



**Indiana Public Retirement System  
Select Equity  
December 31, 2016**



## **Indiana Public Retirement System Select Equity Portfolio Fourth Quarter, 2016 Report**

Since inception, October 31, 2016, the Select Equity portfolio has returned 3.75% before fees, outperforming the 3.45% return of the Russell 1000 Growth Index.

US stocks struggled through the first four trading sessions of November as investors appeared reluctant to take positions ahead of a US Presidential election that appeared too close to call. At the November 4 close, the Russell 1000 Growth was down 2.0% for the month to date. After the close, the FBI indicated that it had completed its examination of a recently discovered laptop containing copies of numerous e-mails from Hillary Clinton's private server and found nothing that changed their position that Clinton should not be prosecuted for mishandling classified information. Most pundits believed that the FBI's finding would halt Donald Trump's recent momentum and lead to a clear victory for Clinton in the Presidential race. With the decline in uncertainty, the Russell 1000 Growth gained 2.2% on November 7 and added modest additional gains on Election Day, November 8. As the tallies began to be reported that evening, a much stronger than expected showing by Trump put the election result in doubt and US stock market futures plummeted. At their lowest point, US stock index futures were down 5%. As Trump emerged as a clear winner in the early morning hours of November 9, futures began to recover and were down less than 1% shortly before the stock market open. The Russell 1000 Growth continued to recover as the day progressed, eventually finishing with a gain of 0.7% relative to the prior close. After trending lower for several sessions, the Russell 1000 Growth gained 0.7% on November 15. Energy stocks led the rally as crude oil prices jumped more than 5% on reports that OPEC members were making progress on a deal to curb production. On November 21, the Russell 1000 Growth gained 0.7% and neared a record high. Energy stocks again led the way as crude oil prices rose nearly 4% on comments from Iranian and Iraqi oil ministers that suggested OPEC would reach an agreement to limit oil production. Tagging along with the upward trend of the broad market, the Russell 1000 Growth achieved a new all-time high on November 25. On November 28 concerns about an upcoming Italian voter referendum pressured financial stocks worldwide and led to decline of 0.4% in the Russell 1000 Growth. US stocks traded in a narrow range during the final two sessions of the month, leaving the Russell 1000 Growth with a gain of 2.18% for the month overall. Select Equity outperformed. The Strategy benefited from good stock selection, even though stable stocks were out of favor during the rally immediately following the US election.



US stocks rallied strongly during the first half of December, then drifted lower as concerns about the negative impact of rising interest rates began to emerge. The month began with stocks under pressure during the first two trading sessions due in part to concerns about the outcome of an Italian referendum scheduled to take place on Sunday, December 4. Although the referendum result led Italy's Prime Minister to resign and left a financial rescue package for a prominent Italian bank in doubt, European markets took the result in stride helping the US stock market post solid gains on December 5 and 6. US stocks surged to record highs on December 7, pushed along by exceptionally large orders to buy stock index futures. Health Care stocks, particularly bio-technology shares, were noticeably absent from the rally. They fell sharply after President-elect Trump stated that he opposed high drug prices. Financial stocks led the US market to fresh record highs on December 8 after news that the European Central Bank would extend the length of its asset purchase program. US stocks achieved further record highs on December 9 and 13 in rallies led by Consumer Staples and Energy shares, respectively. By the close on December 13, the Russell 1000 Growth was up 2.6% for the month overall. On December 14, the Russell 1000 Growth declined 0.5% as the US Federal Reserve announced an increase in the Fed Funds rate. Although the increase in the rate was widely expected, the forecast of a steeper tightening path for rates during 2017 that accompanied it was not. The US stock market recovered gradually and by the close on December 27 the Russell 1000 Growth was back to a gain of 2.6% for the month overall. On December 28, the Russell 1000 Growth declined 0.8%. Cyclical stocks were pressured by a report of a drop in pending home sales and the value of the US dollar reaching a ten year high. Equities posted additional losses during the final two trading sessions of the year. The Russell 1000 Growth Index returned 1.24% for the month overall. Select Equity was able to outperform modestly.

During the quarter, the Select Equity portfolio received shares of **Adient** that were distributed by portfolio holding **Johnson Controls**. Adient is a new publically traded company created by Johnson Controls to spin off its automotive seating and interiors business. Later in the quarter, the Adient shares were sold and the sale proceeds were reinvested in Johnson Controls. OakBrook also used available cash to purchase additional shares of **Stericycle**. During December, OakBrook eliminated the portfolio's **UPS** position and used the sale proceeds to initiate a new position in **Visa**. The UPS position was eliminated due to the potential for higher holiday shipping costs to negatively impact earnings. The shares were viewed as particularly vulnerable to a potential correction due to their significant appreciation during 2016. Visa operates the world's largest electronic payment network, processing approximately half of all credit card transactions and three fourths of debit card transactions. The firm benefits from a strong network effect as well as its trusted brand name.

Looking ahead, we expect the US economy will continue to grow. The pace of growth may accelerate if the incoming Congress succeeds in reducing regulatory burdens and reforming the tax code. However, any stimulus resulting from legislative changes may face headwinds from rising interest rates and oil prices. The Federal Reserve has signaled that it may accelerate the pace of its increases in the Fed Funds rate during 2017. It remains to be seen how effective OPEC will be in enforcing the production quotas for



crude oil that were put in place late in 2016. US stock market returns are likely to be volatile given continued uncertainty about the above factors as well as efforts by the incoming Trump administration to alter US trade and foreign policy.



OakBrook Investments, LLC  
**PORTFOLIO ACTIVITY SUMMARY**  
***Indiana Public Retirement System***  
*From 11-30-16 to 12-31-16*

Portfolio Value on 11-30-16	18,132,575.05
Contributions	0.00
Withdrawals	0.00
Realized Gains	-86.90
Unrealized Gains	147,881.11
Interest	66.51
Dividends	84,489.55
Portfolio Value on 12-31-16	<hr/> 18,364,925.32

OakBrook Investments, LLC  
**TWR FOR SELECTED**  
**PERIODS**  
**ANNUALIZED**  
***Indiana Public Retirement System***  
*December 31, 2016*

	<b>Month To Date</b>	<b>Inception To Date</b>
Portfolio Gross of fees	1.28	3.75
Portfolio Net of fees	1.26	3.70
Russell 1000 Growth	1.24	3.45
S&P 500 Index	1.98	5.75



OakBrook Investments, LLC  
**PERFORMANCE HISTORY**  
*Indiana Public Retirement System*  
*From 10-31-16 to 12-31-16*

Time Period		Percent Return Per Period				Cumulative TWR Basis = 100			
		Portfolio Gross of Fees	Portfolio Net of Fees	Russell 1000 Growth	S&P 500 Index	Portfolio Gross of Fees	Portfolio Net of Fees	Russell 1000 Growth	S&P 500 Index
10-31-2016						100.00	100.00	100.00	100.00
10-31-2016	To 11-30-2016	2.44	2.41	2.18	3.70	102.44	102.41	102.18	103.70
10-31-2016	to 11-30-2016	1.28	1.26	1.24	1.98	103.75	103.70	103.45	105.75



OakBrook Investments, LLC  
**PORTFOLIO SUMMARY**  
*Indiana Public Retirement System*  
*December 31, 2016*

<u>Security Type</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>Est. Annual Income</u>
<b>Equities</b>					
<b>COMMON STOCK</b>					
Energy	662,904.00	702,661.50	3.8	2.4	16,740.00
Industrials	3,372,774.80	3,611,739.29	19.7	2.4	86,850.12
Consumer Discretionary	1,506,519.47	1,577,853.15	8.6	1.5	23,056.32
Consumer Staples	2,580,766.02	2,516,601.10	13.7	2.7	67,101.67
Health Care	4,200,607.60	4,064,389.87	22.1	2.2	90,577.56
Financials	781,795.75	902,613.75	4.9	2.1	18,780.00
Information Technology	4,618,323.01	4,792,725.87	26.1	1.4	69,092.32
<b>COMMON STOCK</b>	<b>17,723,690.65</b>	<b>18,168,584.53</b>	<b>98.9</b>	<b>2.0</b>	<b>372,197.99</b>
	<b>17,723,690.65</b>	<b>18,168,584.53</b>	<b>98.9</b>	<b>2.0</b>	<b>372,197.99</b>
<b>Cash and Equiv.</b>					
<b>CASH AND EQUIVALENTS</b>	<b>196,340.79</b>	<b>196,340.79</b>	<b>1.1</b>	<b>0.0</b>	<b>0.00</b>
	<b>196,340.79</b>	<b>196,340.79</b>	<b>1.1</b>	<b>0.0</b>	<b>0.00</b>
<b>TOTAL PORTFOLIO</b>	<b>17,920,031.44</b>	<b>18,364,925.32</b>	<b>100.0</b>	<b>2.0</b>	<b>372,197.99</b>



OakBrook Investments, LLC  
**PORTFOLIO APPRAISAL**  
*Indiana Public Retirement System*  
*December 31, 2016*

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>
<b>COMMON STOCK</b>							
895.0000	Alphabet Inc. Class C	795.15	711,660.75	771.82	690,778.90	3.8	0.0
6,131.0000	Amgen, Inc.	145.18	890,098.58	146.21	896,413.51	4.9	3.1
14,677.0000	Autodesk, Inc.	71.84	1,054,465.22	74.01	1,086,244.77	5.9	0.0
9,098.0000	Automatic Data Processing	87.16	792,981.68	102.78	935,092.44	5.1	2.2
7,825.0000	CME Group	99.91	781,795.75	115.35	902,613.75	4.9	2.1
8,048.0000	Caterpillar Inc.	83.88	675,066.24	92.74	746,371.52	4.1	3.3
32,362.0000	General Electric Company	29.22	945,617.64	31.60	1,022,639.20	5.6	3.0
10,878.0000	Gilead Sciences, Inc.	73.88	803,666.64	71.61	778,973.58	4.2	2.6
15,369.0000	Johnson Controls International	39.77	611,207.97	41.19	633,049.11	3.4	2.4
9,180.0000	McCormick & Company, Inc.	95.40	875,772.00	93.33	856,769.40	4.7	2.0
10,761.0000	Medtronic, Plc	81.93	881,648.73	71.23	766,506.03	4.2	2.4
12,455.0000	Merck & Co., Inc.	58.84	732,852.20	58.87	733,225.85	4.0	3.2
13,749.0000	NIKE, Inc.	52.02	715,222.98	50.83	698,861.67	3.8	1.4
9,374.0000	PepsiCo, Inc.	107.07	1,003,674.18	104.63	980,801.62	5.3	2.9
10,168.0000	QUALCOMM, Inc.	68.41	695,542.50	65.20	662,953.60	3.6	3.3
8,370.0000	Schlumberger Limited	79.20	662,904.00	83.95	702,661.50	3.8	2.4
6,049.0000	Stericycle, Inc.	78.34	473,874.33	77.04	466,014.96	2.5	0.0
8,076.0000	The Procter & Gamble Company	86.84	701,319.84	84.08	679,030.08	3.7	3.2
8,434.0000	The Walt Disney Company	93.82	791,296.49	104.22	878,991.48	4.8	1.5
32,438.0000	The Western Union Co.	19.93	646,579.54	21.72	704,553.36	3.8	2.9
9,905.0000	Varian Medical Systems, Inc.	90.09	892,341.45	89.78	889,270.90	4.8	0.0
9,140.0000	Visa Inc.	78.46	717,093.32	78.02	713,102.80	3.9	0.8
3,202.0000	W.W. Grainger, Inc.	208.31	667,008.62	232.25	743,664.50	4.0	2.1
			17,723,690.65		18,168,584.53	98.9	2.0
<b>CASH AND EQUIVALENTS</b>							
	Cash		119,728.53		119,728.53	0.7	0.0
	Dividends Receivable		76,612.26		76,612.26	0.4	0.0
			196,340.79		196,340.79	1.1	0.0
<b>TOTAL PORTFOLIO</b>			<b>17,920,031.44</b>		<b>18,364,925.32</b>	<b>100.0</b>	<b>2.0</b>





OakBrook Investments, LLC  
**DATE TO DATE GAINS AND LOSSES**  
*Indiana Public Retirement System*  
*From 11-30-16 to 12-31-16*

Security	11-30-16	Additions	12-31-16	12-31-16	Realized Gain or Loss		Unrealized Gain or Loss	
	Market Value	Withdrawals	Market Value	Cost Basis	Cost	Market	Cost	Market
COMMON STOCK								
Alphabet Inc. Class C	678,445.80	0.00	690,778.90	711,660.75	0.00	0.00	-20,881.85	12,333.10
Amgen, Inc.	883,293.17	0.00	896,413.51	890,098.58	0.00	0.00	6,314.93	13,120.34
Autodesk, Inc.	1,065,696.97	0.00	1,086,244.77	1,054,465.22	0.00	0.00	31,779.55	20,547.80
Automatic Data Processing	873,589.96	-5,185.86	935,092.44	792,981.68	0.00	0.00	142,110.76	61,502.48
CME Group	883,520.75	-30,126.25	902,613.75	781,795.75	0.00	0.00	120,818.00	19,093.00
Caterpillar Inc.	769,066.88	0.00	746,371.52	675,066.24	0.00	0.00	71,305.28	-22,695.36
General Electric Company	995,455.12	-7,766.88	1,022,639.20	945,617.64	0.00	0.00	77,021.56	27,184.08
Gilead Sciences, Inc.	801,708.60	-5,112.66	778,973.58	803,666.64	0.00	0.00	-24,693.06	-22,735.02
Johnson Controls International	691,297.62	-3,073.80	633,049.11	611,207.97	0.00	0.00	21,841.14	-58,248.51
McCormick & Company, Inc.	837,216.00	-4,314.60	856,769.40	875,772.00	0.00	0.00	-19,002.60	19,553.40
Medtronic, Plc	785,660.61	-4,627.23	766,506.03	881,648.73	0.00	0.00	-115,142.70	-19,154.58
Merck & Co., Inc.	762,121.45	-5,853.85	733,225.85	732,852.20	0.00	0.00	373.65	-28,895.60
NIKE, Inc.	688,412.43	-2,474.82	698,861.67	715,222.98	0.00	0.00	-16,361.31	10,449.24
PepsiCo, Inc.	938,337.40	0.00	980,801.62	1,003,674.18	0.00	0.00	-22,872.56	42,464.22
QUALCOMM, Inc.	692,745.84	0.00	662,953.60	695,542.50	0.00	0.00	-32,588.90	-29,792.24
Schlumberger Limited	703,498.50	-4,185.00	702,661.50	662,904.00	0.00	0.00	39,757.50	-837.00
Stericycle, Inc.	441,395.53	0.00	466,014.96	473,874.33	0.00	0.00	-7,859.37	24,619.43
The Procter & Gamble Company	665,946.96	0.00	679,030.08	701,319.84	0.00	0.00	-22,289.76	13,083.12
The Walt Disney Company	835,978.08	-6,578.52	878,991.48	791,296.49	0.00	0.00	87,694.99	43,013.40
The Western Union Co.	682,171.14	-5,190.08	704,553.36	646,579.54	0.00	0.00	57,973.82	22,382.22
United Parcel Service, Inc.	718,124.40	-718,037.50	0.00	0.00	50,836.00	-86.90	0.00	0.00
Varian Medical Systems, Inc.	889,766.15	0.00	889,270.90	892,341.45	0.00	0.00	-3,070.55	-495.25
Visa Inc.	0.00	717,093.32	713,102.80	717,093.32	0.00	0.00	-3,990.52	-3,990.52
W.W. Grainger, Inc.	738,285.14	0.00	743,664.50	667,008.62	0.00	0.00	76,655.88	5,379.36
	18,021,734.50		18,168,584.53	17,723,690.65	50,836.00	-86.90	444,893.88	147,881.11
CASH AND EQUIVALENTS								
Cash	92,148.32	27,513.70	119,728.53	119,728.53				
Dividends Receivable	18,692.23	57,920.03	76,612.26	76,612.26				
	110,840.55		196,340.79	196,340.79				
TOTAL PORTFOLIO	18,132,575.05		18,364,925.32	17,920,031.44	50,836.00	-86.90	444,893.88	147,881.11



OakBrook Investments, LLC  
**FUNDAMENTAL DATA**  
*Indiana Public Retirement System*  
December 31, 2016

Security	Price	Annual Dividend	Yield	Latest 4 Qtr. PE	Latest 4 Qtr. EPS	Latest Annual Book Value	Latest Annual Price/Book	Beta
<b>COMMON STOCK</b>								
Alphabet Inc. Class C	771.82	0.000	0.0	27.8	27.79	194.60	4.0	1.21
Amgen, Inc.	146.21	4.600	3.1	14.5	10.07	41.32	3.5	1.27
Autodesk, Inc.	74.01	0.000	0.0	N M	-1.56	4.77	15.5	1.42
Automatic Data Processing	102.78	2.280	2.2	29.8	3.45	9.38	11.0	1.03
CME Group	115.35	2.400	2.1	28.0	4.12	62.92	1.8	0.98
Caterpillar Inc.	92.74	3.080	3.3	28.8	3.22	26.74	3.5	1.28
General Electric Company	31.60	0.960	3.0	33.5	0.94	9.26	3.4	1.10
Gilead Sciences, Inc.	71.61	1.880	2.6	6.4	11.23	12.76	5.6	1.00
Johnson Controls International	41.19	1.000	2.4	14.1	2.92	25.77	1.6	0.99
McCormick & Company, Inc.	93.33	1.880	2.0	25.2	3.70	13.94	6.7	0.74
Medtronic, Plc	71.23	1.720	2.4	20.8	3.42	36.55	1.9	0.88
Merck & Co., Inc.	58.87	1.880	3.2	22.5	2.61	15.84	3.7	0.84
NIKE, Inc.	50.83	0.720	1.4	22.4	2.27	7.40	6.9	1.03
PepsiCo, Inc.	104.63	3.010	2.9	22.1	4.74	8.75	12.0	0.74
QUALCOMM, Inc.	65.20	2.120	3.3	17.1	3.82	21.53	3.0	1.20
Schlumberger Limited	83.95	2.000	2.4	101.0	0.83	30.36	2.8	0.95
Stericycle, Inc.	77.04	0.000	0.0	20.8	3.70	24.81	3.1	0.76
The Procter & Gamble Company	84.08	2.678	3.2	22.7	3.71	21.39	3.9	0.74
The Walt Disney Company	104.22	1.560	1.5	18.2	5.71	27.04	3.9	1.06
The Western Union Co.	21.72	0.640	2.9	12.9	1.69	2.86	7.6	1.10
Varian Medical Systems, Inc.	89.78	0.000	0.0	19.4	4.64	18.58	4.8	0.78
Visa Inc.	78.02	0.660	0.8	27.1	2.88	11.61	6.7	0.94
W.W. Grainger, Inc.	232.25	4.880	2.1	20.5	11.35	34.29	6.8	0.87
COMMON STOCK Average			2.0	25.2	4.93	27.57	5.7	1.00
<b>OVERALL AVERAGE</b>			<b>2.0</b>	<b>25.2</b>	<b>4.93</b>	<b>27.57</b>	<b>5.7</b>	<b>1.00</b>

A NM in the PE column indicates that a PE is not meaningful.



OakBrook Investments, LLC  
**PURCHASE AND SALE**  
*Indiana Public Retirement System*  
*From 12-01-16 To 12-31-16*

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
12-16-2016	12-21-2016	9,140.0000	Visa Inc.	78.46	717,093.32
					<u>717,093.32</u>
<b>SALES</b>					
12-16-2016	12-21-2016	6,195.0000	United Parcel Service, Inc.	115.91	718,037.50
					<u>718,037.50</u>

OakBrook Investments, LLC  
**COMMISSION PURPOSE**  
*Indiana Public Retirement System*  
*From 12-01-16 to 12-31-16*

	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
<b>Liquidnet Quantitative Trading Services</b>			
General Trading	<u>153.35</u>	<u>0.010</u>	<u>100.0 %</u>
Subtotal	153.35	0.010	100.0 %
<b>TOTAL</b>	<b>153.35</b>	<b>0.010</b>	<b>100 %</b>



OakBrook urges our clients to compare information provided in its statement with those from your custodian.  
If you are not receiving a custodial statement, please notify OakBrook.