

Teachers' Retirement System  
of New York City  
Performance Overview as of March 31, 2014

# Total Fund Overview



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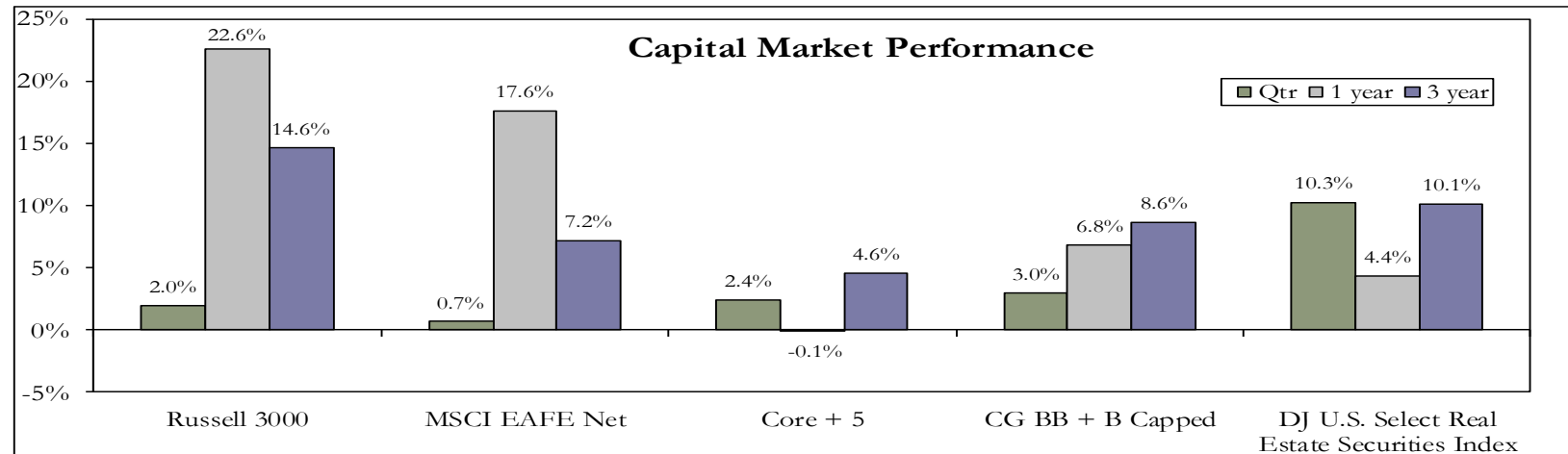
## **Teachers' Retirement System of New York City**

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Through March 31, 2014



**Market Backdrop:** Janet Yellen was introduced as the head of the Federal Reserve in the first quarter. Despite relatively poor U.S. economic data, the Fed fulfilled its promise to reduce its monthly bond purchases by \$10 billion a month during the quarter. The markets reacted strongly to Yellen's suggestion that the Fed would most likely maintain the federal funds rate for approximately six months after the asset purchase program ends. Further, the Fed removed its reference to a 6.5% unemployment rate as a significant threshold, reaffirming its commitment to low interest rates. The ten-year U.S. Treasury yield fell approximately 30 basis points during the first quarter, finishing the quarter at 2.74%. Most fixed income sectors generated positive returns as falling treasury yields and spread tightening across most sectors was supportive of prices. Developed equity markets were up modestly in the first quarter while emerging market equity markets were flat. U.S. equities (proxied by the S&P 500) gained 1.8%, outperforming non-U.S. developed markets (proxied by the MSCI EAFE Index) which returned 0.8% for the period. Despite gains during February and March, emerging market equities (proxied by the MSCI Emerging Markets Index) declined 37 basis points in the first quarter due to a sell-off in January. The broad fixed income market benefitted from a decline in Treasury yields during the quarter, gaining 1.8%. Below investment grade asset classes, such as high yield and emerging markets debt, did particularly well during the quarter, gaining 3.0% and 3.5%, respectively. Commodities experienced a significant recovery during the first quarter, with the Dow-Jones/UBS Index posting a 7.0% return.

**Total Fund Performance:** The Teachers' Total Fund returned 2.42% for the quarter ending March 31, 2014 versus the policy benchmark's return of 2.82%. During the quarter, deviations from target allocations, specifically, an overweight to US equities detracted from the Fund's return. Active management during the quarter in private equity detracted from performance, but active management in



Through March 31, 2014

structure fixed income, opportunistic fixed income, and real assets contributed positively to Total Fund performance. The Total Fund experienced strong absolute returns for the trailing one-year, gaining 12.47%, and outperforming the benchmark by 9 basis points. However, for the three year period ending March 31, 2014, the Fund lagged its benchmark by 27 basis points with a return of 9.29%. Please note that all composite and manager performance data is reported gross of fees. Total Fund fees of the public markets managers have been estimated at approximately 14 basis points.

- **Total Fund Asset Allocation - \$55.8 Billion:** As of March 31, 2014, the Fund had total assets of \$55.8 billion, up from \$54.5 billion at the end of the fourth quarter of 2013. Although all composites were within their rebalancing ranges at quarter end, the overweight to US equities had a negative impact on the relative results of the Fund of about 8 basis points. The Fund is in the process of shifting its asset allocation to its new strategic targets. As of March 31, 2014, the private equity and private real estate invested allocation was 6.9% versus their new aggregate long-term target allocation of 12.0%.
- **U.S. Equity - \$22.6 Billion, 41% of Fund:** The U.S. equity composite returned 1.98% during the first quarter of 2014, in line with the broad U.S. equity market, as measured by the Russell 3000 Index. 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. For the one year period ending March 31, 2014 the U.S. equity composite has returned 22.48% versus the Russell 3000 Index's return of 22.61%. The active small cap equity managers underperformed the Russell 2000 Index by 303 basis points during the quarter. Over the three year period ending March 31, 2014, the U.S. equity composite slightly underperformed the 14.61% return of the Russell 3000 Index with a return of 14.48%.
- **Developed International Equity - \$5.4 Billion, 10% of Fund:** Non-U.S. developed equity markets, as measured by the MSCI EAFE Net Dividends Index, returned 0.66% in U.S. dollar terms during the first quarter of 2014. For the same time period, the Fund's total developed international equity composite (including the environmental and activist strategies) returned 0.65%. In contrast with the US equity composite, the developed international equity composite is more than 90% actively managed. For the 12 month period ending March 31, 2014, this composite returned 17.78%, outperforming the MSCI EAFE Net Index, which returned 17.56% over the same period. In addition, over the three year period ending March 31, 2014, the total developed international composite has outperformed the index by 142 basis points with an annualized return of 8.63%.
- **Emerging Markets Equity - \$4.5 Billion, 8% of Fund:** Emerging market equities, as measured by the MSCI EM Index, returned -0.37% during the first quarter (-0.5% in local currency terms). Over the trailing one-year, the MSCI EM Index returned -1.07%. For the first quarter of 2014, the emerging markets equity composite, consisting of three actively strategies managed by Baillie Gifford, DFA and Eaton Vance and one passive mandate, returned 2.07% versus the Custom FTSE Benchmark's return of 2.31% over the same period. For the one year period ended March 31, 2014, the emerging markets equity composite returned

Through March 31, 2014



-2.13% versus the benchmark return of -1.11%, as all of the emerging markets equity managers, most notably Baillie Gifford, lagged the benchmark during this time period.

- **REITs - \$1.9 Billion, 3% of Fund:** REITs were the strongest performing asset class during the first quarter of 2014, as the Dow Jones U.S. Select Real Estate Securities Index returned 10.27% during the quarter. The Fund's REITs managers underperformed the benchmark during the first quarter of 2014, returning 8.97%. European Investors was the weakest performing manager within the REIT composite during the quarter, returning 3.64%. Over past year, this composite has had added about 166 basis points to the benchmark return, and the longer term record of three years shows the composite outperforming the benchmark return gross of fees by 23 basis points.
- **Structured Fixed Income – \$9.2 Billion, 16% of Fund:** The structured fixed income composite returned 2.61% during the first quarter of 2014, versus the Core + 5 benchmark return of 2.42% over the same time period. In aggregate, active management slightly contributed to the returns of this composite during the quarter, especially for the investment grade credit portion of the structured fixed income composite. For the 12 month period ending March 31, 2014, the structured fixed income composite outperformed its benchmark by 82 basis points with a return of 0.70%. Over the longer five year period ending March 31, 2014, the structured fixed income composite outperformed its benchmark by 116 basis points with an annualized return of 6.61%.
- **Enhanced Yield - \$2.6 Billion, 5% of Fund:** During the first quarter of 2014, the broad high yield market posted positive returns. This asset class, as measured by the BofA Merrill Lynch High Yield Master II Index, returned 3.00%. Over the same period, the higher quality enhanced yield composite benchmark, the Citigroup BB & B Capped Index, returned 2.96% and the Fund's composite returned 3.07%. Over longer periods, this composite has generated strong absolute returns and the active managers in this composite have, in aggregate, added value. For the one year period ending March 31, 2014, this composite returned 7.65% while the Citigroup BB & B Capped Index returned 6.80%. Over the five year period ending March 31, 2014, the enhanced yield composite returned 14.40% and underperformed the higher quality capped benchmark by an annualized 0.40%.
- **Bank Loans - \$1.5 Billion, 3% of Fund:** The bank loans composite was funded during the fourth quarter of 2012 with five new mandates. This composite is intended to complement the Enhanced Yield program by investing in floating rate loans issued by below investment grade companies. These loans are more defensive than Enhanced Yield debt as the floating rate nature of the securities provides protection when rates rise and these securities tend to be more senior in the capital structure than the companies' publicly traded bonds. Bank loans were positive during the first quarter, adding to modest gains achieved in the fourth quarter. The benchmark gained 1.30% for the first quarter and the composite slightly underperformed the benchmark, returning 1.24% over the same time period. For the one year period ending March 31, 2014 the bank loans composite outperformed the benchmark by 37 basis points, returning 5.41%.



Through March 31, 2014

- **TIPS - \$1.4 Billion, 2% of Fund:** With inflation continuing to remain at modest levels, the broad U.S. TIPS returned 1.95% for the first quarter of 2014. The composite of TIPS managers (75% active/25% passive) slightly outperformed the benchmark with an aggregate return of 2.05% for the quarter. For the one year period ending March 31, 2014, the TIPS composite returned -6.51%, tracking its benchmark return of -6.49%. For the three year period ending March 31, 2014, the composite outperformed the benchmark by 20 basis points with a return of 3.70%.
- **Convertibles - \$0.9 Billion, 2% of Fund:** The BofA ML All Convertibles Index, a measure of the broad convertibles market, returned 4.39% during the first quarter of 2014, outperforming most fixed income markets. The Fund's entirely actively managed convertibles composite gained 4.28% over the quarter, while the Custom Convertibles benchmark returned 3.34% over the same period. For the one year period ending March 31, 2014, the Fund's convertibles composite returned 14.29%, leading the custom benchmark by 208 basis points. For the three years and five years ending March 31, 2014, this composite has generated absolute returns of over 7.42% and 14.01%, respectively, despite having lagged the Custom Benchmark by approximately 5 and 6 basis points, respectively.
- **Opportunistic Fixed Income - \$1.1 Billion, 2.0% of Fund:** The opportunistic fixed income composite is comprised of investments in seven funds (two of which are in liquidation), representing about 20% of this composite's assets, and six strategic separate account mandates, representing 80% of composite assets. These strategic mandates call down capital as opportunities are identified and are still in the process of being funded. As a result, their performance thus far is not yet particularly meaningful. However, the returns have been striking, particularly during a period of time in which fixed income returns have been challenged. For the year ending March 31, 2014, this composite gained 15.19%, outperforming the J.P Morgan Global High Yield Index +3% by about 476 basis points. During the first quarter of 2014, the overall composite returned 3.51% versus the J.P Morgan Global High Yield Index +3% which returned 3.73% over the same period.
- **Private Equity - \$2.6 Billion, 5% of Fund:** At the end of the first quarter of 2014, the private equity portfolio had \$2.6 billion in invested capital, up slightly from the \$2.5 billion at the end of the fourth quarter of 2013. The Fund currently has investments in 131 partnerships. Performance is reported separately by Teachers' Private Equity consultant.
- **Private Real Estate - \$1.3 Billion, 2% of Fund:** At the end of the first quarter of 2014, the private real estate portfolio had \$1.3 billion in invested capital, up slightly from its allocation at the end of the fourth quarter of 2013. The composite has investments in 40 partnerships. Performance is reported separately by Teachers' Private Real Estate consultant.

## Total Portfolio Returns: March 31, 2014

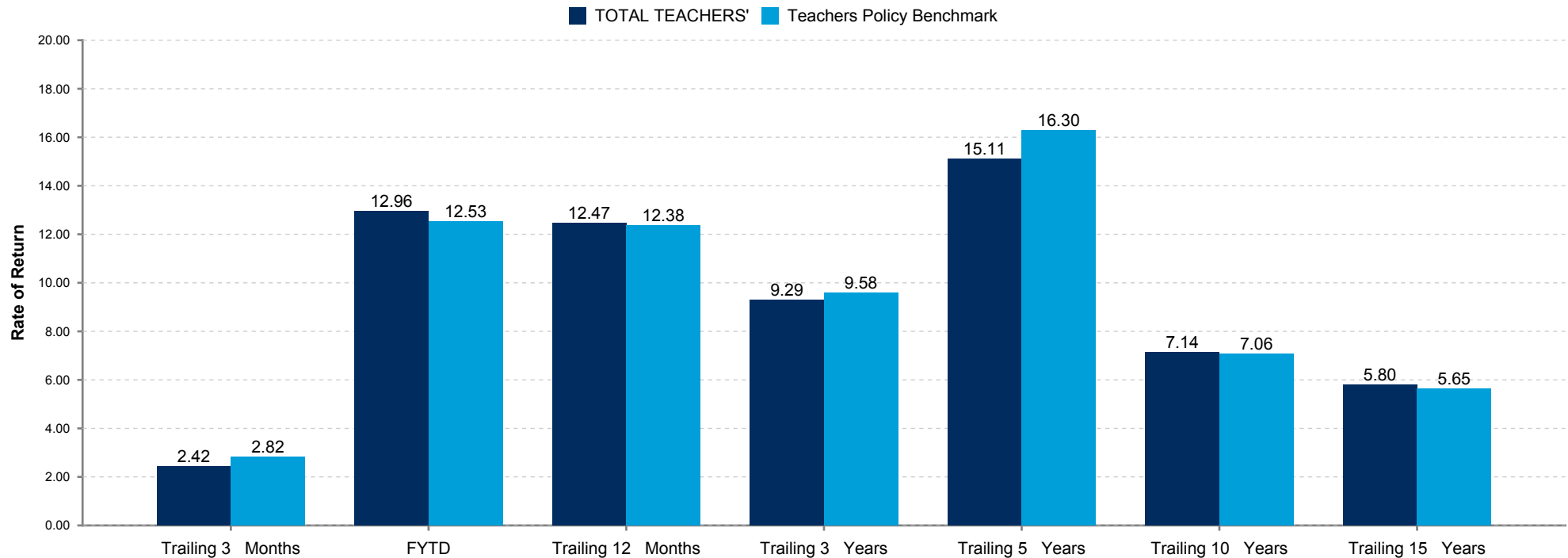


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TOTAL TEACHERS'

Market Value (Billions)

\$55.8



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years
<b>Standard Deviation</b>							
TOTAL TEACHERS'	8.7	8.8	15.1	10.4	11.7	13.0	10.3



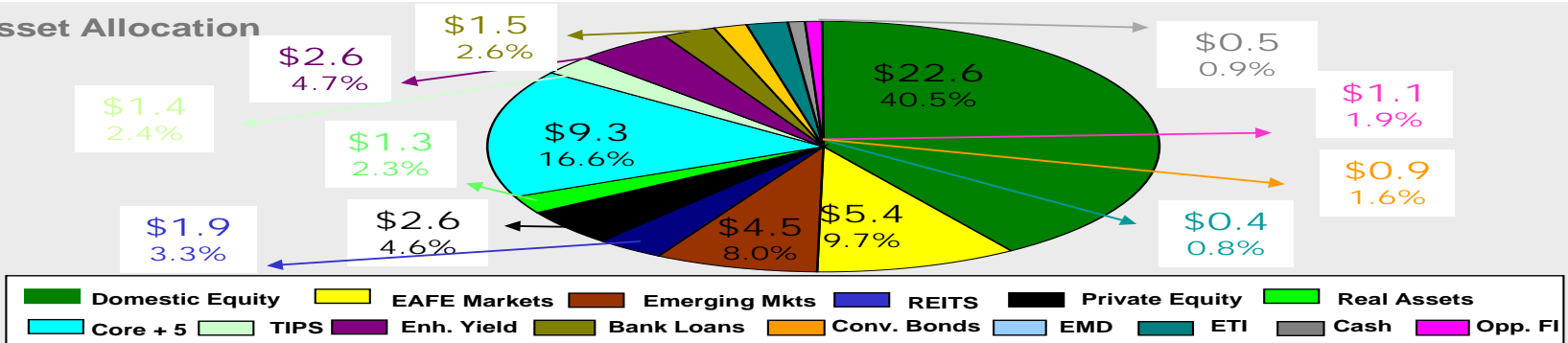
TOTAL TEACHERS'

Market Value (Billions)

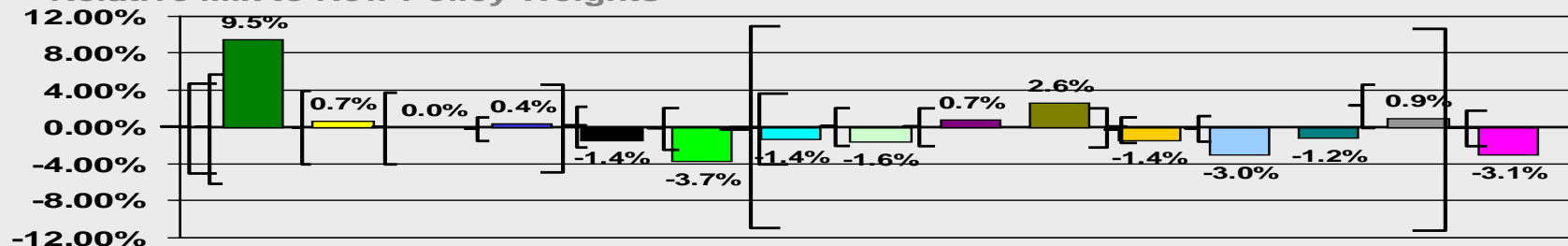
\$55.8

**\$55.8B Under Management**

### Asset Allocation



### Relative Mix to New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

Teachers' Retirement System of the City of New York  
Performance Overview as of March 31, 2014  
Prepared by State Street Investment Analytics





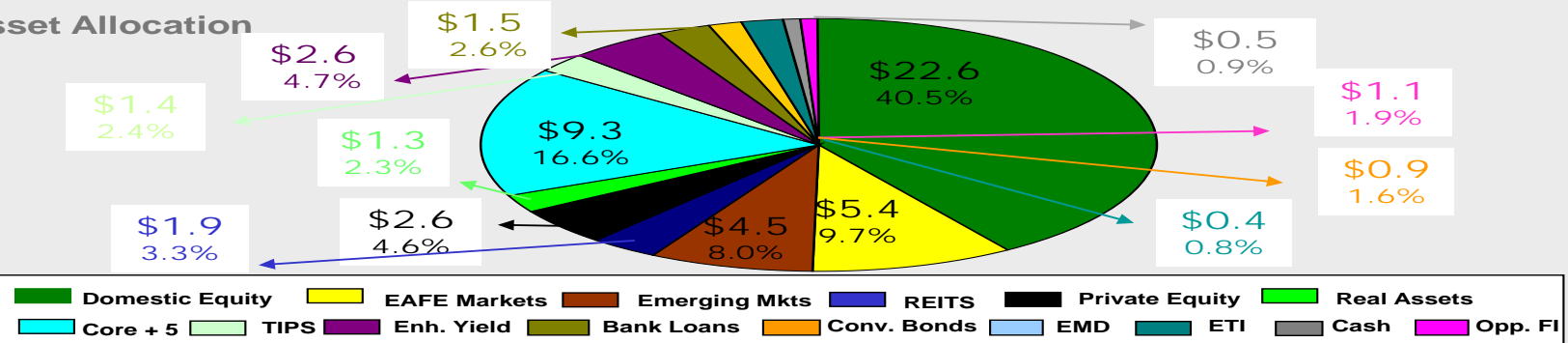
TOTAL TEACHERS'

Market Value (Billions)

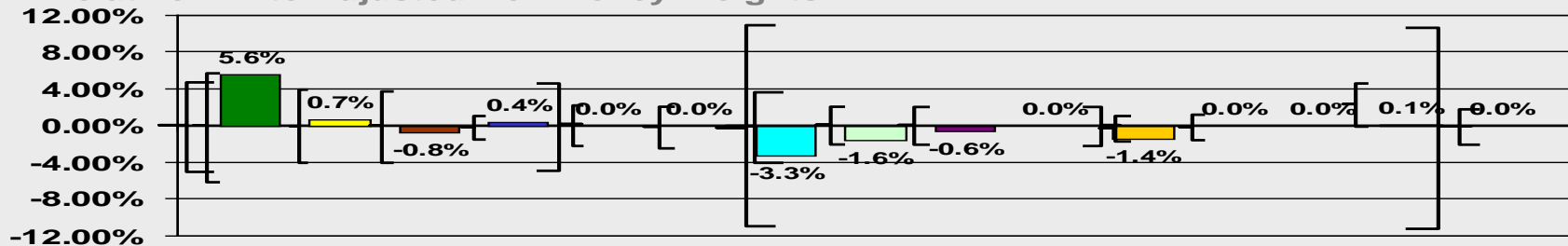
\$55.8

**\$55.8B Under Management**

### Asset Allocation

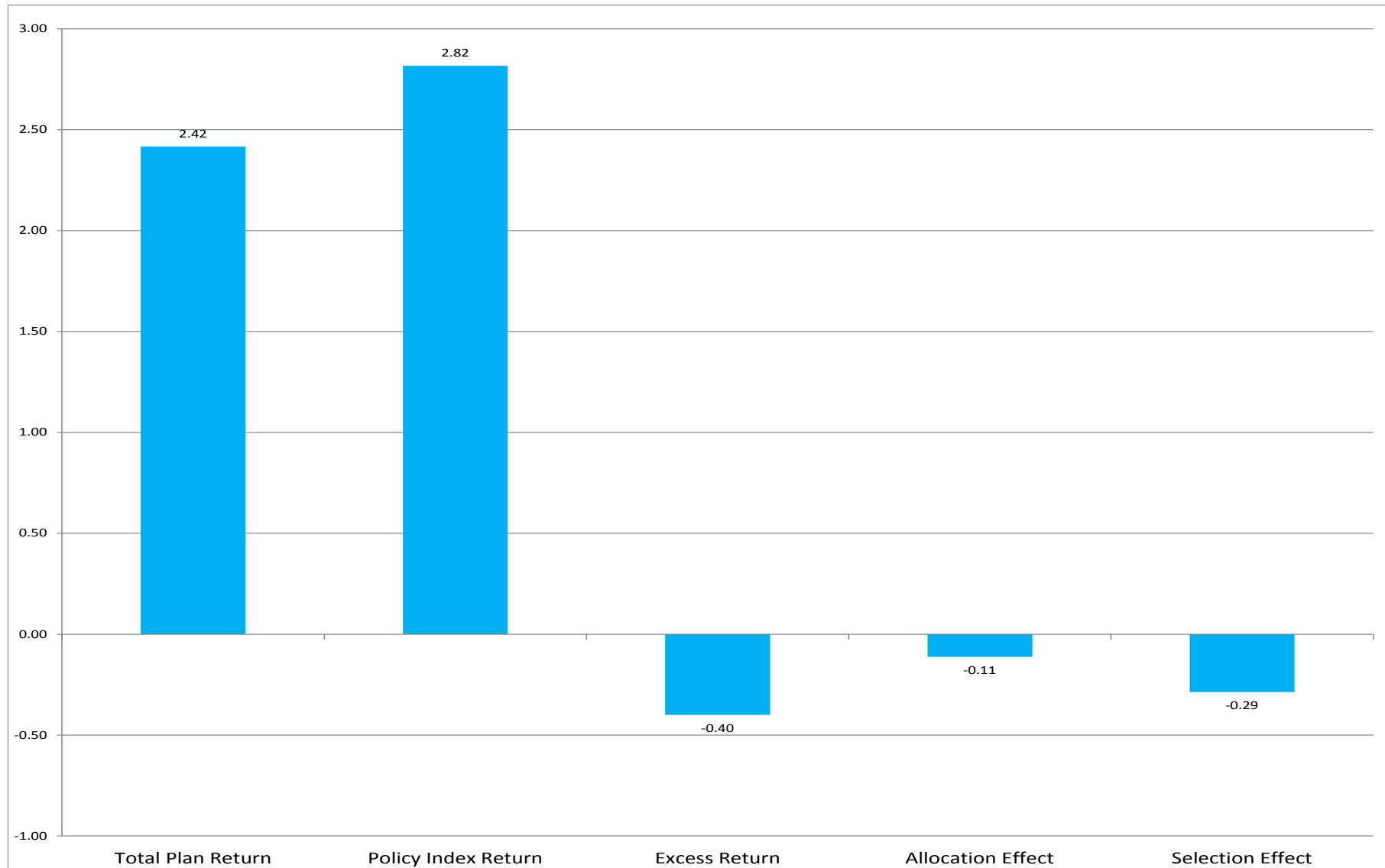


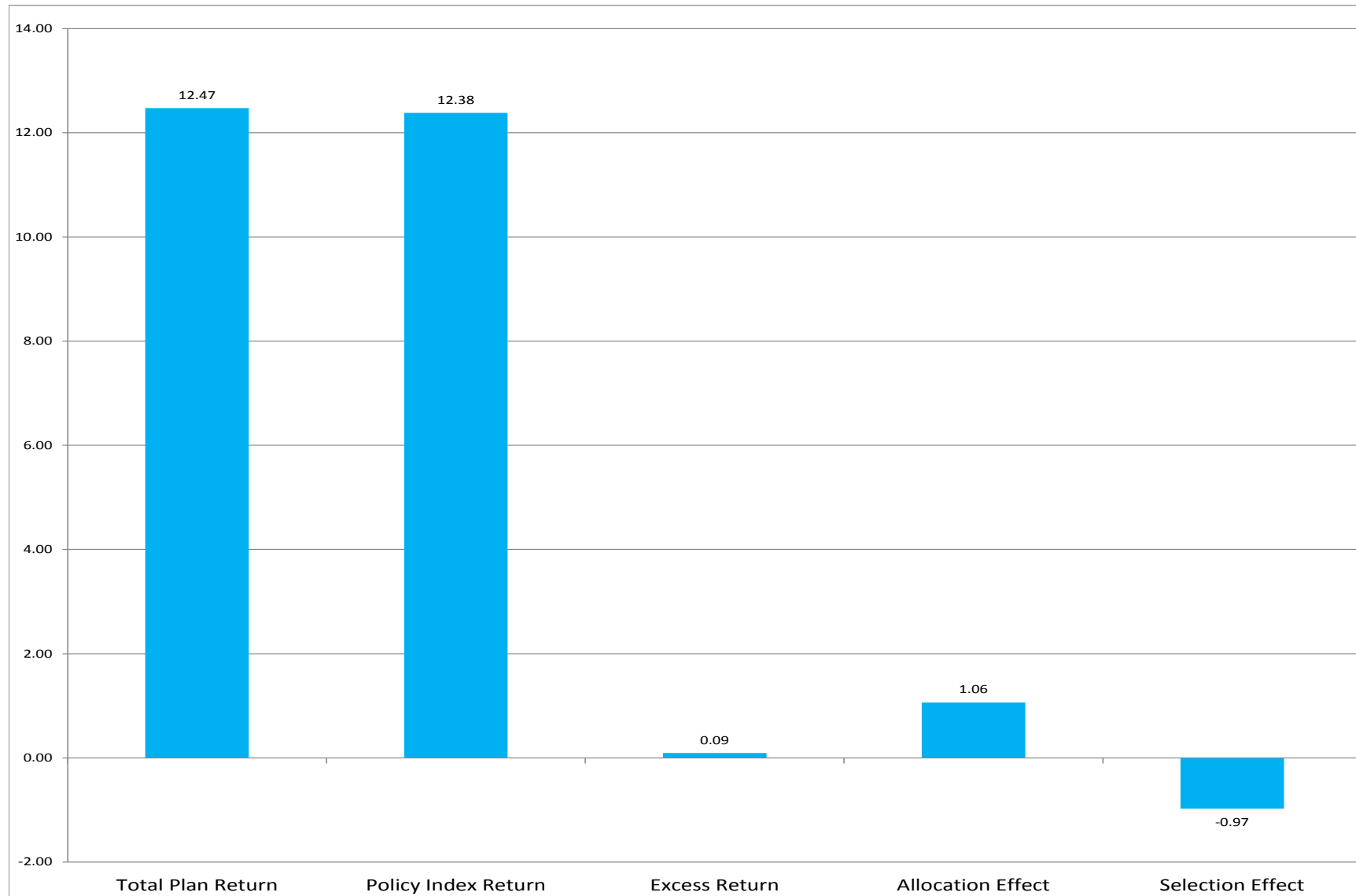
### Relative Mix to Adjusted New Policy Weights

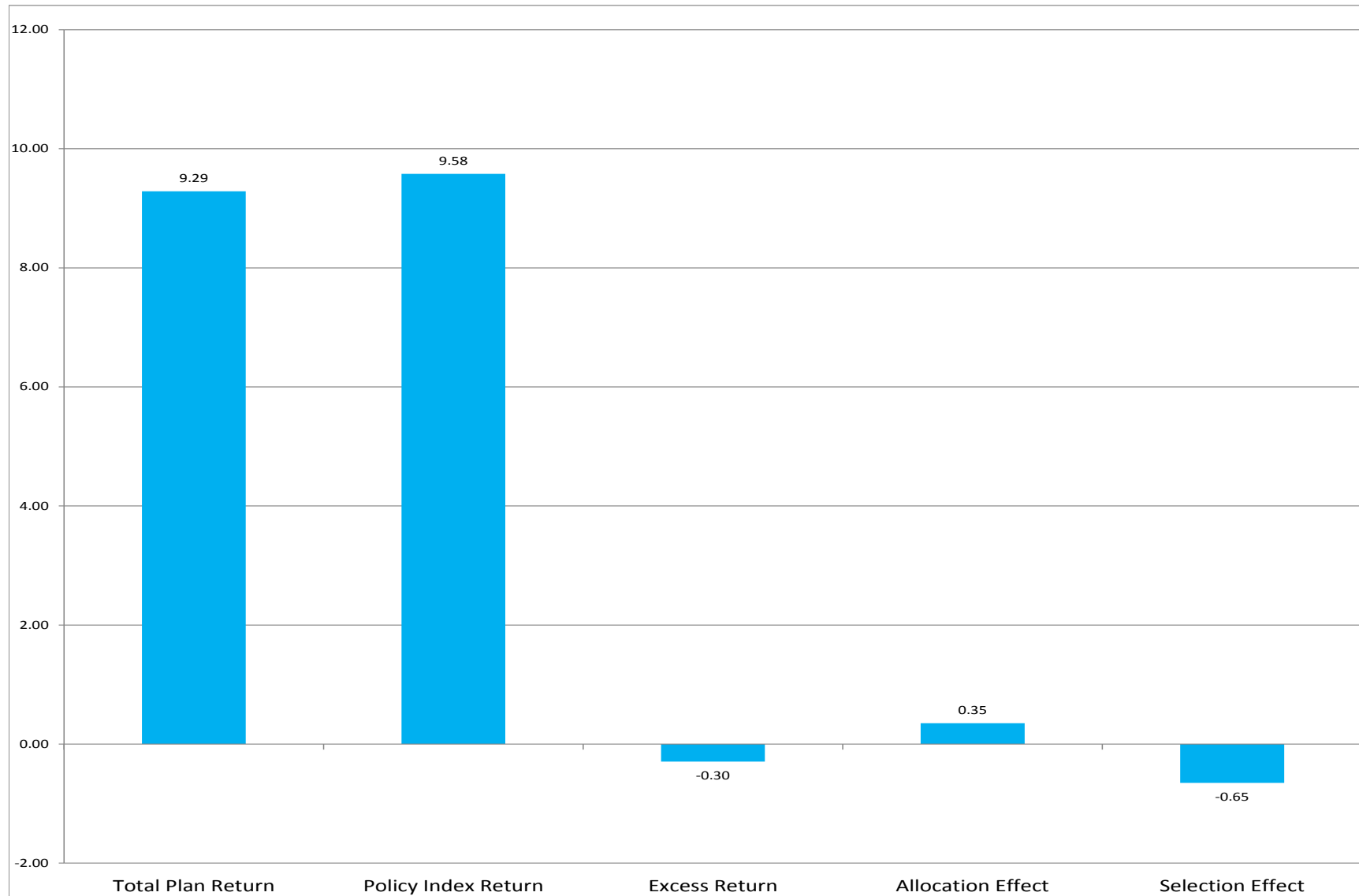


Note: Brackets represent rebalancing ranges versus Policy.

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Allocation Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TRS-TOTAL TEACHERS	-0.11	1.06	0.35	Teachers Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.08	0.61	0.38	RUSSELL 3000
TOTAL DEVELOPED MARKETS	-0.02	-0.02	-0.08	MSCI World Index
TOTAL EMERGING MARKETS	-0.01	0.02	-0.06	FTSE Custom NYC Teachers
TOTAL PRIVATE EQUITY	0.01	0.02	0.01	NYC R3000 +3% Lagged
TOTAL REAL ASSETS	0.00	0.00	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL REAL ESTATE SECURITIES	0.02	-0.06	-0.01	DJ US SELECT REAL ESTATE
TOTAL STRUCTURED	0.00	0.50	0.19	NYC - Core Plus Five
TOTAL ENHANCED YIELD	0.00	0.03	-0.07	CITIGROUP BB & B
TOTAL TIPS MANAGERS	0.01	0.22	0.10	Barclays U.S. TIPS
TOTAL CONVERTIBLE BONDS	-0.02	-0.11	-0.07	BofAML ALL CONVERTIBLE - ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return
TOTAL BANK LOANS	0.00	0.02	0.01	CSFB LEVERAGED LOAN INDEX
TOTAL CASH	0.00	-0.04	-0.02	91 DAY TREASURY BILL

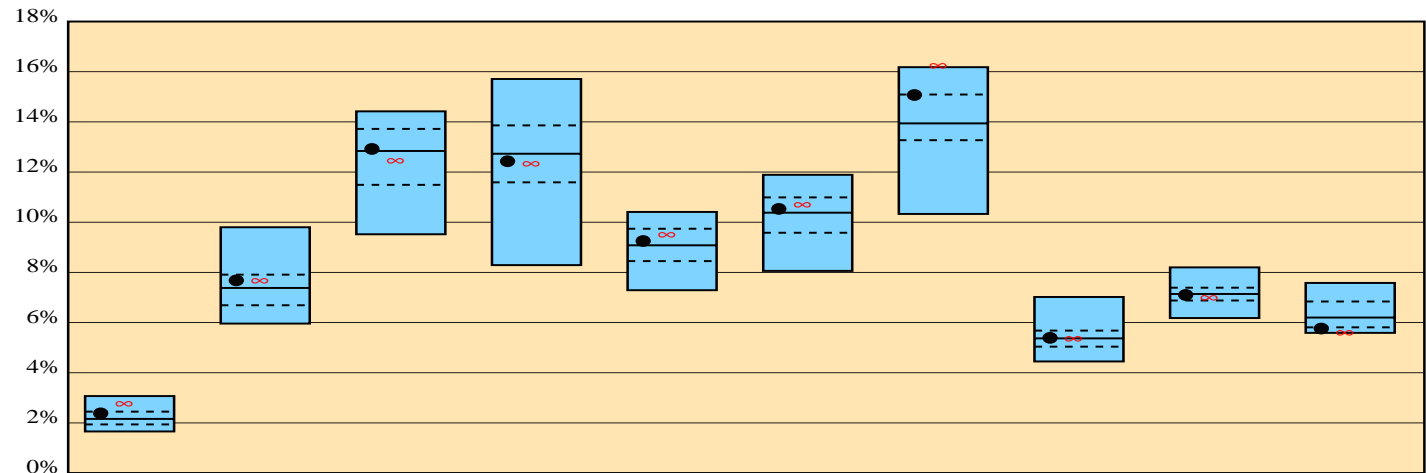
Selection Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TRS-TOTAL TEACHERS	-0.29	-0.97	-0.65	Teachers Policy Benchmark
TOTAL DOMESTIC EQUITY	0.00	-0.05	-0.09	RUSSELL 3000
TOTAL DEVELOPED MARKETS	0.00	-0.02	0.24	MSCI World Index
TOTAL EMERGING MARKETS	-0.02	-0.09	-0.06	FTSE Custom NYC Teachers
TOTAL PRIVATE EQUITY	-0.30	-0.96	-0.48	NYC R3000 +3% Lagged
TOTAL REAL ASSETS	0.02	-0.07	-0.02	NCREIF NFI-ODCE NET + 1%
TOTAL REAL ESTATE SECURITIES	-0.04	0.05	-0.01	DJ US SELECT REAL ESTATE
TOTAL STRUCTURED	0.03	0.13	0.10	NYC - Core Plus Five
TOTAL ENHANCED YIELD	0.00	0.04	-0.01	CITIGROUP BB & B
TOTAL TIPS MANAGERS	0.00	0.00	0.01	Barclays U.S. TIPS
TOTAL CONVERTIBLE BONDS	0.00	-0.10	-0.08	BofAML ALL CONVERTIBLE - ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.02	0.08	0.03	10% Annual Return
TOTAL BANK LOANS	0.00	0.01	0.00	CSFB LEVERAGED LOAN INDEX
TOTAL CASH	0.00	0.00	0.00	91 DAY TREASURY BILL

Through March 31, 2014



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### City of New York - Teachers' Total Returns of Public Master Trusts > \$10 Billion Rates of Return for Periods Ending March 31, 2014



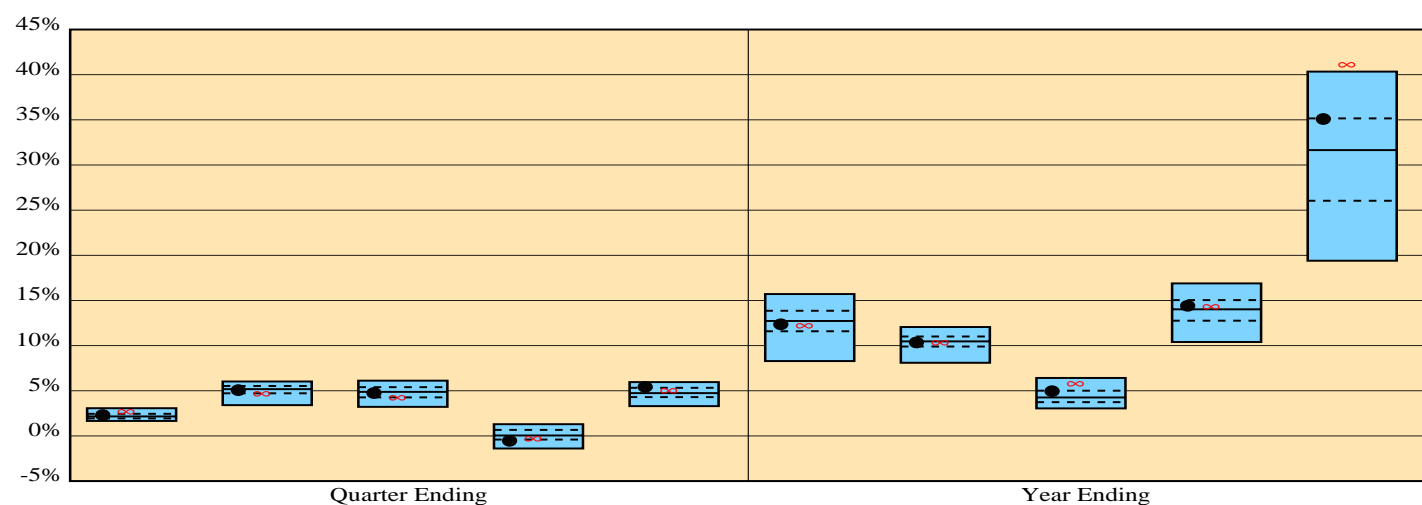
	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	3.07	9.80	14.42	15.71	10.41	11.89	16.18	7.02	8.20	7.58
25th Percentile	2.45	7.91	13.72	13.86	9.74	10.99	15.09	5.68	7.39	6.84
Median	2.16	7.38	12.84	12.73	9.08	10.38	13.94	5.37	7.14	6.20
75th Percentile	1.94	6.69	11.49	11.59	8.45	9.58	13.27	5.04	6.88	5.81
95th Percentile	1.66	5.96	9.52	8.29	7.29	8.06	10.33	4.45	6.18	5.59
● Total System	2.42 (27)	7.72 (30)	12.96 (47)	12.47 (61)	9.29 (41)	10.57 (36)	15.11 (22)	5.43 (47)	7.14 (50)	5.80 (79)
∞ Teachers' Policy Benchmark	2.82 (8)	7.75 (27)	12.53 (58)	12.38 (61)	9.58 (27)	10.77 (33)	16.30 (1)	5.43 (47)	7.06 (62)	5.65 (91)

Returns for periods greater than one year are annualized.



Through March 31, 2014

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



	Quarter Ending					Year Ending				
	Mar 14	Dec 13	Sep 13	Jun 13	Mar 13	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10
5th Percentile	3.07	6.03	6.12	1.30	5.96	15.71	12.06	6.42	16.89	40.34
25th Percentile	2.45	5.53	5.40	0.67	5.33	13.86	11.01	5.01	15.04	35.16
Median	2.16	5.18	4.88	0.05	4.74	12.73	10.47	4.26	14.02	31.65
75th Percentile	1.94	4.72	4.27	-0.40	4.30	11.59	9.90	3.74	12.76	26.04
95th Percentile	1.66	3.41	3.22	-1.39	3.30	8.29	8.10	3.05	10.40	19.40
● Total System	2.42 (27)	5.18 (50)	4.86 (52)	-0.43 (80)	5.54 (15)	12.47 (61)	10.46 (52)	5.06 (20)	14.52 (36)	35.20 (22)
∞ Teachers' Policy Benchmark	2.82 (8)	4.80 (72)	4.43 (66)	-0.13 (63)	5.20 (30)	12.38 (61)	10.49 (44)	5.98 (5)	14.43 (36)	41.31 (1)

Returns for periods greater than one year are annualized.



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

# **Equity Analysis**

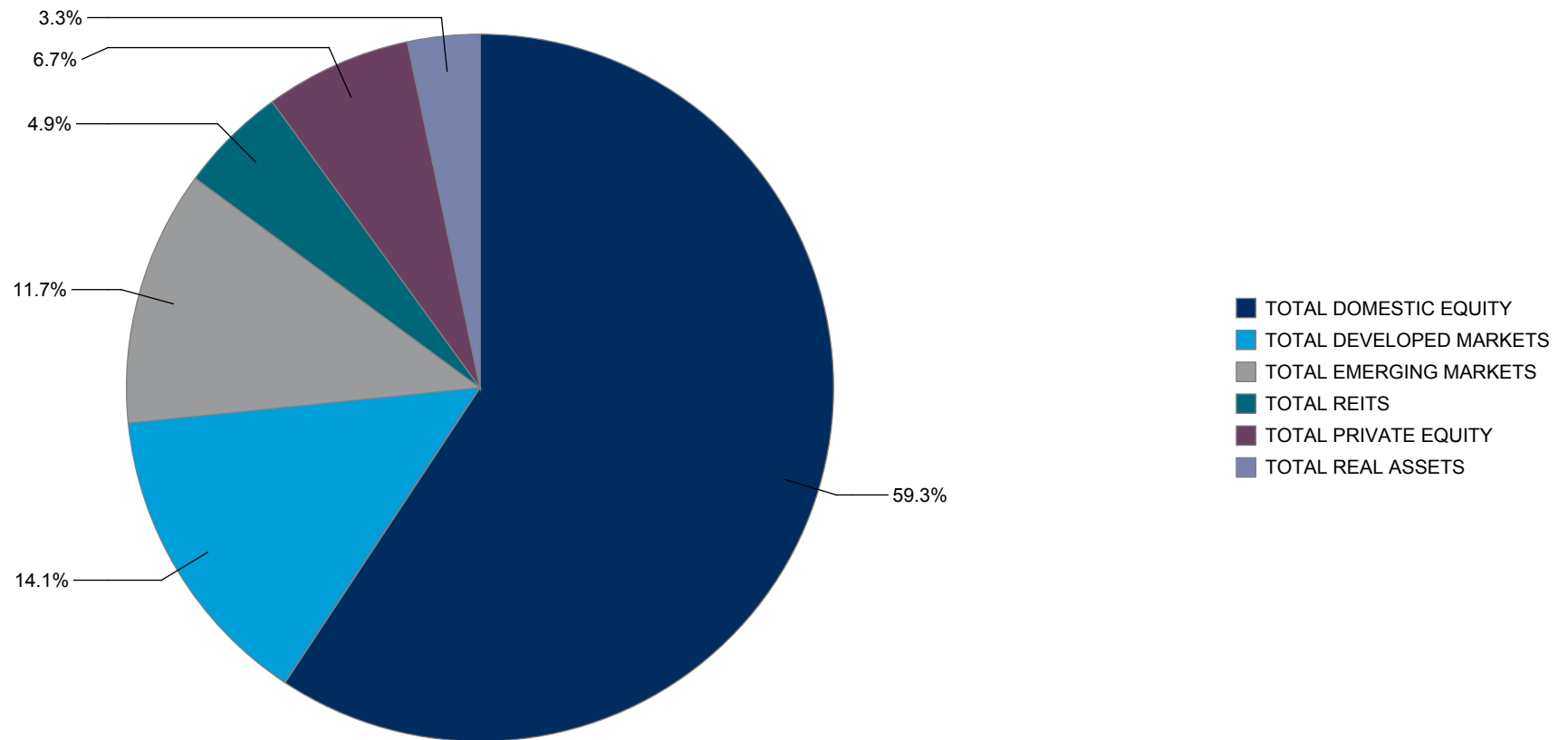


## Total Equity Asset Allocation: March 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL EQUITY	\$38.2	68.4

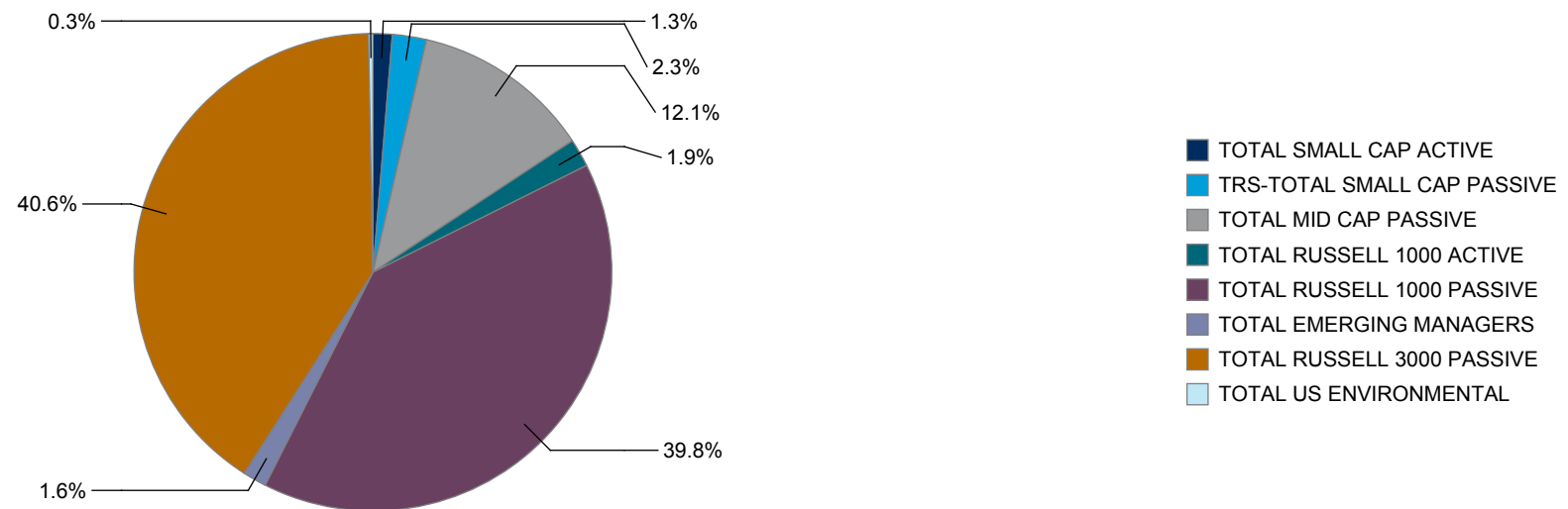


## Total Domestic Equity Asset Allocations: March 31, 2014



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	Market Value (Billions)	% of plan
TOTAL DOMESTIC EQUITY	\$22.6	40.5



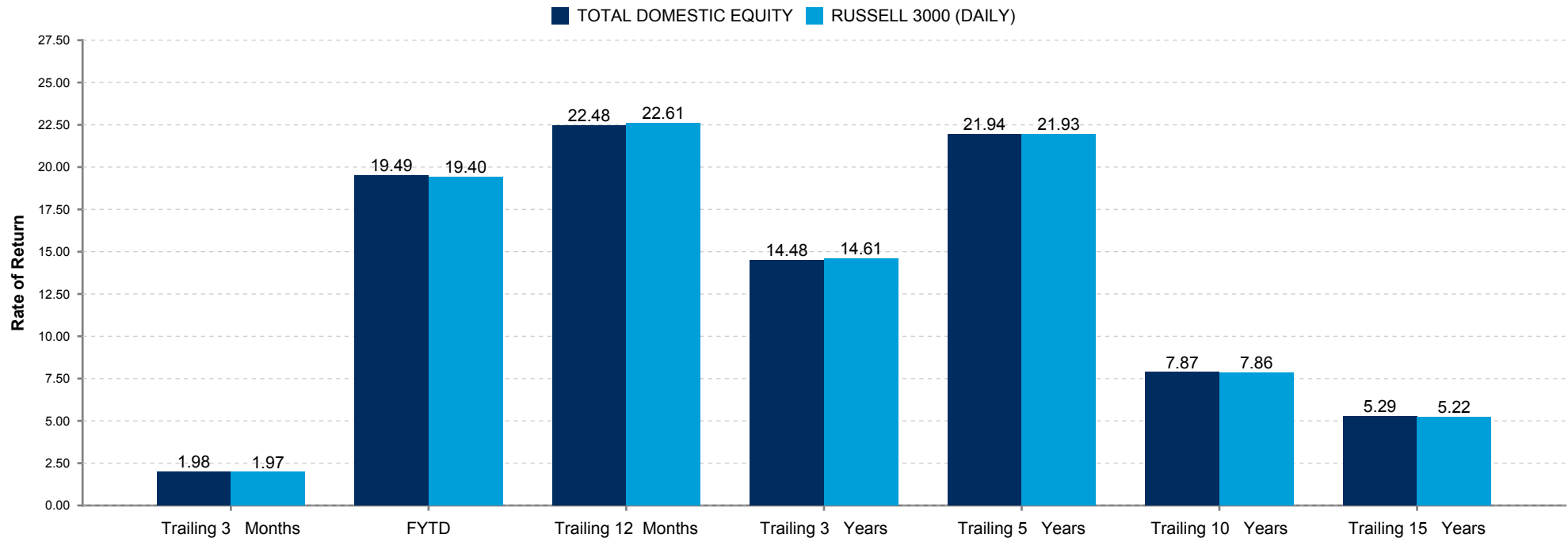
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	0.84	1.29	0.45	1.12	-1.91	-3.03
TOTAL SMALL CAP PASSIVE	3.42	2.34	-1.08	1.12	1.24	0.12
TOTAL MID CAP PASSIVE	12.90	12.08	-0.82	3.04	2.97	-0.07
TOTAL RUSSELL 1000 ACTIVE	1.62	1.93	0.31	2.05	2.44	0.39
TOTAL RUSSELL 1000 PASSIVE	39.39	39.84	0.45	2.05	2.00	-0.05
TOTAL RUSSELL 3000 PASSIVE	40.00	40.57	0.57	1.97	1.93	-0.04
TOTAL EMERGING MANAGERS	1.30	1.61	0.31	1.12	0.49	-0.63
TOTAL US ENVIRONMENTAL	0.53	0.33	-0.20	1.12	-1.36	-2.48

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



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	Market Value (Billions)	% of plan
TOTAL DOMESTIC EQUITY	\$22.6	40.5



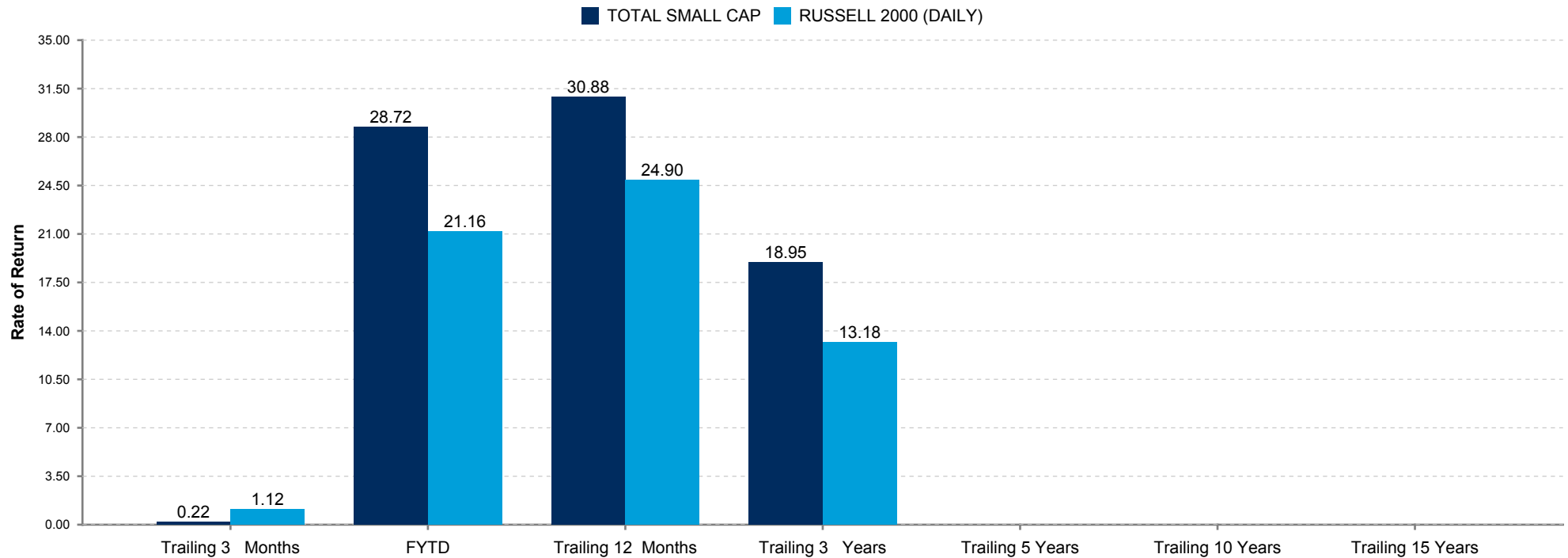
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DOMESTIC EQUITY	13.3	13.0	14.7	14.6	15.4	15.3

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



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	Market Value (Millions)	% of plan
TOTAL SMALL CAP	\$820.1	1.5



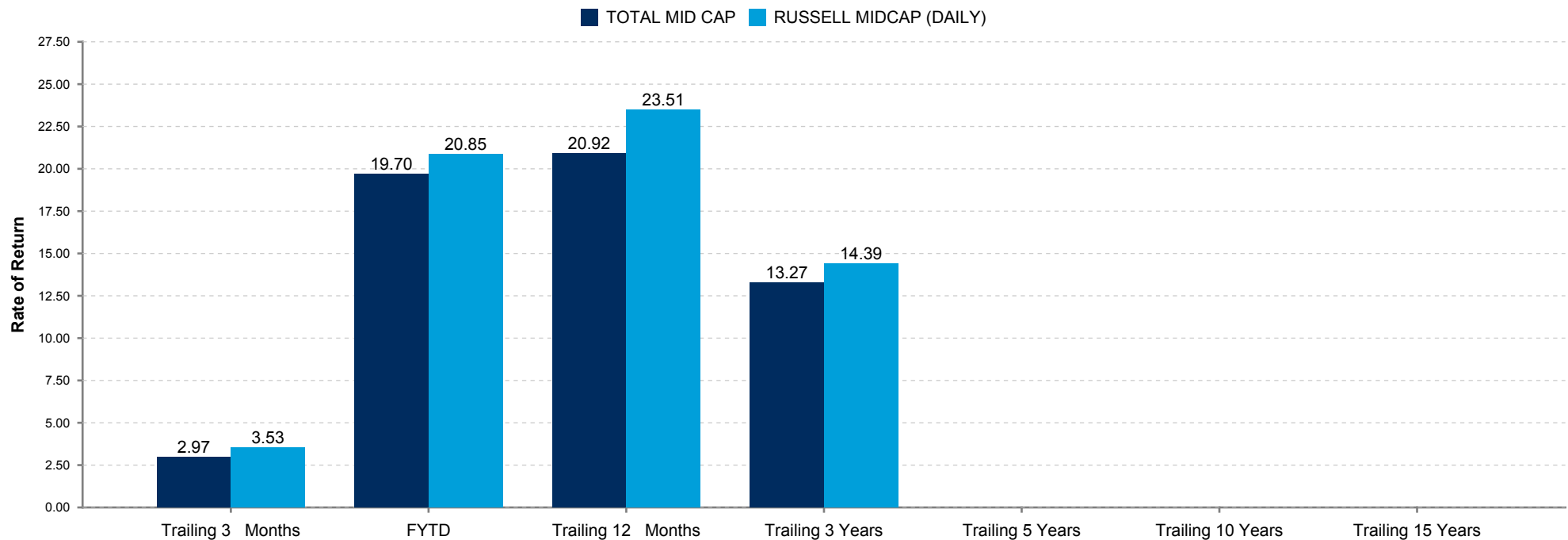
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL SMALL CAP	16.2	16.8				

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



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	Market Value (Billions)	% of plan
TOTAL MID CAP	\$2.7	4.9



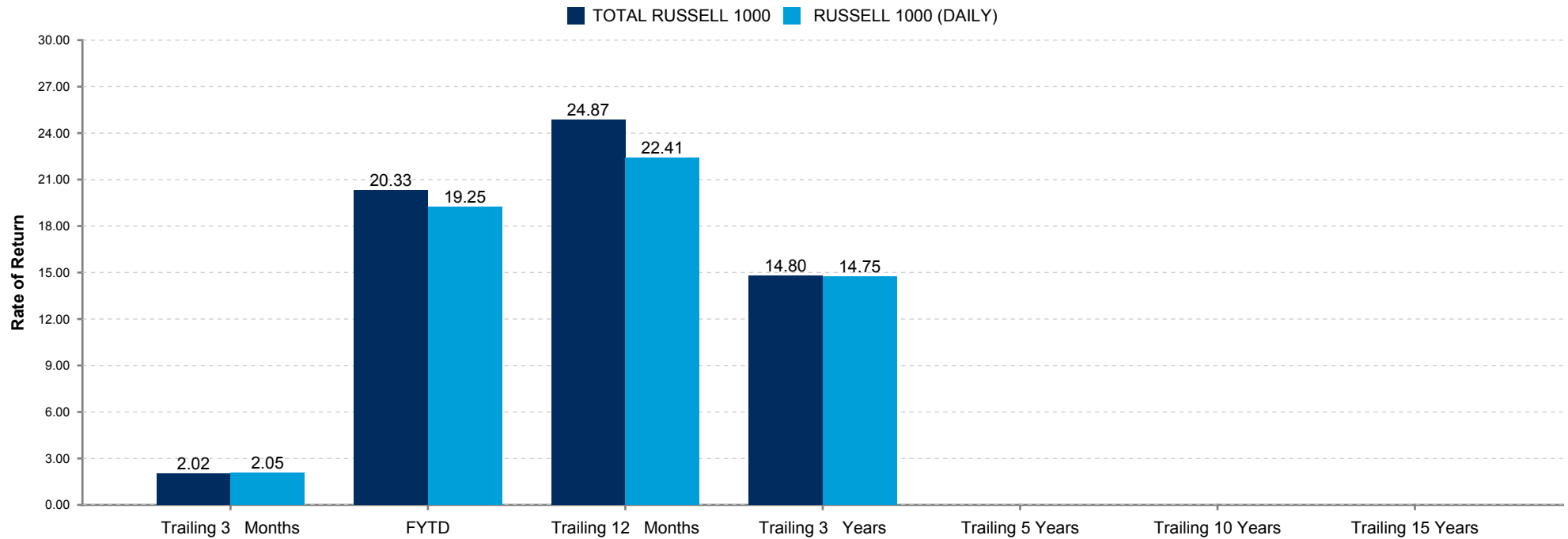
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL MID CAP	15.3	14.5				

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



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL RUSSELL 1000	\$9.4	16.9



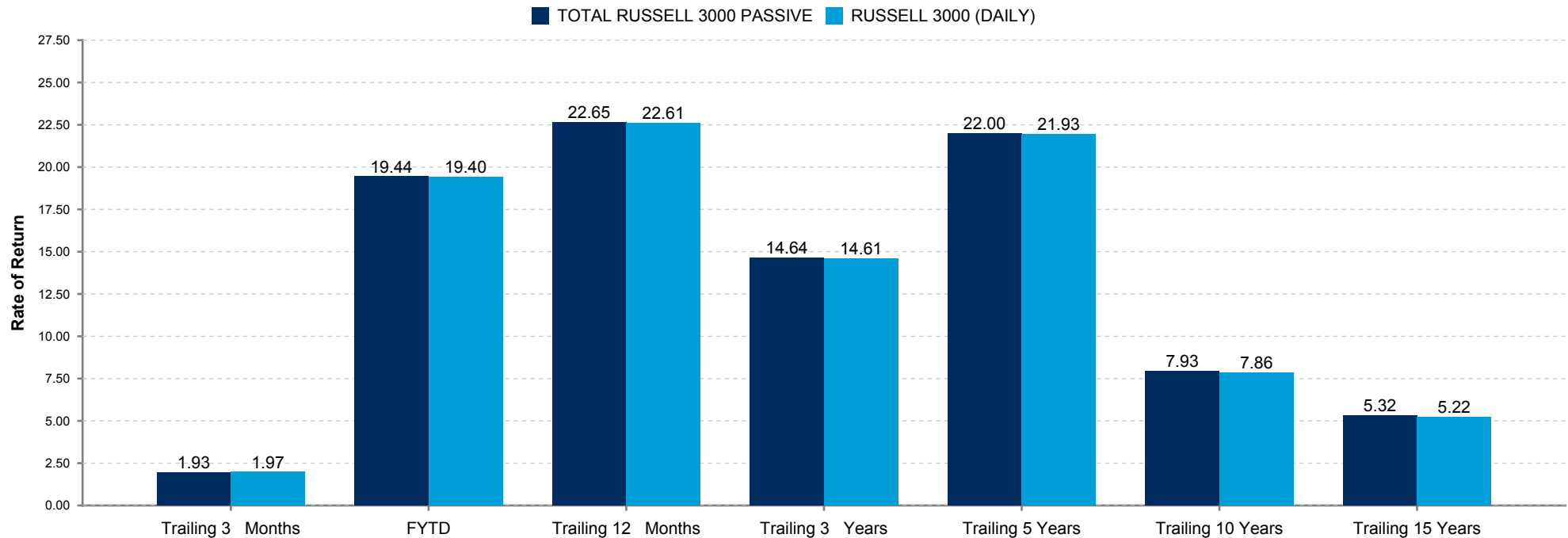
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL RUSSELL 1000	13.2	12.8				

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



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	Market Value (Billions)	% of plan
TOTAL RUSSELL 3000 PASSIVE	\$9.2	16.4



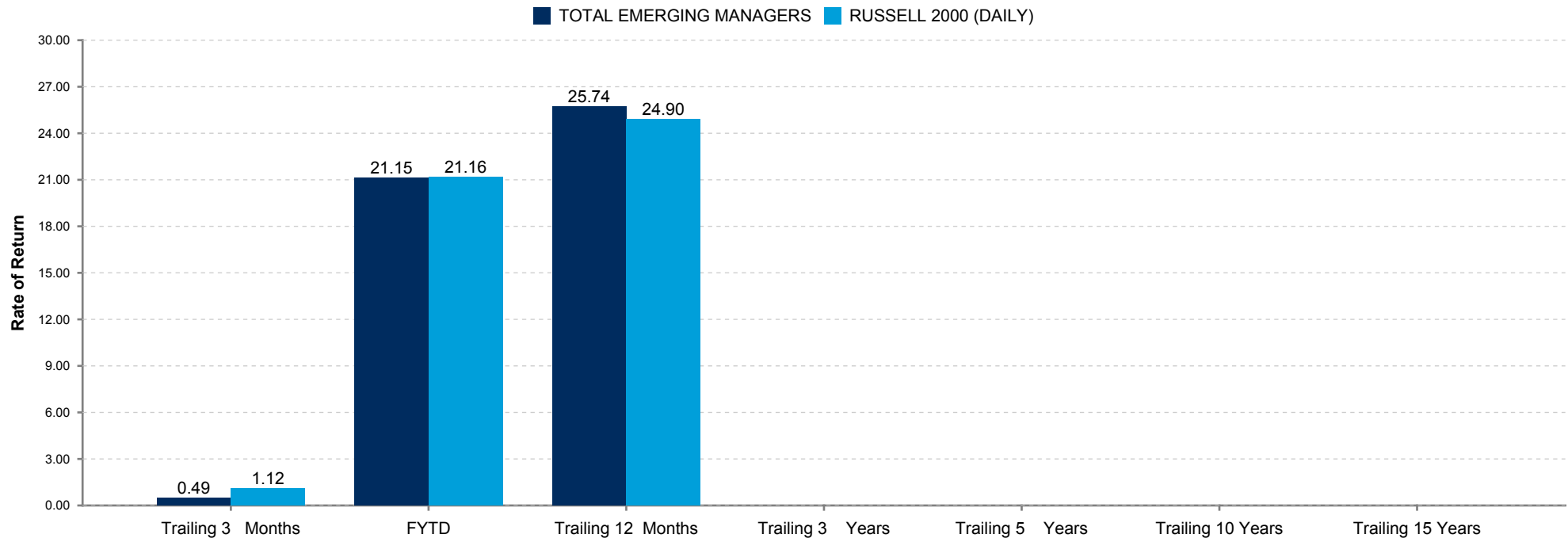
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 3000 PASSIVE	13.0	13.0	14.6	14.6	15.3	15.3

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



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	Market Value (Millions)	% of plan
TOTAL EMERGING MANAGERS	\$364.9	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 EMERGING MANAGERS						

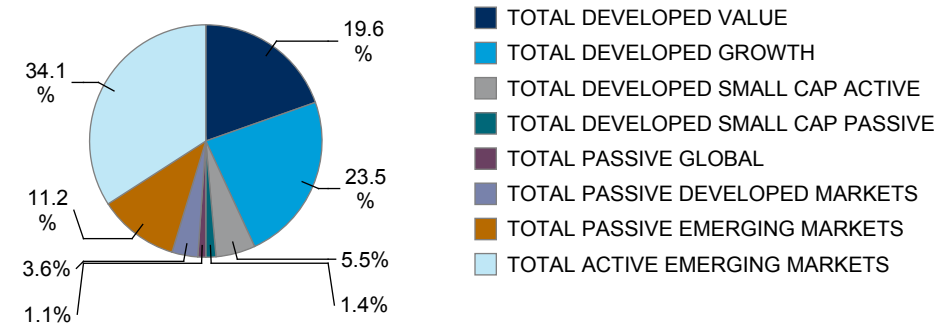
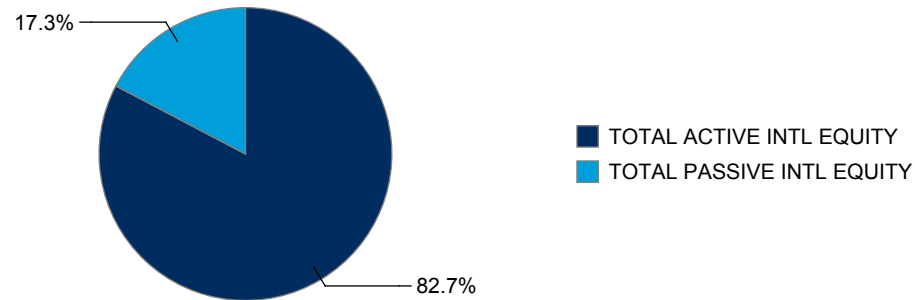


## International Equity Asset Allocation: March 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL INTERNATIONAL EQUITY	\$9.9	17.6



	<u>Asset Class Weight</u>	<u>Quarterly Returns - Fund and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	23.49	(0.84)	0.10	(0.95)
TOTAL DEVELOPED VALUE	19.60	1.53	1.22	0.31
TOTAL DEVELOPED SMALL CAP ACTIVE	5.50	3.96	3.81	0.15
TOTAL DEVELOPED SMALL CAP PASSIVE	1.38			
TOTAL PASSIVE GLOBAL	1.14	1.37	1.26	0.10
TOTAL PASSIVE DEVELOPED MARKETS	3.59	0.81	0.66	0.15
TOTAL ACTIVE EMERGING MARKETS	34.06	2.01	2.31	(0.31)
TOTAL PASSIVE EMERGING MARKETS	11.21	2.27	2.29	(0.02)
TOTAL INTERNATIONAL EQUITY	100.00	1.29	0.51	0.78

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



STATE STREET

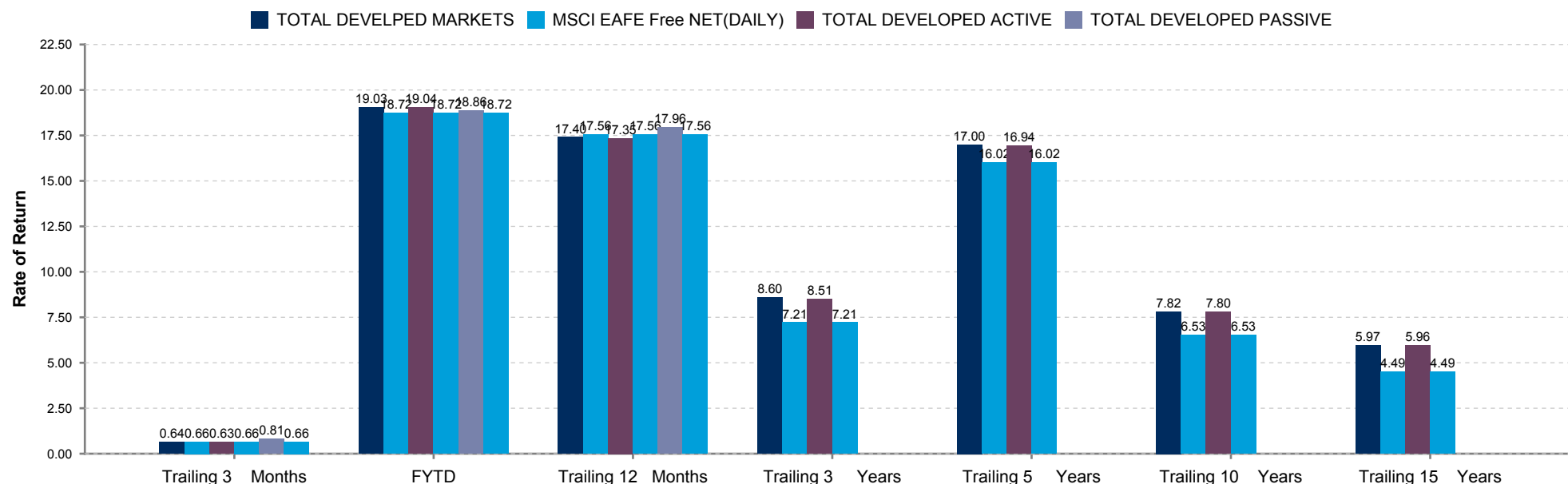
TOTAL DEVELOPED MARKETS

Market Value (Billions)

\$5.3

% of plan

9.5



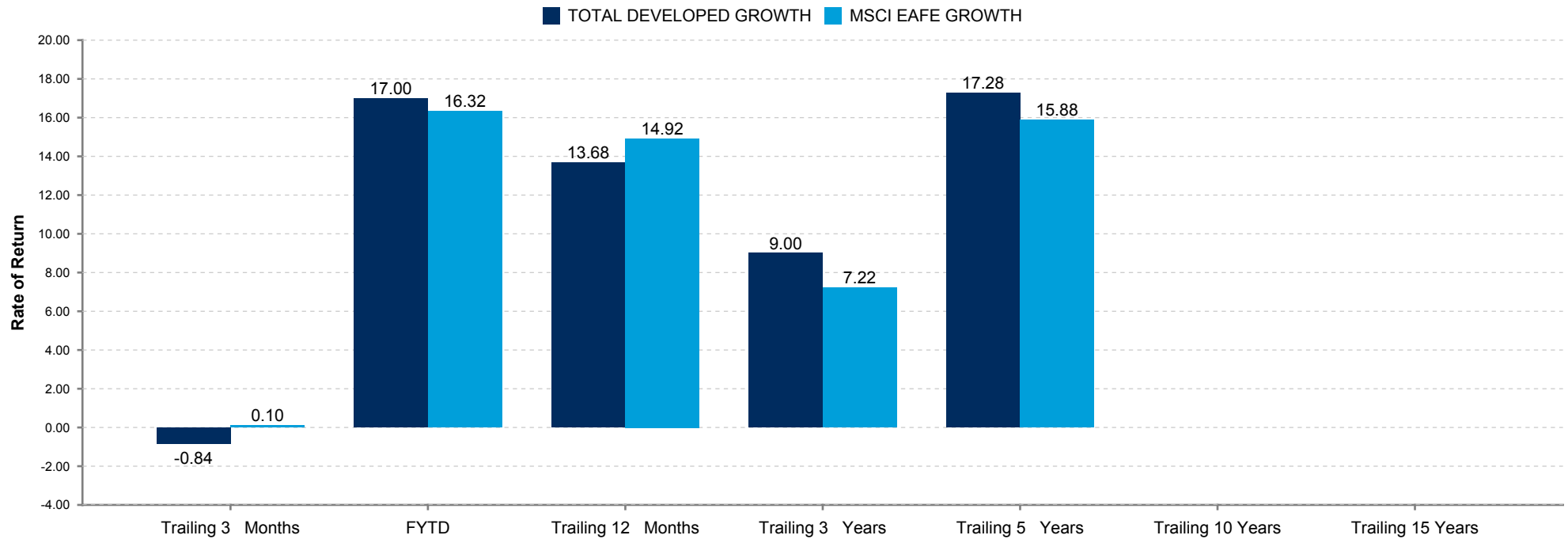
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED MARKETS	15.7	16.8	17.2	18.5	17.2	18.3
TOTAL DEVELOPED ACTIVE	15.5	16.8	17.1	18.5	17.2	18.3
TOTAL DEVELOPED PASSIVE						

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL DEVELOPED GROWTH	\$2.3	4.1



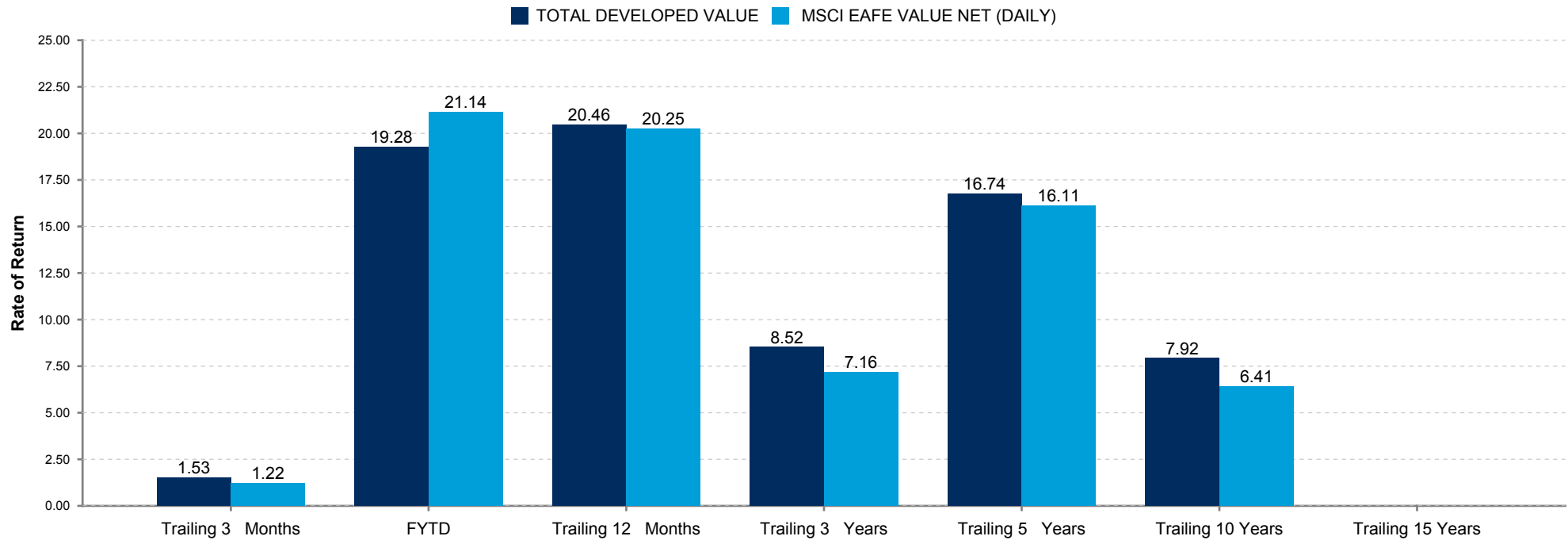
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED GROWTH	15.9	16.4	17.1	17.4		

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL DEVELOPED VALUE	\$1.9	3.5



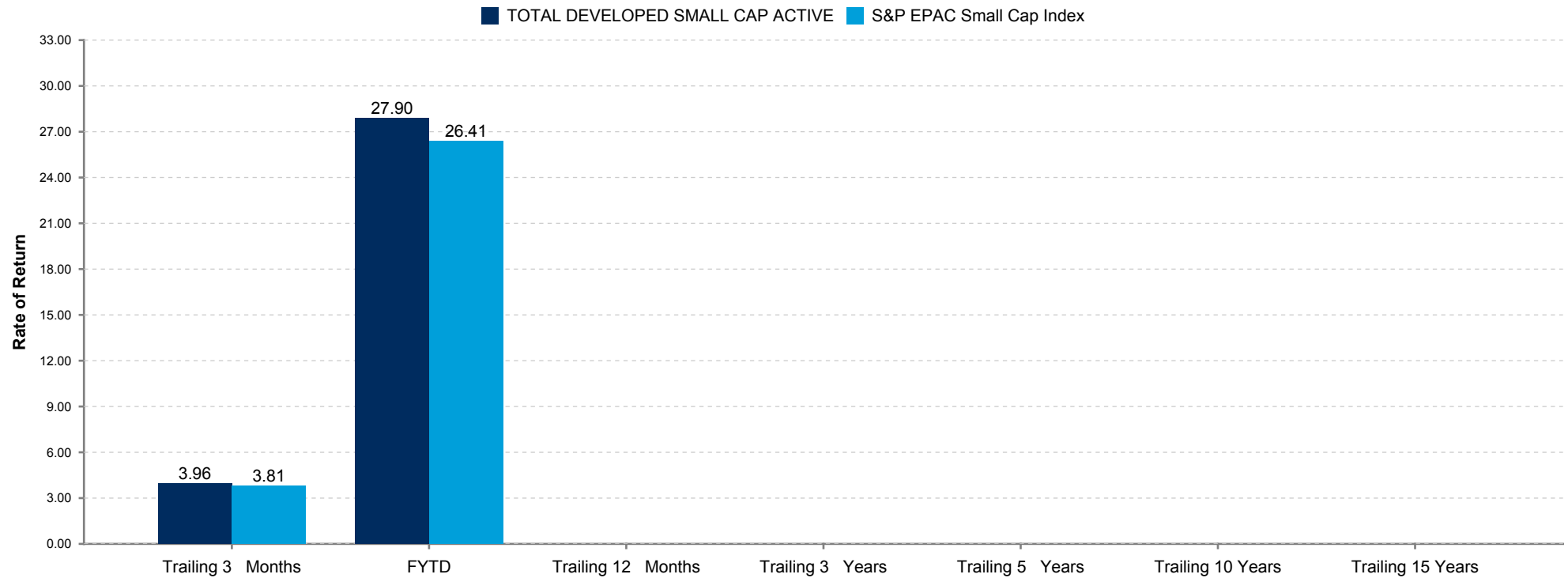
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED VALUE	14.7	17.5	16.9	20.1	16.9	19.3

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



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL DEVELOPED SMALL CAP ACTIVE	\$541.9	1.0



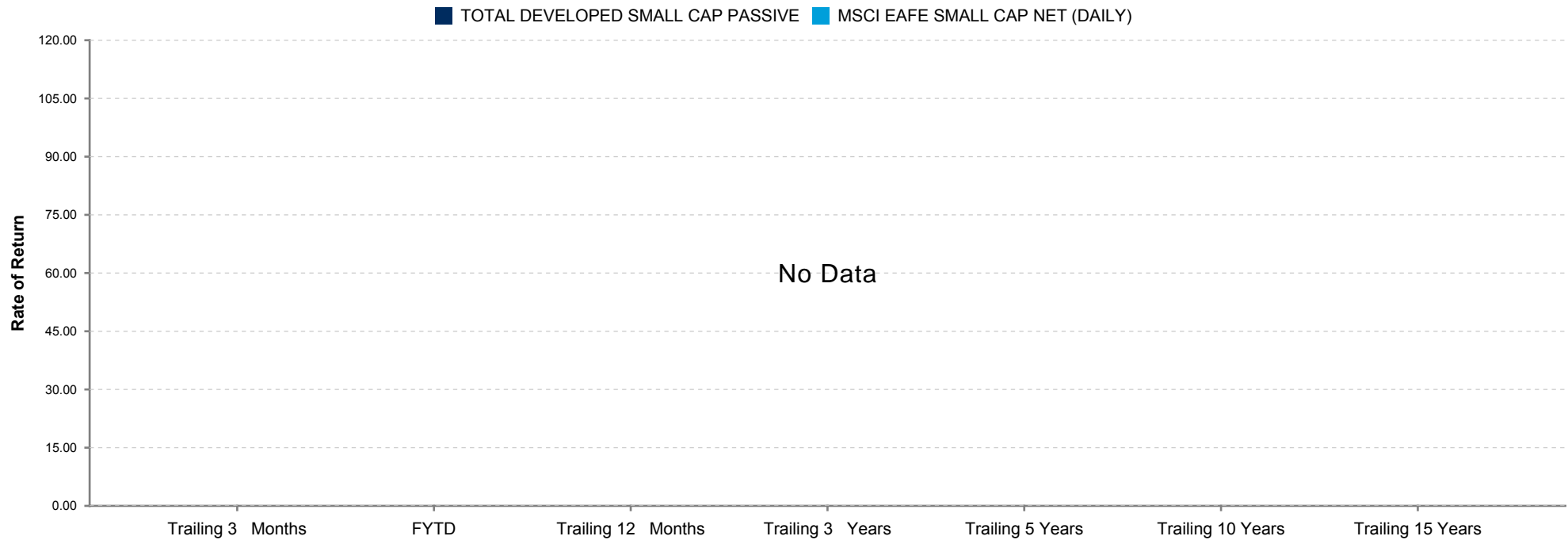
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED SMALL CAP ACTIVE						

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



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL DEVELOPED SMALL CAP PASSIVE	\$135.8	0.2



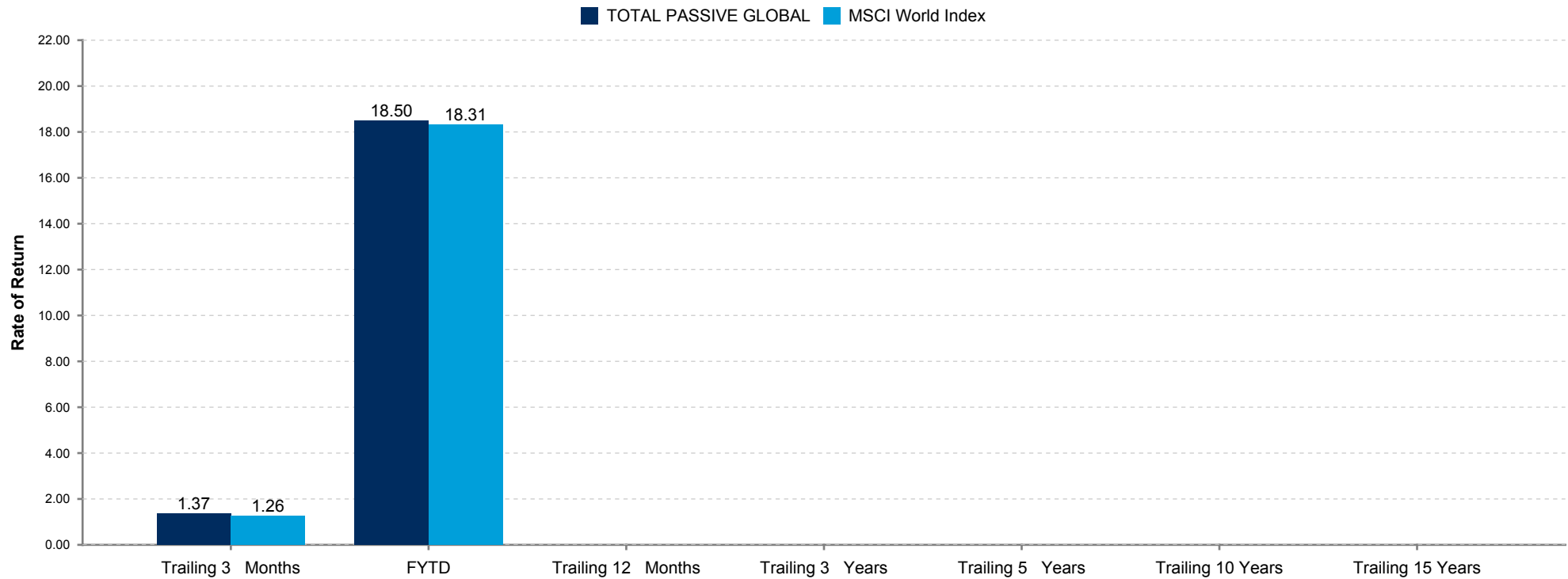
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL DEVELOPED SMALL CAP PASSIVE						

## Global Passive Returns vs MSCI World Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL PASSIVE GLOBAL	\$112.6	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 PASSIVE GLOBAL						

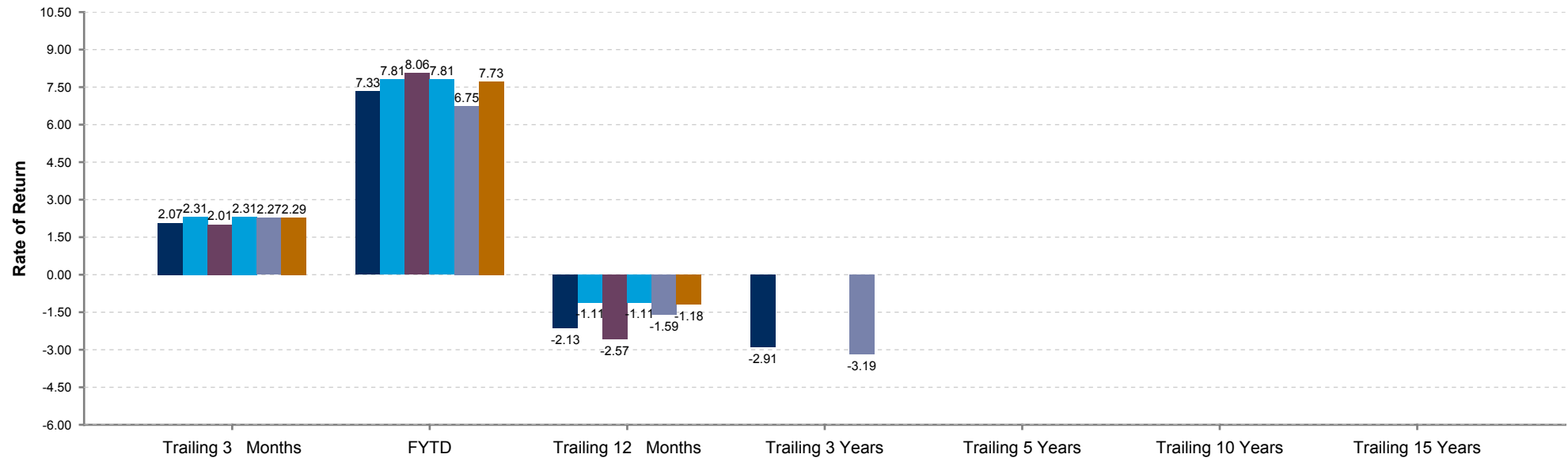
## Emerging Markets Returns vs TRS Custom Indices: March 31, 2014



STATE STREET

	Market Value (Billions)	% of plan
TOTAL EMERGING MARKETS	\$4.5	8.0

■ TOTAL EMERGING MARKETS ■ FTSE Custom NYC Teachers Emerging Index ■ TOTAL ACTIVE EMERGING MARKETS ■ TOTAL PASSIVE EMERGING MARKETS  
 ■ TRS MSCI Custom Emerging Markets Index



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MARKETS	19.1					

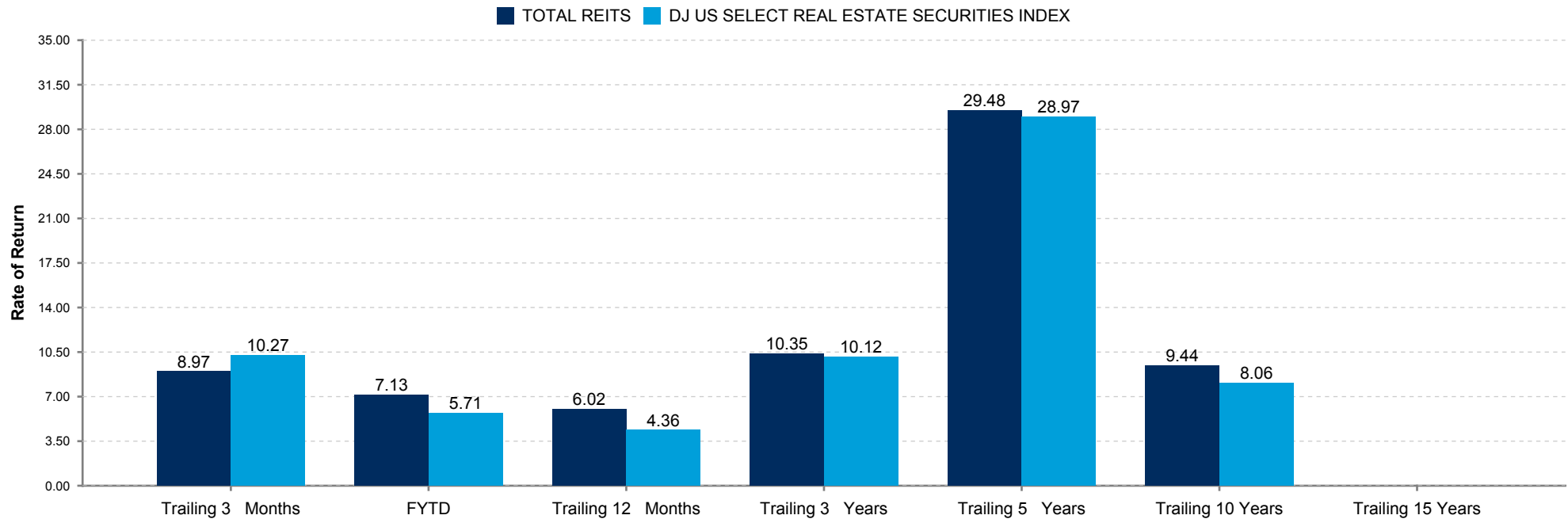


# REITS Returns vs DJ US Select Real Estate Securities Index: March 31, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL REITS	\$1.9	3.3



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL REITS	16.5	17.0	22.6	23.2	26.1	26.9



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

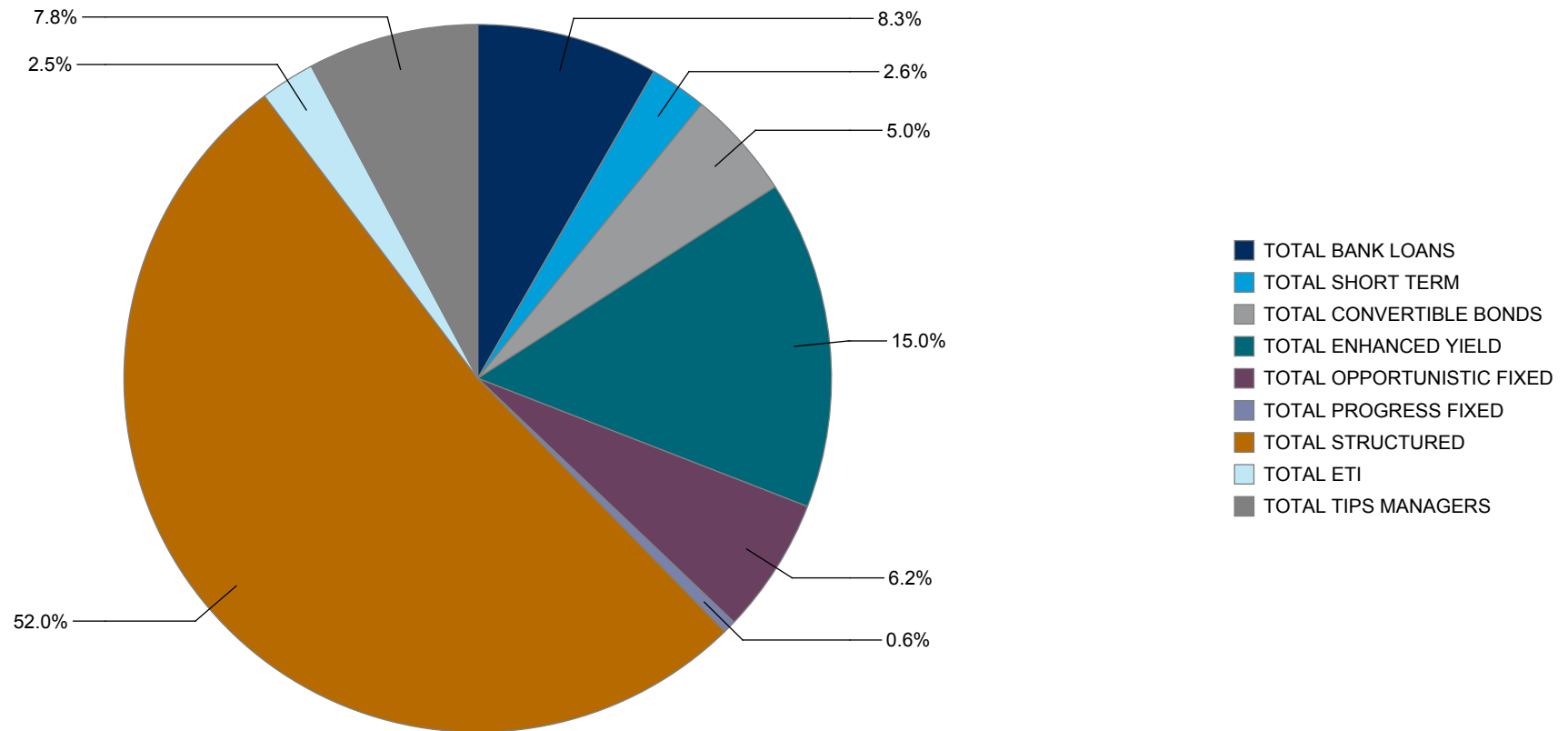
# **Fixed Income Analysis**

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



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL FIXED INCOME	\$17.6	31.5

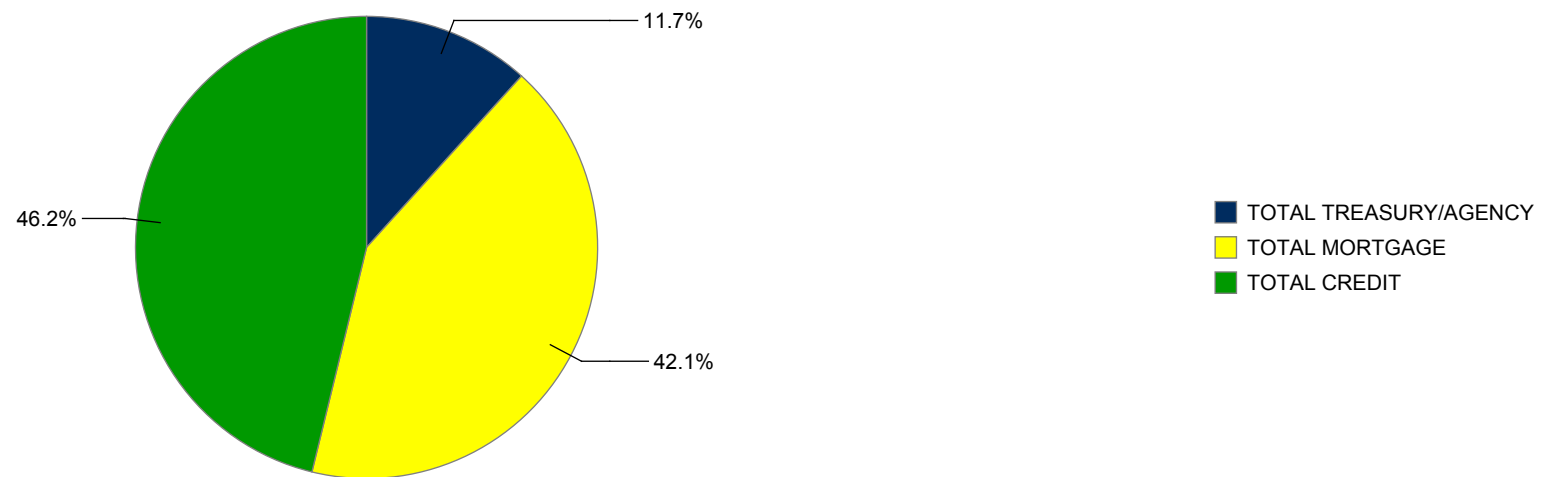


## Structured Fixed Income Asset Allocation: Quarter Ending: **March 31, 2014**



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$9.2	16.4



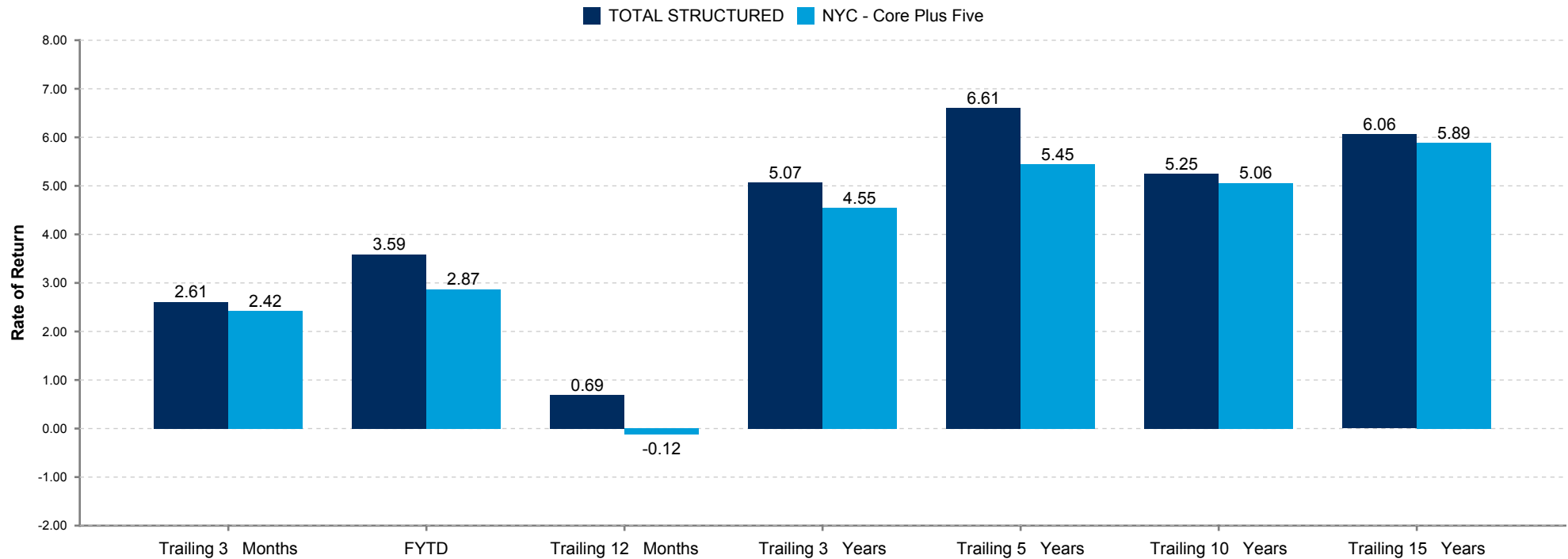
Sub Sector	Policy	Actual	Under/Over	Index	Actual	
	Weight	Weight	Weight	Return	Return	Difference
Total Treasury/Agency	17.88	11.70	-6.18	3.47	3.56	0.09
Total Mortgage	38.65	42.11	3.46	1.61	1.78	0.17
Total Inv Grade Credit	43.47	46.19	2.72	2.70	3.13	0.43

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL STRUCTURED	\$9.2	16.4



	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	3.5	3.3	3.4	3.9	4.1

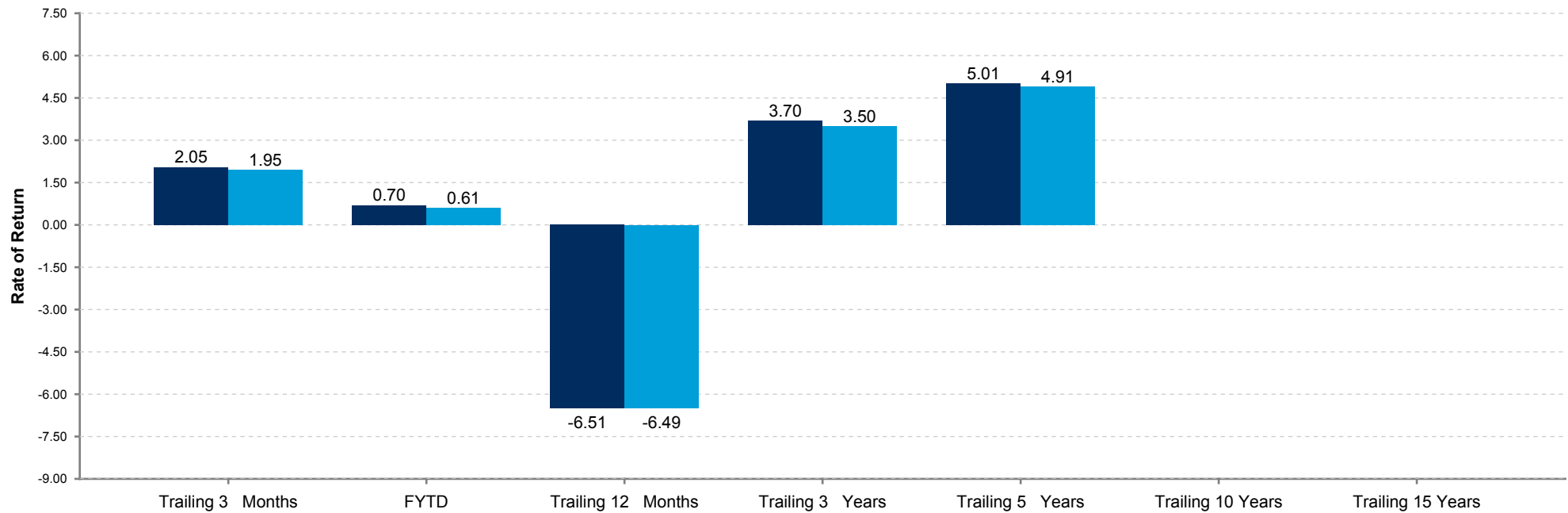
## TIPS Returns vs Barclays US TIPS Index: March 31, 2014



STATE STREET

	Market Value (Billions)	% of plan
TOTAL TIPS MANAGERS	\$1.4	2.4

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



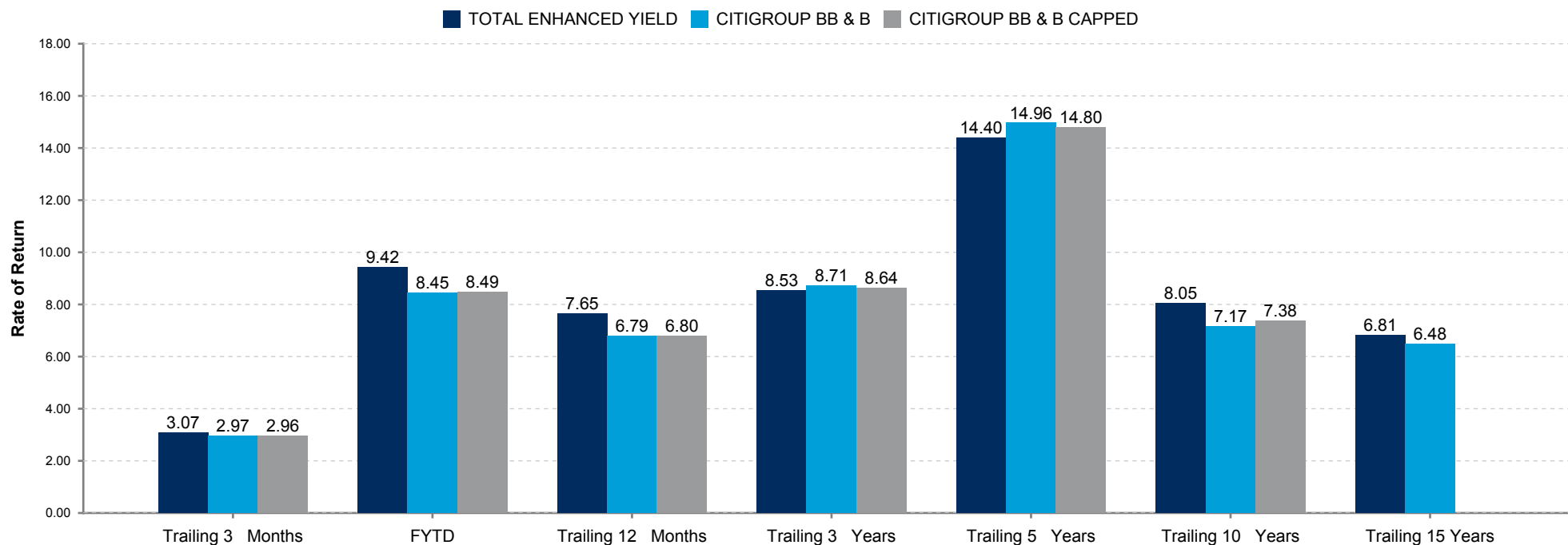
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL TIPS MANAGERS	5.4	5.5	5.2	5.3		

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL ENHANCED YIELD	\$2.6	4.7



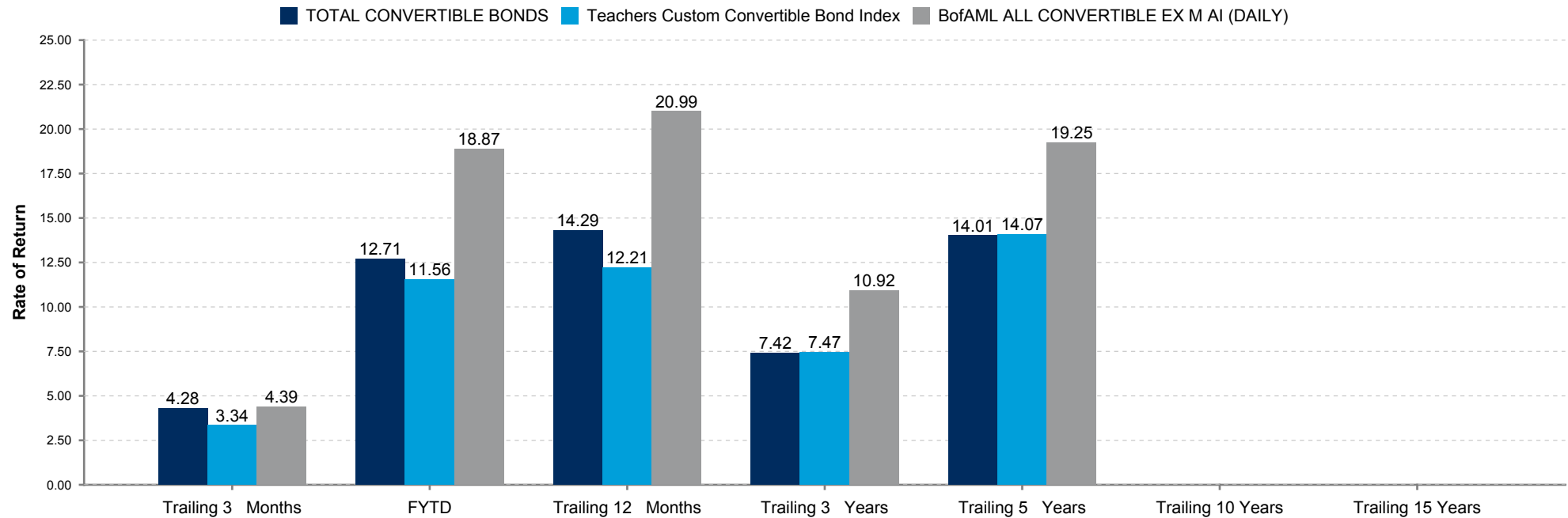
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ENHANCED YIELD	8.5	5.7	8.4	6.9	8.8	8.9

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



STATE STREET

	Market Value (Millions)	% of plan
TOTAL CONVERTIBLE BONDS	\$883.1	1.6



	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	7.4	6.5	8.4	7.4		

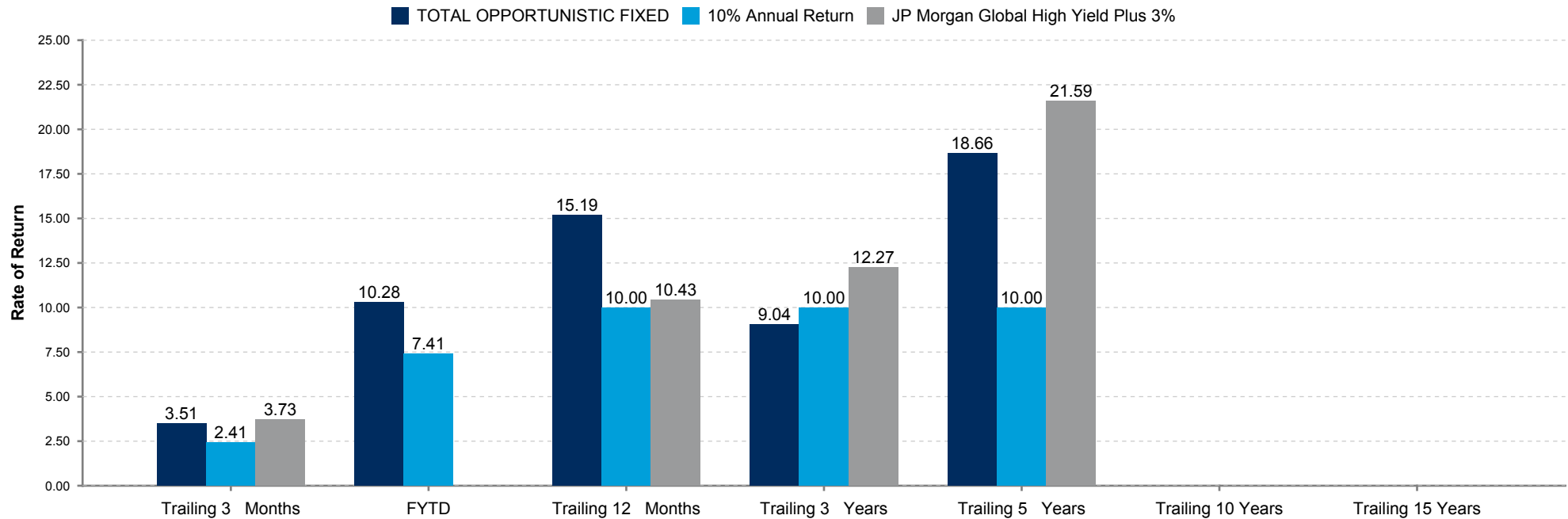


## Opportunistic Fixed Income Returns vs Benchmarks: March 31, 2014



STATE STREET

	Market Value (Billions)	% of plan
TOTAL OPPORTUNISTIC FIXED	\$1.1	1.9



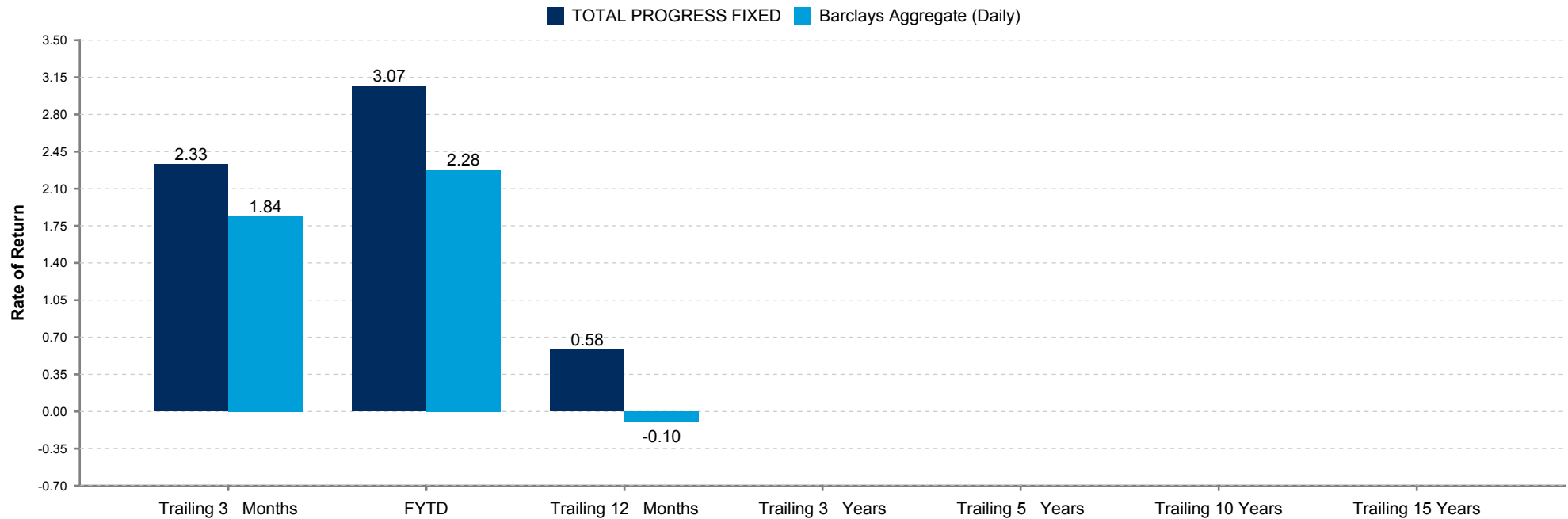
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL OPPORTUNISTIC FIXED	9.0	0.0	10.2	0.0		

## Progress Fixed Income Returns vs Barclays Aggregate Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL PROGRESS FIXED	\$110.2	0.2



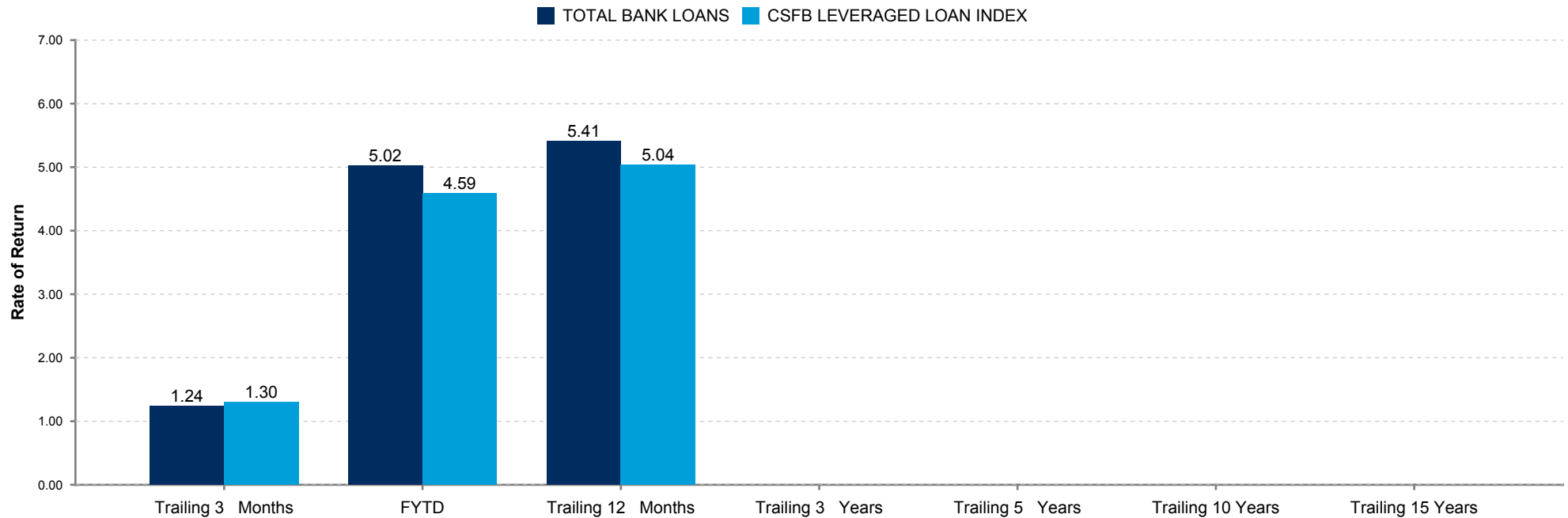
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL PROGRESS FIXED						

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



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL BANK LOANS	\$1.5	2.6



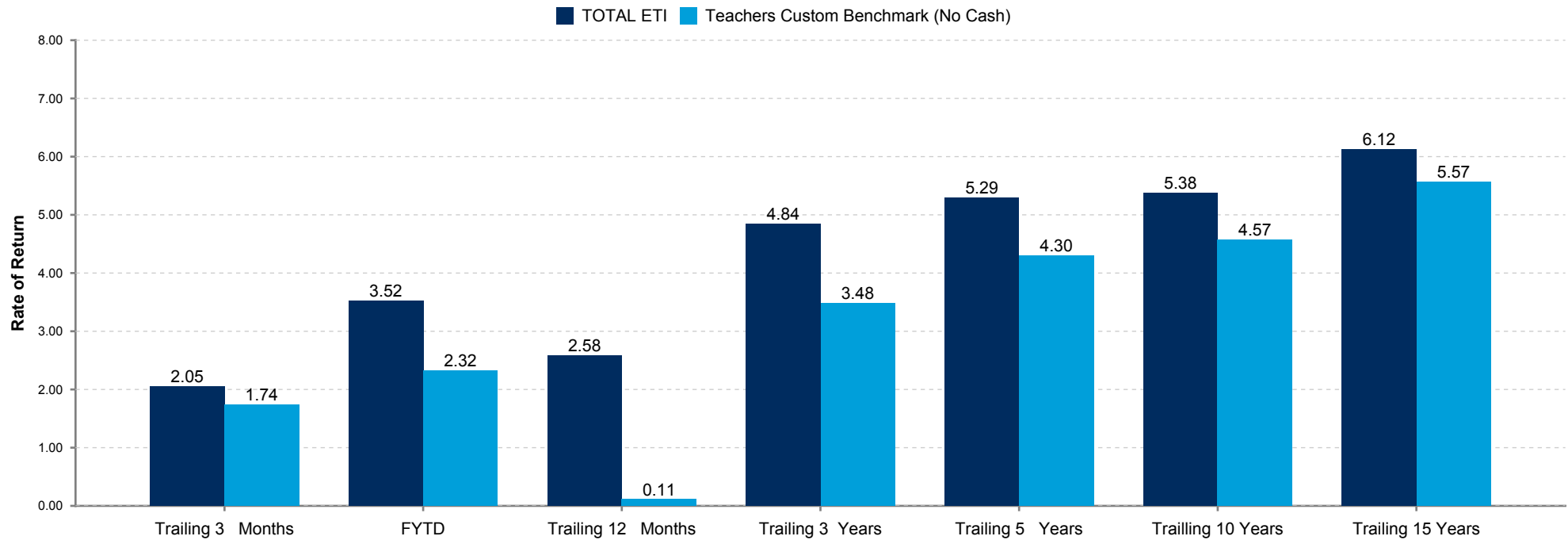
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL BANK LOANS						

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



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL ETI	\$435.6	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 ETI	2.0	2.6	1.9	2.5	2.6	2.9



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## Teachers' Retirement System of New York City

# Appendix

# Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
Brown AM - SCG	291.3	0.52	(1.91)	(1.91)	30.20	18.75			
TOTAL SMALL CAP GROWTH ACTIVE	291.3	0.52	(1.91)	(1.91)	30.20	18.75			
RUSSELL 2000 GROWTH			0.48	0.48	27.19	13.61	25.24	8.87	6.63
TOTAL SMALL CAP ACTIVE	291.3	0.52	(1.91)	(1.91)	30.20	18.75			
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
BLACKROCK INST R 2000 GROWTH	209.9	0.38	0.68	0.68					
RUSSELL 2000 GROWTH DA			0.48	0.48	27.19	13.61	25.24	8.87	6.63
BLACKROCK INST R 2000 VALUE	318.8	0.57	1.78	1.78					
RUSSELL 2000 VALUE DAI			1.78	1.78	22.65	12.74	23.33	8.07	10.70
TOTAL SMALL CAP PASSIVE	528.7	0.95	1.24	1.24					
RUSSELL 2000 (DAILY)			1.12	1.12	24.90	13.18	24.31	8.53	8.91
TOTAL SMALL CAP	820.1	1.47	0.22	0.22	30.88	18.95			
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
STATE STREET GA S&P 400	2,733.4	4.90	2.97	2.97	20.92	13.27			
TOTAL MID CAP PASSIVE	2,733.4	4.90	2.97	2.97	20.92	13.27			
S&P MIDCAP 400			3.04	3.04	21.24	13.37	24.86	10.14	10.68
TOTAL MID CAP	2,733.4	4.90	2.97	2.97	20.92	13.27			
RUSSELL MIDCAP			3.53	3.53	23.51	14.39	25.55	10.05	9.50
BLACKROCK INST R 1000 GROWTH	4,346.8	7.79	1.02	1.02					
RUSSELL 1000 GROWTH - D			1.12	1.12	23.22	14.62	21.68	7.86	2.98
Blackrock Inst R 1000 Value	4,664.7	8.36	3.00	3.00					
RUSSELL 1000 VALUE (DAI)			3.02	3.02	21.57	14.80	21.75	7.58	6.34
TOTAL RUSSELL 1000 PASSIVE	9,011.6	16.15	2.00	2.00					
RUSSELL 1000 (DAILY)			2.05	2.05	22.41	14.75	21.73	7.80	4.94

# Consolidated Performance Report

Through March 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
PROFIT INV MGMT	214.7	0.38	1.81	1.81	24.57	16.51			
TOTAL RUSSELL 1000 GROWTH	214.7	0.38	1.81	1.81	24.57	16.51			
RUSSELL 1000 GROWTH			1.12	1.12	23.22	14.62	21.68	7.86	2.98
SEIZERT CAPITAL PTNRS	222.2	0.40	3.05	3.05	26.22	14.46			
TOTAL RUSSELL 1000 CORE	222.2	0.40	3.05	3.05	25.76	14.17			
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
TOTAL RUSSELL 1000 ACTIVE	436.9	0.78	2.44	2.44	25.27	14.92			
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
TOTAL RUSSELL 1000	9,448.5	16.93	2.02	2.02	24.87	14.80			
RUSSELL 1000			2.05	2.05	22.41	14.75	21.73	7.80	4.94
STATE STREET RUSSELL 3000	9,177.0	16.44	1.93	1.93	22.56	14.66			
RUSSELL 3000			1.97	1.97	22.61	14.61	21.93	7.86	5.22
TOTAL RUSSELL 3000 PASSIVE	9,177.1	16.44	1.93	1.93	22.65	14.64	22.00	7.93	5.32
RUSSELL 3000			1.97	1.97	22.61	14.61	21.93	7.86	5.22
<b>ATTUCKS</b>									
APEX CAPITAL - SCG	0.7	0.00							
GW CAPITAL -SCC	11.8	0.02	2.06	2.06	17.83	11.33			
LOMBARDIA - SCV	11.0	0.02	0.28	0.28	24.48	13.74	25.97		
PARADIGM - SCC	12.2	0.02	0.33	0.33	21.08	12.06	23.11		
PHOCAS - SCV	14.8	0.03	1.85	1.85	31.37				
TOTAL ATTUCKS	58.2	0.10	1.15	1.15	23.49	13.86	24.96		
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
<b>CAPITAL PROSPECTS</b>									
AH LISANTI SCG	5.4	0.01	0.03	0.03	35.39				
BERNZOTT CAP AD -SCV	5.0	0.01	(2.67)	(2.67)	16.82				

# Consolidated Performance Report

Through March 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
CHANNING -SCV	5.8	0.01	2.86	2.86	28.04				
CWC ADVISORS -SCC	4.6	0.01	0.08	0.08	21.97				
HIGH POINTE -SC	2.0	0.00	0.20	0.20	23.14				
HUBER -SCV	5.5	0.01	(2.70)	(2.70)	20.76				
LOMBARDIA -SCV	4.6	0.01	0.28	0.28	24.48				
PROFIT SCC	4.9	0.01	(1.58)	(1.58)	26.26				
QUOTIENT SCC	5.3	0.01	3.81	3.81	31.00				
STEPHENS SCG	5.0	0.01	(1.53)	(1.53)	24.58				
SUMMIT CREEK SCG	5.0	0.01	(0.85)	(0.85)	28.60				
TOTAL CAPITAL PROSPECTS	53.0	0.10	(0.21)	(0.21)	25.60				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91

## PROGRESS

APEX CAPITAL MGMT -SMID CG	21.0	0.04	2.46	2.46	29.58				
CARDINAL SCV	13.7	0.02	3.29	3.29	23.98				
HUBER SCV	19.5	0.03	(2.59)	(2.59)	20.96				
MONARCH PARTNERS SCV	18.9	0.03	1.68	1.68	22.37				
NICHOLS SC	20.1	0.04	(0.87)	(0.87)	28.97				
OMT CAP MGMT -SMIDCG	15.1	0.03	(1.43)	(1.43)	27.54				
PHOCAS SCV	14.8	0.03	1.85	1.85	31.37				
TOTAL PROGRESS EQUITY	123.2	0.22	0.50	0.50	25.99				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91

## FIS FUND MGMT

APEX SCG	0.7	0.00							
CHANNING SCV	30.5	0.05	2.86	2.86	28.04				
CUPPS SCG	0.1	0.00							
EAM MICRO CAP GROWTH	6.0	0.01	1.76	1.76	38.05				
HUBER SCV	13.6	0.02	(2.56)	(2.56)	20.65				
NICHOLAS INV PTNRS -SCG	16.5	0.03	0.56	0.56	34.74				
OPUS CAPITAL MGMT -SCV	0.9	0.00							
PUNCH SCC	14.5	0.03	(0.42)	(0.42)	30.09				



# Consolidated Performance Report

Through March 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL F.I.S FUND MGMT	130.5	0.23	0.46	0.46	26.59				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
TOTAL EMERGING MANAGERS	364.9	0.65	0.49	0.49	25.74				
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
RUSSELL 3000			1.97	1.97	22.61	14.61	21.93	7.86	5.22
<b>ENVIRONMENTAL STRATEGIES</b>									
WALDEN ASSET MGMT	75.4	0.14	(1.36)	(1.36)	19.93	11.86	23.33		
TOTAL U.S. ENVIRONMENTAL	75.4	0.14	(1.36)	(1.36)	19.93	11.86	24.09		
RUSSELL 2000			1.12	1.12	24.90	13.18	24.31	8.53	8.91
TOTAL ACTIVE DOMESTIC EQUITY	1,093.2	1.96	0.60	0.60	27.09	16.06	22.98	8.00	
TOTAL PASSIVE DOMESTIC EQUITY	21,450.8	38.43	2.06	2.06	22.28	14.42	21.87	7.87	5.29
TOTAL DOMESTIC EQUITY	22,619.5	40.53	1.98	1.98	22.48	14.48	21.94	7.87	5.29
<b>DEVELOPED GROWTH</b>									
Baillie Gifford EAFE MTA	1,269.8	2.27	0.08	0.08	20.60	10.78	21.04		
Walter Scott	1,044.5	1.87	(1.94)	(1.94)	6.27	8.39	16.00		
TOTAL DEVELOPED GROWTH	2,314.3	4.15	(0.84)	(0.84)	13.68	9.00	17.28		
MSCI EAFE GROWTH NET			0.10	0.10	14.92	7.22	15.88	6.57	
<b>DEVELOPED VALUE</b>									
Causeway	729.7	1.31	0.38	0.38					
Mondrian II MTA	0.1	0.00							
Sprucegrove MTA	1,201.0	2.15	2.24	2.24	16.72	9.44	19.18		
TOTAL DEVELOPED VALUE	1,930.8	3.46	1.53	1.53	20.46	8.52	16.74	7.92	
MSCI EAFE VALUE			1.22	1.22	20.25	7.16	16.11	6.41	5.52
<b>DEVELOPED SMALL CAP</b>									
Acadian	278.0	0.50	5.68	5.68					

# Consolidated Performance Report

Through March 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Pyramis	263.9	0.47	2.22	2.22					
TRS-TOTAL EAFE SMALL CAP ACTIVE	541.9	0.97	3.96	3.96					
S&P EPAC SMALL CAP			3.81	3.81	23.89	9.62	21.24	9.40	8.57
SSGA MSCI EAFE Small Cap Index	135.8	0.24							
TRS-TOTAL EAFE SMALL CAP PASSIVE	135.8	0.24							
MSCI EAFE SMALL CAP NET			3.36	3.36	23.26	9.40	21.70	8.56	8.85
TRANSITION - EAFE REBALANCE	0.2	0.00							
TOTAL ACTIVE DEVELOPED MARKETS	4,787.9	8.58	0.63	0.63	17.35	8.51	16.94	7.80	5.96
MSCI EAFE NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
TOTAL PASSIVE DEVELOPED EQUITY	353.8	0.63	0.81	0.81	17.96				
SSGA MTA	353.8	0.63	0.75	0.75	17.89				
SSGA MSCI World Index	112.6	0.20	1.37	1.37					
TOTAL PASSIVE GLOBAL	112.6	0.20	1.37	1.37					
MSCI World Index			1.26	1.26	19.07	10.23	18.28	6.83	4.17
TOTAL EAFE ENV ACT EX PASSIVE	4,788.4	8.58	0.62	0.62	17.72	8.54	17.11	7.80	
TOTAL DEVELOPED-ENV-ACTIVIST	5,390.5	9.66	0.65	0.65	17.78	8.63	17.17	7.83	
<b>EMERGING MARKETS</b>									
Baillie Gifford EM Equities	928.7	1.66	1.28	1.28					
DFA EM	1,194.3	2.14	1.75	1.75	(4.32)				
EATON VANCE	1,232.2	2.21	2.82	2.82	(1.70)				
TOTAL ACTIVE EMERGING MARKETS	3,355.2	6.01	2.01	2.01	(2.57)				
FTSE CUSTOM NYC TRS INDEX			2.31	2.31	(1.11)				
TRS Blackrock-MSCI EM INDEX MTA	1,104.5	1.98	2.27	2.27	(1.59)	(3.19)			

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL PASSIVE EMERGING MARKETS	1,104.5	1.98	2.27	2.27	(1.59)	(3.19)			
TRS MSCI CUSTOM EMERGING			2.29	2.29	(1.18)				
TOTAL EMERGING MARKETS	4,459.7	7.99	2.07	2.07	(2.13)	(2.91)			
TOTAL INTERNATIONAL EQUITY	9,850.2	17.65	1.29	1.29	8.11	3.79	14.15	6.43	5.06
<b>REITS</b>									
ADELANTE CAPITAL MANAGEMENT	267.0	0.48	10.12	10.12	8.18	11.42	29.44	8.38	
Center Square Investment Mgt	220.6	0.40	10.46	10.46	6.52				
COHEN & STEERS - REITS	221.1	0.40	9.92	9.92	6.22				
European	298.3	0.53	3.64	3.64	3.66				
FTSE EPRA/NAREIT DEVELOPED INDEX USD			4.01	4.01	2.18	8.48	22.96	7.84	
MS REIT MTA	638.4	1.14	9.73	9.73	6.24				
SECURITY CAPITAL	223.5	0.40	10.59	10.59	5.39	9.64	29.80		
TOTAL REITS	1,868.9	3.35	8.97	8.97	6.02	10.35	29.48	9.44	
DJ US SELECT REAL ESTATE SEC. INDEX			10.27	10.27	4.36	10.12	28.97	8.06	11.27
<b>PRIVATE EQUITY INVESTMENTS</b>									
ACON EQUITY PRTNRS III	3.4	0.01							
AISLING CAPITAL II	3.2	0.01							
AISLING CAPITAL III	6.4	0.01							
ALLEGRA CAPITAL PTNRS IV	0.0	0.00							
AMERICAN SEC PTNRS VI	45.4	0.08							
Ampersand 2006	14.9	0.03							
APOLLO INVESTMENT FD V	29.8	0.05							
APOLLO INVESTMENT FD VI	29.8	0.05							
ARES CORP OPP	2.3	0.00							
ARES CORP OPP FD II	12.6	0.02							
ARES CORP OPP FD III	49.8	0.09							
ARES CORP OPP FD IV	22.7	0.04							
ARSENAL CAP PTNRS II	15.8	0.03							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
AURORA EQUITY CAPITAL PTNRS III	1.9	0.00							
AVISTA CAPITAL PTNRS	22.4	0.04							
AVISTA CAPITAL PTNRS II	22.4	0.04							
AXA SECONDARY FD V	80.1	0.14							
BC EUR CAP IX	37.5	0.07							
BDCM OPPORTUNITY FD	38.3	0.07							
BDCM OPPORTUNITY FD	1.8	0.00							
BDCM Opportunity Fund II LP	38.3	0.07							
BLACKSTONE CAPITAL PTNRS IV	10.5	0.02							
BLACKSTONE CAPITAL PTNRS VI	23.8	0.04							
BLACKSTONE MEZZ PTNRS II	2.9	0.01							
BLUE WOLF CAPITAL FUND II	16.0	0.03							
BRIDGEPOINT EUROPE III	17.6	0.03							
BRIDGEPOINT EUROPE IV	26.4	0.05							
CARLYLE PTNRS III	0.0	0.00							
CARLYLE PTNRS V	44.3	0.08							
CARLYLE PTNRS VI	4.5	0.01							
CARPENTER COMMUNITY BANC FUND	18.8	0.03							
CATTERTON PTNRS VI	28.5	0.05							
CCMP CAPITAL INVESTORS II	16.1	0.03							
CELTIC PHARM HLDGS, LP	23.0	0.04							
CO INVEST PTNRS EURO	26.6	0.05							
CONSTELLATION VENTURES III	11.7	0.02							
CRATON EQUITY INVESTORS	5.0	0.01							
CYPRESS MERCH BK PTNRS II	6.1	0.01							
DIVCO WEST FD IV	5.8	0.01							
EQT VI	24.0	0.04							
ERASMUS NYC GROWTH FD	2.1	0.00							
FAIRVIEW EMERGING MGRS FD	37.4	0.07							
FAIRVIEW VENTURES FD III	18.9	0.03							
FDG CAPL PTNRS	5.7	0.01							
FDG CAPL PTNRS II	0.0	0.00							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
FIRST RESERVE FD XI	22.8	0.04							
FIRST RESERVE FD XII	21.6	0.04							
FOURTH CINVEN FD	38.2	0.07							
FT VENTURES FD III	16.3	0.03							
GF CAPITAL	13.6	0.02							
GI PTNRS FD II	13.7	0.02							
GI PTNRS FD III	24.6	0.04							
GREEN EQ INV VI	19.5	0.03							
GSC RECOVERY III	3.9	0.01							
GSO CAPITAL OPPORTUNITIES FD	10.6	0.02							
HALYARD CAPITAL II	7.9	0.01							
ICV PTNRS III	3.1	0.01							
INTERMEDIA PARTNERS VII	37.7	0.07							
JP MORGAN INVST MGMT	30.0	0.05							
LANDMARK EQUITY PTNRS XI	3.2	0.01							
LANDMARK EQUITY PTNRS XIV	34.7	0.06							
LANDMARK FUND XIII	12.1	0.02							
LEE EQUITY PARTNERS	22.8	0.04							
LEEDS WELD EQUITY PTNRS IV	9.8	0.02							
LEEDS WELD EQUITY PTNRS V	26.4	0.05							
LEVINE LEICHTMAN CAP PTNRS IV	22.5	0.04							
LINCOLNSHIRE EQ FD II	2.8	0.01							
LINCOLNSHIRE EQ FD III	16.2	0.03							
LINCOLNSHIRE EQ FD IV	8.1	0.01							
MARKSTONE CAPITAL PTNRS	14.3	0.03							
MIDOCEAN PTNRS III	37.3	0.07							
MONTREUX EQ PTNRS IV	13.1	0.02							
NAUTIC PARTNERS VI	21.6	0.04							
NEW MOUNTAIN PTNRS	1.4	0.00							
NEW MOUNTAIN PTNRS II	2.2	0.00							
NEW MOUNTAIN PTNRS III	33.4	0.06							
NEWSPRING VENTURE II	7.2	0.01							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
NGN BIOMED OPPORTUNITY II	9.0	0.02							
ONEX PTNRS III	39.1	0.07							
PALADIN HOMELAND SECURITY	6.3	0.01							
PALADIN HOMELAND SECURITY III	11.7	0.02							
PALLADIUM EQ PTNRS III	36.0	0.06							
PCGAM CLEAN ENERGY & TECH FD	30.4	0.05							
PEGASUS PTNRS IV	18.2	0.03							
PEGASUS PTNRS V	9.5	0.02							
PERSEUS PTNRS VII	5.0	0.01							
PINE BROOK CAPITAL PTNRS	19.9	0.04							
PLATINUM EQ CAP PTRNS III	35.6	0.06							
PRISM VENTURE PTNRS V	8.9	0.02							
PSILOS GROUP PTNRS III	21.0	0.04							
QUADRANGLE CAP PTNRS II	17.5	0.03							
QUAKER BIOVENTURES II	10.4	0.02							
RELATIVITY FD	2.4	0.00							
RIPPLEWOOD PTNRS II	7.9	0.01							
RIVERSTONE/CARLYLE GLB EP IV	22.9	0.04							
RLJ EQUITY PARTNERS I	10.1	0.02							
RRE Ventures III	6.5	0.01							
RRE VENTURES IV	35.4	0.06							
SCP PRIV EQ PTNRS II	11.3	0.02							
SCP VITALIFE PTNRS II	11.3	0.02							
SNOW PHIPPS & GUGGENHEIM	9.8	0.02							
SOLERA PTNRS	9.2	0.02							
STARVEST PTNRS II	10.7	0.02							
TAILWIND CAPITAL PTNRS	1.3	0.00							
TERRA FIRMA CAP III	19.9	0.04							
THOMAS H LEE EQUITY FD VI	7.9	0.01							
THOMAS MCNERNEY PTNRS	8.0	0.01							
THOMAS MCNERNEY PTNRS II	10.4	0.02							
TRIDENT V	28.2	0.05							

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TRILANTIC CAPITAL PTNRS	10.0	0.02							
TRILANTIC CAPITAL PTNRS III	1.3	0.00							
TRILANTIC CAPITAL PTNRS IV	49.6	0.09							
TRILANTIC CAPITAL PTNRS IV	49.6	0.09							
VISTA EQUITY PTNRS III	13.5	0.02							
VISTA EQUITY PTNRS IV	83.3	0.15							
VITRUVIAN PTNRS	12.8	0.02							
VSS COMM PTNRS IV	6.2	0.01							
WARBURG PINCUS XI	36.6	0.07							
WELSH CARSON ANDERSON & STOWE XI	27.8	0.05							
YUCAIPA AMERICAN ALLIANCE FD	42.9	0.08							
YUCAIPA AMERICAN ALLIANCE FD II	102.2	0.18							
YUCAIPA CORP INITIATIVE II	21.0	0.04							
TOTAL PRIVATE EQUITY	2,558.3	4.58							
NYC R3000 +3% Lagged									

## REAL ASSETS

### PRIVATE REAL ESTATE

ALMANAC REALTY SEC VI LP	45.1	0.08							
AMER VALUE PTNRS	11.6	0.02							
APOLLO REAL ESTATE FD V	125.1	0.22							
BLACKROCK CARBON III	4.4	0.01							
BLACKSTONE REAL ESTATE PTNRS EU III	37.2	0.07							
BLACKSTONE REAL ESTATE PTNRS IV	14.6	0.03							
BLACKSTONE REAL ESTATE PTNRS VI	71.9	0.13							
BROOKFIELD STRATEGIC RE PTNRS	65.1	0.12							
CANYON-JOHNSON URBAN FD	0.0	0.00							
CANYON-JOHNSON URBAN FD II	10.3	0.02							
CANYON-JOHNSON URBAN FD III	18.0	0.03							
CAPRI URBAN INVESTORS	28.7	0.05							
CARLYLE R.P. FD V	5.9	0.01							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
CARLYLE REALTY FD VI	41.7	0.07							
COLONY REALTY PTNRS II	6.0	0.01							
EMMES ASSET MGMT CO	10.4	0.02							
H/2 SPEC OPPORTUNITY FD II	34.9	0.06							
HEITMAN AMERICA	66.4	0.12							
HUDSON SEP AC	7.5	0.01							
JPM STRATEGIC PROPERTY FD	125.6	0.23							
JPM SPECIAL SITUATIONS FD	14.3	0.03							
LASALLE US PROPERTY FD	49.1	0.09							
METRO WORKFORCE HOUSING FD	4.9	0.01							
OCM REAL ESTATE OPPORTUNITIES FD III-A	1.8	0.00							
PRISA	38.3	0.07							
PRISA II	65.7	0.12							
PROLOGIS TARGETED US LOGISTICS FD	9.0	0.02							
Related Sep Acct	43.2	0.08							
RREEF AMER. II	38.7	0.07							
RREEF AMER. III	5.0	0.01							
SILVERPEAK RE PTNRS III	3.0	0.01							
STOCKBRIDGE RE FD III	26.1	0.05							
TACONIC NY INV FD	26.3	0.05							
THE CITY INVESTMENT FD	53.2	0.10							
THOR URBAN PROPERTY FD II	10.4	0.02							
TISHMAN SPEYER/CITIGROUP	58.5	0.10							
UBS TRUMBULL PROPERTY FD	135.8	0.24							
URBAN AMERICA II	4.2	0.01							
WESTBROOK RE FD VIII	41.5	0.07							
TOTAL PRIVATE REAL ESTATE	1,261.0	2.26							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infr Fd II	15.4	0.03							



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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL INFRASTRUCTURE	15.4	0.03							
CPI + 4%									
TOTAL REAL ASSETS	1,276.5	2.29							
TOTAL EQUITY - PUBLIC & PRIVATE	38,173.3	68.39	2.35	2.35	16.86	11.02	18.96	7.52	
TEACHERS EQUITY POLICY BENCHMARK			2.96	2.96	18.61	11.62	20.26	7.58	5.23
FIXED INCOME MANAGEMENT									
GOVERNMENT									
BLACKROCK - GOVT	307.1	0.55	3.51	3.51	(3.09)	5.82			
PIMCO - GOVT	418.7	0.75	3.74	3.74	(3.29)	5.74	4.87	5.63	
STATE STREET - GOVT	346.7	0.62	3.38	3.38	(3.50)	5.73			
TOTAL TREASURY/AGENCY	1,072.4	1.92	3.56	3.56	(3.30)	5.76	4.47	5.55	6.54
NYC - TREASURY AGENCY PLUS FIVE			3.47	3.47	(3.54)	5.72	4.15	5.40	6.38
MORTGAGE									
BLACKROCK - MORT	1,283.2	2.30	1.80	1.80	0.68	3.96	5.44	5.05	
BLACKROCK - SP PURPOSE-MTG	12.2	0.02	6.44	6.44					
GOLDMAN SACHS - MORT	352.7	0.63	1.73	1.73	0.22	3.37			
NEUBERGER BERMAN -MORT	444.3	0.80	1.71	1.71	0.12	2.83			
PIMCO - MORT	1,237.2	2.22	1.77	1.77	0.21	3.03	4.63	4.92	5.77
SMITH BREEDEN - MORT	177.8	0.32	1.56	1.56	0.64	3.41			
Wellington - Mortgage	351.9	0.63	1.81	1.81	(0.15)	2.98			
TOTAL MORTGAGE	3,859.5	6.91	1.78	1.78	0.43	3.44	4.94	4.76	5.54
CITIGROUP MORTGAGE INDEX			1.61	1.61	0.11	2.77	3.57	4.62	5.34
INVESTMENT GRADE CREDIT									
BARROW HANLEY - CREDIT	402.4	0.72	3.03	3.03	2.21	6.54			
BLACKROCK - CREDIT	1,033.4	1.85	3.09	3.09	2.13	6.50	9.70	5.58	
PRUDENTIAL - CREDIT	577.4	1.03	2.76	2.76	1.68	6.08			

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
PRUDENTIAL - PRIVEST - CREDIT	180.1	0.32	2.55	2.55	1.54				
TAPLIN, CANIDA - CREDIT	1,019.6	1.83	3.55	3.55	2.45	6.39	10.89	4.69	6.05
T. ROWE PRICE - CREDIT	1,019.9	1.83	3.12	3.12	2.08	6.77	10.28	6.01	6.42
TOTAL INVESTMENT GRADE CREDIT	4,232.7	7.58	3.13	3.13	2.16	6.48	10.35	5.47	6.18
NYC - INVESTMENT GRADE CREDIT			2.70	2.70	1.17	5.69	8.72	5.06	5.98
TOTAL STRUCTURED	9,164.6	16.42	2.61	2.61	0.69	5.07	6.61	5.25	6.06
NYC - CORE PLUS FIVE			2.42	2.42	(0.12)	4.55	5.45	5.06	5.89
PIM - AMBASSADOR MTA	27.2	0.05	2.28	2.28	0.25				
PIM - GIA MTA	22.6	0.04	2.19	2.19	1.46				
PIM HILLSWICK MTA	10.8	0.02	2.13	2.13	(1.09)				
PIM NEW CENTURY MTA	27.8	0.05	2.79	2.79	1.19				
PIM PUGH CAP MTA	21.9	0.04	2.04	2.04	0.14				
TOTAL PROGRESS FIXED	110.2	0.20	2.33	2.33	0.58				
BARCLAYS CAPITAL AGGREGATE			1.84	1.84	(0.10)	3.75	4.80	4.46	5.40
<b>TIPS MANAGERS</b>									
<b>ACTIVE TIPS MANAGERS</b>									
BLACKROCK-TIPS-MTA	251.0	0.45	2.01	2.01	(6.08)	3.51	4.92		
PIMCO-TIPS-MTA	772.5	1.38	2.10	2.10	(6.65)	3.87	5.10		
TOTAL ACTIVE TIPS MANAGERS	1,023.5	1.83	2.08	2.08	(6.51)	3.78	5.05		
Barclays US TIPS Index			1.95	1.95	(6.49)	3.50	4.91	4.53	6.51
<b>PASSIVE TIPS MANAGERS</b>									
STATE STREET-TIPS-MTA	342.1	0.61	1.95	1.95	(6.50)	3.47	4.87		
TOTAL PASSIVE TIPS MANAGERS	342.1	0.61	1.95	1.95	(6.50)	3.47	4.87		
TOTAL TIPS MANAGERS	1,365.6	2.45	2.05	2.05	(6.51)	3.70	5.01		
Barclays US TIPS Index			1.95	1.95	(6.49)	3.50	4.91	4.53	6.51
<b>ENHANCED YIELD</b>									

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LOOMIS	322.5	0.58	4.07	4.07	9.51				
NEUBERGER BERMAN	521.2	0.93	2.67	2.67	7.85				
BofA MERRILL LYNCH HY MASTER II			3.00	3.00	7.53	8.71	18.19	8.54	7.38
OAKTREE	303.6	0.54	2.97	2.97	6.95				
BofA ML HY MASTER II CONSTRAINED			2.99	2.99	7.52	8.69	18.13	8.55	
STONE HARBOR INVESTMENT PARTNERS	456.6	0.82	3.08	3.08	7.98	8.76	14.99	8.22	
BofA ML-MST II 7-12/BB&B PRIOR			3.00	3.00	7.53	9.38	15.39	7.36	6.61
FORT WASHINGTON	137.1	0.25	3.07	3.07	6.24				
PENN	138.3	0.25	3.16	3.16	7.23				
SHENKMAN	223.9	0.40	2.76	2.76	6.74	7.29	11.50	7.34	
T. ROWE PRICE ENHANCED	530.9	0.95	3.00	3.00	7.30	8.28	15.28	8.28	
HIGH YIELD TRANSITION	0.0	0.00							
TOTAL ENHANCED YIELD	2,634.3	4.72	3.07	3.07	7.65	8.53	14.40	8.05	6.81
CITIGROUP BB & B			2.97	2.97	6.79	8.71	14.96	7.17	6.48
CITIGROUP BB & B CAPPED			2.96	2.96	6.80	8.64	14.80	7.38	
<b>BANK LOANS</b>									
BABSON BL MTA	368.4	0.66	1.31	1.31	5.29				
CREDIT SUISSE BL MTA	366.0	0.66	1.13	1.13	5.20				
GUGGENHEIM BL MTA	371.4	0.67	1.46	1.46	6.69				
ING BL	184.3	0.33	1.34	1.34	5.72				
WELLS BL MTA	179.2	0.32	0.74	0.74	3.17				
TOTAL BANK LOANS	1,469.3	2.63	1.24	1.24	5.41				
CREDIT SUISSE LEVERAGED LOAN INDEX			1.30	1.30	5.04	5.29	12.24	5.01	
<b>CONVERTIBLE BONDS</b>									
Advent - Conv Bonds	381.4	0.68	3.97	3.97	12.75	7.38	13.74		
BofA ML CONVERTIBLES YIELD ALT. INDEX			3.89	3.89	8.75	6.65	15.05	5.22	4.82
ADVENT GLOBAL	80.6	0.14	5.14	5.14	16.11	8.24			

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
BofAML GLOBAL CONVERTIBLE BOND			4.30	4.30	22.64	11.11	18.13	8.44	8.22
F&C CONVERTIBLE BONDS	147.2	0.26	5.33	5.33	13.45	6.86	13.53		
UBS GLOBAL FOCUS CUSTOMISED			3.48	3.48	13.63	6.64	11.33		
VICTORY CONVERTIBLE BONDS	273.9	0.49	3.89	3.89	17.40	8.63	14.11		
BofA ML CONVERTIBLE BONDS INVST GRADE			4.09	4.09	18.27	9.51	13.90	4.49	4.14
TOTAL CONVERTIBLE BONDS	883.1	1.58	4.28	4.28	14.29	7.42	14.01		
ML ALL CONVERTIBLES EX MANDATORY			4.39	4.39	20.99	10.92	19.25	7.30	7.41
TEACHERS CUSTOM CONVERTIBLE BOND IDX			3.34	3.34	12.21	7.47	14.07		
<b>OPPORTUNISTIC FIXED</b>									
AVE EURO SPECIAL SITUATIONS FD	0.5	0.00							
AVE SPECIAL SITUATIONS FD V	0.3	0.00							
AVE SPECIAL SITUATIONS FD VI	80.1	0.14							
FORTRESS PTNRS LP	60.5	0.11							
LONE STAR FD VIII	47.1	0.08							
OAKTREE OPP FD IX LP	48.8	0.09							
TORCHLIGHT INVESTORS	19.2	0.03							
TOTAL FUND STRATEGIES	256.5	0.46							
10% ANNUAL RETURN									
JP MORGAN GLOBAL HIGH YIELD PLUS 3%									
ANGELO GORDON PTNRS LP	152.2	0.27	3.77	3.77	14.28				
APOLLO PTNRSH LP	125.1	0.22	5.50	5.50	15.22				
Contrarian Partnership, L.P	38.5	0.07	4.78	4.78					
GOLDENTREE OD MTA	151.6	0.27	3.66	3.66	10.72				
Marathon Centre Street Partnership, L.P.	214.7	0.38	3.30	3.30	22.43				
OAK HILL PTNRS LP	146.6	0.26	2.54	2.54	14.24				
TOTAL STRATEGIC MANDATES	828.7	1.48	3.70	3.70	15.97				
10% Annual Return			2.41	2.41	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			3.73	3.73	10.43	12.27	21.59		
TOTAL OPPORTUNISTIC FIXED	1,085.2	1.94	3.51	3.51	15.19	9.04	18.66		

# Consolidated Performance Report

Through March 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
10% Annual Return			2.41	2.41	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			3.73	3.73	10.43	12.27	21.59		
<b>ETI</b>									
ACCESS/RBC	89.8	0.16	1.61	1.61	(0.54)	3.51	4.28		
GNMA	0.0	0.00	2.34	2.34	9.20	6.88	5.83	6.51	
TARGETED INVESTMENT	101.3	0.18	4.57	4.57	12.33	9.13	9.00	8.41	8.24
CPC TERM LOAN	7.2	0.01	0.51	0.51	2.36	2.35	2.25	3.92	
AFL - CIO HOUSING INV TRUST	207.6	0.37	1.75	1.75	(0.53)	3.49	4.21	4.43	
CFSB-PPAR	2.2	0.00	5.17	5.17	8.04	6.63	8.10		
CCD-PPAR	5.5	0.01	4.38	4.38	10.66	9.51	9.45		
NYC TRS CCD-PPAR ETI MTA 2013	2.5	0.00	4.72	4.72					
CPC-PPAR	13.8	0.02	6.41	6.41					
LIIF-PPAR	2.9	0.01	3.43	3.43	(9.04)	0.99			
LIIF-PPAR ETI	0.6	0.00	4.94	4.94					
NCBCI-PPAR	1.5	0.00	5.27	5.27	14.94	10.95			
NCB-CI PPAR ETI	0.2	0.00	5.31	5.31					
NHS-PPAR	0.6	0.00	5.17	5.17	11.64	8.64	9.89		
TOTAL ETI (WITH CASH)	435.6	0.78	2.05	2.05	2.58	4.84	5.29	5.38	6.12
Teachers Custom Benchmark			1.74	1.74	0.11	3.48	4.30	4.57	5.57
TOTAL FIXED INCOME	17,609.3	31.55	2.60	2.60	2.93	5.79	8.04	5.75	6.15
TEACHERS FIXED POLICY BENCHMARK			2.48	2.48	3.65	6.74	8.42	5.90	6.33
SECURITIES LENDING	31.4	0.06							
State Street Short Term	461.4	0.83	0.06	0.06	0.25	0.38	0.55	2.19	
C/D - Fail Float Earnings	2.0	0.00							
<b>TOTAL TEACHERS</b>	<b>55,816.0</b>	<b>100.00</b>	<b>2.42</b>	<b>2.42</b>	<b>12.47</b>	<b>9.29</b>	<b>15.11</b>	<b>7.14</b>	<b>5.80</b>
TEACHERS POLICY BENCHMARK			2.82	2.82	12.38	9.58	16.30	7.06	5.65



NEW YORK CITY TEACHERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2013 AND ESTIMATED FEES FOR FY 2014 UPDATED THROUGH SEPTEMBER 2013					
		Actual 2013		Estimates 2014	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-2013 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2013 (\$MM)	BASIS POINTS
<b>US Equities</b>		<b>20,645</b>	<b>3.38</b>	<b>21,871</b>	<b>3.83</b>
Small Cap Active		229	89.13	275	100.00
Small Cap Growth		229	89.13	275	100.00
Small Cap Value		-	-	-	-
Small Cap core		-	-	-	-
Small Cap Fundamental Index		-	-	-	-
Small/Mid Cap Active		-	-	-	-
Small/Mid Cap Growth		-	-	-	-
Small/Mid Cap Value		-	-	-	-
Mid Cap Active		-	-	-	-
Mid Cap Growth		-	-	-	-
Mid Cap Value		-	-	-	-
Mid Cap core		-	-	-	-
Large Cap Active		510	32.43	388	38.88
Large Cap Growth		178	32.89	192	42.13
Large Cap Value		-	-	-	-
Large Cap Core		332	32.19	196	35.69
Large Cap Fundamental Index		-	-	-	-
Active Emerging Managers (U.S. Equities)		301	68.28	334	79.49
Total US Active Equities		1,041	55.28	997	69.32
Total US Passive Equities		19,540	0.48	20,805	0.55
Opportunistic US Equity Strategies		65	46.02	70	47.93
<b>International Equities</b>		<b>9,171</b>	<b>20.74</b>	<b>9,256</b>	<b>34.45</b>
Active EAFE Equities		4,433	22.26	4,511	30.31
Growth		1,978	28.01	2,231	28.57
Value		1,813	16.43	1,797	26.98
Core		433	27.24	-	-
Small Cap		209	8.07	483	50.73
Opportunistic-Non US Eq. Strategies Active		189	55.78	-	-
Active Emerging Markets		2,256	30.43	3,248	53.62
Total Int'l Active Equities		6,878	25.86	7,759	40.07
Total Int'l Passive Equities		2,294	5.37	1,497	5.35
REITS Passive Index		1,747	40.17	1,716	40.34

# Actual and Estimated Fees



STATE STREET

NEW YORK CITY TEACHERS' RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2013 AND					
ESTIMATED FEES FOR FY 2014 UPDATED THROUGH SEPTEMBER 2013					
INVESTMENT STYLE (FIXED INCOME)	Actual 2013		Estimates 2014		
	MARKET VALUE 06-30-2013 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2013 (\$MM)	BASIS POINTS	
<b>Fixed Income</b>	<b>15,025</b>	<b>19.81</b>	<b>15,709</b>	<b>21.08</b>	
Structured Program	7,638	7.45	7,699	8.07	
Government Sector	1,061	5.92	1,056	7.23	
Mortgage Sector	3,404	9.75	3,441	7.66	
Investment Grade Credit Sector	3,173	8.73	3,202	8.80	
Global Fixed Income	-	-	-	-	
Progress Fixed Emerging Managers	107	35.28	108	37.50	
TIPS	1,356	10.31	1,368	6.98	
Active TIPS	1,016	13.59	1,025	9.14	
Passive TIPS	340	0.52	343	0.50	
Opportunistic Fixed Income	778	63.08	850	90.94	
Enhanced Yield	2,412	37.90	2,466	35.25	
Bank Loans	910	27.64	1,222	35.33	
Convertible Bonds	1,071	34.67	824	45.69	
ETI - Access - RBC	45	27.49	58	26.79	
ETI - AFL-CIO HIT	203	42.67	204	44.00	
Other ETI Programs	126	-	231	-	
In-House Short Term	379	0.00	682	0.00	
<b>Total Public Markets</b>	<b>46,589</b>	<b>13.47</b>	<b>48,552</b>	<b>16.54</b>	
<b>INVESTMENT STYLE (PRIVATE)</b>					
Hedge Funds	-	-	-	-	
Private Equity *	2,084	158.93	2,203	198.84	
Real Assets	1,034	111.80	1,115	121.35	
Private Real Estate	1,034	111.80	1,105	107.69	
Infrastructure**	-	-	9	92.16	
<b>Total Private Markets</b>	<b>3,118</b>	<b>143.31</b>	<b>3,317</b>	<b>172.80</b>	
<b>Total Overall</b>	<b>49,707</b>	<b>21.62</b>	<b>51,869</b>	<b>26.54</b>	
* Private Equity Investments exclude GP CARRY					
** Included investment held for less than a full year; Basis Points shown represent average for the period.					



**TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK  
SECURITIES LENDING INCOME  
March 31, 2014**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL 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
2012	8,113,000	18,853,000	4,915,000
2013	5,208,000	21,196,000	3,803,000
2014 (3 Months)	494,000	1,806,000	824,000
Since Inception	<u>\$131,863,000</u>	<u>\$188,577,000</u>	<u>\$57,807,000</u>

\*Inception 4/89





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



## General Notes

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

## Page Specific

### Pages 8 & 9 - Portfolio Asset Allocation

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

### Pages 10 - 12 - 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 \* 34.96%*  
*International Developed (EAFE) Markets: MSCI EAFE \* 9.00%*



*Emerging Markets: MSCI Emerging Markets \* 8.75%*

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

*Private Equity: Russell 3000 + 300 b.p. per annum \* 4.54%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 2.23%*

*Domestic Fixed Income: NYC Core +5 \* 19.89%*

*TIPS: Lehman U.S. TIPS \* 4.00%*

*Enhanced Yield: Citigroup BB&B \* 5.35%*

*Bank Loans: Credit Suisse Leveraged Loan \* 2.64%*

*Convertible Bonds: Merrill All US Converts \* 3.00%*

*Opportunistic Fixed: 10% Annualized Return \* 1.93%*

*Cash: BofA ML 91 Day T-Bill \* 0.75%*

### **Page 13 – 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 44 – 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/RBC: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index