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JOHN C. LIU  
COMPTROLLER

## MEMORANDUM

TO: Trustees  
Teachers' Retirement System of the City of New York

FROM: Larry Schloss

DATE: September 3, 2013

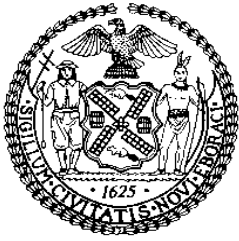
RE: Teachers' Retirement System of the City of New York Investment Meeting –  
September 12, 2013

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Enclosed is a copy of the **public agenda** for the September 12, 2013 Investment Meeting. *The meeting will be held at 55 Water Street – 16<sup>th</sup> Floor, New York, NY (beginning at 9:30am).*

Please remember to bring your **Quarterly Performance Overview** book with you to the meeting; it will be mailed to you.

If you have questions about any agenda item, please give me a call at 212-669-8318.



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

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John C. Liu  
COMPTROLLER

## TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

### INVESTMENT MEETING

September 12, 2013

Location:

55 Water Street, 16<sup>th</sup> Floor  
New York, NY

## INVESTMENT MEETING

SEPTEMBER 12, 2013

## PUBLIC AGENDA

|   | <u>Page</u> |
|---|-------------|
| I. <u>Performance Reviews</u> : (30 Minutes)                            |             |
| • Quarterly Review/Annual Review – June 30, 2013<br>(To be distributed) | ---         |
| • ETI Quarterly Report – June 30, 2013                                  | 6           |
| • Private Equity Quarterly Report – March 31, 2013                      | 15          |
| • Real Estate Quarterly Report – March 31, 2013                         | 46          |
| II. July Monthly Performance Review: (15 Minutes)                       | 57          |
| III. IPS Conforming Update: (30 Minutes)                                | 111         |
| IV. Discussion of Compliance Issue: (10 Minutes)                        | ---         |

APPENDICES:

|                      |     |
|----------------------|-----|
| • Basket Clause      | 357 |
| • Liquidity Analysis | 359 |

## PUBLIC AGENDA



## I. Performance Reviews:

## Quarterly Reports:

## ETI Quarterly Report

## Economically Targeted Investments Quarterly Report

## Public/Private Apartment Rehabilitation Program (PPAR)

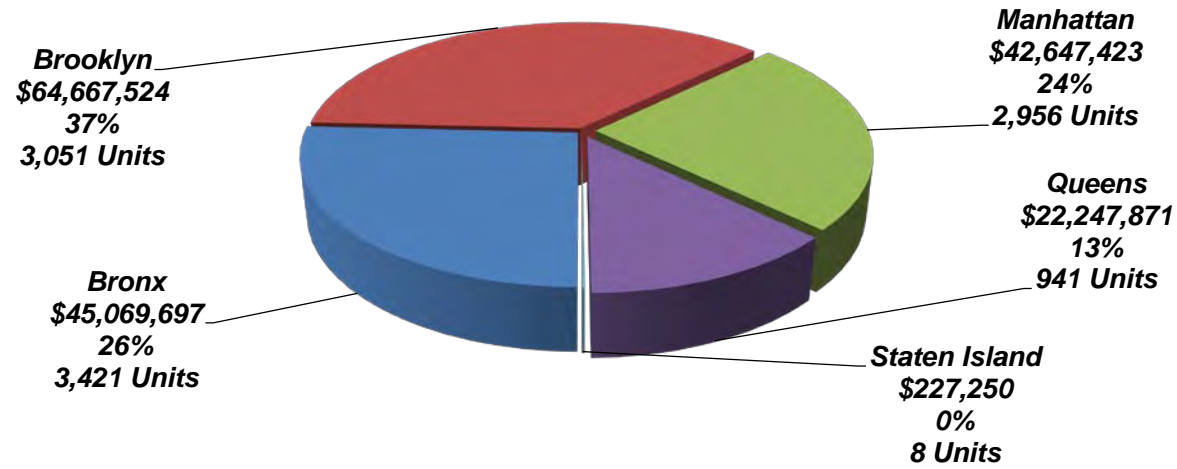
| Lenders*   | <u>CPC</u>           |              | <u>NHS</u>       |           | <u>CCD</u>         |            | <u>CFSB</u>        |            | <u>NCBCI</u>       |            | <u>LIIF</u>        |            | <u>All Lender Totals</u> |               |
|--|----------------------|--------------|------------------|-----------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------------|---------------|
|  | Dollars              | Units        | Dollars          | Units     | Dollars            | Units      | Dollars            | Units      | Dollars            | Units      | Dollars            | Units      | Dollars                  | Units         |
| Contractual Commitments                                | \$235,000,000        | n/a          | \$5,000,000      | n/a       | \$13,200,000       | n/a        | \$32,900,000       | n/a        | \$8,250,000        | n/a        | \$24,900,000       | n/a        | \$319,250,000            | n/a           |
| Current Market Value                                   | \$102,254,927        | n/a          | \$598,133        | n/a       | \$5,329,530        | n/a        | \$2,126,748        | n/a        | \$1,276,399        | n/a        | \$2,882,086        | n/a        | \$114,467,824            | n/a           |
| <u>Commitments 2Q 13</u><br><u>(included in total)</u> |                      |              |                  |           |                    |            |                    |            |                    |            |                    |            |                          |               |
| Bronx  | \$7,689,960          | 529          | \$0              | 0         | \$0                | 0          | \$0                | 0          | \$0                | 0          | \$161,700          | 20         | \$7,851,660              | 549           |
| Brooklyn   | 2,419,441            | 166          | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 1,696,416          | 70         | 4,115,857                | 236           |
| Manhattan  | 12,925,917           | 704          | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 1,228,685          | 82         | 14,154,602               | 786           |
| Queens   | 9,825,550            | 422          | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 9,825,550                | 422           |
| Staten Island  | 0                    | 0            | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                        | 0             |
| <b>Total</b>   | <b>\$32,860,868</b>  | <b>1,821</b> | <b>\$0</b>       | <b>0</b>  | <b>\$0</b>         | <b>0</b>   | <b>\$0</b>         | <b>0</b>   | <b>\$0</b>         | <b>0</b>   | <b>\$3,086,801</b> | <b>172</b> | <b>\$35,947,669</b>      | <b>1,993</b>  |
| <u>Delivered 2Q 13</u><br><u>(included in total)</u>   |                      |              |                  |           |                    |            |                    |            |                    |            |                    |            |                          |               |
| Bronx  | \$8,489,340          | 978          | \$0              | 0         | \$0                | 0          | \$0                | 0          | \$0                | 0          | \$0                | 0          | \$8,489,340              | 978           |
| Brooklyn   | 2,310,898            | 122          | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 2,310,898                | 122           |
| Manhattan  | 1,073,189            | 82           | 0                | 0         | 577,170            | 49         | 682,134            | 30         | 225,720            | 19         | 0                  | 0          | 3,135,383                | 180           |
| Queens   | 0                    | 0            | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                        | 0             |
| Staten Island  | 0                    | 0            | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                        | 0             |
| <b>Total</b>   | <b>\$11,873,427</b>  | <b>1,182</b> | <b>\$0</b>       | <b>0</b>  | <b>\$577,170</b>   | <b>49</b>  | <b>\$682,134</b>   | <b>30</b>  | <b>\$225,720</b>   | <b>19</b>  | <b>\$0</b>         | <b>0</b>   | <b>\$13,935,621</b>      | <b>1,280</b>  |
| <u>Total Commitments</u>                               |                      |              |                  |           |                    |            |                    |            |                    |            |                    |            |                          |               |
| Bronx  | \$20,101,940         | 1,183        | \$0              | 0         | \$4,170,210        | 376        | \$0                | 0          | \$0                | 0          | \$1,580,700        | 117        | \$25,852,850             | 1,676         |
| Brooklyn   | 35,373,627           | 1,592        | 0                | 0         | 2,038,740          | 128        | 0                  | 0          | 629,095            | 54         | 3,448,509          | 188        | 41,489,971               | 1,962         |
| Manhattan  | 26,315,900           | 1,453        | 0                | 0         | 287,100            | 30         | 0                  | 0          | 1,968,599          | 173        | 3,875,470          | 258        | 32,447,069               | 1,914         |
| Queens   | 10,397,800           | 500          | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 10,397,800               | 500           |
| Staten Island  | 0                    | 0            | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                        | 0             |
| <b>Total</b>   | <b>\$92,189,268</b>  | <b>4,728</b> | <b>\$0</b>       | <b>0</b>  | <b>\$6,496,050</b> | <b>534</b> | <b>\$0</b>         | <b>0</b>   | <b>\$2,597,694</b> | <b>227</b> | <b>\$8,904,678</b> | <b>563</b> | <b>\$110,187,690</b>     | <b>6,052</b>  |
| <u>Historical Investments</u>                          |                      |              |                  |           |                    |            |                    |            |                    |            |                    |            |                          |               |
| Bronx  | \$44,186,947         | 3,345        | \$0              | 0         | \$882,750          | 76         | \$0                | 0          | \$0                | 0          | \$0                | 0          | \$45,069,697             | 3,421         |
| Brooklyn   | 61,213,443           | 2,746        | 330,213          | 7         | 1,338,417          | 124        | 0                  | 0          | 0                  | 0          | 1,785,452          | 174        | 64,667,524               | 3,051         |
| Manhattan  | 34,888,430           | 2,348        | 252,445          | 15        | 2,198,755          | 253        | 2,659,482          | 167        | 1,388,040          | 103        | 1,260,270          | 70         | 42,647,423               | 2,956         |
| Queens   | 21,587,871           | 887          | 0                | 0         | 660,000            | 54         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 22,247,871               | 941           |
| Staten Island  | 227,250              | 8            | 0                | 0         | 0                  | 0          | 0                  | 0          | 0                  | 0          | 0                  | 0          | 227,250                  | 8             |
| <b>Total</b>   | <b>\$162,103,941</b> | <b>9,334</b> | <b>\$582,658</b> | <b>22</b> | <b>\$5,079,922</b> | <b>507</b> | <b>\$2,659,482</b> | <b>167</b> | <b>\$1,388,040</b> | <b>103</b> | <b>\$3,045,722</b> | <b>244</b> | <b>\$174,859,765</b>     | <b>10,377</b> |

\*Lenders :                      The Community                      Neighborhood                      Citibank Community                      Carver Federal                      NCB Capital Impact                      Low Income  
    Preservation Corporation                      Housing Services                      Development                      Savings Bank                                                                Investment Fund

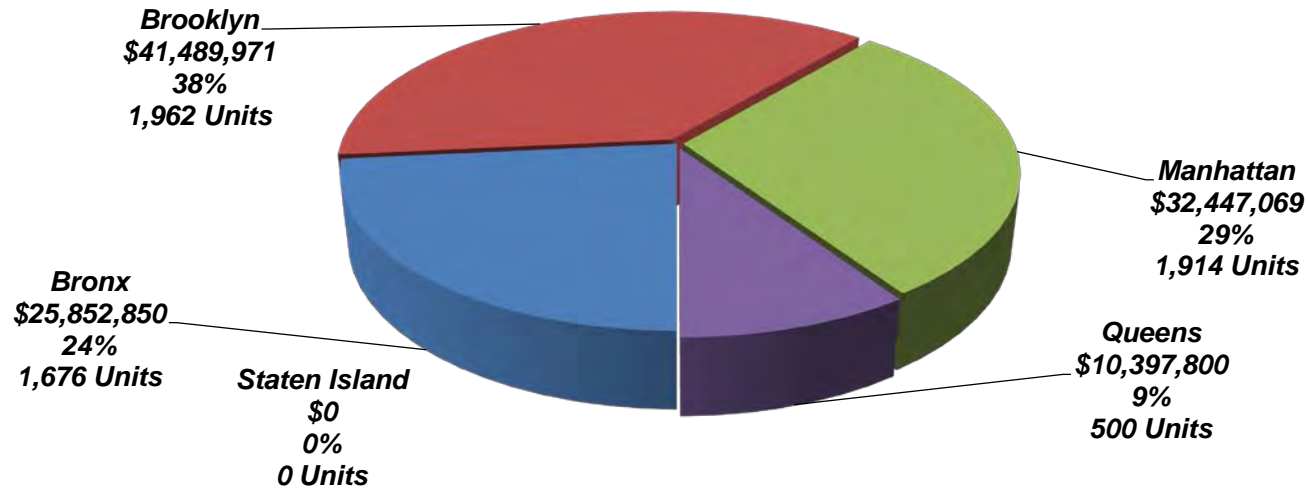
## Economically Targeted Investments Quarterly Report

### Public/Private Apartment Rehabilitation Program (PPAR)

#### Historical Investments Since Inception All PPAR Lenders



#### Current Commitments All PPAR Lenders



# Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)  
Market Value \$203.5 million\*  
NYC Community Investment Initiative (NYCCII)

## NYCCII Phase II 2006-2012

### Multifamily Investments Detail

| <u>Borough</u> | <u>2 Q Investments</u> | <u>Investments Since Inception</u> | <u>2Q Housing Units</u> | <u>Housing Units Since Inception</u> |
|----------------|------------------------|------------------------------------|-------------------------|--------------------------------------|
| Bronx          | \$0                    | \$52,827,900                       | 0                       | 802                                  |
| Brooklyn       | 0                      | 103,890,446                        | 0                       | 5,616                                |
| Manhattan      | 0                      | 134,075,200                        | 0                       | 926                                  |
| Queens         | 0                      | 17,760,000                         | 0                       | 1,260                                |
| Staten Island  | 0                      | 6,414,554                          | 0                       | 693                                  |
| <b>Total</b>   | <b>\$0</b>             | <b>\$314,968,100</b>               | <b>0</b>                | <b>9,297</b>                         |

Grand Total NYCCII Phase II \$314,968,100

## NYCCII Phase I 2002 - 2005

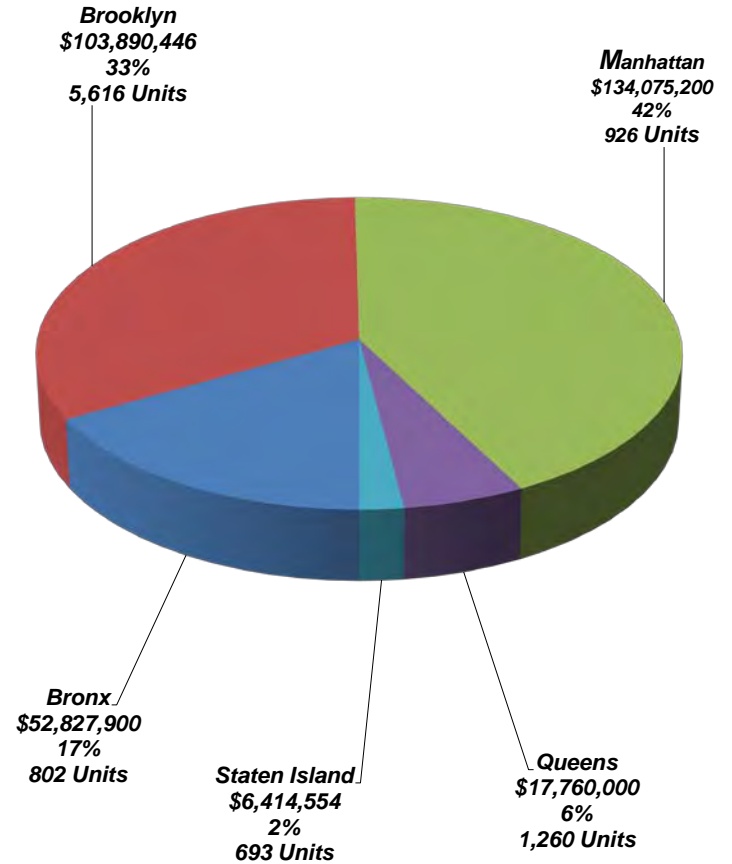
|                             | <u>Dollars</u>       | <u>Units</u>  | <u>Member Loans</u> | <u>Total All NYC PF's</u> |
|-----------------------------|----------------------|---------------|---------------------|---------------------------|
| Multifamily Investments     | \$249,123,500        | 12,337        | n/a                 | n/a                       |
| HIT Home Investments        | 348,300,563          | n/a           | 133                 | 446                       |
| <b>Total NYCCII Phase I</b> | <b>\$597,424,063</b> | <b>12,337</b> | <b>133</b>          | <b>446</b>                |

## NYCCII Phases I & II

|   | <u>Dollars</u>         | <u>Units</u>  | <u>Member Loans</u> | <u>Total All NYC PF's</u> |
|---|------------------------|---------------|---------------------|---------------------------|
| Multifamily Investments                     | \$564,091,600          | 21,634        | n/a                 | n/a                       |
| HIT Home Investments                        | 2,899,899,500          | n/a           | 133                 | 446                       |
| <b>Grand Total NYCCII Phases I &amp; II</b> | <b>\$3,463,991,100</b> | <b>21,634</b> | <b>133</b>          | <b>446</b>                |

\*Interest is reinvested

## HIT Multifamily Investments



# TRS Economically Targeted Investments Quarterly Report

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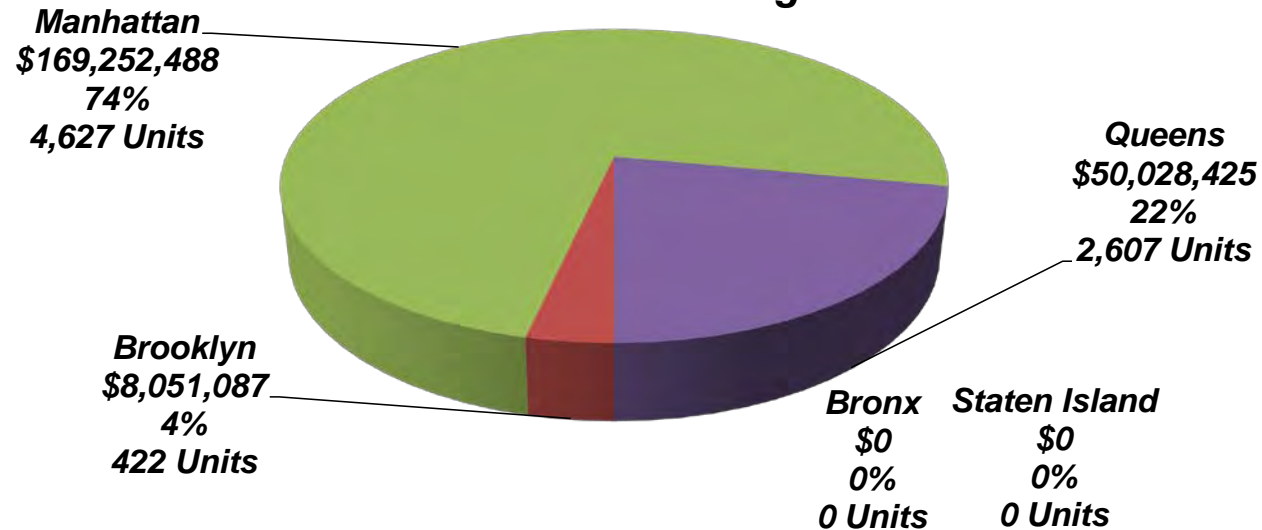
AFL-CIO Housing Investment Trust (HIT)  
NYC Workforce Housing Initiative 2009-2014

Investments Through 06/30/2013

Workforce Investments Detail

| <u>Borough</u> | <u>2 Q Investments</u> | <u>Investments<br/>Since Inception</u> | <u>2Q Housing Units</u> | <u>Housing Units<br/>Since Inception</u> |
|----------------|------------------------|--|-------------------------|--|
| Bronx          | \$0                    | \$0                                    | 0                       | 0  |
| Brooklyn       | 0                      | 8,051,087                              | 0                       | 422                                      |
| Manhattan      | 0                      | 169,252,488                            | 0                       | 4,627                                    |
| Queens         | 0                      | 50,028,425                             | 0                       | 2,607                                    |
| Staten Island  | 0                      | 0                                      | 0                       | 0  |
| Total          | \$0                    | \$227,332,000                          | 0                       | 7,656                                    |

## HIT Workforce Housing Initiative



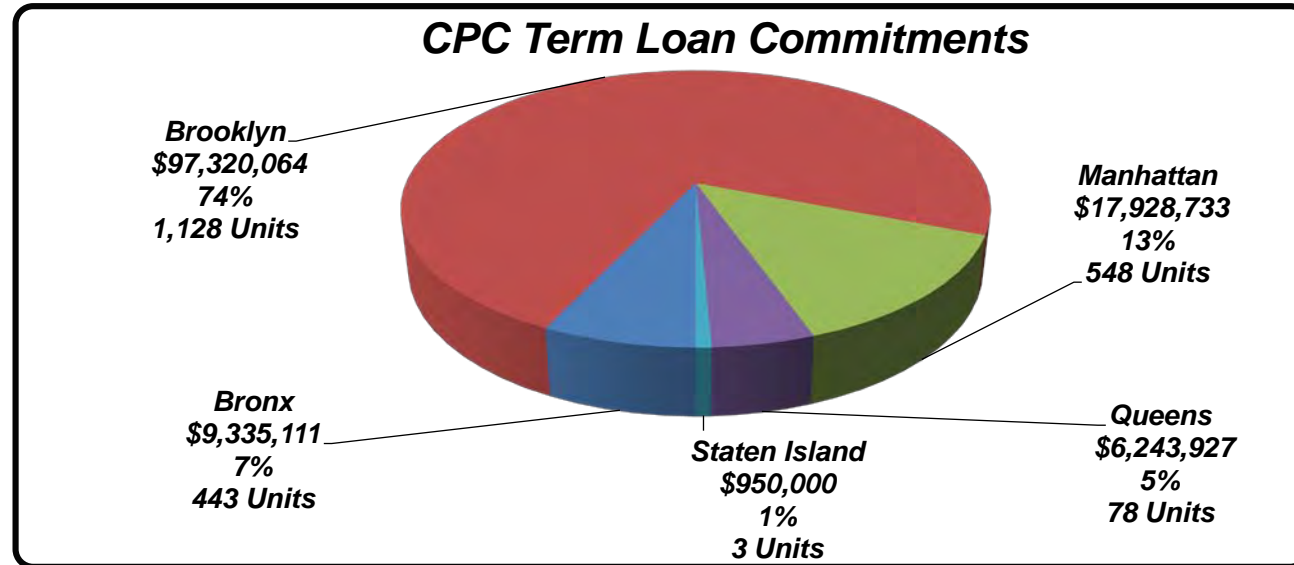
# TRS Economically Targeted Investments Quarterly Report

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|  |               |
|--|---------------|
| <b>CPC Term Loan</b>                             |               |
| Commitments All Lenders as of 1Q                 | \$175,483,667 |
| 2Q Paydown                                       | -\$43,705,832 |
| Commitments All Lenders as of 2Q                 | \$131,777,835 |
| <hr/>  |               |
| TRS Commitment Share/Market Value* as of 1Q 2013 | \$13,446,643  |
| 2Q Paydown                                       | -\$2,495,267  |
| TRS Commitment Share/Market Value* as of 2Q 2013 | \$10,951,376  |
| <hr/>  |               |

|                 | # Loans |    | \$ Committed (MM) |         | # Res. Units |       | # Comm. Units |    |
|-----------------|---------|----|-------------------|---------|--------------|-------|---------------|----|
|                 | 1Q      | 2Q | 1Q                | 2Q      | 1Q           | 2Q    | 1Q            | 2Q |
| Bronx           | 17      | 12 | \$19.1            | \$9.3   | 823          | 443   | 23            | 21 |
| Brooklyn        | 38      | 33 | 127.1             | 97.3    | 1,274        | 1,128 | 33            | 29 |
| Manhattan       | 30      | 24 | 22.0              | 17.9    | 636          | 548   | 28            | 20 |
| Queens          | 4       | 4  | 6.2               | 6.2     | 78           | 78    | 3             | 3  |
| Staten Island   | 1       | 1  | 1.0               | 1.0     | 3            | 3     | 0             | 0  |
| Grand Total NYC | 90      | 74 | \$175.4           | \$131.8 | 2,814        | 2,200 | 87            | 73 |
| Other NY State  | 32      | 27 | \$89.7            | \$58.7  | 980          | 909   | 19            | 16 |

\*Equals the amount drawn down. Interest is paid monthly.





# TRS Economically Targeted Investments Quarterly Report

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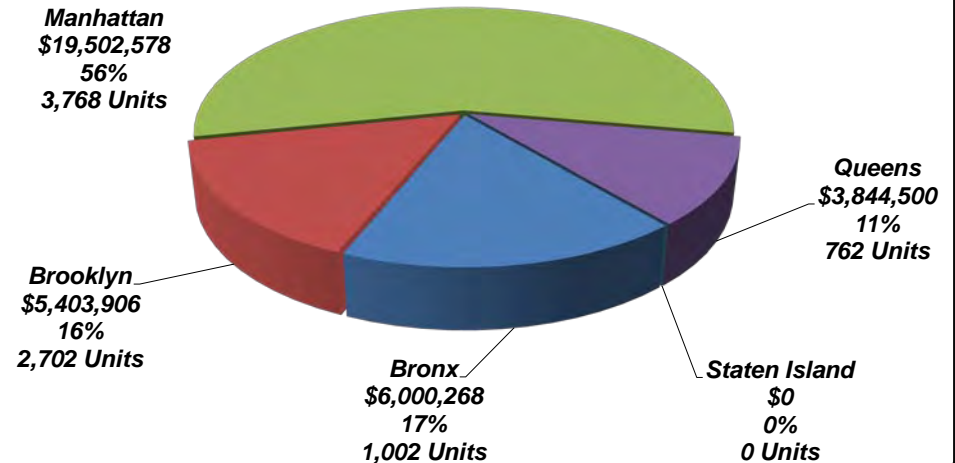
## ACCESS CAPITAL STRATEGIES (Since Inception 2/1/07)

\$105.0 million Allocated (33% of total account)

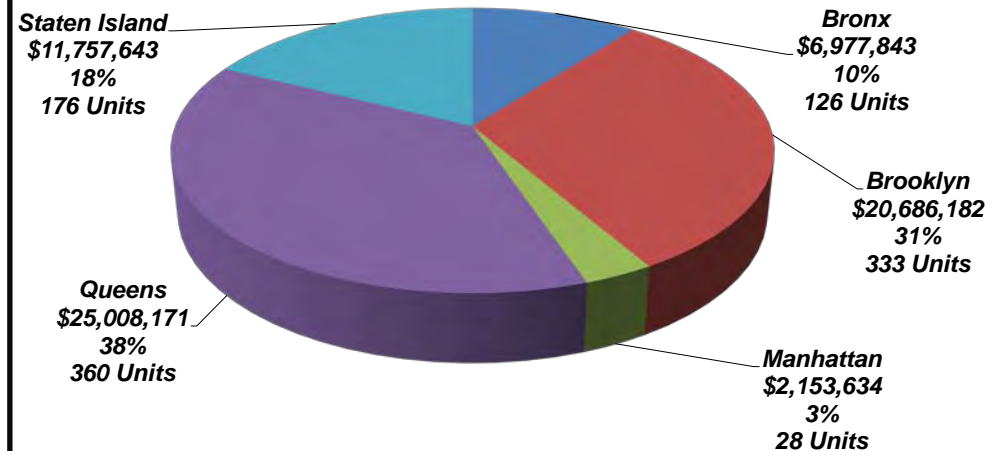
Market Value \$44.9 million

| <u>Multifamily Investments Detail</u>   |  | 2Q                       | Total   | 2Q                 | Total |
|---|--|--------------------------|---------|--------------------|-------|
|   |  | <u>\$ Invested (MMs)</u> |         | <u>Total Units</u> |       |
| Bronx                                   |  | \$0.2                    | \$6.0   | 494                | 1,002 |
| Brooklyn                                |  | 1.0                      | 5.4     | 2,298              | 2,702 |
| Manhattan                               |  | 0.4                      | 19.5    | 953                | 3,768 |
| Queens                                  |  | 0.0                      | 3.8     | 0                  | 762   |
| Staten Island                           |  | 0.0                      | 0.0     | 0                  | 0     |
| Total TRS Multifamily Investments       |  | \$1.7                    | \$34.8  | 3,745              | 8,234 |
| Multifamily Total All Systems           |  | \$5.2                    | \$105.3 | 3,745              | 8,234 |
| <u>Single Family Investments Detail</u> |  | 2Q                       | Total   | 2Q                 | Total |
|   |  | <u>\$ Invested (MMs)</u> |         | <u>Total Units</u> |       |
| Bronx                                   |  | \$0.4                    | \$7.0   | 10                 | 126   |
| Brooklyn                                |  | 2.0                      | 20.7    | 29                 | 333   |
| Manhattan                               |  | 0.0                      | 2.2     | 0                  | 28    |
| Queens                                  |  | 1.7                      | 25.0    | 24                 | 360   |
| Staten Island                           |  | 0.8                      | 11.8    | 11                 | 176   |
| Total TRS Single Family Investments     |  | \$4.8                    | \$66.6  | 74                 | 1,023 |
| Single Family Total All Systems         |  | \$14.5                   | \$201.8 | 74                 | 1,023 |
| <u>Other Investments Detail</u>         |  | 2Q                       | Total   | 2Q                 | Total |
|   |  | <u>\$ Invested (MMs)</u> |         | <u># of Loans</u>  |       |
| Bronx                                   |  | \$0.0                    | \$0.2   | 0                  | 1     |
| Brooklyn                                |  | 0.0                      | 1.8     | 0                  | 8     |
| Manhattan                               |  | 0.0                      | 0.8     | 0                  | 5     |
| Queens                                  |  | 0.0                      | 0.2     | 0                  | 3     |
| Staten Island                           |  | 0.0                      | 0.0     | 0                  | 0     |
| Total TRS Other Investments             |  | \$0.0                    | \$3.0   | 0                  | 17    |
| Other Investments Total All Systems     |  | \$0.0                    | \$9.0   | 0                  | 17    |
| Grand Total TRS                         |  | \$6.5                    | \$104.3 |                    |       |
| Grand Total All Systems                 |  | \$19.6                   | \$316.1 |                    |       |

## Access Multifamily Investments Since Inception TRS



## Access Single Family Investments Since Inception TRS



## TRS

### Economically Targeted Investments Quarterly Report

#### **Emmes ETI Real Estate Fund 833-847 Flatbush Avenue, Brooklyn, NY**

On June 26, 2013, the Emmes ETI Real Estate Fund made its inaugural acquisition, purchasing 833-847 Flatbush Avenue in Brooklyn for \$17.5 million (TRS portion \$6.8 million). The property is currently 91% leased to a diverse tenant roster which includes a bank, fitness gym and convenience store. The Fund will be investing additional capital to make roof and exterior façade repairs. This investment is expected to preserve jobs and to create jobs through construction and the leasing up of remaining vacant space and is expected to further catalyze investment and development along the Flatbush Avenue retail corridor.



#### **Key Statistics:**

- 32,703 square foot retail center
- Purchase Price: \$17.5 million
- 8 Commercial Units
- 91% Leased
- Anchor Tenants: Carver Bank,
- 7- Eleven, Blink Fitness
- Preserves 22 Jobs

## TEACHERS

### Economically Targeted Investment Quarterly Report

|   | Assets<br>(\$MM) | Trailing<br>3 Months | 6/30/2007<br>6/30/2013 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Trailing*<br>15 Years | Since<br>Inception | Data Start<br>Date |
|---|------------------|----------------------|------------------------|--------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------|--------------------|
| <b>TEACHERS</b>                                       |                  |                      |                        |                    |                      |                      |                       |                       |                    |                    |
| CPC -PPAR   | 102.25           | 2.54                 | 9.29                   | 9.29               | 7.21                 | 8.77                 | 8.12                  | ****                  | 8.16               | 10/31/01           |
| CCD-PPAR  | 5.33             | 2.48                 | 10.30                  | 10.30              | 9.22                 | 10.04                | ****                  | ****                  | 9.15               | 11/30/06           |
| LIIF-PPAR   | 2.88             | 2.09                 | 8.12                   | 8.12               | 4.77                 | ****                 | ****                  | ****                  | 6.19               | 07/31/09           |
| CFSB-PPAR   | 2.13             | 0.31                 | 5.55                   | 5.55               | 6.83                 | 7.81                 | ****                  | ****                  | 7.24               | 09/30/06           |
| NCBCI -PPAR   | 1.38             | 2.50                 | 4.82                   | 10.44              | 7.36                 | ****                 | ****                  | ****                  | 5.39               | 07/31/09           |
| NHS-PPAR  | 0.60             | 2.39                 | 10.51                  | 10.51              | 6.55                 | 9.51                 | ****                  | ****                  | 8.64               |                    |
| CITIGROUP GNMA +65 BPs per annum                      |                  | -2.39                | -1.53                  | -1.53              | 3.47                 | 5.63                 | 5.44                  | 6.17                  | 6.17               |                    |
| CPC -PPAR   | +/-              | 4.93                 | 10.82                  | 10.82              | 3.74                 | 3.14                 | 2.68                  | ****                  |                    |                    |
| CCD-PPAR  | +/-              | 4.87                 | 11.83                  | 11.83              | 5.75                 | 4.41                 | ****                  | ****                  |                    |                    |
| LIIF-PPAR   | +/-              | 4.48                 | 9.65                   | 9.65               | 1.30                 | ****                 | ****                  | ****                  |                    |                    |
| CFSB-PPAR   | +/-              | 2.70                 | 7.09                   | 7.09               | 3.36                 | 2.18                 | ****                  | ****                  |                    |                    |
| NCBCI-PPAR  | +/-              | 4.89                 | 6.35                   | 11.97              | 3.89                 | ****                 | ****                  | ****                  |                    |                    |
| NHS-PPAR  | +/-              | 4.78                 | 12.04                  | 12.04              | 3.08                 | 3.88                 | ****                  | ****                  |                    |                    |
| <b>AFL-CIO HOUSING INV TRUST</b>                      |                  |                      |                        |                    |                      |                      |                       |                       |                    |                    |
| Barclay's Capital U.S. Aggregate Index                | 203.49           | -2.48                | -1.06                  | -1.06              | 3.53                 | 5.20                 | 4.48                  | ****                  | 4.71               |                    |
|   | +/-              | (0.16)               | (0.37)                 | (0.37)             | 0.03                 | 0.02                 | (0.04)                | ****                  | ****               |                    |
| <b>ACCESS RBC</b>                                     |                  |                      |                        |                    |                      |                      |                       |                       |                    |                    |
| Access/RBC: 60% MI 30 yrs Mortgage Index (MF30)       | 44.90            | -2.13                | -0.51                  | -0.51              | 3.17                 | 6.11                 | ****                  | ****                  | 5.66               |                    |
| plus 40% U.S. Treasury 1-10 Yr index (G502)           |                  | -1.75                | -0.90                  | -0.90              | 2.55                 | 4.53                 | ****                  | ****                  | 4.91               |                    |
|   | +/-              | (0.38)               | 0.39                   | 0.39               | 0.62                 | 1.58                 | ****                  | ****                  | ****               |                    |
| <b>CPC - TERM LOAN</b>                                |                  |                      |                        |                    |                      |                      |                       |                       |                    |                    |
| 30 Day Libor + 200 bps with a Floor 250 bps per annum | 10.95            | 0.60                 | 2.45                   | 2.45               | 2.29                 | 2.46                 | ****                  | ****                  | 4.05               |                    |
|   | +/-              | 0.05                 | 0.21                   | 0.21               | 0.24                 | 0.47                 | 2.30                  | 3.00                  | 3.00               |                    |
|   |                  | 0.55                 | 2.24                   | 2.24               | 2.06                 | 1.99                 | ****                  | ****                  | 1.05               |                    |
| <b>GNMA</b>   |                  |                      |                        |                    |                      |                      |                       |                       |                    |                    |
| Citigroup 15 YR, GNMA                                 | 0.03             | 2.18                 | 9.53                   | 9.53               | 4.57                 | 5.46                 | 6.19                  | ****                  | 6.39               |                    |
|   | +/-              | -1.45                | 0.30                   | 0.30               | 2.61                 | 4.66                 | 4.67                  | 5.48                  | 5.48               |                    |
|   |                  | 3.62                 | 9.24                   | 9.24               | 1.97                 | 0.80                 | 1.51                  | ****                  | 0.91               |                    |
| <b>TOTAL TEACHERS TARGETED (w/o cash)**</b>           |                  |                      |                        |                    |                      |                      |                       |                       |                    |                    |
| Teachers Custom Benchmark (no cash)                   | 372.91           | -0.94                | 2.03                   | 2.03               | 4.48                 | 6.15                 | 5.74                  | 5.37                  | 6.44               |                    |
|   | +/-              | -2.16                | -0.84                  | -0.84              | 3.28                 | 4.98                 | 4.65                  | 5.75                  | 5.75               |                    |
|   |                  | 1.22                 | 2.87                   | 2.87               | 1.20                 | 1.16                 | 1.09                  | (0.38)                | 0.69               |                    |

\* Historical returns prior to April 2004 provided by Citigroup.

\*\*Time periods greater than one year are annualized. Returns are net of fees and exclude Erasmus and Emmes.

## Private Equity Quarterly Report



MARCH 31, 2013

ALTERNATIVE INVESTMENT REPORT

## Teachers' Retirement System of the City of New York

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# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

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# Section 1:

## Market Update

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

# The Private Equity Market

### Introduction

Global macroeconomic trends from 2012 appear to persist into the beginning of 2013. In the United States there is evidence of sustained and steady growth from leading economic indicators as of April 2013. Inventories of manufactured durable goods, new orders for manufactured durable goods, and nondefense new orders for capital goods were all up in April. Consumer and business confidence is still tentative; however, with potential recovery in the housing and labor markets, we believe there is reason for stable economic growth to continue into the second quarter. The Eurozone still faces an uncertain economic future with recent events in the southern regions raising questions about whether the crisis is actually nearing its end. Previously believed positive indicators, such as exports, GDP, unemployment, interest rates, and the current balance, are fading in this region.

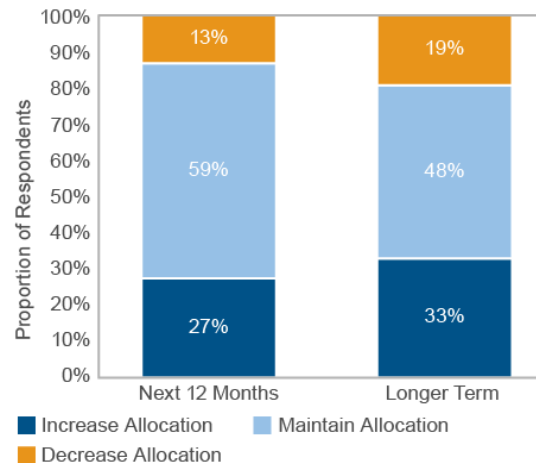
Looking back at the beginning of 2012, private equity was forecasted to be on a positive trajectory, due to strong deal flow and capital investment during the preceding two years. Nevertheless, due to political, regulatory, and macroeconomic factors, 2012 deal flow and capital investment activity reversed course and averaged an overall downtrend at year-end. 2013 appears to look slightly more optimistic for private equity, as investor appetite for the asset class has remained strong going into the second quarter of 2013. Fundraising will be competitive as a greater number of general partners vie for commitments from limited partners. These LPs are narrowing their scope of investment-worthy GPs to the upper echelon of performing managers. Secondary deals are expected to be on the rise, as limited partners are anxious to realize older investments and utilize secondary buyouts as an exit path.

The first quarter of 2013 saw the two largest deals announced since the 2000-2007 era with the \$24.4 billion Silver Lake-backed privatization of Dell Inc. and the \$28.0 billion Berkshire Hathaway and 3G Capital-backed buyout of H.J. Heinz Company. Despite this promising sign of growth in the first quarter, major regional economic factors will play a crucial role in how private equity investors will strategically allocate their investments this upcoming year. Growth has been stable through the first quarter of 2013 and is on course to continue into the second quarter.

### Consistent Allocations

With volatility across asset classes persisting into 2013, investors continue to search for above average returns to strengthen portfolio performance. In December 2012, a Preqin investor survey shows that nearly 86% of LPs intend to maintain or increase their allocation to private equity in 2013. In order to expand the breadth of their private equity allocations, LPs are looking to invest in new strategies and geographies in 2013. Half of LPs surveyed would consider a first-time fund or those managed by spin-off teams.

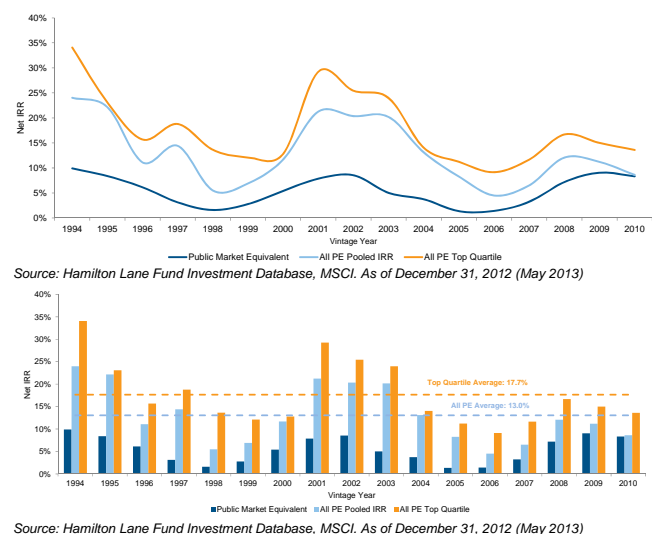
**Chart 1: Investors' Intentions for Their Private Equity Allocations**



### Private Equity Performance

Over the 15 year time horizon, private equity returns still outperform the public markets as measured by the MSCI World in all vintage year comparisons. This outperformance ranges from 27 to 1,518 basis points over that time frame. Top quartile funds achieved an even greater spread over the public markets, ranging from 527 to 2,416 basis points. Although the IRR performance has been relatively variable over the short-term, private equity has consistently outperformed the public indices over the ten year time horizon.

**Chart 2: Fund Outperformance of Public Markets**

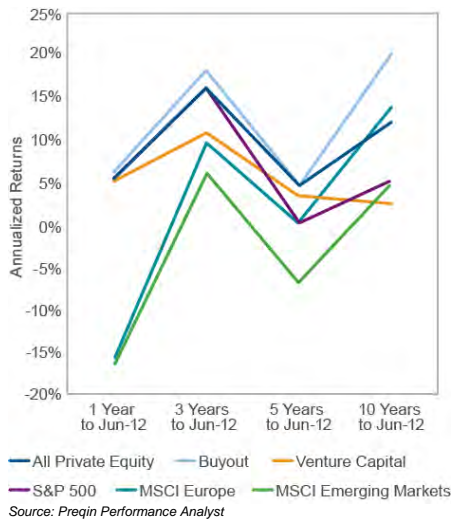




# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

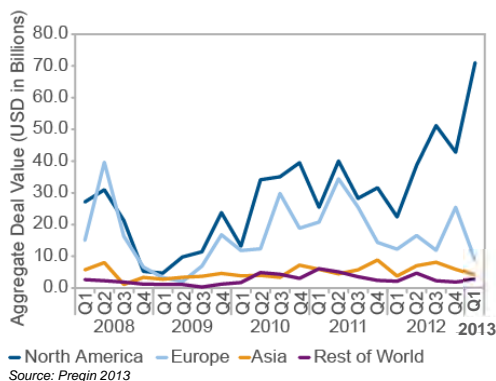
**Chart 3: All PE Horizon IRRs versus Public Indices**



### Flat-line in Deal Activity

2012 was a flat year for private equity as regional economic outlooks heavily influenced deal activity, exits, and fund raising. The United States is on its way to stable deal terms for those looking to close in 2013. The first quarter saw the announced deal value in North America reach an aggregate of \$71 billion, driven by the two largest deals which together totaled \$52.4 billion. The Eurozone environment appears to be more challenging, as the growth potential is still being heavily questioned. Sponsor-to-sponsor transactions may provide the only significant level of deal activity in this region. Europe experienced a 64% quarter-over-quarter decline in value of announced buyout deals during the first quarter. The rest of the world, especially Asia and Latin America, will be largely dependent on the outlook of their economy to attract potential investors and secure deals. Investor appetite in countries such as Brazil and China has increased; however, macroeconomic factors such as China's subdued GDP growth and Brazil's slowing economy have kept the number of deals executed from reaching its full potential. India also proves to be a difficult region to penetrate as structural barriers, such as very few exit options for investors, have kept PE investors at bay.

**Chart 4: Aggregate Value of Announced PE backed Buyout Deals by Region**



**Chart 5: Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally**

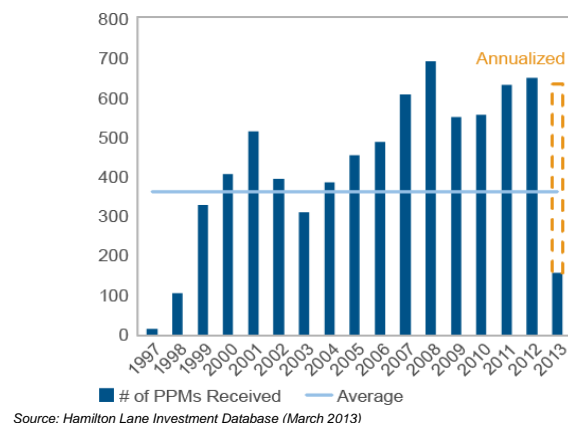


At the close of the first quarter of 2013, 665 private-equity backed buyout deals, valued at an aggregate of \$87 billion, were announced globally. This aggregate value represents the highest quarterly amount since the third quarter of 2007. Regardless, the first quarter's buyout aggregate deal value was heavily influenced by the two largest deals announced during the quarter, \$24.4 billion Silver Lake-backed privatization of Dell Inc. and the \$28.0 billion Berkshire Hathaway and 3G Capital-backed buyout of H.J. Heinz Company. Excluding the two largest deals, deal value was actually similar to that seen in 1Q09. Despite the increase in deal value, there was a decrease in the number of PE-backed buyout deals in the first quarter of 2013. 665 buyout deals were announced globally, a decline from 770 in the fourth quarter of 2012.

### Private Equity Fundraising

Hamilton Lane received 158 private placement memorandums during the first quarter of 2013. This volume was on par with the 12-year average but the annualized projected PPMs received for 2013 is slightly below the 654 PPMs received in 2012.

**Chart 6: PPMs Received by Hamilton Lane**



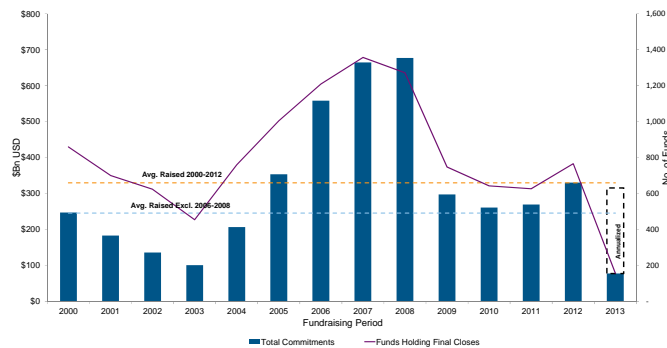
The difficult fundraising environment from 2012 appears to be continuing into 2013. At the onset of 2013, there were 1,912 funds that were seeking \$797 billion in commitments worldwide. Although dry powder in general is decreasing, 2007 and 2008 funds will need to deploy capital in the near future. 130 private equity funds were closed in 1Q13, raising an aggregate of \$67.2

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

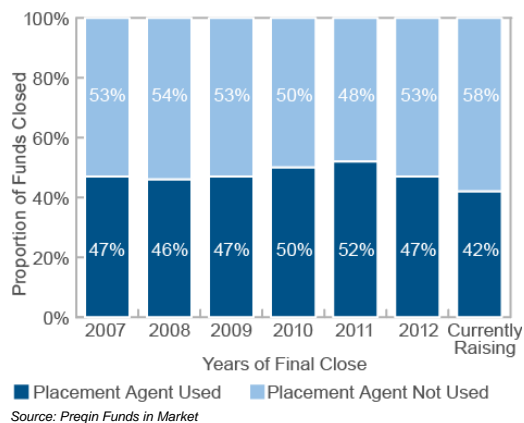
billion. Only six percent of the total capital raised by funds closed in 1Q13 was by first-time fund managers. Funds that closed in the first quarter of 2013 took an average of 18.2 months to hold a final close, which is 0.5 months longer than it took funds to hold a final close in 2012 and two months longer than 2011. The average size of these funds was \$537 million, which is line with the average fund size seen in 2Q09. There appears to be a crowded but flat fundraising environment which indicates investors are strategically investing in previously successful general partners.

**Chart 7: Global PE Fundraising by Final Close**



Ninety-two percent of first-time fund managers fundraising at the start of 2013 utilized placement agents. Nevertheless the aggregate number of managers using placement agents is down from 2012 but in line with the first quarter of last year.

**Chart 9: Proportion of Funds Using Placement Agents**

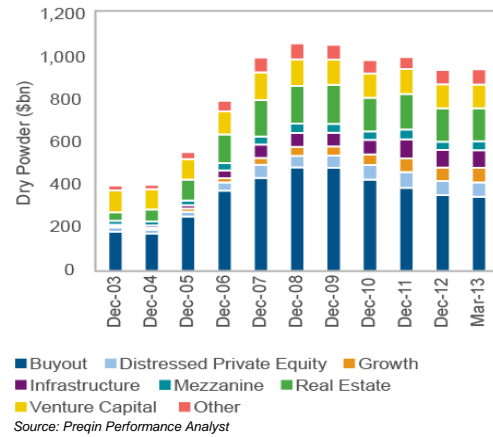


### The Old Overhang Issue

As alluded to in the prior quarter, the amount of dry powder as a percentage of assets under management (AUM), defined as the sum of dry powder (private capital overhang) plus the unrealized value of the entire private equity industry, has decreased since June 2012. As of December 31, 2012, dry powder estimates show that \$946 billion of capital is available to fund managers to invest. Dry powder for buyout funds has been decreasing over the past five years from 44% of total dry powder in December 2007 to 38% in December 2012. Dry powder for all other

strategies has remained relatively consistent over the same time period.

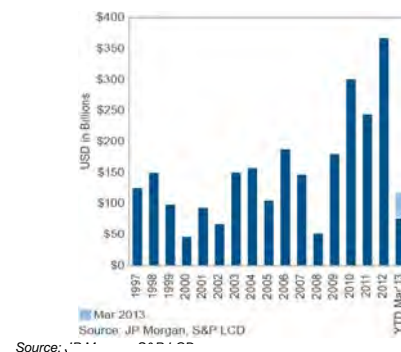
**Chart 10: Private Equity Dry Powder by Fund Type**



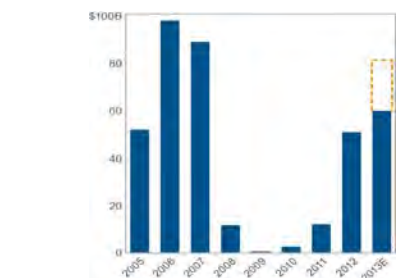
### Debt Markets

The 2014 maturity wall is now much more manageable, with 97% of the 2013 and 85% of the 2014 U.S. and Europe maturities eliminated since the end of 2010. The recent surge in demand for PE debt with few or no covenants is a major shift. Meanwhile, new collateralized loan obligation (CLO) issuances have been revived. Quarterly high yield issuance volume surpassed \$90 billion, for the fifth consecutive year.

**Chart 14: High Yield Issuance**



**Chart 15: U.S./Europe Maturities**



Notes: Nearly all CLOs are issued in the US; dashed segment at top of 2013E bar represents upper range of expected issuances

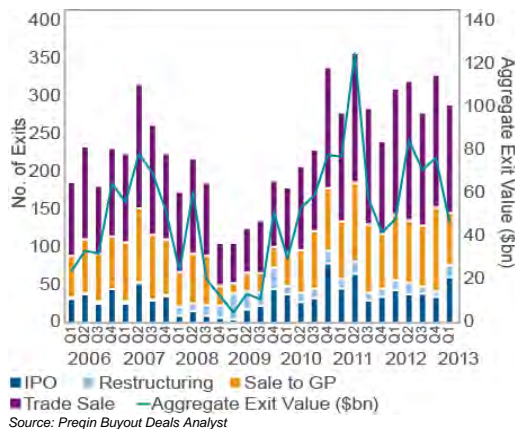
# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

### Road Blocks to Exits

Despite the increasing IPO exit activity in the first quarter of 2013, exits continued to be congested. During 2012, 1,192 exits were announced globally, valued at \$275 billion. This is a slight increase from the prior year, when 1,145 exits were achieved; however, the overall value of the exits in 2012 was 11% lower than exits in 2011, when \$310 billion in exits was achieved.

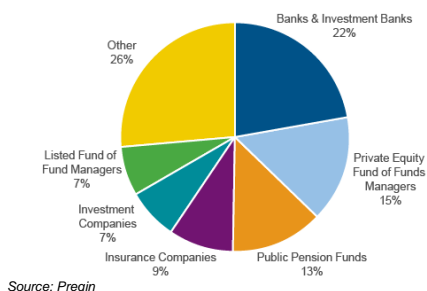
**Chart 11: Aggregate Value of Private Equity-Backed Exits by Type**



The North American region proved the most popular region for private equity buyout-backed exits for 2012, representing 52% of the total number of exits and 54% of the aggregate value of exits globally. Looking ahead to the coming year, 2013 is poised to have a full pipeline of exits, with two-thirds of investments made during 2006-2007 having yet been exited.

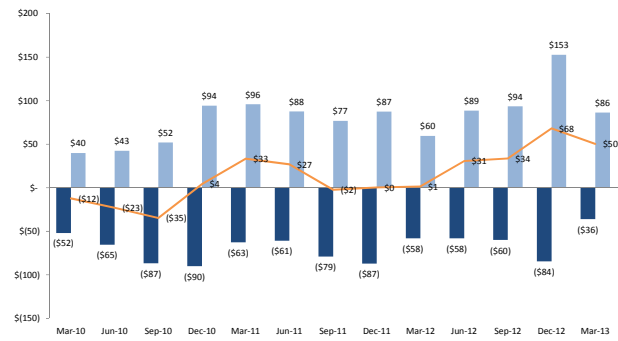
Secondary sales are also being seen as a viable means of exit in the coming years. However, investors are conducting their due diligence and will only invest with managers with a proven track record. Banks and investment banks represented 22% of secondary market sellers, as the need to hold more liquid assets becomes a necessity under looming regulations, such as the Volcker Rule and Basel III. Private equity fund of funds managers and listed fund of funds accounted for 22% of LPs selling on the secondary market in 2012, a decrease compared to the 29% seen in 2011.

**Chart 12: Break-down of Secondary Market Sellers during 2012 by Firm Type**



Hamilton Lane's Fund Investment Database suggests that industry-wide quarterly distributions were down significantly from the prior quarter, but on par with the 3-year average of \$81 billion. The spike in distributions during the fourth quarter of 2012 was in response to uncertainty of the fiscal policy in the United States set to be enacted in 2013. Nevertheless, this liquidity might have a positive impact on fundraising and may motivate future reinvestments.

**Chart 8: Industry Net Cash Flow- All PE Funds**

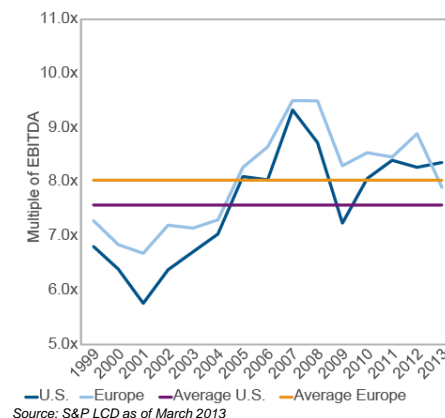


\*Fund level cash flow data in the Hamilton Lane Fund Investment Database grouped by vintage year and then multiplied by the ratio of total PE commitments by vintage year per Preqin over total fund size represented in Hamilton Lane's data to generate a proxy for the PE universe. Some totals may change slightly from quarter to quarter as the data points in the Hamilton Lane Fund Investment Database increase.

### GP Sentiment

General partners still see the potential of a comeback in 2013, with slow and steady recovery in particular industries, such as manufacturing and technology, and the potential for regional growth in Asia and Latin America. In a BDO survey, a majority of fund managers remain steadfast to their primary investment strategies. Only 11% of respondents said they have asked LPs to allow a change in investment strategies. 22% of larger fund managers, those who have \$1 billion in AUM, considered a revaluation of their investment strategies in 2012. Despite the competitive landscape, private equity managers and corporates have significant dry powder available to deploy. Deals are being fully priced in the United States but European pricing is down.

**Chart 13: Average Purchase Price Multiples of All LBOs**



# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

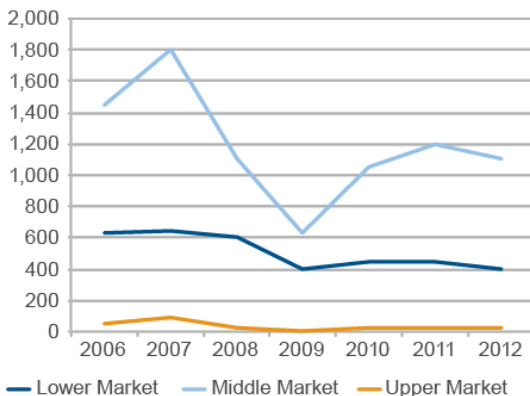
### Strategy Spotlight: SMID

The middle-market has been an attractive investment prospect for potential investors, due to the opportunity for value creation, the diversification possibilities, return profiles, and strategic investment strategies that allow for turnaround and restructuring. The middle market is defined as U.S.-based companies acquired through buyout transactions between \$25 million and \$1 billion. Deal activity for this segment was down to 624 deals aggregating \$88 billion in 2009. Since then, activity has been up for the past three years, averaging 1,104 deals and \$242 billion in aggregate deal flow annually. 2012 deal flow somewhat declined in the first three quarters but due to looming changes in expected tax rates in 2013, fourth quarter activity was up and accounted for over 30% of deal volume for the year.

#### Fundraising Trends

The number of middle market funds that closed has risen for two consecutive years; however, this is still below the height of the fundraising market seen in the 2006-2008 era. The resurgence of larger funds has added to the total number of funds closed as well as the total capital raised. Lower middle market (\$25-\$100 million) deal count surpassed core middle market (\$100-\$500 million) deal count in 2012 for the first time since 2009. In total, lower middle market deals accounted for approximately 45-50% of the total middle market deals made in 2012. Middle market deals continue to represent a majority of all buyout deals, at a record high of 71.4%. Lower market and upper market activity has not been as volatile during the downturn.

Chart 1: Total PE Deal Flow by Market



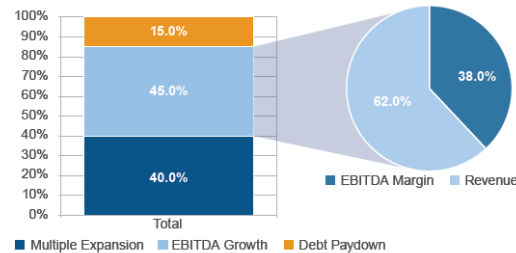
#### Exits

Exits have been consistent for the past three years; however, secondary buyouts as a means of exiting have been increasing steadily while other avenues have not. As a percentage of exits, secondary buyouts were the most popular method for deals under \$25 million in enterprise value.

#### The Opportunity

There are many reasons investors are deploying increased amounts of capital to the SMID strategy. One reason is that SMID funds operate globally and cut across a wide range of strategies, including buyout, growth equity, structured equity, buy-and-build, turnaround, mezzanine, and credit (control and non-control). There is also a greater potential to capture "low hanging fruit" that is more abundant in smaller, less professionalized companies. The opportunity to drive value through both multiple and EBITDA expansion/growth is the most popular method of achieving this value creation. Additionally, smaller companies have historically been purchased at lower multiples, creating an opportunity for the GP to exit at a full multiple relative to more established companies in the industry.

Chart 2: Value Creation Opportunity

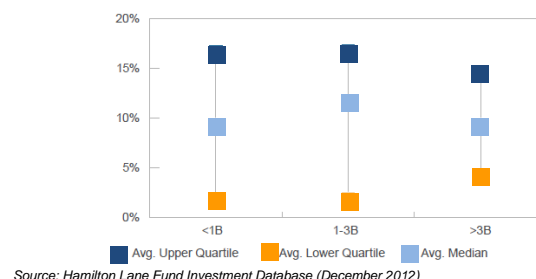


#### Investor Appetite for SMID

In a Preqin survey of investors taken in 2013, SMID by far is the most sought after segment to put capital to work; however, LPs require experience, and recently have shown more of an unwillingness to invest in a first time fund. Despite the demand for experience, the total number of funds under \$1 billion as a percentage of total fund deals has been decreased since 2010; LPs see that SMID investments offer a wide array of benefits.

Smaller funds have shown to outperform over time, generating average top quartile higher than that of >\$3 billion funds. The median is higher for \$1-\$3 billion but <\$1 billion has a higher upper quartile average.

Chart 3: Buyout Average Quartiles by Size (Vintage 1998-2008)



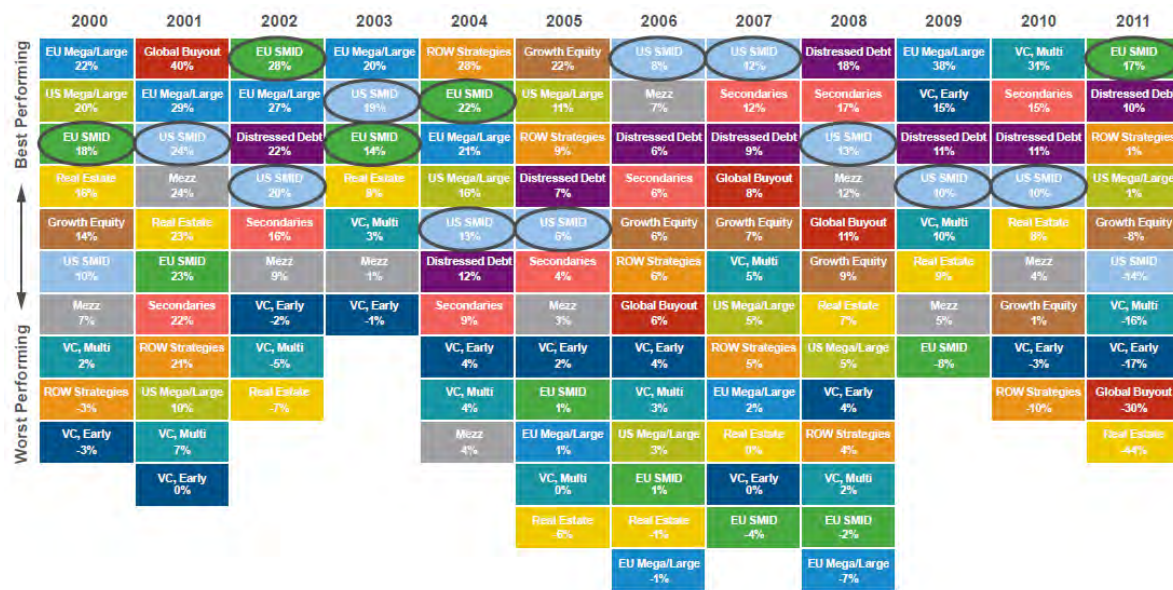


# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

There is greater potential of value creation for SMID funds through multiple expansion and EBITDA growth, allowing SMID funds to maintain consistent performance in various economic cycles. Over the past 12 vintage years, U.S. and European SMID are among the top five performing strategies in Private Equity.

Chart 4: Sector Performance by Vintage Year



\* Due to small sample size, certain strategies are not represented.

Source: Hamilton Lane Fund Investment Database (fund performance as of March 2012) & Thomas Reuters (August 2012)

Certain performance information is provided from the Hamilton Lane Fund Investment Database. Performance data is calculated and displayed by strategy, geography, vintage or a combination of these. The Hamilton Lane Fund Investment Database contains performance data for funds monitored by Hamilton Lane on behalf of its clients, which includes both discretionary commitments, non-discretionary commitments, and commitments monitored for fund administration purposes. Unless otherwise noted, data included in performance charts and tables includes all funds in the system with performance data available for the designated strategy, geography, and vintage. Special fund vehicles where a single limited partner has an ownership interest greater than 52% of the total fund size are excluded.

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## Section 2:

### Portfolio Update

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

### Portfolio Snapshot

Hamilton Lane was engaged by the Teachers' Retirement System of the City of New York ("TRS") in October 2010 to provide alternative investment consulting services in accordance with the investment objectives of the TRS Private Equity portfolio (the "Portfolio"). This report represents the review by Hamilton Lane of TRS's Portfolio and is based upon information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of March 31, 2013, with highlights through June 30, 2013.

**Private Equity Target:** TRS has a target allocation of 6% to Private Equity. As of March 31, 2013, Private Equity constituted 4.6% of NYCTRS plan.

**Performance:** As of March 31, 2013, the Portfolio consists of 129 partnerships and 85 underlying fund managers. The Portfolio has generated a since inception internal rate of return ("IRR") of 8.55% and a total value multiple of 1.3x.

| Portfolio Summary                  |            |           |           |
|------------------------------------|------------|-----------|-----------|
| \$ millions                        | 12/31/2012 | 3/31/2013 | Change    |
| Active Partnerships                | 126        | 129       | 3         |
| Active GP Relationships            | 84         | 85        | 1         |
| Capital Committed <sup>(1)</sup>   | \$4,301.6  | \$4,455.8 | \$154.2   |
| Commitments Sold                   | \$288.5    | \$288.5   | \$0.0     |
| Unfunded Commitment                | \$1,643.8  | \$1,715.9 | \$72.1    |
| Capital Contributed                | \$3,315.1  | \$3,410.0 | \$94.9    |
| Capital Distributed <sup>(2)</sup> | \$1,925.7  | \$2,022.5 | \$96.8    |
| Market Value                       | \$2,229.8  | \$2,294.6 | \$64.8    |
| Total Value Multiple               | 1.3x       | 1.3x      | 0.0x      |
| Since Inception IRR                | 8.39%      | 8.55%     | 16 bps    |
| Avg. Age of Active Commitments     | 4.9 years  | 5.0 years | 0.1 years |

<sup>(1)</sup>The "change" in capital committed from the prior quarter reflects currency adjustments from existing foreign denominated funds and additional commitments made during the quarter.

<sup>(2)</sup>Distributions are inclusive of receivable amounts from TRS Secondary Sale.

**Portfolio Exposures:** The Corporate Finance/Buyout strategy represents 54% of the Portfolio's total exposure, Growth Equity accounts for 11%, Venture Capital represents 9%, Special Situations/Turnaround represents 9%, Secondaries represent 9%, Energy represents 5%, Co-Investment represents 2%, and Mezzanine represents the remaining 1%. The Portfolio has significant exposure to North America; with 81% of the underlying company market value based in the region.

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

### Portfolio Overview

#### Commitments

The table below highlights the funds that closed during the first quarter of 2013.

| YTD Commitments - 2013 |  |                                  |                                    |
|------------------------|--|----------------------------------|------------------------------------|
| Closing Date           | Partnership                                  | Investment Strategy              | Commitment Amount (\$ in Millions) |
| 1/31/2013              | Landmark Equity Partners XV, L.P.            | Secondaries                      | \$113.0                            |
| 1/31/2013              | Landmark Equity Partners XV, L.P. - Side Car | Secondaries                      | \$37.0                             |
| 3/8/2013               | ACON Equity Partners III, L.P.               | Corporate Finance/Buyout - Small | \$7.0                              |
| <b>Total</b>           |  |                                  | <b>\$157.0</b>                     |

The three new investments, totaling \$157.0 million are detailed below:

**Landmark Equity Partners XV, L.P. & Side Car (\$113.0/\$37.0 million)** the fund will focus on negotiated transactions in the secondary market, primarily targeting North American buyout investments entering the harvesting stage of their life cycle.

**ACON Equity Partners III, L.P. (\$7.0 million)** the fund, TRS's second commitment in the Emerging Manager 2012 Program, will target investments in middle-market companies that are domiciled in the U.S.



# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

### Subsequent Events

The Portfolio completed additional investments totaling \$595.2 million following the quarter end March 31, 2013, detailed below:

| Subsequent Closings                                  |                                  |                             |              |
|--|----------------------------------|-----------------------------|--------------|
| Investment   | Investment Strategy              | Commitment (\$ in Millions) | Closing Date |
| Incline Equity Partners III, L.P.                    | Corporate Finance/Buyout - Small | 9.0                         | 5/24/2013    |
| Grey Mountain Partners III, L.P.                     | Corporate Finance/Buyout - Small | 6.5                         | 6/14/2013    |
| Olympus Growth Fund VI, L.P.                         | Growth Equity                    | 100.0                       | 6/14/2013    |
| Altaris Health Partners III, L.P.                    | Corporate Finance/Buyout - Small | 11.0                        | 6/28/2013    |
| Apollo Investment Fund VIII, L.P.                    | Corporate Finance/Buyout - Mega  | 200.0                       | 6/28/2013    |
| Capital Partners Private Equity Income Fund II, L.P. | Corporate Finance/Buyout - Small | 8.8                         | 6/28/2013    |
| CVC Capital Partners VI, L.P.                        | Corporate Finance/Buyout - Mega  | 260.0                       | 6/28/2013    |
| <b>Total</b>   |                                  | <b>\$595.2</b>              |              |

**Incline Equity Partners III, L.P. (\$9.0 million)** the fund, an Emerging Manager 2012 Program commitment, will pursue control positions in leveraged buyouts of under managed lower-middle market companies located in North America.

**Grey Mountain Partners III, L.P. (\$6.5 million)** the fund, an Emerging Manager 2012 Program commitment, will seek to make control investments in underperforming lower-middle market companies with a focus on U.S. based manufacturing, distribution and business service companies.

**Olympus Growth Fund VI, L.P. (\$100.0 million)** the fund will invest opportunistically across a range of industries including business services, consumer, healthcare, restaurants, and financial services, seeking majority ownership positions within the companies.

**Altaris Health Partners III, L.P. (\$11.0 million)** the fund, an Emerging Manager 2012 Program commitment, will target and invest in growth oriented middle market healthcare companies.

**Apollo Investment Fund VIII, L.P. (\$200.0 million)** the fund will seek investments in mid- and large-cap companies, focusing on distressed investments, corporate carve-outs and opportunistic buyouts.

**Capital Partners Private Equity Income Fund II, L.P. (\$8.8 million)** the fund, an Emerging Manager 2012 Program commitment, will target control buyouts of lower-middle-market companies with a focus on U.S. manufacturing, value-added distribution and business services industries.

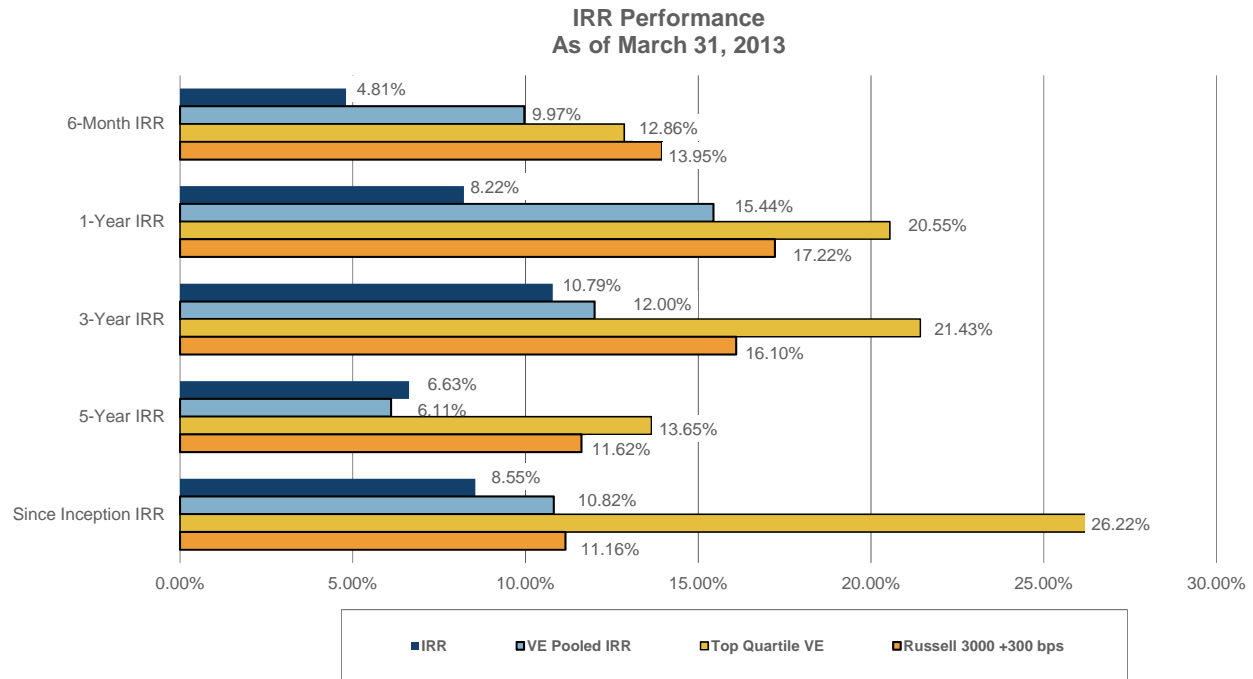
**CVC Capital Partners VI, L.P. (\$260.0/~~€~~200.0 million)** the fund predominantly targets businesses headquartered in Europe with global streams of revenue.

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

### Portfolio Performance Summary

The chart below is a graphical depiction of the IRR performance of the Portfolio with respect to 6-Month, 1-Year, 3-Year, 5-Year, and Since Inception time periods. The Portfolio is benchmarked against the VE Pooled IRR, Top Quartile VE and the Russell 3000 plus 300 basis points.



*Note: Since Inception IRR for VE benchmarks represent the returns for funds within latest 10 vintage years, the closest available benchmark to the inception date of NYC Teachers Portfolio. The Russell 3000 Total return index incorporates the Long Nickels methodology where the assumption is that the capital is being invested and withdrawn from the index on the days the capital was called and distributed from the underlying fund managers. This calculation includes a 3% premium.*

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the first quarter of 2013 increased 16 basis points from the prior quarter, with the Portfolio generating an IRR of 8.55%.
  - Relative to the benchmarks, the since inception IRR is underperforming the VE Pooled IRR by 227 basis points, the Top Quartile VE by 1,767 basis points, and Russell 3000 plus 300 basis points by 261 basis points.
- Performance on a one-year basis for the first quarter 2013 decreased 16 basis points from the fourth quarter 2012, with the Portfolio generating an IRR of 8.22%.
  - Relative to the benchmarks, the one-year IRR is underperforming the VE Pooled IRR by 722 basis points, the Top Quartile VE by 1,233 basis points, and Russell 3000 plus 300 basis points by 900 basis points.
  - Underperformance to the public benchmark can be attributed to the rally in the public markets during the year 2012 which carried over into the first quarter 2013.

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

The table below details quarterly performance of the Portfolio for the year ending March 31, 2013.

| Portfolio Summary            |                  |                  |                  |                  |                  |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| in \$ millions               | Quarter Ending   |                  |                  |                  | Year Ending      |
|                              | 6/30/2012        | 9/30/2012        | 12/31/2012       | 3/31/2013        | 3/31/2013        |
| Beginning Market Value       | \$2,149.8        | \$2,174.1        | \$2,239.3        | \$2,229.8        | \$2,149.8        |
| Paid-in Capital              | 115.6            | 93.3             | 149.2            | 94.9             | 453.0            |
| Distributions <sup>(1)</sup> | (122.2)          | (89.5)           | (201.0)          | (96.8)           | (509.5)          |
| <b>Net Value Change</b>      | <b>30.9</b>      | <b>61.4</b>      | <b>42.3</b>      | <b>66.7</b>      | <b>201.3</b>     |
| Ending Market Value          | \$2,174.1        | \$2,239.3        | \$2,229.8        | \$2,294.6        | \$2,294.6        |
| <b>Unfunded Commitments</b>  | <b>\$1,512.1</b> | <b>\$1,505.3</b> | <b>\$1,643.8</b> | <b>\$1,715.9</b> | <b>\$1,715.9</b> |
| Total Exposure               | \$3,686.2        | \$3,744.6        | \$3,873.6        | \$4,010.5        | \$4,010.5        |
| Point to Point IRR           | 2.01%            | 1.23%            | 1.86%            | 2.92%            | 8.22%            |
| Since Inception IRR          | 8.60%            | 8.43%            | 8.39%            | 8.55%            | 8.55%            |

<sup>(1)</sup>Distributions are inclusive of receivable amounts from TRS Secondary Sale.

- Over the past twelve months, the Portfolio has experienced a total of \$201.3 million in net value appreciation.
  - The one-year IRR of 8.22% represents a 61 basis point increase when compared to the one-year IRR as of March 31, 2012.
  - The since inception IRR of 8.55% represents a decrease of 6 basis points when compared to the since inception IRR as of March 31, 2012.

## Teachers' Retirement System of the City of New York

### First Quarter 2013 Report

The table below details IRR performance of the Portfolio with respect to Vintage Year. The Portfolio is benchmarked against the VE Median IRR, Top Quartile VE, and the Russell 3000 plus 300 basis points.

| Performance by Vintage Year |                   |        |               |                 |                       |
|-----------------------------|-------------------|--------|---------------|-----------------|-----------------------|
| Vintage Year                | Capital Committed | IRR    | VE Median IRR | Top Quartile VE | Russell 3000 + 300bps |
| 1999                        | \$ 95,000,000     | 6.93%  | 2.6%          | 8.47%           | 7.25%                 |
| 2000                        | 83,000,000        | 7.09%  | 8.78%         | 21.05%          | 6.09%                 |
| 2001                        | 80,000,000        | 19.69% | 12.38%        | 21.48%          | 7.00%                 |
| 2002                        | 150,000,000       | 13.06% | 10.06%        | 18.13%          | 8.50%                 |
| 2003                        | 85,000,000        | 20.49% | 11.49%        | 14.89%          | 11.59%                |
| 2004                        | 234,000,000       | 6.45%  | 11.08%        | 22.12%          | 9.41%                 |
| 2005                        | 300,477,205       | 4.05%  | 6.54%         | 9.62%           | 8.76%                 |
| 2006                        | 579,219,106       | 6.36%  | 6.13%         | 11.30%          | 8.71%                 |
| 2007                        | 506,454,788       | 7.32%  | 10.73%        | 15.65%          | 7.19%                 |
| 2008                        | 774,447,135       | 12.68% | 11.59%        | 20.56%          | 7.01%                 |
| 2009                        | 42,500,000        | 7.67%  | 10.03%        | 17.97%          | 20.18%                |
| 2010                        | 45,000,000        | 1.28%  | 10.09%        | 15.06%          | 16.94%                |
| 2011                        | 605,937,897       | 9.65%  | (3.21%)       | 8.44%           | 15.63%                |
| 2012                        | 592,750,000       | 8.11%  | (3.90%)       | 7.63%           | 25.90%                |
| 2013                        | 282,000,000       | N/A    | N/A           | N/A             | N/A                   |

Note: Commitments in the above table do not include liquidated/sold investments.

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

The table below details IRR performance of the Portfolio with respect to Investment Strategy. The Portfolio is benchmarked against the VE Median IRR, and the Top Quartile VE.

| Performance by Investment Strategy |                   |        |               |                 |
|------------------------------------|-------------------|--------|---------------|-----------------|
| Investment Strategy                | Capital Committed | IRR    | VE Median IRR | Top Quartile VE |
| Corporate Finance/Buyout           | \$ 2,393,266,418  | 9.54%  | 7.82%         | 15.72%          |
| Corporate Finance/Buyout - Mega    | 646,365,304       | 10.24% | 7.63%         | 13.21%          |
| Corporate Finance/Buyout - Large   | 416,251,405       | 16.00% | 8.13%         | 16.72%          |
| Corporate Finance/Buyout - Mid     | 844,037,139       | 8.34%  | 6.59%         | 14.06%          |
| Corporate Finance/Buyout - Small   | 486,612,570       | 7.57%  | 5.47%         | 16.95%          |
| Co-Invest                          | 119,937,765       | 1.95%  | N/A           | N/A             |
| Energy                             | 217,500,000       | 2.23%  | N/A           | N/A             |
| Growth Equity                      | 420,000,000       | 15.81% | N/A           | N/A             |
| Secondary                          | 403,000,000       | 14.37% | N/A           | N/A             |
| Special Situations/Turnaround      | 385,000,000       | 18.31% | 12.67%        | 19.23%          |
| Other                              | 517,081,947       | 2.43%  | 0.83%         | 7.97%           |
| Venture Capital                    | 467,081,947       | 1.31%  | 0.08%         | 6.92%           |
| Mezzanine                          | 50,000,000        | 13.96% | 6.43%         | 9.59%           |

Note: Commitments in the above table do not include liquidated/sold investments.

The table below details IRR performance of the Portfolio with respect to Geographic Focus.

| Performance Summary by Region |                        |                        |                                    |                        |              |                      |
|-------------------------------|------------------------|------------------------|------------------------------------|------------------------|--------------|----------------------|
| Region                        | Capital Committed      | Paid-In Capital        | Capital Distributed <sup>(1)</sup> | Reported Market Value  | IRR          | Total Value Multiple |
| North America                 | \$2,867,046,580        | \$2,312,989,199        | \$1,337,552,752                    | \$1,552,105,089        | 7.55%        | 1.2x                 |
| Western Europe                | \$278,578,212          | \$218,939,834          | \$63,803,818                       | \$165,471,829          | 1.64%        | 1.0x                 |
| Global/Rest of World          | \$1,310,161,339        | \$878,088,045          | \$621,168,240                      | \$577,044,058          | 13.05%       | 1.4x                 |
| <b>Total</b>                  | <b>\$4,455,786,131</b> | <b>\$3,410,017,079</b> | <b>\$2,022,524,811</b>             | <b>\$2,294,620,976</b> | <b>8.55%</b> | <b>1.3x</b>          |

<sup>(1)</sup> Distributions are inclusive of receivable amounts from TRS Secondary Sale.

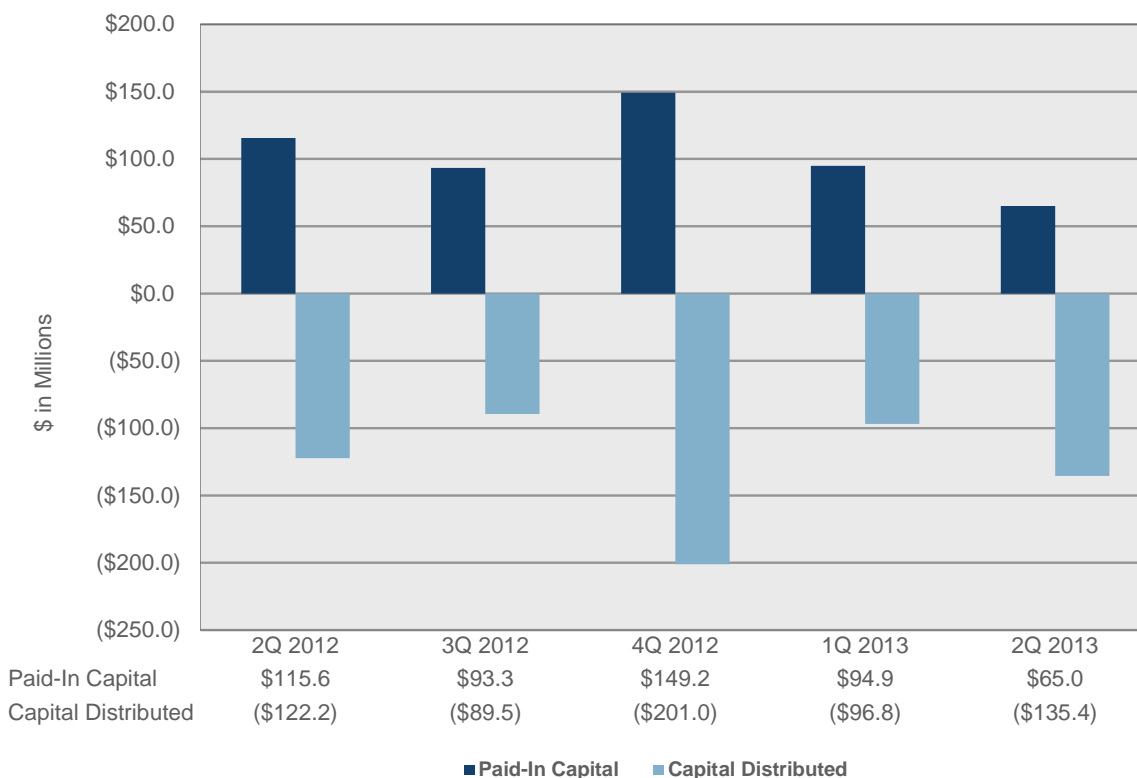
Note: Commitments in the above table do not include liquidated/sold investments.

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

### Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended March 31, 2013.



Note: Distributions are inclusive of receivable amounts from TRS Secondary Sale.

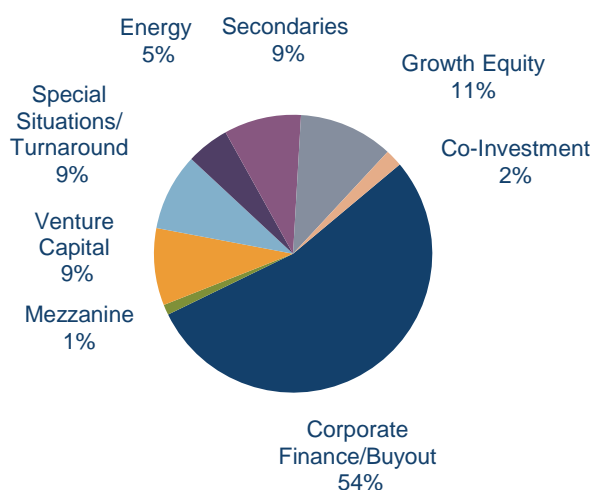
# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

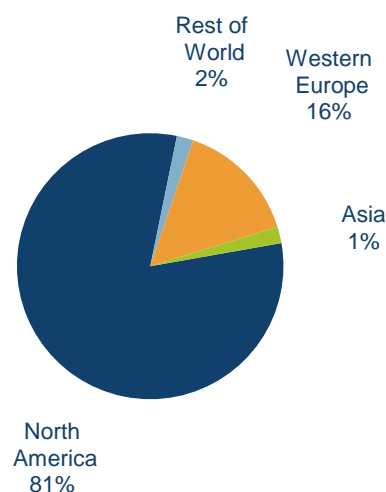
### Portfolio Exposures

The pie charts below represent the strategic and geographic diversification of the Portfolio as of March 31, 2013. Strategy is measured by total exposure, which is the sum of the market value and the unfunded commitments and provides a snapshot of the Portfolio's future diversification. Geography is measured by the Portfolio's exposed market value of the underlying portfolio companies.

**Strategic Diversification  
by Total Exposure  
As of March 31, 2013**



**Underlying Investment Diversification  
by Geographic Location  
As of March 31, 2013**



- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 54% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 81% of the Portfolio's underlying market value attributable to this region.
  - The remaining 19% of the Portfolio's exposure is diversified between Western Europe, 'Rest-of-World' and Asia.

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## Section 3:

### Portfolio Assessment



**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2013 (in USD)**

| Vintage Year              | Investment  | First Drawdown | Committed Capital | Paid-In Capital | Distributed Capital | Market Value | Multiple | IRR      |
|---------------------------|---|----------------|-------------------|-----------------|---------------------|--------------|----------|----------|
| <b>Active Investments</b> |   |                |                   |                 |                     |              |          |          |
| 1999                      | Cypress Merchant Banking Partners II, LP              | 7/8/1999       | \$ 50,000,000     | \$ 53,822,460   | \$ 41,083,088       | \$ 6,244,126 | 0.88x    | (2.75%)  |
| 1999                      | FdG Capital Partners, L.P.                            | 6/2/1999       | 30,000,000        | 34,452,711      | 51,025,646          | 6,203,423    | 1.66x    | 14.97%   |
| 1999                      | Lincolnshire Equity Fund II, L.P.                     | 2/26/2001      | 15,000,000        | 14,446,100      | 27,179,141          | 1,619,297    | 1.99x    | 24.92%   |
| 2000                      | Carlyle Partners III, L.P.                            | 12/22/2000     | 30,000,000        | 33,979,261      | 71,806,301          | 263,182      | 2.12x    | 23.34%   |
| 2000                      | SCP Private Equity Partners II, L.P.                  | 1/19/2001      | 20,000,000        | 22,168,428      | 6,465,475           | 7,853,801    | 0.65x    | (6.26%)  |
| 2000                      | Solera Partners, L.P.                                 | 7/8/2002       | 15,000,000        | 19,335,604      | 25,272,373          | 11,542,741   | 1.90x    | 10.31%   |
| 2001                      | Apollo Investment Fund V, L.P.                        | 8/23/2001      | 30,000,000        | 46,725,243      | 84,582,114          | 9,016,842    | 2.00x    | 39.00%   |
| 2001                      | New Mountain Partners, L.P.                           | 7/20/2001      | 15,000,000        | 12,977,661      | 17,328,376          | 1,419,647    | 1.44x    | 12.59%   |
| 2001                      | Ripplewood Partners II, L.P.                          | 6/30/2002      | 15,000,000        | 16,863,655      | 12,487,111          | 8,941,219    | 1.27x    | 6.52%    |
| 2001                      | RRE Ventures III, L.P.                                | 6/13/2002      | 20,000,000        | 25,825,135      | 24,128,433          | 16,348,606   | 1.57x    | 8.46%    |
| 2002                      | BDCM Opportunity Fund, L.P.                           | 11/10/2003     | 25,000,000        | 54,630,572      | 84,545,308          | 5,155,760    | 1.64x    | 22.89%   |
| 2002                      | Collier International Partnership IV, L.P.            | 11/6/2002      | 35,000,000        | 31,184,164      | 36,135,739          | 8,713,435    | 1.44x    | 13.81%   |
| 2002                      | Landmark Equity Partners XI, L.P.                     | 9/15/2004      | 20,000,000        | 21,193,612      | 27,364,030          | 3,690,070    | 1.47x    | 24.23%   |
| 2002                      | Thomas McNerney & Partners, L.P.                      | 11/26/2002     | 15,000,000        | 14,475,000      | 5,252,354           | 6,125,335    | 0.79x    | (5.62%)  |
| 2002                      | Yucaipa American Alliance Fund I, L.P.                | 10/1/2004      | 55,000,000        | 80,828,995      | 59,739,039          | 42,099,559   | 1.26x    | 8.16%    |
| 2003                      | Ares Corporate Opportunities Fund, L.P.               | 5/4/2004       | 15,000,000        | 17,999,787      | 24,792,009          | 2,994,580    | 1.54x    | 14.25%   |
| 2003                      | Blackstone Capital Partners IV L.P.                   | 1/10/2003      | 30,000,000        | 30,678,167      | 61,234,232          | 11,824,673   | 2.38x    | 38.18%   |
| 2003                      | FS Equity Partners V, L.P.                            | 5/30/2003      | 25,000,000        | 21,596,818      | 36,512,224          | 7,485,947    | 2.04x    | 16.66%   |
| 2003                      | Leeds Weld Equity Partners IV, L.P.                   | 12/13/2004     | 15,000,000        | 15,137,731      | 9,039,077           | 8,642,478    | 1.17x    | 3.00%    |
| 2004                      | Aurora Equity Partners III, L.P.                      | 5/19/2005      | 20,000,000        | 21,695,963      | 19,809,668          | 12,783,402   | 1.50x    | 12.49%   |
| 2004                      | Celtic Pharmaceutical Holdings, L.P.                  | 7/10/2006      | 15,000,000        | 15,241,256      | 241,256             | 13,818,472   | 0.92x    | 7.62%    |
| 2004                      | FdG Capital Partners II, L.P.                         | 8/30/2004      | 35,000,000        | 36,797,401      | 27,815,486          | 12,224,523   | 1.09x    | 1.84%    |
| 2004                      | Lincolnshire Equity Fund III, L.P.                    | 12/23/2004     | 25,000,000        | 23,541,480      | 27,327,369          | 16,677,255   | 1.87x    | 35.76%   |
| 2004                      | Markstone Capital Partners, L.P.                      | 7/21/2004      | 35,000,000        | 36,284,480      | 16,600,620          | 14,522,124   | 0.86x    | (4.20%)  |
| 2004                      | New York/Fairview Emerging Managers (Tranche A), L.P. | 5/10/2004      | 24,000,000        | 21,300,000      | 5,574,568           | 16,103,707   | 1.02x    | 0.43%    |
| 2004                      | Paladin Homeland Security Fund (NY), L.P.             | 10/1/2004      | 15,000,000        | 17,198,110      | 2,653,109           | 6,820,299    | 0.55x    | (11.44%) |
| 2004                      | Trilantic Capital Partners III (fka LBMB III), L.P.   | 9/22/2005      | 30,000,000        | 23,365,435      | 33,404,045          | 2,702,895    | 1.55x    | 13.05%   |
| 2005                      | Blackstone Mezzanine Partners II, L.P.                | 5/26/2006      | 20,000,000        | 19,232,036      | 16,078,354          | 9,124,691    | 1.31x    | 8.11%    |
| 2005                      | Bridgepoint Europe III, L.P.                          | 12/6/2005      | 31,251,405        | 26,996,441      | 12,213,800          | 19,635,665   | 1.18x    | 3.28%    |
| 2005                      | Erasmus New York City Growth Fund, L.P.               | 8/16/2005      | 30,000,000        | 26,117,536      | 14,530,558          | 8,323,854    | 0.88x    | (2.90%)  |
| 2005                      | GI Partners Fund II, L.P.                             | 6/19/2006      | 25,000,000        | 25,147,790      | 13,374,963          | 24,621,033   | 1.51x    | 8.07%    |
| 2005                      | JP Morgan Fleming (Tranche A), L.P.                   | 12/21/2005     | 31,000,000        | 26,801,846      | 9,825,525           | 22,002,776   | 1.19x    | 5.31%    |
| 2005                      | New Mountain Partners II, L.P.                        | 1/12/2005      | 23,225,800        | 21,131,670      | 27,584,056          | 9,804,821    | 1.77x    | 12.81%   |
| 2005                      | Palladium Equity Partners III, L.P.                   | 8/10/2005      | 35,000,000        | 35,226,887      | 23,181,396          | 34,636,531   | 1.64x    | 16.52%   |
| 2005                      | Prism Venture Partners V-A, L.P.                      | 7/14/2005      | 20,000,000        | 20,423,087      | 5,113,674           | 8,761,175    | 0.68x    | (10.90%) |
| 2005                      | Psilos Group Partners III, L.P.                       | 10/17/2007     | 25,000,000        | 23,700,585      | 12,820,541          | 18,065,339   | 1.30x    | 7.25%    |
| 2005                      | Quadrangle Capital Partners II, L.P.                  | 2/28/2006      | 35,000,000        | 29,228,535      | 18,456,357          | 11,330,060   | 1.02x    | 0.49%    |
| 2005                      | Snow Phipps Group, L.P.                               | 8/2/2007       | 15,000,000        | 15,814,872      | 10,441,591          | 10,355,302   | 1.32x    | 10.15%   |
| 2005                      | USPF II Institutional Fund, L.P.                      | 11/23/2005     | 35,000,000        | 46,164,567      | 24,227,999          | 29,702,937   | 1.17x    | 4.50%    |
| 2005                      | VSS Communications Partners IV, L.P.                  | 6/2/2006       | 10,000,000        | 10,565,492      | 2,710,093           | 5,686,485    | 0.79x    | (4.98%)  |
| 2006                      | Aisling Capital II, L.P.                              | 1/12/2006      | 4,500,000         | 4,325,072       | 1,494,718           | 2,929,812    | 1.02x    | 0.59%    |
| 2006                      | Ampersand 2006, L.P.                                  | 7/6/2007       | 15,000,000        | 13,200,000      | 7,399,318           | 11,494,169   | 1.43x    | 9.48%    |
| 2006                      | Apollo Investment Fund VI, L.P.                       | 5/10/2006      | 35,000,000        | 42,819,614      | 23,636,904          | 37,530,583   | 1.43x    | 9.55%    |
| 2006                      | Ares Corporate Opportunities Fund II, L.P.            | 5/23/2006      | 30,000,000        | 32,614,171      | 39,326,964          | 13,752,574   | 1.63x    | 13.96%   |
| 2006                      | Arsenal Capital Partners II, L.P.                     | 12/19/2006     | 13,500,000        | 15,035,868      | 5,194,071           | 15,329,508   | 1.36x    | 10.44%   |
| 2006                      | Avista Capital Partners, L.P.                         | 8/11/2006      | 30,000,000        | 37,946,126      | 26,517,964          | 23,997,398   | 1.33x    | 7.94%    |
| 2006                      | BDCM Opportunity Fund II, L.P.                        | 12/28/2006     | 25,000,000        | 32,044,878      | 13,635,483          | 36,436,428   | 1.56x    | 16.63%   |
| 2006                      | Blackstone Capital Partners V, L.P.                   | 4/13/2006      | 75,000,000        | 74,885,371      | 19,571,767          | 72,139,962   | 1.22x    | 4.59%    |
| 2006                      | Catterton Partners VI, L.P.                           | 12/14/2006     | 30,000,000        | 31,943,688      | 10,379,783          | 40,020,673   | 1.58x    | 12.46%   |
| 2006                      | CCMP Capital Investors II, L.P.                       | 5/22/2007      | 20,000,000        | 20,862,499      | 8,990,621           | 20,873,502   | 1.43x    | 13.82%   |
| 2006                      | Cinven Fourth Fund                                    | 1/22/2007      | 44,631,415        | 43,869,268      | 15,988,450          | 41,947,028   | 1.32x    | 7.54%    |
| 2006                      | Fairview Ventures Fund III, L.P.                      | 7/13/2007      | 20,000,000        | 16,249,472      | 3,532,632           | 17,089,913   | 1.27x    | 9.66%    |
| 2006                      | First Reserve Fund XI, L.P.                           | 12/22/2006     | 30,000,000        | 34,046,996      | 12,767,005          | 25,960,859   | 1.14x    | 3.98%    |
| 2006                      | GF Capital Private Equity Fund, L.P.                  | 3/20/2008      | 15,000,000        | 15,006,255      | 8,174,107           | 14,044,752   | 1.48x    | 16.38%   |
| 2006                      | GSC Recovery III, L.P.                                | 5/4/2006       | 10,000,000        | 10,581,644      | 6,638,300           | 5,106,271    | 1.11x    | 3.08%    |
| 2006                      | InterMedia Partners VII, L.P.                         | 6/8/2006       | 25,000,000        | 27,318,298      | 3,541,720           | 32,355,559   | 1.31x    | 5.89%    |
| 2006                      | Landmark Equity Partners Fund XIII, L.P.              | 5/15/2006      | 25,000,000        | 22,353,580      | 13,037,757          | 12,772,897   | 1.15x    | 3.96%    |
| 2006                      | MidOcean Partners III, L.P.                           | 6/19/2007      | 40,000,000        | 38,330,648      | 8,218,262           | 34,804,339   | 1.12x    | 3.73%    |
| 2006                      | Perseus Partners VII, L.P.                            | 8/6/2007       | 20,000,000        | 22,063,715      | 3,129,430           | 7,907,996    | 0.50x    | (21.57%) |
| 2006                      | RRE Ventures IV, L.P.                                 | 10/25/2006     | 25,000,000        | 27,528,965      | 3,428,022           | 28,470,766   | 1.16x    | 4.69%    |
| 2006                      | Terra Firma Capital Partners III, L.P.                | 2/26/2007      | 30,987,691        | 29,074,675      | 662,055             | 15,985,580   | 0.57x    | (14.81%) |
| 2006                      | Thomas, McNerney & Partners II, L.P.                  | 11/30/2006     | 15,000,000        | 12,862,500      | 1,872,248           | 11,282,857   | 1.02x    | 0.72%    |
| 2007                      | Carlyle Partners V, L.P.                              | 9/28/2007      | 50,000,000        | 45,930,750      | 16,678,518          | 41,191,480   | 1.26x    | 9.67%    |
| 2007                      | Co-Investment Partners Europe, L.P.                   | 12/5/2008      | 26,561,502        | 27,541,050      | 5,294,987           | 26,898,627   | 1.17x    | 6.03%    |
| 2007                      | Constellation Ventures III, L.P.                      | 11/20/2008     | 15,000,000        | 14,692,251      | 359,698             | 13,435,368   | 0.94x    | (2.33%)  |
| 2007                      | Craton Equity Investors I, L.P.                       | 3/11/2008      | 10,000,000        | 9,023,462       | 6,094               | 7,419,932    | 0.82x    | (6.47%)  |
| 2007                      | FTVentures III, L.P.                                  | 3/1/2007       | 14,081,947        | 14,634,065      | 7,141,031           | 15,787,171   | 1.57x    | 14.41%   |
| 2007                      | GSO Capital Opportunities Fund, L.P.                  | 8/15/2008      | 30,000,000        | 38,958,776      | 36,148,240          | 20,327,221   | 1.45x    | 19.54%   |
| 2007                      | Halyard Capital Fund II, L.P.                         | 11/2/2007      | 15,000,000        | 10,365,535      | 564,506             | 8,647,984    | 0.89x    | (3.27%)  |
| 2007                      | Montreux Equity Partners IV, L.P.                     | 3/27/2007      | 15,000,000        | 14,392,500      | 7,958,758           | 12,866,102   | 1.45x    | 14.41%   |
| 2007                      | Nautic Partners VI, L.P.                              | 6/30/2008      | 20,000,000        | 18,498,960      | 4,127,863           | 18,317,406   | 1.21x    | 6.85%    |
| 2007                      | New Mountain Partners III, L.P.                       | 9/25/2007      | 35,000,000        | 34,004,164      | 8,764,543           | 31,817,686   | 1.19x    | 8.62%    |
| 2007                      | PCG Clean Energy & Technology Fund East, L.P.         | 4/25/2008      | 60,000,000        | 46,720,829      | 3,352,781           | 29,884,573   | 0.71x    | (11.94%) |
| 2007                      | Pegasus Partners IV, L.P.                             | 10/9/2007      | 20,000,000        | 22,301,573      | 10,687,175          | 18,300,305   | 1.30x    | 8.45%    |
| 2007                      | Pine Brook Capital Partners, L.P.                     | 4/7/2008       | 22,500,000        | 19,068,221      | 8,771,188           | 17,762,517   | 1.39x    | 17.07%   |
| 2007                      | Quaker BioVentures II, L.P.                           | 4/18/2008      | 15,000,000        | 11,743,332      | 2,588,953           | 7,069,981    | 0.82x    | (8.75%)  |
| 2007                      | RLJ Equity Partners Fund I, L.P.                      | 4/14/2009      | 15,000,000        | 9,248,700       | 1,601,350           | 9,934,061    | 1.25x    | 9.70%    |
| 2007                      | SCP Vitalife Partners II, L.P.                        | 1/10/2008      | 15,000,000        | 11,999,774      | 1,184               | 10,203,233   | 0.85x    | (5.66%)  |
| 2007                      | StarVest Partners II, L.P.                            | 12/8/2008      | 20,000,000        | 14,496,498      | 12,547              | 11,771,561   | 0.81x    | (9.03%)  |
| 2007                      | Trilantic Capital Partners IV L.P.                    | 10/22/2007     | 53,311,339        | 50,888,904      | 39,328,722          | 39,395,431   | 1.55x    | 18.98%   |
| 2007                      | USPF III Institutional Fund, L.P.                     | 7/10/2007      | 30,000,000        | 26,206,549      | 5,107,320           | 23,014,191   | 1.07x    | 2.01%    |
| 2007                      | Vista Equity Partners Fund III, L.P.                  | 11/30/2007     | 25,000,000        | 23,925,240      | 33,817,896          | 24,901,292   | 2.45x    | 30.75%   |

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2013 (in USD)**

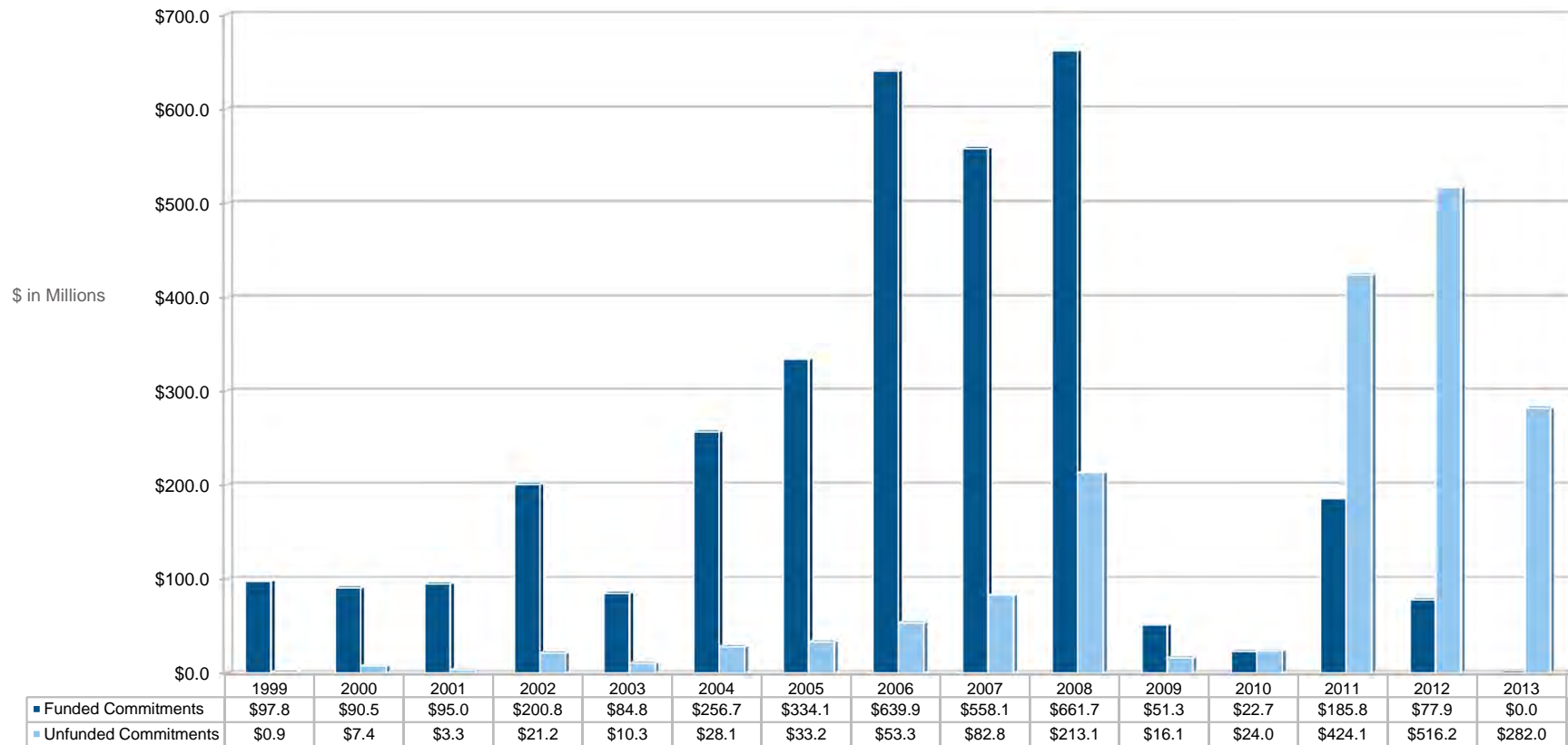
| Vintage Year                       | Investment  | First Drawdown | Committed Capital       | Paid-In Capital         | Distributed Capital     | Market Value            | Multiple     | IRR          |
|------------------------------------|---|----------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|--------------|
| 2008                               | Aisling Capital III, L.P.                             | 11/20/2008     | 10,500,000              | 5,585,648               | 353,687                 | 4,571,909               | 0.88x        | (8.15%)      |
| 2008                               | Apollo Investment Fund VII, L.P.                      | 4/16/2008      | 50,000,000              | 54,924,871              | 40,095,627              | 43,606,401              | 1.52x        | 25.24%       |
| 2008                               | Ares Corporate Opportunities Fund III, L.P.           | 7/30/2008      | 60,000,000              | 61,709,542              | 45,752,652              | 47,183,100              | 1.51x        | 24.29%       |
| 2008                               | Avista Capital Partners II, L.P.                      | 12/31/2008     | 50,000,000              | 52,973,833              | 28,398,023              | 45,175,164              | 1.39x        | 15.78%       |
| 2008                               | Blue Wolf Capital Fund II, L.P.                       | 11/14/2008     | 20,000,000              | 17,243,905              | 7,984,160               | 14,314,594              | 1.29x        | 16.77%       |
| 2008                               | Bridgepoint Europe IV, L.P.                           | 9/30/2008      | 26,708,302              | 19,780,499              | 354,378                 | 22,122,779              | 1.14x        | 7.06%        |
| 2008                               | Carpenter Community BancFund-A, L.P.                  | 6/5/2008       | 15,000,000              | 13,618,573              | 174,916                 | 17,133,370              | 1.27x        | 8.02%        |
| 2008                               | CS TRSCNY Emerging Manager Co-Investment Fund, L.P.   | 8/22/2008      | 12,626,263              | 7,003,743               | 3,732,657               | 6,227,672               | 1.42x        | 12.33%       |
| 2008                               | CS TRSCNY Emerging Manager Fund, L.P.                 | 8/22/2008      | 59,373,737              | 34,677,748              | 9,043,316               | 26,460,332              | 1.02x        | 1.55%        |
| 2008                               | First Reserve Fund XII, L.P.                          | 11/14/2008     | 30,000,000              | 24,093,423              | 2,900,412               | 22,619,230              | 1.06x        | 2.22%        |
| 2008                               | GI Partners III, L.P.                                 | 7/29/2008      | 30,000,000              | 30,894,997              | 11,205,533              | 29,821,626              | 1.33x        | 15.44%       |
| 2008                               | Landmark Equity Partners XIV, L.P.                    | 9/19/2008      | 50,000,000              | 29,560,419              | 10,205,294              | 26,629,664              | 1.25x        | 17.46%       |
| 2008                               | Lee Equity Partners, L.P.                             | 4/23/2008      | 30,000,000              | 24,055,697              | 3,865,535               | 21,727,710              | 1.06x        | 2.99%        |
| 2008                               | Leeds Equity Partners V, L.P.                         | 7/28/2008      | 40,000,000              | 27,384,074              | 7,175,881               | 24,693,023              | 1.16x        | 10.37%       |
| 2008                               | Levine Leichtman Capital Partners IV, L.P.            | 9/22/2008      | 25,000,000              | 24,103,226              | 9,339,346               | 28,145,114              | 1.56x        | 27.44%       |
| 2008                               | New York/Fairview Emerging Managers (Tranche B), L.P. | 5/28/2008      | 35,000,000              | 18,914,000              | 2,992,547               | 19,146,412              | 1.17x        | 8.70%        |
| 2008                               | NGN BioMed Opportunity II, L.P.                       | 10/31/2008     | 15,000,000              | 11,888,866              | 17,765                  | 8,886,656               | 0.75x        | (10.54%)     |
| 2008                               | Onex Partners III, L.P.                               | 3/31/2009      | 40,000,000              | 34,419,068              | 7,451,710               | 29,061,300              | 1.06x        | 4.26%        |
| 2008                               | Paladin III (HR), L.P.                                | 1/8/2008       | 20,000,000              | 15,181,580              | 5,398,908               | 11,485,881              | 1.11x        | 4.25%        |
| 2008                               | Relativity Fund, L.P.                                 | 1/17/2008      | 15,000,000              | 7,967,764               | 601,963                 | 2,176,791               | 0.35x        | (34.30%)     |
| 2008                               | Riverstone/Carlyle Global Energy & Power Fund IV      | 9/29/2008      | 32,500,000              | 27,509,884              | 15,356,434              | 23,951,550              | 1.43x        | 15.48%       |
| 2008                               | Yucaipa American Alliance Fund II, L.P.               | 3/28/2008      | 75,000,000              | 91,311,854              | 41,476,960              | 96,866,209              | 1.52x        | 19.12%       |
| 2008                               | Yucaipa Corporate Initiatives Fund II, L.P.           | 6/23/2008      | 32,738,833              | 31,328,616              | 3,655,520               | 18,636,918              | 0.71x        | (16.45%)     |
| 2009                               | Lincolnshire Equity Fund IV, L.P.                     | 8/7/2009       | 12,500,000              | 6,743,986               | 328,107                 | 5,454,673               | 0.86x        | (11.21%)     |
| 2009                               | Welsh, Carson, Anderson & Stowe XI, L.P.              | 2/10/2009      | 30,000,000              | 19,877,892              | 1,293,250               | 23,417,712              | 1.24x        | 11.40%       |
| 2010                               | JP Morgan Fleming (Tranche B), L.P.                   | 3/31/2008      | 10,000,000              | 5,497,730               | 319,827                 | 5,555,857               | 1.07x        | 4.80%        |
| 2010                               | Trident V, L.P.                                       | 12/30/2010     | 35,000,000              | 17,342,931              | 1,369,552               | 15,969,074              | 1.00x        | (0.02%)      |
| 2011                               | Ampersand 2011, L.P.                                  | 3/31/2009      | 17,500,000              | 11,200,000              | -                       | 12,738,031              | 1.14x        | 11.30%       |
| 2011                               | Blackstone Capital Partners VI, L.P.                  | 1/24/2011      | 60,000,000              | 13,793,606              | 185,999                 | 14,805,580              | 1.09x        | 9.17%        |
| 2011                               | EQT VI, L.P.  | 8/1/2011       | 49,338,079              | 14,713,820              | 211,872                 | 14,296,667              | 0.99x        | (1.93%)      |
| 2011                               | BC European Capital IX, L.P.                          | 9/19/2011      | 69,099,818              | 23,920,855              | 3,478,109               | 24,585,483              | 1.17x        | 24.05%       |
| 2011                               | AXA Secondary Fund V L.P.                             | 8/11/2011      | 160,000,000             | 47,654,500              | 5,415,915               | 55,098,003              | 1.27x        | 22.87%       |
| 2011                               | Pegasus Partners V, L.P.                              | 8/16/2011      | 50,000,000              | 8,848,575               | 840                     | 7,203,215               | 0.81x        | (19.57%)     |
| 2011                               | Green Equity Investors VI, L.P.                       | 10/28/2011     | 100,000,000             | 9,631,761               | 254,129                 | 8,986,407               | 0.96x        | (4.43%)      |
| 2011                               | Vista Equity Partners IV, L.P.                        | 10/27/2011     | 100,000,000             | 36,367,031              | 1,112,927               | 36,303,162              | 1.03x        | 3.18%        |
| 2011                               | American Securities Partners VI, L.P.                 | 12/21/2011     | 100,000,000             | 31,541,459              | 47,451                  | 29,583,590              | 0.94x        | (7.32%)      |
| 2012                               | Ares Corporate Opportunities Fund IV, L.P.            | 4/20/2012      | 105,000,000             | 3,971,139               | -                       | 3,237,653               | 0.82x        | (19.20%)     |
| 2012                               | Warburg Pincus Private Equity XI, L.P.                | 5/9/2012       | 175,000,000             | 26,468,236              | 156,113                 | 28,549,318              | 1.08x        | 11.54%       |
| 2012                               | Trilantic Capital Partners V, L.P.                    | 7/31/2012      | 70,000,000              | 1,001,972               | 1,144                   | -                       | 0.00x        | N/A          |
| 2012                               | Platinum Equity Capital Partners III, L.P.            | 12/28/2012     | 115,000,000             | 33,504,676              | 6,691,497               | 29,159,012              | 1.07x        | 19.70%       |
| 2012                               | NYCTRS - 2012 Emerging Manager Program                | 11/16/2012     | 175,000,000             | 4,375,288               | 279,589                 | 3,966,519               | 0.97x        | N/A          |
| 2013                               | Carlyle Partners VI, L.P.                             | N/A            | 125,000,000             | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Carlyle Partners VI, L.P. - Side Car                  | N/A            | 13,750,000              | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Landmark Equity Partners XV, L.P.                     | N/A            | 113,000,000             | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Landmark Equity Partners XV, L.P. - Side Car          | N/A            | 37,000,000              | -                       | -                       | -                       | 0.00x        | N/A          |
| <b>Total Portfolio<sup>1</sup></b> |   |                | <b>\$ 4,609,786,131</b> | <b>\$ 3,410,017,079</b> | <b>\$ 2,022,524,811</b> | <b>\$ 2,294,620,976</b> | <b>1.27x</b> | <b>8.55%</b> |

| Vintage Year   | Investment                        | First Drawdown | Committed Capital     | Net Contributed Capital | Net Distributed Capital | Market Value | Multiple   | IRR        |
|--|-----------------------------------|----------------|-----------------------|-------------------------|-------------------------|--------------|------------|------------|
| <b>Commitments Closed Subsequent to as of Date</b>       |                                   |                |                       |                         |                         |              |            |            |
| 2013   | Olympus Growth Fund VI, L.P.      | N/A            | \$ 100,000,000        | \$ -                    | \$ -                    | \$ -         | N/A        | N/A        |
| 2013   | Apollo Investment Fund VIII, L.P. | N/A            | 200,000,000           | -                       | -                       | -            | N/A        | N/A        |
| 2013   | CVC Capital Partners VI, L.P.     | N/A            | 259,970,000           | -                       | -                       | -            | N/A        | N/A        |
| <b>Total Commitments Closed Subsequent to as of Date</b> |                                   |                | <b>\$ 559,970,000</b> | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>  | <b>N/A</b> | <b>N/A</b> |

<sup>1</sup>Please note that the Total Portfolio is inclusive of liquidated investments in the TRS Portfolio and include sales proceeds from the 2012 Secondary Sale Partnerships

Note: Where available, March 31, 2013 reported valuations were used. In the absence of March 31, 2013 reported values, market values have been adjusted forward using interim cashflows through March 31, 2013. The IRR calculated in the early years of a fund is not meaningful given the j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of March 31, 2013.

**Teachers' Retirement System of the City of New York**  
**Commitments By Vintage Year**  
**As of March 31, 2013**

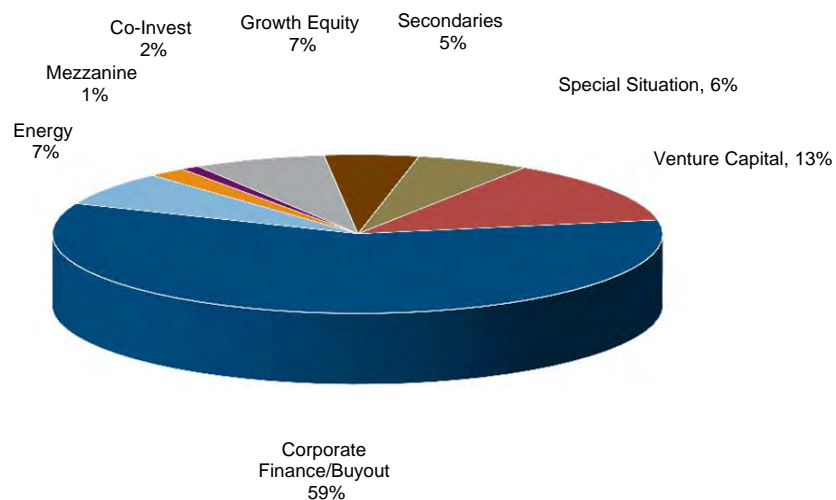


Funded Commitments exclude additional fees.

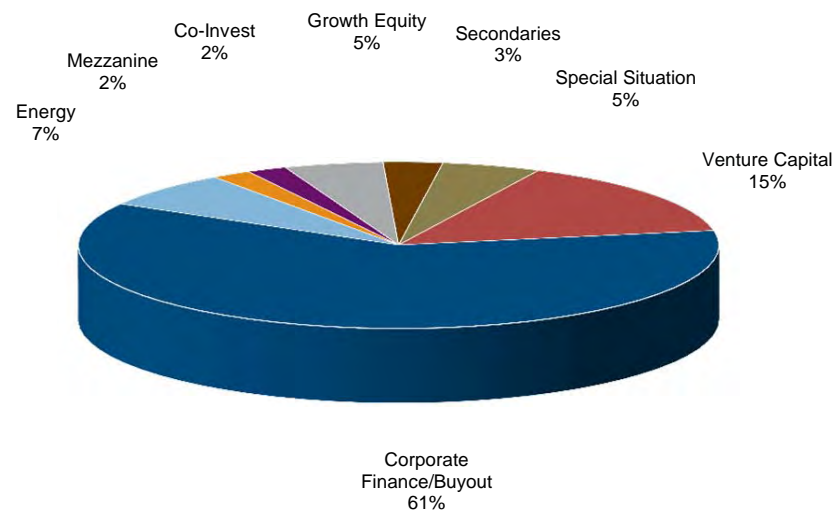
Unfunded Commitments include recallable returns of capital.

## Teachers' Retirement System of the City of New York Portfolio Strategic Diversification As Measured By Reported Market Value

As of March 31, 2013



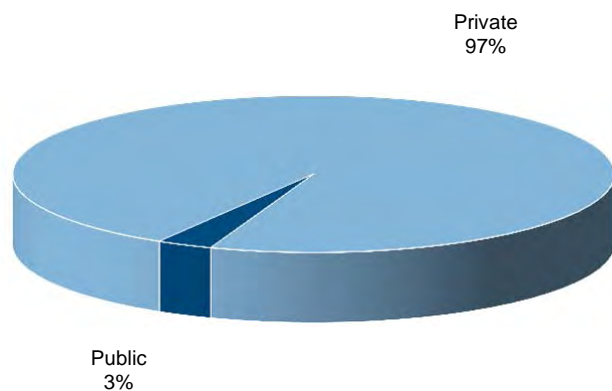
As of March 31, 2012



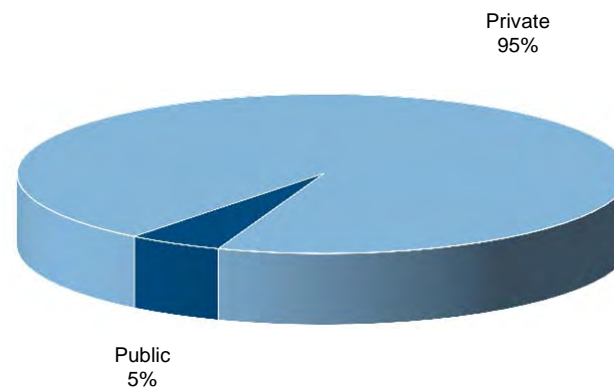
Note: The March 31, 2013 financial statement for Allegra Capital Partners IV, L.P., Celtic Pharmaceuticals Holdings, L.P., and Erasmus New York City Growth Fund, L.P. was not available from the general partner at the time of completion of this report. The remaining market value is based upon the last reported market value and adjusted forward for net cash flows.

**Teachers' Retirement System of the City of New York**  
**Public Vs. Private Holdings**  
**As of March 31, 2013**

**Based on Number of Companies <sup>(1)</sup>**



**Based on Reported Market Value <sup>(1)</sup>**



<sup>(1)</sup> Portfolio Company information as of March 31, 2013 for Allegra Capital Partners IV, L.P., AXA Secondary Fund V, L.P., BC European Capital IX, L.P., Celtic Pharmaceuticals Holdings, L.P., CS TRSCNY Emerging Manager Co-Investment Fund, L.P., CS TRSCNY Emerging Manager Fund, L.P., Erasmus New York City Growth Fund, L.P., Fdg Capital Partners, L.P., and Lincolnshire Equity Fund II, L.P. was not available at the time of this analysis. Market values for underlying holdings have been carried forward from last quarter.

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# Appendix A:

## Glossary of Terms

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

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**Additional Fees:** The amount of capital an investor pays into a fund/investment that does not count against the investors' commitment. Additional fees typically consist of management fees or late-closing interest expense.

**Capital Committed:** An investor's financial obligation to provide a set amount of capital to the investment.

**Capital Contributed:** Capital contributed from an investor's capital commitment to fund partnership investments, organizational expenses and management fees.

**Capital Distributed:** Cash or stock disbursed to the investors of an investment.

**Co/Direct Investment:** A direct investment is a purchased interest of an operating company. A co-investment is a direct investment made alongside a partnership.

**Corporate Finance/Buyout:** Funds seeking to make controlling and non-controlling investments in established companies which have the potential to achieve greater value through improved performance.

**Cost Basis:** Capital contributions less return of principal.

**Fund-of-Funds:** An investment vehicle which invests in other private equity partnerships.

**Fund/Investment Size:** The total amount of capital committed by investors to a fund.

**Investment Category:** Used to identify investments in one of the following categories: co/direct investments, fund-of-funds, primary funds, secondary fund-of-funds or secondary purchases.

**Investment Strategy:** A sub-classification of a partnership's investment type, such as Co/Direct Investment, Corporate Finance/Buyout, Mezzanine, Real Estate, Special Situation, Venture Capital.

**Life Cycle Period:** The current stage of a partnership depending on the percentage contributed to date. Life cycle periods are investment and realization.

**Mezzanine:** An investment strategy involving the purchase of subordinated debt. These securities exist between the senior debt and equity of a holding's capital structure. Subordinated debt carries a lower level of risk than pure equity structures because they generate current income and have a more senior position in the company's capital structure.

**Net Internal Rate Of Return ("IRR"):** The discount rate that equates the net present value of the partnership's cash outflows with its inflows and residual value at the time of calculation. The calculation is net of management fees and the general partner's carried interest.

**Originator:** The institution responsible for recommending a client commit to an investment.

**Ownership Percentage:** The investor's percent of ownership as measured by capital committed divided by fund/investment size.

**Paid-In Capital:** The amount of capital an investor has contributed to a partnership, which includes capital contributions and additional fees.

# Teachers' Retirement System of the City of New York

## First Quarter 2013 Report

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**Pooled Average IRR:** An IRR calculation which aggregates cash flows (paid-in capital and capital distributed) and the reported market values of each investment within a portfolio to create one portfolio investment and return.

**Portfolio Holding Exposure:** The limited partner's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.

**Primary Fund:** Defines when the investor acquired an interest in the partnership. Primary fund is the investment category when an investor participates in a closing at the inception of the partnership.

**Private Equity Partnership:** A professionally managed pool of capital that generally invests in unlisted companies or securities. Common investment strategies include corporate finance/buyout, mezzanine, special situations and venture capital.

**Realized Multiple:** Ratio of cumulative distributions to paid-in capital.

**Return On Investment ("ROI"):** A calculation based on the total value (market value plus distributions) divided by paid-in capital for an investment.

**Reported Market Value:** The investment's capital account balance at quarter end, which includes the general partner's reported value of the underlying holdings and other assets and liabilities.

**Secondary Fund-of-Funds:** A private equity vehicle formed to purchase active partnership interests from an investor.

**Secondary Purchase:** A purchase of an existing partnership interest or pool of partnership interests from an investor.

**Special Situation:** Partnerships that invest using a unique strategy. Examples include distressed and turnaround, industry focused and multi-stage partnerships.

**Total Exposure:** Calculated by the summation of market value and unfunded commitments.

**Venture Capital:** An investment strategy that provides start-up or growth capital to companies in the early stages of development. Venture investments generally involve a greater degree of risk, but have the potential for higher returns.

**Vintage Year:** The year in which a partnership makes its first capital call for an investment into a portfolio company/holding.



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## Appendix B:

### Disclosure Statements

## Teachers' Retirement System of the City of New York

### First Quarter 2013 Report

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The information contained in this report may include forward-looking statements regarding the funds presented or their portfolio companies. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the funds or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The information presented is not a complete analysis of every material fact concerning each fund or each company. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

All opinions, estimates and forecasts of future performance or other events contained herein are based on information available to Hamilton Lane as of the date of this presentation and are subject to change. Past performance of the investments described herein is not indicative of future results. Certain of the information included in this presentation has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable but the accuracy of such information cannot be guaranteed.

The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the funds will achieve comparable results or that they will be able to implement their investment strategy or achieve their investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the funds or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

## Real Estate Quarterly Report

# Teachers' Retirement System of the City of New York

## Executive Summary: First Quarter 2013 Performance Measurement Report Real Estate

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### Portfolio Profile

The Teachers' Retirement System of the City of New York has allocated 6.0% (+/- 2%) of the total plan to Real Assets. Real Estate investments are categorized under Real Assets. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

### Portfolio Statistics (March 31, 2013)

|                                    |                |
|------------------------------------|----------------|
| Total Plan Assets                  | \$49.6 billion |
| Target Real Assets Allocation (%)  | 6%             |
| Target Real Assets Allocation (\$) | \$3.0 billion  |
| Total Real Estate Market Value     | \$1.0 billion  |
| Real Estate Unfunded Commitments   | \$0.5 million  |
| Total Real Estate Exposure         | \$1.5 billion  |
| Number of Investments              | 37             |
| Number of Managers                 | 28             |

### Net Returns (as of March 31, 2013)

|  |       |
|--|-------|
| 1Q13 Time-Weighted Net Return:         | 2.3%  |
| 1 Year Time Weighted Net Return:       | 9.4%  |
| 3 Year Time Weighted Net Return:       | 17.6% |
| Inception-to-Date (ITD) Time-Weighted: | 8.5%  |
| ITD Net IRR:                           | 7.2%  |
| ITD Net Equity Multiple:               | 1.2x  |

### Investment Guidelines

|               |   |
|---------------|---|
| Style Sector: | Target •40-60% Core/Core Plus<br>•40-60% Non-Core |
|---------------|---|

|                            |  |
|----------------------------|--|
| Benchmark                  | NFI-ODCE Index +100 bps net<br>over full market cycles |
| Region Diversification     | Maximum 25% Int'l                                      |
| Investment Diversification | Limit 15% to a single investment                       |
| Manager Diversification    | Limit 15% to a single manager                          |
| Leverage                   | 65%  |

### First Quarter Investment Activity

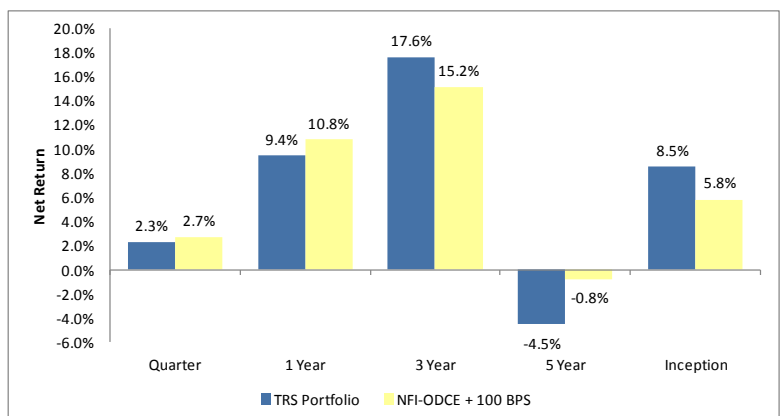
During the Quarter, the Board made commitments in excess of \$200 million with two Managers for Superstorm Sandy related investments.

### OVERVIEW

During the First Quarter of 2013 the global real estate market experienced over \$100 billion in transaction volume for the first time in five years. Property markets continued to recover. Demand continued to grow and improve while supply remained constrained. Recovery is submarket specific, with primary cities and major markets prevailing.

Domestic investors continued to target core properties in prime gateway markets, however, pricing and limited supply has resulted in the focus shifting to high quality assets just outside of the prime gateway markets. Similarly in Europe, competition for high quality core assets in the primary markets continued. Higher pricing has caused some investors to target secondary markets to obtain higher yields. Cross-border investment flows remained slow throughout Europe as investors remained cautious. Importantly, we have observed greater optimism in the European banking community which should, over time, lead to improved lending conditions and greater liquidity. At \$27 billion in First Quarter, transaction volume in Asia rose some 26% when compared to the same period a year earlier. Investors in the major Asian markets of China, Japan and South Korea have continued to seek out investments in logistics. The region, and specifically these market driving nations, continue to suffer from inadequate and aging logistics stock. The Market Update section of this report provides additional information on global real estate conditions.

The Teachers' Retirement System of the City of New York ("NYCTRS") Real Estate Portfolio is, and has been, well positioned to take advantage of conditions in the real estate marketplace. For example, the Board elected to increase its exposures to several Core/Core Plus Open-End Commingled funds after the recession began in an effort to fully capture the recovery that came domestically in the gateway markets. NYCTRS has also been active on the international front through investment in global allocator funds whose opportunistic strategies are designed to exploit the recovery in the European and Asian markets. Post economic downturn, in the period reflected in the rolling three-year returns, NYCTRS performance exceeds benchmark by 240 basis points. At the end of the First Quarter 2013, the Portfolio achieved a total gross return of 2.8% which was comprised of 1.0% income and 1.7% appreciation. The net return for the Quarter was 2.3%. A detailed analysis of NYCTRS' real estate performance is found later in this Executive Summary.



# Teachers' Retirement System of the City of New York

## Executive Summary: First Quarter 2013 Performance Measurement Report Real Estate

### FUNDING AND COMPOSITION

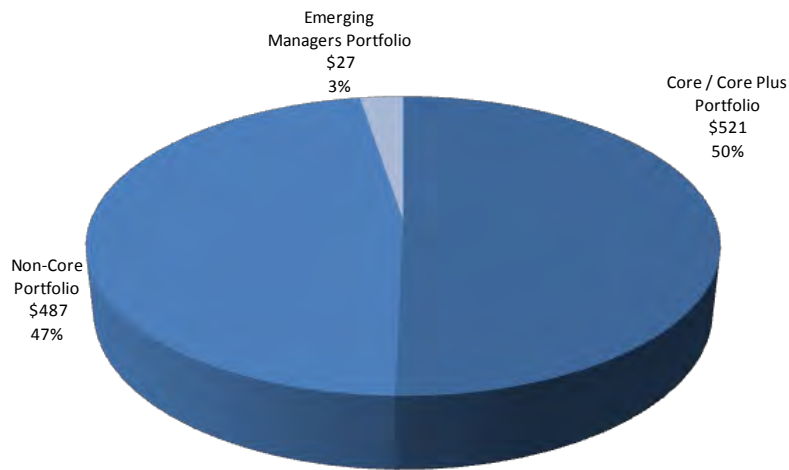
At the end of the First Quarter, the Portfolio was funded at \$1.0 billion, or 2.1% of total plan assets. A total of \$430 million in unfunded commitments are still outstanding. Unfunded commitments are down from just over \$464 million as of Fourth Quarter 2012. However, new commitment activity has accelerated over the past several months and the trend will continue into the second half of 2013.

New contributions for the Quarter totaled \$13.8 million, offset by just over \$25.7 million in distributions and withdrawals. Distributions were weighted to the non-core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Values + Unfunded Commitments. The Core/ Core Plus component accounts for 42.2% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 55.4% of the Portfolio exposure. The Emerging Manager component accounts for 2.4% of the Portfolio exposure.

A more detailed break-down of the Portfolio Composition is shown in the table below. Attached as Exhibit A is a matrix which demonstrates compliance with various Investment Policy Statement guidelines.

### Real Estate Exposure



| Teachers' Retirement System of the City of New York     |           |          |
|---|-----------|----------|
| Total Plan Assets                                       | 3/31/2013 | \$49,582 |
| Real Asset Allocation (%)                               |           | 6.0%     |
| Real Asset Allocation (\$)                              |           | \$2,975  |
| Style Sector Allocation                                 |           |          |
| Core / Core Plus Portfolio                              | 40.0%     | \$1,190  |
| Non-Core Portfolio                                      | 55.0%     | \$1,636  |
| Emerging Managers Portfolio                             | 5.0%      | \$149    |
| Uncommitted Core / Core Plus Portfolio                  |           | \$572    |
| Uncommitted Non-Core Portfolio                          |           | \$824    |
| Uncommitted Emerging Managers Portfolio                 |           | \$113    |
| Exposure  |           |          |
| Core / Core Plus Portfolio                              |           | 42.2%    |
| Non-Core Portfolio                                      |           | 55.4%    |
| Emerging Managers Portfolio                             |           | 2.4%     |
| \$ Committed  |           | \$1,466  |
| % Committed on Real Asset Allocation                    |           | 49.3%    |
| % Committed on Total Plan Assets                        |           | 3.0%     |
| Funded (Market Value) Statistics                        |           |          |
| % Funded (Market Value) of Total Plan Assets            |           | 2.1%     |
| % Funded (Market Value) of Total Real Estate Allocation |           | 34.8%    |

## PERFORMANCE

During the Quarter under review, the NYCTRS Real Estate Portfolio produced a 2.8% total gross return. The total net return for the Quarter was 2.3%. On a rolling one-year basis the total gross return of 11.3% was recorded. On a net basis the total return was 9.4%. On a gross basis the NYCTRS Portfolio exceeds the NFI-ODCE in all but one time period (five-year). The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles. This benchmark is exceeded over the three-year and inception time periods. The various components of the Portfolio returns are depicted in the chart below.

### Core/Core Plus

As of March 31, 2013 the market value of the Core/ Core Plus Portfolio was \$521 million, or 50.3% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$617 million, or 42.2% of the total Portfolio. The Core/ Core plus Portfolio generated a 2.8% total gross return for the Quarter comprised of 1.3% in income and 1.5% in appreciation. The total net return for the Quarter was 2.6%.

The most significant contribution to the Quarterly return in this sector were two Core/Core Plus funds. Almanac Realty Securities VI contributed the most, with 0.3%, and JP Morgan Strategic Property Fund contributed 0.1%. The largest detractor from the Core/Core Plus Portfolio was UBS Trumbull Property Fund, which detracted (0.4%) from the total net return. It is important to note that while UBS may have underperformed it still maintained positive performance with a 1.7% total return for the Quarter.

Post economic downturn, the Core/Core Plus Portfolio achieved a 15.4% net return over the three-year period ending March 31, 2013. Of the 13 Core/Core Plus Funds, PRISA II was the largest contributor, adding 0.7% to the overall performance of the Portfolio. UBS Trumbull Property Fund was the largest detractor, taking away (0.6%) from the overall performance of the Core/Core Plus Portfolio.

### Non-Core

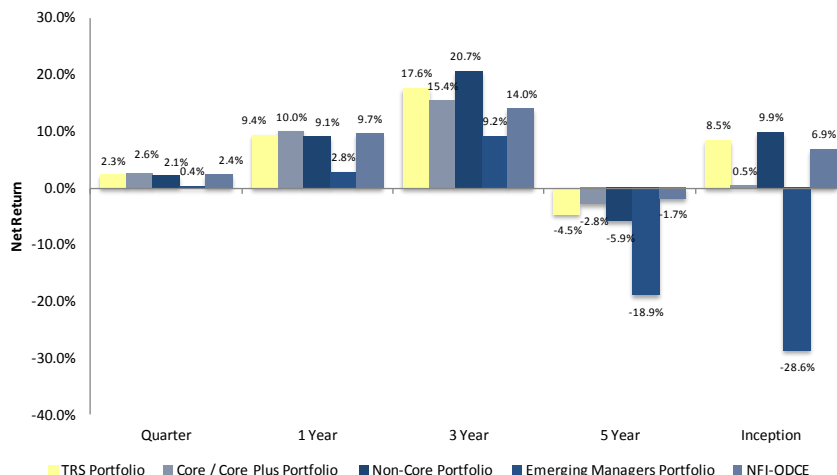
As of March 31, 2013 the market value of the Non- Core Portfolio was \$487 million, or 47.1% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$812 million, or 55.4% of the total Portfolio. The Non-Core Portfolio generated a 2.8% total gross return for the Quarter comprised of 0.7% in income. The total net return for the Quarter was 2.1%.

Of the 21 Non-Core Funds, Blackstone VI was the largest contributor to the Quarterly return, adding 0.4%. Tishman Speyer was the largest detractor for the Quarter, taking away (0.4%) from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio generated a three-year net return of 20.7%. Of the 21 non-core Funds, Tishman Speyer was the largest contributor, adding 3.5% to the three-year performance of the Portfolio. The largest detractor among these Funds was Canyon Johnson Urban Fund II, which took away (1.8%) from overall Non-Core performance.

### Emerging Managers

As of March 31, 2013 the market value of the Emerging Managers Portfolio was \$27 million, or 2.6% on an invested basis. On a funded and committed basis, the Emerging Managers Portfolio totaled \$36 million, or 2.4% of the total Portfolio. The Emerging Managers Portfolio generated a 0.8% total gross return for the Quarter comprised of 1.5% in income and (0.7%) in depreciation. The total net return for the Quarter was 0.4%. The Emerging Managers Portfolio has underperformed for a number of reasons including the fact that performance has been adversely impacted by virtue of the vintage years of these funds.



## PERFORMANCE

### Portfolio Performance

At the end of the First Quarter 2013, the Portfolio had a cumulative market value of \$1.0 billion. Total market value plus unfunded commitments was \$1.5 billion, or 49.3% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 2.8% which was comprised of 1.0% income and 1.7% appreciation. The Portfolio achieved a total net return of 2.3%. Since inception, the Portfolio has a net IRR of 7.2% and an equity multiple of 1.2x as of March 31, 2013. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

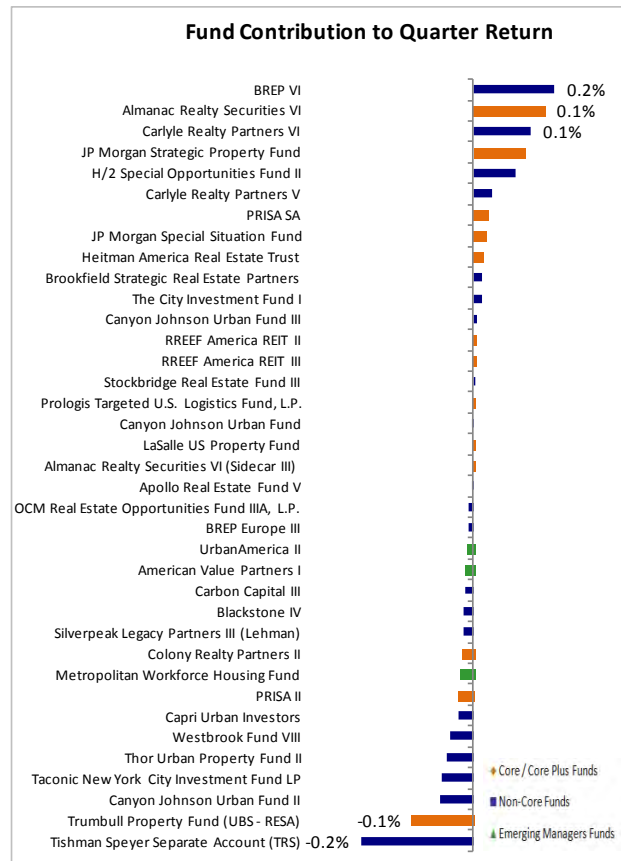
The Quarterly return was driven by Blackstone VI which contributed 0.2% to the overall performance. In addition, Almanac Realty Securities VI, Carlyle Realty Partners VI and JP Morgan Strategic Property Fund had substantial impacts on the Portfolio, each contributing 0.1%. The primary laggards in the Portfolio were Tishman Speyer TRS and UBS Trumbull Property Fund, detracting (0.2%) and (0.1%), respectively. Brief reviews of Funds making positive contributions to performance during the Quarter are found below. Note, that attached as Exhibit C are charts relating to fund contributions to returns during different relevant periods.

**Blackstone Real Estate Partners VI (BREP VI).** Performance for the Fund during the First Quarter 2013 was positive as it generated a gross return of 6.4% (4.9% net). The increase in valuation was due to the continued improvement in demand in the office, hotel, retail and industrial sectors, which continue to be underpinned by limited new supply. These factors contribute to increases to several of the Fund's major investments, including Hilton, Equity Office Properties, and Brixmor. The Fund also sold shares of the Fund's common stock holdings in General Growth Properties. The debt markets have improved for high quality, well located assets in the US, enabling BREP VI to obtain refinancing at favorable terms.

**Almanac Realty Securities VI (ARS VI).** The Fund produced a total gross return during the Quarter of 9.5%, comprised of 2.7% in income and 6.8% in appreciation. The net return after fees was 8.4%. During the Quarter ended March 31, 2013, ARS VI invested an additional \$3.5 million into a multifamily investment. The Fund had \$635.5 million of capital available for investment as of March 31, 2013, of which \$136.5 million is committed to three investments, and the remaining \$499.1 million is available for new investments. The Fund ended the Quarter with \$200.4 million of net assets. During the Quarter, ARS VI distributed \$6.5 million of investment income to investors.

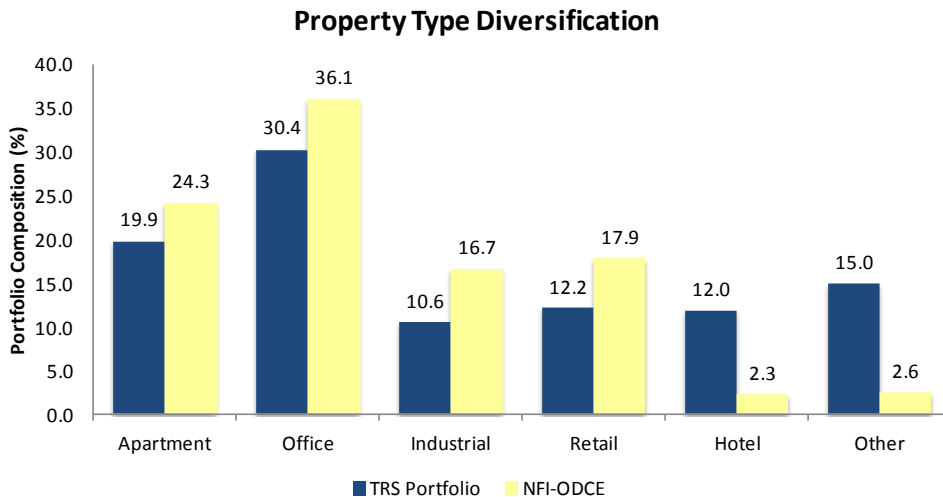
**Carlyle Realty Partners VI (Carlyle VI).** Carlyle VI had a total quarter return of 9.0% comprised of 0.9% in income and 8.1% in appreciation. The net return after fees was 6.9%. As of March 31, 2013, Carlyle VI closed on 69 investments requiring approximately \$1.1 billion of Fund equity. In addition, subsequent to Quarter-end, Carlyle has placed under contract or closed on an additional 20 investments that would bring the total equity commitment amount to approximately \$1.5 billion. Carlyle has exited three investments in Fund VI. The Fund is seeing strongest demand trends in the multifamily rental market; as a result, this sector has represented the largest share of Fund VI investing to date.

**JP Morgan Strategic Property Fund (SPF).** The Fund posted a 3.4% total gross return, comprised of 1.3% in income and 2.1% in appreciation. The net return after fees was 3.1%. The Fund experienced direct real estate appreciation of \$356.6 million during the Quarter. The retail and office sectors represented 89.6% of the value increase this Quarter. The retail sector delivered the largest value increase with a gain of \$163.2 million. The office sector followed closely with a value increase of \$156.2 million, of which 66% was generated by assets in New York, Houston, Chicago, and Santa Monica.



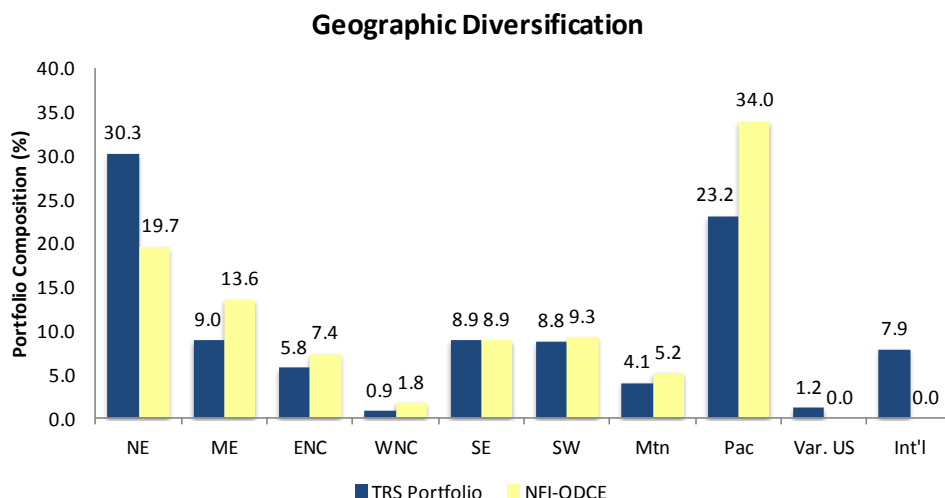
### PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. Relative to the ODCE, the Portfolio is still underweight to all property sectors (excluding hotels) due to TRS' allocation to other property types such as For Sale Residential, Self Storage, Land and 'Other', consisting of Health Care, Medical Office, Senior Living and Student Housing.



### GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight overweight to the Northeast and a slight underweight to the Pacific. The 8% international exposure is appropriate for the risk and return profile of TRS and consistent with our long-term target. Non-US exposures are diversified across Developed Europe (4.5%), Developed Asia (1.5%) and other international markets.





## MARKET UPDATE

### General Market Overview

The commercial real estate market continues to show positive signs with the First Quarter 2013 experiencing over \$100 billion in transaction volume for the first time in five years, up 20% from First Quarter 2012. Declining unemployment rates will translate directly into income growth and improved occupancy across all sectors. Property markets are recovering as demand continues to improve and overall supply remains constrained, however, recovery is submarket specific with gateway and primary cities prevailing.

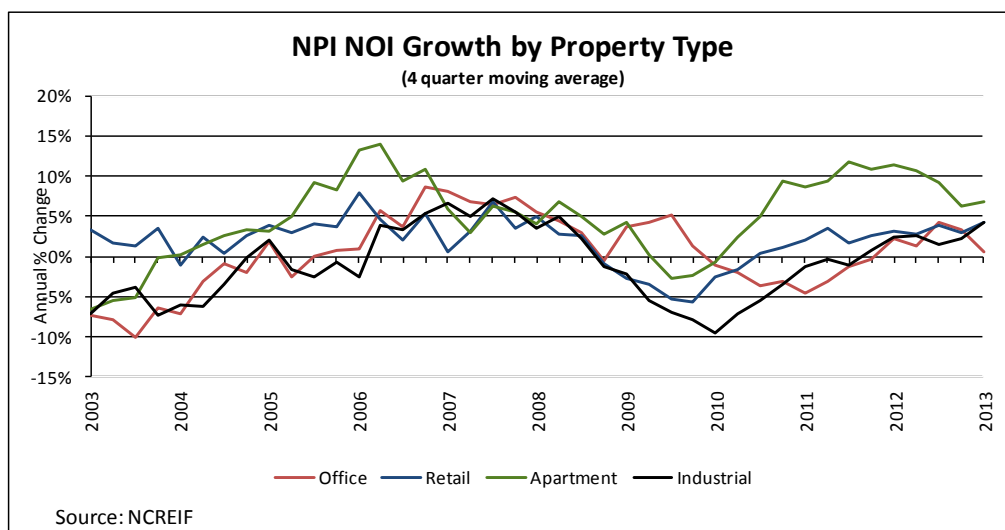
Direct Commercial Real Estate Volumes, 1Q12 - 1Q13

| \$ US<br>Billions | 4Q12 | 1Q13 | %<br>Change<br>4Q12 - | %<br>Change<br>1Q12 - | 2011 | 2012 | %<br>Change<br>2011 - |      |
|-------------------|------|------|-----------------------|-----------------------|------|------|-----------------------|------|
|                   |      |      | 1Q13                  | 1Q12                  |      |      | 1Q13                  | 2012 |
| Americas          | 64   | 38   | -40%                  | 35                    | 9%   | 171  | 190                   | 11%  |
| EMEA              | 61   | 40   | -34%                  | 31                    | 28%  | 166  | 160                   | -3%  |
| Asia Pacific      | 27   | 27   | 0%                    | 21                    | 26%  | 99   | 99                    | 0%   |
| Total             | 152  | 105  | -31%                  | 87                    | 20%  | 436  | 449                   | 3%   |

Source: Jones Lang LaSalle

While yields have compressed for core real estate in prime markets, spreads to local government bonds remain at historic highs, providing strong relative performance. Lenders are beginning to return to the market and are providing attractive financing which will result in greater transaction volume and stronger investor demand. Leasing fundamentals have generally been strengthening as shown by increasing/stabilizing NOI growth in the chart below. Recovery in gateway markets and primary cities have been particularly strong as major CRE sectors have reported occupancy gains for two consecutive years.

Moving through 2013 and into 2014 the market will see tighter conditions of Grade A space. With new supply of high-quality space limited, the market will become more intense and tenants will find it difficult to gain leverage. Furthermore, demand for industrial and apartment properties is up, exceeding pre-recession levels.



## MARKET UPDATE cont.

### The United States

The U.S. real estate market experienced \$38 billion in transaction volume during the Quarter, up 9% from First Quarter 2012. During the Global Financial Crisis ("GFC"), real estate values declined 31% and 44% for the de-levered NCREIF Property Index ("NPI") and the levered NCREIF Open End Diversified Core Equity Index ("NFI-ODCE"), respectively. Since the market trough in 2010, both indices have recovered 22% and 30%, respectively. Increasing economic activity and improving employment conditions are stimulating tenant demand. Although demand for space is increasing, it is modest enough to keep a cap on new construction, thus driving down vacancy rates in existing properties. Vacancy rates continue to strengthen for the second straight year, translating into strong NOI growth. Additionally, real estate cap rate spreads are well above their long-term average relative to 10-year Treasuries. This healthy spread offers investors a cushion against bond yield increases in the near term. Furthermore, strong capital flows into real estate and improving NOI growth are expected to help offset the impact of higher Treasury rates.

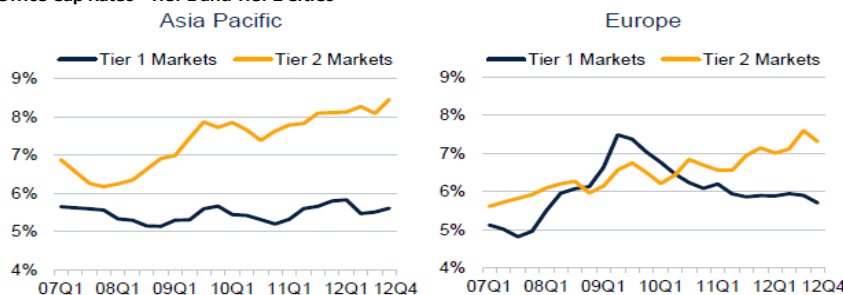
Investors continue to target core properties in prime gateway markets, however, pricing and limited supply have resulted in the focus shifting to high quality assets just outside of the prime gateway markets. Still, core real estate remains attractively priced relative to fixed-income alternatives. The spread to Treasuries and corporate bonds remains above their long-term averages, currently at 400 bps and 130 bps, respectively. Given the magnitude of the spreads we can gather that the Fed is not likely to act on interest rates soon and that real estate should maintain broad momentum moving through the coming periods. Even though primary markets remain the focal point, property values are starting to increase in secondary markets as financing availability improves and investors attempt to capture yield.

### Europe

The European commercial real estate market has shown hopeful signs thus far in 2013. Optimism among Europe's banks is improving, leading to liquidity in the financial markets and increasing the number of active lenders. However, international investors continue to be cautious and cross-border investment flow remains low.

The European core asset environment remains extremely competitive. Still, an increasing number of non-core opportunities exist, especially in secondary locations. Given the low returns on prime assets, investors are assessing the need to move into secondary assets and regional markets. These markets generally offer higher income returns and elevated yields imply scope for capital growth via yield compression. As economic growth stabilizes, investor demand will continue to move beyond CBD and core markets in search of more attractive yields. As investor interest in these markets grows, downward pressure will be put on yields outside of major CBD markets. Furthermore, vacancy rates are expected to continue rising in many markets, however, investor demand remains strong in the United Kingdom, Germany and Sweden, as these markets are likely to recover before others in Europe. Property values in the periphery remain depressed and could decline further as debt capital remains difficult to attain for risky assets.

Office Cap Rates - Tier 1 and Tier 2 Cities



Sources: Real Capital Analytics and Deutsche Asset & Wealth Management.  
As of April 2013.

### Asia

The Asian real estate market experienced \$27 billion in transaction volume during the Quarter, up 26% from First Quarter 2012. Transaction volume during the second half of 2013 is likely to curtail as investors become more concerned that rising interest rates will lead to higher property yields, resulting in reduced property values.

Logistics remains a focus with a shortage of quality supply in China, Japan, and South Korea. Although new stock began to be built in the 2000's, it only represents a small share of the overall stock. Additionally, the Chinese government continues to stress domestic consumption which favors retail and logistics sectors. Among other factors, the recovery in the region is less rapid than it has been in previous market cycles and the two major economies of the region, China and Japan, are undergoing structural changes that may affect the market. Given the current market environment we should expect to see a reduction in corporate investment and hiring, as well as slower leasing volumes.

# Teachers' Retirement System of the City of New York

Executive Summary: First Quarter 2013 Performance Measurement Report  
Real Estate

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## EXHIBIT A: COMPLIANCE MATRIX

| Category                      | Requirement   | Portfolio Status  |
|-------------------------------|---|---|
| Benchmark                     | NFI-ODCE (net) +100 bps over full market cycles   | <i>Portfolio returns underperform benchmark.</i>  |
| Portfolio Composition         | Core/Core Plus (minimum of 40%)   | <i>The portfolio is funded (market value) and committed at 49.3% of real estate allocation with a portfolio composition of 42.2% core, 55.4% non-core, and 2.4% emerging.</i> |
|                               | Non Core (minimum of 40%)   |   |
|                               | Non Core Emerging (greater of \$93 million or 5% of the total real estate allocation)                                       |   |
| Real Estate Allocation        | Target of 6.0%  | <i>Funded (market value) and committed dollars place the portfolio at 3.0 % of total plan assets.</i>   |
|                               | Currently Funded at 2.1%  |   |
| Property Type Diversification | Up to 40% Multifamily<br>Up to 35% Industrial<br>Up to 45% Office<br>Up to 35% Retail<br>Up to 25% Hotel<br>Up to 20% Other | <i>All property type locations are in compliance.</i>   |
| Geographic Diversification    | Diversified geographically<br>Max 25% Ex-US   | <i>All geographic type locations are in compliance</i>  |
| LTV                           | 65%   | <i>Portfolio is in early stages of funding, but is in compliance (41.2%).</i>   |
| Manager Exposure              | 15% of real estate allocation   | <i>Manager exposure is within compliance ranges.</i>  |

# Teachers' Retirement System of the City of New York

## Executive Summary: First Quarter 2013 Performance Measurement Report Real Estate

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### EXHIBIT B: FOIL

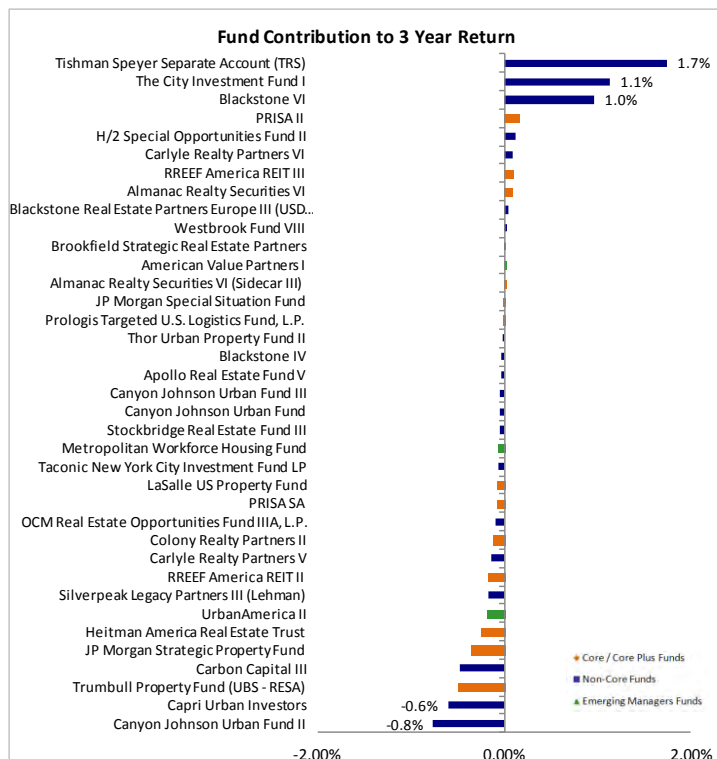
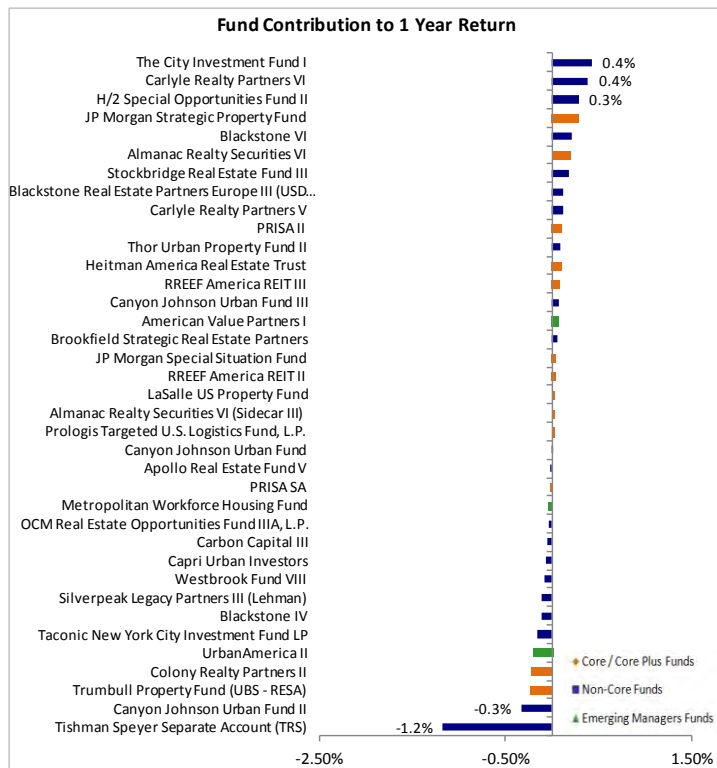
The Townsend Group®

#### Teachers' Retirement System of the City of New York

| Vintage Year   | Fund Name  | First Draw Down | Capital Committed      | Contributions          | Distributions          | Market Value           | Equity Multiple | Net IRR      |
|--|--|-----------------|------------------------|------------------------|------------------------|------------------------|-----------------|--------------|
| 2006   | Prologis Targeted U.S. Logistics Fund                    | 10/1/2006       | \$10,000,000           | \$11,694,547           | (\$1,776,156)          | \$7,774,759            | 0.8             | -3.7%        |
| 2006   | PRISA SA   | 9/29/2006       | \$36,000,000           | \$37,773,271           | (\$4,141,926)          | \$35,196,315           | 1.0             | 0.7%         |
| 2006   | RREEF America REIT II                                    | 10/1/2006       | \$36,000,000           | \$47,527,452           | (\$15,140,218)         | \$35,520,719           | 1.1             | 1.3%         |
| 2006   | UBS Trumbull Property Fund ("UBS-TPF")                   | 9/28/2006       | \$106,000,000          | \$118,804,279          | (\$10,033,134)         | \$123,839,746          | 1.1             | 4.2%         |
| 2007   | Colony Realty Partners II                                | 12/20/2006      | \$15,000,000           | \$16,065,058           | (\$499,580)            | \$6,287,700            | 0.4             | -14.8%       |
| 2007   | JP Morgan Special Situation Property Fund                | 1/2/2007        | \$15,000,000           | \$16,324,228           | (\$2,341,624)          | \$12,605,808           | 0.9             | -1.6%        |
| 2007   | RREEF America REIT III - 1410                            | 10/1/2007       | \$15,000,000           | \$14,836,751           | (\$263,288)            | \$6,094,903            | 0.4             | -14.2%       |
| 2007   | Heitman HART   | 3/29/2007       | \$48,000,000           | \$56,904,189           | (\$8,904,189)          | \$59,370,406           | 1.2             | 4.8%         |
| 2007   | PRISA II   | 6/30/2007       | \$63,374,139           | \$65,578,915           | (\$5,203,878)          | \$59,366,724           | 1.0             | -0.3%        |
| 2007   | JP Morgan Strategic Property Fund                        | 12/4/2006       | \$86,000,000           | \$89,317,779           | \$0                    | \$109,474,056          | 1.2             | 5.3%         |
| 2010   | LaSalle Property Fund                                    | 7/1/2010        | \$50,000,000           | \$34,449,596           | (\$2,189,449)          | \$38,764,021           | 1.2             | 12.1%        |
| 2012   | Almanac Realty Securities VI (Sidecar III)               | 7/31/2012       | \$35,000,000           | \$2,553,283            | (\$169,654)            | \$2,599,455            | 1.1             | 20.9%        |
| 2012   | Almanac Realty Securities VI                             | 6/6/2012        | \$100,000,000          | \$27,396,036           | (\$5,716,086)          | \$24,469,115           | 1.1             | 28.0%        |
| <b>Core / Core Plus Portfolio</b>                          |  |                 | <b>\$615,374,139</b>   | <b>\$539,225,383</b>   | <b>(\$56,379,182)</b>  | <b>\$521,363,726</b>   | <b>1.1</b>      | <b>1.8%</b>  |
| 2003   | Canyon Johnson Urban Fund                                | 12/6/2002       | \$15,000,000           | \$13,590,364           | (\$15,874,432)         | \$0                    | 1.2             | 10.2%        |
| 2003   | OCM Real Estate Opportunities Fund IIIA                  | 5/30/2003       | \$15,000,000           | \$15,000,000           | (\$22,363,998)         | \$2,266,408            | 1.6             | 10.8%        |
| 2004   | Blackstone Fund IV                                       | 5/10/2004       | \$25,000,000           | \$32,033,922           | (\$27,978,815)         | \$13,621,442           | 1.3             | 10.9%        |
| 2004   | Tishman Speyer Separate Account (TRS)                    | 8/5/2004        | \$100,000,000          | \$72,442,952           | (\$185,099,124)        | \$67,641,500           | 3.5             | 58.3%        |
| 2004   | The City Investment Fund I                               | 3/16/2004       | \$120,000,000          | \$118,337,757          | (\$70,717,778)         | \$56,389,960           | 1.1             | 2.0%         |
| 2005   | Canyon Johnson Urban Fund II                             | 5/11/2005       | \$30,000,000           | \$26,966,112           | (\$18,000)             | \$14,572,596           | 0.5             | -10.9%       |
| 2006   | AREA Real Estate Investment Fund V, LP                   | 6/15/2006       | \$5,000,000            | \$5,000,001            | (\$1,389,386)          | \$2,223,503            | 0.7             | -7.6%        |
| 2007   | Metropolitan Workforce Housing Fund                      | 7/13/2007       | \$10,500,000           | \$10,509,770           | (\$535,343)            | \$9,936,299            | 1.0             | -0.2%        |
| 2007   | UrbanAmerica II  | 1/30/2007       | \$11,000,000           | \$10,218,031           | \$0                    | \$5,054,544            | 0.5             | -13.3%       |
| 2007   | Carlyle Realty Partners V                                | 8/27/2007       | \$15,000,000           | \$17,616,368           | (\$11,917,178)         | \$9,355,419            | 1.2             | 6.3%         |
| 2007   | Blackstone Real Estate Partners VI                       | 9/27/2007       | \$50,000,000           | \$51,629,641           | (\$11,659,149)         | \$60,232,529           | 1.4             | 10.1%        |
| 2008   | Stockbridge Real Estate Fund III                         | 9/9/2008        | \$22,500,000           | \$21,904,458           | \$0                    | \$21,840,800           | 1.0             | -0.1%        |
| 2008   | American Value Partners Fund I                           | 10/18/2007      | \$25,000,000           | \$16,843,230           | (\$3,618,538)          | \$11,974,812           | 0.9             | -3.0%        |
| 2008   | Silverpeak Legacy Partners III (Lehman)                  | 5/28/2008       | \$30,000,000           | \$11,748,148           | (\$2,781,409)          | \$3,004,487            | 0.5             | -21.5%       |
| 2008   | Capri Urban Investors                                    | 6/3/2008        | \$40,000,000           | \$39,987,138           | \$0                    | \$27,534,424           | 0.7             | -12.2%       |
| 2009   | Thor Urban Property Fund II                              | 10/30/2008      | \$12,500,000           | \$15,616,876           | (\$5,552,254)          | \$9,956,277            | 1.0             | -0.6%        |
| 2009   | Carbon Capital III                                       | 7/2/2009        | \$40,000,000           | \$43,757,162           | (\$32,452,775)         | \$19,261,714           | 1.2             | 8.4%         |
| 2010   | Canyon Johnson Urban Fund III                            | 3/29/2010       | \$25,000,000           | \$21,256,203           | (\$3,779,413)          | \$19,283,418           | 1.1             | 6.1%         |
| 2010   | Blackstone Real Estate Partners Europe III (USD Vehicle) | 10/24/2008      | \$50,000,000           | \$31,184,507           | (\$920,230)            | \$35,727,252           | 1.2             | 13.6%        |
| 2010   | Westbrook Real Estate Fund VIII                          | 12/28/2009      | \$50,000,000           | \$57,976,200           | (\$19,326,165)         | \$46,418,801           | 1.1             | 13.1%        |
| 2011   | H/2 Special Opportunities Fund II                        | 1/31/2011       | \$40,000,000           | \$12,192,523           | \$0                    | \$17,174,215           | 1.4             | 30.3%        |
| 2011   | Carlyle Realty Partners VI                               | 9/14/2011       | \$70,000,000           | \$22,638,816           | (\$1,581,015)          | \$25,785,638           | 1.2             | 22.2%        |
| 2012   | Taconic New York City Investment Fund LP                 | 7/5/2012        | \$70,000,000           | \$21,159,091           | \$0                    | \$20,616,367           | 1.0             | -4.8%        |
| 2012   | Brookfield Strategic Real Estate Partners                | 9/20/2012       | \$110,000,000          | \$13,357,292           | \$0                    | \$14,498,300           | 1.1             | 17.0%        |
| <b>Non Core and Emerging Manager Portfolio</b>             |  |                 | <b>\$997,860,625</b>   | <b>\$707,133,086</b>   | <b>(\$421,771,527)</b> | <b>\$514,370,705</b>   | <b>1.3</b>      | <b>14.0%</b> |
| <b>Teachers' Retirement System of the City of New York</b> |  |                 | <b>\$1,613,234,764</b> | <b>\$1,246,358,470</b> | <b>(\$478,150,708)</b> | <b>\$1,035,734,431</b> | <b>1.2</b>      | <b>7.2%</b>  |

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of March 31, 2013. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

#### EXHIBIT C : ATTRIBUTION



## II. July Monthly Performance Review:

# *Monthly Performance Review*

## *July 2013*

*Prepared for the New York City  
Teachers' Retirement System  
9.12.2013*

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# **ECONOMIC INDICATORS**

## ***AS OF AUGUST 2013***



**NYC OFFICE OF THE COMPTROLLER**  
**BUREAU OF ASSET MANAGEMENT**

# CAPACITY UTILIZATION

2



- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# ISM MANUFACTURING INDEX

3



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# WEEKLY UNEMPLOYMENT CLAIMS

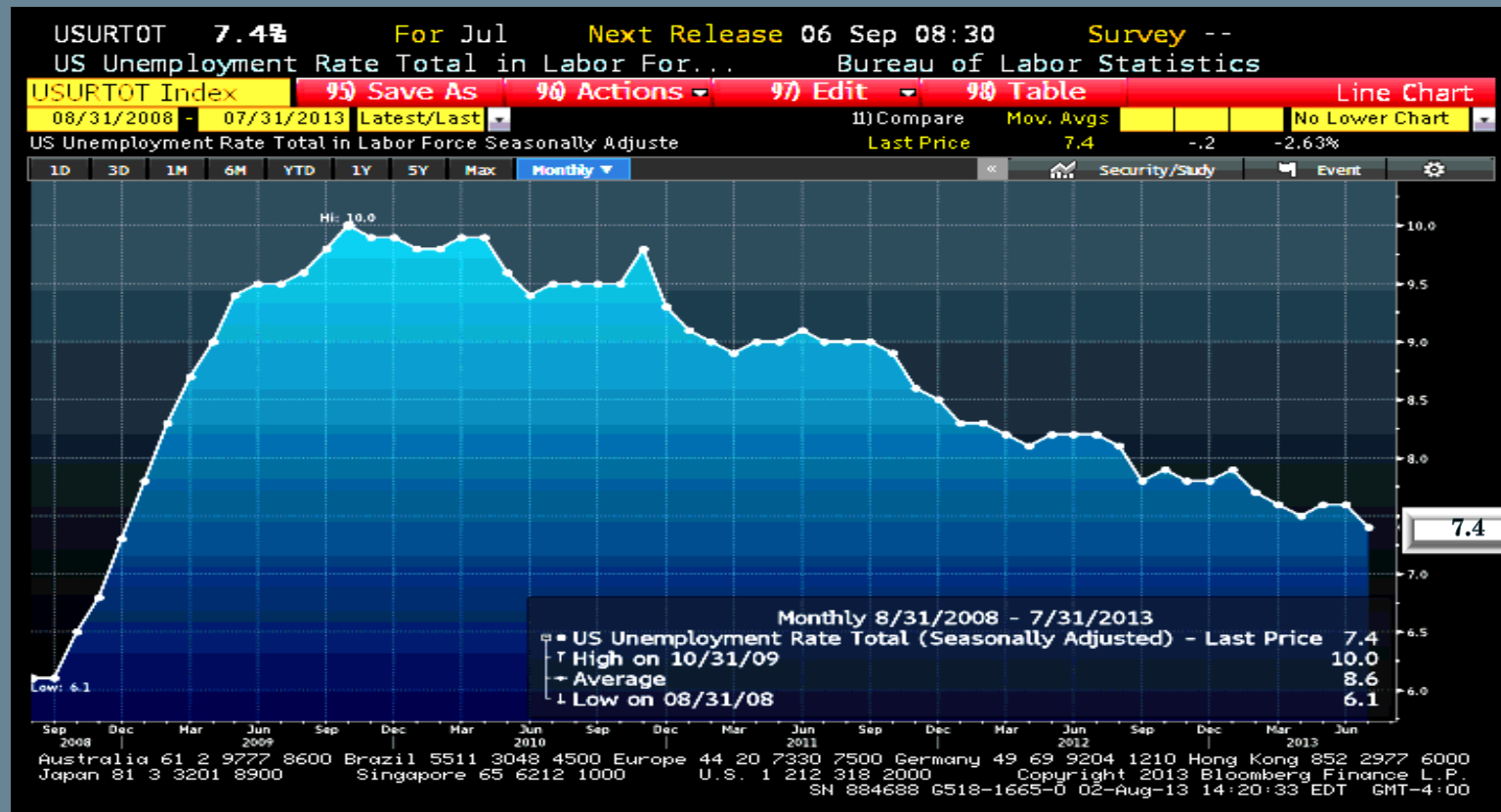
4



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# UNEMPLOYMENT RATE

5



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# CONSUMER SENTIMENT

6



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# ARCHITECTURAL BILLINGS INDEX

7



- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCUSIVE INDICATORS.

# EXISTING HOME SALES

8



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# NEW HOUSING STARTS

9



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# RETAIL SALES

10



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# US AUTO SALES

11



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# INDEX OF LEADING ECONOMIC INDICATORS

12



- THE INDEX OF LEI IS COMPOSED OF: AVE. WEEKLY MANUFACTURING HRS, AVE. WEEKLY JOBLESS CLAIMS, MANUFACTURERS' NEW ORDERS-CONSUMER & CAPITAL, VENDOR PERFORMANCE, NEW BUILDING PERMITS, STOCK PRICES, MONEY SUPPLY-M2, INT. RATE SPREADS & CONSUMER EXPECTATIONS
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# INFLATION- CPI

13



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# **MARKET INDICATORS**

## ***AS OF AUGUST 2013***



NYC OFFICE OF THE COMPTROLLER  
BUREAU OF ASSET MANAGEMENT

# TRADE WEIGHTED US DOLLAR INDEX

15



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# USD/EUR EXCHANGE RATE

16



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# USD THREE MONTH LIBOR RATES

17



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# VOLATILITY INDEX (THE 'VIX')

77

18

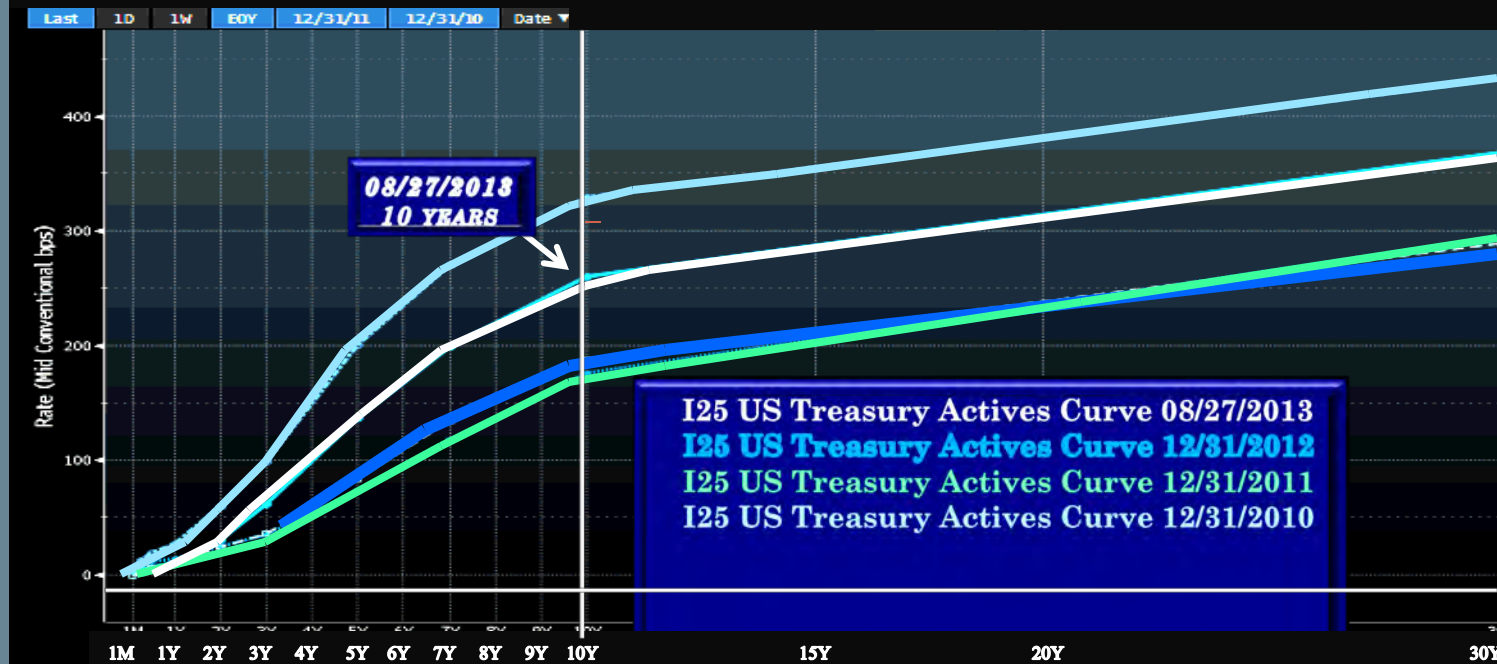


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# US TREASURY YIELD CURVES

19

## HISTORICAL US TREASURY YIELD CURVES



- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# 10 YEAR TREASURY RATES

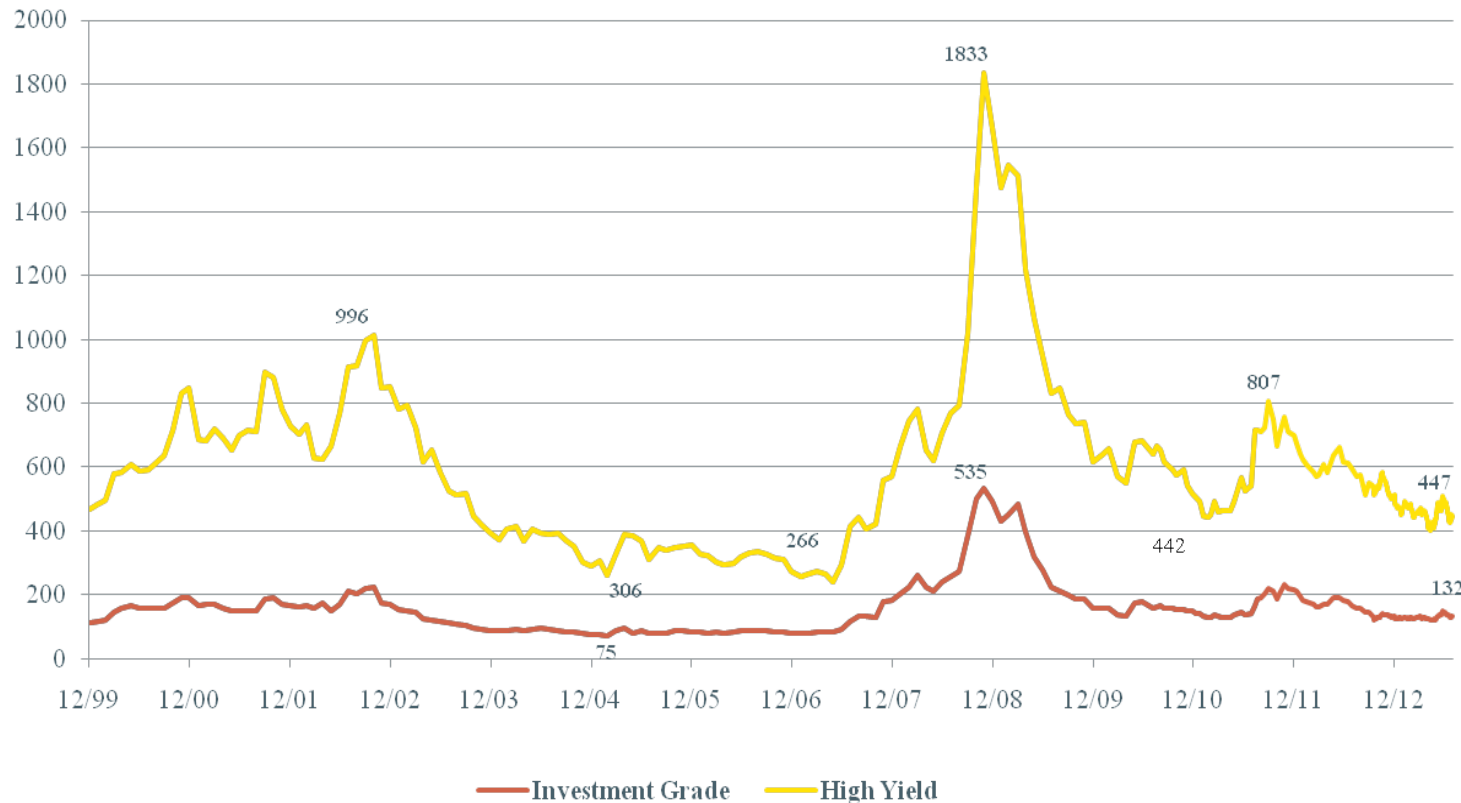
20



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# INVESTMENT GRADE AND HY SPREADS

21



- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# CORPORATE EARNINGS

## S & P 500 EARNINGS PER SHARE & P/E RATIO

22

### S & P 500 EPS – P/E



- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.



# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

23

## RUSSELL-3000 INDEX, MSCI EAFE AND MSCI EMERGING MARKETS



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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

24

## RUSSELL TOP 200 INDEX, S & P 400 MID-CAP AND R-2000 INDEX



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# RECENT GLOBAL EQUITY MARKET RETURNS

25

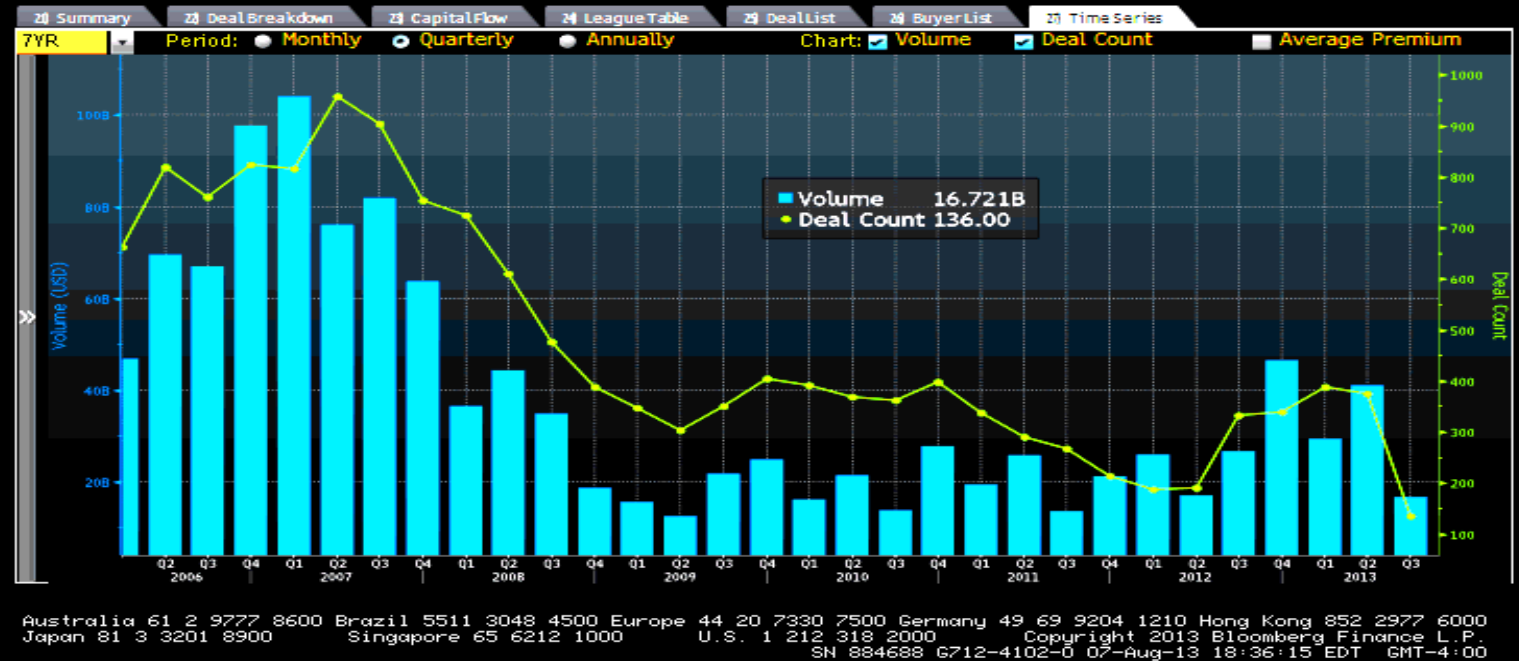


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# MERGERS & ACQUISITIONS ACTIVITY

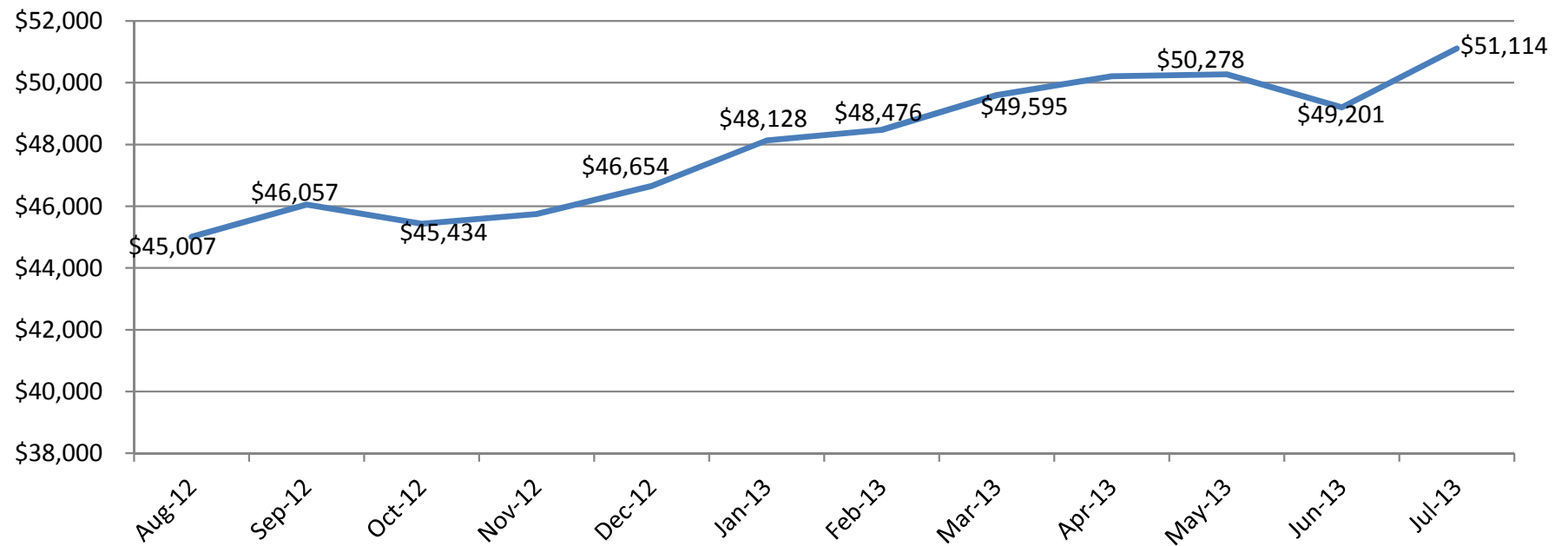
26

## MERGERS & ACQUISITIONS

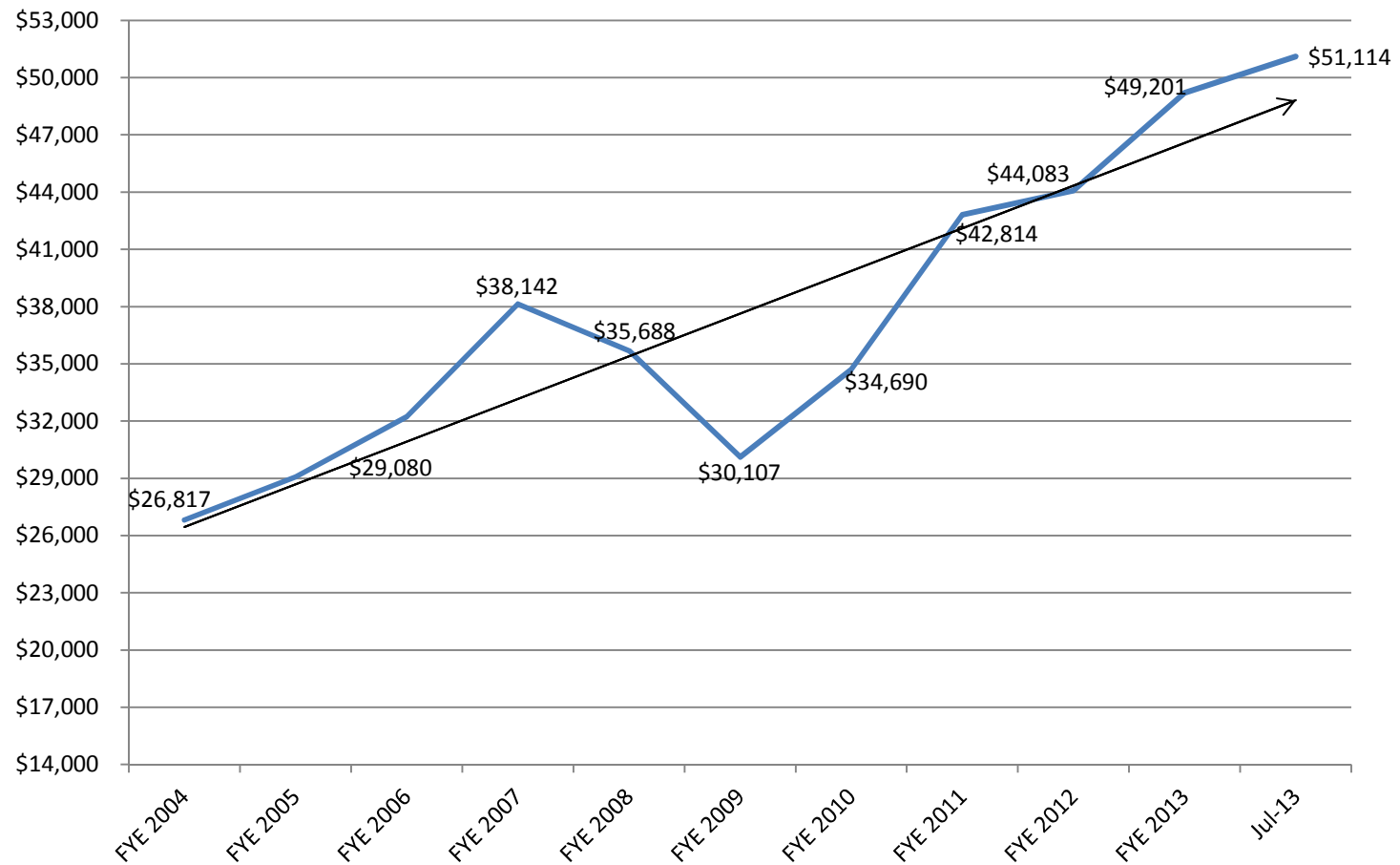


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## TRS - Market Values August 2012 - July 2013



## TRS Market Value 2004 - 2013

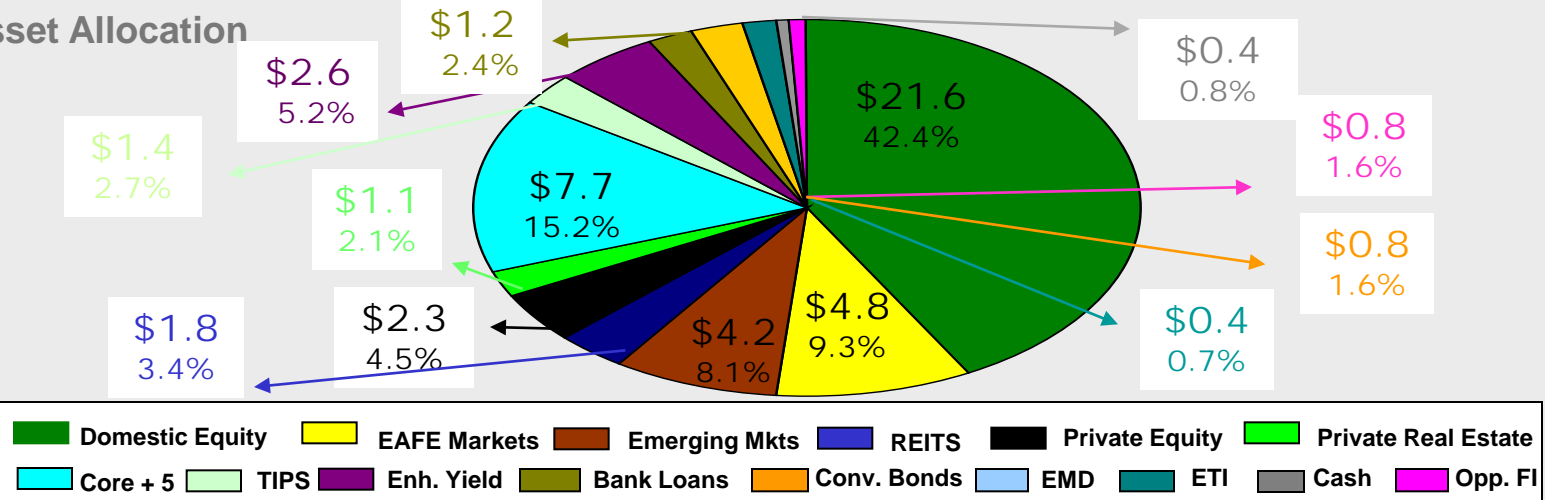


The 10 year Return for TEACHERS as of July 31, 2013 is 7.71%.

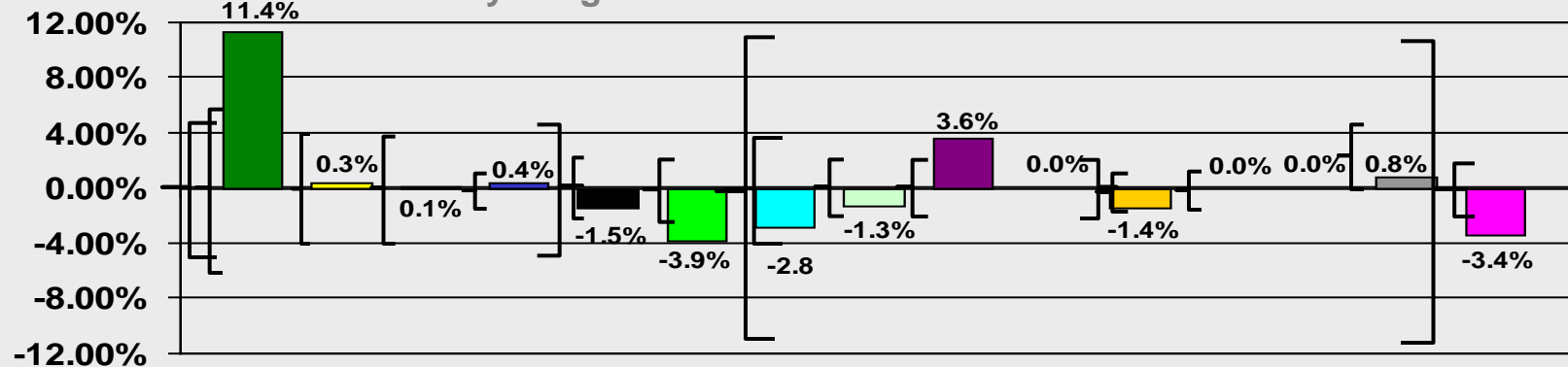
## Portfolio Asset Allocation: July 31, 2013

**\$51.1B** Under Management

### Asset Allocation



### Relative Mix to New Policy Weights

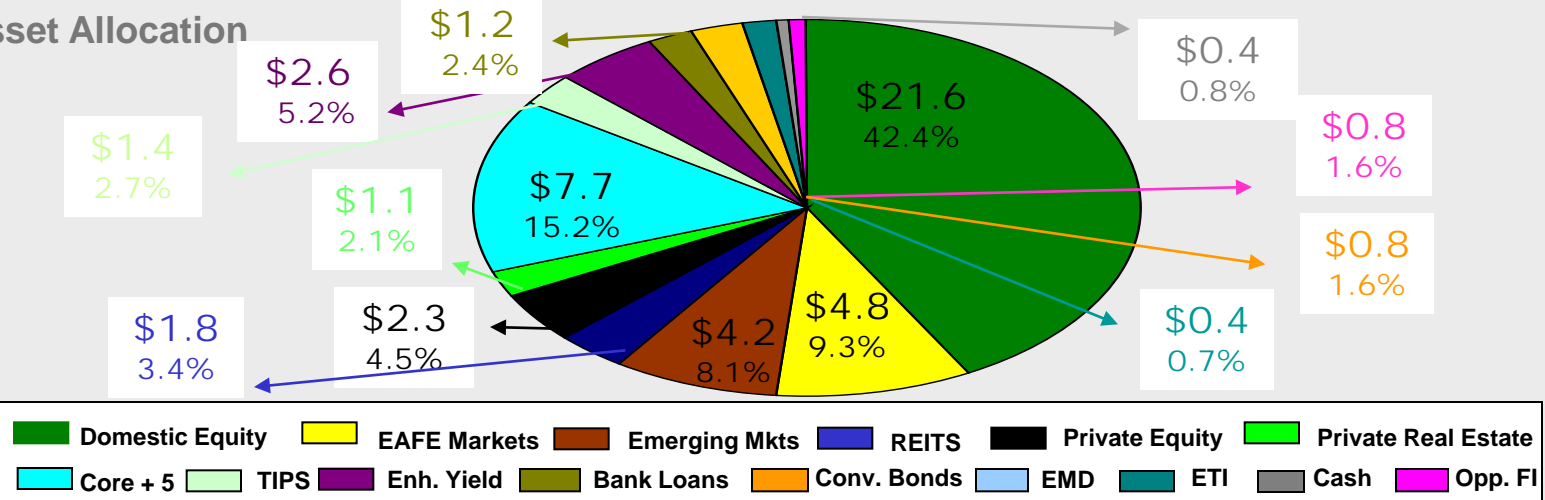


Note: Brackets represent rebalancing ranges versus Policy.

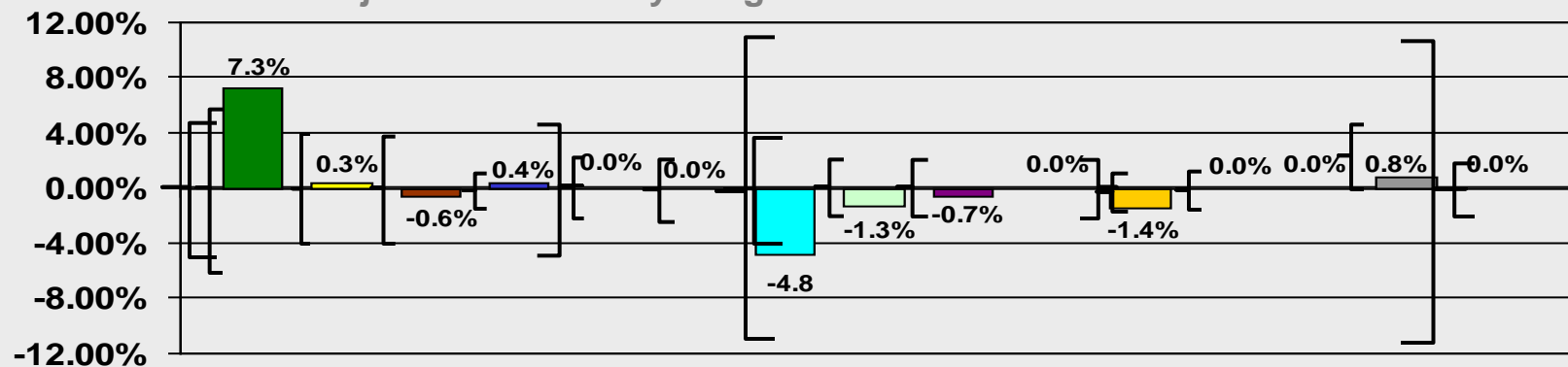
## Portfolio Asset Allocation: July 31, 2013

**\$51.1B** Under Management

### Asset Allocation



### Relative Mix to Adjusted New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

# NYC TEACHERS' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of July 31st, 2013)*

### ASSET CLASS ALLOCATIONS

|                           | In \$MM    | Actual | Policy Target | Adjustment | Adjusted Policy |
|---------------------------|------------|--------|---------------|------------|-----------------|
| <b>TOTAL EQUITIES</b>     | \$35,744.8 | 69.9%  | 63.0%         | NA         | 62.5%           |
| <b>TOTAL FIXED INCOME</b> | \$15,369.0 | 30.1%  | 37.0%         | NA         | 37.5%           |
| <b>TOTAL ASSETS</b>       | \$51,113.8 | 100.0% | 100.0%        | NA         | 100.0%          |

|                                | In \$MM    | Actual % | Policy Target % | Adjustment | Adjusted Policy | Adjusted Target Range **** |
|--------------------------------|------------|----------|-----------------|------------|-----------------|----------------------------|
| US Equities                    | \$21,650.5 | 42.4%    | 31.0%           | 4.1%       | 35.1%           | 29.1% - 41.1%              |
| Non-US Equities/EAFE           | \$4,781.0  | 9.4%     | 9.0%            | NA         | 9.0%            | 5.0% - 13.0%               |
| Emerging Markets               | \$4,159.6  | 8.1%     | 8.0%            | 0.8%       | 8.8%            | 4.8% - 12.8%               |
| Real Estate Investment Trusts  | \$1,765.9  | 3.5%     | 3.0%            | NA         | 3.0%            | 1.5% - 4.5%                |
| <b>TOTAL PUBLIC EQUITY</b>     | \$32,357.0 | 63.3%    | 51.0%           | NA         | 55.9%           | 50.9% - 60.9%              |
| <b>** PRIVATE REAL ESTATE*</b> | \$1,072.9  | 2.1%     | 6.0%            | NA         | 2.1%            | 4.0% - 8.0%                |
| <b>** PRIVATE EQUITY*</b>      | \$2,314.8  | 4.5%     | 6.0%            | NA         | 4.5%            | 4.0% - 8.0%                |
| <b>TOTAL EQUITIES</b>          | \$35,744.8 | 69.9%    | 63.0%           | NA         | 62.5%           |                            |

|         | In \$MM                                  | Actual %   | Policy Target % | Adjustment | Adjusted Policy | Adjusted Target Range **** |
|---------|--|------------|-----------------|------------|-----------------|----------------------------|
| Core +5 | US - Government                          | \$1,053.4  | 2.1%            | NA         | 20.0%           | 16.0% - 24.0%              |
|         | US - Mortgage                            | \$3,400.3  | 6.7%            | NA         |                 |                            |
|         | US - Investment Grade Credit             | \$3,194.3  | 6.2%            | NA         |                 |                            |
|         | <b>TOTAL CORE + 5</b>                    | \$7,755.0  | 15.2%           | 2.0%       | 20.0%           | 16.0% - 24.0%              |
|         | High Yield                               | \$2,640.9  | 5.2%            | NA         | 8.2%            | 6.2% - 10.0%               |
|         | Bank Loans                               | \$1,217.7  | 2.4%            | NA         |                 |                            |
|         | <b>Total High Yield &amp; Bank Loans</b> | \$3,858.7  | 7.5%            | 4.2%       | 8.2%            | 6.2% - 10.0%               |
|         | TIPS                                     | \$1,366.1  | 2.7%            | 4.0%       | 4.0%            | 2.0% - 6.0%                |
|         | Convertible Bonds                        | \$811.8    | 1.6%            | 3.0%       | 3.0%            | 1.5% - 4.5%                |
|         | EMD                                      | \$0.0      | 0.0%            | 3.0%       | 0.0%            | 1.5% - 4.5%                |
|         | *** ETI                                  | \$379.2    | 0.7%            | *** 2.0%   | *** 0.7%        | *** 0.7%                   |
|         | Cash                                     | \$392.2    | 0.8%            | 0.8%       | 0.8%            | 0.0% - 5.0%                |
|         | <b>TOTAL PUBLIC FIXED INCOME</b>         | \$14,563.0 | 28.5%           | 32.0%      | 35.9%           | 24.9% - 46.9%              |
|         | <b>** OPPORTUNISTIC FIXED INCOME</b>     | \$806.0    | 1.6%            | 5.0%       | 1.6%            | 3.0% - 7.0%                |
|         | <b>TOTAL FIXED INCOME</b>                | \$15,369.0 | 30.1%           | 37.0%      | 37.5%           |                            |

\* Assumes a 50%/50% weighting to Core and Non-Core Real Estate.

\*\* Ranges for illiquid asset classes represent minimums and maximums which will be monitored and will influence pacing analysis but will not necessarily result in purchases or sales.

\*\*\* ETIs have a policy of 2% of the total Fund. The ETI adjusted policy % is shown for illustrative purposes only and is not included in the sub-totals. The ETI policy % is included within the policy % of the other asset classes.

\*\*\*\* Adjusted Target Ranges are calculated as follows: US Equities: +/-6%; Non-US Equities/EAFE: +/-4%; Emerging Markets: +/-4%; REITs: +/-1.5%; Total Public Equity: +/-5%; Real Estate: +/-2%; Private Equity: +/-2%; Core +5: +/-4%; TIPS: +/-2%; High Yield & Bank Loans: +/-2% (Bank Loans up to 1/3 of Adjusted Policy); Convertible Bonds: +/-1.5%; EMD: +/-1.5%; Cash: 0-5%; Total Public Fixed Income: +/-11%; OFI: +/-2%.

# NYC TEACHERS' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of July 31st, 2013)*

### Adjustments to Long-Term Asset Allocation

#### 1) Private Equity

The amount over/under target will be added/subtracted from the US Equity target allocation.

#### 2) Real Estate

50% of the amount over/under target will be added/subtracted from the Core+5 target allocation and 50% of the amount over/under target will be added/subtracted from the US Equity target allocation.

#### 3) Emerging Markets Debt

50% of the amount over/under target will be added/subtracted from the Core+5 target allocation, 25% of the amount over/under target will be added/subtracted from the Emerging Markets Equities target allocation and 25% of the amount under target will be added to the Cash target allocation.

#### 4) Opportunistic Fixed Income

80% of the amount over/under target will be added/subtracted from the High Yield target allocation and 20% of the amount over/under target will be added/subtracted from the US Equities target allocation.

### Impact of Adjustments

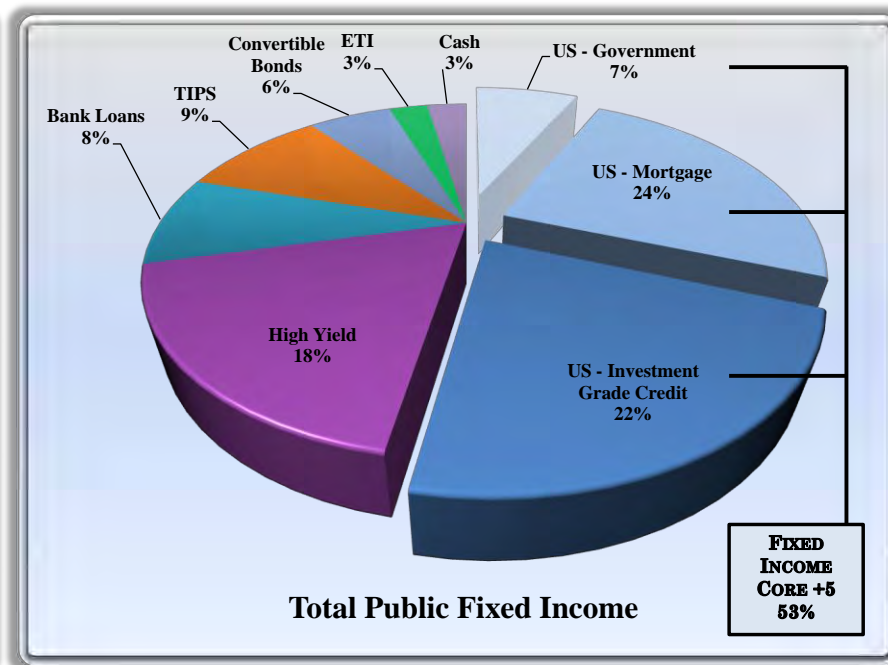
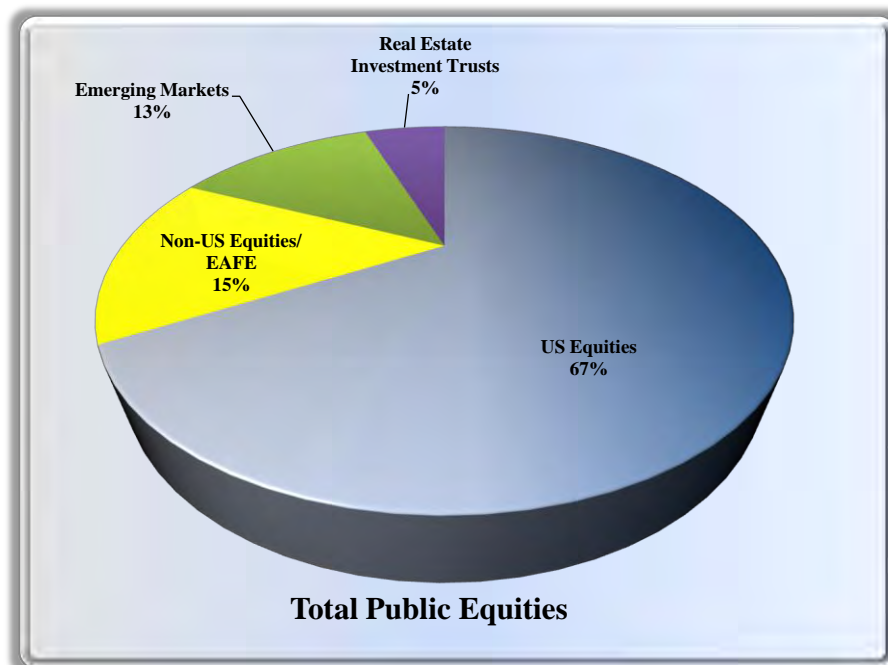
|   |              |
|---|--------------|
| <b>1) Core +5 Policy Target %</b>                         | <b>18.0%</b> |
| Adjustment: 50% of uninvested Real Estate                 | <u>2.0%</u>  |
| <b>Adjusted Core+5 Policy Target %</b>                    | <b>20.0%</b> |
| <b>2) High Yield Policy Target %</b>                      | <b>4.0%</b>  |
| Adjustment: 50% of uninvested Emerging Markets Debt       | 1.5%         |
| Adjustment: 80% of uninvested Opportunistic Fixed Income  | <u>2.7%</u>  |
| <b>Adjusted High Yield Policy Target %</b>                | <b>8.2%</b>  |
| <b>3) Domestic Equity Policy Target %</b>                 | <b>31.0%</b> |
| Adjustment: 20% of (over)/underallocation of OFI          | 0.7%         |
| Adjustment: 100% of (over)/underallocation of PE          | 1.5%         |
| Adjustment: 50% of (over)/underallocation of RE           | <u>2.0%</u>  |
| <b>Adjusted Domestic Equity Policy Target %</b>           | <b>35.1%</b> |
| <b>4) Emerging Markets Equities Policy Target %</b>       | <b>8.0%</b>  |
| Adjustment: 25% of uninvested Emerging Markets Debt       | <u>0.8%</u>  |
| <b>Adjusted Emerging Markets Equities Policy Target %</b> | <b>8.8%</b>  |
| <b>5) Cash Policy Target %</b>                            | <b>0.0%</b>  |
| Adjustment: 25% of uninvested Emerging Markets Debt       | <u>0.8%</u>  |
| <b>Adjusted Cash Policy Target %</b>                      | <b>0.8%</b>  |



# NYC TEACHERS' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

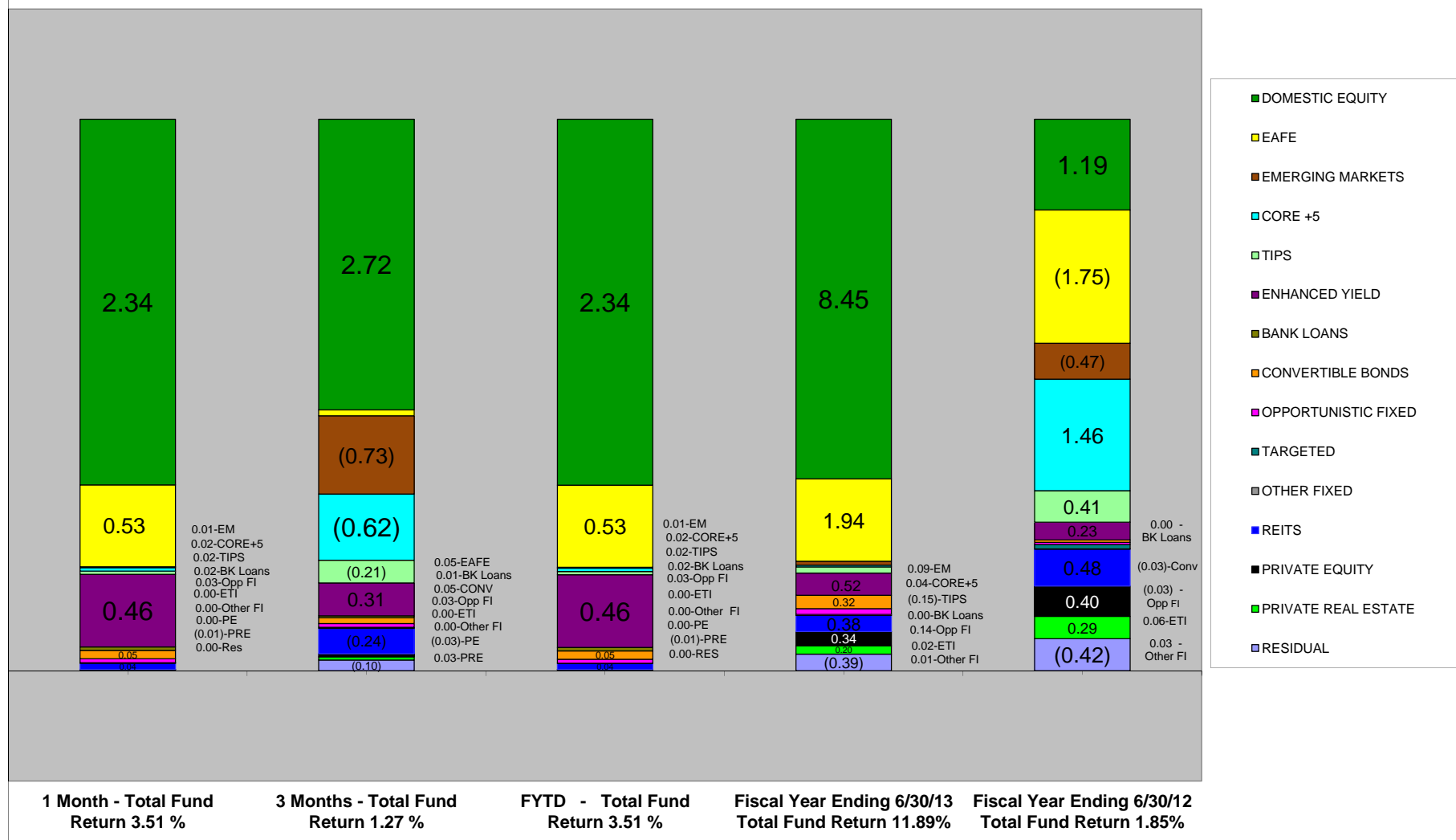
*(as of July 31st, 2013)*



**THE BANK OF NEW YORK MELLON**  
**CITY OF NEW YORK**  
**Market Indicator Page \*NYC Teachers' Retirement System**  
**July 31, 2013**

|   | Trailing<br>1 Month | Trailing<br>3 Months | 06/30/13<br>07/31/13 | Trailing<br>1 Year | Trailing*<br>2 Years | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years |
|---|---------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>MARKET INDICATORS</b>                          |                     |                      |                      |                    |                      |                      |                      |                       |
| STANDARD & POORS 500                              | 5.09                | 6.10                 | 5.09                 | 25.00              | 16.78                | 17.73                | 8.26                 | 7.64                  |
| S&P MIDCAP INDEX 400                              | 6.20                | 6.59                 | 6.20                 | 33.00              | 16.00                | 19.17                | 10.64                | 11.02                 |
| RUSSELL 1000                                      | 5.35                | 6.23                 | 5.35                 | 26.23              | 16.72                | 18.03                | 8.50                 | 8.02                  |
| RUSSELL 2000                                      | 7.00                | 10.71                | 7.00                 | 34.76              | 16.18                | 18.71                | 9.45                 | 9.60                  |
| RUSSELL 3000                                      | 5.48                | 6.57                 | 5.48                 | 26.86              | 16.67                | 18.08                | 8.57                 | 8.14                  |
| RUSSELL 3000 GROWTH                               | 5.48                | 5.78                 | 5.48                 | 22.65              | 14.84                | 18.17                | 9.09                 | 7.84                  |
| RUSSELL 3000 VALUE                                | 5.48                | 7.31                 | 5.48                 | 30.99              | 18.43                | 17.92                | 7.96                 | 8.29                  |
| MSCI EAFE (NET DIVIDEND)                          | 5.28                | -0.92                | 5.28                 | 23.48              | 4.57                 | 8.61                 | 1.05                 | 7.97                  |
| MSCI EMERGING MARKETS FREE                        | 1.10                | -7.67                | 1.10                 | 2.29               | -6.01                | 1.33                 | 0.86                 | 13.45                 |
| FTSE CUSTOM BENCHMARK                             | 0.29                | -8.86                | 0.29                 | 0.99               | -6.17                | 1.75                 | 1.64                 | ****                  |
| MSCI WORLD INDEX                                  | 5.29                | 2.87                 | 5.29                 | 23.96              | 10.55                | 13.35                | 4.88                 | 8.16                  |
| MSCI EUROPE SMID CAP INDEX                        | 8.94                | 6.12                 | 8.94                 | 35.34              | 7.43                 | 11.90                | 3.80                 | ****                  |
| MSCI AC WORLD FRONTIER MARKETS EX USA             | 4.39                | -2.41                | 4.39                 | 17.03              | 1.39                 | 6.43                 | 0.71                 | ****                  |
| NYC - TREASURY AGENCY PLUS FIVE                   | -0.76               | -7.02                | -0.76                | -7.09              | 4.39                 | 4.54                 | 6.38                 | 6.21                  |
| CITIGROUP MORTGAGE                                | -0.05               | -2.52                | -0.05                | -1.96              | 1.42                 | 2.24                 | 4.94                 | 4.94                  |
| NYC - INVESTMENT GRADE CREDIT INDEX               | 0.62                | -4.22                | 0.62                 | -0.88              | 4.26                 | 4.93                 | 7.03                 | 5.54                  |
| NYC - CORE PLUS FIVE                              | 0.09                | -4.09                | 0.09                 | -2.58              | 3.17                 | 3.73                 | 6.07                 | 5.52                  |
| CITIGROUP BROAD INVESTMENT GRADE                  | 0.13                | -3.13                | 0.13                 | -1.90              | 2.61                 | 3.15                 | 5.31                 | 5.01                  |
| BARCLAYS CAPITAL AGGREGATE                        | 0.14                | -3.17                | 0.14                 | -1.90              | 2.57                 | 3.19                 | 5.23                 | 4.89                  |
| CITIGROUP BB & B                                  | 1.76                | -1.52                | 1.76                 | 7.48               | 8.20                 | 9.58                 | 8.75                 | 7.66                  |
| BofA MERRILL LYNCH HY MASTER II                   | 1.88                | -1.33                | 1.88                 | 9.53               | 8.37                 | 9.86                 | 11.40                | 9.10                  |
| CREDIT SUISSE LEVERAGED LOAN INDEX                | 1.07                | 0.74                 | 1.07                 | ****               | ****                 | ****                 | ****                 | ****                  |
| BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES) | 0.73                | -7.11                | 0.73                 | -5.87              | 1.52                 | 4.84                 | 4.68                 | 5.77                  |
| BofA ML ALL CONVERTIBLES EX MANDATORY             | 4.45                | 4.73                 | 4.45                 | 21.97              | 11.02                | 12.28                | 9.08                 | ****                  |
| DJ WILSHIRE REAL ESTATE SECURITIES INDEX          | 0.75                | -6.93                | 0.75                 | 6.53               | 9.65                 | 14.62                | 6.37                 | 10.24                 |
| NCREIF NFI-ODCE NET                               | 0.00                | 3.60                 | 0.00                 | 11.08              | 11.18                | 13.85                | -1.07                | ****                  |
| 91 DAY TREASURY BILL                              | 0.01                | 0.02                 | 0.01                 | 0.11               | 0.09                 | 0.11                 | 0.25                 | 1.72                  |

### NYC Teachers' Retirement System Contribution to Return - July 2013



**THE BANK OF NEW YORK MELLON**

**CITY OF NEW YORK**

**Manager / Benchmark Comparison Report \*NYC Teachers' Retirement System**

July 31, 2013

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|                                   | Assets<br>(\$MM)   | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|-----------------------------------|--------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>ASSET CLASS SUMMARY</b>        |                    |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| DOMESTIC EQUITY                   | \$ 21,650.5        | 42.36%        | 5.62%               | 6.75%                | 5.62%         | 20.62%          | 22.08%                | 16.65%                     | 0.41%                      | 17.33%                     | 28.33%                     | 27.94%             | 18.11%               | 8.66%                | ****                  | 10.15%             |
| INTERNATIONAL EAFE                | 4,781.0            | 9.35%         | 5.70                | 0.58                 | 5.70          | 10.62           | 18.37                 | 17.59                      | -9.82                      | 11.42                      | 32.77                      | 23.70              | 10.43                | 2.94                 | ****                  | 7.03               |
| EMERGING MARKETS                  | 4,159.6            | 8.14%         | 0.07                | -9.25                | 0.07          | -9.66           | 1.49                  | 16.92                      | ****                       | ****                       | ****                       | 0.08               | ****                 | ****                 | ****                  | -6.57              |
| REAL ESTATE EQUITY SECURITIES     | 1,765.9            | 3.45%         | 1.09                | -6.32                | 1.09          | 5.76            | 8.44                  | 18.16                      | 8.03                       | 32.10                      | 30.86                      | 7.49               | 14.59                | 6.87                 | 11.54                 | 12.79              |
| CORE + 5                          | 7,648.0            | 14.96%        | 0.14                | -3.92                | 0.14          | -2.57           | 0.23                  | 6.62                       | 8.73                       | 8.58                       | 8.54                       | -1.32              | 4.37                 | 6.58                 | 5.65                  | 8.10               |
| CONVERTIBLE BONDS                 | 811.8              | 1.59%         | 3.32                | 3.45                 | 3.32          | 10.73           | 13.87                 | 12.08                      | -4.22                      | 13.18                      | 34.16                      | 16.52              | 9.27                 | 7.59                 | ****                  | 6.97               |
| TIPS MANAGERS                     | 1,366.1            | 2.67%         | 0.74                | -7.28                | 0.74          | -6.62           | -4.50                 | 7.23                       | 13.50                      | 6.47                       | 10.14                      | -5.49              | 4.89                 | 4.87                 | ****                  | 5.11               |
| ENHANCED YIELD                    | 2,640.9            | 5.17%         | 2.08                | -1.44                | 2.08          | 3.96            | 8.54                  | 13.64                      | 5.55                       | 13.43                      | 38.75                      | 10.30              | 10.22                | 11.50                | 9.25                  | 6.91               |
| BANK LOANS                        | 1,217.7            | 2.38%         | 1.05                | 0.83                 | 1.05          | 3.63            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 4.58               |
| OPPORTUNISTIC FIXED INCOME        | 806.0              | 1.58%         | 1.61                | 2.45                 | 1.61          | 11.62           | 14.70                 | 15.56                      | -3.20                      | 23.88                      | 18.09                      | 15.86              | 9.96                 | 11.97                | ****                  | ****               |
| PROGRESS FIXED INCOME             | 107.1              | 0.21%         | 0.11                | -3.31                | 0.11          | -2.18           | 0.00                  | ****                       | ****                       | ****                       | ****                       | -1.30              | ****                 | ****                 | ****                  | 0.14               |
| ECONOMICALLY TARGETED INVESTMENTS | 379.2              | 0.74%         | 0.11                | -1.55                | 0.11          | -0.49           | 1.99                  | 5.74                       | 6.70                       | 6.61                       | 7.62                       | 1.20               | 4.31                 | 6.12                 | 5.65                  | 9.42               |
| PRIVATE EQUITY                    | 2,314.8            | 4.53%         | -0.01               | -0.60                | -0.01         | 1.17            | 6.23                  | 11.45                      | 15.80                      | 14.04                      | -4.44                      | 6.73               | 10.82                | 5.71                 | ****                  | 11.30              |
| PRIVATE REAL ESTATE               | 1,072.9            | 2.10%         | -0.37               | 1.49                 | -0.37         | 5.85            | 9.88                  | 13.02                      | 24.55                      | 9.99                       | -44.20                     | 9.94               | 17.25                | -3.36                | ****                  | 8.52               |
| CASH                              | 392.2              | 0.77%         | 0.03                | 0.05                 | 0.03          | 0.14            | 0.30                  | 0.72                       | 0.50                       | 0.45                       | 1.23                       | 0.30               | 0.37                 | 0.84                 | ****                  | 2.38               |
| <b>TOTAL TEACHERS</b>             | <b>\$ 51,113.8</b> |               | <b>3.51%</b>        | <b>1.27%</b>         | <b>3.51%</b>  | <b>8.78%</b>    | <b>11.89%</b>         | <b>13.09%</b>              | <b>1.83%</b>               | <b>13.92%</b>              | <b>21.15%</b>              | <b>14.62%</b>      | <b>11.46%</b>        | <b>6.60%</b>         | <b>7.71%</b>          | <b>8.63%</b>       |
| TOTAL EQUITY                      | 32,357.0           | 63.30%        | 4.63                | 2.80                 | 4.63          | 13.87           | 17.77                 | 16.50                      | -2.35                      | 16.64                      | 29.37                      | 21.99              | 14.49                | 6.30                 | ****                  | 6.71               |
| TOTAL FIXED INCOME                | 14,976.8           | 29.30%        | 2.07                | -1.58                | 2.07          | 1.13            | 3.12                  | 8.49                       | 7.95                       | 9.77                       | 14.75                      | 3.63               | 6.59                 | 7.79                 | ****                  | 6.15               |
| TOTAL PRIVATE EQUITY              | 2,314.8            | 4.53%         | -0.01               | -0.60                | -0.01         | 1.17            | 6.23                  | 11.45                      | 15.80                      | 14.04                      | -4.44                      | 6.73               | 10.82                | 5.71                 | ****                  | 11.30              |
| TOTAL PRIVATE REAL ESTATE         | 1,072.9            | 2.10%         | -0.37               | 1.49                 | -0.37         | 5.85            | 9.88                  | 13.02                      | 24.55                      | 9.99                       | -44.20                     | 9.94               | 17.25                | -3.36                | ****                  | 8.52               |
| TOTAL CASH                        | 392.2              | 0.77%         | 0.03                | 0.05                 | 0.03          | 0.14            | 0.30                  | 0.72                       | 0.50                       | 0.45                       | 1.23                       | 0.30               | 0.37                 | 0.84                 | ****                  | 2.38               |

\* Returns data throughout the various reports are shown Gross of Fees with the exception of PE, RE, Opp FI, and Hedge Funds.

**THE BANK OF NEW YORK MELLON**  
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**July 31, 2013**

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|   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>EQUITY ASSET CLASS SUMMARY</b>               |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| <b>DOMESTIC EQUITY</b>                          | \$ 21,650.5      | 42.36%        | 5.62%               | 6.75%                | 5.62%         | 20.62%          | 22.08%                | 16.65%                     | 0.41%                      | 17.33%                     | 28.33%                     | 27.94%             | 18.11%               | 8.66%                | 8.17%                 | 10.15%             |
| PASSIVE DOMESTIC EQUITY                         | 20,626.4         | 40.35%        | 5.56                | 6.56                 | 5.56          | 20.47           | 21.94                 | 16.60                      | 0.35                       | 17.23                      | 28.40                      | 27.64              | 18.01                | 8.57                 | 8.16                  | 9.33               |
| RUSSELL 3000                                    |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | 28.34                      | 26.86              | 18.08                | 8.57                 | 8.14                  |                    |
|   |                  | +/-           | 0.08                | (0.01)               | 0.08          | 0.17            | 0.48                  | 0.18                       | (0.67)                     | 0.30                       | 0.06                       | 0.78               | (0.07)               | 0.00                 | 0.02                  |                    |
| TOTAL RUSSELL 3000                              | 17,821.1         | 34.87%        | 5.46                | 6.55                 | 5.46          | 20.29           | 21.45                 | 16.40                      | 1.05                       | 17.23                      | 28.40                      | 26.85              | 18.16                | 8.65                 | 8.20                  | 10.17              |
| RUSSELL 3000                                    |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | 28.34                      | 26.86              | 18.08                | 8.57                 | 8.14                  |                    |
|   |                  | +/-           | (0.02)              | (0.02)               | (0.02)        | (0.02)          | (0.01)                | (0.02)                     | 0.02                       | 0.30                       | 0.06                       | (0.02)             | 0.07                 | 0.08                 | 0.06                  |                    |
| TOTAL MID CAP PASSIVE                           | 2,805.3          | 5.49%         | 6.16                | 6.57                 | 6.16          | 21.63           | 25.13                 | 17.87                      | ****                       | ****                       | ****                       | 32.89              | ****                 | ****                 | ****                  | 13.82              |
| S&P 400 MIDCAP                                  |                  |               | 6.20                | 6.59                 | 6.20          | 21.69           | 25.18                 | 17.88                      | ****                       | ****                       | ****                       | 33.00              | ****                 | ****                 | ****                  |                    |
|   |                  | +/-           | (0.04)              | (0.02)               | (0.04)        | (0.06)          | (0.06)                | (0.01)                     | ****                       | ****                       | ****                       | (0.11)             | ****                 | ****                 | ****                  |                    |
| ACTIVE DOMESTIC EQUITY                          | 955.5            | 1.87%         | 7.00                | 10.70                | 7.00          | 23.92           | 25.11                 | 17.85                      | -0.73                      | 17.55                      | 31.51                      | 34.13              | 19.37                | 9.47                 | 8.26                  | 3.83               |
| RUSSELL 3000                                    |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | 28.34                      | 26.86              | 18.08                | 8.57                 | 8.14                  |                    |
|   |                  | +/-           | 1.51                | 4.13                 | 1.51          | 3.61            | 3.65                  | 1.43                       | (1.75)                     | 0.62                       | 3.17                       | 7.27               | 1.28                 | 0.90                 | 0.12                  |                    |
| TOTAL LARGE CAP                                 | 384.0            | 0.75%         | 5.84                | 7.97                 | 5.84          | 20.68           | 22.12                 | 16.38                      | -0.78                      | 12.82                      | ****                       | 27.47              | 16.66                | ****                 | ****                  | 20.34              |
| RUSSELL 1000                                    |                  |               | 5.35                | 6.23                 | 5.35          | 20.00           | 21.24                 | 16.42                      | 1.50                       | 16.10                      | ****                       | 26.23              | 18.03                | ****                 | ****                  |                    |
|   |                  | +/-           | 0.49                | 1.75                 | 0.49          | 0.68            | 0.88                  | (0.04)                     | (2.28)                     | (3.28)                     | ****                       | 1.24               | (1.37)               | ****                 | ****                  |                    |
| TOTAL EMERGING MGRS (Program changed 7/01/2012) | 321.8            | 0.63%         | 6.82                | 11.56                | 6.82          | 24.71           | 27.49                 | 17.84                      | -0.49                      | 21.13                      | 29.70                      | 37.02              | 20.15                | 9.80                 | ****                  | 6.75               |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | 27.18                      | 34.76              | 18.71                | 9.45                 | ****                  |                    |
| RUSSELL 3000                                    |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | 28.34                      | 26.86              | 18.08                | 8.57                 | ****                  |                    |
|   |                  | +/-           | (0.18)              | 0.85                 | (0.18)        | 0.74            | 3.28                  | 1.49                       | 3.69                       | (5.72)                     | 2.52                       | 2.26               | 1.44                 | 0.34                 | ****                  |                    |
|   |                  | +/-           | 1.34                | 4.99                 | 1.34          | 4.40            | 6.02                  | 1.42                       | (1.51)                     | 4.20                       | 1.36                       | 10.16              | 2.07                 | 1.23                 | ****                  |                    |
| TOTAL SMALL CAP ACTIVE                          | 249.7            | 0.49%         | 9.06                | 14.01                | 9.06          | 28.31           | 27.86                 | 21.45                      | 0.58                       | 29.21                      | ****                       | 44.47              | 26.00                | ****                 | ****                  | 27.52              |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | ****                       | 34.76              | 18.71                | ****                 | ****                  |                    |
|   |                  | +/-           | 2.06                | 3.30                 | 2.06          | 4.35            | 3.65                  | 5.10                       | 4.76                       | 2.36                       | ****                       | 9.71               | 7.29                 | ****                 | ****                  |                    |
| TOTAL U.S. ENVIRONMENTAL                        | 68.6             | 0.13%         | 6.20                | 10.02                | 6.20          | 19.11           | 20.26                 | 13.53                      | 1.20                       | 27.39                      | 31.28                      | 29.99              | 17.60                | 9.34                 | ****                  | 8.62               |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | 27.18                      | 34.76              | 18.71                | 9.45                 | ****                  |                    |
|   |                  | +/-           | (0.80)              | (0.69)               | (0.80)        | (4.86)          | (3.94)                | (2.82)                     | 5.38                       | 0.54                       | 4.10                       | (4.77)             | (1.11)               | (0.12)               | ****                  |                    |
| <b>INTERNATIONAL EQUITY</b>                     | 8,940.6          | 17.49%        | 3.00                | -4.15                | 3.00          | 0.87            | 10.52                 | 16.67                      | -10.53                     | 11.43                      | 32.77                      | 12.42              | 6.53                 | 0.75                 | 7.82                  | 6.17               |
| PASSIVE DEVELOPED MARKETS                       | 313.3            | 0.61%         | 5.19                | -0.85                | 5.19          | 9.67            | 18.67                 | 17.58                      | ****                       | ****                       | ****                       | 23.62              | ****                 | ****                 | ****                  | 3.84               |
| MSCI EAFE (NET DIVIDEND)                        |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | ****                       | ****                       | ****                       | 23.48              | ****                 | ****                 | ****                  |                    |
|   |                  | +/-           | (0.08)              | 0.07                 | (0.08)        | 0.07            | 0.05                  | 0.26                       | ****                       | ****                       | ****                       | 0.14               | ****                 | ****                 | ****                  |                    |
| PASSIVE EMERGING MARKETS                        | 1,894.7          | 3.71%         | -0.32               | -8.77                | -0.32         | -9.52           | 1.84                  | 15.88                      | ****                       | ****                       | ****                       | -0.10              | ****                 | ****                 | ****                  | -6.86              |
| FTSE CUSTOM BENCHMARK                           |                  |               | 0.21                | -9.06                | 0.21          | -9.32           | 2.70                  | 18.63                      | ****                       | ****                       | ****                       | 0.69               | ****                 | ****                 | ****                  |                    |
|   |                  | +/-           | (0.53)              | 0.29                 | (0.53)        | (0.20)          | (0.86)                | (2.75)                     | ****                       | ****                       | ****                       | (0.80)             | ****                 | ****                 | ****                  |                    |
| ACTIVE DEVELOPED MARKETS                        | 4,249.2          | 8.31%         | 5.65                | 0.31                 | 5.65          | 10.39           | 18.00                 | 17.54                      | -9.88                      | 11.12                      | 32.51                      | 23.02              | 10.24                | 2.89                 | 8.97                  | 6.68               |
| MSCI EAFE (NET DIVIDEND)                        |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | -12.14                     | 7.75                       | 31.78                      | 23.48              | 8.61                 | 1.05                 | 7.97                  |                    |
|   |                  | +/-           | 0.37                | 1.23                 | 0.37          | 0.79            | (0.62)                | 0.23                       | 2.26                       | 3.37                       | 0.73                       | (0.46)             | 1.63                 | 1.84                 | 1.00                  |                    |
| ACTIVE EMERGING MARKETS                         | 2,264.9          | 4.43%         | 0.39                | -9.77                | 0.39          | -9.65           | 1.60                  | ****                       | ****                       | ****                       | ****                       | 0.85               | ****                 | ****                 | ****                  | -4.48              |
| FTSE CUSTOM BENCHMARK                           |                  |               | 0.21                | -9.06                | 0.21          | -9.32           | 2.70                  | ****                       | ****                       | ****                       | ****                       | 0.69               | ****                 | ****                 | ****                  |                    |
|   |                  | +/-           | 0.17                | (0.71)               | 0.17          | (0.33)          | (1.10)                | ****                       | ****                       | ****                       | ****                       | 0.16               | ****                 | ****                 | ****                  |                    |
| NON-U.S. ACTIVIST                               | 118.6            | 0.23%         | 9.46                | 10.36                | 9.46          | 16.83           | 27.46                 | 22.09                      | -23.39                     | 36.48                      | 42.60                      | 43.61              | 11.65                | ****                 | ****                  | 19.32              |
| MSCI EUROPE SMID CAP INDEX                      |                  |               | 8.94                | 6.12                 | 8.94          | 14.92           | 25.26                 | 25.81                      | -17.56                     | 16.03                      | 53.23                      | 35.34              | 11.90                | ****                 | ****                  |                    |
|   |                  | +/-           | 0.51                | 4.24                 | 0.51          | 1.91            | 2.20                  | (3.72)                     | (5.84)                     | 20.45                      | (10.63)                    | 8.26               | (0.25)               | ****                 | ****                  |                    |
| TOTAL PASSIVE GLOBAL                            | 99.9             | 0.20%         | 5.18                | ****                 | 5.18          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 6.11               |
| MSCI WORLD INDEX                                |                  |               | 5.29                | ****                 | 5.29          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
|   |                  | +/-           | (0.11)              | ****                 | (0.11)        | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |

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|--|--------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>FIXED INCOME ASSET CLASS SUMMARY</b>      |                    |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| <b>TOTAL FIXED INCOME</b>                    | <b>\$ 14,976.8</b> | <b>29.30%</b> | <b>2.07%</b>        | <b>-1.58%</b>        | <b>2.07%</b>  | <b>1.13%</b>    | <b>3.12%</b>          | <b>8.49%</b>               | <b>7.95%</b>               | <b>9.77%</b>               | <b>14.75%</b>              | <b>3.63%</b>       | <b>6.59%</b>         | <b>7.79%</b>         | <b>****</b>           | <b>6.15%</b>       |
| <b>CORE + 5</b>                              | 7,648.0            | 14.96%        | 0.14                | -3.92                | 0.14          | -2.57           | 0.23                  | 6.62                       | 8.73                       | 8.58                       | 8.54                       | -1.32              | 4.37                 | 6.58                 | 5.65                  | 8.10               |
| <i>NYC - CORE PLUS FIVE</i>                  |                    |               | 0.09                | -4.09                | 0.09          | -3.12           | -0.95                 | 5.41                       | 9.40                       | 7.13                       | 6.28                       | -2.58              | 3.73                 | 6.07                 | 5.52                  |                    |
|  |                    |               | +/-                 | 0.05                 | 0.17          | 0.05            | 0.55                  | 1.18                       | 1.21                       | (0.67)                     | 1.45                       | 2.26               | 1.25                 | 0.64                 | 0.51                  | 0.14               |
| ALL MORTGAGE                                 | 3,400.3            | 6.65%         | -0.09               | -2.71                | -0.09         | -1.93           | -0.19                 | 4.26                       | 6.32                       | 7.70                       | 8.30                       | -1.12              | 3.16                 | 5.69                 | 5.05                  | 7.03               |
| <i>CITIGROUP MORTGAGE INDEX</i>              |                    |               | -0.05               | -2.52                | -0.05         | -2.06           | -1.15                 | 2.60                       | 6.38                       | 5.50                       | 5.76                       | -1.96              | 2.24                 | 4.94                 | 4.94                  |                    |
|  |                    |               | +/-                 | (0.05)               | (0.18)        | (0.05)          | 0.13                  | 0.96                       | 1.67                       | (0.06)                     | 2.20                       | 2.54               | 0.84                 | 0.92                 | 0.75                  | 0.11               |
| ALL INVESTMENT GRADE CREDIT                  | 3,194.3            | 6.25%         | 0.69                | -4.15                | 0.69          | -2.15           | 2.51                  | 10.58                      | 7.79                       | 9.47                       | 19.96                      | 0.50               | 5.70                 | 7.70                 | 5.91                  | 7.43               |
| <i>NYC - INVESTMENT GRADE CREDIT</i>         |                    |               | 0.62                | -4.22                | 0.62          | -2.88           | 1.19                  | 9.52                       | 7.80                       | 8.36                       | 16.36                      | -0.88              | 4.93                 | 7.03                 | 5.54                  |                    |
|  |                    |               | +/-                 | 0.07                 | 0.07          | 0.07            | 0.74                  | 1.31                       | 1.06                       | (0.01)                     | 1.11                       | 3.60               | 1.38                 | 0.78                 | 0.67                  | 0.37               |
| ALL TREASURY / AGENCY                        | 1,053.4            | 2.06%         | -0.73               | -6.97                | -0.73         | -5.80           | -4.47                 | 4.08                       | 18.21                      | 9.39                       | -5.89                      | -6.95              | 4.51                 | 6.52                 | 6.34                  | 7.85               |
| <i>NYC - TREASURY AGENCY PLUS FIVE</i>       |                    |               | -0.76               | -7.02                | -0.76         | -5.77           | -4.52                 | 3.84                       | 18.44                      | 9.24                       | -7.44                      | -7.09              | 4.54                 | 6.38                 | 6.21                  |                    |
|  |                    |               | +/-                 | 0.03                 | 0.05          | 0.03            | (0.03)                | 0.05                       | 0.24                       | (0.24)                     | 0.15                       | 1.55               | 0.14                 | (0.04)               | 0.14                  | 0.12               |
| <b>TOTAL TIPS MANAGERS</b>                   | 1,366.1            | 2.67%         | 0.74                | -7.28                | 0.74          | -6.62           | -4.50                 | 7.23                       | 13.50                      | 6.47                       | 10.14                      | -5.49              | 4.89                 | 4.87                 | ****                  | 5.11               |
| <i>BARCLAYS CAPITAL US TIPS INDEX</i>        |                    |               | 0.73                | -7.12                | 0.73          | -6.72           | -4.78                 | 6.98                       | 13.56                      | 6.37                       | 11.41                      | -5.87              | 4.84                 | 4.68                 | ****                  |                    |
|  |                    |               | +/-                 | 0.01                 | (0.17)        | 0.01            | 0.09                  | 0.28                       | 0.26                       | (0.06)                     | 0.10                       | (1.27)             | 0.37                 | 0.05                 | 0.19                  | ****               |
| <b>TOTAL ENHANCED YIELD</b>                  | 2,640.9            | 5.17%         | 2.08                | -1.44                | 2.08          | 3.96            | 8.54                  | 13.64                      | 5.55                       | 13.43                      | 38.75                      | 10.30              | 10.22                | 11.50                | 9.25                  | 6.91               |
| <i>CITIGROUP BB &amp; B</i>                  |                    |               | 1.76                | -1.52                | 1.76          | 2.11            | 7.61                  | 14.45                      | 6.58                       | 13.35                      | 40.37                      | 7.48               | 9.58                 | 8.75                 | 7.66                  |                    |
|  |                    |               | +/-                 | 0.31                 | 0.08          | 0.31            | 1.85                  | 0.93                       | (0.82)                     | (1.03)                     | 0.08                       | (1.62)             | 2.82                 | 0.64                 | 2.75                  | 1.59               |
| <b>TOTAL BANK LOANS</b>                      | 1,217.7            | 2.38%         | 1.05                | 0.83                 | 1.05          | 3.63            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 4.58               |
| <i>CREDIT SUISSE LEVERAGED LOAN INDEX</i>    |                    |               | 1.07                | 0.74                 | 1.07          | 3.91            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
|  |                    |               | +/-                 | (0.01)               | 0.08          | (0.01)          | (0.28)                | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | ****               |
| <b>TOTAL CONVERTIBLE BONDS</b>               | 811.8              | 1.59%         | 3.32                | 3.45                 | 3.32          | 10.73           | 13.87                 | 12.08                      | -4.22                      | 13.18                      | 34.16                      | 16.52              | 9.27                 | 7.59                 | ****                  | 6.97               |
| <i>BofA ML ALL CONVERTIBLES EX MANDATORY</i> |                    |               | 4.45                | 4.73                 | 4.45          | 14.67           | 17.48                 | 14.41                      | -3.42                      | 16.52                      | 47.19                      | 21.97              | 12.28                | 9.08                 | ****                  |                    |
|  |                    |               | +/-                 | (1.13)               | (1.28)        | (1.13)          | (3.93)                | (3.61)                     | (2.33)                     | (0.81)                     | (3.34)                     | (13.03)            | (5.45)               | (3.01)               | (1.49)                | ****               |
| <b>TOTAL OPPORTUNISTIC FIXED</b>             | 806.0              | 1.58%         | 1.61                | 2.45                 | 1.61          | 11.62           | 14.70                 | 15.56                      | -3.20                      | 23.88                      | 18.09                      | 15.86              | 9.96                 | 11.97                | ****                  | ****               |
| <i>JP MORGAN HY PLUS 3%</i>                  |                    |               | 2.02                | -1.79                | 2.02          | 4.40            | 12.47                 | 19.20                      | 8.73                       | 18.05                      | 61.90                      | 12.44              | 13.40                | 14.67                | ****                  |                    |
|  |                    |               | +/-                 | (0.41)               | 4.24          | (0.41)          | 7.22                  | 2.23                       | (3.64)                     | (11.93)                    | 5.83                       | (43.81)            | 3.42                 | (3.44)               | (2.70)                | ****               |
| <b>TOTAL PROGRESS FIXED</b>                  | 107.1              | 0.21%         | 0.11                | -3.31                | 0.11          | -2.18           | 0.00                  | ****                       | ****                       | ****                       | ****                       | -1.30              | ****                 | ****                 | ****                  | 0.14               |
| <i>BARCLAYS CAPITAL AGGREGATE</i>            |                    |               | 0.14                | -3.17                | 0.14          | -2.31           | -0.69                 | ****                       | ****                       | ****                       | ****                       | -1.91              | ****                 | ****                 | ****                  |                    |
|  |                    |               | +/-                 | (0.03)               | (0.14)        | (0.03)          | 0.13                  | 0.69                       | ****                       | ****                       | ****                       | 0.60               | ****                 | ****                 | ****                  | ****               |
| <b>ECONOMICALLY TARGETED INVESTMENTS</b>     | 379.2              | 0.74%         | 0.11                | -1.55                | 0.11          | -0.49           | 1.99                  | 5.74                       | 6.70                       | 6.61                       | 7.62                       | 1.20               | 4.31                 | 6.12                 | 5.65                  | 9.42               |
| <i>TEACHERS CUSTOM BENCHMARK (NO CASH)</i>   |                    |               | ****                | ****                 | ****          | ****            | -0.84                 | 3.55                       | 7.51                       | 6.31                       | 5.12                       | ****               | ****                 | ****                 | ****                  |                    |
|  |                    |               | +/-                 | ****                 | ****          | ****            | 2.83                  | 2.19                       | (0.81)                     | 0.30                       | 2.50                       | ****               | ****                 | ****                 | ****                  | ****               |
| <b>CASH ASSET CLASS SUMMARY</b>              |                    |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| <b>TOTAL CASH</b>                            | <b>392.2</b>       | <b>0.77%</b>  | <b>0.03</b>         | <b>0.05</b>          | <b>0.03</b>   | <b>0.14</b>     | <b>0.30</b>           | <b>0.72</b>                | <b>0.50</b>                | <b>0.45</b>                | <b>1.23</b>                | <b>0.30</b>        | <b>0.37</b>          | <b>0.84</b>          | <b>****</b>           | <b>2.38</b>        |
| <i>ML 91 DAY TREASURY BILL INDEX</i>         |                    |               | 0.01                | 0.02                 | 0.01          | 0.05            | 0.11                  | 0.11                       | 0.10                       | 0.13                       | 0.21                       | 0.11               | 0.11                 | 0.25                 | ****                  |                    |
|  |                    |               | +/-                 | 0.02                 | 0.03          | 0.02            | 0.09                  | 0.19                       | 0.61                       | 0.40                       | 0.32                       | 1.02               | 0.19                 | 0.26                 | 0.59                  | ****               |

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|                               | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|-------------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>US EQUITY</b>              |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL RUSSELL 3000            | 17,821.1         | 34.87%        | 5.46                | 6.55                 | 5.46          | 20.29           | 21.45                 | 16.40                      | 1.05                       | 17.23                      | 28.40                      | 26.85              | 18.16                | 8.65                 | 8.20                  | 10.17              |
| RUSSELL 3000                  |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | 28.34                      | 26.86              | 18.08                | 8.57                 | 8.14                  |                    |
|                               |                  |               | (0.02)              | (0.02)               | (0.02)        | (0.02)          | (0.01)                | (0.02)                     | 0.02                       | 0.30                       | 0.06                       | (0.02)             | 0.07                 | 0.08                 | 0.06                  |                    |
| STATE STREET R3000            | 8,732.7          | 17.08%        | 5.46                | 6.58                 | 5.46          | 20.35           | 21.52                 | 16.41                      | 1.20                       | ****                       | ****                       | 26.93              | ****                 | ****                 | ****                  | 17.57              |
| BLACKROCK R3000               | 9,088.4          | 17.78%        | 5.46                | 6.53                 | 5.46          | 20.24           | 21.39                 | 16.39                      | 0.89                       | 16.92                      | ****                       | 26.77              | 17.97                | ****                 | ****                  | 19.71              |
| RUSSELL 3000                  |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | ****                       | 26.86              | 18.08                | ****                 | ****                  |                    |
| STATE STREET R3000            |                  |               | (0.02)              | 0.01                 | (0.02)        | 0.04            | 0.05                  | (0.00)                     | 0.17                       | ****                       | ****                       | 0.06               | ****                 | ****                 | ****                  |                    |
| BLACKROCK R3000               |                  |               | (0.02)              | (0.04)               | (0.02)        | (0.07)          | (0.08)                | (0.03)                     | (0.13)                     | (0.01)                     | ****                       | (0.09)             | (0.11)               | ****                 | ****                  |                    |
| TOTAL SMALL CAP               | 249.7            | 0.49%         | 9.06                | 14.01                | 9.06          | 28.31           | 27.86                 | 21.45                      | 0.58                       | 29.21                      | ****                       | 44.47              | 26.00                | ****                 | ****                  | 27.52              |
| RUSSELL 2000                  |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | ****                       | 34.76              | 18.71                | ****                 | ****                  |                    |
|                               |                  |               | 2.06                | 3.30                 | 2.06          | 4.35            | 3.65                  | 5.10                       | 4.76                       | 2.36                       | ****                       | 9.71               | 7.29                 | ****                 | ****                  |                    |
| TOTAL SMALL CAP ACTIVE        | 249.7            | 0.49%         | 9.06                | 14.01                | 9.06          | 28.31           | 27.86                 | 21.45                      | 0.58                       | 29.21                      | ****                       | 44.47              | 26.00                | ****                 | ****                  | 27.52              |
| RUSSELL 2000                  |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | ****                       | 34.76              | 18.71                | ****                 | ****                  |                    |
|                               |                  |               | 2.06                | 3.30                 | 2.06          | 4.35            | 3.65                  | 5.10                       | 4.76                       | 2.36                       | ****                       | 9.71               | 7.29                 | ****                 | ****                  |                    |
| TOTAL SMALL CAP GROWTH ACTIVE | 249.7            | 0.49%         | 9.06                | 14.01                | 9.06          | 28.31           | 27.86                 | 21.45                      | 0.58                       | 29.21                      | ****                       | 44.47              | 26.00                | ****                 | ****                  | 27.52              |
| BROWN AM (D)                  | 249.7            | 0.49%         | 9.06                | 14.01                | 9.06          | 28.31           | 27.86                 | 21.45                      | 0.58                       | 29.21                      | ****                       | 44.47              | 26.00                | ****                 | ****                  | 27.52              |
| RUSSELL 2000 GROWTH           |                  |               | 7.56                | 12.32                | 7.56          | 26.32           | 23.67                 | 14.59                      | -2.91                      | 29.09                      | ****                       | 35.39              | 20.32                | ****                 | ****                  |                    |
| TOTAL SMALL CAP GROWTH        |                  |               | 1.49                | 1.69                 | 1.49          | 1.99            | 4.19                  | 6.87                       | 3.49                       | 0.12                       | ****                       | 9.08               | 5.69                 | ****                 | ****                  |                    |
| BROWN AM                      |                  |               | 1.49                | 1.69                 | 1.49          | 1.99            | 4.19                  | 6.87                       | 3.49                       | 0.12                       | ****                       | 9.08               | 5.69                 | ****                 | ****                  |                    |
| TOTAL MID CAP                 | 2,805.3          | 5.49%         | 6.16                | 6.57                 | 6.16          | 21.63           | 25.13                 | 17.87                      | ****                       | ****                       | ****                       | 32.89              | ****                 | ****                 | ****                  | 13.82              |
| RUSSELL MIDCAP                |                  |               | 5.80                | 6.76                 | 5.80          | 22.14           | 25.41                 | 17.28                      | ****                       | ****                       | ****                       | 32.37              | ****                 | ****                 | ****                  |                    |
|                               |                  |               | 0.36                | (0.19)               | 0.36          | (0.52)          | (0.28)                | 0.59                       | ****                       | ****                       | ****                       | 0.52               | ****                 | ****                 | ****                  |                    |
| TOTAL MID CAP PASSIVE         | 2,805.3          | 5.49%         | 6.16                | 6.57                 | 6.16          | 21.63           | 25.13                 | 17.87                      | ****                       | ****                       | ****                       | 32.89              | ****                 | ****                 | ****                  | 13.82              |
| SSGA S&P 400                  | 2,805.3          | 5.49%         | 6.16                | 6.57                 | 6.16          | 21.63           | 25.13                 | 17.87                      | ****                       | ****                       | ****                       | 32.89              | ****                 | ****                 | ****                  | 13.82              |
| S&P 400 MIDCAP                |                  |               | 6.20                | 6.59                 | 6.20          | 21.69           | 25.18                 | 17.88                      | ****                       | ****                       | ****                       | 33.00              | ****                 | ****                 | ****                  |                    |
| TOTAL MID CAP PASSIVE         |                  |               | (0.04)              | (0.02)               | (0.04)        | (0.06)          | (0.06)                | (0.01)                     | ****                       | ****                       | ****                       | (0.11)             | ****                 | ****                 | ****                  |                    |
| SSGA S&P 400                  |                  |               | (0.04)              | (0.02)               | (0.04)        | (0.06)          | (0.06)                | (0.01)                     | ****                       | ****                       | ****                       | (0.11)             | ****                 | ****                 | ****                  |                    |
| TOTAL LARGE CAP GROWTH        | 189.0            | 0.37%         | 6.09                | 7.76                 | 6.09          | 20.06           | 21.95                 | 17.88                      | 2.98                       | 9.54                       | ****                       | 27.24              | 18.34                | ****                 | ****                  | 18.96              |
| PROFIT INV MGMT (D)           | 189.0            | 0.37%         | 6.09                | 7.76                 | 6.09          | 20.06           | 21.95                 | 17.88                      | 2.98                       | 9.54                       | ****                       | 27.24              | 18.34                | ****                 | ****                  | 18.96              |
| RUSSELL 1000 GROWTH           |                  |               | 5.30                | 5.24                 | 5.30          | 17.73           | 17.07                 | 15.26                      | 2.64                       | 16.71                      | ****                       | 21.64              | 17.99                | ****                 | ****                  |                    |
| TOTAL LARGE CAP GROWTH        |                  |               | 0.79                | 2.52                 | 0.79          | 2.33            | 4.89                  | 2.62                       | 0.34                       | (7.17)                     | ****                       | 5.60               | 0.35                 | ****                 | ****                  |                    |
| PROFIT INV MGMT               |                  |               | 0.79                | 2.52                 | 0.79          | 2.33            | 4.89                  | 2.62                       | 0.34                       | (7.17)                     | ****                       | 5.60               | 0.35                 | ****                 | ****                  |                    |
| TOTAL LARGE CAP CORE          | 195.0            | 0.38%         | 5.60                | 8.11                 | 5.60          | 21.03           | 22.37                 | 15.62                      | -1.94                      | 15.87                      | ****                       | 27.62              | 16.36                | ****                 | ****                  | 21.62              |
| SEIZERT CAPITAL PTNRS (D)     | 195.0            | 0.38%         | 5.60                | 7.86                 | 5.60          | 22.26           | 25.65                 | 15.25                      | -0.02                      | 15.84                      | ****                       | 31.55              | 17.33                | ****                 | ****                  | 19.77              |
| RUSSELL 1000                  |                  |               | 5.35                | 6.23                 | 5.35          | 20.00           | 21.24                 | 16.42                      | 1.50                       | 16.10                      | ****                       | 26.23              | 18.03                | ****                 | ****                  |                    |
| TOTAL LARGE CAP CORE          |                  |               | 0.25                | 1.88                 | 0.25          | 1.03            | 1.13                  | (0.80)                     | (3.44)                     | (0.23)                     | ****                       | 1.39               | (1.67)               | ****                 | ****                  |                    |
| SEIZERT CAPITAL PTNRS         |                  |               | 0.25                | 1.64                 | 0.25          | 2.26            | 4.41                  | (1.17)                     | (1.52)                     | (0.26)                     | ****                       | 5.32               | (0.71)               | ****                 | ****                  |                    |
| TOTAL LARGE CAP               | 384.0            | 0.75%         | 5.84                | 7.97                 | 5.84          | 20.68           | 22.12                 | 16.38                      | -0.78                      | 12.82                      | ****                       | 27.47              | 16.66                | ****                 | ****                  | 20.34              |
| RUSSELL 1000                  |                  |               | 5.35                | 6.23                 | 5.35          | 20.00           | 21.24                 | 16.42                      | 1.50                       | 16.10                      | ****                       | 26.23              | 18.03                | ****                 | ****                  |                    |
|                               |                  |               | 0.49                | 1.75                 | 0.49          | 0.68            | 0.88                  | (0.04)                     | (2.28)                     | (3.28)                     | ****                       | 1.24               | (1.37)               | ****                 | ****                  |                    |

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|   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>EMERGING MANAGERS</b>                        |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL EMERGING MGRS (Program changed 6/01/2012) | 321.8            | 0.63%         | 6.82                | 11.56                | 6.82          | 24.71           | 27.49                 | 17.84                      | -0.49                      | 21.13                      | 29.70                      | 37.02              | 20.15                | 9.80                 | ****                  | 6.75               |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | 27.18                      | 34.76              | 18.71                | 9.45                 | ****                  |                    |
| RUSSELL 3000                                    |                  |               | 5.48                | 6.57                 | 5.48          | 20.31           | 21.46                 | 16.42                      | 1.03                       | 16.93                      | 28.34                      | 26.86              | 18.08                | 18.08                | ****                  |                    |
| ATTUCKS   | 51.7             | 0.10%         | 6.74                | 10.05                | 6.74          | 25.27           | 27.78                 | 15.58                      | 1.50                       | 16.10                      | 28.43                      | 36.18              | 20.27                | 10.24                | ****                  | 7.34               |
| CAPITAL PROSPECTS                               | 46.8             | 0.09%         | 6.67                | 11.88                | 6.67          | 24.49           | 25.64                 | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 33.66              |
| F.I.S FUND MGMT                                 | 115.3            | 0.23%         | 7.04                | 12.58                | 7.04          | 25.63           | 30.01                 | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 37.45              |
| PROGRESS EQUITY                                 | 107.9            | 0.21%         | 6.69                | 11.07                | 6.69          | 23.55           | 25.56                 | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 6.29               |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | 27.18                      | 34.76              | 18.71                | 9.45                 | ****                  |                    |
| ATTUCKS +/-                                     |                  |               | (0.26)              | (0.65)               | (0.26)        | 1.30            | 3.57                  | (0.77)                     | 5.68                       | (10.75)                    | 1.25                       | 1.42               | 1.56                 | 0.79                 | ****                  |                    |
| CAPITAL PROSPECTS +/-                           |                  |               | (0.33)              | 1.17                 | (0.33)        | 0.52            | 1.44                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| F.I.S FUND MGMT +/-                             |                  |               | 0.04                | 1.88                 | 0.04          | 1.67            | 5.80                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| PROGRESS EQUITY +/-                             |                  |               | (0.31)              | 0.36                 | (0.31)        | (0.41)          | 1.35                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| <b>U.S. ENVIRONMENTAL</b>                       |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL U.S. ENVIRONMENTAL                        | 68.6             | 0.13%         | 6.20                | 10.02                | 6.20          | 19.11           | 20.26                 | 13.53                      | 1.20                       | 27.39                      | 31.28                      | 29.99              | 17.60                | 9.34                 | ****                  | 8.62               |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | 27.18                      | 34.76              | 18.71                | 9.45                 | ****                  |                    |
| +/-   |                  |               | (0.80)              | (0.69)               | (0.80)        | (4.86)          | (3.94)                | (2.82)                     | 5.38                       | 0.54                       | 4.10                       | (4.77)             | (1.11)               | (0.12)               | ****                  |                    |
| WALDEN ASSET MGMT                               | 68.6             | 0.13%         | 6.20                | 10.02                | 6.20          | 19.11           | 20.26                 | 13.52                      | 1.20                       | 25.69                      | 29.88                      | 29.98              | 17.60                | 10.79                | ****                  | 9.74               |
| RUSSELL 2000                                    |                  |               | 7.00                | 10.71                | 7.00          | 23.97           | 24.21                 | 16.35                      | -4.18                      | 26.85                      | 27.18                      | 34.76              | 18.71                | 9.45                 | ****                  |                    |
| +/-   |                  |               | (0.80)              | (0.69)               | (0.80)        | (4.86)          | (3.95)                | (2.83)                     | 5.38                       | (1.16)                     | 2.70                       | (4.78)             | (1.11)               | 1.33                 | ****                  |                    |
| <b>NON - US EQUITY</b>                          |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| EAFE VALUE                                      | 1,703.4          | 3.33%         | 5.22                | 1.92                 | 5.22          | 11.67           | 18.74                 | 14.38                      | -9.34                      | 9.44                       | 31.02                      | 24.52              | 9.44                 | 2.33                 | ****                  | 7.07               |
| MSCI EAFE (NET DIVIDEND)                        |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | -12.14                     | 7.75                       | 31.78                      | 23.48              | 8.61                 | 1.05                 | ****                  | 8.93               |
| MSCI EAFE VALUE                                 |                  |               | 5.86                | -0.93                | 5.86          | 9.21            | 19.21                 | 18.43                      | -11.65                     | 3.81                       | 35.06                      | 25.46              | 8.19                 | 1.40                 | ****                  |                    |
| +/-   |                  |               | (0.05)              | 2.83                 | (0.05)        | 2.07            | 0.12                  | (2.93)                     | 2.80                       | 1.69                       | (0.76)                     | 1.04               | 0.83                 | 1.28                 | ****                  |                    |
| +/-   |                  |               | (0.64)              | 2.84                 | (0.64)        | 2.46            | (0.47)                | (4.05)                     | 2.31                       | 5.63                       | (4.04)                     | (0.94)             | 1.25                 | 0.92                 | ****                  |                    |
| TOTAL INTL VALUE                                | 1,703.4          | 3.33%         | 5.22                | 1.92                 | 5.22          | 11.67           | 18.74                 | 14.38                      | -9.34                      | 9.44                       | 31.02                      | 24.52              | 9.44                 | 2.33                 | ****                  | 7.07               |
| CAUSEWAY EAFE LARGE CAP MTA                     | 643.3            | 1.26%         | 6.49                | 5.46                 | 6.49          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 5.46               |
| SPRUCEGROVE (NEW)                               | 1,059.9          | 2.07%         | 4.47                | -0.12                | 4.47          | 8.69            | 16.83                 | 18.80                      | -9.15                      | 19.93                      | 35.62                      | 21.53              | 10.90                | 5.67                 | ****                  | 1.33               |
| MSCI EAFE VALUE                                 |                  |               | 5.86                | -0.93                | 5.86          | 9.21            | 19.21                 | 18.43                      | -11.65                     | 3.81                       | 35.06                      | 25.46              | 8.19                 | 1.40                 | ****                  |                    |
| TOTAL INTL VALUE +/-                            |                  |               | (0.64)              | 2.84                 | (0.64)        | 2.46            | (0.47)                | (4.05)                     | 2.31                       | 5.63                       | (4.04)                     | (0.94)             | 1.25                 | 0.92                 | ****                  |                    |
| CAUSEWAY EAFE LARGE CAP MTA +/-                 |                  |               | 0.63                | 6.38                 | 0.63          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| SPRUCEGROVE (NEW) +/-                           |                  |               | (1.39)              | 0.81                 | (1.39)        | (0.52)          | (2.38)                | 0.37                       | 2.50                       | 16.12                      | 0.56                       | (3.93)             | 2.71                 | 4.26                 | ****                  |                    |
| EAFE GROWTH                                     | 2,096.0          | 4.10%         | 5.96                | -1.00                | 5.96          | 10.00           | 18.05                 | 21.44                      | -9.44                      | 12.52                      | 34.40                      | 22.73              | 11.87                | 4.18                 | ****                  | 1.80               |
| MSCI EAFE (NET DIVIDEND)                        |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 22.66                      | -6.51                      | 14.30                      | 34.26                      | 23.48              | 8.61                 | 1.05                 | ****                  | 8.93               |
| MSCI EAFE GROWTH                                |                  |               | 4.71                | -0.63                | 4.71          | 10.74           | 19.05                 | 17.28                      | -11.82                     | 12.60                      | 29.91                      | 22.56              | 9.96                 | 1.62                 | ****                  |                    |
| +/-   |                  |               | 0.68                | (0.08)               | 0.68          | 0.40            | (0.58)                | (1.22)                     | (2.93)                     | (1.78)                     | 0.14                       | (0.75)             | 3.26                 | 3.13                 | ****                  |                    |
| +/-   |                  |               | 1.25                | (0.37)               | 1.25          | (0.75)          | (1.00)                | 4.16                       | 2.38                       | (0.08)                     | 4.49                       | 0.17               | 1.91                 | 2.56                 | ****                  |                    |
| TOTAL INTL GROWTH                               | 2,096.0          | 4.10%         | 5.96                | -1.00                | 5.96          | 10.00           | 18.05                 | 21.44                      | -9.44                      | 12.52                      | 34.40                      | 22.73              | 11.87                | 4.18                 | ****                  | 1.80               |
| BAILLIE   | 1,115.2          | 2.18%         | 8.33                | 1.70                 | 8.33          | 13.35           | 20.45                 | 20.34                      | -10.27                     | 18.23                      | 41.76                      | 28.53              | 13.07                | 5.60                 | ****                  | 2.49               |
| WALTER -SCOTT                                   | 980.8            | 1.92%         | 3.39                | -3.89                | 3.39          | 6.42            | 15.56                 | 22.66                      | -6.51                      | 14.30                      | 34.26                      | 16.75              | 11.92                | 6.76                 | ****                  | 4.75               |
| MSCI EAFE GROWTH                                |                  |               | 4.71                | -0.63                | 4.71          | 10.74           | 19.05                 | 17.28                      | -11.82                     | 12.60                      | 29.91                      | 22.56              | 9.96                 | 1.62                 | ****                  |                    |
| TOTAL INTL GROWTH +/-                           |                  |               | 1.25                | (0.37)               | 1.25          | (0.75)          | (1.00)                | 4.16                       | 2.38                       | (0.08)                     | 4.49                       | 0.17               | 1.91                 | 2.56                 | ****                  |                    |
| BAILLIE +/-                                     |                  |               | 3.62                | 2.33                 | 3.62          | 2.60            | 1.40                  | 3.06                       | 1.55                       | 5.63                       | 11.85                      | 5.98               | 3.11                 | 3.98                 | ****                  |                    |
| WALTER -SCOTT +/-                               |                  |               | (1.33)              | (3.26)               | (1.33)        | (4.32)          | (3.49)                | 5.38                       | 5.31                       | 1.70                       | 4.35                       | (5.81)             | 1.96                 | 5.13                 | ****                  |                    |



**THE BANK OF NEW YORK MELLON**

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**Manager / Benchmark Comparison Report \*NYC Teachers' Retirement System**  
July 31, 2013

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|  | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| TOTAL EAFE SMALL CAP                   | 448.2            | 0.88%         | 5.93                | 0.46                 | 5.93          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 0.46               |
| ACADIAN EAFE SMALL CAP MTA             | 222.7            | 0.44%         | 6.51                | -0.01                | 6.51          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | -0.01              |
| PYRAMIS EAFE SMALL CAP MTA             | 225.4            | 0.44%         | 5.36                | 0.93                 | 5.36          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 0.93               |
| S&P EPAC SMALL CAP                     |                  |               | 4.71                | -0.63                | 4.71          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL EAFE SMALL CAP +/-               |                  |               | 1.22                | 1.09                 | 1.22          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| ACADIAN +/-                            |                  |               | 1.80                | 0.62                 | 1.80          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| PYRAMIS +/-                            |                  |               | 0.65                | 1.56                 | 0.65          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL ACTIVE DEVELOPED MARKETS         | 4,249.2          | 8.31%         | 5.65                | 0.31                 | 5.65          | 10.39           | 18.00                 | 17.54                      | -9.88                      | 11.14                      | 32.60                      | 23.02              | 10.24                | 2.89                 | 8.97                  | 6.68               |
| MSCI EAFE (NET DIVIDEND)               |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | -12.14                     | 7.75                       | 31.78                      | 23.48              | 8.61                 | 1.05                 | 7.97                  |                    |
| +/-                                    |                  |               | 0.37                | 1.23                 | 0.37          | 0.79            | (0.62)                | 0.23                       | 2.26                       | 3.39                       | 0.82                       | (0.46)             | 1.63                 | 1.84                 | 1.00                  |                    |
| TOTAL NON-U.S. ACTIVIST                | 118.6            | 0.23%         | 9.46                | 10.36                | 9.46          | 16.83           | 27.46                 | 22.09                      | -23.39                     | 36.48                      | 42.60                      | 43.61              | 11.65                | ****                 | ****                  | 19.32              |
| GOVERNANCE FOR OWNERS                  | 118.6            | 0.23%         | 9.46                | 10.36                | 9.46          | 16.83           | 27.46                 | 22.09                      | -23.39                     | 36.48                      | 42.60                      | 43.61              | 11.65                | ****                 | ****                  | 19.32              |
| MSCI EUROPE SMID CAP INDEX             |                  |               | 8.94                | 6.12                 | 8.94          | 14.92           | 25.26                 | 25.81                      | -17.56                     | 16.03                      | 53.23                      | 35.34              | 11.90                | ****                 | ****                  |                    |
| TOTAL NON-U.S. ACTIVIST +/-            |                  |               | 0.51                | 4.24                 | 0.51          | 1.91            | 2.20                  | (3.72)                     | (5.84)                     | 20.45                      | (10.63)                    | 8.26               | (0.25)               | ****                 | ****                  |                    |
| GOVERNANCE FOR OWNERS +/-              |                  |               | 0.51                | 4.24                 | 0.51          | 1.91            | 2.20                  | (3.72)                     | (5.84)                     | 20.45                      | (10.63)                    | 8.26               | (0.25)               | ****                 | ****                  |                    |
| TOTAL PASSIVE GLOBAL                   | 99.9             | 0.20%         | 5.18                | ****                 | 5.18          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 6.11               |
| STATE STREET GLOBAL                    | 99.9             | 0.20%         | 5.18                | ****                 | 5.18          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 6.11               |
| MSCI WORLD INDEX                       |                  |               | 5.29                | ****                 | 5.29          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL PASSIVE GLOBAL +/-               |                  |               | (0.11)              | ****                 | (0.11)        | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| STATE STREET GLOBAL +/-                |                  |               | (0.11)              | ****                 | (0.11)        | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL ACTIVE DEVELOPED-ENV-ACTIVIST    | 4,367.8          | 8.55%         | 5.75                | 0.65                 | 5.75          | 10.68           | 18.26                 | 17.60                      | -10.11                     | 11.43                      | 32.77                      | 23.56              | 10.34                | 2.89                 | ****                  | 7.00               |
| MSCI EAFE (NET DIVIDEND)               |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | -12.14                     | 7.75                       | 31.78                      | 23.48              | 8.61                 | 1.05                 | ****                  |                    |
| +/-                                    |                  |               | 0.47                | 1.57                 | 0.47          | 1.08            | (0.36)                | 0.29                       | 2.03                       | 3.68                       | 0.99                       | 0.08               | 1.73                 | 1.84                 | ****                  |                    |
| TOTAL PASSIVE DEVELOPED MARKETS        | 313.3            | 0.61%         | 5.19                | -0.85                | 5.19          | 9.67            | 18.67                 | 17.58                      | ****                       | ****                       | ****                       | 23.62              | ****                 | ****                 | ****                  | 3.84               |
| SSGA                                   | 313.3            | 0.61%         | 5.19                | -0.85                | 5.19          | 9.67            | 18.67                 | 17.58                      | ****                       | ****                       | ****                       | 23.62              | ****                 | ****                 | ****                  | 3.84               |
| MSCI EAFE (NET DIVIDEND)               |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | ****                       | ****                       | ****                       | 23.48              | ****                 | ****                 | ****                  |                    |
| TOTAL PASSIVE DEVELOPED MARKETS +/-    |                  |               | (0.08)              | 0.07                 | (0.08)        | 0.07            | 0.05                  | 0.26                       | ****                       | ****                       | ****                       | 0.14               | ****                 | ****                 | ****                  |                    |
| SSGA +/-                               |                  |               | (0.08)              | 0.07                 | (0.08)        | 0.07            | 0.05                  | 0.26                       | ****                       | ****                       | ****                       | 0.14               | ****                 | ****                 | ****                  |                    |
| TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST | 4,781.0          | 9.35%         | 5.70                | 0.58                 | 5.70          | 10.62           | 18.37                 | 17.59                      | -9.82                      | 11.12                      | 32.51                      | 23.70              | 10.43                | 2.94                 | ****                  | 7.03               |
| MSCI EAFE (NET DIVIDEND)               |                  |               | 5.28                | -0.92                | 5.28          | 9.60            | 18.62                 | 17.32                      | -12.14                     | 7.75                       | 31.78                      | 23.48              | 8.61                 | 1.05                 | ****                  |                    |
| +/-                                    |                  |               | 0.42                | 1.50                 | 0.42          | 1.02            | (0.25)                | 0.27                       | 2.32                       | 3.37                       | 0.73                       | 0.22               | 1.82                 | 1.89                 | ****                  |                    |
| <b>EMERGING MARKETS</b>                |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL EMERGING MARKETS                 | 4,159.6          | 8.14%         | 0.07                | -9.25                | 0.07          | -9.66           | 1.49                  | 16.92                      | ****                       | ****                       | ****                       | 0.08               | ****                 | ****                 | ****                  | -6.57              |
| ACTIVE EMERGING MARKETS                | 2,264.9          | 4.43%         | 0.39                | -9.77                | 0.39          | -9.65           | 1.60                  | ****                       | ****                       | ****                       | ****                       | 0.85               | ****                 | ****                 | ****                  | -4.48              |
| DFA EM                                 | 1,112.3          | 2.18%         | 0.42                | -11.05               | 0.42          | -11.11          | 0.45                  | ****                       | ****                       | ****                       | ****                       | 0.21               | ****                 | ****                 | ****                  | -5.74              |
| EATON VANCE                            | 1,152.5          | 2.25%         | 0.36                | -8.51                | 0.36          | -8.20           | 3.05                  | ****                       | ****                       | ****                       | ****                       | 2.09               | ****                 | ****                 | ****                  | 7.60               |
| FTSE CUSTOM BENCHMARK                  |                  |               | 0.21                | -9.06                | 0.21          | -9.32           | 2.70                  | ****                       | ****                       | ****                       | ****                       | 0.69               | ****                 | ****                 | ****                  |                    |
| ACTIVE EMERGING MARKETS +/-            |                  |               | 0.17                | (0.71)               | 0.17          | (0.33)          | (1.10)                | ****                       | ****                       | ****                       | ****                       | 0.16               | ****                 | ****                 | ****                  |                    |
| DFA EM +/-                             |                  |               | 0.20                | (1.98)               | 0.20          | (1.79)          | (2.25)                | ****                       | ****                       | ****                       | ****                       | (0.48)             | ****                 | ****                 | ****                  |                    |
| EATON VANCE +/-                        |                  |               | 0.15                | 0.55                 | 0.15          | 1.12            | 0.35                  | ****                       | ****                       | ****                       | ****                       | 1.39               | ****                 | ****                 | ****                  |                    |
| PASSIVE EMERGING MARKETS               | 1,894.7          | 3.71%         | -0.32               | -8.77                | -0.32         | -9.52           | 1.84                  | 15.88                      | ****                       | ****                       | ****                       | -0.10              | ****                 | ****                 | ****                  | -6.86              |
| BLACKROCK - EM                         | 1,894.7          | 3.71%         | -0.32               | -8.77                | -0.32         | -9.52           | 1.84                  | 15.88                      | ****                       | ****                       | ****                       | -0.10              | ****                 | ****                 | ****                  | -6.86              |
| FTSE CUSTOM BENCHMARK                  |                  |               | 0.21                | -9.06                | 0.21          | -9.32           | 2.70                  | 18.63                      | ****                       | ****                       | ****                       | 0.69               | ****                 | ****                 | ****                  |                    |
| PASSIVE EMERGING MARKETS +/-           |                  |               | (0.53)              | 0.29                 | (0.53)        | (0.20)          | (0.86)                | (2.75)                     | ****                       | ****                       | ****                       | (0.80)             | ****                 | ****                 | ****                  |                    |
| BLACKROCK EM +/-                       |                  |               | (0.53)              | 0.29                 | (0.53)        | (0.20)          | (0.86)                | (2.75)                     | ****                       | ****                       | ****                       | (0.80)             | ****                 | ****                 | ****                  |                    |

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|   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| TOTAL INTERNATIONAL EQUITY                  | 8,940.6          | 17.49%        | 3.00                | -4.15                | 3.00          | 0.87            | 10.52                 | 16.67                      | -10.53                     | 11.43                      | 32.77                      | 12.42              | 6.53                 | 0.75                 | 7.82                  | 6.17               |
| MSCI AC WORLD FRONTIER MARKETS EX USA       |                  |               | 4.39                | -2.41                | 4.39          | 4.42            | 13.70                 | 16.77                      | -13.75                     | 11.25                      | 41.17                      | 17.03              | 6.43                 | 0.71                 | ****                  |                    |
| +/-   |                  |               | (1.38)              | (1.74)               | (1.38)        | (3.54)          | (3.17)                | (0.10)                     | 3.22                       | 0.18                       | (8.40)                     | (4.61)             | 0.10                 | 0.04                 | ****                  |                    |
| <b>REITS</b>                                |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL REAL ESTATE EQUITY SECURITIES         | 1,765.9          | 3.45%         | 1.09                | -6.32                | 1.09          | 5.76            | 8.44                  | 18.16                      | 8.03                       | 32.10                      | 30.86                      | 7.49               | 14.59                | 6.87                 | 11.54                 | 12.79              |
| MS REIT MTA                                 | 602.5            | 1.18%         | 0.93                | -6.12                | 0.93          | 5.92            | 7.85                  | 18.15                      | 6.91                       | 33.27                      | 34.42                      | 7.29               | 14.47                | 8.12                 | ****                  | 10.47              |
| EUROPEAN REIT MTA                           | 283.9            | 0.56%         | 1.58                | -7.90                | 1.58          | 1.53            | 12.11                 | ****                       | ****                       | ****                       | ****                       | 9.28               | ****                 | ****                 | ****                  | 11.19              |
| ADELANTE CAPITAL MANAGEMENT                 | 248.7            | 0.49%         | 0.42                | -5.84                | 0.42          | 5.92            | 7.37                  | 17.46                      | 10.19                      | 30.87                      | 29.00                      | 5.79               | 14.86                | 5.64                 | 10.34                 | 11.51              |
| SECURITY CAPITAL                            | 213.4            | 0.42%         | 0.88                | -5.99                | 0.88          | 7.04            | 7.73                  | 16.02                      | 7.55                       | 31.77                      | 27.56                      | 6.98               | 14.20                | 6.18                 | ****                  | 9.26               |
| COHEN & STEERS - REITS                      | 209.1            | 0.41%         | 1.48                | -6.00                | 1.48          | 8.08            | 9.22                  | ****                       | ****                       | ****                       | ****                       | 9.32               | ****                 | ****                 | ****                  | 9.96               |
| URDANG -REITS                               | 208.3            | 0.41%         | 1.52                | -5.92                | 1.52          | 7.56            | 7.78                  | ****                       | ****                       | ****                       | ****                       | 7.23               | ****                 | ****                 | ****                  | 9.65               |
| DJ U.S. SELECT REAL ESTATE SECURITIES INDEX |                  |               | 0.75                | -6.93                | 0.75          | 6.48            | 7.67                  | 17.09                      | 8.87                       | 28.47                      | 29.01                      | 6.53               | 14.62                | 6.37                 | 10.24                 |                    |
| TOTAL REAL ESTATE EQUITY SECURITIES +/-     |                  |               | 0.34                | 0.61                 | 0.34          | (0.72)          | 0.77                  | 1.07                       | (0.84)                     | 3.63                       | 1.85                       | 0.97               | (0.03)               | 0.50                 | 1.30                  |                    |
| MS REIT MTA +/-                             |                  |               | 0.18                | 0.81                 | 0.18          | (0.55)          | 0.18                  | 1.07                       | (1.96)                     | 4.80                       | 5.41                       | 0.77               | (0.15)               | 1.76                 | ****                  |                    |
| EUROPEAN REIT MTA +/-                       |                  |               | 0.82                | (0.97)               | 0.82          | (4.94)          | 4.44                  | ****                       | ****                       | ****                       | ****                       | 2.75               | ****                 | ****                 | ****                  |                    |
| ADELANTE CAPITAL MANAGEMENT +/-             |                  |               | (0.33)              | 1.09                 | (0.33)        | (0.56)          | (0.30)                | 0.38                       | 1.31                       | 2.40                       | (0.01)                     | (0.73)             | 0.25                 | (0.72)               | 0.09                  |                    |
| SECURITY CAPITAL +/-                        |                  |               | 0.13                | 0.94                 | 0.13          | 0.56            | 0.06                  | (1.07)                     | (1.32)                     | 3.30                       | (1.45)                     | 0.45               | (0.42)               | (0.19)               | ****                  |                    |
| COHEN & STEERS - REITS +/-                  |                  |               | 0.73                | 0.93                 | 0.73          | 1.60            | 1.55                  | ****                       | ****                       | ****                       | ****                       | 2.79               | ****                 | ****                 | ****                  |                    |
| URDANG -REITS +/-                           |                  |               | 0.76                | 1.01                 | 0.76          | 1.08            | 0.11                  | ****                       | ****                       | ****                       | ****                       | 0.70               | ****                 | ****                 | ****                  |                    |
| <b>FIXED INCOME</b>                         |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL STRUCTURED FIXED INCOME               | 7,648.0          | 14.96%        | 0.14                | -3.92                | 0.14          | -2.57           | 0.23                  | 6.62                       | 8.73                       | 8.58                       | 8.54                       | -1.32              | 4.37                 | 6.58                 | 5.65                  | 8.10               |
| NYC - CORE PLUS FIVE                        |                  |               | 0.09                | -4.09                | 0.09          | -3.12           | -0.95                 | 5.41                       | 9.40                       | 7.13                       | 6.28                       | -2.58              | 3.73                 | 6.07                 | 5.52                  |                    |
| +/-   |                  |               | 0.05                | 0.17                 | 0.05          | 0.55            | 1.18                  | 1.21                       | (0.67)                     | 1.45                       | 2.26                       | 1.25               | 0.64                 | 0.51                 | 0.14                  |                    |
| ALL MORTGAGE                                | 3,400.3          | 6.65%         | -0.09               | -2.71                | -0.09         | -1.93           | -0.19                 | 4.26                       | 6.32                       | 7.70                       | 8.30                       | -1.12              | 3.16                 | 5.69                 | 5.05                  | 7.03               |
| PIMCO                                       | 1,102.0          | 2.16%         | -0.13               | -2.69                | -0.13         | -2.24           | -0.86                 | 3.37                       | 6.46                       | 7.26                       | 8.47                       | -1.79              | 2.69                 | 5.45                 | 5.25                  | 7.26               |
| BLACKROCK                                   | 1,103.1          | 2.16%         | -0.10               | -2.73                | -0.10         | -1.69           | 0.46                  | 5.63                       | 5.99                       | 8.24                       | 9.46                       | -0.43              | 3.72                 | 6.15                 | 5.36                  | 5.90               |
| NEUBERGER BERMAN -MORT                      | 395.0            | 0.77%         | -0.06               | -2.79                | -0.06         | -2.07           | -0.85                 | 2.95                       | 6.39                       | ****                       | ****                       | -1.79              | 2.47                 | ****                 | ****                  | 3.47               |
| GOLDMAN SACHS -MORT                         | 315.7            | 0.62%         | -0.04               | -2.73                | -0.04         | -2.20           | -0.65                 | 3.83                       | 6.60                       | 5.82                       | ****                       | -1.49              | 2.84                 | ****                 | ****                  | 3.99               |
| WELLINGTON -MORT                            | 314.4            | 0.62%         | -0.09               | -3.16                | -0.09         | -2.60           | -1.35                 | 2.79                       | 7.08                       | 5.90                       | ****                       | -2.21              | 2.45                 | ****                 | ****                  | 3.72               |
| SMITH BREENEN -MORT                         | 159.1            | 0.31%         | -0.12               | -2.04                | -0.12         | -1.49           | 0.06                  | 3.75                       | 6.16                       | 6.31                       | ****                       | -0.82              | 3.00                 | ****                 | ****                  | 4.23               |
| CITIGROUP MORTGAGE INDEX                    |                  |               | -0.05               | -2.52                | -0.05         | -2.06           | -1.15                 | 2.60                       | 6.38                       | 5.50                       | 5.76                       | -1.96              | 2.24                 | 4.94                 | 4.94                  |                    |
| ALL MORTGAGE +/-                            |                  |               | (0.05)              | (0.18)               | (0.05)        | 0.13            | 0.96                  | 1.67                       | (0.06)                     | 2.20                       | 2.54                       | 0.84               | 0.92                 | 0.75                 | 0.11                  |                    |
| PIMCO +/-                                   |                  |               | (0.08)              | (0.17)               | (0.08)        | (0.18)          | 0.28                  | 0.78                       | 0.08                       | 1.76                       | 2.71                       | 0.17               | 0.45                 | 0.51                 | 0.31                  |                    |
| BLACKROCK +/-                               |                  |               | (0.05)              | (0.21)               | (0.05)        | 0.37            | 1.61                  | 3.04                       | (0.39)                     | 2.74                       | 3.70                       | 1.53               | 1.48                 | 1.21                 | 0.42                  |                    |
| NEUBERGER BERMAN -MORT +/-                  |                  |               | (0.02)              | (0.27)               | (0.02)        | (0.00)          | 0.30                  | 0.35                       | 0.01                       | ****                       | ****                       | 0.18               | 0.23                 | ****                 | ****                  |                    |
| GOLDMAN SACHS -MORT +/-                     |                  |               | 0.01                | (0.21)               | 0.01          | (0.13)          | 0.49                  | 1.23                       | 0.23                       | 0.32                       | ****                       | 0.47               | 0.60                 | ****                 | ****                  |                    |
| WELLINGTON -MORT +/-                        |                  |               | (0.04)              | (0.64)               | (0.04)        | (0.54)          | (0.21)                | 0.20                       | 0.71                       | 0.40                       | ****                       | (0.25)             | 0.21                 | ****                 | ****                  |                    |
| SMITH BREENEN -MORT +/-                     |                  |               | (0.07)              | 0.48                 | (0.07)        | 0.57            | 1.20                  | 1.16                       | (0.22)                     | 0.81                       | ****                       | 1.15               | 0.76                 | ****                 | ****                  |                    |

**THE BANK OF NEW YORK MELLON**

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|   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| ALL INVESTMENT GRADE CREDIT                 | 3,194.3          | 6.25%         | 0.69                | -4.15                | 0.69          | -2.15           | 2.51                  | 10.58                      | 7.79                       | 9.47                       | 19.96                      | 0.50               | 5.70                 | 7.70                 | 5.91                  | 7.43               |
| BLACKROCK -CREDIT                           | 779.5            | 1.53%         | 0.64                | -4.08                | 0.64          | -2.23           | 2.18                  | 10.42                      | 7.93                       | 9.44                       | 17.16                      | 0.05               | 5.65                 | 7.51                 | 5.95                  | 6.89               |
| TAPLIN,CANADA -CREDIT                       | 756.2            | 1.48%         | 0.61                | -4.35                | 0.61          | -2.21           | 2.89                  | 10.47                      | 7.81                       | 9.26                       | 21.33                      | 0.92               | 5.63                 | 6.97                 | 5.16                  | 6.84               |
| T.ROWE PRICE -CREDIT                        | 759.7            | 1.49%         | 0.81                | -4.30                | 0.81          | -2.16           | 2.73                  | 11.34                      | 7.97                       | 10.00                      | 18.91                      | 0.84               | 6.03                 | 8.28                 | 6.45                  | 7.71               |
| PRUDENTIAL - CREDIT                         | 423.4            | 0.83%         | 0.79                | -3.88                | 0.79          | -2.19           | 1.68                  | 9.59                       | 7.90                       | 8.63                       | ****                       | -0.15              | 5.29                 | ****                 | ****                  | 7.08               |
| BARROW HANLEY - CREDIT                      | 301.3            | 0.59%         | 0.62                | -4.39                | 0.62          | -2.41           | 2.81                  | 11.52                      | 6.76                       | 10.00                      | ****                       | 0.56               | 5.73                 | ****                 | ****                  | 7.31               |
| PRUDENTIAL-PRIVEST                          | 174.1            | 0.34%         | 0.57                | -3.16                | 0.57          | -0.83           | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | -0.51              |
| NYC - INVESTMENT GRADE CREDIT               |                  |               | 0.62                | -4.22                | 0.62          | -2.88           | 1.19                  | 9.52                       | 7.80                       | 8.36                       | 16.36                      | -0.88              | 4.93                 | 7.03                 | 5.54                  |                    |
| ALL INVESTMENT GRADE CREDIT +/-             |                  |               | 0.07                | 0.07                 | 0.07          | 0.74            | 1.31                  | 1.06                       | (0.01)                     | 1.11                       | 3.60                       | 1.38               | 0.78                 | 0.67                 | 0.37                  |                    |
| BLACKROCK -CREDIT +/-                       |                  |               | 0.03                | 0.14                 | 0.03          | 0.65            | 0.99                  | 0.90                       | 0.14                       | 1.08                       | 0.80                       | 0.93               | 0.72                 | 0.48                 | 0.41                  |                    |
| TAPLIN,CANADA -CREDIT +/-                   |                  |               | (0.01)              | (0.13)               | (0.01)        | 0.68            | 1.69                  | 0.94                       | 0.01                       | 0.90                       | 4.97                       | 1.79               | 0.70                 | (0.06)               | (0.38)                |                    |
| T.ROWE PRICE -CREDIT +/-                    |                  |               | 0.19                | (0.09)               | 0.19          | 0.72            | 1.54                  | 1.81                       | 0.17                       | 1.64                       | 2.55                       | 1.71               | 1.11                 | 1.25                 | 0.91                  |                    |
| PRUDENTIAL - CREDIT +/-                     |                  |               | 0.18                | 0.33                 | 0.18          | 0.69            | 0.49                  | 0.07                       | 0.10                       | 0.27                       | ****                       | 0.73               | 0.37                 | ****                 | ****                  |                    |
| BARROW HANLEY - CREDIT +/-                  |                  |               | 0.01                | (0.18)               | 0.01          | 0.47            | 1.62                  | 2.00                       | (1.04)                     | 1.64                       | ****                       | 1.44               | 0.80                 | ****                 | ****                  |                    |
| PRUDENTIAL-PRIVEST +/-                      |                  |               | (0.05)              | 1.05                 | (0.05)        | 2.05            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| ALL TREASURY / AGENCY                       | 1,053.4          | 2.06%         | -0.73               | -6.97                | -0.73         | -5.80           | -4.47                 | 4.08                       | 18.21                      | 9.39                       | -5.89                      | -6.95              | 4.51                 | 6.52                 | 6.34                  | 7.85               |
| PIMCO                                       | 410.8            | 0.80%         | -0.79               | -7.09                | -0.79         | -5.76           | -4.30                 | 4.38                       | 17.71                      | 9.90                       | -4.47                      | -6.85              | 4.51                 | 6.68                 | 6.43                  | 7.20               |
| STATE STREET -GOVT                          | 340.7            | 0.67%         | -0.70               | -7.10                | -0.70         | -5.99           | -4.76                 | 3.86                       | 18.60                      | 8.96                       | ****                       | -7.21              | 4.47                 | ****                 | ****                  | 6.05               |
| BLACKROCK -GOVT                             | 301.8            | 0.59%         | -0.68               | -6.65                | -0.68         | -5.62           | -4.36                 | 3.92                       | 18.44                      | 9.20                       | ****                       | -6.79              | 4.56                 | ****                 | ****                  | 6.08               |
| NYC - TREASURY AGENCY PLUS FIVE             |                  |               | -0.76               | -7.02                | -0.76         | -5.77           | -4.52                 | 3.84                       | 18.44                      | 9.24                       | -7.44                      | -7.09              | 4.54                 | 6.38                 | 6.21                  |                    |
| ALL TREASURY / AGENCY +/-                   |                  |               | 0.03                | 0.05                 | 0.03          | (0.03)          | 0.05                  | 0.24                       | (0.24)                     | 0.15                       | 1.55                       | 0.14               | (0.04)               | 0.14                 | 0.12                  |                    |
| PIMCO +/-                                   |                  |               | (0.03)              | (0.07)               | (0.03)        | 0.00            | 0.21                  | 0.54                       | (0.73)                     | 0.66                       | 2.97                       | 0.24               | (0.04)               | 0.30                 | 0.21                  |                    |
| STATE STREET -GOVT +/-                      |                  |               | 0.05                | (0.08)               | 0.05          | (0.22)          | (0.24)                | 0.02                       | 0.15                       | (0.28)                     | ****                       | (0.12)             | (0.07)               | ****                 | ****                  |                    |
| BLACKROCK -GOVT +/-                         |                  |               | 0.08                | 0.36                 | 0.08          | 0.15            | 0.16                  | 0.08                       | (0.00)                     | (0.04)                     | ****                       | 0.30               | 0.01                 | ****                 | ****                  |                    |
| HIGH YIELD                                  |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL ENHANCED YIELD                        | 2,640.9          | 5.17%         | 2.08                | -1.44                | 2.08          | 3.96            | 8.54                  | 13.64                      | 5.55                       | 13.43                      | 38.75                      | 10.30              | 10.22                | 11.50                | 9.25                  | 6.91               |
| CITIGROUP BB & B                            |                  |               | 1.76                | -1.52                | 1.76          | 2.11            | 7.61                  | 14.45                      | 6.58                       | 13.35                      | 40.37                      | 7.48               | 9.58                 | 8.75                 | 7.66                  |                    |
|   |                  |               | 0.31                | 0.08                 | 0.31          | 1.85            | 0.93                  | (0.82)                     | (1.03)                     | 0.08                       | (1.62)                     | 2.82               | 0.64                 | 2.75                 | 1.59                  |                    |
| LOOMIS                                      | 296.3            | 0.58%         | 2.02                | -1.60                | 2.02          | 3.87            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 9.21               |
| BofA MERRILL LYNCH HY MASTER II             |                  |               | 1.88                | -1.33                | 1.88          | 3.41            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
|   |                  |               | 0.14                | (0.27)               | 0.14          | 0.46            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| OAKTREE                                     | 461.8            | 0.90%         | 2.03                | -2.29                | 2.03          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 1.49               |
| BofA MERRILL LYNCH HY MASTER II CONSTRAINED |                  |               | 1.88                | -1.33                | 1.88          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
|   |                  |               | 0.15                | (0.95)               | 0.15          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| STONE HARBOR INVESTMENT PARTNERS            | 427.1            | 0.84%         | 2.18                | -1.11                | 2.18          | 4.08            | 10.47                 | 15.30                      | 4.34                       | 12.84                      | 40.64                      | 10.93              | 9.76                 | 10.28                | ****                  | 8.37               |
| BofA ML-MST II 7-12 / BB&B PRIOR            |                  |               | 1.88                | -1.33                | 1.88          | 3.41            | 9.57                  | 14.65                      | 6.58                       | 13.35                      | 40.37                      | 9.53               | 10.28                | 9.16                 | ****                  |                    |
|   |                  |               | 0.30                | 0.23                 | 0.30          | 0.67            | 0.90                  | 0.65                       | (2.24)                     | (0.51)                     | 0.27                       | 1.41               | (0.53)               | 1.12                 | ****                  |                    |
| T.ROWE PRICE ENHANCED                       | 498.4            | 0.97%         | 2.19                | -1.59                | 2.19          | 3.44            | 8.75                  | 13.60                      | 5.23                       | 14.00                      | 43.45                      | 9.21               | 9.52                 | 10.22                | ****                  | 8.46               |
| NEUBERGER BERMAN                            | 487.9            | 0.95%         | 2.40                | -1.47                | 2.40          | 3.65            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 8.61               |
| SHENKMAN                                    | 210.8            | 0.41%         | 1.82                | -1.31                | 1.82          | 1.90            | 5.96                  | 11.66                      | 5.37                       | 11.77                      | 29.79                      | 6.36               | 7.97                 | 8.73                 | ****                  | 7.52               |
| PENN  | 129.9            | 0.25%         | 2.12                | -1.80                | 2.12          | 2.50            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 6.59               |
| FORT WASHINGTON                             | 128.7            | 0.25%         | 1.71                | -2.12                | 1.71          | 2.01            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 6.71               |
| CITIGROUP BB & B                            |                  |               | 1.76                | -1.52                | 1.76          | 2.11            | 7.61                  | 14.45                      | 6.58                       | 13.35                      | 40.37                      | 7.48               | 9.58                 | 8.75                 | ****                  |                    |
| T.ROWE PRICE ENHANCED +/-                   |                  |               | 0.42                | (0.08)               | 0.42          | 1.33            | 1.14                  | (0.85)                     | (1.35)                     | 0.65                       | 3.08                       | 1.73               | (0.06)               | 1.47                 | ****                  |                    |
| NEUBERGER BERMAN +/-                        |                  |               | 0.64                | 0.04                 | 0.64          | 1.54            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| SHENKMAN +/-                                |                  |               | 0.06                | 0.20                 | 0.06          | (0.21)          | (1.65)                | (2.79)                     | (1.21)                     | (1.58)                     | (10.58)                    | (1.12)             | (1.62)               | (0.01)               | ****                  |                    |
| PENN +/-                                    |                  |               | 0.36                | (0.28)               | 0.36          | 0.39            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| FORT WASHINGTON +/-                         |                  |               | (0.05)              | (0.61)               | (0.05)        | (0.10)          | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |

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|  | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>BANK LOANS</b>                        |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL BANK LOANS                         | 1,217.7          | 2.38%         | 1.05                | 0.83                 | 1.05          | 3.63            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 4.58               |
| BABSON BL MTA                            | 305.4            | 0.60%         | 1.13                | 0.74                 | 1.13          | 3.70            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 4.48               |
| CREDIT SUISSE BL MTA                     | 304.1            | 0.59%         | 0.89                | 0.88                 | 0.89          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 2.45               |
| GUGGENHEIM BL MTA                        | 305.2            | 0.60%         | 1.14                | 1.04                 | 1.14          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 2.58               |
| ING BL MTA                               | 152.7            | 0.30%         | 1.10                | 0.85                 | 1.10          | 3.87            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 4.78               |
| WELLS BL MTA                             | 150.3            | 0.29%         | 1.01                | 0.45                 | 1.01          | 2.37            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 3.37               |
| CREDIT SUISSE LEVERAGED LOAN INDEX       |                  |               | 1.07                | 0.74                 | 1.07          | 3.91            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL BANK LOANS +/-                     |                  |               | (0.01)              | 0.08                 | (0.01)        | (0.28)          | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| BABSON BL MTA +/-                        |                  |               | 0.06                | (0.00)               | 0.06          | (0.21)          | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| CREDIT SUISSE BL MTA +/-                 |                  |               | (0.18)              | 0.14                 | (0.18)        | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| GUGGENHEIM BL MTA +/-                    |                  |               | 0.08                | 0.30                 | 0.08          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| ING BL MTA +/-                           |                  |               | 0.03                | 0.10                 | 0.03          | (0.04)          | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| WELLS BL MTA +/-                         |                  |               | (0.05)              | (0.30)               | (0.05)        | (1.54)          | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| <b>TIPS</b>                              |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL TIPS MANAGERS                      | 1,366.1          | 2.67%         | 0.74                | -7.28                | 0.74          | -6.62           | -4.50                 | 7.23                       | 13.50                      | 6.47                       | 10.14                      | -5.49              | 4.89                 | 4.87                 | ****                  | 5.11               |
| PIMCO-TIPS-MTA                           | 772.9            | 1.51%         | 0.81                | -7.46                | 0.81          | -6.56           | -4.30                 | 7.67                       | 13.34                      | 6.57                       | 10.24                      | -5.21              | 4.96                 | 4.95                 | ****                  | 5.09               |
| STATE STREET-TIPS-MTA                    | 342.3            | 0.67%         | 0.66                | -7.19                | 0.66          | -6.83           | -4.83                 | 6.87                       | 13.61                      | 6.34                       | 10.00                      | -5.92              | 4.83                 | 4.65                 | ****                  | 5.21               |
| BLACKROCK-TIPS-MTA                       | 250.9            | 0.49%         | 0.63                | -6.87                | 0.63          | -6.56           | -4.63                 | 6.42                       | 13.82                      | 6.34                       | 10.02                      | -5.77              | 4.78                 | 4.91                 | ****                  | 5.49               |
| BARCLAYS CAPITAL US TIPS INDEX           |                  |               | 0.73                | -7.12                | 0.73          | -6.72           | -4.78                 | 6.98                       | 13.56                      | 6.37                       | 11.41                      | -5.87              | 4.84                 | 4.68                 | ****                  |                    |
| TOTAL TIPS MANAGERS +/-                  |                  |               | 0.01                | (0.17)               | 0.01          | 0.09            | 0.28                  | 0.26                       | (0.06)                     | 0.10                       | (1.27)                     | 0.37               | 0.05                 | 0.19                 | ****                  |                    |
| PIMCO-TIPS-MTA +/-                       |                  |               | 0.08                | (0.34)               | 0.08          | 0.16            | 0.47                  | 0.69                       | (0.22)                     | 0.20                       | (1.17)                     | 0.65               | 0.12                 | 0.27                 | ****                  |                    |
| STATE STREET-TIPS-MTA +/-                |                  |               | (0.07)              | (0.07)               | (0.07)        | (0.12)          | (0.05)                | (0.11)                     | 0.05                       | (0.03)                     | (1.41)                     | (0.05)             | (0.01)               | (0.03)               | ****                  |                    |
| BLACKROCK-TIPS-MTA +/-                   |                  |               | (0.10)              | 0.24                 | (0.10)        | 0.16            | 0.14                  | (0.56)                     | 0.26                       | (0.03)                     | (1.39)                     | 0.10               | (0.05)               | 0.23                 | ****                  |                    |
| <b>CONVERTIBLE BONDS</b>                 |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL CONVERTIBLE BONDS                  | 811.8            | 1.59%         | 3.32                | 3.45                 | 3.32          | 10.73           | 13.87                 | 12.08                      | -4.22                      | 13.18                      | 34.16                      | 16.52              | 9.27                 | 7.59                 | ****                  | 6.97               |
| BofA ML ALL CONVERTIBLES EX MANDATORY    |                  |               | 4.45                | 4.73                 | 4.45          | 14.67           | 17.48                 | 14.41                      | -3.42                      | 16.52                      | 47.19                      | 21.97              | 12.28                | 9.08                 | ****                  |                    |
| TRS CUSTOM CONVERTIBLE BOND INDEX        |                  |               | 2.93                | 2.08                 | 2.93          | 9.02            | 12.92                 | 13.21                      | -3.73                      | 11.56                      | 36.65                      | 15.01              | 8.63                 | 6.63                 | ****                  |                    |
|  |                  |               | (1.13)              | (1.28)               | (1.13)        | (3.93)          | (3.61)                | (2.33)                     | (0.81)                     | (3.34)                     | (13.03)                    | (5.45)             | (3.01)               | (1.49)               | ****                  |                    |
|  |                  |               | 0.39                | 1.38                 | 0.39          | 1.71            | 0.95                  | (1.13)                     | (0.49)                     | 1.62                       | (2.49)                     | 1.51               | 0.63                 | 0.96                 | ****                  |                    |
| F&C CONVERTIBLE BONDS                    | 133.9            | 0.26%         | 2.66                | 2.03                 | 2.66          | 7.62            | 12.86                 | 14.15                      | -5.89                      | 9.81                       | 37.07                      | 13.69              | 7.88                 | 8.60                 | ****                  | 8.60               |
| UBS Global Focus Customised              |                  |               | 2.51                | 2.30                 | 2.51          | 5.97            | 11.33                 | 13.72                      | -4.94                      | 8.66                       | 27.02                      | 11.79              | 6.98                 | 4.54                 | ****                  |                    |
|  |                  |               | 0.15                | (0.27)               | 0.15          | 1.65            | 1.53                  | 0.43                       | (0.95)                     | 1.15                       | 10.05                      | 1.90               | 0.90                 | ****                 | ****                  |                    |
| ADVENT CONVERTIBLE BONDS                 | 355.1            | 0.69%         | 2.80                | 2.51                 | 2.80          | 9.51            | 12.56                 | 11.16                      | -1.66                      | 14.97                      | 36.37                      | 14.43              | 9.49                 | 9.11                 | ****                  | 8.71               |
| BofA ML CONVERTIBLES YIELD ALT. INDEX    |                  |               | 1.76                | 0.33                 | 1.76          | 7.08            | 12.29                 | 12.21                      | -1.73                      | 12.98                      | 46.25                      | 13.42              | 8.35                 | 8.23                 | ****                  |                    |
|  |                  |               | 1.04                | 2.18                 | 1.04          | 2.43            | 0.28                  | (1.05)                     | 0.06                       | 1.99                       | (9.88)                     | 1.01               | 1.15                 | 0.89                 | ****                  |                    |
| ADVENT GLOBAL                            | 73.9             | 0.14%         | 3.41                | 3.73                 | 3.41          | 12.63           | 15.90                 | 12.86                      | -4.87                      | 13.43                      | ****                       | 17.67              | 9.40                 | ****                 | ****                  | 10.32              |
| BofA ML GLOBAL CONVERTIBLES INDEX (VG00) |                  |               | 3.09                | 2.88                 | 3.09          | 10.47           | 14.85                 | 13.44                      | -5.66                      | 11.73                      | ****                       | 16.98              | 8.74                 | ****                 | ****                  |                    |
|  |                  |               | 0.31                | 0.85                 | 0.31          | 2.17            | 1.06                  | (0.58)                     | 0.79                       | 1.70                       | ****                       | 0.69               | 0.67                 | ****                 | ****                  |                    |
| VICTORY CONVERTIBLE BONDS                | 249.0            | 0.49%         | 4.42                | 5.54                 | 4.42          | 13.65           | 14.49                 | 10.47                      | -3.05                      | 11.63                      | 27.36                      | 18.50              | 9.94                 | 6.43                 | ****                  | 5.80               |
| BofA ML CONVERTIBLE BONDS INVST GRADE    |                  |               | 5.24                | 5.07                 | 5.24          | 14.29           | 14.91                 | 11.89                      | -3.14                      | 7.89                       | 25.49                      | 19.67              | 10.00                | 4.85                 | ****                  |                    |
|  |                  |               | (0.82)              | 0.48                 | (0.82)        | (0.63)          | (0.42)                | (1.43)                     | 0.09                       | 3.74                       | 1.87                       | (1.17)             | (0.06)               | 1.57                 | ****                  |                    |

**THE BANK OF NEW YORK MELLON**

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|   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>TOTAL PROGRESS FIXED</b>               |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL PROGRESS FIXED                      | 107.1            | 0.21%         | 0.11                | -3.31                | 0.11          | -2.18           | 0.00                  | ****                       | ****                       | ****                       | ****                       | -1.30              | ****                 | ****                 | ****                  | 0.14               |
| PIM AMBASSADOR MTA                        | 26.6             | 0.05%         | -0.04               | -2.95                | -0.04         | -2.02           | -0.21                 | ****                       | ****                       | ****                       | ****                       | -1.71              | ****                 | ****                 | ****                  | -0.22              |
| PIM GIA MTA                               | 21.8             | 0.04%         | 0.44                | -3.34                | 0.44          | -1.75           | 1.07                  | ****                       | ****                       | ****                       | ****                       | -0.03              | ****                 | ****                 | ****                  | 1.54               |
| PIM HILLSWICK MTA                         | 10.6             | 0.02%         | -0.31               | -3.99                | -0.31         | -3.47           | -1.66                 | ****                       | ****                       | ****                       | ****                       | -3.10              | ****                 | ****                 | ****                  | -1.75              |
| PIM NEW CENTURY MTA                       | 26.8             | 0.05%         | 0.08                | -3.23                | 0.08          | -2.07           | 0.23                  | ****                       | ****                       | ****                       | ****                       | -1.15              | ****                 | ****                 | ****                  | 0.25               |
| PIM PUGH CAP MTA                          | 21.3             | 0.04%         | 0.21                | -3.50                | 0.21          | -2.29           | -0.23                 | ****                       | ****                       | ****                       | ****                       | -1.34              | ****                 | ****                 | ****                  | 0.01               |
| BARCLAYS CAPITAL AGGREGATE                |                  |               | 0.14                | -3.17                | 0.14          | -2.31           | -0.69                 | ****                       | ****                       | ****                       | ****                       | -1.91              | ****                 | ****                 | ****                  |                    |
| TOTAL PROGRESS FIXED +/-                  |                  |               | (0.03)              | (0.14)               | (0.03)        | 0.13            | 0.69                  | ****                       | ****                       | ****                       | ****                       | 0.60               | ****                 | ****                 | ****                  |                    |
| PIM AMBASSADOR MTA +/-                    |                  |               | (0.17)              | 0.22                 | (0.17)        | 0.29            | 0.48                  | ****                       | ****                       | ****                       | ****                       | 0.19               | ****                 | ****                 | ****                  |                    |
| PIM GIA MTA +/-                           |                  |               | 0.30                | (0.17)               | 0.30          | 0.56            | 1.75                  | ****                       | ****                       | ****                       | ****                       | 1.88               | ****                 | ****                 | ****                  |                    |
| PIM HILLSWICK MTA +/-                     |                  |               | (0.45)              | (0.82)               | (0.45)        | (1.16)          | (0.97)                | ****                       | ****                       | ****                       | ****                       | (1.20)             | ****                 | ****                 | ****                  |                    |
| PIM NEW CENTURY MTA +/-                   |                  |               | (0.05)              | (0.06)               | (0.05)        | 0.24            | 0.92                  | ****                       | ****                       | ****                       | ****                       | 0.75               | ****                 | ****                 | ****                  |                    |
| PIM PUGH CAP MTA +/-                      |                  |               | 0.08                | (0.33)               | 0.08          | 0.02            | 0.45                  | ****                       | ****                       | ****                       | ****                       | 0.56               | ****                 | ****                 | ****                  |                    |
| <b>OPPORTUNISTIC FIXED INCOME</b>         |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL OPPORTUNISTIC FIXED INCOME MANAGERS | 806.0            | 1.58%         | 1.61                | 2.45                 | 1.61          | 11.62           | 14.70                 | 15.56                      | -2.89                      | 26.12                      | 20.90                      | 15.86              | 9.96                 | 11.97                | ****                  | ****               |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3%       |                  |               | 2.02                | -1.79                | 2.02          | 4.40            | 12.47                 | 19.20                      | 8.73                       | 18.05                      | 61.90                      | 12.44              | 13.40                | 14.67                | ****                  |                    |
| +/-                                       |                  |               | (0.41)              | 4.24                 | (0.41)        | 7.22            | 2.23                  | (3.64)                     | (11.62)                    | 8.07                       | (41.00)                    | 3.42               | (3.44)               | (2.70)               | ****                  |                    |
| <b>TOTAL FUND STRATEGIES</b>              |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| AVE EURO SP SITS FD                       | 0.1              | 0.00%         | 14.11               | 83.38                | 14.11         | 66.76           | 34.20                 | 32.04                      | -1.19                      | 3.70                       | 61.06                      | 45.80              | 10.11                | ****                 | ****                  | ****               |
| AVE SPECIAL SITUATIONS FD V               | 0.6              | 0.00%         | 11.07               | 0.00                 | 11.07         | 9.75            | 37.73                 | 27.97                      | -5.24                      | 19.07                      | 76.44                      | 42.99              | 20.91                | 14.29                | ****                  | ****               |
| AVE SPECIAL SITUATIONS FD VI              | 77.0             | 0.15%         | 3.88                | 0.00                 | 3.88          | 8.22            | 11.74                 | 15.42                      | -14.53                     | ****                       | ****                       | 11.64              | ****                 | ****                 | ****                  | ****               |
| FORTRESS PTNRS LP                         | 37.9             | 0.07%         | -4.56               | 3.58                 | -4.56         | 8.90            | 11.15                 | ****                       | ****                       | ****                       | ****                       | 9.66               | ****                 | ****                 | ****                  | ****               |
| OAKTREE OPP FD IX LP                      | 10.0             | 0.02%         | 1.39                | 0.00                 | 1.39          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | ****               |
| LONE STAR FD VIII                         | 0.1              | 0.00%         | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | ****               |
| TORCHLIGHT INVESTORS                      | 40.4             | 0.08%         | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | ****               |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3%       |                  |               | 2.02                | -1.79                | 2.02          | 4.40            | 12.47                 | 19.20                      | 8.73                       | 18.05                      | 61.90                      | 12.44              | 13.40                | 14.67                | ****                  |                    |
| AVE EURO SP SITS FD +/-                   |                  |               | 12.09               | 85.17                | 12.09         | 62.36           | 21.73                 | 24.11                      | (9.92)                     | (14.35)                    | (0.84)                     | 33.36              | (3.29)               | ****                 | ****                  |                    |
| AVE SPECIAL SITUATIONS FD V +/-           |                  |               | 9.05                | 1.79                 | 9.05          | 5.35            | 25.26                 | 20.04                      | (13.97)                    | 1.02                       | 14.54                      | 30.55              | 7.51                 | (0.38)               | ****                  |                    |
| AVE SPECIAL SITUATIONS FD VI +/-          |                  |               | 1.86                | 1.79                 | 1.86          | 3.82            | (0.73)                | 7.49                       | (23.26)                    | ****                       | ****                       | (0.80)             | ****                 | ****                 | ****                  |                    |
| FORTRESS PTNRS LP +/-                     |                  |               | (6.58)              | 5.36                 | (6.58)        | 4.51            | (1.32)                | 7.49                       | ****                       | ****                       | ****                       | (2.78)             | ****                 | ****                 | ****                  |                    |
| OAKTREE OPP FD IX LP +/-                  |                  |               | (0.63)              | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| LONE STAR FD VIII +/-                     |                  |               | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| TORCHLIGHT INVESTORS +/-                  |                  |               | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| <b>TOTAL STRATEGIC MANDATES</b>           |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| ANGELO GORDON PTNRS LP                    | 131.0            | 0.26%         | 3.58                | 2.68                 | 3.58          | 20.46           | 16.31                 | ****                       | ****                       | ****                       | ****                       | 20.48              | ****                 | ****                 | ****                  | 13.84              |
| APOLLO PTNRS LP                           | 105.7            | 0.21%         | 0.00                | 1.93                 | 0.00          | 9.75            | 9.75                  | ****                       | ****                       | ****                       | ****                       | 9.75               | ****                 | ****                 | ****                  | 7.73               |
| CONTRARIAN C A LLC                        | 9.0              | 0.02%         | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | ****               |
| GOLDENTREE OD MTA                         | 123.8            | 0.24%         | 1.43                | 1.23                 | 1.43          | 5.61            | 13.03                 | 15.67                      | ****                       | ****                       | ****                       | 12.88              | ****                 | ****                 | ****                  | 13.48              |
| MARATHON OD                               | 177.9            | 0.35%         | 0.00                | 0.98                 | 0.00          | 12.53           | 25.06                 | 25.44                      | ****                       | ****                       | ****                       | 21.10              | ****                 | ****                 | ****                  | 24.34              |
| OAK HILL PTNRS LP                         | 92.4             | 0.18%         | 1.25                | 1.69                 | 1.25          | 9.06            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | 7.77               |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3%       |                  |               | 2.02                | -1.79                | 2.02          | 4.40            | 12.47                 | 19.20                      | ****                       | ****                       | ****                       | 12.44              | ****                 | ****                 | ****                  |                    |
| TOTAL STRATEGIC MANDATES +/-              |                  |               | 0.62                | 4.84                 | 0.62          | 8.71            | 4.43                  | (2.60)                     | ****                       | ****                       | ****                       | 5.74               | ****                 | ****                 | ****                  |                    |
| ANGELO GORDON PTNRS LP +/-                |                  |               | 1.56                | 4.47                 | 1.56          | 16.07           | 3.84                  | ****                       | ****                       | ****                       | ****                       | 8.04               | ****                 | ****                 | ****                  |                    |
| APOLLO PTNRS LP +/-                       |                  |               | (2.02)              | 3.71                 | (2.02)        | 5.35            | (2.72)                | ****                       | ****                       | ****                       | ****                       | (2.70)             | ****                 | ****                 | ****                  |                    |
| CONTRARIAN C A LLC +/-                    |                  |               | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| GOLDENTREE OD MTA +/-                     |                  |               | (0.60)              | 3.02                 | (0.60)        | 1.21            | 0.56                  | (3.54)                     | ****                       | ****                       | ****                       | 0.44               | ****                 | ****                 | ****                  |                    |
| MARATHON OD +/-                           |                  |               | (2.02)              | 2.77                 | (2.02)        | 8.14            | 12.59                 | 6.24                       | ****                       | ****                       | ****                       | 8.66               | ****                 | ****                 | ****                  |                    |
| OAK HILL PTNRS LP +/-                     |                  |               | (0.77)              | 3.47                 | (0.77)        | 4.66            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  |                    |

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|                                     | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/13 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|-------------------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| <b>OTHER FIXED INCOME</b>           |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL ETI                           | 379.2            | 0.74%         | 0.11                | -1.55                | 0.11          | -0.49           | 1.99                  | 5.74                       | 6.70                       | 6.61                       | 7.62                       | 1.20               | 4.31                 | 6.12                 | 5.65                  | 9.42               |
| TEACHERS CUSTOM BENCHMARK (NO CASH) |                  |               | ****                | ****                 | ****          | ****            | -0.84                 | 3.55                       | 7.51                       | 6.31                       | 5.12                       | ****               | ****                 | ****                 | ****                  |                    |
| +/-                                 |                  |               | ****                | ****                 | ****          | ****            | 2.83                  | 2.19                       | (0.81)                     | 0.30                       | 2.50                       | ****               | ****                 | ****                 | ****                  |                    |
| AFL-CIO HOUSING INV TRUST           | 203.4            | 0.40%         | -0.07               | -3.34                | -0.07         | -2.67           | -1.06                 | 4.27                       | 7.86                       | 6.16                       | 6.28                       | -2.10              | 3.09                 | 5.17                 | 4.89                  | 4.66               |
| BARCLAYS CAPITAL AGGREGATE          |                  |               | 0.14                | -3.17                | 0.14          | -2.31           | -0.69                 | 4.21                       | 7.84                       | 6.54                       | 5.93                       | -1.91              | 3.19                 | 5.23                 | 4.89                  |                    |
| +/-                                 |                  |               | (0.20)              | (0.17)               | (0.20)        | (0.36)          | (0.37)                | 0.06                       | 0.02                       | (0.38)                     | 0.35                       | (0.19)             | (0.10)               | (0.07)               | (0.00)                |                    |
| ACCESS RBC                          | 49.7             | 0.10%         | -0.24               | -2.56                | -0.24         | -2.23           | -0.51                 | 4.15                       | 6.78                       | 5.72                       | 10.99                      | -1.53              | 3.04                 | 6.35                 | ****                  | 5.82               |
| ACCESS CUSTOM BENCHMARK             |                  |               | -0.01               | -2.25                | -0.01         | -1.72           | -0.90                 | 2.38                       | 6.32                       | 5.52                       | 2.89                       | -1.64              | 2.27                 | 4.51                 | ****                  |                    |
| +/-                                 |                  |               | (0.23)              | (0.31)               | (0.23)        | (0.51)          | 0.39                  | 1.78                       | 0.46                       | 0.20                       | 8.10                       | 0.11               | 0.77                 | 1.84                 | ****                  |                    |
| CPC TERM LOAN                       | 10.0             | 0.02%         | 0.20                | 0.60                 | 0.20          | 1.40            | 2.45                  | 2.51                       | 2.09                       | 2.06                       | 2.19                       | 2.44               | 2.29                 | 2.43                 | ****                  | 4.03               |
| TOTAL PPAR                          | 116.1            | 0.23%         | 0.55                | 2.11                 | 0.55          | 4.34            | 9.14                  | 9.83                       | 5.40                       | 9.09                       | 10.18                      | 8.82               | 7.66                 | 8.77                 | 8.11                  | 8.13               |
| GNMA PLUS 65bps                     |                  |               | -0.17               | -3.28                | -0.17         | -2.62           | -1.53                 | 2.89                       | 8.70                       | 7.32                       | 5.80                       | -2.60              | 3.02                 | 5.59                 | ****                  |                    |
| +/-                                 |                  |               | 0.72                | 5.39                 | 0.72          | 6.96            | 10.67                 | 6.94                       | (3.30)                     | 1.77                       | 4.38                       | 11.41              | 4.65                 | 3.18                 | ****                  |                    |
| CFSB-PPAR                           | 2.1              | 0.00%         | 0.49                | 1.53                 | 0.49          | 2.32            | 5.55                  | 8.16                       | 3.29                       | 12.80                      | 9.82                       | 4.90               | 7.02                 | 7.85                 | ****                  | 7.22               |
| CCD-PPAR                            | 5.3              | 0.01%         | 0.76                | 2.45                 | 0.76          | 5.82            | 10.30                 | 11.40                      | 5.59                       | 11.58                      | 12.48                      | 10.20              | 9.31                 | 10.14                | ****                  | 9.15               |
| CPC-PPAR                            | 2.3              | 0.00%         | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****                       | ****                       | ****               | ****                 | ****                 | ****                  | ****               |
| LIIF-PPAR                           | 2.9              | 0.01%         | 0.70                | 2.04                 | 0.70          | 4.97            | 8.12                  | 6.84                       | 4.96                       | 4.34                       | ****                       | 8.05               | 5.74                 | ****                 | ****                  | 6.24               |
| NCBCI-PPAR                          | 1.3              | 0.00%         | 0.72                | -5.57                | 0.72          | -2.63           | 1.85                  | 9.46                       | 8.50                       | 4.10                       | ****                       | 1.01               | 5.39                 | ****                 | ****                  | 5.47               |
| NHS-PPAR                            | 0.6              | 0.00%         | 0.75                | 2.30                 | 0.75          | 5.76            | 10.51                 | 9.68                       | 3.85                       | 9.95                       | 14.83                      | 10.36              | 7.41                 | 9.59                 | ****                  | 8.64               |
| TARGETED INVESTMENT                 | 101.6            | 0.20%         | 0.53                | 2.20                 | 0.53          | 4.38            | 9.22                  | 9.80                       | 5.40                       | 9.02                       | 10.00                      | 8.90               | 7.66                 | 8.72                 | ****                  | 10.26              |
| <b>CASH</b>                         |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL CASH                          | 392.2            | 0.77%         | 0.03                | 0.05                 | 0.03          | 0.14            | 0.30                  | 0.72                       | 0.50                       | 0.45                       | 1.23                       | 0.30               | 0.37                 | 0.84                 | ****                  | 2.38               |
| ML 91 DAY TREASURY BILL INDEX       |                  |               | 0.01                | 0.02                 | 0.01          | 0.05            | 0.11                  | 0.11                       | 0.10                       | 0.13                       | 0.21                       | 0.11               | 0.11                 | 0.25                 | ****                  |                    |
| +/-                                 |                  |               | 0.02                | 0.03                 | 0.02          | 0.09            | 0.19                  | 0.61                       | 0.40                       | 0.32                       | 1.02                       | 0.19               | 0.26                 | 0.59                 | ****                  |                    |
| <b>PRIVATE EQUITY</b>               |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL PRIVATE EQUITY                | 2,314.8          | 4.53%         | -0.01               | -0.60                | -0.01         | 1.17            | 6.23                  | 11.45                      | 15.80                      | 14.04                      | -4.44                      | 6.73               | 10.82                | 5.71                 | ****                  | 11.30              |
| RUSSELL 3000 PLUS 3% Lagged         |                  |               | 0.00                | 11.95                | 0.00          | 13.24           | 18.29                 | 35.20                      | 5.55                       | 15.96                      | -1.42                      | 18.29              | 17.55                | 11.31                | ****                  |                    |
| +/-                                 |                  |               | (0.01)              | (12.55)              | (0.01)        | (12.07)         | (12.06)               | (23.75)                    | 10.25                      | (1.92)                     | (3.02)                     | (11.55)            | (6.73)               | (5.60)               | ****                  |                    |
| <b>PRIVATE REAL ESTATE</b>          |                  |               |                     |                      |               |                 |                       |                            |                            |                            |                            |                    |                      |                      |                       |                    |
| TOTAL PRIVATE REAL ESTATE           | 1,072.9          | 2.10%         | -0.37               | 1.49                 | -0.37         | 5.85            | 9.88                  | 13.02                      | 24.55                      | 9.99                       | -44.20                     | 9.94               | 17.25                | -3.36                | ****                  | 8.52               |
| NCREIF NFI-ODCE NET + 100 BP        |                  |               | 0.08                | 3.85                 | 0.08          | 6.72            | 12.08                 | 10.77                      | 15.97                      | 16.26                      | -29.40                     | 12.08              | 14.85                | -0.04                | ****                  |                    |
| +/-                                 |                  |               | (0.45)              | (2.35)               | (0.45)        | (0.87)          | (2.20)                | 3.25                       | 8.58                       | (6.27)                     | (14.80)                    | (2.13)             | 2.40                 | (3.32)               | ****                  |                    |
| TOTAL TEACHERS                      | 51,113.8         |               | 3.51                | 1.27                 | 3.51          | 8.78            | 11.89                 | 13.09                      | 1.83                       | 13.92                      | 21.15                      | 14.62              | 11.46                | 6.60                 | 7.71                  | 8.63               |
| TEACHERS POLICY BENCHMARK           |                  |               | 2.84                | 0.86                 | 2.84          | 8.12            | 12.20                 | 13.77                      | 1.64                       | 14.01                      | 25.01                      | 13.81              | 11.86                | 6.68                 | 7.69                  |                    |
| +/-                                 |                  |               | 0.67                | 0.42                 | 0.67          | 0.66            | (0.31)                | (0.68)                     | 0.20                       | (0.09)                     | (3.86)                     | 0.81               | (0.40)               | (0.08)               | 0.02                  |                    |

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2013 (in USD)**

| Vintage Year              | Investment  | First Drawdown | Committed Capital | Paid-In Capital | Distributed Capital | Market Value | Multiple | IRR      |
|---------------------------|---|----------------|-------------------|-----------------|---------------------|--------------|----------|----------|
| <b>Active Investments</b> |   |                |                   |                 |                     |              |          |          |
| 1999                      | Cypress Merchant Banking Partners II, LP              | 7/8/1999       | \$ 50,000,000     | \$ 53,822,460   | \$ 41,083,088       | \$ 6,244,126 | 0.88x    | (2.75%)  |
| 1999                      | FdG Capital Partners, L.P.                            | 6/2/1999       | 30,000,000        | 34,452,711      | 51,025,646          | 6,203,423    | 1.66x    | 14.97%   |
| 1999                      | Lincolnshire Equity Fund II, L.P.                     | 2/26/2001      | 15,000,000        | 14,446,100      | 27,179,141          | 1,619,297    | 1.99x    | 24.92%   |
| 2000                      | Carlyle Partners III, L.P.                            | 12/22/2000     | 30,000,000        | 33,979,261      | 71,806,301          | 263,182      | 2.12x    | 23.34%   |
| 2000                      | SCP Private Equity Partners II, L.P.                  | 1/19/2001      | 20,000,000        | 22,168,428      | 6,465,475           | 7,853,801    | 0.65x    | (6.26%)  |
| 2000                      | Solera Partners, L.P.                                 | 7/8/2002       | 15,000,000        | 19,335,604      | 25,272,373          | 11,542,741   | 1.90x    | 10.31%   |
| 2001                      | Apollo Investment Fund V, L.P.                        | 8/23/2001      | 30,000,000        | 46,725,243      | 84,582,114          | 9,016,842    | 2.00x    | 39.00%   |
| 2001                      | New Mountain Partners, L.P.                           | 7/20/2001      | 15,000,000        | 12,977,661      | 17,328,376          | 1,419,647    | 1.44x    | 12.59%   |
| 2001                      | Ripplewood Partners II, L.P.                          | 6/30/2002      | 15,000,000        | 16,863,655      | 12,487,111          | 8,941,219    | 1.27x    | 6.52%    |
| 2001                      | RRE Ventures III, L.P.                                | 6/13/2002      | 20,000,000        | 25,825,135      | 24,128,433          | 16,348,606   | 1.57x    | 8.46%    |
| 2002                      | BDCM Opportunity Fund, L.P.                           | 11/10/2003     | 25,000,000        | 54,630,572      | 84,545,308          | 5,155,760    | 1.64x    | 22.89%   |
| 2002                      | Coller International Partnership IV, L.P.             | 11/6/2002      | 35,000,000        | 31,184,164      | 36,135,739          | 8,713,435    | 1.44x    | 13.81%   |
| 2002                      | Landmark Equity Partners XI, L.P.                     | 9/15/2004      | 20,000,000        | 21,193,612      | 27,364,030          | 3,690,070    | 1.47x    | 24.23%   |
| 2002                      | Thomas Mc Nerney & Partners, L.P.                     | 11/26/2002     | 15,000,000        | 14,475,000      | 5,252,354           | 6,125,335    | 0.79x    | (5.62%)  |
| 2002                      | Yucaipa American Alliance Fund I, L.P.                | 10/1/2004      | 55,000,000        | 80,828,995      | 59,739,039          | 42,099,559   | 1.26x    | 8.16%    |
| 2003                      | Ares Corporate Opportunities Fund, L.P.               | 5/4/2004       | 15,000,000        | 17,999,787      | 24,792,009          | 2,994,580    | 1.54x    | 14.25%   |
| 2003                      | Blackstone Capital Partners IV L.P.                   | 1/10/2003      | 30,000,000        | 30,678,167      | 61,234,232          | 11,824,673   | 2.38x    | 38.18%   |
| 2003                      | FS Equity Partners V, L.P.                            | 5/30/2003      | 25,000,000        | 21,596,818      | 36,512,224          | 7,485,947    | 2.04x    | 16.66%   |
| 2003                      | Leeds Weld Equity Partners IV, L.P.                   | 12/13/2004     | 15,000,000        | 15,137,731      | 9,039,077           | 8,642,478    | 1.17x    | 3.00%    |
| 2004                      | Aurora Equity Partners III, L.P.                      | 5/19/2005      | 20,000,000        | 21,695,963      | 19,809,668          | 12,783,402   | 1.50x    | 12.49%   |
| 2004                      | Celtic Pharmaceutical Holdings, L.P.                  | 7/10/2006      | 15,000,000        | 15,241,256      | 241,256             | 13,818,472   | 0.92x    | 7.62%    |
| 2004                      | FdG Capital Partners II, L.P.                         | 8/30/2004      | 35,000,000        | 36,797,401      | 27,815,486          | 12,224,523   | 1.09x    | 1.84%    |
| 2004                      | Lincolnshire Equity Fund III, L.P.                    | 12/23/2004     | 25,000,000        | 23,541,480      | 27,327,369          | 16,677,255   | 1.87x    | 35.76%   |
| 2004                      | Markstone Capital Partners, L.P.                      | 7/21/2004      | 35,000,000        | 36,284,480      | 16,600,620          | 14,522,124   | 0.86x    | (4.20%)  |
| 2004                      | New York/Fairview Emerging Managers (Tranche A), L.P. | 10/21/2004     | 24,000,000        | 21,300,000      | 5,574,568           | 16,103,707   | 1.02x    | 0.43%    |
| 2004                      | Paladin Homeland Security Fund (NY), L.P.             | 10/1/2004      | 15,000,000        | 17,198,110      | 2,653,109           | 6,820,299    | 0.55x    | (11.44%) |
| 2004                      | Trilantic Capital Partners III (fka LBMB III), L.P.   | 9/22/2005      | 30,000,000        | 23,365,435      | 33,404,045          | 2,702,895    | 1.55x    | 13.05%   |
| 2005                      | Blackstone Mezzanine Partners II, L.P.                | 5/26/2006      | 20,000,000        | 19,232,036      | 16,078,354          | 9,124,691    | 1.31x    | 8.11%    |
| 2005                      | Bridgepoint Europe III, L.P.                          | 12/6/2005      | 31,251,405        | 26,996,441      | 12,213,800          | 19,635,665   | 1.18x    | 3.28%    |
| 2005                      | Erasmus New York City Growth Fund, L.P.               | 8/16/2005      | 30,000,000        | 26,117,536      | 14,530,558          | 8,323,854    | 0.88x    | (2.90%)  |
| 2005                      | GI Partners Fund II, L.P.                             | 6/19/2006      | 25,000,000        | 25,147,790      | 13,374,963          | 24,621,033   | 1.51x    | 8.07%    |
| 2005                      | JP Morgan Fleming (Tranche A), L.P.                   | 12/21/2005     | 31,000,000        | 26,801,846      | 9,825,525           | 22,002,776   | 1.19x    | 5.31%    |
| 2005                      | New Mountain Partners II, L.P.                        | 1/12/2005      | 23,225,800        | 21,131,670      | 27,584,056          | 9,804,821    | 1.77x    | 12.81%   |
| 2005                      | Palladium Equity Partners III, L.P.                   | 8/10/2005      | 35,000,000        | 35,226,887      | 23,181,396          | 34,636,531   | 1.64x    | 16.52%   |
| 2005                      | Prism Venture Partners V-A, L.P.                      | 7/14/2005      | 20,000,000        | 20,423,087      | 5,113,674           | 8,761,175    | 0.68x    | (10.90%) |
| 2005                      | Psilos Group Partners III, L.P.                       | 10/17/2007     | 25,000,000        | 23,700,585      | 12,820,541          | 18,065,339   | 1.30x    | 7.25%    |
| 2005                      | Quadrangle Capital Partners II, L.P.                  | 2/28/2006      | 35,000,000        | 29,228,535      | 18,456,357          | 11,330,060   | 1.02x    | 0.49%    |
| 2005                      | Snow Phipps Group, L.P.                               | 8/2/2007       | 15,000,000        | 15,814,872      | 10,441,591          | 10,355,302   | 1.32x    | 10.15%   |
| 2005                      | USPF II Institutional Fund, L.P.                      | 11/23/2005     | 35,000,000        | 46,164,567      | 24,227,999          | 29,702,937   | 1.17x    | 4.50%    |
| 2005                      | VSS Communications Partners IV, L.P.                  | 6/2/2006       | 10,000,000        | 10,565,492      | 2,710,093           | 5,686,485    | 0.79x    | (4.98%)  |
| 2006                      | Aisling Capital II, L.P.                              | 1/12/2006      | 4,500,000         | 4,325,072       | 1,494,718           | 2,929,812    | 1.02x    | 0.59%    |
| 2006                      | Ampersand 2006, L.P.                                  | 7/6/2007       | 15,000,000        | 13,200,000      | 7,399,318           | 11,494,169   | 1.43x    | 9.48%    |
| 2006                      | Apollo Investment Fund VI, L.P.                       | 5/10/2006      | 35,000,000        | 42,819,614      | 23,636,904          | 37,530,583   | 1.43x    | 9.55%    |
| 2006                      | Ares Corporate Opportunities Fund II, L.P.            | 5/23/2006      | 30,000,000        | 32,614,171      | 39,326,964          | 13,752,574   | 1.63x    | 13.96%   |
| 2006                      | Arsenal Capital Partners II, L.P.                     | 12/19/2006     | 13,500,000        | 15,035,868      | 5,194,071           | 15,329,508   | 1.36x    | 10.44%   |
| 2006                      | Avista Capital Partners, L.P.                         | 8/11/2006      | 30,000,000        | 37,946,126      | 26,517,964          | 23,997,398   | 1.33x    | 7.94%    |
| 2006                      | BDCM Opportunity Fund II, L.P.                        | 12/28/2006     | 25,000,000        | 32,044,878      | 13,635,483          | 36,436,428   | 1.56x    | 16.63%   |
| 2006                      | Blackstone Capital Partners V, L.P.                   | 4/13/2006      | 75,600,000        | 74,885,371      | 19,571,767          | 72,139,962   | 1.22x    | 4.59%    |
| 2006                      | Catterton Partners VI, L.P.                           | 12/14/2006     | 30,000,000        | 31,943,688      | 10,379,783          | 40,020,673   | 1.58x    | 12.46%   |
| 2006                      | CCMP Capital Investors II, L.P.                       | 5/22/2007      | 20,000,000        | 20,862,499      | 8,990,621           | 20,873,502   | 1.43x    | 13.82%   |
| 2006                      | Cinven Fourth Fund                                    | 1/22/2007      | 44,631,415        | 43,869,268      | 15,988,450          | 41,947,028   | 1.32x    | 7.54%    |
| 2006                      | Fairview Ventures Fund III, L.P.                      | 7/13/2007      | 20,000,000        | 16,249,472      | 3,532,632           | 17,089,913   | 1.27x    | 9.66%    |
| 2006                      | First Reserve Fund XI, L.P.                           | 12/22/2006     | 30,000,000        | 34,046,996      | 12,767,005          | 25,960,859   | 1.14x    | 3.98%    |
| 2006                      | GF Capital Private Equity Fund, L.P.                  | 3/20/2008      | 15,000,000        | 15,006,255      | 8,174,107           | 14,044,752   | 1.48x    | 16.38%   |
| 2006                      | GSC Recovery III, L.P.                                | 5/4/2006       | 10,000,000        | 10,581,644      | 6,638,300           | 5,106,271    | 1.11x    | 3.08%    |
| 2006                      | InterMedia Partners VII, L.P.                         | 6/8/2006       | 25,000,000        | 27,318,298      | 3,541,720           | 32,355,559   | 1.31x    | 5.89%    |
| 2006                      | Landmark Equity Partners Fund XIII, L.P.              | 5/15/2006      | 25,000,000        | 22,353,580      | 13,037,757          | 12,772,897   | 1.15x    | 3.96%    |
| 2006                      | MidOcean Partners III, L.P.                           | 6/19/2007      | 40,000,000        | 38,330,648      | 8,218,262           | 34,804,339   | 1.12x    | 3.73%    |
| 2006                      | Perseus Partners VII, L.P.                            | 8/6/2007       | 20,000,000        | 22,063,715      | 3,129,430           | 7,907,996    | 0.50x    | (21.57%) |
| 2006                      | RRE Ventures IV, L.P.                                 | 10/25/2006     | 25,000,000        | 27,528,965      | 3,428,022           | 28,470,766   | 1.16x    | 4.69%    |
| 2006                      | Terra Firma Capital Partners III, L.P.                | 2/26/2007      | 30,987,691        | 29,074,675      | 662,055             | 15,985,580   | 0.57x    | (14.81%) |
| 2006                      | Thomas, Mc Nerney & Partners II, L.P.                 | 11/30/2006     | 15,000,000        | 12,862,500      | 1,872,248           | 11,282,857   | 1.02x    | 0.72%    |
| 2007                      | Carlyle Partners V, L.P.                              | 9/28/2007      | 50,000,000        | 45,930,750      | 16,678,518          | 41,191,480   | 1.26x    | 9.67%    |
| 2007                      | Co-Investment Partners Europe, L.P.                   | 12/5/2008      | 26,561,502        | 27,541,050      | 5,294,987           | 26,898,627   | 1.17x    | 6.03%    |
| 2007                      | Constellation Ventures III, L.P.                      | 11/20/2008     | 15,000,000        | 14,692,251      | 359,698             | 13,435,368   | 0.94x    | (2.33%)  |
| 2007                      | Craton Equity Investors I, L.P.                       | 3/11/2008      | 10,000,000        | 9,023,462       | 6,094               | 7,419,932    | 0.82x    | (6.47%)  |
| 2007                      | FTVentures III, L.P.                                  | 3/1/2007       | 14,081,947        | 14,634,065      | 7,141,031           | 15,787,171   | 1.57x    | 14.41%   |
| 2007                      | GSO Capital Opportunities Fund, L.P.                  | 8/15/2008      | 30,000,000        | 38,958,776      | 36,148,240          | 20,327,221   | 1.45x    | 19.54%   |
| 2007                      | Halyard Capital Fund II, L.P.                         | 11/2/2007      | 15,000,000        | 10,365,535      | 564,506             | 8,647,984    | 0.89x    | (3.27%)  |
| 2007                      | Montreux Equity Partners IV, L.P.                     | 3/27/2007      | 15,000,000        | 14,392,500      | 7,958,758           | 12,866,102   | 1.45x    | 14.41%   |
| 2007                      | Nautic Partners VI, L.P.                              | 6/30/2008      | 20,000,000        | 18,498,960      | 4,127,863           | 18,317,406   | 1.21x    | 6.85%    |
| 2007                      | New Mountain Partners III, L.P.                       | 9/25/2007      | 35,000,000        | 34,004,164      | 8,764,543           | 31,817,686   | 1.19x    | 8.62%    |
| 2007                      | PCG Clean Energy & Technology Fund East, L.P.         | 4/25/2008      | 60,000,000        | 46,720,829      | 3,352,781           | 29,884,573   | 0.71x    | (11.94%) |
| 2007                      | Pegasus Partners IV, L.P.                             | 10/9/2007      | 20,000,000        | 22,301,573      | 10,687,175          | 18,300,305   | 1.30x    | 8.45%    |
| 2007                      | Pine Brook Capital Partners, L.P.                     | 4/7/2008       | 22,500,000        | 19,068,221      | 8,771,188           | 17,762,517   | 1.39x    | 17.07%   |
| 2007                      | Quaker BioVentures II, L.P.                           | 4/18/2008      | 15,000,000        | 11,743,332      | 2,588,953           | 7,069,981    | 0.82x    | (8.75%)  |
| 2007                      | RJ Equity Partners Fund I, L.P.                       | 4/14/2009      | 15,000,000        | 9,248,700       | 1,601,350           | 9,934,061    | 1.25x    | 9.70%    |
| 2007                      | SCP Vitalife Partners II, L.P.                        | 1/10/2008      | 15,000,000        | 11,999,774      | 1,184               | 10,203,233   | 0.85x    | (5.66%)  |
| 2007                      | StarVest Partners II, L.P.                            | 12/8/2008      | 20,000,000        | 14,496,498      | 12,547              | 11,771,561   | 0.81x    | (9.03%)  |
| 2007                      | Trilantic Capital Partners IV L.P.                    | 10/22/2007     | 53,311,339        | 50,888,904      | 39,328,722          | 39,395,431   | 1.55x    | 18.98%   |
| 2007                      | USPF III Institutional Fund, L.P.                     | 7/10/2007      | 30,000,000        | 26,206,549      | 5,107,320           | 23,014,191   | 1.07x    | 2.01%    |
| 2007                      | Vista Equity Partners Fund III, L.P.                  | 11/30/2007     | 25,000,000        | 23,925,240      | 33,817,896          | 24,901,292   | 2.45x    | 30.75%   |



**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2013 (in USD)**

| Vintage Year                       | Investment  | First Drawdown | Committed Capital       | Paid-In Capital         | Distributed Capital     | Market Value            | Multiple     | IRR          |
|------------------------------------|---|----------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|--------------|
| 2008                               | Aisling Capital III, L.P.                             | 11/20/2008     | 10,500,000              | 5,585,648               | 353,687                 | 4,571,909               | 0.88x        | (8.15%)      |
| 2008                               | Apollo Investment Fund VII, L.P.                      | 4/16/2008      | 50,000,000              | 54,924,871              | 40,095,627              | 43,606,401              | 1.52x        | 25.24%       |
| 2008                               | Ares Corporate Opportunities Fund III, L.P.           | 7/30/2008      | 60,000,000              | 61,709,542              | 45,752,652              | 47,183,100              | 1.51x        | 24.29%       |
| 2008                               | Avista Capital Partners II, L.P.                      | 12/31/2008     | 50,000,000              | 52,973,833              | 28,398,023              | 45,175,164              | 1.39x        | 15.78%       |
| 2008                               | Blue Wolf Capital Fund II, L.P.                       | 11/14/2008     | 20,000,000              | 17,243,905              | 7,984,160               | 14,314,594              | 1.29x        | 16.77%       |
| 2008                               | Bridgepoint Europe IV, L.P.                           | 9/30/2008      | 26,708,302              | 19,780,499              | 354,378                 | 22,122,779              | 1.14x        | 7.06%        |
| 2008                               | Carpenter Community BancFund-A, L.P.                  | 6/5/2008       | 15,000,000              | 13,618,573              | 174,916                 | 17,133,370              | 1.27x        | 8.02%        |
| 2008                               | CS TRSCNY Emerging Manager Co-Investment Fund, L.P.   | 8/22/2008      | 12,626,263              | 7,003,743               | 3,732,657               | 6,227,672               | 1.42x        | 12.33%       |
| 2008                               | CS TRSCNY Emerging Manager Fund, L.P.                 | 8/22/2008      | 59,373,737              | 34,677,748              | 9,043,316               | 26,460,332              | 1.02x        | 1.55%        |
| 2008                               | First Reserve Fund XII, L.P.                          | 11/14/2008     | 30,000,000              | 24,093,423              | 2,900,412               | 22,619,230              | 1.06x        | 2.22%        |
| 2008                               | GI Partners III, L.P.                                 | 7/29/2008      | 30,000,000              | 30,894,997              | 11,205,533              | 29,821,626              | 1.33x        | 15.44%       |
| 2008                               | Landmark Equity Partners XIV, L.P.                    | 9/19/2008      | 50,000,000              | 29,560,419              | 10,205,294              | 26,629,664              | 1.25x        | 17.46%       |
| 2008                               | Lee Equity Partners, L.P.                             | 4/23/2008      | 30,000,000              | 24,055,697              | 3,865,535               | 21,727,710              | 1.06x        | 2.99%        |
| 2008                               | Leeds Equity Partners V, L.P.                         | 7/28/2008      | 40,000,000              | 27,384,074              | 7,175,881               | 24,693,023              | 1.16x        | 10.37%       |
| 2008                               | Levine Leichtman Capital Partners IV, L.P.            | 9/22/2008      | 25,000,000              | 24,103,226              | 9,339,346               | 28,145,114              | 1.56x        | 27.44%       |
| 2008                               | New York/Fairview Emerging Managers (Tranche B), L.P. | 5/28/2008      | 35,000,000              | 18,914,000              | 2,992,547               | 19,146,412              | 1.17x        | 8.70%        |
| 2008                               | NGN BioMed Opportunity II, L.P.                       | 10/31/2008     | 15,000,000              | 11,888,866              | 17,765                  | 8,886,656               | 0.75x        | (10.54%)     |
| 2008                               | Onex Partners III, L.P.                               | 3/31/2009      | 40,000,000              | 34,419,068              | 7,451,710               | 29,061,300              | 1.06x        | 4.26%        |
| 2008                               | Paladin III (HR), L.P.                                | 1/8/2008       | 20,000,000              | 15,181,580              | 5,398,908               | 11,485,881              | 1.11x        | 4.25%        |
| 2008                               | Relativity Fund, L.P.                                 | 1/17/2008      | 15,000,000              | 7,967,764               | 601,963                 | 2,176,791               | 0.35x        | (34.30%)     |
| 2008                               | Riverstone/Carlyle Global Energy & Power Fund IV      | 9/29/2008      | 32,500,000              | 27,509,884              | 15,356,434              | 23,951,550              | 1.43x        | 15.48%       |
| 2008                               | Yucaipa American Alliance Fund II, L.P.               | 3/28/2008      | 75,000,000              | 91,311,854              | 41,476,960              | 96,866,209              | 1.52x        | 19.12%       |
| 2008                               | Yucaipa Corporate Initiatives Fund II, L.P.           | 6/23/2008      | 32,738,833              | 31,328,616              | 3,655,520               | 18,636,918              | 0.71x        | (16.45%)     |
| 2009                               | Lincolnshire Equity Fund IV, L.P.                     | 8/7/2009       | 12,500,000              | 6,743,986               | 328,107                 | 5,454,673               | 0.86x        | (11.21%)     |
| 2009                               | Welsh, Carson, Anderson & Stowe XI, L.P.              | 2/10/2009      | 30,000,000              | 19,877,892              | 1,293,250               | 23,417,712              | 1.24x        | 11.40%       |
| 2010                               | JP Morgan Fleming (Tranche B), L.P.                   | 3/31/2008      | 10,000,000              | 5,497,730               | 319,827                 | 5,555,857               | 1.07x        | 4.80%        |
| 2010                               | Trident V, L.P.                                       | 12/30/2010     | 35,000,000              | 17,342,931              | 1,369,552               | 15,969,074              | 1.00x        | (0.02%)      |
| 2011                               | Ampersand 2011, L.P.                                  | 3/31/2009      | 17,500,000              | 11,200,000              | -                       | 12,738,031              | 1.14x        | 11.30%       |
| 2011                               | Blackstone Capital Partners VI, L.P.                  | 1/24/2011      | 60,000,000              | 13,793,606              | 185,999                 | 14,805,580              | 1.09x        | 9.17%        |
| 2011                               | EQT VI, L.P.  | 8/1/2011       | 49,338,079              | 14,713,820              | 211,872                 | 14,296,667              | 0.99x        | (1.93%)      |
| 2011                               | BC European Capital IX, L.P.                          | 9/19/2011      | 69,099,818              | 23,920,855              | 3,478,109               | 24,585,483              | 1.17x        | 24.05%       |
| 2011                               | AXA Secondary Fund V L.P.                             | 8/11/2011      | 160,000,000             | 47,654,500              | 5,415,915               | 55,098,003              | 1.27x        | 22.87%       |
| 2011                               | Pegasus Partners V, L.P.                              | 8/16/2011      | 50,000,000              | 8,848,575               | 840                     | 7,203,215               | 0.81x        | (19.57%)     |
| 2011                               | Green Equity Investors VI, L.P.                       | 10/28/2011     | 100,000,000             | 9,631,761               | 254,129                 | 8,986,407               | 0.96x        | (4.43%)      |
| 2011                               | Vista Equity Partners IV, L.P.                        | 10/27/2011     | 100,000,000             | 36,367,031              | 1,112,927               | 36,303,162              | 1.03x        | 3.18%        |
| 2011                               | American Securities Partners VI, L.P.                 | 12/21/2011     | 100,000,000             | 31,541,459              | 47,451                  | 29,583,590              | 0.94x        | (7.32%)      |
| 2012                               | Ares Corporate Opportunities Fund IV, L.P.            | 4/20/2012      | 105,000,000             | 3,971,139               | -                       | 3,237,653               | 0.82x        | (19.20%)     |
| 2012                               | Warburg Pincus Private Equity XI, L.P.                | 5/9/2012       | 175,000,000             | 26,468,236              | 156,113                 | 28,549,318              | 1.08x        | 11.54%       |
| 2012                               | Trilantic Capital Partners V, L.P.                    | 7/31/2012      | 70,000,000              | 1,001,972               | 1,144                   | -                       | 0.00x        | N/A          |
| 2012                               | Platinum Equity Capital Partners III, L.P.            | 12/28/2012     | 115,000,000             | 33,504,676              | 6,691,497               | 29,159,012              | 1.07x        | 19.70%       |
| 2013                               | ICV Partners III, L.P.                                | 11/16/2012     | 14,000,000              | 4,375,288               | 279,589                 | 3,966,519               | 0.97x        | (3.05%)      |
| 2012                               | ACON Equity Partners III, L.P.                        | N/A            | 7,000,000               | -                       | -                       | -                       | 0.00x        | N/A          |
| 2012                               | Incline Equity Partners III, L.P.                     | N/A            | 9,000,000               | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Grey Mountain Partners III, L.P.                      | N/A            | 6,500,000               | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Altaris Health Partners III, L.P.                     | N/A            | 11,000,000              | -                       | -                       | -                       | 0.00x        | N/A          |
| 2012                               | Capital Partners Private Equity Income Fund II, L.P.  | N/A            | 8,750,000               | -                       | -                       | -                       | 0.00x        | N/A          |
| 2012                               | NYCTRS - 2012 Emerging Manager Program                | 11/16/2012     | 175,000,000             | 4,375,288               | 279,589                 | 3,966,519               | 0.97x        | N/A          |
| 2013                               | Carlyle Partners VI, L.P.                             | N/A            | 125,000,000             | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Carlyle Partners VI, L.P. - Side Car                  | N/A            | 13,750,000              | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Landmark Equity Partners XV, L.P.                     | N/A            | 113,000,000             | -                       | -                       | -                       | 0.00x        | N/A          |
| 2013                               | Landmark Equity Partners XV, L.P. - Side Car          | N/A            | 37,000,000              | -                       | -                       | -                       | 0.00x        | N/A          |
| <b>Total Active Investments</b>    |   |                | <b>\$ 4,591,786,131</b> | <b>\$ 3,142,488,295</b> | <b>\$ 1,738,087,580</b> | <b>\$ 2,294,620,976</b> | <b>1.28x</b> | <b>9.18%</b> |
| <b>Total Exited Investments</b>    |   |                | <b>\$ 18,000,000</b>    | <b>\$ 267,528,783</b>   | <b>\$ 284,437,231</b>   | <b>\$ -</b>             | <b>1.06x</b> | <b>1.92%</b> |
| <b>Total Portfolio<sup>1</sup></b> |   |                | <b>\$ 4,609,786,131</b> | <b>\$ 3,410,017,079</b> | <b>\$ 2,022,524,811</b> | <b>\$ 2,294,620,976</b> | <b>1.27x</b> | <b>8.55%</b> |

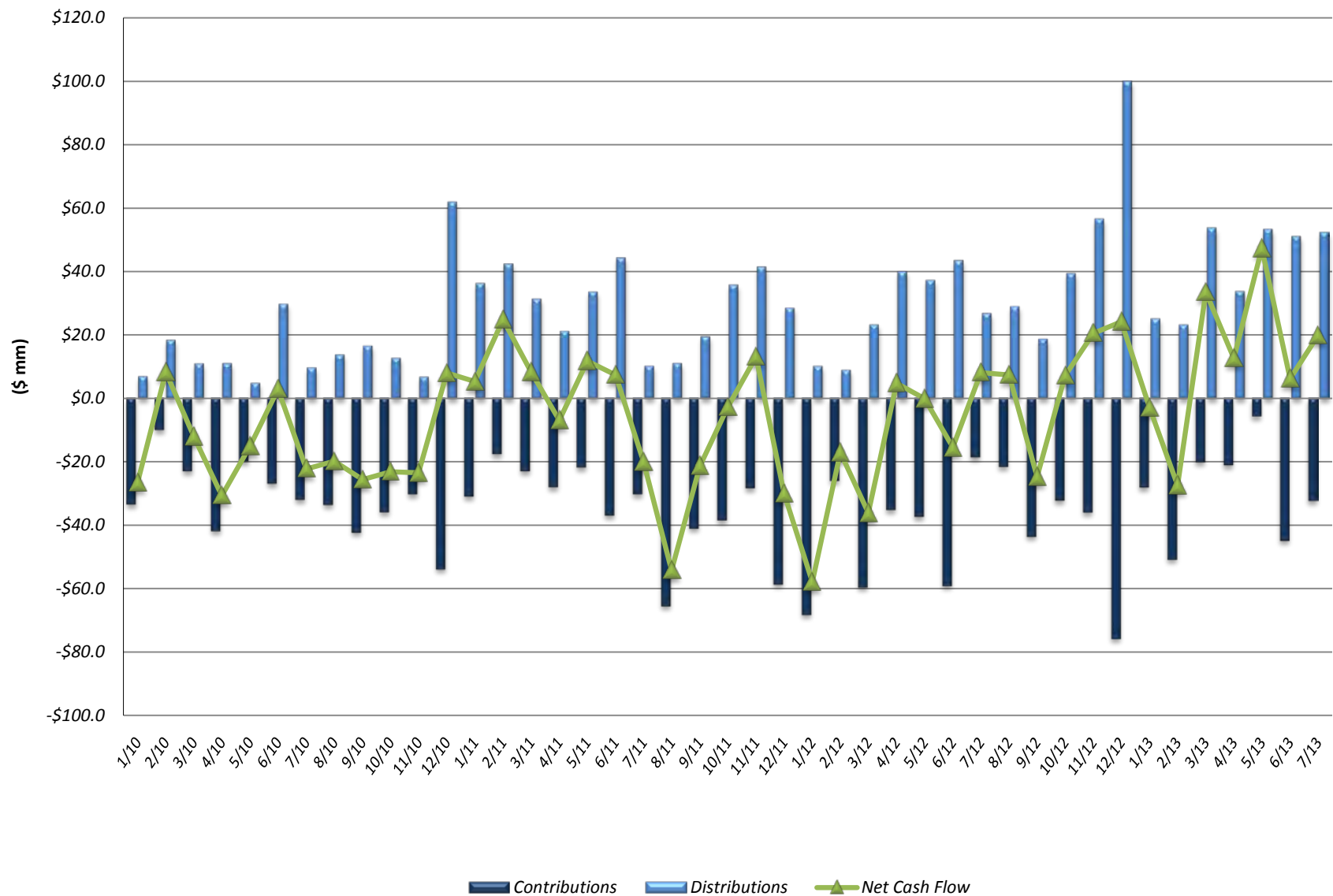
| Vintage Year   | Investment                        | First Drawdown | Committed Capital     | Net Contributed Capital | Net Distributed Capital | Market Value | Multiple   | IRR        |
|--|-----------------------------------|----------------|-----------------------|-------------------------|-------------------------|--------------|------------|------------|
| <b>Commitments Closed Subsequent to as of Date</b>       |                                   |                |                       |                         |                         |              |            |            |
| 2013   | Olympus Growth Fund VI, L.P.      | N/A            | \$ 100,000,000        | \$ -                    | \$ -                    | \$ -         | N/A        | N/A        |
| 2013   | Apollo Investment Fund VIII, L.P. | N/A            | 200,000,000           | -                       | -                       | -            | N/A        | N/A        |
| 2013   | CVC Capital Partners VI, L.P.     | N/A            | 259,970,000           | -                       | -                       | -            | N/A        | N/A        |
| <b>Total Commitments Closed Subsequent to as of Date</b> |                                   |                | <b>\$ 559,970,000</b> | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>  | <b>N/A</b> | <b>N/A</b> |

<sup>1</sup>Please note that the Total Portfolio is inclusive of liquidated investments in the TRS Portfolio and include sales proceeds from the 2012 Secondary Sale Partnerships

Note: Where available, March 31, 2013 reported valuations were used. In the absence of March 31, 2013 reported values, market values have been adjusted forward using interim cashflows through March 31, 2013. The IRR calculated in the early years of a fund is not meaningful given the J-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of March 31, 2013.



### NYC Teachers Monthly PE Cash Flow Summary



# The Townsend Group®

## Teachers' Retirement System of the City of New York

| Vintage Year   | Fund Name  | First Draw Down | Capital Committed      | Contributions          | Distributions          | Market Value           | Equity Multiple | Net IRR      |
|--|--|-----------------|------------------------|------------------------|------------------------|------------------------|-----------------|--------------|
| 2006   | UBS Trumbull Property Fund                               | 9/28/2006       | \$106,000,000          | \$118,804,279          | (\$10,033,134)         | \$123,839,746          | 1.1             | 4.2%         |
| 2006   | RREEF America REIT II                                    | 10/1/2006       | \$36,000,000           | \$47,527,452           | (\$15,140,218)         | \$35,520,719           | 1.1             | 1.3%         |
| 2006   | PRISA SA   | 9/29/2006       | \$36,000,000           | \$37,773,271           | (\$4,141,926)          | \$35,196,315           | 1.0             | 0.7%         |
| 2006   | Prologis Targeted U.S. Logistics Fund                    | 10/1/2006       | \$10,000,000           | \$11,694,547           | (\$1,776,156)          | \$7,774,759            | 0.8             | -3.7%        |
| 2007   | JP Morgan Strategic Property Fund                        | 12/4/2006       | \$86,000,000           | \$89,317,779           | \$0                    | \$109,474,056          | 1.2             | 5.3%         |
| 2007   | Heitman HART   | 3/29/2007       | \$48,000,000           | \$56,904,189           | (\$8,904,189)          | \$59,370,406           | 1.2             | 4.8%         |
| 2007   | PRISA II   | 6/30/2007       | \$63,374,139           | \$65,578,915           | (\$5,203,878)          | \$59,366,724           | 1.0             | -0.3%        |
| 2007   | JP Morgan Special Situation Property Fund                | 1/2/2007        | \$15,000,000           | \$16,324,228           | (\$2,341,624)          | \$12,605,808           | 0.9             | -1.6%        |
| 2007   | Colony Realty Partners II                                | 12/20/2006      | \$15,000,000           | \$16,065,058           | (\$499,580)            | \$6,287,700            | 0.4             | -14.8%       |
| 2007   | RREEF America REIT III - 1410                            | 10/1/2007       | \$15,000,000           | \$14,836,751           | (\$263,288)            | \$6,094,903            | 0.4             | -14.2%       |
| 2010   | LaSalle Property Fund                                    | 7/1/2010        | \$50,000,000           | \$34,449,596           | (\$2,189,449)          | \$38,764,021           | 1.2             | 12.1%        |
| 2012   | Almanac Realty Securities VI                             | 6/6/2012        | \$100,000,000          | \$27,396,036           | (\$5,716,086)          | \$24,469,115           | 1.1             | 28.0%        |
| 2012   | Almanac Realty Securities VI (Sidecar III)               | 7/31/2012       | \$35,000,000           | \$2,553,283            | (\$169,654)            | \$2,599,455            | 1.1             | 20.9%        |
| <b>Core / Core Plus Portfolio</b>                          |  |                 | <b>\$615,374,139</b>   | <b>\$539,225,383</b>   | <b>(\$56,379,182)</b>  | <b>\$521,363,726</b>   | <b>1.1</b>      | <b>1.8%</b>  |
| 2003   | OCM Real Estate Opportunities Fund IIIA                  | 5/30/2003       | \$15,000,000           | \$15,000,000           | (\$22,363,998)         | \$2,266,408            | 1.6             | 10.8%        |
| 2003   | Canyon Johnson Urban Fund                                | 12/6/2002       | \$15,000,000           | \$13,590,364           | (\$15,874,432)         | \$0                    | 1.2             | 10.2%        |
| 2004   | Tishman Speyer Separate Account (TRS)                    | 8/5/2004        | \$100,000,000          | \$72,402,952           | (\$185,099,124)        | \$67,641,500           | 3.5             | 58.3%        |
| 2004   | The City Investment Fund I                               | 3/16/2004       | \$120,000,000          | \$118,337,757          | (\$70,717,778)         | \$56,389,960           | 1.1             | 2.0%         |
| 2004   | Blackstone Fund IV                                       | 5/10/2004       | \$25,000,000           | \$32,033,922           | (\$27,978,815)         | \$13,621,442           | 1.3             | 10.9%        |
| 2005   | Canyon Johnson Urban Fund II                             | 5/11/2005       | \$30,000,000           | \$26,966,112           | (\$18,000)             | \$14,572,596           | 0.5             | -10.9%       |
| 2006   | AREA Real Estate Investment Fund V, LP                   | 6/15/2006       | \$5,000,000            | \$5,000,001            | (\$1,389,386)          | \$2,223,503            | 0.7             | -7.6%        |
| 2007   | Blackstone Real Estate Partners VI                       | 9/27/2007       | \$50,000,000           | \$51,629,641           | (\$11,659,149)         | \$60,232,529           | 1.4             | 10.1%        |
| 2007   | Metropolitan Workforce Housing Fund                      | 7/13/2007       | \$10,500,000           | \$10,509,770           | (\$535,343)            | \$9,936,299            | 1.0             | -0.2%        |
| 2007   | Carlyle Realty Partners V                                | 8/27/2007       | \$15,000,000           | \$17,616,368           | (\$11,917,178)         | \$9,355,419            | 1.2             | 6.3%         |
| 2007   | UrbanAmerica II  | 1/30/2007       | \$11,000,000           | \$10,218,031           | \$0                    | \$5,054,544            | 0.5             | -13.3%       |
| 2008   | Capri Urban Investors                                    | 6/3/2008        | \$40,000,000           | \$39,987,138           | \$0                    | \$27,534,424           | 0.7             | -12.2%       |
| 2008   | Stockbridge Real Estate Fund III                         | 9/9/2008        | \$22,500,000           | \$21,904,458           | \$0                    | \$21,840,800           | 1.0             | -0.1%        |
| 2008   | American Value Partners Fund I                           | 10/18/2007      | \$25,000,000           | \$16,843,230           | (\$3,618,538)          | \$11,974,812           | 0.9             | -3.0%        |
| 2008   | Silverpeak Legacy Partners III (Lehman)                  | 5/28/2008       | \$30,000,000           | \$11,748,148           | (\$2,781,409)          | \$3,004,487            | 0.5             | -21.5%       |
| 2009   | Carbon Capital III                                       | 7/2/2009        | \$40,000,000           | \$43,757,162           | (\$32,452,775)         | \$19,261,714           | 1.2             | 8.4%         |
| 2009   | Thor Urban Property Fund II                              | 10/30/2008      | \$12,500,000           | \$15,616,876           | (\$5,552,254)          | \$9,956,277            | 1.0             | -0.6%        |
| 2010   | Westbrook Real Estate Fund VIII                          | 12/28/2009      | \$50,000,000           | \$57,976,200           | (\$19,326,165)         | \$46,418,801           | 1.1             | 13.1%        |
| 2010   | Blackstone Real Estate Partners Europe III (USD Vehicle) | 10/24/2008      | \$50,000,000           | \$31,184,507           | (\$920,230)            | \$35,727,252           | 1.2             | 13.6%        |
| 2010   | Canyon Johnson Urban Fund III                            | 3/29/2010       | \$25,000,000           | \$21,256,203           | (\$3,779,413)          | \$19,283,418           | 1.1             | 6.1%         |
| 2011   | Carlyle Realty Partners VI                               | 9/14/2011       | \$70,000,000           | \$22,638,816           | (\$1,581,015)          | \$25,785,638           | 1.2             | 22.2%        |
| 2011   | H/2 Special Opportunities Fund II                        | 1/31/2011       | \$40,000,000           | \$12,192,523           | \$0                    | \$17,174,215           | 1.4             | 30.3%        |
| 2012   | Taconic New York City Investment Fund LP                 | 7/5/2012        | \$70,000,000           | \$21,159,091           | \$0                    | \$20,616,367           | 1.0             | -4.8%        |
| 2012   | Brookfield Strategic Real Estate Partners                | 9/20/2012       | \$110,000,000          | \$13,357,292           | \$0                    | \$14,498,300           | 1.1             | 17.0%        |
| <b>Non Core and Emerging Manager Portfolio</b>             |  |                 | <b>\$997,860,625</b>   | <b>\$707,133,086</b>   | <b>(\$421,771,527)</b> | <b>\$514,370,705</b>   | <b>1.3</b>      | <b>14.0%</b> |
| <b>Teachers' Retirement System of the City of New York</b> |  |                 | <b>\$1,613,234,764</b> | <b>\$1,246,358,470</b> | <b>(\$478,150,708)</b> | <b>\$1,035,734,431</b> | <b>1.2</b>      | <b>7.2%</b>  |

### Funds Closed Subsequent to Quarter

| Vintage            | Fund Name                                    | First Draw Down | Capital Committed    | Contributions |   |   |   |   |
|--------------------|--|-----------------|----------------------|---------------|---|---|---|---|
| 2012               | Emmes Asset Management                       |                 | \$60,000,000         | -             | - | - | - | - |
| 2013               | NYC Related Superstorm Sandy Rebuilding Fund |                 | \$145,000,000        | -             | - | - | - | - |
| 2013               | KTR Industrial Fund III                      |                 | \$95,000,000         | -             | - | - | - | - |
| 2013               | NYC Hudson Superstorm Sandy Rebuilding Fund  |                 | <u>\$96,000,000</u>  | -             | - | - | - | - |
| <b>Grand Total</b> |  |                 | <b>\$396,000,000</b> |               |   |   |   |   |

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of March 31, 2013. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

### TRS Monthly Real Estate Cash Flow Summary

