



## **New York City Employees' Retirement System**

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Performance Overview as of December 31, 2012

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# **Total Fund Overview**

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# New York City Employees' Retirement System

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# Consultant's Commentary

Through December 31, 2012

**General Economic and Market Conditions:** As of the first estimate, real GDP declined at an annual rate of 0.1% in the fourth quarter of 2012, catching most observers by surprise and giving pause to many who had bought into the consensus forecast of continuing modest growth. It would be easy to lurch from optimism to pessimism about the economy after being caught so off guard and to blame the uncertainty on the Fiscal Cliff. However, other economic data and a look under the hood at the components of GDP growth reveal much that is still right with the world. Third quarter GDP growth came in at a stronger-than-anticipated 3.1% rate, and the fourth quarter weakness is really just payback. Consensus GDP estimates for the fourth quarter began falling once the third quarter was revised upward. Second, fourth-quarter weakness was due primarily to reduced government spending (state, local, and federal, particularly defense) and a sharp slowdown in inventory accumulation. Together, these sectors subtracted 2.6% from GDP in the fourth quarter. However, surprises on the upside in these two sectors provided a good portion of the boost in the third quarter, so a return to earth for both sectors was largely expected. These corrections are indeed large, but largely temporary. Real defense spending is clearly trending down, but the fourth quarter drop was outsized. Exports were the third source of weakness in the fourth quarter, which declined 5.7% after growing by 1.9% in the third quarter.

It is easy to blame the battle over the Fiscal Cliff for a plunge in sentiment, which in fact showed up the surveys. Hurricane Sandy hurt growth in the fourth quarter, but its impact on nation-wide sentiment and therefore economic activity is less certain. Consumer sentiment had crept back up over 80 in the fall (the 80 mark is the usual sign of confidence in an economic expansion) as job market numbers kept improving, the housing market showed signs of recovery, and the stock market rallied. When negotiations over the Cliff collapsed, consumer sentiment fell back to 72 in December. The National Federation of Independent Business Index, which captures small business owners' sentiment, fell sharply in October on concerns over changes in taxation and government spending. Clearly, some of the reversal in inventories was the result of hesitation caused by the Cliff. The Institute for Supply Management (ISM) evaluates purchasing plans by businesses across all industries, and publishes a diffusion index scaled around 50, the dividing line between expansion and contraction. The ISM indices for both manufacturing and non-manufacturing have held solidly above 50 since mid-2009. Both fell back toward 50 in the second quarter, but did not dip into recession territory as the Fiscal Cliff discussions dragged on.

## Consultant's Commentary

### Through December 31, 2012

Incoming data on jobs and housing and the GDP reports on consumer spending all point to continued growth. Personal consumption expenditures rose 2.2% in the quarter, well ahead of overall GDP growth, and an improvement on the 1.6% gain in the third quarter. Durable goods spending (cars, appliances, equipment) jumped 13.9%, on top of robust 8.9% growth in the previous quarter. Residential investment accelerated from 13.5% growth in the third quarter to 15.3%, indicating solid signs of a recovery in the housing market. Non-residential housing bounced back from an unexpected decline in the third quarter to notch an 8.4% gain. The job market firmed up after a weak spring in 2012, stringing together a run with over 150,000 new jobs added each month since July, and ending the year with a gain of almost 200,000 in December. The unemployment rate finally fell below 8% and trended down through the fourth quarter, although concerns remain about the source of this improvement. The discouraged worker effect, where job seekers drop out of the labor force in frustration, lowers the unemployment rate while perhaps not properly reflecting the true state of the job market. The underemployment rate, which measures the number of workers who currently have a job but would like to work more, remains lodged in the mid-teens. Firms have been cautious about hiring in the face of a modest economic expansion, and the drop in business sentiment in the fourth quarter may show up in the job market gains in the first half of 2013. Initial weekly unemployment gains, one of the few truly leading indicators, remained largely below the bellwether 400,000 line through the second half of 2012, but the month-to-month volatility of the measure shot up, reflecting employers' uncertainty.

The Fiscal Cliff likely had the greatest effect on reported incomes. Companies paid special or accelerated dividends to individuals in anticipation of an increase in the dividend tax rate in 2013. To a lesser extent, bonus and other payments were likely accelerated into 2012 to avoid expected higher taxes on ordinary income. The result was a 7.9% jump in reported personal income, double the rate of growth the Bureau of Economic Analysis estimated without the anticipated tax changes. Personal income will likely fall in the first quarter of 2013, due to both the income pulled forward into 2012 and the end of the payroll tax cut.

**Total Fund Performance:** For the quarter ending December 31, 2012, the Fund returned +2.20%, above the Policy Target's return of +1.56%. For the last year, the Fund has returned +13.42% versus +13.39% for the benchmark. Trailing three-year performance is a strong +9.28% annualized versus +9.64% annualized for the benchmark.

## Consultant's Commentary

### Through December 31, 2012

**Total Fund Allocation:** The Fund's assets totaled \$44.2 billion as of the end of the fourth quarter of 2012. As compared to the Adjusted New Policy Target, the Fund's largest overweights are to cash (+2.2%), enhanced yield (+2.0%), and private equity (+1.5%). The Fund is most notably underweight core + 5 (-5.0%) and TIPS (-1.7%).

**U.S. Equity:** The total domestic equity portion of the NYCERS Fund rose 0.96% for the quarter, ahead of the +0.25% return of the Russell 3000. For the trailing year, NYCERS beat the index, returning +16.62% versus +16.42% for the index. The Fund is slightly behind the benchmark over three years and above it over five years. The active portfolio bested the passive one over the quarter, one year, three year and five year periods.

In Large Cap, the Fund outperformed the Russell 1000 Index, returning +1.39% versus the Russell 1000's return of +0.12%. Over the past year, the Fund is ahead of the benchmark, gaining 16.76% versus 16.42% for the index.

In Mid Cap, the Fund's performance closely mirrored that of the index, consistent with its strictly passive exposure. The Fund returned +3.56%, five basis points below the return of the S&P Mid Cap Index. Over the past year, the fund's 17.81% return is 7 basis points below that of the index.

In Small Cap, the Fund gained 2.91%, besting the Russell 2000 return of +1.85%. The Fund's one year return of +17.81% was ahead of the +16.35% return of the Index.

**Developed International:** For the quarter, the Fund's Non-U.S. Developed Equity composite rose 6.08% (excluding NYCERS' non-U.S. Environmental and Activist managers), underperforming the MSCI EAFE Index, which climbed 6.57%. The active portfolio (+6.05%) mildly underperformed the passive one (+6.16%). The Fund returned +17.17% for the year, slightly behind the return of the benchmark (+17.32%). The fund is ahead of the benchmark over the longer term three- and five-year periods in developed markets.

# Consultant's Commentary

## Through December 31, 2012

**Emerging Markets Equity:** The Fund's emerging markets equity composite returned +3.92% in the quarter, slightly behind the +4.24% return of the FTSE NYCERS custom benchmark. The passive portfolio outperformed the active one for the quarter. Over the past year, three years and five years, the Fund is ahead of the custom benchmark.

**Fixed Income:** The composite of the Fund's structured investment grade bond managers gained 0.57% during the quarter, while the NYCERS Core Plus Five Index advanced 0.29%. For the past year, the structured composite has gained 6.92%, while the benchmark's return is +5.41%. Over longer time periods, the composite is also ahead of the benchmark, having beaten it over the trailing three-year and five-year periods.

**TIPS:** The Fund's TIPS composite delivered a +0.76% return in the quarter, ahead of the +0.69% return for the Barclays Capital US TIPS Index. Over the past year, the Fund's TIPS managers have returned +7.25%, ahead of the benchmark's return of +6.98%. The Fund has bested the Index over three years and five years.

**Enhanced Yield:** In enhanced yield, the Fund's managers achieved a +3.33% return for the quarter, while the Citigroup BB&B Index posted a return of +3.00%. The Fund has beaten the benchmark over one, three and five years.

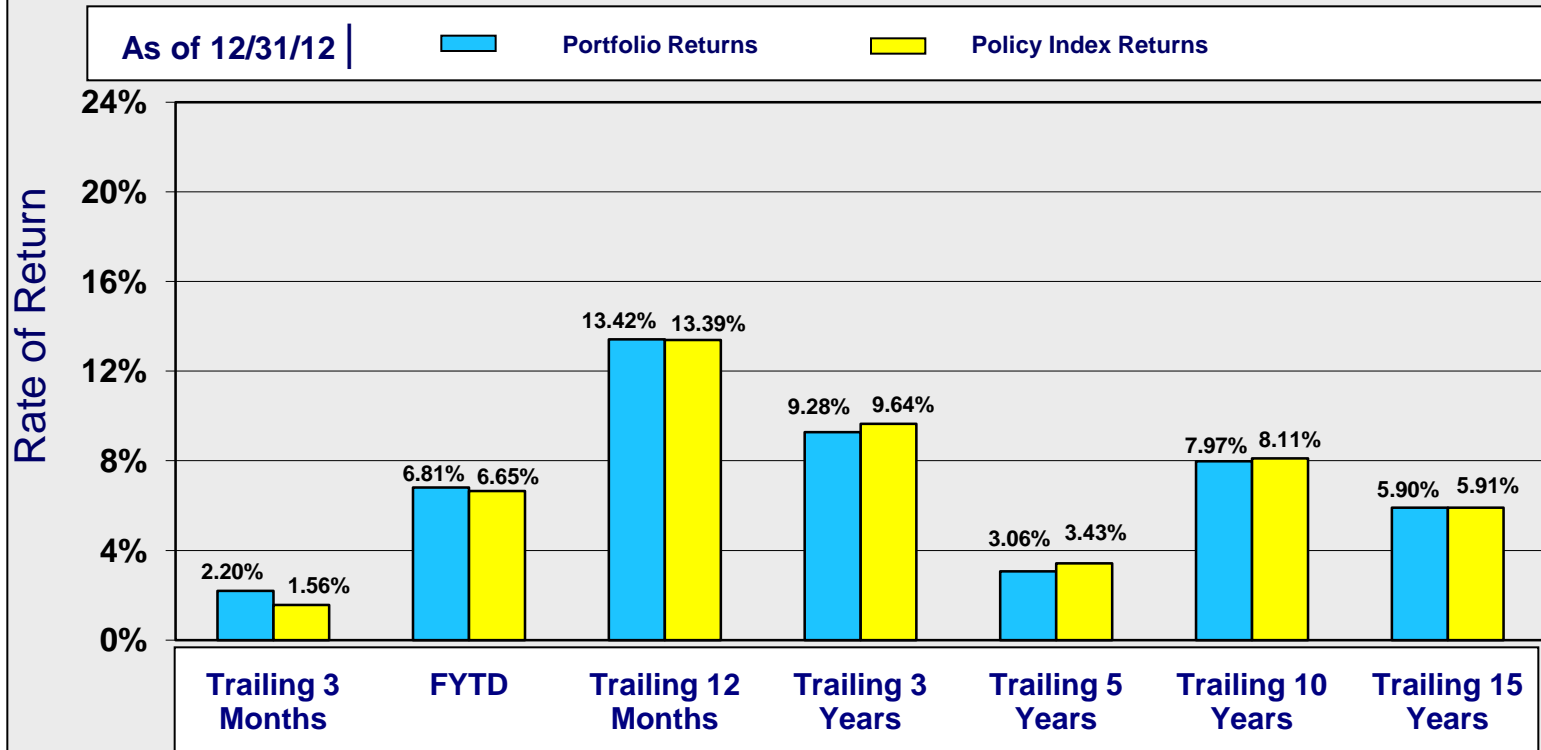
**Convertibles:** The convertible portfolio gained 1.35% in the quarter, slightly behind the NYCERS Custom Convertible Bond Index's return of +2.03%. For the past year, the Fund is below benchmark, but is ahead of it over three years.

**Opportunistic Fixed Income:** The opportunistic fixed income composite advanced 2.57% for the quarter, behind the 4.36% gain of the JPMorgan Global High Yield Plus 3% benchmark. For the past year, the fund is above benchmark with a return of 20.49%.

**Alternatives:** For the quarter, the Private Equity portfolio had approximately \$3.7 billion in invested capital, representing roughly 8.5% of the Total Fund. The Real Estate portfolio had approximately \$1.9 billion invested, accounting for roughly 4.3% of the Total Fund. Hedge Fund investments represented \$1.0 billion, or 2.3%. Performance is reported separately by NYCERS' Private Equity, Real Estate and Hedge Fund consultants.

# Total Portfolio Returns: December 31, 2012

**\$44.2B** Under Management



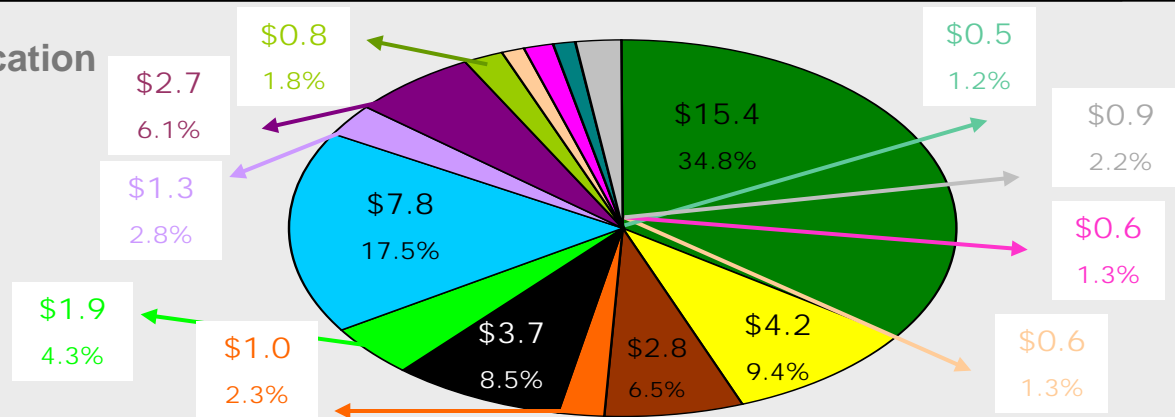
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	9.7	12.7	10.1	11.0
Benchmark Std Dev	10.6	14.1	11.0	11.6

Note: All returns are Gross. Estimates of fees for major investment programs are provided in the Appendix.

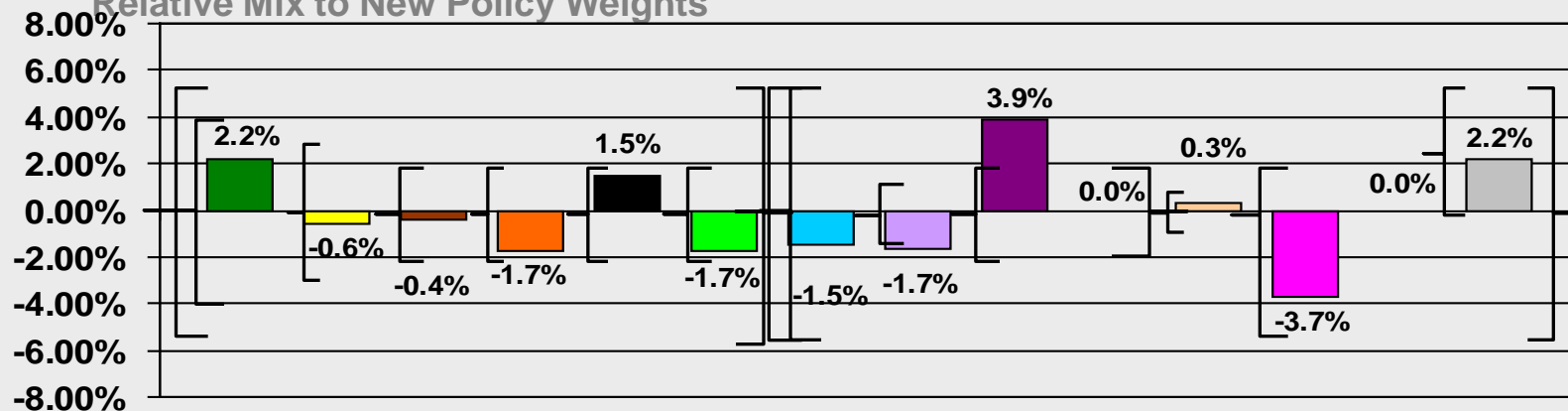
## Portfolio Asset Allocation: December 31, 2012

**\$44.2B** Under Management

### Asset Allocation



### Relative Mix to New Policy Weights



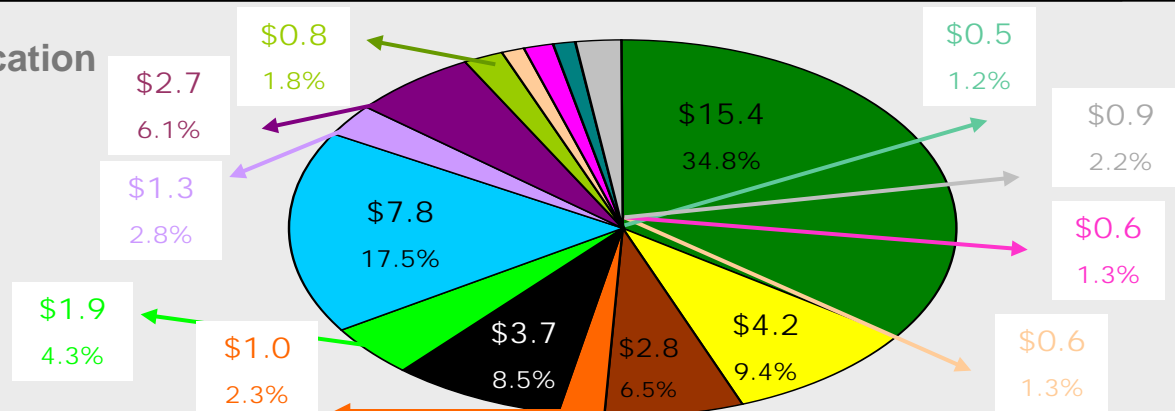
Note: Brackets represent rebalancing ranges versus policy.



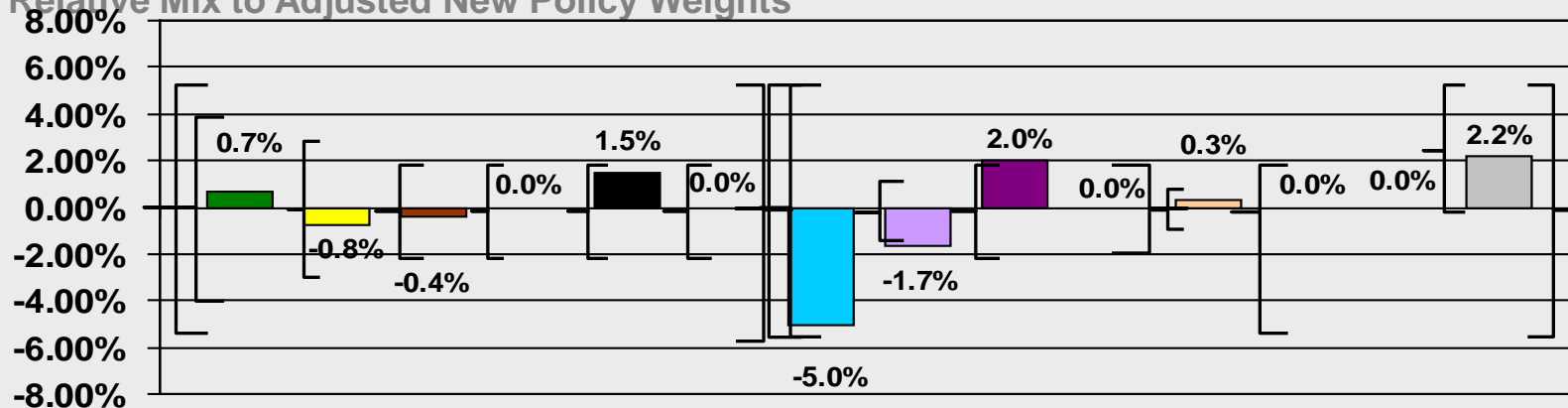
## Portfolio Asset Allocation: December 31, 2012

**\$44.2B** Under Management

### Asset Allocation

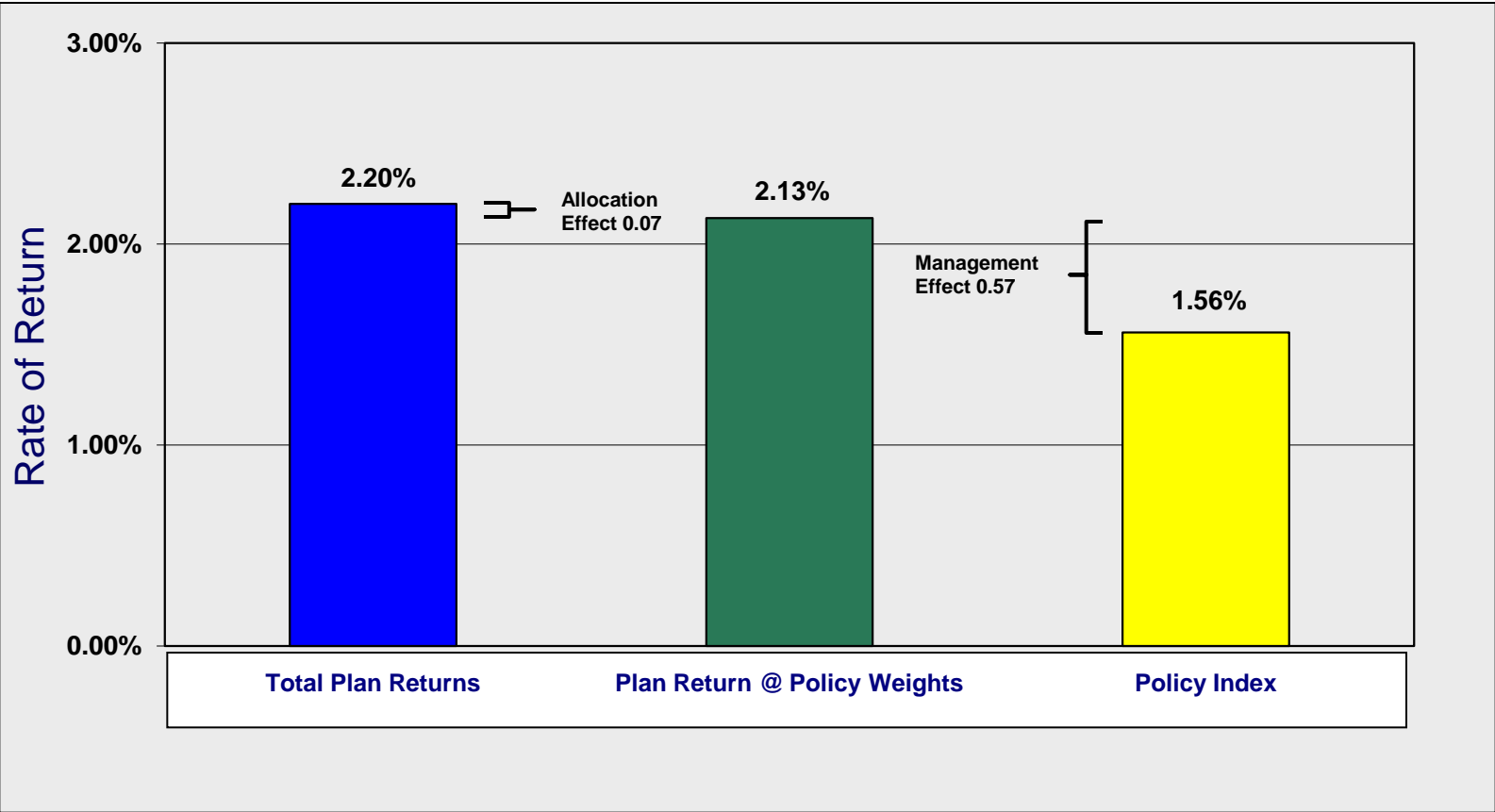


### Relative Mix to Adjusted New Policy Weights

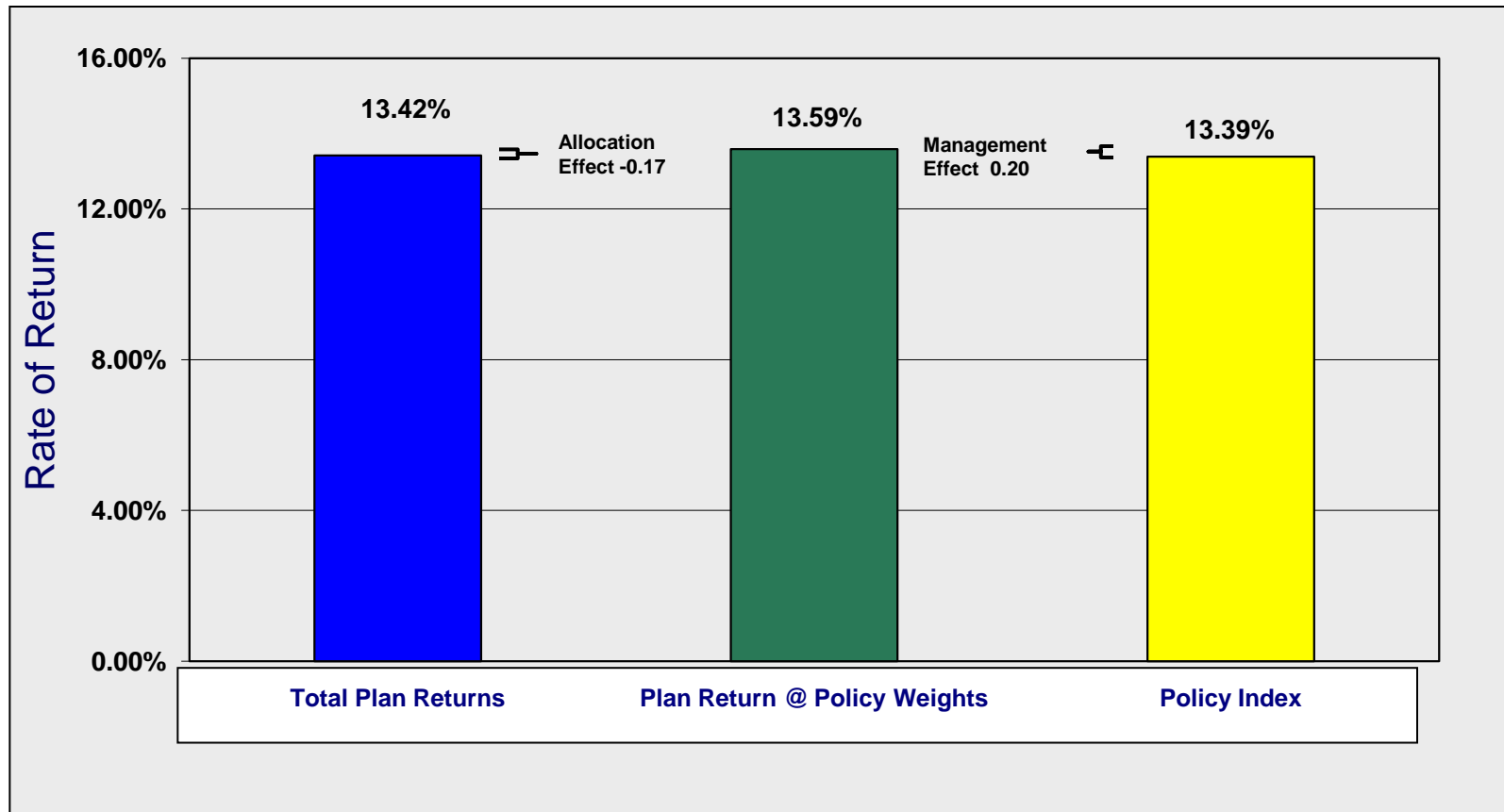


Note: Brackets represent rebalancing ranges versus policy.

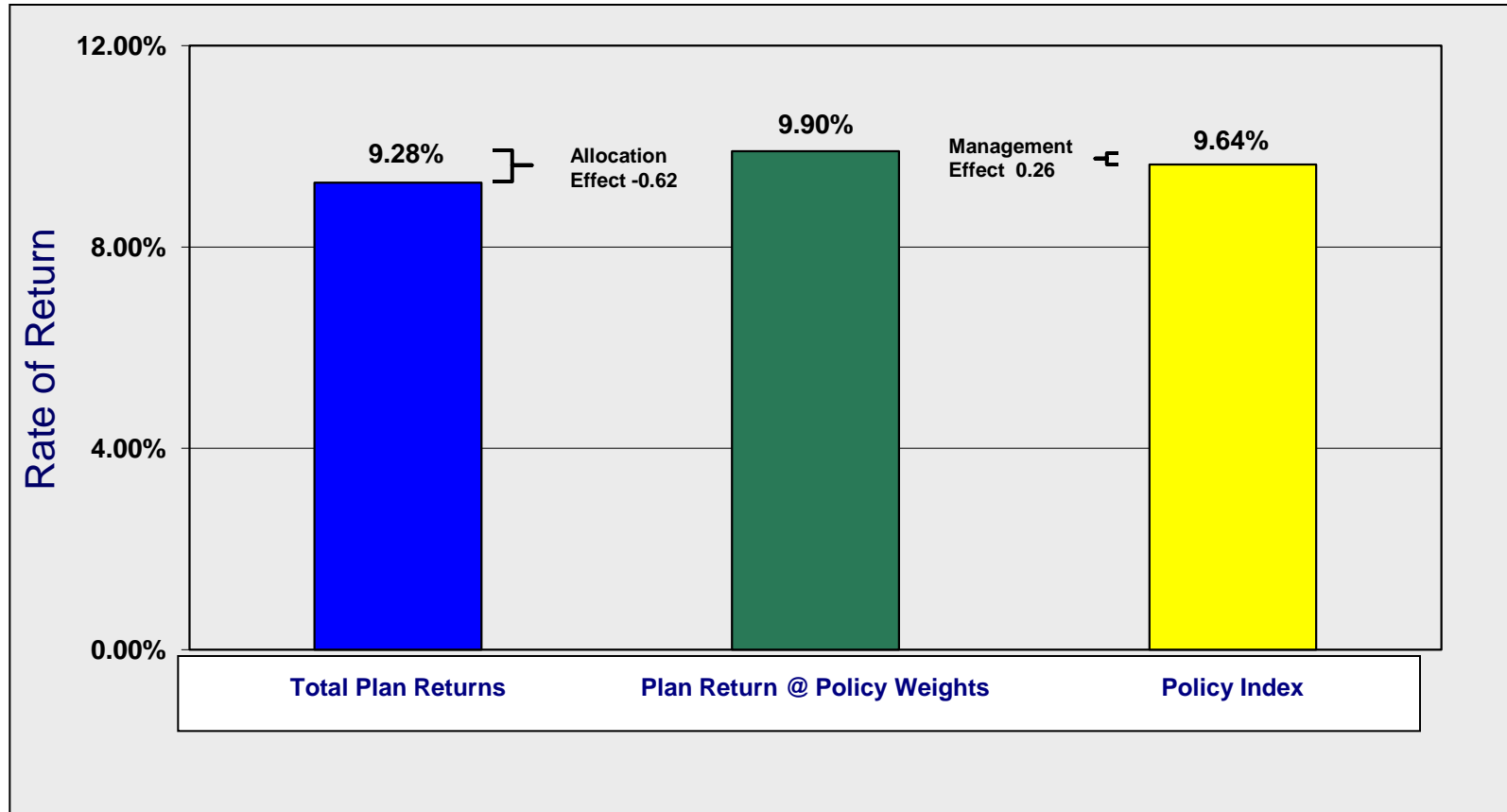
Performance Attribution: Total Plan - Quarter Ending December 31, 2012



## Performance Attribution: Total Plan – 12 Month Ending December 31, 2012



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



## Total Plan: December 31, 2012

### Allocation Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.03	0.07	-0.11	Russell 3000 Index
EAFE Markets	-0.07	-0.16	-0.09	MSCI EAFE Index
Emerging Markets	-0.01	-0.08	-0.03	FTSE NYCERS Custom Index
Private Equity	0.04	-0.04	-0.01	Russell 3000 Index + 500 b.p.
Private Real Estate	0.00	0.00	0.00	NCREIF ODCE net
Hedge Funds	0.00	0.04	N/A	HFRI Fund of Funds Composite Index + 1%
Domestic Fixed	0.08	0.15	-0.29	NYC Core +5 Index
Enhanced Yield	0.02	0.03	0.00	Citigroup BB&B Index
TIPS	0.01	0.09	-0.02	Barclays Capital US TIPS
Convertible Bonds	0.00	-0.01	-0.01	Merrill All Converts ex Mandatory (VOAO)
Opportunistic Fixed	0.00	0.00	-0.01	JPM Global High Yield + 3%
State Street Short Term	-0.01	-0.34	-0.30	Total Plan

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

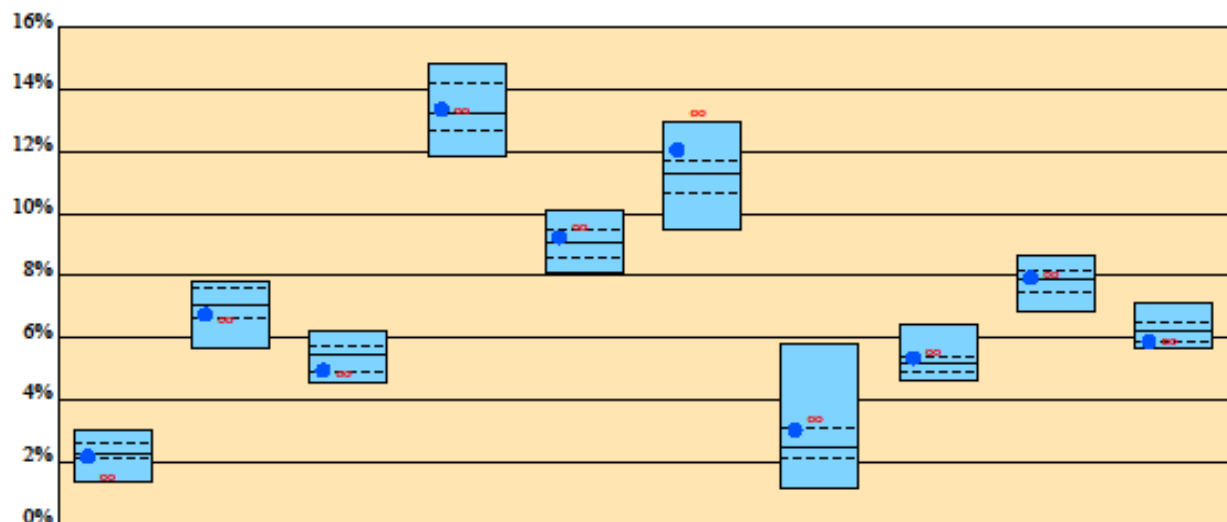
## Total Plan: December 31, 2012

### Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.26	0.05	-0.09	Russell 3000 Index
EAFE Markets	-0.04	0.00	0.00	MSCI EAFE Index
Emerging Markets	-0.02	0.10	0.04	FTSE NYCERS Custom Index
Private Equity	0.31	-0.66	-0.34	Russell 3000 Index + 500 b.p.
Private Real Estate	0.07	0.15	0.06	NCREIF NFI ODCE net
Hedge Funds	0.03	0.03	NA	HFRI Fund of Funds Composite Index + 1%
Domestic Fixed	0.05	0.24	0.18	NYC Core + 5 Index
TIPS	0.00	0.01	0.00	Barclays Capital US TIPS Index
Enhanced Yield	0.02	0.00	0.05	Citigroup BB&B Index
Convertible Bonds	-0.01	-0.03	-0.02	Merrill All Convertibles EX Mandatory (VOAO)
Opportunistic Fixed	-0.02	-0.04	-0.03	JPM High Yield + 3%

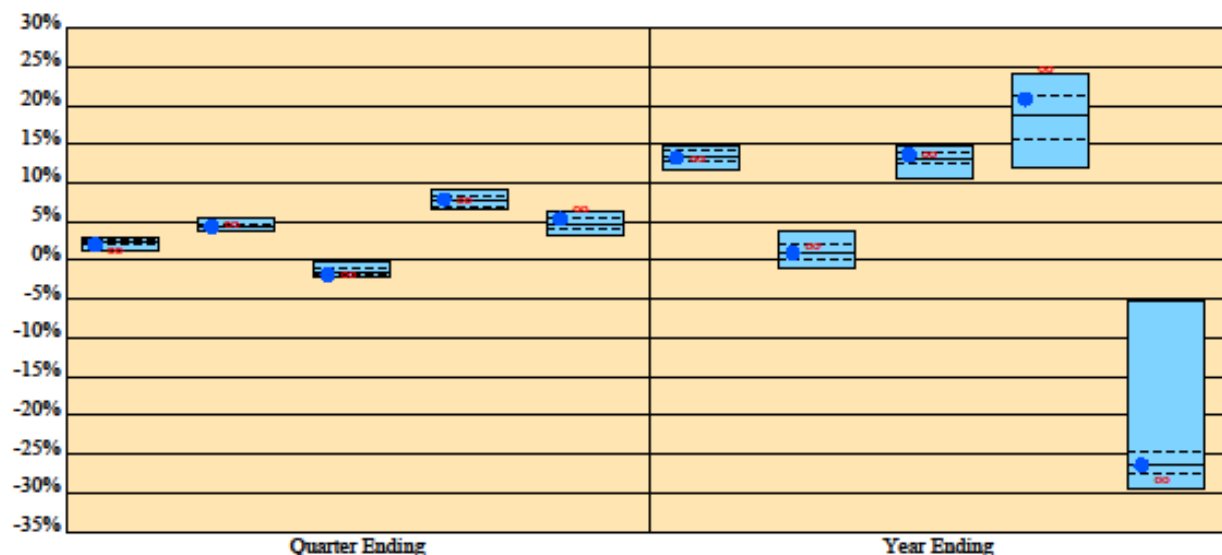
Note: Detailed effects may not add up to total due to reallocation and trading effects.

**City of New York - Employees**  
**Total Returns of Public Master Trusts > \$10 Billion**  
**Rates of Return for Periods Ending December 31, 2012**



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	3.03	7.81	6.24	14.85	10.11	12.97	5.80	6.45	8.65	7.09
25th Percentile	2.57	7.62	5.73	14.21	9.46	11.73	3.07	5.38	8.16	6.49
Median	2.29	7.08	5.48	13.25	9.09	11.26	2.47	5.20	7.91	6.23
75th Percentile	2.10	6.60	4.91	12.68	8.59	10.66	2.15	4.88	7.46	5.90
95th Percentile	1.34	5.69	4.58	11.83	8.12	9.46	1.17	4.60	6.87	5.67
• Total System	2.20 (57)	6.78 (64)	4.97 (71)	13.39 (46)	9.27 (32)	12.09 (15)	3.07 (25)	5.38 (25)	7.97 (42)	5.90 (81)
∞ Employees Policy Benchmark	1.56 (92)	6.65 (67)	4.90 (78)	13.39 (46)	9.65 (15)	13.31 (1)	3.43 (15)	5.59 (15)	8.11 (25)	5.91 (70)

# City of New York - Employees Total Returns of Public Master Trusts > \$10 Billion Recent Periods



	Quarter Ending					Year Ending				
	Dec 12	Sep 12	Jun 12	Mar 12	Dec 11	Dec 12	Dec 11	Dec 10	Dec 09	Dec 08
5th Percentile	3.03	5.40	-0.07	9.21	6.47	14.85	3.78	14.71	24.18	-5.20
25th Percentile	2.57	4.70	-0.97	8.19	5.41	14.21	2.15	13.89	21.20	-24.58
Median	2.29	4.48	-1.58	7.75	4.54	13.25	0.86	13.12	18.76	-26.32
75th Percentile	2.10	4.32	-1.78	7.00	3.97	12.68	0.15	12.44	15.51	-27.50
95th Percentile	1.34	3.83	-2.13	6.60	3.27	11.83	-1.05	10.57	11.85	-29.44
● Total System	2.20 (57)	4.49 (46)	-1.69 (60)	8.01 (35)	5.49 (21)	13.39 (46)	1.13 (42)	13.79 (32)	20.98 (32)	-26.32 (50)
∞ Employees Policy Benchmark	1.56 (92)	5.01 (15)	-1.64 (50)	8.09 (25)	6.80 (1)	13.39 (46)	2.12 (25)	13.84 (25)	25.04 (1)	-28.19 (87)



## **New York City Employees' Retirement System**

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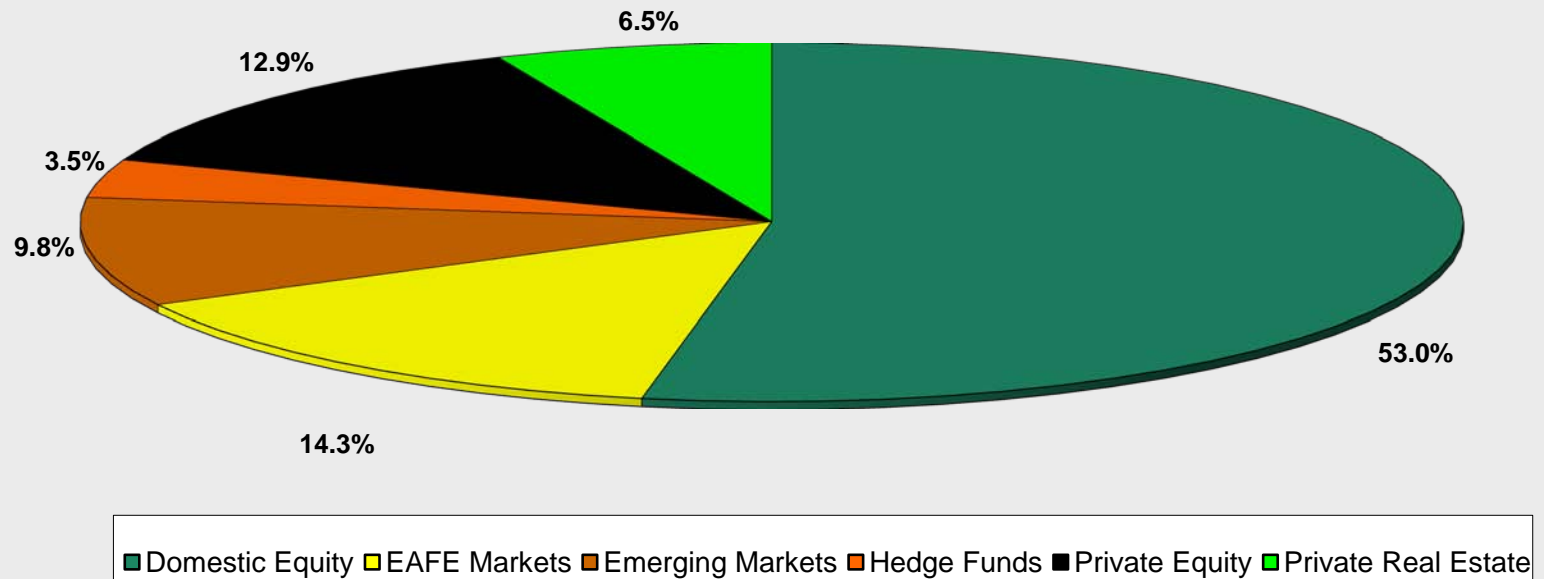
# **Equity Analysis**

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## Total Equity Asset Allocation: December 31, 2012

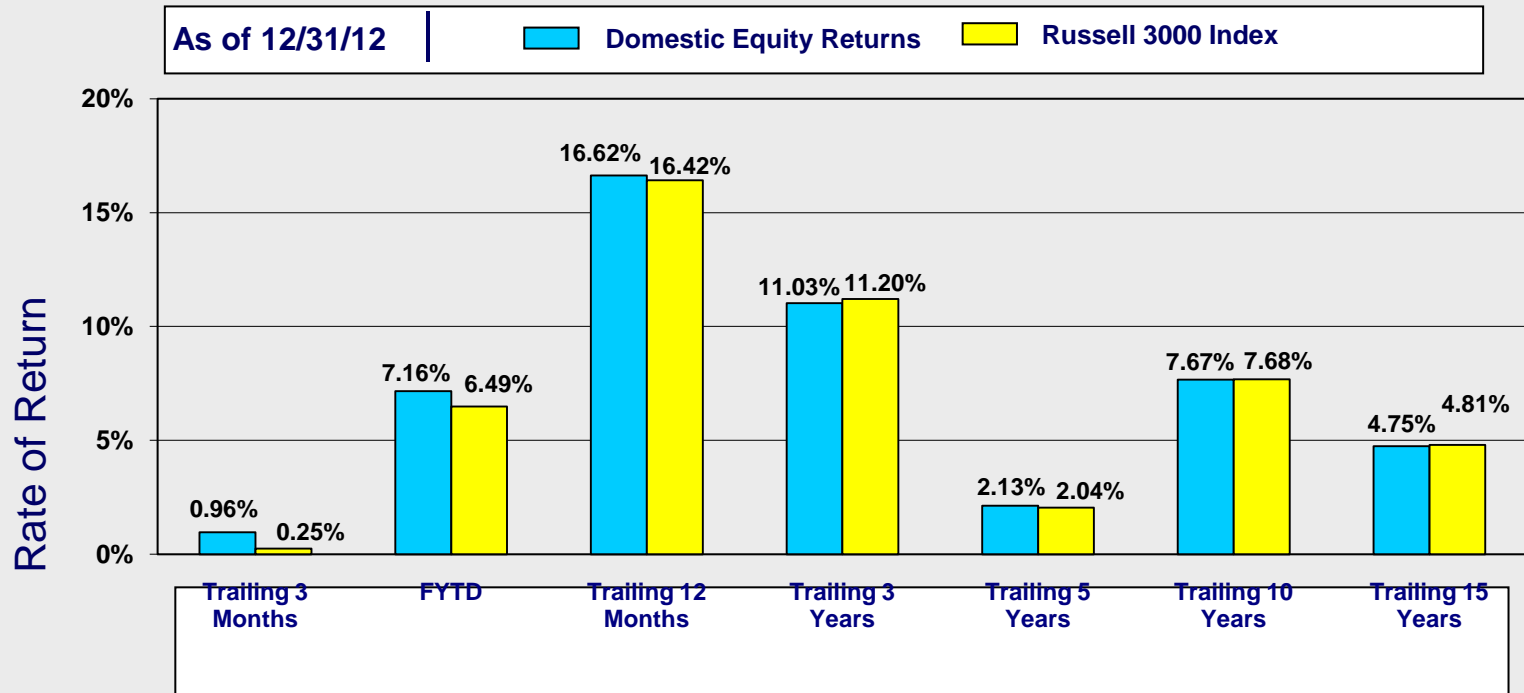
**\$29.1B** Under Management, **66%** of Total Funds

Asset Allocation by Groups



## Total Domestic Equity Returns vs Russell 3000 Index

**\$15.4B** Under Management, **35%** of Total Funds

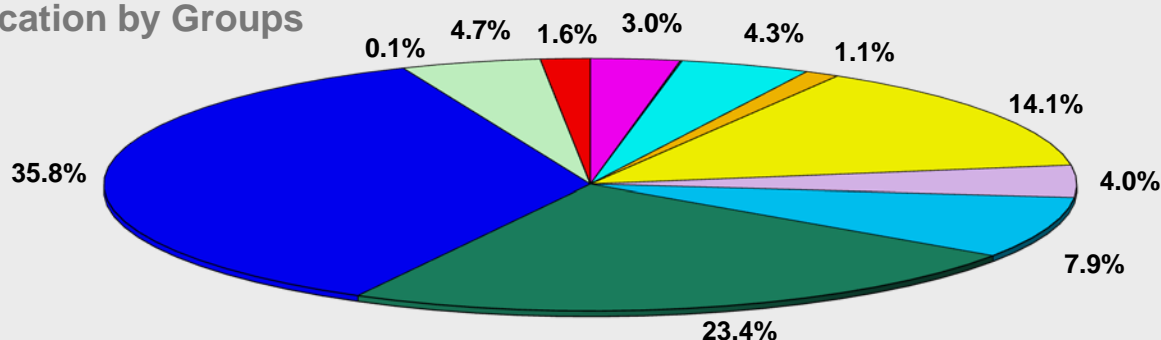


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.0	19.7	15.4	16.6
Benchmark Std Dev	15.7	19.6	15.3	16.6

## Total Domestic Equity Asset Allocation: Quarter Ending December 31, 2012

**\$15.4B** Under Management, **35%** of Total Funds

### Asset Allocation by Groups



Small Cap Active	AC Transition Equity	Small Cap Fundamental	Small Cap Russell 2000 Index
Mid Cap S&P 400 Index	Russell 1000 Active	Large Cap Fundamental	S&P 500 Index Fund
Russell 3000 Index Fund	Emerging Managers	US Activist & Env	

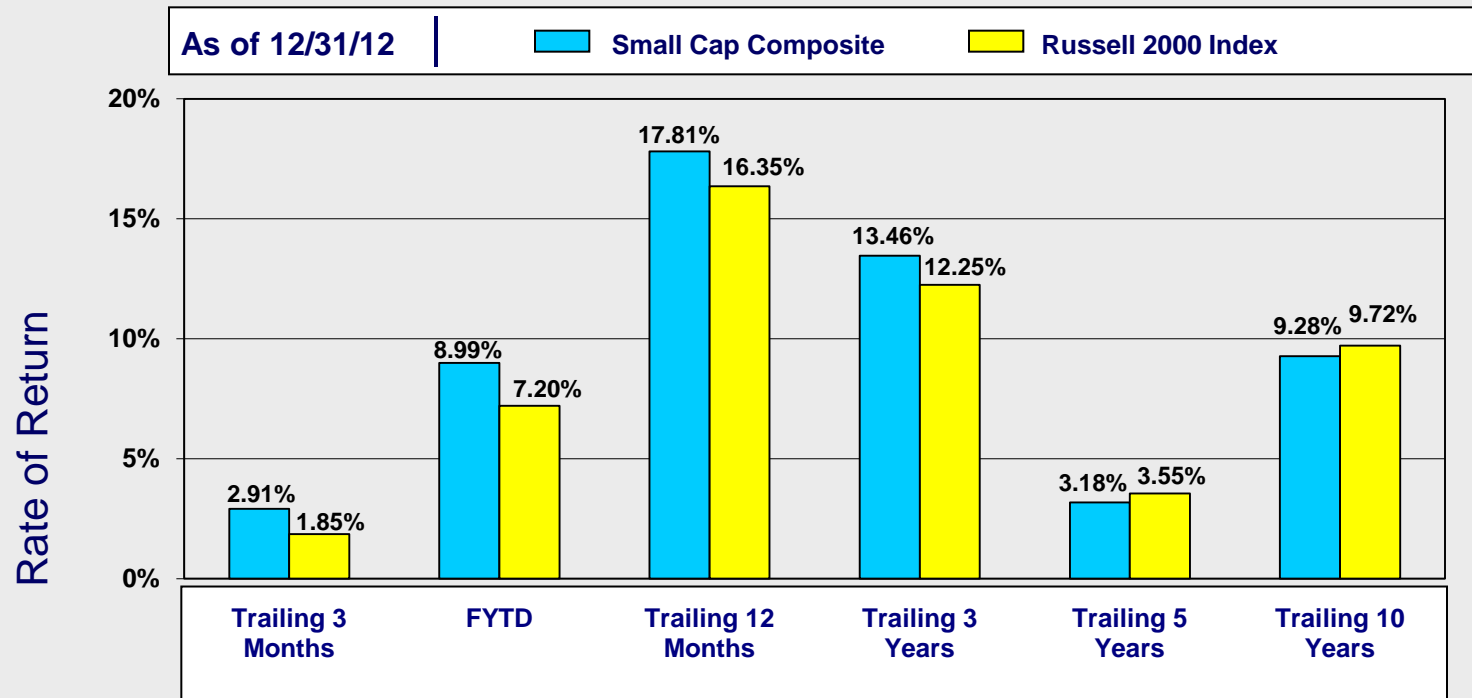
### Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Transition Account Equity	0.00	0.06	0.06	****	****	****	****	****
Small Cap Active	3.99	2.97	-1.02	1.85	3.61	1.75	0.02	0.09
Small Cap Fundamental Index	3.00	4.33	1.33	1.85	3.87	2.02	0.02	0.08
Small Cap Russell 2000 Index**	1.54	1.14	-0.40	1.85	1.78	-0.07	0.02	0.00
Mid Cap S&P 400 Index**	12.51	14.10	1.59	3.61	3.56	-0.05	0.05	-0.01
Russell 1000 Active	3.13	4.05	0.92	0.12	1.39	1.27	-0.04	0.15
Large Cap Fundamental Index	5.44	7.88	2.44	0.12	1.79	1.67	-0.02	0.13
S & P 500 Index Fund	22.00	23.36	1.36	-0.38	-0.32	0.06	-0.01	0.01
Russell 3000 Index Fund**	44.59	35.80	-8.79	0.25	0.20	-0.05	0.03	-0.02
Emerging Managers	3.50	4.65	1.15	0.25	0.68	0.43	0.00	0.02
US Activist & Environmental	0.30	1.65	1.35	1.85	2.33	0.47	0.00	0.00

\*\* Index Fund Managers also used to meet capitalization size policy not met through active managers.

## Small Cap Returns vs Russell 2000 Index

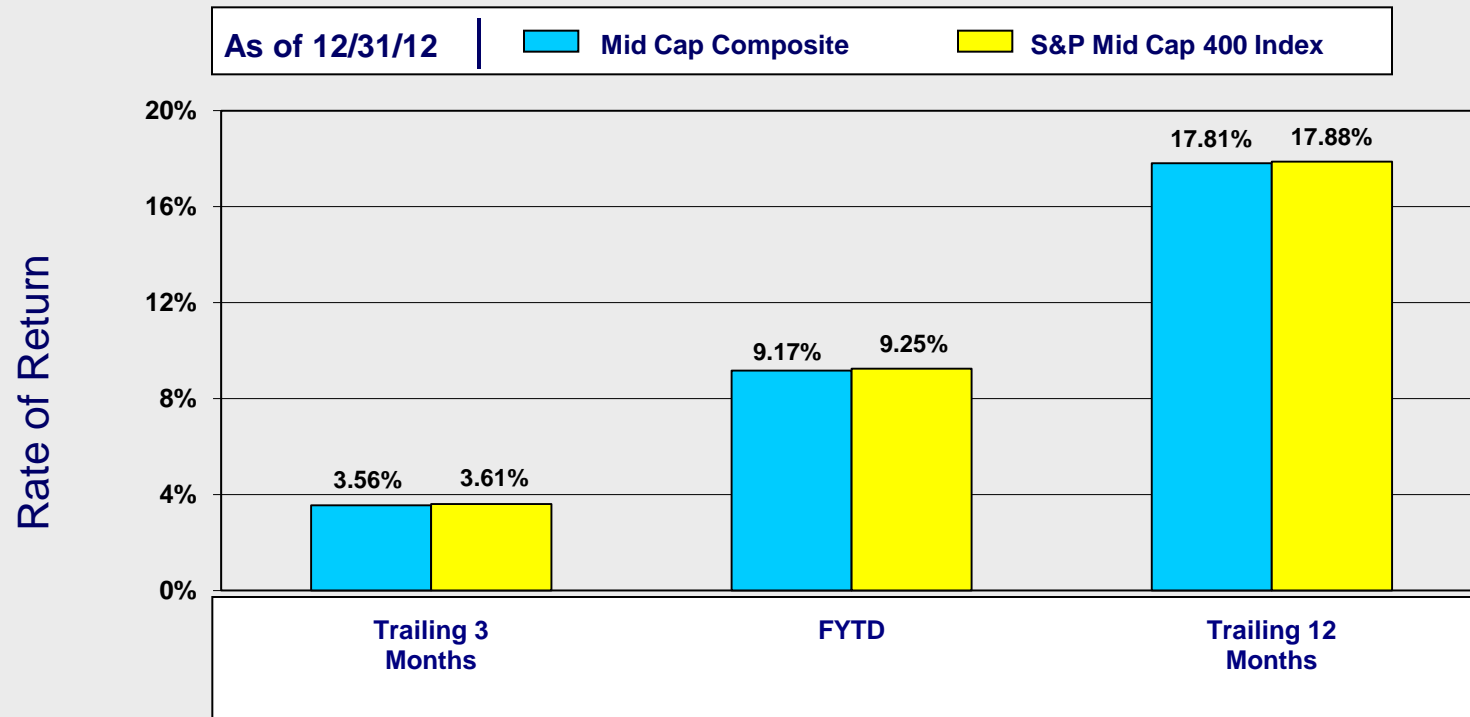
**\$1.3B** Under Management, **3%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	20.3	25.4	20.0
Benchmark Std Dev	20.2	24.4	20.0

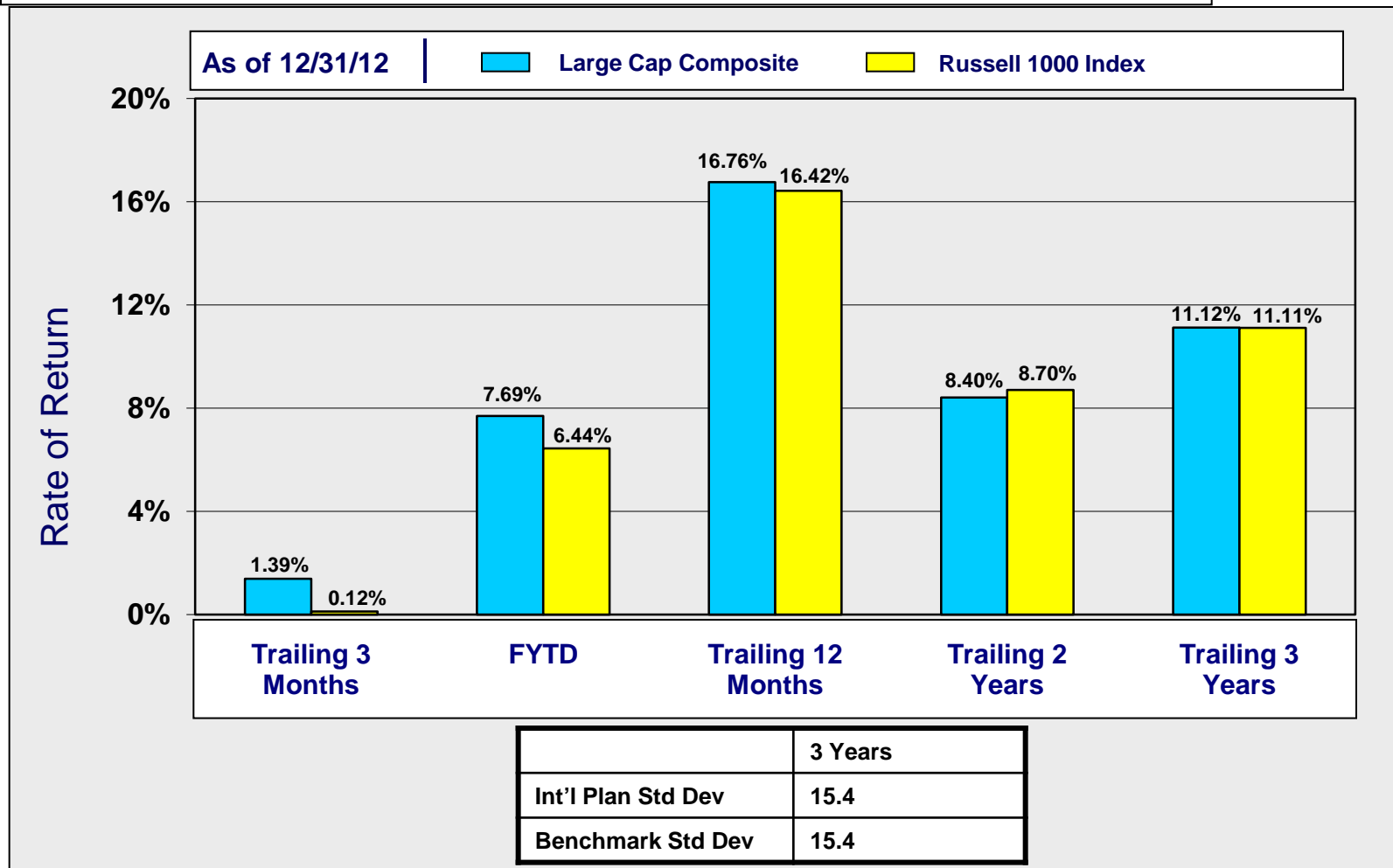
## Mid Cap Returns vs S&P Mid Cap 400 Index

**\$2.2B** Under Management, **5%** of Total Funds



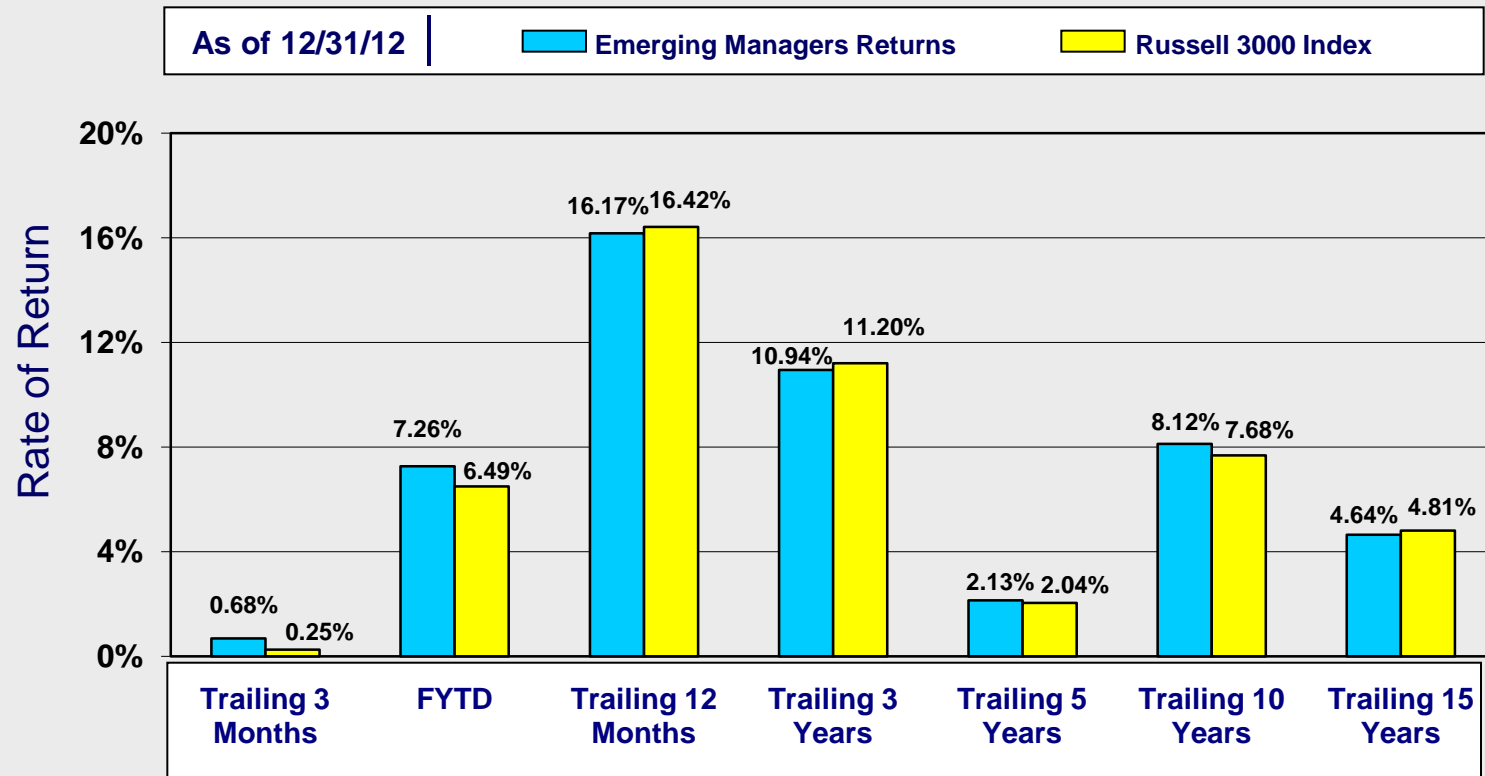
## Large Cap Returns vs Russell 1000 Index

**\$1.8B** Under Management, **4%** of Total Funds



## US Equity Emerging Managers Returns vs Russell 3000 Index

**\$0.7B** Under Management, **2%** of Total Funds

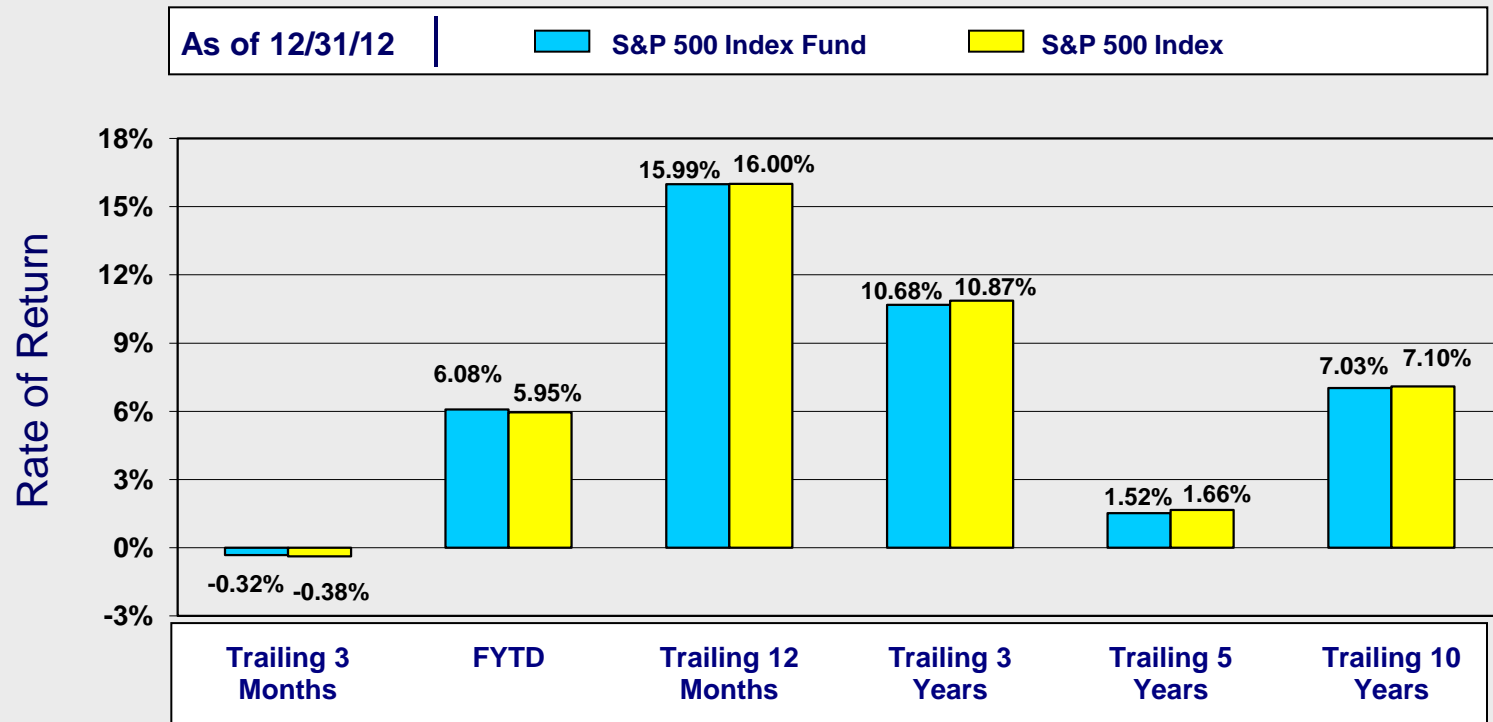


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.5	19.8	15.5	17.5
Benchmark Std Dev	15.7	19.6	15.3	16.6



## S&P 500 Index Fund Returns vs S&P 500 Index

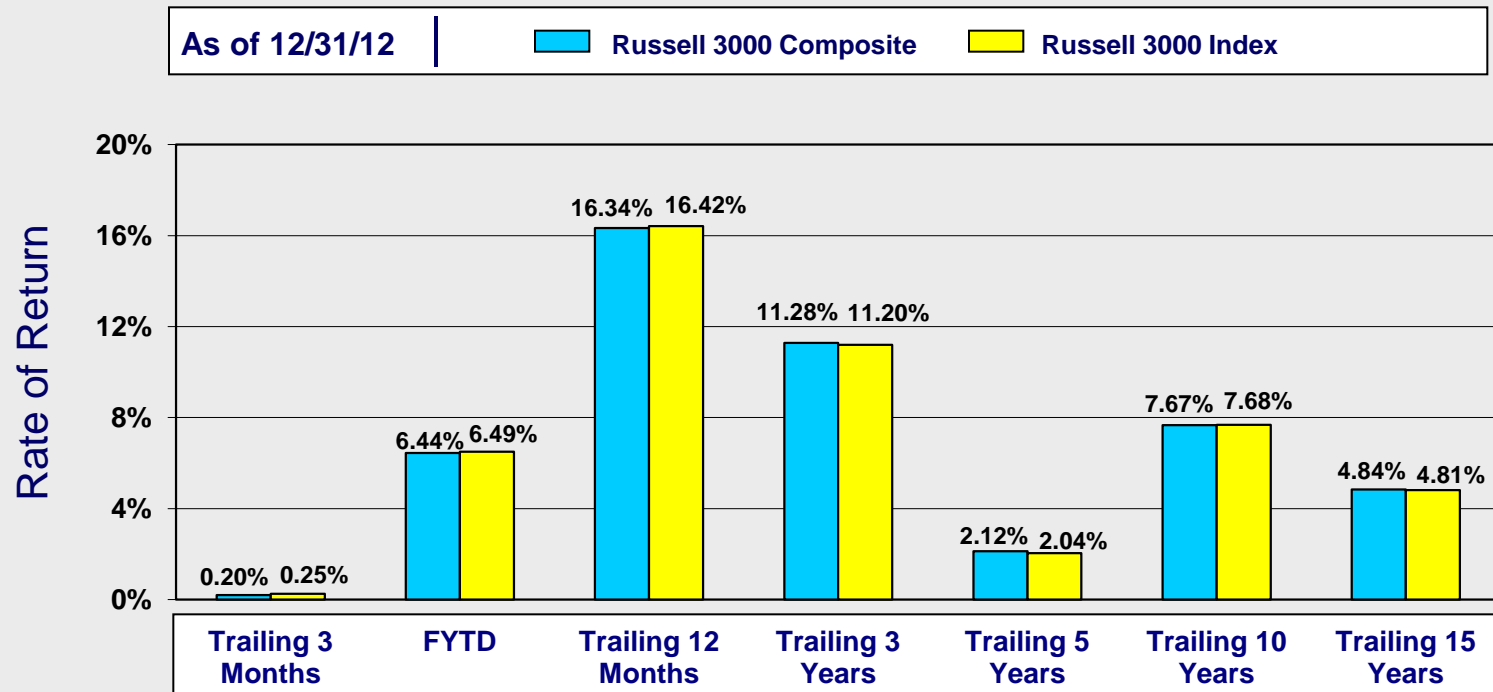
**\$3.6B** Under Management, **8%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	15.1	18.9	14.7
Benchmark Std Dev	15.1	18.9	14.7

## Russell 3000 Index Fund Returns vs Russell 3000 Index

**\$5.5B** Under Management, **12%** of Total Funds

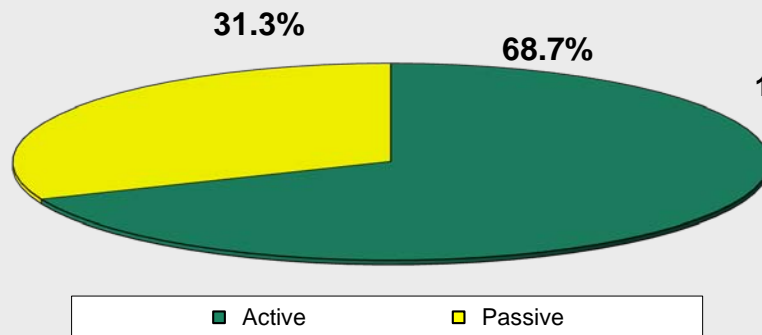


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	15.7	19.6	15.3	16.6
Benchmark Std Dev	15.7	19.6	15.3	16.6

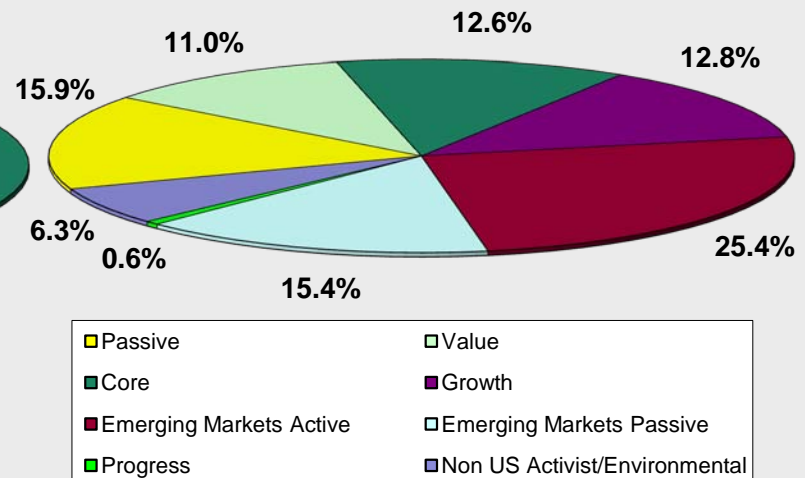
## International Equity Asset Allocation: December 31, 2012

**\$7.0B** Under Management, **16%** of Total Funds

Asset Allocation by Groups



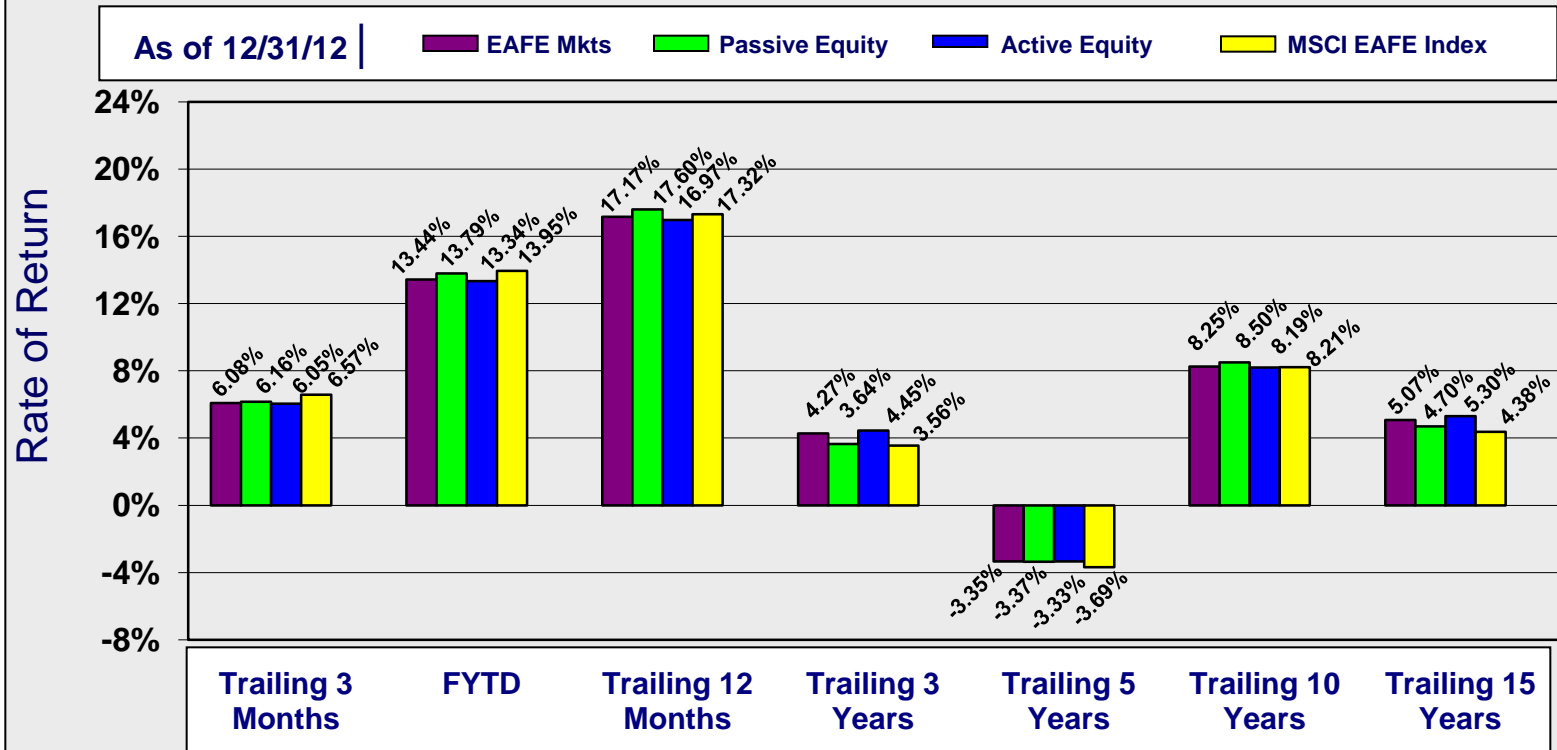
Asset Allocation by Style



Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to	
							Allocation	Management
EAFE Growth		12.81		5.79	6.78	0.98		0.12
EAFE Value		10.97		7.44	5.10	-2.34		-0.23
EAFE Core		12.63		6.57	6.14	-0.43		-0.05
EAFE Passive		15.94		6.57	6.16	-0.41		-0.06
Progress		0.61		6.57	6.36	-0.21		0.00
Non-US Activist		3.63		7.78	12.49	4.70		0.16
Non-US Environmental		2.70		2.63	3.60	0.98		0.03
Active EM		25.36		4.24	3.87	-0.37		-0.09
Passive EM		15.35		4.24	4.00	-0.23		-0.23

## EAFE Markets Returns vs MSCI EAFE Index

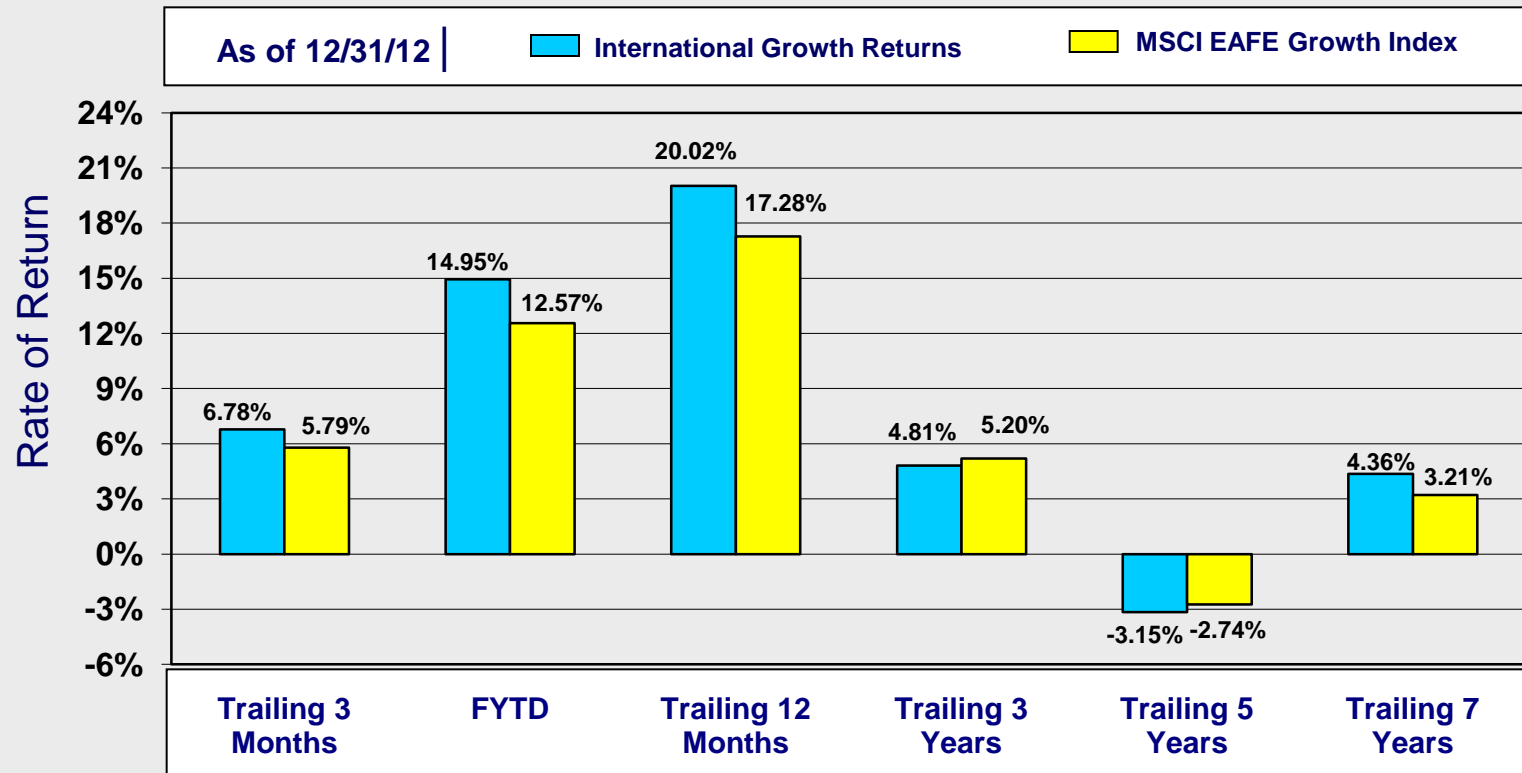
**\$3.7B** Under Management, **8%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	19.1	23.2	18.3	18.2
Passive Plan Std Dev	19.2	20.9	18.2	17.9
Active Plan Std Dev	19.1	23.2	18.6	18.4
Benchmark Std Dev	19.4	23.3	18.4	18.0

## International Growth Returns vs MSCI EAFE Growth Index

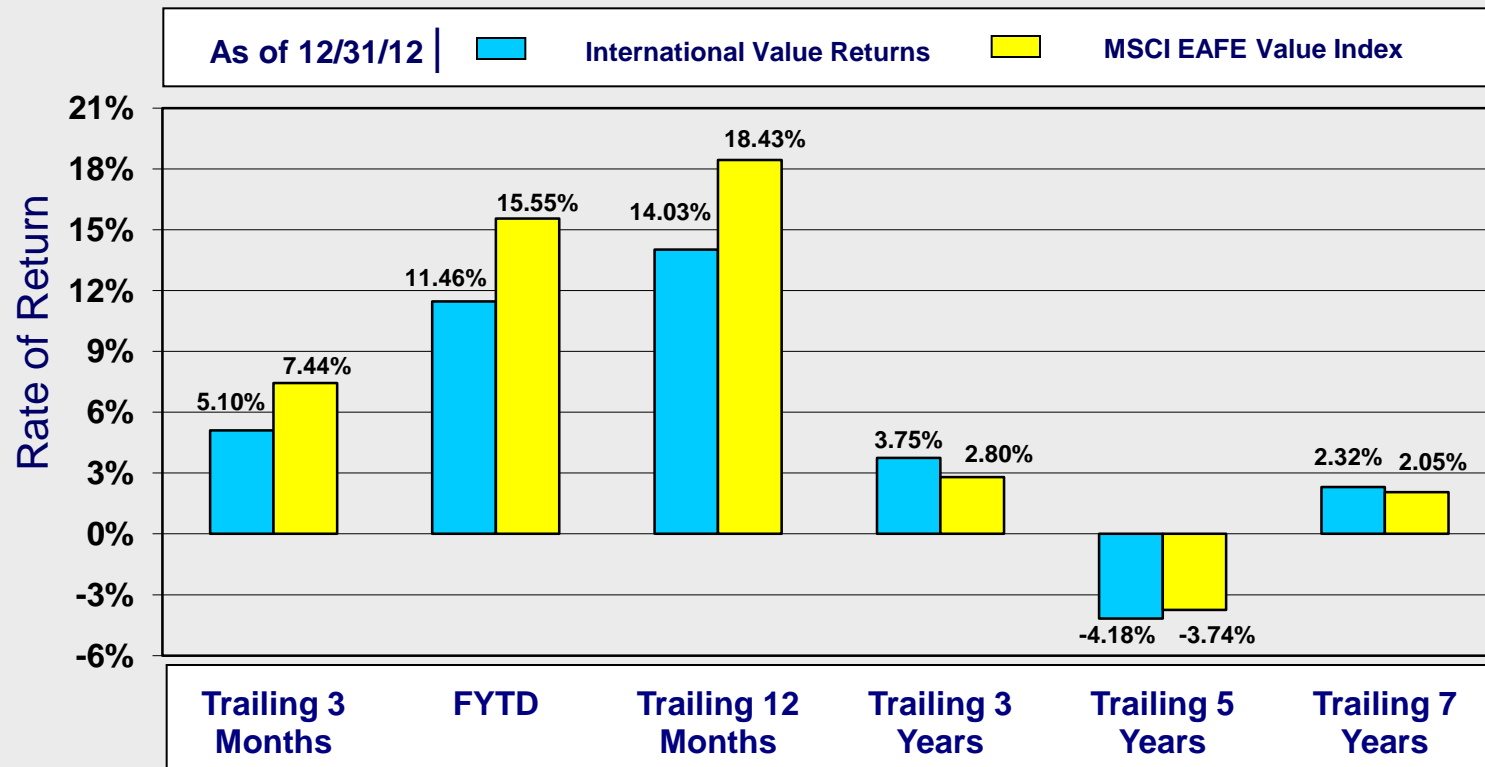
**\$0.9B** Under Management, **2%** of Total Funds



	3 Years	5 Years	7 Years
Plan Std Dev	19.7	23.9	21.1
Benchmark Std Dev	18.8	22.4	19.7

## International Value Returns vs MSCI EAFE Value Index

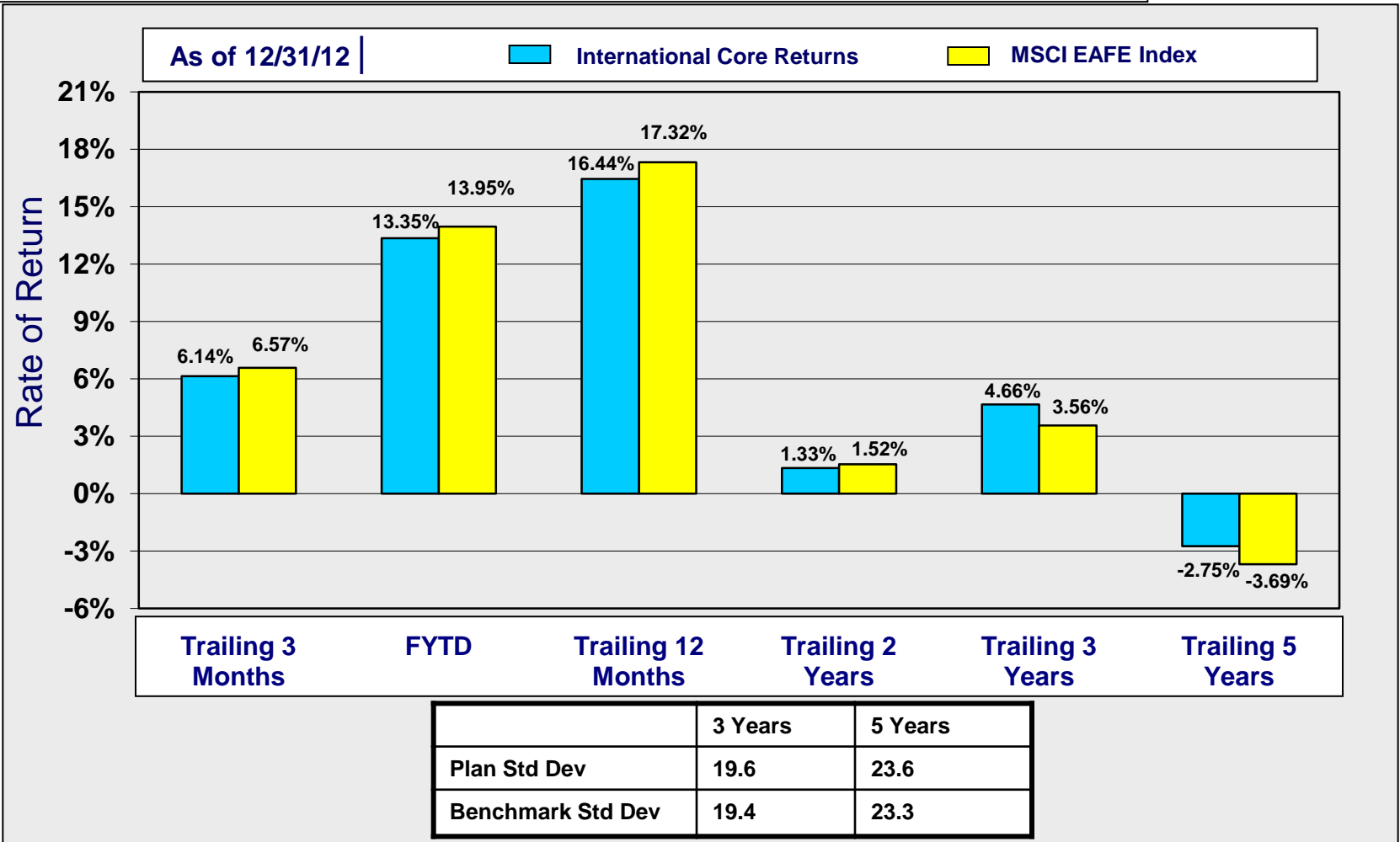
**\$0.8B** Under Management, **2%** of Total Funds



	3 Years	5 Years	7 Years
Plan Std Dev	18.0	22.5	19.8
Benchmark Std Dev	20.2	24.7	21.6

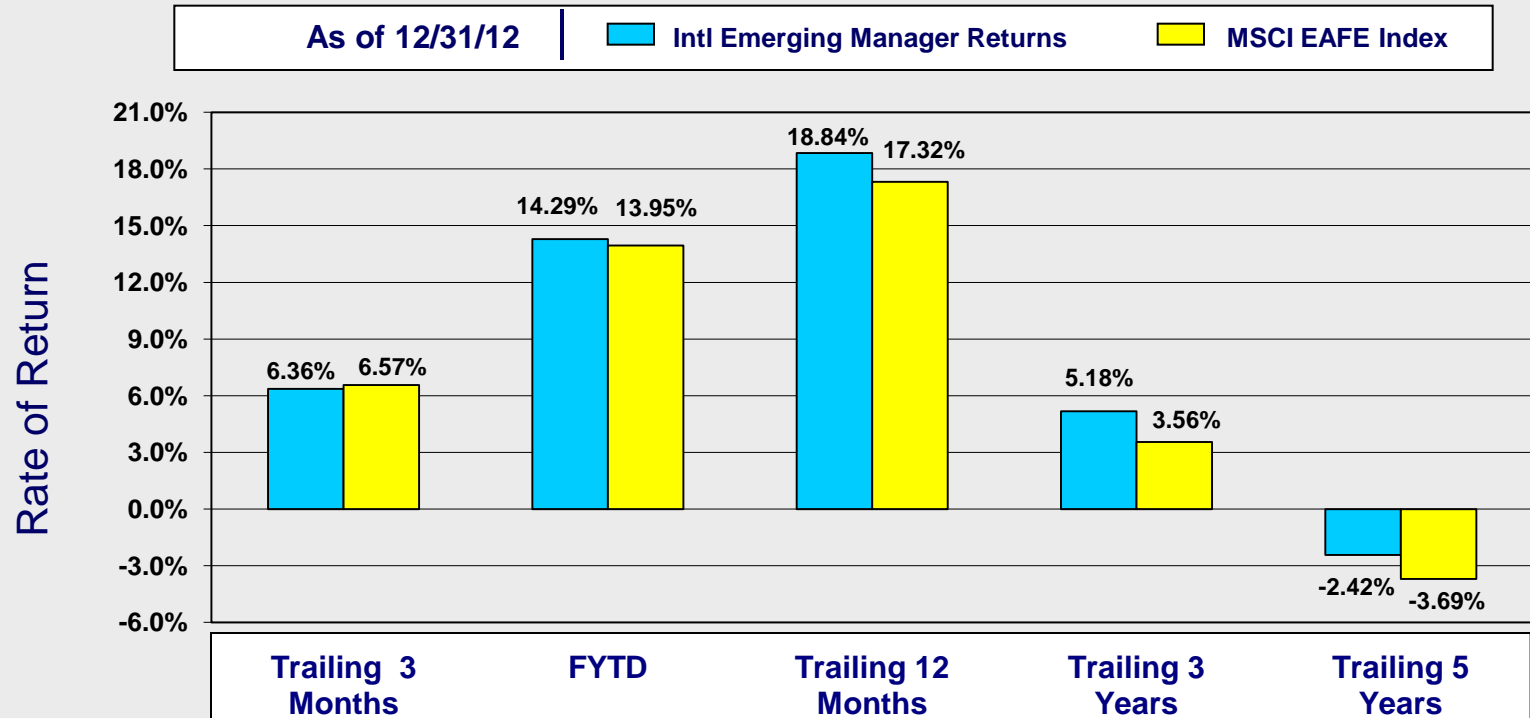
## International Core Returns vs MSCI EAFE Index

**\$0.9B** Under Management, **2%** of Total Funds



## International Emerging Manager Returns vs MSCI EAFE Index

**\$43M** Under Management, **0%** of Total Funds

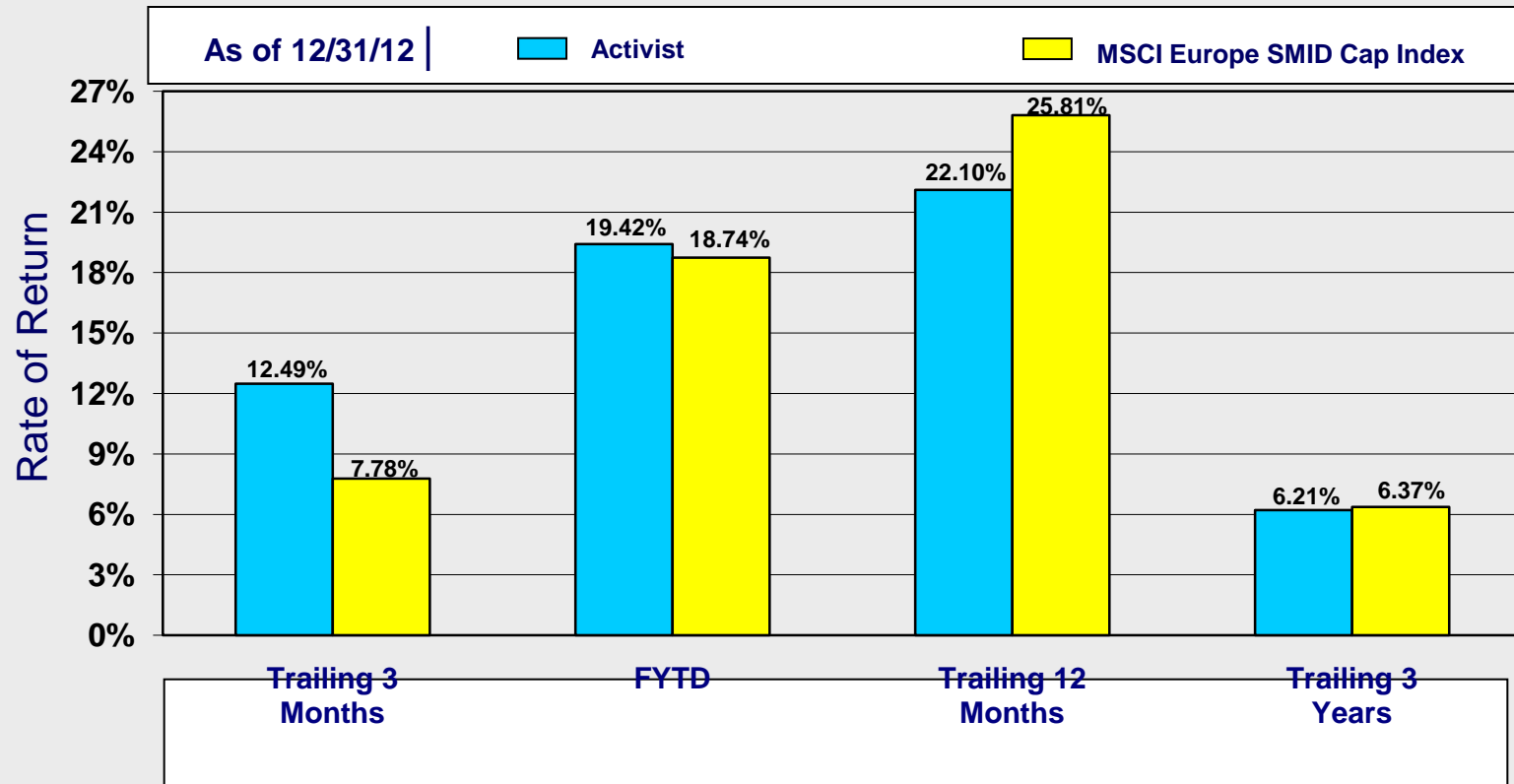


	3 Years	5 Years
Plan Std Dev	18.3	22.7
Benchmark Std Dev	19.4	23.3



## Activist Sustainable Strategies vs MSCI Europe SMID Cap Index

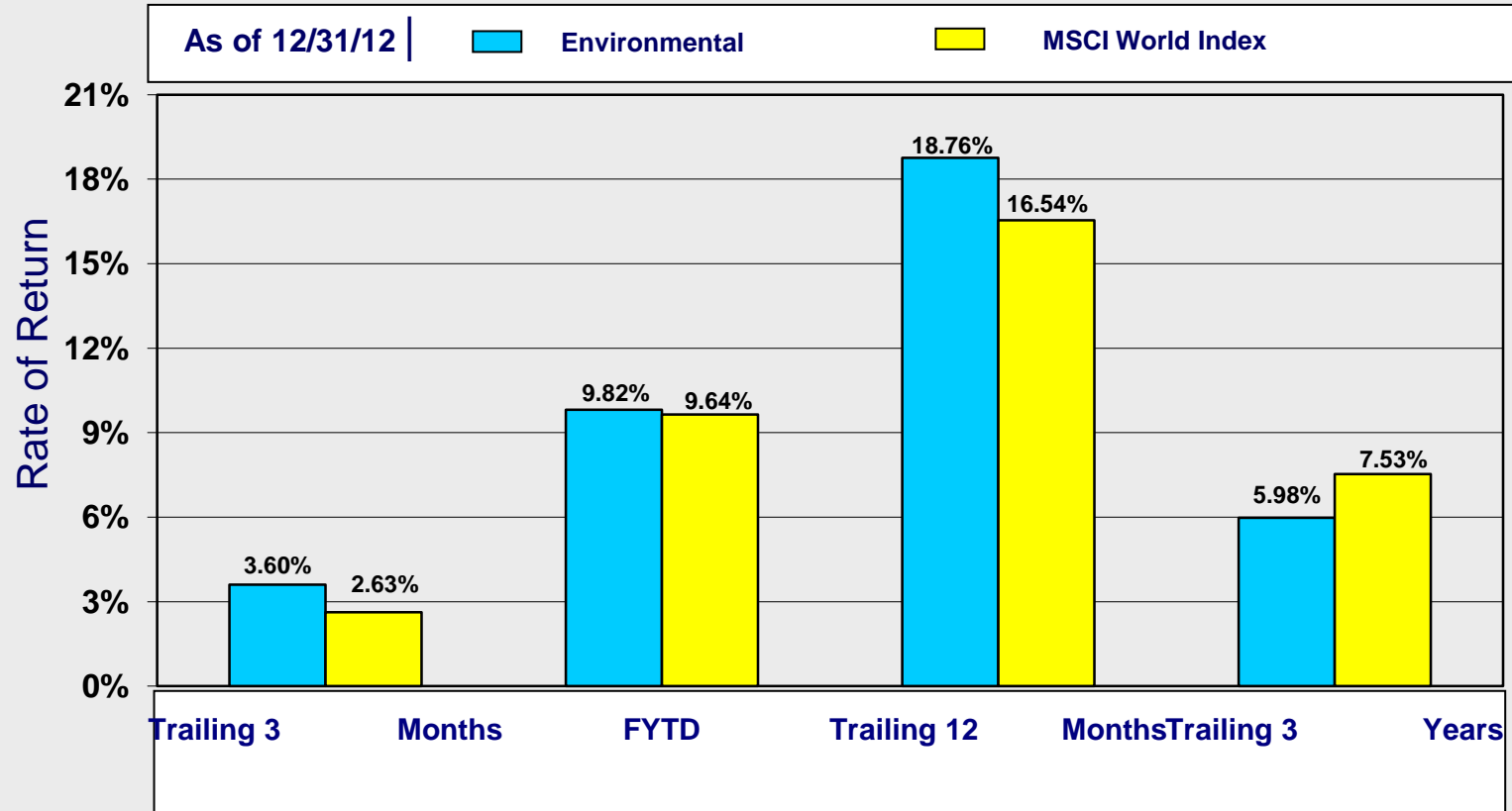
**\$0.3B** Under Management, **0.6%** of Total Funds



	3 Years
Plan Std Dev	25.4
Benchmark Std Dev	23.8

## Environmental Sustainable Strategies vs MSCI World Index

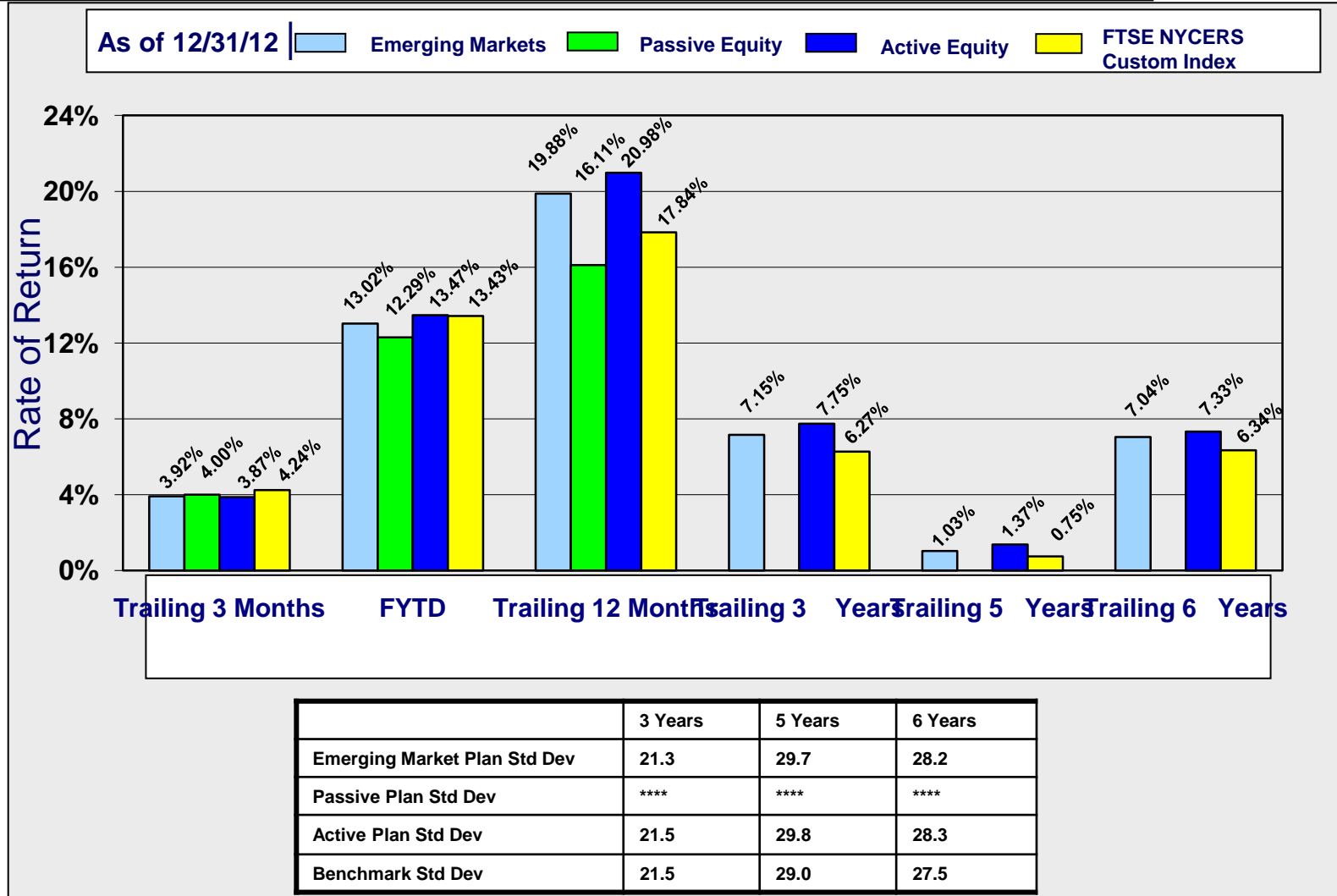
**\$0.2B** Under Management, **0.4%** of Total Funds



	3 Years
Plan Std Dev	16.3
Benchmark Std Dev	16.7

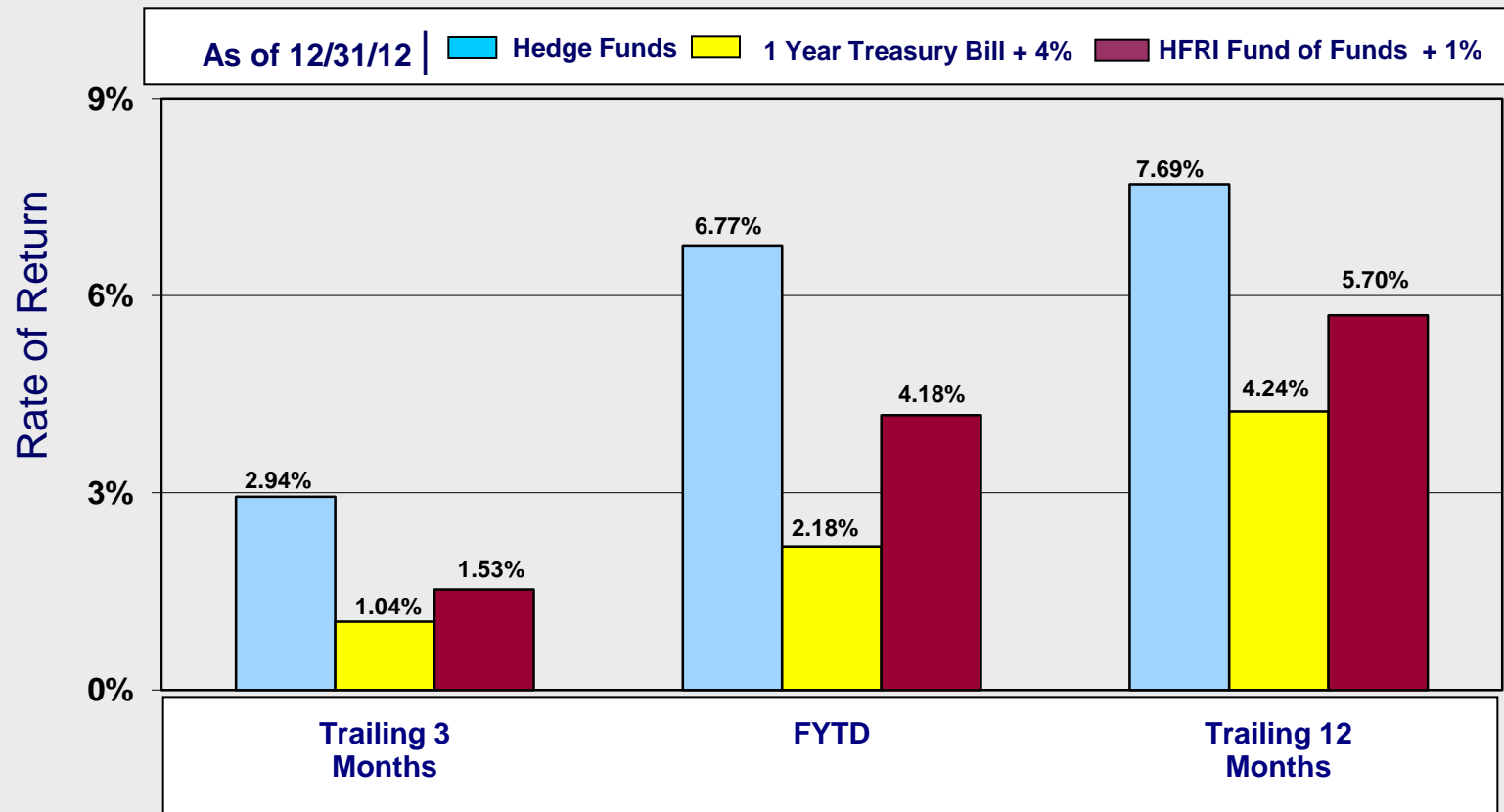
## Emerging Markets Returns vs FTSE NYCERS Custom Index

**\$2.9B** Under Management, **6%** of Total Funds



## Hedge Funds vs 1 Year Treasury Bill + 4%, HFRI Fund Of Funds + 1%

**\$1.0B** Under Management, **2%** of Total Funds



## New York City Employees' Retirement System

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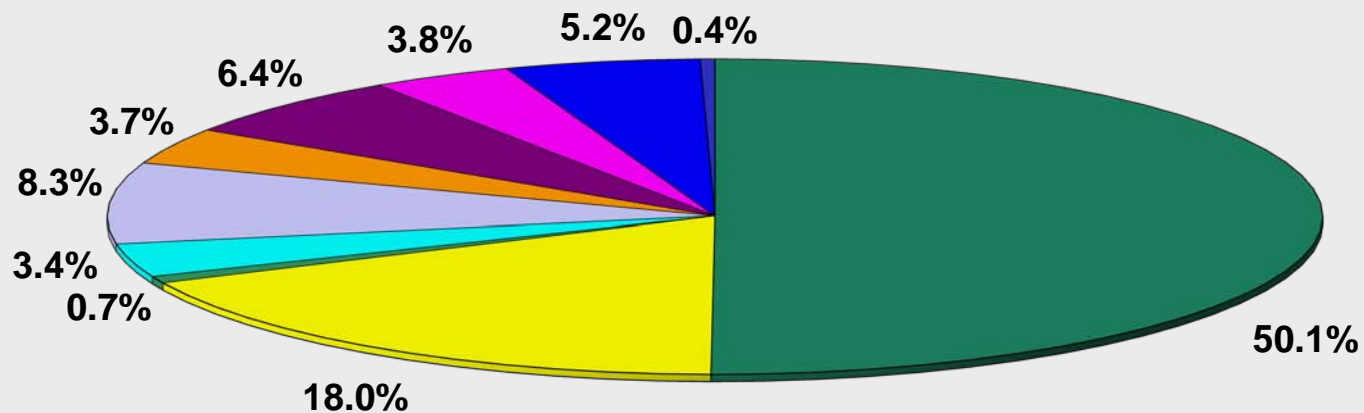
# Fixed Income Analysis

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## Total Fixed Income Asset Allocation: December 31, 2012

**\$15.1B** Under Management, **34%** of Total Funds

Asset Allocation by Groups

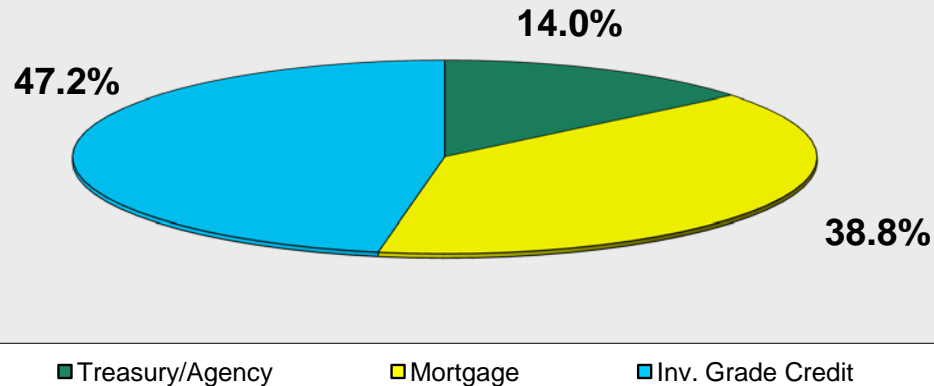


Structured Fixed Income	Enhanced Yield	Progress Fixed	ETI Investments
TIPS Managers	Convertible Bonds	Short Term Investments	Opportunistic Fixed Income
Bank Loans	Global Fixed Income		

## Structured Fixed Income Asset Allocation: December 31, 2012

**\$7.6B** Under Management, **17%** of Total Funds

### Asset Allocation by Groups



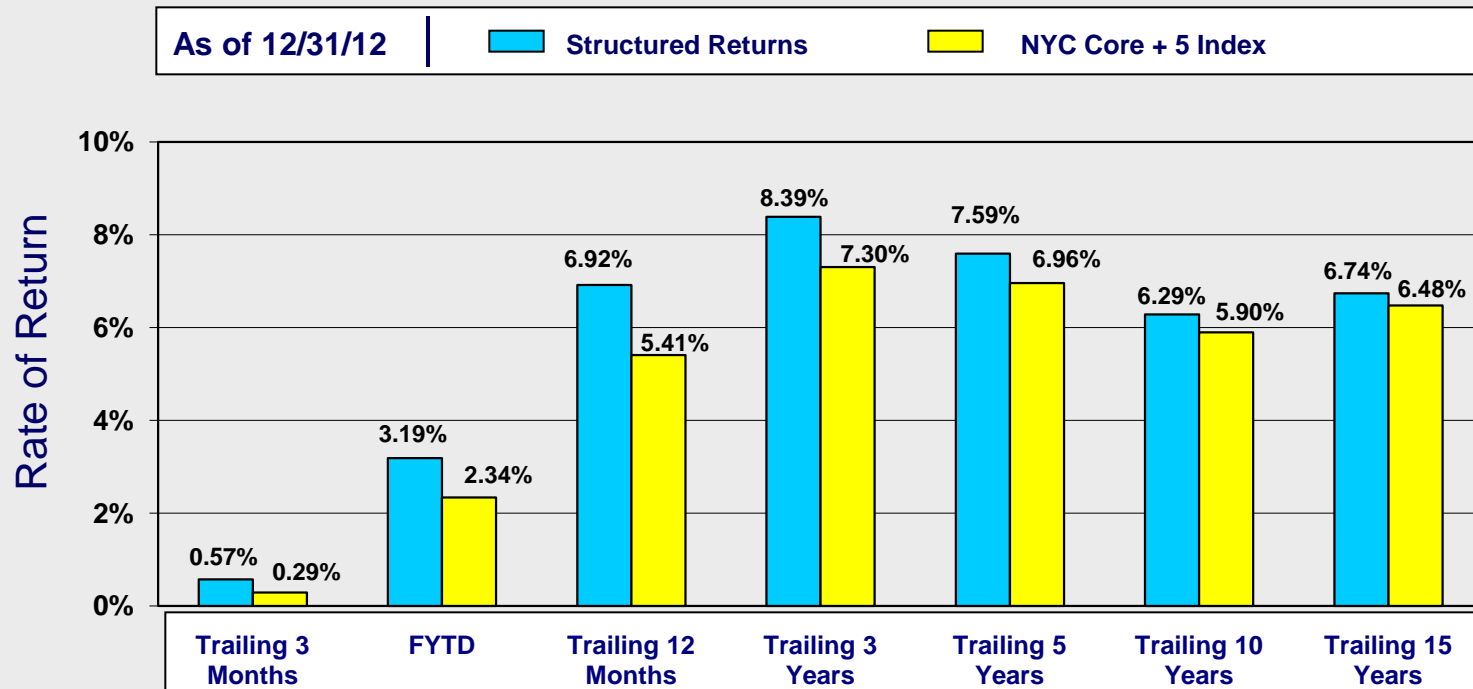
### Value Added by Sectors

	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	19.93	14.03	-5.90	-0.26	-0.18	0.08	0.03	0.01
Mortgage	40.06	38.83	-1.23	-0.22	-0.11	0.11	0.01	0.04
Inv. Grade Credit	40.01	47.15	7.14	1.09	1.35	0.26	0.07	0.12

\*NYC Core +5 Breakdown

## Structured Returns vs NYC Core + 5 Index

**\$7.6B** Under Management, **17%** of Total Funds

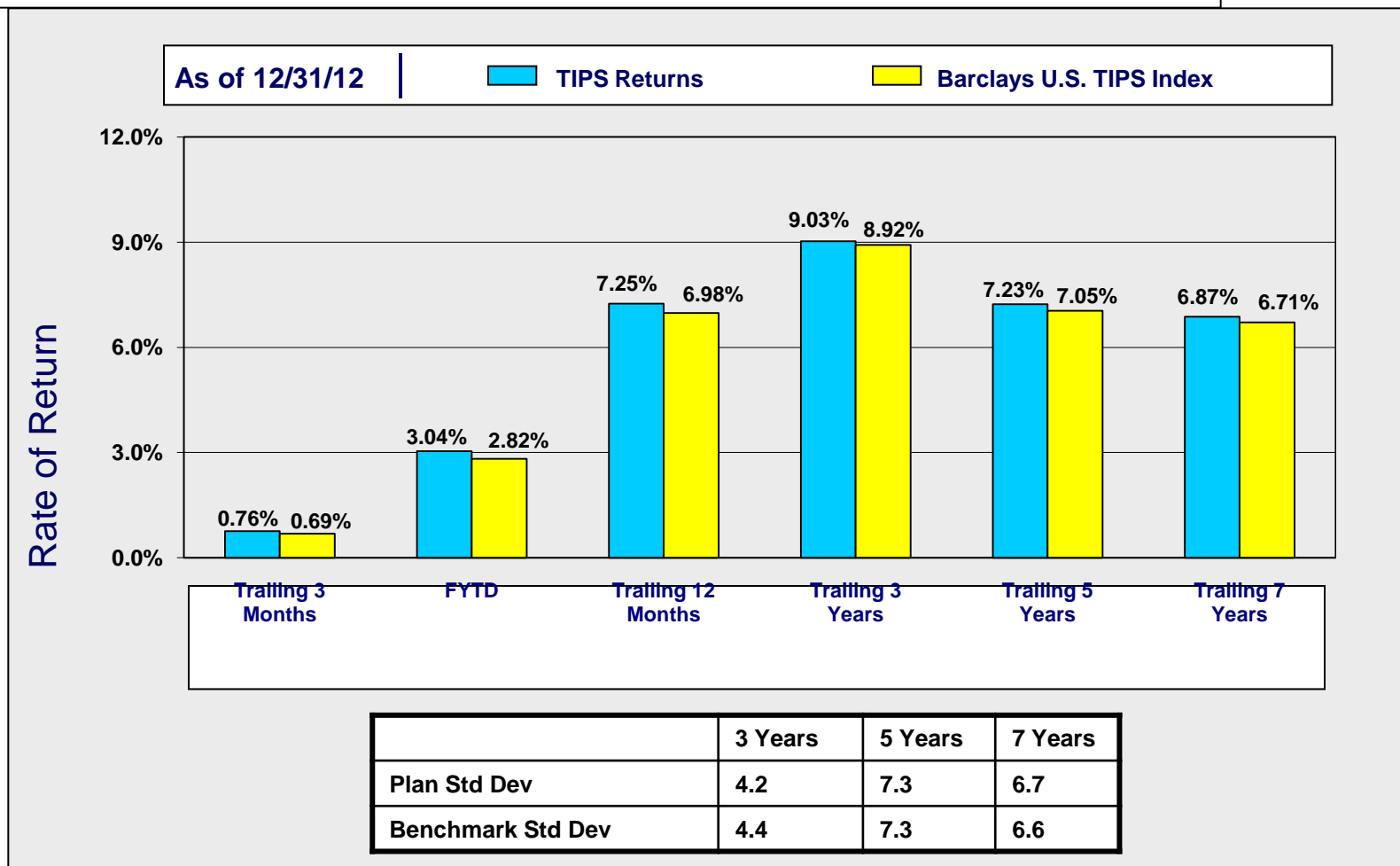


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	2.8	4.2	4.1	4.0
Benchmark Std Dev	2.9	4.4	4.2	4.0



## TIPS Returns vs Barclays Capital U.S. TIPS Index

**\$1.3B** Under Management, **3%** of Total Funds

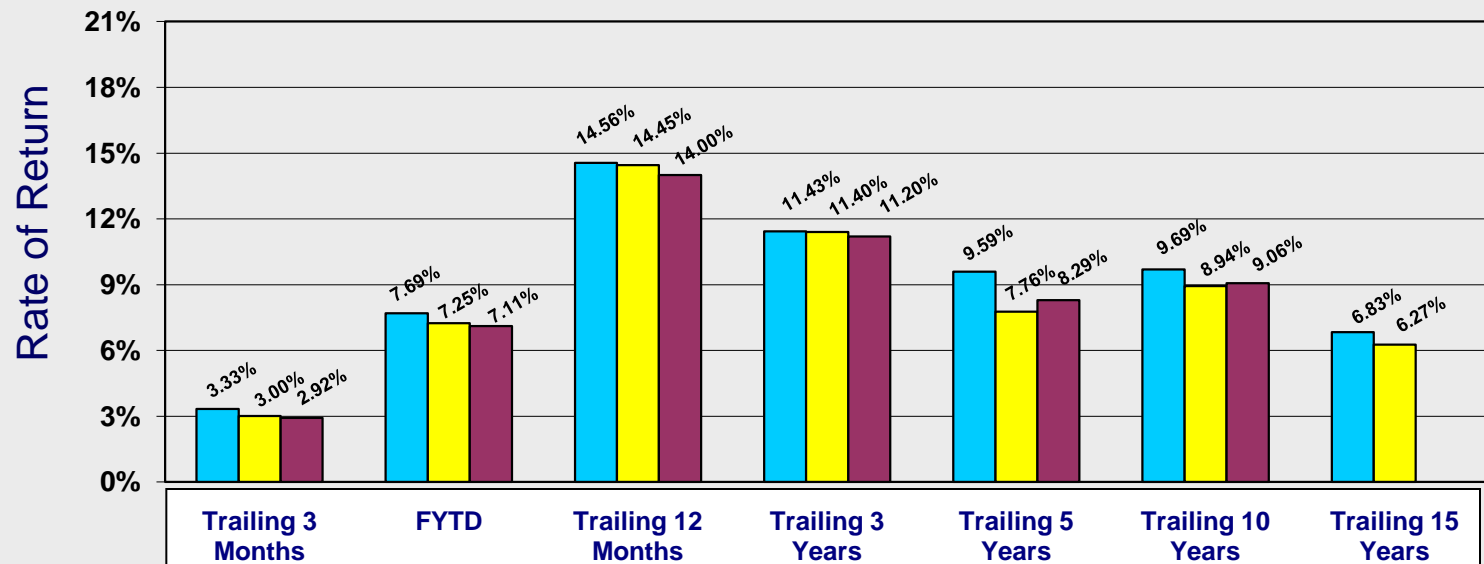


## Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index

**\$2.7B** Under Management, **6%** of Total Funds

As of 12/31/12

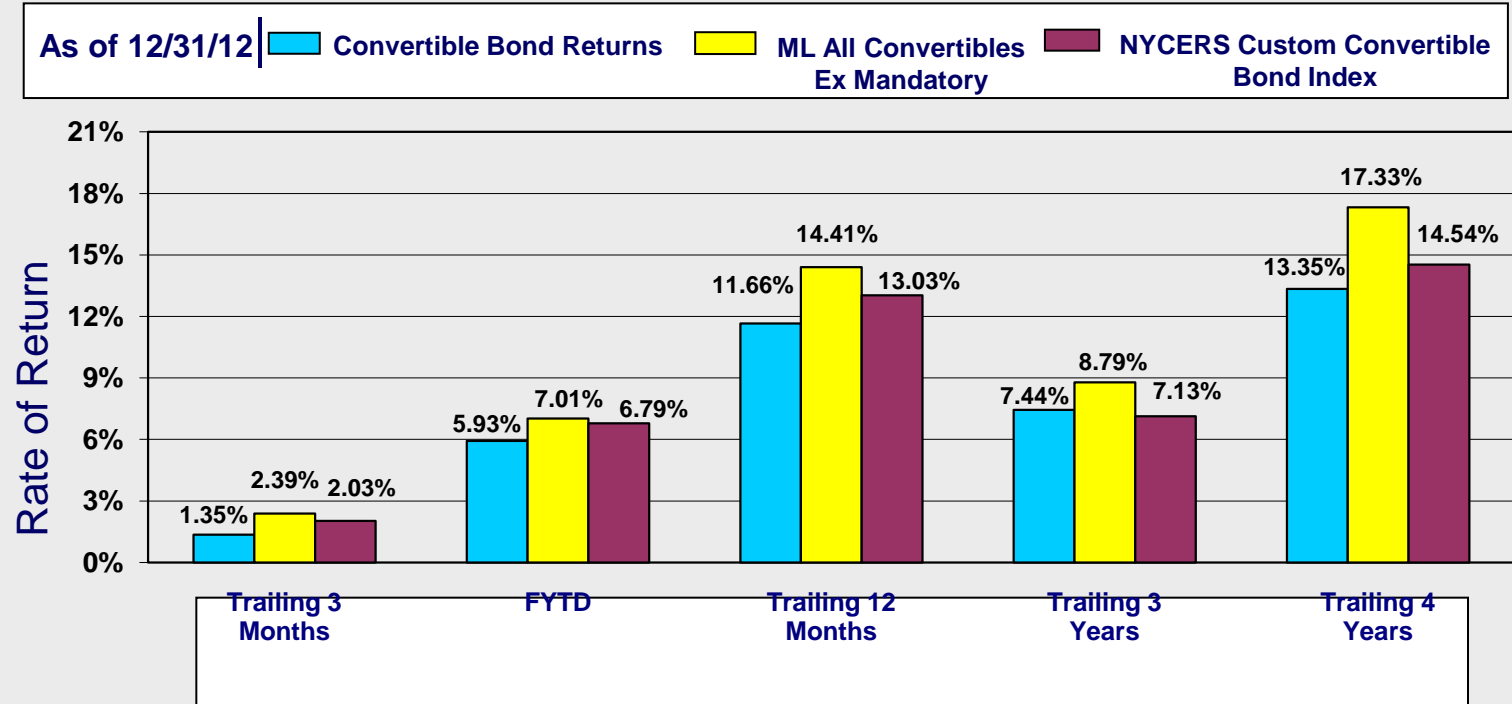
Enhanced Yield Citigroup BB& B Index Citigroup BB& B Capped Index



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	6.5	10.7	8.2	8.3
Citigroup BB & B Std Dev	6.1	11.7	9.0	9.2
Citigroup BB & B Capped Std Dev	5.9	11.4	8.8	****

## Convertible Bond Returns vs Benchmarks

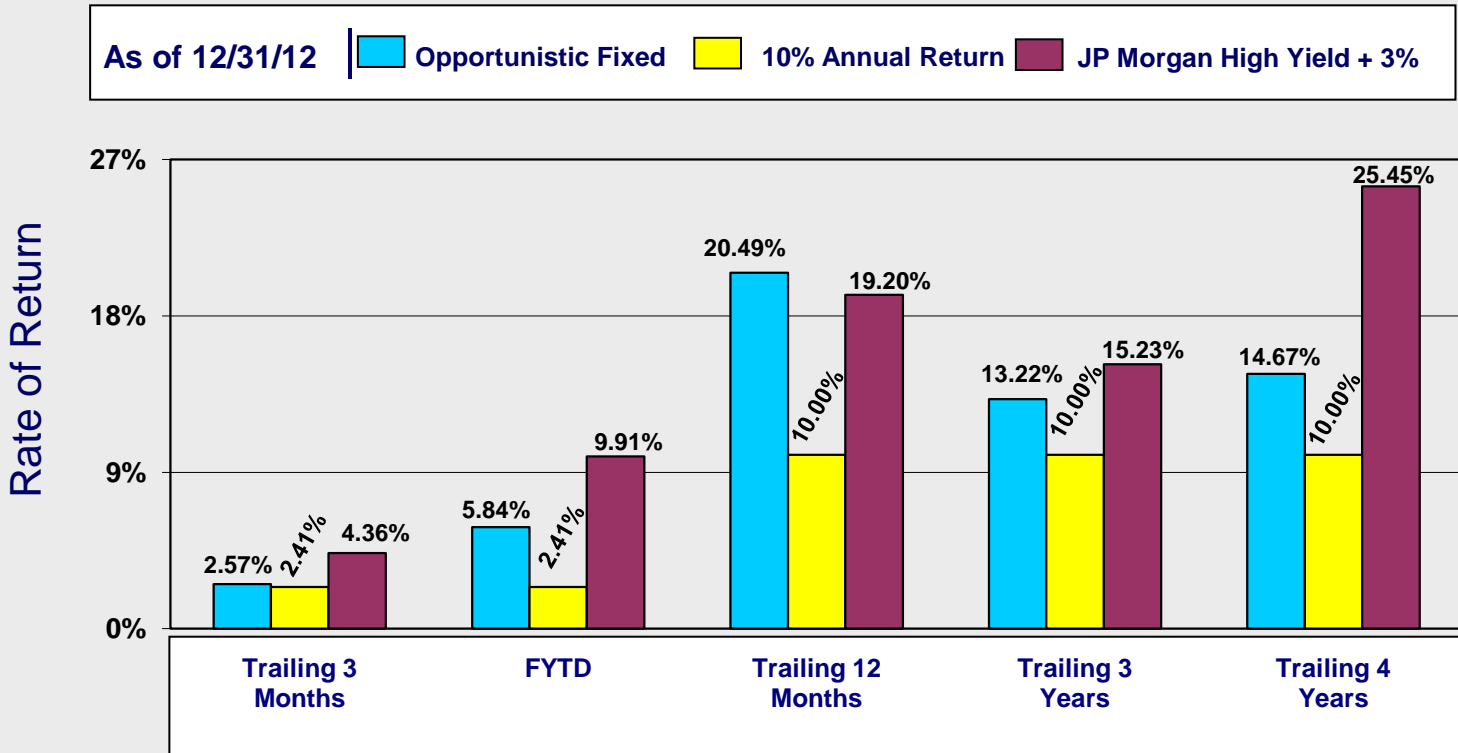
**\$567M** Under Management, **1%** of Total Funds



	3 Years	4 Years
Plan Std Dev	8.7	8.9
ML All Convertibles Ex Mandatory	10.0	11.1
NYCERS Custom Convertible Bond Index	8.2	9.4

## Opportunistic Fixed Income Returns vs Benchmarks

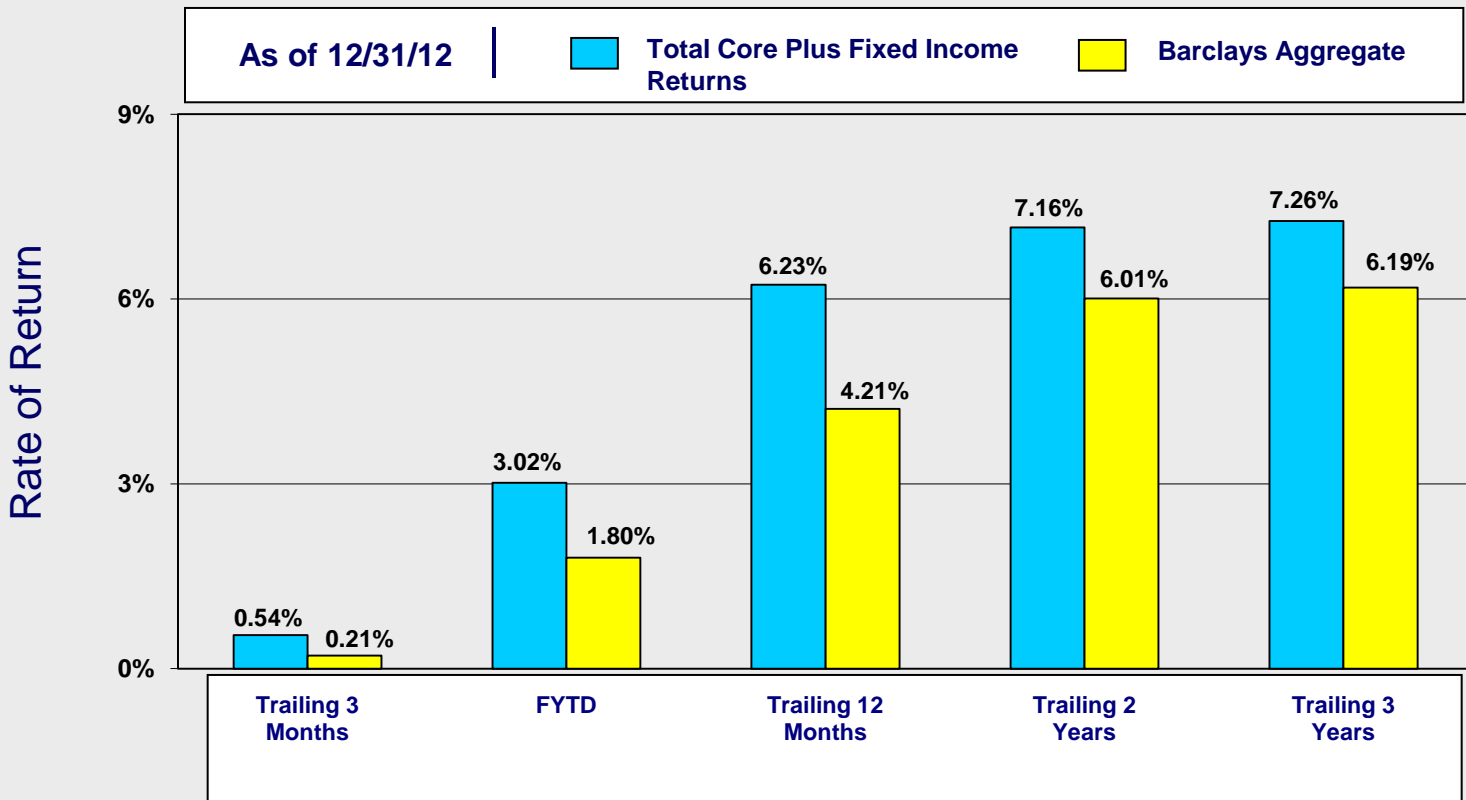
**\$571M** Under Management, **1%** of Total Funds



	3 Years	4 years
Plan Std Dev	8.6	12.4
JP Morgan High Yield + 3%	6.7	9.0

## Total Core Plus Fixed Income vs Barclays Capital U.S. Aggregate

**\$59M** Under Management, **0.1%** of Total Funds



	3 Years
Plan Std Dev	2.6
Barclays Cap. U.S. Agg. Std Dev	2.4

## Fixed Income Emerging Manager Returns vs Barclays Capital U.S. Aggregate

**\$106M** Under Management, **0.2%** of Total Funds

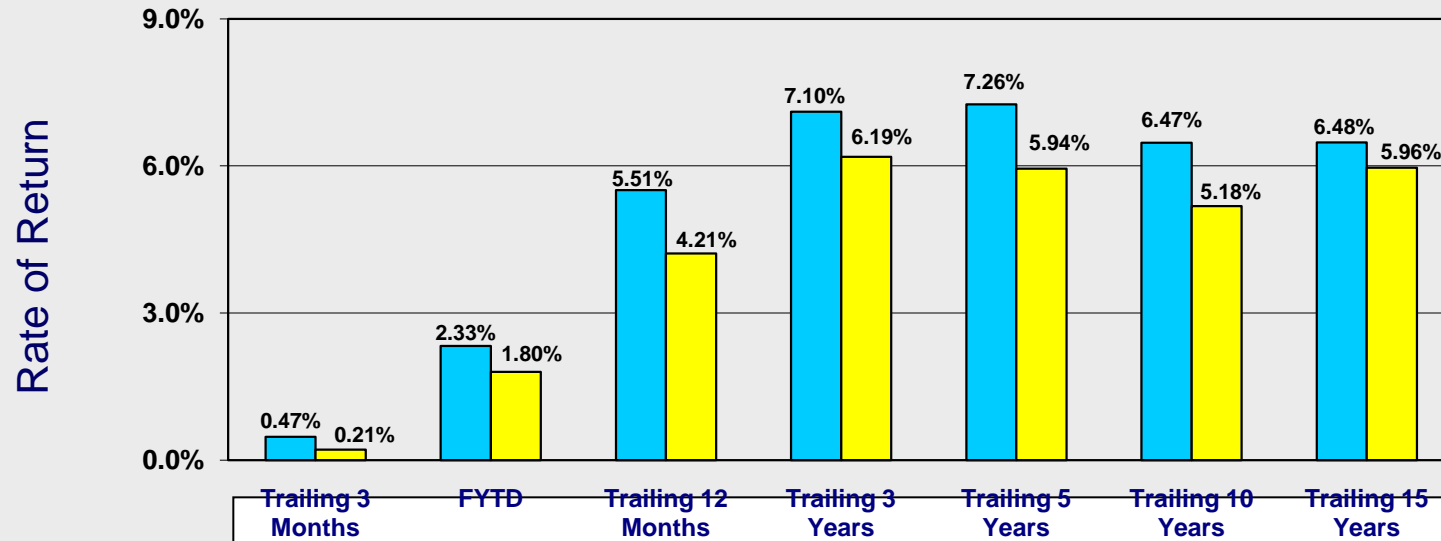
As of 12/31/12



Fixed Income Emerging Manager Returns



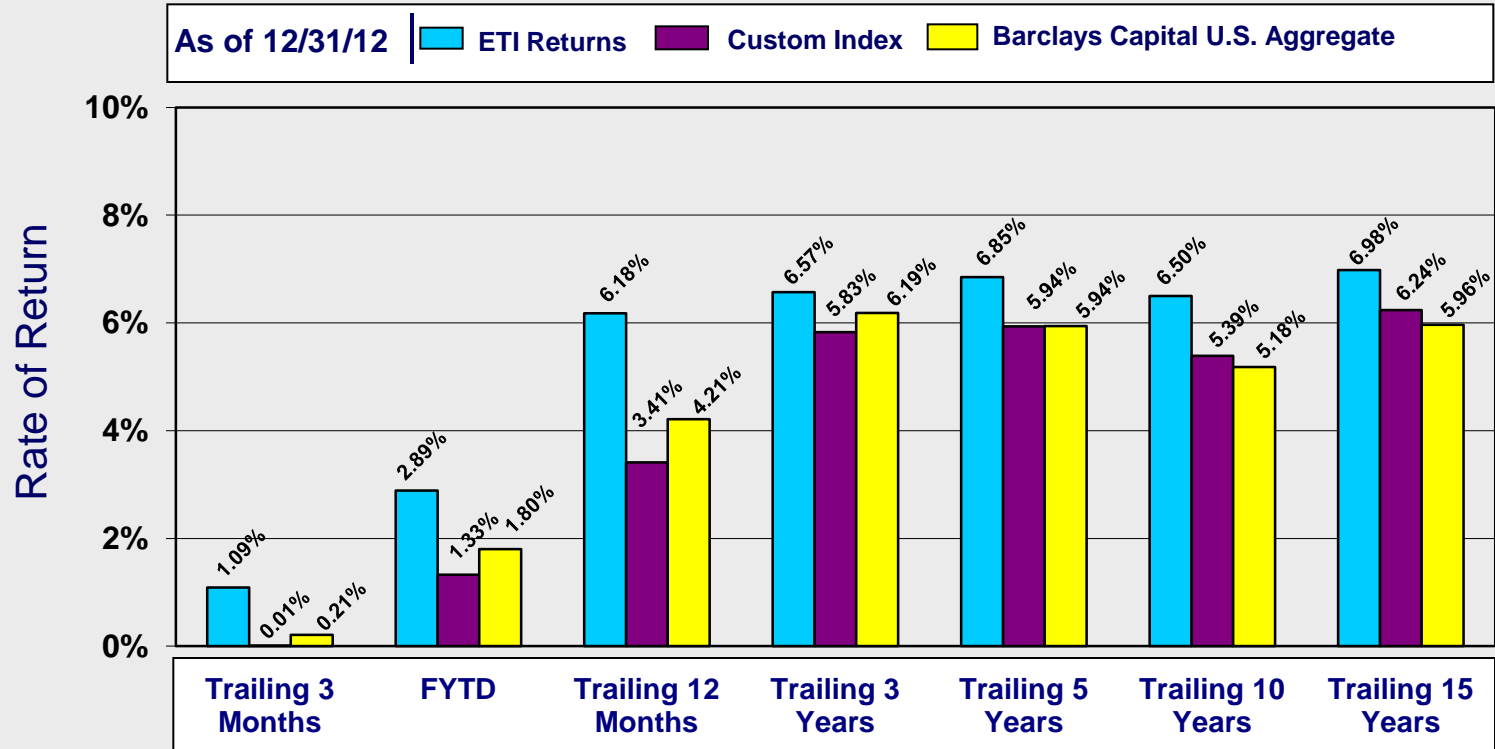
Barclays Cap U.S. Agg



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	2.4	3.5	4.3	4.5
Barclays Cap. U.S. Agg. Std Dev	2.4	3.5	3.5	3.5

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

**\$518M** Under Management, **1%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	1.2	2.1	2.6	2.6
Custom Index Std Dev	2.0	2.8	2.7	2.6
Barclays Cap. U.S. Agg. Std Dev	2.4	3.7	3.7	3.6

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

# **New York City Employees' Retirement System**

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## **Appendix**

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# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
<b>EQUITY MANAGEMENT</b>									
<b>SMALL CAP</b>									
153.83	0.35	DARUMA ASSET MGMT SCC	5.72	19.91	19.91	12.39	****	****	****
153.83	0.35	<b>TOTAL SMALL CAP CORE</b>	5.72	19.91	19.91	12.39	****	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	****	****	****
		SMALL CAP CORE MEDIAN	3.01	16.29	16.29	12.43	****	****	****
202.55	0.46	CEREDEX	****	****	****	****	****	****	****
101.06	0.23	WELLINGTON	****	****	****	****	****	****	****
303.61	0.69	<b>TOTAL SMALL CAP VALUE</b>	****	****	****	****	****	****	****
		RUSSELL 2000 VALUE	****	****	****	****	****	****	****
		SMALL CAP VALUE MEDIAN	****	****	****	****	****	****	****
667.13	1.51	RAFI ENHANCED SMALL CO.	3.87	19.50	19.50	13.85	****	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	****	****	****
		RUSSELL 2000 VALUE	3.22	18.05	18.05	11.57	****	****	****
1,124.57	2.54	<b>TOTAL SMALL CAP ACTIVE</b>	3.61	18.75	18.75	12.91	2.88	****	****
176.29	0.40	BLACKROCK R2000	1.78	16.41	16.41	****	****	****	****
		RUSSELL 2000	1.85	16.35	16.35	****	****	****	****
176.29	0.40	<b>TOTAL SMALL CAP PASSIVE</b>	1.78	16.41	16.41	****	****	****	****
1,300.85	2.94	<b>TOTAL SMALL CAP</b>	2.91	17.81	17.81	13.46	3.18	9.28	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	3.55	9.72	****
2,170.96	4.91	STATE STREET GA S&P 400	3.56	17.81	17.81	****	****	****	****
		S&P MIDCAP INDEX 400	3.61	17.88	17.88	****	****	****	****
2,170.96	4.91	<b>TOTAL MID CAP PASSIVE</b>	3.56	17.81	17.81	****	****	****	****
2,170.96	4.91	<b>TOTAL MID CAP</b>	3.56	17.81	17.81	****	****	****	****

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		<b>LARGE CAP</b>							
88.27	0.20	CASTLEARK MGMT-LCG	-0.76	13.90	13.90	11.99	****	****	****
169.04	0.38	PROFIT INV MGMT-LCG-	0.49	17.86	17.86	9.94	****	****	****
257.30	0.58	<b>TOTAL LARGE CAP GROWTH</b>	0.06	16.47	16.47	10.62	****	****	****
		RUSSELL 1000 GROWTH	-1.32	15.26	15.26	11.35	****	****	****
		LARGE CAP GROWTH MEDIAN	-0.68	15.49	15.49	10.17	****	****	****
121.34	0.27	DENALI ADVISORS-LCV	2.97	13.72	13.72	7.99	****	****	****
121.34	0.27	<b>TOTAL LARGE CAP VALUE</b>	2.97	13.72	13.72	7.29	****	****	****
		RUSSELL 1000 VALUE	1.52	17.51	17.51	10.86	****	****	****
		LARGE CAP VALUE MEDIAN	1.52	16.06	16.06	10.16	****	****	****
116.03	0.26	PIEDMONT INV AD-LCC	-1.49	16.04	16.04	8.89	****	****	****
129.32	0.29	SEIZERT CAPITAL PARTNERS-LCC	1.53	15.25	15.25	10.09	****	****	****
245.35	0.55	<b>TOTAL LARGE CAP CORE</b>	0.08	15.62	15.62	9.51	****	****	****
		RUSSELL 1000	0.12	16.42	16.42	11.11	****	****	****
		LARGE CAP CORE MEDIAN	0.13	15.99	15.99	10.85	****	****	****
912.84	2.06	FUNDAMENTAL INDEX LARGE CAP							
		RAFI ENHANCED LARGE CO.	1.70	16.94	16.94	12.52	****	****	****
		RUSSELL 1000	0.12	16.42	16.42	11.11	****	****	****
		RUSSELL 1000 VALUE	1.52	17.51	17.51	10.86	****	****	****
300.80	0.68	VTL S&P 500	2.07	18.65	18.65	11.97	****	****	****
		STANDARD & POORS 500	-0.38	16.00	16.00	10.87	****	****	****
1,213.64	2.75	<b>TOTAL FUNDAMENTAL INDEX LARGE CAP</b>	1.79	17.36	17.36	11.94	****	****	****
		RUSSELL 1000	0.12	16.42	16.42	11.11	****	****	****
1,837.64	4.16	<b>TOTAL LARGE CAP EQUITY</b>	1.39	16.76	16.76	11.12	****	****	****
		RUSSELL 1000	0.12	16.42	16.42	11.11	****	****	****
		<b>S &amp; P 500</b>							
3,598.08	8.14	AMALGAMATED S & P 500 INDEX	-0.32	15.99	15.99	10.68	1.52	7.01	****
3,598.08	8.14	<b>TOTAL S &amp; P 500 INDEX FUND</b>	-0.32	15.99	15.99	10.68	1.52	7.03	****
		STANDARD & POORS 500	-0.38	16.00	16.00	10.87	1.66	7.10	****

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
3,710.66	8.39	RUSSELL 3000							
1,803.35	4.08	BLACKROCK R3000	0.16	16.30	16.30	11.17	2.01	7.60	****
5,514.01	12.47	STATE STREET R3000	0.28	16.41	16.41	****	****	****	****
		<b>TOTAL RUSSELL 3000 INDEX FUND</b>	0.20	16.34	16.34	11.28	2.12	7.67	4.84
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	7.68	4.81
		<b>ATTUCKS MANAGERS</b>							
0.00	0.00	APEX CAP MGMT INC -LCG	-3.81	11.98	11.98	10.03	****	****	****
17.53	0.04	EDGAR LOMAX -LCV	-2.06	8.11	8.11	11.07	****	****	****
32.76	0.07	DECATUR -LCG	0.01	13.61	13.61	10.38	1.72	****	****
35.01	0.08	HERNDON CAPITAL MGMT-LCV	0.00	17.93	17.93	12.43	****	****	****
35.53	0.08	VISION CAP MGMT -LCG	****	****	****	****	****	****	****
34.42	0.08	PARADIGM -LCV	1.65	18.25	18.25	11.76	-0.65	****	****
11.15	0.03	PHOCAS -SCV	1.83	10.73	10.73	11.09	5.38	****	****
30.39	0.07	SEIZERT -MCC	6.97	22.52	22.52	13.47	7.18	****	****
0.04	0.00	ATTUCKS TRANSITION	****	****	****	****	****	****	****
216.49	0.49	<b>TOTAL ATTUCKS</b>	1.02	15.59	15.59	11.33	1.73	****	****
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	****	****
		<b>CAPITAL PROSPECTS MANAGERS</b>							
5.58	0.01	APEX CAPITAL -LCG	-0.02	16.39	16.39	11.73	2.75	****	****
4.69	0.01	HIGH POINTE -SC	2.87	17.87	17.87	11.65	7.23	****	****
4.84	0.01	KEEL -MCV	2.45	10.60	10.60	9.19	0.39	****	****
4.51	0.01	LOMBARDIA -SCV	2.11	11.76	11.76	12.64	7.19	****	****
3.41	0.01	PARADIGM -AC	1.21	16.29	16.29	12.77	0.77	****	****
4.31	0.01	REDWOOD -MCG	0.62	12.11	12.11	12.01	-2.82	****	****
5.07	0.01	RUNNYMEDE -LCG	-1.65	15.79	15.79	9.05	0.63	****	****
5.53	0.01	SEIZERT -LCV	3.76	19.55	19.55	10.65	2.25	****	****
2.66	0.01	SUMMIT CREEK SCG	-3.27	****	****	****	****	****	****
4.90	0.01	TEN -LCV	2.47	20.96	20.96	10.82	-0.05	****	****
5.94	0.01	TWIN -TOP 50	-3.37	14.70	14.70	9.85	1.29	****	****
51.44	0.12	<b>TOTAL CAPITAL PROSPECTS</b>	0.67	15.36	15.36	10.65	1.42	****	****
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	****	****

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
<b>PROGRESS MANAGERS</b>									
14.58	0.03	FAN ASSET MGMT -LCG	-1.77	14.06	14.06	9.18	1.61	7.30	****
41.78	0.09	JOHN HSU -LCC	2.65	15.50	15.50	9.49	2.07	10.47	****
75.69	0.17	HERNDON CAPITAL MGMT-LCV	0.00	17.93	17.93	12.69	5.95	****	****
19.35	0.04	HIGH POINTE LLC -LCG	-2.94	13.52	13.52	****	****	****	****
17.77	0.04	LOMBARDIA CAP PTNRS -SCV	2.07	11.72	11.72	12.60	7.17	****	****
15.31	0.03	NICHOLS ASSET MGMT -SCG	-0.81	14.72	14.72	****	****	****	****
40.24	0.09	REDWOOD INV -LCG	-4.41	14.66	14.66	****	****	****	****
56.41	0.13	SEIZERT CAPITAL PTNRS -MCC	6.96	22.48	22.48	****	****	****	****
281.14	0.64	<b>TOTAL PROGRESS EQUITY</b>	0.82	16.85	16.85	10.49	2.14	8.25	4.84
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	7.68	4.81
<b>F.I.S. MANAGERS</b>									
2.89	0.01	CREDO CAPITAL MGMT - MCC	0.64	10.70	10.70	9.29	0.24	****	****
8.38	0.02	DSM CAPITAL MGMT -LCG	-0.55	21.31	21.31	14.03	2.49	****	****
26.94	0.06	HERNDON CAPITAL MGMT-LCV	-0.01	17.86	17.86	12.39	5.67	****	****
19.70	0.04	HUBER CAP MGMT -LCV	0.25	16.82	16.82	****	****	****	****
10.06	0.02	MARTIN INV MGT -LCC	-0.28	13.73	13.73	****	****	****	****
7.01	0.02	NICHOLAS INV PTNRS -SCG	-4.15	12.73	12.73	****	****	****	****
15.51	0.04	OAKBROOK -LCV	1.62	17.39	17.39	10.90	0.93	****	****
14.46	0.03	OAKBROOK -LCG	-1.80	16.12	16.12	11.88	3.09	****	****
10.50	0.02	OPUS CAPITAL MGMT - SCV	4.27	12.32	12.32	12.42	5.12	****	****
28.86	0.07	STUX CAPITAL MGMT -LCC	0.33	13.82	13.82	****	****	****	****
22.56	0.05	VISION CAP MGMT -LCG	-0.83	17.80	17.80	****	****	****	****
166.85	0.38	<b>TOTAL F.I.S FUND MGMT</b>	0.00	16.02	16.02	10.83	2.20	7.70	****
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	7.68	****
715.93	1.62	<b>TOTAL EMERGING MGRS</b>	0.68	16.17	16.17	10.94	2.13	8.12	4.64
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	7.68	4.81

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
253.86	0.57	<b>U.S. ENVIRONMENTAL</b>							
		<b>WALDEN ASSET MGMT</b>	2.31	13.51	13.51	13.39	****	****	****
		<b>RUSSELL 2000</b>	1.85	16.35	16.35	12.25	****	****	****
8.98	0.02	<b>TRANSITION AC EQUITY</b>	****	****	****	****	****	****	****
3,687.12	8.34	<b>TOTAL ACTIVE DOM EQUITY</b>	1.77	17.12	17.12	11.33	2.96	8.30	4.38
11,459.33	25.92	<b>TOTAL PASSIVE DOM EQUITY</b>	0.72	16.51	16.51	10.93	1.90	7.52	4.75
15,400.45	34.83	<b>TOTAL DOMESTIC EQUITY</b>	0.96	16.62	16.62	11.03	2.13	7.67	4.75
		<b>DEVELOPED MARKETS</b>							
		<b>GROWTH</b>							
432.79	0.98	<b>BAILLIE</b>	7.29	19.04	19.04	7.58	0.12	****	****
356.17	0.81	<b>PYRAMIS GLOBAL ADVISORS</b>	6.46	21.34	21.34	6.02	-1.77	****	****
109.52	0.25	<b>G.E. (NEW)</b>	5.83	19.50	19.50	2.37	-4.55	****	****
899.24	2.03	<b>TOTAL INTL GROWTH</b>	6.78	20.02	20.02	4.81	-3.15	****	****
		<b>MSCI EAFE GROWTH</b>	5.79	17.28	17.28	5.20	-2.74	****	****
		<b>VALUE</b>							
239.08	0.54	<b>MONDRIAN II</b>	3.49	9.22	9.22	3.30	****	****	****
529.97	1.20	<b>SPRUCEGROVE (NEW)</b>	5.85	17.62	17.62	7.97	-0.23	****	****
769.75	1.74	<b>TOTAL INTL VALUE</b>	5.10	14.03	14.03	3.75	-4.18	****	****
		<b>MSCI EAFE VALUE</b>	7.44	18.43	18.43	2.80	-3.74	****	****
		<b>CORE</b>							
315.79	0.71	<b>PHILADELPHIA</b>	6.49	14.21	14.21	2.25	-4.30	****	****
570.97	1.29	<b>THORNBURG</b>	5.95	18.52	18.52	6.80	-1.32	****	****
886.77	2.01	<b>TOTAL INTL CORE</b>	6.14	16.44	16.44	4.66	-2.75	****	****
		<b>MSCI EAFE (NET DIVIDEND)</b>	6.57	17.32	17.32	3.56	-3.69	****	****
0.10	0.00	<b>TRANSITION EAFE - REBAL</b>	****	****	****	****	****	****	****

Note: Market values for terminated non-U.S. accounts represent balances to be transferred out or resolved; some of these accounts may also have outstanding tax reclaims. Market values for non-U.S. transition accounts represent cash balances to be cleared out or other outstanding issues.

# Consolidated Performance Report

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
13.90	0.03	PIM JOHN HSU -LC	9.24	18.81	18.81	3.49	-2.57	****	****
13.69	0.03	PIM HERNDON CAPITAL MGMT -LC	4.06	17.62	17.62	3.60	-3.42	****	****
15.20	0.03	PIM STRATEGIC GLBL ADV -LC	5.92	20.00	20.00	8.44	-1.32	****	****
42.79	0.10	<b>TOTAL PROGRESS INTL</b>	6.36	18.84	18.84	5.18	-2.42	****	****
		MSCI EAFE (NET DIVIDEND)	6.57	17.32	17.32	3.56	-3.69	****	****
2,598.67	5.88	<b>TOTAL ACTIVE DEVELOPED</b>	6.05	16.97	16.97	4.45	-3.33	8.19	5.30
1,119.15	2.53	SSGA	6.17	17.60	17.60	****	****	****	****
1,119.27	2.53	<b>TOTAL PASSIVE DEVELOPED</b>	6.16	17.60	17.60	3.64	-3.37	8.50	4.70
3,717.93	8.41	<b>TOTAL DEVELOPED MARKETS</b>	6.08	17.17	17.17	4.27	-3.35	8.25	5.07
		MSCI EAFE (NET DIVIDEND)	6.57	17.32	17.32	3.56	-3.69	8.21	4.38
		EAFE MEDIAN	6.12	19.48	19.48	5.67	-1.59	9.87	7.17
55.60	0.13	F&C SGE	2.67	17.23	17.23	7.10	****	****	****
133.85	0.30	GENERATION GE	4.00	19.40	19.40	8.22	****	****	****
189.45	0.43	<b>TOTAL NON-U.S ENVIRONMENTAL</b>	3.60	18.76	18.76	5.98	****	****	****
		MSCI WORLD INDEX	2.63	16.54	16.54	7.53	****	****	****
254.74	0.58	GOVERNANCE FOR OWNERS	12.49	22.10	22.10	8.40	****	****	****
		MSCI EUROPE SMID CAP INDEX	7.78	25.81	25.81	6.37	****	****	****
		LIBOR PLUS 4%	1.27	4.23	4.23	4.25	****	****	****
		FTSE WORLD INDEX	2.32	11.83	11.83	7.00	****	****	****
254.75	0.58	<b>TOTAL NON U.S. ACTIVIST</b>	12.49	22.10	22.10	6.21	****	****	****
4,162.14	9.41	<b>TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST</b>	6.34	17.47	17.47	4.51	-3.23	****	****
		<b>EMERGING MARKETS</b>							
318.37	0.72	ACADIAN	5.47	22.78	22.78	9.02	1.91	****	****
334.09	0.76	BAILLIE GIFFORD	1.84	11.33	11.33	4.56	-0.96	****	****
558.15	1.26	DFA	4.19	20.10	20.10	6.73	2.97	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
569.31	1.29	EATON VANCE	3.88	****	****	****	****	****	****
0.35	0.00	EMERGING MARKETS TRANSITION	****	****	****	****	****	****	****
1,780.18	4.03	<b>TOTAL ACTIVE EMERGING MARKETS</b>	3.87	20.98	20.98	7.75	1.37	****	****
		FTSE NYCERS CUSTOM BENCHMARK	4.24	17.84	17.84	6.27	0.75	****	****
1,078.31	2.44	BLACKROCK EM	4.00	16.11	16.11	****	****	****	****
1,078.31	2.44	<b>TOTAL PASSIVE EMERGING MARKETS</b>	4.00	16.11	16.11	****	****	****	****
		FTSE NYCERS CUSTOM BENCHMARK	4.24	17.84	17.84	****	****	****	****
2,858.84	6.47	<b>TOTAL EMERGING MARKETS</b>	3.92	19.88	19.88	7.15	1.03	****	****
		EMERGING MARKETS MEDIAN	6.10	20.02	20.02	6.46	1.11	****	****
7,020.98	15.88	<b>TOTAL INTERNATIONAL EQUITY</b>	5.34	18.09	18.09	4.99	-2.49	9.41	5.82
		<b>HEDGE FUNDS</b>							
254.98	0.58	<b>TOTAL PERMAL HEDGE FUNDS OF FUNDS</b>	2.69	5.78	5.78	****	****	****	****
		HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	1.53	5.70	5.70	****	****	****	****
		<b>DIRECT HEDGE FUNDS</b>							
115.19	0.26	BLUE TREND FD	-1.28	****	****	****	****	****	****
199.42	0.45	BREXAN HOWARD	2.10	2.80	2.80	****	****	****	****
116.16	0.26	BRIGADE LEV CAP STR	1.66	****	****	****	****	****	****
88.31	0.20	CASPIAN SELECT CF	1.15	****	****	****	****	****	****
227.95	0.52	D.E. SHAW	7.75	16.98	16.98	****	****	****	****
747.04	1.69	<b>TOTAL DIRECT HEDGE FUNDS</b>	3.02	8.16	8.16	****	****	****	****
		HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	1.53	5.70	5.70	****	****	****	****
		MSCI AC WORLD INDEX STD NET	2.88	16.13	16.13	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE BOND INDEX	0.21	4.21	4.21	****	****	****	****
1,002.02	2.27	<b>TOTAL HEDGE FUNDS</b>	2.94	7.69	7.69	****	****	****	****
		1 YEAR TREASURY BILL YIELD + 4%	1.04	4.24	4.24	****	****	****	****
		HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	1.53	5.70	5.70	****	****	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
<b>PRIVATE EQUITY INVESTMENTS</b>									
4.28	0.01	AI SLING CAPITAL II, LP	****	****	****	****	****	****	****
6.27	0.01	AI SLING CAPITAL III, LP	****	****	****	****	****	****	****
0.06	0.00	ALLEGRA CAPITAL PARTNERS IV	****	****	****	****	****	****	****
24.83	0.06	AMERICAN SEC PTNRS VI	****	****	****	****	****	****	****
25.42	0.06	AMPERSAND 2006	****	****	****	****	****	****	****
16.37	0.04	AMPERSAND 2009	****	****	****	****	****	****	****
11.16	0.03	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****
92.17	0.21	APOLLO INVESTMENT FD VI	****	****	****	****	****	****	****
82.90	0.19	APOLLO INVESTMENT FD VII	****	****	****	****	****	****	****
18.29	0.04	ARES CORP OPP	****	****	****	****	****	****	****
26.48	0.06	ARES CORP OPP II	****	****	****	****	****	****	****
70.96	0.16	ARES CORP OPP III	****	****	****	****	****	****	****
3.86	0.01	ARES CORP OPP IV	****	****	****	****	****	****	****
28.40	0.06	ARSENAL CAP PTNRS II	****	****	****	****	****	****	****
50.46	0.11	AURORA EQUITY CAPITAL PTNRS III	****	****	****	****	****	****	****
37.24	0.08	AVISTA CAP PTNRS	****	****	****	****	****	****	****
71.07	0.16	AVISTA CAP PTNRS II	****	****	****	****	****	****	****
56.56	0.13	AXA SECONDARY FD V	****	****	****	****	****	****	****
47.70	0.11	BC EUR CAP IX	****	****	****	****	****	****	****
7.95	0.02	BDCM OPPORTUNITY FD	****	****	****	****	****	****	****
29.87	0.07	BDCM OPPORTUNITY FD II	****	****	****	****	****	****	****
14.66	0.03	BDCM OPPORTUNITY FD III	****	****	****	****	****	****	****
15.88	0.04	BLACKSTONE CAPITAL PTNRS IV	****	****	****	****	****	****	****
09.38	0.25	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****
26.76	0.06	BLACKSTONE CAPITAL PTNRS VI	****	****	****	****	****	****	****
11.62	0.03	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****
17.18	0.04	BLUE WOLF CAPITAL FUND II	****	****	****	****	****	****	****
18.96	0.04	BRIDGEPOINT EUROPE IV	****	****	****	****	****	****	****
1.48	0.00	CARLYLE PTNRS III	****	****	****	****	****	****	****
53.68	0.12	CARLYLE PTNRS V	****	****	****	****	****	****	****
20.95	0.05	CARPENTER COMMUNITY BANC FUND	****	****	****	****	****	****	****



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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
57.45	0.13	CATTERTON PTNRS VI	****	****	****	****	****	****	****
28.71	0.06	CCMP CAPITAL INVESTORS II	****	****	****	****	****	****	****
20.93	0.05	CLAYTON, DUBILIER AND RICE FUND VII	****	****	****	****	****	****	****
18.74	0.04	CLAYTON, DUBILIER AND RICE FUND VIII	****	****	****	****	****	****	****
38.38	0.09	CELTIC PHARM HLDGS	****	****	****	****	****	****	****
38.65	0.09	CO INVEST PTNRS EURO	****	****	****	****	****	****	****
21.33	0.05	CONSTELLATION VENTURES III	****	****	****	****	****	****	****
16.20	0.04	CRATON EQUITY INVESTORS	****	****	****	****	****	****	****
12.35	0.03	CREDIT SUISSE EM FD	****	****	****	****	****	****	****
46.68	0.11	CREDIT SUISSE EM CO/INV FD	****	****	****	****	****	****	****
41.81	0.09	CRESTVIEW PARTNERS II	****	****	****	****	****	****	****
4.79	0.01	CYPRESS MERCHANT BK PTNRS II	****	****	****	****	****	****	****
25.24	0.06	EQT VI LP	****	****	****	****	****	****	****
19.07	0.04	ERASMUS NYC GROWTH FD	****	****	****	****	****	****	****
43.62	0.10	FAIRVIEW EMERGING MGRS FD	****	****	****	****	****	****	****
20.52	0.05	FAIRVIEW VENTURES FD III	****	****	****	****	****	****	****
5.25	0.01	FDG CAPITAL PTNRS	****	****	****	****	****	****	****
22.59	0.05	FDG CAPITAL PTNRS II	****	****	****	****	****	****	****
37.97	0.09	FIRST RESERVE FUND XI	****	****	****	****	****	****	****
34.55	0.08	FIRST RESERVE FUND XII	****	****	****	****	****	****	****
68.06	0.15	FOURTH CINVEN FD	****	****	****	****	****	****	****
6.50	0.01	FS EQUITY PTNRS V	****	****	****	****	****	****	****
23.11	0.05	FS EQUITY PTNRS VI	****	****	****	****	****	****	****
31.59	0.07	FT VENTURES FUND III	****	****	****	****	****	****	****
15.33	0.03	GF CAPITAL	****	****	****	****	****	****	****
33.85	0.08	GI PTNRS FUND II, LP	****	****	****	****	****	****	****
44.75	0.10	GI PTNRS FUND III, LP	****	****	****	****	****	****	****
14.61	0.03	GREEN EQ INV VI	****	****	****	****	****	****	****
11.26	0.03	GSC RECOVERY III	****	****	****	****	****	****	****
37.50	0.08	GSO CAPITAL OPP FD	****	****	****	****	****	****	****
14.58	0.03	HALYARD CAPITAL II	****	****	****	****	****	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
30.76	0.07	INTERMEDIA PTNRS VII	****	****	****	****	****	****	****
48.32	0.11	JP MORGAN INVST MGT INC	****	****	****	****	****	****	****
10.78	0.02	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****
59.39	0.13	LANDMARK EQUITY PTNRS XIV	****	****	****	****	****	****	****
25.40	0.06	LANDMARK FUND XIII	****	****	****	****	****	****	****
26.49	0.06	LEE EQUITY PARTNERS	****	****	****	****	****	****	****
30.82	0.07	LEEDS EQUITY PARTNERS V	****	****	****	****	****	****	****
35.99	0.08	LEVINE LEICHTMAN CAP PTNS IV	****	****	****	****	****	****	****
29.39	0.07	LEXINGTON CAPITAL PTNRS VII	****	****	****	****	****	****	****
4.34	0.01	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****
37.61	0.09	LINCONSHIRE EQ FD III	****	****	****	****	****	****	****
13.08	0.03	LINCONSHIRE EQ FD IV	****	****	****	****	****	****	****
18.74	0.04	MARKSTONE CAPITAL PTNRS	****	****	****	****	****	****	****
51.10	0.12	MIDOCEAN PTNRS III	****	****	****	****	****	****	****
14.68	0.03	MONTREUX EQ PTNRS IV	****	****	****	****	****	****	****
26.05	0.06	NAUTIC PARTNERS VI	****	****	****	****	****	****	****
1.86	0.00	NEW MOUNTAIN PTNRS	****	****	****	****	****	****	****
27.50	0.06	NEW MOUNTAIN PTNRS II	****	****	****	****	****	****	****
83.58	0.19	NEW MOUNTAIN PTNRS III	****	****	****	****	****	****	****
9.55	0.02	NEWSPRING VENTURES II	****	****	****	****	****	****	****
12.24	0.03	NGN BIOMED OPPORTUNITY II	****	****	****	****	****	****	****
54.50	0.12	ONEX PTNRS III	****	****	****	****	****	****	****
5.70	0.01	PALADIN HOMELAND SECURITY	****	****	****	****	****	****	****
16.59	0.04	PALADIN FUND III	****	****	****	****	****	****	****
33.01	0.07	PALLADIUM EQ PTNRS III	****	****	****	****	****	****	****
63.82	0.14	PCGAM CLEAN ENERGY & TECH FD	****	****	****	****	****	****	****
27.59	0.06	PEGASUS PTNRS IV	****	****	****	****	****	****	****
9.20	0.02	PEGASUS PTNRS V	****	****	****	****	****	****	****
17.05	0.04	PERSEUS PTNRS VII	****	****	****	****	****	****	****
20.29	0.05	PINE BROOK CAPITAL PTNRS	****	****	****	****	****	****	****
14.69	0.03	PRISM VENTURE PTNRS V-A	****	****	****	****	****	****	****
24.55	0.06	PSILOS GROUP PTNRS III	****	****	****	****	****	****	****

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42.57	0.10	QUADRANGLE CAP PTNRS II	****	****	****	****	****	****	****
10.21	0.02	QUAKER BIOVENTURES II	****	****	****	****	****	****	****
3.42	0.01	RELATIVITY FD	****	****	****	****	****	****	****
8.89	0.02	RIPPLEWOOD PTNRS II	****	****	****	****	****	****	****
35.19	0.08	RIVERSTONE/CARLYLE GLB EP IV	****	****	****	****	****	****	****
15.77	0.04	RLJ EQUITY PARTNERS I	****	****	****	****	****	****	****
27.12	0.06	RRE VENTURES III	****	****	****	****	****	****	****
46.79	0.11	RRE VENTURES IV	****	****	****	****	****	****	****
10.29	0.02	SCP PRIV EQ PTNRS II	****	****	****	****	****	****	****
12.91	0.03	SCP VITALIFE PTNRS II	****	****	****	****	****	****	****
15.23	0.03	SNOW PHIPPS GROUP	****	****	****	****	****	****	****
11.67	0.03	SNOW PHIPPS II	****	****	****	****	****	****	****
27.96	0.06	SOLERA PTNRS	****	****	****	****	****	****	****
16.47	0.04	STARVEST PTNRS II	****	****	****	****	****	****	****
1.88	0.00	TAILWIND CAPITAL PTNRS	****	****	****	****	****	****	****
25.58	0.06	TERRA FIRMA CAP III	****	****	****	****	****	****	****
15.76	0.04	THOMAS H. LEE EQUITY FD VI	****	****	****	****	****	****	****
9.65	0.02	THOMAS MCNERNEY PTNRS	****	****	****	****	****	****	****
19.16	0.04	THOMAS MCNERNEY PTNRS II	****	****	****	****	****	****	****
43.71	0.10	TRIDENT V	****	****	****	****	****	****	****
0.16	0.00	TRILANTIC CAPITAL PTNRS	****	****	****	****	****	****	****
13.74	0.03	TRILANTIC CAPITAL PTNRS III	****	****	****	****	****	****	****
83.29	0.19	TRILANTIC CAPITAL PTNRS IV	****	****	****	****	****	****	****
54.25	0.12	U. S. POWER FUND II	****	****	****	****	****	****	****
46.96	0.11	U. S. POWER FUND III	****	****	****	****	****	****	****
31.82	0.07	VISTA EQUITY PTNRS III	****	****	****	****	****	****	****
33.68	0.08	VISTA EQUITY PTNRS IV	****	****	****	****	****	****	****
21.33	0.05	VITRUVIAN PTNRS	****	****	****	****	****	****	****
4.34	0.01	VS&A COMM PTNRS III	****	****	****	****	****	****	****
14.34	0.03	VSS COMM PTNRS IV	****	****	****	****	****	****	****
22.62	0.05	WARBURG PINCUS XI	****	****	****	****	****	****	****
9.09	0.02	WELLSPRING CAP PTNRS V	****	****	****	****	****	****	****

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31.42	0.07	WELSH CARSON ANDERSON & STOWE XI	****	****	****	****	****	****	****
65.58	0.15	YUCAIPA AMERICAN ALLLIANCE FD	****	****	****	****	****	****	****
150.53	0.34	YUCAIPA AMERICAN ALLLIANCE FD II	****	****	****	****	****	****	****
22.40	0.05	YUCAIPA CORP INITIATIVE II	****	****	****	****	****	****	****
3,749.30	8.48	<b>TOTAL PRIVATE EQUITY</b>	4.92	12.74	12.74	13.51	6.39	****	****
<b>PRIVATE REAL ESTATE</b>									
24.57	0.06	AMER VALUE PTNRS I	****	****	****	****	****	****	****
25.97	0.06	APOLLO EUROPE III	****	****	****	****	****	****	****
10.76	0.02	APOLLO REAL ESTATE FD V	****	****	****	****	****	****	****
31.18	0.07	BLACKROCK CARBON III	****	****	****	****	****	****	****
37.09	0.08	BLACKSTONE REAL ESTATE PTNRS EU III	****	****	****	****	****	****	****
17.13	0.04	BLACKSTONE REAL ESTATE PTNRS IV	****	****	****	****	****	****	****
131.89	0.30	BLACKSTONE REAL ESTATE PTNRS VI	****	****	****	****	****	****	****
77.39	0.18	BLACKSTONE REAL ESTATE PTNRS VII	****	****	****	****	****	****	****
12.26	0.03	BROOKFIELD STRATEGIC RE PTNRS	****	****	****	****	****	****	****
0.01	0.00	CANYON JOHNSON URBAN FD	****	****	****	****	****	****	****
19.99	0.05	CANYON JOHNSON URBAN FD II	****	****	****	****	****	****	****
22.50	0.05	CANYON JOHNSON URBAN FD III	****	****	****	****	****	****	****
39.36	0.09	CAPRI URBAN INVESTORS	****	****	****	****	****	****	****
14.49	0.03	CARLYLE R.P. FD V	****	****	****	****	****	****	****
22.12	0.05	CARLYLE REALTY VI	****	****	****	****	****	****	****
8.75	0.02	COLONY REALTY PTNRS II	****	****	****	****	****	****	****
12.56	0.03	H/2 SPECIAL OPPORUNITY FD II	****	****	****	****	****	****	****
138.63	0.31	HEITMAN AMERICA	****	****	****	****	****	****	****
165.35	0.37	JPM STRATEGIC PROP FD	****	****	****	****	****	****	****
72.94	0.16	JPM SPECIAL SIT FD	****	****	****	****	****	****	****
33.79	0.08	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
8.28	0.02	METRO WKFORCE HOUSING FD	****	****	****	****	****	****	****
83.05	0.19	PRISA	****	****	****	****	****	****	****
131.98	0.30	PRISA II	****	****	****	****	****	****	****
65.84	0.15	PRISA III	****	****	****	****	****	****	****
18.63	0.04	PROLOGIS TARGETED US LOGISTICS FD	****	****	****	****	****	****	****
86.28	0.20	RREEF AMER II	****	****	****	****	****	****	****

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
37.54	0.08	RREEF AMER III	****	****	****	****	****	****	****
9.16	0.02	SILVERPEAK RE PTNRS III	****	****	****	****	****	****	****
22.97	0.05	STOCKBRIDGE RE FD III	****	****	****	****	****	****	****
20.43	0.05	TACONIC NY INV FD	****	****	****	****	****	****	****
92.15	0.21	THE CITY INVESTMENT FD	****	****	****	****	****	****	****
26.59	0.06	THOR URBAN PROPERTY FD II	****	****	****	****	****	****	****
38.60	0.09	TISHMAN SPEYER/CITIGROUP	****	****	****	****	****	****	****
186.05	0.42	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
13.49	0.03	URBAN AMERICA II	****	****	****	****	****	****	****
47.12	0.11	WALTON ST RE FD VI	****	****	****	****	****	****	****
30.85	0.07	WESTBROOK RE FD VII	****	****	****	****	****	****	****
47.77	0.11	WESTBROOK RE FD VIII	****	****	****	****	****	****	****
1,885.50	4.26	<b>TOTAL PRIVATE REAL ESTATE</b>	3.72	14.43	14.43	14.91	-4.63	****	****
29,058.26	65.73	<b>TOTAL EQUITY - PUBLIC &amp; PRIVATE</b>	2.71	16.09	16.09	9.80	0.84	****	****
		<b>FIXED INCOME MANAGEMENT</b>							
		<b>TREASURY AGENCY</b>							
425.68	0.96	BLACKROCK-GOVT	-0.27	3.99	3.99	10.41	****	****	****
460.52	1.04	PIMCO	-0.10	4.49	4.49	10.77	8.41	6.84	****
178.62	0.40	STATE STREET	-0.20	3.96	3.96	10.30	8.32	6.72	7.37
1,064.81	2.41	<b>ALL TREASURY AGENCY</b>	-0.18	4.20	4.20	10.55	8.24	6.68	7.35
		NYC - TREASURY AGENCY PLUS FIVE	-0.26	3.84	3.84	10.34	8.13	6.61	7.29
		<b>MORTGAGE</b>							
675.25	1.53	BLACKROCK	0.12	5.79	5.79	6.87	6.73	5.64	****
299.93	0.68	GOLDMAN SACHS -MORT	-0.14	3.80	3.80	5.38	****	****	****
733.52	1.66	NEUBERGER BERMAN	-0.32	3.64	3.64	****	****	****	****
760.26	1.72	PIMCO	-0.06	4.29	4.29	6.32	6.53	5.71	6.52
177.91	0.40	SMITH BREEDEN -MORT	-0.05	3.73	3.73	5.37	****	****	****
300.25	0.68	WELLINGTON -MORT	-0.24	2.89	2.89	5.29	****	****	****
2,947.13	6.67	<b>ALL MORTGAGE</b>	-0.11	4.26	4.26	6.50	6.45	5.52	6.22
		CITIGROUP MORTGAGE INDEX	-0.22	2.60	2.60	4.81	5.72	5.13	5.88

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		<b>INVESTMENT GRADE CREDIT</b>							
562.92	1.27	BARROW HANLEY - CREDIT	1.48	11.45	11.45	9.38	****	****	****
675.93	1.53	BLACKROCK - CREDIT	1.12	10.48	10.48	9.26	7.88	6.60	****
904.74	2.05	PRUDENTIAL - CREDIT	1.06	9.43	9.43	8.91	8.53	6.89	****
175.52	0.40	PRUDENTIAL- PRIVEST	0.26	****	****	****	****	****	****
580.87	1.31	TAPLIN, CANADA -CREDIT	1.94	11.02	11.02	9.40	7.00	6.30	6.65
678.66	1.54	T. ROWE PRICE -CREDIT	1.54	11.40	11.40	10.00	8.94	7.19	6.78
3,578.65	8.09	<b>ALL INVESTMENT GRADE CREDIT</b>	1.35	10.58	10.58	9.33	7.98	6.71	6.64
		NYC - INVESTMENT GRADE CREDIT	1.09	9.52	9.52	8.56	7.39	6.17	6.48
		<b>GLOBAL FIXED INCOME</b>							
58.83	0.13	LM CAPITAL - MTA	0.54	6.23	6.23	7.26	****	****	****
58.83	0.13	<b>NYCERS-TOTAL GLOBAL FIXED INCOME</b>	0.54	6.23	6.23	7.26	****	****	****
		BARCLAYS CAPITAL US AGGREGATE	0.21	4.21	4.21	6.19	****	****	****
7,590.59	17.17	<b>TOTAL STRUCTURED</b>	0.57	6.92	6.92	8.39	7.59	6.29	6.74
		NYC - CORE PLUS FIVE	0.29	5.41	5.41	7.30	6.96	5.90	6.48
7,649.42	17.30	<b>TOTAL STRUCTURED PLUS LM CAPITAL</b>	0.57	6.91	6.91	8.38	7.58	6.28	6.74
		<b>PROGRESS FIXED</b>							
39.34	0.09	AMBASSADOR CAP -CORE PLUS	0.52	5.45	5.45	7.10	7.73	****	****
39.63	0.09	NEW CENTURY ADVISORS-CORE PLUS	0.39	5.50	5.50	7.71	7.52	****	****
27.08	0.06	PUGH CAPITAL MGMT -CORE	0.52	5.61	5.61	7.09	7.67	****	****
106.05	0.24	<b>TOTAL PROGRESS FIXED EMERGING MANAGERS</b>	0.47	5.51	5.51	7.10	7.26	6.47	6.48
		BARCLAYS CAPITAL U.S. AGGREGATE	0.21	4.21	4.21	6.19	5.94	5.18	5.96
		<b>ACTIVE TIPS MANAGERS</b>							
239.36	0.54	BLACKROCK-TIPS	0.69	6.42	6.42	8.80	7.27	****	****
702.16	1.59	PIMCO-TIPS-MTA	0.84	7.67	7.67	9.15	7.28	****	****
941.51	2.13	<b>TOTAL ACTIVE TIPS MANAGER</b>	0.81	7.38	7.38	9.07	7.29	****	****

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		<b>PASSIVE TIPS MANAGERS</b>							
309.29	0.70	STATE STREET-TIPS-MTA	0.62	6.87	6.87	8.89	7.06	****	****
309.29	0.70	<b>TOTAL PASSIVE TIPS MANAGERS</b>	0.62	6.87	6.87	8.89	7.06	****	****
1,250.80	2.83	<b>TOTAL TIPS MANAGERS</b>	0.76	7.25	7.25	9.03	7.23	****	****
		BARCLAYS CAPITAL US TIPS INDEX	0.69	6.98	6.98	8.92	7.05	****	****
		<b>ENHANCED YIELD</b>							
547.40	1.24	LOOMIS SAYLES	3.78	18.69	18.69	14.11	11.77	11.82	7.82
		NYC-LOOMIS (ML-MST II 7-03/BB&B PRIOR)	3.18	15.58	15.58	11.59	10.01	10.30	7.15
307.24	0.69	OAKTREE	****	****	****	****	****	****	****
		BofA MERRILL LYNCH HY MASTER II CONSTRAINED	****	****	****	****	****	****	****
292.81	0.66	STONE HARBOR	3.77	****	****	****	****	****	****
		BofA MERRILL LYNCH HY MASTER II	3.18	****	****	****	****	****	****
167.44	0.38	FORT WASHINGTON	3.13	****	****	****	****	****	****
493.98	1.12	NEUBERGER BERMAN	3.46	****	****	****	****	****	****
177.07	0.40	PENN	3.20	****	****	****	****	****	****
249.91	0.57	SHENKMAN	2.74	11.77	11.77	9.56	8.19	****	****
485.14	1.10	T. ROWE PRICE	3.00	13.95	13.95	10.93	9.44	9.53	8.27
0.19	0.00	HIGH YIELD TRANSITION -ACCOUNT	****	****	****	****	****	****	****
2,721.19	6.16	<b>ALL ENHANCED YIELD</b>	3.33	14.56	14.56	11.43	9.59	9.69	6.83
		CITIGROUP BB & B	3.00	14.45	14.45	11.40	7.76	8.94	6.27
		CITIGROUP BB & B CAPPED	2.92	14.00	14.00	11.20	8.29	9.06	****
		ENHANCED YIELD MEDIAN	2.94	14.39	14.39	11.18	9.31	9.50	8.27
		<b>BANK LOANS</b>							
218.33	0.49	BABSON BL MTA	****	****	****	****	****	****	****
216.47	0.49	CREDIT SUISSE BL MTA	****	****	****	****	****	****	****
137.75	0.31	GUGGENHEIM BL MTA	****	****	****	****	****	****	****
214.35	0.48	INVESCO BL MTA	****	****	****	****	****	****	****
786.90	1.78	<b>TOTAL BANK LOANS</b>	****	****	****	****	****	****	****
		CREDIT SUISSE LEVERAGED LOAN INDEX	****	****	****	****	****	****	****

# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
<b>CONVERTIBLE BONDS</b>									
275.87	0.62	ADVENT CONVERTIBLE BONDS	1.34	11.69	11.69	8.11	****	****	****
		BofA ML CONVERTIBLE YIELD ALT. IDX	2.67	12.21	12.21	7.60	****	****	****
144.78	0.33	LORD ABBETT CONVERTIBLE BONDS	2.39	12.79	12.79	7.55	****	****	****
		BofA ML ALL CONVERTIBLES INDEX	2.80	14.96	14.96	8.37	****	****	****
146.32	0.33	VICTORY CONVERTIBLE BONDS	0.31	10.42	10.42	6.12	****	****	****
		BofA ML CONVERTIBLE BONDS INVST GRADE	0.63	11.89	11.89	5.35	****	****	****
566.97	1.28	<b>TOTAL CONVERTIBLE BONDS</b>	1.35	11.66	11.66	7.44	****	****	****
		ML ALL CONVERTIBLES EX MANDATORY	2.39	14.41	14.41	8.79	****	****	****
		NYCERS CUSTOM CONVERTIBLE BOND INDEX	2.03	13.03	13.03	7.13	****	****	****
<b>OPPORTUNISTIC FIXED</b>									
7.07	0.02	AVE EURO SPECIAL SITUATIONS FD	****	****	****	****	****	****	****
4.19	0.01	AVE SPECIAL SITUATIONS FD V	****	****	****	****	****	****	****
66.36	0.15	AVE SPECIAL SITUATIONS FD VI	****	****	****	****	****	****	****
17.70	0.04	AG GECC LP	****	****	****	****	****	****	****
0.02	0.00	ALLIANCE BERNSTEIN LEGACY SECS LP	****	****	****	****	****	****	****
95.35	0.22	<b>TOTAL FUND STRATEGIES</b>	****	****	****	****	****	****	****
		3 MONTH LIBOR PLUS 750BPS	****	****	****	****	****	****	****
88.11	0.20	ANGELO GORDON PTNRS LP	0.00	****	****	****	****	****	****
73.64	0.17	APOLLO PTNRSH LP	0.00	****	****	****	****	****	****
28.54	0.06	FORTRESS PTNRS LP	0.99	****	****	****	****	****	****
117.14	0.26	GOLDENTREE OD MTA	4.42	15.67	15.67	****	****	****	****
0.01	0.00	MARATHON OD MTA	-6.24	17.08	17.08	****	****	****	****
22.09	0.05	OAK HILL PTNRS LP	-0.36	****	****	****	****	****	****
475.35	1.08	<b>TOTAL STRATEGIC MARKETS</b>	1.36	16.63	16.63	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD BOND INDEX	3.32	16.20	16.20	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	4.36	19.20	19.20	****	****	****	****
552.98	1.25	<b>TOTAL DISTRESSED FIXED</b>	****	****	****	****	****	****	****



# Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
570.70	1.29	<b>TOTAL OPPORTUNISTIC FIXED</b>	2.57	20.49	20.49	13.22	****	****	****
		10% ANNUAL RETURN	****	****	10.00	10.00	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	4.36	19.20	19.20	15.23	****	****	****
		<b>ETI</b>							
55.60	0.13	ACCESS RBC	0.16	4.15	4.15	5.42	6.64	****	****
226.95	0.51	AFL-CIO HOUSING INV TRUST	0.11	4.27	4.27	6.09	5.96	5.17	****
16.77	0.04	BOA-PPAR	1.18	6.28	6.28	****	****	****	****
2.41	0.01	CFSB-PPAR	2.56	8.16	8.16	8.01	7.86	****	****
5.68	0.01	CCD-PPAR	2.48	11.40	11.40	9.48	9.51	****	****
3.50	0.01	LIIF-PPAR	2.27	6.84	6.84	5.37	****	****	****
1.40	0.00	NCBCI-PPAR	2.44	9.46	9.46	7.33	****	****	****
1.18	0.00	NHS-PPAR	2.67	9.68	9.68	7.79	8.67	****	****
186.01	0.42	TARGETED INVESTMENT	2.47	9.23	9.23	7.86	8.31	7.67	7.42
18.53	0.04	CPC TERM LOAN	0.61	2.51	2.51	2.22	2.73	****	****
518.04	1.17	<b>TOTAL ETI WITH CASH</b>	1.08	6.12	6.12	6.52	6.79	6.41	6.58
		EMPLOYEES CUSTOM BENCHMARK (NO CASH)	0.01	3.41	3.41	5.83	5.94	5.39	6.24
		BARCLAYS CAPITAL U.S. AGGREGATE	0.21	4.21	4.21	6.19	5.94	5.18	5.96
15,146.74	34.26	<b>TOTAL FIXED INCOME</b>	1.23	8.31	8.31	8.36	7.56	6.66	6.68
3.44	0.01	SECURITIES LENDING	****	****	****	****	****	****	****
976.67	2.21	STATE STREET SHORT TERM INVESTMENTS	0.12	0.56	0.56	0.58	1.31	2.31	3.38
2.12	0.00	BNY - CD	****	****	****	****	****	****	****
44,210.56	100.00	<b>TOTAL EMPLOYEES</b>	2.20	13.42	13.42	9.28	3.06	7.97	5.90
		EMPLOYEES POLICY BENCHMARK	1.56	13.39	13.39	9.64	3.43	8.11	5.91

# Actual & Estimated Fees

<b>NEW YORK CITY NYCERS RETIREMENT SYSTEMS</b> <b>ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2012 AND</b> <b>ESTIMATED FEES FOR FY 2013 UPDATED THROUGH SEPTEMBER 2012</b>						
		<b>Actual 2012</b>		<b>Estimates 2013</b>		
<b>INVESTMENT STYLE (EQUITIES)</b>		<b>MARKET VALUE 06-30-2012 (\$MM)</b>	<b>BASIS POINTS</b>		<b>MARKET VALUE 09-30-2012 (\$MM)</b>	<b>BASIS POINTS</b>
<b>US Equities</b>		<b>15,111</b>	<b>7.23</b>		<b>16,007</b>	<b>7.43</b>
Small Cap Active		<b>770</b>	<b>30.29</b>		<b>788</b>	<b>29.39</b>
Small Cap Growth		-	-		-	-
Small Cap Value		-	-		-	-
Small Cap core		166	64.22		146	63.55
Small Cap Fundamental Index		604	20.98		642	21.65
Small/Mid Cap Active		-	-		-	-
Small/Mid Cap Growth		-	-		-	-
Small/Mid Cap Value		-	-		-	-
Mid Cap Active		-	-		-	-
Mid Cap Growth		-	-		-	-
Mid Cap Value		-	-		-	-
Mid Cap core		-	-		-	-
Large Cap Active		<b>1,708</b>	<b>22.67</b>		<b>1,813</b>	<b>23.66</b>
Large Cap Growth		241	38.01		257	41.00
Large Cap Value		114	40.78		118	42.15
Large Cap Core		230	36.91		245	38.03
Large Cap Fundamental Index		1,123	14.62		1,192	15.13
Active Emerging Managers (U.S.)		667	56.61		711	60.22
Total US Active Equities		3,145	31.74		<b>3,312</b>	<b>32.87</b>
Total US Passive Equities		11,904	0.59		12,630	0.51
Opportunistic US Equity Strategies		63	40.00		66	54.00
<b>International Equities</b>		<b>6,603</b>	<b>27.60</b>		<b>6,669</b>	<b>31.36</b>
Active EAFE Equities		<b>2,293</b>	<b>39.53</b>		<b>2,450</b>	<b>33.93</b>
Growth		782	38.56		842	30.99
Value		728	33.78		773	30.51
Core		782	45.85		835	40.06
Opportunistic-Non US Equity Strategies		387	71.44		410	70.99
Active Emerging Markets		1,574	36.19		1,717	51.96
Total Int'l Active Equities		3,866	38.17		4,577	44.01
Total Int'l Passive Equities		2,350	3.00		2,091	3.67
REITS Passive Index		-	-		-	-

# Actual & Estimated Fees

<b>NEW YORK CITY NYCERS RETIREMENT SYSTEMS</b> <b>ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2012 AND</b> <b>ESTIMATED FEES FOR FY 2013 UPDATED THROUGH SEPTEMBER 2012</b>						
		<b>Actual 2012</b>		<b>Estimates 2013</b>		
<b>INVESTMENT STYLE (FIXED INCOME)</b>		<b>MARKET VALUE 06-30-2012 (\$MM)</b>	<b>BASIS POINTS</b>		<b>MARKET VALUE 09-30-2012 (\$MM)</b>	<b>BASIS POINTS</b>
<b>Fixed Income</b>		<b>12,411</b>	<b>15.20</b>		<b>14,319</b>	<b>18.07</b>
Structured Program		<b>7,066</b>	<b>10.11</b>		<b>7,724</b>	<b>8.04</b>
Government Sector		1,058	5.84		1,067	7.61
Mortgage Sector		3,003	8.89		2,987	6.60
Investment Grade Credit Sector		3,006	12.83		3,670	9.33
Global Fixed Income		57	21.15		59	22.39
Progress Fixed Emerging Managers		104	37.49		106	40.00
TIPS		<b>923</b>	<b>7.18</b>		<b>944</b>	<b>7.10</b>
Active TIPS		695	9.38		711	9.27
Passive TIPS		228	0.48		233	0.50
Opportunistic Fixed Income		435	54.49		467	72.70
Enhanced Yield		1,390	35.97		2,722	33.07
Bank Loans		-	-		780	34.10
Convertible Bonds		546	38.59		570	39.27
Targeted - Access Voyageur		55	26.75		56	27.90
Targeted - AFL-CIO		223	41.40		227	44.00
Other ETI Programs		221	-		238	-
In-House Short Term		1,391	0.00		428	0.00
<b>Total Public Markets</b>		<b>34,125</b>	<b>14.07</b>		<b>36,995</b>	<b>15.86</b>
<b>INVESTMENT STYLE (PRIVATE)</b>						
Hedge Funds		829	77.41		973	158.53
Private Equity Investments *		3,008	156.54		3,598	165.76
Private Real Estate Investments		1,659	127.48		1,763	126.11
<b>Total Private Markets</b>		<b>5,497</b>	<b>135.83</b>		<b>6,334</b>	<b>153.61</b>
<b>Total Overall</b>		<b>39,622</b>	<b>30.96</b>		<b>43,329</b>	<b>36.00</b>
<b>* Private Equity Investments exclude GP CARRY</b>						

# Securities Lending Income

Through December 31, 2012

	U.S. FIXED INCOME	U.S. EQUITY	INTERNATIONAL EQUITY
1990*	\$256,000	--	--
1991	754,000	\$48,000	--
1992	1,467,000	654,000	\$367,000
1993	3,445,000	1,308,000	732,000
1994	4,261,000	2,744,000	1,082,000
1995	3,727,000	3,191,000	745,000
1996	3,608,000	3,592,000	1,258,000
1997	3,924,000	5,921,000	1,533,000
1998	6,374,000	7,337,000	1,952,000
1999	6,643,000	6,718,000	2,175,000
2000	6,552,000	7,669,000	3,049,000
2001	10,335,000	10,394,000	4,435,000
2002	5,906,000	7,780,000	3,510,000
2003	2,442,000	4,766,000	3,603,000
2004	3,502,000	5,844,000	3,825,000
2005	5,229,000	8,264,000	4,471,000
2006	4,626,000	10,012,000	4,163,000
2007	9,445,000	15,100,000	4,510,000
2008	25,936,000	26,696,000	6,878,000
2009	8,149,000	16,388,000	4,305,000
2010	3,714,000	10,256,000	3,125,000
2011	4,834,000	12,861,000	5,163,000
2012	6,691,000	16,287,000	4,116,000
Since Inception	<u>\$131,820,000</u>	<u>\$183,830,000</u>	<u>\$64,997,000</u>

\* Inception 7/90

## Footnotes

### Through December 31, 2012

- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
- Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
- Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
- Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
- Effective 7/1/03 the “NYC-Loomis” benchmark index for the Loomis Sayles Enhanced Yield portfolio reflects a change from the Citigroup BB&B Index to the more appropriate 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.
- Effective 11/1/10 The NCREIF NPI policy index was replaced with the NCREIF NFI ODEC net Index retroactively.
- Effective 6/1/11 The Opportunistic Fixed NYC-CORE PLUS 5 + 200BPS policy index was replaced with the NYC-10% ANNUAL RETURN primary and JP MORGAN GLOBAL HIGH YIELD PLUS 3% secondary indices retroactively.
- Effective 8/1/11 The Hedge Funds Primary benchmark is the 1 YEAR TREASURY BILL YIELD + 4% and the secondary benchmark is the HFRI FUND OF FUNDS COMPOSITE INDEX + 1%.

# Glossary of Terms

Through December 31, 2012

## General Notes

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

## Page Specific

### Page 8 - Portfolio asset Allocation

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

### Page 10 - Performance Attribution: Total Plan

- **Plan Return At Policy Weights:** the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 \* Target Weight) plus (Return Of Asset Class 2 \* Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return at Adjusted Policy Weights.
- **Management Effect** = Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights  
This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**  
The "policy Index" is a custom benchmark representing the weighted average return of the 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 adjusted policy weights are as follows:  
**U.S. Equity:** Russell 3000 \* 34.13%  
**International Developed (EAFE) Markets:** MSCI EAFE \* 10.22%  
**International Emerging Markets:** FTSE NYCERS Custom Benchmark \* 6.90%  
**Private Equity:** Russell 3000 + 500 b.p. per annum \* 7.00%  
**Private Real Estate:** NFI ODCE net per annum \* 4.25%  
**Hedge Funds** 1yr T-Bill yield + 400 b.p. per annum \* 2.26%  
**Domestic Fixed Income:** NYC Core + 5 \* 22.64%  
**TIPS:** Barclays U.S. TIPS \* 4.50%  
**Enhanced Yield:** Citigroup BB&B \* 4.06%  
**Bank Loans:** Credit Suisse Leveraged Loan Index \* 1.83%  
**Convertible Bonds:** BofA Merrill All US Convertibles Ex Mandatory \* 1.00%  
**Opportunistic Fixed Income:** JPM Hi Yield + 3% \* 1.22%

# Glossary of Terms

## Through December 31, 2012

### Page 14 - Management Effect - Asset Class Breakdown

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

### Page 20 - Domestic Equity Asset Allocation

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

### Page 39 – Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

### Page 47 – ETI Returns vs. Custom Index and Barclays Capital U.S. Aggregate

- ETI has implemented a Custom Benchmark to better track the performance of the individual ETI programs relative to their respective benchmarks. The Custom Benchmark represents the weighted average return of the individual benchmark indexes for each program, updated monthly. The indexes are as follows:
  - AFL-CIO Housing Inv Trust:** Barclays Capital U.S. Aggregate Index
  - CPC Term Loan:** 30 Day Libor + 200 bps with a floor of 250 bps per annum
  - FNMA:** Citigroup 15 yr. FNMA
  - GNMA:** Citigroup 15 yr. GNMA
  - PPAR:** Citigroup GNMA + 65 bps per annum
  - Access/RBC:** 60% Merrill Lynch 30 Year Mortgage Index (MF30) plus 40% U.S. Treasury 1-10 Yr Index (G502)