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## MEMORANDUM

- TO: Trustees New York City Employees' Retirement System
- FROM: Lawrence Schloss
- DATE: June 18, 2013
- RE: NYC Employees' Retirement System Investment Meeting June 25, 2013

Enclosed is a copy of the **public agenda** for the June 25, 2013 Investment Meeting. The meeting will be held at 335 Adams Street - Suite 2200, Brooklyn, N.Y., (beginning at 9:30am).

Please remember to bring your **Quarterly Performance Overview book** to the meeting; it has been mailed to you.

If you have questions about any agenda item please call me at (212) 669-8318.



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

John C. Liu

## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## **INVESTMENT MEETING**

JUNE 25, 2013

## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## **INVESTMENT MEETING**

## JUNE 25, 2013

## PUBLIC AGENDA

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| (To be distributed)   |  |
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# PUBLIC AGENDA

I. Performance Reviews:

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Private Equity Quarterly Report



## **Private Equity Monitoring Report**

For the period ended December 31, 2012

Report Prepared For:

New York City Employees' Retirement System





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## I. Executive Summary

The New York City Employees' Retirement System ("NYCERS") established the Alternative Investment Program (the "Program") on January 1, 1997 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

StepStone Group LP ("StepStone") was engaged by NYCERS on September 1, 2011 to provide private equity advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through December 31, 2012, the Program has committed US\$6.7 billion to 142 partnership investments (the "Portfolio"). This quarterly monitoring report covers the performance of the Portfolio as of December 31, 2012 Pro-Forma for the Secondary Sale as well as significant activity that occurred during the fourth quarter of 2012.

### **Performance Summary**

| US\$ in millions                       | December 31, 2012 | September 30, 2012 | December 31, 2011 | Quarterly<br>Change | Yearly<br>Change |
|--|-------------------|--------------------|-------------------|---------------------|------------------|
| Number of Managers                     | 94                | 93                 | 92                | 1                   | 2                |
| Number of Investments                  | 142               | 139                | 135               | 3                   | 7                |
| Committed Capital                      | \$6,719.0         | \$6,532.1          | \$6,123.5         | \$187.0             | \$595.5          |
| Net Contributed Capital <sup>1</sup>   | \$4,555.6         | \$4,342.6          | \$3,849.8         | \$213.0             | \$705.8          |
| Net Distributed Capital <sup>2</sup>   | \$2,311.1         | \$2,037.8          | \$1,587.0         | \$273.3             | \$724.1          |
| Market Value <sup>3</sup>              | \$3,537.1         | \$3,504.4          | \$3,230.7         | \$32.8              | \$306.4          |
| Total Value                            | \$5,848.3         | \$5,542.2          | \$4,817.7         | \$306.1             | \$1,030.5        |
| Total Gain/(Loss)                      | \$1,292.7         | \$1,199.6          | \$968.0           | \$93.1              | \$324.7          |
| Unfunded Commitment <sup>4</sup>       | \$2,044.0         | \$2,082.0          | \$2,161.1         | (\$37.9)            | (\$117.0)        |
| Total Exposure <sup>5</sup>            | \$5,581.1         | \$5,586.3          | \$5,391.8         | (\$5.2)             | \$189.3          |
| DPI <sup>6</sup>                       | 0.51x             | 0.47x              | 0.41x             | 0.04x               | 0.10x            |
| TVM <sup>7</sup>                       | 1.28x             | 1.28x              | 1.25x             | 0.01x               | 0.03x            |
| IRR <sup>8</sup>                       | 8.6%              | 8.3%               | 8.2%              | + 26 bps            | + 40 bps         |
| TVM Net of StepStone Fees <sup>9</sup> | 1.28x             | 1.28x              | 1.25x             | 0.00x               | 0.03x            |
| IRR Net of StepStone Fees <sup>9</sup> | 8.6%              | 8.3%               | 8.2%              | + 26 bps            | + 39 bps         |

<sup>1</sup> Net Contributed Capital represents total contributed capital net of distributions subject to recall.

<sup>2</sup> Net Distributed Capital represents total permanent (non-recallable) distributed capital. Please note that the Net Distributed Capital is presented Pro-Forma for the proceeds received and expected to be received from the sale of 11 partnership investments in secondary transactions that closed during the first half of 2012.

<sup>3</sup> Please note that the Market Value is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first half of 2012.

<sup>4</sup> Unfunded Commitment represents the aggregate remaining commitments to partnership investments. Please note that the Unfunded Commitment is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first half of 2012.

<sup>5</sup> Total Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>6</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Net Distributed Capital divided by Net Contributed Capital.

<sup>7</sup> TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Net Distributed Capital, divided by Net Contributed Capital.

<sup>8</sup> IRR, or Internal Rate is 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 manager's fees, expenses and carried interest.

<sup>9</sup> TVM and IRR Net of StepStone fees represent TVM and IRR net of fees paid by NYCERS to StepStone.

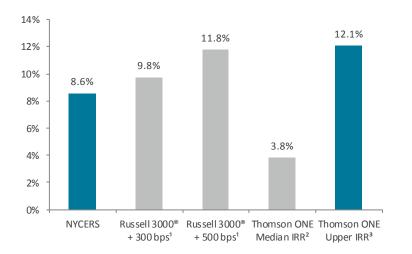


## Portfolio Performance vs. Benchmarks

The Portfolio's performance is measured against two benchmarks:

- 1. A dollar-weighted public benchmark, which produced the return that would have been earned if NYCERS's private equity cash flows were invested in the Russell 3000<sup>®</sup> Index<sup>1</sup> plus a 300 and a 500 basis point liquidity premium (*the Opportunity Cost Benchmark*).
- 2. The Thomson ONE (formerly Venture Economics) Median Return (the Relative Benchmark).

The following graph illustrates Portfolio IRR performance versus benchmarks as of December 31, 2012.



<sup>1</sup>Benchmark is a dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000<sup>®</sup> Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell<sup>®</sup> is a trademark of Russell Investment Group.

<sup>2</sup>Benchmark is provided by Thomson ONE and reflects U.S. All Private Equity Funds Median Quartile IRR as of December 31, 2012 for funds with vintage years 1998 to 2012. Note: Thomson ONE data is continuously updated and is therefore subject to change.

<sup>3</sup>Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE and reflects U.S. All Private Equity Funds Upper Quartile IRR as of December 31, 2012 for funds with vintage years 1998 to 2012. Note: Thomson ONE data is continuously updated and is therefore subject to change.

## **Portfolio Diversification**

### **By Strategy**

|  | Market  | Market Value |         | mmitment   | Total Exposure |            |
|--|---------|--------------|---------|------------|----------------|------------|
| As of December 31, 2012 (US\$ in millions) | \$      | % of Total   |         | % of Total |                | % of Total |
| Buyout                                     | 2,191.2 | 61.9%        | 1,230.8 | 60.2%      | 3,421.9        | 61.3%      |
| Growth Equity                              | 176.4   | 5.0%         | 186.8   | 9.1%       | 363.2          | 6.5%       |
| Special Situations                         | 163.7   | 4.6%         | 278.8   | 13.6%      | 442.5          | 7.9%       |
| Energy                                     | 252.4   | 7.1%         | 56.4    | 2.8%       | 308.8          | 5.5%       |
| Secondaries                                | 186.7   | 5.3%         | 146.0   | 7.1%       | 332.7          | 6.0%       |
| Co-Investment                              | 64.9    | 1.8%         | 10.7    | 0.5%       | 75.6           | 1.4%       |
| Other                                      | 501.8   | 14.2%        | 134.6   | 6.6%       | 636.3          | 11.4%      |
| Total                                      | 3,537.1 | 100.0%       | 2,044.0 | 100.0%     | 5,581.1        | 100.0%     |

### **By Fund Geographic Focus**

|  | Market  | Market Value |         | ommitment  | Total Exposure |            |
|--|---------|--------------|---------|------------|----------------|------------|
| As of December 31, 2012 (US\$ in millions) | \$      | % of Total   |         | % of Total |                | % of Total |
| North America                              | 2,444.0 | 69.1%        | 1,275.5 | 62.4%      | 3,719.5        | 66.6%      |
| Global                                     | 836.9   | 23.7%        | 555.3   | 27.2%      | 1,392.2        | 24.9%      |
| Western Europe                             | 226.0   | 6.4%         | 201.0   | 9.8%       | 427.0          | 7.7%       |
| Rest of World                              | 30.2    | 0.9%         | 12.2    | 0.6%       | 42.4           | 0.8%       |
| Total                                      | 3,537.1 | 100.0%       | 2,044.0 | 100.0%     | 5,581.1        | 100.0%     |



## **II. Market Overview**

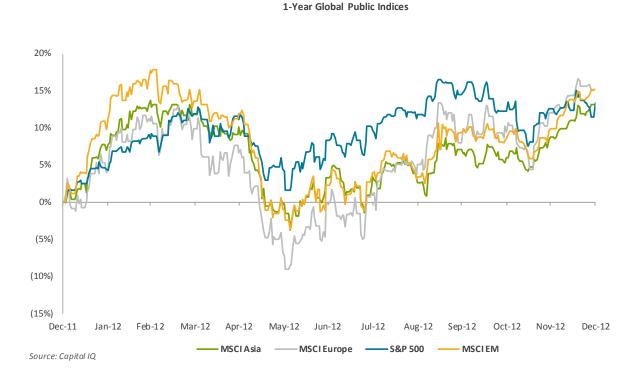
## **Executive Summary**

U.S. public equity markets were down slightly during the fourth quarter of 2012 amid uncertainty surrounding the November elections, however international markets posted strong gains for the quarter, led by Europe which was partially driven by pledges related to bailouts from the European Central Bank. U.S. LBO new loan issuance rose for the third consecutive quarter to \$17.5 billion, representing an increase of 29.2% from the prior quarter, and is the highest quarterly total since the first quarter of 2008. Purchase price multiples for U.S. LBOs stayed unchanged at 9.1x EBITDA in the fourth quarter, remaining at relatively elevated levels. Private equity investment activity slowed by 6.8% during the fourth quarter to \$54.4 billion but still came in over the \$50.0 billion mark for the third consecutive quarter. Although fundraising activity increased slightly quarter-over-quarter to \$54.0 billion, 2012 yearly totals came in 9% lower than 2011. In terms of dollars raised, IPO activity nearly doubled during the quarter to \$5.3 billion.

## **Capital Markets Overview**

### **Public Equity Markets**

Public equity markets were mixed during the fourth quarter of 2012, with regional indices around the world posting strong returns while the S&P 500 declined in value slightly. Promises of support from the European Central Bank helped drive the MSCI Europe higher by 6.6% during the quarter. For the one-year period ending December 31, 2012, each of the four global indices below increased by more than 13%, with the MSCI Europe posting the largest increase at 15.2% (as seen on the chart below).





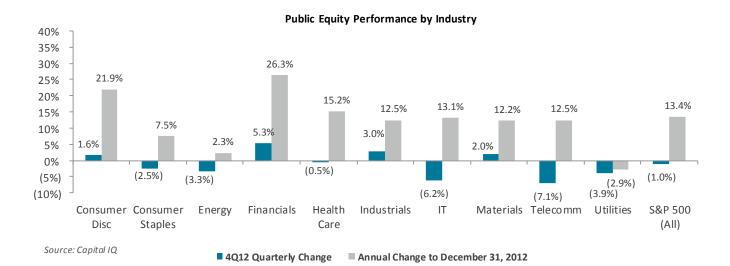
The following table shows the holding period returns of three MSCI indices and the S&P 500 over various time horizons from three months to ten years through December 31, 2012. Only the S&P 500 declined in value during the fourth quarter while the three MSCI indices posted strong gains, led by MSCI Europe's quarterly return of 6.6%. On a three-year horizon, however, the S&P 500 was the only index that recorded double-digit growth, and the MSCI Europe index was almost flat. On a 10-year horizon, the MSCI emerging markets index grew by more than 260%, which was nearly four times the growth of MSCI Europe or S&P 500 and nearly three times the growth of MSCI Asia.

|             | Current Qtr | 1 Yr  | 3 Yr  | 5 Yr    | 10 Yr  |
|-------------|-------------|-------|-------|---------|--------|
| MSCI Asia   | 5.6%        | 13.1% | 7.1%  | (19.3%) | 92.8%  |
| MSCI Europe | 6.6%        | 15.2% | 0.3%  | (31.8%) | 66.7%  |
| MSCI EM     | 5.2%        | 15.1% | 6.6%  | (15.3%) | 261.3% |
| S&P 500     | (1.0%)      | 13.4% | 27.9% | (2.9%)  | 62.1%  |

For the period ended December 31, 2012

Source: Capital IQ

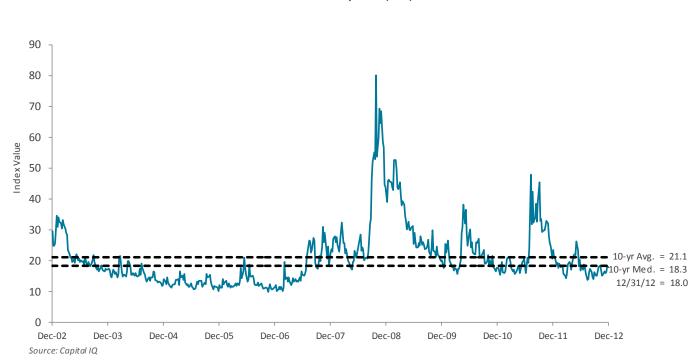
During the fourth quarter of 2012, weighted average stock prices decreased in six out of ten industry sectors in the S&P 500, with the index as a whole decreasing 1.0%. The best performing sector was Financials, which increased by 5.3% over the quarter, helping to drive a strong 1-year return of 26.3%. Over the past 12 months, nine out of ten sectors exhibited positive performance, with Utilities posting the only decline of 2.9%. The chart below details the capitalization-weighted average change in stock prices for the S&P 500 by industry during the fourth quarter and last 12 months ended December 31, 2012.



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The CBOE Volatility Index ("VIX"), maintained by the Chicago Board Options Exchange, is a popular indicator of investor sentiment and public market volatility. VIX measures the market's expectation of 30-day volatility based on S&P 500 index option prices. At the end of the fourth quarter the VIX was trading at 18.0, below the 10-year historical average of 21.1 and slightly below the 10-year median of 18.3, returning to the low levels seen at the end of the first quarter of 2012. The graph below depicts the historical level of the VIX over the last ten years through December 31, 2012.

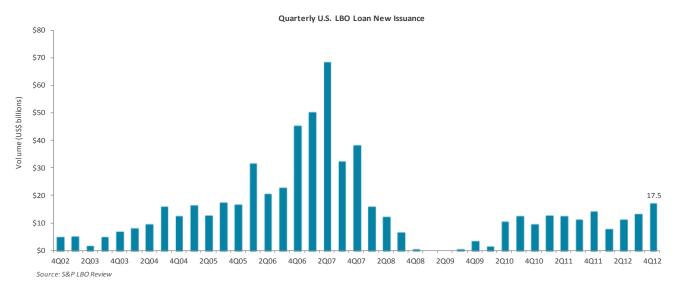


VIX Volatility Index (^VIX)

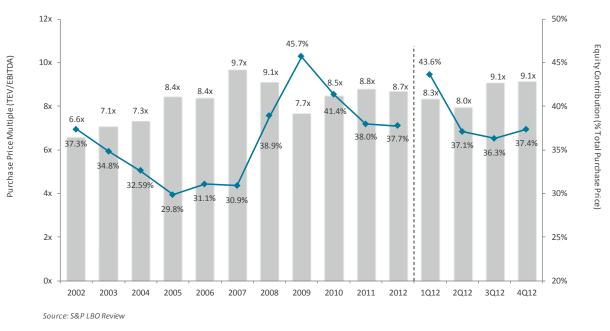


## **Debt Markets**

During the fourth quarter of 2012, U.S. LBO new loan issuance rose for the third consecutive quarter, totaling \$17.5 billion, representing an increase of 29.2% from the prior quarter, and is the highest quarterly total since the first quarter of 2008. Debt markets, benefiting from historically low interest rates, are providing an ample source of low-cost capital for buyout deals. The following chart shows the quarterly volume of U.S. LBO new loan issuance for the past ten years.



For the fourth quarter of 2012, the average purchase price multiple for LBO deals was 9.1x total enterprise value ("TEV") to earnings before interest, tax, depreciation, and amortization ("EBITDA"), unchanged from the third quarter of 2012. However, the average equity contribution for LBOs increased to 37.4% in the fourth quarter, up from 36.3% in the third quarter of 2012 and 1.3% higher than the 10-year average of 36.1%.



#### Purchase Price Multiples and Equity Contribution for U.S. LBOs

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## **Private Equity Market Overview**

### **All Private Equity**

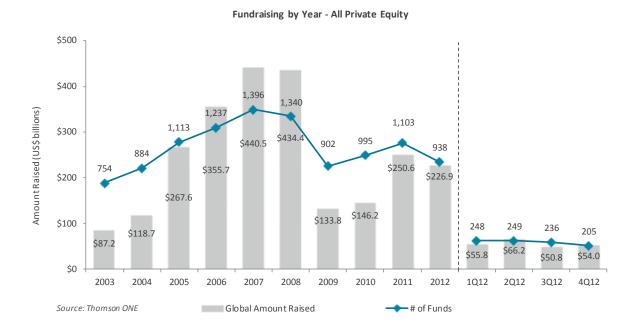
During the fourth quarter of 2012, private equity fund performance increased 3.3% compared to the S&P 500 which saw a decrease of 1.0% during the same period. Of note, the Small/Middle Buyouts sector increased 4.9% during the quarter, the largest single-sector increase during the fourth quarter. The table below shows the pooled Internal Rate of Return ("IRR") performance of global private equity investments by sector over various investment horizons from 3 months to 20 years through December 31, 2012.

| Sector                        | 3 Mo | 6 Mo | 1 Yr  | 3 Yr  | 5 Yr | 10 Yr | 20 Yr |
|-------------------------------|------|------|-------|-------|------|-------|-------|
| Venture Capital               | 1.4% | 2.7% | 8.6%  | 4.3%  | 0.6% | 4.4%  | 15.7% |
| All Buyouts                   | 3.4% | 9.4% | 15.3% | 10.5% | 3.6% | 10.9% | 10.5% |
| Small/Middle Buyouts (<\$2bn) | 4.9% | 8.5% | 16.2% | 8.3%  | 3.1% | 11.1% | 11.1% |
| Large/Mega Buyouts (>\$2bn)   | 2.8% | 9.8% | 15.0% | 12.0% | 3.9% | 10.7% | 9.8%  |
| Mezzanine                     | 1.9% | 3.1% | 2.5%  | 6.5%  | 3.2% | 7.1%  | 7.9%  |
| All Private Equity            | 3.3% | 8.3% | 14.1% | 9.3%  | 3.5% | 9.4%  | 11.3% |
| Courses Theorem ONE           |      |      |       |       |      |       |       |

Source: Thomson ONE

#### Fundraising

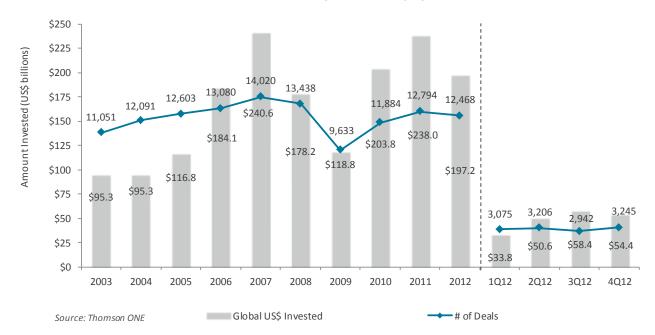
Private equity fundraising totaled \$54.0 billion in the fourth quarter of 2012, representing an increase of 6.3% from the prior quarter's total of \$50.8 billion and a decrease of 23.2% from the same period in the prior year. Buyout funds accounted for 73.8% of the amount raised during the fourth quarter of 2012, higher than the 10-year average of 66.0%. Venture Capital fundraising was down for the quarter, raising only \$5.0 billion, a decline from \$7.9 billion last quarter. The chart below shows private equity fundraising activity by calendar year over the last ten years through the fourth quarter of 2012.





#### **Investment Activity**

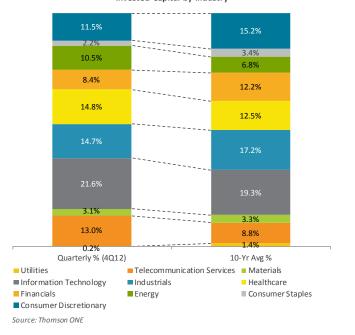
During the fourth quarter of 2012, private equity funds invested \$54.4 billion in 3,245 investments, compared to \$58.4 billion invested in the third quarter of 2012 and \$72.6 billion invested in the fourth quarter of 2011, representing a decrease of 6.8% and 25.0%, respectively. The average investment size during the quarter decreased to \$16.8 million, representing a decline of 15.5%, quarter-over-quarter.



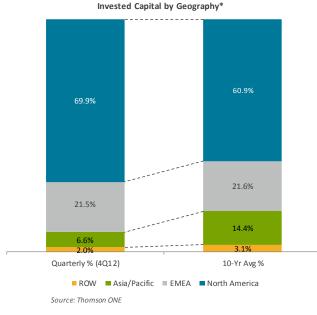
Investment Activity - All Private Equity



The Information Technology sector was the most active industry in terms of investment activity during the fourth quarter of 2012. Private equity funds invested \$11.8 billion, or 21.6% of total capital invested during the quarter, in 1,268 information technology companies. Moreover, the average investment size in the sector was \$9.3 million, compared to the 10-year average of \$7.6 million. On a pro-rata basis, investments in the Financials sector were down during the quarter compared to its historical average of 12.2%. The chart on the right details the percentage of invested capital by industry for the fourth quarter of 2012 and over the last ten years.



Invested Capital by Industry\*



The graph to the left shows invested capital by geography based on the geographic region in which portfolio companies are located. In the fourth quarter of 2012, investment activity in the North America region was well above the historical average, representing 69.9% of total invested capital during the quarter compared to 60.9% over the last ten years.

\*Note: Invested Capital is for all private equity from 2002-4Q12.



## **Deal Environment**

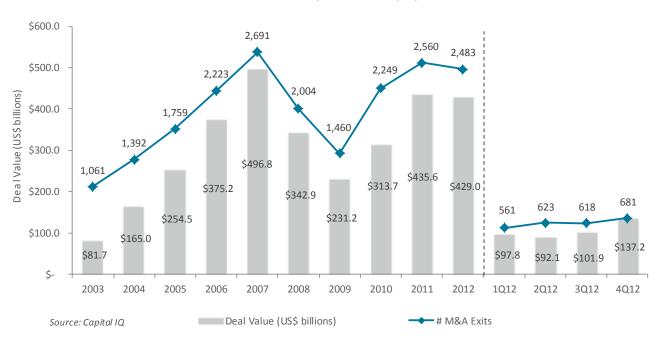
During the fourth quarter of 2012, there were 19 private equity-backed initial public offerings ("IPOs") which raised a total of \$5.3 billion, compared to 21 IPOs which raised \$2.9 billion in the third quarter of 2012, representing a quarter-overquarter decrease of 9.5% in the number of IPOs and an increase of 106.6% in total dollars raised. With the exception of the \$16.0 billion Facebook IPO in May 2012, IPOs during 2012 have only raised \$19.1 billion, a sharp decrease from the \$31.0 billion raised in 2011. However, on a year-over-year basis, fourth quarter 2012 activity was up 13.5% in terms of total dollars raised. The largest IPO of the quarter was Realogy Holdings Corporation (NYSE: RLGY), a real estate and relocation service provider in the United States and internationally, which raised \$1.2 billion, and is backed by Apollo Management. Since the IPO on October 10, 2012 at \$34.20 per share, Realogy Corporation's share price has jumped 22.7% to \$41.96 per share as of December 31, 2012. The second largest IPO was Workday, Inc. (NYSE: WDAY), a provider of financial and human capital management software in the United States and internationally, which raised \$732.6 million, and is backed by Greylock Partners and New Enterprise Associates. Since the IPO on October 11, 2012 at \$48.69 per share, Workday, Inc.'s share price has risen 11.9% to \$54.50 per share as of December 31, 2012.



**IPO Activity - All Private Equity** 



Private equity-backed Mergers and Acquisitions ("M&A") deal activity increased relative to the third quarter of 2012 in terms of deal volume and total dollars raised. Specifically, 681 deals closed during the fourth quarter of 2012, totaling \$137.2 billion in deal value, representing a 34.6% quarter-over-quarter increase in deal value. On a full-year basis, however, both deal volume and total dollars raised declined slightly.



M&A Activity - All Private Equity



## **III. Portfolio Review**

## **Quarterly Highlights**

- **Cash Flow Activity** During the fourth quarter of 2012, the Portfolio made US\$213.0 million of net contributions and received US\$273.3 million of net distributions, for a net cash inflow of US\$60.4 million, compared to a net cash inflow of US\$64.9 million during the prior quarter and a net cash outflow of US\$42.9 million during the fourth quarter of 2011. Net contributions increased 50.0% from the prior quarter and decreased 24.4% from the fourth quarter of 2011. The most recent four quarter average of the Program's net contributions is US\$176.4 million. Net distributions increased 32.1% from the prior quarter and increased 113.1% from the fourth quarter of 2011. The most recent four quarter and increased 113.1% from the fourth quarter of 2011.
- **Recent Portfolio Activity** During the fourth quarter of 2012, net of cash flow activity and Pro-Forma for the Secondary Sale, the valuation of the Portfolio increased by US\$93.1 million, or 2.7%, from the prior quarter. The increase in Portfolio value is primarily attributable to strong performance of middle-market buyout funds during the quarter, which generated a \$48.6 million increase in valuation from the prior quarter-end. During the last twelve months, net of cash flow activity and Pro-Forma for the Secondary Sale, the valuation of the Portfolio increased by US\$324.7 million, or 10.1%, from the quarter ended December 31, 2011.
- **New Investment Commitments** During the fourth quarter of 2012, the Program closed on three new investment commitments, totaling US\$183.3 million.

| As of December 31, 2012 (US\$ in millions) | Month Closed  | Sub-Strategy       | Geographic Focus | Committe | ed Capital |
|--|---------------|--------------------|------------------|----------|------------|
| Carlyle Partners VI, L.P.                  | December 2012 | Mega Buyout        | Global           | \$       | 75.0       |
| Carlyle Partners VI, L.P. (Side Car)       | December 2012 | Co-Investment      | Global           |          | 8.3        |
| Platinum Equity Capital Partners III, L.P. | December 2012 | Special Situations | North America    |          | 100.0      |
| Total                                      |               |                    |                  | \$       | 183.3      |

• **Subsequent Investment Commitments** – Subsequent to quarter-end through May 14, 2013, the Program closed on three new investment commitments, totaling US\$111.0 million.

| As of May 14, 2013 (US\$ in millions) | Month Closed | Sub-Strategy  | Geographic Focus | Commit | ted Capital |
|---------------------------------------|--------------|---------------|------------------|--------|-------------|
| Landmark Equity Partners XV, L.P.     | January 2013 | Secondaries   | North America    | \$     | 75.0        |
| Landmark - NYC Fund I, L.P.           | January 2013 | Co-Investment | North America    |        | 25.0        |
| ACON Equity Partners III, L.P.        | March 2013   | Small Buyout  | North America    |        | 11.0        |
| Total                                 |              |               |                  | \$     | 111.0       |



## **Investment Performance**

#### **Since Inception Performance**

| US\$ in millions                                | December 31, 2012 | September 30, 2012 | December 31, 2011 | Quarterly<br>Change | Yearly<br>Change |
|---|-------------------|--------------------|-------------------|---------------------|------------------|
|   |                   |                    |                   | Change              | Change           |
| Active Investments                              |                   |                    |                   |                     | ,                |
| Number of Managers                              | 83                | 82                 | 87                | 1                   | (                |
| Number of Investments                           | 129               | 126                | 128               | 3                   |                  |
| Committed Capital                               | \$6,190.6         | \$6,004.0          | \$5,808.6         | \$186.6             | \$382            |
| Net Contributed Capital <sup>1</sup>            | \$4,165.2         | \$3,952.2          | \$3,632.3         | \$213.0             | \$532            |
| Net Distributed Capital <sup>2</sup>            | \$1,890.0         | \$1,616.6          | \$1,335.0         | \$273.3             | \$555            |
| Market Value <sup>3</sup>                       | \$3,537.1         | \$3,504.4          | \$3,229.9         | \$32.8              | \$307            |
| Total Value                                     | \$5,427.1         | \$5,121.0          | \$4,564.9         | \$306.1             | \$862            |
| Total Gain/(Loss)                               | \$1,261.9         | \$1,168.8          | \$932.6           | \$93.1              | \$329            |
| Unfunded Commitment <sup>4</sup>                | \$2,044.0         | \$2,082.0          | \$2,160.8         | (\$37.9)            | (\$116           |
| Total Exposure <sup>5</sup>                     | \$5,581.1         | \$5,586.3          | \$5,390.7         | (\$5.2)             | \$190            |
| DPI <sup>6</sup>                                | 0.45x             | 0.41x              | 0.37x             | 0.04x               | 0.0              |
| TVM <sup>7</sup>                                | 1.30x             | 1.30x              | 1.26x             | 0.01x               | 0.               |
| IRR <sup>8</sup>                                | 9.3%              | 9.0%               | 8.6%              | + 26 bps            | + 69 b           |
| xited Investments                               |                   |                    |                   |                     |                  |
| Number of Managers                              | 11                | 11                 | 5                 | -                   |                  |
| Number of Investments                           | 13                | 13                 | 7                 | -                   |                  |
| Committed Capital                               | \$528.4           | \$528.1            | \$314.9           | \$0.3               | \$213            |
| Net Contributed Capital <sup>1</sup>            | \$390.4           | \$390.4            | \$217.5           | \$0.0               | \$172            |
| Net Distributed Capital <sup>2</sup>            | \$421.2           | \$421.2            | \$252.1           | \$0.0               | \$169            |
| Total Value                                     | \$421.2           | \$421.2            | \$252.9           | \$0.0               | \$168            |
| Total Gain/(Loss)                               | \$30.8            | \$30.8             | \$35.4            | \$0.0               | (\$4             |
| Unfunded Commitment <sup>4</sup>                | \$0.0             | \$0.0              | \$0.3             | \$0.0               | (\$0             |
| DPI <sup>6</sup>                                | 1.08x             | 1.08x              | 1.16x             | 0.00x               | -0.              |
| TVM <sup>7</sup>                                | 1.08x             | 1.08x              | 1.16x             | 0.00x               | -0.              |
| IRR <sup>8</sup>                                | 2.2%              | 2.2%               | 3.8%              | - 3 bps             | - 165 k          |
| otal Portfolio                                  |                   |                    |                   |                     |                  |
| Number of Managers                              | 94                | 93                 | 92                | 1                   |                  |
| Number of Investments                           | 142               | 139                | 135               | 3                   |                  |
| Committed Capital                               | \$6,719.0         | \$6,532.1          | \$6,123.5         | \$187.0             | \$595            |
| Net Contributed Capital <sup>1</sup>            | \$4,555.6         | \$4,342.6          | \$3,849.8         | \$213.0             | \$705            |
| Net Distributed Capital <sup>2</sup>            | \$2,311.1         | \$2,037.8          | \$1,587.0         | \$273.3             | \$702            |
| Market Value <sup>3</sup>                       | \$3,537.1         | \$3,504.4          | \$3,230.7         | \$32.8              | \$306            |
|   |                   |                    |                   |                     |                  |
| Total Value<br>Total Gain/(Loss)                | \$5,848.3         | \$5,542.2          | \$4,817.7         | \$306.1             | \$1,030          |
| , , , ,   | \$1,292.7         | \$1,199.6          | \$968.0           | \$93.1              | \$324            |
| Unfunded Commitment <sup>4</sup>                | \$2,044.0         | \$2,082.0          | \$2,161.1         | (\$37.9)            | (\$117           |
| Total Exposure <sup>5</sup><br>DPI <sup>6</sup> | \$5,581.1         | \$5,586.3          | \$5,391.8         | (\$5.2)             | \$189            |
|   | 0.51x             |                    | 0.41x             | 0.04x               | 0.1              |
| TVM <sup>7</sup><br>IRR <sup>8</sup>            | 1.28x<br>8.6%     | 1.28x<br>8.3%      | 1.25x<br>8.2%     | 0.01x<br>+ 26 bps   | 0.0<br>+ 40 k    |

<sup>1</sup>Net Contributed Capital represents total contributed capital net of distributions subject to recall.

<sup>2</sup> Net Distributed Capital represents total permanent (non-recallable) distributed capital. Please note that the Net Distributed Capital is presented Pro-Forma for the proceeds received and expected to be received from the sale of 11 partnership investments in secondary transactions that closed during the first half of 2012.

<sup>3</sup> Please note that the Market Value is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first half of 2012.

<sup>4</sup> Unfunded Committem represents the aggregate remaining commitments to partnership investments. Please note that the Unfunded Commitment is presented Pro-Forma for the sale of 11 partnership investments.

<sup>5</sup> Total Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>6</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Net Distributed Capital divided by Net Contributed Capital. <sup>7</sup> TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is

comprised of Market Value plus Net Distributed Capital, divided by Net Contributed Capital. <sup>8</sup> IRR, or Internal Rate is 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 manager's fees, expenses and carried

<sup>o</sup> IRR, or Internal Rate is 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 manager's fees, expenses and carrie interest. 13 of 27

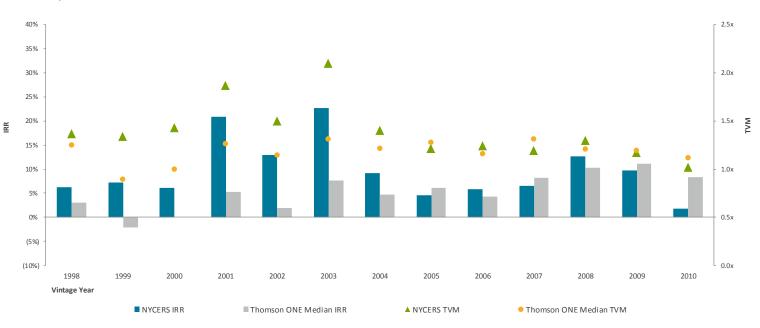


### Performance by Vintage Year

The following table and chart illustrate the Portfolio's since inception investment performance by vintage year as of December 31, 2012 Pro-Forma for the Secondary Sale relative to the median quartile U.S. All Private Equity TVM and IRR benchmarks as provided by Thomson ONE. Performance of funds that are less than two years old is not meaningful. Note that Thomson ONE data is continuously updated and is therefore subject to change.

As of December 31, 2012 (US\$ in millions)

| Vintage<br>Year | Committed<br>Capital | Net<br>Contributed<br>Capital | Net<br>Distributed<br>Capital | Market<br>Value | Unfunded<br>Commitment | Total<br>Exposure | тум   | IRR   | Thomson<br>ONE<br>U.S. All PE<br>Median<br>Quartile TVM | Thomson<br>ONE<br>U.S. All PE<br>Median<br>Quartile IRR |
|-----------------|----------------------|-------------------------------|-------------------------------|-----------------|------------------------|-------------------|-------|-------|---|---|
| 1998            | \$50.0               | \$50.1                        | \$64.1                        | \$4.4           | \$0.0                  | \$4.4             | 1.37x | 6.3%  | 1.25x   | 3.1%  |
| 1999            | 95.0                 | 92.9                          | 108.4                         | 15.8            | 2.3                    | 18.1              | 1.34x | 7.3%  | 0.90x   | (2.1%)  |
| 2000            | 127.0                | 111.9                         | 127.5                         | 32.8            | 10.9                   | 43.7              | 1.43x | 6.1%  | 1.00x   | 0.0%  |
| 2001            | 100.0                | 101.7                         | 150.2                         | 40.1            | 4.4                    | 44.5              | 1.87x | 20.9% | 1.26x   | 5.3%  |
| 2002            | 190.0                | 184.5                         | 183.3                         | 92.9            | 6.0                    | 98.9              | 1.50x | 12.9% | 1.14x   | 2.0%  |
| 2003            | 110.0                | 93.1                          | 165.5                         | 30.3            | 12.1                   | 42.4              | 2.10x | 22.7% | 1.31x   | 7.7%  |
| 2004            | 389.9                | 349.9                         | 256.3                         | 233.0           | 38.8                   | 271.8             | 1.40x | 9.1%  | 1.21x   | 4.7%  |
| 2005            | 514.5                | 451.2                         | 285.9                         | 261.3           | 47.3                   | 308.6             | 1.21x | 4.6%  | 1.27x   | 6.1%  |
| 2006            | 1,027.7              | 929.2                         | 355.1                         | 796.8           | 89.6                   | 886.4             | 1.24x | 5.8%  | 1.16x   | 4.3%  |
| 2007            | 987.4                | 801.4                         | 343.4                         | 608.9           | 145.3                  | 754.2             | 1.19x | 6.6%  | 1.31x   | 8.1%  |
| 2008            | 1,287.7              | 889.1                         | 220.4                         | 933.7           | 366.5                  | 1,300.2           | 1.30x | 12.7% | 1.21x   | 10.3%   |
| 2009            | 200.0                | 118.9                         | 44.5                          | 94.2            | 60.4                   | 154.6             | 1.17x | 9.7%  | 1.19x   | 11.1%   |
| 2010            | 175.0                | 73.7                          | 0.6                           | 74.7            | 101.8                  | 176.5             | 1.02x | 1.8%  | 1.11x   | 8.3%  |
| 2011            | 801.6                | 254.5                         | 5.5                           | 268.0           | 549.0                  | 817.0             | 1.07x | NM    | 0.97x   | NM  |
| 2012            | 580.0                | 53.5                          | 0.3                           | 50.2            | 526.4                  | 576.6             | 0.94x | NM    | 0.94x   | NM  |
| 2013            | 83.3                 | -                             | -                             | -               | 83.3                   | 83.3              | N/A   | N/A   | N/A   | N/A   |
| Total           | \$6,719.0            | \$4,555.6                     | \$2,311.1                     | \$3,537.1       | \$2,044.0              | \$5,581.1         | 1.28x | 8.6%  | 1.14x   | 3.8%  |



As of December 31, 2012

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#### Portfolio Periodic Returns vs. Russell 3000® Index

| As of December 31, 2012                          | 1 Year  | 3 Year | 5 Year | 10 Year | Since<br>Inception |
|--|---------|--------|--------|---------|--------------------|
| NYCERS IRR                                       | 10.4%   | 11.6%  | 6.2%   | 9.3%    | 8.6%               |
| Russell 3000 <sup>®1</sup>                       | 16.2%   | 11.5%  | 6.8%   | 7.3%    | 6.8%               |
| Russell 3000 <sup>®</sup> + 300 bps <sup>1</sup> | 19.2%   | 14.5%  | 9.8%   | 10.3%   | 9.8%               |
| Russell 3000® + 500 bps <sup>1</sup>             | 21.2%   | 16.5%  | 11.8%  | 12.3%   | 11.8%              |
| NYCERS Outperformance/(Underperformance)         |         |        |        |         |                    |
| vs. Russell 3000® + 300 bps1                     | (8.8%)  | (2.9%) | (3.6%) | (1.1%)  | (1.2%)             |
| vs. Russell 3000® + 500 bps¹                     | (10.8%) | (4.9%) | (5.6%) | (3.1%)  | (3.2%)             |

<sup>1</sup>Benchmark is a dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000<sup>®</sup> Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell<sup>®</sup> is a trademark of Russell Investment Group.

### Performance by Strategy / Sub-Strategy

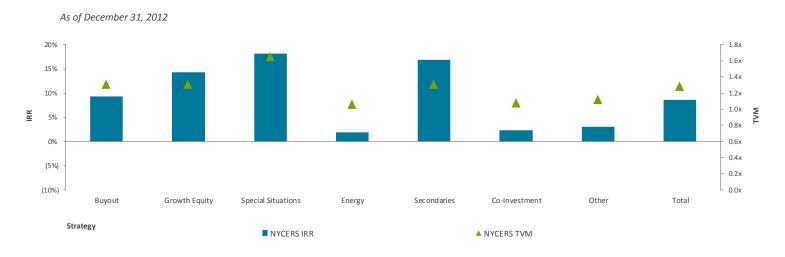
The following table and charts illustrate the Portfolio's since inception investment performance by strategy and sub-strategy as of December 31, 2012 Pro-Forma for the Secondary Sale.

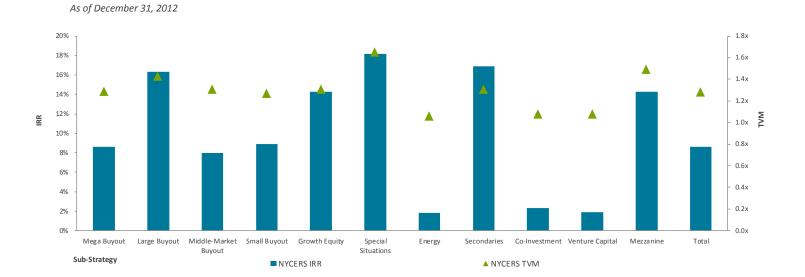
### As of December 31, 2012 (US\$ in millions)

| Strategy / Sub-Strategy | Committed<br>Capital | Net<br>Contributed<br>Capital | Net<br>Distributed<br>Capital | Market<br>Value | Unfunded<br>Commitment | Total<br>Exposure | тум   | IRR   |
|-------------------------|----------------------|-------------------------------|-------------------------------|-----------------|------------------------|-------------------|-------|-------|
| Buyout                  | \$4,196.7            | \$2,877.5                     | \$1,590.8                     | \$2,191.2       | \$1,230.8              | \$3,421.9         | 1.31x | 9.3%  |
| Mega Buyout             | 1,136.0              | 652.6                         | 277.3                         | 563.2           | 446.7                  | 1,009.9           | 1.29x | 8.6%  |
| Large Buyout            | 682.9                | 432.6                         | 370.3                         | 247.1           | 220.7                  | 467.8             | 1.43x | 16.4% |
| Middle-Market Buyout    | 1,509.0              | 1,176.5                       | 623.7                         | 918.7           | 320.6                  | 1,239.3           | 1.31x | 8.0%  |
| Small Buyout            | 868.8                | 615.7                         | 319.4                         | 462.2           | 242.7                  | 705.0             | 1.27x | 8.9%  |
| Growth Equity           | 365.8                | 180.0                         | 59.5                          | 176.4           | 186.8                  | 363.2             | 1.31x | 14.3% |
| Special Situations      | 540.0                | 239.3                         | 231.4                         | 163.7           | 278.8                  | 442.5             | 1.65x | 18.2% |
| Energy                  | 355.0                | 299.0                         | 65.0                          | 252.4           | 56.4                   | 308.8             | 1.06x | 1.8%  |
| Secondaries             | 384.1                | 238.3                         | 126.4                         | 186.7           | 146.0                  | 332.7             | 1.31x | 16.9% |
| Co-Investment           | 114.4                | 87.6                          | 29.9                          | 64.9            | 10.7                   | 75.6              | 1.08x | 2.3%  |
| Other                   | 763.0                | 634.0                         | 208.1                         | 501.8           | 134.6                  | 636.3             | 1.12x | 3.0%  |
| Venture Capital         | 693.0                | 568.0                         | 161.5                         | 450.4           | 126.8                  | 577.2             | 1.08x | 1.9%  |
| Mezzanine               | 70.0                 | 65.9                          | 46.6                          | 51.4            | 7.7                    | 59.2              | 1.49x | 14.3% |
| Total                   | \$6,719.0            | \$4,555.6                     | \$2,311.1                     | \$3,537.1       | \$2,044.0              | \$5,581.1         | 1.28x | 8.6%  |



### Performance by Strategy





#### Performance by Sub-Strategy



## **Portfolio Diversification**

## By Strategy/Sub-Strategy

|  | Market Value |            | Unfunded Co | mmitment   | Total Exposure |            |  |
|--|--------------|------------|-------------|------------|----------------|------------|--|
| As of December 31, 2012 (US\$ in millions) | \$           | % of Total |             | % of Total |                | % of Total |  |
| Buyout                                     | 2,191.2      | 61.9%      | 1,230.8     | 60.2%      | 3,421.9        | 61.3%      |  |
| Mega Buyout                                | 563.2        | 15.9%      | 446.7       | 21.9%      | 1,009.9        | 18.1%      |  |
| Large Buyout                               | 247.1        | 7.0%       | 220.7       | 10.8%      | 467.8          | 8.4%       |  |
| Middle-Market Buyout                       | 918.7        | 26.0%      | 320.6       | 15.7%      | 1,239.3        | 22.2%      |  |
| Small Buyout                               | 462.2        | 13.1%      | 242.7       | 11.9%      | 705.0          | 12.6%      |  |
| Growth Equity                              | 176.4        | 5.0%       | 186.8       | 9.1%       | 363.2          | 6.5%       |  |
| Special Situations                         | 163.7        | 4.6%       | 278.8       | 13.6%      | 442.5          | 7.9%       |  |
| Energy                                     | 252.4        | 7.1%       | 56.4        | 2.8%       | 308.8          | 5.5%       |  |
| Secondaries                                | 186.7        | 5.3%       | 146.0       | 7.1%       | 332.7          | 6.0%       |  |
| Co-Investment                              | 64.9         | 1.8%       | 10.7        | 0.5%       | 75.6           | 1.4%       |  |
| Other                                      | 501.8        | 14.2%      | 134.6       | 6.6%       | 636.3          | 11.4%      |  |
| Venture Capital                            | 450.4        | 12.7%      | 126.8       | 6.2%       | 577.2          | 10.3%      |  |
| Mezzanine                                  | 51.4         | 1.5%       | 7.7         | 0.4%       | 59.2           | 1.1%       |  |
| Total                                      | 3,537.1      | 100.0%     | 2,044.0     | 100.0%     | 5,581.1        | 100.0%     |  |

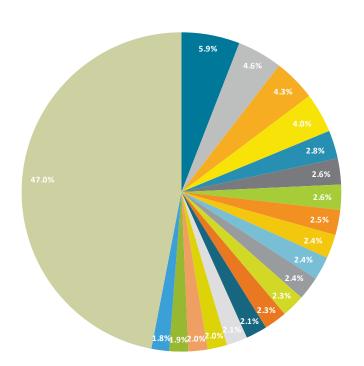
## By Fund Geographic Focus

|  | Market Value |            | Unfunded Co | mmitment   | Total Exposure |            |  |
|--|--------------|------------|-------------|------------|----------------|------------|--|
| As of December 31, 2012 (US\$ in millions) | \$           | % of Total |             | % of Total |                | % of Total |  |
| North America                              | 2,444.0      | 69.1%      | 1,275.5     | 62.4%      | 3,719.5        | 66.6%      |  |
| Global                                     | 836.9        | 23.7%      | 555.3       | 27.2%      | 1,392.2        | 24.9%      |  |
| Western Europe                             | 226.0        | 6.4%       | 201.0       | 9.8%       | 427.0          | 7.7%       |  |
| Rest of World                              | 30.2         | 0.9%       | 12.2        | 0.6%       | 42.4           | 0.8%       |  |
| Total                                      | 3,537.1      | 100.0%     | 2,044.0     | 100.0%     | 5,581.1        | 100.0%     |  |



#### **By Investment Manager**

As of December 31, 2012 and Pro-Forma for the Secondary Sale, the Portfolio was highly diversified by investment manager, with 19 managers comprising US\$3.0 billion, or 53.0% of total exposure. The remaining 64 managers comprised 47.0% of total exposure as of quarter-end.



#### Portfolio Total Exposure by Investment Manager As of December 31, 2012



The Blackstone Group

- EQT Partners
- Platinum Equity
- Remaining 64 managers



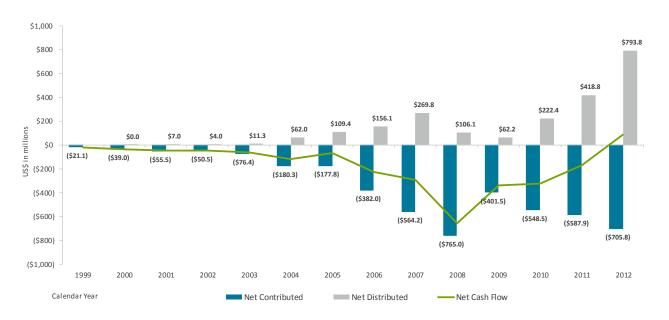
## **Portfolio Cash Flow Analysis**

The following yearly and quarterly cash flow analysis is based on actual Portfolio cash flows during those time periods, excluding the proceeds expected to be received from the Secondary Sale that closed in the first half of 2012.

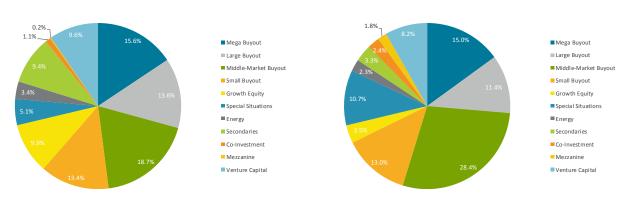
### Year to Date Cash Flow Activity

2012 Net Contributed by Sub-Strategy

During the calendar year of 2012, the Portfolio made US\$705.8 million of net contributions and received US\$793.8 million of net distributions, for a net cash inflow of US\$88.0 million, compared to a net cash outflow of US\$169.1 million during the calendar year of 2011. The increase in net cash inflow from the prior year reflects three consecutive quarters with positive net cash flow. The graph below illustrates cash flow activity since inception by calendar year.



Buyout funds were the most active in terms of cash flow activity during 2012. Buyout funds drew down US\$433.3 million, or 61.4% of total net contributions during the year, and distributed US\$537.7 million, or 67.7% of total net distributions during the year.



#### 2012 Net Distributed by Sub-Strategy

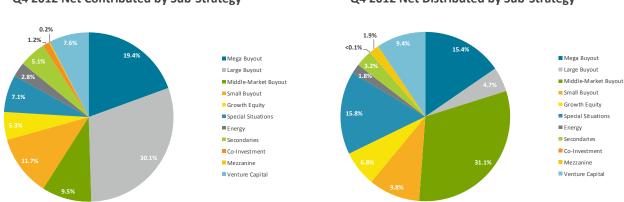


### **Quarterly Cash Flow Activity**

During the fourth quarter of 2012, the Portfolio made US\$213.0 million of net contributions and received US\$273.3 million of net distributions, for a net cash inflow of US\$60.4 million. The graph below illustrates recent cash flow activity by quarter.



Buyout funds were the most active in terms of cash flow activity during the third quarter of 2012. Buyout funds drew down US\$150.5 million, or 70.7% of total net contributions during the quarter, and distributed US\$166.7 million, or 61.0% of total net distributions during the quarter.



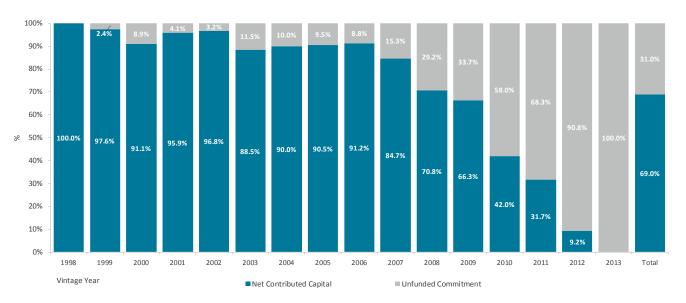
### Q4 2012 Net Contributed by Sub-Strategy

Q4 2012 Net Distributed by Sub-Strategy



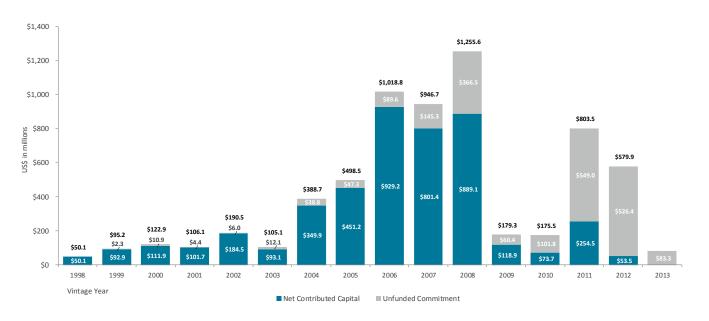
### **Invested Capital by Vintage Year**

The following chart illustrates cumulative net capital contributions as a percentage of total capital commitments, by fund vintage year, as of December 31, 2012 Pro-Forma for the Secondary Sale.



Capital Contributions to Unfunded by Vintage Year (%)

The following chart illustrates cumulative net capital contributions relative to unfunded commitment, by fund vintage year, as of December 31, 2012 Pro-Forma for the Secondary Sale.



### Capital Contributions to Unfunded by Vintage Year (US\$)

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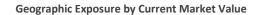


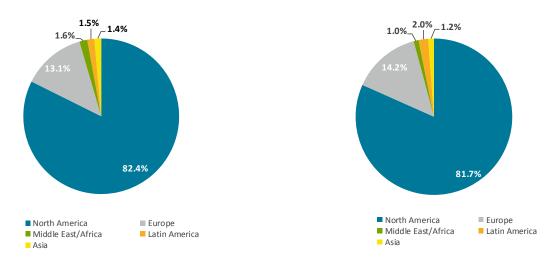
## **Portfolio Company-Level Analysis**

#### **Geographic Exposure**

The following charts illustrate the Portfolio's current exposure by geography at the portfolio company level as of December 31, 2012.

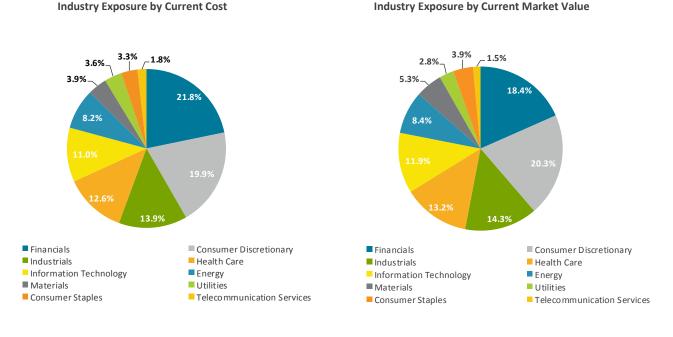
#### Geographic Exposure by Current Cost





### **Industry Exposure**

The following charts illustrate the Portfolio's current exposure by industry at the portfolio company level as of December 31, 2012. Please note that the Financials category includes investments in various debt securities as well as certain undisclosed fund of funds investments.

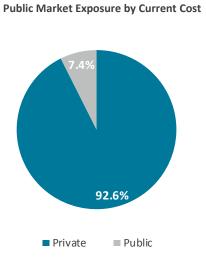


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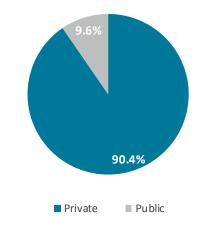


### Public Market Exposure

As of quarter-end, publicly traded investments comprised 7.4% of the Portfolio's exposed cost and 9.6% of the Portfolio's exposed market value. The following charts illustrate the current public market exposure at the portfolio company level.



Public Market Exposure Current Market Value





# IV. Appendix



#### New York City Employees' Retirement System Private Equity Portfolio As of December 31, 2012 (in USD)

| Vintage<br>Year | Investment   | First Drawdown | Committed<br>Capital | Net Contributed<br>Capital | Net Distributed<br>Capital | Market Value | Multiple | IRR     |
|-----------------|--|----------------|----------------------|----------------------------|----------------------------|--------------|----------|---------|
| Active Inv      | vestments  |                |                      |                            |                            |              |          |         |
| 1998            | VS&A Communications Partners III, L.P.                 | 12/15/1998     | \$ 50,000,000        | \$ 50,063,625              | \$ 64,109,887              | \$ 4,368,369 | 1.37x    | 6.3%    |
| 1999            | Cypress Merchant Banking Partners II, L.P.             | 3/29/1999      | 50,000,000           | 49,863,018                 | 37,124,068                 | 6,423,331    | 0.87x    | (2.7%)  |
| 1999            | FdG Capital Partners LLC                               | 6/2/1999       | 25,000,000           | 24,302,765                 | 38,113,544                 | 5,169,592    | 1.78x    | 15.0%   |
| 1999            | Lincolnshire Equity Fund II, L.P.                      | 10/20/1999     | 20,000,000           | 18,711,603                 | 33,126,429                 | 4,211,751    | 2.00x    | 24.8%   |
| 2000            | Carlyle Partners III, L.P.                             | 3/1/2000       | 50,000,000           | 44,860,083                 | 97,618,092                 | 223,936      |          | 20.5%   |
| 2000            | Solera Partners, L.P.                                  | 5/26/2000      | 20,000,000           | 15,144,691                 | 11,486,746                 | 23,256,993   | 2.29x    | 9.3%    |
| 2000            | SCP Private Equity Partners II, L.P.                   | 6/15/2000      | 30,000,000           | 27,931,907                 | 5,949,854                  | 9,276,488    | 0.55x    | (8.2%)  |
| 2001            | Ripplewood Partners II, L.P.                           | 2/28/2001      | 20,000,000           | 21,724,315                 | 16,126,720                 | 12,044,855   |          | 7.1%    |
| 2001            | New Mountain Partners, L.P.                            | 3/16/2001      | 20,000,000           | 17,107,647                 | 22,908,592                 | 1,891,679    |          | 12.6%   |
| 2001            | Apollo Investment Fund V, L.P.                         | 4/13/2001      | 40,000,000           | 37,444,293                 | 87,863,882                 | 11,545,802   |          | 38.8%   |
| 2001            | RRE Ventures III, L.P.                                 | 7/6/2001       | 20,000,000           | 25,409,647                 | 23,326,653                 | 14,662,670   |          | 7.7%    |
| 2002            | Yucaipa American Alliance Fund I, LP                   | 7/1/2002       | 90,000,000           | 90,079,247                 | 54,710,774                 | 67,767,746   |          | 8.2%    |
| 2002            | Thomas, McNerney & Partners, L.P.                      | 10/9/2002      | 20,000,000           | 19,300,000                 | 7,003,139                  | 8,092,766    |          | (6.0%)  |
| 2002            | BDCM Opportunity Fund, L.P.                            | 10/14/2002     | 25,000,000           | 23,036,657                 | 53,550,182                 | 5,932,629    |          | 22.9%   |
| 2002            | Landmark Equity Partners XI, L.P.                      | 10/23/2002     | 55,000,000           | 52,103,148                 | 68,085,188                 | 11,081,772   | 1.52x    | 24.4%   |
| 2003            | FS Equity Partners V, L.P.                             | 1/20/2003      | 25,000,000           | 20,053,517                 | 34,244,974                 | 7,046,388    | 2.06x    | 16.3%   |
| 2003            | Blackstone Capital Partners IV, L.P.                   | 2/26/2003      | 40,000,000           | 29,535,460                 | 67,769,236                 | 13,757,633   | 2.76x    | 39.5%   |
| 2003            | Ares Corporate Opportunities Fund, L.P.                | 4/1/2003       | 45,000,000           | 43,471,496                 | 63,500,670                 | 9,471,838    | 1.68x    | 14.4%   |
| 2004            | Markstone Capital Partners, LP                         | 1/30/2004      | 40,000,000           | 38,288,106                 | 15,792,273                 | 16,964,813   | 0.86x    | (4.0%)  |
| 2004            | FdG Capital Partners II LP                             | 8/30/2004      | 35,000,000           | 28,091,450                 | 10,095,776                 | 22,065,631   | 1.14x    | 2.3%    |
| 2004            | Paladin Homeland Security Fund (NY City), L.P.         | 9/27/2004      | 15,000,000           | 15,155,182                 | 1,809,212                  | 5,785,655    | 0.50x    | (11.5%) |
| 2004            | Lincolnshire Equity Fund III, L.P.                     | 10/1/2004      | 55,000,000           | 51,738,413                 | 60,120,212                 | 36,966,230   | 1.88x    | 36.5%   |
| 2004            | New York/Fairview Emerging Managers Fund, L.PTranche 1 | 10/21/2004     | 32,000,000           | 28,400,000                 | 6,699,639                  | 22,237,910   | 1.02x    | 0.5%    |
| 2004            | Palladium Equity Partners III, L.P.                    | 11/12/2004     | 35,000,000           | 28,821,488                 | 16,945,302                 | 32,883,353   | 1.73x    | 17.9%   |
| 2004            | Aurora Equity Partners III L.P.                        | 11/16/2004     | 50,000,000           | 50,569,217                 | 24,444,665                 | 50,548,037   | 1.48x    | 11.9%   |
| 2004            | Trilantic Capital Partners III L.P.                    | 11/18/2004     | 50,000,000           | 36,997,788                 | 50,882,565                 | 7,204,644    | 1.57x    | 13.1%   |
| 2004            | Celtic Pharmaceutical Holdings L.P.                    | 12/23/2004     | 25,000,000           | 25,402,094                 | 402,094                    | 38,384,636   | 1.53x    | 8.0%    |
| 2005            | New Mountain Partners II, L.P.                         | 1/12/2005      | 46,451,615           | 36,298,452                 | 48,265,797                 | 20,479,362   | 1.89x    | 13.0%   |
| 2005            | VSS Communications Partners IV, L.P.                   | 3/14/2005      | 25,000,000           | 25,498,716                 | 5,860,213                  | 14,386,016   |          | (5.0%)  |
| 2005            | Prism Venture Partners V-A, L.P.                       | 7/14/2005      | 30,000,000           | 29,400,000                 | 7,035,880                  | 12,975,960   | 0.68x    | (10.8%) |
| 2005            | Erasmus New York City Growth Fund                      | 8/16/2005      | 40,000,000           | 34,819,694                 | 17,581,302                 | 12,534,056   |          | (3.2%)  |
| 2005            | Quadrangle Capital Partners II LP                      | 8/29/2005      | 65,000,000           | 52,621,127                 | 29,386,729                 | 33,596,034   |          | 4.3%    |
| 2005            | Snow Phipps Group, L.P.                                | 9/7/2005       | 20,000,000           | 17,664,735                 | 10,606,940                 | 13,261,006   |          | 10.0%   |
| 2005            | GI Partners Fund II L.P.                               | 9/26/2005      | 35,000,000           | 35,122,750                 | 18,640,789                 | 34,731,585   |          | 8.4%    |
| 2005            | Blackstone Mezzanine Partners II, L.P.                 | 10/10/2005     | 25,000,000           | 21,770,178                 | 17,753,101                 | 11,726,217   |          | 8.3%    |
| 2005            | Psilos Group Partners III, L.P.                        | 10/24/2005     | 35,000,000           | 32,373,682                 | 17,141,623                 | 25,746,410   |          | 7.8%    |
| 2005            | USPF II Institutional Fund, L.P.                       | 11/23/2005     | 65,000,000           | 58,710,520                 | 23,454,133                 | 49,269,932   |          | 4.5%    |
| 2005            | JP Morgan Fleming (Tranche A)                          | 12/21/2005     | 43,000,000           | 35,098,656                 | 9,124,054                  | 32,580,082   |          | 5.3%    |
| 2006            | Aisling Capital II, LP                                 | 1/12/2006      | 7,000,000            | 6,268,248                  | 2,002,289                  | 4,458,464    |          | 0.8%    |
| 2006            | InterMedia Partners VII, L.P.                          | 1/20/2006      | 25,000,000           | 23,657,913                 | 331,937                    | 31,199,102   |          | 5.7%    |
| 2006            | Terra Firma Capital Partners III, L.P.                 | 3/8/2006       | 52,739,708           | 49,257,003                 | 1,123,857                  | 27,223,178   |          | (15.7%) |
| 2006            | BDCM Opportunity Fund II, L.P.                         | 3/29/2006      | 25,000,000           | 23,720,537                 | 5,311,142                  | 34,929,181   | 1.70x    | 16.5%   |
| 2006            | Blackstone Capital Partners V, L.P.                    | 4/13/2006      | 123,900,000          | 117,902,413                | 15,527,230                 | 115,941,015  |          | 2.4%    |
| 2006            | Avista Capital Partners, L.P.                          | 4/27/2006      | 45,000,000           | 45,020,741                 | 27,520,221                 | 35,867,627   |          | 8.0%    |
| 2006            | GSC Recovery III, L.P.                                 | 5/4/2006       | 25,000,000           | 25,511,489                 | 15,653,130                 | 13,239,468   |          | 3.7%    |
| 2006            | Apollo Investment Fund VI, L.P.                        | 5/10/2006      | 90,000,000           | 80,507,317                 | 27,871,708                 | 90,101,507   |          | 8.2%    |
| 2006            | Landmark Equity Partners XIII, L.P.                    | 5/11/2006      | 50,000,000           | 46,371,425                 | 28,948,265                 | 25,838,510   |          | 5.0%    |
| 2006            | Ares Corporate Opportunities Fund II, L.P.             | 5/23/2006      | 50,000,000           | 43,744,951                 | 54,992,519                 | 22,427,994   |          | 14.0%   |
| 2006            | Fairview Ventures Fund III, L.P.                       | 6/29/2006      | 25,000,000           | 19,686,840                 | 3,918,501                  | 20,465,391   | 1.24x    | 9.2%    |
| 2006            |  | 8/14/2006      |                      |                            | 12,332,196                 | 18,923,365   |          | 9.2%    |
|                 | Ampersand 2006   |                | 25,000,000           | 22,000,000                 |                            |              |          |         |
| 2006            | CCMP Capital Investors II, L.P.                        | 8/17/2006      | 30,000,000           | 27,094,294<br>28,227,238   | 9,163,000                  | 29,261,813   |          | 12.8%   |
| 2006            | Perseus Partners VII, L.P.                             | 8/31/2006      | 30,000,000           |                            | 49,972                     | 14,142,426   |          | (18.2%) |
| 2006            | Thomas, McNerney & Partners II, L.P.                   | 11/30/2006     | 25,000,000           | 21,437,500                 | 3,120,413                  | 18,540,423   |          | 0.4%    |
| 2006            | Catterton Partners VI, L.P.                            | 12/14/2006     | 45,000,000           | 43,308,567                 | 10,962,710                 | 55,408,833   |          | 11.3%   |
| 2006            | First Reserve Fund XI, L.P.                            | 12/14/2006     | 45,000,000           | 44,792,335                 | 10,747,147                 | 38,304,682   |          | 2.6%    |
| 2006            | Arsenal Capital Partners II, LP                        | 12/19/2006     | 22,500,000           | 20,175,929                 | 3,772,933                  | 27,228,218   |          | 12.8%   |
| 2006            | RRE Ventures IV, L.P.                                  | 12/19/2006     | 35,000,000           | 36,917,692                 | 4,802,704                  | 40,415,945   |          | 6.7%    |
| 2006            | MidOcean Partners III, L.P.                            | 12/21/2006     | 60,000,000           | 46,091,493                 | 3,799,399                  | 47,776,587   |          | 3.1%    |
| 2006            | GF Capital Private Equity Fund, L.P.                   | 12/22/2006     | 20,000,000           | 19,206,577                 | 10,898,810                 | 18,003,783   |          | 17.5%   |
| 2006            | The Fourth Cinven Fund                                 | 1/22/2007      | 71,593,381           | 62,812,391                 | 18,235,046                 | 67,134,988   |          | 7.9%    |
| 2007            | Pegasus Partners IV, L.P.                              | 1/29/2007      | 30,000,000           | 29,555,562                 | 12,658,392                 | 27,131,298   |          | 9.0%    |
| 2007            | FTVentures III, LP                                     | 3/1/2007       | 25,000,000           | 16,950,264                 | 7,240,382                  | 29,243,181   | 2.15x    | 19.8%   |
| 2007            | Co-Investment Partners Europe, L.P.                    | 3/19/2007      | 39,874,398           | 38,371,280                 | 4,645,617                  | 39,556,275   | 1.15x    | 5.5%    |
| 2007            | Montreux Equity Partners IV, L.P.                      | 3/27/2007      | 20,000,000           | 18,230,000                 | 6,592,834                  | 15,316,792   |          | 7.0%    |
| 2007            | Quaker BioVentures II, L.P.                            | 3/30/2007      | 20,000,000           | 13,428,426                 | 2,197,588                  | 8,140,360    | 0.77x    | (10.8%) |
| 2007            | SCP Vitalife Partners II Fund                          | 4/13/2007      | 20,000,000           | 15,499,698                 | 1,579                      | 13,233,199   | 0.85x    | (5.8%)  |
| 2007            | Craton Equity Investors I, L.P.                        | 4/30/2007      | 20,000,000           | 19,478,487                 | 12,194                     | 15,377,482   | 0.79x    | (8.3%)  |
| 2007            | Nautic Partners VI, L.P.                               | 5/14/2007      | 30,000,000           | 27,390,852                 | 5,175,230                  | 26,861,045   | 1.17x    | 5.9%    |
| 2007            |  | 5/14/2007      | 50,000,000           |                            |                            |              |          |         |

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#### New York City Employees' Retirement System Private Equity Portfolio As of December 31, 2012 (in USD)

| Vintage<br>Year | Investment   | First Drawdown | Committed<br>Capital | Net Contributed<br>Capital | Net Distributed<br>Capital | Market Value             | Multiple | IRR        |
|-----------------|--|----------------|----------------------|----------------------------|----------------------------|--------------------------|----------|------------|
| 2007            | United States Power Fund III, L.P.                     | 6/28/2007      | 65,000,000           | 50,654,993                 | 4,940,003                  | 47,814,477               | 1.04x    | 1.1%       |
| 2007            | Halyard Capital Fund II, L.P.                          | 7/2/2007       | 25,000,000           | 16,647,983                 | 388,837                    | 14,273,055               | 0.88x    | (3.6%)     |
| 2007            | Carlyle Partners V, L.P.                               | 7/6/2007       | 70,000,000           | 51,818,721                 | 18,840,633                 | 50,345,393               | 1.34x    | 10.4%      |
| 2007            | PCG Clean Energy & Technology Fund (East), LLC         | 7/6/2007       | 90,000,000           | 70,939,709                 | 4,115,910                  | 46,275,492               | 0.71x    | (12.3%)    |
| 2007            | GSO Capital Opportunities Fund LP                      | 7/16/2007      | 45,000,000           | 44,172,507                 | 28,886,811                 | 39,705,010               | 1.55x    | 19.4%      |
| 2007            | StarVest Partners II, L.P.                             | 8/1/2007       | 25,000,000           | 16,626,762                 | 6,556                      | 13,363,214               | 0.80x    | (9.7%)     |
| 2007            | New Mountain Partners III, L.P.                        | 8/9/2007       | 100,000,000          | 85,338,857                 | 15,641,016                 | 87,352,273               | 1.21x    | 8.9%       |
| 2007            | Vista Equity Partners Fund III, L.P.                   | 10/3/2007      | 30,000,000           | 27,116,816                 | 39,019,827                 | 27,368,681               | 2.45x    | 30.5%      |
| 2007            | Trilantic Capital Partners IV L.P.                     | 10/22/2007     | 69,028,637           | 58,867,215                 | 44,213,414                 | 47,794,509               | 1.56x    | 18.1%      |
| 2007            | RLJ Equity Partners Fund I, L.P.                       | 11/30/2007     | 20,000,000           | 13,300,862                 | 561,791                    | 16,024,801               | 1.25x    | 11.5%      |
| 2007            | Pine Brook Capital Partners, L.P.                      | 1/11/2008      | 30,000,000           | 20,702,124                 | 7,838,801                  | 20,732,756               | 1.38x    | 15.2%      |
| 2008            | Paladin III (NY City), L.P.                            | 1/8/2008       | 30,000,000           | 18,234,330                 | 3,355,642                  | 17,627,669               | 1.15x    | 4.6%       |
| 2008            | Relativity Fund, L.P.                                  | 1/17/2008      | 20,000,000           | 10,182,966                 | 422,941                    | 2,923,960                | 0.33x    | (36.5%)    |
| 2008            | Apollo Investment Fund VII, L.P.                       | 1/28/2008      | 100,000,000          | 68,199,078                 | 36,789,688                 | 78,940,292               | 1.70x    | 23.1%      |
| 2008            | NGN BioMed Opportunity II, L.P.                        | 2/11/2008      | 20,000,000           | 15,851,821                 | 23,687                     | 11,076,500               | 0.70x    | (14.4%)    |
| 2008            | Carpenter Community BancFund-A, L.P.                   | 2/12/2008      | 20,000,000           | 18,012,119                 | 87,244                     | 22,105,624               | 1.23x    | 7.5%       |
| 2008            | Riverstone/Carlyle Global Energy & Power Fund IV, L.P. | 3/3/2008       | 45,000,000           | 37,624,796                 | 19,246,639                 | 33,966,457               | 1.41x    | 15.6%      |
| 2008            | Yucaipa American Alliance Fund II, LP                  | 3/28/2008      | 120,000,000          | 109,510,127                | 27,550,484                 | 151,021,856              | 1.63x    | 19.2%      |
| 2008            | Levine Leichtman Capital Partners IV, L.P.             | 4/8/2008       | 35,000,000           | 26,137,428                 | 4,892,052                  | 36,828,188               | 1.60x    | 26.3%      |
| 2008            | Lee Equity Partners Fund, L.P.                         | 4/23/2008      | 42,500,000           | 31,484,995                 | 2,882,269                  | 30,484,017               | 1.06x    | 2.9%       |
| 2008            | New York/Fairview Emerging Managers Fund, L.PTranche 2 | 5/28/2008      | 45,000,000           | 21,618,000                 | 2,952,779                  | 22,944,753               | 1.20x    | 10.1%      |
| 2008            | Yucaipa Corporate Initiatives Fund II, LP              | 6/23/2008      | 42,092,788           | 40,066,435                 | 4,658,272                  | 23,547,908               | 0.70x    | (19.0%)    |
| 2008            | Leeds Equity Partners V, L.P.                          | 7/28/2008      | 60,000,000           | 35,096,126                 | 4,109,346                  | 35,694,850               | 1.13x    | 8.4%       |
| 2008            | GI Partners Fund III L.P.                              | 7/29/2008      | 45,000,000           | 41,286,743                 | 12,617,681                 | 43,725,679               | 1.36x    | 16.8%      |
| 2008            | Ares Corporate Opportunities Fund III, L.P.            | 7/30/2008      | 75,000,000           | 61,394,289                 | 37,065,498                 | 60,394,162               | 1.50x    | 24.4%      |
|                 | CS NYCERS Emerging Manager Co-Investment Fund, L.P.    | 8/22/2008      | 26,262,627           |                            | 7,701,442                  |                          |          |            |
| 2008            |  |                |                      | 14,397,731                 |                            | 12,816,984<br>46,416,342 | 1.43x    | 13.0%      |
| 2008            | CS NYCERS Emerging Manager Fund, L.P.                  | 8/22/2008      | 116,737,374          | 50,414,948                 | 4,445,432                  |                          | 1.01x    | 0.5%       |
| 2008            | First Reserve Fund XII, L.P.                           | 8/25/2008      | 45,000,000           | 36,318,989                 | 2,498,604                  | 36,730,371               | 1.08x    | 3.2%       |
| 2008            | Landmark Equity Partners XIV, L.P.                     | 9/19/2008      | 109,120,000          | 66,030,113                 | 19,991,274                 | 61,094,827               | 1.23x    | 18.7%      |
| 2008            | Crestview Partners II, L.P.                            | 10/1/2008      | 50,000,000           | 35,048,060                 | 2,148,701                  | 41,806,245               | 1.25x    | 12.0%      |
| 2008            | Avista Capital Partners II, L.P.                       | 11/5/2008      | 75,000,000           | 49,639,441                 | 12,775,741                 | 65,184,813               | 1.57x    | 15.7%      |
| 2008            | Blue Wolf Capital Fund II, L.P.                        | 11/14/2008     | 25,000,000           | 19,147,517                 | 6,678,112                  | 18,110,847               | 1.29x    | 16.8%      |
| 2008            | Bridgepoint Europe IV                                  | 11/14/2008     | 26,957,878           | 17,195,721                 | -                          | 20,430,209               | 1.19x    | 9.0%       |
| 2008            | Aisling Capital III, LP                                | 11/20/2008     | 14,000,000           | 7,211,688                  | 235,738                    | 5,870,899                | 0.85x    | (12.3%)    |
| 2008            | Onex Partners III LP                                   | 12/10/2008     | 75,000,000           | 58,001,087                 | 7,312,345                  | 53,961,597               | 1.06x    | 4.1%       |
| 2009            | Welsh, Carson, Anderson & Stowe XI, L.P.               | 2/10/2009      | 40,000,000           | 26,503,860                 | 1,724,334                  | 29,897,979               | 1.19x    | 10.4%      |
| 2009            | FS Equity Partners VI, L.P.                            | 7/27/2009      | 32,500,000           | 21,986,864                 | 1,962,100                  | 23,385,219               | 1.15x    | 9.2%       |
| 2009            | Lincolnshire Equity Fund IV, L.P.                      | 8/5/2009       | 27,500,000           | 14,326,291                 | 161,929                    | 11,957,142               | 0.85x    | (14.3%)    |
| 2009            | Lexington Capital Partners VII, L.P.                   | 12/3/2009      | 50,000,000           | 26,835,838                 | 6,392,600                  | 28,927,000               | 1.32x    | 20.3%      |
| 2010            | Snow Phipps II, L.P.                                   | 1/8/2010       | 30,000,000           | 11,288,050                 | 567,904                    | 11,830,883               | 1.10x    | 7.4%       |
| 2010            | JP Morgan Fleming (Tranche B)                          | 2/26/2010      | 35,000,000           | 17,115,592                 | 64,733                     | 17,985,434               | 1.05x    | 4.1%       |
| 2010            | Trident V, L.P.  | 4/29/2010      | 110,000,000          | 45,301,300                 | -                          | 44,896,820               | 0.99x    | (0.7%)     |
| 2011            | Blackstone Capital Partners VI, L.P.                   | 1/24/2011      | 120,000,000          | 25,998,262                 | 136,236                    | 27,631,554               | 1.07x    | NM         |
| 2011            | Ampersand 2011   | 3/11/2011      | 25,000,000           | 13,750,000                 | -                          | 15,979,081               | 1.16x    | NM         |
| 2011            | BDCM Opportunity Fund III, L.P.                        | 4/8/2011       | 45,000,000           | 13,166,363                 | 1,334,766                  | 13,437,008               | 1.12x    | NM         |
| 2011            | AXA Secondary Fund V B L.P.                            | 6/16/2011      | 120,000,000          | 46,914,658                 | 2,979,684                  | 59,793,651               | 1.34x    | NM         |
| 2011            | Wellspring Capital Partners V, L.P.                    | 7/1/2011       | 40,000,000           | 10,345,377                 | -                          | 8,880,000                | 0.86x    | NM         |
| 2011            | EQT VI, L.P.   | 8/1/2011       | 109,843,598          | 28,217,364                 | -                          | 25,263,752               | 0.90x    | NM         |
| 2011            | Pegasus Partners V, L.P.                               | 8/16/2011      | 20,782,282           | 10,554,255                 | -                          | 10,469,580               | 0.99x    | NM         |
| 2011            | BC European Capital IX                                 | 9/19/2011      | 140,945,162          | 45,565,492                 | 1,034,026                  | 46,410,116               | 1.04x    | NM         |
| 2011            | American Securities Partners VI, L.P.                  | 11/18/2011     | 80,000,000           | 25,055,662                 | -,                         | 23,687,255               | 0.95x    | NM         |
| 2011            | Vista Equity Partners Fund IV, L.P.                    | 11/30/2011     | 100,000,000          | 34,938,772                 | -                          | 36,471,438               | 1.04x    | NM         |
| 2011            | Warburg Pincus Private Equity XI, L.P.                 | 5/24/2012      | 110,000,000          | 23,854,372                 |                            | 22,894,330               | 0.96x    | NM         |
| 2012            | Trilantic Capital Partners V L.P.                      | 9/20/2012      | 70,000,000           | 1,000,828                  |                            | (26,932)                 |          | NM         |
| 2012            | Palladium Equity Partners IV, L.P.                     | 10/10/2012     | 55,000,000           | 13,200,000                 | -                          | 12,334,665               | 0.93x    | NM         |
| 2012            |  | 11/5/2012      |                      |                            | -                          | 3,878,297                |          | NM         |
|                 | Ares Corporate Opportunities Fund IV, L.P.             |                | 125,000,000          | 4,246,343                  | -                          |                          | 0.91x    |            |
| 2012            | Green Equity Investors VI, L.P.                        | 11/30/2012     | 120,000,000          | 11,188,971                 | 304,954                    | 11,126,011               | 1.02x    | NM         |
| 2012            | Platinum Equity Capital Partners III, L.P.             | 1/14/2013      | 100,000,000          | -                          | -                          | -                        | 0.00x    | N/A        |
| 2012            | NYCERS - 2012 Emerging Manager Program                 | N/A            | 150,000,000          | -                          | -                          | -                        | 0.00x    | N/A        |
| 2013            | Carlyle Partners VI, L.P.                              | N/A            | 75,000,000           | -                          | -                          | -                        | 0.00x    | N/A<br>N/A |
| 2013            | Carlyle Partners VI, L.P. (Side Car)                   | N/A            | 8,250,000            |                            |                            |                          | 0.00x    |            |

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



#### New York City Employees' Retirement System Subsequent Commitments As of December 31, 2012 (in USD)

| Vintage<br>Year | Investment                               | First Drawdown | Committed<br>Capital | Net | t Contributed<br>Capital | Ne | t Distributed<br>Capital | Market Value | Multiple | IRR |
|-----------------|--|----------------|----------------------|-----|--------------------------|----|--------------------------|--------------|----------|-----|
| Commitme        | ents Closed Subsequent to as of Date     |                |                      |     |                          |    |                          |              |          |     |
| 2013            | Landmark Equity Partners XV, L.P.        | N/A            | \$<br>75,000,000     | \$  | -                        | \$ | -                        | \$<br>-      | N/A      | N/A |
| 2013            | Landmark - NYC Fund I, L.P.              | N/A            | 25,000,000           |     | -                        |    | -                        | -            | N/A      | N/A |
| Total Com       | mitments Closed Subsequent to as of Date |                | \$<br>100,000,000    | \$  | -                        | \$ | -                        | \$<br>-      | N/A      | N/A |

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 returm. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRR canculated in this report are calculated by StepStone Group LP ("StepStone"), a consultant to the New York City Employees' Retirement System, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general 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.

Real Estate Quarterly Report

The New York City Employees' Retirement System

Performance Measurement Report Fourth Quarter 2012

<u>The Townsend Group</u> Cleveland, OH San Francisco, CA London, UK Hong Kong

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### The Townsend Group Performance Measurement Report

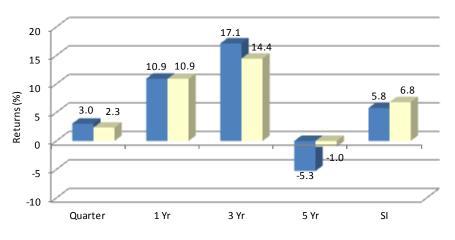
#### THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

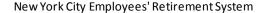
#### FOURTH QUARTER 2012

#### I. Performance Summary

At the end of the Fourth Quarter 2012, ("Quarter") The New York City Employees' Retirement System ("NYCERS") Real Estate Portfolio ("Portfolio") had a cumulative market value of \$1.9 billion. Total market value plus unfunded commitments was \$2.4 billion, or 90.9% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 3.5% which was comprised of 1.0% income and 2.5% appreciation. The NCREIF Open-end Diversified Core Equity Index ("NFI-ODCE") +100 bps reported a total net return of 2.3%. In addition, the Portfolio achieved a total net return of 3.0%. Since inception, the Portfolio has a net IRR of 3.3% and an equity multiple of 1.1x as of December 31, 2012.

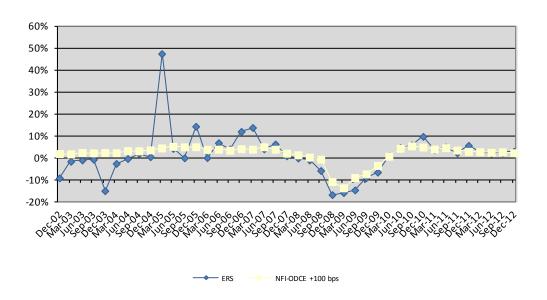
The following chart reflects the total net returns for the NYCERS' Portfolio compared to the NFI-ODCE+100 bps. During the Global Financial Crisis, real estate values declined 31% and 44% for the de-levered NCREIF Property Index ("NPI") and the levered NCREIF Open-End Diversified Core Equity Index ("NFI-ODCE"), respectively. Since the market trough in 2010, both indices have recovered 21% and 27%, respectively. Real estate values continue to rise with average transaction cap rates now below the market peak (2007) average in all sectors, particularly in apartments, CBD office and full-service hotels. According to RCA ("Real Capital Analytics"), apartment pricing in six major US metros is 2% above peak values in the Fourth Quarter, while non-major metros remain below peak values (or at 82% of peak values). Lastly, the cap rate spread between primary and secondary markets continues to shrink. US GDP shrank for the first time since 2009 in the Fourth Quarter of 2012 by 0.1%. Despite the contraction, consumer spending, adjusted for inflation, increased at a 2.2% rate in the Fourth Quarter, (up from 1.6% in the third quarter), and residential investment increased at a 15.3% annual rate (up from 13.5% in third quarter). The slight decline in GDP was related to changes in private inventories (decreased 1.27%), less Federal Government spending (decreased 1.25%), and a negative contribution from trade (decreased 0.25%). The benchmark established for the Portfolio is the NFI-ODCE +100 bps net over full market cycles.





Net NFI-ODCE +100 bps

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



#### NYCERS Quarterly Returns

The table below reflects the returns for the Portfolio and the NFI-ODCE during pertinent time periods and segments these returns by their components: income, appreciation, and total return. The Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

| Returns (%)                                |     | Quarter |      | 1 Year |     |     | 3 Year |      |     | 5 Year |      |      | Inception |      |      |      |      |      |
|--|-----|---------|------|--------|-----|-----|--------|------|-----|--------|------|------|-----------|------|------|------|------|------|
| Returns (76)                               | INC | APP     | TGRS | TNET   | INC | APP | TGRS   | TNET | INC | APP    | TGRS | TNET | INC       | APP  | TGRS | TNET | TGRS | TNET |
| New York City Employees' Retirement System | 1.0 | 2.5     | 3.5  | 3.0    | 3.8 | 8.8 | 12.9   | 10.9 | 4.6 | 14.5   | 19.6 | 17.1 | 4.0       | -7.4 | -3.7 | -5.3 | 12.0 | 5.8  |
| NFI-ODCE Value Weight Index + 100 BPS      |     |         | 2.6  | 2.3    |     |     | 12.0   | 10.9 |     |        | 15.5 | 14.4 |           |      | -0.1 | -1.0 | 7.8  | 6.8  |

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#### II. Portfolio Composition

| New York City Employees' Retirement System          |                                   |          |  |  |  |  |  |  |  |  |  |  |
|---|-----------------------------------|----------|--|--|--|--|--|--|--|--|--|--|
| Total Plan Assets                                   | 12/31/2012                        | \$44,211 |  |  |  |  |  |  |  |  |  |  |
| Real Estate Allocation (%)                          |                                   | 6.0%     |  |  |  |  |  |  |  |  |  |  |
| Real Estate Allocation (\$)                         |                                   | \$2,653  |  |  |  |  |  |  |  |  |  |  |
| St  | yle Sector Allocation             |          |  |  |  |  |  |  |  |  |  |  |
| Core / Core Plus Portfolio                          | 40.0%                             | \$1,061  |  |  |  |  |  |  |  |  |  |  |
| Non-Core Portfolio                                  | 55.0%                             | \$1,459  |  |  |  |  |  |  |  |  |  |  |
| Emerging Managers Portfolio                         | 5.0%                              | \$133    |  |  |  |  |  |  |  |  |  |  |
| Uncommitted Core / Core Plus Portfolio              |                                   | \$85     |  |  |  |  |  |  |  |  |  |  |
| Uncommitted Non-Core Portfolio                      |                                   | \$94     |  |  |  |  |  |  |  |  |  |  |
| Uncommitted Emerging Managers Portfolio             |                                   | \$61     |  |  |  |  |  |  |  |  |  |  |
| Funded (Marke                                       | t Value) and Committed Statistics |          |  |  |  |  |  |  |  |  |  |  |
| Core / Core Plus Portfolio                          |                                   | 40.5%    |  |  |  |  |  |  |  |  |  |  |
| Non-Core Portfolio                                  |                                   | 56.6%    |  |  |  |  |  |  |  |  |  |  |
| Emerging Managers Portfolio                         |                                   | 3.0%     |  |  |  |  |  |  |  |  |  |  |
| \$ Committed  |                                   | \$2,412  |  |  |  |  |  |  |  |  |  |  |
| % Committed on Real Estate Allocation               |                                   | 90.9%    |  |  |  |  |  |  |  |  |  |  |
| % Committed on Total Plan Assets                    |                                   | 5.5%     |  |  |  |  |  |  |  |  |  |  |
| Fundec  | l (Market Value) Statistics       |          |  |  |  |  |  |  |  |  |  |  |
| % Funded (Market Value) of Total Plan Assets        |                                   | 4.3%     |  |  |  |  |  |  |  |  |  |  |
| % Funded (Market Value) of Total Real Estate Alloca | ation                             | 71.8%    |  |  |  |  |  |  |  |  |  |  |

| Employees                    |         |           |  |  |  |  |  |  |  |  |  |
|------------------------------|---------|-----------|--|--|--|--|--|--|--|--|--|
| Investment Cash Elaw Summary |         |           |  |  |  |  |  |  |  |  |  |
| Investment Cash Flow Summary |         |           |  |  |  |  |  |  |  |  |  |
|                              | Quarter | To Date   |  |  |  |  |  |  |  |  |  |
| Contributions                | \$81.3  | \$2,320.1 |  |  |  |  |  |  |  |  |  |
| Distributions                | -\$17.0 | -\$536.9  |  |  |  |  |  |  |  |  |  |
| Withdrawls                   | -\$10.0 | -\$122.2  |  |  |  |  |  |  |  |  |  |

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

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

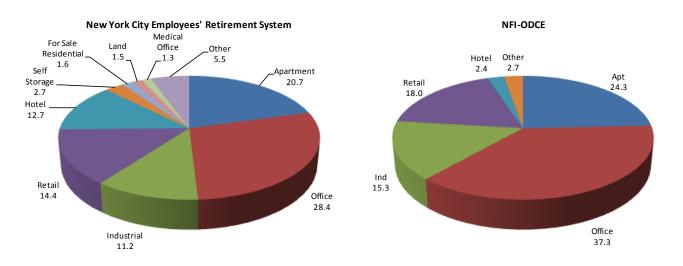
Withdrawals: Includes cash returned from the investment as a result of return of capital.

### III. Portfolio Compliance

| Category                      | Requirement   | Portfolio Status   |
|-------------------------------|---|--|
| Benchmark                     | NFI-ODCE (net) +100 bps over full market cycles   | Portfolio returns underperform benchmark.  |
| Portfolio Composition         | Core/Core Plus (minimum of 40%)<br>Non Core (minimum of 40%)<br>Non Core Emerging (greater of \$88<br>million or 5% of the total real estate<br>allocation) | The portfolio is funded (market value) and<br>committed at 90.9% of real estate<br>allocation with a portfolio composition of<br>40.5% core, 56.6% non-core, and 3.0%<br>emerging. |
| Real Estate Allocation        | Target of 6.0%<br>Currently Funded at 4.3%  | Funded (market value) and committed<br>dollars place the portfolio at 5.5% of total<br>plan assets.  |
| Property Type Diversification | Up to 40% Mutlifamily<br>Up to 35% Industrial<br>Up to 45% Office<br>Up to 35% Retail<br>Up to 25% Hotel<br>Up to 20% Other                                 | All property type locations are in compliance.   |
| Geographic Diversification    | Diversified geographically<br>Max 25% Ex-US   | All geographic type locations are in compliance  |
| LTV                           | 65%   | Portfolio is in early stages of funding, but<br>is in compliance (43.5%).  |
| Manager Exposure              | 15% of real estate allocation   | Manager exposure is within compliance ranges.  |

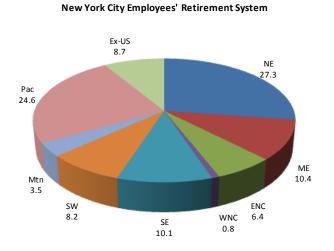
#### IV. Portfolio Diversification

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

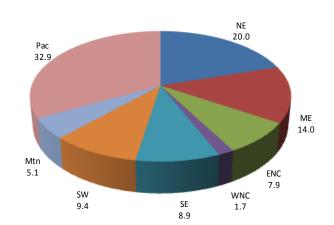


#### **Property Type Diversification (%)**





NFI-ODCE



Callan Performance Summary



June 25, 2013

New York City Employees' Retirement System

Performance Measurement Summary 3/31/13

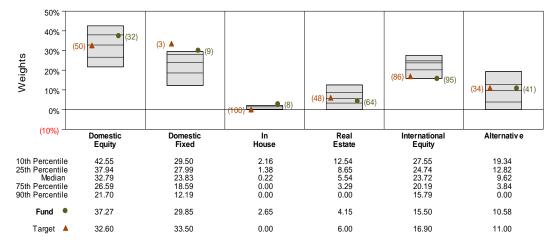
Bud Pellecchia Senior Vice President

# **Total Fund Actual Asset Allocation Versus New Long Term Target**

Domestic Equity 37% In House 3% Private Equity International Equity 8% 15% Hedge Funds 3% Real Estate 4% Bank Loans TIPS 2% Structured Fixed Opportunistic Fixed 17% 3% Progress Fixed 1% Convertibles High Yield 0% 1%

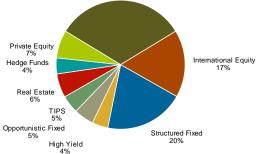
Actual Asset Allocation

#### Asset Class Weights vs Large Public >10 B



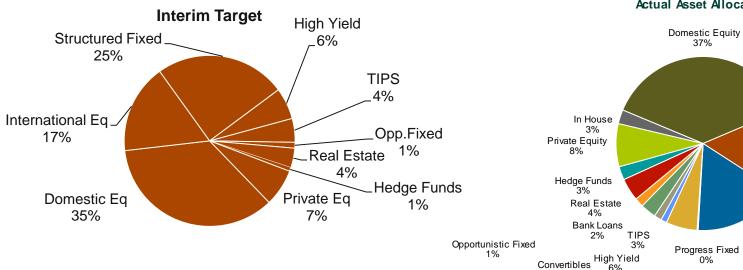
#### Target Asset Allocation





| Asset Class          | \$000s<br>Actual | Percent<br>Actual | Percent<br>Target | Percent<br>Difference | \$000s<br>Difference |
|----------------------|------------------|-------------------|-------------------|-----------------------|----------------------|
| Domestic Equity      | 17.367.397       | 37.3%             | 32.6%             | 4.7%                  | 2.177.274            |
| International Equity | 7,221,802        | 15.5%             | 16.9%             | (1.4%)                | (652,832)            |
| Structured Fixed     | 7,805,675        | 16.8%             | 20.0%             | (3.2%)                | (1,513,419)          |
| Progress Fixed       | 106,157          | 0.2%              | 0.0%              | 0.2%                  | 106,157              |
| High Yield           | 2,679,437        | 5.8%              | 4.0%              | 1.8%                  | 815,619              |
| Convertibles         | 497,685          | 1.1%              | 0.0%              | 1.1%                  | 497,685              |
| Opportunistic Fixed  | 639,882          | 1.4%              | 5.0%              | (3.6%)                | (1,689,891)          |
| TİPS                 | 1,374,513        | 2.9%              | 4.5%              | (1.6%)                | (722,283)            |
| Bank Loans           | 804,227          | 1.7%              | 0.0%              | 1.7%                  | 804,227              |
| Real Estate          | 1,935,460        | 4.2%              | 6.0%              | (1.8%)                | (860,268)            |
| Hedge Funds          | 1,183,740        | 2.5%              | 4.0%              | (1.5%)                | (680,079)            |
| Private Equity       | 3,746,236        | 8.0%              | 7.0%              | 1.0%                  | 484,554              |
| In House             | 1,233,256        | 2.6%              | 0.0%              | 2.6%                  | 1,233,256            |
| Total                | 46,595,468       | 100.0%            | 100.0%            |                       |                      |

# **Total Fund Actual Asset Allocation Versus Interim Target**



#### Actual Asset Allocation

# Structured Fixed

17%

International Equity

15%

## **Interim Target**

Callan

- 32.6% Russell 3000 for Broad Domestic Equity, 16.9% ACWI ex-US for Global Ex-US Equity, 20% Core Plus 5% for Fixed Income
- 4.5% BC US TIPS Index for TIPS
- 4% Citigroup High Yield Index BB & B for High Yield Fixed Income
- 7% Russell 3000 Index + 5% for Private Equity
- 3.7% NFI-ODCE Equal Weight Net +1%, 1.15% Russell 3000 Index, 1.15% Core Plus 5% Index for Real Estate
- 0.7% HFRI FOF Composite + 1%, 1.65% Russell 3000 Index, 1.65% Core Plus 5% Index for Hedge Funds
- 1.1% JP Morgan High Yield Index + 3%, 1.95% Core Plus 5%, 1.95% Citigroup HY Index BB & B for Opportunistic Fixed Income

### Or

1%

- 35.4% Russell 3000 Index
- 16.9% ACWI ex-US Index
- 24.75% Core Plus 5% Index
- 4.5% BC US TIPS Index
- 5.95% Citigroup High Yield Index BB & B
- 7% Russell 3000 + 5%
- 3.7% NFI-ODCE Equal Weight Net +1%
- 0.7% HFRI FOF Composite + 1%
- 1.1 % JP Morgan High Yield Index + 3%

# **Total Fund Quarterly Attribution Analysis Versus New Long Term Target**

### With Private Equity Target Return Equal to Actual Return

### Relative Attribution Effects for Quarter ended March 31, 2013

| Style Class          | Effective<br>Actual<br>Weight | Effective<br>Target<br>Weight | Actual<br>Return | Target<br>Return | Manager<br>Effect | Style<br>Allocation | Total<br>Relative<br>Return |
|----------------------|-------------------------------|-------------------------------|------------------|------------------|-------------------|---------------------|-----------------------------|
| Domestic Equity      | 35%                           | 33%                           | 11.54%           | 11.07%           | 0.16%             | 0.15%               | 0.32%                       |
| Structured Fixed     | 17%                           | 20%                           | 0.07%            | (0.32%)          | 0.07%             | 0.13%               | 0.20%                       |
| High Yield           | 6%                            | 4%                            | 3.22%            | 2.37%            | 0.05%             | (0.05%)             | 0.00%                       |
| TIPS                 | 3%                            | 5%                            | (0.15%)          | (0.36%)          | 0.01%             | 0.08%               | 0.08%                       |
| Short Term           | 2%                            | 0%                            | 0.06%            | 0.06%            | 0.00%             | (0.09%)             | (0.09%)                     |
| Leveraged-Bank Loans | 2%                            | 0%                            | 2.08%            | 2.08%            | 0.00%             | (0.05%)             | (0.05%)                     |
| Opportunistic Fixed  | 1%                            | 5%                            | 5.89%            | 3.69%            | 0.03%             | 0.04%               | 0.07%                       |
| Convertibles         | 1%                            | 0%                            | 5.90%            | 5.90%            | 0.00%             | 0.01%               | 0.01%                       |
| Total Targeted       | 1%                            | 0%                            | 0.58%            | 0.58%            | 0.00%             | (0.05%)             | (0.05%)                     |
| Progress Fixed       | 0%                            | 0%                            | 0.10%            | 0.10%            | 0.00%             | (0.01%)             | (0.01%)                     |
| Real Estate          | 4%                            | 6%                            | 3.66%            | 2.58%            | 0.05%             | 0.04%               | 0.08%                       |
| International Equity | 16%                           | 17%                           | 3.03%            | 3.27%            | (0.04%)           | 0.02%               | (0.02%)                     |
| Private Equity       | 8%                            | 7%                            | 0.86%            | 0.86%            | 0.00%             | (0.06%)             | (0.06%)                     |
| Hedge Funds          | 2%                            | 4%                            | 3.44%            | 3.54%            | (0.00%)           | 0.02%               | 0.02%                       |
| Cash Equiv           | 0%                            | 0%                            | 0.00%            | 0.00%            | 0.00%             | (0.00%)             | (0.00%)                     |
| Total                |                               |                               | 5.23% =          | 4.72% +          | 0.33% +           | 0.19%               | 0.51%                       |

What Hurt?

Overweight Short Term

- What Helped?
  - Overweight Domestic Equity
  - Underweight Structured Fixed
  - Underweight TIPs
  - Strong Manager Performance in Domestic Equity, Structured Fixed, High Yield and Real Estate

Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – Private Equity, 6.0% NFI-ODCE Equal Weight Net +1%, 5.0% JP Morgan Global HY Bd Idx+3.0%, 4.5% Barclays US TIPS Index, 4.0% HFRI Fund of Funds Compos+1.0% and 4.0% High Yield Idx BB & B.

# **Total Fund Quarterly Attribution Analysis Versus Interim Target**

### With Private Equity Target Return Equal to Actual Return

### Relative Attribution Effects for Quarter ended March 31, 2013

| Style Class          | Effective<br>Actual<br>Weight | Effective<br>Target<br>Weight | Actual<br>Return | Target<br>Return | Manager<br>Effect | Style<br>Allocation | Total<br>Relative<br>Return |
|----------------------|-------------------------------|-------------------------------|------------------|------------------|-------------------|---------------------|-----------------------------|
| Domestic Equity      | 35%                           | 33%                           | 11.54%           | 11.07%           | 0.16%             | 0.15%               | 0.32%                       |
| Structured Fixed     | 17%                           | 20%                           | 0.07%            | (0.32%)          | 0.07%             | 0.13%               | 0.20%                       |
| High Yield           | 6%                            | 4%                            | 3.22%            | 2.37%            | 0.05%             | (0.05%)             | 0.00%                       |
| TIPS                 | 3%                            | 5%                            | (0.15%)          | (0.36%)          | 0.01%             | 0.08%               | 0.08%                       |
| Short Term           | 2%                            | 0%                            | 0.06%            | 0.06%            | 0.00%             | (0.09%)             | (0.09%)                     |
| Leveraged-Bank Loans | 2%                            | 0%                            | 2.08%            | 2.08%            | 0.00%             | (0.05%)             | (0.05%)                     |
| Opportunistic Fixed  | 1%                            | 5%                            | 5.89%            | 1.62%            | 0.06%             | 0.12%               | 0.17%                       |
| Convertibles         | 1%                            | 0%                            | 5.90%            | 5.90%            | 0.00%             | 0.01%               | 0.01%                       |
| Total Targeted       | 1%                            | 0%                            | 0.58%            | 0.58%            | 0.00%             | (0.05%)             | (0.05%)                     |
| Progress Fixed       | 0%                            | 0%                            | 0.10%            | 0.10%            | 0.00%             | (0.01%)             | (0.01%)                     |
| Real Estate          | 4%                            | 6%                            | 3.66%            | 3.65%            | 0.00%             | 0.02%               | 0.02%                       |
| International Equity | 16%                           | 17%                           | 3.03%            | 3.27%            | (0.04%)           | 0.02%               | (0.02%)                     |
| Private Equity       | 8%                            | 7%                            | 0.86%            | 0.86%            | 0.00%             | (0.06%)             | (0.06%)                     |
| Hedge Funds          | 2%                            | 4%                            | 3.44%            | 5.05%            | (0.04%)           | (0.00%)             | (0.04%)                     |
| Cash Equiv           | 0%                            | 0%                            | 0.00%            | 0.00%            | 0.00%             | (0.00%)             | (0.00%)                     |
| Total                |                               |                               | 5.23% =          | 4.74%            | + 0.27% +         | 0.22%               | 0.49%                       |

• What Helped?

What Hurt?

- Overweight Domestic Equity

- Overweight Short Term

- Underweight Structured Fixed
- Underweight TIPs

Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – Private Equity, 4.5% Barclays US TIPS, 4.0% High Yield BB & B, 3.7% NFI-ODCE Equal Weight Net +1%, 2.0% Citi Core Plus 5 Index, 2.0% High Yield Idx BB & B, 1.6% Russell 3000 Index, 1.6% Citi Core Plus 5 Index, 1.1% Russell 3000 Index, 1.1% Citi Core Plus 5 Index, 1.1% JP Morgan Global HY Bd Idx+3.0% and 0.7% HFRI Fund of Funds Compos+1.0%.

# Total Fund 1 and <sup>1</sup>/<sub>2</sub> Year Attribution Analysis Versus New Long Term Target

### With Private Equity Target Return Equal to Actual Return

### One and One-Half Year Annualized Relative Attribution Effects

|                      | Effective<br>Actual | Effective<br>Target | Actual   | Target   | Manager   | Style      | Total<br>Relative |
|----------------------|---------------------|---------------------|----------|----------|-----------|------------|-------------------|
| Style Class          | Weight              | Weight              | Return   | Return   | Effect    | Allocation | Return            |
| Domestic Equity      | 37%                 | 33%                 | 28.76%   | 28.10%   | 0.21%     | 0.39%      | 0.60%             |
| Structured Fixed     | 17%                 | 20%                 | 5.59%    | 4.30%    | 0.24%     | 0.29%      | 0.52%             |
| High Yield           | 6%                  | 4%                  | 15.90%   | 15.53%   | 0.03%     | (0.02%)    | 0.01%             |
| Short Term           | 3%                  | 0%                  | 0.46%    | 0.46%    | 0.00%     | (0.52%)    | (0.52%)           |
| TIPS                 | 2%                  | 5%                  | 6.62%    | 6.21%    | 0.01%     | 0.17%      | 0.18%             |
| Convertibles         | 1%                  | 0%                  | 14.51%   | 14.51%   | 0.00%     | (0.03%)    | (0.03%)           |
| Total Targeted       | 1%                  | 0%                  | 5.37%    | 5.37%    | 0.00%     | (0.15%)    | (0.15%)           |
| Opportunistic Fixed  | 1%                  | 5%                  | 10.10%   | 20.53%   | (0.09%)   | (0.20%)    | (0.29%)           |
| Leveraged-Bank Loans | 1%                  | 0%                  | 1.38%    | 1.38%    | 0.00%     | (0.06%)    | (0.06%)           |
| Progress Fixed       | 0%                  | 0%                  | 4.43%    | 4.43%    | 0.00%     | (0.03%)    | (0.03%)           |
| Real Estate          | 4%                  | 6%                  | 14.29%   | 10.33%   | 0.16%     | 0.10%      | 0.26%             |
| International Equity | 16%                 | 17%                 | 16.98%   | 16.53%   | 0.08%     | (0.09%)    | (0.01%)           |
| Private Equity       | 9%                  | 7%                  | 7.69%    | 7.69%    | 0.00%     | (0.20%)    | (0.20%)           |
| Hedge Funds          | 2%                  | 4%                  | 4.97%    | 6.10%    | 0.00%     | 0.24%      | 0.24%             |
| Cash Equiv           | 0%                  | 0%                  | 0.00%    | 0.00%    | 0.00%     | (0.05%)    | (0.05%)           |
| Total                |                     |                     | 16.58% = | 16.10% + | + 0.65% + | (0.17%)    | 0.48%             |

- What Helped?
  - Overweight Domestic Equity
  - Underweight Structured Fixed, TIPS and Hedge Funds
  - Strong Manager Performance in Domestic Equity, Structured Fixed, High Yield, International Equity, and Real Estate

What Hurt?

- Overweight Short Term Cash and Private Equity
- Underweight Opportunistic Fixed
- Weak performance in Opportunistic Fixed Income

Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC - Private Equity, 6.0% NFI-ODCE Equal Weight Net +1%, 5.0% JP Morgan Global HY Bd Idx+3.0%, 4.5% Barclays US TIPS Index, 4.0% HFRI Fund of Funds Compos+1.0% and 4.0% High Yield Idx BB & B.

# Total Fund 1 and <sup>1</sup>/<sub>2</sub> Year Attribution Analysis Versus Interim Target

### With Private Equity Target Return Equal to Actual Return

### One and One-Half Year Annualized Relative Attribution Effects

| Style Class          | Effective<br>Actual<br>Weight | Effective<br>Target<br>Weight | Actual<br>Retum | Target<br>Return | Manager<br>Effect | Style<br>Allocation | Total<br>Relative<br>Retum |
|----------------------|-------------------------------|-------------------------------|-----------------|------------------|-------------------|---------------------|----------------------------|
| Domestic Equity      | 37%                           | 33%                           | 28.76%          | 28.10%           | 0.21%             | 0.39%               | 0.60%                      |
| Structured Fixed     | 17%                           | 20%                           | 5.59%           | 4.30%            | 0.24%             | 0.29%               | 0.53%                      |
| High Yield           | 6%                            | 4%                            | 15.90%          | 15.53%           | 0.03%             | (0.02%)             | 0.00%                      |
| Short Term           | 3%                            | 0%                            | 0.46%           | 0.46%            | 0.00%             | (0.53%)             | (0.53%)                    |
| TIPS                 | 2%                            | 5%                            | 6.62%           | 6.21%            | 0.01%             | 0.17%               | 0.18%                      |
| Convertibles         | 1%                            | 0%                            | 14.51%          | 14.51%           | 0.00%             | (0.03%)             | (0.03%)                    |
| Total Targeted       | 1%                            | 0%                            | 5.37%           | 5.37%            | 0.00%             | (0.15%)             | (0.15%)                    |
| Opportunistic Fixed  | 1%                            | 5%                            | 10.10%          | 12.15%           | (0.00%)           | 0.13%               | 0.13%                      |
| Leveraged-Bank Loans | 1%                            | 0%                            | 1.38%           | 1.38%            | 0.00%             | (0.06%)             | (0.06%)                    |
| Progress Fixed       | 0%                            | 0%                            | 4.43%           | 4.43%            | 0.00%             | (0.03%)             | (0.03%)                    |
| Real Estate          | 4%                            | 6%                            | 14.29%          | 12.50%           | 0.07%             | 0.06%               | 0.13%                      |
| International Equity | 16%                           | 17%                           | 16.98%          | 16.53%           | 0.08%             | (0.10%)             | (0.01%)                    |
| Private Equity       | 9%                            | 7%                            | 7.69%           | 7.69%            | 0.00%             | (0.20%)             | (0.20%)                    |
| Hedge Funds          | 2%                            | 4%                            | 4.97%           | 14.21%           | (0.12%)           | 0.04%               | (0.08%)                    |
| Cash Equiv           | 0%                            | 0%                            | 0.00%           | 0.00%            | 0.00%             | (0.05%)             | <u>(0.05%)</u>             |
| Total                |                               |                               | 16.58% =        | 16.15% +         | · 0.52% +         | (0.10%)             | 0.43%                      |
| • What Helped?       |                               |                               | • W             | hat Hurt?        |                   |                     |                            |

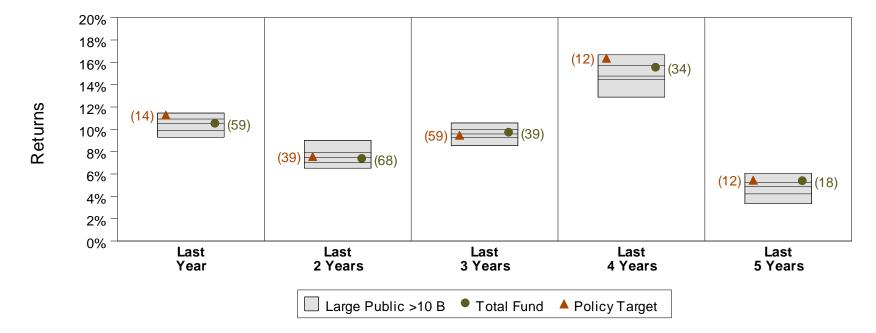
- Overweight Domestic Equity

- - Overweight Short Term Cash and Private Equity

- Underweight Structured Fixed and TIPS

Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC - Private Equity, 4.5% Barclays US TIPS Index, 4.0% High Yield Idx BB & B, 3.7% NFI-ODCE Equal Weight Net +1%, 2.0% Citi Core Plus 5 Index, 2.0% High Yield Idx BB & B, 1.6% Russell 3000 Index, 1.6% Citi Core Plus 5 Index, 1.1% Russell 3000 Index, 1.1% Citi Core Plus 5 Index, 1.1% JP Morgan Global HY Bd Idx+3.0% and 0.7% HFRI Fund of Funds Compos+1.0%.

# **Total Fund Peer Comparisons**

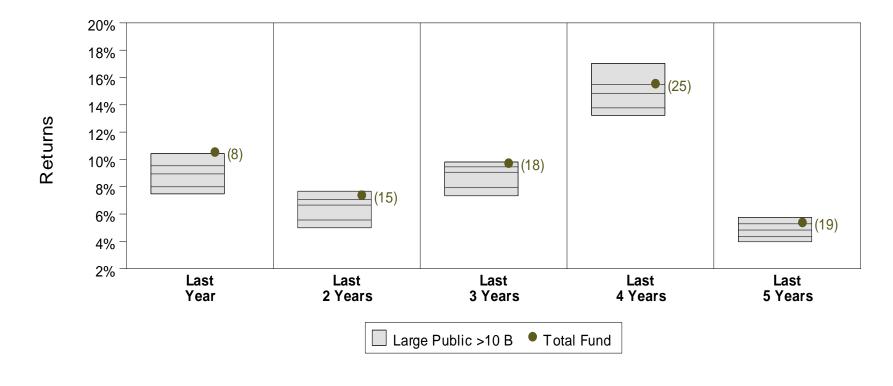


### Large Public >10 B

# **Total Fund Peer Comparisons**

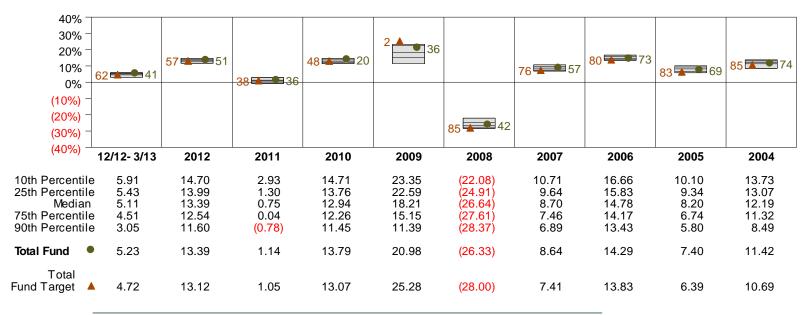
Asset Allocation Adjusted Rankings

• For this comparison each fund in the Database is adjusted to have the same asset allocation as the client. This removes large asset allocation variances among plans and allows for a greater focus on manager performance.



# **Total Fund Peer Comparisons**

#### Performance vs Large Public >10 B (Gross)

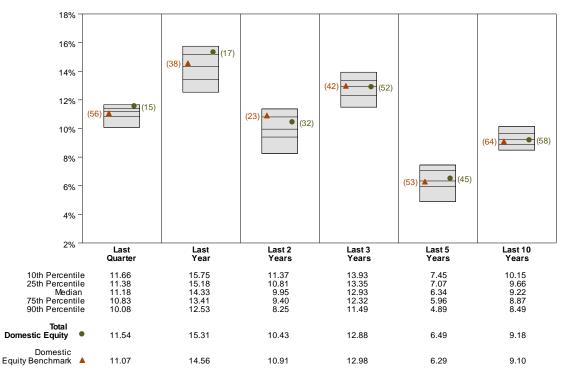


Risk Statistics Rankings vs Total Fund Target Rankings Against Large Public >10 B (Gross)

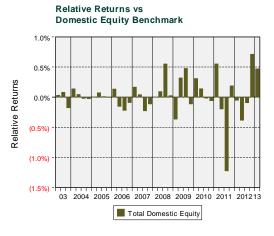
Ten Years Ended March 31, 2013 14% 1.05 1.00 12% (53) 0.95 (46) 10% 0.90 -8% 0.85 6% 0.80 4% 0.75 2% **-**(96 0.70 --(80 0% 0.65 Standard Tracking Beta Rel. Std. Downside Residual **R-Squared** Deviation Risk Risk Error **Deviation** 10th Percentile 12.37 3.76 2.78 4.26 10th Percentile 1.00 0.99 1.01 2.16 0.98 25th Percentile 12.12 2.47 2.72 25th Percentile 0.97 0.99 Median 11.87 1.72 1.96 2.19 Median 0.94 0.97 0.97 75th Percentile 10.89 1.24 1.64 1.64 75th Percentile 0.87 0.96 0.89 90th Percentile 90th Percentile 9.75 0.92 1.42 1.41 0.73 0.93 0.79 Total Fund 1.21 1.35 1.39 . 0.95 0.99 0.95 11.70 Total Fund

# **Total Domestic Equity**

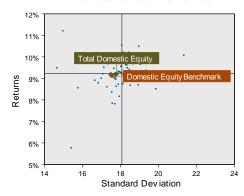
#### Performance vs Large Public >10 B Domestic Equity



 The Domestic Equity Benchmark is comprised of 90% Russell 3000, 10% S&P 500 until September 30, 2011 and 100% Russell 3000 thereafter.



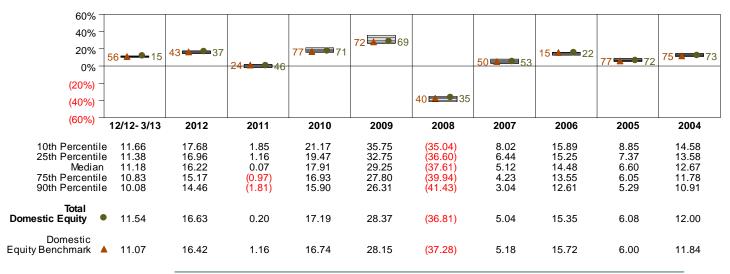
Large Public >10 B Domestic Equity Annualized Ten Year Risk vs Return



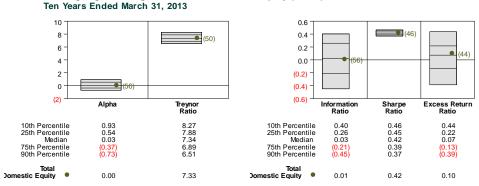
# **Total Domestic Equity**

### Continued

#### Performance vs Large Public >10 B Domestic Equity (Gross)

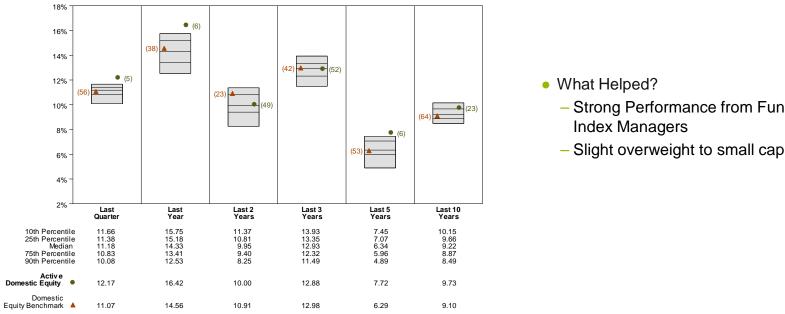


Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Large Public >10 B Domestic Equity (Gross)



# **Total Active Domestic Equity**

#### Performance vs Large Public >10 B Domestic Equity



#### Performance vs Large Public >10 B Domestic Equity (Gross)

| 60% T                        |             |                |                |                |                |                    |              |                |              |                |
|------------------------------|-------------|----------------|----------------|----------------|----------------|--------------------|--------------|----------------|--------------|----------------|
| 40% -                        |             |                |                |                | 72 46          |                    |              |                |              |                |
| 20% -                        | <b>56</b> 5 | <b>43 </b> 21  |                | 77 💶 🖿 19      | /24            |                    |              | 15             | 77 - 51      | 75 - 39        |
| 0% -                         |             |                | 24 <b></b> 89  |                |                |                    | 50 63        |                | //51         |                |
| (20%) -                      |             |                |                |                |                |                    |              |                |              |                |
| (40%) -                      |             |                |                |                |                | 40 = 12            |              |                |              |                |
| (60%) 🕹                      | 12/12-3/13  | 2012           | 2011           | 2010           | 2009           | 2008               | 2007         | 2006           | 2005         | 2004           |
|                              | 12/12-3/13  | 2012           | 2011           | 2010           | 2009           | 2006               | 2007         | 2006           | 2005         | 2004           |
| 10th Percentile              |             | 17.68          | 1.85           | 21.17          | 35.75          | (35.04)            | 8.02         | 15.89          | 8.85         | 14.58          |
| 25th Percentile              |             | 16.96          | 1.16           | 19.47          | 32.75          | (36.60)            | 6.44         | 15.25          | 7.37         | 13.58          |
| Median<br>75th Percentile    |             | 16.22<br>15.17 | 0.07<br>(0.97) | 17.91<br>16.93 | 29.25<br>27.80 | (37.61)<br>(39.94) | 5.12<br>4.23 | 14.48<br>13.55 | 6.60<br>6.05 | 12.67<br>11.78 |
| 90th Percentile              |             | 14.46          | (1.81)         | 15.90          | 26.31          | (41.43)            | 3.04         | 12.61          | 5.29         | 10.91          |
| Active                       |             |                |                |                |                |                    |              |                |              |                |
| Domestic Equity              | 12.17       | 17.13          | (1.73)         | 19.90          | 30.14          | (35.67)            | 4.67         | 13.73          | 6.58         | 13.14          |
| Domestic<br>Equity Benchmark | 11.07       | 16.42          | 1.16           | 16.74          | 28.15          | (37.28)            | 5.18         | 15.72          | 6.00         | 11.84          |

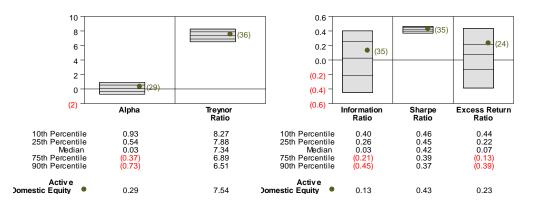
#### Callan Knowledge. Experience. Integrity.

- Strong Performance from Fundamental

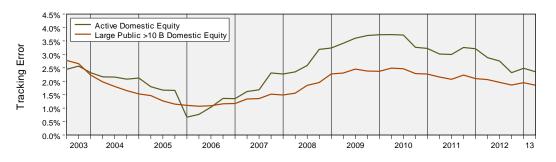
# **Total Active Domestic Equity**

### Continued

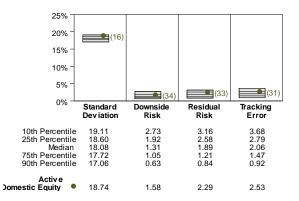
Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Large Public >10 B Domestic Equity (Gross) Ten Years Ended March 31, 2013

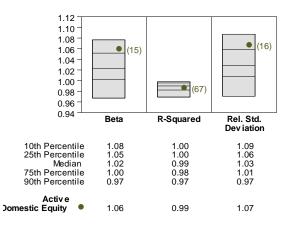


#### **Rolling 12 Quarter Tracking Error vs Domestic Equity Benchmark**



#### Risk Statistics Rankings vs Domestic Equity Benchmark Rankings Against Large Public >10 B Domestic Equity (Gross) Ten Years Ended March 31, 2013

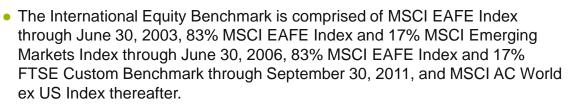


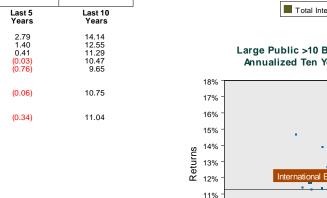


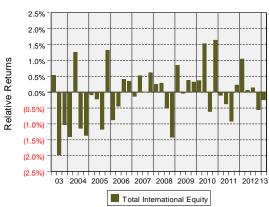
# **Total International Equity**

#### Performance vs Large Public >10 B International Equity





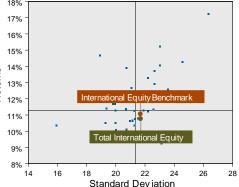




**Relative Returns vs** 

International Equity Benchmark





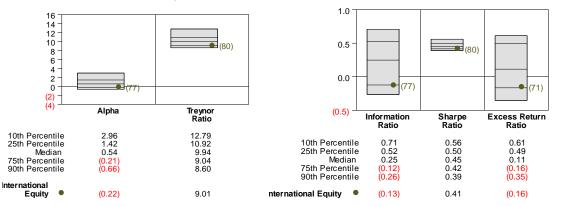
# **Total International Equity**

### Continued

#### Performance vs Large Public >10 B International Equity (Gross)

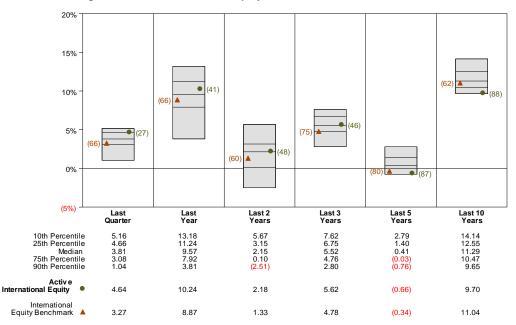
| 80% -<br>60% -<br>40% -<br>20% -<br>0% -   | 6 <b></b> 76         | <b>74</b> 66                              |  | <b>77</b>                                | 42 30                                     |   | <b>49</b>                                 | <b>47 6</b> 5                             | 42 48                                     | 27 74                                     |  |
|--|----------------------|---|--|--|---|---|---|---|---|---|--|
| (20%) =<br>(40%) =<br>(60%) =  |                      |   | 45 65  |  |   | <mark>60 - 7</mark> 6                               |   |   |   |   |  |
| (80%) <sup></sup>  | 12/12- 3/13          | 2012                                      | 2011   | 2010                                     | 2009                                      | 2008  | 2007                                      | 2006                                      | 2005                                      | 2004                                      |  |
| 10th Percentile<br>25th Percentile<br>Median<br>75th Percentile<br>90th Percentile | 4.66<br>3.81<br>3.08 | 21.11<br>19.78<br>18.65<br>17.31<br>16.13 | (9.81)<br>(11.84)<br>(13.41)<br>(14.46)<br>(17.26) | 16.00<br>14.15<br>12.52<br>10.65<br>9.35 | 55.07<br>42.10<br>38.35<br>33.21<br>30.34 | (39.41)<br>(41.91)<br>(44.65)<br>(46.03)<br>(47.85) | 22.82<br>17.65<br>15.48<br>13.42<br>10.74 | 30.92<br>28.36<br>27.08<br>26.25<br>24.33 | 25.72<br>19.62<br>16.53<br>15.77<br>13.54 | 24.15<br>21.43<br>19.61<br>18.46<br>16.88 |  |
| International<br>Equity  | 3.03                 | 18.09                                     | (14.05)  | 13.91                                    | 41.83                                     | (46.06)   | 16.70                                     | 26.47                                     | 16.74                                     | 18.47                                     |  |
| International<br>Equity Benchmark 🔺  | 3.27                 | 17.39                                     | (12.84)  | 10.44                                    | 39.67                                     | (45.02)   | 15.58                                     | 27.17                                     | 16.86                                     | 21.35                                     |  |

Risk Adjusted Return Measures vs International Equity Benchmark Rankings Against Large Public >10 B International Equity (Gross) Ten Years Ended March 31, 2013



# **Total Active International Equity**

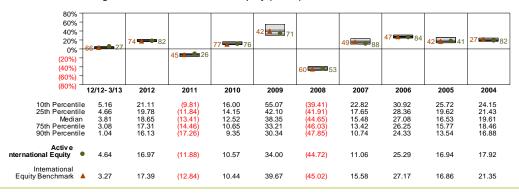
#### Performance vs Large Public >10 B International Equity



### • What Helped?

- Strong performance from Baillie Gifford
- Strong performance from Emerging Markets Managers, especially Acadian.

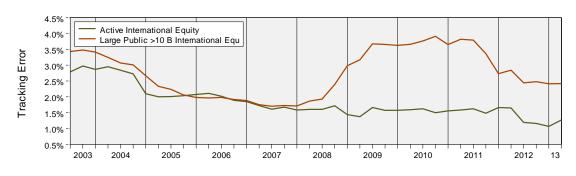
#### Performance vs Large Public >10 B International Equity (Gross)



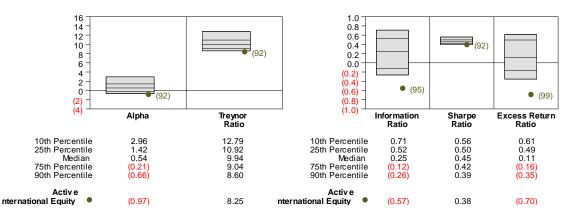
# **Total Active International Equity**

### Continued

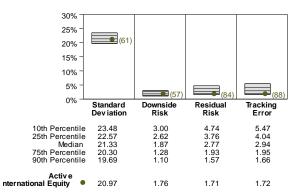
#### Rolling 12 Quarter Tracking Error vs International Equity Benc

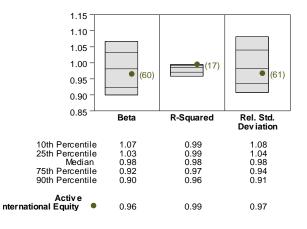


Risk Adjusted Return Measures vs International Equity Benchmark Rankings Against Large Public >10 B International Equity (Gross) Ten Years Ended March 31, 2013



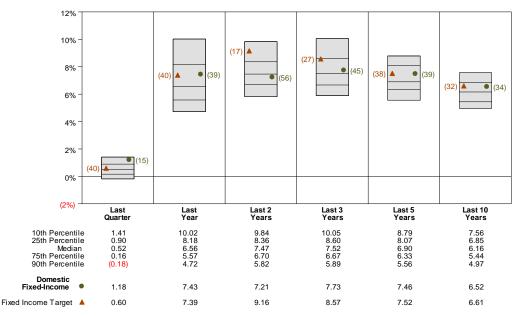
Risk Statistics Rankings vs International Equity Benc Rankings Against Large Public >10 B International Equity (Gross) Ten Years Ended March 31, 2013





# **Total Fixed Income Against New Long Term Fixed Income Target**

#### Performance vs Large Public >10 B Domestic Fixed



• What Helped?

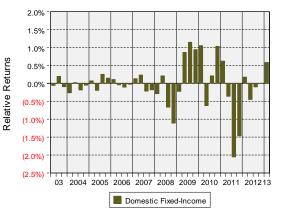
What Hurt?

- Underweight opportunistic

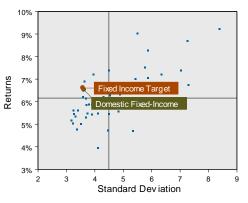
- Overweight high yield
- Underweight TIPs
- Strong performance from Mortgage managers, Corporate managers, and Opportunistic managers.

The Fixed Income Target is comprised of 13% BC Credit High Yield Index and 87% BC Core Plus 5 NYCERS Index until June 30, 2003, 10% BC US Tips Index, 73% Citigroup Core Plus 5 Index, and 17% Citigroup High Yield BB & B Rated Index until September 30, 2011, and 60% Citigroup Core Plus 5 Index, 12% Citigroup High Yield BB & B Rated Index, 15% JP Morgan High Yield Index+3%, and 13% BC US TIPS Index thereafter.

#### **Relative Return vs Fixed Income Target**



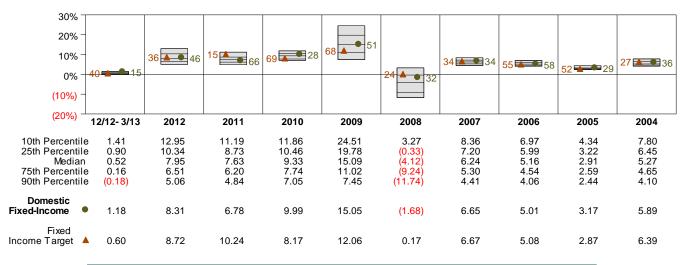




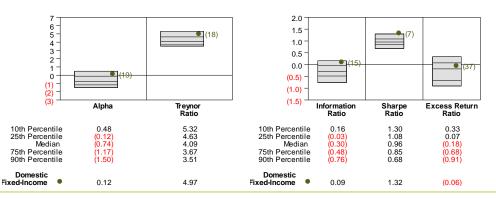
# **Total Fixed Income Against New Long Term Fixed Income Target**

### Continued

#### Performance vs Large Public >10 B Domestic Fixed (Gross)



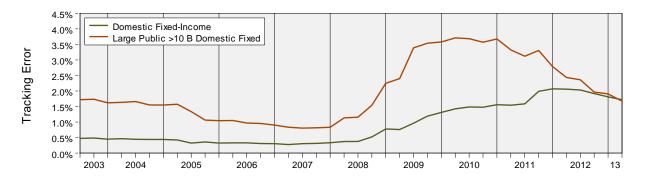
Risk Adjusted Return Measures vs Fixed Income Target Rankings Against Large Public >10 B Domestic Fixed (Gross) Ten Years Ended March 31, 2013



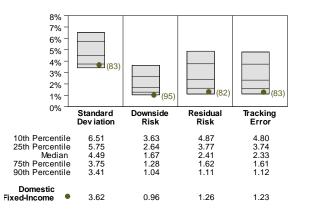
# **Total Fixed Income Against New Long Term Fixed Income Target**

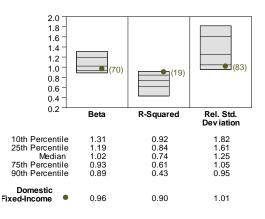
### Continued

#### **Rolling 12 Quarter Tracking Error vs Fixed Income Target**



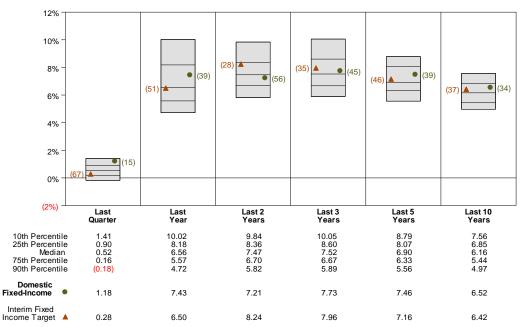
Risk Statistics Rankings vs Fixed Income Target Rankings Against Large Public >10 B Domestic Fixed (Gross) Ten Years Ended March 31, 2013





# **Total Fixed Income Against New Interim Fixed Income Target**

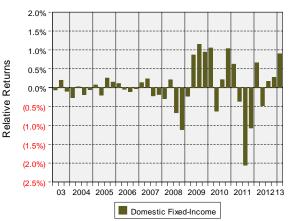
#### Performance vs Large Public >10 B Domestic Fixed



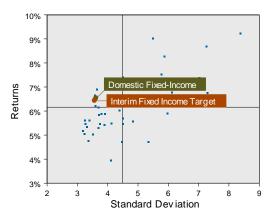
- What Helped?
  - Underweight TIPs
  - Strong performance from Mortgage managers, Corporate managers, and Opportunistic managers.

The Interim Fixed Income Target is comprised of 13% BC Credit High Yield Index and 87% BC Core Plus 5 NYCERS Index until June 30, 2003, 10% BC US TIPS Index, 73% Citigroup Core Plus 5 Index, and 17% Citigroup High Yield BB & B Rated Index until September 30, 2011, and 65.52% Citigroup Core Plus 5 Index, 17.76% Citigroup High Yield BB & B Rated Index, 3.28% JP Morgan High Yield Index+3%, and 13.43% BC US TIPS Index thereafter.

#### Relative Returns vs Interim Fixed Income Target

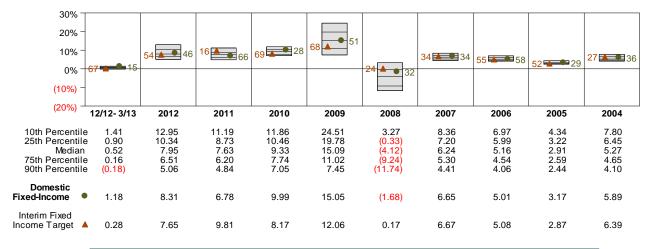


Large Public >10 B Domestic Fixed Annualized Ten Year Risk vs Return

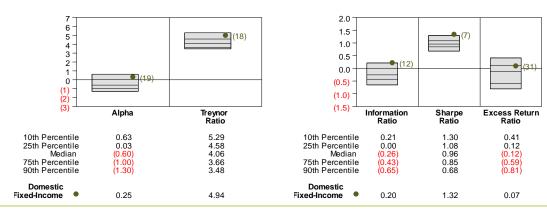


### Continued

#### Performance vs Large Public >10 B Domestic Fixed (Gross)



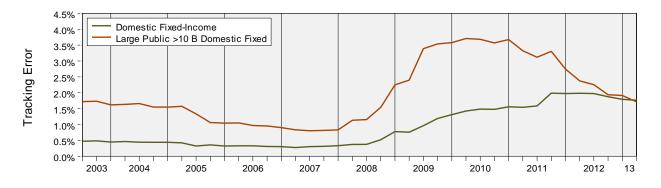
Risk Adjusted Return Measures vs Interim Fixed Income Target Rankings Against Large Public >10 B Domestic Fixed (Gross) Ten Years Ended March 31, 2013



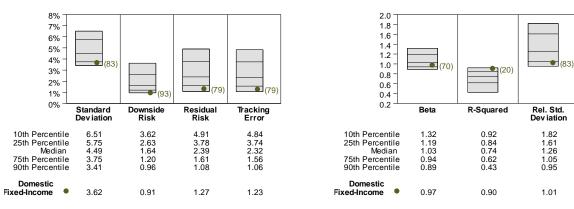
# **Total Fixed Income Against New Interim Fixed Income Target**

### Continued

#### Rolling 12 Quarter Tracking Error vs Interim Fixed Income Targ



#### Risk Statistics Rankings vs Interim Fixed Income Targ Rankings Against Large Public >10 B Domestic Fixed (Gross) Ten Years Ended March 31, 2013



ETI Quarterly Report

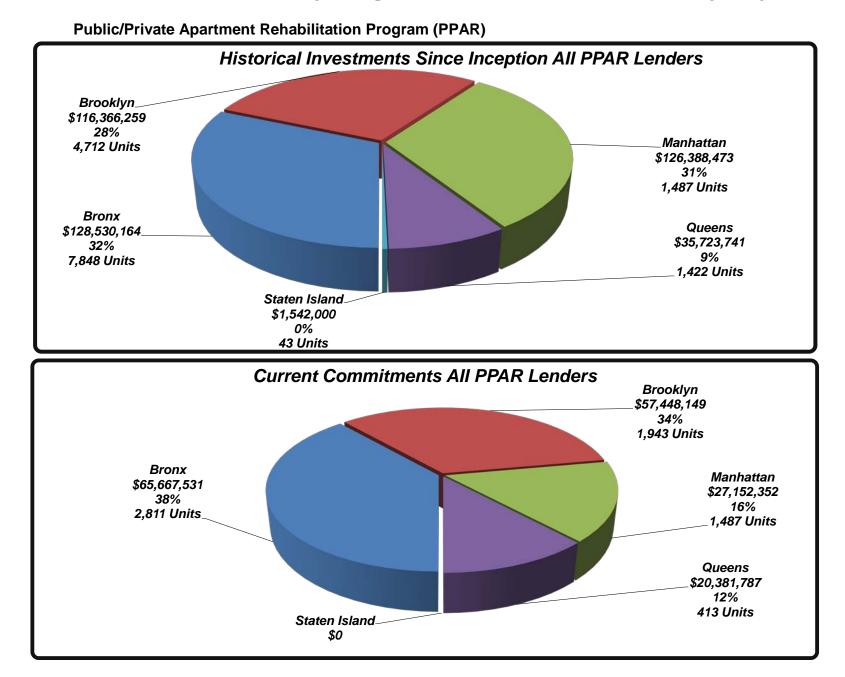
### Public/Private Apartment Rehabilitation Program (PPAR)

|                         |                          |        |               | . • 9 |                  | <u>.</u> |              |       |                    |       |                |       |                    |       |                 |       |               |        |
|-------------------------|--------------------------|--------|---------------|-------|------------------|----------|--------------|-------|--------------------|-------|----------------|-------|--------------------|-------|-----------------|-------|---------------|--------|
| Lenders*                | <u>CPC</u>               |        | JPMC          |       | <u>NHS</u>       |          | BOA          |       | <u>CCD</u>         |       | <u>CFSB</u>    |       | NCBCI              |       | LIIF            |       | All Lender Te |        |
|                         | Dollars                  | Units  |               | Units | Dollars U        | nits     | Dollars      | Units |                    | Units |                | Jnits | Dollars            | Units | Dollars         | Units | Dollars       | Units  |
| Contractual Commitments | \$267,500,000            | n/a    | \$110,000     | n/a   |                  | n/a      | \$50,000,000 | n/a   | \$16,000,000       | n/a   | \$40,000,000   | n/a   | \$10,000,000       | n/a   | \$30,000,000    | n/a   | \$423,610,000 | n/a    |
| Current Market Value    | \$137,666,647            | n/a    | \$32,924,967  | n/a   | \$1,188,462      | n/a      | \$16,814,546 | n/a   | \$5,717,076        | n/a   | \$2,413,785    | n/a   | \$1,400,044        | n/a   | \$3,492,258     | n/a   | \$201,617,785 | n/a    |
|                         |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| Commitments 1Q 13       |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| (included in total)     |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| Bronx                   | \$0                      | 0      | \$0           | 0     | \$0              | 0        | \$0          | 0     | \$0                | 0     | \$0            | 0     | \$0                | 0     | \$1,000,000     | 54    | \$1,000,000   | 54     |
| Brooklyn                | 14,400,000               | 360    | 0             | 0     | 0                | 0        | 0            | 0     | 0                  | 0     | 0              | 0     | 0                  | 0     | 0               | 0     | 14,400,000    | 360    |
| Manhattan               | 0                        | 0      | 0             | 0     | 0                | 0        | 0            | 0     | 0                  | 0     | 0              | 0     | 0                  | 0     | 0               | 0     | 0             | 0      |
| Queens                  | 0                        | 0      | 0             | 0     | 0                | 0        | 0            | 0     | 0                  | 0     | 0              | 0     | 0                  | 0     | 0               | 0     | 0             | 0      |
| Staten Island           | 0                        | 0      | 0             | 0     | 0                | 0        | 0            | 0     | 0                  | 0     | 0              | 0     | 0                  | 0     | 0               | 0     | 0             | 0      |
|                         | -                        | -      | -             | -     | -                | -        | -            | -     | -                  | -     | -              | -     | -                  | -     | -               | -     | -             | -      |
| Total                   | \$14,400,000             | 360    | \$0           | 0     | \$0              | 0        | \$0          | 0     | \$0                | 0     | \$0            | 0     | \$0                | 0     | \$1,000,000     | 54    | \$15,400,000  | 414    |
|                         |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| Delivered 1Q 13         |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| (included in total)     |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| Bronx                   | \$0                      | 0      | \$0           | 0     | \$0              | 0        | \$0          | 0     | \$0                | 0     | \$0            | 0     | \$0                | 0     | \$0             | 0     | \$0           | 0      |
| Brooklyn                | 6,251,380                | 142    | 0             | 0     | 0                | 0        | 0            | 0     | 0                  | 0     | 0              | 0     | 0                  | Ó     | 0               | 0     | 6,251,380     | 142    |
| Manhattan               | 1,297,042                | 96     | 0             | 0     | 0                | Ō        | 0            | Ō     | 0                  | 0     | 0              | Ō     | 0                  | 0     | 0               | Ō     | 1,297,042     | 96     |
| Queens                  | .,,0                     | 0      | 0             | Ő     | 0                | ő        | 0            | Ő     | 0                  | Ő     | 0              | Ő     | 0                  | 0     | 0               | ő     | .,_0.,0       | 0      |
| Staten Island           | ő                        | ů<br>0 | ů<br>0        | ő     | Ő                | ň        | ů            | ő     | 0                  | ň     | 0              | ő     | ő                  | ő     | 0               | ő     | ő             | Ő      |
|                         | Ů                        | Ŭ      | v             | Ŭ     | v                | Ŭ        | Ū            | Ŭ     | Ū                  | v     | v              | Ŭ     | Ŭ                  | Ŭ     | v               | Ŭ     | v             | Ű      |
| Total                   | \$7,548,422              | 238    | \$0           | 0     | \$0              | 0        | \$0          | 0     | \$0                | 0     | \$0            | 0     | \$0                | 0     | \$0             | 0     | \$7,548,422   | 238    |
| Total Commitments       |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| Bronx                   | \$24,595,210             | 1,637  | \$28,047,396  | 641   | \$0              | 0        | \$6,250,125  | 60    | \$5,054,800        | 376   | \$0            | 0     | \$0                | 0     | \$1,720,000     | 97    | \$65,667,531  | 2,811  |
| Brooklyn                | 39,606,265               | 1,499  | 5,852,598     | 90    | 0                | ŏ        | 6,631,923    | 54    | 2,471,200          | 128   |                | ŏ     | 762,539            | 54    | 2,123,625       | 118   | 57,448,149    | ,      |
| Manhattan               | 16,572,740               | 826    | 2,837,178     | 184   | 0                | ŏ        | 0,031,323    | 34    | 1,047,600          | 79    |                | 30    | 2,659,781          | 192   | 3,208,224       | 176   | 27,152,352    |        |
| Queens                  | 654,000                  | 78     | 1,800,000     | 96    | 0                | Ň        | 17,927,787   | 239   | 1,047,000          | 13    | 020,029        | 0     | 2,033,701          | 132   | 3,200,224       | 0     | 20,381,787    | 413    |
| Staten Island           | 054,000                  | 10     | 1,000,000     | 50    | 0                | ~        | 0            | 239   | 0                  | 0     | 0              | 0     | 0                  | 0     | 0               | ő     | 20,301,707    | 413    |
| Staten Island           | U                        | Ű      | U             | v     | U                |          | U            | Ů     | U                  | U     | U              | U     | U                  | v     | U               | U U   | U             | U      |
| Total                   | \$81,428,216             | 4,040  | \$38,537,172  | 1,011 | \$0              | 0        | \$30,809,835 | 353   | \$8,573,600        | 583   | \$826,829      | 30    | \$3,422,320        | 246   | \$7,051,848     | 391   | \$170,649,820 | 6,654  |
| Historical Investments  |                          |        |               |       |                  |          |              |       |                    |       |                |       |                    |       |                 |       |               |        |
| Bronx                   | \$89,439,412             | 5,382  | \$24,431,859  | 1.174 | \$0              | 0        | \$13,588,893 | 1.216 | \$1,070,000        | 76    | \$0            | 0     | \$0                | 0     | \$0             | 0     | \$128,530,164 | 7,848  |
| Brooklyn                | 89,339,689               | 3,709  | 20,670,313    | 610   | 660,425          | 7        | 1,909,324    | 88    | 1,622,323          | 124   |                | ő     | 0                  | ő     | 2,164,184       | 174   | 116,366,259   |        |
| Manhattan               | 73,485,238               | 4,088  | , ,           | 1,297 | 504,891          | 15       | 1,189,310    | 48    | 1,965,558          | 204   | 2,396,785      | 167   | 1,408,873          | 84    | 1,527,600       | 70    | 126,388,473   |        |
| Queens                  | 20,128,481               | 777    | 14,795,260    | 591   | 0                | 0        | 0            | 0     | 800,000            | 54    |                | 0     | 1,400,010          | 0     | 1,021,000       | 0     | 35,723,741    | ,      |
| Staten Island           | 260,000                  | 8      | 1,282,000     | 35    | 0                | ŏ        | 0            | 0     | 000,000            | 0     | 0              | ő     | 0                  | ő     | 0               | ŏ     | 1,542,000     | 43     |
|                         | 200,000                  | Ŭ      | 1,202,000     | 55    | Ŭ                | Ŭ        | Ū            | J     | Ū                  |       | v              | J     | Ŭ                  | Ŭ     | Ŭ               | Ŭ     | 1,042,000     | 73     |
| Total                   |                          |        | \$105,089,651 | 3,707 | \$1,165,316      | 22       | \$16,687,527 | 1,352 | \$5,457,881        | 458   | 1,1.5.7        | 167   | \$1,408,873        | 84    | \$3,691,784     | 244   | \$408,550,637 | 19,998 |
| *Lenders :              | The Community            |        | JP Morgan     |       | Neighborhood     |          | Bank of      |       | Citibank Community |       | Carver Federal |       | NCB Capital Impact |       | Low Income      |       |               |        |
|                         | Preservation Corporation |        | n Chase       |       | Housing Services |          | America      |       | Development        |       | Savings Bank   |       |                    |       | Investment Fund |       |               |        |

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Collateral Benefits as of 03/31/2013

#### **NYCERS Economically Targeted Investments Quarterly Report**

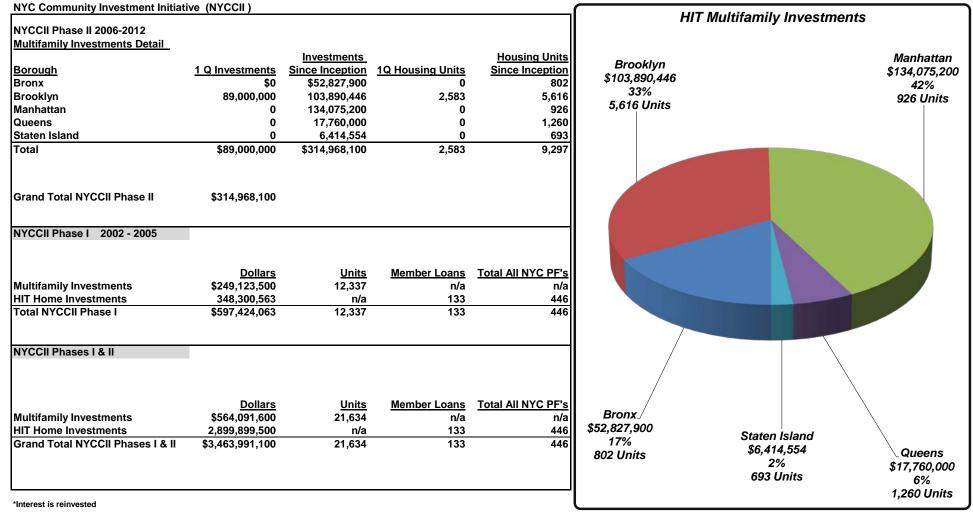


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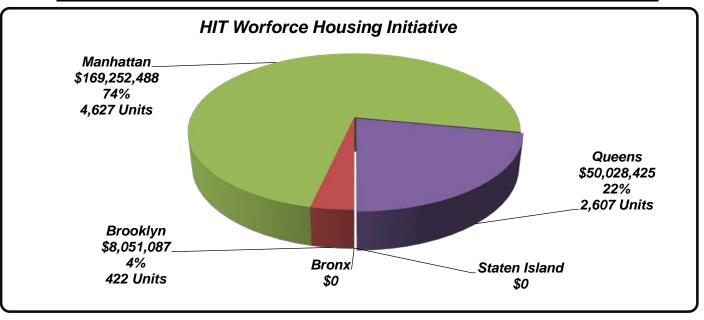
Collateral Benefits as of 03/31/2013

#### AFL-CIO Housing Investment Trust (HIT)

Market Value \$226.6 million\*



|               | sing Investment Tru<br>e Housing Initiative | <b>``</b>       |                  |                 |
|---------------|---|-----------------|------------------|-----------------|
| Investments T | hrough 03/31/2013                           |                 |                  |                 |
| Workforce Inv | estments Detail                             |                 |                  |                 |
|               |   | Investments     |                  | Housing Units   |
| Borough       | <u>1 Q Investments</u>                      | Since Inception | 1Q Housing Units | Since Inception |
| Bronx         | \$0   | \$0             | 0                | 0               |
| Brooklyn      | 0   | 8,051,087       | 0                | 422             |
| Manhattan     | 0   | 169,252,488     | 0                | 4,627           |
| Queens        | 0   | 50,028,425      | 0                | 2,607           |
| Staten Island | 0   | 0               | 0                | 0               |
| Total         | \$0   | \$227,332,000   | 0                | 7,656           |



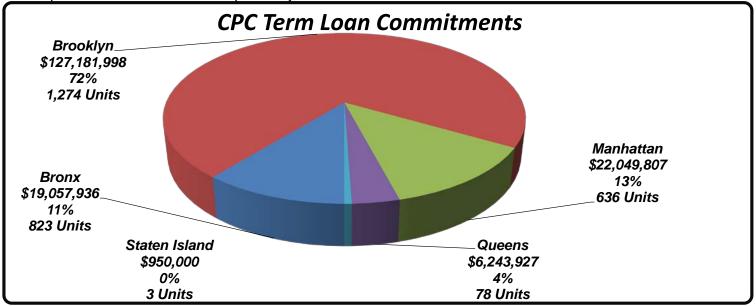
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#### NYCERS Economically Targeted Investments Quarterly Report

| CPC Term Loan                                       |               |  |  |  |
|---|---------------|--|--|--|
| Commitments All Lenders as of 4Q                    | \$246,209,789 |  |  |  |
| 1Q Paydown  | \$70,726,122  |  |  |  |
| Commitments All Lenders as of 1Q                    | \$175,483,667 |  |  |  |
|   |               |  |  |  |
| NYCERS Commitment Share/Market Value* as of 4Q 2012 | \$18,528,589  |  |  |  |
| 1Q Paydown  | -\$2,392,667  |  |  |  |
| NYCERS Commitment Share/Market Value* as of 1Q 2013 | \$16,135,922  |  |  |  |

|                 | # Loa | ins | \$ Committed ( | MM)     | # Res. Unit | ts    | # Comm | . Units |
|-----------------|-------|-----|----------------|---------|-------------|-------|--------|---------|
|                 | 4Q    | 1Q  | 4Q             | 1Q      | 4Q          | 1Q    | 4Q     | 1Q      |
| Bronx           | 17    | 17  | \$20.5         | \$19.1  | 823         | 823   | 23     | 23      |
| Brooklyn        | 47    | 38  | 176.1          | 127.1   | 1,644       | 1,274 | 38     | 33      |
| Manhattan       | 33    | 30  | 37.4           | 22.0    | 746         | 636   | 23     | 28      |
| Queens          | 6     | 4   | 11.3           | 6.2     | 129         | 78    | 3      | 3       |
| Staten Island   | 1     | 1   | 1.0            | 1.0     | 3           | 3     | 0      | 0       |
| Grand Total NYC | 104   | 90  | \$246.2        | \$175.4 | 3,345       | 2,814 | 87     | 87      |
| Other NY State  | 26    | 32  | \$75.7         | \$89.7  | 705         | 980   | 13     | 19      |

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

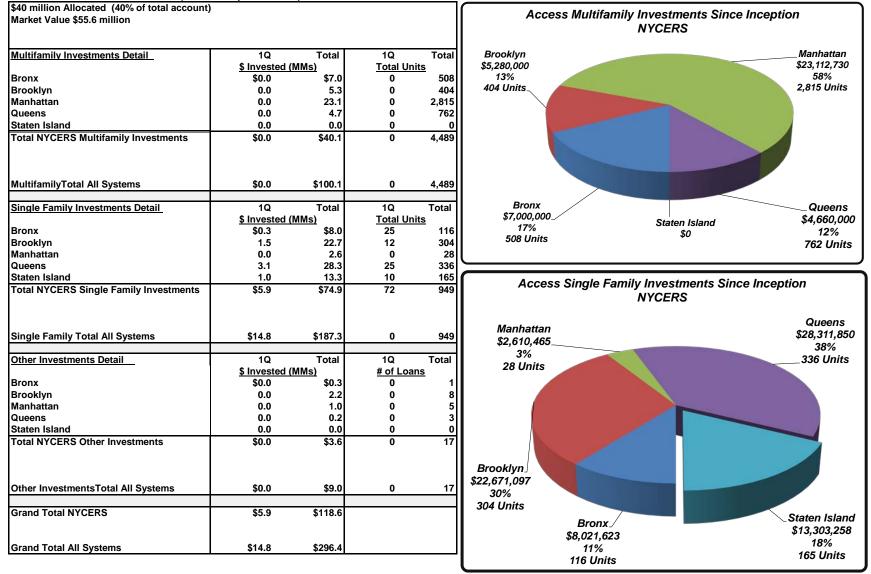


The City of New York -Office of the Comptroller

Collateral Benefits of 03/31/2013

#### NYCERS Economically Targeted Investments Quarterly Report

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



The City of New york - Office of the Comptroller

Collateral Benefits as OF 03/31/2013

#### NYCERS Economically Targeted Investment Quarterly Report

|   | Assets<br>(\$MM) | Trailing<br>3 Months | 6/30/2007<br>3/31/2013 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Trailing*<br>15 Years | Since<br>Inception | Data Star<br>Date |
|---|------------------|----------------------|------------------------|--------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------|-------------------|
| EMPLOYEES   |                  |                      |                        |                    |                      |                      |                       |                       |                    |                   |
| CPC -PPAR   | 137.67           | 1.35                 | 6.63                   | 9.29               | 7.82                 | 8.26                 | 7.70                  | 7.92                  | 9.96               | 10.02             |
| JPM CHASE- PPAR                                       | 32.92            | 1.88                 | 5.62                   | 7.97               | 6.34                 | 7.79                 | 7.69                  | ****                  | 7.90               | 7.67              |
| BOA-PPAR  | 16.81            | 1.65                 | 4.77                   | 7.05               | ****                 | ****                 | ****                  | ****                  | 6.43               | 6.38              |
| CCD-PPAR  | 5.72             | 2.48                 | 7.63                   | 12.50              | 9.50                 | 9.75                 | ****                  | ****                  | 9.10               | 9.05              |
| CFSB-PPAR   | 2.41             | 1.50                 | 5.22                   | 8.52               | 7.84                 | 7.72                 | ****                  | ****                  | 7.47               | 7.52              |
| LIIF-PPAR   | 3.49             | 2.10                 | 5.90                   | 7.57               | 5.36                 | ****                 | ****                  | ****                  | 6.03               | 5.83              |
| NCBCI-PPAR  | 1.41             | 2.26                 | 7.74                   | 10.26              | 7.59                 | ****                 | ****                  | ****                  | 7.41               | 7.26              |
| NHS-PPAR  | 1.19             | 2.52                 | 7.93                   | 10.78              | 7.29                 | 8.89                 | ****                  | ****                  | 8.58               | 8.77              |
| CITIGROUP GNMA +65 BPs per annum                      |                  | -0.07                | 0.88                   | 2.24               | 5.55                 | 6.05                 | 5.77                  | 6.47                  |                    |                   |
| CPC -PPAR   | +/-              | 1.43                 | 5.76                   | 7.05               | 2.27                 | 2.21                 | 1.93                  | 1.45                  |                    |                   |
| JPM CHASE- PPAR                                       | +/-              | 1.95                 | 4.75                   | 5.72               | 0.80                 | 1.74                 | 1.92                  | ****                  | ****               |                   |
| BOA-PPAR  | +/-              | 1.72                 | 3.90                   | 4.80               | ****                 | ****                 | ****                  | ****                  | ****               |                   |
| CCD-PPAR  | +/-              | 2.55                 | 6.75                   | 10.26              | 3.96                 | 3.70                 | ****                  | ****                  | ****               |                   |
| CFSB-PPAR   | +/-              | 1.58                 | 4.35                   | 6.28               | 2.29                 | 1.67                 | ****                  | ****                  | ****               |                   |
| LIIF-PPAR   | +/-              | 2.17                 | 5.02                   | 5.33               | (0.18)               | ****                 | ****                  | ****                  | ****               |                   |
| NCBCI-PPAR  | +/-              | 2.34                 | 6.87                   | 8.02               | 2.05                 | ****                 | ****                  | ****                  | ****               |                   |
| NHS-PPAR  | +/-              | 2.59                 | 7.05                   | 8.54               | 1.74                 | 2.84                 | ****                  | ****                  | ****               |                   |
| CPC - Term Loan                                       | 16.14            | 0.59                 | 1.84                   | 2.47               | 2.26                 | 2.57                 | ****                  | ****                  | 4.10               | 4.14              |
| 30 Day Libor + 200 bps with a Floor 250 bps per annum | +/-              | 0.05                 | 0.16                   | 0.22               | 0.24                 | 0.96                 | 2.38                  | 3.08                  | 4.10               | 4.74              |
| o Day Libor + 200 bps with a Floor 250 bps per annum  | +/-              | 0.03                 | 1.67                   | 2.25               | 2.02                 | 0.90<br>1.61         | 2.30                  | 3.00                  |                    |                   |
|   | +/-              | 0.34                 | 1.07                   | 2.25               | 2.02                 | 1.01                 |                       |                       |                    |                   |
| FL-CIO HOUSING INV TRUST                              |                  | -0.13                | 1.46                   | 3.92               | 5.31                 | 5.56                 | 5.01                  | ****                  | 5.07               | 5.21              |
| Barclay's Capital U.S. Aggregate Index                |                  | -0.12                | 1.68                   | 3.77               | 5.52                 | 5.47                 | 5.02                  | 5.85                  |                    |                   |
|   | +/-              | (0.01)               | (0.22)                 | 0.14               | (0.21)               | 0.09                 | (0.01)                | ****                  |                    |                   |
| ACCESS RBC  | 55.61            | 0.01                 | 1.66                   | 3.40               | 4.73                 | 6.23                 | ****                  | ****                  | 6.27               | 6.55              |
| Access/RBC: 60% MI 30 yrs Mortgage Index (MF30)       |                  | 0.04                 | 0.87                   | 2.25               | 4.23                 | 4.65                 | ****                  | ****                  | 5.42               | ****              |
| plus 40% U.S. Treasury 1-10 Yr index (G502)           |                  | (0.03)               | 0.79                   | 1.15               | 0.49                 | 1.58                 | ****                  | ****                  | ****               | ****              |
| ERASMUS   |                  | ****                 | ****                   | ****               | ****                 | ****                 | ****                  | ****                  | ****               |                   |
| GNMA  | 0.19             | 2.50                 | 7.35                   | 9.85               | 4.79                 | 5.20                 | 6.01                  | 6.72                  | 8.52               | 8.50              |
| Citigroup 15 YR, GNMA                                 |                  | 0.31                 | 1.77                   | 1.97               | 4.09                 | 4.91                 | 4.88                  | 5.70                  | ****               | ****              |
|   | +/-              | 2.20                 | 5.57                   | 7.89               | 0.70                 | 0.29                 | 1.12                  | 1.02                  | ****               | ****              |
| -NMA  | 0.88             | -0.54                | 1.59                   | 3.59               | 3.47                 | 5.92                 | 6.00                  | 6.57                  | 7.29               | 7.41              |
| CITIGROUP 15 YR FNMA                                  | 0.00             | 0.07                 | 1.21                   | 2.11               | 3.39                 | 4.63                 | 4.56                  | 5.46                  | ****               |                   |
|   |                  | (0.61)               | 0.37                   | 1.48               | 0.09                 | 1.29                 | 1.44                  | ****                  | ****               |                   |
|   |                  |                      |                        |                    |                      |                      |                       |                       |                    |                   |
| TOTAL EMPLOYEES ETI (w/o cash)**                      | 501.09           | 0.60                 | 3.50                   | 5.87               | 6.00                 | 6.54                 | 6.30                  | 6.91                  | 8.61               |                   |
| EMPLOYEES CUSTOM ETI BENCHMARK (no cash)              |                  | -0.06                | 1.27                   | 2.93               | 5.20                 | 5.42                 | 5.26                  | 6.12                  | 6.24               |                   |
|   | +/-              | 0.65                 | 2.23                   | 2.94               | 0.80                 | 1.12                 | 1.03                  | 0.79                  | 2.37               |                   |

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

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

II. April Monthly Performance Review:



# Monthly Performance Review April 2013

## Prepared for the New York City Employees' Retirement System 6/25/2013

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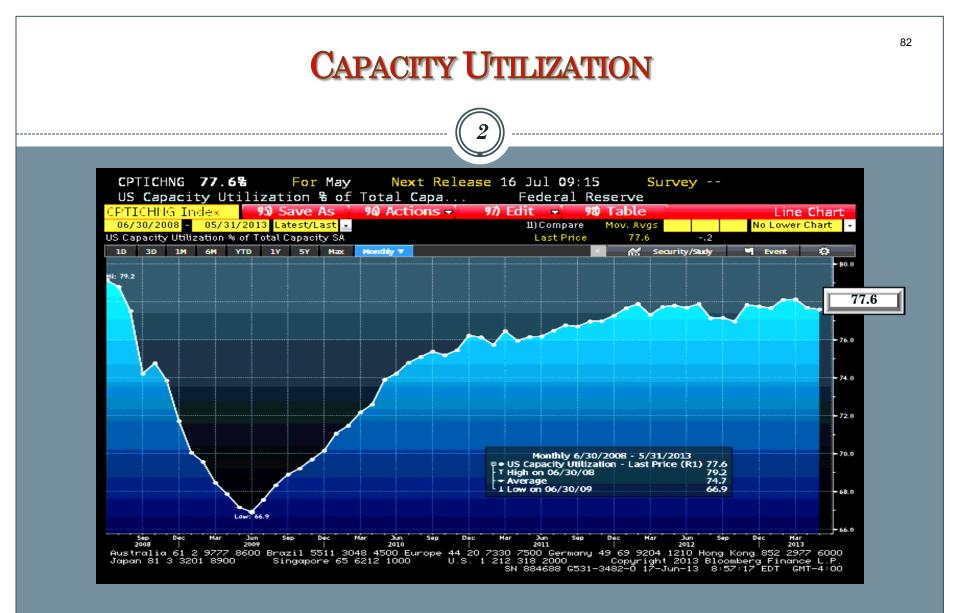
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|--|
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| Private Equity Cash Flow Tracker         |
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| Real Estate Cash Flow Tracker            |

#### **ECONOMIC INDICATORS** As of June 2013



NYC OFFICE OF THE COMPTROLLER BUREAU OF ASSET MANAGEMENT

BUREAU OF ASSET MANAGEMENT







### **UNEMPLOYMENT RATE**



• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

### **CONSUMER SENTIMENT**



• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.



• A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK

• THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG

• Note: The market indicators contained in the board materials are a subset of indictors relevant to Fund performance and strategic planning and are not intended as the excusive indicators.

#### BUREAU OF ASSET MANAGEMENT











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



#### MARKET INDICATORS As of June 2013



NYC OFFICE OF THE COMPTROLLER BUREAU OF ASSET MANAGEMENT

BUREAU OF ASSET MANAGEMENT

### **TRADE WEIGHTED US DOLLAR INDEX**





• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

#### BUREAU OF ASSET MANAGEMENT

SOURCE: WSJ MARKET DATA CENTER

95

#### **USD/EUR EXCHANGE RATE**



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

SOURCE: BLOOMBERG

96

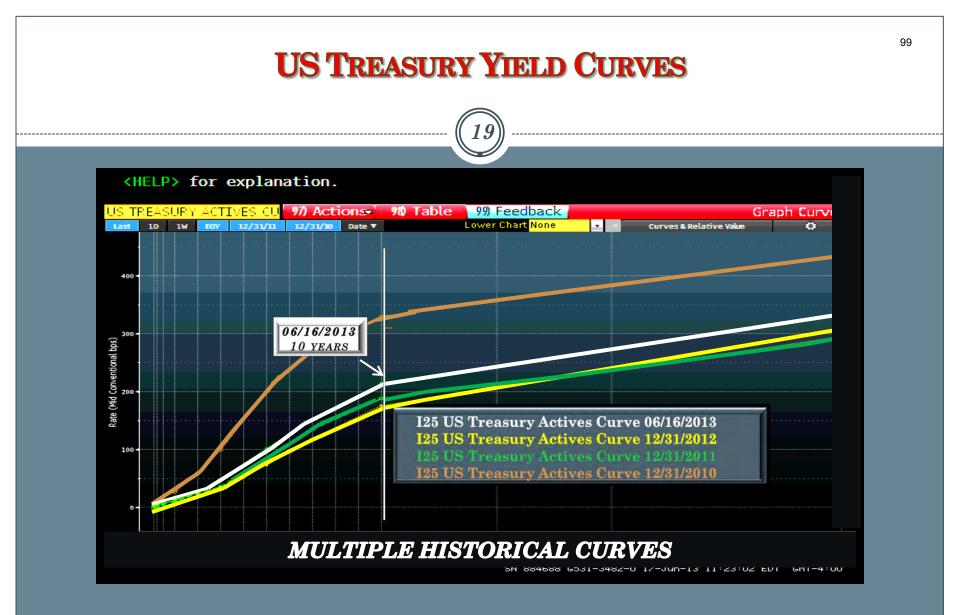


• NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

### VOLATILITY INDEX (THE "VIX")

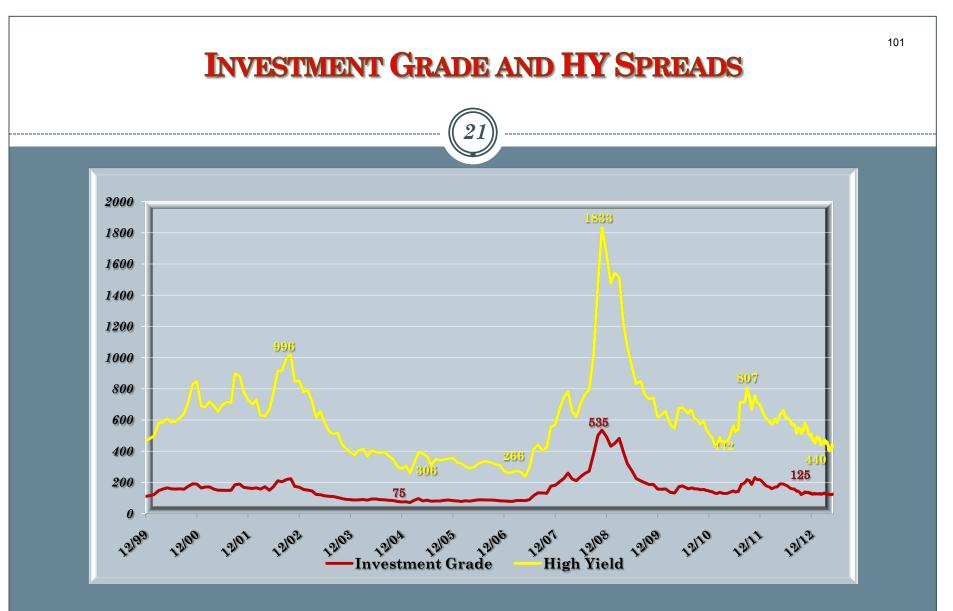


• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

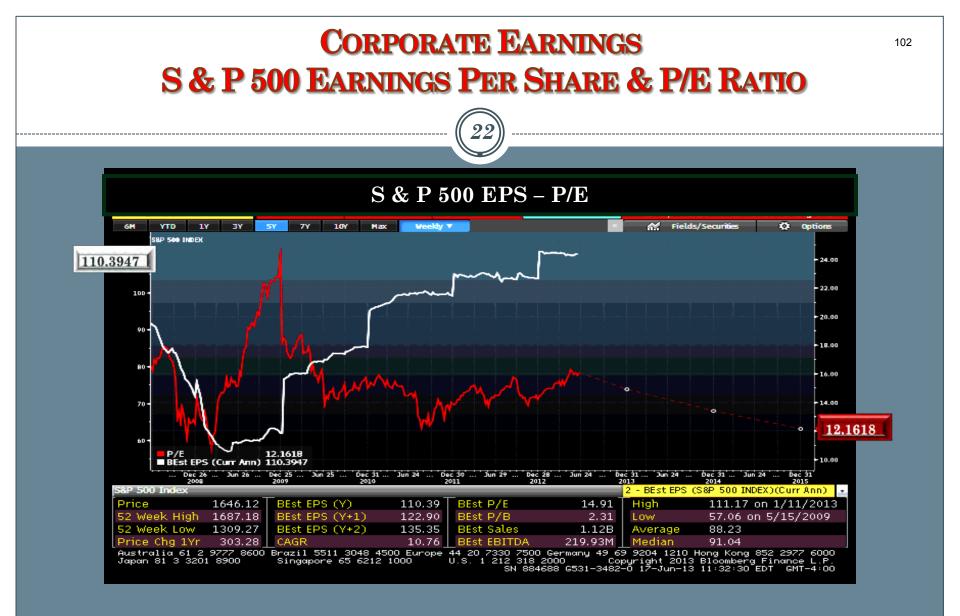


#### 100 **10 YEAR TREASURY RATES** 20 1 4 05/15/23 **↓96-17** 96-16+/96-17 2.142/2.140 - 03 -- x --0p 96-17 Lo 96-15 Hi 96-26 Prev 96-20 11:28 BGN 95) Save As 90 Actions -Govt 97) Edit Table . 98) Line Chart 06/18/2008 - 06/17/2013 Mid Px 11)Compare No Lower Chart 🛛 🛨 USD • Mov. Avgs US TREASURY N/B Last Price 96-17 -.10%10 30 1.M 6M YTD 11 Max Daily 🔻 Security/Sudy Event ø Daily 6/18/2008 - 6/17/2013 ■■ U5 10 Year Treasury Rates - Mid Price (R1) 2.1394 ↑ High on 06/19/08 2.7602 + Average 2.7602 L Low on 07/24/12 1.3883 4.00 3,50 3.00 2.50 2.1394 1.50 2008 2009 2010 2011 2012 2013 Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2013 Bloomberg Finance L.P. SN 884688 G531-3482-0 17-Jun-13 11:28:52 EDT GMT-4:00

• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.



SOURCE: BARCLAYS CAPITAL AND TAPLIN, CANIDA & HABACHT, INC.



### PRICE TO EARNING RATIOS INCLUDING ESTIMATES

3



• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

### PRICE TO EARNING RATIOS INCLUDING ESTIMATES

24



• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

SOURCE: BLOOMBERG

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### RECENT GLOBAL EQUITY MARKET RETURNS





• Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

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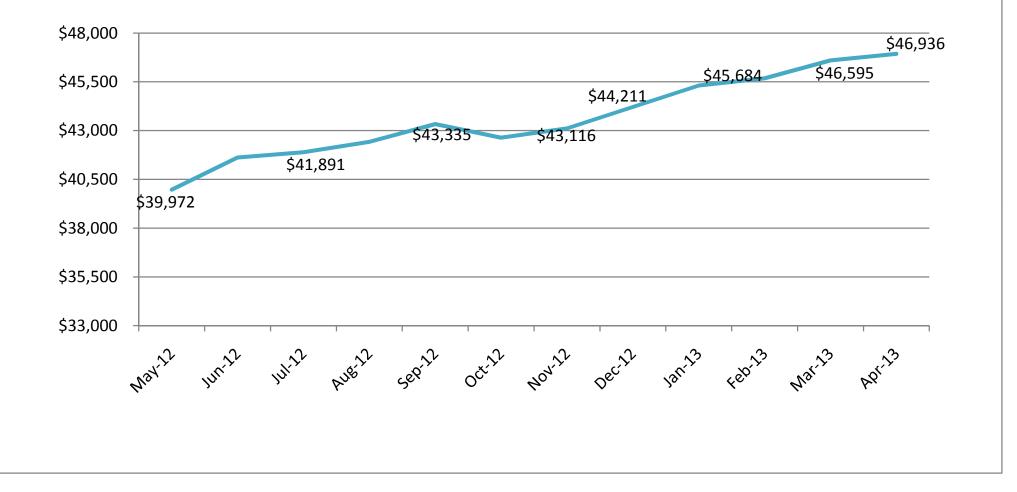
SOURCE: BLOOMBERG

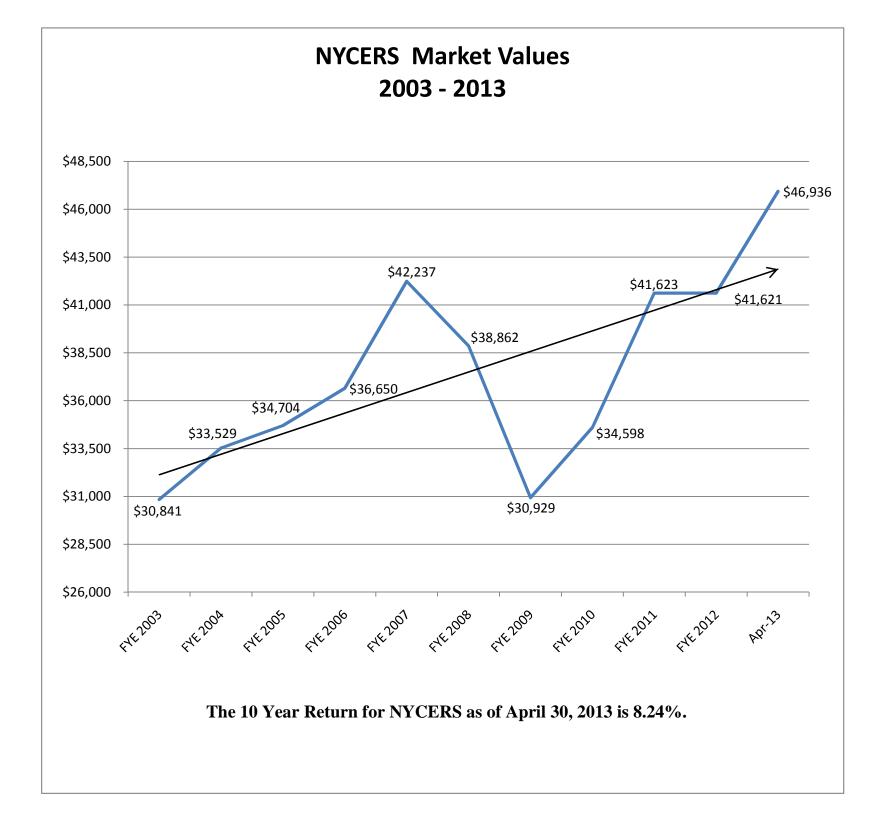
105



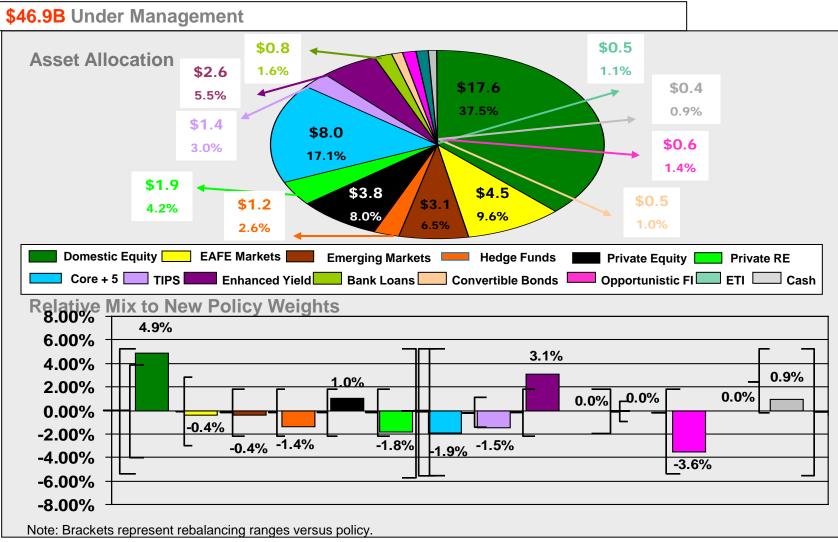
• NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

#### NYCERS - Market Values May 2012 - April 2013

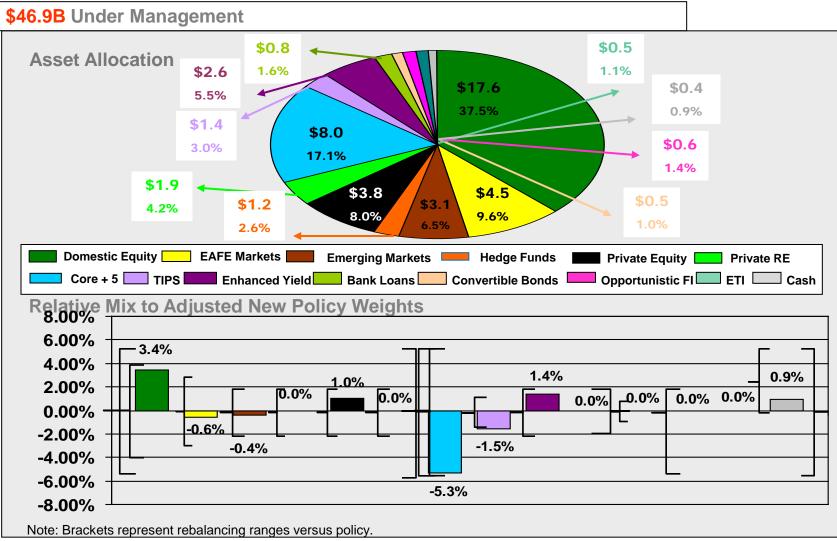




### Portfolio Asset Allocation: April 30, 2013



### Portfolio Asset Allocation: April 30, 2013



## NYC EMPLOYEES' RETIREMENT SYSTEM CLASSIFICATION OF INVESTMENTS (as of April 30th, 2013)

| ASSET CLASS ALLOCATIONS  | In \$MM  | Actual  | Policy Target  | Adjustment  | Adjusted Policy   | Adjusted Target<br>Range ***  |
|--|--|---|--|---|---|---|
| TOTAL EQUITIES   | \$32,106.2   | 68.4%   | 66.5%  | NA  | 64.9%   | 59.9% - 69.9%   |
| TOTAL FIXED INCOME   | \$14,829.8   | 31.6%   | 33.5%  | NA  | 35.1%   | 30.1% - 40.1%   |
| TOTAL ASSETS   | \$46,935.9   | 100.0%  | 100.0%   | NA  | 100.0%  |   |
|  | In \$MM  | Actual  | Policy Target  | Adjustment  | Adjusted Policy   | Adjusted Target<br>Range ***  |
| US Equities  | \$17,587.0   | 37.5%   | 32.6%  | 1.5%  | 34.1%   | 30.1% - 38.1%   |
| Non-US Equities/EAFE   | \$4,505.8  | 9.6%  | 10.0%  | 0.1%  | 10.1%   | 7.1% - 13.1%  |
| Emerging Markets   | \$3,056.9  | 6.5%  | 6.9%   | NA  | <i>6.9%</i>   | 4.9% - 8.9%   |
| TOTAL PUBLIC EQUITY  | \$25,149.7   | 53.6%   | 49.5%  | NA  | 51.1%   |   |
| HEDGE FUNDS  | \$1,234.9  | 2.6%  | 4.0%   | NA  | 2.6%  | 2.0% - 6.0%   |
| * PRIVATE REAL ESTATE  | \$1,959.2  | 4.2%  | 6.0%   | NA  | 4.2%  | 4.0% - 8.0%   |
| * PRIVATE EQUITY   | \$3,762.4  | 8.0%  | 7.0%   | NA  | 7.0%  | 5.0% - 9.0%   |
| TOTAL EQUITIES   | \$32,106.2   | 68.4%   | 66.5%  | NA  | 64.9%   | <b>59.9% - 69.9%</b>  |
|  | In \$MM  | Actual  | Policy Target  | Adjustment  | Adjusted Policy   | Adjusted Target<br>Range****  |
| 🛱 US - Government  | \$1,078.3  | 2.3%  |  | NA  |   |   |
|  |  |   |  |   |   |   |
| US - Mortgage  | \$3,122.1  | 6.7%  | 19.0%  | NA  | 22.4%   | 17.4% - 27.4%   |
| S US - Investment Grade Credit   | \$3,122.1<br>\$3,650.9   | 6.7%<br>7.8%  | _  | NA<br>NA  |   |   |
| US - Mortgage         US - Investment Grade Credit         TOTAL CORE + 5  | \$3,122.1  | 6.7%  | 19.0%  | NA  | 22.4%   | 17.4% - 27.4%<br>17.4% - 27.4%  |
|  | \$3,122.1<br>\$3,650.9   | 6.7%<br>7.8%  | 19.0%  | NA<br>NA  | 22.4%   |   |
| TOTAL CORE + 5   | \$3,122.1<br>\$3,650.9<br>\$8,018.3  | 6.7%<br>7.8%<br>17.1%   | _  | NA<br>NA<br>3.4%  |   | 17.4% - 27.4%   |
| TOTAL CORE + 5<br>High Yield   | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7   | 6.7%<br>7.8%<br>17.1%<br>5.5%   | 19.0%  | NA<br>NA<br>3.4%<br>NA  | 22.4%   | 17.4% - 27.4%<br>3.8% - 7.8%  |
| TOTAL CORE + 5<br>High Yield<br>Bank Loans   | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7<br>\$769.7  | 6.7%           7.8%           17.1%           5.5%           1.6%   | 19.0%<br>- 4.0%  | NA<br>NA<br>3.4%<br>NA<br>NA  | 22.4%   | 17.4%         - 27.4%           3.8%         - 7.8%           0.0%         - 1.9%   |
| TOTAL CORE + 5<br>High Yield<br>Bank Loans<br>Total High Yield & Bank Loans  | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7<br>\$769.7<br>\$3,355.5   | 6.7%           7.8%           17.1%           5.5%           1.6%           7.1%  | 19.0%<br>- 4.0%<br>4.0%  | NA<br>NA<br>3.4%<br>NA<br>NA<br>1.8%  | 22.4%<br>- 5.8%<br>5.8%                                   | $\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$  |
| TOTAL CORE + 5         High Yield         Bank Loans         Total High Yield & Bank Loans         TIPS  | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7<br>\$769.7<br>\$3,355.5<br>\$1,386.6                                  | 6.7%           7.8%           17.1%           5.5%           1.6%           7.1%           3.0%                               | 19.0%           4.0%           4.5%  | NA           NA           3.4%           NA           1.8%           NA   | 22.4%<br>- 5.8%<br>5.8%<br>4.5%                           | 17.4%         -         27.4%           3.8%         -         7.8%           0.0%         -         1.9%           3.8%         -         7.8%           3.0%         -         6.0% |
| TOTAL CORE + 5         High Yield         Bank Loans         Total High Yield & Bank Loans         TIPS         Convertible Bonds                            | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7<br>\$769.7<br>\$3,355.5<br>\$1,386.6<br>\$452.9                       | 6.7%           7.8%           17.1%           5.5%           1.6%           7.1%           3.0%           1.0%                | 19.0%           4.0%           4.0%           1.0%                                 | NA           NA           3.4%           NA           1.8%           NA           NA           NA   | 22.4%<br>- 5.8%<br>5.8%<br>4.5%<br>1.0%                   | $\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$  |
| TOTAL CORE + 5         High Yield         Bank Loans         Total High Yield & Bank Loans         TIPS         Convertible Bonds         **ETI              | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7<br>\$769.7<br>\$3,355.5<br>\$1,386.6<br>\$452.9<br>\$508.4            | 6.7%           7.8%           17.1%           5.5%           1.6%           7.1%           3.0%           1.0%           1.1% | 19.0%           4.0%           4.0%           1.0%           **2.0%                | NA           NA           3.4%           NA  | 22.4%<br>5.8%<br>5.8%<br>4.5%<br>1.0%<br>** 1.1%          | $\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$  |
| TOTAL CORE + 5         High Yield         Bank Loans         Total High Yield & Bank Loans         TIPS         Convertible Bonds         **ETI         Cash | \$3,122.1<br>\$3,650.9<br>\$8,018.3<br>\$2,585.7<br>\$769.7<br>\$3,355.5<br>\$1,386.6<br>\$452.9<br>\$508.4<br>\$436.4 | 6.7%           7.8%           17.1%           5.5%           1.6%           7.1%           3.0%           1.1%           0.9% | 19.0%           4.0%           4.0%           1.0%           **2.0%           0.0% | NA           NA           3.4%           NA           NA | 22.4%<br>5.8%<br>5.8%<br>4.5%<br>1.0%<br>*** 1.1%<br>0.0% | $\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$  |

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

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

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

## NYC EMPLOYEES' RETIREMENT SYSTEM CLASSIFICATION OF INVESTMENTS (as of April 30th, 2013)

#### Adjustments to Long-Term Asset Allocation

#### 1) Private Equity

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

#### 2) Real Estate

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

#### 3) Opportunistic Fixed Income

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

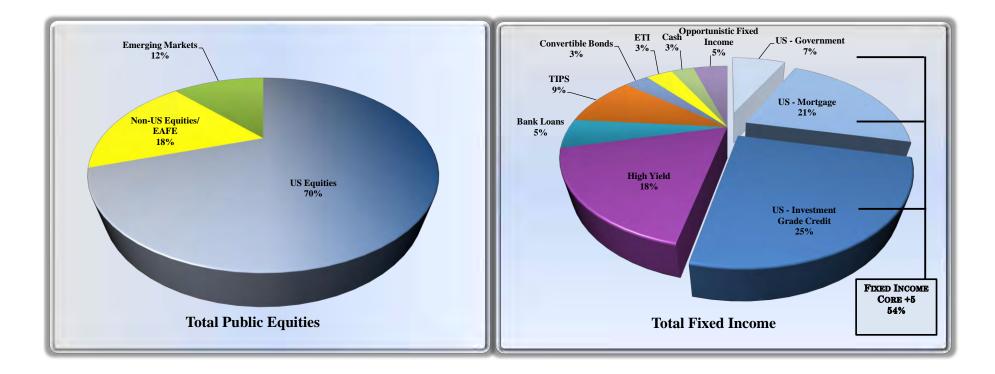
#### 4) Hedge Funds

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

#### **Impact of Adjustments**

| 1) Core +5 Policy Target %                           | 19.0%       |
|--|-------------|
| Adjustment: 50% of uninvested Opportunistic FI       | 1.8%        |
| Adjustment: 50% of uninvested Real Estate            | 0.9%        |
| Adjustment: 50% of uninvested Hedge Funds            | 0.7%        |
| Adjusted Core+5 Policy Target %                      | 22.4%       |
| 2) High Yield Policy Target %                        | 4.0%        |
| Adjustment: 50% of uninvested Opportunistic FI       | <u>1.8%</u> |
| Adjusted High Yield Policy Target %                  | 5.8%        |
| 3) Domestic Equity Policy Target %                   | 32.6%       |
| Adjustment: 50% of uninvested Real Estate            | 0.9%        |
| Adjustment: 80% of uninvested Private Equity         | 0.0%        |
| Adjustment: 40% of uninvested Hedge Funds            | 0.5%        |
| Adjusted Domestic Equity Policy Target %             | 34.1%       |
| 4) Non-U.S. Equity (Developed) Policy Target %       | 10.0%       |
| Adjustment: 20% of uninvested Private Equity         | 0.0%        |
| Adjustment: 10% of uninvested Hedge Funds            | 0.1%        |
| Adjusted Non-U.S. Equity (Developed) Policy Target % | 10.1%       |

# NYC EMPLOYEES' RETIREMENT SYSTEM CLASSIFICATION OF INVESTMENTS (as of April 30th, 2013)



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

Market Indicator Page \*NYC Employees' Retirement System April 30, 2013

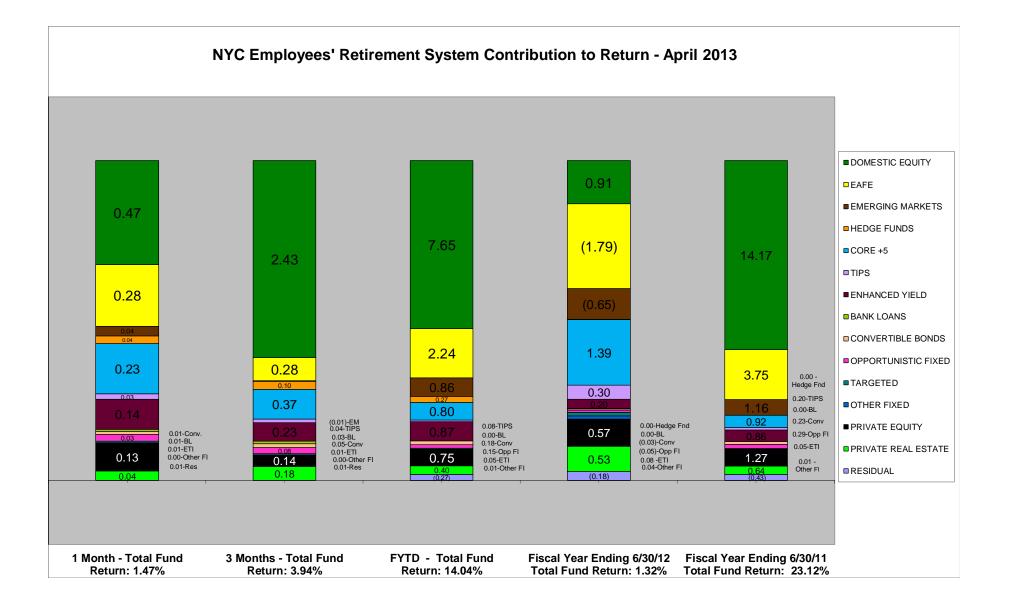
|   | Trailing<br>1 Month | Trailing<br>3 Months | 06/30/12<br>04/30/13 | Trailing<br>1 Year | Trailing*<br>2 Years | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years |
|---|---------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
| MARKET INDICATORS                                 |                     |                      |                      |                    |                      |                      |                      |                       |
| STANDARD & POORS 500                              | 1.93                | 7.18                 | 19.44                | 16.89              | 10.65                | 12.80                | 5.21                 | 7.88                  |
| S&P MIDCAP INDEX 400                              | 0.63                | 6.48                 | 24.72                | 18.84              | 8.50                 | 13.76                | 8.37                 | 11.73                 |
| RUSSELL 1000                                      | 1.81                | 7.16                 | 20.24                | 17.17              | 10.44                | 12.91                | 5.49                 | 8.32                  |
| RUSSELL 2000                                      | -0.37               | 5.38                 | 20.05                | 17.69              | 6.15                 | 11.25                | 7.27                 | 10.47                 |
| RUSSELL 3000                                      | 1.64                | 7.02                 | 20.22                | 17.21              | 10.08                | 12.78                | 5.63                 | 8.48                  |
| RUSSELL 3000 GROWTH                               | 1.91                | 7.14                 | 17.23                | 12.83              | 9.49                 | 13.39                | 6.75                 | 8.25                  |
| RUSSELL 3000 VALUE                                | 1.39                | 6.91                 | 23.15                | 21.64              | 10.62                | 12.12                | 4.37                 | 8.55                  |
| MSCI EAFE (NET DIVIDEND)                          | 5.21                | 5.07                 | 26.04                | 19.39              | 2.02                 | 7.44                 | -0.93                | 9.22                  |
| MSCI EMERGING MARKETS FREE                        | 0.79                | -2.15                | 13.04                | 4.34               | -4.36                | 3.44                 | -0.02                | 16.50                 |
| FTSE CUSTOM BENCHMARK                             | 1.05                | -0.34                | 13.30                | 4.88               | -3.86                | 4.14                 | 1.16                 | ****                  |
| MSCI WORLD INDEX                                  | 3.22                | 5.92                 | 22.08                | 17.40              | 6.12                 | 10.21                | 2.41                 | 8.87                  |
| MSCI EUROPE SMID CAP INDEX                        | 3.79                | 2.85                 | 28.59                | 18.75              | -0.96                | 8.50                 | -0.23                | ****                  |
| MSCI AC WORLD FRONTIER MARKETS EX USA             | 3.68                | 2.79                 | 21.61                | 14.16              | -0.28                | 5.96                 | -0.90                | ****                  |
| 1 YEAR TREASURY BILL YIELD + 4%                   | 0.37                | 1.07                 | 3.63                 | 4.31               | ****                 | ****                 | ****                 | ****                  |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1%           | 0.85                | 2.23                 | 8.90                 | 6.82               | ****                 | ****                 | ****                 | ****                  |
| NYC - TREASURY AGENCY PLUS FIVE                   | 2.11                | 3.42                 | 1.91                 | 5.19               | 10.94                | 9.66                 | 7.83                 | 6.51                  |
| CITIGROUP MORTGAGE                                | 0.51                | 0.97                 | 1.36                 | 1.78               | 3.82                 | 4.24                 | 5.31                 | 5.04                  |
| NYC - INVESTMENT GRADE CREDIT INDEX               | 1.76                | 2.33                 | 6.30                 | 7.45               | 8.09                 | 7.72                 | 7.49                 | 5.83                  |
| NYC - CORE PLUS FIVE                              | 1.33                | 1.99                 | 3.37                 | 4.67               | 6.93                 | 6.64                 | 6.73                 | 5.73                  |
| CITIGROUP BROAD INVESTMENT GRADE                  | 1.02                | 1.57                 | 2.70                 | 3.68               | 5.62                 | 5.52                 | 5.80                 | 5.16                  |
| BARCLAYS CAPITAL AGGREGATE                        | 1.01                | 1.60                 | 2.71                 | 3.68               | 5.59                 | 5.51                 | 5.73                 | 5.04                  |
| CITIGROUP BB & B                                  | 1.75                | 3.13                 | 11.19                | 12.34              | 9.66                 | 10.80                | 8.22                 | 7.96                  |
| BofA MERRILL LYNCH HY MASTER II                   | 1.86                | 3.38                 | 13.13                | 14.04              | 9.48                 | 10.77                | 10.83                | 9.52                  |
| CREDIT SUISSE LEVERAGED LOAN INDEX                | 0.75                | 2.00                 | ****                 | ****               | ****                 | ****                 | ****                 | ****                  |
| BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES) | 0.80                | 1.11                 | 3.27                 | 4.41               | 7.97                 | 8.02                 | 6.52                 | 6.43                  |
| BofA ML ALL CONVERTIBLES EX MANDATORY             | 1.49                | 5.38                 | 17.17                | 15.12              | 6.12                 | 9.40                 | 6.90                 | ****                  |
| DJ WILSHIRE REAL ESTATE SECURITIES INDEX          | 6.87                | 10.64                | 16.56                | 17.28              | 13.57                | 16.70                | 6.06                 | 12.51                 |
| NCREIF NFI-ODCE NET                               | 0.00                | 2.43                 | 7.21                 | 9.66               | 11.60                | 14.02                | -1.75                | ****                  |
| 91 DAY TREASURY BILL                              | 0.01                | 0.03                 | 0.10                 | 0.12               | 0.09                 | 0.11                 | 0.33                 | 1.75                  |

### THE BANK OF NEW YORK MELLON CITY OF NEW YORK

Market Indicator Page \*NYC Employees' Retirement System

May 31, 2013

|   | Trailing<br>1 Month | Trailing<br>3 Months | 06/30/12<br>05/31/13 | Trailing<br>1 Year | Trailing*<br>2 Years | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years |
|---|---------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
| MARKET INDICATORS                                 |                     |                      |                      |                    |                      |                      |                      |                       |
| STANDARD & POORS 500                              | 2.34                | 8.22                 | 22.24                | 27.28              | 12.57                | 16.87                | 5.43                 | 7.58                  |
| S&P MIDCAP INDEX 400                              | 2.26                | 7.82                 | 27.54                | 29.95              | 10.46                | 17.50                | 7.74                 | 11.09                 |
| RUSSELL 1000                                      | 2.22                | 8.09                 | 22.91                | 27.62              | 12.26                | 16.92                | 5.57                 | 7.96                  |
| RUSSELL 2000                                      | 4.00                |                      | 24.84                | 31.07              | 9.28                 | 15.72                | 7.15                 | 9.78                  |
| RUSSELL 3000                                      | 2.36                | -                    | 23.06                | 27.88              | 12.01                | 16.81                | 5.69                 | 8.09                  |
| RUSSELL 3000 GROWTH                               | 2.10                |                      | 19.70                | 23.17              | 11.28                | 17.21                | 6.39                 | 7.91                  |
| RUSSELL 3000 VALUE                                | 2.60                | 8.16                 | 26.34                | 32.60              | 12.67                | 16.37                | 4.88                 | 8.13                  |
| MSCI EAFE (NET DIVIDEND)                          | -2.41               | 3.51                 | 22.99                | 31.62              | 2.30                 | 11.00                | -1.60                | 8.32                  |
| MSCI EMERGING MARKETS FREE                        | -2.52               | -                    | 10.19                | 14.50              | -4.33                | 5.74                 | -0.90                | 15.40                 |
| FTSE CUSTOM BENCHMARK                             | -3.06               |                      | 9.84                 | 13.88              | -3.95                | 6.54                 | -0.03                | ****                  |
| MSCI WORLD INDEX                                  | 0.13                |                      | 22.24                | 28.53              | 7.25                 | 13.98                | 2.10                 | 8.28                  |
| MSCI EUROPE SMID CAP INDEX                        | 1.46                |                      | 30.47                | 38.32              | 1.20                 | 14.32                | -0.25                | ****                  |
| MSCI AC WORLD FRONTIER MARKETS EX USA             | ****                | ****                 | ****                 | ****               | ****                 | ****                 | ****                 | ****                  |
| 1 YEAR TREASURY BILL YIELD + 4%                   | 0.34                | 1.07                 | 3.98                 | 4.30               | ****                 | ****                 | ****                 | ****                  |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1%           | 0.75                | 2.58                 | 9.72                 | 9.42               | ****                 | ****                 | ****                 | ****                  |
| NYC - TREASURY AGENCY PLUS FIVE                   | -3.92               | -1.69                | -2.08                | -2.75              | 7.36                 | 7.14                 | 7.38                 | 5.60                  |
| CITIGROUP MORTGAGE                                | -1.59               | -0.98                | -0.25                | -0.15              | 2.41                 | 3.25                 | 5.09                 | 4.87                  |
| NYC - INVESTMENT GRADE CREDIT INDEX               | -2.27               | -0.53                | 3.89                 | 4.43               | 6.11                 | 6.97                 | 7.20                 | 5.26                  |
| NYC - CORE PLUS FIVE                              | -2.32               |                      | 0.97                 | 1.06               | 4.87                 | 5.42                 | 6.43                 | 5.27                  |
| CITIGROUP BROAD INVESTMENT GRADE                  | -1.81               | -0.74                | 0.84                 | 0.88               | 3.97                 | 4.53                 | 5.60                 | 4.78                  |
| BARCLAYS CAPITAL AGGREGATE                        | -1.78               | -0.71                | 0.87                 | 0.91               | 3.97                 | 4.59                 | 5.50                 | 4.66                  |
| CITIGROUP BB & B                                  | -0.68               | 2.07                 | 10.44                | 12.74              | 8.99                 | 11.62                | 8.00                 | 7.87                  |
| BofA MERRILL LYNCH HY MASTER II                   | -0.53               | 2.36                 | 12.53                | 14.82              | 8.92                 | 11.90                | 10.62                | 9.34                  |
| CREDIT SUISSE LEVERAGED LOAN INDEX                | 0.23                | 1.84                 | ****                 | ****               | ****                 | ****                 | ****                 | ****                  |
| BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES) | -4.36               | -3.33                | -1.24                | -1.79              | 5.43                 | 6.43                 | 5.50                 | 5.47                  |
| BofA ML ALL CONVERTIBLES EX MANDATORY             | 2.57                | 7.29                 | 20.18                | 22.78              | 7.65                 | 12.06                | 7.14                 | ****                  |
| DJ WILSHIRE REAL ESTATE SECURITIES INDEX          | -5.96               | 3.22                 | 9.61                 | 15.68              | 9.31                 | 16.50                | 4.72                 | 11.20                 |
| NCREIF NFI-ODCE NET                               | 0.00                | 2.44                 | 7.22                 | 9.67               | 11.61                | 14.03                | -1.75                | ****                  |
| 91 DAY TREASURY BILL                              | 0.01                | 0.03                 | 0.11                 | 0.12               | 0.09                 | 0.11                 | 0.32                 | 1.74                  |



#### CITY OF NEW YORK

#### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

April 30, 2013

|                                   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/12 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 |        |        | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|-----------------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|--------|--------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| ASSET CLASS SUMMARY               |                  |               |                     |                      |               |                 |                       |                            |                            |        |        |                    |                      |                      |                       |                    |
| DOMESTIC EQUITY                   | \$ 17,587.0      | 37.47%        | 1.27%               | 6.77%                | 21.05%        | 12.96%          | 2.23%                 | 16.62%                     | 0.17%                      | 17.16% | 28.26% | 17.64%             | 12.51%               | 5.73%                | 8.47%                 | 11.13%             |
| INTERNATIONAL EAFE                | 4,505.8          | 9.60%         | 3.01                | 2.96                 | 22.87         | 8.11            | -13.74                | 17.47                      | -12.59                     | 11.17  | 33.66  | 15.48              | 7.09                 | -0.93                | ****                  | 5.99               |
| EMERGING MARKETS                  | 3,056.9          | 6.51%         | 0.70                | -0.13                | 14.07         | 0.93            | -13.32                | 19.88                      | -18.76                     | 26.33  | 86.55  | 7.87               | 5.29                 | 1.42                 | ****                  | 11.14              |
| HEDGE FUNDS                       | 1,234.9          | 2.63%         | 1.41                | 3.77                 | 11.99         | 4.89            | -2.14                 | 7.69                       | ****                       | ****   | ****   | 10.74              | ****                 | ****                 | ****                  | 5.12               |
| CORE + 5                          | 7,851.2          | 16.73%        | 1.37                | 2.17                 | 4.67          | 1.44            | 9.24                  | 6.92                       | 8.85                       | 9.42   | 9.65   | 5.94               | 7.37                 | 7.55                 | 6.13                  | 8.63               |
| CONVERTIBLE BONDS                 | 452.9            | 0.96%         | 1.19                | 3.69                 | 13.51         | 7.16            | -2.09                 | 11.66                      | -3.02                      | 14.54  | 33.08  | 11.91              | 7.84                 | ****                 | ****                  | 5.72               |
| TIPS MANAGERS                     | 1,386.6          | 2.95%         | 0.88                | 1.38                 | 3.79          | 0.73            | 12.13                 | 7.25                       | 13.50                      | 6.47   | 10.15  | 5.03               | 8.22                 | 6.78                 | ****                  | 6.27               |
| ENHANCED YIELD                    | 2,585.7          | 5.51%         | 2.37                | 3.95                 | 13.79         | 5.67            | 6.31                  | 14.56                      | 5.73                       | 14.24  | 40.25  | 14.33              | 11.25                | 10.56                | 9.12                  | 8.64               |
| BANK LOANS                        | 769.7            | 1.64%         | 0.66                | 1.75                 | ****          | 2.75            | ****                  | ****                       | ****                       | ****   | ****   | ****               | ****                 | ****                 | ****                  | 3.17               |
| OPPORTUNISTIC FIXED               | 671.8            | 1.43%         | 2.19                | 5.67                 | 14.52         | 8.20            | -4.48                 | 20.49                      | -4.40                      | 26.01  | 19.13  | 17.23              | 13.38                | 11.87                | ****                  | ****               |
| PROGRESS FIXED EMERGING MGRS      | 107.3            | 0.23%         | 1.04                | 1.72                 | 3.49          | 1.14            | 8.80                  | 5.51                       | 8.39                       | 7.43   | 8.78   | 4.58               | 6.32                 | 6.97                 | 6.23                  | 6.65               |
| CORE PLUS FIXED INCOME            | 59.8             | 0.13%         | 1.17                | 2.14                 | 4.70          | 1.63            | 7.61                  | 6.23                       | 8.11                       | 7.46   | ****   | 5.57               | 6.62                 | ****                 | ****                  | 8.03               |
| ECONOMICALLY TARGETED INVESTMENTS | 508.4            | 1.08%         | 0.72                | 1.31                 | 4.21          | 1.30            | 7.04                  | 6.12                       | 6.61                       | 6.87   | 8.23   | 5.74               | 5.84                 | 6.55                 | 6.18                  | 9.79               |
| PRIVATE EQUITY                    | 3,762.4          | 8.02%         | 1.60                | 1.71                 | 8.58          | 2.47            | 7.50                  | 12.74                      | 13.78                      | 14.02  | -4.17  | 13.10              | 13.22                | 6.94                 | ****                  | 12.01              |
| PRIVATE REAL ESTATE               | 1,959.2          | 4.17%         | 1.05                | 4.19                 | 9.96          | 4.75            | 17.51                 | 14.43                      | 22.28                      | 8.46   | -43.87 | 12.61              | 18.38                | -3.80                | ****                  | 7.53               |
| CASH                              | 436.4            | 0.93%         | 0.02                | 0.07                 | 0.33          | 0.12            | 0.99                  | 0.90                       | 0.89                       | 0.49   | 1.31   | 0.73               | 0.71                 | 1.13                 | ****                  | 2.56               |
| TOTAL EMPLOYEES                   | \$ 46,935.9      |               | 1.47%               | 3.94%                | 14.04%        | 6.77%           | 1.32%                 | 13.42%                     | 1.13%                      | 13.79% | 20.98% | 12.31%             | 9.69%                | 4.94%                | 8.24%                 | 8.90%              |
| TOTAL EQUITY                      | 25,149.7         | 53.58%        | 1.52                | 5.22                 | 20.47         | 10.53           | -2.94                 | 16.99                      | -4.35                      | 16.31  | 31.61  | 15.96              | 10.50                | 3.76                 | 8.75                  | 8.50               |
| TOTAL HEDGE FUNDS                 | 1,234.9          | 2.63%         | 1.41                | 3.77                 | 11.99         | 4.89            | -2.14                 | 7.69                       | ****                       | ****   | ****   | 10.74              | ****                 | ****                 | ****                  | 5.12               |
| TOTAL FIXED INCOME                | 14,393.4         | 30.67%        | 1.47                | 2.57                 | 7.07          | 2.73            | 7.97                  | 8.95                       | 7.75                       | 10.68  | 15.55  | 8.09               | 8.43                 | 8.27                 | ****                  | 6.70               |
| TOTAL PRIVATE EQUITY              | 3,762.4          | 8.02%         | 1.60                | 1.71                 | 8.58          | 2.47            | 7.50                  | 12.74                      | 13.78                      | 14.02  | -4.17  | 13.10              | 13.22                | 6.94                 | ****                  | 12.01              |
| TOTAL PRIVATE REAL ESTATE         | 1,959.2          | 4.17%         | 1.05                | 4.19                 | 9.96          | 4.75            | 17.51                 | 14.43                      | 22.28                      | 8.46   | -43.87 | 12.61              | 18.38                | -3.80                | ****                  | 7.53               |
| TOTAL CASH                        | 436.4            | 0.93%         | 0.02                | 0.07                 | 0.33          | 0.12            | 0.99                  | 0.90                       | 0.89                       | 0.49   | 1.31   | 0.73               | 0.71                 | 1.13                 | ****                  | 2.56               |

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

#### CITY OF NEW YORK

|  |     | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD   | Calendar<br>YTD | FY Ending<br>06/30/12 |                 | Calendar Yr<br>Ending 2011    |                 |                 | Trailing<br>1 Year     | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--|-----|------------------|---------------|---------------------|----------------------|-----------------|-----------------|-----------------------|-----------------|-------------------------------|-----------------|-----------------|------------------------|----------------------|----------------------|-----------------------|--------------------|
| EQUITY ASSET CLASS SUMMARY                           |     |                  |               |                     |                      |                 |                 |                       |                 |                               |                 |                 |                        |                      |                      |                       |                    |
| DOMESTIC EQUITY                                      |     | \$ 17,587.0      | 37.47%        | 1.27%               | 6.77%                | 21.05%          | 12.96%          | 2.23%                 | 16.62%          | 0.17%                         | 17.16%          | 28.26%          | 17.64%                 | 12.51%               | 5.73%                | 8.47%                 | 11.13%             |
| PASSIVE DOMESTIC EQUITY                              |     | 13,157.9         | 28.03%        | 1.49                | 6.93                 | 20.80           | 13.04           | 2.88                  | 16.51           | 0.52                          | 16.58           | 27.80           | 17.46                  | 12.65                | 5.48                 | 8.34                  | 10.96              |
| RUSSELL 3000   | +/- |                  |               | 1.64<br>(0.15)      | 7.02<br>(0.09)       | 20.22<br>0.58   | 12.89<br>0.15   | 3.84<br>(0.96)        | 16.42<br>0.09   | 1.03<br>(0.51)                | 16.93<br>(0.35) | 28.34<br>(0.54) | 17.21<br>0.25          | 12.78<br>(0.12)      | 5.63<br>(0.15)       | 8.48<br>(0.14)        |                    |
| TOTAL RUSSELL 3000                                   |     | 6,428.4          | 13.70%        | 1.62                | 7.02                 | 20.15           | 12.88           | 3.87                  | 16.34           | 1.05                          | 17.22           | 28.29           | 17.16                  | 12.84                | 5.68                 | 8.47                  | 9.60               |
| RUSSELL 3000   | +/- | -,               |               | 1.64                | 7.02                 | 20.22           | 12.89<br>(0.01) | 3.84<br>0.03          | 16.42<br>(0.08) | 1.03                          | 16.93<br>0.29   | 28.34<br>(0.05) | 17.21                  | 12.78<br>0.07        | 5.63<br>0.06         | 8.48<br>(0.01)        |                    |
| TOTAL STANDARD & POORS 500                           |     | 4,054.1          | 8.64%         | 1.89                | 7.14                 | 19.53           | 12.68           | 5.03                  | 15.99           | 1.74                          | 14.90           | 26.45           | 16.92                  | 12.58                | 5.04                 | 7.79                  | 2.55               |
| STANDARD & POORS 500                                 | +/- | 1,00111          | 0.0170        | 1.93<br>(0.03)      | 7.18                 | 19.44<br>0.09   | 12.74<br>(0.06) | 5.45<br>(0.42)        | 16.00<br>(0.02) | 2.11 (0.37)                   | 15.06<br>(0.16) | 26.47<br>(0.02) | 16.89<br>0.02          | 12.80                | 5.21<br>(0.17)       | 7.88                  | 2.00               |
| TOTAL MID CAP PASSIVE                                | ./- | 2,477.8          | 5.28%         | 0.62                | 6.46                 | 24.59           | 14.13           | -2.29                 | (0.02)          | (0.57)                        | (0.10)          | (0.02)          | 18.72                  | (0.22)               | (0.17)               | (0.03)                | 12.24              |
| S&P MIDCAP INDEX 400                                 |     | 2,477.0          | 5.20%         | 0.62                | 6.46<br>6.48         | 24.59           | 14.13           | -2.29                 | 17.88           | ****                          | ****            | ****            | 18.84                  | ****                 | ****                 | ****                  | 12.24              |
|  | +/- |                  |               | (0.01)              | (0.01)               | (0.13)          | (0.03)          | 0.04                  | (0.07)          | ****                          | ****            | ****            | (0.12)                 | ****                 | ****                 | ****                  |                    |
| TOTAL SMALL CAP PASSIVE                              |     | 197.5            | 0.42%         | -0.36               | 5.39                 | 20.05           | 12.06           | -2.01                 | 16.41           | ****                          | ****            | ****            | 17.73                  | ****                 | ****                 | ****                  | 7.33               |
| RUSSELL 2000   |     |                  |               | -0.37               | 5.38                 | 20.05           | 11.98           | -2.08                 | 16.35           | ****                          | ****            | ****            | 17.69                  | ****                 | ****                 | ****                  |                    |
|  | +/- |                  |               | 0.01                | 0.01                 | (0.00)          | 0.08            | 0.07                  | 0.06            |                               |                 |                 | 0.03                   |                      |                      |                       |                    |
| ACTIVE DOMESTIC EQUITY<br>RUSSELL 3000               |     | 4,154.1          | 8.85%         | 0.76<br>1.64        | 6.54<br>7.02         | 22.28<br>20.22  | 13.02<br>12.89  | -0.01<br>3.84         | 17.12<br>16.42  | -1.73<br>1.03                 | 19.89<br>16.93  | 30.13<br>28.34  | 18.61<br>17.21         | 12.11<br>12.78       | 6.82<br>5.63         | 9.11<br>8.48          | 10.33              |
| RUSSELL SUUU   | +/- |                  |               | (0.88)              | (0.48)               | 20.22           | 0.13            | (3.85)                | 0.71            | (2.76)                        | 2.96            | 1.79            | 1.40                   | (0.67)               | 1.20                 | 0.40                  |                    |
| TOTAL LARGE CAP                                      |     | 2,095.7          | 4.47%         | 1.66                | 7.69                 | 22.93           | 14.15           | 3.04                  | 16.76           | 0.66                          | 16.74           | 27.39           | 19.99                  | 12.83                | ****                 | ****                  | 7.45               |
| RUSSELL 1000   |     | ,                |               | 1.81                | 7.16                 | 20.24           | 12.97           | 4.37                  | 16.42           | 1.50                          | 16.10           | 28.43           | 17.17                  | 12.91                | ****                 | ****                  |                    |
|  | +/- |                  |               | (0.15)              | 0.53                 | 2.69            | 1.19            | (1.34)                | 0.33            | (0.84)                        | 0.64            | (1.04)          | 2.82                   | (0.09)               | ****                 | ****                  |                    |
| TOTAL SMALL CAP ACTIVE                               |     | 1,254.0          | 2.67%         | -0.95               | 4.87                 | 22.97           | 11.62           | -5.73                 | 18.75           | -6.63                         | 29.84           | 38.79           | 19.33                  | 11.13                | 7.14                 | ****                  | 6.88               |
| RUSSELL 2000   | +/- |                  |               | -0.37<br>(0.58)     | 5.38<br>(0.51)       | 20.05<br>2.92   | 11.98<br>(0.36) | -2.08<br>(3.66)       | 16.35<br>2.41   | -4.18<br>(2.46)               | 26.85<br>2.99   | 27.18<br>11.61  | 17.69<br>1.64          | 11.25<br>(0.12)      | 7.27<br>(0.13)       | ****                  |                    |
|  | .,- | 004.4            | 4 740/        | (* * * * <b>/</b>   | (* * <i>*</i>        |                 | (               |                       |                 |                               |                 |                 |                        | ( · · · /            |                      | 0.00                  | 0.45               |
| TOTAL EMERGING MGRS<br>RUSSELL 3000                  |     | 804.4            | 1.71%         | 1.14<br>1.64        | 6.25<br>7.02         | 20.52<br>20.22  | 12.36<br>12.89  | 0.14<br>3.84          | 16.17<br>16.42  | -0.20<br>1.03                 | 17.79<br>16.93  | 28.04<br>28.34  | 15.02<br>17.21         | 12.42<br>12.78       | 5.61<br>5.63         | 8.83<br>8.48          | 8.45               |
| 1000222 0000   | +/- |                  |               | (0.49)              | (0.77)               | 0.29            | (0.54)          | (3.70)                | (0.25)          | (1.23)                        | 0.86            | (0.30)          | (2.19)                 | (0.35)               | (0.02)               | 0.35                  |                    |
| US STRATEGIC EQUITY                                  |     | 274.9            | 0.59%         | -1.09               | 2.94                 | 16.00           | 8.27            | -7.70                 | 9.12            | 0.40                          | 8.19            | 21.74           | 11.02                  | 5.42                 | 2.78                 | ****                  | 2.16               |
| TOTAL U.S. ENVIRONMENTAL                             |     | 274.8            | 0.59%         | -1.09               | 2.94                 | 16.10           | 8.30            | -1.35                 | 13.51           | 1.17                          | 26.98           | 29.89           | 12.57                  | 11.73                | 8.39                 | ****                  | 8.39               |
| RUSSELL 2000   | +/- |                  |               | -0.37               | 5.38                 | 20.05           | 11.98           | -2.08<br>0.73         | 16.35           | -4.18<br>5.34                 | 26.85<br>0.13   | 27.18<br>2.71   | 17.69                  | 11.25<br>0.48        | 7.27<br>1.12         | ****                  |                    |
| TOTAL INTERNATIONAL EQUITY                           | +/- | 7.562.7          | 16.11%        | (0.72)<br>2.10      | (2.44)<br>1.73       | (3.94)<br>19.26 | (3.68)<br>5.19  | -13.62                | (2.84)<br>18.09 | -14.05                        | 14.04           | 41.07           | (5.13)<br><b>12.38</b> | 6.23                 | -0.83                | 9.87                  | 6.78               |
| PASSIVE DEVELOPED MARKETS                            |     | 775.3            | 1.65%         | 5.24                | 5.08                 | 25.88           | 10.62           | -13.29                | 17.60           | -12.50                        | 8.18            | 32.26           | 19.44                  | 7.48                 | -0.64                | 9.50                  | 5.66               |
| MSCI EAFE (NET DIVIDEND)                             |     | 110.0            | 1.0070        | 5.21                | 5.00                 | 26.04           | 10.61           | -13.83                | 17.32           | -12.14                        | 7.75            | 31.78           | 19.39                  | 7.44                 | -0.93                | 9.22                  | 5.00               |
| , ,  | +/- |                  |               | 0.03                | 0.01                 | (0.16)          | 0.01            | 0.54                  | 0.28            | (0.36)                        | 0.43            | 0.48            | 0.06                   | 0.03                 | 0.29                 | 0.27                  |                    |
| PASSIVE EMERGING MARKETS                             |     | 1,073.1          | 2.29%         | 0.79                | -0.47                | 11.75           | -0.48           | -15.21                | 16.11           | ****                          | ****            | ****            | 3.95                   | ****                 | ****                 | ****                  | -3.23              |
| FTSE CUSTOM BENCHMARK                                | +/- |                  |               | 1.05                | -0.34<br>(0.13)      | 13.30<br>(1.55) | -0.11<br>(0.37) | -15.03                | 17.84<br>(1.73) | ****                          | ****            | ****            | 4.88<br>(0.94)         | ****                 | ****                 | ****                  |                    |
| ACTIVE DEVELOPED MARKETS                             |     | 3,253.0          | 6.93%         | (0.26)<br>2.79      | 2.61                 | (1.55)          | (0.37)          | (0.18)<br>-13.30      | (1.73)<br>16.97 | -11.88                        | 10.56           | 34.00           | (0.94)                 | 6.91                 | -1.13                | 8.89                  | 7.04               |
| ACTIVE DEVELOPED MARKETS<br>MSCI EAFE (NET DIVIDEND) |     | 3,253.0          | 0.93%         | 5.21                | 2.01                 | 26.04           | 10.61           | -13.30                | 17.32           | -11.00                        | 7.75            | 34.00           | 14.70                  | 7.44                 | -0.93                | 0.09<br>9.22          | 7.04               |
|  | +/- |                  |               | (2.42)              | (2.46)               | (4.14)          | (3.06)          | 0.53                  | (0.35)          | 0.26                          | 2.81            | 2.22            | (4.69)                 | (0.53)               | (0.20)               | (0.33)                |                    |
| ACTIVE EMERGING MARKETS                              |     | 1,983.6          | 4.23%         | 0.65                | 0.07                 | 15.49           | 1.78            | -12.97                | 20.98           | -18.87                        | 27.44           | 86.55           | 9.16                   | 6.17                 | 1.93                 | ****                  | 11.64              |
| FTSE CUSTOM BENCHMARK                                |     |                  |               | 1.05                | -0.34                | 13.30           | -0.11           | -15.03                | 17.84           | -18.27                        | 24.60           | 83.92           | 4.88                   | 4.14                 | 1.16                 | ****                  |                    |
| NON US STRATEGIC EQUITY                              | +/- | 477.5            | 1.02%         | (0.41)<br>1.08      | 0.41<br>2.11         | 2.19<br>23.93   | 1.89<br>7.65    | 2.06<br>-17.37        | 3.14<br>20.65   | <mark>(0.60)</mark><br>-17.79 | 2.84<br>21.57   | 2.63<br>33.76   | 4.28<br>11.70          | 2.03<br>7.77         | 0.77<br>****         | ****                  | 2.51               |
| TOTAL NON-U.S. ACTIVIST                              |     | 269.1            | 0.57%         | 1.70                | 0.59                 | 26.43           | 5.87            | -25.49                | 22.10           | -24.14                        | 29.33           | 29.34           | 8.96                   | 6.18                 | ****                 | ****                  | 9.60               |
| MSCI EUROPE SMID CAP INDEX                           |     | 209.1            | 0.57%         | 3.79                | 2.85                 | 26.43           | 5.87<br>8.29    | -25.49                | 22.10           | -24.14<br>-17.56              | 29.33           | 29.34<br>53.23  | 8.96<br>18.75          | 8.50                 | ****                 | ****                  | 9.60               |
|  | +/- |                  |               | (2.09)              | (2.26)               | (2.17)          | (2.43)          | (6.49)                | (3.71)          | (6.58)                        | 13.30           | (23.89)         | (9.79)                 | (2.31)               | ****                 | ****                  |                    |
| NON-U.S. ENVIRONMENTAL                               |     | 208.5            | 0.44%         | 0.30                | 4.14                 | 20.85           | 10.04           | -4.36                 | 18.76           | -7.75                         | 8.66            | 40.08           | 15.49                  | 9.42                 | ****                 | ****                  | 2.61               |
| MSCI WORLD INDEX                                     |     |                  |               | 3.22                | 5.92                 | 22.08           | 11.35           | -4.42                 | 16.54           | -5.02                         | 12.34           | 30.80           | 17.40                  | 10.21                | ****                 | ****                  |                    |
|  | +/- |                  |               | (2.93)              | (1.78)               | (1.23)          | (1.30)          | 0.05                  | 2.22            | (2.73)                        | (3.68)          | 9.28            | (1.92)                 | (0.79)               | ****                 | ****                  |                    |

#### CITY OF NEW YORK

|   |     | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month         | Trailing<br>3 Months        | Fiscal<br>YTD               | Calendar<br>YTD             | FY Ending<br>06/30/12       |                             |                             |                             |                             | Trailing<br>1 Year          | Trailing*<br>3 Years        | Trailing*<br>5 Years                  | Trailing*<br>10 Years | Since<br>Inception |
|---|-----|------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|-----------------------|--------------------|
| FIXED INCOME ASSET CLASS SUMM   | ARY |                  |               |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                                       |                       |                    |
| TOTAL FIXED INCOME  |     | \$ 14,393.4      | 30.67%        | 1.47%                       | 2.57%                       | 7.07%                       | 2.73%                       | 7.97%                       | 8.95%                       | 7.75%                       | 10.68%                      | 15.55%                      | 8.09%                       | 8.43%                       | 8.27%                                 | ****                  | 6.70%              |
| CORE + 5<br>NYC - CORE PLUS FIVE  | +/- | 7,851.2          | 16.73%        | 1.37<br>1.33<br>0.04        | 2.17<br>1.99<br>0.18        | 4.67<br>3.37<br>1.30        | 1.44<br>1.01<br>0.43        | 9.24<br>9.35<br>(0.11)      | 6.92<br>5.41<br>1.51        | 8.85<br>9.40<br>(0.55)      | 9.42<br>7.13<br>2.29        | 9.65<br>6.28<br>3.37        | 5.94<br>4.67<br>1.27        | 7.37<br>6.64<br>0.73        | 7.55<br>6.73<br>0.82                  | 6.13<br>5.73<br>0.40  | 8.63               |
| ALL MORTGAGE<br>CITIGROUP MORTGAGE INDEX                                  | +/- | 3,122.1          | 6.65%         | 0.64<br>0.51<br>0.13        | 1.13<br>0.97<br>0.16        | 2.52<br>1.36<br>1.15        | 0.81<br>0.47<br>0.34        | 5.64<br>5.05<br>0.59        | 4.26<br>2.60<br>1.66        | 6.19<br>6.38<br>(0.19)      | 9.12<br>5.50<br>3.62        | 9.15<br>5.76<br>3.39        | 3.03<br>1.78<br>1.25        | 5.22<br>4.24<br>0.98        | 6.29<br>5.31<br>0.98                  | 5.45<br>5.04<br>0.41  | 7.40               |
| ALL INVESTMENT GRADE CREDIT<br>NYC - INVESTMENT GRADE CREDIT              | +/- | 3,650.9          | 7.78%         | 1.80<br>1.76<br>0.04        | 2.74<br>2.33<br>0.41        | 7.48<br>6.30<br>1.18        | 2.05<br>1.39<br>0.66        | 9.36<br>9.14<br>0.23        | 10.58<br>9.52<br>1.05       | 7.82<br>7.80<br>0.03        | 9.63<br>8.36<br>1.27        | 20.37<br>16.36<br>4.01      | 8.75<br>7.45<br>1.30        | 8.50<br>7.72<br>0.78        | 8.25<br>7.49<br>0.76                  | 6.33<br>5.83<br>0.50  | 7.78               |
| ALL TREASURY / AGENCY<br>NYC - TREASURY AGENCY PLUS FIVE                  | +/- | 1,078.3          | 2.30%         | 2.03<br>2.11<br>(0.08)      | 3.31<br>3.42<br>(0.11)      | 1.99<br>1.91<br>0.07        | 1.28<br>1.34<br>(0.07)      | 18.62<br>18.72<br>(0.10)    | 4.20<br>3.84<br>0.36        | 18.35<br>18.44<br>(0.09)    | 9.55<br>9.24<br>0.31        | -6.56<br>-7.44<br>0.88      | 5.33<br>5.19<br>0.14        | 9.73<br>9.66<br>0.07        | 7.94<br>7.83<br>0.11                  | 6.59<br>6.51<br>0.08  | 8.26               |
| TOTAL TIPS MANAGERS<br>BARCLAYS CAPITAL US TIPS INDEX                     | +/- | 1,386.6          | 2.95%         | 0.88<br>0.80<br>0.08        | 1.38<br>1.11<br>0.27        | 3.79<br>3.27<br>0.52        | 0.73<br>0.43<br>0.30        | 12.13<br>11.66<br>0.47      | 7.25<br>6.98<br>0.27        | 13.50<br>13.56<br>(0.06)    | 6.47<br>6.37<br>0.10        | 10.15<br>11.41<br>(1.26)    | 5.03<br>4.41<br>0.62        | 8.22<br>8.02<br>0.20        | 6.78<br>6.52<br>0.26                  | ****<br>****<br>****  | 6.27               |
| TOTAL ENHANCED YIELD<br>CITIGROUP BB & B                                  | +/- | 2,585.7          | 5.51%         | 2.37<br>1.75<br>0.61        | 3.95<br>3.13<br>0.82        | 13.79<br>11.19<br>2.60      | 5.67<br>3.68<br>1.99        | 6.31<br>8.45<br>(2.14)      | 14.56<br>14.45<br>0.11      | 5.73<br>6.58<br>(0.85)      | 14.24<br>13.35<br>0.89      | 40.25<br>40.37<br>(0.12)    | 14.33<br>12.34<br>2.00      | 11.25<br>10.80<br>0.46      | 10.56<br>8.22<br>2.34                 | 9.12<br>7.96<br>1.16  | ****<br>8.64       |
| TOTAL BANK LOANS<br>CREDIT SUISSE LEVERAGED LOAN INDEX                    | +/- | 769.7            | 1.64%         | 0.66<br>0.75<br>(0.09)      | 1.75<br>2.00<br>(0.25)      | ****<br>****<br>****        | 2.75<br>3.14<br>(0.39)      | ****<br>****<br>****                  | ****<br>****<br>****  | 3.17               |
| TOTAL CONVERTIBLE BONDS<br>BofA ML ALL CONVERTIBLES EX MANDATORY          | +/- | 452.9            | 0.96%         | 1.19<br>1.49<br>(0.30)      | 3.69<br>5.38<br>(1.69)      | 13.51<br>17.17<br>(3.66)    | 7.16<br>9.49<br>(2.33)      | -2.09<br>-1.68<br>(0.41)    | 11.66<br>14.41<br>(2.76)    | -3.02<br>-3.42<br>0.39      | 14.54<br>16.52<br>(1.98)    | 33.08<br>47.19<br>(14.11)   | 11.91<br>15.12<br>(3.21)    | 7.84<br>9.40<br>(1.56)      | ****<br>****<br>****                  | ****<br>****<br>****  | 5.72               |
| TOTAL OPPORTUNISTIC FIXED<br>NYC - JP MORGAN HY PLUS 3%                   | +/- | 671.8            | 1.43%         | 2.19<br>2.58<br>(0.39)      | 5.67<br>4.69<br>0.99        | 14.52<br>16.83<br>(2.31)    | 8.20<br>6.29<br>1.91        | -4.48<br>10.67<br>(15.15)   | 20.49<br>19.20<br>1.28      | -4.40<br>8.73<br>(13.13)    | 26.01<br>18.05<br>7.96      | 19.13<br>61.90<br>(42.77)   | 17.23<br>17.80<br>(0.56)    | 13.38<br>14.69<br>(1.31)    | 11.87<br>14.51<br><mark>(2.64)</mark> | ****<br>****<br>****  | ****               |
| TOTAL PROGRESS FIXED EMERGING MGRS<br>BARCLAYS CAPITAL AGGREGATE          | +/- | 107.3            | 0.23%         | 1.04<br>1.01<br>0.03        | 1.72<br>1.60<br>0.12        | 3.49<br>2.71<br>0.79        | 1.14<br>0.89<br>0.25        | 8.80<br>7.47<br>1.33        | 5.51<br>4.21<br>1.29        | 8.39<br>7.84<br>0.55        | 7.43<br>6.54<br>0.89        | 8.78<br>5.93<br>2.85        | 4.58<br>3.68<br>0.91        | 6.32<br>5.51<br>0.81        | 6.97<br>5.73<br>1.25                  | 6.23<br>5.04<br>1.18  | 6.65               |
| TOTAL CORE PLUS FIXED INCOME<br>BARCLAYS CAPITAL AGGREGATE                | +/- | 59.8             | 0.13%         | 1.17<br>1.01<br>0.16        | 2.14<br>1.60<br>0.54        | 4.70<br>2.71<br>1.99        | 1.63<br>0.89<br>0.74        | 7.61<br>7.47<br>0.14        | 6.23<br>4.21<br>2.02        | 8.11<br>7.84<br>0.27        | 7.46<br>6.54<br>0.92        | ****<br>****<br>****        | 5.57<br>3.68<br>1.90        | 6.62<br>5.51<br>1.11        | ****<br>****                          | ****<br>****<br>****  | 8.03               |
| ECONOMICALLY TARGETED INVESTMENTS<br>EMPLOYEES CUSTOM BENCHMARK (NO CASH) | +/- | 508.4            | 1.08%         | 0.72<br>0.82<br>(0.11)      | 1.31<br>1.36<br>(0.05)      | 4.21<br>2.10<br>2.10        | 1.30<br>0.77<br>0.53        | 7.04<br>6.63<br>0.40        | 6.12<br>3.41<br>2.71        | 6.61<br>7.66<br>(1.05)      | 6.87<br>6.47<br>0.40        | 8.23<br>5.21<br>3.02        | 5.74<br>2.87<br>2.86        | 5.84<br>5.19<br>0.65        | 6.55<br>5.63<br>0.92                  | 6.18<br>5.30<br>0.88  | 9.79               |
| CASH ASSET CLASS SUMMARY  |     |                  |               |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                                       |                       |                    |
| TOTAL CASH<br>ML 91 DAY TREASURY BILL INDEX                               | +/- | 436.4            | 0.93%         | <b>0.02</b><br>0.01<br>0.01 | <b>0.07</b><br>0.03<br>0.04 | <b>0.33</b><br>0.10<br>0.23 | <b>0.12</b><br>0.03<br>0.10 | <b>0.99</b><br>0.06<br>0.93 | <b>0.90</b><br>0.11<br>0.79 | <b>0.89</b><br>0.10<br>0.79 | <b>0.48</b><br>0.13<br>0.35 | <b>1.31</b><br>0.21<br>1.10 | <b>0.73</b><br>0.12<br>0.61 | <b>0.71</b><br>0.11<br>0.60 | <b>1.13</b><br>0.33<br>0.81           | ****<br>****<br>****  | 2.56               |

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|  | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/12 |              | Calendar Yr<br>Ending 2011 |              |                | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|--------------|----------------------------|--------------|----------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| US EQUITY  |                  |               |                     |                      |               |                 |                       |              |                            |              |                |                    |                      |                      |                       |                    |
| TOTAL RUSSELL 3000                                     | 6,428.4          | 13.70%        | 1.62                | 7.02                 | 20.15         | 12.88           | 3.87                  | 16.34        | 1.05                       | 17.22        | 28.29          | 17.16              | 12.84                | 5.68                 | 8.47                  | 9.60               |
| RUSSELL 3000   |                  |               | 1.64                | 7.02                 | 20.22         | 12.89           | 3.84                  | 16.42        |                            | 16.93        | 28.34          | 17.21              | 12.78                | 5.63                 | 8.48                  |                    |
| +/-  |                  |               | (0.01)              | (0.00)               | (0.07)        | (0.01)          | 0.03                  | (80.0)       | 0.02                       | 0.29         | (0.05)         | (0.04)             | 0.07                 | 0.06                 | (0.01)                |                    |
| BLACKROCK RUSSELL 3000                                 | 4,394.1          | 9.36%         | 1.63                | 7.05                 | 20.14         | 12.92           | 3.84                  | 16.30        | 0.95                       | 17.04        | 28.21          | 17.16              | 12.76                | 5.58                 | 8.40                  | 3.22               |
| STATE STREET R3000                                     | 2,034.4          | 4.33%         | 1.61                | 6.95                 | 20.16         | 12.81           | 3.92                  | 16.41        | 1.19                       | ****         | ****           | 17.18              | ****                 | ****                 | ****                  | 16.48              |
| RUSSELL 3000   |                  |               | 1.64                | 7.02                 | 20.22         | 12.89           | 3.84                  | 16.42        |                            | 16.93        | 28.34          | 17.21              | 12.78                | 5.63                 | 8.48                  |                    |
| BLACKROCK RUSSELL 3000 +/-                             |                  |               | (0.00)              | 0.03                 | (0.08)        | 0.03            | (0.00)                | (0.11)       | 1                          | 0.11         | (0.13)         | (0.05)             | (0.02)               | (0.05)               | (0.08)                |                    |
| STATE STREET R3000 +/-                                 |                  |               | (0.03)              | (0.07)               | (0.06)        | (0.08)          | 0.08                  | (0.00)       | 0.17                       |              |                | (0.03)             |                      |                      |                       |                    |
| TOTAL STANDARD & POORS 500                             | 4,054.1          | 8.64%         | 1.89                | 7.14                 | 19.53         | 12.68           | 5.03                  | 15.99        |                            | 14.90        | 26.45          | 16.92              | 12.58                | 5.04                 | 7.79                  | 2.55               |
| AMALGAMATED S &P 500 INDEX                             | 4,054.1          | 8.64%         | 1.89                | 7.14                 | 19.53         | 12.68           | 5.03                  | 15.99        |                            | 14.90        | 26.45          | 16.92              | 12.58                | 5.04                 | 7.75                  | 2.70               |
| STANDARD & POORS 500                                   |                  |               | 1.93                | 7.18                 | 19.44         | 12.74           | 5.45                  | 16.00        |                            | 15.06        | 26.47          | 16.89              | 12.80                | 5.21                 | 7.88                  |                    |
| TOTAL STANDARD & POORS 500 +/-                         |                  |               | (0.03)              | (0.04)               | 0.09          | (0.06)          | (0.42)                | (0.02)       | (0.37)                     | (0.16)       | (0.02)         | 0.02               | (0.22)               | (0.17)               | (0.09)                |                    |
| AMALGAMATED S &P 500 INDEX +/-                         |                  |               | (0.03)              | (0.04)               | 0.09          | (0.06)          | (0.42)                | (0.02)       | (0.37)                     | (0.16)       | (0.02)         | 0.02               | (0.22)               | (0.17)               | (0.13)                |                    |
| TOTAL SMALL CAP  | 1,451.6          | 3.09%         | -0.87               | 4.94                 | 21.72         | 11.68           | -4.34                 | 17.81        | -4.50                      | 29.84        | 38.79          | 18.60              | 11.70                | 7.46                 | 9.98                  | 7.61               |
| RUSSELL 2000   |                  |               | -0.37               | 5.38                 | 20.05         | 11.98           | -2.08                 | 16.35        |                            | 26.85        | 27.18          | 17.69              | 11.25                | 7.27                 | 10.47                 | 11.37              |
| +/-  |                  |               | (0.50)              | (0.44)               | 1.68          | (0.30)          | (2.27)                | 1.46         | (0.33)                     | 2.99         | 11.61          | 0.90               | 0.44                 | 0.19                 | (0.49)                |                    |
| TOTAL SMALL CAP PASSIVE                                | 197.5            | 0.42%         | -0.36               | 5.39                 | 20.05         | 12.06           | -2.01                 | 16.41        | ****                       | ****         | ****           | 17.73              | ****                 | ****                 | ****                  | 7.33               |
| BLACKROCK R2000  | 197.5            | 0.42%         | -0.36               | 5.39                 | 20.05         | 12.06           | -2.01                 | 16.41        | ****                       | ****         | ****           | 17.73              | ****                 | ****                 | ****                  | 7.33               |
| RUSSELL 2000   |                  |               | -0.37               | 5.38                 | 20.05         | 11.98           | -2.08                 | 16.35        |                            | ****         | ****           | 17.69              | ****                 | ****                 | ****                  |                    |
| TOTAL SMALL CAP PASSIVE +/-                            |                  |               | 0.01                | 0.01                 | (0.00)        | 0.08            | 0.07                  | 0.06         |                            | ****         | ****           | 0.03               | ****                 | ****                 | ****                  |                    |
| BLACKROCK R2000 +/-                                    |                  |               | 0.01                | 0.01                 | (0.00)        | 0.08            | 0.07                  | 0.06         | ****                       | ****         | ****           | 0.03               | ****                 | ****                 | ****                  |                    |
| TOTAL SMALL CAP ACTIVE                                 | 1,254.0          | 2.67%         | -0.95               | 4.87                 | 22.97         | 11.62           | -5.73                 | 18.75        |                            | 29.84        | 38.79          | 19.33              | 11.13                | 7.14                 | ****                  | 6.88               |
| RUSSELL 2000   |                  |               | -0.37               | 5.38                 | 20.05         | 11.98           | -2.08                 | 16.35        |                            | 26.85        | 27.18          | 17.69              | 11.25                | 7.27                 | ****                  |                    |
| +/-  |                  |               | (0.58)              | (0.51)               | 2.92          | (0.36)          | (3.66)                | 2.41         | (2.46)                     | 2.99         | 11.61          | 1.64               | (0.12)               | (0.13)               | ****                  |                    |
| TOTAL SMALL CAP CORE ACTIVE                            | 285.9            | 0.61%         | -1.51               | 5.23                 | 24.91         | 12.35           | -13.23                | 19.91        | -10.13                     | 31.75        | 45.44          | 21.48              | 11.45                | ****                 | ****                  | 17.79              |
| DARUMA ASSET MANAGEMNT                                 | 170.8            | 0.36%         | -2.42               | 4.02                 | 24.81         | 11.36           | -13.23                | 19.91        | -10.13                     | 31.75        | 45.44          | 21.38              | 11.42                | ****                 | ****                  | 17.77              |
| WELLINGTON   | 115.1            | 0.25%         | -0.13               | 7.08                 | ****          | 13.86           | ****                  | ****         | ****                       | ****         | ****           | ****               | ****                 | ****                 | ****                  | 13.86              |
| RUSSELL 2000   |                  |               | -0.37               | 5.38                 | 20.05         | 11.98           | -2.08                 | 16.35        |                            | 26.85        | 27.18          | 17.69              | 11.25                | ****                 | ****                  |                    |
| TOTAL SMALL CAP CORE +/-<br>DARUMA ASSET MANAGEMNT +/- |                  |               | (1.14)<br>(2.05)    | (0.15)<br>(1.36)     | 4.86<br>4.76  | 0.37 (0.62)     | (11.15)<br>(11.15)    | 3.56<br>3.56 |                            | 4.90<br>4.90 | 18.26<br>18.26 | 3.78<br>3.69       | 0.19<br>0.17         | ****                 | ****                  |                    |
| WELLINGTON +/-   |                  |               | 0.23                | 1.70                 | ****          | 1.88            | (11.13)               | ****         | (3.90)                     | ****         | ****           | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL SMALL CAP VALUE ACTIVE                           | 222.1            | 0.47%         | -2.01               | 2.20                 | ****          | 9.68            | ****                  | ****         | ****                       | ****         | ****           | ****               | ****                 | ****                 | ****                  | 9.09               |
| CEREDEX  | 222.1            | 0.47%         | -2.01               | 2.20                 | ****          | 9.68<br>9.68    | ****                  | ****         | ****                       | ****         | ****           | ****               | ****                 | ****                 | ****                  | 9.09<br>9.09       |
| RUSSELL 2000 VALUE                                     | 222.1            | 0.4770        | -2.01               | 5.25                 | ****          | 11.52           | ****                  | ****         | ****                       | ****         | ****           | ****               | ****                 | ****                 | ****                  | 5.09               |
| TOTAL SMALL CAP VALUE +/-                              |                  |               | (1.91)              | (3.05)               | ****          | (1.84)          | ****                  | ****         | ****                       | ****         | ****           | ****               | ****                 | ****                 | ****                  |                    |
| CEREDEX +/-  |                  |               | (1.91)              | (3.05)               | ****          | (1.84)          | ****                  | ****         | ****                       | ****         | ****           | ****               | ****                 | ****                 | ****                  |                    |
| RAFI ENHANCED SMALL CO.                                | 746.0            | 1.59%         | -0.41               | 5.55                 | 23.69         | 11.93           | -3.39                 | 19.50        | -4.70                      | 29.59        | 34.62          | 19.97              | 11.80                | ****                 | ****                  | 10.22              |
| RUSSELL 2000   |                  |               | -0.37               | 5.38                 | 20.05         | 11.98           | -2.08                 | 16.35        |                            | 26.85        | 27.18          | 17.69              | 11.25                | ****                 | ****                  |                    |
| +/-  |                  |               | (0.04)              | 0.17                 | 3.65          | (0.05)          | (1.31)                | 3.15         | (0.52)                     | 2.74         | 7.44           | 2.27               | 0.55                 | ****                 | ****                  |                    |

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|   |     | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD   | Calendar<br>YTD | FY Ending<br>06/30/12 |                 | Calendar Yr<br>Ending 2011 |                 |                | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---|-----|------------------|---------------|---------------------|----------------------|-----------------|-----------------|-----------------------|-----------------|----------------------------|-----------------|----------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| TOTAL MID CAP                                 |     | 2,477.8          | 5.28%         | 0.62                | 6.46                 | 24.59           | 14.13           | -2.29                 | 17.81           | ****                       | ****            | ****           | 18.72              | ****                 | ****                 | ****                  | 12.24              |
| RUSSELL MIDCAP                                |     |                  |               | 1.28                | 7.08                 | 24.27           | 14.41           | -1.65                 | 17.28           |                            | ****            | ****           | 19.20              | ****                 | ****                 | ****                  |                    |
|   | +/- |                  |               | (0.66)              | (0.62)               | 0.32            | (0.27)          | (0.63)                | 0.53            | ****                       | ****            | ****           | (0.48)             | ****                 | ****                 | ****                  |                    |
| TOTAL MID CAP PASSIVE                         |     | 2,477.8          | 5.28%         | 0.62                | 6.46                 | 24.59           | 14.13           | -2.29                 | 17.81           | ****                       | ****            | ****           | 18.72              | ****                 | ****                 | ****                  | 12.24              |
| SSGA S&P 400                                  |     | 2,477.8          | 5.28%         | 0.62                | 6.46                 | 24.59           | 14.13           | -2.29                 | 17.81           | ****                       | ****            | ****           | 18.72              | ****                 | ****                 | ****                  | 12.24              |
| S&P MIDCAP INDEX 400<br>TOTAL MID CAP PASSIVE | +/- |                  |               | 0.63<br>(0.01)      | 6.48<br>(0.01)       | 24.72<br>(0.13) | 14.16<br>(0.03) | -2.33<br>0.04         | 17.88<br>(0.07) | ****                       | ****            | ****           | 18.84<br>(0.12)    | ****                 | ****                 | ****                  |                    |
| SSGA S&P 400                                  |     |                  |               | (0.01)              | (0.01)               | (0.13)          | (0.03)          | 0.04                  | (0.07)          | ****                       | ****            | ****           | (0.12)             | ****                 | ****                 | ****                  |                    |
| TOTAL LARGE CAP                               |     | 2,095.7          | 4.47%         | 1.66                | 7.69                 | 22.93           | 14.15           | 3.04                  | 16.76           | 0.66                       | 16.74           | 27.39          | 19.99              | 12.83                | ****                 | ****                  | 7.45               |
| RUSSELL 1000                                  |     | _,               |               | 1.81                | 7.16                 | 20.24           | 12.97           | 4.37                  | 16.42           |                            | 16.10           | 28.43          | 17.17              | 12.91                | ****                 | ****                  |                    |
| 2,095.7                                       | +/- |                  |               | (0.15)              | 0.53                 | 2.69            | 1.19            | (1.34)                | 0.33            | (0.84)                     | 0.64            | (1.04)         | 2.82               | (0.09)               | ****                 | ****                  |                    |
| TOTAL LARGE CAP GROWTH                        |     | 284.2            | 0.61%         | 0.88                | 5.22                 | 18.36           | 10.63           | 4.56                  | 16.47           | 2.33                       | 13.59           | ****           | 12.24              | 12.49                | ****                 | ****                  | 18.03              |
| PROFIT INV MGMT (D)                           |     | 188.0            | 0.40%         | 1.54                | 5.95                 | 21.03           | 11.41           | 6.05                  | 17.86           |                            | 9.48            | ****           | 14.68              | 12.15                | ****                 | ****                  | 18.02              |
| CASTLEARK MGMT (D)                            |     | 96.2             | 0.21%         | -0.37               | 3.82                 | 13.48           | 9.13            | 1.93                  | 13.90           |                            | 21.89           | ****           | 7.77               | 13.16                | ****                 | ****                  | 18.06              |
| RUSSELL 1000 GROWTH<br>TOTAL LARGE CAP GROWTH |     |                  |               | 2.12<br>(1.24)      | 7.27<br>(2.05)       | 17.14<br>1.23   | 11.87<br>(1.24) | 5.76<br>(1.20)        | 15.26<br>1.21   | 2.64<br>(0.31)             | 16.71<br>(3.12) | ****           | 12.60<br>(0.36)    | 13.43<br>(0.95)      | ****                 | ****                  |                    |
| PROFIT INV MGMT                               |     |                  |               | (0.59)              | (1.32)               | 3.89            | (0.46)          | 0.30                  | 2.60            |                            | (7.23)          | ****           | 2.08               | (1.28)               | ****                 | ****                  |                    |
| CASTLEARK MGMT                                |     |                  |               | (2.49)              | (3.45)               | (3.65)          | (2.74)          | (3.83)                | (1.36)          | (1.47)                     | 5.18            | ****           | (4.82)             | (0.27)               | ****                 | ****                  |                    |
| TOTAL LARGE CAP VALUE                         |     | 139.2            | 0.30%         | 1.86                | 7.88                 | 22.27           | 14.86           | -0.43                 | 13.72           | -1.79                      | 10.60           | ****           | 20.00              | 9.51                 | ****                 | ****                  | 16.63              |
| DENALI ADVISORS (D)                           |     | 139.2            | 0.30%         | 1.86                | 7.88                 | 22.27           | 14.86           | -0.43                 | 13.72           |                            | 11.13           | ****           | 20.00              | 9.78                 | ****                 | ****                  | 17.70              |
| RUSSELL 1000 VALUE                            |     |                  |               | 1.51                | 7.05                 | 23.27           | 14.01           | 3.01                  | 17.51           | 0.39                       | 15.51           | ****           | 21.80              | 12.35                | ****                 | ****                  |                    |
| TOTAL LARGE CAP VALUE                         |     |                  |               | 0.35                | 0.83                 | (1.00)          | 0.85            | (3.44)                | (3.79)          | (2.18)                     | (4.91)          | ****           | (1.80)             | (2.83)               | ****                 | ****                  |                    |
| DENALI ADVISORS                               | +/- |                  |               | 0.35                | 0.83                 | (1.00)          | 0.85            | (3.44)                | (3.79)          | (0.73)                     | (4.38)          | ****           | (1.80)             | (2.57)               | ****                 | ****                  |                    |
| TOTAL LARGE CAP CORE                          |     | 274.2            | 0.58%         | 1.83                | 6.41                 | 19.54           | 11.95           | 0.90                  | 15.62           |                            | 15.86           | ****           | 15.83              | 10.89                | ****                 | ****                  | 25.52              |
| SEIZERT CAPITAL PRTNRS (D)                    |     | 146.3            | 0.31%         | 2.44                | 6.93                 | 23.01           | 13.35           | -0.77                 | 15.25           |                            | 15.82           | ****           | 18.50              | 12.15                | ****                 | ****                  | 18.82              |
| PIEDMONT INV ADV (D)<br>RUSSELL 1000          |     | 127.9            | 0.27%         | 1.14<br>1.81        | 5.81<br>7.16         | 15.79<br>20.24  | 10.40<br>12.97  | 2.76<br>4.37          | 16.04<br>16.42  | -4.01<br>1.50              | 15.91<br>16.10  | ****           | 12.92<br>17.17     | 9.52<br>12.91        | ****                 | ****                  | 15.93              |
| TOTAL LARGE CAP CORE                          | +/- |                  |               | 0.03                | (0.75)               | (0.70)          | (1.01)          | (3.48)                | (0.80)          | (3.44)                     | (0.24)          | ****           | (1.34)             | (2.02)               | ****                 | ****                  |                    |
|   | +/- |                  |               | 0.64                | (0.22)               | 2.77            | 0.38            | (5.14)                | (1.18)          | (1.53)                     | (0.28)          | ****           | 1.33               | (0.76)               | ****                 | ****                  |                    |
| PIEDMONT INV ADV                              | +/- |                  |               | (0.66)              | (1.34)               | (4.45)          | (2.57)          | (1.62)                | (0.39)          | (5.51)                     | (0.19)          | ****           | (4.25)             | (3.40)               | ****                 | ****                  |                    |
| TOTAL FUNDAMENTAL INDEX LARGE CAP             |     | 1,398.1          | 2.98%         | 1.76                | 8.44                 | 24.67           | 15.28           | 3.53                  | 17.36           | 1.24                       | 18.05           | 26.11          | 22.57              | 13.76                | ****                 | ****                  | 7.93               |
| RUSSELL 1000                                  |     |                  |               | 1.81                | 7.16                 | 20.24           | 12.97           | 4.37                  | 16.42           |                            | 16.10           | 28.43          | 17.17              | 12.91                | ****                 | ****                  |                    |
|   | +/- |                  |               | (0.05)              | 1.28                 | 4.43            | 2.31            | (0.84)                | 0.94            | (0.26)                     | 1.95            | (2.32)         | 5.40               | 0.85                 | ****                 | ****                  |                    |
| VTL S&P 500                                   |     | 345.7            | 0.74%         | 1.47                | 8.19                 | 25.20           | 14.98           | 2.93                  | 18.65           |                            | 17.47           | 30.84          | 22.89              | 13.57                | ****                 | ****                  | 8.66               |
| STANDARD & POORS 500                          |     |                  |               | 1.93                | 7.18                 | 19.44           | 12.74           | 5.45                  | 16.00           |                            | 15.06           | 26.47          | 16.89              | 12.80                | ****                 | ****                  |                    |
|   | +/- |                  |               | (0.46)              | 1.00                 | 5.75            | 2.24            | (2.52)                | 2.65            | (1.39)                     | 2.41            | 4.37           | 6.00               | 0.77                 | ****                 | ****                  |                    |
|   |     | 1.052.4          | 0.040/        | 1.00                | 0.50                 | 24.52           | 15.07           | 0 70                  | 16.04           | 0.00                       | 10.00           | 07.40          | 22.47              | 12.00                | ****                 | ****                  | 0.00               |
| RAFI ENHANCED LARGE CO.<br>RUSSELL 1000       |     | 1,052.4          | 2.24%         | 1.86<br>1.81        | 8.52<br>7.16         | 24.50<br>20.24  | 15.37<br>12.97  | 3.73<br>4.37          | 16.94<br>16.42  |                            | 18.99<br>16.10  | 27.48<br>28.43 | 22.47<br>17.17     | 13.96<br>12.91       | ****                 | ****                  | 9.69               |
| RAFI ENHANCED LARGE CO.                       | +/- |                  |               | 0.05                | 1.37                 | 4.26            | 2.41            | (0.65)                | 0.52            |                            | 2.89            | (0.95)         | 5.30               | 12.91                | ****                 | ****                  |                    |
|   |     |                  |               | 0.00                |                      | 0               |                 | (0.00)                | 0.02            | 0.00                       | 2.00            | (0.00)         | 0.00               |                      |                      |                       |                    |

#### CITY OF NEW YORK

#### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

April 30, 2013

|                                     | Ass<br>(\$M |          | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD   | Calendar<br>YTD  | FY Ending<br>06/30/12 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 | Calendar Yr<br>Ending 2010 |                 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|-------------------------------------|-------------|----------|---------------------|----------------------|-----------------|------------------|-----------------------|----------------------------|----------------------------|----------------------------|-----------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| EMERGING MANAGERS                   |             |          |                     |                      |                 |                  |                       |                            |                            |                            |                 |                    |                      |                      |                       |                    |
| TOTAL EMERGING MGRS                 | 804         |          | 1.14                | 6.25                 | 20.52           | 12.36            | 0.14                  | 16.17                      |                            | 17.79                      | 28.04           | 15.02              | 12.42                | 5.61                 | 8.83                  | 8.45               |
| PROGRESS EQUITY                     | 315         |          | 1.13                | 6.05                 | 21.03           | 12.11            | -1.02                 | 16.85                      |                            | 16.81                      | 30.87           | 15.01              | 12.01                | 5.39                 | 8.91                  | 8.51               |
| ATTUCKS<br>F.I.S FUND MGMT          | 244<br>187  |          | 1.47<br>0.87        | 6.80<br>5.97         | 21.22<br>19.57  | 12.94<br>12.33   | -0.02<br>2.21         | 15.59<br>16.02             |                            | 18.78<br>16.39             | 24.63<br>26.79  | 15.15<br>15.11     | 12.99<br>12.56       | 5.42<br>5.52         | 8.45                  | 3.97<br>3.73       |
| CAPITAL PROSPECTS                   | 57          |          | 0.72                | 5.93                 | 17.85           | 11.32            | 0.60                  | 15.36                      |                            | 18.56                      | 27.04           | 14.19              | 11.60                | 5.11                 | ****                  | 3.22               |
| RUSSELL 3000                        |             |          | 1.64                | 7.02                 | 20.22           | 12.89            | 3.84                  | 16.42                      |                            | 16.93                      | 28.34           | 17.21              | 12.78                | 5.63                 | 8.48                  |                    |
|                                     | +/-         |          | (0.49)              | (0.77)               | 0.29            | (0.54)           | (3.70)                | (0.25)                     | (1.23)                     | 0.86                       | (0.30)          | (2.19)             | (0.35)               | (0.02)               | 0.35                  |                    |
|                                     | +/-<br>+/-  |          | (0.51)<br>(0.17)    | (0.97)<br>(0.21)     | 0.81<br>1.00    | (0.78)<br>0.05   | (4.86)<br>(3.86)      | 0.44 (0.83)                | (2.21)<br>(0.52)           | (0.12)<br>1.85             | 2.53<br>(3.71)  | (2.20)<br>(2.05)   | (0.77)<br>0.21       | (0.23)<br>(0.21)     | 0.43                  |                    |
|                                     | +/-         |          | (0.77)              | (1.05)               | (0.65)          | (0.56)           | (1.63)                | (0.39)                     |                            | (0.54)                     | (1.55)          | (2.10)             | (0.21)               | (0.21)               | (0.03)                |                    |
|                                     | +/-         |          | (0.91)              | (1.09)               | (2.37)          | (1.58)           | (3.24)                | (1.06)                     |                            | 1.63                       | (1.30)          | (3.02)             | (1.17)               | (0.52)               | ****                  |                    |
| U.S. ENVIRONMENTAL                  |             |          |                     |                      |                 |                  |                       |                            |                            |                            |                 |                    |                      |                      |                       |                    |
| TOTAL U.S. ENVIRONMENTAL            | 274         | .8 0.59% | -1.09               | 2.94                 | 16.10           | 8.30             | -1.35                 | 13.51                      | 1.17                       | 26.98                      | 29.89           | 12.57              | 11.73                | 8.39                 | ****                  | 8.39               |
| RUSSELL 2000                        |             |          | -0.37               | 5.38                 | 20.05           | 11.98            | -2.08                 | 16.35                      |                            | 26.85                      | 27.18           | 17.69              | 11.25                | ****                 | ****                  |                    |
|                                     | +/-         |          | (0.72)              | (2.44)               | (3.94)          | (3.68)           | 0.73                  | (2.84)                     | 5.34                       | 0.13                       | 2.71            | (5.13)             | 0.48                 | ****                 | ****                  |                    |
| WALDEN ASSET MGMT                   | 274         | .8 0.59% | -1.09               | 2.94                 | 16.10           | 8.30             | -1.35                 | 13.51                      | 1.17                       | 26.98                      | 29.89           | 12.57              | 11.73                | 8.39                 | ****                  | 8.39               |
| RUSSELL 2000                        |             |          | -0.37               | 5.38                 | 20.05           | 11.98            | -2.08                 | 16.35                      | -4.18                      | 26.85                      | 27.18           | 17.69              | 11.25                | ****                 | ****                  |                    |
| -                                   | +/-         |          | (0.72)              | (2.44)               | (3.94)          | (3.68)           | 0.73                  | (2.84)                     | 5.34                       | 0.13                       | 2.71            | (5.13)             | 0.48                 | ****                 | ****                  |                    |
| NON - US EQUITY                     |             |          |                     |                      |                 |                  |                       |                            |                            |                            |                 |                    |                      |                      |                       |                    |
| EAFE VALUE                          | 1.434       | .0 3.06% | 4.37                | 4.17                 | 20.67           | 8.26             | -12.96                | 14.03                      | -11.01                     | 10.16                      | 33.99           | 15.05              | 6.21                 | -1.87                | ****                  | 6.26               |
| MSCI EAFE (NET DIVIDEND)            | .,          |          | 5.21                | 5.07                 | 26.04           | 10.61            | -13.83                | 17.32                      |                            | 7.75                       | 31.78           | 19.39              | 7.44                 | -0.93                | ****                  |                    |
| MSCI EAFE VALUE                     |             |          | 6.37                | 4.07                 | 27.38           | 10.23            | -14.60                | 18.43                      |                            | 3.81                       | 35.06           | 22.45              | 6.93                 | -1.03                | ****                  |                    |
|                                     | +/-         |          | (0.84)              | (0.90)               | (5.37)          | (2.35)           | 0.87                  | (3.29)                     |                            | 2.41                       | 2.21            | (4.33)             | (1.23)               | (0.94)               | ****                  |                    |
| -                                   | +/-         |          | (2.00)              | 0.10                 | (6.71)          | (1.97)           | 1.64                  | (4.41)                     | 0.63                       | 6.35                       | (1.07)          | (7.39)             | (0.72)               | (0.84)               | ****                  |                    |
| TOTAL INTL VALUE                    | 1,434       | .0 3.06% | 4.37                | 4.17                 | 20.67           | 8.26             | -12.96                | 14.03                      | -11.01                     | 10.07                      | 31.48           | 15.05              | 6.21                 | -1.87                | ****                  | 6.26               |
| SPRUCEGROVE (NEW)                   | 909         | .4 1.94% | 3.12                | 4.01                 | 20.92           | 7.64             | -9.40                 | 17.62                      |                            | 19.06                      | 34.90           | 14.42              | 8.39                 | 1.91                 | ****                  | 0.94               |
| CAUSEWAY EAFE LARGE CAP MTA         | 523         | .7 1.12% | ****                | ****                 | ****            | ****             | ****                  | ****                       | ****                       | ****                       | ****            | ****               | ****                 | ****                 | ****                  | ****               |
| MSCI EAFE VALUE<br>TOTAL INTL VALUE |             |          | 6.37<br>(2.00)      | 4.07<br>0.10         | 27.38<br>(6.71) | 10.23<br>(1.97)  | -14.60<br>1.64        | 18.43<br>(4.41)            |                            | 3.81<br>6.26               | 35.06<br>(3.58) | 22.45<br>(7.39)    | 6.93<br>(0.72)       | -1.03<br>(0.84)      | ****                  |                    |
|                                     | +/-         |          | (2.00)              | (0.06)               | (6.46)          | (1.97)           | 5.21                  | (0.82)                     |                            | 15.25                      | (0.16)          | (8.02)             | 1.46                 | (0.84)<br>2.94       | ****                  |                    |
|                                     | +/-         |          | ****                | ****                 | ****            | ****             | ****                  | ****                       | ****                       | ****                       | ****            | ****               | ****                 | ****                 | ****                  |                    |
| EAFE GROWTH                         | 1,059       | .3 2.26% | 3.83                | 2.72                 | 24.58           | 8.38             | -12.72                | 20.02                      | -12.92                     | 10.16                      | 33.99           | 16.79              | 7.64                 | -0.75                | ****                  | 8.06               |
| MSCI EAFE (NET DIVIDEND)            | ,           |          | 5.21                | 5.07                 | 26.04           | 10.61            | -13.83                | 17.32                      | -12.14                     | 7.75                       | 31.78           | 19.39              | 7.44                 | -0.93                | ****                  |                    |
| MSCI EAFE GROWTH                    |             |          | 4.34                | 6.47                 | 25.45           | 11.45            | -12.22                | 17.28                      |                            | 12.60                      | 29.91           | 17.50              | 8.91                 | 0.09                 | ****                  |                    |
|                                     | +/-         |          | (1.38)              | (2.35)               | (1.46)          | (2.23)           | 1.11                  | 2.70                       |                            | 2.41                       | 2.21            | (2.60)             | 0.20                 | 0.18                 | ****                  |                    |
| -                                   | +/-         |          | (0.51)              | (3.75)               | (0.87)          | (3.07)           | (0.50)                | 2.74                       | (1.09)                     | (2.44)                     | 4.08            | (0.71)             | (1.26)               | (0.84)               | ****                  |                    |
| TOTAL INTL GROWTH                   | 1,059       | .3 2.26% | 3.83                | 2.72                 | 24.58           | 8.38             | -12.72                | 20.02                      | -12.92                     | 10.16                      | 33.99           | 16.79              | 7.64                 | -0.75                | ****                  | 8.06               |
| BAILLIE GIFFORD                     | 789         |          | 2.88                | 2.82                 | 25.57           | 8.96             | -12.01                | 19.04                      |                            | 17.57                      | 46.55           | 16.49              | 9.47                 | 2.06                 | ****                  | 1.74               |
| WALTER SCOTT EAFE LARGE CAP MTA     | 269         | .0 0.57% | ****                | ****                 | ****            | ****             | ****                  | ****                       | ****                       | ****                       | ****            | ****               | ****                 | ****                 | ****                  | ****               |
| MSCI EAFE GROWTH                    |             |          | 4.34<br>(0.51)      | 6.47<br>(3.75)       | 25.45           | 11.45            | -12.22<br>(0.50)      | 17.28<br>2.74              |                            | 12.60<br>(2.44)            | 29.91           | 17.50<br>(0.71)    | 8.91                 | 0.09<br>(0.84)       | ****                  |                    |
|                                     | +/-<br>+/-  |          | (0.51)              | (3.75) (3.66)        | (0.87)<br>0.12  | (3.07)<br>(2.48) | (0.50)<br>0.22        | 2.74                       |                            | (2.44)<br>4.97             | 4.08<br>16.64   | (0.71)             | (1.26)<br>0.57       | (0.84)               | ****                  |                    |
| WALTER SCOTT EAFE LARGE CAP MTA     |             |          | ****                | ****                 | ****            | ****             | ****                  | ****                       | ****                       | ****                       | ****            | ****               | ****                 | ****                 | ****                  |                    |

#### CITY OF NEW YORK

| $ \begin{array}{c} \mbod{Trick} Tric$ |                                       |   | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/12 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 |        |         | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--|---------------------------------------|---|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|--------|---------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| MSCIEAFE (NET DIVIDEND)       521       507       26.04       1061       -13.83       17.2       -12.14       77.5       31.78       19.39       7.44       -0.83  | TOTAL INTL CORE                       |   | 302.0            | 0.64%         | 3.49                | 0.80                 | 19.86         | 5.75            | -14.80                | 16.44                      | -11.82                     | 11.66  | 37.63   | 12.00              | 6.72                 | -0.77                | ****                  | -1.58              |
| MODE DA E [10] FUNDEDOD     TOTAL INTL. CORE     +.     (172)     (4.27)     (4.59)     (10.39)     <  | THORNBURG                             |   | 301.2            | 0.64%         | 3.47                |                      | 20.32         | 6.55            | -12.39                | 18.52                      | -11.61                     | 16.28  | 32.90   | 13.38              | 8.35                 | 1.00                 | ****                  | -0.06              |
| IDIAL INICIDER OF -         (112)         (121)         (121)         (122)         (122)         (123)         (113) <td>MSCI EAFE (NET DIVIDEND)</td> <td></td> <td></td> <td></td> <td>5.21</td> <td>5.07</td> <td>26.04</td> <td>10.61</td> <td>-13.83</td> <td>17.32</td> <td>-12.14</td> <td>7.75</td> <td>31.78</td> <td>19.39</td> <td>7.44</td> <td>-0.93</td> <td>****</td> <td></td>  | MSCI EAFE (NET DIVIDEND)              |   |                  |               | 5.21                | 5.07                 | 26.04         | 10.61           | -13.83                | 17.32                      | -12.14                     | 7.75   | 31.78   | 19.39              | 7.44                 | -0.93                | ****                  |                    |
| $ \begin{array}{c c c c c c c c c c c c c c c c c c c $  |                                       |   |                  |               | (1.72)              | (4.27)               | (6.18)        | (4.87)          | (0.96)                |                            |                            |        | 5.85    |                    |                      | 0.16                 |                       |                    |
| CACADIM       1988 b       0.42% <td>THORNBURG</td> <td>+/-</td> <td></td> <td></td> <td>(1.74)</td> <td>(3.17)</td> <td>(5.72)</td> <td>(4.06)</td> <td>1.44</td> <td>1.20</td> <td>0.53</td> <td>8.53</td> <td>1.12</td> <td>(6.01)</td> <td>0.90</td> <td>1.93</td> <td>****</td> <td></td>   | THORNBURG                             | +/-                                     |                  |               | (1.74)              | (3.17)               | (5.72)        | (4.06)          | 1.44                  | 1.20                       | 0.53                       | 8.53   | 1.12    | (6.01)             | 0.90                 | 1.93                 | ****                  |                    |
| Diright in the second secon                                      | TOTAL EAFE SMALL CAP                  |   | 398.8            | 0.85%         | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****   | ****    | ****               | ****                 | ****                 | ****                  |                    |
| Construction       Construction <th< td=""><td>ACADIAN</td><td></td><td>198.5</td><td>0.42%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>   | ACADIAN                               |   | 198.5            | 0.42%         |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       |                    |
| TOTAL EAFE SMALL CAP       +. <t< td=""><td>PYRAMIS</td><td></td><td>200.3</td><td>0.43%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>****</td></t<>   | PYRAMIS                               |   | 200.3            | 0.43%         |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       | ****               |
| ICOLAL EVE SINTL<br>ACQUAR         Image: Mark Lot W         Image: Mark Lot W <td></td>   |                                       |   |                  |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       |                    |
| Drack with<br>PPRAMIS         H/-         III         III         III         IIII         IIII         IIII         IIII         IIII         IIIII         IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII  |                                       | 1 C C C C C C C C C C C C C C C C C C C |                  |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       |                    |
| TOTAL PROBLEM       46.2       0.10%       3.94       3.18       23.88       7.95       -12.53       18.84       -13.33       12.96       36.52       16.43       7.34       -0.01       ************************************  |                                       |   |                  |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       |                    |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$  | PYRAMIS                               | +/-                                     |                  |               | ****                | ****                 | ****          | ****            | ****                  | ****                       | ****                       | ****   | ****    | ****               | ****                 | ****                 | ****                  |                    |
| +/-       (1,27)       (1,89)       (2,66)       (2,66)       1.30       1.52       (1,19)       5.21       4.74       (2,96)       (0,10)       0.92       ****         TOTAL ACTIVE DEVELOPED       3,253.0       6.93%       2.79       2.61       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       9.22          MSCI EAFE (NET DIVIDEND)       +/-       (2.42)       (2.44)       (2.44)       (3.06)       0.53       1.52       0.26       2.81       15.49       9.42         2.22       (4.69)       (0.53)       (0.20)       <  | TOTAL PROGRESS INTL                   |   | 46.2             | 0.10%         | 3.94                | 3.18                 | 23.38         | 7.95            | -12.53                | 18.84                      | -13.33                     | 12.96  | 36.52   | 16.43              | 7.34                 | -0.01                | ****                  | -1.25              |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$  | MSCI EAFE (NET DIVIDEND)              |   |                  |               | 5.21                | 5.07                 | 26.04         | 10.61           | -13.83                | 17.32                      | -12.14                     | 7.75   | 31.78   | 19.39              | 7.44                 | -0.93                | ****                  |                    |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$  |                                       | +/-                                     |                  |               | (1.27)              | (1.89)               | (2.66)        | (2.66)          | 1.30                  | 1.52                       | (1.19)                     | 5.21   | 4.74    | (2.96)             | (0.10)               | 0.92                 | ****                  |                    |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$  | TOTAL ACTIVE DEVELOPED                |   | 3.253.0          | 6.93%         | 2.79                | 2.61                 | 21.90         | 7.55            | -13.30                | 16.97                      | -11.88                     | 10.56  | 34.00   | 14.70              | 6.91                 | -1.13                | 8.89                  | 7.04               |
| +/-       (2,42)       (2,46)       (4,14)       (3,06)       0.53       1.52       0.26       2.81       2.22       (4,69)       (0,53)       (0,20)       (0,33)         TOTAL NON-U.S. ENVIRONMENTAL<br>GENERATION GE<br>FAC SGE       208.5       0.44%       0.30       4.14       20.85       10.04       -4.36       18.76       -7.75       8.66       40.08       15.49       9.42  |                                       |   | -,               |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       |                    |
| 10 Drat Non-US       2003       0.44%       20.30       4.14       20.803       10.04       -4.30       10.10       -7.77       5.00       4.006       13.49       9.42       2.01         F&C SGE       61.9       0.13%       2.16       6.26       20.52       11.27       -4.05       17.23       -7.69       13.52       40.07       61.8       10.01   |                                       | +/-                                     |                  |               | (2.42)              | (2.46)               | (4.14)        | (3.06)          | 0.53                  | 1.52                       | 0.26                       | 2.81   | 2.22    | (4.69)             | (0.53)               | (0.20)               | (0.33)                |                    |
| GENERATION GE       146.6       0.31%       -0.47       3.26       20.99       9.53       -4.49       19.40       -7.77       15.09       48.07       16.18       10.01       ************************************   | TOTAL NON-U.S. ENVIRONMENTAL          |   | 208 5            | 0 44%         | 0.30                | 4 14                 | 20.85         | 10.04           | -4 36                 | 18 76                      | -7 75                      | 8 66   | 40.08   | 15 49              | 9.42                 | ****                 | ****                  | 2 61               |
| F&C SGE       61.9       0.13%       2.16       6.26       20.52       11.27       -4.05       17.23       -7.69       13.52       40.22       13.87       9.71       ****       ****       4.70         MSCI WORLD INDEX       TOTAL NON-U.S. ENVIRONMENTAL +/-<br>GENERATION GE +/-<br>F&C SGE +/-       (2.93)       (1.76)       (1.23)       (1.30)       0.05       2.22       (2.73)       (3.68)       9.28       (1.92)       (0.79)       ****       ****       4.70         GENERATION GE +/-<br>F&C SGE +/-       (3.69)       (2.65)       (1.09)       (1.81)       (0.08)       0.36       0.70       (2.67)       1.18       9.42       (3.53)       (0.50)       ****       ****       9.60         GOVERNANCE FOR OWNERS       269.1       0.57%       1.70       0.59       26.43       5.87       -25.49       22.10       -24.14       29.33       29.34       8.96       6.86       ************************************   |                                       |   |                  |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      | ****                 | ****                  |                    |
| MSCI WORLD INDEX       3.22       5.92       22.08       11.35       4.42       16.54       -5.02       12.34       30.80       17.40       10.21       ****       ****         TOTAL NON-U.S. ENVIRONMENTAL +/-<br>GENERATION GE +/-<br>F&C SGE +/-       (2.93)       (1.78)       (1.23)       (1.30)       0.05       2.22       (2.73)       (3.66)       9.28       (1.92)       (0.20)       ****       ****         TOTAL NON-U.S. ACTIVIST<br>GOVERNANCE FOR OWNERS       269.1       0.57%       1.70       0.59       26.43       5.87       -25.50       22.10       -24.14       29.33       29.34       8.96       6.18       ****       ****       9.60         GOVERNANCE FOR OWNERS       269.0       0.57%       1.70       0.59       26.43       5.87       -25.50       22.10       -24.14       29.33       29.34       8.96       6.18       *****       *****       9.60         GOVERNANCE FOR OWNERS       269.0       0.57%       1.70       0.59       26.43       5.87       -25.50       22.10       -24.14       29.33       29.34       8.96       6.18       ************************************   |                                       |   |                  |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      | ****                 | ****                  |                    |
| IOTAL NON-US. ENVINMENTAL-ACTVIST       (2.53)       (1.76)       (1.23)       (1.30)       0.03       2.22       (2.73)       (3.66)       9.26       (1.72)       (1.22)       (0.20)       ****         GENERATION GE +/-<br>F&C SGE +/-       (1.07)       0.34       (1.56)       (0.08)       0.36       0.70       (2.67)       1.18       9.42       (3.53)       (0.50)       ****         TOTAL NON-U.S. ACTIVIST<br>GOVERNANCE FOR OWNERS       269.0       0.57%       1.70       0.59       26.43       5.87       -25.49       22.10       -24.14       29.33       29.34       8.96       6.18       *****       ****       9.60         GOVERNANCE FOR OWNERS       269.0       0.57%       1.70       0.59       26.43       5.87       -25.50       22.10       -23.36       36.13       42.60       8.96       6.86       ************************************  | MSCI WORLD INDEX                      |   | 01.0             | 0.1070        |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      | ****                 | ****                  |                    |
| Construction       Construction <th< td=""><td>TOTAL NON-U.S. ENVIRONMENTAL</td><td>+/-</td><td></td><td></td><td>(2.93)</td><td>(1.78)</td><td>(1.23)</td><td>(1.30)</td><td>0.05</td><td>2.22</td><td>(2.73)</td><td>(3.68)</td><td>9.28</td><td>(1.92)</td><td>(0.79)</td><td>****</td><td>****</td><td></td></th<>   | TOTAL NON-U.S. ENVIRONMENTAL          | +/-                                     |                  |               | (2.93)              | (1.78)               | (1.23)        | (1.30)          | 0.05                  | 2.22                       | (2.73)                     | (3.68) | 9.28    | (1.92)             | (0.79)               | ****                 | ****                  |                    |
| TOTAL PASSIVE DEVELOPED       775.3       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       322.6       19.44       7.48       -0.64       9.50       5.66         SGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SGA       775.2       1.65%       5.24       5.08       25.88       10.62       -1   | GENERATION GE                         | +/-                                     |                  |               | (3.69)              | (2.65)               | (1.09)        | (1.81)          | (0.08)                | 2.87                       | (2.76)                     | 2.75   | 17.27   | (1.22)             | (0.20)               | ****                 | ****                  |                    |
| 101AL NON-0.5. ACTIVIST       209.1       0.37%       1.70       0.59       264.3       5.67       -23.49       22.10       -24.14       29.34       29.34       6.90       6.16       9.00       10.775         MSCI EUROPE SMID CAP INDEX       269.0       0.57%       1.70       0.59       264.3       5.87       -25.50       22.10       -24.14       29.34       29.34       4.86       8.96       6.86       *****       17.75         MSCI EUROPE SMID CAP INDEX       3.79       2.85       28.59       8.29       -19.00       25.81       -17.56       16.03       53.23       18.75       8.50       *****       17.75         GOVERNANCE FOR OWNERS       */-       (2.09)       (2.26)       (2.17)       (2.43)       (6.49)       (3.71)       (5.80)       20.10       (10.63)       (9.79)       (2.31)       *****       *****         TOTAL PASSIVE DEVELOPED       775.3       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SSGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60  | F&C SGE                               | +/-                                     |                  |               | (1.07)              | 0.34                 | (1.56)        | (0.08)          | 0.36                  | 0.70                       | (2.67)                     | 1.18   | 9.42    | (3.53)             | (0.50)               | ****                 | ****                  |                    |
| GOVERNANCE FOR OWNERS       269.0       0.57%       1.70       0.59       26.43       5.87       -25.50       22.10       -23.36       36.13       42.60       8.96       6.86       *****       *****       17.75         MSCI EUROPE SMID CAP INDEX  | TOTAL NON-U.S. ACTIVIST               |   | 269.1            | 0.57%         | 1.70                | 0.59                 | 26.43         | 5.87            | -25.49                | 22.10                      | -24.14                     | 29.33  | 29.34   | 8.96               | 6.18                 | ****                 | ****                  | 9.60               |
| MISCI LOROP L SIMILO CHE LONID CLE SIMILO CHE DIVIDEND       0.173       0.174       0.175       0.055       0.055       0.175       0.055   | GOVERNANCE FOR OWNERS                 |   | 269.0            |               | 1.70                |                      | 26.43         | 5.87            | -25.50                | 22.10                      | -23.36                     | 36.13  | 42.60   | 8.96               | 6.86                 | ****                 | ****                  | 17.75              |
| GOVERNANCE FOR OWNERS       +/-       (2.09)       (2.26)       (2.17)       (2.43)       (6.50)       (3.71)       (5.80)       20.10       (10.63)       (9.79)       (1.64)       ****         TOTAL PASSIVE DEVELOPED       775.3       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SSGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.24         MSCI EAFE (NET DIVIDEND)       5.24       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       9.22         TOTAL PASSIVE +/-<br>SGA +/-       0.03       0.01       0.54       0.28       0.43       0.48       0.06       0.03       0.29       0.27         TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST       4,505.8       9.60%       3.01       2.96       22.87       8.11       -13.74       17.47       -12.59       11.17       33.66       15.48       7.09       -0   | MSCI EUROPE SMID CAP INDEX            |   |                  |               | 3.79                | 2.85                 | 28.59         | 8.29            | -19.00                | 25.81                      | -17.56                     | 16.03  | 53.23   | 18.75              | 8.50                 | ****                 |                       |                    |
| TOTAL PASSIVE DEVELOPED       775.3       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SSGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.50       8.18       32.26       19.44       7.48       -0.64       9.50       5.66         SSGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       -12.14       7.75       31.78       19.49       7.44       -0.93       9.22         MSCI EAFE (NET DIVIDEND)       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       9.22         TOTAL PASSIVE +/-       0.03       0.01       0.54       0.28       (0.36)       0.43       0.48       0.06       0.03       0.29       0.27         TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST       4,505.8       9.60%       3.01       2.96       22.87       8.11       -13.74       17.47       -12.59       11.17       33.66       15.48   |                                       |   |                  |               |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      |                       |                    |
| SSGA       775.2       1.65%       5.24       5.08       25.88       10.62       -13.29       17.60       *****       19.45       *****       19.45       *****       5.24       5.24         MSCI EAFE (NET DIVIDEND)       TOTAL PASSIVE +/-<br>SSGA +/-       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       9.22       0.27         MSCI EAFE (NET DIVIDEND)       0.03       0.01       (0.16)       0.01       0.54       0.28       (0.36)       0.43       0.48       0.06       0.03       0.29       0.27         TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST       4,505.8       9.60%       3.01       2.96       22.87       8.11       -13.74       17.47       -12.59       11.17       33.66       15.48       7.09       -0.93       *****       5.99         MSCI EAFE (NET DIVIDEND)       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       *****       5.99         MSCI EAFE (NET DIVIDEND)       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75 </td <td>GOVERNANCE FOR OWNERS</td> <td>+/-</td> <td></td> <td></td> <td>(2.09)</td> <td>(2.26)</td> <td>(2.16)</td> <td>(2.43)</td> <td>(6.50)</td> <td>(3.71)</td> <td>(5.80)</td> <td>20.10</td> <td>(10.63)</td> <td>(9.79)</td> <td>(1.64)</td> <td>****</td> <td>****</td> <td></td>   | GOVERNANCE FOR OWNERS                 | +/-                                     |                  |               | (2.09)              | (2.26)               | (2.16)        | (2.43)          | (6.50)                | (3.71)                     | (5.80)                     | 20.10  | (10.63) | (9.79)             | (1.64)               | ****                 | ****                  |                    |
| MSCI EAFE (NET DIVIDEND)       5.24       5.07       26.04       10.01       -13.23       17.52       -12.14       7.75       31.78       19.39       7.44       -0.93       9.22         MSCI EAFE (NET DIVIDEND)       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       9.22         TOTAL PASSIVE +/-<br>SSGA +/-       0.03       0.01       (0.16)       0.01       0.54       0.28       0.43       0.48       0.06       0.03       0.29       0.27         TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST       4,505.8       9.60%       3.01       2.96       22.87       8.11       -13.74       17.47       -12.59       11.17       33.66       15.48       7.09       -0.93       ****       5.99         MSCI EAFE (NET DIVIDEND)       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       *****       5.99  | TOTAL PASSIVE DEVELOPED               |   | 775.3            | 1.65%         | 5.24                | 5.08                 | 25.88         | 10.62           | -13.29                | 17.60                      | -12.50                     | 8.18   | 32.26   | 19.44              | 7.48                 | -0.64                | 9.50                  | 5.66               |
| TOTAL PASSIVE +/-       0.03       0.01       (0.16)       0.01       0.54       0.28       (0.36)       0.43       0.48       0.06       0.03       0.29       0.27         SGA +/-       0.03       0.01       (0.15)       0.01       0.54       0.28       0.43       0.48       0.06       0.03       0.29       0.27         TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST       4,505.8       9.60%       3.01       2.96       22.87       8.11       -13.74       17.47       -12.59       11.17       33.66       15.48       7.09       -0.93       *****       5.99         MSCI EAFE (NET DIVIDEND)       5.21       5.07       26.04       10.61       -13.83       17.32       -12.14       7.75       31.78       19.39       7.44       -0.93       *****   | SSGA                                  |   | 775.2            | 1.65%         | 5.24                | 5.08                 | 25.88         | 10.62           | -13.29                | 17.60                      | ****                       | ****   | ****    | 19.45              | ****                 | ****                 | ****                  | 5.24               |
| SSGA +/-         0.03         0.01         (0.15)         0.01         0.54         0.28         ****         ****         0.06         ****         ****         ****         0.06         ****         ****         ****         ****         0.06         ****         ****         ****         0.06         ****         ****         ****         ****         0.06         ****         ****         ****         ****         0.06         ****         ****         ****         ****         0.06         *****         ****         ****   | MSCI EAFE (NET DIVIDEND)              |   |                  |               | 5.21                | 5.07                 | 26.04         | 10.61           | -13.83                | 17.32                      | -12.14                     | 7.75   | 31.78   | 19.39              | 7.44                 | -0.93                | 9.22                  |                    |
| TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST         4,505.8         9.60%         3.01         2.96         22.87         8.11         -13.74         17.47         -12.59         11.17         33.66         15.48         7.09         -0.93         ****         5.99           MSCI EAFE (NET DIVIDEND)         5.21         5.07         26.04         10.61         -13.83         17.32         -12.14         7.75         31.78         19.39         7.44         -0.93         *****   | TOTAL PASSIVE                         | +/-                                     |                  |               | 0.03                | 0.01                 | (0.16)        | 0.01            | 0.54                  | 0.28                       | (0.36)                     | 0.43   | 0.48    | 0.06               | 0.03                 | 0.29                 | 0.27                  |                    |
| MSCI EAFE (NET DIVIDEND) 5.21 5.07 26.04 10.61 -13.83 17.32 -12.14 7.75 31.78 19.39 7.44 -0.93 ****  | SSGA                                  | +/-                                     |                  |               | 0.03                | 0.01                 | (0.15)        | 0.01            | 0.54                  | 0.28                       | ****                       | ****   | ****    | 0.06               | ****                 | ****                 | ****                  |                    |
| MSCI EAFE (NET DIVIDEND) 5.21 5.07 26.04 10.61 -13.83 17.32 -12.14 7.75 31.78 19.39 7.44 -0.93 ****  | TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST |   | 4,505,8          | 9.60%         | 3.01                | 2,96                 | 22.87         | 8.11            | -13.74                | 17 47                      | -12 59                     | 11.17  | 33,66   | 15.48              | 7.09                 | -0.93                | ****                  | 5,99               |
|  |                                       |   | .,               | 0.0070        |                     |                      |               |                 |                       |                            |                            |        |         |                    |                      |                      | ****                  | 0.00               |
|  | (                                     | +/-                                     |                  |               | (2.20)              | (2.11)               | (3.16)        | (2.50)          | 0.09                  | 0.15                       |                            | 3.42   | 1.88    | (3.91)             | (0.35)               | 0.00                 | ****                  |                    |

#### CITY OF NEW YORK

#### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

April 30, 2013

|  | Assets<br>(\$MM) | %<br>of Total  | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD  | Calendar<br>YTD | FY Ending<br>06/30/12 |                | Calendar Yr<br>Ending 2011 |                |                | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--|------------------|----------------|---------------------|----------------------|----------------|-----------------|-----------------------|----------------|----------------------------|----------------|----------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| EMERGING MARKETS   |                  |                |                     |                      |                |                 |                       |                |                            |                |                |                    |                      |                      |                       |                    |
| TOTAL EMERGING MARKETS   | 3,056.9          | 6.51%          | 0.70                | -0.13                | 14.07          | 0.93            | -13.32                | 19.88          | -18.76                     | 26.33          | 86.55          | 7.87               | 5.29                 | 1.42                 | ****                  | 11.14              |
| ACTIVE EMERGING MARKETS  | 1,983.6          | 4.23%          | 0.65                | 0.07                 | 15.49          | 1.78            | -12.97                | 20.98          |                            | 27.43          | 86.55          | 9.16               | 6.17                 | 1.93                 |                       | 11.64              |
|  | 566.5            | 1.21%          | 0.41                | -0.35                | 15.50          | 1.50            | -18.27                | 20.10          |                            | 32.76          | 93.27          | 7.32               | 4.04                 | 3.35                 |                       | 13.24              |
| BAILLIE GIFFORD<br>ACADIAN   | 457.4<br>386.8   | 0.97%<br>0.82% | 1.32<br>0.43        | 1.04<br>1.97         | 14.40<br>20.41 | 2.49<br>3.59    | -15.51<br>-12.32      | 11.33<br>22.78 |                            | 24.87<br>25.57 | 89.08<br>87.79 | 3.80<br>10.89      | 3.82<br>8.38         | -0.08<br>2.65        |                       | 10.09<br>12.28     |
| EATON VANCE  | 572.9            | 1.22%          | 0.43                | -1.15                | 13.47          | 0.63            | ****                  | ****           | ****                       | 20.07          | ****           | ****               | ****                 | ****                 | ****                  | 19.4               |
| FTSE CUSTOM BENCHMARK  |                  |                | 1.05                | -0.34                | 13.30          | -0.11           | -15.03                | 17.84          | -18.27                     | 24.60          | 83.92          | 4.88               | 4.14                 | 1.16                 |                       |                    |
| ACTIVE EMERGING MARKETS +/   |                  |                | (0.41)              | 0.41                 | 2.19           | 1.89            | 2.06                  | 3.14           | A                          | 2.83           | 2.63           | 4.28               | 2.03                 | 0.77                 | ****                  |                    |
| DFA +/   |                  |                | (0.64)              | (0.01)               | 2.20           | 1.62            | (3.25)                | 2.26           |                            | 8.16           | 9.35           | 2.43               | (0.10)               | 2.19                 | ****                  |                    |
| BAILLIE GIFFORD +/   |                  |                | 0.27                | 1.38                 | 1.10           | 2.60            | (0.48)                | (6.51)         |                            | 0.27           | 5.16           | (1.08)             | (0.32)               | (1.24)               | ****                  |                    |
| ACADIAN +/<br>EATON VANCE +/   |                  |                | (0.63)<br>(0.44)    | 2.31<br>(0.81)       | 7.11<br>0.16   | 3.70<br>0.74    | 2.70                  | 4.94           | 2.32                       | 0.97           | 3.87           | 6.01<br>****       | 4.24                 | 1.49<br>****         | ****                  |                    |
| PASSIVE EMERGING MARKETS   | 1.073.1          | 2.29%          | 0.79                | -0.47                | 11.75          | -0.48           | -15.21                | 16.11          | ****                       | ****           | ****           | 3.95               | ****                 | ****                 | ****                  | -3.23              |
| BLACKROCK-EM   | 1,073.1          | 2.29%          | 0.79                | -0.47                | 11.75          | -0.48           | -15.21                | 16.11          |                            | ****           | ****           | 3.95               | ****                 | ****                 | ****                  | -3.2               |
| FTSE CUSTOM BENCHMARK  | .,               |                | 1.05                | -0.34                | 13.30          | -0.11           | -15.03                | 17.84          | ****                       | ****           | ****           | 4.88               | ****                 | ****                 | ****                  |                    |
| PASSIVE EMERGING MARKETS +/  | -                |                | (0.26)              | (0.13)               | (1.55)         | (0.37)          | (0.18)                | (1.73)         | ****                       | ****           | ****           | (0.94)             | ****                 | ****                 | ****                  |                    |
| BLACKROCK-EM +/  | -                |                | (0.26)              | (0.13)               | (1.55)         | (0.37)          | (0.18)                | (1.73)         | ****                       | ****           | ****           | (0.94)             | ****                 | ****                 | ****                  |                    |
| TOTAL INTERNATIONAL EQUITY   | 7,562.7          | 16.11%         | 2.10                | 1.73                 | 19.26          | 5.19            | -13.62                | 18.09          | -14.05                     | 14.04          | 41.07          | 12.38              | 6.23                 | -0.83                | 9.87                  | 6.7                |
| MSCI AC WORLD FRONTIER MARKETS EX USA                                  | .,               |                | 3.68                | 2.79                 | 21.61          | 7.00            | -14.57                | 16.77          |                            | 11.25          | 41.17          | 14.16              | 5.96                 | -0.90                |                       |                    |
| +/   | -                |                | (1.57)              | (1.06)               | (2.35)         | (1.81)          | 0.95                  | 1.32           | (0.30)                     | 2.79           | (0.10)         | (1.78)             | 0.27                 | 0.07                 | ****                  |                    |
| HEDGE FUNDS  |                  |                |                     |                      |                |                 |                       |                |                            |                |                |                    |                      |                      |                       |                    |
| TOTAL HEDGE FUNDS  | 1,234.9          | 2.63%          | 1.41                | 3.77                 | 11.99          | 4.89            | -2.14                 | 7.69           |                            | ****           | ****           | 10.74              | ****                 | ****                 | ****                  | 5.12               |
| 1 YEAR TREASURY BILL YIELD + 4%  |                  |                | 0.37                | 1.07                 | 3.63           | 1.42            | 4.26                  | 4.24           |                            | ****           | ****           | 4.31               | ****                 | ****                 | ****                  |                    |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1%                                |                  |                | 0.85                | 2.23                 | 8.90           | 4.44            | -3.45                 | 5.81           | ****                       | ****           | ****           | 6.82               | ****                 | ****                 | ****                  |                    |
| +/<br>+/   |                  |                | 1.04<br>0.56        | 2.70<br>1.54         | 8.36<br>3.09   | 3.48<br>0.45    | (6.40)<br>1.31        | 3.45<br>1.89   |                            | ****           | ****           | 6.42<br>3.91       | ****                 | ****                 | ****                  |                    |
|  | 000.4            | 0.000          | 4 50                |                      | 10.15          |                 | ****                  | 0.40           | ****                       | ****           | ****           |                    | ****                 | ****                 | ****                  | 0.01               |
| TOTAL DIRECT HEDGE FUNDS<br>D.E. SHAW COMPOSITE FD                     | 968.4<br>241.3   | 2.06%<br>0.51% | 1.52                | 4.18<br>5.83         | 12.45<br>18.01 | 4.96<br>5.83    | ****                  | 8.16<br>16.98  |                            | ****           | ****           | 11.46<br>19.17     | ****                 | ****                 | ****                  | 9.37<br>16.28      |
| BREVAN HOWARD  | 241.3            | 0.31%          | ****                | 6.78                 | 15.18          | 6.78            | ****                  | 2.80           |                            | ****           | ****           | 10.57              | ****                 | ****                 | ****                  | 7.25               |
| BRIGADE LEV CAP STR  | 119.9            | 0.26%          | ****                | 2.15                 | 6.41           | 3.19            | ****                  | ****           | ****                       | ****           | ****           | 6.30               | ****                 | ****                 | ****                  | 6.8                |
| BLUE TREND FD  | 124.6            | 0.27%          | ****                | 4.72                 | 13.62          | 8.73            | ****                  | ****           | ****                       | ****           | ****           | ****               | ****                 | ****                 | ****                  | 13.62              |
| CCP QUANT FD LP  | 106.1            | 0.23%          | ****                | -3.51                | ****           | ****            | ****                  | ****           | ****                       | ****           | ****           | ****               | ****                 | ****                 | ****                  | -3.5               |
| CASPIAN SELECT CF  | 93.4             | 0.20%          | ****                | 5.75                 | 10.39          | 5.75            | ****                  | ****           | ****                       | ****           | ****           | 11.18              | ****                 | ****                 | ****                  | 11.18              |
| FIR TREE VAL FD LP   | 70.3             | 0.15%          |                     | 3.75                 |                |                 | ****                  |                |                            | ****           | ****           | ****               | ****                 | ****                 | ****                  | 3.75               |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1%<br>MSCI AC WORLD INDEX STD NET |                  |                | 0.85<br>2.86        | 2.23<br>4.72         | 8.90<br>20.41  | 4.44<br>9.55    | ****                  | 5.81<br>16.13  |                            | ****           | ****           | 6.82<br>15.02      | ****                 | ****                 | ****                  |                    |
| BARCLAYS CAPITAL AGGREGATE   |                  |                | 2.80                | 1.60                 | 20.41          | 9.55<br>0.89    | ****                  | 4.21           |                            | ****           | ****           | 3.68               | ****                 | ****                 | ****                  |                    |
| TOTAL DIRECT HEDGE FUNDS +/  | _                |                | 0.67                | 1.95                 | 3.55           | 0.51            | ****                  | 2.35           |                            | ****           | ****           | 4.64               | ****                 | ****                 | ****                  |                    |
| D.E. SHAW COMPOSITE FD +/  |                  |                | ****                | 3.61                 | 9.11           | 1.39            | ****                  | 11.17          |                            | ****           | ****           | 12.35              | ****                 | ****                 | ****                  |                    |
| BREVAN HOWARD +/   |                  |                | ****                | 4.55                 | 6.28           | 2.33            | ****                  | (3.01)         |                            | ****           | ****           | 3.75               | ****                 | ****                 | ****                  |                    |
| BRIGADE LEV CAP STR +/   |                  |                | ****                | (0.07)               | (2.49)         | (1.26)          | ****                  | ****           | ****                       | ****           | ****           | (0.52)             | ****                 | ****                 | ****                  |                    |
| BLUE TREND FD +/   |                  |                | ****                | 2.49                 | 4.72           | 4.29            | ****                  | ****           | ****                       | ****           | ****           | ****               | ****                 | ****                 | ****                  |                    |
| CCP QUANT FD LP +/   |                  |                | ****                | (5.74)               |                |                 | ****                  | ****           | ****                       | ****           | ****           | ****               | ****                 | ****                 | ****                  |                    |
| CASPIAN SELECT CF +/<br>FIR TREE VAL FD LP +/                          |                  |                | ****                | 3.53<br>1.52         | 1.49<br>****   | 1.31<br>****    | ****                  | ****           | ****                       | ****           | ****           | ****               | ****                 | ****                 | ****                  |                    |
| TOTAL PERMAL HEDGE FUNDS OF FUNDS                                      | 066 5            | 0 570/         | 1.04                | 0.00                 | 10.00          | 4.40            | 0.00                  | E 70           | ****                       | ****           | ****           | 0.50               | ****                 | ****                 | ****                  | 2.00               |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1%                                | 266.5            | 0.57%          | 1.04<br>0.85        | 2.36<br>2.23         | 10.39<br>8.90  | 4.46<br>4.44    | -2.89<br>-3.45        | 5.78<br>5.81   | ****                       | ****           | ****           | 8.52<br>6.82       | ****                 | ****                 | ****                  | 3.86               |
|  |                  |                |                     |                      |                |                 |                       |                |                            |                |                |                    |                      |                      |                       |                    |

#### CITY OF NEW YORK

|                                 | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/12 | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 |        | Calendar Yr<br>Ending 2009 | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|---------------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|--------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| FIXED INCOME                    |                  |               |                     |                      |               |                 |                       |                            |                            |        |                            |                    |                      |                      |                       |                    |
| TOTAL STRUCTURED FIXED INCOME   | 7,851.2          | 16.73%        | 1.37                | 2.17                 | 4.67          | 1.44            | 9.24                  | 6.92                       | 8.85                       | 9.42   | 9.65                       | 5.94               | 7.37                 | 7.55                 | 6.13                  | 8.6                |
| NYC - CORE PLUS FIVE            |                  |               | 1.33                | 1.99                 | 3.37          | 1.01            | 9.35                  | 5.41                       | 9.40                       | 7.13   | 6.28                       | 4.67               | 6.64                 | 6.73                 | 5.73                  |                    |
| +/-                             |                  |               | 0.04                | 0.18                 | 1.30          | 0.43            | (0.11)                | 1.51                       | (0.55)                     | 2.29   | 3.37                       | 1.27               | 0.73                 | 0.82                 | 0.40                  |                    |
| ALL MORTGAGE                    | 3,122.1          | 6.65%         | 0.64                | 1.13                 | 2.52          | 0.81            | 5.64                  | 4.26                       | 6.19                       | 9.12   | 9.15                       | 3.03               | 5.22                 | 6.29                 | 5.45                  | 7.4                |
| PIMCO                           | 803.3            | 1.71%         | 0.62                | 1.05                 | 2.51          | 0.63            | 5.36                  | 4.29                       | 6.35                       | 8.35   | 9.30                       | 2.95               | 5.26                 | 6.17                 | 5.60                  | 7.6                |
| NEUBERGER BERMAN -MORT          | 777.5            | 1.66%         | 0.73                | 1.21                 | 2.35          | 0.92            | 4.77                  | 3.64                       | 5.73                       | ****   | ****                       | 2.78               | 4.77                 | ****                 | ****                  | 4.8                |
| BLACKROCK                       | 718.4            | 1.53%         | 0.69                | 1.24                 | 3.33          | 1.14            | 6.77                  | 5.79                       | 6.04                       | 8.81   | 10.93                      | 3.95               | 6.07                 | 6.67                 | 5.60                  | 6.3                |
| WELLINGTON -MORT                | 316.9            | 0.68%         | 0.57                | 1.03                 | 1.71          | 0.54            | 5.49                  | 2.89                       |                            | 6.02   | ****                       | 2.18               | 4.93                 | ****                 | ****                  | 5.1                |
| GOLDMAN SACHS -MORT             | 317.0            | 0.68%         | 0.61                | 1.18                 | 2.11          | 0.61            | 6.23                  | 3.80                       |                            | 5.80   | ****                       | 2.83               | 4.78                 | ****                 | ****                  | 5.1                |
| SMITH BREEDEN -MORT             | 189.0            | 0.40%         | 0.27                | 0.81                 | 2.08          | 0.61            | 5.36                  | 3.73                       |                            | 6.40   | ****                       | 2.57               | 4.79                 | ****                 | ****                  | J.                 |
| CITIGROUP MORTGAGE INDEX        |                  |               | 0.51                | 0.97                 | 1.36          | 0.47            | 5.05                  | 2.60                       |                            | 5.50   | 5.76                       | 1.78               | 4.24                 | 5.31                 | 5.04                  |                    |
| ALL MORTGAGE +/-                |                  |               | 0.13                | 0.16                 | 1.15          | 0.34            | 0.59                  | 1.66                       |                            | 3.62   | 3.39                       | 1.25               | 0.98                 | 0.98                 | 0.41                  |                    |
| PIMCO +/-                       |                  |               | 0.11                | 0.08                 | 1.15          | 0.16            | 0.30                  | 1.70                       |                            | 2.85   | 3.54                       | 1.17               | 1.02                 | 0.86                 | 0.56                  |                    |
| NEUBERGER BERMAN -MORT +/-      |                  |               | 0.22                | 0.24                 | 0.99          | 0.45            | (0.28)                | 1.04                       |                            | ****   | ****                       | 1.01               | 0.53                 | ****                 | ****                  |                    |
| BLACKROCK +/-                   |                  |               | 0.18                | 0.27                 | 1.96          | 0.67            | 1.72                  | 3.19                       |                            | 3.31   | 5.17                       | 2.18               | 1.83                 | 1.36                 | 0.56                  |                    |
| WELLINGTON -MORT +/-            |                  |               | 0.06                | 0.06                 | 0.34          | 0.07            | 0.43                  | 0.30                       |                            | 0.52   | ****                       | 0.40               | 0.69                 | ****                 | ****                  |                    |
| GOLDMAN SACHS -MORT +/-         |                  |               | 0.10                | 0.21                 | 0.75          | 0.14            | 1.17                  | 1.20                       |                            | 0.30   | ****                       | 1.05               | 0.54                 | ****                 | ****                  |                    |
| SMITH BREEDEN -MORT +/-         |                  |               | (0.24)              | (0.16)               | 0.72          | 0.14            | 0.30                  | 1.13                       | (0.38)                     | 0.90   | ****                       | 0.79               | 0.56                 | ****                 | ****                  |                    |
| ALL INVESTMENT GRADE CREDIT     | 3,650.9          | 7.78%         | 1.80                | 2.74                 | 7.48          | 2.05            | 9.36                  | 10.58                      | 7.82                       | 9.63   | 20.37                      | 8.75               | 8.50                 | 8.25                 | 6.33                  | 7.7                |
| PRUDENTIAL - CREDIT             | 919.5            | 1.96%         | 1.74                | 2.50                 | 6.36          | 1.66            | 9.85                  | 9.43                       | 8.28                       | 9.01   | 19.47                      | 7.66               | 8.04                 | 8.59                 | 6.59                  | 7.5                |
| T. ROWE PRICE -CREDIT           | 693.0            | 1.48%         | 1.81                | 2.97                 | 8.01          | 2.15            | 9.60                  | 11.40                      | 8.08                       | 10.54  | 20.33                      | 9.11               | 9.03                 | 9.12                 | 6.88                  | 8.0                |
| BLACKROCK - CREDIT              | 688.9            | 1.47%         | 1.77                | 2.66                 | 7.04          | 1.92            | 9.72                  | 10.48                      | 7.75                       | 9.56   | 18.44                      | 8.48               | 8.39                 | 8.08                 | 6.34                  | 7.4                |
| TAPLIN, CANIDA -CREDIT          | 595.6            | 1.27%         | 2.01                | 2.82                 | 8.81          | 2.56            | 8.32                  | 11.02                      | 7.88                       | 9.33   | 23.02                      | 10.00              | 8.68                 | 7.58                 | 5.74                  | 7.4                |
| BARROW HANLEY - CREDIT          | 574.2            | 1.22%         | 1.84                | 2.84                 | 8.04          | 2.08            | 8.94                  | 11.45                      | 6.78                       | 9.97   | ****                       | 9.34               | 8.60                 | ****                 | ****                  | 9.1                |
| PRUDENTIAL-PRIVEST-CREDIT       | 179.8            | 0.38%         | 1.41                | 2.76                 | ****          | 2.41            | ****                  | ****                       | ****                       | ****   | ****                       | ****               | ****                 | ****                 | ****                  | 2.7                |
| NYC - INVESTMENT GRADE CREDIT   |                  |               | 1.76                | 2.33                 | 6.30          | 1.39            | 9.14                  | 9.52                       | 7.80                       | 8.36   | 16.36                      | 7.45               | 7.72                 | 7.49                 | 5.83                  |                    |
| ALL INVESTMENT GRADE CREDIT +/- |                  |               | 0.04                | 0.41                 | 1.18          | 0.66            | 0.23                  | 1.05                       | 0.03                       | 1.27   | 4.01                       | 1.30               | 0.78                 | 0.76                 | 0.50                  |                    |
| PRUDENTIAL - CREDIT +/-         |                  |               | (0.02)              | 0.18                 | 0.06          | 0.27            | 0.72                  | (0.09)                     | 0.48                       | 0.65   | 3.11                       | 0.21               | 0.32                 | 1.10                 | 0.76                  |                    |
| T. ROWE PRICE -CREDIT +/-       |                  |               | 0.05                | 0.64                 | 1.72          | 0.75            | 0.46                  | 1.88                       | 0.28                       | 2.18   | 3.97                       | 1.66               | 1.31                 | 1.63                 | 1.05                  |                    |
| BLACKROCK - CREDIT +/-          |                  |               | 0.01                | 0.34                 | 0.74          | 0.53            | 0.58                  | 0.96                       | (0.05)                     | 1.20   | 2.08                       | 1.03               | 0.68                 | 0.59                 | 0.51                  |                    |
| TAPLIN, CANIDA -CREDIT +/-      |                  |               | 0.24                | 0.49                 | 2.51          | 1.16            | (0.82)                | 1.50                       | 0.09                       | 0.97   | 6.66                       | 2.55               | 0.96                 | 0.09                 | (0.08)                |                    |
| BARROW HANLEY - CREDIT +/-      |                  |               | 0.07                | 0.51                 | 1.74          | 0.68            | (0.20)                | 1.92                       |                            | 1.61   | ****                       | 1.89               | 0.88                 | ****                 | ****                  |                    |
| PRUDENTIAL-PRIVEST-CREDIT +/-   |                  |               | (0.36)              | 0.43                 | ****          | 1.02            | ****                  | ****                       | ****                       | ****   | ****                       | ****               | ****                 | ****                 | ****                  |                    |
| ALL TREASURY / AGENCY           | 1,078.3          | 2.30%         | 2.03                | 3.31                 | 1.99          | 1.28            | 18.62                 | 4.20                       | 18.35                      | 9.55   | -6.56                      | 5.33               | 9.73                 | 7.94                 | 6.59                  | 8.2                |
| PIMCO                           | 467.2            | 1.00%         | 2.07                | 3.50                 | 2.26          | 1.47            | 18.60                 | 4.49                       | 18.07                      | 10.17  | -4.80                      | 5.64               | 9.91                 | 8.09                 | 6.81                  | 7.9                |
| BLACKROCK -GOVT                 | 430.4            | 0.92%         | 1.98                | 3.11                 | 1.77          | 1.10            | 18.61                 | 3.99                       | 18.59                      | 9.14   | ****                       | 5.09               | 9.60                 | ****                 | ****                  | 8.                 |
| STATE STREET                    | 180.7            | 0.38%         | 2.05                | 3.31                 | 1.80          | 1.18            | 18.69                 | 3.96                       | 18.51                      | 8.93   | -6.54                      | 5.08               | 9.54                 | 8.01                 | 6.62                  | 8.5                |
| NYC - TREASURY AGENCY PLUS FIVE |                  |               | 2.11                | 3.42                 | 1.91          | 1.34            | 18.72                 | 3.84                       | 18.44                      | 9.24   | -7.44                      | 5.19               | 9.66                 | 7.83                 | 6.51                  |                    |
| ALL TREASURY / AGENCY +/-       |                  |               | (0.08)              | (0.11)               | 0.07          | (0.07)          | (0.10)                | 0.36                       | (0.09)                     | 0.31   | 0.88                       | 0.14               | 0.07                 | 0.11                 | 0.08                  |                    |
| PIMCO +/-                       |                  |               | (0.04)              | 0.08                 | 0.35          | 0.13            | (0.12)                | 0.65                       | (0.38)                     | 0.93   | 2.64                       | 0.45               | 0.26                 | 0.26                 | 0.30                  |                    |
| BLACKROCK - GOVT +/-            |                  |               | (0.13)              | (0.31)               | (0.15)        | (0.24)          | (0.11)                | 0.15                       |                            | (0.10) | ****                       | (0.09)             | (0.05)               | ****                 | ****                  |                    |
| STATE STREET +/-                |                  |               | (0.06)              | (0.11)               | (0.11)        | (0.17)          | (0.03)                | 0.12                       | 0.07                       | (0.31) | 0.90                       | (0.10)             | (0.11)               | 0.18                 | 0.11                  |                    |

#### CITY OF NEW YORK

#### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

April 30, 2013

|  | Assets<br>(\$MM)                          | %<br>of Total                             | Trailing<br>1 Month  | Trailing<br>3 Months   | Fiscal<br>YTD  | Calendar<br>YTD   | FY Ending<br>06/30/12   | Calendar Yr<br>Ending 2012   | Calendar Yr<br>Ending 2011                           |   | Calendar Yr<br>Ending 2009  | Trailing<br>1 Year  | Trailing*<br>3 Years   | Trailing*<br>5 Years   | Trailing*<br>10 Years                                | Since<br>Inception                   |
|--|---|---|--|--|--|---|---|--|--|---|---|---|--|--|--|--------------------------------------|
| HIGH YIELD   |   |   |  |  |  |   |   |  |  |   |   |   |  |  |  |                                      |
| TOTAL ENHANCED YIELD<br>CITIGROUP BB & B<br>+/-  | 2,585.7                                   | 5.51%                                     | 2.37<br>1.75<br>0.61   | 3.95<br>3.13<br>0.82   | 13.79<br>11.19<br>2.60   | 5.67<br>3.68<br>1.99  | 6.31<br>8.45<br>(2.14)  | 14.56<br>14.45<br>0.11   |  | 14.24<br>13.35<br>0.89  | 40.25<br>40.37<br>(0.12)  | 14.33<br>12.34<br>2.00  | 11.25<br>10.80<br>0.46   | 10.56<br>8.22<br>2.34  | 9.12<br>7.96<br>1.16                                 |                                      |
| LOOMIS SAYLES<br>NYC-LOOMIS (BofA ML-MST II 7-03/BB&B PRIOR)<br>+/-  | 533.0                                     | 1.14%                                     | 3.17<br>1.86<br>1.32   | 5.04<br>3.38<br>1.66   | 19.67<br>13.13<br>6.54   | 8.58<br>4.81<br>3.77  | 6.22<br>6.51<br>(0.30)  | 18.69<br>15.58<br>3.10   | 4.38   | 16.36<br>15.19<br>1.17  | 52.81<br>57.51<br>(4.70)  | 20.08<br>14.04<br>6.04  | 14.46<br>10.77<br>3.69   | 13.57<br>10.83<br>2.74   | 11.17<br>9.43<br>1.74                                |                                      |
| OAKTREE<br>Bofa Merrill Lynch High Yield Master II Constrained<br>+/-  | 312.9                                     | 0.67%                                     | 2.28<br>1.86<br>0.42   | 3.93<br>3.38<br>0.55   | ****<br>****   | ****<br>****<br>****  | ****<br>****<br>****  | ****<br>****<br>****   | ****<br>****<br>****                                 | ****<br>****<br>****  | ****<br>****<br>****  | ****<br>****<br>****  | ****<br>****<br>****   | ****<br>****<br>****   | ****<br>****<br>****                                 | 3.93                                 |
| STONE HARBOR<br>BofA MERRILL LYNCH HY MASTER II<br>+/-   | 277.4                                     | 0.59%                                     | 2.13<br>1.86<br>0.28   | 3.69<br>3.38<br>0.31   | ****<br>****   | 5.41<br>4.81<br>0.61  | ****<br>****<br>****  | ****<br>****<br>****   | *****<br>****  | ****<br>****<br>****  | ****<br>****<br>****  | ****<br>****  | ****<br>****   | ****<br>****<br>****   | ****<br>****<br>****                                 | 9.38                                 |
| T. ROWE PRICE<br>NEUBERGER BERMAN<br>SHENKMAN<br>PENN<br>FORT WASHINGTON<br><i>CITIGROUP BB &amp; B</i><br>T. ROWE PRICE +/-<br>NEUBERGER BERMAN +/-<br>SHENKMAN +/-<br>PENN +/-<br>FORT WASHINGTON +/-  | 437.6<br>468.3<br>229.6<br>168.4<br>158.5 | 0.93%<br>1.00%<br>0.49%<br>0.36%<br>0.34% | 2.29<br>2.37<br>1.71<br>1.99<br>1.80<br>1.75<br>0.54<br>0.62<br>(0.04)<br>0.24<br>0.05       | 3.89<br>4.06<br>2.66<br>3.28<br>3.22<br>3.13<br>0.76<br>0.93<br>(0.47)<br>0.15<br>0.08         | 13.19<br>****<br>9.62<br>****<br>11.19<br>2.00<br>****<br>(1.57)<br>**** | 5.33<br>5.30<br>3.43<br>4.38<br>4.36<br>3.68<br>1.65<br>1.62<br><b>(0.25)</b><br>0.70<br>0.68 | 6.27<br>****<br>6.95<br>****<br>8.45<br>(2.17)<br>****<br>(1.49)<br>****  | 13.95<br>****<br>11.77<br>****<br>14.45<br>(0.51)<br>(2.68)<br>****      | ****<br>5.34<br>****                                 | 14.14<br>****<br>11.70<br>****<br>13.35<br>0.79<br>****<br>(1.65)<br>**** | 43.67<br>****<br>29.38<br>****<br>40.37<br>3.30<br>****<br>(10.99)<br>****        | 14.18<br>****<br>10.38<br>****<br>12.34<br>1.84<br>****<br>(1.96)<br>**** | 10.68<br>****<br>9.02<br>****<br>10.80<br>(0.12)<br>****<br>(1.78)<br>**** | 10.30<br>****<br>8.64<br>****<br>8.22<br>2.08<br>****<br>0.41<br>****  | 9.09<br>****<br>****<br>7.96<br>1.13<br>****<br>**** | 10.40<br>7.81<br>8.89<br>9.06        |
| BANK LOANS<br>TOTAL BANK LOANS<br>BABSON BL MTA<br>CREDIT SUISSE BL MTA<br>GUGGENHEIM BL MTA<br>INVESCO BL MTA<br>CREDIT SUISSE LEVERAGED LOAN INDEX<br>TOTAL BANK LOANS +/-<br>BABSON BL MTA +/-<br>CREDIT SUISSE BL MTA +/-<br>GUGGENHEIM BL MTA +/-<br>INVESCO BL MTA +/- | 769.7<br>214.0<br>211.6<br>135.1<br>209.0 | 1.64%<br>0.46%<br>0.45%<br>0.29%<br>0.45% | 0.66<br>0.61<br>0.58<br>0.64<br>0.79<br>0.75<br>(0.09)<br>(0.14)<br>(0.17)<br>(0.11)<br>0.04 | 1.75<br>1.77<br>1.57<br>1.82<br>2.00<br>(0.25)<br>(0.23)<br>(0.23)<br>(0.43)<br>****<br>(0.18) | *****<br>****<br>****<br>****<br>****<br>****                            | 2.75<br>2.94<br>****<br>3.14<br>(0.39)<br>(0.20)<br>****                                      | *****<br>*****<br>*****<br>*****<br>*****<br>*****                        | ·····<br>·····<br>·····<br>·····<br>·····                                | ·····  | ·····<br>·····<br>·····<br>·····<br>·····                                 | ·····<br>·····<br>·····<br>·····<br>·····   | ****<br>****<br>****<br>****<br>****<br>****                              | ****<br>****<br>****<br>****<br>****<br>****                               | *****<br>*****<br>*****<br>*****<br>*****<br>*****                     | ****<br>****<br>****<br>****<br>****<br>****<br>**** | 3.17<br>3.71<br>1.57<br>1.52<br>1.82 |
| TIPS<br>TOTAL TIPS MANAGERS<br>PIMCO-TIPS-MTA<br>STATE STREET-TIPS-MTA<br>BLACKROCK-TIPS<br>BARCLAYS CAPITAL US TIPS INDEX<br>TOTAL TIPS MANAGERS +/-<br>PIMCO-TIPS-MTA +/-<br>STATE STREET-TIPS-MTA +/-<br>BLACKROCK-TIPS +/-   | 1,386.6<br>835.9<br>310.5<br>240.2        | 2.95%<br>1.78%<br>0.66%<br>0.51%          | 0.88<br>0.92<br>0.80<br>0.82<br>0.80<br>0.08<br>0.13<br>0.00<br>0.03                         | 1.38<br>1.55<br>1.12<br>1.13<br>1.11<br>0.27<br>0.44<br>0.00<br>0.01                           | 3.79<br>4.25<br>3.22<br>3.05<br>3.27<br>0.52<br>0.98<br>(0.05)<br>(0.22) | 0.73<br>0.98<br>0.39<br>0.34<br>0.43<br>0.30<br>0.55<br>(0.04)<br>(0.09)                      | 12.13<br>12.36<br>11.68<br>11.95<br>11.66<br>0.47<br>0.70<br>0.02<br>0.29 | 7.25<br>7.67<br>6.87<br>6.42<br>6.98<br>0.27<br>0.69<br>(0.11)<br>(0.56) | 13.34<br>13.61<br>13.82<br>13.56<br>(0.06)<br>(0.22) | 6.47<br>6.57<br>6.34<br>6.34<br>6.37<br>0.10<br>0.20<br>(0.03)<br>(0.03)  | 10.15<br>10.24<br>10.00<br>10.02<br>11.41<br>(1.26)<br>(1.17)<br>(1.41)<br>(1.39) | 5.03<br>5.58<br>4.32<br>4.16<br>4.41<br>0.62<br>1.18<br>(0.09)<br>(0.25)  | 8.22<br>8.45<br>8.02<br>7.74<br>8.02<br>0.20<br>0.42<br>0.00<br>(0.29)     | 6.78<br>6.87<br>6.52<br>6.75<br>6.52<br>0.26<br>0.35<br>(0.00)<br>0.23 | ****<br>****<br>****<br>****<br>****<br>****         | 6.27<br>6.29<br>6.40<br>6.78         |

#### CITY OF NEW YORK

|  |            | Assets<br>(\$MM)           | %<br>of Total                    | Trailing<br>1 Month                  | Trailing<br>3 Months                 | Fiscal<br>YTD                         | Calendar<br>YTD                      | FY Ending<br>06/30/12                |                                      | Calendar Yr<br>Ending 2011           |                                      |                              | Trailing<br>1 Year                   | Trailing*<br>3 Years                 | Trailing*<br>5 Years          | Trailing*<br>10 Years | Since<br>Inception   |
|--|------------|----------------------------|----------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------|--------------------------------------|--------------------------------------|-------------------------------|-----------------------|----------------------|
| CONVERTIBLE BONDS  |            |                            |                                  |                                      |                                      |                                       |                                      |                                      |                                      |                                      |                                      |                              |                                      |                                      |                               |                       |                      |
| TOTAL CONVERTIBLE BONDS<br>BofA ML ALL CONVERTIBLES EX MANDATORY   |            | 452.9                      | 0.96%                            | 1.19<br>1.49                         | 3.69<br>5.38                         | 13.51<br>17.17                        | 7.16<br>9.49                         | -2.09<br>-1.68                       | 11.66<br>14.41                       | -3.02<br>-3.42                       | 14.54<br>16.52                       | 33.08<br>47.19               | 11.91<br>15.12                       | 7.84<br>9.40                         | ****                          | ****                  | 5.72                 |
| NYCERS CUSTOM CONVERTIBLE BOND INDEX   | +/-<br>+/- |                            |                                  | 1.45<br>(0.30)<br>(0.26)             | 4.19<br>(1.69)<br>(0.50)             | 14.31<br>(3.66)<br>(0.80)             | 7.44<br>(2.33)<br>(0.28)             | -1.59<br>(0.41)<br>(0.51)            | 13.03<br>(2.76)<br>(1.38)            | -3.33<br>0.39<br>0.31                | 12.53<br>(1.98)<br>2.01              | 39.96<br>(14.11)<br>(6.88)   | 12.94<br>(3.21)<br>(1.03)            | 7.54<br>(1.56)<br>0.30               | ****<br>****<br>****          | ****<br>****          |                      |
| ADVENT CONVERTIBLE BONDS<br>BofA ML CONVERTIBLES YIELD ALT. INDEX  |            | 294.3                      | 0.63%                            | 1.65<br>1.26                         | 3.69<br>3.44                         | 12.89<br>13.88                        | 6.82<br>6.73                         | -0.61<br>-0.41                       | 11.69<br>12.21                       | -1.59<br>-1.73                       | 14.96<br>12.98                       | 36.66<br>46.25               | 11.93<br>13.34                       | 8.09<br>7.72                         | ****                          | ****                  | 7.72                 |
| BOIA ME CONVERTIBLES TIELD ALT. INDEX  | +/-        |                            |                                  | 0.39                                 | 0.25                                 | (0.99)                                | 0.10                                 | (0.20)                               | (0.52)                               | 0.14                                 | 12.96                                | 46.25<br>(9.59)              | (1.41)                               | 0.37                                 | ****                          | ****                  |                      |
| VICTORY CONVERTIBLE BONDS<br>BofA ML CONVERTIBLE BONDS INVST GRADE   | +/-        | 157.4                      | 0.34%                            | 0.90<br>1.81<br><mark>(0.91)</mark>  | 4.11<br>5.61<br>(1.49)               | 13.27<br>15.10<br><mark>(1.83)</mark> | 7.69<br>8.78<br>(1.09)               | -1.78<br>-1.23<br>(0.55)             | 10.42<br>11.89<br>(1.48)             | -3.05<br>-3.14<br>0.09               | 11.63<br>7.89<br>3.74                | 27.36<br>25.49<br>1.87       | 11.19<br>12.16<br>(0.97)             | 7.14<br>7.17<br>(0.03)               | ****<br>****<br>****          | ****<br>****<br>****  | 4.90                 |
| FIXED INCOME EMERGING/DEVELOPIN  | g mana     | GERS                       |                                  |                                      |                                      |                                       |                                      |                                      |                                      |                                      |                                      |                              |                                      |                                      |                               |                       |                      |
| TOTAL PROGRESS FIXED EMERGING MGRS<br>BARCLAYS CAPITAL AGGREGATE   | +/-        | 107.3                      | 0.23%                            | 1.04<br>1.01<br>0.03                 | 1.72<br>1.60<br>0.12                 | 3.49<br>2.71<br>0.79                  | 1.14<br>0.89<br>0.25                 | 8.80<br>7.47<br>1.33                 | 5.51<br>4.21<br>1.29                 | 8.39<br>7.84<br>0.55                 | 7.43<br>6.54<br>0.89                 | 8.78<br>5.93<br>2.85         | 4.58<br>3.68<br>0.91                 | 6.32<br>5.51<br>0.81                 | 6.97<br>5.73<br>1.25          | 6.23<br>5.04<br>1.18  | 6.65                 |
| TOTAL CORE PLUS FIXED INCOME<br>LM CAPITAL - MTA<br>BARCLAYS CAPITAL AGGREGATE<br>CORE PLUS FIXED INCOME<br>LM CAPITAL - MTA |            | 59.8<br>59.8               | 0.13%<br>0.13%                   | 1.17<br>1.17<br>1.01<br>0.16<br>0.16 | 2.14<br>2.14<br>1.60<br>0.54<br>0.54 | 4.70<br>4.70<br>2.71<br>1.99<br>1.99  | 1.63<br>1.63<br>0.89<br>0.74<br>0.74 | 7.61<br>7.61<br>7.47<br>0.14<br>0.14 | 6.23<br>6.23<br>4.21<br>2.02<br>2.02 | 8.11<br>8.11<br>7.84<br>0.27<br>0.27 | 7.46<br>7.46<br>6.54<br>0.92<br>0.92 | ****<br>****<br>****<br>**** | 5.57<br>5.57<br>3.68<br>1.90<br>1.90 | 6.62<br>6.62<br>5.51<br>1.11<br>1.11 | ****<br>****<br>****          | ****<br>****<br>****  | 8.03<br>8.03         |
| OPPORTUNISTIC FIXED  |            |                            |                                  |                                      |                                      |                                       |                                      |                                      |                                      |                                      |                                      |                              |                                      |                                      |                               |                       |                      |
| TOTAL OPPORTUNISTIC FIXED INCOME<br>NYC - JP MORGAN HY PLUS 3%   | +/-        | 671.8                      | 1.43%                            | 2.19<br>2.58<br>(0.39)               | 5.67<br>4.69<br>0.99                 | 14.52<br>16.83<br>(2.31)              | 8.20<br>6.29<br>1.91                 | -4.48<br>10.67<br>(15.15)            | 20.49<br>19.20<br>1.28               | -4.40<br>8.73<br>(13.13)             | 26.01<br>18.05<br>7.96               | 19.13<br>61.90<br>(42.77)    | 17.23<br>17.80<br>(0.56)             | 13.38<br>14.69<br>(1.31)             | 11.87<br>14.51<br>(2.64)      | ****<br>****<br>****  | ****                 |
| TOTAL FUND STRATEGIES<br>AG GECC LP  |            | 118.6<br>1.5               | 0.25%<br>0.00%                   | 4.92<br>****                         | 8.96                                 | 17.52<br>****                         | 9.48<br>****                         | -6.98<br>****                        | 29.32                                | -5.33                                | 21.05                                | 11.26                        | 23.61<br>****                        | 15.89<br>****                        | 10.30                         | ****                  | ****                 |
| AVE EURO SPECIAL SITUATIONS FD<br>AVE SPECIAL SITUATIONS FD V<br>AVE SPECIAL SITUATIONS FD VI<br>FORTRESS PTNRS LP           |            | 4.4<br>4.4<br>70.5<br>33.0 | 0.01%<br>0.01%<br>0.15%<br>0.07% | 14.61<br>11.09<br>4.49<br>0.00       | 5.45<br>10.38<br>8.46<br>5.14        | 8.33<br>33.29<br>11.84<br>5.87        | 8.99<br>8.08<br>8.46<br>5.14         | -24.87<br>-25.95<br>-1.75<br>****    | 30.99<br>23.38<br>15.42              | -0.86<br>-4.21<br>-14.53<br>****     | 4.60<br>19.07                        | 65.87<br>76.44<br>****       | -47.50<br>18.35<br>10.20<br>5.87     | 4.38<br>11.98<br>****                | ****<br>13.48<br>****<br>**** | ****<br>****<br>****  | ****<br>****<br>**** |
| OAKTREE OPP FD IX LP<br>NYC - JP MORGAN HY PLUS 3%<br>TOTAL FUND STRATEGIES  |            | 5.0                        | 0.01%                            | 0.00<br>2.58<br>2.34                 | 4.69<br>4.28                         | 16.83<br>0.69                         | 6.29<br>3.19                         | ****<br>10.67<br>(17.65)             | ****<br>19.20<br>10.12               | ****<br>8.73<br>(14.06)              | ****<br>18.05<br>3.00                | ****<br>61.90<br>(50.64)     | 17.80<br>5.81                        | ****<br>14.69<br>1.20                | ****<br>14.51<br>****         | ****<br>****<br>****  | ****                 |
| AG GECC LP<br>AVE EURO SPECIAL SITUATIONS FD<br>AVE SPECIAL SITUATIONS FD V<br>AVE SPECIAL SITUATIONS FD VI                  |            |                            |                                  | 13.35<br>9.36<br>2.13                | 56.87<br>80.39<br>3.77               | 29.27<br>79.40<br>(4.99)              | 55.27<br>78.79<br>2.17               | (35.54)<br>(36.62)<br>(12.42)        | 11.79<br>4.18<br>(3.78)              | (9.59)<br>(12.94)<br>(23.26)         | (13.45)<br>1.02                      | 3.97<br>14.54                | (0.45)<br>51.74<br>(7.60)            | (9.42)<br>(1.49)                     | ****                          | ****                  |                      |
| FORTRESS PTNRS LP<br>OAKTREE OPP FD IX LP  | +/-        |                            |                                  | (2.58)<br>(2.58)                     | 0.46                                 | (10.96)                               | (1.15)                               | (12.72)<br>****<br>****              | (0.70)<br>****                       | (20.20)<br>****                      | ****                                 | ****<br>****                 | (11.92)                              | ****<br>****                         | ****                          | ****                  |                      |

#### CITY OF NEW YORK

#### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

April 30, 2013

|                                      |    | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month | Trailing<br>3 Months | Fiscal<br>YTD | Calendar<br>YTD | FY Ending<br>06/30/12 | Calendar Yr<br>Ending 2012 |        | Calendar Yr<br>Ending 2010 |       | Trailing<br>1 Year | Trailing*<br>3 Years | Trailing*<br>5 Years | Trailing*<br>10 Years | Since<br>Inception |
|--------------------------------------|----|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|--------|----------------------------|-------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| TOTAL STRATEGIC MANDATES             |    | 553.2            | 1.18%         | 1.60                | 4.90                 | 14.51         | 7.95            | ****                  | 16.63                      | ****   | ****                       | ****  | 14.46              | ****                 | ****                 | ****                  | 19.15              |
| ANGELO GORDON PTNRS LP               |    | 119.3            | 0.25%         | 2.34                | 7.99                 | 17.13         | 17.32           | ****                  | ****                       | ****   | ****                       | ****  | ****               | ****                 | ****                 | ****                  | 17.13              |
| APOLLO PTNRS LP                      |    | 89.5             | 0.19%         | 0.00                | 6.02                 | 8.79          | 8.79            | ****                  | ****                       | ****   | ****                       | ****  | 8.80               | ****                 | ****                 | ****                  | 8.80               |
| GOLDENTREE OD MTA                    |    | 122.3            | 0.26%         | 1.37                | 2.90                 | 13.25         | 4.32            | ****                  | 15.67                      | ****   | ****                       | ****  | 13.34              | ****                 | ****                 | ****                  | 15.16              |
| MARATHON OD                          |    | 158.0            | 0.34%         | 1.93                | 4.05                 | 16.57         | 4.89            | ****                  | 25.44                      | ****   | ****                       | ****  | 16.73              | ****                 | ****                 | ****                  | 22.91              |
| OAK HILLS PRTNS OD                   |    | 64.2             | 0.14%         | 2.17                | 4.11                 | ****          | 7.24            | ****                  | ****                       | ****   | ****                       | ****  | ****               | ****                 | ****                 | ****                  | 6.86               |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3%  |    |                  |               | 2.58                | 4.69                 | 16.83         | 6.29            | ****                  | 19.20                      | ****   | ****                       | ****  | 17.80              | ****                 | ****                 | ****                  |                    |
| TOTAL STRATEGIC MANDATES +/          | /- |                  |               | (0.98)              | 0.21                 | (2.32)        | 1.66            | ****                  | (2.57)                     | ****   | ****                       | ****  | (3.34)             | ****                 | ****                 | ****                  |                    |
| ANGELO GORDON PTNRS LP +/            | /- |                  |               | (0.24)              | 3.31                 | 0.30          | 11.02           | ****                  | ****                       | ****   | ****                       | ****  | ****               | ****                 | ****                 | ****                  |                    |
| APOLLO PTNRS LP +                    |    |                  |               | (2.58)              | 1.33                 | (8.04)        | 2.49            | ****                  | ****                       | ****   | ****                       | ****  | (9.00)             | ****                 | ****                 | ****                  |                    |
| GOLDENTREE OD MTA +                  |    |                  |               | (1.21)              | (1.79)               | (3.58)        | (1.97)          | ****                  | ****                       | ****   | ****                       | ****  | ****               | ****                 | ****                 | ****                  |                    |
| MARATHON OD +                        |    |                  |               | (0.65)              | (0.64)               | (0.26)        | (1.40)          | ****                  | (3.54)                     | ****   | ****                       | ****  | (4.45)             | ****                 | ****                 | ****                  |                    |
| OAK HILLS PRTNS OD +/                | /- |                  |               | (0.41)              | (0.57)               | ****          | 0.95            | ****                  | 6.24                       | ****   | ****                       | ****  | (1.06)             | ****                 | ****                 | ****                  |                    |
| OTHER FIXED INCOME                   |    |                  |               |                     |                      |               |                 |                       |                            |        |                            |       |                    |                      |                      |                       |                    |
| TOTAL ETI                            |    | 508.4            | 1.08%         | 0.72                | 1.31                 | 4.21          | 1.30            | 7.04                  | 6.12                       | 6.61   | 6.87                       | 8.23  | 5.74               | 5.84                 | 6.55                 | 6.18                  | 9.79               |
| EMPLOYEES CUSTOM BENCHMARK (NO CASH) |    |                  |               | 0.82                | 1.36                 | 2.10          | 0.77            | 6.63                  | 3.41                       | 7.66   | 6.47                       | 5.21  | 2.87               | 5.19                 | 5.63                 | 5.30                  |                    |
| +,                                   | /- |                  |               | (0.11)              | (0.05)               | 2.10          | 0.53            | 0.40                  | 2.71                       | (1.05) | 0.40                       | 3.02  | 2.86               | 0.65                 | 0.92                 | 0.88                  |                    |
| AFL-CIO HOUSING INV TRUST            |    | 228.5            | 0.49%         | 0.82                | 1.27                 | 2.29          | 0.69            | 7.60                  | 4.27                       | 7.86   |                            | 6.28  | 3.59               | 5.32                 | 5.83                 | 5.03                  | 5.11               |
| BARCLAYS CAPITAL AGGREGATE           |    |                  |               | 1.01                | 1.60                 | 2.71          | 0.89            | 7.47                  | 4.21                       | 7.84   | 6.54                       | 5.93  | 3.68               | 5.51                 | 5.73                 | 5.04                  |                    |
| +,                                   | /- |                  |               | (0.19)              | (0.33)               | (0.41)        | (0.20)          | 0.13                  | 0.06                       | 0.02   | (0.38)                     | 0.35  | (0.09)             | (0.19)               | 0.10                 | (0.02)                |                    |
| ACCESS RBC                           |    | 55.7             | 0.12%         | 0.20                | 0.76                 | 1.86          | 0.20            | 6.57                  | 4.15                       | 6.78   | 5.72                       | 10.99 | 2.74               | 4.47                 | 6.34                 | ****                  | 6.22               |
| ACCESS CUSTOM BENCHMARK              |    |                  |               | 0.50                | 1.05                 | 1.38          | 0.54            | 5.24                  | 2.38                       | 6.32   | 5.52                       | 2.89  | 1.88               | 4.18                 | 4.89                 | ****                  |                    |
| +,                                   | /- |                  |               | (0.31)              | (0.29)               | 0.48          | (0.34)          | 1.33                  | 1.78                       | 0.46   | 0.20                       | 8.10  | 0.86               | 0.29                 | 1.46                 | ****                  |                    |
| BOA-PPAR                             |    | 16.8             | 0.04%         | 0.56                | 1.66                 | 5.36          | 2.21            | 6.84                  | 6.28                       | ****   | 7.20                       | 7.20  | 7.20               | ****                 | ****                 | ****                  | 6.45               |
| CFSB-PPAR                            |    | 2.6              | 0.01%         | -0.71               | 0.28                 | 4.47          | 0.78            | 5.67                  | 8.16                       | 3.29   | 12.80                      | 9.82  | 7.06               | 7.33                 | 7.68                 | ****                  | 7.26               |
| CCD-PPAR                             |    | 5.7              | 0.01%         | 0.79                | 2.42                 | 8.48          | 3.29            | 8.83                  | 11.40                      | 5.59   | 11.58                      | 12.48 | 12.77              | 9.55                 | 9.77                 | ****                  | 9.12               |
| LIIF-PPAR                            |    | 3.5              | 0.01%         | 0.76                | 2.25                 | 6.70          | 2.87            | 5.72                  | 6.84                       | 4.96   | 4.34                       | ****  | 8.04               | 5.46                 | ****                 | ****                  | 6.10               |
| NCBCI-PPAR                           |    | 1.4              | 0.00%         | 0.83                | 2.34                 | 8.64          | 3.12            | 8.88                  | 9.46                       | 8.50   | 4.10                       | ****  | 10.89              | 7.70                 | ****                 | ****                  | 7.48               |
| NHS-PPAR                             |    | 1.2              | 0.00%         | 0.84                | 2.60                 | 8.84          | 3.38            | 5.04                  | 9.68                       | 3.85   |                            | 14.83 | 11.27              | 7.30                 | 9.10                 | ****                  | 8.61               |
| TARGETED INVESTMENT                  |    | 177.7            | 0.38%         | 0.83                | 1.56                 | 7.24          | 2.27            | 7.11                  | 9.23                       | 5.76   |                            | 10.32 | 9.33               | 7.49                 | 8.20                 | 7.57                  | 10.26              |
| CPC TERM LOAN                        |    | 15.2             | 0.03%         | 0.20                | 0.60                 | 2.04          | 0.79            | 2.34                  | 2.51                       | 2.09   | 2.06                       | 2.19  | 2.48               | 2.27                 | 2.53                 | ****                  | 4.08               |
| CASH                                 |    |                  |               |                     |                      |               |                 |                       |                            |        |                            |       |                    |                      |                      |                       |                    |
| TOTAL CASH                           |    | 436.4            | 0.93%         | 0.02                | 0.07                 | 0.33          | 0.12            | 0.99                  | 0.90                       | 0.89   | 0.49                       | 1.31  | 0.73               | 0.71                 | 1.13                 | ****                  | 2.56               |
| ML 91 DAY TREASURY BILL INDEX        |    |                  |               | 0.01                | 0.03                 | 0.10          | 0.03            | 0.06                  | 0.11                       | 0.10   | 0.13                       | 0.21  | 0.12               | 0.11                 | 0.33                 | ****                  |                    |
| +,                                   | /- |                  |               | 0.01                | 0.04                 | 0.23          | 0.10            | 0.93                  | 0.79                       | 0.79   | 0.36                       | 1.10  | 0.61               | 0.60                 | 0.81                 | ****                  |                    |

#### CITY OF NEW YORK

#### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

April 30, 2013

|   |     | Assets<br>(\$MM) | %<br>of Total | Trailing<br>1 Month    | Trailing<br>3 Months | Fiscal<br>YTD          | Calendar<br>YTD      | FY Ending<br>06/30/12   | Calendar Yr<br>Ending 2012 | Calendar Yr<br>Ending 2011 |                          |                             | Trailing<br>1 Year       | Trailing*<br>3 Years     | Trailing*<br>5 Years   | Trailing*<br>10 Years  | Since<br>Inception |
|---|-----|------------------|---------------|------------------------|----------------------|------------------------|----------------------|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|------------------------|------------------------|--------------------|
|   |     |                  |               |                        |                      |                        |                      |                         |                            |                            |                          |                             |                          |                          |                        |                        |                    |
| PRIVATE EQUITY  |     |                  |               |                        |                      |                        |                      |                         |                            |                            |                          |                             |                          |                          |                        |                        |                    |
| TOTAL PRIVATE EQUITY<br>RUSSELL 3000 PLUS 3% Lagged       | +/- | 3,762.4          | 8.02%         | 1.60<br>0.00<br>1.60   | 1.71<br>1.15<br>0.56 | 8.58<br>5.66<br>2.92   | 2.47<br>1.15<br>1.32 | 7.50<br>12.18<br>(4.68) | 12.74<br>35.20<br>(22.47)  | 5.55                       | 14.02<br>15.96<br>(1.94) | -4.17<br>-1.42<br>(2.75)    | 13.10<br>20.72<br>(7.62) | 13.22<br>15.99<br>(2.77) |                        | ****<br>****           | 12.01              |
| PRIVATE REAL ESTATE                                       |     |                  |               |                        |                      |                        |                      |                         |                            |                            |                          |                             |                          |                          |                        |                        |                    |
| TOTAL PRIVATE REAL ESTATE<br>NCREIF NFI-ODCE NET + 100 BP | +/- | 1,959.2          | 4.17%         | 1.05<br>0.08<br>0.97   | 4.19<br>2.67<br>1.52 | 9.96<br>8.00<br>1.97   | 4.75<br>2.76<br>2.00 | 17.51<br>12.31<br>5.20  | 14.43<br>10.77<br>4.66     | 15.97                      | 8.46<br>16.26<br>(7.80)  | -43.87<br>-29.40<br>(14.47) | 12.61<br>10.66<br>1.95   | 18.38<br>15.02<br>3.36   |                        | ****<br>****<br>****   | 7.53               |
| TOTAL EMPLOYEES<br>EMPLOYEES POLICY BENCHMARK             | +/- | 46,935.9         |               | 1.47<br>1.64<br>(0.18) | 3.94<br>3.88<br>0.06 | 14.04<br>13.32<br>0.72 | 6.77<br>6.26<br>0.52 | 1.32<br>3.01<br>(1.69)  | 13.42<br>13.39<br>0.03     | 1.60                       | 13.79<br>13.77<br>0.02   | 20.98<br>25.03<br>(4.05)    | 12.31<br>11.65<br>0.66   | 9.69<br>10.00<br>(0.31)  | 4.94<br>5.19<br>(0.25) | 8.24<br>8.34<br>(0.10) | 8.90               |

#### New York City Employees' Retirement System Private Equity Portfolio As of December 31, 2012 (in USD)

| Vintage<br>Year | Investment   | First Drawdown           | Committed<br>Capital     | Net Contributed<br>Capital | Net Distributed<br>Capital | Market Value             | Multiple       | IRR             |
|-----------------|--|--------------------------|--------------------------|----------------------------|----------------------------|--------------------------|----------------|-----------------|
| Active Inv      | restments  |                          | Capital                  | capital                    | capital                    |                          |                |                 |
| 1998            | VS&A Communications Partners III, L.P.   | 12/15/1998               | \$ 50,000,000            | \$ 50,063,625              | \$ 64,109,887              | \$ 4,368,369             | 1.37x          | 6.3%            |
| 1999            | Cypress Merchant Banking Partners II, L.P.                                     | 3/29/1999                | 50,000,000               | 49,863,018                 | 37,124,068                 | 6,423,331                | 0.87x          | (2.7%)          |
| 1999            | FdG Capital Partners LLC   | 6/2/1999                 | 25,000,000               | 24,302,765                 | 38,113,544                 | 5,169,592                | 1.78x          | 15.0%           |
| 1999            | Lincolnshire Equity Fund II, L.P.  | 10/20/1999               | 20,000,000               | 18,711,603                 | 33,126,429                 | 4,211,751                | 2.00x          | 24.8%           |
| 2000            | Carlyle Partners III, L.P.   | 3/1/2000                 | 50,000,000               | 44,860,083                 | 97,618,092                 | 223,936                  | 2.18x          | 20.5%<br>9.3%   |
| 2000<br>2000    | Solera Partners, L.P.<br>SCP Private Equity Partners II, L.P.                  | 5/26/2000<br>6/15/2000   | 20,000,000<br>30,000,000 | 15,144,691<br>27,931,907   | 11,486,746<br>5,949,854    | 23,256,993<br>9,276,488  | 2.29x<br>0.55x | (8.2%)          |
| 2000            | Ripplewood Partners II, L.P.   | 2/28/2001                | 20,000,000               | 21,724,315                 | 16,126,720                 | 12,044,855               | 1.30x          | 7.1%            |
| 2001            | New Mountain Partners, L.P.  | 3/16/2001                | 20,000,000               | 17,107,647                 | 22,908,592                 | 1,891,679                | 1.45x          | 12.6%           |
| 2001            | Apollo Investment Fund V, L.P.   | 4/13/2001                | 40,000,000               | 37,444,293                 | 87,863,882                 | 11,545,802               | 2.65x          | 38.8%           |
| 2001            | RRE Ventures III, L.P.   | 7/6/2001                 | 20,000,000               | 25,409,647                 | 23,326,653                 | 14,662,670               | 1.50x          | 7.7%            |
| 2002            | Yucaipa American Alliance Fund I, LP   | 7/1/2002                 | 90,000,000               | 90,079,247                 | 54,710,774                 | 67,767,746               | 1.36x          | 8.2%            |
| 2002            | Thomas, McNerney & Partners, L.P.  | 10/9/2002                | 20,000,000               | 19,300,000                 | 7,003,139                  | 8,092,766                | 0.78x          | (6.0%)          |
| 2002            | BDCM Opportunity Fund, L.P.  | 10/14/2002               | 25,000,000               | 23,036,657                 | 53,550,182                 | 5,932,629                | 2.58x          | 22.9%           |
| 2002<br>2003    | Landmark Equity Partners XI, L.P.<br>FS Equity Partners V, L.P.                | 10/23/2002<br>1/20/2003  | 55,000,000<br>25,000,000 | 52,103,148<br>20,053,517   | 68,085,188<br>34,244,974   | 11,081,772<br>7,046,388  | 1.52x<br>2.06x | 24.4%<br>16.3%  |
| 2003            | Blackstone Capital Partners IV, L.P.   | 2/26/2003                | 40,000,000               | 29,535,460                 | 67,769,236                 | 13,757,633               | 2.76x          | 39.5%           |
| 2003            | Ares Corporate Opportunities Fund, L.P.  | 4/1/2003                 | 45,000,000               | 43,471,496                 | 63,500,670                 | 9,471,838                | 1.68x          | 14.4%           |
| 2004            | Markstone Capital Partners, LP   | 1/30/2004                | 40,000,000               | 38,288,106                 | 15,792,273                 | 16,964,813               | 0.86x          | (4.0%)          |
| 2004            | FdG Capital Partners II LP   | 8/30/2004                | 35,000,000               | 28,091,450                 | 10,095,776                 | 22,065,631               | 1.14x          | 2.3%            |
| 2004            | Paladin Homeland Security Fund (NY City), L.P.                                 | 9/27/2004                | 15,000,000               | 15,155,182                 | 1,809,212                  | 5,785,655                | 0.50x          | (11.5%)         |
| 2004            | Lincolnshire Equity Fund III, L.P.   | 10/1/2004                | 55,000,000               | 51,738,413                 | 60,120,212                 | 36,966,230               | 1.88x          | 36.5%           |
| 2004            | New York/Fairview Emerging Managers Fund, L.PTranche 1                         | 10/21/2004               | 32,000,000               | 28,400,000                 | 6,699,639                  | 22,237,910               | 1.02x          | 0.5%            |
| 2004            | Aurora Equity Partners III L.P.  | 11/16/2004               | 50,000,000               | 50,569,217                 | 24,444,665                 | 50,548,037               | 1.48x          | 11.9%           |
| 2004            | Trilantic Capital Partners III L.P.  | 11/18/2004               | 50,000,000               | 36,997,788                 | 50,882,565                 | 7,204,644<br>38,384,636  | 1.57x          | 13.1%<br>8.0%   |
| 2004<br>2005    | Celtic Pharmaceutical Holdings L.P.<br>Palladium Equity Partners III, L.P.     | 12/23/2004<br>11/12/2004 | 25,000,000<br>35,000,000 | 25,402,094<br>28,821,488   | 402,094<br>16,945,302      | 38,384,636<br>32,883,353 | 1.53x<br>1.73x | 8.0%            |
| 2005            | New Mountain Partners II, L.P.   | 1/12/2004                | 46,451,615               | 36,298,452                 | 48,265,797                 | 20,479,362               | 1.73x<br>1.89x | 13.0%           |
| 2005            | VSS Communications Partners IV, L.P.   | 3/14/2005                | 25,000,000               | 25,498,716                 | 5,860,213                  | 14,386,016               | 0.79x          | (5.0%)          |
| 2005            | Prism Venture Partners V-A, L.P.   | 7/14/2005                | 30,000,000               | 29,400,000                 | 7,035,880                  | 12,975,960               | 0.68x          | (10.8%)         |
| 2005            | Erasmus New York City Growth Fund  | 8/16/2005                | 40,000,000               | 34,819,694                 | 17,581,302                 | 12,534,056               | 0.86x          | (3.2%)          |
| 2005            | Quadrangle Capital Partners II LP  | 8/29/2005                | 65,000,000               | 52,621,127                 | 29,386,729                 | 33,596,034               | 1.20x          | 4.3%            |
| 2005            | Snow Phipps Group, L.P.  | 9/7/2005                 | 20,000,000               | 17,664,735                 | 10,606,940                 | 13,261,006               | 1.35x          | 10.0%           |
| 2005            | GI Partners Fund II L.P.   | 9/26/2005                | 35,000,000               | 35,122,750                 | 18,640,789                 | 34,731,585               | 1.52x          | 8.4%            |
| 2005            | Blackstone Mezzanine Partners II, L.P.   | 10/10/2005               | 25,000,000               | 21,770,178                 | 17,753,101                 | 11,726,217               | 1.35x          | 8.3%            |
| 2005            | Psilos Group Partners III, L.P.  | 10/24/2005               | 35,000,000               | 32,373,682                 | 17,141,623                 | 25,746,410               | 1.32x          | 7.8%            |
| 2005            | USPF II Institutional Fund, L.P.   | 11/23/2005<br>12/21/2005 | 65,000,000               | 58,710,520                 | 23,454,133                 | 49,269,932               | 1.24x<br>1.19x | 4.5%<br>5.3%    |
| 2005<br>2006    | JP Morgan Fleming (Tranche A)<br>Aisling Capital II, LP                        | 1/12/2006                | 43,000,000<br>7,000,000  | 35,098,656<br>6,268,248    | 9,124,054<br>2,002,289     | 32,580,082<br>4,458,464  | 1.19x<br>1.03x | 0.8%            |
| 2006            | InterMedia Partners VII, L.P.  | 1/20/2006                | 25,000,000               | 23,657,913                 | 331,937                    | 31,199,102               | 1.33x          | 5.7%            |
| 2006            | Terra Firma Capital Partners III, L.P.   | 3/8/2006                 | 52,739,708               | 49,257,003                 | 1,123,857                  | 27,223,178               | 0.58x          | (15.7%)         |
| 2006            | BDCM Opportunity Fund II, L.P.   | 3/29/2006                | 25,000,000               | 23,720,537                 | 5,311,142                  | 34,929,181               | 1.70x          | 16.5%           |
| 2006            | Blackstone Capital Partners V, L.P.  | 4/13/2006                | 123,900,000              | 117,902,413                | 15,527,230                 | 115,941,015              | 1.12x          | 2.4%            |
| 2006            | Avista Capital Partners, L.P.  | 4/27/2006                | 45,000,000               | 45,020,741                 | 27,520,221                 | 35,867,627               | 1.41x          | 8.0%            |
| 2006            | GSC Recovery III, L.P.   | 5/4/2006                 | 25,000,000               | 25,511,489                 | 15,653,130                 | 13,239,468               | 1.13x          | 3.7%            |
| 2006            | Apollo Investment Fund VI, L.P.  | 5/10/2006                | 90,000,000               | 80,507,317                 | 27,871,708                 | 90,101,507               | 1.47x          | 8.2%            |
| 2006            | Landmark Equity Partners XIII, L.P.  | 5/11/2006                | 50,000,000               | 46,371,425                 | 28,948,265                 | 25,838,510               | 1.18x          | 5.0%            |
| 2006<br>2006    | Ares Corporate Opportunities Fund II, L.P.<br>Fairview Ventures Fund III, L.P. | 5/23/2006<br>6/29/2006   | 50,000,000<br>25,000,000 | 43,744,951<br>19,686,840   | 54,992,519<br>3,918,501    | 22,427,994<br>20,465,391 | 1.77x<br>1.24x | 14.0%<br>9.2%   |
| 2006            | Ampersand 2006   | 8/14/2006                | 25,000,000               | 22,000,000                 | 12,332,196                 | 18,923,365               | 1.42x          | 9.2%            |
| 2006            | CCMP Capital Investors II, L.P.  | 8/17/2006                | 30,000,000               | 27,094,294                 | 9,163,000                  | 29,261,813               | 1.42x          | 12.8%           |
| 2006            | Perseus Partners VII, L.P.   | 8/31/2006                | 30,000,000               | 28,227,238                 | 49,972                     | 14,142,426               | 0.50x          | (18.2%)         |
| 2006            | Thomas, McNerney & Partners II, L.P.   | 11/30/2006               | 25,000,000               | 21,437,500                 | 3,120,413                  | 18,540,423               | 1.01x          | 0.4%            |
| 2006            | Catterton Partners VI, L.P.  | 12/14/2006               | 45,000,000               | 43,308,567                 | 10,962,710                 | 55,408,833               | 1.53x          | 11.3%           |
| 2006            | First Reserve Fund XI, L.P.  | 12/14/2006               | 45,000,000               | 44,792,335                 | 10,747,147                 | 38,304,682               | 1.10x          | 2.6%            |
| 2006            | Arsenal Capital Partners II, LP  | 12/19/2006               | 22,500,000               | 20,175,929                 | 3,772,933                  | 27,228,218               | 1.54x          | 12.8%           |
| 2006            | RRE Ventures IV, L.P.  | 12/19/2006               | 35,000,000               | 36,917,692                 | 4,802,704                  | 40,415,945               | 1.22x          | 6.7%            |
| 2006<br>2006    | MidOcean Partners III, L.P.<br>GE Capital Private Equity Fund J. P.            | 12/21/2006<br>12/22/2006 | 60,000,000               | 46,091,493                 | 3,799,399                  | 47,776,587               | 1.12x          | 3.1%<br>17.5%   |
| 2006            | GF Capital Private Equity Fund, L.P.<br>The Fourth Cinven Fund                 | 1/22/2006                | 20,000,000<br>71,593,381 | 19,206,577<br>62,812,391   | 10,898,810<br>18,235,046   | 18,003,783<br>67,134,988 | 1.50x<br>1.36x | 7.9%            |
| 2008            | Pegasus Partners IV, L.P.  | 1/29/2007                | 30,000,000               | 29,555,562                 | 12,658,392                 | 27,131,298               | 1.36x<br>1.35x | 9.0%            |
| 2007            | FTVentures III, LP   | 3/1/2007                 | 25,000,000               | 16,950,264                 | 7,240,382                  | 29,243,181               | 2.15x          | 19.8%           |
| 2007            | Co-Investment Partners Europe, L.P.  | 3/19/2007                | 39,874,398               | 38,371,280                 | 4,645,617                  | 39,556,275               | 1.15x          | 5.5%            |
| 2007            | Montreux Equity Partners IV, L.P.  | 3/27/2007                | 20,000,000               | 18,230,000                 | 6,592,834                  | 15,316,792               | 1.20x          | 7.0%            |
| 2007            | Quaker BioVentures II, L.P.  | 3/30/2007                | 20,000,000               | 13,428,426                 | 2,197,588                  | 8,140,360                | 0.77x          | (10.8%)         |
| 2007            | SCP Vitalife Partners II Fund  | 4/13/2007                | 20,000,000               | 15,499,698                 | 1,579                      | 13,233,199               | 0.85x          | (5.8%)          |
| 2007            | Craton Equity Investors I, L.P.  | 4/30/2007                | 20,000,000               | 19,478,487                 | 12,194                     | 15,377,482               | 0.79x          | (8.3%)          |
| 2007            | Nautic Partners VI, L.P.   | 5/14/2007                | 30,000,000               | 27,390,852                 | 5,175,230                  | 26,861,045               | 1.17x          | 5.9%            |
| 2007            | Constellation Venture Capital III, L.P.  | 5/22/2007                | 25,000,000               | 23,928,857                 | 139,687                    | 23,003,767               | 0.97x          | (1.3%)          |
| 2007            | United States Power Fund III, L.P.   | 6/28/2007<br>7/2/2007    | 65,000,000<br>25,000,000 | 50,654,993                 | 4,940,003                  | 47,814,477               | 1.04x          | 1.1%            |
| 2007<br>2007    | Halyard Capital Fund II, L.P.<br>Carlyle Partners V, L.P.                      | 7/2/2007<br>7/6/2007     | 25,000,000               | 16,647,983<br>51,818,721   | 388,837<br>18,840,633      | 14,273,055<br>50,345,393 | 0.88x<br>1.34x | (3.6%)<br>10.4% |
| 2007            | PCG Clean Energy & Technology Fund (East), LLC                                 | 7/6/2007                 | 90,000,000               | 70,939,709                 | 4,115,910                  | 46,275,492               | 0.71x          | (12.3%)         |
| 2007            | GSO Capital Opportunities Fund LP  | 7/16/2007                | 45,000,000               | 44,172,507                 | 28,886,811                 | 39,705,010               | 1.55x          | 19.4%           |
| 2007            | StarVest Partners II, L.P.   | 8/1/2007                 | 25,000,000               | 16,626,762                 | 6,556                      | 13,363,214               | 0.80x          | (9.7%)          |
| 2007            | New Mountain Partners III, L.P.  | 8/9/2007                 | 100,000,000              | 85,338,857                 | 15,641,016                 | 87,352,273               | 1.21x          | 8.9%            |
| 2007            | Vista Equity Partners Fund III, L.P.   | 10/3/2007                | 30,000,000               | 27,116,816                 | 39,019,827                 | 27,368,681               | 2.45x          | 30.5%           |
| 2007            | Trilantic Capital Partners IV L.P.   | 10/22/2007               | 69,028,637               | 58,867,215                 | 44,213,414                 | 47,794,509               | 1.56x          | 18.1%           |
| 2007            | RLJ Equity Partners Fund I, L.P.   | 11/30/2007               | 20,000,000               | 13,300,862                 | 561,791                    | 16,024,801               | 1.25x          | 11.5%           |
| 2007            | Pine Brook Capital Partners, L.P.  | 1/11/2008                | 30,000,000               | 20,702,124                 | 7,838,801                  | 20,732,756               | 1.38x          | 15.2%           |
| 2008            | Paladin III (NY City), L.P.  | 1/8/2008                 | 30,000,000               | 18,234,330                 | 3,355,642                  | 17,627,669               | 1.15x          | 4.6%            |
| 2008            | Relativity Fund, L.P.  | 1/17/2008                | 20,000,000               | 10,182,966                 | 422,941                    | 2,923,960                | 0.33x          | (36.5%)         |
| 2008            | Apollo Investment Fund VII, L.P.   | 1/28/2008                | 100,000,000              | 68,199,078                 | 36,789,688                 | 78,940,292               | 1.70x          | 23.1%           |

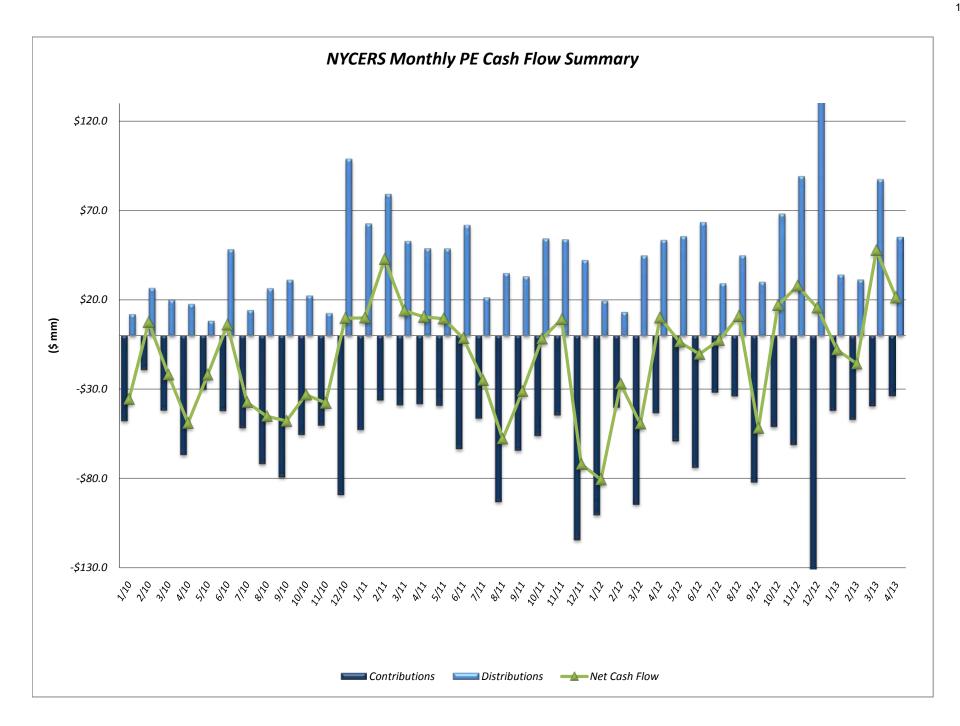
#### New York City Employees' Retirement System Private Equity Portfolio As of December 31, 2012 (in USD)

| Vintage<br>Year | Investment   | First Drawdown | Committed<br>Capital | Net Contributed<br>Capital | Net Distributed<br>Capital | Market Value  | Multiple | IRR     |
|-----------------|--|----------------|----------------------|----------------------------|----------------------------|---------------|----------|---------|
| 2008            | NGN BioMed Opportunity II, L.P.                        | 2/11/2008      | 20,000,000           | 15,851,821                 | 23,687                     | 11,076,500    | 0.70x    | (14.4%) |
| 2008            | Carpenter Community BancFund-A, L.P.                   | 2/12/2008      | 20,000,000           | 18,012,119                 | 87,244                     | 22,105,624    | 1.23x    | 7.5%    |
| 2008            | Riverstone/Carlyle Global Energy & Power Fund IV, L.P. | 3/3/2008       | 45,000,000           | 37,624,796                 | 19,246,639                 | 33,966,457    | 1.41x    | 15.6%   |
| 2008            | Yucaipa American Alliance Fund II, LP                  | 3/28/2008      | 120,000,000          | 109,510,127                | 27,550,484                 | 151,021,856   | 1.63x    | 19.2%   |
| 2008            | Levine Leichtman Capital Partners IV, L.P.             | 4/8/2008       | 35,000,000           | 26,137,428                 | 4,892,052                  | 36,828,188    | 1.60x    | 26.3%   |
| 2008            | Lee Equity Partners Fund, L.P.                         | 4/23/2008      | 42,500,000           | 31,484,995                 | 2,882,269                  | 30,484,017    | 1.06x    | 2.9%    |
| 2008            | New York/Fairview Emerging Managers Fund, L.PTranche 2 | 5/28/2008      | 45,000,000           | 21,618,000                 | 2,952,779                  | 22,944,753    | 1.20x    | 10.1%   |
| 2008            | Yucaipa Corporate Initiatives Fund II, LP              | 6/23/2008      | 42,092,788           | 40,066,435                 | 4,658,272                  | 23,547,908    | 0.70x    | (19.0%) |
| 2008            | Leeds Equity Partners V, L.P.                          | 7/28/2008      | 60,000,000           | 35,096,126                 | 4,109,346                  | 35,694,850    | 1.13x    | 8.4%    |
| 2008            | GI Partners Fund III L.P.                              | 7/29/2008      | 45,000,000           | 41,286,743                 | 12,617,681                 | 43,725,679    | 1.36x    | 16.8%   |
| 2008            | Ares Corporate Opportunities Fund III, L.P.            | 7/30/2008      | 75,000,000           | 61,394,289                 | 37,065,498                 | 60,394,162    | 1.59x    | 24.4%   |
| 2008            | CS NYCERS Emerging Manager Co-Investment Fund, L.P.    | 8/22/2008      | 26,262,627           | 14,397,731                 | 7,701,442                  | 12,816,984    | 1.43x    | 13.0%   |
| 2008            | CS NYCERS Emerging Manager Fund, L.P.                  | 8/22/2008      | 116,737,374          | 50,414,948                 | 4,445,432                  | 46,416,342    | 1.01x    | 0.5%    |
| 2008            | First Reserve Fund XII, L.P.                           | 8/25/2008      | 45,000,000           | 36,318,989                 | 2,498,604                  | 36,730,371    | 1.08x    | 3.2%    |
| 2008            | Landmark Equity Partners XIV, L.P.                     | 9/19/2008      | 109,120,000          | 66,030,113                 | 19,991,274                 | 61,094,827    | 1.23x    | 18.7%   |
| 2008            | Crestview Partners II, L.P.                            | 10/1/2008      | 50,000,000           | 35,048,060                 | 2,148,701                  | 41,806,245    | 1.25x    | 12.0%   |
| 2008            | Avista Capital Partners II, L.P.                       | 11/5/2008      | 75,000,000           | 49,639,441                 | 12,775,741                 | 65,184,813    | 1.57x    | 15.7%   |
| 2008            | Blue Wolf Capital Fund II, L.P.                        | 11/14/2008     | 25,000,000           | 19,147,517                 | 6,678,112                  | 18,110,847    | 1.29x    | 16.8%   |
| 2008            | Bridgepoint Europe IV                                  | 11/14/2008     | 26,957,878           | 17,195,721                 |                            | 20,430,209    | 1.19x    | 9.0%    |
| 2008            | Aisling Capital III, LP                                | 11/20/2008     | 14,000,000           | 7,211,688                  | 235,738                    | 5,870,899     | 0.85x    | (12.3%) |
| 2008            | Onex Partners III LP                                   | 12/10/2008     | 75,000,000           | 58,001,087                 | 7,312,345                  | 53,961,597    | 1.06x    | 4.1%    |
| 2009            | Welsh, Carson, Anderson & Stowe XI, L.P.               | 2/10/2009      | 40,000,000           | 26,503,860                 | 1,724,334                  | 29,897,979    | 1.19x    | 10.4%   |
| 2009            | FS Equity Partners VI, L.P.                            | 7/27/2009      | 32,500,000           | 21,986,864                 | 1,962,100                  | 23,385,219    | 1.15x    | 9.2%    |
| 2009            | Lincolnshire Equity Fund IV, L.P.                      | 8/5/2009       | 27,500,000           | 14,326,291                 | 161,929                    | 11,957,142    | 0.85x    | (14.3%) |
| 2009            | Lexington Capital Partners VII, L.P.                   | 12/3/2009      | 50,000,000           | 26,835,838                 | 6,392,600                  | 28,927,000    | 1.32x    | 20.3%   |
| 2010            | Snow Phipps II, L.P.                                   | 1/8/2010       | 30,000,000           | 11,288,050                 | 567,904                    | 11,830,883    | 1.10x    | 7.4%    |
| 2010            | JP Morgan Fleming (Tranche B)                          | 2/26/2010      | 35,000,000           | 17,115,592                 | 64,733                     | 17,985,434    | 1.05x    | 4.1%    |
| 2010            | Trident V, L.P.  | 4/29/2010      | 110,000,000          | 45,301,300                 | -                          | 44,896,820    | 0.99x    | (0.7%)  |
| 2011            | Blackstone Capital Partners VI, L.P.                   | 1/24/2011      | 120,000,000          | 25,998,262                 | 136,236                    | 27,631,554    | 1.07x    | NM      |
| 2011            | Ampersand 2011   | 3/11/2011      | 25,000,000           | 13,750,000                 | -                          | 15,979,081    | 1.16x    | NM      |
| 2011            | BDCM Opportunity Fund III, L.P.                        | 4/8/2011       | 45,000,000           | 13,166,363                 | 1,334,766                  | 13,437,008    | 1.12x    | NM      |
| 2011            | AXA Secondary Fund V B L.P.                            | 6/16/2011      | 120,000,000          | 46,914,658                 | 2,979,684                  | 59,793,651    | 1.34x    | NM      |
| 2011            | Wellspring Capital Partners V, L.P.                    | 7/1/2011       | 40,000,000           | 10,345,377                 | -                          | 8,880,000     | 0.86x    | NM      |
| 2011            | EQT VI, L.P.   | 8/1/2011       | 109,843,598          | 28,217,364                 | -                          | 25,263,752    | 0.90x    | NM      |
| 2011            | Pegasus Partners V, L.P.                               | 8/16/2011      | 20,782,282           | 10,554,255                 | -                          | 10,469,580    | 0.99x    | NM      |
| 2011            | BC European Capital IX                                 | 9/19/2011      | 140,945,162          | 45,565,492                 | 1,034,026                  | 46,410,116    | 1.04x    | NM      |
| 2011            | American Securities Partners VI, L.P.                  | 11/18/2011     | 80,000,000           | 25,055,662                 | -                          | 23,687,255    | 0.95x    | NM      |
| 2011            | Vista Equity Partners Fund IV, L.P.                    | 11/30/2011     | 100,000,000          | 34,938,772                 | -                          | 36,471,438    | 1.04x    | NM      |
| 2012            | Warburg Pincus Private Equity XI, L.P.                 | 5/24/2012      | 110,000,000          | 23,854,372                 | -                          | 22,894,330    | 0.96x    | NM      |
| 2012            | Trilantic Capital Partners V L.P.                      | 9/20/2012      | 70,000,000           | 1,000,828                  | -                          | (26,932)      | (0.03x)  | NM      |
| 2012            | Palladium Equity Partners IV, L.P.                     | 10/10/2012     | 55,000,000           | 13,200,000                 | -                          | 12,334,665    | 0.93x    | NM      |
| 2012            | Ares Corporate Opportunities Fund IV, L.P.             | 11/5/2012      | 125,000,000          | 4,246,343                  | -                          | 3,878,297     | 0.91x    | NM      |
| 2012            | Green Equity Investors VI, L.P.                        | 11/30/2012     | 120,000,000          | 11,188,971                 | 304,954                    | 11,126,011    | 1.02x    | NM      |
| 2012            | Platinum Equity Capital Partners III, L.P.             | 1/14/2013      | 100,000,000          | -                          | -                          | -             | 0.00x    | NM      |
| 2012            | NYCERS - 2012 Emerging Manager Program                 | N/A            | 150,000,000          | -                          | -                          | -             | 0.00x    | NM      |
| 2013            | Carlyle Partners VI, L.P.                              | N/A            | 75,000,000           | -                          | -                          | -             | 0.00x    | NM      |
| 2013            | Carlyle Partners VI, L.P. (Side Car)                   | N/A            | 8,250,000            | -                          | -                          | -             | 0.00x    | NM      |
| Total Portf     | iolio <sup>1</sup>                                     | :              | 6,869,009,484        | \$ 4,555,570,183           | \$ 2,311,148,715 \$        | 3,537,114,699 | 1.28x    | 8.6%    |
| Vintage<br>Year | Investment   | First Drawdown | Committed<br>Capital | Net Contributed<br>Capital | Net Distributed<br>Capital | Market Value  | Multiple | IRR     |

| Year      | Investment                                | First Drawdown | Capital           | INC | Capital | Capital | Market Value | Multiple | IRR |
|-----------|---|----------------|-------------------|-----|---------|---------|--------------|----------|-----|
| Commitm   | ents Closed Subsequent to as of Date      |                |                   |     |         |         |              |          |     |
| 2013      | Landmark Equity Partners XV, L.P.         | N/A            | \$<br>75,000,000  | \$  | -       | \$<br>- | \$<br>-      | N/A      | N/A |
| 2013      | Landmark - NYC Fund I, L.P.               | N/A            | 25,000,000        |     | -       | -       | -            | N/A      | N/A |
| Total Con | nmitments Closed Subsequent to as of Date |                | \$<br>100,000,000 | \$  | -       | \$<br>- | \$<br>-      | N/A      | N/A |
|           |   |                |                   |     |         |         |              |          |     |

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

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



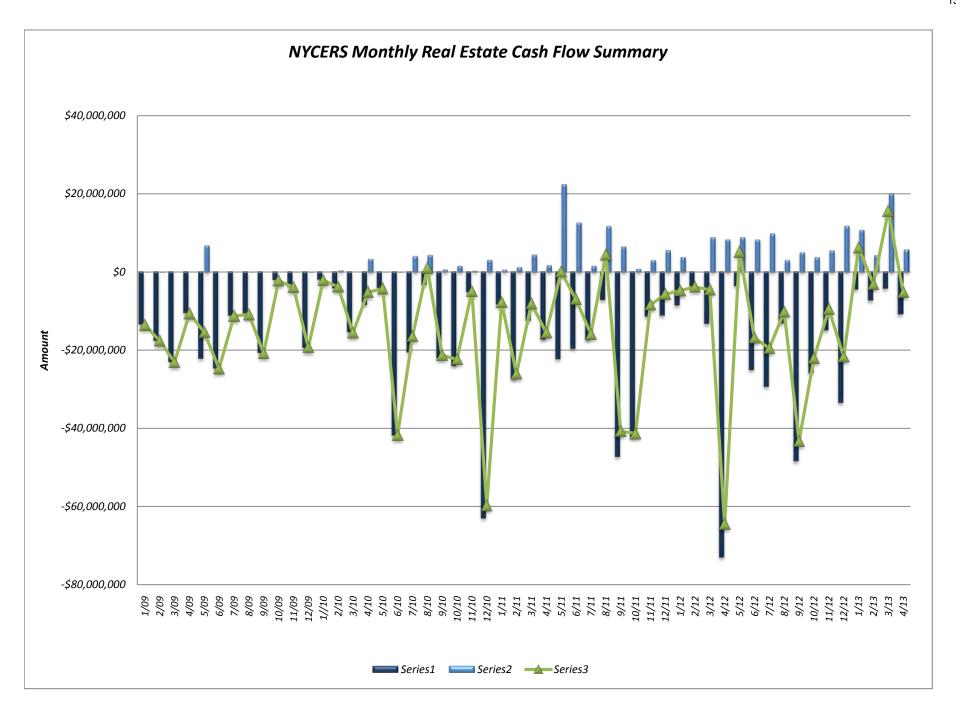
### The Townsend Group

New York City Employees' Retirement System

| itage Year |  | First Draw Down | Capital Committed | Contributions   | Distributions   | Market Value    | Equity Multiple | Net IR |
|------------|--|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|--------|
| 2006       | UBS Trumbull Property Fund ("UBS-TPF")                   | 9/28/2006       | \$156,000,000     | \$179,063,954   | (\$18,062,907)  | \$184,256,651   | 1.1             | 3.5%   |
| 2006       | RREEF America REIT II                                    | 10/1/2006       | \$86,000,000      | \$113,537,802   | (\$35,052,485)  | \$83,907,913    | 1.0             | 1.09   |
| 2006       | PRISA  | 9/29/2006       | \$86,000,000      | \$90,072,748    | (\$9,127,724)   | \$82,144,313    | 1.0             | 0.29   |
| 2006       | Prologis Targeted U.S. Logistics Fund                    | 10/1/2006       | \$25,000,000      | \$29,060,568    | (\$4,236,366)   | \$19,037,155    | 0.8             | -4.2   |
| 2007       | JP Morgan Strategic Property Fund                        | 12/4/2006       | \$136,000,000     | \$142,004,887   | \$0             | \$165,345,888   | 1.2             | 3.49   |
| 2007       | Heitman HART   | 3/29/2007       | \$115,000,000     | \$134,699,854   | (\$19,699,854)  | \$138,632,960   | 1.2             | 4.59   |
| 2007       | PRISA II   | 6/30/2007       | \$141,518,761     | \$146,122,393   | (\$10,652,898)  | \$130,833,162   | 1.0             | -0.7   |
| 2007       | JP Morgan Special Situation Property Fund                | 1/2/2007        | \$90,000,000      | \$97,648,054    | (\$13,391,091)  | \$72,936,131    | 0.9             | -2.3   |
| 2007       | RREEF America REIT III - 1410                            | 10/1/2007       | \$90,000,000      | \$90,000,000    | (\$1,579,729)   | \$36,561,163    | 0.4             | -15.2  |
| 2007       | Colony Realty Partners II                                | 12/20/2006      | \$20,000,000      | \$21,420,211    | (\$666,108)     | \$8,491,898     | 0.4             | -15.3  |
| 2010       | LaSalle Property Fund                                    | 7/1/2010        | \$50,000,000      | \$30,502,793    | (\$1,770,066)   | \$34,393,112    | 1.2             | 12.6   |
|            | Core / Core Plus Portfolio                               |                 | \$995,518,761     | \$1,074,133,262 | (\$114,239,227) | \$956,540,345   | 1.0             | -0.1   |
| 2003       | Canyon Johnson Urban Fund                                | 12/6/2002       | \$15,000,000      | \$13,590,364    | (\$15,874,432)  | \$6,794         | 1.2             | 10.3   |
| 2004       | The City Investment Fund I                               | 3/16/2004       | \$225,000,000     | \$221,883,300   | (\$129,523,977) | \$105,597,551   | 1.1             | 1.79   |
| 2004       | Tishman Speyer Separate Account (ERS)                    | 12/16/2003      | \$100,000,000     | \$71,066,452    | (\$225,424,104) | \$38,001,402    | 3.7             | 63.6   |
| 2004       | Blackstone Fund IV                                       | 5/10/2004       | \$30,000,000      | \$38,376,295    | (\$32,855,060)  | \$16,822,950    | 1.3             | 11.0   |
| 2005       | Canyon Johnson Urban Fund II                             | 5/11/2005       | \$40,000,000      | \$35,954,818    | (\$24,000)      | \$19,841,653    | 0.6             | -11.0  |
| 2006       | AREA Real Estate Investment Fund V, LP                   | 6/15/2006       | \$25,000,000      | \$25,000,001    | (\$6,411,173)   | \$11,471,256    | 0.7             | -8.2   |
| 2007       | Blackstone Real Estate Partners VI                       | 9/27/2007       | \$110,000,000     | \$116,025,390   | (\$22,398,961)  | \$132,549,595   | 1.3             | 9.5    |
| 2007       | Metropolitan Workforce Housing Fund                      | 7/13/2007       | \$14,000,000      | \$14,013,027    | (\$713,805)     | \$13,289,699    | 1.0             | 0.0    |
| 2007       | Carlyle Realty Partners V                                | 8/27/2007       | \$20,000,000      | \$23,555,657    | (\$15,059,826)  | \$12,789,323    | 1.2             | 5.8    |
| 2007       | UrbanAmerica II  | 1/30/2007       | \$25,000,000      | \$23,222,735    | \$0             | \$11,500,252    | 0.5             | -13.9  |
| 2008       | PRISA III  | 9/30/2008       | \$50,000,000      | \$52,602,573    | \$0             | \$65,841,893    | 1.3             | 7.7    |
| 2008       | Capri Urban Investors                                    | 6/3/2008        | \$60,000,000      | \$59,980,707    | \$0             | \$40,786,666    | 0.7             | -13.8  |
| 2008       | Westbrook Real Estate Fund VII                           | 12/3/2007       | \$40,000,000      | \$42,594,698    | (\$7,078,790)   | \$31,383,312    | 0.9             | -2.9   |
| 2008       | American Value Partners Fund I                           | 10/18/2007      | \$55,000,000      | \$36,377,004    | (\$6,575,613)   | \$26,751,310    | 0.9             | -3.6   |
| 2008       | Stockbridge Real Estate Fund III                         | 9/9/2008        | \$27,000,000      | \$25,156,745    | \$0             | \$24,497,137    | 1.0             | -1.2   |
| 2008       | AREA European Real Estate Fund III, LP                   | 5/6/2008        | \$30,000,000      | \$28,315,000    | (\$5,080,000)   | \$23,186,007    | 1.0             | -0.1   |
| 2008       | Silverpeak Legacy Partners III (Lehman)                  | 5/28/2008       | \$50,000,000      | \$22,168,479    | (\$593,728)     | \$8,975,862     | 0.4             | -18.9  |
| 2009       | Walton Street Real Estate Fund VI                        | 4/27/2009       | \$50,000,000      | \$42,323,933    | (\$9,041,824)   | \$40,148,320    | 1.2             | 7.9    |
| 2009       | Thor Urban Property Fund II                              | 10/30/2008      | \$40,000,000      | \$49,974,002    | (\$17,767,214)  | \$32,746,358    | 1.0             | 1.0    |
| 2009       | Carbon Capital III                                       | 7/2/2009        | \$40,000,000      | \$43,757,162    | (\$19,842,407)  | \$31,311,619    | 1.2             | 8.5    |
| 2009       | JP Morgan Urban Renaissance Property Fund                | 12/18/2008      | \$16,360,625      | \$4,206,523     | (\$4,206,523)   | \$0             | 1.0             | 0.0    |
| 2010       | Westbrook Real Estate Fund VIII                          | 12/28/2009      | \$50,000,000      | \$57,813,623    | (\$16,471,257)  | \$48,473,148    | 1.1             | 14.6   |
| 2010       | Blackstone Real Estate Partners Europe III (USD Vehicle) | 10/24/2008      | \$50,000,000      | \$33,668,960    | (\$644,535)     | \$38,176,950    | 1.2             | 15.0   |
| 2010       | Canyon Johnson Urban Fund III                            | 3/29/2010       | \$30,000,000      | \$25,666,358    | (\$3,568,125)   | \$23,648,060    | 1.1             | 5.2    |
| 2011       | Carlyle Realty Partners VI                               | 9/14/2011       | \$70,000,000      | \$20,577,267    | (\$723,321)     | \$22,921,067    | 1.1             | 19.5   |
| 2011       | H/2 Special Opportunities Fund II                        | 1/31/2011       | \$40,000,000      | \$9,583,567     | \$0             | \$13,424,781    | 1.4             | 29.0   |
| 2012       | Blackstone Real Estate Partners VII                      | 3/31/2012       | \$170,000,000     | \$74,004,450    | (\$4,902,077)   | \$80,282,422    | 1.2             | 39.4   |
| 2012       | Taconic New York City Investment Fund LP                 | 7/5/2012        | \$70,000,000      | \$21,159,091    | \$0             | \$20,730,951    | 1.0             | -7.1   |
| 2012       | Brookfield Strategic Real Estate Partners                | 9/20/2012       | \$110,000,000     | \$13,632,644    | \$0             | \$14,274,602    | 1.0             | 18.8   |
|            | Non Core and Emerging Manager Portfolio                  |                 | \$1,652,360,625   | \$1,246,250,826 | (\$544,780,753) | \$949,430,940   | 1.2             | 9.29   |
|            | New York City Employees' Retirement System               |                 | \$2,647,879,386   | \$2,320,384,089 | (\$659,019,980) | \$1,905,971,286 | 1.1             | 3.39   |

| Tunus cioscu | Subsequent to Quarter                        |                 |                   |               |   |   |   |   |
|--------------|--|-----------------|-------------------|---------------|---|---|---|---|
| Vintage      | Fund Name                                    | First Draw Down | Capital Committed | Contributions |   |   |   |   |
| 2012         | Emmes Asset Management                       |                 | \$50,000,000      | -             | - | - | - | - |
| 2013         | NYC Related Superstorm Sandy Rebuilding Fund |                 | \$75,000,000      | -             | - | - | - | - |
| Grand Total  |  |                 | \$125,000,000     |               |   |   |   |   |

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of December 31, 2012." & vbCrLf & vbCrLf 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.



### APPENDICES:

Basket Clause

### NYCERS - BASKET/NON BASKET SUMMARY

| As of April 30th, 2013     | Adju        | sted Fund Polic | y      | Fund Actual (PE | & RE on an inve | sted basis) |
|----------------------------|-------------|-----------------|--------|-----------------|-----------------|-------------|
| Equity                     | Non Basket* | Basket*         | Total  | Non Basket*     | Basket*         | Total       |
| Domestic Equity            | 34.1%       | 0.0%            | 34.1%  | 37.5%           | 0.0%            | 37.5%       |
| Non-U.S. Equity            | 10.0%       | 7.0%            | 17.0%  | 10.0%           | 6.1%            | 16.1%       |
| Private Equity             | 0.0%        | 7.0%            | 7.0%   | 0.0%            | 8.0%            | 8.0%        |
| Real Estate                | 4.2%        | 0.0%            | 4.2%   | 4.2%            | 0.0%            | 4.2%        |
| Hedge Funds                | 0.0%        | 2.6%            | 2.6%   | 0.0%            | 2.6%            | 2.6%        |
| Total Equity               | 48.2%       | 16.7%           | 64.9%  | 51.6%           | 16.8%           | 68.4%       |
| Fixed Income               |             |                 |        |                 |                 |             |
| Core+5                     | 21.9%       | 0.5%            | 22.4%  | 16.6%           | 0.5%            | 17.1%       |
| U.S. Gov't Sector          | 3.8%        | 0.0%            | 3.8%   | 2.3%            | 0.0%            | 2.3%        |
| Mortgage Sector            | 8.4%        | 0.0%            | 8.4%   | 6.7%            | 0.0%            | 6.7%        |
| Credit Sector              | 8.7%        | 0.5%            | 9.2%   | 7.3%            | 0.5%            | 7.8%        |
| High Yield                 | 3.7%        | 0.4%            | 4.1%   | 5.0%            | 0.6%            | 5.5%        |
| Bank Loans                 | 0.0%        | 1.6%            | 1.6%   | 0.0%            | 1.6%            | 1.6%        |
| TIPS                       | 4.1%        | 0.5%            | 4.5%   | 2.7%            | 0.3%            | 3.0%        |
| Convertibles               | 1.0%        | 0.0%            | 1.0%   | 1.0%            | 0.0%            | 1.0%        |
| Opportunistic Fixed Income | 0.0%        | 1.4%            | 1.4%   | 0.0%            | 1.4%            | 1.4%        |
| Other Fixed Income         | 0.0%        | 0.0%            | 0.0%   | 2.0%            | 0.0%            | 2.0%        |
| Total Fixed Income         | 30.7%       | 4.4%            | 35.1%  | 27.2%           | 4.4%            | 31.6%       |
| Total Fund                 | 78.9%       | 21.1%           | 100.0% | 78.8%           | 21.2%           | 100.0%      |

Remaining Capacity

3.9%

3.8%

\* Note: Basket amounts are estimates

Liquidity Analysis

### **NYCERS Liquidity Profile - Static Analysis**

AUM as of April 30, 2013

|   |  |                  | Liquid Assets    |                  |
|---|--|------------------|------------------|------------------|
|   | Current MV                               | Today            | 1 Year           | 2 Years          |
| Domestic Equity   | \$17,587                                 | \$17,587         | \$17,587         | \$17,587         |
| International Equity  | 4,514                                    | 4,514            | 4,514            | 4,514            |
| Emerging Markets  | 3,057                                    | 3,057            | 3,057            | 3,057            |
| Hedge Funds   | 1,200                                    | 0                | 951              | 1,200            |
| Private Equity  | 3,390                                    | 0                | 0                | 0                |
| Private Real Estate   | 1,898                                    | 0                | 0                | 0                |
| Core + 5  | 8,018                                    | 8,018            | 8,018            | 8,018            |
| TIPS  | 1,387                                    | 1,387            | 1,387            | 1,387            |
| <b>Opportunistic Fixed Income</b>   | 662                                      | 496              | 662              | 662              |
| Enhanced Yield  | 2,586                                    | 2,586            | 2,586            | 2,586            |
| Bank Loans  | 770                                      | 770              | 770              | 770              |
| Convertible Bonds   | 453                                      | 453              | 453              | 453              |
| ETI   | 508                                      | 56               | 284              | 299              |
| Cash  | 436                                      | 436              | 436              | 436              |
| Total Assets  | \$46,467                                 | \$39,360         | \$40,705         | \$40,969         |
| Total Illiquid \$<br>Total Illiquid %   |  | \$7,107<br>15.3% | \$5,762<br>12.4% | \$5,498<br>11.8% |
| Unfunded PE Commitments<br>Unfunded RE Commitments<br>Unfunded OFI Commitments<br>Total commitments \$<br>Total commitments % | \$2,047<br>487<br>549<br>\$3,083<br>6.6% |                  |                  |                  |

### **NYCERS Liquidity Profile - Static Analysis**

6/4/13

AUM as of April 30, 2013

#### **Denominator Effect - Decrease AUM by One-Third** Total Illiquid \$ \$5,498 \$7,107 \$5,762 **Total Illiquid %** 22.9% 18.6% 17.7%

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

|              |            | Liquid Assets |          |          |  |
|--------------|------------|---------------|----------|----------|--|
|              | Current MV | Today         | 1 Year   | 2 Years  |  |
| Total Assets | \$46,467   | \$39,360      | \$40,705 | \$40,969 |  |
|              |            |               |          |          |  |

| Private Equity, Real Estate and Opportunistic Fixed Income Stre                   | ess Case                    |         |
|---|-----------------------------|---------|
| Unfunded PE Commitments Drawn   | \$409                       | \$819   |
| Unfunded RE Commitments Drawn   | 97                          | 195     |
| Unfunded OFI Commitments Drawn  | 274                         | 0       |
| Total commitments \$  | \$781                       | \$1,014 |
| Total commitments %   | 1.7%                        | 2.2%    |
| Total Illiquid \$   | \$6,543                     | \$6,511 |
| Total Illiquid %  | 14.1%                       | 14.0%   |
| Note: Assumes zero realizations, no new commitments and a five year investment pr | ried: funded out of liquide |         |

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 \$   | \$7,107                  | \$6,543              | \$6,511 |
| Total Illiquid %  | 22.9%                    | 21.1%                | 21.0%   |
| Note: Assumes zero realizations, no new commitments and a five-year | ar investment period; fu | unded out of liquids |         |