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Scott M. Stringer
COMPTROLLER

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

INVESTMENT MEETING

MARCH 13, 2015

LOCATION:

NYC Comptroller's Office
1 Centre Street, 5th Floor, Rm. 530
Executive Conference Room
Manhattan, NY 10007

INVESTMENT MEETING

MARCH 13, 2015

PUBLIC AGENDA

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I. Performance Reviews: (30 Minutes)	
• Quarterly Review/Annual Review – December 31, 2014 (To be distributed)	---
• ETI Quarterly Report – December 31, 2014	6
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PUBLIC AGENDA

I. Performance Reviews:

Quarterly Review/Annual Review
(To be distributed)

~ETI Quarterly Report~

BERS Economically Targeted Investments Quarterly Report

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Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	BOA		CCD		CFSB		CPC		JPMS		LIIF		NCBCI		NHS		Wells Fargo		All Lender Totals	
Contractual Commitments	\$4.00 MM		\$4.00 MM		\$1.00 MM		\$4.00 MM		\$5.00 MM		\$4.00 MM		\$1.00 MM		\$1.00 MM		\$2.00 MM		\$26.00 MM	
Current Market Value	\$0.23 MM		\$0.98 MM		\$0.14 MM		\$0.61 MM		\$0.56 MM		\$0.60 MM		\$0.11 MM		\$0.00 MM		\$0.00 MM		\$3.23 MM	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Commitments 4Q 14																				
(included in total)																				
Bronx	\$0	0	\$73,000	67	\$0	0	\$2,375	3	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$75,375	70
Brooklyn	100,500	58	0	0	0	0	40,491	260	0	0	0	0	0	0	0	0	0	0	140,991	318
Manhattan	0	0	0	0	0	0	115,400	399	0	0	0	0	0	0	0	0	0	0	115,400	399
Queens	90,000	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90,000	54
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,000	67	36,000	67
Outside of NYC	89,250	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89,250	39
Total	\$279,750	151	\$73,000	67	\$0	0	\$158,266	662	\$0	0	\$0	0	\$0	0	\$0	0	\$36,000	67	\$547,016	947
Delivered 4Q 14																				
(included in total)																				
Bronx	\$0	0	\$0	0	\$0	0	\$60,270	288	\$0	0	\$99,000	43	\$0	0	\$0	0	\$0	0	\$159,270	331
Brooklyn	0	0	234,000	128	0	0	3,905	10	0	0	0	0	0	0	0	0	0	0	237,905	138
Manhattan	0	0	0	0	0	0	102,913	422	0	0	0	0	0	0	0	0	0	0	102,913	422
Queens	129,210	65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	129,210	65
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$129,210	65	\$234,000	128	\$0	0	\$167,087	720	\$0	0	\$99,000	43	\$0	0	\$0	0	\$0	0	\$629,297	956
Total Commitments																				
Bronx	\$262,500	60	\$342,480	153	\$0	0	\$169,411	649	\$1,691,655	847	\$164,450	74	\$0	0	\$0	0	\$0	0	\$2,630,496	1,783
Brooklyn	379,035	112	0	0	0	0	291,399	1,127	392,718	268	646,523	212	0	0	0	0	0	0	1,709,675	1,719
Manhattan	336,000	100	0	0	0	0	338,202	1,149	269,403	232	956,702	338	16,397	8	0	0	0	0	1,916,704	1,827
Queens	623,742	163	0	0	0	0	132,690	406	54,000	96	0	0	0	0	0	0	0	0	810,432	665
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,000	67	36,000	67
Outside of NYC	89,250	39	0	0	0	0	108,255	207	231,203	122	0	0	0	0	0	0	0	0	428,708	368
Total	\$1,690,527	474	\$342,480	153	\$0	0	\$1,039,957	3,538	\$2,638,979	1,565	\$1,767,675	624	\$16,397	8	\$0	0	\$36,000	67	\$7,532,016	6,429
Historical Investments																				
Bronx	\$0	0	\$289,500	366	\$0	0	\$105,794	558	\$554,922	352	\$99,000	43	\$0	0	\$0	0	\$0	0	\$1,049,216	1,319
Brooklyn	0	0	315,116	252	0	0	249,040	656	0	0	207,763	71	0	0	0	0	0	0	771,919	979
Manhattan	0	0	236,908	283	161,181	197	157,401	764	8,100	47	281,764	122	103,318	123	0	0	0	0	948,671	1,536
Queens	219,210	130	40,000	54	0	0	7,675	16	0	0	0	0	0	0	0	0	0	0	266,885	200
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	78,685	217	0	0	0	0	0	0	0	0	0	0	78,685	217
Total	\$219,210	130	\$881,524	955	\$161,181	197	\$598,595	2,211	\$563,022	399	\$588,527	236	\$103,318	123	\$0	0	\$0	0	\$3,115,376	4,251

*Lenders :

Bank of
America

Citibank Community
Development

Carver Federal
Savings Bank

The Community
Preservation Corporation

JP Morgan
Chase

Low Income
Investment Fund

NCB Capital Impact

Neighborhood
Housing Service

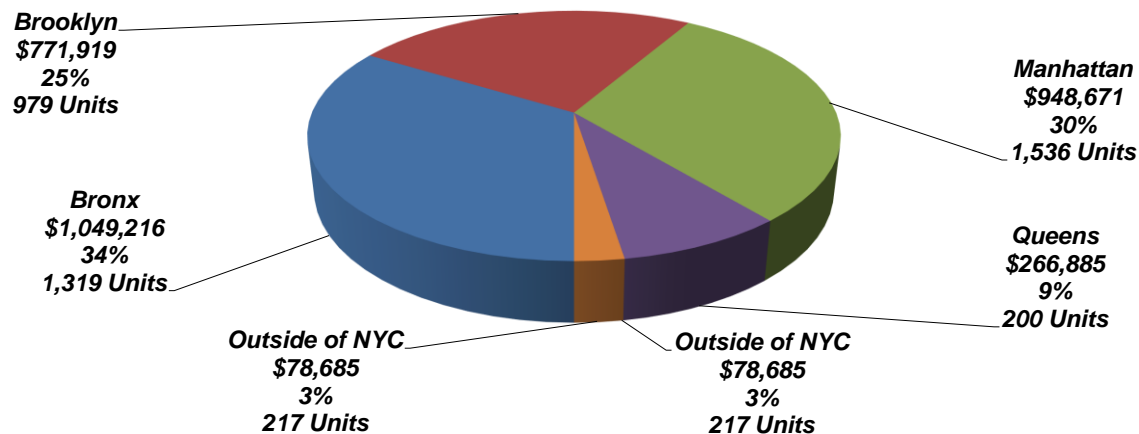
Wells Fargo

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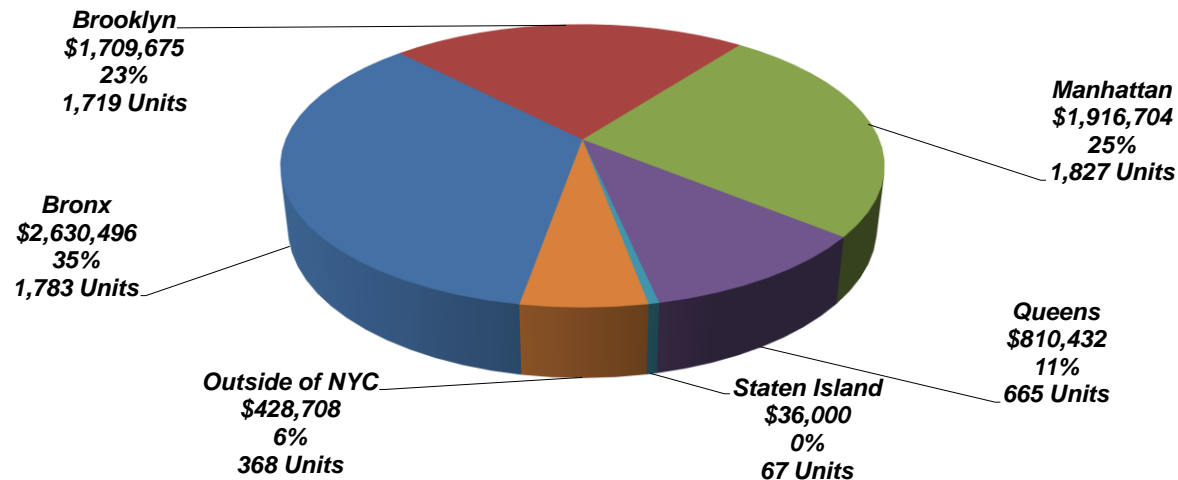
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Public/Private Apartment Rehabilitation Program (PPAR)

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



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AFL-CIO Housing Investment Trust (HIT)
BERS Portion Market Value \$12.20 million*
NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013 Multifamily Investments Detail

<u>Borough</u>	<u>4Q Investments</u>	<u>Investments Since Inception</u>	<u>4Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$52,827,900	0	802
Brooklyn	0	103,890,446	0	5,616
Manhattan	0	174,075,200	0	926
Queens	0	17,760,000	0	1,260
Staten Island	0	6,414,554	0	693
Outside NYC	0	100,000,000	0	137
Total	\$0	\$454,968,100	0	9,434

Grand Total NYCCII Phase II **\$454,968,100** **9,434**

NYCCII Phase I 2002 - 2005

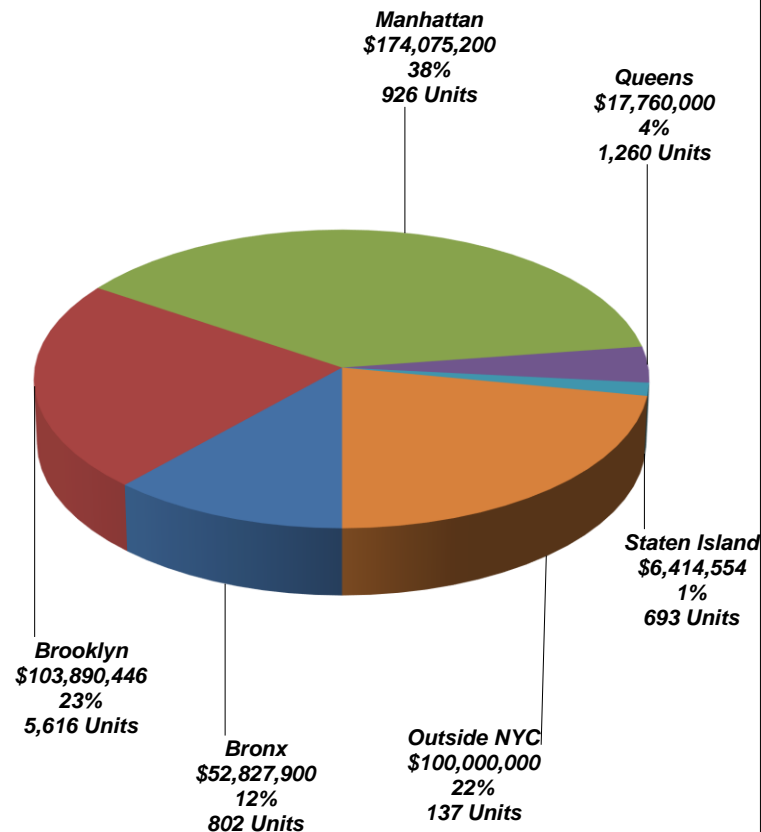
	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
Total NYCCII Phase I	\$597,424,063	12,337	131	446

NYCCII Phases I & II

	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$704,091,600	21,771	n/a	n/a
HIT Home Investments	2,899,899,500	n/a	131	446
Grand Total NYCCII Phases I & II	\$3,603,991,100	21,771	131	446

*Interest is reinvested

HIT Multifamily Investments



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AFL-CIO Housing Investment Trust (HIT)				
NYC Workforce Housing Initiative				
Investments Through 12/31/2014				
Workforce Investments Detail				
<u>Borough</u>	<u>4Q Investments</u>	<u>Investments Since Inception</u>	<u>4Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$5,000,000	0	776
Brooklyn	0	8,051,087	0	422
Manhattan	0	214,252,488	0	4,627
Queens	8,265,000	58,293,425	619	3,226
Staten Island	0	0	0	0
Total	\$8,265,000	\$285,597,000	619	9,051

HIT Workforce Housing Initiative

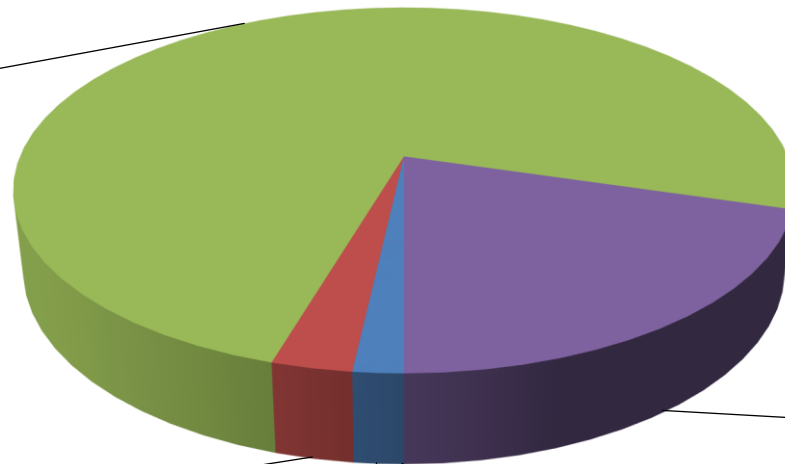
Manhattan
\$214,252,488
75%
4,627 Units

Queens
\$58,293,425
20%
3,226 Units

Brooklyn
\$8,051,087
3%
422 Units

Bronx
\$5,000,000
2%
776 Units

Staten Island
\$0
0%
0 Units



BERS Economically Targeted Investments Quarterly Report

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

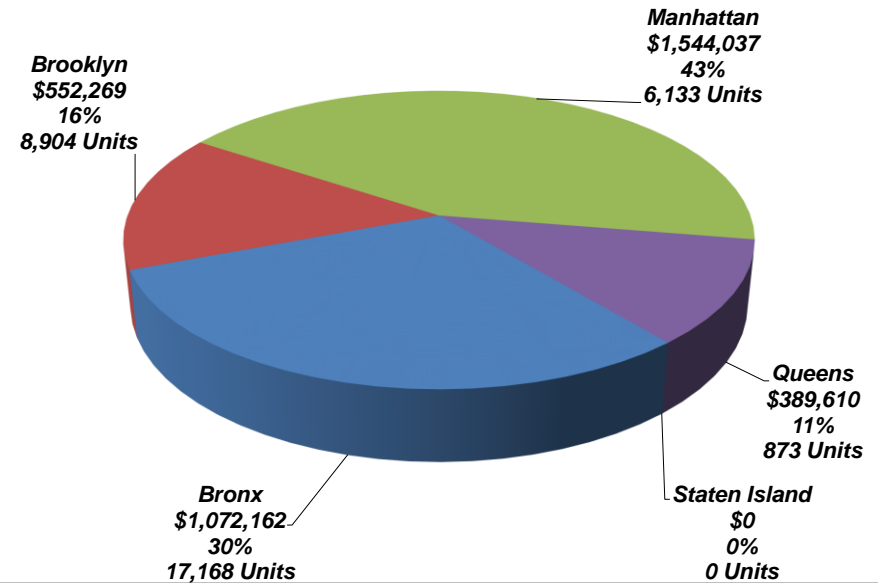
\$7.2 million Allocated (2.34% of total account)
Market Value \$7.03 million

<u>Multifamily Investments Detail</u>		<u>\$ Invested¹</u>		<u>Units²</u>	
		4Q	Total	4Q	Total
Bronx		\$734,232	\$1,072,162	287	17,168
Brooklyn		36,278	\$552,269	271	8,904
Manhattan		52,878	\$1,544,037	395	6,133
Queens		0	\$389,610	0	873
Staten Island		0	\$0	0	0
Total BERS Multifamily Investments		823,387	\$3,558,078	953	33,078
MultifamilyTotal All Systems		8,474,605	\$152,054,619	953	33,078
<u>Single Family Investments Detail</u>		<u>\$ Invested</u>		<u>Units</u>	
		4Q	Total	4Q	Total
Bronx		0	\$802,811	0	200
Brooklyn		0	\$2,280,992	0	500
Manhattan		0	\$199,817	0	39
Queens		0	\$3,303,872	0	655
Staten Island		0	\$1,843,671	0	371
Total BERS Single Family Investments		0	\$8,431,163	0	1,765
Single Family Total All Systems		0	\$360,306,112	0	1,765
<u>Other Investments Detail</u>		<u>\$ Invested</u>		<u>Units</u>	
		4Q	Total	4Q	Total
Bronx		0	\$15,795	0	1
Brooklyn		0	\$126,135	0	8
Manhattan		0	\$56,930	0	5
Queens		0	\$12,716	0	3
Staten Island		0	\$0	0	0
Total BERS Other Investments		0	\$211,577	0	17
Other InvestmentsTotal All Systems		0	\$9,041,740	0	17
Grand Total BERS		823,387	\$12,200,818		
Grand Total All Systems		8,474,605	\$521,402,471		

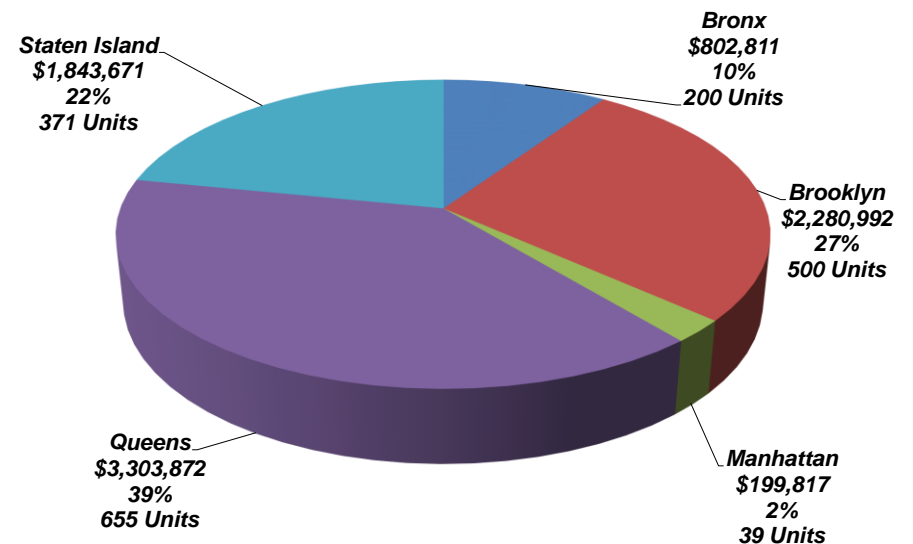
¹ Certain bond investment amounts are allocated pro rata across boroughs based upon unit count.

² If not indicated otherwise, superintendent units are allocated based on building size.

Access Multifamily Investments Since Inception BERS



Access Single Family Investment Since Inception BERS



~Private Equity Quarterly Report~



NYC Board of Education Retirement System

Third Quarter 2014 Report

Content

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Section 2 – Portfolio Update

Section 3 – Portfolio Assessment

Section 4 – Funds-of-Funds Review

Appendix A – Glossary of Terms

Appendix B – Disclosure Statements

NYC Board of Education Retirement System

Third Quarter 2014 Report



Section 1:

Market Update

NYC Board of Education Retirement System

Third Quarter 2014 Report

The Private Equity Market

Introduction

The U.S. public markets continued positive growth throughout the third quarter of 2014, despite a less pronounced S&P 500 return of 1.1% compared to 5.2% during the second quarter. October 2014 signaled the end of the Federal Reserve's bond purchase program, with improving markets and a declining unemployment rate cited as the main factors that led to the decision to end quantitative easing. Although rates will remain low for the near future, the Fed is expected to raise the federal funds rate sometime in 2015 for the first time since the Global Financial Crisis. In September, the European Central Bank attempted to stimulate the economy by cutting interest rates to 0.05% and announcing a program to buy asset-backed securities. However, concerns with the volatile situation in Ukraine and the potential sanctions on Russia will continue to contribute to the lack of recovery in the Eurozone.¹

The strong second quarter metrics in the private equity asset class saw a slight drawback as distributions slowed marginally, returning \$134 billion compared to \$137 billion in the previous quarter. However, the net cash inflow of \$47 billion outpaced the \$38 billion from the prior quarter.² The number of private equity-backed exits and aggregate value of these exits were both lower when compared to the second quarter, but still greater than the low first quarter numbers. Fundraising dipped in the third quarter, with only 199 funds closing, raising \$80 billion in aggregate capital; both decreases from the previous quarter. The number of buyout deals also decreased slightly from the prior quarter, from 816 to 803, but this comes with an increase in aggregate deal value from \$80 billion to \$84 billion which reflects the higher purchase price multiples and strong competition seen in the market.³

Private Equity Performance

Chart 1: Time Weighted Returns: Private Equity vs. MSCI World

Time-Weighted Return	All PE	US Buyout	EU Buyout	US & EU Venture/Growth	Credit ²	ROW Buyout/Growth	Public Market Benchmark ¹
1 Year	20.3%	21.6%	17.9%	29.4%	13.1%	13.5%	21.7%
5 Year	16.6%	17.7%	16.3%	16.0%	14.9%	14.2%	14.4%
10 Year	13.8%	14.6%	16.1%	9.8%	12.5%	13.9%	6.5%

Source: Hamilton Lane Fund Investment Database (October 2014). Return figures are geometric averages of time-weighted returns, in local fund currency.

¹ MSCI World, with reinvested dividends net of tax

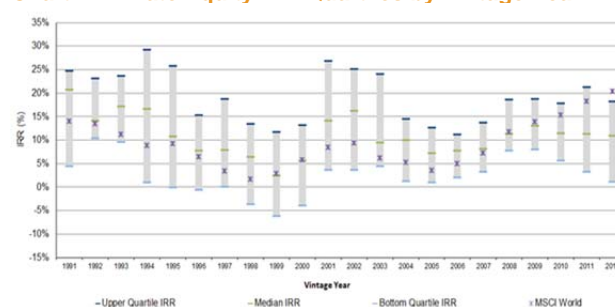
² Includes Mezzanine and Distressed Debt Strategies

Long-term investments in private equity have consistently outperformed public markets. As seen in Chart 1, each strategy has produced a greater return than the public market benchmark over the ten-year period. Looking at private equity as a whole, the ten-year return has more than doubled the MSCI World over the same period. This is significant as longer time horizon returns are a more meaningful measure for private equity, given the long-term nature of the asset class. The five-year private equity return of 16.6% is more than 200 basis points greater than the MSCI World return over the same period. The recent bull market has led to the strong one-year return of the MSCI

World Index of 21.7%, which is only slightly higher than the private equity one-year return of 20.3%.

The US & EU Venture/Growth strategy has outperformed the MSCI World returns in the one-year, five-year and ten-year time periods. In addition, the US & EU Venture/Growth strategy has produced the highest one-year return, 29.4%, of all other private equity strategies. This return is 770 basis points greater than the MSCI World's return for the same one-year period. US Buyout outperforms all other strategies over the five-year period at 17.7% and EU Buyout outperforms all other strategies over the ten-year period at 16.1%, both of which are significantly greater than the MSCI World returns over the same periods.

Chart 2: Private Equity IRR Quartiles by Vintage Year



Source: Hamilton Lane Fund Investment Database (October 2014) MSCI World, net reinvested dividends. Benchmark calculated as PME (Public Market Equivalent) using All Private Equity pooled cash flows.

As noted in Chart 1, the average private equity returns have consistently exceeded those of the public markets. This spread widens when comparing the average public returns to those produced by top quartile fund managers. As evidenced in Chart 2, investors in private equity have seen significantly greater returns than the public markets when investing with top quartile fund managers. The upper quartile IRRs averaged 19% compared to just 9% for the MSCI World. Additionally, over the same twenty-two year period, top quartile funds outperformed public markets in all but one year, 2012, while median quartile managers outperformed public markets in all but five years, with an average IRR of 11%. This helps to illustrate private equity's consistent historical performance over public markets, as well as the importance of selecting top tier managers.

Decrease in Exit Activity

As noted in Chart 3, exit activity decreased quarter-over-quarter from 428 exits to 402 exits and from \$143 billion to \$105 billion in aggregate exit value. The number of exits represents a 6% decrease while the aggregate exit value represents a 27% decrease from the previous quarter. Although these amounts have come down from the high marks set in the second quarter, both the number of exits and the aggregate value of exits have increased substantially when compared to the third quarter of 2013; 10% and 37% respectively.

¹ Schroders Q3 Market Overview

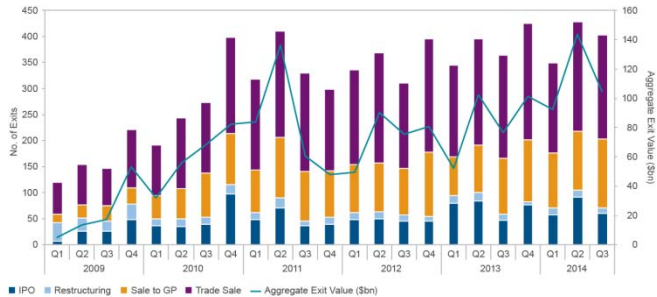
² Hamilton Lane Fund Investment Database (October 2014)

³ The Q3 2014 Preqin Quarterly Update Private Equity

NYC Board of Education Retirement System

Third Quarter 2014 Report

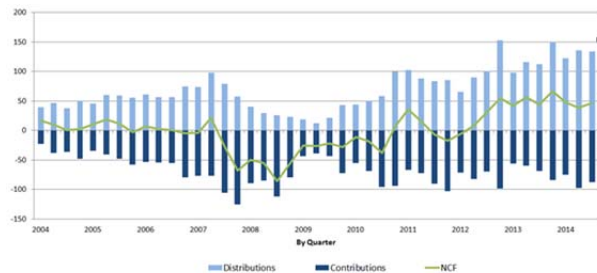
Chart 3: Global Number of Private Equity-Backed Exits



Trade sales remained the most popular exit method with 199 during the third quarter, accounting for about 50% of all exit activity. The only exit type that experienced an increase from the prior quarter was secondary buyouts, up 18%. On the other end, restructuring exits decreased 36% and IPOs decreased 33% when compared to the second quarter of 2014.

The decline in exit activity and aggregate value has led to a small decrease in distributions for the third quarter. According to the Hamilton Lane Fund Investment Database, General Partners distributed \$134 billion to Limited Partners in the third quarter of 2014. This resulted in positive net cash flow for investors of \$47 billion, compared to \$38 billion in the second quarter. As industry level net asset value continues to grow to record levels, distribution activity is expected to remain high, likely leading to another record year of distribution volume.

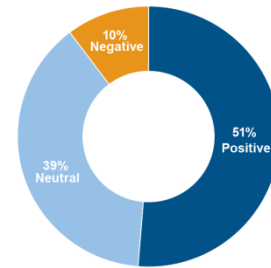
Chart 4: Private Equity Industry Level Cash Flows (\$Billion)



Increasing Allocations

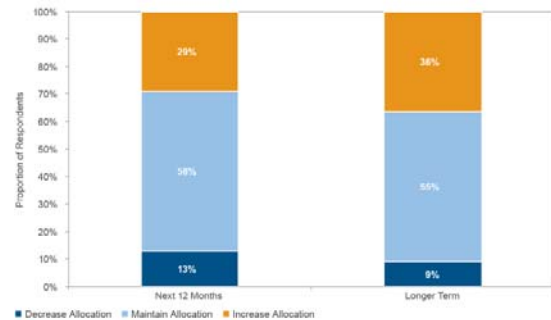
Current and target allocations to private equity portfolios are on the rise in the current year, aiding the growth of the industry as a whole. Based on Preqin's June 2014 survey, the mean allocation to the asset class is 10.5% of assets under management, but the average target allocation is 11.4%. In addition, Chart 5 indicates that 90% of investors surveyed have either a positive (51%) or a neutral (39%) perception of the current private equity industry. This is a good sign for private equity fund managers as it indicates that investors have a positive outlook on the industry and are open to increasing their private equity allocation in order to meet their desired target levels.

Chart 5: Investors' Perception of the Current Private Equity Industry



Consistent private equity outperformance of the public markets has been the most logical factor of increasing investor allocations. According to the Hamilton Lane Fund Investment Database, private equity returned about 14% to investors with observed volatility of about 10% over a ten year period. In contrast, the MSCI World Index returned just 6% with volatility of 16% over the same time period. As private equity returns continue to outperform the public market returns, coupled with lower risk metrics, investors will be looking to expand their private equity positions. Chart 6 is another indicator that illustrates investors are willing to increase their allocations to the private equity market. 87% of investors reported that they have intentions of maintaining or increasing their private equity allocation over the next 12 months, while 91% of investors have similar intentions over a longer term.

Chart 6: Investors' Intentions for Their Private Equity Allocations

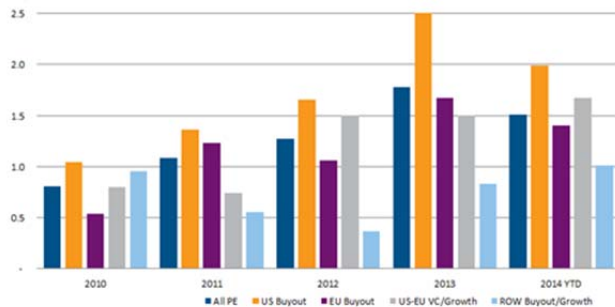


A strong liquidity ratio will generally draw more investors to the private equity asset class. The 2014 liquidity ratio for private equity is down from the high 2013 level, although it remains substantially higher than all years since before the Global Financial Crisis. Each private equity strategy maintains a ratio above 1.0, with ROW Buyout/Growth and US-EU VC/Growth having experienced the largest increases over the prior quarter at 23% and 11%, respectively. The total private equity annual liquidity ratio of 1.5 demonstrates that distributions are still back at a significantly high level, outpacing contributions.

NYC Board of Education Retirement System

Third Quarter 2014 Report

Chart 7: Annual Liquidity Ratio by Strategy (Distributions/Contributions)



Source: Hamilton Lane Fund Investment Database (October 2014)

Private Equity Fundraising

Chart 8: Global Private Equity Fundraising

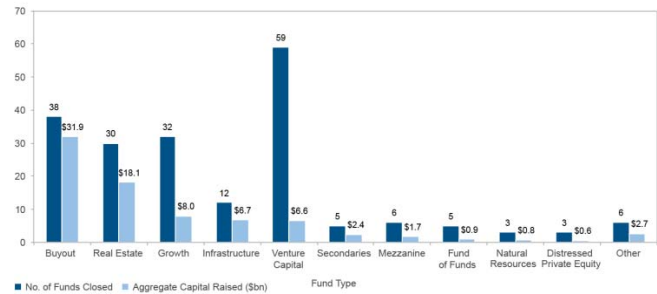


Source: The Q3 2014 Preqin Quarterly Update Private Equity

Fundraising dropped considerably in the third quarter of 2014 as 199 funds closed on just \$80 billion of capital raised. The 199 funds closed compared with 251 funds closed in the second quarter represents a decline of 21% and the lowest number of fund closings in a single quarter since the third quarter of 2010. Furthermore, the \$80 billion of capital raised in the quarter is a 44% decrease from the \$143 billion that was raised in the prior quarter. This represents the lowest aggregate capital raised for a single quarter since the third quarter of 2011. Despite the lower number of funds closed, the average fund size for the quarter was \$402 million, 9% greater than the average fund size of \$371 million from Q1 2009 – Q2 2014. This was driven by four established managers returning to market, closing on \$18 billion in capital, or 20% of aggregate capital raised.⁴

As presented in Chart 9, Venture Capital accounted for the greatest number of funds closed in the third quarter with 59, or 30% of the total private equity closings. Buyout and Real Estate funds raised the most capital with \$32 million and \$18 million respectively, representing over 62% of the total fundraising capital for the quarter. 69% of all private equity funds closed in the third quarter of 2014 either met or exceeded their target objective.⁵

Chart 9: Private Equity Fundraising in Q3 2014 by Fund Type



Source: The Q3 2014 Preqin Quarterly Update Private Equity

Deal Activity

Chart 10: Quarterly Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally



Source: The Q3 2014 Preqin Quarterly Update Private Equity

Buyout deals stayed relatively consistent compared to the second quarter of 2014. While the number of deals decreased slightly quarter-over-quarter from 816 to 803, the aggregate deal value increased marginally from \$80 billion to \$84 billion. The \$84 billion in volume for the third quarter is however a substantial uptick of 30% from the \$65 billion in the third quarter of 2013. Private equity-backed buyout deals are on pace to see \$329 billion in deal value for 2014, which would be 11% higher than 2013 and the largest annual aggregate volume since the pre-financial crisis time period.

Looking at Venture Capital in Chart 11, there were 1,706 deals in the third quarter of 2014, a 7% decrease from the prior quarter's 1,834 deals. This quarter marked the lowest amount of Venture Capital deals since the fourth quarter of 2011. Europe is the main region driving this decline with 31% fewer deals when compared to the previous quarter. Conversely, China and India have seen spikes in Venture Capital deal volume, increasing 26% and 18%, respectively, over the second quarter of 2014. Geographically, North America represented 63% of the Venture Capital deals for the quarter. This is by far the region with the most activity as China was the second leading region, but accounted for just 7%.

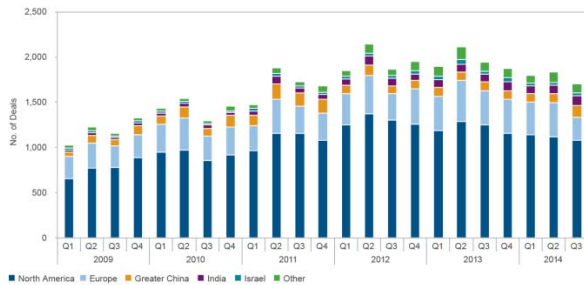
⁴ The Q3 2014 Preqin Quarterly Update Private Equity

⁵ The Q3 2014 Preqin Quarterly Update Private Equity

NYC Board of Education Retirement System

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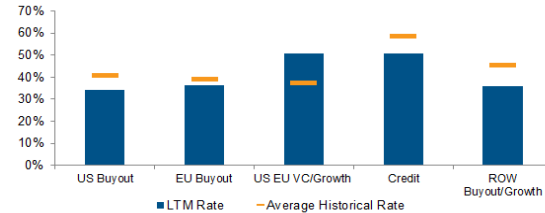
Chart 11: Quarterly Number of Venture Capital Deals by Region



Source: The Q3 2014 Preqin Quarterly Update Private Equity

Regardless of the overall increase in current year deal volume, contributions as a percentage of unfunded commitment are lagging the historical averages in all strategies except for US and EU VC/Growth, as seen in Chart 12. This demonstrates that managers are carefully spending capital and longer investment periods may be a result of lower spending, which could keep dry powder at its historical high level.

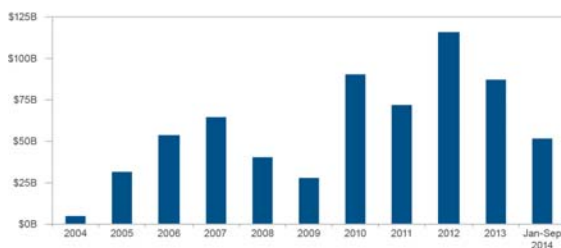
Chart 12: Contributions as a Percentage of Unfunded Commitment



Source: Hamilton Lane Fund Investment Database (October 2014). Average historical rate back to 2005. Data in report is extrapolated to industry level based on Hamilton Lane's known sample.

Debt Markets

Chart 13: Annual Volume of Sponsored High-Yield Bond Issuances



Source: S&P Capital IQ M&A Stats September 2014

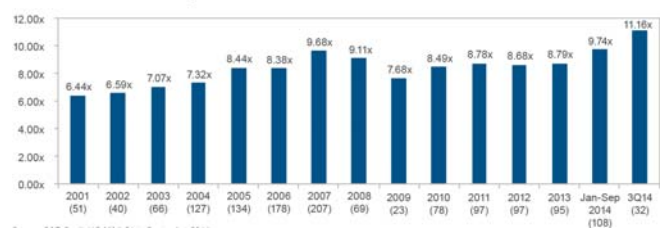
Through the first nine months of 2014, there was a total of \$52 billion sponsored high-yield bond issuances in the U.S., on pace for \$70 billion annually. If the current pace continues throughout the end of the year, we would see a 20% decrease from 2013 totals and it would mark the lowest annual volume since 2009. There were 156 new high-yield bond issuances totaling \$76.3 billion in the third quarter of 2014. September drove the third quarter volume with 83 new issues totaling \$43.8 billion, which is the largest single monthly total since September 2013.⁶ Despite the strong month of September, the third quarter only accounts for 26% of the \$286 billion 2014 YTD volume. In addition,

⁶ JP Morgan, KKR August, September, October 2014 Credit Markets

Europe is on pace for over €27 billion in issuances for 2014 which is a minimal increase from the €25 billion in 2013 but would continue the trend of increasing each year since 2008.⁷

Deal Pricing

Chart 14: LBO Purchase Price Multiples

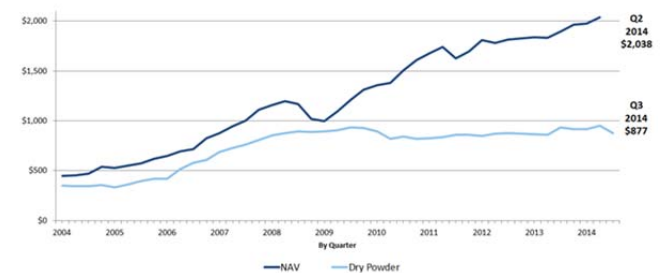


Source: S&P Capital IQ M&A Stats September 2014

The third quarter of 2014 saw a spike in prices as purchase price multiples rose to 11.16x. This increase is a result of tougher competition over attractive deals in the marketplace as dry powder is at an all-time high and GPs will remain cautious with their investment decisions. Healthcare and Technology are two of the more expensive sectors driving the increase in multiple while Chemicals and Food & Beverage are on the low end in terms of purchase price by industry.

The Overhang Issue

Chart 15: Industry Level NAV & Dry Powder



Source: Hamilton Lane Fund Investment Database (October 2014)

Industry level dry powder has decreased 8% to \$877 million during the third quarter. While the increasing NAV can be seen as a positive that underlying portfolio performance has improved across the asset class, the overhang issue could pose a concern for Limited Partners' future returns if deal activity does not pick up in order to put this capital to use. The dry powder, which ballooned back in 2008, has not shown any signs of regression. Buyout and real estate funds have seen the highest percentage increase in dry powder during the first nine months of 2014, rising by 16.1% and 15.4% respectively.⁸

⁷ S&P Capital IQ M&A Stats September 2014

⁸ The Q3 2014 Preqin Quarterly Update Private Equity

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Spotlight: Technology Overview

Industry Overview

For the purpose of investing, technology is often viewed as the collection of industries including Media, Technology Hardware and Equipment, Semiconductors and Equipment, Software and Services, and Telecommunication Service. This group of sectors is commonly referred to as Technology, Media & Telecommunications ("TMT"). As technology becomes more widespread and standardized, automation, efficiency and connectivity continue to be a driving factor in how new technology impacts our lives.

Technology continues to represent a large portion of the public market with more than 7,300 publicly traded companies worldwide, representing more than \$12.2 trillion in market capitalization.⁹ As seen in Chart 1, four of the ten largest companies, by market capitalization, are within the technology sector. On 9/19/14, Alibaba, an emerging markets e-commerce company, held the largest IPO in U.S. history with \$21.8 billion beating Visa, which raised \$17.9 billion in 2008. Alibaba has a market cap of \$221 billion, ranking 5th out of all Technology companies.¹⁰

Chart 1: Top 10 Largest Companies

Top 10 Largest Companies ¹ (USD in Billions)	
Technology	All
Apple (\$595)	Apple (\$595)
Google (\$392)	Exxon Mobil (\$401)
Microsoft (\$378)	Google (\$392)
China Mobile (\$241)	Microsoft (\$378)
Alibaba (\$221)	Berkshire Hathaway (\$341)
Verizon (\$208)	Johnson & Johnson (\$296)
Facebook (\$200)	Wells Fargo (\$271)
IBM (\$188)	General Electric (\$252)
AT&T (\$184)	China Mobile (\$241)
Oracle (\$173)	Royal Dutch Shell (\$235)

¹Public companies by market capitalization as of 10/7/14; Source: Capital IQ

Technology is becoming an increasing part of investment spending. Overall Information Technology ("IT") spending is expected to grow 3% to 4% in 2014. Software, infrastructure, and connectivity play a role in all companies today, which is evident by the 7% expected growth rate for software spending in 2014.¹¹

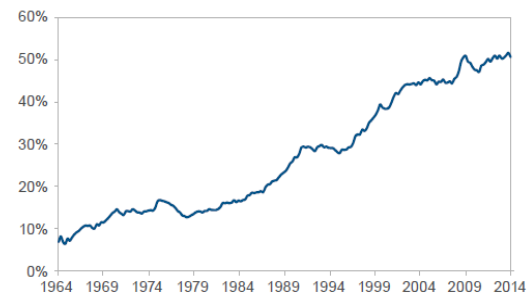
Key Themes

Software

As computer technology has become more widely adopted, an increasing amount of software has been developed to leverage computing power and connectivity. The entire stack of

databases and application layers are being redesigned across all enterprises. Chart 2 shows that software investment is at an all-time high, accounting for over 50% of the total business investment in Information Technology.

Chart 2: Software Investment as a Percentage of Total Business IT Investment (As of April 1, 2014)

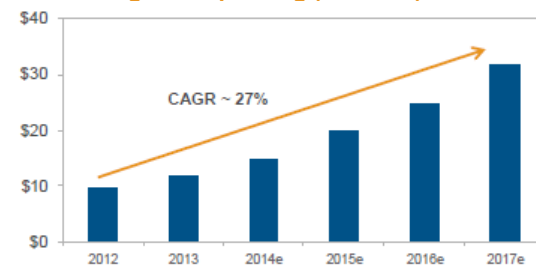


Source: St. Louis Federal Reserve Economic Data

On the consumer side, app sales, which consist of smaller software applications and media content, continue to increase, particularly for mobile phones and tablets. Globally in 2013, more than 102 billion apps were downloaded, generating over \$26 billion in sales.¹²

"Big Data" is a ubiquitous term with no commonly accepted definition on size or use. Big Data generally refers to databases so large and complex they create significant challenges for traditional data management and analysis tools in practical timeframes.¹³ Today through means such as digital interactions, social websites, and search engines, data is more prevalent than ever and the possibilities of its use are endless with the right algorithms. Perfecting ways to analyze Big Data remains difficult, but the opportunities are present and the spending is growing rapidly, with an estimated Compound Annual Growth Rate ("CAGR") of 27%. Big Data will also enhance efficiency benefits, as studies estimate that the U.S. healthcare system could save \$300 billion annually through better integration of analysis and data.¹⁴

Chart 3: Big Data Spending (\$Billions) As of March 18, 2014



Source: IDC
e= expected

⁹ Capital IQ

¹⁰ Capital IQ

¹¹ Gartner – IT Spending Worldwide Q4 2013 Update

¹² Gartner – IT Spending Worldwide Q4 2013 Update

¹³ Deloitte Consulting LLP: The Insight Economy

¹⁴ McKinsey Global Institute

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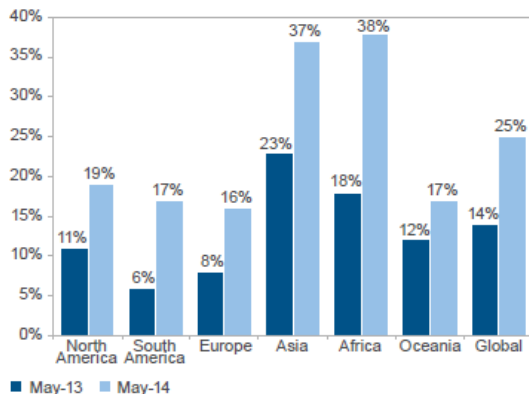
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Hardware

The number of devices connected to the internet is expanding exponentially. In 2000 there were an estimated 200 million connected devices. In 2008 the number of connected devices exceeded the global population and as of 10/10/14 this number has grown to more than 13.6 billion.¹⁵ Historically only computers were connected; phones and tablets have followed suit and today, smart wearable devices (watches, bands, and glasses), smart TVs, smart cars, and connected homes are driving consumer spending. Simultaneously, business demand has been driven by connecting infrastructure, such as hospital file-sharing networks or remote access to traffic lights and / or signs.

Globally, smartphone use has grown to more than 30% of mobile phone users and is expected to increase at a rapid pace.¹⁶ Demand for infrastructure and networks continues to increase as smartphones and other mobile devices become an increasingly preferred method for internet usage. This is particularly important in emerging markets, many of which have limited wired infrastructure. Chart 4 highlights the drastic increases in mobile usage across all geographic regions over just a one year time period. Most notably, Africa and Asia have the highest percentage of mobile usage at 38% and 37%, respectively.

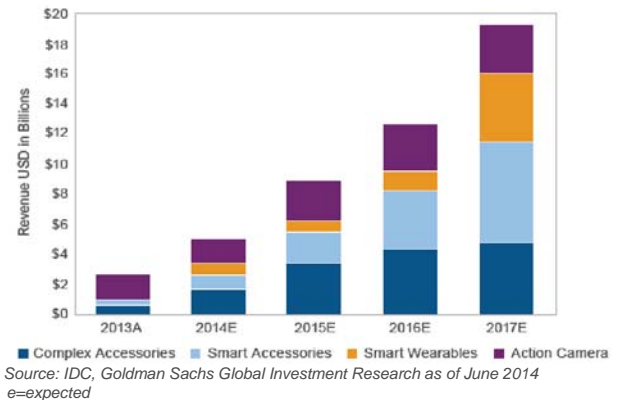
Chart 4: Mobile Usage as % of Web Usage



Source: KPCB – Internet Trends 2014 as of May 2014

Wearable technology has seen a dramatic increase in the market as there is an increasing demand to have mobile devices and data that is accessible at all times. The wearables segment is expected to increase from over \$2.5 billion in 2013 to nearly \$20 billion in 2017, representing a CAGR of over 60%. Smart Glasses and Smart Watches (broadly categorized as Smart Wearables and Smart Accessories) are likely to grow the most, at a CAGR of close to 200% and 100%, respectively.¹⁷

Chart 5: Wearable Technology

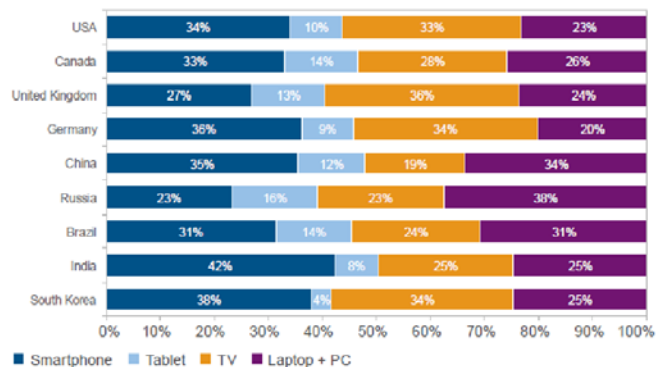


Social Impact

Today, consumers are always connected, creating new content and spreading information every second of every day. Expectations of information and the speed of delivery have radically changed, and data is updated in real time over various platforms. There are increasing online sales, new means to execute transactions (PayPal, Bitcoin, etc.), and an increasing number of consumer-to-consumer marketplaces (AirBnB, eBay, and Etsy). These examples along with social media, website cookies, and online preferences have increased the amount of personal data shared with others and used by businesses immensely.

Education is another avenue seeing tremendous growth and opportunity due to technology. Massive open online courses are increasing in popularity. In 2014, Coursera.org had more than 7 million registered users around the world and introduced 428 different courses from 62 different universities. Additionally, an increasing number of free or low-cost software and video related education is being made available to the public.

Chart 6: Daily Distribution of Screen Hours across Countries in 2014



Media consumption continues to evolve with the addition of new technology. Despite prior predictions, TV sets are still a primary means of media consumption. However, alternative screens are beginning to capture more and more of our attention for a

¹⁵ Cisco Connections Counter
¹⁶ KPCB – Internet Trends 2014
¹⁷ IDC

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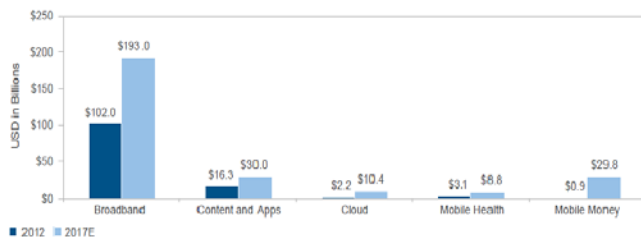
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mixture of TV related and other content. By the end of 2014, it is expected that up to 50 million households world-wide will have two or more pay-TV subscriptions to stream content across devices. These additional subscriptions will generate \$5 billion+ in revenues.¹⁸

In the U.S., smartphone usage, in terms of daily distribution of screen hours, accounts for 34%, which has surpassed the 33% of TV usage. In fact, smart phones are the leaders in terms of daily distribution of screen hours in all countries depicted in Chart 6 above, except for the UK and Russia.

Emerging Markets

Chart 7: Revenues from Consumer Sales of Five Technology Trends in Emerging Markets



Source: Linklaters – TMT Generation Next Report – 2013. Includes data and estimates for Brazil, China, India, Indonesia and Russia
E= Expected

As noted in Chart 7, emerging markets continue to represent a large opportunity for technology growth. Five key trends: Broadband, Content and Apps, Cloud, Mobile Health, and Mobile Money are expected to grow TMT company revenue in emerging markets from \$124.5 billion in 2012 to \$272 billion in 2017.^{19,20} Emerging markets continue to increase connectivity and are expected to grow from 1.35 billion broadband users to 3.7 billion users between 2012 and 2017. This increase in users explains the 89% increase that is expected in Broadband revenue for these markets from 2012 to 2017.

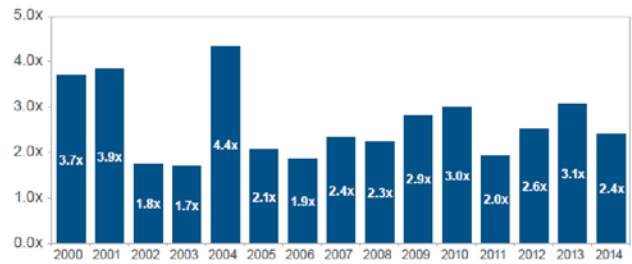
Opportunities for Private Equity

Buyout Investment

The technology sector is maturing, which will lead to new opportunities as sector specialization increases. Focus has shifted away from hardware and other capital expenditure-heavy investments as several buyout firms are removing or refocusing hardware subsector teams. On the other hand, there is an increasing focus on software, particularly mature software companies with high customer retention rates where operational improvements can be applied. SaaS, or Software as a Service, is driving this increase where it is becoming increasingly popular to rent software for re-occurring and more transparent revenue streams. Multiples continue to trade higher for companies with growth; however, discounts can be found in more complex opportunities in the space.

Chart 8: Average Technology M&A

EV/Revenue Multiples¹



¹Includes data from the Information Technology, Media, and Telecommunications Industries, where Revenue > \$20mm and EV > 0.
Source: Capital IQ

Growth Investment

In the growth space, there has been a continued focus on software enabled companies. More specifically, fast growing, high margin, and profitable companies with recurring revenue are being sought after. Access to information is a core driver of the economy and thus companies that have the ability to supply information and related tools are in high demand. Growth equity investors are completing more control-oriented transactions with a focus on providing liquidity to late stage venture investors. They are looking for maturing, fast growing companies where limited leverage is needed to return assumptions, as well as buy and build platforms that require scale for technology to take off.

Venture Investment

Venture capital investments in the Technology sector are shifting away from Silicon Valley as secondary markets continue to grow. Valuations remain high as investors have significant amounts of capital to deploy. In the consumer space, focus has been on mobile devices, app development platforms, social media, and consumer-to-consumer market hubs. In the enterprise space the focus has been on cloud computing, big data, and SaaS. Additionally, in the energy sector the popular trends are focused on batteries, solar panels, and electric cars. Similar to the growth strategy, venture capital investors are redirecting their focus to businesses with lower capital expenditures that require limited funding, which can be provided over time. Many groups are avoiding hardware risks outside of specific themes such as medical devices and wearables.

Conclusion

Technology continues to increase globally across all spectrums. Software investment for businesses is more popular than ever before and Big Data will likely improve efficiencies and lead to new discoveries in all sectors. New forms of mobile devices are entering the market and leading to additional ways to connect consumers with other consumers, as well as connecting consumers with businesses and infrastructure for greater total transparency in the marketplace. Wireless usage is becoming more prevalent across the globe, specifically in the emerging markets. Private Equity investors are moving more towards SaaS and information driven companies and away from the hardware, expenditure-heavy firms of old. The technology sector has seen exponential growth and evolution as an industry and the continuous improvements in software, hardware, media, and telecom sectors will continue to lead to further opportunities in the near future.

¹⁸ KPCB – Internet Trends 2014

¹⁹ Linklaters – TMT Generation Next Report - 2013

²⁰ Includes data and estimates for Brazil, China, India, Indonesia and Russia

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Section 2:

Portfolio Update

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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 the 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, 2014, with highlights through December 31, 2014.

Private Equity Allocation: BERS has a target allocation of 6.0% to Private Equity. As of September 30, 2014, Private Equity constituted 3.7% of BERS total plan.

Performance: As of September 30, 2014, the Portfolio consists of 18 partnerships and 12 underlying fund managers. The Portfolio has generated a since inception internal rate of return (“IRR”) of 9.86% and a total value multiple of 1.39x.

Portfolio Summary			
\$ millions	6/30/2014	9/30/2014	Change
Active Partnerships	17	18	1
Active GP Relationships	11	12	1
Capital Committed ⁽¹⁾	\$334.2	\$357.7	\$23.5
Unfunded Commitment	\$196.9	\$207.3	\$10.4
Capital Contributed	\$140.0	\$153.3	\$13.3
Capital Distributed	\$53.5	\$60.0	\$6.5
Market Value	\$142.3	\$153.3	\$11.0
Total Value Multiple	1.40x	1.39x	(0.01x)
Since Inception IRR	9.75%	9.86%	11 bps
Avg. Age of Active Commitments	3.6 years	3.1 years	(0.5 years)

⁽¹⁾ The “change” in capital committed from the prior quarter reflects currency adjustments from existing foreign denominated funds and additional commitments made during the quarter.

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 41% of the Portfolio’s total exposure, Secondary represents 16%, Venture Capital represents 12%, Distressed/Turnaround represents 8%, Growth Equity accounts for 16%, Co-Investment represents 5%, and Other represents 2%. Strategic exposure takes into account the strategies for each of the underlying partnerships in the funds-of-funds within the BERS Portfolio.

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Portfolio Overview

Commitments

The table below highlights the funds that have closed during the first three quarter of the calendar year 2014.

YTD Commitments - 2014			
Closing Date	Partnership	Investment Strategy	Commitment (\$ in Millions)
3/31/2014	Lexington Capital Partners VIII, L.P.	Secondaries	\$20.0
4/22/2014	ASF VI, L.P.	Secondaries	\$15.0
4/22/2014	ASF VI NYC Co-Invest, L.P.	Co-Invest	\$5.0
6/20/2014	Crestview Partners III, L.P.	Corporate Finance/Buyout - Mid	\$15.0
6/20/2014	Crestview Partners III (Co-Investment B), L.P.	Co-Invest	\$5.0
7/11/2014	Vista Equity Partners V, L.P.	Growth Equity	\$25.0
Total			\$85.0

The Portfolio closed on six new investments, totaling \$85.0 million, which are detailed below:

Lexington Capital Partners VIII, L.P. (\$20.0 million) the fund will focus on acquiring private equity partnership interests from limited partners seeking liquidity through secondary transactions in both U.S and non-U.S. buyouts, venture capital and mezzanine partnerships.

ASF VI, L.P. & Side Car (\$15.0/\$5.0 million) the fund will pursue a secondary investment strategy, acquiring limited partnership interests through the global secondary market in buyout, growth equity, and venture capital funds.

Crestview Capital Partners III, L.P. & Side Car (\$15.0/\$5.0 million) the fund will pursue investments in opportunities arising from dislocations in out-of-favor industries, focusing primarily on four industries that are undergoing major transitions or dislocations: Energy, Financial Services, Healthcare and Media.

Vista Equity Partners V, L.P. (\$25.0 million) the fund will be focused on the middle-market software segment, and will execute control buyouts of businesses that offer mission-critical and technology-enabled solutions across a variety of industries.

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Subsequent Closings

Subsequent to the quarter end September 30, 2014, the portfolio closed on seven additional commitments totaling \$21.7 million.

Subsequent Closings			
Partnership	Investment Strategy	Commitment (\$ in Millions)	Closing Date
NMS Fund II, L.P.	Corporate Finance/Buyout - Small	\$1.2	10/3/2014
Centerbridge Capital Partners III, L.P.	Special Situations/Turnaround	\$2.5	10/24/2014
Webster Capital III, L.P.	Corporate Finance/Buyout - Small	\$2.3	12/2/2014
Mill City Fund II, L.P.	Corporate Finance/Buyout - Small	\$1.2	12/9/2014
Raine Partners II, L.P.	Growth Equity	\$3.0	12/23/2014
American Securities Partners VII, L.P.	Corporate Finance/Buyout - Large	\$8.0	1/9/2015
Siris Partners III, L.P.	Corporate Finance/Buyout - Mid	\$3.5	2/4/2015
		\$21.7	

NMS Fund II, L.P. (\$1.2 million) the fund, BERS's first commitment in the Emerging Manager 2012 Program, will target buyout investments in fast-growing companies within the business services, healthcare services, and consumer products and services industries.

Centerbridge Capital Partners III, L.P. (\$2.5 million) the fund will pursue control positions through private equity and distressed debt investments, which a focus on North America and Europe.

Webster Capital III, L.P. (\$2.3 million) the fund, a commitment in the Emerging Manager 2012 Program, will target control buyouts of growth-oriented small cap companies in the healthcare services and branded consumer sectors.

Mill City Fund II, L.P. (\$1.2 million) the fund, a commitment in the Emerging Manager 2012 Program, will pursue buyouts of lower-middle-market consumer and industrial companies located in the upper-Midwestern U.S. and Canada.

Raine Partners II, L.P. (\$3.0 million) the fund, a commitment in the Emerging Manager 2012 Program, will pursue growth equity investments in lower-middle-market, with a focus on the technology, media and telecommunications ("TMT") space.

American Securities Partners VII, L.P. (\$8.0 million) the fund will target control investments in the industrial and services sectors and will opportunistically invest in energy services, healthcare and consumer businesses.

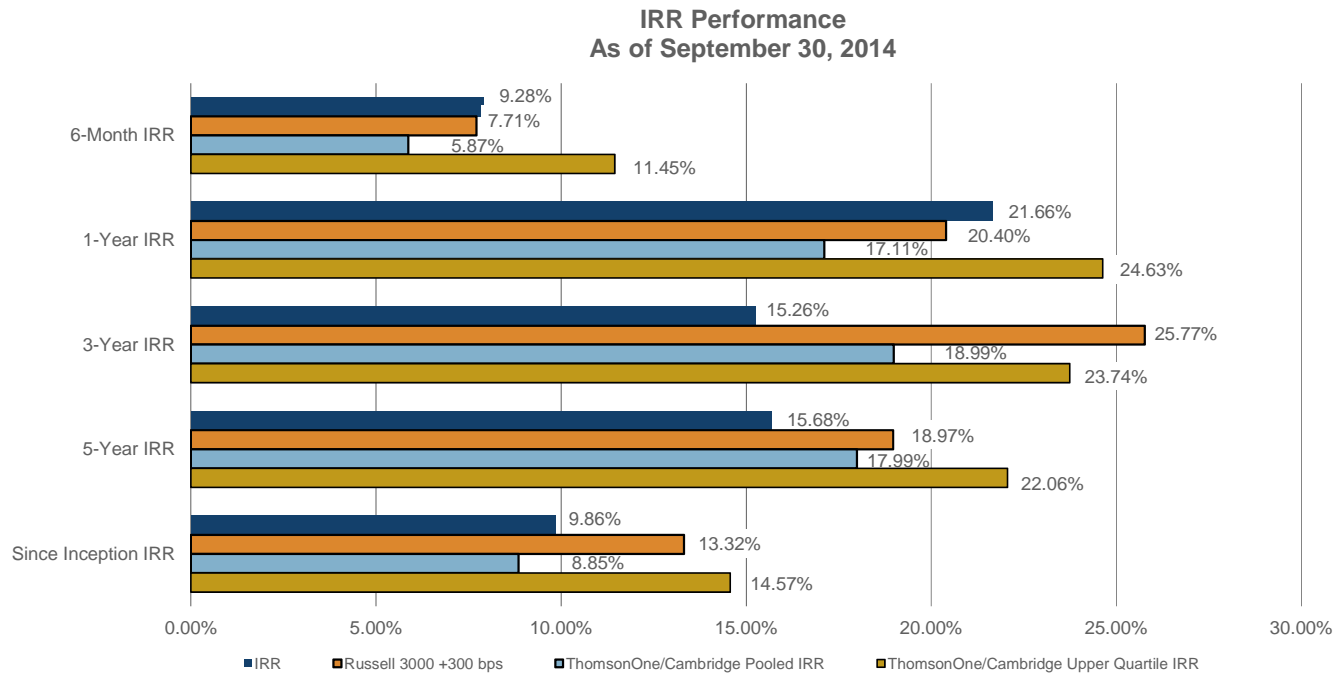
Siris Partners III, L.P. (\$3.5 million) the fund will target investments in complex middle-market technology businesses that possess both a mature business line that generates stable cash flows, as well as next-generation growth assets.

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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 ThomsonOne/Cambridge Pooled IRR, and ThomsonOne/Cambridge Upper Quartile IRR, as well as the Russell 3000 plus 300bps.



Note: Private Equity benchmark is provided by ThomsonOne/Cambridge and reflects U.S. Buyout Funds Pooled IRR and Upper Quartile IRR as of September 30, 2014, for funds with vintage years 2006, 2009, 2012, 2013 and 2014. 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 2014 increased 11 basis points from the prior quarter, with the Portfolio generating an IRR of 9.86%.
 - Relative to the benchmarks, the since inception IRR is outperforming the ThomsonOne/Cambridge Pooled IRR by 101 basis points, but is underperforming the ThomsonOne/Cambridge Upper Quartile IRR by 471 basis points and the Russell 3000 plus 300bps by 346 basis points.
- Performance on a one-year basis for the third quarter 2014 decreased 343 basis points from the second quarter 2014, with the Portfolio generating an IRR of 21.66%.
 - Relative to the benchmarks, the one-year IRR is outperforming the ThomsonOne/Cambridge Pooled IRR by 455 basis points and the Russell 3000 plus 300bps by 126 basis points, but is underperforming the ThomsonOne/Cambridge Upper Quartile IRR by 297 basis points.
 - Outperformance of the public benchmark can be attributed to the slowed performance in the public markets through the quarter end, September 30, 2014.

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Vintage Year Performance

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

Performance by Vintage Year ⁽¹⁾					
Vintage Year	Capital Committed	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR	Russell 3000 + 300bps
2005	\$ 57,000,000	9.02%	8.00%	13.10%	10.59%
2006	44,000,000	8.23%	9.93%	15.27%	10.76%
2009	45,000,000	15.57%	21.56%	27.14%	20.45%
2012	40,000,000	29.40%	7.52%	13.11%	18.28%
2013	86,730,845	N/M	N/M	N/M	N/M
2014	85,000,000	N/M	N/M	N/M	N/M

⁽¹⁾ For details regarding Paid-In Capital, Distributions and Market Value by Vintage Year please see Section 3 of the report, Portfolio Assessment.

*ThomsonOne/Cambridge Benchmark - U.S. Buyouts as of 9/30/2014

- Vintage year 2012 has generated the highest since inception IRR for the Portfolio at 29.40% and is outperforming the ThomsonOne/Cambridge Median Quartile IRR by 2,188 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 1,629 basis points, and the Russell 3000 plus 300 basis points by 1,112 basis points.
 - The top performing partnership in the vintage year 2012 is Platinum Equity Capital Partners III, L.P., a Distressed/Turnaround partnership, which has generated a since inception IRR of 67.81%.

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Quarterly Value Analysis

The table below details quarterly performance of the Portfolio for the year ending September 30, 2014.

Portfolio Summary					
in \$ millions	Quarter Ending				Year Ending
	12/31/2013	3/31/2014	6/30/2014	9/30/2014	9/30/2014
Beginning Market Value	\$114.9	\$126.4	\$129.5	\$142.3	\$114.9
Paid-in Capital	6.3	6.5	11.3	13.3	37.4
Distributions	(4.4)	(8.7)	(4.9)	(6.5)	(24.5)
Net Value Change	9.6	5.3	6.4	4.2	25.5
Ending Market Value	\$126.4	\$129.5	\$142.3	\$153.3	\$153.3
Unfunded Commitments	\$154.4	\$168.2	\$196.9	\$207.3	\$207.3
Total Exposure	\$280.8	\$297.7	\$339.2	\$360.6	\$360.6
Point to Point IRR	8.29%	4.20%	4.88%	2.95%	21.66%
Since Inception IRR	8.85%	9.25%	9.75%	9.86%	9.86%

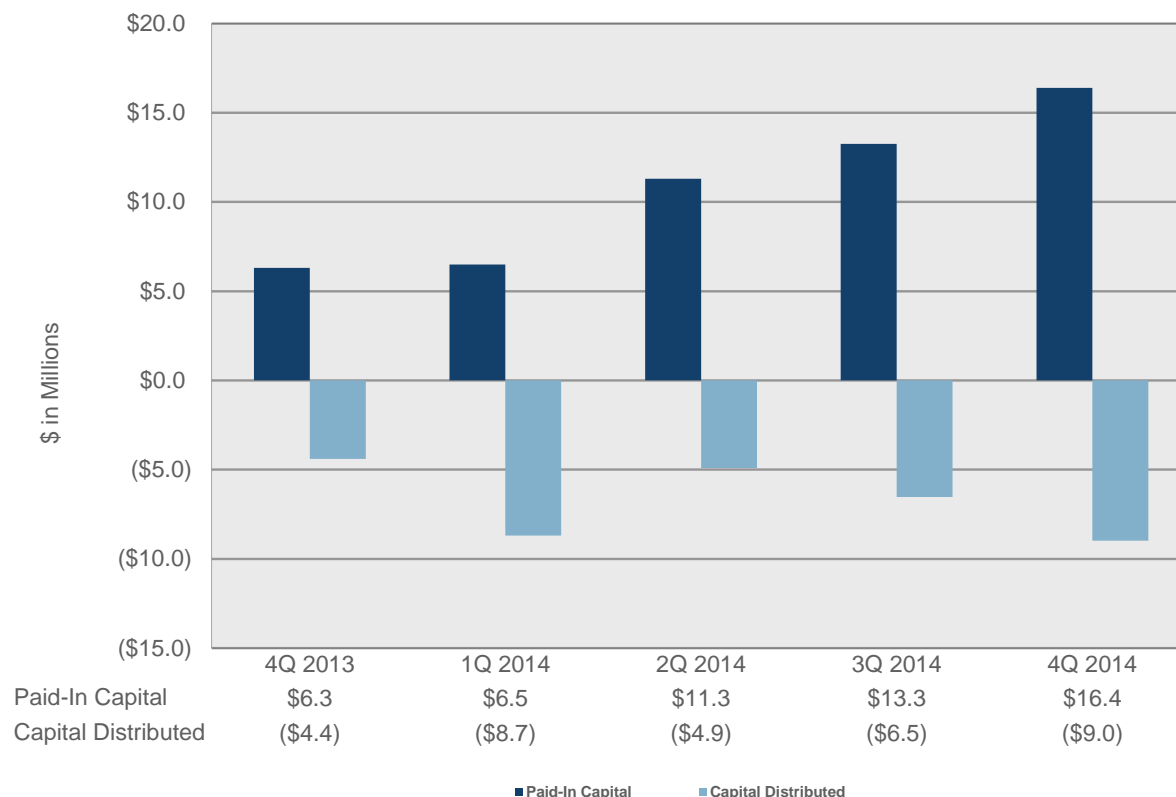
- Over the past twelve months, the Portfolio has experienced a total of \$25.5 million in net value appreciation.
 - The one-year IRR of 21.66% represents a 454 basis point increase when compared to the one-year IRR as of September 30, 2013.
 - The since inception IRR of 9.86% represents a 240 basis point increase when compared to the since inception IRR as of September 30, 2013.

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Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended December 31, 2014.



- Contribution activity increased slightly during the third quarter of 2014, with contributions totaling \$13.3 million. Distribution activity also increased during the third quarter of 2014, with distributions totaling \$6.5 million.
 - Mesirow Financial Private Equity Partnership Fund V, L.P. called the most capital during the third quarter of 2014, calling \$2.3 million to fund various underlying investments.
 - Mesirow Financial Private Equity Partnership Fund III, L.P. distributed the most capital during the third quarter of 2014, distributing \$4.6 million in proceeds from various underlying investments.
- Contribution activity continued to increase during the fourth quarter of 2014, with contributions totaling \$16.4 million. Distribution activity increased modestly during the fourth quarter of 2014, with distributions totaling \$9.0 million.
 - Vista Equity Partners, L.P. called the most capital during the fourth quarter of 2014, calling \$7.1 million for investments in TransFirst, Inc., NAVEX Global Holding Company, and TIBICO Software, Inc.
 - Headquartered in Hauppauge, New York, TransFirst, Inc. is a provider of payment processing technology and value-add solutions to merchants in the United States.

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Third Quarter 2014 Report

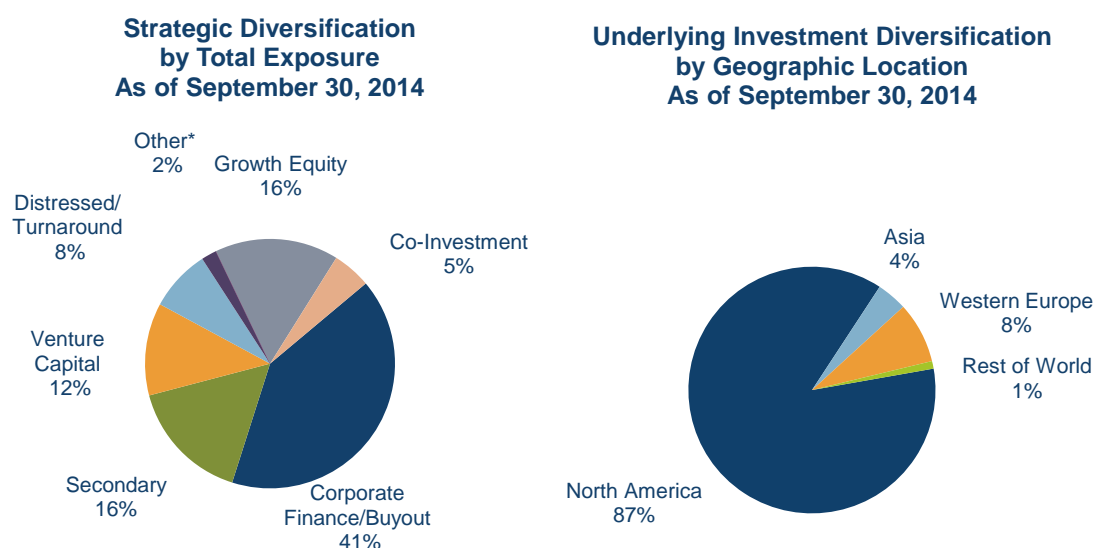
- Headquartered in Lake Oswego, Oregon, NAVEX Global Holding Company is a leading provider of SaaS-based governance, risk, and compliance solutions.
- Headquartered in Palo Alto, California, TIBCO Software, Inc. is a provider of infrastructure and analytical software that integrates diverse systems and data sources and provides analytical insights.
- Mesirow Financial Private Equity Partnership Fund III, L.P. distributed the most capital during the fourth quarter of 2014, distributing \$4.6 million in proceeds from various underlying investments.

NYC Board of Education Retirement System

Third Quarter 2014 Report

Portfolio Exposures

The pie chart below represents the strategic and geographic diversification of the Portfolio as of September 30, 2014. 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. Geography is measured by the Portfolio's exposed market value of the underlying portfolio holdings.



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

As of September 30, 2014

	Sum of Current Exposed Market Value	% of Total
North America	\$136.3	87%
U.S. (non-NY State)	\$121.3	77%
U.S. (NY State)	\$15.0	10%
Western Europe	\$12.8	8%
Asia	\$7.0	4%
Rest of World	\$0.9	1%
Total	\$157.0	100%

- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 41% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 87% of the Portfolio's underlying market value attributable to this region.
 - The remaining 13% of the Portfolio's exposure is diversified between Western Europe, 'Rest-of-World' and Asia.
 - Roughly 10% of the Portfolio's current exposed market value is based in New York.

NYC Board of Education Retirement System

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Private Equity Company Exposure

The table below identifies the top ten partnership underlying holdings held by partnerships in the BERS Portfolio, as measured by exposed market value as of September 30, 2014. As noted in the second column, the values of underlying holdings held by several partnerships have been aggregated.

Top 10 Partnership Holdings by Exposed Market Value September 30, 2014			
Partnership Name	Funds-of-Funds	Exposed Valuation (\$ Millions)	% of Total Portfolio
Landmark Acquisition Fund VII	Landmark Equity Partners XV, L.P. Landmark Equity Partners XV, L.P. - Side Car	\$4.4	2.8%
Vicente Capital Partners Growth Equity Fund	New York Fairview Private Equity Fund, L.P.	3.8	2.4%
Acosta, Inc.	Carlyle Partners VI, L.P. Carlyle Partners VI, L.P. - Side Car	3.7	2.3%
DCM V, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P.	3.4	2.2%
Landmark Acquisition Fund VI	Landmark Equity Partners XV, L.P.	3.4	2.2%
Kelso Investment Associates VIII, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P. Mesirow Financial Private Equity Partnership Fund V, L.P.	3.0	1.9%
The Resolute Fund II, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.9	1.9%
Draper Fisher Jurvetson Fund IX, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.6	1.7%
Sun Capital Partners V, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.6	1.7%
New Enterprise Associates 13, L.P.	Mesirow Financial Private Equity Partnership Fund IV, L.P. Mesirow Financial Private Equity Partnership Fund V, L.P.	2.6	1.6%
Total		\$32.4	20.7%

- As of September 30, 2014, the top ten partnership holdings represent 20.7% of the total Portfolio's exposed market value, or \$32.4 million of exposed market value.
- Five of the ten top partnerships are held in multiple funds-of-funds within the portfolio.
- Landmark Acquisition Fund VII, an acquisition vehicle formed for the purpose of making large secondary investments, is the Portfolio's largest exposure and is held through two partnerships, but one fund manager.

NYC Board of Education Retirement System

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Section 3:

Portfolio Assessment

NYC Board of Education Retirement System
Private Equity Portfolio
As of September 30, 2014 (in USD)

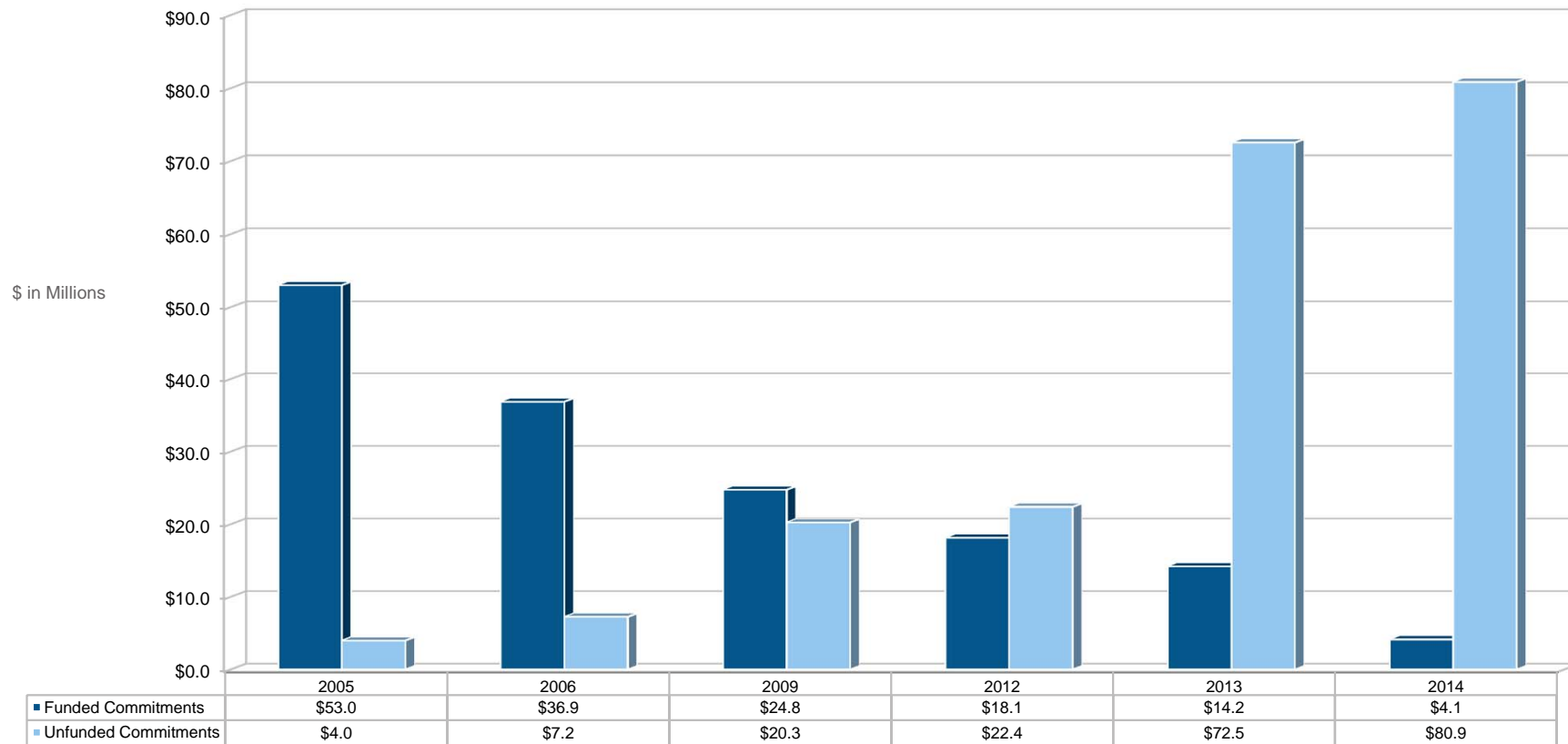
Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
Active Investments								
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$ 57,000,000	\$ 53,383,273	\$ 36,976,092	\$ 47,783,943	1.59x	9.02%
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	20,217,233	6,253,759	22,603,482	1.43x	9.75%
2006	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	16,929,477	9,607,456	12,468,717	1.30x	6.60%
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	25,214,326	2,033,886	31,941,246	1.35x	15.57%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	13,060,550	808,675	14,813,874	1.20x	18.08%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	15,000,000	6,119,586	4,326,329	4,718,802	1.48x	67.81%
2013	Carlyle Partners VI, L.P.	7/3/2013	20,000,000	5,866,690	-	5,387,875	0.92x	N/M
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	2,200,000	485,812	-	450,027	0.00x	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	19,000,000	3,422,350	-	4,508,759	1.32x	N/M
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	6,000,000	1,065,753	-	1,179,482	1.11x	N/M
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	20,000,000	1,824,934	12,756	1,697,569	0.94x	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	19,530,845	1,540,062	386	1,257,175	0.82x	N/M
2014	ASF VI, L.P.	5/9/2014	15,000,000	3,223,706	-	3,824,903	1.19x	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	5,000,000	500	-	500	1.00x	N/M
2014	Crestview Partners III, L.P.	N/A	15,000,000	-	-	-	0.00x	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	N/A	5,000,000	-	-	-	0.00x	N/M
2014	Lexington Capital Partners VIII, L.P.	N/A	20,000,000	-	-	-	0.00x	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	25,000,000	945,646	-	692,806	0.73x	N/M
Total Portfolio			\$ 357,730,845	\$ 153,299,898	\$ 60,019,339	\$ 153,329,160	1.39x	9.86%

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
Commitments Closed Subsequent to as of Date								
2014	*NMS Fund II, L.P.	N/A	\$ 1,200,000	-	-	-	N/A	N/A
2013	Centerbridge Capital Partners III, L.P.	N/A	2,500,000	-	-	-	N/A	N/A
2014	*Webster Capital III, L.P.	N/A	2,250,000	-	-	-	N/A	N/A
2014	*Mill City Fund II, L.P.	N/A	1,200,000	-	-	-	N/A	N/A
2014	*Raine Partners II, L.P.	N/A	3,000,000	-	-	-	N/A	N/A
2014	American Securities Partners VII, L.P.	N/A	8,000,000	-	-	-	N/A	N/A
2014	Siris Partners III, L.P.	N/A	3,500,000	-	-	-	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 21,650,000	\$ -	\$ -	\$ -	N/A	N/A

*NMS Fund II, L.P., Webster Capital III, L.P., Mill City Fund II, L.P., and Raine Partners II, L.P. are part of the NYCBERS - 2012 Emerging Manager Program of which NYCBERS has total commitments of \$25.0 million.

Note: Where available, September 30, 2014 reported valuations were used. In the absence of September 30, 2014 reported values, market values have been adjusted forward using interim cashflows through September 30, 2014. 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, 2014.

**NYC Board of Education Retirement System
Commitments By Vintage Year
As of September 30, 2014**



Funded Commitments exclude additional fees.

Unfunded Commitments include recallable returns of capital.

NYC Board of Education Retirement System

Third Quarter 2014 Report



Section 4:

Funds-of-Funds Review

NYC Board of Education Retirement System

Third Quarter 2014 Report

Mesirow Financial Private Equity Partnership Fund III, L.P.

Fund Overview

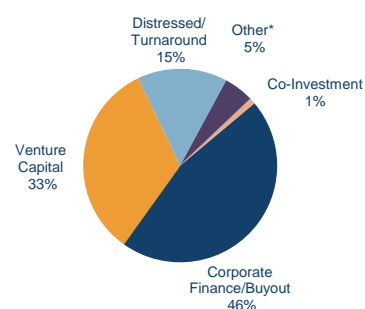
The Partnership, a 2005 vintage year Partnership, was formed on April 6, 2005 with the intent of investing capital in various private equity limited partnerships. As of September 30, 2014, the Partnership has invested in 40 underlying funds.

Partnership Summary

NYC Board of Education Retirement System committed \$57.0 million to the Mesirow Financial Private Equity Partnership Fund III, L.P. and as of September 30, 2014, has generated a 9.02% IRR and a Total Value Multiple of 1.59x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ millions	6/30/2014	9/30/2014	Change
Capital Commitment	\$57.0	\$57.0	\$0.0
Unfunded Commitment	\$4.0	\$4.0	\$0.0
Capital Contributed	\$53.4	\$53.4	\$0.0
Capital Distributed	\$32.4	\$37.0	\$4.6
Market Value	\$51.9	\$47.8	(\$4.1)
Total Value Multiple	1.58x	1.59x	0.01x
Since Inception IRR	9.17%	9.02%	(15bps)

Strategic Diversification
by Exposed Market Value
As of September 30, 2014



Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
7.14%	20.57%	14.40%	16.28%	9.02%

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

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund III, L.P. is underperforming the upper quartile benchmark¹ by 160 bps and is outperforming the median quartile benchmark¹ by 297 bps on a since inception basis, as of September 30, 2014.

Outperformance of the median quartile benchmark¹ is being driven by eight underlying funds, all of which are being held above a 2.0x total value multiple as of September 30, 2014. The eight underlying partnerships are equally spread across buyout, venture capital and distressed/turnaround strategies and represent roughly 20.8% of underlying commitments.

Underperformance when compared to the upper quartile benchmark¹ is being driven by seven underlying funds, all of which are being held below a 1.0x total value multiple as of September 30, 2014. Four of the seven funds are European focused, which were established in tough vintage years and have been further hurt by exchange rates. The seven funds represent roughly 17.5% of underlying commitments.

¹ ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2014

NYC Board of Education Retirement System

Third Quarter 2014 Report

Mesirow Financial Private Equity Partnership Fund IV, L.P.

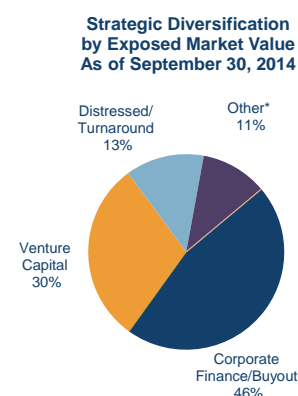
Fund Overview

The Partnership, a 2006 vintage year Partnership, was formed on November 21, 2006 with the intent of investing capital in various private equity limited partnerships. As of September 30, 2014, the Partnership has invested in 46 underlying funds.

Partnership Summary

NYC Board of Education Retirement System committed \$25.0 million to the Mesirow Financial Private Equity Partnership Fund IV, L.P. and as of September 30, 2014, has generated a 9.75% IRR and a Total Value Multiple of 1.43x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ millions	6/30/2014	9/30/2014	Change
Capital Commitment	\$25.0	\$25.0	\$0.0
Unfunded Commitment	\$5.0	\$5.0	\$0.0
Capital Contributed	\$20.2	\$20.2	\$0.0
Capital Distributed	\$5.8	\$6.3	\$0.5
Market Value	\$22.8	\$22.6	(\$0.2)
Total Value Multiple	1.41x	1.43x	0.02x
Since Inception IRR	9.98%	9.75%	(23bps)



Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
5.92%	21.80%	14.79%	14.79%	9.75%

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

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund IV, L.P. is underperforming the upper quartile benchmark¹ by 97 bps and is outperforming the median quartile benchmark¹ by 301 bps on a since inception basis, as of September 30, 2014.

Outperformance of the median quartile benchmark¹ is being driven by seven underlying funds, all of which are being held above a 2.0x total value multiple as of September 30, 2014. These seven funds represent roughly 9.6% of underlying commitments.

Underperformance when compared to the upper quartile benchmark¹ is being driven by two underlying funds, all of which are being held at or below a 1.0x total value multiple as of September 30, 2014. One of the funds is European focused, and was established in a tough vintage year and has been further hurt by exchange rates. The two funds represent roughly 3.6% of underlying commitments.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2014

NYC Board of Education Retirement System

Third Quarter 2014 Report

Mesirow Financial Private Equity Partnership Fund V, L.P.

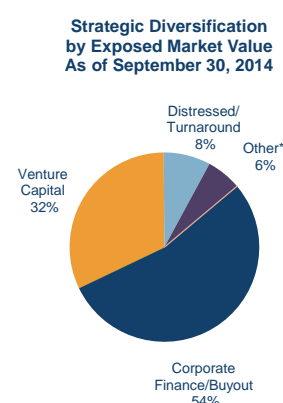
Fund Overview

The Partnership, a 2009 vintage year Partnership, was formed on November 5, 2008 with the intent of investing capital in various private equity limited partnerships. As of September 30, 2014, the Partnership has invested in 51 underlying funds.

Partnership Summary

NYC Board of Education Retirement System committed \$45.0 million to the Mesirow Financial Private Equity Partnership Fund V, L.P. and as of September 30, 2014, has generated a 15.57% IRR and a Total Value Multiple of 1.35x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ millions	6/30/2014	9/30/2014	Change
Capital Commitment	\$45.0	\$45.0	\$0.0
Unfunded Commitment	\$22.5	\$20.3	(\$2.2)
Capital Contributed	\$23.0	\$25.2	\$2.2
Capital Distributed	\$2.0	\$2.0	\$0.0
Market Value	\$29.1	\$31.9	\$2.8
Total Value Multiple	1.35x	1.35x	0.00x
Since Inception IRR	16.48%	15.57%	(91bps)



Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
5.69%	21.70%	16.34%	N/A	15.57%

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

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund V, L.P. is underperforming the upper quartile benchmark¹ by 509 bps and is outperforming the median quartile benchmark¹ by 142 bps on a since inception basis, as of September 30, 2014.

Outperformance of the median quartile benchmark¹ is being driven by four underlying funds, all of which are being held above a 2.0x total value multiple as of September 30, 2014. One of the four underlying funds is a secondary purchase. These four funds represent roughly 9.8% of underlying commitments.

Underperformance when compared to the upper quartile benchmark¹ is being driven by four underlying funds, all of which are being held at or below a 1.0x total value multiple as of September 30, 2014. The nine funds represent roughly 5.8% of underlying commitments.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2014

NYC Board of Education Retirement System

Third Quarter 2014 Report

New York Fairview Private Equity Fund, L.P.

Fund Overview

The Partnership, a 2006 vintage year Partnership, was formed on May 22, 2006 with the intent of investing in emerging private equity funds with aggregate capital commitments of no more than \$300million. As of September 30, 2014, the Partnership has invested in 6 underlying funds.

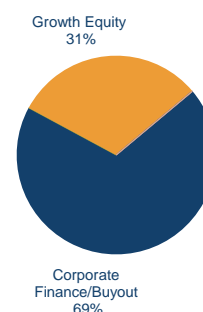
Partnership Summary

NYC Board of Education Retirement System committed \$19.0 million to the New York Fairview Private Equity Fund, L.P. and as of September 30, 2014 has generated a 6.60% IRR and a Total Value Multiple of 1.30x from its investment. The Partnership is heavily weighted towards Corporate Finance/Buyout, with roughly 69% of the underlying funds exposed market value attributable to this sector.

Performance Summary			
\$ millions	6/30/2014	9/30/2014	Change
Capital Commitment	\$19.0	\$19.0	\$0.0
Unfunded Commitment	\$2.2	\$2.2	\$0.0
Capital Contributed	\$16.9	\$16.9	\$0.0
Capital Distributed	\$8.7	\$9.6	\$0.9
Market Value	\$12.8	\$12.5	(\$0.3)
Total Value Multiple	1.28x	1.30x	0.02x
Since Inception IRR	6.28%	6.60%	32 bps

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
5.37%	14.39%	12.23%	11.11%	6.60%

Strategic Diversification
by Exposed Market Value
As of September 30, 2014



Performance Drivers

When compared to global private equity funds of the same vintage, New York Fairview Private Equity Fund, L.P. is underperforming both the upper quartile benchmark¹ and median quartile benchmark¹ by 412 bps and 14 bps, respectively, on a since inception basis, as of September 30, 2014.

Underlying fund performance has been mixed, with three funds performing well and being held above a 1.7x total value multiple. The funds represent roughly 50% of the total underlying commitments. The three remaining underlying funds are not performing as well and are being held at a 1.2x total value multiple or lower as of September 30, 2014.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2014

NYC Board of Education Retirement System

Third Quarter 2014 Report



Appendix A:

Glossary of Terms

NYC Board of Education Retirement System

Third Quarter 2014 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.

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.

NYC Board of Education Retirement System

Third Quarter 2014 Report

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.

NYC Board of Education Retirement System

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Appendix B:

Disclosure Statement

NYC Board of Education Retirement System

Third Quarter 2014 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.

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-Real Assets Quarterly Report-

The New York City Board of Education Retirement System

Executive Summary: Third Quarter 2014 Performance Measurement Report Real Estate

Portfolio Profile

The New York City Board of Education Retirement System has allocated 7.0% (+/- 2%) of the total plan to Real Assets. Real Estate investments are categorized under Real Assets. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

Portfolio Statistics (September 30, 2014)

Total Plan Assets	\$4.1 billion
Target Real Assets Allocation (%)	7%
Target Real Assets Allocation (\$)	\$289.2 million
Total Real Estate Market Value	\$133.7 million
Real Estate Unfunded Commitments	\$93.2 million
Total Real Estate Exposure	\$226.8 million
Number of Investments	10
Number of Managers	10

Net Returns (as of September 30, 2014)

3Q14 Time-Weighted Net Return:	3.0%
1 Year Time Weighted Net Return:	13.1%
3 Year Time Weighted Net Return:	10.9%
Inception-to-Date (ITD) Time-Weighted:	7.5%
ITD Net IRR:	11.3%
ITD Net Equity Multiple:	1.2x

Investment Guidelines

Style Sector:	Target •40-60% Core/Core Plus •40-60% Non-Core
Benchmark	NFI-ODCE Index +100 bps net over full market cycles
Region Diversification	Maximum 25% Int'l
Investment Diversification	Limit 15% to a single investment
Manager Diversification	Limit 15% to a single manager
Leverage	65%

Third Quarter Investment Activity

No new investment activity occurred during the Quarter.

OVERVIEW

Real estate assets continue to attract demand with allocations growing from nearly all investor types. Occupational markets are getting healthier led by the US, London and select Asian markets as tenant options are becoming more limited from a low supply of quality space. Global vacancy has dropped below 13% for the first time in the current cycle as supply accelerates with construction activity anticipated to be around 25% higher in 2015 compared to 2014. The recent decline in gas prices should be a boon to consumer spending and manufacturing, while a prolonged dip could hurt energy-producing regions and markets like Houston.

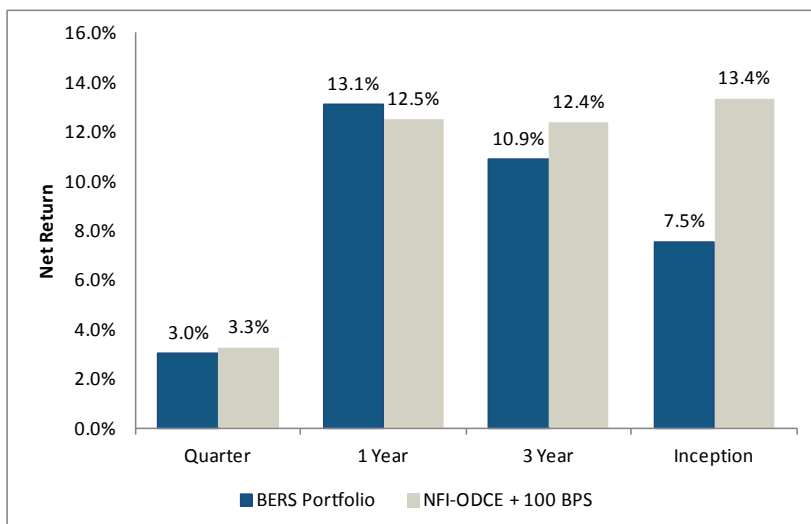
Investment activity will continue to be driven by improving fundamentals and the attractiveness of property yields relative to other asset classes. Capital continues to be attracted to the sector with queues growing for open-end funds and dry powder from closed-end funds at the highest level since early-2000s.

Direct Commercial Real Estate Volumes, YTD 2014

\$ US Billions	Q2 14	Q3 14	% Change Q2 14 - Q3 14	Q3 13	% Change Q3 13 - Q3 14	YTD 2013	YTD 2014	% Change YTD 2013 - YTD 2014
Americas	67	79	17%	63	25%	153	208	36%
EMEA	62	59	-5%	53	13%	135	175	29%
Asia Pacific	32	30	-5%	30	1%	89	85	-5%
Total	161	168	4%	146	15%	377	468	24%

Source: Jones Lang LaSalle

The New York City Board of Education Retirement System ("NYCBERS") Real Estate Portfolio is well positioned to take advantage of conditions in the real estate marketplace and has been an active investor in the most recent vintage years. At the end of the Third Quarter 2014, the Portfolio achieved a total gross return of 3.5% which was comprised of 1.4% income and 2.0% appreciation. The net return for the Quarter was 3.0%. A detailed analysis of the Portfolios real estate performance is found later in this Executive Summary.



The New York City Board of Education Retirement System

Executive Summary: Third Quarter 2014 Performance Measurement Report Real Estate

FUNDING AND COMPOSITION

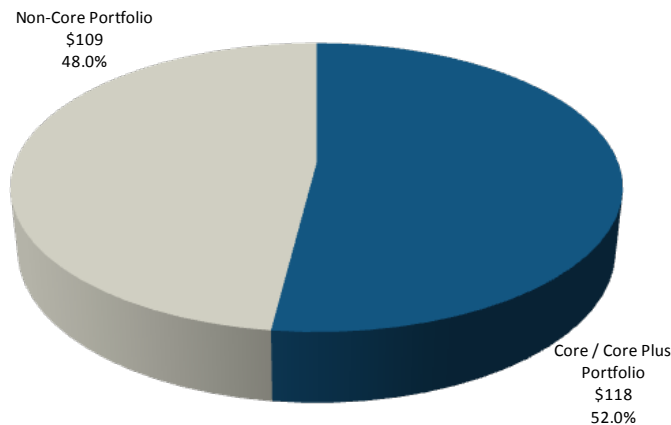
At the end of the Third Quarter, the Portfolio was funded at \$133.7 million, or 3.2% of total plan assets. A total of \$93.2 million in unfunded commitments are still outstanding. Unfunded commitments are down from \$105.7 million as of Second Quarter 2014. New commitment activity has accelerated over the past several months and the trend will continue throughout 2015.

New contributions for the Quarter totaled \$14.4 million, offset by \$4.7 million in distributions and withdrawals. Distributions were weighted to the Non-Core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Value + Unfunded Commitments. The Core/ Core Plus component accounts for 52.0% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 48.0% of the Portfolio exposure.

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

Real Estate Exposure



New York City Board of Education Retirement System

Total Plan Assets	9/30/2014	4,132
Real Estate Allocation (%)		7.0
Real Estate Allocation (\$)		289

Style Sector Allocation

Core / Core Plus Portfolio	40.0	116
Non-Core Portfolio	55.0	173
Uncommitted Core / Core Plus Portfolio		-2
Uncommitted Non-Core Portfolio		65

Funded (Market Value) and Committed Statistics

Core / Core Plus Portfolio	52.0%
Non-Core Portfolio	48.0%
\$ Committed	227
% Committed on Real Estate Allocation	78.5%
% Committed on Total Plan Assets	5.5%

Funded (Market Value) Statistics

% Funded (Market Value) of Total Plan Assets	3.2%
% Funded (Market Value) of Total Real Estate Allocation	46.3%

The New York City Board of Education Retirement System

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PERFORMANCE

During the Quarter under review, the NYCBERS Real Estate Portfolio produced a 3.5% total gross return. The total net return for the Quarter was 3.0%. On a rolling one-year basis the total gross return of 14.8% was recorded. On a net basis the total return was 13.1%. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles. This benchmark is not meaningful at this point in time as the NYCBERS Portfolio is in its infancy. The various components of the Portfolio returns are depicted in the chart below.

Core/Core Plus

As of September 30, 2014 the market value of the Core/ Core Plus Portfolio was \$95.9 million, or 71.8% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$118.0 million, or 52.0% of the total Portfolio. The Core/ Core plus Portfolio generated a 3.2% total gross return for the Quarter comprised of 1.2% in income and 2.0% in appreciation. The total net return for the Quarter was 3.0%.

The most significant contributor to the Quarterly return for the Core/Core Plus Portfolio was LaSalle Property Fund, which added 0.09% to the total return. The largest detractor from the Core/Core Plus Portfolio was UBS Trumbull Property Fund, which detracted (0.15)% from the total net return.

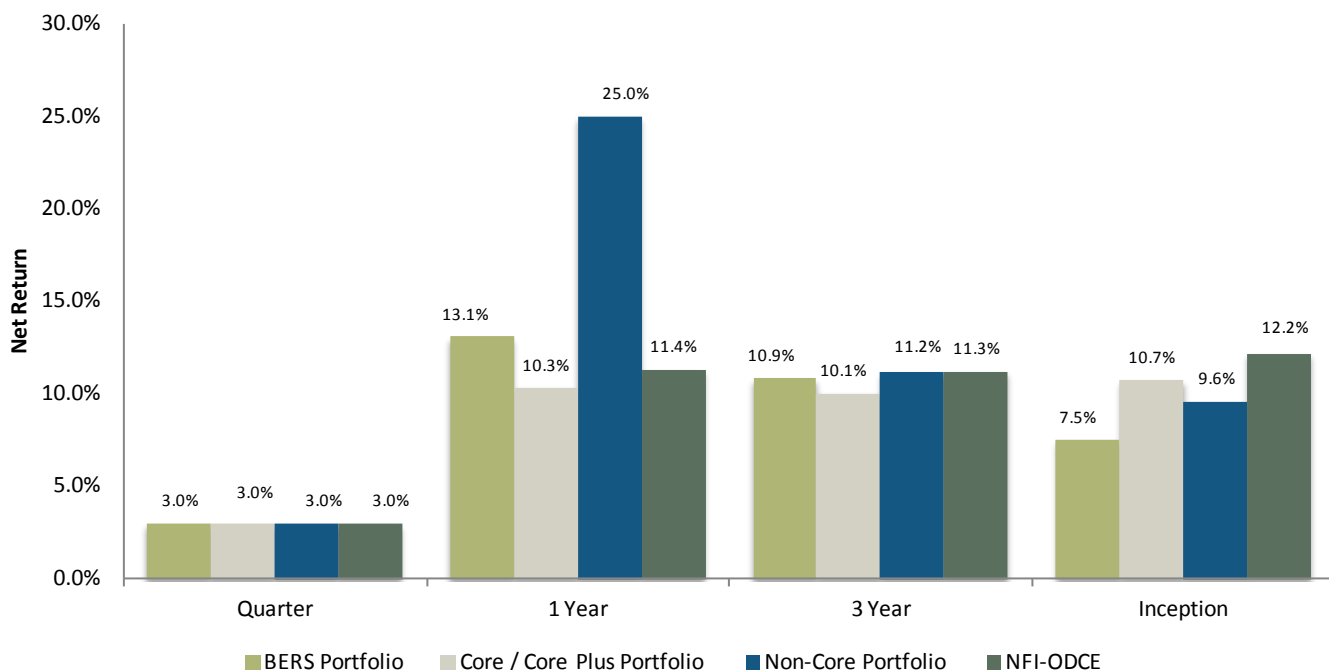
The Core/Core Plus Portfolio achieved a 10.3% net return over the one-year period ending September 30, 2014 and has achieved a 10.7% net return since the inception of the Core/ Core Plus Portfolio in 2011.

Non-Core

As of September 30, 2014 the market value of the Non-Core Portfolio was \$37.8 million, or 28.2% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$108.9 million, or 48.0% of the total Portfolio. The Non-Core Portfolio generated a 4.1% total gross return for the Quarter comprised of 2.0% in income and 2.1% in appreciation. The total net return for the Quarter was 3.0%.

Of the six Non-Core Funds that contributed to the Quarterly return, Franklin Templeton Private Real Estate Fund contributed the most, adding 1.6%. Blackstone Real Estate Partners Europe IV was the largest detractor for the Quarter, taking away (1.6)% from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio achieved a 25.0% net return over the one-year period ending September 30, 2014 and has achieved a 9.6% net return since the inception of the Non-Core Portfolio in 2011.



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PERFORMANCE

Portfolio Performance

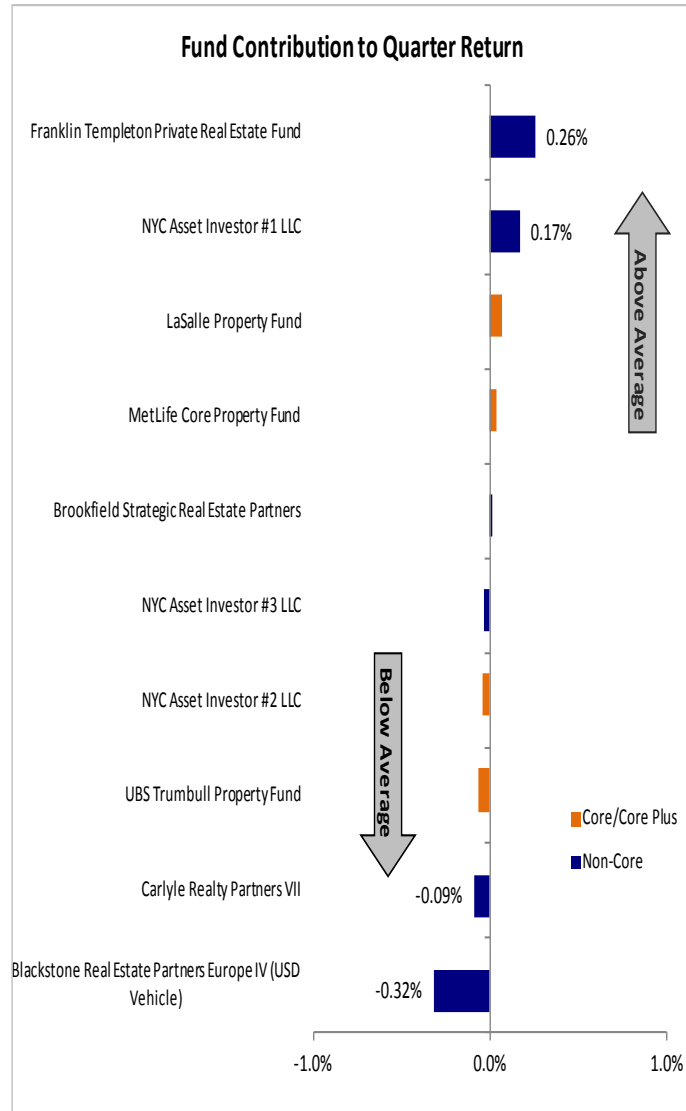
At the end of the Third Quarter 2014, the Portfolio had a cumulative market value of \$133.7 million. Total market value plus unfunded commitments was \$226.9 million, or 78.5% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 3.5% which was comprised of 1.4% income and 2.0% appreciation. The Portfolio achieved a total net return of 3.0%. Since inception, the Portfolio has a net IRR of 11.3% and an equity multiple of 1.2x as of September 30, 2014. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven by Franklin Templeton Private Real Estate Fund, which contributed 0.26% to the overall performance. The primary laggard in the Portfolio was Blackstone Real Estate Partners Europe IV, which detracted (0.32%). Brief reviews of the Funds in the Portfolio are found below. Note, that attached as Exhibit C is a chart relating to fund contributions to returns over the one-year period.

Franklin Templeton Private Real Estate Fund (FTPREF). The Fund's total gross return for the Quarter was 5.6% comprised of 4.7% in income and 0.9% in appreciation. The net return after fees was 5.3%. Through September 30, 2014, the Fund has closed 12 investments. An office co-investment closed during the Quarter. Net asset value increases, Funds' distributions from asset sales, and operating cash flows contributed to positive total returns for the Fund for the Quarter. The exit of the majority of the Fund's position in a hotel JREIT, was executed during the quarter, leaving less than 3% of the investment still in the Fund. Overall, the investment is projected to result in an 86% gross IRR and 3.6x equity multiple. The Fund distributed approximately 9.0% of total capital, equivalent to \$29.6 million during the Quarter.

LaSalle Property Fund (LaSalle). The Fund produced a 3.4% total gross return, comprised of 1.4% in income and 2.0% in appreciation. The net return after fees was 3.3%. During the Quarter, LaSalle entered into a new joint venture agreement to acquire \$50.0 million or more of fully leased truck terminals. As of Quarter-end, the joint venture had closed on a truck terminal in San Diego, California for \$3.7 million and a large truck terminal in Bloomington, California for \$57.6 million. The portfolio was valued at \$55.2 million as of September 30, 2014. As of Quarter end, LaSalle consisted of 38 investments with total gross assets valued at approximately \$2.7 billion. The Fund's core commercial portfolio and core multi-family portfolio were both 95.0% leased at Quarter-end. Including value-added properties, the Fund's overall occupancy was 94.0% on a value-weighted basis, remaining unchanged from the Third Quarter.

NYC Asset Investor #1 LLC (Emmes). The Fund's total gross return for the Quarter was 8.7% comprised of 0.3% in income and 8.4% in appreciation. The net return after fees was 8.5%. The Fund remains funded to four assets with \$63.8 million of equity. Both debt and equity capitalization was \$132.6 million as of Quarter-end. The highest increase in value was 9.2% at the office property in Queens followed by an increase in 5.9% at the office property in Brooklyn.



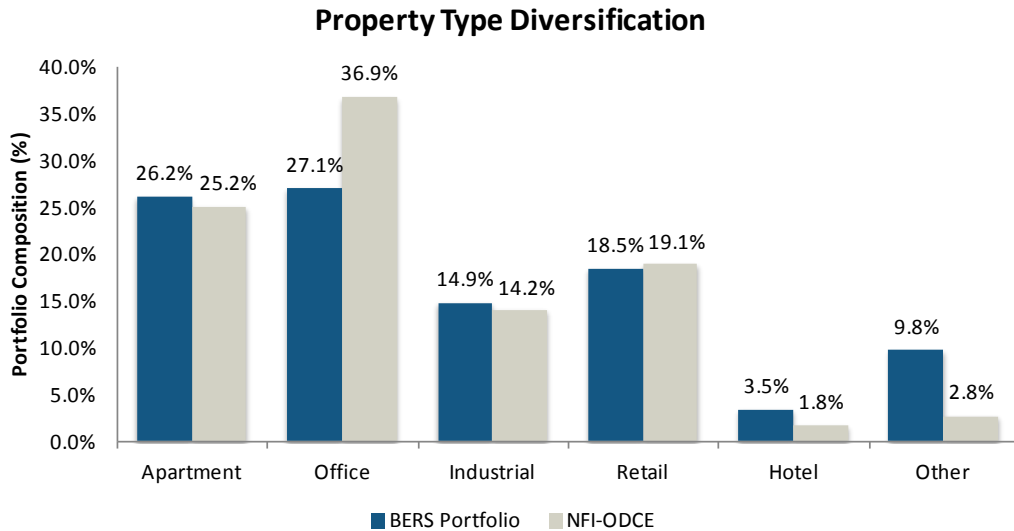
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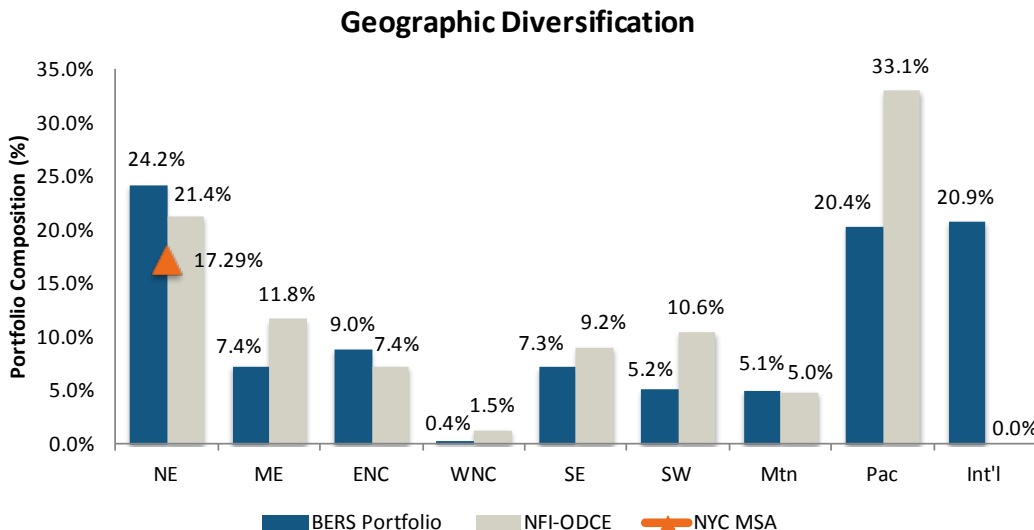
PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. The Portfolio is in line with all property sectors relative to the ODCE, with a slight underweight to Office and a slight overweight to Retail, Hotel and Other.



GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight overweight to the Northeast and East North Central and a slight underweight to the Mideast, Southeast, Southwest and Pacific. The 20.9% international exposure is appropriate for the risk and return profile of NYCBERS and consistent with our long-term target.



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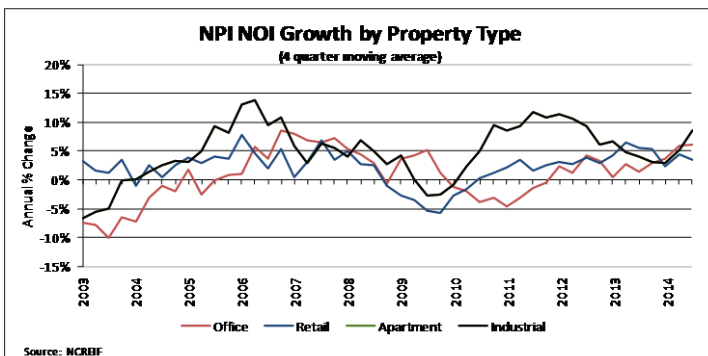
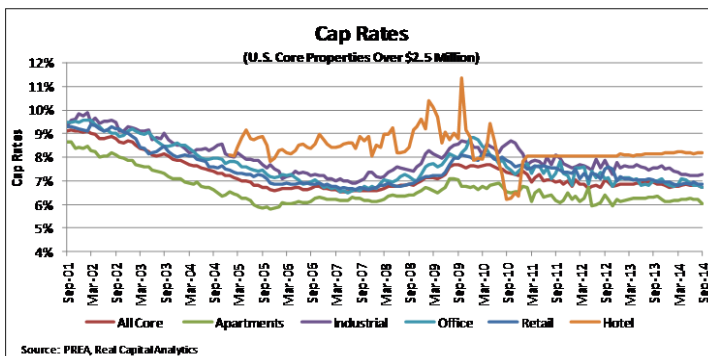
MARKET UPDATE

General

- Real GDP increased at an annual rate of 3.9% in the third quarter following a 4.6% increase in the Third Quarter. Economic expansion in the US has been driven by stronger consumer spending, easier credit conditions and stronger business investment.
- Year-to-date, an additional 2 million jobs have been created compared with 1.74 million created during the same time frame in 2013 and marking the strongest job creation pace in 15 years.
- Overall, US consumer household balance sheets are in excellent health with rising stock values, rising home prices and improving job prospects.
- Additionally, the recent decline in gas prices should be a boon to consumer spending and manufacturing, while a prolonged dip could hurt energy-producing regions and markets like Houston.

Commercial Real Estate

- Investment activity will continue to be driven by improving fundamentals and the attractiveness of property yields relative to other asset classes.
- Capital continues to be attracted to the sector with queues growing for open-end funds and dry powder from closed-end funds at the highest level since early-2000s.
- The debt markets remain healthy with broad based activity across all lender groups in the US. The availability of debt should continue to support transactions and pricing growth and may compress spreads further in 2015.
- Most office markets in the US are positioned for further rent and occupancy gains as supply remains constrained in all but the strongest markets.
- While the apartment sector continues to see strong demand as employment gains encourage household formation, supply has increased near its long-term average.
- Industrial fundamentals continue to improve as demand remains strong and supply remains limited.



The New York City Board of Education Retirement System

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EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles (10-year)	N/A
Portfolio Composition	Core/Core Plus (minimum of 40%)	The portfolio is funded (market value) and committed at 78.5% of real asset allocation with a portfolio composition of 52.0% core and 48.0% non-core.
	Non Core (minimum of 60%)	
Real Asset Allocation	Target of 7.0%	Funded (market value) and committed dollars place the portfolio at 5.5% of total plan assets.
	Currently Funded at 3.2%	
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	All property type locations are in compliance.
Geographic Diversification	Diversified geographically Max 25% Ex-US	All geographic type locations are in compliance
LTV	65%	Portfolio is in early stages of funding, but is in compliance (33.2 %).
Manager Exposure	15% of real estate allocation	N/A

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EXHIBIT B: THIRD QUARTER 2014 FOIL



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	LaSalle Property Fund	12/13/2010	27,600,000	23,715,512	-2,628,954	28,197,300	1.3	12.3
2014	MetLife Core Property Fund	7/1/2014	15,000,000	2,906,977	-31,388	3,006,337	1.0	19.3
2013	NYC Asset Investor #2 LLC	7/9/2013	11,000,000	5,042,624	-134,023	4,978,209	1.0	2.6
2011	UBS Trumbull Property Fund	4/1/2011	41,400,000	49,496,893	-6,466,240	59,750,463	1.3	10.0
	Core/Core Plus Portfolio		95,000,000	81,162,006	-9,260,605	95,932,309	1.3	10.5
2014	Blackstone Real Estate Partners Europe IV (US)	12/23/2013	32,500,000	10,226,679	-760,353	9,704,489	1.0	5.6
2012	Brookfield Strategic Real Estate Partners	9/20/2012	10,000,000	6,300,267	-1,243,406	6,253,341	1.2	19.3
2014	Carlyle Realty Partners VII	6/30/2014	25,000,000	102,603	0	86,753	n/a	n/a
2011	Franklin Templeton Private Real Estate Fund	3/31/2011	30,000,000	20,751,682	-8,027,570	16,628,621	1.2	19.3
2013	NYC Asset Investor #1 LLC	6/25/2013	10,000,000	3,800,038	-284,441	4,089,390	1.2	26.1
2013	NYC Asset Investor #3 LLC	9/20/2013	8,000,000	1,206,878	0	1,165,372	1.0	-8.3
	Non-Core Portfolio		115,500,000	42,388,146	-10,315,770	37,754,460	1.1	17.2
	New York City Board of Education Retirement System		210,500,000	123,550,152	-19,576,375	133,686,770	1.2	11.3

Source: POG 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 L-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, 2014.

The New York City Board of Education Retirement System

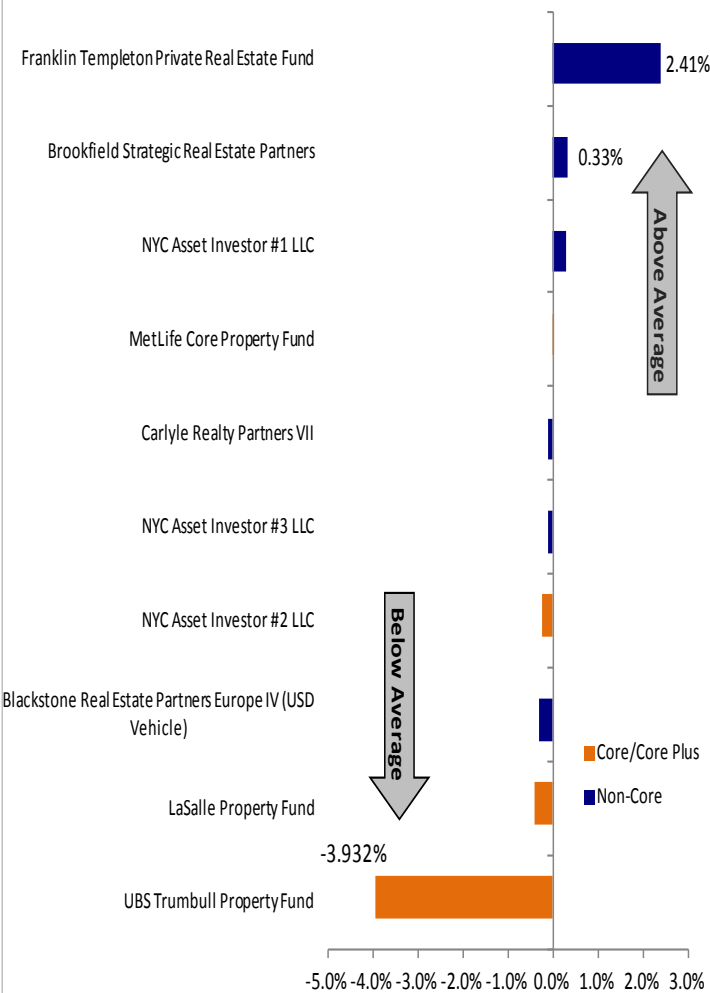
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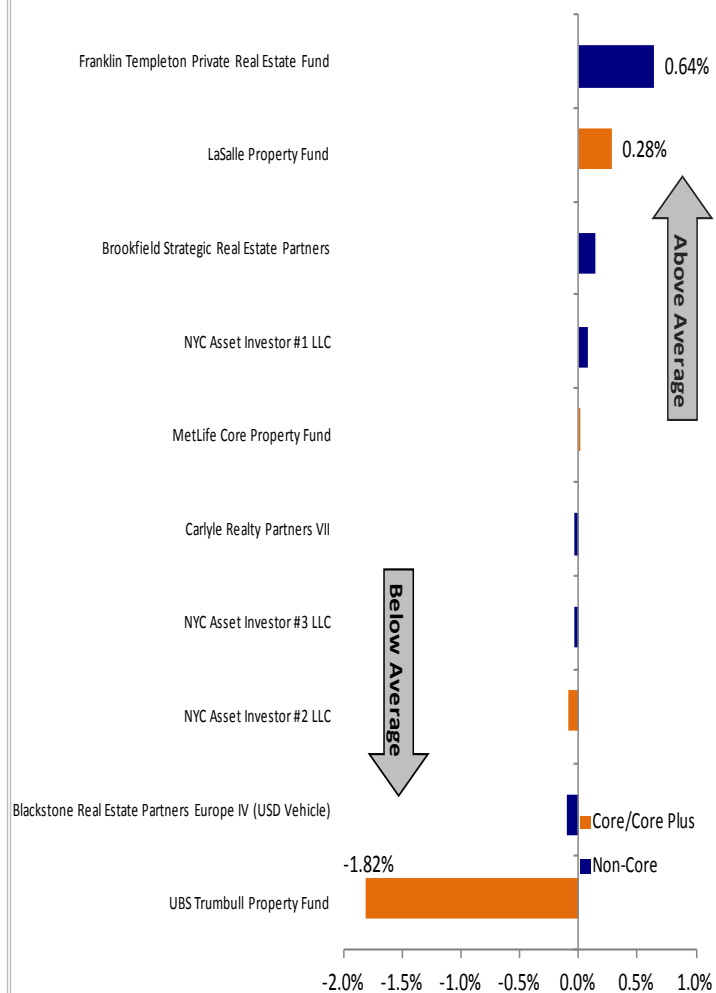
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EXHIBIT C : ATTRIBUTION

Fund Contribution to 1 Year Return



Fund Contribution to 3 Year Return





Infrastructure Monitoring Report

For the period ended September 30, 2014

Report Prepared For:

New York City Board of Education Retirement System



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I. Executive Summary

New York City Board of Education Retirement System (“NYC BERS”) established the Infrastructure Program (the “Program”) in December of 2012 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

The inclusion of infrastructure in the NYC BERS pension portfolio allows for global investments in facilities or assets that provide core essential services critical to the operation and development of economies. Typically infrastructure investments have high barriers to entry due to significant capital expenditure requirements, exclusive long term contracts or regulatory requirements. Infrastructure investments are comprised of long useful-life assets with high tangible value and relatively low value erosion over time.

The Program seeks to invest in opportunities in a variety of infrastructure sectors, including but not limited to, transportation, energy, power, utilities, water, wastewater, communications and social infrastructure.

StepStone Group LP (“StepStone”) was engaged by NYC BERS on October 20, 2014 to provide infrastructure advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through September 30, 2014, the Program has committed US\$40.0 million to three partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of September 30, 2014 as well as significant activity that occurred during the third quarter of 2014.

Allocation Summary

NYC BERS has a Real Assets allocation target of 7% (plus or minus 2%) of total pension assets. Infrastructure is a component asset class within the NYC BERS Real Assets investment program.

As of September 30, 2014, the market value of NYC BERS Real Assets Program represented approximately 3.2% of total pension assets. The market value of NYC BERS Infrastructure Program represented approximately 0.1% of total pension assets, a two basis point increase from the prior quarter.

As the Program matures, the percentage of its market value relative to the total NYC BERS pension assets as well as total Real Assets will continue to increase.

<i>US\$ in millions</i>	September 30, 2014	June 30, 2014	Quarterly Change
Total Pension Assets*	\$4,132.0	\$4,179.0	(\$47.0)
Total Real Assets*	\$134.0	\$118.0	\$16.0
% Allocation to Real Assets (Target of 7% +/- 2%)	3.2%	2.8%	+ 42 bps
Total Infrastructure Assets	\$3.4	\$2.6	\$0.8
% Allocation to Infrastructure vs. Total Pension Assets	0.1%	0.1%	+ 2 bps
% Allocation to Infrastructure vs. Total Real Assets	2.5%	2.2%	+ 33 bps

*NYC BERS total Pension Assets and total Real Assets are as of quarter-end (or, if not yet available, the most recent month-end prior to quarter-end) as reported by The New York City Comptroller's Office on www.comptroller.nyc.gov

Performance Summary

As of September 30, 2014, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.0x invested capital and an IRR of 8.2%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions*	September 30, 2014	June 30, 2014	Quarterly Change
Number of Managers	3	3	0
Number of Investments	3	3	0
Committed Capital ¹	\$40.0	\$40.0	\$0.0
Contributed Capital	\$3.4	\$2.6	\$0.8
Distributed Capital	\$0.1	\$0.0	\$0.1
Market Value	\$3.4	\$2.6	\$0.8
Total Value	\$3.5	\$2.7	\$0.9
Total Gain/(Loss)	\$0.1	\$0.1	\$0.0
Unfunded Commitment	\$36.6	\$37.4	(\$0.8)
Exposure ²	\$40.0	\$40.0	(\$0.0)
DPI ³	0.0x	0.0x	0.0x
TVPI ⁴	1.03x	1.03x	0.00x
IRR ⁵	8.2%	10.6%	-2.4%
TVPI Net of StepStone Fees ⁶	1.03x	1.03x	0.00x
IRR Net of StepStone Fees ⁶	8.2%	10.6%	-2.4%

* Note that amounts may not total due to rounding.

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations. Note that the Base/(US\$) committed capital for foreign currency-denominated investments as of respective quarter-end dates is calculated as follows: (total net amount funded in Base currency) + (unfunded commitment in Local currency * quarter-end exchange rate). StepStone utilizes OANDA as the source for quarter-end exchange rates to calculate committed capital.

² Exposure represents the sum of Market Value and Unfunded Commitment.

³ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁴ TVPI, or Total Value to Paid-In Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVPI is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

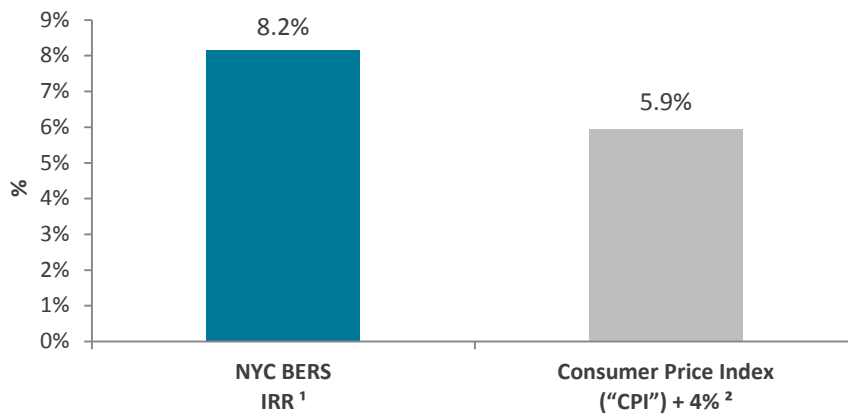
⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC BERS to StepStone through the quarter-end date. Note that no fees have been paid by NYC BERS to StepStone as of September 30, 2014.

Portfolio Performance vs. Benchmarks

The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period. The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.

As of September 30, 2014, the Program outperformed the benchmark by 2.3%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of September 30, 2014.



¹NYC BERS since inception Internal Rate of Return ("IRR") is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

²Consumer Price Index ("CPI") benchmark represents the compound annual growth rate of the Consumer Price Index for All Urban Consumers and All Items, as provided by the U.S. Department of Labor: Bureau of Labor Statistics, calculated over a five-year rolling period plus a 4.0% premium.

Portfolio Diversification

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

- Core Infrastructure Investments: 60 to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of September 30, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	3.4	100.0%	36.6	100.0%	40.0	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	3.4	100.0%	36.6	100.0%	40.0	100.0%
By Geographic Focus:						
Global	3.4	100.0%	6.6	18.0%	10.0	25.0%
OECD	-	0.0%	30.0	82.0%	30.0	75.0%
Total	3.4	100.0%	36.6	100.0%	40.0	100.0%
By Industry Focus:						
Diversified	3.4	100.0%	21.6	59.0%	25.0	62.5%
Energy	-	0.0%	15.0	41.0%	15.0	37.5%
Total	3.4	100.0%	36.6	100.0%	40.0	100.0%

II. Infrastructure Market Overview

Market Overview

Demand for infrastructure investments from institutional investors remained strong during the third quarter of 2014 ("3Q14"). Investor interest continued to be influenced by expansionary monetary policies in most markets, which has kept interest rates at low levels and encouraged investors to seek alternatives to traditional sources of investment income (e.g., fixed income). This demand continued to drive a high valuation environment for the infrastructure asset class, particularly in mature markets such as Western Europe and Australia.

Global economic growth was mixed during 3Q14. Among OECD countries, annualized gross domestic product ("GDP") was 1.7% higher than the prior corresponding period ("pcp") and down from 1.9% during 2Q13. Of the seven major economies – the United States, Canada, the United Kingdom, Germany, France, Italy and Japan – the UK experienced the highest GDP growth rate of 3.0%, while Japan's GDP contracted by 1.1% mainly due to an increase in the rate of consumption tax. The US economy continued its recovery, with GDP increasing 2.3% compared to pcp and the unemployment rate continued its downward trend, reaching a 14-year low. Germany achieved nominal GDP growth of 0.1% quarter over quarter, and, in doing so, avoided sliding into a technical recession. The German economy was aided by a 0.7% increase in private consumption. In major emerging markets, economic activity was generally subdued during the quarter. China's economy expanded by 7.3% compared to pcp, its slowest rate of growth since 2009. Brazil's GDP grew 0.1% quarter over quarter, the first expansion in three quarters.

The third quarter of 2014 marked the beginning of what would be a precipitous decline in oil prices. Between last July and January 2015, the price of West Texas Intermediate ("WTI") crude oil fell from over US\$100 to below US\$50 per barrel for the first time since the aftermath of the Global Financial Crisis in 2009. The decline in oil prices has been driven largely by a combination of tepid GDP growth, particularly in China and in regions within the OECD, and the late November announcement of the decision by OPEC to maintain its current production level. In essence, demand has not kept up with strong production growth in the US and globally. The long-term economic impacts remain uncertain and will depend on the duration of the downturn.

Infrastructure investment in the US and Canada has been concentrated in the energy sector, although the number of public-private partnerships ("P3s") in the transport and social infrastructure sectors is expected to grow in the US, Canada and Mexico. While Canada's P3 market is the most mature in North America, the US market is poised to be the largest. According to a Moody's report from September 2014, as a result of supportive legislation and public-policy initiatives, as well as fiscal challenges facing local governments, more US P3 projects are reaching financial close or are in procurement than ever before.

European markets continue to remain competitive, with a significant amount of capital targeting infrastructure investment in the region. The resulting upward pricing pressure, combined with uncertain medium-term economic growth in the Eurozone, ongoing financial sector reforms, concerns surrounding bank capital adequacy, and geopolitical risks in Eastern Europe, present an uncertain outlook for investors. Notwithstanding this, activity levels are being sustained by the ongoing unbundling of integrated utilities, commitments to renewable energy targets, balance sheet deleveraging by existing asset owners, and security of energy supply priorities.

Investment activity in Latin America remains strong. In Mexico, recent changes in government policy are driving significant growth in infrastructure investment opportunities. Policy initiatives include allowing foreign investment in the energy sector and a National Infrastructure Plan that contains 743 projects requiring investment of approximately US\$600 billion from 2014 to 2018. Infrastructure is a political and economic priority in many other parts of Latin America, including Brazil, Chile, Peru and Colombia, each of which continues to provide a range of potential investment opportunities.

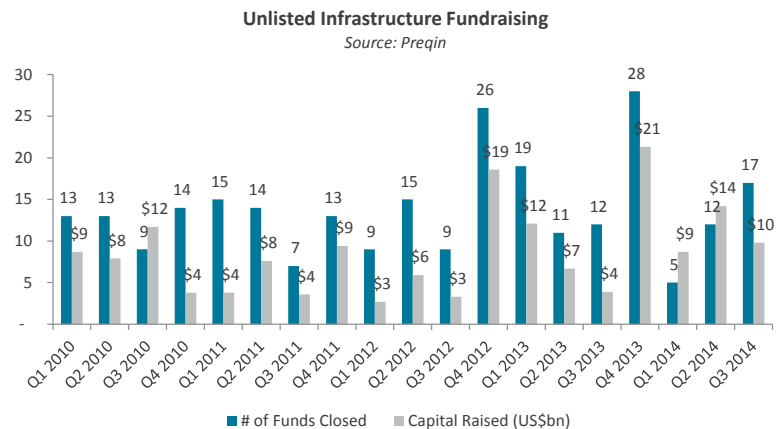
While infrastructure investment in Japan has traditionally been dominated by government-related entities and infrastructure companies with limited private participation by institutional investors, the government continues to face high debt levels. The country recently announced the privatization act for infrastructure assets including airports, and opened bidding processes for Sendai Airport and New Kansai airport. Australia's economy grew increasing 0.3% quarter over quarter in the third quarter. The continued slow growth and fiscal constraints placed on the federal and state governments has increased the reliance on private sector capital in meeting Australia's infrastructure deficit. Government initiatives have encouraged a number of high profile asset sales/P3 transactions that expect to be continued into 2015.

Infrastructure Fundraising

Fundraising for infrastructure strategies continues to be robust with a large number of funds in market and several managers having closed new funds at or in excess of targeted fund sizes during the second quarter.

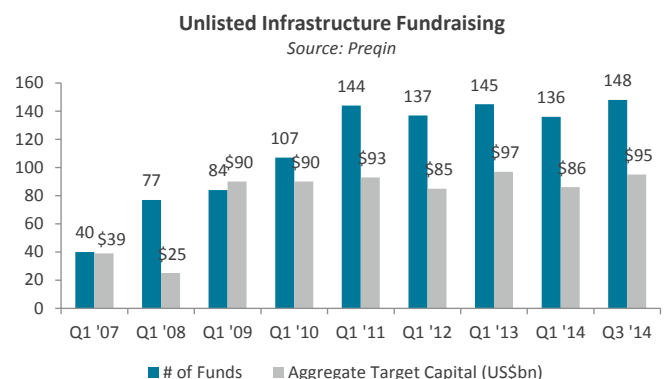
During the third quarter, 14 managers held final closings, raising aggregate capital of US\$8.5 billion. For the year-to-date period, a total of \$27 billion was raised, an increase of \$4 billion compared to the same period in 2013. However, only 28 funds held final closes through Q3'14, compared to 41 funds during the same period in 2013.

The largest fund to reach a final closing during Q3 was Macquarie Infrastructure Partners III, which closed with US\$3.0 billion of commitments versus the US\$2.0 billion target. The fund is North America-focused and invests across energy/utilities, transportation, communications infrastructure, and waste management. The second large infrastructure fund to close during the quarter was AMP Capital's second Global Infrastructure Debt, which raised US\$1.1 billion. AMP's debt fund underwrites debt for acquisitions and refinancings and may also make secondary purchases of infrastructure debt securities. The Fund invests across North America, Western Europe, and Australia.



Fund	General Partner	Size	Final Close Date	Location Focus
Macquarie Infrastructure Partners III	Macquarie Infra & Real Assets	\$ 3,000	Sep-14	Global
AMP Capital Global Infrastructure Debt Fund II	AMP Capital	\$ 1,100	Sep-14	Global
Balfour Beatty Infrastructure Partners	Balfour Beatty	\$ 618	Jul-14	Europe, North America
Panda Power Generation Infrastructure Fund II	Panda Power Funds	\$ 612	Sep-14	US
Harbert Power Fund V	Harbert Management	\$ 296	Aug-14	US

Through Q3 2014, Preqin observed 148 funds in market targeting aggregate capital commitments of US\$95 billion. The largest funds in market include: Morgan Stanley Infrastructure Partners II, which is targeting \$4.0 billion in commitments for global infrastructure investments, and ArcLight Energy Partners Fund VI, also targeting US\$4.0 billion to invest in energy infrastructure across North America and Western Europe. Additionally, Deutsche Asset & Wealth Management is targeting €2bn for its Pan-European Infrastructure Fund II. Lastly, Bastion Infrastructure Group is fundraising for its US\$2.0 billion first fund which will invest in infrastructure assets on a global basis.



Major Transactions

Several significant infrastructure transactions occurred on a global basis during the third quarter, with notable activity in North America and Europe.

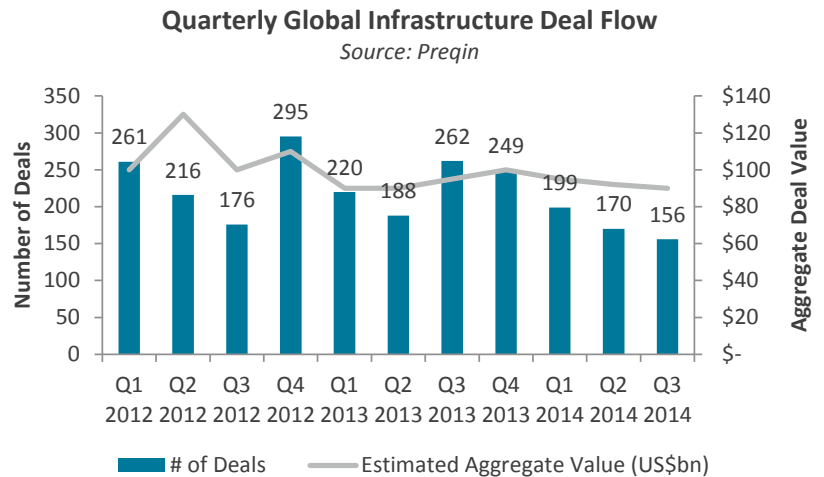
In July 2014, Global Infrastructure Partners agreed to purchase 25% of Freeport LNG for \$850 million from funds managed by Hastings Funds Management and Zachry American Infrastructure. Freeport LNG is developing a three-train liquefied natural gas export facility at its existing LNG receiving and regasification facility on the Gulf Coast of Texas.

Also in July, Canada Pension Plan Investment Board announced its European subsidiary had signed an agreement to invest approximately €376 million for a 39% stake in Interparking from AG Real Estate, reducing that firm's stake to 51%. Interparking is one of Europe's largest car park management companies.

In August 2014, Dynegy announced it would acquire two portfolios of coal- and gas-fired generation assets from Duke Energy Corp and Energy Capital Partners, in two deals totaling \$6.25 billion. The assets from Energy Capital Partners include most of the generating facilities in its second fund. The deal is expected to close during the first half of 2015 and is subject to regulatory approvals.

In September 2014, Macquarie European Infrastructure Fund announced the sale of its 50% stake in Bristol Airport to Ontario Teachers' Pension Plan making Ontario Teachers the sole owner. Macquarie has owned Bristol Airport since 2001.

Also in September, Veresen, a Canadian pipeline company developing the Jordan Cove liquefied natural gas facility in Oregon, announced it had agreed to acquire Global Infrastructure Partners' half interest in the Ruby Pipeline system for \$1.43 billion. Veresen will become Kinder Morgan's partner in the Ruby line, which carries as much as 1.5 billion cubic feet per day of natural gas 680 miles from the Opal, Wyoming hub to the Malin hub in southern Oregon. From there the gas will travel by a new pipeline to Jordan Cove for export. Kinder Morgan will remain as operator of the pipeline.



III. Portfolio Review

Quarterly Highlights

- **No New Investment Commitments** – There were no new investment commitments made during the third quarter of 2014.
- **Subsequent Investment Commitments** – Subsequent to quarter-end through February 11, 2015, the Program has not closed on any additional investment commitments.
- **Cash Outflow Decreased** – During the third quarter of 2014, the Program made US\$0.8 million of contributions and received US\$0.1 million of distributions, for a net cash outflow of US\$0.8 million. This compared to a net cash outflow of US\$1.3 million during the prior quarter. Net cash flow is expected to remain negative for the next several years as the Program's committed capital is drawn down for investments, fees and expenses by fund managers.
- **Valuation Increased** – During the third quarter of 2014, net of cash flow activity, the valuation of the Portfolio increased by approximately US\$0.04 million, or 1.2%, from the prior quarter. The valuation increase reflects the increase in value of underlying investments in Brookfield Infrastructure Fund II.
- **No New Investments** – There were no new investment positions added to the Portfolio during the third quarter of 2014.
- **No Exits** – There were no exits of investment positions during the quarter.

Investment Performance

Since-Inception Performance

As of September 30, 2014, the Program achieved a Total Value to Paid-In multiple of 1.0x and an IRR of 8.2%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions *	September 30, 2014	June 30, 2014	Quarterly Change
Number of Managers	3	3	0
Number of Investments	3	3	0
Committed Capital ¹	\$40.0	\$40.0	\$0.0
Contributed Capital	\$3.4	\$2.6	\$0.8
Distributed Capital	\$0.1	\$0.0	\$0.1
Market Value	\$3.4	\$2.6	\$0.8
Total Value	\$3.5	\$2.7	\$0.9
Total Gain/(Loss)	\$0.1	\$0.1	\$0.0
Unfunded Commitment	\$36.6	\$37.4	(\$0.8)
Exposure ²	\$40.0	\$40.0	(\$0.0)
DPI ³	0.0x	0.0x	0.0x
TVPI ⁴	1.03x	1.03x	0.00x
IRR ⁵	8.2%	10.6%	-2.4%
TVPI Net of StepStone Fees ⁶	1.03x	1.03x	0.00x
IRR Net of StepStone Fees ⁶	8.2%	10.6%	-2.4%

* Note that amounts may not total due to rounding.

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations. Note that the Base/(US\$) committed capital for foreign currency-denominated investments as of respective quarter-end dates is calculated as follows: (total net amount funded in Base currency) + (unfunded commitment in Local currency * quarter-end exchange rate). StepStone utilizes OANDA as the source for quarter-end exchange rates to calculate committed capital.

² Exposure represents the sum of Market Value and Unfunded Commitment.

³ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁴ TVPI, or Total Value to Paid-In Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVPI is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC BERS to StepStone through the quarter-end date. Note that no fees have been paid by NYC BERS to StepStone as of September 30, 2014.

Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of September 30, 2014. Note that the performance of funds that are less than one year old is not meaningful.

As of September 30, 2014 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$10.0	\$3.4	\$0.1	\$3.4	\$3.5	\$0.1	\$6.6	\$10.0	0.0x	1.0x	8.2%
2014	30.0	-	-	-	-	-	30.0	30.0	NM	NM	NM
Total	\$40.0	\$3.4	\$0.1	\$3.4	\$3.5	\$0.1	\$36.6	\$40.0	0.0x	1.0x	8.2%

Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of September 30, 2014.

As of September 30, 2014 (US\$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Core	\$40.0	\$3.4	\$0.1	\$3.4	\$3.5	\$0.1	\$36.6	\$40.0	0.0x	1.0x	8.2%
Diversified	25.0	3.4	0.1	3.4	3.5	0.1	21.6	25.0	0.0x	1.0x	8.2%
Energy	15.0	-	-	-	-	-	15.0	15.0	NM	NM	NM
Total	\$40.0	\$3.4	\$0.1	\$3.4	\$3.5	\$0.1	\$36.6	\$40.0	0.0x	1.0x	8.2%

Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of September 30, 2014.

As of September 30, 2014 (US\$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$10.0	\$3.4	\$0.1	\$3.4	\$3.5	\$0.1	\$6.6	\$10.0	0.0x	1.0x	8.2%
OECD	30.0	-	-	-	-	-	30.0	30.0	NM	NM	NM
Total	\$40.0	\$3.4	\$0.1	\$3.4	\$3.5	\$0.1	\$36.6	\$40.0	0.0x	1.0x	8.2%

Portfolio Diversification

By Strategy, Geography and Industry Focus

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

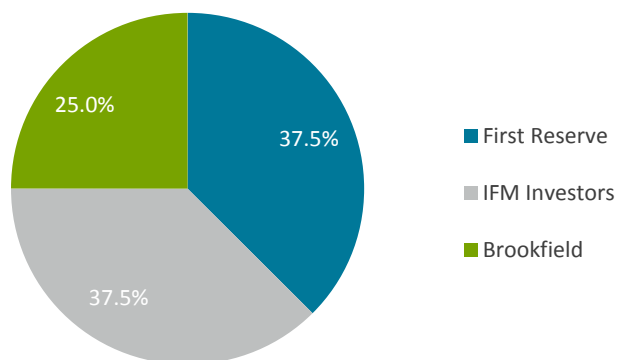
- Core Infrastructure Investments: 60 to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of September 30, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	3.4	100.0%	36.6	100.0%	40.0	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	3.4	100.0%	36.6	100.0%	40.0	100.0%
By Geographic Focus:						
Global	3.4	100.0%	6.6	18.0%	10.0	25.0%
OECD	-	0.0%	30.0	82.0%	30.0	75.0%
Total	3.4	100.0%	36.6	100.0%	40.0	100.0%
By Industry Focus:						
Diversified	3.4	100.0%	21.6	59.0%	25.0	62.5%
Energy	-	0.0%	15.0	41.0%	15.0	37.5%
Total	3.4	100.0%	36.6	100.0%	40.0	100.0%

By Investment Manager

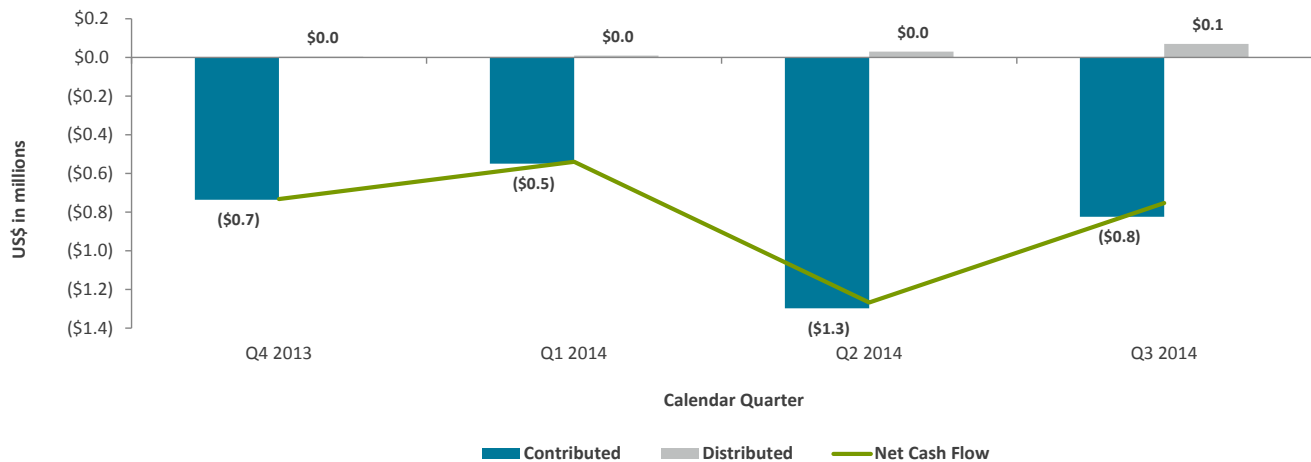
As of September 30, 2014, the Program had made three investment commitments to three managers. NYC BERS seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



Portfolio Cash Flow Analysis

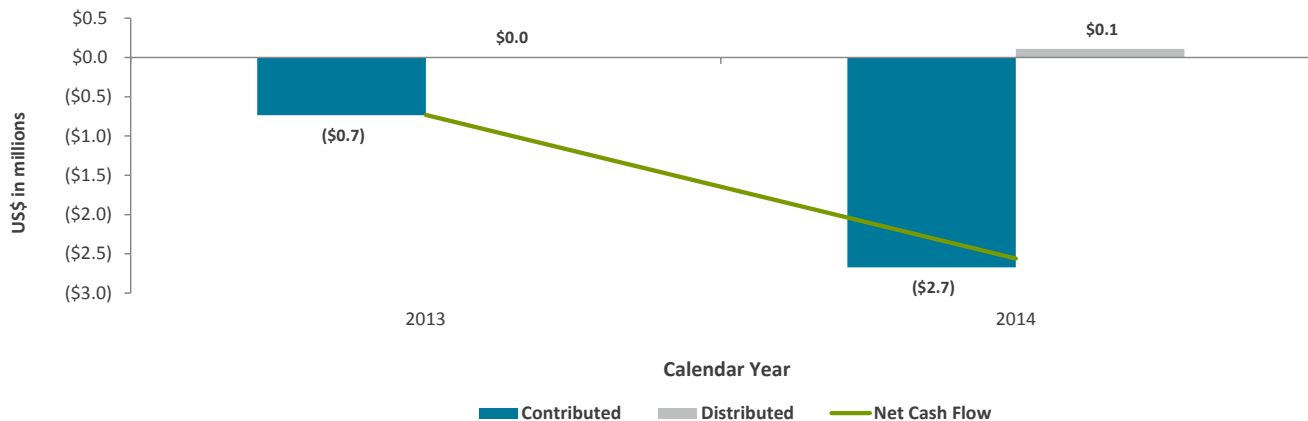
Quarterly Cash Flow Activity

During the third quarter of 2014, the Program made US\$0.8 million of contributions and received US\$0.1 million of distributions, for a net cash outflow of US\$0.8 million. As of September 30, 2014, only one fund investment in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



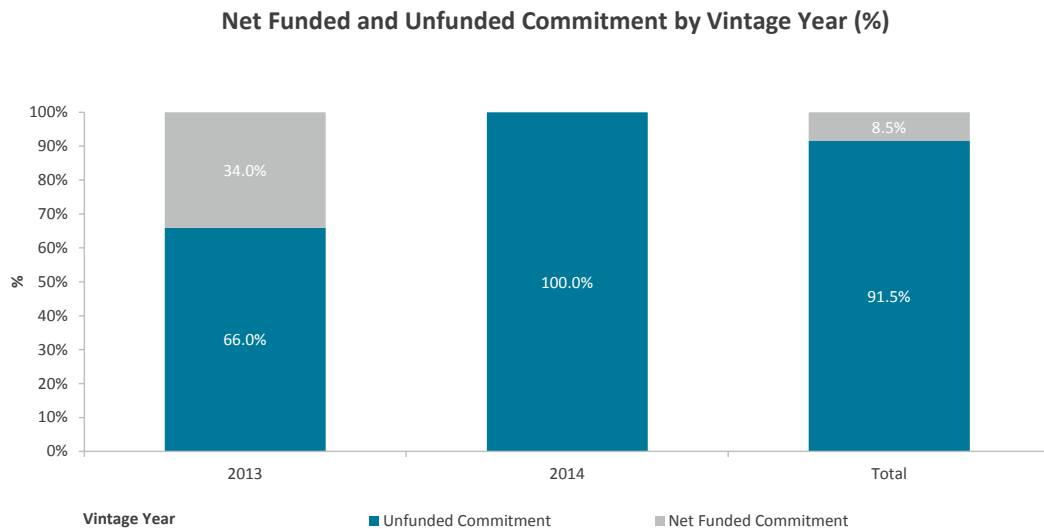
Annual Cash Flow Activity

During the first nine months of 2014, the Program made US\$2.7 million of contributions and received US\$0.1 million of distributions, for a net cash outflow of US\$2.6 million. The graph below illustrates cash flow activity since inception by calendar year.

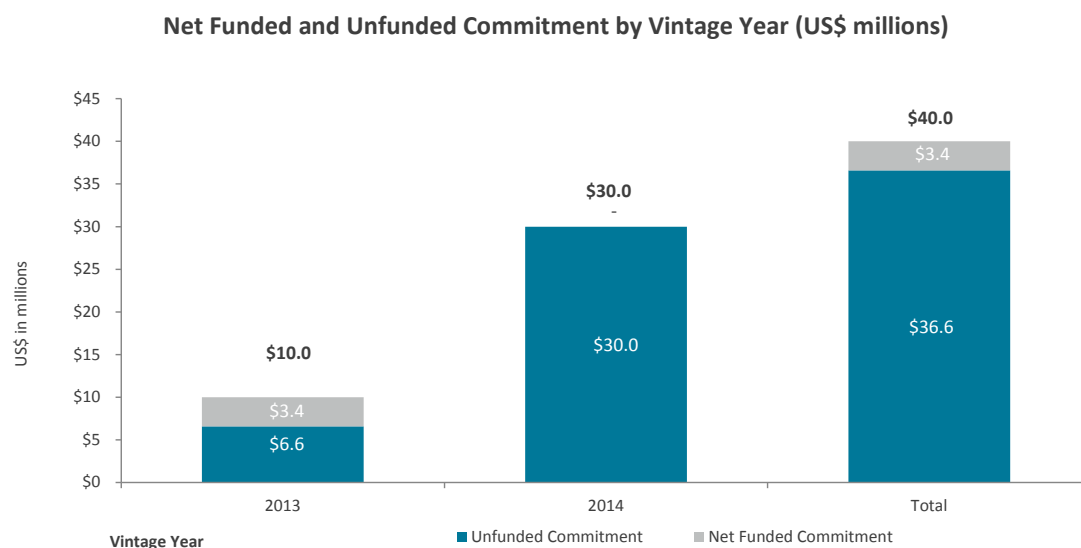


Net Funded and Unfunded Commitments by Vintage Year

The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and callable distributions) as a percentage of total capital commitments, by fund vintage year, as of September 30, 2014. Overall, the Portfolio was 91.5% unfunded as of quarter-end.



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of September 30, 2014. Overall, the Portfolio had US\$36.6 million of unfunded commitments as of quarter-end.



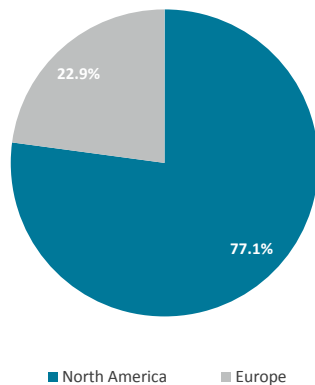
Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to five unique portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size.

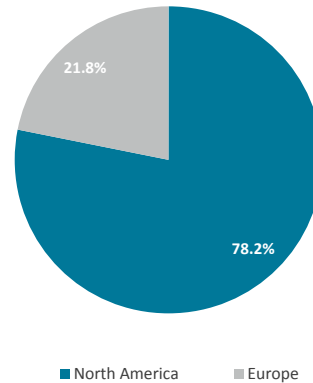
Geographic Exposure

The following charts illustrate the Portfolio's current exposure by geographic region at the portfolio company level.

Geographic Exposure by Current Cost



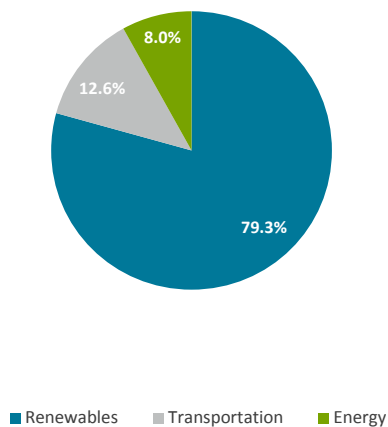
Geographic Exposure by Current Market Value



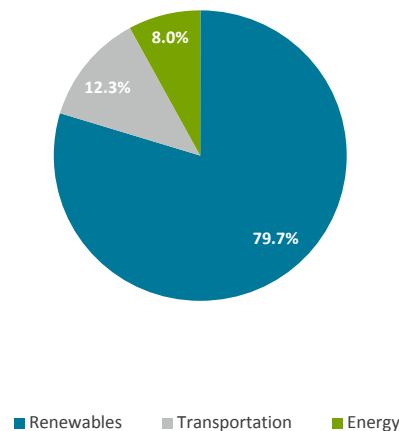
Industry Exposure

The following charts illustrate the Portfolio's current exposure by industry at the portfolio company level.

Industry Exposure by Current Cost



Industry Exposure by Current Market Value



Public Market Exposure

The Portfolio had no exposure to publicly-traded investments as of the quarter-end.

IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
Allocation	<p>NYC BERS has a Real Assets allocation target of 7% (plus or minus 2%) of total pension assets.</p> <p>Infrastructure is a component asset class within the NYC BERS Real Assets investment program.</p>	✓	<p>The market value of NYC BERS Real Assets Program currently represents approximately 3.2% of total pension assets and the market value of NYC BERS Infrastructure Program represents approximately 0.1% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYC BERS pension assets and the total Real Assets Program is expected to increase.</p>
Performance vs. Benchmarks	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of September 30, 2014, the Portfolio outperformed the benchmark by 2.3%.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
Strategy Diversification	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.</p>
Asset Type & Location Diversification	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
Leverage	<p>The average leverage of all investments in the Program is to be no higher than 65%.</p>	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 40%.</p>
Single Investment Size & Manager Diversification	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

New York City Board of Education Retirement System
Infrastructure Portfolio
As of September 30, 2014

Vintage Year	Investment	Closing Date	Committed Capital	Contributed Capital	Distributed Capital	Market Value	TVPI	IRR
Active Investments:								
2013	Brookfield Infrastructure Fund II	7/8/2013	\$10,000,000	\$3,407,480	\$114,197	\$3,400,199	NM	NM
2014	IFM Global Infrastructure Fund	1/2/2014	15,000,000	-	-	-	N/A	N/A
2014	First Reserve Energy Infrastructure Fund II, L.P.	4/16/2014	15,000,000	-	-	-	N/A	N/A
Total			\$40,000,000	\$3,407,480	\$114,197	\$3,400,199	1.03x	8.2%

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

II. January Monthly Performance Review:

Monthly Performance Review *January 2015*

Prepared for the New York City
Board of Education Retirement System
3.13.2015



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MARKET INDICATORS

	1 Month	3 Month	Fiscal YTD	1 Year	2 Year	3 Year	5 Year	10 Year
S&P 500	(3.00)	(0.64)	2.93	14.22	17.81	17.47	15.60	7.61
S&P 400 MIDCAP	(1.12)	1.54	0.97	10.89	16.25	17.01	17.04	9.86
RUSSELL 1000	(2.75)	(0.43)	2.67	13.76	17.92	17.62	15.84	7.93
RUSSELL 2000	(3.22)	(0.37)	(1.62)	4.41	15.17	15.27	15.66	7.87
RUSSELL 3000	(2.78)	(0.43)	2.32	12.99	17.70	17.43	15.83	7.93
RUSSELL 3000 GROWTH	(1.59)	0.59	4.41	13.80	19.24	17.28	16.55	8.70
RUSSELL 3000 VALUE	(4.01)	(1.48)	0.21	12.19	16.12	17.50	15.05	7.04
MSCI EAFE NET	0.49	(1.67)	(8.79)	(0.43)	5.57	9.33	6.39	4.68
MSCI EMF NET	0.60	(5.05)	(7.29)	5.23	(2.77)	0.58	3.08	8.47
MSCI WORLD NET	(1.81)	(1.46)	(2.96)	7.00	11.44	12.91	10.73	6.08
MSCI EUROPE SMID CAP NET	(0.11)	1.07	(10.55)	(3.71)	9.59	13.64	9.09	6.63
MSCI AC WORLD ex US NET	(0.15)	(3.05)	(9.07)	0.56	3.12	6.58	5.45	5.30
NYC - TREASURY AGENCY PLUS FIVE	5.21	7.97	11.01	14.61	5.66	4.14	7.53	6.48
CITIGROUP MORTGAGE	0.83	1.66	2.83	5.26	2.91	2.49	3.66	4.82
NYC - INVESTMENT GRADE CREDIT	2.60	3.17	4.20	8.25	4.30	4.99	6.30	5.47
NYC - CORE PLUS FIVE	2.45	3.53	4.97	8.30	4.05	3.82	5.45	5.52
CITIGROUP BROAD INVESTMENT GRADE	2.07	2.86	4.04	6.56	3.28	3.05	4.51	4.95
BARCLAYS AGGREGATE	2.10	2.92	4.10	6.61	3.32	3.07	4.57	4.86
CITIGROUP BB & B	0.60	(1.69)	(1.81)	2.70	4.26	6.99	8.54	6.40
BofA ML HIGH YIELD MASTER II	0.69	(1.50)	(2.30)	2.45	4.58	7.59	8.70	7.69
CSFB LEVERAGED LOAN	0.26	(0.40)	(0.44)	1.60	3.64	5.23	5.50	4.68

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis



MARKET INDICATORS

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
BARCLAYS GLOBAL US TIPS	3.15	2.25	1.01	4.83	(0.82)	0.72	4.43	4.70
BofA ML ALL CONVERTIBLES EX MANDATORY	(1.08)	(1.24)	(1.42)	6.14	14.07	13.64	12.04	7.47
DJ US SELECT REAL ESTATE	6.74	10.94	19.13	35.33	17.43	16.17	19.87	9.65
NCREIF NFI - ODCE NET*	0.00	3.02	6.11	11.46	12.18	11.38	12.85	6.11
CPI + 4%	0.00	0.02	1.32	4.20				
91 DAY TREASURY BILL	0.00	0.01	0.02	0.03	0.06	0.07	0.09	1.55

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis



MARKET INDICATORS

	1 Month	3 Month	Fiscal YTD	1 Year	2 Year	3 Year	5 Year	10 Year
S&P 500	5.75	2.31	8.85	15.51	20.34	18.00	16.18	7.99
S&P 400 MIDCAP	5.12	4.80	6.14	11.14	18.61	17.25	17.02	10.05
RUSSELL 1000	5.78	2.63	8.60	14.88	20.47	18.14	16.39	8.30
RUSSELL 2000	5.94	5.45	4.22	5.63	17.89	16.58	15.97	8.31
RUSSELL 3000	5.79	2.84	8.25	14.12	20.27	18.02	16.36	8.30
RUSSELL 3000 GROWTH	6.71	4.23	11.42	15.51	22.43	18.03	17.27	9.29
RUSSELL 3000 VALUE	4.82	1.40	5.04	12.70	18.05	17.89	15.39	7.20
MSCI EAFE NET	5.98	2.81	(3.34)	(0.03)	9.20	9.41	7.78	4.84
MSCI EMF NET	3.10	(1.07)	(4.42)	5.01	(0.65)	(0.34)	3.64	7.89
MSCI WORLD NET	5.86	2.26	2.72	7.87	14.57	13.26	11.69	6.35
MSCI EUROPE SMID CAP NET	7.32	5.55	(4.00)	(4.81)	13.92	13.52	11.29	6.86
MSCI AC WORLD ex US NET	5.35	1.40	(4.20)	0.87	6.41	6.49	6.55	5.34
NYC - TREASURY AGENCY PLUS FIVE	(3.18)	2.83	7.48	10.39	3.41	3.46	6.72	6.26
CITIGROUP MORTGAGE	(0.15)	0.81	2.67	4.74	2.65	2.40	3.58	4.85
NYC - INVESTMENT GRADE CREDIT	(0.88)	1.59	3.29	6.10	3.56	4.40	6.02	5.45
NYC - CORE PLUS FIVE	(1.08)	1.53	3.84	6.38	3.20	3.42	5.15	5.48
CITIGROUP BROAD INVESTMENT GRADE	(0.93)	1.18	3.07	4.99	2.56	2.74	4.25	4.92
BARCLAYS AGGREGATE	(0.94)	1.23	3.12	5.05	2.57	2.76	4.29	4.82
CITIGROUP BB & B	2.44	1.55	0.59	3.13	5.34	7.11	9.05	6.51
BofA ML HIGH YIELD MASTER II	2.39	1.57	0.03	2.84	5.57	7.62	9.18	7.79
CSFB LEVERAGED LOAN	1.41	0.54	0.96	2.80	4.16	5.46	5.73	4.76

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis

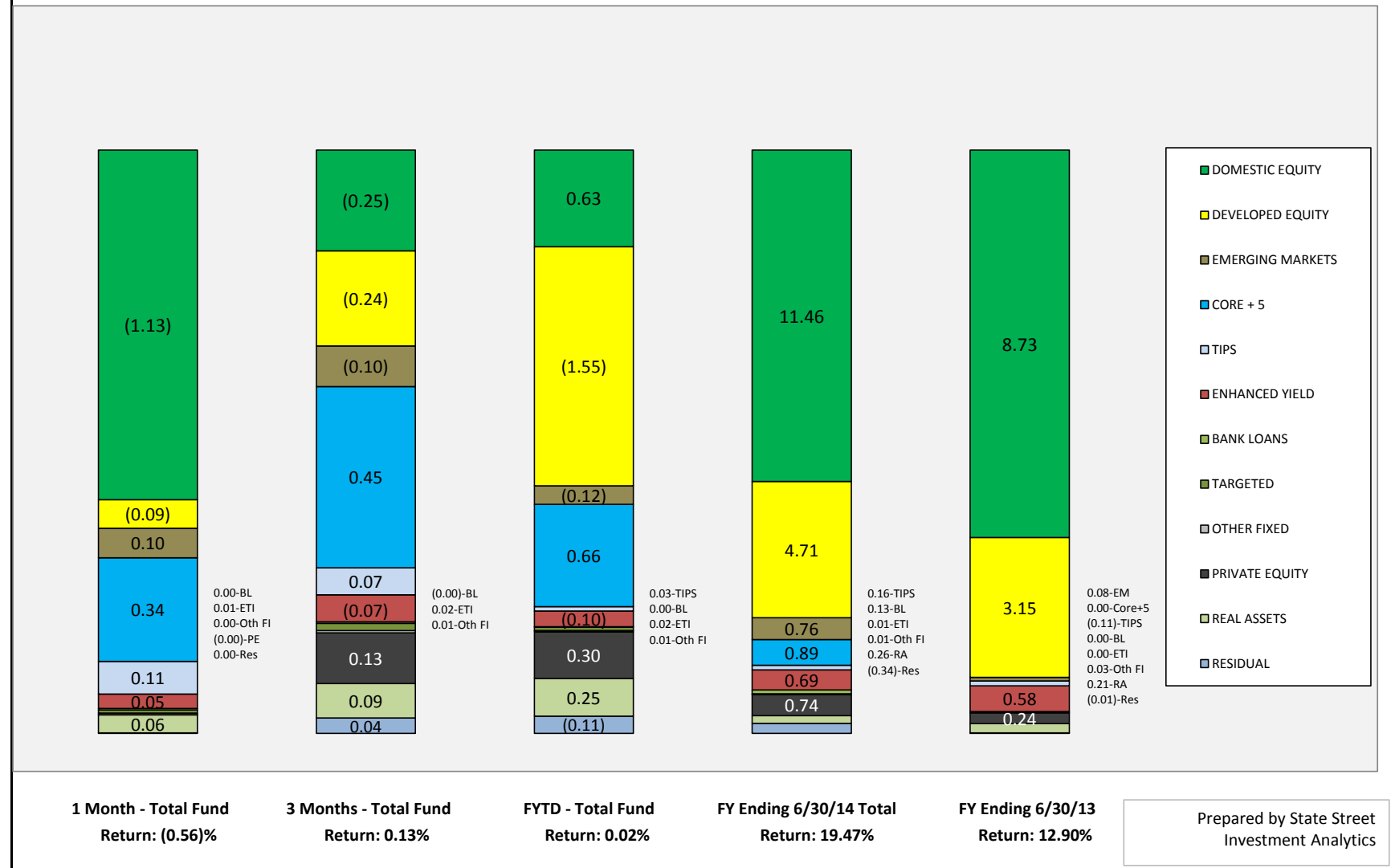


MARKET INDICATORS

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
BARCLAYS GLOBAL US TIPS	(1.20)	0.75	(0.20)	3.11	(1.44)	0.42	4.42	4.61
BofA ML ALL CONVERTIBLES EX MANDATORY	4.32	2.20	2.85	6.19	16.07	14.14	12.46	8.00
DJ US SELECT REAL ESTATE	(3.54)	4.80	14.92	24.17	14.87	15.17	17.66	8.93
NCREIF NFI - ODCE NET*	0.00	3.02	6.11	11.46	12.18	11.38	12.85	6.11
CPI + 4%								
91 DAY TREASURY BILL	0.00	0.00	0.02	0.03	0.06	0.07	0.09	1.53

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis

NYC Board of Education Retirement System Contribution to Return - January 2015

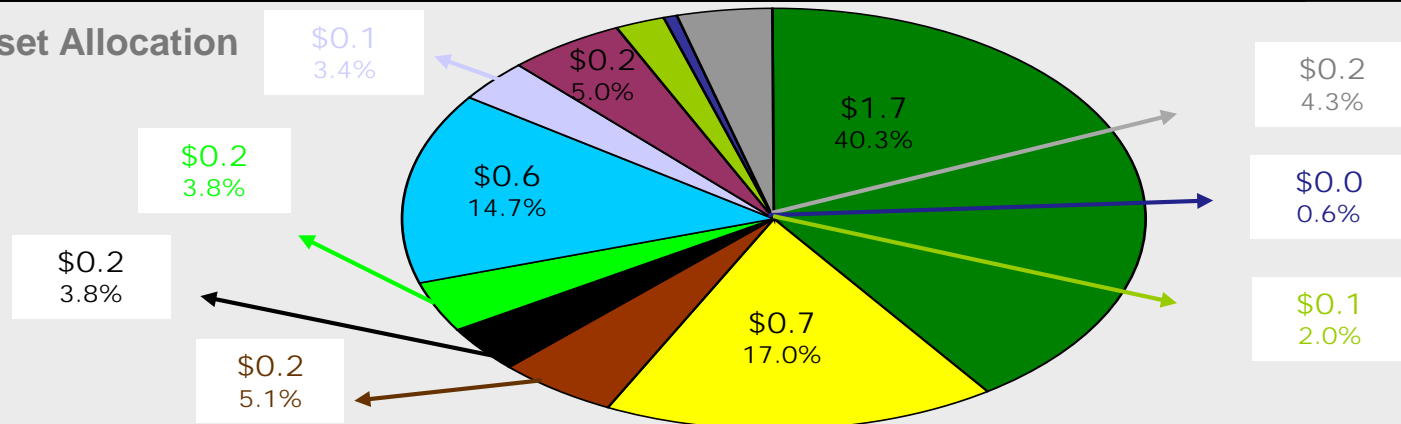


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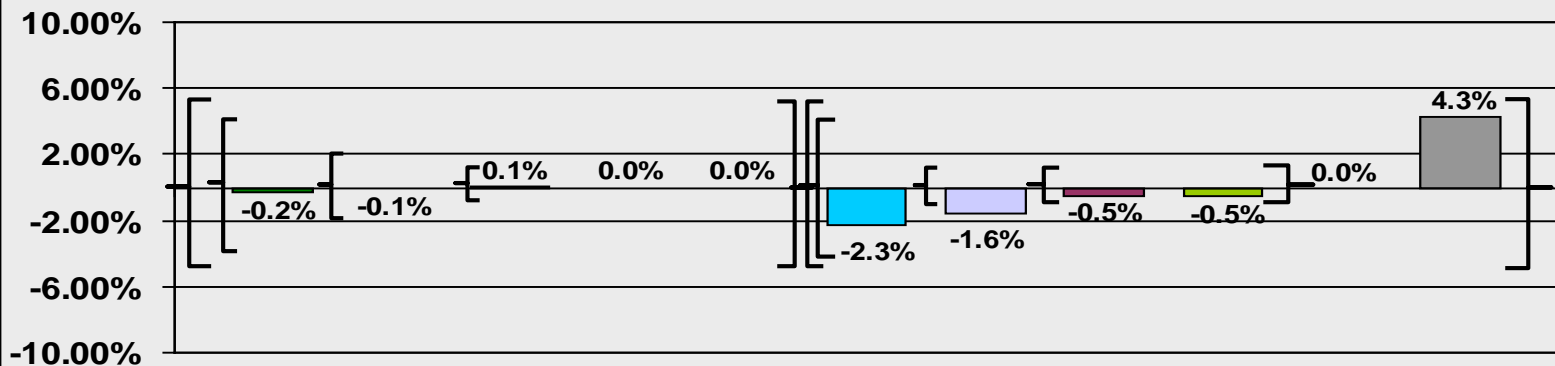
Portfolio Asset Allocation: January 31, 2015

\$4.2B Under Management

Asset Allocation



Relative Mix to Adjusted New Policy Weights

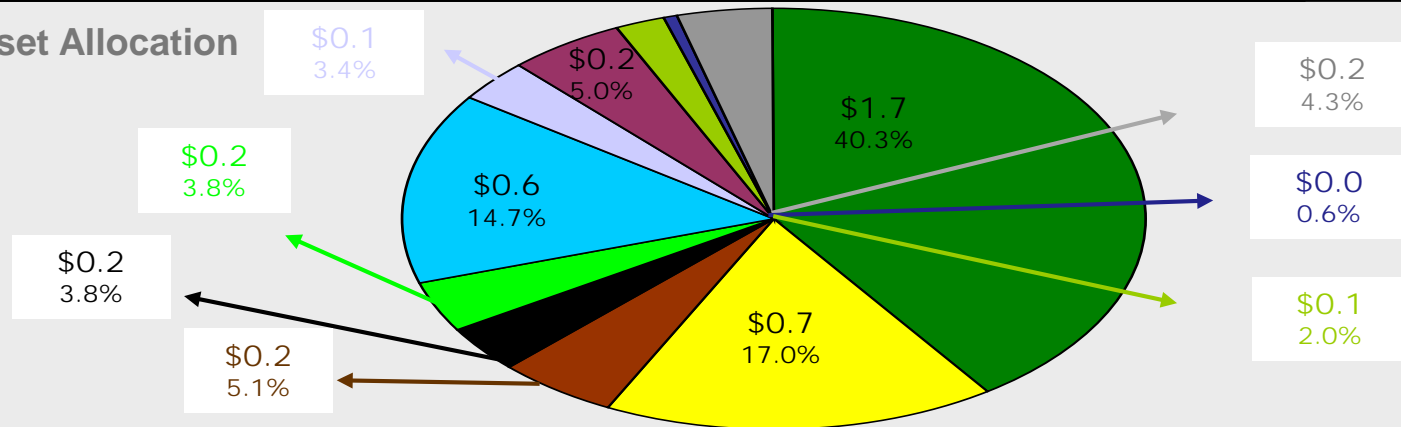


Note: Brackets represent rebalancing ranges versus Policy.

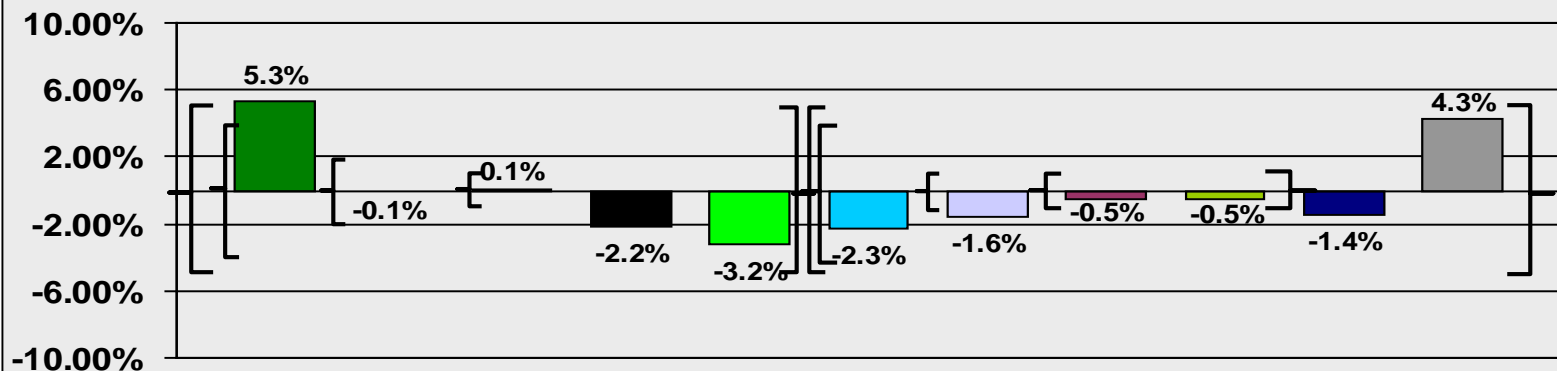
Portfolio Asset Allocation: January 31, 2015

\$4.2B 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, 2015)

ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range***
TOTAL EQUITIES	\$2,953.7	70.0%	70.0%	NA	70.0%	65.0% - 75.0%
TOTAL FIXED INCOME	\$1,263.3	30.0%	30.0%	NA	30.0%	25.0% - 35.0%
TOTAL ASSETS	\$4,217.0	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range***
US Equities	\$1,700.9	40.3%	35.0%	5.3%	40.3%	36.3% - 44.3%
Non-US Equities/EAFE	\$714.9	17.0%	17.0%	NA	17.0%	15.0% - 19.0%
Emerging Markets	\$214.5	5.1%	5.0%	NA	5.0%	4.0% - 6.0%
TOTAL PUBLIC EQUITY	\$2,630.3	62.4%	57.0%	NA	62.3%	
* REAL ASSETS	\$161.2	3.8%	7.0%	NA	3.8%	6.0% - 8.0%
* PRIVATE EQUITY	\$162.2	3.8%	6.0%	NA	3.8%	5.0% - 7.0%
TOTAL EQUITIES	\$2,953.7	70.0%	70.0%	NA	70.0%	65.0% - 75.0%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range***
Core +5	US - Government	\$101.1	2.4%	NA	17.0%	13.0% - 21.0%
	US - Mortgage	\$255.3	6.1%	NA		
	US - Investment Grade Credit	\$264.5	6.3%	NA		
	TOTAL CORE + 5	\$621.0	14.7%	NA	17.0%	13.0% - 21.0%
	High Yield	\$212.3	5.0%	NA	5.5%	7.0% - 9.0%
	Bank Loans	\$83.3	2.0%	NA	2.5%	
	Total High Yield & Bank Loans	\$295.6	7.0%	NA	8.0%	7.0% - 9.0%
	TIPS	\$142.5	3.4%	NA	5.0%	4.0% - 6.0%
	**ETI	\$23.5	0.6%	**2.0%	**0.6%	**0.6%
	Cash	\$180.8	4.3%	NA	0.0%	0.0% - 5.0%
	TOTAL PUBLIC FIXED INCOME	\$1,263.3	30.0%	NA	30.0%	
	TOTAL FIXED INCOME	\$1,263.3	30.0%	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 Assets: +/-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, 2015)

Adjustments to Long-Term Asset Allocation

1) Private Equity

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

2) Real Assets

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

2.2%

Adjustment: 100% of uninvested Real Assets

3.2%

Adjusted Domestic Equity Policy Target %

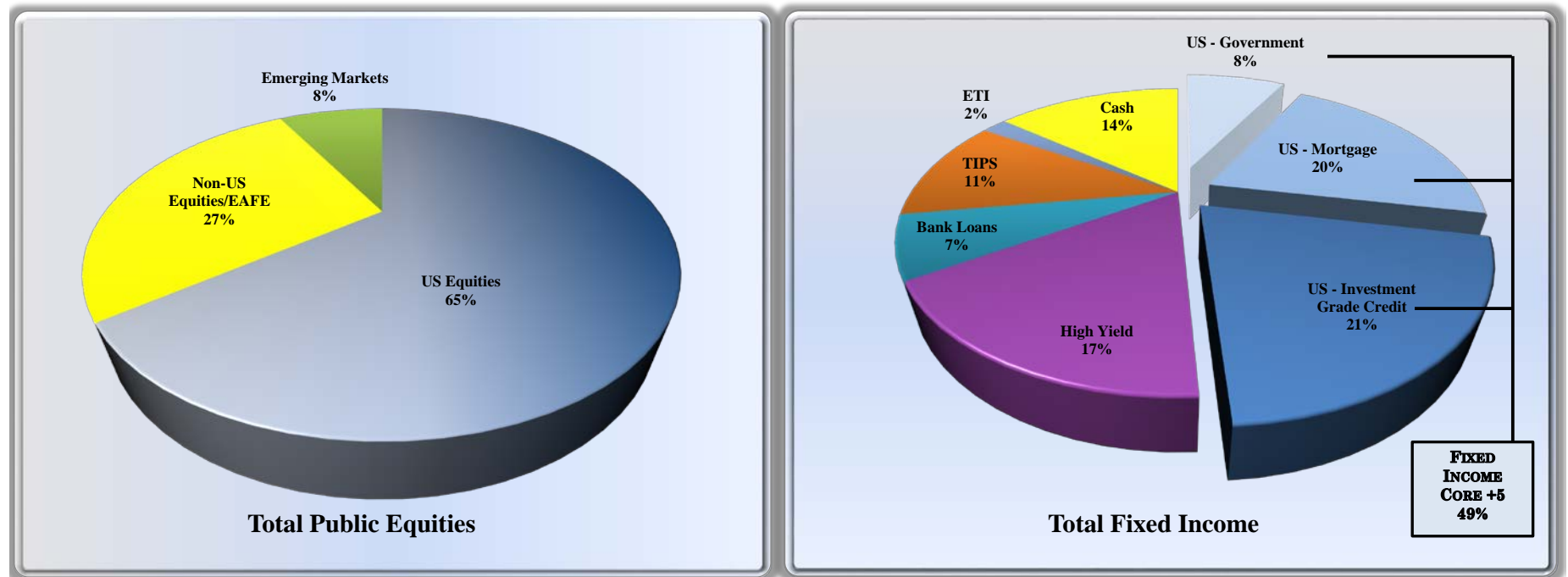
40.3%

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

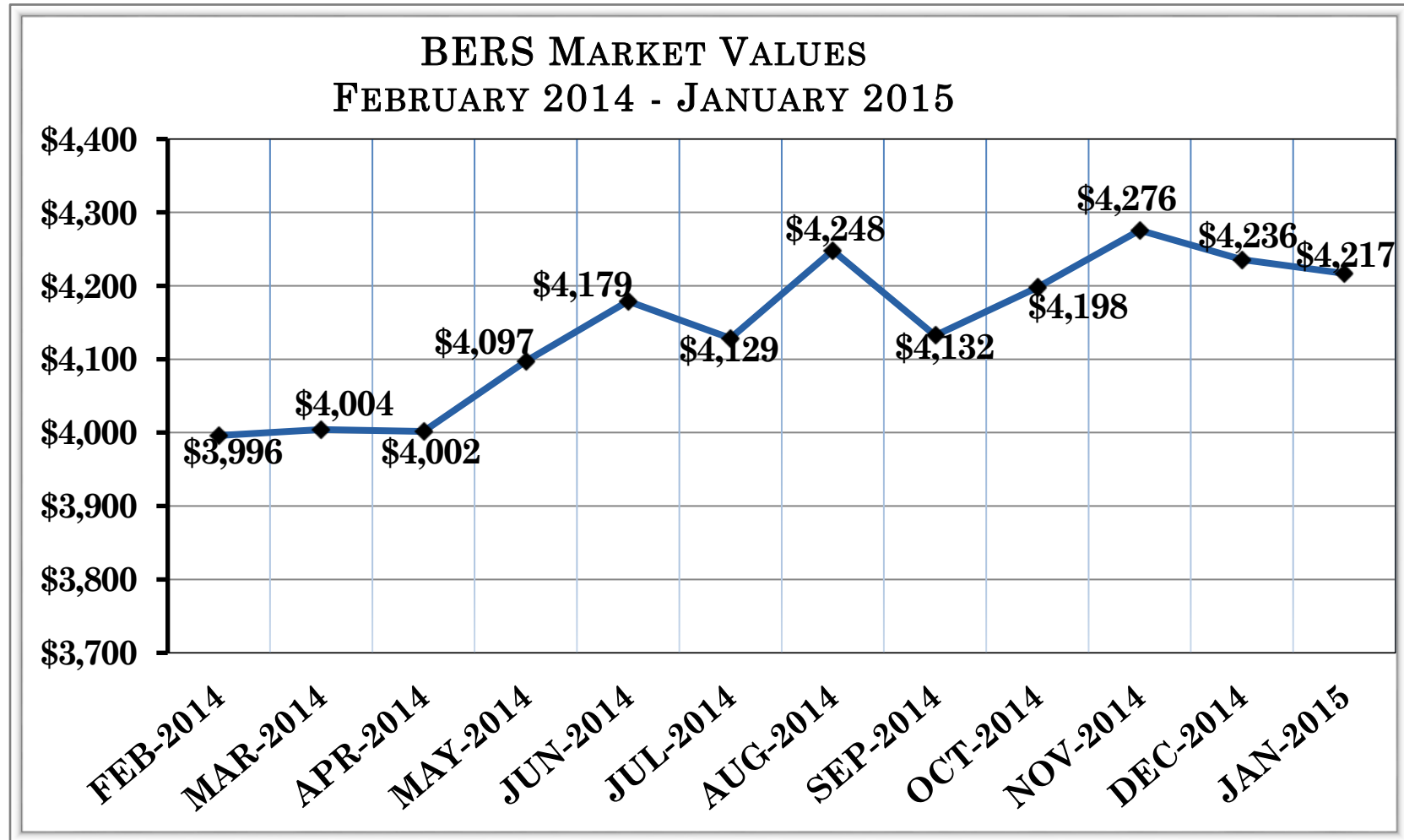
CLASSIFICATION OF INVESTMENTS

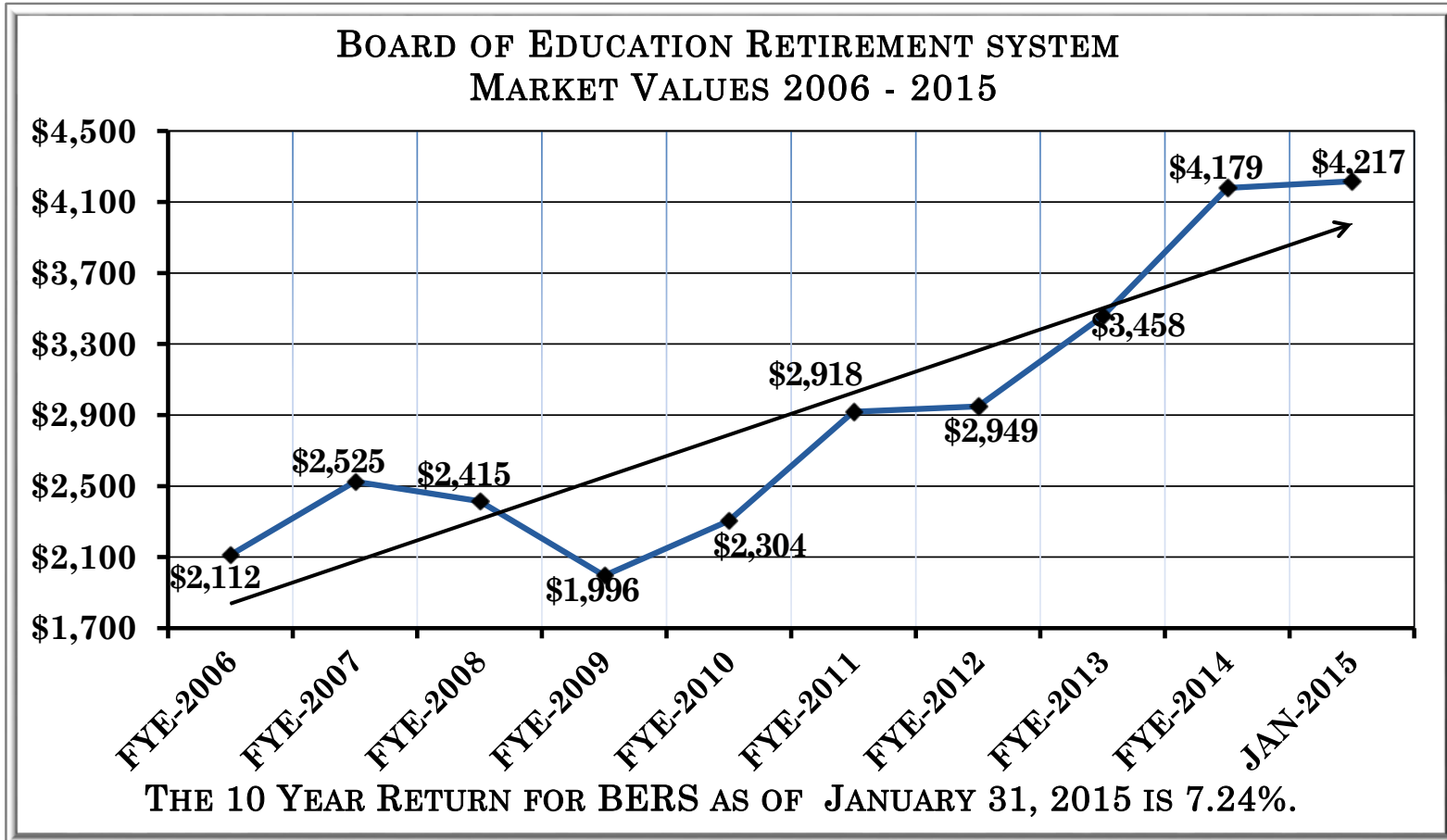
(as of January 31st, 2015)

89



Note: Totals may not equal 100% due to rounding





New York City Board of Education Retirement System

Manager / Benchmark Comparison Report



STATE STREET

Rates of Return - Total

Periods Ending January 31, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
ASSET CLASS SUMMARY																		
BERS-TOTAL DOM EQUITY	1,700.90	40.33	-2.73	-0.60	1.47	-2.73	26.06	11.27	35.96	16.62	-0.72	17.27	11.33	17.57	15.72	7.97	9.70	Sep-01-91
BERS-TOTAL DEVELOPED EQUITY ACTIVE	714.89	16.95	-0.55	-1.40	-8.89	-0.55	25.59	-4.81	24.21	18.40	-10.35	17.92	-1.06	9.55	8.76	7.26	8.04	Nov-01-92
BERS-TOTAL EMERGING (INTL)	214.51	5.09	1.93	-1.98	-2.35	1.93	16.42	4.14	-4.27	18.15	-18.03	19.85	11.33	2.75	4.54	8.46	8.44	Nov-01-97
BERS-TOTAL STRUCTURED	620.97	14.73	2.35	3.17	4.65	2.35	5.97	7.66	-2.38	6.68	9.23	8.36	8.25	4.28	5.92	5.68	8.19	Jan-01-85
BERS-TOTAL ACTIVE TIPS MANAGERS	142.47	3.38	3.26	2.04	0.86	3.26	4.44	3.37	-8.52	7.67	13.34	6.57	4.57	0.97	4.59		4.77	Jun-01-05
BERS-TOTAL HIGH YIELD	212.29	5.03	0.94	-1.34	-1.98	0.94	12.96	3.09	8.39	15.68	6.25	15.01	3.17	8.12	9.56	7.82	6.13	Aug-01-97
BERS-TOTAL BANK LOANS	83.32	1.98	0.26	-0.20	0.07	0.26	6.31	2.34	6.33				1.90				4.45	Dec-01-12
TOTAL BOE ETI (w/o cash)	23.48	0.56	1.94	3.41	4.58	1.94	5.12	7.43	-1.66	4.35	7.15	6.31	7.76	3.74	4.76	6.08	7.24	Dec-01-84
BERS-TOTAL PRIVATE EQUITY	162.18	3.85	-0.02	3.35	8.44	-0.02	24.58	22.16	15.34	7.70	19.15	13.64	22.13	14.91	15.49		3.88	Jul-01-06
BERS-TOTAL REAL ASSETS	161.22	3.82	1.58	2.44	7.47	1.58	10.22	13.77	8.57	14.30	9.43		14.19	12.04			11.41	Dec-01-10
BERS-TOTAL CASH	180.44	4.28	0.12	0.17	0.30	0.12	0.75	0.27	0.29	0.54	0.59	0.47	0.38	0.39	0.43	2.21	2.18	Apr-01-04
SECURITY LENDING	0.30	0.01																Apr-01-04
BERS-TOTAL BOARD OF ED.	4,216.97	100.00	-0.56	0.13	0.02	-0.56	19.47	6.64	18.78	13.50	-0.42	14.95	8.02	11.11	10.80	7.24	8.90	Jul-01-87
BERS-TOTAL EQUITY	2,630.30	62.37	-1.78	-0.92	-1.73	-1.78	25.25	6.09	29.23	17.29	-5.27	17.69	7.79	14.19	12.83	7.67	7.90	Apr-01-04
BERS-TOTAL FIXED INCOME	1,082.53	25.67	2.02	1.85	2.42	2.02	7.10	5.69	-0.56	8.55	9.42	9.39	6.18	4.60	6.50	6.03	5.94	Apr-01-04
BERS-TOTAL PRIVATE EQUITY	162.18	3.85	-0.02	3.35	8.44	-0.02	24.58	22.16	15.34	7.70	19.15	13.64	22.13	14.91	15.49		3.88	Jul-01-06
BERS-TOTAL REAL ASSETS	161.22	3.82	1.58	2.44	7.47	1.58	10.22	13.77	8.57	14.30	9.43		14.19	12.04			11.41	Dec-01-10
BERS-TOTAL CASH	180.44	4.28	0.12	0.17	0.30	0.12	0.75	0.27	0.29	0.54	0.59	0.47	0.38	0.39	0.43	2.21	2.18	Apr-01-04
SECURITY LENDING	0.30	0.01																Apr-01-04
BERS-TOTAL BOARD OF ED.	4,216.97	100.00	-0.56	0.13	0.02	-0.56	19.47	6.64	18.78	13.50	-0.42	14.95	8.02	11.11	10.80	7.24	8.90	Jul-01-87
Board of Education Policy Benchmark			-0.28	0.24	0.40	-0.28	18.30	6.93	18.10	14.05	0.47	13.04	8.52	11.29	10.80	6.99		Jun-01-94

New York City Board of Education Retirement System



STATE STREET

Manager / Benchmark Comparison Report

Rates of Return - Total

Periods Ending January 31, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
EQUITY ASSET CLASS SUMMARY																		
BERS-TOTAL DOM EQUITY	1,700.90	40.33	-2.73	-0.60	1.47	-2.73	26.06	11.27	35.96	16.62	-0.72	17.27	11.33	17.57	15.72	7.97	9.70	Sep-01-91
RUSSELL 3000 (DAILY)			-2.78	-0.43	2.32	-2.78	25.22	12.56	33.55	16.42	1.03	16.93	12.99	17.43	15.83	7.93	9.57	Sep-01-91
Excess			0.06	-0.17	-0.85	0.06	0.84	-1.29	2.41	0.20	-1.75	0.34	-1.67	0.13	-0.11	0.04	0.13	
BERS-TOTAL PASSIVE DOM EQUITY	1,404.72	33.31	-2.73	-0.49	2.09	-2.73	25.20	12.22	33.59	16.50	0.69	16.99	12.66	17.35	15.73	7.89	9.44	Sep-01-93
RUSSELL 3000 (DAILY)			-2.78	-0.43	2.32	-2.78	25.22	12.56	33.55	16.42	1.03	16.93	12.99	17.43	15.83	7.93	9.23	Sep-01-93
Excess			0.06	-0.06	-0.23	0.06	-0.02	-0.33	0.04	0.08	-0.33	0.06	-0.34	-0.09	-0.10	-0.04	0.21	
BERS-TOTAL SMALL CAP PASSIVE	71.45	1.69	-3.22	-0.49	-1.71	-3.22		4.82					4.32				7.77	Oct-01-13
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22		4.89					4.41				7.66	Oct-01-13
Excess			-0.01	-0.12	-0.10	-0.01		-0.08					-0.09				0.11	
BERS-TOTAL MID CAP PASSIVE	37.90	0.90	-1.10	1.50	0.95	-1.10	25.16	9.71	33.46	17.89			10.85	17.00			13.26	Feb-01-11
S&P 400 MIDCAP INDEX (DAILY)			-1.12	1.54	0.97	-1.12	25.24	9.77	33.50	17.88			10.89	17.01			13.26	Feb-01-11
Excess			0.02	-0.04	-0.02	0.02	-0.08	-0.06	-0.04	0.01			-0.04	-0.02			0.00	
BERS-RUSSELL 1000 PASSIVE	1,295.37	30.72	-2.75	-0.50	2.59	-2.75		13.12					13.64				15.53	Oct-01-13
RUSSELL 1000 (DAILY)			-2.75	-0.43	2.67	-2.75		13.24					13.76				15.60	Oct-01-13
Excess			0.00	-0.07	-0.07	0.00		-0.12					-0.12				-0.07	
BERS-TOTAL ACTIVE DOM EQUITY	296.18	7.02	-2.73	-1.13	-1.77	-2.73	29.30	6.75	44.80	16.91	-3.63	17.87	5.56	18.13	15.81	8.21	8.67	Feb-01-93
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18	26.85	4.41	15.27	15.66	7.87	9.16	Feb-01-93
Excess			0.49	-0.76	-0.15	0.49	5.66	1.85	5.98	0.56	0.54	-8.99	1.15	2.86	0.15	0.33	-0.49	
BERS-TOTAL SMALL CAP ACTIVE	30.70	0.73	-6.08	-4.36	-8.09	-6.08	22.21	-1.37	44.54	19.91	-10.17	21.37	-4.02	14.51	13.21	5.70	5.74	Apr-01-04
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18	26.85	4.41	15.27	15.66	7.87	7.89	Apr-01-04
Excess			-2.86	-3.99	-6.47	-2.86	-1.44	-6.26	5.72	3.56	-5.99	-5.48	-8.43	-0.76	-2.45	-2.17	-2.14	
BERS-TOTAL MID CAP ACTIVE	132.75	3.15	-1.42	0.07	-0.96	-1.42	32.77	11.58	40.05	19.88	-6.79		10.34	19.68			16.56	Oct-01-10
RUSSELL MIDCAP (DAILY)			-1.56	1.17	2.56	-1.56	26.85	13.22	34.76	17.28	-1.55		13.66	18.42			16.80	Oct-01-10
Excess			0.14	-1.11	-3.52	0.14	5.92	-1.64	5.28	2.60	-5.25		-3.32	1.25			-0.24	

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BERS-TOTAL EMERGING MANAGER PROGRAM	132.73	3.15	-3.15	-1.49	-1.09	-3.15	24.89	5.43	40.84	17.00	-1.75	18.99	5.64	16.32	15.27	8.16	8.05	Apr-01-04
RUSSELL 3000 (DAILY)			-2.78	-0.43	2.32	-2.78	25.22	12.56	33.55	16.42	1.03	16.93	12.99	17.43	15.83	7.93	7.93	Apr-01-04
Excess			-0.37	-1.06	-3.41	-0.37	-0.33	-7.13	7.29	0.58	-2.78	2.06	-7.35	-1.11	-0.56	0.23	0.12	
BERS-TOTAL INTL EQUITY	929.40	22.04	0.01	-1.55	-7.50	0.01	23.68	-3.03	17.99	18.36	-11.84	18.25	1.42	8.23	7.94	7.48	7.86	Nov-01-92
MSCI AC WORLD ex US (NET)			-0.15	-3.05	-9.07	-0.15	21.75	-3.87	15.29	16.83	-13.71	11.15	0.56	6.58	5.45	5.30		Nov-01-92
Excess			0.16	1.51	1.56	0.16	1.93	0.83	2.70	1.52	1.87	7.09	0.86	1.65	2.49	2.19		
BERS-TOTAL DEVELOPED EQUITY	714.89	16.95	-0.55	-1.40	-8.89	-0.55	25.59	-4.81	24.21	18.40	-10.35	17.92	-1.06	9.55	8.76	7.26	7.76	Nov-01-92
MSCI EAFE			0.49	-1.67	-8.79	0.49	23.57	-4.90	22.78	17.32	-12.14	7.75	-0.43	9.33	6.39	4.68	6.29	Nov-01-92
Excess			-1.04	0.27	-0.09	-1.04	2.02	0.10	1.43	1.09	1.79	10.17	-0.63	0.22	2.36	2.58	1.48	
BERS-TOTAL ACTIVE EMERGING MARKETS	214.51	5.09	1.93	-1.98	-2.35	1.93	16.26	4.14	-4.70	18.12	-17.86	19.85	11.33	2.63	4.49	8.43	9.78	Apr-01-04
MSCI EMERGING MARKETS			0.60	-5.05	-7.29	0.60	14.31	-2.19	-2.60	18.22	-18.42	18.88	5.23	0.58	3.08	8.47	9.17	Apr-01-04
Excess			1.33	3.07	4.94	1.33	1.95	6.33	-2.10	-0.11	0.57	0.97	6.10	2.04	1.41	-0.04	0.61	
FIXED INCOME ASSET CLASS SUMMARY																		
BERS-TOTAL FIXED INCOME	1,082.53	25.67	2.02	1.85	2.42	2.02	7.10	5.69	-0.56	8.55	9.42	9.39	6.18	4.60	6.50	6.03	5.94	Apr-01-04
BERS-TOTAL STRUCTURED	620.97	14.73	2.35	3.17	4.65	2.35	5.97	7.66	-2.38	6.68	9.23	8.36	8.25	4.28	5.92	5.68	8.19	Jan-01-85
NYC - Core Plus Five			2.45	3.53	4.97	2.45	5.54	7.66	-2.79	5.41	9.40	7.13	8.30	3.82	5.45	5.52		Jan-01-85
Excess			-0.10	-0.36	-0.32	-0.10	0.42	0.00	0.41	1.27	-0.17	1.23	-0.05	0.47	0.47	0.16		
BERS-TOTAL MORTGAGE	255.35	6.06	1.06	1.39	2.70	1.06	4.45	5.80	-1.73	4.48	6.30	7.84	5.21	2.89	4.30	5.22		Apr-01-87
CITIGROUP MORTGAGE INDEX			0.83	1.66	2.83	0.83	4.59	6.12	-1.52	2.60	6.38	5.50	5.26	2.49	3.66	4.82		Apr-01-87
Excess			0.23	-0.27	-0.12	0.23	-0.14	-0.32	-0.21	1.88	-0.08	2.35	-0.05	0.40	0.64	0.40		
BERS-TOTAL INVESTMENT GRADE CREDIT	264.49	6.27	2.55	3.14	4.26	2.55	8.24	7.88	-1.07	10.36	8.34	9.02	9.00	5.81	7.02	5.45	7.79	Apr-01-87
NYC - Investment Grade Credit			2.60	3.17	4.20	2.60	7.17	7.04	-1.85	9.52	7.79	8.36	8.25	4.99	6.30	5.47		Apr-01-87
Excess			-0.06	-0.03	0.05	-0.06	1.07	0.83	0.78	0.83	0.55	0.66	0.76	0.83	0.72	-0.02		
BERS-TOTAL GOVERNMENT	101.13	2.40	5.22	8.03	11.07	5.22	3.97	12.27	-7.49	3.95	18.52	8.93	14.58	4.14	7.49	6.53	8.05	May-01-87
NYC - Treasury Agency Plus Five			5.21	7.97	11.01	5.21	3.79	12.38	-7.48	3.84	18.44	9.24	14.61	4.14	7.53	6.48		May-01-87
Excess			0.01	0.06	0.06	0.01	0.19	-0.11	-0.01	0.11	0.08	-0.32	-0.02	0.01	-0.04	0.05		

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BERS-TOTAL HIGH YIELD	212.29	5.03	0.94	-1.34	-1.98	0.94	12.96	3.09	8.39	15.68	6.25	15.01	3.17	8.12	9.56	7.82	6.13	Aug-01-97
CITIGROUP BB & B			0.60	-1.69	-1.81	0.60	10.91	2.78	6.17	14.45	6.58	13.35	2.70	6.99	8.54	6.40	6.17	Aug-01-97
Excess			0.34	0.35	-0.17	0.34	2.05	0.30	2.22	1.23	-0.33	1.66	0.47	1.14	1.02	1.42	-0.03	
BERS-TOTAL BANK LOANS	83.32	1.98	0.26	-0.20	0.07	0.26	6.31	2.34	6.33				1.90				4.45	Dec-01-12
CSFB LEVERAGED LOAN INDEX			0.26	-0.40	-0.44	0.26	6.11	2.06	6.15				1.60				4.23	Dec-01-12
Excess			0.00	0.20	0.51	0.00	0.20	0.28	0.18				0.30				0.22	
BERS-TOTAL ACTIVE TIPS MANAGERS	142.47	3.38	3.26	2.04	0.86	3.26	4.44	3.37	-8.52	7.67	13.34	6.57	4.57	0.97	4.59		4.77	Jun-01-05
Barclays Global Inflation Linked: US TIPS (Daily)			3.15	2.25	1.01	3.15	4.44	3.64	-8.61	6.98	13.56	6.31	4.83	0.72	4.43		4.62	Jun-01-05
Excess			0.11	-0.20	-0.15	0.11	0.01	-0.27	0.09	0.69	-0.22	0.26	-0.26	0.25	0.16		0.16	
BERS-TOTAL TARGETED	23.48	0.56	1.94	3.41	4.58	1.94	5.20	7.43	-1.61	4.29	7.10	5.75	7.76	3.75	4.64	5.93	6.88	Dec-01-84
BERS Custom Benchmark (No Cash)			1.60	2.39	3.57	1.60	4.20	5.76	-1.71	3.74	7.09	5.98	5.93	2.84	4.17			Dec-01-84
Excess			0.33	1.02	1.02	0.33	1.00	1.67	0.10	0.55	0.01	-0.23	1.83	0.91	0.47			
CASH ASSET CLASS SUMMARY																		
BERS-TOTAL CASH	180.44	4.28	0.12	0.17	0.30	0.12	0.75	0.27	0.29	0.54	0.59	0.47	0.38	0.39	0.43	2.21	2.18	Apr-01-04
91 DAY TREASURY BILL (DAILY)			0.00	0.01	0.02	0.00	0.05	0.03	0.07	0.11	0.10	0.13	0.03	0.07	0.09	1.55	1.54	Apr-01-04
Excess			0.12	0.16	0.29	0.12	0.69	0.24	0.22	0.43	0.49	0.34	0.35	0.32	0.35	0.66	0.64	
US EQUITY																		
BERS-TOTAL SMALL CAP	102.15	2.42	-4.10	-1.73	-3.56	-4.10	24.61	3.20	44.74	19.91	-10.17	21.37	1.96	17.11	14.75	6.41	6.40	Apr-01-04
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18	26.85	4.41	15.27	15.66	7.87	7.89	Apr-01-04
Excess			-0.88	-1.36	-1.95	-0.88	0.97	-1.70	5.92	3.56	-5.99	-5.48	-2.45	1.85	-0.91	-1.46	-1.48	
BERS-TOTAL SMALL CAP PASSIVE	71.45	1.69	-3.22	-0.49	-1.71	-3.22		4.82					4.32				7.77	Oct-01-13
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22		4.89					4.41				7.66	Oct-01-13
Excess			-0.01	-0.12	-0.10	-0.01		-0.08					-0.09				0.11	
NYC BERS BLACKROCK R2000 GROWTH	36.06	0.86	-2.29	1.14	0.83	-2.29		5.50					4.89				8.75	Oct-01-13
RUSSELL 2000 GROWTH DAILY			-2.28	1.26	0.95	-2.28		5.60					5.01				8.57	Oct-01-13
Excess			-0.01	-0.12	-0.12	-0.01		-0.10					-0.12				0.17	

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NYC BERS BLACKROCK R2000 VALUE	35.39	0.84	-4.15	-2.12	-4.25	-4.15		4.12					3.79				6.79	Oct-01-13
RUSSELL 2000 VALUE DAILY			-4.16	-2.00	-4.15	-4.16		4.22					3.90				6.78	Oct-01-13
Excess			0.01	-0.11	-0.11	0.01		-0.10					-0.11				0.01	
BERS-TOTAL SMALL CAP ACTIVE	30.70	0.73	-6.08	-4.36	-8.09	-6.08	22.21	-1.37	44.54	19.91	-10.17	21.37	-4.02	14.51	13.21	5.70	5.74	Apr-01-04
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18	26.85	4.41	15.27	15.66	7.87	7.89	Apr-01-04
Excess			-2.86	-3.99	-6.47	-2.86	-1.44	-6.26	5.72	3.56	-5.99	-5.48	-8.43	-0.76	-2.45	-2.17	-2.14	
BERS-TOTAL SMALL CAP CORE	30.70	0.73	-6.08	-4.36	-8.09	-6.08	22.21	-1.37	44.54	19.91	-10.17		-4.02	14.51			11.73	Apr-01-10
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18		4.41	15.27			13.32	Apr-01-10
Excess			-2.86	-3.99	-6.47	-2.86	-1.44	-6.26	5.72	3.56	-5.99		-8.43	-0.76			-1.59	
Daruma Small Cap-Core	30.70	0.73	-6.08	-4.36	-8.09	-6.08	22.21	-1.37	44.54	19.91	-10.17		-4.02	14.51			11.73	Apr-01-10
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18		4.41	15.27			13.32	Apr-01-10
Excess			-2.86	-3.99	-6.47	-2.86	-1.44	-6.26	5.72	3.56	-5.99		-8.43	-0.76			-1.59	
BERS-TOTAL MID CAP	170.65	4.05	-1.35	0.44	-0.42	-1.35	29.89	10.77	37.52	19.12	-5.53		10.36	18.60			16.09	Oct-01-10
RUSSELL MIDCAP (DAILY)			-1.56	1.17	2.56	-1.56	26.85	13.22	34.76	17.28	-1.55		13.66	18.42			16.80	Oct-01-10
Excess			0.21	-0.73	-2.97	0.21	3.04	-2.45	2.76	1.84	-3.98		-3.30	0.18			-0.71	
State St GA S&P 400	37.90	0.90	-1.10	1.50	0.95	-1.10	25.16	9.71	33.46	17.89			10.85	17.00			13.26	Feb-01-11
S&P 400 MIDCAP INDEX (DAILY)			-1.12	1.54	0.97	-1.12	25.24	9.77	33.50	17.88			10.89	17.01			13.26	Feb-01-11
Excess			0.02	-0.04	-0.02	0.02	-0.08	-0.06	-0.04	0.01			-0.04	-0.02			0.00	
BERS-TOTAL MID CAP ACTIVE	132.75	3.15	-1.42	0.07	-0.96	-1.42	32.77	11.58	40.05	19.88	-6.79		10.34	19.68			16.56	Oct-01-10
RUSSELL MIDCAP (DAILY)			-1.56	1.17	2.56	-1.56	26.85	13.22	34.76	17.28	-1.55		13.66	18.42			16.80	Oct-01-10
Excess			0.14	-1.11	-3.52	0.14	5.92	-1.64	5.28	2.60	-5.25		-3.32	1.25			-0.24	
Wellington Mgmt MCC	132.75	3.15	-1.42	0.07	-0.96	-1.42	32.77	11.58	40.05	19.88	-6.79		10.34	19.68			16.56	Oct-01-10
S&P 400 MIDCAP INDEX (DAILY)			-1.12	1.54	0.97	-1.12	25.24	9.77	33.50	17.88	-1.73		10.89	17.01			16.02	Oct-01-10
Excess			-0.30	-1.47	-1.93	-0.30	7.53	1.81	6.54	2.00	-5.06		-0.55	2.66			0.54	
BERS-TOTAL RUSSELL 1000	1,295.37	30.72	-2.75	-0.50	2.59	-2.75	40.68	12.92	62.18	14.87	-1.64	16.72	13.19	24.59	19.69	10.45	10.16	Sep-01-93
RUSSELL 1000 (DAILY)			-2.75	-0.43	2.67	-2.75	25.35	13.24	33.11	16.42	1.50	16.10	13.76	17.62	15.84	7.93	9.30	Sep-01-93
Excess			0.00	-0.07	-0.07	0.00	15.32	-0.32	29.07	-1.56	-3.14	0.62	-0.58	6.97	3.84	2.51	0.86	
BERS-RUSSELL 1000 PASSIVE	1,295.37	30.72	-2.75	-0.50	2.59	-2.75		13.12					13.64				15.53	Oct-01-13
RUSSELL 1000 (DAILY)			-2.75	-0.43	2.67	-2.75		13.24					13.76				15.60	Oct-01-13
Excess			0.00	-0.07	-0.07	0.00		-0.12					-0.12				-0.07	

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NYC BERS BLACKROCK R1000 GROWTH	656.58	15.57	-1.51	0.49	4.67	-1.51		12.92					14.47				16.70	Oct-01-13
RUSSELL 1000 GROWTH - DAILY			-1.53	0.53	4.71	-1.53		13.05					14.59				16.70	Oct-01-13
Excess			0.02	-0.04	-0.05	0.02		-0.13					-0.12				0.00	
NYC BERS BLACKROCK R1000 VALUE	638.79	15.15	-3.98	-1.43	0.58	-3.98		13.39					12.88				14.40	Oct-01-13
RUSSELL 1000 VALUE (DAILY)			-4.00	-1.43	0.59	-4.00		13.45					12.93				14.48	Oct-01-13
Excess			0.02	0.00	-0.01	0.02		-0.06					-0.05				-0.08	
BERS-TOTAL EMERGING MANAGER PROGRAM	132.73	3.15	-3.15	-1.49	-1.09	-3.15	24.89	5.43	40.84	17.00	-1.75	18.99	5.64	16.32	15.27	8.16	8.05	Apr-01-04
RUSSELL 3000 (DAILY)			-2.78	-0.43	2.32	-2.78	25.22	12.56	33.55	16.42	1.03	16.93	12.99	17.43	15.83	7.93	7.93	Apr-01-04
Excess			-0.37	-1.06	-3.41	-0.37	-0.33	-7.13	7.29	0.58	-2.78	2.06	-7.35	-1.11	-0.56	0.23	0.12	
BERS-TOTAL FIS	74.79	1.77	-3.72	-2.06	-2.07	-3.72	22.13	2.58	43.42	17.35	-2.62	27.68	2.20	16.00	16.40		6.47	Jan-01-08
RUSSELL 2000 (DAILY)			-3.22	-0.37	-1.62	-3.22	23.64	4.89	38.82	16.35	-4.18	26.85	4.41	15.27	15.66		7.58	Jan-01-08
Excess			-0.51	-1.69	-0.45	-0.51	-1.51	-2.32	4.60	1.00	1.55	0.83	-2.21	0.73	0.75		-1.11	
BERS-TOTAL PROGRESS	57.93	1.37	-2.64	-0.97	-0.15	-2.64	27.78	8.40	37.64	16.87	-1.43	16.04	9.20	16.63	14.98	8.22	5.76	May-01-99
RUSSELL 3000 (DAILY)			-2.78	-0.43	2.32	-2.78	25.22	12.56	33.55	16.42	1.03	16.93	12.99	17.43	15.83	7.93	5.14	May-01-99
Excess			0.15	-0.54	-2.48	0.15	2.56	-4.15	4.09	0.45	-2.45	-0.89	-3.80	-0.81	-0.84	0.29	0.62	
NON - US EQUITY																		
BERS-TOTAL DEVELOPED VALUE	302.60	7.18	-0.47	-1.81	-9.23	-0.47	22.45	-2.98	16.94	17.84	-9.92	18.56	1.00	8.30	7.78	5.81	7.14	Aug-01-04
MSCI EAFE VALUE NET (DAILY)			-0.28	-3.16	-11.00	-0.28	26.86	-5.39	22.95	17.69	-12.17	3.25	-2.17	9.07	5.35	4.00	5.45	Aug-01-04
Excess			-0.19	1.35	1.78	-0.19	-4.41	2.41	-6.01	0.15	2.26	15.31	3.17	-0.77	2.44	1.80	1.69	
Sprucegrove MTA (BOE)	302.60	7.18	-0.47	-1.81	-9.23	-0.47	22.45	-2.98	16.94	17.84	-9.92	18.56	1.00	8.30	7.78	5.81	7.14	Aug-01-04
MSCI EAFE VALUE NET (DAILY)			-0.28	-3.16	-11.00	-0.28	26.86	-5.39	22.95	17.69	-12.17	3.25	-2.17	9.07	5.35	4.00	5.45	Aug-01-04
Excess			-0.19	1.35	1.78	-0.19	-4.41	2.41	-6.01	0.15	2.26	15.31	3.17	-0.77	2.44	1.80	1.69	
BERS-TOTAL DEVELOPED GROWTH	336.42	7.98	-0.76	-1.03	-7.73	-0.76	26.44	-6.42	29.53	18.88	-10.71	17.36	-2.25	10.20	9.32		4.04	Aug-01-07
MSCI EAFE GROWTH			1.24	-0.20	-6.57	1.24	20.33	-4.43	22.55	16.86	-12.11	12.25	1.29	9.53	7.37		0.81	Aug-01-07
Excess			-2.00	-0.82	-1.16	-2.00	6.11	-1.99	6.98	2.02	1.40	5.12	-3.54	0.67	1.95		3.23	
Baillie Gifford MTA	336.42	7.98	-0.76	-1.03	-7.73	-0.76	26.44	-6.42	29.53	18.88	-10.71	17.36	-2.25	10.20	9.32		4.04	Aug-01-07
MSCI EAFE GROWTH			1.24	-0.20	-6.57	1.24	20.33	-4.43	22.55	16.86	-12.11	12.25	1.29	9.53	7.37		0.81	Aug-01-07
Excess			-2.00	-0.82	-1.16	-2.00	6.11	-1.99	6.98	2.02	1.40	5.12	-3.54	0.67	1.95		3.23	

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BERS-TOTAL DEVELOPED SMALL CAP	75.86	1.80	0.10	-1.38	-12.33	0.10	34.78	-4.60					-3.55				6.03	May-01-13
S&P EPAC Small Cap Index			0.40	0.28	-8.59	0.40	29.60	-3.10					-1.35				6.66	May-01-13
Excess			-0.30	-1.66	-3.74	-0.30	5.18	-1.50					-2.20				-0.62	
Acadian	75.86	1.80	0.10	-1.38	-12.33	0.10	34.78	-4.60					-3.55				6.03	May-01-13
S&P EPAC Small Cap Index			0.40	0.28	-8.59	0.40	29.60	-3.10					-1.35				6.66	May-01-13
Excess			-0.30	-1.66	-3.74	-0.30	5.18	-1.50					-2.20				-0.62	
BERS-TOTAL DEVELOPED EQUITY ACTIVE	714.89	16.95	-0.55	-1.40	-8.89	-0.55	25.59	-4.81	24.21	18.40	-10.35	17.92	-1.06	9.55	8.76	7.26	8.04	Nov-01-92
MSCI EAFE			0.49	-1.67	-8.79	0.49	23.57	-4.90	22.78	17.32	-12.14	7.75	-0.43	9.33	6.39	4.68	6.29	Nov-01-92
Excess			-1.04	0.27	-0.09	-1.04	2.02	0.10	1.43	1.09	1.79	10.17	-0.63	0.22	2.36	2.58	1.76	
EMERGING MARKETS																		
BERS-TOTAL EMERGING (INTL)	214.51	5.09	1.93	-1.98	-2.35	1.93	16.42	4.14	-4.27	18.15	-18.03	19.85	11.33	2.75	4.54	8.46	8.44	Nov-01-97
MSCI EMERGING MARKETS			0.60	-5.05	-7.29	0.60	14.31	-2.19	-2.60	18.22	-18.42	18.88	5.23	0.58	3.08	8.47		Nov-01-97
Excess			1.33	3.07	4.94	1.33	2.10	6.33	-1.67	-0.08	0.39	0.97	6.10	2.16	1.47	-0.01		
BERS-TOTAL ACTIVE EMERGING MARKETS	214.51	5.09	1.93	-1.98	-2.35	1.93	16.26	4.14	-4.70	18.12	-17.86	19.85	11.33	2.63	4.49	8.43	9.78	Apr-01-04
MSCI EMERGING MARKETS			0.60	-5.05	-7.29	0.60	14.31	-2.19	-2.60	18.22	-18.42	18.88	5.23	0.58	3.08	8.47	9.17	Apr-01-04
Excess			1.33	3.07	4.94	1.33	1.95	6.33	-2.10	-0.11	0.57	0.97	6.10	2.04	1.41	-0.04	0.61	
ACADIAN	214.51	5.09	1.93	-1.98	-2.35	1.93	16.26	4.14					11.33				1.37	Mar-01-13
MSCI EMERGING MARKETS			0.60	-5.05	-7.29	0.60	14.31	-2.19					5.23				-2.24	Mar-01-13
Excess			1.33	3.07	4.94	1.33	1.95	6.33					6.10				3.61	
BERS-TOTAL INTL EQUITY	929.40	22.04	0.01	-1.55	-7.50	0.01	23.68	-3.03	17.99	18.36	-11.84	18.25	1.42	8.23	7.94	7.48	7.86	Nov-01-92
MSCI AC WORLD ex US (NET)			-0.15	-3.05	-9.07	-0.15	21.75	-3.87	15.29	16.83	-13.71	11.15	0.56	6.58	5.45	5.30		Nov-01-92
Excess			0.16	1.51	1.56	0.16	1.93	0.83	2.70	1.52	1.87	7.09	0.86	1.65	2.49	2.19		
FIXED INCOME																		
BERS-TOTAL STRUCTURED	620.97	14.73	2.35	3.17	4.65	2.35	5.97	7.66	-2.38	6.68	9.23	8.36	8.25	4.28	5.92	5.68	8.19	Jan-01-85
NYC - Core Plus Five			2.45	3.53	4.97	2.45	5.54	7.66	-2.79	5.41	9.40	7.13	8.30	3.82	5.45	5.52		Jan-01-85
Excess			-0.10	-0.36	-0.32	-0.10	0.42	0.00	0.41	1.27	-0.17	1.23	-0.05	0.47	0.47	0.16		

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BERS-TOTAL MORTGAGE	255.35	6.06	1.06	1.39	2.70	1.06	4.45	5.80	-1.73	4.48	6.30	7.84	5.21	2.89	4.30	5.22		Apr-01-87
CITIGROUP MORTGAGE INDEX			0.83	1.66	2.83	0.83	4.59	6.12	-1.52	2.60	6.38	5.50	5.26	2.49	3.66	4.82		Apr-01-87
Excess			0.23	-0.27	-0.12	0.23	-0.14	-0.32	-0.21	1.88	-0.08	2.35	-0.05	0.40	0.64	0.40		
PIMCO - Mortgage	0.10	0.00																Apr-01-87
CITIGROUP MORTGAGE INDEX																		Apr-01-87
Excess																		
Blackrock Mortgages	255.25	6.05	1.06			1.06										1.06		Jan-01-15
CITIGROUP MORTGAGE INDEX			0.83			0.83										0.83		Jan-01-15
Excess			0.23			0.23										0.23		
BERS-TOTAL INVESTMENT GRADE CREDIT	264.49	6.27	2.55	3.14	4.26	2.55	8.24	7.88	-1.07	10.36	8.34	9.02	9.00	5.81	7.02	5.45	7.79	Apr-01-87
NYC - Investment Grade Credit			2.60	3.17	4.20	2.60	7.17	7.04	-1.85	9.52	7.79	8.36	8.25	4.99	6.30	5.47		Apr-01-87
Excess			-0.06	-0.03	0.05	-0.06	1.07	0.83	0.78	0.83	0.55	0.66	0.76	0.83	0.72	-0.02		
Prudential - Credit	141.29	3.35	2.61	3.29	4.29	2.61	7.63	7.28	-1.21	9.51	8.00	8.72	8.30	5.28	6.59		7.14	Aug-01-09
NYC - Investment Grade Credit			2.60	3.17	4.20	2.60	7.17	7.04	-1.85	9.52	7.79	8.36	8.25	4.99	6.30		6.87	Aug-01-09
Excess			0.00	0.12	0.09	0.00	0.45	0.24	0.64	-0.01	0.20	0.36	0.05	0.29	0.29		0.27	
Taplin Canida Habacht - Credit	106.64	2.53	2.42	2.91	4.00	2.42	9.44	8.77	-1.04	11.51	8.83	9.43	9.74	6.49	7.57	5.71	7.18	Jan-01-93
NYC - Investment Grade Credit			2.60	3.17	4.20	2.60	7.17	7.04	-1.85	9.52	7.79	8.36	8.25	4.99	6.30	5.47	6.62	Jan-01-93
Excess			-0.19	-0.27	-0.20	-0.19	2.27	1.73	0.81	1.99	1.04	1.07	1.49	1.50	1.27	0.24	0.56	
Prudential-Privest - Credit	16.57	0.39	2.87	3.40	5.65	2.87	5.92	7.27	0.00				10.35				4.84	Jan-01-13
NYC - Investment Grade Credit			2.60	3.17	4.20	2.60	7.17	7.04	-1.85				8.25				3.66	Jan-01-13
Excess			0.27	0.23	1.45	0.27	-1.25	0.23	1.85				2.11				1.17	
BERS-TOTAL GOVERNMENT	101.13	2.40	5.22	8.03	11.07	5.22	3.97	12.27	-7.49	3.95	18.52	8.93	14.58	4.14	7.49	6.53	8.05	May-01-87
NYC - Treasury Agency Plus Five			5.21	7.97	11.01	5.21	3.79	12.38	-7.48	3.84	18.44	9.24	14.61	4.14	7.53	6.48		May-01-87
Excess			0.01	0.06	0.06	0.01	0.19	-0.11	-0.01	0.11	0.08	-0.32	-0.02	0.01	-0.04	0.05		
State Street Govt	101.13	2.40	5.22	8.03	11.07	5.22	3.97	12.27	-7.49	3.95	18.52	8.93	14.58	4.14	7.49	6.57	7.53	Jan-01-93
NYC - Treasury Agency Plus Five			5.21	7.97	11.01	5.21	3.79	12.38	-7.48	3.84	18.44	9.24	14.61	4.14	7.53	6.48	7.43	Jan-01-93
Excess			0.01	0.06	0.06	0.01	0.19	-0.11	-0.01	0.11	0.08	-0.32	-0.02	0.01	-0.04	0.09	0.10	

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HIGH YIELD																		
BERS-TOTAL HIGH YIELD	212.29	5.03	0.94	-1.34	-1.98	0.94	12.96	3.09	8.39	15.68	6.25	15.01	3.17	8.12	9.56	7.82	6.13	Aug-01-97
CITIGROUP BB & B			0.60	-1.69	-1.81	0.60	10.91	2.78	6.17	14.45	6.58	13.35	2.70	6.99	8.54	6.40	6.17	Aug-01-97
Excess			0.34	0.35	-0.17	0.34	2.05	0.30	2.22	1.23	-0.33	1.66	0.47	1.14	1.02	1.42	-0.03	
Loomis Sayles - High Yield	114.61	2.72	0.97	-1.90	-2.97	0.97	14.13	3.16	9.95	17.52	7.14	15.79	3.09	9.07	10.50	8.71	7.78	Aug-01-97
NYC-Loomis (BoA MLMSTII 7-03/BB&B PRIOR)			0.69	-1.50	-2.30	0.69	11.80	2.50	7.42	15.58	4.38	15.19	2.45	7.59	8.70	7.69	6.98	Aug-01-97
Excess			0.28	-0.40	-0.67	0.28	2.33	0.66	2.54	1.94	2.75	0.60	0.64	1.49	1.80	1.02	0.80	
Shenkman - High Yield	97.67	2.32	0.90	-0.67	-0.79	0.90	11.59	3.01	6.63				3.26				6.05	Sep-01-12
CITIGROUP BB & B			0.60	-1.69	-1.81	0.60	10.91	2.78	6.17				2.70				5.70	Sep-01-12
Excess			0.30	1.01	1.02	0.30	0.68	0.23	0.46				0.56				0.34	
BANK LOANS																		
BERS-TOTAL BANK LOANS	83.32	1.98	0.26	-0.20	0.07	0.26	6.31	2.34	6.33				1.90				4.45	Dec-01-12
CSFB LEVERAGED LOAN INDEX			0.26	-0.40	-0.44	0.26	6.11	2.06	6.15				1.60				4.23	Dec-01-12
Excess			0.00	0.20	0.51	0.00	0.20	0.28	0.18				0.30				0.22	
Babson BL	83.32	1.98	0.26	-0.20	0.07	0.26	6.31	2.34	6.33				1.90				4.45	Dec-01-12
CSFB LEVERAGED LOAN INDEX			0.26	-0.40	-0.44	0.26	6.11	2.06	6.15				1.60				4.23	Dec-01-12
Excess			0.00	0.20	0.51	0.00	0.20	0.28	0.18				0.30				0.22	
BERS-TOTAL ACTIVE TIPS MANAGERS	142.47	3.38	3.26	2.04	0.86	3.26	4.44	3.37	-8.52	7.67	13.34	6.57	4.57	0.97	4.59		4.77	Jun-01-05
Barclays Global Inflation Linked: US TIPS (Daily)			3.15	2.25	1.01	3.15	4.44	3.64	-8.61	6.98	13.56	6.31	4.83	0.72	4.43		4.62	Jun-01-05
Excess			0.11	-0.20	-0.15	0.11	0.01	-0.27	0.09	0.69	-0.22	0.26	-0.26	0.25	0.16		0.16	
PIMCO TIPS MTA	142.47	3.38	3.26	2.04	0.86	3.26	4.44	3.37	-8.52	7.67	13.34	6.57	4.57	0.97	4.59		4.77	Jun-01-05
Barclays Global Inflation Linked: US TIPS (Daily)			3.15	2.25	1.01	3.15	4.44	3.64	-8.61	6.98	13.56	6.31	4.83	0.72	4.43		4.62	Jun-01-05
Excess			0.11	-0.20	-0.15	0.11	0.01	-0.27	0.09	0.69	-0.22	0.26	-0.26	0.25	0.16		0.16	
OTHER FIXED INCOME																		
TOTAL BOE ETI (w/o cash)	23.48	0.56	1.94	3.41	4.58	1.94	5.12	7.43	-1.66	4.35	7.15	6.31	7.76	3.74	4.76	6.08	7.24	Dec-01-84
BERS Custom Benchmark (No Cash)			1.60	2.39	3.57	1.60	4.20	5.76	-1.71	3.74	7.09	5.98	5.93	2.84	4.17			Dec-01-84
Excess			0.33	1.02	1.02	0.33	0.92	1.67	0.05	0.60	0.06	0.33	1.83	0.90	0.59			

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AFL-CIO Hsg Inv Trust	12.42	0.29	1.87	3.01	3.96	1.87	4.45	6.33	-2.37	4.27	7.86	6.16	6.71	3.05	4.45		5.07	Dec-01-06
Barclays Aggregate (Daily)			2.10	2.92	4.10	2.10	4.37	5.97	-2.02	4.21	7.84	6.54	6.61	3.07	4.57		5.13	Dec-01-06
Excess			-0.23	0.09	-0.14	-0.23	0.08	0.36	-0.35	0.06	0.02	-0.39	0.10	-0.03	-0.12		-0.06	
Access RBC	7.30	0.17	1.24	2.23	3.68	1.24	4.33	6.95	-2.09	4.43	6.99	5.72	6.47	3.32	4.26		5.77	Mar-01-07
Access RBC Benchmark			1.14	1.79	2.86	1.14	3.55	5.08	-1.50	2.38	6.32	5.52	4.81	2.17	3.46		4.73	Mar-01-07
Excess			0.10	0.44	0.81	0.10	0.79	1.86	-0.59	2.06	0.66	0.20	1.65	1.15	0.80		1.03	
CPC CONST FACILITY	0.42	0.01	0.29	0.65		0.29											1.09	Aug-01-14
CPC CONST BENCHMARK			0.24	0.71		0.24											1.42	Aug-01-14
Excess			0.06	-0.06		0.06											-0.34	
BERS-TOTAL PPAR	3.34	0.08	3.92	8.19	10.41	3.92	15.99	17.33	9.39	9.28	4.97	8.51	18.24	13.20	10.40		9.79	Oct-01-06
GNMA Plus 65bps			0.48	1.23	2.58	0.48	5.44	6.65	-1.56	2.89	8.70	7.32	5.04	2.67	4.56		5.74	Oct-01-06
Excess			3.44	6.96	7.84	3.44	10.56	10.68	10.95	6.39	-3.73	1.19	13.20	10.53	5.83		4.05	
CFSB-PPAR	0.14	0.00	4.17	6.82	9.68	4.17	12.19	15.34	4.28	8.16	3.29	12.80	15.97	10.48	9.36		8.48	Oct-01-06
CCD-PPAR	0.36	0.01	4.21	6.75	9.47	4.21	13.62	15.37	8.64	11.40	5.59	11.58	16.73	13.11	11.13		10.21	Dec-01-06
NYC BERS CCD-PPAR ETI MTA 2013	0.65	0.02	3.88	16.28	19.45	3.88		25.71					26.46				27.00	Dec-01-13
CPC-PPAR	0.63	0.02	3.95	6.87	6.56	3.95		13.91					15.51				18.93	Aug-01-13
JPMC-PPAR	0.58	0.01	3.81	6.58	6.65	3.81		12.06					11.42				13.45	Sep-01-13
NYC BERS BOA-PPAR ETI MTA 2013	0.24	0.01	3.88	4.32	7.22	3.88		13.31					13.50				20.75	Dec-01-13
LIIF-PPAR	0.18	0.00	3.26	4.45	6.02	3.26	10.56	9.74	7.82	6.84	4.96	4.34	10.81	9.15	7.10		7.42	Aug-01-09
NCBCI-PPAR	0.10	0.00	4.45	7.50	10.79	4.45	17.59	16.66	12.06	9.46	8.50	4.10	17.53	14.16	10.84		10.53	Aug-01-09
NYC BERS LIIF-PPAR ETI MTA 2013	0.43	0.01	3.90	6.62	13.69	3.90		38.12					38.66				36.77	Nov-01-13
NYC BERS NCB-CI PPAR ETI MTA 2013	0.02	0.00	4.30	6.82	9.55	4.30		14.93					15.59				25.74	Nov-01-13
CASH																		
BERS-TOTAL CASH	180.44	4.28	0.12	0.17	0.30	0.12	0.75	0.27	0.29	0.54	0.59	0.47	0.38	0.39	0.43	2.21	2.18	Apr-01-04
91 DAY TREASURY BILL (DAILY)			0.00	0.01	0.02	0.00	0.05	0.03	0.07	0.11	0.10	0.13	0.03	0.07	0.09	1.55	1.54	Apr-01-04
Excess			0.12	0.16	0.29	0.12	0.69	0.24	0.22	0.43	0.49	0.34	0.35	0.32	0.35	0.66	0.64	
BOARD OF ED. SHORT TERM	180.38	4.28	0.12	0.17	0.31	0.12	0.75	0.28	0.29	0.53	0.62	0.47	0.38	0.39	0.44	2.16	2.28	Oct-01-00
91 DAY T-BILL			0.00	0.00	0.00	0.00	0.05	0.02	0.08	0.11	0.11	0.14	0.01	0.07	0.09	1.53	1.80	Oct-01-00
Excess			0.12	0.17	0.31	0.12	0.70	0.26	0.21	0.42	0.51	0.33	0.37	0.32	0.35	0.62	0.48	
C/D - Fail Float Earnings	0.07	0.00																Apr-01-04
SECURITY LENDING	0.30	0.01																Apr-01-04

New York City Board of Education Retirement System

Manager / Benchmark Comparison Report



STATE STREET®

Rates of Return - Total

Periods Ending January 31, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
PRIVATE EQUITY																		
BERS-TOTAL PRIVATE EQUITY	162.18	3.85	-0.02	3.35	8.44	-0.02	24.58	22.16	15.34	7.70	19.15	13.64	22.13	14.91	15.49		3.88	Jul-01-06
NYC R3000 +3% Lagged			3.00	5.60	9.62	3.00	25.27	21.24	24.53	35.20	5.55	15.96	19.51	28.11	20.81		12.26	Jul-01-06
Excess			-3.02	-2.25	-1.19	-3.02	-0.69	0.92	-9.19	-27.50	13.60	-2.32	2.62	-13.20	-5.32		-8.37	
REAL ASSETS																		
BERS-TOTAL REAL ASSETS	161.22	3.82	1.58	2.44	7.47	1.58	10.22	13.77	8.57	14.30	9.43		14.19	12.04			11.41	Dec-01-10
BERS-TOTAL PRIVATE REAL ESTATE	156.45	3.71	1.61	2.41	7.52	1.61	10.16	13.67	8.64	14.30	9.43		14.10	12.03			11.41	Dec-01-10
NCREIF NFI-ODCE NET + 100 BP			0.08	3.28	6.73	0.08	12.85	12.56	14.02	10.88	16.09		12.56	12.48			14.09	Dec-01-10
Excess			1.52	-0.87	0.79	1.52	-2.69	1.10	-5.39	3.41	-6.66		1.54	-0.45			-2.68	
BERS-TOTAL INFRASTRUCTURE	4.77	0.11	0.72	3.45	5.39	0.72		18.85					19.71				16.62	Dec-01-13
CPI + 4%			0.00	0.02	1.32	0.00		4.69					4.20				4.50	Dec-01-13
Excess			0.72	3.42	4.07	0.72		14.16					15.51				12.13	
BERS-TOTAL BOARD OF ED.																		
Board of Education Policy Benchmark	4,216.97	100.00	-0.56	0.13	0.02	-0.56	19.47	6.64	18.78	13.50	-0.42	14.95	8.02	11.11	10.80	7.24	8.90	Jul-01-87
Board of Education Policy Benchmark			-0.28	0.24	0.40	-0.28	18.30	6.93	18.10	14.05	0.47	13.04	8.52	11.29	10.80	6.99		Jul-01-87
Excess			-0.28	-0.11	-0.38	-0.28	1.17	-0.29	0.68	-0.55	-0.89	1.91	-0.50	-0.19	0.00	0.25		

NYC Board of Education Retirement System
Private Equity Portfolio
As of September 30, 2014 (in USD)

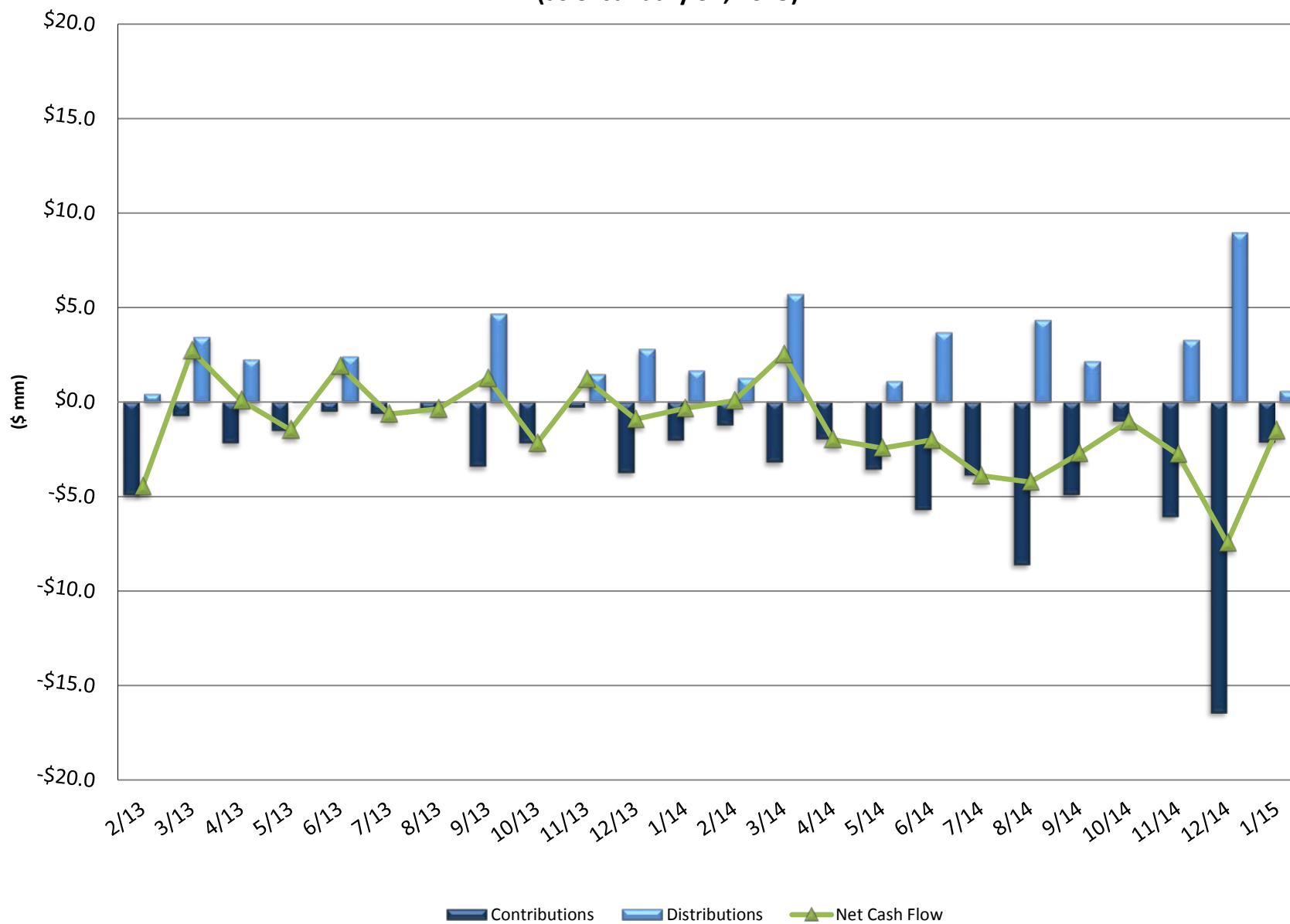
Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
Active Investments								
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$ 57,000,000	\$ 53,383,273	\$ 36,976,092	\$ 47,783,943	1.59x	9.02%
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	20,217,233	6,253,759	22,603,482	1.43x	9.75%
2006	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	16,929,477	9,607,456	12,468,717	1.30x	6.60%
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	25,214,326	2,033,886	31,941,246	1.35x	15.57%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	13,060,550	808,675	14,813,874	1.20x	18.08%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	15,000,000	6,119,586	4,326,329	4,718,802	1.48x	67.81%
2013	Carlyle Partners VI, L.P.	7/3/2013	20,000,000	5,866,690	-	5,387,875	0.92x	N/M
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	2,200,000	485,812	-	450,027	0.00x	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	19,000,000	3,422,350	-	4,508,759	1.32x	N/M
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	6,000,000	1,065,753	-	1,179,482	1.11x	N/M
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	20,000,000	1,824,934	12,756	1,697,569	0.94x	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	19,530,845	1,540,062	386	1,257,175	0.82x	N/M
2014	ASF VI, L.P.	5/9/2014	15,000,000	3,223,706	-	3,824,903	1.19x	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	5,000,000	500	-	500	1.00x	N/M
2014	Crestview Partners III, L.P.	N/A	15,000,000	-	-	-	0.00x	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	N/A	5,000,000	-	-	-	0.00x	N/M
2014	Lexington Capital Partners VIII, L.P.	N/A	20,000,000	-	-	-	0.00x	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	25,000,000	945,646	-	692,806	0.73x	N/M
Total Portfolio			\$ 357,730,845	\$ 153,299,898	\$ 60,019,339	\$ 153,329,160	1.39x	9.86%

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
Commitments Closed Subsequent to as of Date								
2014	*NMS Fund II, L.P.	N/A	\$ 1,200,000	-	-	-	N/A	N/A
2013	Centerbridge Capital Partners III, L.P.	N/A	2,500,000	-	-	-	N/A	N/A
2014	*Webster Capital III, L.P.	N/A	2,250,000	-	-	-	N/A	N/A
2014	*Mill City Fund II, L.P.	N/A	1,200,000	-	-	-	N/A	N/A
2014	*Raine Partners II, L.P.	N/A	3,000,000	-	-	-	N/A	N/A
2014	American Securities Partners VII, L.P.	N/A	8,000,000	-	-	-	N/A	N/A
2014	Siris Partners III, L.P.	N/A	3,500,000	-	-	-	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 21,650,000	\$ -	\$ -	\$ -	N/A	N/A

*NMS Fund II, L.P., Webster Capital III, L.P., Mill City Fund II, L.P., and Raine Partners II, L.P. are part of the NYCBERS - 2012 Emerging Manager Program of which NYCBERS has total commitments of \$25.0 million.

Note: Where available, September 30, 2014 reported valuations were used. In the absence of September 30, 2014 reported values, market values have been adjusted forward using interim cashflows through September 30, 2014. 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, 2014.

NYC BERS Monthly PE Cash Flow Summary
(as of January 31, 2015)

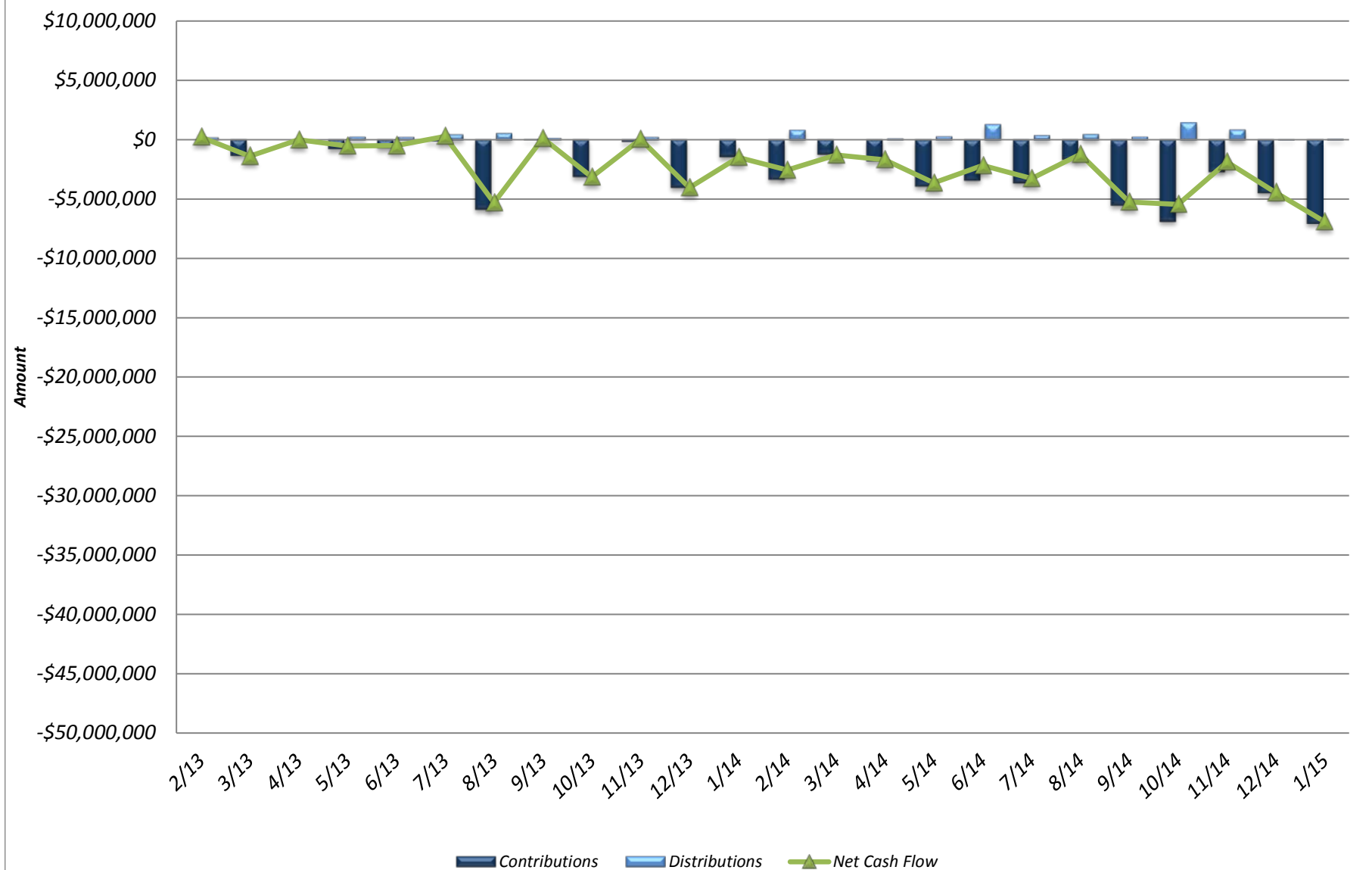




3Q2014 New York City Board of Education Retirement System

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2011	UBS Trumbull Property Fund	4/1/2011	\$41,400,000	\$49,496,893	(\$6,466,240)	\$59,750,463	1.3	10.0%
2011	LaSalle Property Fund	12/13/2010	\$27,600,000	\$23,715,512	(\$2,628,954)	\$28,197,300	1.3	12.3%
2013	NYC Asset Investor #2 LLC- Related	7/9/2013	\$11,000,000	\$5,042,624	(\$134,023)	\$4,978,209	1.0	2.6%
2014	MetLife Core Property Fund	7/1/2014	\$15,000,000	\$2,906,977	(\$31,388)	\$3,006,337	1.0	19.3%
Core/Core Plus Portfolio			\$95,000,000	\$81,162,006	(\$9,260,605)	\$95,932,309	1.3	10.5%
2011	Franklin Templeton Private Real Estate Fund	3/31/2011	\$30,000,000	\$20,751,682	(\$8,027,570)	\$16,628,621	1.2	19.3%
2012	Brookfield Strategic Real Estate Partners	9/20/2012	\$10,000,000	\$6,300,267	(\$1,243,406)	\$6,253,341	1.2	19.3%
2013	NYC Asset Investor #1 LLC- Emmes	6/25/2013	\$10,000,000	\$3,800,038	(\$284,441)	\$4,089,390	1.2	26.1%
2013	NYC Asset Investor #3 LLC- Hudson	9/20/2013	\$8,000,000	\$1,206,878	\$0	\$1,165,372	1.0	-8.3%
2014	Blackstone Real Estate Partners Europe IV	12/23/2013	\$32,500,000	\$10,226,679	(\$760,353)	\$9,704,489	1.0	5.6%
2014	Carlyle Realty Partners VII	6/30/2014	\$25,000,000	\$102,603	\$0	(\$86,753)	n/a	n/a
Non-Core Portfolio			\$115,500,000	\$42,388,146	(\$10,315,770)	\$37,754,460	1.1	17.2%
New York City Board of Education Retirement System			\$210,500,000	\$123,550,152	(\$19,576,375)	\$133,686,770	1.2	11.3%

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, 2014. 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

III. Trustee Education (**Handout**):

APPENDICES:

Basket Clause

BERS- BASKET/NON BASKET SUMMARY

As of January 31st, 2015 Equity	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Domestic Equity	40.3%	0.0%	40.3%	40.3%	0.0%	40.3%
Non-U.S. Equity	10.0%	12.0%	22.0%	10.0%	12.0%	22.0%
Private Equity	0.0%	3.8%	3.8%	0.0%	3.8%	3.8%
Real Assets	3.8%	0.0%	3.8%	3.8%	0.0%	3.8%
Total Equity	54.2%	15.8%	70.0%	54.2%	15.9%	70.0%
Fixed Income						
Core+5	16.5%	0.5%	17.0%	14.2%	0.5%	14.7%
<i>U.S. Gov't Sector</i>	3.5%	0.0%	3.5%	2.4%	0.0%	2.4%
<i>Mortgage Sector</i>	6.2%	0.0%	6.2%	6.1%	0.0%	6.1%
<i>Credit Sector</i>	6.8%	0.5%	7.3%	6.3%	0.5%	6.8%
High Yield	4.5%	1.0%	5.5%	4.0%	1.0%	5.0%
Bank Loans	0.0%	2.5%	2.5%	0.0%	2.0%	2.0%
TIPS	4.5%	0.5%	5.0%	3.0%	0.3%	3.4%
Other Fixed Income	0.0%	0.0%	0.0%	4.8%	0.0%	4.8%
Total Fixed Income	25.5%	4.5%	30.0%	26.1%	3.8%	30.0%
Total Fund	79.6%	20.4%	100.0%	80.3%	19.7%	100.0%

Remaining Capacity

4.6%

5.3%

* Note: Basket amounts are estimates

Liquidity Analysis

BERS Liquidity Profile - Static Analysis

3/2/15

AUM as of January 31, 2015

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$1,701	\$1,701	\$1,701	\$1,701
International Equity	715	715	715	715
Emerging Markets	215	215	215	215
Private Equity	162	0	0	0
Private Real Estate	161	0	0	0
Core + 5	621	621	621	621
TIPS	142	142	142	142
Enhanced Yield	212	212	212	212
Bank Loans	83	83	83	83
ETI	23	12	20	20
Cash	181	181	181	181
Total Assets	\$4,217	\$3,883	\$3,890	\$3,890
Total Illiquid \$		\$334	\$327	\$327
Total Illiquid %		7.9%	7.8%	7.8%
Unfunded PE Commitments	\$209			
Unfunded RE Commitments	107			
Total commitments \$	\$316			
Total commitments %	7.5%			

BERS Liquidity Profile - Static Analysis

3/2/15

AUM as of January 31, 2015

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$334	\$327	\$327
Total Illiquid %	11.9%	11.6%	11.6%

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	\$4,217	\$3,883	\$3,890	\$3,890

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$42	\$83
Unfunded RE Commitments Drawn	21	43
Total commitments \$	\$63	\$126
Total commitments %	1.5%	3.0%

Total Illiquid \$	\$390	\$453
Total Illiquid %	9.3%	10.8%

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 \$	\$334	\$390	\$453
Total Illiquid %	11.9%	13.9%	16.1%

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