



**Indiana Public Retirement System  
Select Equity  
June 30, 2018**



## OakBrook Select Equity Strategy Second Quarter, 2018 Report

During the second quarter the Select Equity Growth Strategy returned 4.81% before fees, trailing the 5.76% return of the Russell 1000 Growth Index. For the year to date, the Select Equity Growth Strategy has returned 6.15%, trailing the 7.25% return of the Russell 1000 Growth Index.

During April, reports of stronger than expected earnings growth were largely offset by geo-political concerns. The month began with the Consumer Discretionary and Technology sectors leading a market decline of more than 2% as President Trump tweeted criticisms of **Amazon** and rumors circulated that **Apple** might replace the **Intel** chips in Mac computers with internally designed versions as soon as 2020. The market quickly rallied back and by the close on April 5 the Russell 1000 Growth was up more than 0.7% for the month overall. On April 6, the market back tracked with another decline of more than 2%. A number of factors contributed to the decline including a weaker than expected employment report and a report that President Trump was considering additional tariffs targeted at Chinese goods. US stocks rallied back over the next two sessions as trade tensions eased. The rally stalled for three sessions as the US pondered a response to the use of chemical weapons by Syria and tensions between the US and Russia escalated. The rally in US shares resumed on April 16, after US-led missile strikes against Syrian targets drew no direct reprisals from Russia. Helped along by better than expected reports from **Netflix** and **UnitedHealth Group**, the rally reached its peak at the April 18 close with the Russell 1000 Growth up 3.1% for the month overall. On April 19, weak earnings from **Procter & Gamble** and **Philip Morris International** along with a disappointing forecast from chip maker **Taiwan Semiconductor** launched a two session slide in share prices. Stocks experienced additional selling pressure on April 24, as the 10 year government bond yield topped 3% for the first time in four years. At the close on the 24th, the Russell 1000 Growth was down 0.9% for the month overall. The Russell 1000 Growth gained 1.6% on April 26 following strong earnings reports from **Facebook** and **Advanced Micro Devices**. The market closed out the month with a loss in the final trading session, as Israel Prime Minister Netanyahu alleged that Iran had worked toward developing nuclear weapons in the past. The Russell 1000 Growth returned 0.35% for the month overall. Select Equity trailed the benchmark. Portfolio holdings generally reported better than expected earnings and revenues, but strong earnings and revenues were not enough to satisfy investors in some cases. **Qualcomm's** results were overshadowed by news that Qualcomm needed to refile its request for review of its proposed **NXP** acquisition with China's Commerce Ministry. **Pepsi** fell short of sales volume expectations for some products. **Varian Medical** missed expectations for orders of its oncology systems.



During May, stocks rallied on easing inflation fears but then struggled to extend gains as trade concerns resurfaced. Technology shares led the US stock market to a modest gain on the month's first day of trading. Stocks began to slide on the second, shortly after the Federal Open Market Committee concluded its meeting. Although the Fed left interest rates unchanged as was widely expected, the meeting statement's reference to the "symmetric" nature of the Committee's 2% inflation target raised concerns that the Fed might accelerate the pace of future hikes in the Fed Funds rate. Stocks rallied strongly on May 4, following the report of solid job gains and weaker than expected wage growth. The market added further strong gains on May 9 and 10 following reports of weaker than expected increases in producer and consumer prices. By the close on May 10, the Russell 1000 Growth was up 4% for the month overall. Stocks traded in a tight band for the next two weeks, as developments in the US trade relationship with China and preparations for the planned summit with North Korea waxed hot and cold. The period of relative calm ended on May 29 with the Russell 1000 Growth declining more than 0.7%. The initial driver of the market's decline was Italy's failure to form a new government triggering fears that the Eurozone might destabilize. The selling accelerated later in the session after President Trump announced that the US planned to move forward with imposing tariffs on \$50 Billion of Chinese imports. US stocks rallied back with a gain of more than 1% on May 30 as Italian fears receded. Stocks finished the month with a decline on May 31 as President Trump announced plans to move ahead with imposing tariffs on steel and aluminum imports from Canada, Mexico, and the European Union. The Russell 1000 Growth returned 4.38% for the month overall. Select Equity trailed the benchmark as gains from strong stock selection were not enough to overcome the performance drag of the Strategy's general emphasis on stable stocks in a rising market.

During June, early stock market gains were largely offset by escalating trade tensions later in the month. On the first day of June stronger than expected reports of employment growth and construction activity launched a strong rally. Stocks extended their gains through several sessions, helped along by additional reports of better than expected economic activity. By the close on June 12, the Russell 1000 Growth was up more than 3.6% for the month overall. Stocks dipped on June 13 after the Federal Open Market Committee announced its widely expected decision to raise the Fed Funds rate by 0.25%. US equities bounced back on June 14 following a report of stronger than expected retail sales. From this point, US stocks began to trend downward due to escalating trade tensions. The selloff accelerated on June 25, after the European Union imposed tariffs on \$3.3 billion of US goods and President Trump threatened to increase tariffs on cars imported from the EU and limit Chinese investments in US technology companies. The proposal to limit Chinese investment hit valuations of US technology firms particularly hard. By the close on June 27, the Russell 1000 Growth had given up all of its earlier gains. On June 28, stocks began to rally back as reports emerged that efforts to limit Chinese investment would not be as drastic as initially feared. The Russell 1000 Growth returned 0.96% for the month overall. Select Equity out performed, benefiting from good stock selection.



During the quarter, OakBrook used available cash to increase the portfolio position in **Starbucks** after shares dropped sharply following the report of weaker than expected same store sales in China. OakBrook believes the weakness in Chinese sales was temporary and expects the stock price to recover.

Looking ahead, we expect the US economy and corporate profits will continue to grow. Stock market volatility is likely to remain elevated given ongoing trade disputes and other tensions with foreign governments. Additional factors likely to impact capital markets include rising interest rates and the upcoming mid-term elections.



OakBrook Investments, LLC  
**PORTFOLIO ACTIVITY SUMMARY**  
*Indiana Public Retirement System*  
*From 05-31-18 to 06-30-18*

Portfolio Value on 05-31-18	26,637,480.69
Contributions	0.00
Withdrawals	0.00
Realized Gains	0.00
Unrealized Gains	409,112.06
Interest	84.25
Dividends	40,388.90
Portfolio Value on 06-30-18	27,087,065.90

OakBrook Investments, LLC  
**TWR FOR SELECTED PERIODS**  
**ANNUALIZED**  
*Indiana Public Retirement System*  
*June 30, 2018*

	<b>Month To Date</b>	<b>Quarter To Date</b>	<b>Year To Date</b>	<b>Latest 1 Year</b>	<b>Inception To Date</b>
Portfolio gross of fees	1.69	4.81	6.15	11.98	14.39
Portfolio net of fees	1.66	4.73	5.98	11.62	14.01
Russell 1000 Growth	0.96	5.76	7.25	22.51	24.76
S&P 500 Index	0.62	3.43	2.65	14.37	18.31



OakBrook Investments, LLC  
**PERFORMANCE HISTORY**  
*Indiana Public Retirement System*  
*From 10-31-16 to 06-30-18*

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
11-30-2016	to 12-31-2016	1.28	1.25	1.24	1.98	103.75	103.69	103.45	105.75
12-31-2016	to 01-31-2017	2.03	2.01	3.37	1.90	105.86	105.78	106.94	107.76
01-31-2017	to 02-28-2017	3.49	3.47	4.15	3.97	109.56	109.44	111.38	112.04
02-28-2017	to 03-31-2017	-0.47	-0.50	1.16	0.12	109.04	108.90	112.67	112.17
03-31-2017	to 04-30-2017	0.21	0.18	2.29	1.03	109.26	109.09	115.24	113.32
04-30-2017	to 05-31-2017	1.80	1.77	2.60	1.41	111.23	111.03	118.24	114.92
05-31-2017	to 06-30-2017	0.39	0.36	-0.26	0.62	111.66	111.43	117.93	115.63
06-30-2017	to 07-31-2017	1.04	1.01	2.66	2.06	112.82	112.55	121.06	118.01
07-31-2017	to 08-31-2017	0.37	0.35	1.83	0.31	113.24	112.94	123.28	118.37
08-31-2017	to 09-30-2017	0.81	0.78	1.30	2.06	114.16	113.82	124.88	120.81
09-30-2017	to 10-31-2017	-0.07	-0.09	3.87	2.33	114.09	113.72	129.72	123.63
10-31-2017	to 11-30-2017	2.15	2.12	3.04	3.07	116.54	116.13	133.66	127.42
11-30-2017	to 12-31-2017	1.08	1.06	0.78	1.11	117.80	117.36	134.70	128.84
12-31-2017	to 01-31-2018	6.79	6.76	7.08	5.73	125.79	125.28	144.25	136.22
01-31-2018	to 02-28-2018	-3.13	-3.15	-2.62	-3.69	121.86	121.33	140.46	131.20
02-28-2018	to 03-31-2018	-2.10	-2.12	-2.74	-2.54	119.30	118.76	136.61	127.86
03-31-2018	to 04-30-2018	-0.57	-0.59	0.35	0.38	118.63	118.05	137.09	128.35
04-30-2018	to 05-31-2018	3.66	3.63	4.38	2.41	122.97	122.34	143.10	131.44
05-31-2018	to 06-30-2018	1.69	1.66	0.96	0.62	125.05	124.37	144.47	132.25



OakBrook Investments, LLC  
**PORTFOLIO SUMMARY**  
*Indiana Public Retirement System*  
June 30, 2018

<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>					
COMMON STOCK					
Industrials	1,760,767.90	1,974,010.81	7.3	2.8	54,932.88
Consumer Discretionary	3,696,748.16	4,312,874.36	15.9	1.7	74,419.52
Consumer Staples	2,340,535.60	2,581,165.58	9.5	2.6	66,609.94
Health Care	6,023,320.52	6,760,945.32	25.0	2.0	134,213.12
Financials	991,639.21	1,577,730.00	5.8	1.7	26,950.00
Information Technology	7,766,282.85	9,833,955.44	36.3	0.9	86,098.84
COMMON STOCK	22,579,294.24	27,040,681.51	99.8	1.6	443,224.30
	22,579,294.24	27,040,681.51	99.8	1.6	443,224.30
<b>Cash and Equiv.</b>					
CASH AND EQUIVALENTS	46,384.39	46,384.39	0.2	0.0	0.00
	46,384.39	46,384.39	0.2	0.0	0.00
<b>TOTAL PORTFOLIO</b>	<b>22,625,678.63</b>	<b>27,087,065.90</b>	<b>100.0</b>	<b>1.6</b>	<b>443,224.30</b>



OakBrook Investments, LLC  
**PORTFOLIO APPRAISAL**  
*Indiana Public Retirement System*  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
<b>COMMON STOCK</b>							
14,210.0000	Activision Blizzard Inc.	65.17	926,044.17	76.32	1,084,507.20	4.0	0.4
1,205.0000	Alphabet Inc. Class C	822.23	990,784.89	1,115.65	1,344,358.25	5.0	0.0
7,531.0000	Amgen, Inc.	148.68	1,119,722.52	184.59	1,390,147.29	5.1	2.9
11,970.0000	Analog Devices, Inc.	90.18	1,079,427.60	95.92	1,148,162.40	4.2	2.0
5,190.0000	Apple Inc.	170.81	886,504.42	185.11	960,720.90	3.5	1.6
13,177.0000	Autodesk, Inc.	74.34	979,609.26	131.09	1,727,372.93	6.4	0.0
1,710.0000	Biogen Idec Inc.	281.85	481,968.19	290.24	496,310.40	1.8	0.0
9,625.0000	CME Group	103.03	991,639.21	163.92	1,577,730.00	5.8	1.7
8,278.0000	Caterpillar Inc.	88.13	729,569.91	135.67	1,123,076.26	4.1	2.5
5,030.0000	Facebook, Inc.	177.14	891,036.33	194.32	977,429.60	3.6	0.0
13,578.0000	Gilead Sciences, Inc.	72.51	984,607.14	70.84	961,865.52	3.6	3.2
25,439.0000	Johnson Controls International	40.54	1,031,197.99	33.45	850,934.55	3.1	3.1
11,380.0000	McCormick & Company, Inc.	95.90	1,091,374.42	116.09	1,321,104.20	4.9	1.8
13,261.0000	Medtronic, Plc	81.64	1,082,668.73	85.61	1,135,274.21	4.2	2.3
19,255.0000	Merck & Co., Inc.	60.33	1,161,639.89	60.70	1,168,778.50	4.3	3.2
21,549.0000	NIKE, Inc.	53.27	1,147,810.62	79.68	1,717,024.32	6.3	1.0
11,574.0000	PepsiCo, Inc.	107.93	1,249,161.18	108.87	1,260,061.38	4.7	3.4
12,568.0000	QUALCOMM, Inc.	66.11	830,856.42	56.12	705,316.16	2.6	4.4
19,410.0000	Starbucks Corporation	52.84	1,025,703.90	48.85	948,178.50	3.5	2.9
2,840.0000	The Home Depot, Inc.	178.38	506,607.15	195.10	554,084.00	2.0	2.1
10,434.0000	The Walt Disney Company	97.43	1,016,626.49	104.81	1,093,587.54	4.0	1.6
14,145.0000	Varian Medical Systems, Inc.	84.32	1,192,714.05	113.72	1,608,569.40	5.9	0.0
14,240.0000	Visa Inc.	83.01	1,182,019.76	132.45	1,886,088.00	7.0	0.6
			22,579,294.24		27,040,681.51	99.8	1.6
<b>CASH AND EQUIVALENTS</b>							
	Cash		26,133.80		26,133.80	0.1	0.0
	Dividends Receivable		20,250.59		20,250.59	0.1	0.0
			46,384.39		46,384.39	0.2	0.0
<b>TOTAL PORTFOLIO</b>			<b>22,625,678.63</b>		<b>27,087,065.90</b>	<b>100.0</b>	<b>1.6</b>





OakBrook Investments, LLC  
**DATE TO DATE GAINS AND LOSSES**  
*Indiana Public Retirement System*  
*From 05-31-18 to 06-30-18*

Security	05-31-18 Market Value	Additions Withdrawals	06-30-18 Market Value	06-30-18 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
COMMON STOCK								
Activision Blizzard Inc.	1,007,631.10	0.00	1,084,507.20	926,044.17	0.00	0.00	158,463.03	76,876.10
Alphabet Inc. Class C	1,307,412.95	0.00	1,344,358.25	990,784.89	0.00	0.00	353,573.36	36,945.30
Amgen, Inc.	1,352,718.22	0.00	1,390,147.29	1,119,722.52	0.00	0.00	270,424.77	37,429.07
Analog Devices, Inc.	1,163,244.60	-5,745.60	1,148,162.40	1,079,427.60	0.00	0.00	68,734.80	-15,082.20
Apple Inc.	969,855.30	0.00	960,720.90	886,504.42	0.00	0.00	74,216.48	-9,134.40
Autodesk, Inc.	1,701,150.70	0.00	1,727,372.93	979,609.26	0.00	0.00	747,763.67	26,222.23
Biogen Idec Inc.	502,671.60	0.00	496,310.40	481,968.19	0.00	0.00	14,342.21	-6,361.20
CME Group	1,567,912.50	-6,737.50	1,577,730.00	991,639.21	0.00	0.00	586,090.79	9,817.50
Caterpillar Inc.	1,257,510.98	0.00	1,123,076.26	729,569.91	0.00	0.00	393,506.35	-134,434.72
Facebook, Inc.	964,653.40	0.00	977,429.60	891,036.33	0.00	0.00	86,393.27	12,776.20
Gilead Sciences, Inc.	915,157.20	-7,739.46	961,865.52	984,607.14	0.00	0.00	-22,741.62	46,708.32
Johnson Controls International	853,732.84	-6,614.14	850,934.55	1,031,197.99	0.00	0.00	-180,263.44	-2,798.29
McCormick & Company, Inc.	1,149,380.00	0.00	1,321,104.20	1,091,374.42	0.00	0.00	229,729.78	171,724.20
Medtronic, Plc	1,144,689.52	0.00	1,135,274.21	1,082,668.73	0.00	0.00	52,605.48	-9,415.31
Merck & Co., Inc.	1,146,250.15	-9,242.40	1,168,778.50	1,161,639.89	0.00	0.00	7,138.61	22,528.35
NIKE, Inc.	1,547,218.20	-4,309.80	1,717,024.32	1,147,810.62	0.00	0.00	569,213.70	169,806.12
PepsiCo, Inc.	1,160,293.50	0.00	1,260,061.38	1,249,161.18	0.00	0.00	10,900.20	99,767.88
QUALCOMM, Inc.	730,452.16	0.00	705,316.16	830,856.42	0.00	0.00	-125,540.26	-25,136.00
Starbucks Corporation	1,008,726.00	84,512.60	948,178.50	1,025,703.90	0.00	0.00	-77,525.40	-145,060.10
The Home Depot, Inc.	529,802.00	0.00	554,084.00	506,607.15	0.00	0.00	47,476.85	24,282.00
The Walt Disney Company	1,037,869.98	0.00	1,093,587.54	1,016,626.49	0.00	0.00	76,961.05	55,717.56
Varian Medical Systems, Inc.	1,667,271.15	0.00	1,608,569.40	1,192,714.05	0.00	0.00	415,855.35	-58,701.75
Visa Inc.	1,861,452.80	0.00	1,886,088.00	1,182,019.76	0.00	0.00	704,068.24	24,635.20
	26,547,056.85		27,040,681.51	22,579,294.24	0.00	0.00	4,461,387.27	409,112.06
CASH AND EQUIVALENTS								
Cash	55,966.56	-29,917.01	26,133.80	26,133.80				
Dividends Receivable	34,457.28	-14,206.69	20,250.59	20,250.59				
	90,423.84		46,384.39	46,384.39				
TOTAL PORTFOLIO	26,637,480.69		27,087,065.90	22,625,678.63	0.00	0.00	4,461,387.27	409,112.06



OakBrook Investments, LLC  
**FUNDAMENTAL DATA**  
*Indiana Public Retirement System*  
June 30, 2018

<b>Security</b>	<b>Price</b>	<b>Annual Dividend</b>	<b>Yield</b>	<b>Latest 4 Qtr. PE</b>	<b>Latest 4 Qtr. EPS</b>	<b>Latest Annual Book Value</b>	<b>Latest Annual Price/Book</b>	<b>Beta</b>
<b>COMMON STOCK</b>								
Activision Blizzard Inc.	76.32	0.340	0.4	50.2	1.52	12.91	5.9	0.95
Alphabet Inc. Class C	1,115.65	0.000	0.0	29.9	37.28	231.42	4.8	1.30
Amgen, Inc.	184.59	5.280	2.9	15.2	12.14	23.44	7.9	1.28
Analog Devices, Inc.	95.92	1.920	2.0	20.8	4.60	28.54	3.4	1.17
Apple Inc.	185.11	2.920	1.6	18.0	10.26	25.67	7.2	0.98
Autodesk, Inc.	131.09	0.000	0.0	NM	-1.81	-0.59	NM	1.30
Biogen Idec Inc.	290.24	0.000	0.0	13.8	21.04	66.60	4.4	1.26
CME Group	163.92	2.800	1.7	31.3	5.23	67.09	2.4	0.82
Caterpillar Inc.	135.67	3.440	2.5	16.2	8.36	25.43	5.3	1.32
Facebook, Inc.	194.32	0.000	0.0	28.5	6.81	26.75	7.3	1.13
Gilead Sciences, Inc.	70.84	2.280	3.2	10.1	7.03	15.84	4.5	1.12
Johnson Controls International	33.45	1.040	3.1	12.6	2.65	22.54	1.5	1.20
McCormick & Company, Inc.	116.09	2.080	1.8	23.8	4.88	23.07	5.0	0.68
Medtronic, Plc	85.61	2.000	2.3	23.2	3.69	37.45	2.3	0.97
Merck & Co., Inc.	60.70	1.920	3.2	15.5	3.92	12.50	4.9	0.98
NIKE, Inc.	79.68	0.800	1.0	33.4	2.39	6.09	13.1	0.74
PepsiCo, Inc.	108.87	3.710	3.4	20.7	5.27	7.67	14.2	0.67
QUALCOMM, Inc.	56.12	2.480	4.4	22.7	2.47	16.07	3.5	0.98
Starbucks Corporation	48.85	1.440	2.9	20.7	2.36	3.41	14.3	0.85
The Home Depot, Inc.	195.10	4.120	2.1	25.0	7.80	1.46	133.4	1.01
The Walt Disney Company	104.81	1.680	1.6	16.5	6.37	30.10	3.5	0.96
Varian Medical Systems, Inc.	113.72	0.000	0.0	26.8	4.24	15.91	7.1	1.08
Visa Inc.	132.45	0.840	0.6	32.7	4.05	13.99	9.5	0.98
COMMON STOCK Average			1.6	24.2	6.66	31.44	6.7	1.02
<b>OVERALL AVERAGE</b>			<b>1.6</b>	<b>24.2</b>	<b>6.66</b>	<b>31.44</b>	<b>6.7</b>	<b>1.02</b>

A NM indicates that the number is not meaningful.



OakBrook Investments, LLC  
**PURCHASE AND SALE**  
*Indiana Public Retirement System*  
*From 06-01-18 To 06-30-18*

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
06-20-2018	06-22-2018	1,610.0000	Starbucks Corporation	52.49	84,512.60
					84,512.60

OakBrook Investments, LLC  
**COMMISSION PURPOSE**  
*Indiana Public Retirement System*  
*From 06-01-18 to 06-30-18*

	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
<b>Capital Institutional Services</b>			
General Trading	16.10	0.010	100.0 %
Subtotal	16.10	0.010	100.0 %
<b>TOTAL</b>	<b>16.10</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.