 1376.

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 State appropriated additional monies during fiscal year 2013 for PARF of $17 million from state excess reserves in accordance with 2012 HB 1376.

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, 2013, the rate was established at 12.7 percent.

Note 5. Deposits and Investments

(A) 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 collectively 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.

In October 2011, the INPRS Board of Trustees adopted a new Investment Policy Statement effective January 1, 2012, and the new strategic asset allocation for the Consolidated Defined Benefit Assets is 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 short-term and fixed income investments.

(B) 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, that 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 event relative to custodial credit risk for investments, including investments related to securities lending collateral, as of June 30, 2013.

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 counterparties are carried at cost and are not insured or collateralized.

(dollars in thousands)

Cash Deposits	Total
Demand Deposit Account – Bank Balances	$ 10,001
Held with Indiana Treasurer of State	1,234
Held with Counterparties	227,713
Total	**$ 238,948**

(C) 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, 2013, debt securities had the following duration information:

(dollars in thousands)

Debt Security Type	Fair Value 6/30/2013	% of All Debt Securities	Portfolio Weighted Average Effective Duration (Years)
Short Term Investments			
Cash at Brokers	$ 227,648	1.7%	-
Money Market Sweep Vehicle	983,930	7.5	0.01
Commercial Paper	9,692	0.1	0.16
U.S. Treasury Obligations	183,284	1.4	0.22
U.S. Agencies	43,070	0.3	0.14
Non-U.S. Government	19,612	0.2	0.13
Total Short Term Investments	1,467,236	11.2	
Fixed Income Investments			
U.S. Governments	3,720,035	28.4	8.94
Non-U.S. Government	1,361,258	10.4	7.51
U.S. Agencies	1,029,359	7.9	3.68
Corporate Bonds	3,496,484	26.7	4.68
Asset-Backed Securities	834,536	6.4	1.16
Commingled Fixed Income Funds	8,493	0.1	3.79
Duration Not Available	1,186,224	8.9	N/A
Total Fixed Income Investments	11,636,389	88.8	
Total Debt Securities	**$ 13,103,625**	**100.0%**	

The $1,186 million, for which no duration was available, is primarily made up of commingled debt funds.

(D) 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, 2013 is as follows:

(dollars in thousands)

Moody's Rating	Short Term Investments	Debt Securities	Total	% of All Debt Securities
Aaa	$ 226,354	$ 832,268	$ 1,058,622	8.1%
U.S. Government Guaranteed	-	4,756,243	4,756,243	36.3
Aa	4,921	948,757	953,678	7.3
A	-	1,117,185	1,117,185	8.5
Baa	396	1,897,826	1,898,222	14.5
Ba	-	309,353	309,353	2.3
B	-	209,712	209,712	1.6
Below B	-	77,789	77,789	0.6
Unrated	1,235,565	1,487,256	2,722,821	20.8
Total	**$ 1,467,236**	**$ 11,636,389**	**$ 13,103,625**	**100.0%**

The $2,723 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 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 system's 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, 2013, single issuer exposure in the portfolio did not exceed 5 percent of the total net investments.

(E) 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 may be only 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, 2013					
Currency:	**Short Term Investments**	**Debt Securities**	**Equity Securities**	**Other Investments**	**Grand Total**	**% of Total**
Australian Dollar	$ 347	$ 17,777	$ 81,705	$ (36,511)	$ 63,318	0.2%
Brazilian Real	203	26,045	13,940	22,835	63,023	0.2
Canadian Dollar	996	90,257	82,379	(88,895)	84,737	0.3
Chilean Peso	-	4,473	-	(5,343)	(870)	-
Chinese R Yuan HK	-	-	-	(4,134)	(4,134)	-
Chinese Yuan Renminbi	-	-	20	193	213	-
Colombian Peso	-	12,801	590	(1,358)	12,033	-
Czech Koruna	76	-	3,895	(6,415)	(2,444)	-
Danish Krone	82	-	16,677	-	16,759	0.1
Egyptian Pound	-	-	478	-	478	-
Euro Currency Unit	4,725	557,619	519,941	(337,438)	744,847	2.7
Hong Kong Dollar	493	-	137,850	-	138,343	0.5
Hungarian Forint	24	6,023	710	2,912	9,669	-
Indian Rupee	29	-	24,856	12	24,897	0.1
Indonesian Rupiah	66	14,082	3,101	3,855	21,104	0.1
Israeli Shekel	12	-	2,130	-	2,142	-
Japanese Yen	15,341	48,872	404,659	(72,072)	396,800	1.4
Malaysian Ringgit	42	20,011	5,149	18,475	43,677	0.2
Mexican Peso	5,882	38,034	4,361	(7,328)	40,949	0.1
New Taiwan Dollar	440	7	29,416	(259)	29,604	0.1
New Turkish Lira	26	23,331	25,115	(3,248)	45,224	0.2
New Zealand Dollar	27	7,846	1,911	491	10,275	-
Nigerian Naira	1,453	2,156	-	-	3,609	-
Norwegian Krone	161	40	31,011	34,588	65,800	0.2
Peruvian Nuevo Sol	-	2,179	-	278	2,457	-
Philippines Peso	18	8,971	2,051	1,724	12,764	-
Polish Zloty	353	13,341	1,658	1,705	17,057	0.1
Pound Sterling	6,552	272,418	319,815	(277,127)	321,658	1.2
Romania Leu	1	1,602	-	-	1,603	-
Russian Rubel	-	15,948	-	5,569	21,517	0.1
S Africa Comm Rnd	210	14,487	19,842	6,810	41,349	0.1
Singapore Dollar	40	-	33,128	(1,217)	31,951	0.1
South Korean Won	58	177	61,732	1,784	63,751	0.2
Swedish Krona	1,447	61,675	67,469	(62,251)	68,340	0.2
Swiss Franc	2,189	(27)	132,424	(8,153)	126,433	0.5
Thai Baht	95	12,781	15,649	855	29,380	0.1
Uruguayan Peso	-	1,066	-	-	1,066	-
Held in Foreign Currency	**$ 41,388**	**$ 1,273,992**	**$ 2,043,662**	**$ (809,663)**	**$ 2,549,379**	**9.0%**

The foreign currency figures are comprised of all of the assets within the investment portfolio. The short term investment, debt securities and equity securities include accruals. Other investments include foreign holdings of other investments, derivatives and receivables/payables.

(F) 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, 2013	
Market value of securities on loan	$ 1,849,234
Fair value of cash and non-cash collateral by investment type:	
U.S. Governments	$ 1,076,460
Corporate Bonds	143,000
International Bonds	40,743
Domestic Equities	470,901
International Equities	168,746
Fair value of cash and non-cash collateral	1,899,850
Fair value of non-cash collateral that is not included in the Statements of Fiduciary Plan Net Position	819,303
Fair value of cash collateral (liability to borrowers)	1,080,547
Fair value of reinvested cash collateral by type:	
Commercial Paper	98,527
Repurchase Agreements	547,038
U.S. Agencies	79,022
Floating Rate Notes	298,724
Certificate of Deposits	57,236
Fair value of reinvested cash collateral	1,080,547
Net unrealized gain	**$ -**

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2013 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+	$ 234,756	21.7%
AAA	5,407	0.5
AA+	16,029	1.5
AA-	228,467	21.1
A+	48,821	4.5
Unrated	547,087	50.7
Total	**$ 1,080,567**	**100.0%**

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

(G) 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, 2013, 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	$ 16,600	$ 16,957
U.S. Treasury	12,200	12,454
Total	**$ 28,800**	**$ 29,411**

Reverse Repurchase Agreements by Collateral Type	Cash Collateral Posted	Market Value
U.S. Treasury	$ 11,112	$ 11,060
U.S. Inflation Linked Bonds	161,494	163,745
Total	**$ 172,606**	**$ 174,805**

Note 6. Derivative Financial Instruments

(A) Overview of Derivatives

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 and forward contracts. 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.

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.

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.

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 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.

Forwards

A forward currency 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 foreign currency forwards to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings and to settle future obligations.

(B) Derivative Contracts

The table below summarizes INPRS' derivative contracts for the year ending June 30, 2013:

(dollars in thousands)

Investment Derivatives	Change in Fair Value	Fair Value	Notional (USD)
Listed Futures:			
Equity Index	$ (11,062)	$ (11,062)	$ 499,854
Commodity	(46,030)	(46,030)	1,030,053
Bond	(6,743)	(6,672)	106,577
Currency	41	155	52,511
Interest Rate	(377)	(377)	291,364
Total Listed Futures	(64,171)	(63,986)	1,980,359
Options:			
Listed			
Currency	286	29	36,565
Subtotal Listed	286	29	36,565
OTC			
Swaptions	6,735	30,650	1,029,320
Subtotal OTC	6,735	30,650	1,029,320
Total Options	7,021	30,679	1,065,885
Swaps:			
OTC			
Interest Rate Swaps	(6,015)	(7,013)	1,815,195
Inflation Swaps	12	126	38,885
Equity Index	2	-	200
Credit Default Swaps Single Name	759	913	153,706
Credit Default Swaps Index	1,112	990	367,464
Total Swaps	(4,130)	(4,984)	2,375,450
Total Derivatives	**$ (61,280)**	**$ (38,291)**	**$ 5,421,694**

(dollars in thousands)

	Swap Maturity Profile at June 30 , 2013					
Swap Type	**< 1 yr**	**1 - 5 yrs**	**5-10 yrs**	**10 - 20 yrs**	**20 + yrs**	**Total**
Interest Rate Swaps	$ -	$ (3,224)	$ (2,273)	$ (17,284)	$ 15,768	$ (7,013)
Inflation Swaps	-	-	-	126	-	126
Equity Index	-	-	-	-		-
Credit Default Swaps Single Name	1	1,207	405	(147)	(553)	913
Credit Default Swaps Index	(450)	(354)	-	-	1,794	990
Total Swap Fair Value	**$ (449)**	**$ (2,371)**	**$ (1,868)**	**$ (17,305)**	**$ 17,009**	**$ (4,984)**

(dollars in thousands)

Credit Default Swaps				
Investment Type		**Reference**	**Fair Value**	**Notional**
Single Name	Seller Protection	Various	$ (947)	$ 61,660
Single Name	Buyer Protection	Various	1,860	92,046
Total CDS - Single Name			**$ 913**	**$ 153,706**
Index	Bought	CDX IG	$ (1,497)	$ 216,700
Index	Sold	CDX IG	875	95,475
Index	Bought	CDX ABX	2,424	8,218
Index	Sold	CDX CMBX	(631)	15,700
Index	Bought	CDX HY	(571)	17,391
Index	Sold	CDX HY	365	11,560
Index	Bought	CDX ITRAXX	25	2,420
Total CDS - Index			**$ 990**	**$ 367,464**

(C) 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 an unrealized gain position at June 30, 2013, was $39,209 thousand, of which $15,136 thousand was uncollateralized.

The table below summarizes INPRS' swap positions as of June 30, 2013:

(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-	$ 2,927	$ (5,669)	$ (1,491)	$ 260	$ (1,550)
Barclays	A	1,641	(3,315)	(2,059)	861	(300)
BNP Paribas Securities Corp	A+	60	-	71	-	-
Citibank	A-	1,459	(5,168)	(850)	-	(14,158)
CME Central	AA-	673	(67)	431	8	-
Credit Suisse	A	9,075	(7,941)	(2,678)	3,695	(430)
Deutsche Bank	A+	4,978	(7,457)	(5,057)	-	(8,549)
Goldman Sachs	A-	13,751	(3,513)	11,449	640	(13,670)
HSBC Securities Inc.	A+	10	(5)	(5)	-	-
IntercontinentalExchange Inc.	A	98	(75)	(72)	-	-
JPMorgan Chase Bank	A	3,501	(3,893)	327	-	(650)
Morgan Stanley Capital Services	A-	410	(14)	384	-	(2,078)
Royal Bank of Canada (RBC)	AA-	623	(641)	6	-	(650)
UBS	A	3	(6,533)	(5,440)	-	(370)
Grand Total		**$ 39,209**	**$ (44,291)**	**$ (4,984)**	**$ 5,464**	**$ (42,405)**

(D) Interest Rate Risk

The System 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' 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**
Interest Rate Swap:		
Pay Variable 3M CDOR / Receive Fixed Various 1.75% to 3.04%	$ (992)	$ 34,931
Pay Fixed Various 2.99% to 3.23% / Receive Variable 3M CDOR	1,131	14,740
Pay Fixed Various 1.75% to 2.75% / Receive Variable 3M STIBOR	361	14,142
Pay Variable 3M STIBOR / Receive Fixed 2.75%	(226)	9,552
Pay Fixed Various 1.93% to 3.00% / Receive Variable 6M EURIBOR	(278)	29,351
Pay Variable 6M EURIBOR / Receive Fixed Various 0.60% to 3.00%	90	178,170
Pay Fixed Various 2.50% to 4.00% / Receive Variable 6M NIBOR	28	14,472
Pay Variable 6M NIBOR / Receive Fixed 4.00%	12	6,015
Pay Fixed 3.50% / Receive Variable 6M BBSW	178	14,655
Pay Variable 6M BBSW / Receive Fixed 3.50%	(58)	4,760
Pay Fixed Various 3.50% to 4.00% / Receive Variable 3M NZD	323	8,518
Pay Variable BBSW / Receive Fixed Various 3.50% to 4.00%	(5,418)	159,546
Pay Variable 1D BRL CDI / Receive Fixed Various 8.86% to 10.67%	(674)	24,621
Pay Fixed Various 3.00% to 3.19% / Receive Variable 3M KRW	177	8,047
Pay Fixed Various 5.33% to 5.36%/ Receive Variable CLP	10	449
Pay Variable Brazil CETIP / Receive Fixed Various 8.16% to 10.36%	(217)	8,918
Pay Fixed 3.50% / Receive Variable 3M NFIX3FRA	58	2,178
Pay Variable CPTW90DY / Receive Fixed 1.49%	7	1,190
Pay Variable 6M GBP-LIBOR / Receive Fixed Various 1.00% to 3.00%	(6,738)	250,780
Pay Fixed Various 1.00% to 3.00% / Receive Variable 6M GBP-LIBOR	15,920	221,579
Pay Variable 1M MXN-TIIE BANXICO / Receive Fixed Various 5.63% to 7.81%	(369)	11,424
Pay Variable 3M ZAR-JIBAR_SAFEX / Receive Fixed Various 6.52% to 7.17%	(535)	7,384
Pay Variable 3M USD-LIBOR / Receive Fixed Various 1.00% to 3.17%	(14,685)	271,152
Pay Fixed Various 0.50% to 3.00% / Receive Variable 3M USD-LIBOR	9,746	407,351
Pay Variable BZDIOVRA / Receive Fixed Various 8.88% to 8.94%	(4,864)	111,270
	$ (7,013)	**$ 1,815,195**
Inflation Swap:		
Receive 2.15% / Pay France CPI Ex Tobacco	$ 126	$ 3,700
Put 2.00% Inflation Rate Cap / UL US CPI Urban Consumers	-	35,185
	$ 126	**$ 38,885**

(E) 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, 2013, INPRS' investments included the following currency forwards balances:

(dollars in thousands)		
Foreign Currency Contract Receivable	$	2,017,071
Foreign Currency Contract Payable		(2,004,661)

The aggregate realized gain/loss recognized for the period ended June 30, 2013 due to foreign currency transactions was a $17,491 thousand realized loss.

Note 7. Long Term Commitments for Alternative Investments

NPRS 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, 2013, is as follows:

(dollars in thousands)

Currency		Total Unfunded Commitments
Euro Currency Unit	$	74,248
Norwegian Krone		11,675
British Pound Sterling		1,504
U.S. Dollar		1,873,353
Total	**$**	**1,960,780**

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. INPRS 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, 2013, 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	$ 12,947,283	$ 16,145,681	$ 3,198,398	80.2%	$ 4,766,910	67.1%
TRF 1996 Account	4,453,828	4,749,368	295,540	93.8	2,740,940	10.8
1977 Fund	4,180,704	4,392,947	212,243	95.2	706,603	30.0
JRS[1]	381,240	453,110	71,870	84.1	46,967	153.0
EG&C Plan[1]	98,608	118,097	19,489	83.5	26,201	74.4
PARF[1]	48,762	61,940	13,178	78.7	21,217	62.1
LEDB Plan	3,428	4,295	867	79.8	N/A[2]	N/A[2]
Total INPRS (Excluding TRF Pre-1996 Account)	**$ 22,113,853**	**$ 25,925,438**	**$ 3,811,585**	**85.3%**	**$8,308,838**	**45.9%**
TRF Pre-1996 Account	5,235,104	16,462,379	11,227,275	31.8	1,383,428	811.6
Total INPRS (Including TRF Pre-1996 Account)	**$ 27,348,957**	**$ 42,387,817**	**$ 15,038,860**	**64.5%**	**$9,692,266**	**155.2%**
Memo: TRF - Total	$ 9,688,932	$ 21,211,747	$ 11,522,815	45.7%	$ 4,124,368	279.4%

[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
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 services, 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	EG&C Plan	PARF	LEDB Plan
Valuation Date	June 30, 2013						
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

(A) Board Resolution

Public Employees' Retirement Fund and Teachers' Retirement Fund

- With the INPRS Board's decision to modify Annuity Savings Account (ASA) annuitizations starting October 1, 2014, the PERF and TRF incremental actuarial liability associated with expected annuitizations of ASA balances was removed from the actuarial valuations as of June 30, 2013.

(B) Legislative Changes

Below is a summary of significant legislative changes that are effective July 1, 2013.

Public Employees' Retirement Fund

- PERF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2013. 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, 2012, and who was entitled to receive a monthly benefit on July 1, 2013.

Teachers' Retirement Fund

- TRF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2013. 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, 2012, and who was entitled to receive a monthly benefit on July 1, 2013.

1977 Police Officers' and Firefighters' Pension and Disability Fund

- A 1.7 percent COLA was approved for eligible participants effective July 1, 2013, in accordance with IC 36-8-8-15.

Judges' Retirement System

- A 3.1 percent COLA was approved for eligible participants effective July 1, 2013.

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

- EG&C Plan members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2013. 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, 2012, and who was entitled to receive a monthly benefit on July 1, 2013.

State Employees' Death Benefit Fund

- State employees' death benefit increased from $50,000 to $100,000 effective July 1, 2013.

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.

Required Supplementary Information:
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						
6/30/2008	$ 12,780,116	$ 13,103,221	$ 323,105	97.5%	$ 4,600,354	7.0%
6/30/2009	12,569,336	13,506,280	936,944	93.1	4,931,423	19.0
6/30/2010	12,357,199	14,506,052	2,148,853	85.2	4,896,013	43.9
6/30/2011	12,000,586	14,913,147	2,912,561	80.5	4,818,774	60.4
6/30/2012	12,088,225	15,784,240	3,696,015	76.6	4,904,052	75.4
6/30/2013	12,947,283	16,145,681	3,198,398	80.2	4,766,910	67.1
Teachers' Retirement Fund – Pre-1996 Account[1]						
6/30/2008	$ 5,953,991	$ 15,792,305	$ 9,838,314	37.7%	$ 2,295,816	428.5%
6/30/2009	5,109,086	16,027,093	10,918,007	31.9	2,030,484	537.7
6/30/2010	5,382,410	16,282,066	10,899,656	33.1	1,865,102	584.4
6/30/2011	5,227,402	16,318,404	11,091,002	32.0	1,762,750	629.2
6/30/2012	4,978,107	16,522,015	11,543,908	30.1	1,637,066	705.2
6/30/2013	5,235,104	16,462,379	11,227,275	31.8	1,383,428	811.6
Teachers' Retirement Fund – 1996 Account						
6/30/2008	$ 3,080,057	$ 2,957,758	$ (122,299)	104.1%	$ 2,052,720	(6.0)%
6/30/2009	2,920,735	3,135,533	214,798	93.1	2,308,548	9.3
6/30/2010	3,422,554	3,614,559	192,005	94.7	2,447,509	7.8
6/30/2011	3,664,657	3,996,839	332,182	91.7	2,507,193	13.2
6/30/2012	3,936,455	4,338,309	401,854	90.7	2,594,952	15.5
6/30/2013	4,453,828	4,749,368	295,540	93.8	2,740,940	10.8
Teachers' Retirement Fund – Total						
6/30/2008	$ 9,034,048	$ 18,750,063	$ 9,716,015	48.2%	$ 4,348,536	223.4%
6/30/2009	8,029,821	19,162,626	11,132,805	41.9	4,339,032	256.6
6/30/2010	8,804,964	19,896,625	11,091,661	44.3	4,312,611	257.2
6/30/2011	8,892,059	20,315,243	11,423,184	43.8	4,269,943	267.5
6/30/2012	8,914,562	20,860,324	11,945,762	42.7	4,232,018	282.3
6/30/2013	9,688,932	21,211,747	11,522,815	45.7	4,124,368	279.4
1977 Police Officers' and Firefighters' Pension and Disability Fund						
12/31/2007	$ 3,281,480	$ 2,889,295	$ (392,185)	113.6%	$ 603,963	(64.9)%
12/31/2008	3,352,705	3,150,827	(201,878)	106.4	644,936	(31.3)
6/30/2009	3,265,598	3,332,686	67,088	98.0	649,018	10.3
6/30/2010	3,374,438	3,639,669	265,231	92.7	675,797	39.2
6/30/2011	3,593,787	3,638,956	45,169	98.8	687,342	6.6
6/30/2012	3,786,595	4,122,436	335,841	91.9	697,111	48.2
6/30/2013	4,180,704	4,392,947	212,243	95.2	706,603	30.0

[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 – $90,187 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.

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

INPRS INDIANA PUBLIC RETIREMENT SYSTEM

Required Supplementary Information:
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]						
6/30/2008	$ 234,881	$ 338,749	$ 103,868	69.3%	$ 33,729	307.9%
6/30/2009	240,954	330,551	89,597	72.9	36,196	247.5
6/30/2010	242,143	364,123	121,980	66.5	36,722	332.2
6/30/2011	248,623	400,274	151,651	62.1	45,764	331.4
6/30/2012	260,096	437,854	177,758	59.4	45,138	393.8
6/30/2013	381,240	453,110	71,870	84.1	46,967	153.0
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan[1]						
6/30/2008	$ 65,375	$ 77,177	$ 11,802	84.7%	$ 21,333	55.3%
6/30/2009	68,170	89,296	21,126	76.3	25,238	83.7
6/30/2010	70,327	97,862	27,535	71.9	26,709	103.1
6/30/2011	72,599	101,534	28,935	71.5	24,028	120.4
6/30/2012	76,007	113,283	37,276	67.1	25,752	144.8
6/30/2013	98,608	118,097	19,489	83.5	26,201	74.4
Prosecuting Attorneys' Retirement Fund[1]						
6/30/2008	$ 26,350	$ 38,069	$ 11,719	69.2%	$ 20,617	56.8%
6/30/2009	26,467	44,632	18,165	59.3	20,782	87.4
6/30/2010	26,166	49,174	23,008	53.2	21,016	109.5
6/30/2011	25,651	53,252	27,601	48.2	18,082	152.6
6/30/2012	27,501	56,080	28,579	49.0	21,705	131.7
6/30/2013	48,762	61,940	13,178	78.7	21,217	62.1
Legislators' Retirement System – Defined Benefit Plan						
6/30/2008	$ 5,120	$ 5,039	$ (81)	101.6%	N/A[2]	N/A[2]
6/30/2009	4,730	5,087	357	93.0	N/A[2]	N/A[2]
6/30/2010	4,075	4,909	834	83.0	N/A[2]	N/A[2]
6/30/2011	3,634	4,621	987	78.6	N/A[2]	N/A[2]
6/30/2012	3,377	4,503	1,126	75.0	N/A[2]	N/A[2]
6/30/2013	3,428	4,295	867	79.8	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 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
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.

Required Supplementary Information:
Schedule of Employer Contributions

(dollars in thousands)

Public Employees' Retirement Fund

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 291,397	$ 303,877	104.3%
6/30/2009	316,059	323,151	102.2
6/30/2010	360,183	331,090	91.9
6/30/2011	483,842	342,779	70.8
6/30/2012	509,724	397,843	78.1
6/30/2013[1]	477,342	455,658	95.5

Teachers' Retirement Fund – Pre-1996 Account

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 678,050	$ 675,682	99.7%
6/30/2009	700,307	706,366	100.9
6/30/2010	850,493	731,149	86.0
6/30/2011	894,507	748,978	83.7
6/30/2012	866,207	764,423	88.2
6/30/2013	873,751	1,013,080	115.9[2]

Teachers' Retirement Fund 1996 Account

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 122,009	$ 132,446	108.6%
6/30/2009	119,331	147,425	123.5
6/30/2010	101,627	154,491	152.0
6/30/2011	154,142	166,633	108.1
6/30/2012	173,651	181,067	104.3
6/30/2013[1]	167,311	180,714	108.0

Teachers' Retirement Fund – Total

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 800,059	$ 808,128	101.0%
6/30/2009	819,638	853,791	104.2
6/30/2010	952,120	885,640	93.0
6/30/2011	1,048,649	915,611	87.3
6/30/2012	1,039,858	945,490	90.9
6/30/2013	1,041,062	1,193,794	114.7[2]

1977 Police Officers' and Firefighters' Pension and Disability Fund

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
12/31/2007	$ 108,741	$ 122,712	112.7%
12/31/2008	117,773	133,196	112.6
6/30/2009	62,881	64,285	102.2
6/30/2010	126,558	130,775	103.3
6/30/2011	133,903	133,726	99.9
6/30/2012	141,988	135,605	95.5
6/30/2013[1]	88,287	137,111	155.3

Judges' Retirement System

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 10,028	$ 15,920	158.8%
6/30/2009	16,131	20,861	129.3
6/30/2010	16,077	18,631	115.9
6/30/2011	18,910	19,200	101.5
6/30/2012	19,664	18,896	96.1
6/30/2013	25,458	111,419	437.7[3]

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
6/30/2008	$ 3,676	$ 4,854	132.0%
6/30/2009	4,427	5,294	119.6
6/30/2010	5,237	5,256	100.4
6/30/2011	5,179	5,197	100.3
6/30/2012	5,532	5,054	91.4
6/30/2013[1]	5,003	19,740	394.6[3]

Prosecuting Attorneys' Retirement Fund

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 1,040	$ 170	16.3%
6/30/2009	1,340	170	12.7
6/30/2010	1,663	170	10.2
6/30/2011	1,960	170	8.7
6/30/2012	2,037	1,839	90.3
6/30/2013	2,542	19,443	764.9[3]

Legislators' Retirement System Defined Benefit Plan

Fiscal Year Ended	Annual Required Contribution	Annual Employer Contribution	Percentage Contributed
6/30/2008	$ 66	$ 100	151.5%
6/30/2009	45	100	222.2
6/30/2010	63	-	0.0
6/30/2011	113	-	0.0
6/30/2012	113	112	99.1
6/30/2013	140	150	107.1

[1]Fiscal Year 2013 Annual Required Contribution has been developed based on actual employer payroll.

[2]The TRF Pre-1996 Account was appropriated additional monies from the excess state reserves of $206,796 thousand during fiscal year 2013.

[3]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

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

Other Supplementary Schedules:
Schedule of Administrative and Project Expenses

(dollars in thousands)	Fiscal Year Ended June 30	
	2013	2012[1]
Personnel Services:		
Salaries and Wages	$ 9,518	$ 9,113
Temporary Services	5,950	6,898
Employee Benefits	4,061	3,828
Total Personnel Services	**19,529**	**19,839**
Contractual and Professional Services:		
Benefit Payment Processing Fees	2,555	2,445
Consulting Services	817	684
Actuarial Services	759	889
Legal Services	102	183
Total Contractual and Professional Services	**4,233**	**4,201**
Information Technology Services:		
Software and Licenses	1,473	1,873
Data Processing	1,427	879
Other Computer Services	2	150
Total Information Technology Services	**2,902**	**2,902**
Communications:		
Postage	829	1,004
Telephone	369	133
Printing	281	763
E-communications	120	-
Total Communications	**1,599**	**1,900**
Miscellaneous:		
Depreciation and Amortization	2,370	1,375
Office Rent and Expenses	1,007	974
Equipment Rental	178	87
Memberships and Training	148	109
Travel	61	51
Other Administrative Expenses	166	51
Total Miscellaneous	**3,930**	**2,647**
Total Administrative Expenses	**$ 32,193**	**$ 31,489**
Total Project Expenses	**$ 13,728**	**$ 9,359**
Total Administrative and Project Expenses	**$ 45,921**	**$ 40,848**

[1]Schedule of Administrative and Project Expenses as of June 30, 2012 has been restated to provide greater transparency and is reflected as comparable to INPRS' June 30, 2013 reporting classifications.

Schedule of Administrative Contractual and Professional Services Expenses

(dollars in thousands)

	Fiscal Year Ended June 30		
Vendor Name	**2013**	**2012[1]**	**Nature of Services**
Xerox	$ 2,576	$ 2,506	Benefit Payment Services
PricewaterhouseCoopers LLP	651	721	Actuarial Services
Protiviti Inc.	219	212	Enterprise Risk Management/Vendor Management
Indiana State Board of Accounts	193	44	Audit Services
Nyhart, Inc.	108	167	Actuarial Services
Gartner, Inc.	70	44	IT Research
Ice Miller LLP	67	116	Legal Services
AIRvan Consulting LLC	65	67	Market Research Services
Omkar Markand, M.D.	58	50	Medical Consulting
CEM Benchmarking, Inc.	40	35	Benchmarking Services
Ernst & Young LLP	34	172	Management Consulting
Automatic Data Processing, Inc.	33	24	Payroll Processing Services
ERP Control Specialists, LLC	29	20	Internal Audit Software
Flashpoint	16	-	Management Consulting
Segal	15	-	Management Consulting
Briljent	14	-	Training Services
Krieg DeVault LLP	12	24	Legal Services
McLagan	9	40	Human Resource Management Services
Stephenson Morow & Semler	4	11	Legal Services
KPMG LLP	-	(88)	Strategic Assessment and IT Consulting
Other Contractual and Professional Services	20	36	Other Services
Total Administrative Contractual and Professional Services Expenses	**$ 4,233**	**$ 4,201**	

[1]Schedule of Administrative Contractual and Professional Services Expenses as of June 30, 2012 has been restated to be more comparable to INPRS' June 30, 2013 reporting classifications.

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

Schedule of Project Expenses

(dollars in thousands)	Fiscal Year Ended June 30	
	2013	2012
Personnel Services:		
Temporary Services	$ 4,444	$ 2,626
Salaries and Wages	371	446
Employee Benefits	128	169
Total Personnel Services	**4,943**	**3,241**
Contractual and Professional Services:		
Consulting Services	7,244	5,173
Legal Services	-	2
Total Contractual and Professional Services	**7,244**	**5,175**
Information Technology Services:		
Data Processing	1,419	711
Software and Licenses	172	204
Total Information Technology Services	**1,591**	**915**
Communications and Miscellaneous	**(50)**	**28**
Total Project Expenses	**$ 13,728**	**$ 9,359**

Other Supplementary Schedules:

Schedule of Project Contractual and Professional Services Expenses

(dollars in thousands)

Vendor Name	Fiscal Year Ended June 30 2013	Fiscal Year Ended June 30 2012	Nature of Services
CherryRoad Technologies Inc.	$ 3,389	$ 1,456	Strategic Assessment and IT Consulting
Oracle America, Inc.	1,941	535	Strategic Assessment and IT Consulting
Briljent	1,051	1,022	Training Documentation
Xerox	532	139	Strategic Assessment and IT Consulting
IBM Corporation	159	-	Software Licenses
KPMG LLP	121	2,021	Strategic Assessment and IT Consulting
Guidesoft	51	-	Training Documentation
Ice Miller LLP	-	2	Legal Services
Total Project Contractual and Professional Services Expenses	**$ 7,244**	**$ 5,175**	

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

Other Supplementary Schedules:

Schedule of Investment Expenses

(dollars in thousands)	Fiscal Year Ended June 30	
	2013	**2012**
Investment Consultants:		
Strategic Investment Solutions	$ 1,000	$ 1,071
Aksia	500	525
ORG Portfolio Management LLC	322	339
Capital Cities	105	128
Xerox	69	-
Other	13	-
Institutional Shareholder Services	7	93
Hinkle Creek Consulting	-	268
Hamilton Lane	-	42
S.R. Batliboi and Co.	-	22
RV Kuhns and Associates Inc.	-	10
Total Investment Consultants	**2,016**	**2,498**
Investment Custodians:		
BNY Mellon	513	439
JP Morgan	-	98
The Northern Trust Company	-	(5)
Total Investment Custodians	**513**	**532**
Investment Recordkeeper Fees	**5,705**	**6,098**
Investment Management Fees	**127,093**	**106,484**
Investment Staff Expenses	**1,817**	**1,322**
Investment Administrative Expenses	**1,242**	**840**
Total Investment Expenses	**$ 138,386**	**$ 117,774**

Indiana Public Retirement System

2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

Investment Section

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 BUSH STREET, STE. 2000
SAN FRANCISCO, CALIFORNIA 94104
TEL 415/362-3484 FAX 415/362-2752

August 7, 2013

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

Dear Trustees:
Strategic Investment Solutions is pleased to provide you with an overview of the economic environment for the year ended June 30, 2013, how it impacted the Indiana Public Retirement System investment results and observations regarding the current investment strategy.

Economic Environment

The environment for the year ended June 30, 2013 was impacted by slow economic growth, low inflation, persistent unemployment and ongoing Fed policy.

Over the fiscal year, U.S. GDP growth and inflation were as follows:

Annualized Percentage Growth

	U.S. GDP	U.S. CPI
Third Quarter 2012	2.8%	4.8%
Fourth Quarter 2012	0.1	(0.8)
First Quarter 2013	1.1	2.1
Second Quarter 2013	1.7	0.9
Annual Average	1.4	1.7

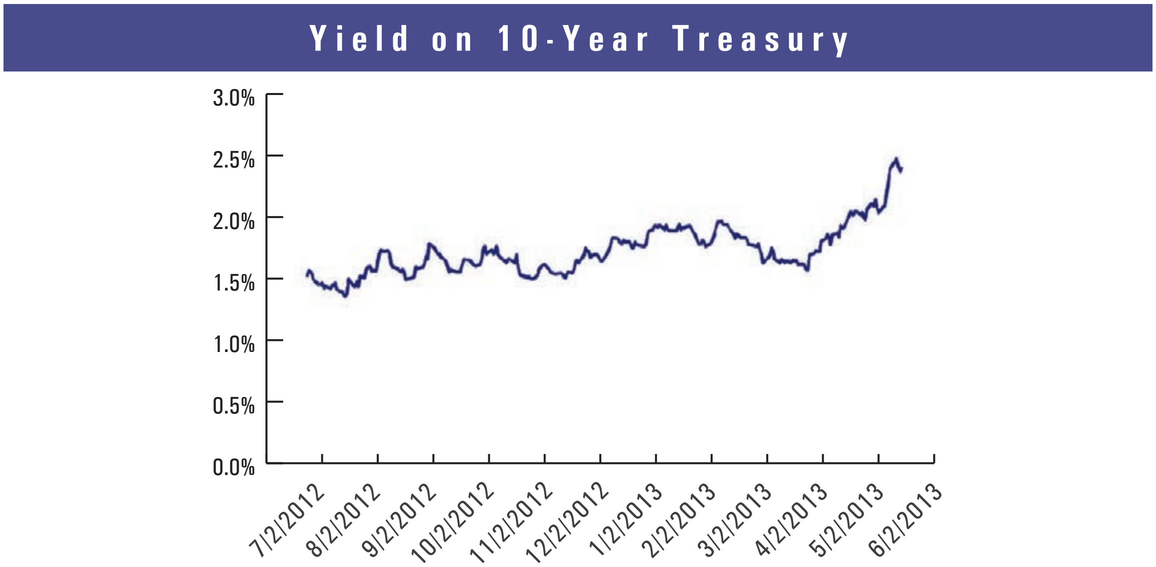
During the fourth quarter of 2012, fears of the Federal “fiscal cliff” caused individuals and businesses to restrain or postpone spending, leading to weak growth and deflation during that period. While the fiscal cliff issues were resolved at the end of 2012, this was replaced with the “budget sequestration”. With Federal spending suddenly reduced, the economy grew modestly in the first half of 2013. However, the removal of uncertainty combined with aggressive Fed policy helped to propel the markets in early 2013.

The unemployment rate was at 8.2 percent on June 30, 2012. Over the course of the year, it has slowly declined to 7.4 percent on June 30, 2013. There is considerable concern that underemployment and the decline in workforce participation means the unemployment rate does not fully capture the current employment picture.

Finally, the Fed has been aggressive in lowering interest rates by buying Treasuries and mortgage securities. The impact is two-fold: 1) For borrowers, this reduces the cost of borrowing whether it be for companies expanding businesses or individuals buying homes or cars. 2) For investors, low interest rates encourage them to consider non-fixed income investments, thereby driving up the prices of other financial assets.

The Fed has strived for transparency in communicating their intentions. This has generally served the market well, leading to decreased volatility. With inflation low and unemployment still high, the Fed has stated that they will continue to be accommodative. Any change in the Fed policy will be closely watched.

The sensitivity to Fed policy was highlighted on May 22nd when Fed Chairman Ben Bernanke commented that improving conditions could lead the Fed to reduce the aggressiveness of the existing policy. This led to a quick spike in interest rates as shown in the graph below.



Interest rates for the 10 year Treasury had been in a range between 1.5 percent and 2.0 percent. But with concerns that Fed policy could soon change, rates quickly rose to 2.5 percent. Should Fed policy and its actions actually change, interest rates would likely rise further and potentially rapidly.

In Europe, the debt concerns continued but not at the crisis levels of prior years. The improving environment has led to lower volatility and improved investor confidence, pushing stock prices higher.

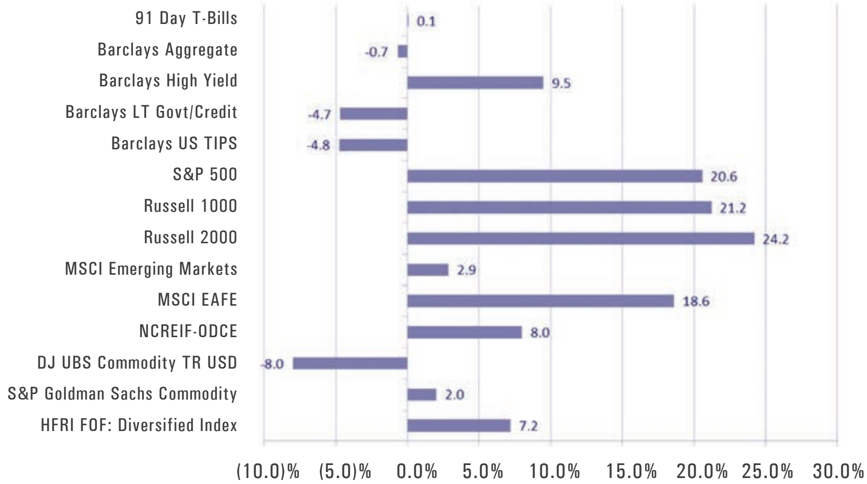
In Japan, Prime Minister Shinzo Abe is pursuing policies to improve the Japanese economy using both fiscal and monetary tools. Higher inflation and a weaker yen have improved the prospects for export- oriented Japanese companies, resulting in strong market performance.

In China, economic growth has slowed from a high of over 10 percent in 2010 to what is expected to be around 7.5 percent for 2013. This slowing growth has hurt the economies and companies that sell into the Chinese marketplace.

Impact on Investments

INPRS' investments are broadly diversified across many asset classes. The returns for indices that are representative of these asset classes can be seen in the chart below.

Key Index Returns for the Year Ended June 30, 2013

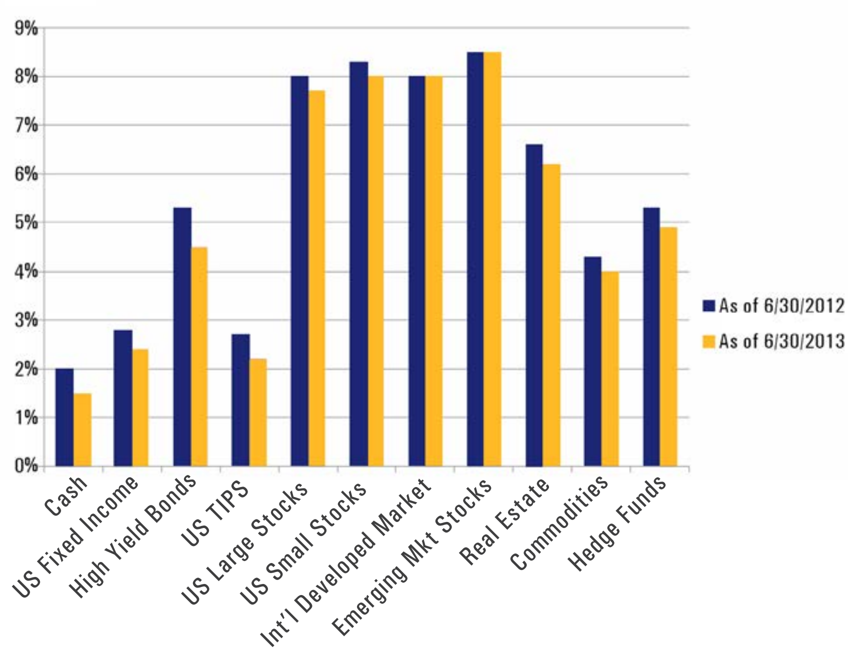


By being well diversified, INPRS has been able to pursue a risk-balanced strategy, thereby capturing the benefits of economic and earnings growth, at an appropriate level of risk. Maintaining a measured level of risk is an important objective, as this will lead to less volatility of funded status and required employer contributions.

Observations Regarding the Current Investment Strategy

We closely monitor the various markets in which INPRS is invested so that we can estimate the likelihood of achieving attractive long-term returns and understand how these correspond with the returns needed to maintain the adequate funding of the System. SIS works with INPRS to consider the risks of various investment strategies and asset allocations; the current asset mix is the result of an asset allocation study conducted in 2011. This is expected to be updated in 2014.

Capital Market Expected Returns



The expected returns for various markets have changed over the last year, many of them declining due to the low economic growth that we have experienced. In this environment, we have assisted in identifying approaches to reduce the System's exposure to public equities as the primary source of returns and also to manage the fixed income portfolio to mitigate against the impact of low yields, higher interest rates and higher inflation. At the same time, we believe that implementing too aggressive of a plan could impact the financial stability of the System. The current investment strategy represents a reasonable balance between these competing objectives.

Sincerely,

Pete Keliuotis, CFA Managing Director

INPRS Investment Imperatives

There are three long-term imperatives that are vital for the continued health of the System. Every strategic and tactical decision that is made must have the expectation of positively contributing to our imperatives.

1) **Achieve the long-term rate of return assumption.** Effective Fiscal Year 2013 (FY13), the long-term rate of return assumption, set by INPRS Board, is 6.75 percent. In order for INPRS to maintain a healthy funded status, it is essential to achieve this rate of return over a long-term period, defined as 10+ years in the Investment Policy Statement.

2) **Accomplish the first goal as effectively and efficiently as possible.** Recognizing that not only is it important to return 6.75 percent, or the long-term rate of return, but as fiduciaries, it is equally important to accomplish this by focusing on return per unit of risk, diversification, and cost efficiency.

3) **Have sufficient liquidity on hand to pay beneficiaries.** The liquidity available in the portfolio is continuously monitored. The current liquidity profile is more than sufficient to match the beneficiary payment requirements of the System.

Year in Review

Fiscal Year 2012 (FY12) was a historic year because it was the year of integration and consolidation from two entities (PERF and TRF) into one entity (INPRS). In FY13, there was continued realization of merger efficiencies (e.g., consolidation of investment managers), with cost savings resulting in a net present value benefit to the System of over $40 million. Also occurring in FY13 was the merging of the Annuity Savings Account (ASA) investment options contributing to further synergistic cost savings. The estimated savings from the ASA merger was $92,000 annually.

As has been the case since the inception of INPRS, risk management continued to evolve in Investments as well as the rest of the organization. The Barra risk system implemented in FY12 is now fully functional and is contributing to the focus on risk management at INPRS. The Investment Department also improved the compliance systems and developed and implemented a new set of INPRS investment procedures.

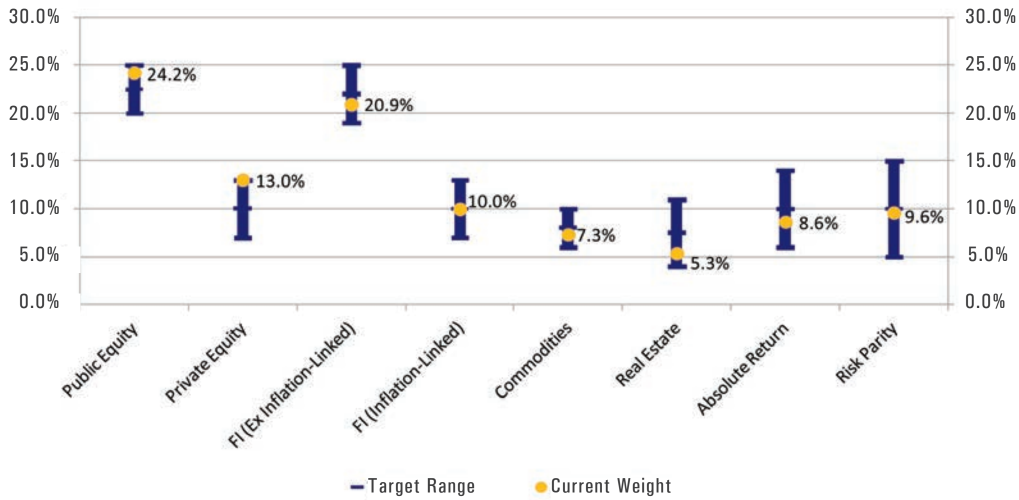
FY13 also marked a year in which INPRS took tremendous steps toward creating a more diversified and balanced portfolio. Starting in 2011, the INPRS Board and investment team set out on a course to assemble an asset allocation and build a risk-focused culture that better fit the guiding principles set forth in the INPRS Investment Policy Statement. Those principles focus on the following:

- The long-term nature of the plans (10+ years);
- The importance of minimizing risk and volatility through diversification; and
- The acknowledgement that, despite any actions taken, markets would exhibit short-term volatility (positive and negative) around the target rate of return over time.

The INPRS Board and investment team also agreed on the importance of reducing the portfolio's correlation with the financial health of INPRS' funding sources, employers around the State. More often than not, the environment that tends to be the most stressful on employers' ability to fund the pension plans is when growth is weak and equities have performed poorly. Thus, we want to minimize the portfolio's negative performance during these periods.

It was also determined that it was in the best interest of the System to build a more balanced portfolio, which could withstand multiple economic environments. Such an approach seeks to reduce the reliance on strong growth and low inflation (equity-friendly) environments in the U.S. to achieve the targeted return. Accordingly, in October 2011, the INPRS Board approved a new asset allocation that featured a 10 percent allocation to risk parity strategies, increased investments in inflation-sensitive assets (inflation-linked bonds and commodities), continued investment in long-term strategies that could take advantage of return premiums from illiquidity (private equity and private real estate), and a restructure of the absolute return and fixed income portfolios that would reduce the sensitivity of their returns to equity markets. One statistic to confirm this is how the Beta to the S&P has been significantly reduced. In FY13, the portfolio's Beta to the S&P 500 was 0.41 compared to 0.92 close to a decade ago.

In FY13, the allocation moved much closer to the target and was well within the approved bands.

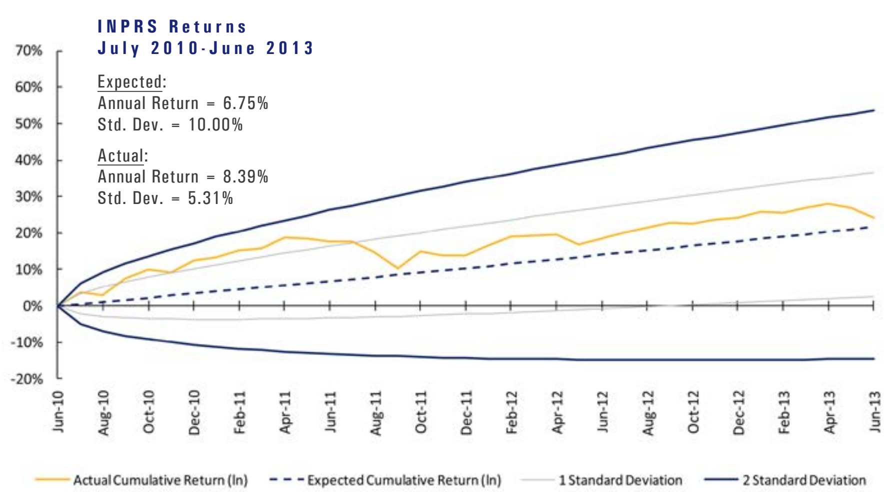


NOTE: FI (Ex Inflation-Linked) is shown exclusive of cash and cash equivalents.

Performance[1]

While FY13 was a year in which the investment team successfully achieved the last two imperatives (efficiency and liquidity), a challenging environment in the final two months of the fiscal year proved to be just difficult enough to move the portfolio's one-year performance below the 6.75 percent target rate of return. As discussed above, the investment team has worked diligently to improve the diversification of the portfolio over the past few years. Nevertheless, May and June provided few asset classes with positive performance. As a result, INPRS finished the fiscal year with a 6.0 percent return net of fees. The following chart shows the cumulative performance of INPRS' portfolio over the past three years, a time period which included the consolidation of the PERF and TRF plans into INPRS, merger of the Boards and staffs, and adoption of a new asset allocation.

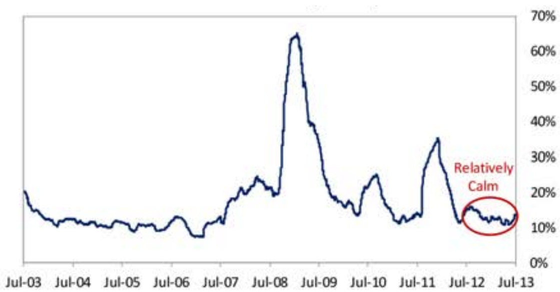
INPRS Net of Fees Cumulative Returns



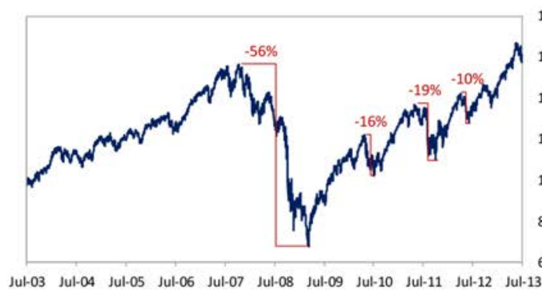
[1]Rates of return are based on calculations made by the System's custodian, Bank of New York Mellon, and are presented using a time-weighted rate of return methodology based upon market value.

While recent years have provided violently swinging markets to navigate, FY13 was unusually calm for many asset classes, especially those with a rising growth bias, such as equities. As the graphs below illustrate, this year was the first fiscal year since 2007 in which the S&P 500 did not see a significant spike in volatility and a drawdown worse than negative 7.00 percent.

S&P 500 90-Day Volatility

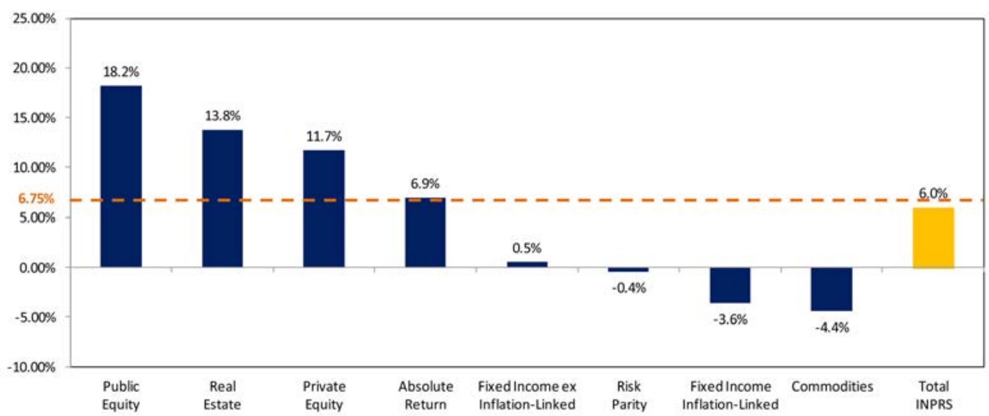


S&P 500 Index Price



Given this relative tranquility, equities (public and private) and real estate were clear winners while holding a diversified portfolio, including fixed income and commodities, produced returns that were closer to long-term expectations.

INPRS Fiscal Year 2013 Net of Fees Total Return

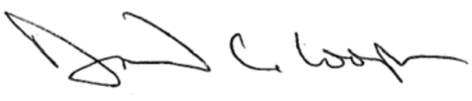


The total INPRS portfolio finished April with a FYTD return of 10.0 percent net of fees, and we seemed to be well on our way to surpassing a 6.75 percent return for the year. Additionally, the annualized 10-year return was at 6.9 percent net of fees at that time.

Struggling markets in May and June 2013, however, led to a total plan return slightly below the 6.75 percent target over the fiscal year and 10-year period ending June 30, 2013. This abrupt change in the markets is a good example of why a few months should not dictate whether an asset allocation is a success. The imperatives are focused on constructing a portfolio with a tighter distribution versus the target rate of return over longer periods of time, and to this end, we have seen some signs of dampened volatility versus the traditional asset allocation over the past few years. Nevertheless, we will continually strive to improve the portfolio's diversification and achieve a tighter distribution of returns going forward.

Although it is possible that the equity-dominance of FY13 might persist, there are other possible outcomes that could be positive for asset classes that perform well in low growth and/or rising inflation environments. As a result, we continue to hold a diversified portfolio of multiple asset classes (including equities) in search of smoother performance over longer periods of time.

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 of INPRS.

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 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 the 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 governance of INPRS.

The Board recognizes that the allocation of assets is the most important determinant of investment rates of returns over long periods of time. 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 Protection, Fixed Income including Inflation-Linked Protection, Commodities, Real Estate, Absolute Return, and Risk Parity. The current asset allocation, approved by the Board on October 28, 2011, is as follows:

INPRS Asset Allocation	Target Allocation	Target Range	Benchmark
Public Equity	22.5%	+/- 2.5%	MSCI All Country World
Private Equity	10.0%	+/- 3.0%	Russell 3000 + 300bps
Fixed Income – Ex Inflation-Linked	22.0%	+/- 3.0%	Barclays Global Aggregate (USDH)
Fixed Income – Inflation-Linked	10.0%	+/- 3.0%	Barclays Global Inflation-Linked (USDH)
Commodities	8.0%	+/- 2.0%	Custom Benchmark
Real Estate	7.5%	+/- 3.5%	NCREIF NFI-ODCE
Absolute Return	10.0%	+/- 4.0%	HFRI Fund of Funds Composite
Risk Parity	10.0%	+/- 5.0%	Custom Benchmark

Outline of Investment Policies, continued

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.

Annuity Savings Accounts (ASA) are accounts established for each member of the Public Employees' Retirement Fund and the Teachers' Retirement Fund. A member's account is credited with the legislated three (3.0) 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 current ASA investment options currently include:

- 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 (PERF ASA only);
- Stable Value Fund (PERF ASA Only Plan & Legislators' Plan only);
- Consolidated Defined Benefit 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 Results of this section.

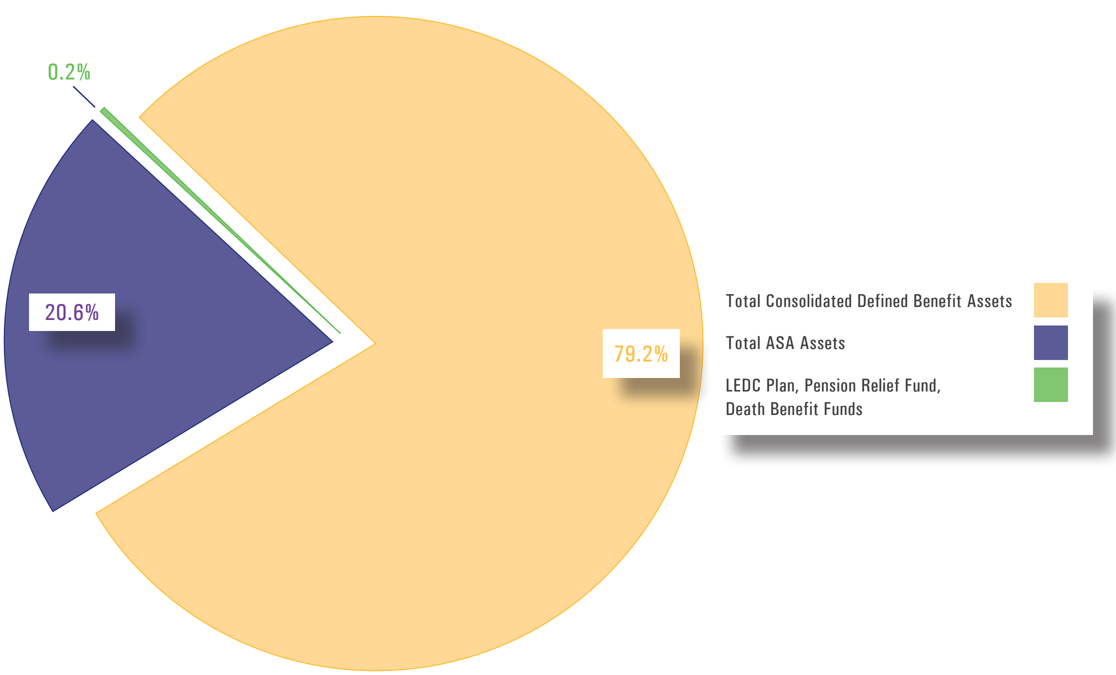
The number and types of investment funds offered will be periodically reviewed by the Board in order to ensure diversity of investment alternatives, adequate and reasonable availability of investment types, and clarity and usefulness of the investment choices. ASA performance data is included in the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

Fund Fact Sheets for the aforementioned ASA investment options, are available online at: http://www.in.gov/inprs/fundfactsheets.htm.

(dollars in millions)

	Actual Assets	Percent
Consolidated Defined Benefit Assets:		
Defined Benefit Retirement Plans' Assets	$ 21,479.6	79.2%
Legislators' Defined Contribution Plan (LEDC Plan)[1]	9.1	–
Total Consolidated Defined Benefit Assets	21,488.7	79.2
Annuity Savings Accounts (ASA) Assets[2]:		
Public Employees' Retirement Fund (PERF)	2,780.5	10.3
Teachers' Retirement Fund (TRF)	2,802.8	10.3
Total Annuity Savings Accounts Assets	5,583.3	20.6
Legislators' Defined Contribution Plan[3]	15.2	0.1
Pension Relief Fund[4]	35.6	0.1
Death Benefit Funds[5]	12.6	–
Total INPRS Investments[6]	**$ 27,135.4**	**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.
[6]Includes Securities Lending Collateral, Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, Securities Lending Obligations, and Securities Sold Under Agreement to Repurchase.

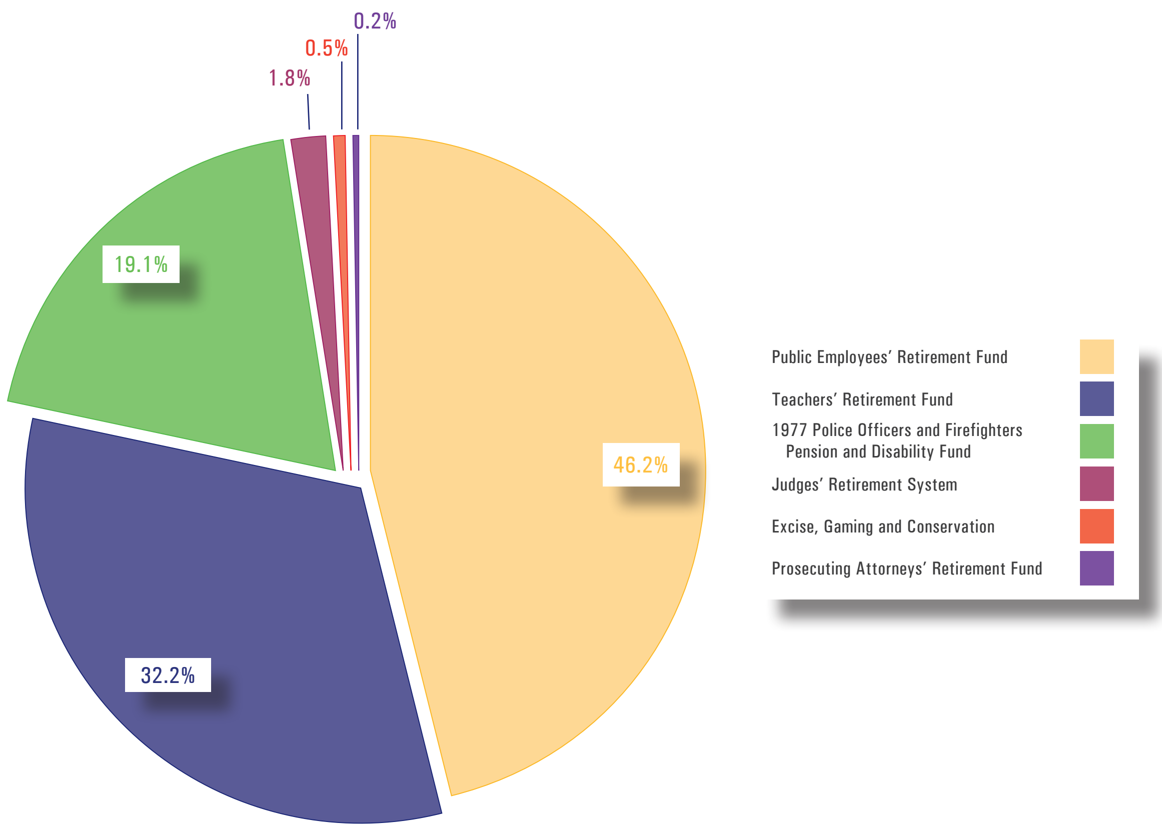


Retirement Plans in Consolidated Defined Benefit Assets Fiscal Year Ended June 30, 2013

(dollars in millions)

Retirement Plan	Amount	Percent
Public Employees' Retirement Fund	$ 9,918.5	46.2%
Teachers' Retirement Fund	6,925.1	32.2
1977 Police Officers' and Firefighters' Pension and Disability Fund	4,112.1	19.1
Judges' Retirement System	375.7	1.8
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	97.0	0.5
Prosecuting Attorneys' Retirement Fund	47.9	0.2
Legislators' Retirement System – Defined Benefit Plan	3.3	–
Legislators' Retirement System – Defined Contribution Plan	9.1	–
Total Consolidated Defined Benefit Assets[1]	**$ 21,488.7**	**100.0%**

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

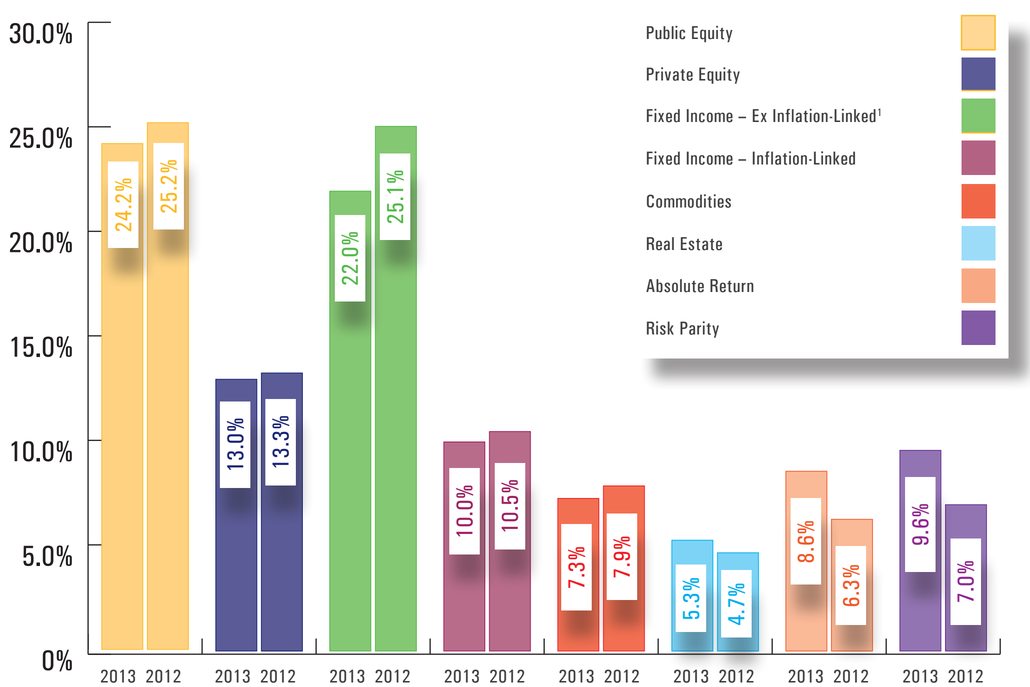


Asset Allocation Summary
June 30, 2013 Actual vs. June 30, 2012 Actual

(dollars in millions)

	June 30, 2013		June 30, 2012	
Asset Class	**Amount**	**Percent**	**Amount**	**Percent**
Public Equity	$ 5,205.9	24.2%	$ 4,975.4	25.2%
Private Equity	2,793.3	13.0	2,621.0	13.3
Fixed Income – Ex Inflation-Linked[1]	4,735.2	22.0	4,943.8	25.1
Fixed Income – Inflation-Linked	2,144.4	10.0	2,078.7	10.5
Commodities	1,553.6	7.3	1,559.5	7.9
Real Estate	1,146.0	5.3	919.5	4.7
Absolute Return	1,848.2	8.6	1,241.0	6.3
Risk Parity	2,062.1	9.6	1,370.0	7.0
Total Consolidated Defined Benefit Assets[2]	**$ 21,488.7**	**100.0%**	**$ 19,708.9**	**100.0%**

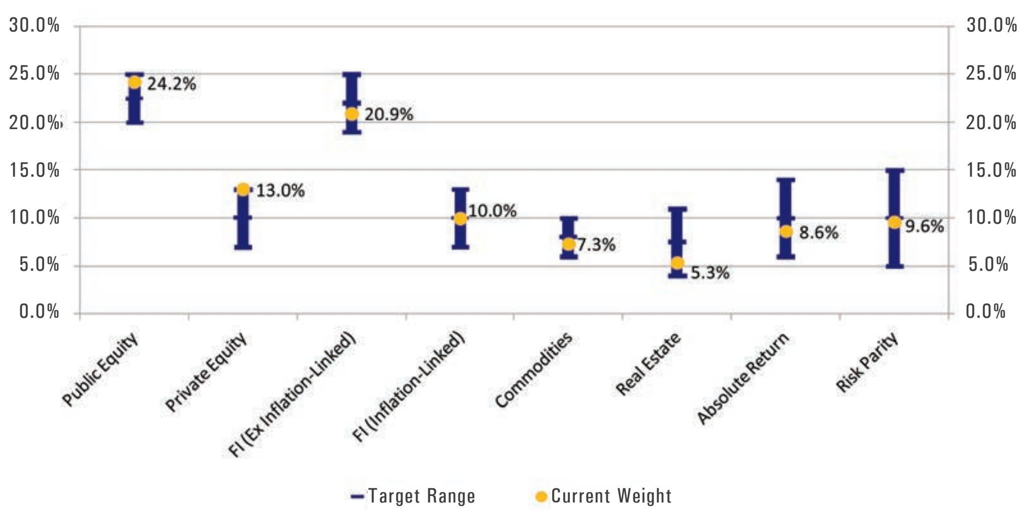
[1]Includes Cash
[2]Amounts disclosed above will agree to the Pooled Unit Trust Investments in the Financial Section, Note 3(H) Summary of Significant Accounting Policies. The amounts disclosed above are shown by investment strategy and will differ from the Statement of Net Position and Investment Type summary in the Financial Section, Note 3(F) Summary of Significant Accounting Policies, due to the investment strategy disclosure being related to a systematic plan to achieve returns and diversification and the investment type disclosure being related to the legal structure of the investment. The amounts disclosed include Securities Lending Collateral, Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, Securities Lending Obligations, and Securities Sold Under Agreement to Repurchase.



Asset Allocation Summary
June 30, 2013 Actual vs. Target

Asset Class	June 30, 2013 Actual	Target	Allowable Range for Investments
Public Equity	24.2%	22.5%	20.0 to 25.0%
Private Equity	13.0	10.0	7.0 to 13.0
Fixed Income – Ex Inflation-Linked[1]	22.0	22.0	19.0 to 25.0
Fixed Income – Inflation-Linked	10.0	10.0	7.0 to 13.0
Commodities	7.3	8.0	6.0 to 10.0
Real Estate	5.3	7.5	4.0 to 11.0
Absolute Return	8.6	10.0	6.0 to 14.0
Risk Parity	9.6	10.0	5.0 to 15.0
Total Consolidated Defined Benefit Assets	**100.0%**	**100.0%**	

[1]Includes Cash



NOTE: FI (Ex Inflation-Linked) is shown exclusive of cash and cash equivalents.

Annualized Rate of Return by Asset Class vs. Benchmark Returns Fiscal Year Ended June 30, 2013 (percent return)[1]

	1-Year[2]			
Asset Class	**Actual Return**	**Benchmark Return**	**Actual Over / (Under) Benchmark (Pct. Points)**	**Benchmark**
Public Equity	18.2 %	17.1 %	1.1	MSCI All Country World IMI Index (MSCI ACWI)
Private Equity	11.7	24.5	(12.8)	Russell 3000 Index Plus 300 Basis Points
Fixed Income - Ex Inflation-Linked	0.5	1.7	(1.2)	Barclays Capital Global Aggregate Index
Fixed Income - Inflation-Linked	(3.6)	(3.4)	(0.2)	Barclays Capital Global Inflation-Linked Bond Index
Commodities	(4.4)	(3.0)	(1.4)	Custom Benchmark[3]
Real Estate	13.8	9.7	4.1	NCREIF Open End Diversified Core Equity Index
Absolute Return	6.9	7.2	(0.3)	HFRI Fund of Funds Composite Index
Risk Parity	(0.4)	10.7	(11.1)	Custom Benchmark[4]
Total Consolidated Defined Benefit Assets	**6.0 %**	**7.3 %**	**(1.3)**	**Custom Benchmark**

[1]Net of fees.
[2]Based on calculations made by the System's custodian, Bank of New York Mellon. Time-weighted rates of return have been reported for fiscal year 2013.
[3]50% Dow Jones UBS Commodity Index / 50% Goldman Sachs Commodity Index.
[4]60% MSCI ACWI IMI Index (Equities) / 40% Barclays Global Aggregate Bond Index (Bonds).

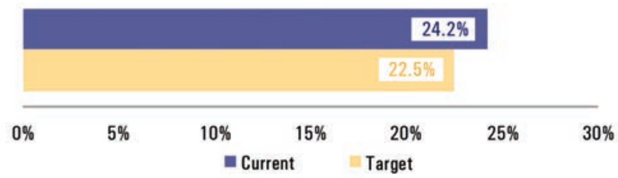
Asset Class Summary: Public Equity

Market Value as of 06/30/2013	INPRS 1-Year Net Performance	MSCI All Country World IMI Index 1-Year Performance
$5,205.9 Million	18.2%	17.1%

Portfolio Objective

The 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, 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 outperformance, relative to its benchmark, was primarily driven by: (1) The overweight to domestic equities versus developed international and emerging markets equities; and (2) The outperformance of the active international equity portfolio managers as compared to the benchmark.

Market Overview

Over the past year, global equities, as represented by the MSCI ACWI Index, were up 17.1 percent. Equity markets had a great twelve-month period as a result of the liquidity supplied by central banks around the world and improved economic fundamentals in the U.S. Based on the Russell 3000 Index, domestic equities were up 21.5 percent over the fiscal year. International equities were up 13.9 percent based on the MSCI ACWI ex US IMI Index.

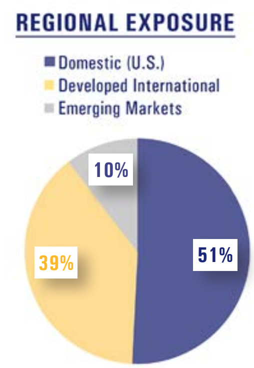
For the first quarter of the fiscal year, global equities were up 7.0 percent.The significant provision of liquidity by central banks around the world was supportive to growth; providing a more bullish development for global equities. International equities outperformed domestic equities during the first quarter of the fiscal year.

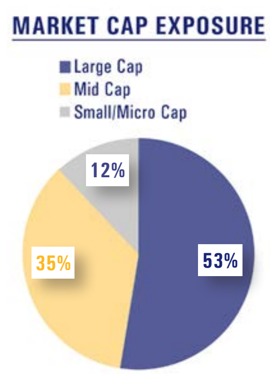
In the second quarter, global equities were up 3.1 percent. The global rally was supported by the ECB's announcement that ECB would do "whatever it takes to preserve the Euro." Supportive underlining company fundamentals and stabilizing trends in China's economy further buoyed equity markets around the world. International equities outperformed domestic equities again during the second quarter of the fiscal year.

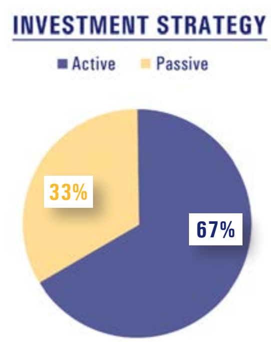
In the third quarter, global equities were up 6.8 percent. Excess liquidity started shifting out of cash into equities, pushing equity prices even higher. Domestic equities outperformed international equities during the third quarter, reversing the trend of the previous two quarters.

In the fourth quarter, global equities were up a modest 0.3 percent. The gains experienced in April and May were almost wiped out in June after Federal Reserve Chairman, Ben Bernanke, suggested it might be time to consider winding down the quantitative easing program. Meanwhile, the economic growth outlook for China also put negative pressure on global equity markets. Domestic equities outperformed international equities again in the fourth quarter.

Portfolio Structure







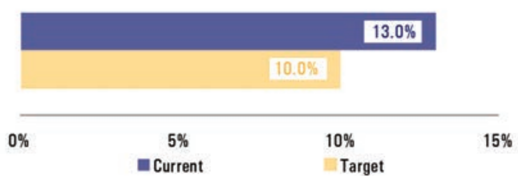
Asset Class Summary: Private Equity

Market Value as of 06/30/2013	INPRS 1-Year Net Performance	Custom Benchmark[1] 1-Year Performance
$2,793.3 Million	11.7%	24.5%

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 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

Not surprisingly, given the performance of the public equity markets, the Private Equity portfolio had strong returns from its buyout funds. Performance in the Private Equity portfolio was led by domestic middle market buyout funds, which have produced a 20.5 percent net internal rate of return since inception. Similarly, domestic large buyout funds performed well returning 15.5 percent inception to date. Also bolstered by the public equity markets and the corresponding strong IPO market, late stage venture capital investments have returned 18.5 percent since inception. In addition to the strong performance in buyouts and late stage venture capital, the Private Equity portfolio's energy funds have returned 17.3 percent since inception.

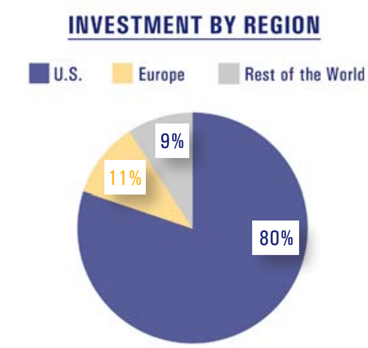
The strong public equity markets coupled with borrower favorable credit markets resulted in a supportive exit environment for private equity. INPRS benefitted from this, receiving positive net cash flows of $133.5 million from the private equity portfolio. Distributions during the fiscal year totaled $600.3 million and contributions totaled $466.8 million.

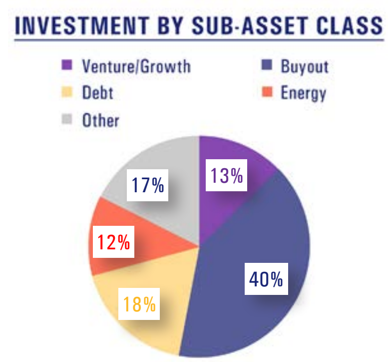
Portfolio Overview

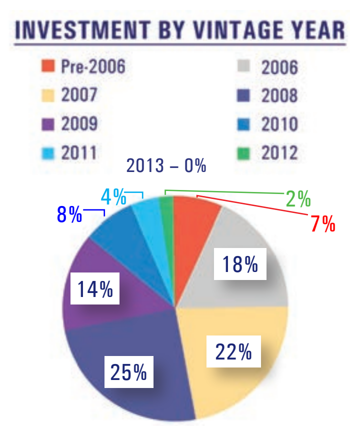
The Private Equity portfolio returned 11.7 percent for the fiscal year. Although an 11.7 percent return did not keep pace with the Russell 3000 index given the extreme upside performance of public equity markets, the private equity return was accretive to the overall INPRS portfolio long-term rate of return assumption of 6.75 percent by approximately 5.0 percentage points. It is also worthwhile to note that the Private Equity portfolio is diversified across venture and growth capital, buyouts, credit related strategies, and energy investments and as such will not generally track the Russell 3000 with consistency.

In fiscal year 2013, INPRS invested capital with six existing managers, totaling $340 million of new commitments. Commitments ranged in size from $40 million to $90 million and were made to managers primarily in the buyout and energy sub-asset classes.

Portfolio Structure







[1]*Custom Benchmark is the Russell 3000 Index plus 300 basis points.*

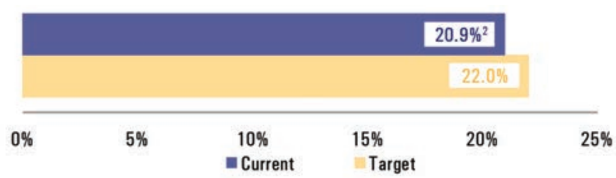
Asset Class Summary: Fixed Income – Ex Inflation-Linked

Market Value as of 6/30/2013[1]	INPRS 1-Year Net Performance	Barclays Capital Global Aggregate Index 1-Year Performance
$4,735.2 Million	0.5%	1.7%

Portfolio Objective

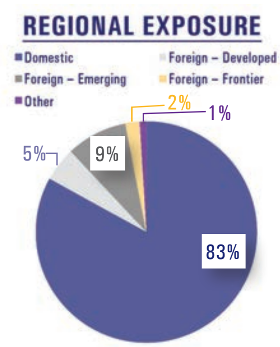
The Fixed Income portfolio seeks to generate current income and long-term risk-adjusted return in excess of the Barclays Capital Global Aggregate Index ("Benchmark") through investment in debt securities. A focus is placed on preservation of capital. To minimize the probability of substantial principal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

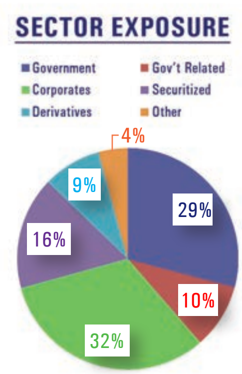
INPRS Allocation



Portfolio Overview

	INPRS	Benchmark
Duration to worst:	10.03	6.05
Yield to worst:	3.49%	2.03%
Credit quality:	A / A2	AA- / Aa2





Performance Attribution

For fiscal year 2013, the Fixed Income portfolio returned 0.5 percent, underperforming the benchmark by (1.2) percentage points. The portfolio's overweight to longer duration government and credit sectors were the main factors impacting performance.

Market Overview

Fiscal year 2013 was a year of transition. Market sentiment shifted from one of caution in the first half to one of optimism in the second half. Negative sentiment was primarily driven by concerns over the European debt crisis, global economic slowdown, U.S. 'fiscal cliff' and presidential election, and instability in the Middle East. Responses by global central banks on rate and stimulus, improving global economic data (e.g., corporate earnings), and commitment by policymakers to collaborate provided near-term stability.

For the first quarter, weak global economic data, and concern over unity of European Union unsettled markets early. Rate cuts by central banks in China and European Union, an increase of £50 billion in the Bank of England's stimulus program, and an open-ended mortgage purchase program of $40 billion per month, engineered by Federal Reserve, sparked a rally across risk assets late in the first quarter. INPRS Fixed Income portfolio returned 3.2 percent for the quarter; with the portfolio's overweight to corporate, ABS, and MBS sectors as the main contributors.

For the second quarter, domestic elections, a looming 'fiscal cliff', and concern over peripheral European countries dominated headlines early. The re-election of President Obama provided near-term resolution of the 'fiscal cliff'. The execution of a debt exchange program in Europe provided stability later in the quarter. INPRS Fixed Income portfolio returned 1.4 percent for the quarter; the portfolio's overweight to the corporate sector was the main contributor.

For the third quarter, soft international economic data affirmed accommodative monetary policy at international central banks. Domestic economic conditions exhibited signs of recovery, despite some impact of sequestration and discussion by the Federal Reserve to reduce stimulus. INPRS Fixed Income portfolio returned 0.5 percent for the quarter; the portfolio's yield curve positioning was the main detractor.

For the fourth quarter, major market movements were tied to monetary policy of global central banks, especially the Federal Reserve and Bank of Japan. Domestic economic conditions continued to exhibit signs of recovery while discussion on a potential reduction of stimulus at Federal Reserve continued. INPRS Fixed Income portfolio declined (4.4) percent for the quarter; portfolio's overweight to long duration government and credit sectors were the main detractors.

[1]Market Value includes Cash.
[2]Represents Fixed Income assets only, exclusive of cash.

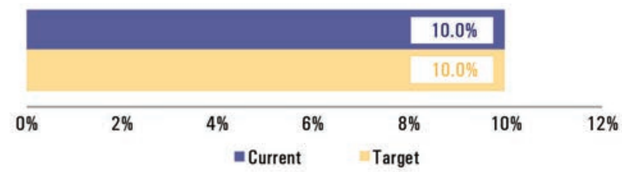
Asset Class Summary: Fixed Income – Inflation-Linked

Market Value as of 6/30/2013	INPRS 1-Year Net Performance	Barclays Capital Global Inflation-Linked Bond Index 1-Year Performance
$2,144.4 Million	(3.6)%	(3.4)%

Portfolio Objective

The Global Inflation-Linked Bonds ("ILBs") 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



Performance Attribution

INPRS one-year underperformance of (0.2) percentage points relative to its benchmark was the result of the portfolio's overweight to U.S. Treasury Inflation Protected Securities ("TIPS").

Market Overview

Fiscal year 2013 was a year of transition. Market sentiment shifted from one of caution in the first half to one of optimism in the second half. Negative sentiment was primarily driven by concerns over European debt crisis, global economic slowdown, U.S. 'fiscal cliff' and presidential election, and instability in the Middle East. Responses from global central banks on rate and stimulus, improving global economic data and corporate earnings, and commitment by policymakers to collaborate provided near-term stability.

For the first quarter, weak global economic data, and concern over unity of European Union unsettled markets early. Rate cuts and accommodative monetary policy by global central banks sparked rally across risk assets later in the quarter. Longer term inflationary concern caused the U.S. breakeven level to widen. The INPRS ILBs portfolio returned 2.4 percent for the quarter; the portfolio's overweight to TIPS was the main contributor.

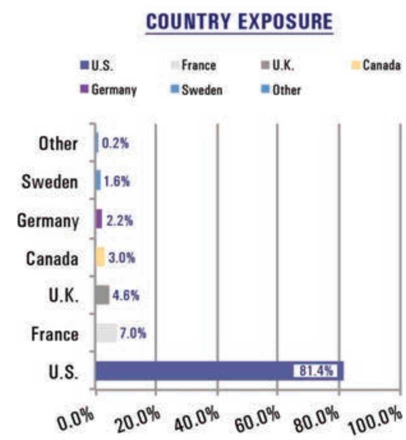
For the second quarter, domestic elections, the looming 'fiscal cliff,' and concern over peripheral European countries dominated headlines early. The re-election of President Obama provided near-term resolution of the 'fiscal cliff,' and dovish monetary policy by global central banks provided stability later in the quarter. Longer term inflationary concern continued to cause the U.S. breakeven level to widen. INPRS ILBs portfolio returned 1.0 percent for the quarter; the portfolio's overweight to TIPS was the main contributor.

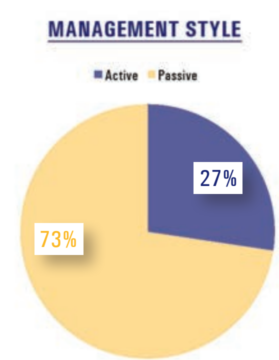
For the third quarter, soft international economic data affirmed accommodative monetary policy at international central banks. Domestic economic conditions exhibited signs of recovery, despite some impact of sequestration and discussion by the Federal Reserve to reduce stimulus. The breakeven level widened the most in the U.K. as compared to other countries. INPRS ILBs portfolio declined (0.2) percent for the quarter; with portfolio's underweight to ex-U.S. inflation-linked bonds as the main detractor.

For the fourth quarter, major market movements were tied to monetary policy of global central banks, especially the Federal Reserve and Bank of Japan. Domestic economic conditions continued to exhibit signs of recovery while discussion of a potential reduction of stimulus at Federal Reserve continued. The U.S. breakeven level narrowed sharply due to hawkish comments by the Federal Reserve. INPRS ILBs portfolio declined (6.6) percent for the quarter; the portfolio's overweight to TIPS was the main detractor.

Portfolio Overview

	INPRS	Benchmark
Duration to worst:	9.41	8.67
Yield to worst:	2.12%	2.03%
Credit quality:	AA+/Aaa	AA+/Aaa





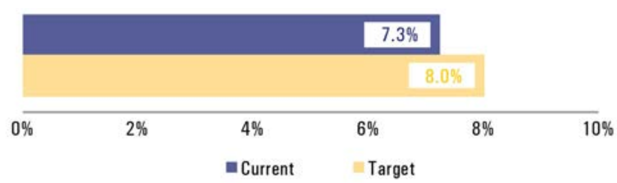
Asset Class Summary: Commodities

Market Value as of 6/30/2013	INPRS 1-Year Net Performance	Custom Benchmark[1] 1-Year Performance
$1,553.6 Million	(4.4)%	(3.0)%

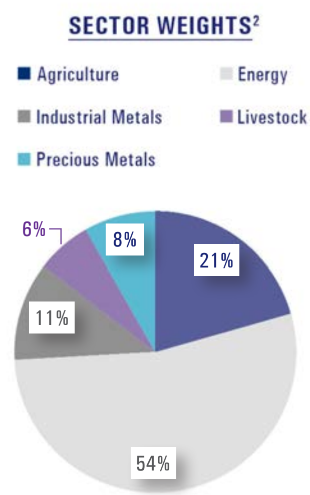
Portfolio Objective

The purpose of the Commodities 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



Performance Attribution

The Commodities portfolio one-year total return trailed its benchmark by (1.4) percentage points. Commodities' total return is comprised of two components: (1) commodity futures return; and (2) collateral return. The one-year return for each of these components was approximately (2.9) percent and (1.5) percent, respectively.

Market Overview

The Commodities portfolio exposure is approximately equal to a 50/50 blend of the Dow Jones UBS Commodity Index and the S&P Goldman Sachs Commodity Index. For the fiscal year, these indexes returned (8.0) percent and 2.0 percent, respectively.

For the first quarter, commodity prices moved sharply higher, erasing losses experienced over the first half of the calendar year. Both agricultural markets and natural gas experienced sharp weather-related gains in July and August. The Federal Reserve's announcement of a third round of quantitative easing contributed to strong buying in both precious metals and industrial metals, and heightened expectations for global stimulus helped WTI crude oil gain approximately 8.5 percent over the quarter.

For the second quarter, steady declines in most of the major commodity indices were seen, with agricultural commodities retracing their first quarter weather-related gains. Despite the commitment by the Federal Reserve to keep rates low for an extended period, gold, silver and copper all fell considerably during the quarter.

For the third quarter, commodity indices continued to experience dampened volatility throughout the quarter, as most major indices delivered flat returns over the period. At the individual commodity level, WTI crude oil advanced 6.0 percent, as the completion of the Seaway pipeline expansion allowed oil to flow from Cushing, OK to refineries along the Gulf of Mexico. Natural Gas prices moved sideways in January and February before a strong rally in March. Finally, industrial metals suffered sharp declines during the second half of the quarter due largely to over supply, disappointing economic data in the U.S. and continued uncertainty in Europe.

Commodity prices fell broadly in the fourth quarter with only a small number of index components recording gains. Prices fell sharply following comments by the Federal Reserve regarding a potential tapering of the asset purchasing program. Precious metal prices led the declines falling to multi-year lows. WTI Crude Oil prices were largely unchanged for the quarter, while Brent Crude Oil lost over (7.0) percent. In agricultural commodities, corn prices moved lower due to record plantings, while soybeans prices gained on late planting concerns.

[1]Custom Benchmark is a 50/50 blend of the DJ UBS Commodity Index and the Goldman Sachs Commodity Index
[2]Approximate

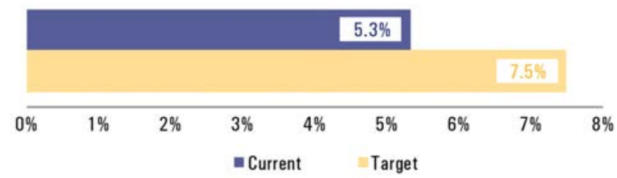
Asset Class Summary: Real Estate

Market Value as of 6/30/2013	INPRS 1-Year Net Performance	NCREIF Open End Diversified Core Equity Index 1-Year Performance
$1,146.0 Million	13.8%	9.7%

Portfolio Objective

The 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 2013, the Real Estate portfolio outperformed its benchmark by 4.1 percentage points. Both the real estate debt and equity portfolios contributed to the outperformance, returning 14.9 percent and 13.0 percent, respectively.

Market Overview

With a return of 13.8 percent, the INPRS private equity real estate portfolio was one of the best-performing major asset classes during the fiscal year, trailing only the global public equity portfolio. Returns for the two major private real estate equity benchmarks, NCREIF Property Index (NPI) and NFI-ODCE, were 10.5 percent and 9.7 percent, respectively, for the one-year period.

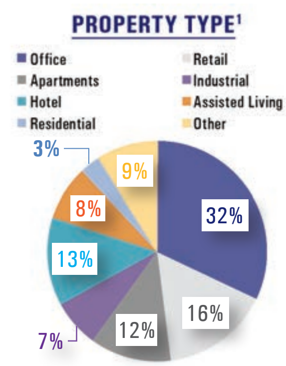
For the first quarter, the NPI returned 2.3 percent. This was (0.3) percent lower than the return for the prior quarter, with lower appreciation accounting for (0.3) percent of the weaker performance. Apartments, with a total return of 2.4 percent, was the best performing property type in the index; followed by office and industrial, both of which returned 2.3 percent for the quarter.

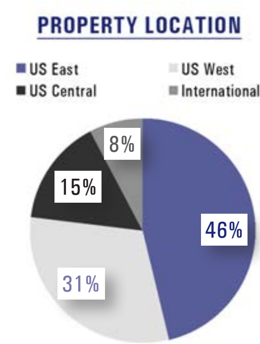
For the second quarter, interest rates remained low. The 10-year Treasury finished the calendar year with a yield of 1.8 percent. Although transactional capitalization rates (cap rates) from NCREIF moved up in the fourth quarter, they remained near historically low levels. Retail was the best performing sector during the quarter, returning 3.0 percent; followed by apartments, which registered a total return of 2.8 percent.

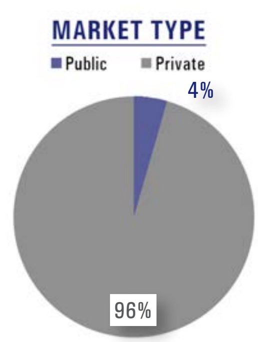
For the third quarter the NPI returned 2.6 percent. Retail was the best performing sector, up 3.7 percent. Apartments and Industrial also outperformed the broad index, returning 2.6 percent and 2.5 percent, respectively. Highly-quality assets in gateway cities continued to be in strong demand during the quarter.

For the fourth quarter, index performance was up 2.9 percent. Retail and industrial were the top-performing sectors, with both sectors up 3.2 percent. Interest rates moved up during the quarter following comments from the Federal Reserve regarding a potential tapering of the asset purchasing program. As a result of the increase in interest rates, the cap rate spread over the 10-year Treasury narrowed during the quarter, moving closer to the average historical spread.

Portfolio Structure







[1]*Estimated*

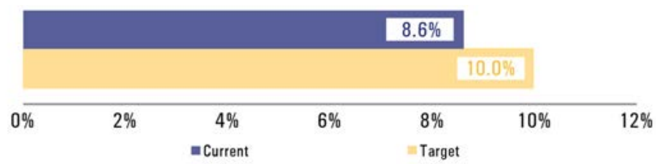
Asset Class Summary: Absolute Return

Market Value as of 6/30/2013	INPRS 1-Year Net Performance	HFRI Fund of Funds Composite Index 1-Year Performance
$1,848.2 Million	6.9%	7.2%

Portfolio Objective

The purpose of the Absolute Return Strategies Program is to enhance the long-term risk-adjusted returns by providing diversification benefits, 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 the fiscal year, the Absolute Return portfolio consisted of 17 managers pursuing various investment strategies including long/short equity, event driven, relative value, and tactical trading.

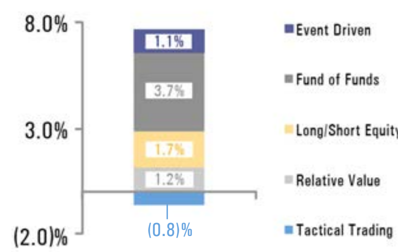
INPRS Allocation



Performance Attribution

The Absolute Return portfolio underperformed the benchmark HFRI Fund of Funds Composite Index by (0.3) percentage points due to the portfolio's: (1) overweight vs. the benchmark to tactical trading managers, whose lack of equity beta led to underperformance; and (2) short- and medium-term Commodity Trading Advisors (CTA's).

Contribution to Performance by Strategy



Market Overview

The Absolute Return portfolio performed well in what was a risk-on environment catalyzed and supported by the accommodative monetary policy being deployed by global central banks.

For the first quarter, reiteration of the "Draghi put" and the announcement of QE3 were the drivers of performance, which ended with an across-the-board rally in risk assets and positive performance across hedge fund categories.

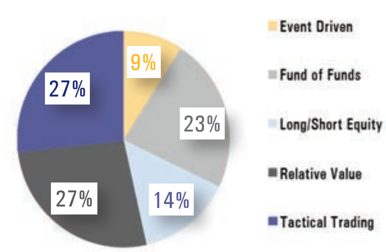
For the second quarter, uncertainty surrounding the U.S. Presidential election and debt ceiling negotiations pushed the U.S. Dollar higher, which served as a headwind to domestic equities; however, credit spreads continued to compress and international equities rallied. Most hedge fund strategies performed well, but macro strategies generally suffered during the quarter from a range-bound trading environment that plagued them throughout the calendar year.

For the third quarter, risk assets continued to rally due to congressional compromises on the 'fiscal cliff' and sequestration followed by swift action to quell the Cypriot banking crisis. Domestic and international equities began to diverge in early February as positive domestic economic/housing data defied deteriorating international data, which led the U.S. Dollar to rally against developed and emerging currencies. Hedge funds performed well as higher concentrations in domestic assets and fundamental analysis were rewarded. Macro fund winner were short JPY/USD, AUD/USD, US Treasuries, and/or Gold.

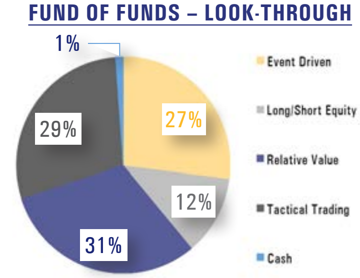
For the fourth quarter, hawkish comments by Japanese and U.S. central bankers resulted in a volatile quarter – only domestic equities and the U.S. Dollar gained. All strategies suffered, delivering mostly flat returns for the quarter, but macro and CTA strategies were especially hurt by moves in international currencies and equities and U.S. rates.

Portfolio Composition

FUND OF FUNDS – AGGREGATED



FUND OF FUNDS – LOOK-THROUGH



Asset Class Summary: Risk Parity

Market Value as of 6/30/2013	INPRS 1-Year Net Performance	Custom Benchmark[1] 1-Year Performance
$2,062.1 Million	(0.4)%	10.7%

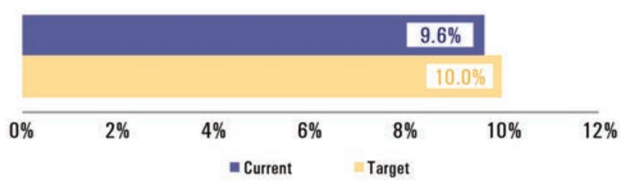
Portfolio Objective

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 is expected to 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. True diversification goes beyond simple capital allocation and, instead, focuses on risk allocation.
4. 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



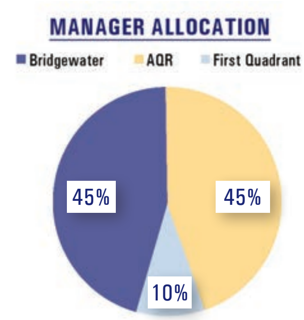
Performance Attribution

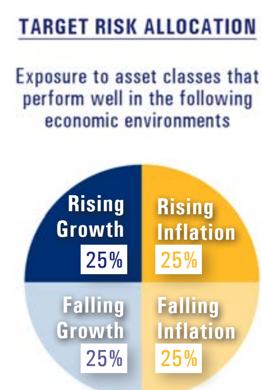
A relevant passive market equivalent does not currently exist for the Risk Parity portfolio; therefore, we continue to use a traditional portfolio of 60 percent global equities and 40 percent global bonds as a benchmark for long-term return and risk comparisons, despite expectations of significant tracking error. For fiscal year 2013, the Risk Parity portfolio underperformed the traditional portfolio by (11.1) percentage points due to the significant outperformance of equities versus other major asset classes.

Market Overview

Fiscal year 2013 was a tale of two distinct environments. Driven by ample central bank liquidity across the globe, the first ten months of the fiscal year provided support and positive returns for each of the major asset classes. Over this time period, the Risk Parity portfolio returned 11.3 percent. However, following public statements by Federal Reserve Chairman Ben Bernanke on May 22nd and June 19th, markets had difficulty digesting the possibility that the Federal Reserve may begin to decelerate asset purchases sooner than expected. As a result, all major asset classes had negative returns from May 22nd through the end of the fiscal year, with cash serving as the only safe haven. The Risk Parity portfolio, which consistently holds a diversified mix of asset classes, finished the fiscal year with a (0.4) percent return.

Portfolio Structure





[1] *Custom Benchmark comprised of 60% MSCI ACWI IMI Index (equities) and 40% Barclays Global Aggregate Bond Index (bonds).*

Historical Comparative Investment Results[1]
Fiscal Year Ended June 30, 2013
(percent return)[2]

	Percent of Portfolio	Annualized Rates of Return 1-Year[3]	3-Year[3]	5-Year[3]
Total Consolidated Defined Benefit Assets	100.0%	6.0 %	8.4 %	3.0 %
vs. BNY Mellon Public Universe Median[4]		12.4	11.6	5.2
Target Reference Index[5]		7.3	8.6	3.0
Total Domestic Equity	12.6	21.1	18.5	7.5
vs. BNY Mellon Public Universe Median		21.6	18.8	7.1
Russell 3000 Index		21.5	18.6	7.3
Total International Equity	11.6	15.1	8.8	(0.3)
vs. BNY Mellon Public Universe Median		16.3	9.7	0.1
MSCI ACWI ex U.S. IMI Net		13.9	8.1	(0.4)
Total Domestic Fixed Income	18.8	1.2	4.9	6.4
vs. BNY Mellon Public Universe Median		1.0	4.9	6.1
Barclays U.S. Aggregate Bond Index		(0.7)	3.5	5.2
Total International Fixed Income[6]	2.1	(12.4)	(1.2)	N/A
vs. BNY Mellon Public Universe Median		2.2	5.6	5.3
Barclays Global Aggregate ex-USD (USDH)		3.3	3.4	4.8

[1]*As the investment objectives and resulting portfolio construction of INPRS may differ from those in the listed peer universes, the most relevant evaluation of INPRS' performance will be against the investment imperatives outlined in the report from the Chief Investment Officer and the cited benchmarks for each asset class.*
[2]*Net of fees.*
[3]*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.*
[4]*Universe of Public Funds.*
[5]*Benchmark history through December 31, 2011, represents composite returns for the legacy PERF and TRF dynamic policies and have been combined using dynamic market weights each month and are reported under the single Total Consolidated Benefit Assets structure beginning January 1, 2012.*
[6]*Inception date of International Fixed Income was November 2008. As of June 30, 2013, the Total International Fixed Income portfolio primarily comprised of emerging market debt as the portfolio continued through a transitional phase.*

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
2004	PERF CRIF[2]	11,338.2	16.3 %	7.25 %
	TRF DB Assets [3]	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
2013	INPRS	21,488.7	6.0	6.75

[1]Net of fees; 2004-2011 reported as Gross of fees.
[2]Public Employees' Retirement Fund Consolidated Retirement Investment Fund
[3]Teachers' Retirement Fund Defined Benefit Assets.
[4]INPRS Consolidated Defined Benefit Assets.

Statistical Performance
Fiscal Year Ended June 30, 2013

Statistic	1-Year	3-Years	5-Years	10-Years
Annualized Rate of Return	6.0%	8.4%	3.0%	5.9%
Annualized Standard Deviation	4.34	7.11	11.71	9.84
Annualized Sharpe Ratio	1.34	1.16	0.29	0.47
Beta	0.41	0.48	0.60	0.63
Annualized Alpha	(2.80)	(0.63)	(0.10)	(0.30)
Correlation	0.60	0.91	0.94	0.93

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.

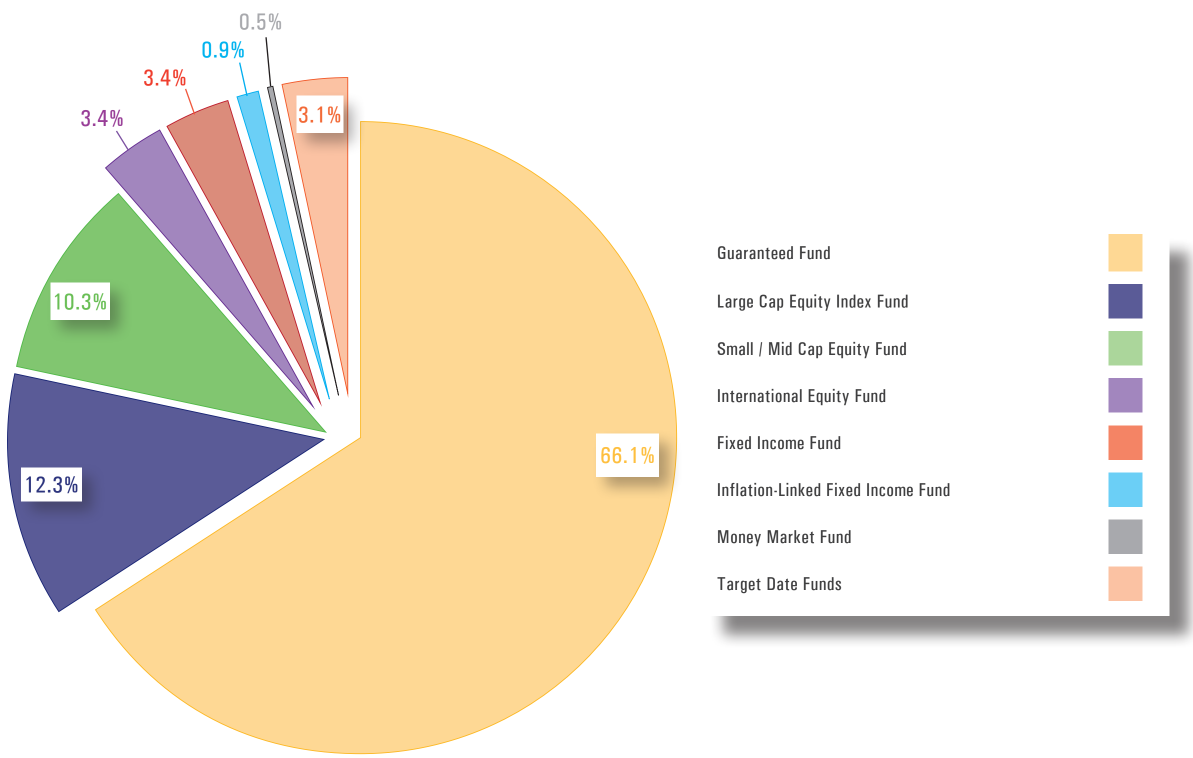
Correlation: A statistical measure of how two (2) securities move in relation to each other. A correlation of 1.0 indicates similar magnitude and direction of change. A correlation of negative (1.0) indicates similar magnitude, but opposite direction. A correlation of zero indicates the relationship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

Assets by Investment Option
Fiscal Year Ended June 30, 2013

(dollars in millions)

Investment Option	ASA & LEDC Plan Assets[1]	Percent of Self-Directed Investments
Guaranteed Fund	$ 3,701.0	66.1%
Large Cap Equity Index Fund	688.5	12.3
Small / Mid Cap Equity Fund	577.4	10.3
International Equity Fund	191.2	3.4
Fixed Income Fund	189.3	3.4
Inflation-Linked Fixed Income Fund	50.6	0.9
Money Market Fund	24.8	0.5
Stable Value Fund	1.1	–
Target Date Funds[2]	174.2	3.1
Pending Contributions	0.4	–
Total ASA and LEDC Plan Assets[3]	**$ 5,598.5**	**100.0%**

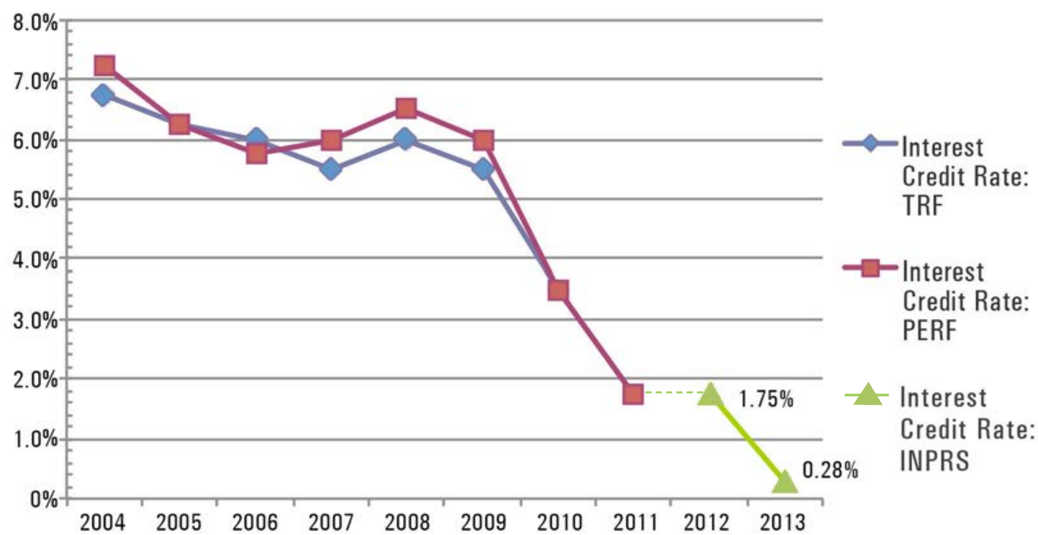
[1]Assets include all PERF and TRF ASA assets and the LEDC Plan account balances allocated outside of the Consolidated Defined Benefit Assets option.
[2]Consolidated market values of all Target Date Funds.
[3]Includes Repurchase Agreements, Investments Receivable, Interest and Dividends Receivable, Investments Payable, and Securities Sold Under Agreement to Repurchase.



Annuity Savings Accounts
Ten-Year Guaranteed Fund Interest Crediting Rates

	Interest Crediting Rate		
Fiscal Year	INPRS	PERF	TRF
2004	N/A	7.25%	6.75%
2005	N/A	6.25	6.25
2006	N/A	5.75	6.00
2007	N/A	6.00	5.50
2008	N/A	6.50	6.00
2009	N/A	6.00	5.50
2010	N/A	3.50	3.50
2011	N/A	1.75	1.75
2012[1]	1.75%	N/A	N/A
2013	0.28	N/A	N/A

[1]Guaranteed Fund assets of PERF and TRF were unitized as of January 1, 2012.



Historical Annualized Rate of Return by Investment Option vs. Benchmark Returns Fiscal Year Ended June 30, 2013

(percent return)[1]

Investment Option	1-Year[2]	3-Year[2]	5-Year[2]
Guaranteed Fund	0.28 %	1.3 %	2.7 %
Large Cap Equity Index Fund	20.6	18.5	6.9
S&P 500 Index	20.6	18.5	7.0
Small / Mid Cap Equity Fund	25.0	19.3	9.1
Russell Small Cap Completeness Index	25.6	19.2	8.6
International Equity Fund	14.5	8.7	(0.2)
MSCI ACWI ex US Index	14.1	8.5	(0.3)
Fixed Income Fund	0.4	4.4	6.1
Barclays U.S. Aggregate Bond Index	(0.7)	3.5	5.2
Inflation-Linked Fixed Income Fund	(4.1)	4.5	4.6
Barclays U.S. TIPS Index	(4.8)	4.6	4.4
Money Market Fund	0.1	0.2	0.4
Citigroup 3-Month T-Bill Index	0.1	0.1	0.2
Stable Value Fund[3]	2.9	3.3	3.9
Citigroup 3-Month T-Bill Index	0.1	0.1	0.2
Target Date Funds[4]:			
Retirement Fund	1.4	5.1	5.1
Retirement Fund Index	0.0	4.0	3.7
Retirement Fund 2015	2.8	6.0	5.2
2015 Fund Index	1.5	5.1	4.1
Retirement Fund 2020	4.4	7.0	5.3
2020 Fund Index	3.5	6.3	4.5
Retirement Fund 2025	6.8	8.4	5.1
2025 Fund Index	6.0	7.9	4.6
Retirement Fund 2030	10.1	10.0	4.5
2030 Fund Index	9.6	9.6	4.1
Retirement Fund 2035	11.8	10.6	4.4
2035 Fund Index	11.4	10.2	4.1
Retirement Fund 2040	12.0	10.6	4.4
2040 Fund Index	11.5	10.3	4.1
Retirement Fund 2045	12.0	10.6	4.4
2045 Fund Index	11.5	10.3	4.1
Retirement Fund 2050	12.0	10.6	4.4
2050 Fund Index	11.5	10.3	4.1
Retirement Fund 2055	12.0	10.6	4.4
2055 Fund Index	11.5	10.3	4.1

[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 for the fiscal year ended June 30, 2013. 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.
[3]Investment Fund Option in the Legislators' Defined Contribution Plan only.
[4]Target Date Fund benchmarks are comprised of performance data using a passive strategy with the same asset allocation of each Target Date Fund.

Top Ten Equity Holdings
Fiscal Year Ended June 30, 2013
(by Market Value)[1]

(dollars in thousands)

Company	Shares	Market Value
Apple Inc.	107,550	$ 42,598
Exxon Mobil Corp.	400,321	36,169
Google Inc.	40,944	36,046
Microsoft Corp.	1,009,249	34,849
Novartis	416,904	29,566
Johnson & Johnson	344,337	29,565
Roche	118,441	29,418
Wells Fargo & Co.	643,285	26,548
Visa Inc.	144,889	26,478
Nestle	395,054	25,867

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

Top Ten Fixed Income Holdings
Fiscal Year Ended June 30, 2013
(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	$ 199,043	$ 204,159
U.S. Treasury - CPI Inflation Index Bond	0.125	1/15/23	161,371	156,467
U.S. Treasury Bond	3.125	2/15/43	166,695	155,599
U.S. Treasury Note	2.000	2/15/23	140,927	135,631
U.S. Treasury - CPI Inflation Index Bond	0.125	4/15/17	125,211	128,469
U.S. Treasury - CPI Inflation Index Bond	0.125	1/15/22	129,685	127,020
U.S. Treasury - CPI Inflation Index Bond	0.500	4/15/15	117,438	120,365
U.S. Treasury - CPI Inflation Index Bond	1.125	1/15/21	107,376	114,833
U.S. Treasury - CPI Inflation Index Bond	0.125	7/15/22	111,631	109,111
U.S. Treasury - CPI Inflation Index Bond	1.250	7/15/20	85,254	92,608

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

Top Ten Brokers' Commission Fees
Fiscal Year Ended June 30, 2013

(dollars in thousands)

Broker	Amount Paid in Fees
Morgan Stanley & Co. Inc.	$ 556
Goldman Sachs & Co.	282
Newedge USA LLC	229
Pershing LLC	100
JonesTrading Institutional Services	98
Instinet Europe Limited	88
Deutsche Bank	80
Instinet Corp.	78
UBS Securities LLC	74
Sanford C Benstein & Co.	65
Top Ten Brokers' Commission Fees	1,650
Other Brokers	2,002
Total Brokers' Commission Fees	**$ 3,652**

Investment Management Fees by Asset Class
Fiscal Year Ended June 30, 2013

(dollars in thousands)

Asset Class		Investment Management Fees
Consolidated Defined Benefit Assets		
Public Equity	$	18,106
Private Equity		35,324
Fixed Income – Ex Inflation-Linked		9,648
Fixed Income – Inflation-Linked		4,151
Commodities		8,810
Real Estate		5,174
Absolute Return		35,812
Risk Parity		5,457
Total Consolidated Defined Benefit Assets		122,482
Annuity Savings Account Assets		4,611
Total Investment Management Fees	**$**	**127,093**

Consolidated Defined Benefit Assets

Custodian
Bank of New York Mellon

Consultants
Aksia (Absolute Return)
ORG Real Property (Real Assets: Real Estate)
Strategic Investment Solutions (General: Defined Benefit)
Strategic Investment Solutions (Private Equity)

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
Disciplined Growth Investors
Earnest Partners, LLC
Gryphon
JP Morgan
Leading Edge Investment Advisors
Mondrian Investment Partners, Inc.
Rhumbline Advisers
Schroders
Times Square Capital Management, LLC

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
Bain Capital, Inc.
Bay Partners
Bertram Capital
Black Diamond Capital Management, LLC
BPEP International
Brentwood Associates
Caltius Mezzanine
Candover Partners, Ltd
Cardinal Partners
Carlye Solutions Group
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
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
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, GP, LP

Private Equity, cont.

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
Scale Management
Silver Cup Partners
Silver Lake Partners, LLC
Sun Capital Partners, Inc.
TA Associates
TCW/Crescent Mezzanine Partners
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
Income Research + Management
Loomis Sayles & Company, LP
Pacific Investment Management Company (PIMCO)
Reams Asset Management
Stone Harbor
TCW

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 Funds
Mesa West Capital
Prima Capital Advisors, LLC
Stockbridge Capital Group
TA Realty Associates
Walton Street Capital, LLC
WestRiver Capital, LLC

Absolute Return

Blackstone Alternative Asset Management (BAAM)
BlueCrest Capital Management
Brevan Howard Asset Management
Bridgewater Associates, Inc.
Brigade Capital Management
Davidson Kempner Capital Management
Emerging Sovereign Group
Highfields Capital Management
Kepos Capital
King Street Capital Management
Linden Advisors
MKP Capital Management
Oxford Asset Management
Pacific Alternative Asset Management Company (PAAMCO)

Absolute Return, cont.
Perella Weinberg Partners
Viking Global Investors

Risk Parity
AQR Capital Management
Bridgewater Associates, Inc
First Quadrant

Annuity Savings Accounts and Legislators' Defined Contribution Plan Assets

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

Consultant
Cap Cities (General: Defined Contribution)

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
Pacific Investment Management Company (PIMCO)

Inflation-Linked Fixed Income Fund
BlackRock Institutional Trust

Money Market Fund
Bank of New York Mellon

Stable Value Fund (PERF ASA Only & LEDC Plan only)
Northern Trust Global Advisors

Pension Relief Fund

Bank of New York Mellon

Special Death Benefit Funds

PNC Institutional Investments

Actuarial Section

Indiana Public Retirement System

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

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 for the seven (7) Defined Benefit retirement plans 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

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- Teachers' Retirement Fund

Accordingly, the INPRS FY2013 CAFR Actuarial Section includes an Actuary Certification Letter from each actuary for the actuarial valuations prepared as of June 30, 2013.

pwc

December 17, 2013

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, 2013

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 for all plans other than the Teachers' Retirement Fund were prepared as of June 30, 2013 and are presented in individual valuation reports 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 funding policy, actuarial assumptions, and actuarial methods adopted by the Board. Contributions determined by the actuarial valuation become effective either twelve or eighteen months after the valuation date, depending on the applicable employer. Therefore, contribution rates determined by the June 30, 2013 actuarial valuation and adopted by the Board will become effective on either July 1, 2014 or January 1, 2015. 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 period not greater than 30 years.
- 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.

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 (excluding the Teachers' Retirement Fund) increased by 4.2% from the preceding year to 83.4%, primarily due to delayed recognition of prior asset gains from fiscal 2010 and 2011 in the Actuarial Value of Assets and additional contributions made to certain plans pursuant to 2012 House Bill 1376.

Benefit Provisions

The benefit provisions reflected in the valuation reports are those which were in effect at June 30, 2013, as set forth in the related Indiana statutes. Material changes in benefit provisions since the 2012 valuation include the decision to modify ASA annuitizations for Public Employees' Retirement Fund (PERF) starting October 1, 2014 and amending several features of Prosecuting Attorneys' Retirement Fund to be similar to Judges' Retirement System pursuant to 2013 House Bill 1057. There were no other material changes in benefit provisions since the 2012 valuations.

PricewaterhouseCoopers LLP, One North Wacker, Chicago, IL 60606
T: (312) 298-2000, F: (312) 298-2001 , www.pwc.com/

pwc

Assets and Member Data

The valuations were based on asset values of the trust funds and member census data as of June 30, 2013. 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, 2013 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. Minor assumptions were updated for the June 30, 2013 valuation including the interest rate on member account balances and assumptions for Prosecuting Attorneys' Retirement Fund due to plan changes. 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 (other than the Teachers' Retirement Fund) as of June 30, 2013 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 and June 15, 2014, respectively.

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)

December 17, 2013

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, 2013 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 majority of the actuarial assumptions used in the June 30, 2013 valuation were adopted by the Board pursuant to the Experience Study completed in June 2012, which reflected 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. 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.

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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 2014 was set by the Board in fiscal year 2013 for the 1996 Account. The contribution rate of 7.50% for fiscal year 2015 was set by the Board in fiscal year 2014.

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) increased by 3.0%, to 45.7% from 42.7% for the preceding year due primarily to additional funding by the State under HB 1376 and 2010 – 2013 investment returns being higher than the actuarial assumed returns.

The funded ratio of the Pre-1996 Account (pay-as-you-go) increased to 31.8% from 30.1% 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 increased to 93.8% from 90.7% 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 L. Dowell, FSA, EA, MAAA

Michael Zurek, EA, MAAA

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Summary of INPRS Funded Status

(dollars in millions)

Defined Benefit Retirement Plan	2013 Actuarial Accrued Liability	2013 Actuarial Value of Assets	2013 Unfunded Actuarial Accrued Liability	2013 Actuarial Funded Status	2012 Actuarial Accrued Liability	2012 Actuarial Value of Assets	2012 Unfunded Actuarial Accrued Liability	2012 Actuarial Funded Status
	Actuarial Valuation as of June 30, 2013				Actuarial Valuation as of June 30, 2012			
Public Employees' Retirement Fund	$ 16,145.7	$ 12,947.3	$ 3,198.4	80.2%	$ 15,784.2	$ 12,088.2	$ 3,696.0	76.6%
Teachers' Retirement Fund (TRF) – 1996 Account	4,749.3	4,453.8	295.5	93.8	4,338.3	3,936.4	401.9	90.7
1977 Police Officers' and Firefighters' Pension and Disability Fund	4,392.9	4,180.7	212.2	95.2	4,122.4	3,786.6	335.8	91.9
Judges' Retirement System[1]	453.1	381.2	71.9	84.1	437.9	260.1	177.8	59.4
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan[1]	118.1	98.6	19.5	83.5	113.3	76.0	37.3	67.1
Prosecuting Attorneys' Retirement Fund[1]	62.0	48.8	13.2	78.7	56.1	27.5	28.6	49.0
Legislators' Defined Benefit Plan	4.3	3.4	0.9	79.8	4.5	3.4	1.1	75.0
Total INPRS (Excluding TRF Pre-1996 Account)	**$ 25,925.4**	**$ 22,113.8**	**$ 3,811.6**	**85.3%**	**$ 24,856.7**	**$ 20,178.2**	**$ 4,678.5**	**81.2%**
Teachers' Retirement Fund – Pre-1996 Account (Pay-As-You-Go)	16,462.4	5,235.1	11,227.3	31.8	16,522.0	4,978.1	11,543.9	30.1
Total INPRS (Including TRF Pre-1996 Account)	**$ 42,387.8**	**$ 27,348.9**	**$ 15,038.9**	**64.5%**	**$ 41,378.7**	**$ 25,156.3**	**$ 16,222.4**	**60.8%**
Memo:								
Total Teachers' Retirement Fund	$ 21,211.7	$ 9,688.9	$ 11,522.8	45.7%	$ 20,860.3	$ 8,914.5	$ 11,945.8	42.7%

[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

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 percentage point increase), and 8.0 percent (1.25 percentage point increase).

- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- EG&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

(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	$ 3,198.4	80.2%	$ 2,154.8	85.7%	$ 1,528.2	89.4%
TRF – 1996 Account	295.5	93.8	(124.3)	102.9	(377.8)	109.3
1977 Fund	212.2	95.2	(249.1)	106.3	(519.2)	114.2
JRS	71.9	84.1	36.1	91.4	14.6	96.3
EG&C Plan	19.5	83.5	9.4	91.3	3.4	96.7
PARF	13.2	78.7	8.3	85.5	5.4	90.1
LEDB Plan	0.9	79.8	0.7	84.1	0.5	87.0
Total INPRS (Excluding TRF Pre-1996 Account)	**$ 3,811.6**	**85.3%**	**$ 1,835.9**	**92.3%**	**$ 655.1**	**97.1%**
TRF – Pre-1996 Account (Pay-As-You-Go)	11,227.3	31.8	10,265.1	33.8	9,659.1	35.1
Total INPRS (Including TRF Pre-1996 Account)	**$ 15,038.9**	**64.5%**	**$12,101.0**	**69.3%**	**$ 10,314.2**	**72.6%**
Memo: Total TRF	$ 11,522.8	45.7%	$10,140.8	48.9%	$ 9,281.3	51.1%

[1]( ) = Funding Surplus

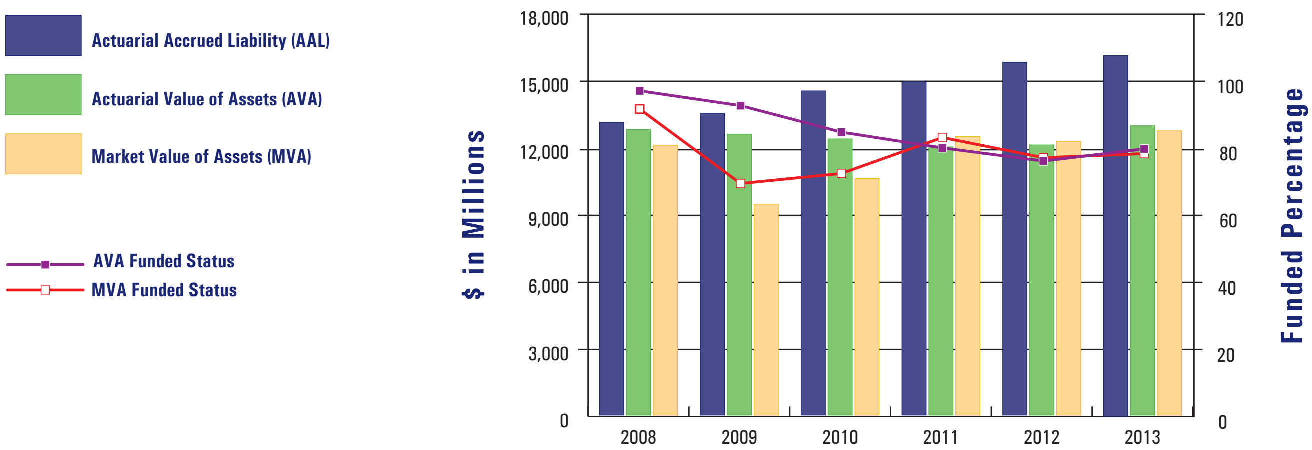
Analysis of Financial Experience

(dollars in thousands)

Defined Benefit Retirement Plans	June 30, 2012 UAAL[1]	(Gain) / Loss: Actuarial Value of Assets Experience	(Gain) / Loss: Actuarial Accrued Liabilities Experience[2]	(Gain) / Loss: Amortization of Existing Bases[3]	(Gain) / Loss: Actuarial Assumption & Methodology Changes[4]	(Gain) / Loss: Plan Provision Changes[5]	June 30, 2013 UAAL
Public Employees' Retirement Fund	$ 3,696,015	$ (285,828)	$ 3,050	$ (47,354)	$ -	$ (167,486)	$ 3,198,397
Teachers' Retirement Fund							
Pre-1996 Account	11,543,908	(94,113)	(40,719)	(181,801)	52,418	(52,418)	11,227,275
1996 Account	401,854	(85,500)	(15,995)	(4,819)	34,003	(34,003)	295,540
Total Teachers' Retirement Fund	11,945,762	(179,613)	(56,714)	(186,620)	86,421	(86,421)	11,522,815
1977 Police Officers' and Firefighters' Pension and Disability Fund	335,841	(75,192)	(39,521)	(4,075)	(4,810)	-	212,243
Judges' Retirement System	177,758	6,315	(13,483)	(98,906)	186	-	71,870
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	37,276	239	(1,845)	(16,140)	(41)	-	19,489
Prosecuting Attorneys' Retirement Fund	28,579	845	1,474	(18,958)	(108)	1,346	13,178
Legislators' Defined Benefit Plan	1,126	(93)	(134)	(32)	-	-	867
Total INPRS	$16,222,357	$ (533,327)	$ (107,173)	$ (372,085)	$ 81,648	$ (252,561)	$15,038,859

[1]UAAL: Unfunded Actuarial Accrued Liabilities
[2]Actuarial Accrued Liabilities Experience includes:
- For PERF, TRF, and EG&C, a one-time payment (i.e., 13th Check) was paid to benefit recipients in August/September 2013 in lieu of the 1.0 percent COLA assumption.
- For 1977 Fund, a 1.7 percent COLA was paid to benefit recipients in July 2013, rather than the assumed COLA of 2.25 percent.
- For JRS, a 3.1 percent COLA was paid to benefit recipients in July 2013, 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.
[3]Amortization of Existing Bases includes State appropriations of $328,965 thousand received during FY2013 for TRF, JRS, EG&C, and PARF in accordance with Legislation passed during March 2012.
[4]Actuarial Assumption and Methodology Assumption Changes include:
- For TRF, recognition of the cost of future Annuity Savings Account (ASA) conversions to annuities at 7.5 percent versus the valuation interest rate of 6.75 percent.
- For 1977 Fund, JRS, EG&C, and PARF, the interest crediting rate on member contribution balances was changed to 3.5 percent.
[5]Plan Provision Changes include:
- For PERF and TRF, the liability associated with expected annuitization of Annuity Savings Account (ASA) balances was eliminated as of June 30, 2013, due to the Board's decision to modify ASA annuitizations starting October 1, 2014.
- For PARF, several features of the Plan were amended to be similar to JRS in accordance with Legislation passed during March 2013.

Historical Summary of Actuarial Valuation Results by Retirement Plan



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 13,103.2	$ 13,506.2	$ 14,506.1	$ 14,913.1	$ 15,784.2	$ 16,145.7
Actuarial Value of Assets (AVA)	$ 12,780.1	$ 12,569.3	$ 12,357.2	$ 12,000.6	$ 12,088.2	$ 12,947.3
Unfunded Liability (AAL - AVA)	**$ 323.1**	**$ 936.9**	**$ 2,148.9**	**$ 2,912.5**	**$ 3,696.0**	**$ 3,198.4**
AVA Funded Status (AVA / AAL)	**97.5%**	**93.1%**	**85.2%**	**80.5%**	**76.6%**	**80.2%**
Market Value of Assets (MVA)	$ 12,073.5	$ 9,442.3	$ 10,581.3	$ 12,461.4	$ 12,243.8	$ 12,720.6
MVA Funded Status (MVA / AAL)	92.1%	69.9%	72.9%	83.6%	77.6%	78.8%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the Public Employees' Retirement Fund were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2005 through June 30, 2010, which were adopted by the INPRS Board in September 2011, and were first used in the June 30, 2011 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial assumptions from the actuarial valuation as of June 30, 2012.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

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:

	Years of 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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

Termination: Select and ultimate tables based on 2005-2010 experience. Illustrative rates shown below:

State (Male)
Earnings < $20,000

	Years of 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

State (Male)
Earnings >= $20,000

	Years of 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

	Years of 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

	Years of 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

	Years of 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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

Political Subdivisions (Male)
Earnings > = $20,000

	Years of 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

Political Subdivisions (Female)
Earnings < $20,000

	Years of 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

	Years of 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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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.
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.

Actuarial Methods

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll 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. 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:	The Actuarial Value of Assets (AVA) is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA.

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$**	**3,696,015**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		(285,828)
Actuarial Accrued Liabilities Experience[1]		3,050
Amortization of Existing Bases		(47,354)
Actuarial Assumption & Methodology Changes		-
Plan Provision Changes[2]		(167,486)
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$**	**3,198,397**

[1]Actuarial Accrued Liabilities Experience includes a gain of approximately $30,150 thousand for retired members being provided a one-time (13th check) in September 2013, rather than a 1.0 percent COLA on January 1, 2014.
[2]Plan Provision Changes include the additional liability associated with the expected annuitization of Annuity Savings Account (ASA) balances being eliminated as of June 30, 2013, due to the Board's decision to modify ASA annuitizations starting October 1, 2014.

Solvency Test

(dollars in thousands)

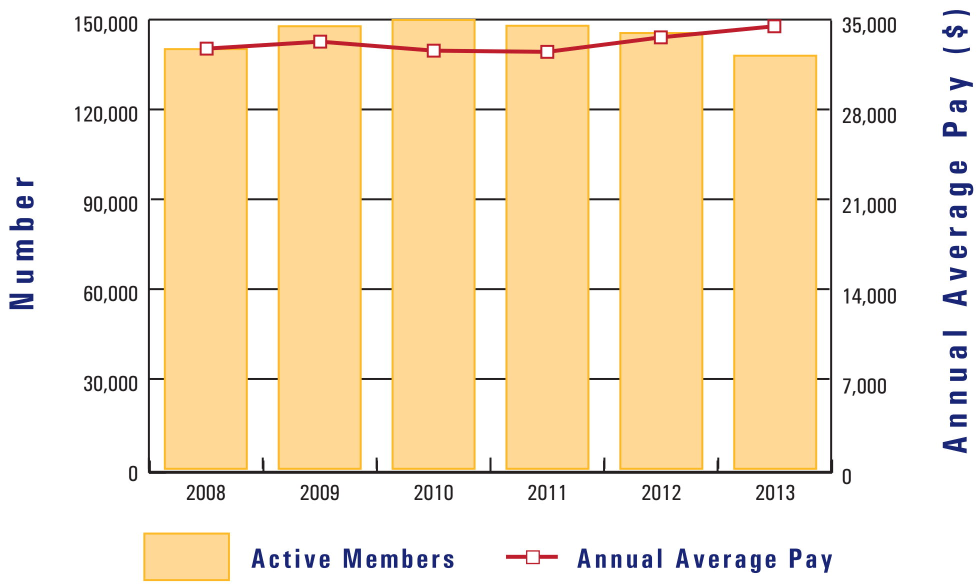
Fiscal Year Ended June 30	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
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
2013	2,796,103	6,367,819	6,981,759	16,145,681	12,947,283	100.0	100.0	54.2	80.2

Schedule of Active Members Valuation Data

(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
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
2013	137,937	4,766,910	34,559	2.5

Total Number of Active Members Per Year and Annual Average Pay

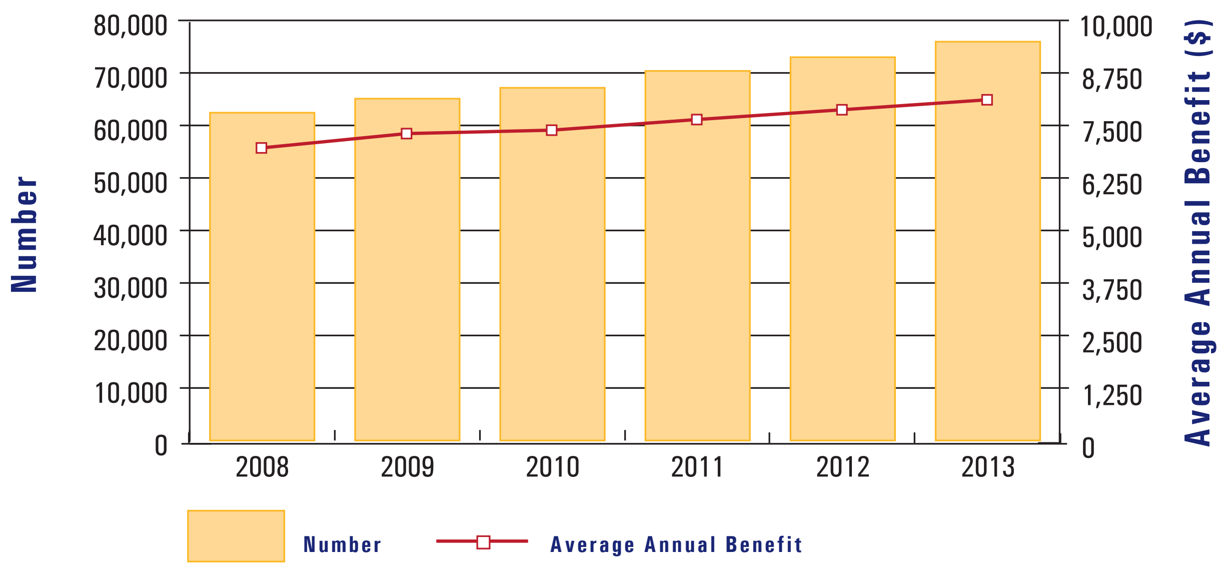


(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls Number	Added to Rolls Annual Benefits	Removed from Rolls Number	Removed from Rolls Annual Benefits	Rolls – End of Year Number	Rolls – End of Year Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	5,231	55,523	2,273	13,898	75,950	617,977	7.2	8,137

[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]Average annual benefit includes member annuities.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



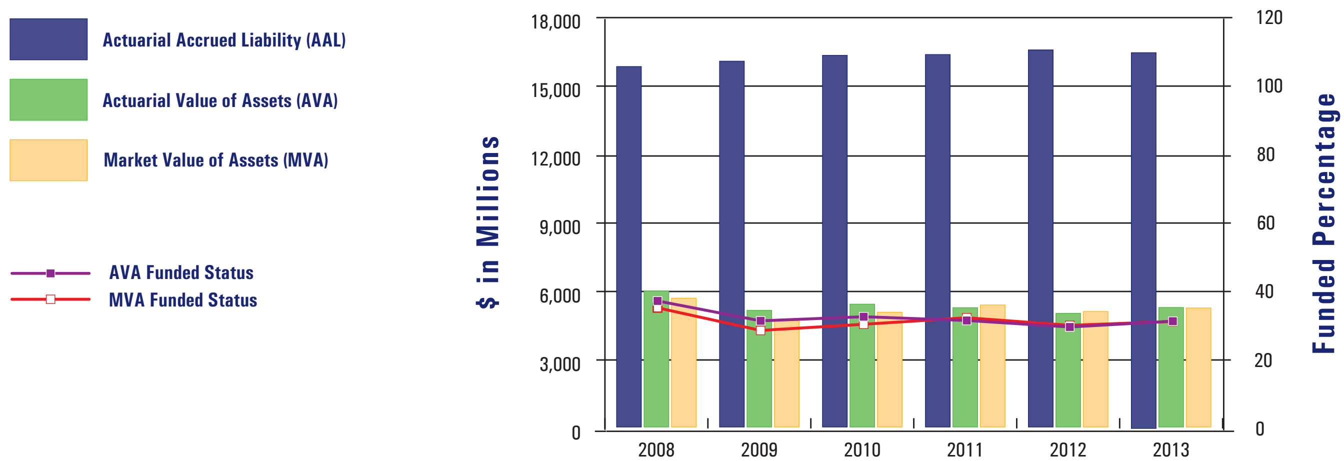
Changes in Plan Provisions

For the June 30, 2013 valuation, the following plan provision changes were incorporated:

- The liability associated with expected annuitization of Annuity Savings Account (ASA) balances was eliminated as of June 30, 2013, due to the Board's decision to modify ASA annuitizations starting October 1, 2014.
- Beginning March 1, 2013, new PERF State employees have the option to participate in the PERF ASA-Only Plan instead of the PERF Hybrid Plan.

Historical Summary of Actuarial Valuation Results by Retirement Plan

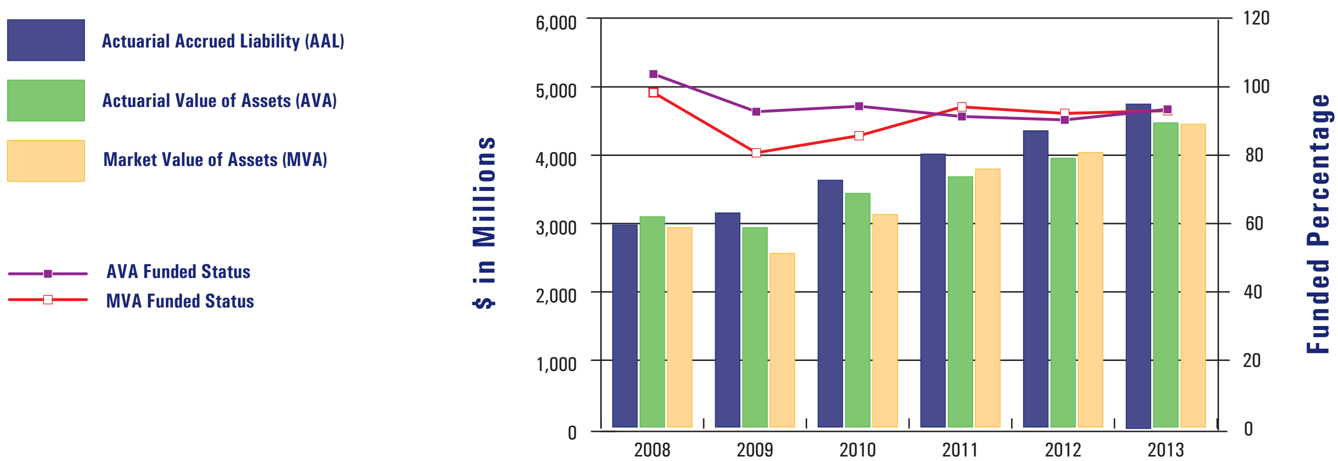
Pre-1996 Account



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 15,792.3	$ 16,027.1	$ 16,282.1	$ 16,318.4	$ 16,522.0	$ 16,462.4
Actuarial Value of Assets (AVA)	$ 5,954.0	$ 5,109.1	$ 5,382.4	$ 5,227.4	$ 4,978.1	$ 5,235.1
Unfunded Liability (AAL - AVA)	**$ 9,838.3**	**$ 10,918.0**	**$10,899.7**	**$ 11,091.0**	**$11,543.9**	**$ 11,227.3**
AVA Funded Status (AVA / AAL)	**37.7%**	**31.9%**	**33.1%**	**32.0%**	**30.1%**	**31.8%**
Market Value of Assets (MVA)	$ 5,644.2	$ 4,655.9	$ 5,029.5	$ 5,345.9	$ 5,058.9	$ 5,215.2
MVA Funded Status (MVA / AAL)	35.7%	29.1%	30.9%	32.8%	30.6%	31.7%

Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

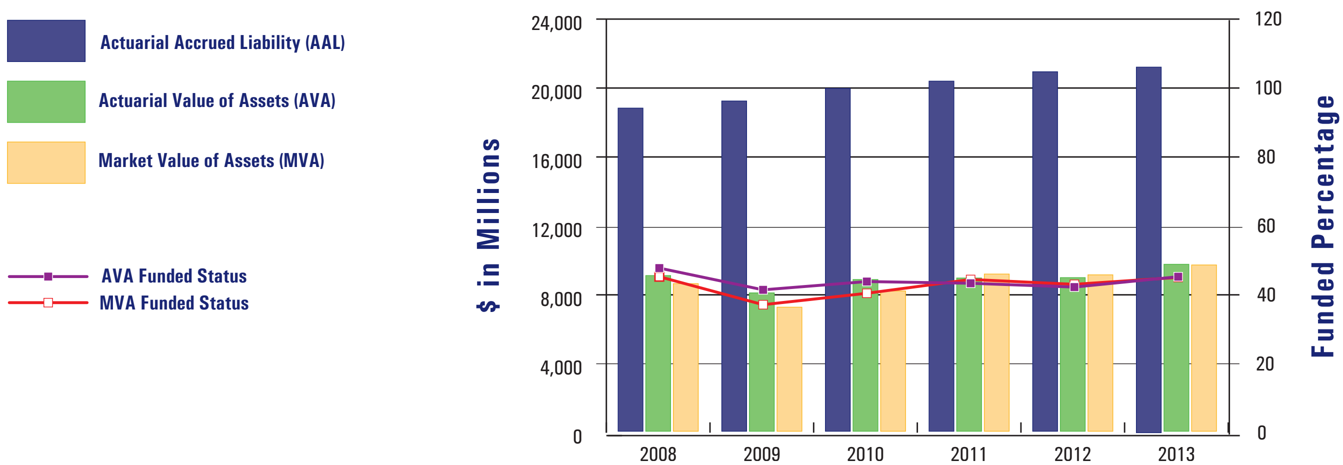
1996 Account



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 2,957.8	$ 3,135.5	$ 3,614.6	$ 3,996.8	$ 4,338.3	$ 4,749.3
Actuarial Value of Assets (AVA)	$ 3,080.1	$ 2,920.7	$ 3,422.6	$ 3,664.6	$ 3,936.4	$ 4,453.8
Unfunded Liability (AAL - AVA)	**$ (122.3)**	**$ 214.8**	**$ 192.0**	**$ 332.2**	**$ 401.9**	**$ 295.5**
AVA Funded Status (AVA / AAL)	**104.1%**	**93.1%**	**94.7%**	**91.7%**	**90.7%**	**93.8%**
Market Value of Assets (MVA)	$ 2,919.8	$ 2,543.2	$ 3,111.3	$ 3,775.8	$ 4,018.2	$ 4,433.7
MVA Funded Status (MVA / AAL)	98.7%	81.1%	86.1%	94.5%	92.6%	93.4%

Historical Summary of Actuarial Valuation Results by Retirement Plan, continued

Total



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 18,750.1	$ 19,162.6	$ 19,896.7	$ 20,315.2	$ 20,860.3	$ 21,211.7
Actuarial Value of Assets (AVA)	$ 9,034.1	$ 8,029.8	$ 8,805.0	$ 8,892.0	$ 8,914.5	$ 9,688.9
Unfunded Liability (AAL - AVA)	**$ 9,716.0**	**$ 11,132.8**	**$11,091.7**	**$ 11,423.2**	**$11,945.8**	**$ 11,522.8**
AVA Funded Status (AVA / AAL)	**48.2%**	**41.9%**	**44.3%**	**43.8%**	**42.7%**	**45.7%**
Market Value of Assets (MVA)	$ 8,564.0	$ 7,199.1	$ 8,140.8	$ 9,121.7	$ 9,077.1	$ 9,648.9
MVA Funded Status (MVA / AAL)	45.7%	37.6%	40.9%	44.9%	43.5%	45.5%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the Teachers' Retirement Fund were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2007 through June 30, 2011, which were adopted by the INPRS Board in June 2012, and were first used in the June 30, 2012 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial assumptions from the actuarial valuation as of June 30, 2012.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

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 and 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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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 below:

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.*

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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 members are assumed to be married for purposes of valuing death-in-service benefits.

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

Actuarial Methods

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

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.

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

Analysis of Financial Experience

(dollars in thousands)

	Pre-1996 Account	1996 Account	Total
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$ 11,543,908**	**$ 401,854**	**$ 11,945,762**
UAAL (Gain) / Loss			
Actuarial Value of Assets Experience	(94,113)	(85,500)	(179,613)
Actuarial Accrued Liabilities Experience[1]	(40,719)	(15,995)	(56,714)
Amortization of Existing Bases[2]	(181,801)	(4,819)	(186,620)
Actuarial Assumption & Methodology Changes[3]	52,418	34,003	86,421
Plan Provision Changes[4]	(52,418)	(34,003)	(86,421)
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$ 11,227,275**	**$ 295,540**	**$ 11,522,815**

[1] Actuarial Accrued Liabilities Experience includes a gain of approximately $75,119 thousand for retired members being provided a one-time (13th check) in August 2013, rather than a 1.0 percent COLA on January 1, 2014.
[2] Includes a State appropriation of $206,796 thousand received during FY2013 in accordance with Legislation passed in March 2012.
[3] Actuarial methodology change for recognition of the cost of future Annuity Savings Account (ASA) conversions to annuities at 7.5 percent versus the valuation interest rate of 6.75 percent.
[4] Plan Provision Changes include the additional liability associated with the expected annuitization of Annuity Savings Account (ASA) balances being eliminated as of June 30, 2013, due to the Board's decision to modify ASA annuitizations starting October 1, 2014.

Solvency Test

(dollars in thousands)

Fiscal Year Ended June 30	Actuarial Accrued Liabilities: Active Member Contributions	Actuarial Accrued Liabilities: Retirees and Beneficiaries	Actuarial Accrued Liabilities: Active Member (Employer Financed Portion)	Actuarial Accrued Liabilities: Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets: Active Member Contributions	Portion Covered: Retirees and Beneficiaries	Portion Covered: Active Member (Employer Financed Portion)	Portion Covered: Total Actuarial Accrued Liabilities
Pre-1996 Account									
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
2013	1,636,978	10,254,953	4,570,448	16,462,379	5,235,104	100.0	35.1	0.0	31.8
1996 Account									
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
2013	975,309	798,486	2,975,573	4,749,368	4,453,828	100.0	100.0	90.1	93.8
Total									
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
2013	2,612,287	11,053,439	7,546,021	21,211,747	9,688,932	100.0	64.0	0.0	45.7

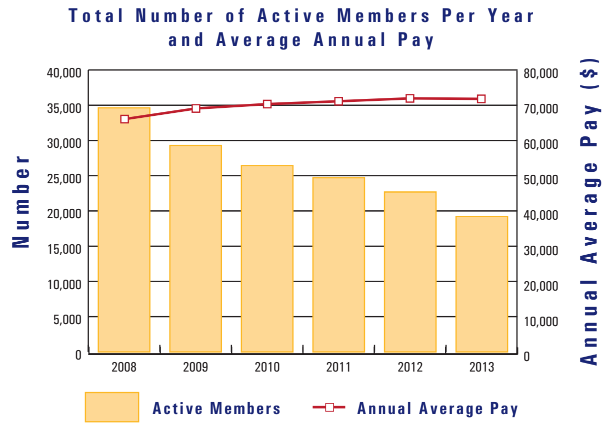
INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Pre-1996 Account

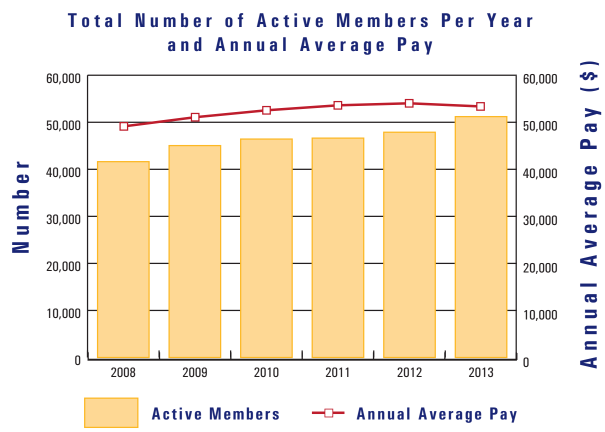
Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2008	34,628	$ 2,295,816	$ 66,299	1.9 %
2009	29,297	2,030,484	69,307	4.5
2010	26,439	1,865,102	70,544	1.8
2011	24,710	1,762,750	71,338	1.1
2012	22,688	1,637,066	72,156	1.1
2013	19,210	1,383,428	72,016	(0.2)



(dollars in thousands – except annual average pay)

1996 Account

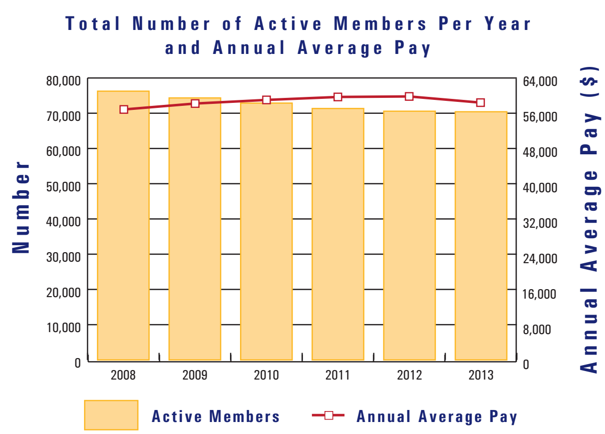
Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2008	41,628	$ 2,052,720	$ 49,311	2.5 %
2009	45,046	2,308,548	51,249	3.9
2010	46,433	2,447,509	52,711	2.9
2011	46,633	2,507,193	53,764	2.0
2012	47,885	2,594,952	54,191	0.8
2013	51,204	2,740,940	53,530	(1.2)



(dollars in thousands – except annual average pay)

Total

Fiscal Year Ended June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
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
2013	70,414	4,124,368	58,573	(2.3)



Schedule of Retirants and Beneficiaries

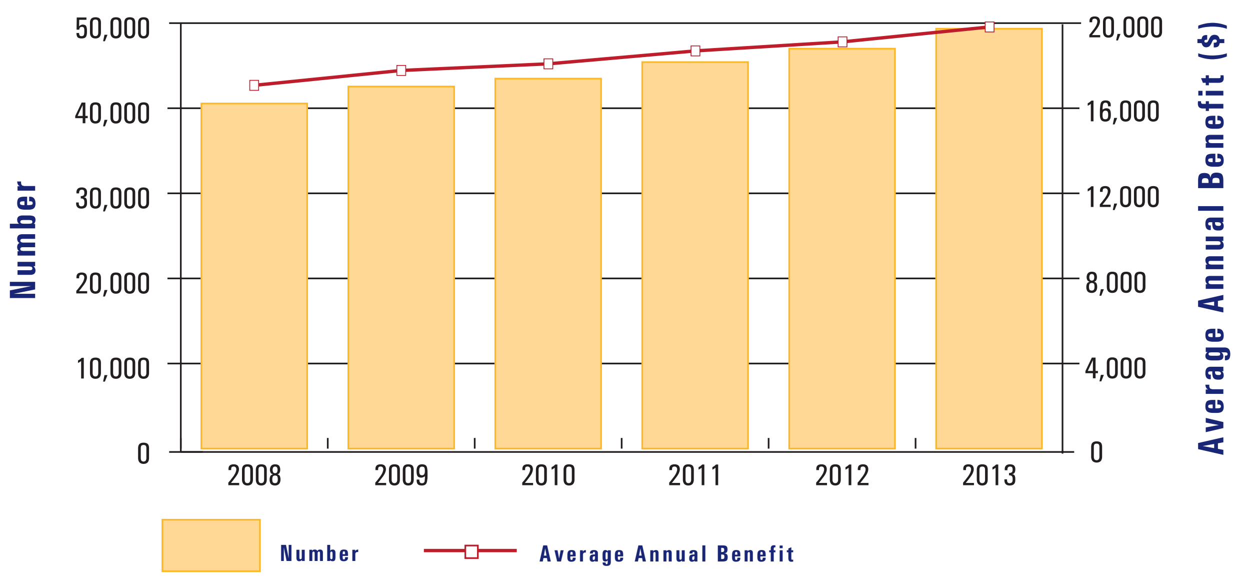
Pre-1996 Account

(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls Number	Added to Rolls Annual Benefits	Removed from Rolls Number	Removed from Rolls Annual Benefits	Rolls – End of Year Number	Rolls – End of Year Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	3,422	93,605	1,077	14,524	49,345	973,635	8.4	19,731

[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]Average annual benefit includes member annuities.
[3]The 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.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Schedule of Retirants and Beneficiaries, continued

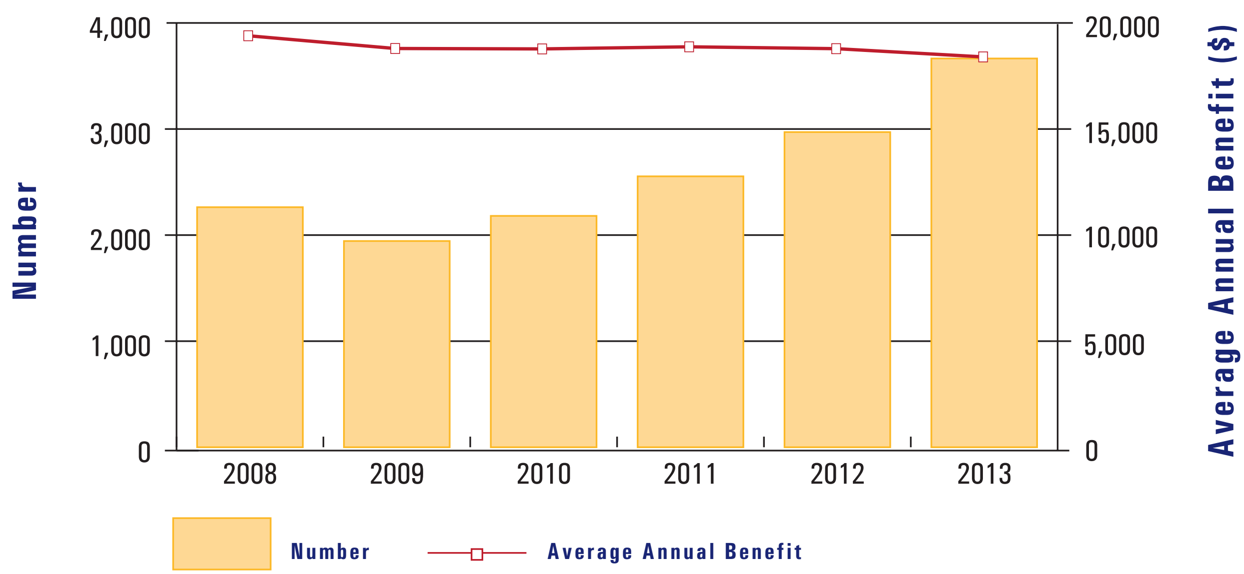
1996 Account

(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls: Number	Added to Rolls: Annual Benefits	Removed from Rolls: Number	Removed from Rolls: Annual Benefits	Rolls – End of Year: Number	Rolls – End of Year: Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	712	12,216	18	251	3,665	67,169	21.1	18,327

[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]Average annual benefit includes member annuities.
[3]The 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.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Retirants and Beneficiaries, continued

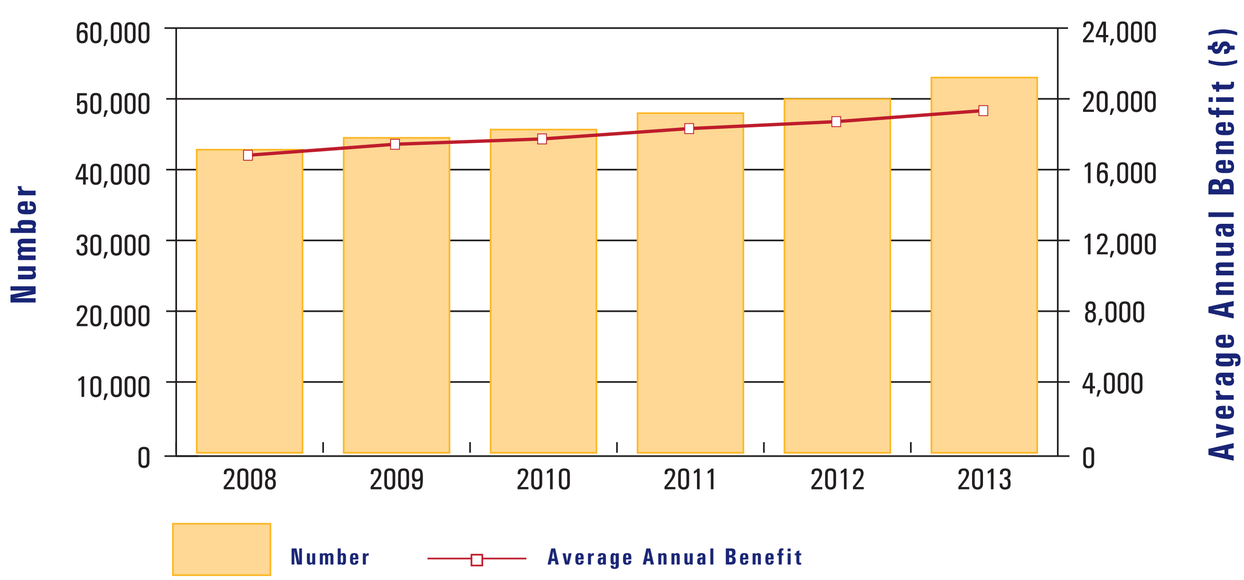
Total

(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]
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
2013	4,134	105,821	1,095	14,775	53,010	1,040,804	9.2	19,634

[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]Average annual benefit includes member annuities.

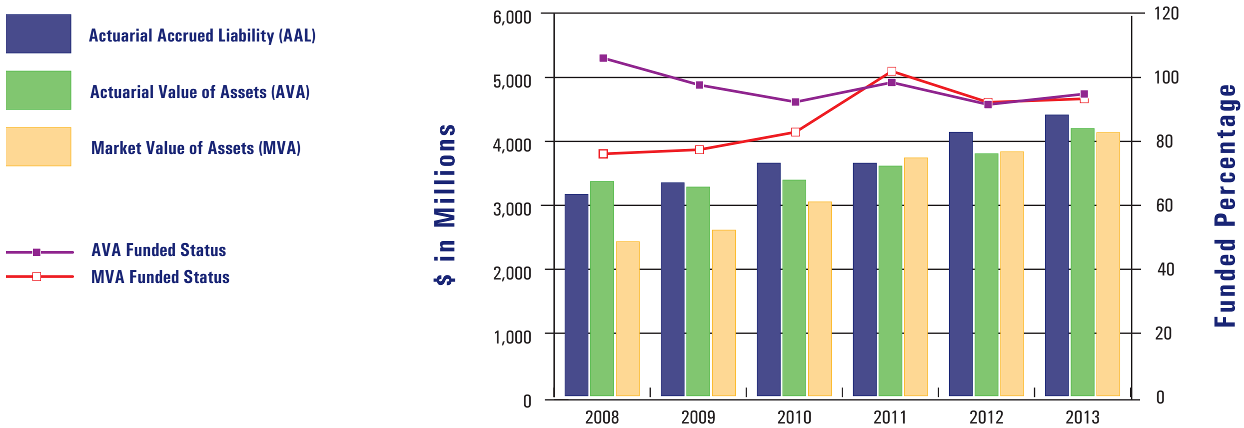
Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



For the June 30, 2013 valuation, the following plan provision change was incorporated:

- The liability associated with expected annuitization of Annuity Savings Account (ASA) balances was eliminated as of June 30, 2013, due to the Board's decision to modify ASA annuitizations starting October 1, 2014.

Historical Summary of Actuarial Valuation Results by Retirement Plan



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 3,150.8	$ 3,332.7	$ 3,639.6	$ 3,639.0	$ 4,122.4	$ 4,392.9
Actuarial Value of Assets (AVA)	$ 3,352.7	$ 3,265.6	$ 3,374.4	$ 3,593.8	$ 3,786.6	$ 4,180.7
Unfunded Liability (AAL - AVA)	**$ (201.9)**	**$ 67.1**	**$ 265.2**	**$ 45.2**	**$ 335.8**	**$ 212.2**
AVA Funded Status (AVA / AAL)	**106.4 %**	**98.0%**	**92.7%**	**98.8%**	**91.9%**	**95.2%**
Market Value of Assets (MVA)	$ 2,410.8	$ 2,591.7	$ 3,033.3	$ 3,721.4	$ 3,817.0	$ 4,116.9
MVA Funded Status (MVA / AAL)	76.5 %	77.8%	83.3%	102.3%	92.6%	93.7%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2005 through June 30, 2010, which were adopted by the INPRS Board in September 2011, and were first used in the June 30, 2011 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, the interest crediting rate assumption on member contribution balances was lowered from 5.5 percent to 3.5 percent.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Interest on Member Contributions:	3.5 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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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

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 the line of duty.

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

Actuarial Methods

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll 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. 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:	The Actuarial Value of Assets (AVA) is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA.

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$**	**335,841**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		(75,192)
Actuarial Accrued Liabilities Experience[1]		(39,521)
Amortization of Existing Bases		(4,075)
Actuarial Assumption & Methodology Changes[2]		(4,810)
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$**	**212,243**

[1]Actuarial Accrued Liabilities Experience includes a gain of approximately $6,159 thousand for a COLA of 1.7 percent effective July 1, 2013, rather than the assumed COLA of 2.25 percent.
[2]Actuarial assumption change that reduces the interest crediting rate on member contribution balances from 5.5 percent to 3.5 percent.

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

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
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
2013	782,124	1,288,457	2,322,366	4,392,947	4,180,704	100.0	100.0	90.9	95.2

[1]As of December 31 instead of June 30.

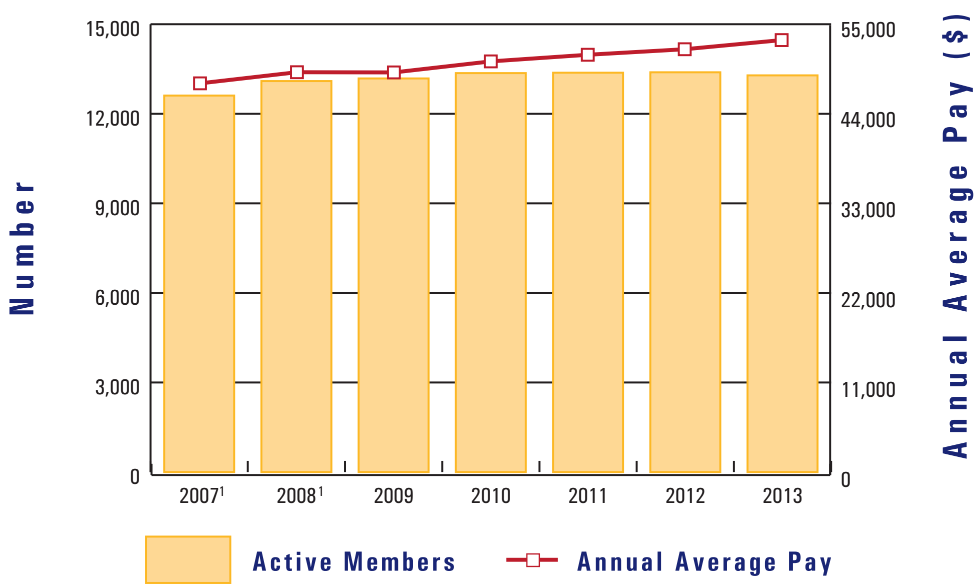
Schedule of Active Members Valuation Data

(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[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
2013	13,287	706,603	53,180	2.1

[1]As of December 31 instead of June 30.

Total Number of Active Members Per Year and Annual Average Pay



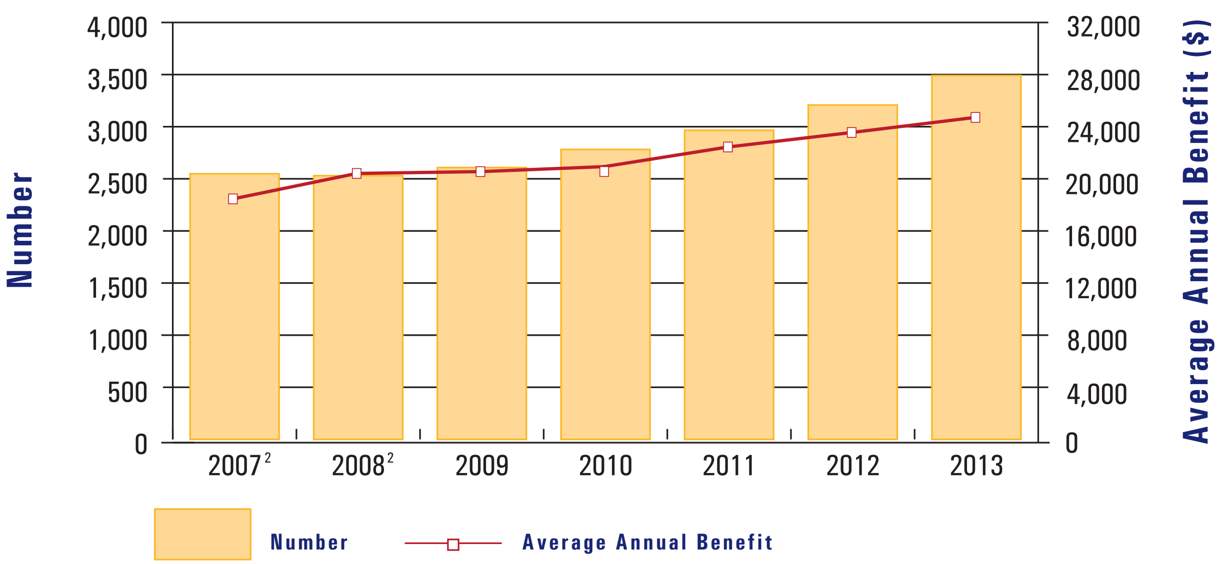
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls: Number	Added to Rolls: Annual Benefits	Removed from Rolls: Number	Removed from Rolls: Annual Benefits	Rolls – End of Year: Number	Rolls – End of Year: Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
2007[2]	333	$ 8,101	50	$ 886	2,548	$ 49,537	18.0%	$ 19,442
2008[2]	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
2013	326	10,098	43	845	3,491	87,301	13.5	25,008

[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]As of December 31 instead of June 30.

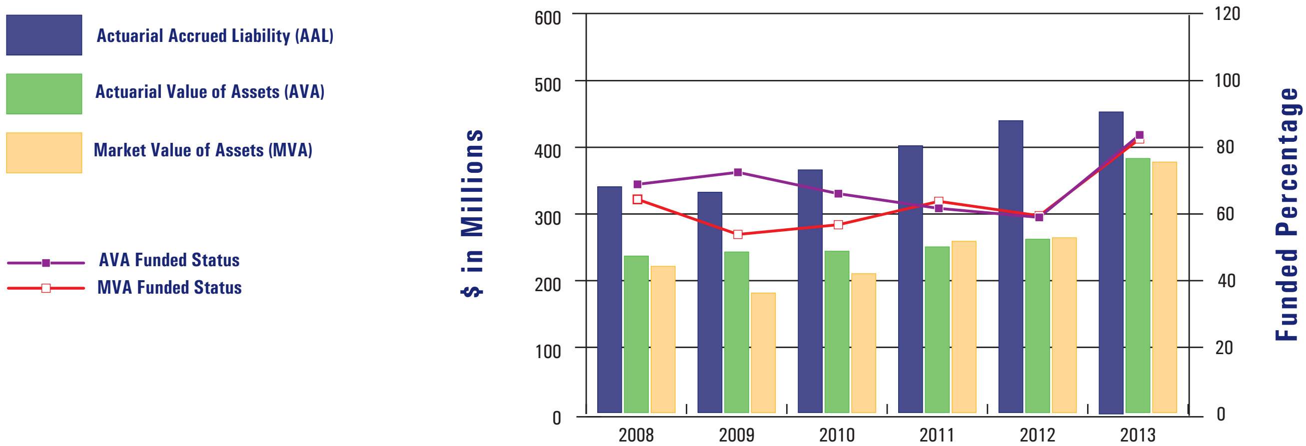
Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Changes in Plan Provisions

There were no changes in plan provisions that impacted the pension benefits during the fiscal year.

Historical Summary of Actuarial Valuation Results by Retirement Plan



(dollars in millions)

	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 338.8	$ 330.6	$ 364.1	$ 400.3	$ 437.9	$ 453.1
Actuarial Value of Assets (AVA)	$ 234.9	$ 241.0	$ 242.1	$ 248.6	$ 260.1	$ 381.2
Unfunded Liability (AAL - AVA)	**$ 103.9**	**$ 89.6**	**$ 122.0**	**$ 151.7**	**$ 177.8**	**$ 71.9**
AVA Funded Status (AVA / AAL)	**69.3%**	**72.9%**	**66.5%**	**62.1%**	**59.4%**	**84.1%**
Market Value of Assets (MVA)	$ 219.4	$ 179.4	$ 208.4	$ 257.0	$ 262.3	$ 375.8
MVA Funded Status (MVA / AAL)	64.8%	54.3%	57.2%	64.2%	59.9%	82.9%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the Judges' Retirement System were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2005 through June 30, 2010, which were adopted by the INPRS Board in September 2011, and were first used in the June 30, 2011 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, the interest crediting rate assumption on member contribution balances was increased from 0.0 percent to 3.5 percent.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Interest on Member Contributions:	3.5 percent per year
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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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

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.

Actuarial Methods

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

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.

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

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$**	**177,758**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		6,315
Actuarial Accrued Liabilities Experience[1]		(13,483)
Amortization of Existing Bases[2]		(98,906)
Actuarial Assumption & Methodology Changes[3]		186
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$**	**71,870**

[1]Actuarial Accrued Liabilities Experience includes a gain of approximately $3,810 thousand for a COLA of 3.1 percent effective July 1, 2013, rather than the assumed COLA of 4.0 percent.
[2]Includes a State appropriation of $90,187 thousand received during FY2013 in accordance with Legislation passed in March 2012.
[3]Actuarial assumption change that increases the interest crediting rate on member contribution balances from 0.0 percent to 3.5 percent.

Solvency Test

(dollars in thousands)

Fiscal Year Ended June 30	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
	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
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
2013[1]	29,060	224,132	199,918	453,110	381,240	100.0	100.0	64.1	84.1

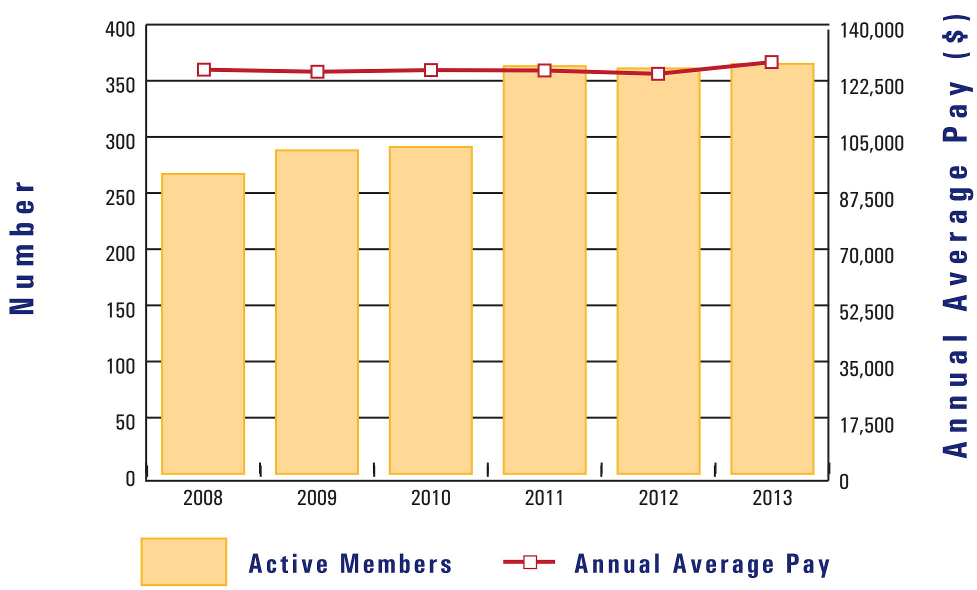
[1]In accordance with Legislation passed during March 2012, the State appropriated $90,187 thousand during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

Schedule of Active Members Valuation Data

(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
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)
2013	365	46,967	128,676	2.9

Total Number of Active Members Per Year and Annual Average Pay

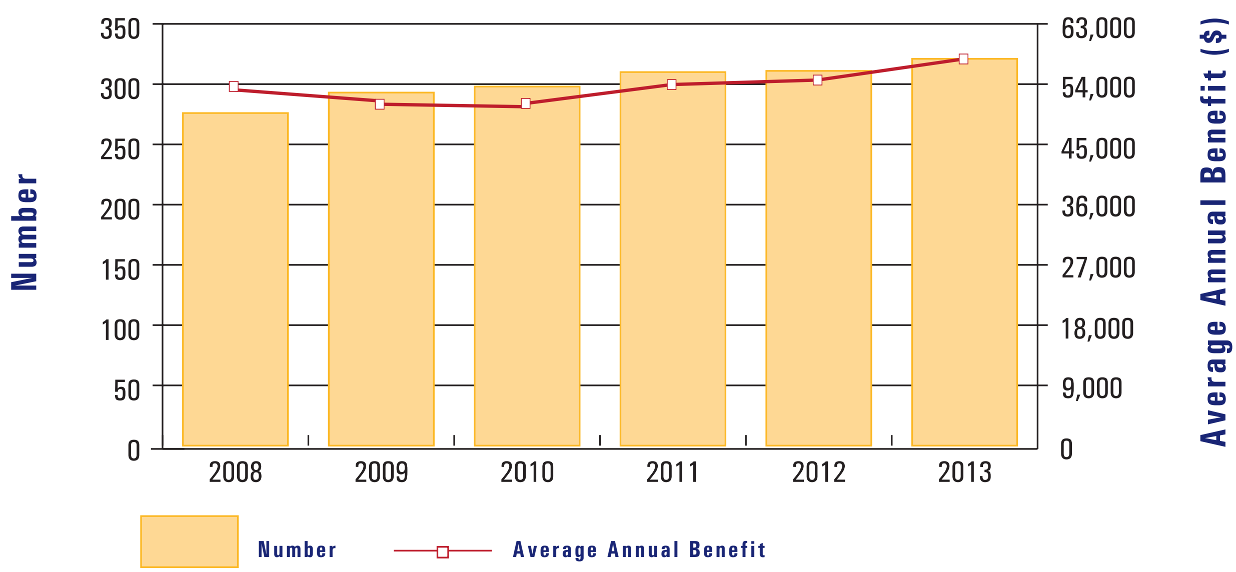


(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls: Number	Added to Rolls: Annual Benefits	Removed from Rolls: Number	Removed from Rolls: Annual Benefits	Rolls – End of Year: Number	Rolls – End of Year: Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	24	1,798	14	442	321	18,474	8.5	57,551

[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.

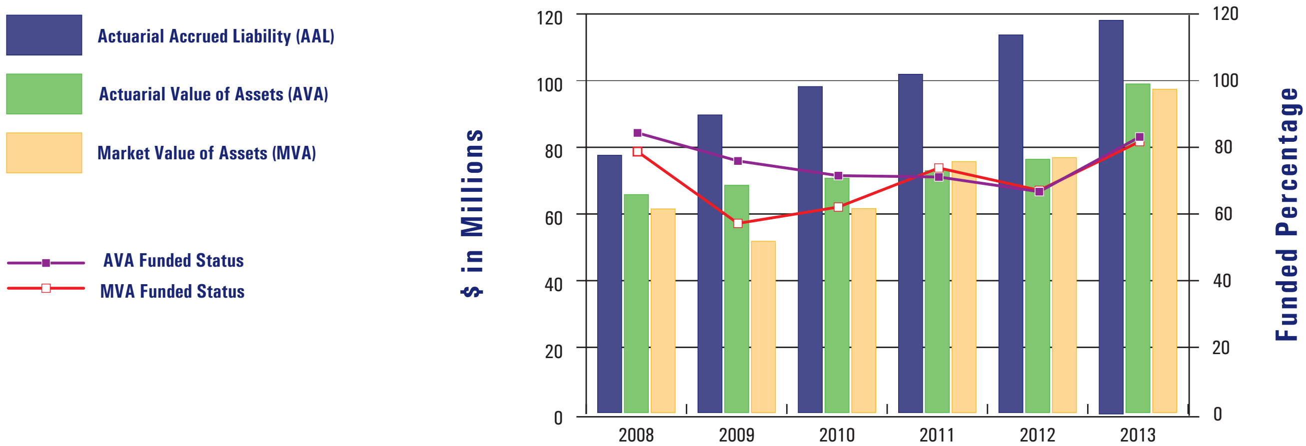
Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Changes in Plan Provisions

There were no changes in plan provisions that impacted the pension benefits during the fiscal year.

Historical Summary of Actuarial Valuation Results by Retirement Plan



(dollars in millions)

	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 77.2	$ 89.3	$ 97.8	$ 101.5	$ 113.3	$ 118.1
Actuarial Value of Assets (AVA)	$ 65.4	$ 68.2	$ 70.3	$ 72.6	$ 76.0	$ 98.6
Unfunded Liability (AAL - AVA)	**$ 11.8**	**$ 21.1**	**$ 27.5**	**$ 28.9**	**$ 37.3**	**$ 19.5**
AVA Funded Status (AVA / AAL)	**84.7%**	**76.3%**	**71.9%**	**71.5%**	**67.1%**	**83.5%**
Market Value of Assets (MVA)	$ 61.1	$ 51.4	$ 61.2	$ 75.3	$ 76.5	$ 97.0
MVA Funded Status (MVA / AAL)	79.1%	57.6%	62.5%	74.2%	67.5%	82.1%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2005 through June 30, 2010, which were adopted by the INPRS Board in September 2011, and were first used in the June 30, 2011 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, the interest crediting rate assumption on member contribution balances was lowered from 6.75 percent to 3.5 percent.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Interest on Member Contributions:	3.5 percent per year
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		

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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

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.

Actuarial Methods

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

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.

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

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$**	**37,276**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		239
Actuarial Accrued Liabilities Experience[1]		(1,845)
Amortization of Existing Bases[2]		(16,140)
Actuarial Assumption & Methodology Changes[3]		(41)
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$**	**19,489**

[1]Actuarial Accrued Liabilities Experience includes a gain of approximately $502 thousand for retired members being provided a one-time (13th check) in September 2013, rather than a 1.0 percent COLA on January 1, 2014.
[2]Includes a State appropriation of $14,619 thousand received during FY2013 in accordance with Legislation passed in March 2012.
[3]Actuarial assumption change that reduces the interest crediting rate on member contribution balances from 6.75 percent to 3.5 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
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
2013[1]	7,494	56,028	54,575	118,097	98,608	100.0	100.0	64.3	83.5

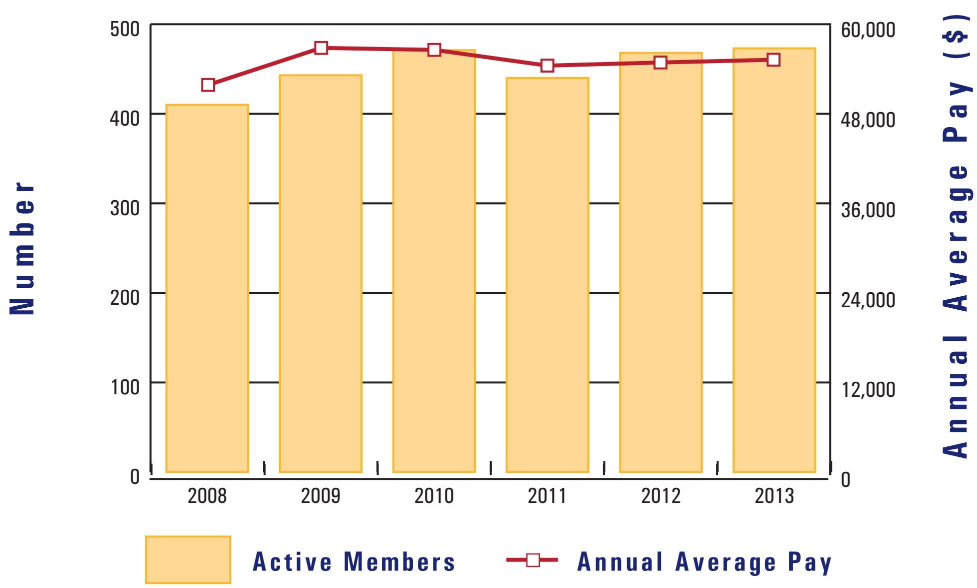
[1]In accordance with Legislation passed during March 2012, the State appropriated $14,619 thousand during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

Schedule of Active Members Valuation Data

(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
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
2013	473	26,201	55,393	0.7

Total Number of Active Members Per Year and Annual Average Pay



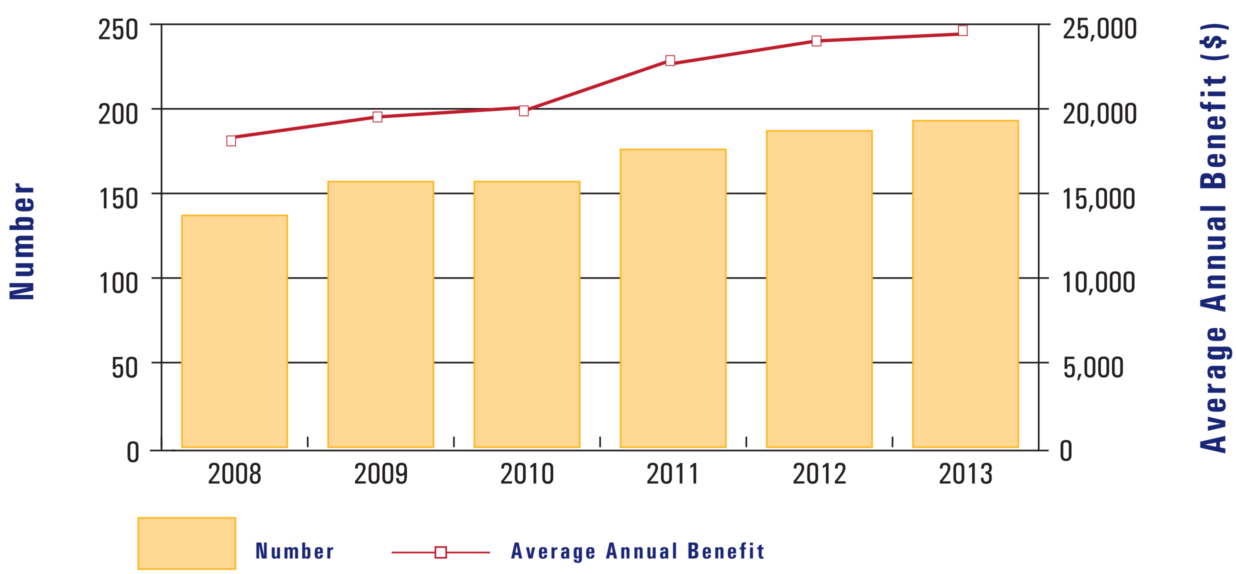
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls: Number	Added to Rolls: Annual Benefits	Removed from Rolls: Number	Removed from Rolls: Annual Benefits	Rolls – End of Year: Number	Rolls – End of Year: Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	8	253	2	9	193	4,666	4.8	24,177

[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.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit

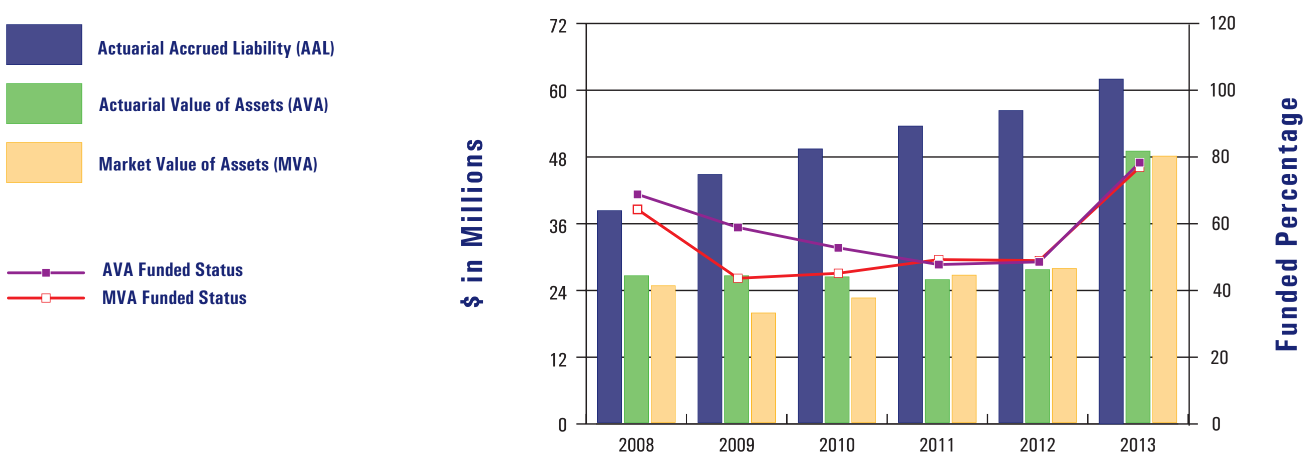


Changes in Plan Provisions

There were no changes in plan provisions that impacted the pension benefits during the fiscal year.

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Historical Summary of Actuarial Valuation Results by Retirement Plan



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 38.1	$ 44.6	$ 49.2	$ 53.3	$ 56.1	$ 62.0
Actuarial Value of Assets (AVA)	$ 26.4	$ 26.4	$ 26.2	$ 25.7	$ 27.5	$ 48.8
Unfunded Liability (AAL - AVA)	$ 11.7	$ 18.2	$ 23.0	$ 27.6	$ 28.6	$ 13.2
AVA Funded Status (AVA / AAL)	69.2%	59.3%	53.2%	48.2%	49.0%	78.7%
Market Value of Assets (MVA)	$ 24.6	$ 19.7	$ 22.4	$ 26.5	$ 27.7	$ 47.9
MVA Funded Status (MVA / AAL)	64.7%	44.1%	45.6%	49.7%	49.4%	77.3%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the Prosecuting Attorneys' Retirement Fund were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2005 through June 30, 2010, which were adopted by the INPRS Board in September 2011, and were first used in the June 30, 2011 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, the interest crediting rate assumption on member contribution balances was lowered from 5.5 percent to 3.5 percent. In addition, the retirement assumption was changed to reflect retirement as early as age 55 under the "Rule of 85", in accordance with legislation passed in March 2013.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

Economic Assumptions

Interest Rate / Investment Return:	6.75 percent (net of administrative and investment expenses)
Interest on Member Contributions:	3.5 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 (Less Than 85 Points)	Rate (85 Points Or More)
55-61	0%	20%
62	20	20
63	20	20
64	20	20
65	100	100

Termination:	10 percent per year for all members prior to retirement eligibility.

Summary of Actuarial Assumptions and Methods
as of June 30, 2013, continued

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.

Actuarial Methods

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

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.

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

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$**	**28,579**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		845
Actuarial Accrued Liabilities Experience		1,474
Amortization of Existing Bases[1]		(18,958)
Actuarial Assumption & Methodology Changes[2]		(108)
Plan Provision Changes[3]		1,346
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$**	**13,178**

[1]Includes a State appropriation of $17,363 thousand received during FY2013 in accordance with Legislation passed in March 2012.
[2]Actuarial assumption change that reduces the interest crediting rate on member contribution balances from 5.5 percent to 3.5 percent.
[3]In accordance with Legislation passed during March 2013, several features of the Plan were amended to be similar to the Judges' Retirement System (refer to the Changes in Plan Provisions schedule for PARF).

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
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
2013[1]	25,371	22,004	14,565	61,940	48,762	100.0	100.0	9.5	78.7

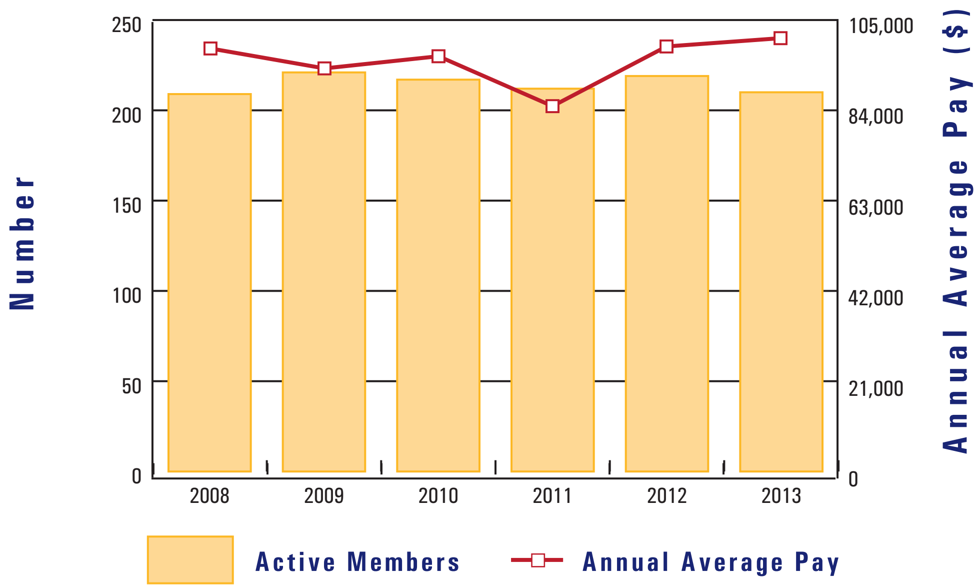
[1]In accordance with Legislation passed during March 2012, the State appropriated $17,363 thousand during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

Schedule of Active Members Valuation Data

(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
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
2013	210	21,217	101,033	1.9

Total Number of Active Members Per Year and Annual Average Pay

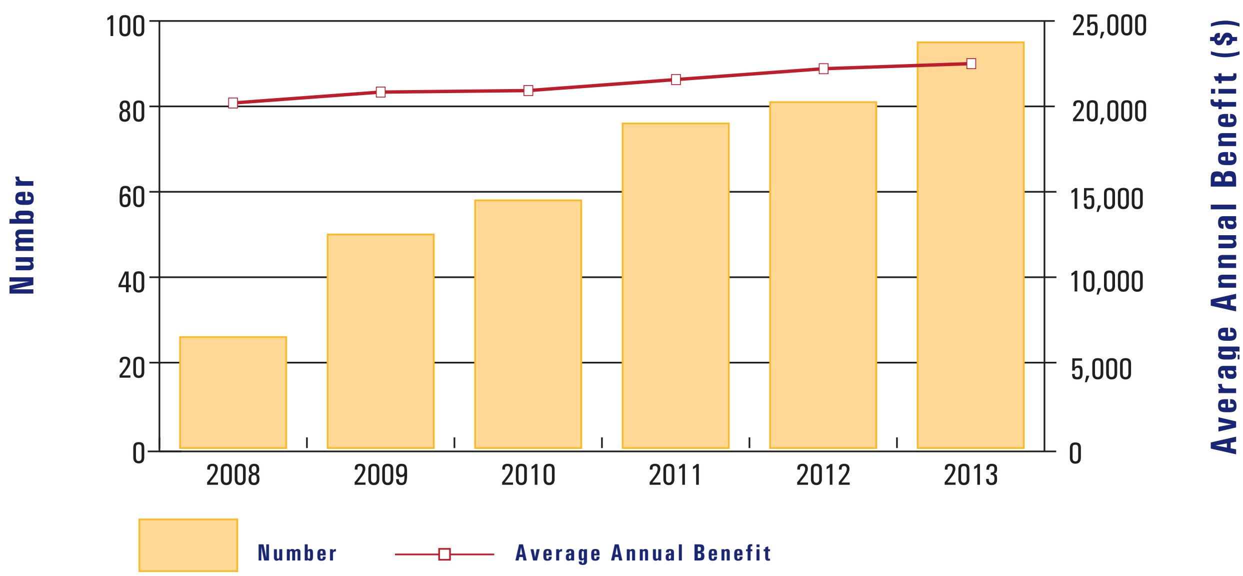


(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls: Number	Added to Rolls: Annual Benefits	Removed from Rolls: Number	Removed from Rolls: Annual Benefits	Rolls – End of Year: Number	Rolls – End of Year: Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	15	362	1	27	95	2,101	18.7	22,118

[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 and data changes.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Changes in Plan Provisions

For the June 30, 2013 valuation, the following plan provision changes were made pursuant to 2013 House Bill 1057:

- Active members will be required to contribute 6 percent of pay to the Fund for only the first 22 years of service, rather than all years of service. In addition, the State may elect to "pick up" member contributions under IRC Section 414(h), which was not previously allowable.
- Withdrawn members can reinstate prior service by repaying their withdrawn funds with interest.
- Members are entitled to normal (unreduced) retirement benefits upon attainment of 65 years of age with eight (8) years of service, or at 55 years of age with 85 points (age + service), rather than only at 65 years of age with eight (8) years of service.
- Members may designate surviving dependent children to receive payments upon their death with different benefits being provided to surviving spouses and children. Previously, only surviving spouses could receive benefits upon the death of a member. Dependent children payments cease at age 18. The total benefits to be paid out is equal to the same 50 percent benefit that would be payable to the surviving spouse.
- The minimum annual death benefit payable to a beneficiary is increased from $7,000 to $12,000. This change does not apply to current surviving spouses.
- No reduction is applied in the case of pre-retirement death. Previously, benefits were reduced 0.25 percent for each month that commencement preceded age 65 in the case of death.
- The service requirement for receiving disability benefits is reduced from five (5) years to 0 years.
- The benefit percentage for disability is increased to 50 percent for 0 - 12 years of service, increasing 1 percent per year starting at 12 years of service up to 60 percent at 22 or more years of service.

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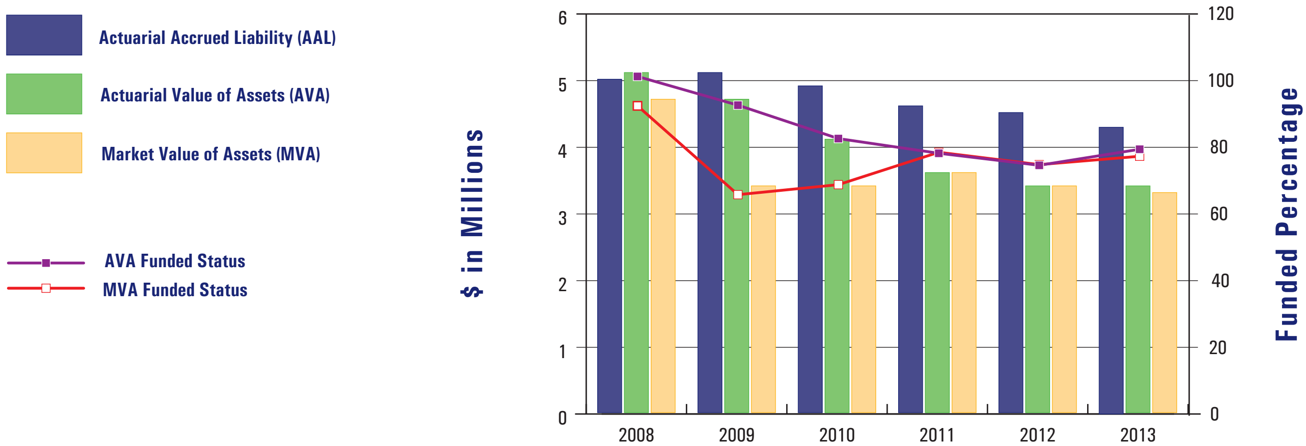
Historical Summary of Actuarial Valuation Results by Retirement Plan



(dollars in millions)	Fiscal Year Ended June 30					
	2008	2009	2010	2011	2012	2013
Actuarial Accrued Liability (AAL)	$ 5.0	$ 5.1	$ 4.9	$ 4.6	$ 4.5	$ 4.3
Actuarial Value of Assets (AVA)	$ 5.1	$ 4.7	$ 4.1	$ 3.6	$ 3.4	$ 3.4
Unfunded Liability (AAL - AVA)	**$ (0.1)**	**$ 0.4**	**$ 0.8**	**$ 1.0**	**$ 1.1**	**$ 0.9**
AVA Funded Status (AVA / AAL)	**101.6 %**	**93.0%**	**83.0%**	**78.6%**	**75.0%**	**79.8%**
Market Value of Assets (MVA)	$ 4.7	$ 3.4	$ 3.4	$ 3.6	$ 3.4	$ 3.3
MVA Funded Status (MVA / AAL)	92.8 %	66.2%	69.2%	78.9%	75.2%	77.7%

Summary of Actuarial Assumptions and Methods as of June 30, 2013

The actuarial assumptions and methods used in the June 30, 2013 valuation of the Legislators' Defined Benefit Plan were adopted by the INPRS Board in February 2013. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2005 through June 30, 2010, which were adopted by the INPRS Board in September 2011, and were first used in the June 30, 2011 valuation. The interest rate / investment return and mortality assumptions were updated for the June 30, 2012 valuation.

Changes in Actuarial Assumptions

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial assumptions from the actuarial valuation as of June 30, 2012.

Changes in Actuarial Methods

For the actuarial valuation as of June 30, 2013, there were no changes to the actuarial methods from the actuarial valuation as of June 30, 2012.

Actuarial Assumptions

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

Summary of Actuarial Assumptions and Methods as of June 30, 2013, continued

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.

Actuarial Methods

Actuarial Cost Method: Traditional Unit Credit

The normal cost is calculated separately for each active member and is equal to the actuarial present value of additional benefits 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: The Actuarial Value of Assets (AVA) is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA.

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2012	**$**	**1,126**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		(93)
Actuarial Accrued Liabilities Experience[1]		(134)
Amortization of Existing Bases		(32)
Actuarial Assumption & Methodology Changes		-
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2013	**$**	**867**

[1]Actuarial Accrued Liabilities Experience includes a gain of approximately $36 thousand since a COLA was not granted to retired members as of January 1, 2014, rather than the 1.0 percent COLA assumption.

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Solvency Test

(dollars in thousands)

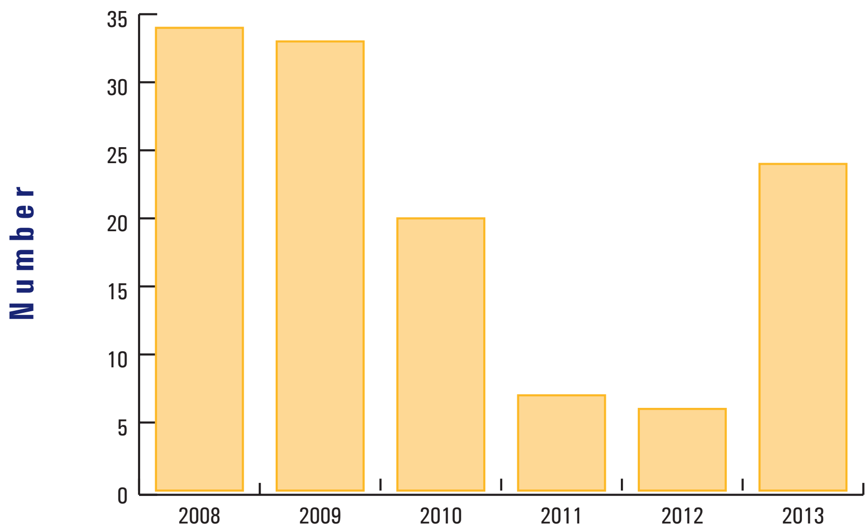
	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Fiscal Year Ended June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2008	$ -	$ 2,258	$ 2,781	$ 5,039	$ 5,120	N/A	100.0%	100.0%	101.6%
2009	-	3,147	1,940	5,087	4,730	N/A	100.0	81.6	93.0
2010	-	3,017	1,892	4,909	4,075	N/A	100.0	55.9	83.0
2011	-	3,037	1,584	4,621	3,634	N/A	100.0	37.7	78.6
2012	-	3,031	1,472	4,503	3,377	N/A	100.0	23.5	75.0
2013	-	3,192	1,103	4,295	3,428	N/A	100.0	21.4	79.8

Schedule of Active Members Valuation Data

(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
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
2013	24	N/A	N/A	N/A

Total Number of Active Members Per Year



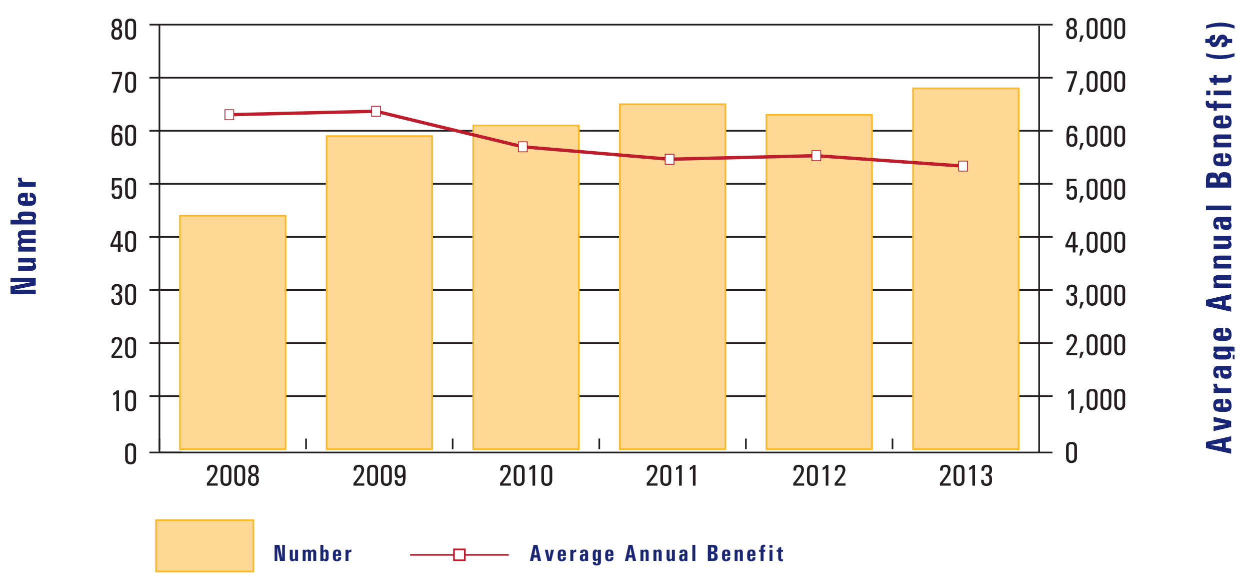
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

Fiscal Year Ended June 30	Added to Rolls Number	Added to Rolls Annual Benefits	Removed from Rolls Number	Removed from Rolls Annual Benefits	Rolls – End of Year Number	Rolls – End of Year Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]
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
2013	9	41	4	26	68	364	4.3	5,362

[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.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Changes in Plan Provisions

There were no changes in plan provisions that impacted the pension benefits during the fiscal year.

Statistical Section

Indiana Public Retirement System

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

State Employees' Death Benefit Fund

Public Safety Officers' Special Death Benefit Fund

Pension Relief Fund

Indiana Public Retirement System

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
- Schedule 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:

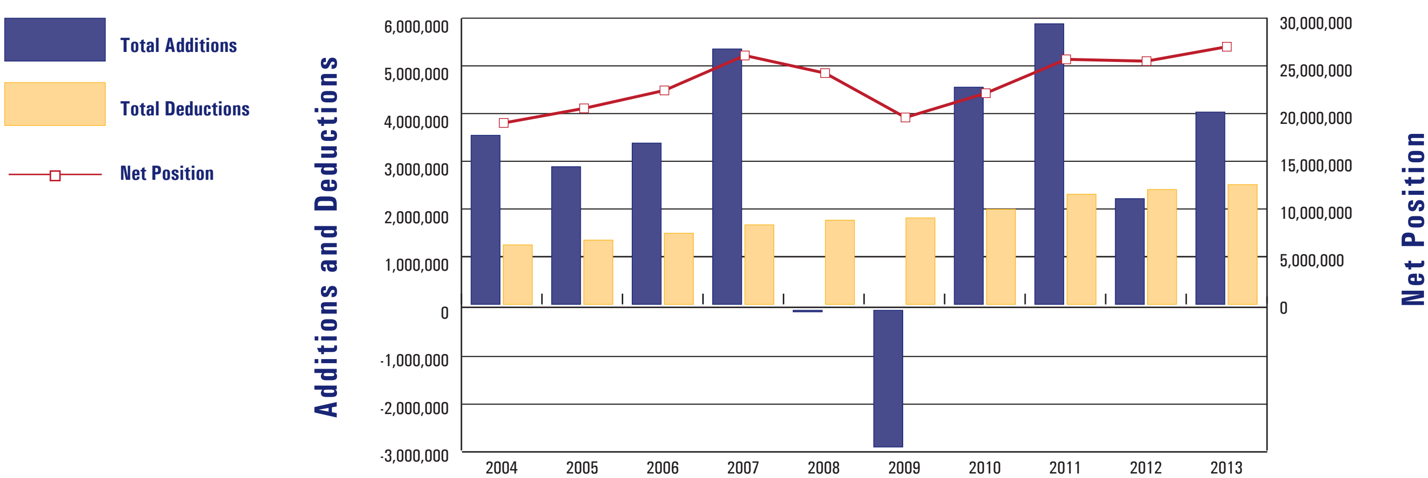
- Membership Data Summary
- Ratio of Active Members to Annuitants
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Average Death Benefit Payments
- Schedule of Participating Employers: Top 10
- Schedule of Participating Employers

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 283,688	$ 290,407	$ 312,918	$ 312,488	$ 322,060	$ 332,959	$ 335,244	$ 330,314	$ 335,548	$ 326,518
Employer Contributions	757,811	795,651	1,022,249	1,120,316	1,232,602	1,347,376	1,471,776	1,493,683	1,605,839	2,087,315
Investment Income / (Loss)	2,405,822	1,700,826	1,947,308	3,821,357	(1,752,577)	(4,646,978)	2,649,155	3,943,198	172,801	1,514,313
Interfund Transfers	5,145	6,955	6,606	6,965	9,608	7,662	8,176	15,410	13,025	14,759
Other Additions	93,337	93,436	93,524	94,731	92,442	91,627	89,771	100,622	89,863	89,238
Total Additions	**$ 3,545,803**	**$ 2,887,275**	**$ 3,382,605**	**$ 5,355,857**	**$ (95,865)**	**$ (2,867,354)**	**$ 4,554,122**	**$ 5,883,227**	**$ 2,217,076**	**$ 4,032,143**
Deductions										
Pension Benefits	$ 1,044,057	$ 1,113,329	$ 1,215,172	$ 1,379,511	$ 1,477,798	$ 1,494,247	$ 1,623,749	$ 1,889,792	$ 1,976,672	$ 2,070,025
Disability Benefits	18,890	35,484	39,079	45,094	47,079	51,326	55,554	53,608	57,239	60,664
Death Benefits	1,008	860	209	372	1,008	806	1,464	1,224	938	1,744
Distributions of Contributions and Interest	51,227	51,980	81,807	67,649	62,862	54,375	53,393	94,341	95,681	98,698
Pension Relief Distributions	103,463	115,228	125,075	140,727	134,948	167,279	213,035	219,425	224,220	219,814
Administrative and Project Expenses	24,190	24,953	23,687	27,549	31,883	36,318	38,258	35,918	40,848	45,921
Interfund Transfers	5,145	6,955	6,606	6,965	9,608	7,662	8,176	15,410	13,025	14,759
Total Deductions	**$ 1,247,980**	**$ 1,348,789**	**$ 1,491,635**	**$ 1,667,867**	**$ 1,765,186**	**$ 1,812,013**	**$ 1,993,629**	**$ 2,309,718**	**$ 2,408,623**	**$ 2,511,625**
Changes in Net Position										
Beginning of Year	$ 16,746,820	$ 19,044,643	$20,583,129	$ 22,474,099	$ 26,162,089	$ 24,301,038	$19,621,671	$22,182,164	$ 25,755,673	$25,564,126
End of Year	19,044,643	20,583,129	22,474,099	26,162,089	24,301,038	19,621,671	22,182,164	25,755,673	25,564,126	27,084,644
Net Increase / (Decrease)	**$ 2,297,823**	**$ 1,538,486**	**$ 1,890,970**	**$ 3,687,990**	**$ (1,861,051)**	**$ (4,679,367)**	**$ 2,560,493**	**$ 3,573,509**	**$ (191,547)**	**$ 1,520,518**

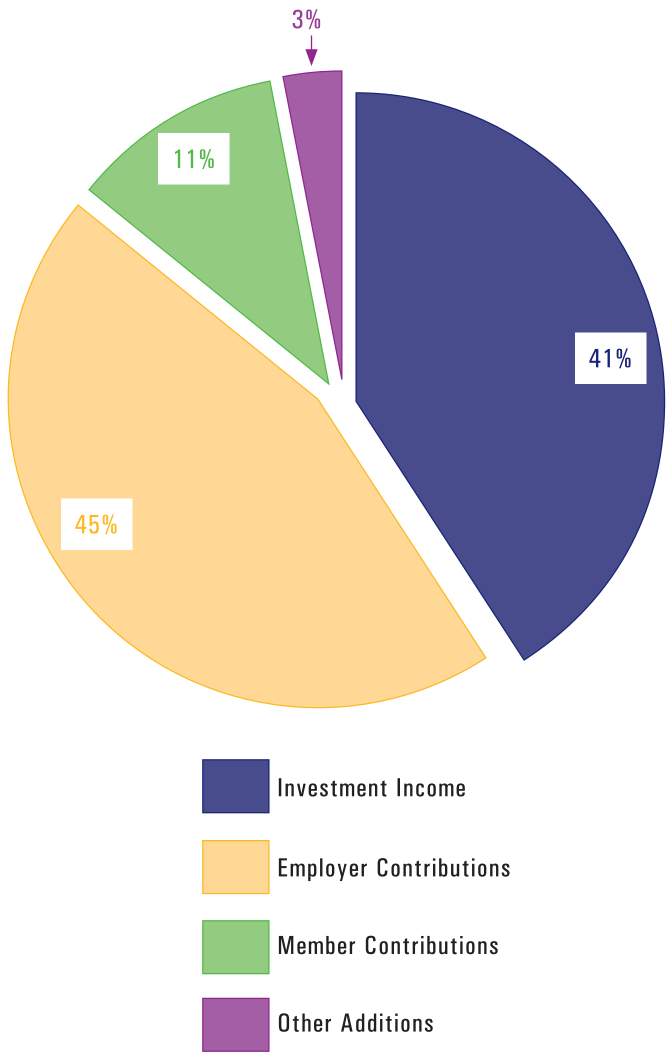
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Summary of Income Sources for a Ten-Year Period

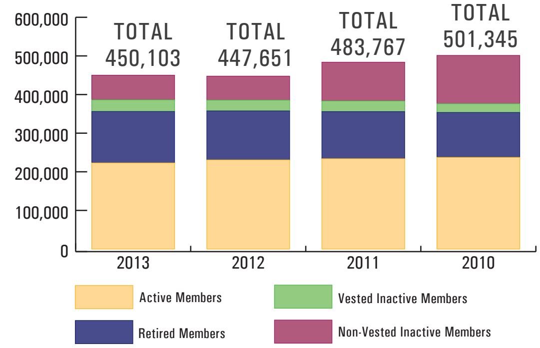
Fiscal Year 2004 - Fiscal Year 2013

Investment Income	41%
Employer Contributions	45%
Member Contributions	11%
Other Additions	3%



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
- EG&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, 2013

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Terminated Vested Inactive Members	Terminated Non-Vested Inactive Members With Balance	Total Members
PERF	137,937	75,950	23,504	51,057	288,448
TRF	70,414	53,010	6,417	11,693	141,534
1977 Fund	13,287	3,491	129	796	17,703
JRS	365	321	67	32	785
EG&C Plan	473	193	4	87	757
PARF	210	95	83	162	550
LEDB Plan	24	68	9	-	101
LEDC Plan	167	-	-	58	225
Total INPRS	222,877	133,128	30,213	63,885	450,103

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
EG&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
EG&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

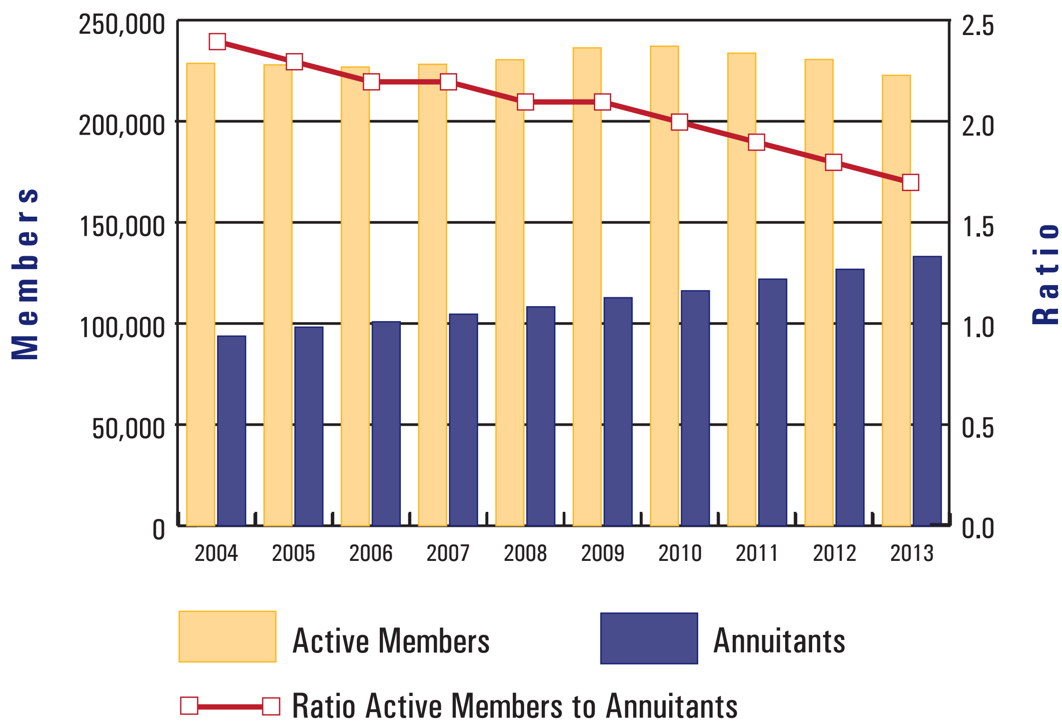
Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Terminated Vested Inactive Members	Terminated Non-Vested Inactive Members With Balance	Total Members
PERF	149,877	67,166	14,759	88,234	320,036
TRF	72,872	45,659	7,670	35,847	162,048
1977 Fund	13,362	2,782	111	771	17,026
JRS	291	298	73	31	693
EG&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

[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

Fiscal Year Ended June 30	Active Members[1]	Annuitants[2]	Ratio Active Members To Annuitants
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
2013	222,710	133,128	1.7

[1]Active Members exclude Legislators' Defined Contribution Plan.
[2]Annuitants includes retirees, disabilitants, and beneficiaries.

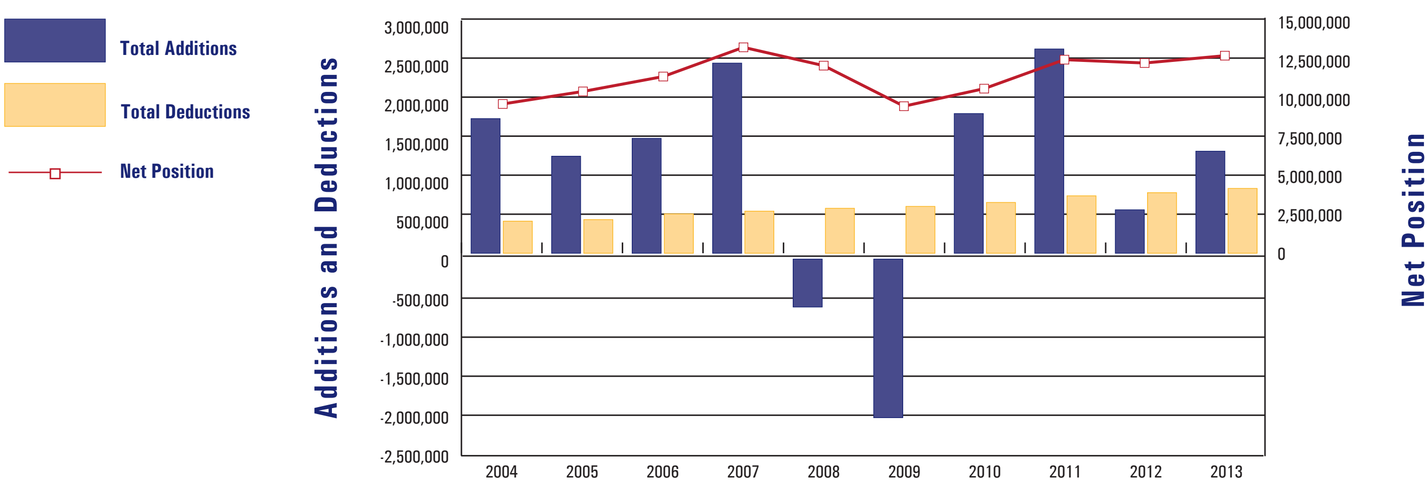


Schedule of Changes in Net Position

(dollars in thousands)

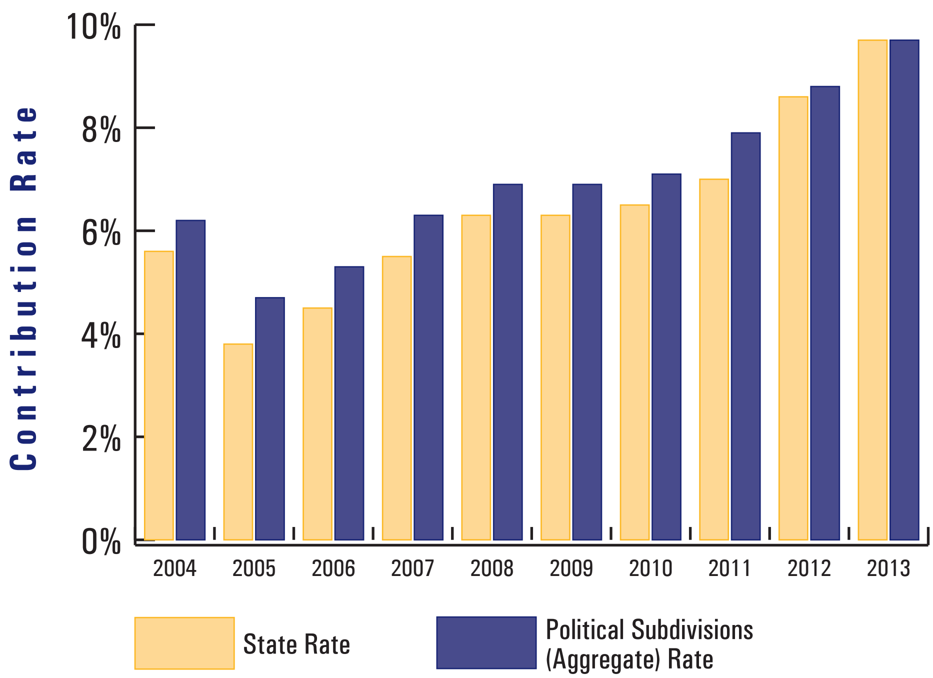
	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 135,963	$ 136,009	$ 145,753	$ 147,740	$ 155,728	$ 160,034	$ 158,089	$ 156,028	$ 158,696	$ 156,408
Employer Contributions	234,918	206,323	230,357	260,150	303,877	323,151	331,090	342,779	397,843	455,658
Investment Income / (Loss)	1,351,210	896,408	1,093,658	2,024,539	(1,079,918)	(2,517,955)	1,297,543	2,112,090	(3,952)	691,332
Interfund Transfers	2,364	2,982	1,496	2,695	6,356	3,115	2,361	5,302	3,341	4,363
Other Additions	18	560	45	145	287	32	39	15	8	31
Total Additions	**$ 1,724,473**	**$ 1,242,282**	**$ 1,471,309**	**$ 2,435,269**	**$ (613,670)**	**$ (2,031,623)**	**$ 1,789,122**	**$ 2,616,214**	**$ 555,936**	**$ 1,307,792**
Deductions										
Pension Benefits	$ 346,878	$ 350,810	$ 391,173	$ 433,463	$ 467,994	$ 500,214	$ 539,540	$ 600,797	$ 628,522	$ 679,680
Disability Benefits	14,576	25,032	27,394	32,546	33,643	36,569	40,171	37,663	40,659	42,905
Death Benefits	-	1	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	32,906	35,009	65,804	48,334	45,610	36,099	39,632	65,178	69,879	68,775
Administrative and Project Expenses	13,418	15,688	14,273	17,943	21,183	21,497	24,959	22,461	24,793	29,181
Interfund Transfers	2,781	3,973	5,110	6,795	6,844	5,132	5,837	10,078	9,684	10,405
Total Deductions	**$ 410,559**	**$ 430,513**	**$ 503,754**	**$ 539,081**	**$ 575,274**	**$ 599,511**	**$ 650,139**	**$ 736,177**	**$ 773,537**	**$ 830,946**
Changes in Net Position										
Beginning of Year	$ 8,272,988	$ 9,586,902	$ 10,398,671	$ 11,366,226	$ 13,262,414	$ 12,073,470	$ 9,442,336	$ 10,581,319	$ 12,461,356	$ 12,243,755
End of Year	9,586,902	10,398,671	11,366,226	13,262,414	12,073,470	9,442,336	10,581,319	12,461,356	12,243,755	12,720,601
Net Increase / (Decrease)	**$ 1,313,914**	**$ 811,769**	**$ 967,555**	**$ 1,896,188**	**$ (1,188,944)**	**$ (2,631,134)**	**$ 1,138,983**	**$ 1,880,037**	**$ (217,601)**	**$ 476,846**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Schedule of Historical Contribution Rates

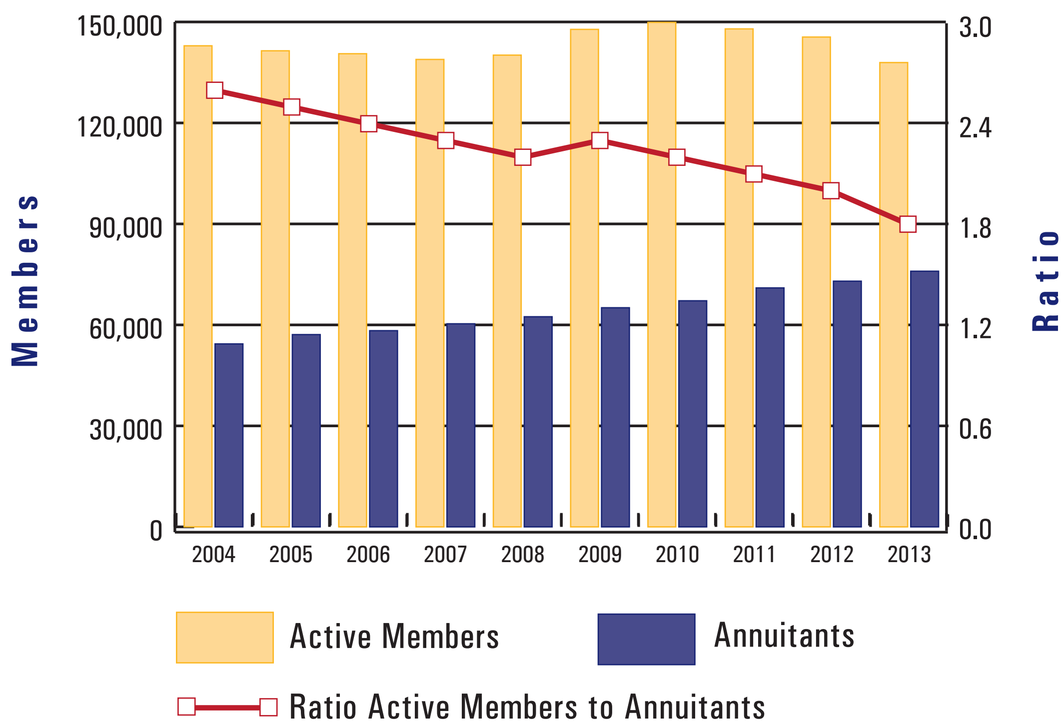
Fiscal Year Ended June 30	State Rate	Political Subdivisions (Aggregate) Rate
2004	5.6%	6.2%
2005	3.8	4.7
2006	4.5	5.3
2007	5.5	6.3
2008	6.3	6.9
2009	6.3	6.9
2010	6.5	7.1
2011	7.0	7.9
2012	8.6	8.8
2013	9.7	9.7
Memo: Effective Date	July 1	January 1



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
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
2013	137,937	75,950	1.8

[1]Annuitants includes retirees, disabilitants, and beneficiaries.

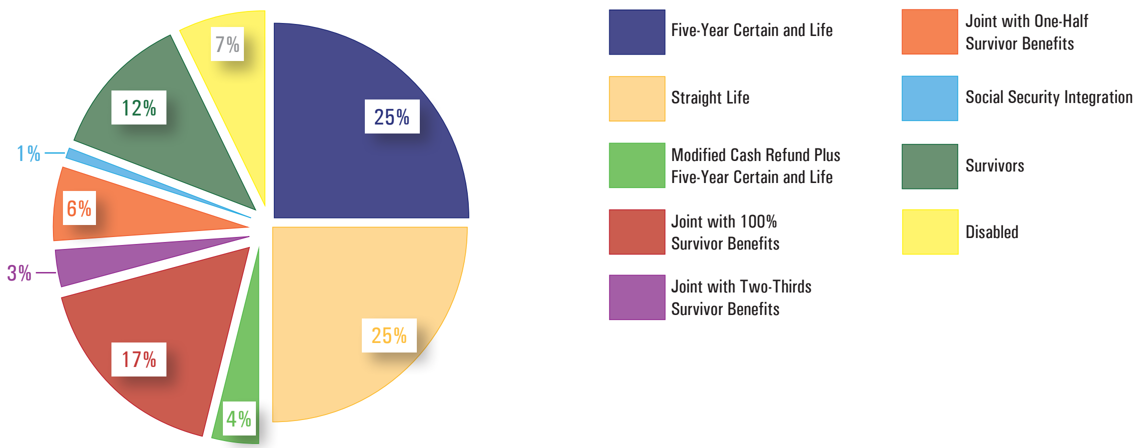


INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Benefit Recipients by Type of Benefit Option

Number of Benefit Recipients by Benefit Option

Amount of Monthly Benefit (in dollars)	1 5-Year Certain & Life	2 Straight Life	3 Modified Cash Refund Plus 5-Year Certain & Life	4 Joint With 100% Survivor Benefits	5 Joint With Two-Thirds Survivor Benefits	6 Joint With One-Half Survivor Benefits	7 Social Security Integration	8 Survivors	9 Disabled	Total Benefit Recipients
$ 1 - 500	11,190	7,637	960	6,166	652	1,559	300	6,071	3,116	37,651
501 - 1,000	5,564	6,418	971	3,769	825	1,689	185	2,218	1,342	22,981
1,001 - 1,500	1,682	2,796	425	1,922	461	894	68	555	341	9,144
1,501 - 2,000	570	1,181	176	748	261	337	56	156	85	3,570
2,001 - 3,000	273	690	135	459	180	270	49	71	21	2,148
over 3,000	45	170	27	84	53	53	10	12	2	456
Total	**19,324**	**18,892**	**2,694**	**13,148**	**2,432**	**4,802**	**668**	**9,083**	**4,907**	**75,950**
Memo: Percent	**25%**	**25%**	**4%**	**17%**	**3%**	**6%**	**1%**	**12%**	**7%**	**100%**



1 (5-Year Certain & 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.

2 (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.

3 (Modified Cash Refund Plus 5-Year Certain & 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.

4 (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 percent of the member's monthly benefit for the remainder of the survivor's life.

5 (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.

6 (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 the member's monthly benefit for the remainder of the survivor's life.

7 (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.

8 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

9 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For PERF, five (5) or more years of creditable service is required to be eligible for a disability benefit.

Schedule of Average Benefit Payments[1]

Description	< 10[2]	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
	Years of Credited Service						
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 154	$ 269	$ 370	$ 515	$ 715	$ 1,160	$ 569
Average Monthly ASA Annuity[3]	$ 42	$ 94	$ 124	$ 180	$ 244	$ 425	$ 199
Average Final Average Salary	$ 22,762	$ 22,669	$ 25,080	$ 27,190	$ 30,044	$ 37,145	$ 28,019
Number of Benefit Recipients	2,670	12,866	19,825	15,757	11,079	13,753	75,950
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

[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.
Note: Based on the actuarial valuation as of June 30, 2013, approximately 56% of PERF members annuitized their ASA balances.

Schedule of Participating Employers: Top 10

	June 30, 2013			June 30, 2004		
Participating Employer	Covered Members	Rank	Percentage of Total PERF	Covered Members	Rank	Percentage of Total PERF
Top 10 Employers						
State of Indiana	28,316	1	20.5%	37,558	1	26.3%
Indiana University	6,174	2	4.5	7,269	2	5.1
Health & Hospital Corporation – Marion County	4,575	3	3.3	3,489	4	2.4
Purdue University	4,497	4	3.3	4,624	3	3.2
Marion County	2,643	5	1.9	2,699	5	1.9
Indianapolis Public Schools	1,946	6	1.4	2,471	6	1.7
Fort Wayne Community Schools	1,904	7	1.4	1,960	7	1.4
City of Indianapolis	1,633	8	1.2	1,907	8	1.3
Lake County	1,441	9	1.0	1,825	9	1.3
South Bend Community School Corporation	1,283	10	0.9	1,430	10	1.0
Total – Top 10 Employers	**54,412**		**39.4**	**65,232**		**45.6**
All Other (1,127 Employers in 2013; 1,116 Employers in 2004)	83,525		60.6	77,681		54.4
Grand Total (1,137 Employers in 2013; 1,126 Employers in 2004)	**137,937**		**100.0%**	**142,913**		**100.0%**

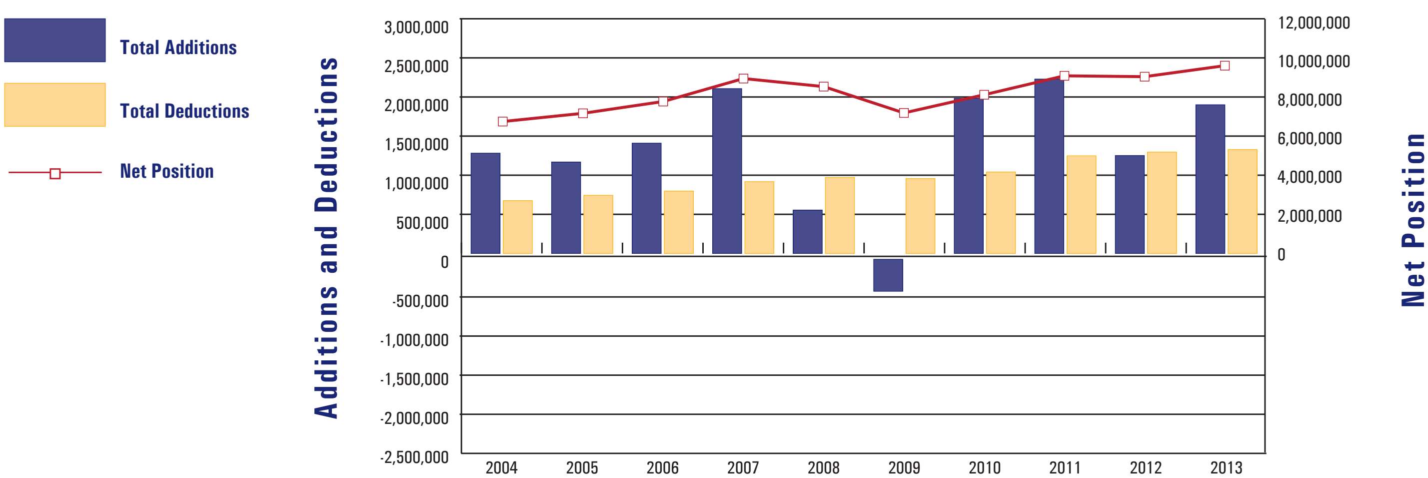
INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Changes in Net Position

(dollars in thousands)

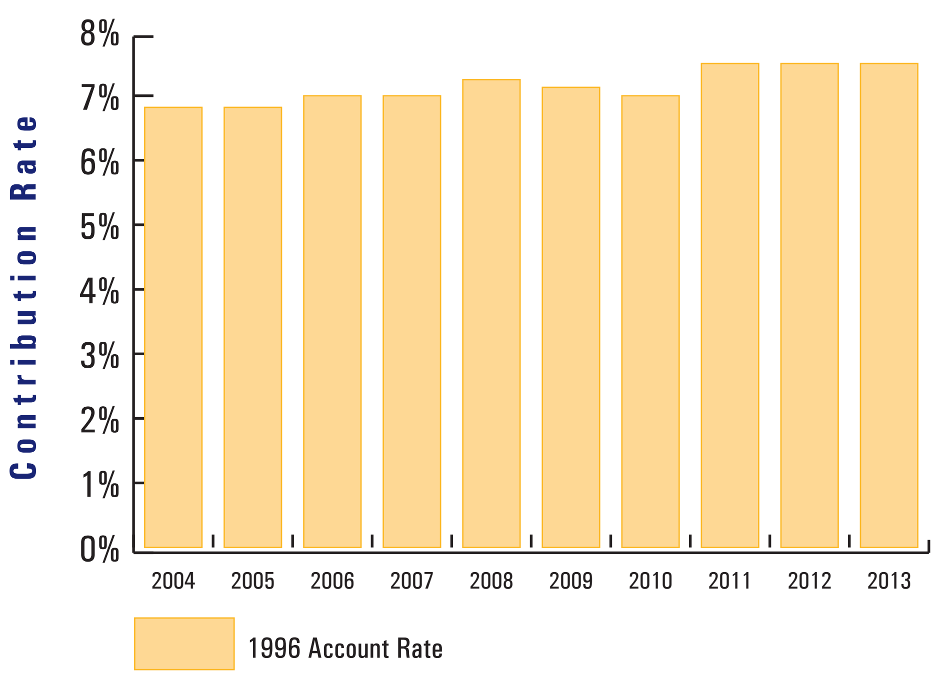
	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 115,833	$ 117,897	$ 130,496	$ 126,195	$ 123,928	$ 128,568	$ 131,676	$ 126,784	$ 129,962	$ 122,953
Employer Contributions	408,180	454,779	671,340	723,039	778,128	819,187	849,855	880,611	915,490	1,163,794
Investment Income / (Loss)	723,094	560,890	572,290	1,223,431	(381,080)	(1,390,148)	965,556	1,177,390	166,001	573,709
Interfund Transfers	2,781	3,973	5,092	3,841	3,188	4,260	5,510	8,827	9,304	10,204
Other Additions	31,424	30,864	30,000	30,000	30,000	30,000	30,000	35,000	30,000	30,010
Total Additions	**$ 1,281,312**	**$ 1,168,403**	**$ 1,409,218**	**$ 2,106,506**	**$ 554,164**	**$ (408,133)**	**$ 1,982,597**	**$ 2,228,612**	**$ 1,250,757**	**$ 1,900,670**
Deductions										
Pension Benefits	$ 655,234	$ 723,626	$ 779,616	$ 897,580	$ 950,755	$ 934,216	$ 1,017,030	$ 1,210,936	$ 1,256,887	$ 1,287,388
Disability Benefits	118	108	98	96	100	80	74	63	51	51
Distributions of Contributions and Interest	9,704	9,237	9,562	12,901	10,463	9,613	10,447	20,565	21,236	22,664
Administrative and Project Expenses	7,628	7,025	6,750	6,522	6,920	10,254	11,076	10,840	13,954	14,408
Interfund Transfers	2,364	2,982	1,484	37	2,761	2,525	2,339	5,239	3,308	4,339
Total Deductions	**$ 675,048**	**$ 742,978**	**$ 797,510**	**$ 917,136**	**$ 970,999**	**$ 956,688**	**$ 1,040,966**	**$ 1,247,643**	**$ 1,295,436**	**$ 1,328,850**
Changes in Net Position										
Beginning of Year	$ 6,148,027	$ 6,754,291	$ 7,179,716	$ 7,791,424	$ 8,980,794	$ 8,563,959	$ 7,199,138	$ 8,140,769	$ 9,121,738	$ 9,077,059
End of Year	6,754,291	7,179,716	7,791,424	8,980,794	8,563,959	7,199,138	8,140,769	9,121,738	9,077,059	9,648,879
Net Increase / (Decrease)	**$ 606,264**	**$ 425,425**	**$ 611,708**	**$ 1,189,370**	**$ (416,835)**	**$ (1,364,821)**	**$ 941,631**	**$ 980,969**	**$ (44,679)**	**$ 571,820**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Fiscal Year Ended June 30	1996 Account Rate
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
2013	7.50
Memo: Effective Date	July 1

[1]7.25 percent from July 1 - Dec. 31, 2008; 7.0 percent from Jan. 1 - June 30, 2009.



Ratio of Active Members to Annuitants

Pre-1996 Account

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
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
2013	19,210	49,345	0.4

1996 Account

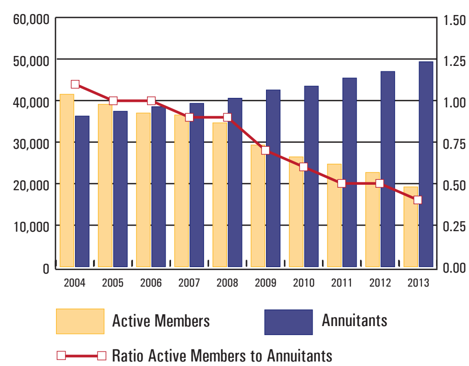
Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2004	32,000	797	40.2
2005	34,826	1,091	31.9
2006	36,356	1,327	27.4
2007	39,307	1,925	20.4
2008	41,628	2,263	18.4
2009	45,046	1,944	23.2
2010	46,433	2,181	21.3
2011	46,633	2,554	18.3
2012	47,885	2,971	16.1
2013	51,204	3,665	14.0

Total

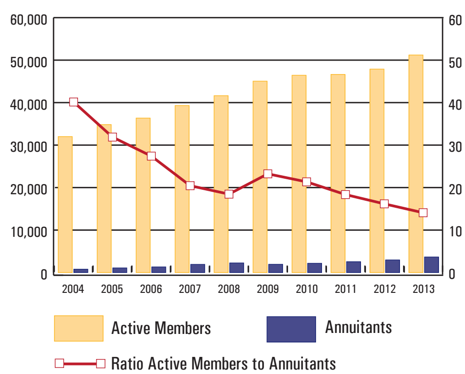
Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2004	73,510	37,068	2.0
2005	73,923	38,512	1.9
2006	73,350	39,849	1.8
2007	75,833	41,253	1.8
2008	76,256	42,817	1.8
2009	74,343	44,492	1.7
2010	72,872	45,659	1.6
2011	71,343	47,975	1.5
2012	70,573	49,971	1.4
2013	70,414	53,010	1.3

[1]Annuitants includes retirees, disabilitants, and beneficiaries.

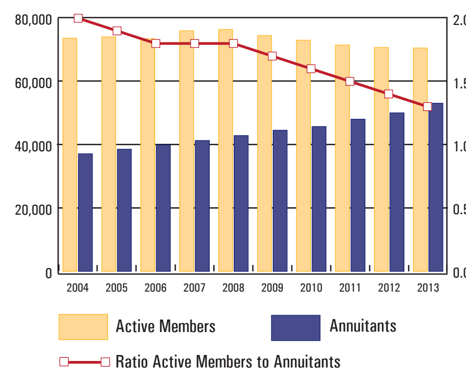
Pre-1996 Account



1996 Account



Total



Teachers' Retirement Fund

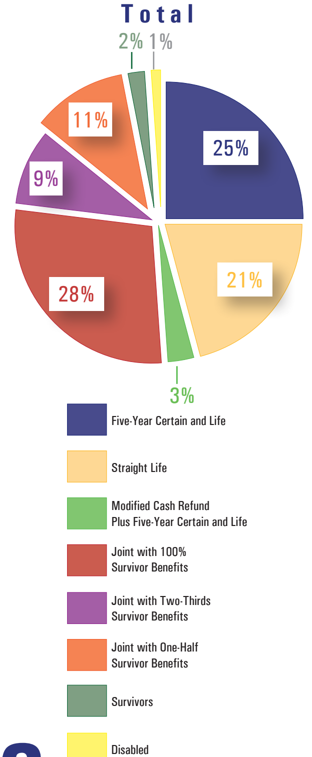
INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Benefit Recipients by Type of Benefit Option

Number of Benefit Recipients by Benefit Option

Amount of Monthly Benefit (in dollars)	1 5-Year Certain & Life	2 Straight Life	3 Modified Cash Refund Plus 5-Year Certain & Life	4 Joint With 100% Survivor Benefits	5 Joint With Two-Thirds Survivor Benefits	6 Joint With One-Half Survivor Benefits	7 Social Security Integration	8 Survivors	9 Disabled	Total Benefit Recipients
Pre-1996 Account										
$ 1 - 500	1,725	839	214	1,089	236	419	Incl. 1-6	473	77	5,072
501 - 1,000	2,085	1,423	311	1,911	685	930	Incl. 1-6	340	179	7,864
1,001 - 1,500	3,111	2,437	433	3,877	1,180	1,319	Incl. 1-6	150	223	12,730
1,501 - 2,000	2,987	2,816	356	4,184	1,395	1,623	Incl. 1-6	131	110	13,602
2,001 - 3,000	2,047	2,384	273	2,338	914	1,109	Incl. 1-6	52	26	9,143
over 3,000	211	252	23	228	102	118	Incl. 1-6	0	0	934
Total	**12,166**	**10,151**	**1,610**	**13,627**	**4,512**	**5,518**	**Incl. 1-6**	**1,146**	**615**	**49,345**
1996 Account										
$ 1 - 500	168	114	19	120	17	31	Incl. 1-6	23	55	547
501 - 1,000	258	206	52	237	56	80	Incl. 1-6	24	49	962
1,001 - 1,500	204	171	40	202	62	65	Incl. 1-6	3	13	760
1,501 - 2,000	144	131	24	173	54	80	Incl. 1-6	5	4	615
2,001 - 3,000	113	118	22	210	54	89	Incl. 1-6	4	5	615
over 3,000	35	41	1	52	20	17	Incl. 1-6	0	0	166
Total	**922**	**781**	**158**	**994**	**263**	**362**	**Incl. 1-6**	**59**	**126**	**3,665**
Total										
$ 1 - 500	1,893	953	233	1,209	253	450	Incl. 1-6	496	132	5,619
501 - 1,000	2,343	1,629	363	2,148	741	1,010	Incl. 1-6	364	228	8,826
1,001 - 1,500	3,315	2,608	473	4,079	1,242	1,384	Incl. 1-6	153	236	13,490
1,501 - 2,000	3,131	2,947	380	4,357	1,449	1,703	Incl. 1-6	136	114	14,217
2,001 - 3,000	2,160	2,502	295	2,548	968	1,198	Incl. 1-6	56	31	9,758
over 3,000	246	293	24	280	122	135	Incl. 1-6	0	0	1,100
Total	**13,088**	**10,932**	**1,768**	**14,621**	**4,775**	**5,880**	**Incl. 1-6**	**1,205**	**741**	**53,010**
Memo: Percent	**25%**	**21%**	**3%**	**28%**	**9%**	**11%**	**N.A.**	**2%**	**1%**	**100%**

Total



1 (5-Year Certain & 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.

2 (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.

3 (Modified Cash Refund Plus 5-Year Certain & 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.

4 (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 percent of the member's monthly benefit for the remainder of the survivor's life.

5 (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.

6 (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 the member's monthly benefit for the remainder of the survivor's life.

7 (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 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.

8 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

9 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For TRF, five (5) or more years of creditable service is required to be eligible for a disability benefit. Includes Classroom Disability which provides a benefit of $125 per month plus $5 for each additional year of TRF-covered service over five (5) years.

Schedule of Average Benefit Payments[1]

Description	Years of Credited Service < 10[2]	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
Pre-1996 Account							
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 405	$ 258	$ 517	$ 834	$ 1,187	$ 1,793	$ 1,453
Average Monthly ASA Annuity[3]	$ 57	$ 108	$ 104	$ 128	$ 159	$ 225	$ 191
Average Final Average Salary	$ 24,193	$ 22,426	$ 35,702	$ 43,604	$ 48,801	$ 55,636	$ 50,855
Number of Benefit Recipients	36	1,185	3,720	5,541	7,987	30,876	49,345
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
1996 Account							
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 263	$ 450	$ 730	$ 1,041	$ 1,426	$ 2,158	$ 1,366
Average Monthly ASA Annuity[3]	$ 23	$ 71	$ 102	$ 124	$ 200	$ 230	$ 162
Average Final Average Salary	$ 39,665	$ 44,142	$ 51,558	$ 57,665	$ 61,752	$ 70,633	$ 59,995
Number of Benefit Recipients	36	406	822	537	504	1,360	3,665
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

[1]INPRS intends to make this schedule a 10-year schedule over time.
[2]Members with less than 10 years of service are primarily members receiving a disability benefit from INPRS.
[3]Members may choose to take the distribution of the Annuity Savings Account (ASA) in two (2) ways. This represents the average ASA annuity amount across all retirees, which is in addition to the monthly Defined Benefit payment.
Note: Based on the actuarial valuation as of June 30, 2013, approximately 46% of TRF members annuitized their ASA balances.

Schedule of Participating Employers: Top 10

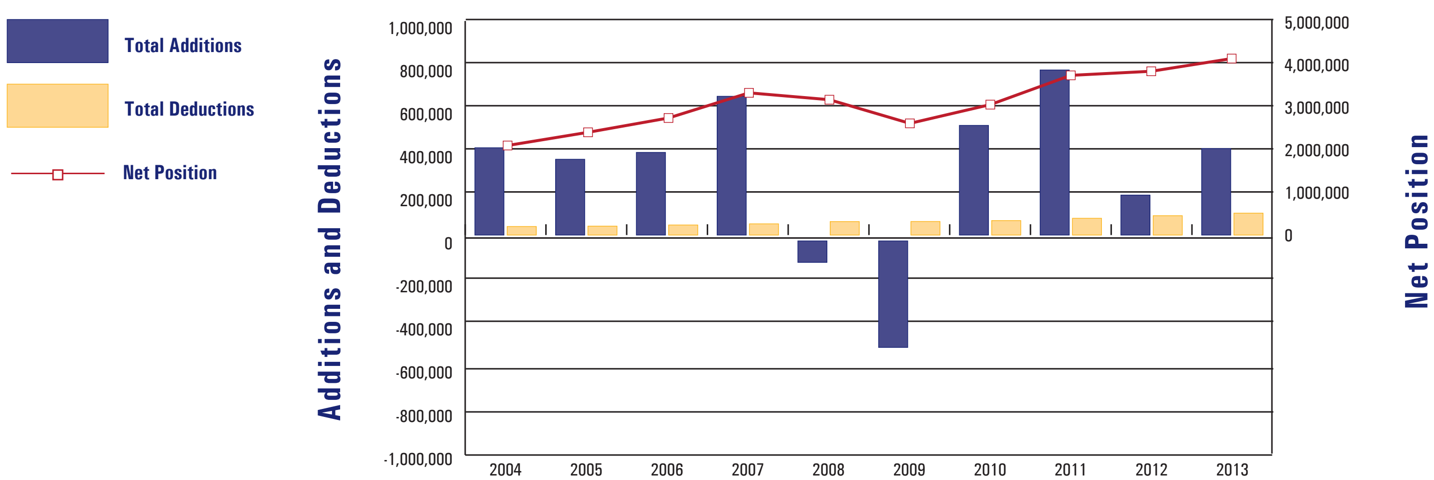
Participating Employer	June 30, 2013 Covered Members	June 30, 2013 Rank	June 30, 2013 Percentage of Total TRF	June 30, 2004 Covered Members	June 30, 2004 Rank	June 30, 2004 Percentage of Total TRF
Top 10 Employers						
Indianapolis Public Schools	2,659	1	3.8%	3,626	1	4.9%
Fort Wayne Community Schools	2,181	2	3.1	2,145	2	2.9
Evansville-Vanderburgh School Corporation	1,556	3	2.2	1,614	4	2.2
South Bend Community School Corporation	1,398	4	2.0	1,659	3	2.3
Hamilton Southeastern Schools	1,238	5	1.8			
Wayne Township Metropolitan School District	1,090	6	1.5	1,066	8	1.5
Vigo County School Corporation	1,041	7	1.5	1,237	6	1.7
Elkhart Community Schools	1,035	8	1.5	993	9	1.4
Carmel Clay Schools	1,017	9	1.4	983	10	1.3
Hammond Public Schools	978	10	1.4			
Gary Community School Corporation				1,502	5	2.0
Lawrence Township Metropolitan School District				1,130	7	1.5
Total – Top 10 Employers	**14,193**		**20.2**	**15,955**		**21.7**
All Other (359 Employers in 2013; 330 Employers in 2004)	56,221		79.8	57,555		78.3
Grand Total (369 Employers in 2013; 340 Employers in 2004)	**70,414**		**100.0%**	**73,510**		**100.0%**

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 28,029	$ 32,622	$ 32,231	$ 33,898	$ 36,787	$ 38,520	$ 39,826	$ 40,532	$ 40,870	$ 40,786
Employer Contributions	98,489	117,678	104,247	118,816	129,553	130,002	130,774	133,726	135,605	137,111
Investment Income / (Loss)	278,248	201,043	246,767	490,857	(265,745)	(662,681)	337,766	591,408	8,750	223,510
Interfund Transfers	-	-	-	-	-	131	237	-	123	71
Other Additions	141	132	78	76	57	115	90	83	41	18
Total Additions	**$ 404,907**	**$ 351,475**	**$ 383,323**	**$ 643,647**	**$ (99,348)**	**$ (493,913)**	**$ 508,693**	**$ 765,749**	**$ 185,389**	**$ 401,496**
Deductions										
Pension Benefits	$ 30,538	$ 26,967	$ 30,427	$ 33,661	$ 42,790	$ 41,019	$ 47,150	$ 56,503	$ 67,920	$ 78,506
Disability Benefits	4,121	10,158	11,389	12,256	13,184	14,541	15,199	15,710	16,288	17,429
Death Benefits	58	9	9	72	108	306	564	624	738	794
Distributions of Contributions and Interest	2,465	2,475	2,642	3,293	3,186	3,172	2,304	2,662	3,101	3,074
Administrative and Project Expenses	2,405	1,777	2,153	2,559	3,156	3,766	1,865	2,108	1,662	1,845
Interfund Transfers	-	-	-	-	3	5	-	61	33	-
Total Deductions	**$ 39,587**	**$ 41,386**	**$ 46,620**	**$ 51,841**	**$ 62,427**	**$ 62,809**	**$ 67,082**	**$ 77,668**	**$ 89,742**	**$ 101,648**
Changes in Net Position										
Beginning of Year	$ 1,706,253	$ 2,071,573	$ 2,381,662	$ 2,718,365	$ 3,310,171	$ 3,148,396	$ 2,591,674	$ 3,033,285	$ 3,721,366	$ 3,817,013
End of Year	2,071,573	2,381,662	2,718,365	3,310,171	3,148,396	2,591,674	3,033,285	3,721,366	3,817,013	4,116,861
Net Increase / (Decrease)	**$ 365,320**	**$ 310,089**	**$ 336,703**	**$ 591,806**	**$ (161,775)**	**$ (556,722)**	**$ 441,611**	**$ 688,081**	**$ 95,647**	**$ 299,848**

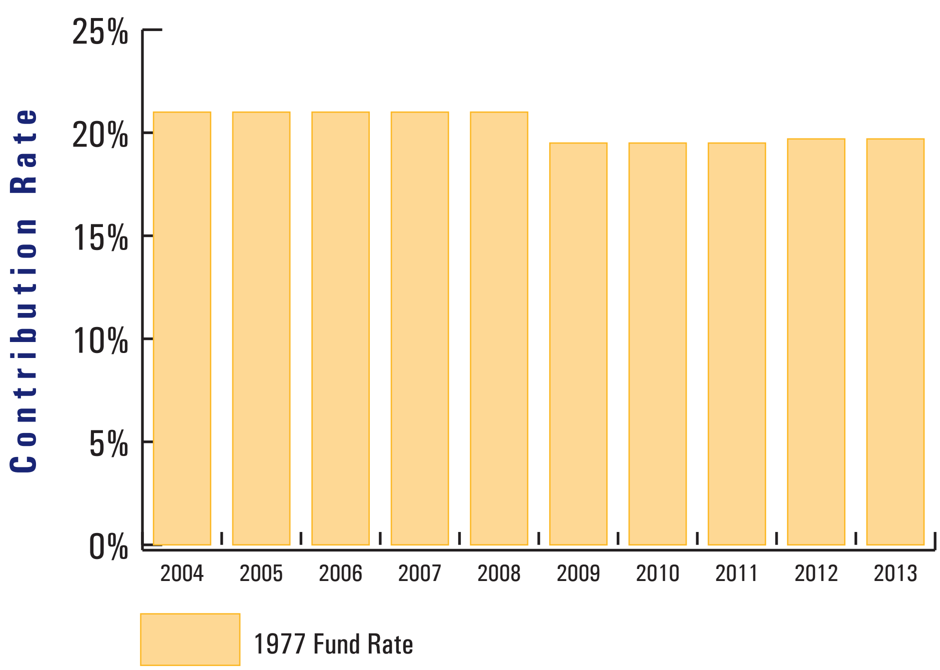
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	1977 Fund Rate
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
2013	19.7

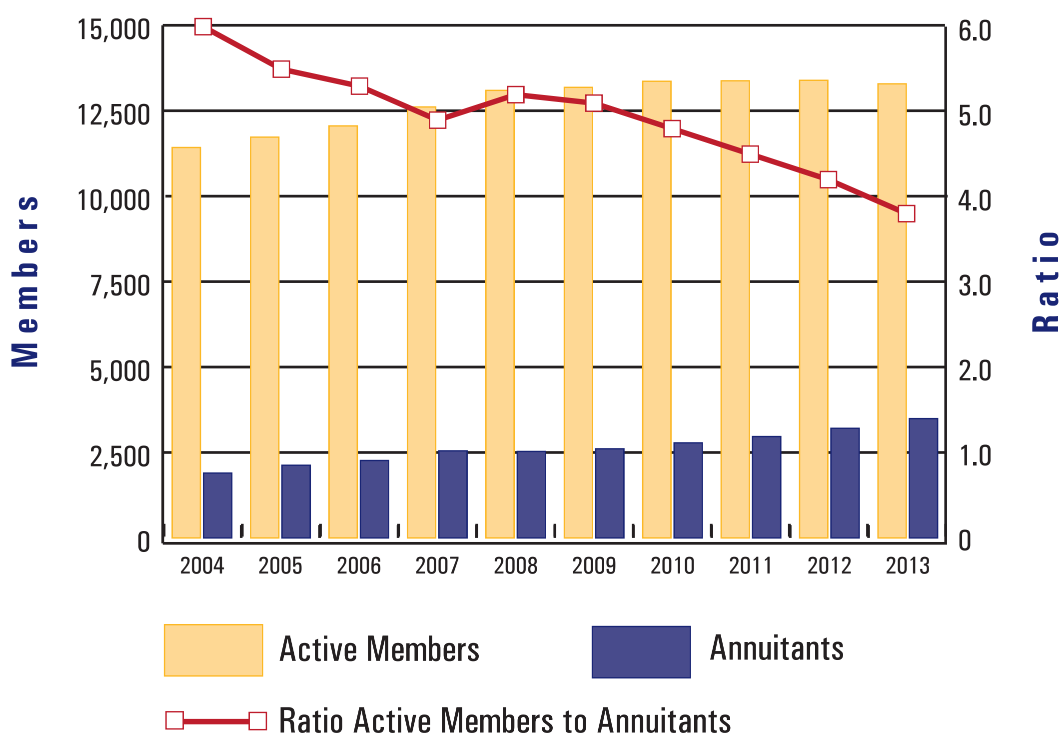
Memo:
Effective Date January 1



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2004[2]	11,424	1,898	6.0
2005[2]	11,728	2,127	5.5
2006[2]	12,056	2,265	5.3
2007[2]	12,611	2,548	4.9
2008[2]	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
2013	13,287	3,491	3.8

[1]Annuitants includes retirees, disabilitants, and beneficiaries.
[2]As of December 31 instead of June 30.



Schedule of Benefit Recipients by Type of Benefit Option

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option 1 Joint With 60% Survivor Benefits	2 Survivors	3 Disabled	Total Benefit Recipients
$ 1 - 500	0	13	0	13
501 - 1,000	10	138	30	178
1,001 - 1,500	144	312	102	558
1,501 - 2,000	475	101	230	806
2,001 - 3,000	1,275	48	317	1,640
over 3,000	259	9	28	296
Total	**2,163**	**621**	**707**	**3,491**

1 (Joint With 60% Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon retiree's death, surviving spouse receives 60 percent of the monthly benefit for life and each surviving child receives 20 percent of the monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the 1977 Fund, there is no minimum creditable service requirement.

Schedule of Average Benefit Payments[1]

Description	< 10[2]	10 - 14[2]	15 - 19[2]	20 - 24	25 - 29	30+	Total
	Years of Credited Service						
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 1,841	$ 1,748	$ 1,734	$ 1,864	$ 2,362	$ 2,553	$ 2,084
Average Final Average Salary	$ 42,408	$ 45,969	$ 44,636	$ 43,120	$ 46,421	$ 48,656	$ 45,245
Number of Benefit Recipients	290	226	273	1,243	883	576	3,491
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

[1]INPRS intends to make this schedule a 10-year schedule over time.
[2]Members with less than 20 years of service are primarily members receiving a disability benefit from INPRS.

Schedule of Participating Employers: Top 10

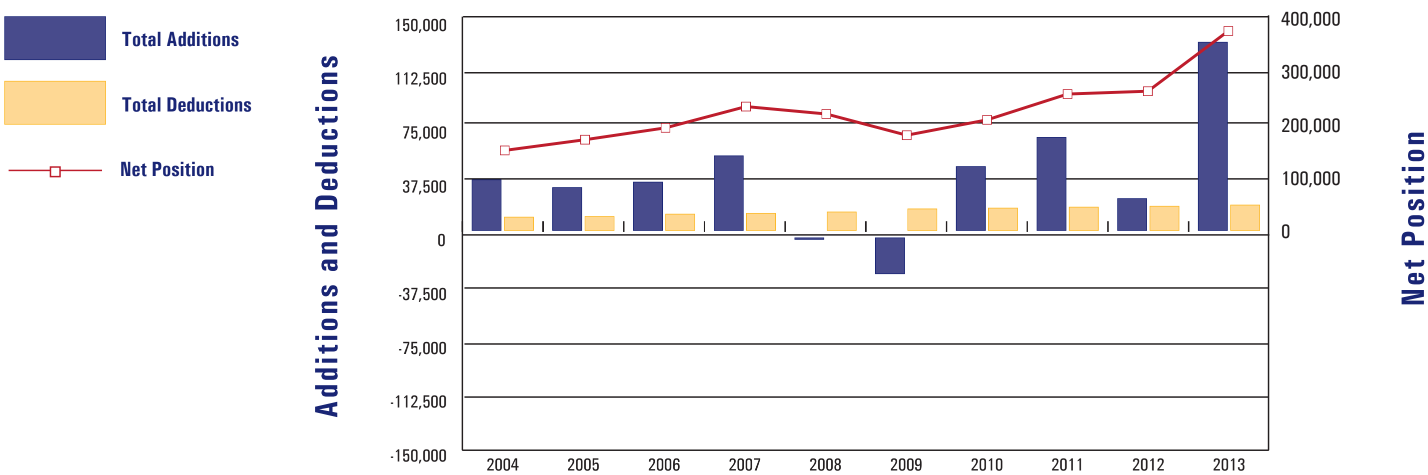
	June 30, 2013			June 30, 2004		
Participating Employer	**Covered Members**	**Rank**	**Percentage of Total 1977 Fund**	**Covered Members**	**Rank**	**Percentage of Total 1977 Fund**
Top 10 Employers						
City of Indianapolis	2,407	1	18.1%	1,597	1	13.5%
City of Fort Wayne	764	2	5.8	710	2	6.0
City of Evansville	547	3	4.1	481	3	4.1
City of South Bend	479	4	3.6	414	5	3.5
City of Gary	440	5	3.3	478	4	4.0
City of Hammond	351	6	2.6	353	6	3.0
City of Terre Haute	262	7	2.0	254	7	2.1
City of Lafayette	261	8	2.0	227	8	1.9
City of Carmel	258	9	1.9	226	9 Tie	1.9
City of Elkhart	239	10	1.8			
City of Anderson				226	9 Tie	1.9
Total – Top 10 Employers	**6,008**		**45.2**	**4,966**		**41.9**
All Other (151 Employers in 2013; 147 Employers in 2004)	7,279		54.8	6,890		58.1
Grand Total (161 Employers in 2013; 157 Employers in 2004)	**13,287**		**100.0%**	**11,856**		**100.0%**

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 1,560	$ 1,569	$ 1,839	$ 1,925	$ 2,062	$ 2,196	$ 2,229	$ 3,492	$ 2,468	$ 2,631
Employer Contributions	12,965	13,540	13,537	14,662	15,920	20,861	18,631	19,200	18,896	111,419
Investment Income / (Loss)	20,780	14,814	18,291	35,419	(19,133)	(48,194)	23,622	40,871	595	16,955
Interfund Transfers	-	-	18	-	64	151	59	1,281	257	121
Other Additions	1	-	-	-	-	-	-	-	2	5
Total Additions	**$ 35,306**	**$ 29,923**	**$ 33,685**	**$ 52,006**	**$ (1,087)**	**$ (24,986)**	**$ 44,541**	**$ 64,844**	**$ 22,218**	**$ 131,131**
Deductions										
Pension Benefits	$ 9,004	$ 9,393	$ 11,102	$ 11,554	$ 12,514	$ 14,595	$ 15,441	$ 15,996	$ 16,569	$ 17,333
Disability Benefits	37	94	113	110	65	54	29	92	158	193
Distributions of Contributions and Interest	45	119	6	72	50	55	-	5	19	53
Administrative and Project Expenses	197	134	149	194	244	308	104	160	132	126
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 9,283**	**$ 9,740**	**$ 11,370**	**$ 11,930**	**$ 12,873**	**$ 15,012**	**$ 15,574**	**$ 16,253**	**$ 16,878**	**$ 17,705**
Changes in Net Position										
Beginning of Year	$ 124,789	$ 150,812	$ 170,995	$ 193,310	$ 233,386	$ 219,426	$ 179,428	$ 208,395	$ 256,986	$ 262,326
End of Year	150,812	170,995	193,310	233,386	219,426	179,428	208,395	256,986	262,326	375,752
Net Increase / (Decrease)	**$ 26,023**	**$ 20,183**	**$ 22,315**	**$ 40,076**	**$ (13,960)**	**$ (39,998)**	**$ 28,967**	**$ 48,591**	**$ 5,340**	**$ 113,426**

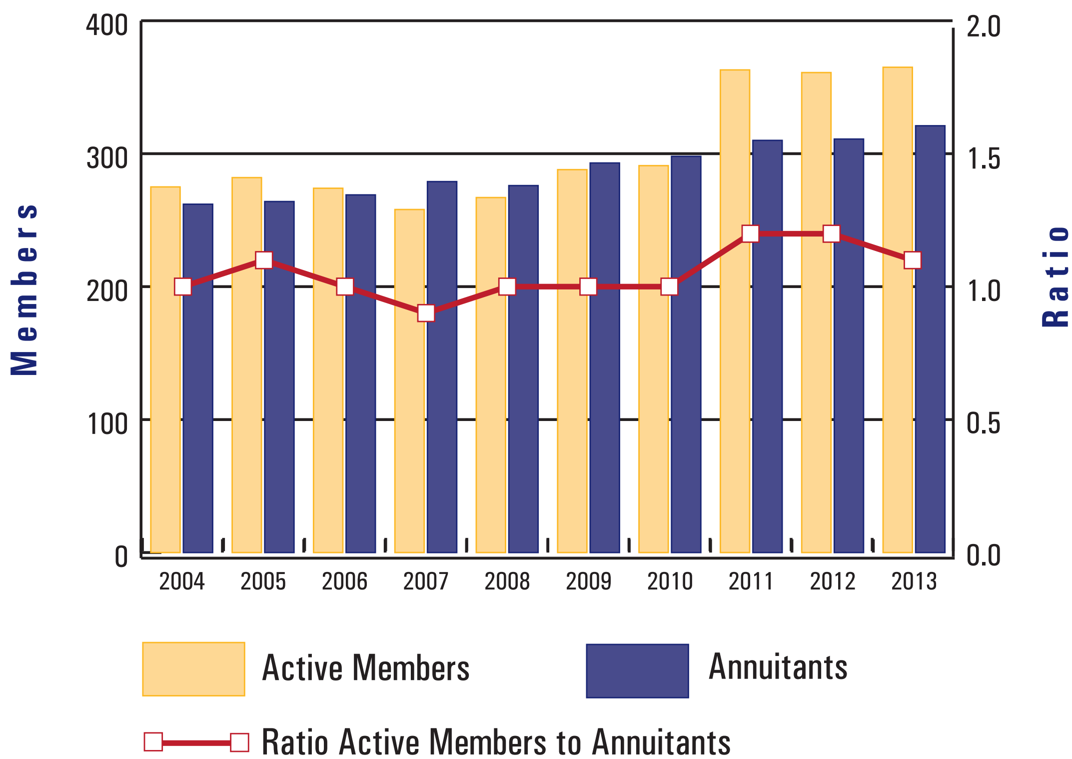
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
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
2013	365	321	1.1

[1]Annuitants includes retirees, disabilitants, and beneficiaries.



Schedule of Benefit Recipients by Type of Benefit Option

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option: 1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disabled	Total Benefit Recipients
$ 1 - 500	0	0	0	0
501 - 1,000	0	0	0	0
1,001 - 1,500	0	32	0	32
1,501 - 2,000	1	13	0	14
2,001 - 3,000	11	33	0	44
over 3,000	209	20	2	231
Total	**221**	**98**	**2**	**321**

1 (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 the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the Judges' Retirement System, there is no minimum creditable service requirement.

Schedule of Average Benefit Payments[1]

Description	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
	Years of Credited Service						
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 3,519	$ 4,090	$ 5,039	$ 5,544	$ 6,538	$ 6,545	$ 4,796
Average Final Average Salary	$ 108,307	$ 113,994	$ 113,254	$ 114,783	$ 111,708	$ 122,579	$ 114,885
Number of Benefit Recipients	88	66	47	62	34	24	321
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

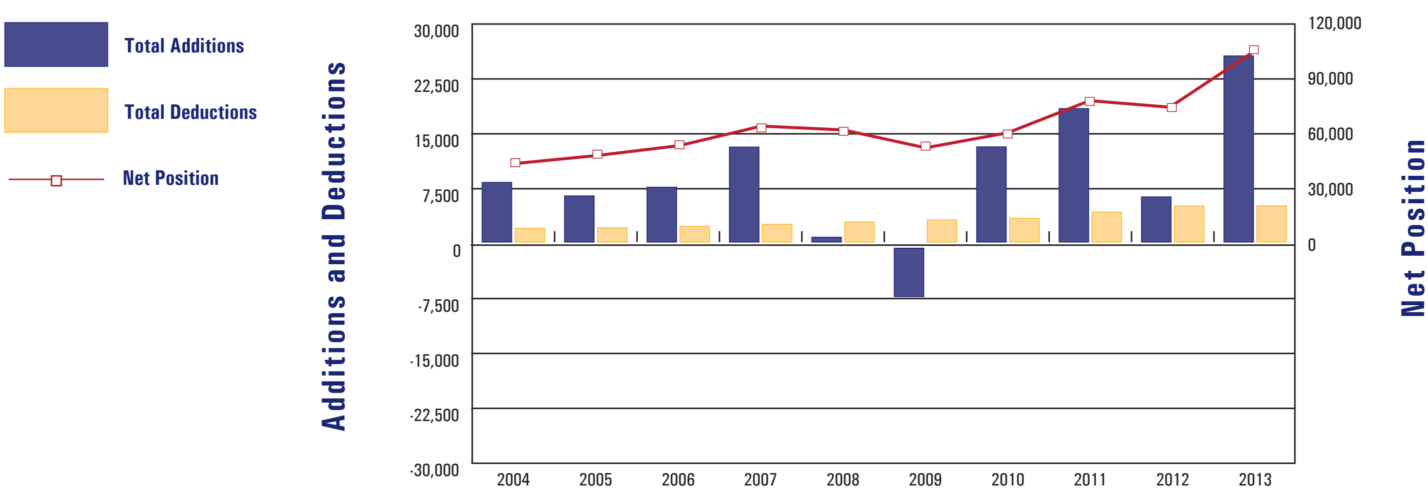
[1]INPRS intends to make this schedule a 10-year schedule over time.

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 74	$ 68	$ 96	$ 129	$ 981	$ 1,025	$ 1,010	$ 1,002	$ 972	$ 1,006
Employer Contributions	2,120	2,164	2,498	3,359	4,854	5,294	5,256	5,197	5,054	19,740
Investment Income / (Loss)	5,971	4,092	4,907	9,508	(5,156)	(12,951)	6,749	12,052	160	4,702
Interfund Transfers	-	-	-	-	-	5	9	-	-	-
Other Additions	-	-	10	-	-	-	-	-	-	-
Total Additions	**$ 8,165**	**$ 6,324**	**$ 7,511**	**$ 12,996**	**$ 679**	**$ (6,627)**	**$ 13,024**	**$ 18,251**	**$ 6,186**	**$ 25,448**
Deductions										
Pension Benefits	$ 1,795	$ 1,850	$ 2,039	$ 2,309	$ 2,616	$ 2,855	$ 3,092	$ 3,851	$ 4,656	$ 4,735
Disability Benefits	26	69	63	64	65	60	58	58	61	64
Distributions of Contributions and Interest	-	15	-	3	11	36	31	99	100	37
Administrative and Project Expenses	63	40	47	64	83	94	73	112	131	121
Interfund Transfers	-	-	12	-	-	-	-	-	-	15
Total Deductions	**$ 1,884**	**$ 1,974**	**$ 2,161**	**$ 2,440**	**$ 2,775**	**$ 3,045**	**$ 3,254**	**$ 4,120**	**$ 4,948**	**$ 4,972**
Changes in Net Position										
Beginning of Year	$ 36,635	$ 42,916	$ 47,266	$ 52,616	$ 63,172	$ 61,076	$ 51,404	$ 61,174	$ 75,305	$ 76,543
End of Year	42,916	47,266	52,616	63,172	61,076	51,404	61,174	75,305	76,543	97,019
Net Increase / (Decrease)	**$ 6,281**	**$ 4,350**	**$ 5,350**	**$ 10,556**	**$ (2,096)**	**$ (9,672)**	**$ 9,770**	**$ 14,131**	**$ 1,238**	**$ 20,476**

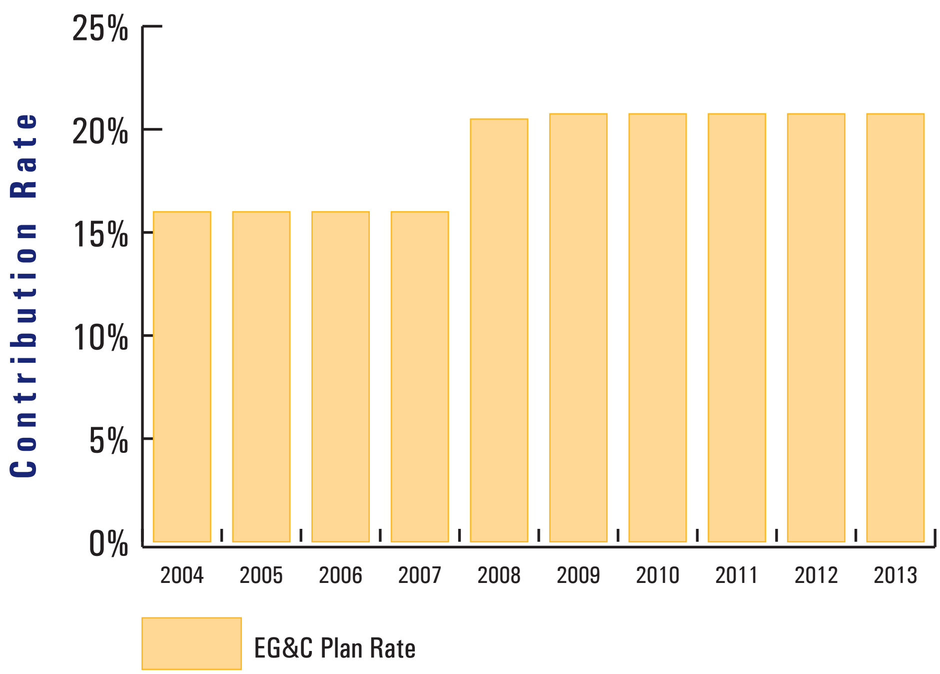
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	EG&C Plan Rate
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
2013	20.75

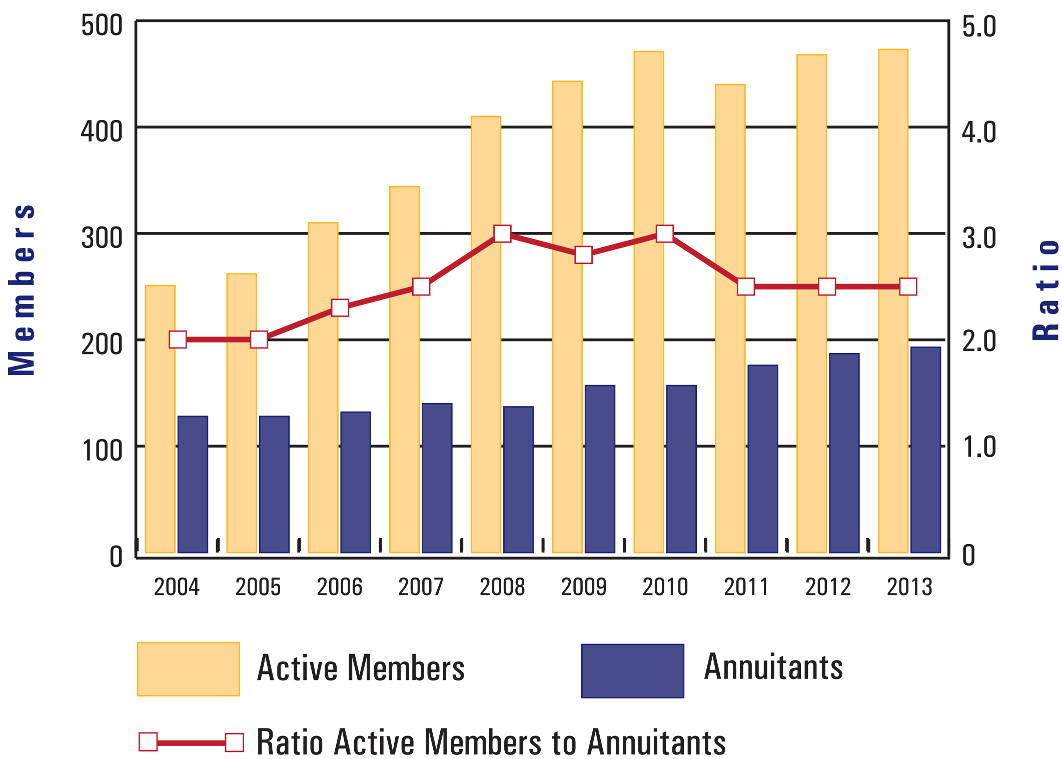
Memo:
Effective Date January 1



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
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
2013	473	193	2.5

[1]Annuitants includes retirees, disabilitants, and beneficiaries.



Schedule of Benefit Recipients by Type of Benefit Option

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option: 1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disabled	Total Benefit Recipients
$ 1 - 500	2	15	1	18
501 - 1,000	11	18	1	30
1,001 - 1,500	15	7	0	22
1,501 - 2,000	14	1	0	15
2,001 - 3,000	71	0	1	72
over 3,000	36	0	0	36
Total	**149**	**41**	**3**	**193**

1 (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 the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the EG&C Plan, there is no minimum creditable service requirement.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 2,141	$ -	$ 439	$ 886	$ 1,816	$ 2,571	$ 2,015
Average Final Average Salary	$ 58,827	$ -	$ 22,436	$ 36,499	$ 45,830	$ 52,650	$ 47,776
Number of Benefit Recipients	14	-	11	22	54	92	193
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	-	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	-	11	23	54	80	176

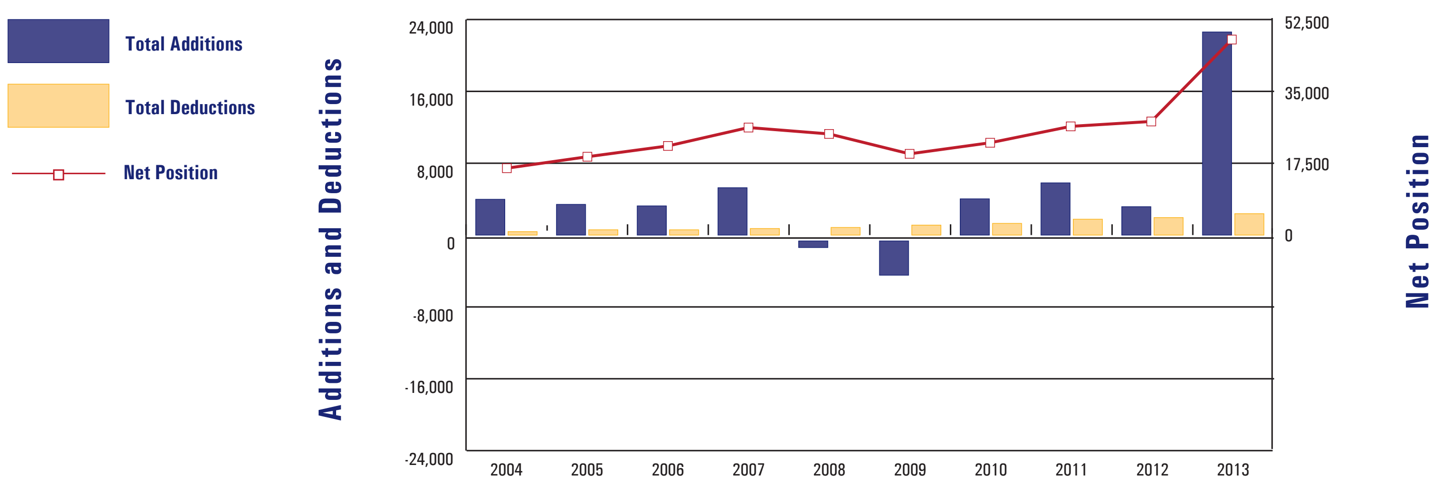
[1]INPRS intends to make this schedule a 10-year schedule over time.

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 900	$ 856	$ 1,089	$ 1,133	$ 1,208	$ 1,274	$ 1,268	$ 1,271	$ 1,277	$ 1,271
Employer Contributions	933	961	170	190	170	170	170	170	1,839	19,443
Investment Income / (Loss)	2,147	1,598	1,988	3,948	(2,108)	(5,254)	2,595	4,370	42	1,897
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	-	-	-	-	-	-	-	-	-	-
Total Additions	**$ 3,980**	**$ 3,415**	**$ 3,247**	**$ 5,271**	**$ (730)**	**$ (3,810)**	**$ 4,033**	**$ 5,811**	**$ 3,158**	**$ 22,611**
Deductions										
Pension Benefits	$ 347	$ 403	$ 512	$ 614	$ 787	$ 988	$ 1,143	$ 1,372	$ 1,783	$ 2,021
Disability Benefits	10	20	19	19	19	19	20	19	19	19
Distributions of Contributions and Interest	-	148	35	71	4	55	80	263	63	195
Administrative and Project Expenses	25	15	17	23	36	45	55	78	82	145
Interfund Transfers	-	-	-	-	-	-	-	32	-	-
Total Deductions	**$ 382**	**$ 586**	**$ 583**	**$ 727**	**$ 846**	**$ 1,107**	**$ 1,298**	**$ 1,764**	**$ 1,947**	**$ 2,380**
Changes in Net Position										
Beginning of Year	$ 12,554	$ 16,152	$ 18,981	$ 21,645	$ 26,189	$ 24,613	$ 19,696	$ 22,431	$ 26,478	$ 27,689
End of Year	16,152	18,981	21,645	26,189	24,613	19,696	22,431	26,478	27,689	47,920
Net Increase / (Decrease)	**$ 3,598**	**$ 2,829**	**$ 2,664**	**$ 4,544**	**$ (1,576)**	**$ (4,917)**	**$ 2,735**	**$ 4,047**	**$ 1,211**	**$ 20,231**

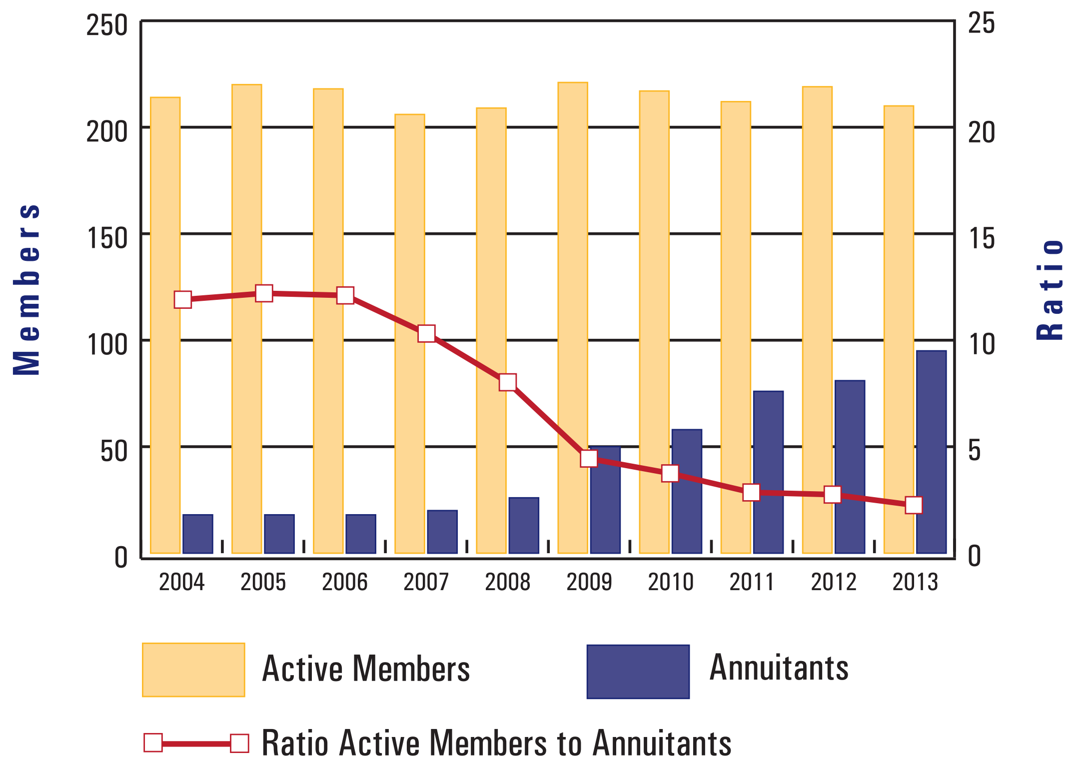
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
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
2013	210	95	2.2

[1]Annuitants includes retirees, disabilitants, and beneficiaries.



Schedule of Benefit Recipients by Type of Benefit Option

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option: 1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disabled	Total Benefit Recipients
$ 1 - 500	7	3	0	10
501 - 1,000	15	1	0	16
1,001 - 1,500	17	1	0	18
1,501 - 2,000	13	0	1	14
2,001 - 3,000	20	0	0	20
over 3,000	17	0	0	17
Total	**89**	**5**	**1**	**95**

1 (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 the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For PARF, five (5) or more years of creditable service is required to be eligible for a disability benefit.

Schedule of Average Benefit Payments[1]

Description	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
	Years of Credited Service						
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 1,694	$ 1,445	$ 1,875	$ 2,340	$ 2,626	$ 2,187	$ 1,843
Average Final Average Salary	$ 77,001	$ 54,908	$ 71,821	$ 83,707	$ 103,220	$ 110,167	$ 72,709
Number of Benefit Recipients	28	22	22	14	5	4	95
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

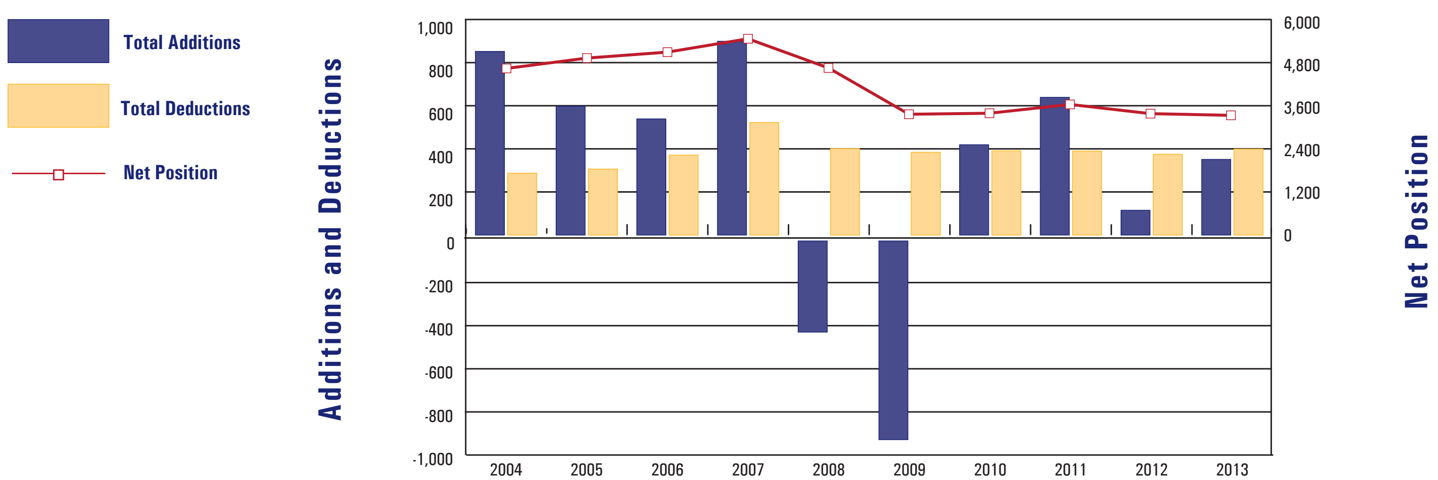
[1]INPRS intends to make this schedule a 10-year schedule over time.

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	206	206	100	100	100	100	-	-	112	150
Investment Income / (Loss)	646	392	439	799	(523)	(1,037)	419	639	3	201
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	-	-	-	-	-	15	-	-	-	-
Total Additions	**$ 852**	**$ 598**	**$ 539**	**$ 899**	**$ (423)**	**$ (922)**	**$ 419**	**$ 639**	**$ 115**	**$ 351**
Deductions										
Pension Benefits	$ 261	$ 280	$ 303	$ 330	$ 342	$ 360	$ 353	$ 337	$ 335	$ 362
Disability Benefits	2	3	3	3	3	3	3	3	3	3
Distributions of Contributions and Interest	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	24	23	65	56	56	21	35	50	37	34
Interfund Transfers	-	-	-	133	-	-	-	-	-	-
Total Deductions	**$ 287**	**$ 306**	**$ 371**	**$ 522**	**$ 401**	**$ 384**	**$ 391**	**$ 390**	**$ 375**	**$ 399**
Changes in Net Position										
Beginning of Year	$ 4,096	$ 4,661	$ 4,953	$ 5,121	$ 5,498	$ 4,674	$ 3,368	$ 3,396	$ 3,645	$ 3,385
End of Year	4,661	4,953	5,121	5,498	4,674	3,368	3,396	3,645	3,385	3,337
Net Increase / (Decrease)	**$ 565**	**$ 292**	**$ 168**	**$ 377**	**$ (824)**	**$ (1,306)**	**$ 28**	**$ 249**	**$ (260)**	**$ (48)**

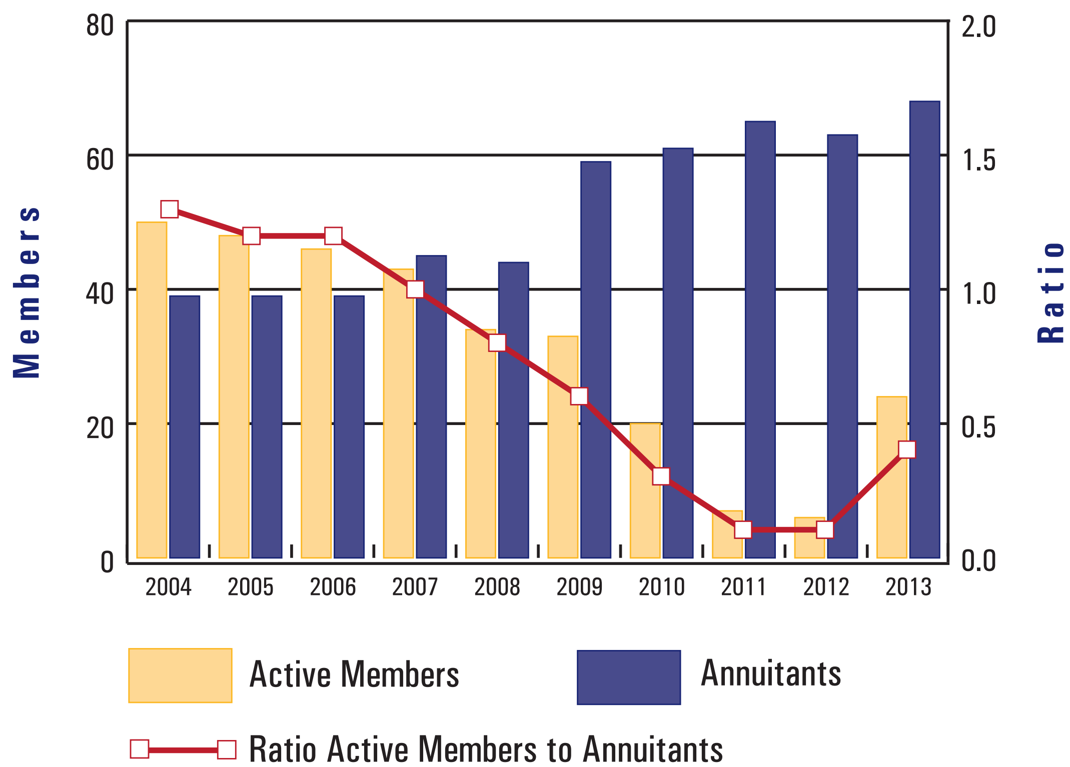
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
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
2013	24	68	0.4

[1]Active Members exclude Legislators' Defined Contribution Plan.
[2]Annuitants includes retirees, disabilitants, and beneficiaries.



Schedule of Benefit Recipients by Type of Benefit Option

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option: 1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disabled	Total Benefit Recipients
$ 1 - 500	30	11	0	41
501 - 1,000	25	1	0	26
1,001 - 1,500	1	0	0	1
1,501 - 2,000	0	0	0	0
2,001 - 3,000	0	0	0	0
over 3,000	0	0	0	0
Total	**56**	**12**	**0**	**68**

1 (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 the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the LEDB Plan, five (5) or more years of creditable service is required to be eligible for a disability benefit.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit[2]	$ 386	$ 351	$ 459	$ 629	$ 472	$ 669	$ 447
Average Final Average Salary	$ 12,154	$ 19,636	$ 29,430	$ 32,868	$ 27,614	$ 31,870	$ 24,372
Number of Benefit Recipients	17	21	14	7	2	7	68
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit[2]	$ 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[2]	$ 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

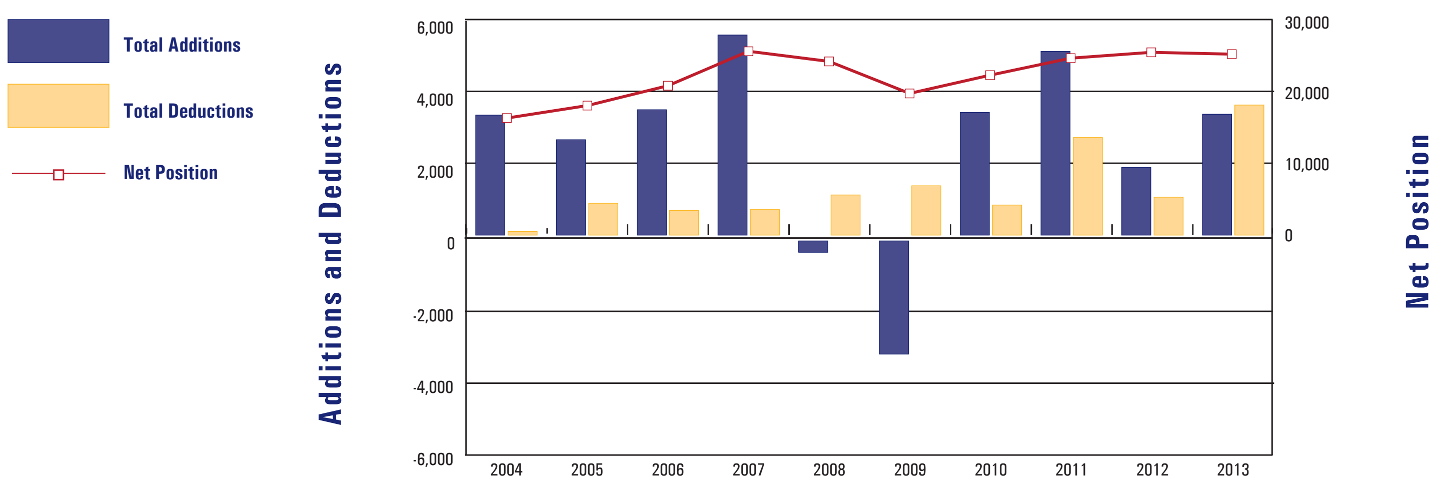
[1]INPRS intends to make this schedule a 10-year schedule over time.
[2]Benefit calculations for the LEDB benefit recipients are based on years of service, not final average salary.

Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ 1,329	$ 1,386	$ 1,414	$ 1,468	$ 1,366	$ 1,342	$ 1,146	$ 1,205	$ 1,303	$ 1,463
Employer Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income / (Loss)	1,974	1,240	2,041	3,639	(1,741)	(4,495)	2,243	3,840	527	1,858
Interfund Transfers	-	-	-	429	-	-	-	-	-	-
Other Additions	36	27	33	32	60	4	25	68	49	42
Total Additions	**$ 3,339**	**$ 2,653**	**$ 3,488**	**$ 5,568**	**$ (315)**	**$ (3,149)**	**$ 3,414**	**$ 5,113**	**$ 1,879**	**$ 3,363**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Distributions of Contributions and Interest	103	886	686	708	1,116	1,325	803	2,675	1,033	3,616
Administrative and Project Expenses	-	-	-	-	-	46	33	39	22	4
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 103**	**$ 886**	**$ 686**	**$ 708**	**$ 1,116**	**$ 1,371**	**$ 836**	**$ 2,714**	**$ 1,055**	**$ 3,620**
Changes in Net Position										
Beginning of Year	$ 13,064	$ 16,300	$ 18,067	$ 20,869	$ 25,729	$ 24,298	$ 19,778	$ 22,356	$ 24,755	$ 25,579
End of Year	16,300	18,067	20,869	25,729	24,298	19,778	22,356	24,755	25,579	25,322
Net Increase / (Decrease)	**$ 3,236**	**$ 1,767**	**$ 2,802**	**$ 4,860**	**$ (1,431)**	**$ (4,520)**	**$ 2,578**	**$ 2,399**	**$ 824**	**$ (257)**

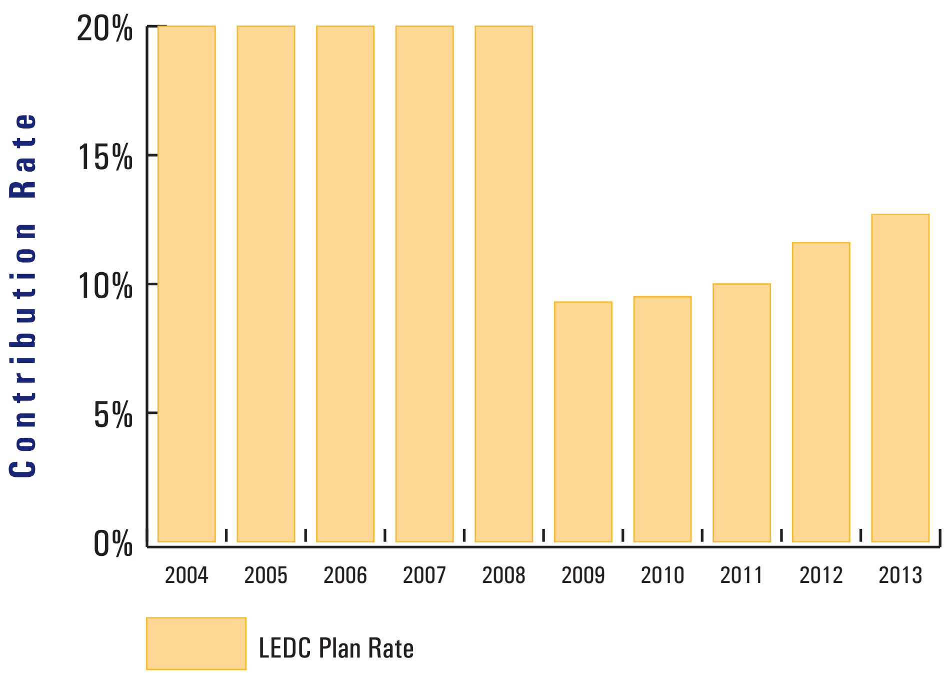
Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)



Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	LEDC Plan Rate
2004	20.0%
2005	20.0
2006	20.0
2007	20.0
2008	20.0
2009	9.3
2010	9.5
2011	10.0
2012	11.6
2013	12.7

Memo:
Effective Date January 1

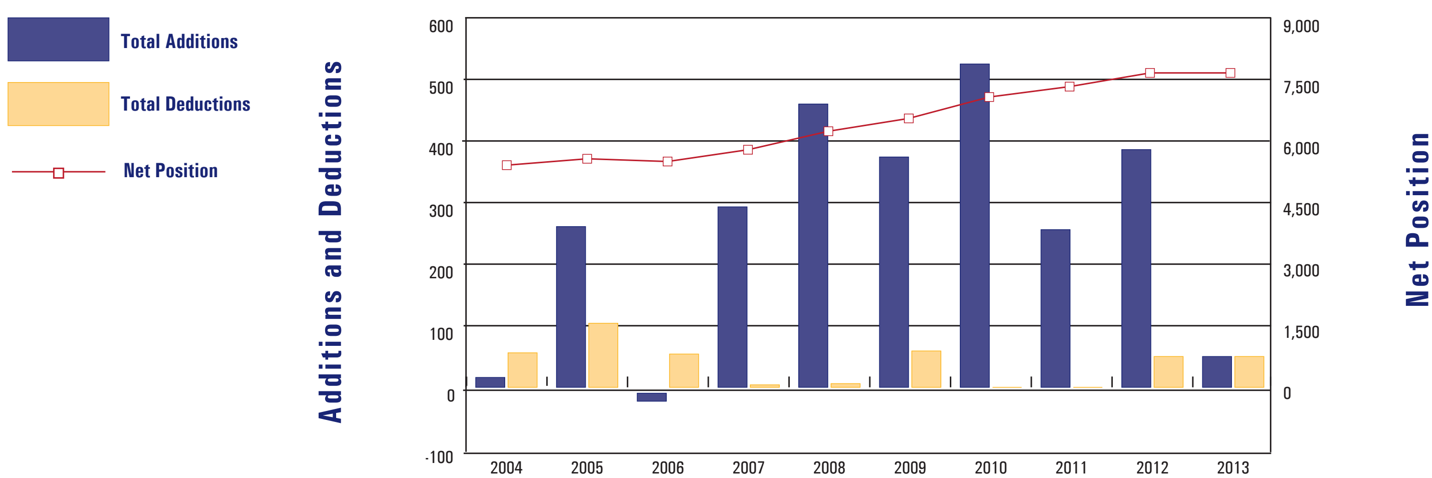


Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income / (Loss)	16	261	(13)	293	460	374	525	256	386	50
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	-	-	-	-	-	-	-	-	-	-
Total Additions	**$ 16**	**$ 261**	**$ (13)**	**$ 293**	**$ 460**	**$ 374**	**$ 525**	**$ 256**	**$ 386**	**$ 50**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	50	100	50	-	-	50	-	-	50	50
Distributions of Contributions and Interest	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	6	4	4	4	6	9	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 56**	**$ 104**	**$ 54**	**$ 4**	**$ 6**	**$ 59**	**$ -**	**$ -**	**$ 50**	**$ 50**
Changes in Net Position										
Beginning of Year	$ 5,458	$ 5,418	$ 5,575	$ 5,508	$ 5,797	$ 6,251	$ 6,566	$ 7,091	$ 7,347	$ 7,683
End of Year	5,418	5,575	5,508	5,797	6,251	6,566	7,091	7,347	7,683	7,683
Net Increase / (Decrease)	**$ (40)**	**$ 157**	**$ (67)**	**$ 289**	**$ 454**	**$ 315**	**$ 525**	**$ 256**	**$ 336**	**$ -**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

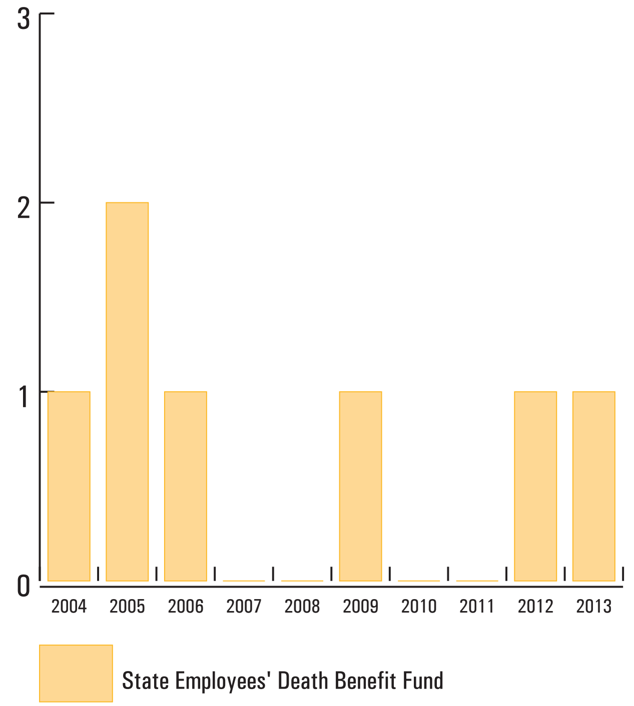


Schedule of Average Death Benefit Payments

Description		
Fiscal Year Ended June 30, 2004		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2005		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2006		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2007		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2008		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2009		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2010		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2011		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2012		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2013		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1

[1]Lump 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).

Number of Benefit Recipients

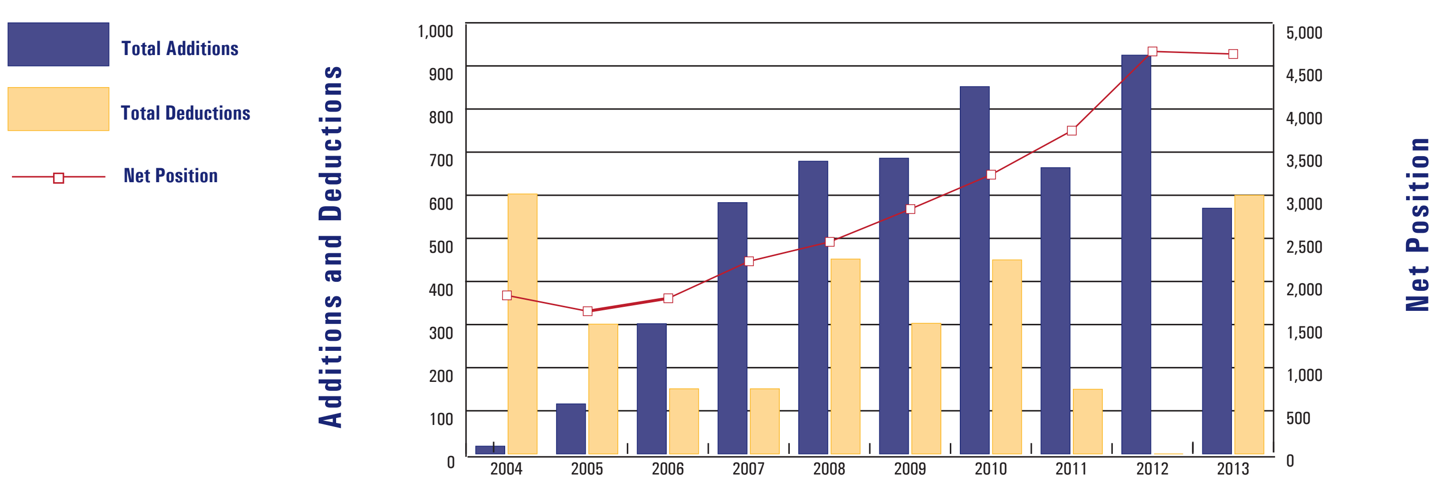


Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income / (Loss)	(4)	97	(5)	98	162	147	226	116	209	26
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	22	19	307	485	517	539	626	548	716	544
Total Additions	**$ 18**	**$ 116**	**$ 302**	**$ 583**	**$ 679**	**$ 686**	**$ 852**	**$ 664**	**$ 925**	**$ 570**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	600	300	150	150	450	300	450	150	-	600
Distributions of Contributions and Interest	-	-	-	-	-	-	-	-	-	-
Administrative and Project Expenses	3	1	1	1	2	3	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 603**	**$ 301**	**$ 151**	**$ 151**	**$ 452**	**$ 303**	**$ 450**	**$ 150**	**$ -**	**$ 600**
Changes in Net Position										
Beginning of Year	$ 2,419	$ 1,834	$ 1,649	$ 1,800	$ 2,232	$ 2,459	$ 2,842	$ 3,244	$ 3,758	$ 4,683
End of Year	1,834	1,649	1,800	2,232	2,459	2,842	3,244	3,758	4,683	4,653
Net Increase / (Decrease)	**$ (585)**	**$ (185)**	**$ 151**	**$ 432**	**$227**	**$ 383**	**$ 402**	**$ 514**	**$ 925**	**$ (30)**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

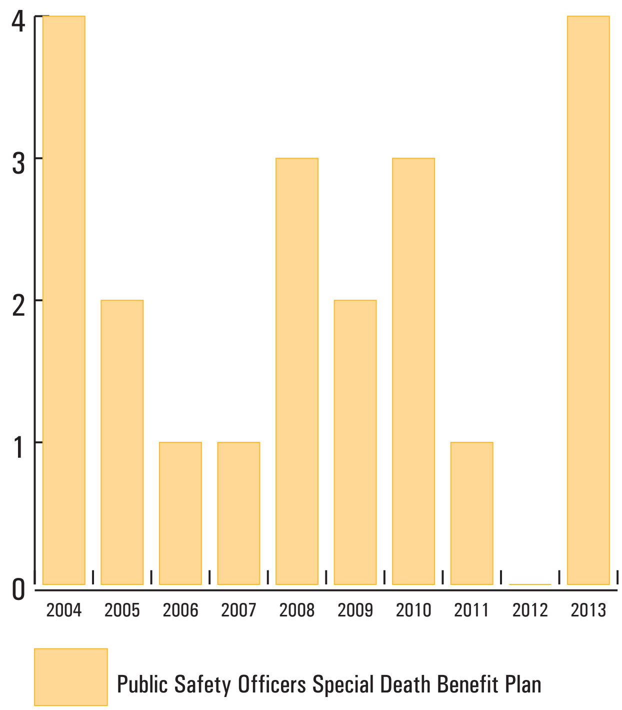


Schedule of Average Death Benefit Payments

Description		
Fiscal Year Ended June 30, 2004		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		4
Fiscal Year Ended June 30, 2005		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2006		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2007		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2008		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2009		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2010		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2011		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2012		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2013		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		4

[1]Lump 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), the benefit is paid to the parent(s).

Number of Benefit Recipients

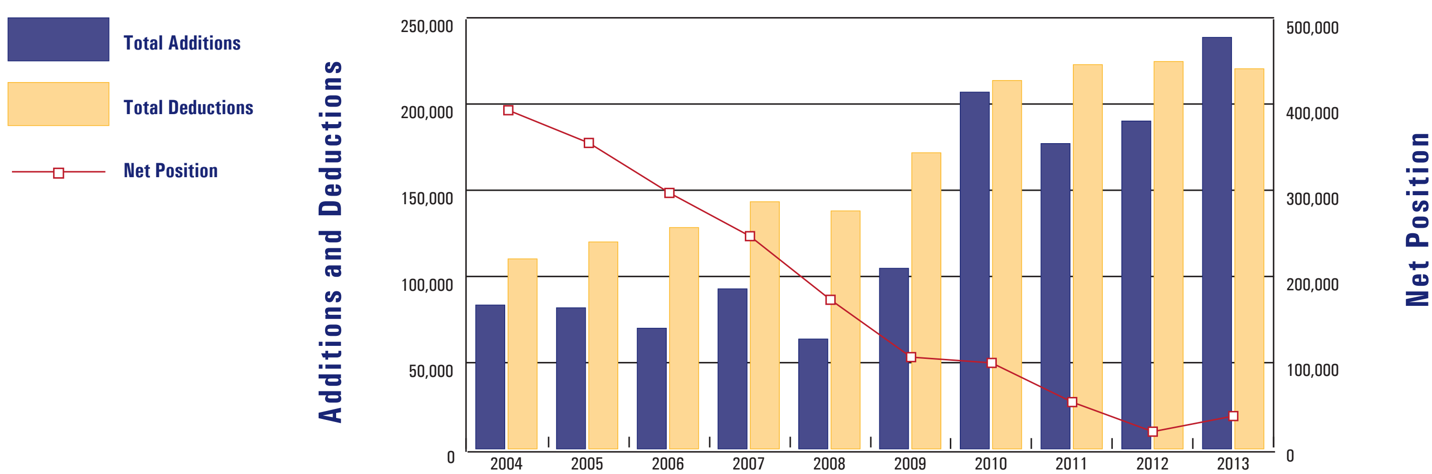


Schedule of Changes in Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Additions										
Member Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Contributions	-	-	-	-	-	48,611	136,000	112,000	131,000	180,000
Investment Income / (Loss)	21,740	19,991	6,945	28,826	2,205	(4,784)	11,911	166	80	73
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Other Additions	61,695	61,834	63,051	63,993	61,521	60,922	58,991	64,908	59,047	58,588
Total Additions	**$ 83,435**	**$ 81,825**	**$ 69,996**	**$ 92,819**	**$ 63,726**	**$ 104,749**	**$ 206,902**	**$ 177,074**	**$ 190,127**	**$ 238,661**
Deductions										
Pension Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Disability Benefits	-	-	-	-	-	-	-	-	-	-
Death Benefits	300	450	-	150	450	150	450	450	150	300
Distributions of Contributions and Interest	6,004	4,091	3,072	2,267	2,422	4,020	96	2,894	250	284
Pension Relief Distributions	103,463	115,228	125,075	140,727	134,948	167,279	213,035	219,425	224,220	219,814
Administrative and Project Expenses	421	246	228	183	197	275	58	70	35	57
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Deductions	**$ 110,188**	**$ 120,015**	**$ 128,375**	**$ 143,327**	**$ 138,017**	**$ 171,724**	**$ 213,639**	**$ 222,839**	**$ 224,655**	**$ 220,455**
Changes in Net Position										
Beginning of Year	$ 420,537	$ 393,784	$ 355,594	$ 297,215	$ 246,707	$ 172,416	$ 105,441	$ 98,704	$52,939	$ 18,411
End of Year	393,784	355,594	297,215	246,707	172,416	105,441	98,704	52,939	18,411	36,617
Net Increase / (Decrease)	**$ (26,753)**	**$ (38,190)**	**$ (58,379)**	**$ (50,508)**	**$ (74,291)**	**$ (66,975)**	**$ (6,737)**	**$ (45,765)**	**$ (34,528)**	**$ 18,206**

Ten-Year Comparison of Net Position, Additions and Deductions (dollars in thousands)

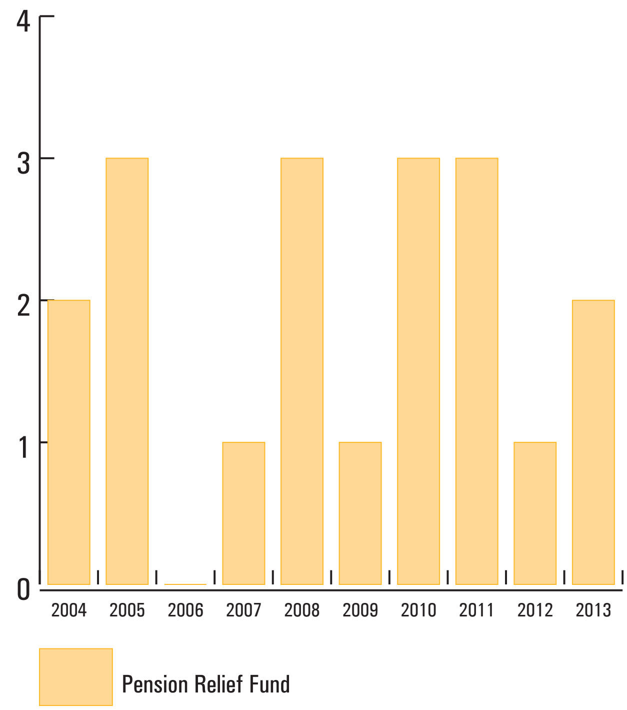


Schedule of Average Death Benefit Payments

Description		
Fiscal Year Ended June 30, 2004		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2005		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2006		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2007		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2008		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2009		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2010		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2011		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2012		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2013		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2

[1]Lump 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), the benefit is paid to the parent(s).

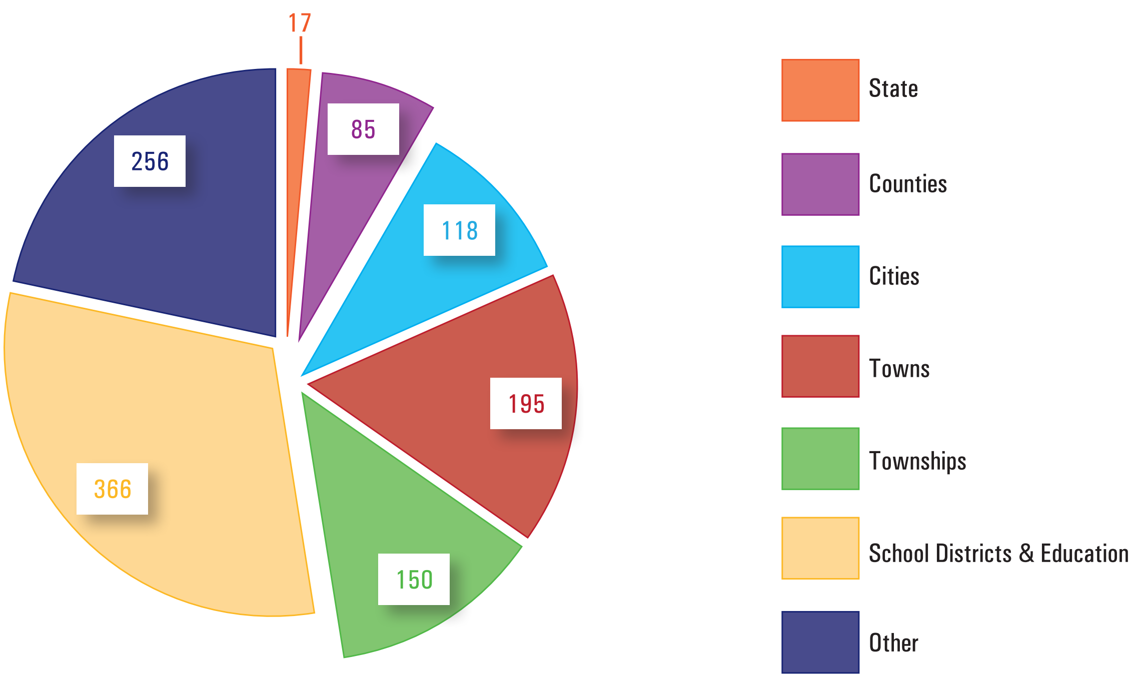
Number of Benefit Recipients



- PERF = Public Employees' Retirement Fund
- TRF = Teachers' Retirement Fund
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- EG&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

Employers	Total[1]	PERF	TRF	1977 Fund	JRS	EG&C Plan	PARF	LE
State	17	17	5	-	1	1	1	1
Counties	85	85	-	-	-	-	-	-
Cities	118	110	-	117	-	-	-	-
Towns	195	192	-	30	-	-	-	-
Townships	150	146	-	14	-	-	-	-
School Districts & Education	366	331	364	-	-	-	-	-
Other	256	256	-	-	-	-	-	-
Total	**1,187**	**1,137**	**369**	**161**	**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.



- PERF = Public Employees' Retirement Fund
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- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- EG&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 (17); PERF (17); TRF (5); Other Plans (4)

Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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 Public Retirement System	PERF, TRF
Indiana Stadium and Convention Building Authority	PERF
Indiana State University	PERF
Indiana University	PERF
Indiana White River State Park Development Commission	PERF
Ivy Tech Community College	PERF
Northwest Indiana Law Enforcement Academy	PERF
Purdue University	PERF
State of Indiana	PERF, TRF, JRS, EG&C Plan, PARF, LE
Statewide 911 Board	PERF
University of Southern Indiana	PERF, TRF
Vincennes University	PERF, TRF

Counties: Total (85); PERF (85)
Fiscal Year Ended June 30, 2013

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, 2013

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 (118); PERF (110); 1977 Fund (117)

Fiscal Year Ended June 30, 2013

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
City of Greendale	PERF, 1977 Fund

Cities: Total (118); PERF (110); 1977 Fund (117)

Fiscal Year Ended June 30, 2013

Employer's Name	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
City of North Vernon	PERF, 1977 Fund
City of Oakland City	PERF, 1977 Fund

Cities: Total (118); PERF (110); 1977 Fund (117)

Fiscal Year Ended June 30, 2013

Employer's Name	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
City of Woodburn	1977 Fund

Towns: Total (195); PERF (192); 1977 Fund (30)
Fiscal Year Ended June 30, 2013

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	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 (195); PERF (192); 1977 Fund (30)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Town of Corydon	PERF
Town of Crothersville	PERF
Town of Culver	PERF
Town of Cumberland	PERF
Town of Cynthia	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 Edgewood	PERF
Town of Edinburgh	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

Towns: Total (195); PERF (192); 1977 Fund (30)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Town of Ladoga	PERF
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 Moores Hill	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

Towns: Total (195); PERF (192); 1977 Fund (30)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Town of North Webster	PERF
Town of Oaktown	PERF
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

Towns: Total (195); PERF (192); 1977 Fund (30)

Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Town of Trafalgar	1977 Fund
Town of Trail Creek	PERF
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 Worthington	PERF
Town of Yorktown	PERF
Town of Zionsville	PERF, 1977 Fund

Townships: Total (150); PERF (146); 1977 Fund (14)
Fiscal Year Ended June 30, 2013

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
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
Fayette Township-Vigo County	PERF
Franklin Township-Harrison County	PERF
Franklin Township-Marion County	PERF

Townships: Total (150); PERF (146); 1977 Fund (14)

Fiscal Year Ended June 30, 2013

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 Township-Lake County	PERF
Ohio Township-Warrick County	PERF

Townships: Total (150); PERF (146); 1977 Fund (14)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Patoka Township-Gibson County	PERF, 1977 Fund
Penn Township-St. Joseph County	PERF
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
Perry-Clear Creek Township-Monroe County	1977 Fund
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 (150); PERF (146); 1977 Fund (14)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Union Township-Whitley County	PERF
Van Buren Township-Monroe County	PERF
Vincennes Township-Knox County	PERF, 1977 Fund
Wabash Township-Tippecanoe County	PERF
Warren Township-Marion County	PERF
Washington Township-Adams County	PERF
Washington Township-Daviess County	PERF
Washington Township-Grant 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-Johnson County	1977 Fund
White River Township-Randolph County	PERF
Wright Township-Greene County	PERF

School Districts and Education: Total (366); PERF (331); TRF (364)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
21st Century Charter School at Gary	PERF, TRF
Adams Central Community Schools	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
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 School District	PERF, TRF
Bloomington Project School (Charter)	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
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
Challenge Foundation Academy Charter School	TRF
Charles A. Beard Memorial School Corporation	PERF, TRF
Charles A. Tindley Accelerated School (Charter)	PERF, TRF
Charter School of the Dunes	PERF, TRF
Charter Schools U.S.A.	PERF, TRF
Christel House Academy (Charter)	PERF, TRF

School Districts and Education: Total (366); PERF (331); TRF (364)

Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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 School Corporation	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
Eastern Hancock County Community School Corporation	PERF, TRF
Eastern Pulaski County Community School Corporation	PERF, TRF
Eastern-Howard County School Corporation	PERF, TRF
Edinburgh Community School Corporation	PERF, TRF
Edison Learning	PERF, TRF
EdPower Charter School	PERF, TRF

School Districts and Education: Total (366); PERF (331); TRF (364)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Elkhart Community Schools	PERF, TRF
Elwood Community School Corporation	PERF, TRF
Eminence Consolidated School Corporation	TRF
Evansville-Vanderburgh School Corporation	PERF, TRF
Fairfield Community Schools	PERF, TRF
Fall Creek Academy	TRF
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
Fountain Square Academy (Charter)	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
Garrett-Keyser-Butler Community School District	PERF, TRF
Gary Community School Corporation	PERF, TRF
Gary Middle College Charter School	PERF, TRF
Goodwill Education Initiatives	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 Educational Services	PERF, TRF
Hanover Community School Corporation	PERF, TRF
Harrison County Lifelong Learning	PERF
Heartland Career Center	PERF, TRF
Herron High School Charter School	TRF
Highland Town School Corporation	PERF, TRF

School Districts and Education: Total (366); PERF (331); TRF (364)

Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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 Project School (Charter)	TRF
Indianapolis Public Schools	PERF, TRF
International School of Columbus (Charter)	TRF
Irvington Community School	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, TRF
Joshua Academy, Inc. (Charter)	PERF, TRF
Kankakee Valley School Corporation	TRF
Kenneth A. Christmon Stemm Academy (Charter)	PERF, TRF
Kipp Indianapolis Charter School	TRF
Kipp Lead College Preparatory Charter School	PERF, TRF
Knox Community School Corporation	PERF, TRF
Kokomo Center Township Consolidated School Corporation	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
Maconaquah School Corporation	PERF, TRF
Madison Area Educational Special Services	PERF, TRF
Madison Consolidated Schools	PERF, TRF

School Districts and Education: Total (366); PERF (331); TRF (364)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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 School Corporation	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 Vernon Community School Corporation	PERF, TRF
Mount Vernon Metropolitan School District	PERF, TRF
Muncie Community Schools	PERF, TRF
Munster Town 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 Metropolitan School District	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 Central Parke Community School Corporation	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 Community Schools	PERF, TRF
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

School Districts and Education: Total (366); PERF (331); TRF (364)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
North Spencer County 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 Educational Service Center	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)	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
Randolph Central School Corporation	PERF, TRF
Randolph Eastern School Corporation	PERF, TRF
Randolph Southern School Corporation	PERF, TRF
Region 8 Education Service Center	PERF, TRF
Renaissance Academy Charter School	PERF, TRF
Rensselaer Central School Corporation	PERF, TRF
Richland-Bean Blossom School Corporation	PERF, TRF
Richmond Community Schools	PERF, TRF
Ripley-Ohio-Dearborn Special Education Cooperative	PERF, TRF

School Districts and Education: Total (366); PERF (331); TRF (364)

Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Rising Sun-Ohio County Community School Corporation	PERF, TRF
River Forest Community School Corporation	PERF, TRF
Rochester Community Schools	PERF, TRF
Rossville Consolidated School District	PERF, TRF
Rural Community Schools	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
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

School Districts and Education: Total (366); PERF (331); TRF (364)

Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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 Jefferson County	PERF, TRF
Southwestern Consolidated Schools of Shelby County	PERF, TRF
Southwestern High School	PERF
Speedway Public Schools	PERF, TRF
Spencer-Owen Community Schools	PERF, TRF
Springs Valley Community Schools	PERF, TRF
Steuben County Metropolitan School District	PERF, TRF
Sunman-Dearborn Community School Corporation	PERF, TRF
Switzerland Community School Corporation	PERF, TRF
Taylor Community School Corporation	PERF, TRF
Tell City-Troy Township School Corporation	PERF, TRF
Thea Bowman Leadership Academy (Charter)	PERF, TRF
Thurgood Marshall Leadership Academy	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 School Corporation	PERF, TRF
Tri-Township Consolidated School Corporation	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
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

School Districts and Education: Total (366); PERF (331); TRF (364)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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 Community School Corporation	PERF, TRF
West Noble School Corporation	PERF, TRF
West Washington School Corporation	PERF, TRF
Western Boone 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, TRF
Zionsville Community Schools	TRF

Other: Total (256); PERF (256)
Fiscal Year Ended June 30, 2013

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
Allen County Solid Waste Management 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
Bargersville Community Fire Protection District	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 Board of Parks and Recreation	PERF
Centerville Library	PERF
Central Indiana Regional Transit Authority	PERF
Clarksville Sewage Department	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

Other: Total (256); PERF (256)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Crawfordsville Public Library	PERF
Crown Point-Center Township Public Library	PERF
Culver-Union Township Public Library	PERF
Danville-Center Township Public Library	PERF
Decatur County Board Of Health	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-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 (256); PERF (256)
Fiscal Year Ended June 30, 2013

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 Public Library	PERF
Hartford City Public Library	PERF
Health and Hospital Corporation of Marion County (Wishard Hospital)	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 Parks 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 Visitors Bureau	PERF
Lake County Library	PERF
Lake Lemon Conservancy District	PERF
LaPorte Municipal Airport Authority	PERF
LaPorte Public and County Libraries	PERF
Lawrenceburg Flood Control District	PERF

Other: Total (256); PERF (256)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
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
Madison County Council of Governments	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 (256); PERF (256)
Fiscal Year Ended June 30, 2013

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
Perry-Clear Creek Fire Protection District	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
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
Royal Center Township Library	PERF
Rushville Public Library	PERF
Salem Public Library	PERF
Scott County Public Library	PERF
Selma-Liberty Regional Waste District	PERF
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

Other: Total (256); PERF (256)
Fiscal Year Ended June 30, 2013

Employer's Name	Fund
Sullivan County Public Library	PERF
Swayzee Public Library	PERF
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
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 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
White River Township Fire Protection District	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

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INDIANA PUBLIC RETIREMENT SYSTEM