



New York City  
Police Pension Fund, Subchapter Two  
Performance Overview as of December 31, 2014

# Total Fund Overview



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**New York City  
Police Pension Fund, Subchapter Two**

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### **Global Equities Markets**

Global equity performance was fairly flat for the quarter as the MSCI All-Country World Index (ACWI) Net posted a +0.41% return. However, there was a clear divergence between the US and International equity markets as the Russell 3000 Index increased 5.24% while the MSCI ACWI ex US Net Index decreased 3.87% and MSCI EAFE Net Index lost 3.57%.

Within US equities, small cap stocks had a stellar quarter as the Russell 2000 Index gained a robust 9.73% while large cap stocks also fared well as the Russell 1000 Index increased 4.88%. There was very little variation amongst growth and value stocks as the Russell 3000 Growth Index gained 5.17% and the Russell 3000 Value Index gained 5.31%.

Within International equities, developed market stocks fared only slightly better than emerging market stocks as the MSCI World ex US Index Net declined 3.69% while the MSCI Emerging Markets Net Index decreased 4.50%. A strong dollar relative to foreign currencies hampered returns in all regions.

### **Fixed Income Markets**

Global fixed income performance was slightly negative for the quarter as the Barclays Global Aggregate Index declined 1.04%. However, as with equities, there was a clear divergence between the US and International fixed income markets as the Barclays Aggregate Index increased 1.79% while the Citigroup WGBI ex US Index decreased 2.91%. The strong US dollar was again a major factor as the Citigroup WGBI ex US Hedged Index actually increased 3.02%.

Within US fixed income, the performance disparity was minor amongst the government, mortgage, and credit sectors. The 10 year Treasury Bellwether yield was +2.17% as of 12/31/14. The 3 month T-bill yield was +0.04% and the 30 year bond yield was +2.75%. The "plus" fixed income sectors did not fare well as the Barclays High Yield Index declined 1% and the JPM EMBI+ Index decreased 0.94%.



### **Commodity Markets**

Perhaps the most noteworthy 4<sup>th</sup> quarter market event was the oil price collapse to the lowest level since the global economic recession. The S&P Goldman Sachs Commodity Index, heavily weighted influenced by the Energy sector, decreased a stunning 27.67%. Debt defaults caused by low oil prices could affect bank deposits and international trade.

### **Private Markets**

The fourth quarter of 2014 saw 217 private equity funds reach a final close globally and approximately 50% of the funds raised were based in the US. The aggregate capital raised totaled \$124 billion, which surpassed the prior quarter of capital commitments by 50%. Venture Capital Funds represented the largest number raised at 54 funds and Buyout Funds had the highest aggregate capital raised at \$39 billion. As of December 31, 2014, the average time taken for private equity funds to achieve a final close decreased from 18 months in 2013 to 16 months in 2014.

For the calendar year, the number of private equity-backed buyout deals was 8% higher than the prior year and the aggregate value increased from \$302 billion to \$332 billion. Private equity-backed buyout exits also had a record year with the highest annual amount in history at \$428 billion in total value.

The real estate market continued to soar as the NCREIF Property Index increased 3.04% and the NAREIT Equity Index gained a robust 14.2%.



### **Asset Allocation**

As of December 31, 2014 the Fund allocated 51.0% to equity (including domestic and international) and 34.0% to fixed income (Structure, Core Plus Fixed, Progress Fixed, TIPS, High Yield, Bank Loan, Convertibles, Opportunistic Fixed, ETI, and Cash).

### **Performance**

During the fourth quarter of 2014, the Fund returned +2.17%, surpassing the return of the policy benchmark +1.87% by 30 bps. For the year, the Fund returned +7.60% and underperformed the policy return +8.02% by 42 bps. Over the longer term 10-year period, the Plan returned +6.90% annually.

### **Domestic Equity Composite**

The Fund had 36.2% invested in domestic equity at the end of the fourth quarter. Within domestic equity, 6.0% was invested in Small Cap Active; 2.2% was invested in Small Cap Passive; 2.2% was invested in SMID; 9.7% was invested in Mid Cap Active; 5.4% was invested in Mid Cap Passive; 37.6% was invested in Russell 1000 Passive; 5.6% was invested in Russell 1000 Active; 29.6% was invested in Russell 3000 Passive; and 1.7% was invested in Emerging Manager Program.

The Total Domestic Equity Portfolio returned +5.38% in the fourth quarter, leading the Russell 3000 Index (+5.24%) by 14 bps. All categories underperformed their respective benchmarks during the fourth quarter.

### **International Equity Composite**

At the end of the fourth quarter, the Fund had an allocation to international equity of 14.8%. Of this total, 36.1% was allocated to emerging markets equity and 63.9% was allocated to developed markets. The Fund also allocated across style in the EAFE Environmental space, with 34.9% in growth mandates; 34.4% in value mandates; 14.2% in EAFE small cap active mandates; and 3.7% invested in



Through December 31, 2014

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non-US Environmental mandates. A total of 18.8% of the total international allocation was invested passively, including 10.6% invested in Emerging Markets Passive investments and 8.2% invested in Passive developed investments.

The Total Active EAFE excluding Environmental and Activist managers returned -2.68% in the fourth quarter, outperforming the benchmark (-3.57%) by 89 bps. The Emerging Markets Equity Composite returned -5.12% in the fourth quarter, underperforming the MSCI EM Net Index (-4.50%) by 62 bps.

### **Fixed Income Composite**

At the end of the fourth quarter, the Fund had an allocation to fixed income of 34.0%. Of the allocation to fixed income, 52.1% was invested in Structured Fixed Income; 0.3% was allocated to Core Plus Fixed Income; 0.7% was allocated to Progress Fixed Income; 8.7% was invested in TIPS; 11.9% was allocated to High Yield; 5.0% was allocated to Bank Loan; 2.0% was in Convertible Bonds; 7.2% was allocated to Opportunistic Fixed Income; 3.0% was allocated to ETI; and 9.2% was allocated to cash and short-term investments.

The Structured Fixed Income Composite returned +1.91% in the fourth quarter, underperforming the NYC Core plus 5 Index return (+2.23%) by 32 bps. The Barclays Capital Aggregate Index returned +1.79% in the quarter. All components trailed their benchmarks, respectively.

During the fourth quarter, the Core Plus Fixed Income Composite returned +1.72% and underperformed the Barclays Capital Aggregate Index (+1.79%) by 7 bps. The Progress Fixed Income Composite returned +1.38%, underperforming the Barclays Capital Aggregate Index by 41 bps. The TIPS Composite lost 0.15% and trailed by the Barclays Capital US TIPS Index. The Enhanced Yield composite returned -0.98%, which underperformed the Citigroup BB & B Index return of -0.81%.

The Bank Loan Composite gained 0.23%, surpassing the benchmark Credit Suisse Leveraged Loan Index (-0.37%) by 60 bps. The Convertible Bonds Composite returned +2.19%, outperforming both Police Custom Convertible Bond Index (+1.03%) and the BofA Merrill Lynch Convertible Index (+1.29%). The Opportunistic Fixed Composite lost 1.50% in the fourth quarter, underperforming both

Through December 31, 2014



the 10% Annual (+2.41%) and the JP Morgan Global High Yield + 3% (-1.32%). The ETI Composite returned +1.60%, trailing benchmark Police Custom Benchmark by 17 bps.

### **Hedge Funds**

As of December 31, 2014, the Fund allocated 3.7% (\$1,174.9 million) to Hedge Funds. In the fourth quarter, the Hedge Funds portfolio returned +1.15%, surpassing both the HFRI Fund of Funds Composite Index + 1% (+1.04%) and the 1 Year Treasury Bill Yield + 4% (+0.99%).

### **Real Estate Equity Securities, Real Asset & Private Equity**

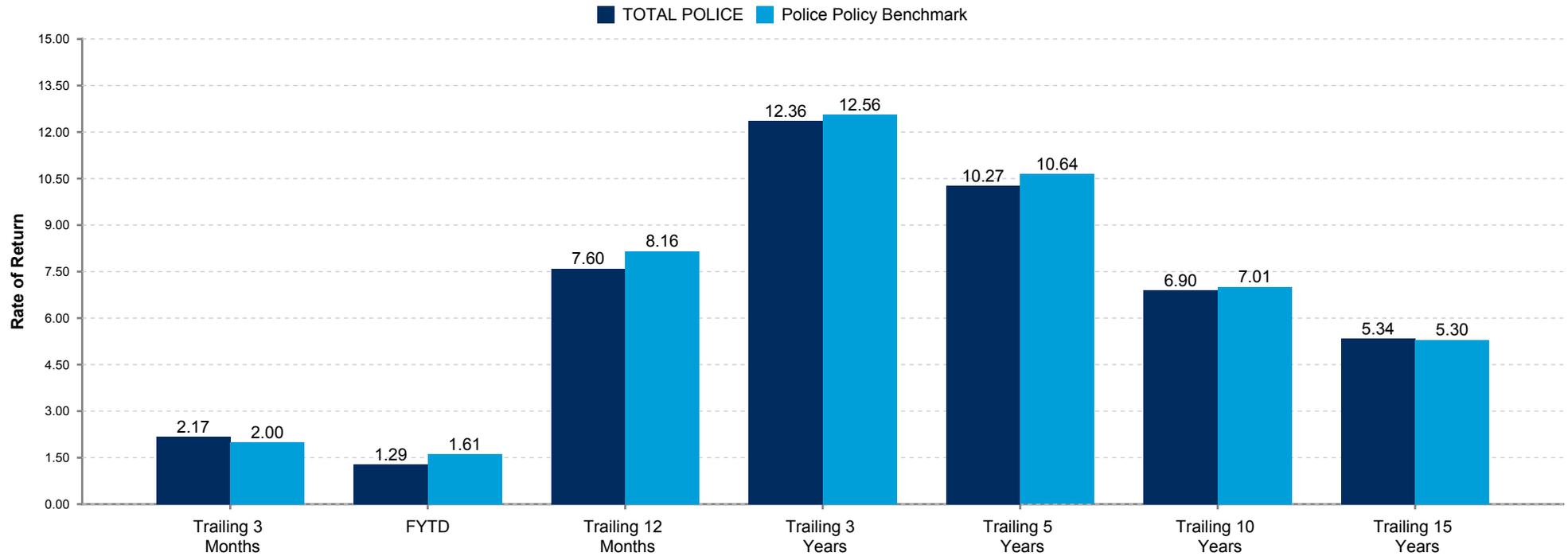
As of December 31, 2014, the Fund had \$175.0 million invested in REITs for a commitment of 0.5% of Total Fund assets. The REIT portfolio returned +7.82% in the fourth quarter, outperforming the FTSE EPRA/NAREIT Developed Liquid. Index (+7.69%) by 13 bps. As of December 31<sup>st</sup>, the Fund had an allocation to Real Asset of 4.0% and 6.8% allocated to Private Equity.



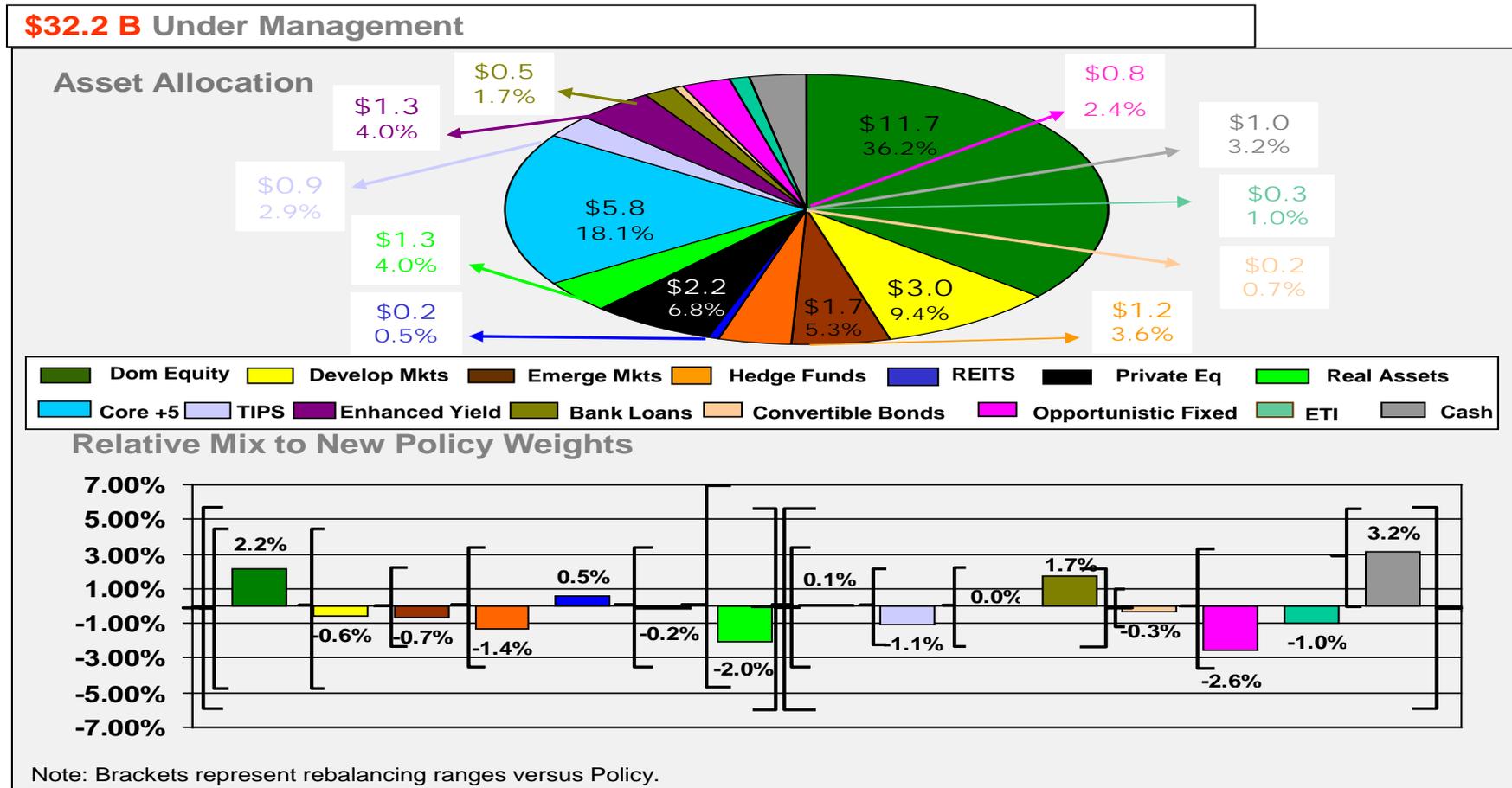
**Market Value (Billions)**

TOTAL POLICE

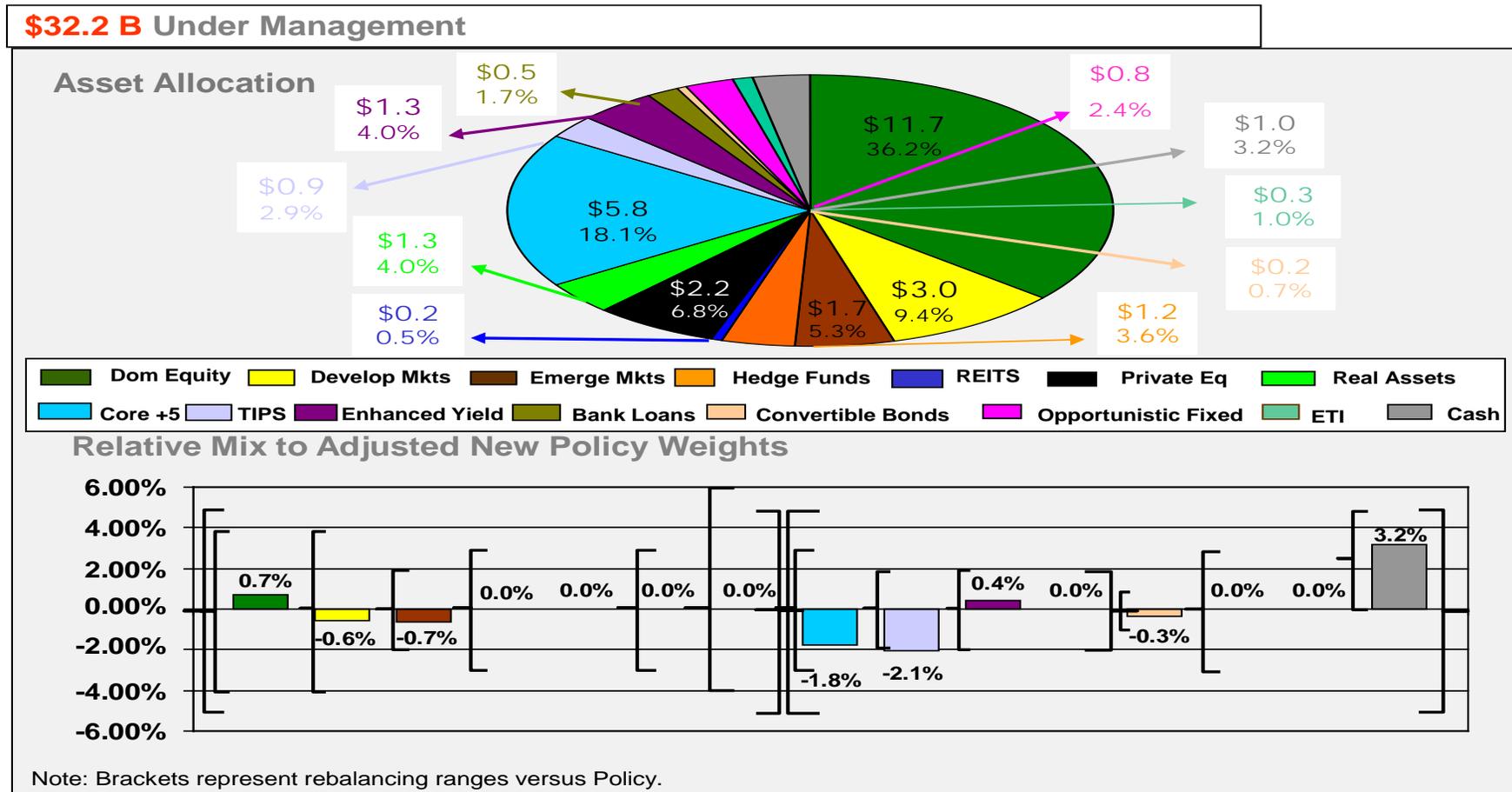
\$32.2



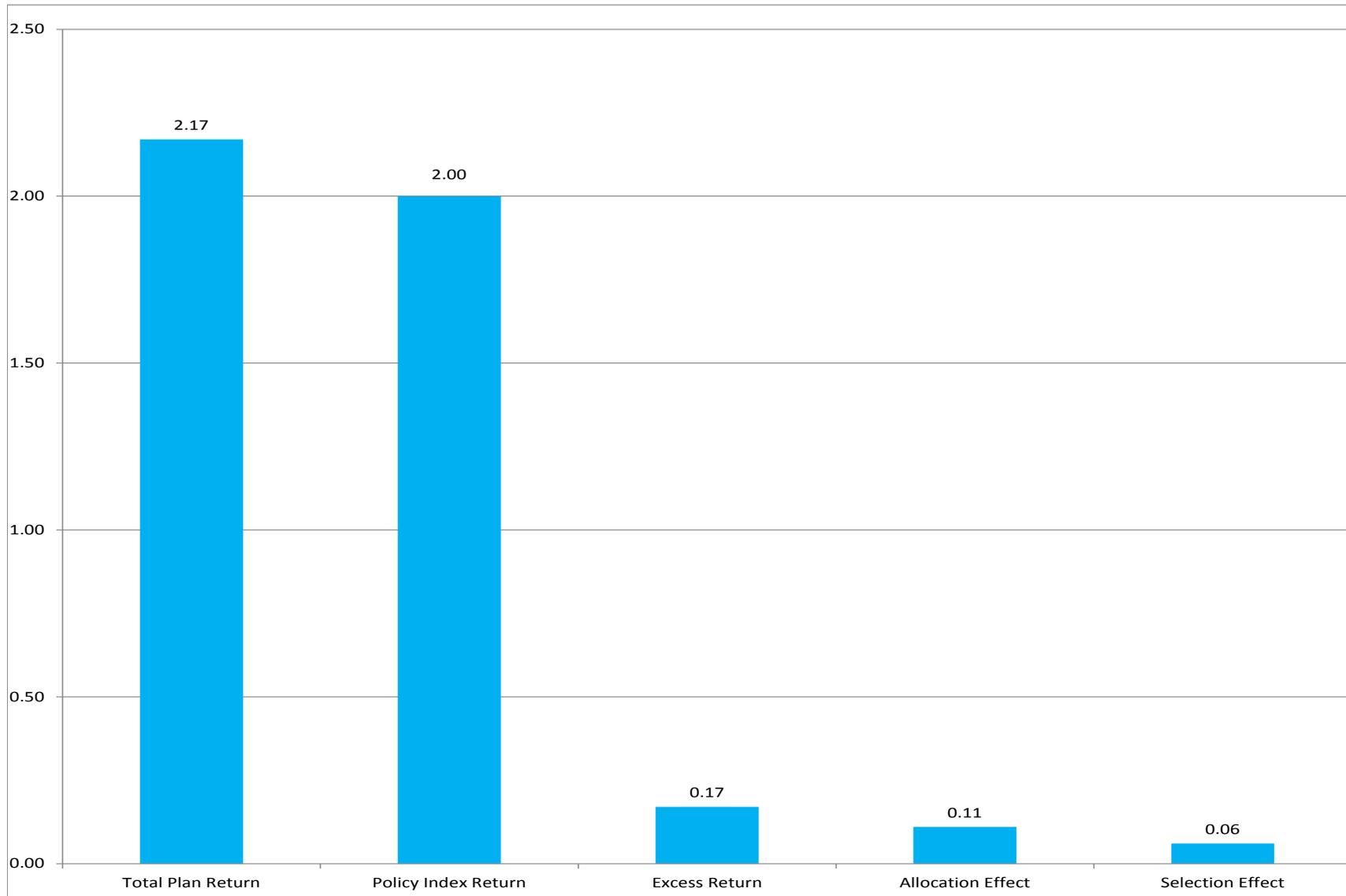
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL POLICE	6.1	6.0	10.3	9.0	10.1	11.0

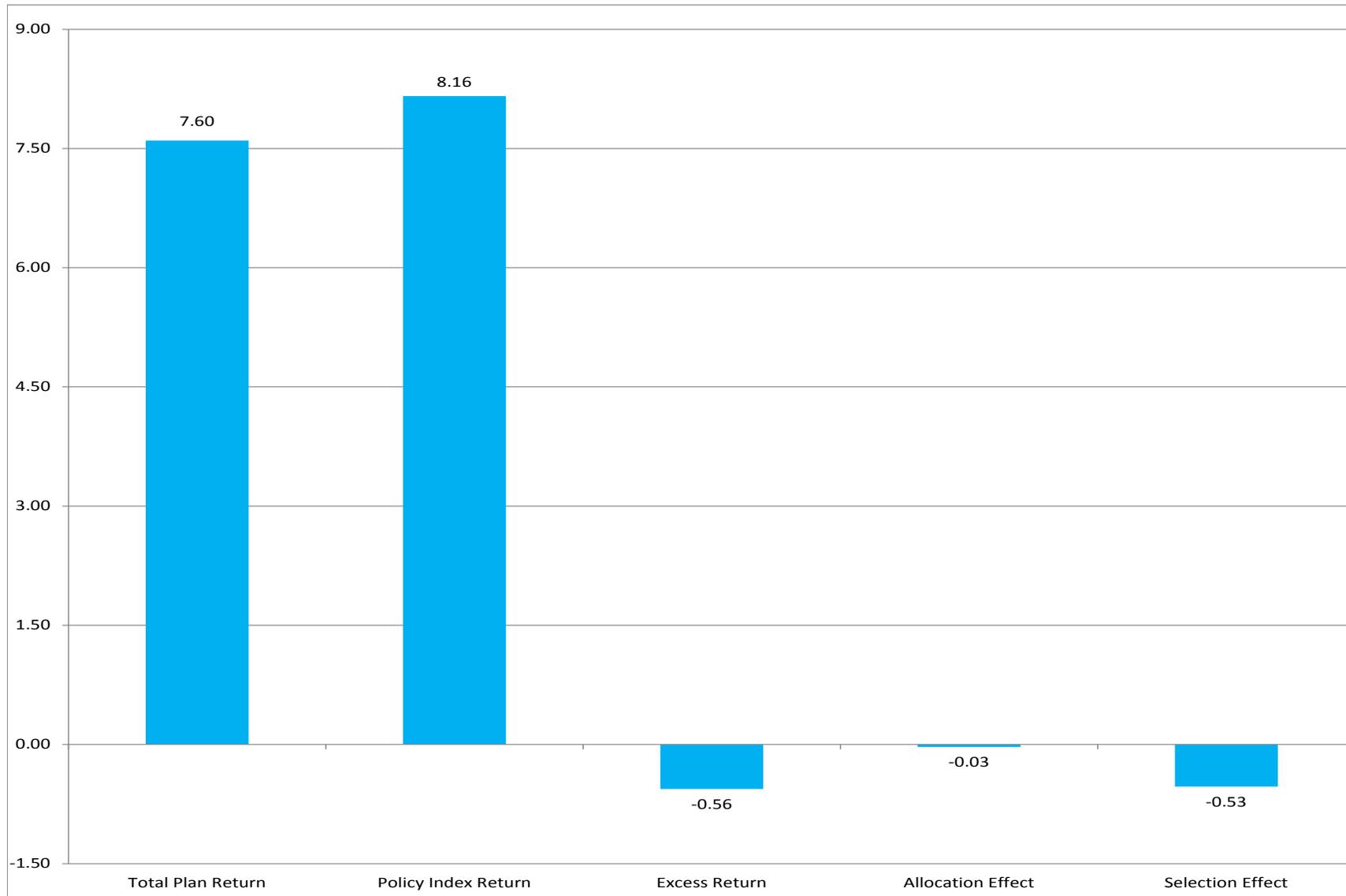


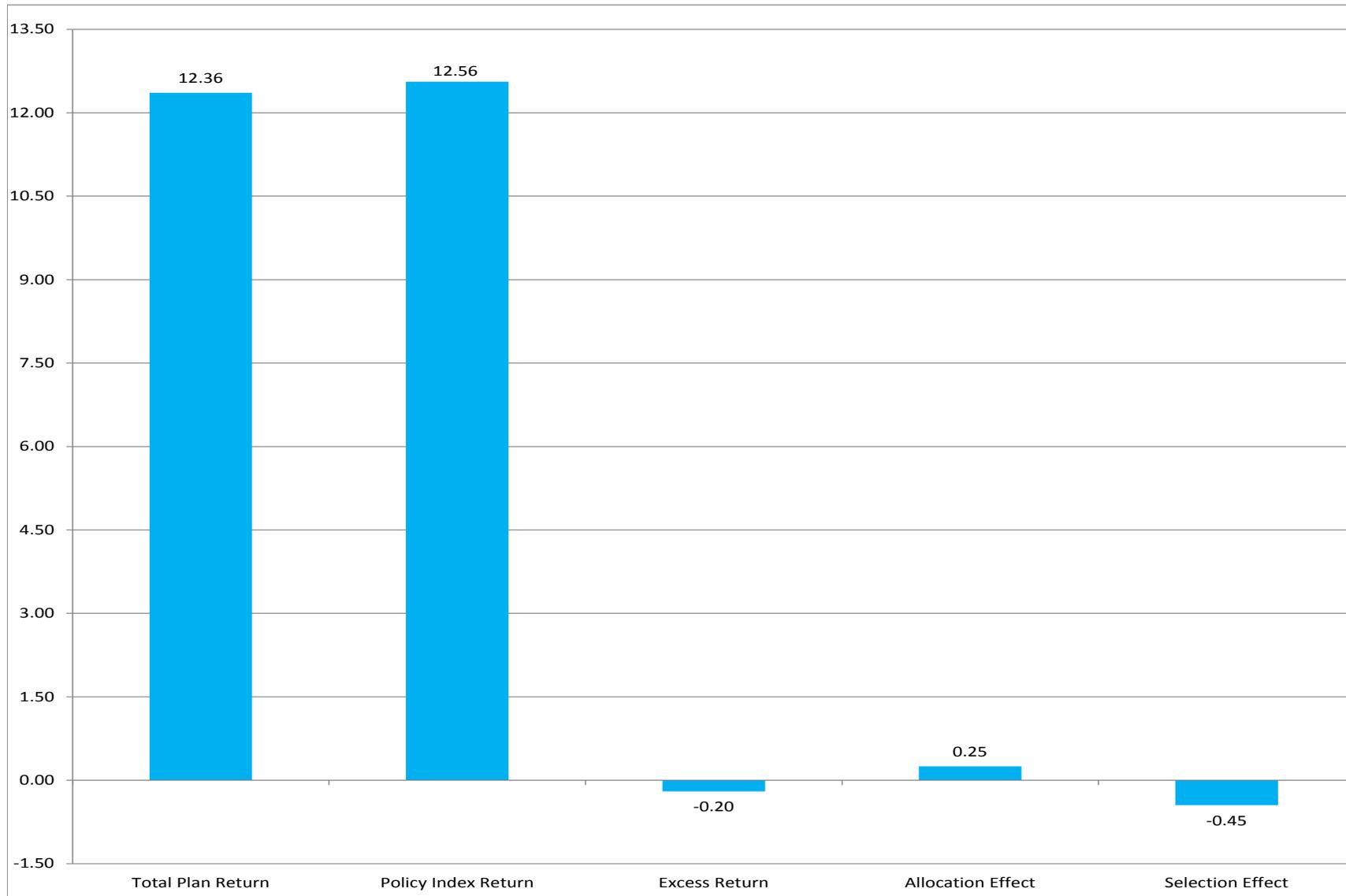
Prepared by State Street Investment Analytics



Prepared by State Street Investment Analytics









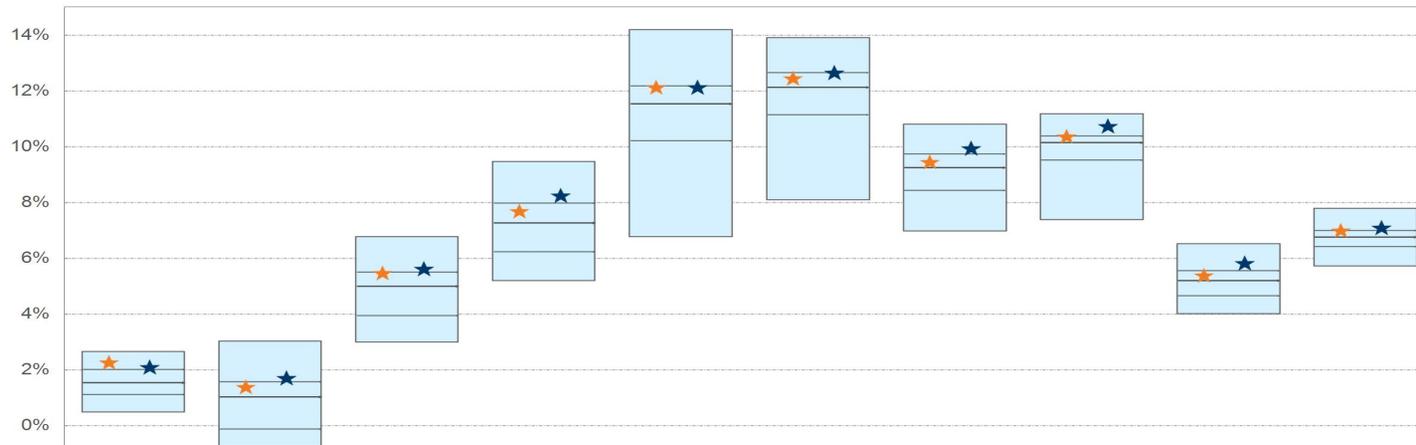
<b>Allocation Effect - Asset Class Breakdown</b>				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL POLICE	0.11	-0.03	0.25	Police Policy Benchmark
TOTAL DOMESTIC EQUITY	0.08	0.07	0.15	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.02	-0.01	-0.05	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.03	0.01	0.00	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.00	0.01	0.01	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.00	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL HEDGE FUNDS	0.00	0.00	0.00	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	0.00	0.00	0.00	FTSE EPRA/NAREIT Developed
TOTAL STRUCTURED	0.00	0.00	0.19	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	-0.01	-0.02	-0.03	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.00	0.00	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.04	0.09	0.25	BARCLAYS U.S TIPS INDEX
TOTAL CONVERTIBLE BONDS	0.00	0.00	-0.01	BofAML ALL CONVERTIBLE - ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return
TOTAL CASH	-0.06	-0.13	-0.25	

<b>Selection Effect - Asset Class Breakdown</b>				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL POLICE	0.06	-0.53	-0.45	Police Policy Benchmark
TOTAL DOMESTIC EQUITY	0.05	-0.40	0.03	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.11	0.06	0.02	MSCI EAFE NET
TOTAL EMERGING MARKETS	-0.04	0.07	0.05	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.12	-0.35	-0.46	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.04	0.01	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL HEDGE FUNDS	0.00	0.00	0.00	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	-0.04	-0.07	0.00	FTSE EPRA/NAREIT Developed
TOTAL STRUCTURED	0.00	0.03	0.03	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	-0.05	0.00	0.12	CITIGROUP BB & B
TOTAL BANK LOANS	-0.01	0.00	0.03	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.01	0.01	0.01	BARCLAYS U.S TIPS INDEX
TOTAL CONVERTIBLE BONDS	0.00	0.00	0.00	BofAML ALL CONVERTIBLE - ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.01	0.00	-0.02	10% Annual Return
TOTAL CASH	0.00	0.00	0.00	



### City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$10 Billion  
Cumulative Periods Ending : December 31, 2014

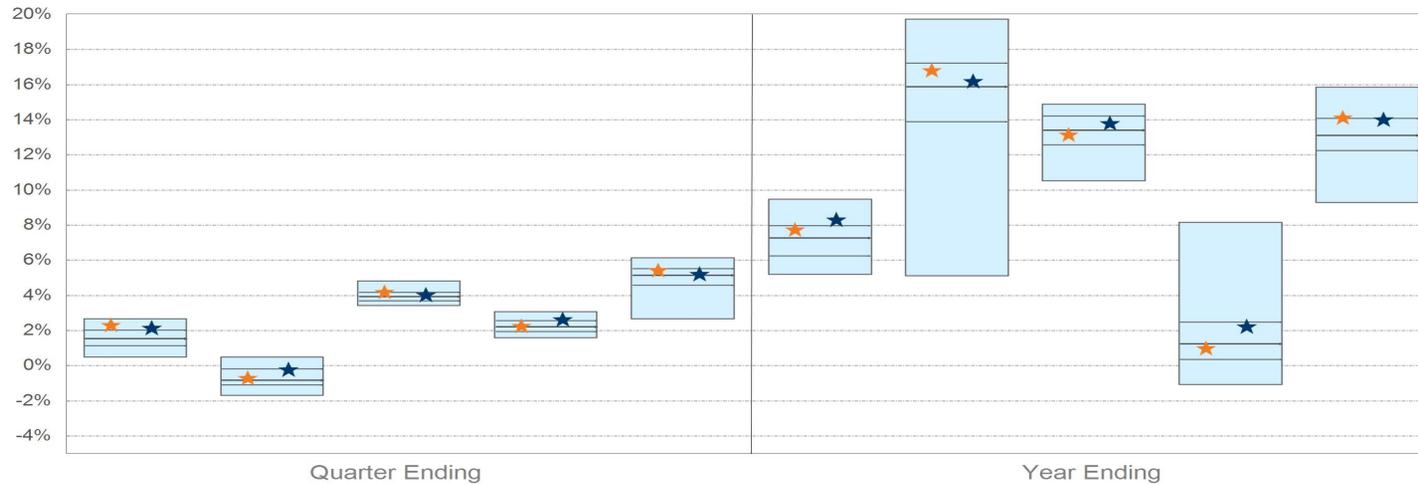


Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	2.66	3.03	6.78	9.47	14.20	13.91	10.82	11.19	6.53	7.80
25th	2.02	1.58	5.51	7.98	12.19	12.67	9.74	10.39	5.57	7.00
50th	1.54	1.04	5.01	7.28	11.55	12.14	9.26	10.15	5.20	6.77
75th	1.13	-0.12	3.96	6.24	10.23	11.16	8.45	9.53	4.66	6.43
95th	0.50	-0.74	3.00	5.21	6.79	8.10	6.98	7.39	4.02	5.74
No. Of Obs	48	48	48	48	48	48	48	46	45	43
★ Total System - Police	2.17 (19)	1.29 (37)	5.38 (31)	7.60 (41)	12.04 (29)	12.36 (41)	9.36 (41)	10.27 (34)	5.29 (45)	6.90 (38)
★ Police Policy Benchmark	2.00 (25)	1.61 (21)	5.53 (23)	8.16 (19)	12.03 (29)	12.56 (29)	9.85 (23)	10.64 (15)	5.74 (15)	7.01 (22)



### City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$10 Billion  
Consecutive Time Periods: December 31, 2014



Percentile Rankings	Dec 14	Sep 14	Jun 14	Mar 14	Dec 13	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10
5th	2.66	0.48	4.83	3.08	6.15	9.47	19.74	14.88	8.15	15.85
25th	2.02	-0.17	4.17	2.55	5.53	7.98	17.24	14.21	2.48	14.09
50th	1.54	-0.83	3.94	2.21	5.14	7.28	15.89	13.41	1.24	13.12
75th	1.13	-1.10	3.70	1.94	4.58	6.24	13.90	12.58	0.35	12.26
95th	0.50	-1.69	3.41	1.59	2.68	5.21	5.12	10.53	-1.07	9.28
No. Of Obs	48	48	48	48	48	48	48	48	48	46
★ Total System - Police	2.17 (19)	-0.86 (54)	4.03 (41)	2.11 (58)	5.27 (37)	7.60 (41)	16.66 (31)	13.01 (68)	0.84 (64)	13.96 (27)
★ Police Policy Benchmark	2.00 (25)	-0.38 (31)	3.87 (64)	2.48 (25)	5.07 (52)	8.16 (19)	16.04 (41)	13.64 (39)	2.08 (31)	13.86 (31)



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**New York City  
Police Pension Fund, Subchapter Two**

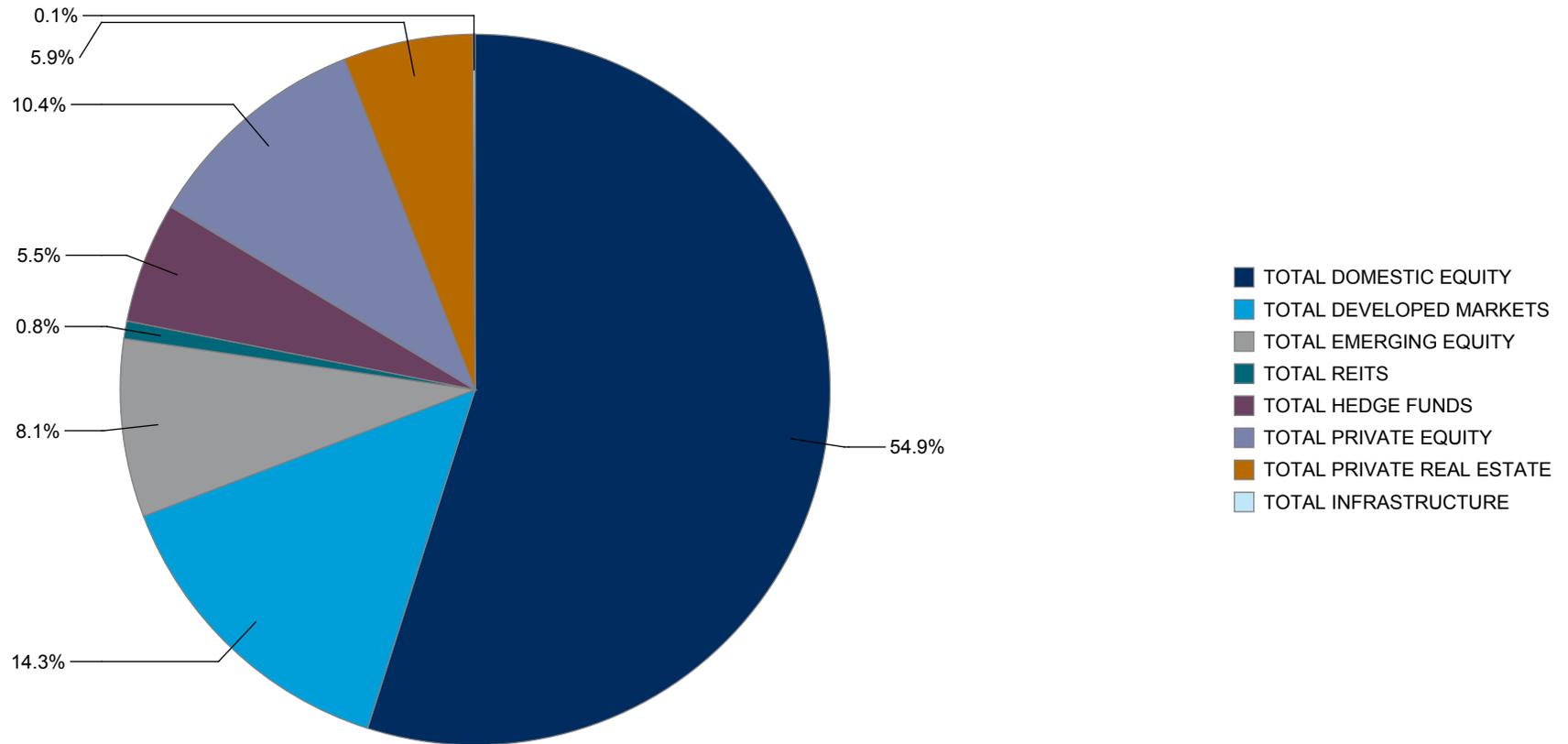
# **Equity Analysis**

# Total Equity Asset Allocation: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL EQUITY	\$21.3	66.0

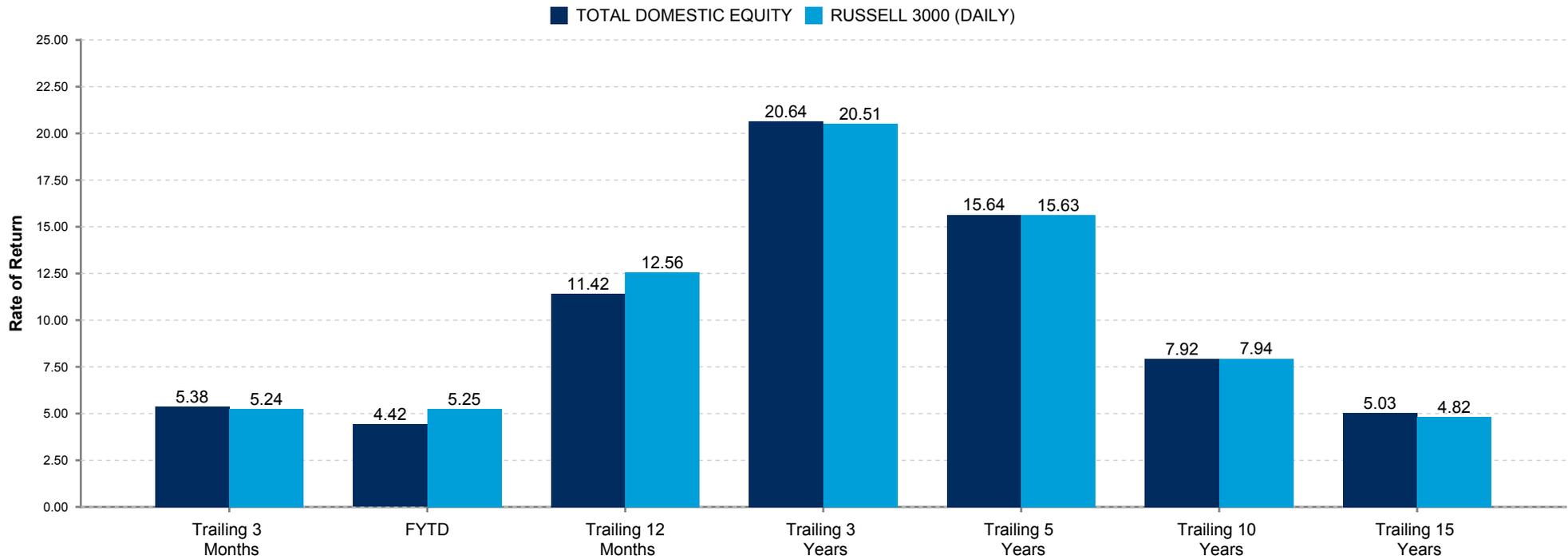


# Total Domestic Equity Returns vs Russell 3000 Index: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL DOMESTIC EQUITY	\$11.7	36.2



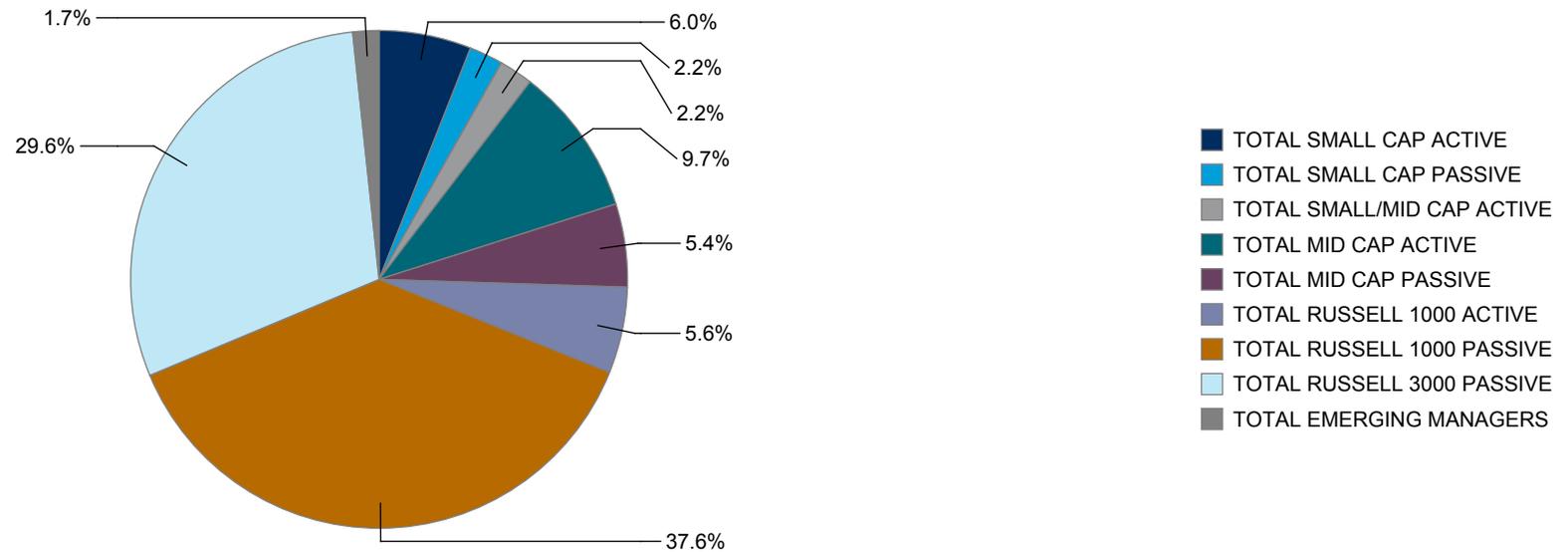
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DOMESTIC EQUITY	9.8	9.4	14.0	13.6	15.5	15.3

# Total Domestic Equity Asset Allocations: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL DOMESTIC EQUITY	\$11.7	36.2



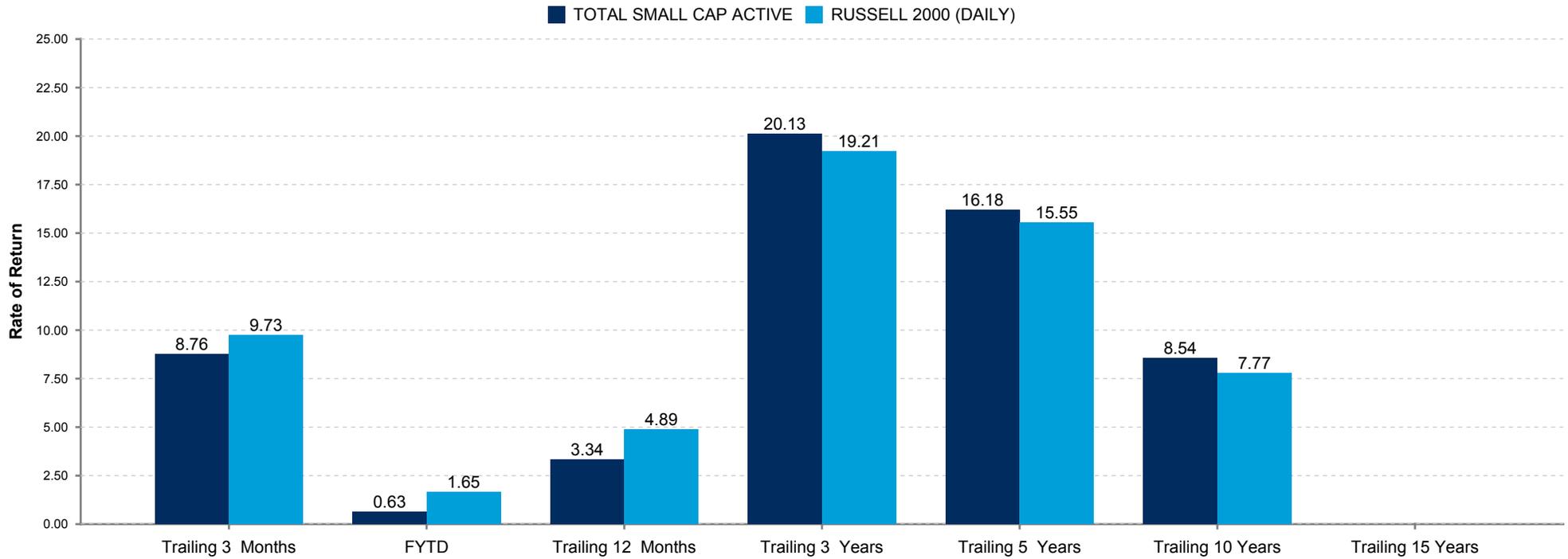
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	5.16	6.03	0.87	9.73	8.76	-0.97
TOTAL SMALL CAP PASSIVE	3.29	2.21	-1.08	9.73	9.64	-0.09
TOTAL SMALL/MID CAP ACTIVE	1.60	2.18	0.58	6.77	4.58	-2.19
TOTAL MID CAP ACTIVE	6.58	9.72	3.14	5.94	4.73	-1.21
TOTAL MID CAP PASSIVE	8.60	5.36	-3.24	6.35	6.33	-0.02
TOTAL RUSSELL 1000 ACTIVE	8.72	5.60	-3.12	4.88	4.47	-0.41
TOTAL RUSSELL 1000 PASSIVE	37.80	37.58	-0.22	4.88	4.82	-0.06
TOTAL RUSSELL 3000 PASSIVE	26.25	29.61	3.36	5.24	5.20	-0.04
TOTAL EMERGING MANAGERS	2.00	1.71	-0.29	9.73	6.36	-3.37

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



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	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL SMALL CAP ACTIVE	\$701.4	2.2



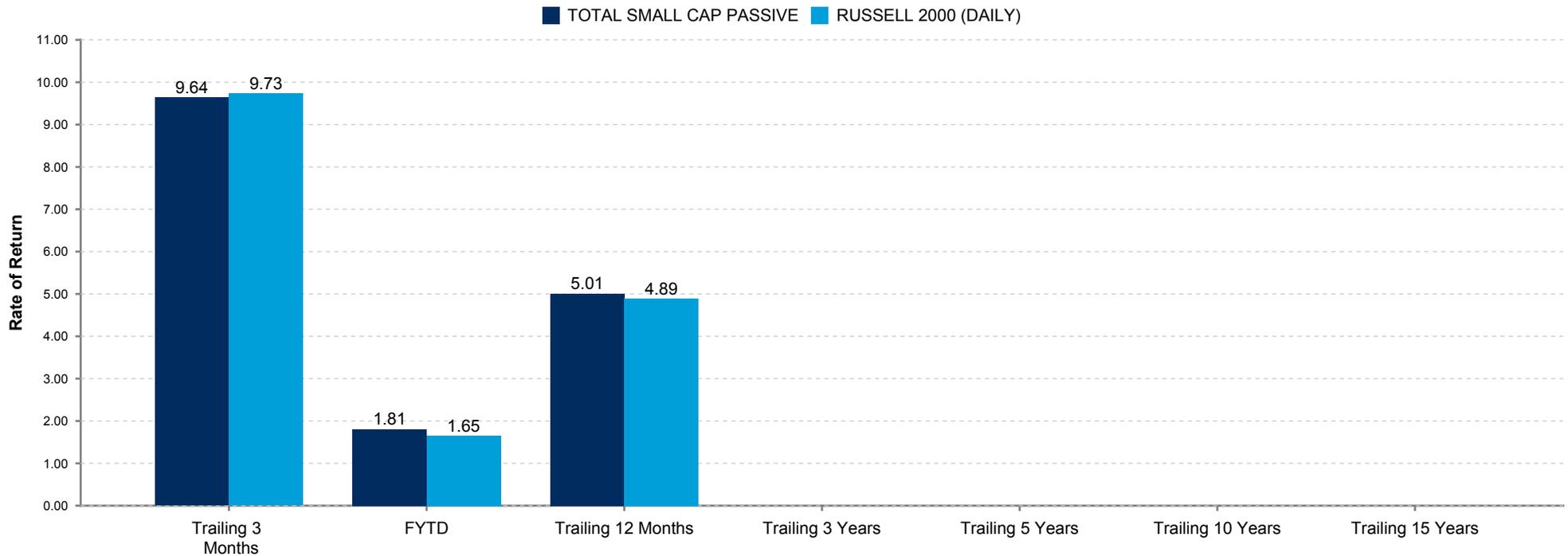
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL SMALL CAP ACTIVE	12.6	13.3	17.3	18.0	18.5	19.8

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



STATE STREET

	<b>Market Value (Millions)</b>	<b>% of plan</b>
TOTAL SMALL CAP PASSIVE	\$258.2	0.8



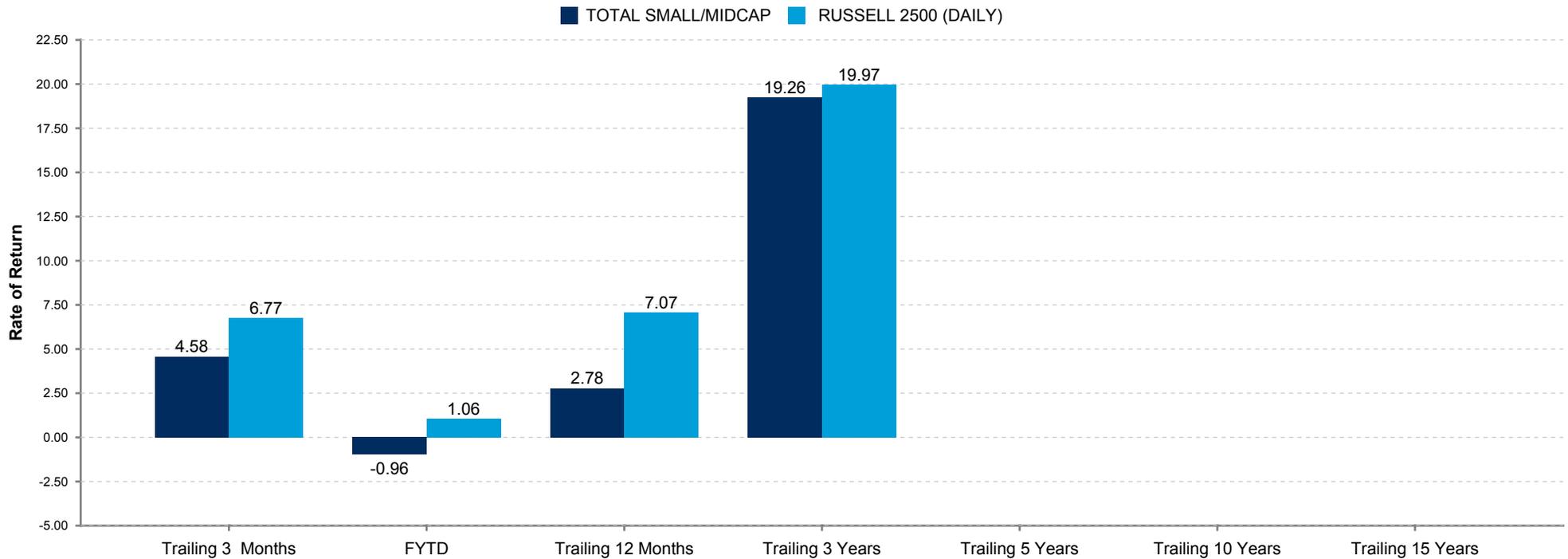
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL SMALL CAP PASSIVE						

# Small/MidCap Returns vs Russell 2500 Index: December 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL SMALL/MIDCAP	\$254.4	0.8



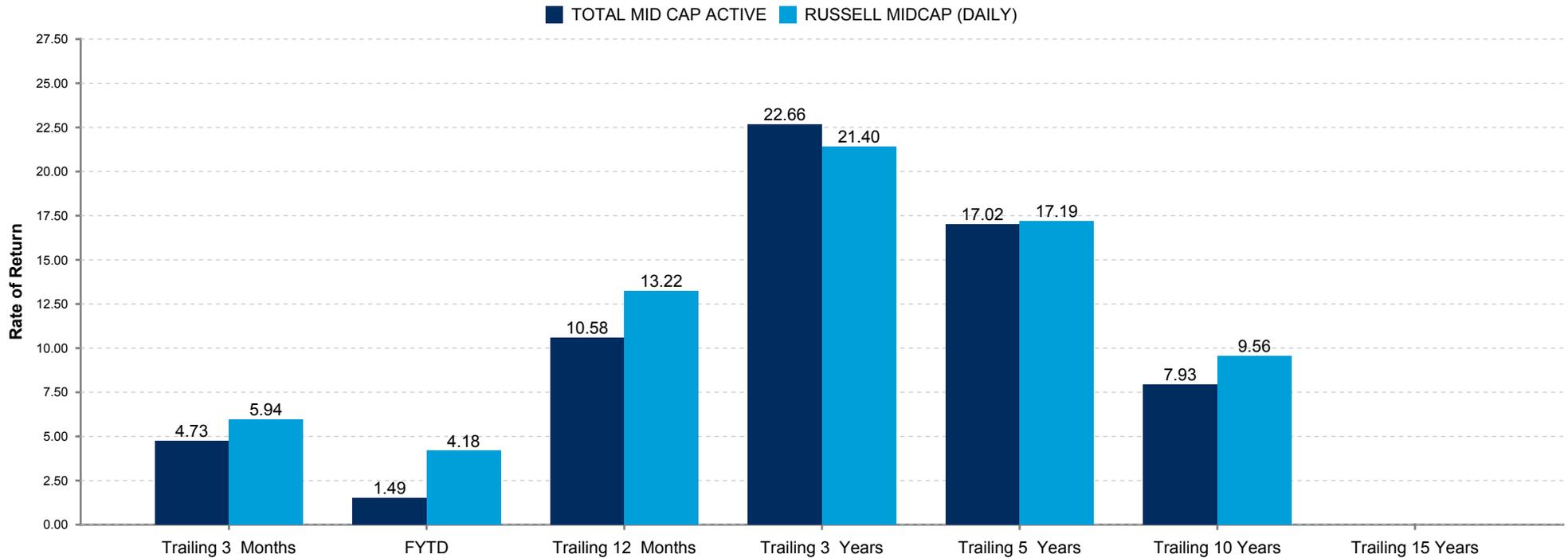
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL SMALL/MIDCAP	11.6	11.8				

# Mid Cap Active Returns vs Russell MidCap Index: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL MID CAP ACTIVE	\$1.1	3.5



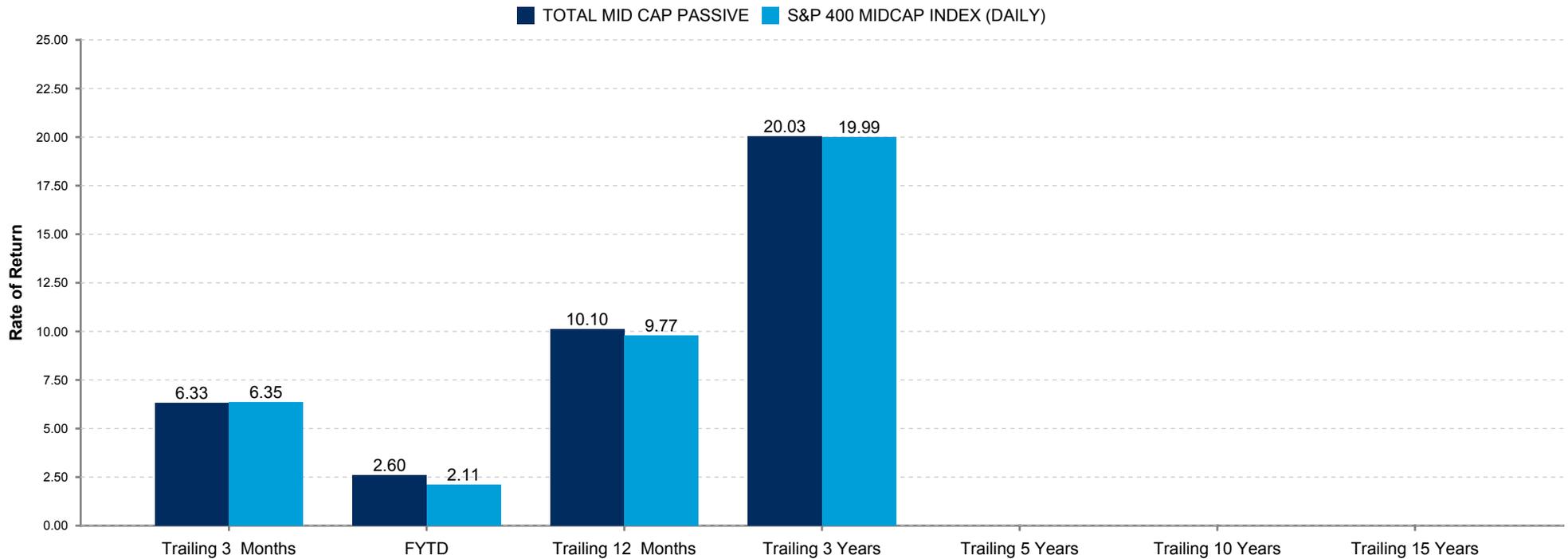
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL MID CAP ACTIVE	11.1	10.3	15.0	14.9	16.4	17.6

# Mid Cap Passive Returns vs S&P 400 MidCap Index: December 31, 2014



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	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL MID CAP PASSIVE	\$625.1	1.9



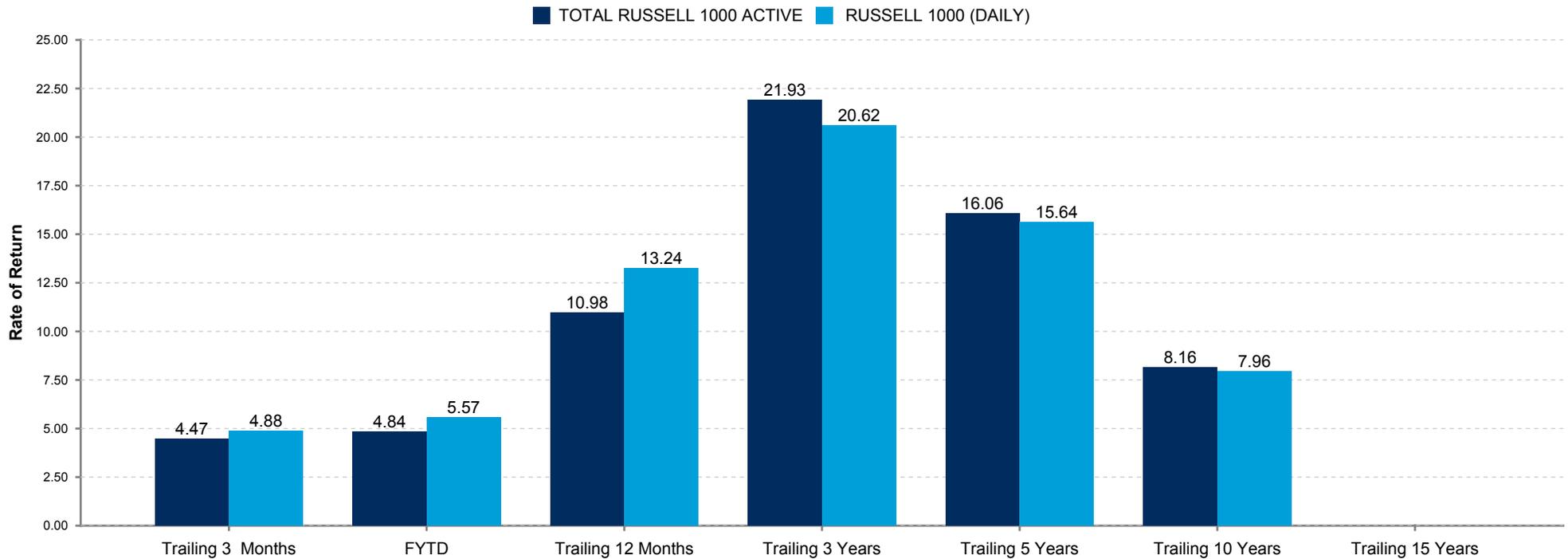
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL MID CAP PASSIVE	11.2	11.3				

# Russell 1000 Active Returns vs Russell 1000 Index: December 31, 2014



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	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL RUSSELL 1000 ACTIVE	\$653.2	2.0



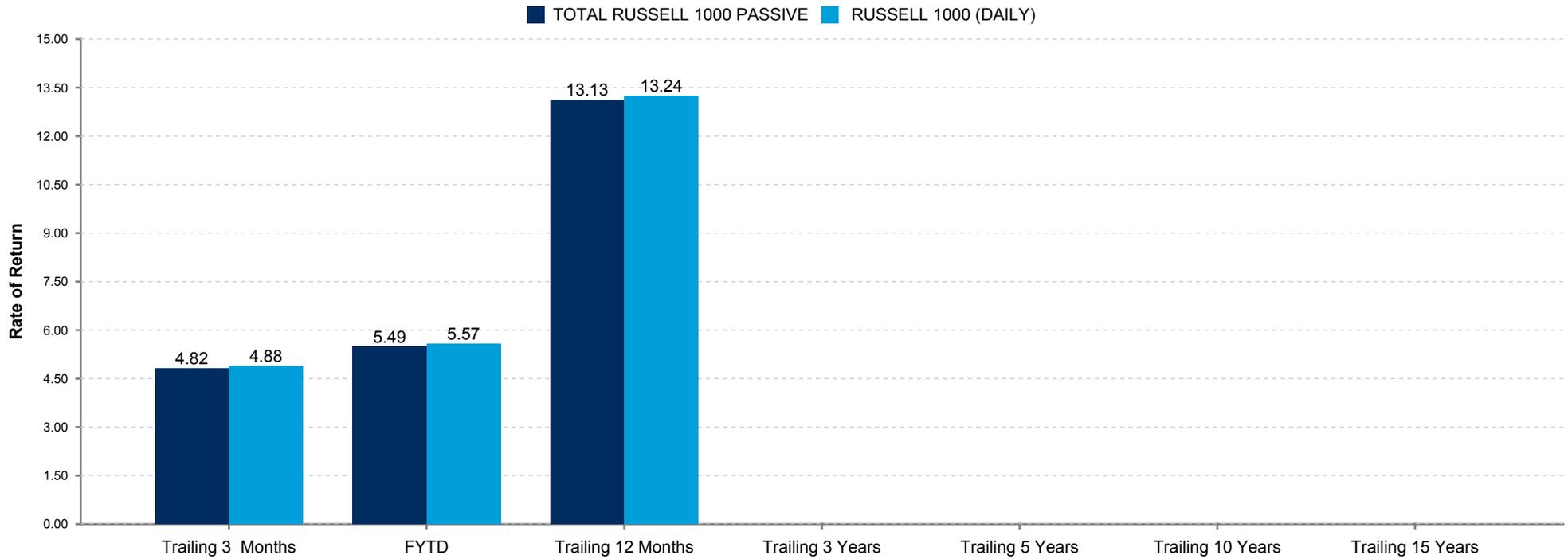
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 1000 ACTIVE	10.4	9.2	14.3	13.3	15.5	15.0

# Russell 1000 Passive Returns vs Russell 1000 Index: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL RUSSELL 1000 PASSIVE	\$4.4	13.6



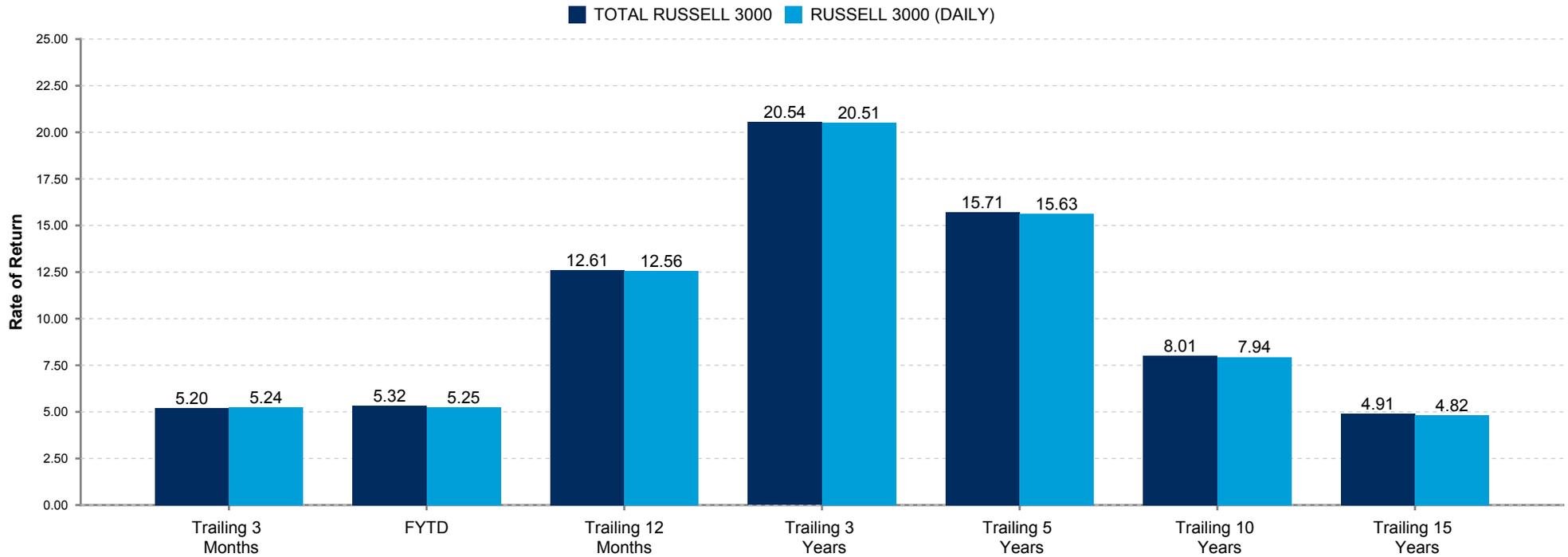
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL RUSSELL 1000 PASSIVE						

# Russell 3000 Returns vs Russell 3000 Index: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL RUSSELL 3000	\$3.5	10.7



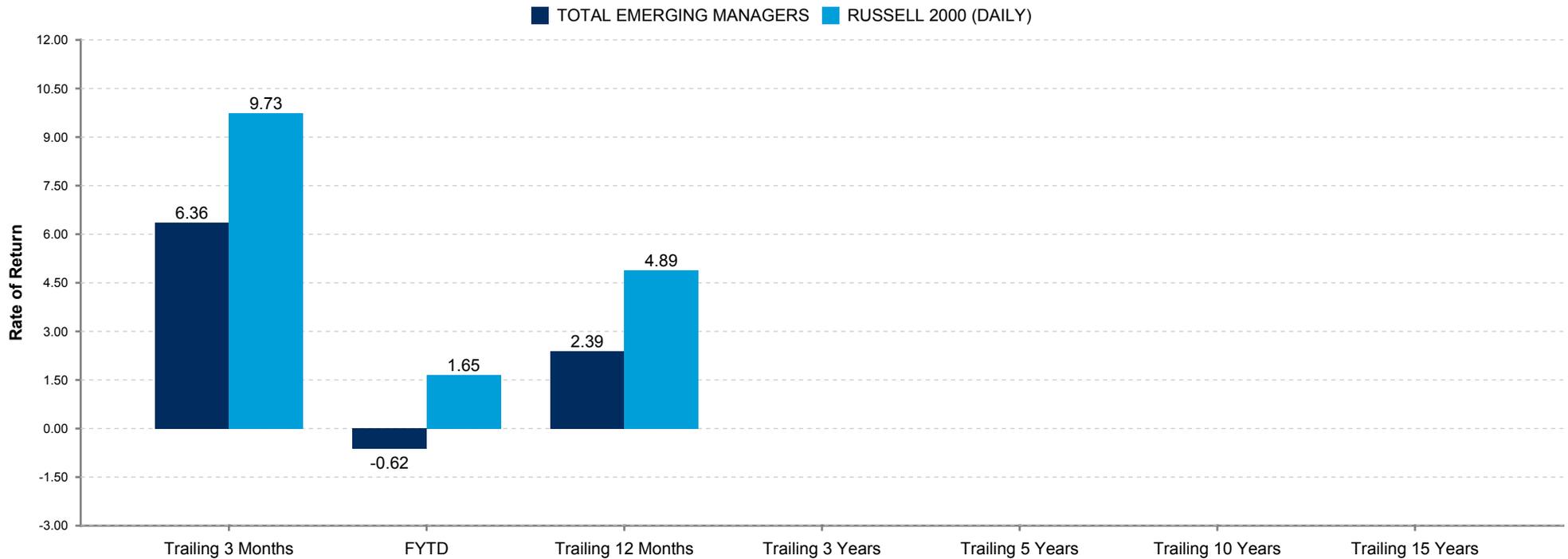
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL RUSSELL 3000	9.4	9.4	13.5	13.6	15.2	15.3

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



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	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL EMERGING MANAGERS	\$199.2	0.6



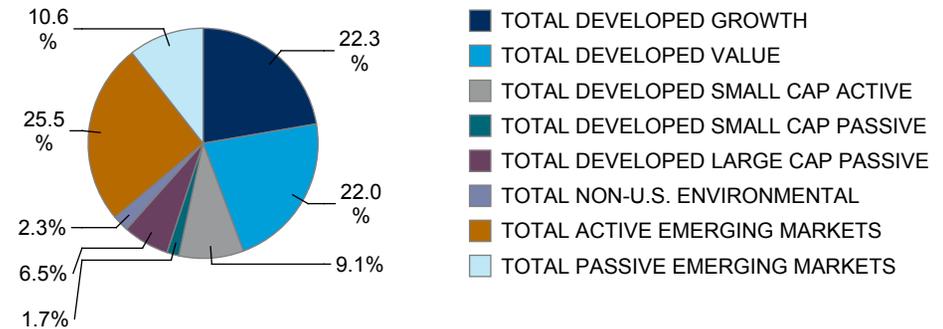
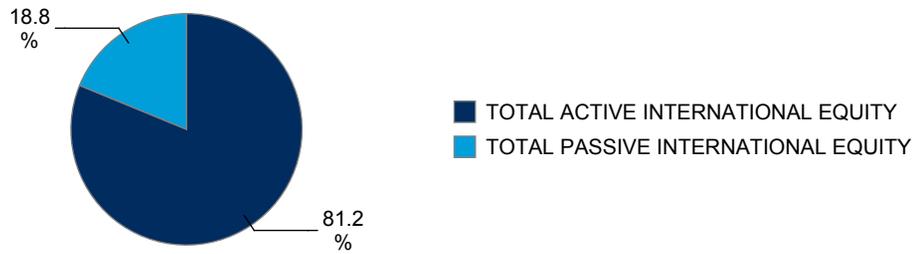
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL EMERGING MANAGERS						

# International Equity Asset Allocation: December 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL INTERNATIONAL EQUITY	\$4.8	14.8



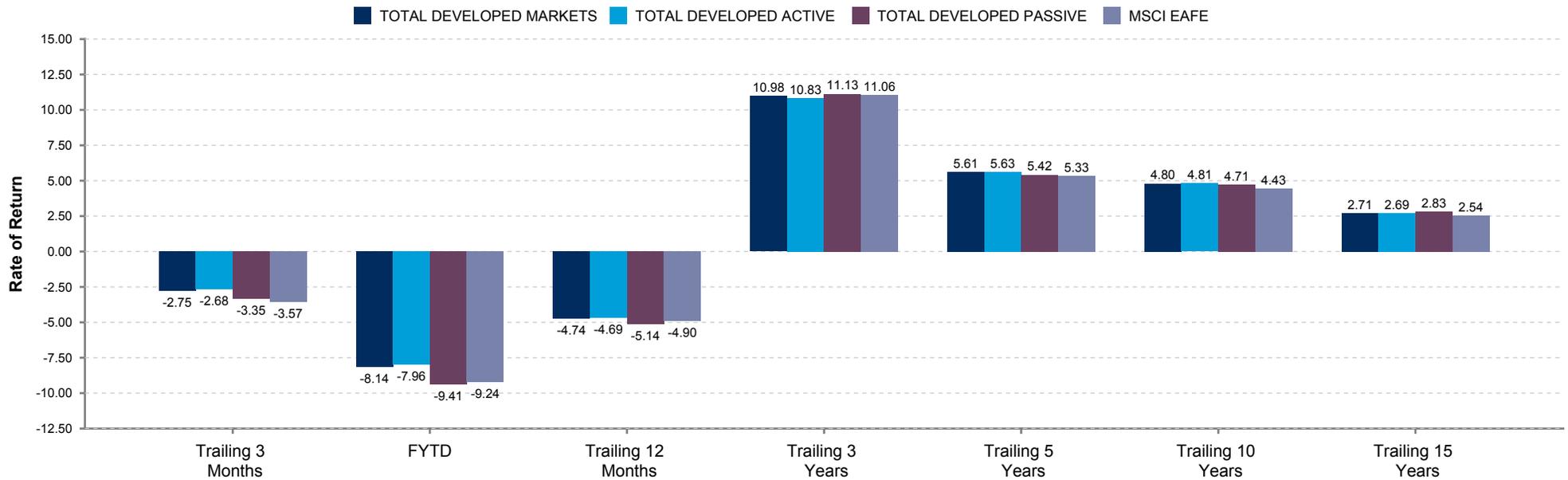
	<u>Asset Weight</u>	<u>Quarterly Returns - Funds and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	22.29	(1.59)	(2.29)	0.70
TOTAL DEVELOPED VALUE	21.99	(3.81)	(4.85)	1.04
TOTAL DEVELOPED SMALL CAP ACTIVE	9.05	(2.59)	(1.89)	(0.70)
TOTAL DEVELOPED SMALL CAP PASSIVE	1.71	(1.90)	(2.27)	0.37
TOTAL DEVELOPED LARGE CAP PASSIVE	6.51	(3.72)	(3.57)	(0.15)
TOTAL NON-U.S. ENVIRONMENTAL	2.34	6.49	1.01	5.48
TOTAL ACTIVE EMERGING MARKETS	25.48	(5.40)	(4.50)	(0.90)
TOTAL PASSIVE EMERGING MARKETS	10.61	(4.30)	(4.50)	0.21
TOTAL INTERNATIONAL EQUITY	100.00	(3.42)	(3.87)	0.45

# Developed Markets Returns vs MSCI EAFE Index: December 31, 2014



STATE STREET

TOTAL DEVELOPED MARKETS Market Value (Billions)  
\$2.9 % of plan  
9.1



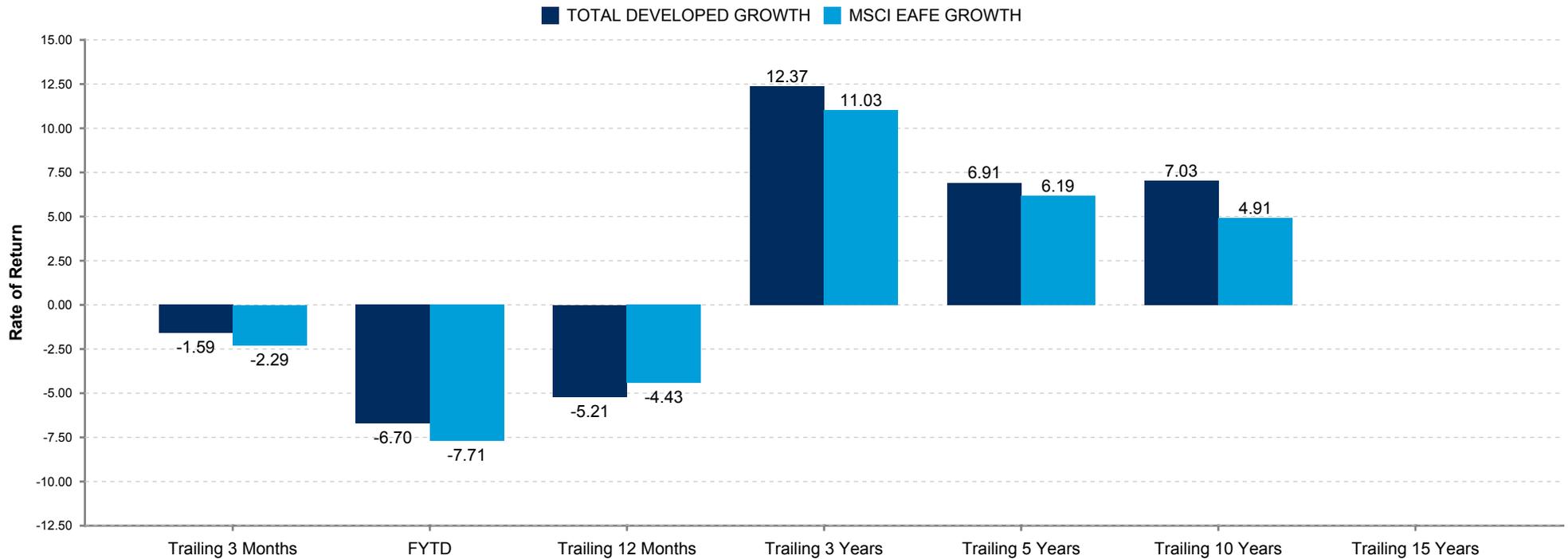
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED MARKETS	12.7	13.2	16.4	16.7	18.1	18.2
TOTAL DEVELOPED ACTIVE	12.5	13.2	16.3	16.7	18.1	18.2
TOTAL DEVELOPED PASSIVE	13.1	13.2	16.6	16.7	18.1	18.2

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



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL DEVELOPED GROWTH	\$1.1	3.3



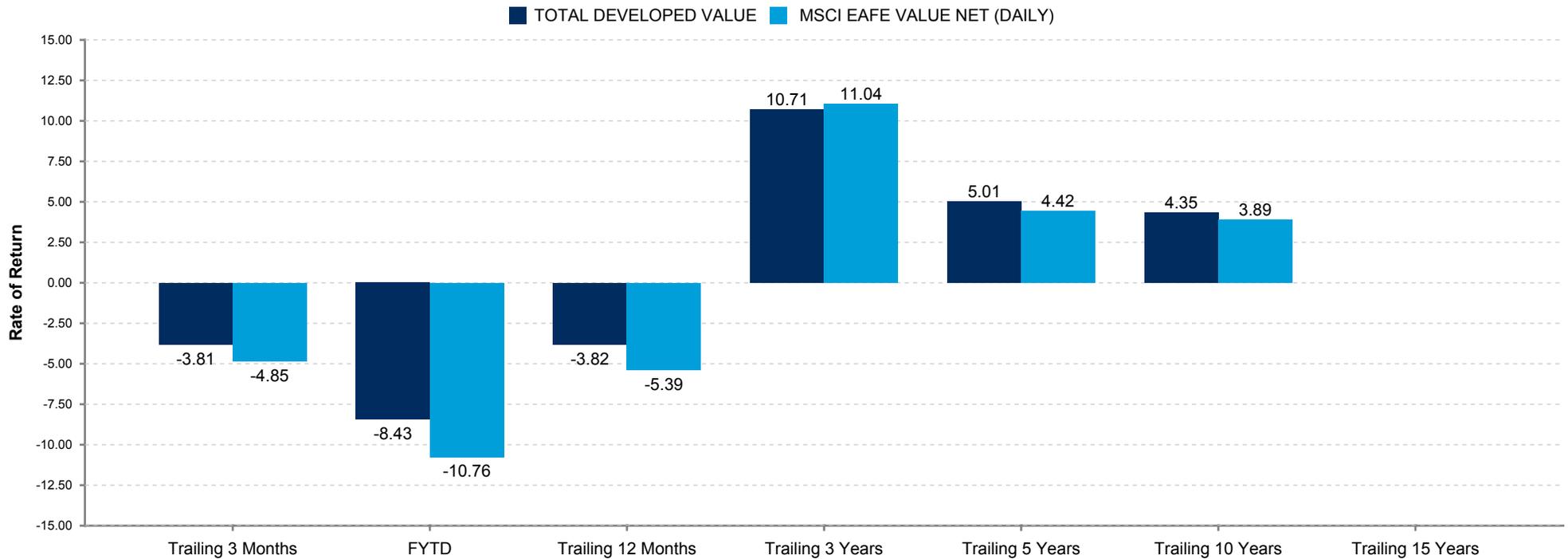
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL DEVELOPED GROWTH	13.7	12.4	17.4	16.2	19.0	17.5

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



STATE STREET

TOTAL DEVELOPED VALUE	<u>Market Value (Billions)</u> \$1.0	<u>% of plan</u> 3.2
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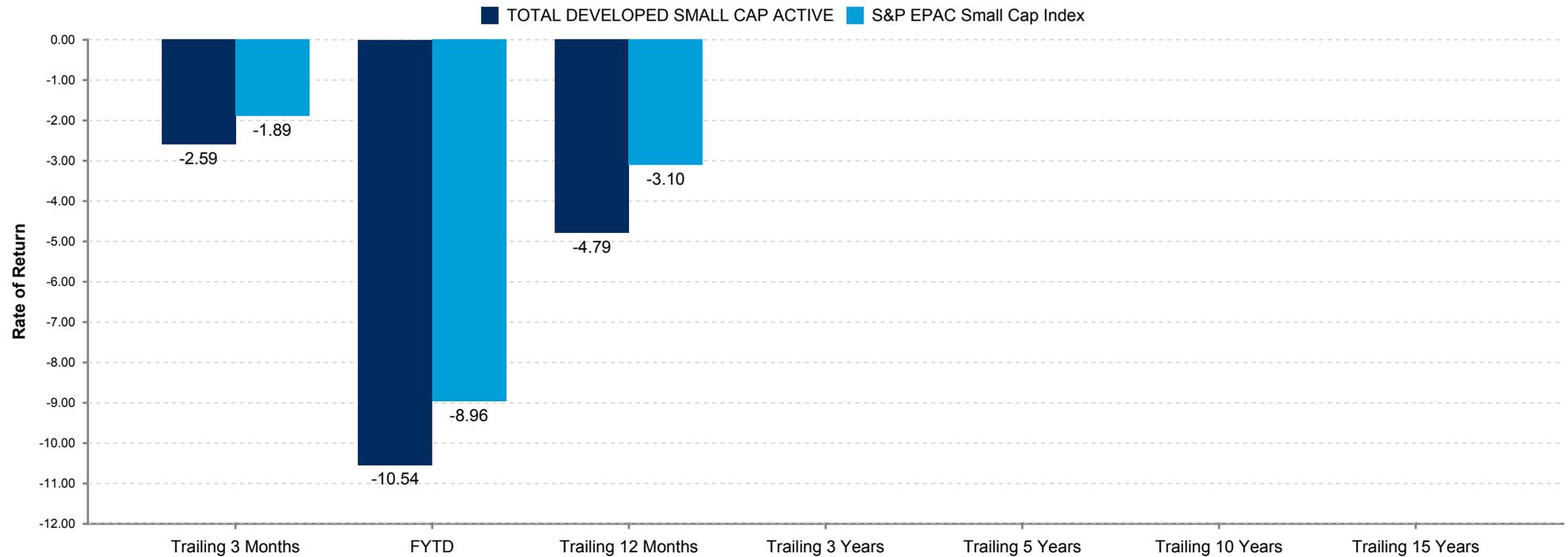
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED VALUE	12.9	14.3	16.0	17.6	17.9	19.2

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



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL DEVELOPED SMALL CAP ACTIVE	\$430.9	1.3



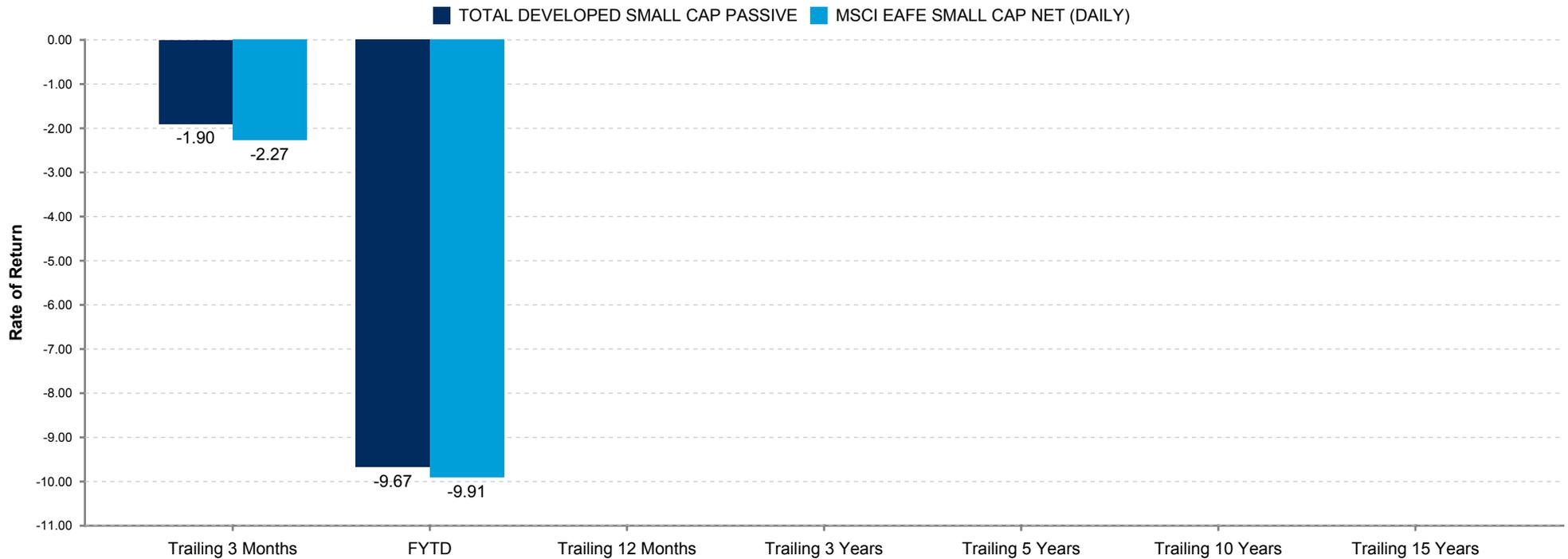
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED SMALL CAP ACTIVE						

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



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL DEVELOPED SMALL CAP PASSIVE	\$81.2	0.3



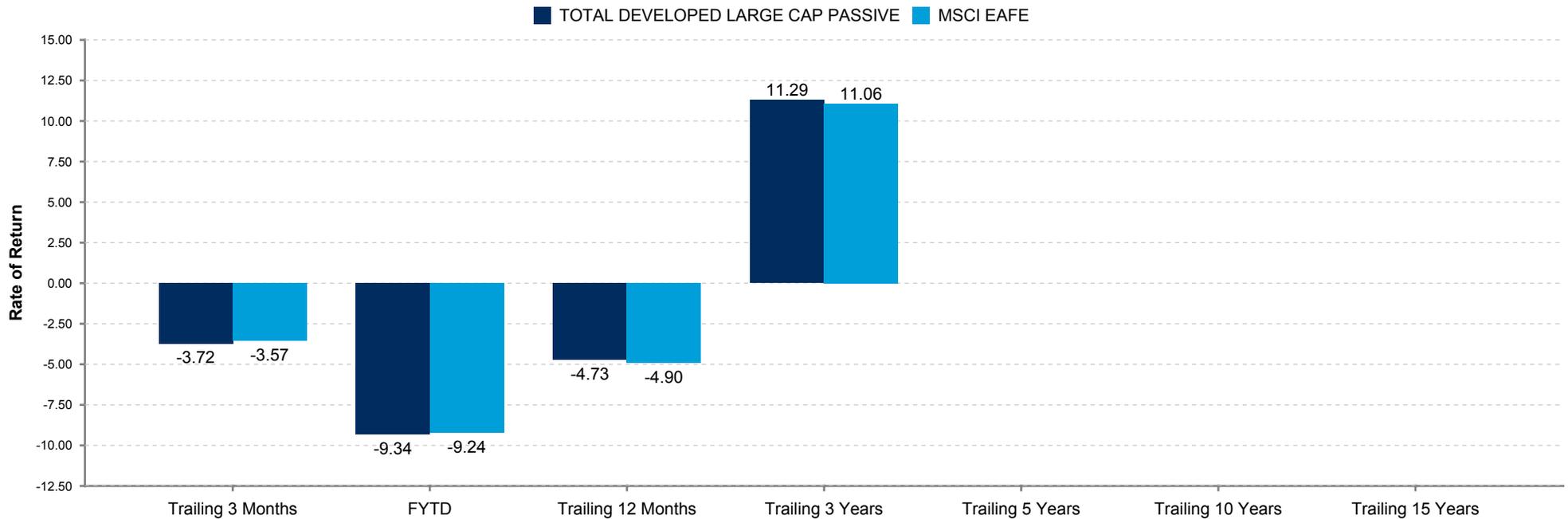
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED SMALL CAP PASSIVE						

# Developed Large Cap Passive vs MSCI EAFE Index: December 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL DEVELOPED LARGE CAP PASSIVE	\$309.9	1.0



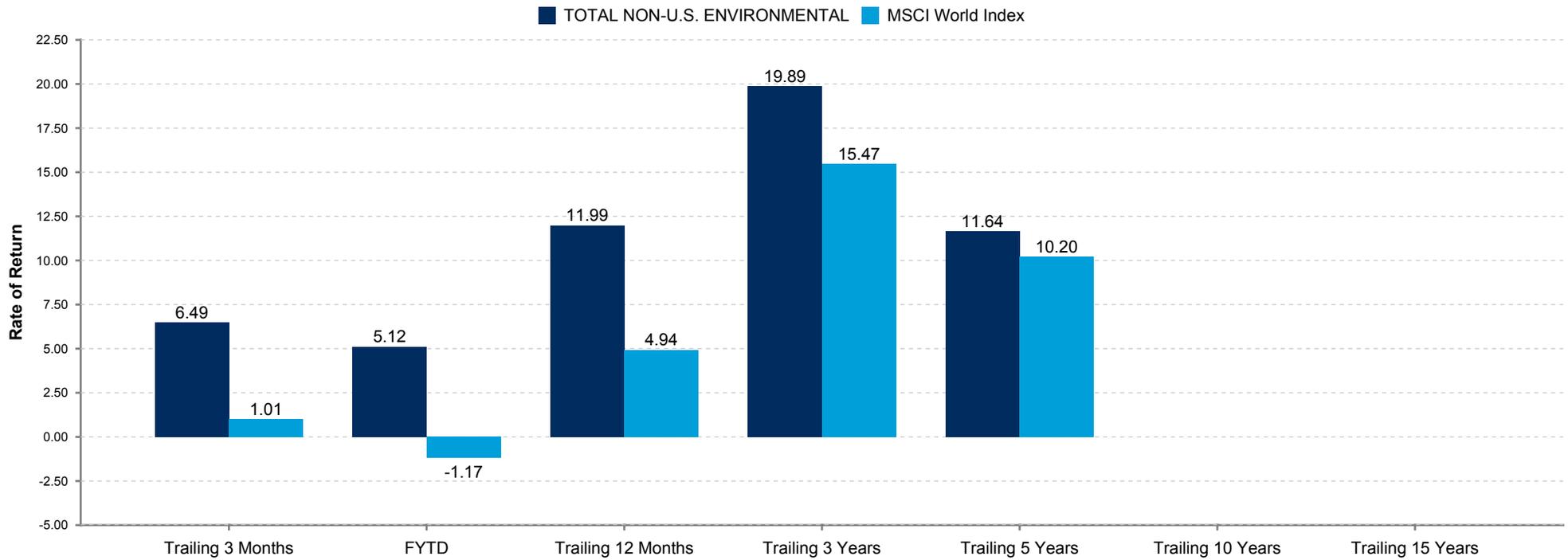
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED LARGE CAP PASSIVE	13.1	13.2				

# Non-U.S. Environmental vs MSCI World Index: December 31, 2014



STATE STREET

	<b>Market Value (Millions)</b>	<b>% of plan</b>
TOTAL NON-U.S. ENVIRONMENTAL	\$111.2	0.3



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL NON-U.S. ENVIRONMENTAL	9.4	10.4	13.8	14.3		

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



STATE STREET

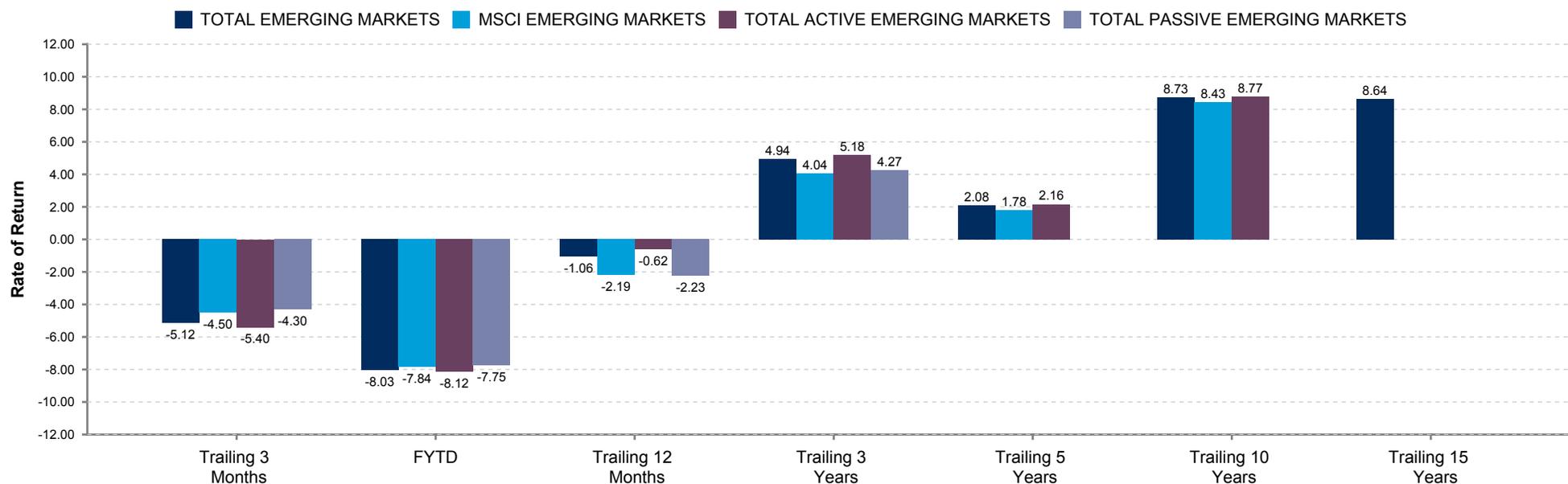
TOTAL EMERGING MARKETS

Market Value (Billions)

\$1.7

% of plan

5.3



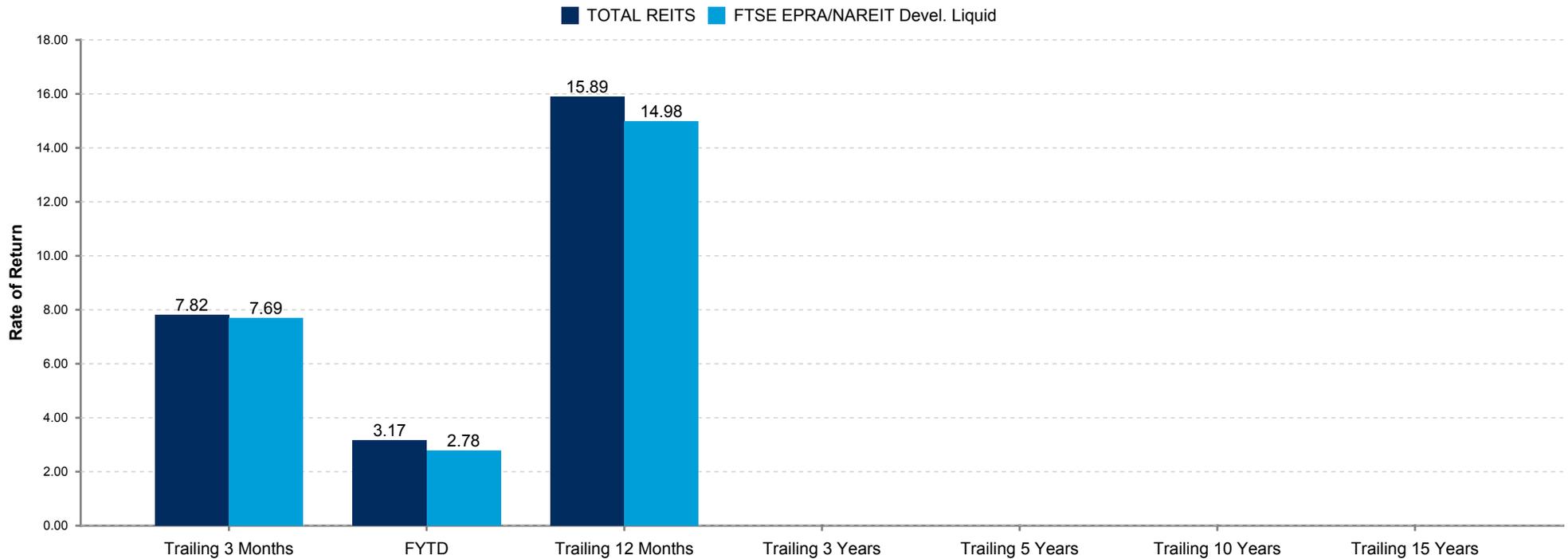
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MARKETS	14.9	15.2	18.9	18.5	24.3	23.7
TOTAL ACTIVE EMERGING MARKETS	14.9	15.2	19.0	18.5	24.3	23.7
TOTAL PASSIVE EMERGING MARKETS	15.1	15.2				

# REITS Returns vs FTSE EPRA/NAREIT Developed Index: December 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL REITS	\$175.0	0.5



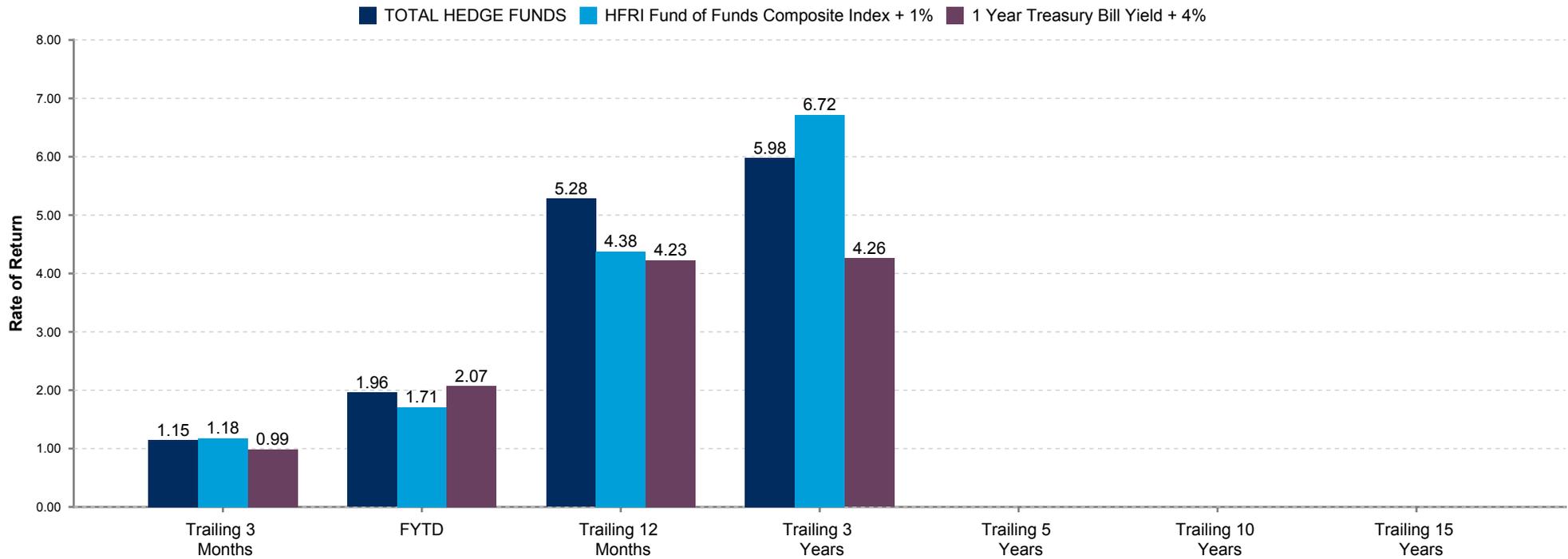
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL REITS						

# Hedge Fund Returns vs Benchmarks: December 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL HEDGE FUNDS	\$1.2	3.6



	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL HEDGE FUNDS	3.6	3.2				



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**New York City  
Police Pension Fund, Subchapter Two**

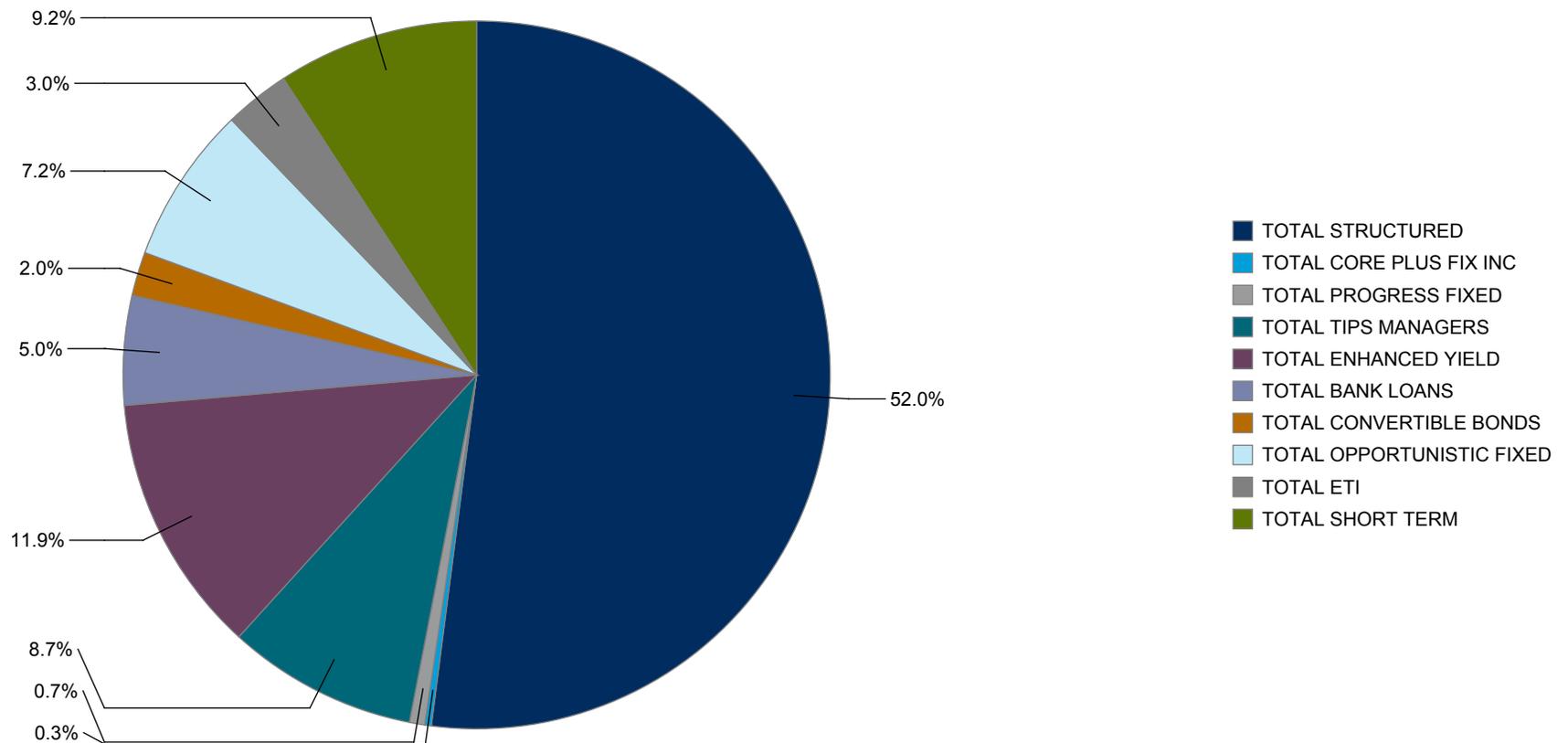
# **Fixed Income Analysis**

# Total Fixed Income Asset Allocation: December 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL FIXED INCOME	\$11.0	34.0

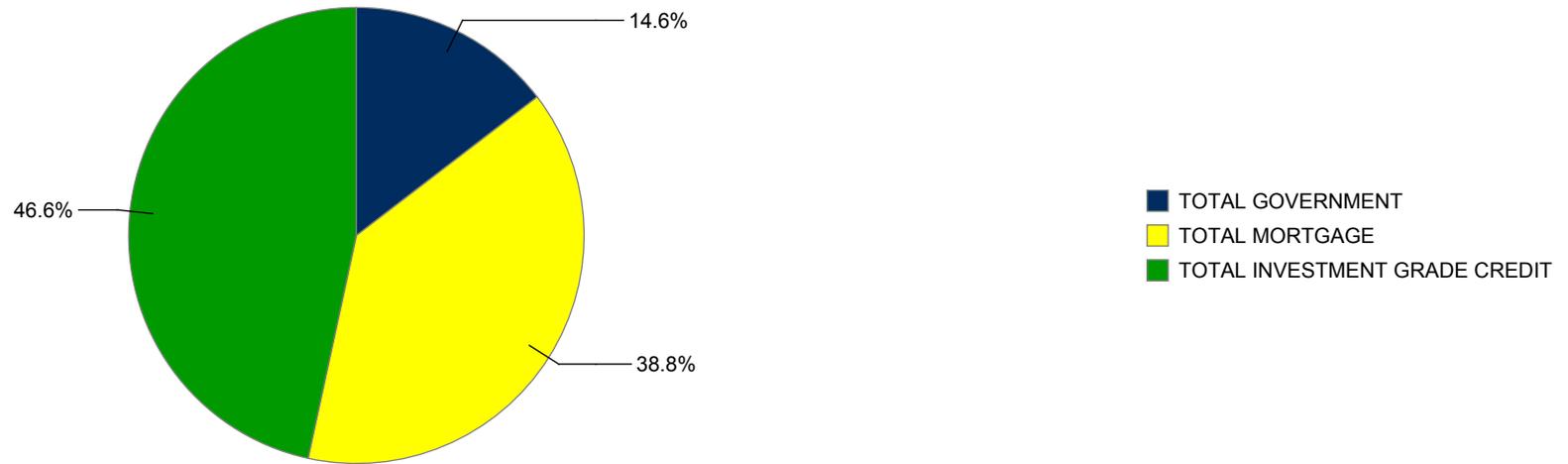


# Structured Fixed Income Asset Allocation: December 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$5.7	17.7



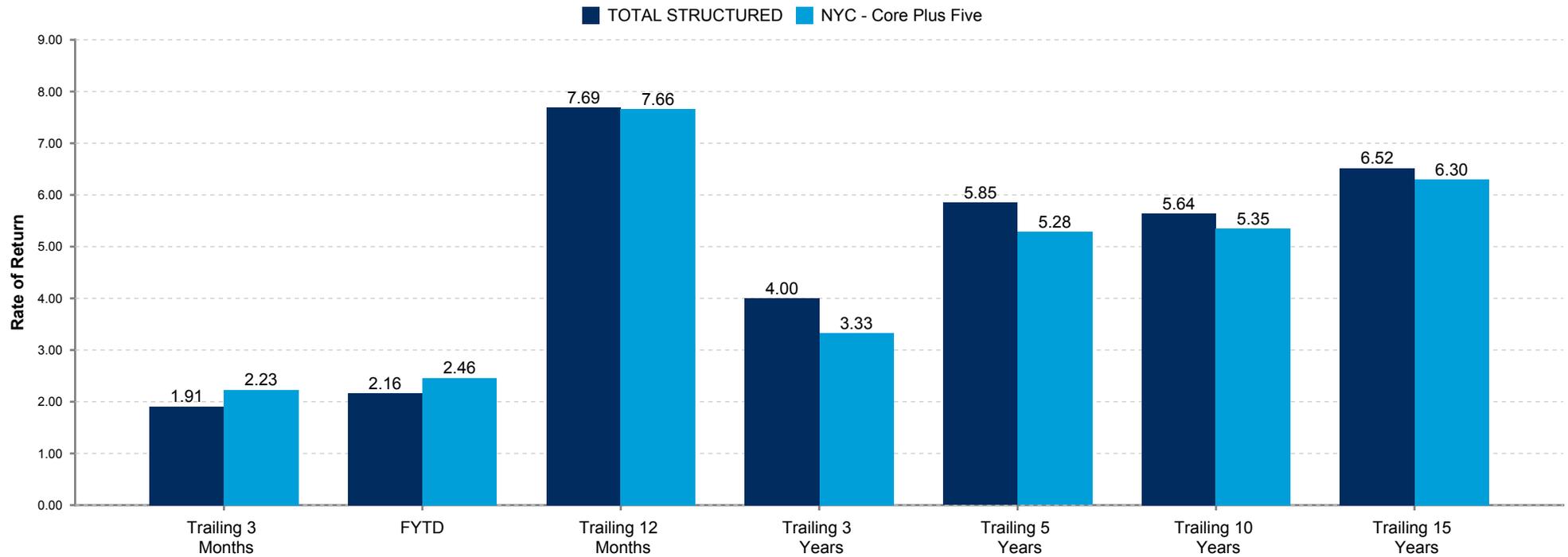
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL TREASURY/AGENCY	19.55	14.59	-4.96	4.45	3.71	-0.74
TOTAL MORTGAGE	37.27	38.83	1.56	1.80	1.67	-0.13
TOTAL INV GRADE CREDIT	43.19	46.59	3.40	1.63	1.55	-0.08

# Structured Returns vs NYC Core Plus 5 Index: December 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$5.7	17.7



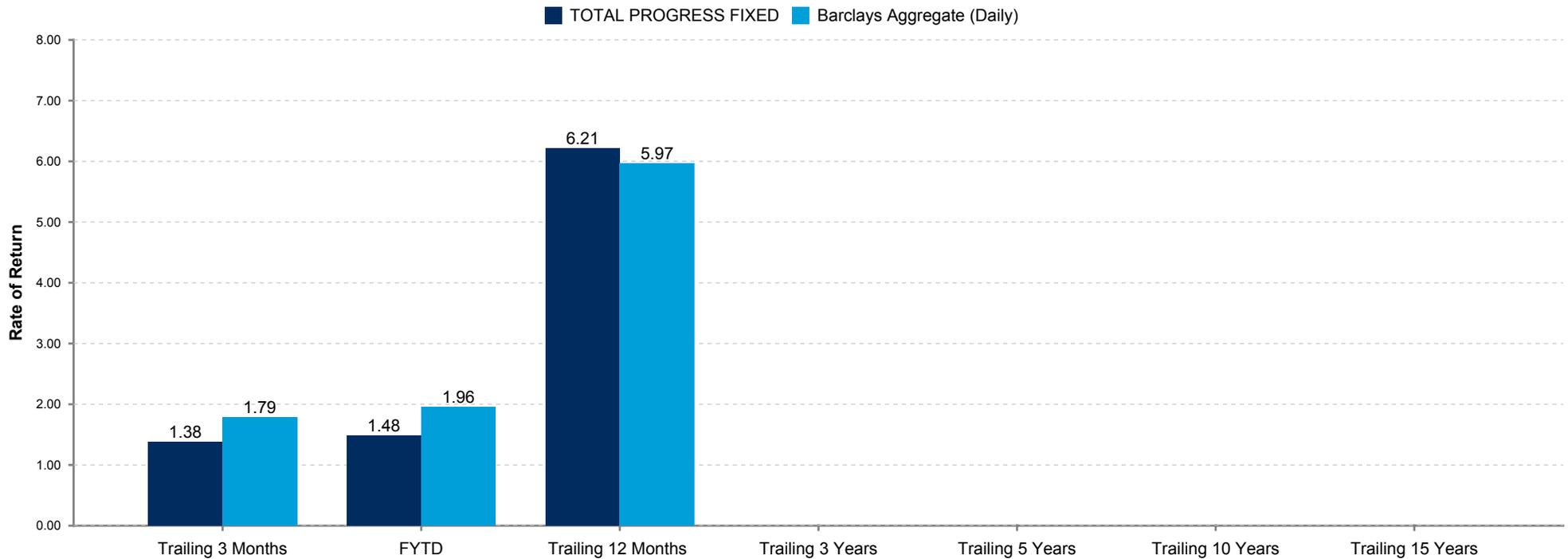
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL STRUCTURED	3.3	3.3	3.2	3.3	3.8	4.0

**Progress Fixed Income Returns vs Barclays Aggregate Index: December 31, 2014**



STATE STREET

	<b>Market Value (Millions)</b>	<b>% of plan</b>
TOTAL PROGRESS FIXED	\$73.5	0.2



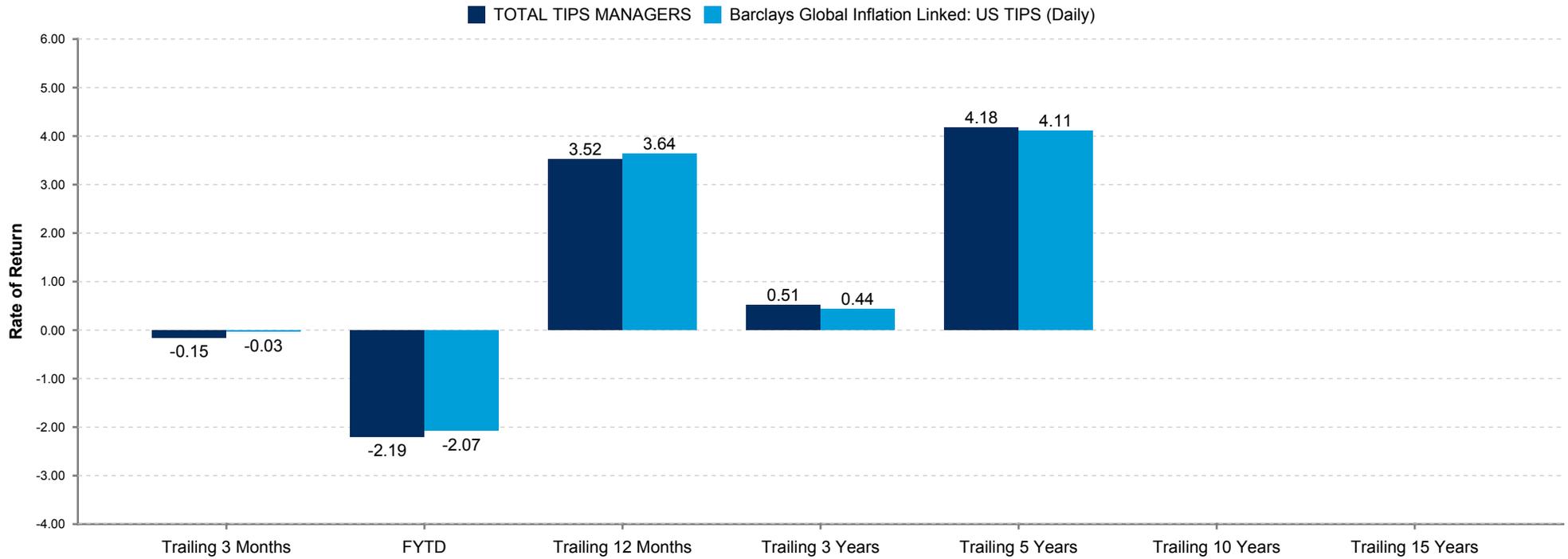
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL PROGRESS FIXED						

# TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: December 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL TIPS MANAGERS	\$948.4	2.9



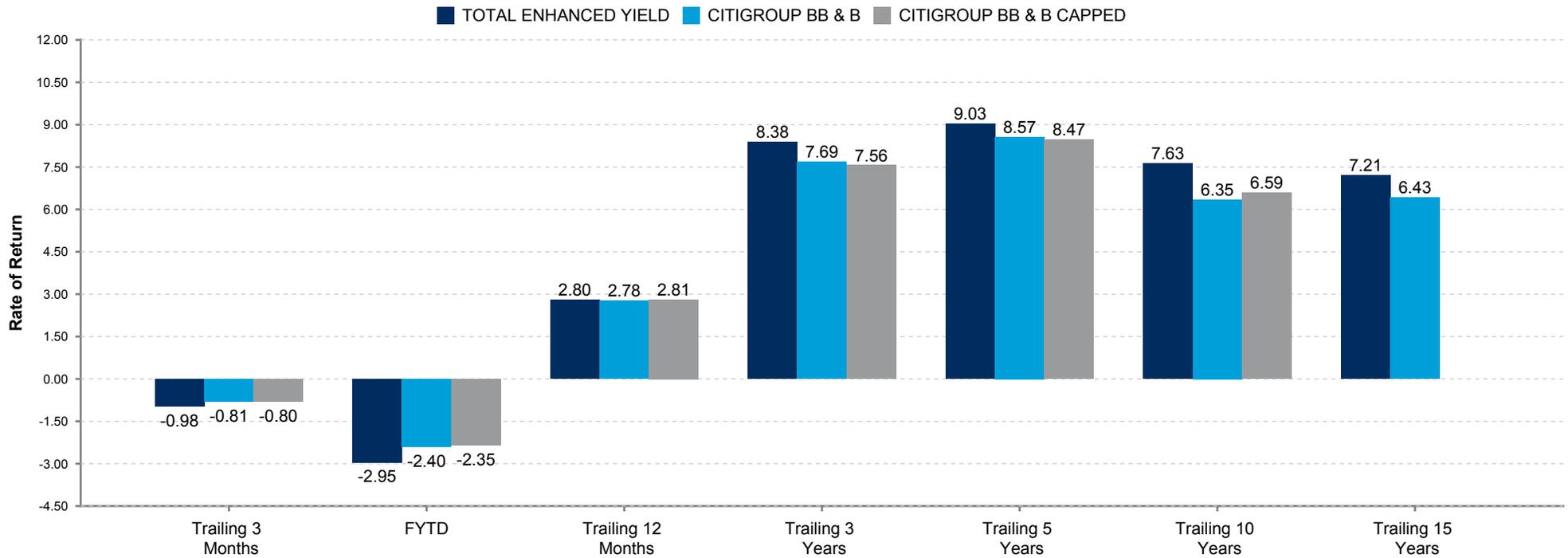
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL TIPS MANAGERS	5.2	5.2	5.1	5.1		

# Enhanced Yield Returns vs Benchmarks: December 31, 2014



STATE STREET

TOTAL ENHANCED YIELD Market Value (Billions)  
\$1.3 % of plan  
4.0



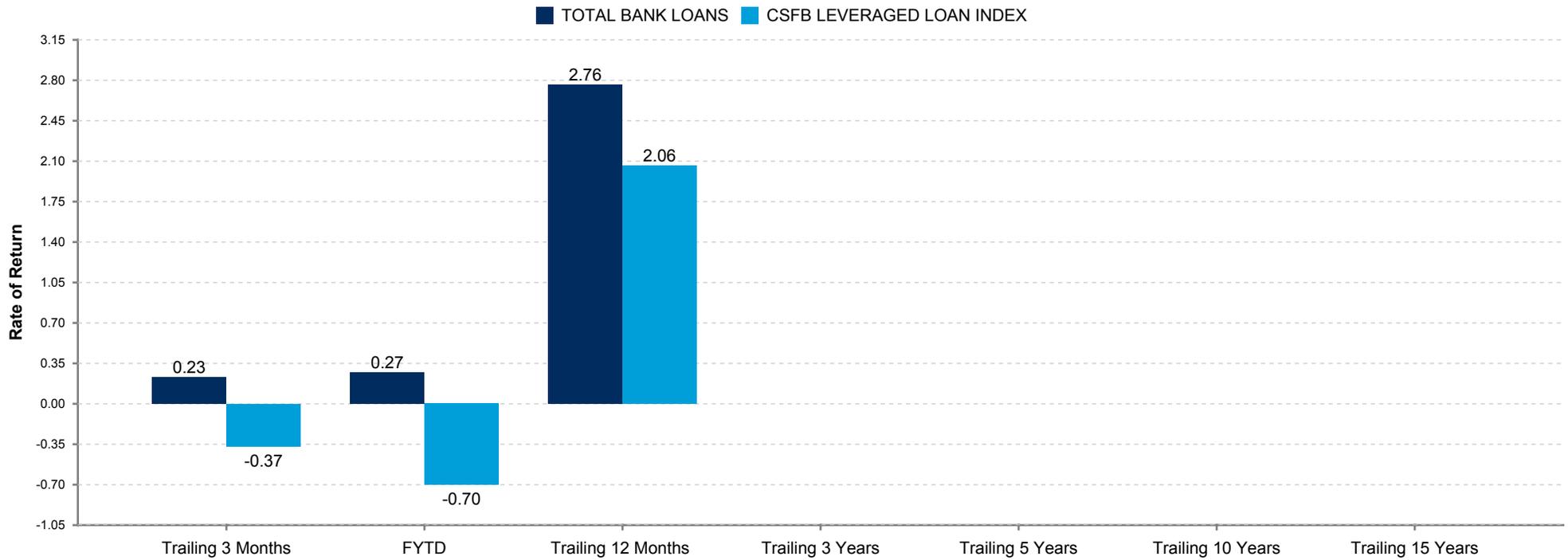
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ENHANCED YIELD	8.4	4.4	5.7	5.6	8.2	8.9

# Bank Loan Returns vs CSFB Leveraged Loan Index: December 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL BANK LOANS	\$548.9	1.7

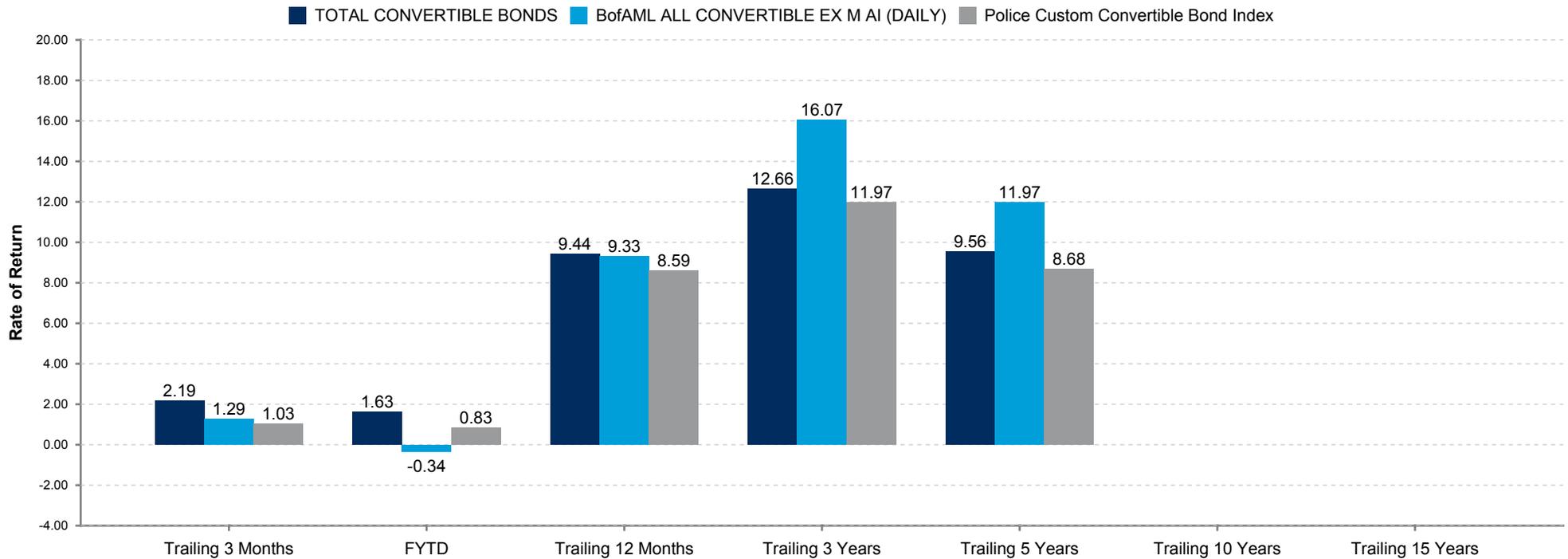


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL BANK LOANS						

# Convertible Bond Returns vs Benchmarks: December 31, 2014



	<b>Market Value (Millions)</b>	<b>% of plan</b>
TOTAL CONVERTIBLE BONDS	\$216.7	0.7



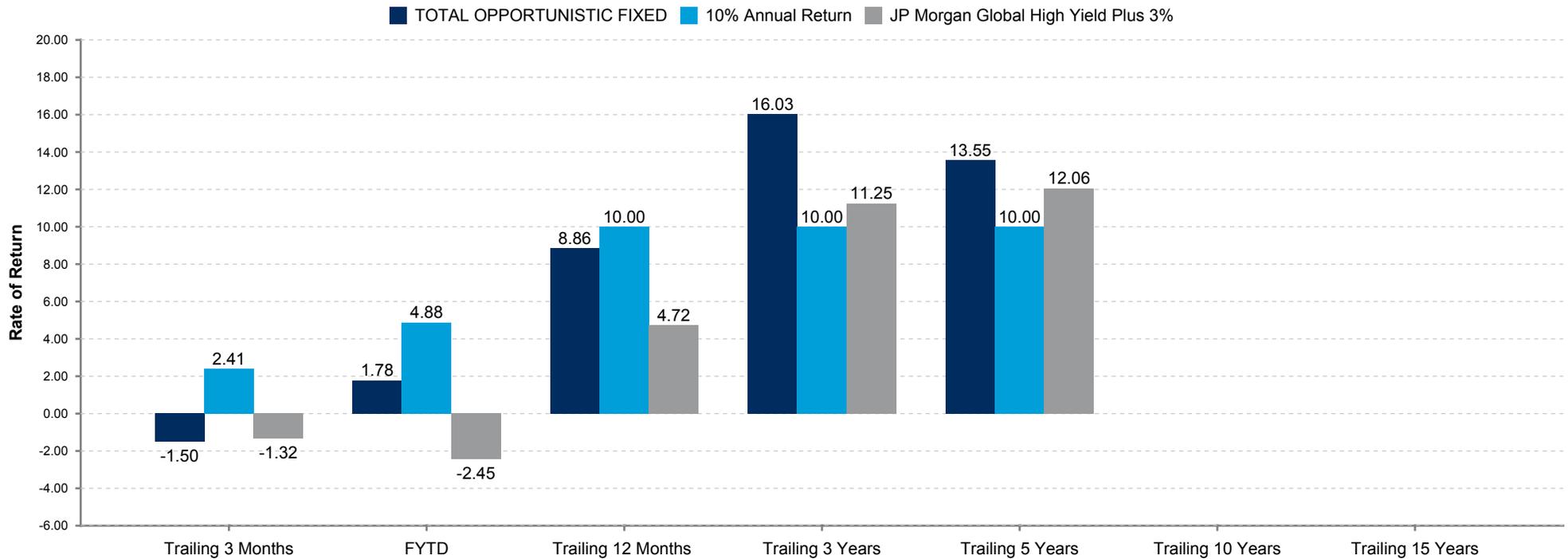
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL CONVERTIBLE BONDS	6.1	7.6	7.7	9.2		

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



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL OPPORTUNISTIC FIXED	\$787.0	2.4



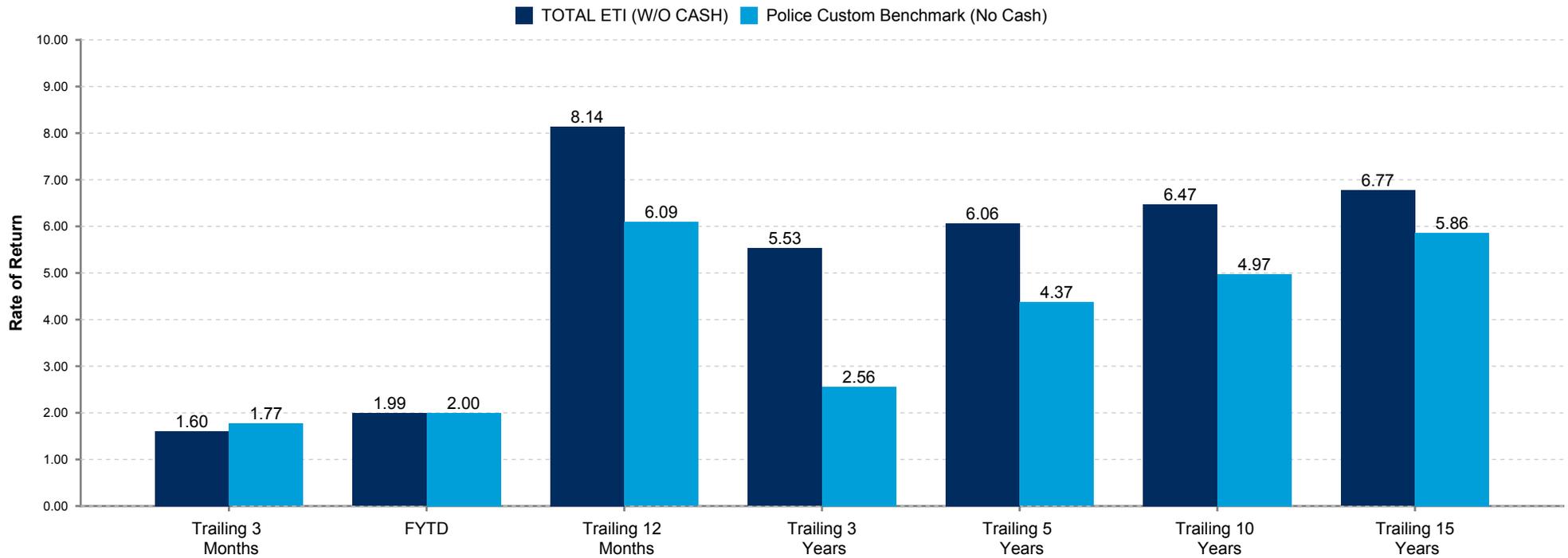
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL OPPORTUNISTIC FIXED	3.9	0.0	6.2	0.0		

# ETI Returns vs Custom Index: December 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL ETI (W/O CASH)	\$316.1	1.0



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ETI (W/O CASH)	2.3	2.5	1.9	2.4	2.1	2.7



**New York City  
Police Pension Fund, Subchapter Two**

# Appendix

# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
<b>SMALL CAP</b>									
Brown AM - SCG	112.8	0.35	8.98	3.96	3.96	24.70	20.30		
TOTAL SMALL CAP GROWTH	112.8	0.35	8.98	3.96	3.96	22.97	16.86		
RUSSELL 2000 GROWTH			10.06	5.60	5.60	20.14	16.80	8.54	4.34
Ceredex SCV	106.4	0.33	10.00	3.10	3.10				
Dalton Greiner (Value) - Small Cap	117.7	0.37	7.65	5.12	5.12	19.55	16.32	9.39	
TOTAL SMALL CAP VALUE	224.2	0.70	8.75	4.15	4.15	18.35	15.54	9.03	
RUSSELL 2000 VALUE			9.40	4.22	4.22	18.29	14.26	6.89	10.23
Daruma Asset Mgmt (Core) - Small Cap	131.9	0.41	6.64	(1.37)	(1.37)	19.57	15.14	10.16	
DFA Small Cap	116.6	0.36	9.23	5.23	5.23				
TOTAL SMALL CAP CORE	248.5	0.77	7.84	1.62	1.62	20.75	15.83	10.49	
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
RAFI - SC Fundamental	115.9	0.36	10.56	4.94	4.94	21.75	17.43		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
RUSSELL 2000 VALUE			9.40	4.22	4.22	18.29	14.26	6.89	10.23
TOTAL ACTIVE SMALL CAP	701.4	2.18	8.76	3.34	3.34	20.13	16.18	8.54	
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
Blackrock R2000 Growth	162.1	0.50	9.93	5.50	5.50				
TOTAL SMALL CAP GROWTH PASSIVE	162.1	0.50	9.93	5.50	5.50				
RUSSELL 2000 GROWTH			10.06	5.60	5.60	20.14	16.80	8.54	4.34

# Consolidated Performance Report



STATE STREET.

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Blackrock R2000 Value	96.1	0.30	9.25	4.12	4.12				
TOTAL SMALL CAP VALUE PASSIVE	96.1	0.30	9.25	3.83	3.83				
RUSSELL 2000 VALUE			9.40	4.22	4.22	18.29	14.26	6.89	10.23
TOTAL SMALL CAP PASSIVE	258.2	0.80	9.64	5.01	5.01				
TOTAL SMALLCAP	959.6	2.98	9.07	3.87	3.87	19.96	16.11	8.51	
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>SMALL/MID CAP</b>									
Time Square Capital SMIDG	140.5	0.44	5.85	3.33	3.33	21.15			
RUSSELL 2500 GROWTH			7.49	7.05	7.05	20.47	17.27	9.37	5.32
Security Global Investors SMIDV	114.0	0.35	3.07	2.11	2.11	17.08			
RUSSELL 2500 VALUE			6.09	7.11	7.11	19.40	15.48	7.91	10.56
TOTAL SMALL/MID CAP	254.4	0.79	4.58	2.78	2.78	19.26			
RUSSELL 2500			6.77	7.07	7.07	19.97	16.36	8.72	8.59
<b>MID CAP</b>									
Frontier Capital MCG	282.5	0.88	6.89	12.03	12.03	21.39			
Time Square Capital MCG	157.1	0.49	3.46	5.86	5.86	20.30			
TOTAL MID CAP GROWTH	439.6	1.36	5.64	9.75	9.75	21.00			
RUSSELL MIDCAP GROWTH			5.84	11.90	11.90	20.71	16.94	9.43	4.99
Iridian Asset Mgmt. MCV	283.3	0.88	4.53	14.67	14.67	28.06			
Systematic Financial Mgmt MCV	202.4	0.63	2.76	6.10	6.10	19.02			
TOTAL MID CAP VALUE	485.8	1.51	3.79	10.94	10.94	23.97	18.31	8.54	
RUSSELL MIDCAP VALUE			6.05	14.75	14.75	21.98	17.43	9.43	10.76

# Consolidated Performance Report



STATE STREET

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Wellington Mgmt. MCC	208.3	0.65	5.05	11.56	11.56	23.27			
TOTAL MID CAP CORE	208.3	0.65	5.05	11.56	11.56	23.27	17.94	8.58	
S&P 400 MIDCAP INDEX			6.35	9.77	9.77	19.99	16.54	9.71	9.65
TOTAL ACTIVE MID CAP	1,133.6	3.52	4.73	10.58	10.58	22.66	17.02	7.93	
RUSSELL MIDCAP			5.94	13.22	13.22	21.40	17.19	9.56	8.90
State St GA S&P 400	625.1	1.94	6.33	10.10	10.10	20.03			
TOTAL MID CAP PASSIVE	625.1	1.94	6.33	10.10	10.10	20.03			
S&P 400 MIDCAP INDEX			6.35	9.77	9.77	19.99	16.54	9.71	9.65
TOTAL MID CAP	1,758.8	5.46	5.29	10.27	10.27	21.30	16.81	7.75	
RUSSELL MIDCAP			5.94	13.22	13.22	21.40	17.19	9.56	8.90
<b>RUSSELL 1000</b>									
Castle Ark Mgmt - LCG	110.3	0.34	5.19	6.36	6.36	16.46	14.26		
Profit Inv Mgmt - LCG	60.5	0.19	5.30	16.52	16.52	22.62	15.77		
TOTAL RUSSELL 1000 GROWTH	170.8	0.53	5.23	10.24	10.24	22.04	15.27	7.80	3.19
RUSSELL 1000 GROWTH			4.78	13.05	13.05	20.26	15.81	8.49	2.21
RUSSELL 3000 GROWTH			5.17	12.44	12.44	20.25	15.89	8.50	2.37
Seizert Capital Ptrns - LCC	87.9	0.27	0.32	11.18	11.18	20.20	14.99		
TOTAL RUSSELL 1000 CORE	87.9	0.27	0.32	11.18	11.18	19.93	14.40		
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
RAFI - LC Fundamental	263.7	0.82	4.52	12.20	12.20	21.52	16.92		
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
RUSSELL 1000 VALUE			4.98	13.45	13.45	20.89	15.42	7.30	6.62

# Consolidated Performance Report



Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
VTL S&P 500 Fundamental	130.8	0.41	6.33	13.95	13.95	23.18	17.24		
S&P 500 INDEX			4.93	13.69	13.69	20.41	15.45	7.67	4.24
TOTAL FUNDAMENTAL RUSSELL 1000	394.5	1.22	5.11	12.77	12.77	22.06	16.90		
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
TOTAL RUSSELL 1000 ACTIVE	653.2	2.03	4.47	10.98	10.98	21.93	16.06	8.16	
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
Blackrock R1000 Value	2,188.5	6.79	4.95	13.39	13.39				
RUSSELL 1000 VALUE			4.98	13.45	13.45	20.89	15.42	7.30	6.62
Blackrock R1000 Growth	2,192.0	6.80	4.72	12.92	12.92				
RUSSELL 1000 GROWTH			4.78	13.05	13.05	20.26	15.81	8.49	2.21
TOTAL RUSSELL 1000 PASSIVE	4,380.5	13.60	4.82	13.13	13.13				
TOTAL RUSSELL 1000	5,033.7	15.62	4.79	12.85	12.85	22.68	16.49	8.36	
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
<b>RUSSELL 3000</b>									
State Street Global Adv R3000	3,452.2	10.71	5.20	12.61	12.61	20.47			
TOTAL RUSSELL 3000 PASSIVE	3,452.2	10.71	5.20	12.61	12.61	20.54	15.71	8.01	4.91
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82
<b>ATTUCKS MANAGERS</b>									
Apex Capital - SCG	9.0	0.03	4.53	4.98	4.98	21.42	20.39		
GW Capital - SCC	7.9	0.02	4.53	(1.43)	(1.43)	16.31			
Lombardia Capital - SCV	7.9	0.02	8.66	3.10	3.10	17.32	15.43		
Paradigm Asset Mgt - SCC	8.5	0.03	7.00	0.26	0.26	16.03	14.08		

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Phocas Financial - SCV	8.0	0.02	7.70	8.24	8.24	20.85	17.01		
<b>TOTAL ATTUCKS MANAGERS</b>	<b>41.2</b>	<b>0.13</b>	<b>6.42</b>	<b>2.95</b>	<b>2.95</b>	<b>18.35</b>	<b>16.10</b>		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>CAPITAL PROSPECTS MANAGERS</b>									
AH Lisanti Capital Growth - SCG	4.9	0.02	10.61	3.12	3.12				
Bernzott Capital Advisors - SCV	4.9	0.02	7.22	6.58	6.58				
Channing Cap Mgmt - SCV	5.2	0.02	7.97	5.43	5.43				
CWC Advisors - SCC	4.3	0.01	1.59	3.42	3.42				
High Pointe - R-2000	1.9	0.01	9.30	2.68	2.68				
Huber Cap Mgmt - SCV	4.5	0.01	(1.02)	(9.00)	(9.00)				
Lombardia - R-2000 Value	4.2	0.01	8.67	3.09	3.09				
Profit Inv Mgmt - SCC	4.5	0.01	6.28	3.47	3.47				
Quotient Investors - SCC	4.9	0.02	5.88	9.20	9.20				
Stephens Inv Mgmt - SCG	4.4	0.01	4.87	(2.27)	(2.27)				
Summit Creek Advisors - SCG	4.5	0.01	7.16	1.33	1.33				
<b>TOTAL CAPITAL PROSPECTS MANAGERS</b>	<b>48.2</b>	<b>0.15</b>	<b>6.03</b>	<b>2.35</b>	<b>2.35</b>				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>PROGRESS MANAGERS</b>									
Nichols Asset Mgmt - SCG	8.8	0.03	7.67	(0.17)	(0.17)	18.78			
Lombardia Cap Ptnrs LLC - Small Value	11.0	0.03	9.29	8.74	8.74	18.87	16.52		
GW Capital Inc - SMID Value	10.2	0.03	4.53	(1.35)	(1.35)	16.00	15.24		
OMT Cap Mgmt - SMDG	4.6	0.01	9.45	2.80	2.80				
Huber Cap Mgmt - SCV	8.8	0.03	(0.97)	(8.82)	(8.82)				
Cardinal Cap Mgmt - SCV	4.8	0.01	8.11	7.65	7.65				
Apex Cap Mgmt - SMDG	10.7	0.03	2.42	9.13	9.13				
<b>TOTAL PROGRESS MANAGERS</b>	<b>58.9</b>	<b>0.18</b>	<b>5.23</b>	<b>2.15</b>	<b>2.15</b>	<b>17.65</b>	<b>15.04</b>		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>F.I.S. MANAGERS</b>									
Channing Cap Mgmt - SCV	12.8	0.04	7.97	5.48	5.48				
EAM Investors - MCG	2.2	0.01	15.12	1.80	1.80				
Huber Cap Mgmt - SCV	4.8	0.01	(1.02)	(8.98)	(8.98)				
Nicholas Investment Partners - SCG	8.6	0.03	7.60	1.39	1.39				
Piermont Capital	9.3	0.03	10.28						
Punch & Associates Inv Mgmt - SCC	5.5	0.02	7.82	0.44	0.44				
Rice Hall James	7.7	0.02	10.02						
TOTAL F.I.S. MANAGERS	50.9	0.16	7.98	2.27	2.27				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
TOTAL EMERGING MANAGERS	199.2	0.62	6.36	2.39	2.39				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82
TOTAL ACTIVE DOMESTIC EQUITY	2,941.8	9.13	5.70	7.58	7.58	21.10	15.76	7.93	3.76
TOTAL PASSIVE DOMESTIC EQUITY	8,716.1	27.05	5.27	12.48	12.48	20.47	15.51	7.92	5.18
TOTAL DOMESTIC EQUITY	11,657.9	36.18	5.38	11.42	11.42	20.64	15.64	7.92	5.03
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82
<b>INTERNATIONAL EQUITY</b>									
<b>DEVELOPED MARKETS</b>									
<b>GROWTH</b>									
Baillie Gifford	495.7	1.54	(0.99)	(6.52)	(6.52)	12.91	8.57		
Walter Scott	565.8	1.76	(2.11)	(3.25)	(3.25)				
TOTAL DEVELOPED GROWTH	1,061.6	3.29	(1.59)	(5.21)	(5.21)	12.37	6.91	7.03	
MSCI EAFE GROWTH			(2.29)	(4.43)	(4.43)	11.03	6.19	4.91	1.13

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>VALUE</b>									
Causeway	473.4	1.47	(4.34)	(4.84)	(4.84)				
Sprucegrove	573.6	1.78	(3.41)	(3.11)	(3.11)				
TOTAL DEVELOPED VALUE	1,047.1	3.25	(3.81)	(3.82)	(3.82)	10.71	5.01	4.35	
MSCI EAFE VALUE NET			(4.85)	(5.39)	(5.39)	11.04	4.42	3.89	3.82
<b>SMALLCAP</b>									
Acadian	213.1	0.66	(4.44)	(4.60)	(4.60)				
Pyramis	217.9	0.68	(0.71)	(4.97)	(4.97)				
TOTAL DEVELOPED SMALL CAP ACTIVE	430.9	1.34	(2.59)	(4.79)	(4.79)				
S&P EPAC SMALL CAP INDEX			(1.89)	(3.10)	(3.10)	14.43	8.90	6.92	6.69
TOTAL ACTIVE DEVELOPED EQUITY	2,540.7	7.89	(2.68)	(4.69)	(4.69)	10.83	5.63	4.81	2.69
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
SSGA MSCI EAFE SMALL CAP INDEX	81.2	0.25	(1.90)						
TOTAL DEVELOPED SMALL CAP PASSIVE	81.2	0.25	(1.90)						
MSCI EAFE SMALL CAP NET (DAILY)			(2.27)	(4.95)	(4.95)	13.83	8.63	6.04	7.18
SSGA	309.9	0.96	(3.72)	(4.73)	(4.73)	11.29			
TOTAL DEVELOPED LARGE CAP PASSIVE	309.9	0.96	(3.72)	(4.73)	(4.73)	11.29			
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
TOTAL PASSIVE DEVELOPED EQUITY	391.1	1.21	(3.35)	(5.14)	(5.14)	11.13	5.42	4.71	2.83
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
TOTAL DEVELOPED EQUITY	2,931.9	9.10	(2.75)	(4.74)	(4.74)	10.98	5.61	4.80	2.71
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>NON-U.S. ENVIRONMENTAL</b>									
Generation GE	111.2	0.35	6.49	11.99	11.99	19.89	12.84		
TOTAL NON-U.S. ENVIRONMENTAL	111.2	0.35	6.49	11.99	11.99	19.89	11.64		
MSCI WORLD INDEX			1.01	4.94	4.94	15.47	10.20	6.03	3.12
TOTAL DEVELOPED ENVIRONMENTAL ACTIVIST	3,043.3	9.45	(2.45)	(4.25)	(4.25)	11.35	5.88	4.92	
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
<b>EMERGING MARKETS</b>									
Acadian	321.9	1.00	(2.60)	4.16	4.16	7.75	5.22		
Ballie Gifford	302.2	0.94	(4.97)	0.70	0.70	6.71	3.16		
DFA	292.0	0.91	(6.59)	(4.02)	(4.02)	3.08	1.10		
EATON VANCE EM	297.3	0.92	(7.35)	(3.42)	(3.42)				
TOTAL ACTIVE EMERGING MARKETS	1,213.3	3.77	(5.40)	(0.62)	(0.62)	5.18	2.16	8.77	
MSCI EMERGING MARKETS			(4.50)	(2.19)	(2.19)	4.04	1.78	8.43	
Blackrock EM	505.0	1.57	(4.30)	(2.23)	(2.23)	4.27			
TOTAL PASSIVE EMERGING MARKETS	505.0	1.57	(4.30)	(2.23)	(2.23)	4.27			
MSCI EMERGING MARKETS			(4.50)	(2.19)	(2.19)	4.04	1.78	8.43	
TOTAL EMERGING MARKETS	1,718.3	5.33	(5.12)	(1.06)	(1.06)	4.94	2.08	8.73	8.64
MSCI EMERGING MARKETS			(4.50)	(2.19)	(2.19)	4.04	1.78	8.43	
TOTAL ACTIVE INTERNATIONAL EQUITY	3,865.5	12.00	(3.30)	(2.93)	(2.93)				
TOTAL PASSIVE INTERNATIONAL EQUITY	896.1	2.78	(3.84)	(3.53)	(3.53)				
TOTAL INTERNATIONAL EQUITY	4,761.6	14.78	(3.42)	(3.05)	(3.05)	8.80	4.32	5.17	3.12
MSCI AC WORLD ex US			(3.87)	(3.87)	(3.87)	8.99	4.43	5.13	

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>REITS</b>									
CONY GT SSGA REIT	175.0	0.54	7.82	15.89	15.89				
TOTAL REAL ESTATE SECURITIES	175.0	0.54	7.82	15.89	15.89				
FTSE EPRA/NAREIT Devel. Liquid			7.69	14.98	14.98	14.56	10.89		
<b>HEDGE FUNDS</b>									
BLUE TREND FD	69.1	0.21	6.08	12.46	12.46				
BREVA HOWARD LP	60.5	0.19	(1.21)	(0.74)	(0.74)	1.79			
BREVA HOWARD OPP	64.0	0.20	(0.79)	0.79	0.79				
BRIGADE LEV CAP STR FD	74.9	0.23	(2.43)	0.68	0.68				
CARLSON DOUBLE BLK DIA FD	94.1	0.29	(0.76)	5.50	5.50				
CASPIAN SELECT CF	72.1	0.22	(1.16)	3.17	3.17				
CCP QUANT FD	68.3	0.21	34.68	40.16	40.16				
D.E. SHAW COMPOSITE FD	181.7	0.56	2.46	16.07	16.07	15.56			
FIR TREE VAL FD	91.3	0.28	(0.08)	(1.72)	(1.72)				
LUXOR CAPITAL	77.4	0.24	(8.15)						
PERRY CAPITAL LP	69.3	0.22	(2.54)	(4.25)	(4.25)				
PHARO MACRO FD	60.7	0.19	(1.11)	8.22	8.22				
STANDARD GENERAL	19.7	0.06	1.20						
TOTAL DIRECT HEDGE FUNDS	1,003.1	3.11	1.21	5.65	5.65	6.11			
HFRI FUND OF FUNDS COMP			1.18	4.38	4.38	6.72	4.32	4.06	4.79
PERMAL ASSET MANAGEMENT	171.8	0.53	0.80	3.23	3.23	5.08			
TOTAL PERMAL HEDGE FUNDS OF FUNDS	171.8	0.53	0.80	3.23	3.23	5.54			
HFRI FUND OF FUNDS COMP			1.18	4.38	4.38	6.72	4.32	4.06	4.79
TOTAL HEDGE FUNDS	1,174.9	3.65	1.15	5.28	5.28	5.98			
HFRI FUND OF FUNDS COMP			1.18	4.38	4.38	6.72	4.32	4.06	4.79
1 YEAR TREASURY BILL YIELD			0.99	4.23	4.23	4.26	4.43	6.01	6.67

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<b>PRIVATE EQUITY INVESTMENTS</b>									
ACON Equity Partners III LP	1.1	0.00							
Aisling Capital II, LP	1.8	0.01							
Aisling Capital III, L.P.	5.2	0.02							
Altaris Health Partners III, L.P.	0.5	0.00							
American Securities Partners VI, L.P.	37.3	0.12							
Ampersand 2011 L.P.	14.5	0.05							
Apollo Investment Fund V, L.P.	2.5	0.01							
Apollo Investment Fund VI, L.P.	22.1	0.07							
Apollo Investment Fund VII, L.P.	25.3	0.08							
Apollo Investment Fund VIII	8.0	0.02							
Ardian Secondary VI	28.2	0.09							
Ares Corp. Opportunities Fund I, L.P.	4.2	0.01							
Ares Corp. Opportunities Fund II, L.P.	3.7	0.01							
Ares Corp. Opportunities Fund III, L.P.	22.9	0.07							
Ares Corp. Opportunities Fund IV, L.P.	26.8	0.08							
Arlington Capital Partners II, L.P.	10.0	0.03							
Arsenal Capital Partners II	10.4	0.03							
Atlantic Equity Partners IV, L.P.	13.4	0.04							
Aurora Equity Partners III, L.P.	1.0	0.00							
Avista Capital Partners II, L.P.	45.6	0.14							
Avista Capital Partners, L.P.	13.9	0.04							
AXA Secondary Fund V B L.P.	59.4	0.18							
BC European Capital IX	35.2	0.11							
BDCM Opportunity Fund III, L.P.	15.3	0.05							
Blackstone Capital Partners IV, L.P.	18.8	0.06							
Blackstone Capital Partners V, L.P.	30.2	0.09							
Blackstone Capital Partners VI, L.P.	23.9	0.07							

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Blackstone Mezzanine Partners II L.P.	1.4	0.00							
Blue Wolf Capital Fund II, L.P.	13.1	0.04							
Bridgepoint Europe III	7.9	0.02							
Bridgepoint Europe IV	9.2	0.03							
Capital Partners PE Income Fund II, L.P.	0.7	0.00							
Capital Partners PE Income Fund, L.P.	9.4	0.03							
Carlyle Partners IV, L.P.	12.9	0.04							
Carlyle Partners V, L.P.	38.2	0.12							
Carlyle Partners VI, L.P.	18.6	0.06							
Carpenter Community BancFund-A, L.P.	19.6	0.06							
Catterton Partners VI, L.P.	15.0	0.05							
CCMP Capital Investors II, L.P.	14.7	0.05							
Celtic Pharmaceutical Holdings, L.P.	6.1	0.02							
Coller International Partners IV, L.P.	2.3	0.01							
Coller International Partners V, L.P.	4.0	0.01							
ComVest Investment Partners III, L.P.	6.9	0.02							
ComVest Investment Partners IV, L.P.	34.0	0.11							
Constellation Venture Capital III, L.P.	8.1	0.03							
Corals 2007 Intl Momentum Fund, L.P.	5.8	0.02							
Crestview Partners II, L.P.	20.7	0.06							
CS Emerging Manager Fund, L.P.	41.8	0.13							
CS Emerging Manager Co-Inv, L.P.	1.9	0.01							
CVC Capital Partners VI	5.8	0.02							
CVC European Equity Partners III, L.P.	1.0	0.00							
CVC European Equity Partners V, L.P.	22.1	0.07							
Cypress Merchant Banking Ptnrs II, L.P.	6.1	0.02							
EQT VI, L.P.	35.6	0.11							
Erasmus New York City Growth Fund IA	1.5	0.00							
Euro Choice II (Delaware) L.P.	7.4	0.02							

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Euro Choice III L.P.	18.0	0.06							
Euro Choice IV L.P.	15.0	0.05							
Falconhead Capital Partners II, L.P.	5.6	0.02							
FdG Capital Partners II LP	4.6	0.01							
FdG Capital Partners, L.P.	11.3	0.04							
Fenway Partners Capital Fund III, L.P.	5.6	0.02							
First Reserve Fund XI, L.P.	11.0	0.03							
First Reserve Fund XII, L.P.	16.5	0.05							
FirstMark IV, L.P.	30.2	0.09							
The Fourth Cinven Fund	8.0	0.02							
FS Equity Partners V, L.P.	6.2	0.02							
FS Equity Partners VI, L.P.	21.5	0.07							
FTV IV, LP	2.0	0.01							
FTVentures III, L.P.	9.0	0.03							
GF Capital Private Equity Fund, L.P.	9.2	0.03							
GI Partners Fund II	4.9	0.02							
GI Partners Fund III	10.6	0.03							
Gleacher Mezzanine Fund II, LP	2.6	0.01							
Green Equity Investors VI	27.4	0.09							
Grey Mountain Partners Fund III, LP	0.4	0.00							
GSC Recovery III, L.P.	0.9	0.00							
GSO Capital Opportunities Fund, L.P.	5.1	0.02							
Highland Consumer Fund I	7.6	0.02							
ICV Partners III, L.P.	2.1	0.01							
Incline Equity Partners III, L.P.	0.8	0.00							
Intermedia Partners VII, L.P.	14.6	0.05							
JP Morgan Fleming, L.P.	27.6	0.09							
Landmark Equity Partners XI, L.P.	4.0	0.01							
Landmark Equity Partners XIII	4.3	0.01							

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Landmark Equity Partners XIV, L.P.	17.7	0.06							
Landmark Equity Partners XV	25.8	0.08							
Lee Equity Partners, L.P.	16.4	0.05							
Levine Leichtman Capital Deep Value	3.9	0.01							
Levine Leichtman Capital Partners IV LP	5.7	0.02							
Lexington Capital Partners VII, L.P.	13.3	0.04							
Lincolnshire Equity Fund II, L.P.	0.8	0.00							
Lincolnshire Equity Fund III, L.P.	8.2	0.03							
Lincolnshire Equity Fund IV, L.P.	5.1	0.02							
Markstone Capital Partners, L.P.	2.9	0.01							
Medica III Investments (Intl) L.P.	4.0	0.01							
MidOcean Partners III, L.P.	38.0	0.12							
Milestone Partners III, LP	11.1	0.03							
Mill City Capital II	1.2	0.00							
Montreux Equity Partners IV L.P.	9.8	0.03							
NB Co-Investment Partners LP	27.1	0.08							
NB Strategic Co - Invest II, LP	41.3	0.13							
New Mainstream Capital II	0.3	0.00							
New Mountain Partners I, L.P.	0.2	0.00							
New Mountain Partners II, L.P.	1.1	0.00							
New Mountain Partners III, L.P.	31.7	0.10							
NGN BioMed Opportunity II, L.P.	4.9	0.02							
NorthBound Emerging Manager Custom Fd LP	11.6	0.04							
Olympus Capital Asia III	18.0	0.06							
Olympus Growth Fund VI, L.P.	4.1	0.01							
Onex Partners III LP	13.4	0.04							
Paladin Homeland Security Fund L.P.	10.5	0.03							
Paladin III, L.P.	27.8	0.09							
Palladium Equity Partners III, L.P.	18.9	0.06							

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Palladium Equity Partners IV	9.2	0.03							
PCG Clean Energy Tech Fund East, L.P.	19.5	0.06							
Pegasus Partners IV, L.P.	9.1	0.03							
Pegasus Partners V, L.P.	12.4	0.04							
Permira IV	9.4	0.03							
Perseus Partners VII, L.P.	2.4	0.01							
Pine Brook Capital Partners	13.4	0.04							
Platinum Equity Capital Partners III, LP	17.1	0.05							
Prism Venture Partners V, L.P.	7.2	0.02							
Psilos Group Partners III, L.P.	10.7	0.03							
Quadrangle Capital Partners II, L.P.	6.0	0.02							
Quaker BioVentures II, L.P.	6.4	0.02							
Relativity Fund, L.P.	2.4	0.01							
RiverstoneCarlyle Gbl Engy-Pwr Fd IV LP	10.5	0.03							
RRE Ventures IV, L.P.	23.1	0.07							
Scale Venture Partners III, LP	13.2	0.04							
SCP Private Equity Partners II, L.P.	9.3	0.03							
SCP Vitalife Partners II, L.P.	14.9	0.05							
Snow Phipps Group, L.P.	7.0	0.02							
Snow Phipps II, L.P.	13.7	0.04							
Solera Partners, L.P.	6.0	0.02							
Summit Partners Growth Equity VIII-A	41.2	0.13							
Terra Firma Capital Partners III, L.P.	8.4	0.03							
Thomas, McNerney & Partners II, L.P.	10.2	0.03							
Trident V, L.P.	39.6	0.12							
Trilantic Capital Partners III, L.P.	0.8	0.00							
Trilantic Capital Partners IV L.P.	33.3	0.10							
Trilantic Capital Partners V L.P.	15.6	0.05							
United States Power Fund III, L.P.	11.5	0.04							

# Consolidated Performance Report



STATE STREET.

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
US Power Fund II	15.4	0.05							
Vista Equity Partners Fund III, L.P.	9.5	0.03							
Vista Equity Partners Fund IV, L.P.	69.8	0.22							
VISTA EQUITY V	26.2	0.08							
Vista Foundation Fund II, L.P.	1.8	0.01							
VS&A Communications Partners III, L.P.	0.3	0.00							
VSS Communications Partners IV, L.P.	5.4	0.02							
Warburg Pincus Private Equity XI, LP	50.7	0.16							
Wellspring Capital Partners V, L.P.	11.7	0.04							
Welsh, Carson, Anderson & Stowe XI, L.P.	16.8	0.05							
Yucaipa American Alliance Fund I, L.P.	15.4	0.05							
Yucaipa American Alliance Fund II, LP	71.3	0.22							
Yucaipa Corporate Initiatives Fund II LP	8.9	0.03							
TOTAL PRIVATE EQUITY	2,201.3	6.83							
NYC R3000 +3% LAGGED									

## REAL ASSETS

### PRIVATE REAL ESTATE

AG Realty Fund VII (Global)	10.8	0.03							
Almanac Realty Securities VI, L.P.	17.3	0.05							
American Value Partners Fund I, L.P.	6.4	0.02							
Ares European Real Estate Fund III, LP	15.7	0.05							
ARES RE FD V (fka Apollo RE Fund V)	2.3	0.01							
ARA Asia Dragon Fund	3.0	0.01							
Blackrock Carbon III	0.9	0.00							
Blackstone Europe IV	36.7	0.11							
Blackstone Real Estate Partners Europe III, L.P.	35.5	0.11							
Blackstone Real Estate Partners Europe IV, L.P.	7.6	0.02							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Blackstone Real Estate Partners Europe VI, L.P.	42.6	0.13							
Blackstone Real Estate Partners Europe VII, L.P.	103.9	0.32							
Brookfield Strategic Real Estate Partners L.P.	50.6	0.16							
Canyon-Johnson Urban Fund II, L.P.	5.5	0.02							
Canyon-Johnson Urban Fund III, L.P.	9.9	0.03							
Carlyle Realty Partners V, L.P.	6.4	0.02							
Carlyle Realty Partners VI, L.P.	27.4	0.09							
City Investment Fund	22.5	0.07							
Colony Investors VIII, L.P.	5.3	0.02							
Colony Realty Partners II, L.P.	7.7	0.02							
DivcoWest Fund III REIT, LLC	54.1	0.17							
DivcoWest Fund IV	36.9	0.11							
Emmes Interborough Fund LLC	15.5	0.05							
Fidelity Real Estate Growth Fund III, L.P.	5.2	0.02							
Heitman America Real Estate Trust LP	42.1	0.13							
Hudson Sandy Manager, LLC	5.8	0.02							
H/2 Special Opportunities II Ltd.	25.3	0.08							
H/2 Special Opp Fund III	2.3	0.01							
JPMC Special Situations Fund	15.6	0.05							
JPMC Strategic Property Fund	89.2	0.28							
KTR Industrial Fund III LP	12.4	0.04							
LaSalle US Property Fund	56.1	0.17							
Lone Star Real Estate Fund III, L.P.	31.9	0.10							
Metro Wkforce Housing FD	5.2	0.02							
METLIFE CORE PROPERTY	20.4	0.06							
OCM Realty Opportunity Fund, LP	1.6	0.01							
PRISA	23.8	0.07							
PRISA II	67.9	0.21							
PRISA III	51.6	0.16							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
ProLogis, Inc.	9.8	0.03							
RREEF America REIT II Corp.	23.6	0.07							
RREEF America REIT III Corp.	4.1	0.01							
Related Sep Acct	27.2	0.08							
Silverpeak Legacy Partners III, L.P.	4.7	0.01							
Stockbridge Real Estate Fund III, LP	36.7	0.11							
Taconic New York City Investment Fund LP	19.4	0.06							
Thor Urban Property Fund II, Inc.	18.1	0.06							
UBS Trumbull Property Fund LP	84.0	0.26							
Walton Street Real Estate Fund VI	26.3	0.08							
Westbrook Real Estate Fund VII, L.P.	5.5	0.02							
Westbrook Real Estate Fund VIII, L.P.	21.9	0.07							
TOTAL PRIVATE REAL ESTATE	1,262.3	3.92							
NCREIF NFI-ODCE NET + 100 BP									
<b>INFASTRUCTURE</b>									
Brookfield Infrastructure Fund II	18.9	0.06							
FIRST RESERVE EIF II	0.3	0.00							
TOTAL INFRASTRUCTURE	19.3	0.06							
CPI + 4%									
TOTAL REAL ASSETS	1,281.6	3.98							
TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS)	21,252.2	65.96	2.77	8.27	8.27	16.03	12.11	7.18	
<b>FIXED INCOME MANAGEMENT</b>									
<b>GOVERNMENT</b>									
Blackrock - Gov't	224.5	0.70	4.10	11.98	11.98	2.59	6.89		

# Consolidated Performance Report



STATE STREET

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Fischer Francis - Govt	224.5	0.70	4.14	11.49	11.49	2.29	6.68	6.17	7.35
State Street - Gov't	384.1	1.19	4.40	12.18	12.18	2.55	6.84		
<b>TOTAL GOVERNMENT</b>	<b>833.1</b>	<b>2.59</b>	<b>3.71</b>	<b>11.65</b>	<b>11.65</b>	<b>2.49</b>	<b>6.86</b>	<b>6.22</b>	<b>7.36</b>
NYC - TREASURY AGENCY			4.45	12.38	12.38	2.59	6.92	6.11	7.22
<b>MORTGAGE</b>									
Blackrock - Mortgage	757.6	2.35	1.79	6.52	6.52	3.87	5.17	5.37	
Goldman Sachs - Mortgage	414.6	1.29	1.66	6.33	6.33	2.77	4.10		
Neuberger Berman - Mortgage	664.3	2.06	1.94	6.73	6.73	2.65			
PIMCO - Mortgage	3.6	0.01							
Wellington - Mortgage	377.4	1.17	1.92	6.77	6.77	2.49	4.06		
<b>TOTAL MORTGAGE</b>	<b>2,217.5</b>	<b>6.88</b>	<b>1.67</b>	<b>6.33</b>	<b>6.33</b>	<b>3.08</b>	<b>4.58</b>	<b>5.03</b>	<b>5.89</b>
CITIGROUP MORTGAGE INDEX			1.80	6.12	6.12	2.35	3.77	4.78	5.58
<b>INVESTMENT GRADE CREDIT</b>									
Blackrock - Credit	679.8	2.11	1.65	7.59	7.59	5.69	6.83	5.74	
Prudential - Credit	626.2	1.94	1.66	7.26	7.26	5.16	6.47		
Prudential-Privest - Credit	118.4	0.37	1.90	7.27	7.27				
Pyramis - Credit	188.4	0.58	1.90	7.55	7.55	5.56	6.70		
Taplin Canida Habacht Credit	192.0	0.60	0.88	8.01	8.01	5.82	6.97	5.24	
T. Rowe Price - Credit	855.5	2.66	1.43	8.05	8.05	6.15	7.32	6.27	6.84
<b>TOTAL INVESTMENT GRADE CREDIT</b>	<b>2,660.4</b>	<b>8.26</b>	<b>1.55</b>	<b>7.67</b>	<b>7.67</b>	<b>5.70</b>	<b>6.90</b>	<b>5.89</b>	<b>6.50</b>
NYC - INVESTMENT GRADE			1.63	7.04	7.04	4.79	6.09	5.28	6.37
<b>TOTAL STRUCTURED</b>	<b>5,711.0</b>	<b>17.73</b>	<b>1.91</b>	<b>7.69</b>	<b>7.69</b>	<b>4.00</b>	<b>5.85</b>	<b>5.64</b>	<b>6.52</b>
NYC - CORE PLUS FIVE			2.23	7.66	7.66	3.33	5.28	5.35	6.30

# Consolidated Performance Report



STATE STREET.

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
LM Capital	33.6	0.10	1.72	5.74	5.74	3.53	5.25		
TOTAL CORE PLUS FIX INC	33.6	0.10	1.72	5.74	5.74	3.53	5.25		
BARCLAYS AGGREGATE			1.79	5.97	5.97	2.66	4.45	4.71	5.70
TOTAL STRUCTURED PLUS TOTAL CORE PLUS FIX INC	5,744.6	17.83	1.91	7.67	7.67	4.00	5.85	5.64	6.52
NYC - CORE PLUS FIVE			2.23	7.66	7.66	3.33	5.28	5.35	
<b>PROGRESS FIXED</b>									
GIA	14.9	0.05	0.15	4.92	4.92				
Hillswick	7.3	0.02	2.29	7.46	7.46				
NEW CENTURY	18.5	0.06	1.31	6.90	6.90				
PUGH CAP	14.6	0.05	1.70	6.24	6.24				
Ramirez Asset	18.1	0.06	1.85						
TOTAL PROGRESS FIXED	73.5	0.23	1.38	6.21	6.21				
BARCLAYS AGGREGATE			1.79	5.97	5.97	2.66	4.45	4.71	5.70
<b>TIPS MANAGERS</b>									
<b>ACTIVE TIPS MANAGERS</b>									
Blackrock TIPS	189.1	0.59	(0.03)	3.80	3.80	0.43	4.16		
PIMCO TIPS	474.0	1.47	(0.22)	3.37	3.37	0.62	4.24		
TOTAL ACTIVE TIPS MANAGERS	663.1	2.06	(0.16)	3.50	3.50	0.57	4.21		
<b>PASSIVE TIPS MANAGERS</b>									
State Street TIPS Passive	285.3	0.89	(0.12)	3.58	3.58	0.39	4.10		
TOTAL PASSIVE TIPS MANAGERS	285.3	0.89	(0.12)	3.58	3.58	0.39	4.10		
TOTAL TIPS MANAGERS	948.4	2.94	(0.15)	3.52	3.52	0.51	4.18		
BARCLAYS GLOBAL INFLATION			(0.03)	3.64	3.64	0.44	4.11	4.37	6.49

# Consolidated Performance Report



STATE STREET

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>ENHANCED YIELD</b>									
Loomis Sayles - High Yield	224.4	0.70	(2.66)	5.07	5.07	11.66	11.77	9.52	8.91
NYC-Loomis (BoA MLMSTII 7-03/BB&B PRIOR)			(1.06)	2.50	2.50	8.37	8.88	7.61	7.38
Neuberger Berman - High Yield	243.4	0.76	(0.49)	2.43	2.43				
Stone Harbor - High Yield	163.5	0.51	(1.70)	0.68	0.68				
BofAML HIGH YIELD MASTER II (DAILY)			(1.06)	2.50	2.50	8.37	8.88	7.61	7.30
Oaktree - High Yield	178.5	0.55	(0.72)	1.83	1.83				
BofAML HYM CONSTRAINED (DAILY)			(1.06)	2.51	2.51	8.36	8.85	7.62	
Fort Washington - High Yield	123.7	0.38	(0.94)	2.67	2.67				
Shenkman - High Yield	95.1	0.30	0.11	2.99	2.99	6.78	7.44	6.67	
T. Rowe Price - High Yield	271.6	0.84	(0.15)	3.23	3.23	8.05	8.58	7.48	
<b>TOTAL ENHANCED YIELD</b>	<b>1,300.1</b>	<b>4.04</b>	<b>(0.98)</b>	<b>2.80</b>	<b>2.80</b>	<b>8.38</b>	<b>9.03</b>	<b>7.63</b>	<b>7.21</b>
CITIGROUP BB & B			(0.81)	2.78	2.78	7.69	8.57	6.35	6.43
CITIGROUP BB & B CAPPED			(0.80)	2.81	2.81	7.56	8.47	6.59	
<b>BANK LOANS</b>									
Babson BL	218.3	0.68	(0.15)	2.34	2.34				
Credit Suisse BL	219.5	0.68	0.42	2.90	2.90				
Guggenheim BL	111.1	0.34	0.58	3.30	3.30				
<b>TOTAL BANK LOANS</b>	<b>548.9</b>	<b>1.70</b>	<b>0.23</b>	<b>2.76</b>	<b>2.76</b>				
CSFB LEVERAGED LOAN INDEX			(0.37)	2.06	2.06	5.84	5.83	4.70	
<b>CONVERTIBLE BONDS</b>									
Advent Convertible Bonds	108.8	0.34	1.66	5.19	5.19	10.24	8.55		
BofA ML U.S. Convertible - Yield Alternat			(1.55)	2.75	2.75	8.35	7.15	4.76	5.15

# Consolidated Performance Report



STATE STREET.

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Victory Convertible Bonds	107.9	0.33	2.73	14.09	14.09	14.98	10.47		
BofA ML US Invnt Grade Conv Bond Index			4.07	15.69	15.69	16.26	10.43	5.14	4.18
<b>TOTAL CONVERTIBLE BONDS</b>	<b>216.7</b>	<b>0.67</b>	<b>2.19</b>	<b>9.44</b>	<b>9.44</b>	<b>12.66</b>	<b>9.56</b>		
BOFAML ALL CONVERTIBLE			1.29	9.33	9.33	16.07	11.97	7.34	5.50
POLICE CUSTOM CONVERTIBLE			1.03	8.59	8.59	11.97	8.68		
<b>OPPORTUNISTIC FIXED</b>									
Avenue Europe Special Sit. Fund L.P.	0.5	0.00							
Avenue Special Situations Fund V L.P.	0.2	0.00							
Avenue Special Situations Fund VI L.P.	37.6	0.12							
Fortress Ctr St Ptnrs	62.3	0.19							
Lone Star Fd VIII	45.4	0.14							
Oaktree Opp Fd IX	59.0	0.18							
Torchlight Debt Oppy Fund III, LLC	5.3	0.02							
<b>TOTAL FUND STRATEGIES</b>	<b>210.3</b>	<b>0.65</b>							
10% ANNUAL RETURN									
JP MORGAN GLOBAL HIGH YIELD									
Angelo Gordon Ct St Ptnrs	86.1	0.27	(3.98)	5.17	5.17				
Apollo Centre Street Partnership LP	101.7	0.32	(2.93)	7.01	7.01				
Ares Centre Street	2.2	0.01							
Contrarian Partnership LP	27.7	0.09	(6.13)	0.49	0.49				
Golden Tree OD	103.5	0.32	0.62	7.14	7.14	10.85			
Marathon Centre Street Partnership LP	152.3	0.47	(3.59)	5.67	5.67	17.32			
Oak Hill Ctr St Ptnrs	103.3	0.32	(1.16)	6.23	6.23				
<b>TOTAL STRATEGIC MANDATES</b>	<b>576.7</b>	<b>1.79</b>	<b>(2.51)</b>	<b>5.84</b>	<b>5.84</b>	<b>13.91</b>			
10% ANNUAL RETURN									
JP MORGAN GLOBAL HIGH YIELD									
			(1.32)	4.72	4.72	11.25	12.06		

# Consolidated Performance Report



Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL OPPORTUNISTIC FIXED	787.0	2.44	(1.50)	8.86	8.86	16.03	13.55		
10% ANNUAL RETURN			2.41	10.00	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD			(1.32)	4.72	4.72	11.25	12.06		
<b>ETI</b>									
BOA - PPAR (GNMA)	6.3	0.02	4.65	15.61	15.61	6.67			
BOA - PPAR ETI MTA (FNMA)	1.2	0.00	1.60	13.31	13.31				
CCD - PPAR (GNMA)	3.3	0.01	3.66	15.37	15.37	11.77	10.47		
CCD - PPAR ETI MTA (FNMA)	1.6	0.00	13.23	25.71	25.71				
CFSB - PPAR (GNMA)	1.3	0.00	3.81	15.34	15.34	9.17	8.67		
CPC - PPAR (FNMA)	27.6	0.09	2.58	13.91	13.91				
CPC - PPAR (GNMA)	78.7	0.24	0.01	9.23	9.23	8.96	8.30	8.28	7.81
JPMC - PPAR (FNMA)	3.7	0.01	1.14	12.08	12.08				
LIIF - PPAR (GNMA)	1.7	0.01	2.03	9.74	9.74	8.00	6.64		
LIIF - PPAR (FNMA)	1.5	0.00	1.28	38.12	38.12				
NCBCI - PPAR (GNMA)	0.9	0.00	4.42	16.66	16.66	12.43	9.93		
NCB - CI PPAR (FNMA)	0.1	0.01	3.70	14.93	14.93				
NHS - PPAR (GNMA)	0.6	0.00	3.17	13.73	13.73	10.73	9.16		
TOTAL POLICE PPAR	128.6	0.40	1.14	10.72	10.72	9.31	8.51	8.38	7.88
GNMA PLUS 65BPS			1.78	6.65	6.65	2.61	4.73	5.48	6.25
FNMA PLUS 85bps			2.16	7.13	7.13	3.34	4.62	5.68	6.49
Access RBC	64.0	0.20	2.01	6.95	6.95	3.02	4.34		
Access RBC Benchmark			1.57	5.08	5.08	1.95	3.52		
AFL-CIO Housing Investment Trust	120.4	0.37	1.94	6.33	6.33	2.67	4.39	4.74	
Barclays Aggregate			1.79	5.97	5.97	2.66	4.45	4.71	5.70

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STATE STREET.

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
CPC CONST FACILITY	3.1	0.01	0.68						
CPC CONST BENCHMARK			0.71						
Targeted Investment	89.5	0.28	0.02	8.92	8.92	9.05	8.32	8.26	7.66
TOTAL ETI (W/O CASH)	316.1	0.98	1.60	8.14	8.14	5.53	6.06	6.47	6.77
POLICE CUSTOM BENCHMARK			1.77	6.09	6.09	2.56	4.37	4.97	5.86
Police Short Term	1,007.6	3.13	0.10	0.23	0.23	0.28	0.38	2.09	2.60
TOTAL FIXED INCOME (DOMESTIC & GLOBAL)	10,953.7	34.00	0.91	6.20	6.20	4.96	6.23	5.83	6.48
C/D - Fail Float Earnings	1.5	0.00							
Security Lendings	12.1	0.04							
<b>TOTAL POLICE</b>	<b>32,219.5</b>	<b>100.00</b>	<b>2.17</b>	<b>7.60</b>	<b>7.60</b>	<b>12.36</b>	<b>10.27</b>	<b>6.90</b>	<b>5.34</b>
POLICE POLICY BENCHMARK			2.00	8.16	8.16	12.56	10.64	7.01	5.30



NEW YORK CITY POLICE RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>US Equities</b>		<b>13,621</b>	<b>10.06</b>	<b>12,924</b>	<b>10.82</b>
Small Cap Active		699	48.35	646	52.71
	Small Cap Growth	108	89.93	104	100.00
	Small Cap Value	228	51.01	206	51.43
	Small Cap core	250	39.27	231	49.13
	Small Cap Fundamental Index	113	23.35	105	16.36
Small/Mid Cap Active		258	53.50	243	76.19
	Small/Mid Cap Growth	138	58.32	133	91.30
	Small/Mid Cap Value	120	47.95	111	58.09
Mid Cap Active		1,121	50.75	1,084	48.58
	Mid Cap Growth	431	67.97	418	42.50
	Mid Cap Value	482	38.89	469	50.53
	Mid Cap core	208	42.52	198	56.76
Russell 1000 Active		887	16.83	625	23.06
	Russell 1000 Growth	424	22.60	162	38.86
	Russell 1000Core	86	28.56	88	35.56
	Russell 1000 Fundamental Index	377	7.66	375	13.31
Active Emerging Managers (U.S. Equities)		200	64.37	187	79.57
Total US Active Equities		3,165	41.80	2,786	48.30
Total US Passive Equities		10,456	0.46	10,138	0.51
Opportunistic / Environmental US E. Strategies		-	-	-	-
<b>International Equities</b>		<b>5,591</b>	<b>29.16</b>	<b>5,175</b>	<b>32.67</b>
Active EAFE Equities		2,978	29.30	2,654	33.04
	Growth	1,144	23.93	1,085	28.40
	Value	1,183	25.47	1,127	27.54
	Core	169	43.22	-	-
	Small Cap	482	46.61	442	50.29
Environmental-Non US E. Strategies		106	50.23	104	54.78
Active Emerging Markets		1,529	42.52	1,485	48.14
Total Int'l Active Equities		4,613	34.17	4,244	38.85
Total Int'l Passive Equities		979	5.56	932	4.52
<b>REITS Passive Index</b>		<b>170</b>	<b>7.33</b>	<b>162</b>	<b>10.00</b>



NEW YORK CITY POLICE RETIREMENT SYSTEMS ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
			Actual 2014	Estimates 2015	
INVESTMENT STYLE (FIXED INCOME)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>Fixed Income</b>		<b>9,990</b>	<b>17.83</b>	<b>8,994</b>	<b>20.01</b>
Structured Program		5,588	6.88	4,566	8.57
	Government Sector	793	4.26	475	8.05
	Mortgage Sector	2,175	5.68	1,471	6.21
	Investment Grade Credit Sector	2,620	8.67	2,620	10.00
Global Fixed Income		33	15.40	33	16.02
Progress Fixed Emerging Managers		72	32.36	72	37.50
TIPS		970	5.73	475	2.82
	Active TIPS	678	7.99	189	6.32
	Passive TIPS	292	0.47	286	0.50
Opportunistic Fixed Income		725	71.22	681	76.80
Enhanced Yield		1,342	34.39	1,313	36.86
Bank Loans		547	34.70	548	36.03
Convertible Bonds		214	38.74	212	43.29
ETI - Access - RBC		61	18.84	63	22.92
ETI - AFL-CIO HIT		118	42.82	118	44.00
Other ETI Programs		121	-	132	-
In-House Short Term		197	0.00	781	0.00
<b>Total Public Markets</b>		<b>29,371</b>	<b>16.33</b>	<b>27,256</b>	<b>17.99</b>
<b>INVESTMENT STYLE (PRIVATE)</b>					
<b>Hedge Funds</b>		<b>1,047</b>	<b>135.49</b>	<b>1,057</b>	<b>124.98</b>
<b>Private Equities *</b>		<b>1,957</b>	<b>141.29</b>	<b>1,933</b>	<b>156.71</b>
<b>Real Assets*</b>		<b>1,147</b>	<b>113.67</b>	<b>1,196</b>	<b>113.36</b>
	Private Real Estate *	1,131	109.61	1,175	110.38
	Infrastructure*	16	402.72	21	284.08
<b>Total Private Markets</b>		<b>4,151</b>	<b>132.20</b>	<b>4,186</b>	<b>136.31</b>
<b>Total Overall</b>		<b>33,522</b>	<b>30.67</b>	<b>31,442</b>	<b>33.75</b>
* Private Equity & Real Assets Investments exclude GP CARRY & Incentive Fees					



**NYC POLICE DEPARTMENT PENSION FUND  
SECURITIES LENDING INCOME  
December 31, 2014**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>	
1989*	\$254,000	--	--	
1990	288,000	--	--	
1991	464,000	--	--	
1992	996,000	\$138,000	\$126,000	
1993	1,852,000	434,000	203,000	
1994	1,846,000	815,000	317,000	
1995	1,465,000	888,000	224,000	
1996	1,465,000	1,051,000	379,000	
1997	1,632,000	1,793,000	599,000	
1998	2,770,000	2,517,000	1,006,000	
1999	2,681,000	2,713,000	1,184,000	
2000	2,697,000	2,899,000	1,520,000	
2001	3,947,000	3,595,000	1,980,000	
2002	2,646,000	3,401,000	1,725,000	
2003	1,238,000	2,257,000	1,859,000	
2004	1,515,000	2,306,000	2,097,000	
2005	2,333,000	3,172,000	2,503,000	
2006	2,104,000	5,043,000	2,243,000	
2007	4,582,000	8,425,000	2,727,000	
2008	13,856,000	16,383,000	3,872,000	
2009	5,163,000	9,110,000	2,695,000	
2010	2,405,000	5,813,000	1,979,000	
2011	3,060,000	8,287,000	3,253,000	
2012	4,213,000	10,047,000	2,545,000	
2013	2,980,000	11,363,000	2,255,000	
2014	3,478,000	6,803,000	5,786,000	
Since Inception	<u>\$71,930,000</u>	<u>\$109,253,000</u>	<u>\$43,077,000</u>	*Inception 4/89



Through December 31, 2014

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- 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.



## **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 \* 35.47%*

*International Developed (EAFE) Markets: MSCI EAFE \* 10.04%*



*Emerging Markets: MSCI Emerging Markets \* 6.00%*

*REITs: Dow Jones Real Estate Securities \* 0.54%*

*Private Equity: Russell 3000 + 300 b.p. per annum \* 6.80%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 3.93%*

*Infrastructure: CPI + 4% \* 0.05%*

*Hedge Funds: 1yr T- Bill yield + 4% \* 3.60%*

*Domestic Fixed Income: NYC Core +5 \* 19.85%*

*TIPS: Lehman U.S. TIPS \* 5.01%*

*Enhanced Yield: Citigroup BB&B \* 3.59%*

*Bank Loans: Credit Suisse Leveraged Loan \* 1.70%*

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

*Opportunistic Fixed: 10% Annualized Return \* 2.42%*

### **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 and Barclays Capital U.S. Aggregate**

- 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 Const Benchmark: 30 Day Libor + 275 bps per annum
- GNMA: Citigroup 15 yr. GNMA

## Glossary of Terms

Through December 31, 2014



STATE STREET.

- 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