

New York City  
Fire Department Pension Fund, Subchapter Two  
Performance Overview as of March 31, 2014

# Total Fund Overview



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## **Fire Retirement System of New York City**

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Through March 31, 2014



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### **Equity Markets**

US stocks posted modest gains in the three months ended March 31, 2014, but there was a shift in dynamics, especially in the final week of the quarter. Following a strong 2013, stocks started the year with a drop in January amid concerns regarding the Fed tapering. They rebounded in February, hitting new record highs, on the heels of the Fed stating it would maintain current short-term interest rates near zero well beyond unemployment dropping below 6.5%, especially if inflation remains below 2%. Equities oscillated again in March, falling after the Fed touched on the possibility of raising interest rates. In anticipation of rising interest rates, investors sold their positions in small caps, fast-growing stocks and non-earners, while moving into stocks of more moderately-valued, stable companies exhibiting cyclical growth. The S&P 500 Index rose 1.8% while the Russell 2000 gained a modest 1.1%. Value outperformed growth across the market cap spectrum; large caps trumped small caps in the financials, healthcare, materials and technology sectors, while small caps stayed ahead in consumer discretionary, consumer staples, energy, producer durables and utilities. International equities lagged US markets, returning 0.7%, as measured by the MSCI EAFE Index. Returns within Asia were negative, with Japan declining 5.6% amid skepticism surrounding the potential for future structural and political reform. Europe led non-US equities as France and peripheral countries recorded robust gains. Italy and Ireland were two of the best markets for the quarter, with stocks returning roughly 14% so far this year. In developed and emerging markets, small cap significantly outperformed large cap. Despite rallying in March, emerging markets ended the quarter down 0.4% after absorbing volatility throughout the quarter. Russia was the worst performing market with a -14.4% return, while Indonesia gained a hefty 21.3%. Within emerging markets, consumer discretionary, healthcare and technology sectors beat energy and materials.

### **Fixed Income Markets**

Bond markets rallied in the first quarter, seemingly moving beyond the challenges faced by a majority of fixed income sectors in 2013. Early in the quarter, investors snapped up safer, higher-quality assets amid concerns around an economic slowdown in China and the unseasonably harsh winter in the US. This flight to quality was further reinforced following the crisis in Ukraine and Russia taking control of Crimea. A small portion of the gains in Treasuries was lost in March when markets interpreted Janet Yellen's first statements to Congress as Fed chairwoman as a signal that the Fed may increase the federal funds rate earlier than expected. The 10-year US Treasury yield decreased 31 basis points to 2.72% during the first quarter. Intermediate-term Treasury Inflation- Protected Securities, or TIPS, gained 1.0% during the quarter, recouping some of the losses of 2013. Credit spreads tightened and yields fell during the quarter, fueling robust gains in credit markets. Investment grade credit spreads narrowed to 103 basis points, the lowest they have been since before the financial crisis. The US Credit Index gained 2.9% and the Long Duration Credit Index returned 6.3% in the first quarter. Agency mortgage-backed securities gained 1.6% in the first quarter. High yield bonds returned 3.0% during the quarter, outperforming leveraged loans. The yield spread, or yield advantage, of high yield bonds over



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Treasuries fell to 3.58% from 3.82% at the end of 2013. This spread tightening was fueled by steady demand for the asset class amid low default rates and healthy fundamentals in corporate credit. The Credit Suisse Leveraged Loan Index gained 1.3% during the first quarter. Lower-rated securities outperformed higher quality issues during the quarter in line with last year's trend. Demand for floating-rate assets continues to be robust; bank loans have now experienced over 90 consecutive weeks of inflows from mutual funds and issuance of collateralized loan obligations remains strong. Emerging markets debt continued to underperform through January amid concerns surrounding China's growth and its shadow banking system, but rebounded strongly in February and March. Local currency debt, as measured by the JP Morgan GBI-EM Index, gained 1.9%. Hard currency debt, boosted by declining Treasury yields, outperformed local currency debt during the quarter, posting returns of 3.5%.

### **Commodity Markets**

Commodities started the year with a bang—the DJ-UBS Index returned 7.2% in the first quarter. While geopolitical tensions and harsh weather challenged many asset classes, these trends were generally positive for commodities. The agriculture and livestock segments of the market drove commodities higher, while energy and precious metals still struggled. Fears of a grain shortage following Russia's invasion of Ukraine powered returns of 8.4% in the grain sector. Heating oil rallied early in the quarter on the heels of unseasonably cold weather, but subsequently retreated in March as temperatures returned to more normal levels, resulting in losses of 1.8% for energy. Precious metals declined 4.0% as copper prices fell amid slowing growth in China.

### **Private Markets**

Private equity fundraising got off to a strong start in the first quarter with new commitments—at around \$75.6 billion—keeping pace with the \$313.5 billion of commitments made in 2013. In line with previous years, North American private equity funds comprised nearly 70% of total new commitments. Asian fundraising, totaling \$10.8 billion in the first quarter, got a shot in the arm as three firms—Boyu, Affinity and CVC—raised over \$1.0 billion each. Europe saw \$12.0 billion of new commitments, with approximately 60% going to buyout and growth equity funds. Globally, buyout and growth equity commitments totaled \$33.3 billion, representing 44% of all funds raised so far this year, while energy, natural resources and infrastructure accounted for 19%. Venture capital fundraising surged to \$13.2 billion powered by five firms—TCV, Founders Fund, Accel, Andreessen Horowitz and Lightspeed—raising over \$5 billion. Mezzanine funds, at \$3.2 billion, accounted for only 4% of all new capital raised as they faced competition from senior and unitranche lenders for deal flow. Secondary funds raised only \$3.1 billion in the first quarter, but we expect this number to increase to over \$20 billion as the year progresses with several large funds launching new fundraises. Secondary deal flow remains elevated and we continue to be vigilant of the effect of capital inflows and compression of discounts on fund's underwriting targets.

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Going into 2014, we are advising clients to balance their commitments between those likely benefiting from long-term economic recovery and those capitalizing on near-term volatility in public equity and debt markets. We are still guarded on the large buyout sector as an active high-yield market, elevated transaction prices, and the return of “covenant-lite” term sheets leave scant room for operational missteps, providing little protection in the event of a prolonged recession. We favor managers who have demonstrated price discipline and strong value orientation, and who possess the operational capabilities to enhance portfolio company performance. Turnaround specialists can provide attractive options in light of the recession and its impact on businesses. Investors also need to show a readiness to make quick decisions as many top-tier fund managers are meeting their capital fundraise targets within a few months of marketing as interest in private equity grows.

In real estate, NEPC remains neutral on core strategies in the US, and positive on non-core strategies, for instance, value-add and opportunistic. For US core real estate, fundamentals continue to improve with decreasing vacancy rates, higher rents, limited new construction (outside of the apartment sector), and still attractive—though narrowing—income spreads relative to Treasury rates. The main concern for US core real estate centers around the market’s expectation for higher future Treasury rates and their impact on cap rates (and capital values), specifically, if any rise in cap rates will be offset by net income growth. For clients who are underweight their core allocation, we recommend continuing to build to the target, albeit at a slower pace. We are neutral on REITs based on our views above. REITs are trading at slight discounts to net asset values but close to record high multiples of funds from operations. For non-core real estate, select attractive opportunities remain in the US for skilled firms—generally niche-focused—with a proven ability to identify undervalued assets, buy right and create value, and managers who have demonstrated discipline in investment decisions. In Europe, non-core properties are still undervalued and capital structure distress remains, creating, what we believe, are more appealing opportunities than in the US. In general, NEPC views Europe as optimal for a marginal dollar of real estate investment. That said, this particular opportunity is expected to be short-lived with capital flowing back into the market. We still believe real estate debt strategies are tempting, particularly in Europe’s distressed lending environment, although currency risk is a potential consideration. This opportunity, too, is expected to be short-lived as debt markets recover.

NEPC remains positive on energy, especially in North America, which continues to evolve as the “shale revolution” matures. The land grab that characterized the sector for most of the past five-to-seven years is now largely over. To this end, large, outsized returns with short-holding periods are unlikely going forward; however, we believe there are value opportunities in the new market dynamic. Ultimately, operational expertise and industry experience are vital characteristics for managers investing in the upstream and midstream segments of the energy value chain. NEPC is neutral on agriculture, infrastructure, and metals and mining; that said, we believe there are pockets of opportunity within each segment. We believe in long-term demand drivers for agriculture, especially for row crops such as corn and soy. Infrastructure is an opportunity that can be utilized without a widely apparent “buy” signal. We believe core/core plus and some



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brownfield investments should be in highly defensive assets with conservative debt levels, so as to enjoy the benefits provided to true infrastructure assets, and prevent timing risk from more risky, opportunistic investments. Metals and mining offer the prospect to invest in assets that will continue to help feed urbanization trends, especially in Asia. We maintain our bearish outlook on North American timber due to a supply overhang largely at the mercy of a robust housing recovery. Still, there have been pockets of opportunity in this market, for instance, the Pacific Northwest which has benefitted from sustained demand in the Asian markets. However, these deals have been largely fully priced. Foreign timber opportunities have the potential to generate higher total returns. That said, the asset class risk-return profile shifts when assets are purchased outside of North America (and Australia/New Zealand).

**Performance:** For the quarter, the Fund returned 2.23%, which ranked in the 42<sup>nd</sup> percentile of the BNY Mellon Public Master Trust Universe, underperforming the policy index return of 2.72%. Active managers detracted 0.42% from aggregate performance during the quarter versus the policy index, and allocation decisions detracted 0.07% from Total Fund return. For the year ended March 31, 2014, the Fund returned 12.75%, which ranked in the 47<sup>th</sup> percentile in the BNY Mellon Public Mast Trust Universe, with active detracting 58 basis points over the trailing year, and deviations from policy adding 141 basis points to overall returns.

### **Domestic Equity Composite**

The Fund had 37% invested in domestic equity at the end of the first quarter. Within domestic equity, the Fund was overweight Small Cap Active Managers by 0.37%, underweight Russell 2000 Index Funds by 1.62%, overweight Small to Mid Cap Active Managers by 0.47%, overweight Mid Cap Active Managers by 2.79%, underweight Mid Cap S&P 400 Index Managers by 3.02%, underweight Russell 1000 Active Managers by 0.09%, overweight Russell 1000 Index Fund Funds by 4.39%, underweight Russell 3000 Index Fund Managers by 3.12% and underweight to Manager of Managers by 0.16%.

For the quarter, the Total Domestic Equity Portfolio returned 1.91%, underperforming the Russell 3000 Index return of 1.97% by approximately 6 bps.

### **International Equity Composite**

At the end of the first quarter, the Fund had an allocation to international equity of 16%. Of this total, 38% was allocated to emerging markets equity and 62% was allocated to developed international markets. The Fund-also allocates across style in the developed international space, with 20% of the allocation invested in active value mandates, 7.1% in core mandates, 18.9% in growth mandates. A total of 17.7% of the total international allocation was invested passively, including 10.8% invested in Emerging Markets Passive investments and 6.8% invested in Passive developed investments; remainder includes the actively managed strategies.



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The International Developed Markets Equity Composite returned 0.13% in the first quarter, underperforming the MSCI EAFE Index which returned 0.66%. Passive managers outperformed active managers within the Fund.

The Emerging Markets Composite returned -0.18% in the first quarter, outperforming the MSCI EM Index which returned -0.43%.

### **Fixed Income Composite**

At the end of the first quarter, the Fund had an allocation to fixed income of 30%. Of the allocation to fixed income, 55.1% was invested in structured fixed income, 12.8% was allocated to high yield, 9.4% was invested in TIPS, 5.3% was allocated to cash and short term investments, 5.5% allocated to bank loans, 1.7% was in convertible bonds, 1.9% was allocated to economically targeted investments (ETI), 7.1% was allocated to opportunistic fixed income, 0.9% to Progress Fixed and 0.3% allocated to core plus.

The Structured Fixed Income Composite returned 2.66% in the first quarter, outperforming the NYC Core plus 5 Index return of 2.42% by 24 bps. The Barclays Capital Aggregate Index returned 1.84% in the quarter. All three sectors were positive in the quarter.

The Enhanced Yield or high yield fixed income composite, posted a return of 3.16%, which outperformed the Citigroup BB&B Capped Index return of 2.97%.

The TIPS Composite returned 2.03% slightly ahead of the Barclays Capital US TIPS Index which returned 1.95%

### **Real Estate Equity Securities Composite & Private Equity**

As of March 31, 2014, the Fund had \$348 million invested in REITs for a commitment of 3.4% of Total Fund assets. In the first quarter the REIT portfolio returned 7.76%, underperforming the DJ US Select Real Estate Securities Index by 251 basis points. As of March 31, the Fund had an allocation to Private Real Estate of 3.7% and 6.5% allocated to Private Equity.

### **Hedge Funds**

The allocation to hedge funds as of March 31, 2014 was \$333 million, 3.2% of the total fund. The first quarter return for the hedge fund portfolio was 1.41%, outperforming the HFRI FOF Composite Index +1% return of 0.75%, and outperforming the 1 Yr TBill yield +4% return of 1.04%.

## Total Portfolio Returns: March 31, 2014

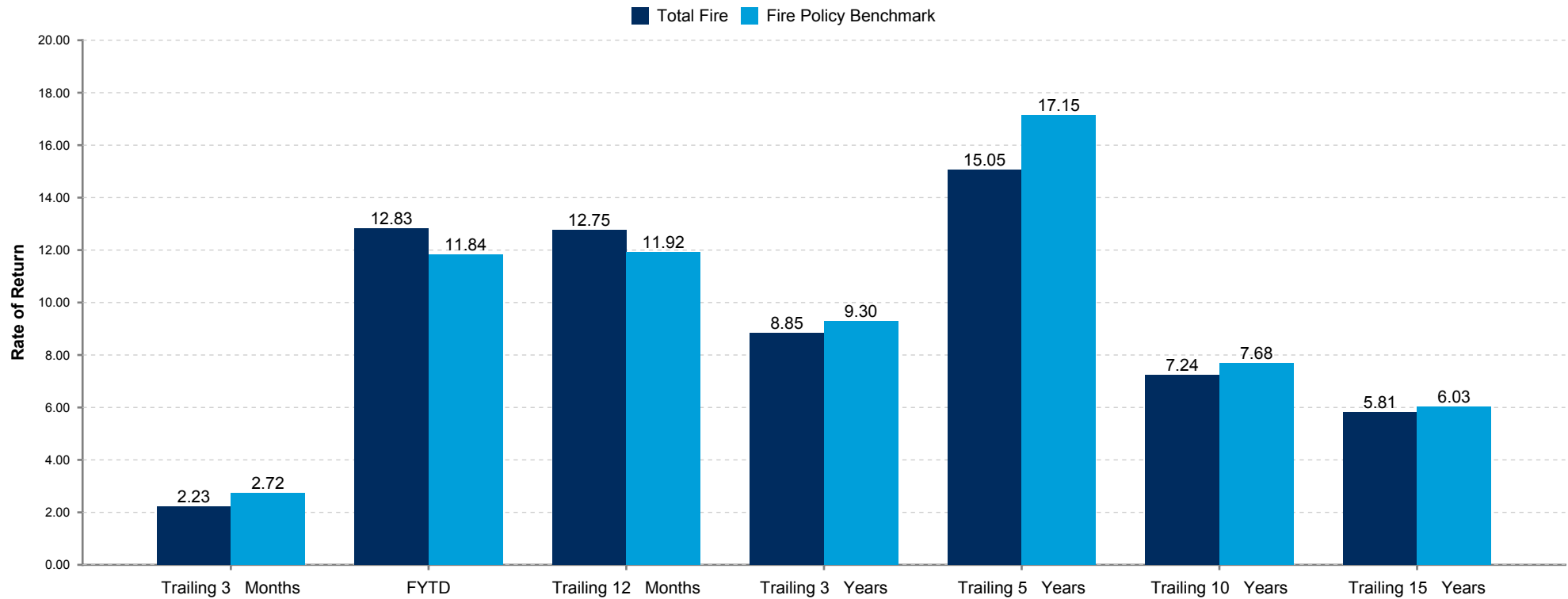


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TOTAL FIRE

Market Value (Billions)

\$10.3



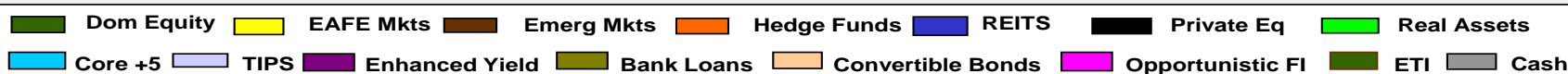
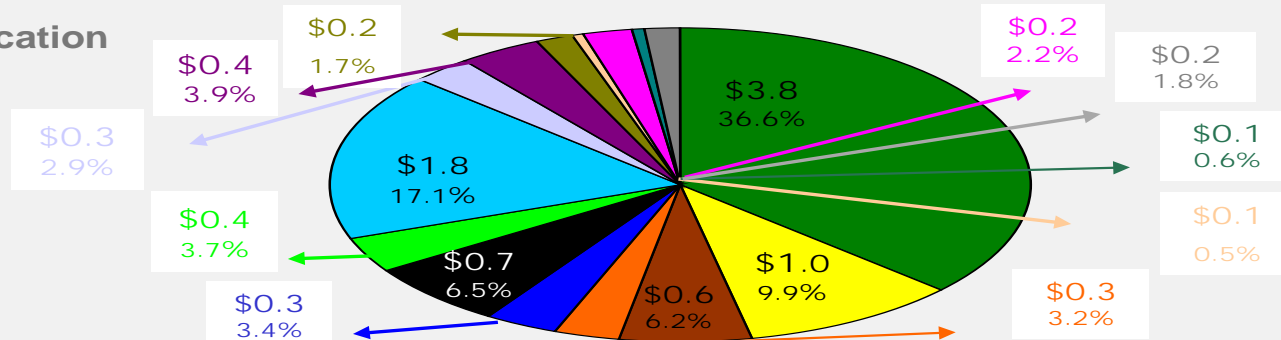
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL FIRE	8.5	8.3	15.1	10.8	10.3	11.6



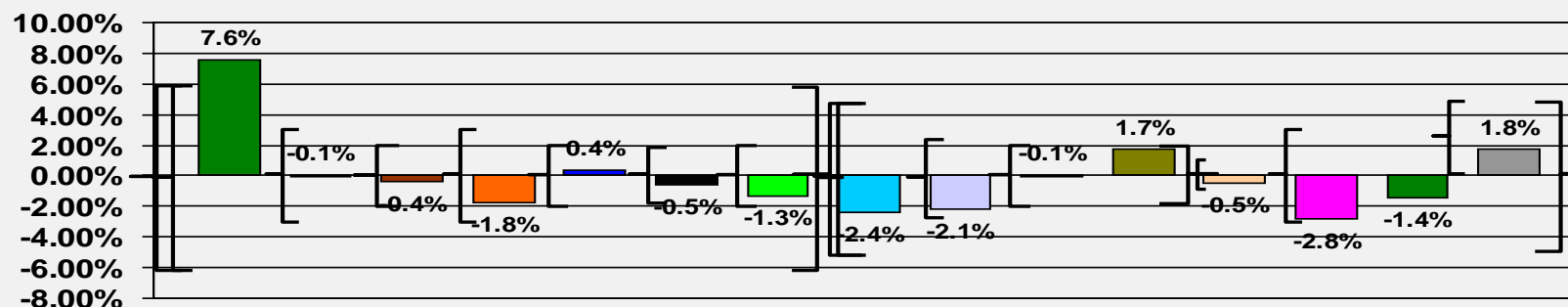


**\$10.3B** Under Management

### Asset Allocation



### Relative Mix to New Policy Weights



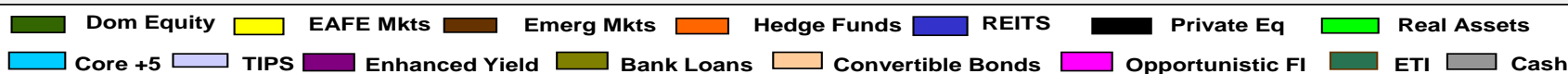
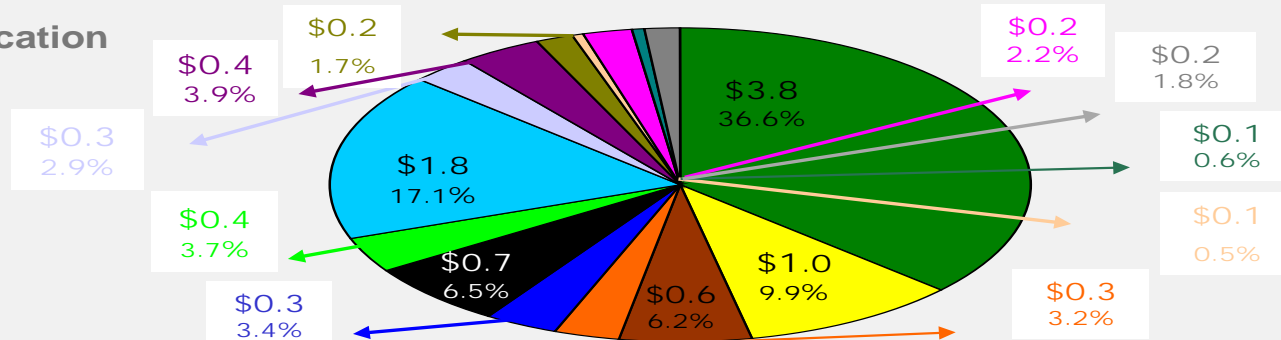
Note: Brackets represent rebalancing ranges versus Policy.

New York City Fire Department Pension Fund, Subchapter Two  
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 Prepared by State Street Investment Analytics

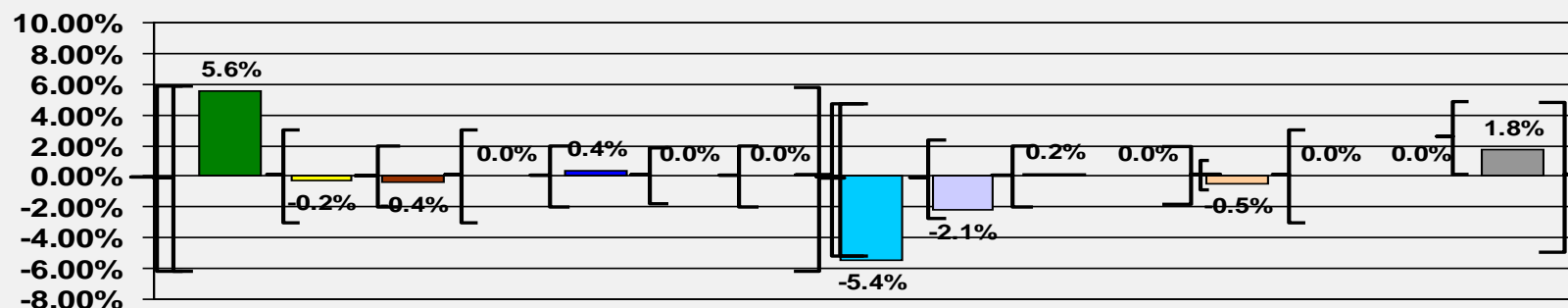


**\$10.3 B Under Management**

**Asset Allocation**

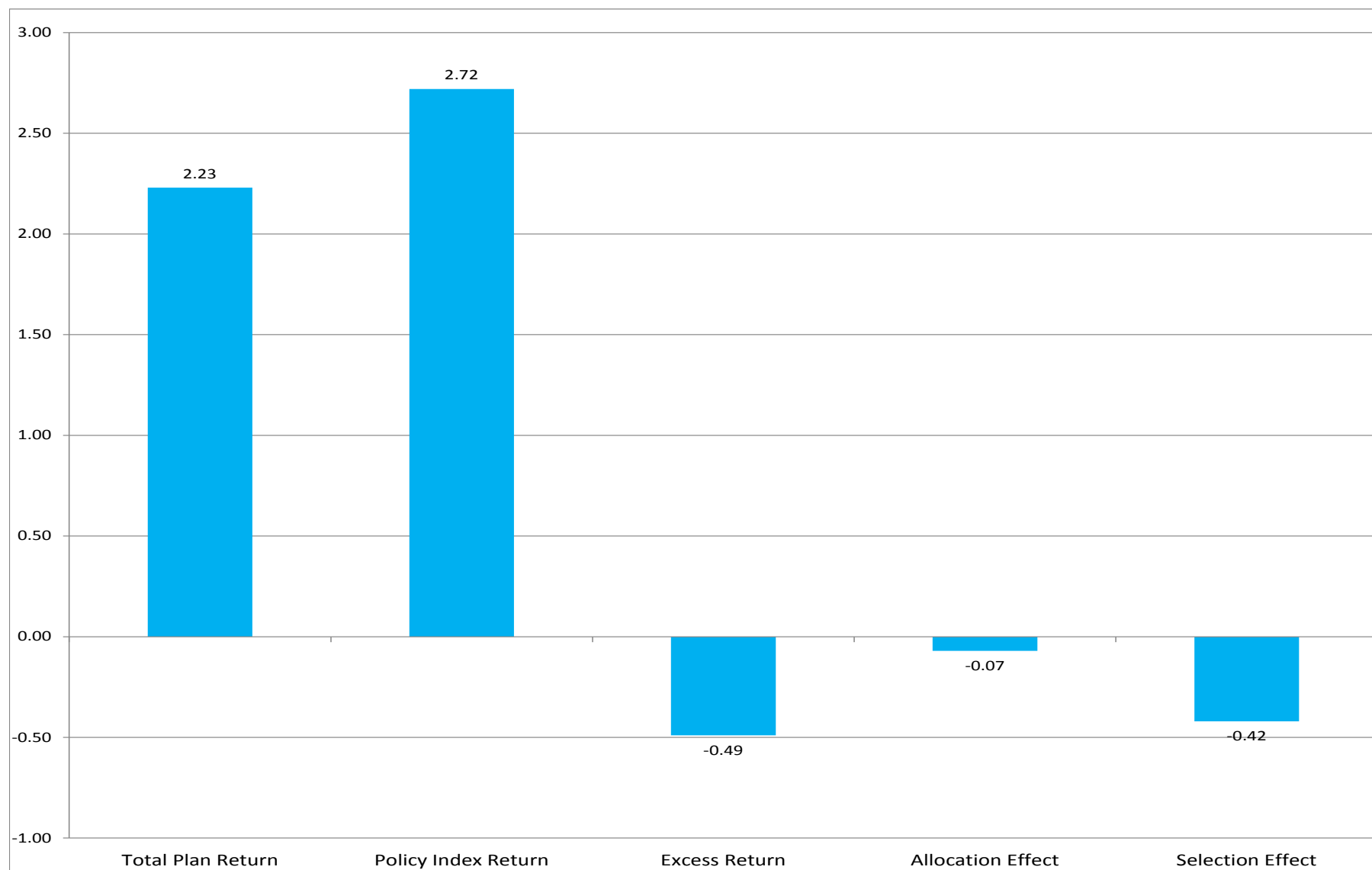


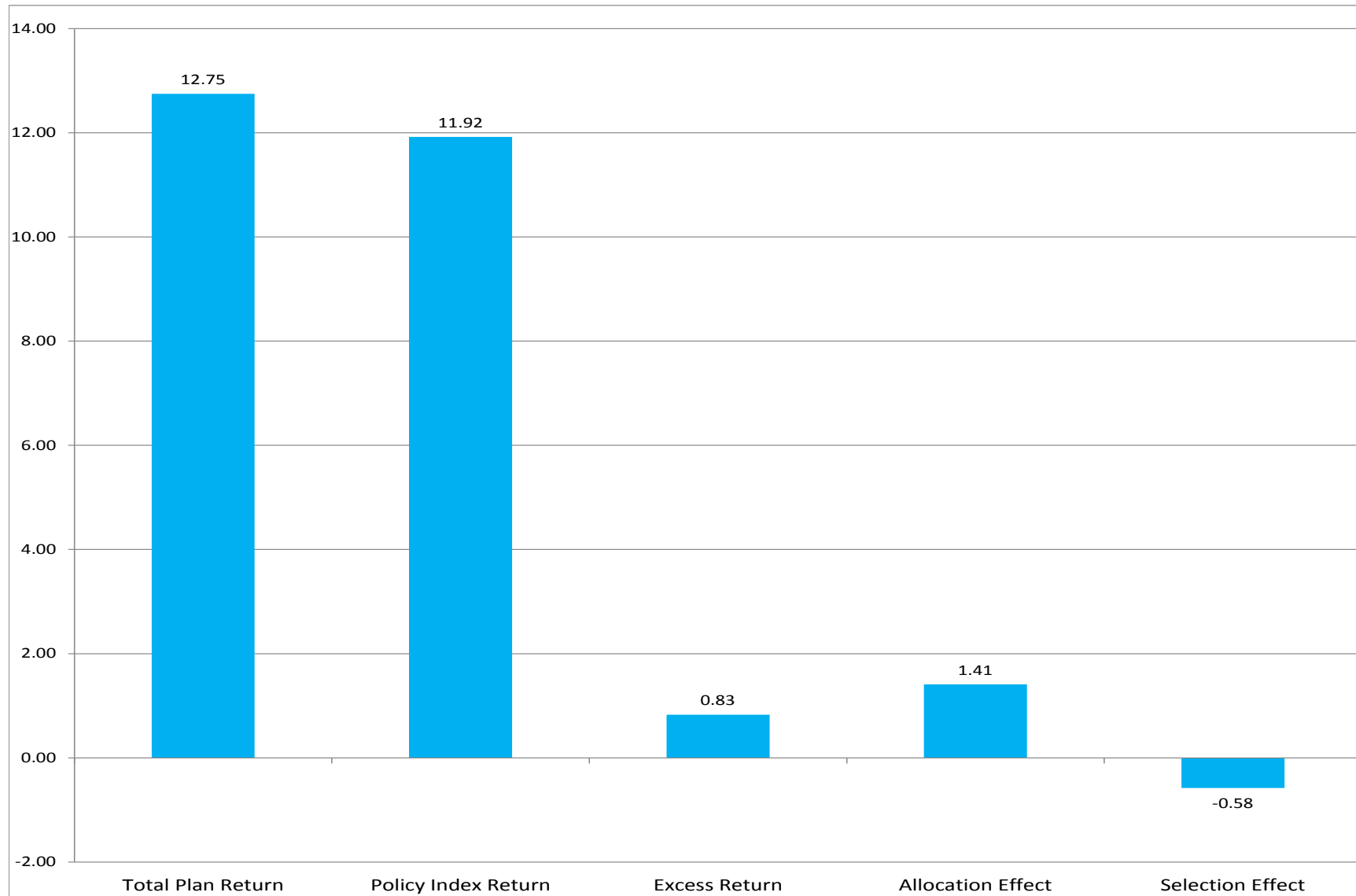
**Relative Mix to Adjusted New Policy Weights**

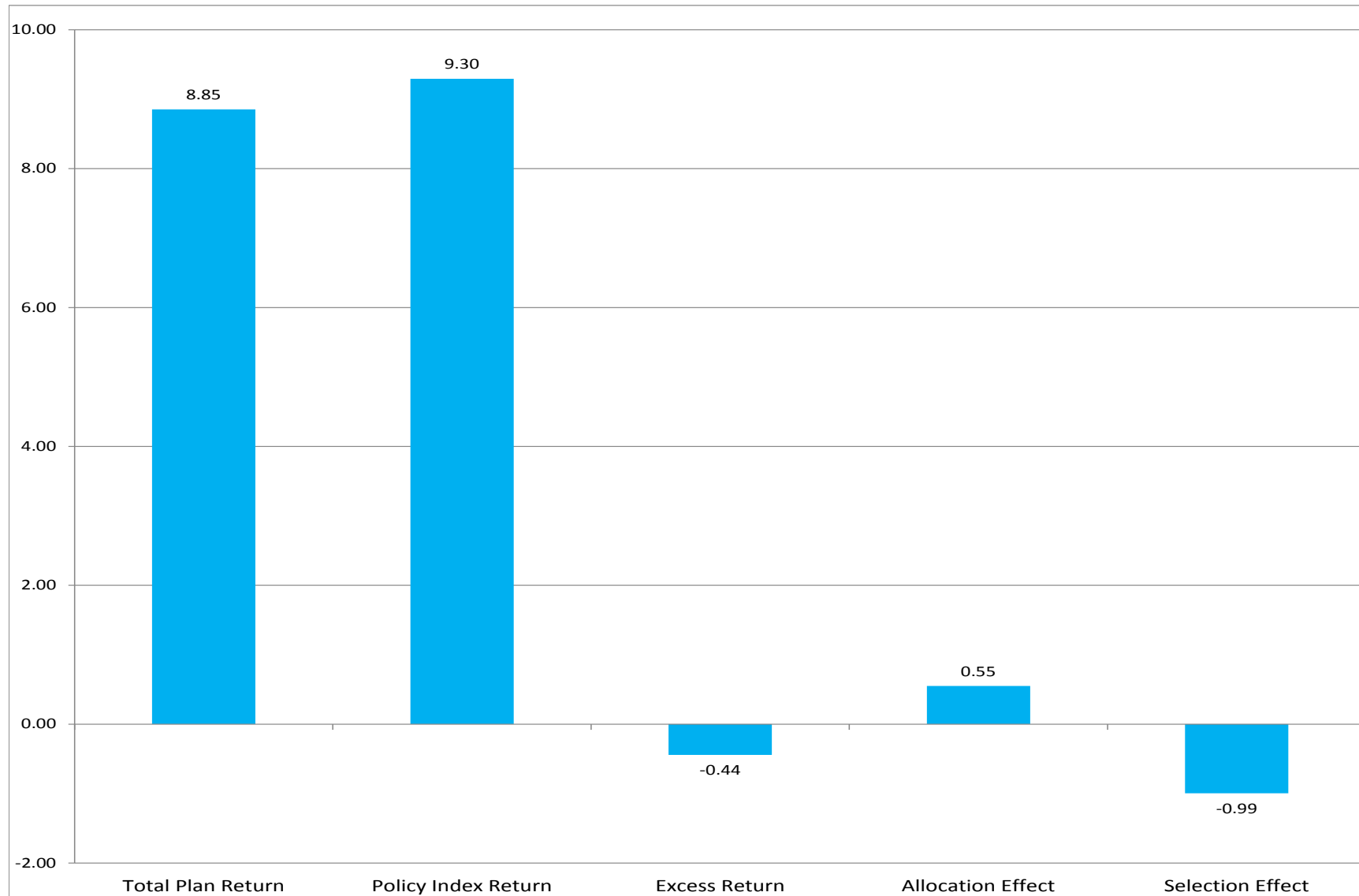


Note: Brackets represent rebalancing ranges versus Policy.

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**Allocation Effect - Asset Class Breakdown**

	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE	-0.07	1.41	0.55	Fire Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.08	0.64	0.38	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.01	-0.06	-0.14	MSCI EAFE NET
TOTAL INTL EMERGING EQUITY	0.00	-0.04	-0.09	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.02	0.05	0.02	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.00	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL HEDGE FUNDS	0.00	-0.02	0.00	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	0.02	-0.07	0.03	DJ U.S. Select REIT
TOTAL STRUCTURED	-0.01	0.58	0.13	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.01	0.42	0.18	BARCLAYS US TIPS INDEX
TOTAL ENHANCED YIELD	0.00	-0.03	-0.06	CITIGROUP BB & B
TOTAL CONVERTIBLE BONDS	-0.01	-0.04	-0.02	BofAML ALL CONVERTIBLE - Ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return
TOTAL BANK LOANS	0.00	0.01	0.01	CSFB LEVERAGED LOAN INDEX

**Selection Effect - Asset Class Breakdown**

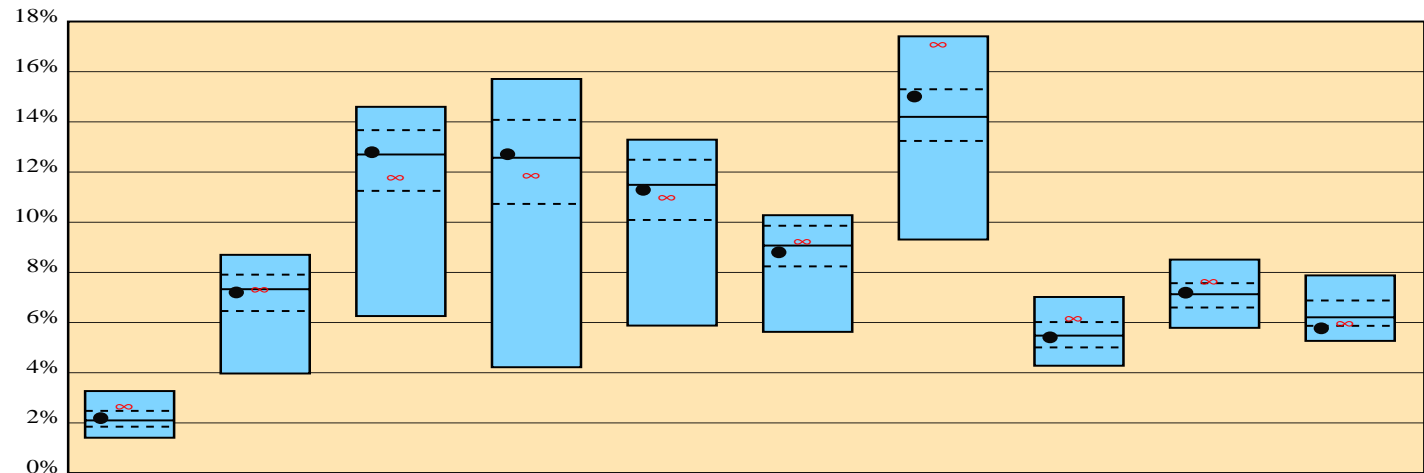
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE	-0.42	-0.58	-0.99	Fire Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.04	0.40	-0.13	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.06	-0.09	-0.06	MSCI EAFE NET
TOTAL INTL EMERGING EQUITY	0.01	0.13	0.07	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	-0.47	-1.34	-0.56	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.11	0.03	0.01	NCREIF NFI-ODCE NET + 1%
TOTAL HEDGE FUNDS	0.04	-0.01	0.03	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	-0.08	0.04	0.00	DJ U.S. Select REIT
TOTAL STRUCTURED	0.04	0.15	0.14	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.00	0.01	0.01	BARCLAYS US TIPS INDEX
TOTAL ENHANCED YIELD	0.01	0.03	-0.02	CITIGROUP BB & B
TOTAL CONVERTIBLE BONDS	0.00	-0.05	-0.04	BofAML ALL CONVERTIBLE - Ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.01	0.04	0.02	10% Annual Return
TOTAL BANK LOANS	0.00	0.02	0.01	CSFB LEVERAGED LOAN INDEX

Through March 31, 2014



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



● Total System  
∞ Fire Policy Benchmark

Returns for periods greater than one year are annualized.

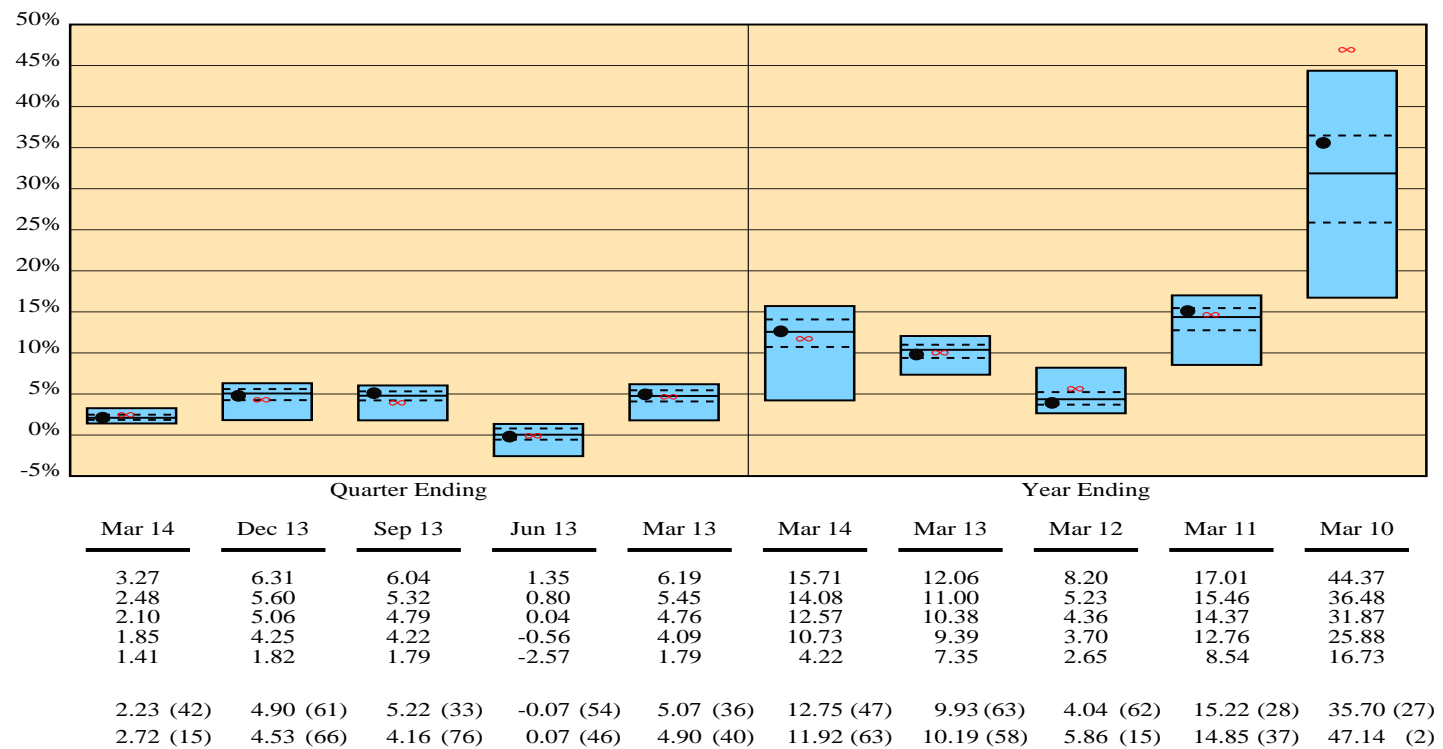


Through March 31, 2014

### City of New York - Fire

#### Total Returns of Public Master Trusts > \$1 Billion

#### Recent Periods



Returns for periods greater than one year are annualized.





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**Fire Retirement System  
of New York City**

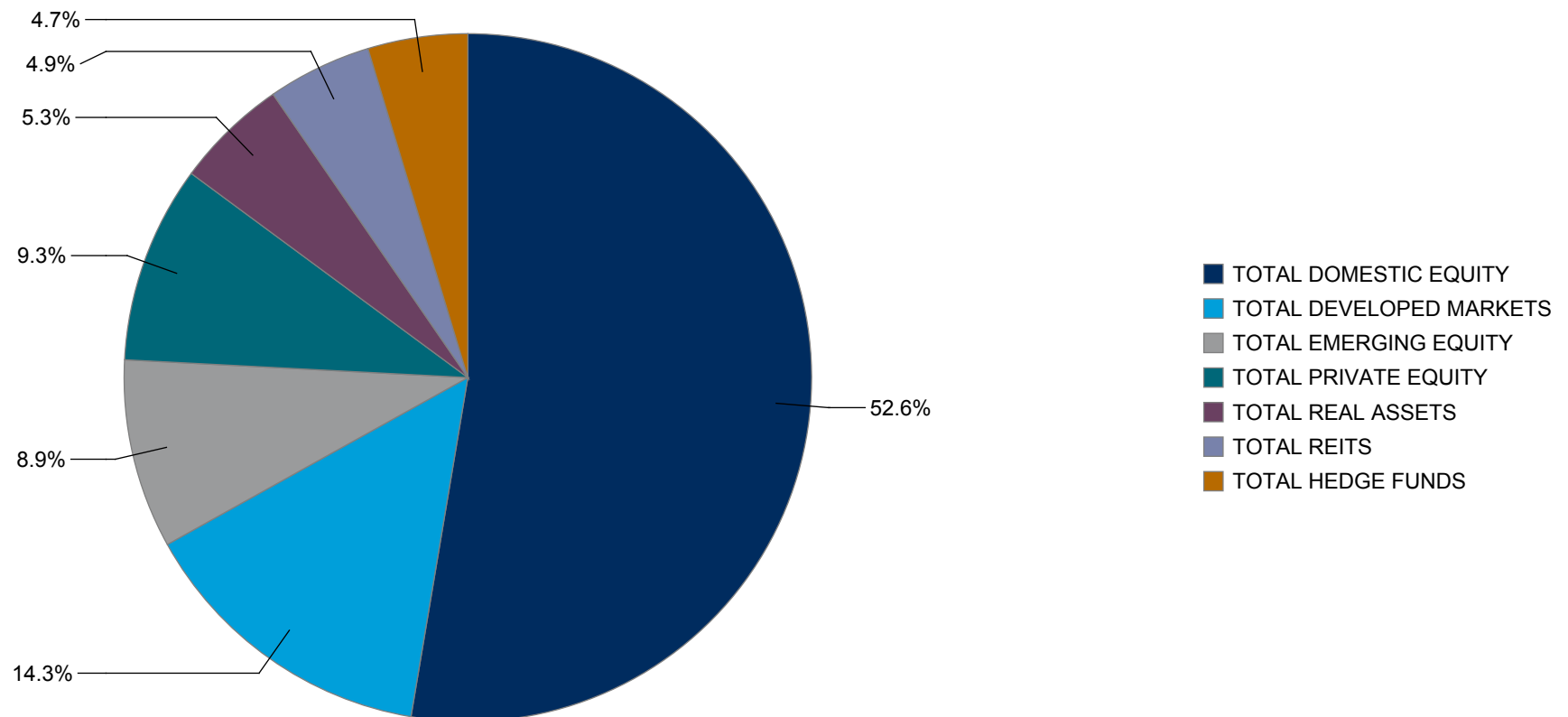
# **Equity Analysis**

## Total Equity Asset Allocation: March 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL EQUITY	\$5.4	52.7



## Total Domestic Equity Asset Allocations: March 31, 2014

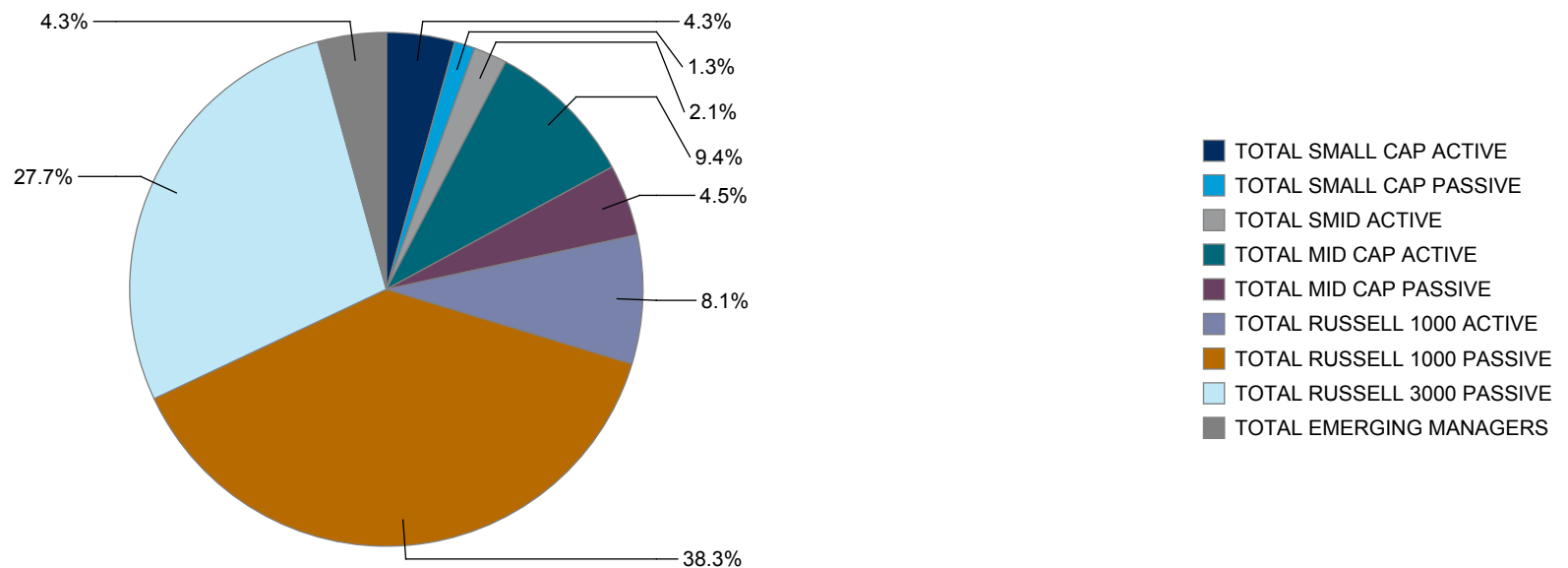


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TOTAL DOMESTIC EQUITY

Market Value (Billions)

\$3.8



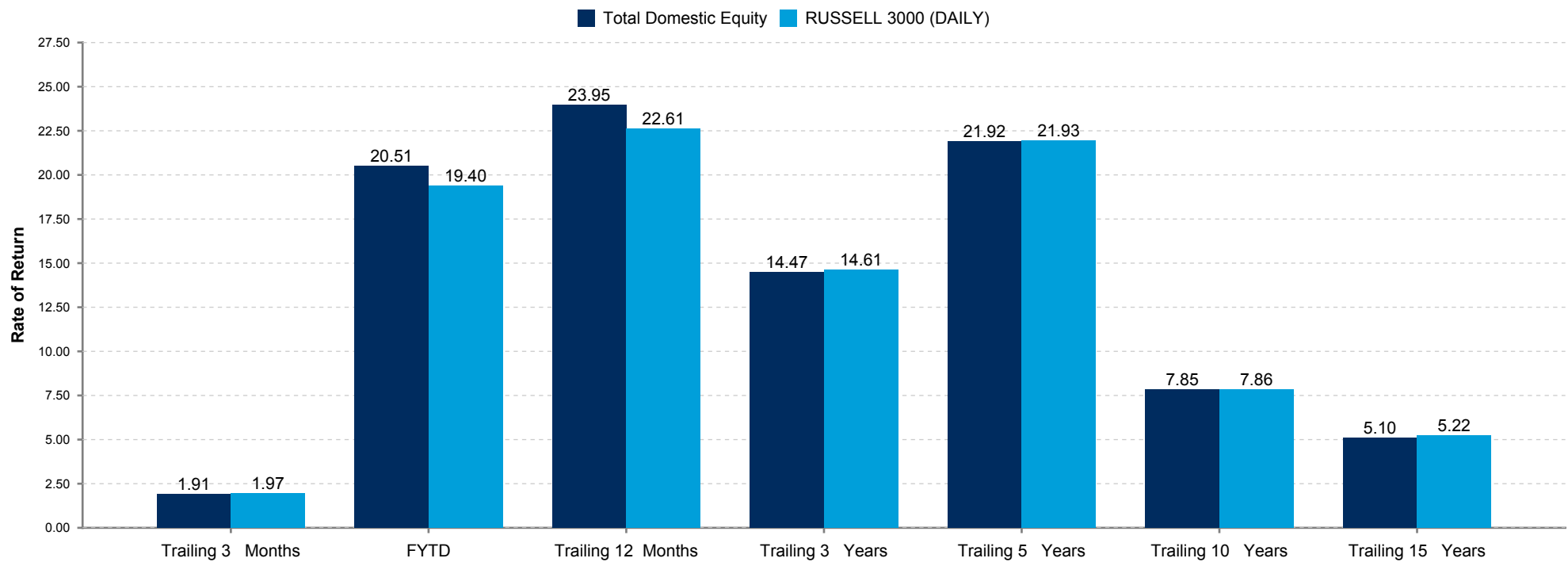
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	3.90	4.27	0.37	1.12	0.71	-0.41
TOTAL SMALL CAP PASSIVE	2.95	1.33	-1.62	1.12	1.14	0.02
TOTAL SMID ACTIVE	1.60	2.07	0.47	3.52	3.07	-0.45
TOTAL MID CAP ACTIVE	6.65	9.44	2.79	3.04	2.96	-0.08
TOTAL MID CAP PASSIVE	7.53	4.51	-3.02	3.04	3.03	-0.01
TOTAL RUSSELL 1000 ACTIVE	8.17	8.08	-0.09	2.05	0.46	-1.59
TOTAL RUSSELL 1000 PASSIVE	33.95	38.34	4.39	2.05	2.03	-0.02
TOTAL RUSSELL 3000 PASSIVE	30.80	27.68	-3.12	1.97	1.97	0.00
TOTAL EMERGING MANAGERS	4.45	4.29	-0.16	1.12	0.55	-0.57

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



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	Market Value (Billions)	% of Plan
TOTAL DOMESTIC EQUITY	\$3.8	36.6



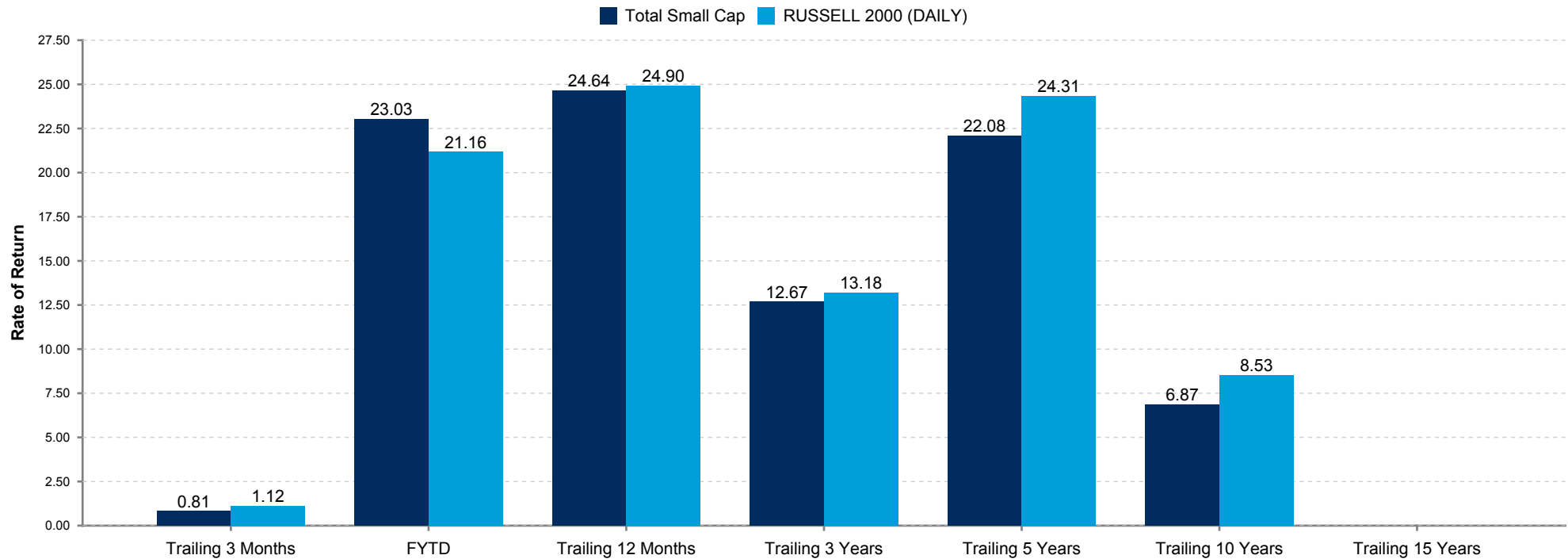
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DOMESTIC EQUITY	13.8	13.0	14.9	14.6	15.6	15.3

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



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	Market Value (Millions)	% of Plan
TOTAL SMALL CAP	\$210.6	2.0



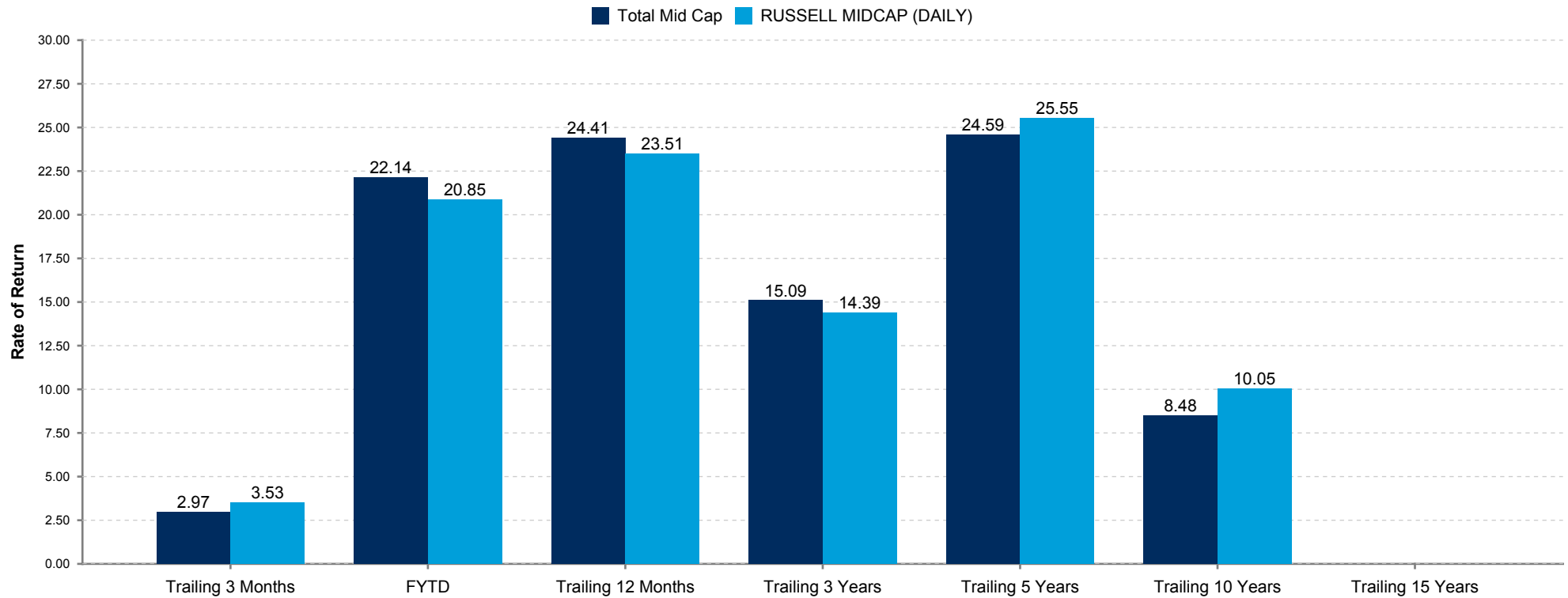
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 5 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL SMALL CAP	16.1	16.8	17.6	19.0	18.3	19.7

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



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	Market Value (Millions)	% of Plan
TOTAL MID CAP	\$525.4	5.1



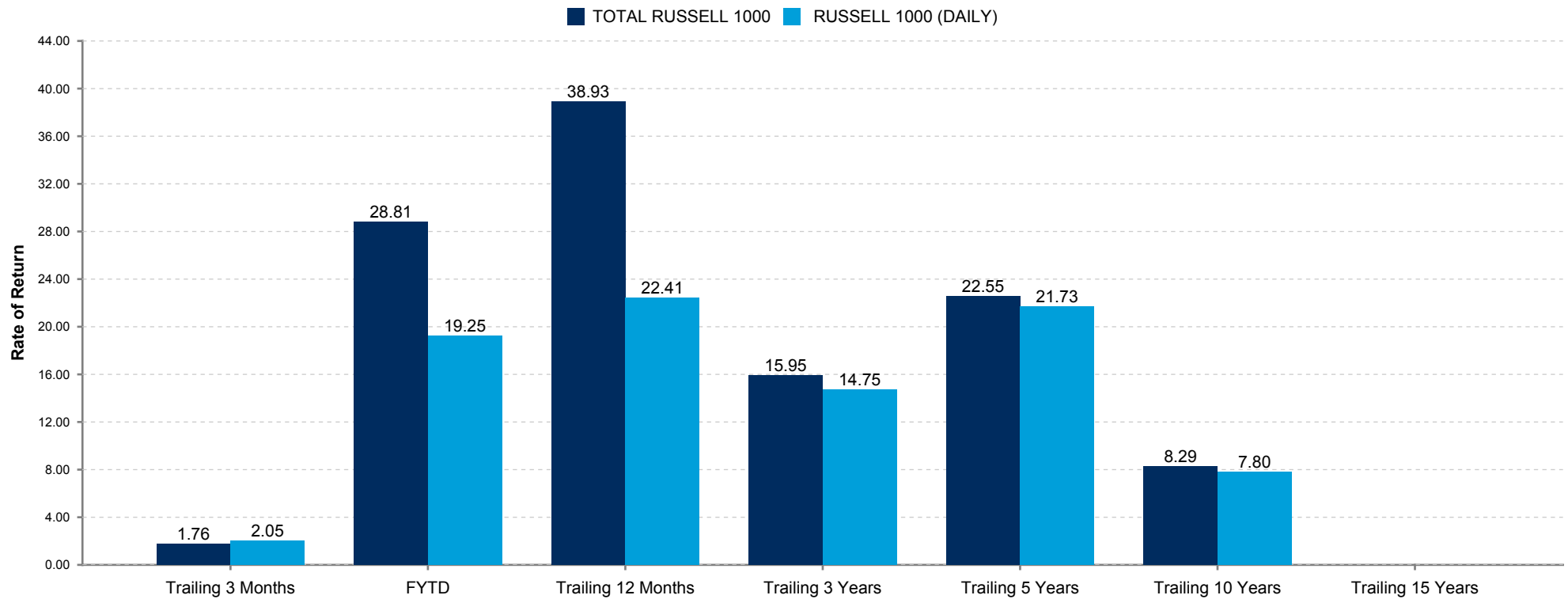
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL MID CAP	15.4	14.5	16.5	16.6	17.5	17.7

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



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	Market Value (Billions)	% of Plan
TOTAL RUSSELL 1000	\$1.7	17.0



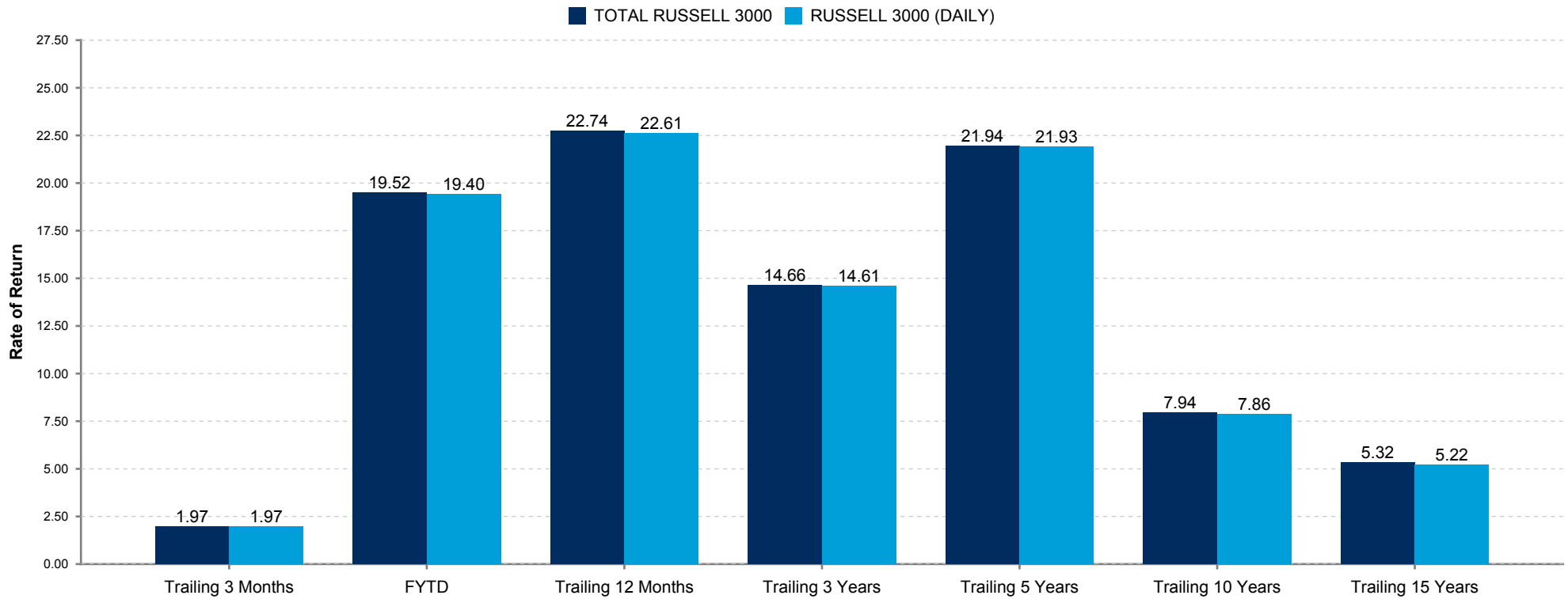
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 1000	15.7	12.8	15.9	14.3	15.9	15.0

# Russell 3000 Index Fund Returns vs Russell 3000 Index: March 31, 2014



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	Market Value (Billions)	% of Plan
TOTAL RUSSELL 3000	\$1.0	10.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 3000	13.0	13.0	14.5	14.6	15.2	15.3



## Emerging Managers Returns vs Russell 2000 Index: March 31, 2014



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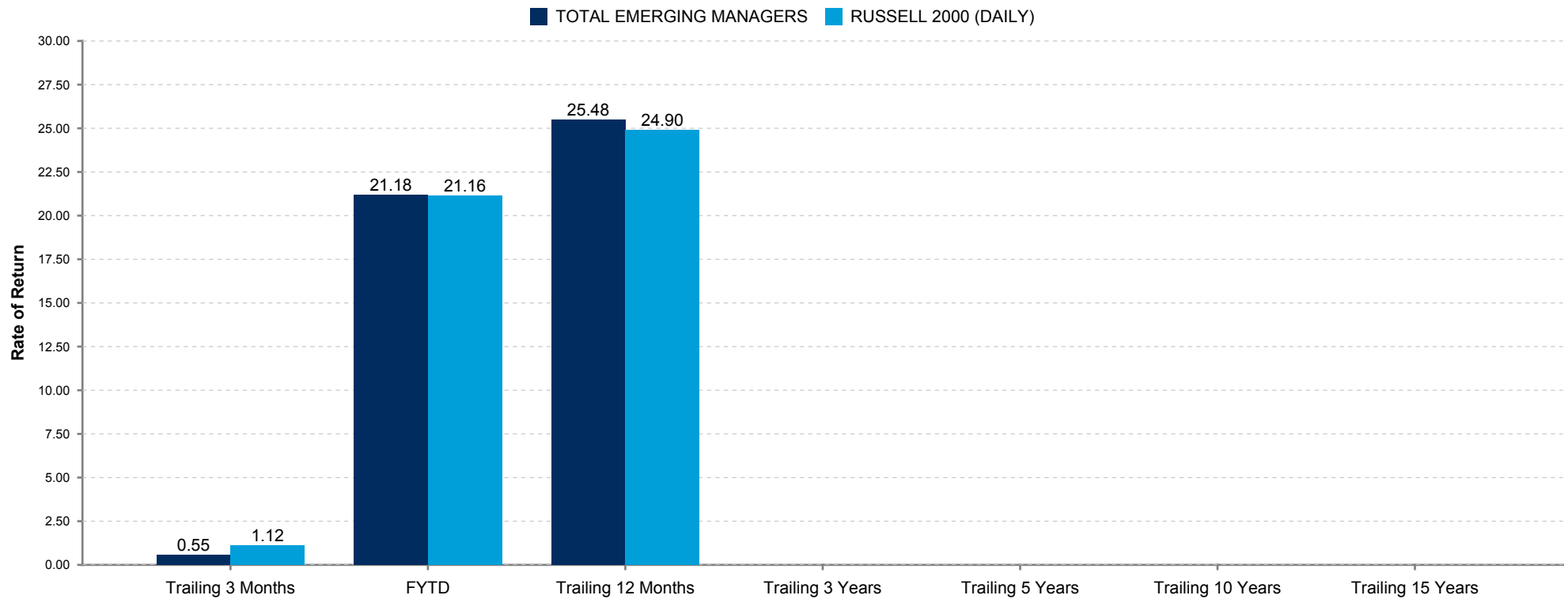
TOTAL EMERGING MANAGERS

Market Value (Millions)

\$161.7

% of Plan

1.6



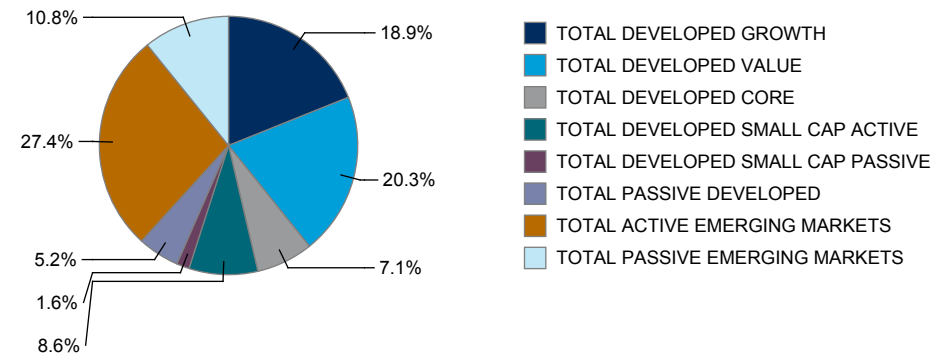
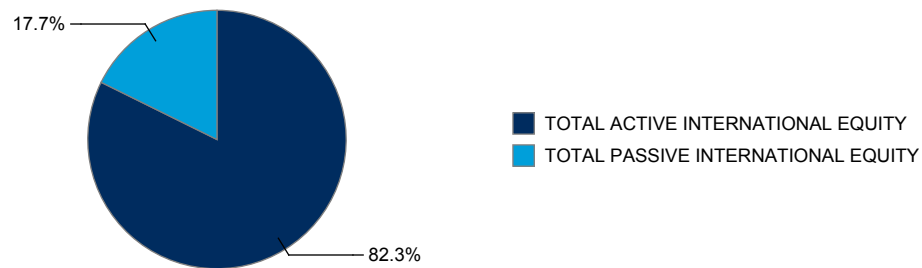
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MANAGERS						

## International Equity Asset Allocation: March 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL INTERNATIONAL EQUITY	\$1.7	16.1



	<u>Asset Class Weight</u>	<u>Quarterly Returns - Fund and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	18.9	(1.49)	0.10	(1.59)
TOTAL DEVELOPED VALUE	20.3	1.52	1.22	0.30
TOTAL DEVELOPED CORE	7.1	(3.82)	0.66	(4.48)
TOTAL DEVELOPED SMALL CAP ACTIVE	8.6	3.42	3.81	(0.39)
TOTAL DEVELOPED SMALL CAP PASSIVE	1.6			
TOTAL PASSIVE DEVELOPED	5.2	0.74	0.66	0.08
TOTAL ACTIVE EMERGING MARKETS	27.4	(0.01)	(0.43)	0.42
TOTAL PASSIVE EMERGING MARKETS	10.8	(0.59)	(0.43)	(0.16)
TOTAL INTERNATIONAL EQUITY	100.0	0.01	0.51	(0.50)

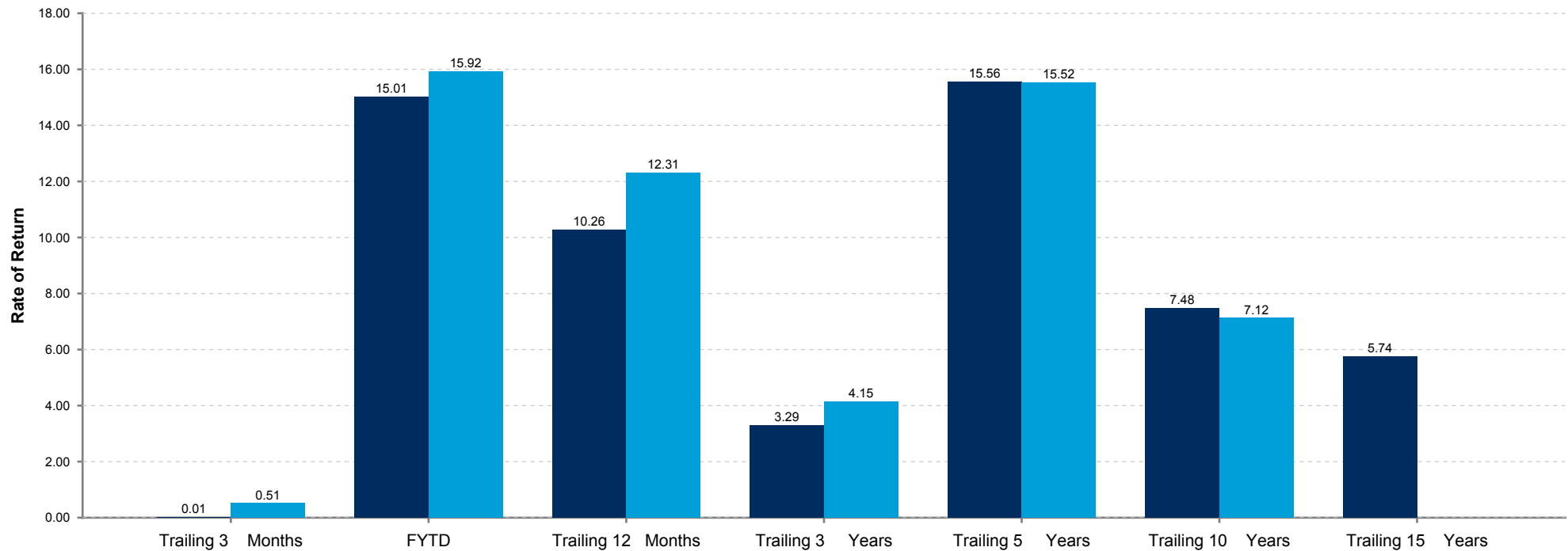
## Total International Returns vs MSCI AC World ex US Net Index: March 31, 2014



STATE STREET

	Market Value (Billions)	% of Plan
TOTAL INTERNATIONAL EQUITY	\$1.7	16.1

■ TOTAL INTERNATIONAL EQUITY ■ MSCI AC WORLD ex US (NET)



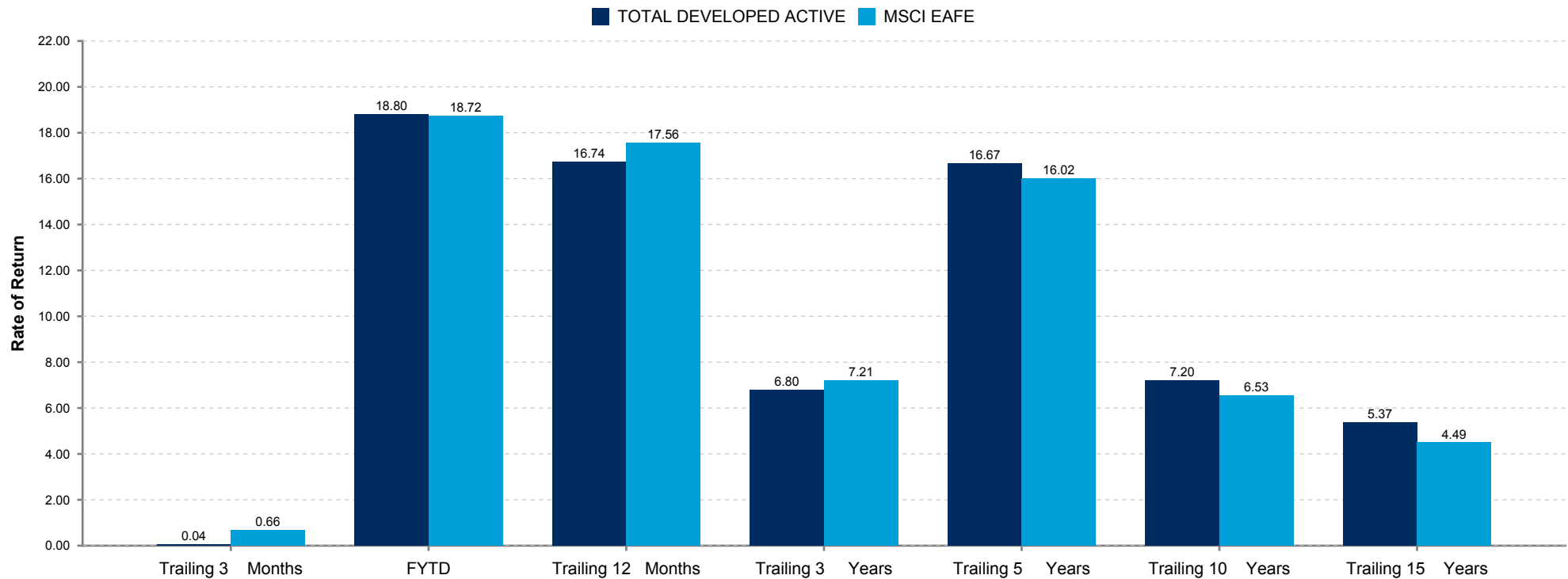
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL INTERNATIONAL EQUITY	17.5	16.9	18.8	18.7	19.3	18.9

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



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED ACTIVE	\$908.4	8.8



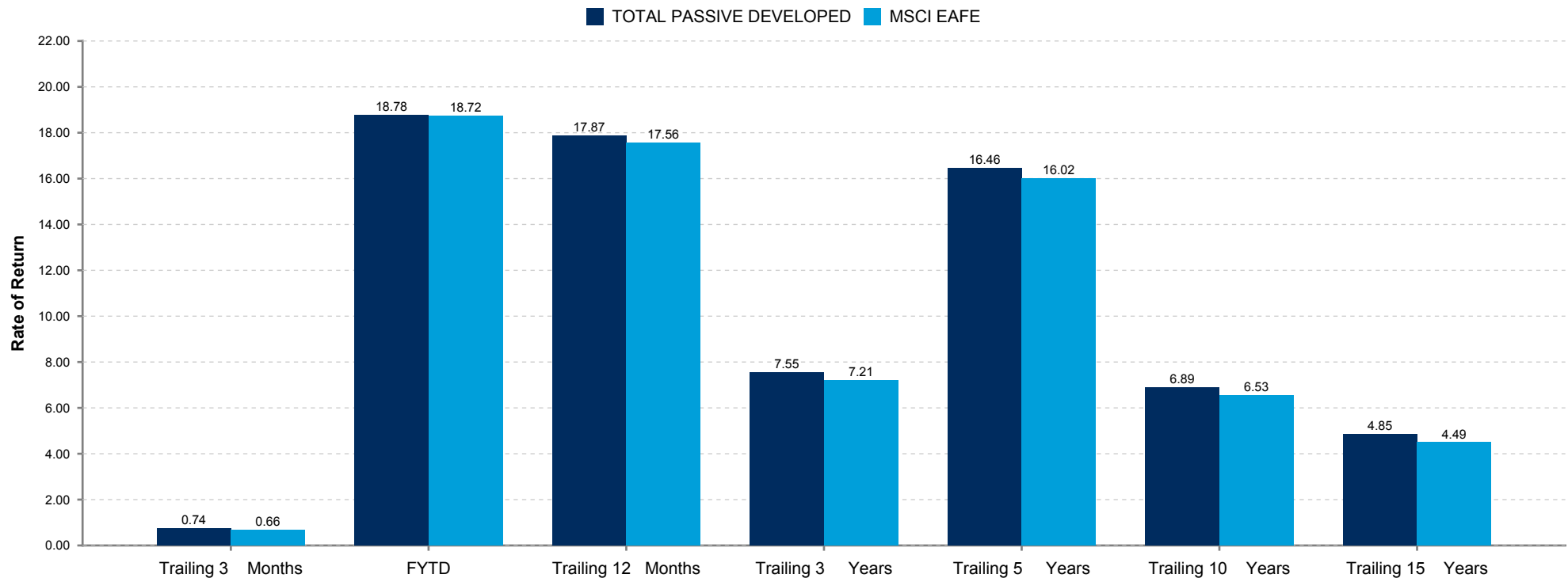
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED ACTIVE	16.7	16.8	17.9	18.5	18.0	18.3

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



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL PASSIVE DEVELOPED	\$86.1	0.8



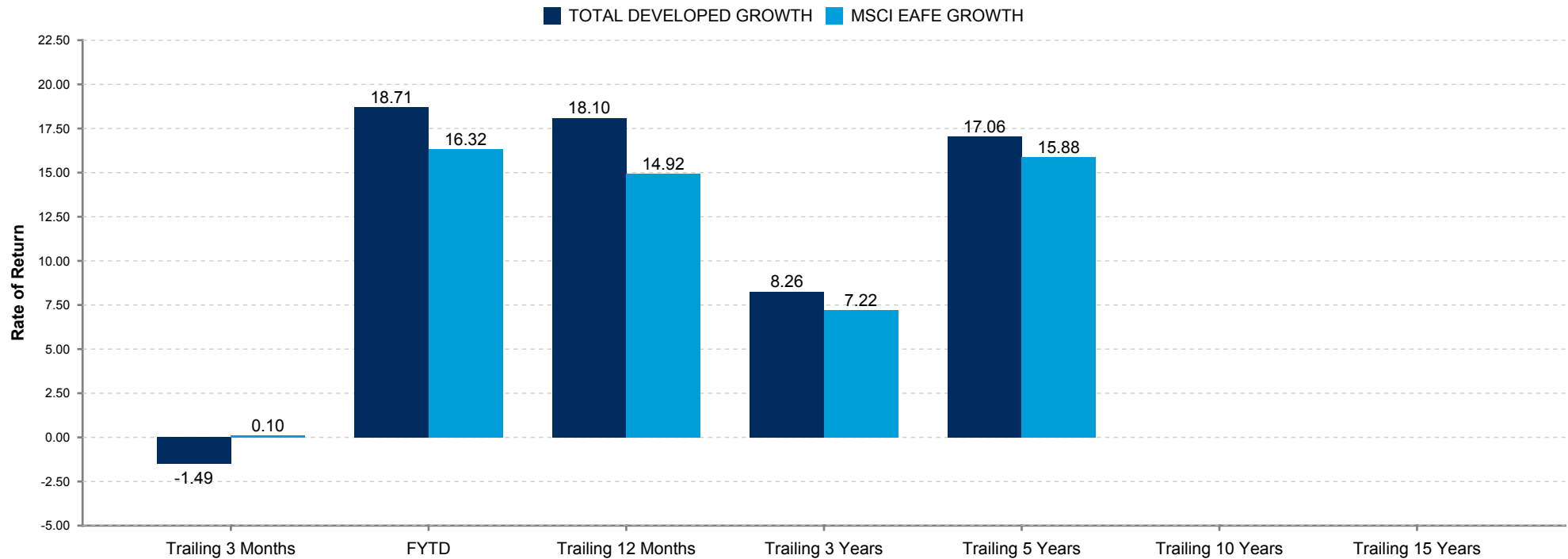
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL PASSIVE DEVELOPED	16.7	16.8	18.4	18.5	18.2	18.3

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



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED GROWTH	\$313.0	3.0



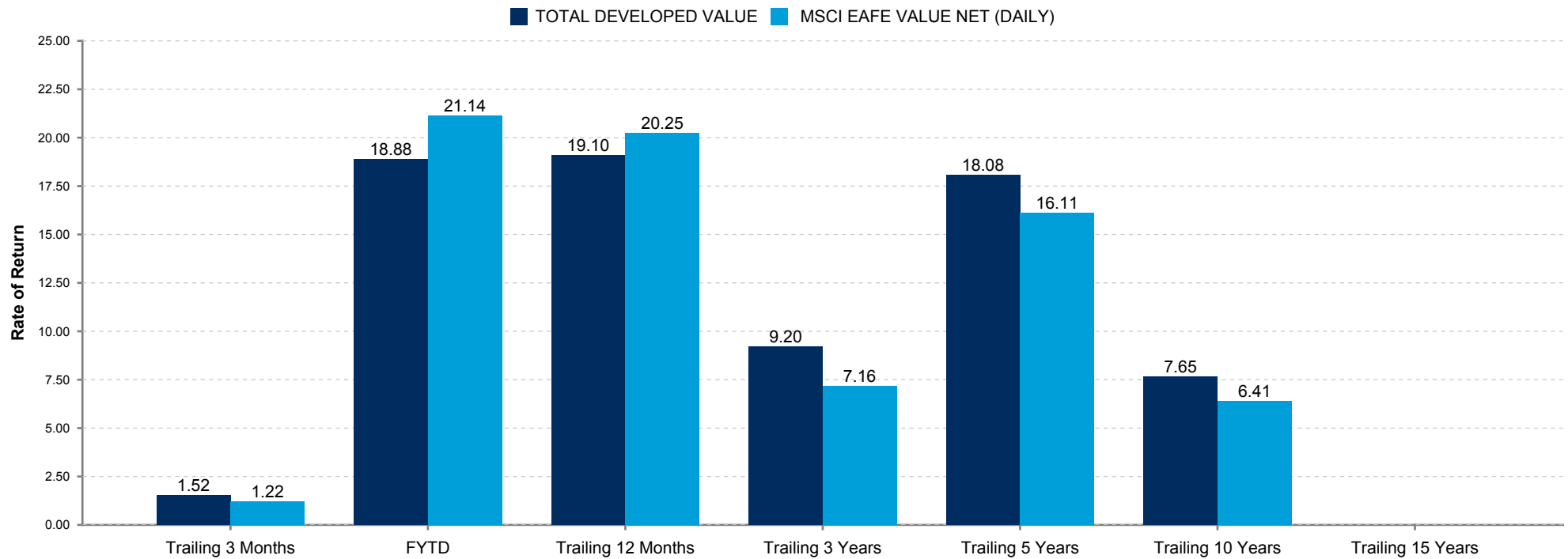
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED GROWTH	17.3	16.4	18.3	17.4		

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



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED VALUE	\$335.1	3.3



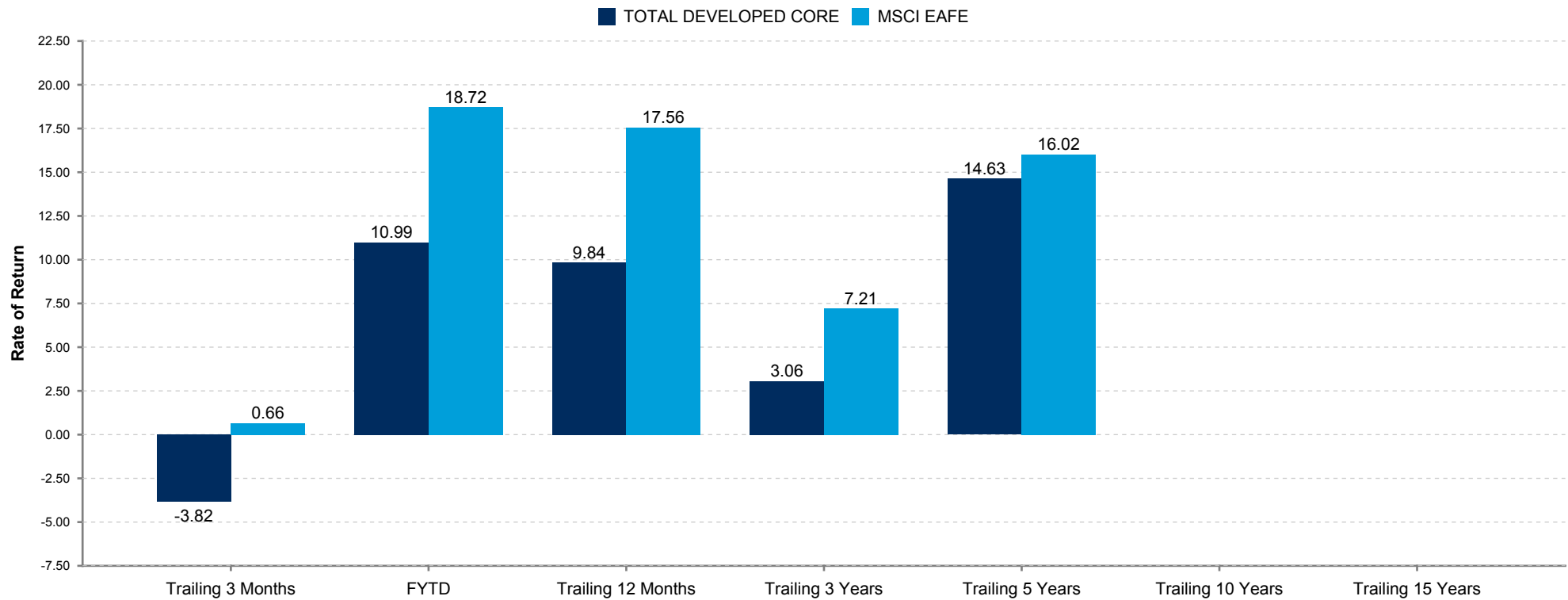
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED VALUE	15.1	17.5	16.8	20.1	17.45	19.34

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



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED CORE	\$117.2	1.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED CORE	17.6	16.8	18.7	18.5		

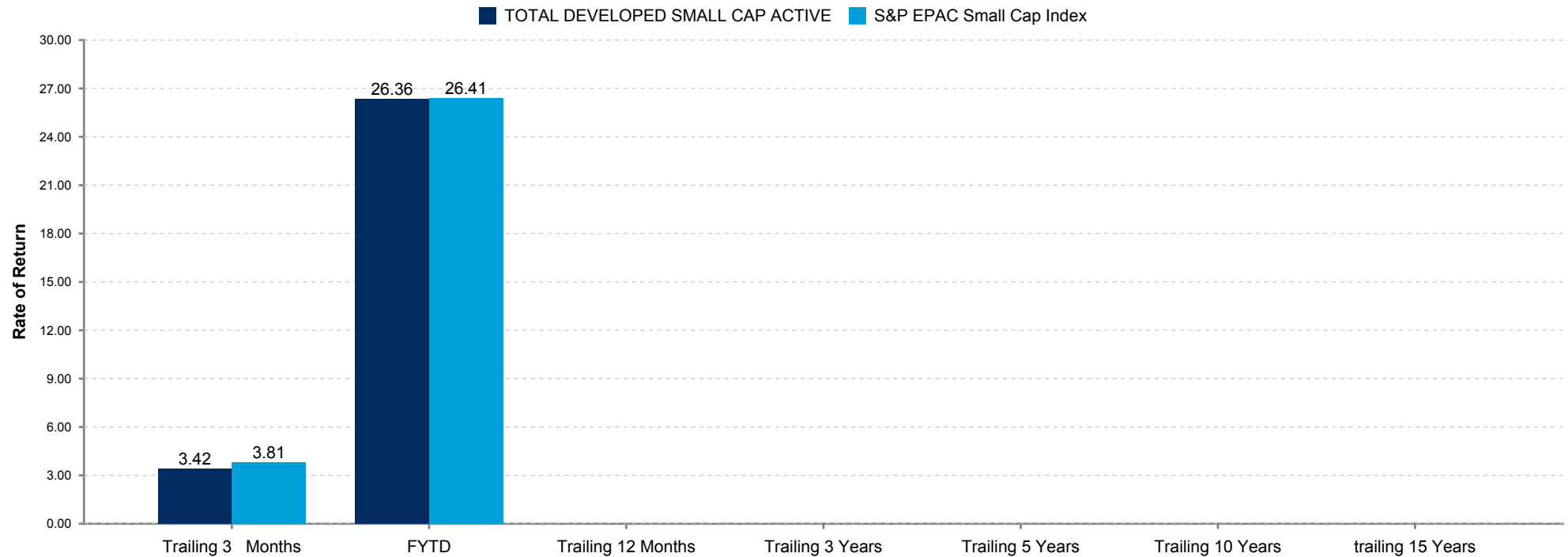


## Developed Small Cap Active Returns vs S&P EPAC Small Cap Index: March 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP ACTIVE	\$143.0	1.4



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED SMALL CAP ACTIVE						

## Developed Small Cap Passive Returns vs MSCI EAFE Small Cap Net Index: March 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL EAFE SMALL CAP PASSIVE	\$26.7	0.3

■ TOTAL EAFE SMALL CAP PASSIVE ■ MSCI EAFE SMALL CAP NET (DAILY)



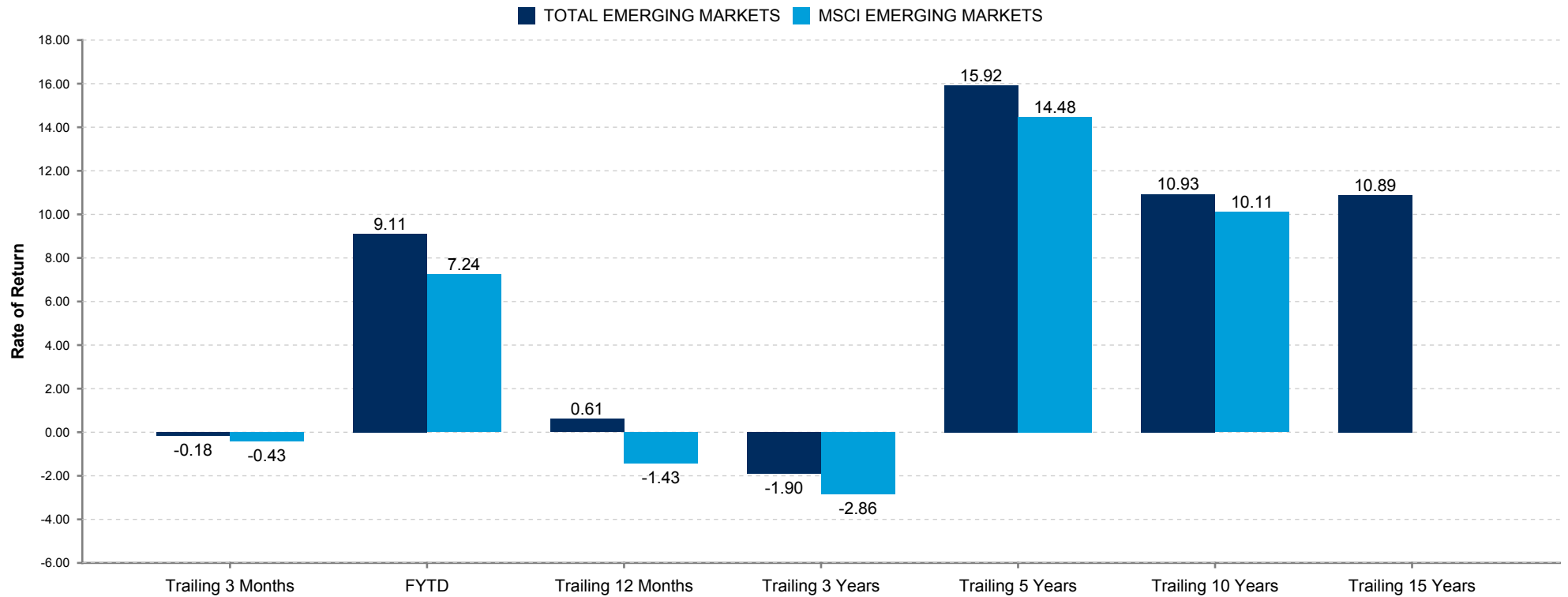
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EAFE SMALL CAP PASSIVE						

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



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL EMERGING MARKETS	\$632.8	6.2



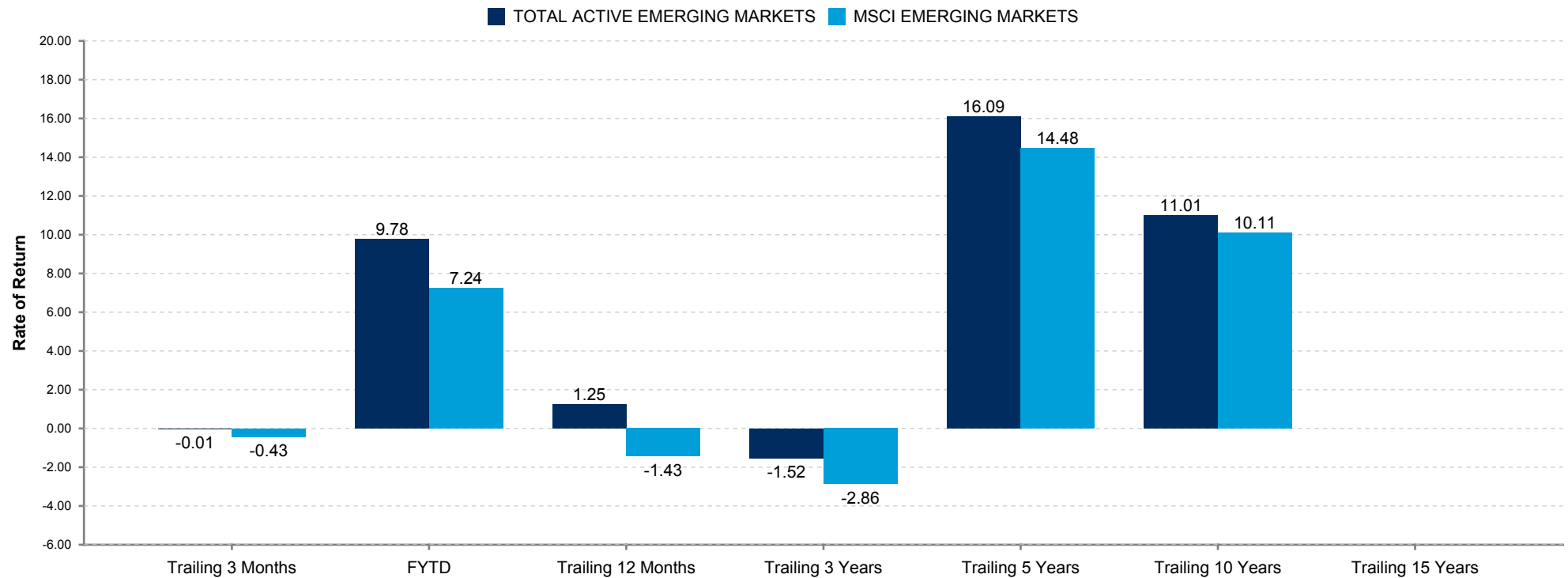
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MARKETS	19.8	19.5	21.9	21.6	24.1	24.0

## Emerging Markets Active Returns vs MSCI Emerging Markets Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL ACTIVE EMERGING MARKETS	\$453.5	4.4



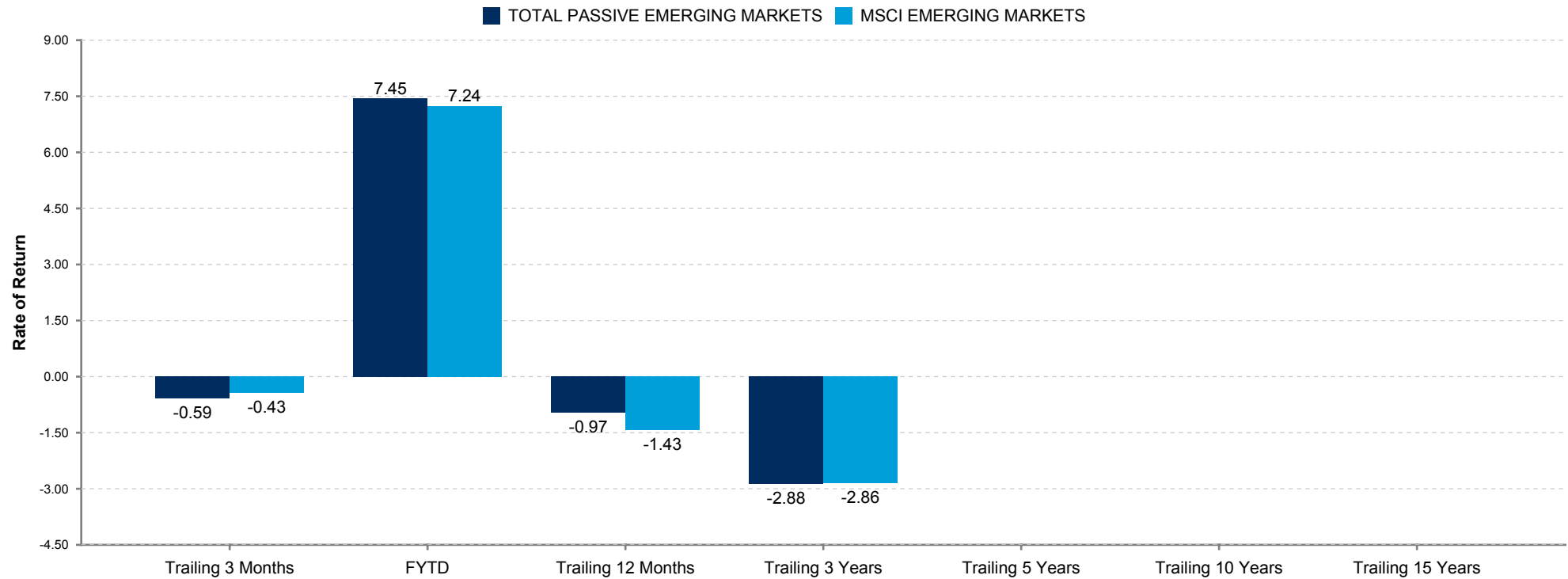
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ACTIVE EMERGING MARKETS	19.9	19.5	22.0	21.6	24.1	24.0

## Emerging Markets Passive Returns vs MSCI Emerging Markets: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL PASSIVE EMERGING MARKETS	\$179.4	1.7



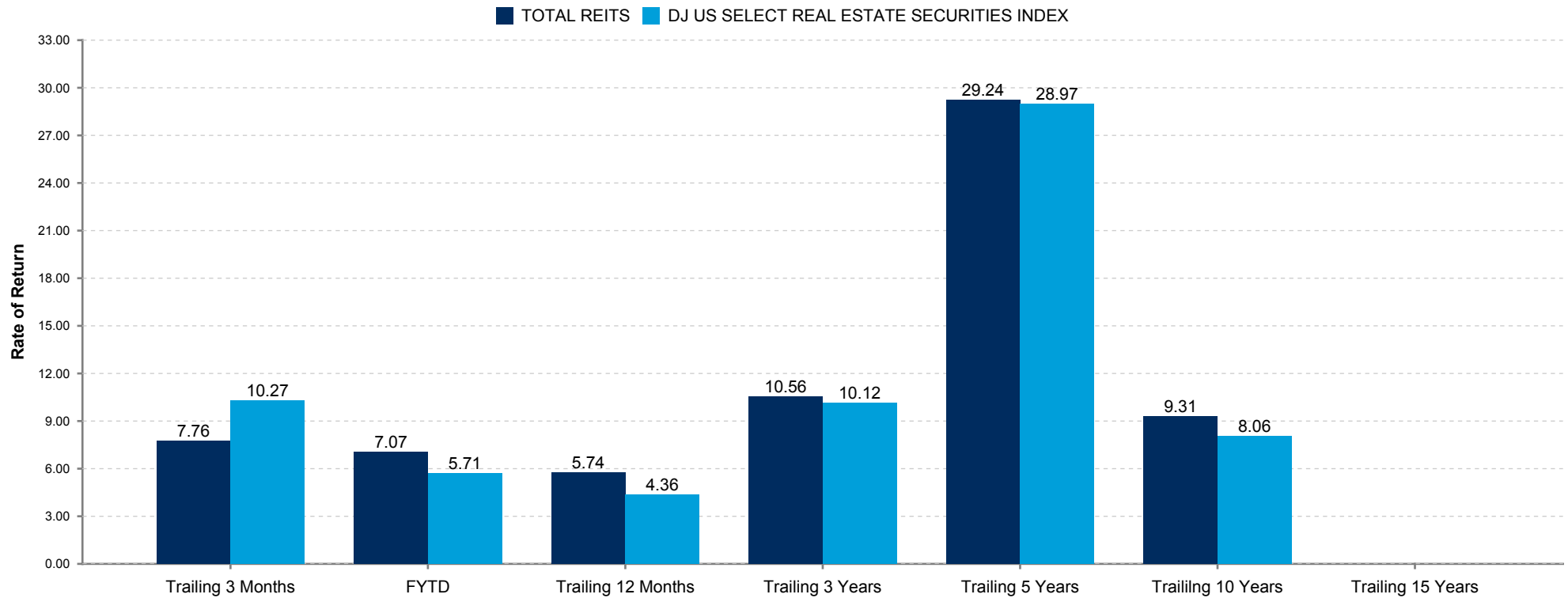
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL PASSIVE EMERGING MARKETS	19.4	19.5				

# REITS Returns vs DJ US Select Real Estate Securities Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL REITS	\$347.6	3.4



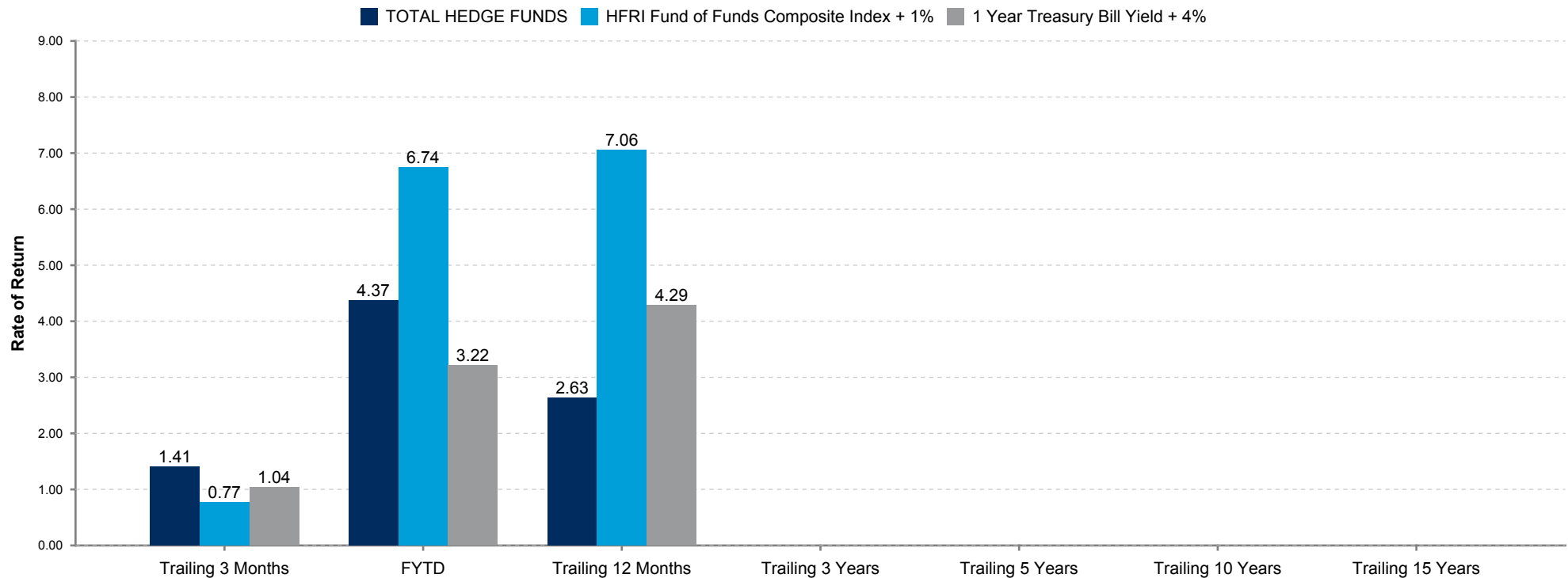
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL REITS	16.4	17.0	22.4	23.2	25.7	26.9

## Hedge Fund Returns vs 1 Yr TBill Yield + 4%, HFRI Fund of Funds +1%: March 31, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL HEDGE FUNDS	\$333.4	3.2



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL HEDGE FUNDS						



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**Teachers' Retirement System  
of New York City**

# **Fixed Income Analysis**

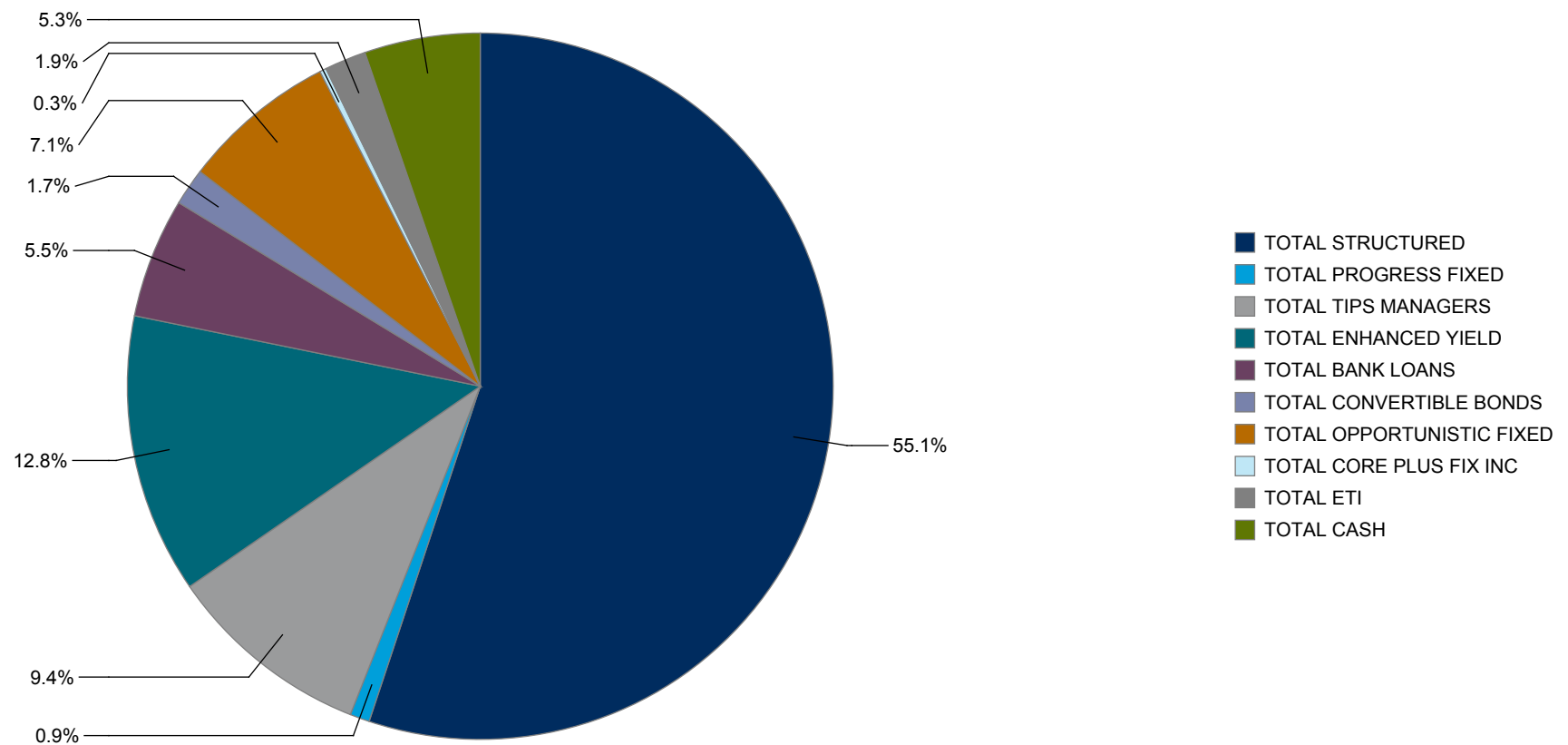


## Total Fixed Income Asset Allocation: March 31, 2014



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL FIXED INCOME	\$3.1	30.4

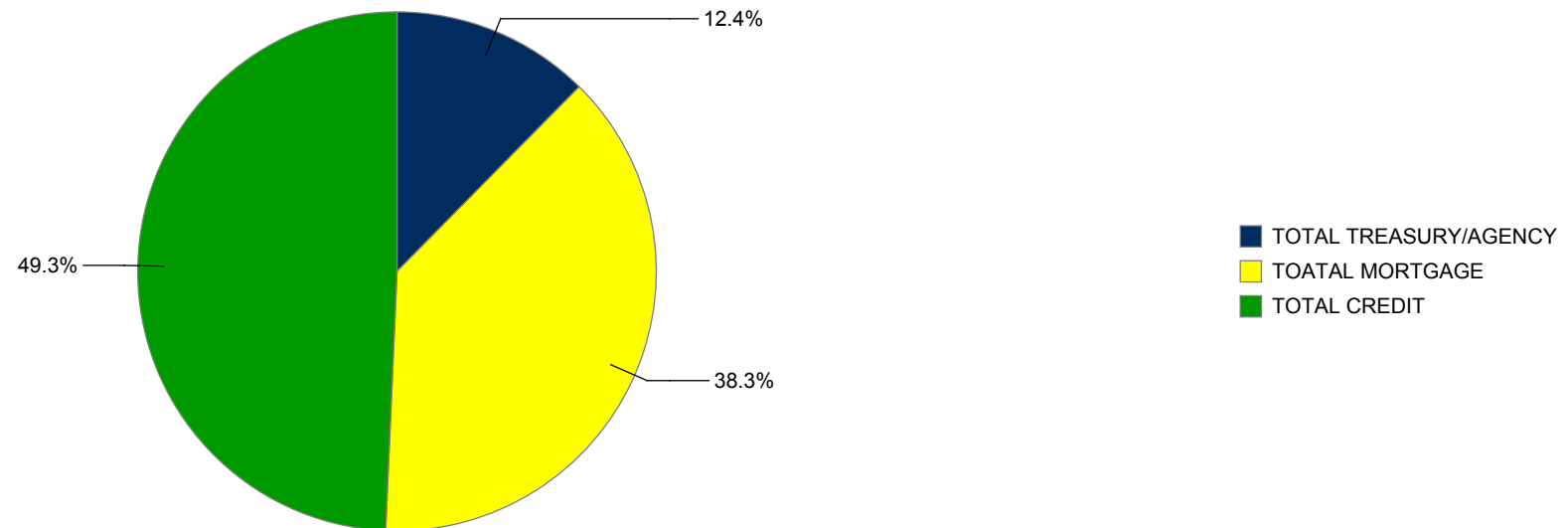


## Structured Fixed Income Asset Allocation: March 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$1.7	16.7



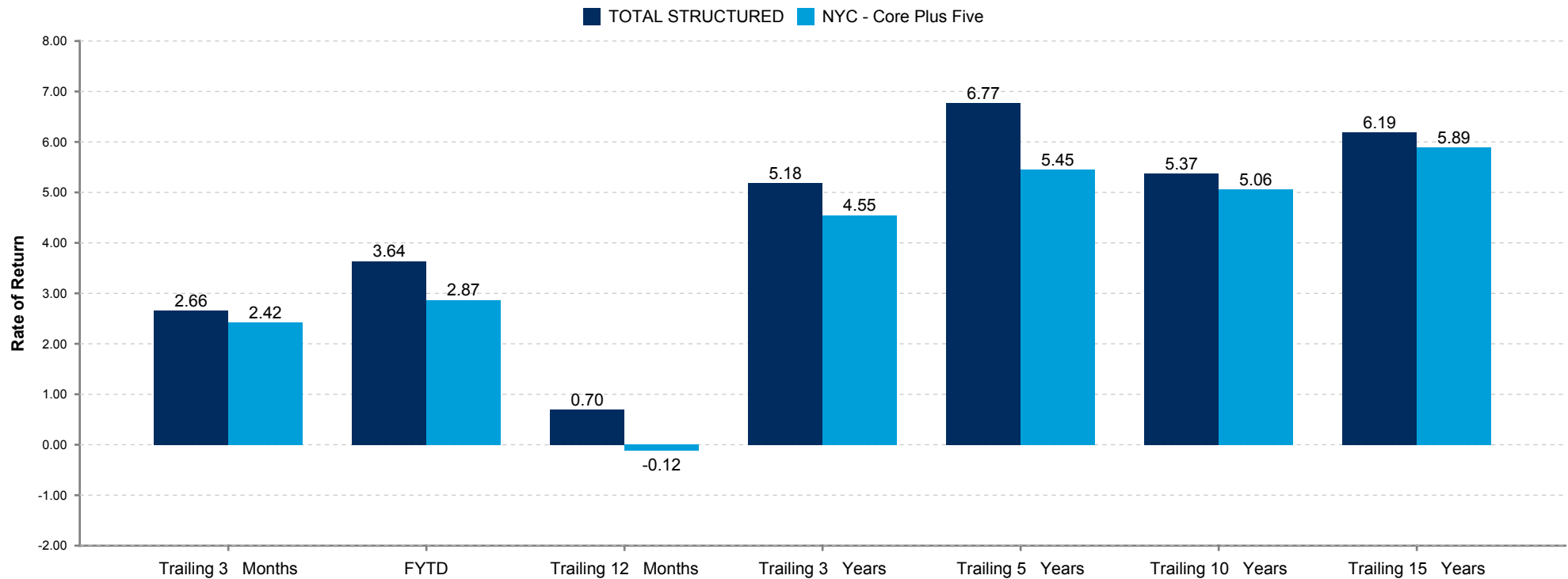
Sub Sector	Policy	Actual	Under/Over	Index	Actual	Difference
	Weight	Weight	Weight	Return	Return	
Total Treasury/Agency	17.88	12.41	-5.47	3.47	3.60	0.13
Total Mortgage	38.65	38.31	-0.34	1.61	1.80	0.19
Total Inv Grade Credit	43.47	49.29	5.82	2.70	3.13	0.43

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



STATE STREET

	Market Value (Billions)	% of Plan
TOTAL STRUCTURED	\$1.7	16.7



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL STRUCTURED	3.4	3.5	3.4	3.4	3.9	4.1

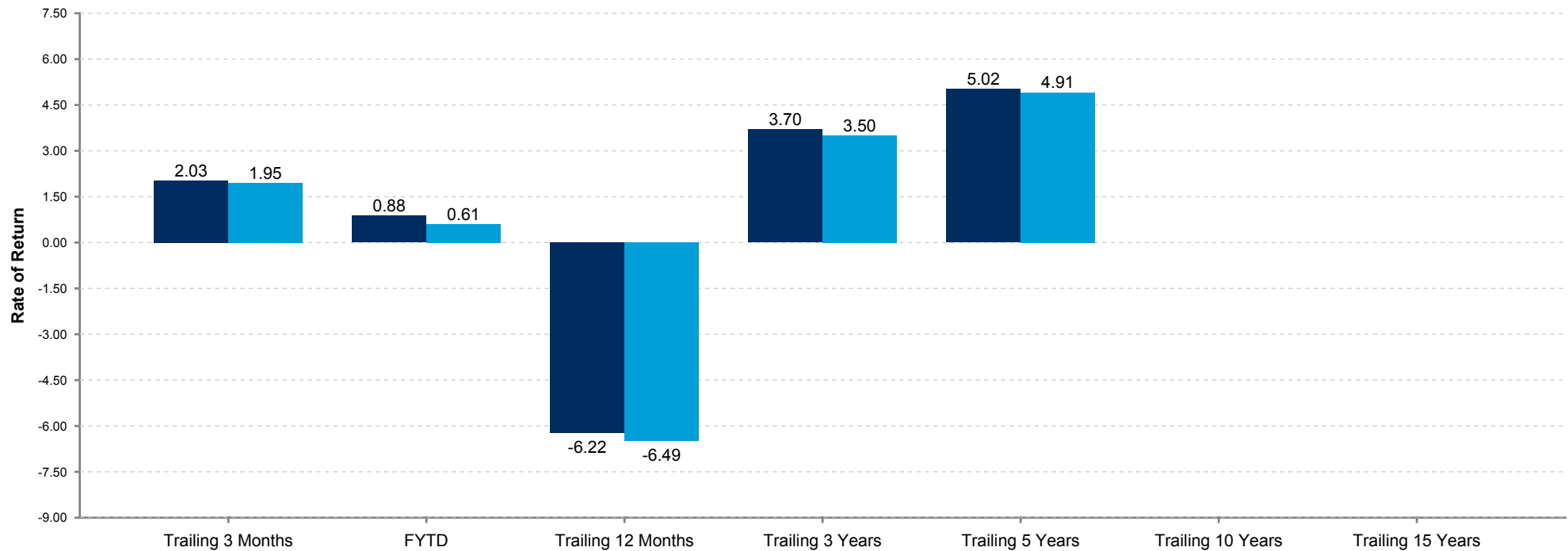
## TIPS Returns vs Barclays US TIPS Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL TIPS MANAGERS	\$294.4	2.9

■ TOTAL TIPS MANAGERS ■ Barclays Global Inflation Linked: US TIPS (Daily)



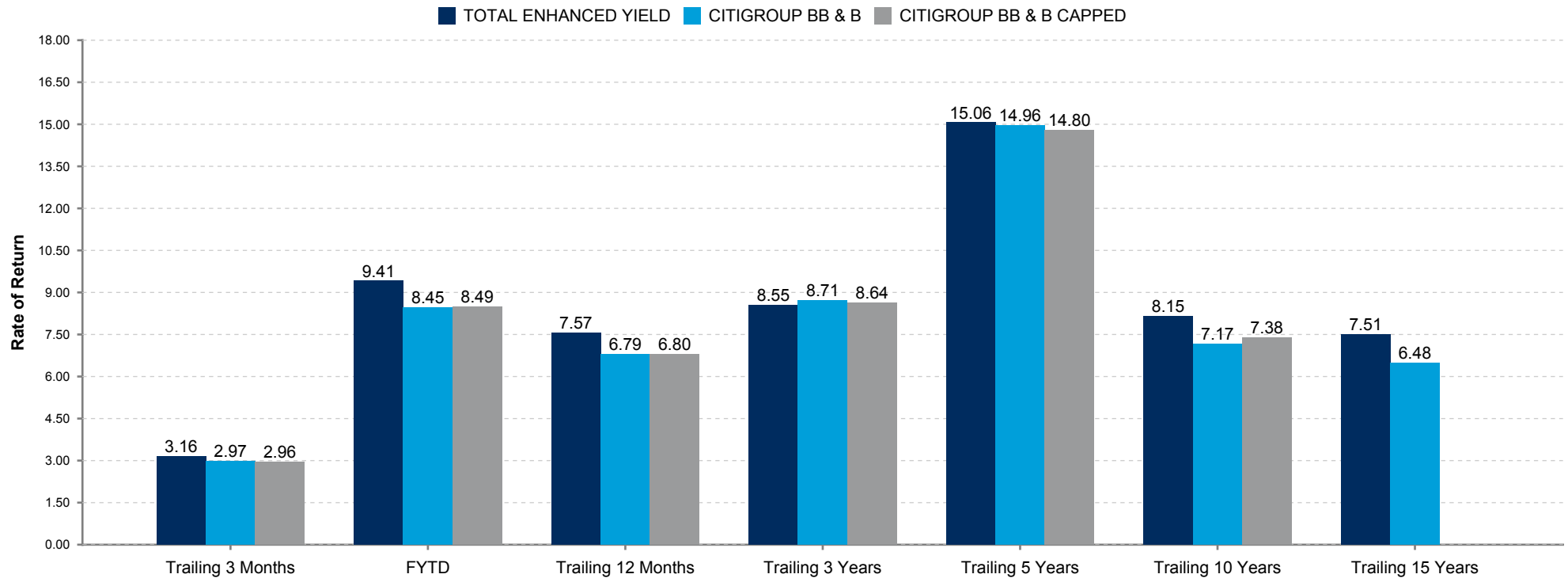
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL TIPS MANAGERS	5.4	5.5	5.2	5.3		

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



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL ENHANCED YIELD	\$402.2	3.9



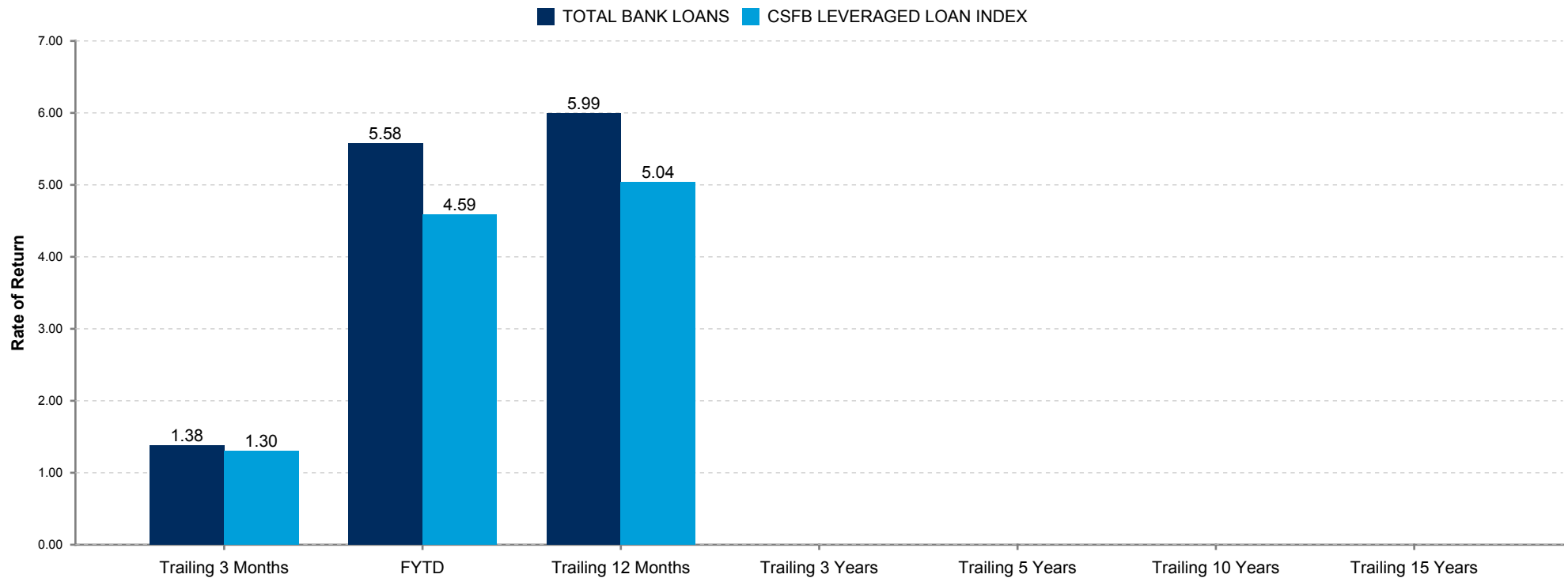
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ENHANCED YIELD	8.5	5.7	6.6	6.9	8.1	8.9

## 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	\$174.0	1.7



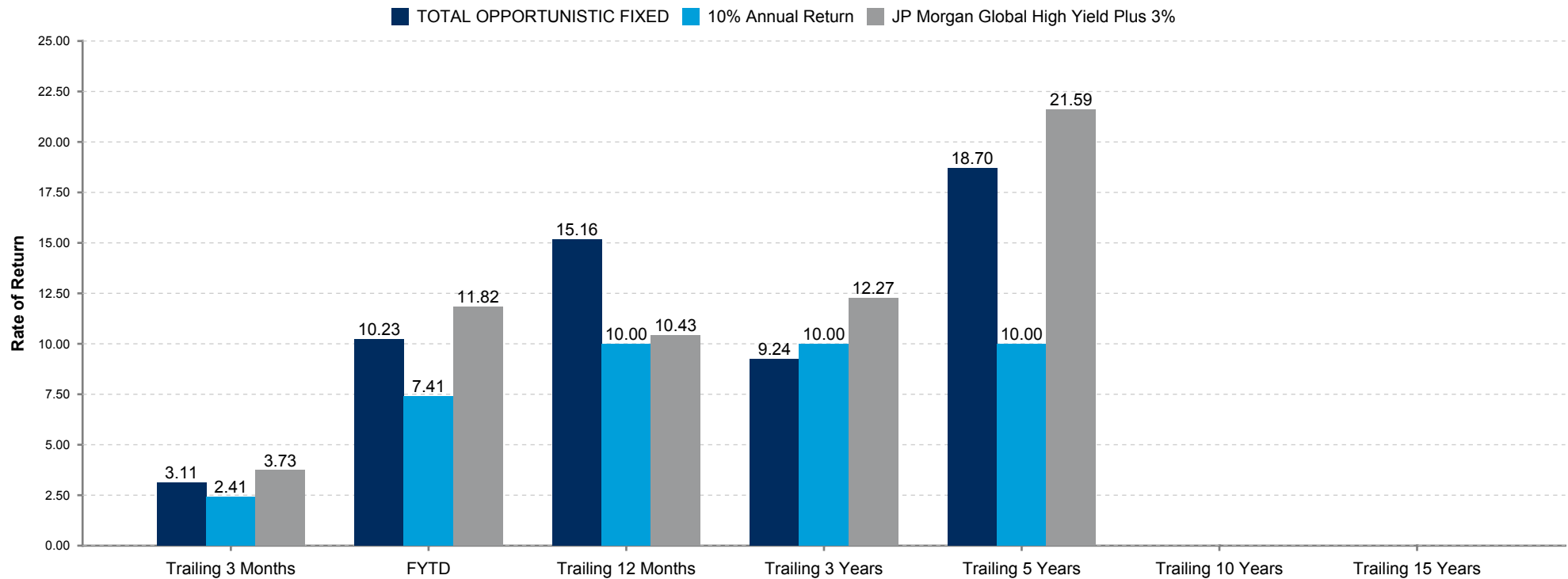
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL BANK LOANS						

## Opportunistic Fixed Income Returns vs Benchmarks: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL OPPORTUNISTIC FIXED	\$222.2	2.2



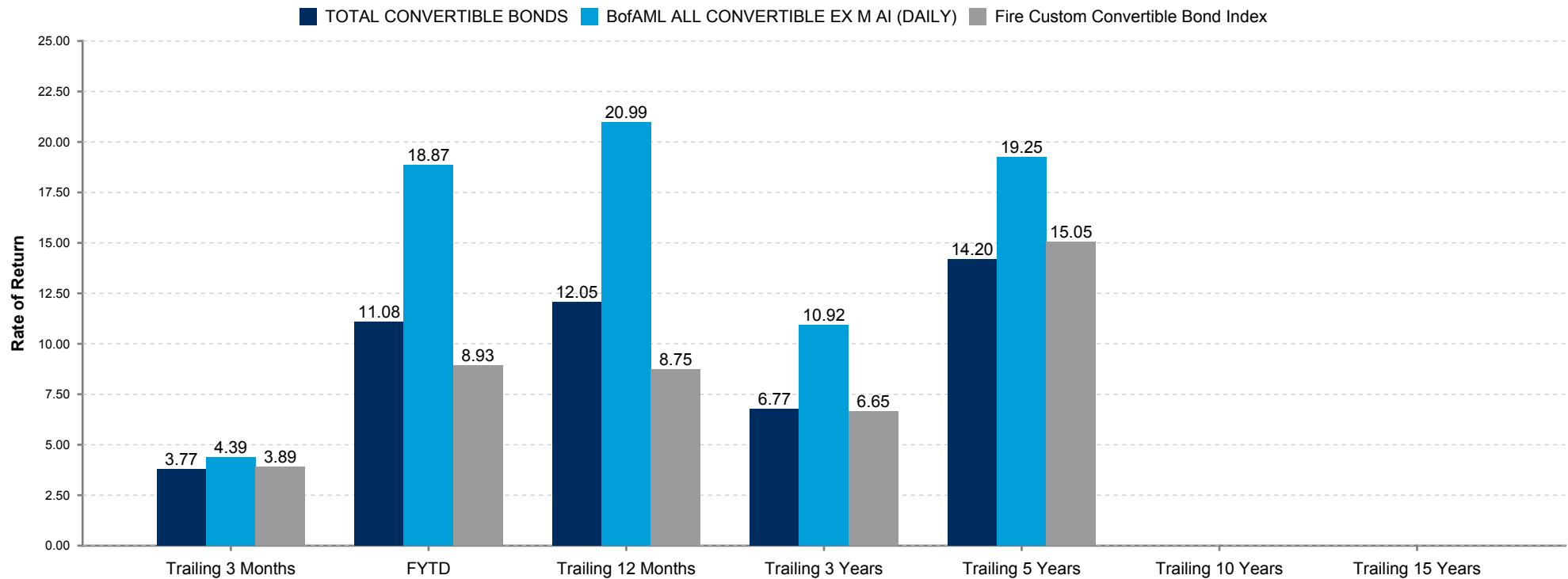
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL OPPORTUNISTIC FIXED	9.2	0.0	9.3	0.0		

## Convertible Bond Returns vs Benchmarks: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL CONVERTIBLE BONDS	\$52.4	0.5



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL CONVERTIBLE BONDS	6.8	9.4	8.6	10.4		

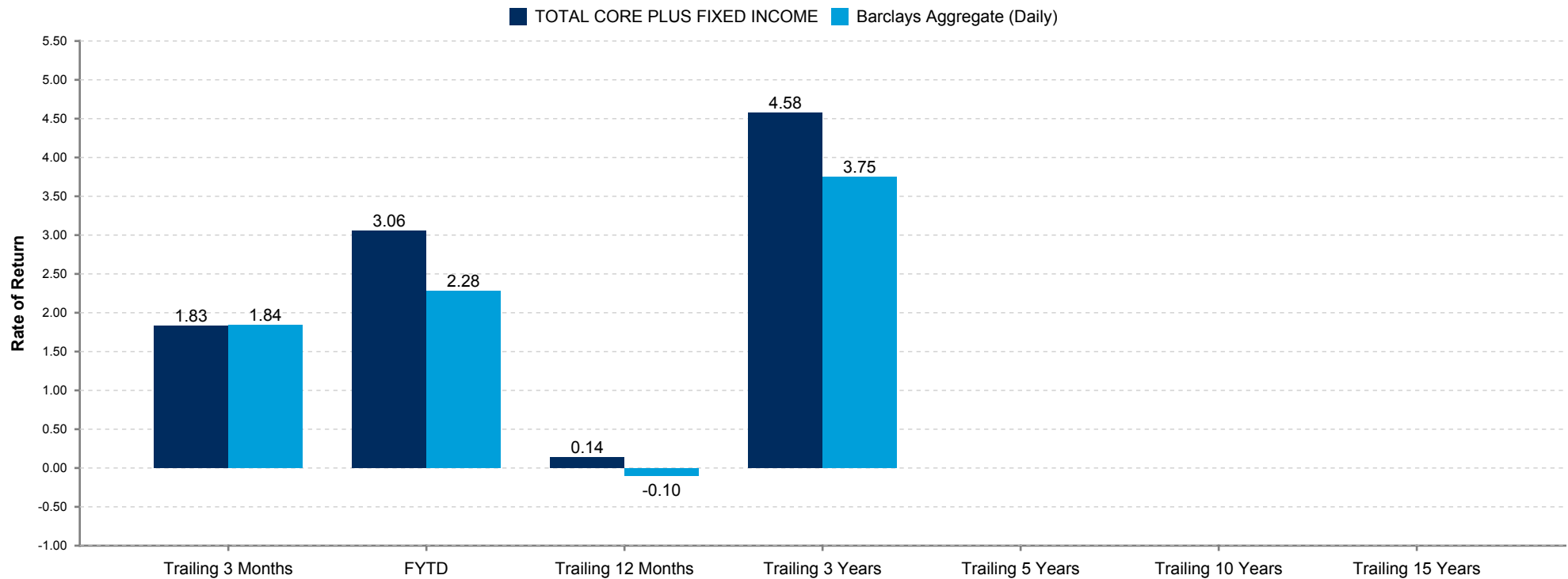


# Core Plus Fixed Income Returns vs Barclays Capital U.S. Aggregate: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL CORE PLUS FIXED INCOME	\$10.8	0.1



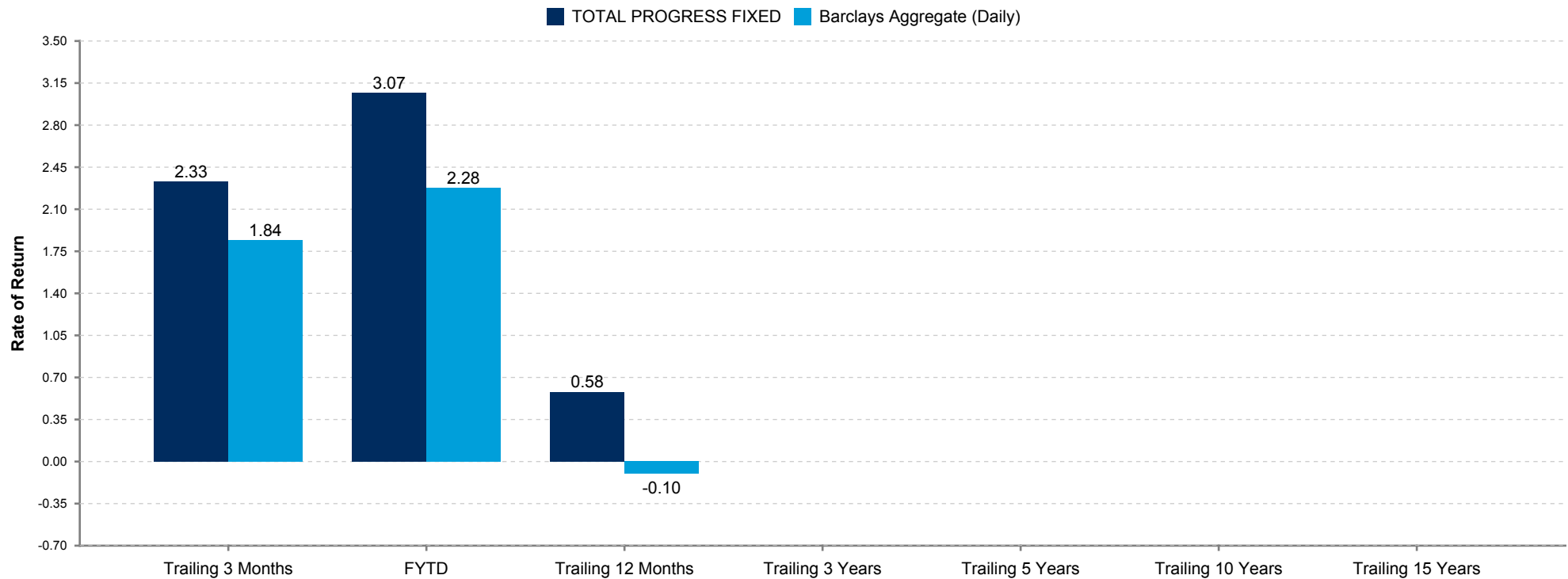
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL CORE PLUS FIXED INCOME	4.6	2.8				

# Progress Fixed Income Returns vs Barclays Capital U.S. Aggregate: March 31, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL PROGRESS FIXED	\$27.0	0.3



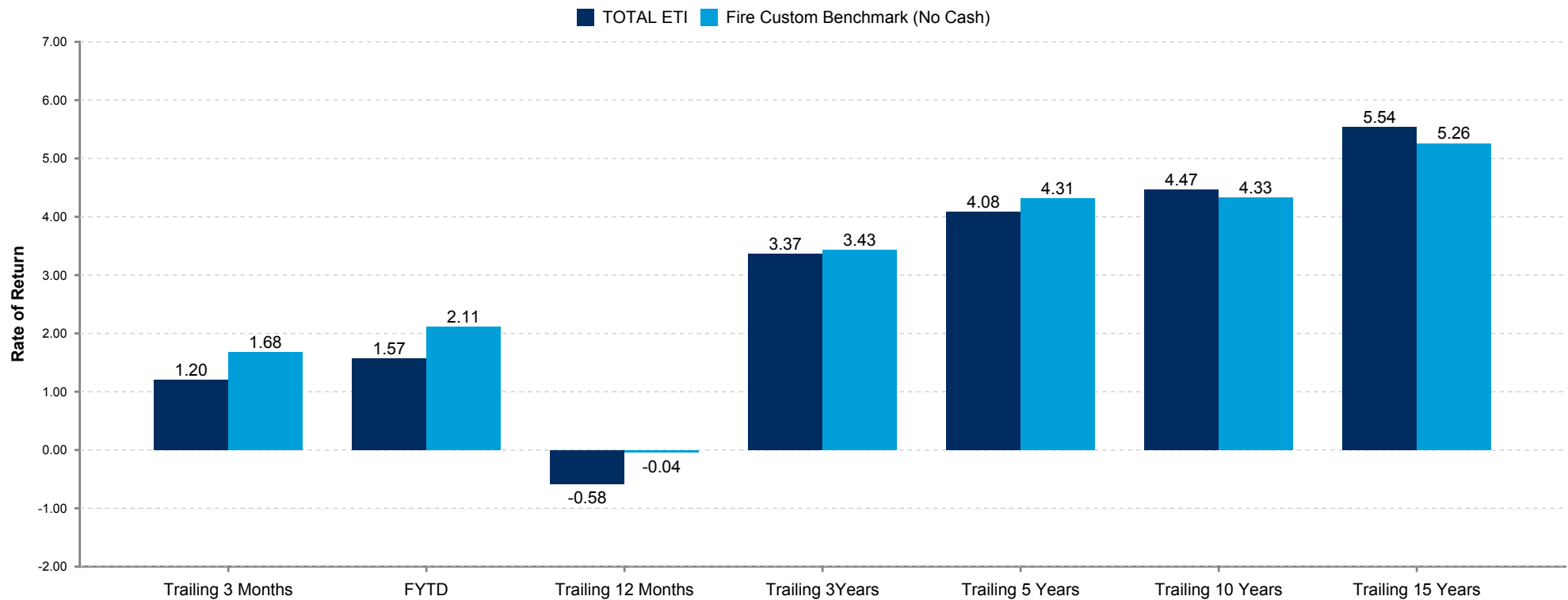
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL PROGRESS FIXED						

## ETI Returns vs Custom Index: March 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL ETI	\$58.6	0.6



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ETI	2.5	2.6	2.4	2.6	3.0	3.1



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**Fire Retirement System  
of New York City**

# Appendix

# 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
<b>FIRE</b>									
Equity Management									
Brown AM - SCG	35.2	0.34	(1.91)	(1.91)	30.20	18.74			
TOTAL SMALL CAP GROWTH ACTIVE	35.2	0.34	(1.91)	(1.91)	30.20	14.85	24.21	8.66	
RUSSELL 2000 GROWTH			0.48	0.48	27.19	13.61	25.24	8.87	6.63
CEREDEX SCV									
Dalton Greiner Sm Cap-Value	49.7	0.48	2.64	2.64	24.77	14.25			
TOTAL SMALL CAP VALUE (ACTIVE)	125.5	1.22	1.48	1.48	23.28	13.53			
RUSSELL 2000 VALUE			1.78	1.78	22.65	12.74	23.33	8.07	10.70
TOTAL SMALL CAP ACTIVE									
RUSSELL 2000	160.7	1.56	0.71	0.71	24.74	13.25	22.45	7.03	
NYC FIRE BLACKROCK R2000 GROWTH									
RUSSELL 2000 GROWTH	24.6	0.24	0.49	0.49					
FIRE-TOTAL SMALL CAP GROWTH PASSIVE	24.6	0.24	0.48	0.48	27.19	13.61	25.24	8.87	6.63
NYC FIRE BLACKROCK R2000 VALUE									
RUSSELL 2000 VALUE	25.2	0.25	1.79	1.79					
FIRE-TOTAL SMALL CAP VALUE PASSIVE	25.2	0.25	1.78	1.78	22.65	12.74	23.33	8.07	10.70
TOTAL SMALL CAP PASSIVE									
TOTAL SMALL CAP	49.9	0.48	1.14	1.14					
RUSSELL 2000	210.6	2.05	0.81	0.81	24.64	12.67	22.08	6.87	
Security Global Investors SMID									
RUSSELL 2500 VALUE	78.0	0.76	3.07	3.07	19.36	11.46			
Times Square Capital MCG									
RUSSELL MIDCAP GROWTH	162.0	1.57	2.04	2.04	24.22	13.52	24.73	9.47	7.02

# 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
Iridian Asset Mgmt. MCV	95.7	0.93	4.62	4.62	32.76	19.80			
TOTAL MID CAP VALUE	95.7	0.93	4.62	4.62	32.76	19.80	28.30	11.08	
RUSSELL MIDCAP VALUE			5.22	5.22	22.95	15.17	26.35	10.24	10.35
Wellington Mgmt. MCC	97.9	0.95	3.85	3.85	27.92	14.58			
TOTAL MID CAP CORE	97.9	0.95	3.85	3.85	27.92	14.58	24.90	8.69	
S&P 400 MID CAP INDEX			3.04	3.04	21.24	13.37	24.86	10.14	10.68
TOTAL MID CAP ACTIVE	355.6	3.46	2.96	2.96	26.61	16.32	25.67	8.95	
State St GA S&P 400	169.7	1.65	3.03	3.03	21.23	13.38			
S&P 400 MID CAP INDEX			3.04	3.04	21.24	13.37	24.86	10.14	10.68
TOTAL MID CAP	525.4	5.11	2.97	2.97	24.41	15.09	24.59	8.48	
RUSSELL MIDCAP			3.53	3.53	23.51	14.39	25.55	10.05	9.50
NYC FIRE BLACKROCK R1000 GROWTH	703.1	6.83	1.09	1.09					
RUSSELL 1000 GROWTH			1.12	1.12	23.22	14.62	21.68	7.86	2.98
NYC FIRE BLACKROCK R1000 VALUE	740.5	7.20	3.01	3.01					
RUSSELL 1000 VALUE			3.02	3.02	21.57	14.80	21.75	7.58	6.34
TOTAL RUSSELL 1000 PASSIVE	1,443.7	14.03	2.03	2.03					
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
Profit Inv Mgmt - LCG	51.5	0.50	1.81	1.81	24.57	16.51			
Zevenbergen ACG	199.1	1.93	(0.55)	(0.55)	42.76	12.75	25.18		
TOTAL RUSSELL 1000 GROWTH ACTIVE	250.6	2.44	(0.08)	(0.08)	38.59	13.49	22.03	7.60	
RUSSELL 1000 GROWTH			1.12	1.12	23.22	14.62	21.68	7.86	2.98
RUSSELL 3000 GROWTH			1.07	1.07	23.53	14.53	21.94	7.95	3.25
TOTAL RUSSELL 1000 GROWTH	250.6	2.44	(0.08)	(0.08)	41.37	14.24	22.52	7.82	4.45
Seizert Capital Ptnrs - LCC	53.7	0.52	3.05	3.05	26.24	14.46			

# 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 RUSSELL 1000 CORE	53.7	0.52	3.05	3.05	26.24	14.46			
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
TOTAL RUSSELL 1000 ACTIVE	304.3	2.96	0.46	0.46	36.24	15.19	22.07	8.08	
TOTAL RUSSELL 1000	1,748.0	16.99	1.76	1.76	38.93	15.95	22.55	8.29	
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
State Street Global Advisors R3000	1,042.3	10.13	1.96	1.96	22.62	14.66			
TOTAL RUSSELL 3000 PASSIVE	1,042.3	10.13	1.97	1.97	22.74	14.66	21.94	7.94	5.32
RUSSELL 3000			1.97	1.97	22.61	14.61	21.93	7.86	5.22
ATTUCKS - Apex Capital Mgmt - SCG	5.1	0.05	1.27	1.27	24.26				
ATTUCKS - Bird Rock Asset Mgmt - SCV	2.3	0.02	0.95	0.95	21.64				
ATTUCKS - EAM Investors - MCG	5.7	0.05	4.57	4.57	36.17				
ATTUCKS - Opus Capital Mgmt - SCV	6.0	0.06	0.68	0.68	16.83				
AF - Attucks-Paradigm Asset Mgt-SCC	6.4	0.06	0.30	0.30	21.02				
TOTAL ATTUCKS R2000	25.4	0.25	1.57	1.57	23.75				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
C P - AH Lisanti Capital Growth - SCG	3.9	0.04	0.04	0.04	35.40				
C P - Bernzott Capital Advisors - SCV	3.7	0.04	(2.79)	(2.79)	16.68				
C P - Channing Cap Mgmt - SCV	4.2	0.04	2.86	2.86	28.04				
C P - CWC Advisors - SCC	3.3	0.03	0.09	0.09	21.97				
CP - High Pointe R-2000	1.5	0.01	0.17	0.17	23.26				
C P - Huber Cap Mgmt - SCV	4.0	0.04	(2.70)	(2.70)	20.84				
CP - Lombardia R-2000 Value	3.3	0.03	0.28	0.28	24.48				
C P - Profit Inv Mgmt - SCC	3.5	0.03	(1.57)	(1.57)	26.33				
C P - Quotient Investors - SCC	3.8	0.04	3.83	3.83	31.08				
C P - Stephens Inv Mgmt - SCG	3.6	0.03	(1.52)	(1.52)	24.54				
C P - Summit Creek Advisors - SCG	3.6	0.04	(0.84)	(0.84)	28.63				
TOTAL CAP PROSPECTS R2000	38.3	0.37	(0.22)	(0.22)	25.60				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91

# 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
PIM - Apex Cap Mgmt - SMDG	17.7	0.17	2.48	2.48	29.62				
PIM - Cardinal Cap Mgmt - SCV	10.7	0.10	3.32	3.32	23.94				
PIM - Huber Cap Mgmt - SCV	16.3	0.16	(2.58)	(2.58)	21.11				
PIM-Lombardia Cap Ptnrs LLC Small Value	5.8	0.06	1.90	1.90	26.26				
PIM - Monarch Partners Asset Mgmt - SCV	13.4	0.13	1.72	1.72	22.41				
PIM - Nichols Asset Mgmt - SCG	14.6	0.14	(0.87)	(0.87)	29.00				
PIM - OMT Cap Mgmt - SMDG	10.3	0.10	(1.32)	(1.32)	27.61				
PIM - Phocas Financial - SCV	9.3	0.09	1.86	1.86	31.29				
TOTAL PIM R2000	98.0	0.95	0.59	0.59	25.89				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
EMERGING MANAGER PROGRAM	161.7	1.57	0.55	0.55	25.48				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
TOTAL ACTIVE DOM EQUITY	1,060.4	10.31	1.53	1.53	28.16	14.77	22.45	8.02	4.36
TOTAL PASSIVE DOM EQUITY	2,705.5	26.30	2.07	2.07	22.54	14.37	21.78	7.87	5.56
TOTAL DOMESTIC EQUITY	3,765.9	36.61	1.91	1.91	23.95	14.47	21.92	7.85	5.10
DEVELOPED MARKETS									
GROWTH									
Baillie Gifford	203.3	1.98	(0.94)	(0.94)					
Walter Scott	109.7	1.07	(6.72)	(6.72)					
TOTAL DEVELOPED GROWTH	313.0	3.04	(1.49)	(1.49)	18.10	8.26	17.06		
MSCI EAFE GROWTH			0.10	0.10	14.92	7.22	15.88	6.57	3.30
VALUE									
Causeway	127.4	1.24	0.61	0.61					
Sprucegrove	207.7	2.02	2.08	2.08	14.44	7.76	17.49	8.22	
TOTAL DEVELOPED VALUE	335.1	3.26	1.52	1.52	19.10	9.20	18.08	7.65	
MSCI EAFE VALUE NET			1.22	1.22	20.25	7.16	16.11	6.41	5.52



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STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>CORE</b>									
Thornburg	117.0	1.14	(3.83)	(3.83)	9.67	3.65	14.83		
TOTAL DEVELOPED CORE	117.2	1.14	(3.82)	(3.82)	9.84	3.06	14.63		
MSCI EAFE Free NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
<b>SMALL CAP</b>									
Acadian	74.3	0.72	4.83	4.83					
Pyramis	68.7	0.67	1.95	1.95					
TOTAL EAFE SMALL CAP ACTIVE	143.0	1.39	3.42	3.42					
S&P EPAC Small Cap Index			3.81	3.81	23.89	9.62	21.24	9.40	8.57
REBAL-Transition	0.2	0.00							
TOTAL ACTIVE EAFE EQUITY	908.4	8.83	0.04	0.04	16.74	6.80	16.67	7.20	5.37
MSCI EAFE Free NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
SSGA MSCI EAFE Small Cap Index	26.7	0.26							
TOTAL EAFE SMALL CAP PASSIVE	26.7	0.26							
MSCI EAFE SMALL CAP NET			3.36	3.36	23.26	9.40	21.70	8.56	8.85
SSGA	86.1	0.84	0.82	0.82	17.96	7.58			
FIRE-TOTAL PASSIVE DEVELOPED	86.1	0.84	0.74	0.74	17.87	7.55	16.46	6.89	4.85
MSCI EAFE Free NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
TOTAL EAFE EQUITY	1,021.1	9.93	0.13	0.13	16.88	6.84	16.58	7.12	5.20
MSCI EAFE Free NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
TOTAL EAFE ENV ACT EX PASSIVE	908.4	8.83	0.04	0.04	17.05	6.76	16.78	7.07	
TOTAL EAFE ENVIRONMENTAL ACTIVIST	1,021.2	9.93	0.12	0.12	17.16	6.82	16.68	7.03	
<b>EMERGING MARKETS</b>									
ACADIAN	110.2	1.07	1.01	1.01	(2.18)	(0.41)	17.86		

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Ballie Gifford	165.9	1.61	(0.86)	(0.86)	5.21	(1.25)	17.78		
DFA	80.3	0.78	(0.21)	(0.21)	(2.63)				
EATON VANCE EM	97.0	0.94	0.49	0.49	2.12				
TOTAL ACTIVE EMERGING MARKETS	453.5	4.41	(0.01)	(0.01)	1.25	(1.52)	16.09	11.01	
MSCI EMERGING MARKETS			(0.43)	(0.43)	(1.43)	(2.86)	14.48	10.11	
CONY GT FIRE Blackrock-MSCI EM MK	179.4	1.74	(0.59)	(0.59)	(0.97)	(2.88)			
TOTAL PASSIVE EMERGING MARKETS	179.4	1.74	(0.59)	(0.59)	(0.97)	(2.88)			
MSCI EMERGING MARKETS			(0.43)	(0.43)	(1.43)	(2.86)	14.48	10.11	
TOTAL INTL EMERGING EQUITY	632.8	6.15	(0.18)	(0.18)	0.61	(1.90)	15.92	10.93	10.89
TOTAL INTL EQUITY	1,654.1	16.08	0.01	0.01	10.26	3.29	15.56	7.48	5.74
<b>HEDGE FUNDS</b>									
TOTAL PERMAL HEDGE FUNDS OF FUNDS	56.1	0.55	3.95	3.95	6.51				
HFRI Fund of Funds Comp			0.77	0.77	7.06	3.38	5.94	4.14	6.01
<b>DIRECT HEDGE FUNDS</b>									
BLUE TREND FD	19.4	0.19	(3.73)	(3.73)	(18.91)				
BREXAN HOWARD LP	20.1	0.19	(2.85)	(2.85)	(3.17)				
BREXAN HOWARD OPP	20.3	0.20	(2.46)	(2.46)					
BRIGADE LEV CAP STR FD	24.8	0.24	1.76	1.76	5.61				
CARLSON DOUBLE BLK DIA FD	29.1	0.28	2.82	2.82					
CASPIAN SELECT CF	22.6	0.22	3.36	3.36	9.51				
CCP QUANT FD	14.7	0.14	(6.53)	(6.53)	(30.60)				
D.E. SHAW COMPOSITE FD	54.5	0.53	4.44	4.44	12.85				
FIR TREE VAL FD	29.4	0.29	(0.43)	(0.43)	10.71				
PERRY CAPITAL LP	23.7	0.23	1.22	1.22					
PHARO MACRO FD	18.5	0.18	5.44	5.44					
TOTAL DIRECT HEDGE FUNDS	277.2	2.69	0.92	0.92	1.70				
HFRI Fund of Funds Comp			0.77	0.77	7.06	3.38	5.94	4.14	6.01

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
MSCI AC WORLD			1.08	1.08	16.55	8.55	17.80	6.97	
Barclays Aggregate			1.84	1.84	(0.10)	3.75	4.80	4.46	5.40
TOTAL HEDGE FUNDS	333.4	3.24	1.41	1.41	2.63				
1 Year Treasury Bill Yield + 4%			1.04	1.04	4.29	4.34	4.56	6.03	6.86
HFRI Fund of Funds Composite + 1%			0.77	0.77	7.06	3.38	5.94	4.14	6.01
<b>REAL ESTATE EQUITY SECURITIES</b>									
Adelante (Lend Lease Rosen) (REIT)	63.2	0.61	10.12	10.12	8.18	11.34	29.26	8.29	
European	111.7	1.09	3.64	3.64	3.66				
FTSE EPRA/NAREIT Devel			4.01	4.01	2.18	8.48	22.96	7.84	
MS REIT	172.7	1.68	9.73	9.73	6.24	9.99	29.27	10.32	
TOTAL REAL ESTATE SECURITIES	347.6	3.38	7.76	7.76	5.74	10.56	29.24	9.31	
DJ US SELECT REAL ESTATE			10.27	10.27	4.36	10.12	28.97	8.06	11.27
<b>PRIVATE EQUITY INVESTMENTS</b>									
Acon Eq Ptnrs III	0.5	0.00							
Aisling Capital II LP	0.7	0.01							
Aisling Capital III LP	2.1	0.02							
AMERICAN SEC PTNRS VI	9.1	0.09							
Ampersand 2011 Limited Partnership	5.0	0.05							
Apollo Investment Fund V	1.5	0.01							
Apollo Investment Fd VI	17.0	0.17							
Apollo Investment Fund VII	15.6	0.15							
Ares Corp	0.8	0.01							
Ares Corp Opport Fund II LP	1.5	0.01							
ARES Corp Opp Fund III	8.7	0.08							
ARES CORP OPP FUND IV	4.3	0.04							
Aurora Equity Partners III	0.5	0.00							
Avista Capital Ptnrs LP	3.7	0.04							
Avista Capital Partners II	10.4	0.10							
AXA Secondary Fund V	29.8	0.29							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
BC EUR CAP IX - (Non US)	12.5	0.12							
BDCM Opportunity FD III	6.4	0.06							
Blackstone Cap Ptnrs IV	7.5	0.07							
Blackstone Capital V	9.2	0.09							
Blackstone Capital Partners VI	4.4	0.04							
Blackstone Mezz Prts II	0.4	0.00							
Bridgepoint Europe III LP	3.1	0.03							
Bridgepoint EUR IV (Global)	6.7	0.07							
Capital Ptnrs PE Inc II	0.2	0.00							
Carlyle Partners IV L.P.	2.2	0.02							
Carlyle Ptnrs V LP	8.8	0.09							
Catterton Ptnrs VI LP	4.8	0.05							
CCMP Capital Investors II	4.0	0.04							
CD & R Fund VII LP	2.3	0.02							
CD & R Fund VIII LP	2.8	0.03							
Celtic Pharmaceutical Holdings LP	3.8	0.04							
Cinven Fourth Fund	2.4	0.02							
Coller International Prts V	2.6	0.03							
COMVEST INV PTNRS IV	10.9	0.11							
Constellation Ventures III	3.9	0.04							
CS EM MGR CO-INV/C Suisse Cust FD INV GR	1.0	0.01							
CS EMERG MGR FD/C Suisse EM DOM MGRS FD	4.5	0.04							
Crestview Partners II	6.2	0.06							
CVC European Equity Partners III	0.4	0.00							
CVC EUROPEAN EQ PTRNS V (Global)	9.8	0.10							
Cypress Merchant	3.1	0.03							
DIVCO WEST FD IV	7.0	0.07							
EQT VI (Global)	8.7	0.08							
Erasmus NYC Growth Fund/Aldus LP	34.6	0.34							
Erasmus NYC Growth FD A	0.4	0.00							
FDG	4.9	0.05							
FDG Cap Part II	0.0	0.00							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Fenway Ptnrs Capital III	2.1	0.02							
FirstMark Capital IV / Pequot PE Fund IV	4.8	0.05							
First Reserve Fund XI	3.7	0.04							
First Reserve Fund XII	4.0	0.04							
F S Equity Partners V (Freeman Spogli V)	3.6	0.03							
FS Equity Partners VI	10.4	0.10							
FT Ventures Fund III	3.1	0.03							
GI Ptnrs Fund II LP	1.4	0.01							
GI Partners III	6.1	0.06							
GREEN EQ INV VI	4.8	0.05							
GSO Capital Opportunities Fund I	3.3	0.03							
Highland Consumer Fund I	1.3	0.01							
ICV PTNRS III	0.4	0.00							
INCLINE EQ PT III	0.3	0.00							
InteMedia Ptnrs VII LP	3.8	0.04							
JP Morgan Fleming	2.3	0.02							
Landmark Equity Ptnrs XI	0.8	0.01							
Landmark Equity Partners XIV	8.8	0.09							
Landmark Eq Ptnrs XV	3.7	0.04							
Lee Equity Partners	5.7	0.06							
Levine Leichtman CAP Partners IV	4.5	0.04							
Lexington Cap Ptnrs VII	6.3	0.06							
Lincolnshire	1.4	0.01							
Lincolnshire Equity Fund III LP	3.2	0.03							
Lincolnshire EQ FD IV	1.6	0.02							
Lombard Odier DH Euro Choice II-Delaware	3.7	0.04							
Lombard Odier DH EuroChoice III-Scotland	4.4	0.04							
LODH EUR IV (Global)	4.3	0.04							
Markstone Cap	2.0	0.02							
Midocean Patners III	9.3	0.09							
Montreux Equity Partners IV	4.4	0.04							
NorthBound Emerging MG custon fund	2.8	0.03							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
New Mountain Partners	0.9	0.01							
New Mountain Partners II LP	0.2	0.00							
New Mountain Ptnrs III	9.5	0.09							
NewSpring Growth Capital II	2.4	0.02							
New York / Fairview Emerg Mgr Fund LP	4.4	0.04							
NGN BIOMED Opportunity II	3.0	0.03							
Olympus Capital Asia III	4.0	0.04							
Olympus Growth Fund VI	0.8	0.01							
Onex Partners III	4.9	0.05							
Paladin HMLD Sec	3.1	0.03							
Paladin Homeland Sec III	5.1	0.05							
Palladium Eq Parts III	10.4	0.10							
PALLADIUM EQUITY PTNRS IV	1.6	0.02							
PCG Clean Energy & Tech Fd East	5.5	0.05							
Pegasus Ptnrs IV	6.8	0.07							
Pegasus Partners V	3.7	0.04							
Permira Fund IV	4.6	0.04							
Perseus Patnrs VII	1.3	0.01							
Pine Brook CAP Partners	6.5	0.06							
PLATINUM EQ CAP PTNRS III	7.7	0.07							
Prism Venture Parts. V-A	3.3	0.03							
Psilos Group Ptnrs III	2.1	0.02							
Riverstone/Carlyle Gbl Engy-Power Fd IV	6.0	0.06							
RRE Ventures Fund IV	3.5	0.03							
SCP	5.8	0.06							
SCP Vitalife JPtnrs II	3.8	0.04							
Snow Phipps & Guggenheim	3.3	0.03							
Snow Phipps Group II	3.7	0.04							
SUMMIT PARTNERS GR WQ VIII	10.2	0.10							
Tailwind Capital Partners	0.3	0.00							
Terra Firma Cap III	3.3	0.03							
Trident V LP	12.0	0.12							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Trilantic Capital PTNRS III	0.2	0.00							
Trilantic Capital PTNRS IV	6.8	0.07							
Trilantic Capital PTNRS V	1.4	0.01							
U.S. Power Fund II LP	4.5	0.04							
U.S. Power Fund III LP	3.7	0.04							
Vista Equity Ptnrs III	4.0	0.04							
VISTA EQ PARTNERS IV	25.0	0.24							
Vitruvian Partners	2.1	0.02							
VS & A	0.3	0.00							
VSS Communications Partners IV	1.5	0.01							
WARBURG PINCUS PE XI	10.8	0.10							
Well Spring Cap Partners V	2.0	0.02							
WEL CRSN ADRSN & STO XI	6.9	0.07							
Yucaipa American Alliance Fd I	3.9	0.04							
Yucaipa American ALL FD II	20.4	0.20							
Yucaipa Corp Initiatives II	3.0	0.03							
<b>TOTAL PRIVATE EQUITY</b>	<b>664.1</b>	<b>6.46</b>							
<b>PRIVATE REAL ESTATE</b>									
AG Realty Fund VII (Global)	7.3	0.07							
Amer Value Ptnrs I LP	2.3	0.02							
Ares European RE Fund III	14.0	0.14							
ARA Asia Dragon Fd (Global)	5.8	0.06							
Blackrock Carbon III	1.1	0.01							
Blackstone REP EUR III	4.8	0.05							
Blackstone REP IV	2.9	0.03							
Blackstone REP VI	14.6	0.14							
Blackstone REP VII	23.4	0.23							
Brookfield Strat RE Partners	8.6	0.08							
Canyon-Jonhson Urban Fund II	3.4	0.03							
Canyon-Jonhson Urban Fund III	3.6	0.03							
Carlyle Realty V	2.0	0.02							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Carlyle Realty VI	11.9	0.12							
City Investment Fund cl	15.5	0.15							
Colony Investors VIII	7.9	0.08							
Colony Realty Partners II	2.0	0.02							
EMMES Sep Acct	0.9	0.01							
H/2 Special Opportunities Fund II	8.7	0.08							
Heitman America RE Trust	12.5	0.12							
HUDSON SEP AC	0.5	0.00							
JPMC Strategic Property Fund	32.3	0.31							
JPMC Special Situations Fund	4.8	0.05							
KTR Industrial Fd III	3.5	0.03							
LaSalle US Property Fund	29.5	0.29							
Metro Wkforce Housing FD	1.6	0.02							
PRISA	7.4	0.07							
PRISA II	21.0	0.20							
PROLOGIS Inc	4.5	0.04							
Related Sep Acct	2.7	0.03							
RREEF America II Inc	7.5	0.07							
RREEF America III Inc	1.7	0.02							
Silverpeak Legacy Partners III (Global)	0.9	0.01							
Stockbridge Real Estate Fund III	15.7	0.15							
Taconic NYC Investmt Fd	7.5	0.07							
Thor Urban Property Fd II	4.1	0.04							
UBS Trumbull Property Fd	34.2	0.33							
Walton ST REF VI (Global)	4.6	0.04							
Westbrook Fund VIII	4.1	0.04							
TOTAL PRIVATE REAL ESTATE	380.4	3.70							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infr Fd II	1.6	0.02							
TOTAL INFRASTRUCTURE	1.6	0.02							



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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
CPI + 4%									
TOTAL REAL ASSETS	382.0	3.71							
TOTAL EQUITY (INCL PE & RE)	7,147.0	69.47	2.19	2.19	17.63	10.54	18.77	7.65	
<b>FIXED INCOME MANAGEMENT</b>									
Fischer Francis - Govt	57.9	0.56	3.39	3.39	(3.59)	5.67	4.40	5.57	6.56
PIMCO - Gov't	98.7	0.96	3.85	3.85	(3.16)	5.95	4.96	5.69	
State Street - Gov't	56.7	0.55	3.36	3.36	(3.53)	5.66			
FIRE-TOTAL GOVERNMENT	213.3	2.07	3.60	3.60	(3.38)	5.80	4.56	5.51	6.48
NYC - Treasury Agency Plus Five			3.47	3.47	(3.54)	5.72	4.15	5.40	6.38
Blackrock - Mortgage	226.3	2.20	1.95	1.95	0.71	3.97	5.72	5.17	
Goldman Sachs - Mortgage	89.2	0.87	1.83	1.83	0.25	3.40			
Neuberger Berman - Mortgage	112.5	1.09	1.72	1.72	0.11	2.81			
PIMCO - Mortgage	230.5	2.24	1.69	1.69	0.19	3.18	5.15	5.08	5.86
TOTAL MORTGAGE	658.6	6.40	1.80	1.80	0.36	3.42	5.03	4.89	5.62
CITIGROUP MORTGAGE INDEX			1.61	1.61	0.11	2.77	3.57	4.62	5.34
Blackrock - Credit	154.6	1.50	2.94	2.94	1.84	6.23			
Prudential - Credit	152.0	1.48	2.75	2.75	1.65	6.04			
Prudential-Privest - Credit	41.2	0.40	2.55	2.55	1.54				
Taplin Canida Habacht - Credit	259.1	2.52	3.64	3.64	2.62	6.77	11.08	5.25	6.68
T Rowe Price - Credit	240.5	2.34	3.04	3.04	2.25	6.74	10.46	5.98	6.39
TOTAL INVESTMENT GRADE CREDIT	847.4	8.24	3.13	3.13	2.15	6.50	10.46	5.37	6.25
NYC - Investment Grade			2.70	2.70	1.17	5.69	8.72	5.06	5.98
TOTAL STRUCTURED	1,719.2	16.71	2.66	2.66	0.70	5.18	6.77	5.37	6.19
NYC - Core Plus Five			2.42	2.42	(0.12)	4.55	5.45	5.06	5.89

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>CORE PLUS FIXED INCOME</b>									
LM Capital	10.8	0.10	1.83	1.83	0.14	4.58			
TOTAL CORE PLUS FIX INC	10.8	0.10	1.83	1.83	0.14	4.58			
Barclays Aggregate			1.84	1.84	(0.10)	3.75	4.80	4.46	5.40
TOTAL STRUCTURED PLUS LM CAPITAL	1,730.0	16.82	2.66	2.66	0.69	5.17	6.77	5.37	6.19
NYC - Core Plus Five			2.42	2.42	(0.12)	4.55	5.45	5.06	5.89
PIM - AMBASSADOR	6.7	0.06	2.28	2.28	0.25				
PIM - GIA	5.5	0.05	2.19	2.19	1.46				
PIM - Hillswick	2.6	0.03	2.13	2.13	(1.09)				
PIM - NEW CENTURY	6.8	0.07	2.79	2.79	1.19				
PIM - PUGH CAP	5.4	0.05	2.04	2.04	0.14				
TOTAL PROGRESS FIXED	27.0	0.26	2.33	2.33	0.58				
Barclays Aggregate			1.84	1.84	(0.10)	3.75	4.80	4.46	5.40
<b>ACTIVE TIPS MANAGERS</b>									
Blackrock TIPS	111.0	1.08	2.01	2.01	(5.88)	3.58	4.97		
PIMCO TIPS	110.1	1.07	2.10	2.10	(6.48)	3.93	5.14		
TOTAL ACTIVE TIPS MANAGERS	221.1	2.15	2.06	2.06	(6.18)	3.75	5.05		
<b>PASSIVE TIPS MANAGERS</b>									
State Street TIPS Passive	73.3	0.71	1.95	1.95	(6.32)	3.54	4.91		
TOTAL PASSIVE TIPS MANAGERS	73.3	0.71	1.95	1.95	(6.32)	3.54	4.91		
TOTAL TIPS MANAGERS	294.4	2.86	2.03	2.03	(6.22)	3.70	5.02		
Barclays US TIPS Index			1.95	1.95	(6.49)	3.50	4.91	4.53	6.51
Loomis Sayles	110.6	1.08	3.86	3.86	9.07				
BofAML HIGH YIELD MASTER II			3.00	3.00	7.53	8.71	18.19	8.54	7.38
Penn Capital Mgt	113.1	1.10	2.72	2.72	6.68				

# 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
T. Rowe	178.5	1.73	3.00	3.00	7.13	8.23	15.31	8.29	
TOTAL ENHANCED YIELD	402.2	3.91	3.16	3.16	7.57	8.55	15.06	8.15	7.51
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	
<b>BANK LOANS</b>									
Babson BL	86.8	0.84	1.31	1.31	5.29				
Guggenheim BL	87.2	0.85	1.46	1.46	6.69				
TOTAL BANK LOANS	174.0	1.69	1.38	1.38	5.99				
CSFB LEVERAGED LOAN INDEX			1.30	1.30	5.04	5.29	12.24	5.01	
<b>CONVERTIBLE BONDS</b>									
Advent Conv Bonds	52.4	0.51	3.77	3.77	12.60	7.44	13.74		
BofA ML U.S. Convertible			3.89	3.89	8.75	6.65	15.05	5.22	4.82
FIRE-TOTAL CONVERTIBLE BONDS	52.4	0.51	3.77	3.77	12.05	6.77	14.20		
BofAML ALL CONVERTIBLE Ex MANDATORY			4.39	4.39	20.99	10.92	19.25	7.30	7.41
Fire Custom Convertible			3.89	3.89	8.75	6.65	15.05		
Avenue Europe Special Sit. Fund, L.P.	0.4	0.00							
Avenue Special Situations Fund V, L.P.	0.1	0.00							
Avenue Special Situations Fund VI L.P.	17.2	0.17							
Fortress Ctr St Ptnrs	13.0	0.13							
Oaktree Opp Fd IX	14.6	0.14							
Torchlight Debt Oppy Fund III, LLC	5.8	0.06							
TOTAL FUND STRATEGIES	51.0	0.50							
10% Annual Return									
JP Morgan Global High Yield + 3%									
Angelo Gordon Ct St Ptnrs	29.6	0.29	3.77	3.77	14.28				
Apollo Centre Street Partnership, L.P	23.3	0.23	5.51	5.51	15.99				
Contrarian Partnership, L.P	6.4	0.06	4.78	4.78					
Golden Tree OD	34.7	0.34	3.66	3.66	10.72				

# 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
FIRE-MARATHON-OD-FI	46.0	0.45	3.30	3.30	22.52				
Oak Hill Ctr St Ptnrs	31.3	0.30	2.07	2.07	13.82				
TOTAL STRATEGIC MANDATES	171.3	1.66	3.56	3.56	15.97				
10% Annual Return			2.41	2.41	10.00	10.00	10.00	10.00	10.00
JP Morgan Global High Yield + 3%			3.73	3.73	10.43	12.27	21.59		
TOTAL OPPORTUNISTIC FIXED	222.2	2.16	3.11	3.11	15.16	9.24	18.70		
10% Annual Return			2.41	2.41	10.00	10.00	10.00	10.00	10.00
JP Morgan Global High Yield + 3%			3.73	3.73	10.43	12.27	21.59		
<b>ETI</b>									
CCD-PPAR	0.9	0.01	4.38	4.38	10.66	9.51	9.45		
CFSB-PPAR	0.4	0.00	5.17	5.17	8.04	6.63	8.10		
CPC-PPAR	0.2	0.00	6.41	6.41					
JPMC-PPAR	0.2	0.00	8.34	8.34					
LIIF-PPAR	0.5	0.00	3.43	3.43	8.84	7.22			
NCBCI-PPAR	0.2	0.00	5.27	5.27	14.50	10.81			
NYC FIRE CCD-PPAR ETI 2013	0.4	0.00	4.72	4.72					
NYC FIRE LIIF-PPAR ETI 2013	0.1	0.00	4.94	4.94					
NYC FIRE NCB-CI PPAR ETI 2013	0.0	0.00	5.31	5.31					
TOTAL FIRE PPAR	2.9	0.03	4.68	4.68	10.50	8.53	8.27		
GNMA Plus 65bps			1.97	1.97	0.45	3.64	4.50	5.36	6.03
Access RBC	13.8	0.13	1.61	1.61	(0.54)	3.51	4.28		
AFL-CIO Hsg Inv Trust	40.6	0.39	1.75	1.75	(0.53)	3.49	4.21	4.43	
CPC Term Loan	1.3	0.01	0.55	0.55	2.40	2.36	2.26		
TOTAL TARGETED	58.6	0.57	1.20	1.20	(0.58)	3.37	4.08	4.47	5.54
Fire Custom Benchmark			1.68	1.68	(0.04)	3.43	4.31	4.33	5.26
TOTAL FIXED INCOME (DOM & GLOBAL)	3,125.8	30.38	2.49	2.49	2.23	5.32	7.97	5.69	6.27

# 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	0.7	0.01	0.01	0.01					
SECURITY LENDING	14.3	0.14							
STATE STREET SHORT TERM	165.1	1.60	0.02	0.02	0.21	0.32	0.49	2.16	
TOTAL CASH	165.8	1.61	0.02	0.02	0.25	0.31	0.47	2.16	
<b>TOTAL FIRE</b>	<b>10,287.8</b>	<b>100.00</b>	<b>2.23</b>	<b>2.23</b>	<b>12.75</b>	<b>8.85</b>	<b>15.05</b>	<b>7.24</b>	<b>5.81</b>
<i>Fire Policy Benchmark</i>			2.72	2.72	11.92	9.30	17.15	7.68	6.03



NEW YORK CITY FIRE 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
<b>US Equities</b>		<b>3,488</b>	<b>12.20</b>	<b>3,628</b>	<b>14.60</b>
Small Cap Active		131	57.83	147	67.39
Small Cap Growth		28	89.13	33	100.00
Small Cap Value		103	49.44	114	57.85
Small Cap core		-	-	-	-
Small Cap Fundamental Index		-	-	-	-
Small/Mid Cap Active		66	51.85	71	58.52
Small/Mid Cap Growth		-	-	-	-
Small/Mid Cap Value		66	51.85	71	58.52
Mid Cap Active		289	51.04	311	58.36
Mid Cap Growth		135	56.45	143	64.01
Mid Cap Value		75	47.55	81	57.30
Mid Cap core		79	45.12	86	50.00
Large Cap Active		324	20.90	283	27.71
Large Cap Growth		197	22.64	236	26.10
Large Cap Value		82	10.98	-	-
Large Cap Core		45	31.51	47	35.69
Large Cap Fundamental Index		-	-	-	-
Active Emerging Managers (U.S. Equities)		133	66.67	147	78.11
Total US Active Equities		943	43.91	959	53.75
Total US Passive Equities		2,545	0.45	2,669	0.53
Opportunistic US Equity Strategies		-	-	-	-
<b>International Equities</b>		<b>1,608</b>	<b>24.05</b>	<b>1,553</b>	<b>33.66</b>
Active EAFE Equities		1,006	19.88	859	33.41
Growth		421	11.12	301	28.01
Value		282	17.54	313	26.98
Core		246	40.64	116	45.91
Small Cap		57	6.72	129	50.40
Opportunistic-Non US Equity Strategies		21	56.69	-	-
Active Emerging Markets		339	47.62	437	50.93
Total Int'l Active Equities		1,367	27.34	1,296	39.32
Total Int'l Passive Equities		242	5.42	258	5.21
REITS Passive Index		325	39.88	322	39.75



NEW YORK CITY FIRE 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	
<b>Fixed Income</b>	<b>2,718</b>	<b>18.75</b>	<b>2,716</b>	<b>18.54</b>	
Structured Program	1,573	8.82	1,584	8.38	
Government Sector	211	8.60	210	8.75	
Mortgage Sector	644	9.81	650	7.19	
Investment Grade Credit Sector	717	8.72	724	9.35	
Global Fixed Income	10	22.64	11	16.15	
Progress Fixed Emerging Managers	26	35.28	26	37.50	
TIPS	232	7.14	234	6.32	
Active TIPS	175	9.35	176	8.25	
Passive TIPS	58	0.48	58	0.50	
Opportunistic Fixed Income	167	65.06	186	90.85	
Enhanced Yield	291	50.42	227	34.05	
Bank Loans	136	29.17	138	38.32	
Convertible Bonds	82	35.01	49	51.50	
ETI - Access - RBC	8	27.49	11	26.79	
ETI - AFL-CIO HIT	40	42.67	40	44.00	
Other ETI Programs	4	-	4	-	
In-House Short Term	148	0.00	206	0.00	
<b>Total Public Markets</b>	<b>8,139</b>	<b>17.90</b>	<b>8,218</b>	<b>20.49</b>	
<b>INVESTMENT STYLE (PRIVATE)</b>					
Hedge Funds	239	173.58	249	206.24	
Private Equity Investments *	522	171.82	566	198.02	
Real Assets	333	114.24	361	111.47	
Private Real Estate	333	114.24	360	106.92	
Infrastructure**	-	-	1	91.97	
<b>Total Private Markets</b>	<b>1,093</b>	<b>154.68</b>	<b>1,176</b>	<b>173.21</b>	
<b>Total Overall</b>	<b>9,233</b>	<b>34.10</b>	<b>9,394</b>	<b>39.61</b>	
* Private Equity Investments exclude GP CARRY					
** Included investment held for less than a full year; Basis Points shown represent average for the period.					



**NYC FIRE DEPARTMENT PENSION FUND  
SECURITIES LENDING INCOME  
March 31, 2014**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>	
1989*	\$109,000	--	--	
1990	104,000	--	--	
1991	157,000	--	--	
1992	429,000	\$47,000	\$48,000	
1993	762,000	146,000	102,000	
1994	693,000	267,000	102,000	
1995	495,000	306,000	96,000	
1996	455,000	228,000	179,000	
1997	473,000	512,000	257,000	
1998	789,000	552,000	356,000	
1999	716,000	690,000	408,000	
2000	734,000	897,000	408,000	
2001	1,176,000	1,286,000	561,000	
2002	671,000	1,162,000	506,000	
2003	349,000	644,000	452,000	
2004	505,000	670,000	462,000	
2005	740,000	1,070,000	574,000	
2006	599,000	1,753,000	713,000	
2007	1,437,000	3,180,000	786,000	
2008	4,172,000	6,798,000	1,236,000	
2009	1,606,000	3,588,000	817,000	
2010	760,000	2,047,000	563,000	
2011	977,000	2,674,000	927,000	
2012	1,229,000	3,324,000	832,000	
2013	893,000	3,467,000	704,000	
2014 (3 Months)	185,000	517,000	235,000	
Since Inception	<u>\$21,215,000</u>	<u>\$35,825,000</u>	<u>\$11,324,000</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 7/1/09, 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

#### Pages 9 & 10 - Portfolio Asset Allocation

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

#### Pages 11 - 13 - 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 \* 31.05%*

*International Developed (EAFE) Markets: MSCI EAFE \* 10.16%*



Through March 31, 2014

*Emerging Markets: MSCI Emerging Markets \* 6.50%*

*REITs: Dow Jones Real Estate Securities \* 3.00%*

*Private Equity: Russell 3000 + 300 b.p. per annum \* 6.36%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 3.62%*

*Hedge Funds: 1yr T- Bill yield + 4% \* 3.24%*

*Domestic Fixed Income: NYC Core +5 \* 22.51%*

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

*Enhanced Yield: Citigroup BB&B \* 3.74%*

*Bank Loans: Credit Suisse Leveraged Loan \* 1.69%*

*Convertible Bonds: BofAML All Convertibles Ex Mandatory \* 1.00%*

*Opportunistic Fixed: 10% Annualized Return \* 2.13%*

### **Page 14 – 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 51 – 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)
- GNMA: Citigroup 15 yr. GNMA
- 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