

New York City
Board of Education Retirement System

Performance Overview as of December 31, 2010

Total Fund Overview

New York City Board of Education Retirement System

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Equity Analysis



Fixed Income Analysis

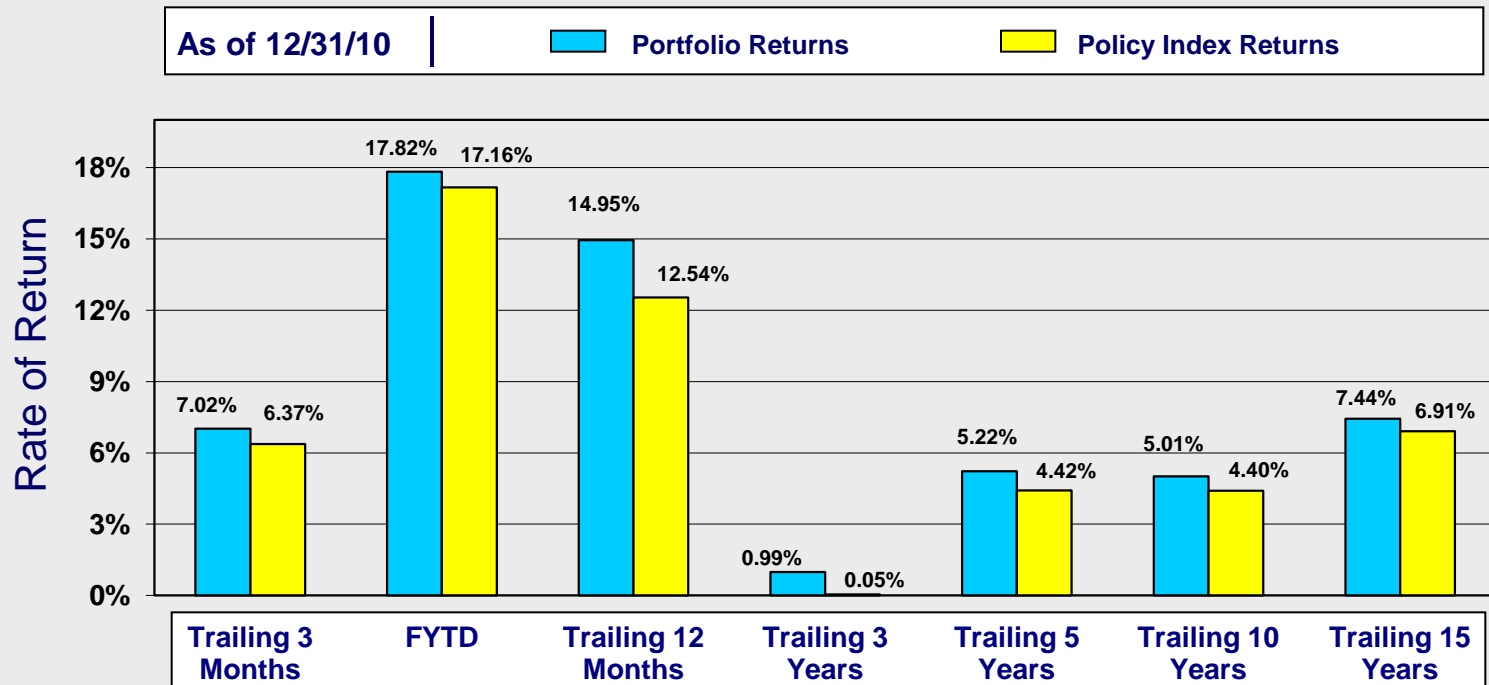


Appendix



Total Portfolio Returns: December 31, 2010

\$2.7B Under Management



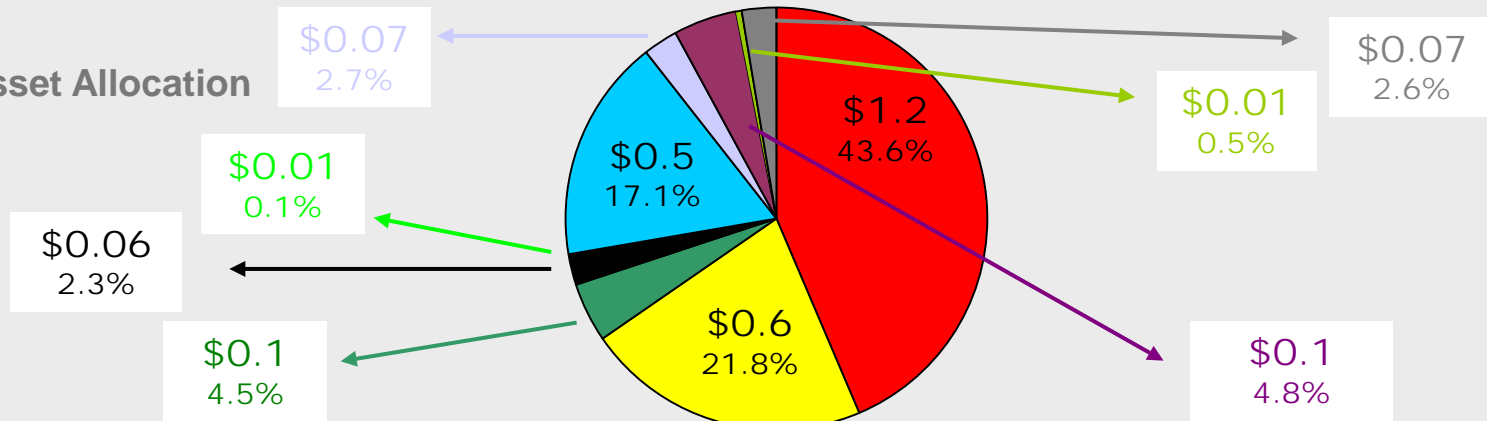
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.4	13.4	11.7	11.5
Benchmark Std Dev	17.1	13.8	12.2	11.8

All returns are Gross. An estimate of fees for major investment programs is provided in the Appendix.

Portfolio Asset Allocation: December 31, 2010

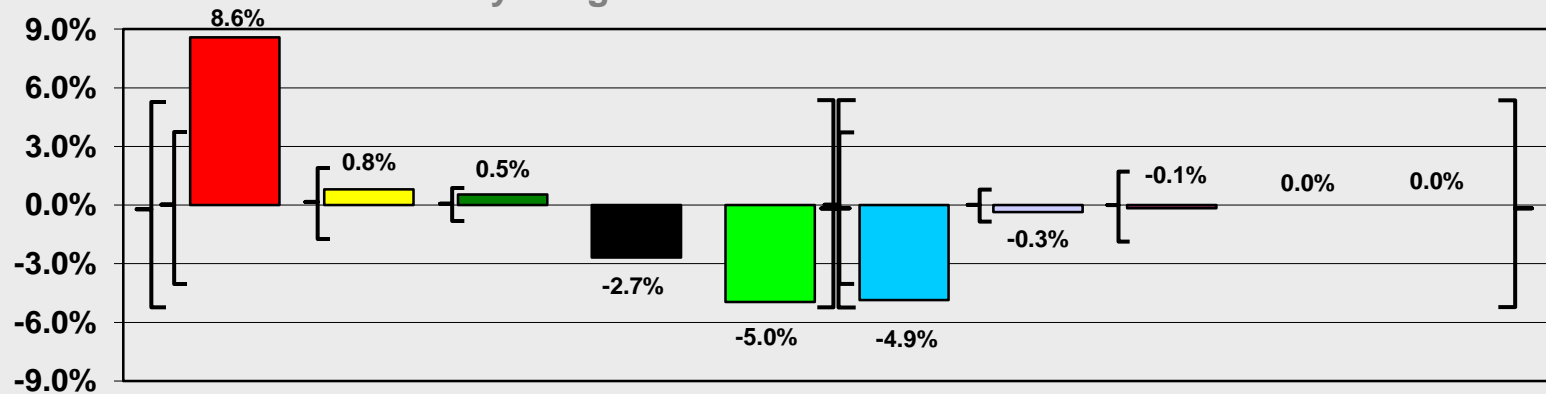
\$2.7B Under Management

Asset Allocation



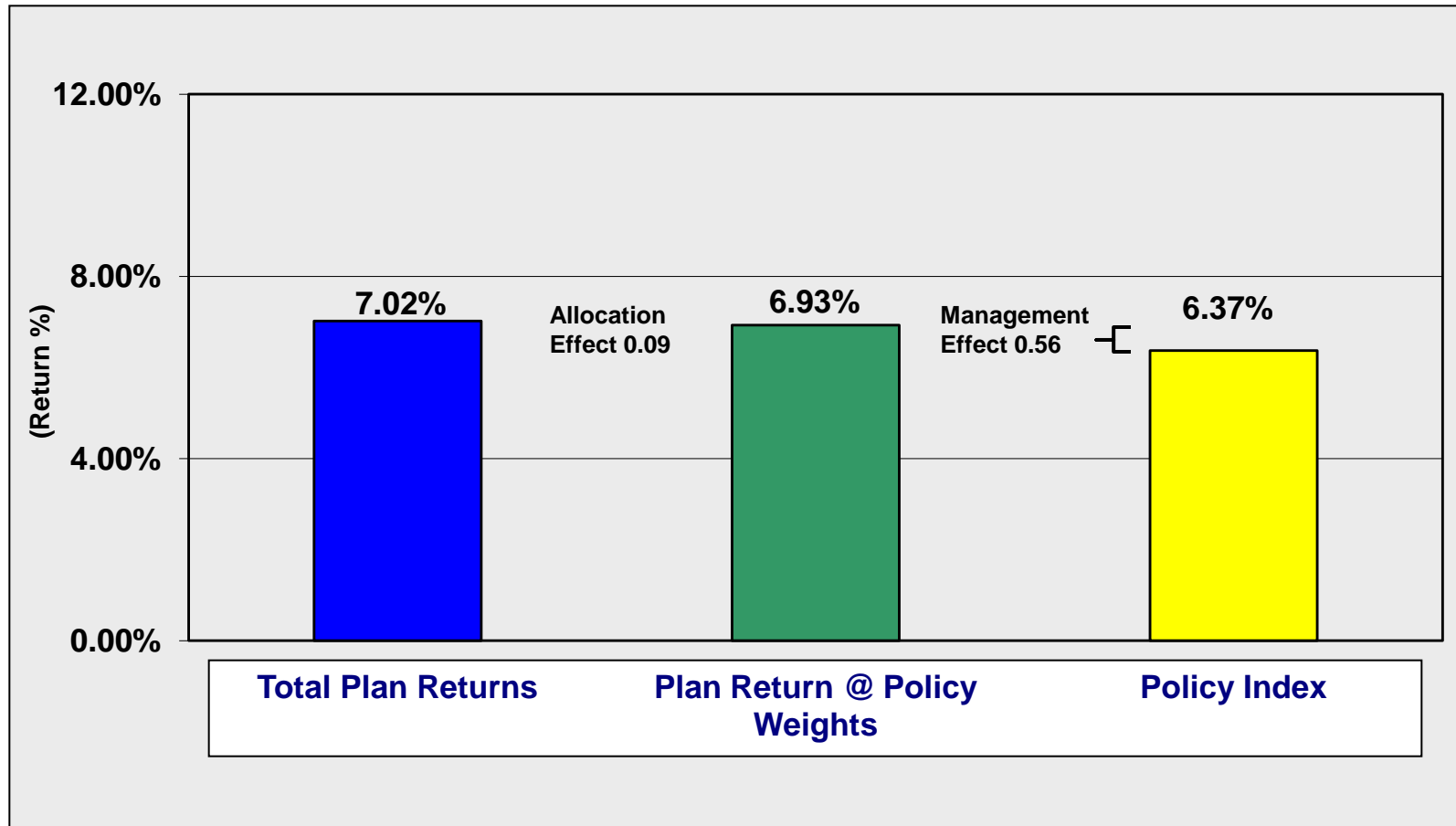
■ Dom Equity ■ EAFE Mkts ■ Emerging Mkts ■ Private Equity ■ Private Real Estate
■ Core +5 ■ TIPS ■ Enhanced Yield ■ ETI ■ Cash

Relative Mix to Actual Policy Weights

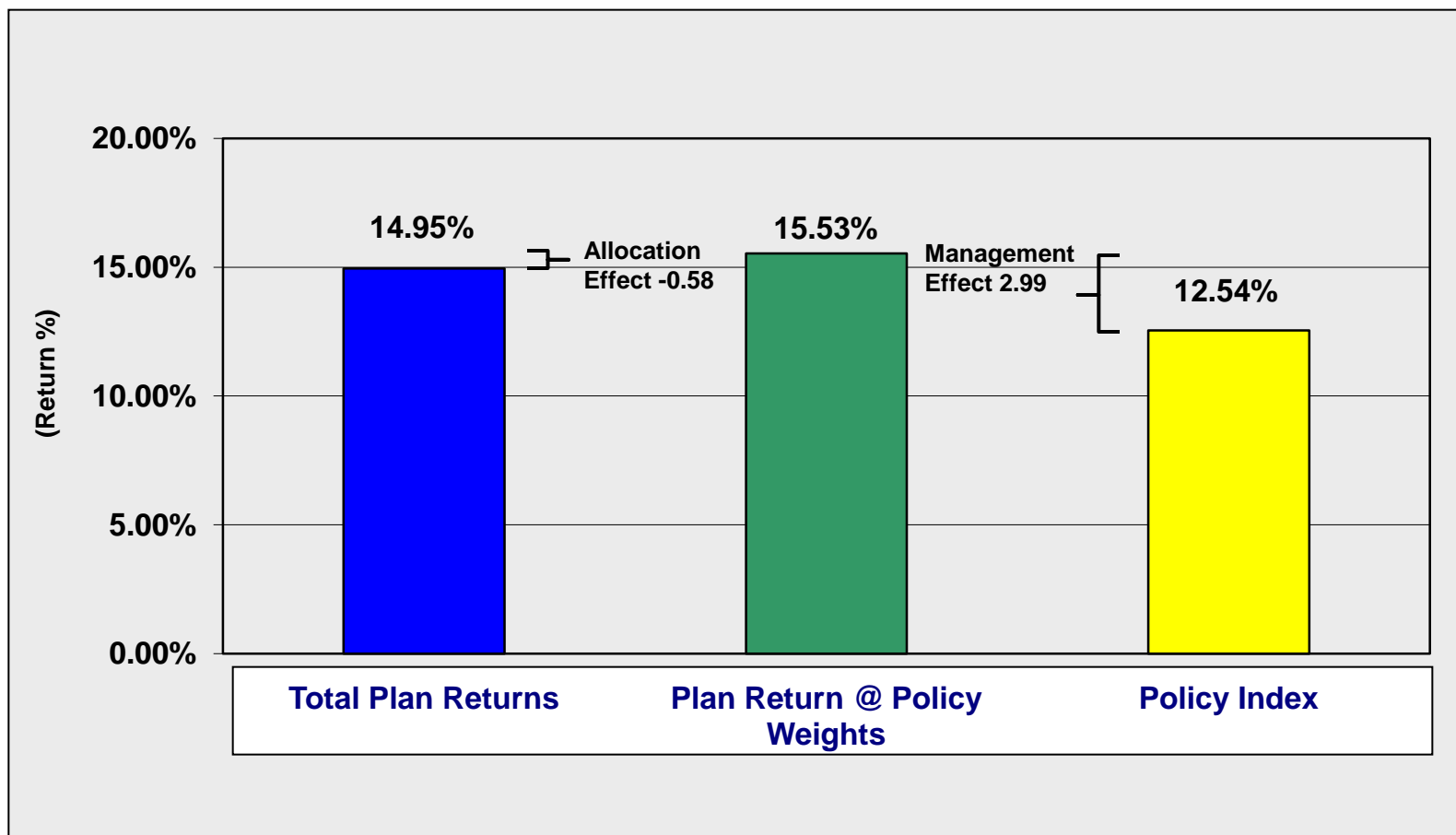


Note: Brackets represent rebalancing ranges versus Actual Policy.

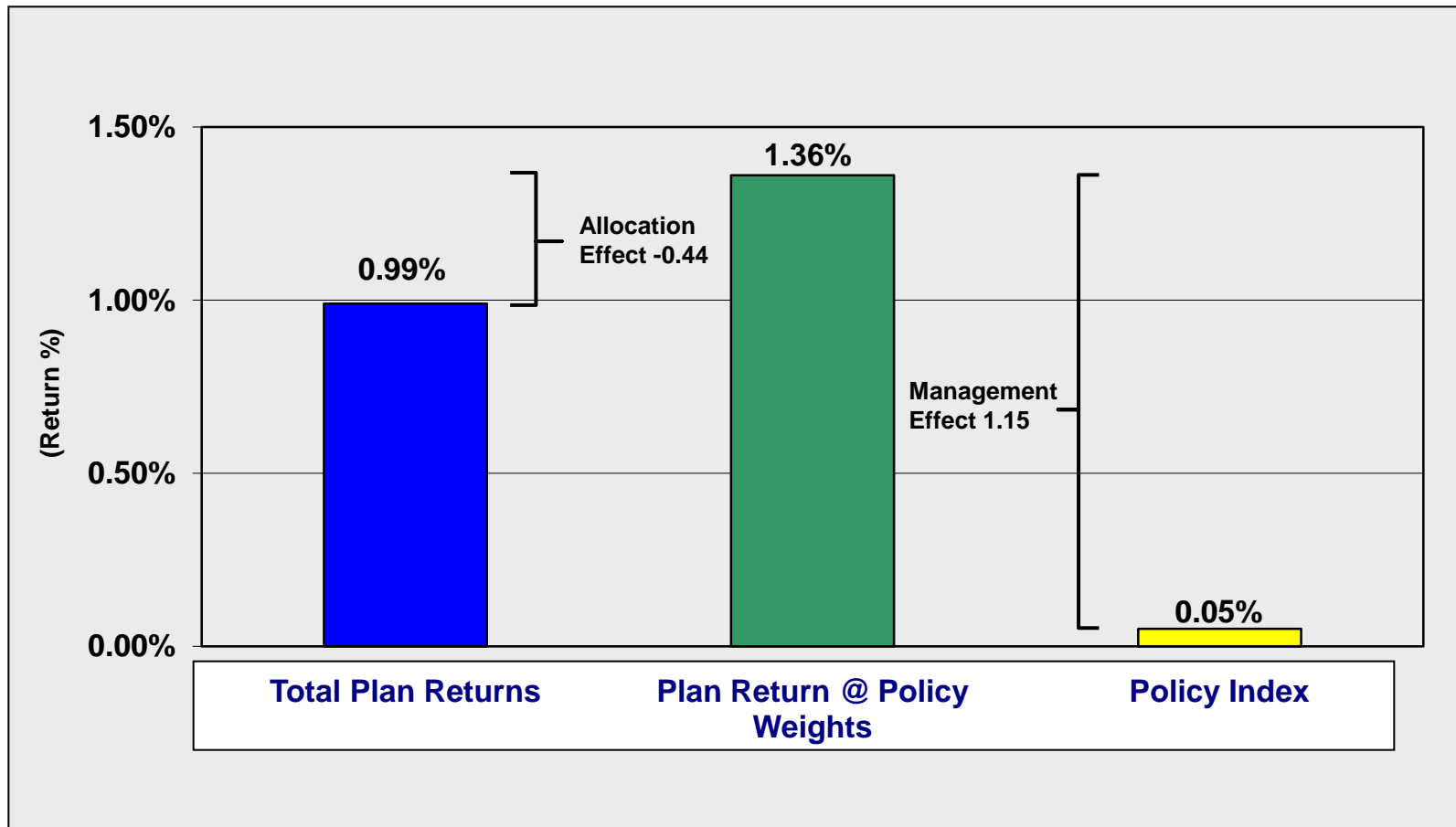
Performance Attribution: Total Plan - Quarter Ending December 31, 2010



Performance Attribution: Total Plan – 12 Months Ending December 31, 2010



Performance Attribution: Total Plan – 3 Years Ending December 31, 2010



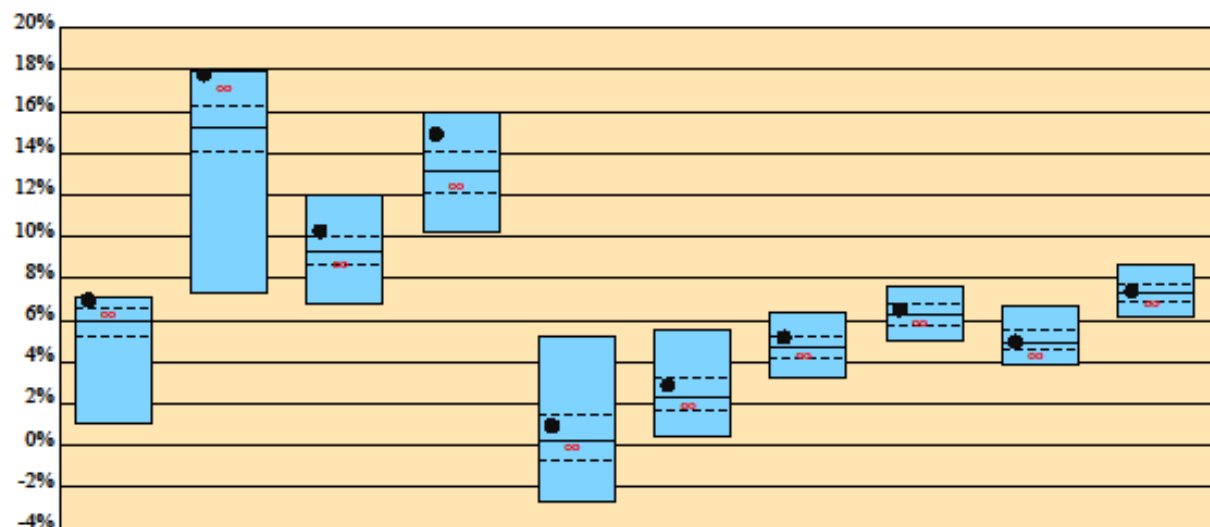
Total Plan - Quarter Ending December 31, 2010

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.05	0.11	0.11	Russell 3000 Index
EAFE Markets	0.30	1.94	1.06	MSCI EAFE Index
Emerging Markets	0.01	0.04	-0.12	MSCI Emerging Markets Index
Domestic Fixed	0.06	0.22	0.03	NYC Core +5 Index
Enhanced Yield	0.02	0.08	0.15	Citigroup BB&B Index
TIPS	-0.02	0.01	0.01	Barclays Capital US TIPS Index
Private Equity	-0.19	-0.23	-0.20	Russell 3000 Index + 500 b.p.

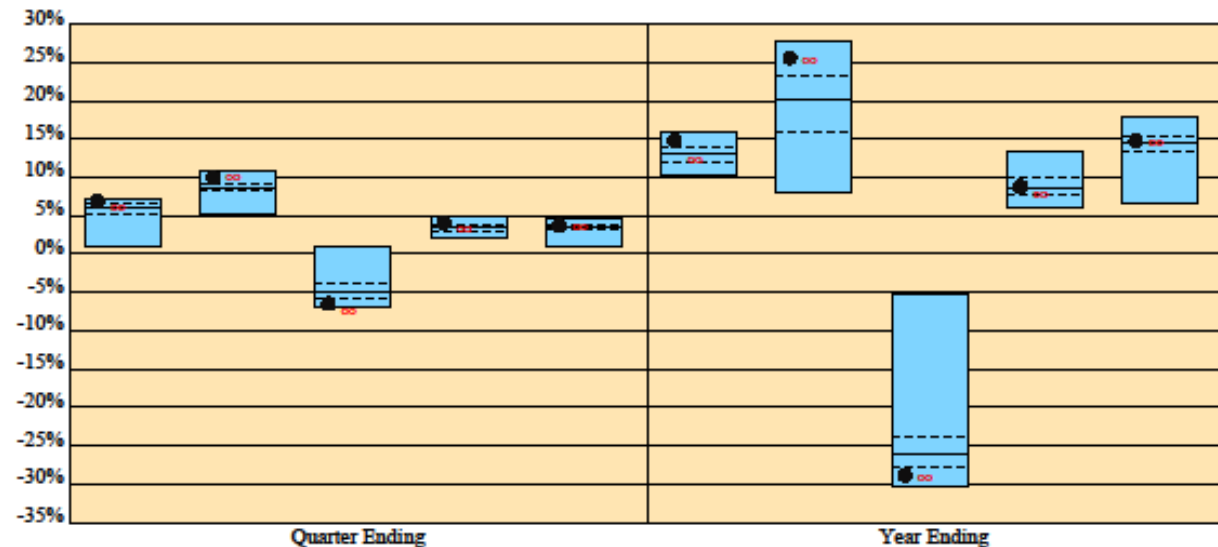
Note: Detailed effects may not add up to total due to reallocation and trading effects.

City of New York - Board of Education
Total Returns of Public Master Trusts > \$1 Billion
Rates of Return for Periods Ending December 31, 2010



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	7.11	17.97	11.98	15.92	5.21	5.57	6.32	7.59	6.70	8.64
25th Percentile	6.60	16.29	9.96	14.07	1.47	3.19	5.27	6.80	5.56	7.73
Median	6.00	15.18	9.33	13.13	0.25	2.35	4.67	6.23	4.89	7.34
75th Percentile	5.27	14.06	8.64	12.06	-0.70	1.70	4.17	5.74	4.55	6.84
95th Percentile	1.03	7.32	6.73	10.23	-2.69	0.40	3.23	4.97	3.91	6.13
● Total System	7.02 (10)	17.82 (7)	10.32 (18)	14.95 (11)	0.99 (35)	2.93 (32)	5.22 (28)	6.56 (33)	5.02 (45)	7.45 (41)
∞ Board of Ed Policy Benchmark	6.37 (34)	17.17 (13)	8.77 (70)	12.54 (63)	0.06 (56)	1.97 (62)	4.42 (61)	5.90 (66)	4.40 (82)	6.91 (68)

City of New York - Board of Education Total Returns of Public Master Trusts > \$1 Billion Recent Periods



	Quarter Ending					Year Ending				
	Dec 10	Sep 10	Jun 10	Mar 10	Dec 09	Dec 10	Dec 09	Dec 08	Dec 07	Dec 06
5th Percentile	7.11	10.72	0.93	4.84	4.61	15.92	27.83	-5.20	13.31	18.01
25th Percentile	6.60	9.25	-3.91	3.83	3.90	14.07	23.26	-23.72	10.02	15.40
Median	6.00	8.65	-5.05	3.39	3.65	13.13	20.21	-26.08	8.71	14.45
75th Percentile	5.27	8.17	-5.80	2.95	3.23	12.06	16.01	-27.77	7.74	13.43
95th Percentile	1.03	5.27	-6.98	2.10	1.07	10.23	8.15	-30.30	6.11	6.57
● Total System	7.02 (10)	10.09 (11)	-6.36 (88)	4.20 (8)	3.90 (25)	14.95 (11)	25.74 (9)	-28.73 (86)	8.96 (46)	14.91 (34)
∞ Board of Ed Policy Benchmark	6.37 (34)	10.15 (9)	-7.17 (95)	3.47 (48)	3.66 (47)	12.54 (63)	25.48 (9)	-29.07 (88)	7.93 (72)	14.84 (35)

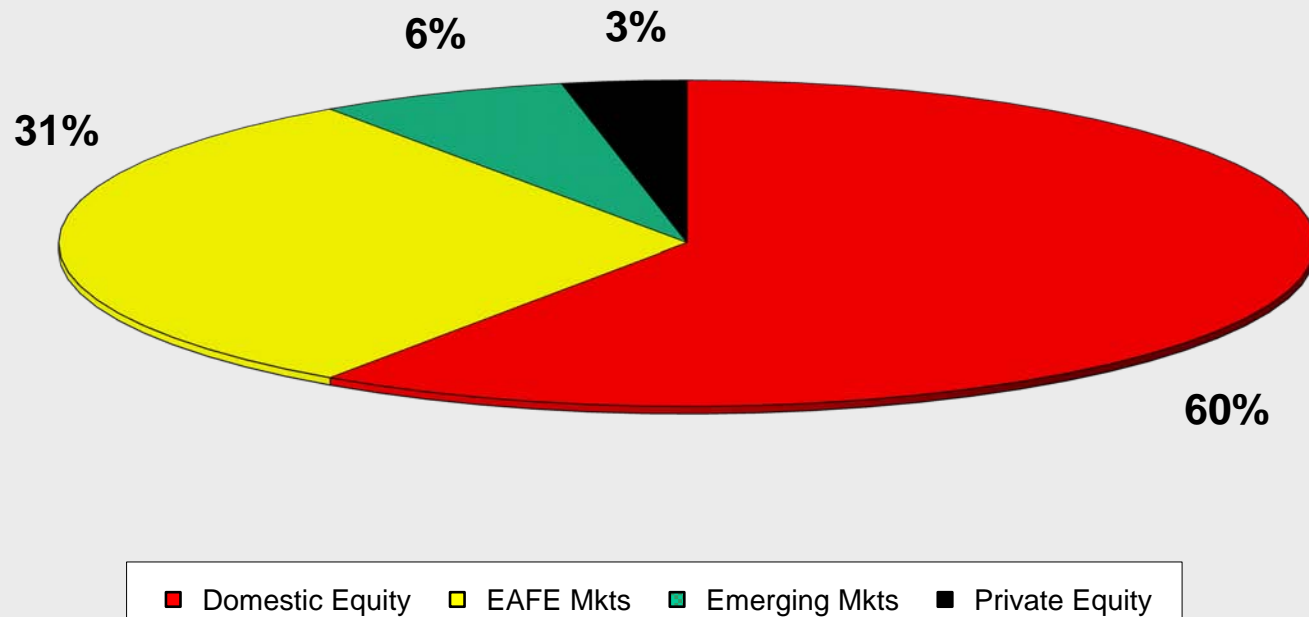
New York City
Board of Education Retirement System

Equity Analysis

Total Equity Asset Allocation: December 31, 2010

\$2.7B Under Management, **72%** of Total Funds

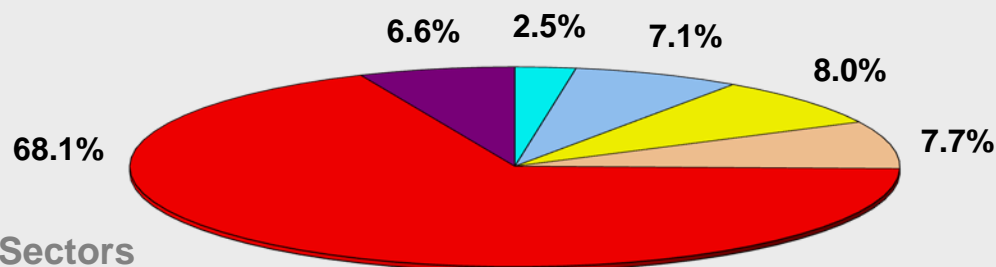
Asset Allocation by Groups



Total Domestic Equity Asset Allocation: Quarter Ending December 31, 2010

\$1.1B Under Management, **42%** of Total Funds

Asset Allocation by Groups



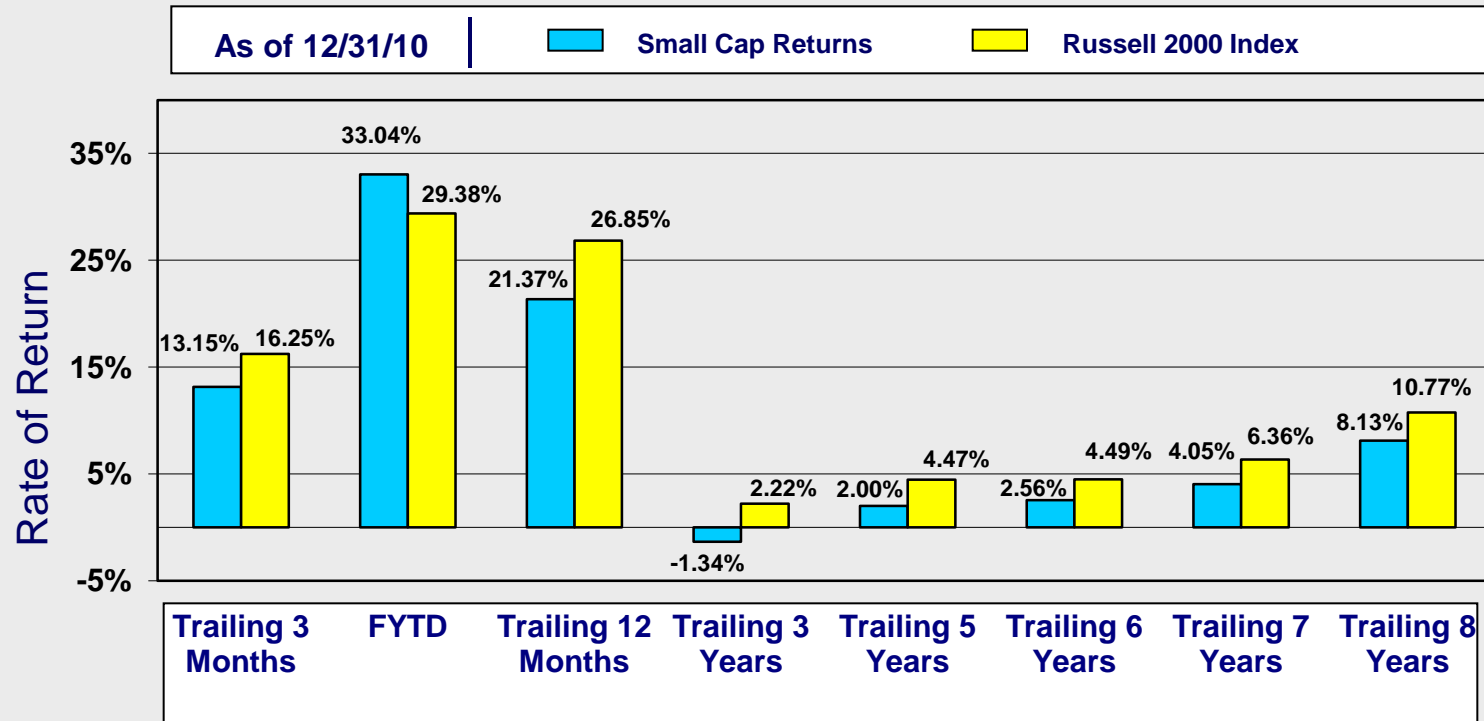
Value Added by Sectors

■ SMALL CAP CORE ■ LARGE CAP VALUE ■ LARGE CAP GROWTH
■ EMERGING MANAGERS ■ RUSSELL 3000 INDEX FUND ■ MID CAP CORE

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Mid Cap Core	7.25	6.57	-0.68	13.50	12.94	-0.56	0.08	-0.01
Small Cap Core	2.83	2.55	-0.28	16.25	10.47	-5.78	-0.01	-0.07
Emerging Managers	7.50	7.71	0.21	11.59	13.26	1.67	0.00	0.12
Large Cap Value	7.50	7.07	-0.43	10.54	10.47	-0.07	0.00	-0.01
Large Cap Growth	7.50	8.04	0.54	11.83	11.57	-0.26	0.00	-0.03
Russell 3000 Index Fund	67.42	68.06	0.64	11.59	11.57	-0.02	0.00	-0.02

Small Cap Returns vs Russell 2000 Index

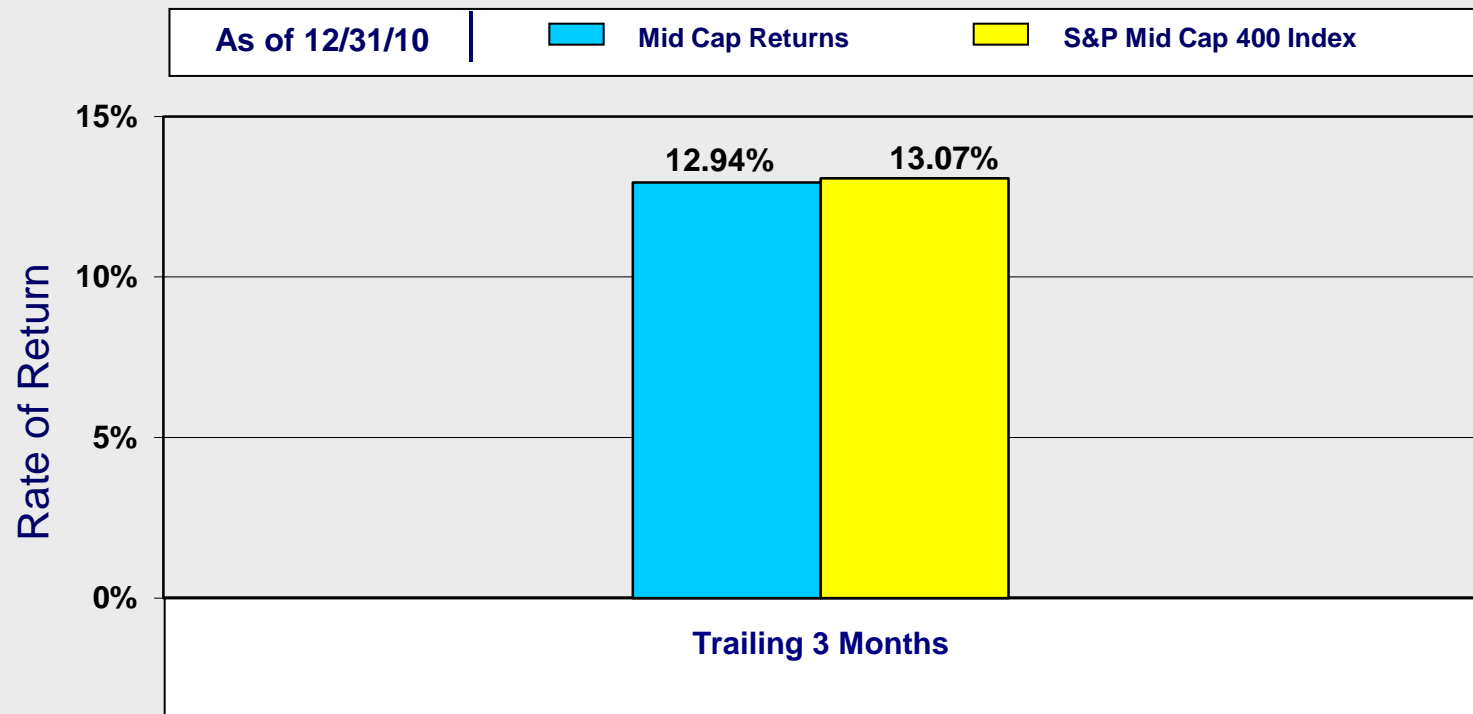
\$31M Under Management, **1%** of Total Funds



	3 Years	5 Years	6 Years	7 Years	8 Years
Plan Std Dev	25.8	21.2	20.0	19.3	19.0
Benchmark Std Dev	27.7	22.9	21.7	20.8	20.4

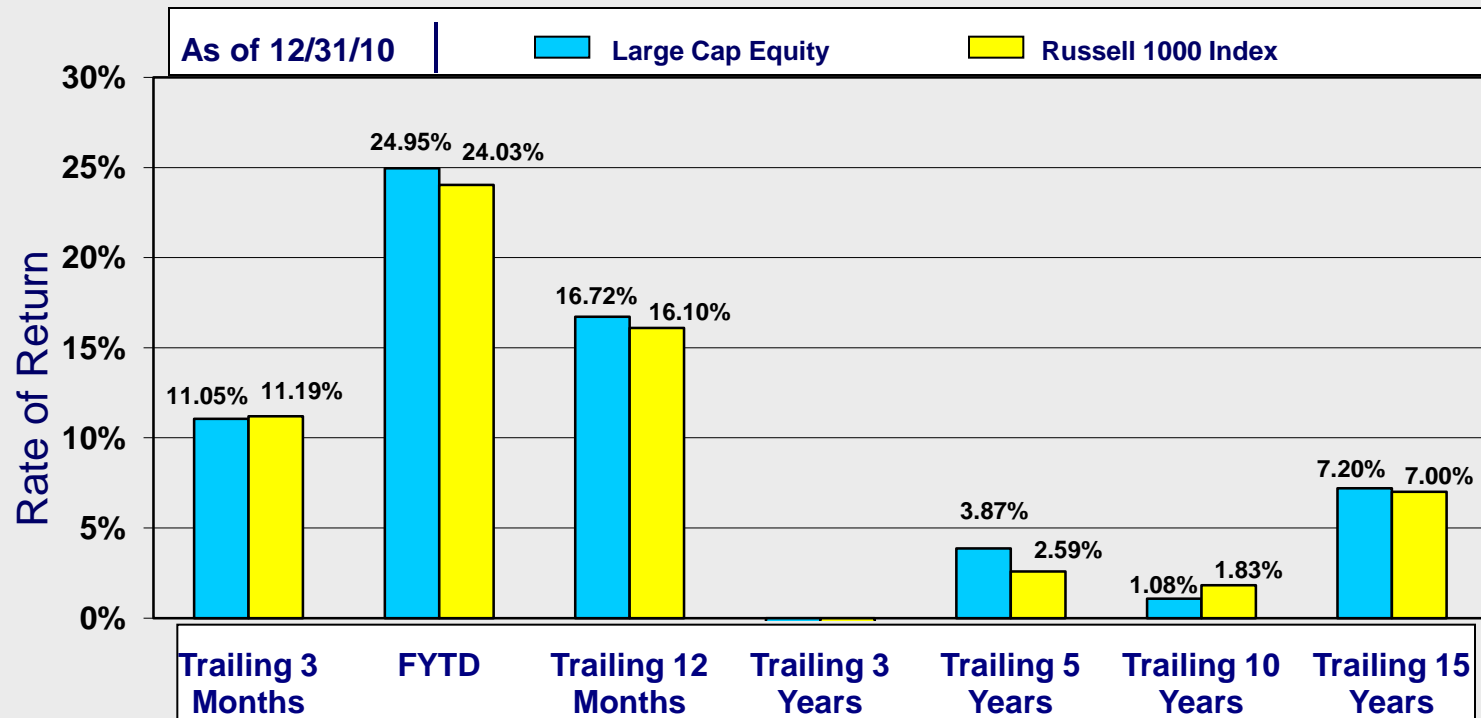
Mid Cap Returns vs S&P Mid Cap 400 Index

\$79M Under Management, **3%** of Total Funds



Large Cap Returns vs Russell 1000 Index

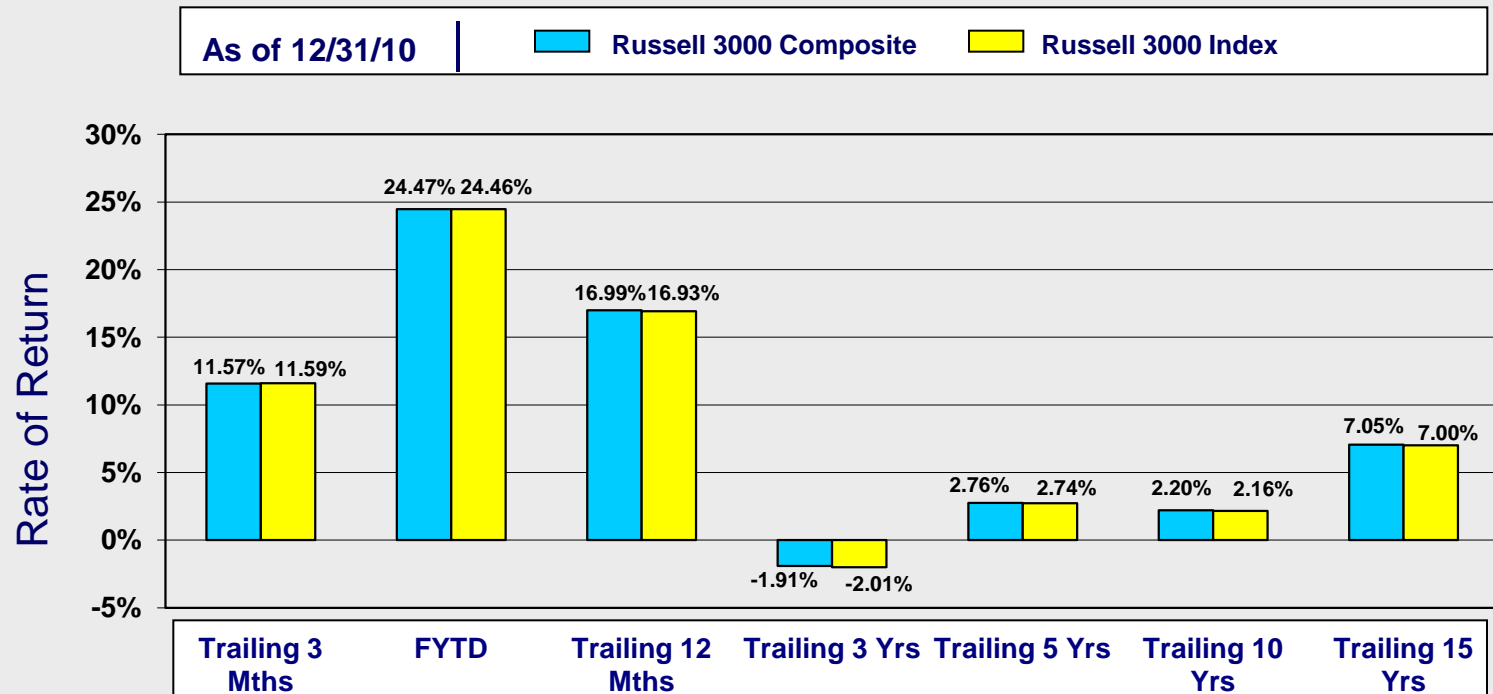
\$181M Under Management, **7%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	21.9	17.9	18.7	20.2
Benchmark Std Dev	22.3	18.0	16.5	16.5

Russell 3000 Passive Returns vs Russell 3000 Index

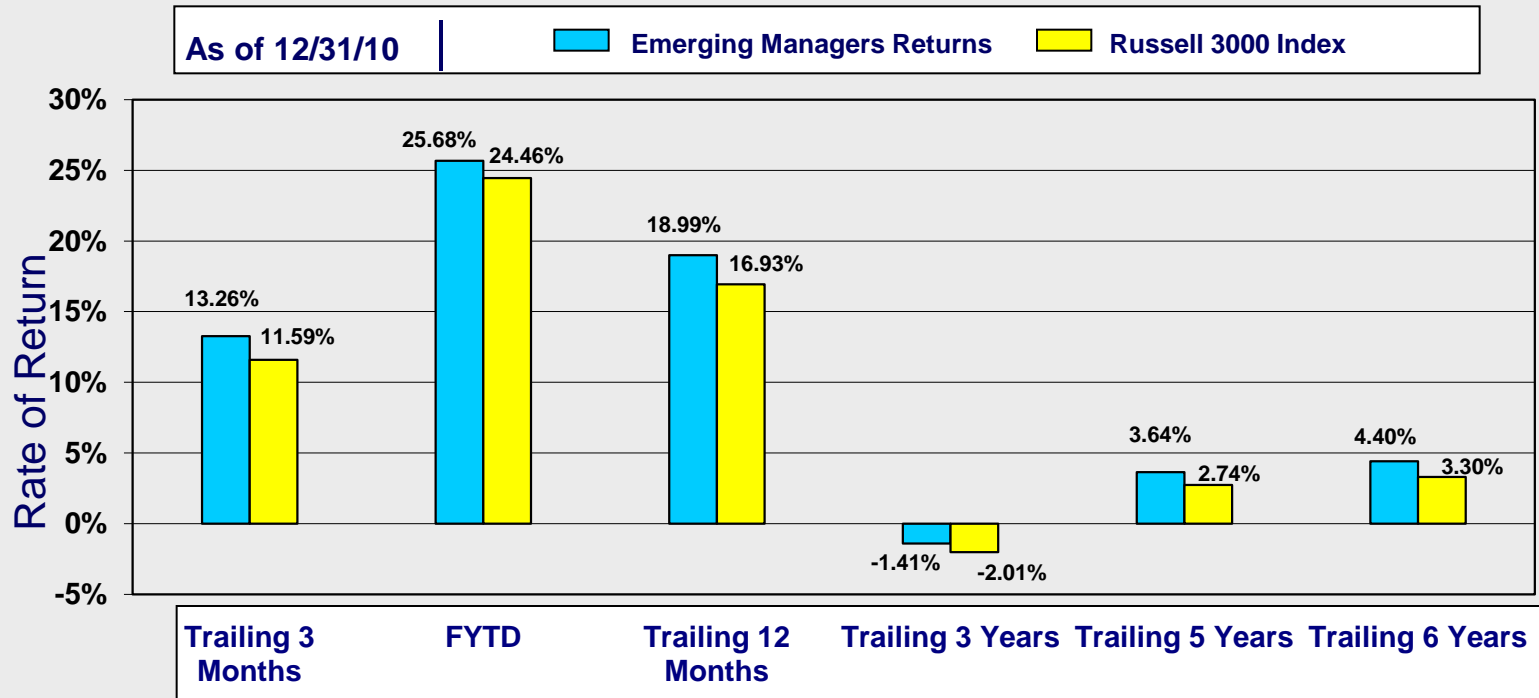
\$816M Under Management, **30%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	21.1	17.2	16.5	16.2
Benchmark Std Dev	21.2	17.3	16.6	16.3

Emerging Managers Returns vs Russell 3000 Index

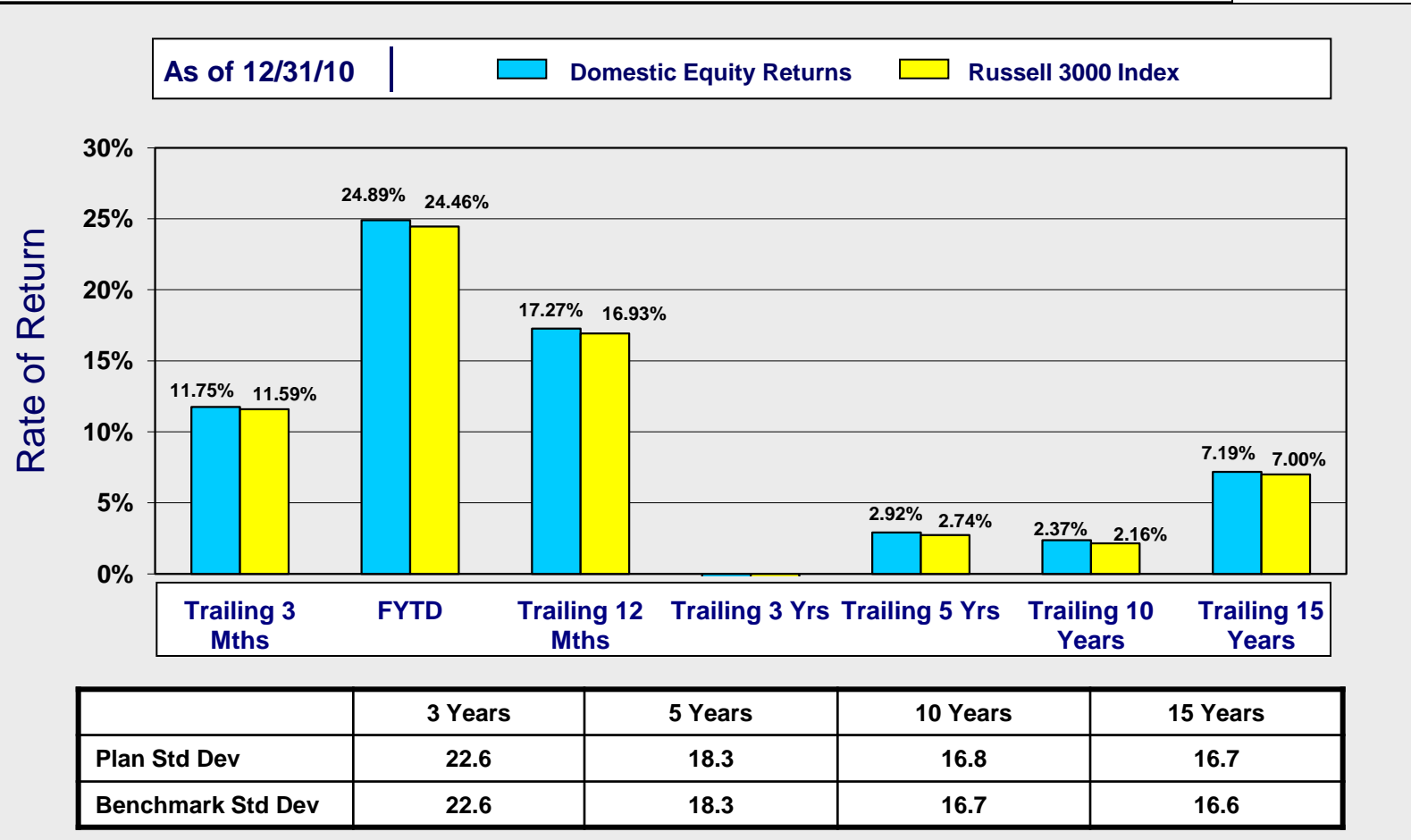
\$92M Under Management, **3%** of Total Funds



	3 Years	5 Years	6 Years
Plan Std Dev	23.4	19.0	17.8
Benchmark Std Dev	22.6	18.3	17.0

Total Domestic Equity Returns vs Russell 3000 Index

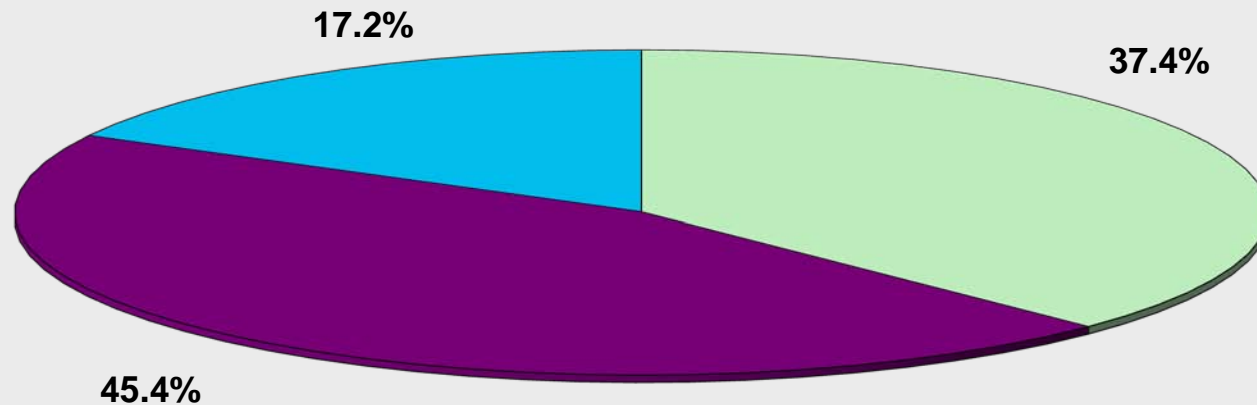
\$1.2B Under Management, **44%** of Total Funds



International Equity Asset Allocation: December 31, 2010

\$724M Under Management, **26%** of Total Funds

Asset Allocation by Style



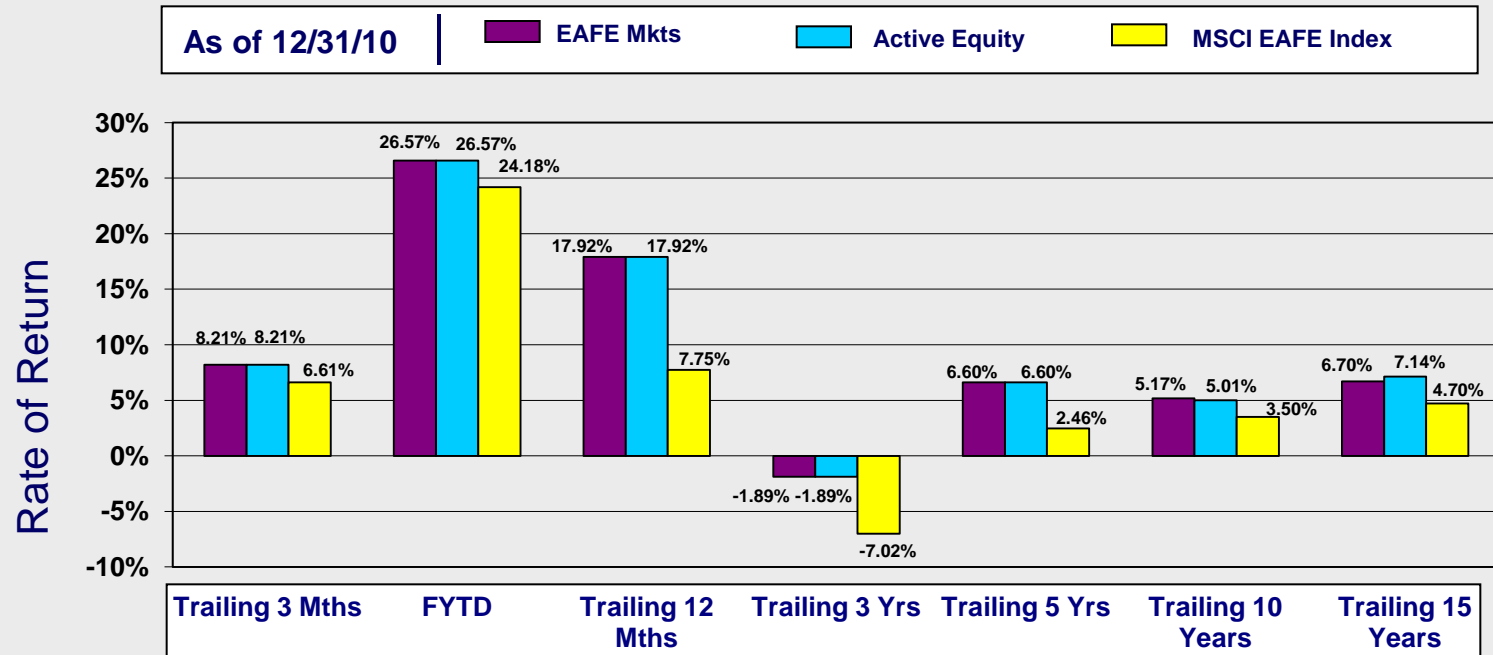
Value

Growth

Emerging Mkts

EAFE Markets Returns vs MSCI EAFE Index

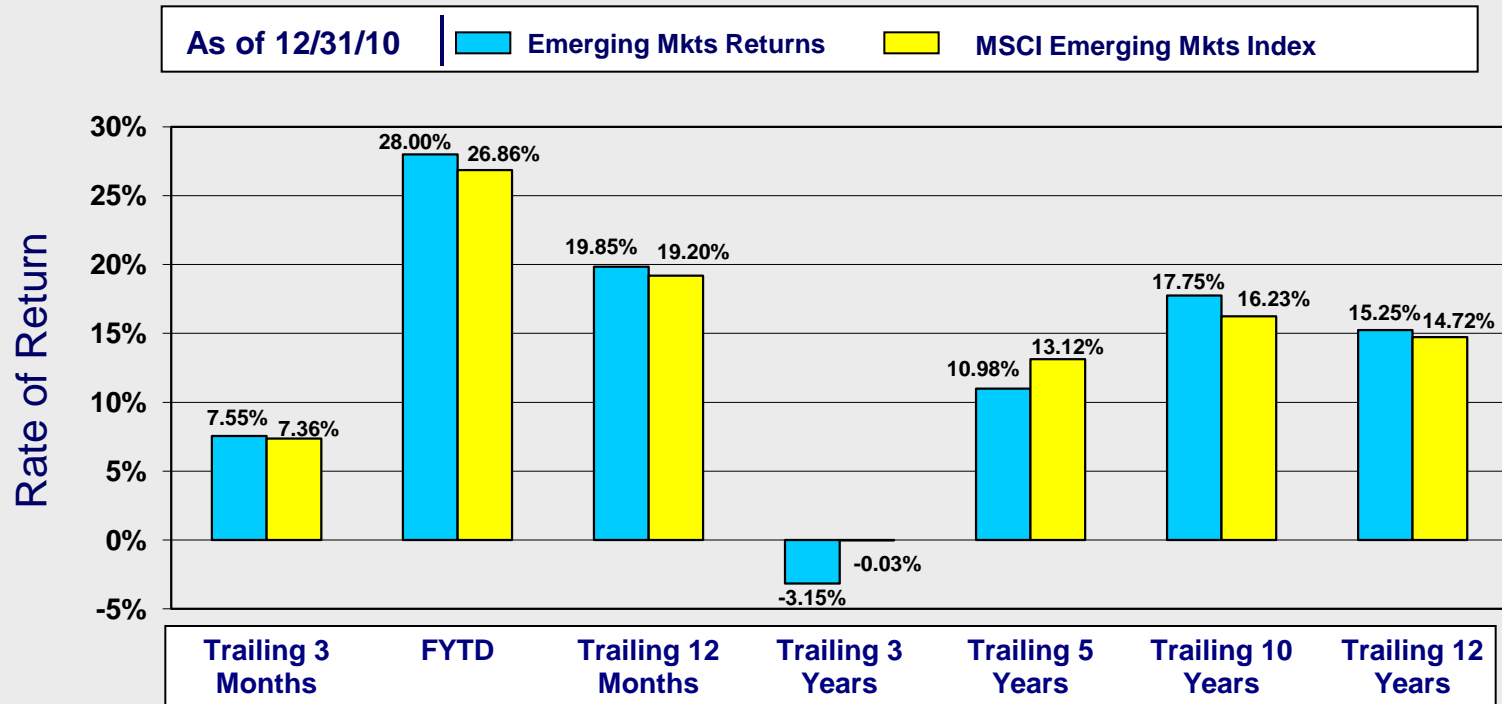
\$599M Under Management, **22%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	26.5	21.5	18.9	17.6
Active Plan Std Dev	26.5	21.5	19.0	17.8
Benchmark Std Dev	26.2	21.4	18.6	17.3

Emerging Markets Returns vs MSCI Emerging Markets Index

\$125M Under Management, **5%** of Total Funds



	3 Years	5 Years	10 Years	12 Years
Plan Std Dev	32.7	28.1	24.0	24.0
Benchmark Std Dev	32.6	27.9	24.7	24.4

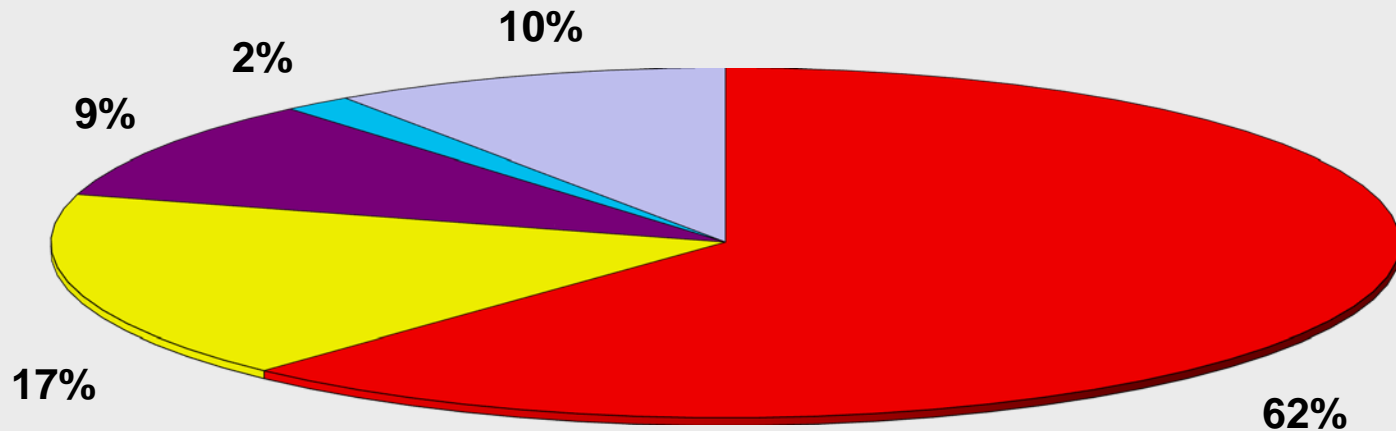
New York City
Board of Education Retirement System

Fixed Income Analysis

Total Fixed Income Asset Allocation: December 31, 2010

\$761M Under Management, **28%** of Total Funds

Asset Allocation by Groups

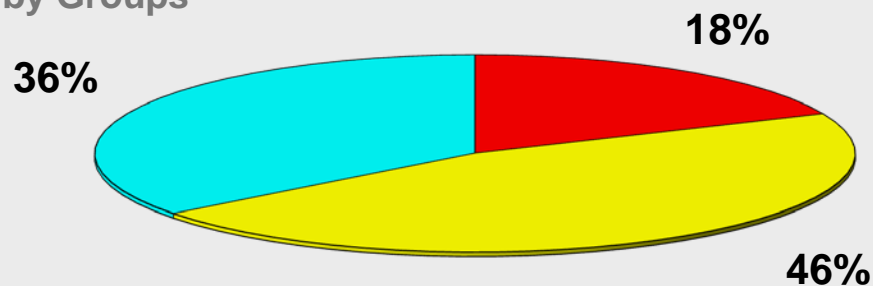


■ Structured Fixed Income ■ Enhanced Yield ■ Short Term Investments ■ ETI ■ Tips Managers

Structured Fixed Income Asset Allocation: Quarter Ending December 31, 2010

\$471M Under Management, **17%** of Total Funds

Asset Allocation by Groups



■ Treasury/Agency

■ Mortgage

■ Credit

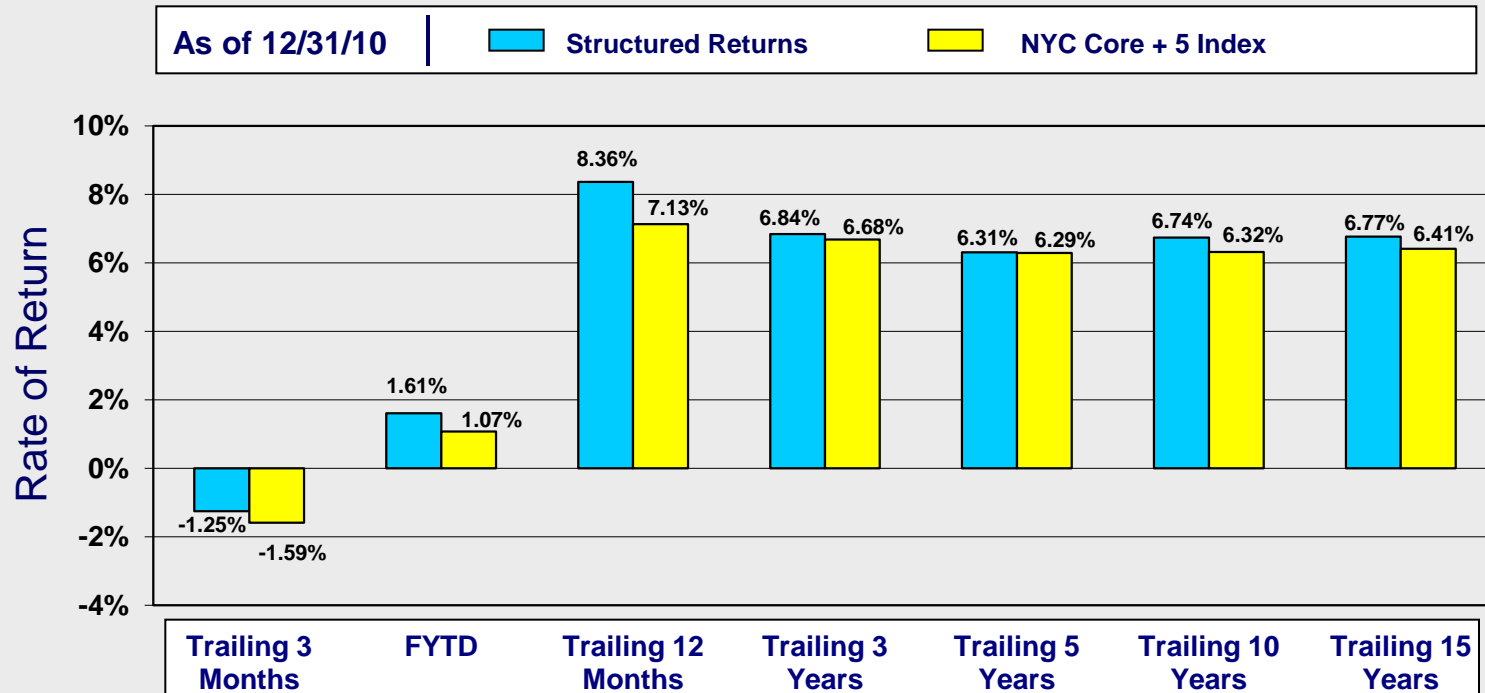
Asset Allocation by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	21.95	18.26	-3.69	-4.90	-5.02	-0.12	0.13	-0.02
Mortgage	43.60	46.58	2.98	0.22	0.45	0.23	0.05	0.11
Credit	34.45	35.16	0.71	-1.69	-1.43	0.26	0.00	0.08

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

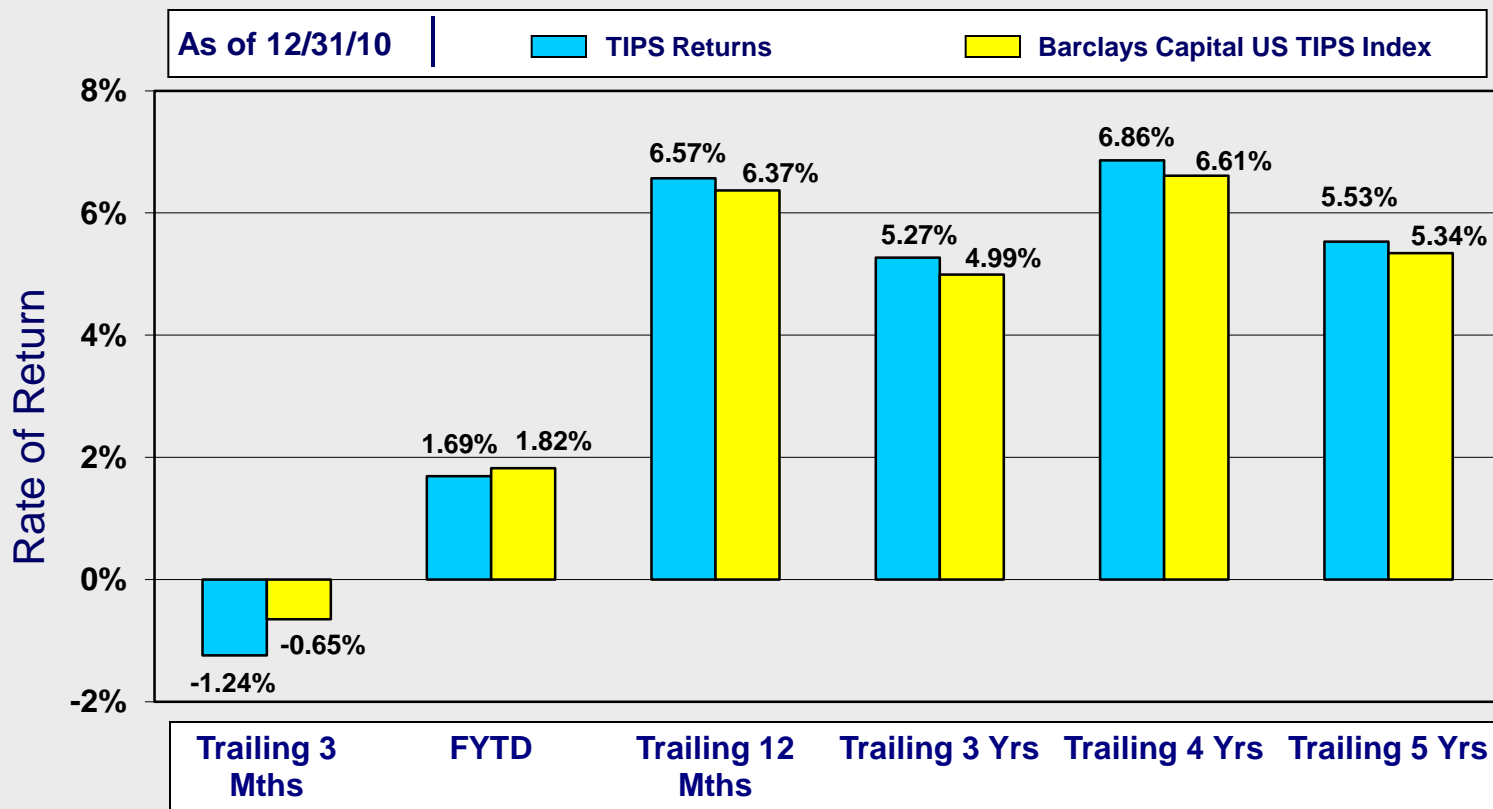
\$471M Under Management, **17%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	5.0	4.3	4.3	4.2
Benchmark Std Dev	5.2	4.5	4.4	4.3

TIPS Returns vs Barclays Capital US TIPS Index

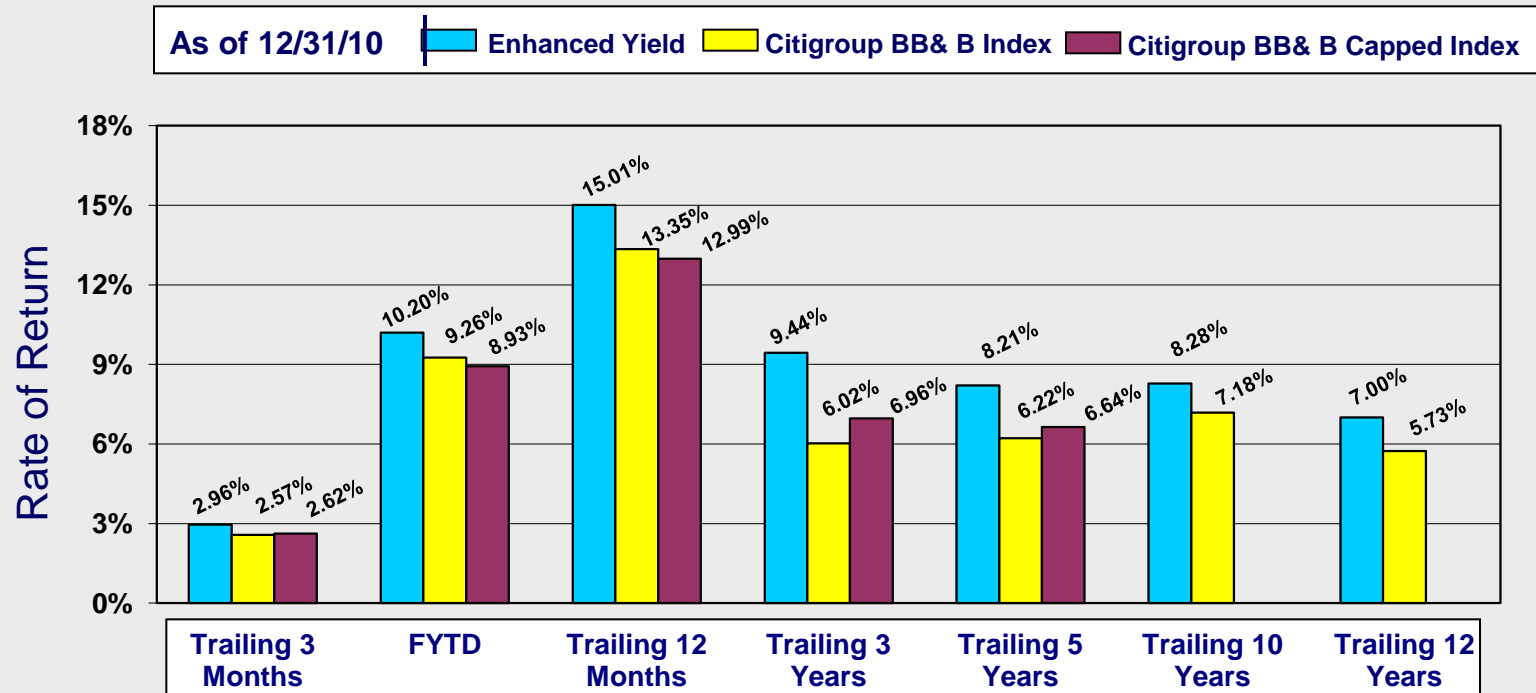
\$73M Under Management, **3%** of Total Funds



	3 Years	4 Years	5 Years
Plan Std Dev	9.1	8.3	7.7
Benchmark Std Dev	8.7	7.9	7.4

Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index

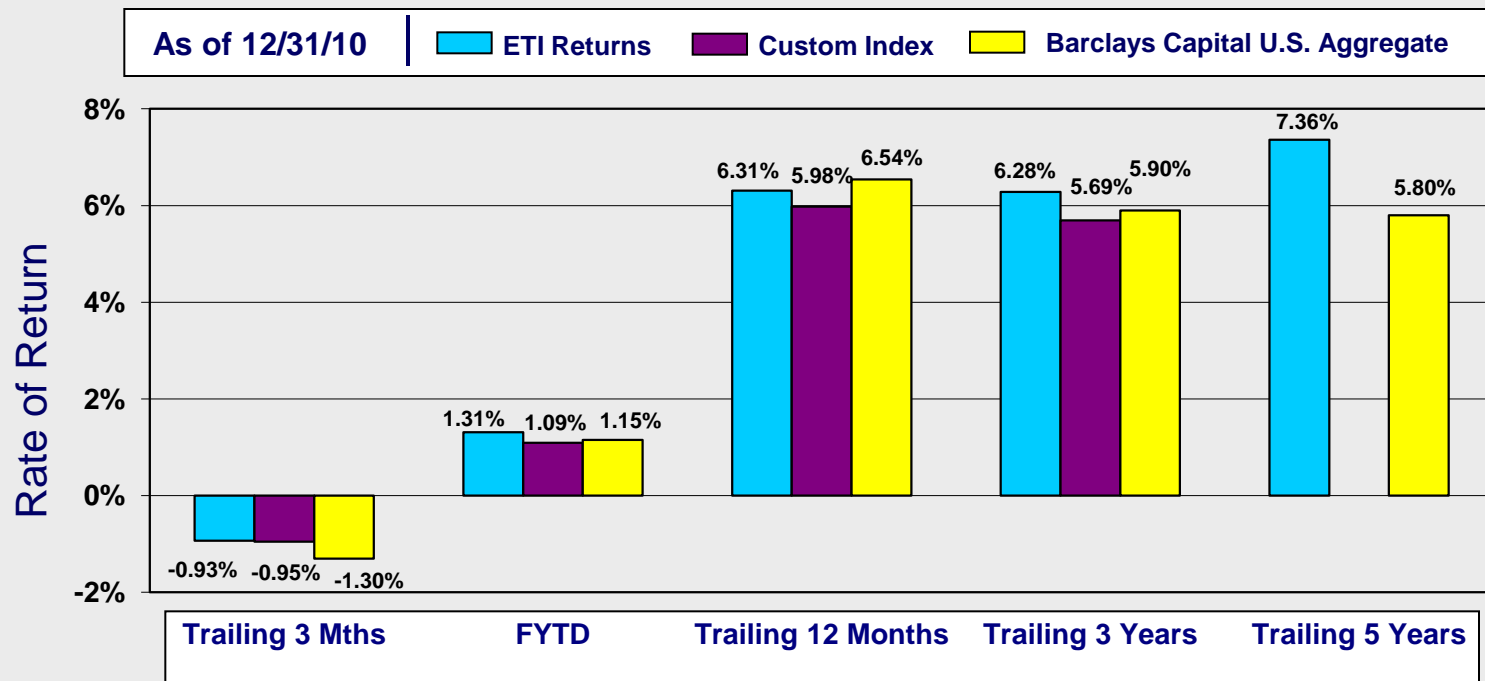
\$133M Under Management, **5%** of Total Funds



	3 Years	5 Years	10 Years	12 Years
Plan Std Dev	13.5	10.8	9.5	9.1
Citigroup BB&B	14.3	11.4	10.3	9.7
Citigroup BB&B Capped	13.9	11.1	****	****

ETI Returns vs Custom Index & Barclays Capital U.S. Aggregate

\$13M Under Management, **0.45%** of Total Funds



	3 Years	5 Years
Plan Std Dev	3.2	3.2
Custom Index Std Dev	3.4	****
BC US Aggreg Std Dev	4.2	3.6

Note: Returns (shown net of fees) and Market Value do not include cash

New York City
Board of Education Retirement System

Appendix

Consolidated Performance Report

Through December 31, 2010

Assets (\$MM)	% Total		3 Mos Oct-10 Dec-10	YTD Jan-10 Dec-10	1 Yr Jan-10 Dec-10	3 Yrs Jan-08 Dec-10	5 Yrs Jan-06 Dec-10	10 Yrs Jan-01 Dec-10	15 Yrs Jan-96 Dec-10
EQUITY MANAGEMENT									
SMALL CAP									
30.60	1.11	DARUMA -SCC	13.15	****	****	****	****	****	****
30.60	1.11	TOTAL SMALL CAP CORE	13.15	****	****	****	****	****	****
		RUSSELL 2000	16.25	26.85	26.85	2.22	4.47	****	****
		SMALL CAP CORE MEDIAN	15.72	25.97	25.97	4.30	5.52	****	****
30.60	1.11	TOTAL SMALL CAP	13.15	21.37	21.37	-1.34	2.00	****	****
		RUSSELL 2000	16.25	26.85	26.85	2.22	4.47	****	****
78.68	2.86	WELLINGTON MID CAP	12.94	****	****	****	****	****	****
78.68	2.86	TOTAL MID CAP CORE	12.94	****	****	****	****	****	****
		S&P MIDCAP 400	13.50	26.64	26.64	3.52	5.74	****	****
78.68	2.86	TOTAL MID CAP	12.94	****	****	****	****	****	****
		RUSSELL MIDCAP	13.07	25.47	25.47	1.05	4.66	****	****
LARGE CAP									
46.51	1.69	PYRAMIS GLOBAL ADVISORS	10.05	12.12	12.12	-0.63	3.79	0.44	6.37
		RUSSELL 1000 GROWTH	11.83	16.71	16.71	-0.47	3.76	0.02	5.73
49.90	1.81	ZEVENBERGEN	13.02	23.05	23.05	3.99	8.46	2.65	9.16
		RUSSELL 3000 GROWTH	12.26	17.64	17.64	-0.27	3.88	0.30	5.60
96.41	3.51	TOTAL LARGE CAP GROWTH	11.57	17.52	17.52	1.66	6.05	1.51	7.51
		LARGE CAP GROWTH MEDIAN	11.57	15.90	15.90	-1.29	3.25	1.42	****
84.73	3.08	ARONSON JOHNSON	10.47	15.81	15.81	-2.58	1.68	****	****
		RUSSELL 1000 VALUE	10.54	15.51	15.51	-4.42	1.27	****	****
84.73	3.08	TOTAL LARGE CAP VALUE	10.47	15.81	15.81	-2.58	1.68	****	****
		LARGE CAP VALUE MEDIAN	10.28	14.69	14.69	-3.25	2.04	****	****
181.14	6.59	TOTAL LARGE CAP	11.05	16.72	16.72	-0.41	3.87	1.08	7.20
		RUSSELL 1000	11.19	16.10	16.10	-2.38	2.59	1.83	7.00

Consolidated Performance Report

Through December 31, 2010

Assets (\$MM)	% Total		3 Mos Oct-10 Dec-10	YTD Jan-10 Dec-10	1 Yr Jan-10 Dec-10	3 Yrs Jan-08 Dec-10	5 Yrs Jan-06 Dec-10	10 Yrs Jan-01 Dec-10	15 Yrs Jan-96 Dec-10
PROGRESS MANAGERS									
9.70	0.35	FAN ASSET MGMT -LCG	12.52	17.58	17.58	-0.75	4.27	-0.02	****
3.48	0.13	FORTALEZA -SCG	18.79	31.40	31.40	-3.21	3.03	****	****
1.43	0.05	GW CAPITAL -SCV	14.78	23.11	23.11	0.01	****	****	****
7.43	0.27	JOHN HSU -LCC	13.74	18.89	18.89	0.16	7.08	4.21	****
10.02	0.36	HERNDON CAPITAL MGMT-LCV	11.62	19.13	19.13	3.58	7.14	****	****
7.81	0.28	HIGH POINTE LLC -LCG	11.41	****	****	****	****	****	****
1.83	0.07	LOMBARDIA CAPITAL -SCV	15.73	25.70	25.70	7.56	****	****	****
7.27	0.26	PALISADES -LCV	13.53	15.75	15.75	-6.78	****	****	****
8.98	0.33	PROFIT INVESTMENT MGMT -LCG	7.91	9.44	9.44	-0.42	****	****	****
9.32	0.34	SEIZERT CAPITAL PTNRS -LCV	9.58	15.03	15.03	-1.81	****	****	****
67.26	2.45	TOTAL PROGRESS	11.88	16.04	16.04	-1.49	3.65	2.55	****
		RUSSELL 3000	11.59	16.93	16.93	-2.01	2.74	2.16	****
F.I.S. MANAGEMENT									
2.00	0.07	BRC INV MGMT -SCV	15.64	****	****	****	****	****	****
2.03	0.07	CAMERON CAPITAL -SCC	14.14	23.64	23.64	****	****	****	****
1.99	0.07	CUPPS CAPITAL SCG	16.53	23.40	23.40	****	****	****	****
1.10	0.04	DAVID ROSS -SCV	12.97	15.88	15.88	****	****	****	****
3.36	0.12	ELESSAR INVESTMENT MGMT -SCV	19.16	33.95	33.95	****	****	****	****
1.90	0.07	EUDAIMONIA -Micro CG	23.64	39.23	39.23	****	****	****	****
4.36	0.16	LOMBARDIA CAPITAL PTNRS -SCV	15.73	25.71	25.71	7.30	****	****	****
2.99	0.11	NICHOLS ASSET MGMT -SCG	18.87	****	****	****	****	****	****
2.87	0.10	OAKBROOK -SCC	16.14	26.49	26.49	****	****	****	****
2.54	0.09	PROFIT -SCC	17.40	28.41	28.41	6.23	****	****	****
25.16	0.91	TOTAL F.I.S FUND MGMT	17.13	27.68	27.68	-1.24	****	****	****
		RUSSELL 2000	16.25	26.85	26.85	2.22	****	****	****
92.41	3.36	TOTAL EMERGING MANAGERS	13.26	18.99	18.99	-1.41	3.64	****	****
		RUSSELL 3000	11.59	16.93	16.93	-2.01	2.74	****	****

Consolidated Performance Report

Through December 31, 2010

Assets% (\$MM)	Total		3 Mos Oct-10 Dec-10	YTD Jan-10 Dec-10	1 Yr Jan-10 Dec-10	3 Yrs Jan-08 Dec-10	5 Yrs Jan-06 Dec-10	10 Yrs Jan-01 Dec-10	15 Yrs Jan-96 Dec-10
		RUSSELL 3000							
815.59	29.66	BLACKROCK R3000	11.57	16.99	16.99	-1.91	2.76	2.20	****
815.59	29.66	TOTAL RUSSELL 3000	11.57	16.99	16.99	-1.91	2.76	2.20	7.05
		RUSSELL 3000	11.59	16.93	16.93	-2.01	2.74	2.16	7.00
382.83	13.92	TOTAL ACTIVE	12.13	17.87	17.87	-1.33	3.33	1.59	6.13
815.59	29.66	TOTAL PASSIVE	11.57	16.99	16.99	-1.91	2.76	2.46	7.40
1198.41	43.59	TOTAL DOMESTIC EQUITY	11.75	17.27	17.27	-1.76	2.92	2.37	7.19
		INTERNATIONAL EQUITY							
		DEVELOPED MARKETS							
328.52	11.95	BAILLIE	7.55	17.36	17.36	-1.97	****	****	****
		MSCI EAFE GROWTH	7.85	12.25	12.25	-5.94	****	****	****
0.08	0.00	BANK OF IRELAND	****	****	****	****	****	****	****
0.08	0.00	G.E. INVESTMENT	****	****	****	****	****	****	****
270.68	9.84	SPRUCEGROVE	9.02	18.56	18.56	-2.05	5.06	****	****
		MSCI EAFE VALUE	5.30	3.25	3.25	-8.14	1.38	4.20	5.89
599.36	21.80	TOTAL ACTIVE DEVELOPED MARKETS	8.21	17.92	17.92	-1.89	6.60	5.01	7.14
599.36	21.80	TOTAL DEVELOPED MARKETS	8.21	17.92	17.92	-1.89	6.60	5.17	6.70
		MSCI EAFE (NET DIVIDEND)	6.61	7.75	7.75	-7.02	2.46	3.50	4.70
		INTERNATIONAL EQUITY MEDIAN	7.56	11.62	11.62	-4.11	4.56	5.49	7.69
		EMERGING MARKETS							
124.61	4.53	STATE STREET	7.56	19.87	19.87	-3.15	****	****	****
124.75	4.54	TOTAL EMERGING MARKETS	7.55	19.85	19.85	-3.15	10.98	17.75	****
		MSCI EMERGING MARKET FREE	7.36	19.20	19.20	-0.03	13.12	16.23	****
		EMERGING MARKET MEDIAN	7.79	27.26	19.97	1.61	13.93	16.63	****
724.10	26.34	TOTAL INTERNATIONAL EQUITY	8.09	18.25	18.25	-2.26	7.35	7.10	7.31

Consolidated Performance Report

Through December 31, 2010

Assets (\$MM)	% Total		3 Mos Oct-10 Dec-10	YTD Jan-10 Dec-10	1 Yr Jan-10 Dec-10	3 Yrs Jan-08 Dec-10	5 Yrs Jan-06 Dec-10	10 Yrs Jan-01 Dec-10	15 Yrs Jan-96 Dec-10
		EMERGING MARKETS							
124.61	4.53	STATE STREET	7.56	19.87	19.87	-3.15	****	****	****
124.75	4.54	TOTAL EMERGING MARKETS	7.55	19.85	19.85	-3.15	10.98	17.75	****
		MSCI EMERGING MARKET FREE	7.36	19.20	19.20	-0.03	13.12	16.23	8.99
		EMERGING MARKET MEDIAN	7.79	27.26	19.97	1.61	13.93	16.63	11.54
724.10	26.34	TOTAL INTERNATIONAL EQUITY	8.09	18.25	18.25	-2.26	7.35	7.10	7.31
		PRIVATE EQUITY INVESTMENTS							
9.86	0.36	FAIRVIEW PRIVATE EQUITY FD	****	****	****	****	****	****	****
44.62	1.62	MESIROW PTNRS FD III	****	****	****	****	****	****	****
9.33	0.34	MESIROW PTNRS FD IV	****	****	****	****	****	****	****
0.00	0.00	MESIROW PTNRS FD V	****	****	****	****	****	****	****
63.81	2.32	TOTAL PRIVATE EQUITY	4.04	13.64	13.64	-1.84	****	****	****
		PRIVATE REAL ESTATE							
0.00	0.00	FRANKIN TEMPLETON FD	****	****	****	****	****	****	****
1.10	0.04	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
0.00	0.00	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
1.10	0.04	TOTAL PRIVATE REAL ESTATE	****	****	****	****	****	****	****
1987.43	72.28	TOTAL EQUITY - PUBLIC & PRIVATE	10.13	17.52	17.52	-1.91	4.33	3.75	7.63
		FIXED INCOME MANAGEMENT							
		GOVERNMENT							
86.08	3.13	STATE STREET	-5.02	8.93	8.93	6.50	6.41	6.73	6.82
86.08	3.13	ALL TREASURY / AGENCY	-5.02	8.93	8.93	6.50	6.41	6.56	6.66
		NYC - TREASURY AGENCY PLUS 5	-4.90	9.24	9.24	6.33	6.26	6.59	6.71

Consolidated Performance Report

Through December 31, 2010

Assets (\$MM)	% Total		3 Mos Oct-10 Dec-10	YTD Jan-10 Dec-10	1 Yr Jan-10 Dec-10	3 Yrs Jan-08 Dec-10	5 Yrs Jan-06 Dec-10	10 Yrs Jan-01 Dec-10	15 Yrs Jan-96 Dec-10
MORTGAGE									
219.59	7.99	PIMCO	0.45	7.84	7.84	7.09	6.82	6.53	6.85
		CITIGROUP MORTGAGE INDEX	0.22	5.50	5.50	6.57	6.37	5.94	6.26
CREDIT									
97.95	3.56	PRUDENTIAL CREDIT	-1.56	8.72	8.72	****	****	****	****
67.83	2.47	TAPLIN, CANADA	-1.24	9.43	9.43	6.47	5.18	7.14	6.75
165.78	6.03	ALL INVESTMENT GRADE CREDIT	-1.43	9.02	9.02	6.39	5.14	7.11	6.68
		NYC - INVESTMENT GRADE CREDIT	-1.69	8.36	8.36	6.55	5.79	6.47	6.24
TOTAL STRUCTURED									
471.45	17.15	NYC - CORE PLUS FIVE	-1.25	8.36	8.36	6.84	6.31	6.74	6.77
			-1.59	7.13	7.13	6.68	6.29	6.32	6.41
ACTIVE TIPS MANAGERS									
72.73	2.65	PIMCO-TIPS-MTA	-1.24	6.57	6.57	5.27	5.53	****	****
72.73	2.65	TOTAL ACTIVE TIPS MANAGERS	-1.24	6.57	6.57	5.27	5.53	****	****
		BARCLAYS CAPITAL US TIPS INDEX	-0.65	6.37	6.37	4.99	5.34	****	****
ENHANCED YIELD									
66.38	2.41	LOOMIS SAYLES & CO	2.59	15.79	15.79	10.43	9.08	9.44	****
		BofA (ML-MST II 7-03/BB&B PRIOR)	3.07	15.19	15.19	10.12	8.81	8.64	****
66.53	2.42	SEIX HIGH YIELD	3.34	14.21	14.21	8.42	7.29	****	****
132.93	4.83	ALL ENHANCED YIELD	2.96	15.01	15.01	9.44	8.21	8.28	****
		CITIGROUP BB & B	2.57	13.35	13.35	6.02	6.22	7.18	****
		CITIGROUP BB & B CAPPED	2.62	12.99	12.99	6.96	6.64	****	****
		ENHANCED YIELD MEDIAN	3.09	14.47	14.47	9.06	8.31	10.15	****

Consolidated Performance Report

Through December 31, 2010

Assets (\$MM)	% Total		3 Mos Oct-10 Dec-10	YTD Jan-10 Dec-10	1 Yr Jan-10 Dec-10	3 Yrs Jan-08 Dec-10	5 Yrs Jan-06 Dec-10	10 Yrs Jan-01 Dec-10	15 Yrs Jan-96 Dec-10
		ETI							
2.47	0.09	ACCESS/RBC	-0.45	5.36	5.36	7.44	****	****	****
8.48	0.31	AFL-CIO HOUSING INV TRUST	-1.41	6.16	6.16	5.90	****	****	****
0.11	0.00	CCB-PPAR	1.82	12.80	12.80	9.33	****	****	****
0.13	0.00	CCD-PPAR	4.88	11.58	11.58	10.22	****	****	****
0.10	0.00	LIIF-PPAR	0.69	4.34	4.34	****	****	****	****
0.01	0.00	NCBCI-PPAR	0.97	4.10	4.10	****	****	****	****
1.17	0.04	CPC REVOLVING	0.53	2.06	2.06	3.02	****	****	****
12.47	0.45	TOTAL ETI (WITH CASH)	-0.94	5.73	5.73	6.04	7.20	4.94	5.19
		BERS CUSTOM ETI INDEX (NO CASH)	-0.95	5.98	5.98	5.69	****	****	****
		BARCLAYS CAPITAL AGGREGATE	-1.30	6.54	6.54	5.90	5.80	5.84	6.04
761.03	27.68	TOTAL FIXED	-0.37	8.72	8.72	6.72	6.34	6.64	6.46
1.04	0.04	SECURITIES LENDING	****	****	****	****	****	****	****
71.05	2.58	SHORT TERM INVESTMENTS	-0.05	0.42	0.42	1.73	3.20	3.01	3.97
0.41	0.01	BNY - CD	****	****	****	****	****	****	****
2749.51	100.00	TOTAL BOARD OF EDUCATION	7.02	14.95	14.95	0.99	5.22	5.01	7.44
		BOARD OF ED POLICY BENCHMARK	6.37	12.54	12.54	0.05	4.42	4.40	6.91

Actual And Estimated Fees

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2009 AND ESTIMATED FEES FOR FY 2010 UPDATED THROUGH DECEMBER 2009				
	Actual			Estimated
	2009			2010
INVESTMENT STYLE (EQUITIES)	BASIS POINTS			BASIS POINTS
Small Cap	26.65			41.94
Small Cap Core	-			-
Small Cap Value	17.31			-
Small Cap Growth	34.15			41.94
Small Cap Fundamental	-			-
Small/Mid Cap Growth	18.67			-
Mid Cap	10.94			-
Mid Cap Core	-			-
Mid Cap Value	11.94			-
Large Cap	21.53			27.64
Large Cap Growth	26.18			28.51
Large Cap Value	16.99			26.68
Large Cap Core	-			-
Large Cap Fundamental	-			-
Emerging Managers (U.S. Equities)	57.68			59.57
Emerging Managers (Fixed)	-			-
Passive Equities	0.12			0.14
				76.65
Opportunistic				52.26
Activist	-			-
Environmental	-			-
Fixed Income	-			-
Int'l Active Equities (EAFE)	19.27			29.00
Int'l Passive Equities (EAFE)	-			-
Emerging Markets	43.94			54.93

Actual And Estimated Fees

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2009 AND ESTIMATED FEES FOR FY 2010 UPDATED THROUGH DECEMBER 2009				
	Actual			Estimated
	2009			2010
INVESTMENT STYLE (Fixed Income)	BASIS POINTS			BASIS POINTS
Core +5 Fixed Income	6.10			-
Government Sector	2.04			-
Mortgage Sector	6.82			-
Corporate Sector	8.94			-
Yankee Sector	6.06			-
Investment Grade – Fixed Income	-			7.97
Government Sector	-			5.00
Mortgage Sector	-			8.85
Credit Sector	-			8.23
TIPS	7.58			10.00
Active TIPS	7.58			10.00
Passive TIPS	-			-
Enhanced Yield	27.01			28.24
Convertible Bonds	-			-
Global Fixed Income	-			-
ETI - AFL-CIO	40.00			40.00
ETI- Access RBC	38.25			39.01
In-House Short Term	-			-
Total Overall*	13.35			17.12
*Only Public Markets fees are calculated in the overall total				

Securities Lending Income

Through December 31, 2010

	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>EQUITY</u>
1989*	\$70,000	--	--
1990	79,000	--	--
1991	111,000	--	--
1992	122,000	\$11,000	--
1993	79,000	32,000	\$15,000
1994	93,000	77,000	20,000
1995	112,000	93,000	12,000
1996	99,000	76,000	27,000
1997	101,000	126,000	40,000
1998	111,000	170,000	60,000
1999	159,000	263,000	100,000
2000	193,000	310,000	97,000
2001	295,000	208,000	159,000
2002	209,000	143,000	152,000
2003	153,000	158,000	195,000
2004	226,000	255,000	174,000
2005	384,000	479,000	217,000
2006	303,000	734,000	246,000
2007	593,000	1,208,000	272,000
2008	2,514,000	2,266,000	451,000
2009	698,000	1,416,000	367,000
2010	246,000	729,000	326,000
Since Inception	<u>\$6,950,000</u>	<u>\$8,754,000</u>	<u>\$2,930,000</u>

Note: Inception 4/89

Footnotes

Through December 31, 2010

- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
- Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
- Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
- Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
- Effective 7/1/03, the “NYC-Loomis” benchmark index for the Loomis Sayles Enhanced Yield portfolio reflects a change from the Citigroup BB&B Index to the more appropriate BofA Merrill Lynch High Yield Master II Index.
- Effective 7/1/09, the Core+5 program was restructured.
 - The U.S. Gov’t sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov’t Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.
 - The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.
 - There were no changes to the Mortgage sector Index.
 - The total Core+5 results and benchmark returns combine the three sectors. Historical total Core+5 returns continue to include the old Corporate and Yankee sector returns.

Glossary of Terms

Through December 31, 2010

General Notes

- All Returns are Gross of investment advisory fees unless otherwise indicated.

Page Specific

Page 15 - Portfolio Asset Allocation

- Rebalancing Ranges: the minimum and maximum weights that actual Asset Allocation may reach before rebalancing between Asset Classes is necessary.

Glossary of Terms

Through December 31, 2010

Page 16 - Performance Attribution: Total Plan

- Plan Return At Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 * Target Weight) plus (Return Of Asset Class 2 * Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights.
- **Management Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**
The “policy index” is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, of for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.
The indexes and most recent policy weights are as follows:
*U.S. Equity: Russell 3000 * 42.75%*
*International Developed (EAFE) Markets: MSCI EAFE * 21%*
*International Emerging Markets: MSCI Emerging Markets * 4%*
*Private Equity: Russell 3000 + 500 b.p. per annum * 2..25%*
*Domestic Fixed Income: NYC Core +5 * 22%*
*TIPS: Barclays Capital U.S. TIPS * 3%*
*Enhanced Yield: Citigroup BB&B * 5%*

Glossary of Terms

Through December 31, 2010

Page 19 - Management Effect - Asset Class Breakdown

- This chart aims to break down the Management Effect shown on the Performance Attribution pages. The aim of the Page is to show the asset classes where Managers are either out performing or under performing their benchmark and to show the basis point effect that this is having on Plan performance.

Page 24 - Domestic Equity Asset Allocation

- **Value Added By Sectors:** This disaggregates out-performance or under-performance by Asset Allocation and Management Effect.
- **Implied Policy** = Retirement's System Asset Allocation.
- **Implied Return** = Benchmark Return
- **Allocation** = the Contribution to Performance resulting from an overweight or underweight to an asset class. *E.g. an underweight to an Asset Class that under-performs rests in a positive Allocation Effect and vice versa.*
- **Management** = Contribution to Performance from security selection versus the Benchmark, e.g., *If the managers Actual Returns are higher than the Implied Return there will be a positive Management Effect.*

Page 36 – Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 40 – ETI Returns vs Custom Index and Barclays Capital U.S. Aggregate

- ETI has implemented a Custom Benchmark to better track the performance of the individual ETI programs relative to their respective benchmarks. The Custom Benchmark represents the weighted average return of the individual benchmark indexes for each program, updated monthly. The indexes are as follows:
- AFL-CIO Housing Inv Trust: Barclays Capital U.S. Aggregate Bond Index
- CPC Revolving: 30 Day Libor + 180 bps per annum
- PPAR: Citigroup GNMA + 65 bps per annum
- Access/RBC: 60% BofA Merrill Lynch 30 yr Mortgage Index plus 40% BofA Merrill Lynch US Treasury 1-10yr Index