

Teachers' Retirement System
of New York City
Performance Overview as of June 30, 2014

Total Fund Overview



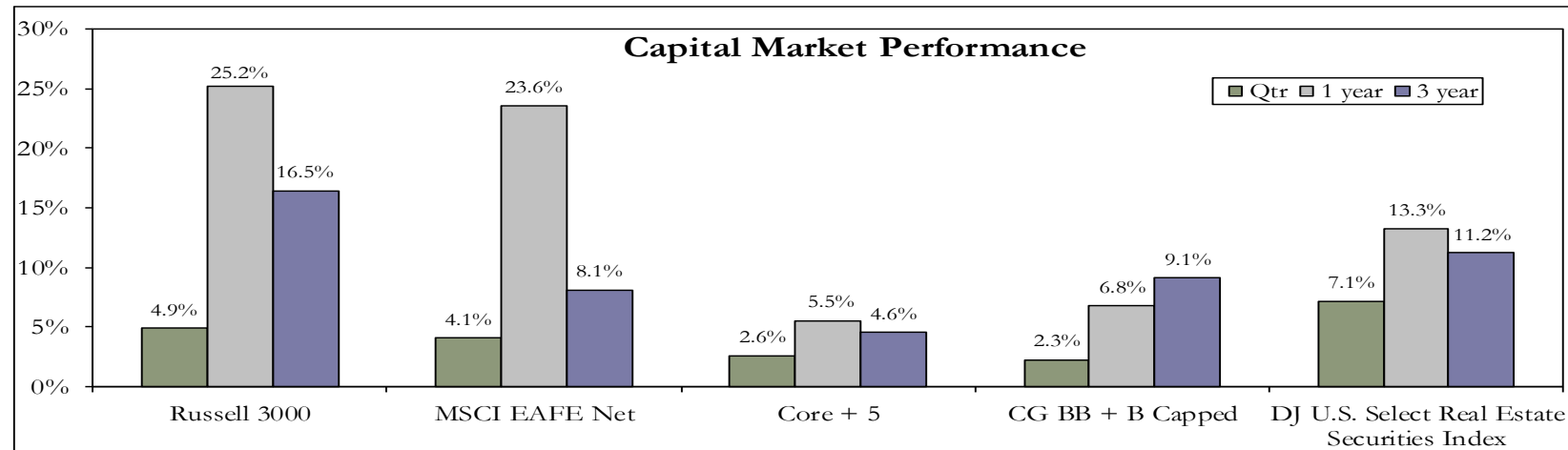
Teachers' Retirement System of New York City

| |
|---------------------------|
| Table of Contents: |
|---------------------------|

| |
|---|
| Equity Analysis Fixed Income Analysis Appendix |
|---|



Through June 30, 2014



Market Backdrop: As the U.S. economy continued to strengthen during the second quarter, the Federal Reserve moved forward with its plan to reduce bond purchases under its quantitative easing program. At the end of the quarter, the Fed had reduced its purchases to \$35 billion per month. Despite the reduction in bond purchases, interest rates continued to fall in the U.S. with the 10-year Treasury note yielding 2.53% at the end of June, a decline of 19 basis points since the end of the first quarter. Shorter-term Treasuries reacted less to events during the quarter with the 2-year and 5-year Treasury yields remaining relatively unchanged during the quarter. As a result of the interest rate environment, most fixed income sectors generated positive returns. Developed and emerging market equity markets also continued to move higher during the quarter. U.S. equities (proxied by the S&P 500) gained 5.2% during the quarter, outperforming non-U.S. developed markets (proxied by the MSCI EAFE Net Index) which returned 4.1% for the period. Additionally, emerging market equities (proxied by the MSCI Emerging Markets Net Index) rebounded during the quarter, posting a gain of 6.6% for the three months ending June 30, 2014. The broad fixed income market benefited from a decline in Treasury yields and a general tightening of credit spreads during the quarter, gaining 2.0%. Below investment grade asset classes, such as high yield and emerging markets debt, also kept pace during the quarter, gaining 2.3% and 5.4%, respectively. Commodities were largely flat during the second quarter, with the Bloomberg Commodity Index posting a 0.1% return.

Total Fund Performance: The Teachers' Total Fund returned 4.14% for the quarter ending June 30, 2014 versus the policy benchmark's return of 4.21%. During the quarter, deviations from target allocations, specifically, an underweight to structured fixed income contributed to the Fund's return. Active management during the quarter in developed markets equity, private equity, and domestic equity detracted

Through June 30, 2014



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from performance, but active management in real assets, emerging markets equity, structured fixed income, and opportunistic fixed income contributed positively to Total Fund performance. The Total Fund experienced strong absolute returns for the trailing one-year, gaining 17.62%, and outperforming the benchmark by 36 basis points. However, for the three year period ending June 30, 2014, the Fund lagged its benchmark by 42 basis points with a return of 10.26%. 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 June 30, 2014, the Fund had total assets of \$58.3 billion, up from \$55.8 billion at the end of the first quarter of 2014. Although all composites were within their rebalancing ranges at quarter end, the underweight to structured fixed income had a positive impact on the relative results of the Fund of about 5 basis points. The Fund is in the process of shifting its asset allocation to its new strategic targets. As of June 30, 2014, the private equity and private real estate invested allocation was 6.7% versus their new aggregate long-term target allocation of 12.0%.
- **U.S. Equity - \$23.7 Billion, 41% of Fund:** The U.S. equity composite returned 4.73% during the second quarter of 2014, underperforming the broad U.S. equity market, as measured by the Russell 3000 Index, by 14 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. For the one year period ending June 30, 2014 the U.S. equity composite has returned 25.14% versus the Russell 3000 Index's return of 25.22%. The active small cap equity managers underperformed the Russell 2000 Index by 112 basis points during the quarter. Over the three year period ending June 30, 2014, the U.S. equity composite slightly underperformed the 16.46% return of the Russell 3000 Index with a return of 16.29%.
- **Developed International Equity - \$5.5 Billion, 10% of Fund:** Non-U.S. developed equity markets, as measured by the MSCI EAFE Net Dividends Index, returned 4.09% in U.S. dollar terms during the second quarter of 2014. For the same time period, the Fund's total developed international equity composite returned 2.68%. In contrast with the US equity composite, the developed international equity composite is more than 90% actively managed. For the 12 month period ending June 30, 2014, this composite returned 22.38%, underperforming the MSCI EAFE Net Index, which returned 23.57% over the same period. In addition, over the three year period ending June 30, 2014, the total developed international composite has outperformed the index by 50 basis points with an annualized return of 8.60%.
- **Emerging Markets Equity - \$4.8 Billion, 8% of Fund:** Emerging market equities, as measured by the MSCI EM Net Index, returned 6.60% during the first quarter (5.14% in local currency terms). Over the trailing one-year, the MSCI EM Net Index returned 14.31%. For the second 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 7.75% versus the Custom FTSE Benchmark's return of 7.53% over the same period. For the one year period ended June 30, 2014, the emerging markets equity composite returned 15.65% versus the benchmark return of 15.93%, as two of the four emerging markets equity managers lagged

Through June 30, 2014



the benchmark, most notably Eaton Vance, primarily due to an underweight position in Taiwan and an overweight position in Vietnam.

- **REITs - \$2.0 Billion, 3% of Fund:** Similar to the first quarter, REITs were the strongest performing asset class during the second quarter of 2014, as the Dow Jones U.S. Select Real Estate Securities Index returned 7.13% during the quarter. The Fund's REITs managers outperformed the benchmark during the second quarter of 2014, returning 7.27%. European Investors was the weakest performing manager within the REIT composite during the quarter, returning 6.56%. 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 40 basis points.
- **Structured Fixed Income – \$9.4 Billion, 16% of Fund:** The structured fixed income composite returned 2.75% during the second quarter of 2014 versus the Core + 5 benchmark return of 2.60% 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 June 30, 2014, the contribution of active management in the structured fixed income composite has been more significant as the program outperformed its benchmark by 89 basis points with a return of 6.43%. Over the longer five year period ending June 30, 2014, the structured fixed income composite outperformed its benchmark by 94 basis points with an annualized return of 6.58%.
- **Enhanced Yield - \$2.7 Billion, 5% of Fund:** During the second quarter of 2014, the broad high yield market posted positive returns as credit spreads tightened and yields were pushed to historic lows. This asset class, as measured by the BofA Merrill Lynch High Yield Master II Index, returned 2.57%. Over the same period, the higher quality enhanced yield composite benchmark, the Citigroup BB & B Capped Index, returned 2.26% and was virtually matched by the Fund's composite, which returned 2.29%. For the one year period ending June 30, 2014, this composite returned 11.92% while the Citigroup BB & B Capped Index returned 10.94%. Over the five year period ending June 30, 2014, the enhanced yield composite returned 12.17% and outperformed the higher quality capped benchmark by an annualized 3 basis points.
- **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 second quarter, adding to modest gains achieved in the first quarter. The benchmark gained 1.45% for the second quarter and the composite slightly underperformed the benchmark, returning 1.21% over the same time period. For the one year period ending June 30, 2014 the bank loans composite outperformed the benchmark by 18 basis points, returning 6.29%.



Through June 30, 2014

- **TIPS - \$1.4 Billion, 2% of Fund:** While inflation remained at modest levels, the broad U.S. TIPS returned 3.81% for the second quarter of 2014. The composite of TIPS managers (75% active/25% passive) slightly underperformed the benchmark with an aggregate return of 3.71% for the quarter. For the one year period ending June 30, 2014, the TIPS composite returned 4.44%, tracking its benchmark return of 4.44%. For the three year period ending June 30, 2014, the composite outperformed the benchmark by 25 basis points with a return of 3.80%.
- **Convertibles - \$0.9 Billion, 2% of Fund:** The BofA ML All Convertibles Index, a measure of the broad convertibles market, returned 5.08% during the second quarter of 2014, outperforming most fixed income markets due to convertible's exposure to the strong equity market. The Fund's entirely actively managed convertibles composite gained 2.95% over the quarter, while the Custom Convertibles benchmark returned 2.72% over the same period. For the one year period ending June 30, 2014, the Fund's convertibles composite returned 16.04%, leading the custom benchmark by 144 basis points. For the three years and five years ending June 30, 2014, this composite has generated absolute returns of over 8.73% and 12.24%, respectively, outperforming the Custom Benchmark by approximately 13 and 62 basis points, respectively.
- **Opportunistic Fixed Income - \$1.2 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 25% of this composite's assets, and six strategic separate account mandates, representing 75% 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. Returns over the past year have been very strong on an absolute basis relative to the 10% long term return target, particularly during a period of time in which fixed income returns have been challenged. For the year ending June 30, 2014, this composite gained 14.09%, underperforming the short term target of J.P Morgan Global High Yield Index +3% by about 164 basis points. During the second quarter of 2014, the overall composite returned 3.45% versus the J.P Morgan Global High Yield Index +3% which returned 3.49% over the same period.
- **Private Equity - \$2.6 Billion, 5% of Fund:** At the end of the second quarter of 2014, the private equity portfolio had \$2.6 billion in invested capital, up slightly from its allocation at the end of the first quarter of 2014. The Fund currently has investments in 137 partnerships. Performance is reported separately by Teachers' Private Equity consultant.
- **Private Real Estate - \$1.3 Billion, 2% of Fund:** At the end of the second 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 first quarter of 2014. The composite has investments in 39 partnerships. Performance is reported separately by Teachers' Private Real Estate consultant.

Total Portfolio Returns: June 30, 2014

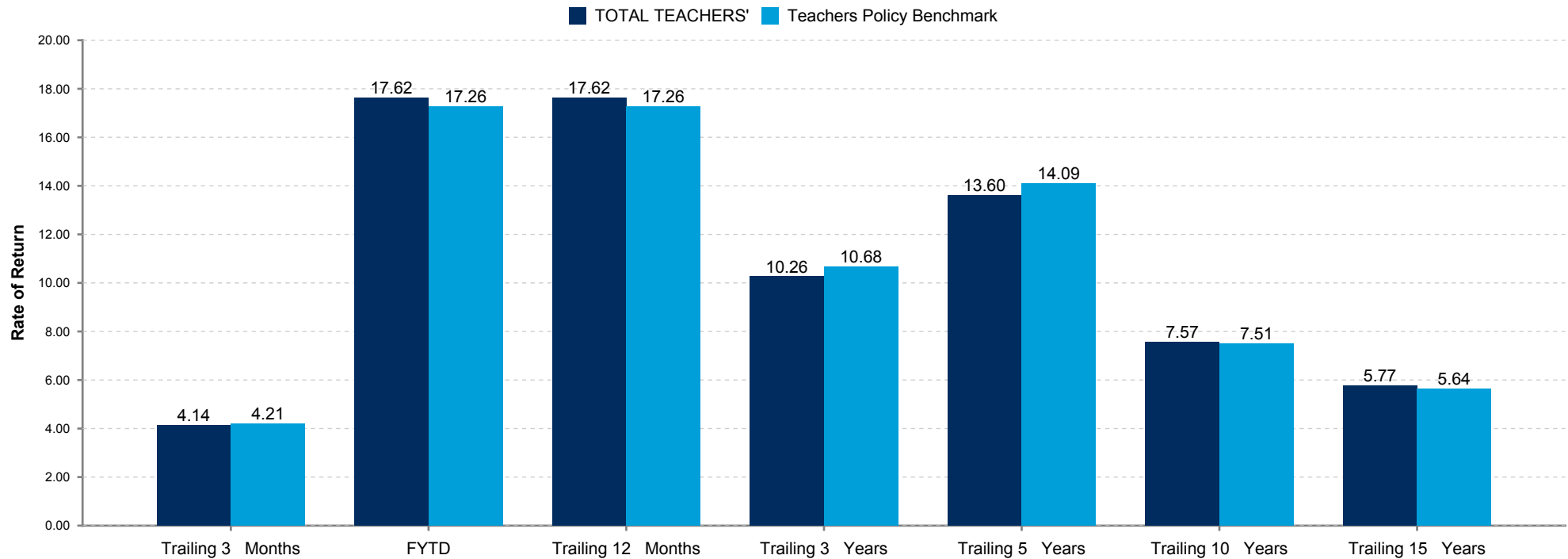


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TOTAL TEACHERS'

Market Value (Billions)

\$58.3

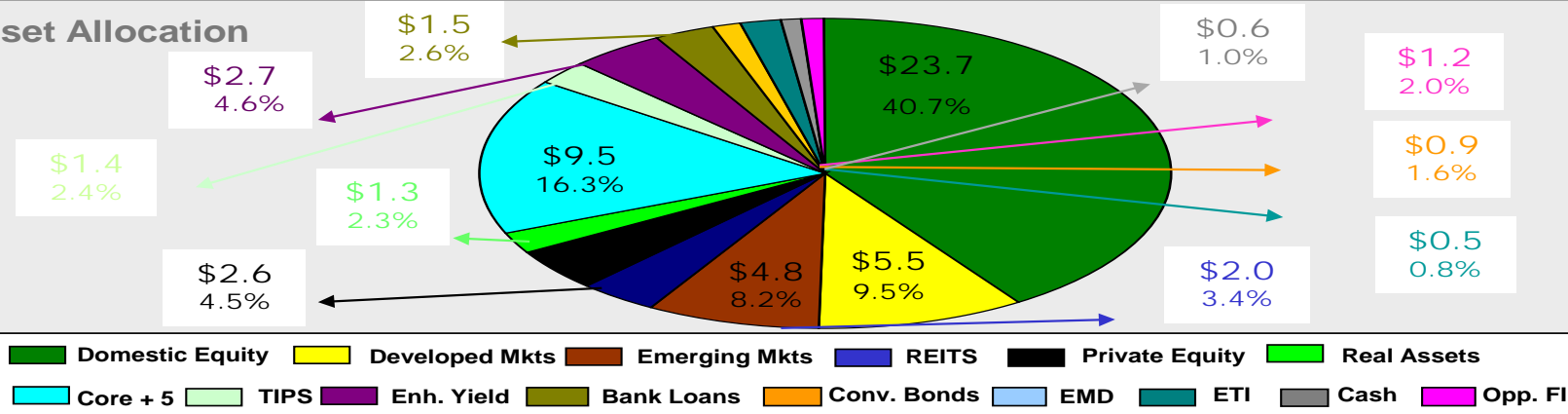


| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 7 Years | Benchmark 7 Years | Plan 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|---------------|
| Standard Deviation | | | | | | | |
| TOTAL TEACHERS' | 8.5 | 8.6 | 13.6 | 9.6 | 11.7 | 13.0 | 10.2 |

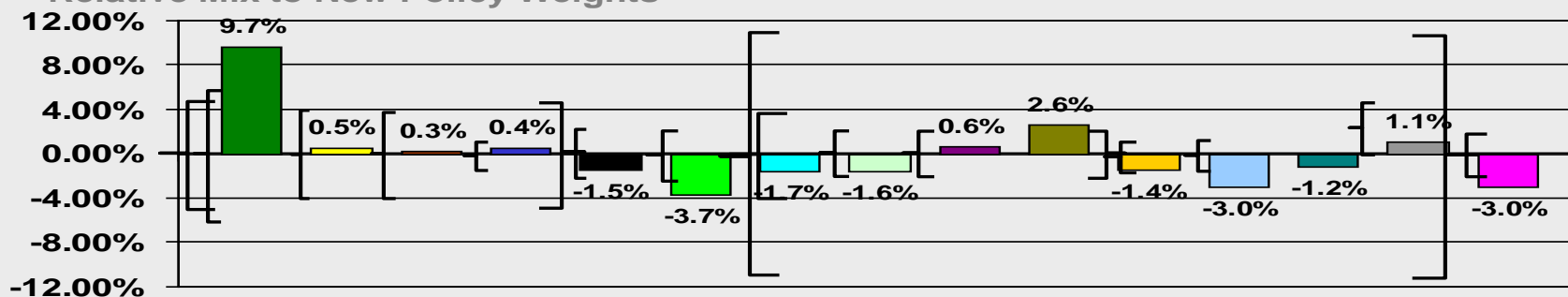


\$58.3B Under Management

Asset Allocation



Relative Mix to New Policy Weights



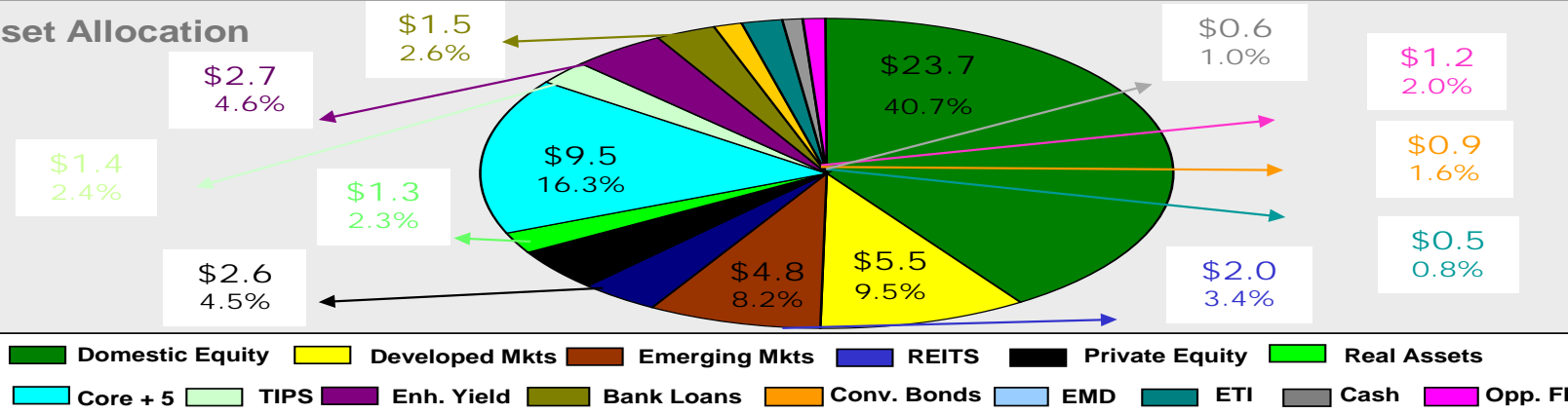
Note: Brackets represent rebalancing ranges versus Policy.

Prepared by State Street Investment Analytics

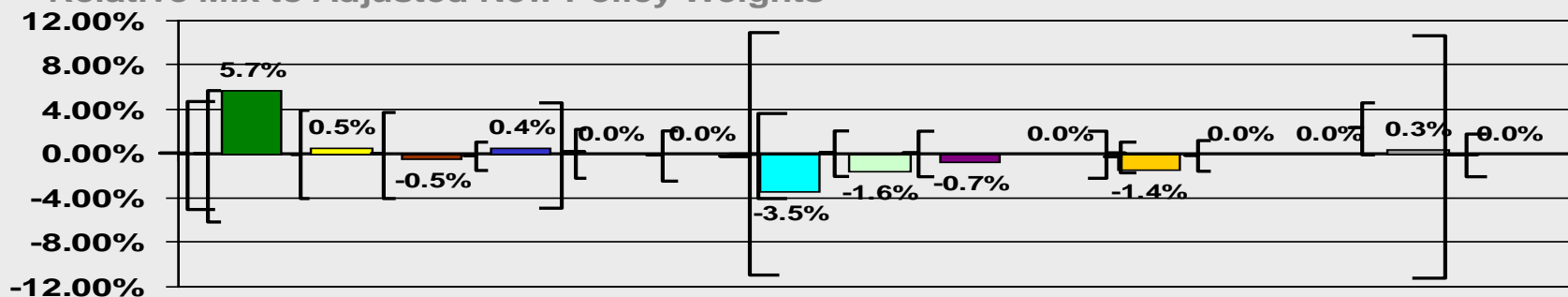


\$58.3B Under Management

Asset Allocation

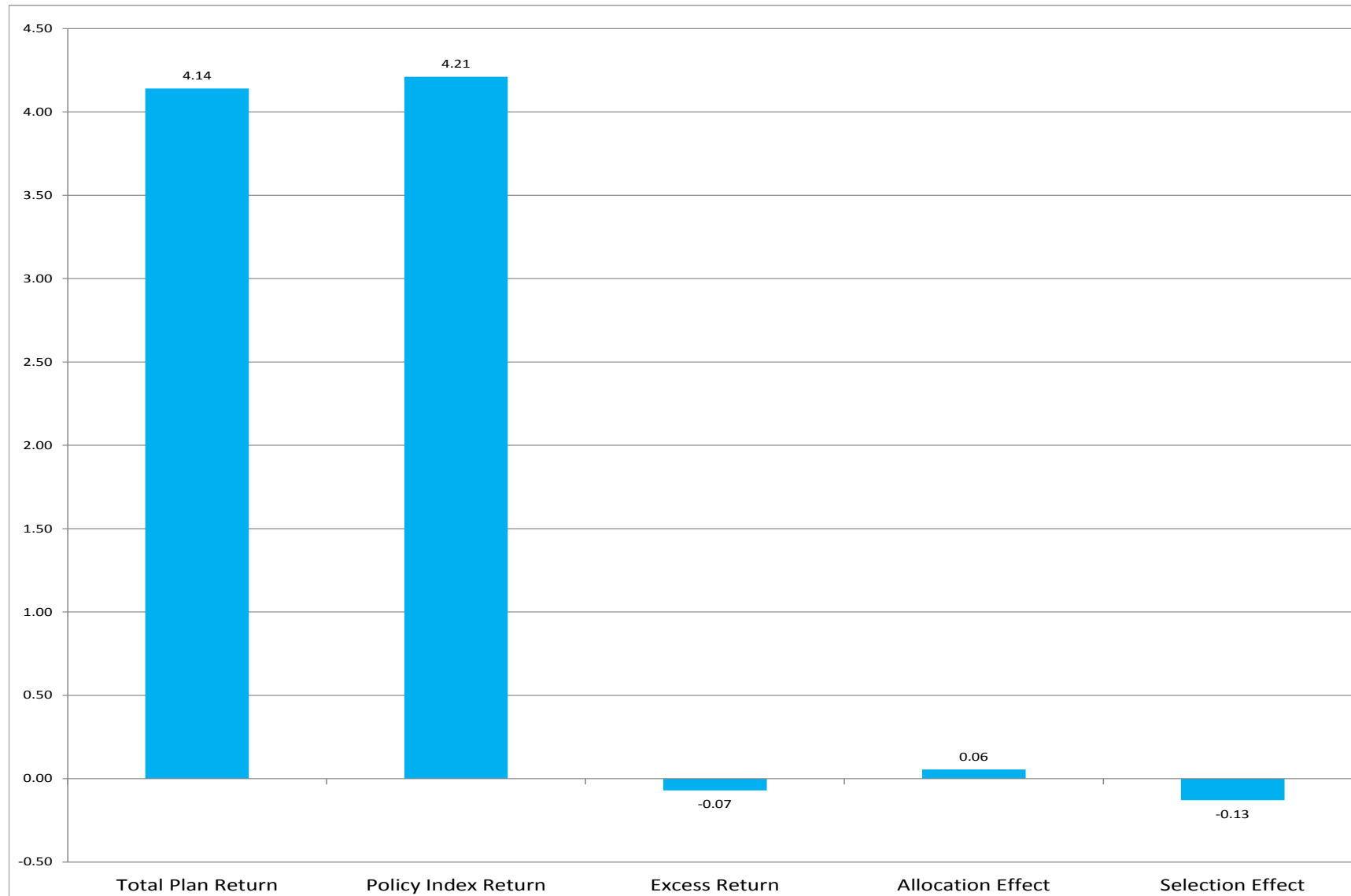


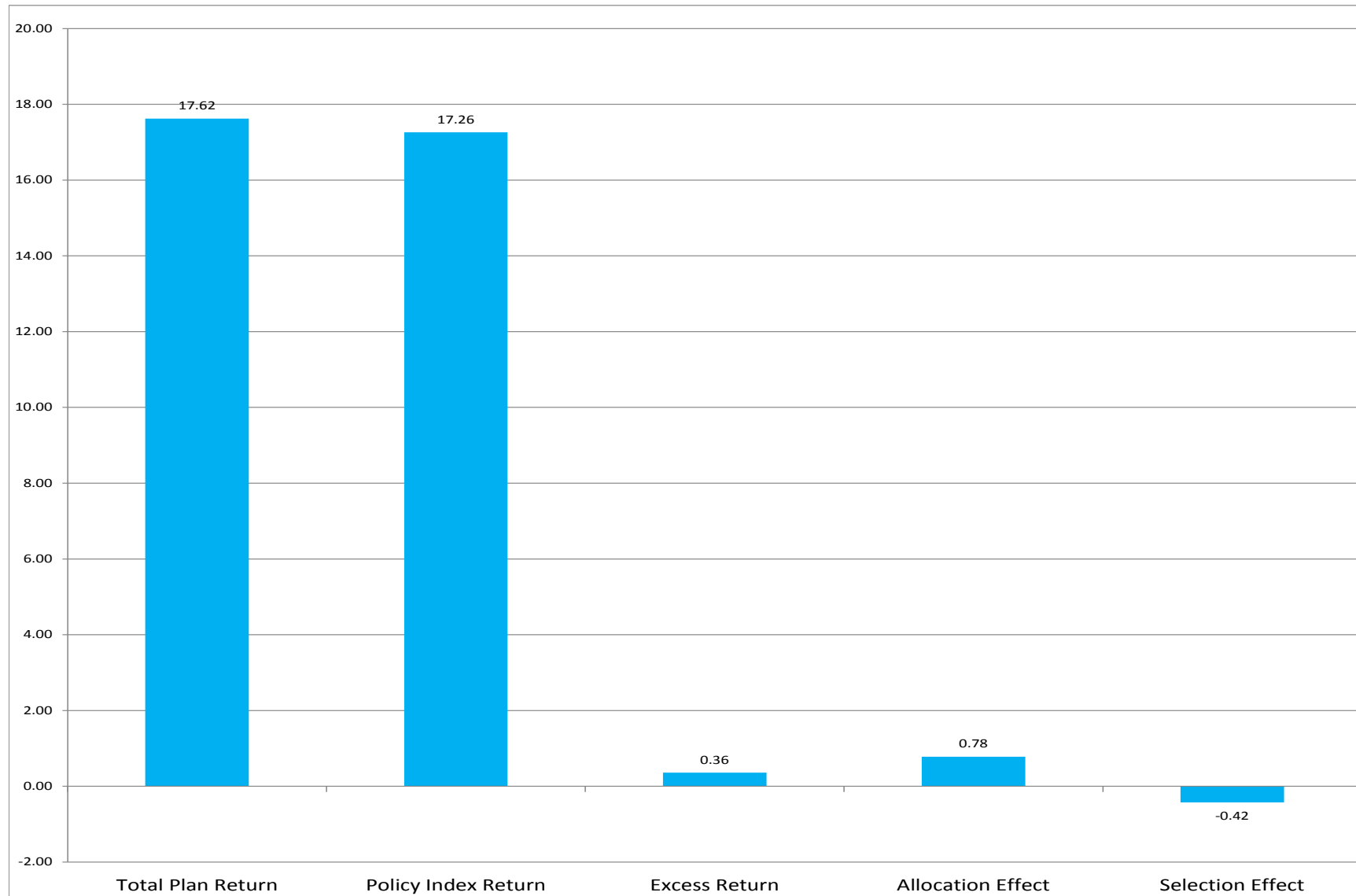
Relative Mix to Adjusted New Policy Weights

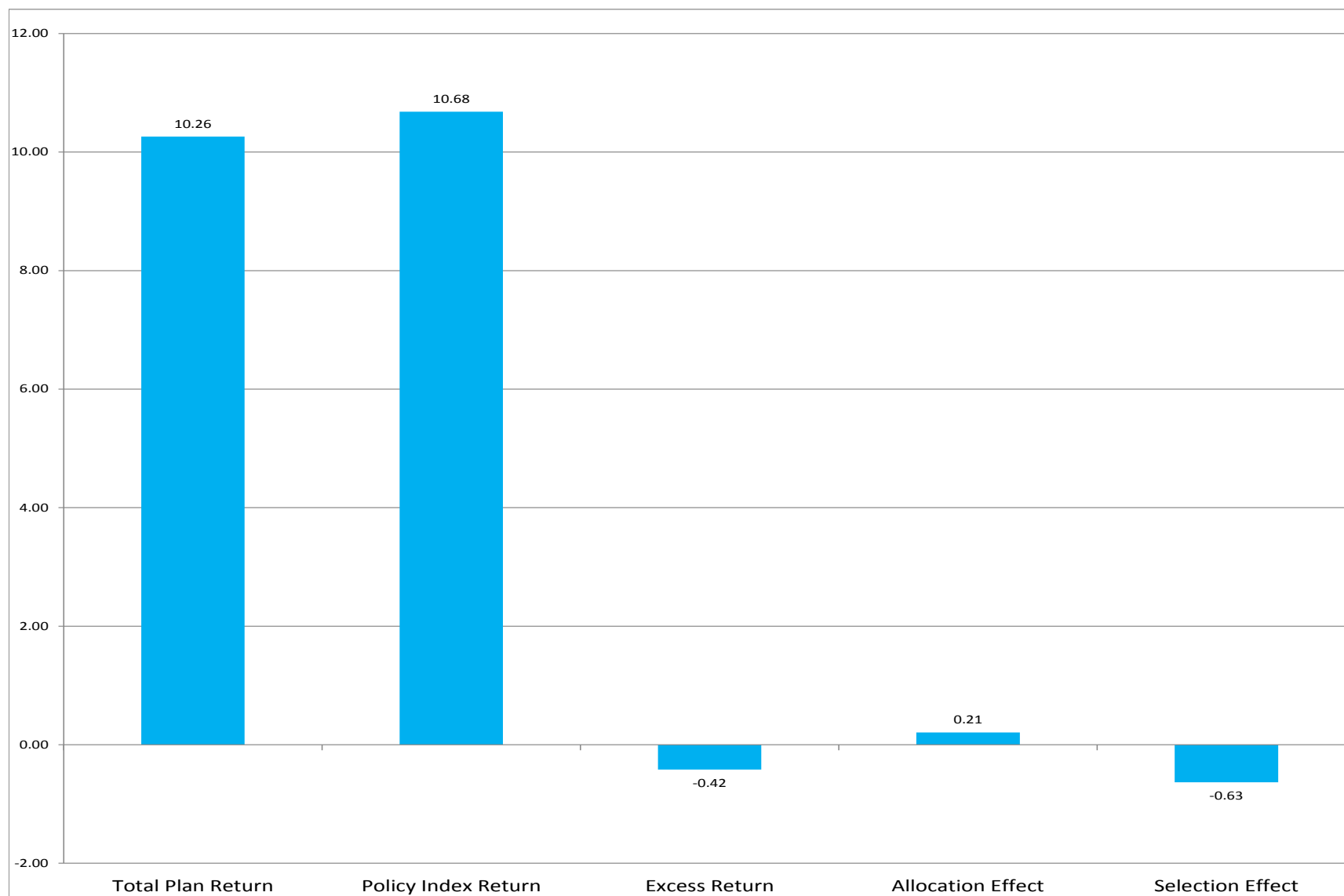


Note: Brackets represent rebalancing ranges versus Policy.

Prepared by State Street Investment Analytics









| Allocation Effect - Asset Class Breakdown | | | | |
|---|----------------|------------------|----------------|---------------------------------------|
| | <u>Quarter</u> | <u>12 Months</u> | <u>3 Years</u> | <u>Benchmark</u> |
| TOTAL TEACHERS' | 0.06 | 0.78 | 0.21 | Teachers Policy Benchmark |
| TOTAL DOMESTIC EQUITY | 0.03 | 0.46 | 0.31 | RUSSELL 3000 |
| TOTAL DEVELOPED MARKETS | 0.00 | -0.01 | -0.06 | MSCI World Index |
| TOTAL EMERGING MARKETS | -0.02 | -0.04 | -0.05 | FTSE Custom NYC Teachers |
| TOTAL PRIVATE EQUITY | 0.00 | 0.01 | 0.01 | NYC R3000 +3% Lagged |
| TOTAL REAL ASSETS | 0.00 | -0.01 | 0.00 | NCREIF NFI-ODCE NET + 1% |
| TOTAL REAL ESTATE SECURITIES | 0.01 | -0.03 | -0.01 | DJ US SELECT REAL ESTATE |
| TOTAL STRUCTURED | 0.05 | 0.42 | 0.17 | NYC - Core Plus Five |
| TOTAL ENHANCED YIELD | 0.01 | 0.02 | -0.05 | CITIGROUP BB & B |
| TOTAL BANK LOANS | 0.00 | 0.02 | 0.01 | CSFB LEVERAGED LOAN INDEX |
| TOTAL TIPS MANAGERS | 0.01 | 0.15 | 0.08 | Barclays U.S. TIPS |
| TOTAL CONVERTIBLE BONDS | -0.01 | -0.09 | -0.06 | BofAML ALL CONVERTIBLE - ex Mandatory |
| TOTAL OPPORTUNISTIC FIXED | 0.00 | 0.00 | 0.00 | 10% Annual Return |
| TOTAL CASH | -0.01 | -0.03 | -0.02 | 91 DAY TREASURY BILL |

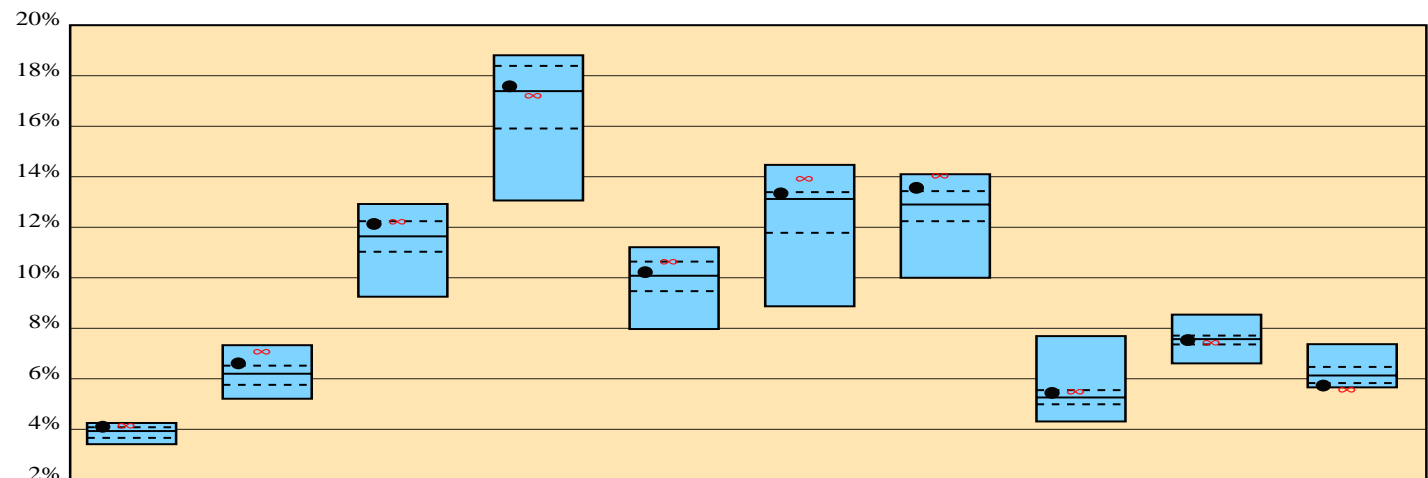
| Selection Effect - Asset Class Breakdown | | | | |
|--|----------------|------------------|----------------|---------------------------------------|
| | <u>Quarter</u> | <u>12 Months</u> | <u>3 Years</u> | <u>Benchmark</u> |
| TOTAL TEACHERS' | -0.13 | -0.42 | -0.63 | Teachers Policy Benchmark |
| TOTAL DOMESTIC EQUITY | -0.05 | -0.03 | -0.08 | RUSSELL 3000 |
| TOTAL DEVELOPED MARKETS | -0.13 | -0.11 | 0.07 | MSCI World Index |
| TOTAL EMERGING MARKETS | 0.02 | -0.02 | -0.04 | FTSE Custom NYC Teachers |
| TOTAL PRIVATE EQUITY | -0.05 | -0.49 | -0.38 | NYC R3000 +3% Lagged |
| TOTAL REAL ASSETS | 0.09 | 0.06 | 0.02 | NCREIF NFI-ODCE NET + 1% |
| TOTAL REAL ESTATE SECURITIES | 0.00 | 0.05 | 0.00 | DJ US SELECT REAL ESTATE |
| TOTAL STRUCTURED | 0.02 | 0.13 | 0.09 | NYC - Core Plus Five |
| TOTAL ENHANCED YIELD | 0.00 | 0.05 | -0.01 | CITIGROUP BB & B |
| TOTAL BANK LOANS | -0.01 | 0.00 | 0.00 | CSFB LEVERAGED LOAN INDEX |
| TOTAL TIPS MANAGERS | 0.00 | 0.00 | 0.01 | Barclays U.S. TIPS |
| TOTAL CONVERTIBLE BONDS | -0.03 | -0.12 | -0.07 | BofAML ALL CONVERTIBLE - ex Mandatory |
| TOTAL OPPORTUNISTIC FIXED | 0.02 | 0.07 | 0.03 | 10% Annual Return |
| TOTAL CASH | 0.00 | 0.00 | 0.00 | 91 DAY TREASURY BILL |

Through June 30, 2014



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City of New York - Teachers' Total Returns of Public Master Trusts > \$10 Billion Rates of Return for Periods Ending June 30, 2014

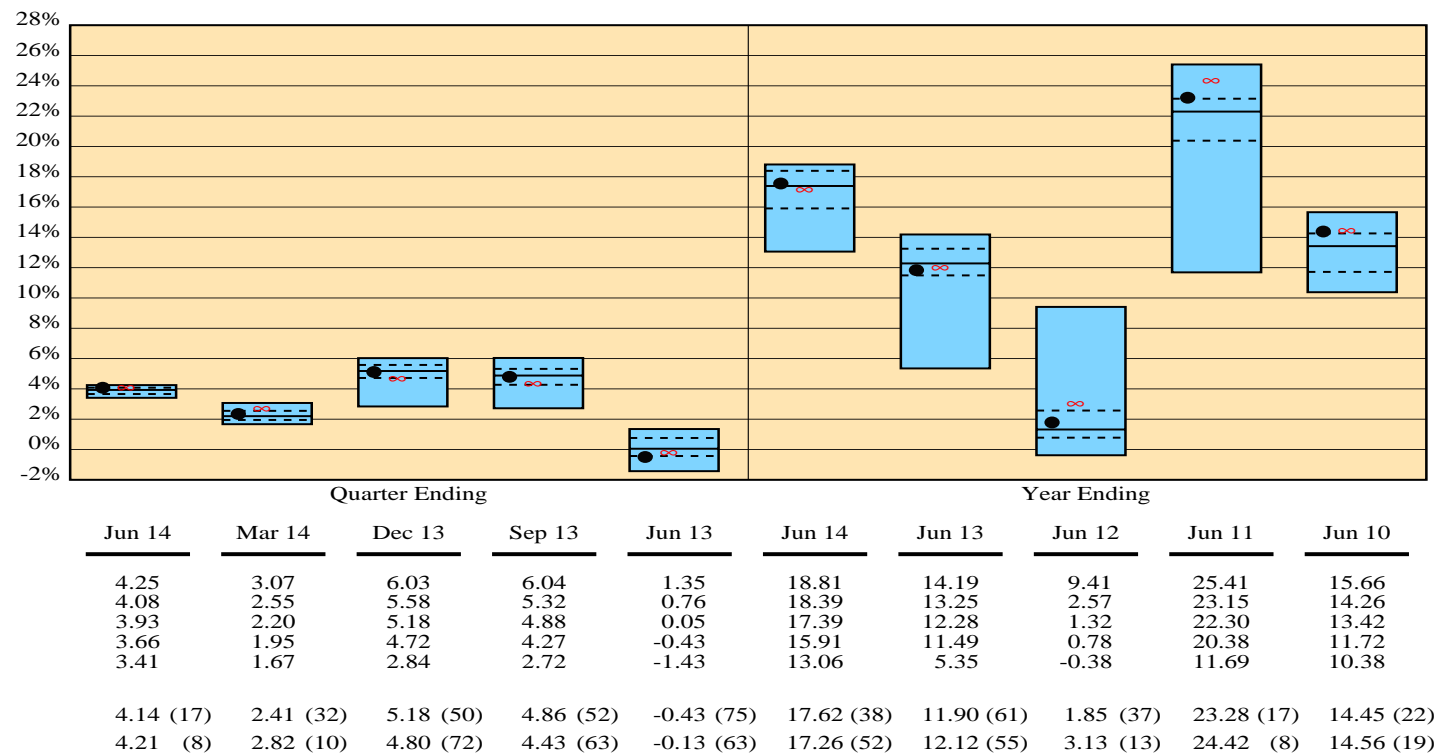


| | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 4 Years | 5 Years | 7 Years | 10 Years | 15 Years |
|------------------------------|-----------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|
| 5th Percentile | 4.25 | 7.33 | 12.92 | 18.81 | 11.21 | 14.47 | 14.10 | 7.69 | 8.54 | 7.37 |
| 25th Percentile | 4.08 | 6.52 | 12.24 | 18.39 | 10.64 | 13.39 | 13.43 | 5.55 | 7.71 | 6.47 |
| Median | 3.93 | 6.20 | 11.64 | 17.39 | 10.08 | 13.12 | 12.90 | 5.26 | 7.57 | 6.13 |
| 75th Percentile | 3.66 | 5.76 | 11.03 | 15.91 | 9.47 | 11.78 | 12.24 | 4.99 | 7.36 | 5.83 |
| 95th Percentile | 3.41 | 5.21 | 9.25 | 13.06 | 7.97 | 8.87 | 10.00 | 4.31 | 6.61 | 5.66 |
| ● Total System | 4.14 (17) | 6.65 (20) | 12.17 (30) | 17.62 (38) | 10.26 (44) | 13.38 (25) | 13.60 (22) | 5.48 (33) | 7.57 (50) | 5.77 (83) |
| ∞ Teachers' Policy Benchmark | 4.21 (8) | 7.14 (8) | 12.28 (22) | 17.26 (52) | 10.68 (20) | 13.97 (14) | 14.09 (11) | 5.56 (22) | 7.51 (59) | 5.64 (95) |

Returns for periods greater than one year are annualized.



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



Returns for periods greater than one year are annualized.



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

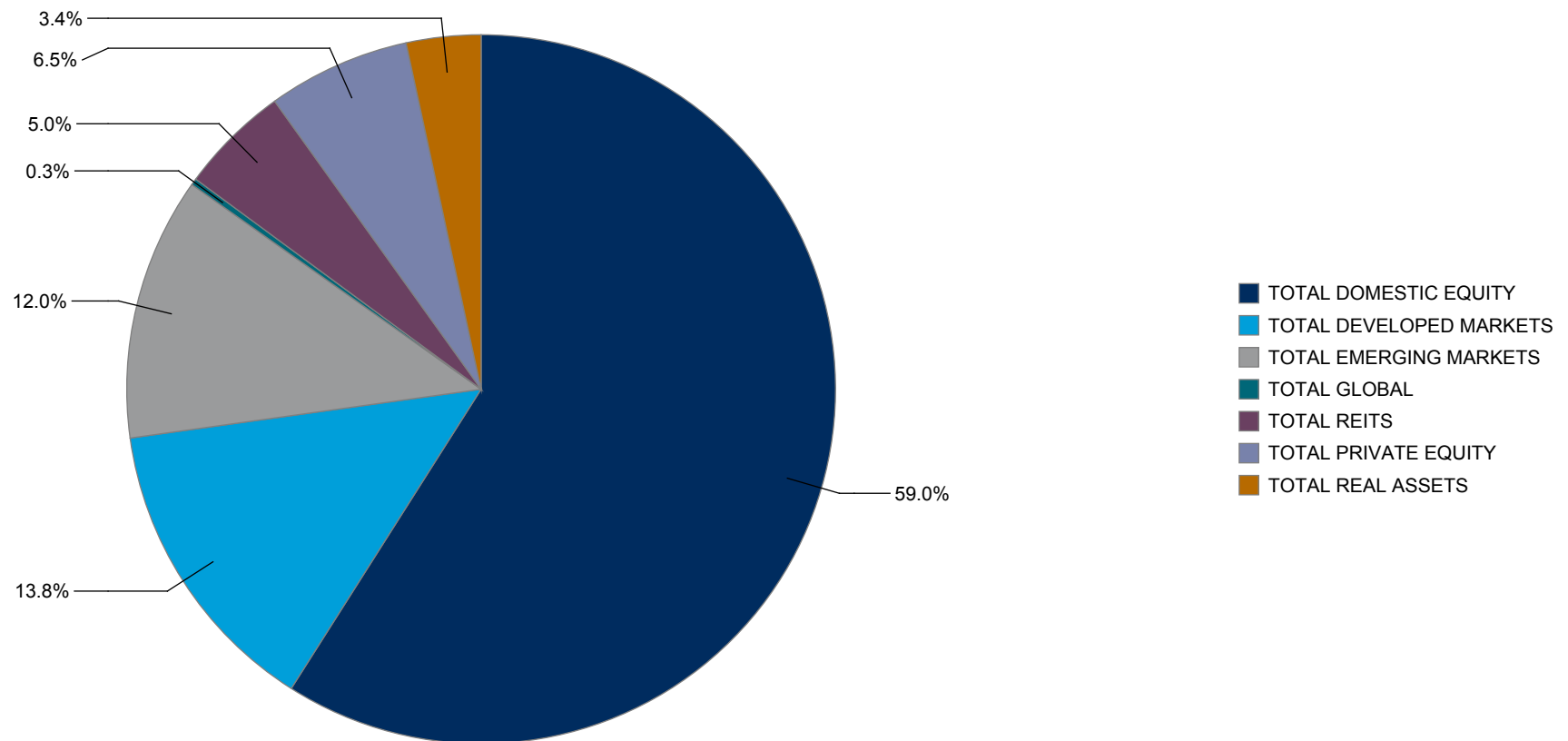
Equity Analysis

Total Equity Asset Allocation: June 30, 2014



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| | <u>Market Value (Billions)</u> | <u>% of plan</u> |
|--------------|--------------------------------|------------------|
| TOTAL EQUITY | \$40.0 | 68.7 |

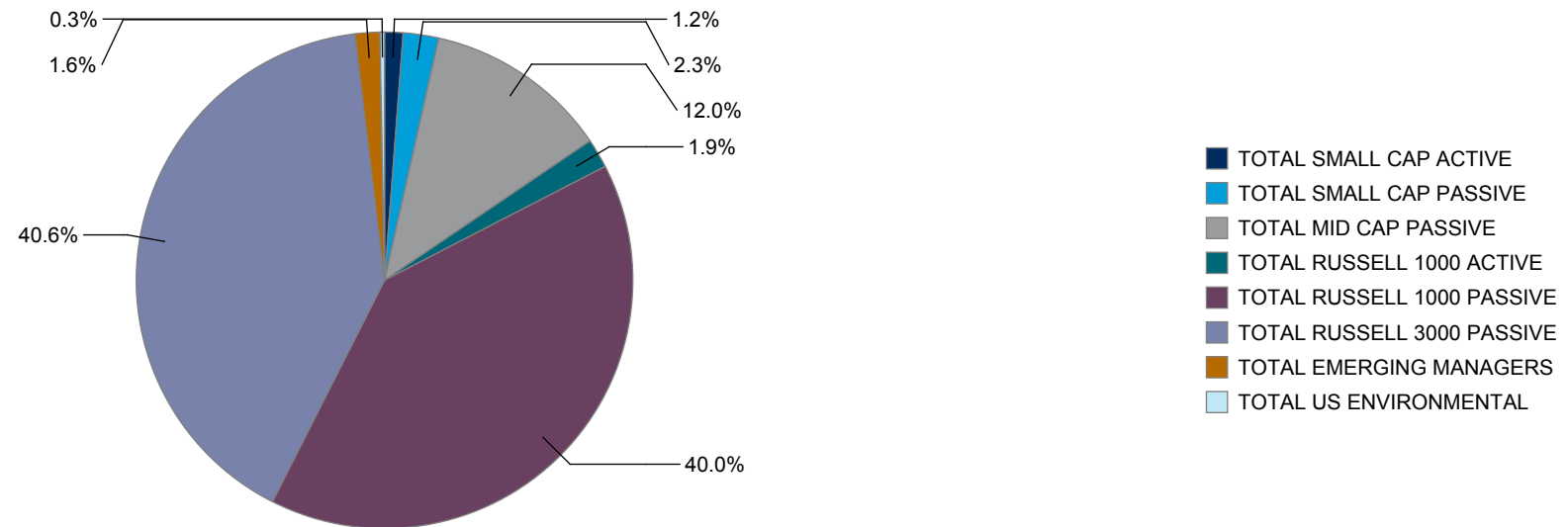


Total Domestic Equity Asset Allocation: June 30, 2014



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| | Market Value (Billions) | % of plan |
|-----------------------|-------------------------|-----------|
| TOTAL DOMESTIC EQUITY | \$23.7 | 40.7 |



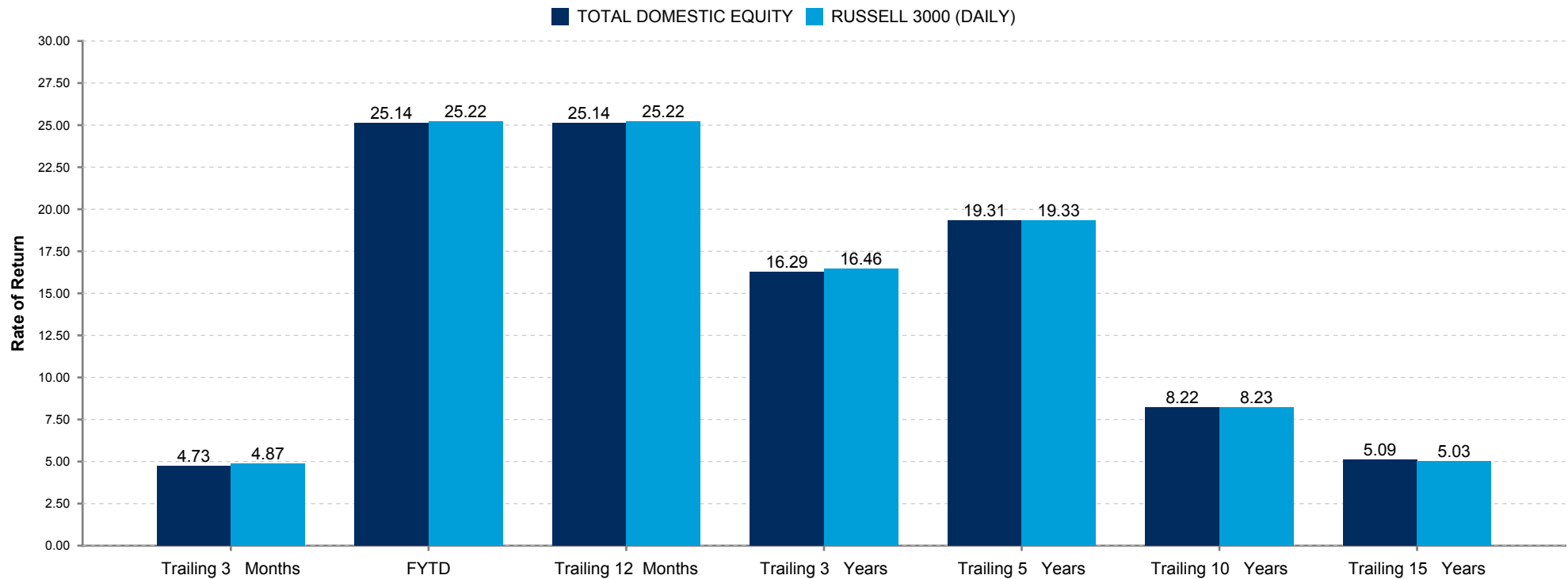
| Sub Sector | Policy Weight | Actual Weight | Under/Over Weight | Index Return | Actual Return | Difference |
|----------------------------|---------------|---------------|-------------------|--------------|---------------|------------|
| TOTAL SMALL CAP ACTIVE | 0.84 | 1.24 | 0.40 | 2.05 | 0.93 | -1.12 |
| TOTAL SMALL CAP PASSIVE | 3.42 | 2.28 | -1.14 | 2.05 | 2.13 | 0.08 |
| TOTAL MID CAP PASSIVE | 12.90 | 12.04 | -0.86 | 4.33 | 4.36 | 0.03 |
| TOTAL RUSSELL 1000 ACTIVE | 1.62 | 1.94 | 0.32 | 5.12 | 5.19 | 0.07 |
| TOTAL RUSSELL 1000 PASSIVE | 39.39 | 39.98 | 0.59 | 5.12 | 5.11 | -0.01 |
| TOTAL RUSSELL 3000 PASSIVE | 40.00 | 40.63 | 0.63 | 4.87 | 4.86 | -0.01 |
| TOTAL EMERGING MANAGERS | 1.30 | 1.57 | 0.27 | 2.05 | 2.11 | 0.06 |
| TOTAL US ENVIRONMENTAL | 0.53 | 0.32 | -0.21 | 2.05 | 1.01 | -1.04 |

Total Domestic Equity Returns vs Russell 3000 Index: June 30, 2014



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| | Market Value (Billions) | % of plan |
|-----------------------|-------------------------|-----------|
| TOTAL DOMESTIC EQUITY | \$23.7 | 40.7 |



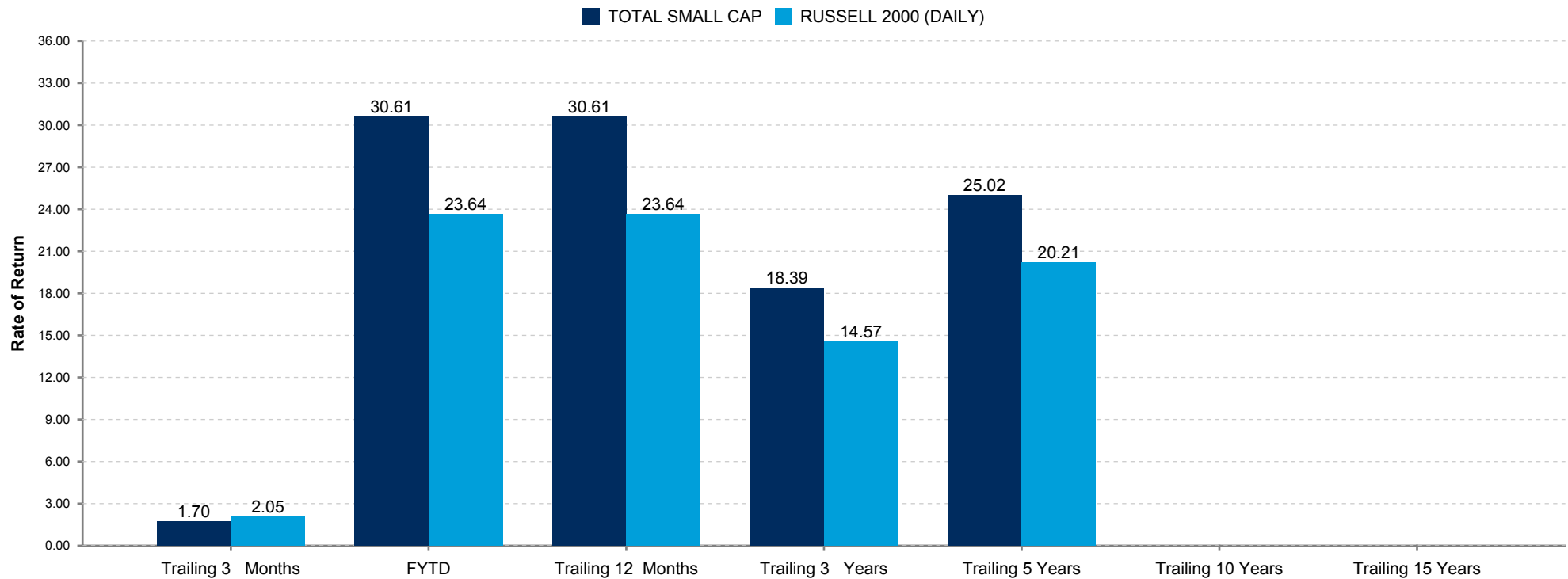
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL DOMESTIC EQUITY | 13.1 | 12.9 | 14.1 | 13.9 | 15.3 | 15.3 |

Small Cap Returns vs Russell 2000 Index: June 30, 2014



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| | Market Value (Millions) | % of plan |
|-----------------|-------------------------|-----------|
| TOTAL SMALL CAP | \$833.3 | 1.4 |



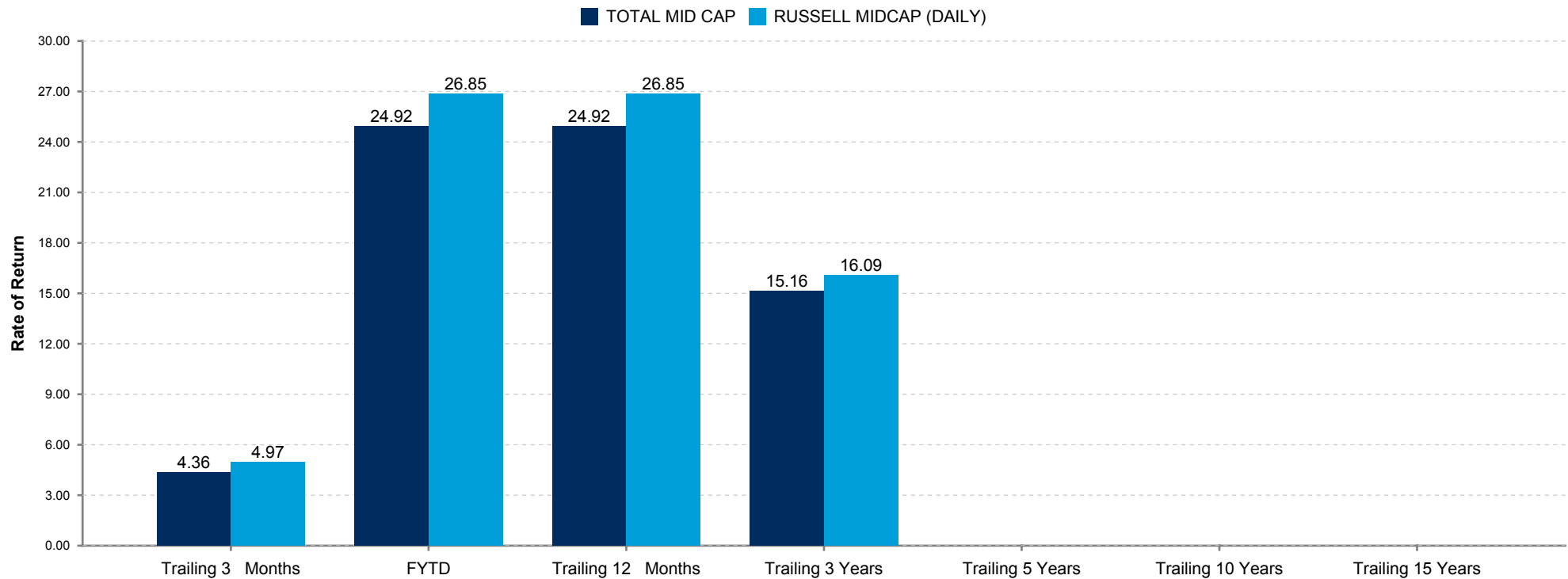
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL SMALL CAP | 16.7 | 17.0 | 17.7 | 18.2 | | |

Mid Cap Returns vs Russell MidCap Index: June 30, 2014



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| | <u>Market Value (Billions)</u> | <u>% of plan</u> |
|---------------|--------------------------------|------------------|
| TOTAL MID CAP | \$2.9 | 4.9 |



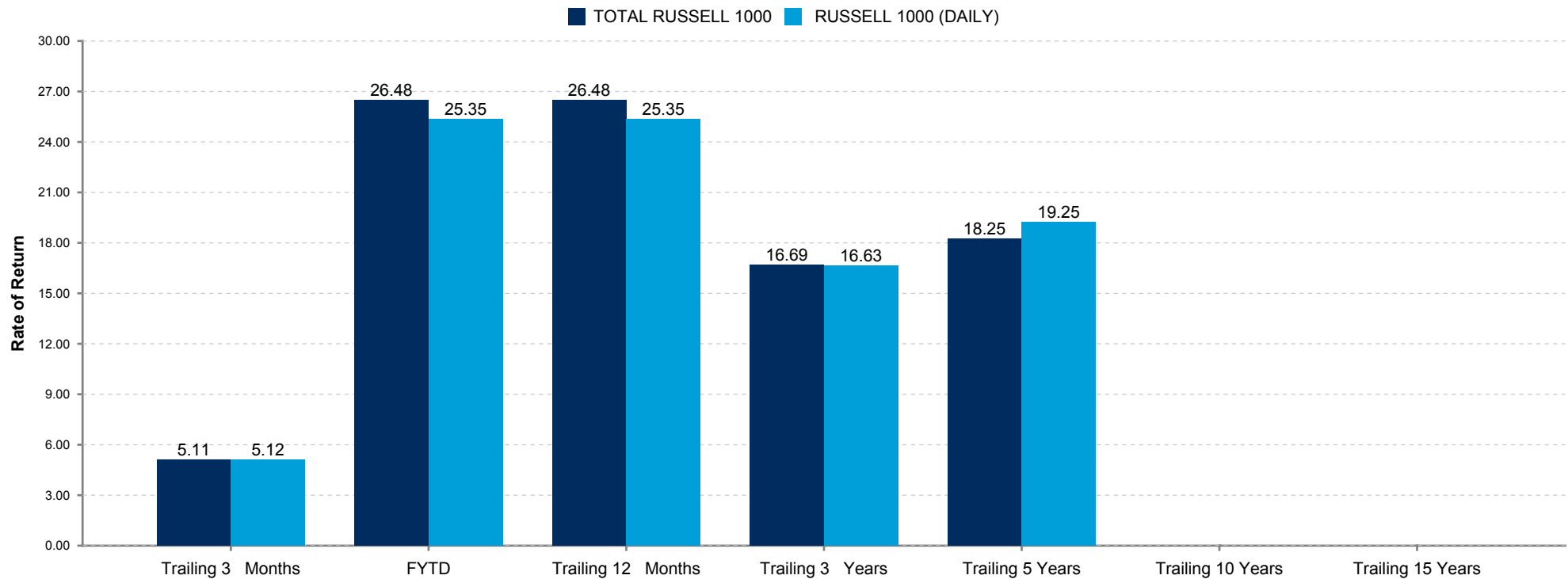
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL MID CAP | 15.3 | 14.4 | | | | |

Russell 1000 Returns vs Russell 1000 Index: June 30, 2014



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| | Market Value (Billions) | % of plan |
|--------------------|-------------------------|-----------|
| TOTAL RUSSELL 1000 | \$9.9 | 17.0 |



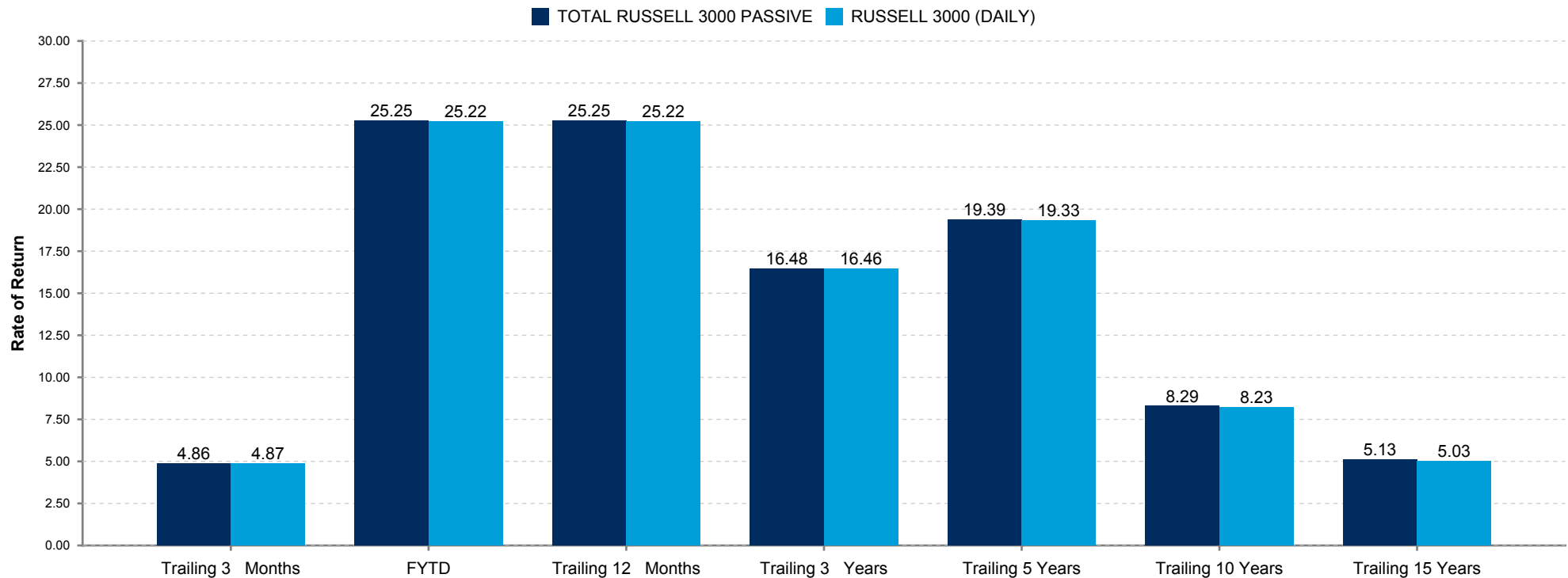
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL RUSSELL 1000 | 13.0 | 12.6 | 13.8 | 13.7 | | |

Russell 3000 Returns vs Russell 3000 Index: June 30, 2014



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| | Market Value (Billions) | % of plan |
|----------------------------|-------------------------|-----------|
| TOTAL RUSSELL 3000 PASSIVE | \$9.6 | 16.5 |



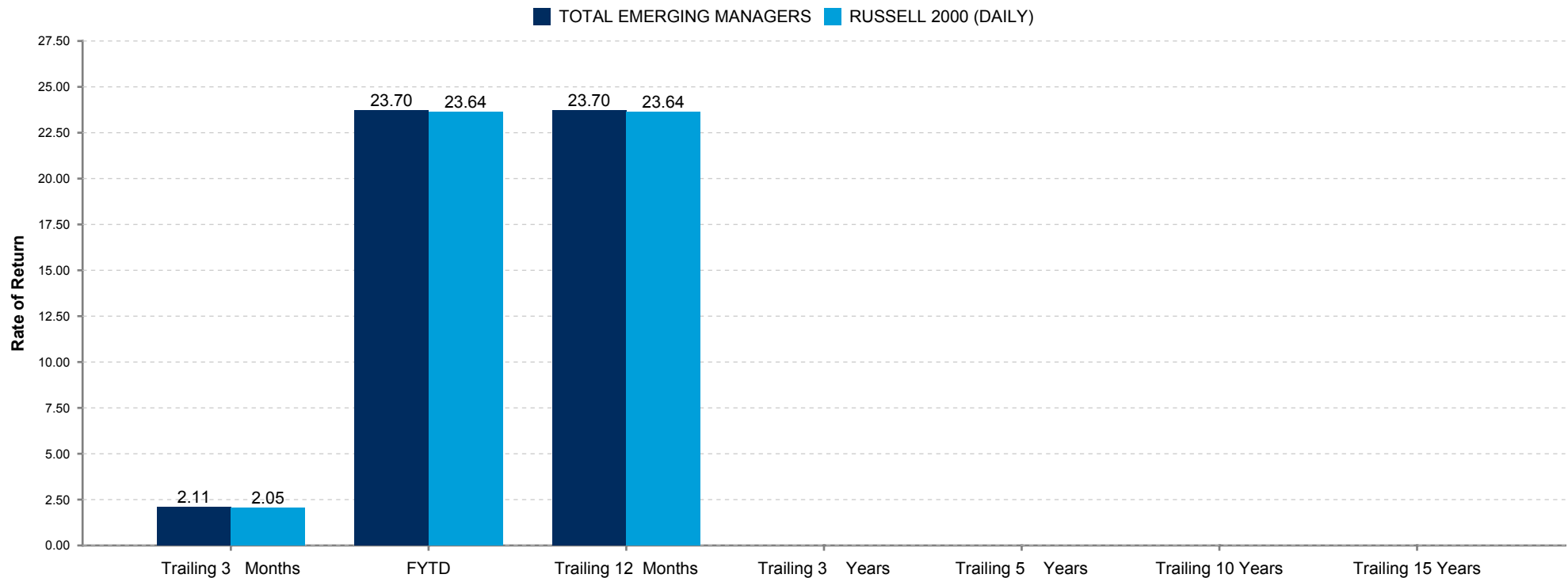
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|----------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL RUSSELL 3000 PASSIVE | 12.8 | 12.9 | 13.9 | 13.9 | 15.3 | 15.3 |

Emerging Managers Returns vs Russell 2000 Index: June 30, 2014



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| | Market Value (Millions) | % of plan |
|-------------------------|-------------------------|-----------|
| TOTAL EMERGING MANAGERS | \$372.6 | 0.6 |



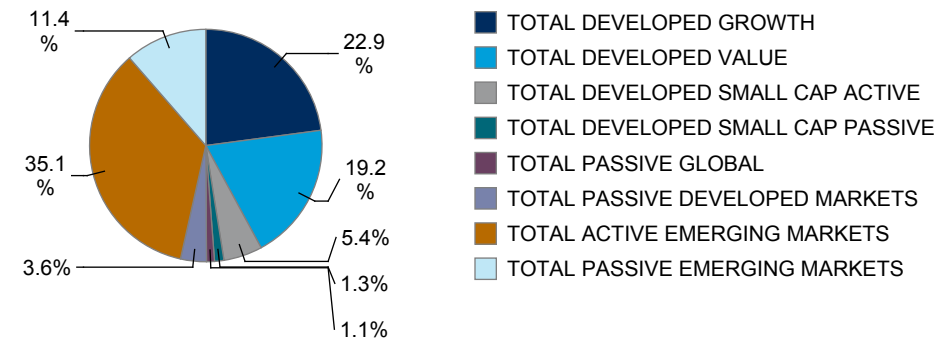
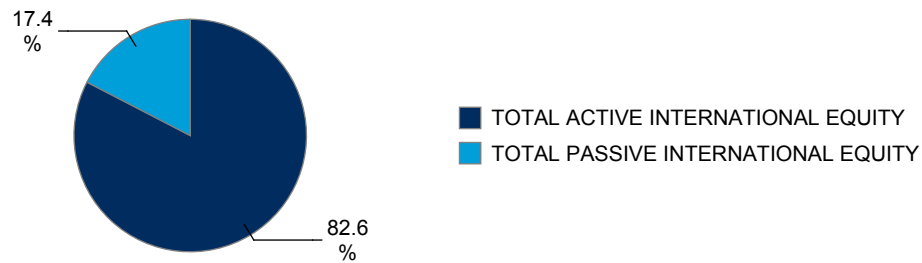
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL EMERGING MANAGERS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

International Equity Asset Allocation: June 30, 2014



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| | <u>Market Value (Billions)</u> | <u>% of plan</u> |
|----------------------------|--------------------------------|------------------|
| TOTAL INTERNATIONAL EQUITY | \$10.3 | 17.7 |



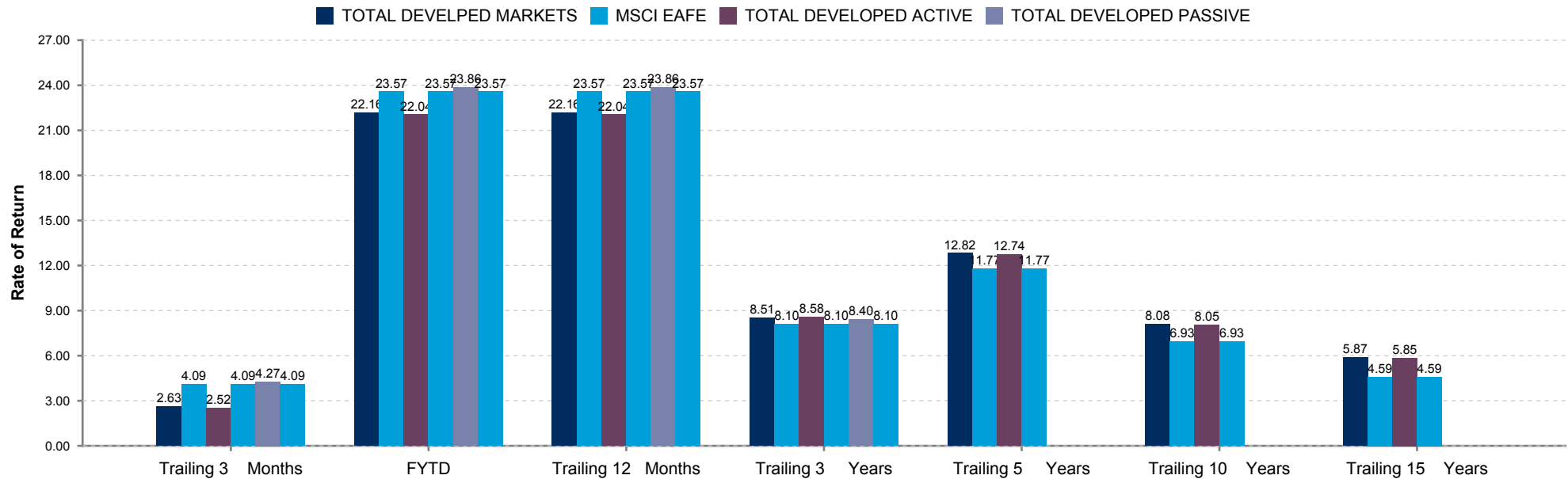
| | <u>Asset Class Weight</u> | <u>Quarterly Returns - Fund and Benchmarks</u> | | |
|-----------------------------------|---------------------------|--|------------------|---------------|
| | | <u>Fund</u> | <u>Benchmark</u> | <u>Excess</u> |
| TOTAL DEVELOPED GROWTH | 22.92 | 2.40 | 3.45 | (1.05) |
| TOTAL DEVELOPED VALUE | 19.16 | 2.63 | 4.73 | (2.10) |
| TOTAL DEVELOPED SMALL CAP ACTIVE | 5.38 | 2.63 | 2.53 | 0.11 |
| TOTAL DEVELOPED SMALL CAP PASSIVE | 1.34 | 2.28 | 2.08 | 0.20 |
| TOTAL PASSIVE GLOBAL | 1.14 | 5.02 | 4.86 | 0.17 |
| TOTAL PASSIVE DEVELOPED MARKETS | 3.57 | 4.27 | 4.09 | 0.18 |
| TOTAL ACTIVE EMERGING MARKETS | 35.09 | 8.13 | 7.53 | 0.60 |
| TOTAL PASSIVE EMERGING MARKETS | 11.39 | 6.61 | 6.68 | (0.07) |
| TOTAL INTERNATIONAL EQUITY | 100.00 | 4.98 | 5.03 | (0.05) |

Developed Markets Returns vs MSCI EAFE Index : June 30, 2014



STATE STREET

| | Market Value (Billions) | % of plan |
|-------------------------|-------------------------|-----------|
| TOTAL DEVELOPED MARKETS | \$5.4 | 9.3 |



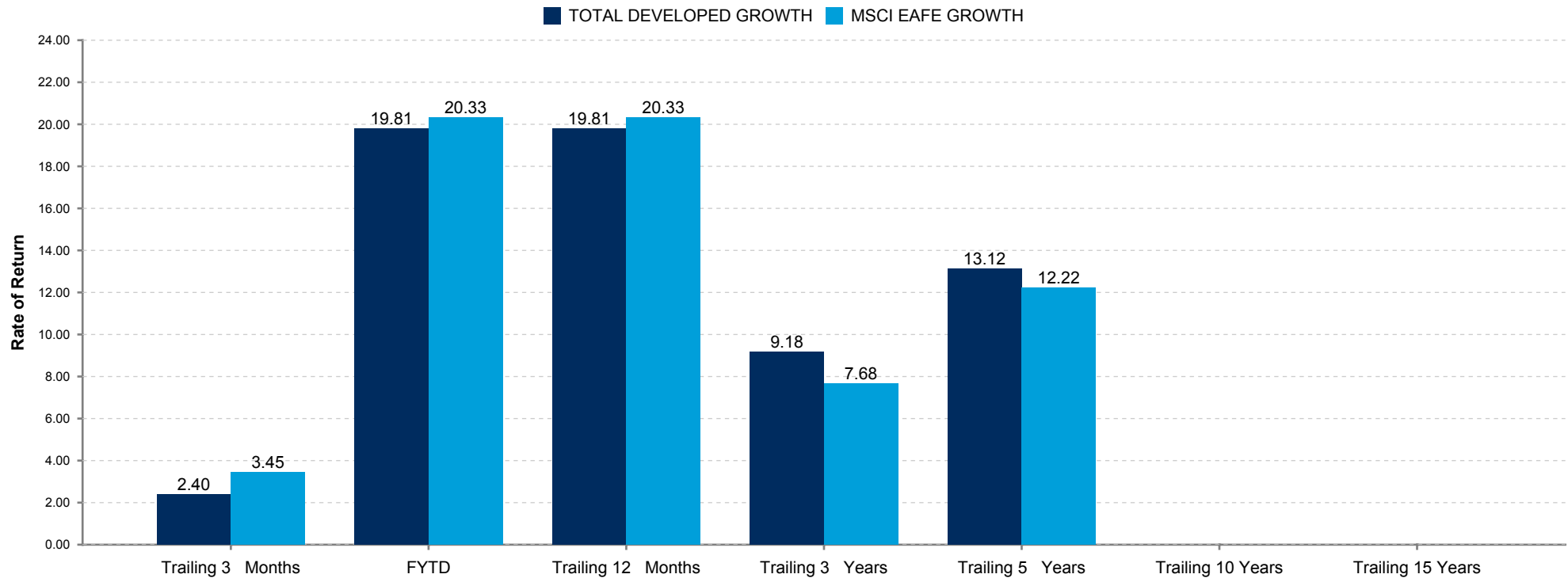
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL DEVELOPED MARKETS | 15.2 | 16.3 | 16.0 | 17.0 | 17.2 | 18.2 |
| TOTAL DEVELOPED ACTIVE | 15.0 | 16.3 | 15.8 | 17.0 | 17.2 | 18.2 |
| TOTAL DEVELOPED PASSIVE | 16.3 | 16.3 | | | | |

Developed Growth Returns vs MSCI EAFE Growth Index: June 30, 2014



STATE STREET

| | Market Value (Billions) | % of plan |
|------------------------|-------------------------|-----------|
| TOTAL DEVELOPED GROWTH | \$2.4 | 4.1 |



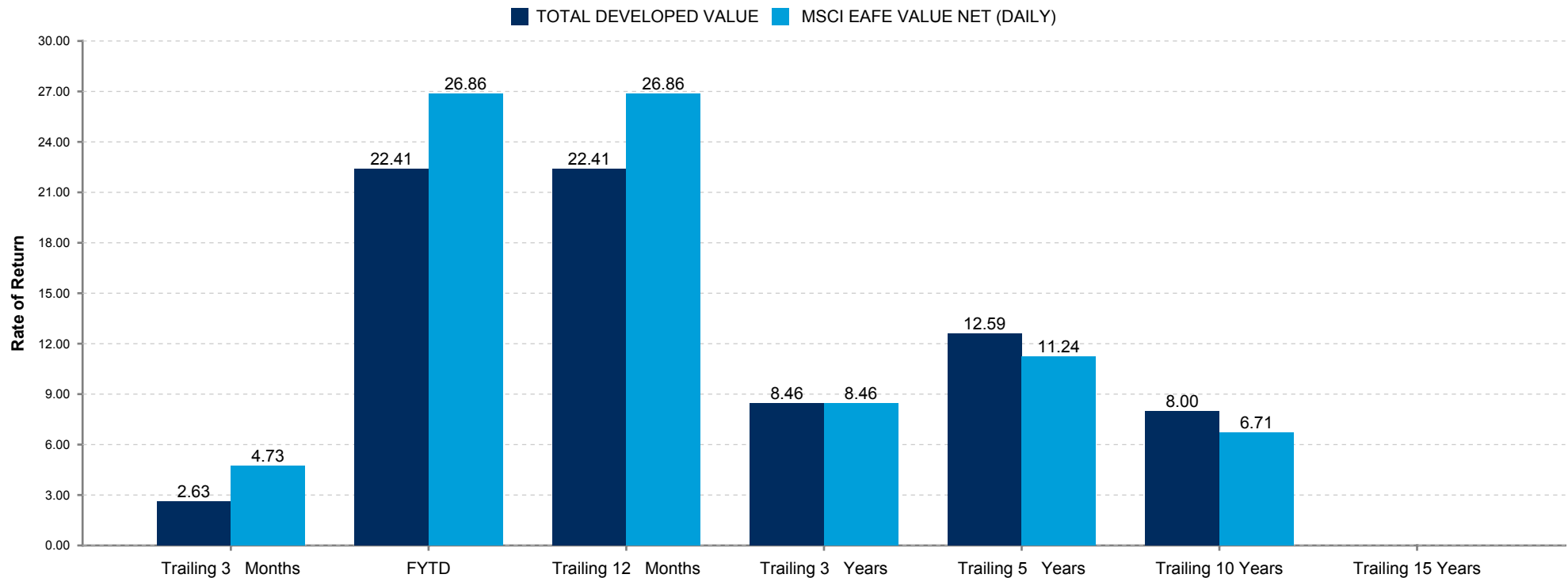
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL DEVELOPED GROWTH | 15.4 | 15.9 | 15.9 | 16.3 | | |

Developed Value Returns vs MSCI EAFE Value Net Index: June 30, 2014



STATE STREET

| | Market Value (Billions) | % of plan |
|-----------------------|-------------------------|-----------|
| TOTAL DEVELOPED VALUE | \$2.0 | 3.4 |



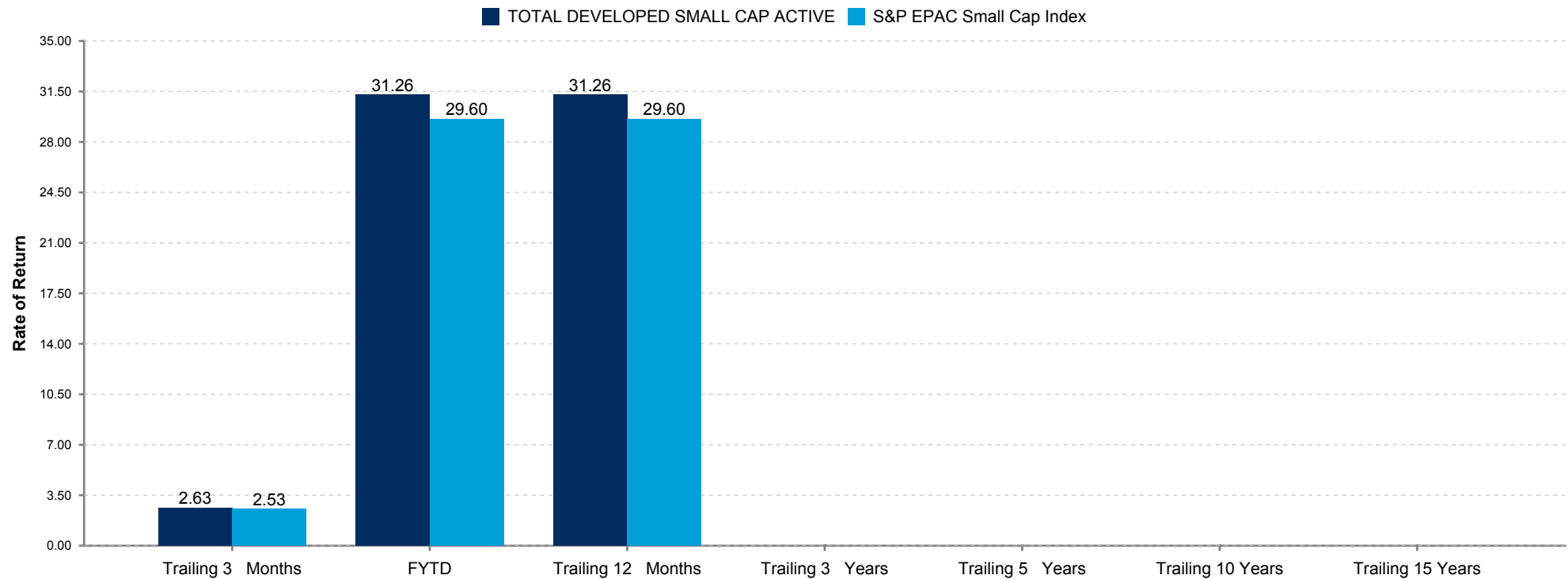
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL DEVELOPED VALUE | 14.3 | 17.1 | 15.6 | 18.1 | 16.9 | 19.3 |

Developed Small Cap Active Returns vs S&P EPAC Small Cap Index: June 30, 2014



STATE STREET

| | Market Value (Millions) | % of plan |
|----------------------------------|-------------------------|-----------|
| TOTAL DEVELOPED SMALL CAP ACTIVE | \$556.2 | 1.0 |



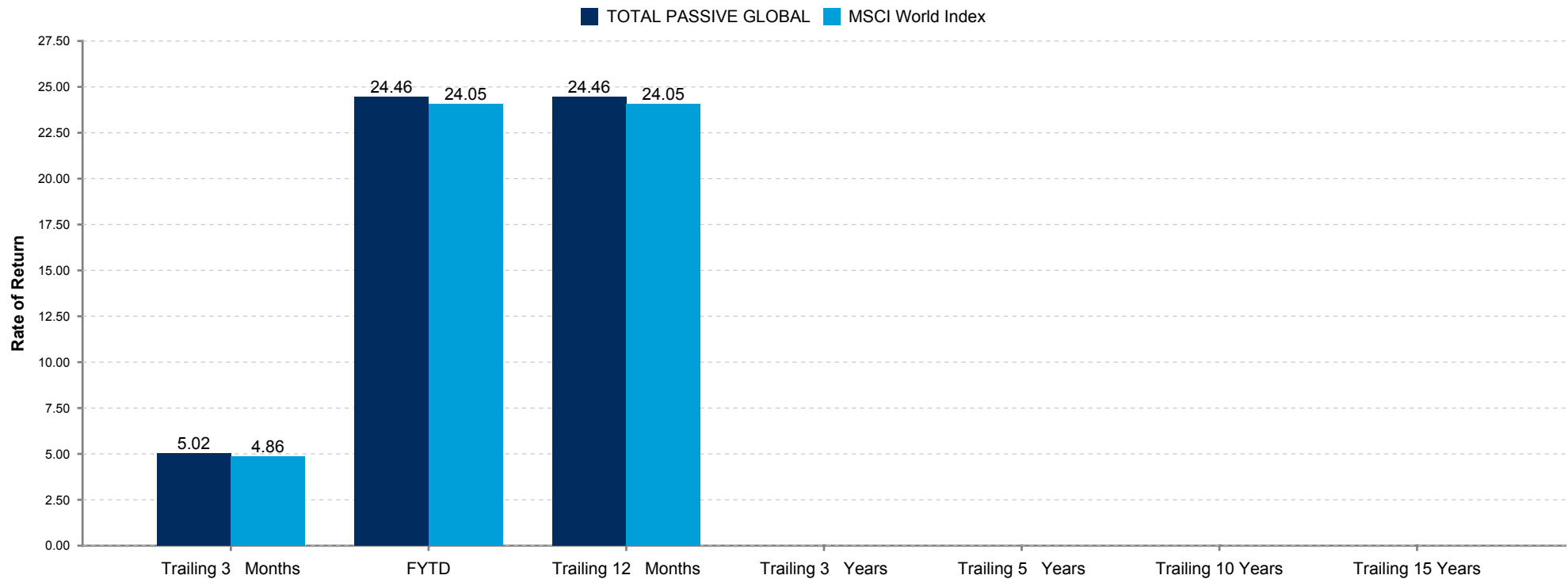
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|----------------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL DEVELOPED SMALL CAP ACTIVE | | | | | | |

Global Passive Returns vs MSCI World Index: June 30, 2014



STATE STREET.

| | <u>Market Value (Millions)</u> | <u>% of plan</u> |
|----------------------|--------------------------------|------------------|
| TOTAL PASSIVE GLOBAL | \$118.2 | 0.2 |



| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL PASSIVE GLOBAL | | | | | | |

Emerging Markets Returns vs FTSE Custom Index and TRS MSCI Custom Index: June 30, 2014



STATE STREET

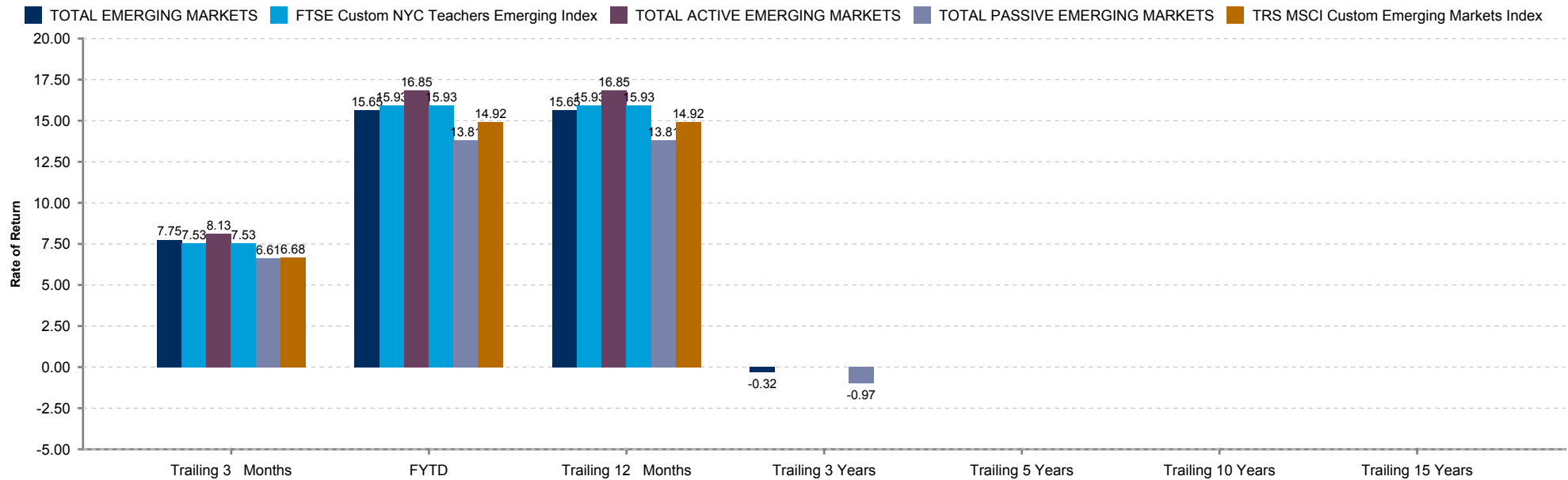
TOTAL EMERGING MARKETS

Market Value (Billions)

\$4.8

% of plan

8.2



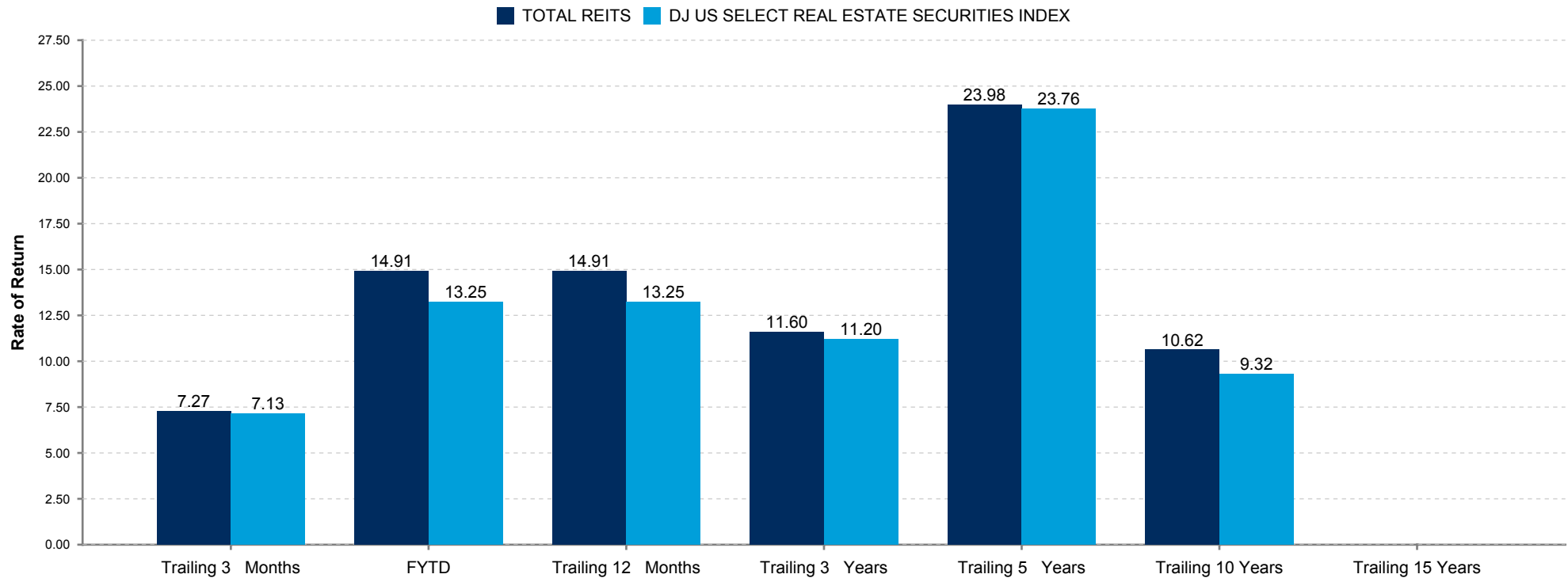
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|--------------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL EMERGING MARKETS | 19.1 | | | | | |
| TOTAL ACTIVE EMERGING MARKETS | | | | | | |
| TOTAL PASSIVE EMERGING MARKETS | | | | | | |

REITS Returns vs DJ US Select Real Estate Securities Index: June 30, 2014



STATE STREET.

| | Market Value (Billions) | % of plan |
|-------------|-------------------------|-----------|
| TOTAL REITS | \$2.0 | 3.4 |



| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL REITS | 16.3 | 16.7 | 17.7 | 18.4 | 25.6 | 26.4 |



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

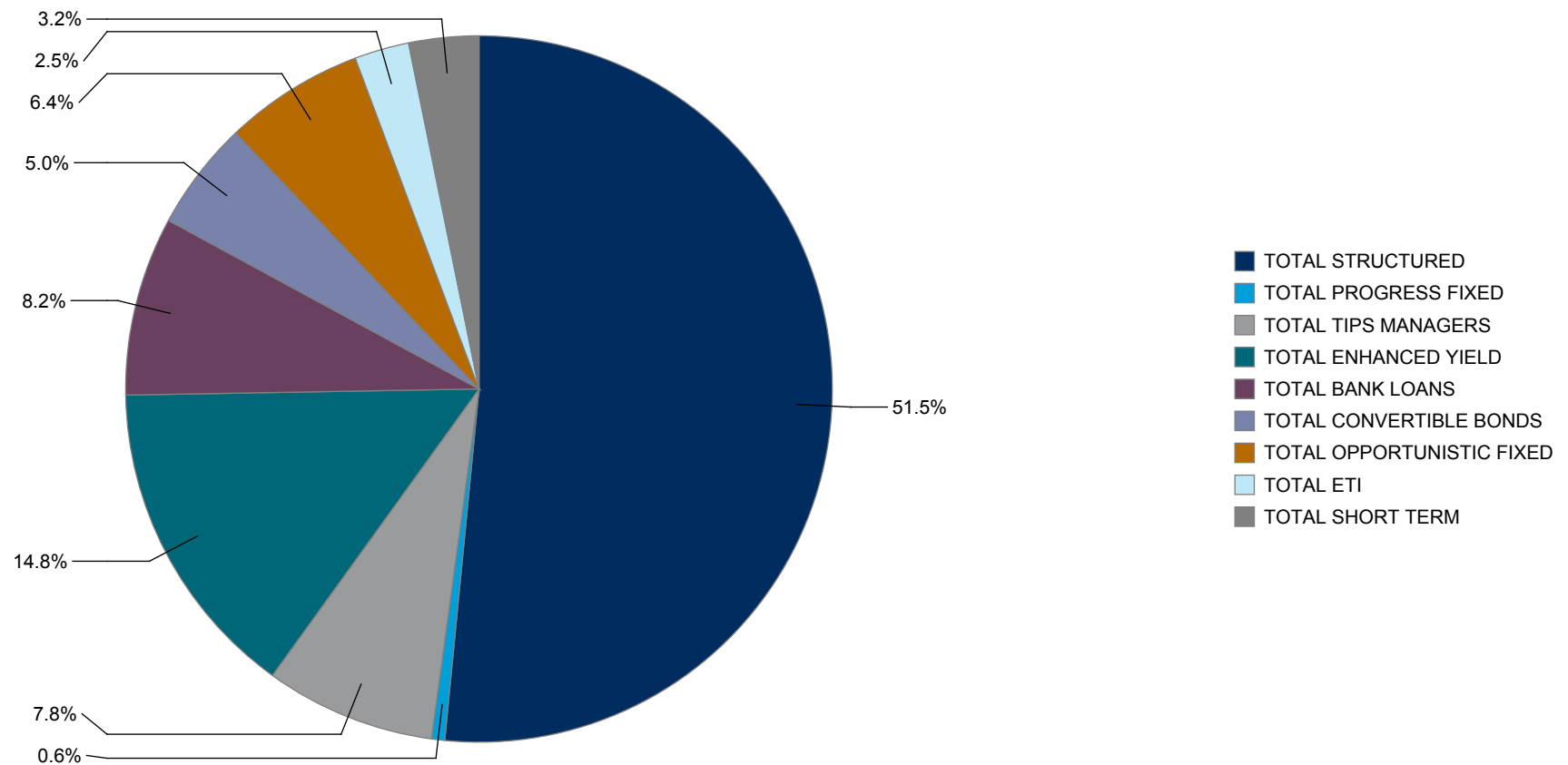
Fixed Income Analysis

Total Fixed Income Asset Allocation: June 30, 2014



STATE STREET.

| | <u>Market Value (Billions)</u> | <u>% of plan</u> |
|--------------------|--------------------------------|------------------|
| TOTAL FIXED INCOME | \$18.2 | 31.3 |

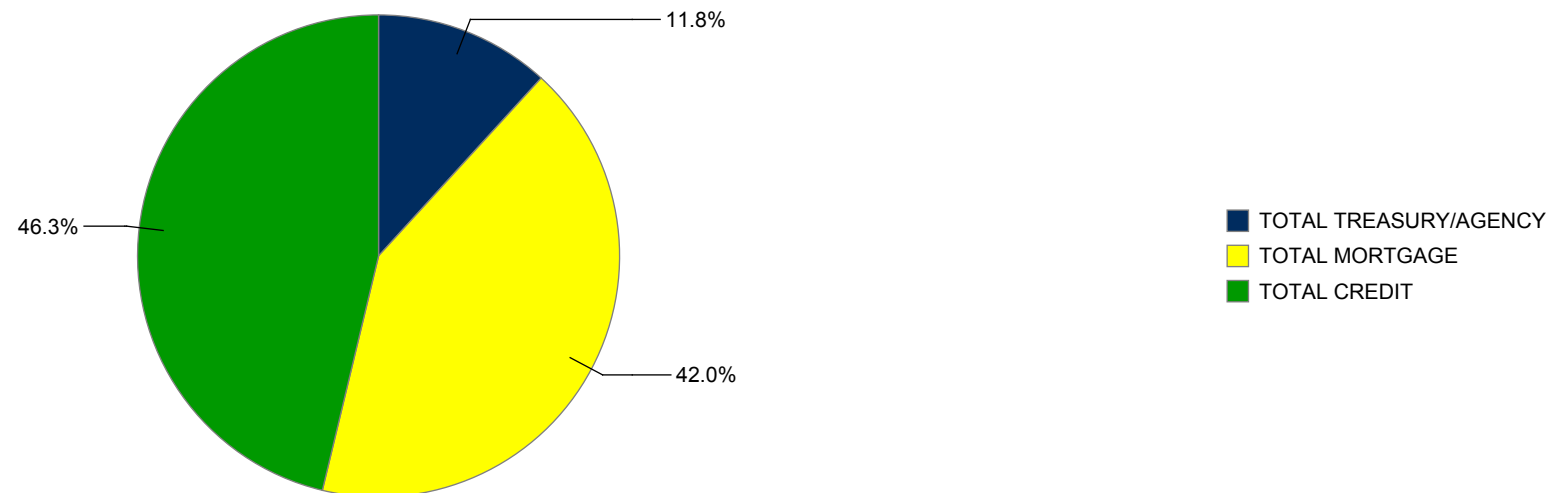


Structured Fixed Income Asset Allocation: June 30, 2014



STATE STREET

| | <u>Market Value (Billions)</u> | <u>% of plan</u> |
|------------------|--------------------------------|------------------|
| TOTAL STRUCTURED | \$9.4 | 16.2 |



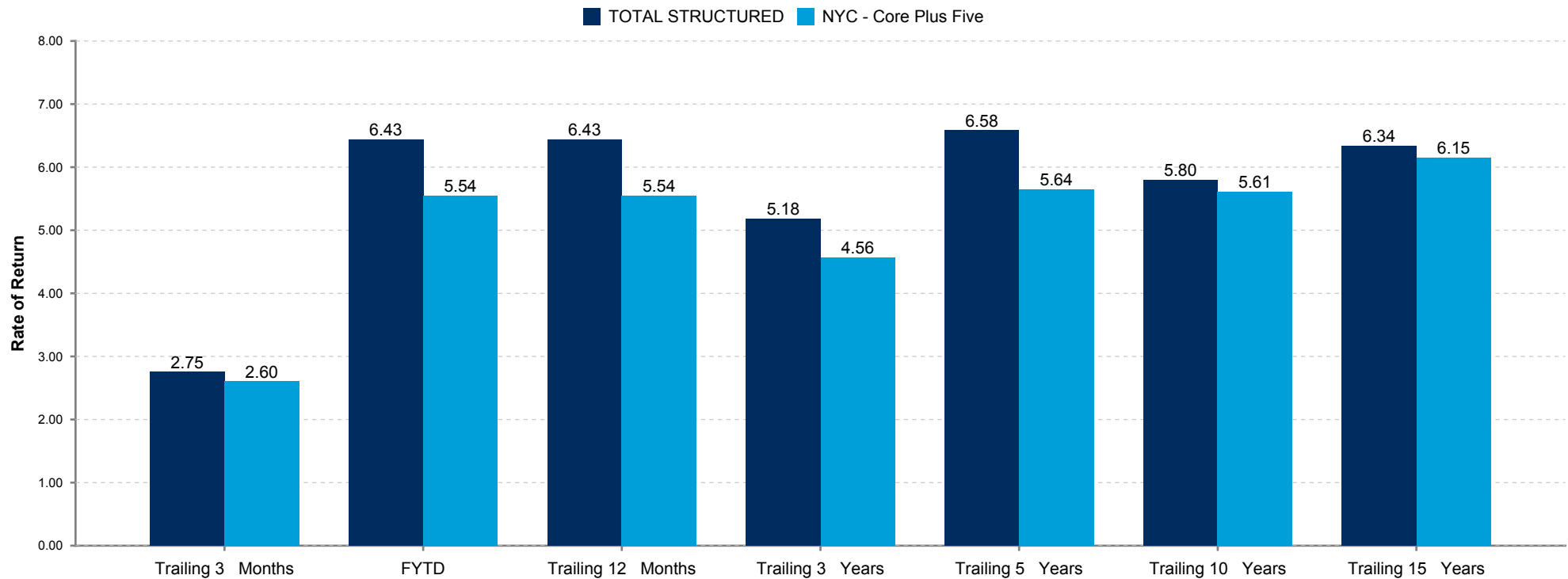
| Sub Sector | Policy Weight | Actual Weight | Under/Over Weight | Index Return | Actual Return | Difference |
|------------------------|---------------|---------------|-------------------|--------------|---------------|------------|
| Total Treasury/Agency | 18.25 | 11.75 | -6.50 | 2.94 | 3.12 | 0.18 |
| Total Mortgage | 38.19 | 41.97 | 3.78 | 2.41 | 2.48 | 0.07 |
| Total Inv Grade Credit | 43.56 | 46.28 | 2.72 | 2.62 | 2.89 | 0.27 |

Structured Returns vs NYC Core + 5 Index: June 30, 2014



STATE STREET.

| | Market Value (Billions) | % of plan |
|------------------|-------------------------|-----------|
| TOTAL STRUCTURED | \$9.4 | 16.2 |



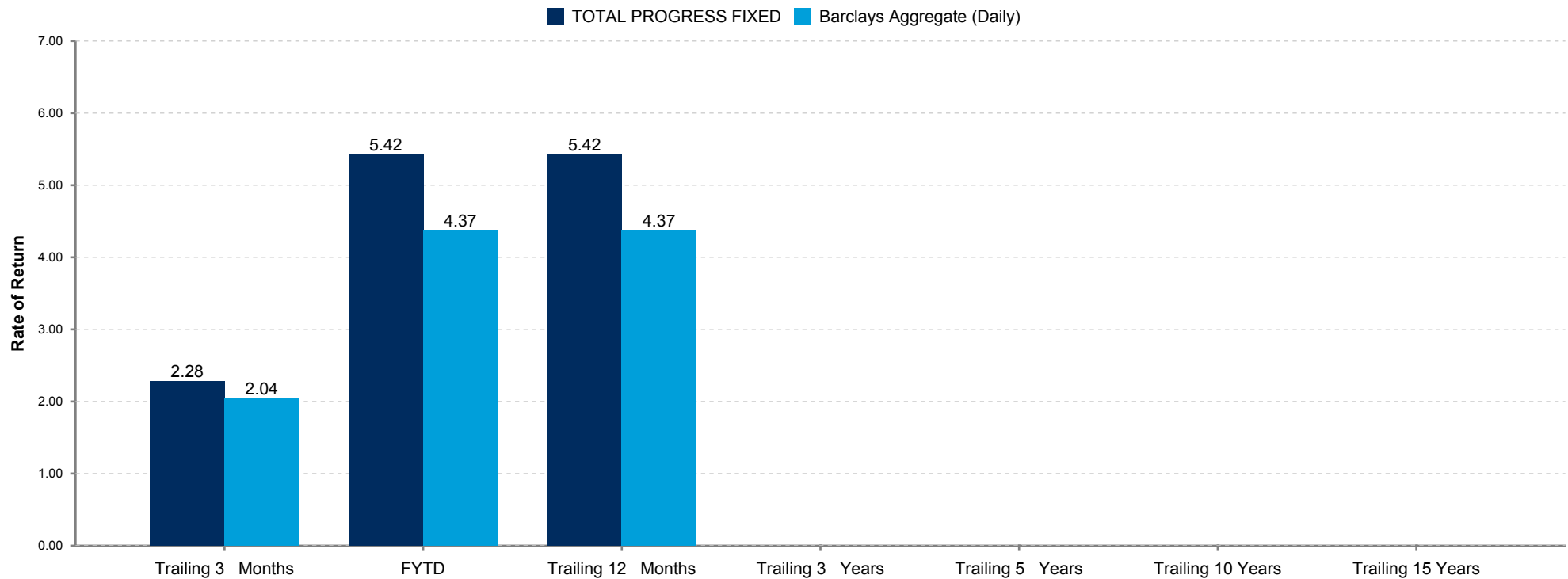
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL STRUCTURED | 3.2 | 3.5 | 3.3 | 3.5 | 3.8 | 4.0 |

Progress Fixed Income Returns vs Barclays Aggregate Index: June 30, 2014



STATE STREET.

| | Market Value (Millions) | % of plan |
|----------------------|-------------------------|-----------|
| TOTAL PROGRESS FIXED | \$112.8 | 0.2 |



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

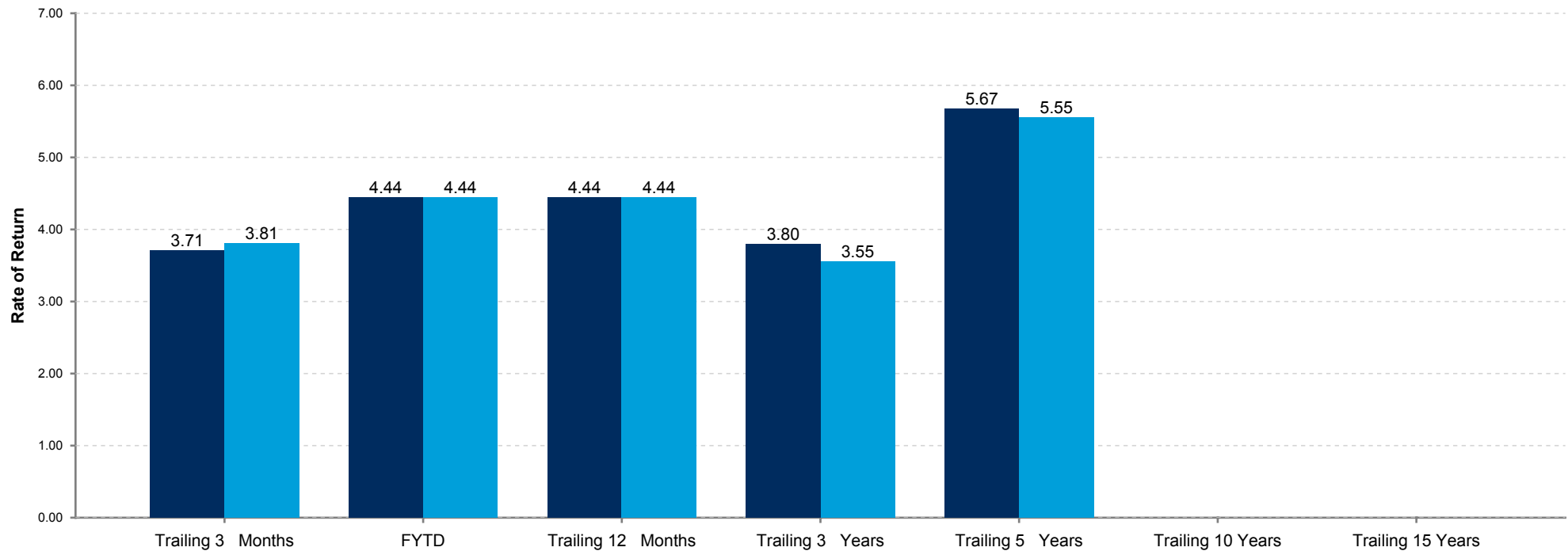
TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: June 30, 2014



STATE STREET.

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

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



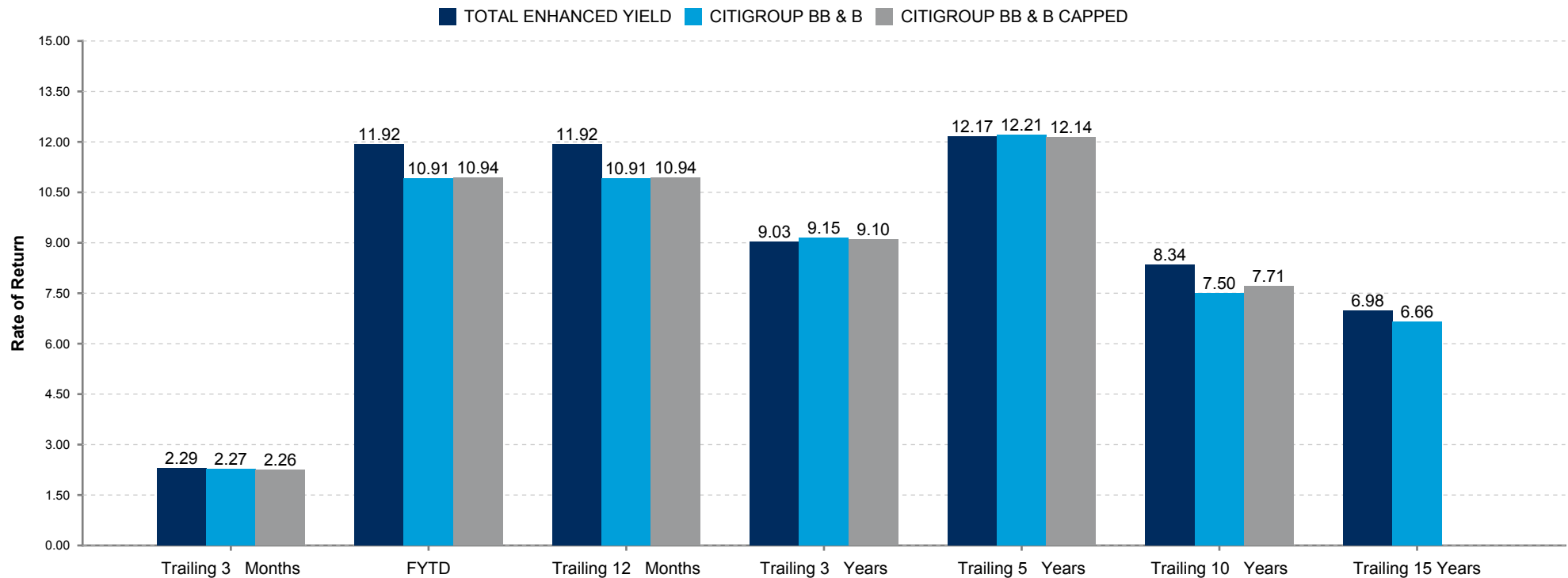
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL TIPS MANAGERS | 5.4 | 5.5 | 5.1 | 5.2 | | |

Enhanced Yield Returns vs Citigroup BB & B Index and Citigroup BB & B Capped Index: June 30, 2014



STATE STREET.

| | Market Value (Billions) | % of plan |
|----------------------|-------------------------|-----------|
| TOTAL ENHANCED YIELD | \$2.7 | 4.6 |



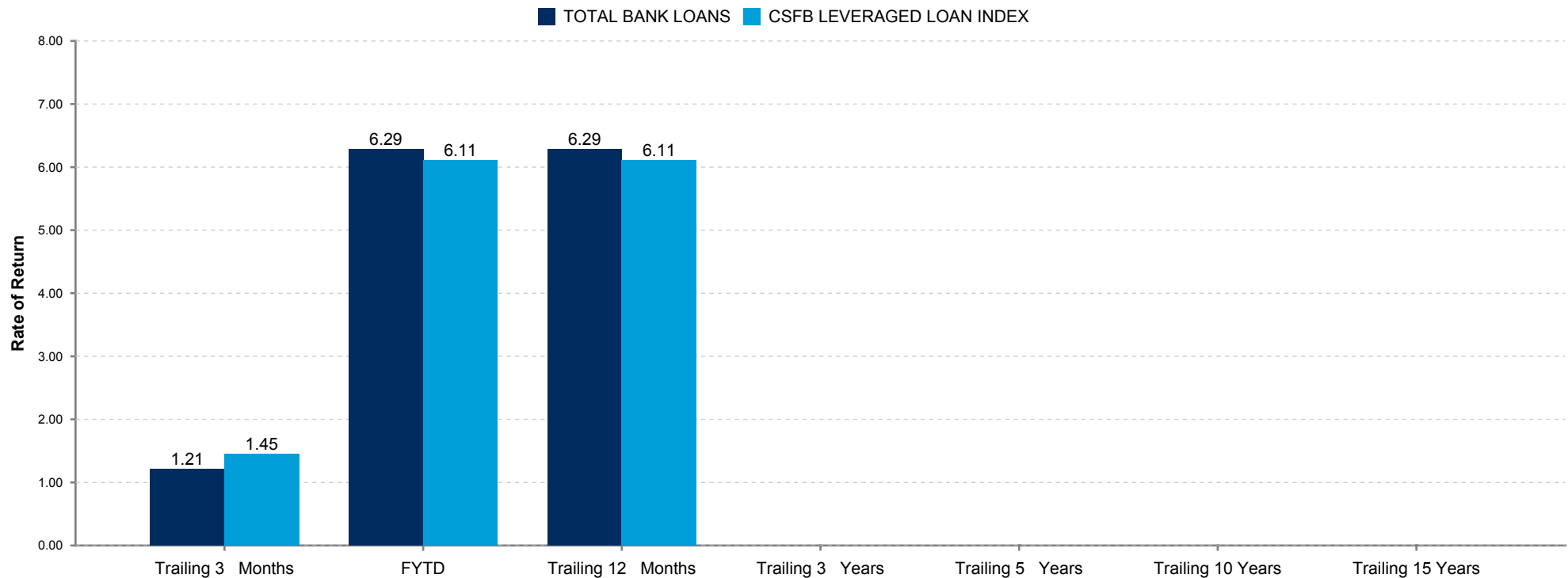
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL ENHANCED YIELD | 9.0 | 5.7 | 7.9 | 5.8 | 8.7 | 8.8 |

Bank Loan Returns vs CSFB Leveraged Loan Index: June 30, 2014



STATE STREET.

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



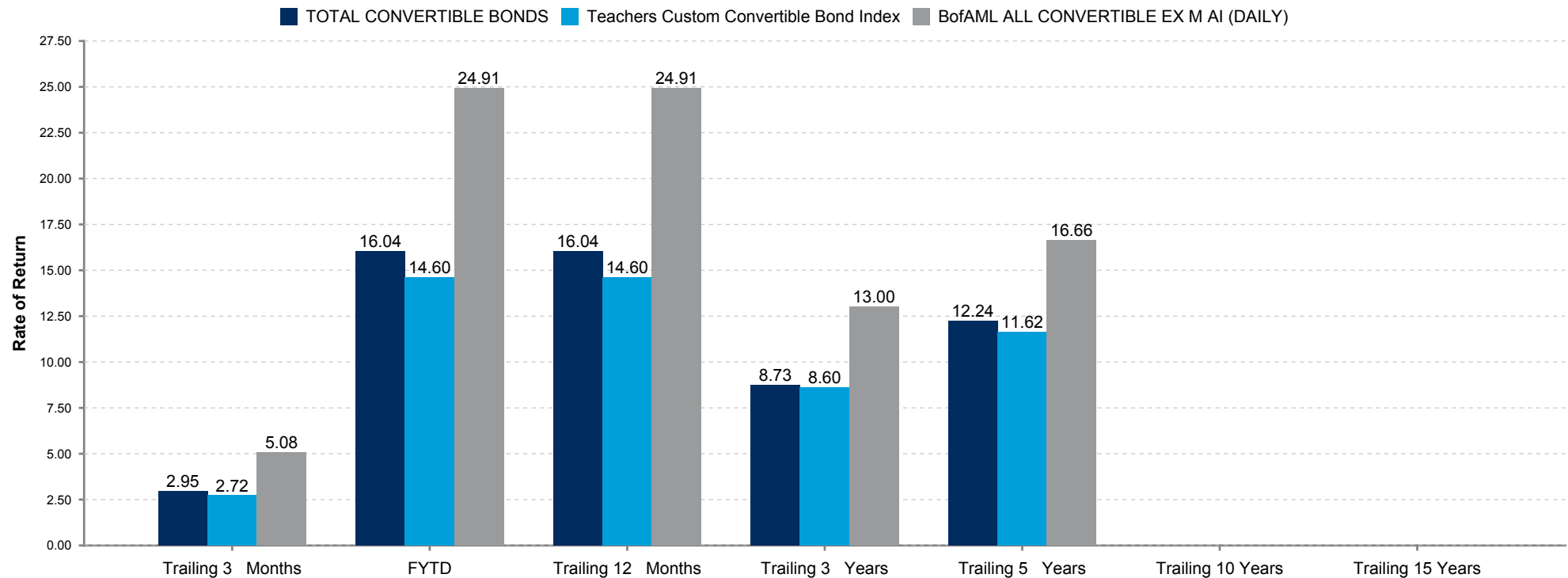
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL BANK LOANS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

Convertible Bond Returns vs Custom Convertible Bond Index and BofAML All Convertible Index: June 30, 2014



STATE STREET.

| | Market Value (Millions) | % of plan |
|-------------------------|-------------------------|-----------|
| TOTAL CONVERTIBLE BONDS | \$908.5 | 1.6 |



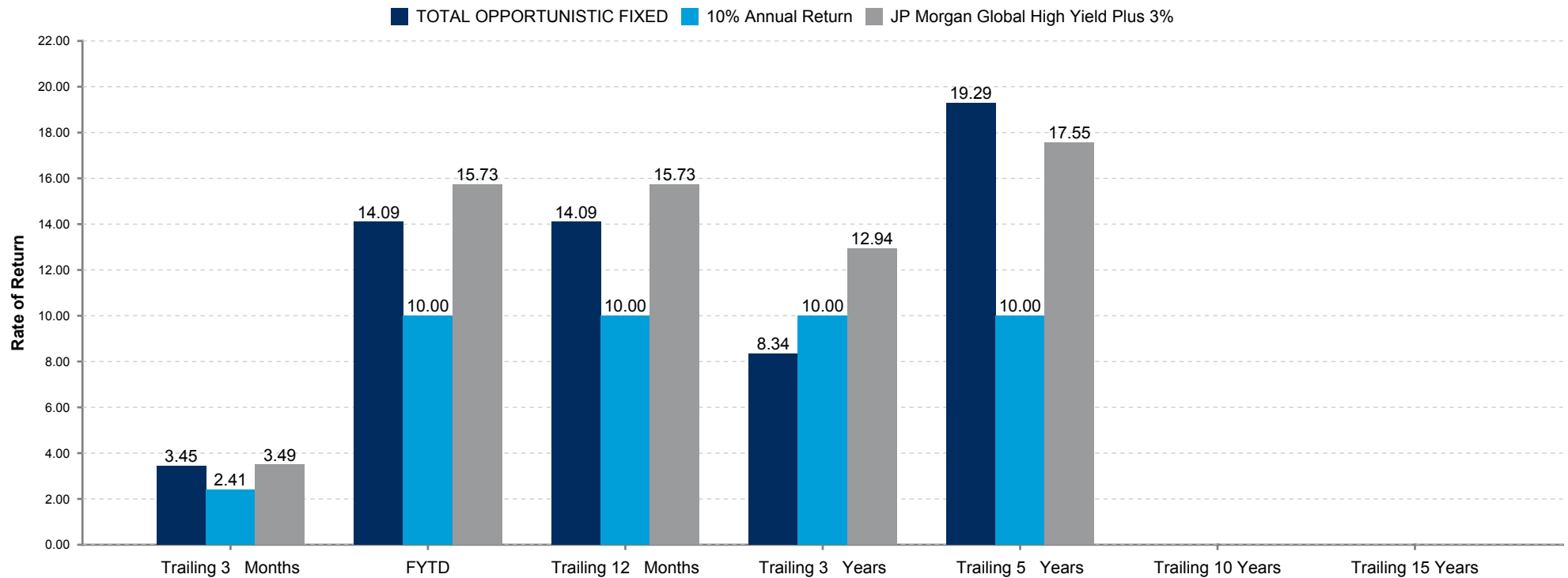
| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL CONVERTIBLE BONDS | 8.7 | 6.4 | 8.0 | 6.7 | | |

Opportunistic Fixed Income Returns vs 10% Annual Return Index and JP Morgan Global High Yield Plus 3% Index: June 30, 2014



STATE STREET.

| | Market Value (Billions) | % of plan |
|---------------------------|-------------------------|-----------|
| TOTAL OPPORTUNISTIC FIXED | \$1.2 | 2.0 |



| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL OPPORTUNISTIC FIXED | 8.3 | 0.0 | 10.1 | 0.0 | | |

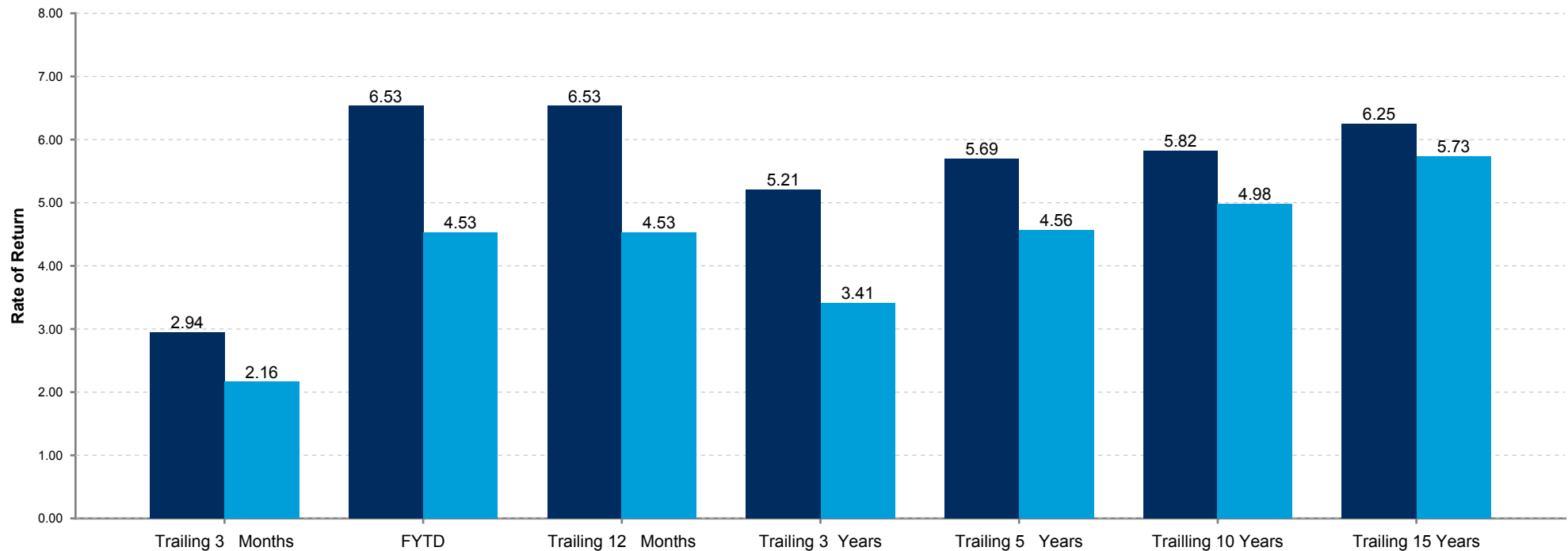
ETI Returns vs Custom Index: June 30, 2014



STATE STREET.

| | Market Value (Millions) | % of plan |
|----------------------|-------------------------|-----------|
| TOTAL ETI (W/O CASH) | \$454.4 | 0.8 |

■ TOTAL ETI (W/O CASH) ■ Teachers Custom Benchmark (No Cash)



| | Plan 3 Years | Benchmark 3 Years | Plan 5 Years | Benchmark 5 Years | Plan 10 Years | Benchmark 10 Years |
|---------------------------|--------------|-------------------|--------------|-------------------|---------------|--------------------|
| Standard Deviation | | | | | | |
| TOTAL ETI (W/O CASH) | 2.1 | 2.5 | 2.0 | 2.6 | 2.4 | 2.8 |



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

Appendix

Consolidated Performance Report

Through June 30, 2014



STATE STREET

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|-------------------------------|---------------|------------|---------|--------|--------|--------|--------|---------|---------|
| EQUITY MANAGEMENT | | | | | | | | | |
| SMALL CAP | | | | | | | | | |
| Brown AM | 293.3 | 0.50 | 0.93 | (1.00) | 29.24 | 17.98 | 24.76 | | |
| TOTAL SMALL CAP GROWTH ACTIVE | 293.3 | 0.50 | 0.93 | (1.00) | 29.24 | 17.98 | 24.76 | | |
| RUSSELL 2000 GROWTH | | | 1.72 | 2.22 | 24.73 | 14.49 | 20.50 | 9.04 | 5.78 |
| TOTAL SMALL CAP ACTIVE | 293.3 | 0.50 | 0.93 | (1.00) | 29.24 | 17.98 | 24.76 | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| Blackrock INST R 2000 Growth | 213.6 | 0.37 | 1.73 | 2.42 | | | | | |
| RUSSELL 2000 GROWTH | | | 1.72 | 2.22 | 24.73 | 14.49 | 20.50 | 9.04 | 5.78 |
| Blackrock INST R 2000 Value | 326.4 | 0.56 | 2.39 | 4.21 | | | | | |
| RUSSELL 2000 VALUE | | | 2.38 | 4.20 | 22.54 | 14.65 | 19.88 | 8.24 | 9.74 |
| TOTAL SMALL CAP PASSIVE | 540.0 | 0.93 | 2.13 | 3.04 | | | | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| TOTAL SMALL CAP | 833.3 | 1.43 | 1.70 | 1.69 | 30.61 | 18.39 | 25.02 | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| MID CAP | | | | | | | | | |
| STATE STREET GA S&P 400 | 2,852.6 | 4.90 | 4.36 | 7.46 | 24.92 | 15.16 | | | |
| TOTAL MID CAP PASSIVE | 2,852.6 | 4.90 | 4.36 | 7.46 | 24.92 | 15.16 | | | |
| S&P MIDCAP 400 | | | 4.33 | 7.50 | 25.24 | 15.26 | 21.67 | 10.50 | 10.02 |
| TOTAL MID CAP | 2,852.6 | 4.90 | 4.36 | 7.46 | 24.92 | 15.16 | | | |
| RUSSELL MIDCAP | | | 4.97 | 8.67 | 26.85 | 16.09 | 22.07 | 10.43 | 9.11 |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|------------------------------|---------------|------------|---------|------|--------|--------|--------|---------|---------|
| RUSSELL 1000 | | | | | | | | | |
| PROFIT INV MGMT | 225.5 | 0.39 | 5.14 | 7.04 | 26.99 | 18.31 | 18.85 | | |
| TOTAL RUSSELL 1000 GROWTH | 225.5 | 0.39 | 5.14 | 7.04 | 26.99 | 18.31 | 18.85 | | |
| RUSSELL 1000 GROWTH | | | 5.13 | 6.31 | 26.92 | 16.26 | 19.24 | 8.20 | 3.07 |
| Seizert Capital Ptnrs - LCC | 233.7 | 0.40 | 5.23 | 8.45 | 26.94 | 16.54 | 19.81 | | |
| TOTAL RUSSELL 1000 CORE | 233.7 | 0.40 | 5.23 | 8.45 | 26.94 | 16.16 | 18.80 | | |
| TOTAL RUSSELL 1000 ACTIVE | 459.2 | 0.79 | 5.19 | 7.75 | 26.97 | 16.84 | 18.35 | | |
| RUSSELL 1000 | | | 5.12 | 7.27 | 25.35 | 16.63 | 19.25 | 8.19 | 4.80 |
| Blackrock INST R 1000 Growth | 4,569.3 | 7.84 | 5.12 | 6.19 | | | | | |
| RUSSELL 1000 GROWTH | | | 5.13 | 6.31 | 26.92 | 16.26 | 19.24 | 8.20 | 3.07 |
| Blackrock INST R 1000 Value | 4,902.4 | 8.42 | 5.10 | 8.25 | | | | | |
| RUSSELL 1000 VALUE | | | 5.10 | 8.28 | 23.81 | 16.92 | 19.23 | 8.03 | 5.93 |
| TOTAL RUSSELL 1000 PASSIVE | 9,471.7 | 16.26 | 5.11 | 7.20 | | | | | |
| RUSSELL 1000 | | | 5.12 | 7.27 | 25.35 | 16.63 | 19.25 | 8.19 | 4.80 |
| TOTAL RUSSELL 1000 | 9,931.0 | 17.05 | 5.11 | 7.23 | 26.48 | 16.69 | 18.25 | | |
| RUSSELL 1000 | | | 5.12 | 7.27 | 25.35 | 16.63 | 19.25 | 8.19 | 4.80 |
| RUSSELL 3000 | | | | | | | | | |
| STATE STREET RUSSELL 3000 | 9,622.8 | 16.52 | 4.86 | 6.89 | 25.12 | 16.49 | | | |
| TOTAL RUSSELL 3000 PASSIVE | 9,622.8 | 16.52 | 4.86 | 6.89 | 25.25 | 16.48 | 19.39 | 8.29 | 5.13 |
| RUSSELL 3000 | | | 4.87 | 6.94 | 25.22 | 16.46 | 19.33 | 8.23 | 5.03 |
| ATTUCKS MANAGERS | | | | | | | | | |
| APEX - SCG | 12.8 | 0.02 | 2.83 | 4.14 | 24.14 | 17.98 | 25.74 | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|-----------------------------------|---------------|------------|---------|--------|--------|--------|--------|---------|---------|
| GW CAPITAL - SCC | 12.2 | 0.02 | 3.32 | 5.45 | 22.26 | 12.69 | | | |
| LOMBARDIA - SCV | 11.4 | 0.02 | 3.52 | 3.82 | 22.51 | 15.95 | 21.07 | | |
| PARADIGM - SCC | 12.3 | 0.02 | 1.03 | 1.36 | 18.17 | 12.55 | 19.81 | | |
| PHOCAS FINANCIAL - SCV | 11.3 | 0.02 | 5.42 | 7.38 | 33.98 | 17.36 | 22.75 | | |
| TOTAL ATTUCKS MANAGERS | 60.0 | 0.10 | 3.16 | 4.35 | 23.87 | 15.20 | 21.59 | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| CAPITAL PROSPECTS MANAGERS | | | | | | | | | |
| AH LISANTI - SCG | 5.2 | 0.01 | (2.51) | (2.47) | 23.53 | | | | |
| BERNZOTT CAP AD - SCV | 5.3 | 0.01 | 5.11 | 2.30 | 22.96 | | | | |
| CHANNING - SCV | 5.9 | 0.01 | 2.12 | 5.04 | 28.43 | | | | |
| CWC ADVISORS - SCC | 4.9 | 0.01 | 5.35 | 5.43 | 23.04 | | | | |
| HIGH POINTE - SC | 2.1 | 0.00 | 2.82 | 3.03 | 22.74 | | | | |
| HUBER - SCV | 5.8 | 0.01 | 5.59 | 2.74 | 22.95 | | | | |
| LOMBARDIA - SCV | 4.7 | 0.01 | 3.52 | 3.81 | 22.51 | | | | |
| PROFIT - SCC | 5.1 | 0.01 | 5.71 | 4.04 | 27.34 | | | | |
| QUOTIENT - SCC | 5.6 | 0.01 | 6.49 | 10.54 | 33.00 | | | | |
| STEPHENS - SCG | 4.9 | 0.01 | (0.86) | (2.37) | 19.32 | | | | |
| SUMMIT CREEK - SCG | 5.0 | 0.01 | 0.19 | (0.66) | 21.59 | | | | |
| TOTAL CAPITAL PROSPECTS MANAGERS | 54.6 | 0.09 | 3.03 | 2.81 | 24.44 | | | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| PROGRESS MANAGERS | | | | | | | | | |
| APEX CAPITAL MGMT - SMID CG | 21.9 | 0.04 | 4.38 | 6.95 | 30.96 | | | | |
| CARDINAL - SCV | 14.4 | 0.02 | 5.14 | 8.60 | 28.88 | | | | |
| HUBER - SCV | 20.6 | 0.04 | 5.52 | 2.79 | 22.79 | | | | |
| MONARCH PARTNERS - SCV | 19.3 | 0.03 | 1.80 | 3.51 | 21.84 | | | | |
| NICHOLS - SC | 19.9 | 0.03 | (0.94) | (1.81) | 22.26 | | | | |
| OMT CAP MGMT - SMIDCG | 14.8 | 0.03 | (1.72) | (3.12) | 16.85 | | | | |
| PHOCAS - SCV | 15.6 | 0.03 | 5.42 | 7.37 | 33.88 | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|---------------------------------|---------------|------------|---------|--------|--------|--------|--------|---------|---------|
| TOTAL PROGRESS MANAGERS | 126.6 | 0.22 | 2.76 | 3.27 | 25.12 | | | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| F.I.S MANAGERS | | | | | | | | | |
| CHANNING - SCV | 33.3 | 0.06 | 2.17 | 5.10 | 28.50 | | | | |
| EAM INVESTORS - MCG | 5.6 | 0.01 | (7.51) | (5.88) | 18.53 | | | | |
| HUBER - SCV | 14.3 | 0.02 | 5.38 | 2.68 | 22.52 | | | | |
| NICHOLAS INV PTNRS - SCG | 21.8 | 0.04 | (0.18) | 0.37 | 24.84 | | | | |
| PIERMONT CAPITAL | 23.5 | 0.04 | | | | | | | |
| PUNCH - SCC | 14.5 | 0.02 | 1.03 | 0.61 | 25.17 | | | | |
| RICE HALL JAMES | 18.4 | 0.03 | | | | | | | |
| TOTAL F.I.S MANAGERS | 131.4 | 0.23 | 0.65 | 1.11 | 21.99 | | | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| TOTAL EMERGING MANAGERS | 372.6 | 0.64 | 2.11 | 2.60 | 23.70 | | | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| RUSSELL 3000 | | | 4.87 | 6.94 | 25.22 | 16.46 | 19.33 | 8.23 | 5.03 |
| ENVIRONMENTAL STRATEGIES | | | | | | | | | |
| WALDEN ASSET MGMT | 76.1 | 0.13 | 1.01 | (0.36) | 18.21 | 11.94 | 18.70 | | |
| TOTAL U.S. ENVIRONMENTAL | 76.1 | 0.13 | 1.01 | (0.36) | 18.21 | 11.94 | 18.77 | | |
| RUSSELL 2000 | | | 2.05 | 3.19 | 23.64 | 14.57 | 20.21 | 8.70 | 8.01 |
| TOTAL ACTIVE DOMESTIC EQUITY | 1,125.2 | 1.93 | 3.02 | 3.64 | 26.45 | 16.96 | 20.06 | 8.19 | |
| TOTAL PASSIVE DOMESTIC EQUITY | 22,487.2 | 38.60 | 4.83 | 6.99 | 25.12 | 16.28 | 19.26 | 8.23 | 5.09 |
| TOTAL DOMESTIC EQUITY | 23,688.5 | 40.66 | 4.73 | 6.80 | 25.14 | 16.29 | 19.31 | 8.22 | 5.09 |
| RUSSELL 3000 | | | 4.87 | 6.94 | 25.22 | 16.46 | 19.33 | 8.23 | 5.03 |
| INTERNATIONAL EQUITY | | | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|----------------------------------|---------------|------------|---------|------|--------|--------|--------|---------|---------|
| DEVELOPED MARKETS | | | | | | | | | |
| GROWTH | | | | | | | | | |
| Baillie Gifford EAFE MTA | 1,274.2 | 2.19 | 0.35 | 0.43 | 23.79 | 9.75 | 15.59 | | |
| Walter Scott | 1,095.6 | 1.88 | 4.90 | 2.86 | 15.49 | 8.52 | 13.04 | | |
| TOTAL DEVELOPED GROWTH | 2,369.9 | 4.07 | 2.40 | 1.54 | 19.81 | 9.18 | 13.12 | | |
| MSCI EAFE GROWTH NET | | | 3.45 | 3.56 | 20.33 | 7.68 | 12.22 | 7.09 | 3.51 |
| VALUE | | | | | | | | | |
| Causeway | 742.4 | 1.27 | 1.75 | 2.14 | 22.89 | | | | |
| Sprucegrove MTA | 1,239.0 | 2.13 | 3.16 | 5.48 | 22.13 | 9.30 | 15.19 | | |
| TOTAL DEVELOPED VALUE | 1,981.6 | 3.40 | 2.63 | 4.20 | 22.41 | 8.46 | 12.59 | 8.00 | |
| MSCI EAFE VALUE | | | 4.73 | 6.01 | 26.86 | 8.46 | 11.24 | 6.71 | 5.53 |
| SMALL CAP | | | | | | | | | |
| Acadian | 287.0 | 0.49 | 3.22 | 9.08 | 36.97 | | | | |
| Pyramis | 269.2 | 0.46 | 2.01 | 4.27 | 25.66 | | | | |
| TOTAL DEVELOPED SMALL CAP ACTIVE | 556.2 | 0.95 | 2.63 | 6.70 | 31.26 | | | | |
| S&P EPAC SMALL CAP INDEX | | | 2.53 | 6.43 | 29.60 | 9.81 | 15.20 | 9.57 | 8.35 |
| TOTAL DEVELOPED SMALL CAP | 695.1 | 1.19 | 2.56 | 6.14 | 30.56 | | | | |
| S&P EPAC SMALL CAP INDEX | | | 2.53 | 6.43 | 29.60 | 9.81 | 15.20 | 9.57 | 8.35 |
| MSCI EAFE | | | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 | 4.59 |
| TRANSITION - EAFE REBALANCE | 0.2 | 0.00 | | | | | | | |
| MSCI EAFE | | | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 | 4.59 |
| TOTAL ACTIVE DEVELOPED MARKETS | 4,908.5 | 8.43 | 2.52 | 3.16 | 22.04 | 8.58 | 12.74 | 8.05 | 5.85 |
| MSCI EAFE | | | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 | 4.59 |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

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|---------------------------------|---------------|------------|---------|-------|--------|--------|--------|---------|---------|
| SSGA MSCI EAFE Small Cap Index | 138.9 | | 2.28 | | | | | | |
| MSCI EAFE SMALL CAP NET | | | 2.08 | 5.50 | 29.08 | 9.84 | 15.21 | 8.73 | 8.32 |
| SSGA MTA | 368.9 | 0.63 | 4.27 | 5.05 | 23.86 | 8.40 | | | |
| TOTAL PASSIVE DEVELOPED MARKETS | 368.9 | 0.63 | 4.27 | 5.05 | 23.86 | 8.40 | | | |
| MSCI EAFE | | | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 | 4.59 |
| TOTAL DEVELOPED MARKETS | 5,416.3 | 9.30 | 2.63 | 3.29 | 22.16 | 8.51 | 12.82 | 8.08 | 5.87 |
| MSCI EAFE | | | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 | 4.59 |
| GLOBAL | | | | | | | | | |
| SSGA MSCI World Index | 118.2 | 0.20 | 5.02 | 6.46 | 24.46 | | | | |
| TOTAL PASSIVE GLOBAL | 118.2 | 0.20 | 5.02 | 6.46 | 24.46 | | | | |
| MSCI World Index | | | 4.86 | 6.18 | 24.05 | 11.81 | 14.99 | 7.25 | 4.18 |
| TOTAL DEVELOPED ENV ACTIVIST | 5,535.0 | 9.50 | 2.68 | 3.35 | 22.38 | 8.60 | 12.95 | 8.10 | |
| EMERGING MARKETS | | | | | | | | | |
| Baillie Gifford EM Equities | 1,027.3 | 1.76 | 10.62 | 12.03 | | | | | |
| DFA EM | 1,293.1 | 2.22 | 8.27 | 10.16 | 16.76 | | | | |
| EATON VANCE | 1,307.7 | 2.24 | 6.13 | 9.12 | 13.88 | | | | |
| TOTAL ACTIVE EMERGING MARKETS | 3,628.0 | 6.23 | 8.13 | 10.30 | 16.85 | | | | |
| FTSE CUSTOM NYC TRS INDEX | | | 7.53 | 10.02 | 15.93 | | | | |
| TRS Blackrock-MSCI EM INDEX MTA | 1,177.5 | 2.02 | 6.61 | 9.03 | 13.81 | (0.97) | | | |
| TOTAL PASSIVE EMERGING MARKETS | 1,177.5 | 2.02 | 6.61 | 9.03 | 13.81 | (0.97) | | | |
| TRS MSCI CUSTOM EMERGING | | | 6.68 | 9.12 | 14.92 | | | | |
| TOTAL EMERGING MARKETS | 4,805.5 | 8.25 | 7.75 | 9.99 | 15.65 | (0.32) | | | |
| FTSE CUSTOM NYC TRS INDEX | | | 7.53 | 10.02 | 15.93 | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|---------------------------------------|---------------|------------|---------|-------|--------|--------|--------|---------|---------|
| TOTAL ACTIVE INTERNATIONAL EQUITY | 8,536.9 | 14.65 | 4.83 | 6.08 | | | | | |
| TOTAL PASSIVE INTERNATIONAL EQUITY | 1,803.5 | 3.10 | 5.67 | 7.41 | | | | | |
| TOTAL INTERNATIONAL EQUITY | 10,340.5 | 17.75 | 4.98 | 6.33 | 19.16 | 4.72 | 10.52 | 6.93 | 5.12 |
| MSCI AC WORLD ex US | | | 5.03 | 5.56 | 21.75 | 5.73 | 11.11 | 7.75 | |
| REITS | | | | | | | | | |
| ADELANTE CAPITAL MANAGEMENT | 286.9 | 0.49 | 7.63 | 18.52 | 16.25 | 12.71 | 24.23 | 9.65 | |
| CENTER SQUARE INVESTMENT MGT | 237.0 | 0.41 | 7.57 | 18.82 | 15.94 | | | | |
| COHEN & STEERS - REITS | 237.4 | 0.41 | 7.41 | 18.06 | 15.63 | | | | |
| EUROPEAN | 317.9 | 0.55 | 6.56 | 10.44 | 13.74 | | | | |
| FTSE EPRA/NAREIT DEVELOPED INDEX USD | | | 7.88 | 12.21 | 14.38 | 10.19 | 17.41 | 9.12 | |
| MS REIT MTA | 685.1 | 1.18 | 7.31 | 17.75 | 14.76 | | | | |
| SECURITY CAPITAL | 239.6 | 0.41 | 7.21 | 18.56 | 13.65 | 10.99 | 23.85 | | |
| TOTAL REITS | 2,004.0 | 3.44 | 7.27 | 16.89 | 14.91 | 11.60 | 23.98 | 10.62 | |
| DJ US SELECT REAL ESTATE SEC. INDEX | | | 7.13 | 18.14 | 13.25 | 11.20 | 23.76 | 9.32 | 11.03 |
| PRIVATE EQUITY INVESTMENTS | | | | | | | | | |
| Acon Equity Partners III, L.P. | 2.8 | 0.00 | | | | | | | |
| Aisling Capital II, L.P. | 3.1 | 0.01 | | | | | | | |
| Aisling Capital III, L.P. | 8.2 | 0.01 | | | | | | | |
| Altaris Health Partners III, L.P. | 0.7 | 0.00 | | | | | | | |
| American Securities Partners VI, L.P. | 63.6 | 0.11 | | | | | | | |
| Ampersand 2006 L.P. | 14.2 | 0.02 | | | | | | | |
| Ampersand 2011 L.P. | 19.6 | 0.03 | | | | | | | |
| Apollo Investment Fund V, L.P. | 3.1 | 0.01 | | | | | | | |
| Apollo Investment Fund VI, L.P. | 26.2 | 0.05 | | | | | | | |
| Apollo Investment Fund VII, L.P. | 31.7 | 0.05 | | | | | | | |
| Apollo Investment Fund VII, L.P. | 7.8 | 0.01 | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|--|---------------|------------|---------|-----|--------|--------|--------|---------|---------|
| Ardian Secondary VI | 12.3 | 0.02 | | | | | | | |
| ARES CORP OPP | 2.4 | 0.00 | | | | | | | |
| Ares Corporate Opportunities Fund II, L.P. | 8.6 | 0.01 | | | | | | | |
| Ares Corporate Opportunities Fund III, L.P. | 47.8 | 0.08 | | | | | | | |
| Ares Corporate Opportunities Fund IV, L.P. | 24.2 | 0.04 | | | | | | | |
| Arsenal Capital Partners II, L.P. | 17.4 | 0.03 | | | | | | | |
| Aurora Equity Partners III, L.P. | 1.4 | 0.00 | | | | | | | |
| Avista Capital Partners L.P. | 21.9 | 0.04 | | | | | | | |
| Avista Capital Partners II, L.P. | 56.1 | 0.10 | | | | | | | |
| AXA Secondary Fund V, L.P. | 72.6 | 0.12 | | | | | | | |
| BC European Capital IX, L.P. | 41.0 | 0.07 | | | | | | | |
| BDCM Opportunity Fund | 1.1 | 0.00 | | | | | | | |
| BDCM Opportunity Fund II LP | 37.5 | 0.06 | | | | | | | |
| Blackstone Capital Partners IV, L.P. | 10.5 | 0.02 | | | | | | | |
| Blackstone Capital Partners V, L.P. | 64.1 | 0.11 | | | | | | | |
| Blackstone Capital Partners VI, L.P. | 29.4 | 0.05 | | | | | | | |
| Blackstone Mezzanine Fund II, L.P. | 2.0 | 0.00 | | | | | | | |
| Blue Wolf Capital Fund II, L.P. | 16.2 | 0.03 | | | | | | | |
| Bridgepoint Europe III, LP | 17.4 | 0.03 | | | | | | | |
| Bridgepoint Europe IV, LP | 23.7 | 0.04 | | | | | | | |
| Capital Partners Private Equity Income Fund II, LP | 2.1 | 0.00 | | | | | | | |
| Carlyle Partners V, L.P. | 44.6 | 0.08 | | | | | | | |
| Carlyle Partners VI, L.P. | 24.0 | 0.04 | | | | | | | |
| Carpenter Community BancFund, L.P. | 18.7 | 0.03 | | | | | | | |
| Catterton Partners VI, L.P. | 23.7 | 0.04 | | | | | | | |
| CCMP Capital Investors II | 14.8 | 0.03 | | | | | | | |
| Celtic Pharmaceutical Holdings L.P. | 23.0 | 0.04 | | | | | | | |
| CO INVEST PTNRS EURO | 28.2 | 0.05 | | | | | | | |
| COLLER INTERNATIONAL PTNRS IV / COLLER CAPITAL | 3.8 | 0.01 | | | | | | | |
| Constellation Ventures III, L.P. | 8.8 | 0.02 | | | | | | | |
| CRATON EQUITY INVESTORS | 5.0 | 0.01 | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

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|---|---------------|------------|---------|-----|--------|--------|--------|---------|---------|
| CS EMERG MGR CO-INV/C SUISSE CUST FD INV GR | 6.3 | 0.01 | | | | | | | |
| CS EMERG MGR FD/C SUISSE EM DOM MGRS FD | 37.6 | 0.06 | | | | | | | |
| CVC Capital Partners VI, L.P. | 0.7 | 0.00 | | | | | | | |
| CYPRESS MERCH BK PTNRS II | 6.1 | 0.01 | | | | | | | |
| EQT VI (Global) | 25.7 | 0.04 | | | | | | | |
| Erasmus NYC Growth FD | 2.1 | 0.00 | | | | | | | |
| FAIRVIEW EMERGING MGRS FD | 38.4 | 0.07 | | | | | | | |
| FAIRVIEW VENTURES FD III | 20.8 | 0.04 | | | | | | | |
| FDG CAPL PTNRS | 6.8 | 0.01 | | | | | | | |
| FDG Cap Part II | 5.0 | 0.01 | | | | | | | |
| First Reserve Fund XI | 18.1 | 0.03 | | | | | | | |
| First Reserve Fund XII | 21.9 | 0.04 | | | | | | | |
| FOURTH CINVEN FD | 35.2 | 0.06 | | | | | | | |
| FS Equity Partners V (Freeman Spogli V) | 7.8 | 0.01 | | | | | | | |
| FTV Capital IV | 5.8 | 0.01 | | | | | | | |
| FT Ventures Fund III | 15.6 | 0.03 | | | | | | | |
| GI Partners Fund II LP | 9.6 | 0.02 | | | | | | | |
| GI Partners III | 20.0 | 0.03 | | | | | | | |
| GF CAPITAL | 13.7 | 0.02 | | | | | | | |
| GREEN EQ INV VI | 34.2 | 0.06 | | | | | | | |
| GREY MT PTNRS FUND III | 0.3 | 0.00 | | | | | | | |
| GSC Recovery III | 3.9 | 0.01 | | | | | | | |
| GSO CAPITAL OPPORTUNITIES FD | 10.6 | 0.02 | | | | | | | |
| HALYARD CAPITAL II | 8.5 | 0.01 | | | | | | | |
| ICV PTNRS III | 2.8 | 0.00 | | | | | | | |
| INCLINE EQ PT 111 | 1.8 | 0.00 | | | | | | | |
| InteMedia Partners VII LP | 37.7 | 0.06 | | | | | | | |
| JP MORGAN INVST MGMT | 30.9 | 0.05 | | | | | | | |
| Landmark Equity Partners XI | 3.1 | 0.01 | | | | | | | |
| Landmark Equity Partners XIV | 37.8 | 0.06 | | | | | | | |
| Landmark Equity Partners XV | 17.7 | 0.03 | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

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|---------------------------------|---------------|------------|---------|-----|--------|--------|--------|---------|---------|
| Landmark Fund XIII | 12.1 | 0.02 | | | | | | | |
| Lee Equity Partners | 23.3 | 0.04 | | | | | | | |
| LEEDS WELD EQUITY PTNRS IV | 11.2 | 0.02 | | | | | | | |
| LEEDS WELD EQUITY PTNRS V | 29.2 | 0.05 | | | | | | | |
| LEVINE LEICHTMAN CAP PTNRS IV | 17.8 | 0.03 | | | | | | | |
| Lincolnshire Equity Fund II | 0.9 | 0.00 | | | | | | | |
| Lincolnshire Equity Fund III LP | 15.6 | 0.03 | | | | | | | |
| Lincolnshire Equity Fund IV | 9.2 | 0.02 | | | | | | | |
| Markstone Cap | 18.3 | 0.03 | | | | | | | |
| Midocean Partners III | 36.2 | 0.06 | | | | | | | |
| Montreux Equity Partners IV | 14.6 | 0.03 | | | | | | | |
| NAUTIC PARTNERS VI | 22.2 | 0.04 | | | | | | | |
| New Mountain Partners | 1.4 | 0.00 | | | | | | | |
| New Mountain Partners II LP | 3.1 | 0.01 | | | | | | | |
| New Mountain Ptnrs III LP | 34.0 | 0.06 | | | | | | | |
| NEWSPRING VENTURE II | 7.2 | 0.01 | | | | | | | |
| NGN BIOMED Opportunity II | 7.9 | 0.01 | | | | | | | |
| ONEX PTNRS III | 39.2 | 0.07 | | | | | | | |
| Olympus Growth Fund VI | 5.6 | 0.01 | | | | | | | |
| Paladin Homeland Security | 5.7 | 0.01 | | | | | | | |
| Paladin Homeland Sec III | 12.5 | 0.02 | | | | | | | |
| Palladium Eq Parts III | 38.3 | 0.07 | | | | | | | |
| PCG Clean Energy & Tech Fd East | 27.6 | 0.05 | | | | | | | |
| Pegasus Partners IV | 15.1 | 0.03 | | | | | | | |
| Pegasus Partners V | 12.1 | 0.02 | | | | | | | |
| Perseus Patners VII | 4.8 | 0.01 | | | | | | | |
| Pine Brook CAP Partners | 20.8 | 0.04 | | | | | | | |
| PLATINUM EQ CAP PTRNS III | 27.1 | 0.05 | | | | | | | |
| Prism Venture Parts. V | 7.9 | 0.01 | | | | | | | |
| Psilos Group Ptnrs III | 21.0 | 0.04 | | | | | | | |
| Quadrangle Cap Ptnrs II | 18.1 | 0.03 | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

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|--|---------------|------------|---------|-----|--------|--------|--------|---------|---------|
| Quaker BioVentures II | 10.2 | 0.02 | | | | | | | |
| Relativity Fund | 3.0 | 0.01 | | | | | | | |
| RIPPLEWOOD PTNRS II | 7.6 | 0.01 | | | | | | | |
| RIVERSTONE/CARLYLE GLB EP IV | 19.7 | 0.03 | | | | | | | |
| RLJ EQUITY PARTNERS I | 11.2 | 0.02 | | | | | | | |
| RRE Ventures III | 5.8 | 0.01 | | | | | | | |
| RRE Ventures Fund IV | 35.3 | 0.06 | | | | | | | |
| SCP | 7.2 | 0.01 | | | | | | | |
| SCP Vitalife Ptnrs II | 11.7 | 0.02 | | | | | | | |
| Snow Phipps & Guggenheim L.P. | 9.6 | 0.02 | | | | | | | |
| Solera Partners | 9.1 | 0.02 | | | | | | | |
| STARVEST PTNRS II | 11.5 | 0.02 | | | | | | | |
| Tailwind Capital Partners | 1.3 | 0.00 | | | | | | | |
| Terra Firma Capital Partners III, L.P. | 19.8 | 0.03 | | | | | | | |
| THOMAS MCNERNEY PTNRS | 7.6 | 0.01 | | | | | | | |
| THOMAS MCNERNEY PTNRS II | 14.3 | 0.02 | | | | | | | |
| Trident V, L.P. | 31.0 | 0.05 | | | | | | | |
| TRILANTIC CAPITAL PTNRS | 11.2 | 0.02 | | | | | | | |
| Trilantic Capital Partners III, L.P. | 1.3 | 0.00 | | | | | | | |
| Trilantic Capital Partners IV, L.P. | 50.4 | 0.09 | | | | | | | |
| United States Power II LP | 29.8 | 0.05 | | | | | | | |
| United States Power Fund III LP | 22.9 | 0.04 | | | | | | | |
| Vista Foundation Fund II, L.P. | 3.3 | 0.01 | | | | | | | |
| Vista Equity Partners III, LLC | 17.6 | 0.03 | | | | | | | |
| Vista Equity Partners Fund IV | 97.0 | 0.17 | | | | | | | |
| Vitruvian Partners LLP | 13.7 | 0.02 | | | | | | | |
| VSS Communications Partners IV, L.P. | 5.9 | 0.01 | | | | | | | |
| Warburg Pincus Private Equity XI, L.P. | 61.8 | 0.11 | | | | | | | |
| Welsh, Carson, Anderson & Stowe XI, L.P. | 26.5 | 0.05 | | | | | | | |
| Yucaipa American Alliance Fd | 45.1 | 0.08 | | | | | | | |
| Yucaipa American Alliance Fund II, L.P. | 105.0 | 0.18 | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

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|---------------------------------------|---------------|------------|---------|-----|--------|--------|--------|---------|---------|
| Yucaipa Corporate Initiative II, L.P. | 22.0 | 0.04 | | | | | | | |
| TOTAL PRIVATE EQUITY | 2,621.5 | 4.50 | | | | | | | |
| NYC R3000 +3% Lagged | | | | | | | | | |

REAL ASSETS

PRIVATE REAL ESTATE

| | | | | | | | | | |
|--|-------|------|--|--|--|--|--|--|--|
| Almanac Realty Securities VI, L.P. | 57.8 | 0.10 | | | | | | | |
| American Value Partners Fund I, L.P. | 12.1 | 0.02 | | | | | | | |
| Ares Real Estate Fund V | 2.4 | 0.00 | | | | | | | |
| Blackrock Carbon III | 4.4 | 0.01 | | | | | | | |
| Blackstone Real Estate Partners Europe III, L.P. | 37.3 | 0.06 | | | | | | | |
| Blackstone Real Estate Partners Europe IV, L.P. | 15.0 | 0.03 | | | | | | | |
| Blackstone Real Estate Partners Europe VI, L.P. | 71.0 | 0.12 | | | | | | | |
| Brookfield Strategic Real Estate Partners L.P. | 56.3 | 0.10 | | | | | | | |
| Canyon-Johnson Urban Fund II, L.P. | 9.0 | 0.02 | | | | | | | |
| Canyon-Johnson Urban Fund III, L.P. | 17.2 | 0.03 | | | | | | | |
| CAPRI URBAN INVESTORS | 29.2 | 0.05 | | | | | | | |
| Carlyle Realty Partners V, L.P. | 5.0 | 0.01 | | | | | | | |
| Carlyle Realty Partners VI, L.P. | 45.6 | 0.08 | | | | | | | |
| Colony Realty Partners II, L.P. | 6.0 | 0.01 | | | | | | | |
| DIVCO WEST FD IV | 5.8 | 0.01 | | | | | | | |
| Emmes Interborough Fund LLC | 21.7 | 0.04 | | | | | | | |
| H/2 Special Opportunities II Ltd. | 39.1 | 0.07 | | | | | | | |
| Heitman America Real Estate Trust LP | 67.9 | 0.12 | | | | | | | |
| Hudson Sandy Manager, LLC | 7.2 | 0.01 | | | | | | | |
| JPMC Special Situations Fund | 14.8 | 0.03 | | | | | | | |
| JPMC Strategic Property Fund | 129.7 | 0.22 | | | | | | | |
| KTR Industrial Fund III LP | 25.1 | 0.04 | | | | | | | |
| LaSalle US Property Fund | 50.7 | 0.09 | | | | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

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|--|---------------|------------|---------|------|--------|--------|--------|---------|---------|
| Lone Star Real Estate Fund III, L.P. | 46.8 | 0.08 | | | | | | | |
| Metro Workforce Housing FD | 9.5 | 0.02 | | | | | | | |
| OCM REAL ESTATE OPPORTUNITIES FD III-A | 1.6 | 0.00 | | | | | | | |
| PRISA | 38.8 | 0.07 | | | | | | | |
| PRISA II | 67.6 | 0.12 | | | | | | | |
| PROLOGIS TARGETED US LOGISTICS FD | 9.2 | 0.02 | | | | | | | |
| RELATED SEP ACCT | 57.6 | 0.10 | | | | | | | |
| RREEF America REIT II Corp. | 38.9 | 0.07 | | | | | | | |
| RREEF America REIT III Corp. | 4.5 | 0.01 | | | | | | | |
| Silverpeak Legacy Partners III, L.P. | 3.1 | 0.01 | | | | | | | |
| Stockbridge Real Estate Fund III, LP | 27.0 | 0.05 | | | | | | | |
| Taconic New York City Investment Fund LP | 29.6 | 0.05 | | | | | | | |
| THE CITY INVESTMENT FD | 52.9 | 0.09 | | | | | | | |
| Thor Urban Property Fund II, Inc. | 11.6 | 0.02 | | | | | | | |
| TISHMAN SPEYER/CITIGROUP | 0.0 | 0.00 | | | | | | | |
| UBS Trumbull Property Fund LP | 137.9 | 0.24 | | | | | | | |
| URBAN AMERICA II | 3.1 | 0.01 | | | | | | | |
| Westbrook Real Estate Fund VIII, L.P. | 40.6 | 0.07 | | | | | | | |
| TOTAL PRIVATE REAL ESTATE | 1,310.4 | 2.25 | | | | | | | |
| NCREIF NFI-ODCE NET + 1% | | | | | | | | | |
| INFRASTRUCTURE | | | | | | | | | |
| Brookfield Infrastructure Fd II | 37.3 | 0.06 | | | | | | | |
| TOTAL INFRASTRUCTURE | 37.3 | 0.06 | | | | | | | |
| CPI + 4% | | | | | | | | | |
| TOTAL REAL ASSETS | 1,347.7 | 2.31 | | | | | | | |
| TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS) | 40,002.1 | 68.67 | 4.86 | 7.32 | 22.09 | 12.38 | 16.53 | 7.93 | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|---------------------------------|---------------|------------|---------|-------|--------|--------|--------|---------|---------|
| FIXED INCOME MANAGEMENT | | | | | | | | | |
| GOVERNMENT | | | | | | | | | |
| BLACKROCK - GOVT | 316.3 | 0.54 | 3.01 | 6.63 | 4.14 | 5.69 | | | |
| PIMCO - GOVT | 433.1 | 0.74 | 3.44 | 7.30 | 4.67 | 5.82 | 6.42 | 6.47 | |
| STATE STREET - GOVT | 356.5 | 0.61 | 2.84 | 6.32 | 3.95 | 5.52 | | | |
| TOTAL TREASURY/AGENCY | 1,105.9 | 1.90 | 3.12 | 6.79 | 4.29 | 5.69 | 6.09 | 6.37 | 6.91 |
| NYC - TREASURY AGENCY PLUS FIVE | | | 2.94 | 6.51 | 3.79 | 5.57 | 5.87 | 6.20 | 6.74 |
| MORTGAGE | | | | | | | | | |
| BLACKROCK - MORT | 1,315.6 | 2.26 | 2.53 | 4.37 | 5.27 | 4.11 | 5.62 | 5.46 | |
| BLACKROCK - SP PURPOSE - MORT | 8.1 | 0.01 | 6.92 | 13.81 | | | | | |
| GOLDMAN SACHS - MORT | 361.3 | 0.62 | 2.45 | 4.21 | 4.86 | 3.42 | | | |
| NEUBERGER BERMAN - MORT | 456.2 | 0.78 | 2.69 | 4.45 | 5.08 | 3.00 | | | |
| PIMCO - MORT | 1,265.3 | 2.17 | 2.27 | 4.09 | 4.61 | 3.05 | 4.80 | 5.28 | 5.97 |
| SMITH BREEDEN - MORT | 182.5 | 0.31 | 2.60 | 4.19 | 5.03 | 3.49 | | | |
| WELLINGTON - MORT | 361.0 | 0.62 | 2.58 | 4.44 | 5.02 | 2.97 | | | |
| TOTAL MORTGAGE | 3,950.0 | 6.78 | 2.48 | 4.30 | 5.00 | 3.54 | 5.17 | 5.13 | 5.77 |
| CITIGROUP MORTGAGE INDEX | | | 2.41 | 4.06 | 4.59 | 2.79 | 3.97 | 5.00 | 5.53 |
| CREDIT | | | | | | | | | |
| BARROW HANLEY - CREDIT | 414.7 | 0.71 | 3.06 | 6.19 | 8.83 | 6.78 | | | |
| BLACKROCK - CREDIT | 1,062.3 | 1.82 | 2.81 | 5.99 | 8.26 | 6.66 | 8.21 | 6.19 | |
| PRUDENTIAL - CREDIT | 592.4 | 1.02 | 2.61 | 5.45 | 7.57 | 6.23 | | | |
| PRUDENTIAL - PRIVEST - CREDIT | 183.4 | 0.31 | 1.85 | 4.45 | 5.92 | | | | |
| TAPLIN, CANIDA - CREDIT | 1,049.7 | 1.80 | 2.96 | 6.62 | 8.90 | 6.69 | 8.77 | 5.30 | 6.32 |
| T. ROWE PRICE - CREDIT | 1,052.3 | 1.81 | 3.19 | 6.41 | 9.02 | 7.00 | 8.97 | 6.70 | 6.77 |
| TOTAL INVESTMENT GRADE CREDIT | 4,354.8 | 7.48 | 2.89 | 6.10 | 8.49 | 6.69 | 8.69 | 6.09 | 6.48 |
| NYC - INVESTMENT GRADE CREDIT | | | 2.62 | 5.40 | 7.17 | 5.78 | 7.44 | 5.68 | 6.29 |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|------------------------------|---------------|------------|---------|------|--------|--------|--------|---------|---------|
| TOTAL STRUCTURED | 9,410.8 | 16.15 | 2.75 | 5.43 | 6.43 | 5.18 | 6.58 | 5.80 | 6.34 |
| NYC - CORE PLUS FIVE | | | 2.60 | 5.08 | 5.54 | 4.56 | 5.64 | 5.61 | 6.15 |
| PROGRESS FIXED | | | | | | | | | |
| AMBASSADOR MTA | 27.7 | 0.05 | 2.14 | 4.47 | 4.42 | | | | |
| GIA MTA | 23.2 | 0.04 | 2.77 | 5.02 | 7.13 | | | | |
| HILLSWICK MTA | 11.0 | 0.02 | 2.23 | 4.41 | 3.94 | | | | |
| NEW CENTURY MTA | 28.3 | 0.05 | 1.98 | 4.83 | 5.69 | | | | |
| PUGH CAP MTA | 22.4 | 0.04 | 2.37 | 4.46 | 5.34 | | | | |
| TOTAL PROGRESS FIXED | 112.8 | 0.19 | 2.28 | 4.66 | 5.42 | | | | |
| BARCLAYS CAPITAL AGGREGATE | | | 2.04 | 3.93 | 4.37 | 3.66 | 4.85 | 4.93 | 5.60 |
| TIPS MANAGERS | | | | | | | | | |
| ACTIVE TIPS MANAGERS | | | | | | | | | |
| BLACKROCK-TIPS-MTA | 260.3 | 0.45 | 3.71 | 5.80 | 4.39 | 3.68 | 5.57 | | |
| PIMCO-TIPS-MTA | 800.7 | 1.37 | 3.65 | 5.83 | 4.44 | 3.94 | 5.75 | | |
| TOTAL ACTIVE TIPS MANAGERS | 1,061.0 | 1.82 | 3.67 | 5.82 | 4.43 | 3.88 | 5.70 | | |
| Barclays US TIPS Index | | | 3.81 | 5.83 | 4.44 | 3.55 | 5.55 | 5.25 | 6.67 |
| PASSIVE TIPS MANAGERS | | | | | | | | | |
| STATE STREET-TIPS-MTA | 355.3 | 0.61 | 3.85 | 5.88 | 4.47 | 3.55 | 5.56 | | |
| TOTAL PASSIVE TIPS MANAGERS | 355.3 | 0.61 | 3.85 | 5.88 | 4.47 | 3.55 | 5.56 | | |
| TOTAL TIPS MANAGERS | 1,416.3 | 2.43 | 3.71 | 5.84 | 4.44 | 3.80 | 5.67 | | |
| Barclays US TIPS Index | | | 3.81 | 5.83 | 4.44 | 3.55 | 5.55 | 5.25 | 6.67 |
| ENHANCED YIELD | | | | | | | | | |
| LOOMIS | 330.8 | 0.57 | 2.64 | 6.82 | 14.17 | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|---------------------------------------|---------------|------------|---------|------|--------|--------|--------|---------|---------|
| NEUBERGER BERMAN | 532.7 | 0.91 | 2.29 | 5.02 | 12.03 | | | | |
| BofA MERRILL LYNCH HY MASTER II | | | 2.57 | 5.64 | 11.80 | 9.27 | 13.94 | 8.91 | 7.52 |
| OAKTREE | 309.1 | 0.53 | 1.81 | 4.83 | 11.16 | | | | |
| BofA ML HY MASTER II CONSTRAINED | | | 2.57 | 5.64 | 11.79 | 9.25 | 13.89 | 8.91 | |
| STONE HARBOR INVESTMENT PARTNERS | 467.7 | 0.80 | 2.53 | 5.69 | 12.19 | 9.41 | 12.71 | 8.43 | |
| BofA ML-MST II 7-12/BB&B PRIOR | | | 2.57 | 5.64 | 11.80 | 9.93 | 12.69 | 7.73 | 6.81 |
| FORT WASHINGTON | 140.4 | 0.24 | 2.39 | 5.53 | 11.06 | | | | |
| PENN | 141.2 | 0.24 | 2.09 | 5.31 | 11.70 | | | | |
| SHENKMAN | 228.2 | 0.39 | 2.01 | 4.83 | 10.54 | 7.80 | 10.40 | 7.66 | |
| T. ROWE PRICE ENHANCED | 542.7 | 0.93 | 2.30 | 5.37 | 11.53 | 8.79 | 12.42 | 8.59 | |
| TOTAL ENHANCED YIELD | 2,692.9 | 4.62 | 2.29 | 5.43 | 11.92 | 9.03 | 12.17 | 8.34 | 6.98 |
| CITIGROUP BB & B | | | 2.27 | 5.31 | 10.91 | 9.15 | 12.21 | 7.50 | 6.66 |
| CITIGROUP BB & B CAPPED | | | 2.26 | 5.28 | 10.94 | 9.10 | 12.14 | 7.71 | |
| BANK LOANS | | | | | | | | | |
| BABSON BL MTA | 372.8 | 0.64 | 1.20 | 2.53 | 6.31 | | | | |
| CREDIT SUISSE BL MTA | 370.6 | 0.64 | 1.27 | 2.41 | 5.94 | | | | |
| GUGGENHEIM BL MTA | 375.4 | 0.64 | 1.06 | 2.53 | 7.24 | | | | |
| ING BL | 186.4 | 0.32 | 1.18 | 2.53 | 6.49 | | | | |
| WELLS BL MTA | 181.8 | 0.31 | 1.45 | 2.21 | 4.81 | | | | |
| TOTAL BANK LOANS | 1,487.1 | 2.55 | 1.21 | 2.46 | 6.29 | | | | |
| CREDIT SUISSE LEVERAGED LOAN INDEX | | | 1.45 | 2.77 | 6.11 | 5.68 | 8.79 | 5.03 | |
| CONVERTIBLE BONDS | | | | | | | | | |
| Advent - Conv Bonds | 471.6 | 0.81 | 2.13 | 6.19 | 13.60 | 8.24 | 12.39 | | |
| BofA ML CONVERTIBLES YIELD ALT. INDEX | | | 2.01 | 5.98 | 11.12 | 7.51 | 11.74 | 5.52 | 4.74 |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|--|---------------|------------|---------|------|--------|--------|--------|---------|---------|
| F&C CONVERTIBLE BONDS | 149.2 | 0.26 | 1.40 | 6.80 | 13.73 | 7.53 | 11.27 | | |
| UBS GLOBAL FOCUS CUSTOMISED | | | 0.86 | 4.37 | 13.43 | 7.07 | 9.77 | | |
| VICTORY CONVERTIBLE BONDS | 287.6 | 0.49 | 5.07 | 9.16 | 20.95 | 10.81 | 12.57 | | |
| BofA ML CONVERTIBLE BONDS INVST GRADE | | | 5.36 | 9.67 | 22.60 | 11.64 | 12.56 | 5.09 | 4.09 |
| TOTAL CONVERTIBLE BONDS | 908.5 | 1.56 | 2.95 | 7.35 | 16.04 | 8.73 | 12.24 | | |
| TEACHERS CUSTOM CONVERTIBLE BOND IDX | | | 2.72 | 6.15 | 14.60 | 8.60 | 11.62 | | |
| ML ALL CONVERTIBLES EX MANDATORY | | | 5.08 | 9.70 | 24.91 | 13.00 | 16.66 | 7.91 | 7.25 |
| OPPORTUNISTIC FIXED | | | | | | | | | |
| AVE EURO SPECIAL SITUATIONS FD | 0.3 | 0.00 | | | | | | | |
| AVE SPECIAL SITUATIONS FD V | 0.3 | 0.00 | | | | | | | |
| AVE SPECIAL SITUATIONS FD VI | 77.7 | 0.13 | | | | | | | |
| FORTRESS PTNRS LP | 62.5 | 0.11 | | | | | | | |
| LONE STAR FD VIII | 86.7 | 0.15 | | | | | | | |
| OAKTREE OPP FD IX LP | 67.0 | 0.12 | | | | | | | |
| TORCHLIGHT INVESTORS | 3.9 | 0.01 | | | | | | | |
| TOTAL FUND STRATEGIES | 298.5 | 0.51 | | | | | | | |
| 10% ANNUAL RETURN | | | | | | | | | |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3% | | | | | | | | | |
| ANGELO GORDON PTNRS LP | 133.4 | 0.23 | 3.89 | 7.80 | 17.03 | | | | |
| APOLLO PTNRSH LP | 148.6 | 0.26 | 2.00 | 7.61 | 15.30 | | | | |
| Contrarian Partnership, L.P | 39.3 | 0.07 | 2.02 | 6.90 | 10.08 | | | | |
| GOLDENTREE OD MTA | 155.1 | 0.27 | 2.25 | 5.99 | 11.90 | | | | |
| Marathon Centre Street Partnership, L.P. | 230.2 | 0.40 | 3.06 | 6.46 | 15.38 | | | | |
| OAK HILL PTNRS LP | 156.9 | 0.27 | 2.33 | 4.93 | 13.92 | | | | |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|-------------------------------------|---------------|------------|---------|-------|--------|--------|--------|---------|---------|
| TOTAL STRATEGIC MANDATES | 863.4 | 1.48 | 2.69 | 6.49 | 14.64 | | | | |
| 10% Annual Return | | | 2.41 | 4.88 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3% | | | 3.49 | 7.35 | 15.73 | 12.94 | 17.55 | | |
| TOTAL OPPORTUNISTIC FIXED | 1,161.9 | 1.99 | 3.45 | 7.09 | 14.09 | 8.34 | 19.29 | | |
| 10% Annual Return | | | 2.41 | 4.88 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| JP MORGAN GLOBAL HIGH YIELD PLUS 3% | | | 3.49 | 7.35 | 15.73 | 12.94 | 17.55 | | |
| ETI | | | | | | | | | |
| CCD - PPAR (GNMA) | 5.7 | 0.01 | 5.22 | 9.84 | 13.62 | 10.90 | 10.39 | | |
| CCD - PPAR ETI MTA (FNMA) | 2.5 | 0.00 | 4.40 | 9.32 | | | | | |
| CFSB - PPAR (GNMA) | 2.2 | 0.00 | 4.16 | 9.54 | 12.19 | 7.76 | 8.50 | | |
| CPC - PPAR (FNMA) | 15.2 | 0.03 | 4.43 | 11.13 | | | | | |
| BOA - PPAR ETI MTA (FNMA) | 0.7 | 0.00 | 4.38 | 9.78 | | | | | |
| LIIF - PPAR (GNMA) | 2.9 | 0.01 | 3.34 | 6.89 | 10.15 | 7.98 | | | |
| LIIF - PPAR ETI (FNMA) | 1.4 | 0.00 | 20.28 | 26.22 | | | | | |
| NCBCI - PPAR (GNMA) | 1.5 | 0.00 | 4.47 | 9.98 | 17.17 | 12.10 | | | |
| NCB - CI PPAR ETI (FNMA) | 0.2 | 0.00 | 3.91 | 9.43 | | | | | |
| NHS - PPAR (GNMA) | 0.6 | 0.00 | 3.82 | 9.19 | 13.20 | 9.53 | 10.50 | | |
| TARGETED INVESTMENT | 102.5 | 0.18 | 3.70 | 8.44 | 13.64 | 9.95 | 9.37 | 8.61 | 8.40 |
| TOTAL TEACHERS PPAR | 135.5 | | 3.97 | 9.06 | 13.78 | 10.02 | 9.44 | 8.69 | |
| GNMA Plus 65bps | | | 2.46 | 4.47 | 5.44 | 3.46 | 4.96 | 5.70 | 6.21 |
| FNMA Plus 85bps | | | 2.69 | 4.48 | 5.30 | 3.68 | 4.79 | 5.88 | 6.43 |
| ACCESS/RBC | 106.4 | 0.18 | 2.78 | 4.44 | 4.39 | 3.63 | 4.69 | | |
| Access RBC Benchmark | | | 1.99 | 3.33 | 3.55 | 2.60 | 3.62 | | |
| AFL - CIO HOUSING INV TRUST | 212.5 | 0.36 | 2.40 | 4.19 | 4.45 | 3.60 | 4.52 | 4.94 | |
| Barclays Aggregate | | | 2.04 | 3.93 | 4.37 | 3.66 | 4.85 | 4.93 | 5.60 |

Consolidated Performance Report

Through June 30, 2014



STATE STREET.

| | Assets (\$MM) | % of Total | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|---------------------------|-----------------|---------------|-------------|-------------|--------------|--------------|--------------|-------------|-------------|
| TOTAL ETI (W/O CASH) | 454.4 | 0.78 | 2.94 | 4.92 | 6.53 | 5.21 | 5.69 | 5.82 | 6.25 |
| Teachers Custom Benchmark | | | 2.16 | 3.94 | 4.53 | 3.41 | 4.56 | 4.98 | 5.73 |
| Teachers' Short Term | 576.5 | 0.99 | 0.05 | 0.11 | 0.26 | 0.33 | 0.47 | 2.17 | |
| TOTAL FIXED INCOME | 18,221.1 | 31.28 | 2.60 | 5.26 | 7.90 | 5.98 | 7.73 | 6.23 | 6.41 |
| C/D - Fail Float Earnings | 2.0 | 0.00 | 0.02 | 1.78 | 3.58 | 7.57 | 5.15 | 4.51 | |
| Securities Lending | 31.4 | 0.05 | | | | | | | |
| TOTAL TEACHERS' | 58,256.6 | 100.00 | 4.14 | 6.65 | 17.62 | 10.26 | 13.60 | 7.57 | 5.77 |
| TEACHERS POLICY BENCHMARK | | | 4.21 | 7.14 | 17.26 | 10.68 | 14.09 | 7.51 | 5.64 |



| 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 |
| US Equities | | 20,645 | 3.38 | 21,871 | 3.83 |
| 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 |
| International Equities | | 9,171 | 20.74 | 9,256 | 34.45 |
| 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 | |
| Fixed Income | 15,025 | 19.81 | 15,709 | 21.08 | |
| 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 | |
| Total Public Markets | 46,589 | 13.47 | 48,552 | 16.54 | |
| INVESTMENT STYLE (PRIVATE) | | | | | |
| 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 | |
| Total Private Markets | 3,118 | 143.31 | 3,317 | 172.80 | |
| Total Overall | 49,707 | 21.62 | 51,869 | 26.54 | |
| * 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
June 30, 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 (6 Months) | 1,052,000 | 3,895,000 | 3,005,000 |
| Since Inception | <u>\$132,421,000</u> | <u>\$190,666,000</u> | <u>\$59,988,000</u> |

*Inception 4/89



Through June 30, 2014

- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
- Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
- Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
- Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
- Effective 7/1/09, the Core+5 program was restructured.
- The U.S. Gov't sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov't Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.
- The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.
- There were no changes to the Mortgage sector Index.
- The total Core+5 results and benchmark returns combine the three sectors. Historical total Core+5 returns continue to include the old Corporate and Yankee sector returns.



General Notes

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

Page Specific

Pages 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 * 34.97%*

*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 * 4.47%*

*Private Real Estate: NFI - ODCE Net+100BPS * 2.33%*

*Domestic Fixed Income: NYC Core +5 * 19.84%*

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

*Enhanced Yield: Citigroup BB&B * 5.30%*

*Bank Loans: Credit Suisse Leveraged Loan * 2.57%*

*Convertible Bonds: BofAML All Convertibles Ex Mandatory * 3.00%*

*Opportunistic Fixed: 10% Annualized Return * 2.03%*

*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 43 – 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