



**Indiana Public Retirement System  
Select Equity  
September 30, 2017**



## OakBrook Select Equity Strategy Third Quarter, 2017 Report

During the third quarter, the Select Equity Strategy returned 2.24% before fees, trailing the 5.90% return of the Russell 1000 Growth Index. For the year to date, the Select Equity Strategy has returned 10.04% before fees, trailing the 20.72% return of the Russell 1000 Growth Index.

During July, favorable comments from Federal Reserve Chairwoman Yellen and solid earnings reports propelled the broad stock market to record highs. The US market started the month with modest gains in the two trading sessions surrounding the July 4 holiday. On July 6, stocks sold off on general concerns that central bankers in several countries might be moving too quickly to raise interest rates. On July 7, US stocks rallied after the report of better than expected job creation during June allayed concerns that recent increases in the US Fed Funds rate might be choking off economic growth. On July 12, dovish comments from Fed Chair Yellen launched a three-day rally that culminated in a record closing high for the Russell 1000 Growth on July 14. A steady stream of better than expected earnings reports contributed to several additional record highs for the Russell 1000 Growth between July 18 and July 26. Market volatility increased during the final days of the month as the US Senate tried and failed to pass any bill to modify or repeal the Affordable Care Act. However, the US market managed to finish July near record levels. The Russell 1000 Growth returned 2.66% for the month overall. Select Equity trailed the benchmark primarily because stable stocks were out of favor. Stock selection added value overall though there were a few negatives. **Johnson Controls** matched expectations for earnings, but was punished for reporting weaker than expected revenues and cash flows. **Varian Medical** beat expectations for earnings, but delivered lower than expected revenues. We were encouraged by Varian's stronger than expected revenues and orders for proton therapy. OakBrook remains confident in both holdings

For much of August, political issues overshadowed strong earnings reports and solid economic numbers. Helped along by better than expected corporate earnings and evidence of steady economic growth, the US stock market posted gains in four of the first five trading sessions of August. The stock market was on track to post a record high on August 8 before being derailed by a comment from President Trump that North Korean threats would be met with "fire and fury". On August 10, the Russell 1000 Growth declined 1.6% as tensions between the US and North Korea ratcheted higher. Following a concerted effort to ease tensions led by US Secretary of State Tillerson and Secretary of Defense Mattis, the US market rallied 1% on August 14. On August 17, rumors that Gary Cohn might resign as head of the White House National Economic Council combined with early reports of a terrorist attack in Barcelona to trigger a decline in the Russell 1000 Growth of 1.6%. On August 22, the US market rallied 1% on reports that the White House and congressional leaders might be making progress on tax reform. On August 23, comments from President Trump that he might withdraw from the North American Free Trade Agreement or veto an increase in the debt ceiling if Congress failed to fund a wall at the US-Mexican border triggered a two-day decline in US stocks. On



August 25, stocks started to climb back as hurricane Harvey began to dominate the US news cycle. The rally extended to the end of the month, helped along by better than expected economic reports delivered during the final two trading sessions. The Russell 1000 Growth returned 1.83% for the month overall. Select Equity underperformed as stable growth stocks continued to trail the more volatile members of the Russell 1000 Growth index.

Stocks struggled during the first week of September before rebounding to post several record highs later in the month. September began with a modest gain on the Friday before Labor Day weekend. Following North Korea's successful test of what it claimed to be a hydrogen bomb over the weekend, stocks sold off sharply on September 5. Concerns about North Korea and Hurricane Irma's expected landfall in Florida pressured stocks for much of the remainder of the week. US equities rallied strongly on September 11 after North Korean tensions eased and Hurricane Irma inflicted less damage than expected on the US mainland. Stocks trended higher through September 20 with modest daily gains producing record highs for US indices at the close of six of the seven trading sessions. The rally ended on September 21 after President Trump ordered new sanctions on individuals and firms doing business with North Korea. After trending lower for a few sessions, stocks began to rally back on September 27. The rally was triggered, in part, by President Trump releasing an outline of his tax plan which included the goal of reducing the corporate tax rate to 20%. The rally extended through the end of the month with US indices closing at record highs on the 28th and 29th. The Russell 1000 Growth returned 1.30% for the month overall. Although Select Equity benefited from strong returns from **Schlumberger**, **CME Group**, **McCormick** and **Caterpillar**, their gains were not enough to overcome the weakness of holdings within the Health Care and Consumer sectors. Within Health Care, **Varian Medical**'s stock price was pressured by analyst downgrades, **Medtronic** had to temporarily close some of its facilities in Puerto Rico due to hurricane Maria, and investors appeared to take profits from recent gains in **Gilead Sciences**. Among the portfolio's Consumer holdings, **Pepsi** was negatively impacted by a report that the SEC is investigating whether the firm's firing of general counsel Maura Smith in 2012 was motivated by her findings in an internal review of a business that had been acquired by Pepsi. OakBrook remains confident in all four holdings.

Early in the quarter, OakBrook eliminated the **Automatic Data Processing** position. Sale proceeds were used to initiate a position in **Biogen**. Automatic Data Processing's current valuation appears to fully reflect potential increases in float income due to rising interest rates. Biogen is an attractively-valued biopharmaceutical company with particular expertise in producing medications for the treatment of multiple sclerosis. Biogen also has a promising development pipeline, including an Alzheimer's medication that is beginning Phase 3 trials. During August, OakBrook eliminated the **Western Union** position. Sale proceeds and available cash were used to initiate a position in **Starbucks**. Although Western Union continues to have a dominant market share, its ability to generate economic profit has been diminished by rising compliance costs and price pressure from on-line competitors. Starbucks is the leading coffee brand and retailer in the world. Slowing growth in same store sales created an opportunity to



purchase the stock at an attractive valuation. OakBrook believes the Starbucks' brand remains strong and growth is likely to accelerate as the firm improves fulfillment of mobile orders and expands in overseas markets, particularly China.

Looking ahead, we expect the US economy will continue to grow. The Trump administration is making progress in its efforts to reduce regulatory burdens through executive orders. However, any stimulus resulting from reduced regulatory burdens may be partially offset by rising interest rates. Several members of the Federal Open Market Committee have signaled that they may raise the Fed Funds rate once more before the end of the year. The Federal Reserve has also begun reducing its holdings of government bonds and mortgages. US stock market returns are likely to grow more volatile due to rising interest rates, uncertainty about US government policy, and tensions with North Korea.



OakBrook Investments, LLC  
**PORTFOLIO ACTIVITY SUMMARY**  
*Indiana Public Retirement System*  
*From 08-31-17 to 09-30-17*

Portfolio Value on 08-31-17	24,675,556.93
Contributions	0.00
Withdrawals	-35,276.39
Realized Gains	0.00
Unrealized Gains	147,464.96
Interest	44.00
Dividends	52,850.60
Portfolio Value on 09-30-17	24,840,640.10

OakBrook Investments, LLC  
**TWR FOR SELECTED PERIODS**  
**ANNUALIZED**  
**GROSS OF FEES**  
*Indiana Public Retirement System*  
*September 30, 2017*

	<u>Month To Date</u>	<u>Quarter To Date</u>	<u>Year To Date</u>	<u>Inception To Date</u>
Portfolio	0.81	2.24	10.04	14.16
Russell 1000 Growth	1.30	5.90	20.72	24.88
S&P 500 Index	2.06	4.48	14.24	20.81



OakBrook Investments, LLC  
**PERFORMANCE HISTORY**  
**GROSS OF FEES**  
*Indiana Public Retirement System*  
*From 10-31-16 to 09-30-17*

Time Period	Percent Return Per Period			Cumulative TWR Basis = 100		
	Portfolio	Russell 1000 Growth	S&P 500 Index	Portfolio	Russell 1000 Growth	S&P 500 Index
10-31-2016				100.00	100.00	100.00
10-31-2016 to 11-30-2016	2.44	2.18	3.70	102.44	102.18	103.70
11-30-2016 to 12-31-2016	1.28	1.24	1.98	103.75	103.45	105.75
12-31-2016 to 01-31-2017	2.03	3.37	1.90	105.86	106.94	107.76
01-31-2017 to 02-28-2017	3.49	4.15	3.97	109.56	111.38	112.04
02-28-2017 to 03-31-2017	-0.47	1.16	0.12	109.04	112.67	112.17
03-31-2017 to 04-30-2017	0.21	2.29	1.03	109.26	115.24	113.32
04-30-2017 to 05-31-2017	1.80	2.60	1.41	111.23	118.24	114.92
05-31-2017 to 06-30-2017	0.39	-0.26	0.62	111.66	117.93	115.63
06-30-2017 to 07-31-2017	1.04	2.66	2.06	112.82	121.06	118.01
07-31-2017 to 08-31-2017	0.37	1.83	0.31	113.24	123.28	118.37
08-31-2017 to 09-30-2017	0.81	1.30	2.06	114.16	124.88	120.81



OakBrook Investments, LLC  
**PORTFOLIO SUMMARY**  
*Indiana Public Retirement System*  
 September 30, 2017

<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	1,287,713.56	1,169,875.20	4.7	2.9	33,540.00
Industrials	3,993,065.76	4,146,278.23	16.7	2.4	100,357.88
Consumer Discretionary	3,105,628.41	3,101,833.03	12.5	1.6	49,592.32
Consumer Staples	3,212,261.50	3,365,350.50	13.5	2.6	86,180.48
Health Care	6,023,320.52	6,719,234.03	27.0	1.8	123,484.48
Financials	991,639.21	1,305,920.00	5.3	1.9	25,410.00
Information Technology	4,034,095.38	4,926,590.19	19.8	0.8	38,053.44
<b>COMMON STOCK</b>	<b>22,647,724.34</b>	<b>24,735,081.18</b>	<b>99.6</b>	<b>1.8</b>	<b>456,618.60</b>
	22,647,724.34	24,735,081.18	99.6	1.8	456,618.60
<b>Cash and Equiv.</b>					
<b>CASH AND EQUIVALENTS</b>	<b>105,558.92</b>	<b>105,558.92</b>	<b>0.4</b>	<b>0.0</b>	<b>0.00</b>
	105,558.92	105,558.92	0.4	0.0	0.00
<b>TOTAL PORTFOLIO</b>	<b>22,753,283.26</b>	<b>24,840,640.10</b>	<b>100.0</b>	<b>1.8</b>	<b>456,618.60</b>



OakBrook Investments, LLC  
**PORTFOLIO APPRAISAL**  
*Indiana Public Retirement System*  
 September 30, 2017

<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>							
1,095.0000	Alphabet Inc. Class C	801.88	878,056.75	959.11	1,050,225.45	4.2	0.0
7,531.0000	Amgen, Inc.	148.68	1,119,722.52	186.45	1,404,154.95	5.7	2.5
15,377.0000	Autodesk, Inc.	74.34	1,143,162.45	112.26	1,726,222.02	6.9	0.0
1,710.0000	Biogen Idec Inc.	281.85	481,968.19	313.12	535,435.20	2.2	0.0
9,625.0000	CME Group	103.03	991,639.21	135.68	1,305,920.00	5.3	1.9
11,778.0000	Caterpillar Inc.	88.13	1,038,037.50	124.71	1,468,834.38	5.9	2.5
39,762.0000	General Electric Company	29.33	1,166,284.90	24.18	961,445.16	3.9	4.0
13,578.0000	Gilead Sciences, Inc.	72.51	984,607.14	81.02	1,100,089.56	4.4	2.6
25,439.0000	Johnson Controls International	40.54	1,031,197.99	40.29	1,024,937.31	4.1	2.5
11,380.0000	McCormick & Company, Inc.	95.90	1,091,374.42	102.64	1,168,043.20	4.7	1.8
13,261.0000	Medtronic, Plc	81.64	1,082,668.73	77.77	1,031,307.97	4.2	2.4
19,255.0000	Merck & Co., Inc.	60.33	1,161,639.89	64.03	1,232,897.65	5.0	2.9
21,549.0000	NIKE, Inc.	53.27	1,147,810.62	51.85	1,117,315.65	4.5	1.4
11,574.0000	PepsiCo, Inc.	107.93	1,249,161.18	111.43	1,289,690.82	5.2	2.9
12,568.0000	QUALCOMM, Inc.	66.11	830,856.42	51.84	651,525.12	2.6	4.4
16,770.0000	Schlumberger Limited	76.79	1,287,713.56	69.76	1,169,875.20	4.7	2.9
17,800.0000	Starbucks Corporation	52.88	941,191.30	53.71	956,038.00	3.8	1.9
9,649.0000	Stericycle, Inc.	78.51	757,545.37	71.62	691,061.38	2.8	0.0
9,976.0000	The Procter & Gamble Company	87.38	871,725.90	90.98	907,616.48	3.7	3.0
10,434.0000	The Walt Disney Company	97.43	1,016,626.49	98.57	1,028,479.38	4.1	1.6
14,145.0000	Varian Medical Systems, Inc.	84.32	1,192,714.05	100.06	1,415,348.70	5.7	0.0
14,240.0000	Visa Inc.	83.01	1,182,019.76	105.24	1,498,617.60	6.0	0.6
			22,647,724.34		24,735,081.18	99.6	1.8
<b>CASH AND EQUIVALENTS</b>							
	Cash		62,198.56		62,198.56	0.3	0.0
	Dividends Receivable		43,360.36		43,360.36	0.2	0.0
			105,558.92		105,558.92	0.4	0.0
<b>TOTAL PORTFOLIO</b>			<b>22,753,283.26</b>		<b>24,840,640.10</b>	<b>100.0</b>	<b>1.8</b>





OakBrook Investments, LLC  
**DATE TO DATE GAINS AND LOSSES**  
*Indiana Public Retirement System*  
*From 08-31-17 to 09-30-17*

Security	08-31-17	Additions	09-30-17	09-30-17	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	1,028,566.35	0.00	1,050,225.45	878,056.75	0.00	0.00	172,168.70	21,659.10
Amgen, Inc.	1,338,785.87	0.00	1,404,154.95	1,119,722.52	0.00	0.00	284,432.43	65,369.08
Autodesk, Inc.	1,760,051.42	0.00	1,726,222.02	1,143,162.45	0.00	0.00	583,059.57	-33,829.40
Biogen Idec Inc.	541,317.60	0.00	535,435.20	481,968.19	0.00	0.00	53,467.01	-5,882.40
CME Group	1,210,825.00	-6,352.50	1,305,920.00	991,639.21	0.00	0.00	314,280.79	95,095.00
Caterpillar Inc.	1,383,797.22	0.00	1,468,834.38	1,038,037.50	0.00	0.00	430,796.88	85,037.16
General Electric Company	976,157.10	-9,542.88	961,445.16	1,166,284.90	0.00	0.00	-204,839.74	-14,711.94
Gilead Sciences, Inc.	1,136,614.38	-7,060.56	1,100,089.56	984,607.14	0.00	0.00	115,482.42	-36,524.82
Johnson Controls International	1,007,130.01	-6,359.75	1,024,937.31	1,031,197.99	0.00	0.00	-6,260.68	17,807.30
McCormick & Company, Inc.	1,082,579.40	0.00	1,168,043.20	1,091,374.42	0.00	0.00	76,668.78	85,463.80
Medtronic, Plc	1,069,101.82	-6,100.06	1,031,307.97	1,082,668.73	0.00	0.00	-51,360.76	-37,793.85
Merck & Co., Inc.	1,229,624.30	-9,049.85	1,232,897.65	1,161,639.89	0.00	0.00	71,257.76	3,273.35
NIKE, Inc.	1,138,002.69	0.00	1,117,315.65	1,147,810.62	0.00	0.00	-30,494.97	-20,687.04
PepsiCo, Inc.	1,339,459.02	0.00	1,289,690.82	1,249,161.18	0.00	0.00	40,529.64	-49,768.20
QUALCOMM, Inc.	656,929.36	0.00	651,525.12	830,856.42	0.00	0.00	-179,331.30	-5,404.24
Schlumberger Limited	1,065,062.70	-8,385.00	1,169,875.20	1,287,713.56	0.00	0.00	-117,838.36	104,812.50
Starbucks Corporation	976,508.00	0.00	956,038.00	941,191.30	0.00	0.00	14,846.70	-20,470.00
Stericycle, Inc.	693,666.61	0.00	691,061.38	757,545.37	0.00	0.00	-66,483.99	-2,605.23
The Procter & Gamble Company	920,485.52	0.00	907,616.48	871,725.90	0.00	0.00	35,890.58	-12,869.04
The Walt Disney Company	1,055,920.80	0.00	1,028,479.38	1,016,626.49	0.00	0.00	11,852.89	-27,441.42
Varian Medical Systems, Inc.	1,502,906.25	0.00	1,415,348.70	1,192,714.05	0.00	0.00	222,634.65	-87,557.55
Visa Inc.	1,474,124.80	0.00	1,498,617.60	1,182,019.76	0.00	0.00	316,597.84	24,492.80
	24,587,616.22		24,735,081.18	22,647,724.34	0.00	0.00	2,087,356.84	147,464.96
CASH AND EQUIVALENTS								
Cash	56,387.41	5,767.15	62,198.56	62,198.56				
Dividends Receivable	31,553.30	11,807.06	43,360.36	43,360.36				
	87,940.71		105,558.92	105,558.92				
TOTAL PORTFOLIO	24,675,556.93		24,840,640.10	22,753,283.26	0.00	0.00	2,087,356.84	147,464.96



OakBrook Investments, LLC  
**FUNDAMENTAL DATA**  
*Indiana Public Retirement System*  
 September 30, 2017

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	959.11	0.000	0.0	30.7	31.26	214.02	4.5	1.13
Amgen, Inc.	186.45	4.600	2.5	16.0	11.63	43.41	4.3	1.21
Autodesk, Inc.	112.26	0.000	0.0	N M	-2.62	1.44	78.0	1.52
Biogen Idec Inc.	313.12	0.000	0.0	17.6	17.75	54.79	5.7	1.13
CME Group	135.68	2.640	1.9	32.1	4.27	61.35	2.2	0.91
Caterpillar Inc.	124.71	3.120	2.5	29.5	4.23	23.71	5.3	1.28
General Electric Company	24.18	0.960	4.0	21.8	1.11	8.56	2.8	1.01
Gilead Sciences, Inc.	81.02	2.080	2.6	8.6	9.44	17.36	4.7	0.99
Johnson Controls International	40.29	1.000	2.5	13.7	2.95	21.16	1.9	1.05
McCormick & Company, Inc.	102.64	1.880	1.8	25.6	4.01	19.25	5.3	0.72
Medtronic, Plc	77.77	1.840	2.4	21.7	3.59	37.41	2.1	0.72
Merck & Co., Inc.	64.03	1.880	2.9	19.5	3.28	14.47	4.4	0.84
NIKE, Inc.	51.85	0.720	1.4	22.1	2.35	7.31	7.1	1.10
PepsiCo, Inc.	111.43	3.220	2.9	22.2	5.03	8.67	12.9	0.73
QUALCOMM, Inc.	51.84	2.280	4.4	13.0	3.98	21.20	2.4	1.04
Schlumberger Limited	69.76	2.000	2.9	66.6	1.05	28.53	2.4	1.01
Starbucks Corporation	53.71	1.000	1.9	25.7	2.09	4.04	13.3	1.03
Stericycle, Inc.	71.62	0.000	0.0	21.4	3.35	24.14	3.0	0.98
The Procter & Gamble Company	90.98	2.758	3.0	23.6	3.86	20.86	4.4	0.67
The Walt Disney Company	98.57	1.560	1.6	17.2	5.74	26.58	3.7	1.02
Varian Medical Systems, Inc.	100.06	0.000	0.0	25.3	3.95	15.16	6.6	0.89
Visa Inc.	105.24	0.660	0.6	31.7	3.32	12.64	8.3	0.96
COMMON STOCK Average			1.8	24.8	5.26	29.68	10.4	1.01
<b>OVERALL AVERAGE</b>			<b>1.8</b>	<b>24.8</b>	<b>5.26</b>	<b>29.68</b>	<b>10.4</b>	<b>1.01</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 09-01-17 To 09-30-17*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
-----------------------	------------------------	-----------------	-----------------	-----------------------	---------------

No transactions this period

OakBrook Investments, LLC  
**COMMISSION PURPOSE**  
*Indiana Public Retirement System*  
*From 09-01-17 to 09-30-17*

<b>Commission Amount</b>	<b>Avg. Commission Per Share</b>	<b>Percent of Total Commission</b>
------------------------------	--------------------------------------	--

No commissions this period



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.