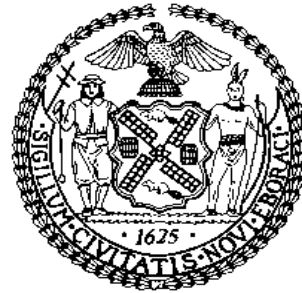




COMMON INVESTMENT MEETING

Public Session



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER

December 15, 2016

PERFORMANCE REPORTING
Total Fund Performance Overview
Third Quarter 2016

Market Returns: Q3-2016

Asset Class	Index	Third Quarter 2016	Fiscal Year Ending 6-16	3 Year	5 Year	Expected*
Equities - U.S.	Russell 3000	4.4%	2.1%	10.4%	16.4%	7.8%
Equities - Developed Intl	MSCI EAFE	6.4%	-10.2%	0.5%	7.4%	8.9%
Equities - Emerging Intl	MSCI EMF	9.0%	-12.1%	-0.6%	3.0%	11.0%
Debt - US Government	NYC Treas/Agency +5	-0.5%	12.0%	6.6%	3.8%	2.8%
Debt - Investment Grade	NYC IG Credit	1.4%	7.3%	5.3%	4.8%	3.4%
Debt - High Yield	Citigroup BB & B	5.1%	0.8%	5.0%	7.6%	6.1%

*Average of consultant long-term arithmetic expected returns, as of 2016

Source: State Street

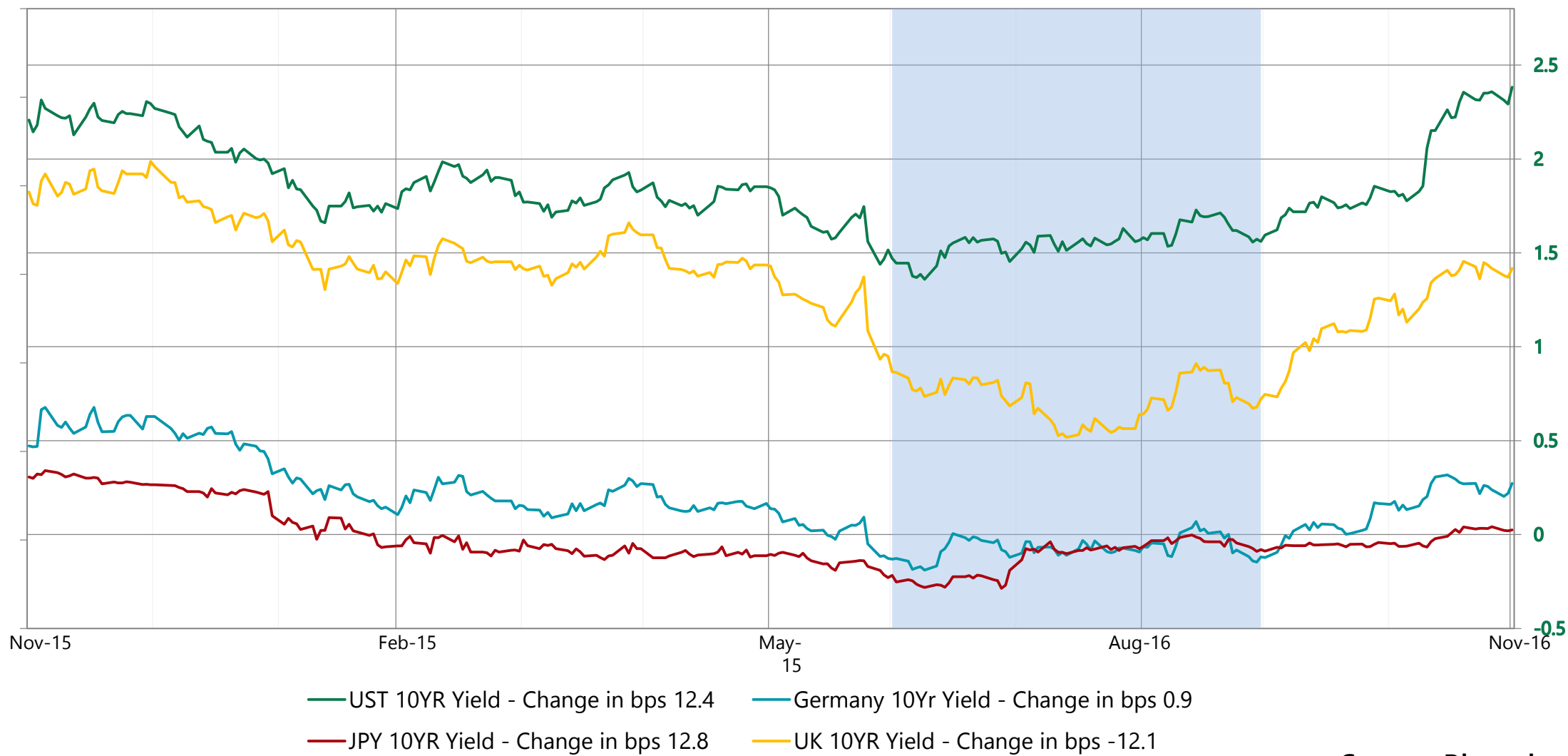
Continuation of Rally

Themes in Q3:

- Post-Brexit response – seamless transition of government, Bank of England lowers rates and resumes QE, expansionary fiscal policy promised.
- Historic lows in yields – Federal Reserve remains dovish, ECB and BOJ QE programs continues, dollar slightly weaker.
- Emerging Market assets rally – China concerns remain low, Brazil political issue resolved, coup in Turkey repelled, oil and commodities stable to higher. EM currencies rally.
- US Presidential Election – Clinton ahead in polls, consensus is Clinton victory positive for equities, both candidates promise large infrastructure spending plans.
- Equity volatility low – plunges post Brexit vote, remains low despite several terrorist attacks, European bank concerns and political risks in US and Europe.
- Credit and equity rally continues.

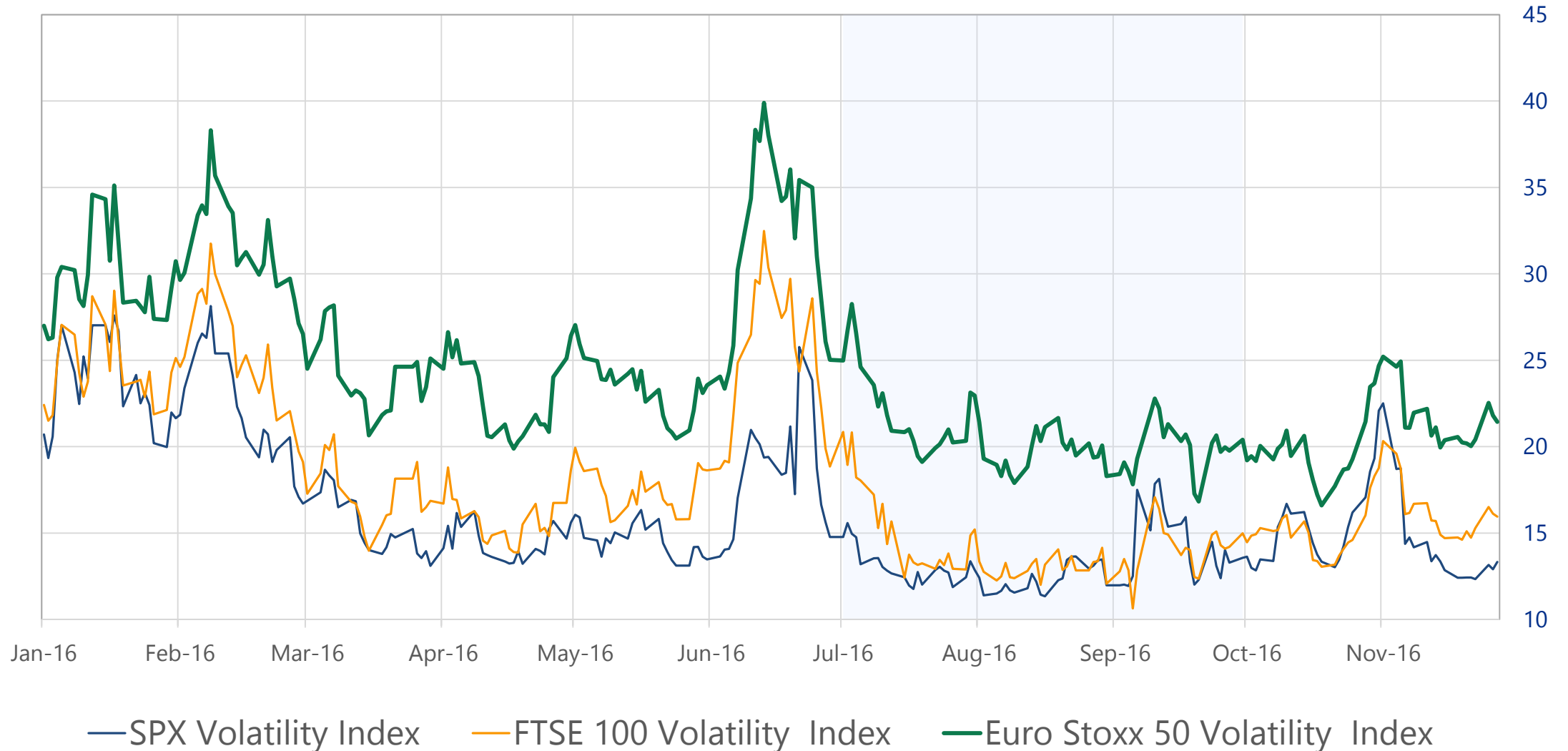


Global Yields - 1 Year



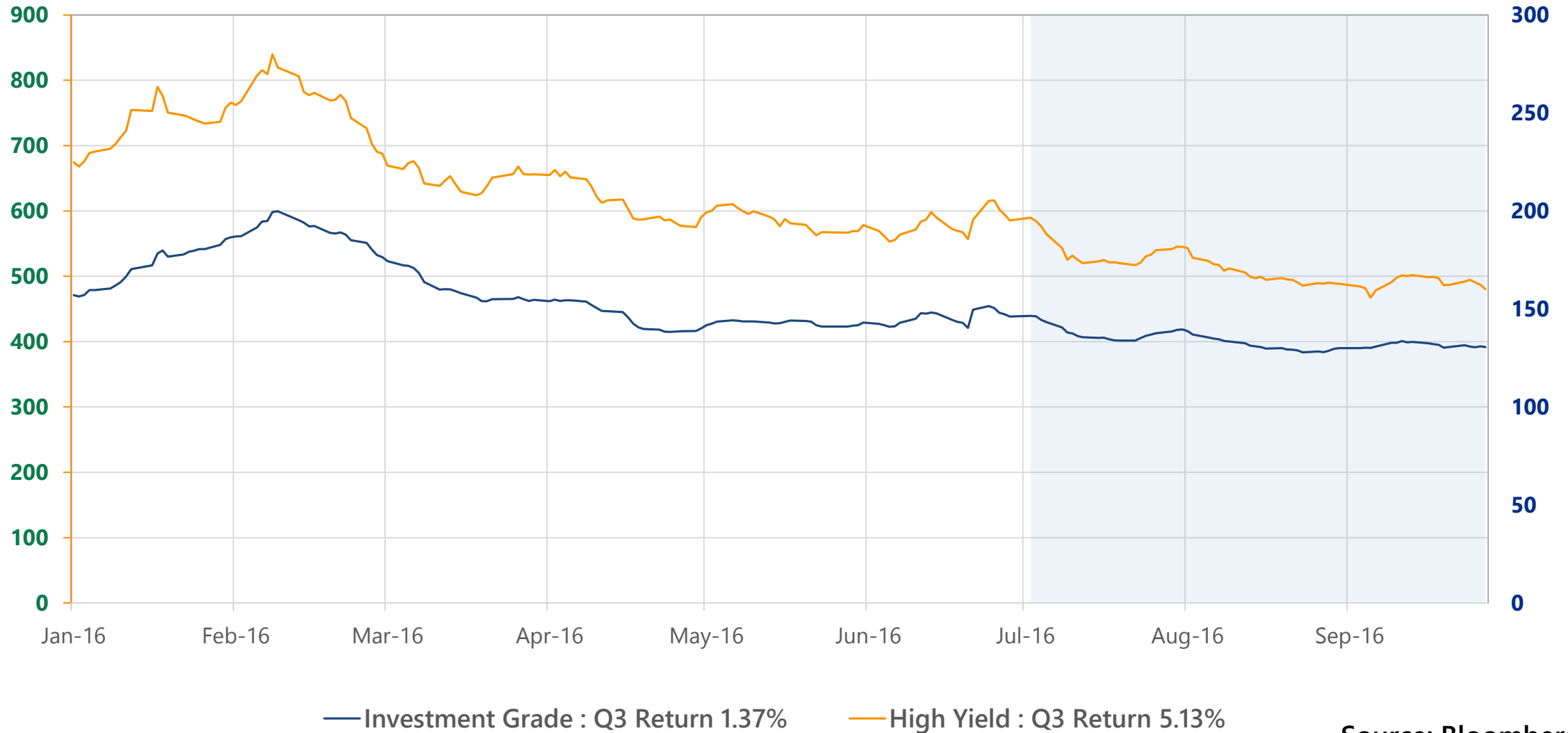
Source: Bloomberg

SPX VIX, FTSE 100 & Euro VIX - YTD



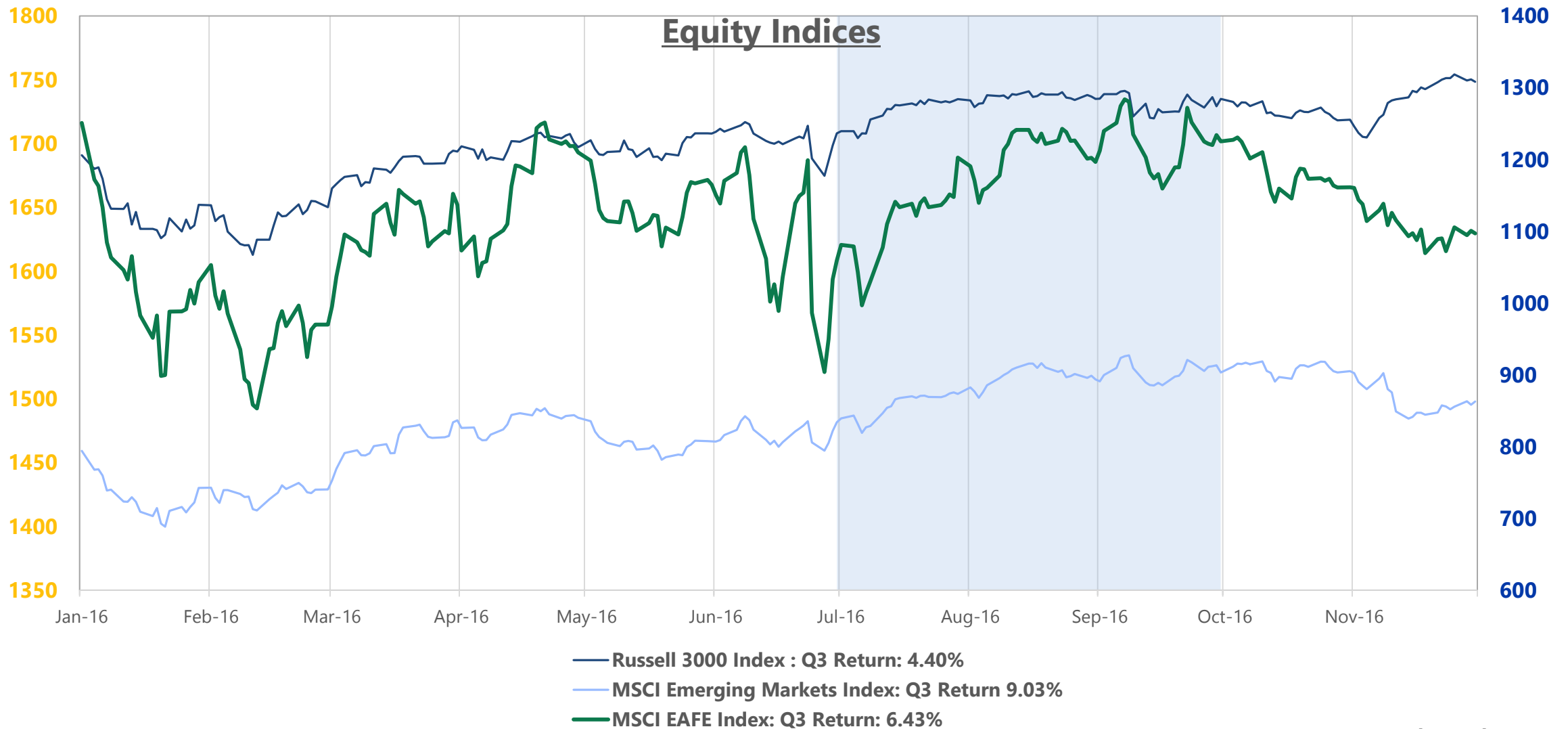
Source: Bloomberg

Investment Grade & High Yield Spreads - YTD



Source: Bloomberg

Equity Indices - YTD



Source: Bloomberg

Total NYC Pension Fund Performance: 9/30/16

(SSB **N** p.22; **T, F** p.23; **P** p.25 ; **B** p.27)

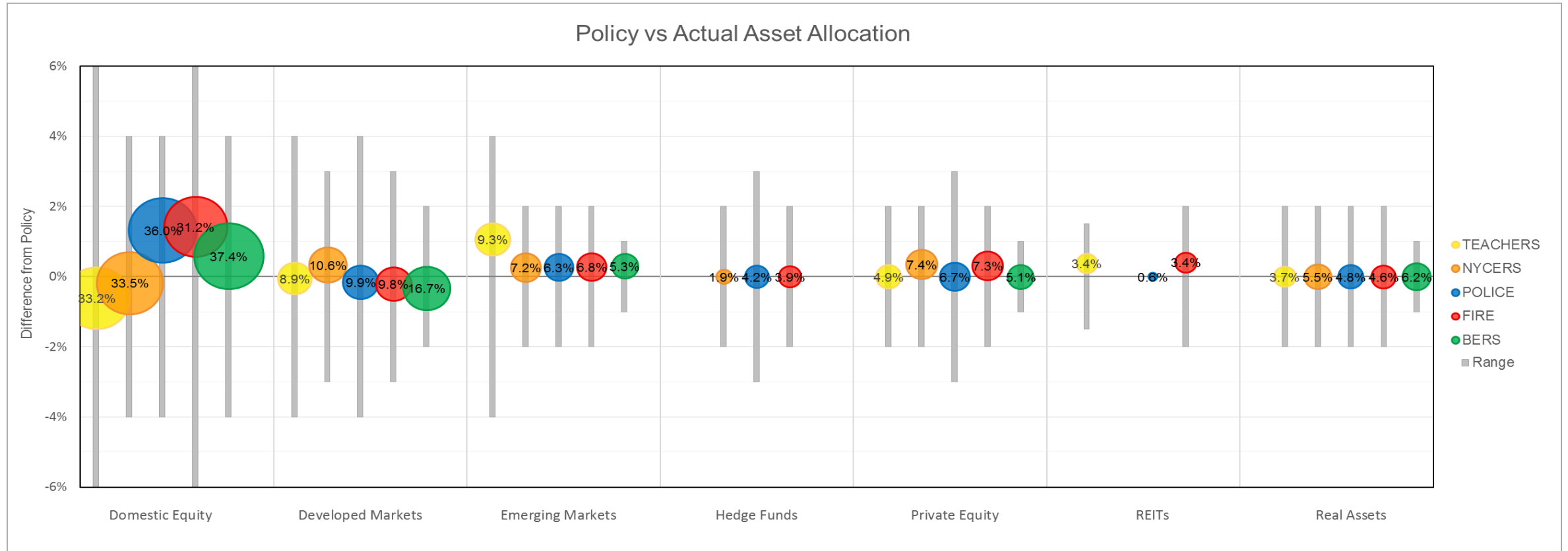
NYC Pension System	Portfolio Std Dev - 1 yr	Third Quarter	FYE 2016	One Year	Three Year
BERS	8.8%	4.7%	0.4%	11.7%	6.8%
TRS	7.8%	3.8%	1.9%	11.1%	6.9%
POLICE	7.4%	3.9%	1.4%	10.5%	7.1%
FIRE	7.2%	3.9%	1.7%	10.3%	6.9%
NYCERS	7.2%	3.8%	1.8%	10.6%	6.9%
Median Fund - TUCS		3.5%	1.3%	9.6%	6.9%

Gross of fees in public asset classes

Source: State Street

Asset Allocation Third Quarter 2016

Relative Mix to Adjusted Old Policy Weights (SSB F, T, N, B p.8; P, p.10)

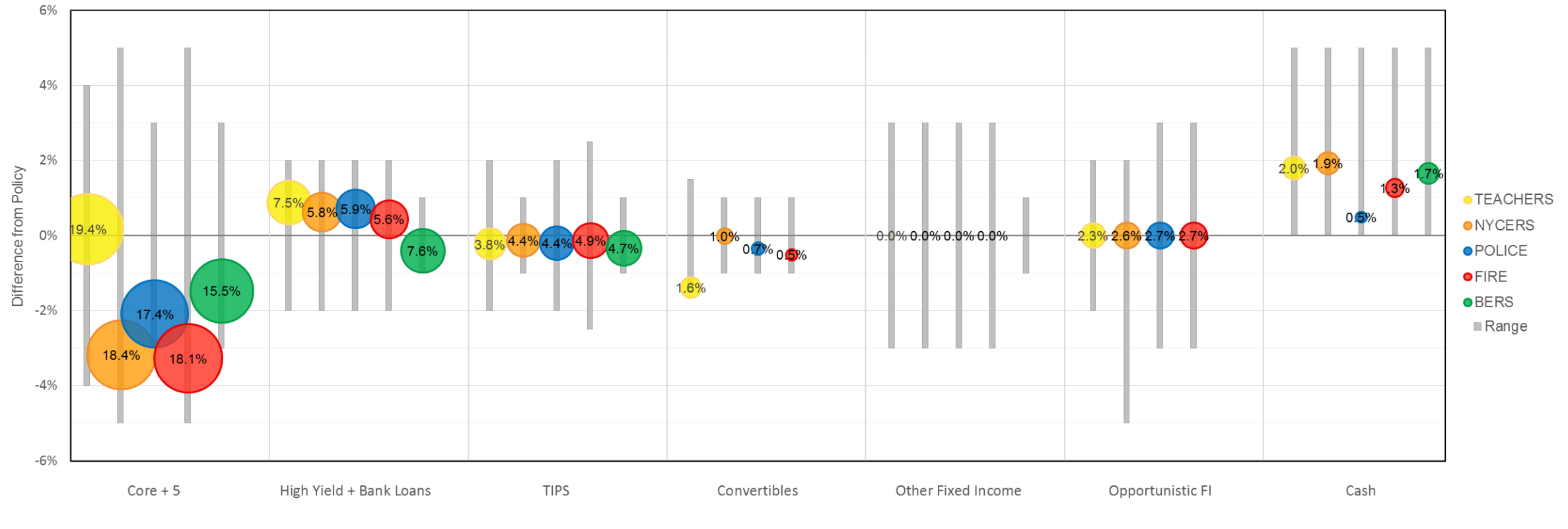


Source: State Street

Asset Allocation Third Quarter 2016 - Fixed Income

Relative Mix to Adjusted Old Policy Weights (SSB F, T, N, B p.8; P, p.10)

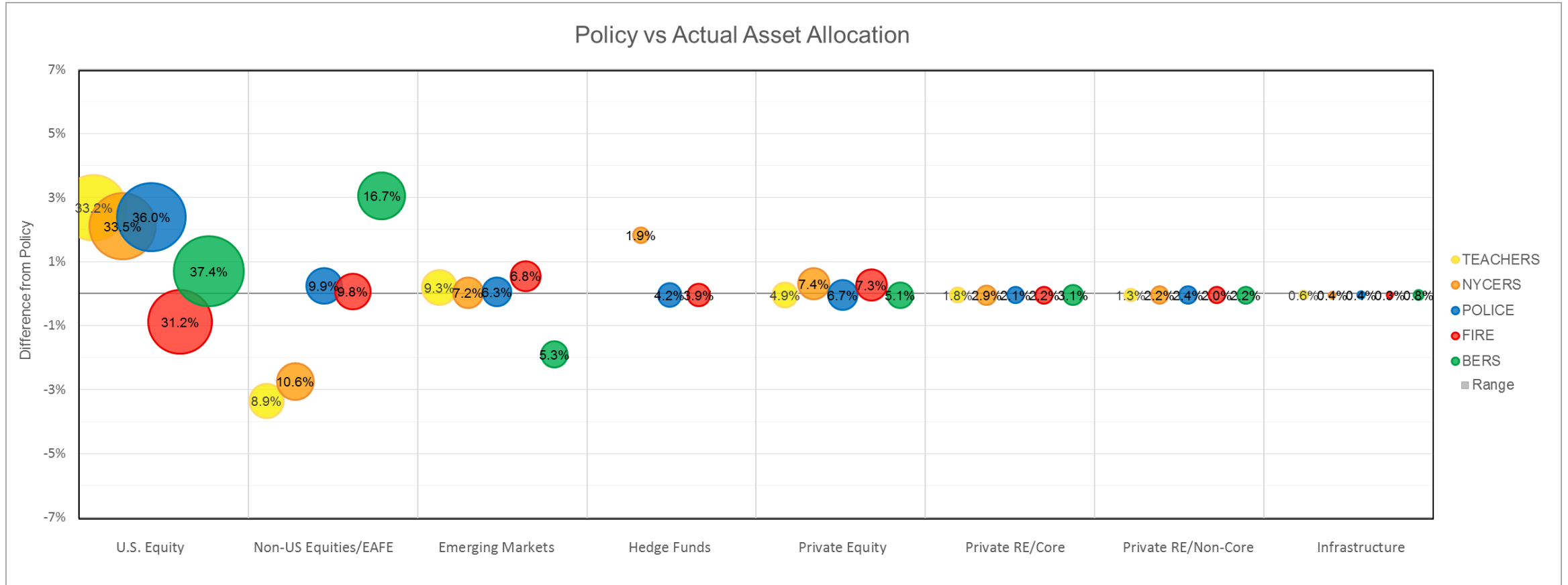
Policy vs Actual Asset Allocation - Fixed Income



Source: State Street

Asset Allocation Third Quarter 2016

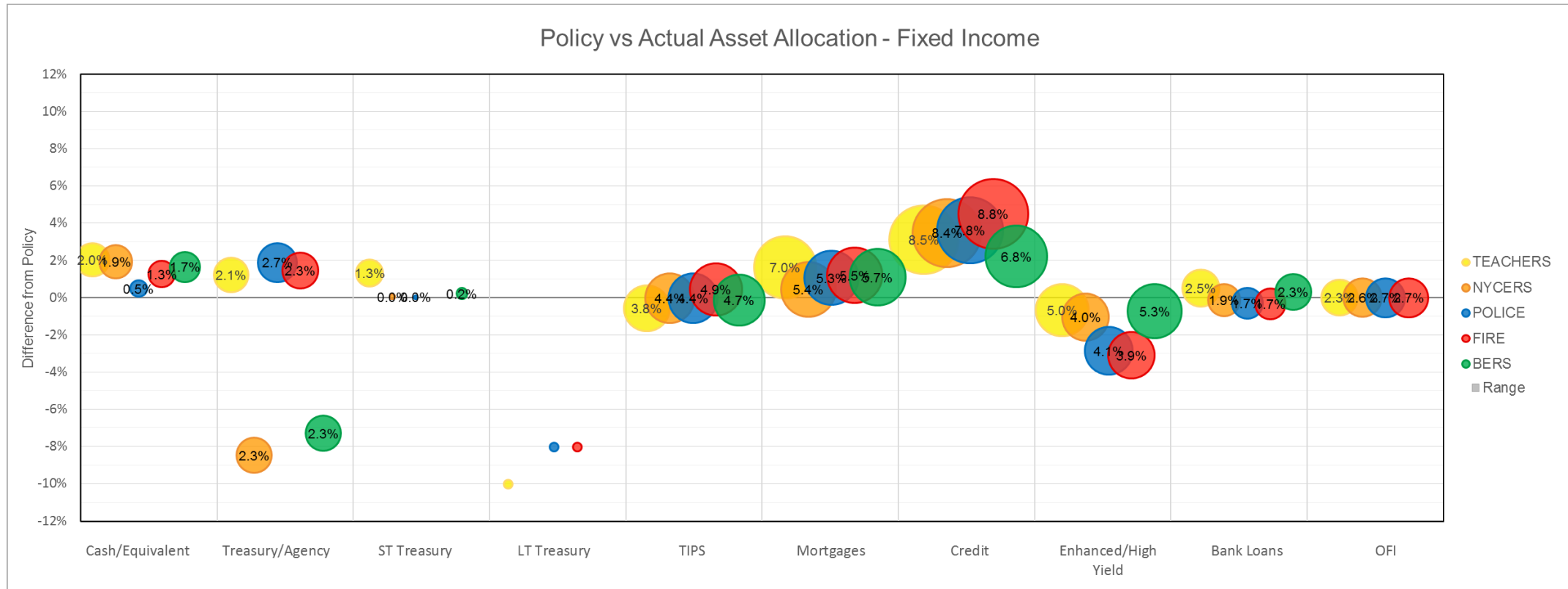
Relative Mix to Adjusted New Policy Weights (SSB **F, T, N, B** p.8; **P**, p.10)



Source: State Street

Asset Allocation Third Quarter 2016 - Fixed Income

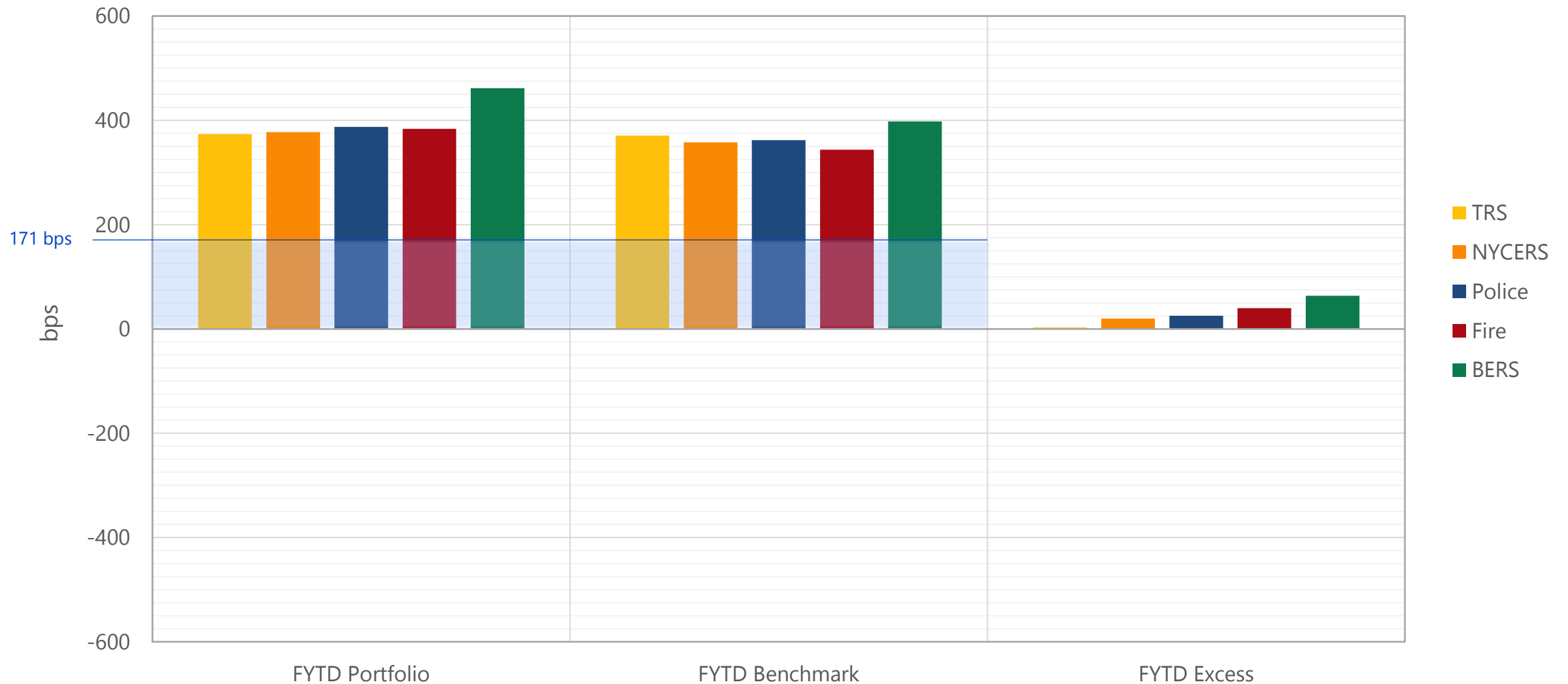
Relative Mix to Adjusted New Policy Weights (SSB **F**, **T**, **N**, **B** p.8; **P**, p.10)



Source: State Street

FYTD Return – Total Portfolio

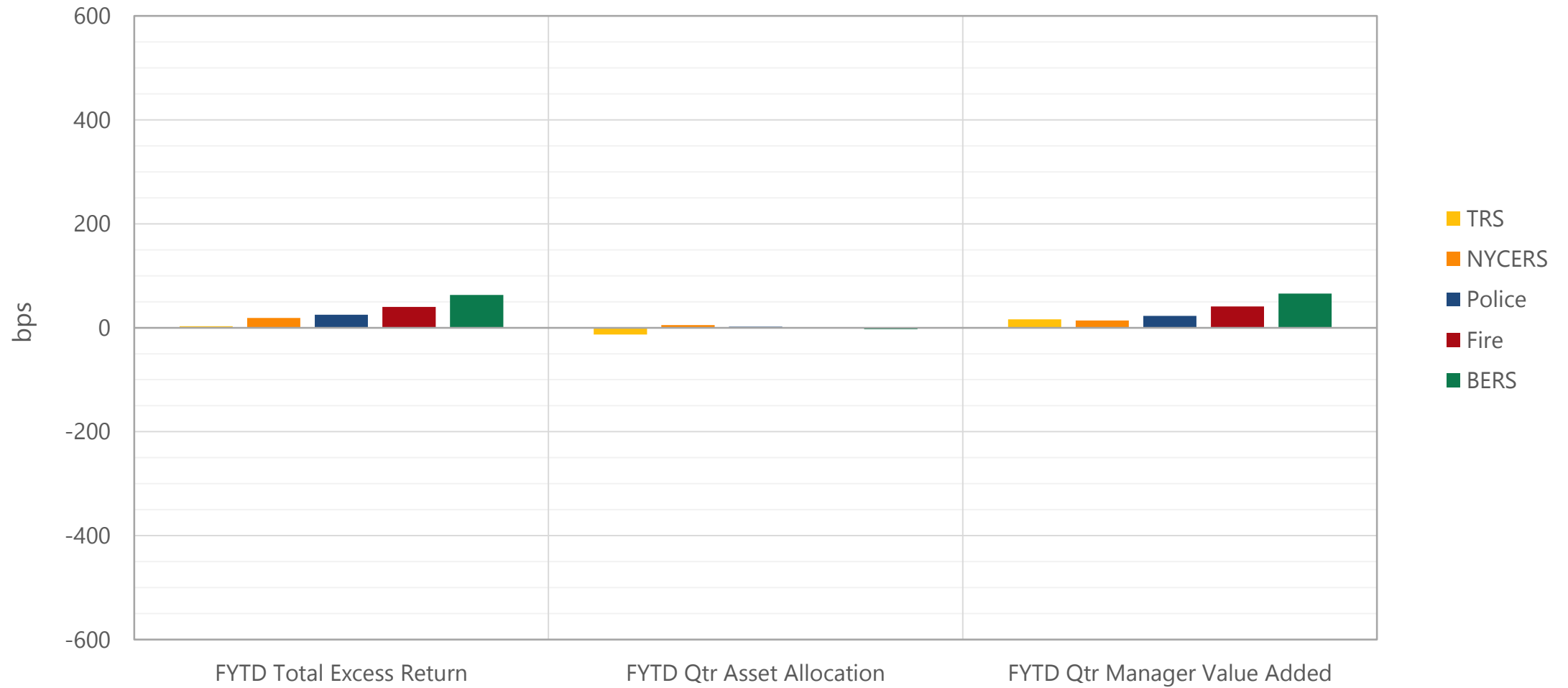
FISCAL YEAR TO DATE September 30, 2016 (SSB **N** p.22; **T, F**, p.23; **P** p.25; **B** p.27)



Source: State Street

Excess Return – Total Portfolio

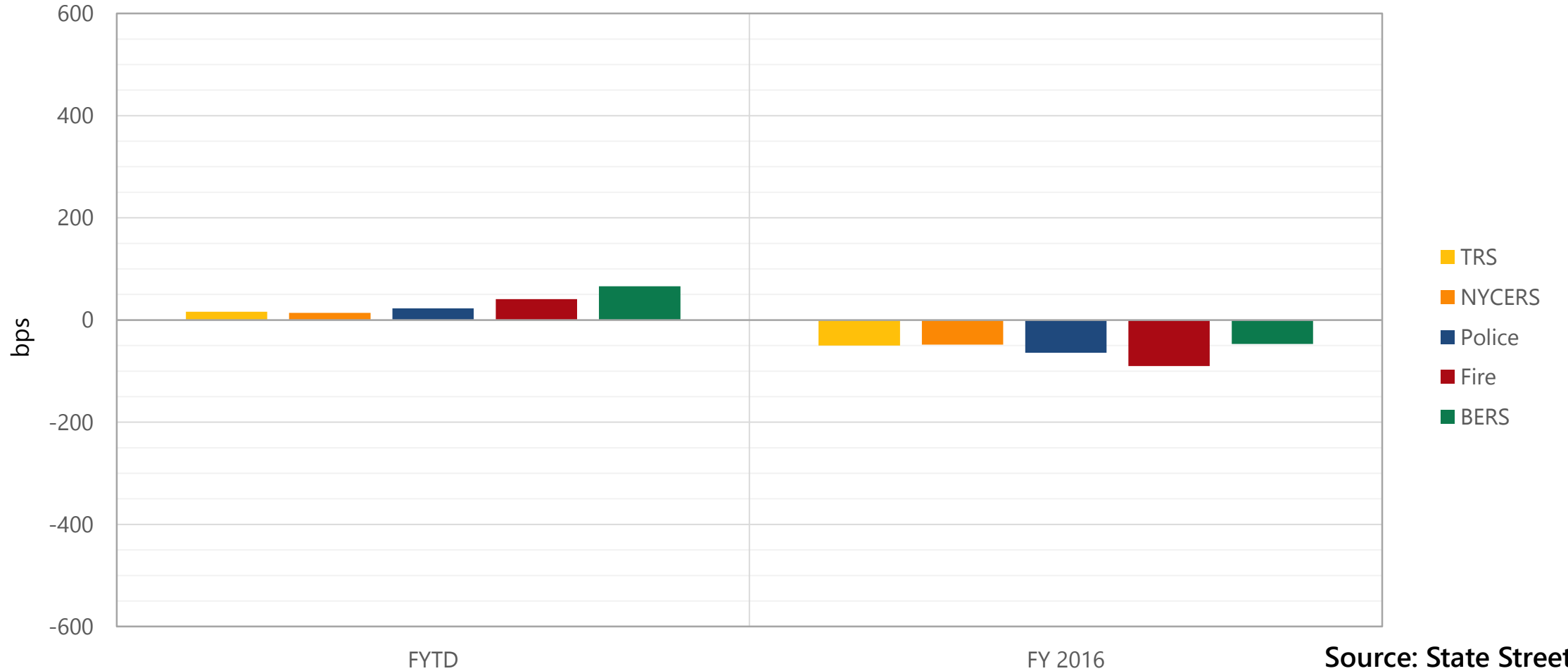
FYTD 3rd Quarter 2016 Basis Points of Excess Return (SSB **T**, **N**, **F** p.10 ; **P** p.12 ; **B** p.14)



Source: State Street

Manager Value Added- Total Portfolio

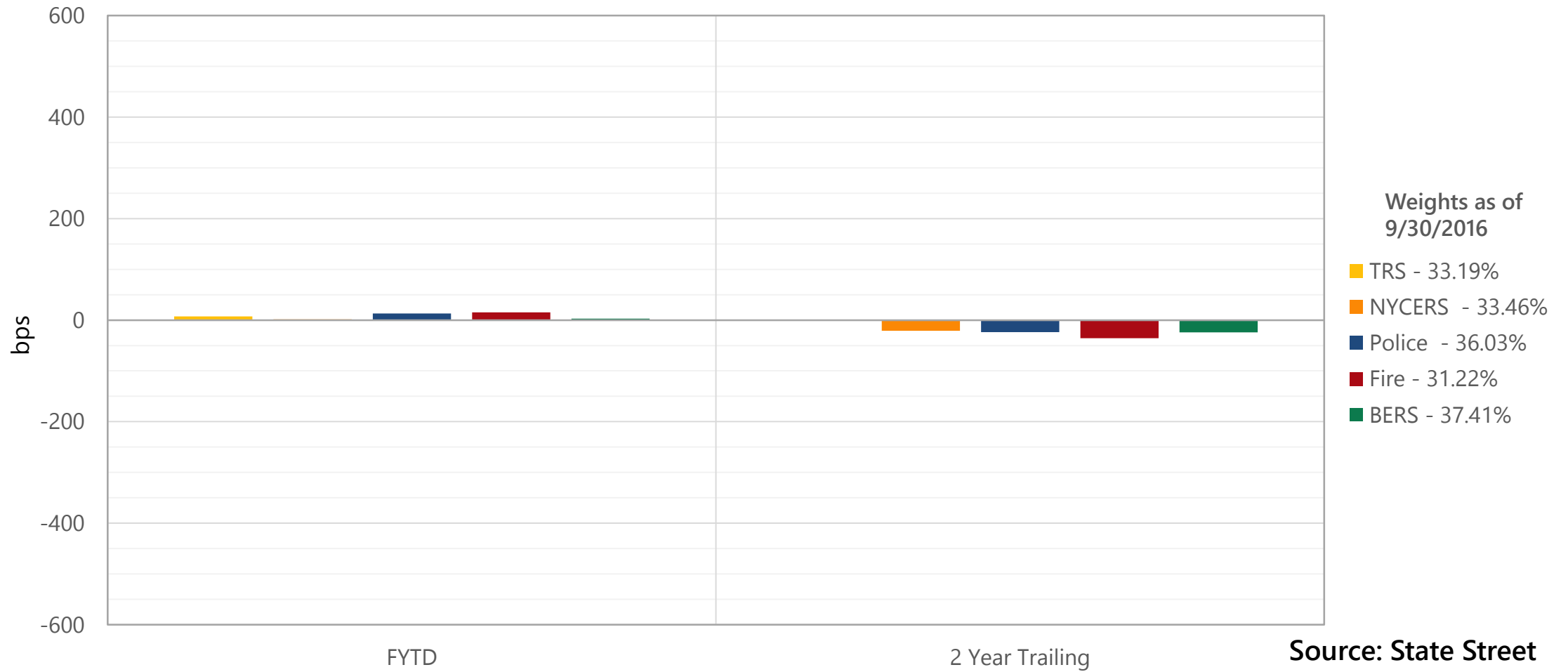
Basis Points of Excess Return (SSB **T**, **N**, **F** p.10 ; **P** p.12 ; **B** p.14)



Source: State Street

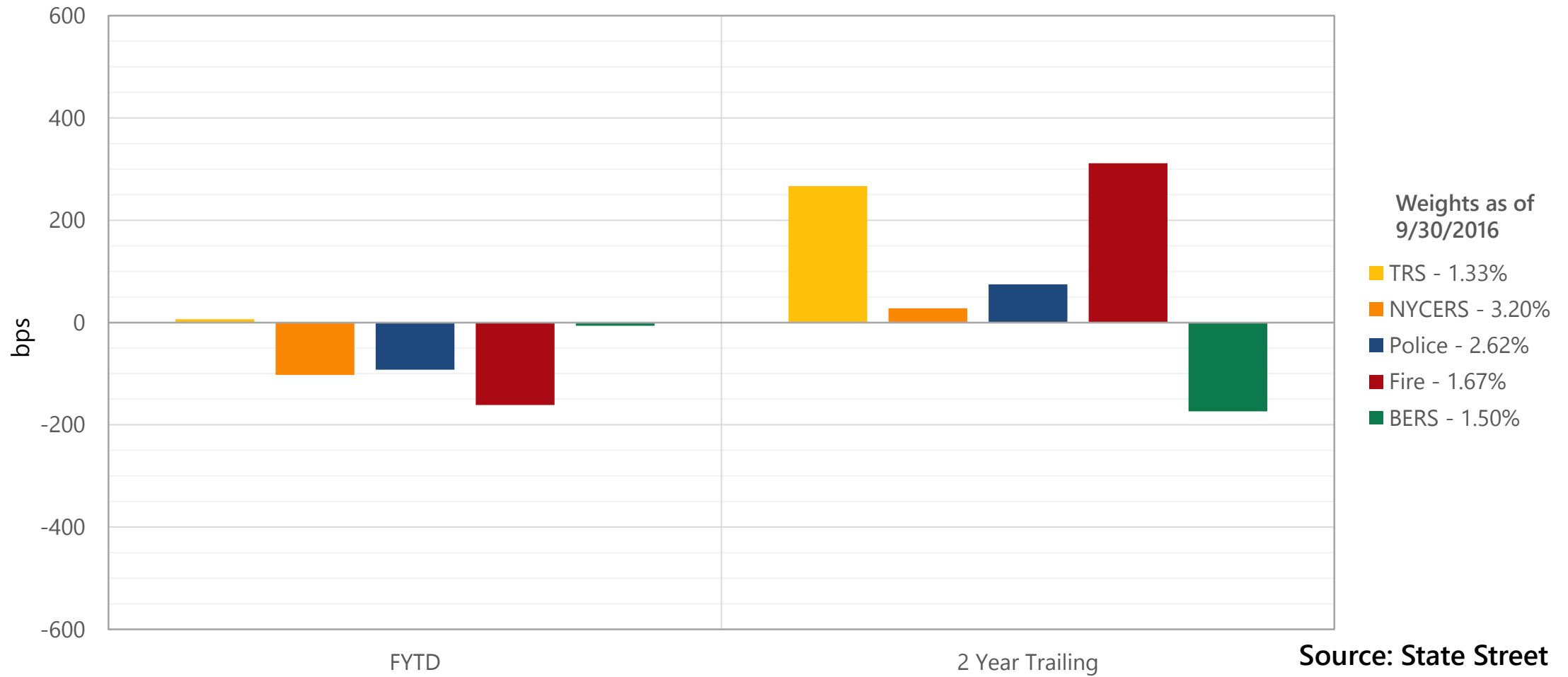
Value Added – Total U.S. Equities

Basis Points of Excess Return (SSB **T**, **F**, **N** p.23; **P** p.25; **B** p.27)



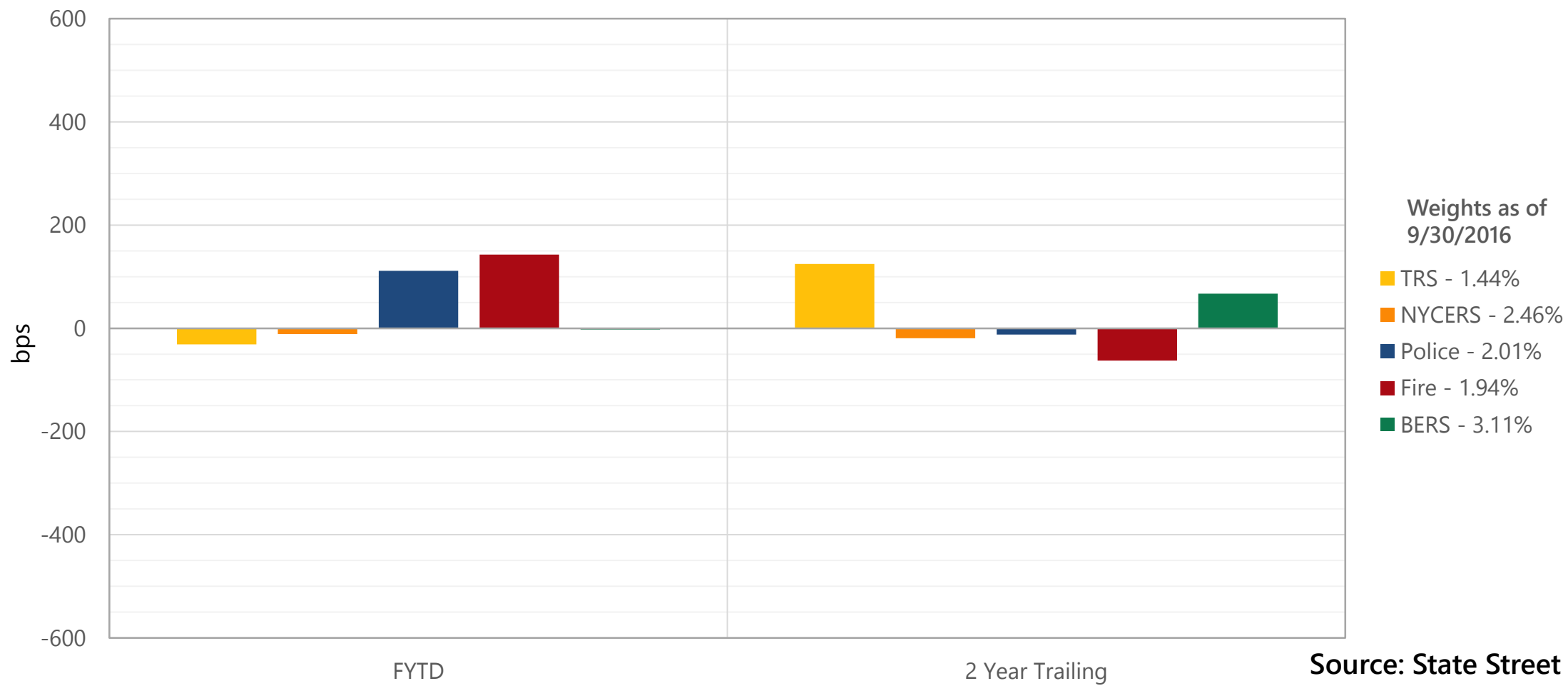
Value Added – U.S. Equities – Small Cap

Basis Points of Excess Return (SSB **N** p.22; **T,F**, p.23; **P** p.25; **B** p.27)



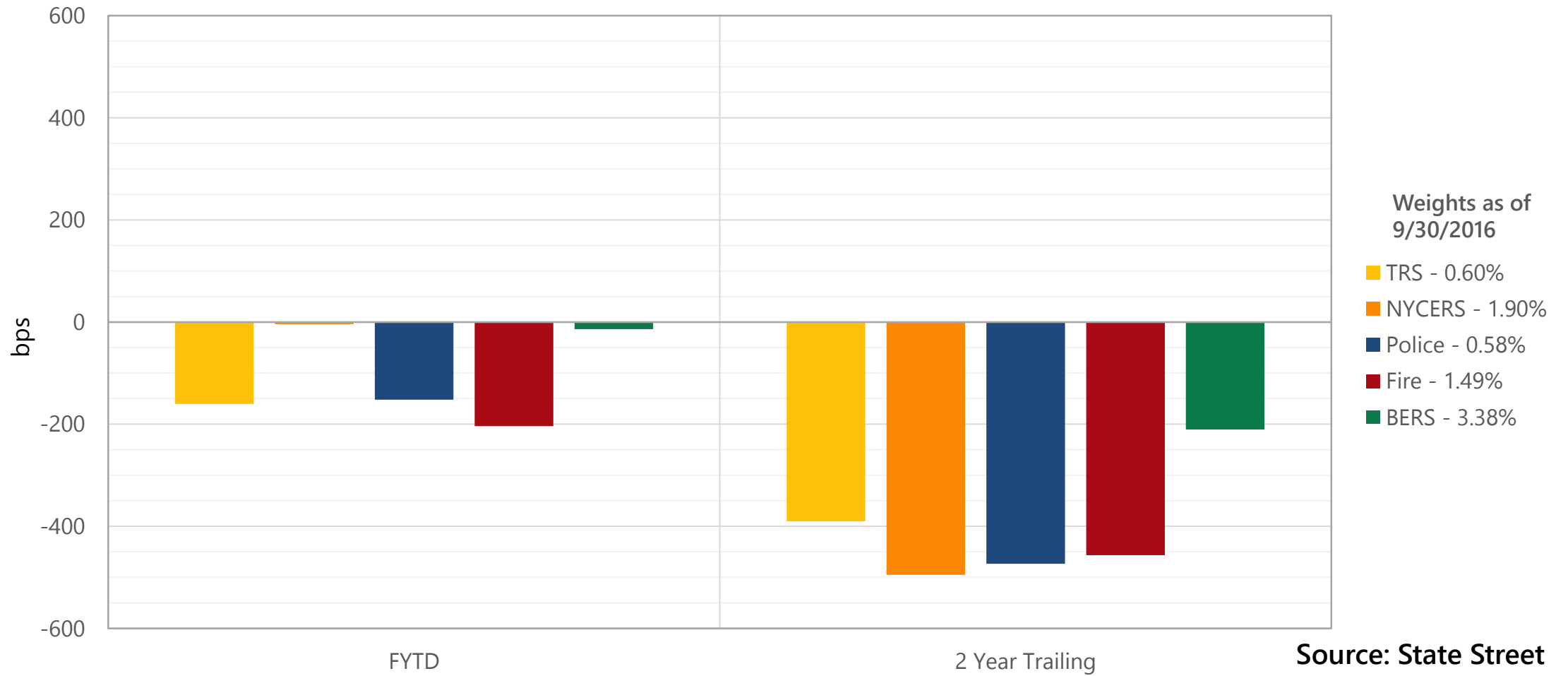
Value Added – U.S. Equities – Mid Cap

Basis Points of Excess Return (SSB **N** p.22; **T,F**, p.23; **P** p.26; **B** p.27)



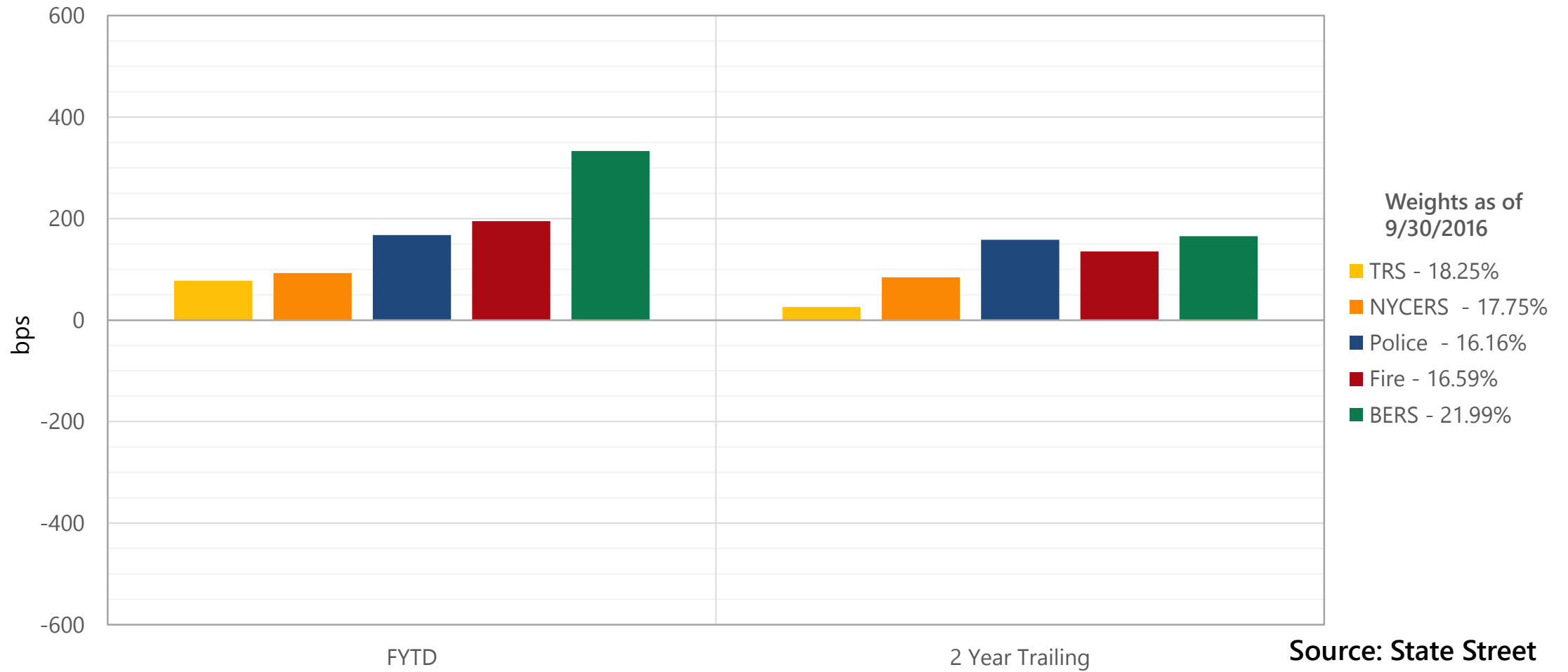
Value Added – Emerging Manager Program

Basis Points of Excess Return (SSB **T**, **F**, **N** p.24; **P** p.26; **B** p.28)



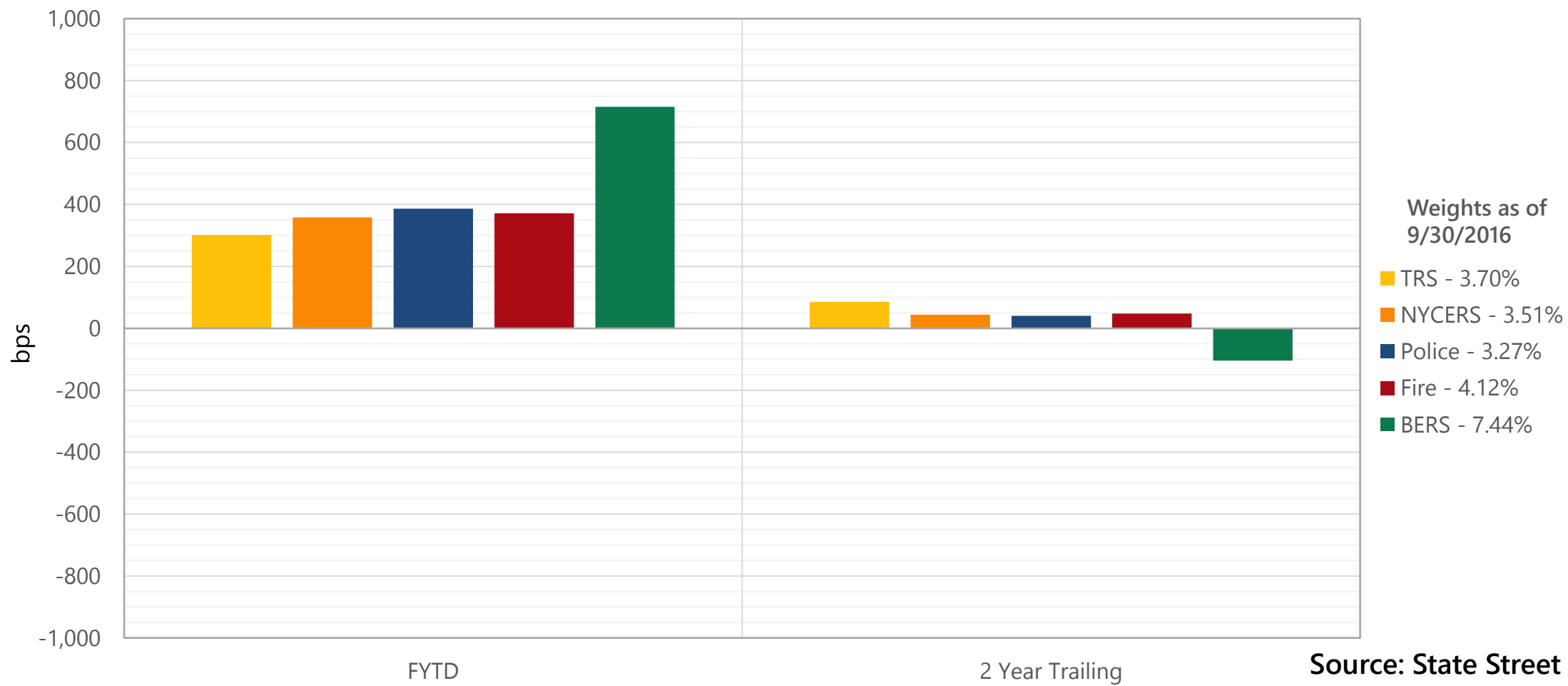
Value Added – Total International Equities

Basis Points of Excess Return (SSB **N** p.24; **T**, **F**, p.25; **P** p.27; **B** p.29)



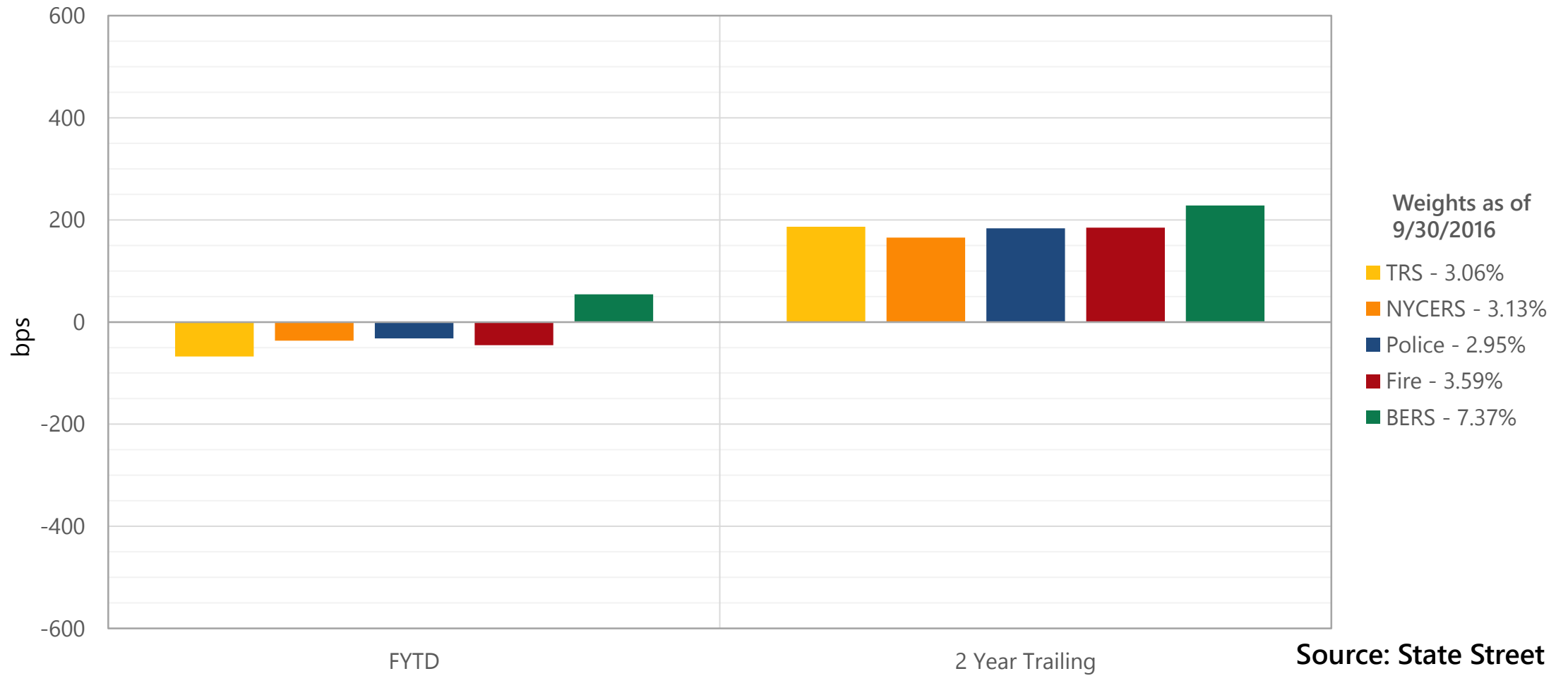
Value Added – Developed Growth

Basis Points of Excess Return (SSB **N** p.24; **T**, **F**, p.25; **P** p.27; **B** p.29)



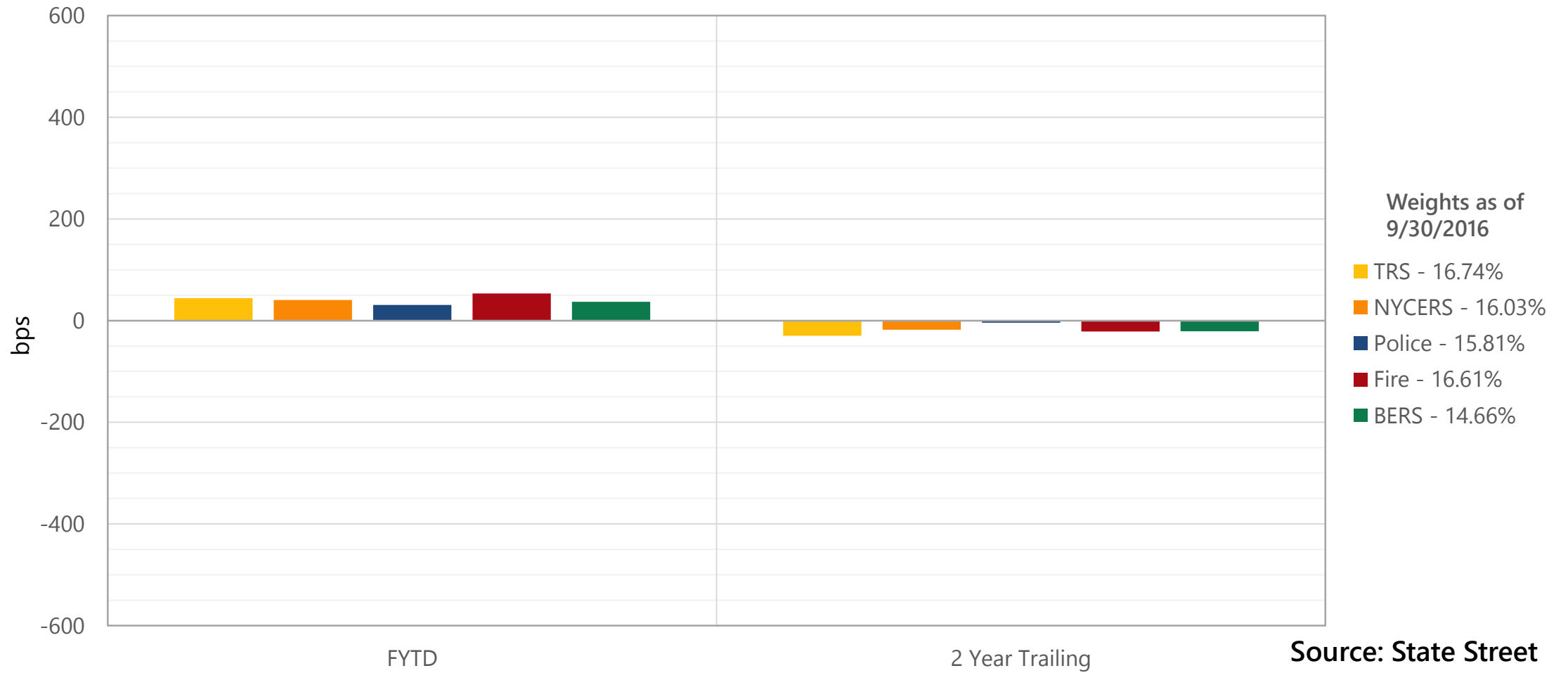
Value Added – Developed Value

Basis Points of Excess Return (SSB **N** p.24; **T**, **F**, p.25; **P** p.27; **B** p.29)



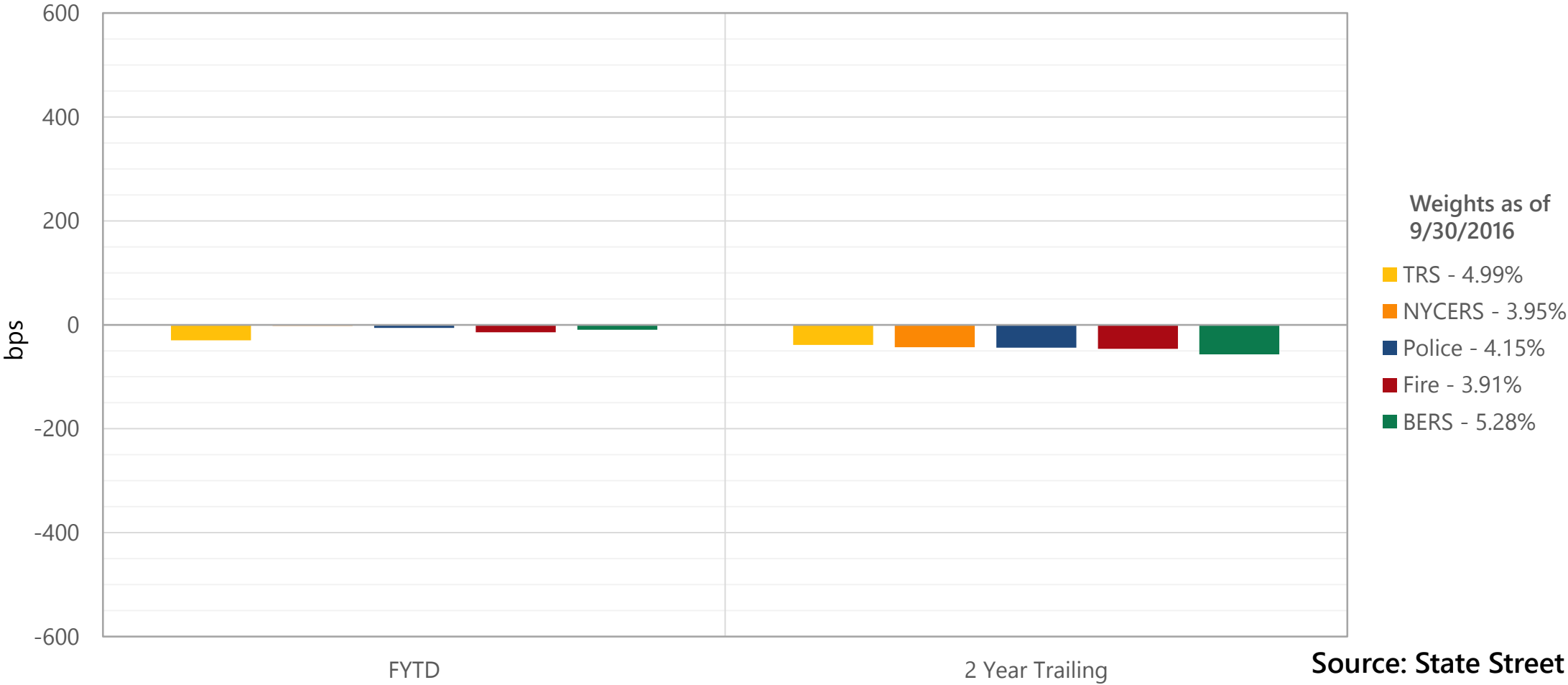
Value Added – Structured Fixed Income

Basis Points of Excess Return (SSB **T**, **N** p.28; **F**, p.29; **P**, **B** p.31)



Value Added – Enhanced Yield

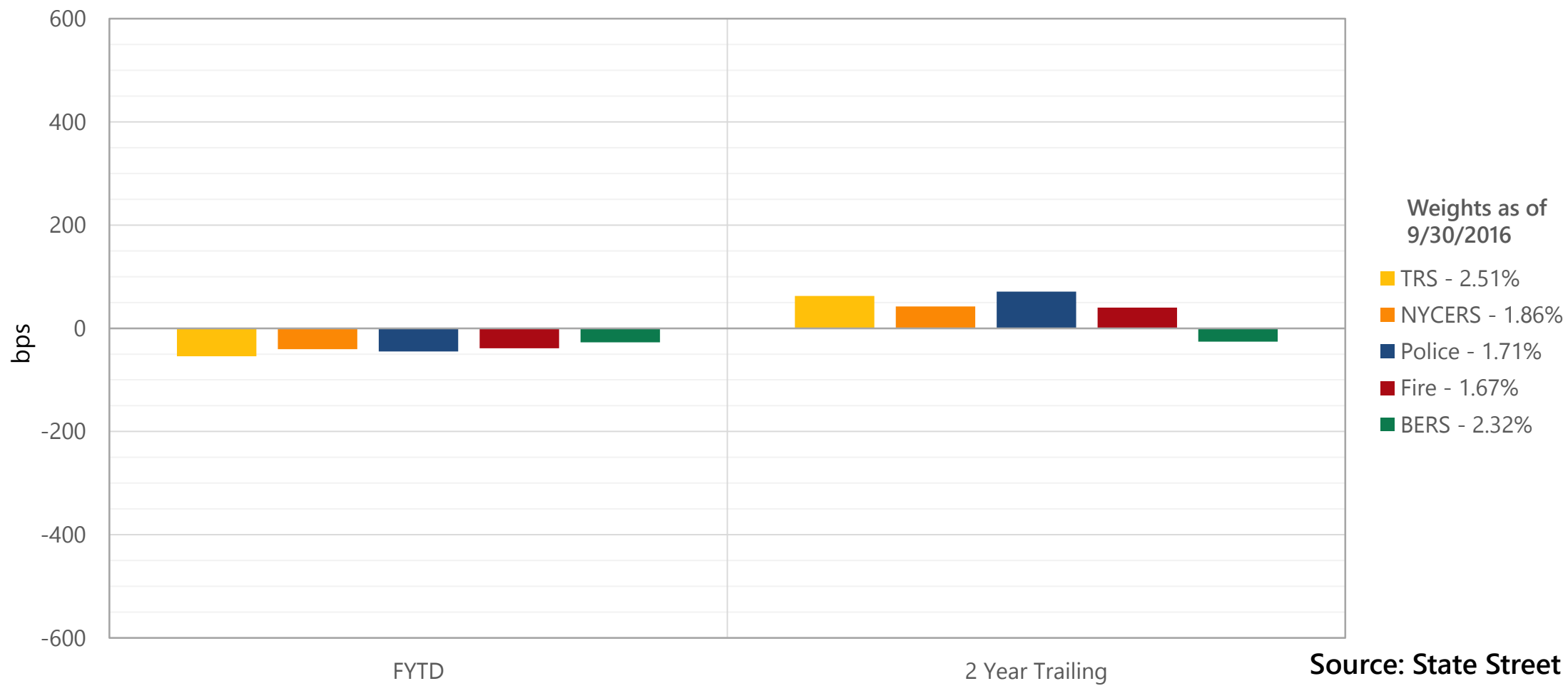
Basis Points of Excess Return (SSB **T**, **N** p.28; **F**, p.29; **P**, **B** p.31)



Source: State Street

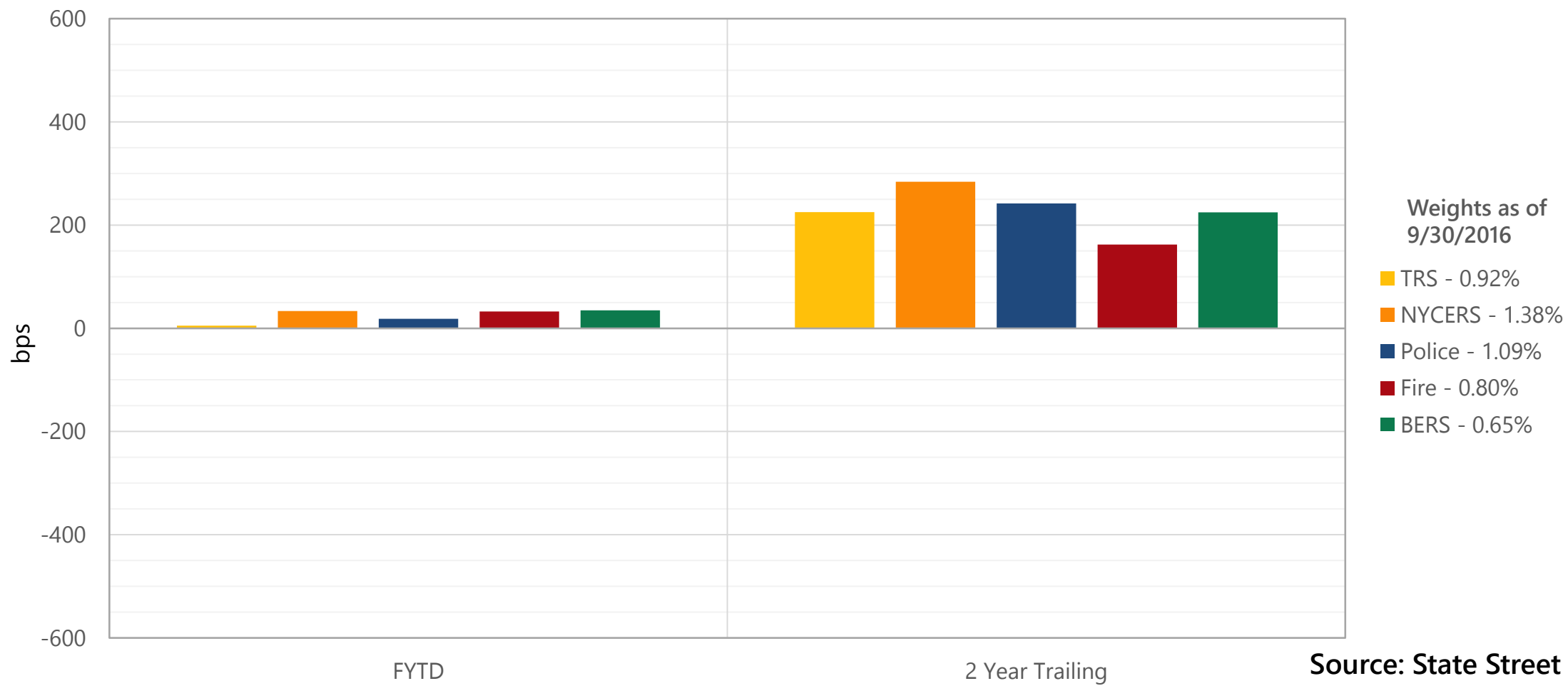
Value Added – Bank Loans

Basis Points of Excess Return (SSB **T**, **N** p.28; **F** p.30; **B** p.31 **P** p.32)



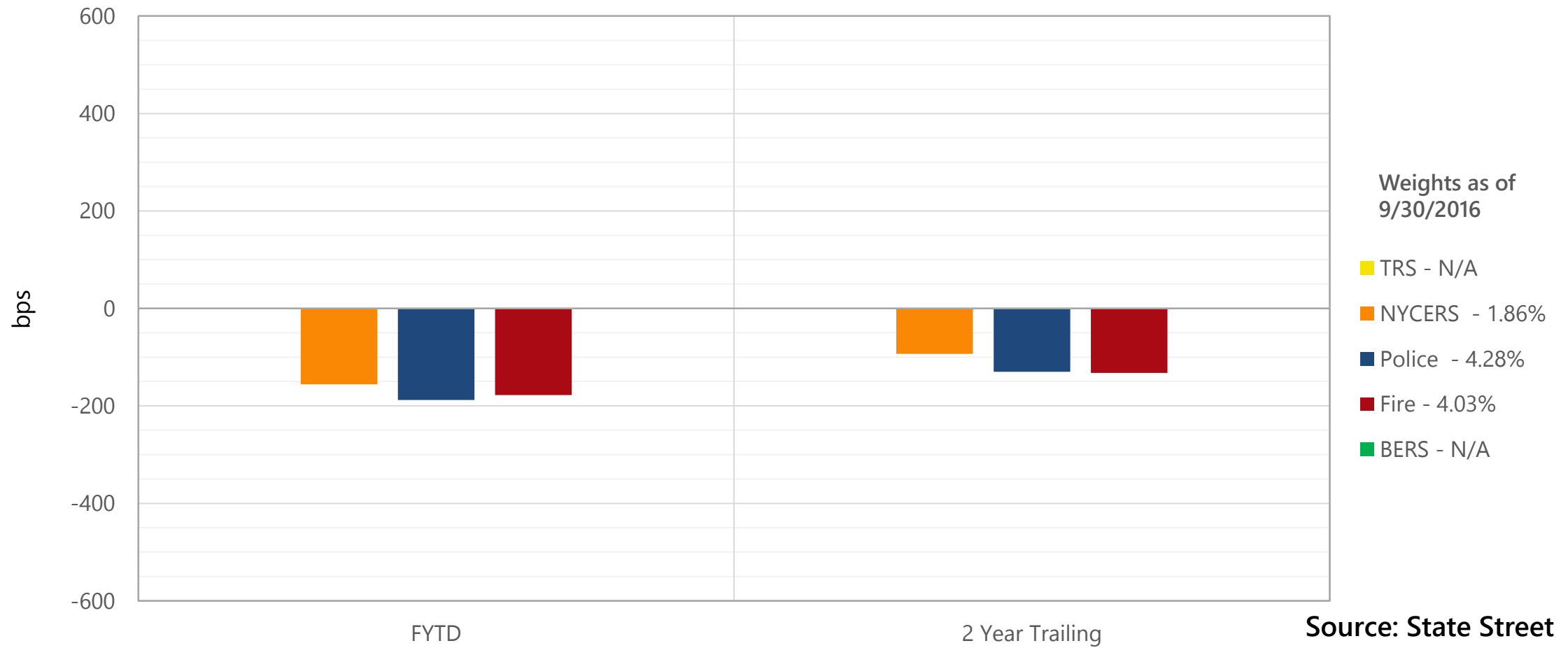
Value Added – Economically Targeted Investments

Basis Points of Excess Return (SSB **T**, **N** p.29; **F** p.30; **B** p.31 **P** p.32)



Value Added - Hedge Funds

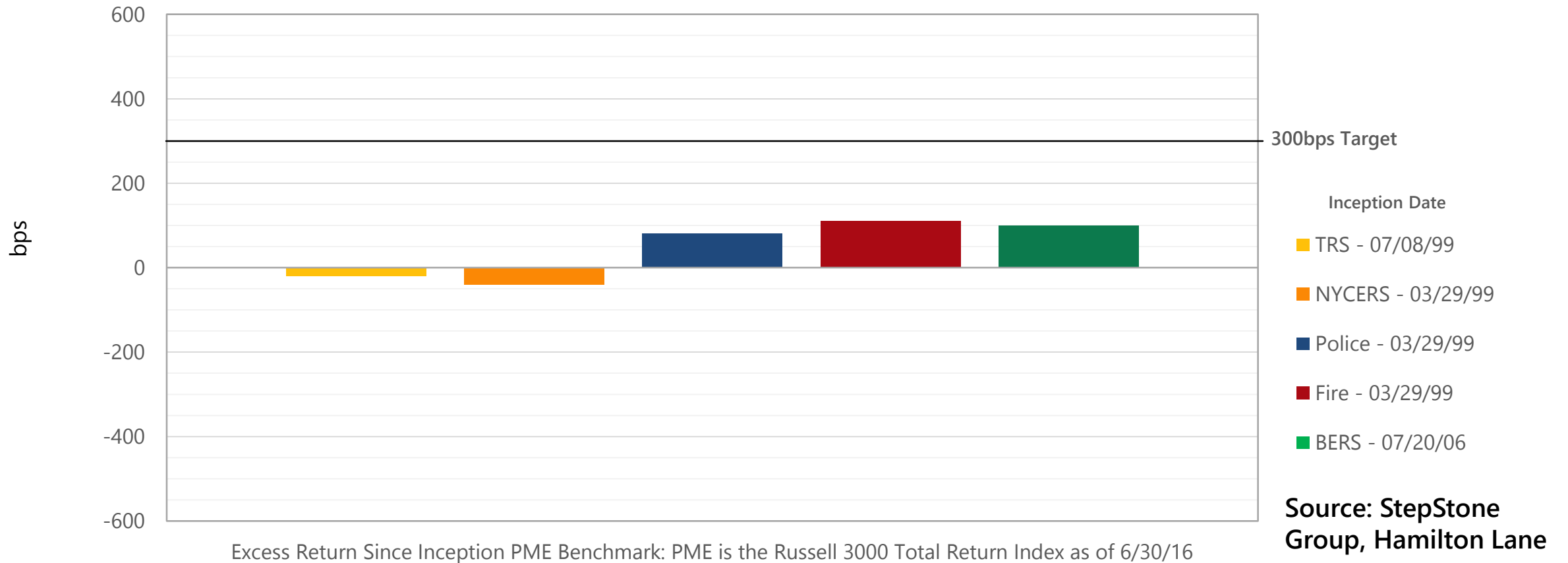
Basis Points of Excess Return (SSB **F** p.53; **N** p.54; **P** p.57)



PRIVATE MARKET DATA

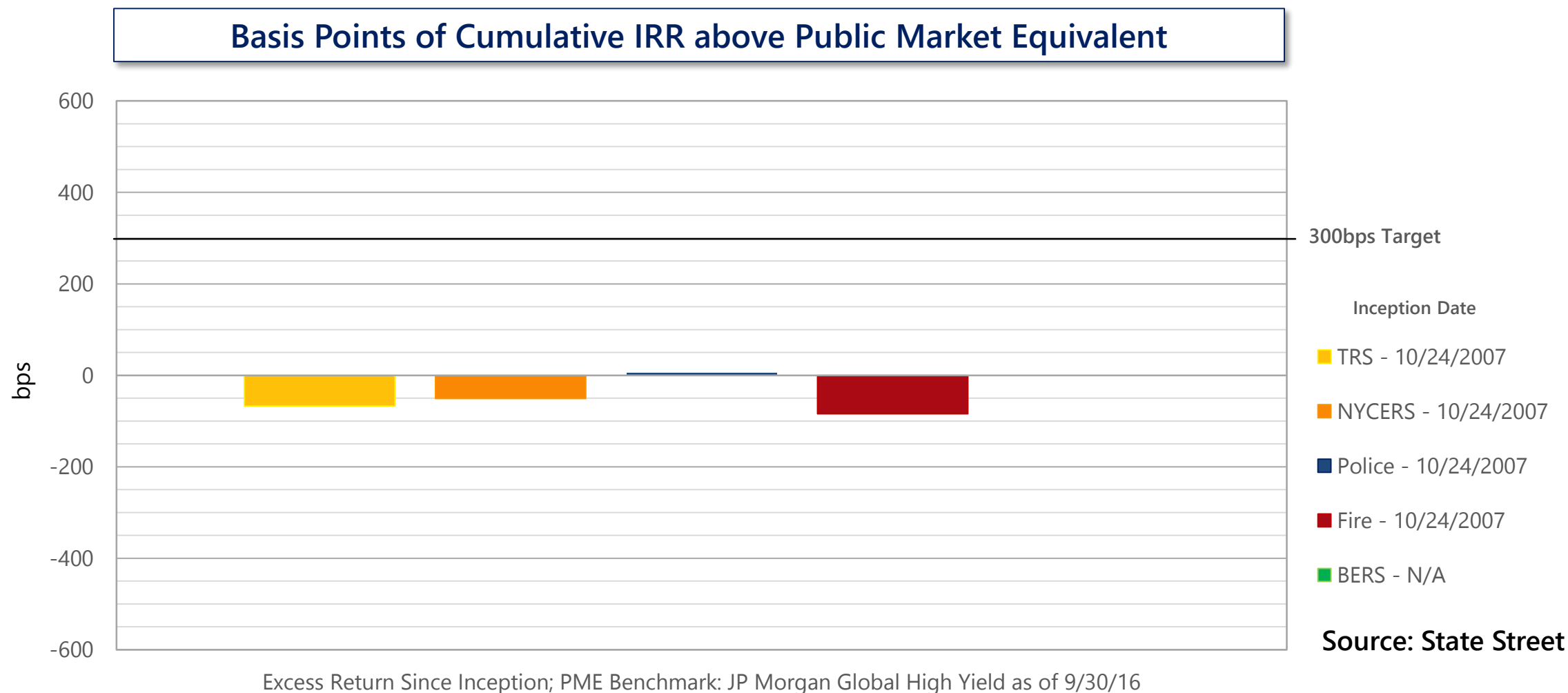
Value Added – Private Equity

Basis Points of Cumulative IRR above Public Market Equivalent



The PME Spread is the difference between the IRR and the PME Benchmark.

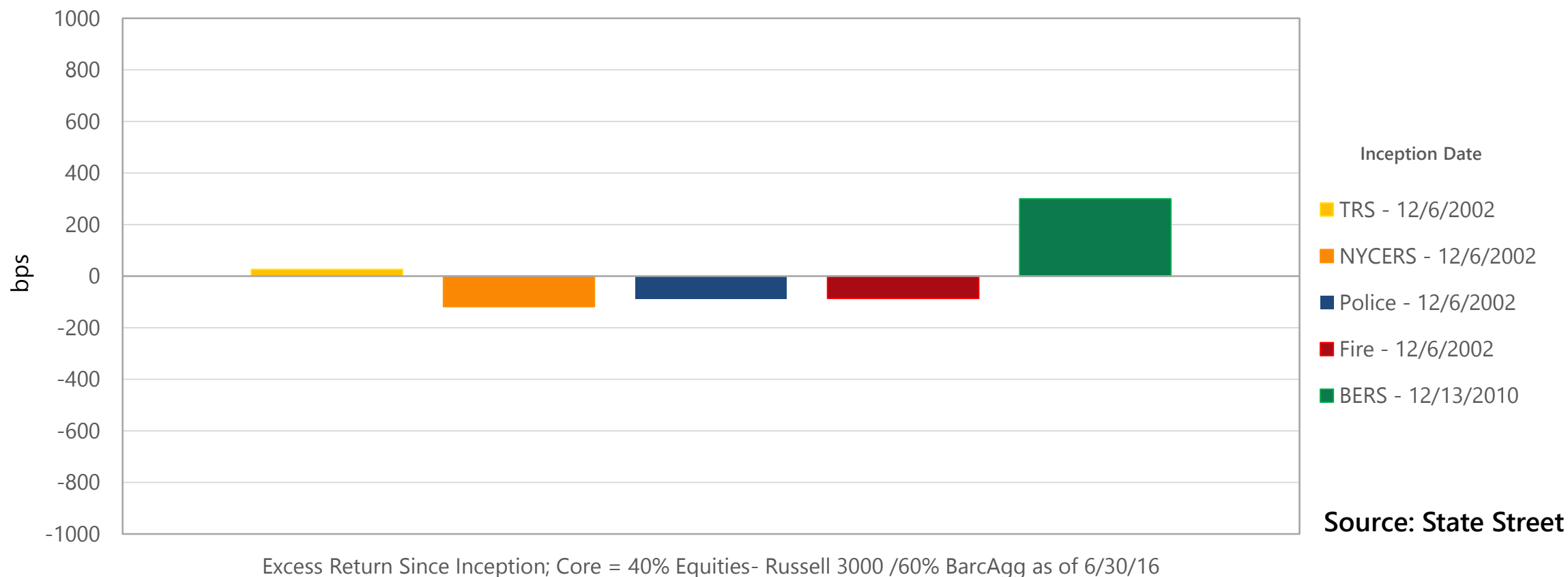
Value Added – Opportunistic Fixed Income (OFI)



The PME Spread is the difference between the IRR and the PME Benchmark.

Value Added – Private Real Estate - Core

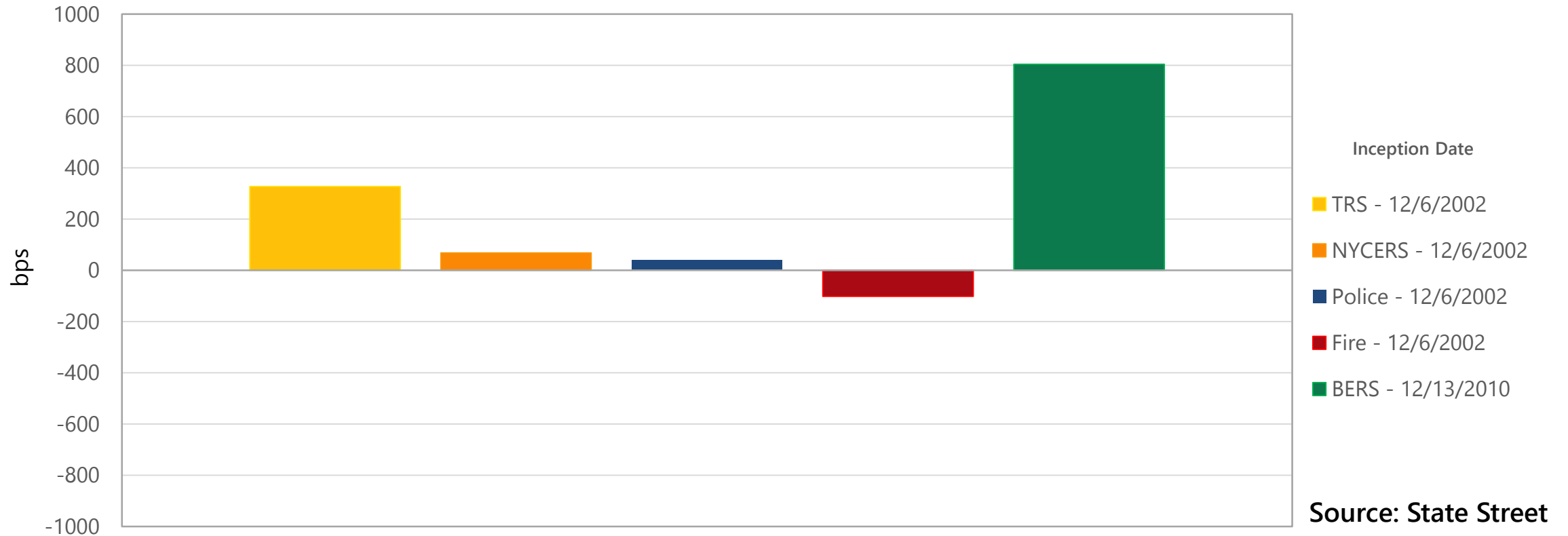
Basis Points of Cumulative IRR above Public Market Equivalent



The PME Spread is the difference between the IRR and the PME Benchmark.

Value Added – Private Real Estate – Non-Core

Basis Points of Cumulative IRR above Public Market Equivalent



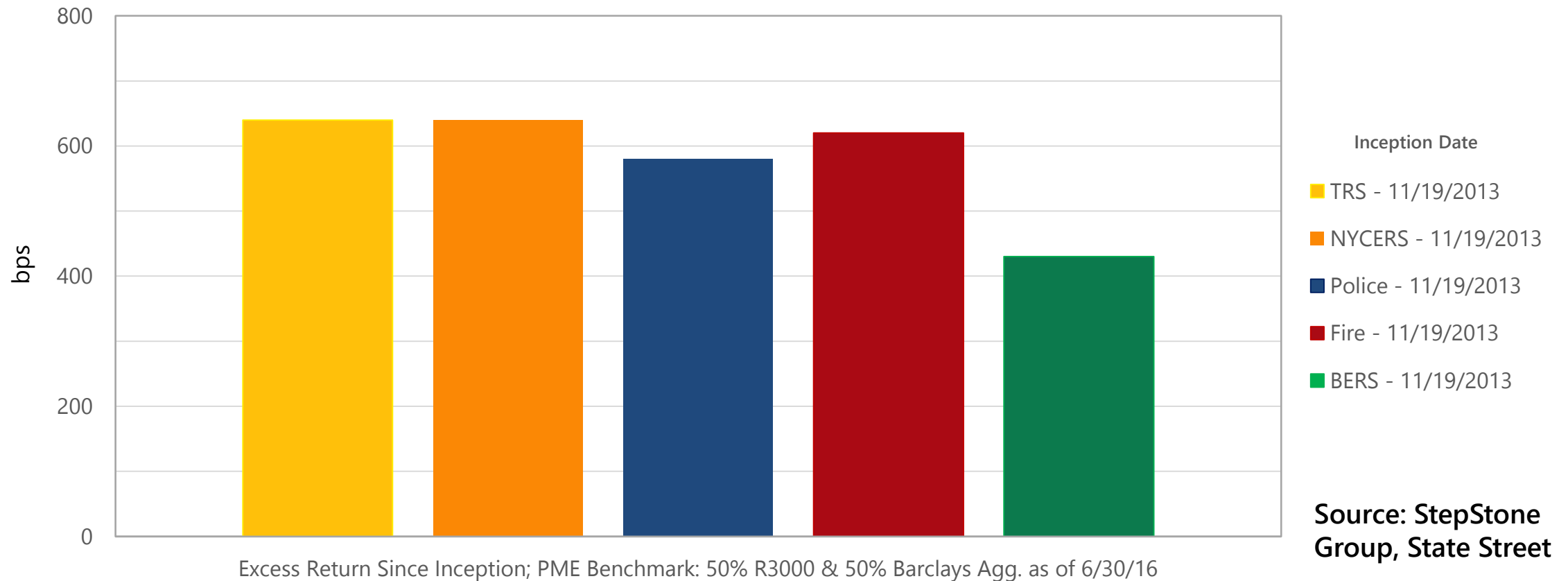
Source: State Street

Excess Return Since Inception; Non-core = 60% Equities- Russell 3000/40% BarcAgg as of 6/30/16

The PME Spread is the difference between the IRR and the PME Benchmark.

Value Added - Infrastructure

Basis Points of Cumulative IRR above Public Market Equivalent



The PME Spread is the difference between the IRR and the PME Benchmark.