



New York City
Board of Education Retirement System
Performance Overview as of March 31, 2014

Total Fund Overview



New York City
Board of Education Retirement System

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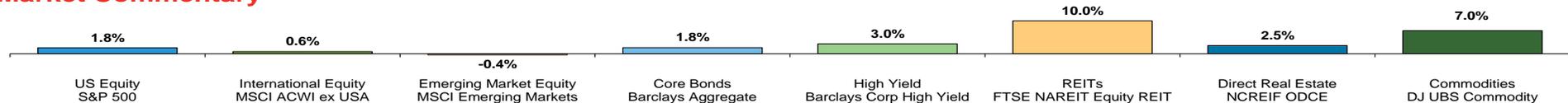
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Through March 31, 2014

Buck Global Investment Advisors

Market Commentary



Market Themes

- The quarter ended March 31, 2014 experienced a rough start on signs of emerging market weakness and renewed weakening in US economic data. With respect to the latter, uncertainty prevailed as to whether such data was a temporary phenomena due to unusually cold weather conditions or indicative of a structural deceleration in the economy. Subsequent market resiliency seemed to indicate more leaning toward the former, though other factors limited excess enthusiasm, such as the prospect of a sooner-than-expected hike in interest rates and conflict in Ukraine.
- Abnormally cold weather is widely believed to have weighed on Q1 economic growth with the median economist forecast anticipating 1.5% growth for the quarter. This compares to 2.6% growth for the previous quarter and forecasts of 3.0% growth for the remainder of the year. Factors that contributed to downgraded forecasts included slower non-farm payroll growth (the January increase of 111k was well below expectations of 175k) and disappointing ISM data for January, both of which helped to increase risk aversion. This proved to be short lived, as it became more widely accepted by the end of the quarter that such weakness would be temporary and offset by increased growth later in the year.
- Fed Chair Yellen presided over her first FOMC meeting in March, and no surprises were announced. Tapering of asset purchases continued at a \$10 billion per month pace, and the 6.5% unemployment level was eliminated as a threshold for a higher Fed Funds rate. During the post-meeting press conference, however, the markets were taken aback when Ms. Yellen indicated higher interest rates could happen in mid-2015, sooner than the market had discounted. Later comments from FOMC members downplayed the statement, and no mention of it was made in the meeting minutes that were subsequently released.
- Following the European Central Bank's ("ECB") cut in the lending rate to 0.75% in late 2013, there was speculation that a further cut could follow during the recent quarter. This did not materialize, but the ECB felt its influence on suggestive monetary stimulus announcements could be sufficient to alleviate deflationary pressures and an unwanted rise in the euro. A positive market reaction was unsurprisingly short-lived.
- In Asia, economic indicators from China continued to suggest a slowdown, which could impact some commodity-driven or export-driven economies like Australia. Meanwhile, in Japan, the VAT rate rise from 5% to 8% came into force on April 1. Many fear the negative impact on consumers will test Prime Minister Abe's commitment to his structural reform and fiscal sustainability of which little has been seen so far.

Domestic Equity



- US Equities** initially encountered difficulty, with the S&P, 500 down more than 5% at one point in early February, but came back to finish the quarter with a 1.8% gain.
- While 9 of 10 sectors were positive for the quarter, the traditionally defensive utilities and health care sectors dominated with returns of 10% and 6%, respectively. The slower-growing, steady-yielding stocks that tend to compose the sectors found support from falling Treasury yields. Unsurprisingly, value indices outperformed growth for the quarter.

- In terms of market capitalization, mid-cap stocks did the best, returning about 4% for the quarter. In comparison, mega- and small-cap returned just over 1% for the quarter. This is partially a reflection of the higher allocation to utilities within mid-cap indices (6%) compared to mega (2%) or small cap (3%).

International Equity

- Returns in **International Equities** were positive over the quarter, albeit weaker than the final two quarters of 2013. Developed market equities returned 0.8% for the quarter. Peripheral Eurozone countries continued to post double-digit gains with countries such as Greece and Italy returning 18% and 15%, respectively. Europe as a whole, however, only managed to return 2%. The UK produced losses with continued economic improvement seen setting the path toward tighter monetary policy. Japan was the worst performing developed market with a 5% loss for the quarter, pressured by the prospect of a higher consumption tax set to take hold in Q2.

Emerging Market Equities

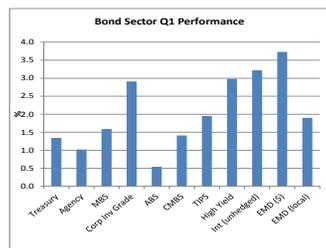
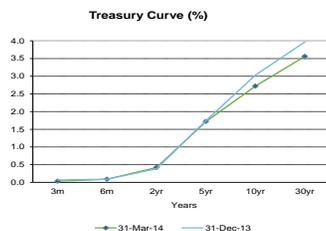
- Once again, **Emerging Market Equities** underperformed their developed counterparts, as has been the case since the Fed's more concrete talk of tapering QE crystallized in May 2013. The asset class was down 1.0% over the first three months of 2014.
- Investor concerns over slowing growth in China, although not indicative of a hard landing, were exacerbated by the country's first bond default during the quarter, signaling the risks implicit in the intention of the new administration to squeeze credit and undertake a fundamental adjustment of financial and economic policy.
- The illumination of financial, economic, and political risk in a number of countries was particularly negative for returns from emerging markets as a whole, although greater differentiation between individual markets began to manifest itself.



Through March 31, 2014

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Market Commentary



Bond Markets – Interest Rates

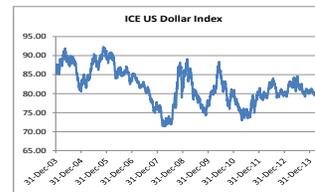
- Interest rates declined during the quarter with the yield on the **10 Year Treasury Note** falling below 3% and making its way back below 2.6% on signs of a decelerating US economy. The yield then held a 2.6%-2.8% range for the remainder of the quarter with potential for a sooner-than-expected rate hike providing support and conflict in Ukraine setting a ceiling.

Bond Markets – Sectors

- The **Barclays Aggregate Index** returned 1.8% for the quarter, supported by the falling interest-rate environment. Credit still did well despite the slight tilt toward risk aversion with a 3% return for the quarter. It should be noted that the performance differential between high yield and investment grade credit was minimal, and Q1 performance between the two sectors was separated by only 6 basis points.
- Long duration sectors generated the strongest returns, bolstered by lower rates and a flattening yield curve. **Long Gov/Credit** and **Long Treasuries** returned approximately 7% for the quarter. This was slightly below the 9% gain in the Citigroup Pension Liability Index, though it is to be expected given the slightly higher duration in the Citigroup Index.

Global Bond Markets

- Although yield spreads compressed in most bond markets, High Yield Bonds saw the greatest compression, even after a strong year in 2013, and some widening in the early part of the quarter.
- Many investment grade **Global Corporate Bond** yields are at post-crisis lows. The Q1 2014 tightening was driven by the improving macroeconomic outlook. Stronger technical factors, such as renewed demand by institutional investors (perhaps nervous of less attractive equity market valuations), have also been supportive.
- Emerging Market Debt** returned 3.7% (in US dollar terms) in Q1 2014 as measured by the JPMorgan Emerging Market Bond Index (Global Diversified), as supportive demand for higher yielding assets overcame some negative news flow. This rally was both a technical correction from a disappointing 2013 where yields widened over Treasuries and a result of poor US data at the start of the year, partly due to bad weather, which took pressure off the potential for an increase in the pace of tapering by the Fed.



Currency

- The **US dollar** generally weakened during the quarter. The euro had entered the year bracing for further interest rate cuts or extraordinary easing measures. Neither materialized, however, and provided support versus the dollar. The British pound gained from a steady stream of positive economic data and the potential for an accelerated timeline for tighter monetary policy versus the United States. The yen was a beneficiary of risk aversion and signs of slowdown in emerging Asia.

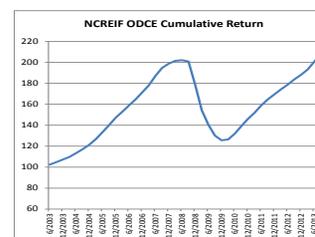
Commodities

- Gold** prices continued to push higher over the first quarter of 2014, following the huge losses over much of 2013, supported by investor risk aversion from the Chinese credit squeeze and tensions in the Ukraine.
- Meanwhile **Copper** prices fell back sharply to their lowest levels in nearly four years in March, as poor data from China, where copper is used as much for financing transactions as for its industrial properties, led to demand concerns.
- Oil** prices rose over the period from the lows at the end of 2013 over the threat of US and EU sanctions on Russia that would curb Russian oil exports following its actions over Ukraine.



Real Estate

- The **NCREIF Open-End Diversified Core (ODCE)** Index, an index of open-end diversified core real estate funds that invest in direct real estate, returned 2.5% (gross) during the quarter. Contribution to return was evenly divided between capital appreciation and income.
- The **FTSE NAREIT Equity REIT Index** generated a strong 10% return for the quarter, obtaining a tailwind from falling interest rates. Structural conditions for REITs were also favorable, as commercial real estate supply has remained muted, but demand has grown. Multi-family and self-storage were among the better performing sectors. Regional malls and hotels lagged relative to other sectors due to their greater cyclical sensitivity.





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City of New York Board of Education Retirement System Pension Fund Summary

Asset Allocation

- At March 31, 2014, the Board of Education Retirement System (BERS) Total Portfolio was \$4.0 billion versus \$3.9 billion for December 31.
- The overall allocation is 73% equity (including Real Estate and Private Equity) and 27% fixed income versus a target allocation of 70% equity and 30% fixed income. Within the equity portfolio, the Plan is overweighted to US equity by approximately 10% and international equity by 1%. Underweights in private equity and real estate by a combined 7% help to offset (these underweights will be gradually reduced as these asset classes are slowly built up), but the net difference results in a 3% overweight to equity versus fixed income. This is still within permissible allocation ranges.

Manager Issues

- Both Wellington Midcap and Zevenbergen All-Cap Growth equity are on the watch list, but we concur with the Comptroller's Office recommendation to remove the two managers from the watch list. We agree that performance for Zevenbergen has recovered since being put on watch, and Wellington has produced satisfactory returns since the management change that prompted its watch listing.



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City of New York Board of Education Retirement System Pension Fund Summary

Manager Issues

- Last quarter, we briefly discussed the changes that resulted in Mohammed El-Erian, CEO and co-CIO of PIMCO, and heir apparent to PIMCO founder Bill Gross, leaving the firm. We had several follow up meetings with the firm and came to the following conclusions. Overall, losing a key individual that we rated highly who was a supposed successor to Gross gives us some concerns about the organizational structure at PIMCO. However, we have confidence in Gross' ability and he is well supported by talented individuals and the extensive resources at PIMCO. We therefore do not recommend clients change their existing holdings with PIMCO.
- As well as our high conviction in Gross, we recognize that he is supported by extensive resources at PIMCO which should continue to generate sufficient ideas for the portfolio and the research required to support this. Historically there has been low turnover in personnel and we believe PIMCO can continue to attract and retain talented individuals.
- We will monitor the progression and development of the roles of the Deputy CIO's and their interaction with Gross, if one of these individuals is going to be cited as a successor then the conviction we have in these individuals will need to be assessed further.
- Our research team has met with several of the Deputy CIOs in their portfolio management roles elsewhere in PIMCO and has been impressed and rated them highly for the management of the respective products they were researching at the time.



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City of New York Board of Education Retirement System Pension Fund Summary

Total Fund Performance

- The Total Plan returned 1.8% in the quarter versus 2.0% for the benchmark, placing the Plan in the 66th percentile versus its Public Master Trusts > \$ 1 billion Universe. For the trailing year, the Total Plan returned 14.4% versus 13.8% for the benchmark. This also placed the Total Plan in the top quartile of its universe with a 16th percentile ranking. The Total Plan five-year return has slipped slightly behind benchmark, but still remains ahead over 10 years.
- Performance attribution puts the Plan's private equity allocation as the source of quarterly underperformance. Note that such analysis has limitations when applied to private equity due to the inability to properly account for J-curve effects and distributions. Within public equity, the Plan's international equity allocation did well, while Loomis continues to stand out within the Plan's fixed income allocation.

U.S. Equity

- For the quarter, Total Domestic Equity returned 1.9%, slightly trailing the 2.0% return for the Russell 3000 Index. Total active equity returned 1.6% for the quarter. Zevenbergen registered modest underperformance, as did both emerging manager strategies. Performance was far more favorable for the year, with domestic equity returning 24.2% versus 22.6%. Active equity returned 30.7%, supported by outsized returns from Zevenbergen.
- **Wellington** again outperformed and returned 3.9% for the quarter compared to 3.0% for its S&P Midcap 400 Index benchmark. For the trailing year, the portfolio remains ahead, 27.9% versus 21.2%. Although sector allocation was a slight detractor for the quarter, favorable security selection more than offset. Health care investments did particularly well and drove most of the relative return in Q1. The largest contribution came from a 3% position in the UK-based Actavis, which returned more than 22% for the quarter. Illumina, a genomic diagnostics company, also added to return. Profits were taken from the portfolio's health care sector allocation, which included the sales of the Actavis and Illumina positions. Purchases included adding to holdings in auto retailer CarMax and Akamai Technologies.



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City of New York Board of Education Retirement System Pension Fund Summary

U.S. Equity (continued)

- **Zevenbergen** started the year strong, but ended up lagging for the quarter due to a difficult March. The portfolio returned -0.6% versus 1.1% for the Russell 3000 Growth index. The portfolio still maintains a sizeable lead for the trailing one-year period, 42.8% versus 23.5%. Security selection detracted during the quarter, especially in consumer discretionary, technology, and health care. Amazon and LinkedIn are examples of detractors. Both are top 10 holdings in the fund with position sizes of about 4%, but both declined -15% for the quarter. Positioning in health care also detracted given the portfolio's focus on biotechnology names, and the relative underperformance of such companies. Celgene is an example of one such holding that detracted. It should be noted that a number of strong performers helped to mute relative underperformance. Tesla is the top holding in the portfolio with a 7% position, and rallied 39% during the quarter. Facebook also was a relative contributor given its 4% allocation in the portfolio and 10% return for the quarter. In terms of changes, management has moved to take profits in a number of positions that outperformed in 2013, such as Google and Facebook, with new positions including an investment in Twitter.
- **Daruma** returned 1.2% for the quarter and performed in line with its Russell 2000 benchmark. The portfolio remains ahead over the trailing year by a meaningful margin with a return of 28.1% versus 24.9%. Favorable security selection in health care and energy were roughly offset by negative selection in materials and technology. The two best stocks for Daruma during the quarter, Insulet and Pacira Pharmaceutical, returned 28% and 22%, respectively. The portfolio's energy sector allocation did well thanks to a position in energy producer Carrizon, which returned 19%. Materials detracted due to a position in plastics maker Schulman, and technology sector returns were adversely impacted by holdings in Digital Globe and Acxiom. Management continues to concentrate exposure to its top 10 holdings, with such stocks accounting for 35% of assets as of quarter end. Technology remains a primary overweight (25% versus 14%) and financials a significant underweight (6% versus 24%), with the latter attributable to the absence of REITs from the portfolio. All other sector exposures are +/-5% from the benchmark.



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City of New York Board of Education Retirement System Pension Fund Summary

U.S. Equity (continued)

- **Progress** returned 1.6% for the quarter versus 2.0% for its Russell 3000 benchmark. For the year, Progress finished ahead, 26.4% versus 22.6%. The three year record has fallen slightly below benchmark and the five year remains ahead (also by a fairly slim margin).
- **FIS** returned 0.4% during the quarter versus 1.1% for its Russell 2000 Index benchmark. FIS still leads over the trailing year, 28.2% versus 24.9%. FIS remains ahead over the trailing three- and five-year periods.

International Equity

- The Total Developed Market portfolio outperformed the MSCI EAFE (net dividend) Index during the quarter, 0.9% versus 0.7%. Baillie Gifford lagged, but both Acadian and Sprucegrove outperformed. The portfolio also remains ahead for the year, 19.1% versus 17.6%. Longer-term returns for Total Developed Market remain favorable.
- **Baillie Gifford** returned -0.9% during the quarter compared to 0.7% for the MSCI EAFE (net) Index during the quarter. From a regional perspective, most of the underperformance for the quarter is explained by security selection in the UK and developed Asia (especially Japan). UK holdings that detracted included Prudential (-4%) and Rolls Royce (-15%). The two stocks represented 4% and 3% position sizes, respectively. In Asia, telecom and technology names detracted. This included Softbank, Rakuten (Japan) and Baidu (China), all of which produced double-digit losses. Support was provided, however, by European financials (Banco Popular, Unicredit), as well as Fiat and Norvo Nordisk. Fiat returned more than 40%, while the other three stocks produced returns in excess of 20%. Regional positioning as of quarter end includes an underweight in developed Asia and the UK, funding a 15% non-benchmark allocation to emerging-market stocks. In terms of sectors, technology is overweight 19% to 5% for the index, offset by a series of smaller underweights, such as in energy and health care.



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City of New York Board of Education Retirement System Pension Fund Summary

International Equity (continued)

- **Sprucegrove** returned 2.1% in the quarter versus 0.7% for the MSCI EAFE (net), but trails for the year, 14.4% versus 17.6%. Longer-term numbers remain strong with both the three- and five-year ahead of benchmark. Security selection was generally favorable, and positive contributions to relative return were seen from most sectors. Materials, financials, and industrials were the main contributors, while consumer discretionary was the only meaningful detractor. The one addition to the portfolio was fertilizer producer Yara International (Norway), which ties into the manager's perception of natural resource-based companies generally presenting attractive valuations. Sprucegrove added to its positions in a number of offshore energy service companies, as well. Conversely, holdings in a number of stocks across the technology, health care, and industrials sectors were trimmed where valuations were seen as less compelling. Sector positioning has a slight pro-cyclical tilt, consisting of overweights in industrials, materials, energy, and technology, all of which offset a significant underweight in financials (14% versus 26%). Exposure to emerging markets is 13%.
- **Acadian** returned 4.8% for the quarter, ahead of the 3.8% of its S&P EPAC Small Cap Index. Security selection contributed to outperformance, particularly consumer discretionary, followed by health care and technology. Pace PLC, a UK set-top box supplier was one of the better performers. From a regional perspective, the portfolio's UK-based holdings were important contributors to return, as were France and Switzerland. A large number of stocks are held in the quantitatively-managed portfolio, but the number of positions fell noticeably from year end (841 versus 899). Valuation metrics remain indicative of a value style tilt, especially a price/earnings ratio of 14.8x compared to 23.2x for the benchmark. Regional positioning includes an overweight to emerging markets (12% versus 4%) and a non-benchmark allocation to North America (5% in Canada). This is offset by underweights in Europe and Asia ex-Japan. Sector allocations do not generally vary a significant amount from benchmark, but there are a couple of exceptions. This includes an 8% underweight to financials, which is partially offset by a 7% overweight to technology.



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City of New York Board of Education Retirement System Pension Fund Summary

Emerging Markets

- **Acadian** outperformed for the quarter, 1.0% versus -0.4%, though remains behind for the trailing one-year period, -2.2% versus -1.4%. From a regional perspective, an underweight in Russia added to return, as did security selection in South Korea. Partially offsetting these results was negative security selection in Brazil and Taiwan. The quantitatively-managed portfolio held 355 stocks as of quarter end (compared to 396 at year end and 822 for the benchmark). While not specifically a value equity style portfolio, it exhibits many such characteristics including lower valuation metrics versus benchmark (P/E of 10.6x versus 13.0x) and a high dividend yield (3.0% versus 2.6%). The market capitalization is also tilted smaller compared to benchmark with a weighted average of \$35 billion compared to \$43 billion for the benchmark. Active regional positioning includes an overweight to the Pacific (especially India and Thailand), overweight in Brazil, and an underweight in emerging Europe (especially Russia).



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City of New York Board of Education Retirement System Pension Fund Summary

Fixed Income – Structured Manager Composite

- The Total Structured Portfolio returned 2.5% for the quarter, slightly outperforming its NYC Core + 5 Index by 11 basis points. Outperformance by the credit managers (except for PRIVEST) helped relative return, while the government and mortgage portfolios lagged. The Total Structured Portfolio remains ahead for the trailing year, 0.2% versus -0.1%.
- **Taplin Canida** (credit) returned 3.7% during the quarter versus 2.7% for the customized Citigroup Credit Index. The portfolio also leads for the trailing year, 2.6% versus 1.2%. Security selection among longer-term credit issues contributed to relative return given the flattening of the yield curve experienced during the quarter. Further contribution was seen from an overweight to the lower quality end of the investment-grade spectrum, e.g. BBB-rated issues.
- **Prudential** (credit) returned 2.8% during the quarter versus 2.7% for the customized Citigroup Credit Index. For the trailing year, Prudential returned 1.7% versus 1.2% for the index. Longer-term numbers remain favorable with the three-year return ahead of benchmark.
- **PRIVEST** (credit) returned 2.6% slightly trailing the 2.7% benchmark return. The portfolio is ahead for the trailing year, 1.5% versus 1.2%. Private credit market spreads did not narrow as much as public market credit, serving as a headwind to PRIVEST performance. The fund also experienced slightly more credit downgrades versus upgrades (\$51 million versus \$37 million), though it held minimal influence on the \$5 billion fund's total performance. Commitments were made to 12 issues during the quarter. They totaled \$112.5 million, possessed a weighted average spread of 167 basis points over Treasuries and a BBB+ average credit quality. The fund is allocated approximately 70% to BBB-rated issues and 69% to US issuers.



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City of New York Board of Education Retirement System Pension Fund Summary

Fixed Income – Structured Manager Composite (continued)

- **SSgA** (governments) returned 3.4% for the quarter, lagging its benchmark by 8 basis points. For the year, SSGA returned -3.5% and was ahead of the benchmark by a basis point. Underperformance for the quarter was the result of a decision at year end to underweight duration relative to benchmark. This is a result of their forecast for higher interest rates in response to increasing economic activity with the Fed Funds eventually reverting back toward a 4% neutral rate. An overweight to agency securities remains, but continues to be taken down (8% at quarter end versus 14% at year end).
- **PIMCO** (mortgages) returned 1.6%, matching the performance of its Citigroup Mortgage Index benchmark for the quarter. For the year, the portfolio lags slightly, -0.2% versus +0.1%. Performance was aided by an underweight to agency-issued MBS (which underperformed) and a corresponding overweight to non-agency issues. Gains were offset, however, by underweight duration positioning amidst the falling interest-rate environment. Duration was positioned lower during the quarter, falling from 5.1 years to 4.4 years. This is compared to a benchmark duration of 5.0 years.

Fixed Income - TIPS

- **PIMCO** returned 2.1% versus 1.9% for the Barclays Capital US TIPS Index. Returns remain negative for the trailing year at -6.6%, but only slightly behind the -6.5% benchmark return. Performance over the trailing three- and five-year time periods remains ahead of the index. Real duration lengthened slightly to 7.7 years compared to 7.4 years for the index. A 6% allocation to non-US issues (currency hedged) also contributed to returns.



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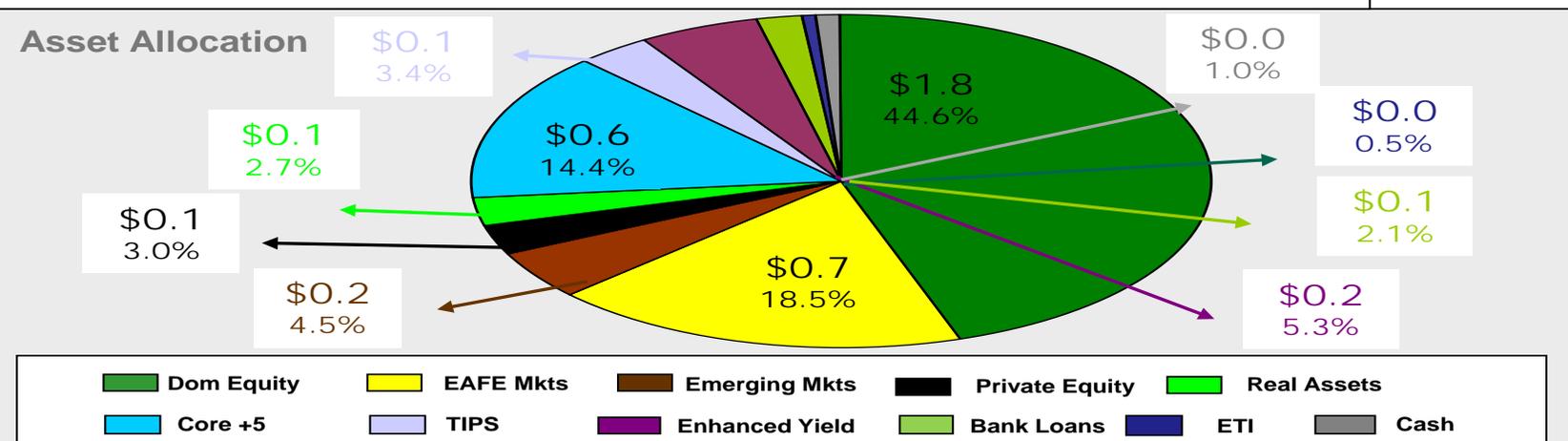
City of New York Board of Education Retirement System Pension Fund Summary

Enhanced Yield Fixed Income

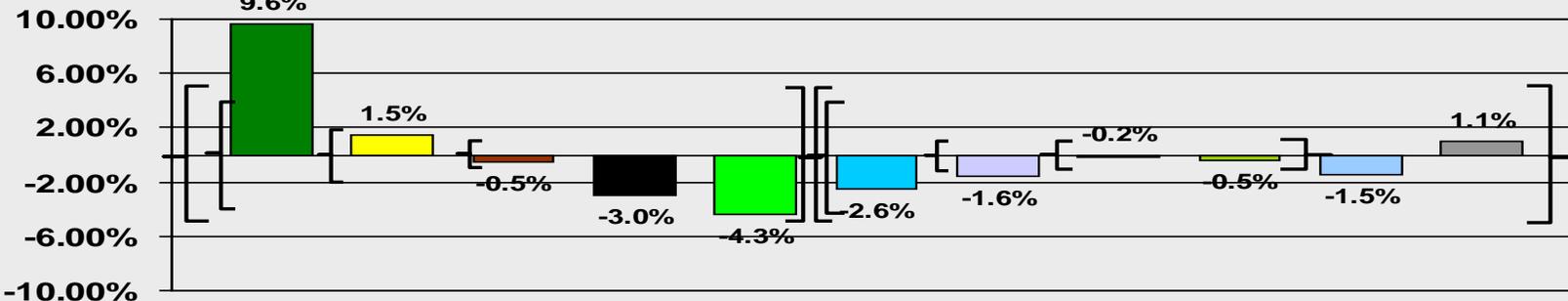
- Total High Yield returned 3.4% during the quarter versus 3.0% for the Citigroup BB & B Index. Loomis outperformed for the quarter, while Shenkman lagged slightly. Bank loans slightly outperformed their benchmark.
- **Loomis Sayles** returned 3.8% for the quarter versus 3.0% for the Merrill Lynch High Yield Master II index. The portfolio also leads its benchmark for the trailing year, 10.1% versus 7.5%. Outperformance for the quarter was due to longer duration positioning. As of quarter end, the portfolio was structured with a 6.7 year duration, compared to 3.9 years for the benchmark. The portfolio maintains a sizable convertibles allocation (14% of assets). While they are a prominent contributor to performance for the trailing one-year period their role during the quarter was minimal. Average credit quality is B1, which is in line with the benchmark.
- **Shenkman** returned 2.8%, slightly below the 3.0% return for its Citigroup BB & B Index benchmark. For the trailing year, the portfolio outperformed the index with a return of 7.8% versus 6.8%. Yield curve placement was the main factor behind the relative underperformance, as opposed to credit selection, including an underweight in issues with 10+ year maturities compared to benchmark. Duration declined further during the quarter, falling to 2.6 years versus 3.0 years at year end. In terms of credit, favorable selection in media and cable offset underperformers in utilities and telecom. Average credit quality remained at B1/B+.
- **Babson** returned 1.3% during the quarter, outperforming the Credit Suisse Leveraged Loan Index benchmark by a single basis point. For the trailing year, the portfolio returned 5.3% versus 5.0% for the benchmark. Credit selection contributed to return, including the financial and technology sectors. Health care is underweight given less attractive yields. The portfolio's weighted average spread to LIBOR was just over 400 basis points as of quarter end.



\$4.0B Under Management



Relative Mix to New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

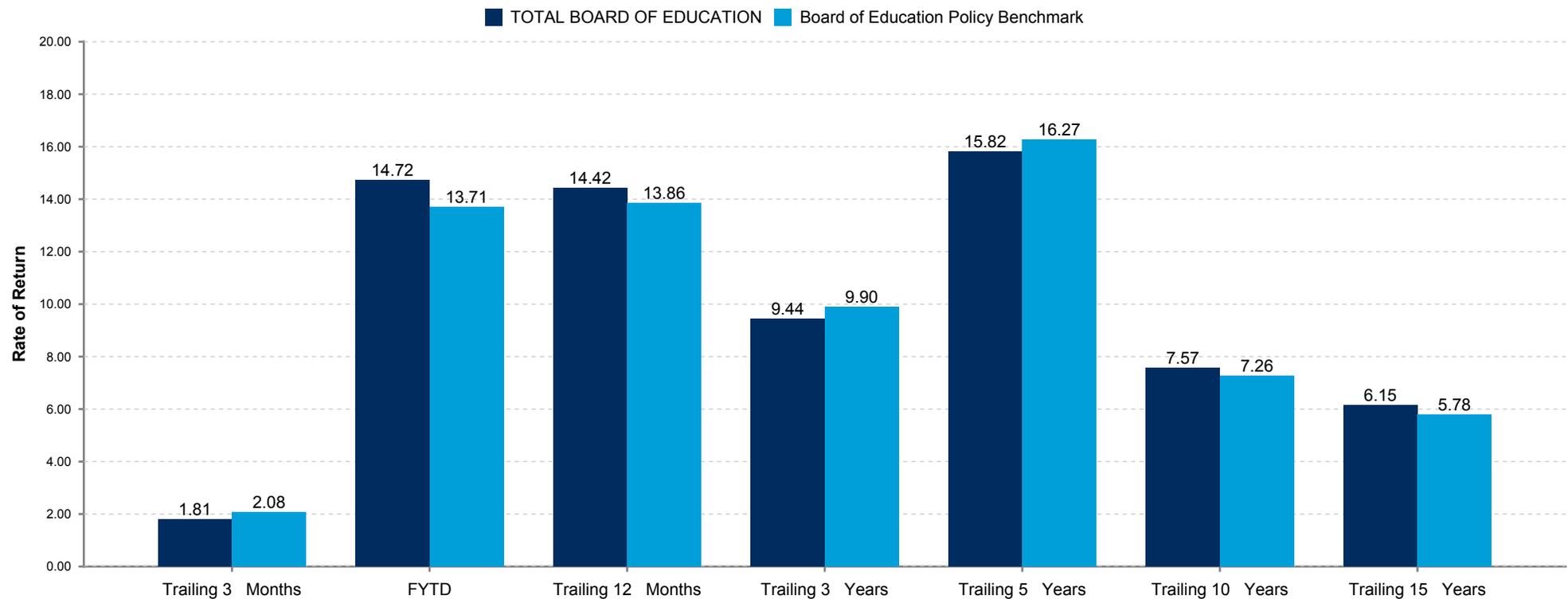
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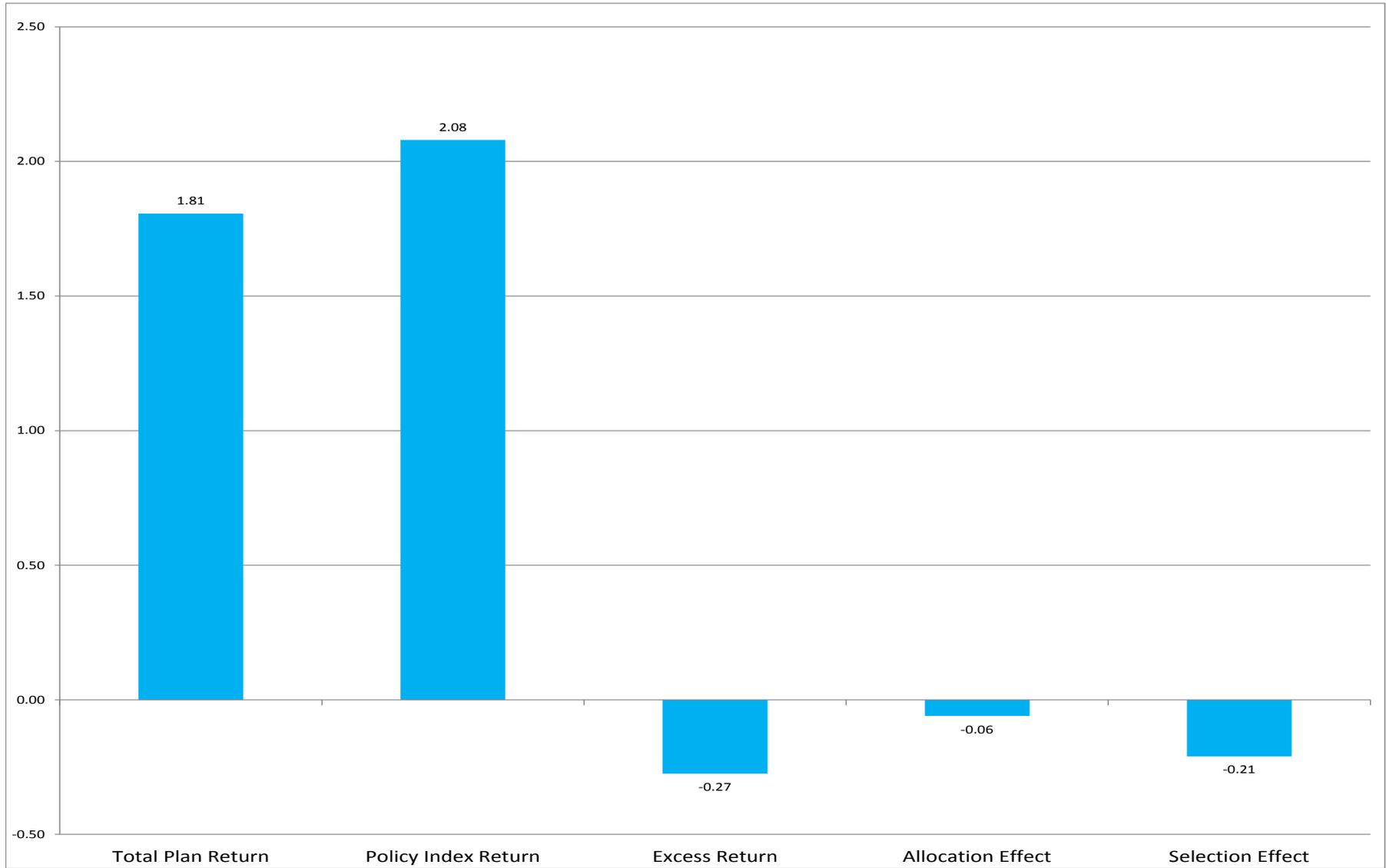
TOTAL BOARD OF EDUCATION

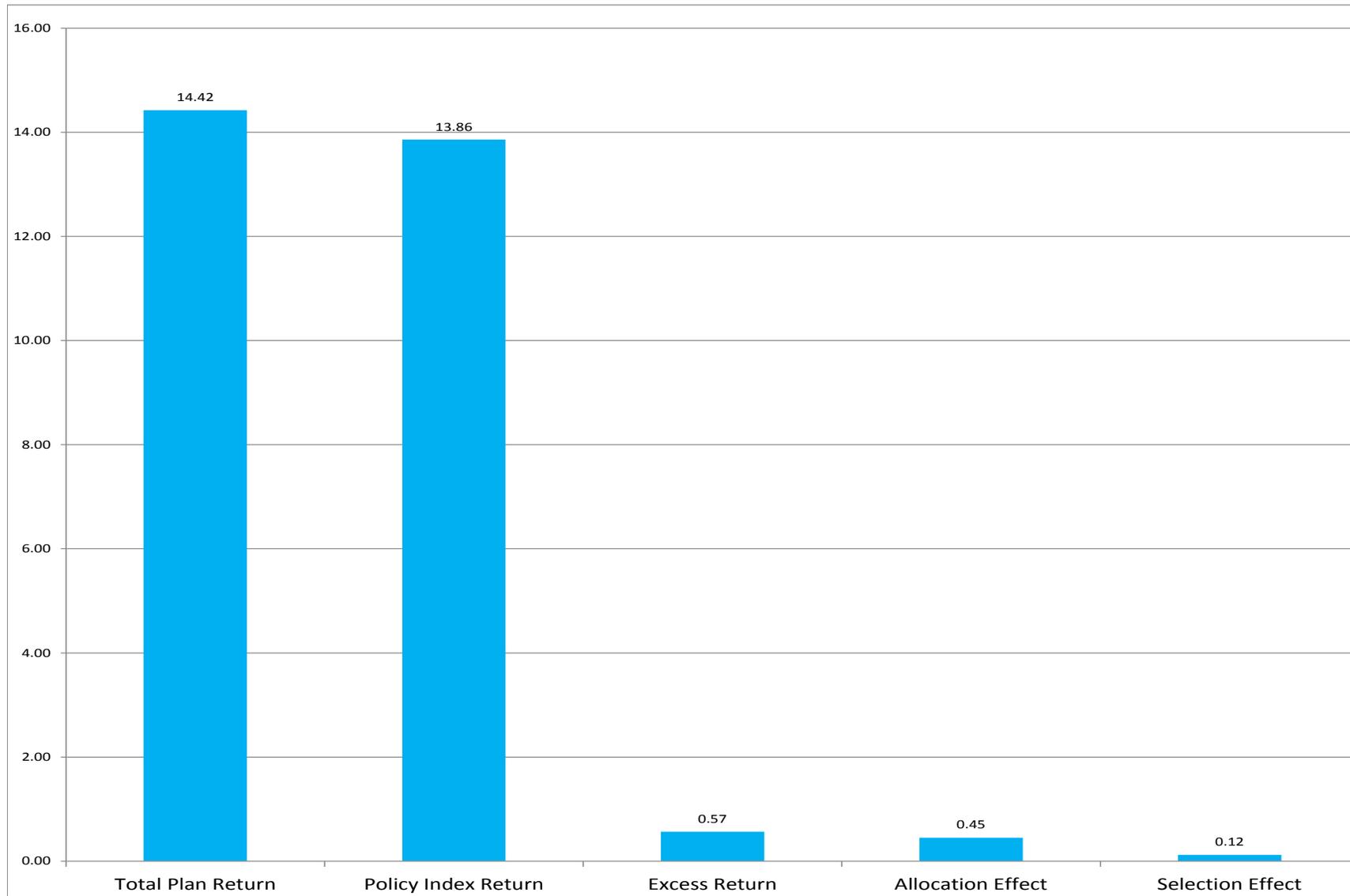
Market Value (Billions)

\$4.0



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL BOARD OF EDUCATION	9.5	9.5	15.8	10.8	11.2	11.6

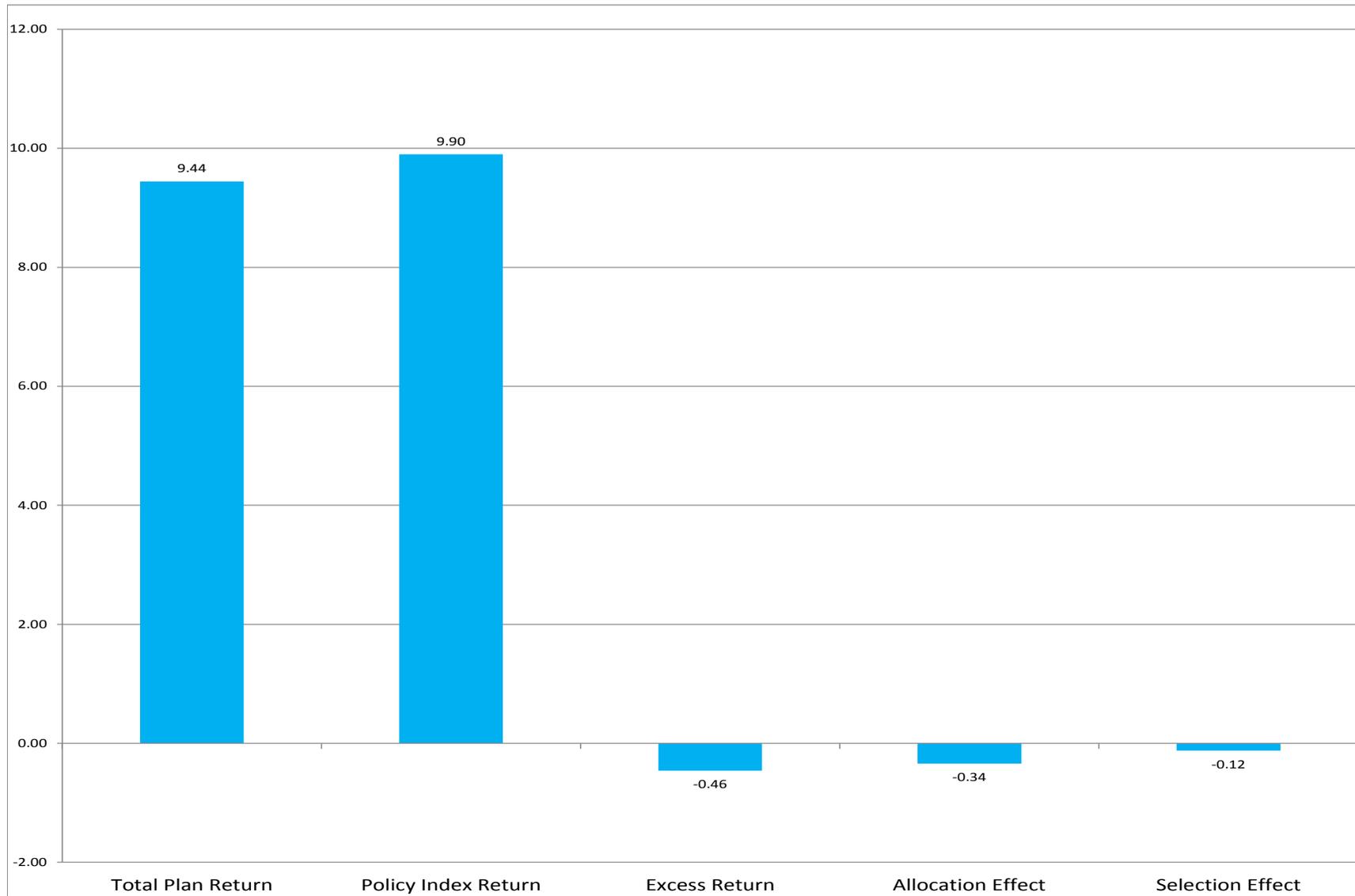




Performance Attribution: Total Plan - 3 Years Ending March 31, 2014



STATE STREET.





Allocation Effect - Asset Class Breakdown

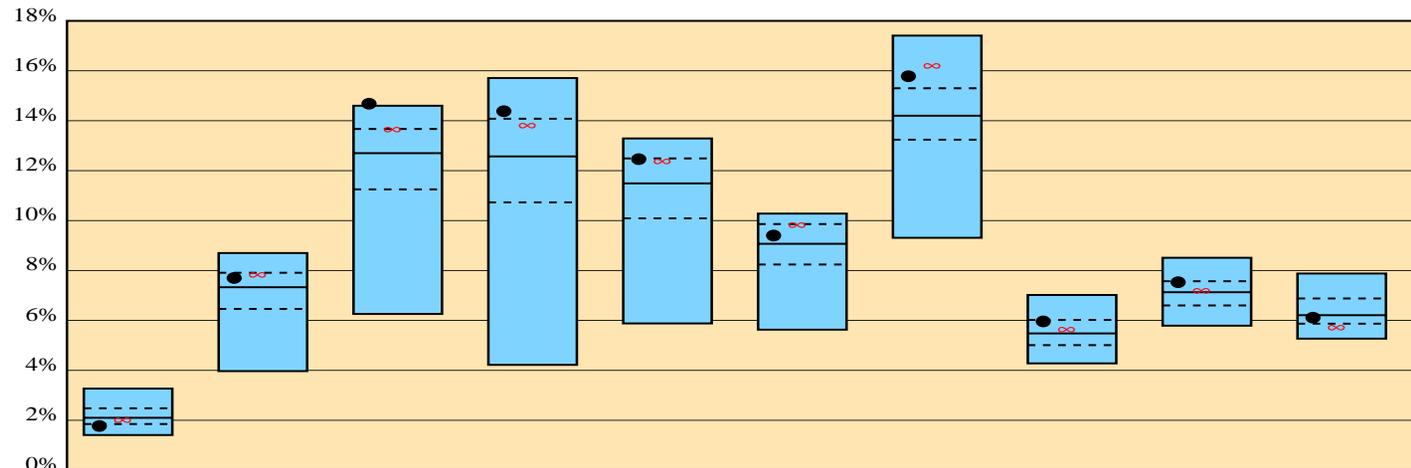
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL BOARD OF EDUCATION	-0.06	0.45	-0.34	BOARD OF EDUCATION POLICY
TOTAL DOMESTIC EQUITY	-0.01	0.06	-0.07	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.04	0.00	-0.09	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.00	0.05	-0.09	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.00	0.01	0.00	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.01	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL STRUCTURED	-0.03	0.11	-0.26	NYC - CORE PLUS FIVE
TOTAL ACTIVE TIPS MANAGERS	-0.01	0.22	0.09	BARCLAYS US TIPS INDEX
TOTAL HIGH YIELD	0.00	-0.01	-0.05	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.02	0.02	CSFB LEVERAGED LOAN INDEX

Selection Effect - Asset Class Breakdown

	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL BOARD OF EDUCATION	-0.21	0.12	-0.12	BOARD OF EDUCATION POLICY
TOTAL DOMESTIC EQUITY	-0.03	0.60	-0.12	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.04	0.21	0.43	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.07	-0.03	0.00	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	-0.34	-0.76	-0.28	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.01	-0.08	-0.06	NCREIF NFI-ODCE NET + 1%
TOTAL STRUCTURED	0.02	0.05	0.08	NYC - CORE PLUS FIVE
TOTAL ACTIVE TIPS MANAGERS	0.01	-0.01	0.02	BARCLAYS US TIPS INDEX
TOTAL HIGH YIELD	0.02	0.12	0.04	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.00	0.00	CSFB LEVERAGED LOAN INDEX



City of New York - BOE Total Returns of Public Master Trusts > \$1 Billion Rates of Return for Periods Ending March 31, 2014



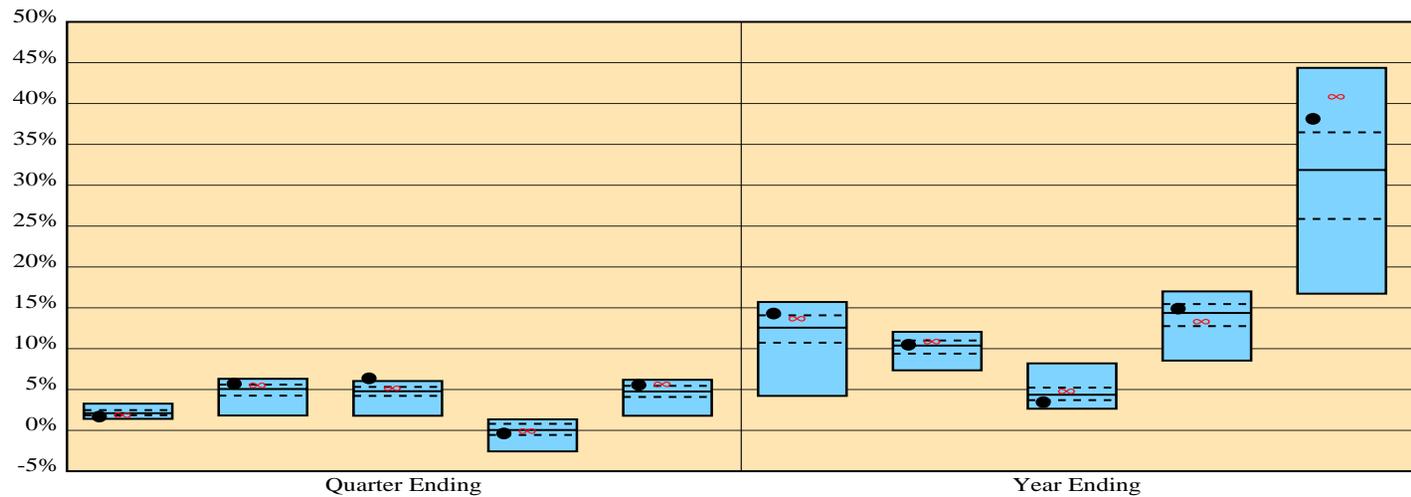
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	3.27	8.70	14.60	15.71	13.29	10.28	17.41	7.02	8.51	7.88
25th Percentile	2.48	7.91	13.67	14.08	12.49	9.86	15.30	6.02	7.57	6.88
Median	2.10	7.33	12.70	12.57	11.49	9.07	14.20	5.48	7.13	6.21
75th Percentile	1.85	6.46	11.25	10.73	10.09	8.24	13.24	5.01	6.60	5.87
95th Percentile	1.41	3.97	6.26	4.22	5.88	5.63	9.31	4.28	5.79	5.27
● Total System	1.81 (81)	7.74 (30)	14.72 (3)	14.42 (20)	12.50 (23)	9.44 (40)	15.82 (21)	6.00 (27)	7.57 (25)	6.15 (54)
∞ Board of Ed Policy Benchmark	2.08 (52)	7.89 (26)	13.71 (23)	13.86 (29)	12.45 (25)	9.90 (23)	16.27 (11)	5.68 (37)	7.26 (40)	5.78 (83)

Returns for periods greater than one year are annualized.



Through March 31, 2014

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



	Quarter Ending					Year Ending				
	Mar 14	Dec 13	Sep 13	Jun 13	Mar 13	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10
5th Percentile	3.27	6.31	6.04	1.35	6.19	15.71	12.06	8.20	17.01	44.37
25th Percentile	2.48	5.60	5.32	0.80	5.45	14.08	11.00	5.23	15.46	36.48
Median	2.10	5.06	4.79	0.04	4.76	12.57	10.38	4.36	14.37	31.87
75th Percentile	1.85	4.25	4.22	-0.56	4.09	10.73	9.39	3.70	12.76	25.88
95th Percentile	1.41	1.82	1.79	-2.57	1.79	4.22	7.35	2.65	8.54	16.73

● Total System	1.81 (81)	5.82 (13)	6.49 (1)	-0.26 (66)	5.68 (17)	14.42 (20)	10.60 (39)	3.57 (79)	15.02 (37)	38.25 (16)
∞ Board of Ed Policy Benchmark	2.08 (52)	5.69 (17)	5.39 (20)	0.13 (45)	5.89 (10)	13.86 (29)	11.06 (21)	4.99 (30)	13.52 (63)	41.01 (9)

Returns for periods greater than one year are annualized.



New York City
Board of Education Retirement System

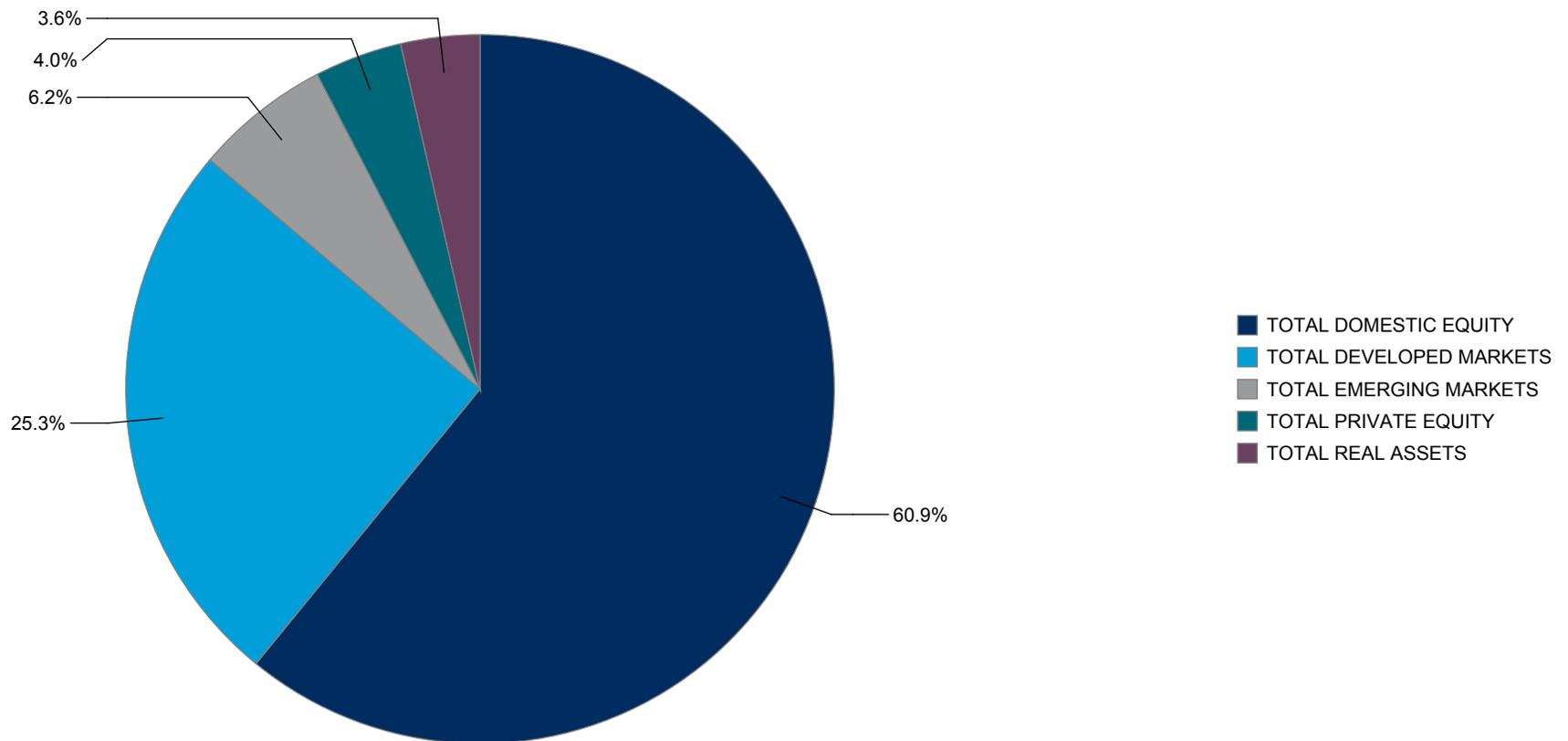
Equity Analysis

Total Equity Asset Allocation: March 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL EQUITY	\$2.9	73.3

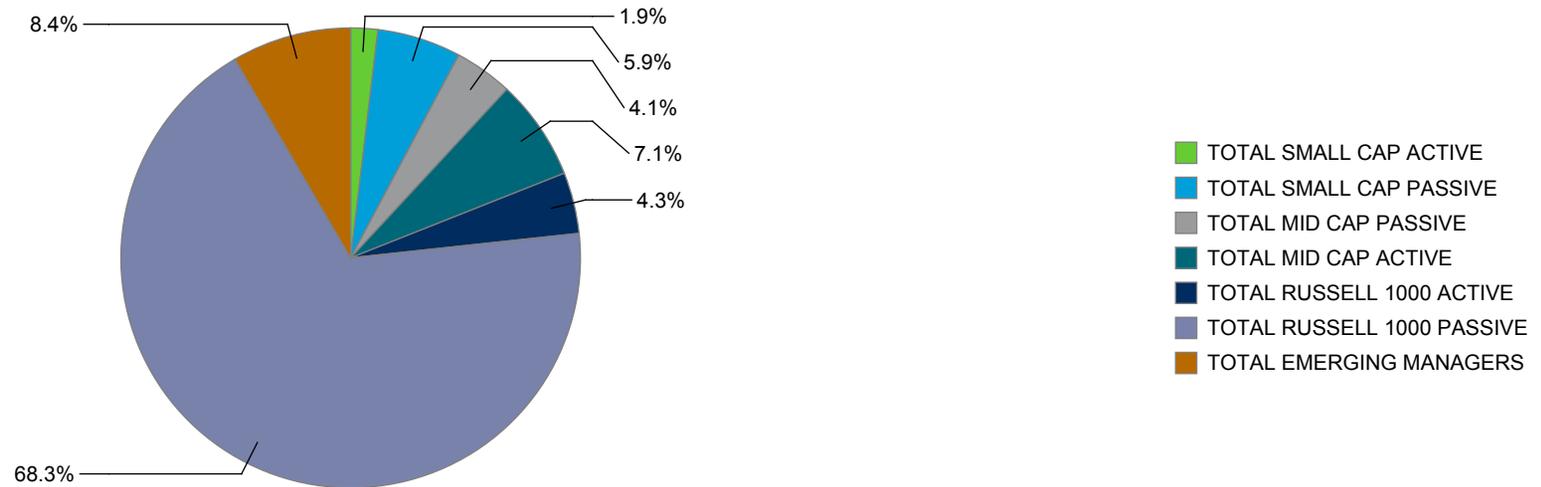


Total Domestic Equity Asset Allocations: March 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL DOMESTIC EQUITY	\$1.8	44.6



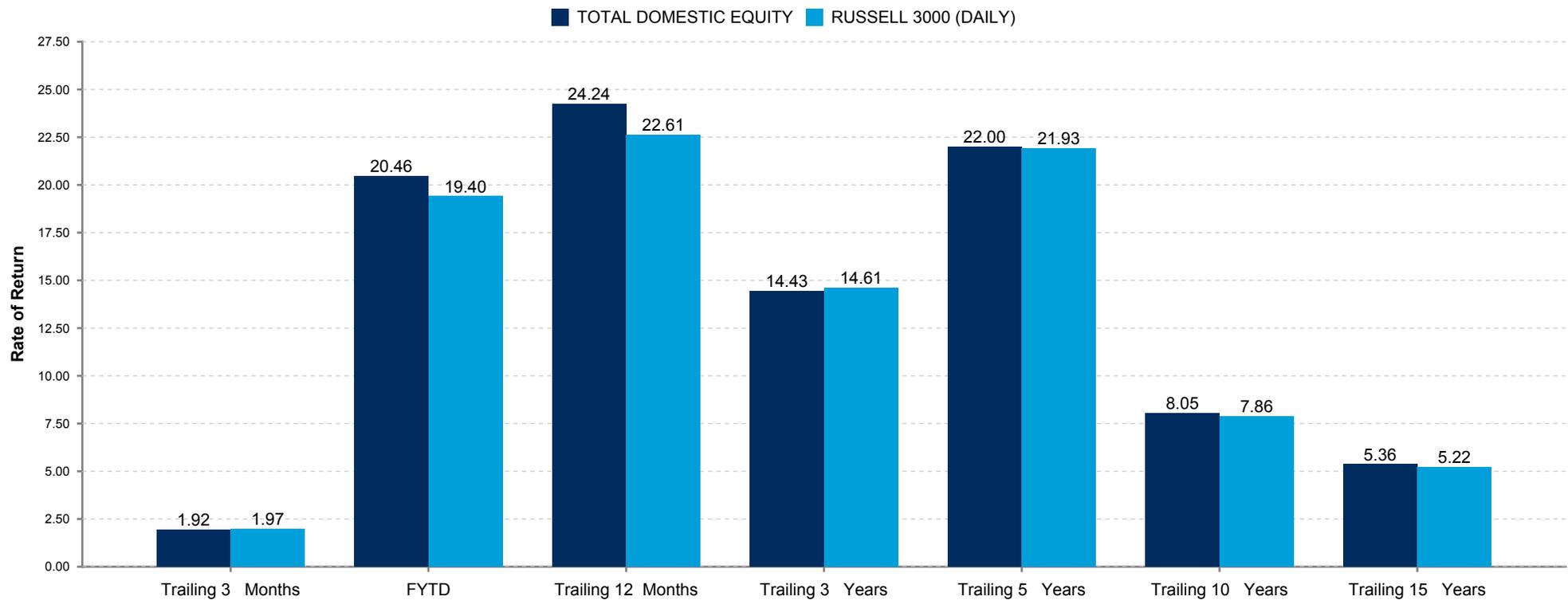
Sub Sector	Policy	Actual	Under/Over	Index	Actual	Difference
	Weight	Weight	Weight	Return	Return	
Total Small Cap Active	2.83	1.89	-0.94	1.16	1.78	0.62
Total Small Cap Passive	5.39	5.93	0.54	1.12	1.13	0.01
Total Mid Cap Active	7.25	7.05	-0.20	3.04	3.85	0.81
Total Mid Cap Passive	3.75	4.14	0.39	3.04	3.04	0.00
Total Russell 1000 Active	11.25	4.33	-6.92	2.05	-0.56	-2.61
Total Russell 1000 Passive	62.03	68.26	6.23	2.05	2.03	-0.02
Total Emerging Managers	7.50	8.39	0.89	1.97	1.00	-0.97

Total Domestic Equity Returns vs Russell 3000 Index: March 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL DOMESTIC EQUITY	\$1.8	44.6



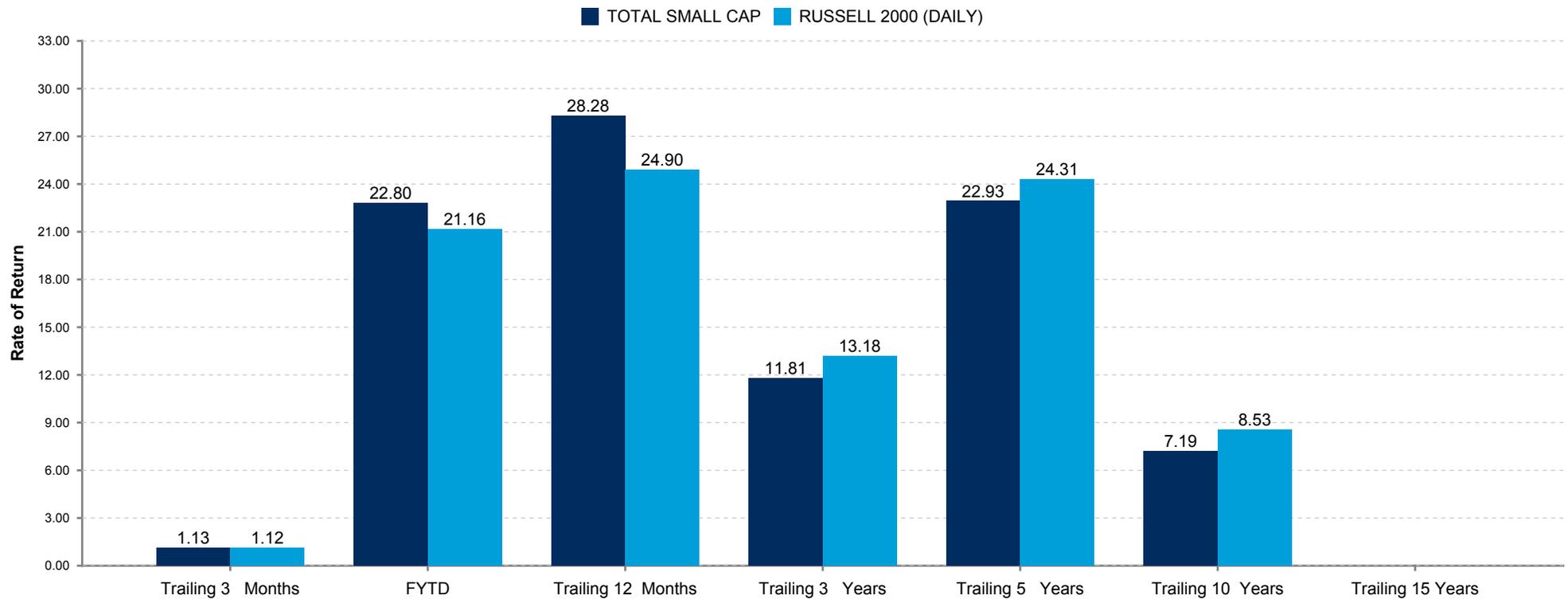
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DOMESTIC EQUITY	13.8	13.0	14.9	14.6	15.6	15.3

Small Cap Returns vs Russell 2000 Index: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL SMALL CAP	\$139.7	3.5



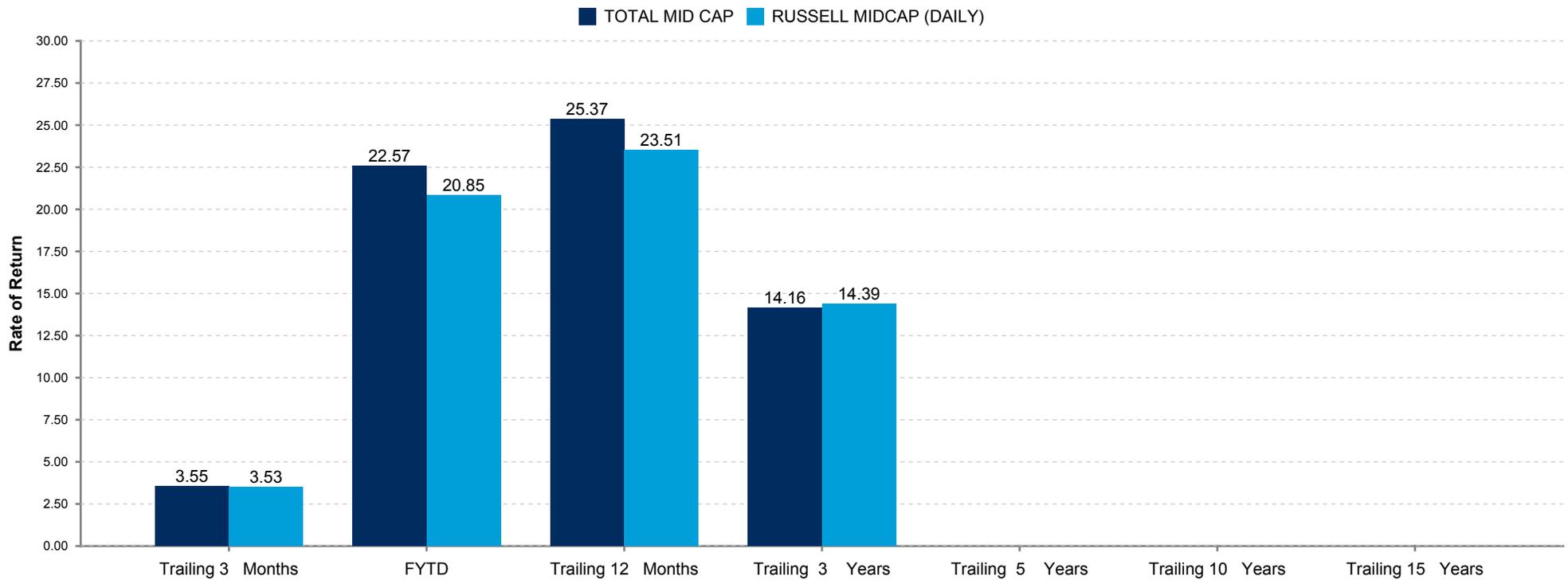
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL SMALL CAP	19.1	16.8	19.3	19.0	19.3	19.7

Mid Cap Returns vs Russell MidCap Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL MID CAP	\$200.1	5.0



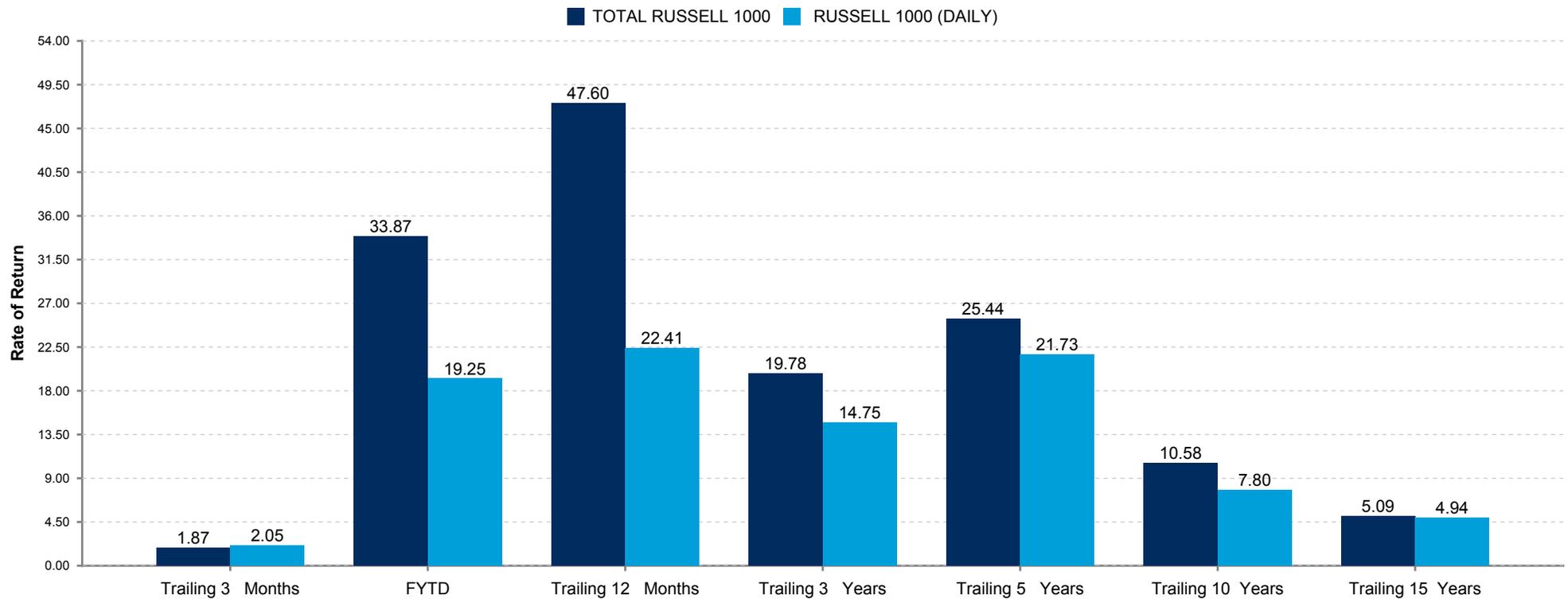
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL MID CAP	15.7	14.5				

Russell 1000 Returns vs Russell 1000 Index: March 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL RUSSELL 1000	\$1.3	32.4



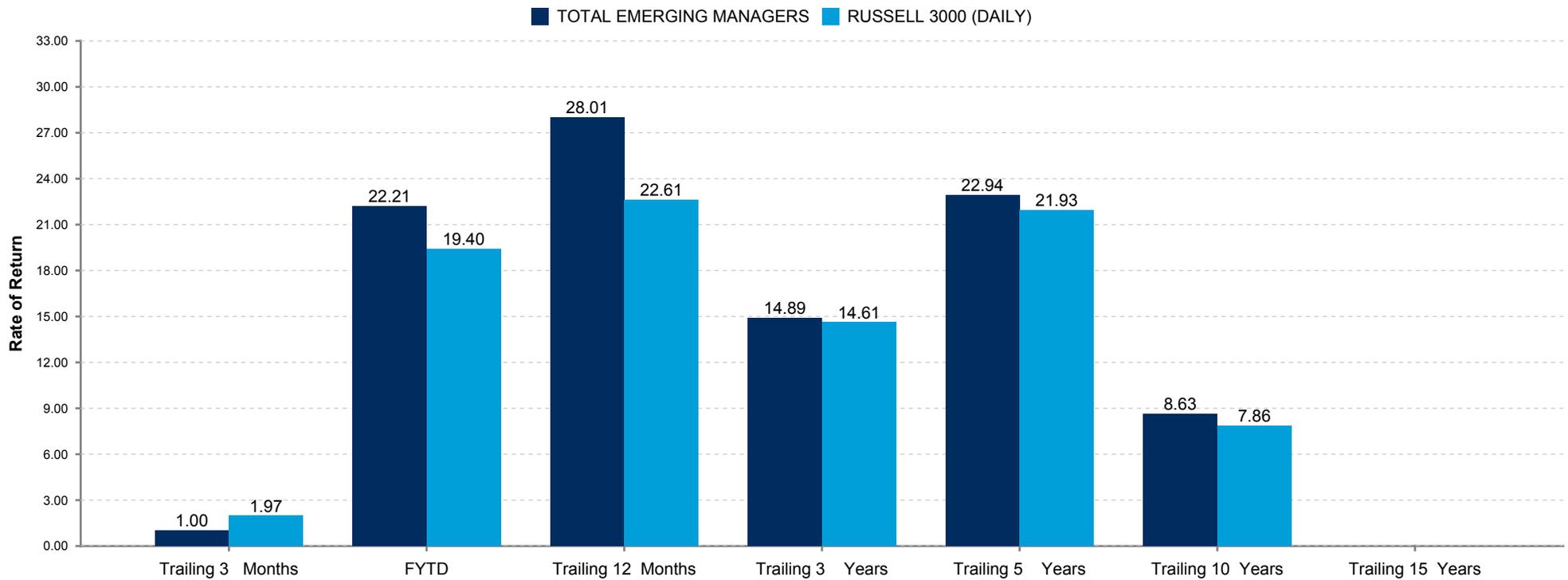
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL RUSSELL 1000	15.9	12.8	15.8	14.3	16.0	15.0

Emerging Managers Returns vs Russell 3000 Index: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL EMERGING MANAGERS	\$149.8	3.7



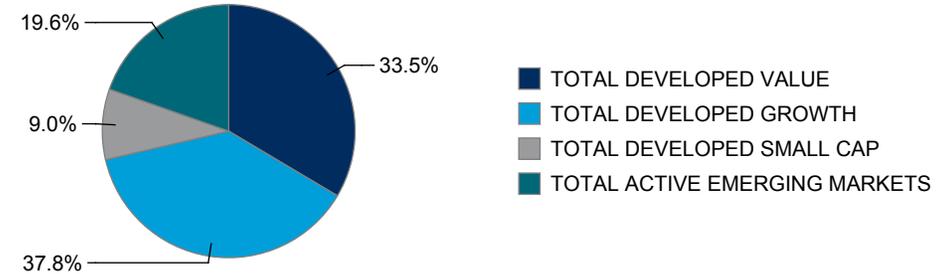
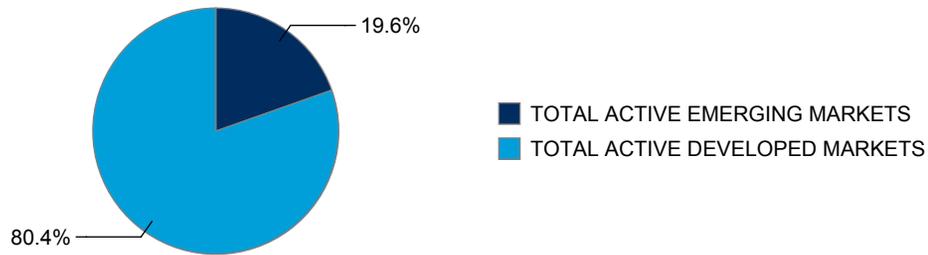
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MANAGERS	15.1	13.0	16.0	14.6	16.4	15.3

International Equity Asset Allocation: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL INTERNATIONAL EQUITY	\$923.0	23.1



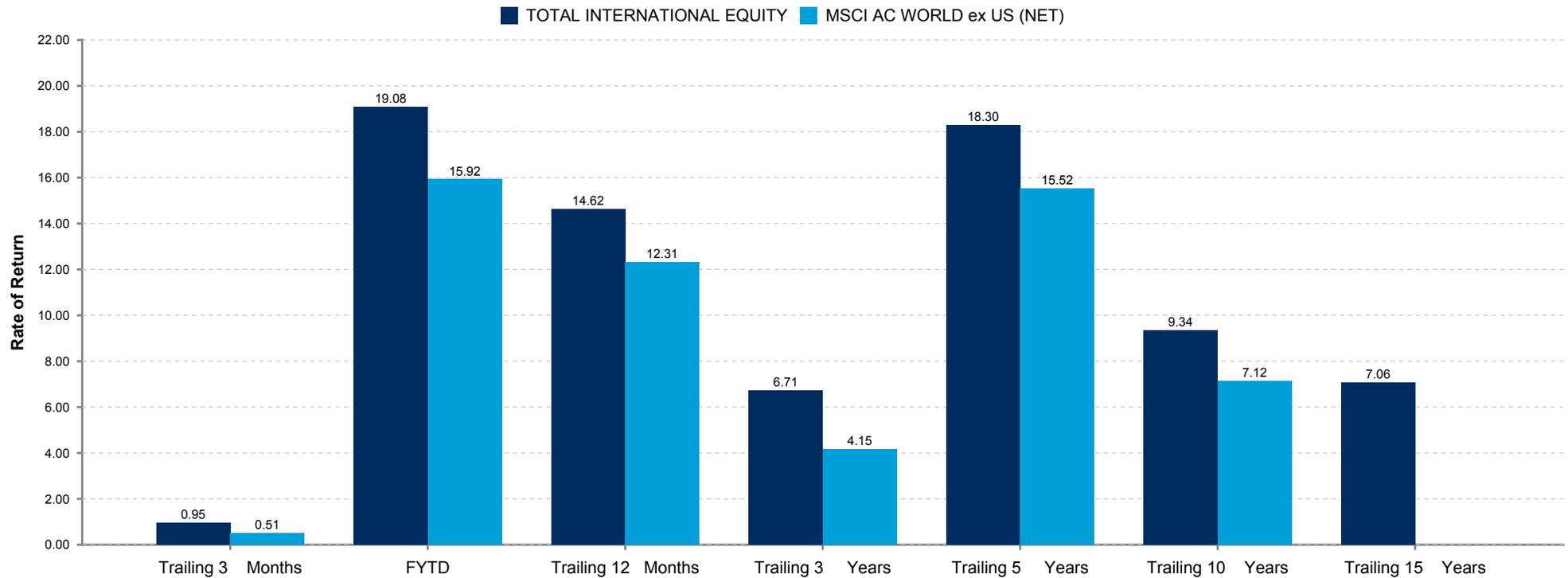
	<u>Asset Weight</u>	<u>Quarterly Returns - Fund and Benchmark</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED VALUE	33.54	2.08	1.22	0.86
TOTAL DEVELOPED GROWTH	37.79	(0.94)	0.10	(1.04)
TOTAL DEVELOPED SMALL CAP	9.02	4.83	3.81	1.02
TOTAL ACTIVE EMERGING MARKETS	19.64	1.01	(0.43)	1.44
TOTAL INTERNATIONAL EQUITY	100.00	0.95	0.51	0.44

Total International Returns vs MSCI AC World ex US Net Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL INTERNATIONAL EQUITY	\$923.0	23.1



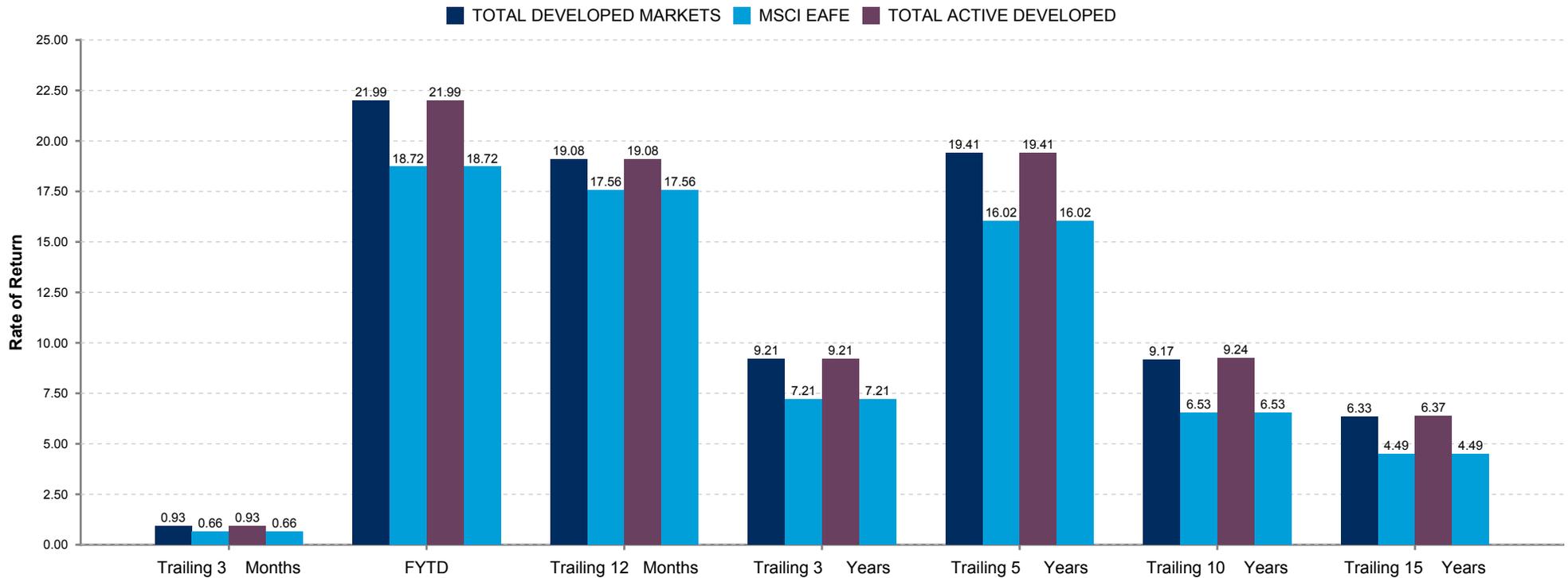
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL INTERNATIONAL EQUITY	17.1	16.9	18.7	18.7	19.1	18.9

Developed Markets Returns vs MSCI EAFE Net Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED MARKETS	\$741.7	18.5



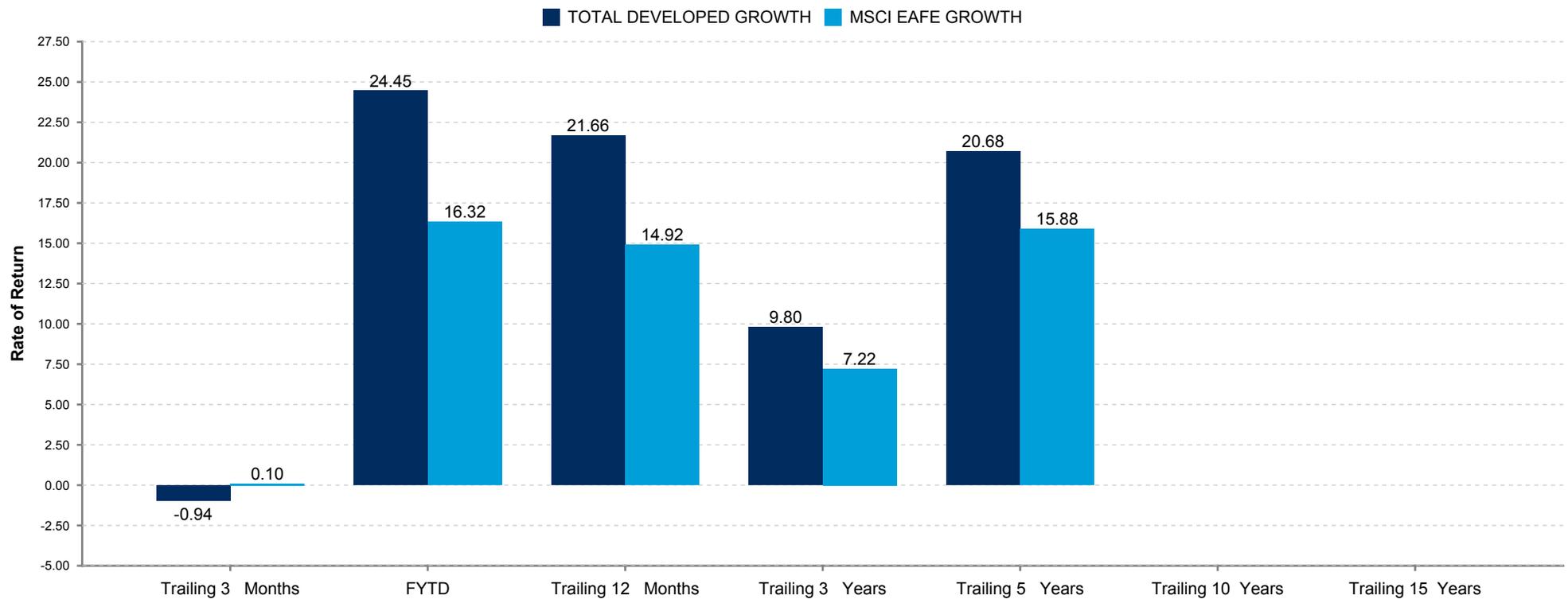
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED MARKETS	16.7	16.8	18.3	18.5	18.3	18.3
TOTAL ACTIVE DEVELOPED	16.7	16.8	18.3	18.5	18.3	18.3

Developed Growth Returns vs MSCI EAFE Growth Net Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED GROWTH	\$348.8	8.7



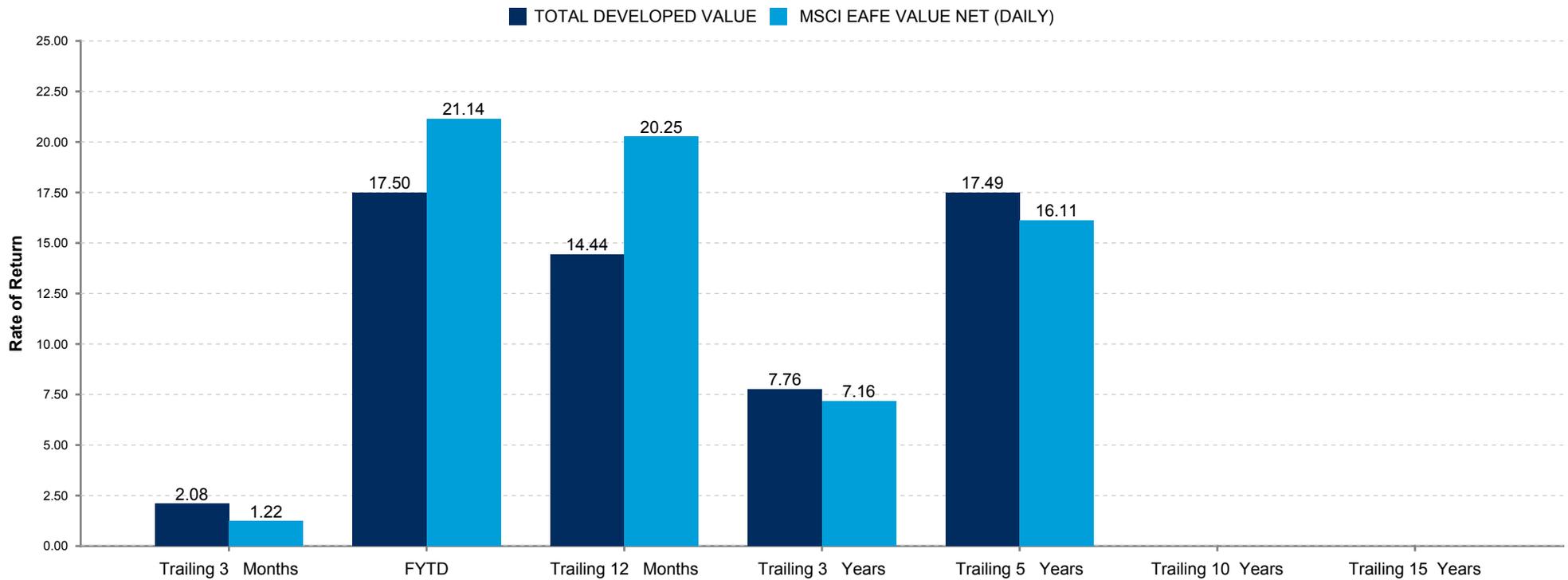
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED GROWTH	18.6	16.4	20.0	17.4		

Developed Value Returns vs MSCI EAFE Value NET Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED VALUE	\$309.6	7.7



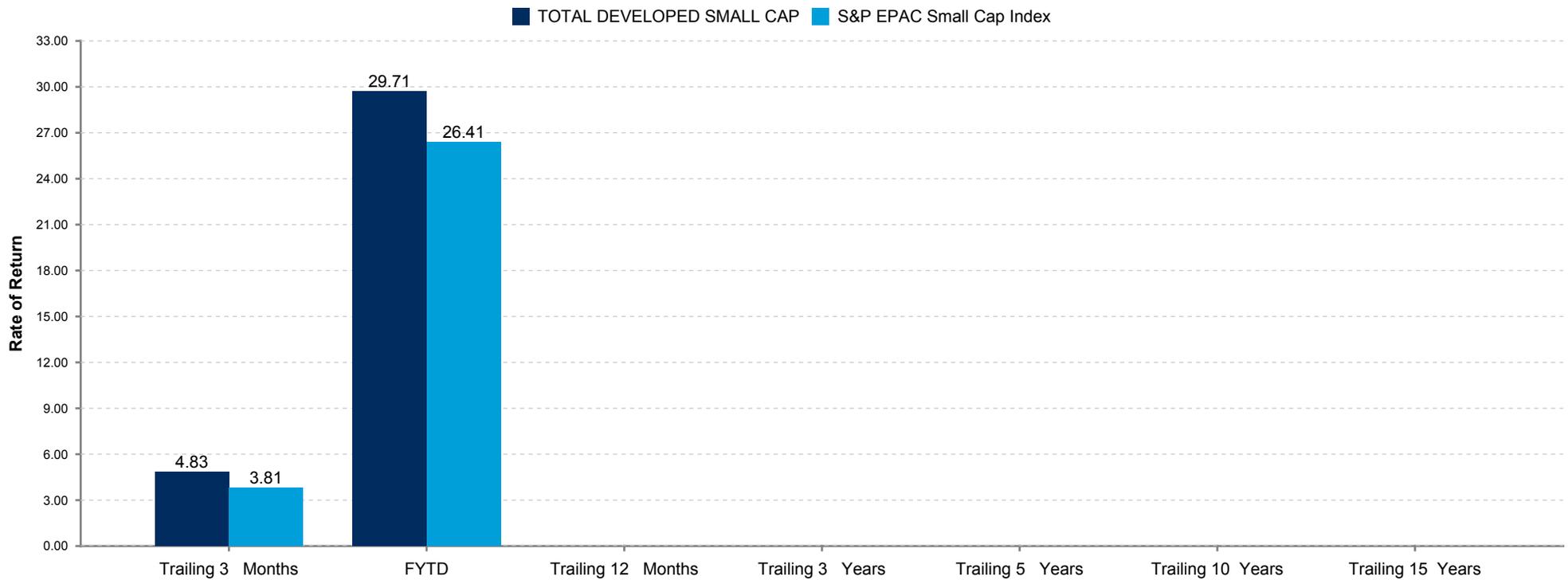
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED VALUE	14.9	17.5	16.7	20.1		

Developed Small Cap Returns vs S&P EPAC Small Cap Index: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP	\$83.3	2.1



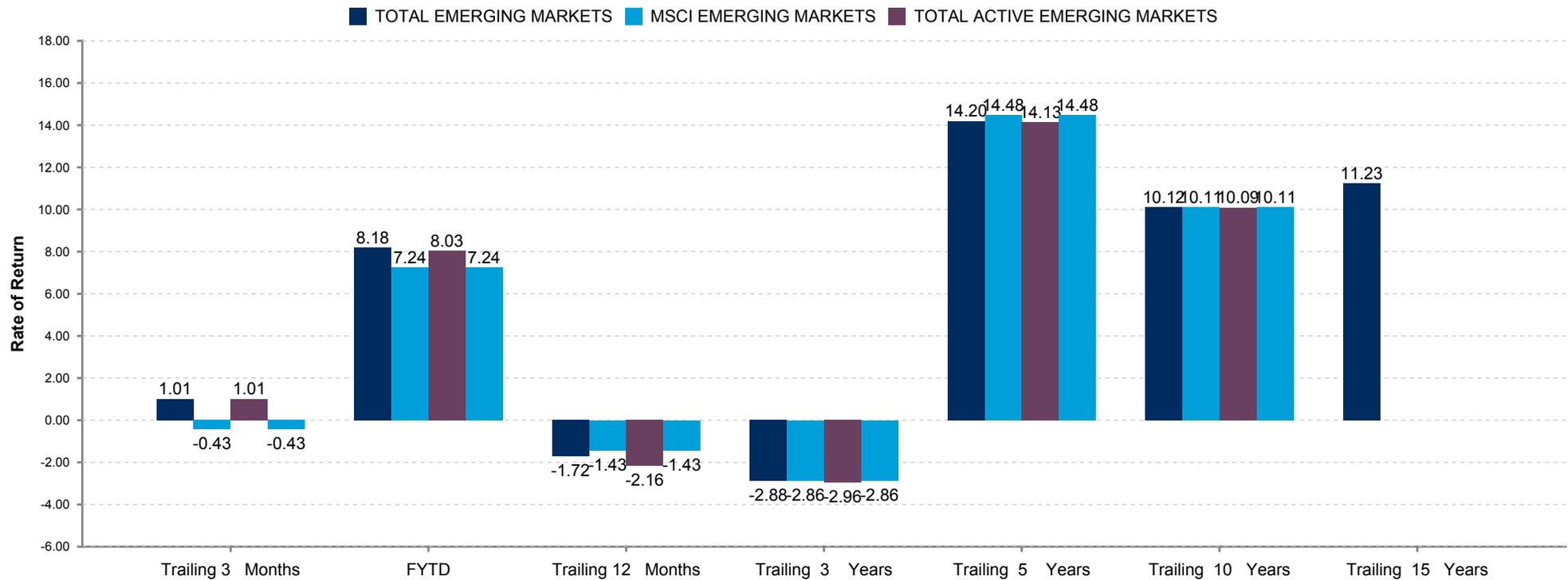
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED SMALL CAP						

Emerging Markets Returns vs MSCI Emerging Markets Net Index: March 31, 2014



STATE STREET

TOTAL EMERGING MARKETS	<u>Market Value (Millions)</u> \$181.3	<u>% of Plan</u> 4.5
------------------------	-------------------------------------------	-------------------------



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MARKETS	19.7	19.5	21.7	21.6	23.9	24.0
TOTAL ACTIVE EMERGING MARKETS	19.8	19.5	21.8	21.6	24.0	24.0



New York City
Board of Education Retirement System

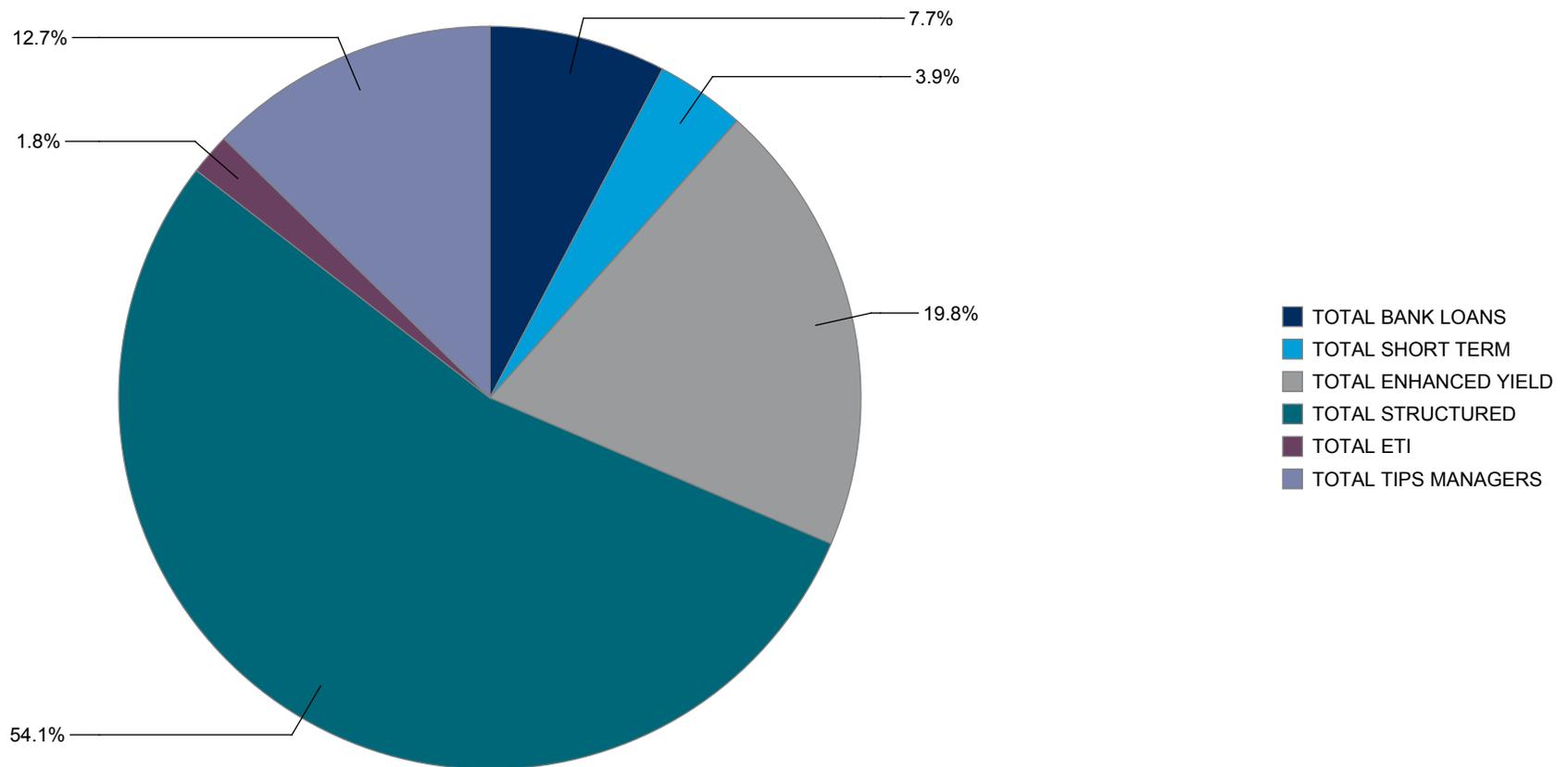
Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2014



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL FIXED INCOME	\$1.1	26.7

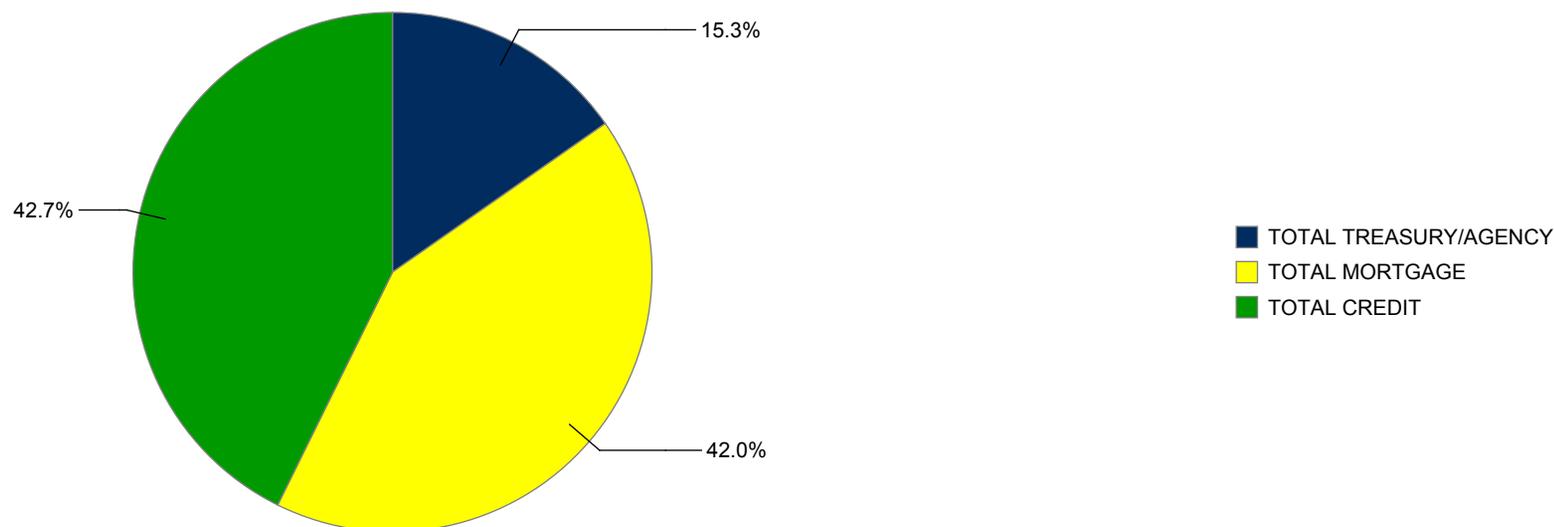


Structured Fixed Income Asset Allocation: Quarter Ending: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$578.0	14.4



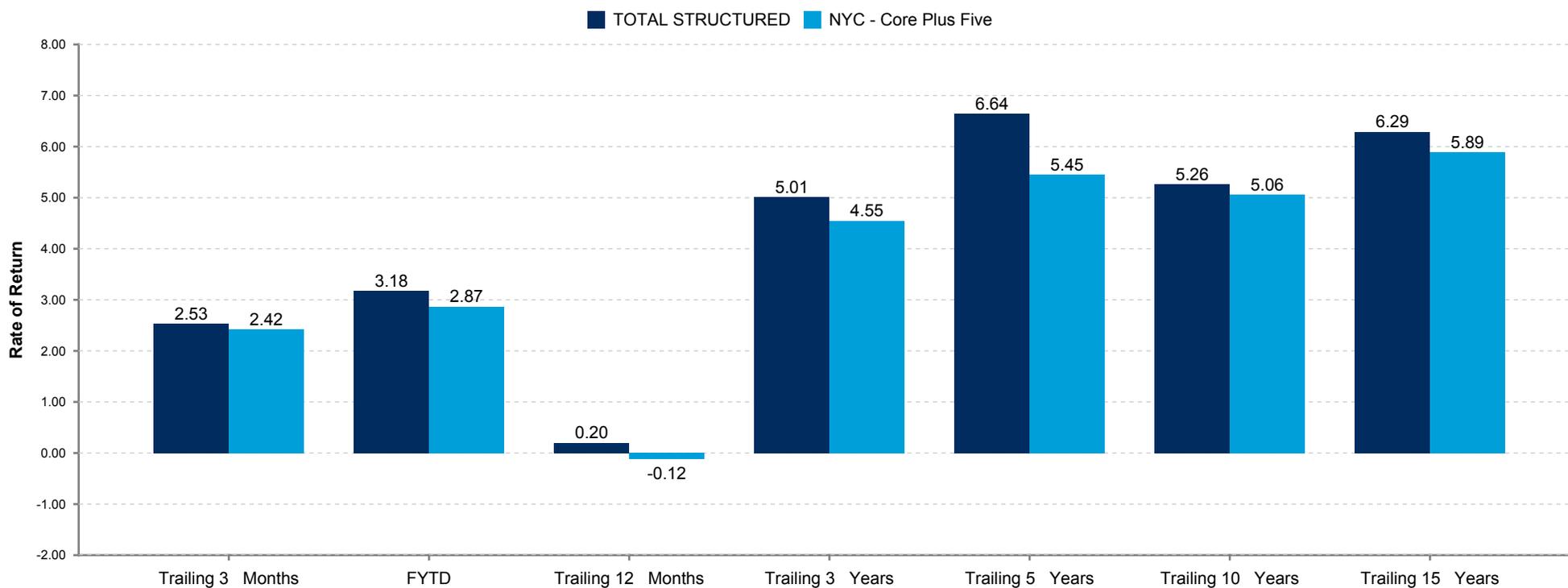
Sub Sector	Policy	Actual	Under/Over	Index	Actual	Difference
	Weight	Weight	Weight	Return	Return	
Total Treasury/Agency	17.88	15.31	-2.57	3.47	3.38	-0.09
Total Mortgage	38.65	41.99	3.34	1.61	1.61	0.00
Total Inv Grade Credit	43.47	42.70	-0.77	2.70	3.14	0.44

Structured Returns vs NYC Core + 5 Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL STRUCTURED	\$578.0	14.4



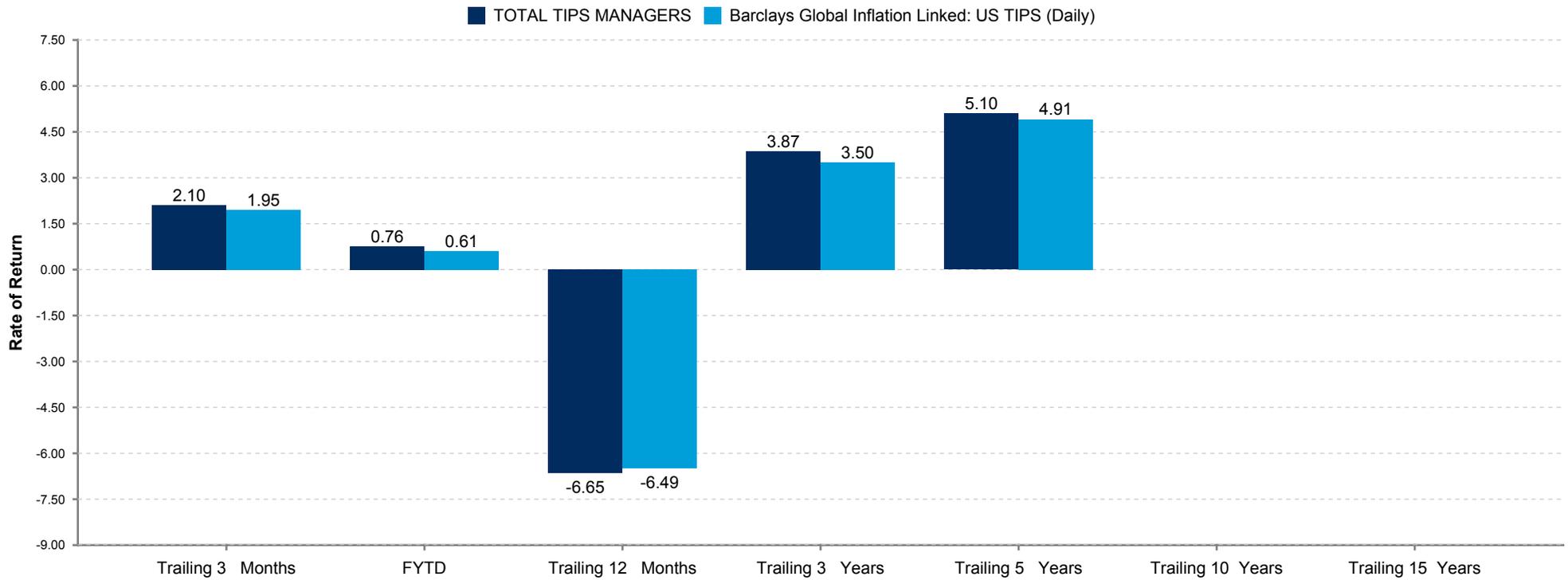
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL STRUCTURED	3.4	3.5	3.4	3.4	3.9	4.1

TIPS Returns vs Barclays US TIPS Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL TIPS MANAGERS	\$136.3	3.4



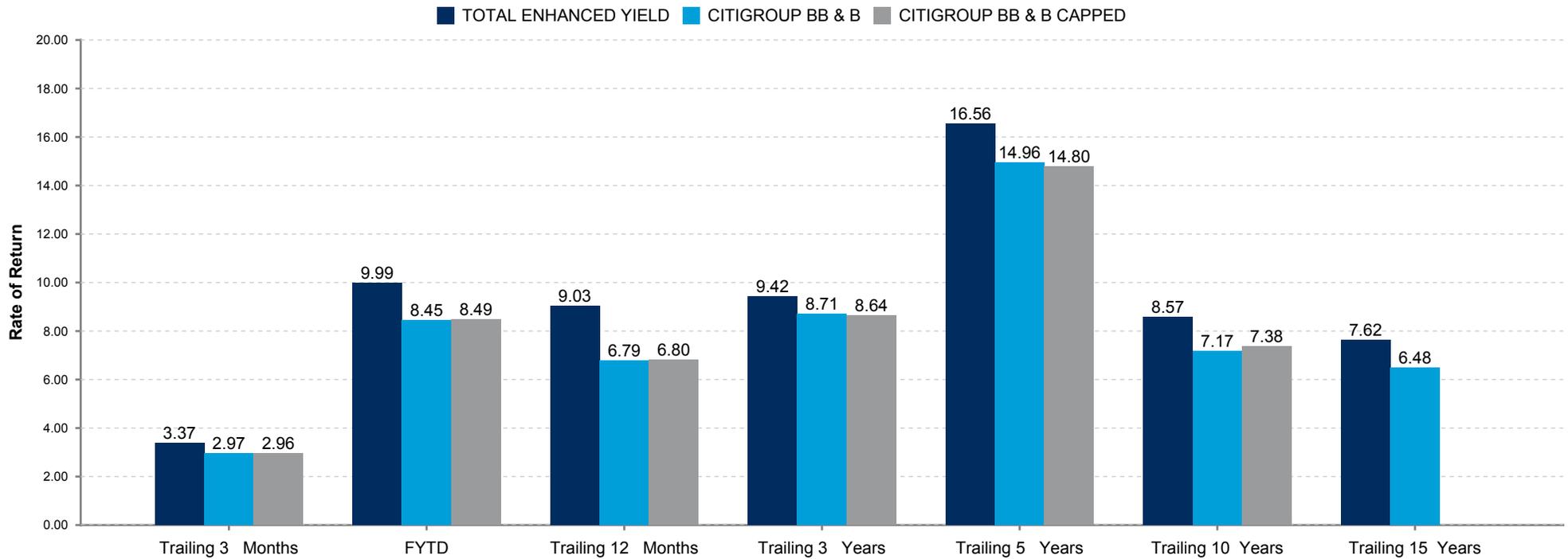
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
TOTAL TIPS MANAGERS	5.5	5.5	5.3	5.3		

Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index: March 31, 2014



STATE STREET

TOTAL ENHANCED YIELD	<u>Market Value (Millions)</u> \$212.2	<u>% of Plan</u> 5.3
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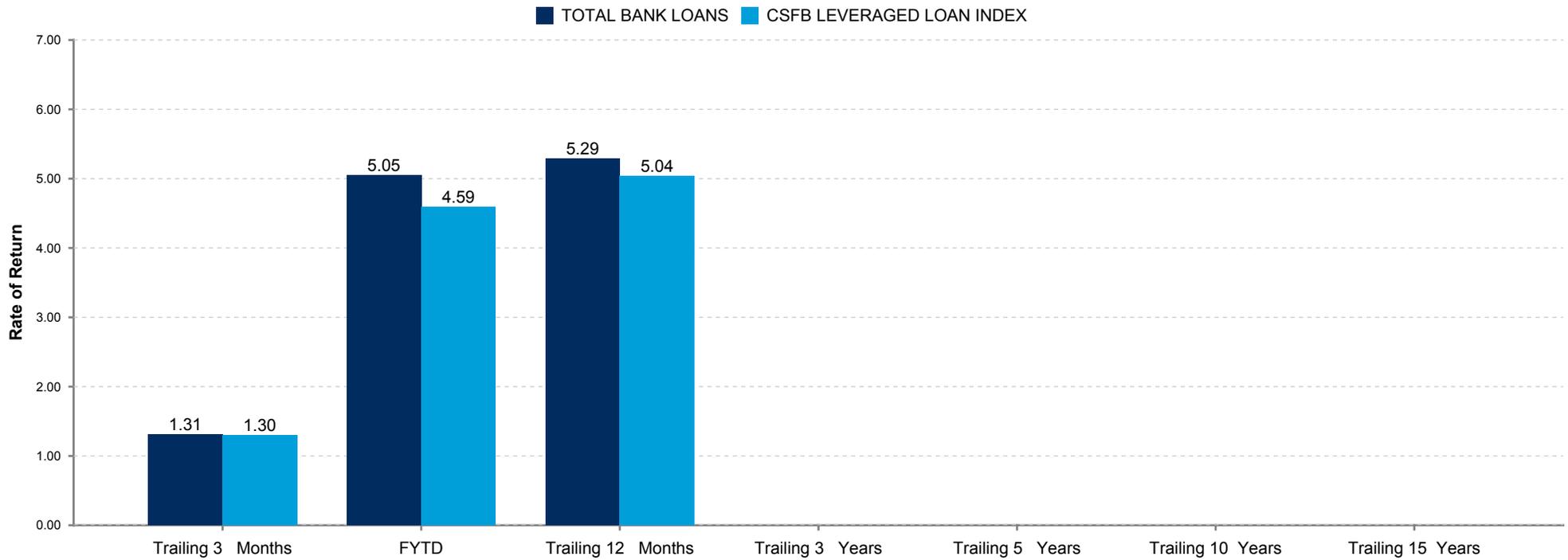
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
TOTAL ENHANCED YIELD	9.4	5.7	7.2	6.9	8.7	8.9

Bank Loan Returns vs CSFB Leveraged Loan Index: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL BANK LOANS	\$82.3	2.1



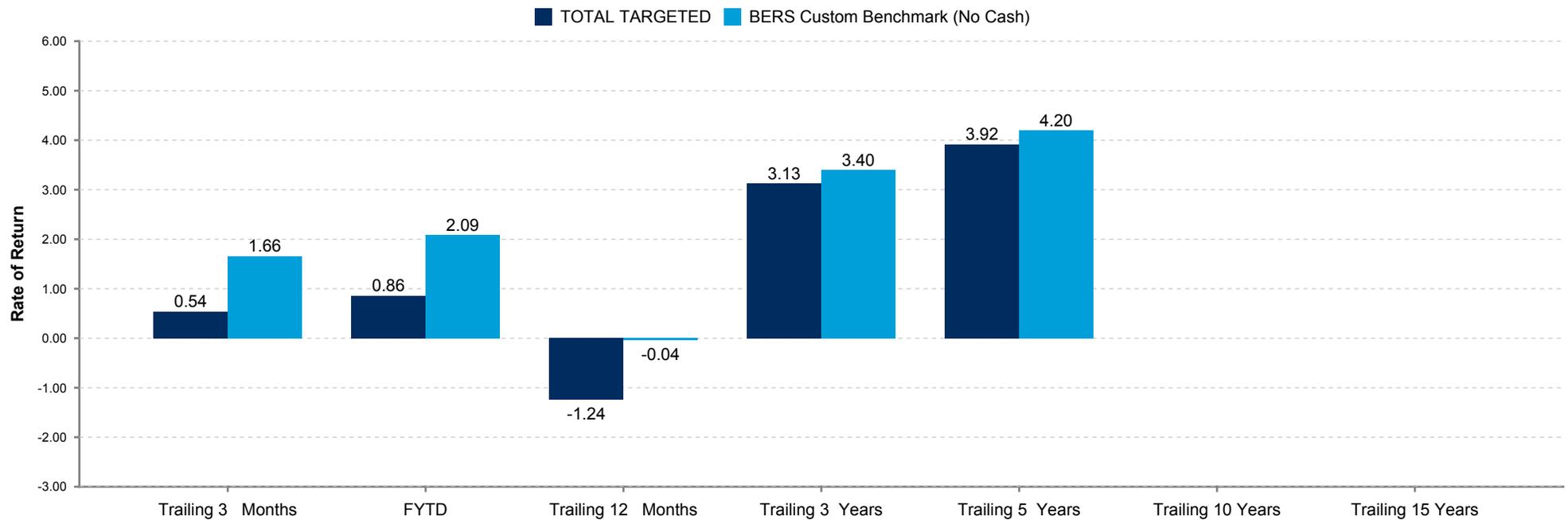
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
TOTAL BANK LOANS						

ETI Returns vs Custom Index: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL TARGETED	\$19.2	0.5



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL TARGETED	2.6	2.6	2.5	2.5		



New York City
Board of Education Retirement System

Appendix

Consolidated Performance Report



STATE STREET

Through March 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
EQUITY									
SMALL CAP									
DARUMA -SCC	33.7	0.84	1.16	1.16	28.13	11.77			
TOTAL SMALL CAP CORE	33.7	0.84	1.16	1.16	28.13	11.77			
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
TOTAL SMALL CAP ACTIVE	33.7	0.84	1.16	1.16	28.13	11.77	22.91	7.18	
RUSSELL 2000			1.78	1.78	22.65	12.74	23.33	8.07	10.70
BLACKROCK R2000 GROWTH MTA	53.9	1.35	0.49	0.49					
RUSSELL 2000 GROWTH			0.48	0.48	27.19	13.61	25.24	8.87	6.63
BLACKROCK R2000 VALUE MTA	52.1	1.30	1.79	1.79					
RUSSELL 2000 VALUE			1.78	1.78	22.65	12.74	23.33	8.07	10.70
TOTAL SMALL CAP PASSIVE	106.0	2.65	1.13	1.13					
TOTAL SMALL CAP	139.7	3.49	1.13	1.13	28.28	11.81	22.93	7.19	
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
MID CAP									
WELLINGTON MID CAP CORE	126.0	3.15	3.85	3.85	27.93	14.63			
TOTAL MID CAP CORE	126.0	3.15	3.85	3.85	27.93	14.63			
S&P MIDCAP 400			3.04	3.04	21.24	13.37	24.86	10.14	10.68
STATE STREET GA S&P 400	74.0	1.85	3.04	3.04	21.23	13.39			
TOTAL MID CAP PASSIVE	74.0	1.85	3.04	3.04	21.23	13.39			
S&P MIDCAP 400			3.04	3.04	21.24	13.37	24.86	10.14	10.68
TOTAL MID CAP	200.1	5.00	3.55	3.55	25.37	14.16			
RUSSELL MIDCAP			3.53	3.53	23.51	14.39	25.55	10.05	9.50

Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
RUSSELL 1000									
BLACKROCK R1000 GROWTH MTA	614.9	15.36	1.09	1.09					
RUSSELL 1000 GROWTH			1.12	1.12	23.22	14.62	21.68	7.86	2.98
BLACKROCK R1000 VALUE MTA	604.6	15.10	3.01	3.01					
RUSSELL 1000 VALUE			3.02	3.02	21.57	14.80	21.75	7.58	6.34
TOTAL LARGE CAP PASSIVE	1,219.4	30.45	2.03	2.03					
ZEVENBERGEN	77.4	1.93	(0.56)	(0.56)	42.83	12.75	25.20	11.03	4.53
RUSSELL 3000 GROWTH			1.07	1.07	23.53	14.53	21.94	7.95	3.25
TOTAL LARGE CAP GROWTH	77.4	1.93	(0.56)	(0.56)	42.83	12.75	22.36	9.21	4.22
TOTAL RUSSELL 1000	1,296.8	32.39	1.87	1.87	47.60	19.78	25.44	10.58	5.09
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
PROGRESS MANAGERS									
AFFINITY IA	10.2	0.25	3.22	3.22	25.92				
JOHN HSU -LCC	11.5	0.29	(1.12)	(1.12)	21.91	10.39	20.99	9.50	
HERNDON CAPITAL MGMT-LCV	12.7	0.32	1.38	1.38	19.91	14.14	23.92		
HIGH POINTE LLC -LCG	5.3	0.13	2.03	2.03	22.26	15.71			
LOMBARDIA CAPITAL -SCV	3.9	0.10	0.28	0.28	21.87	12.91	25.60		
NICHOLS ASSET MGMT -SCG	3.0	0.07	(0.82)	(0.82)	29.48				
REDWOOD INV -LCG	12.4	0.31	2.88	2.88	32.07				
SEIZART CAPITAL - MCC	14.7	0.37	2.63	2.63	34.61				
TOTAL PROGRESS	73.6	1.84	1.62	1.62	26.38	14.48	22.01	8.46	
RUSSELL 3000			1.97	1.97	22.61	14.61	21.93	7.86	5.22

Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
F.I.S. MANAGEMENT									
APEX CAPITAL MGT - SCG	0.2	0.01							
CHANNING -SCV	9.6	0.24	2.86	2.86	28.04				
CUPPS CAPITAL SCG	0.1	0.00							
EUDAIMONIA -MICRO CG	4.8	0.12	1.77	1.77	38.06	15.43			
FIS - Transition	14.7	0.37							
HUBER CAP MGMT -SCV	4.2	0.11	(2.52)	(2.52)	21.33				
NICHOLS ASSET MGMT -SCG	11.4	0.29	(0.76)	(0.76)	34.33				
NICHOLAS SCG	8.2	0.20	0.55	0.55	34.54				
OPUS CAPITAL GROUP - SCV	0.3	0.01							
PIERMONT -SCV	13.5	0.34	1.74	1.74	24.72				
PUNCH SCC	9.0	0.23	(1.04)	(1.04)	29.18				
TOTAL F.I.S FUND MGMT	76.2	1.90	0.42	0.42	28.21	14.74	24.74		
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
TOTAL EMERGING MANAGERS	149.8	3.74	1.00	1.00	28.01	14.89	22.94	8.63	
RUSSELL 3000			1.97	1.97	22.61	14.61	21.93	7.86	5.22
TOTAL ACTIVE DOMESTIC EQUITY	386.9	9.66	1.61	1.61	30.71	15.12	22.87	8.78	4.31
TOTAL PASSIVE DOMESTIC EQUITY	1,399.5	34.95	2.01	2.01	22.56	14.51	21.87	7.85	5.60
TOTAL DOMESTIC EQUITY	1,786.4	44.61	1.92	1.92	24.24	14.43	22.00	8.05	5.36
INTERNATIONAL EQUITY									
DEVELOPED MARKETS									
BAILLIE	348.8	8.71	(0.94)	(0.94)	21.66	9.80	20.68		
TOTAL DEVELOPED GROWTH	348.8	8.71	(0.94)	(0.94)	21.66	9.80	20.68		
MSCI EAFE GROWTH			0.20	0.20	15.33	7.59	16.27	6.94	3.63
ACADIAN	83.3	2.08	4.83	4.83					
TOTAL DEVELOPED SMALL CAP	83.3	2.08	4.83	4.83					
S&P EPAC SMALL CAP			3.81	3.81	23.89	9.62	21.24	9.40	8.57

Consolidated Performance Report



STATE STREET

Through March 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
SPRUCEGROVE	309.6	7.73	2.08	2.08	14.44	7.76	17.49		
TOTAL DEVELOPED VALUE	309.6	7.73	2.08	2.08	14.44	7.76	17.49		
MSCI EAFE VALUE			1.22	1.22	20.25	7.16	16.11	6.41	5.52
TOTAL ACTIVE DEVELOPED MARKETS	741.7	18.52	0.93	0.93	19.08	9.21	19.41	9.24	6.37
TOTAL DEVELOPED MARKETS	741.7	18.52	0.93	0.93	19.08	9.21	19.41	9.17	6.33
MSCI EAFE NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
EMERGING MARKETS									
ACADIAN	181.3	4.53	1.01	1.01	(2.18)				
TOTAL ACTIVE EMERGING MARKETS	181.3	4.53	1.01	1.01	(2.16)	(2.96)	14.13	10.09	
MSCI EMERGING MARKETS FREE			(0.43)	(0.43)	(1.43)	(2.86)	14.48	10.11	
TOTAL EMERGING MARKETS	181.3	4.53	1.01	1.01	(1.72)	(2.88)	14.20	10.12	11.23
MSCI EMERGING MARKETS FREE			(0.43)	(0.43)	(1.43)	(2.86)	14.48	10.11	
TOTAL INTERNATIONAL EQUITY	923.0	23.05	0.95	0.95	14.62	6.71	18.30	9.34	7.06
PRIVATE EQUITY INVESTMENTS									
APOLLO INVESTMENT FUND VIII, L.P.	0.6	0.02							
CARLYLE PTNRS VI	0.7	0.02							
FAIRVIEW PRIVATE EQUITY FD	11.6	0.29							
LANDMARK EQUITY PTNRS XV	2.7	0.07							
MESIROW PTNRS FD III	47.8	1.19							
MESIROW PTNRS FD IV	19.6	0.49							
MESIROW PTNRS FD V	23.1	0.58							
PLATINUM EQ PTNRS III	4.6	0.12							
WARBURG PINCUS XI	7.7	0.19							
TOTAL PRIVATE EQUITY	118.5	2.96							

Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
NYC R3000 +3% Lagged									
REAL ASSETS									
PRIVATE REAL ESTATE									
BLACKSTONE EUROPE IV	3.8	0.09							
BROOKFIELD STRATEGIC RE PTNRS	5.7	0.14							
EMMES ASSET MGMT CO	1.7	0.04							
FRANKIN TEMPLETON FD	8.5	0.21							
LASALLE US PROPERTY FD	26.0	0.65							
RELATED SEP ACCT	3.3	0.08							
UBS TRUMBULL PROPERTY FD	55.6	1.39							
TOTAL PRIVATE REAL ESTATE	105.2	2.63							
NCREIF NFI-ODCE NET + 1%									
INFRASTRUCTURE									
Brookfield Infr Fd II	1.1	0.03							
TOTAL INFRASTRUCTURE	1.1	0.03							
TOTAL REAL ASSETS	106.3	2.66							
TOTAL EQUITY - PUBLIC & PRIVATE	2,934.2	73.28	1.59	1.59	20.12	11.39	20.11	8.24	5.69
FIXED INCOME									
GOVERNMENT									
STATE STREET GOV'T	88.5	2.21	3.38	3.38	(3.53)	5.73	4.25	5.50	6.48

Consolidated Performance Report



STATE STREET

Through March 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL TREASURY / AGENCY	88.5	2.21	3.38	3.38	(3.53)	5.73	4.25	5.37	6.36
NYC - TREASURY AGENCY PLUS FIVE			3.47	3.47	(3.54)	5.72	4.15	5.40	6.38
MORTGAGE									
PIMCO	242.7	6.06	1.61	1.61	(0.23)	3.19	5.02	5.04	5.90
CITIGROUP MORTGAGE INDEX			1.61	1.61	0.11	2.77	3.57	4.62	5.34
CREDIT									
PRUDENTIAL CREDIT	132.0	3.30	2.77	2.77	1.66	6.08			
PRUDENTIAL PRIVEST	15.4	0.38	2.55	2.55	1.54				
TAPLIN, CANADA	99.4	2.48	3.73	3.73	2.65	7.03	11.51	5.33	6.65
TOTAL INVESTMENT GRADE CREDIT	246.8	6.16	3.14	3.14	2.04	6.50	11.00	5.08	6.52
NYC - INVESTMENT GRADE CREDIT			2.70	2.70	1.17	5.69	8.72	5.06	5.98
TOTAL STRUCTURED	578.0	14.44	2.53	2.53	0.20	5.01	6.64	5.26	6.29
NYC - CORE PLUS FIVE			2.42	2.42	(0.12)	4.55	5.45	5.06	5.89
TIPS MANAGERS									
PIMCO-TIPS-MTA	136.3	3.40	2.10	2.10	(6.65)	3.87	5.10		
TOTAL ACTIVE TIPS MANAGERS	136.3	3.40	2.10	2.10	(6.65)	3.87	5.10		
BARCLAYS CAPITAL US TIPS INDEX			1.95	1.95	(6.49)	3.50	4.91	4.53	6.51
ENHANCED YIELD									
LOOMIS SAYLES & CO	114.6	2.86	3.83	3.83	10.13	10.76	19.20	9.69	9.35
NYC-LOOMIS (BofA ML-MST II 7-03/BB&B PRIOR)			3.00	3.00	7.53	8.71	18.19	8.54	7.45
SHENKMAN ENHANCED YIELD	97.6	2.44	2.84	2.84	7.77				
ALL ENHANCED YIELD	212.2	5.30	3.37	3.37	9.03	9.42	16.56	8.57	7.62

Consolidated Performance Report



STATE STREET

Through March 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
CITIGROUP BB & B			2.97	2.97	6.79	8.71	14.96	7.17	6.48
CITIGROUP BB & B CAPPED			2.96	2.96	6.80	8.64	14.80	7.38	
BANK LOANS									
BABSON BL	82.3	2.05	1.31	1.31	5.29				
TOTAL BANK LOANS	82.3	2.05	1.31	1.31	5.29				
CREDIT SUISSE LEVERAGED LOAN INDEX			1.30	1.30	5.04	5.29	12.24	5.01	
ETI									
ACCESS/RBC	5.6	0.14	1.61	1.61	(0.58)	3.49	4.27		
AFL-CIO HOUSING INV TRUST	11.7	0.29	1.75	1.75	(0.53)	3.49	4.21		
CFSB-PPAR	0.1	0.00	5.17	5.17	8.04	6.63	8.10		
CCD-PPAR	0.3	0.01	4.38	4.38	10.66	9.51	9.45		
CCD-PPAR ETI MTA 2013	0.2	0.01	4.72	4.72					
CPC-PPAR 2013	0.2	0.00	6.41	6.41					
JPMC-PPAR 2013	0.1	0.00	8.45	8.45					
LIIF-PPAR	0.2	0.00	3.43	3.43	9.22	7.34			
LIIF-PPAR ETI MTA 2013	0.1	0.00	4.94	4.94					
NCBCI-PPAR	0.1	0.00	5.27	5.27	15.35	11.08			
NCB-CI PPAR ETI MTA 2013	0.0	0.00	5.31	5.31					
TOTAL PPAR	1.4	0.04	4.81	4.81	9.70	8.26	8.11		
GNMA PLUS 65bps			1.97	1.97	0.45	3.64	4.50	5.36	6.03
CPC TERM LOAN	0.4	0.01	0.55	0.55	2.40	2.36	2.26		
TOTAL BOE ETI (w/o cash)	19.2	0.48	0.54	0.54	(1.32)	3.11	4.01	5.55	4.62
TOTAL TARGETED	19.2	0.48	0.54	0.54	(1.24)	3.13	3.92		
BERS CUSTOM ETI INDEX (NO CASH)			1.66	1.66	(0.04)	3.40	4.20		
BARCLAYS CAPITAL AGGREGATE			1.84	1.84	(0.10)	3.75	4.80	4.46	5.40
TOTAL FIXED INCOME	1,028.0	25.67	2.51	2.51	1.27	6.01	8.33	5.92	

Consolidated Performance Report

Through March 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
C/D - Fail Float Earnings	0.1	0.00							
SECURITY LENDING	0.1	0.00							
STATE STREET SHORT TERM	41.8	1.04	0.04	0.04	0.28	0.45	0.59	2.33	
TOTAL BOARD OF EDUCATION	4,004.0	100.00	1.81	1.81	14.42	9.44	15.82	7.57	6.15
Board of Education Policy Benchmark			2.08	2.08	13.86	9.90	16.27	7.26	5.78

Through March 31, 2014



NEW YORK CITY BERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2013 AND ESTIMATED FEES FOR FY 2014 UPDATED THROUGH SEPTEMBER 2013					
		Actual 2013		Estimates 2014	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-2013 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2013 (\$MM)	BASIS POINTS
US Equities		1,583	10.16	1,597	12.72
Small Cap Active		28	53.13	31	58.22
	Small Cap Growth	-	-	-	-
	Small Cap Value	-	-	-	-
	Small Cap core	28	53.13	31	58.22
	Small Cap Fundamental Index	-	-	-	-
Small/Mid Cap Active		-	-	-	-
	Small/Mid Cap Growth	-	-	-	-
	Small/Mid Cap Value	-	-	-	-
Mid Cap Active		102	45.11	111	50.00
	Mid Cap Growth	-	-	-	-
	Mid Cap Value	-	-	-	-
	Mid Cap core	102	45.11	111	50.00
Large Cap Active		160	14.34	74	22.19
	Large Cap Growth	60	19.93	74	22.19
	Large Cap Value	100	10.98	-	-
	Large Cap Core	-	-	-	-
	Large Cap Fundamental Index	-	-	-	-
Active Emerging Managers (U.S. Equities)		123	60.37	135	80.18
Total US Active Equities		411	38.26	350	56.47
Total US Passive Equities		1,172	0.30	1,247	0.43
Opportunistic / Environmental US E. Strategies		-	-	-	-
International Equities		765	21.90	868	27.35
Active EAFE Equities		608	23.79	690	24.79
	Growth	280	28.28	328	25.90
	Value	263	23.17	290	21.29
	Core	-	-	-	-
	Small Cap	64	6.72	73	33.70
Opportunistic/Environmental-Non US E. Strategies		-	-	-	-
Active Emerging Markets		131	15.78	177	37.30
Total Int'l Active Equities		739	22.37	868	27.35
Total Int'l Passive Equities		27	8.72	-	-
REITS Passive Index		-	-	-	-

Actual and Estimated Fees

Through March 31, 2014



STATE STREET

NEW YORK CITY BERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2013 AND					
ESTIMATED FEES FOR FY 2014 UPDATED THROUGH SEPTEMBER 2013					
		Actual 2013		Estimates 2014	
INVESTMENT STYLE (FIXED INCOME)		MARKET VALUE 06-30-2013 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2013 (\$MM)	BASIS POINTS
Fixed Income		1,021	15.05	1,051	15.17
Structured Program		560	9.80	563	7.90
	Government Sector	88	5.16	87	5.00
	Mortgage Sector	238	13.69	240	8.81
	Investment Grade Credit Sector	235	7.57	236	8.04
Global Fixed Income		-	-	-	-
Progress Fixed Emerging Managers		-	-	-	-
TIPS		135	12.62	136	10.00
	Active TIPS	135	12.62	136	10.00
	Passive TIPS	-	-	-	-
Opportunistic Fixed Income		-	-	-	-
Enhanced Yield		193	27.86	198	33.95
Bank Loans		78	28.27	79	35.44
Convertible Bonds		-	-	-	-
ETI - Access - RBC		3	27.49	4	26.79
ETI - AFL-CIO HIT		11	42.67	11	44.00
Other ETI Programs		1	-	1	-
In-House Short Term		38	0.00	57	0.00
Total Public Markets		3,369	14.31	3,515	17.06
INVESTMENT STYLE (PRIVATE)					
Hedge Funds		-	-	-	-
Private Equity Investments *		105	146.80	114	148.60
Real Assets		29	127.65	37	150.42
	Private Real Estate	29	127.65	36	114.34
	Infrastructure**	-	-	1	86.88
Total Private Markets		134	142.66	151	149.04
Total Overall		3,503	19.23	3,666	22.48
* Private Equity Investments exclude GP CARRY					
** Included investment held for less than a full year; Basis Points shown represent average for the period.					



Through March 31, 2014

**NYC BOARD OF EDUCATION RETIREMENT SYSTEM
SECURITIES LENDING INCOME
March 31, 2014**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL 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	516,000	1,144,000	495,000	
2013	349,000	1,325,000	446,000	
2014 (3 Months)	63,000	117,000	185,000	
Since Inception	<u>\$8,218,000</u>	<u>\$12,283,000</u>	<u>\$4,655,000</u>	*Inception 4/89



Through March 31, 2014

- 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.



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.

Pages 17 - 19 - 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. Allocation is 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 results in a positive Allocation Effect and vice versa.
- **Selection 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, e.g., *If the manager's Actual Returns are higher than the Implied Return there will be a positive Selection Effect.*

- **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, or 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 * 42.40%*

*International Developed (EAFE) Markets: MSCI EAFE * 17.00%*



*Emerging Markets: MSCI Emerging Markets * 5.00%*

*Private Equity: Russell 3000 + 300 b.p. per annum * 2.97%*

*Private Real Estate: NFI - ODCE Net+100BPS * 2.63%*

*Domestic Fixed Income: NYC Core +5 * 17.00%*

*TIPS: Lehman U.S. TIPS * 5.00%*

*Enhanced Yield: Citigroup BB&B * 5.50%*

*Bank Loans: Credit Suisse Leveraged Loan * 2.50%*

Page 20 – Allocation and Selection Effects - Asset Class Breakdown

- This chart aims to break down the Allocation and Selection Effects 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 45 – ETI Returns vs Custom Index

- Targeted has implemented a Custom Benchmark to better track the performance of the individual Targeted 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 Term Loan: 30 Day Libor + 200 bps per annum (with a floor of 250 bps)
- PPAR: Citigroup GNMA + 65 bps per annum
- Access/RBC: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index