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NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

INVESTMENT MEETING

MARCH 22, 2013

LOCATION:

Buck Consultants
1st Floor Lobby - Xerox Conference Center
245 Park Avenue
New York, NY 10167

INVESTMENT MEETING

MARCH 22, 2013

PUBLIC AGENDA

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I. Performance Reviews: (30 Minutes)	
• Quarterly Review/Annual Review – December 31, 2012 (To be distributed)	---
➤ ETI Quarterly Report – December 31, 2012	5
➤ Real Estate Quarterly Report – September 30, 2012	13
➤ Private Equity Quarterly Report – September 30, 2012	21
II. January Monthly Performance Review: (20 Minutes)	49

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PUBLIC AGENDA

I. Performance Reviews:

ETI Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	<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
Contractual Commitments	\$800,000	n/a	\$2,000,000	n/a	\$500,000	n/a	\$1,500,000	n/a	\$4,800,000	n/a
Current Market Value	\$284,127	n/a	\$120,710	n/a	\$70,003	n/a	\$174,891	n/a	\$649,731	n/a
<u>Commitments 4Q 12</u>										
<u>(included in total)</u>										
Bronx	\$0	0	\$0	0	\$0	0	\$36,000	43	\$36,000	43
Brooklyn	0	0	0	0	0	0	0	0	0	0
Manhattan	17,400	30	0	0	9,065	20	0	0	26,465	50
Queens	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0
Total	\$17,400	30	\$0	0	\$9,065	20	\$36,000	43	\$62,465	93
<u>Delivered 4Q 12</u>										
<u>(included in total)</u>										
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	76,380	70	76,380	70
Queens	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0
Total	\$0	0	\$0	0	\$0	0	\$76,380	70	\$76,380	70
<u>Total Commitments</u>										
Bronx	\$252,740	376	\$0	0	\$0	0	\$36,000	43	\$288,740	419
Brooklyn	123,560	128	0	0	38,127	54	106,181	118	267,868	300
Manhattan	91,805	79	40,948	30	146,345	208	160,411	176	439,509	493
Queens	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0
Total	\$468,105	583	\$40,948	30	\$184,472	262	\$302,592	337	\$996,117	1,212
<u>Historical Investments</u>										
Bronx	\$53,500	76	\$0	0	\$0	0	\$0	0	\$53,500	76
Brooklyn	81,116	124	0	0	0	0	108,209	174	189,325	298
Manhattan	98,278	204	119,839	167	70,444	84	76,380	70	364,941	525
Queens	40,000	54	0	0	0	0	0	0	40,000	54
Staten Island	0	0	0	0	0	0	0	0	0	0
Total	\$272,894	458	\$119,839	167	\$70,444	84	\$184,589	244	\$647,766	953

*Lenders :

Citibank Community
Development

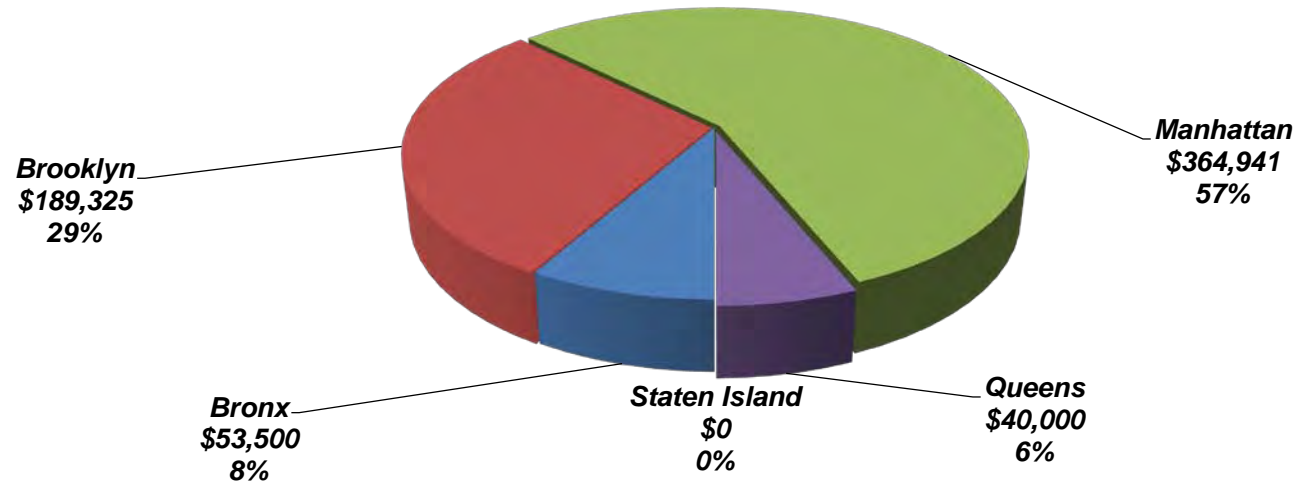
Carver Federal
Savings Bank

NCB Capital Impact

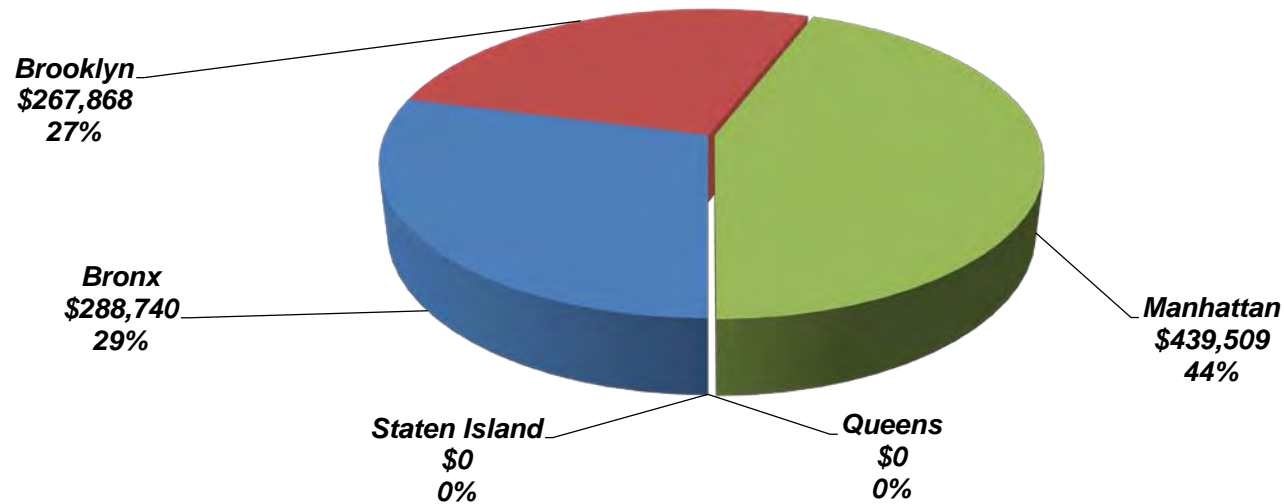
Low Income
Investment Fund

Public/Private Apartment Rehabilitation Program (PPAR)

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



AFL-CIO Housing Investment Trust (HIT)

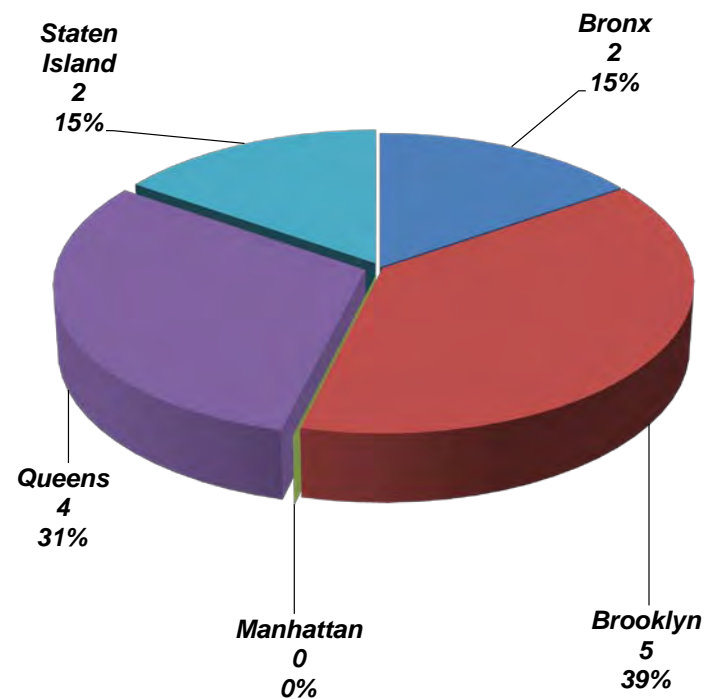
Market Value \$11.8 million*

NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2012				
Multifamily Investments Detail				
Borough	Dollars	Units		
Bronx	\$52,827,900	802		
Brooklyn	14,890,446	3,033		
Manhattan	134,075,200	926		
Queens	17,760,000	1,260		
Staten Island	6,414,554	693		
Total	\$225,968,100	6,714		
Single Family Investments Detail				
	Home Loans	Transactions	Member Loans	Total All NYC PF's
Bronx	\$218,082,108	1,017	2	296
Brooklyn	864,892,271	3,435	5	1,115
Manhattan	214,244,680	851	0	265
Queens	894,399,418	3,627	4	973
Staten Island	359,980,460	1,433	2	439
Total	\$2,551,598,937	10,363	13	3,088
Grand Total NYCCII Phase II	\$2,777,567,037			
Other-NYC Metro Area **	\$100,000,000	137		
NYCCII Phase I 2002 - 2005				
	Dollars	Units	Member Loans	Total All NYC PF's
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
Single Family Investments	348,300,563	n/a	n/a	446
Total NYCCII Phase I	\$597,424,063	12,337	0	446
NYCCII Phases I & II				
	Dollars	Units	Member Loans	Total All NYC PF's
Multifamily Investments	\$475,091,600	19,051	n/a	n/a
Single Family Investments	2,899,899,500	n/a	12	3534
Grand Total NYCCII Phases I & II	\$3,374,991,100	19,051	12	3,534

*Interest is reinvested

**This investment is for a pediatric nursing facility in Yonkers, approximately 4 miles from the NYC border. It will finance a replacement facility for the Elizabeth Seton Pediatric Center, currently located in Chelsea, which is "one of only two pediatric nursing facilities in downstate New York, and the only one dedicated to long-term care." The new facility will have 137 beds and serve children from NYC, Westchester and Putnam Counties.

Final Report HIT Home Loans To BERS Members Phase II


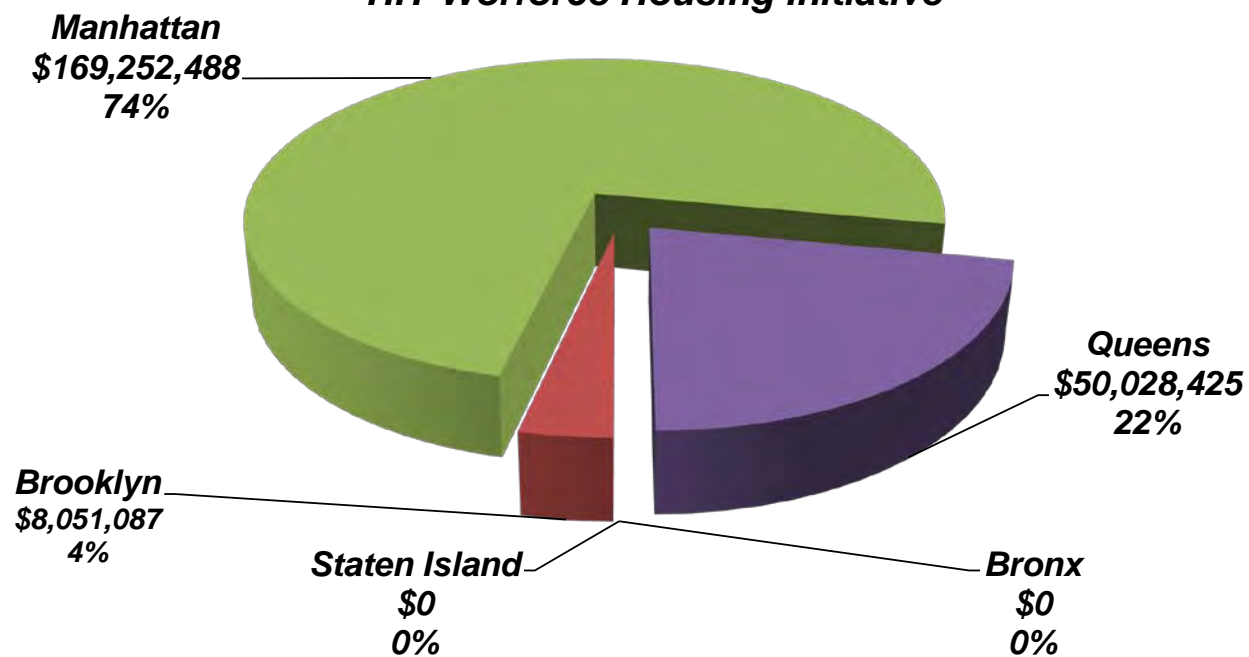
**AFL-CIO Housing Investment Trust (HIT)
NYC Workforce Housing Initiative 2009-2014**

Investments Through 12/31/2012

Workforce Investments Detail

<u>Borough</u>	<u>Dollars</u>	<u>Workforce Housing Units</u>
Bronx	\$0	0
Brooklyn	8,051,087	422
Manhattan	169,252,488	4,627
Queens	50,028,425	2607
Staten Island	0	0
Total	\$227,332,000	7,656

HIT Workforce Housing Initiative



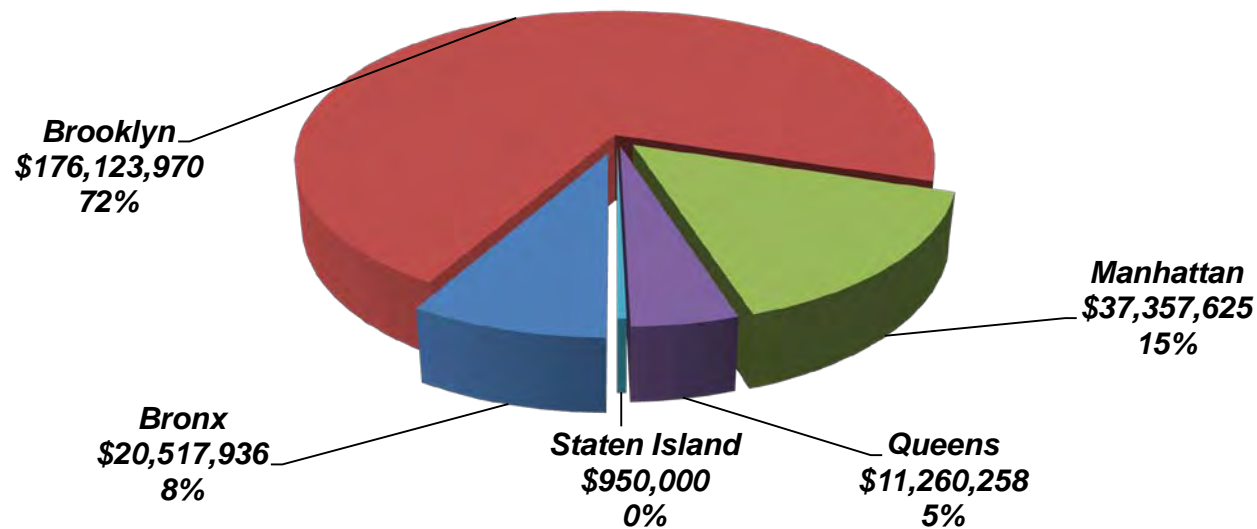
CPC Term Loan

Revolver Current Commitments NYC	\$246,209,789
BERS Commitment Share	\$926,470
BERS Market Value*	\$926,470

	# Loans	\$ Committed	# Units Residential	# Units Commercial
Bronx	17	\$20,517,936	823	23
Brooklyn	47	176,123,970	1,644	38
Manhattan	33	37,357,625	746	23
Queens	6	11,260,258	129	3
Staten Island	1	950,000	3	0
Grand Total NYC	104	\$246,209,789	3,345	87
Other NY State	26	\$75,780,042	705	13

*Equals the outstanding amount. Interest is paid monthly.

CPC Term Loan NYC Commitments



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

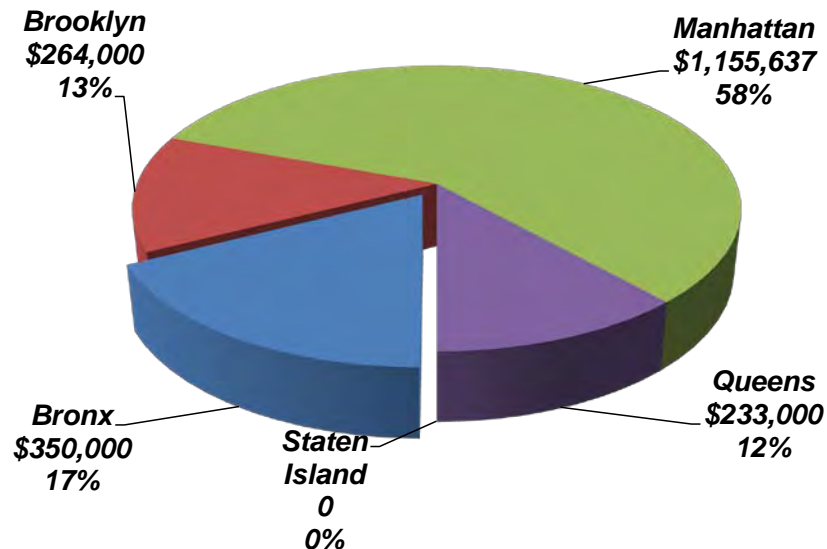
Allocated Amount \$2 million (2% of total account)

Market Value \$2.8 million

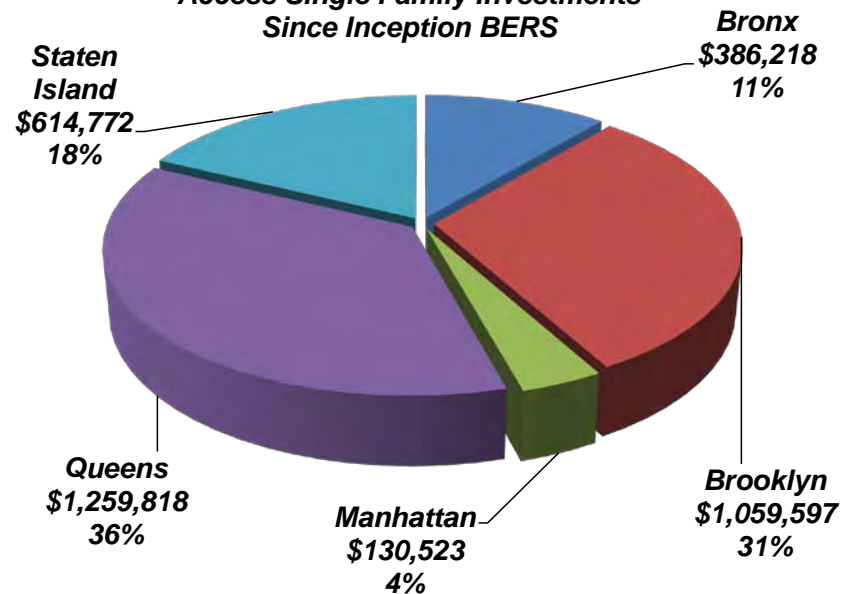
<u>Multifamily Investments Detail</u>			
	<u>BERS</u> <u>Investment</u>	<u>Total Units</u>	<u># of LMI* Units</u>
Bronx	\$350,000	508	508
Brooklyn	264,000	404	404
Manhattan	1,155,637	2,815	1,677
Queens	233,000	762	762
Staten Island	0	0	0
Total BERS Multifamily Investments	\$2,002,637	4,489	3,351
MultifamilyTotal All Systems	\$100,131,826	4,489	3,351
<u>Single Family Investments Detail</u>			
	<u>BERS</u> <u>Investment</u>	<u>Total Units</u>	<u># of LMI* Units</u>
Bronx	\$386,218	113	113
Brooklyn	1,059,597	292	292
Manhattan	130,523	28	28
Queens	1,259,818	311	311
Staten Island	614,772	155	155
Total BERS Single Family Investments	\$3,450,929	899	899
Single Family Total All Systems	\$172,546,432	899	899
<u>Other Investments Detail</u>			
	<u>BERS</u> <u>Investment</u>	<u># of Loans</u>	
Bronx	\$13,500	1	
Brooklyn	107,808	8	
Manhattan	48,658	5	
Queens	10,869	3	
Staten Island	0	0	
Total BERS Other Investments	\$180,835	17	
Other InvestmentsTotal All Systems	\$9,041,740	17	
Grand Total BERS	\$5,634,400		
Grand Total All Systems	\$281,719,998		

* LMI = Low or Moderate Income

**Access Multifamily Investments
Since Inception BERS**



**Access Single Family Investments
Since Inception BERS**



	Assets (\$MM)	Trailing 3 Months	6/30/2007 12/31/2012	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Trailing* 15 Years	Since Inception	Data Start Date
BERS										
CCD-PPAR	0.28	2.48	5.02	11.40	9.48	9.51	****	****	9.05	11/30/06
LIIF-PPAR	0.17	2.27	3.72	6.84	5.37	****	****	****	5.83	07/31/09
CFSB-PPAR	0.12	2.56	3.66	8.16	8.01	7.86	****	****	7.52	09/30/06
NCBCI -PPAR	0.07	2.44	5.36	9.46	7.33	****	****	****	7.26	07/31/09
CITIGROUP GNMA +65 BPs per annum		-0.22	0.95	2.89	6.27	6.62	5.88	6.60		
CCD-PPAR	+/-	2.70	4.07	8.51	3.21	2.89	****	****	9.05	
LIIF-PPAR	+/-	2.50	2.77	3.94	(0.90)	****	****	****	5.83	
CFSB-PPAR	+/-	2.79	2.71	5.27	1.74	1.24	****	****	7.52	
NCBCI -PPAR	+/-	2.66	4.41	6.56	1.05	****	****	****	7.26	
CPC - TERM LOAN	0.93	0.61	1.24	2.51	2.22	2.73	****	****	3.39	02/28/07
30 Day Libor + 200 bps with a Floor 250 bps per annum		0.05	0.11	0.24	0.25	1.11	2.45	2.46		
	+/-	0.56	1.13	2.27	1.97	1.62	****	****	3.39	
AFL-CIO HOUSING INV TRUST	11.78	0.11	1.59	4.27	6.09	5.96	****	****	5.89	11/30/06
BARCLAYS CAPITAL US AGGREGATE BOND INDEX		0.21	1.80	4.21	6.19	5.94	5.18	5.96	****	
	+/-	(0.10)	(0.21)	0.06	(0.10)	0.01	****	****	****	
ACCESS - RBC	2.78	0.16	1.66	4.15	5.42	6.64	****	****	6.55	02/28/07
Access/RBC: 60% MI 30 yrs Mortgage Index (MF30)		-0.15	0.83	2.38	4.72	5.32	****	****	5.65	02/28/07
plus 40% U.S. Treasury 1-10 Yr index (G502)	+/-	0.31	0.83	1.78	0.70	1.32				
TOTAL BERS ETI (w/o cash)**	16.13	0.23	1.69	4.35	5.93	6.06	4.54	5.06	7.51	11/30/84
BOARD OF ED CUSTOM ETI BENCHMARK (no cash)		0.16	1.57	3.74	5.59	5.57	****	****	****	
	+/-	0.07	0.13	0.60	0.33	0.49	****	****	****	

* 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.

Real Estate Quarterly Report

New York City
Board of Education Retirement System

Performance Measurement Report
Third Quarter 2012

The Townsend Group
Cleveland, OH San Francisco, CA London, UK Hong Kong

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	Glossary of Terms	Exhibit A
	Market Overview	Exhibit B

The Townsend Group Performance Measurement Report

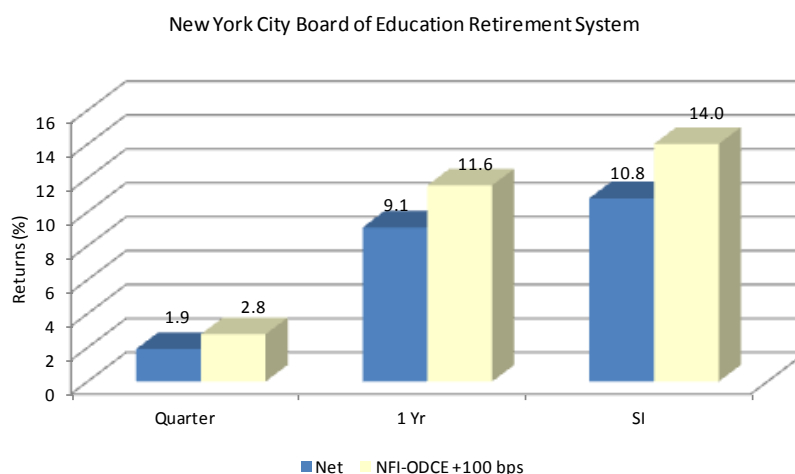
NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

THIRD QUARTER 2012

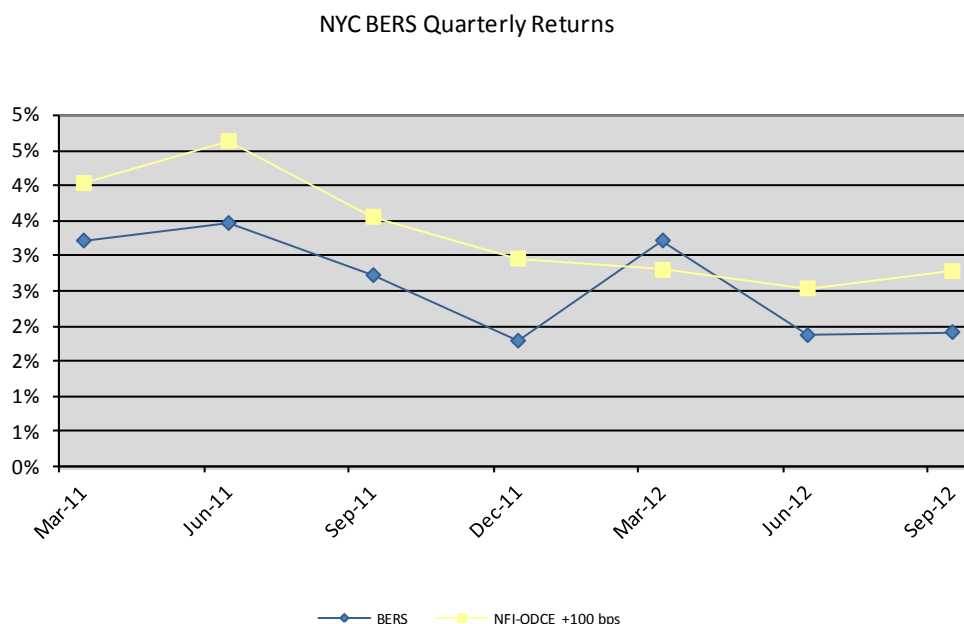
I. Performance Summary

At the end of the Third Quarter 2012, ("Quarter") The New York City Board of Education Retirement System ("BERS") Real Estate Portfolio ("Portfolio") had a cumulative market value of \$69.9 million. Total market value plus unfunded commitments was \$117.4 million, or 53.1% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 2.2% which was comprised of 1.1% income and 1.1% appreciation. The NCREIF Open-end Diversified Core Equity Index ("NFI-ODCE") +100 bps reported a total net return of 2.8%. In addition, the Portfolio achieved a total net return of 1.9%. Since Inception, the Portfolio has a net IRR of 10.1% and an equity multiple of 1.1x as of September 30, 2012.

The following chart reflects the total net returns for the BERS Portfolio compared to the NFI-ODCE +100 bps. During the Global Financial Crisis, 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 19% and 25%, respectively. U.S. GDP rose 2.0% in the Third Quarter of 2012, topping economists' expectations of a 1.9% growth pace, but still too slow to speed up job creation and dent the unemployment rate, which is currently at 7.9%. Consumer spending, which has the biggest impact on GDP, increased to 2% from 1.5% in the Second Quarter, while government spending jumped 3.7%, the biggest increase since mid-2009. Meanwhile, investment in housing increased 14.4%. U.S. real estate transaction volume totaled \$58 billion in the Third Quarter. According to Real Capital Analytics, suburban office transactions saw a 61% increase in volume, while CBD sales were down 28%, which suggests that investors are starting to look for higher yields in secondary markets. While overall sales of retail product declined by over 50%, the western U.S. experienced a 60% increase in shopping center transactions. Sales of apartments were up just slightly and at higher cap rates. In the industrial sector, overall volume was up, but spread amongst many more, smaller deals, as large portfolio trades were mostly absent. Overall, average cap rates declined as loan liquidity improved, allowing for higher valuations in primary and secondary markets. The benchmark established for the Portfolio is the NFI-ODCE +100 bps net over full market cycles.



The graph below shows the total net returns for the Portfolio by quarter since inception. NFI-ODCE + 100 bps total net return performance is also included. It is important to note the effects of the “J-curve” whereby fees on committed capital exceed distributions to the Portfolio due to minimal invested capital and the early stages of the value-added/opportunistic process in the underlying investments.



The table below reflects the returns for the Portfolio and the NFI-ODCE + 100 bps during pertinent time periods and segments these returns by their components: income, appreciation, and total return. The 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.

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception	
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET
New York City Board of Education Retirement System	1.1	1.1	2.2	1.9	4.9	5.3	10.4	9.1									12.1	10.8
NFI-ODCE Value Weight Index + 100 BPS			3.0	2.8			12.7	11.6									15.1	14.0

II. Portfolio Composition

New York City Board of Education Retirement System		
Total Plan Assets	9/30/2012	\$3,159
Real Estate Allocation (%)		7.0%
Real Estate Allocation (\$)		\$221
Style Sector Allocation		
Core / Core Plus Portfolio	40.0%	\$88
Non-Core Portfolio	60.0%	\$133
Uncommitted Core / Core Plus Portfolio		\$10
Uncommitted Non-Core Portfolio		\$93
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		66.5%
Non-Core Portfolio		33.5%
\$ Committed		\$117
% Committed on Real Estate Allocation		53.1%
% Committed on Total Plan Assets		3.7%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		2.2%
% Funded (Market Value) of Total Real Estate Allocation		31.6%

BERS		
Investment Cash Flow Summary		
	Quarter	To Date
Contributions	\$6.3	\$66.2
Distributions	-\$0.6	-\$4.6
Withdrawals	\$0.0	\$0.0

Contributions: Includes actual cash funded to the investment for acquisition and capital items during the quarter.

Distributions: Includes actual cash returned during the quarter from the investments which represents distributions of income from operations and profit.

Withdrawals: Includes cash returned from the investment as a result of return of capital.

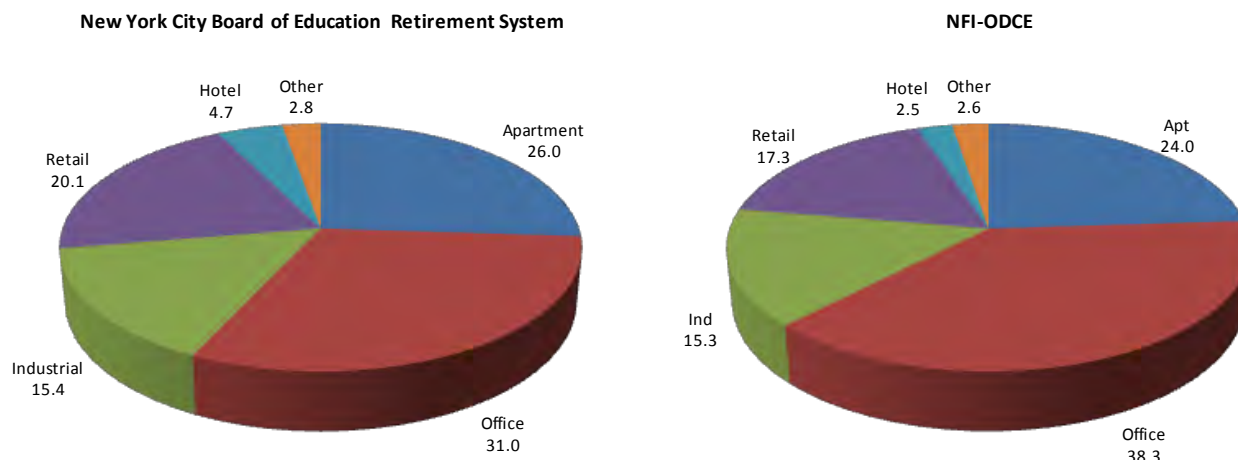
III. Portfolio Compliance

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles	N/A
Portfolio Composition	<p>Core/Core Plus (minimum of 40%)</p> <p>Non Core (minimum of 60%)</p>	<i>The portfolio is funded (market value) and committed at 53.1% of real estate allocation with a portfolio composition of 66.5% core and 33.5% non-core.</i>
Real Estate Allocation	Target of 7.0%	<i>Funded (market value) and committed dollars place the portfolio at 3.7% of total plan assets.</i>
	Currently Funded at 2.2%	
Property Type Diversification	<p>Up to 40% Multifamily</p> <p>Up to 35% Industrial</p> <p>Up to 45% Office</p> <p>Up to 35% Retail</p> <p>Up to 25% Hotel</p> <p>Up to 20% Other</p>	<i>All property type locations are in compliance.</i>
Geographic Diversification	<p>Diversified geographically</p> <p>Max 25% Ex-US</p>	<i>All geographic type locations are in compliance</i>
LTV	65%	<i>Portfolio is in early stages of funding, but is in compliance (21.6%).</i>
Manager Exposure	15% of real estate allocation	<i>Manager exposure is within compliance ranges.</i>

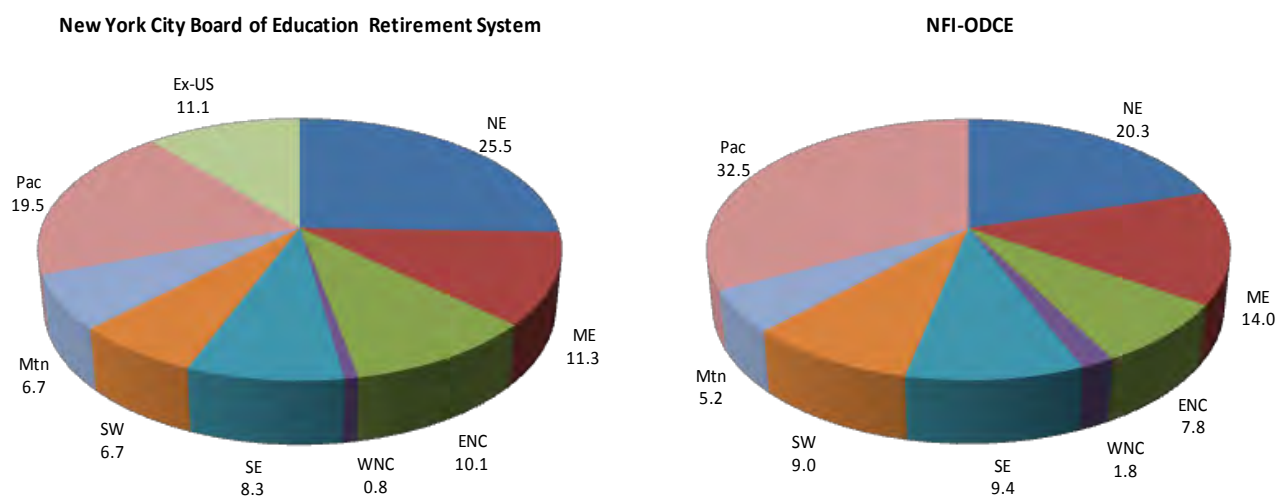
IV. Portfolio Diversification

The Investment Policy Statement (IPS) establishes ranges for diversification by property type and geographic region. These ranges are broad based and allow for investment in all major property types and all geographic regions. The diversification of the current portfolio by property type and geographic region is shown below and compared to diversification of the NFI-ODCE at the end of the Quarter.

Property Type Diversification (%)



Geographic Diversification (%)



Private Equity Quarterly Report



SEPTEMBER 30, 2012

ALTERNATIVE INVESTMENT REPORT

NYC Board of Education Retirement System

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NYC Board of Education Retirement System

Third Quarter 2012 Report

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Section 1:

Market Update

Third Quarter 2012 Report

The Private Equity Market

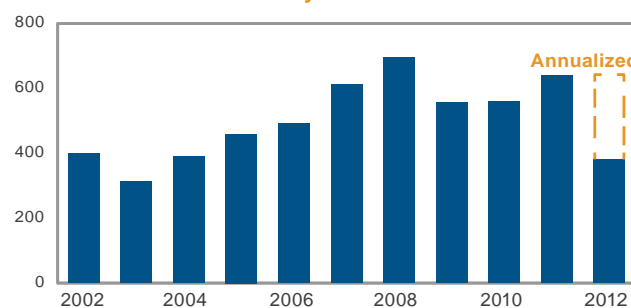
Key Trends

Critically assessing the private equity market requires taking a step back to examine trends within the larger context of the industry's cyclical nature. While the industry continues to be dominated by largely negative and many misleading headlines such as "Looming Wall of Maturities", "LPs Reducing Exposure to Private Equity," and "Dry Powder at Record Levels," we think it is important to instead look to the facts and realize that while all is far from perfect, the private equity asset class has recovered post-crisis and continues its march forward. As you'll read below, the debt markets are healthy, allowing for significant delevering and a moving of the maturity wall. LPs are not reducing but rather increasing their exposure, which is the result of private equity continuing to deliver attractive returns. We would suggest that focusing on dry powder is missing the real looming overhang issue - Net Asset Value increases relative to distributions. Nevertheless, the industry continues to make healthy progress toward recovering from its steep contraction following the financial crisis.

The Fundraising Environment

A key measure of the vibrancy of the private equity market is the volume of private placement memorandums (PPMs), which is experiencing a healthy rebound since the financial crisis. As a large, active investor, we have an excellent vantage point. The volume of PPMs that our diligence team is seeing is on pace for the second highest year in our history (Chart 1). Key drivers of this volume include continued expansion into newer markets (e.g., Asia and Latin America), broadening strategies (e.g., credit and infrastructure) and spin outs from existing fund managers.

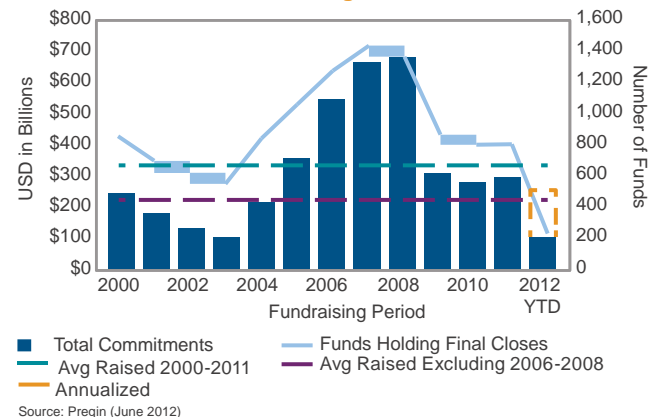
Chart 1: PPMs Received by Hamilton Lane



The global fundraising environment is increasingly challenging for the record number of fund managers seeking capital. Actual dollars raised is expected to be among the lowest in the past

8 years. And yet, excluding the 2006-2008 time period, we are presented with the anomaly that dollars raised will likely be above the average (Chart 2). In short, fewer managers are successfully raising capital. Long over-diversified in this asset class, LPs are finally beginning to concentrate their portfolios.

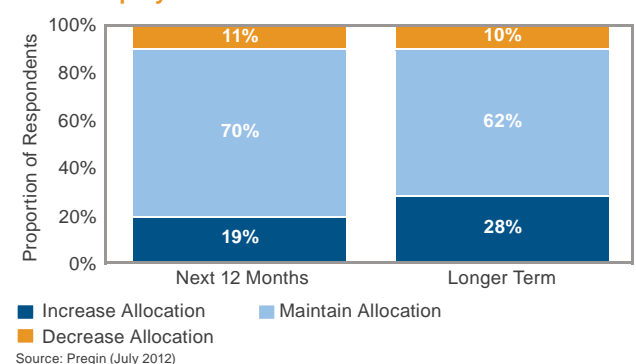
Chart 2: Global PE Fundraising



Increase in PE Allocations

Although some headlines may suggest otherwise, there is evidence that indicates investors are likely to increase their allocations to Private Equity. A recent Preqin investor survey shows that over the next 12 months, nearly 20% of investors plan to increase their allocations to the asset class. This number jumps to nearly 30% over the longer term.

Chart A: Investors' Intentions for Their Private Equity Allocations



PE Continued Outperformance

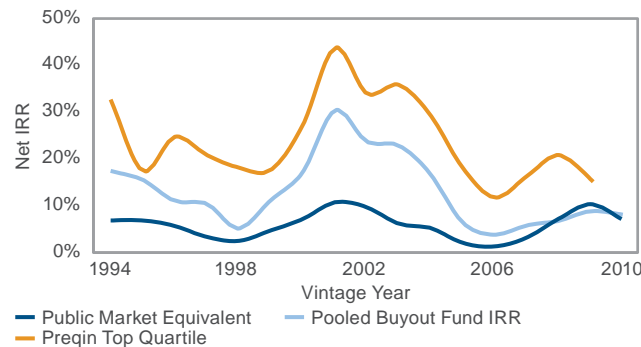
On a macro level, data suggests that private equity continues to outperform the public market equivalent. This is true for pooled or "average private equity" across most vintage years and is

Third Quarter 2012 Report

especially true of top quartile private equity where significant outperformance is persistent.

Chart B: All Buyouts Outperformance of Public Markets

All Buyout Funds vs. MSCI All Country World TR Index



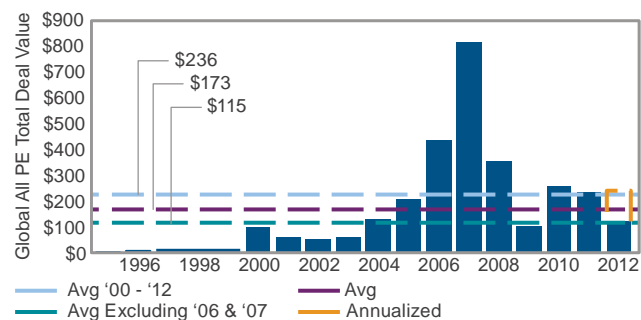
Source: Hamilton Lane Fund Investment Database, Prequin & Bloomberg (July 2012, fund performance as of March 2012)
Please refer to endnotes on page 20

The Absence of “Mega” Continues

It is also worth looking at the bigger players. Mega funds, those that fall in the \$5 billion-plus size, are noticeably absent in today’s fundraising environment. Although staging a small comeback by raising just over 10% of the total funds both last year and so far this year, mega funds are still lagging behind the 2006 to 2007 “boom” years when they contributed to more than 40% of the funds raised. That said, funds sized \$1 billion to \$5 billion attracted more than 50% of the capital raised last year and are on track to raise an even greater percentage this year.

Chart 3: Global PE Deal Volume

Total Enterprise Value, USD in Billions



Source: ThomsonOne (July 2012)

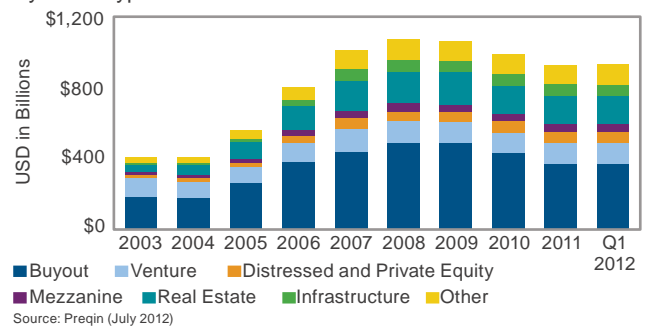
Global deal volume this year looks like it will be close to the level reached last year. While deal volume has returned to “normal” levels, it remains well below past highs (Chart 3). And with fundraising and deal volume nearly equal, capital overhang pressure remains.

What Investors Should Worry About: NAV, Not Dry Powder

Private equity capital overhang – or the level of dry powder – has attracted significant attention in the press. But is it all deserved? After all, from 2011 to 2012, capital overhang is actually on target to remain static given that there has been little change in the levels of either fundraising or distributions. Moreover, the “One Trillion Dollar” headline, while dramatic, is misleading as significant non-private equity capital, such as real estate and infrastructure, is included (Chart 4).

Chart 4: Private Equity Dry Powder

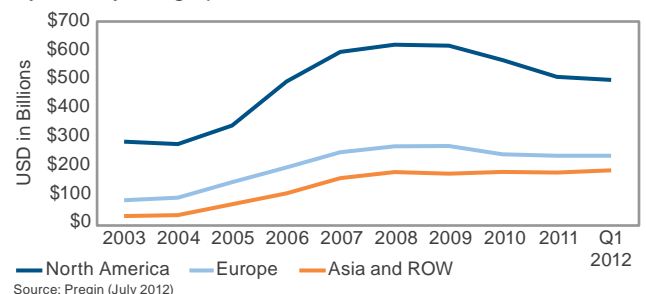
By Fund Type



More important for investors is that the amount of dry powder is not equally distributed across regions. North America, which experienced the steepest growth starting in 2004, has also shown the steepest decline in dry powder. In Europe, dry powder has fallen slightly but remains close to 2007 levels. Reflecting an overheated market, Asia/ROW levels have steadily increased and recently reached a new high near \$200 billion (Chart 5).

Chart 5: Private Equity Dry Powder

By Primary Geographic Focus

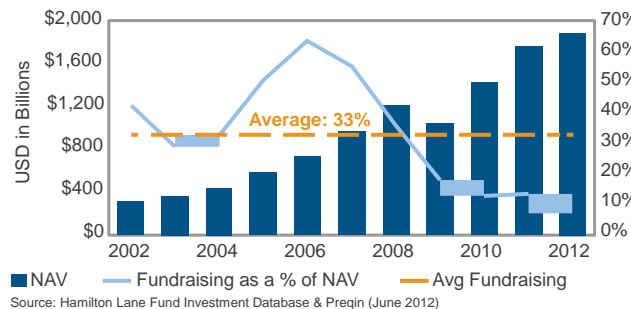


While high levels of dry powder can correlate to increased purchase prices, concerns that this capital will be unable to find a home are misguided. GPs rarely struggle in spending money. The real “capital overhang” issue, in our view, is not dry powder, but the accumulating NAV, which needs to be converted to

Third Quarter 2012 Report

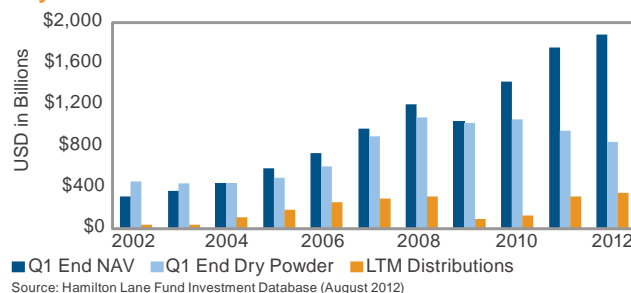
cash distributions. Since its peak in 2006, fundraising as a percentage of NAV has fallen steeply and in 2009 fell below the average rate of 33% (Chart 6). The unprecedented buildup of NAV raises important questions about how and when this asset value bulge returns to investors.

Chart 6: Industry Level All PE NAV and Fundraising
NAV as of Q1 End; Fundraising for Full Year (Annualized)



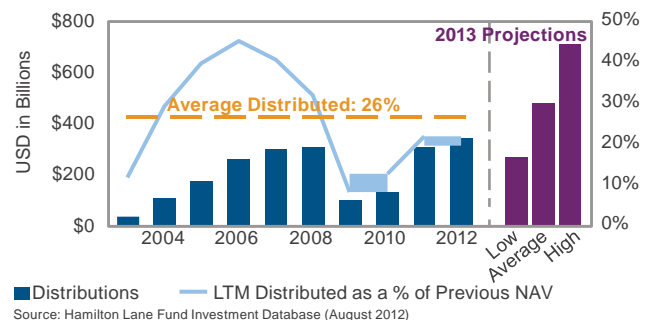
The Hamilton Lane Fund Investment Database shows a static picture of capital overhang from last year to 2012 – while dry powder goes down, NAV increases. Yet, there are some troubling signs (Chart 7). The increasing NAV/Distribution ratio indicates that LPs' exposure continues to grow. Thus, there is pressure on the market to consume tens of billions of dollars in NAV.

Chart 7: Industry Level All PE NAV, Dry Powder and Distributions



The last 12 months have seen industry-record levels of distributions. It may not feel that way to LPs, however, since, as a percentage of NAV, distributions are relatively low. The tremendous pressure from NAV levels increases the likelihood of significant liquidity coming to the market over the next 12 months – even our average estimate would be an unprecedented \$500 billion in distributions (Chart 8). In part, this is driven by the sheer size of the invested asset base and its age. A wave of liquidity will reduce exposure significantly in some cases, causing a need for LPs to recommit.

Chart 8: Industry Level All PE Distributed Capital
As of Q1 End

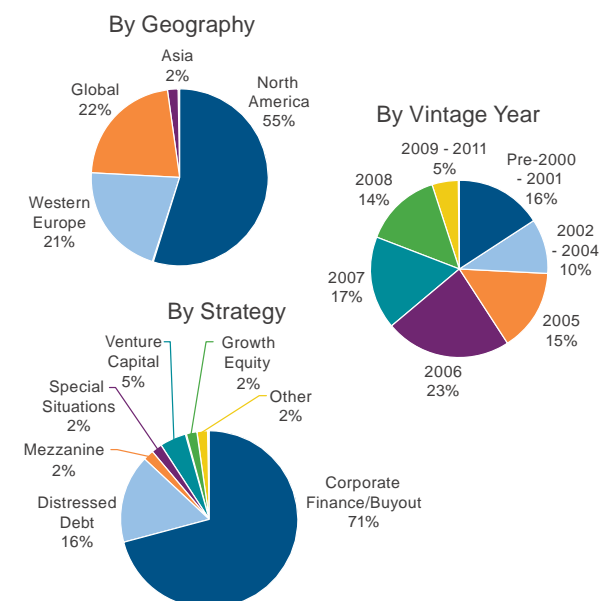


But what if this scenario does not play out and exposure is not reduced? We think that the timing and mechanics of converting NAV to cash distributions should be at the top of every investor's mind.

Sources of LP Liquidity

A look at private equity distributions shows that buyouts have been and will continue to be the big source of liquidity for LPs (Chart 9). Reflecting positions placed post-crisis, coupled with an improving economy, distressed debt investment proceeds as a source of liquidity have jumped from 6% (in 2008-2009) to 16% (in 2011-2012).

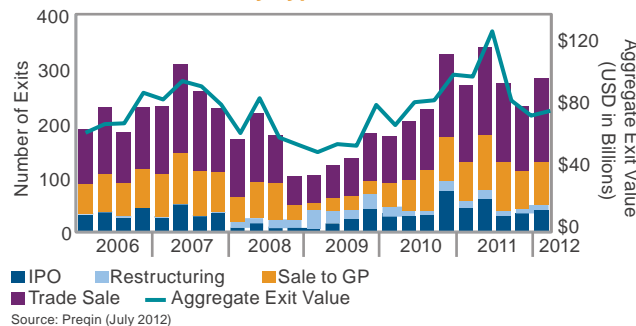
Chart 9: LP Distributions
June 2011-June 2012



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LP distributions by vintage year demonstrate the little recognized insight: **old dollars are not necessarily dead dollars**. For example, vintage years going back to 2005 and 2006 have grown in importance. There are meaningful dollars locked up in older vintages that are still being distributed. In fact, more than a quarter of all capital distributed in the 2011-2012 time period will come from pre-2000 through 2004 vintage years.

Chart 10: Quarterly Aggregate PE-Backed Exit Value and Number of Exits by Type

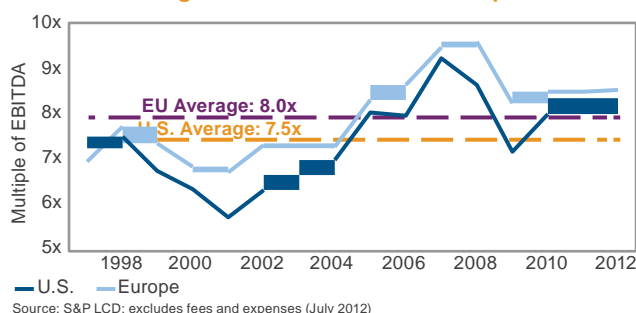


As our comments about growing NAV indicate, liquidity events should be on the rise. Although PE-backed exit values improved during the first quarter, the IPO window remains narrow. While trade sales remain the most popular exit, GP-to-GP exits continue to be a meaningful part of the landscape and we do not see this trend changing. The growing size of the private equity market and the large number of firms looking for exits and investments should continue to drive these transactions (Chart 10).

How Expensive Is the Market?

U.S. and European LBO purchase price multiples remain above their long-term averages (Chart 11). At 8.6x, the average LBO purchase price multiple in Europe has stabilized and has dropped substantially from its pre-crisis high of 9.7x. U.S. price multiples remain below those in Europe and are at or just above pre-boom levels.

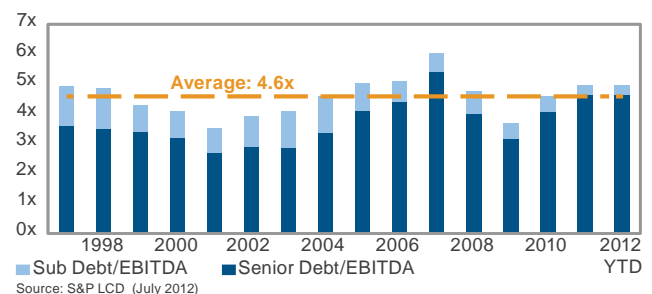
Chart 11: Average LBO Purchase Price Multiples



Leverage multiples for U.S. LBOs remain relatively stable and hovering at industry norms (Chart 12). Banks are lending in the U.S., and debt is affordable and available, just not in the volume seen in 2005 to 2007.

Consistent with today's cautious economic environment, capital structures for larger buyouts are relatively equity-heavy, a trend that has persisted for the past five years. Over the past few years, the average equity contribution for large LBOs in the U.S. has been in the range of 37% to 40%, above the long-term average of 33%. Equity contributions remain higher for mid and smaller deals - four points over the large LBO average. Europe's average equity contribution is above that of the U.S., moving up from 47% in 2011 to 50% in the first half of 2012². These levels reflect a continued trend of remaining above the long-term average of 40%, post-crash, and have important implications for the ability to generate returns.

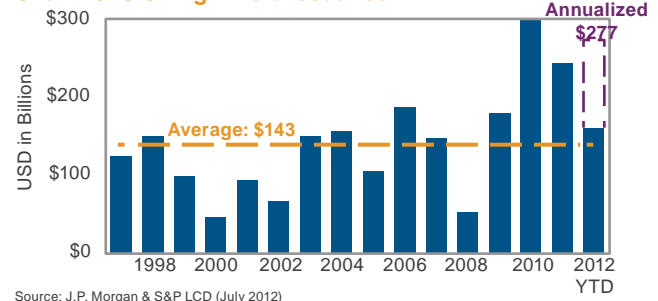
Chart 12: Average Leverage Multiples U.S. LBOs



Debt Markets

The very different conditions of the U.S. and European economies are reflected in the diverging performance of their respective debt markets. This impacts not only returns, but also the type of strategies that will prove favorable, as well as the ability of portfolio companies to refinance in each region.

Chart 13: U.S. High Yield Issuance

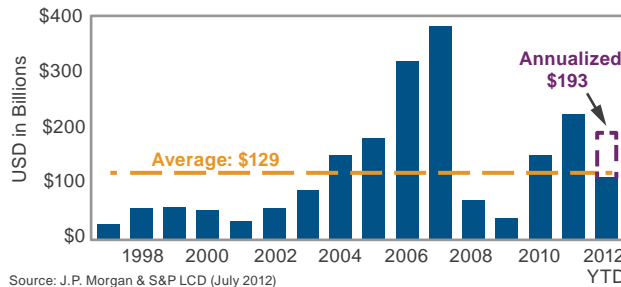


Driven by low rates and investors' search for yield, the U.S. high yield market continues to be robust. Year-to-date 2012, volume

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is already above historical averages (Chart 13). Leveraged loan volume is also running above the historical average and tends to be more correlated to new deal volume given the market's greater dependence on buyout transactions (Chart 14).

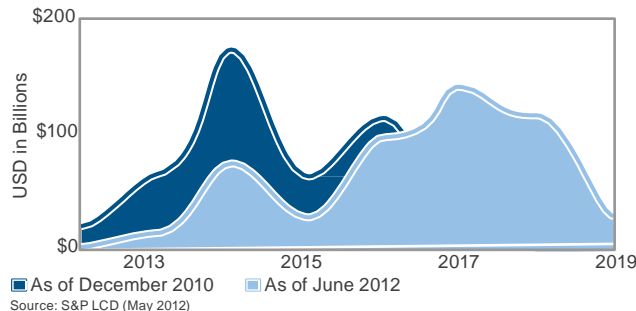
Chart 14: U.S. Leveraged Loans Issuance



What about the price of debt? As expected, average loan prices are well above crisis levels and trading in line with market norms. The difference between B- and Better Rate and Below B- has widened since 2011. High yield prices are strong and generally on the rise. The high volume and price of debt are key factors fueling a healthy U.S. buyout market.

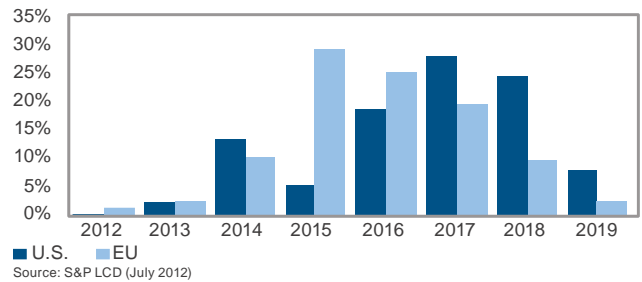
Unfortunately, the efficiency or robust character of the debt markets is rarely appreciated by observers who continue to worry about the collapsing "wall of maturities." This so-called "inevitable" outcome has yet to occur as high levels of refinancing have continued to push back maturities, effectively knocking down the most recent "wall" of 2014 (Chart 15).

Chart 15: U.S. Total Loans Outstanding



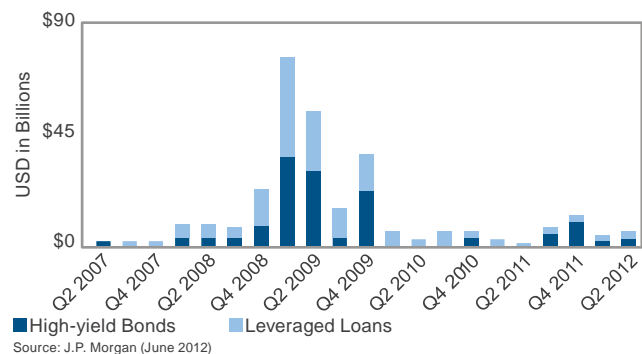
It is a decidedly different picture in Europe, where leverage loan and high yield spreads are weakening on economic concerns. A major default or break up of the Euro would have significant impacts throughout the continent's debt markets and beyond. Given the weaker state of the markets, the ability to refinance is far more limited, making the significant maturities coming due more problematic (Chart 16). More than 50% of the region's total outstanding leveraged loans are set to come due in 2015 and 2016, and the continued failure to address this debt represents one of the key risks to the European buyout market.

Chart 16: Maturity Profiles of U.S. and Europe
% of Region's Total Outstanding Leveraged Loans



Despite tough economic conditions globally, default rates remain near historic lows (Chart 17). Over the last nine months, only 30 companies and \$26.8 billion in bonds and loans have defaulted for an average of 3.3 defaults and \$3.0 billion per month. The par-weighted high-yield default rate increased to 2.21% from 2.17%, but remains well below the 25-year average of 4.2%.

Chart 17: Default Volume



Our assessment of the U.S. debt markets indicates that there is not an abundance of distressed investment opportunity due to the strengthening market and ease in the ability to refinance. We see the most attractive opportunities in small names, rescue capital and "loan to own." The larger distressed sector is characterized by plenty of available capital and scarcity of supply. This all said, opportunities would expand with a pronounced downturn, as lengthened maturities have not significantly reduced leverage levels.

In Europe, we see opportunities across the entire credit landscape driven by loan maturities, defaults and need for bank deleveraging. Non-traditional (e.g., non-performing loans) debt opportunities are the most actionable and attractive today, but require a specialized skill set. We caution that the timing and pace of opportunities will be slow, uncertain and highly dependent on bank willingness and need to sell assets at a loss.

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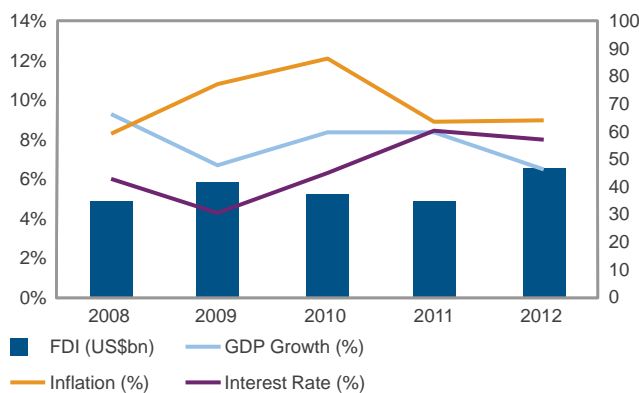
Regional Spotlight



India

Key Population Metrics	
Capital:	New Delhi
Type of Government:	Federal Parliamentary Constitutional Republic
2011 Population:	1.21 Billion
Currency:	Indian Rupee
Official Languages:	Hindi / English
2011 GDP:	\$4.457 Trillion

Country Economics

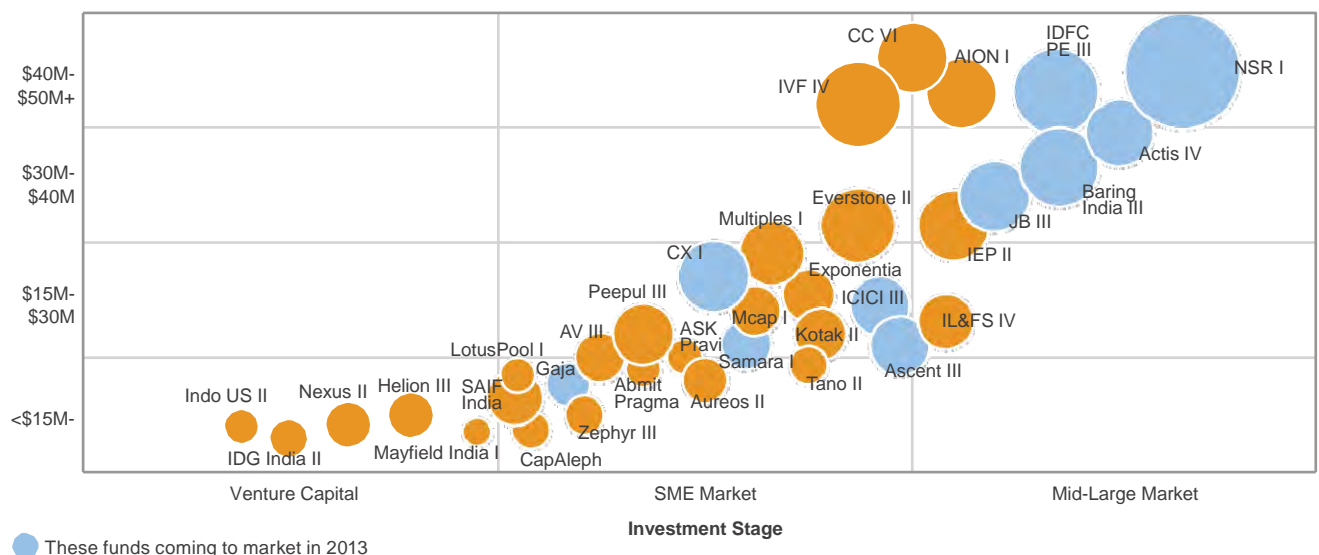


Source: RBI

Macroeconomics: India's economic performance deteriorated sharply over the past year as GDP growth declined to a 9-year low of 5.5% in June 2012.¹ By September 2012, the Indian Government was forced to respond more aggressively to the weakened macroeconomic environment and initiated several policy reforms. These included a postponement on new taxation policies, the easing of FDI restrictions related to various sectors, more active deficit management, and the partial privatization of four state-owned enterprises. Markets responded positively to these initiatives, lifting the Rupee approximately 7% between September and early-October 2012.¹

Private Equity: Coinciding with a weakening economy, India reported a steep decline in deals completed (25%) and deal value (23%) over the one-year period.² While Private Equity funds raised for India dropped by 50% from \$2.5 billion in H1 2011 to \$1.2 billion in H1 2012, families continue to dominate the deal landscape. During 2011, Private Equity accounted for 22.3% of total deal volume, a significant drop from 35.6% in 2007.³

Conclusion: Although a weaker economic backdrop will pose challenges for portfolio companies, we believe prevailing conditions make for a better private equity investment environment as valuation multiples are lower and entrepreneurs face fewer funding options and thus have become more amenable to taking capital from private sources. 🚀



● These funds coming to market in 2013

Note: Bubble size represents the latest fund size
 Note: Chart excludes Pan-Asian Funds, Sovereign Wealth Funds and special-focused funds (e.g. Cleantech, Real Estate, and Distressed Debt)
 Legend: AV: Avigo; CC: Chrys Capital; JB: Jacob Ballas; pravi: praviCapital; Tata: Tata Opportunities
 Note: Exposure to Actis India III is through Actis Emerging Market 3 Fund. Exposure to SAIF India through SAIF IV
 Source: Hamilton Lane

1 Source: RBI
 2 Source: EMPEA
 3 Source: AVCJ

Section 2:

Portfolio Update

NYC Board of Education Retirement System

Third Quarter 2012 Report

Portfolio Snapshot

Hamilton Lane was engaged by the NYC Board of Education Retirement System (“BERS”) in November 2012 to provide alternative investment fund administration services in accordance with the investment objectives of the BERS Private Equity portfolio (the “Portfolio”). This report represents the review by Hamilton Lane of BERS’s Portfolio and is based on information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of September 30, 2012, with highlights through December 31, 2012.

Private Equity Allocation: BERS has a target allocation of 6.0% to Private Equity. As of September 30, 2012, Private Equity constituted 3.2% of BERS plan.

Performance: As of September 30, 2012, the Portfolio consists of 5 partnerships and 3 underlying fund managers. The Portfolio has generated a since inception internal rate of return (“IRR”) of 5.18% and a total value multiple of 1.17x.

Portfolio Summary			
\$ millions	6/30/2012 ⁽¹⁾	9/30/2012	Change
Active Partnerships	5	5	-
Active GP Relationships	3	3	-
Capital Committed	\$171.0	\$171.0	\$0.0
Unfunded Commitment	\$80.2	\$73.0	(\$7.2)
Capital Contributed	\$91.9	\$99.1	\$7.2
Capital Distributed	\$11.0	\$17.1	\$6.1
Market Value	\$97.1	\$99.1	\$2.0
Total Value Multiple	1.18x	1.17x	(0.01x)
Since Inception IRR	5.32%	5.18%	(14 bps)
Avg. Age of Active Commitments	4.2 years	3.9 years	(0.3 years)

⁽¹⁾Change in values from prior quarter end report due to reconciliation of transitioned data with General Partners

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 45% of the Portfolio’s total exposure, Venture Capital represents 23%, Growth Equity accounts for 15%, Distressed/Turnaround represents 9%, Other represents 7%, and Co-Investment represents 1%. Strategic exposure takes into account the strategies for each of the underlying partnerships in the funds-of-funds within the BERS Portfolio.

NYC Board of Education Retirement System

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Portfolio Overview

Commitments

The table below highlights the funds that closed through September 30, 2012.

YTD Commitments - 2012			
Closing Date	Partnership	Investment Strategy	Commitment Amount
5/9/2012	Warburg Pincus Private Equity XI, L.P.	Growth Equity	\$25.0
Total			\$25.0

During the first three quarters of 2012, the Portfolio completed one additional investment totaling \$25.0 million, detailed below:

Warburg Pincus Private Equity XI, L.P. (\$25.0 million) the fund will seek to invest primarily in growth companies, but will opportunistically invest in companies across all stages of development, from venture capital and start-up companies, to existing companies in need of capital, to later-stage buyouts and special situations. The fund will target investments across five industry sectors, Healthcare, Technology/Media/Telecommunications, Energy, Financial Services and Consumer, Industrial and Services.

Subsequent Events

The Portfolio completed additional investments totaling \$62.2 million following the quarter end September 30, 2012, detailed below:

Subsequent Closings			
Investment	Investment Strategy	Commitment (\$ in Millions)	Closing Date
Carlyle Partners VI, L.P.	Corporate Finance/Buyout - Mega	\$20.0	12/21/2012
Carlyle Partners VI, L.P. - Side Car	Co-Invest	\$2.2	12/21/2012
Platinum Equity Capital Partners III, L.P.	Special Situations/Turnaround	\$15.0	12/28/2012
Landmark Equity Partners XV, L.P.	Secondaries	\$19.0	1/31/2013
Landmark Equity Partners XV, L.P. - Side Car	Co-Invest	\$6.0	1/31/2013
		\$62.2	

Carlyle Partners VI, L.P. & Side Car (\$20.0/\$2.2 million) the fund intends to make investments in companies in which it obtains majority control of the board of directors or significant influence over governance of business, focusing on industries in which the firm has significant expertise (Aerospace, Defense & Government Services; Consumer & Retail; Healthcare; Industrial & Transportation; Technology; and Telecom & Media).

Platinum Equity Capital Partners III, L.P. (\$15.0 million) The fund's strategy is to invest in underperforming businesses and apply operational improvements to build enterprise value and generate top tier investment returns.

NYC Board of Education Retirement System

Third Quarter 2012 Report

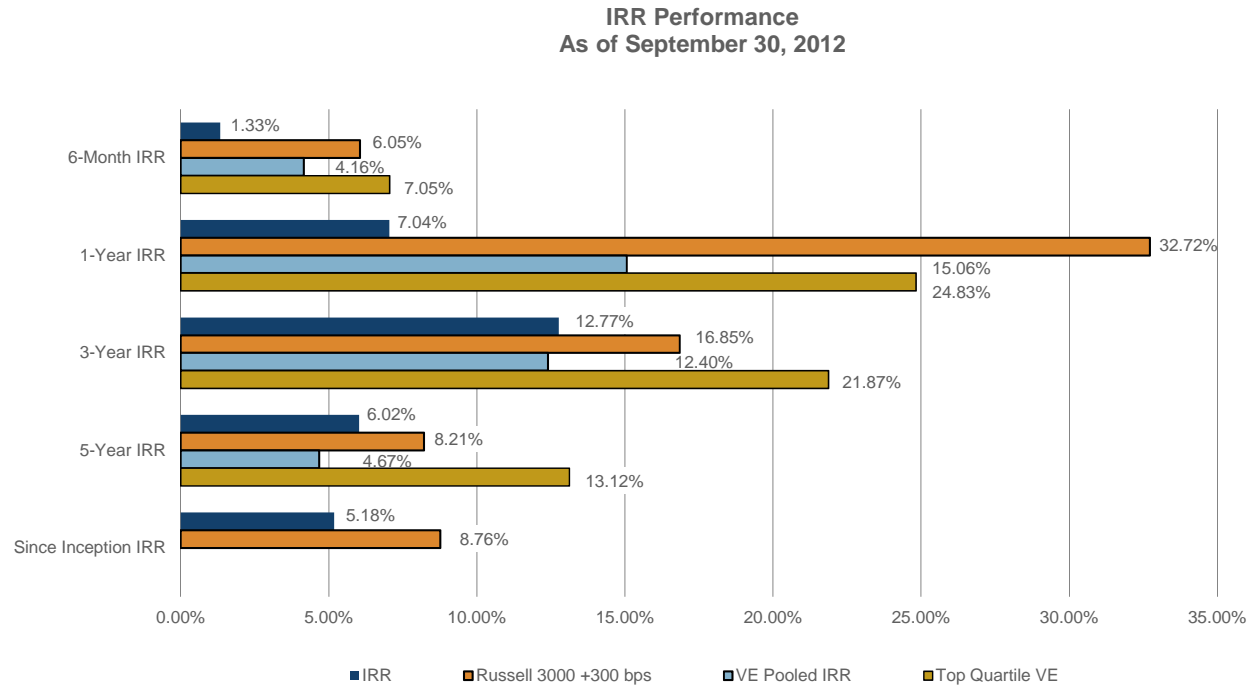
Landmark Equity Partners XV, L.P. & Side Car (\$19.0/\$6.0 million) The fund will target the entire spectrum of available secondary transactions, from the customary acquisition of individual private equity fund interests, to more complex portfolio transactions.

NYC Board of Education Retirement System

Third Quarter 2012 Report

Portfolio Performance Summary

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



Note: The Since Inception IRR is not benchmarked against VE as there is no time horizon available that is comparable to the March 3, 2006 inception date of BERS 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 3.0% 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 third quarter of 2012 decreased 14bps from the prior quarter, with the Portfolio generating an IRR of 5.18%.
 - Relative to the benchmark, the since inception IRR is underperforming the Russell 3000 plus 300bps by 358bps.
- Performance on a one-year basis for the third quarter 2012 increased 367bps from the third quarter 2011, with the Portfolio generating an IRR of 7.04%.
 - Relative to the benchmarks, the one-year IRR is underperforming the VE Pooled IRR by 802bps, the Top Quartile VE by 1,779bps, and the Russell 3000 plus 300bps by 2,568bps.

NYC Board of Education Retirement System

Third Quarter 2012 Report

The table below details quarterly performance of the Portfolio for the year ending September 30, 2012.

Portfolio Summary					
in \$ millions	Quarter Ending				Year Ending
	12/31/2011	3/31/2012	6/30/2012	9/30/2012	9/30/2012
Beginning Market Value	\$85.1	\$88.5	\$93.6	\$97.1	\$85.1
Paid-in Capital	3.9	2.4	8.7	7.2	22.2
Distributions	(2.8)	0.0	(5.6)	(6.1)	(14.5)
Net Value Change	2.3	2.7	0.4	0.9	6.3
Ending Market Value	\$88.5	\$93.6	\$97.1	\$99.1	\$99.1
Unfunded Commitments	\$66.2	\$63.9	\$80.2	\$73.0	\$73.0
Total Exposure	\$154.7	\$157.5	\$177.3	\$172.1	\$172.1
Point to Point IRR	2.64%	3.03%	0.51%	0.80%	7.04%
Since Inception IRR	5.03%	5.56%	5.32%	5.18%	5.18%

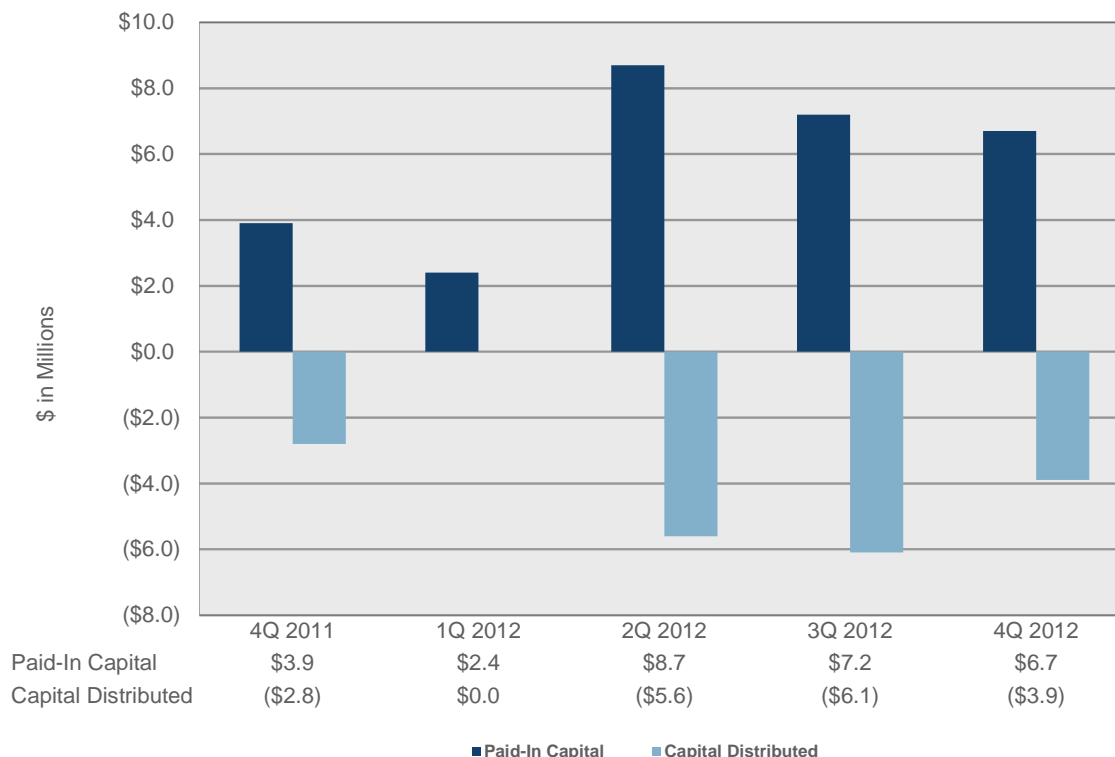
- Over the past twelve months, the Portfolio has generated an IRR of 7.02% and has experienced a total of \$6.3 million in net value gain.

NYC Board of Education Retirement System

Third Quarter 2012 Report

Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended December 31, 2012.



- For the year ended September 30, 2012, the portfolio was cash flow negative with contributions outpacing distributions by \$7.7 million.
- Contribution activity decreased 17% from the second quarter 2012 to the third quarter, with contributions totaling \$7.2 million. Distribution activity increased during the third quarter of 2012 by \$0.5 million, totaling \$6.1 million.
 - Warburg Pincus Private Equity XI, L.P. called the most capital during the third quarter of 2012, calling \$3.3 million to fund investments in Liaison Group Holdings, Inc. and China Auto Rental Holdings, Inc.
 - Liaison is a Massachusetts-based provider of application services and accreditation workflow solutions for not-for-profit postsecondary institutions.
 - China Auto Rental Holdings is the largest car rental company in China providing both short- and long-term car rental services to individual and corporate customers.

NYC Board of Education Retirement System

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- Mesirow Financial Private Equity Partnership Fund III, L.P. distributed the most capital during the third quarter of 2012, distributing \$4.0 million in proceeds from underlying investments.
- Contribution activity decreased 7% over the fourth quarter of 2012, with contributions totaling \$6.7 million. Distribution activity decreased modestly during the fourth quarter of 2012, with distributions totaling \$3.9 million.
 - Mesirow Financial Private Equity Partnership Fund V, L.P. called the most capital during the fourth quarter of 2012, calling \$1.8 million to fund underlying investments.
 - Mesirow Financial Private Equity Partnership Fund III, L.P. distributed the most capital during the fourth quarter of 2012, distributing \$3.4 million in proceeds from underlying investments.

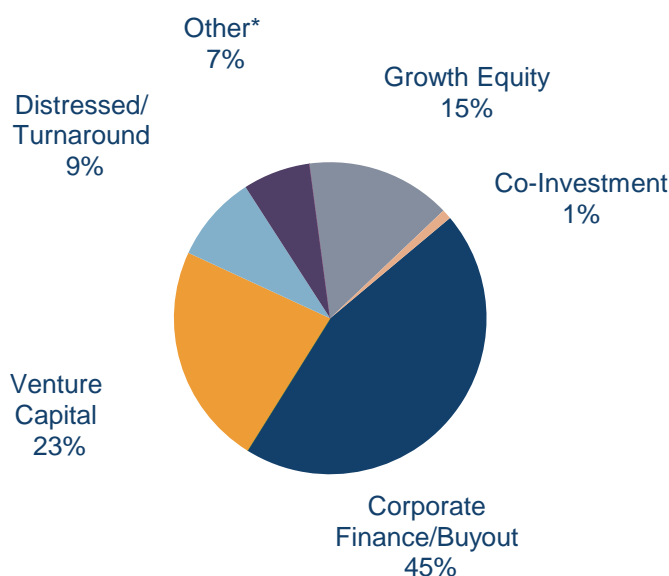
NYC Board of Education Retirement System

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Portfolio Exposures

The pie chart below represents the strategic diversification of the Portfolio as of September 30, 2012. 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. Strategic exposure takes into account the strategies for each underlying partnership in the funds-of-funds within the BERS Portfolio.

**Strategic Diversification
by Total Exposure
As of September 30, 2012**



**Strategic exposure to 'Other' consists of underlying partnerships for which investment strategies are not disclosed in the quarter end financial statements.*

- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 45% of the total exposure attributable to this strategy.

NYC Board of Education Retirement System

Third Quarter 2012 Report

Private Equity Company Exposure

The table below identifies the top ten partnership holdings held by funds-of-funds in the BERS Portfolio, as measured by exposed market value as of September 30, 2012. As noted in the second column, the values of partnerships held by several funds-of-funds have been aggregated.

Top 10 Partnership Holdings by Exposed Market Value September 30, 2012			
Partnership Name	Funds-of-Funds	Exposed Valuation (\$ Millions)	% of Total Portfolio
GenNx360 Capital Partners	New York Fairview Private Equity Fund, L.P.	\$3.0	3.4%
Encore Consumer Capital Fund	New York Fairview Private Equity Fund, L.P.	2.9	3.2%
Green Equity Investors V, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.8	3.1%
EQT V, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.6	2.9%
MC Venture Partners VI, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P.	2.6	2.9%
Providence Equity Partners VI, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.6	2.8%
DCM V, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P.	2.6	2.8%
TSG5, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.4	2.7%
Sun Capital Partners V, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.3	2.5%
The Fourth Cinven Fund	Mesirow Financial Private Equity Partnership Fund III, L.P.	2.2	2.5%
Total		\$26.0	28.9%

- As of September 30, 2012, the top ten partnership holdings represent 28.9% of the total Portfolio's market value, or \$26.0 million of market value.
- Five of the ten top partnerships are held in multiple funds-of-funds within the portfolio.
- GenNx360 Capital Partners, a 2007 vintage buyout partnership, is the Portfolio's largest exposure and is held through one funds-of-funds.

Section 3:

Portfolio Assessment

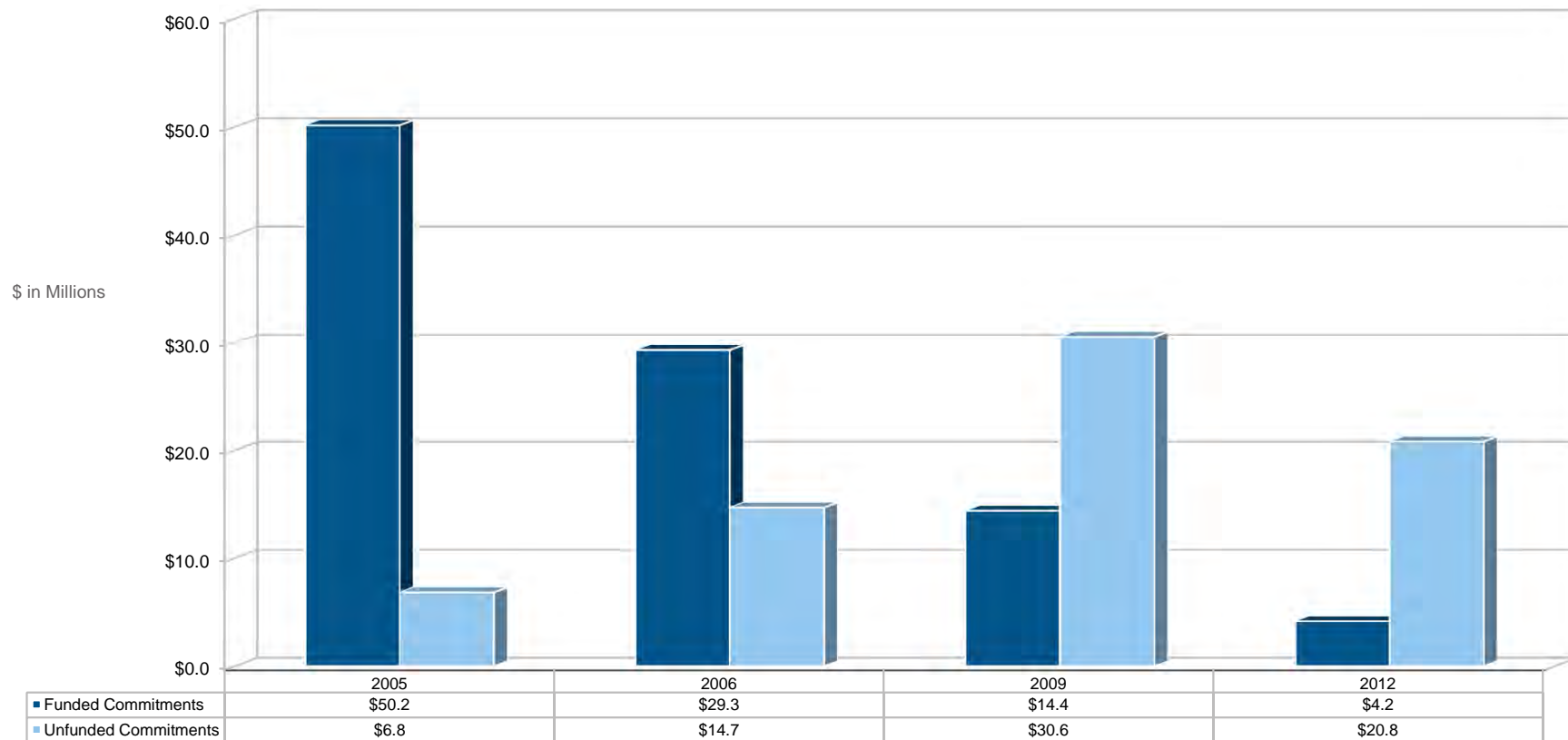
NYC Board of Education Retirement System (as of September 30, 2012)								
Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$57,000,000	\$50,533,273	\$11,611,092	\$51,644,642	1.25x	5.68%
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	15,467,233	628,759	16,695,712	1.12x	4.23%
	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	14,050,500	3,695,648	12,063,881	1.12x	3.56%
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	14,864,326	1,133,886	14,744,504	1.07x	7.69%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	4,198,050	6,250	3,971,382	0.95x	(7.38%)
Grand Total(s):			\$171,000,000	\$99,113,382	\$17,075,635	\$99,120,121	1.17x	5.18%

* Where available, September 30, 2012 reported valuations were used. In the absence of September 30, 2012 reported values, market values have been adjusted forward using interim cashflows through September 30, 2012. 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 September 30, 2012.

NYC Board of Education Retirement System (as of September 30, 2012)								
Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2012	Carlyle Partners VI, L.P. ⁽¹⁾	12/21/2012	20,000,000	-	-	-	0.00x	N/A
	Carlyle Partners VI, L.P. - Side Car ⁽¹⁾	12/21/2012	2,200,000	-	-	-	0.00x	N/A
	Platinum Equity Capital Partners III, L.P. ⁽¹⁾	12/28/2012	15,000,000	-	-	-	0.00x	N/A
2013	Landmark Equity Partners XV, L.P. ⁽¹⁾	1/31/2013	19,000,000	-	-	-	0.00x	N/A
	Landmark Equity Partners XV, L.P. - Side Car ⁽¹⁾	1/31/2013	6,000,000	-	-	-	0.00x	N/A
Grand Total(s):			\$62,200,000	-	-	-	0.00x	N/A

⁽¹⁾ Investment Close date is subsequent to September 30, 2012

**NYC Board of Education Retirement System
Commitments By Vintage Year
As of September 30, 2012**



Funded Commitments exclude additional fees.

Unfunded Commitments include recallable returns of capital.

Appendix A:

Glossary of Terms

NYC Board of Education Retirement System

Third Quarter 2012 Report

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.

NYC Board of Education Retirement System

Third Quarter 2012 Report

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.

Appendix B:

Disclosure Statements

NYC Board of Education Retirement System

Third Quarter 2012 Report

Non-public information contained in this report is confidential and intended solely for dissemination to NYC Board of Education Retirement System and/or its Affiliates. Hamilton Lane has prepared this report to enable NYC Board of Education Retirement System and/or its Affiliates to assess the performance and status of its alternative investment portfolio. Hamilton Lane hereby disclaims any liability resulting from any unauthorized dissemination of the attached information.

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.

II. January Monthly Performance Review:

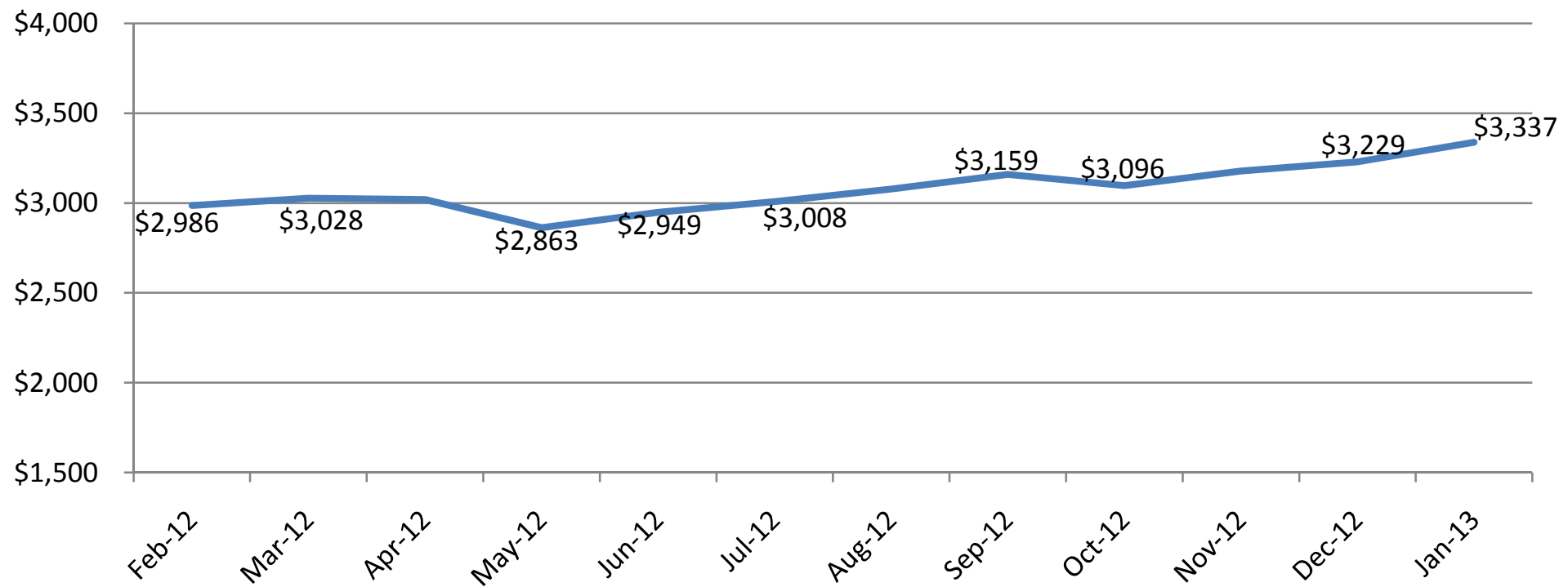
Monthly Performance Review *January 2013*

Prepared for the New York City
Board of Education Retirement System
3/22/2013

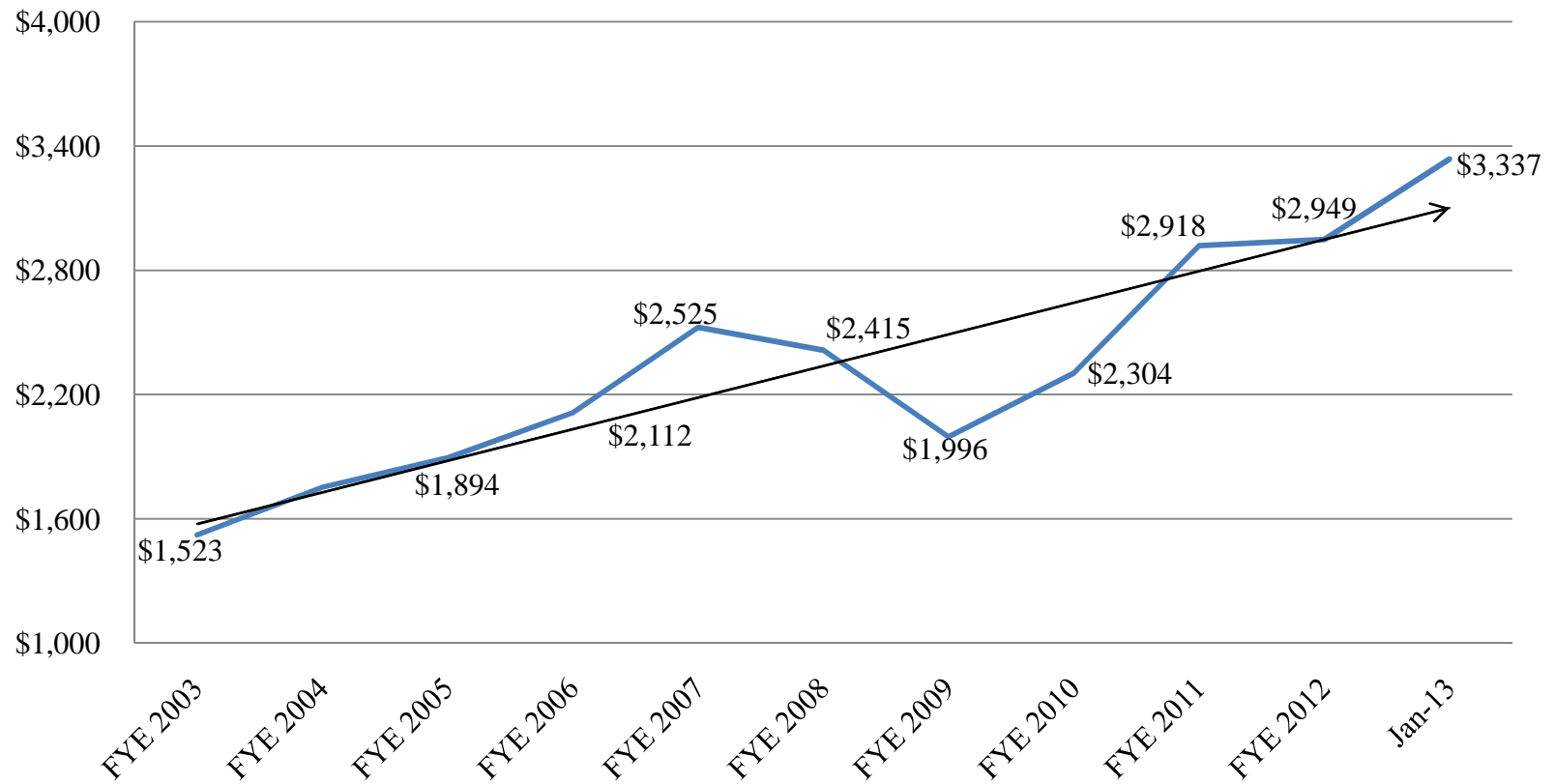
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BERS Market Values February 2012 - January 2013



BERS Market Values 2003 - 2012

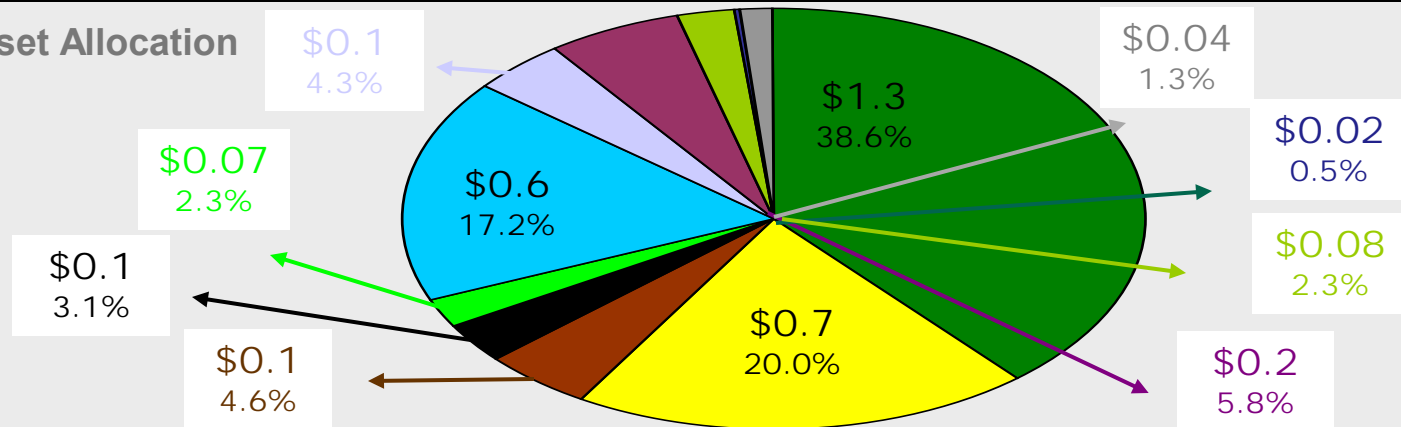


The 10 Year Return for BERS as of January 31, 2013 is 8.72%.

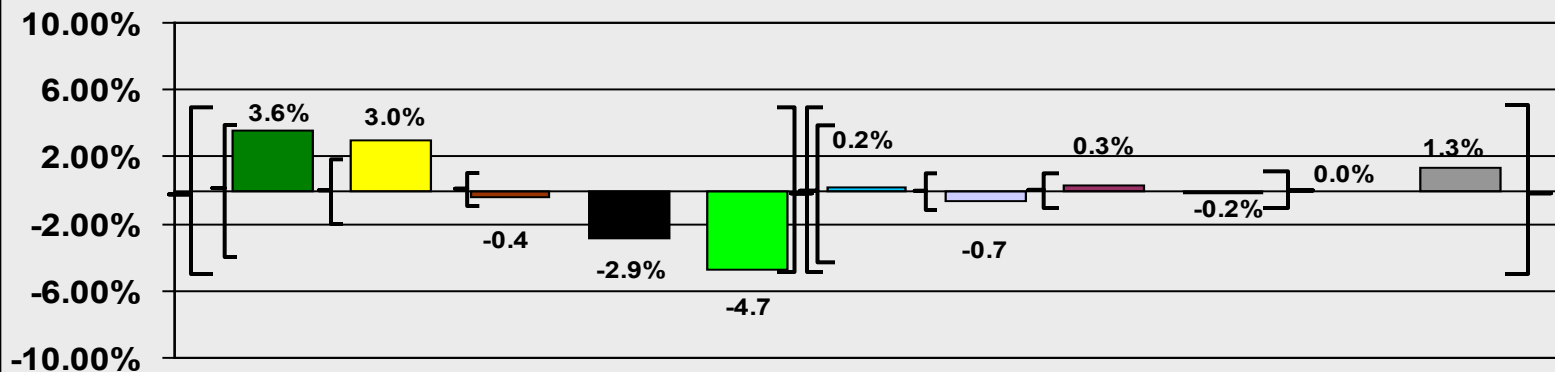
Portfolio Asset Allocation: January 31, 2013

\$3.3B Under Management

Asset Allocation



Relative Mix to New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of January 31st, 2013)

ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
TOTAL EQUITIES	\$2,289.3	68.6%	70.0%	NA	70.0%	65.0% - 75.0%
TOTAL FIXED INCOME	\$1,048.0	31.4%	30.0%	NA	30.0%	25.0% - 35.0%
TOTAL ASSETS	\$3,337.4	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
US Equities	\$1,289.2	38.6%	35.0%	7.6%	42.6%	38.6% - 46.6%
Non-US Equities/EAFE	\$667.6	20.0%	17.0%	NA	17.0%	15.0% - 19.0%
Emerging Markets	\$152.6	4.6%	5.0%	NA	5.0%	4.0% - 6.0%
TOTAL PUBLIC EQUITY	\$2,109.4	63.2%	57.0%	NA	64.6%	
* PRIVATE REAL ESTATE	\$75.9	2.3%	7.0%	NA	2.3%	6.0% - 8.0%
* PRIVATE EQUITY	\$103.9	3.1%	6.0%	NA	3.1%	5.0% - 7.0%
TOTAL EQUITIES	\$2,289.3	68.6%	70.0%	NA	70.0%	65.0% - 75.0%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
Core +5	US - Government	\$90.7	2.7%	NA	17.0%	13.0% - 21.0%
	US - Mortgage	\$242.5	7.3%	NA		
	US - Investment Grade Credit	\$240.5	7.2%	NA		
	TOTAL CORE + 5	\$573.7	17.2%	NA	17.0%	13.0% - 21.0%
	High Yield	\$192.8	5.8%	NA	5.5%	7.0% - 9.0%
	Bank Loans	\$77.2	2.3%	NA	2.5%	
	Total High Yield & Bank Loans	\$270.0	8.1%	NA	8.0%	7.0% - 9.0%
	TIPS	\$145.1	4.3%	NA	5.0%	4.0% - 6.0%
	** ETI	\$16.0	0.5%	** 2.0%	** 0.5%	** 0.5%
	Cash	\$43.3	1.3%	NA	0.0%	0.0% - 5.0%
	TOTAL PUBLIC FIXED INCOME	\$1,048.0	31.4%	NA	30.0%	
	TOTAL FIXED INCOME	\$1,048.0	31.4%	NA	30.0%	25.0% - 35.0%

* 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: +/-2%; Emerging Markets: +/-1%; Real Estate: +/-1%; Private Equity: +/-1%; Core +5: +/-4%; TIPS: +/-1%; High Yield & Bank Loans: +/-1%; Cash: 0-5%.

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of January 31st, 2013)

Adjustments to Long-Term Asset Allocation

1) Private Equity

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

2) Real Estate

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

Impact of Adjustments

1) Domestic Equity Policy Target %

35.0%

Adjustment: 100% of uninvested Private Equity

2.9%

Adjustment: 100% of uninvested Real Estate

4.7%

Adjusted Domestic Equity Policy Target %

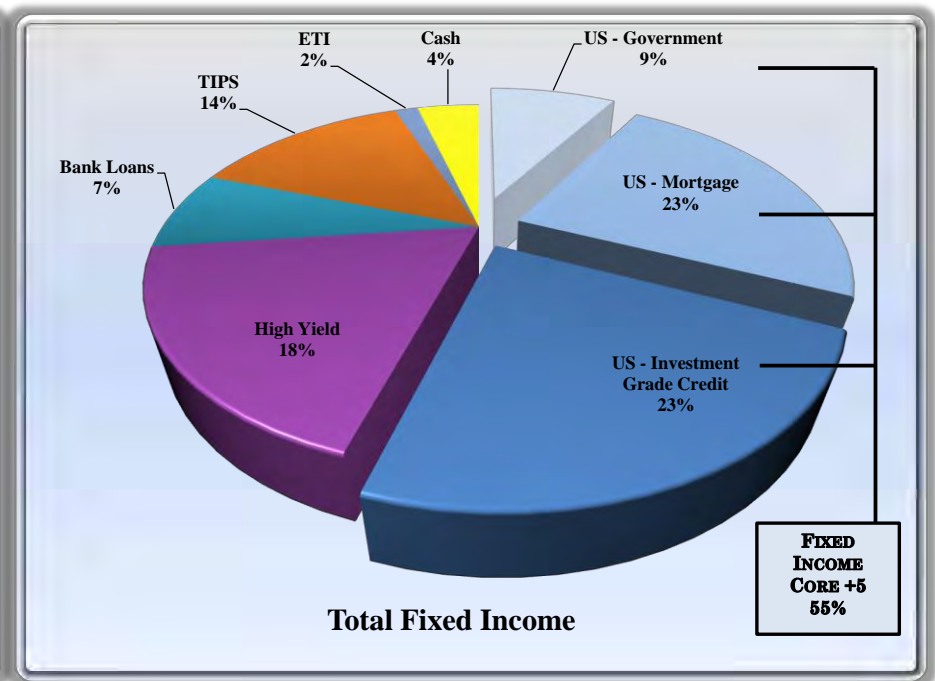
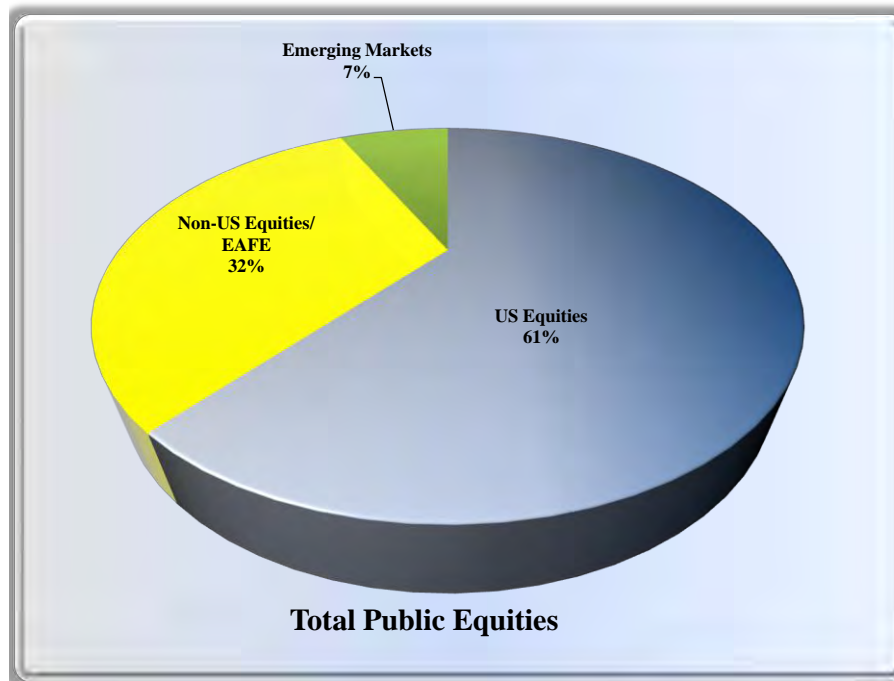
42.6%

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of January 31st, 2013)

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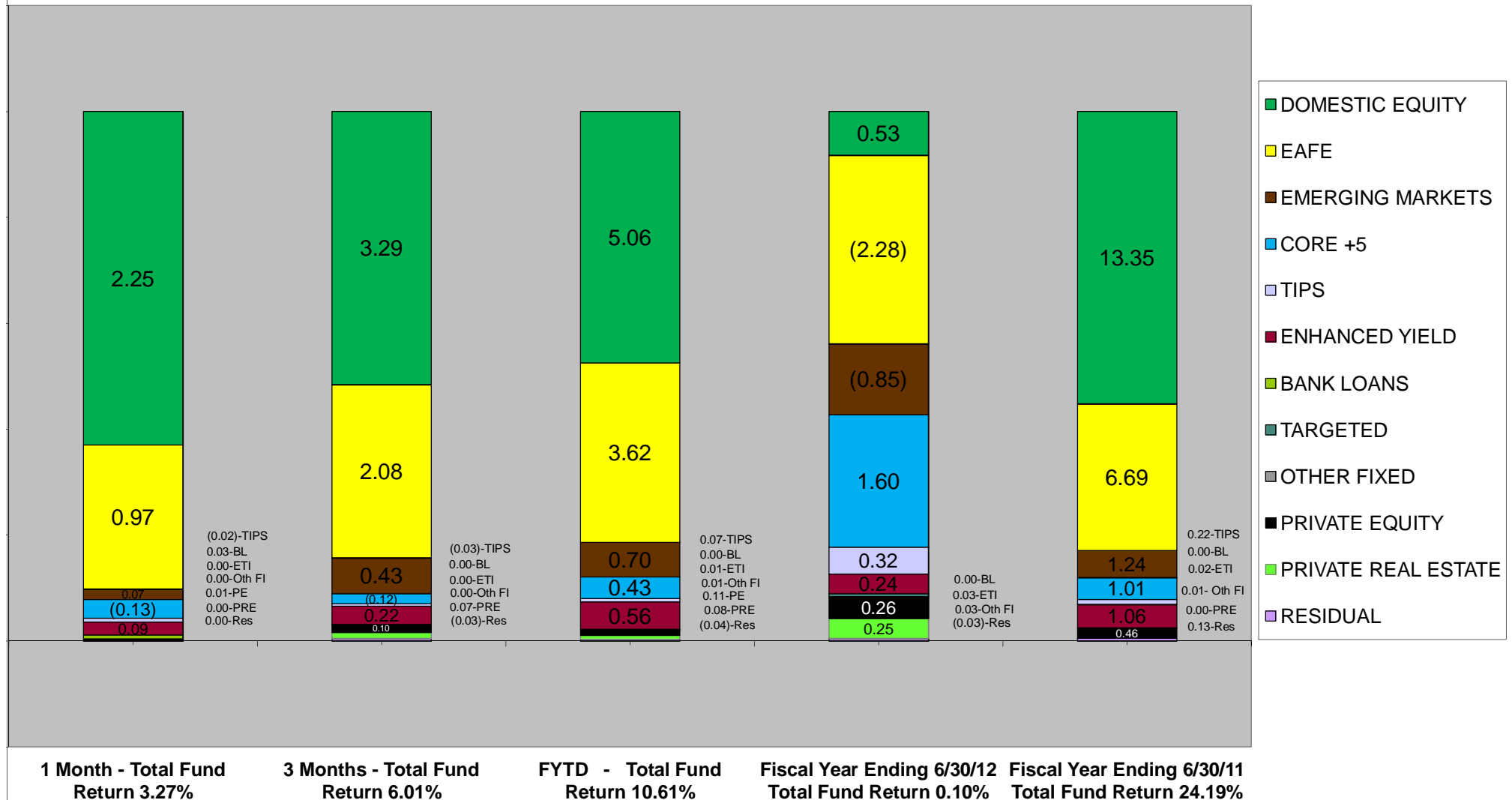
THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Board of Education Retirement System
January 31, 2013

	Trailing 1 Month	Trailing 3 Months	06/30/12 01/31/13	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<u>MARKET INDICATORS</u>								
STANDARD & POORS 500	5.18	6.75	11.44	16.78	10.31	14.14	3.97	7.93
S&P MIDCAP INDEX 400	7.22	11.98	17.13	18.56	10.34	17.56	7.98	11.64
RUSSELL 1000	5.42	7.36	12.21	17.03	10.29	14.48	4.28	8.35
RUSSELL 2000	6.26	10.63	13.91	15.47	8.98	15.98	6.31	10.69
RUSSELL 3000	5.49	7.61	12.34	16.90	10.18	14.59	4.44	8.53
RUSSELL 3000 GROWTH	4.46	6.34	9.42	13.44	9.64	14.79	5.78	8.42
RUSSELL 3000 VALUE	6.46	8.81	15.19	20.32	10.66	14.34	2.94	8.48
MSCI EAFE (NET DIVIDEND)	5.27	11.27	19.96	17.25	2.96	6.94	-0.79	9.23
MSCI EMERGING MARKETS FREE	1.39	7.72	15.52	8.01	0.57	7.50	2.35	17.10
FTSE CUSTOM BENCHMARK	0.23	6.22	13.69	6.05	0.15	7.94	3.08	****
MSCI WORLD INDEX	5.12	8.59	15.26	16.62	6.66	10.88	2.00	8.96
MSCI EUROPE SMID CAP INDEX	5.29	11.88	25.03	22.81	3.14	9.24	0.66	****
NYC - TREASURY AGENCY PLUS FIVE	-2.01	-2.05	-1.46	1.16	10.06	8.80	7.07	6.44
CITIGROUP MORTGAGE	-0.49	-0.51	0.39	1.66	4.10	4.17	5.23	5.05
NYC - INVESTMENT GRADE CREDIT INDEX	-0.91	-0.92	3.88	6.37	8.03	7.65	6.93	6.03
NYC - CORE PLUS FIVE	-0.96	-0.98	1.35	3.34	6.84	6.39	6.35	5.78
CITIGROUP BROAD INVESTMENT GRADE	-0.73	-0.69	1.11	2.60	5.58	5.35	5.52	5.23
BARCLAYS CAPITAL AGGREGATE	-0.70	-0.68	1.09	2.59	5.58	5.41	5.44	5.10
CITIGROUP BB & B	0.53	2.64	7.81	12.15	9.58	11.31	8.00	8.65
BofA MERRILL LYNCH HY MASTER II	1.38	3.75	9.43	13.87	9.44	11.54	10.61	10.21
CREDIT SUISSE LEVERAGED LOAN INDEX	1.12	2.27	****	****	****	****	****	5.51
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	-0.68	-0.85	2.13	3.87	9.73	8.10	6.07	6.50
BofA ML ALL CONVERTIBLES EX MANDATORY	3.90	6.94	11.19	12.78	5.99	10.70	6.04	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	3.40	6.75	5.35	13.68	12.85	21.52	5.70	12.28
NCREIF NFI-ODCE NET	0.00	2.06	4.64	9.77	12.33	13.30	-2.00	****
91 DAY TREASURY BILL	0.00	0.03	0.07	0.11	0.10	0.11	0.42	1.77

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Board of Education Retirement System
February 28, 2013

	Trailing 1 Month	Trailing 3 Months	06/30/12 02/28/13	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<u>MARKET INDICATORS</u>								
STANDARD & POORS 500	1.36	7.58	12.95	13.46	9.20	13.49	4.95	8.24
S&P MIDCAP INDEX 400	0.98	10.64	18.28	14.57	8.39	15.97	8.61	12.01
RUSSELL 1000	1.34	7.95	13.72	13.62	9.15	13.75	5.21	8.67
RUSSELL 2000	1.10	11.26	15.17	14.02	6.69	14.71	7.35	11.16
RUSSELL 3000	1.33	8.19	13.83	13.65	8.94	13.82	5.38	8.85
RUSSELL 3000 GROWTH	1.23	5.94	10.77	9.71	8.44	13.94	6.50	8.62
RUSSELL 3000 VALUE	1.41	10.37	16.81	17.57	9.38	13.65	4.11	8.93
MSCI EAFE (NET DIVIDEND)	-0.95	7.61	18.82	9.84	0.82	6.85	-1.26	9.38
MSCI EMERGING MARKETS FREE	-1.24	5.04	14.09	0.62	0.41	6.92	0.65	17.27
FTSE CUSTOM BENCHMARK	-0.33	4.71	13.32	0.27	0.74	7.80	1.71	****
MSCI WORLD INDEX	0.22	7.39	15.51	11.37	4.93	10.43	2.16	9.17
MSCI EUROPE SMID CAP INDEX	-0.67	8.71	24.19	13.30	1.34	10.05	-0.17	****
NYC - TREASURY AGENCY PLUS FIVE	1.07	-2.00	-0.40	3.55	10.56	8.98	7.14	6.27
CITIGROUP MORTGAGE	0.35	0.04	0.74	1.90	4.16	4.20	5.30	5.01
NYC - INVESTMENT GRADE CREDIT INDEX	0.54	-0.29	4.44	6.11	8.01	7.70	7.03	5.87
NYC - CORE PLUS FIVE	0.57	-0.50	1.93	3.87	6.96	6.47	6.43	5.68
CITIGROUP BROAD INVESTMENT GRADE	0.47	-0.34	1.59	3.11	5.72	5.39	5.54	5.13
BARCLAYS CAPITAL AGGREGATE	0.50	-0.34	1.60	3.12	5.71	5.45	5.52	5.01
CITIGROUP BB & B	0.35	2.29	8.19	10.24	9.10	11.43	8.35	8.55
BofA MERRILL LYNCH HY MASTER II	0.46	3.46	9.94	11.85	8.97	11.66	10.98	10.11
CREDIT SUISSE LEVERAGED LOAN INDEX	0.39	2.26	****	****	****	****	****	5.49
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	0.03	-1.29	2.16	4.25	9.28	8.53	5.83	6.12
BofA ML ALL CONVERTIBLES EX MANDATORY	0.75	6.60	12.02	10.37	4.99	10.12	6.33	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	0.80	8.18	6.19	15.77	10.81	19.56	6.70	12.21
NCREIF NFI-ODCE NET	0.00	2.06	4.64	9.77	12.33	13.30	-2.00	****
91 DAY TREASURY BILL	0.00	0.02	0.07	0.11	0.10	0.11	0.39	1.76

NYC Board of Education Retirement System Contribution to Return - January 2013



**THE BANK OF NEW YORK MELLON
CITY OF NEW YORK**

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**Manager / Benchmark Comparison Report *NYC Board of Education Retirement System
January 31, 2013**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2012	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
ASSET CLASS SUMMARY																
DOMESTIC EQUITY	\$ 1,289.2	38.63%	5.97%	8.56%	13.40%	5.97%	1.32%	16.62%	-0.72%	17.27%	28.79%	17.03%	14.33%	4.49%	8.65%	8.97%
DEVELOPED MARKETS	667.6	20.00%	4.94	10.70	19.00	4.94	-10.61	18.40	-10.35	17.92	39.95	17.32	10.73	2.72	11.45	7.95
EMERGING MARKETS	152.6	4.57%	1.52	9.57	15.66	1.52	-15.90	18.15	-18.03	19.85	71.67	8.36	7.65	0.39	17.38	9.59
CORE + 5	573.7	17.19%	-0.70	-0.68	2.35	-0.70	9.64	6.68	9.23	8.36	8.74	4.68	7.16	6.83	6.11	8.49
TIPS MANAGERS	145.1	4.35%	-0.56	-0.52	2.66	-0.56	12.36	7.67	13.34	6.57	10.24	4.81	8.41	6.32	****	6.31
HIGH YIELD	192.8	5.78%	1.48	3.66	9.33	1.48	7.06	15.68	6.25	15.01	44.33	13.73	12.40	10.52	10.00	6.22
BANK LOANS	77.2	2.31%	1.15	****	****	1.15	****	****	****	****	****	****	****	****	****	1.90
ECONOMICALLY TARGETED INVESTMENTS	16.0	0.48%	-0.47	-0.06	1.20	-0.47	7.01	4.29	7.10	5.80	7.02	3.14	5.03	5.60	****	6.17
PRIVATE EQUITY	103.9	3.11%	0.41	3.01	3.33	0.41	9.29	7.70	19.15	13.64	-9.95	8.15	13.55	4.03	****	-0.17
PRIVATE REAL ESTATE	75.9	2.28%	-0.01	3.25	3.64	-0.01	14.84	14.30	9.43	****	****	12.06	****	****	****	10.85
CASH	43.3	1.30%	-0.03	0.11	0.24	-0.03	0.52	0.54	0.59	0.41	1.25	0.45	0.48	1.24	****	2.60
TOTAL BOARD OF EDUCATION	\$ 3,337.4		3.27%	6.01%	10.61%	3.27%	0.10%	13.50%	-0.42%	14.95%	25.74%	12.46%	11.04%	4.82%	8.72%	8.78%
TOTAL EQUITY	2,109.4	63.21%	5.31	9.30	15.29	5.31	-4.07	17.29	-5.27	17.69	34.27	16.44	12.66	3.63	****	6.76
TOTAL FIXED INCOME	1,004.8	30.11%	-0.13	0.40	3.88	-0.13	9.83	8.55	9.42	9.39	14.01	6.60	8.47	7.60	****	6.48
TOTAL PRIVATE EQUITY	103.9	3.11%	0.41	3.01	3.33	0.41	9.29	7.70	19.15	13.64	-9.95	8.15	13.55	4.03	****	-0.17
PRIVATE REAL ESTATE	75.9	2.28%	-0.01	3.25	3.64	-0.01	14.84	14.30	9.43	****	****	12.06	****	****	****	10.85
TOTAL CASH	43.3	1.30%	-0.03	0.11	0.24	-0.03	0.52	0.54	0.59	0.41	1.25	0.45	0.48	1.24	****	2.60

* Returns data throughout the various reports are shown Gross of Fees with the exception of PE and RE.

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2012	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
EQUITY ASSET CLASS SUMMARY																
DOMESTIC EQUITY	\$ 1,289.2	38.63%	5.97%	8.56%	13.40%	5.97%	1.32%	16.62%	-0.72%	17.27%	28.79%	17.03%	14.33%	4.49%	8.65%	8.97%
PASSIVE DOMESTIC EQUITY	1,006.0	30.14%	5.58	7.87	12.62	5.58	3.44	16.50	0.69	16.99	28.31	16.99	14.54	4.46	8.51	8.63
RUSSELL 3000	+/-		5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			0.09	0.26	0.28	0.09	(0.40)	0.08	(0.33)	0.06	(0.03)	0.09	(0.05)	0.03	(0.02)	
TOTAL RUSSELL 3000	948.3	28.41%	5.48	7.61	12.33	5.48	3.83	16.41	0.95	16.99	28.31	16.90	14.57	4.48	8.52	8.53
RUSSELL 3000	+/-		5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.08)	0.06	(0.03)	(0.00)	(0.02)	0.04	(0.01)	
TOTAL MID CAP PASSIVE	57.7	1.73%	7.21	11.95	17.09	7.21	-2.24	17.89	****	****	****	18.57	****	****	****	10.37
S&P MIDCAP 400	+/-		7.22	11.98	17.13	7.22	-2.33	17.88	-1.73	26.64	37.38	18.56	17.56	7.98	11.64	
			(0.01)	(0.03)	(0.05)	(0.01)	0.09	0.01	****	****	****	0.01	****	****	****	
ACTIVE DOMESTIC EQUITY	283.2	8.49%	7.18	10.46	15.53	7.18	-3.27	16.91	-3.63	17.87	30.20	17.51	14.08	4.73	9.12	7.74
RUSSELL 3000	+/-		5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			1.69	2.86	3.19	1.69	(7.11)	0.49	(4.66)	0.94	1.86	0.61	(0.51)	0.29	0.59	
TOTAL LARGE CAP	52.8	1.58%	8.46	11.57	15.84	8.46	-2.15	14.87	-1.64	16.72	30.50	17.78	14.35	5.64	9.64	8.46
RUSSELL 1000	+/-		5.42	7.36	12.21	5.42	4.37	16.42	1.50	16.10	28.43	17.03	14.48	4.28	8.35	
			3.04	4.21	3.63	3.04	(6.53)	(1.56)	(3.14)	0.62	2.07	0.75	(0.12)	1.37	1.29	
TOTAL MID CAP ACTIVE	93.6	2.81%	7.68	10.22	15.51	7.68	-2.69	19.88	-6.79	****	****	19.82	****	****	****	14.01
RUSSELL MID CAP	+/-		6.84	11.04	16.05	6.84	-1.65	17.28	-1.55	25.47	40.46	18.14	16.99	6.36	11.61	
			0.84	(0.81)	(0.54)	0.84	(1.03)	2.60	(5.25)	****	****	1.69	****	****	****	
TOTAL SMALL CAP ACTIVE	24.8	0.74%	7.06	13.47	19.98	7.06	-13.26	19.91	-10.17	21.37	35.44	20.04	14.13	3.78	****	4.41
RUSSELL 2000	+/-		6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	6.31	10.69	
			0.80	2.84	6.07	0.80	(11.18)	3.56	(5.99)	(5.48)	8.26	4.57	(1.85)	(2.53)	****	
TOTAL EMERGING MGRS	112.0	3.36%	5.75	9.27	15.01	5.75	-1.97	17.00	-1.75	18.99	28.60	15.76	14.38	4.58	****	6.20
RUSSELL 3000	+/-		5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			0.26	1.66	2.67	0.26	(5.81)	0.58	(2.78)	2.06	0.26	(1.15)	(0.21)	0.15	****	
TOTAL INTERNATIONAL EQUITY	820.2	24.58%	4.29	10.49	18.36	4.29	-11.66	18.36	-11.84	18.25	45.00	15.55	10.12	2.22	12.52	8.18
ACTIVE DEVELOPED MARKETS	667.6	20.00%	4.94	10.70	19.00	4.94	-10.61	18.40	-10.35	17.92	39.95	17.32	10.73	2.72	11.39	8.26
MSCI EAFE (NET DIVIDEND)	+/-		5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	9.23	
			(0.33)	(0.56)	(0.96)	(0.33)	3.22	1.09	1.79	10.17	8.17	0.07	3.79	3.51	2.15	
PASSIVE EMERGING MARKETS	29.9	0.90%	1.45	7.75	15.45	1.45	-16.43	18.27	****	****	****	7.80	****	****	****	-2.55
MSCI EMERGING MARKETS FREE	+/-		1.39	7.72	15.52	1.39	-15.67	18.63	-18.17	19.20	79.02	8.01	7.50	2.35	17.10	
			0.06	0.03	(0.07)	0.06	(0.76)	(0.36)	****	****	****	(0.21)	****	****	****	
ACTIVE EMERGING MARKETS	122.8	3.68%	1.54	10.02	15.71	1.54	-15.77	18.12	-17.86	19.85	71.67	8.50	7.72	0.43	****	12.17
MSCI EMERGING MARKETS FREE	+/-		1.39	7.72	15.52	1.39	-15.67	18.63	-18.17	19.20	79.02	8.01	7.50	2.35	17.10	
			0.15	2.30	0.18	0.15	(0.10)	(0.51)	0.32	0.65	(7.35)	0.49	0.23	(1.92)	****	

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FIXED INCOME ASSET CLASS SUMMARY																
TOTAL FIXED INCOME	1,004.8	30.11%	-0.13%	0.40%	3.88%	-0.13%	9.83%	8.55%	9.42%	9.39%	14.01%	6.60%	8.47%	7.60%	****	6.48%
CORE + 5	573.7	17.19%	-0.70	-0.68	2.35	-0.70	9.64	6.68	9.23	8.36	8.74	4.68	7.16	6.83	6.11	8.49
<i>NYC - CORE PLUS FIVE</i>			-0.96	-0.98	1.35	-0.96	9.35	5.41	9.40	7.13	6.28	3.34	6.39	6.35	5.78	
+/-			0.26	0.29	0.99	0.26	0.30	1.27	(0.17)	1.23	2.46	1.34	0.77	0.48	0.33	
ALL MORTGAGE	242.5	7.27%	-0.27	-0.22	1.58	-0.27	5.90	4.48	6.30	7.84	9.20	3.39	5.42	5.96	5.63	6.64
<i>CITIGROUP MORTGAGE INDEX</i>			-0.49	-0.51	0.39	-0.49	5.05	2.60	6.38	5.50	5.76	1.66	4.17	5.23	5.05	
+/-			0.23	0.29	1.19	0.23	0.85	1.88	(0.08)	2.34	3.44	1.73	1.25	0.73	0.58	
ALL INVESTMENT GRADE CREDIT	240.5	7.21%	-0.62	-0.59	4.83	-0.62	9.75	10.36	8.34	9.02	22.61	7.58	8.42	7.60	6.38	8.02
<i>NYC - INVESTMENT GRADE CREDIT</i>			-0.91	-0.92	3.88	-0.91	9.14	9.52	7.80	8.36	16.36	6.37	7.65	6.93	6.03	
+/-			0.29	0.33	0.95	0.29	0.61	0.83	0.55	0.66	6.25	1.21	0.77	0.67	0.35	
ALL TREASURY / AGENCY	90.7	2.72%	-2.05	-2.14	-1.47	-2.05	18.70	3.95	18.52	8.93	-6.64	1.23	8.75	7.22	6.41	8.24
<i>NYC - TREASURY AGENCY PLUS FIVE</i>			-2.01	-2.05	-1.46	-2.01	18.72	3.84	18.44	9.24	-7.44	1.16	8.80	7.07	6.44	
+/-			(0.04)	(0.08)	(0.01)	(0.04)	(0.02)	0.11	0.08	(0.31)	0.80	0.08	(0.05)	0.15	(0.03)	
HIGH YIELD	192.8	5.78%	1.48	3.66	9.33	1.48	7.06	15.68	6.25	15.01	44.33	13.73	12.40	10.52	10.00	6.22
<i>CITIGROUP BB & B</i>			0.53	2.64	7.81	0.53	8.45	14.45	6.58	13.35	40.37	12.15	11.31	8.00	8.65	
+/-			0.95	1.02	1.52	0.95	(1.38)	1.23	(0.33)	1.66	3.96	1.59	1.09	2.52	1.35	
BANK LOANS	77.2	2.31%	1.15	****	****	1.15	****	****	****	****	****	****	****	****	****	1.90
<i>CREDIT SUISSE LEVERAGED LOAN INDEX</i>			1.12	****	****	1.12	****	****	****	****	****	****	****	****	****	
+/-			0.03	****	****	0.03	****	****	****	****	****	****	****	****	****	
TIPS	145.1	4.35%	-0.56	-0.52	2.66	-0.56	12.36	7.67	13.34	6.57	10.24	4.81	8.41	6.32	****	6.31
<i>BARCLAYS CAPITAL US TIPS INDEX</i>			-0.68	-0.85	2.13	-0.68	11.66	6.98	13.56	6.37	11.41	3.87	8.10	6.07	****	
+/-			0.11	0.33	0.53	0.11	0.70	0.69	(0.22)	0.20	(1.17)	0.93	0.31	0.25	****	
ECONOMICALLY TARGETED INVESTMENTS	15.98	0.48%	-0.47	-0.06	1.20	-0.47	7.01	4.29	7.10	5.80	7.02	3.14	5.03	5.60	****	6.17
<i>BERS CUSTOM BENCHMARK (NO CASH)</i>			-0.61	-0.56	0.95	-0.61	6.64	3.74	7.09	5.98	4.91	2.36	4.90	5.10	****	
+/-			0.14	0.50	0.25	0.14	0.36	0.55	0.01	(0.18)	2.11	0.79	0.13	0.50	****	
CASH ASSET CLASS SUMMARY																
CASH	43.3	1.30%	-0.03	0.11	0.24	-0.03	0.52	0.54	0.59	0.41	1.25	0.45	0.48	1.24	****	2.60
<i>ML 91 DAY TREASURY BILL INDEX</i>			0.00	0.03	0.07	0.00	0.06	0.11	0.10	0.13	0.21	0.11	0.11	0.42	****	
+/-			(0.03)	0.08	0.17	(0.03)	0.47	0.43	0.49	0.28	1.04	0.34	0.37	0.83	****	

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US EQUITY																
TOTAL RUSSELL 3000	948.3	28.41%	5.48	7.61	12.33	5.48	3.83	16.41	0.95	16.99	28.31	16.90	14.57	4.48	8.52	8.53
BLACKROCK R3000	948.3	28.41%	5.48	7.61	12.33	5.48	3.83	16.41	0.95	16.99	28.31	16.90	14.57	4.48	8.52	3.29
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
TOTAL RUSSELL 3000 +/-			(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.08)	0.06	(0.03)	(0.00)	(0.02)	0.04	(0.01)	
BLACKROCK R3000 +/-			(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.08)	0.06	(0.03)	(0.00)	(0.02)	0.04	(0.01)	
TOTAL SMALL CAP	24.8	0.74%	7.06	13.47	19.98	7.06	-13.26	19.91	-10.17	21.37	35.44	20.04	14.13	3.78	8.52	7.41
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	6.31	10.69	
+/-			0.80	2.84	6.07	0.80	(11.18)	3.56	(5.99)	(5.48)	8.26	4.57	(1.85)	(2.53)	(2.18)	
TOTAL SMALL CAP ACTIVE	24.8	0.74%	7.06	13.47	19.98	7.06	-13.26	19.91	-10.17	21.37	35.44	20.04	14.13	3.78	****	4.41
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	6.31	****	
+/-			0.80	2.84	6.07	0.80	(11.18)	3.56	(5.99)	(5.48)	8.26	4.57	(1.85)	(2.53)	****	
TOTAL SMALL CAP CORE ACTIVE	24.8	0.74%	7.06	13.47	19.98	7.06	-13.26	19.91	-10.17	****	****	20.04	****	****	****	11.65
DARUMA -SCC	24.8	0.74%	7.06	13.47	19.98	7.06	-13.26	19.91	-10.17	****	****	20.04	****	****	****	11.65
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	****	****	15.47	****	****	****	
TOTAL SMALL CAP CORE +/-			0.80	2.84	6.07	0.80	(11.18)	3.56	(5.99)	****	****	4.57	****	****	****	
DARUMA -SCC +/-			0.80	2.84	6.07	0.80	(11.18)	3.56	(5.99)	****	****	4.57	****	****	****	
TOTAL MID CAP	151.4	4.54%	7.50	10.87	16.11	7.50	-2.52	19.12	-5.53	****	****	19.35	****	****	****	14.28
RUSSELL MID CAP			6.84	11.04	16.05	6.84	-1.65	17.28	-1.55	****	****	18.14	****	****	****	
+/-			0.66	(0.16)	0.06	0.66	(0.87)	1.84	(3.98)	****	****	1.21	****	****	****	
TOTAL MID CAP PASSIVE	57.7	1.73%	7.21	11.95	17.09	7.21	-2.24	17.89	****	****	****	18.57	****	****	****	10.37
SSGA S&P 400	57.7	1.73%	7.21	11.95	17.09	7.21	-2.24	17.89	****	****	****	18.57	****	****	****	10.37
S&P MIDCAP 400			7.22	11.98	17.13	7.22	-2.33	17.88	****	****	****	18.56	****	****	****	
TOTAL MID CAP PASSIVE +/-			(0.01)	(0.03)	(0.05)	(0.01)	0.09	0.01	****	****	****	0.01	****	****	****	
SSGA S&P 400 +/-			(0.01)	(0.03)	(0.05)	(0.01)	0.09	0.01	****	****	****	0.01	****	****	****	
TOTAL MID CAP ACTIVE	93.6	2.81%	7.68	10.22	15.51	7.68	-2.69	19.88	-6.79	****	****	19.82	****	****	****	14.01
RUSSELL MID CAP			6.84	11.04	16.05	6.84	-1.65	17.28	-1.55	****	****	18.14	****	****	****	
+/-			0.84	(0.81)	(0.54)	0.84	(1.03)	2.60	(5.25)	****	****	1.69	****	****	****	
TOTAL MID CAP CORE ACTIVE	93.6	2.81%	7.68	10.22	15.51	7.68	-2.69	19.88	-6.79	****	****	19.82	****	****	****	14.01
WELLINGTON	93.6	2.81%	7.68	10.22	15.51	7.68	-2.69	19.88	-6.79	****	****	19.82	****	****	****	14.01
S&P MIDCAP 400			7.22	11.98	17.13	7.22	-2.33	17.88	-1.73	****	****	18.56	****	****	****	
TOTAL MID CAP CORE +/-			0.46	(1.76)	(1.62)	0.46	(0.36)	2.00	(5.06)	****	****	1.27	****	****	****	
WELLINGTON +/-			0.46	(1.76)	(1.62)	0.46	(0.36)	2.00	(5.06)	****	****	1.27	****	****	****	
TOTAL LARGE CAP	52.8	1.58%	8.46	11.57	15.84	8.46	-2.15	14.87	-1.64	16.72	30.50	17.78	14.35	5.64	9.64	8.46
RUSSELL 1000			5.42	7.36	12.21	5.42	4.37	16.42	1.50	16.10	28.43	17.03	14.48	4.28	8.35	
+/-			3.04	4.21	3.63	3.04	(6.53)	(1.56)	(3.14)	0.62	2.07	0.75	(0.12)	1.37	1.29	
TOTAL LARGE CAP GROWTH	52.6	1.58%	8.54	13.72	12.24	8.54	-11.18	8.41	-8.93	17.52	44.55	7.97	9.90	4.91	8.64	7.95
RUSSELL 1000 GROWTH			4.29	6.00	9.19	4.29	5.76	15.26	2.64	16.71	37.22	13.43	14.61	5.70	8.24	
+/-			4.25	7.71	3.05	4.25	(16.94)	(6.85)	(11.57)	0.81	7.33	(5.46)	(4.71)	(0.79)	0.40	

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ZEVENBERGEN		52.6	1.58%	8.54	13.72	12.24	8.54	-11.18	8.41	-10.02	23.05	56.91	7.97	11.64	6.76	11.56	9.46
RUSSELL 3000 GROWTH				4.46	6.34	9.42	4.46	5.05	15.21	2.18	17.64	37.00	13.44	14.79	5.78	8.42	
	+/-			4.08	7.38	2.82	4.08	(16.23)	(6.80)	(12.20)	5.41	19.91	(5.47)	(3.15)	0.98	3.14	
TOTAL EMERGING MGRS		112.0	3.36%	5.75	9.27	15.01	5.75	-1.97	17.00	-1.75	18.99	28.60	15.76	14.38	4.58	****	6.20
RUSSELL 3000				5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	****	
	+/-			0.26	1.66	2.67	0.26	(5.81)	0.58	(2.78)	2.06	0.26	(1.15)	(0.21)	0.15	****	
F.I.S FUND MGMT		30.6	0.92%	6.09	11.29	17.65	6.09	-4.07	17.35	-2.62	27.68	23.31	16.90	16.97	4.77	****	3.09
RUSSELL 2000				6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	6.31	****	
	+/-			(0.17)	0.66	3.74	(0.17)	(1.99)	1.00	1.55	0.83	(3.87)	1.42	0.99	(1.54)	****	
PROGRESS		81.4	2.44%	5.63	8.52	14.05	5.63	-1.18	16.87	-1.43	16.04	30.50	15.33	13.48	4.51	8.79	4.18
RUSSELL 3000				5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
	+/-			0.14	0.92	1.71	0.14	(5.02)	0.45	(2.45)	(0.89)	2.16	(1.57)	(1.12)	0.07	0.26	
NON - US EQUITY																	
TOTAL DEVELOPED MARKETS		667.6	20.00%	4.94	10.70	19.00	4.94	-10.61	18.40	-10.35	17.92	39.95	17.32	10.73	2.72	11.45	7.95
MSCI EAFE (NET DIVIDEND)				5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	9.23	
	+/-			(0.33)	(0.56)	(0.96)	(0.33)	3.22	1.09	1.79	10.17	8.17	0.07	3.79	3.51	2.22	
BAILLIE		370.7	11.11%	6.31	11.96	21.56	6.31	-11.91	18.88	-10.71	17.36	45.29	18.28	11.33	3.27	****	3.21
MSCI EAFE GROWTH				4.67	10.30	17.82	4.67	-12.22	17.28	-11.82	12.60	29.91	16.38	8.36	0.07	****	
	+/-			1.64	1.66	3.73	1.64	0.31	1.60	1.11	4.76	15.38	1.90	2.97	3.21	****	
SPRUCEGROVE		296.8	8.89%	3.28	9.18	15.96	3.28	-9.00	17.84	-9.92	18.56	34.34	16.16	9.98	1.98	****	7.76
MSCI EAFE VALUE				5.92	12.36	22.40	5.92	-14.60	18.43	-11.65	3.81	35.06	19.21	6.44	-0.72	****	
	+/-			(2.64)	(3.19)	(6.43)	(2.64)	5.60	(0.60)	1.73	14.75	(0.72)	(3.05)	3.54	2.70	****	
TOTAL EMERGING MARKETS		152.6	4.57%	1.52	9.57	15.66	1.52	-15.90	18.15	-18.03	19.85	71.67	8.36	7.65	0.39	17.38	9.59
MSCI EMERGING MARKETS FREE				1.39	7.72	15.52	1.39	-15.67	18.63	-18.17	19.20	79.02	8.01	7.50	2.35	17.10	
	+/-			0.13	1.84	0.13	0.13	(0.22)	(0.48)	0.14	0.65	(7.35)	0.35	0.16	(1.96)	0.28	
ACTIVE EMERGING MARKETS		122.8	3.68%	1.54	10.02	15.71	1.54	-15.77	18.12	-17.86	19.85	71.67	19.72	7.72	0.43	****	12.17
STATE STREET		122.8	3.68%	1.54	10.02	15.71	1.54	-15.77	18.12	-17.86	19.87	71.83	8.50	7.74	0.43	****	4.58
MSCI EMERGING MARKETS FREE				1.39	7.72	15.52	1.39	-15.67	18.63	-18.17	19.20	79.02	8.01	7.50	2.35	****	
ACTIVE EMERGING MARKETS	+/-			0.15	2.30	0.18	0.15	(0.10)	(0.51)	0.32	0.65	(7.35)	11.71	0.23	(1.92)	****	
STATE STREET	+/-			0.15	2.30	0.18	0.15	(0.10)	(0.51)	0.32	0.67	(7.19)	0.49	0.24	(1.92)	****	
PASSIVE EMERGING MARKETS		29.9	0.90%	1.45	7.75	15.45	1.45	-16.43	18.27	****	****	****	7.80	****	****	****	-2.55
BLACKROCK-EM		29.9	0.90%	1.45	7.75	15.45	1.45	-16.43	18.27	****	****	****	7.80	****	****	****	-2.55
MSCI EMERGING MARKETS FREE				1.39	7.72	15.52	1.39	-15.67	18.63	****	****	****	8.01	****	****	****	
PASSIVE EMERGING MARKETS	+/-			0.06	0.03	(0.07)	0.06	(0.76)	(0.36)	****	****	****	(0.21)	****	****	****	
BLACKROCK-EM	+/-			0.06	0.03	(0.07)	0.06	(0.76)	(0.36)	****	****	****	(0.21)	****	****	****	
TOTAL INTERNATIONAL EQUITY		820.2	24.58%	4.29	10.49	18.36	4.29	-11.66	18.36	-11.84	18.25	45.00	15.55	10.12	2.22	12.52	8.18
MSCI WORLD INDEX				5.12	8.59	15.26	5.12	-4.42	16.54	-5.02	12.34	30.80	16.62	10.88	2.00	8.96	
	+/-			(0.84)	1.90	3.10	(0.84)	(7.25)	1.82	(6.82)	5.91	14.20	(1.08)	(0.76)	0.21	3.56	

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Manager / Benchmark Comparison Report *NYC Board of Education Retirement System

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2012	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
FIXED INCOME																
TOTAL STRUCTURED FIXED INCOME	573.7	17.19%	-0.70	-0.68	2.35	-0.70	9.64	6.68	9.23	8.36	8.74	4.68	7.16	6.83	6.11	8.49
NYC - CORE PLUS FIVE			-0.96	-0.98	1.35	-0.96	9.35	5.41	9.40	7.13	6.28	3.34	6.39	6.35	5.78	
	+/-		0.26	0.29	0.99	0.26	0.30	1.27	(0.17)	1.23	2.46	1.34	0.77	0.48	0.33	
ALL MORTGAGE	242.5	7.27%	-0.27	-0.22	1.58	-0.27	5.90	4.48	6.30	7.84	9.20	3.39	5.42	5.96	5.63	6.64
PIMCO-MORTGAGE	242.5	7.27%	-0.27	-0.22	1.58	-0.27	5.90	4.48	6.30	7.84	9.20	3.39	5.42	5.96	5.63	7.59
CITIGROUP MORTGAGE INDEX			-0.49	-0.51	0.39	-0.49	5.05	2.60	6.38	5.50	5.76	1.66	4.17	5.23	5.05	
ALL MORTGAGE	+/-		0.23	0.29	1.19	0.23	0.85	1.88	(0.08)	2.34	3.44	1.73	1.25	0.73	0.58	
PIMCO-MORTGAGE	+/-		0.23	0.29	1.19	0.23	0.85	1.88	(0.08)	2.34	3.44	1.73	1.25	0.73	0.58	
ALL INVESTMENT GRADE CREDIT	240.5	7.21%	-0.62	-0.59	4.83	-0.62	9.75	10.36	8.34	9.02	22.61	7.58	8.42	7.60	6.38	8.02
PRUDENTIAL - CREDIT	129.1	3.87%	-0.81	-0.92	3.87	-0.81	9.81	9.51	8.00	8.72	****	6.45	7.87	****	****	8.55
TAPLIN, CANADA -CREDIT	96.5	2.89%	-0.42	-0.19	6.10	-0.42	9.64	11.51	8.83	9.43	22.42	9.10	9.17	8.01	6.59	7.37
PRUDENTIAL-PRIVEST	14.9	0.45%	-0.34	****	****	-0.34	****	****	****	****	****	****	****	****	****	-0.34
NYC - INVESTMENT GRADE CREDIT			-0.91	-0.92	3.88	-0.91	9.14	9.52	7.80	8.36	16.36	6.37	7.65	6.93	6.03	
ALL INVESTMENT GRADE CREDIT	+/-		0.29	0.33	0.95	0.29	0.61	0.83	0.55	0.66	6.25	1.21	0.77	0.67	0.35	
PRUDENTIAL - CREDIT	+/-		0.11	(0.00)	(0.02)	0.11	0.68	(0.01)	0.20	0.36	****	0.07	0.22	****		
TAPLIN, CANADA -CREDIT	+/-		0.50	0.73	2.22	0.50	0.50	1.99	1.04	1.07	6.06	2.72	1.52	1.08	0.55	
PRUDENTIAL-PRIVEST	+/-		0.58	****	****	0.58	****	****	****	****	****	****	****	****	****	
ALL TREASURY / AGENCY	90.7	2.72%	-2.05	-2.14	-1.47	-2.05	18.70	3.95	18.52	8.93	-6.64	1.23	8.75	7.22	6.41	8.24
STATE STREET	90.7	2.72%	-2.05	-2.14	-1.47	-2.05	18.70	3.95	18.52	8.93	-6.64	1.23	8.75	7.22	6.57	7.72
NYC - TREASURY AGENCY PLUS FIVE			-2.01	-2.05	-1.46	-2.01	18.72	3.84	18.44	9.24	-7.44	1.16	8.80	7.07	6.44	
ALL TREASURY / AGENCY	+/-		(0.04)	(0.08)	(0.01)	(0.04)	(0.02)	0.11	0.08	(0.31)	0.80	0.08	(0.05)	0.15	(0.03)	
STATE STREET	+/-		(0.04)	(0.08)	(0.01)	(0.04)	(0.02)	0.11	0.08	(0.31)	0.80	0.08	(0.05)	0.15	0.13	
HIGH YIELD																
TOTAL HIGH YIELD	192.8	5.78%	1.48	3.66	9.33	1.48	7.06	15.68	6.25	15.01	44.33	13.73	12.40	10.52	10.00	6.22
CITIGROUP BB & B			0.53	2.64	7.81	0.53	8.45	14.45	6.58	13.35	40.37	12.15	11.31	8.00	8.65	
	+/-		0.95	1.02	1.52	0.95	(1.38)	1.23	(0.33)	1.66	3.96	1.59	1.09	2.52	1.35	
LOOMIS SAYLES & CO	102.9	3.08%	2.17	4.39	11.01	2.17	7.73	17.52	7.14	15.79	52.73	15.76	13.69			

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Board of Education Retirement System

January 31, 2013

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2012	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
TIPS																
TOTAL ACTIVE TIPS MANAGERS	145.1	4.35%	-0.56	-0.52	2.66	-0.56	12.36	7.67	13.34	6.57	10.24	4.81	8.41	6.32	****	6.31
PIMCO-TIPS-MTA	145.1	4.35%	-0.56	-0.52	2.66	-0.56	12.36	7.67	13.34	6.57	10.24	4.81	8.41	6.32	****	6.31
BARCLAYS CAPITAL US TIPS INDEX			-0.68	-0.85	2.13	-0.68	11.66	6.98	13.56	6.37	11.41	3.87	8.10	6.07	6.50	
TOTAL ACTIVE TIPS MANAGERS +/-			0.11	0.33	0.53	0.11	0.70	0.69	(0.22)	0.20	(1.17)	0.93	0.31	0.25	****	
PIMCO-TIPS-MTA +/-			0.11	0.33	0.53	0.11	0.70	0.69	(0.22)	0.20	(1.17)	0.93	0.31	0.25	****	
OTHER FIXED INCOME																
TOTAL ETI	15.98	0.48%	-0.47	-0.06	1.20	-0.47	7.01	4.29	7.10	5.80	7.02	3.14	5.03	5.60	****	6.17
BERS CUSTOM BENCHMARK (NO CASH)			-0.61	-0.56	0.95	-0.61	6.64	3.74	7.09	5.98	4.91	2.36	4.90	5.10	****	
+/-			0.14	0.50	0.25	0.14	0.36	0.55	0.01	(0.18)	2.11	0.79	0.13	0.50	****	
AFL-CIO HOUSING INV TRUST	11.71	0.35%	-0.57	-0.48	1.01	-0.57	7.60	4.27	7.86	6.16	6.28	2.89	5.34	5.62	****	5.71
BARCLAYS CAPITAL AGGREGATE			-0.70	-0.68	1.09	-0.70	7.47	4.21	7.84	6.54	5.93	2.59	5.41	5.44	5.10	
+/-			0.13	0.20	(0.07)	0.13	0.13	0.06	0.02	(0.38)	0.35	0.30	(0.07)	0.18	****	
ACCESS RBC	2.76	0.08%	-0.55	-0.29	1.10	-0.55	6.57	4.15	6.78	5.72	10.99	3.27	4.67	6.33	****	6.35
ACCESS CUSTOM BENCHMARK			-0.50	-0.49	0.32	-0.50	5.24	2.38	6.32	5.52	2.89	1.38	4.06	4.78	****	
+/-			(0.05)	0.20	0.77	(0.05)	1.33	1.78	0.46	0.20	8.10	1.90	0.61	1.55	****	
CFSB-PPAR	0.1	0.00%	0.49	42.67	4.18	0.49	5.67	8.16	3.29	12.80	9.82	8.17	7.85	7.71	****	7.50
CCD-PPAR	0.3	0.01%	0.86	2.53	5.92	0.86	8.83	11.40	5.59	11.58	12.48	11.72	9.37	9.43	****	9.07
LIIF-PPAR	0.2	0.01%	0.61	2.15	4.35	0.61	5.72	6.84	4.96	4.34	****	7.09	5.08	****	****	5.87
NCBCI-PPAR	0.1	0.00%	0.76	2.45	6.16	0.76	8.88	9.46	8.50	4.10	****	9.80	7.27	****	****	7.31
CPC TERM LOAN	0.8	0.03%	0.19	0.60	1.43	0.19	2.34	2.51	2.09	2.06	2.20	2.49	2.23	2.66	****	3.37
CASH																
TOTAL CASH	43.3	1.30%	-0.03	0.11	0.24	-0.03	0.52	0.54	0.59	0.41	1.25	0.45	0.48	1.24	****	2.60
ML 91 DAY TREASURY BILL INDEX			0.00	0.03	0.07	0.00	0.06	0.11	0.10	0.13	0.21	0.11	0.11	0.42	1.77	
+/-			(0.03)	0.08	0.17	(0.03)	0.47	0.43	0.49	0.28	1.04	0.34	0.37	0.83	****	
PRIVATE EQUITY																
TOTAL PRIVATE EQUITY	103.9	3.11%	0.41	3.01	3.33	0.41	9.29	7.70	19.15	13.64	-9.95	8.15	13.55	4.03	****	-0.17
NYC R3000 +3% Lagged			0.00	7.61	4.46	0.00	12.18	35.20	5.55	15.96	-1.42	35.20	18.28	6.37	****	
+/-			0.41	(4.60)	(1.13)	0.41	(2.89)	(27.50)	13.60	(2.32)	(8.53)	(27.05)	(4.73)	(2.34)	****	
PRIVATE REAL ESTATE																
TOTAL PRIVATE REAL ESTATE	75.9	2.28%	-0.01	3.25	3.64	-0.01	14.84	14.30	9.43	****	****	12.06	****	****	****	10.85
NCREIF NFI-ODCE NET + 100 BP			0.08	2.25	5.17	0.08	12.31	10.77	15.97	16.26	-29.40	10.77	14.30	-0.98	****	
+/-			(0.10)	1.01	(1.53)	(0.10)	2.53	4.53	(6.54)	****	****	1.30	****	****	****	
TOTAL BOARD OF EDUCATION	3,337.4		3.27	6.01	10.61	3.27	0.10	13.50	-0.42	14.95	25.74	12.46	11.04	4.82	8.72	8.78
BOARD OF EDUCATION POLICY BENCHMARK			3.34	5.81	10.83	3.34	1.52	14.05	0.47	12.54	25.48	13.14	11.07	4.55	8.55	
+/-			(0.07)	0.21	(0.21)	(0.07)	(1.42)	(0.55)	(0.89)	2.41	0.26	(0.68)	(0.03)	0.27	0.16	

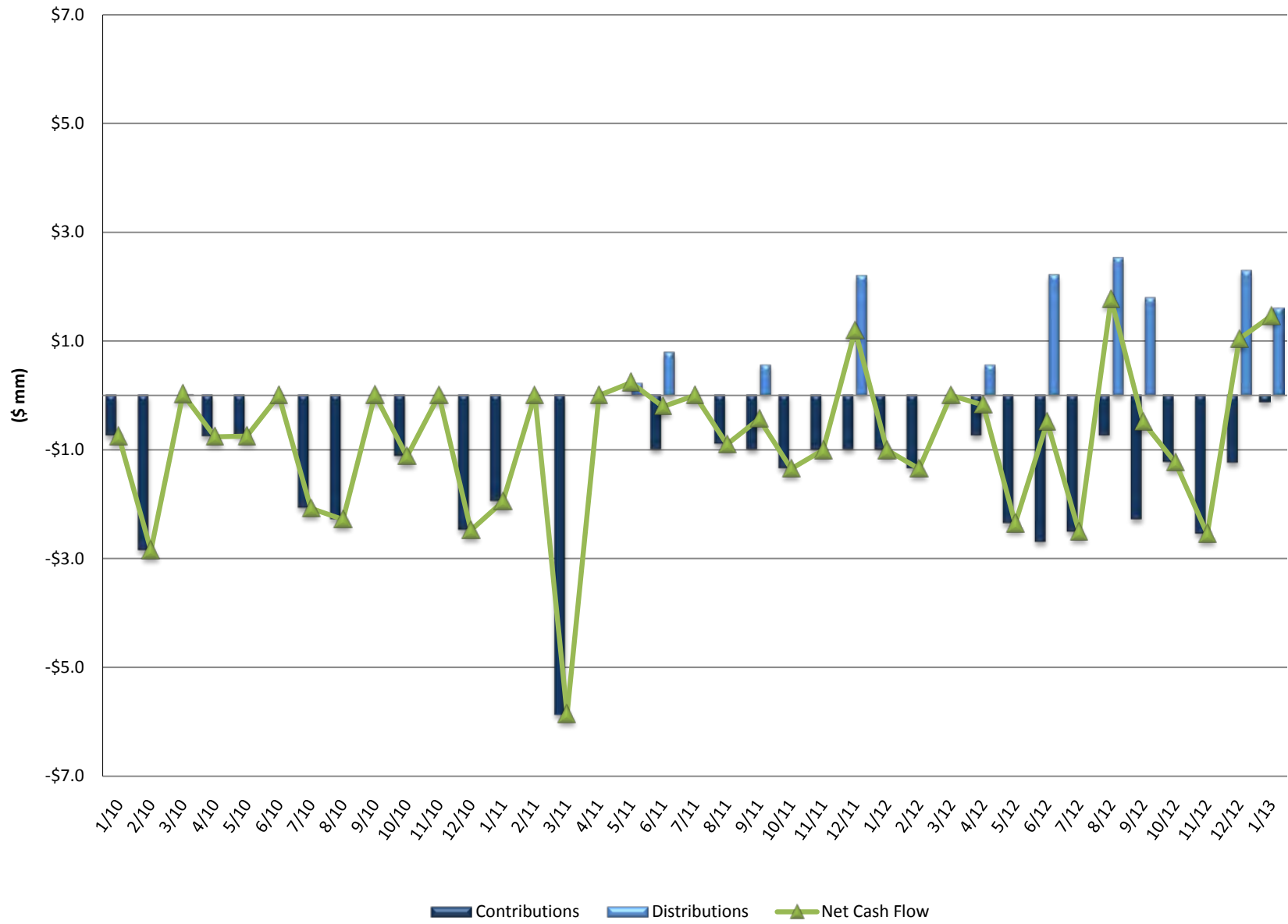
NYC Board of Education Retirement System (as of September 30, 2012)								
Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$57,000,000	\$50,533,273	\$11,611,092	\$51,644,642	1.25x	5.68%
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	15,467,233	628,759	16,695,712	1.12x	4.23%
	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	14,050,500	3,695,648	12,063,881	1.12x	3.56%
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	14,864,326	1,133,886	14,744,504	1.07x	7.69%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	4,198,050	6,250	3,971,382	0.95x	(7.38%)
Grand Total(s):			\$171,000,000	\$99,113,382	\$17,075,635	\$99,120,121	1.17x	5.18%

* Where available, September 30, 2012 reported valuations were used. In the absence of September 30, 2012 reported values, market values have been adjusted forward using interim cashflows through September 30, 2012. 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 September 30, 2012.

NYC Board of Education Retirement System (as of September 30, 2012)								
Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2012	Carlyle Partners VI, L.P. ⁽¹⁾	12/21/2012	20,000,000	-	-	-	0.00x	N/A
	Carlyle Partners VI, L.P. - Side Car ⁽¹⁾	12/21/2012	2,200,000	-	-	-	0.00x	N/A
	Platinum Equity Capital Partners III, L.P. ⁽¹⁾	12/28/2012	15,000,000	-	-	-	0.00x	N/A
2013	Landmark Equity Partners XV, L.P. ⁽¹⁾	1/31/2013	19,000,000	-	-	-	0.00x	N/A
	Landmark Equity Partners XV, L.P. - Side Car ⁽¹⁾	1/31/2013	6,000,000	-	-	-	0.00x	N/A
Grand Total(s):			\$62,200,000	-	-	-	0.00x	N/A

⁽¹⁾ Investment Close date is subsequent to September 30, 2012

NYC BERS Monthly PE Cash Flow Summary



New York City Board of Education Retirement System

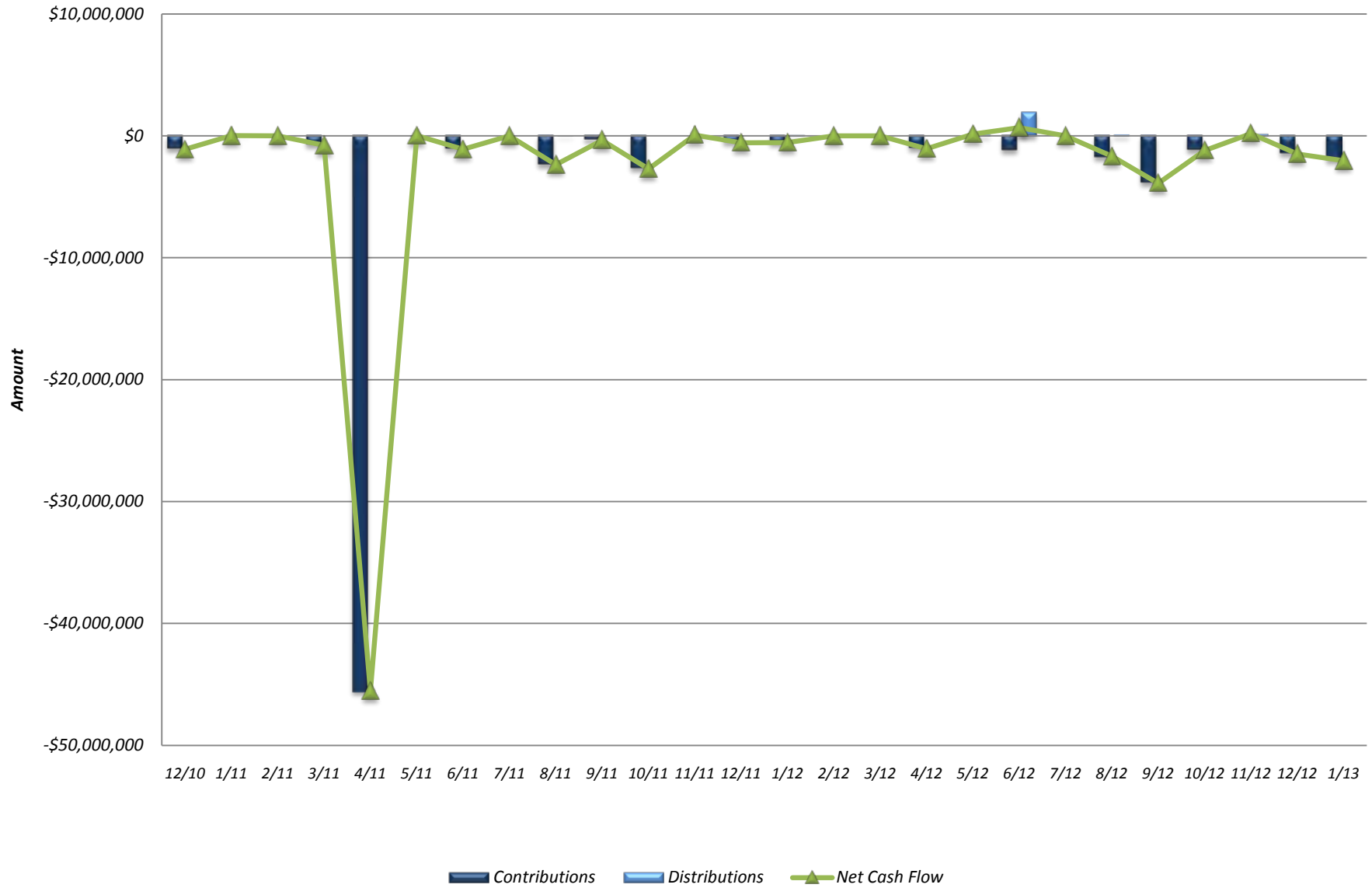
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2011	Franklin Templeton Private Real Estate Fund	4/4/2011	\$30,000,000	\$6,550,006	(\$1,773,173)	\$4,154,173	0.9	-18.0%
2011	UBS Trumbull Property Fund ("UBS-TPF")	4/1/2011	\$41,400,000	\$44,333,238	(\$2,288,798)	\$48,954,265	1.2	10.7%
2011	LaSalle Property Fund	12/13/2010	\$27,600,000	\$14,577,841	(\$531,611)	\$16,103,562	1.1	14.7%
2012	Brookfield Strategic Real Estate Partners	9/20/2012	\$10,000,000	\$747,944	\$0	\$697,547	n/a	n/a
New York City Board of Education Retirement System			\$109,000,000	\$66,209,028	(\$4,593,583)	\$69,909,547	1.1	10.1%

Funds Closed Subsequent to Quarter

Vintage	Fund Name	First Draw Down	Capital Committed	Contributions				
2012	Emmes Asset Management		\$10,000,000	-	-	-	-	-
2013	NYC Related Superstorm Sandy Rebuilding Fund		\$11,000,000	-	-	-	-	-
2013	NYC Hudson Superstorm Sandy Rebuilding Fund		\$8,000,000	-	-	-	-	-
Grand Total			\$29,000,000					

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 September 30, 2012. 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.

BERS Monthly Real Estate Cash Flow Summary



APPENDICES:

Basket Clause

BERS- BASKET/NON BASKET SUMMARY

As of January 31st, 2013		Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
<u>Equity</u>		<u>Non Basket*</u>	<u>Basket*</u>	<u>Total</u>	<u>Non Basket*</u>	<u>Basket*</u>	<u>Total</u>
Domestic Equity		42.6%	0.0%	42.6%	38.6%	0.0%	38.6%
Non-U.S. Equity		10.0%	12.0%	22.0%	10.0%	14.6%	24.6%
Private Equity		0.0%	3.1%	3.1%	0.0%	3.1%	3.1%
Real Estate		2.3%	0.0%	2.3%	2.3%	0.0%	2.3%
Total Equity		54.9%	15.1%	70.0%	50.9%	17.7%	68.6%
<u>Fixed Income</u>							
Core+5		16.6%	0.4%	17.0%	16.8%	0.4%	17.2%
U.S. Gov't Sector		3.3%	0.0%	3.3%	2.7%	0.0%	2.7%
Mortgage Sector		6.8%	0.0%	6.8%	7.3%	0.0%	7.3%
Credit Sector		6.5%	0.4%	6.9%	6.8%	0.4%	7.2%
High Yield		5.0%	0.6%	5.5%	5.2%	0.6%	5.8%
Bank Loans		0.0%	2.5%	2.5%	0.0%	2.3%	2.3%
TIPS		4.5%	0.5%	5.0%	3.9%	0.4%	4.3%
Other Fixed Income		0.0%	0.0%	0.0%	1.8%	0.0%	1.8%
Total Fixed Income		26.1%	4.0%	30.0%	27.7%	3.7%	31.4%
Total Fund		80.9%	19.1%	100.0%	78.6%	21.4%	100.0%

Remaining Capacity

5.9%

3.6%

* Note: Basket amounts are estimates

Liquidity Analysis

BERS Liquidity Profile - Static Analysis

3/6/13

AUM as of January 31, 2013

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$1,289	\$1,289	\$1,289	\$1,289
International Equity	668	668	668	668
Emerging Markets	153	153	153	153
Private Equity	104	0	0	0
Private Real Estate	76	0	0	0
Core + 5	574	574	574	574
TIPS	145	145	145	145
Enhanced Yield	193	193	193	193
Bank Loans	77	77	77	77
ETI	16	3	14	14
Cash	43	43	43	43
Total Assets	\$3,337	\$3,144	\$3,156	\$3,156
Total Illiquid \$		\$193	\$181	\$181
Total Illiquid %		5.8%	5.4%	5.4%
Unfunded PE Commitments	\$129			
Unfunded RE Commitments	43			
Unfunded OFI Commitments	0			
Total commitments \$	\$172			
Total commitments %	5.1%			

BERS Liquidity Profile - Static Analysis

3/6/13

AUM as of January 31, 2013

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$193	\$181	\$181
Total Illiquid %	8.7%	8.2%	8.2%

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
Total Assets	\$3,337	\$3,144	\$3,156	\$3,156

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$26	\$52
Unfunded RE Commitments Drawn	9	17
Unfunded OFI Commitments Drawn	0	0
Total commitments \$	\$34	\$69
Total commitments %	1.0%	2.1%

Total Illiquid \$	\$216	\$250
Total Illiquid %	6.5%	7.5%

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

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$193	\$216	\$250
Total Illiquid %	8.7%	9.7%	11.2%

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