



Teachers' Retirement System of the City of New York

Performance Overview as of June 30, 2012

Total Fund Overview

Teachers' Retirement System of the City of New York

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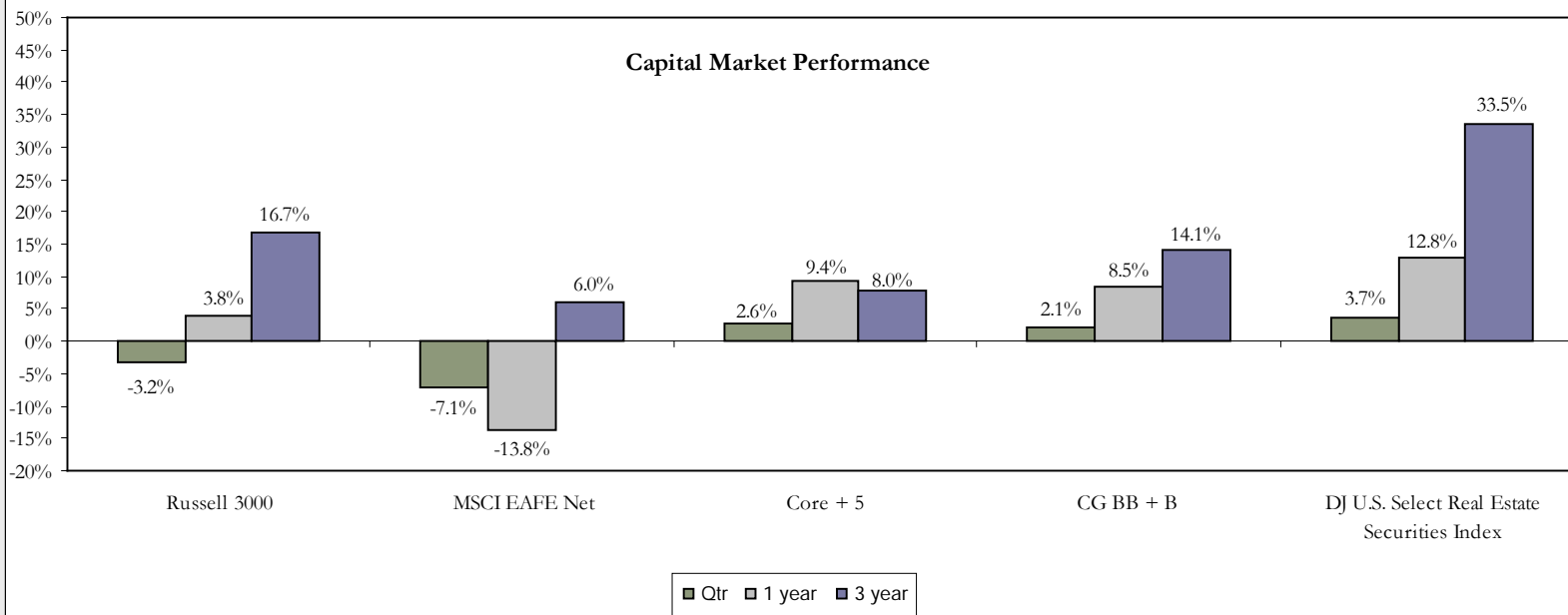


Appendix



Consultant's Commentary

Through June 30, 2012



Consultant's Commentary

Through June 30, 2012

Market Backdrop: The second quarter of 2012 brought renewed concerns across the global economy as tepid economic indicators in the U.S. and abroad seemed to give investors pause across financial markets. Following a fairly robust first quarter, most risk assets, particularly equities and commodities, sold off during the second quarter of 2012 as renewed concerns over Europe's sovereign debt situation pushed markets lower. Slowing growth in the U.S. prompted the FOMC to discuss further asset purchases at their June meeting however, their previously issued interest rate guidance remained unchanged. The preliminary estimate of second quarter GDP growth came in at 1.5% as consumer indicators generally trended lower and growth in the U.S. labor market stalled with headline unemployment remaining unchanged at 8.2%. This moderation and, in some cases, reversal of positive economic indicators seen during the first quarter of 2012 brought with it increased volatility in equities markets. The VIX spiked to its highest level of the year in early June before retreating modestly to more moderate levels at quarter-end. The broad U.S. equity market, as measured by the Russell 3000 Index, fell by 3.15% during the second quarter, with value equities generally faring better than growth. This downward trend in equities was also mirrored globally as developed international markets, as measured by the MSCI EAFE Net Dividends Index, declined by 7.13% and emerging markets equities, as measured by the MSCI Emerging Markets Index, fell by 8.77%. The sell-off in risk assets depressed fixed income yields and as a result, investment grade fixed income enjoyed a strong second quarter with the Barclays Capital Aggregate Bond Index gaining 2.06%. For the quarter ending June 30, 2012, yields fell 3 basis points on 2-year Treasuries from 0.33% to 0.30% and 58 basis points on 30-year Treasuries from 3.33% to 2.75%.

Total Fund Performance: The Teachers' Total Fund had a return of -1.71% for the quarter ending June 30, 2012 versus the policy benchmark's return of -1.59%. During the quarter, active management detracted 38 basis points from the Fund's total relative return with private equity (+0.36%) and domestic equity (-0.10%) having the largest impacts. For the one year period ending June 30, 2012, the Fund trailed its benchmark by 1.28% with a return of 1.85% due, in large part, to being overweight domestic equity and cash. For the three year period ending June 30, 2012, the Fund trailed its benchmark by 85 basis points with a return of 12.85%. Please note

Consultant's Commentary

Through June 30, 2012

that all composite and manager performance data is gross of fees. Total Fund fees of the public markets managers for the 2012 fiscal year have been estimated at approximately 12 basis points.

Total Fund Asset Allocation - \$44.1 Billion: As of June 30, 2012, the Fund had total assets of \$44.1 billion, down from \$44.7 billion at the end of the first quarter of 2012. The Fund is in the process of shifting its asset allocation to its new strategic targets. As of June 30, 2012, the private equity and private real estate invested allocation was 7.4% versus their new aggregate long-term target allocation of 12.0%. The uninvested portion of these target allocations are invested in U.S. equity and Core +5 fixed income until such time that these private equity and real estate commitments are made and funded.

U.S. Equity - \$16.9 Billion, 38.3% of Fund: The U.S. equity composite returned -3.40% during the second quarter of 2012, underperforming the broad U.S. equity market, as measured by the Russell 3000 Index, by 25 basis points. Approximately 95% of the U.S. equity composite is allocated to passively managed mandates with the remainder invested in actively managed U.S. equity portfolios. The actively managed U.S. equity composite underperformed the Russell 3000 Index by 99 basis points. For the one year period ending June 30, 2012, the U.S. equity composite has returned 2.94% versus the Russell 3000 Index's return of 3.84%. Much of the composite's underperformance for the trailing one-year period ending June 30, 2012 can be attributed to an overweight in mid cap stocks which underperformed relative to the broad U.S. equity market. Over the three year period ending June 30, 2012, the U.S. equity composite 16.52% versus the 16.73% return of the Russell 3000 Index over the same period.

Developed International Equity - \$4.6 Billion, 10.5% of Fund: Non-U.S. developed equity markets, as measured by the MSCI EAFE Net Dividends Index, returned -7.13% in U.S. dollar terms during the second quarter of 2012. For the same time period, the Fund's total developed international equity composite (including the environmental and activist strategies) returned -6.20%. About 75% of the developed international equity

Consultant's Commentary

Through June 30, 2012

composite is actively managed. The Fund's actively managed composite outperformed the EAFE Index by 1.06% for the second quarter of 2012 with a return of -6.07%. For the 12 month period ending June 30, 2012, the actively managed composite returned -11.29%, outperforming the MSCI EAFE Net Dividends Index by 254 basis points. The strongest performers on an absolute basis within the international composite for the 12 months ending June 30, 2012 were F&C and Walter Scott with returns of -2.83% and -4.24%, respectively. Over the three year period ending June 30, 2012, the total developed international composite (including the environmental and activist strategies) outperformed the index by 230 basis points with an annualized return of 8.26%.

Emerging Markets Equity - \$2.7 Billion, 6.2% of Fund: During the first half of 2012 allocations were made to the Fund's first actively managed emerging markets equity mandates managed by Eaton Vance and DFA. For the second quarter of 2012, the emerging markets equity composite, consisting of two strategies actively managed by DFA and Eaton Vance and one passive mandate, returned -8.99% versus its Custom FTSE Benchmark's return of -9.26% over the same period.

REITs - \$2.0 Billion, 4.5% of Fund: In contrast to the broad U.S. equity market which returned -3.15% during the second quarter, the REITs allocation returned 2.82%. The REITs composite's benchmark, the Dow Jones U.S. Select Real Estate Securities Index, returned 3.65% over the same period. During the quarter, Adelante was the strongest performer in the REIT composite with a return of 4.11%. For the 12 month period ending June 30, 2012, the REIT composite trailed its benchmark's return of 12.77% with a return of 11.53%. For the three year period ending June 30, 2012, the REIT composite returned 32.95% versus its benchmark's return of 33.52% and over the longer five year period ending June 30, 2012 the REIT composite outperformed the Dow Jones U.S. Select Real Estate Securities Index by 6 basis points with an annualized return of 1.85%.

Structured Fixed Income – \$7.6 Billion, 17.4% of Fund: Broad investment grade fixed income, as measured by the Core + 5 Benchmark, returned 2.61% over the second quarter of 2012. Falling yields over the second quarter led to gains within the structured fixed income allocation, with all of the underlying sectors adding value

Consultant's Commentary

Through June 30, 2012

relative to their respective benchmarks. The composite returned 2.42% over the second quarter versus the Core + 5 Index which returned 2.61% over the same period. The strongest performing sector for the quarter on an absolute basis was Treasury/Agency which returned 6.19%, in line with its benchmark. For the 12 month period ending June 30, 2012, the structured fixed income composite trailed its benchmark by 27 basis points with a return of 9.08%. Over the longer three year period ending June 30, 2012, the structured fixed income composite outperformed its benchmark by 86 basis points with an annualized return of 8.82%.

Enhanced Yield - \$2.7 Billion, 6.1% of Fund: During the second quarter of 2012, the broad high yield market, as measured by the BofA Merrill Lynch High Yield Master II Index, returned 1.83%. Over the same period, the higher quality enhanced yield composite benchmark, the Citigroup BB & B Capped Index, returned 1.84% and the Fund's composite returned 1.61%. During the second quarter, the Fund began transitioning the Enhanced Yield Composite to its newly approved structure. For the one year period ending June 30, 2012, this composite returned 6.70% while the Citigroup BB&B Capped Index returned 8.45%. Over the five year period ending June 30, 2012, the enhanced yield composite outperformed the higher quality capped benchmark and the non-capped benchmark by an annualized 0.78% and 1.48%, respectively.

TIPS - \$1.4 Billion, 3.2% of Fund: The broad U.S. TIPS market, as measured by the Barclays U.S. TIPS Index, returned 3.15% for the second quarter of 2012. The composite of TIPS managers (75% active/25% passive) outperformed the benchmark by 10 basis points with an aggregate return of 3.25% for the quarter. Once again, the highest absolute return within the total TIPS composite came from PIMCO, which gained 3.41% over the quarter. For the one year period ending June 30, 2012, the TIPS composite, which includes two active and one passive manager, returned 12.11%, leading its benchmark by 45 basis points. For the three year period ending June 30, 2012, the composite slightly outperformed its benchmark with an annualized return of 9.71%.

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Through June 30, 2012

Convertibles - \$1.0 Billion, 2.3% of Fund: The broad convertibles market, as measured by the Bank of America Merrill Lynch All Convertibles ex Mandatory Index, returned -2.68% for the quarter ending June 30, 2012. The Fund's convertibles composite returned -2.41% over the same period, trailing the Custom Convertibles benchmark by 3 basis points. Over the past three years, this composite, which is fully actively managed, has generated strong absolute returns of 10.46%, matching the Custom Index.

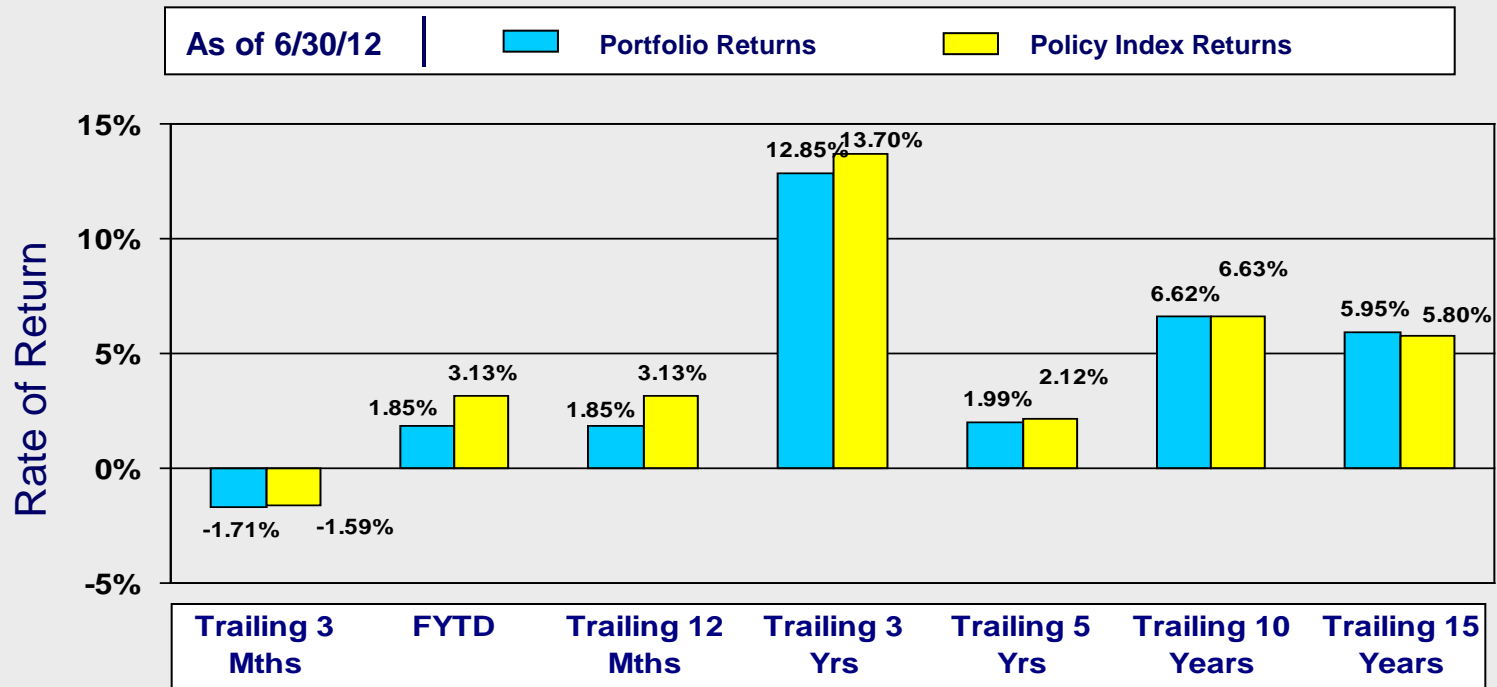
Opportunistic Fixed Income - \$0.4 Billion, 0.9% of Fund: The opportunistic fixed income composite is comprised of investments in three credit mandates managed by Avenue, one distressed mandate (Torchlight Investors), and five strategic mandates (Angelo Gordon, Apollo, Fortress, GoldenTree and Marathon). These strategic mandates are still in the process of being funded thereby making their performance thus far not yet particularly meaningful, however, over the second quarter of 2012 the overall composite returned 4.21% versus the J.P Morgan Global High Yield Index +3% which returned 1.91% over the same period. Over the three year period ending June 30, 2012 the composite has outperformed the 19.92% return of its benchmark, the J.P. Morgan Global High Yield Index +3% by 2.56%, with an annualized return of 22.48%.

Private Equity - \$2.4 Billion, 5.4% of Fund: At the end of the second quarter of 2012, the private equity portfolio had \$2.4 billion in invested capital, nearly matching the \$2.3 billion at the end of the first quarter of 2012. The Fund currently has investments in 129 partnerships. Performance is reported separately by Teachers' Private Equity consultant.

Private Real Estate - \$0.9 Billion, 2.0% of Fund: At the end of the second quarter of 2012, the private real estate portfolio had \$0.9 billion in invested capital, in line with its allocation at the end of the first quarter of 2012. The composite has investments in 34 partnerships. Performance is reported separately by Teachers' Private Real Estate consultant.

Total Portfolio Returns: June 30, 2012

\$44.1B Under Management



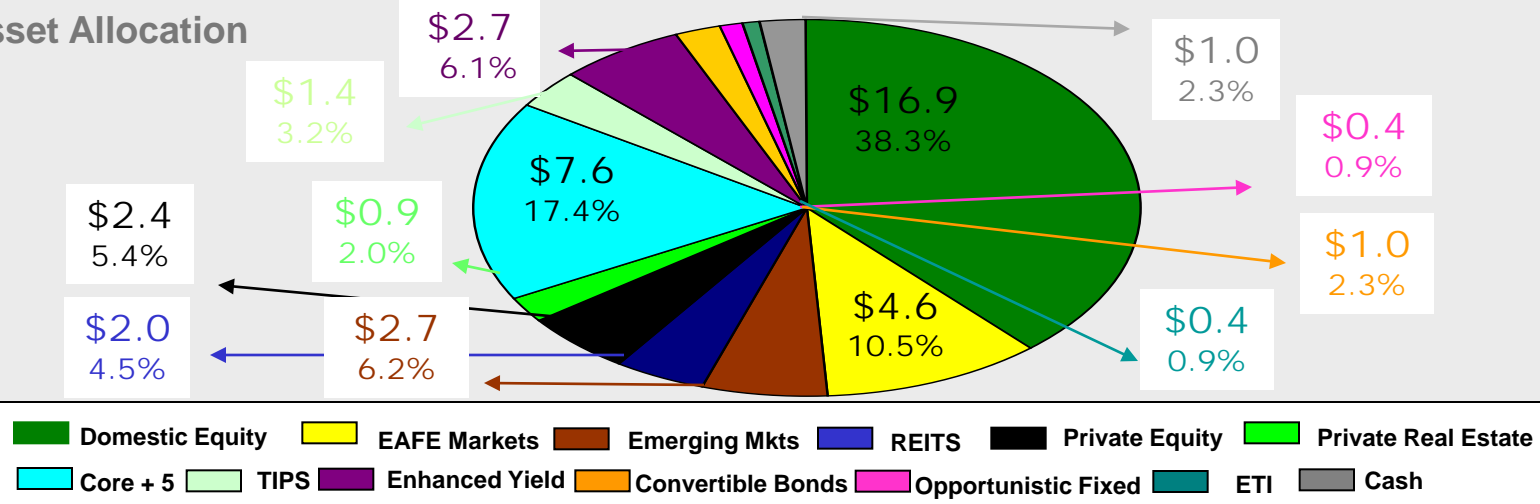
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	10.7	13.2	10.8	11.1
Benchmark Std Dev	11.7	14.9	12.0	12.1

All returns are Gross. An estimate of fees for major investment programs is provided in the Appendix.

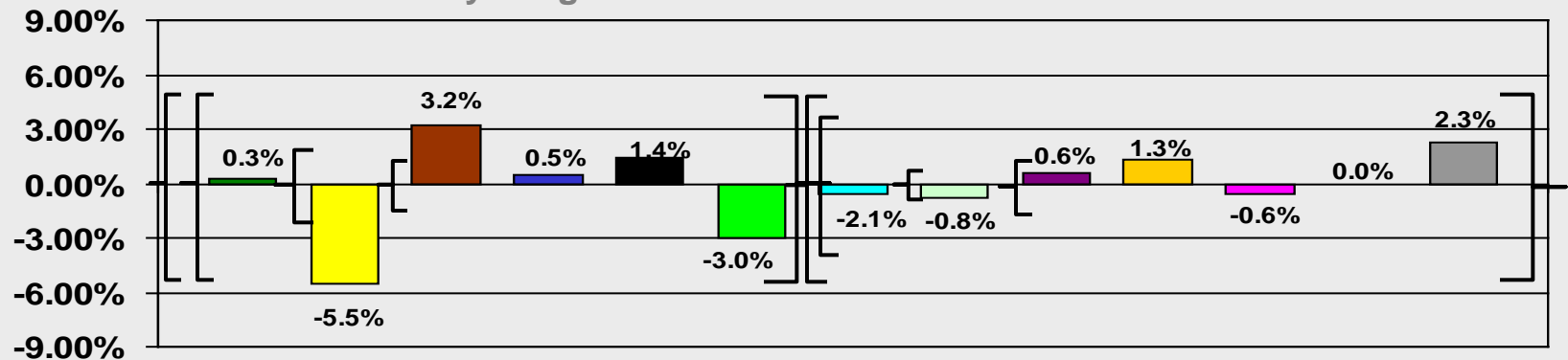
Portfolio Asset Allocation: June 30, 2012

\$44.1B Under Management

Asset Allocation



Relative Mix to Old Policy Weights

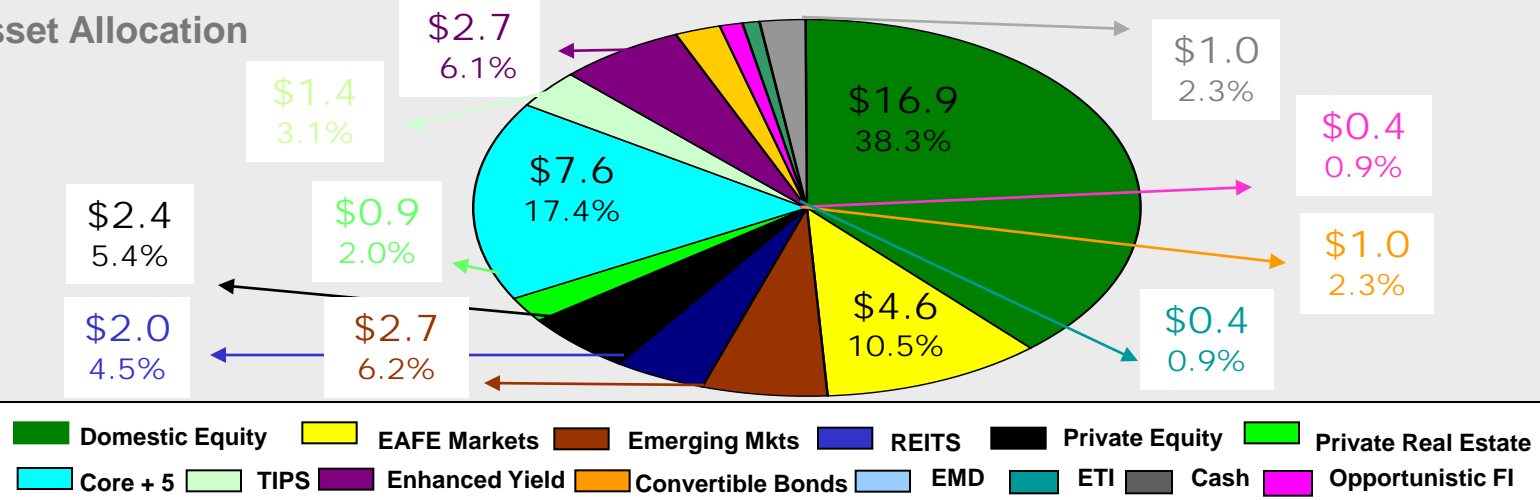


Note: Brackets represent rebalancing ranges versus Policy.

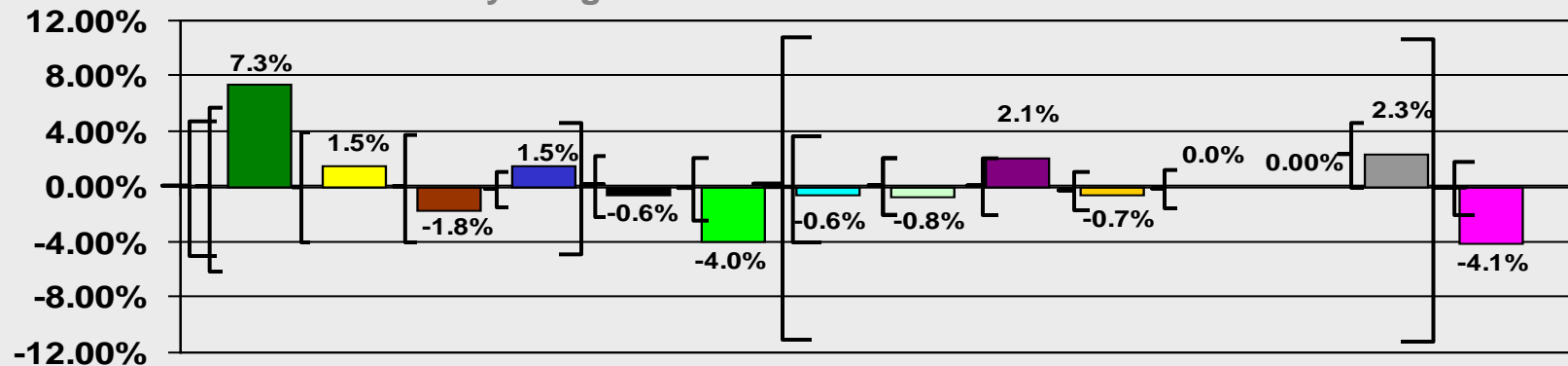
Portfolio Asset Allocation: June 30, 2012

\$44.1B Under Management

Asset Allocation



Relative Mix to New Policy Weights

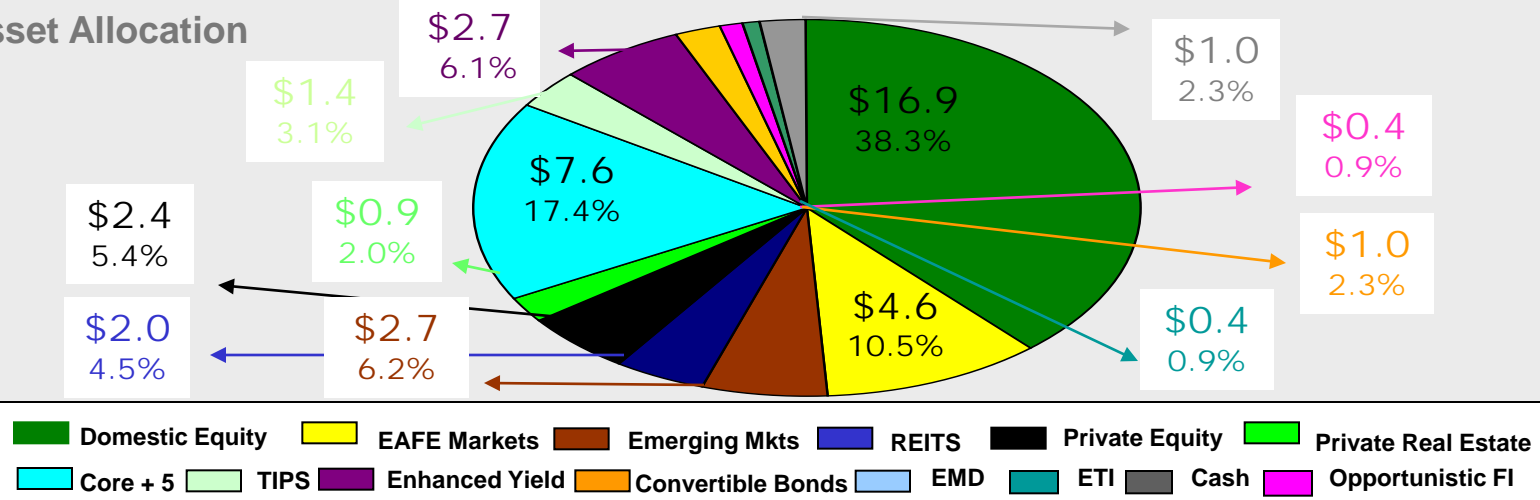


Note: Brackets represent rebalancing ranges versus Policy.

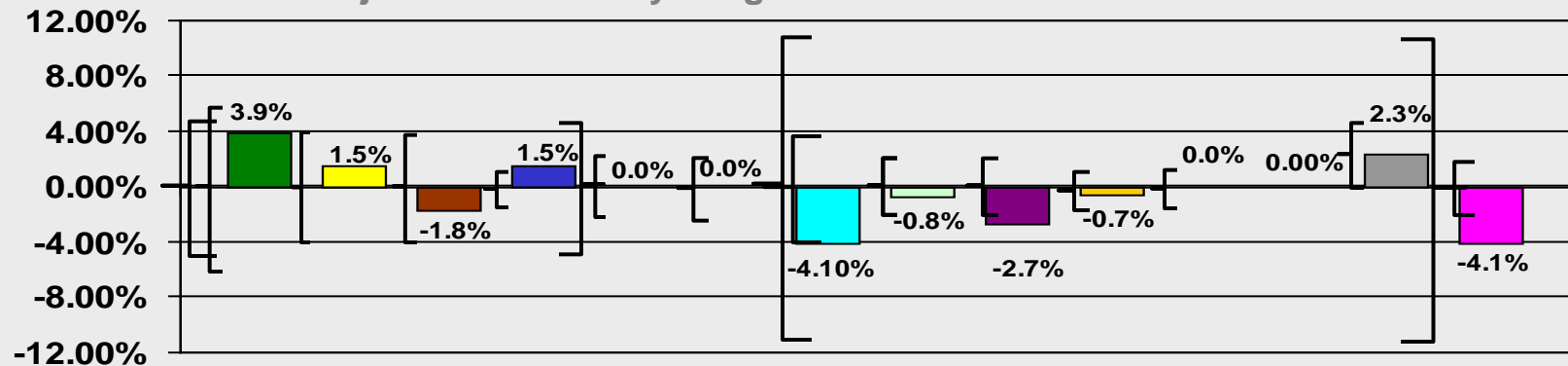
Portfolio Asset Allocation: June 30, 2012

\$44.1B Under Management

Asset Allocation

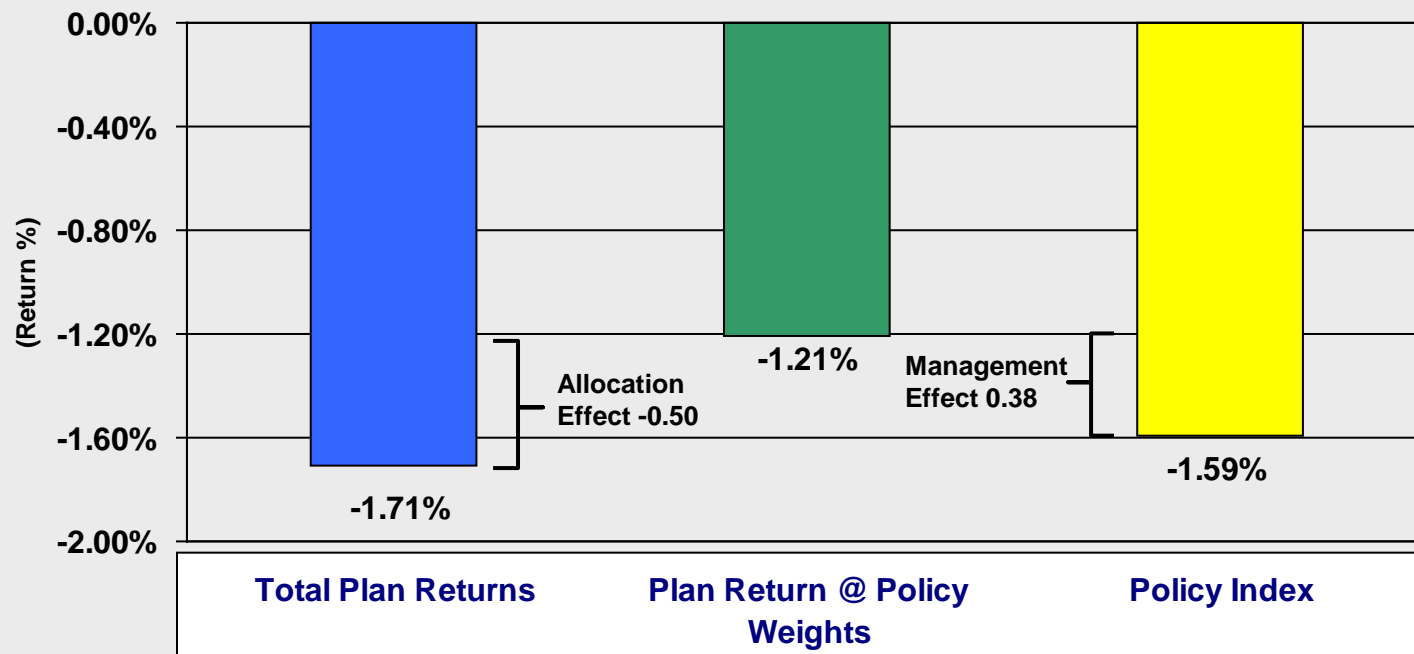


Relative Mix to Adjusted New Policy Weights

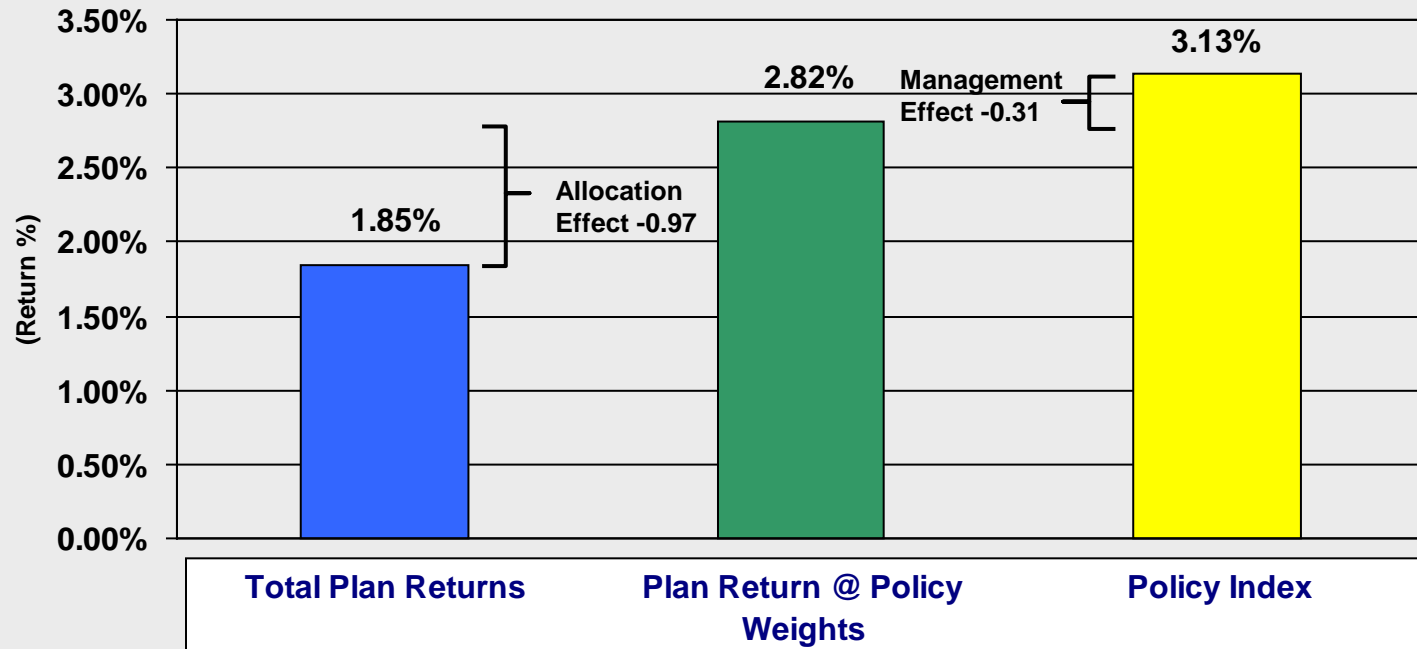


Note: Brackets represent rebalancing ranges versus Policy.

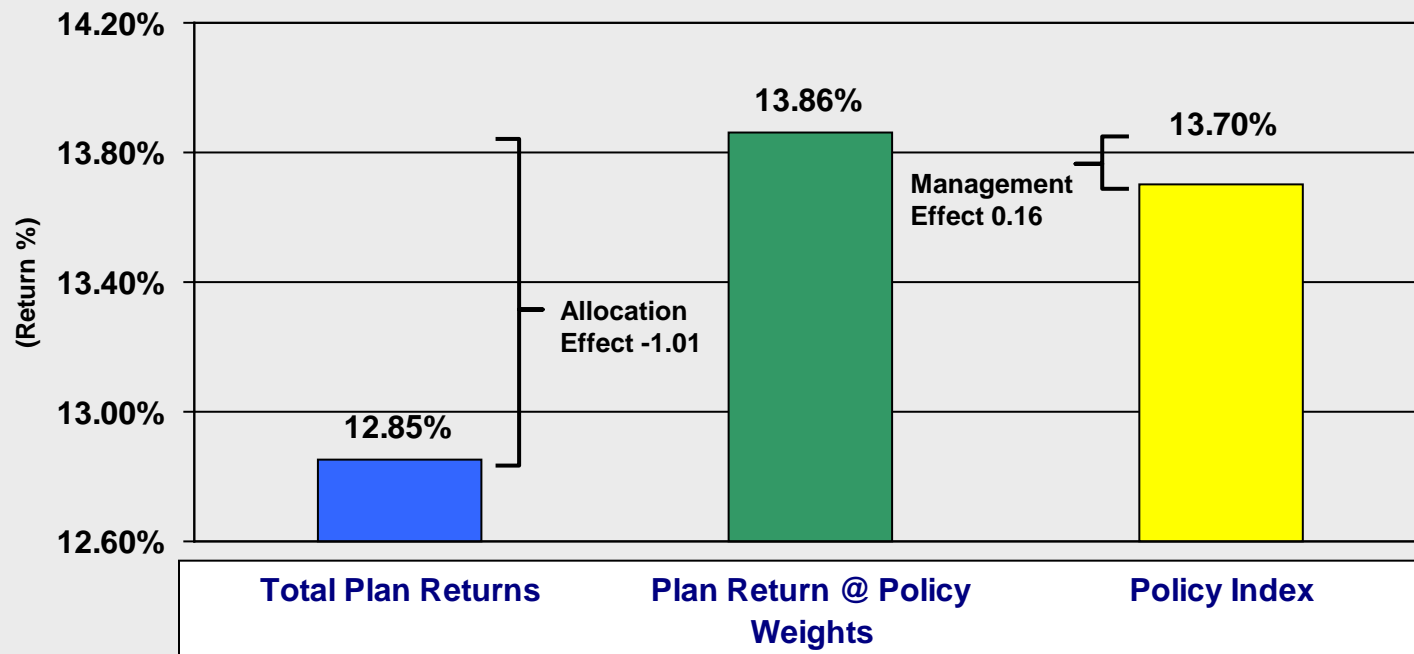
Performance Attribution: Total Plan – Quarter Ending June 30, 2012



Performance Attribution: Total Plan – 12 Months Ending June 30, 2012



Performance Attribution: Total Plan – 3 Years Ending June 30, 2012



Total Plan - Ending June 30, 2012

Allocation Effect – Asset Class Breakdown

<u>Plan</u>	<u>Qtr</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.07	-0.04	-0.13	Russell 3000 Index
EAFE Markets	-0.08	-0.05	-0.08	MSCI EAFE Index
Emerging Markets	-0.02	-0.15	N/A	FTSE Custom Index
REITS	0.08	0.11	-0.10	Wilshire Real Estate Securities Index
Private Equity	0.00	0.01	-0.01	Russell 3000 Index + 500 b.p.
Private Real Estate	0.00	0.00	0.00	NFI - ODCE NET
Domestic Fixed	-0.26	-0.42	-0.21	NYC Core +5 Index
Enhanced Yield	-0.09	-0.16	-0.05	Citigroup BB&B Index
TIPS	-0.05	-0.05	-0.01	Barclays Capital US TIPS Index
Convertibles	0.01	0.00	0.00	ML All Convertibles ex Mandatory (VOAO)
Opportunistic Fixed	-0.01	-0.01	N/A	JPM Global High Yield + 3%
State Street Short Term	-0.04	-0.29	-0.34	Total Plan

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

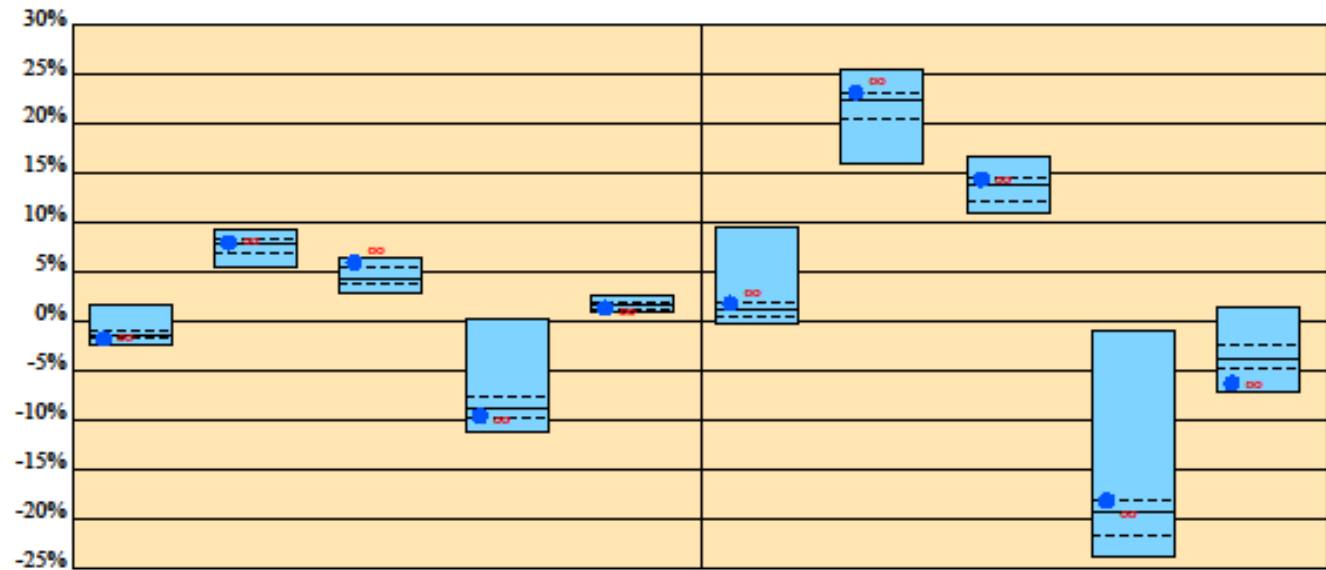
Total Plan - Ending June 30, 2012

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Qtr</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.10	-0.32	-0.05	Russell 3000 Index
EAFE Markets	0.15	0.36	0.28	MSCI EAFE Index
Emerging Markets	0.02	N/A	N/A	FTSE Custom Index
REITS	-0.04	-0.05	-0.01	Dow Jones U.S. Select RE Securities Idx
Private Equity	0.36	-0.21	-0.37	Russell 3000 Index + 500 b.p.
Private Real Estate	0.05	0.13	-0.01	NFI - ODCE NET
Domestic Fixed	-0.03	-0.04	0.15	NYC Core +5 Index
Enhanced Yield	-0.03	-0.04	-0.02	Citigroup BB&B Index
TIPS	0.00	0.01	0.01	Barclays Capital US TIPS Index
Convertibles	0.01	-0.03	-0.04	ML All Convertibles ex Mandatory (VOAO)
Opportunistic Fixed	0.02	-0.13	N/A	JPM Global High Yield + 3%

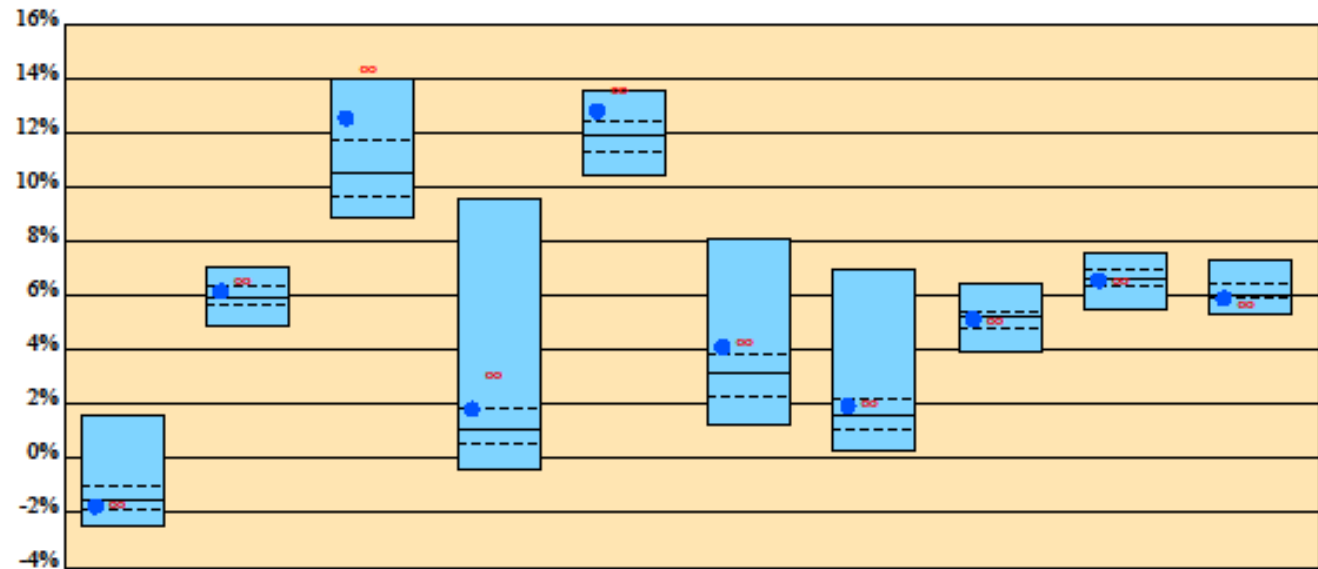
Note: Detailed effects may not add up to total due to reallocation and trading effects.

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



	Quarter Ending					Year Ending				
	Jun 12	Mar 12	Dec 11	Sep 11	Jun 11	Jun 12	Jun 11	Jun 10	Jun 09	Jun 08
5th Percentile	1.59	9.21	6.47	0.10	2.67	9.60	25.41	16.65	-1.09	1.48
25th Percentile	-0.99	8.31	5.41	-7.58	1.84	1.87	23.10	14.48	-18.11	-2.56
Median	-1.50	7.72	4.35	-8.90	1.62	1.11	22.30	13.73	-19.30	-3.84
75th Percentile	-1.83	6.90	3.83	-9.83	1.23	0.54	20.57	12.20	-21.86	-4.85
95th Percentile	-2.46	5.54	2.89	-11.22	0.80	-0.38	16.02	10.85	-23.91	-7.16
● Total System	-1.71 (63)	8.06 (30)	6.02 (8)	-9.55 (61)	1.38 (63)	1.86 (27)	23.28 (15)	14.48 (25)	-18.11 (25)	-6.25 (93)
○ Teachers Policy Benchmark	-1.59 (52)	8.33 (22)	7.32 (1)	-9.86 (75)	1.12 (85)	3.13 (5)	24.42 (5)	14.56 (22)	-19.30 (52)	-6.36 (93)

City of New York - Teachers Total Returns of Public Master Trusts > \$10 Billion Rates of Return for Periods Ending June 30, 2012



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	1.59	7.06	13.99	9.60	13.59	8.14	6.94	6.48	7.61	7.36
25th Percentile	-0.99	6.40	11.75	1.87	12.48	3.88	2.19	5.46	6.97	6.42
Median	-1.50	5.92	10.57	1.11	11.92	3.13	1.62	5.22	6.64	6.06
75th Percentile	-1.83	5.71	9.69	0.54	11.33	2.27	1.10	4.82	6.36	5.95
95th Percentile	-2.46	4.94	8.90	-0.38	10.44	1.22	0.28	3.93	5.51	5.31
● Total System	-1.71 (63)	6.21 (38)	12.61 (15)	1.86 (27)	12.86 (16)	4.16 (16)	1.99 (30)	5.19 (52)	6.62 (59)	5.95 (75)
⊗ Teachers Policy Benchmark	-1.59 (52)	6.61 (15)	14.41 (1)	3.13 (5)	13.70 (1)	4.36 (11)	2.12 (25)	5.18 (52)	6.63 (53)	5.80 (79)

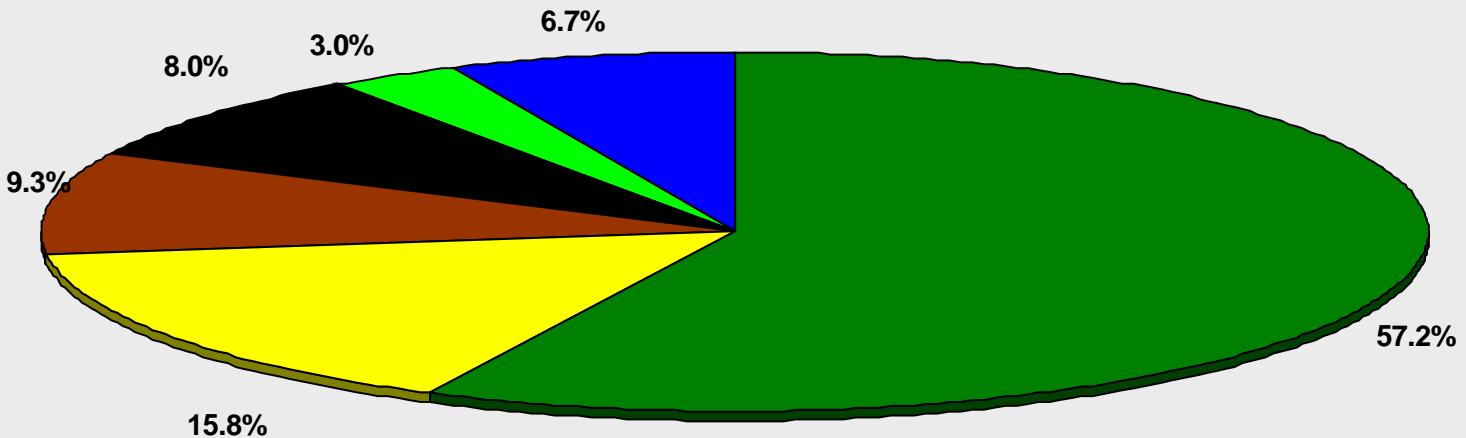
Teachers' Retirement System of the City of New York

Equity Analysis

Total Equity Asset Allocation: June 30, 2012

\$29.5B Under Management, **67%** of Total Funds

Asset Allocation by Groups



■ Domestic Equity

■ EAFE Mkts

■ Emerging Mkts

■ Private Equity

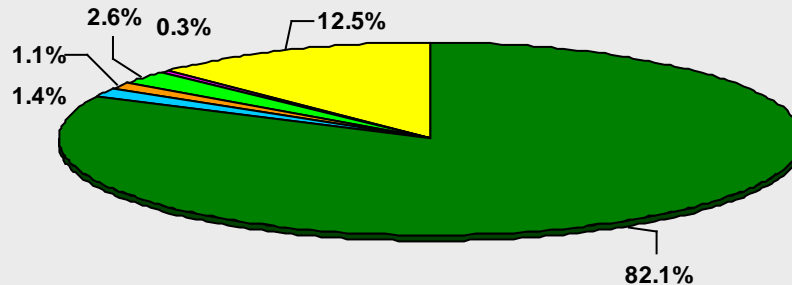
■ Private Real Estate

■ REITS

Total Domestic Equity Asset Allocation: June 30, 2012

\$16.9B Under Management, **38%** of Total Funds

Asset Allocation by Groups



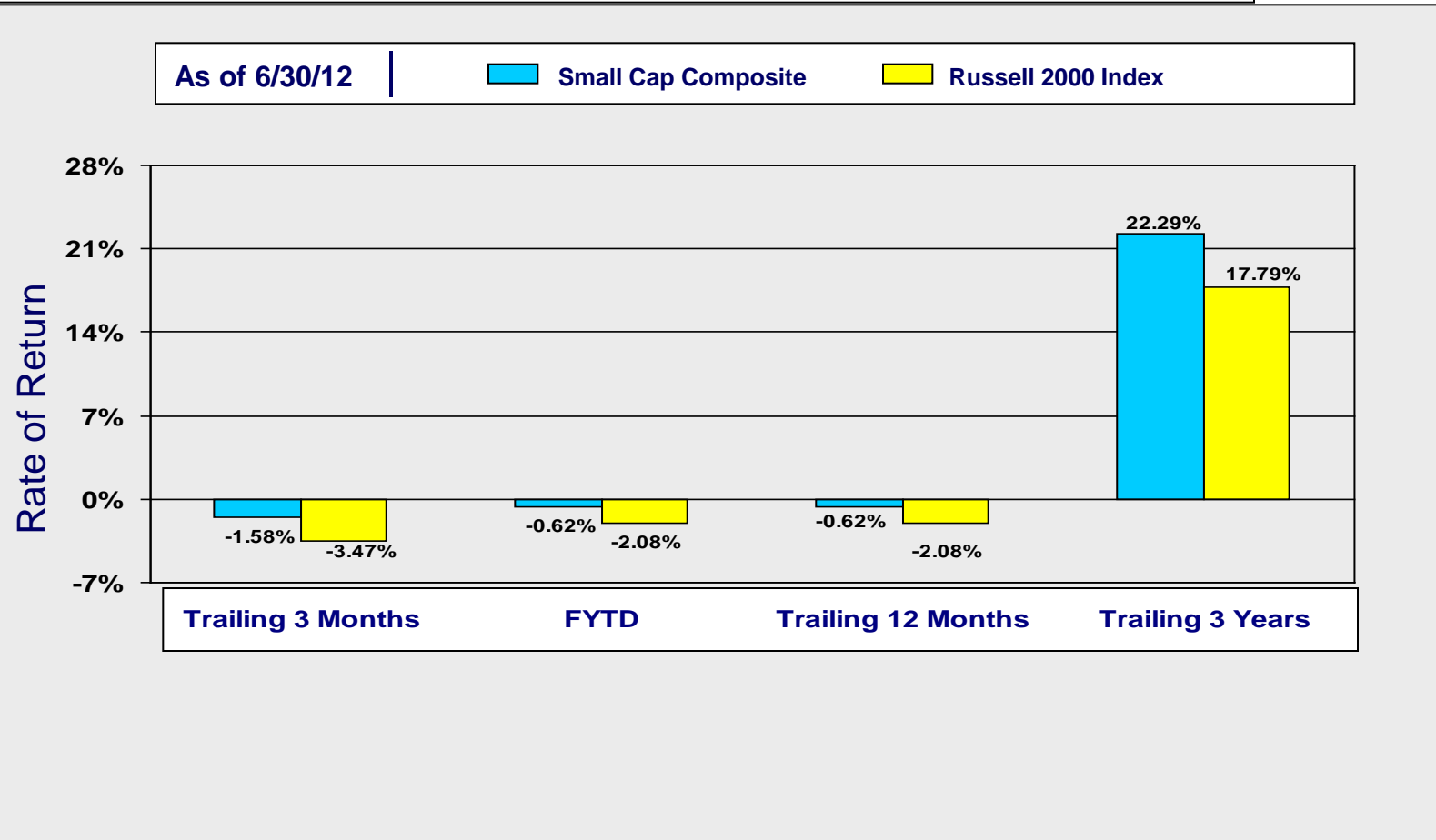
■ Russell 3000 Index Fund	■ Emerging Managers	■ Total Small Cap Active
■ Total Russell 1000 Active	■ US Activist/Environmental	■ Total Mid Cap S&P400

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
Russell 3000 Index Fund	82.00	82.13	0.13	-3.15	-3.12	0.03	0.00	0.02
Emerging Managers	1.30	1.40	0.10	-3.15	-4.99	-1.84	0.00	-0.03
Small Cap Active	0.84	1.07	0.23	-3.47	-1.58	1.89	0.00	0.02
Mid Cap S&P 400 Index Fund	12.90	12.52	-0.38	-4.40	-4.92	-0.52	0.00	-0.08
Russell 1000 Active	2.43	2.56	0.13	-3.12	-4.68	-1.56	0.00	-0.04
US Activist/Environmental	0.53	0.32	-0.21	-3.47	-4.14	-0.67	0.00	0.00

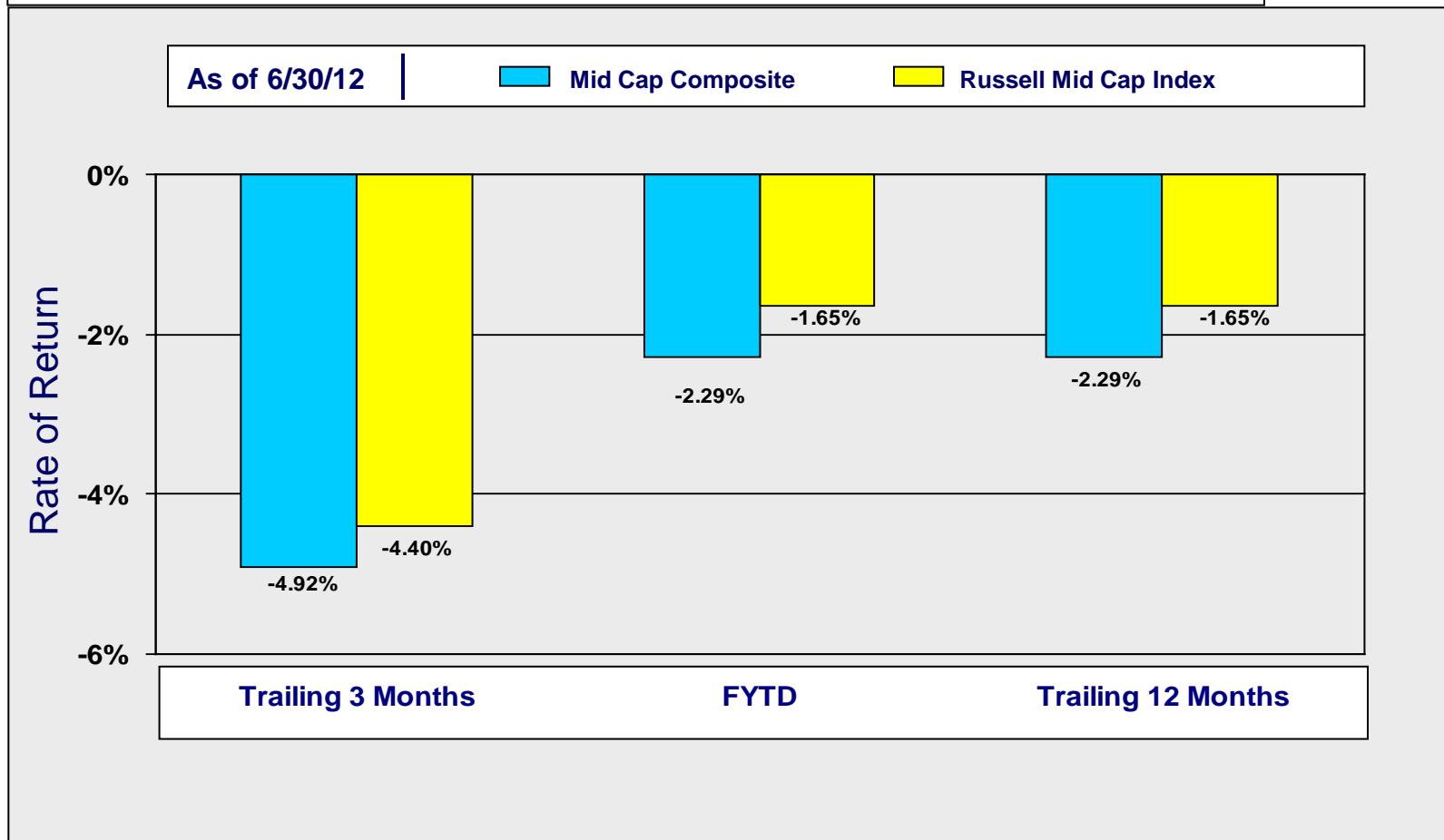
Small Cap Returns vs Russell 2000 Index

\$180.7M Under Management, **0%** of Total Funds



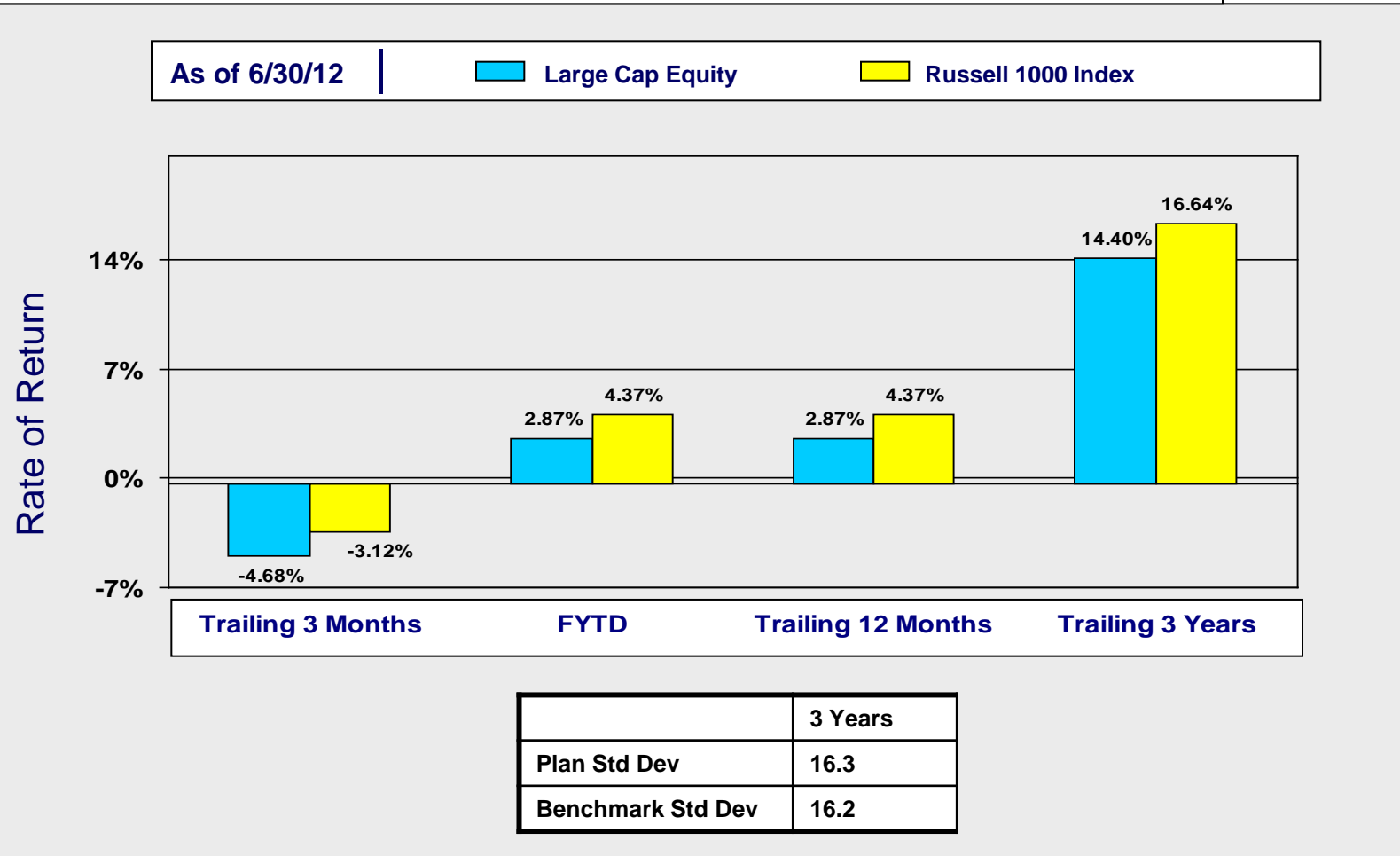
Mid Cap Returns vs Russell Mid Cap Index

\$2.1B Under Management, **5%** of Total Funds



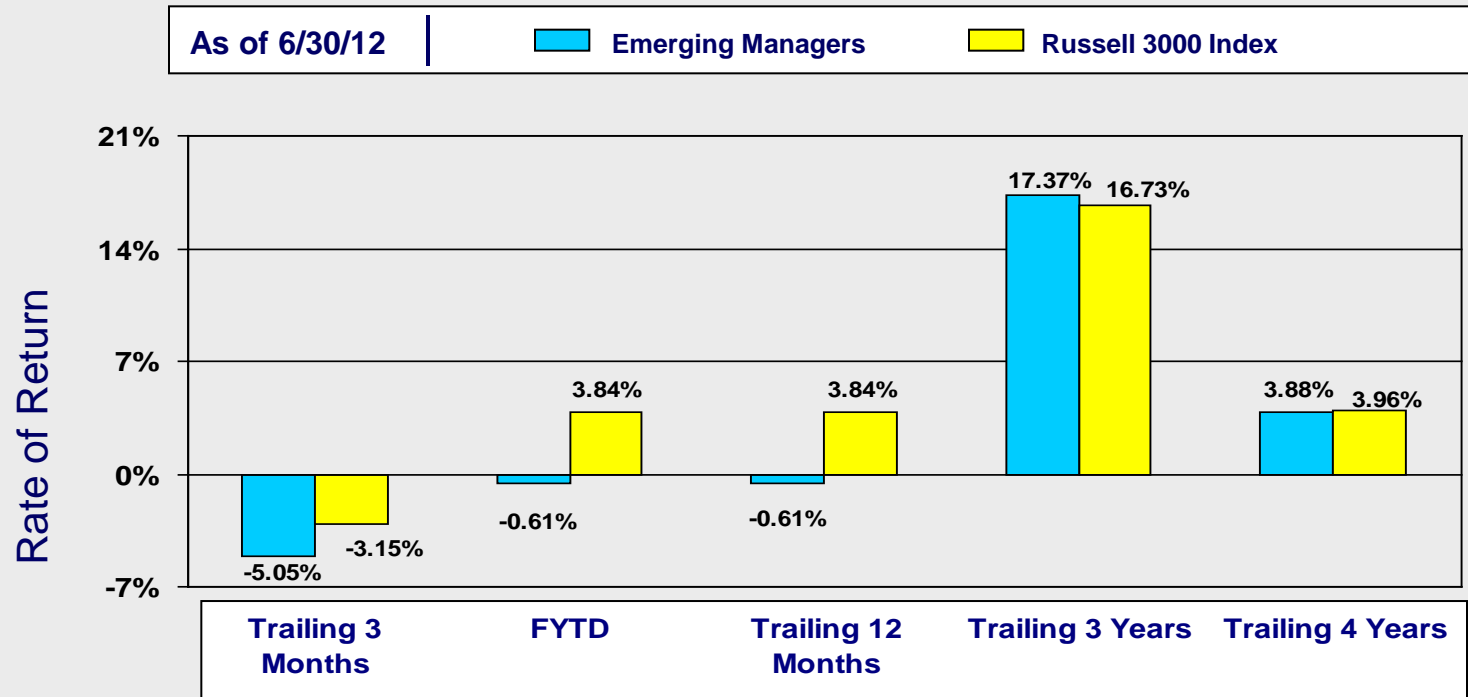
Large Cap Returns vs Russell 1000 Index

\$431.3M Under Management, **1%** of Total Funds



Emerging Managers Returns vs Russell 3000 Index

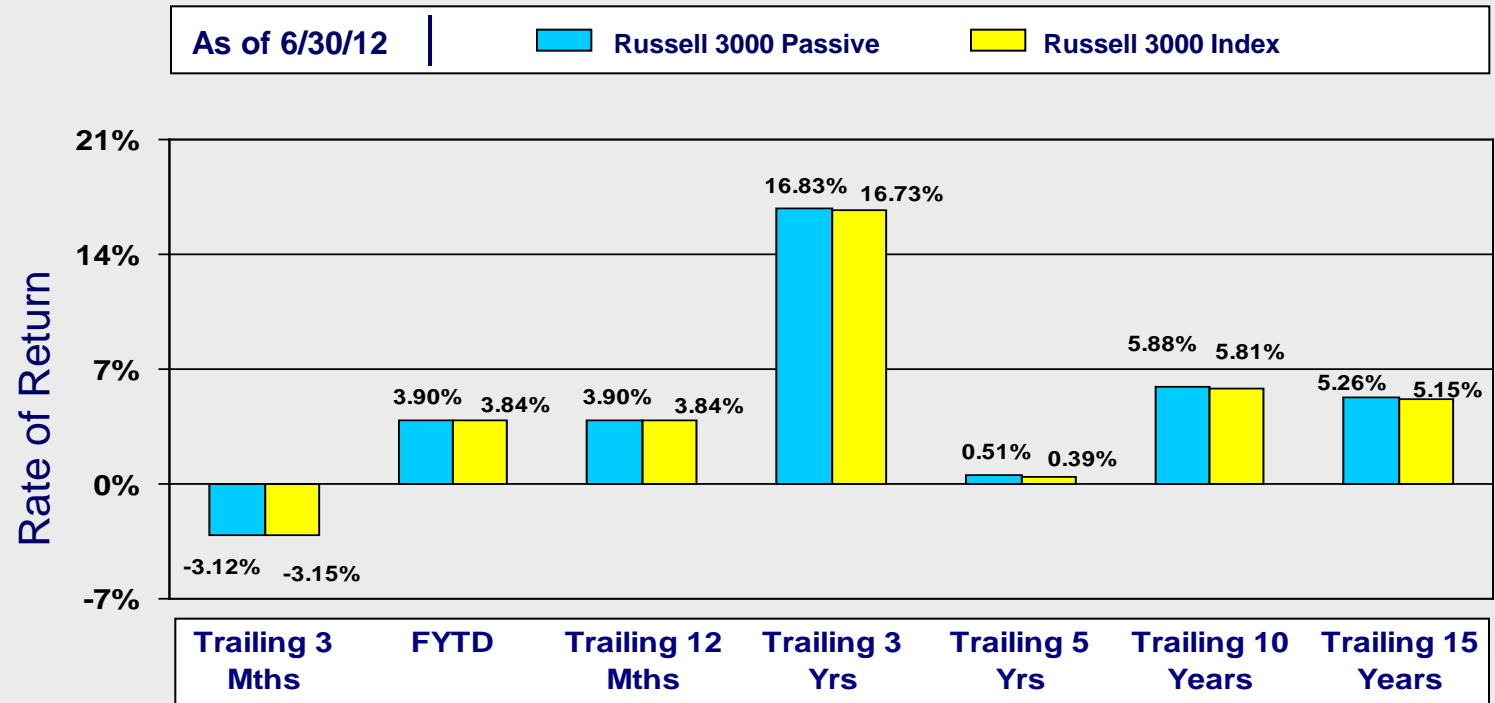
\$236.2M Under Management, **1%** of Total Funds



	3 Years	4 Years
Plan Std Dev	18.6	22.6
Benchmark Std Dev	16.6	20.9

Russell 3000 Passive Returns vs Russell 3000 Index

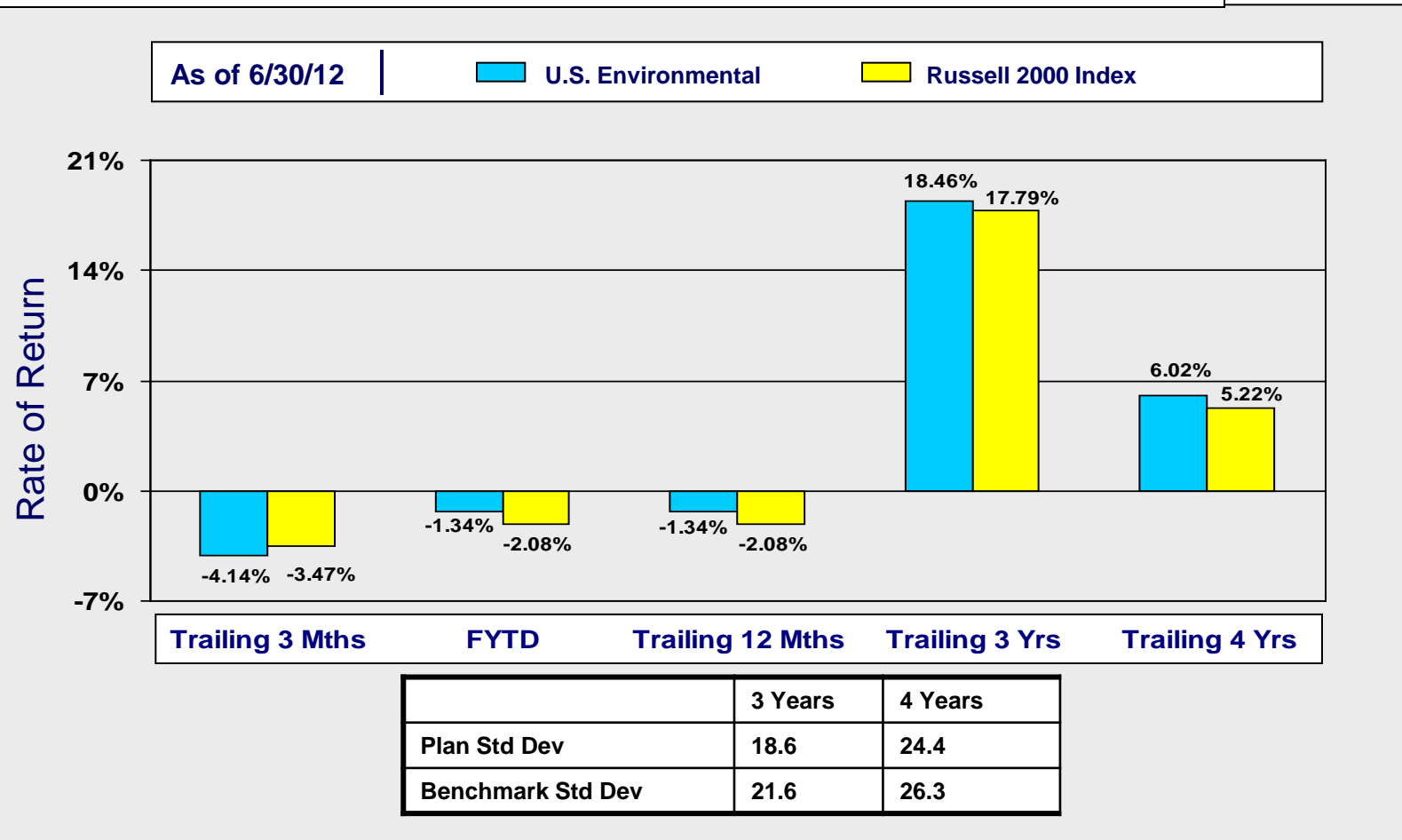
\$13.9B Under Management, **31%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.6	19.8	16.2	16.8
Benchmark Std Dev	16.6	19.8	16.3	16.8

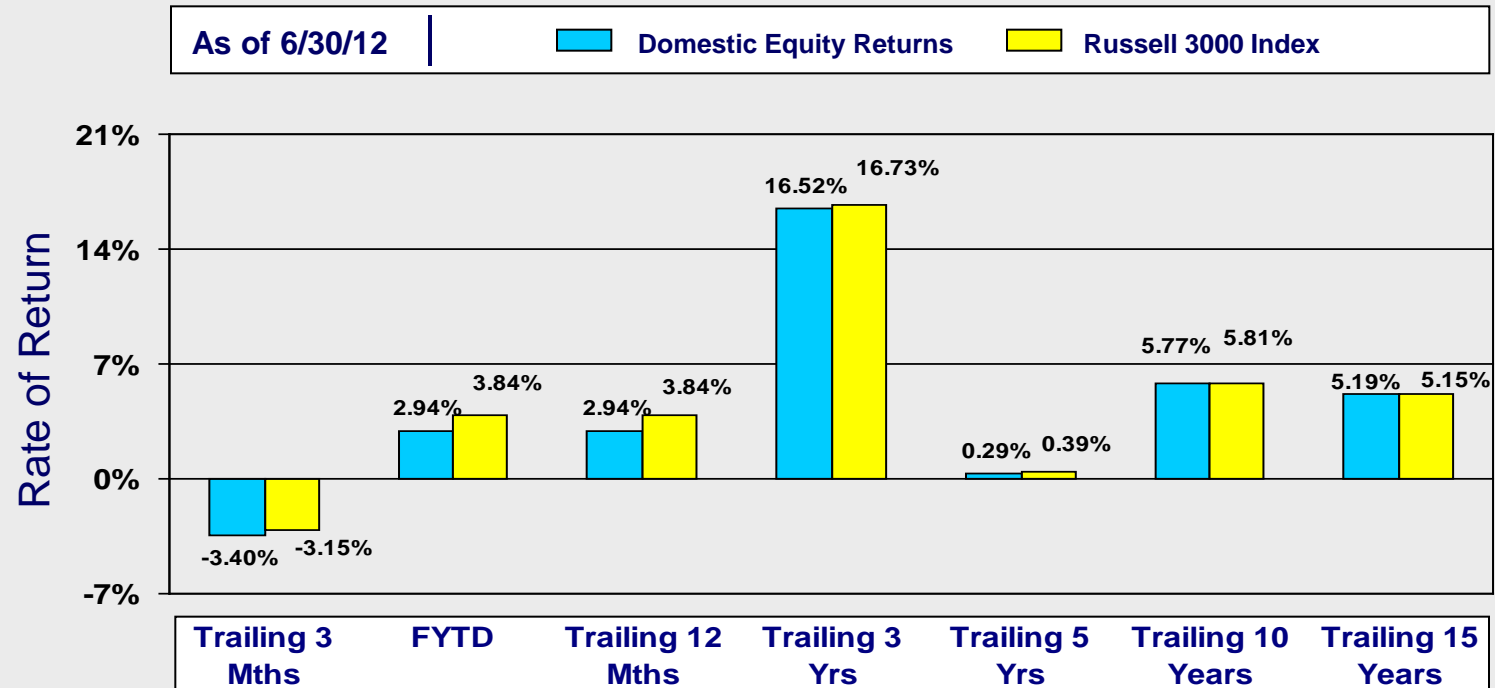
U.S. Environmental Returns vs Russell 2000 Index

\$54M Under Management, **0%** of Total Funds



Total Domestic Equity Returns vs Russell 3000 Index

\$16.9B Under Management, **38%** of Total Funds

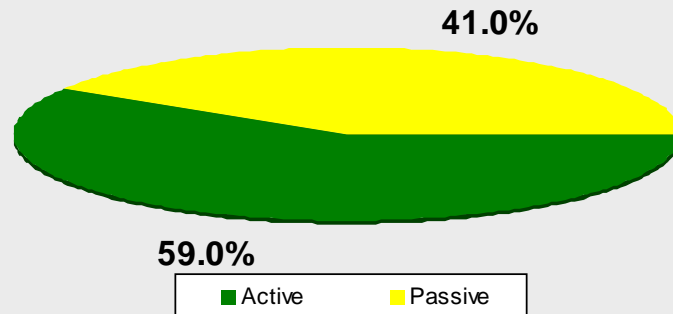


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.8	19.8	16.3	16.8
Benchmark Std Dev	16.6	19.8	16.3	16.8

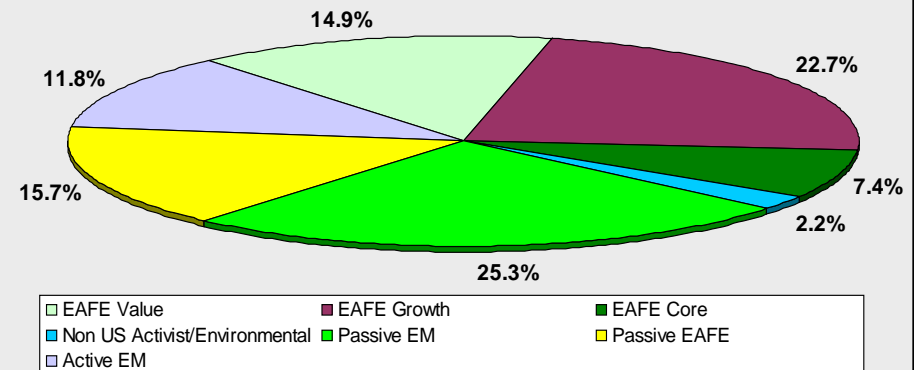
International Equity Asset Allocation: June 30, 2012

\$7.4B Under Management, **17%** of Total Funds

Asset Allocation by Groups



Asset Allocation by Style

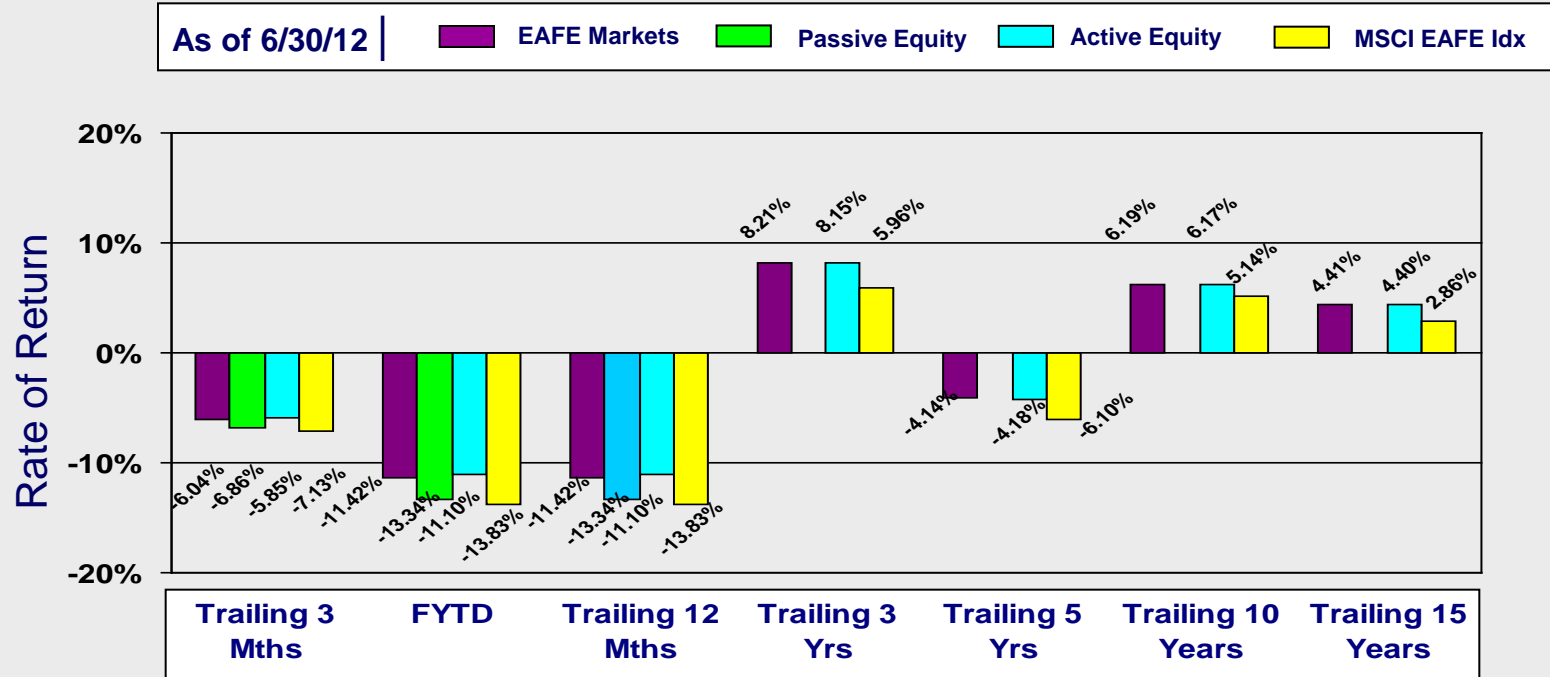


Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
EAFE Value		0.15		-6.70	-6.00	0.70		-0.22
EAFE Growth		0.23		-7.06	-5.00	2.07		0.77
EAFE Core		0.07		-7.13	-6.87	0.26		0.03
Non-US Activist		0.01		-9.05	-15.59	-6.54		-0.12
Non-US Environmental		0.01		-4.86	-5.28	-0.42		-0.01
Passive EAFE		0.16		-7.13	-6.86	0.27		0.06
Passive EM		0.25		-9.26	-9.39	-0.13		-0.07
Active EM		0.12		-9.26	-7.77	1.49		0.25

EAFE Markets Returns vs MSCI EAFE Index

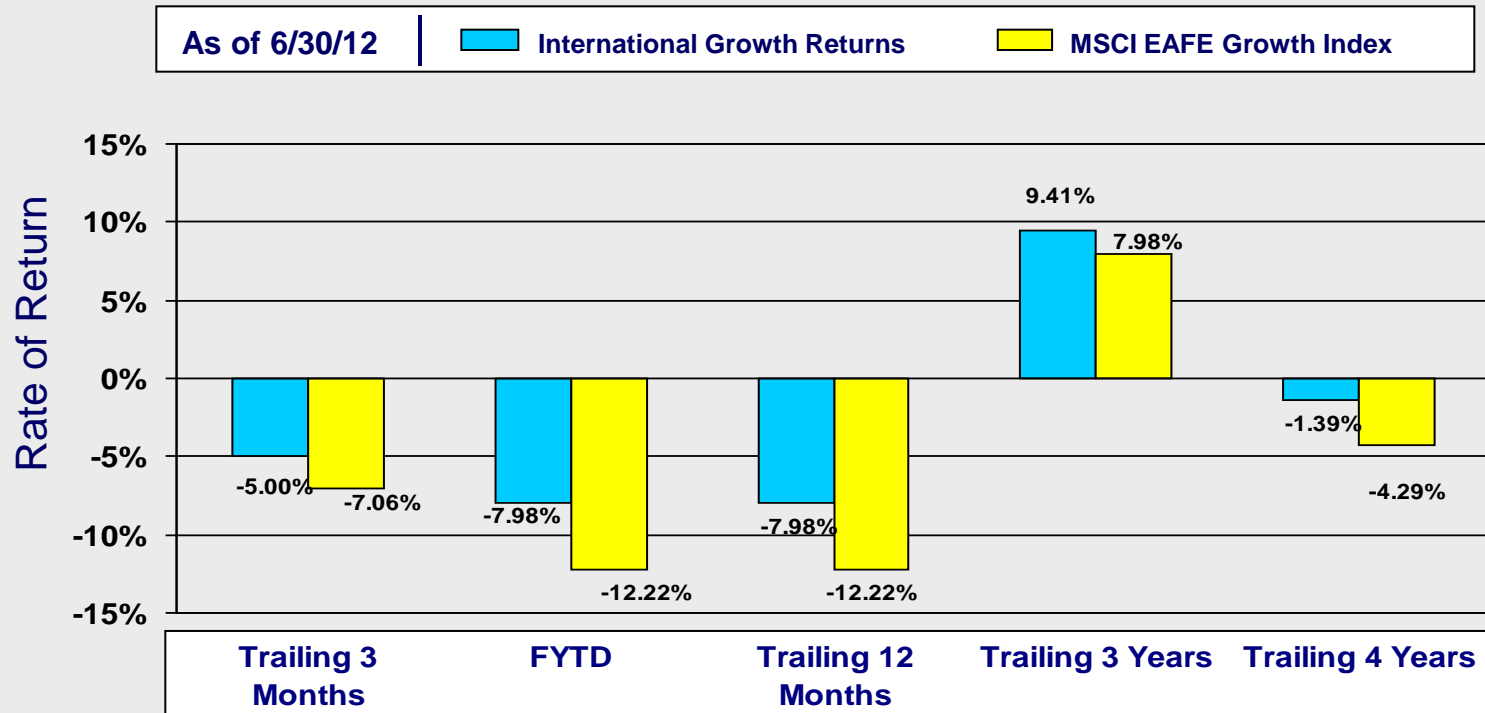
\$4.5B Under Management, **10%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	18.9	22.0	18.3	17.7
Active Plan Std Dev	18.7	21.9	18.2	17.7
Benchmark Std Dev	20.2	23.4	19.1	18.2

International Growth Returns vs MSCI EAFE Growth Index

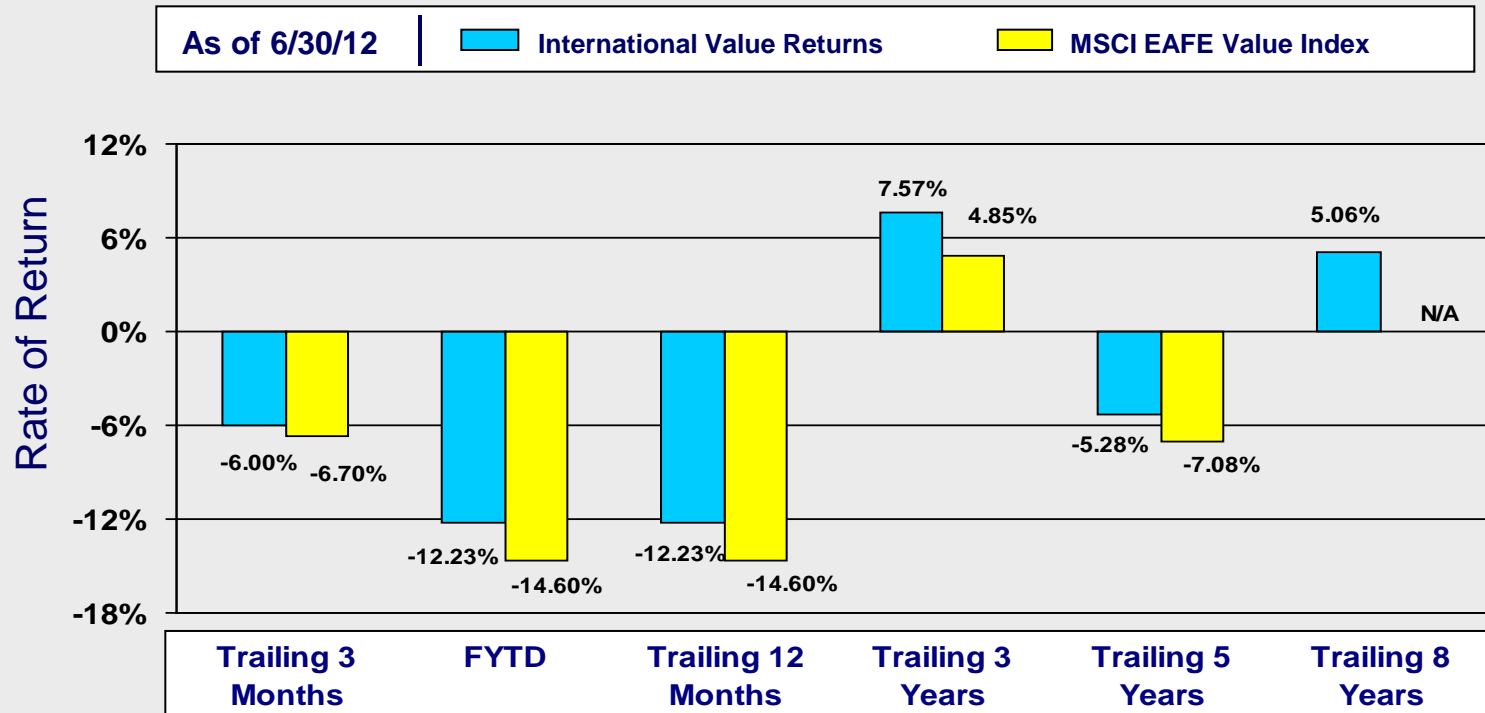
\$1.7B Under Management, **4%** of Total Funds



	3 Years	4 Years
Plan Std Dev	18.6	23.0
Benchmark Std Dev	19.5	24.0

International Value Returns vs MSCI EAFE Value Index

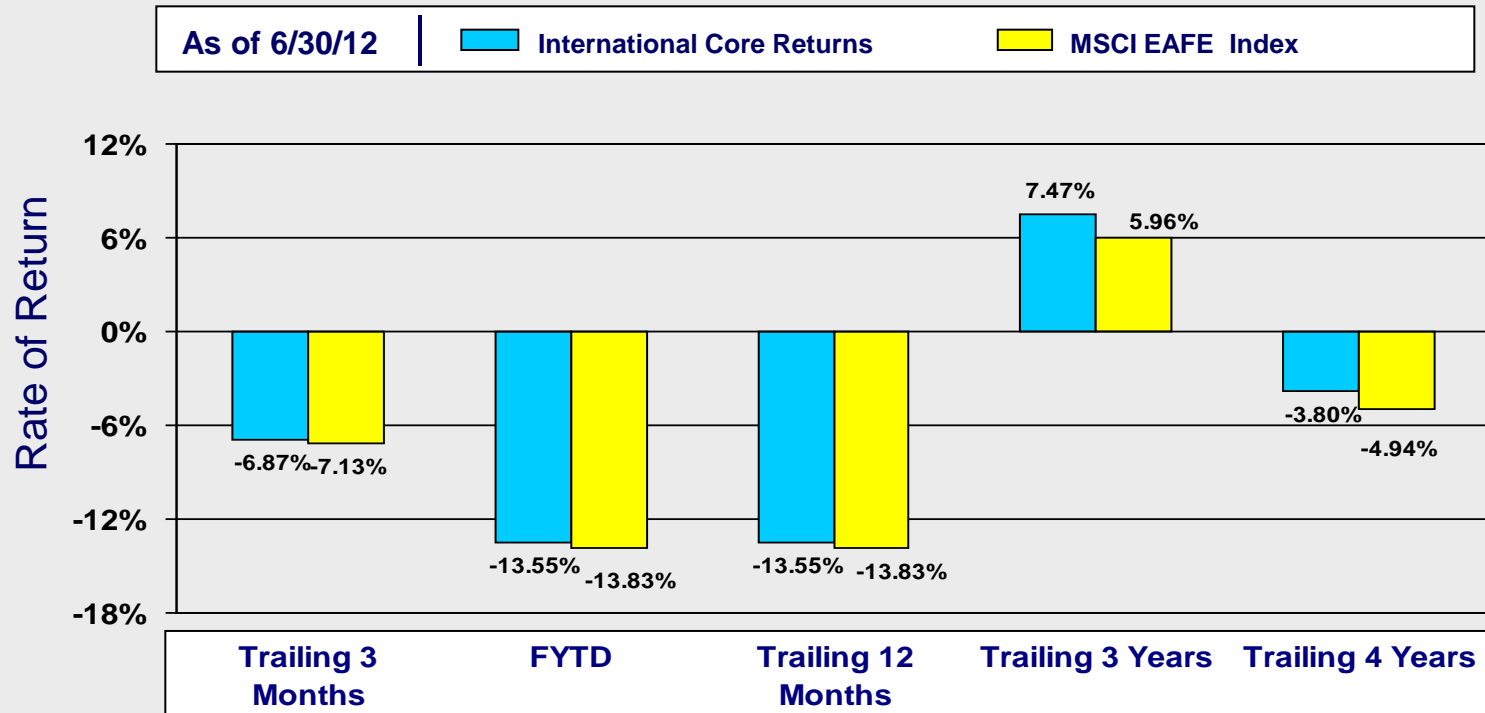
\$1.1B Under Management, **2%** of Total Funds



	3 Years	5 Years	8 Years
Plan Std Dev	18.6	21.5	18.2
Benchmark Std Dev	21.2	24.8	****

International Core Returns vs MSCI EAFE Index

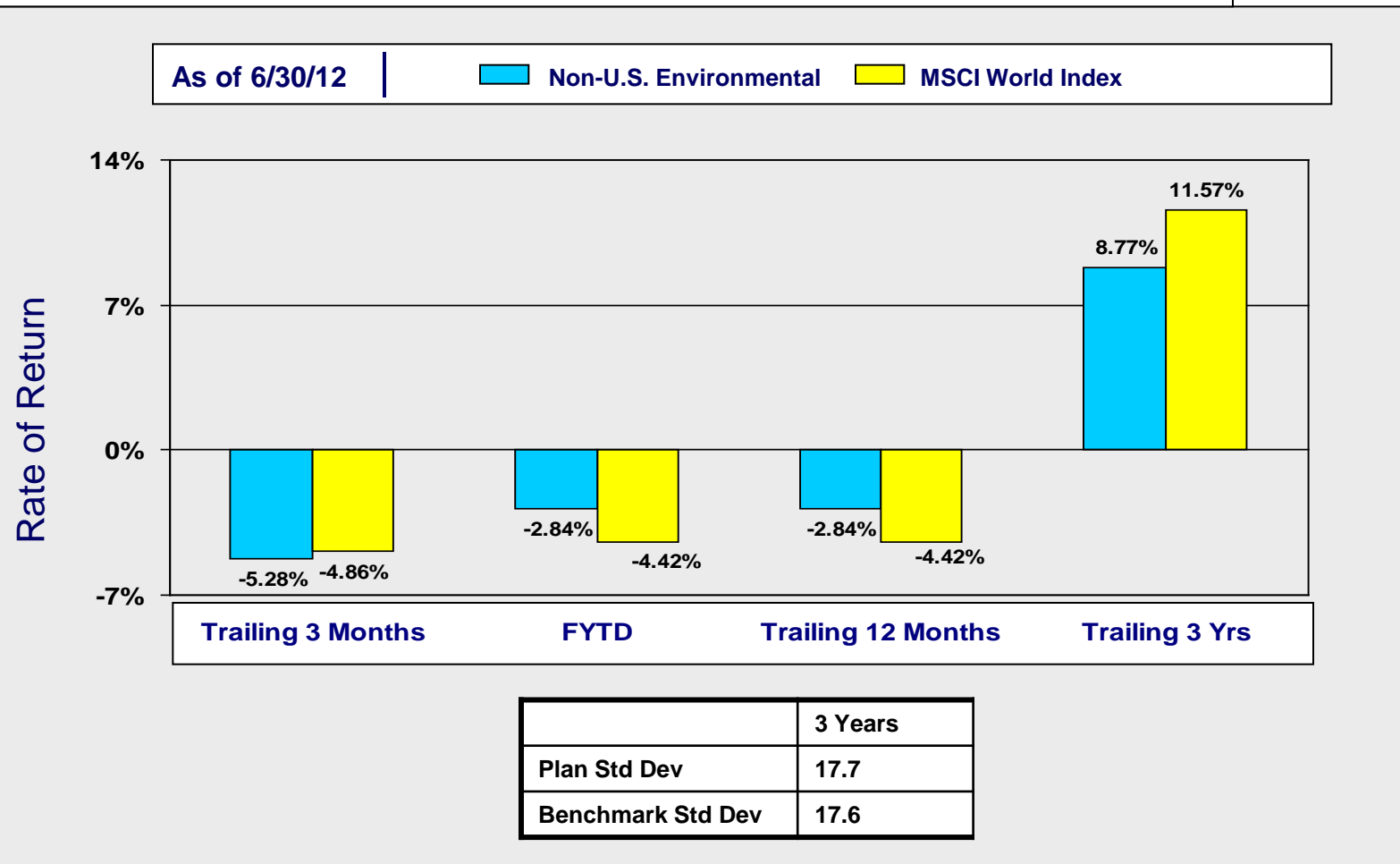
\$547.1M Under Management, **1%** of Total Funds



	3 Years	4 Years
Plan Std Dev	19.8	24.6
Benchmark Std Dev	20.2	24.9

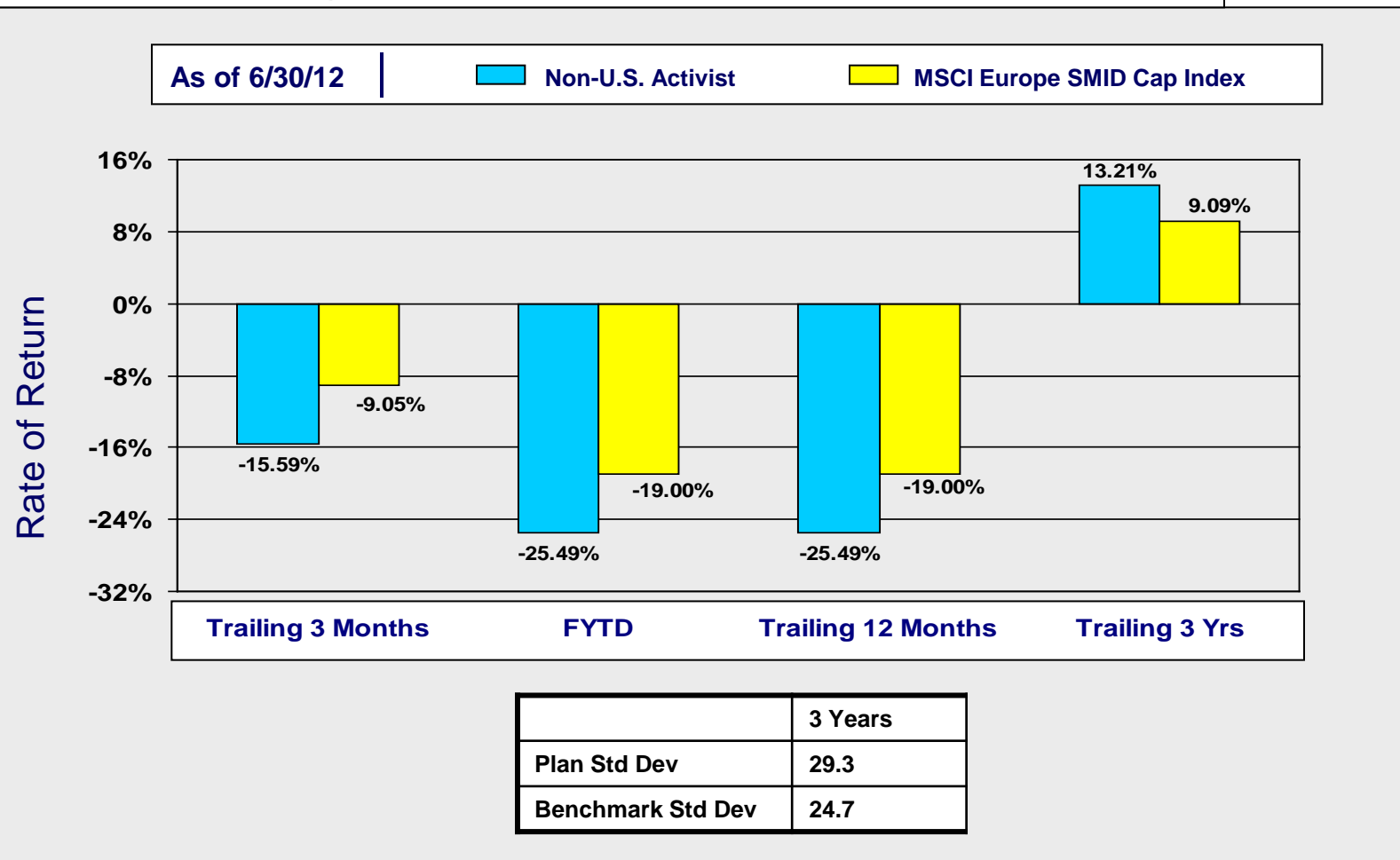
Non-U.S. Environmental vs MSCI World Index

\$79.5M Under Management, **0%** of Total Funds



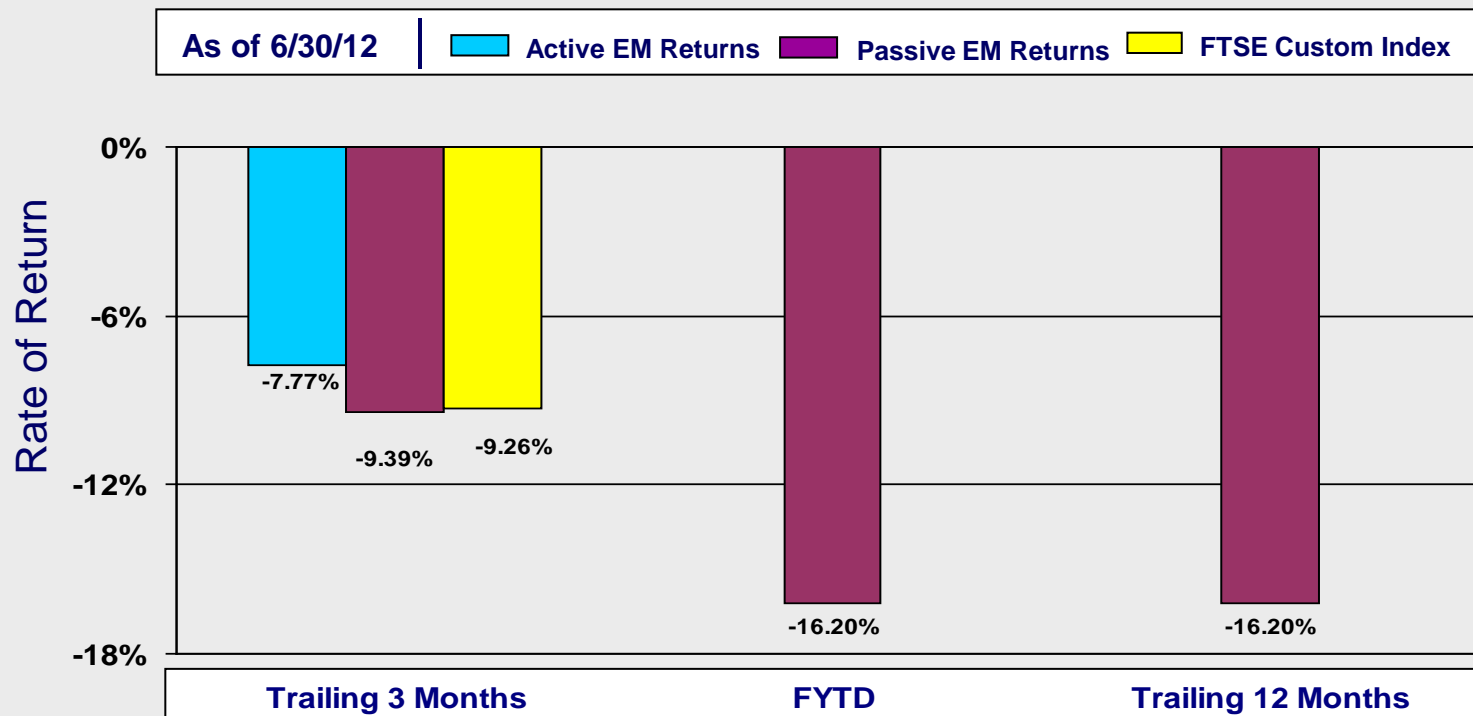
Non-U.S. Activist vs MSCI Europe SMID Cap Index

\$85.6M Under Management, **0%** of Total Funds



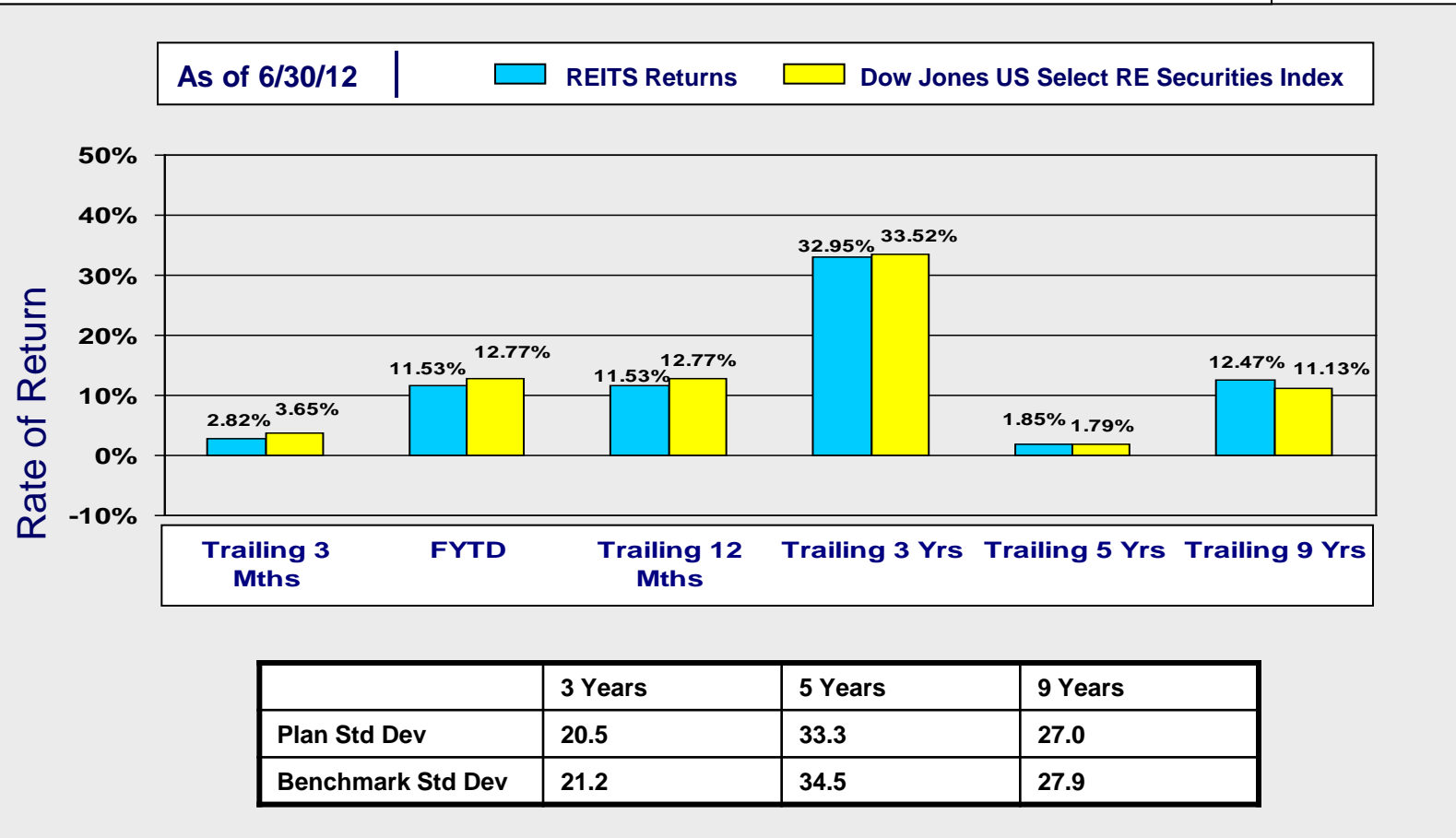
Emerging Equity Returns vs FTSE Custom Index

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



REITS Returns vs Dow Jones US Select Real Estate Securities Index

\$2B Under Management, **4%** of Total Funds



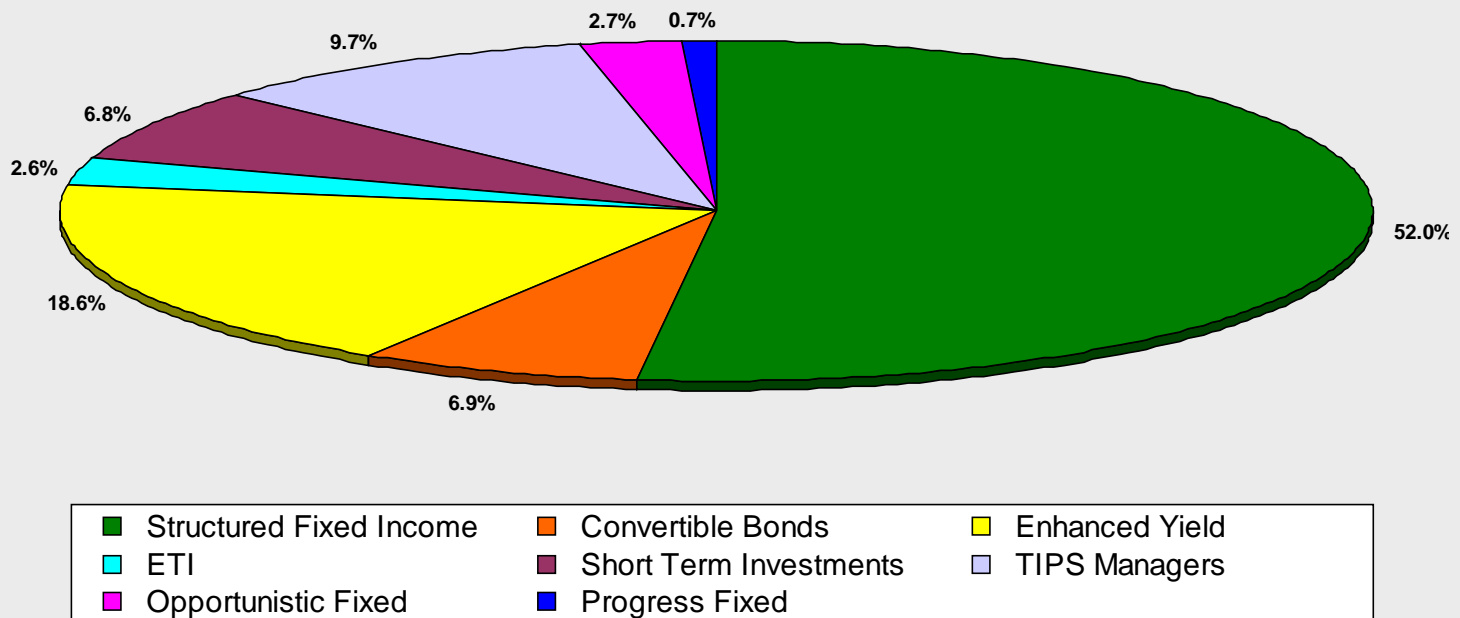
Teachers' Retirement System of the City of New York

Fixed Income Analysis

Total Fixed Income Asset Allocation: June 30, 2012

\$14.6B Under Management, **33%** of Total Funds

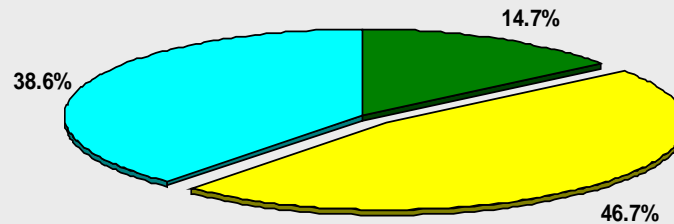
Asset Allocation by Groups



Structured Fixed Income Asset Allocation: Quarter Ending June 30, 2012

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

Asset Allocation by Groups



■ Treasury/Agency ■ Mortgage ■ Inv. Grade Credit

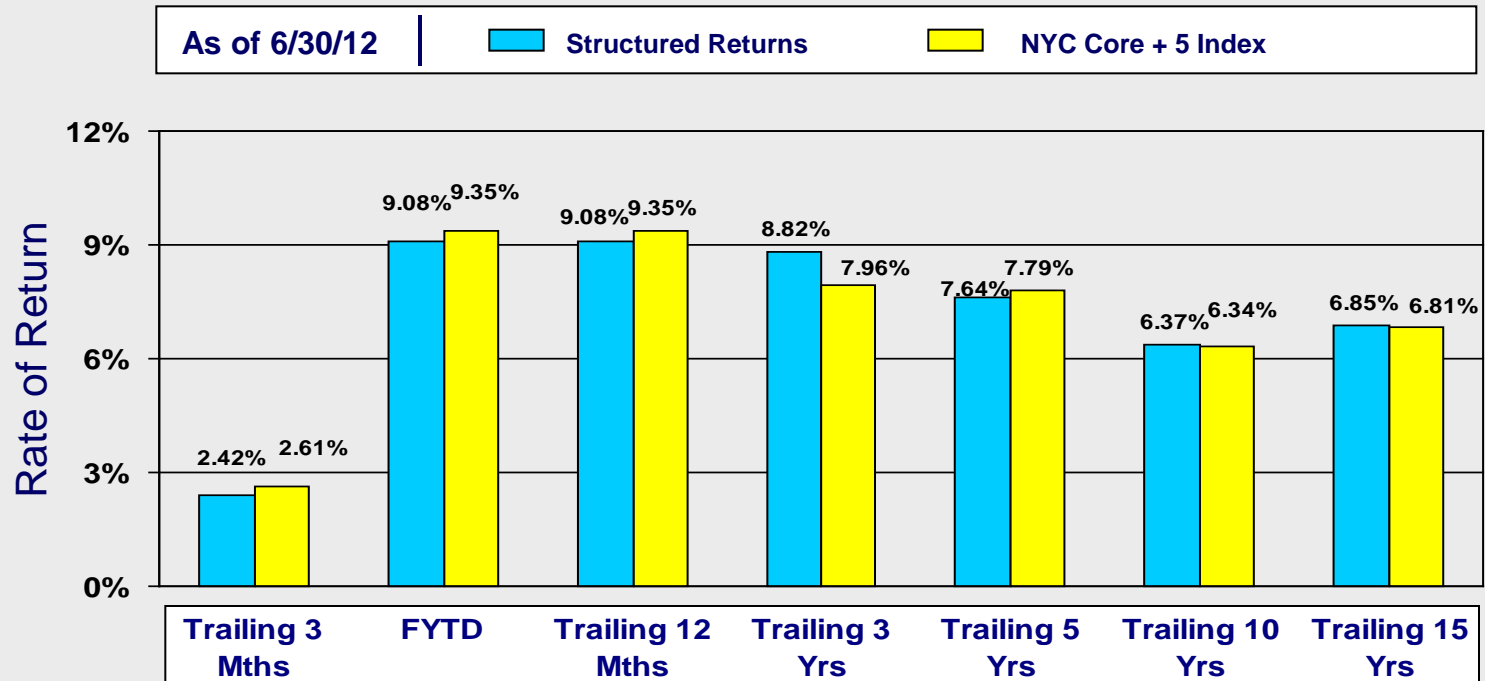
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	21.04	14.67	-6.37	6.17	6.19	0.02	-0.22	0.00
Mortgage	40.97	46.67	5.70	1.07	1.31	0.23	-0.10	0.12
Inv. Grade Credit	37.99	38.66	0.67	2.33	2.39	0.06	0.00	0.02

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

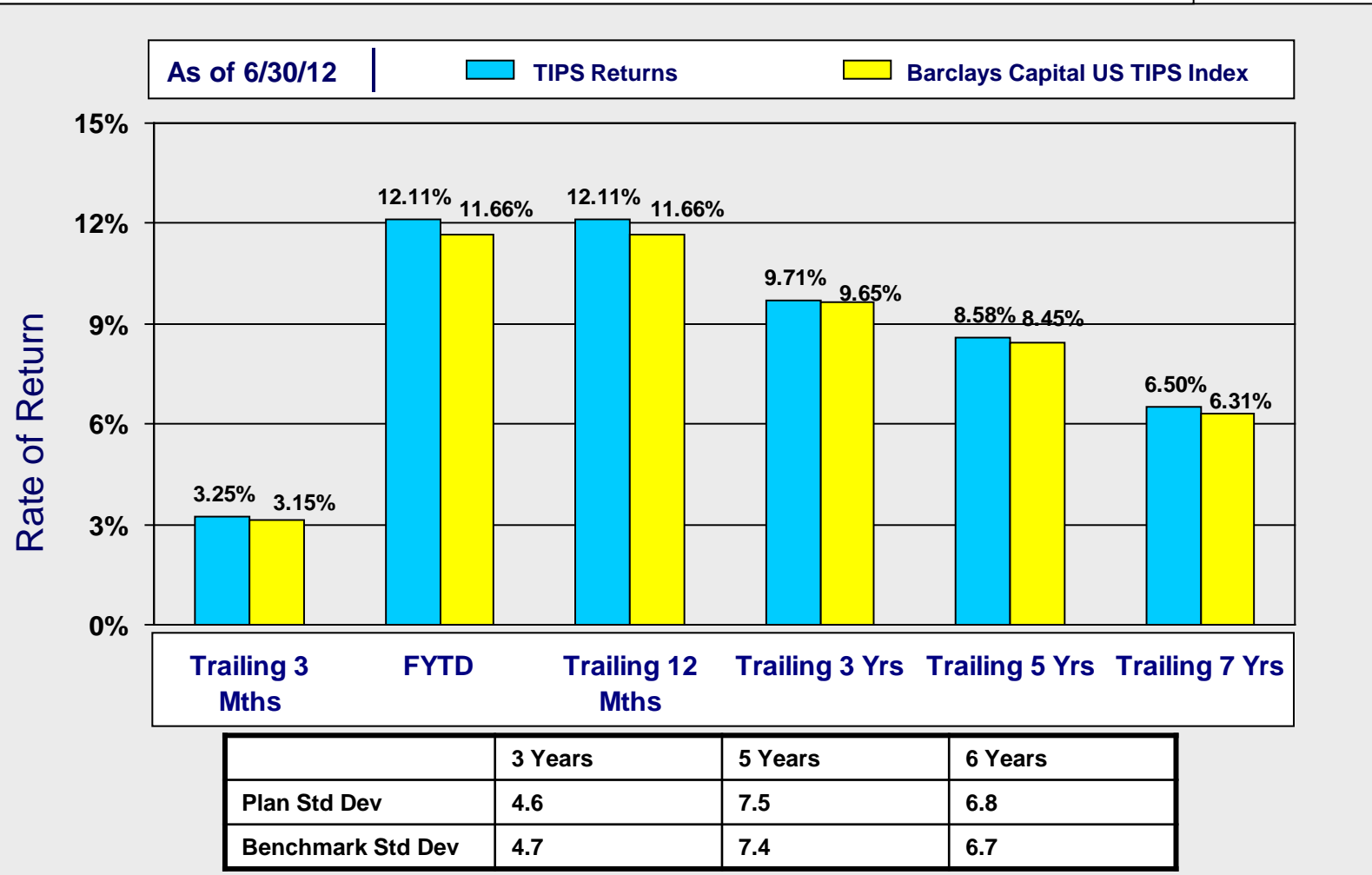
\$7.6B Under Management, **17%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	3.0	4.1	4.1	4.0
Benchmark Std Dev	3.2	4.4	4.3	4.1

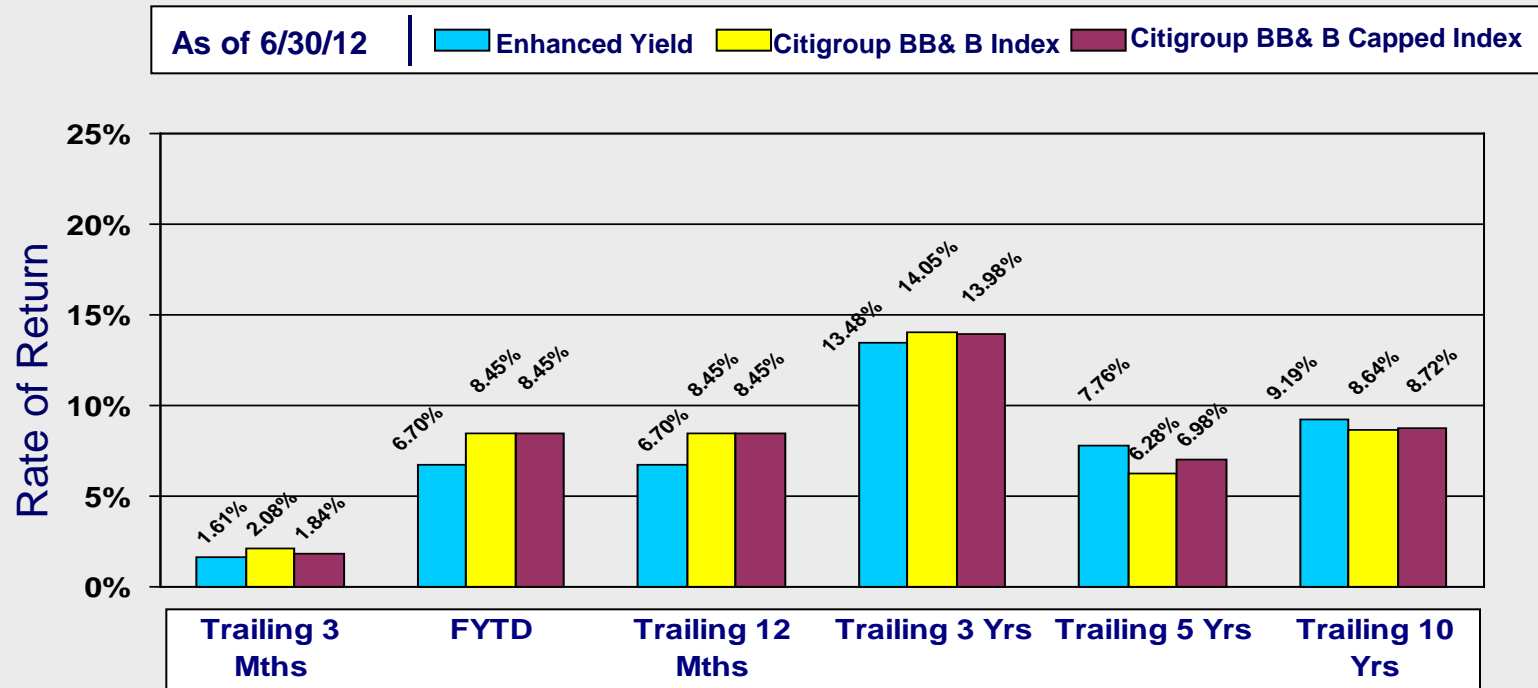
TIPS Returns vs Barclays Capital US TIPS Index

\$1.4B Under Management, **3%** of Total Funds



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

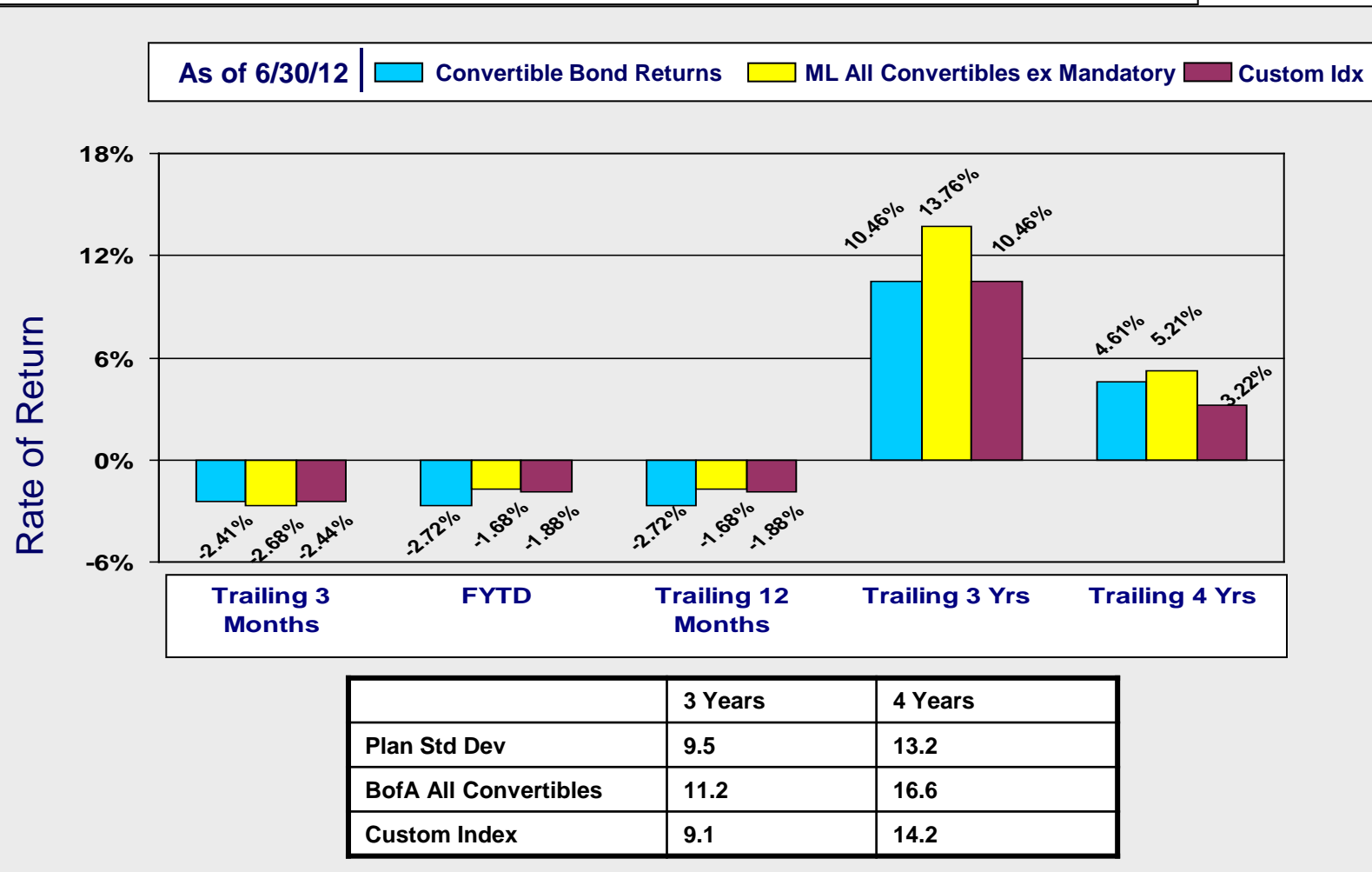
\$2.7B Under Management, **6%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	6.8	10.5	8.2
Citigroup BB&B	6.8	11.9	9.3
Citigroup BB&B Capped	6.7	11.6	9.0

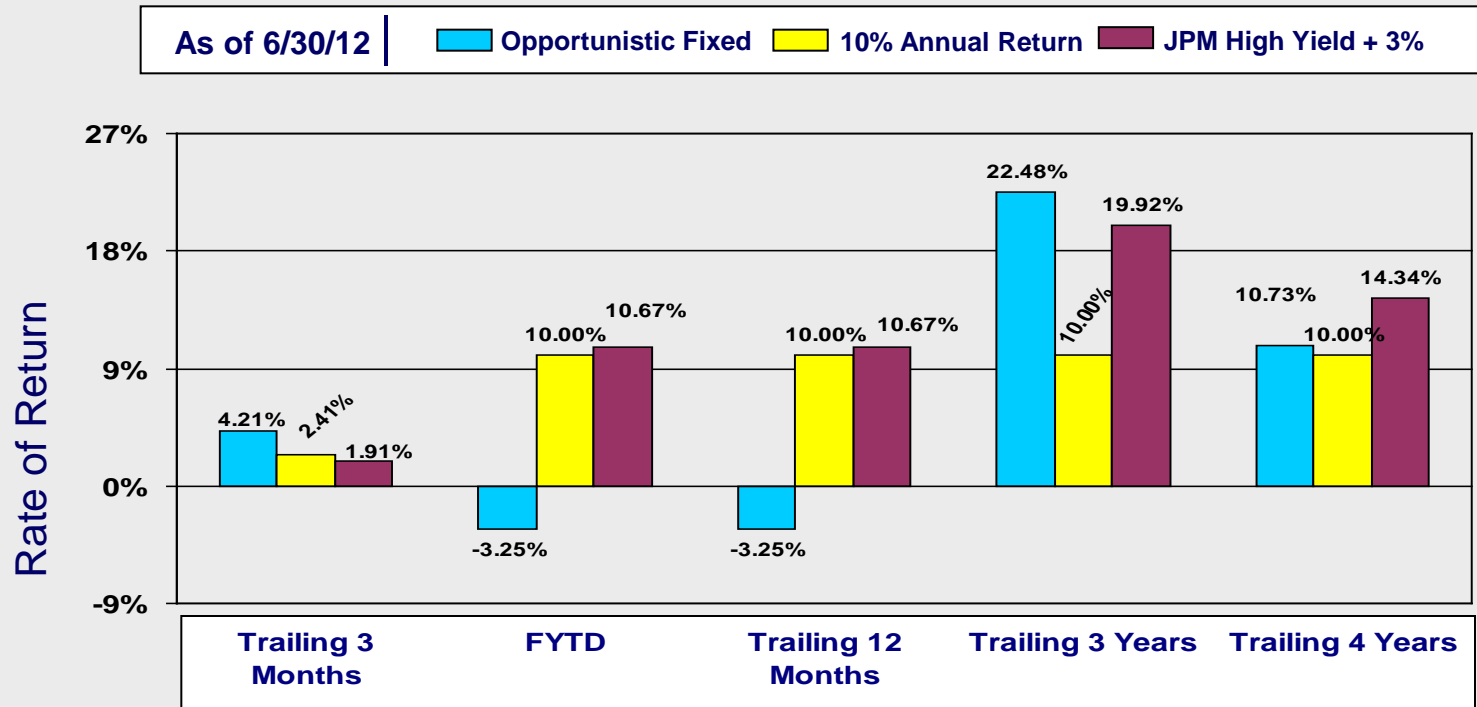
Convertible Bond Returns vs Benchmarks

\$1B Under Management, **2%** of Total Funds



Opportunistic Fixed Income Returns vs Benchmarks

\$406M Under Management, **1%** of Total Funds



	3 Years	4 Years
Plan Std Dev	12.7	13.5
JPM High Yield + 3% Std Dev	7.9	14.2

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

\$379.1M Under Management, **0.86%** of Total Funds



Teachers' Retirement System of the City of New York

Appendix

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
EQUITY MANAGEMENT									
180.73	0.41	BROWN AM	-1.58	11.76	-0.62	22.29	****	****	****
180.73	0.41	TOTAL SMALL CAP GROWTH ACTIVE	-1.58	11.76	-0.62	22.29	****	****	****
		RUSSELL 2000 GROWTH	-3.94	8.81	-2.71	18.09	****	****	****
180.73	0.41	TOTAL SMALL CAP ACTIVE	-1.58	11.76	-0.62	22.29	****	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	****	****	****	****
180.73	0.41	TOTAL SMALL CAP	-1.58	11.76	-0.62	22.29	****	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	****	****	****	****
2,112.13	4.79	STATE STREET GA S&P 400	-4.92	7.92	-2.29	****	****	****	****
2,112.13	4.79	TOTAL MID CAP PASSIVE	-4.92	7.92	-2.29	****	****	****	****
		S&P MIDCAP 400	-4.93	7.90	-2.33	****	****	****	****
2,112.13	4.79	TOTAL MID CAP	-4.92	7.92	-2.29	****	****	****	****
		RUSSELL MID CAP	-4.40	7.97	-1.65	****	****	****	****
146.54	0.33	PROFIT INV MGMT	-5.19	9.38	6.93	15.26	****	****	****
146.54	0.33	TOTAL LARGE CAP GROWTH	-5.19	9.38	6.93	15.26	****	****	****
		RUSSELL 1000 GROWTH	-4.02	10.08	5.76	17.50	****	****	****
137.32	0.31	PIEDMONT INV ADV	-3.33	10.63	2.76	14.41	****	****	****
147.45	0.33	SEIZERT CAPITAL PTNRS	-5.39	6.20	-0.77	15.66	****	****	****
284.76	0.65	TOTAL LARGE CAP CORE	-4.41	8.29	0.90	15.05	****	****	****
		RUSSELL 1000	-3.12	9.38	4.37	16.64	****	****	****
431.30	0.98	TOTAL LARGE CAP	-4.68	8.66	2.87	14.40	****	****	****
		RUSSELL 1000	-3.12	9.38	4.37	16.64	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
7,036.99	15.96	BLACKROCK RUSSELL 3000	-3.13	9.31	3.83	16.66	****	****	****
6,814.22	15.46	STATE STREET RUSSELL 3000	-3.12	9.32	3.98	****	****	****	****
13,851.21	31.42	TOTAL RUSSELL 3000	-3.12	9.31	3.90	16.83	0.51	5.88	5.26
		RUSSELL 3000	-3.15	9.32	3.84	16.73	0.39	5.81	5.15
		ATTUCKS							
8.02	0.02	APEX CAPITAL - SCG	-6.50	10.96	2.62	25.23	****	****	****
7.65	0.02	GW CAPITAL -SCC	-1.94	5.96	-9.91	****	****	****	****
7.26	0.02	LOMBARDIA - SCV	-4.68	3.69	-0.59	18.36	****	****	****
8.27	0.02	PARADIGM - SCC	-6.08	5.88	-4.46	18.27	****	****	****
6.73	0.02	PHOCAS - SCV	-5.97	4.03	-3.96	18.30	****	****	****
37.94	0.09	TOTAL ATTUCKS	-5.07	6.16	-3.42	18.84	****	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	17.79	****	****	****
		CAPITAL PROSPECTS							
3.42	0.01	AH LISANTI SCG	****	****	****	****	****	****	****
3.41	0.01	BERNZOTT CAP AD -SCV	****	****	****	****	****	****	****
3.41	0.01	CHANNING -SCV	****	****	****	****	****	****	****
3.27	0.01	CWC ADVISORS -SCC	****	****	****	****	****	****	****
1.41	0.00	HIGH POINTE -SC	****	****	****	****	****	****	****
3.46	0.01	HUBER -SCV	****	****	****	****	****	****	****
3.01	0.01	LOMBARDIA -SCV	****	****	****	****	****	****	****
3.28	0.01	PROFIT SCC	****	****	****	****	****	****	****
3.26	0.01	QUOTIENT SCC	****	****	****	****	****	****	****
3.45	0.01	STEPHENS SCG	****	****	****	****	****	****	****
3.51	0.01	SUMMIT CREEK SCG	****	****	****	****	****	****	****
34.89	0.08	TOTAL CAPITAL PROSPECTS	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
PROGRESS									
13.26	0.03	APEX CAPITAL MGMT -SMID CG	****	****	****	****	****	****	****
8.84	0.02	CARDINAL SCV	****	****	****	****	****	****	****
6.82	0.02	HUBER SCV	****	****	****	****	****	****	****
11.71	0.03	IRONWOOD SCC	****	****	****	****	****	****	****
6.82	0.02	MONARCH PARTNERS SCV	****	****	****	****	****	****	****
5.00	0.01	NICHOLS SC	****	****	****	****	****	****	****
8.35	0.02	OMT CAP MGMT -SMIDCG	****	****	****	****	****	****	****
6.74	0.02	PHOCAS SCV	****	****	****	****	****	****	****
12.89	0.03	SIGNIA SCV	****	****	****	****	****	****	****
80.43	0.18	TOTAL PROGRESS EQUITY	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****
FIS FUND MGMT									
7.85	0.02	APEX SCG	****	****	****	****	****	****	****
14.86	0.03	CHANNING SCV	****	****	****	****	****	****	****
5.89	0.01	CUPPS SCG	****	****	****	****	****	****	****
3.32	0.01	CWC SCC	****	****	****	****	****	****	****
3.41	0.01	EAM MICRO CAP GROWTH	****	****	****	****	****	****	****
8.57	0.02	HUBER SCV	****	****	****	****	****	****	****
9.85	0.02	NICHOLAS INV PTNRS -SCG	****	****	****	****	****	****	****
16.68	0.04	OPUS CAPITAL MGMT -SCV	****	****	****	****	****	****	****
12.30	0.03	PUNCH SCC	****	****	****	****	****	****	****
82.72	0.19	TOTAL F.I.S FUND MGMT	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****
236.22	0.54	TOTAL EMERGING MANAGERS	-4.99	7.68	-0.61	17.11	****	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	17.79	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
OPPORTUNISTIC EQUITY STRATEGIES									
53.99	0.12	WALDEN ASSET MGMT	-4.14	5.87	-1.34	18.33	****	****	****
53.99	0.12	TOTAL U.S. ENVIRONMENTAL	-4.14	5.87	-1.34	18.46	****	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	17.79	****	****	****
848.25	1.93	TOTAL ACTIVE	-4.09	9.08	1.19	16.31	-0.57	5.35	****
15,963.34	36.21	TOTAL PASSIVE	-3.36	9.13	3.05	16.49	0.33	5.79	5.20
16,865.58	38.26	TOTAL DOMESTIC EQUITY	-3.40	9.12	2.94	16.52	0.28	5.76	5.19
INTERNATIONAL EQUITY DEVELOPED MARKETS GROWTH									
854.67	1.94	BAILLIE	-6.84	4.53	-11.33	11.43	****	****	****
820.96	1.86	WALTER SCOTT	-3.00	9.26	-4.24	11.41	****	****	****
1,676.05	3.81	TOTAL INTL GROWTH	-5.00	6.80	-7.98	9.41	****	****	****
		MSCI EAFE GROWTH	-7.06	4.19	-12.22	7.98	****	****	****
VALUE									
226.75	0.51	MONDRIAN INVESTMENT PARTNERS LTD II	-6.78	-0.85	-11.12	6.63	****	****	****
868.38	1.97	SPRUCEGROVE (NEW)	-4.65	5.80	-8.48	12.43	****	****	****
1,096.07	2.49	TOTAL INTL VALUE	-6.00	2.23	-12.23	7.57	-5.28	****	****
		MSCI EAFE VALUE	-6.70	2.49	-14.60	4.85	-7.08	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
		CORE							
137.47	0.31	BLACKROCK	-6.67	3.74	-14.61	6.42	****	****	****
76.64	0.17	PHILADELPHIA	-9.32	0.35	-17.94	5.45	****	****	****
332.98	0.76	THORNBURG	-5.78	4.73	-10.73	9.12	****	****	****
547.08	1.24	TOTAL INTL CORE	-6.87	3.43	-13.55	7.47	****	****	****
		MSCI EAFE (NET DIVIDEND)	-7.13	2.96	-13.83	5.96	****	****	****
3,319.76	7.54	TOTAL ACTIVE DEVELOPED MARKETS	-5.85	4.08	-11.10	8.15	-4.18	6.17	4.40
		MSCI EAFE (NET DIVIDEND)	-7.13	2.96	-13.83	5.96	-6.10	5.14	2.86
1.28	0.00	TRANSITION - INTERNATIONAL ACCOUNT	****	****	****	****	****	****	****
3,321.04	7.54	TOTAL ACTIVE-INTL EQUITY	-5.84	4.08	-11.09	8.18	-4.16	6.07	4.76
1,158.74	2.63	SSGA	-6.86	3.30	-13.34	****	****	****	****
1,158.74	2.63	TOTAL PASSIVE-INTL EQUITY	-6.86	3.30	-13.34	****	****	****	****
79.48	0.18	F&C SGE	-5.28	8.65	-2.83	11.14	****	****	****
79.48	0.18	TOTAL NON-U.S. ENVIRONMENTAL	-5.28	8.65	-2.84	8.77	****	****	****
		MSCI WORLD INDEX	-4.86	6.29	-4.42	11.57	****	****	****
85.64	0.19	GOVERNANCE FOR OWNERS	-15.59	2.24	-25.49	13.21	****	****	****
85.64	0.19	TOTAL NON-U.S. ACTIVIST	-15.59	2.24	-25.49	13.21	****	****	****
		MSCI EUROPE SMID CAP	-9.05	5.95	-19.00	9.09	****	****	****

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

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
165.12	0.37	TOTAL ENVIRONMENTAL-ACTIVIST	-10.93	5.23	-16.10	9.02	****	****	****
4,644.89	10.55	TOTAL DEVELOPED-ENV-ACTIVIST	-6.20	3.95	-11.58	8.26	-4.20	****	****
		EMERGING MARKETS							
236.40	0.54	DFA EM	-8.37	****	****	****	****	****	****
632.16	1.44	EATON VANCE	****	****	****	****	****	****	****
868.56	1.97	TOTAL ACTIVE EMERGING MARKETS	-7.77	****	****	****	****	****	****
		FTSE CUSTOM BENCHMARK	-9.26	****	****	****	****	****	****
1,867.05	4.24	BLACKROCK EM	-9.39	3.28	-16.20	****	****	****	****
1,867.05	4.24	TOTAL PASSIVE EMERGING MARKETS	-9.39	3.28	-16.20	****	****	****	****
		FTSE CUSTOM BENCHMARK	-9.26	****	****	****	****	****	****
2,735.61	6.21	TOTAL EMERGING MARKETS	-8.99	4.00	-15.61	****	****	****	****
7,380.50	16.76	TOTAL INTERNATIONAL EQUITY	-7.14	3.38	-12.82	7.78	-4.45	6.01	4.29
		REITS							
259.71	0.59	ADELANTE CAPITAL MANAGEMENT	4.11	15.40	14.72	33.33	0.70	****	****
240.03	0.55	COHEN & STEERS - REITS	2.40	****	****	****	****	****	****
278.15	0.63	EUROPEAN REIT MTA	0.88	****	****	****	****	****	****
703.39	1.60	MS REIT MTA	2.93	14.98	11.36	33.21	2.86	****	****
249.29	0.57	SECURITY CAPITAL	3.21	14.27	11.68	33.50	2.21	****	****
241.22	0.55	URDANG -REITS	3.35	****	****	****	****	****	****
1,971.79	4.47	TOTAL REITS	2.82	14.00	11.53	32.95	1.85	****	****
		DJ US SELECT REAL ESTATE SEC. INDEX	3.65	14.93	12.77	33.52	1.79	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
PRIVATE EQUITY INVESTMENTS									
18.08	0.04	AEA INVESTORS 2006 FD	****	****	****	****	****	****	****
2.75	0.01	AISLING CAPITAL II	****	****	****	****	****	****	****
2.91	0.01	AISLING CAPITAL III	****	****	****	****	****	****	****
0.04	0.00	ALLEGRA CAPITAL PTNRS IV	****	****	****	****	****	****	****
16.46	0.04	AMERICAN SEC PTNRS VI	****	****	****	****	****	****	****
12.78	0.03	AMPERSAND 2006	****	****	****	****	****	****	****
7.95	0.02	AMPERSAND 2008	****	****	****	****	****	****	****
11.77	0.03	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****
36.62	0.08	APOLLO INVESTMENT FD VI	****	****	****	****	****	****	****
43.16	0.10	APOLLO INVESTMENT FD VII	****	****	****	****	****	****	****
6.17	0.01	ARES CORP OPP	****	****	****	****	****	****	****
19.94	0.05	ARES CORP OPP FD II	****	****	****	****	****	****	****
47.44	0.11	ARES CORP OPP FD III	****	****	****	****	****	****	****
18.26	0.04	ARSENAL CAP PTNRS II	****	****	****	****	****	****	****
20.99	0.05	AURORA EQUITY CAPITAL PTNRS III	****	****	****	****	****	****	****
23.12	0.05	AVISTA CAPITAL PTNRS	****	****	****	****	****	****	****
48.76	0.11	AVISTA CAPITAL PTNRS II	****	****	****	****	****	****	****
36.21	0.08	AXA SECONDARY FD V	****	****	****	****	****	****	****
6.57	0.01	BC EUR CAP IX	****	****	****	****	****	****	****
19.43	0.04	BDCM OPPORTUNITY FD	****	****	****	****	****	****	****
24.33	0.06	BDCM OPPORTUNITY FD II	****	****	****	****	****	****	****
18.14	0.04	BLACKSTONE CAPITAL PTNRS IV	****	****	****	****	****	****	****
66.60	0.15	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****
6.40	0.01	BLACKSTONE CAPITAL PTNRS VI	****	****	****	****	****	****	****
9.92	0.02	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****
12.23	0.03	BLUE WOLF CAPITAL FUND II	****	****	****	****	****	****	****
22.89	0.05	BRIDGEPOINT EUROPE III	****	****	****	****	****	****	****
16.02	0.04	BRIDGEPOINT EUROPE IV	****	****	****	****	****	****	****

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3.96	0.01	CARLYLE PTNRS III	****	****	****	****	****	****	****
30.03	0.07	CARLYLE PTNRS V	****	****	****	****	****	****	****
14.89	0.03	CARPENTER COMMUNITY BANC FUND	****	****	****	****	****	****	****
42.23	0.10	CATTERTON PTNRS VI	****	****	****	****	****	****	****
17.77	0.04	CCMP CAPITAL INVESTORS II	****	****	****	****	****	****	****
13.96	0.03	CLAYTON, DUBLIER & RICE FUND VII	****	****	****	****	****	****	****
13.12	0.03	CLAYTON, DUBLIER & RICE FUND VIII	****	****	****	****	****	****	****
27.85	0.06	CELTIC PHARM HLDGS, LP	****	****	****	****	****	****	****
19.84	0.05	CO INVEST PTNRS EURO	****	****	****	****	****	****	****
12.00	0.03	COLLER INTERNATIONAL PTNRS IV	****	****	****	****	****	****	****
12.71	0.03	CONSTELLATION VENTURES III	****	****	****	****	****	****	****
7.42	0.02	CRATON EQUITY INVESTORS	****	****	****	****	****	****	****
7.29	0.02	CREDIT SUISSE CUST FD INV GR	****	****	****	****	****	****	****
19.20	0.04	CREDIT SUISSE EM DOM MGRS FD	****	****	****	****	****	****	****
5.04	0.01	CYPRESS MERCH BK PTNRS II	****	****	****	****	****	****	****
3.24	0.01	EQT VI	****	****	****	****	****	****	****
14.48	0.03	ERASMUS NYC GROWTH FD	****	****	****	****	****	****	****
11.67	0.03	ETHOS EQUITY FD V	****	****	****	****	****	****	****
32.05	0.07	FAIRVIEW EMERGING MGRS FD	****	****	****	****	****	****	****
16.74	0.04	FAIRVIEW VENTURES FD III	****	****	****	****	****	****	****
6.30	0.01	FDG CAPL PTNRS	****	****	****	****	****	****	****
23.16	0.05	FDG CAPL PTNRS II	****	****	****	****	****	****	****
22.66	0.05	FIRST RESERVE FD XI	****	****	****	****	****	****	****
20.29	0.05	FIRST RESERVE FD XII	****	****	****	****	****	****	****
40.46	0.09	FOURTH CINVEN FD	****	****	****	****	****	****	****
22.26	0.05	FS EQUITY PTNRS V	****	****	****	****	****	****	****
16.13	0.04	FT VENTURES FD III	****	****	****	****	****	****	****
11.39	0.03	GF CAPITAL	****	****	****	****	****	****	****
22.76	0.05	GI PTNRS FD II	****	****	****	****	****	****	****
29.62	0.07	GI PTNRS FD III	****	****	****	****	****	****	****

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4.64	0.01	GSC RECOVERY III	****	****	****	****	****	****	****
27.56	0.06	GSO CAPITAL OPPORTUNITIES FD	****	****	****	****	****	****	****
8.56	0.02	HALYARD CAPITAL II	****	****	****	****	****	****	****
14.40	0.03	HM 2006 SECTOR PERFORM FD	****	****	****	****	****	****	****
30.69	0.07	INTERMEDIA PARTNERS VII	****	****	****	****	****	****	****
26.73	0.06	JP MORGAN INVST MGMT	****	****	****	****	****	****	****
4.39	0.01	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****
20.65	0.05	LANDMARK EQUITY PTNRS XIV	****	****	****	****	****	****	****
12.70	0.03	LANDMARK FUND XIII	****	****	****	****	****	****	****
10.11	0.02	LEE EQUITY PARTNERS	****	****	****	****	****	****	****
16.23	0.04	LEEDS WELD EQUITY PTNRS IV	****	****	****	****	****	****	****
17.33	0.04	LEEDS WELD EQUITY PTNRS V	****	****	****	****	****	****	****
21.91	0.05	LEVINE LEICHTMAN CAP PTNRS IV	****	****	****	****	****	****	****
3.26	0.01	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****
16.52	0.04	LINCOLNSHIRE EQ FD III	****	****	****	****	****	****	****
2.03	0.00	LINCOLNSHIRE EQ FD IV	****	****	****	****	****	****	****
17.76	0.04	MARKSTONE CAPITAL PTNRS	****	****	****	****	****	****	****
26.88	0.06	MIDOCEAN PTNRS III	****	****	****	****	****	****	****
10.62	0.02	MONTREUX EQ PTNRS IV	****	****	****	****	****	****	****
18.55	0.04	NAUTIC PARTNERS VI	****	****	****	****	****	****	****
1.71	0.00	NEW MOUNTAIN PTNRS	****	****	****	****	****	****	****
16.87	0.04	NEW MOUNTAIN PTNRS II	****	****	****	****	****	****	****
23.31	0.05	NEW MOUNTAIN PTNRS III	****	****	****	****	****	****	****
13.37	0.03	NEWSPRING VENTURE II	****	****	****	****	****	****	****
7.49	0.02	NGN BIOMED OPPORTUNITY II	****	****	****	****	****	****	****
17.30	0.04	ONEX PTNRS III	****	****	****	****	****	****	****
5.87	0.01	PALADIN HOMELAND SECURITY	****	****	****	****	****	****	****
9.41	0.02	PALADIN HOMELAND SECURITY III	****	****	****	****	****	****	****
35.18	0.08	PALLADIUM EQ PTNRS III	****	****	****	****	****	****	****
38.57	0.09	PCGAM CLEAN ENERGY & TECH FD	****	****	****	****	****	****	****

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26.84	0.06	PEGASUS PTNRS IV	****	****	****	****	****	****	****
7.20	0.02	PEGASUS PTNRS V	****	****	****	****	****	****	****
16.59	0.04	PERSEUS PTNRS VII	****	****	****	****	****	****	****
13.99	0.03	PINE BROOK CAPITAL PTNRS	****	****	****	****	****	****	****
9.57	0.02	PRISM VENTURE PTNRS V	****	****	****	****	****	****	****
15.58	0.04	PSILOS GROUP PTNRS III	****	****	****	****	****	****	****
20.83	0.05	QUADRANGLE CAP PTNRS II	****	****	****	****	****	****	****
7.28	0.02	QUAKER BIOVENTURES II	****	****	****	****	****	****	****
3.31	0.01	RELATIVITY FD	****	****	****	****	****	****	****
7.07	0.02	RIPPLEWOOD PTNRS II	****	****	****	****	****	****	****
30.44	0.07	RIVERSTONE/CARLYLE GLB EP IV	****	****	****	****	****	****	****
9.43	0.02	RLJ EQUITY PARTNERS I	****	****	****	****	****	****	****
29.39	0.07	RRE VENTURES III	****	****	****	****	****	****	****
30.23	0.07	RRE VENTURES IV	****	****	****	****	****	****	****
8.77	0.02	SCP PRIV EQ PTNRS II	****	****	****	****	****	****	****
9.13	0.02	SCP VITALIFE PTNRS II	****	****	****	****	****	****	****
14.16	0.03	SNOW PHIPPS & GUGGENHEIM	****	****	****	****	****	****	****
24.59	0.06	SOLERA PTNRS	****	****	****	****	****	****	****
10.41	0.02	STARVEST PTNRS II	****	****	****	****	****	****	****
16.52	0.04	TAILWIND CAPITAL PTNRS	****	****	****	****	****	****	****
14.56	0.03	TERRA FIRMA CAP III	****	****	****	****	****	****	****
7.88	0.02	THOMAS H LEE EQUITY FD VI	****	****	****	****	****	****	****
6.81	0.02	THOMAS MCNERNEY PTNRS	****	****	****	****	****	****	****
9.98	0.02	THOMAS MCNERNEY PTNRS II	****	****	****	****	****	****	****
11.71	0.03	TRIDENT V	****	****	****	****	****	****	****
10.00	0.02	TRILANTIC CAPITAL PTNRS III	****	****	****	****	****	****	****
45.53	0.10	TRILANTIC CAPITAL PTNRS IV	****	****	****	****	****	****	****
30.41	0.07	US POWER FUND II	****	****	****	****	****	****	****
21.63	0.05	US POWER FUND III	****	****	****	****	****	****	****

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35.33	0.08	VISTA EQUITY PTNRS III	****	****	****	****	****	****	****
33.33	0.08	VISTA EQUITY PTNRS IV	****	****	****	****	****	****	****
29.22	0.07	VITRUVIAN PTNRS	****	****	****	****	****	****	****
6.85	0.02	VSS COMM PTNRS IV	****	****	****	****	****	****	****
11.05	0.03	WARBURG PINCUS XI	****	****	****	****	****	****	****
19.68	0.04	WELSH CARSON ANDERSON & STOWE XI	****	****	****	****	****	****	****
39.04	0.09	YUCAIPA AMERICAN ALLIANCE FD	****	****	****	****	****	****	****
111.13	0.25	YUCAIPA AMERICAN ALLIANCE FD II	****	****	****	****	****	****	****
19.03	0.04	YUCAIPA CORP INITIATIVE II	****	****	****	****	****	****	****
2,372.27	5.38	TOTAL PRIVATE EQUITY	****	****	****	****	****	****	****
PRIVATE REAL ESTATE									
2.36	0.01	ALMANAC REALTY SEC VI LP	****	****	****	****	****	****	****
10.21	0.02	AMER VALUE PTNRS	****	****	****	****	****	****	****
2.21	0.01	APOLLO REAL ESTATE FD V	****	****	****	****	****	****	****
33.57	0.08	BLACKROCK CARBON III	****	****	****	****	****	****	****
19.01	0.04	BLACKSTONE REAL ESTATE PTNRS EU III	****	****	****	****	****	****	****
13.88	0.03	BLACKSTONE REAL ESTATE PTNRS IV	****	****	****	****	****	****	****
57.26	0.13	BLACKSTONE REAL ESTATE PTNRS VI	****	****	****	****	****	****	****
0.32	0.00	CANYON-JOHNSON URBAN FD	****	****	****	****	****	****	****
16.02	0.04	CANYON-JOHNSON URBAN FD II	****	****	****	****	****	****	****
14.06	0.03	CANYON-JOHNSON URBAN FD III	****	****	****	****	****	****	****
19.98	0.05	CAPRI URBAN INVESTORS	****	****	****	****	****	****	****
10.05	0.02	CARLYLE R.P. FD V	****	****	****	****	****	****	****
12.78	0.03	CARLYLE REALTY FD VI	****	****	****	****	****	****	****
7.58	0.02	COLONY REALTY PTNRS II	****	****	****	****	****	****	****
9.30	0.02	H/2 SPEC OPPORTUNITY FD II	****	****	****	****	****	****	****
54.58	0.12	HEITMAN AMERICA	****	****	****	****	****	****	****
99.42	0.23	JPM STRATEGIC PROPERTY FD	****	****	****	****	****	****	****
11.53	0.03	JPM SPECIAL SITUATIONS FD	****	****	****	****	****	****	****
28.87	0.07	LASALLE US PROPERTY FD	****	****	****	****	****	****	****

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6.60	0.01	METRO WORKFORCE HOUSING FD	****	****	****	****	****	****	****
9.65	0.02	OCM REAL ESTATE OPPORTUNITIES FD III-A	****	****	****	****	****	****	****
34.25	0.08	PRISA	****	****	****	****	****	****	****
56.88	0.13	PRISA II	****	****	****	****	****	****	****
7.26	0.02	PROLOGIS TARGETED US LOGISTICS FD	****	****	****	****	****	****	****
34.23	0.08	RREEF AMER. II	****	****	****	****	****	****	****
5.71	0.01	RREEF AMER. III	****	****	****	****	****	****	****
3.71	0.01	SILVERPEAK RE PTNRS III	****	****	****	****	****	****	****
14.01	0.03	STOCKBRIDGE RE FD III	****	****	****	****	****	****	****
48.04	0.11	THE CITY INVESTMENT FD	****	****	****	****	****	****	****
3.53	0.01	THOR URBAN PROPERTY FD II	****	****	****	****	****	****	****
70.80	0.16	TISHMAN SPEYER/CITIGROUP	****	****	****	****	****	****	****
117.72	0.27	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
6.36	0.01	URBAN AMERICA II	****	****	****	****	****	****	****
31.85	0.07	WESTBROOK RE FD VIII	****	****	****	****	****	****	****
873.59	1.98	TOTAL PRIVATE REAL ESTATE	****	****	****	****	****	****	****
29,463.72	66.84	TOTAL EQUITY - PUBLIC & PRIVATE	-3.27	7.50	-0.37	14.68	-0.65	****	****
		TEACHERS EQUITY POLICY BENCHMARK	-3.98	7.77	-0.41	15.00	-0.67	****	****
		FIXED INCOME MANAGEMENT							
		TREASURY/AGENCY							
317.89	0.72	BLACKROCK - GOVT	6.10	3.26	18.52	****	****	****	****
432.95	0.98	PIMCO - GOVT	6.33	3.60	18.31	10.87	10.37	7.90	****
360.61	0.82	STATE STREET - GOVT	6.09	3.24	18.68	****	****	****	****
1,111.45	2.52	ALL TREASURY/AGENCY	6.19	3.39	18.49	10.50	10.22	7.79	8.09
		NYC - TREASURY AGENCY PLUS FIVE	6.17	3.26	18.72	10.31	10.10	7.66	7.95

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		MORTGAGE							
1,168.33	2.65	BLACKROCK - MORT	1.50	3.47	6.71	7.51	7.14	5.74	****
22.93	0.05	BLACKROCK - SP PURPOSE-MTG	****	****	****	****	****	****	****
318.44	0.72	GOLDMAN SACHS - MORT	1.54	2.25	6.17	****	****	****	****
398.80	0.91	NEUBERGER BERMAN -MORT	1.06	1.74	4.86	****	****	****	****
1,148.77	2.61	PIMCO - MORT	1.16	2.07	5.51	6.83	7.12	5.88	6.66
159.39	0.36	SMITH BREEDEN - MORT	1.35	2.26	5.46	****	****	****	****
319.33	0.73	WELLINGTON - MORT	1.21	1.58	5.39	****	****	****	****
3,536.00	8.03	ALL MORTGAGE	1.31	2.54	5.91	7.07	6.69	5.50	6.34
		CITIGROUP MORTGAGE INDEX	1.07	1.69	5.05	5.53	6.79	5.46	6.18
		INVESTMENT GRADE CREDIT							
291.72	0.66	BARROW HANLEY - CREDIT	2.52	5.20	8.83	****	****	****	****
758.39	1.72	BLACKROCK - CREDIT	2.58	4.98	9.70	10.28	7.66	6.87	****
413.45	0.94	PRUDENTIAL - CREDIT	2.34	4.59	9.59	****	****	****	****
731.19	1.66	TAPLIN, CANIDA - CREDIT	2.14	4.37	8.39	10.76	5.66	6.27	6.58
734.46	1.67	T. ROWE PRICE - CREDIT	2.41	5.18	9.39	11.11	8.38	7.03	6.86
2,929.21	6.65	ALL INVESTMENT GRADE CREDIT	2.39	4.84	9.19	10.90	7.36	6.70	6.65
		NYC - INVESTMENT GRADE CREDIT	2.33	4.47	9.14	9.69	7.23	6.41	6.63
7,576.65	17.20	TOTAL STRUCTURED	2.42	3.49	9.08	8.82	7.64	6.37	6.85
		NYC - CORE PLUS FIVE	2.61	3.00	9.35	7.96	7.79	6.34	6.81
26.62	0.06	PIM AMBASSADOR MTA	****	****	****	****	****	****	****
21.45	0.05	PIM GIA MTA	****	****	****	****	****	****	****
10.79	0.02	PIM HILLSWICK MTA	****	****	****	****	****	****	****
26.75	0.06	PIM NEW CENTURY MTA	****	****	****	****	****	****	****
21.33	0.05	PIM PUGH CAP MTA	****	****	****	****	****	****	****
106.95	0.24	TOTAL PROGRESS FIXED	****	****	****	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	****	****	****	****	****	****	****

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		TIPS MANAGERS							
		ACTIVE TIPS MANAGERS							
261.46	0.59	BLACKROCK-TIPS-MTA	2.95	3.62	11.95	9.62	8.63	****	****
801.13	1.82	PIMCO-TIPS-MTA	3.41	4.29	12.36	9.78	8.62	****	****
1,062.59	2.41	TOTAL ACTIVE TIPS MANAGERS	3.30	4.12	12.26	9.74	8.62	****	****
		PASSIVE TIPS MANAGERS							
357.29	0.81	STATE STREET-TIPS-MTA	3.10	3.93	11.68	9.63	8.45	****	****
357.29	0.81	TOTAL PASSIVE TIPS MANAGERS	3.10	3.93	11.68	9.63	8.45	****	****
1,419.88	3.22	TOTAL TIPS MANAGERS	3.25	4.08	12.11	9.71	8.58	****	****
		BARCLAYS CAPITAL US TIPS INDEX	3.15	4.04	11.66	9.65	8.45	****	****
		ENHANCED YIELD							
0.06	0.00	MACKAY SHIELDS	****	****	****	****	****	****	****
		MERRILL LYNCH HY MASTER 11	****	****	****	****	****	****	****
496.09	1.13	STONE HARBOR INVESTMENT PARTNERS	1.71	6.31	5.68	13.64	7.25	****	****
7.14	0.02	SEIX	****	****	****	****	****	****	****
309.95	0.70	SHENKMAN	1.66	5.46	6.96	11.86	7.28	****	****
585.06	1.33	T. ROWE PRICE ENHANCED	1.73	5.74	6.16	13.96	7.96	****	****
1,304.22	2.96	HIGH YIELD TRANSITION	****	****	****	****	****	****	****
2,702.52	6.14	ALL ENHANCED YIELD	1.61	5.89	6.70	13.48	7.76	9.19	****
		CITIGROUP BB & B	2.08	6.72	8.45	14.05	6.28	8.64	****
		CITIGROUP BB & B CAPPED	1.84	6.43	8.45	13.98	6.98	8.72	****
		ENHANCED YIELD MEDIAN	1.72	6.38	7.41	14.74	8.04	10.74	****

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CONVERTIBLE BONDS									
308.72	0.70	ADVENT CONVERTIBLE BONDS	-1.67	5.19	-0.83	11.92	****	****	****
		BofA ML CONVERTIBLES YIELD ALT. INDEX	-1.48	5.16	-0.41	11.76	****	****	****
61.66	0.14	ADVENT GLOBAL	-2.10	6.07	-2.14	****	****	****	****
		BofA ML GLOBAL CONVERTIBLES IDX (VG00)	-2.10	5.85	-3.02	9.23	****	****	****
115.54	0.26	F&C CONVERTIBLE BONDS	-2.41	6.03	-3.14	9.93	****	****	****
		UBS GLOBAL FOCUS CUSTOMISED	-2.16	5.59	-2.80	8.07	****	****	****
306.30	0.70	LORD ABBETT CONVERTIBLE BONDS	-3.00	5.60	-5.14	11.56	****	****	****
		BofA ML ALL CONVERTIBLES INDEX	-3.29	6.59	-3.22	13.30	****	****	****
208.75	0.47	VICTORY CONVERTIBLE BONDS	-2.73	5.02	-1.74	9.29	****	****	****
		BofA ML CONVERTIBLE BONDS INVST GRADE	-2.85	5.75	-1.23	8.65	****	****	****
1,000.97	2.27	TOTAL CONVERTIBLE BONDS	-2.41	5.48	-2.72	10.46	****	****	****
		ML ALL CONVERTIBLES EX MANDATORY	-2.68	6.91	-1.68	13.76	****	****	****
		TEACHERS CUSTOM CONVERTIBLE BOND IDX	-2.44	5.78	-1.88	10.46	****	****	****
OPPORTUNISTIC FIXED									
8.63	0.02	AVE EURO SPECIAL SITUATIONS FD	****	****	****	****	****	****	****
1.71	0.00	AVE SPECIAL SITUATIONS FD V	****	****	****	****	****	****	****
63.16	0.14	AVE SPECIAL SITUATIONS FD VI	****	****	****	****	****	****	****
52.51	0.12	TORCHLIGHT INVESTORS	****	****	****	****	****	****	****
		3 MONTH LIBOR PLUS 750BPS	****	****	****	****	****	****	****
35.91	0.08	ANGELO GORDON PTNRS LP	-0.24	****	****	****	****	****	****
62.71	0.14	APOLLO PTNRSH LP	0.01	****	****	****	****	****	****
9.80	0.02	FORTRESS PTNRS LP	0.00	****	****	****	****	****	****
86.56	0.20	GOLDENTREE OD MTA	1.08	6.54	****	****	****	****	****
85.04	0.19	MARATHON OD MTA	1.29	12.89	****	****	****	****	****
280.02	0.64	TOTAL STRATEGIC MANDATES	0.79	10.20	****	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD BOND IDX	1.46	7.42	****	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	1.91	8.45	****	****	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
406.03	0.92	TOTAL DISTRESSED FIXED	****	****	****	****	****	****	****
406.03	0.92	TOTAL OPPORTUNISTIC FIXED	4.21	10.18	-3.25	22.48	****	****	****
		10% ANNUAL RETURN	2.41	4.88	10.00	10.00	****	****	****
		JP MORGAN HIGH YIELD PLUS 3%	1.91	8.45	10.67	19.92	****	****	****
		ETI							
45.13	0.10	ACCESS/RBC	1.71	2.46	6.57	6.18	7.37	****	****
100.21	0.23	TARGETED INVESTMENT	2.43	4.37	7.09	8.03	8.64	7.81	8.24
18.48	0.04	CPC TERM LOAN	0.63	1.26	2.34	2.16	3.21	****	****
205.67	0.47	AFL - CIO HOUSING INV TRUST	2.42	2.64	7.60	6.48	6.87	****	****
2.00	0.00	CFSB-PPAR	3.13	4.34	5.67	8.29	8.17	****	****
4.61	0.01	CCD-PPAR	4.52	6.07	8.83	9.36	9.54	****	****
1.62	0.00	LIIF-PPAR	1.58	3.01	5.72	****	****	****	****
0.83	0.00	NCBCI-PPAR	2.34	3.89	8.88	****	****	****	****
0.58	0.00	NHS-PPAR	2.64	4.18	5.04	9.61	****	****	****
379.14	0.86	TOTAL ETI (WITH CASH)	2.27	3.04	7.07	6.57	7.03	5.95	6.99
		TEACHERS CUSTOM BENCHMARK (NO CASH)	1.72	2.11	6.70	6.44	6.67	5.55	6.44
		BARCLAYS CAPITAL AGGREGATE	2.06	2.37	7.47	6.93	6.79	5.63	6.27

Note: All Targeted Returns are shown Net of Fees

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
14,582.72	33.08	TOTAL FIXED INCOME	1.91	3.82	7.14	9.30	7.30	6.58	6.66
		TEACHERS FIXED POLICY BENCHMARK	2.12	4.40	9.34	9.55	7.61	6.77	6.73
35.49	0.08	SECURITIES LENDING	****	****	****	****	****	****	****
990.58	2.25	SHORT TERM INVESTMENTS	0.10	0.16	0.39	0.58	1.81	2.40	3.53
0.60	0.00	BNY-CD	****	****	****	****	****	****	****
44,082.54	100.00	TOTAL TEACHERS	-1.71	6.21	1.85	12.85	1.99	6.62	5.95
		TEACHERS POLICY BENCHMARK	-1.59	6.61	3.13	13.70	2.12	6.63	5.80

Actual and Estimated Fees

NEW YORK CITY TEACHERS RETIREMENT SYSTEM				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2011 AND ESTIMATED FEES FOR FY 2012 UPDATED THROUGH DECEMBER 2011				
	Actual 2011			Estimated 2012
INVESTMENT STYLE (EQUITIES)	BASIS POINTS			BASIS POINTS
Small Cap	85.39			100.00
Small Cap Growth	85.39			100.00
Mid Cap Passive	0.22			1.00
Large Cap	37.92			40.17
Large Cap Growth	33.81			43.06
Large Cap Core	30.33			38.70
Emerging Managers (U.S. Equities)	54.91			87.65
Passive U.S Equities	0.43			0.60
Int'l Active Equities (EAFE)	30.90			30.04
Growth	37.46			31.06
Value	29.26			29.04
Core	24.61			30.03
Int'l Passive Equities (EAFE)	2.19			1.52
Emerging Markets	6.79			6.56
Real Estate Equity Securities	20.89			31.71

Actual and Estimated Fees

NEW YORK CITY TEACHERS RETIREMENT SYSTEM				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2011 AND ESTIMATED FEES FOR FY 2012 UPDATED THROUGH DECEMBER 2011				
	Actual 2011			Estimated 2012
INVESTMENT STYLE (Fixed Income)	BASIS POINTS			BASIS POINTS
Structured Program	8.00			8.65
Government Sector	6.73			7.21
Mortgage Sector	8.89			7.97
Investment Grade Credit Sector	7.35			10.19
TIPS	5.53			7.04
Active TIPS	7.32			9.24
Passive TIPS	0.12			0.50
Enhanced Yield	38.45			32.76
Convertible Bonds	37.93			37.82
Targeted - Access Voyageur	33.38			28.75
Targeted - AFL-CIO	39.18			44.00
In-House Short Term	0.00			0.00
Total Overall*	10.29			11.56
*Only Public Markets fees are calculated in the overall total				

Securities Lending Income

Through June 30, 2012

Note: Inception 4/89	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>EQUITY</u>
1989*	\$1,185,000	--	--
1990	885,000	--	--
1991	898,000	--	--
1992	1,692,000	\$193,000	\$300,000
1993	3,701,000	694,000	508,000
1994	4,314,000	1,360,000	696,000
1995	3,395,000	1,621,000	520,000
1996	2,874,000	1,738,000	879,000
1997	2,943,000	3,430,000	1,158,000
1998	4,793,000	4,549,000	1,499,000
1999	4,329,000	4,830,000	1,772,000
2000	4,282,000	4,963,000	2,300,000
2001	7,435,000	6,744,000	3,489,000
2002	4,401,000	5,578,000	2,530,000
2003	2,156,000	3,467,000	2,662,000
2004	2,949,000	4,413,000	2,550,000
2005	4,427,000	6,136,000	3,201,000
2006	4,282,000	9,789,000	2,868,000
2007	9,618,000	15,962,000	3,088,000
2008	27,299,000	27,400,000	5,129,000
2009	10,039,000	17,682,000	3,834,000
2010	4,271,000	11,122,000	3,200,000
2011	5,880,000	15,051,000	6,082,000
2012 (6 Months)	4,407,000	8,877,000	2,916,000
Since Inception (4/89)	<u>\$122,455,000</u>	<u>\$155,599,000</u>	<u>\$51,181,000</u>

Footnotes

Through June 30, 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 7/1/09, the Core+5 program was restructured.
 - The U.S. Gov't sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov't Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.
 - The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.
 - There were no changes to the Mortgage sector Index.
 - The total Core+5 results and benchmark returns combine the three sectors. Historical total Core+5 returns continue to include the old Corporate and Yankee sector returns.

Glossary of Terms

Through June 30, 2012

General Notes

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

Page Specific

Page 10 - Portfolio asset Allocation

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

Glossary of Terms

Through June 30, 2012

Page 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.
- **Management Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**
The “policy index” is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, of for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.
The indexes and most recent policy weights are as follows:
*U.S. Equity: Russell 3000 * 34.39%*
*International Developed (EAFE) Markets: MSCI EAFE * 9.00%*
*Emerging Markets: MSCI Emerging Markets * 8.00%*
*REITs: Dow Jones Real Estate Securities * 3.00%*
*Private Equity: Russell 3000 + 500 b.p. per annum * 5.43%*
*Private Real Estate: NFI - ODCE Net * 2.02%*
*Domestic Fixed Income: NYC Core +5 * 21.49%*
*TIPS: Lehman U.S. TIPS * 4%*
*Enhanced Yield: Citigroup BB&B * 8.83%*
*Convertible Bonds: Merrill All US Converts * 3.00%*
*Opportunistic Fixed: JPM Global High Yield + 3% * 0.84%*

Glossary of Terms

Through June 30, 2012

Page 17 - 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 22 - 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 41 – 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

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