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SCOTT M. STRINGER  
COMPTROLLER

## MEMORANDUM

**TO:** Trustees  
New York City Employees' Retirement System

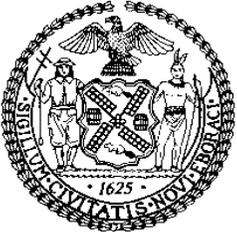
**FROM:** Seema R. Hingorani

**DATE:** February 18, 2014

**RE:** NYC Employees' Retirement System Investment Meeting –  
February 25, 2014

Enclosed is a copy of the **Public agenda** for the February 25, 2014 Investment Meeting. The meeting will be held at 335 Adams Street - Suite 2200, Brooklyn, N.Y., (beginning at 9:30am).

If you have questions about any agenda item please call me at (212) 669-3679.



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

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Scott M. Stringer  
COMPTROLLER

## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

### INVESTMENT MEETING

FEBRUARY 25, 2014

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT MEETING

FEBRUARY 25, 2014

PUBLIC AGENDA

I. December Monthly Performance Review: (30 Minutes)	<u>Page</u> 4
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APPENDICES:

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• Liquidity Analysis	50

# PUBLIC AGENDA

I. December Monthly Performance Review:

*Monthly Performance Review  
December 2013*

*Prepared for the New York City  
Employees' Retirement System*

*2/25/2014*

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# **ECONOMIC INDICATORS**

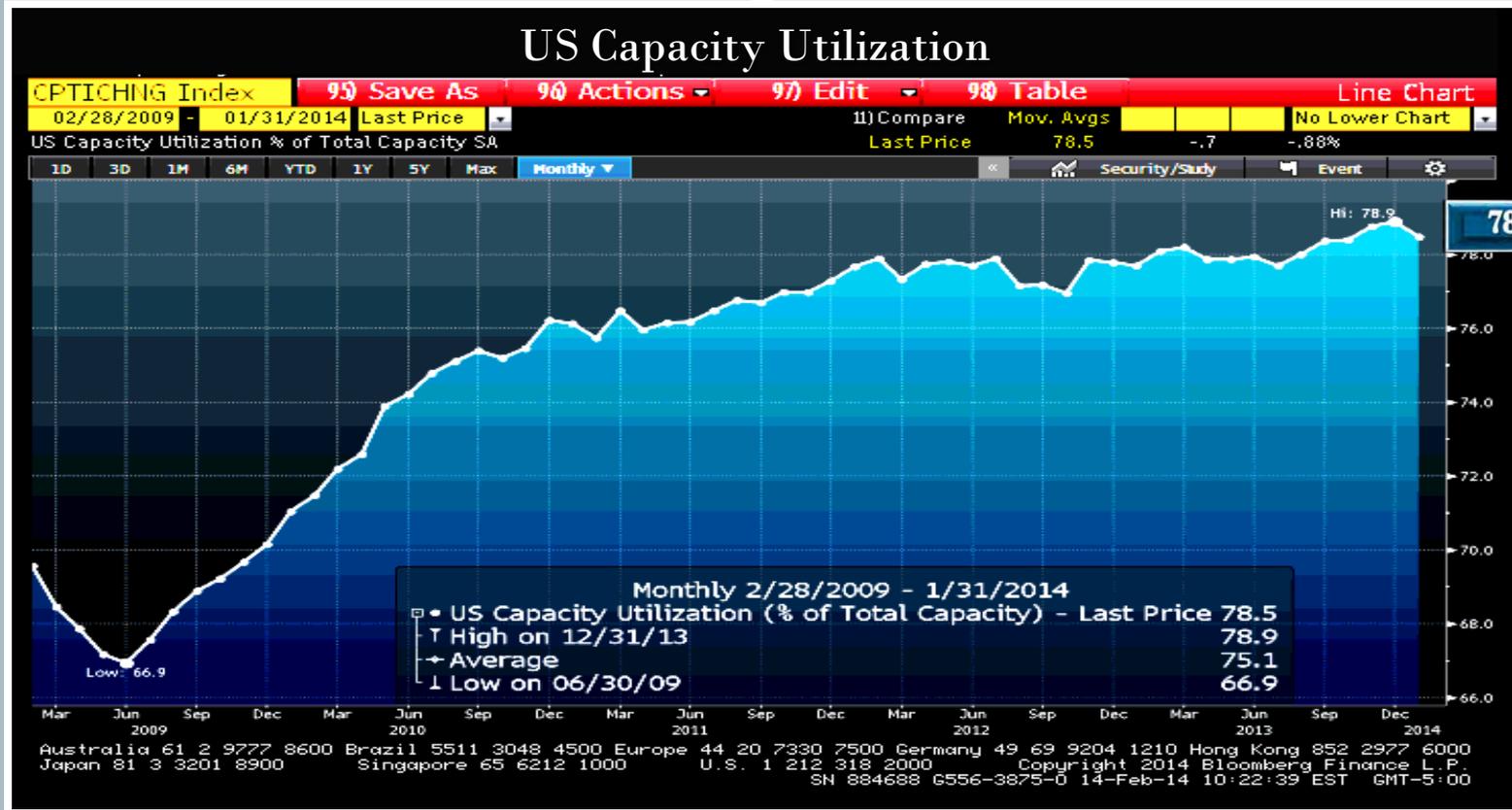
*AS OF FEBRUARY 2014*



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

# CAPACITY UTILIZATION

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- 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



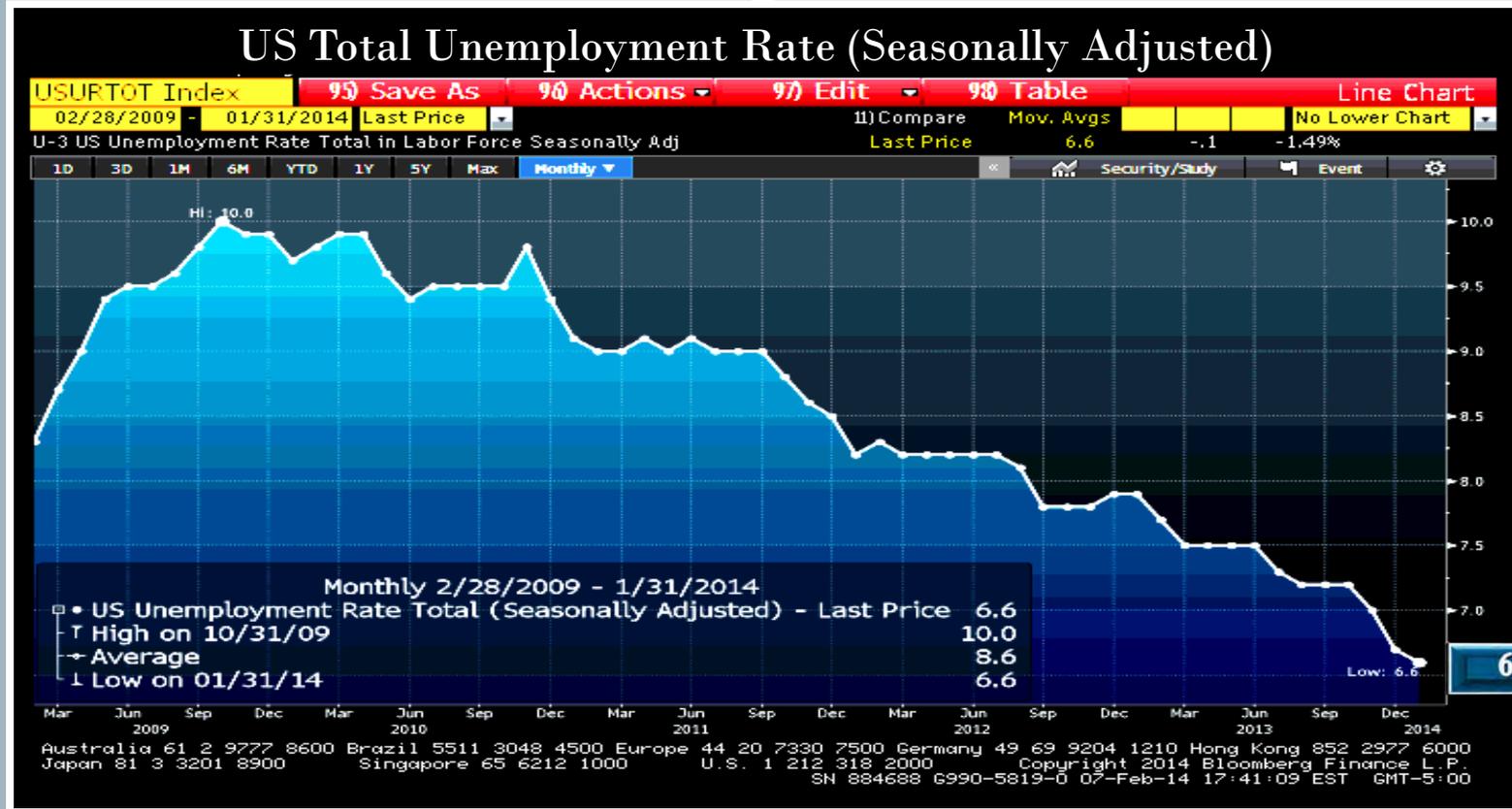
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# WEEKLY UNEMPLOYMENT CLAIMS



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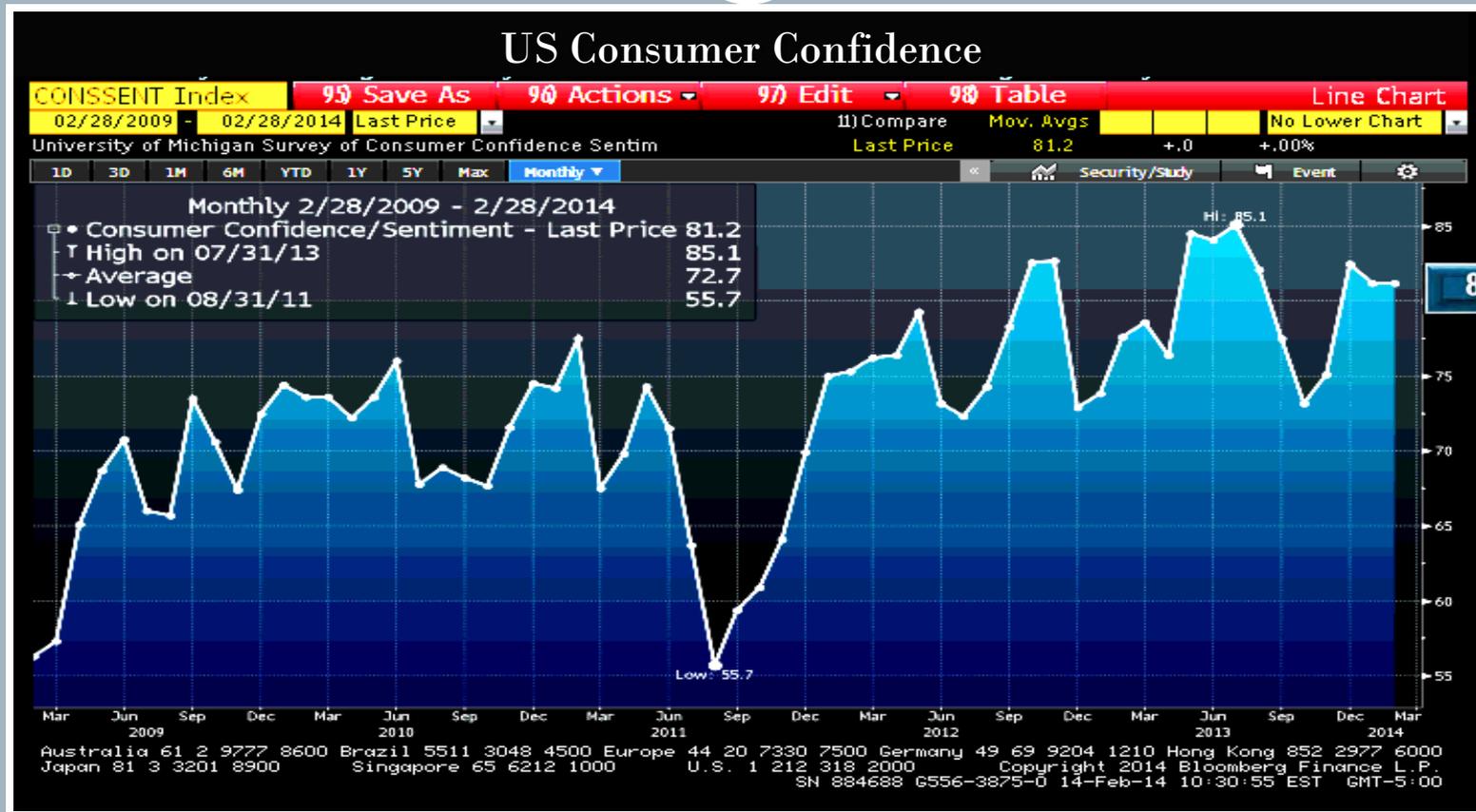
# UNEMPLOYMENT RATE



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# CONSUMER SENTIMENT

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# ARCHITECTURAL BILLINGS INDEX

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- A SCORE ABOVE 50 INDICATES AN INCREASE IN THE BILLINGS WHILE A READING BELOW 50 INDICATE A NEGATIVE OUTLOOK;
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A SIX TO NINE 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 EXCLUSIVE INDICATORS.

# EXISTING HOME SALES

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# NEW HOUSING STARTS

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# RETAIL SALES

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# US AUTO SALES

11



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# INDEX OF LEADING ECONOMIC INDICATORS

12



- **NOTE: THE INDEX OF LEI IS COMPOSED OF: AVE. WEEKLY MANU. HRS., WEEKLY JOBLESS CLAIMS, MANU.'S NEW ORDERS, -CONSUMER & CAPITAL, VENDOR PERFORMANCE, NEW BUILDING PERMITS, STOCK PRICES, MONEY SUPPLY M2, INT. RATE SPREADS & CONSUMER**
- **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

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# **MARKET INDICATORS**

*AS OF FEBRUARY 2014*



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

# TRADE WEIGHTED US DOLLAR INDEX

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# USD/EUR EXCHANGE RATE

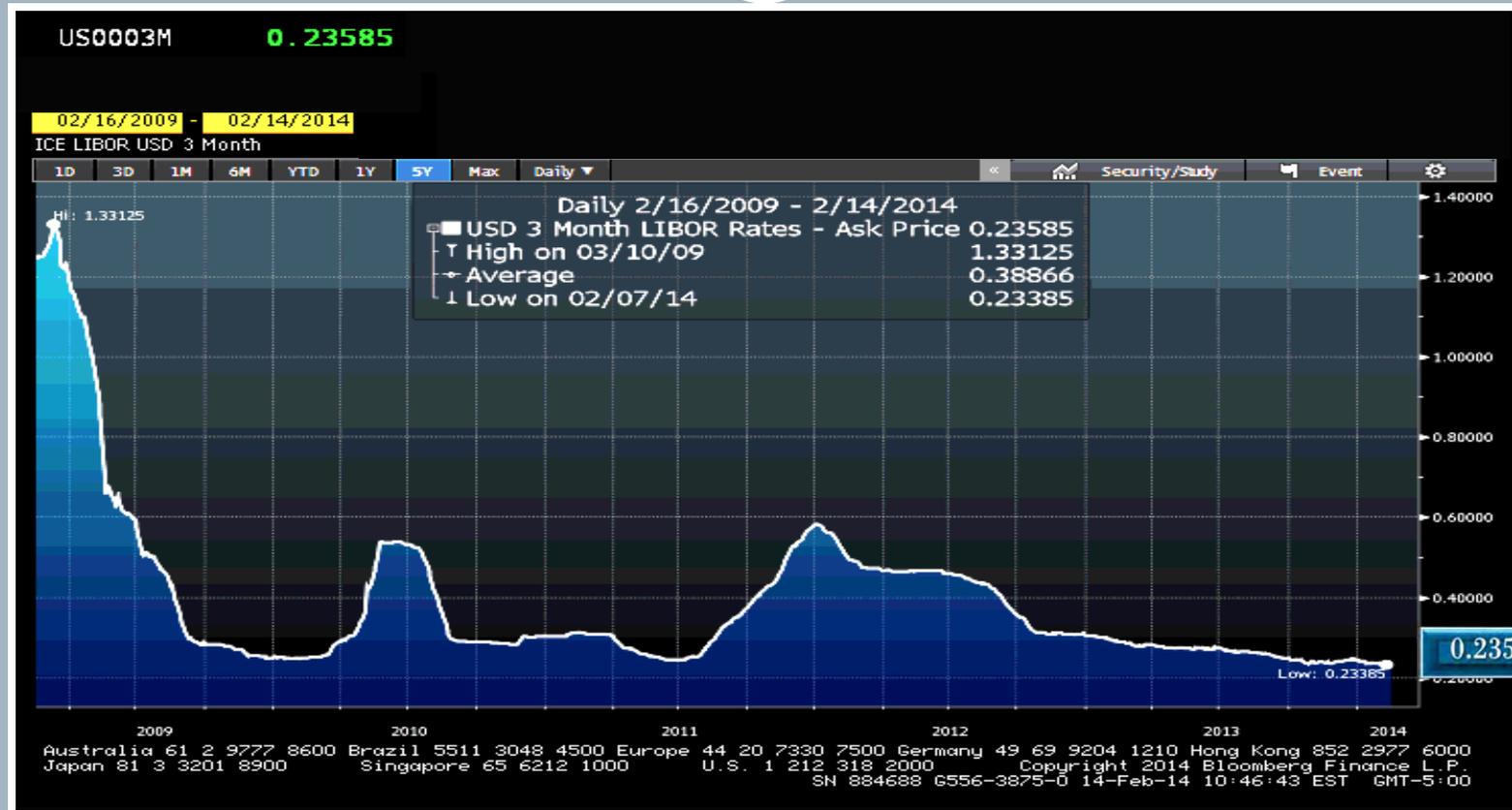
16



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# USD THREE MONTH LIBOR RATES

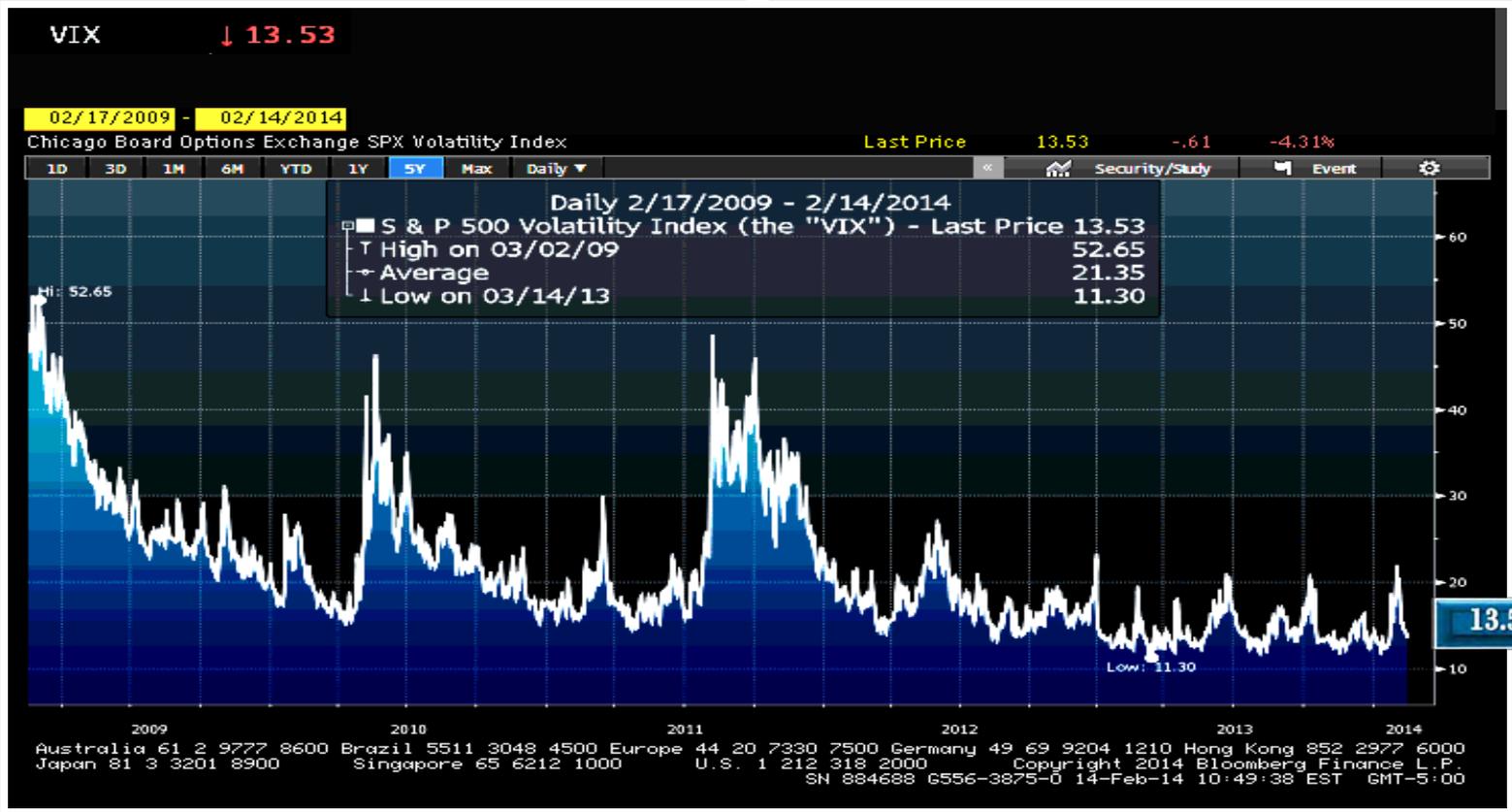
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# VOLATILITY INDEX (THE "VIX")

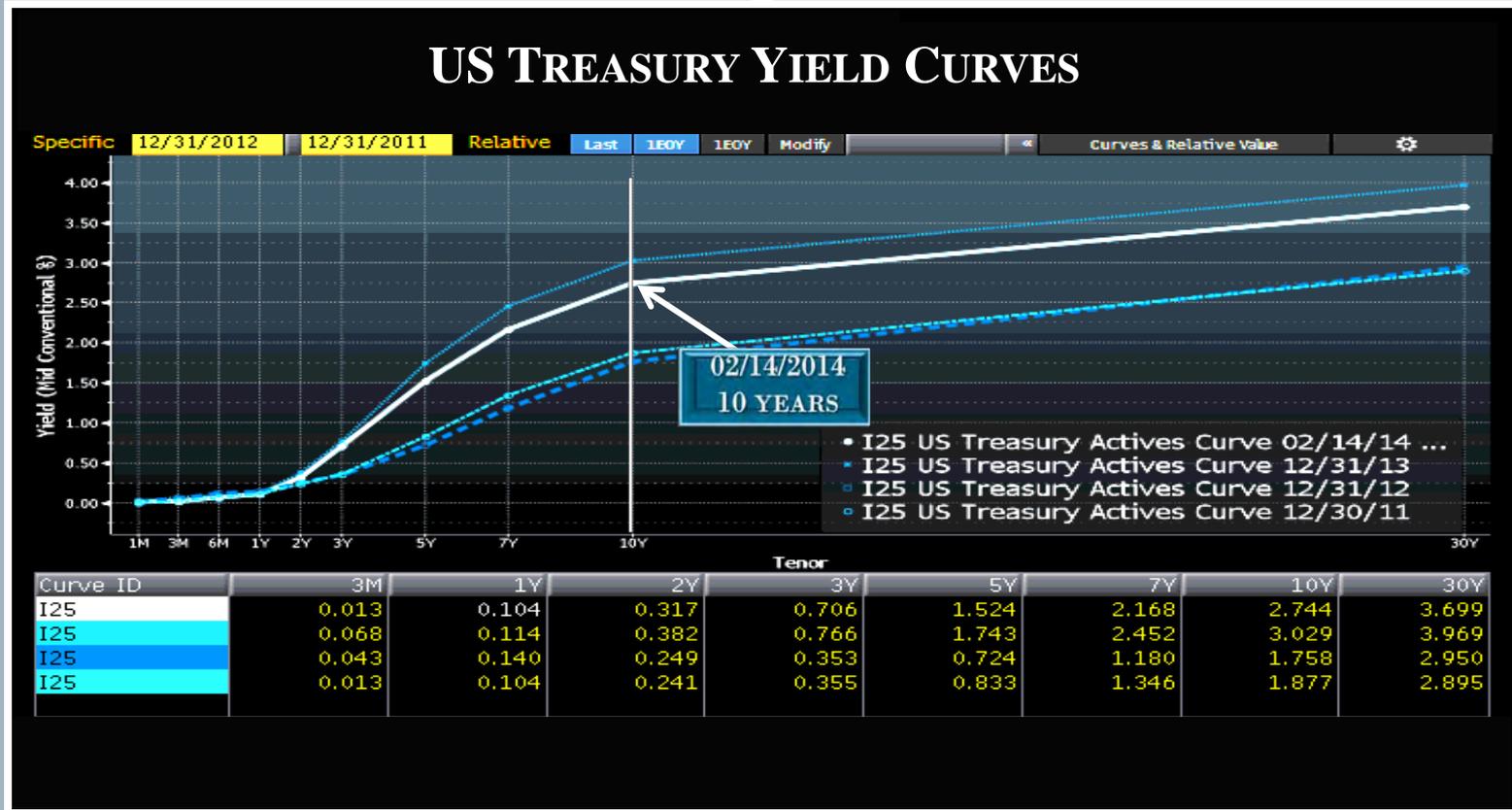
18



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# US HISTORICAL TREASURY YIELD CURVES

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# 10 YEAR TREASURY RATES

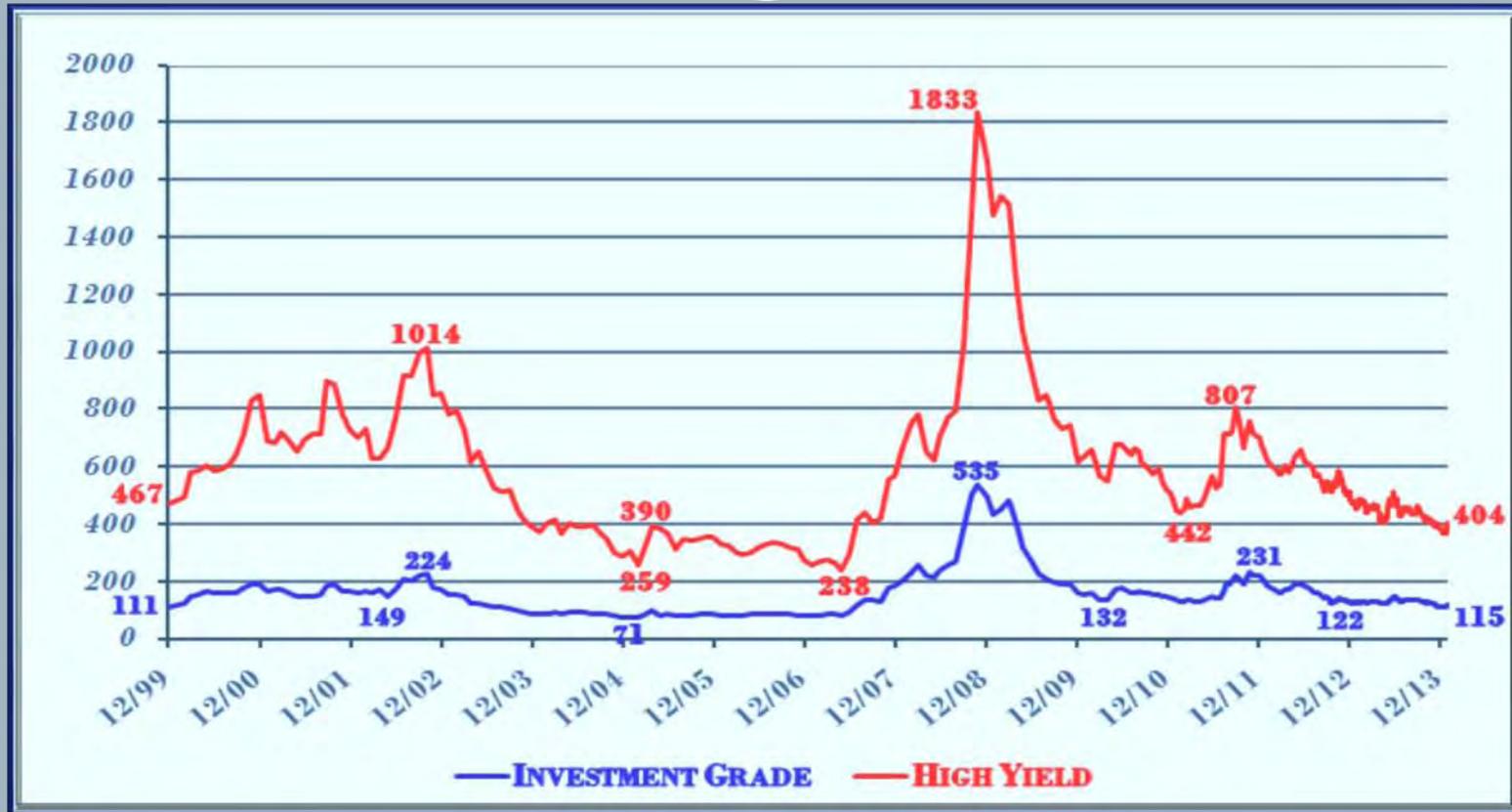
20



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# INVESTMENT GRADE AND HY SPREADS

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# CORPORATE EARNINGS

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

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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

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

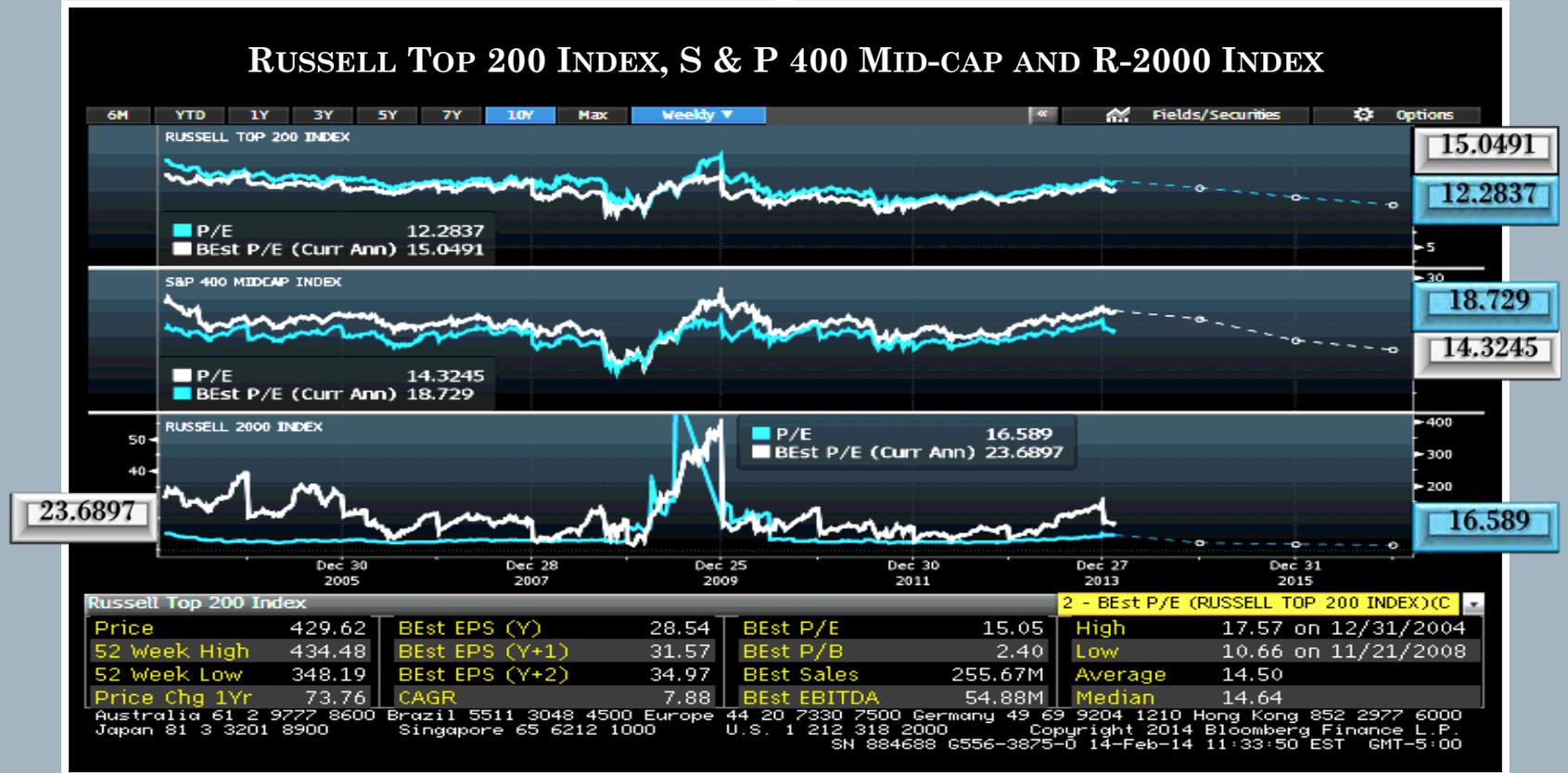


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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES



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



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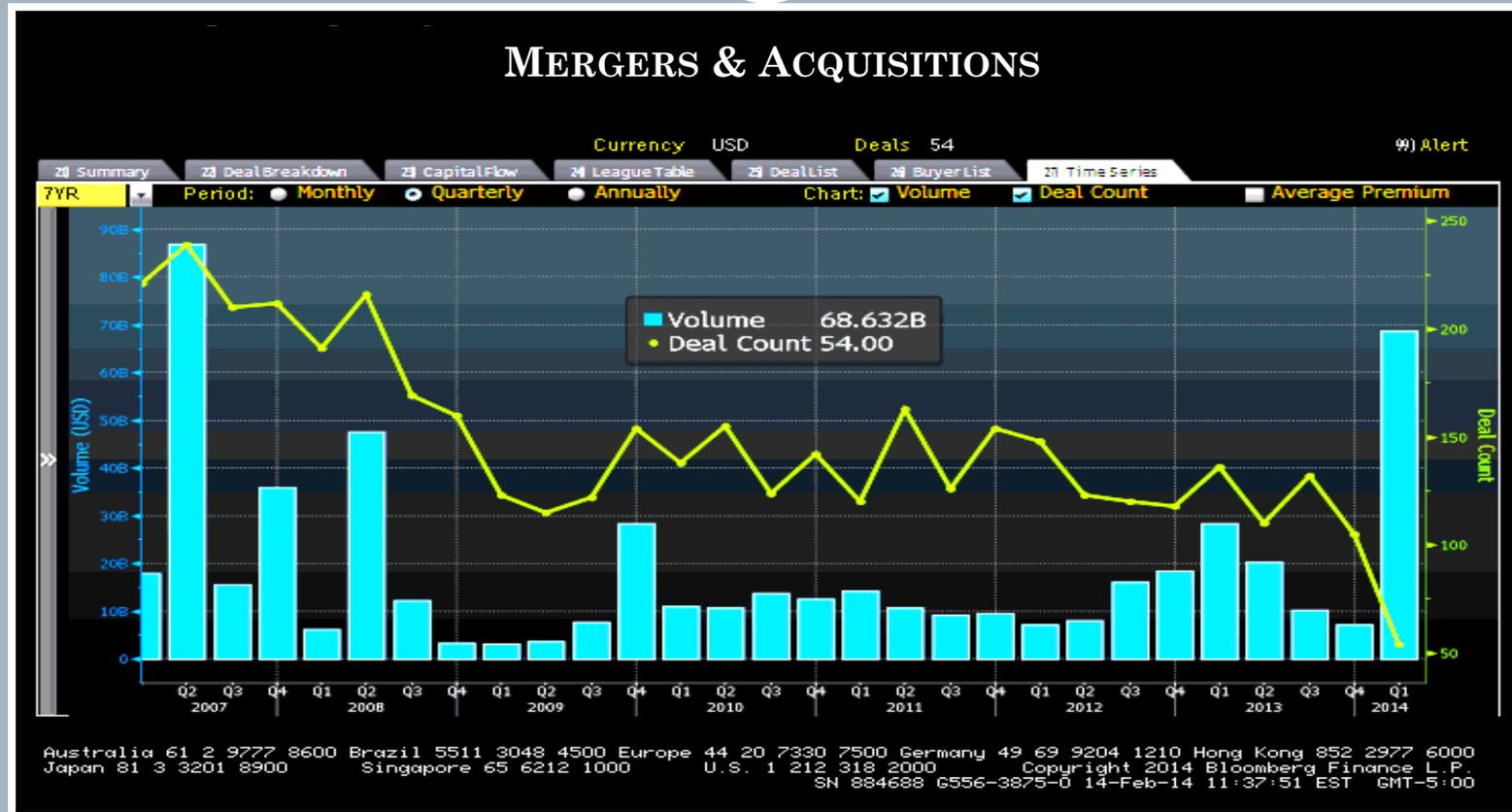
# RECENT GLOBAL EQUITY MARKET RETURNS



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# MERGERS & ACQUISITIONS ACTIVITY

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**MARKET INDICATORS**

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	2.53	10.51	16.31	32.39	23.93	16.18	17.94	7.41
S&P 400 MIDCAP	3.09	8.33	16.50	33.50	25.45	15.64	21.89	10.36
RUSSELL 1000	2.70	10.23	16.86	33.11	24.49	16.30	18.59	7.78
RUSSELL 2000	1.97	8.72	19.82	38.82	27.09	15.67	20.08	9.07
RUSSELL 3000	2.64	10.10	17.09	33.55	24.69	16.24	18.71	7.88
RUSSELL 3000 GROWTH	2.79	10.25	19.60	34.23	24.35	16.47	20.56	7.95
RUSSELL 3000 VALUE	2.48	9.95	14.60	32.69	24.89	15.93	16.75	7.66
MSCI EAFE NET	1.50	5.71	17.94	22.78	20.02	8.17	12.44	6.91
MSCI EMF NET	(1.45)	1.83	7.70	(2.60)	7.31	(2.06)	14.79	11.17
FTSE CUSTOM NYCERS	(1.17)	1.40	5.51	(4.22)	6.24	(2.63)	16.15	12.09
MSCI WORLD NET	2.12	8.00	16.83	26.68	19.03	10.20	14.22	6.60
MSCI EUROPE SMID CAP NET	3.23	9.23	27.26	33.72	29.38	11.17	19.34	10.18
MSCI AC WORLD ex US NET	0.88	4.77	15.34	15.29	16.06	5.14	12.81	7.57
1 YEAR TREASURY BILL YIELD + 4%	0.36	1.03	2.16	4.30	4.27	4.37	4.55	6.07
HFRI FUND OF FUNDS COMPOSITE + 1%	1.17	3.69	5.83	9.99	7.87	3.50	5.88	4.39
NYC - TREASURY AGENCY PLUS FIVE	(1.79)	(1.98)	(2.56)	(7.48)	(1.98)	4.40	2.85	5.51
CITIGROUP MORTGAGE	(0.51)	(0.55)	0.51	(1.52)	0.52	2.43	3.70	4.65
NYC - INVESTMENT GRADE CREDIT	(0.14)	0.92	1.68	(1.85)	3.68	5.03	7.88	5.12
NYC - CORE PLUS FIVE	(0.58)	(0.19)	0.44	(2.79)	1.23	3.88	5.00	5.12
CITIGROUP BROAD INVESTMENT GRADE	(0.53)	(0.15)	0.42	(2.04)	1.04	3.26	4.22	4.66
BARCLAYS AGGREGATE	(0.57)	(0.14)	0.43	(2.02)	1.05	3.26	4.44	4.55
CITIGROUP BB & B	0.46	3.38	5.32	6.17	10.23	9.00	15.56	7.07
BofA ML HIGH YIELD MASTER II	0.55	3.50	5.83	7.42	11.43	9.03	18.65	8.46
CSFB LEVERAGED LOAN	0.53	1.82	3.25	6.15	7.78	5.76	13.51	5.06
BARCLAYS GLOBAL US TIPS	(1.47)	(2.00)	(1.31)	(8.61)	(1.12)	3.55	5.63	4.85
BofA ML ALL CONVERTIBLES EX MANDATORY	1.95	6.06	13.87	25.00	19.59	11.37	18.83	
DJ US SELECT REAL ESTATE	0.54	(1.08)	(4.14)	1.31	8.91	8.90	16.44	8.24
NCREIF NFI - ODCE NET	2.94	2.94	6.38	12.90	11.34	12.53	2.71	6.16
91 DAY TREASURY BILL	0.01	0.02	0.03	0.07	0.09	0.10	0.12	1.69



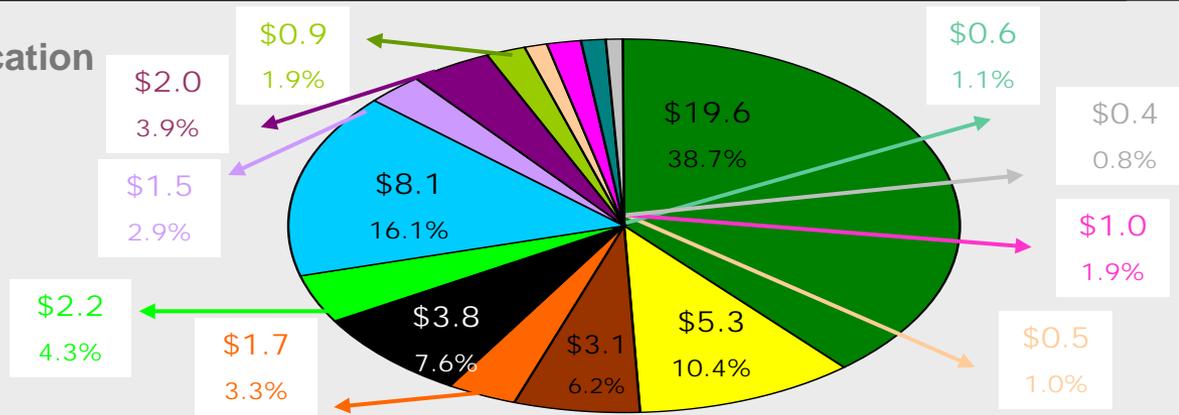
**MARKET INDICATORS**

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	(3.46)	2.00	12.29	21.52	19.12	13.93	19.19	6.83
S&P 400 MIDCAP	(2.12)	2.23	14.03	21.87	20.20	14.06	23.21	9.89
RUSSELL 1000	(3.19)	2.21	13.13	22.23	19.60	14.14	19.84	7.23
RUSSELL 2000	(2.77)	3.12	16.50	27.03	21.11	14.69	22.26	8.31
RUSSELL 3000	(3.16)	2.28	13.39	22.60	19.72	14.18	20.03	7.32
RUSSELL 3000 GROWTH	(2.76)	2.88	16.30	24.95	19.06	14.53	21.13	7.41
RUSSELL 3000 VALUE	(3.58)	1.66	10.50	20.18	20.25	13.75	18.83	7.07
MSCI EAFE NET	(4.03)	(1.84)	13.19	11.93	14.56	5.87	13.84	6.32
MSCI EMF NET	(6.49)	(9.19)	0.71	(10.17)	(1.66)	(3.35)	14.78	10.05
FTSE CUSTOM NYCERS	(6.38)	(10.00)	(1.23)	(10.54)	(2.60)	(3.52)	16.07	10.82
MSCI WORLD NET	(3.70)	0.08	12.50	16.07	13.98	8.02	15.46	6.03
MSCI EUROPE SMID CAP NET	(1.79)	2.68	24.98	24.73	23.46	9.54	20.72	9.52
MSCI AC WORLD ex US NET	(4.54)	(3.54)	10.10	5.75	9.73	3.19	13.86	6.90
1 YEAR TREASURY BILL YIELD + 4%	0.37	1.07	2.54	4.32	4.28	4.35	4.58	6.06
HFRI FUND OF FUNDS COMPOSITE + 1%	(0.54)	1.76	5.26	7.07	6.60	3.24	5.60	4.16
NYC - TREASURY AGENCY PLUS FIVE	2.94	(0.06)	0.31	(2.80)	(0.84)	5.60	4.64	5.67
CITIGROUP MORTGAGE	1.66	0.45	2.17	0.61	1.13	2.93	4.01	4.76
NYC - INVESTMENT GRADE CREDIT	1.32	0.81	3.03	0.36	3.32	5.42	8.03	5.14
NYC - CORE PLUS FIVE	1.68	0.46	2.13	(0.19)	1.56	4.45	5.55	5.19
CITIGROUP BROAD INVESTMENT GRADE	1.45	0.48	1.87	0.10	1.34	3.72	4.71	4.73
BARCLAYS AGGREGATE	1.48	0.53	1.91	0.12	1.35	3.73	4.93	4.62
CITIGROUP BB & B	0.68	1.47	6.04	5.84	9.20	8.49	14.23	6.98
BofA ML HIGH YIELD MASTER II	0.74	1.76	6.61	6.74	10.25	8.54	17.60	8.36
CSFB LEVERAGED LOAN	0.71	1.73	3.98	5.72	7.10	5.32	12.40	5.03
BARCLAYS GLOBAL US TIPS	1.98	(0.61)	0.64	(6.17)	(1.27)	4.16	5.69	4.93
BofA ML ALL CONVERTIBLES EX MANDATORY	1.89	5.87	16.02	22.58	17.58	11.26	19.25	
DJ US SELECT REAL ESTATE	4.00	(1.17)	(0.30)	1.90	7.63	9.08	22.15	8.27
NCREIF NFI - ODCE NET	0.00	2.94	6.38	12.90	11.34	12.53	2.71	6.16
91 DAY TREASURY BILL	0.01	0.03	0.04	0.08	0.10	0.10	0.13	1.69

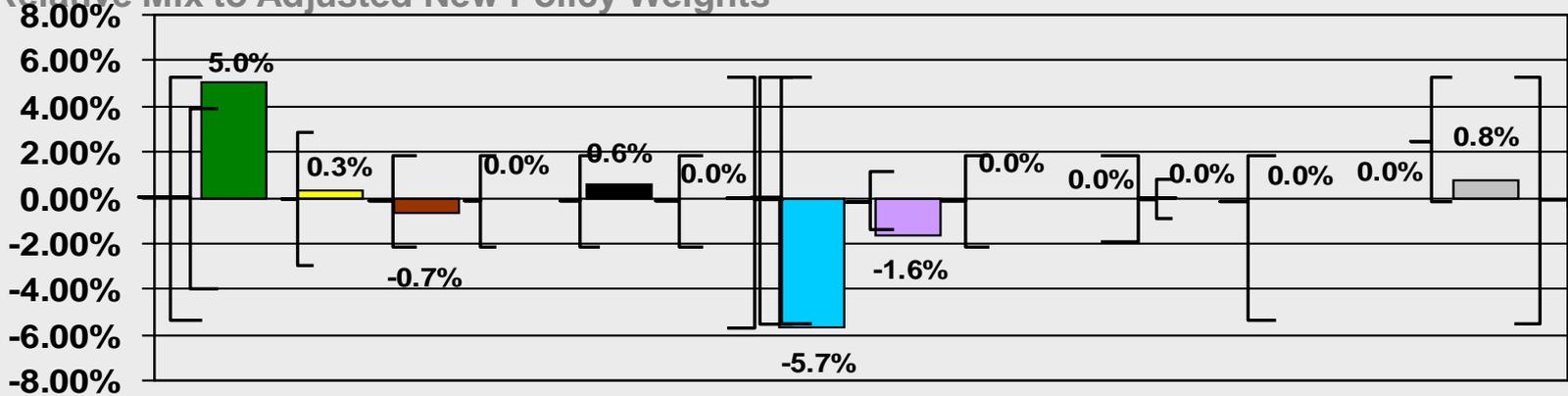
# Portfolio Asset Allocation: December 31, 2013

**\$50.5B** Under Management

## Asset Allocation



## Relative Mix to Adjusted New Policy Weights

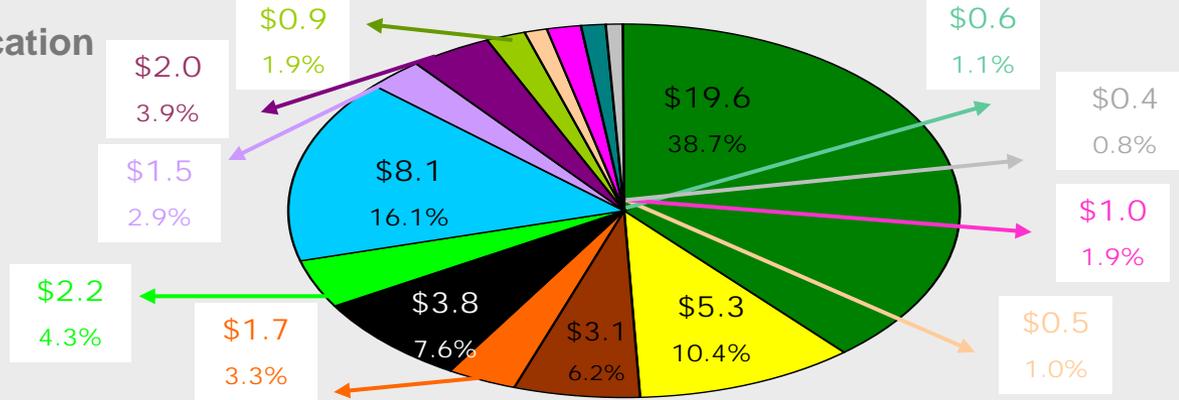


Note: Brackets represent rebalancing ranges versus policy.

# Portfolio Asset Allocation: December 31, 2013

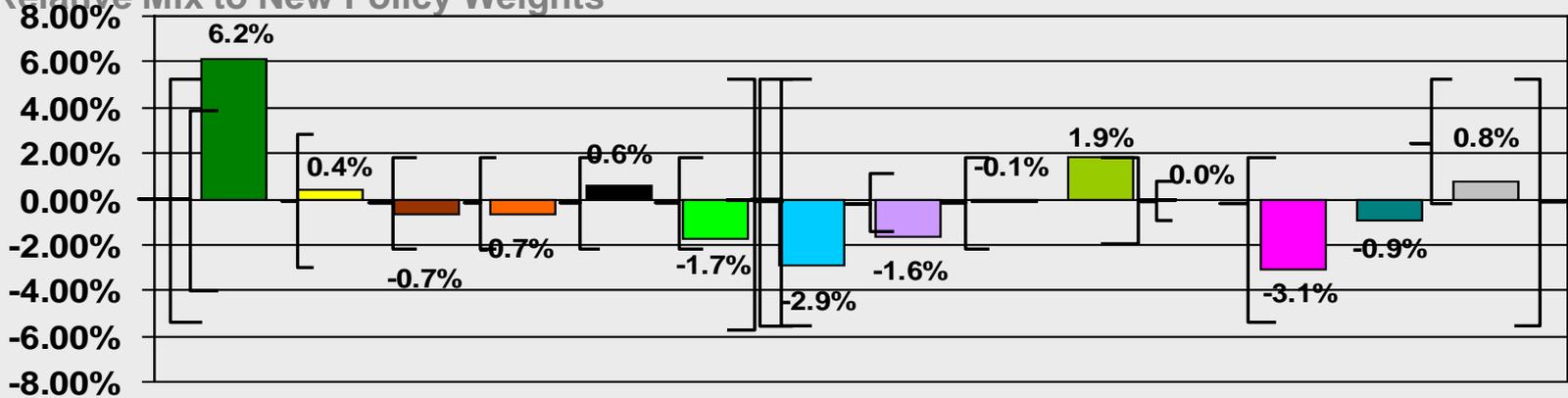
**\$50.5B** Under Management

## Asset Allocation



- Domestic Equity
- EAFE Markets
- Emerging Markets
- Hedge Funds
- Private Equity
- Real Assets
- Core + 5
- TIPS
- Enhanced Yield
- Bank Loans
- Convertible Bonds
- Opportunistic FI
- ETI
- Cash

## Relative Mix to New Policy Weights



Note: Brackets represent rebalancing ranges versus policy.

# NYC EMPLOYEES' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of December 31st, 2013)*

### ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range <sup>***</sup>
<b>TOTAL EQUITIES</b>	\$35,623.9	70.6%	66.5%	NA	65.3%	60.3% - 70.3%
<b>TOTAL FIXED INCOME</b>	\$14,862.5	29.4%	33.5%	NA	34.7%	29.7% - 39.7%
<b>TOTAL ASSETS</b>	\$50,486.4	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range <sup>***</sup>
US Equities	\$19,562.2	38.7%	32.6%	1.1%	33.7%	29.7% - 37.7%
Non-US Equities/EAFE	\$5,250.2	10.4%	10.0%	0.1%	10.1%	7.1% - 13.1%
Emerging Markets	\$3,147.7	6.2%	6.9%	NA	6.9%	4.9% - 8.9%
<b>TOTAL PUBLIC EQUITY</b>	\$27,960.1	55.4%	49.5%	NA	50.7%	
<b>HEDGE FUNDS</b>	\$1,659.3	3.3%	4.0%	NA	3.3%	2.0% - 6.0%
* <b>REAL ASSETS</b>	\$2,159.3	4.3%	6.0%	NA	4.3%	4.0% - 8.0%
* <b>PRIVATE EQUITY</b>	\$3,845.2	7.6%	7.0%	NA	7.0%	5.0% - 9.0%
<b>TOTAL EQUITIES</b>	\$35,623.9	70.6%	66.5%	NA	65.3%	60.3% - 70.3%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range <sup>***</sup>
Core +5	US - Government	\$986.4	2.0%	NA	21.8%	16.8% - 26.8%
	US - Mortgage	\$3,061.9	6.1%	19.0%		
	US - Investment Grade Credit	\$3,708.1	7.3%	NA		
	<b>TOTAL CORE + 5</b>	\$8,120.5	16.1%	19.0%	2.8%	
High Yield	\$1,961.8	3.9%	4.0%	NA	5.6%	3.6% - 7.6%
Bank Loans	\$946.1	1.9%		NA		
<b>Total High Yield &amp; Bank Loans</b>	\$2,907.9	5.8%		1.6%		
TIPS	\$1,456.1	2.9%	4.5%	NA	4.5%	3.0% - 6.0%
Convertible Bonds	\$484.9	1.0%	1.0%	NA	1.0%	0.0% - 2.0%
** ETI	\$551.3	1.1%	**2.0%	NA	**1.1%	**1.1%
Cash	\$387.0	0.8%	0.0%	NA	0.0%	0.0% - 5.0%
<b>TOTAL PUBLIC FIXED INCOME</b>	\$13,907.7	27.5%	28.5%	NA	32.8%	
* <b>OPPORTUNISTIC FIXED INCOME</b>	\$954.8	1.9%	5.0%	NA	1.9%	0.0% - 7.0%
<b>TOTAL FIXED INCOME</b>	\$14,862.5	29.4%	33.5%	NA	34.7%	29.7% - 39.7%

\* 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: Total Equities: +/-5%; Total Fixed Income: +/-5%; US Equities: +/-4%; Non-US Equities/EAFE: +/-3%; Emerging Markets: +/-2%; Hedge Funds: +/-2%; Real Assets: +/-2%; Private Equity: +/-2%; Core +5: +/-5%; TIPS: +/-1.5%; High Yield & Bank Loans: +/-2% (Bank Loans up to 1/3 of Adjusted Policy); Convertible Bonds: +/-1%; Cash: 0-5%; OFI: +2%/-5%.

# NYC EMPLOYEES' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of December 31st, 2013)*

### Adjustments to Long-Term Asset Allocation

**1) Private Equity**

100% of uninvested commitments will be invested in Global Equity.

**2) Real Assets**

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in US Equity.

**3) Opportunistic Fixed Income**

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in High Yield.

**4) Hedge Funds**

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in Global Equity.

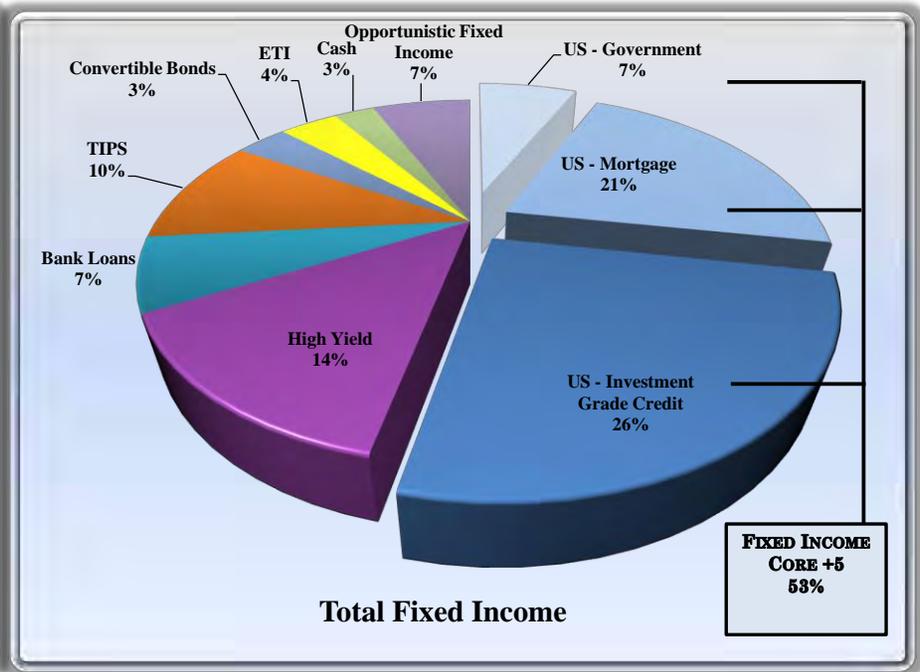
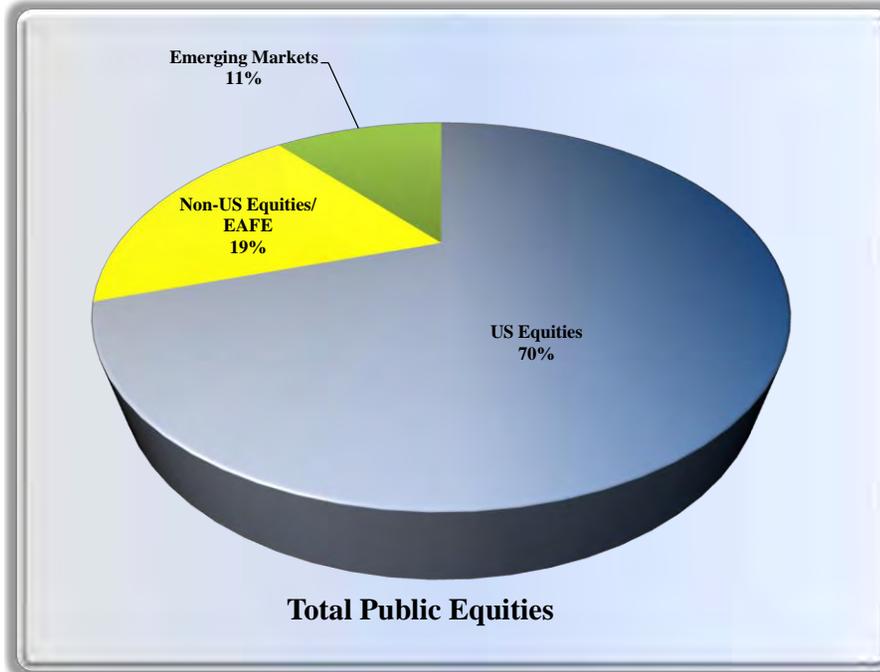
### Impact of Adjustments

<b>1) Core +5 Policy Target %</b>	<b>19.0%</b>
Adjustment: 50% of uninvested Opportunistic FI	1.6%
Adjustment: 50% of uninvested Real Assets	0.9%
Adjustment: 50% of uninvested Hedge Funds	<u>0.4%</u>
<b>Adjusted Core+5 Policy Target %</b>	<b>21.8%</b>
<b>2) High Yield Policy Target %</b>	<b>4.0%</b>
Adjustment: 50% of uninvested Opportunistic FI	<u>1.6%</u>
<b>Adjusted High Yield Policy Target %</b>	<b>5.6%</b>
<b>3) Domestic Equity Policy Target %</b>	<b>32.6%</b>
Adjustment: 50% of uninvested Real Assets	0.9%
Adjustment: 79% of uninvested Private Equity	0.0%
Adjustment: 39% of uninvested Hedge Funds	<u>0.3%</u>
<b>Adjusted Domestic Equity Policy Target %</b>	<b>33.7%</b>
<b>4) Non-U.S. Equity (Developed) Policy Target %</b>	<b>10.0%</b>
Adjustment: 21% of uninvested Private Equity	0.0%
Adjustment: 11% of uninvested Hedge Funds	<u>0.1%</u>
<b>Adjusted Non-U.S. Equity (Developed) Policy Target %</b>	<b>10.1%</b>

# NYC EMPLOYEES' RETIREMENT SYSTEM

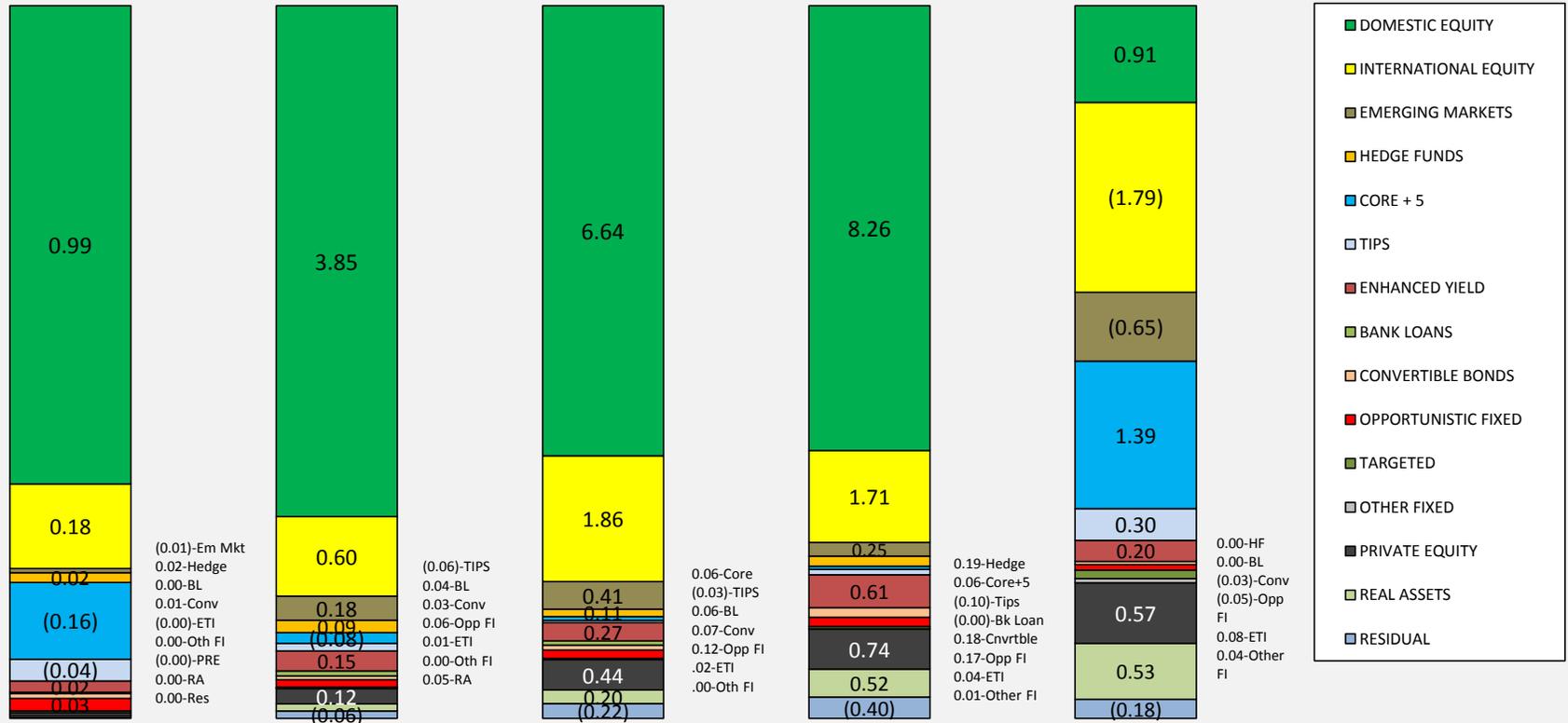
## CLASSIFICATION OF INVESTMENTS

*(as of December 31st, 2013)*



Note: Totals may not equal 100% due to rounding

### NYC Employees' Retirement System Contribution to Return - December 2013



**1 Month - Total Fund**  
Return: 1.03%

**3 Months - Total Fund**  
Return: 4.98%

**FYTD - Total Fund**  
Return: 10.01%

**FY Ending 6/30/13 Total**  
Fund Return: 12.24%

**FY Ending 6/30/12**  
Fund Return: 1.32%

Prepared by State Street  
Investment Analytics

# New York City Employees' Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total

Periods Ending December 31, 2013



STATE STREET

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	CYE 12/31/09	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	Inception ITD	Inception Date
<b>ASSET CLASS SUMMARY</b>																	
NYCERS-TOTAL DOM EQUITY	19,562.2	38.75	2.58	10.04	17.32	34.39	22.75	16.62	0.17	17.16	28.26	34.39	16.23	18.73	7.96	11.47	Aug-01-79
NYCERS-TOTAL EAFE ENVIRONMENTAL ACTIVIST	5,250.2	10.40	1.70	5.84	18.60	22.57	17.45	17.47	-12.59	11.17	33.66	22.57	7.97	13.34		6.94	Apr-01-04
NYCERS-TOTAL EMERGING MARKETS	3,147.7	6.23	-0.14	2.90	6.74	-1.64	4.09	19.81	-18.76	26.33	86.55	-1.64	-1.44	17.67		9.85	Sep-01-05
NYCERS-TOTAL HEDGE FUNDS	1,659.3	3.29	0.61	2.84	3.34	5.11	8.59	7.69				5.11				3.81	Jul-01-11
NYCERS-TOTAL CORE PLUS FIX INC	259.9	0.51	-0.58	0.08	0.87	-1.54	0.56	6.23	8.11	7.47		-1.54	4.18			6.12	May-01-09
NYCERS-TOTAL STRUCTURED	7,756.3	15.36	-0.99	-0.51	0.32	-2.46	0.33	6.92	8.85	9.42	9.65	-2.46	4.32	6.37	5.47	8.28	Jan-01-85
NYCERS-TOTAL CONVERTIBLE BONDS	484.9	0.96	1.05	3.00	7.46	15.38	13.73	11.66	-3.02	14.54	33.08	15.38	7.70	13.75		6.41	Jun-01-08
NYCERS-TOTAL TIPS MANAGERS	1,456.1	2.88	-1.50	-2.02	-1.19	-8.42	-4.49	7.25	13.50	6.47	10.15	-8.42	3.69	5.51		4.60	Jun-01-05
NYCERS-TOTAL ENHANCED YIELD	1,961.8	3.89	0.60	3.76	6.31	8.31	9.72	14.56	5.73	14.24	40.25	8.31	9.47	16.02	8.15	8.46	Oct-01-94
NYCERS-TOTAL BANK LOANS	946.1	1.87	0.14	2.01	3.39	5.98						5.98				5.90	Dec-01-12
NYCERS-TOTAL OPPORTUNISTIC FIXED	954.8	1.89	1.38	3.09	7.09	17.55	16.18	20.49	-4.40	26.01	19.13	17.55	10.63	15.24		9.23	Oct-01-07
NYCERS-TOTAL PROGRESS FIXED	104.2	0.21	-0.51	-0.01	0.46	-1.76	0.07	5.51	8.39	7.43	8.78	-1.76	3.96	5.60	5.61	6.30	Jan-01-92
NYCERS-TOTAL TARGETED	551.3	1.09	-0.45	0.75	1.83	1.99	3.04	6.15	6.63	6.87	8.23	1.99	4.91	5.96	5.95	9.62	May-01-82
NYCERS-TOTAL REAL ASSETS	2,159.3	4.28	0.05	1.22	4.71	12.61	12.89	14.43	22.28	8.46	-43.87	12.61	16.36	-0.83		7.79	Apr-01-04
NYCERS-TOTAL PRIVATE EQUITY	3,845.2	7.62	-0.06	1.50	5.68	8.08	8.38	12.74	13.78	14.02	-4.17	8.08	11.51	8.66		11.74	Apr-01-04
NYCERS-TOTAL CASH	372.3	0.74	0.03	0.11	0.10	0.43	0.54	0.90	0.89	0.48	1.31	0.43	0.74	0.80		2.42	Apr-01-04
Security lending	14.7	0.03															Apr-01-04
<b>NYCERS-TOTAL EMPLOYEES</b>	<b>50,486.4</b>	<b>100.00</b>	<b>1.03</b>	<b>4.98</b>	<b>10.01</b>	<b>15.61</b>	<b>12.24</b>	<b>13.41</b>	<b>1.13</b>	<b>13.79</b>	<b>20.98</b>	<b>15.61</b>	<b>9.86</b>	<b>12.79</b>	<b>7.16</b>	<b>8.99</b>	<b>Jul-01-87</b>
NYCERS-TOTAL EQUITY	27,960.1	55.38	2.10	8.40	16.27	27.40	19.42	16.98	-4.35	16.31	31.61	27.40	12.54	16.89	7.71	8.97	Aug-01-93
NYCERS-TOTAL FIXED INCOME (MINUS SS)	14,475.3	28.67	-0.50	0.48	1.90	0.82	3.13	8.95	7.75	10.68	15.55	0.82	5.78	8.64		6.02	Apr-01-04
NYCERS-TOTAL HEDGE FUNDS	1,659.3	3.29	0.61	2.84	3.34	5.11	8.59	7.69				5.11				3.81	Jul-01-11
NYCERS-TOTAL PRIVATE EQUITY	3,845.2	7.62	-0.06	1.50	5.68	8.08	8.38	12.74	13.78	14.02	-4.17	8.08	11.51	8.66		11.74	Apr-01-04
NYCERS-TOTAL REAL ASSETS	2,159.3	4.28	0.05	1.22	4.71	12.61	12.89	14.43	22.28	8.46	-43.87	12.61	16.36	-0.83		7.79	Apr-01-04
NYCERS-TOTAL CASH	372.3	0.74	0.03	0.11	0.10	0.43	0.54	0.90	0.89	0.48	1.31	0.43	0.74	0.80		2.42	Apr-01-04
Security lending	14.7	0.03															Apr-01-04
<b>NYCERS-TOTAL EMPLOYEES</b>	<b>50,486.4</b>	<b>100.00</b>	<b>1.03</b>	<b>4.98</b>	<b>10.01</b>	<b>15.61</b>	<b>12.24</b>	<b>13.41</b>	<b>1.13</b>	<b>13.79</b>	<b>20.98</b>	<b>15.61</b>	<b>9.86</b>	<b>12.79</b>	<b>7.16</b>	<b>8.99</b>	<b>Jul-01-87</b>
Employees Policy Benchm			1.29	4.51	9.06	14.10	11.57	13.39	2.14	13.84	25.04	14.10	9.74	13.47	7.15		Jun-01-94

**New York City Employees' Retirement System**  
**Private Equity Portfolio**  
**As of June 30, 2013 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Active Investments</b>								
1998	VS&A Communications Partners III, L.P.	12/15/1998	\$ 50,000,000	\$ 50,063,625	\$ 64,109,887	\$ 4,429,076	1.37x	6.3%
1999	Cypress Merchant Banking Partners II, L.P.	3/29/1999	50,000,000	49,915,114	39,282,042	4,711,979	0.88x	(2.5%)
1999	FdG Capital Partners LLC	6/2/1999	25,000,000	24,302,765	38,113,544	5,169,592	1.78x	14.9%
1999	Lincolnshire Equity Fund II, L.P.	10/20/1999	20,000,000	18,711,603	35,688,993	2,156,426	2.02x	24.9%
2000	Carlyle Partners III, L.P.	3/1/2000	50,000,000	44,860,083	97,955,478	79,385	2.19x	20.5%
2000	Solera Partners, L.P.	5/26/2000	20,000,000	13,557,985	21,473,668	16,131,409	2.77x	10.4%
2000	SCP Private Equity Partners II, L.P.	6/15/2000	30,000,000	27,931,907	5,949,854	8,751,129	0.53x	(8.4%)
2001	Ripplewood Partners II, L.P.	2/28/2001	20,000,000	21,724,315	16,126,720	8,478,242	1.13x	3.5%
2001	New Mountain Partners, L.P.	3/16/2001	20,000,000	17,107,647	22,908,592	1,893,168	1.45x	12.6%
2001	Apollo Investment Fund V, L.P.	4/13/2001	40,000,000	37,444,293	93,741,085	6,213,987	2.67x	38.7%
2001	RRE Ventures III, L.P.	7/6/2001	20,000,000	25,545,365	28,287,854	9,874,453	1.49x	7.5%
2002	Yucaipa American Alliance Fund I, LP	7/1/2002	90,000,000	90,079,247	54,710,774	69,383,253	1.38x	8.0%
2002	Thomas, McNerney & Partners, L.P.	10/9/2002	20,000,000	19,300,000	7,003,139	8,078,190	0.78x	(5.6%)
2002	BDCM Opportunity Fund, L.P.	10/14/2002	25,000,000	23,014,932	53,528,457	5,792,566	2.58x	22.7%
2002	Landmark Equity Partners XI, L.P.	10/23/2002	55,000,000	52,103,148	69,626,836	9,908,746	1.53x	24.2%
2003	FS Equity Partners V, L.P.	1/20/2003	25,000,000	20,068,645	34,979,297	9,048,831	2.19x	17.2%
2003	Blackstone Capital Partners IV, L.P.	2/26/2003	40,000,000	29,536,989	72,832,297	11,671,456	2.86x	39.7%
2003	Ares Corporate Opportunities Fund, L.P.	4/1/2003	45,000,000	43,544,210	63,920,874	8,932,992	1.67x	14.2%
2004	Markstone Capital Partners, LP	1/30/2004	40,000,000	39,574,233	17,078,400	16,176,257	0.84x	(4.4%)
2004	FdG Capital Partners II LP	8/30/2004	35,000,000	28,091,450	19,109,535	12,415,252	1.12x	1.9%
2004	Paladin Homeland Security Fund (NY City), L.P.	9/27/2004	15,000,000	15,155,182	1,809,212	7,098,302	0.59x	(8.2%)
2004	Lincolnshire Equity Fund III, L.P.	10/1/2004	55,000,000	51,855,733	61,652,696	34,176,343	1.85x	34.9%
2004	New York/Fairview Emerging Managers Fund, L.P.-Tranche 1	10/21/2004	32,000,000	29,040,000	7,432,758	21,698,724	1.00x	0.1%
2004	Aurora Equity Partners III L.P.	11/16/2004	50,000,000	50,587,790	45,872,066	33,606,544	1.57x	12.7%
2004	Trilantic Capital Partners III L.P.	11/18/2004	50,000,000	36,821,547	55,376,045	2,655,600	1.58x	13.0%
2004	Celtic Pharmaceutical Holdings L.P.	12/23/2004	25,000,000	25,402,094	402,094	15,202,735	0.61x	(8.0%)
2005	Palladium Equity Partners III, L.P.	11/12/2004	35,000,000	29,274,242	19,799,454	33,745,741	1.83x	18.2%
2005	New Mountain Partners II, L.P.	1/12/2005	46,451,615	36,300,449	49,205,221	22,753,921	1.98x	13.5%
2005	VSS Communications Partners IV, L.P.	3/14/2005	25,000,000	25,855,270	6,132,432	14,074,971	0.78x	(5.0%)
2005	Prism Venture Partners V-A, L.P.	7/14/2005	30,000,000	30,000,000	7,035,880	13,627,586	0.69x	(9.7%)
2005	Erasmus New York City Growth Fund	8/16/2005	40,000,000	34,819,694	24,364,881	5,750,477	0.86x	(3.1%)
2005	Quadrangle Capital Partners II LP	8/29/2005	65,000,000	52,621,127	29,386,729	32,397,658	1.17x	3.6%
2005	Snow Phipps Group, L.P.	9/7/2005	20,000,000	17,851,815	10,675,201	13,752,054	1.37x	9.7%
2005	GI Partners Fund II L.P.	9/26/2005	35,000,000	35,243,135	18,795,258	33,895,918	1.50x	7.7%
2005	Blackstone Mezzanine Partners II, L.P.	10/10/2005	25,000,000	21,822,514	22,902,000	6,712,233	1.36x	8.1%
2005	Psilos Group Partners III, L.P.	10/24/2005	35,000,000	34,823,682	17,141,623	29,378,843	1.34x	7.9%
2005	USPF II Institutional Fund, L.P.	11/23/2005	65,000,000	65,000,000	25,067,165	57,116,912	1.26x	5.1%
2005	JP Morgan Fleming (Tranche A)	12/21/2005	43,000,000	36,049,548	13,142,218	29,973,682	1.20x	5.1%
2006	Aisling Capital II, LP	1/12/2006	7,000,000	5,757,219	1,219,311	4,695,309	1.03x	0.6%
2006	InterMedia Partners VII, L.P.	1/20/2006	25,000,000	24,523,304	331,937	37,673,836	1.55x	8.3%
2006	Terra Firma Capital Partners III, L.P.	3/8/2006	52,690,562	50,052,857	1,123,857	27,413,701	0.57x	(14.2%)
2006	BDCM Opportunity Fund II, L.P.	3/29/2006	25,000,000	24,083,406	7,391,262	35,542,669	1.78x	16.3%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	123,900,000	117,218,941	30,875,094	118,596,826	1.28x	5.0%
2006	Avista Capital Partners, L.P.	4/27/2006	45,000,000	45,026,821	28,175,088	36,327,717	1.43x	7.9%
2006	GSC Recovery III, L.P.	5/4/2006	25,000,000	25,990,775	17,729,006	11,391,818	1.12x	3.2%
2006	Apollo Investment Fund VI, L.P.	5/10/2006	90,000,000	80,507,317	50,393,774	77,732,343	1.59x	9.3%
2006	Landmark Equity Partners XIII, L.P.	5/11/2006	50,000,000	46,864,581	32,672,270	23,480,849	1.20x	5.1%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	50,000,000	43,943,286	56,187,497	22,027,482	1.78x	13.8%
2006	Fairview Ventures Fund III, L.P.	6/29/2006	25,000,000	20,936,840	5,184,858	22,528,177	1.32x	10.8%
2006	Ampersand 2006	8/14/2006	25,000,000	23,500,000	12,332,196	21,398,585	1.44x	9.7%
2006	CCMP Capital Investors II, L.P.	8/17/2006	30,000,000	28,281,090	13,916,869	29,711,986	1.54x	14.5%
2006	Perseus Partners VII, L.P.	8/31/2006	30,000,000	28,578,413	144,122	10,763,139	0.38x	(22.4%)
2006	Thomas, McNerney & Partners II, L.P.	11/30/2006	25,000,000	21,437,500	3,120,413	18,969,055	1.03x	0.9%
2006	Catterton Partners VI, L.P.	12/14/2006	45,000,000	40,736,077	17,356,442	64,158,385	2.00x	15.9%
2006	First Reserve Fund XI, L.P.	12/14/2006	45,000,000	44,816,513	15,402,651	38,426,281	1.20x	4.8%
2006	Arsenal Capital Partners II, LP	12/19/2006	22,500,000	20,175,929	3,772,933	23,702,486	1.36x	8.1%
2006	RRE Ventures IV, L.P.	12/19/2006	35,000,000	38,544,022	6,680,155	41,908,540	1.26x	6.9%
2006	MidOcean Partners III, L.P.	12/21/2006	60,000,000	51,569,016	3,710,534	56,476,111	1.17x	4.2%
2006	GF Capital Private Equity Fund, L.P.	12/22/2006	20,000,000	19,995,254	13,896,523	16,367,927	1.51x	16.4%
2006	The Fourth Cinven Fund	1/22/2007	71,470,087	62,930,578	28,879,705	62,374,569	1.45x	8.8%
2007	Pegasus Partners IV, L.P.	1/29/2007	30,000,000	30,155,485	12,658,392	26,366,581	1.29x	7.3%
2007	FTVentures III, LP	3/1/2007	25,000,000	16,950,264	10,870,681	28,515,242	2.32x	20.0%
2007	Co-Investment Partners Europe, L.P.	3/19/2007	39,835,390	37,773,241	4,249,955	39,376,562	1.15x	4.7%
2007	Montreux Equity Partners IV, L.P.	3/27/2007	20,000,000	19,190,000	6,592,834	17,278,606	1.24x	7.6%
2007	Quaker BioVentures II, L.P.	3/30/2007	20,000,000	14,403,151	2,197,588	9,564,693	0.82x	(7.6%)
2007	SCP Vitalife Partners II Fund	4/13/2007	20,000,000	17,499,698	1,579	13,674,768	0.78x	(8.7%)
2007	Craton Equity Investors I, L.P.	4/30/2007	20,000,000	19,759,607	12,194	13,386,686	0.68x	(11.6%)
2007	Nautic Partners VI, L.P.	5/14/2007	30,000,000	27,748,439	7,202,114	28,144,891	1.27x	8.0%
2007	Constellation Venture Capital III, L.P.	5/22/2007	25,000,000	24,289,545	-	21,960,621	0.90x	(3.4%)
2007	United States Power Fund III, L.P.	6/28/2007	65,000,000	50,654,993	4,940,003	49,998,073	1.08x	2.0%
2007	Halyard Capital Fund II, L.P.	7/2/2007	25,000,000	18,545,924	655,538	16,324,512	0.92x	(2.5%)
2007	Carlyle Partners V, L.P.	7/6/2007	70,000,000	57,573,691	22,511,038	59,957,916	1.43x	12.4%
2007	PCG Clean Energy & Technology Fund (East), LLC	7/6/2007	90,000,000	73,882,709	4,115,910	48,154,893	0.71x	(11.1%)
2007	GSO Capital Opportunities Fund LP	7/16/2007	45,000,000	44,698,256	50,739,287	21,214,974	1.61x	19.5%
2007	StarVest Partners II, L.P.	8/1/2007	25,000,000	18,111,500	6,556	14,354,552	0.79x	(9.1%)
2007	New Mountain Partners III, L.P.	8/9/2007	100,000,000	90,086,970	21,151,328	89,189,318	1.22x	8.5%
2007	Vista Equity Partners Fund III, L.P.	10/3/2007	30,000,000	27,073,648	40,090,256	28,984,467	2.55x	30.0%
2007	Trilantic Capital Partners IV L.P.	10/22/2007	69,028,637	59,593,483	44,985,369	51,916,634	1.63x	18.2%
2007	RLJ Equity Partners Fund I, L.P.	11/30/2007	20,000,000	13,461,483	2,068,855	12,772,715	1.10x	4.1%
2007	Pine Brook Capital Partners, L.P.	1/11/2008	30,000,000	22,071,331	10,261,753	22,622,671	1.49x	17.0%

**New York City Employees' Retirement System**  
**Private Equity Portfolio**  
**As of June 30, 2013 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
2008	Paladin III (NY City), L.P.	1/8/2008	30,000,000	20,605,328	3,198,936	20,712,675	1.16x	4.7%
2008	Relativity Fund, L.P.	1/17/2008	20,000,000	10,244,007	422,941	3,181,131	0.35x	(29.5%)
2008	Apollo Investment Fund VII, L.P.	1/28/2008	100,000,000	75,128,209	59,444,443	78,202,987	1.83x	25.1%
2008	NGN BioMed Opportunity II, L.P.	2/11/2008	20,000,000	15,851,821	23,687	11,821,742	0.75x	(9.7%)
2008	Carpenter Community BancFund-A, L.P.	2/12/2008	20,000,000	18,762,447	87,244	23,939,639	1.28x	7.9%
2008	Riverstone/Carlyle Global Energy & Power Fund IV, L.P.	3/3/2008	45,000,000	38,724,789	19,472,132	34,988,947	1.41x	13.9%
2008	Yucaipa American Alliance Fund II, LP	3/28/2008	120,000,000	112,798,864	27,991,753	162,791,647	1.69x	18.3%
2008	Levine Leichtman Capital Partners IV, L.P.	4/8/2008	35,000,000	26,137,428	6,604,221	37,698,547	1.69x	24.4%
2008	Lee Equity Partners Fund, L.P.	4/23/2008	42,500,000	33,833,410	2,893,215	33,598,603	1.08x	3.3%
2008	New York/Fairview Emerging Managers Fund, L.P.-Tranche 2	5/28/2008	45,000,000	24,318,000	4,680,526	23,969,379	1.18x	8.1%
2008	Yucaipa Corporate Initiatives Fund II, LP	6/23/2008	42,092,788	40,237,969	4,658,272	26,377,270	0.77x	(11.3%)
2008	Leeds Equity Partners V, L.P.	7/28/2008	60,000,000	31,273,931	-	39,280,227	1.26x	10.5%
2008	GI Partners Fund III L.P.	7/29/2008	45,000,000	42,710,009	13,233,073	46,658,219	1.40x	15.7%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	75,000,000	58,837,581	42,253,979	54,516,122	1.64x	22.4%
2008	CS NYCERS Emerging Manager Co-Investment Fund, L.P.	8/22/2008	26,262,627	14,432,528	7,701,442	13,024,087	1.44x	12.0%
2008	CS NYCERS Emerging Manager Fund, L.P.	8/22/2008	116,737,374	57,062,199	5,707,885	55,045,579	1.06x	3.1%
2008	First Reserve Fund XII, L.P.	8/25/2008	45,000,000	36,362,953	3,737,482	34,726,798	1.06x	2.0%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	109,120,000	76,935,589	26,438,228	68,534,344	1.23x	16.8%
2008	Crestview Partners II, L.P.	10/1/2008	50,000,000	35,159,900	9,367,556	40,781,055	1.43x	15.6%
2008	Avista Capital Partners II, L.P.	11/5/2008	75,000,000	51,579,758	13,339,904	70,696,822	1.63x	15.4%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	25,000,000	18,876,896	6,767,483	17,743,433	1.30x	14.0%
2008	Bridgepoint Europe IV	11/14/2008	26,878,311	20,022,121	1,348,565	23,039,719	1.22x	9.3%
2008	Aisling Capital III, LP	11/20/2008	14,000,000	8,305,886	1,117,905	8,184,008	1.12x	7.1%
2008	Onex Partners III LP	12/10/2008	75,000,000	62,595,180	7,336,094	62,748,289	1.12x	6.9%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	40,000,000	26,898,391	1,724,334	32,572,346	1.28x	11.6%
2009	FS Equity Partners VI, L.P.	7/27/2009	32,500,000	21,492,324	3,545,416	23,333,493	1.25x	11.1%
2009	Lincolnshire Equity Fund IV, L.P.	8/5/2009	27,500,000	14,339,322	221,591	11,939,074	0.85x	(9.8%)
2009	Lexington Capital Partners VII, L.P.	12/3/2009	50,000,000	31,053,144	9,506,690	31,829,501	1.33x	15.6%
2010	Snow Phipps II, L.P.	1/8/2010	30,000,000	13,082,770	567,904	13,686,922	1.09x	5.8%
2010	JP Morgan Fleming (Tranche B)	2/26/2010	35,000,000	20,991,424	898,632	21,787,500	1.08x	5.2%
2010	Trident V, L.P.	4/29/2010	110,000,000	54,598,365	-	57,832,582	1.06x	3.9%
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	120,000,000	30,673,857	252,371	33,674,410	1.11x	9.2%
2011	Ampersand 2011	3/11/2011	25,000,000	16,000,000	-	18,673,300	1.17x	11.2%
2011	BDCM Opportunity Fund III, L.P.	4/8/2011	45,000,000	19,531,491	1,334,766	20,238,400	1.10x	8.6%
2011	AXA Secondary Fund V B L.P.	6/16/2011	120,000,000	62,025,717	5,680,164	76,400,462	1.32x	30.4%
2011	Wellspring Capital Partners V, L.P.	7/1/2011	40,000,000	8,480,032	-	7,043,230	0.83x	NM
2011	EQT VI, L.P.	8/1/2011	108,830,437	37,986,881	-	32,858,754	0.87x	NM
2011	Pegasus Partners V, L.P.	8/16/2011	20,789,916	10,800,288	-	11,010,631	1.02x	NM
2011	BC European Capital IX	9/19/2011	139,562,127	42,021,488	1,109,179	43,360,461	1.06x	NM
2011	American Securities Partners VI, L.P.	11/18/2011	80,000,000	18,989,509	-	23,201,081	1.22x	NM
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	100,000,000	45,578,524	-	47,312,621	1.04x	NM
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	110,000,000	20,224,372	374,000	21,384,677	1.08x	NM
2012	Trilantic Capital Partners V L.P.	9/20/2012	70,000,000	10,949,810	-	9,295,658	0.85x	NM
2012	Palladium Equity Partners IV, L.P.	10/10/2012	55,000,000	8,556,574	253,860	8,339,860	1.00x	NM
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	125,000,000	5,270,679	-	3,822,849	0.73x	NM
2012	Green Equity Investors VI, L.P.	11/30/2012	120,000,000	11,558,113	304,954	10,600,576	0.94x	NM
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	100,000,000	25,188,677	15,431,732	12,409,305	1.11x	NM
2012	NYCERS - 2012 Emerging Manager Program*	6/21/2013	150,000,000	2,039,019	530	1,733,281	0.85x	NM
2013	Apollo Investment Fund VIII, L.P.	N/A	140,000,000	-	-	-	0.00x	N/A
2013	Carlyle Partners VI, L.P.	7/3/2013	75,000,000	-	-	-	0.00x	N/A
2013	Carlyle Partners VI, L.P. (Side Car)	N/A	8,250,000	-	-	-	0.00x	N/A
2013	CVC Capital Partners VI, L.P.	N/A	139,989,594	-	-	-	0.00x	N/A
2013	Landmark - NYC Fund I, L.P.	N/A	25,000,000	-	-	-	0.00x	N/A
2013	Landmark Equity Partners XV, L.P.	10/30/2013	75,000,000	-	-	-	0.00x	N/A
2013	Olympus Growth Fund VI, L.P.	N/A	75,000,000	-	-	-	0.00x	N/A
<b>Total Portfolio<sup>1</sup></b>			<b>\$ 7,321,128,774</b>	<b>\$ 4,733,514,994</b>	<b>\$ 2,598,713,033</b>	<b>\$ 3,608,944,081</b>	<b>1.31x</b>	<b>8.6%</b>

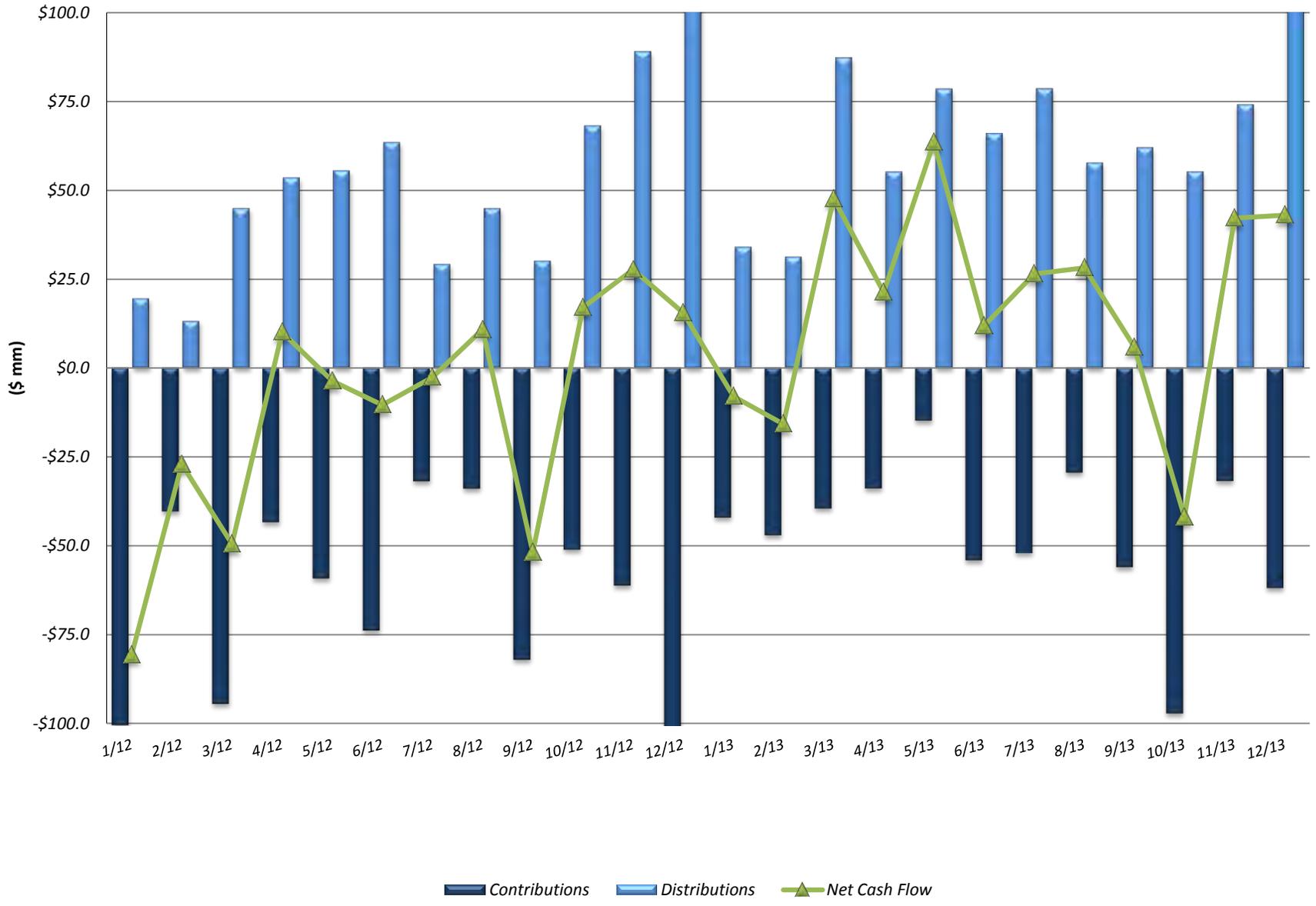
Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Commitments Closed Subsequent to as of Date</b>								
2013	FTVentures IV, LP	12/2/2013	\$ 15,000,000	\$ -	\$ -	\$ -	N/A	N/A
2013	Vista Foundation Fund II, L.P.	N/A	15,000,000	-	-	-	N/A	N/A
<b>Total Commitments Closed Subsequent to as of Date</b>			<b>\$ 30,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>

\*Please note that the NYCERS - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$75.6 million has been committed as of December 2, 2013.

<sup>1</sup>Please note that the Total Portfolio includes liquidated investments and is presented Pro-Forma for the proceeds received and expected to be received from the sale of 11 partnership investments in secondary transactions that closed during the first half of 2012.

Note: IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated by StepStone Group LP ("StepStone"), a consultant to the New York City Employees' Retirement System, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

### NYCERS Monthly PE Cash Flow Summary



## The Townsend Group<sup>®</sup>

### New York City Employees' Retirement System

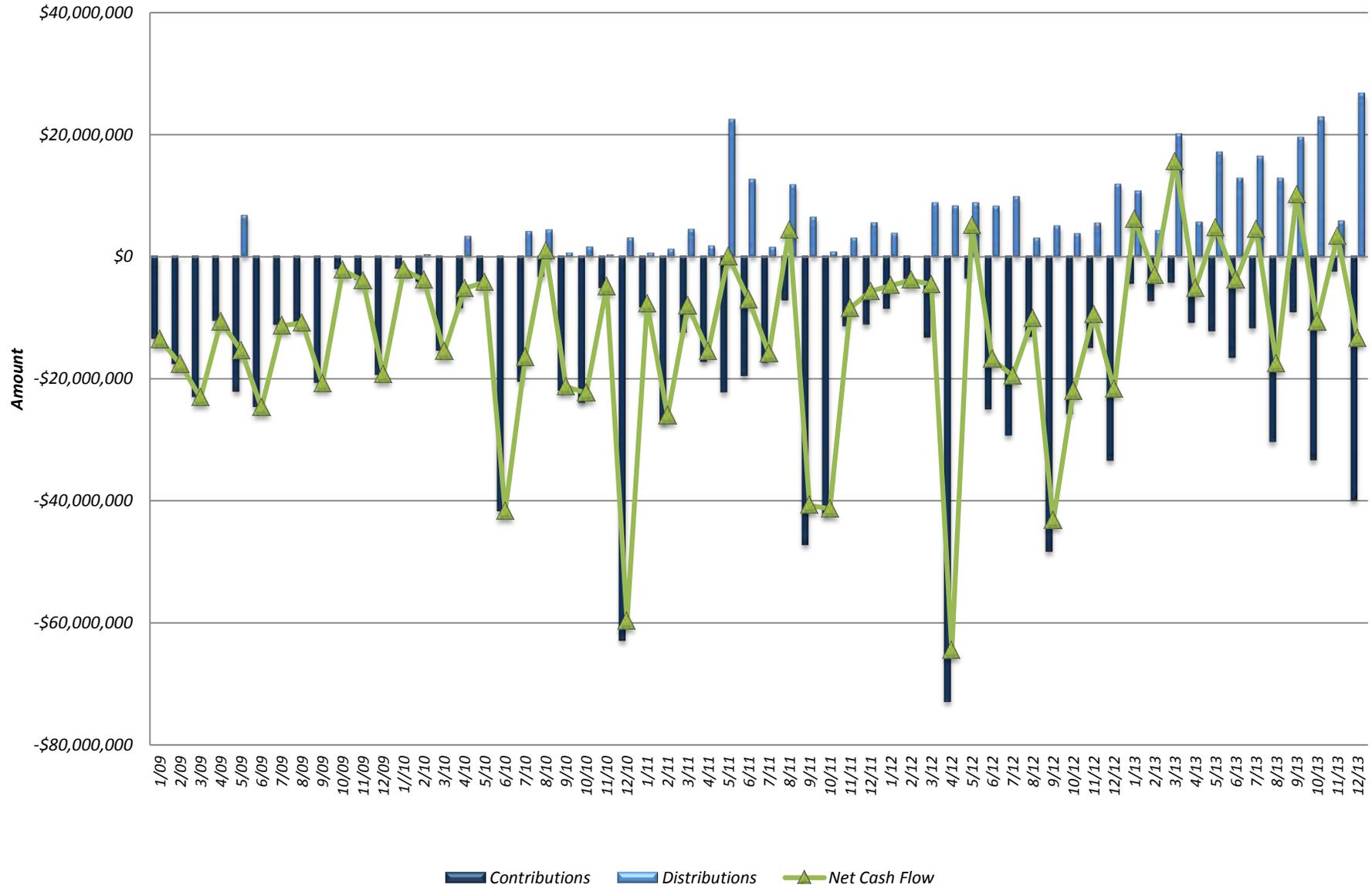
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2006	UBS Trumbull Property Fund ("UBS-TPF")	9/28/2006	\$156,000,000	\$183,622,471	(\$21,763,529)	\$193,599,578	1.2	4.1%
2006	RREEF America REIT II	10/1/2006	\$86,000,000	\$113,537,802	(\$37,331,372)	\$86,856,571	1.1	1.8%
2006	PRISA SA	9/29/2006	\$86,000,000	\$90,402,447	(\$10,739,197)	\$86,056,817	1.1	1.1%
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	\$25,000,000	\$29,440,389	(\$4,649,266)	\$20,883,552	0.9	-2.5%
2007	JP Morgan Strategic Property Fund	12/4/2006	\$136,000,000	\$142,875,192	\$0	\$177,539,465	1.2	4.4%
2007	Heitman HART	3/29/2007	\$115,000,000	\$137,865,375	(\$22,865,375)	\$148,520,789	1.2	5.5%
2007	PRISA II	6/30/2007	\$141,518,761	\$146,719,655	(\$12,525,803)	\$136,349,137	1.0	0.3%
2007	JP Morgan Special Situation Property Fund	1/2/2007	\$90,000,000	\$98,260,711	(\$14,415,410)	\$78,387,983	0.9	-1.0%
2007	RREEF America REIT III - 1410	10/1/2007	\$90,000,000	\$90,000,000	(\$10,395,152)	\$30,541,440	0.5	-13.0%
2007	Colony Realty Partners II	12/20/2006	\$20,000,000	\$21,420,211	(\$666,108)	\$8,251,899	0.4	-14.5%
2010	LaSalle Property Fund	7/1/2010	\$50,000,000	\$35,746,403	(\$2,677,059)	\$40,962,664	1.2	12.5%
<b>Core / Core Plus Portfolio</b>			<b>\$995,518,761</b>	<b>\$1,089,890,655</b>	<b>(\$138,028,270)</b>	<b>\$1,007,949,895</b>	<b>1.1</b>	<b>1.0%</b>
2003	Canyon Johnson Urban Fund	12/6/2002	\$15,000,000	\$13,590,364	(\$15,874,432)	\$0	1.2	10.2%
2004	The City Investment Fund I	3/16/2004	\$225,000,000	\$221,883,300	(\$136,666,473)	\$104,755,887	1.1	2.3%
2004	Tishman Speyer Separate Account (ERS)	12/16/2003	\$100,000,000	\$71,066,452	(\$225,424,104)	\$37,331,118	3.7	63.4%
2004	Blackstone Fund IV	5/10/2004	\$30,000,000	\$38,440,704	(\$33,624,018)	\$17,539,169	1.3	11.4%
2005	Canyon Johnson Urban Fund II	5/11/2005	\$40,000,000	\$35,954,818	(\$24,000)	\$20,113,185	0.6	-9.8%
2006	AREA Real Estate Investment Fund V, LP	6/15/2006	\$25,000,000	\$25,000,001	(\$6,946,926)	\$11,196,584	0.7	-7.2%
2007	Blackstone Real Estate Partners VI	9/27/2007	\$110,000,000	\$117,026,842	(\$31,393,499)	\$137,466,314	1.4	10.7%
2007	Metropolitan Workforce Housing Fund	7/13/2007	\$14,000,000	\$14,013,027	(\$941,762)	\$13,222,691	1.0	0.4%
2007	UrbanAmerica II	1/30/2007	\$25,000,000	\$23,222,735	\$0	\$11,114,517	0.5	-13.2%
2007	Carlyle Realty Partners V	8/27/2007	\$20,000,000	\$24,148,792	(\$18,984,779)	\$10,847,510	1.2	6.9%
2008	PRISA III	9/30/2008	\$50,000,000	\$53,163,768	\$0	\$72,118,093	1.4	9.1%
2008	Capri Urban Investors	6/3/2008	\$60,000,000	\$59,980,707	\$0	\$42,606,587	0.7	-10.3%
2008	Westbrook Real Estate Fund VII	12/3/2007	\$40,000,000	\$42,815,826	(\$9,503,034)	\$33,547,279	1.0	0.1%
2008	Stockbridge Real Estate Fund III	9/9/2008	\$27,000,000	\$26,285,345	\$0	\$27,382,293	1.0	1.6%
2008	American Value Partners Fund I	10/18/2007	\$55,000,000	\$37,443,273	(\$10,090,923)	\$25,863,018	1.0	-1.5%
2008	AREA European Real Estate Fund III, LP	5/6/2008	\$30,000,000	\$30,487,500	(\$6,505,000)	\$23,399,013	1.0	-0.8%
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	\$50,000,000	\$22,168,479	(\$688,400)	\$8,777,888	0.4	-17.3%
2009	Walton Street Real Estate Fund VI	4/27/2009	\$50,000,000	\$42,323,933	(\$9,041,824)	\$43,117,769	1.2	9.1%
2009	Thor Urban Property Fund II	10/30/2008	\$40,000,000	\$51,756,666	(\$17,767,214)	\$33,557,537	1.0	-0.6%
2009	Carbon Capital III	7/2/2009	\$40,000,000	\$43,757,162	(\$37,007,589)	\$15,028,952	1.2	8.4%
2009	JP Morgan Urban Renaissance Property Fund	12/18/2008	\$16,360,625	\$4,206,523	(\$4,206,523)	\$0	1.0	0.0%
2010	Westbrook Real Estate Fund VIII	12/28/2009	\$50,000,000	\$58,139,066	(\$21,104,990)	\$46,209,813	1.2	13.0%
2010	Blackstone Real Estate Partners Europe III (USD Vehicle)	10/24/2008	\$50,000,000	\$38,050,424	(\$4,071,478)	\$42,915,843	1.2	16.7%
2010	Canyon Johnson Urban Fund III	3/29/2010	\$30,000,000	\$25,646,935	(\$5,379,641)	\$23,513,134	1.1	7.8%
2011	Carlyle Realty Partners VI	9/14/2011	\$70,000,000	\$26,441,492	(\$1,874,357)	\$30,886,891	1.2	22.6%
2011	H/2 Special Opportunities Fund II	1/31/2011	\$40,000,000	\$18,280,089	\$0	\$23,838,662	1.3	27.4%
2012	Blackstone Real Estate Partners VII	3/31/2012	\$170,000,000	\$91,459,571	(\$13,500,402)	\$101,152,545	1.3	35.1%
2012	Taconic New York City Investment Fund LP	7/5/2012	\$70,000,000	\$21,159,091	\$0	\$20,479,077	1.0	-4.1%
2012	Brookfield Strategic Real Estate Partners	9/20/2012	\$100,000,000	\$13,021,503	\$0	\$14,411,027	1.1	13.7%
2013	KTR Industrial Fund III	6/28/2013	\$40,000,000	\$4,186,884	\$0	\$4,249,279	n/a	n/a
2013	NYC Asset Investor #1 LLC - Emmes	6/25/2013	\$50,000,000	\$3,792,138	\$0	\$3,792,466	n/a	n/a
<b>Non Core and Emerging Manager Portfolio</b>			<b>\$1,732,360,625</b>	<b>\$1,298,913,411</b>	<b>(\$610,621,368)</b>	<b>\$1,000,434,141</b>	<b>1.2</b>	<b>9.8%</b>
<b>New York City Employees' Retirement System</b>			<b>\$2,727,879,386</b>	<b>\$2,388,804,065</b>	<b>(\$748,649,639)</b>	<b>\$2,008,384,037</b>	<b>1.2</b>	<b>4.3%</b>

#### Funds Closed Subsequent to Quarter

Vintage	Fund Name	First Draw Down	Capital Committed	Contributions				
2013	NYC Related Superstorm Sandy Rebuilding Fund		\$75,000,000	-	-	-	-	-
2013	NYC Hudson Superstorm Sandy Rebuilding Fund		\$50,000,000	-	-	-	-	-
2013	Blackstone Real Estate Partners Europe IV		\$130,000,000	-	-	-	-	-
2013	Divco West Fund IV		\$30,700,000					
<b>Grand Total</b>			<b>\$285,700,000</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 I-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 June 30, 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.

### NYCERS Monthly Real Estate Cash Flow Summary



APPENDICES:

Basket Clause

## NYCERS - BASKET/NON BASKET SUMMARY

As of December 31st, 2013

	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
<b>Equity</b>						
<b>Domestic Equity</b>	33.7%	0.0%	33.7%	38.7%	0.0%	38.7%
<b>Non-U.S. Equity</b>	10.0%	7.0%	17.0%	10.0%	6.6%	16.6%
<b>Private Equity</b>	0.0%	7.0%	7.0%	0.0%	7.6%	7.6%
<b>Real Assets</b>	4.3%	0.0%	4.3%	4.3%	0.0%	4.3%
<b>Hedge Funds</b>	0.0%	3.3%	3.3%	0.0%	3.3%	3.3%
<b>Total Equity</b>	<b>48.0%</b>	<b>17.3%</b>	<b>65.3%</b>	<b>53.0%</b>	<b>17.5%</b>	<b>70.6%</b>
<b>Fixed Income</b>						
<b>Core+5</b>	21.3%	0.5%	21.8%	15.6%	0.5%	16.1%
<i>U.S. Gov't Sector</i>	4.0%	0.0%	4.0%	2.0%	0.0%	2.0%
<i>Mortgage Sector</i>	8.5%	0.0%	8.5%	6.1%	0.0%	6.1%
<i>Credit Sector</i>	8.8%	0.5%	9.3%	6.8%	0.5%	7.3%
<b>High Yield</b>	2.9%	0.8%	3.7%	3.1%	0.8%	3.9%
<b>Bank Loans</b>	0.0%	1.9%	1.9%	0.0%	1.9%	1.9%
<b>TIPS</b>	4.1%	0.5%	4.5%	2.6%	0.3%	2.9%
<b>Convertibles</b>	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%
<b>Opportunistic Fixed Income</b>	0.0%	1.9%	1.9%	0.0%	1.9%	1.9%
<b>Other Fixed Income</b>	0.0%	0.0%	0.0%	1.9%	0.0%	1.9%
<b>Total Fixed Income</b>	<b>29.2%</b>	<b>5.5%</b>	<b>34.7%</b>	<b>24.1%</b>	<b>5.3%</b>	<b>29.4%</b>
<b>Total Fund</b>	<b>77.2%</b>	<b>22.8%</b>	<b>100.0%</b>	<b>77.1%</b>	<b>22.9%</b>	<b>100.0%</b>
<b>Remaining Capacity</b>		2.2%			2.1%	

\* Note: Basket amounts are estimates

## Liquidity Analysis

## NYCERS Liquidity Profile - Static Analysis

2/12/14

AUM as of December 31, 2013

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$19,562	\$19,562	\$19,562	\$19,562
International Equity	5,250	5,250	5,250	5,250
Emerging Markets	3,148	3,148	3,148	3,148
Hedge Funds	1,659	0	1,166	1,386
Private Equity	3,843	0	0	0
Private Real Estate	2,137	0	0	0
Core + 5	8,121	8,121	8,121	8,121
TIPS	1,456	1,456	1,456	1,456
Opportunistic Fixed Income	955	716	955	955
Enhanced Yield	1,962	1,962	1,962	1,962
Bank Loans	946	946	946	946
Convertible Bonds	485	485	485	485
ETI	551	93	315	326
Cash	387	387	387	387
<b>Total Assets</b>	<b>\$50,462</b>	<b>\$42,126</b>	<b>\$43,752</b>	<b>\$43,983</b>
<b>Total Illiquid \$</b>		<b>\$8,337</b>	\$6,711	\$6,479
<b>Total Illiquid %</b>		<b>16.5%</b>	13.3%	12.8%
Unfunded PE Commitments	\$2,134			
Unfunded RE Commitments	487			
Unfunded OFI Commitments	530			
<b>Total commitments \$</b>	<b>\$3,151</b>			
<b>Total commitments %</b>	<b>6.2%</b>			

## NYCERS Liquidity Profile - Static Analysis

2/12/14

AUM as of December 31, 2013

### Denominator Effect - Decrease AUM by One-Third

<b>Total Illiquid \$</b>	\$8,337	\$6,711	\$6,479
<b>Total Illiquid %</b>	24.8%	19.9%	19.3%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
<b>Total Assets</b>	<b>\$50,462</b>	<b>\$42,126</b>	<b>\$43,752</b>	<b>\$43,983</b>

### Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn		\$427	\$854
Unfunded RE Commitments Drawn		97	195
Unfunded OFI Commitments Drawn		265	0
<b>Total commitments \$</b>		<b>\$789</b>	<b>\$1,048</b>
<b>Total commitments %</b>		1.6%	2.1%

<b>Total Illiquid \$</b>		\$7,500	\$7,528
<b>Total Illiquid %</b>		14.9%	14.9%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids

### Denominator Effect - Decrease AUM by One-Third

<b>Total Illiquid \$</b>	\$8,337	\$7,500	\$7,528
<b>Total Illiquid %</b>	24.8%	22.3%	22.4%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids