

New York City
Board of Education Retirement System

Performance Overview as of March 31, 2012

Total Fund Overview

New York City Board of Education Retirement System

Table of Contents:

Equity Analysis



Fixed Income Analysis



Appendix



Consultant's Commentary

Through March 31, 2012

Market Commentary

The first estimate for 1Q GDP was 2.2% with stronger retail sales and a lower-than-expected trade deficit offsetting a decrease in government spending. This is compared to a final estimate of 4Q 2011 GDP of 3.0% by the Bureau of Economic Analysis.

CPI rose 2.6% over the past 12 months, which was the lowest rate since the 1Q 2011. The rate has been slowly decreasing from its 3.5 year high of 3.9%, reached in September. Core CPI (excluding food and energy) rose 2.3% versus 2.2% as of December 2011.

During 1Q2012, the job market (as defined by non-farm payrolls) gained 635,000 jobs, compared to an increase of 412,000 during 4Q2011. The March nonfarm payrolls report added 120,000 jobs, which was well below the consensus expectation of an increase of around 200,000. At the end of the quarter the unemployment rate was 8.2%, compared to 8.5% at the end of 2011. While the growth in jobs has continued over the last year, the declining workforce, (i.e., disgruntled job seekers no longer seeking work) has also been a factor.

The US market rally continued into 1Q 2012 with US equities posting their second consecutive quarter of double-digit gains. The improving US employment situation, as well as decreasing concern over Europe, helped to provide support for the equity market. For the quarter, the S&P 500 returned 12.6%. The technology and financial sectors were the biggest contributors to the index, accounting for 4.1% and 3.0%, respectively, of the S&P's total return. The consumer discretionary sector (+16%) was the only other sector to outperform the index. The weakest sectors were utilities (-1.6%), telecom (+2.1%) and energy (+3.9%).

International equity markets also produced double digit gains despite a late March sell-off. Concerns re-emerged about the strength of the Eurozone due to fiscal stress in Spain and a potential slowdown in China. The MSCI-EAFE returned 10.9%. The difference between regions was minor with Japan returning 11.4% and the Eurozone gaining 10.8%. The financial sector returned 16.6% and added 3.6% to the total return of the index. The telecom sector was the weakest sector returning -0.4%. Emerging markets also received a boost from central bank easing and rallied 14.1% during the quarter.

Consultant's Commentary

Through March 31, 2012

Market Commentary (continued)

Expectations of better economic growth caused U.S. Treasury yields to rise during the quarter, as the yield curve steepened. While interest rates on U.S. Treasuries rose during the quarter, yield spreads on corporate bonds and mortgage backed securities actually narrowed. The net result was a modest 0.3% return for the Barclays Aggregate Index during the quarter. For the quarter, U.S. Treasuries returned -1.3%. Corporate Bonds benefited from the positive economic growth and returned 2.1%, while MBS (+0.6%), CMBS (+3.5%) and ABS (+0.8%) also outperformed Treasuries. Lower credit quality performed well, with High Yield bonds returning 5.3%. Non-USD bond returns were negative (-0.2%).

Asset Allocation

At March 31, 2012, the Board of Education Retirement System (BERS) Total Portfolio was \$3.0 billion versus \$2.8 billion at the end of 2011.

Other than cash, the Plan's allocations are within their target ranges. The Plan's cash position was 5.9% versus 6.1% last quarter. BERS recently approved a new asset allocation. A comparison of the old and new policies is provided in the table on the following page. Relative to the new policy targets, the Plan is overweighted to US Equity (3.5%) and Developed International (2.8%) and remains underweighted to the ultimate targets for Real Estate and Private Equity by a combined 8.2%. In fixed income, the Plan is underweighted to TIPs by 2.7% and the newly-added Bank Loans asset class by 2.5%. Total Equity (including Real Estate and Private Equity) is approximately 68% versus the 70% target.

Consultant's Commentary

Through March 31, 2012

Manager Issues

Emerging manager FIS and emerging equity manager SSgA remain on watch for performance.

Wellington remains on watch due to a portfolio manager change.

The Committee approved the following recommendations:

High Yield: Replace Seix with Shenkman and to retain Loomis, Sayles.

Bank Loans: Hire Babson as the Fund's sole bank loan manager

Direct Real Estate: Invest \$10 million in Brookfield Strategic Real Estate Partners L.P.

Private Equity: Invest \$25 million in Warburg Pincus Fund XI, L.P.

Daruma announced Senior Research Analyst Mort Simpson left in March. Mr. Simpson was responsible for oil & gas, financials and industrials. His stocks have reassigned to the rest of the team.

Total Fund Performance

The Total Plan returned 8.5% in the quarter to 8.7% for the benchmark. This result still placed in the 17th percentile of the Public Fund Master Trusts > \$1 Billion Universe. For one year, the Plan returned 3.6% compared with 5.0% for the index, ranking in the 71st percentile of the peer group. Over the past five years, the Plan earned 3.5% to 3.1% for the benchmark. While this is below the long-term expected return for the Plan, it placed in the top third of the universe.

For the quarter, the Allocation Effect subtracted from relative performance while the Management Effect had a slight positive impact. The Allocation Effect accounted for the majority of the underperformance for the past year, as well.

Consultant's Commentary

Through March 31, 2012

U.S. Equity

For the quarter, Total Domestic Equity returned 13.5% versus 12.9% for the Russell 3000 Index. Active management added value with each of the actively-managed products beating their benchmark. In relative terms, the top performers for the quarter were Wellington (16.2% to 13.5% for the S&P 400) and Zevenbergen (17.6% to 14.6% for the Russell 3000 Growth). Over the past year, the Domestic Equity portfolio lagged the Russell 3000 index, 5.2% to 7.2%. Aronson and FIS were the only strategies to outperform their benchmarks over this period but very weak results from Daruma and Zevenbergen more than offset any positive benefit.

Zevenbergen returned 17.6% during the quarter versus 14.6% for its Russell 3000 Growth benchmark. For the year, Zevenbergen returned -2.8% to +10.1% for the benchmark. Despite the weak results over the past year, Zevenbergen remained well ahead of the index over the trailing three- and five-year periods. For the quarter, results were good throughout much of the portfolio. The biggest contributor to relative return was the consumer discretionary sector, where the portfolio benefited from an overweight and better stock selection. Within the sector, larger positions in Priceline.com (+53% return), Lululemon Athletica inc. (+64%) and Netflix (+82%) all added value. A lack of exposure to consumer staples, which returned just 6.6% for the index, also added meaningfully to performance, as did a lack of exposure to McDonald's (-1.5%), as did good stock selection in energy and health care. A meaningful underweight to Apple (4% versus 7% as of quarter end) hurt performance in technology, but an overweight to the sector enabled Zevenbergen to earn a small relative gain in the sector. On the negative side, the fund was hurt most by weaker results in financials and industrials.

Aronson returned 12.9% for the quarter, beating the Russell 1000 Value return of 11.1%. For the trailing year, Aronson beat the benchmark, 7.5% to 4.8%. Aronson also leads the index over the trailing five-year period by an annualized 1.6% (+0.8% to -0.8%). The strategy's value orientation was the main driver of relative outperformance in the quarter. Holdings in the financial sector that scored well on price-to-forecasted-earnings outperformed, including Discover Financial Services and JPMorgan Chase. Measuring value by low price-to-sales also helped, especially in health care (e.g., Health Net). Management factors, particularly operating efficiency and long-term growth potential, were rewarded in the consumer staples sector, as Lorillard and Herbalife outperformed. These measures also led Aronson to initiate a small position in Apple (0.6% of assets),

Consultant's Commentary

Through March 31, 2012

U.S. Equity (continued)

which was one of the portfolio's largest contributors. Momentum factors were not effective in the period. From a sector perspective, most sectors added relative value. An out-of-benchmark position in Apollo Education (-28%) and a lack of exposure to Goldman Sachs (+38%) were the two largest detractors in the portfolio.

Wellington returned 16.2% during the quarter compared to 13.5% for its S&P 400 Midcap Index benchmark. For the year, the portfolio returned 0.4% to 2.0% for the index. Sector allocation added value but the majority of the outperformance was attributed to security selection. In terms of sector weightings, underweight positions in the relatively weak performing utility and consumer staples sectors and overweight positions in technology and health care, which performed well, aided results. An overweight to the energy sector was a negative for the portfolio. In terms of security selection, strong results in health care and energy added meaningful value in relative terms (over 1% each). Security selection in technology and, to a lesser extent, industrials, detracted from performance. The portfolio retains meaningful overweight positions to health care, technology and energy. These three sectors represent 48% of the portfolio at quarter end versus 33% for the index. Wellington remains underweight to financials by about 7% and has smaller underweights to materials, consumer staples and utilities.

Daruma returned 12.8% in the quarter versus 12.4% for the Russell 2000 index. For the trailing year, Daruma returned -10.2% to -0.2% for the index. Performance improved in the first quarter but was disappointing given the weak results last year. The portfolio benefited from underweight positions in consumer staples, energy and utilities, which were all sectors that underperformed the index return for the period. The biggest area of value was technology, where Daruma held a large overweight (27% to 14%) to what was a strong performing sector. The portfolio's largest underweight is to financials (7% to 24%). Daruma does not own REITs, which are 10% of the index, because they believe they represent a separate asset class. However, the financial underweight did not have a meaningful impact on relative return because financials, including REITs, slightly lagged the Russell 2000 return overall. The portfolio's health care stocks did not keep up with those in the index and detracted from

Consultant's Commentary

Through March 31, 2012

U.S. Equity (continued)

performance. There was minimal change to the portfolio during the quarter. In addition to the allocations noted above, Daruma has a meaningful overweight to consumer discretionary. In technology, the portfolio's largest sector allocation, Daruma believes that these stocks remain cheap on both an absolute and relative basis, have great balance sheets in aggregate and have earnings estimates for 2012 that may be too low.

Progress outperformed its Russell 3000 benchmark during quarter with a 15.1% return versus 12.9%. The strategy returned 5.7% for one year versus 7.2% for the index. Progress has outperformed the benchmark over the past five years by nearly 1.0% (annualized).

FIS slightly beat its Russell 2000 Index benchmark during the quarter, 12.8% versus 12.4%. FIS is ahead over the one year period, 0.8% to -0.2%, but lags over the three-year time period by about 0.6% (annualized).

International Equity

The Total Developed Market portfolio outperformed the MSCI EAFE (net dividend) Index during the quarter, 11.8% versus 10.9%. Both Baillie Gifford and Sprucegrove outperformed in the period. Total Developed Markets was ahead -1.9% to -5.8% for the past year, and has been a strong relative performer over time.

Baillie Gifford returned 12.7% to 10.9% for the MSCI EAFE (net) Index during the quarter. The return for the trailing year is -2.2% versus -5.8% for the index. Baillie Gifford is well ahead of the MSCI EAFE and the MSCI EAFE Growth index over the past three years. From a regional perspective, a nearly 15% allocation to emerging markets aided results as did better stock selection within Europe. The biggest detractor was Developed Asia Pacific. At the sector level, results were mixed. Sector allocation added value while security selection was negative. The top contributors overall were health care, energy and a lack of exposure to telecom. Baillie Gifford

Consultant's Commentary

Through March 31, 2012

International Equity (continued)

is underweight to financials, especially European banks, and this detracted from performance during the quarter. Weak stock selection in consumer discretionary and industrials also hurt. Key themes in the portfolio include significant exposure to growth in developing countries and technology, together with an underweight positioning in financials, health care and utilities.

Sprucegrove returned 10.7% for the quarter to 10.9% for the MSCI EAFE (net). Sprucegrove returned -1.5% for one year to -5.8% for the index. Sprucegrove leads both the MSCI EAFE and MSCI EAFE Value Indices over the three and five year periods. For the quarter, the biggest detractor was the portfolio's underweight to financials, which was the second best performing sector in the index with a return of 16.6%. Sprucegrove held about 10% in this sector versus 22% for the index. The underweight was across financial-sector industries including: banks, REITs, diversified financials and insurance. Offsetting this result were better performances in telecom, technology and consumer discretionary. From a country perspective, Sprucegrove underperformed in France and Switzerland but this was mostly made up by better results in the U.K. and an overweight to Singapore. The fund remains underweight to the Euro-zone countries and Europe overall and has a market weight to the Pacific, including a near-market weight in Japan. Emerging markets are about 11%. The largest underweights are to financials and consumer staples. Sprucegrove's largest overweights are still in technology, industrials and consumer discretionary.

Emerging Markets

State Street Global Advisors (SSgA) returned 12.9% for the quarter to 14.1% for the MSCI Emerging Markets Index. SSgA also underperformed for the year, -9.3% versus -8.5%. Three and five year results also trail the index. We mentioned in last quarter's report that SSgA was researching improvements in their portfolio construction process. Recently, they announced a pending change. SSgA's current portfolio construction process relies on two sources of adding value: (1) Active Country decisions and (2) Stock Selection within countries. Their

Consultant's Commentary

Through March 31, 2012

Emerging Markets (continued)

research has led them to shift stock selection to a global framework, i.e., a framework in which stocks can be selected across the entire emerging markets universe in a single step rather than the current methodology in which stock portfolio's are constructed country-by-country. SSgA argues that this type of construction allows for cross-border comparisons and the ability to own stocks regardless of country rather than being forced to seek the best in a country. Their analysis of stock selection alphas indicates predictive power in picking country/sectors, hence they will allow the optimizer flexibility to use cross-country information embedded in their stock selection alpha and make bigger bets at the country/sector level. The example they gave was as follows: If their stock selection alphas favor Consumer Discretionary stocks in India, a global optimization can gain consumer discretionary exposure from India and energy exposure from Russia/Brazil (where they see better ranked energy stocks). They don't need to own both consumer discretionary and energy stocks in India; a local country optimization has no ability to make this additional tradeoff with other countries. SSgA intends to make these changes over the 2nd quarter. Their expectations are for higher value-added (of course) with a modest increase in tracking error.

Consultant's Commentary

Through March 31, 2012

Fixed Income – Structured Manager Composite

The Total Structured Portfolio slightly outperformed its NYC Core + 5 Index during the quarter with a return of 1.0% to 0.4%. For the year, the Portfolio returned 9.5% to 9.3% for the benchmark. For the year, all of the managers outperformed.

Taplin Canida (credit) returned 2.2% during the quarter versus 2.1% for the customized Citigroup Credit Index. Over the past year, Taplin beat the benchmark, 9.4% versus 9.2%. Taplin leads the index over the past three years but is behind for the most recent five years (6.3% to 6.6%). The portfolio's above-market commitment to lower quality investment grade securities benefitted results, as lower quality investment grade securities outperformed during the quarter. BBB rated securities outperformed AAA, AA and A rated securities by 287, 105 and 34 basis points of excess return, respectively. This result was partially offset by yield curve positioning. The fund was positioned in a barbell structure but the yield curve steepened with longer-dated securities underperforming (long credit returned 0.8% while intermediate credit returned 2.5%. Sector selection also detracted from return, as the portfolio was underweight to financials and non-corporate securities (sovereigns, supranationals, foreign agencies and foreign local governments), both of which outperformed.

Prudential (credit) returned 2.2% during the quarter versus 2.1% returned by its customized index. For the trailing year, Prudential returned 9.7% versus 9.2% for the index. The portfolio is similarly positioned to the index in terms of yield (3.07% to 3.11%) and duration (6.2 years for both). The average quality is A3 (Moody's) for the portfolio and A2 for the index. The biggest difference in terms of structure is a meaningful underweight to non-U.S. corporate credits, where the portfolio has just 6.2% to 17.7% for the index.

SSgA (governments) returned -2.7% in the quarter, 7 basis points ahead of benchmark. For the year, SSgA returned 15.7% to 15.6% for the index. Three and five year returns have been very good in absolute terms. The portfolio benefitted from spread tightening in the Agency sector. During the quarter, the portfolio contained an

Consultant's Commentary

Through March 31, 2012

Fixed Income – Structured Manager Composite (continued)

allocation to 5 year TIPs. The allocation was initiated in January following comments from the Federal Reserve that SSgA believed were more accommodative to the market than expected. The position was closed at a profit during March, as breakeven rates increased. The portfolio currently does not have any exposure to inflation protected securities. The portfolio remains overweight to Agencies and underweight to U.S. Treasuries versus the benchmark.

PIMCO (mortgages) returned 1.3% for the quarter compared to 0.6% for the benchmark. PIMCO leads the index over the trailing year with a return of 6.7% to 6.4% for the index. Three and five year results are also ahead of the benchmark. The portfolio outperformed the benchmark for the quarter. Slight overweight positions in 6.5% and 7% coupon GNMA MBS helped, as these securities performed relatively well. Allocations to CMBS and non-Agency mortgages also aided results. A slight overweight to duration hurt, as interest rates rose.

Fixed Income – TIPS

PIMCO returned 0.9% during the quarter and trailed the Barclays Capital US TIPS Index by 1 basis point. PIMCO returned 12.4% over the trailing year, beating the benchmark return of 12.2%. The three year return of 8.7% trails the index by just 1 basis point, as well, while PIMCO is ahead over five years (7.8% to 7.6%). For the quarter, the TIPS portfolio performed in line with its index. An overweight positioning on the intermediate portion of the curve added value, as intermediate and shorter maturity TIPS outperformed other maturities. An overall underweight to TIPS hurt, as U.S. real duration outperformed nominal duration. An underweight to the front portion of the curve, which outperformed other maturities, detracted, as did exposure to Australian Linkers.

Consultant's Commentary

Through March 31, 2012

Enhanced Yield Fixed Income

Total Enhanced Yield returned 5.8% during the quarter compared to 4.5% for the Citigroup BB & B Index. Enhanced Yield slightly underperformed for the year, 6.9% to 7.4%, but longer-term results remain favorable.

Loomis Sayles returned 6.7% for the quarter versus 5.2% for the Merrill Lynch High Yield Master II index. Over the past 12 months, the portfolio returned 8.0% versus 5.6% for the index. Three and five year results remain ahead of the benchmark. The cash position from the funding in the fourth quarter was reduced from 17% to just 0.1% by the end of March but this still had a negative impact in relative terms for the full quarter. Security selection added value, especially a position in investment grade financials and an out-of-benchmark position in convertibles. Yield curve positioning had a negative impact. The portfolio duration lengthened 1 year, to 6.3 years, as the cash was invested. The portfolio has a B2 rating versus B1 for the index, and yield to maturity was 7.2% versus 7.7%. Out-of-benchmark positions include 13% in investment grade bonds and 10% in convertibles.

Seix returned 4.8% for the quarter versus 4.5% for the Citigroup BB&B Index. Over the trailing year, Seix returned 5.7% to 7.3% for the benchmark return. The three year results lags the index while the five year return is ahead, 7.3% (annualized) to 5.8%. The strong absolute return can be attributed to good investor demand, as the mood returned to optimism and increased risk became embraced. Favorable security selection in certain telecom, retail and energy issues that had lagged during the sell-off in the second half of last year contributed to the quarter's return. A portion of the positive return was offset by an overweight in coal-based utilities, whose margins are being negatively affected by competition from power plants fueled by lower cost natural gas. After the volatility in 2011, Seix is focused on issues with downside limits and attractive yields. They continue to review holdings in cyclical industries and reexamine the asymmetrical return potential of each holding. Cash continues to be made available through calls and tenders, as issuers are able to extend maturities and refinance at lower rates. Certain long held positions are moving toward Investment Grade credit metrics, as they use cash flow to lower leverage. While Seix expects the sector could experience some short term volatility because of instability in the global economy, the condition of issuers leads them to conclude that over the intermediate term, high yield, as a sector, will earn its coupon plus some additional return from improving credit metrics.

Consultant's Commentary

Through March 31, 2012

Real Estate (Returns provided are those of the fund, as provided by the manager, and one quarter in arrears)

The Fund's real estate target is 7%, which assuming a \$3 billion Total Fund market value, equals a targeted allocation of \$210 million. Current commitments total \$99 million, or 47% of target, and include \$27.6 million to La Salle Property Fund, \$41.4 million to UBS Trumbull Property Fund, and \$30 million to Franklin Templeton Private Real Estate Fund. Brief comments on the three funds follow, and a full report will be provided by the NYC BERS real estate consultant.

LaSalle Property Fund (core) returned 3.0% for Q4 2011, 9 basis points ahead of the NFI-ODCE Index¹. For the trailing year, the fund returned 12.7% versus 16.0% for the index. Leverage was lowered during the quarter and fell from 37% last quarter to 27% this quarter (compared to 25% for the ODCE). Debt possesses a weighted average term of 6.7 years and a weighted average interest rate of 3.1%. The property count in the fund rose to 17, with approximately 65% of the NYC BERS commitment to the fund remaining uncalled (as of year end). In terms of sector allocation, the fund is overweight to residential (41% versus 23%) and industrials (28% versus 16%), while underweight to office (15% versus 39%). Geographic focus is currently on the East and Midwest. The portfolio is 7% allocated to value-add type investments, distributed across 4 properties.

UBS Trumbull Property Fund (core) returned 2.3% for Q4 2011, compared to 3.0% for the NFI-ODCE Index¹. For the trailing one-year period, the fund returned 13.2% versus 16.0% for the index. Underperformance can be attributed to relatively conservative portfolio positioning. As of 12/31, leverage was 14%, significantly lower than the 25% of the benchmark. Although recent relative returns have been impacted, the fund should be better able to keep pace when real-estate market gains revert to normalized levels. With respect to portfolio positioning, multi-family properties are overweight (31% versus 23%), while industrial and office properties are underweight (by 7% and 5%, respectively). Geographic focus is currently tilted toward the East (and underweight the West). The fund maintains an entry queue, and prospective investors continue to be advised of 12-15 month wait.

Consultant's Commentary

Through March 31, 2012

Real Estate (Returns provided are those of the fund, as provided by the manager, and one quarter in arrears)
Franklin Templeton Private Real Estate Fund (non-core), a global opportunistic real estate fund of funds, has as of year end, committed \$115 million (out of a total of \$269 million in total limited partner investor commitments) across five funds and a co-investment. They include two US funds (one of which specializes in real-estate debt), two funds with a Northern Europe focus, a newly added Asia Fund, and a UK co-investment. Committed assets are now allocated 35% US, 43% Europe, and 22% Asia, with office comprising the largest sector exposure (40%). Total portfolio leverage is 59%, with the underlying fund leverage ranging from 16% to 84%.

Private Equity (Returns are one quarter in arrears and results shown are provided by the manager)

Mesirow Financial Private Equity Partners III (Fund III) has committed \$524.1 million to 43 partnerships, contributed \$440.1 million and distributed \$98.8 million through 12/31/11. As of 12/30/11, Fund III posted a fair value of \$465.3 million and a preliminary IRR since inception of 8.5%. During Q1, 2012, the fund made a \$20.2 distribution, though the entire amount was contributed back to the Fund through the deemed contribution mechanism. The portfolio is moving from the investment phase to the development phase.

Mesirow Financial Private Equity Partners IV (Fund IV) has committed \$909.6 million to 53 partnerships, contributed \$527.5 million (or 58% of capital) and distributed \$46.5 million through 12/31/11. The final investment commitment for Fund IV has closed as of December 2011. As of 12/31/11, Fund IV posted a fair value of \$527.6 million and a preliminary Portfolio IRR since inception of 8.1%. Mesirow is still in the commitment and investment phase of the portfolio.

Mesirow Financial Private Equity Partners V (Fund V) held its final closing with a total capitalization of \$841.4 million. Fund V has committed \$480.7 million to 30 partnerships, contributed \$143.0 million and distributed \$14.7 million through 12/31/11. As of 12/31/11, Fund V posted a fair value of \$136.5 million. The fund is too new for a

Consultant's Commentary

Through March 31, 2012

Private Equity (Returns are one quarter in arrears and results shown are provided by the manager)

Portfolio IRR to be meaningful. During Q1 2012, the fund made an approximate \$25 million capital. Mesirow is still in the commitment and investment phase of the portfolio.

New York/Fairview Private Equity Fund has committed \$18 million to 6 partnerships and contributed \$10.9 million through 12/31/2011. As of 12/31/11, the Fund posted a fair value of \$10.1 mm relative to a cost basis of \$8.0 million. As of year end, the portfolio has \$3 mm in each of the following 6 partnerships: 21st Century Group, Bertram Growth I, Encore Consumer Capital, GenNx360 Capital Partners, Halyard Capital II, and Vicente Capital Partners Growth. Most of the investments are diversified across various sectors including industrials, media and telecom, energy, consumer goods, technology and healthcare.

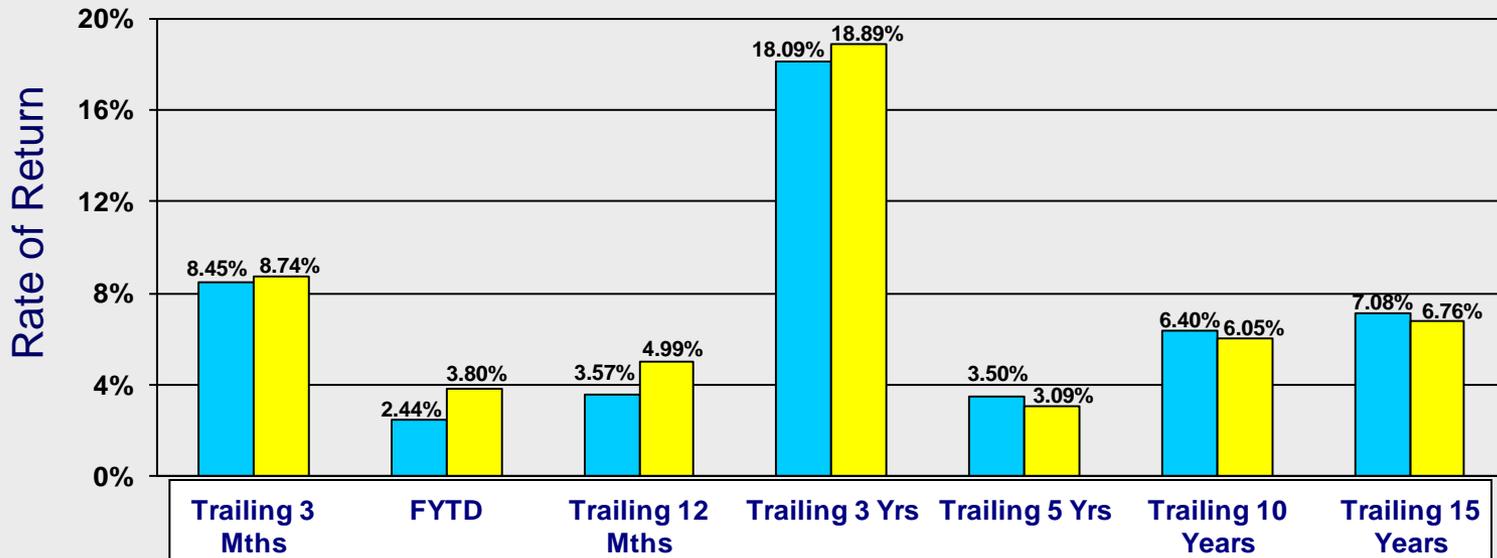
Total Portfolio Returns: March 31, 2012

\$3B Under Management

As of 03/31/12

Portfolio Returns

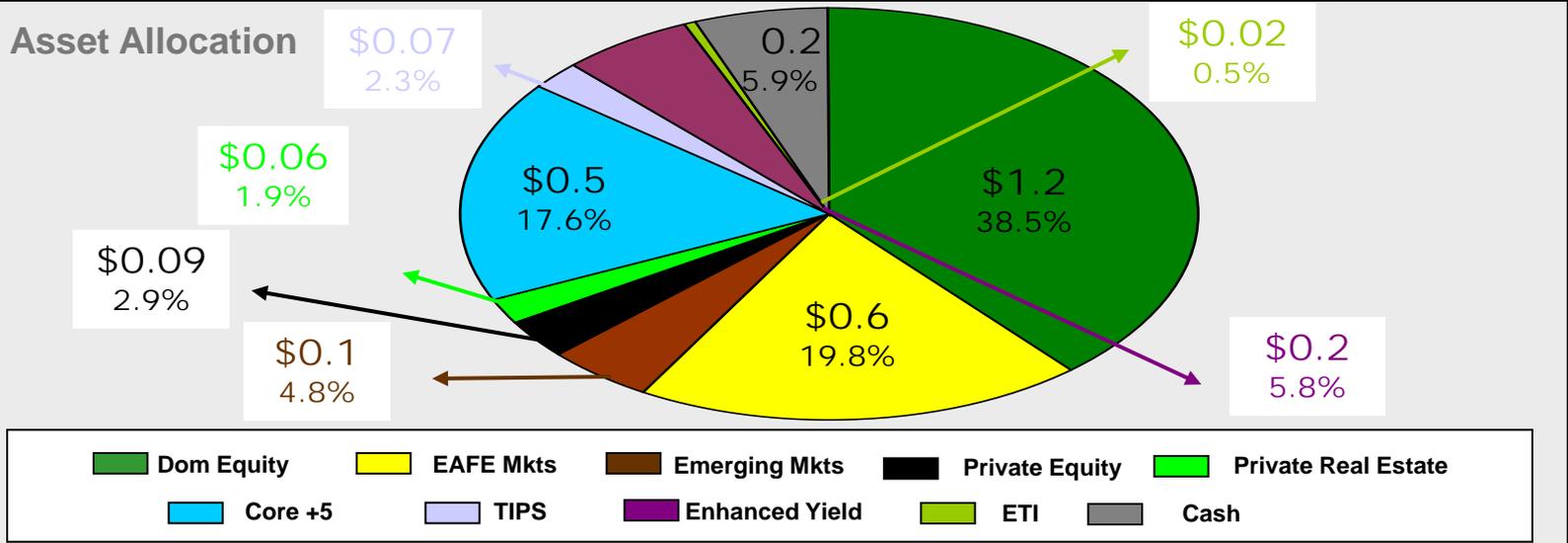
Policy Index Returns



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	11.8	14.2	11.7	11.8
Benchmark Std Dev	12.5	15.0	12.3	12.2

Portfolio Asset Allocation: March 31, 2012

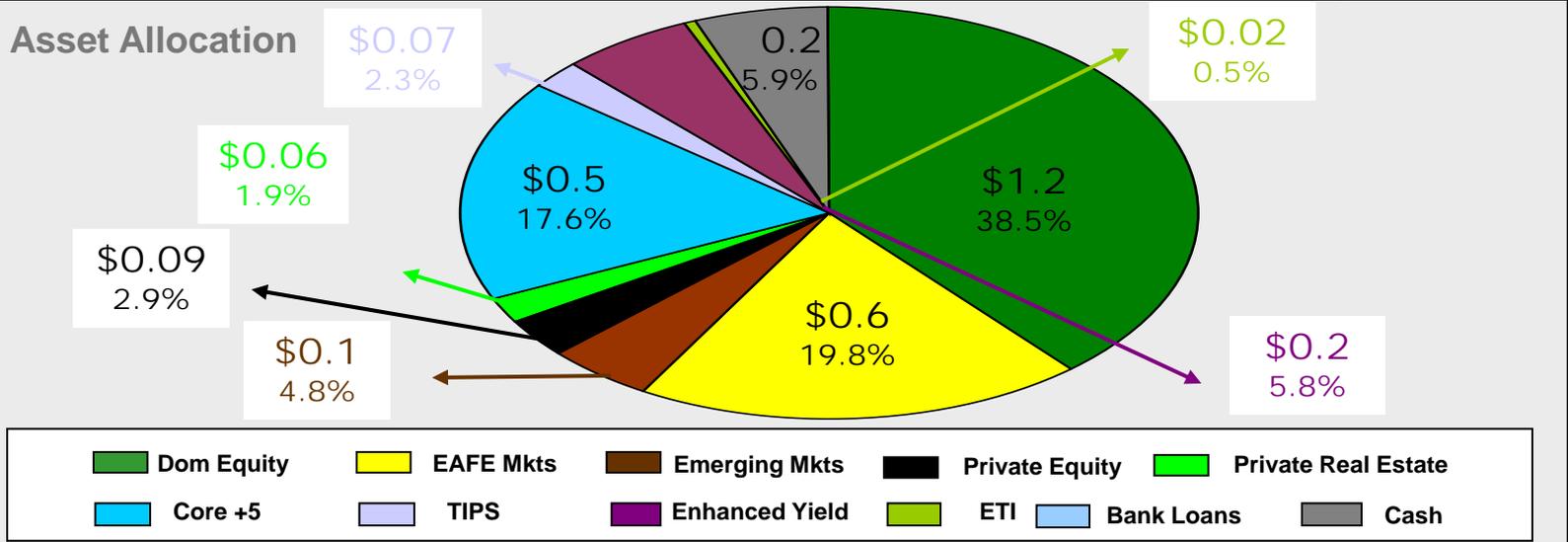
\$3B Under Management



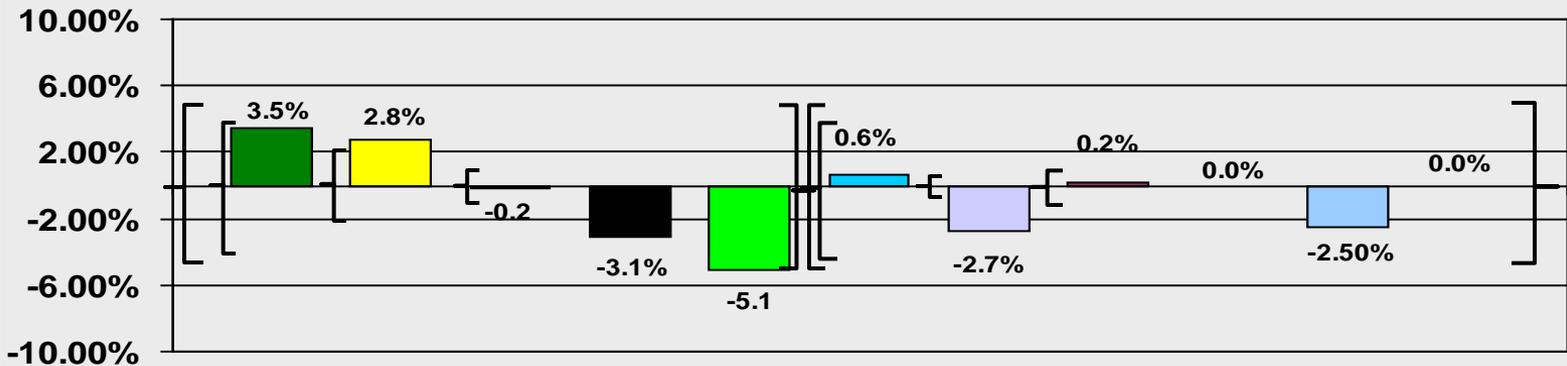
Note: Brackets represent rebalancing ranges versus Policy.

Portfolio Asset Allocation: March 31, 2012

\$3B Under Management

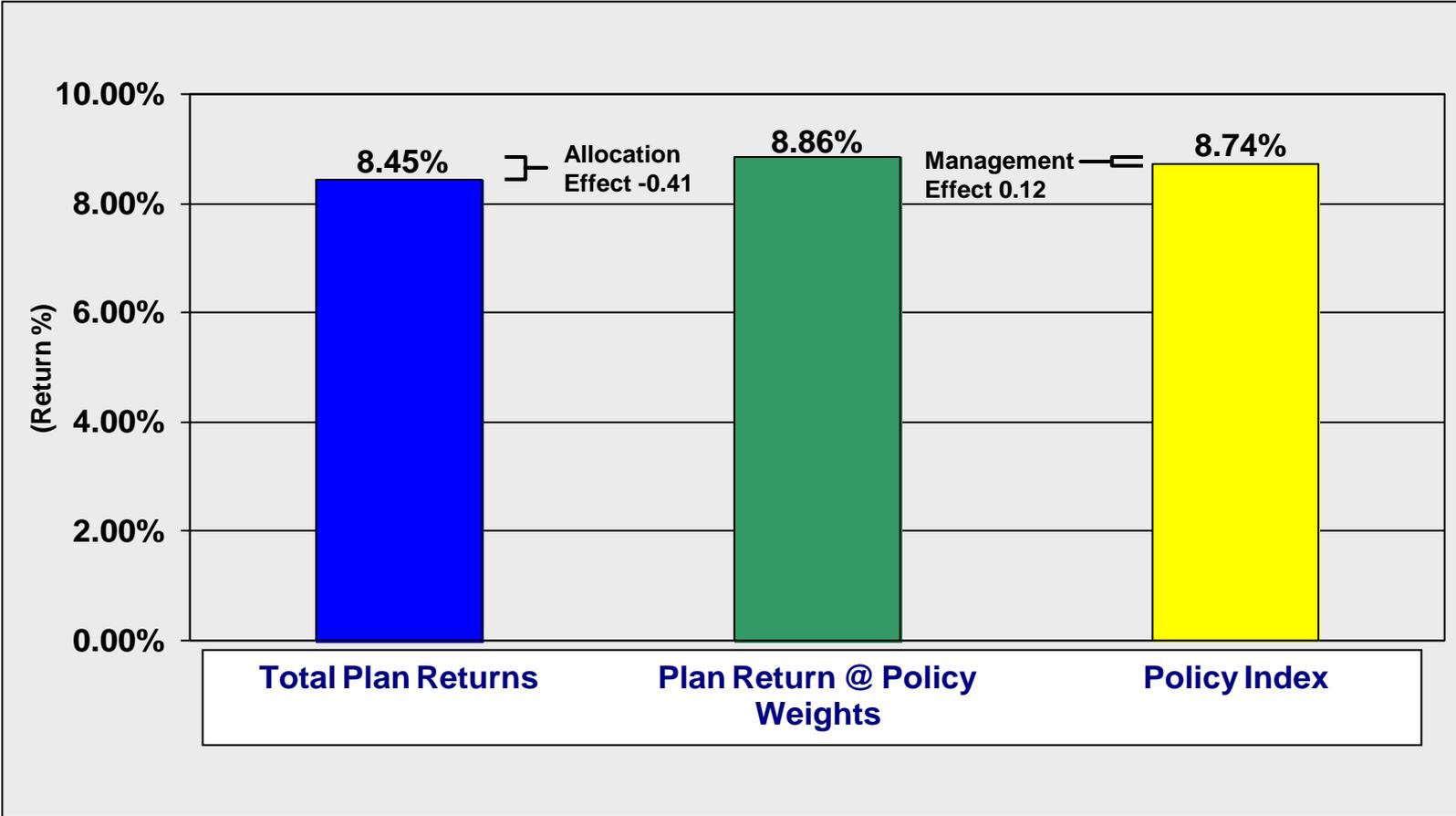


Relative Mix to New Policy Weights

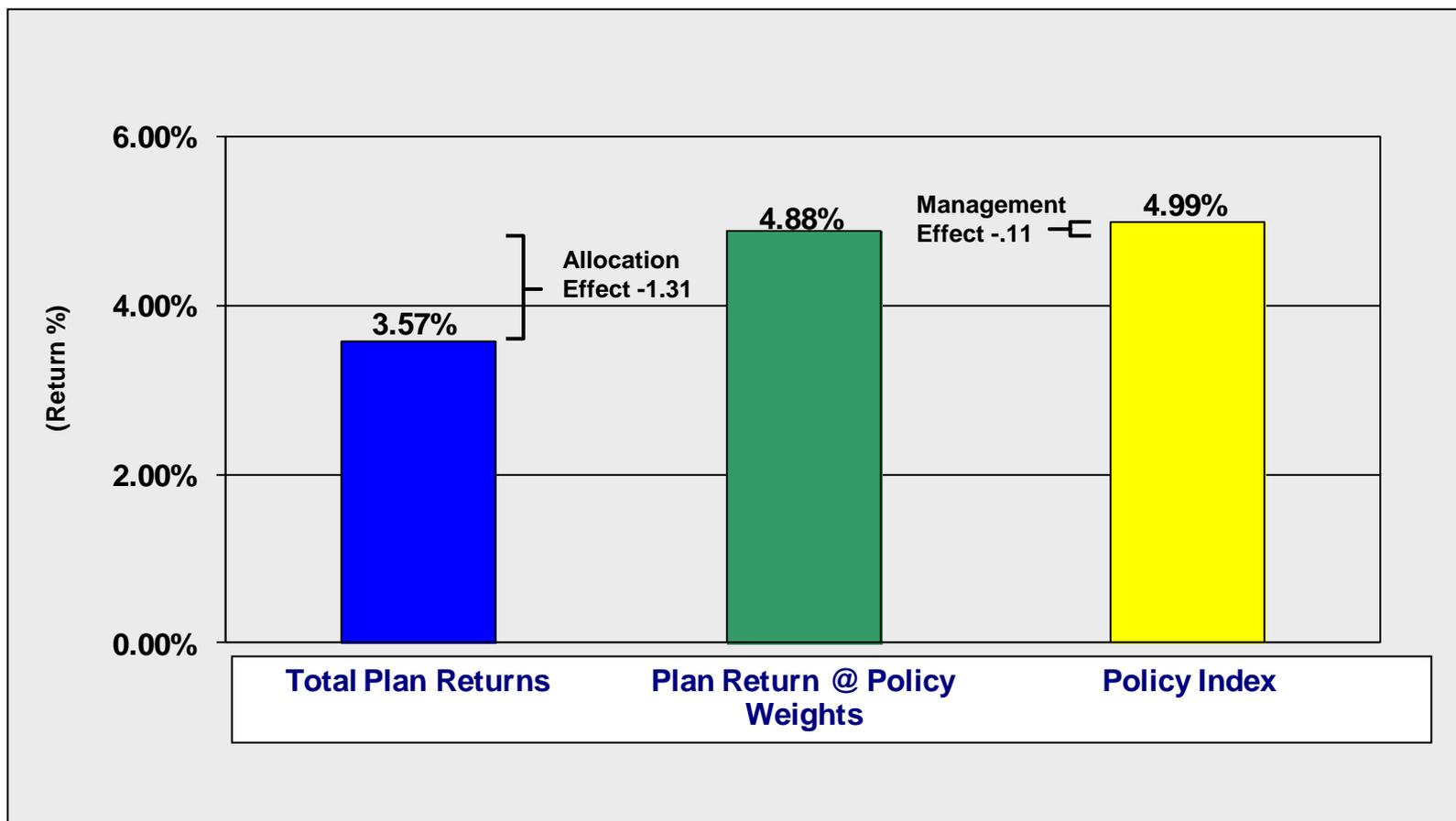


Note: Brackets represent rebalancing ranges versus Policy.

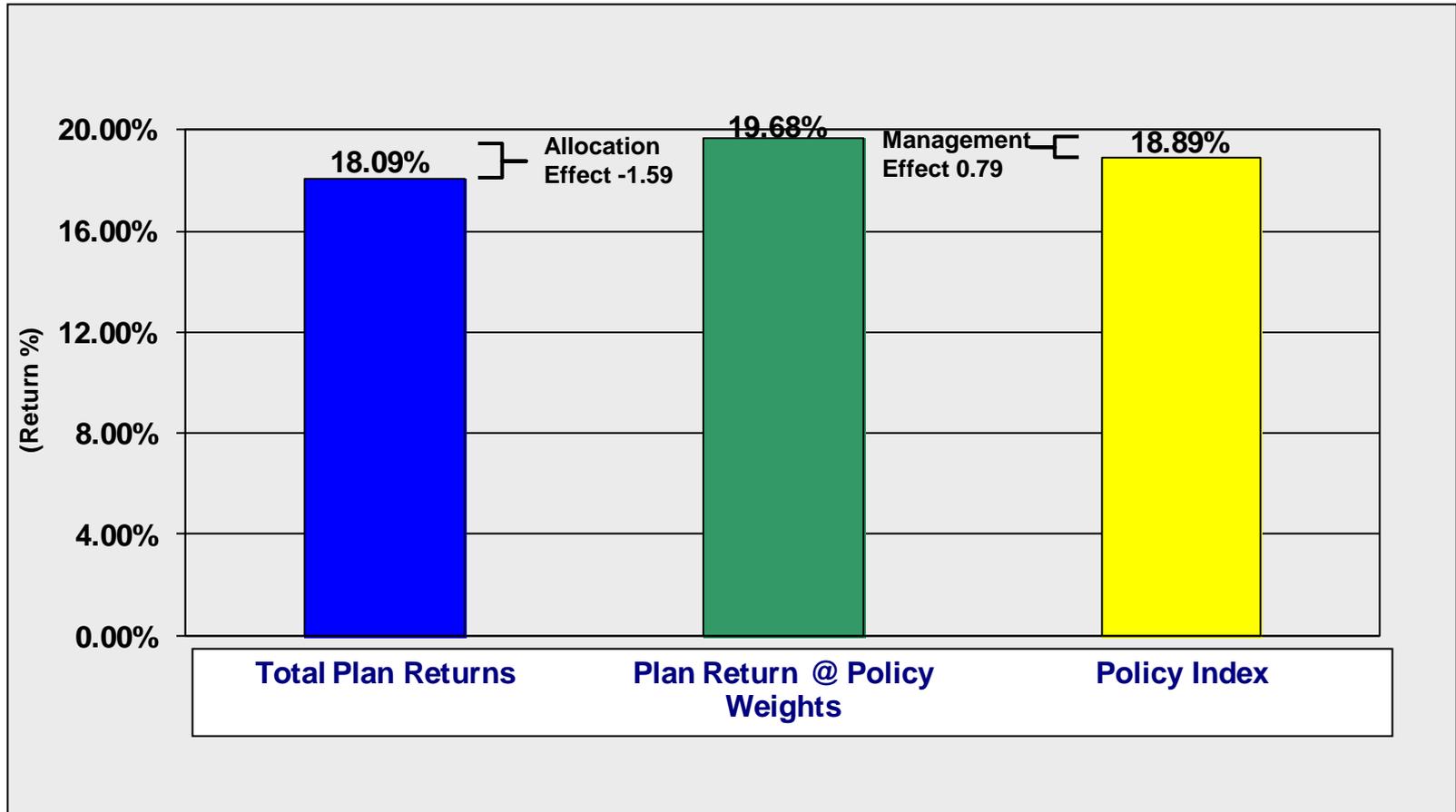
Performance Attribution: Total Plan - Quarter Ending March 31, 2012



Performance Attribution: Total Plan – 12 Months Ending March 31, 2012



Performance Attribution: Total Plan – 3 Years Ending March 31, 2012



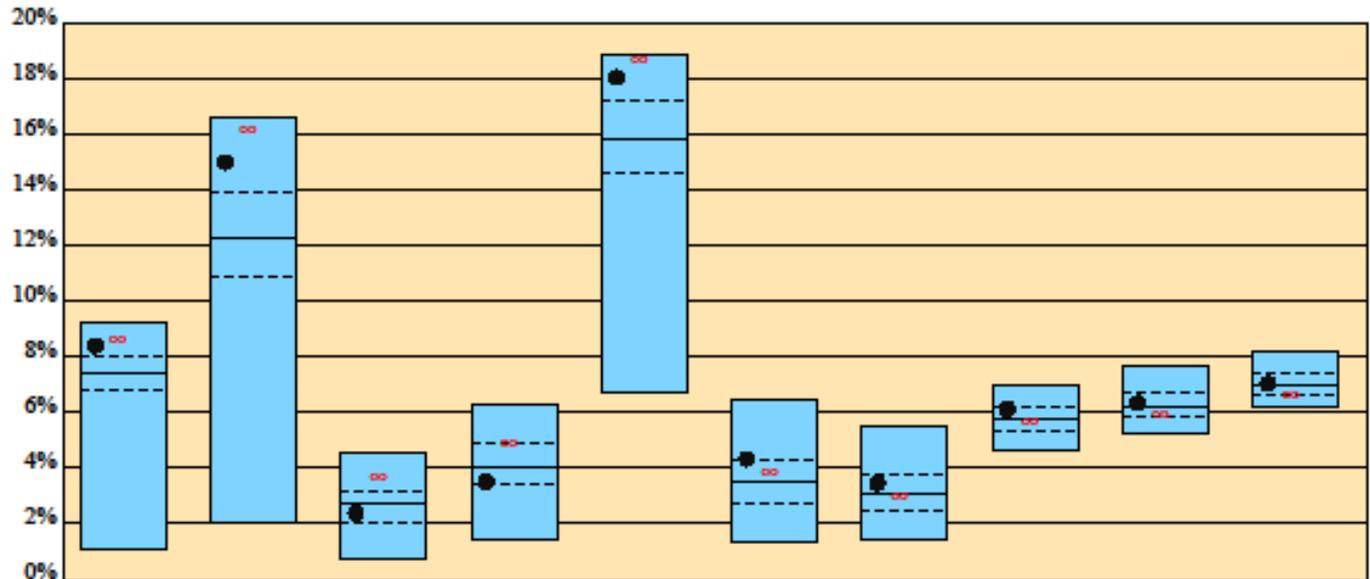
Total Plan - Quarter Ending March 31, 2012

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.20	-0.67	-0.11	Russell 3000 Index
EAFE Markets	0.17	0.85	0.91	MSCI EAFE Index
Emerging Markets	-0.04	-0.03	-0.03	MSCI Emerging Markets Index
Private Equity	-0.45	-0.17	-0.49	Russell 3000 Index + 500 b.p.
Private Real Estate	0.01	****	****	NCREIF ODCE NET
Domestic Fixed	0.11	0.04	0.32	NYC Core +5 Index
Enhanced Yield	0.07	0.01	0.09	Citigroup BB&B Index
TIPS	0.00	0.00	0.00	Barclays Capital US TIPS Index

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 March 31, 2012

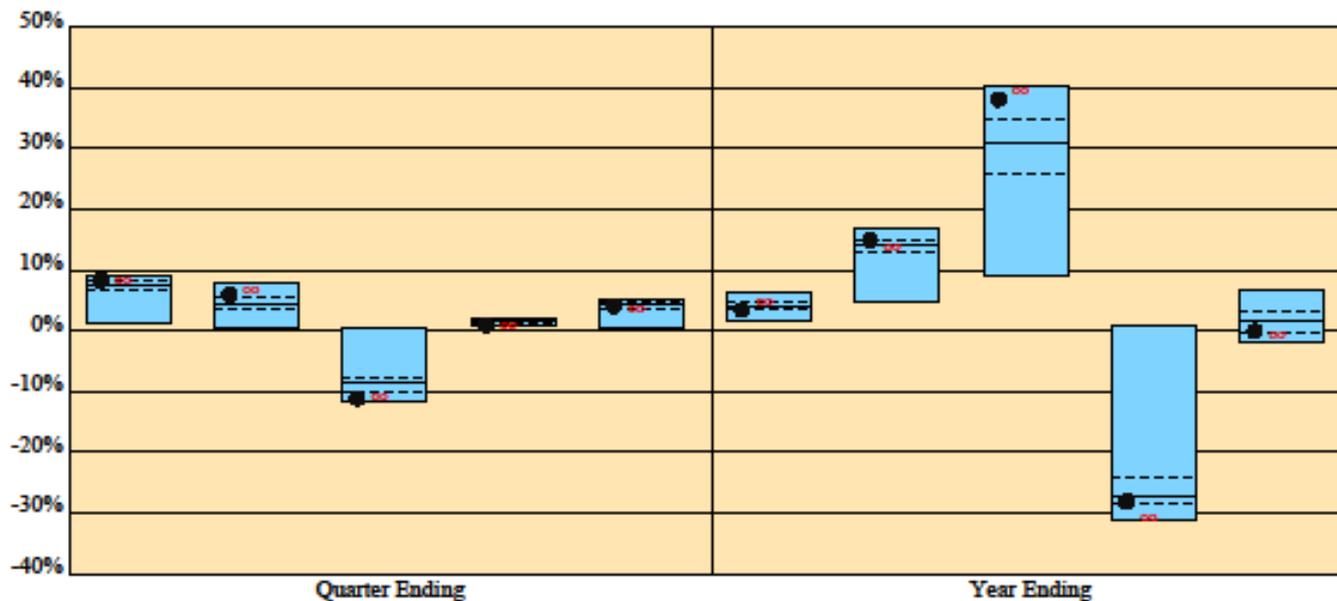


	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
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5th Percentile	9.21	16.62	4.55	6.29	18.92	6.49	5.48	6.97	7.69	8.24
25th Percentile	8.06	13.95	3.14	4.91	17.20	4.29	3.74	6.23	6.72	7.43
Median	7.43	12.25	2.72	4.04	15.81	3.52	3.05	5.79	6.18	6.97
75th Percentile	6.80	10.93	2.03	3.41	14.62	2.73	2.51	5.30	5.82	6.67
95th Percentile	1.08	2.06	0.77	1.45	6.76	1.34	1.40	4.64	5.22	6.18

● Total System	8.45 (17)	15.06 (11)	2.44 (57)	3.57 (71)	18.10 (12)	4.38 (21)	3.51 (30)	6.17 (30)	6.39 (37)	7.08 (42)
oo Board of Ed Policy Benchmark	8.74 (10)	16.24 (7)	3.81 (14)	5.00 (23)	18.77 (7)	3.97 (33)	3.11 (46)	5.80 (48)	6.06 (62)	6.77 (70)

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



	Quarter Ending					Year Ending				
	Mar 12	Dec 11	Sep 11	Jun 11	Mar 11	Mar 12	Mar 11	Mar 10	Mar 09	Mar 08
5th Percentile	9.21	7.73	0.53	2.16	5.11	6.29	16.89	40.39	0.67	6.57
25th Percentile	8.06	5.66	-7.58	1.78	4.74	4.91	15.03	34.84	-24.10	3.10
Median	7.43	4.48	-8.58	1.48	4.23	4.04	14.02	30.99	-27.14	1.46
75th Percentile	6.80	3.72	-9.94	1.10	3.63	3.41	12.85	25.88	-28.43	-0.20
95th Percentile	1.08	0.60	-11.76	0.67	0.52	1.45	4.65	9.17	-31.26	-1.80
● Total System	8.45 (17)	6.09 (11)	-10.96 (91)	1.10 (75)	4.27 (39)	3.57 (71)	15.03 (25)	38.27 (10)	-27.93 (62)	0.07 (73)
∞ Board of Ed Policy Benchmark	8.74 (10)	6.90 (5)	-10.70 (89)	1.15 (68)	4.05 (56)	5.00 (23)	14.09 (46)	39.87 (7)	-30.26 (89)	-0.29 (78)

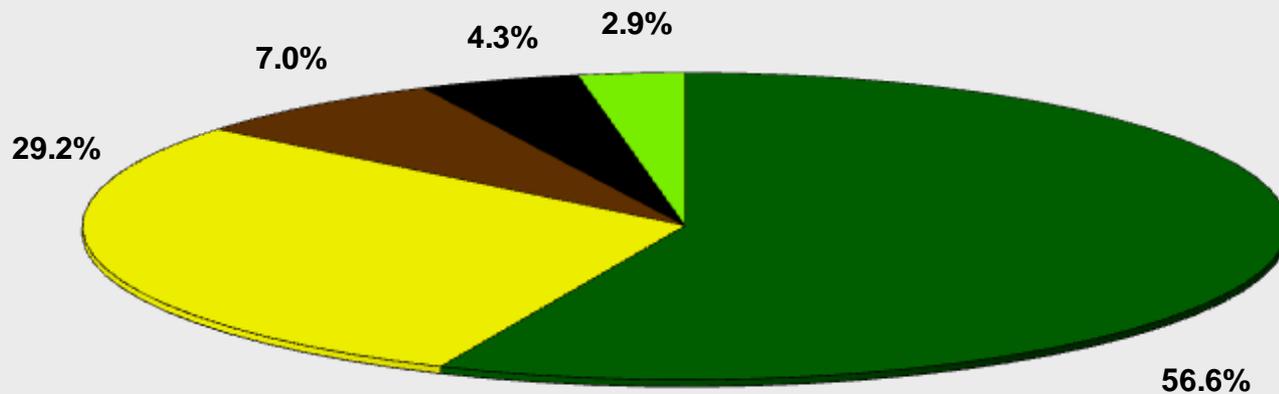
New York City
Board of Education Retirement System

Equity Analysis

Total Equity Asset Allocation: March 31, 2012

\$2.1B Under Management, **68%** of Total Funds

Asset Allocation by Groups

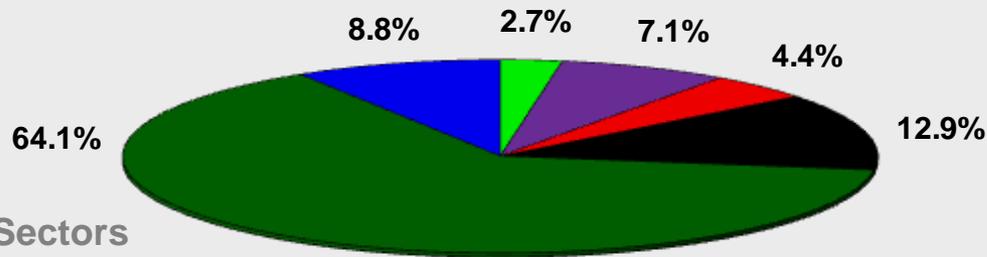


■ Domestic Equity ■ EAFE Mkts ■ Emerging Mkts ■ Private Equity ■ Private Real Estate

Total Domestic Equity Asset Allocation: Quarter Ending March 31, 2012

\$1.2B Under Management, **38%** of Total Funds

Asset Allocation by Groups



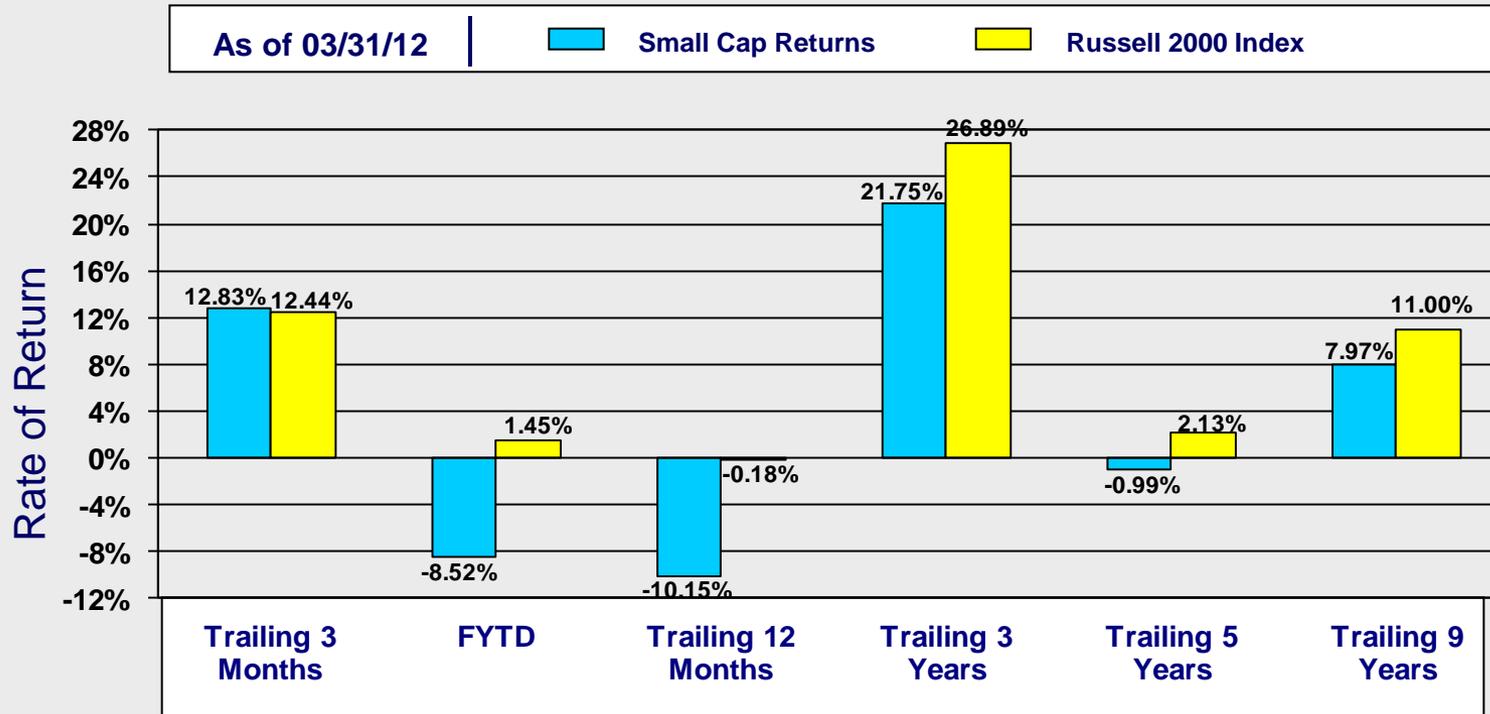
Value Added by Sectors



Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Small Cap Active	2.83	2.64	-0.19	12.44	12.83	0.39	0.00	0.01
Mid Cap Active	7.25	7.28	0.03	13.50	16.18	2.68	0.00	0.19
Mid Cap S&P 400 Index	3.75	4.45	0.70	13.50	13.52	0.02	0.00	0.00
Russell 1000 Active	11.25	12.95	1.70	12.90	14.48	1.58	0.00	0.20
Russell 3000 Index Funds	67.42	63.79	-3.63	12.87	12.84	-0.03	0.00	-0.02
Manager of Managers	7.50	8.90	1.40	12.87	14.49	1.62	0.00	0.13

Small Cap Returns vs Russell 2000 Index

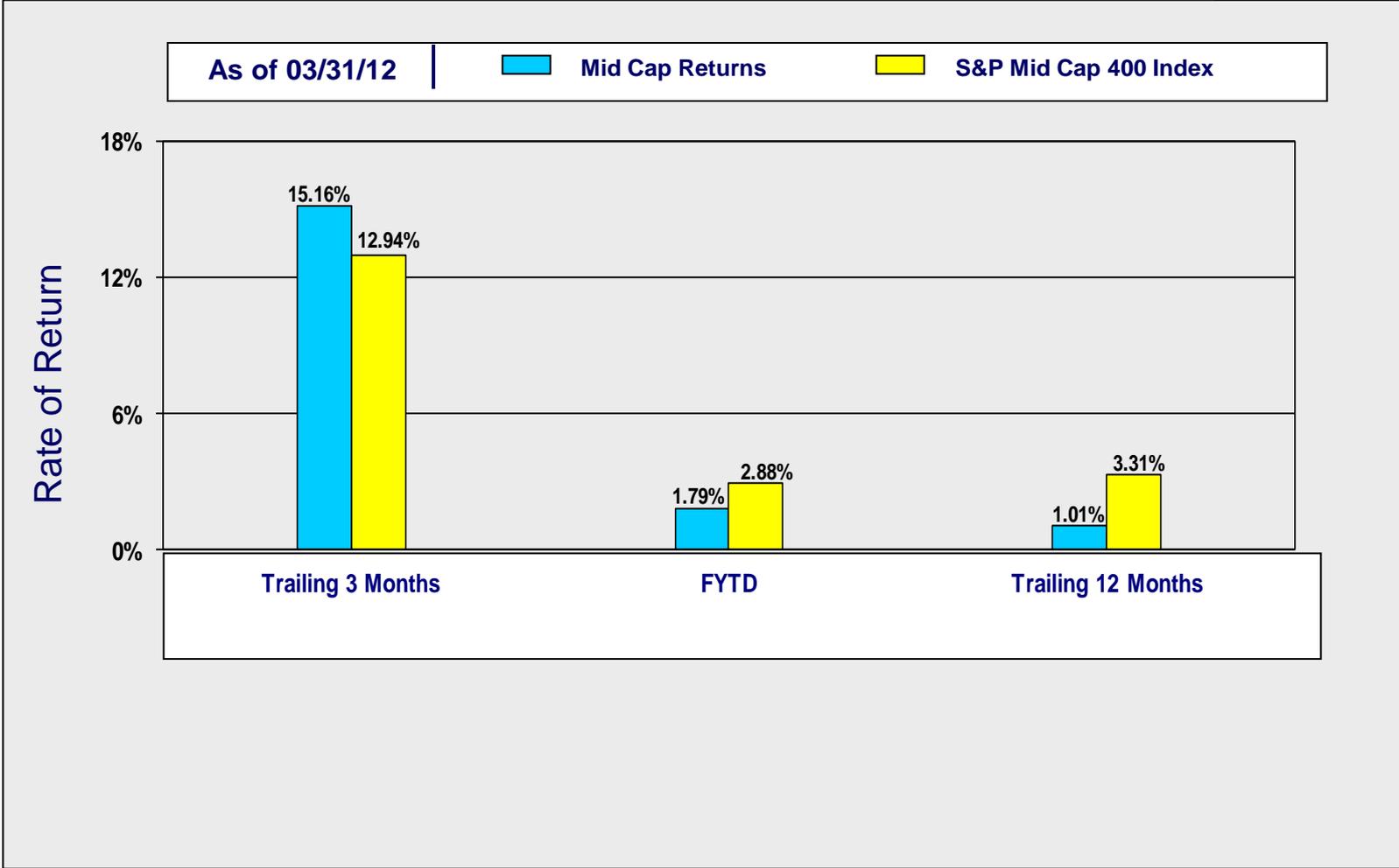
\$31M Under Management, **1%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	22.6	24.0	20.0
Benchmark Std Dev	22.3	24.5	20.7

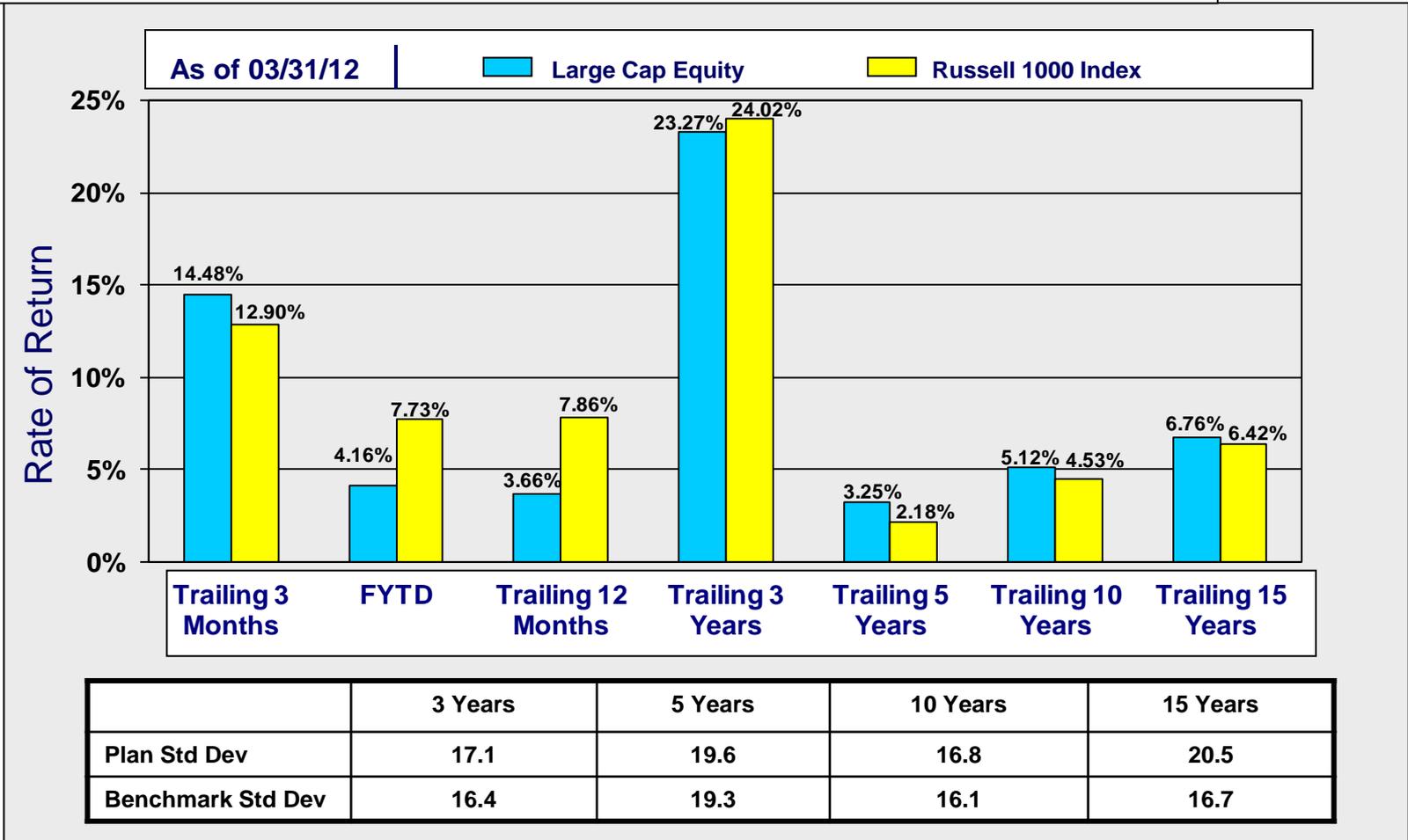
Mid Cap Returns vs Russell MidCap Index

\$137M Under Management, **5%** of Total Funds



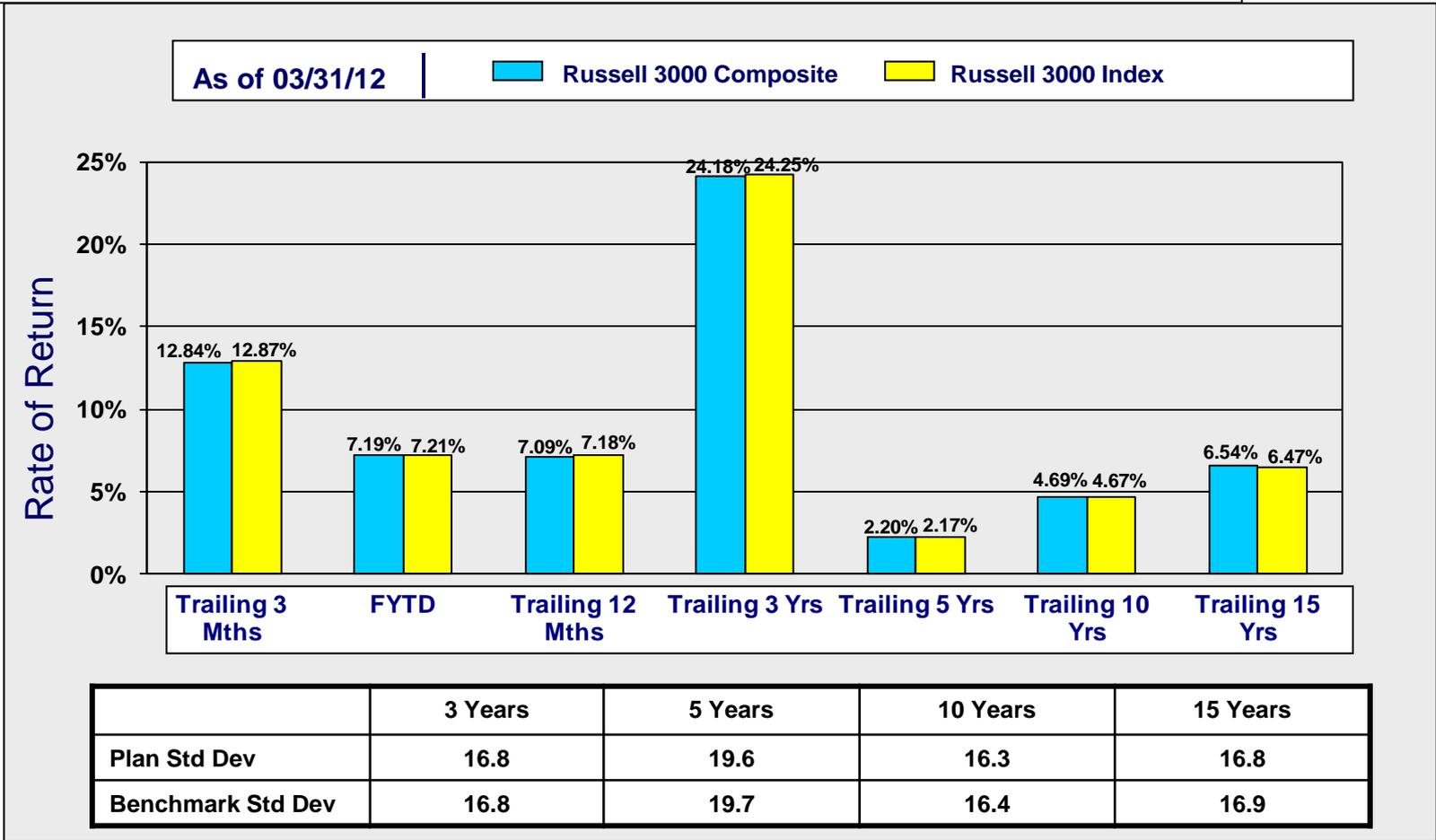
Large Cap Returns vs Russell 1000 Index

\$151M Under Management, **5%** of Total Funds



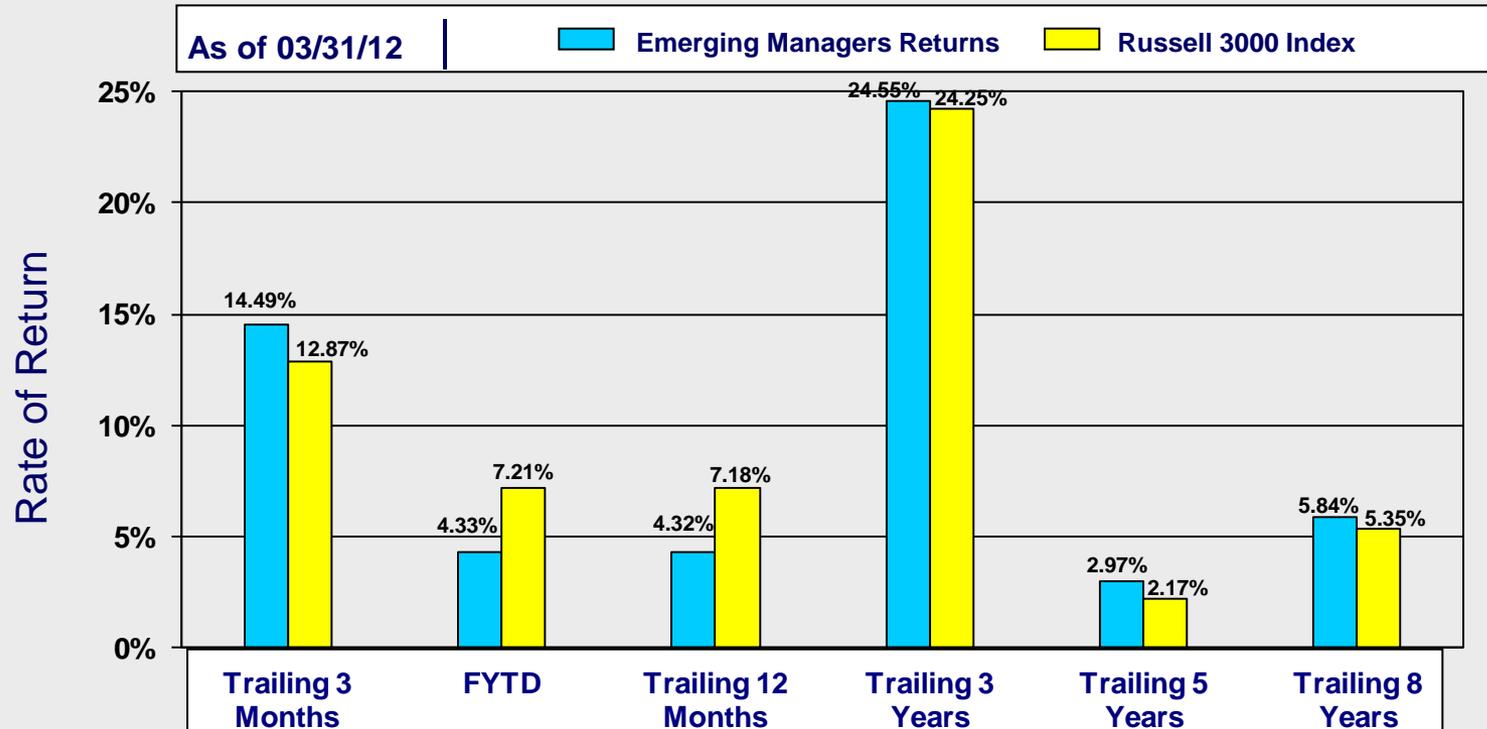
Russell 3000 Passive Returns vs Russell 3000 Index

\$743M Under Management, **25%** of Total Funds



Emerging Managers Returns vs Russell 3000 Index

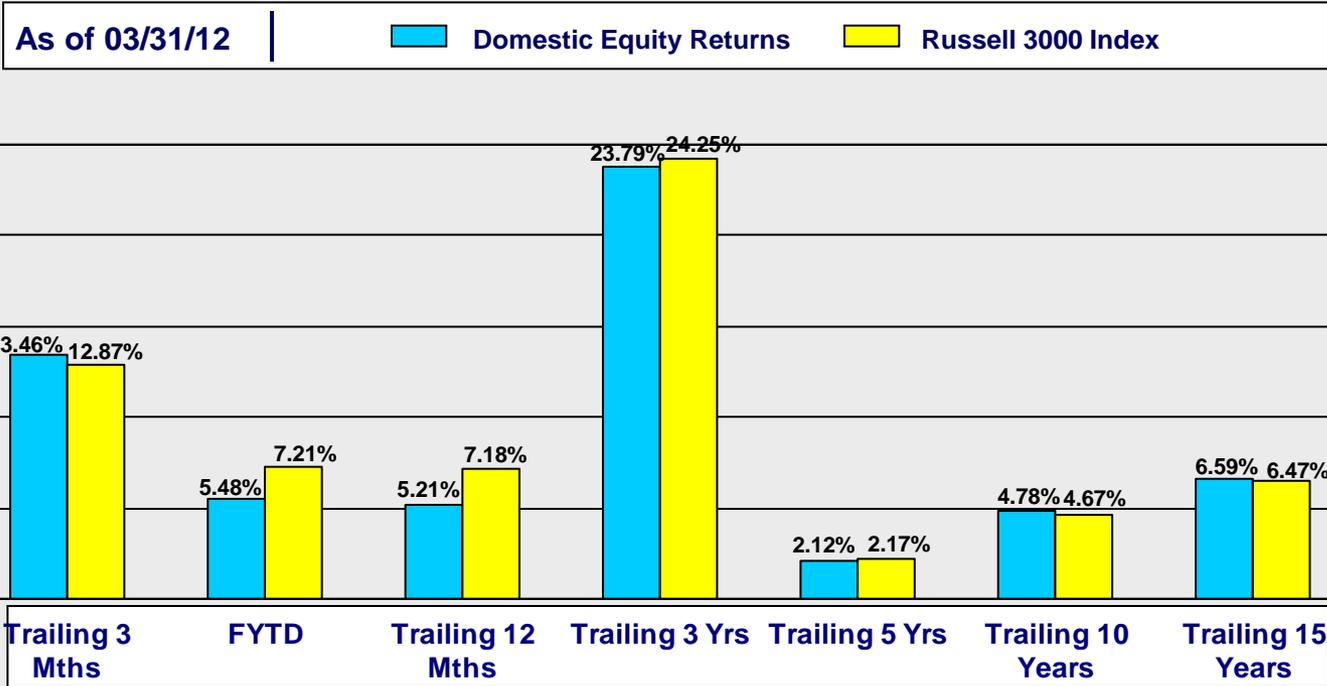
\$104M Under Management, **3%** of Total Funds



	3 Years	5 Years	8 Years
Plan Std Dev	18.4	20.8	17.3
Benchmark Std Dev	16.8	19.7	16.2

Total Domestic Equity Returns vs Russell 3000 Index

\$1B Under Management, **38%** of Total Funds

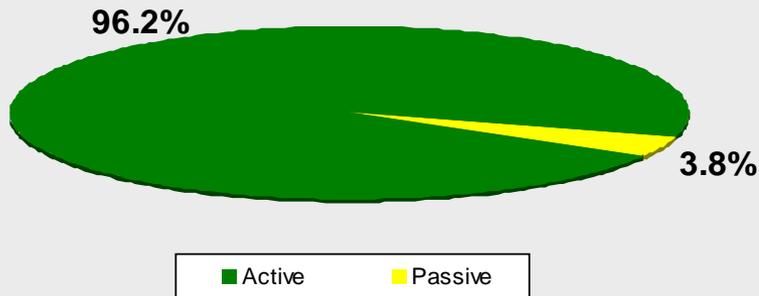


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	17.2	19.9	16.6	17.1
Benchmark Std Dev	16.8	19.7	16.4	16.9

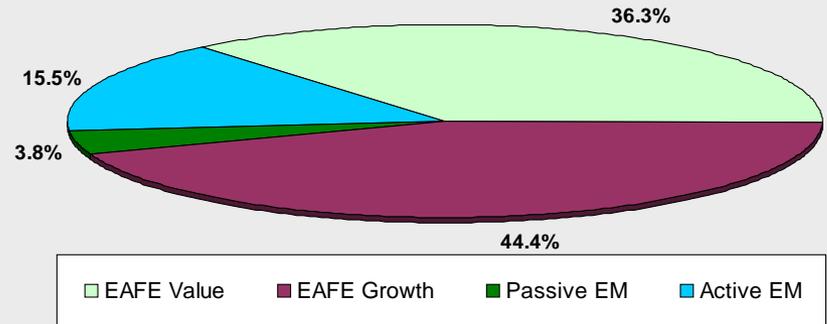
International Equity Asset Allocation: March 31, 2012

\$745M Under Management, **25%** of Total Funds

Asset Allocation by Groups



Asset Allocation by Style

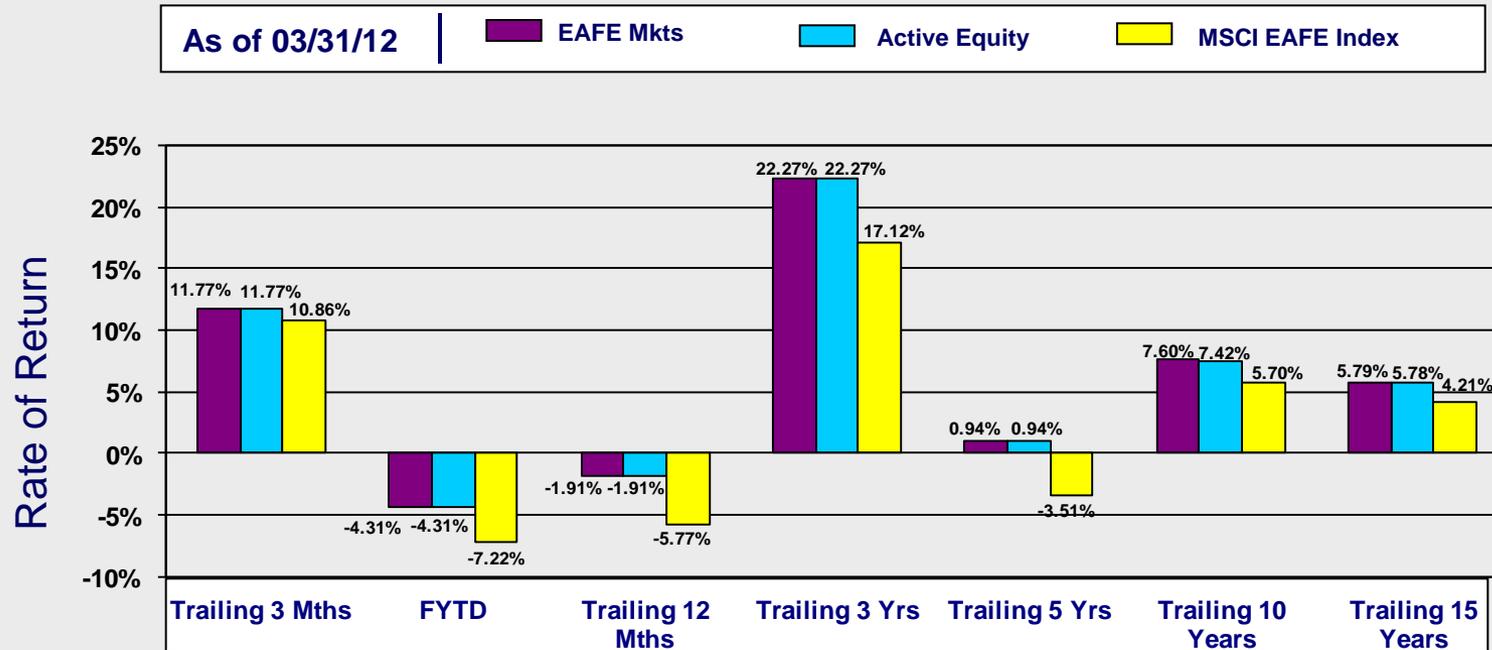


Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
EAFE Growth		44.38		12.10	12.65	0.55		0.72
EAFE Value		36.29		9.85	10.73	0.88		0.60
ACTIVE EM		15.52		14.14	12.93	-1.21		0.06
PASSIVE EM		3.81		14.14	14.05	-0.09		-0.02

EAFE Markets Returns vs MSCI EAFE Index

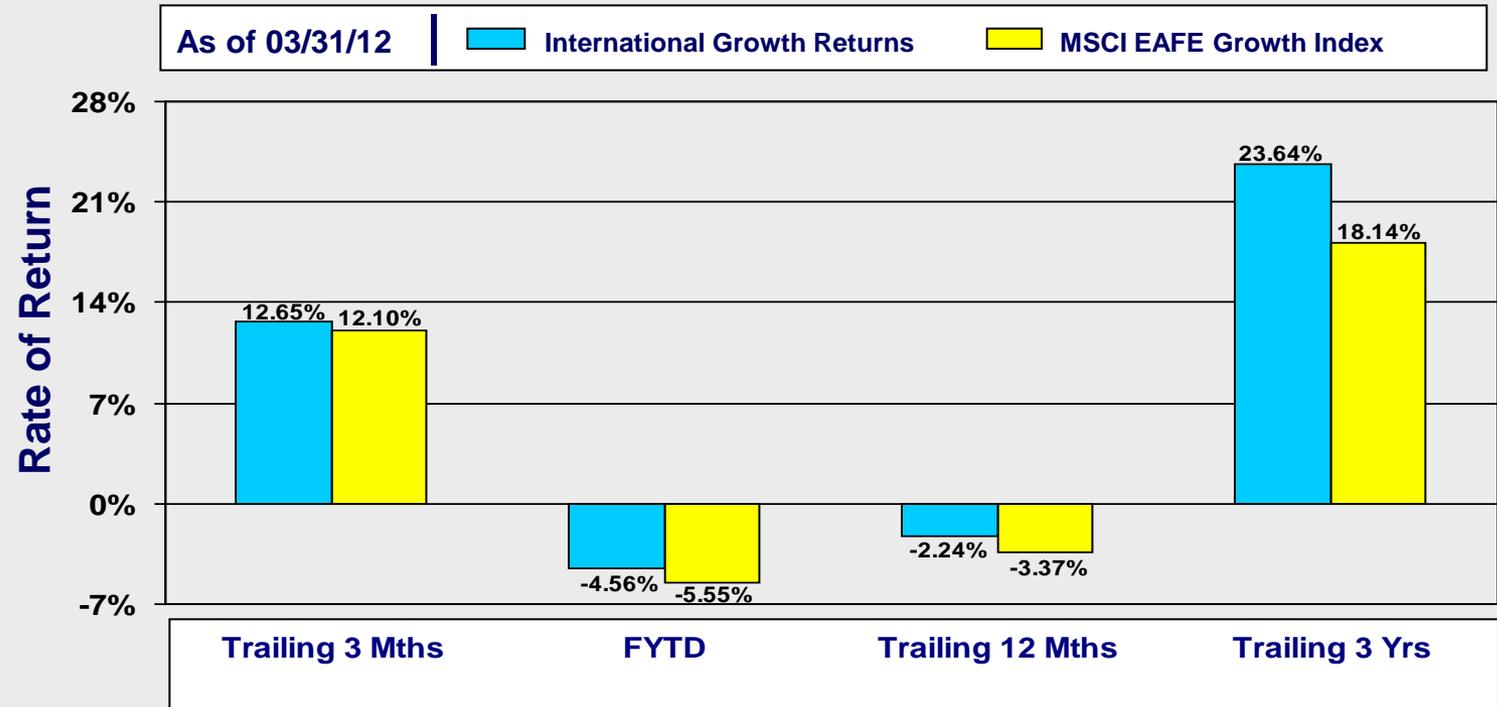
\$601M Under Management, **20%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	20.6	22.9	18.9	18.3
Active Plan Std Dev	20.6	22.9	19.0	18.5
Benchmark Std Dev	20.6	22.7	18.6	18.0

International Growth Returns vs MSCI EAFE Growth Index

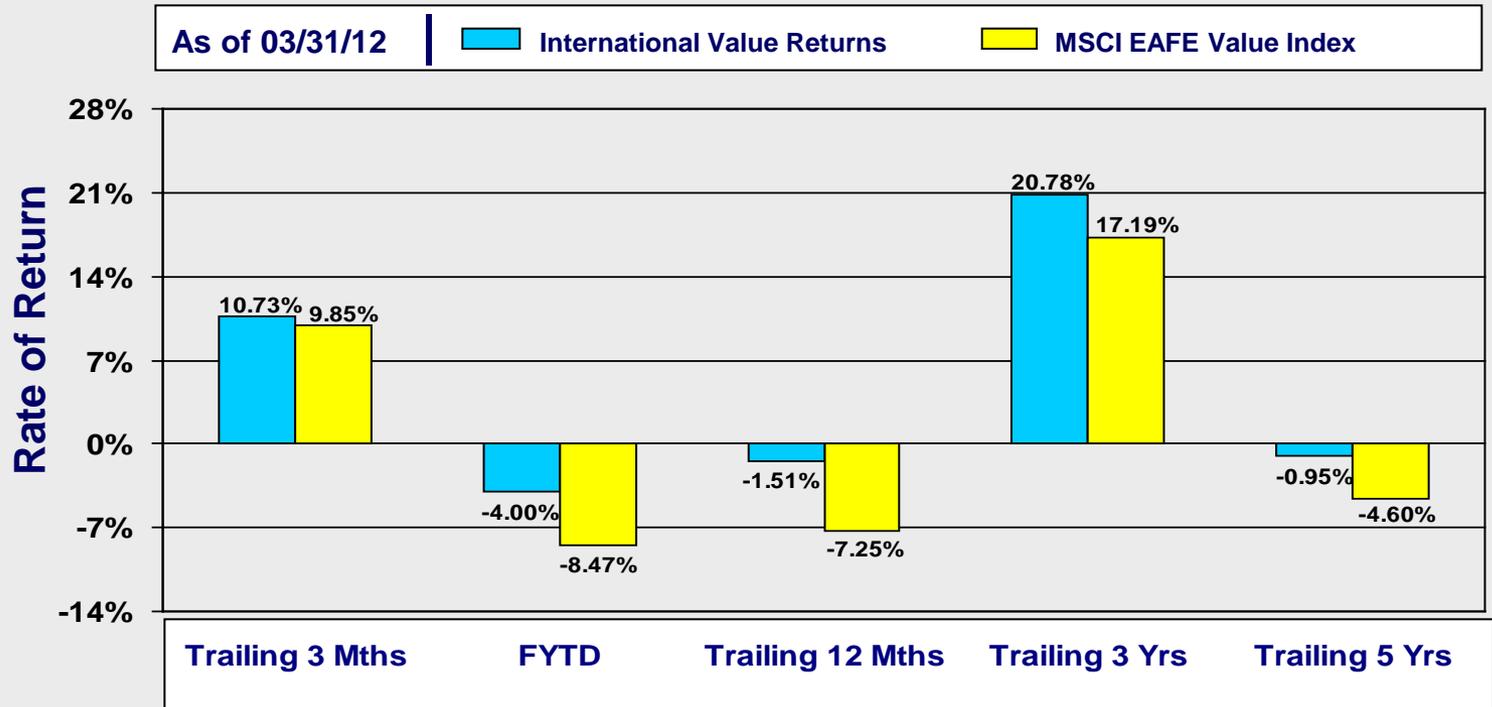
\$331M Under Management, **11%** of Total Funds



	3 Years
Plan Std Dev	22.4
Benchmark Std Dev	19.5

International Value Returns vs MSCI EAFE Value Index

\$270M Under Management, **9%** of Total Funds

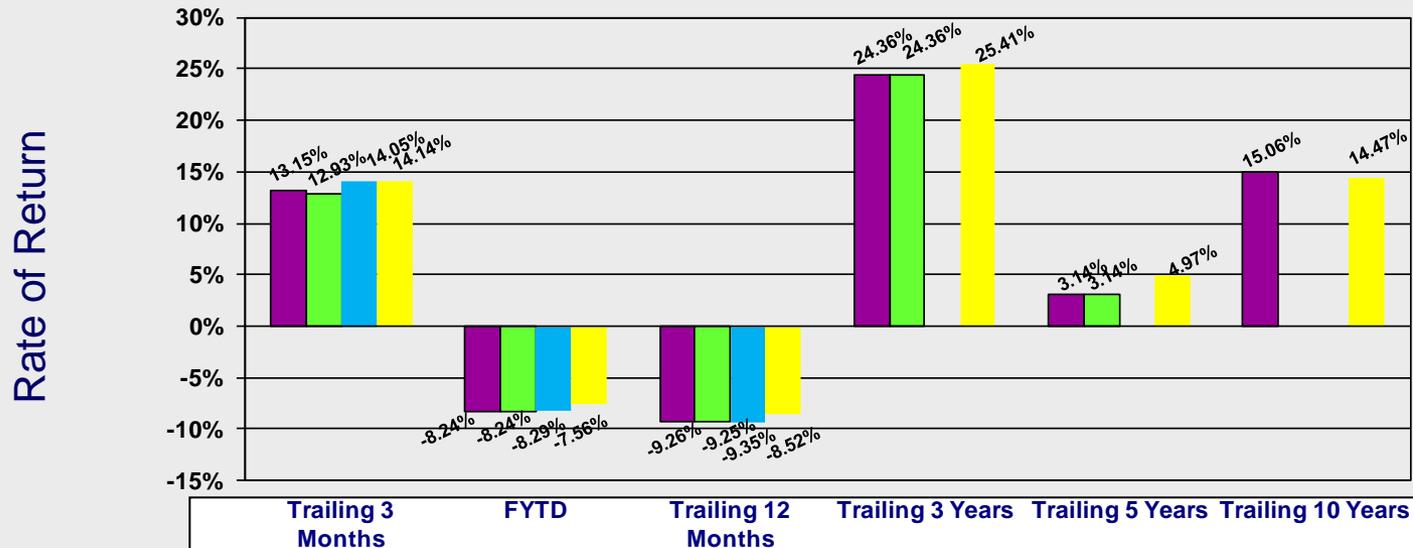


	3 Years	5 Years
Plan Std Dev	18.7	20.7
Benchmark Std Dev	22.4	24.0

Emerging Markets Returns vs MSCI Emerging Markets Index

\$144M Under Management, **5%** of Total Funds

As of 03/31/12 | ■ Emerging Mkts Returns ■ Active Equity ■ Passive Equity ■ MSCI Emerging Mkts Index



	3 Years	5 Years	10 Years
Plan Std Dev	24.9	29.7	24.3
Active Plan Std Dev	25.0	29.8	****
Passive Plan Std Dev	****	****	****
Benchmark Std Dev	24.8	29.3	24.4

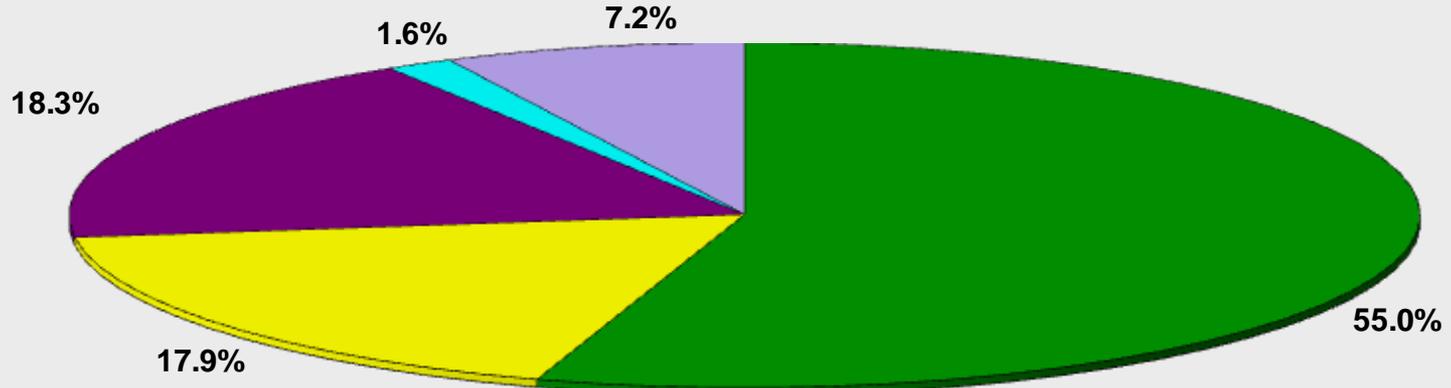
New York City
Board of Education Retirement System

Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2012

\$971M Under Management, **32%** of Total Funds

Asset Allocation by Groups

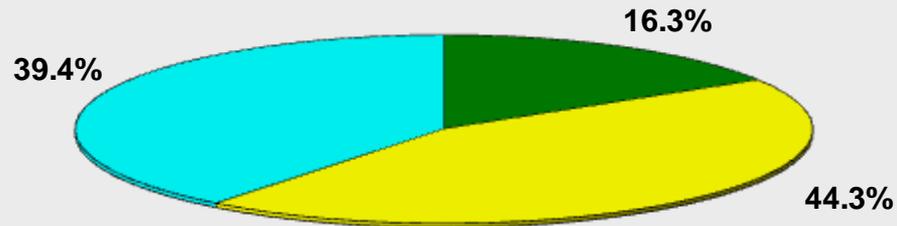


■ Structured Fixed Income ■ Enhanced Yield ■ Short Term Investments ■ ETI ■ Tips Managers

Structured Fixed Income Asset Allocation: Quarter Ending March 31, 2012

\$533M Under Management, **18%** of Total Funds

Asset Allocation by Groups



■ Treasury/Agency ■ Mortgage ■ Credit

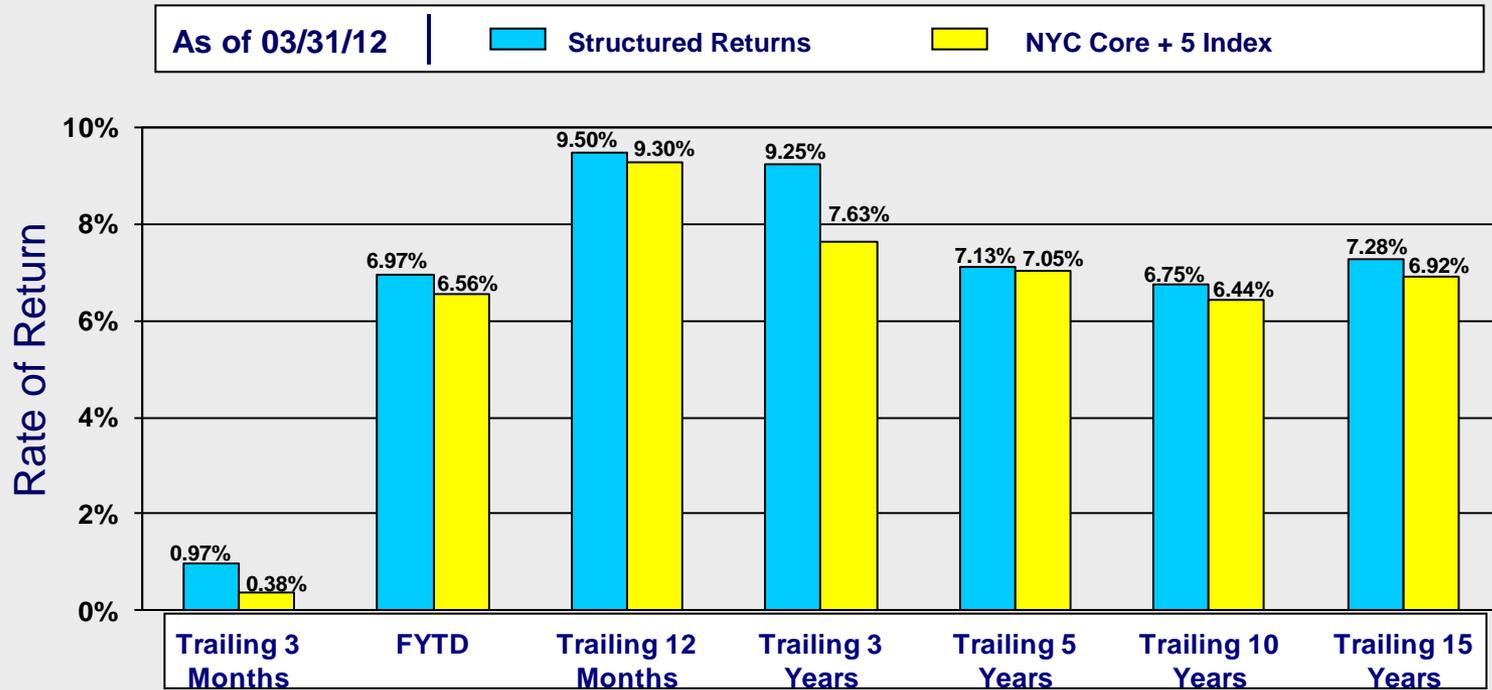
Asset Allocation by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	21.25	16.27	-4.98	-2.74	-2.67	0.07	0.18	0.01
Mortgage	42.15	44.28	2.13	0.61	1.33	0.71	0.01	0.34
Credit	36.60	39.44	2.84	2.09	2.15	0.06	0.07	0.02

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

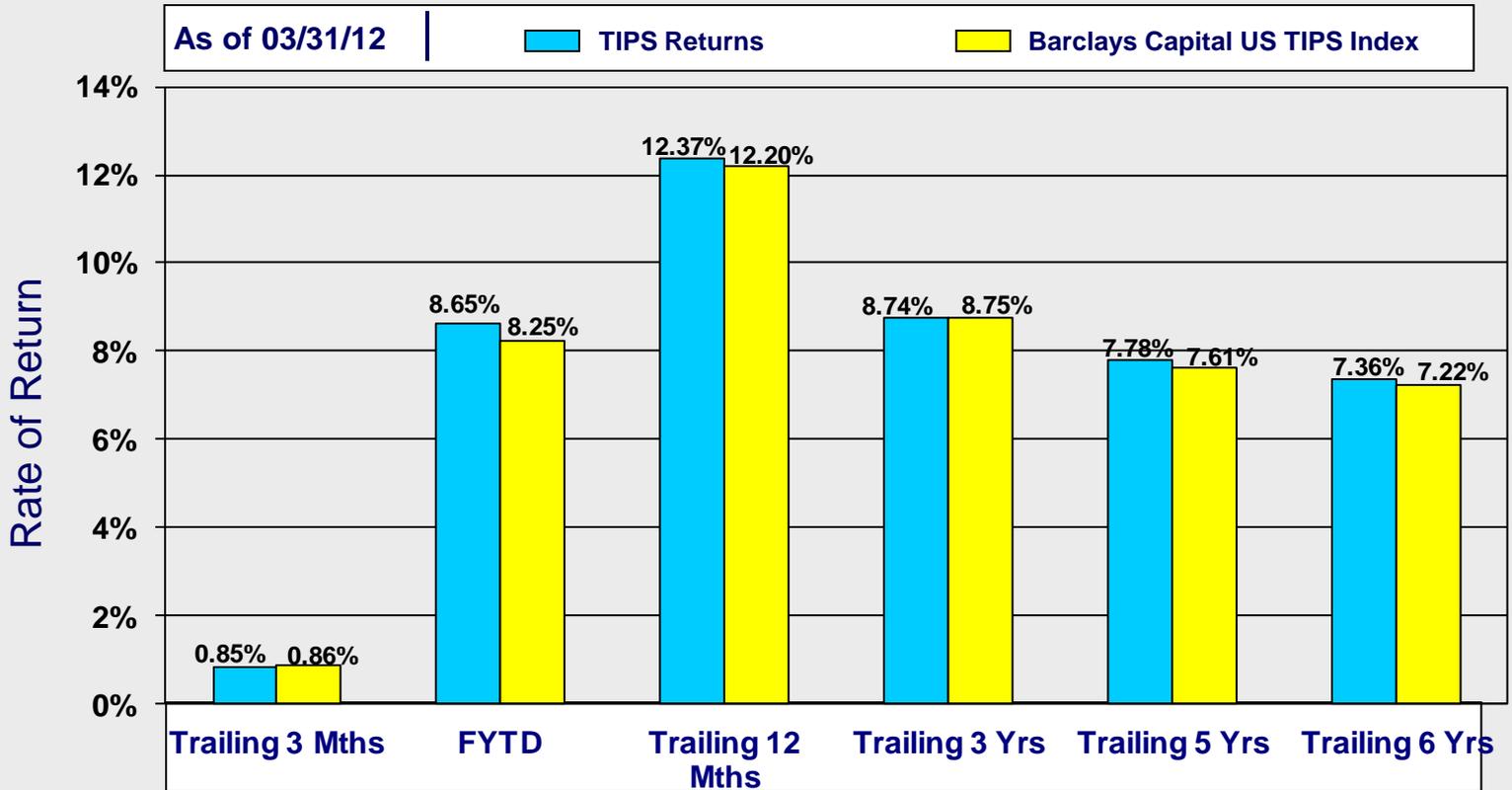
\$533M Under Management, **18%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	3.1	4.2	4.1	4.0
Benchmark Std Dev	3.2	4.4	4.3	4.1

TIPS Returns vs Barclays Capital US TIPS Index

\$70M Under Management, **2%** of Total Funds



	3 Years	5 Years	6 Years
Plan Std Dev	4.7	7.6	7.2
Benchmark Std Dev	4.9	7.4	7.0

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

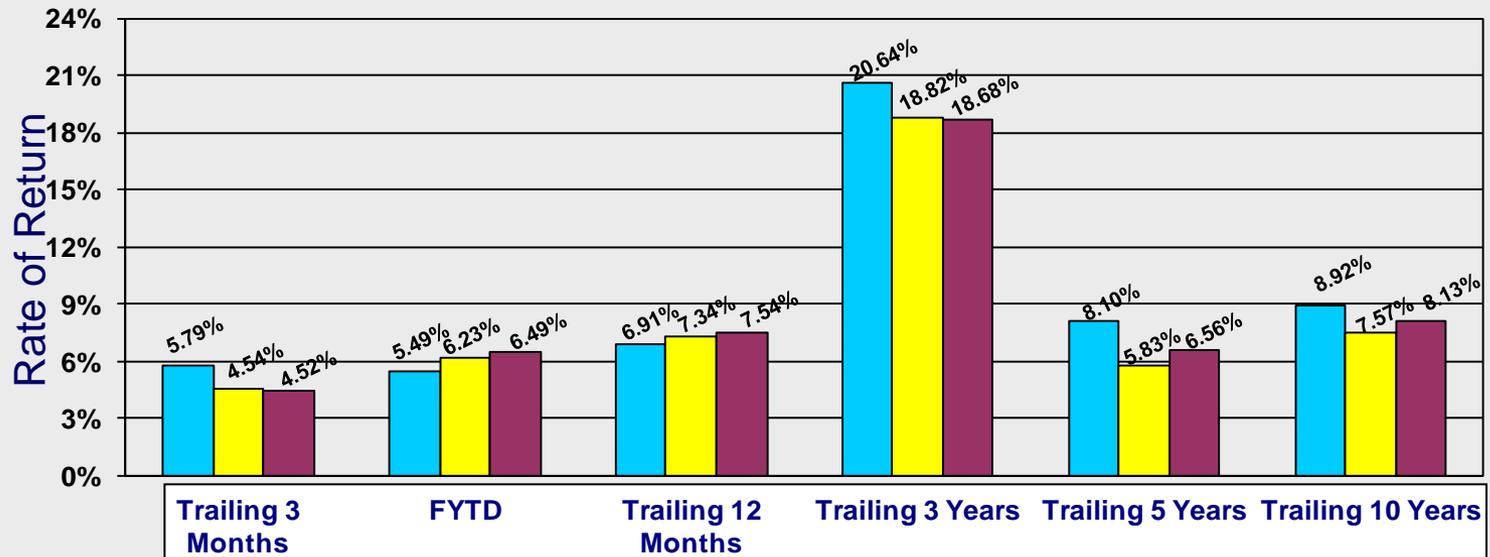
\$174M Under Management, **6%** of Total Funds

As of 03/31/12

Enhanced Yield

Citigroup BB& B Index

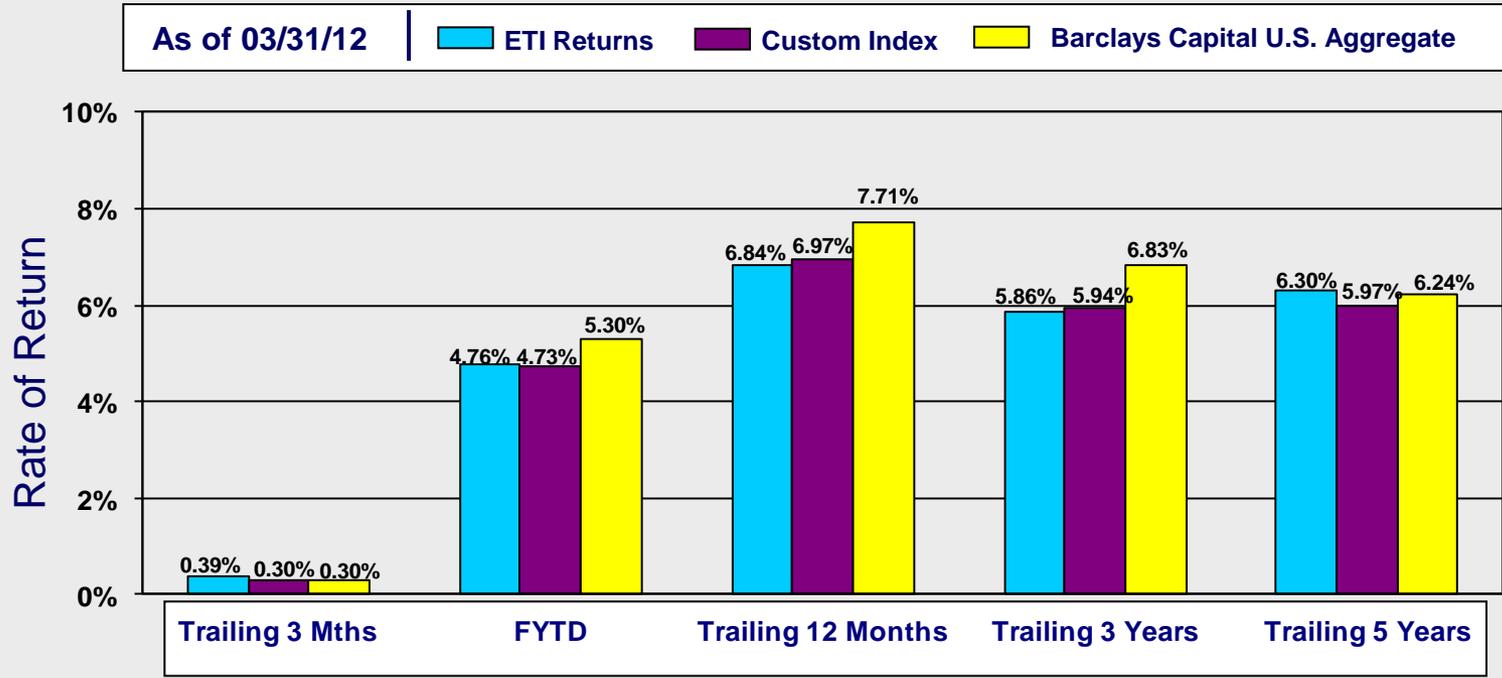
Citigroup BB& B Capped Index



	3 Years	5 Years	10 Years
Plan Std Dev	8.3	11.5	9.3
Citigroup BB&B	8.1	11.9	9.9
Citigroup BB&B Capped	7.9	11.6	9.3

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

\$15.6M Under Management, **0.52%** of Total Funds



	3 Years	5 Years
Plan Std Dev	2.1	2.7
Custom Index Std Dev	2.3	3.0
BC US Aggreg Std Dev	2.7	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 March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
		EQUITY MANAGEMENT							
		SMALL CAP							
30.72	1.01	DARUMA -SCC	12.83	12.83	-10.15	****	****	****	****
30.72	1.01	TOTAL SMALL CAP CORE	12.83	12.83	-10.15	****	****	****	****
		RUSSELL 2000	12.44	12.44	-0.18	****	****	****	****
		SMALL CAP CORE MEDIAN	12.08	12.08	1.30	28.07	3.05	8.46	10.95
30.72	1.01	TOTAL SMALL CAP	12.83	12.83	-10.15	21.75	-0.99	****	****
		RUSSELL 2000	12.44	12.44	-0.18	26.89	2.13	****	****
84.84	2.80	WELLINGTON MID CAP	16.18	16.18	0.36	****	****	****	****
84.84	2.80	TOTAL MID CAP CORE	16.18	16.18	0.36	****	****	****	****
		S&P MIDCAP 400	13.50	13.50	1.98	****	****	****	****
51.83	1.71	STATE STREET GA S&P 400	13.52	13.52	2.10	****	****	****	****
51.83	1.71	TOTAL MID CAP PASSIVE	13.52	13.52	2.10	****	****	****	****
		S&P MIDCAP 400	13.50	13.50	1.98	****	****	****	****
136.68	4.51	TOTAL MID CAP	15.16	15.16	1.01	****	****	****	****
		RUSSELL MIDCAP	12.94	12.94	3.31	****	****	****	****
		LARGE CAP							
52.71	1.74	ZEVENBERGEN	17.64	17.64	-2.78	27.78	7.22	7.37	8.38
		RUSSELL 3000 GROWTH	14.58	14.58	10.14	25.50	5.01	4.41	5.36
52.71	1.74	TOTAL LARGE CAP GROWTH	17.64	17.64	-2.77	22.99	5.35	5.05	6.71
		LARGE CAP GROWTH MEDIAN	15.72	15.72	9.34	23.86	4.74	5.07	7.32
98.09	3.24	ARONSON JOHNSON	12.86	12.86	7.49	22.55	0.83	****	****
		RUSSELL 1000 VALUE	11.12	11.12	4.79	22.82	-0.81	****	****
98.09	3.24	TOTAL LARGE CAP VALUE	12.86	12.86	7.49	22.55	0.83	****	****
		LARGE CAP VALUE MEDIAN	12.37	12.37	5.21	22.9	0.71	****	****
150.79	4.98	TOTAL LARGE CAP	14.48	14.48	3.66	23.27	3.25	5.12	6.76
		RUSSELL 1000	12.90	12.90	7.86	24.02	2.18	4.53	6.42

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
		PROGRESS MANAGERS							
2.48	0.08	FAN ASSET MGMT -LCG	16.80	16.80	6.09	24.23	5.05	4.56	****
12.58	0.42	JOHN HSU -LCC	13.60	13.60	1.37	25.01	5.35	7.43	****
20.12	0.66	HERNDON CAPITAL MGMT-LCV	17.08	17.08	10.78	29.60	7.56	****	****
3.90	0.13	HIGH POINTE LLC -LCG	15.17	15.17	14.93	****	****	****	****
4.68	0.15	LOMBARDIA CAPITAL -SCV	8.79	8.79	1.86	30.29	****	****	****
3.98	0.13	NICHOLS ASSET MGMT -SCG	11.91	11.91	****	****	****	****	****
14.10	0.47	REDWOOD INV -LCG	19.01	19.01	****	****	****	****	****
14.05	0.46	SEIZERT CAPITAL PTNRS -LCV	12.87	12.87	****	****	****	****	****
75.89	2.51	TOTAL PROGRESS	15.12	15.12	5.65	23.93	3.14	5.21	****
		RUSSELL 3000	12.87	12.87	7.18	24.25	2.17	4.67	****
		F.I.S. MANAGEMENT							
2.35	0.08	CHANNING -SCV	10.36	10.36	****	****	****	****	****
2.50	0.08	CUPPS CAPITAL SCG	22.36	22.36	5.71	****	****	****	****
3.49	0.12	ELESSAR INVESTMENT MGMT -SCV	9.15	9.15	-3.13	23.42	****	****	****
1.95	0.06	EUDAIMONIA -Micro CG	17.39	17.39	-4.18	****	****	****	****
2.47	0.08	HUBER CAP MGMT -SCV	18.27	18.27	****	****	****	****	****
4.83	0.16	LOMBARDIA CAPITAL PTNRS -SCV	8.79	8.79	1.93	30.12	****	****	****
4.28	0.14	NICHOLS ASSET MGMT -SCG	11.91	11.91	4.08	****	****	****	****
3.22	0.11	OAKBROOK -SCC	13.27	13.27	3.46	30.11	****	****	****
2.64	0.09	PROFIT -SCC	12.19	12.19	-7.30	30.66	****	****	****
27.73	0.92	TOTAL F.I.S FUND MGMT	12.82	12.82	0.83	26.33	****	****	****
		RUSSELL 2000	12.44	12.44	-0.18	26.89	****	****	****
103.62	3.42	TOTAL EMERGING MANAGERS	14.49	14.49	4.32	24.55	2.97	****	****
		RUSSELL 3000	12.87	12.87	7.18	24.25	2.17	****	****

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
		RUSSELL 3000							
742.96	24.54	BLACKROCK R3000	12.84	12.84	7.09	24.18	2.20	4.69	****
742.96	24.54	TOTAL RUSSELL 3000	12.84	12.84	7.09	24.18	2.20	4.69	6.54
		RUSSELL 3000	12.87	12.87	7.18	24.25	2.17	4.67	6.47
369.98	12.22	TOTAL ACTIVE	14.73	14.73	1.77	23.16	2.13	4.83	5.36
794.79	26.25	TOTAL PASSIVE	12.88	12.88	6.77	24.09	2.16	4.73	6.87
1164.77	38.47	TOTAL DOMESTIC EQUITY	13.46	13.46	5.21	23.79	2.12	4.78	6.59
		INTERNATIONAL EQUITY							
		DEVELOPED MARKETS							
330.45	10.91	BAILLIE	12.65	12.65	-2.24	23.64	****	****	****
		MSCI EAFE GROWTH	12.10	12.10	-3.37	18.14	****	****	****
0.08	0.00	BANK OF IRELAND	****	****	****	****	****	****	****
0.08	0.00	G.E. INVESTMENT	****	****	****	****	****	****	****
269.99	8.92	SPRUCEGROVE	10.73	10.73	-1.51	20.78	-0.95	****	****
		MSCI EAFE VALUE	9.85	9.85	-7.25	17.19	-4.60	****	****
600.60	19.84	TOTAL ACTIVE DEVELOPED MARKETS	11.77	11.77	-1.91	22.27	0.94	7.42	5.78
600.60	19.84	TOTAL DEVELOPED MARKETS	11.77	11.77	-1.91	22.27	0.94	7.60	5.79
		MSCI EAFE (NET DIVIDEND)	10.86	10.86	-5.77	17.12	-3.51	5.70	4.21
		INTERNATIONAL EQUITY MEDIAN	12.26	12.26	-4.56	19.39	-0.97	7.42	6.77
		EMERGING MARKETS							
115.59	3.82	STATE STREET EMG MKTS	12.93	12.93	-9.25	24.41	3.15	****	****
28.41	0.94	BLACKROCK EM	14.05	14.05	-9.35	****	****	****	****
144.00	4.76	TOTAL EMERGING MARKETS	13.15	13.15	-9.26	24.36	3.14	15.06	****
		MSCI EMERGING MARKET FREE	14.14	14.14	-8.52	25.41	4.97	14.47	****
		EMERGING MARKET MEDIAN	13.55	13.55	-8.03	25.50	5.52	14.61	9.57
744.60	24.59	TOTAL INTERNATIONAL EQUITY	12.04	12.04	-3.43	22.57	1.31	8.90	6.29

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
PRIVATE EQUITY INVESTMENTS									
11.33	0.37	FAIRVIEW PRIVATE EQUITY FD	****	****	****	****	****	****	****
52.77	1.74	MESIROW PTNRS FD III	****	****	****	****	****	****	****
15.23	0.50	MESIROW PTNRS FD IV	****	****	****	****	****	****	****
9.44	0.31	MESIROW PTNRS FD V	****	****	****	****	****	****	****
88.77	2.93	TOTAL PRIVATE EQUITY	-0.91	-0.91	10.96	6.50	2.61	****	****
PRIVATE REAL ESTATE									
2.15	0.07	FRANKIN TEMPLETON FD	****	****	****	****	****	****	****
10.89	0.36	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
45.76	1.51	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
58.80	1.94	TOTAL PRIVATE REAL ESTATE	2.99	2.99	7.37	****	****	****	****
2056.94	67.94	TOTAL EQUITY - PUBLIC & PRIVATE	11.93	11.93	2.05	22.66	1.78	5.88	6.75
FIXED INCOME MANAGEMENT									
GOVERNMENT									
86.76	2.87	STATE STREET	-2.67	-2.67	15.71	6.43	8.62	7.77	7.98
86.76	2.87	ALL TREASURY / AGENCY	-2.67	-2.67	15.71	6.43	8.62	7.59	7.83
		NYC - TREASURY AGENCY PLUS 5	-2.74	-2.74	15.61	6.23	8.45	7.64	7.86
MORTGAGE									
236.07	7.80	PIMCO	1.33	1.33	6.73	7.45	6.85	6.24	6.97
		CITIGROUP MORTGAGE INDEX	0.61	0.61	6.38	5.30	6.41	5.71	6.36
CREDIT									
121.46	4.01	PRUDENTIAL CREDIT	2.15	2.15	9.67	****	****	****	****
88.81	2.93	TAPLIN, CANIDA	2.15	2.15	9.40	15.44	6.31	6.82	7.30
210.27	6.95	ALL INVESTMENT GRADE CREDIT	2.15	2.15	9.57	15.19	6.16	6.75	7.18
		NYC - INVESTMENT GRADE CREDIT	2.09	2.09	9.16	11.99	6.57	6.42	6.75
533.10	17.61	TOTAL STRUCTURED	0.97	0.97	9.50	9.25	7.13	6.75	7.28
		NYC - CORE PLUS FIVE	0.38	0.38	9.30	7.63	7.05	6.44	6.92

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
		ACTIVE TIPS MANAGERS							
70.15	2.32	PIMCO-TIPS-MTA	0.85	0.85	12.37	8.74	7.78	****	****
70.15	2.32	TOTAL ACTIVE TIPS MANAGERS	0.85	0.85	12.37	8.74	7.78	****	****
		BARCLAYS CAPITAL US TIPS INDEX	0.86	0.86	12.20	8.75	7.61	****	****
		ENHANCED YIELD							
91.70	3.03	LOOMIS SAYLES & CO	6.66	6.66	8.02	24.14	8.90	10.31	****
		BofA(ML-MST II 7-03/BB&B PRIOR)	5.15	5.15	5.64	23.77	7.83	8.87	****
82.39	2.72	SEIX HIGH YIELD	4.84	4.84	5.70	17.12	7.28	****	****
174.08	5.75	ALL ENHANCED YIELD	5.79	5.79	6.91	20.64	8.10	8.92	****
		CITIGROUP BB & B	4.54	4.54	7.34	18.82	5.83	7.57	****
		CITIGROUP BB & B CAPPED	4.52	4.52	7.54	18.68	6.56	8.13	****
		ENHANCED YIELD MEDIAN	4.52	4.52	6.63	19.37	7.75	10.34	****
		ETI							
2.69	0.09	ACCESS/RBC	0.74	0.74	7.33	5.87	6.94	****	****
11.32	0.37	AFL-CIO HOUSING INV TRUST	0.21	0.21	7.25	5.93	6.16	****	****
0.12	0.00	CFSB-PPAR	1.17	1.17	3.39	7.98	7.61	****	****
0.18	0.01	CCD-PPAR	1.48	1.48	5.51	8.05	8.68	****	****
0.10	0.00	LIIF-PPAR	1.41	1.41	5.27	****	****	****	****
0.06	0.00	NCBCI-PPAR	1.52	1.52	7.77	****	****	****	****
1.15	0.04	CPC REVOLVING	0.63	0.63	2.20	2.13	3.45	****	****
15.63	0.52	TOTAL ETI (WITH CASH)	0.37	0.37	6.77	5.62	6.15	4.87	5.23
		BERS CUSTOM ETI INDEX (NO CASH)	0.30	0.30	6.97	5.94	5.97	****	****
		BARCLAYS CAPITAL AGGREGATE	0.30	0.30	7.71	6.83	6.24	5.80	6.39
970.47	32.05	TOTAL FIXED INCOME	1.64	1.64	8.06	9.93	6.87	6.70	6.92

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
0.12	0.00	SECURITIES LENDING	****	****	****	****	****	****	****
177.48	5.86	SHORT TERM INVESTMENTS	0.06	0.06	0.56	0.67	2.04	2.45	3.59
0.02	0.00	BNY - CD	****	****	****	****	****	****	****
3027.53	100.00	TOTAL BOARD OF EDUCATION	8.45	8.45	3.57	18.09	3.50	6.40	7.08
		BOARD OF ED POLICY BENCHMARK	8.74	8.74	4.99	18.89	3.09	6.05	6.76

Actual And Estimated Fees

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2011 AND ESTIMATED FEES FOR FY 2012 UPDATED THROUGH DECEMBER 2011				
	Actual			Estimated
	2011			2012
INVESTMENT STYLE (EQUITIES)	BASIS POINTS			BASIS POINTS
Small Cap	49.92			59.93
Small Cap Core	49.92			59.93
Mid Cap	24.01			59.09
Small Cap Core	24.01			59.09
Large Cap	17.92			24.95
Large Cap Growth	15.61			23.60
Large Cap Value	19.26			25.64
Emerging Managers (U.S. Equities)	52.99			92.72
Passive Equities	0.30			0.39
Int'l Active Equities (EAFE)	22.81			29.22
Growth	24.52			27.44
Value	20.72			31.37
Emerging Markets	21.14			45.50

Actual And Estimated Fees

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2011 AND ESTIMATED FEES FOR FY 2012 UPDATED THROUGH DECEMBER 2011				
	Actual			Estimated
	2011			2012
INVESTMENT STYLE (Fixed Income)	BASIS POINTS			BASIS POINTS
Structured Program	11.70			7.89
Government Sector	4.63			5.00
Mortgage Sector	17.39			8.80
Investment Grade Credit Sector	7.86			8.12
TIPS	8.17			10.00
Active TIPS	8.17			10.00
Enhanced Yield	36.39			25.32
Targeted - Access Voyageur	26.29			28.75
Targeted - AFL-CIO	38.50			44.00
In-House Short Term	0.00			0.00
Total Overall*	14.29			18.55
*Only Public Markets fees are calculated in the overall total				

Securities Lending Income

Through March 31, 2012

	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
2011	340,000	943,000	599,000
2012	121,000	289,000	79,000
Since Inception	<u>\$7,411,000</u>	<u>\$9,986,000</u>	<u>\$3,608,000</u>

Note: Inception 4/89

Footnotes

Through March 31, 2012

- 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 March 31, 2012

General Notes

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

Page Specific

Page 18- 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 March 31, 2012

Page 20- 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 * 40.03%*

*International Developed (EAFE) Markets: MSCI EAFE * 21%*

*International Emerging Markets: MSCI Emerging Markets * 4%*

*Private Equity: Russell 3000 + 500 b.p. per annum * 3%*

*Private Real Estate: NFI - ODCE Net * 1.97%*

*Domestic Fixed Income: NYC Core +5 * 22%*

*TIPS: Barclays Capital U.S. TIPS * 3%*

*Enhanced Yield: Citigroup BB&B * 5%*

Glossary of Terms

Through March 31, 2012

Page 23 - 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 28- 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 42 – Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 46 – 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