



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

# Total Fund Overview



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

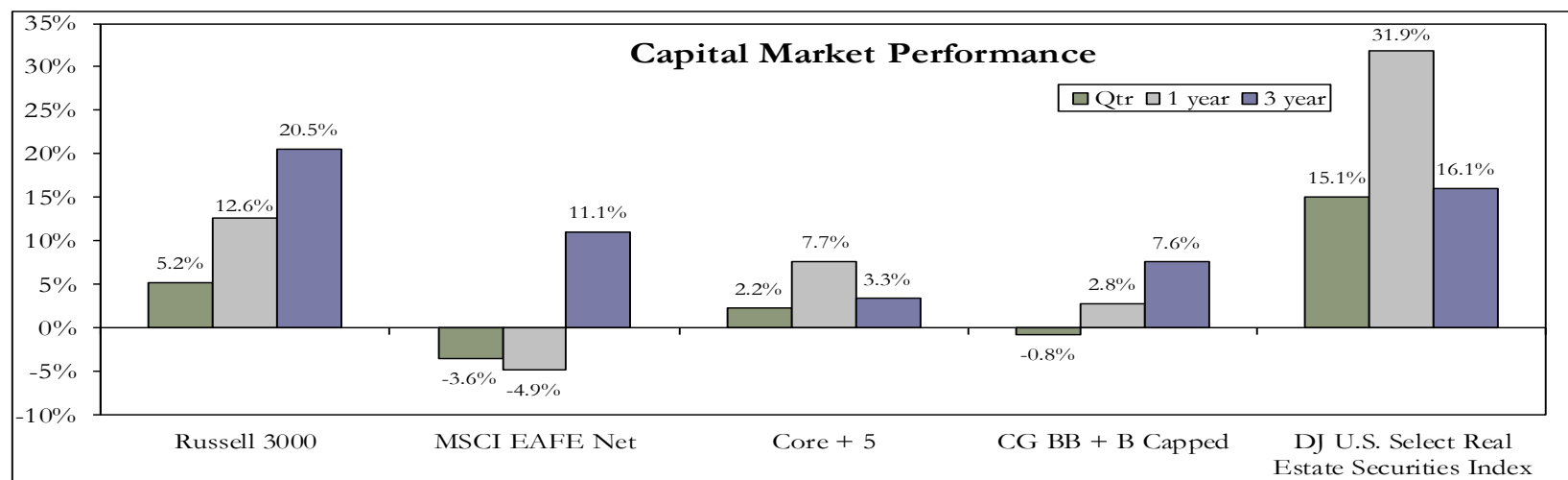
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Through December 31, 2014



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**Market Backdrop:** Global capital markets ended the fourth quarter and the year with mixed results as some markets remained volatile for the last three months of the year. U.S. interest rates continued to decline as the 10-year Treasury note was yielding 2.17% at the end of December, a decline of 32 basis points since the end of the third quarter. Longer-term Treasury yields declined even further as the yield on the 30-year Treasury fell 45 basis points during the quarter and ended the year with a decline of 122 basis points. Fixed income performance, however, was generally mixed as falling yields were offset by higher corporate bond spreads. Non-U.S. equity markets, both developed and emerging, declined modestly during the quarter while U.S. equity markets ended higher for the quarter and calendar year. The Federal Reserve ended its quantitative easing program during the quarter, marking the first time since 2012 that the Federal Reserve was not actively purchasing fixed income securities. The Fed left interest rates unchanged at its 0-0.25% range and many pundits expect the first rate hike sometime in 2015. Global developed equity market performance was mixed during the fourth quarter of 2014. U.S. equities (proxied by the S&P 500) were up nearly 5% while non-U.S. markets, both developed and emerging, were down sharply. Non-U.S. developed equities (proxied by the MSCI EAFE Net Dividends Index) lost 3.6% in USD terms while emerging market equities (proxied by the MSCI Emerging Markets Net Dividends Index) lost an even greater 4.5% during the quarter. The broad fixed income market benefited from a continued decline in Treasury yields, but was somewhat hurt by a general widening of credit spreads during the quarter, resulting in a gain of 1.8% for the Barclays Aggregate. Below investment grade asset classes, such as high yield and emerging markets debt, declined during the quarter, returning -1.0% and -1.7%, respectively. Commodities continued to decline significantly as the Bloomberg Commodity Index returned -12.1% during the fourth quarter and -17% for the year.

Through December 31, 2014



**Total Fund Performance:** The Teachers' Total Fund returned 2.11%% for the quarter ending December 31, 2014 versus the policy benchmark's return of 1.95%. During the quarter, deviations from target allocations, specifically, an overweight to domestic equity and an underweight to TIPS contributed to the Fund's return. Active management during the quarter in developed markets equity, private equity, private real estate, bank loans, and convertibles contributed to performance, but active management in domestic equity, emerging markets equity, structured fixed income, and opportunistic fixed income detracted from total Fund performance. The total Fund experienced strong absolute returns for the trailing one-year, gaining 7.75%, but underperformed the benchmark by 67 basis points. For the three year period ending December 31, 2014, the Fund lagged its benchmark by 16 basis points with a return of 12.20%. 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 13 basis points.

- **Total Fund Asset Allocation - \$58.8 Billion:** As of December 31, 2014, the Fund had total assets of \$58.8 billion, up from \$57.6 billion at the end of the third quarter of 2014. Although all composites were within their rebalancing ranges at quarter end, the overweight to domestic equity had a positive impact on the relative results of the Fund of about 9 basis points, and the underweight to TIPS had a positive impact on the relative results of the Fund of about 3 basis points. The Fund is in the process of shifting its asset allocation to its new strategic targets. As of December 31, 2014, the private equity and private real estate invested allocation was 7.2% versus their aggregate long-term target allocation of 12.0%.
- **U.S. Equity - \$21.0 Billion, 36% of Fund:** The U.S. equity composite returned 5.18% during the fourth quarter of 2014, underperforming the broad U.S. equity market, as measured by the Russell 3000 Index, by 6 basis points. Active management detracted modestly from the U.S. equity composite relative performance as the emerging managers program underperformed the Russell 2000 Index by approximately 300 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 December 31, 2014 the U.S. equity composite has returned 11.93% versus the Russell 3000 Index's return of 12.56%. Over the three year period ending December 31, 2014, the U.S. equity composite performed in line with the 20.44% return of the Russell 3000 Index with a return of 20.51%.
- **Developed International Equity - \$5.7 Billion, 10% of Fund:** Non-U.S. developed equity markets, as measured by the MSCI EAFE Net Dividends Index, returned -3.57% in U.S. dollar terms during the fourth quarter of 2014 (1.77% in local currency terms). For the same time period, the Fund's total developed international equity composite returned -2.35%. In contrast with the US equity composite, the developed international equity composite is about 90% actively managed. For the 12 month period ending December 31, 2014, this composite returned -5.06%, underperforming the MSCI EAFE Net Index, which returned -4.90% over the same period. Over the three year period ending December 31, 2014, the total developed international composite has outperformed the index by 23 basis points with an annualized return of 11.29%.



Through December 31, 2014

- **Emerging Markets Equity - \$5.0 Billion, 9% of Fund:** Emerging market equities, as measured by the MSCI EM Net Index, returned -4.50% during the fourth quarter (0.01% in local currency terms). Over the trailing one-year, the MSCI EM Net Index returned -2.19%. For the fourth 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 -5.90% versus the Custom FTSE Benchmark's return of -5.51% over the same period. For the one year period ended December 31, 2014, the emerging markets equity composite returned -0.25% versus the benchmark return of 0.67%, as DFA Emerging Markets lagged the benchmark by 478 basis points during this period.
- **REITs - \$2.0 Billion, 3% of Fund:** REITs were the strongest performing asset class during the fourth quarter of 2014, as the Dow Jones U.S. Select Real Estate Securities Index returned 15.05% during the quarter. The Fund's REITs managers modestly underperformed the benchmark during the fourth quarter of 2014, returning 14.64%. Morgan Stanley was the weakest performing manager within the REIT composite during the quarter, returning 14.20%. Over the three year period ending December 31, 2014, this composite has added about 58 basis points to the benchmark return, and the longer term record of five years shows the composite outperforming the benchmark return gross of fees by 82 basis points.
- **Structured Fixed Income – \$9.9 Billion, 17% of Fund:** The structured fixed income composite returned 1.77% during the fourth quarter of 2014 versus the Core + 5 benchmark return of 2.23% over the same time period. In aggregate, active management detracted from the returns of this composite during the quarter, especially for the mortgage portion of the structured fixed income composite. For the three year period ending December 31, 2014, the contribution of active management in the structured fixed income composite has been more significant as the program outperformed its benchmark by 71 basis points with a return of 4.04%. Over the longer five year period ending December 31, 2014, the structured fixed income composite outperformed its benchmark by 58 basis points with an annualized return of 5.86%.
- **Enhanced Yield - \$2.6 Billion, 4% of Fund:** During the fourth quarter of 2014, the broad high yield market posted negative returns as credit spreads widened slightly and yields remained at historic lows. This asset class, as measured by the BofA Merrill Lynch High Yield Master II Index, returned -1.07%. Over the same period, the higher quality enhanced yield composite benchmark, the Citigroup BB & B Capped Index, returned -0.80% and performed in line with the Fund's composite, which returned -0.81%. For the one year period ending December 31, 2014, this composite returned 2.46% while the Citigroup BB & B Capped Index returned 2.81%. Over the three year period ending December 31, 2014, the enhanced yield composite returned 7.72%, outperforming its benchmark, which returned 7.56%.
- **Bank Loans - \$1.5 Billion, 3% of Fund:** The bank loans composite was funded during the fourth quarter of 2012 with five 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

Through December 31, 2014



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securities provides protection when rates rise and these securities tend to be more senior in the capital structure than the companies' publicly traded bonds. The bank loans composite posted positive returns during the fourth quarter, although the benchmark posted negative returns for the quarter. The benchmark returned -0.37% for the fourth quarter and the composite outperformed the benchmark, returning 0.31% over the same time period. For the one year period ending December 31, 2014 the bank loans composite outperformed the benchmark by 72 basis points, returning 2.78%.

- **TIPS - \$1.4 Billion, 2% of Fund:** While inflation remained at modest levels, the broad U.S. TIPS market returned -0.03% for the fourth quarter of 2014. The composite of TIPS managers (75% active/25% passive) slightly underperformed the benchmark with an aggregate return of -0.16% for the quarter. For the one year period ending December 31, 2014, the TIPS composite returned 3.50%, slightly underperforming its benchmark return of 3.64%. For the three year period ending December 31, 2014, the composite outperformed the benchmark by 7 basis points with a return of 0.51%.
- **Convertibles - \$1.0 Billion, 2% of Fund:** The BofA ML All Convertibles Index, a measure of the broad convertibles market, returned 1.29% during the fourth quarter of 2014. The Fund's entirely actively managed convertibles composite returned 2.29% over the quarter, while the Custom Convertibles benchmark returned 0.70% over the same period. For the one year period ending December 31, 2014, the Fund's convertibles composite returned 8.57%, leading the custom benchmark by 254 basis points. For the three years and five years ending December 31, 2014, this composite has generated absolute returns of 12.16% and 8.85%, respectively, outperforming the Custom Benchmark by approximately 129 and 86 basis points, respectively.
- **Opportunistic Fixed Income - \$1.3 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 seven 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. 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 December 31, 2014, this composite gained 9.07%, outperforming the short term target of J.P Morgan Global High Yield Index +3% by about 435 basis points. During the fourth quarter of 2014, the overall composite returned -1.37% versus the J.P Morgan Global High Yield Index +3% which returned -1.32% over the same period.
- **Private Equity - \$2.7 Billion, 5% of Fund:** At the end of the fourth quarter of 2014, the private equity portfolio had \$2.7 billion in invested capital, up slightly from its allocation at the end of the third quarter of 2014. The Fund currently has investments in 136 partnerships. Performance is reported separately by Teachers' Private Equity consultant.

Through December 31, 2014



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- **Private Real Estate - \$1.5 Billion, 3% of Fund:** At the end of the fourth quarter of 2014, the private real estate portfolio had \$1.5 billion in invested capital, up slightly from its allocation at the end of the third quarter of 2014. The composite has investments in 43 partnerships. Performance is reported separately by Teachers' Private Real Estate consultant.
- **Private Infrastructure – \$59.7 Million, 0.1% of Fund:** At the end of the fourth quarter of 2014, the private infrastructure portfolio had \$59.7 million in invested capital, up slightly from its allocation at the end of the third quarter of 2014. The composite has investment in 2 partnerships. Performance is reported separately by Teachers' Private Infrastructure consultant.

## Total Portfolio Returns: December 31, 2014

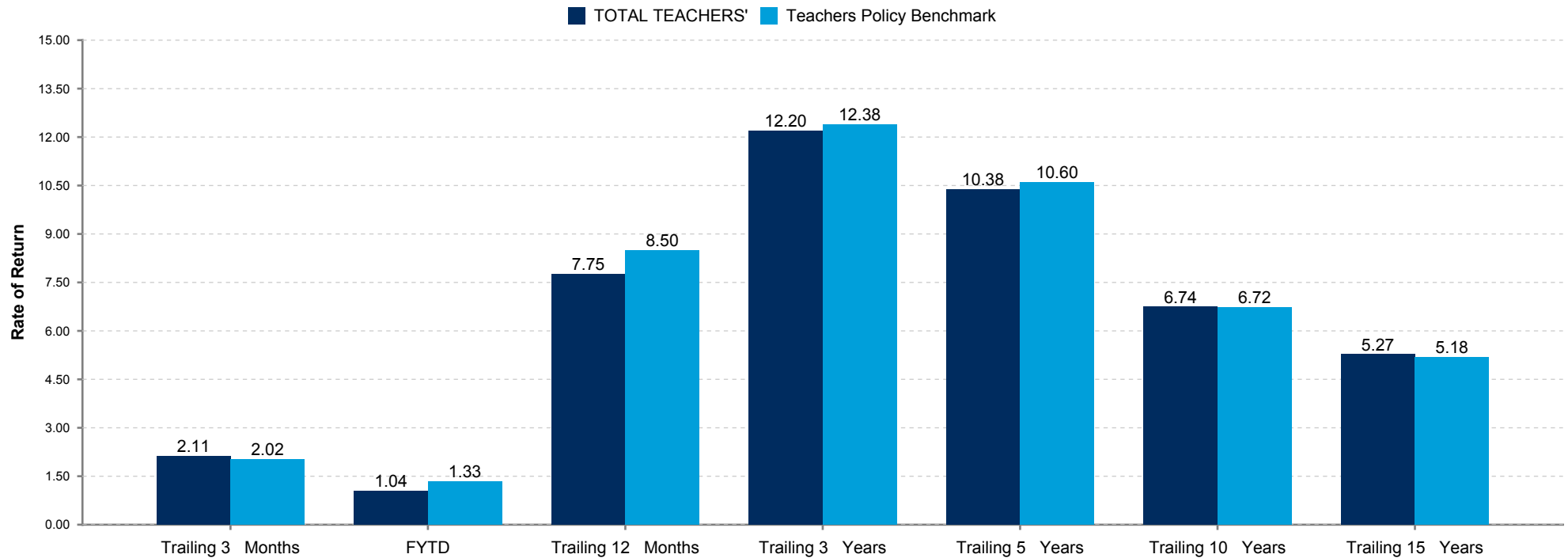


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TOTAL TEACHERS'

Market Value (Billions)

\$58.8



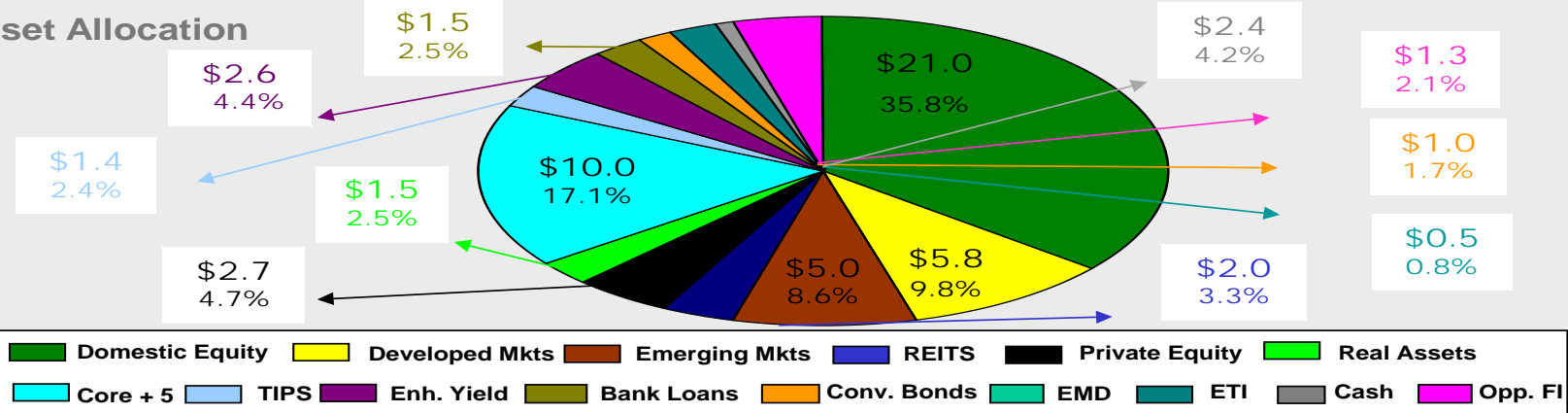
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years
<b>Standard Deviation</b>							
TOTAL TEACHERS'	6.6	6.3	10.4	9.3	11.6	12.9	10.2



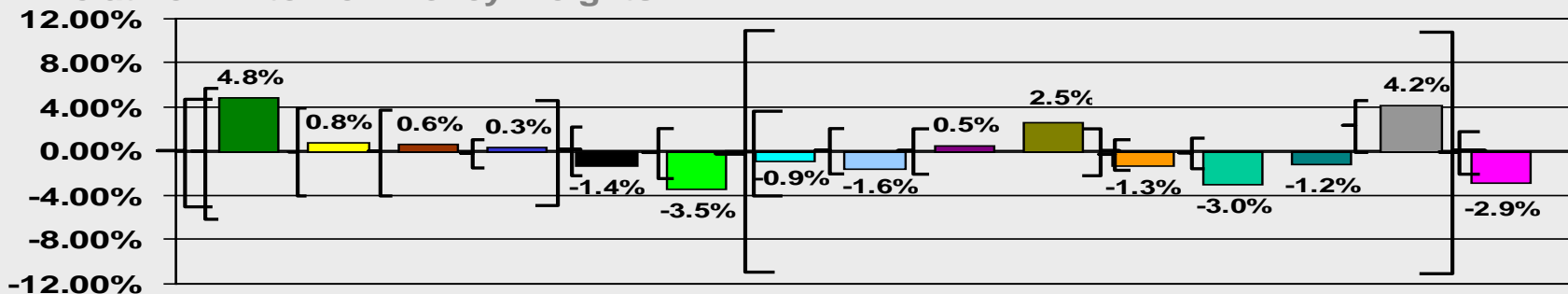


**\$58.8B Under Management**

**Asset Allocation**



**Relative Mix to New Policy Weights**



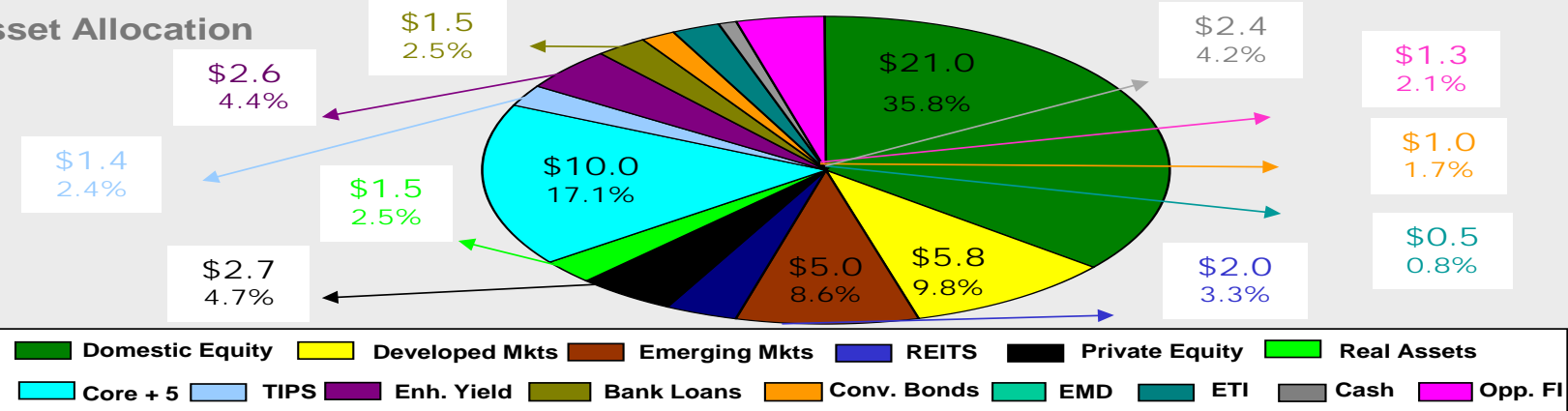
Note: Brackets represent rebalancing ranges versus Policy.

Prepared by State Street Investment Analytics

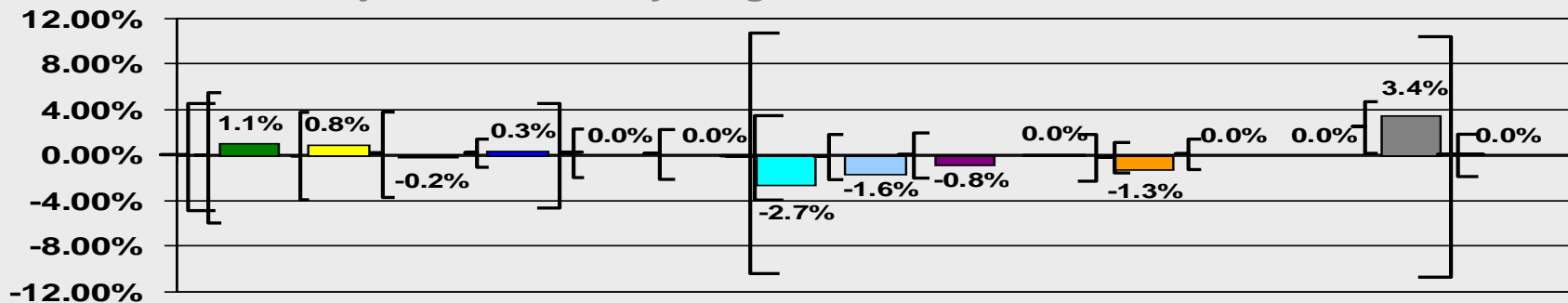


**\$58.8B Under Management**

**Asset Allocation**

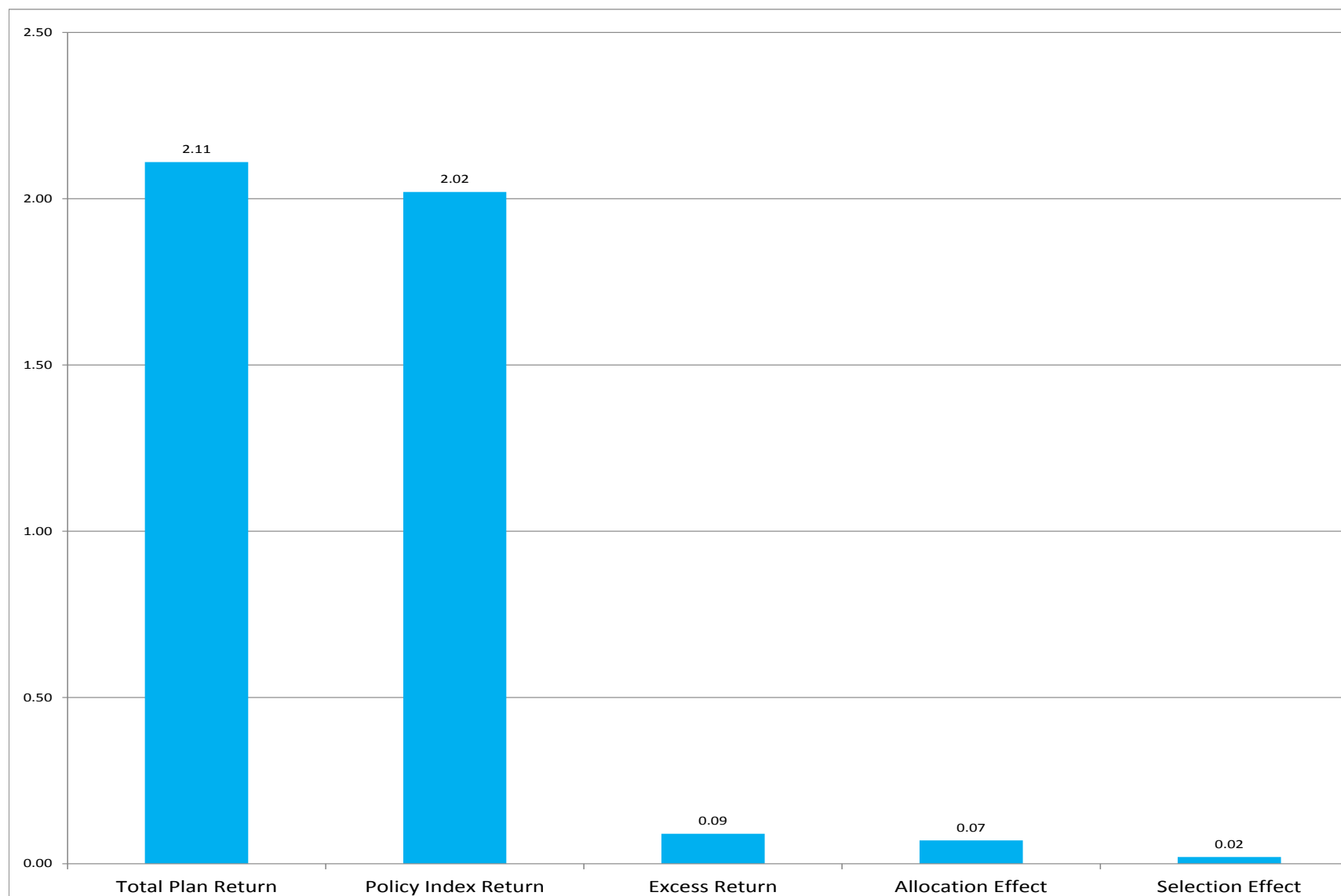


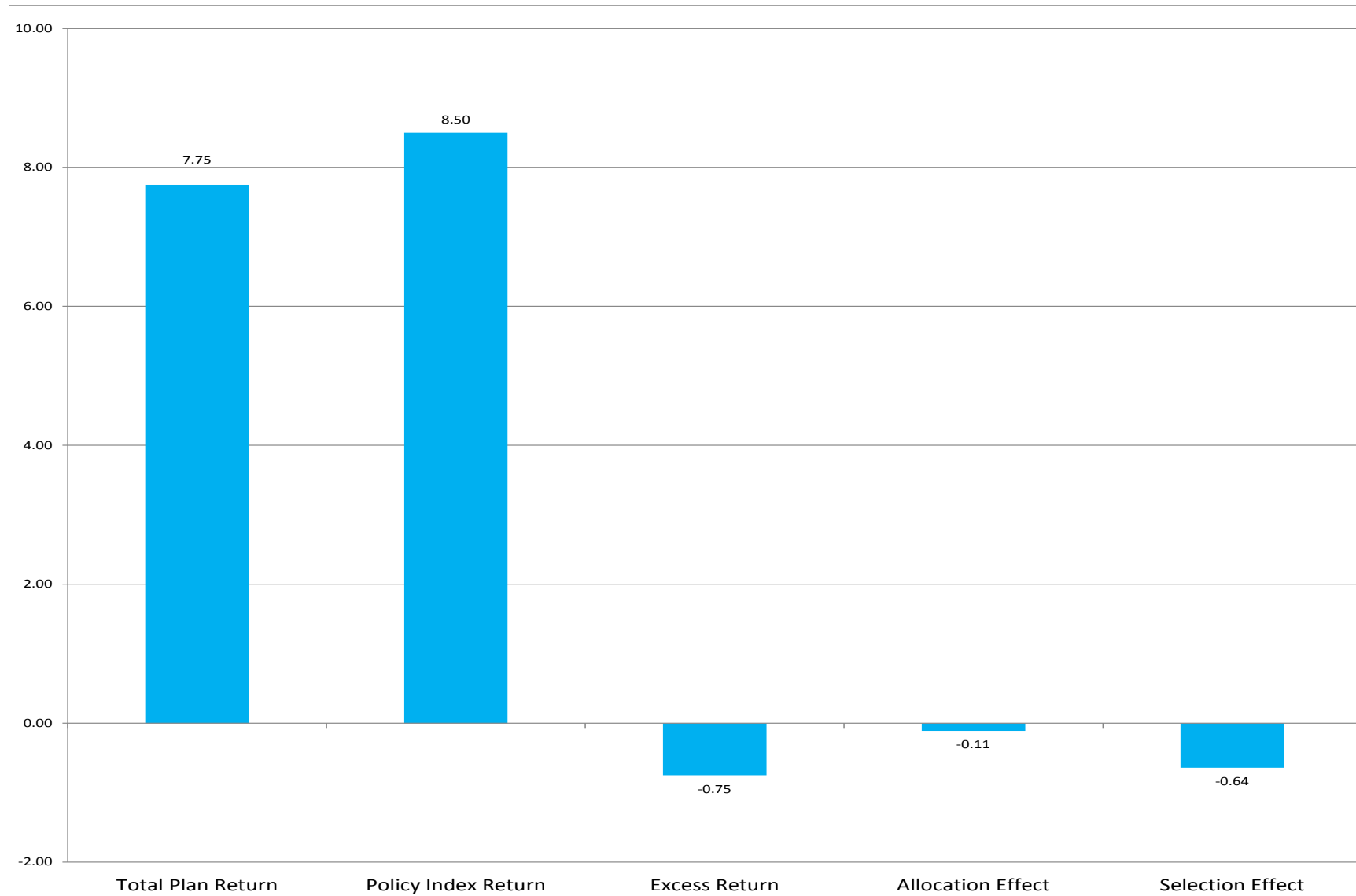
**Relative Mix to Adjusted New Policy Weights**

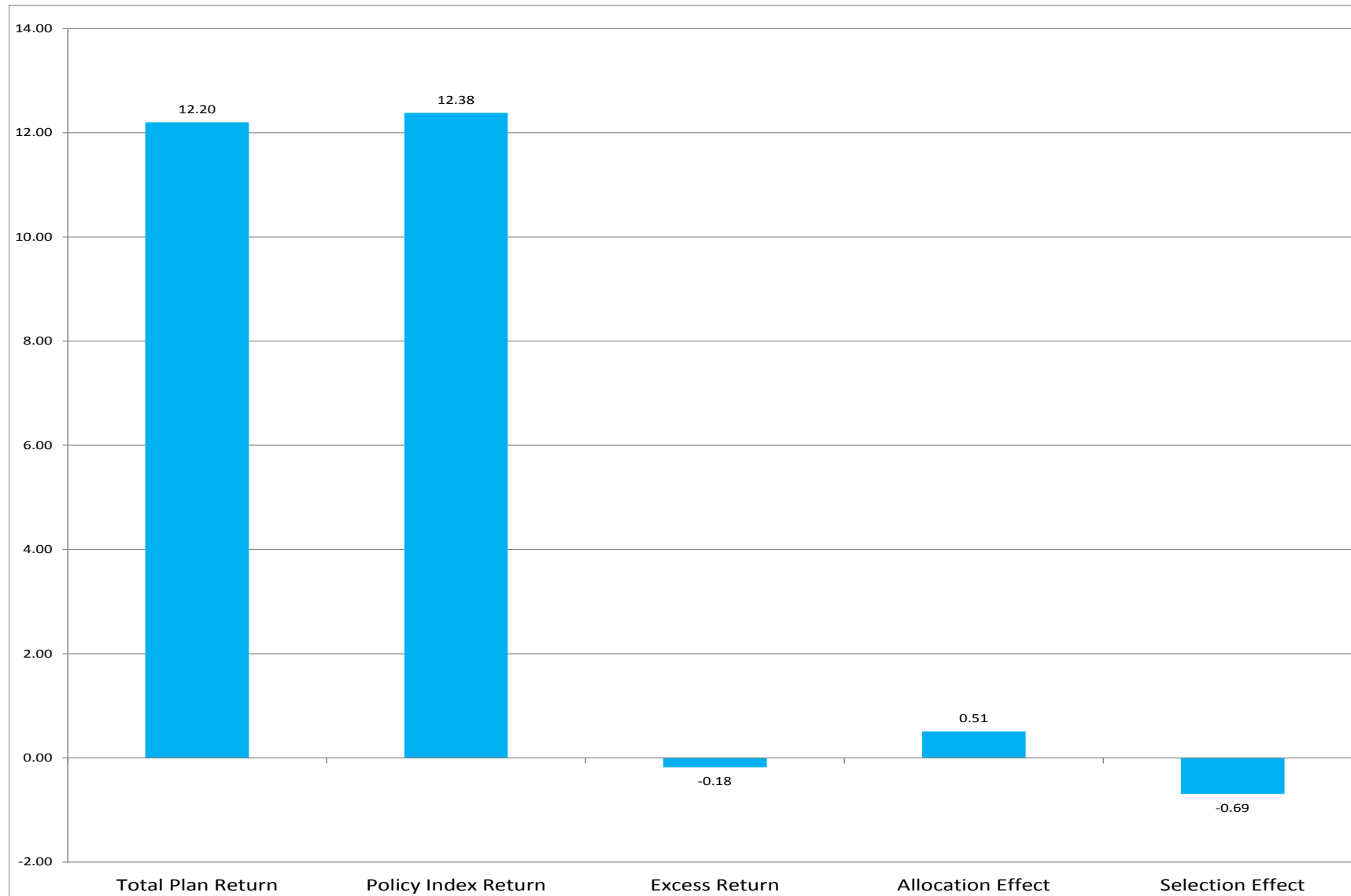


Note: Brackets represent rebalancing ranges versus Policy.

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'	0.07	-0.11	0.51	Teachers Policy Benchmark
TOTAL DOMESTIC EQUITY	0.09	0.04	0.36	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.02	-0.06	-0.05	MSCI World Index
TOTAL EMERGING MARKETS	-0.02	-0.10	-0.07	FTSE Custom NYC Teachers
TOTAL PRIVATE EQUITY	0.00	0.01	0.01	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.00	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL REAL ESTATE SECURITIES	0.01	0.03	-0.01	DJ U.S. Select REIT
TOTAL STRUCTURED	0.00	0.00	0.28	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	0.02	0.03	0.01	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.00	0.01	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.03	0.06	0.11	BARCLAYS U.S TIPS INDEX
TOTAL CONVERTIBLE BONDS	0.01	-0.01	-0.04	BofAML ALL CONVERTIBLE - ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return
TOTAL CASH	-0.04	-0.06	-0.03	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'	0.02	-0.64	-0.69	Teachers Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.02	-0.22	-0.04	RUSSELL 3000
TOTAL DEVELOPED MARKETS	0.12	-0.01	0.01	MSCI World Index
TOTAL EMERGING MARKETS	-0.04	-0.08	-0.07	FTSE Custom NYC Teachers
TOTAL PRIVATE EQUITY	0.08	-0.29	-0.36	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	-0.01	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL REAL ESTATE SECURITIES	-0.01	-0.03	0.01	DJ U.S. Select REIT
TOTAL STRUCTURED	-0.08	-0.02	0.10	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	0.00	-0.01	0.00	CITIGROUP BB & B
TOTAL BANK LOANS	0.02	0.02	0.01	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.00	0.00	0.00	BARCLAYS U.S TIPS INDEX
TOTAL CONVERTIBLE BONDS	0.02	-0.01	-0.06	BofAML ALL CONVERTIBLE - ex Mandatory
TOTAL OPPORTUNISTIC FIXED	-0.08	-0.02	0.01	10% Annual Return
TOTAL CASH	0.00	0.01	0.00	91 DAY TREASURY BILL

Through December 31, 2014

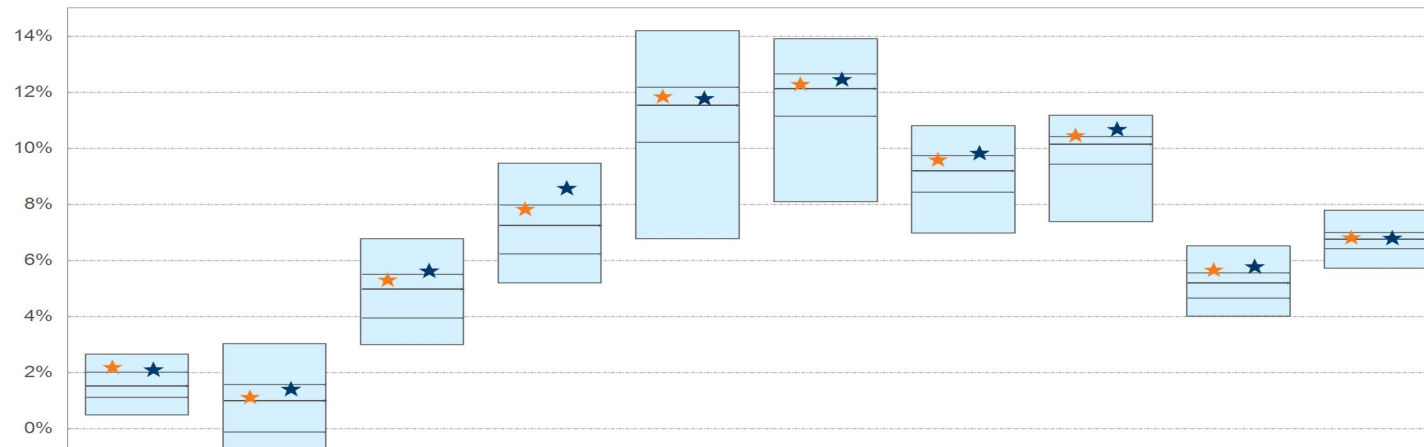


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## City of New York Performance Comparison

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



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	2.66	3.03	6.78	9.47	14.20	13.91	10.82	11.19	6.53	7.80
25th	2.02	1.58	5.51	7.98	12.19	12.67	9.74	10.42	5.57	7.00
50th	1.53	1.01	4.98	7.25	11.55	12.14	9.20	10.15	5.20	6.77
75th	1.13	-0.12	3.96	6.24	10.23	11.16	8.45	9.45	4.66	6.43
95th	0.50	-0.74	3.00	5.21	6.79	8.10	6.98	7.39	4.02	5.74
No. Of Obs	47	47	47	47	47	47	47	45	44	42
★ Total System - Teacher	2.11 (21)	1.04 (47)	5.22 (41)	7.75 (33)	11.76 (35)	12.20 (45)	9.51 (39)	10.38 (29)	5.58 (22)	6.74 (55)
★ Teachers Policy Benchm	2.02 (25)	1.33 (35)	5.55 (23)	8.50 (19)	11.70 (39)	12.38 (35)	9.75 (23)	10.60 (15)	5.69 (16)	6.72 (60)

Wilshire Trust Universe Comparison Service® (TUCS®)

Through December 31, 2014

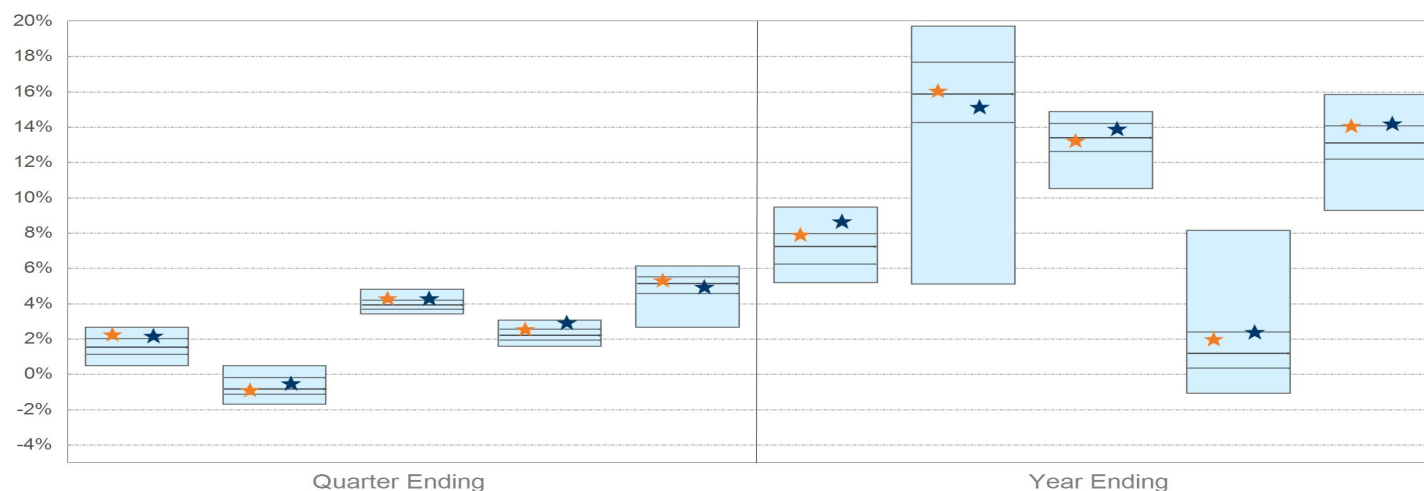


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## City of New York Performance Comparison

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



Percentile Rankings	Dec 14	Sep 14	Jun 14	Mar 14	Dec 13	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10
5th	2.66	0.48	4.83	3.08	6.15	9.47	19.74	14.88	8.15	15.85
25th	2.02	-0.17	4.19	2.55	5.53	7.98	17.69	14.21	2.41	14.09
50th	1.53	-0.83	3.94	2.20	5.14	7.25	15.89	13.41	1.18	13.11
75th	1.13	-1.12	3.70	1.94	4.58	6.24	14.28	12.63	0.35	12.19
95th	0.50	-1.69	3.41	1.59	2.68	5.21	5.12	10.53	-1.07	9.28
No. Of Obs	47	47	47	47	47	47	47	47	47	45
★ Total System - Teacher	2.11 (21)	-1.05 (68)	4.14 (29)	2.40 (29)	5.18 (47)	7.75 (33)	15.91 (47)	13.09 (63)	1.83 (37)	13.91 (29)
★ Teachers Policy Benchm	2.02 (25)	-0.68 (39)	4.16 (27)	2.79 (11)	4.80 (70)	8.50 (19)	14.99 (63)	13.77 (39)	2.23 (27)	14.04 (25)

Wilshire Trust Universe Comparison Service® (TUCS®)





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

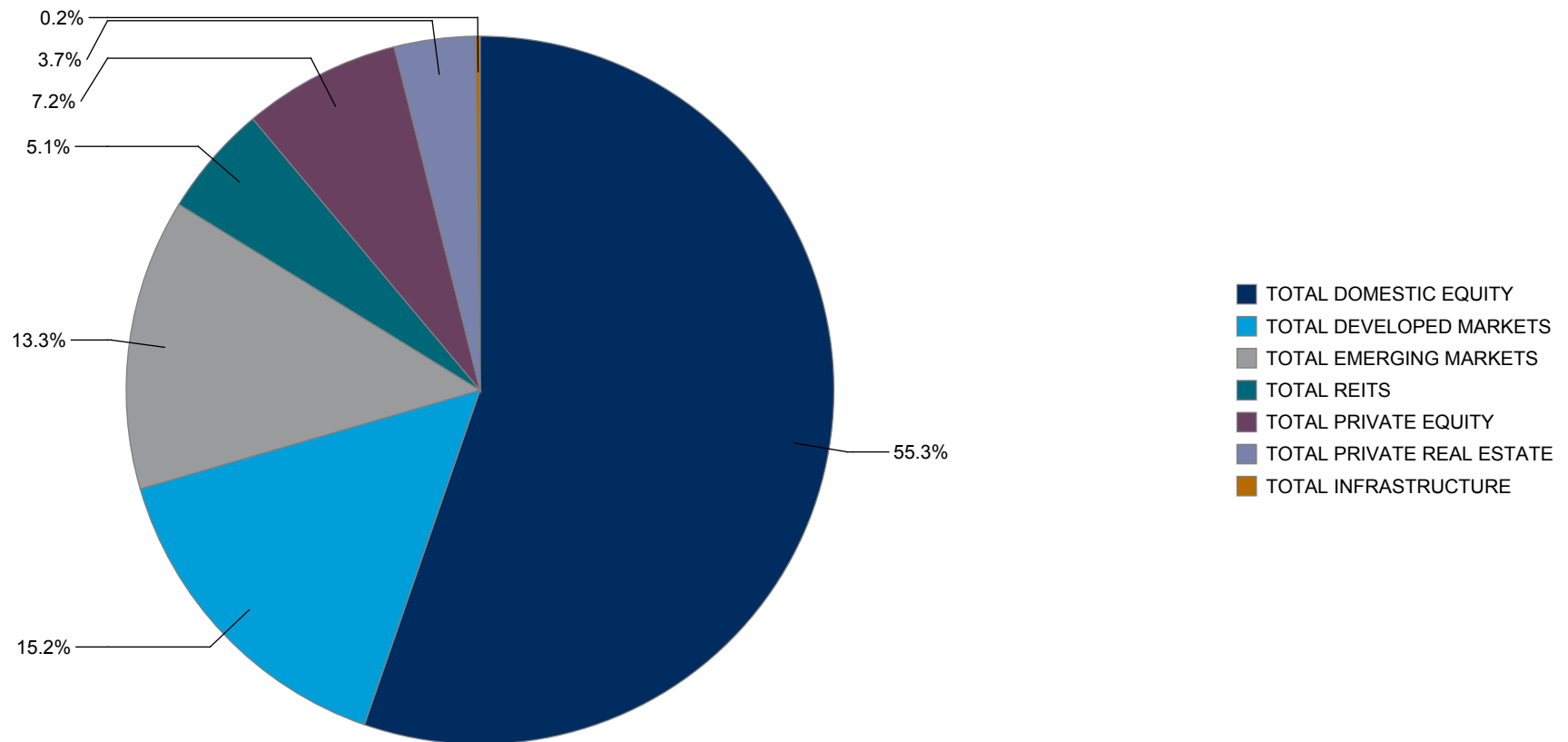
# **Equity Analysis**

## Total Equity Asset Allocation: December 31, 2014



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL EQUITY	\$38.0	64.7

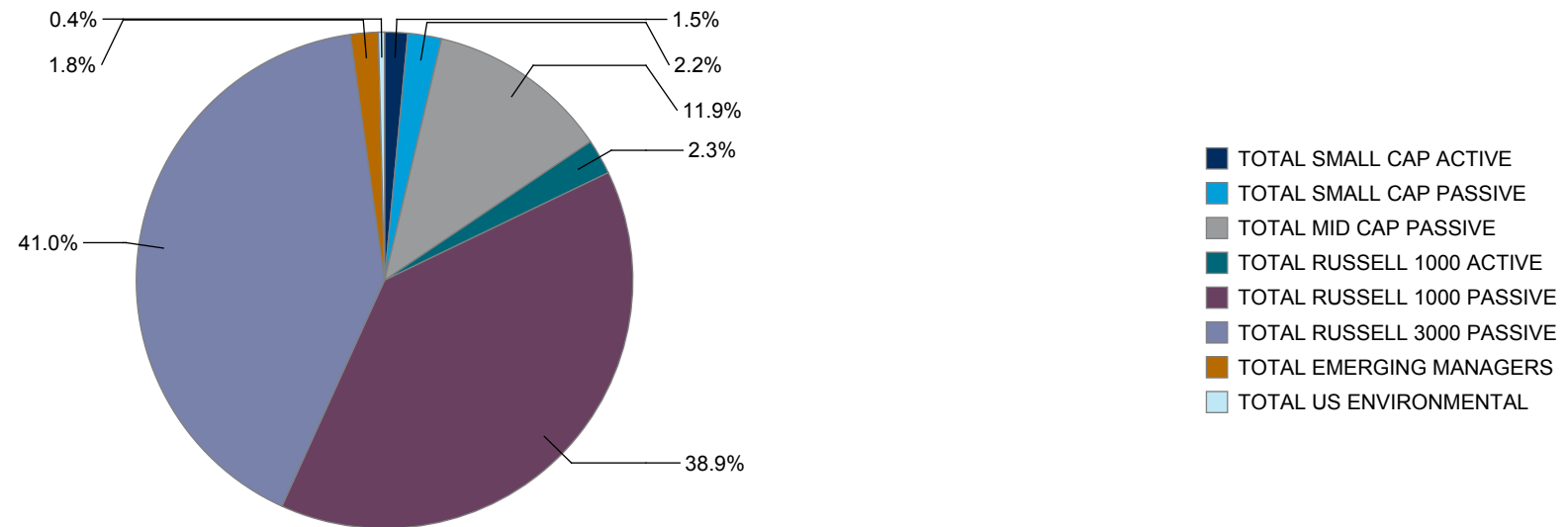


## Total Domestic Equity Asset Allocation: December 31, 2014



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	Market Value (Billions)	% of plan
TOTAL DOMESTIC EQUITY	\$21.0	35.8



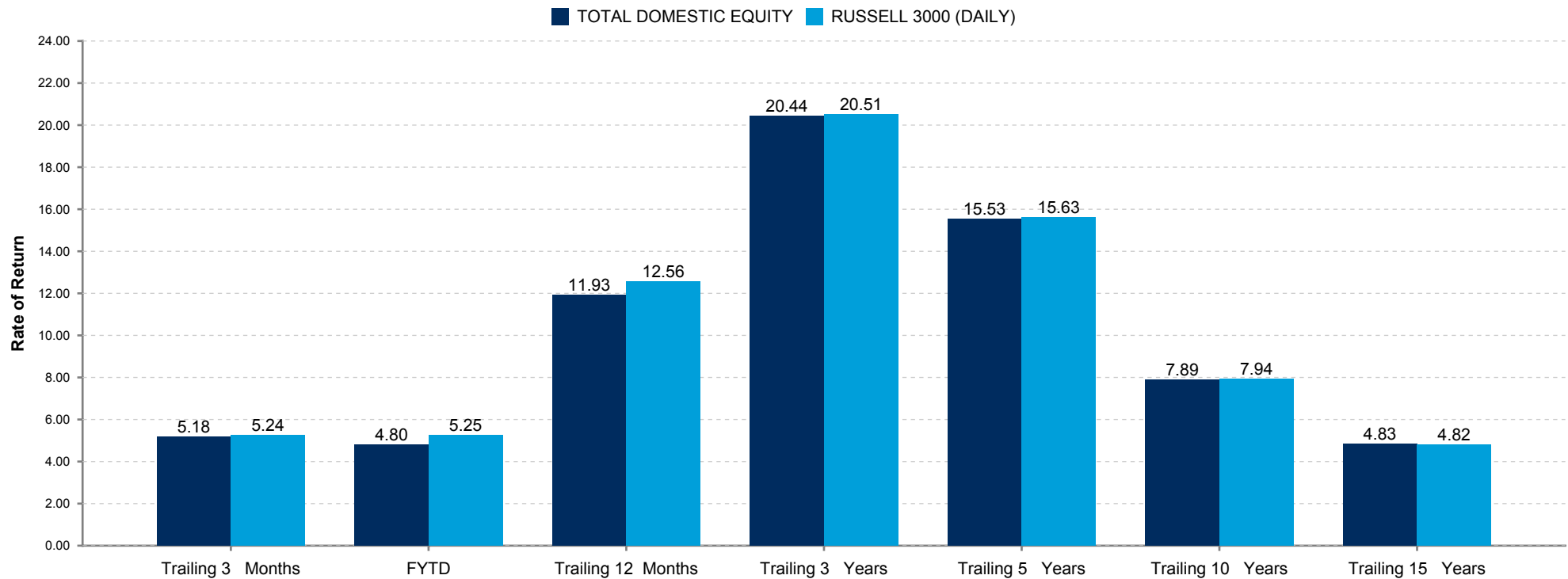
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	0.84	1.47	0.63	9.73	8.98	-0.75
TOTAL SMALL CAP PASSIVE	3.42	2.16	-1.26	9.73	9.68	-0.05
TOTAL MID CAP PASSIVE	12.90	11.86	-1.04	6.35	6.42	0.07
TOTAL RUSSELL 1000 ACTIVE	1.62	2.30	0.68	4.88	2.77	-2.11
TOTAL RUSSELL 1000 PASSIVE	39.39	38.96	-0.43	4.88	4.89	0.01
TOTAL RUSSELL 3000 PASSIVE	40.00	41.12	1.12	5.24	4.82	-0.42
TOTAL EMERGING MANAGERS	1.30	1.77	0.47	9.73	6.69	-3.04
TOTAL US ENVIRONMENTAL	0.53	0.36	-0.17	9.73	8.46	-1.27

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



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	Market Value (Billions)	% of plan
TOTAL DOMESTIC EQUITY	\$21.0	35.8



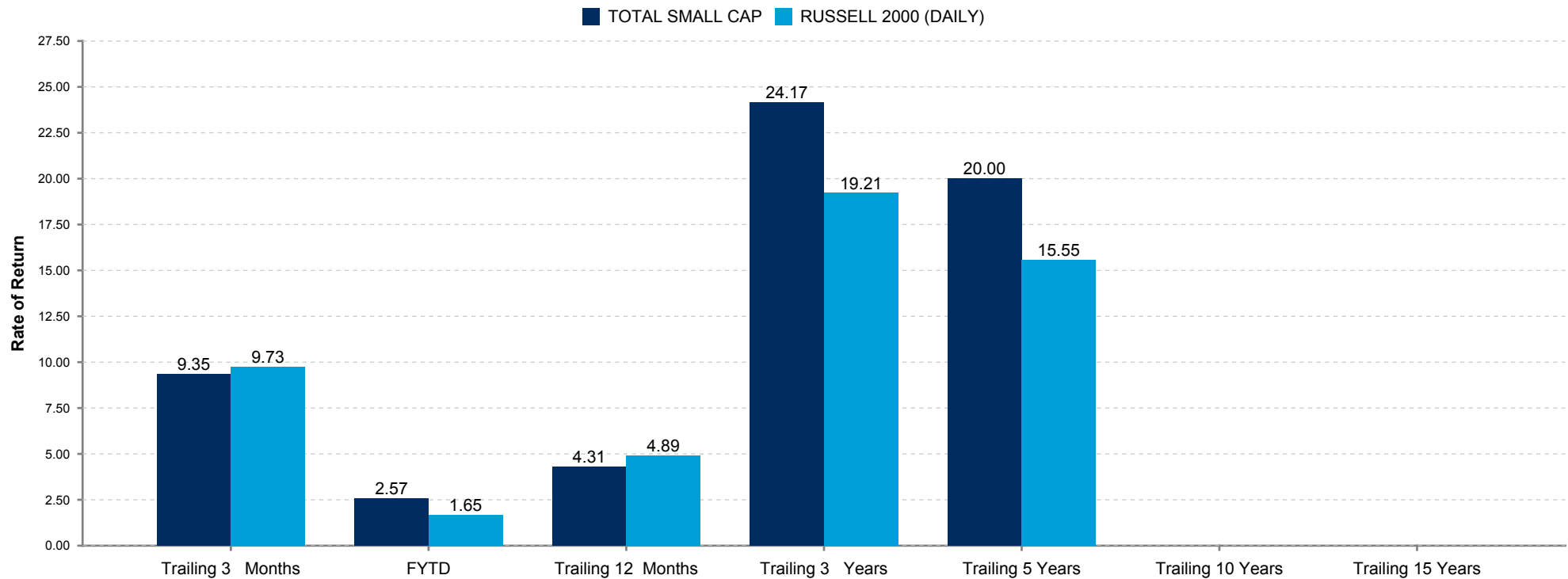
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DOMESTIC EQUITY	9.6	9.4	13.7	13.6	15.3	15.3

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



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	Market Value (Millions)	% of plan
TOTAL SMALL CAP	\$761.4	1.3



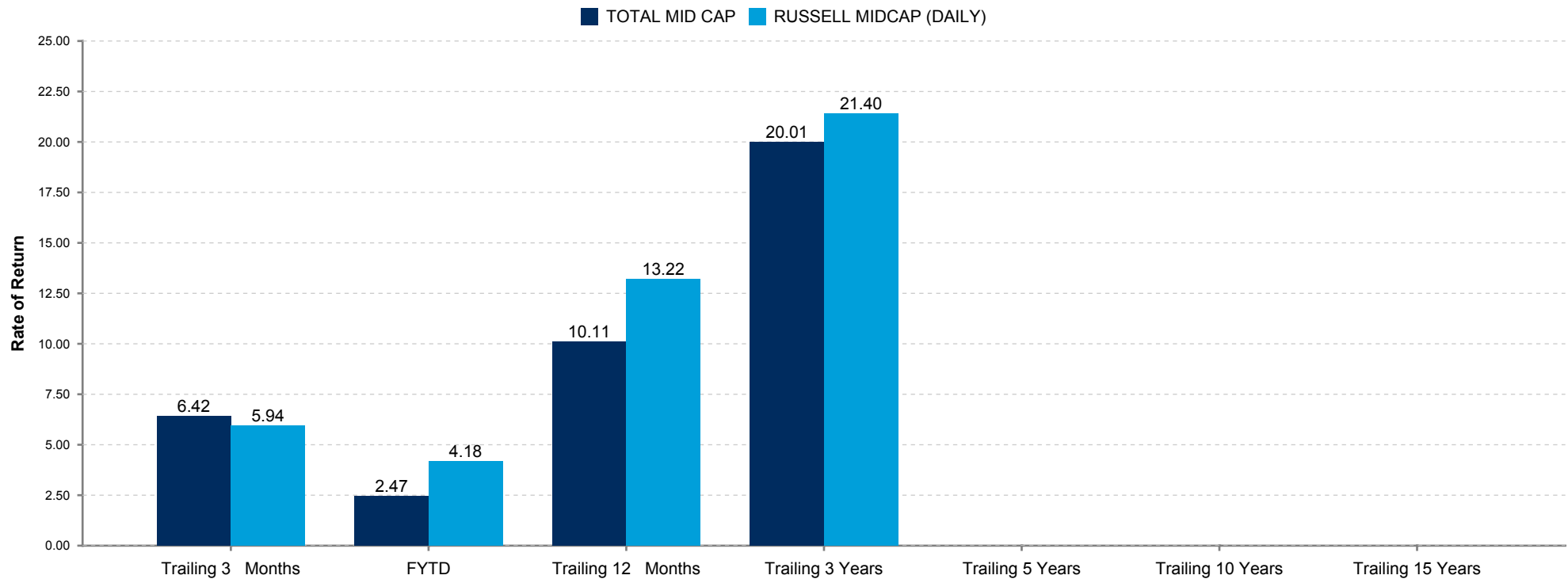
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL SMALL CAP	13.5	13.3	17.3	18.0		

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



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	Market Value (Billions)	% of plan
TOTAL MID CAP	\$2.5	4.2



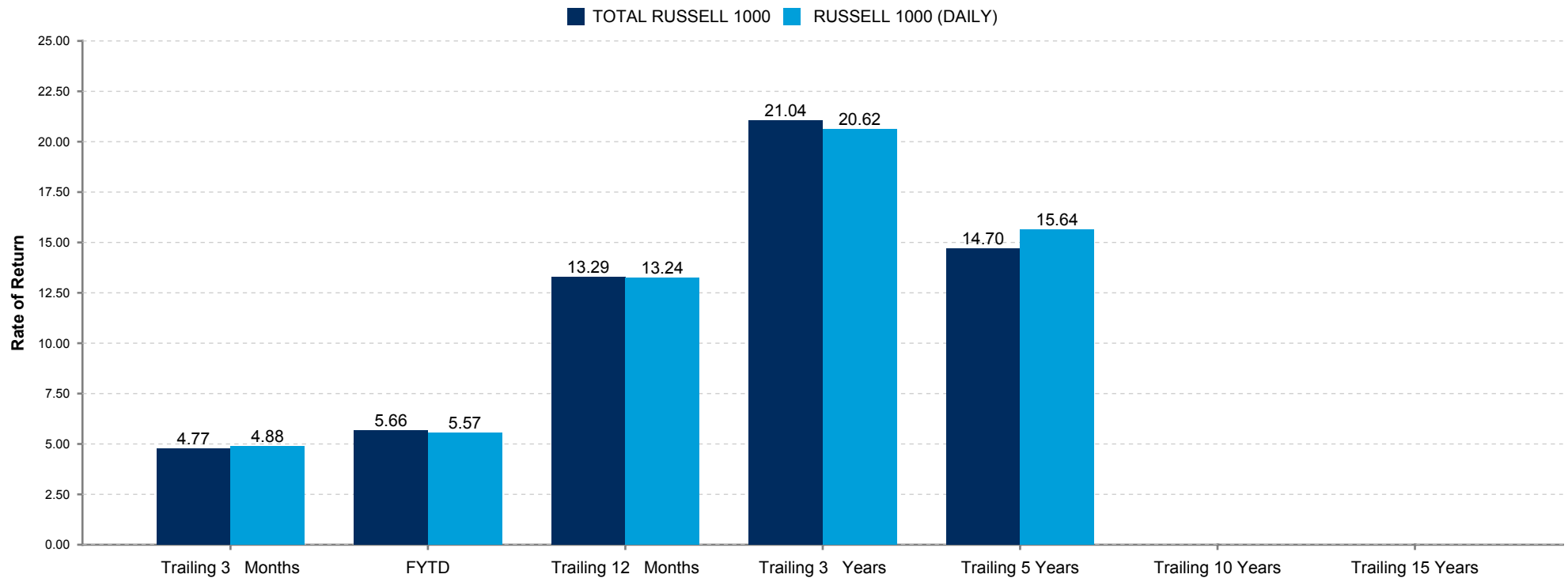
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL MID CAP	11.2	10.3				

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



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	Market Value (Billions)	% of plan
TOTAL RUSSELL 1000	\$8.7	14.8



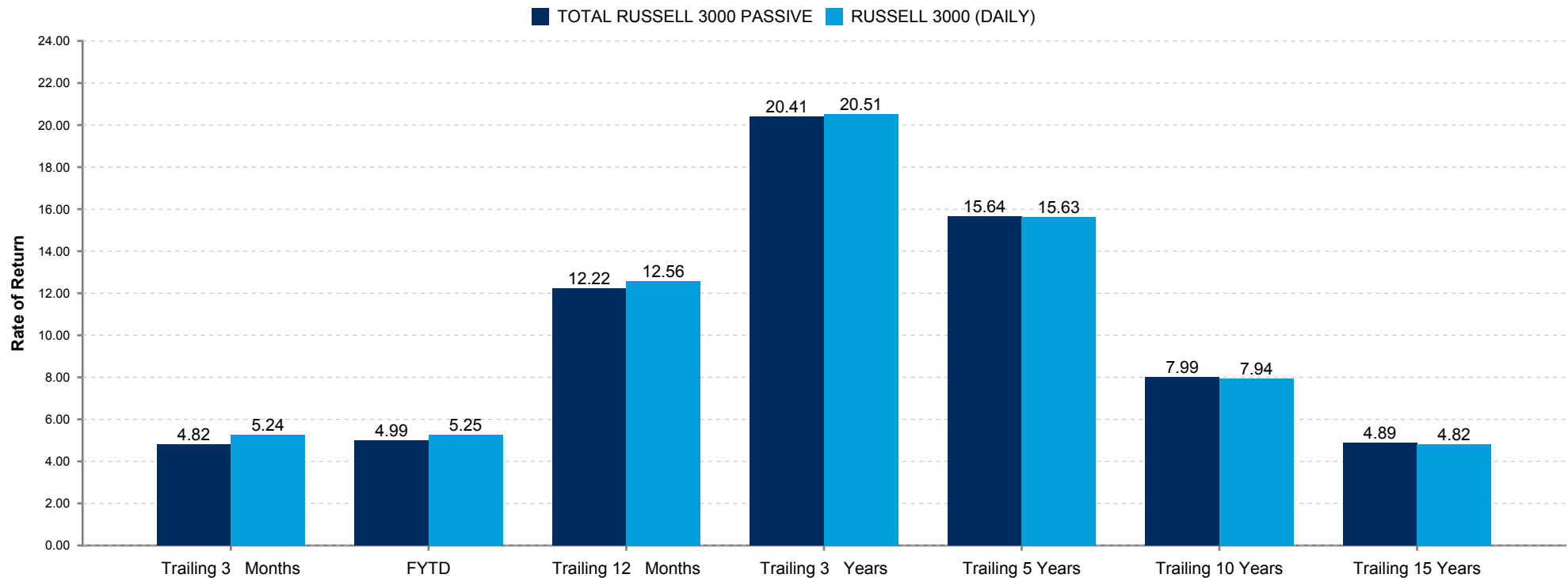
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 1000	9.8	9.2	13.4	13.3		

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL RUSSELL 3000 PASSIVE	\$8.7	14.7



	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	9.4	9.4	13.5	13.6	15.2	15.3

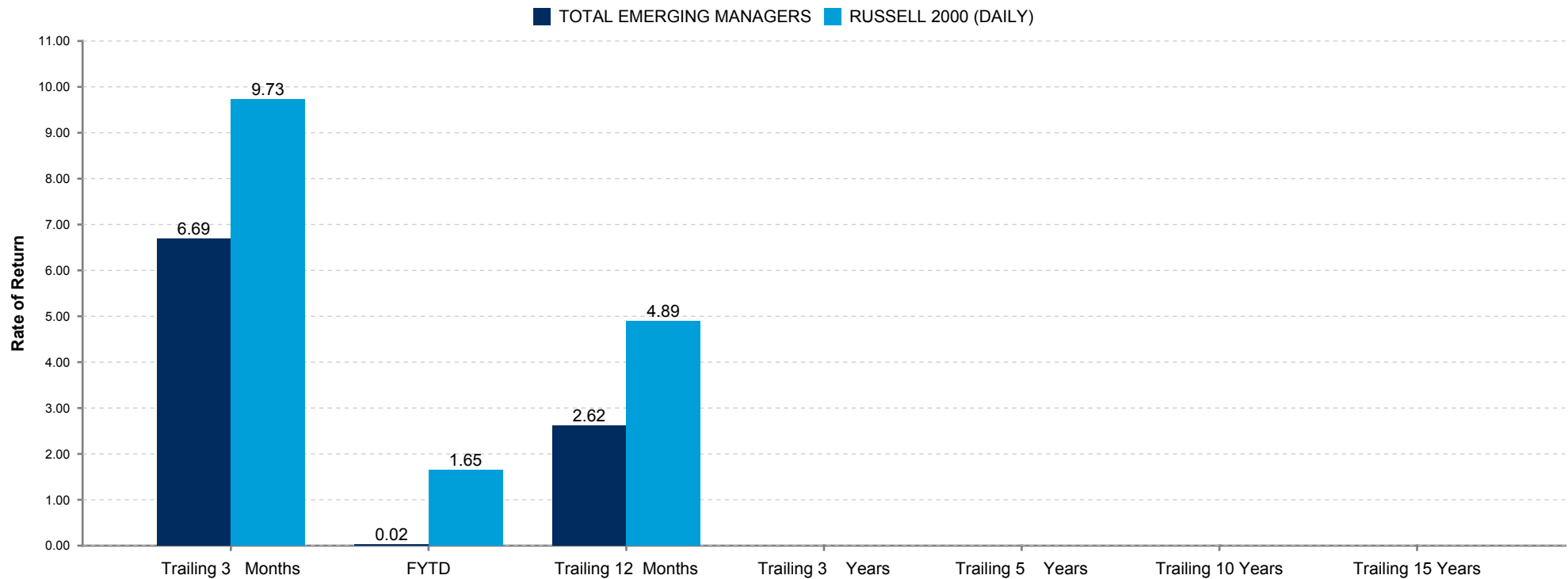


## Emerging Managers Returns vs Russell 2000 Index: December 31, 2014



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	Market Value (Millions)	% of plan
TOTAL EMERGING MANAGERS	\$372.7	0.6



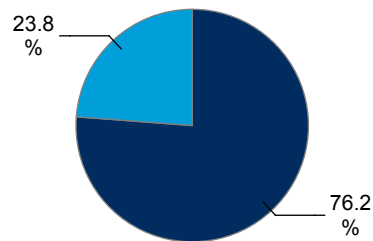
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MANAGERS						

## International Equity Asset Allocation: December 31, 2014

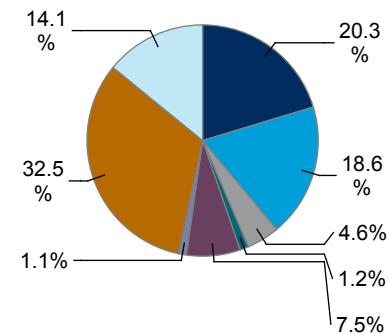


STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL INTERNATIONAL EQUITY	\$10.8	18.4



■ TOTAL ACTIVE INTERNATIONAL EQUITY  
■ TOTAL PASSIVE INTERNATIONAL EQUITY



■ TOTAL DEVELOPED GROWTH  
■ TOTAL DEVELOPED VALUE  
■ TOTAL DEVELOPED SMALL CAP ACTIVE  
■ TOTAL DEVELOPED SMALL CAP PASSIVE  
■ TOTAL DEVELOPED LARGE CAP PASSIVE  
■ TOTAL PASSIVE GLOBAL  
■ TOTAL ACTIVE EMERGING MARKETS  
■ TOTAL PASSIVE EMERGING MARKETS

	<u>Asset Class Weight</u>	<u>Quarterly Returns - Fund and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	20.33	(1.33)	(2.29)	0.96
TOTAL DEVELOPED VALUE	18.63	(3.15)	(4.85)	1.71
TOTAL DEVELOPED SMALL CAP ACTIVE	4.65	(2.29)	(1.89)	(0.39)
TOTAL DEVELOPED SMALL CAP PASSIVE	1.16	(1.86)	(2.27)	0.41
TOTAL DEVELOPED LARGE CAP PASSIVE	7.55	(4.40)	(3.57)	(0.82)
TOTAL PASSIVE GLOBAL	1.08	1.10	1.01	0.09
TOTAL ACTIVE EMERGING MARKETS	32.54	(5.81)	(5.51)	(0.30)
TOTAL PASSIVE EMERGING MARKETS	14.06	(6.11)	(5.67)	(0.44)
TOTAL INTERNATIONAL EQUITY	100.00	(3.95)	(3.87)	(0.08)

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



STATE STREET

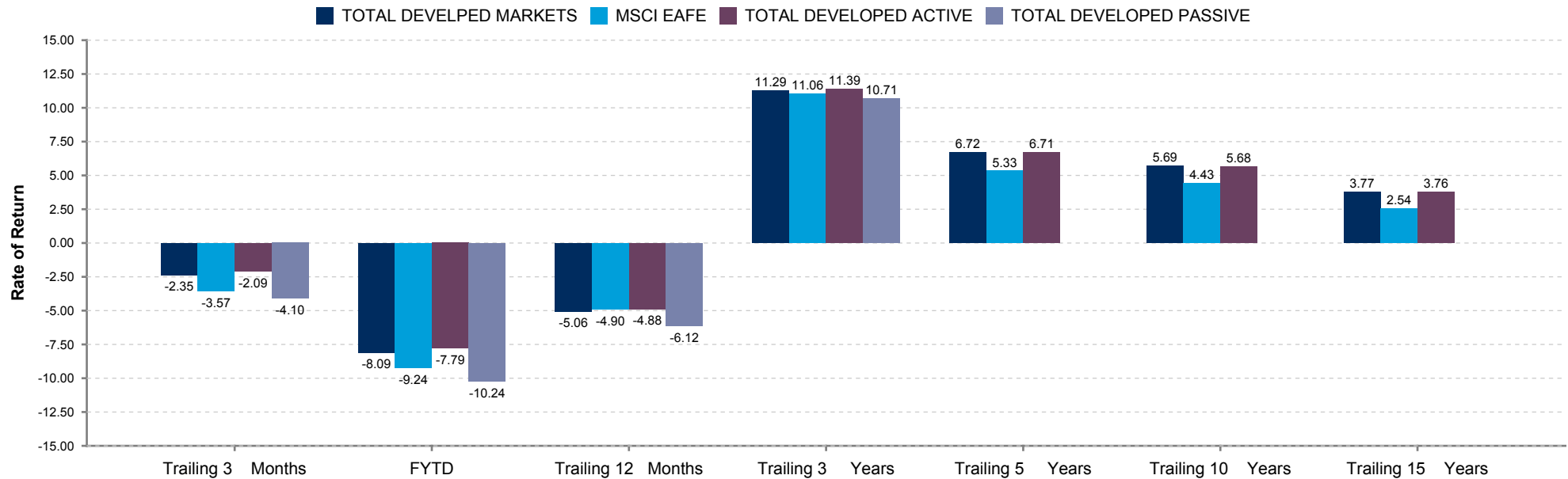
TOTAL DEVELOPED MARKETS

Market Value (Billions)

\$5.7

% of plan

9.6



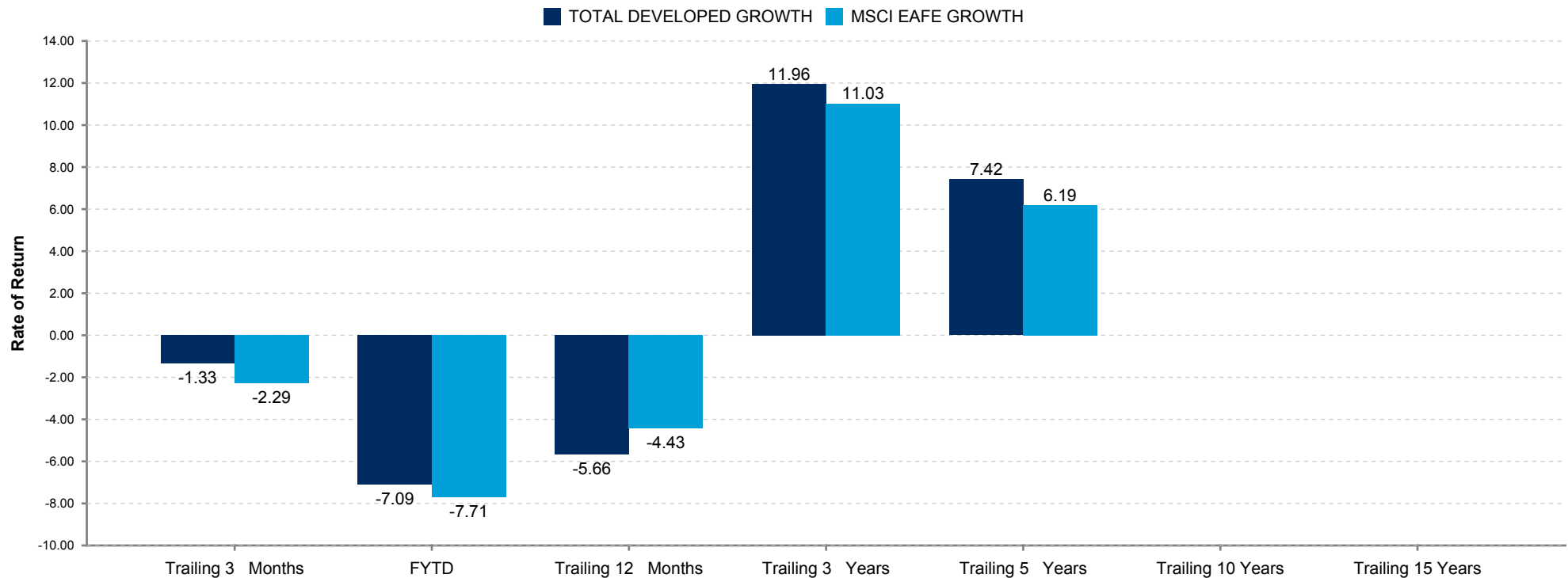
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED MARKETS	12.2	13.2	15.6	16.7	17.1	18.2
TOTAL DEVELOPED ACTIVE	12.0	13.2	15.5	16.7	17.1	18.2
TOTAL DEVELOPED PASSIVE	13.2	13.2				

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL DEVELOPED GROWTH	\$2.2	3.7



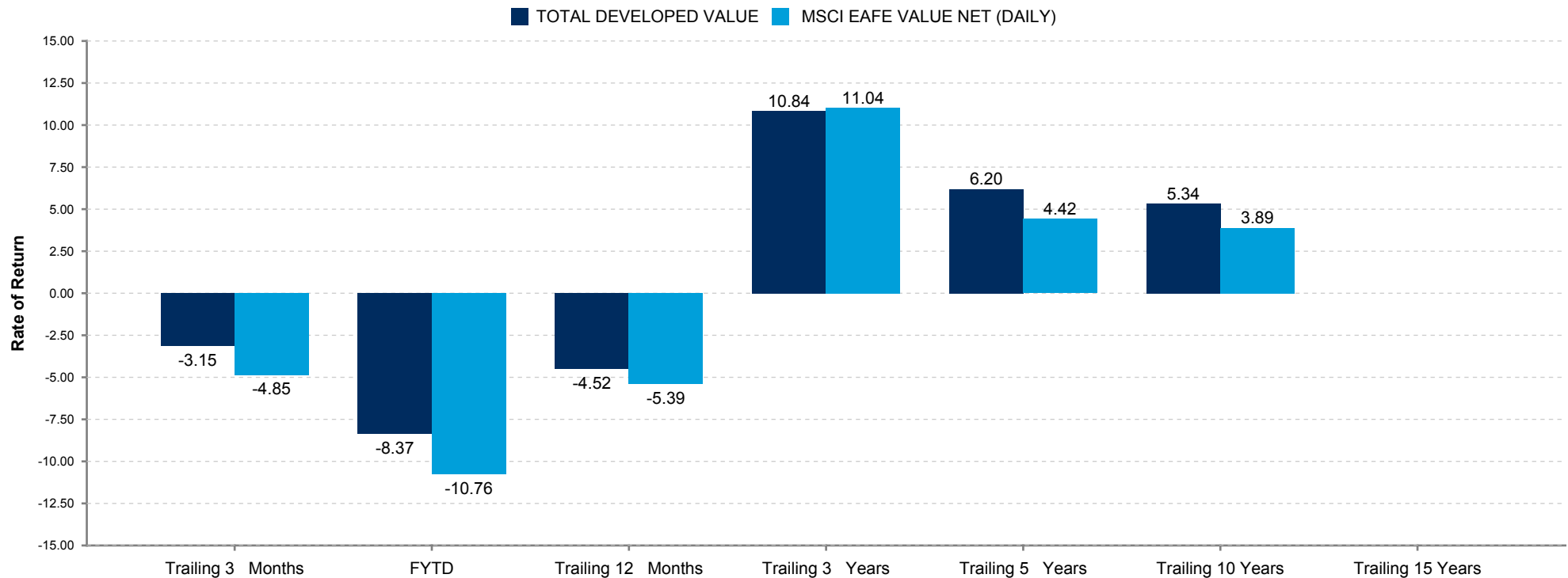
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED GROWTH	12.4	12.4	15.6	16.2		

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



STATE STREET

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



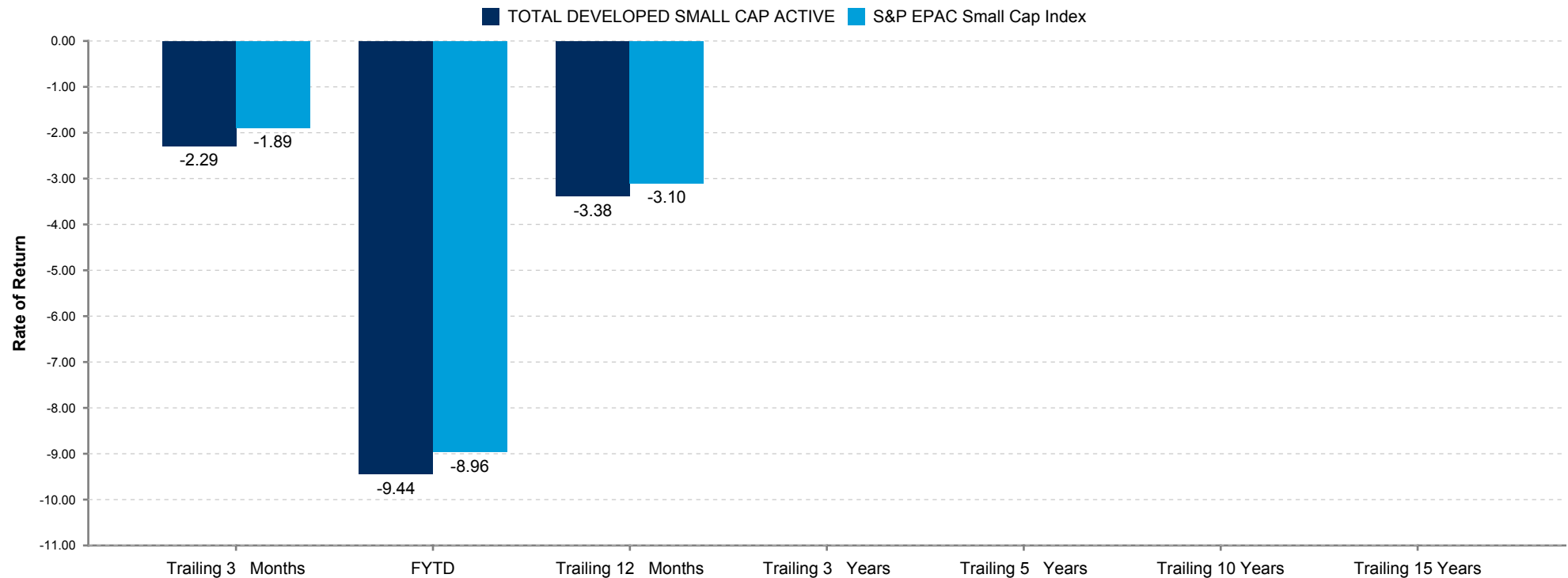
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED VALUE	11.7	14.3	15.2	17.6	16.8	19.2

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



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL DEVELOPED SMALL CAP ACTIVE	\$503.6	0.9



	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						

## Emerging Markets Returns vs Benchmarks: December 31, 2014



STATE STREET

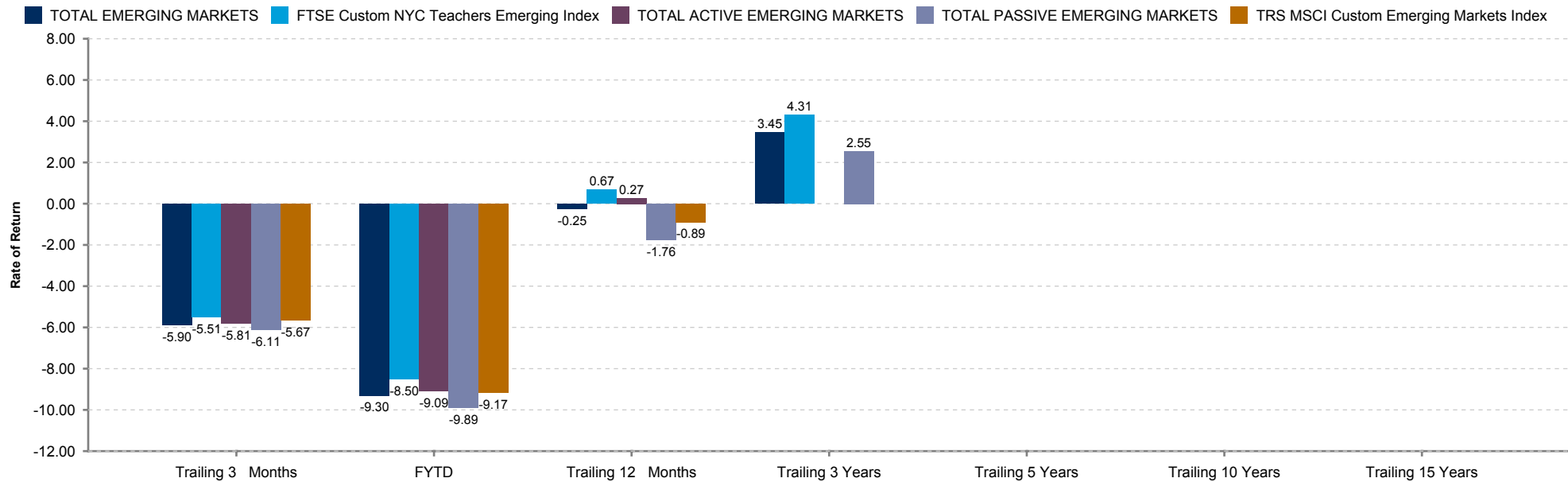
TOTAL EMERGING MARKETS

Market Value (Billions)

\$5.0

% of plan

8.6



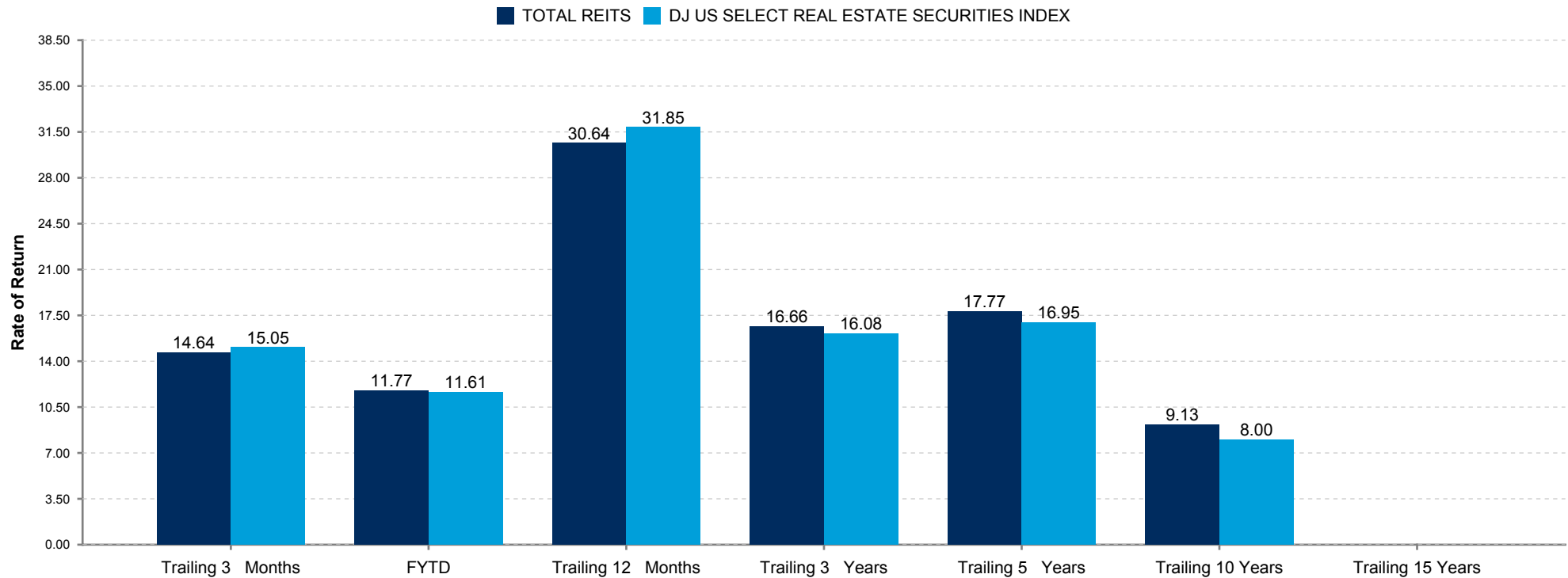
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MARKETS	15.4	15.6				
TOTAL ACTIVE EMERGING MARKETS						
TOTAL PASSIVE EMERGING MARKETS	15.3					

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



STATE STREET.

	Market Value (Billions)	% of plan
TOTAL REITS	\$2.0	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	12.4	13.5	16.5	17.0	25.6	26.5





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

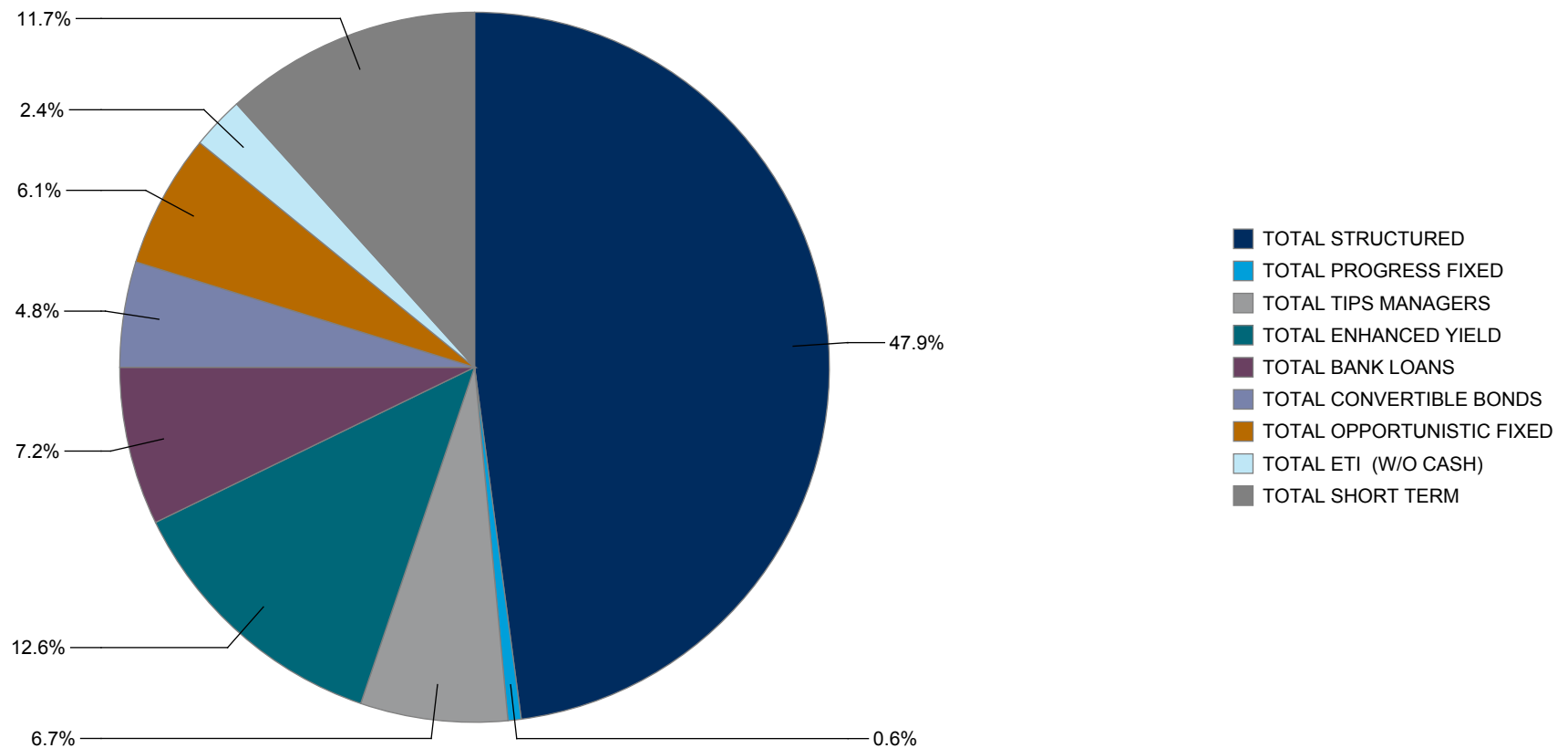
# **Fixed Income Analysis**

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



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL FIXED INCOME	\$20.7	35.2

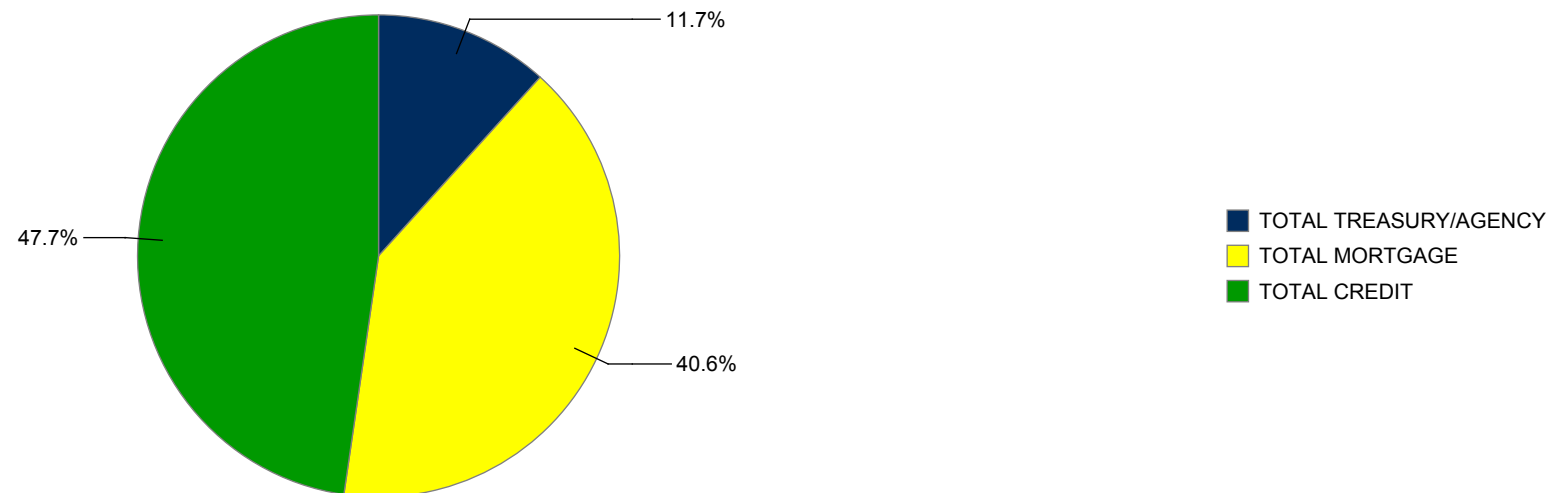


## Structured Fixed Income Asset Allocation: December 31, 2014



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$9.9	16.9



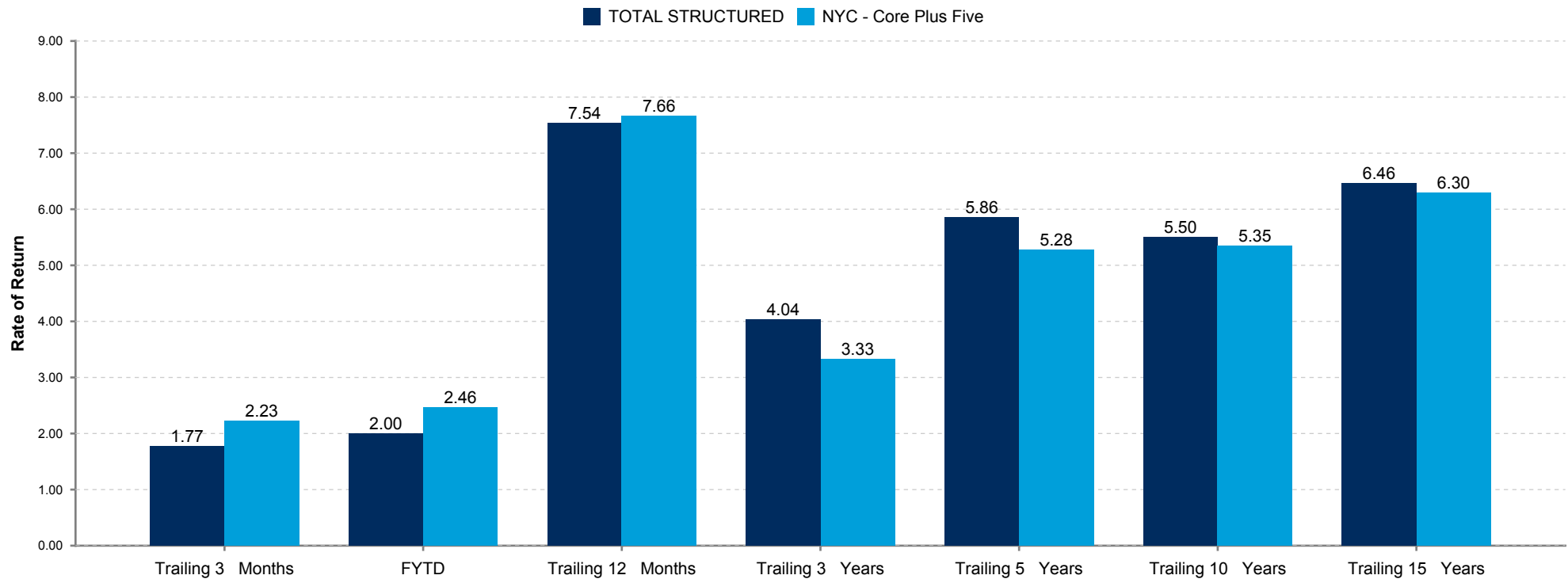
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL TREASURY/AGENCY	19.55	11.71	-7.84	4.45	3.78	-0.67
TOTAL MORTGAGE	37.27	40.56	3.29	1.80	1.67	-0.13
TOTAL INV GRADE CREDIT	43.19	47.73	4.54	1.63	1.37	-0.26

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL STRUCTURED	\$9.9	16.9



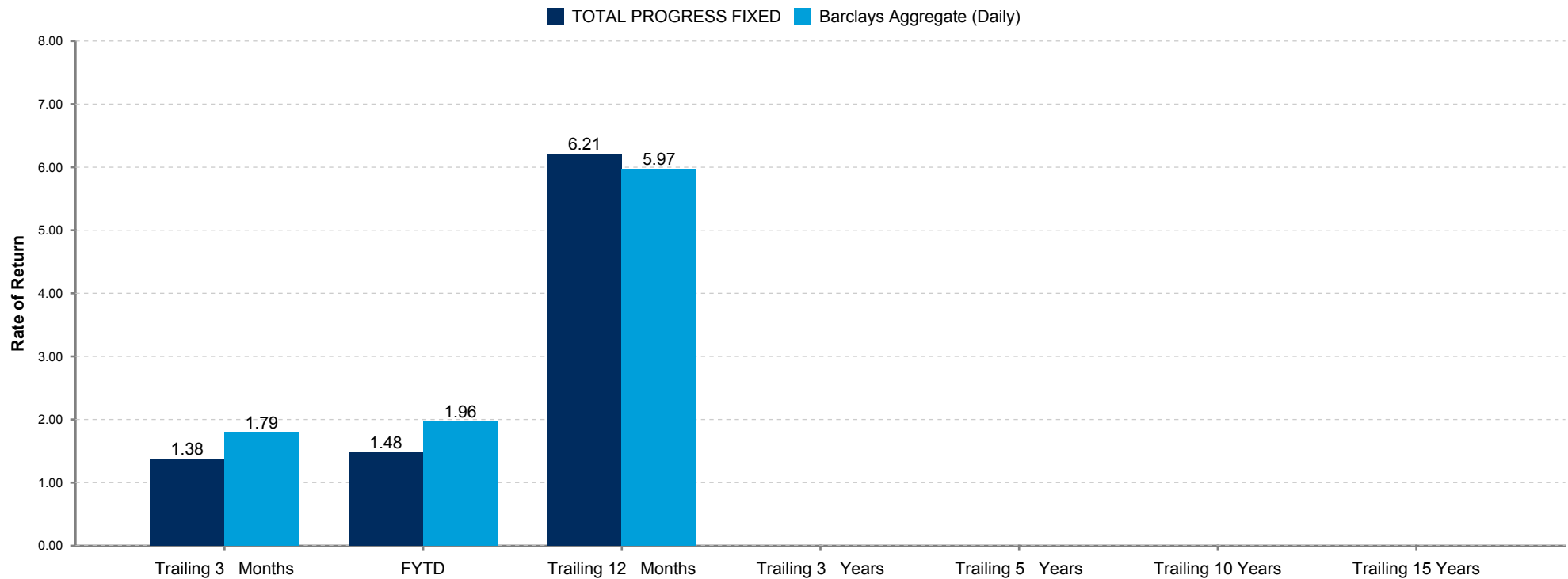
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL STRUCTURED	3.2	3.3	3.1	3.3	3.8	4.0

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



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL PROGRESS FIXED	\$114.5	0.2



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

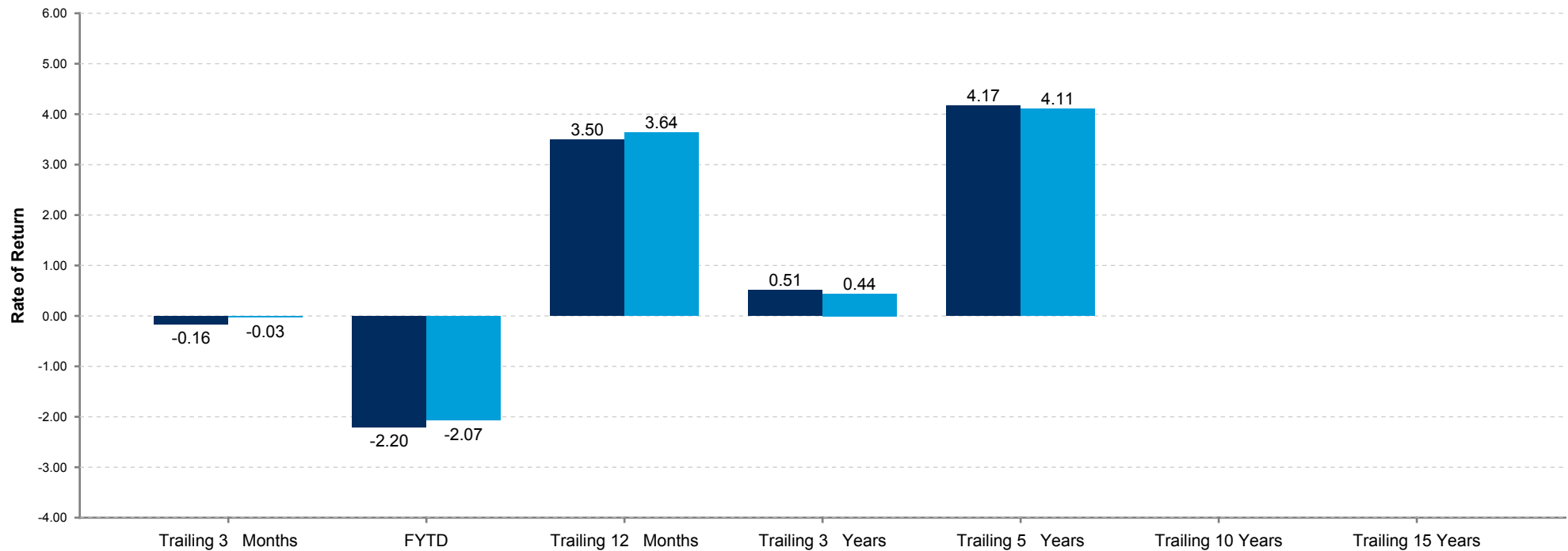
# TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: December 31, 2014



STATE STREET

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

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



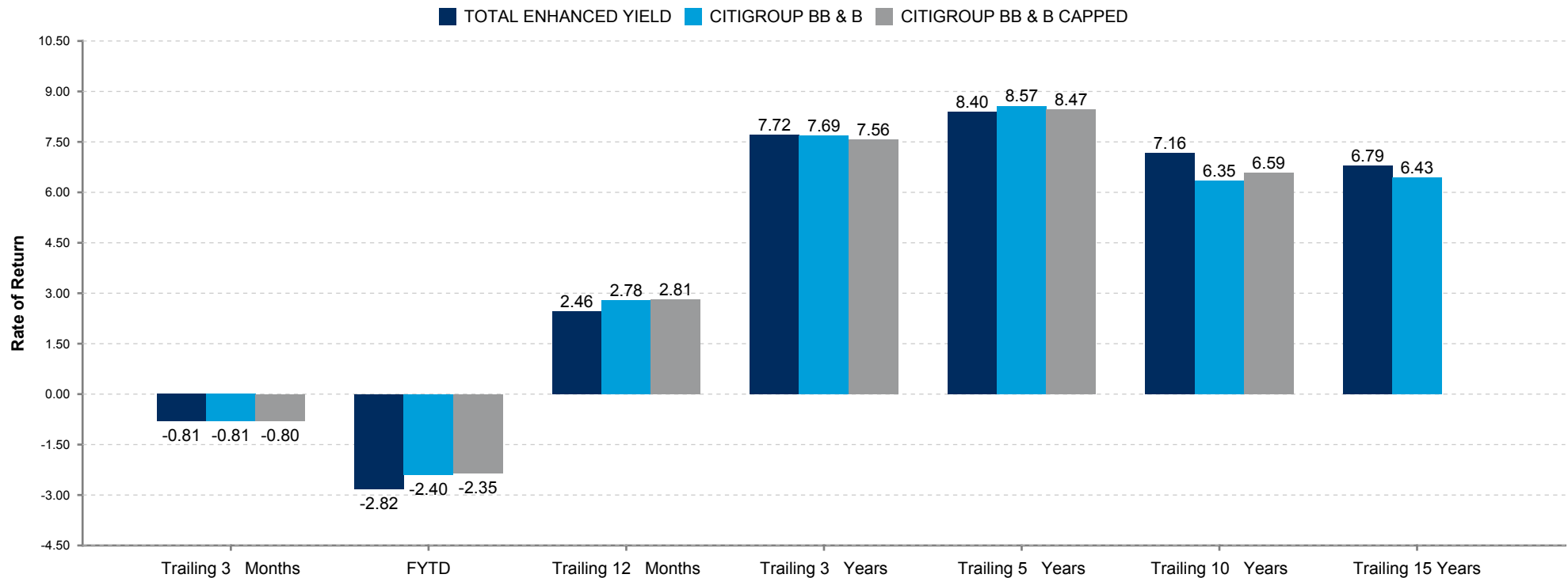
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL TIPS MANAGERS	5.2	5.2	5.1	5.1		

## Enhanced Yield Returns vs Benchmarks: December 31, 2014



STATE STREET

	Market Value (Billions)	% of plan
TOTAL ENHANCED YIELD	\$2.6	4.4



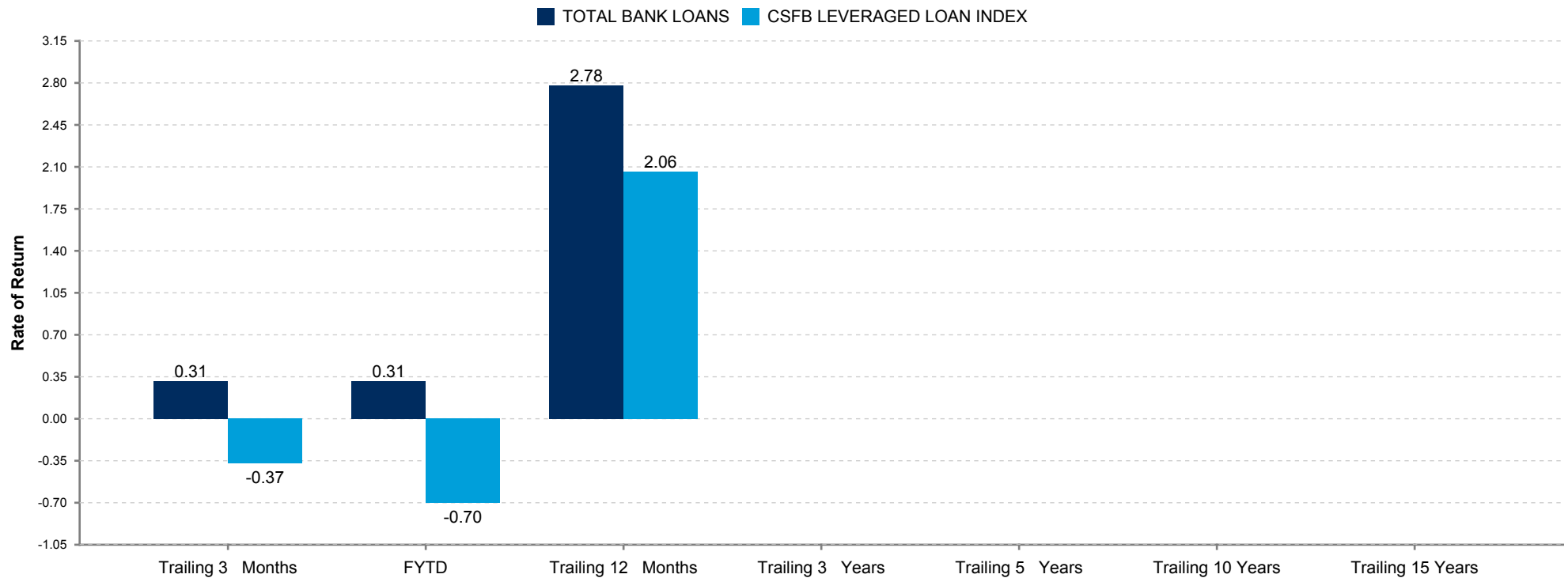
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ENHANCED YIELD	7.7	4.4	7.9	5.6	8.8	8.9

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



STATE STREET

	Market Value (Billions)	% of plan
TOTAL BANK LOANS	\$1.5	2.5



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

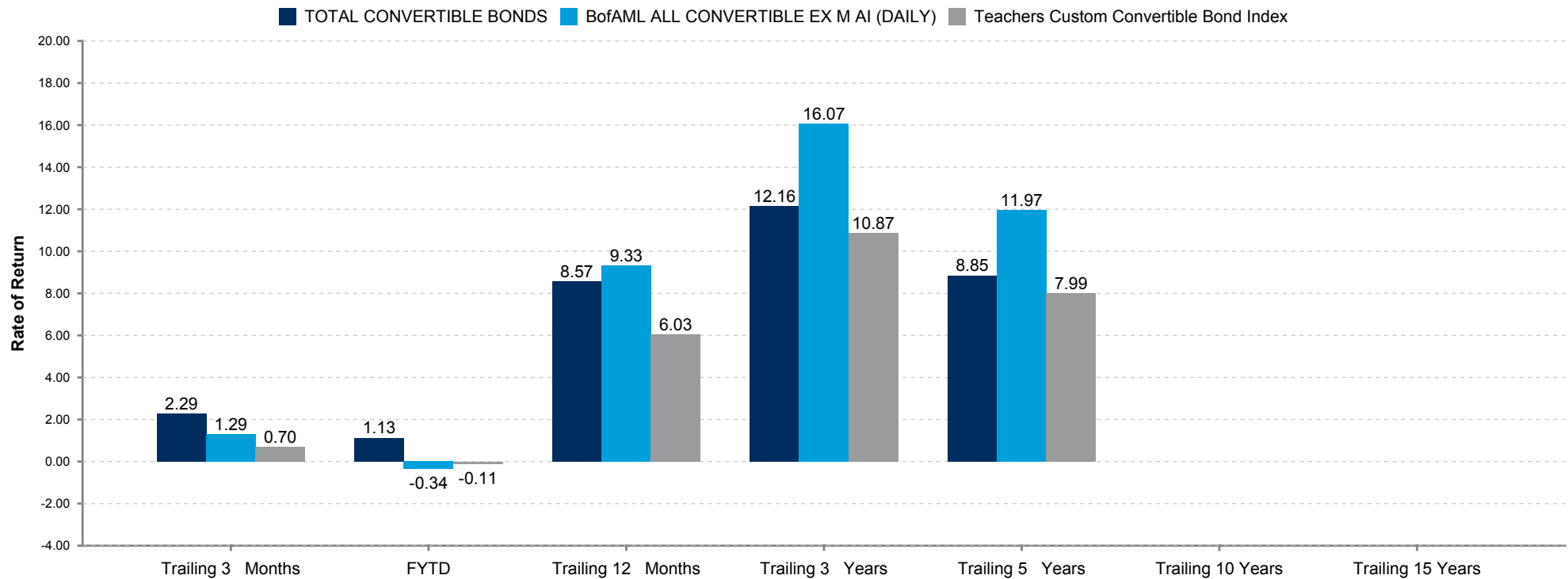


## Convertible Bond Returns vs Benchmarks: December 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL CONVERTIBLE BONDS	\$993.1	1.7



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL CONVERTIBLE BONDS	12.2	7.6	7.6	9.2		

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



STATE STREET

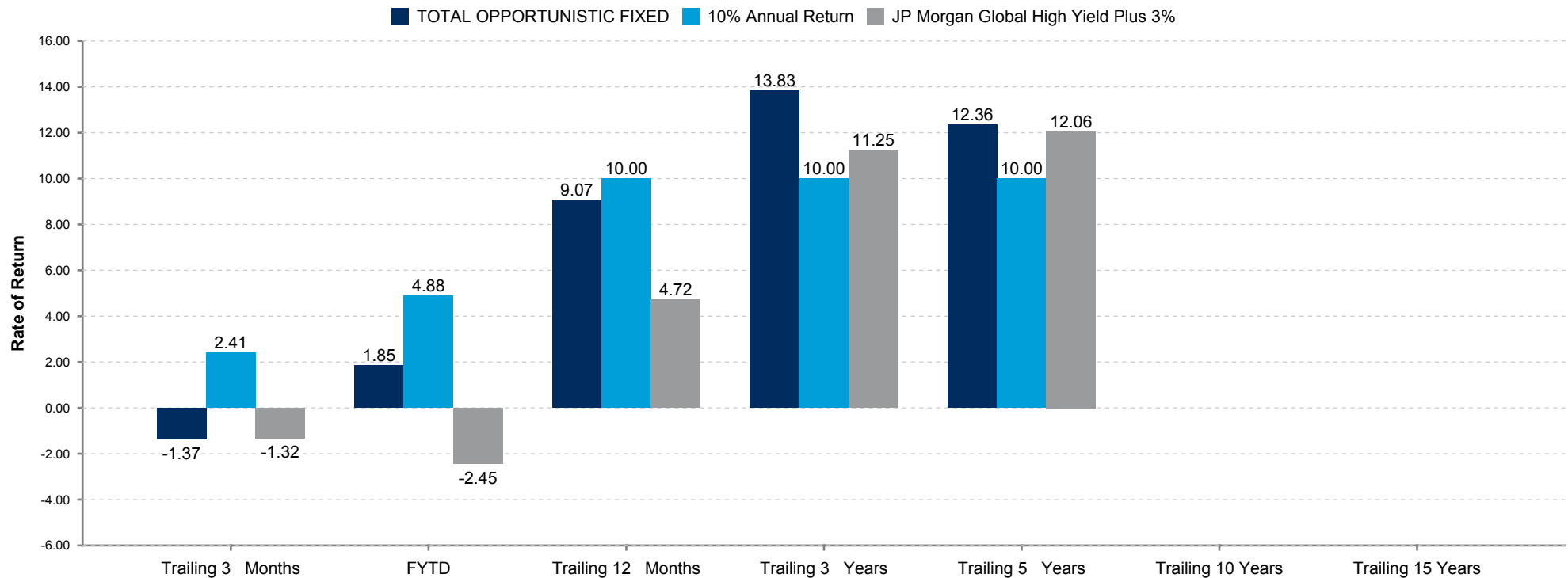
TOTAL OPPORTUNISTIC FIXED

Market Value (Billions)

\$1.3

% of plan

2.1



	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	13.8	0.0	6.9	0.0		

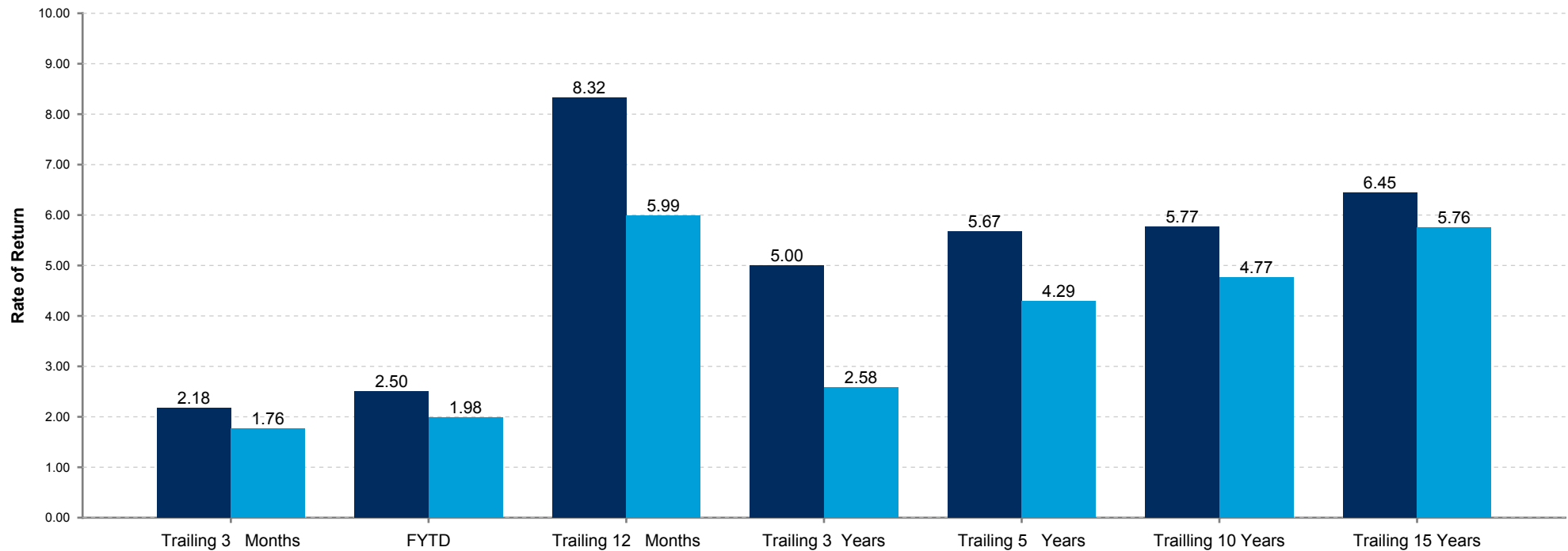
## ETI Returns vs Custom Index: December 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL ETI (W/O CASH)	\$494.9	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
<b>Standard Deviation</b>						
TOTAL ETI (W/O CASH)	2.3	2.5	2.0	2.4	2.4	2.7



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

# Appendix

# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
<b>SMALL CAP</b>									
Brown AM	306.8	0.52	8.98	3.95	3.95	24.70	20.31		
TOTAL SMALL CAP GROWTH ACTIVE	306.8	0.52	8.98	3.95	3.95	24.70	20.31		
RUSSELL 2000 GROWTH			10.06	5.60	5.60	20.14	16.80	8.54	4.34
TOTAL SMALL CAP ACTIVE	306.8	0.52	8.98	3.95	3.95	24.70	20.31		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
Blackrock INST R 2000 Growth	174.1	0.30	10.10	5.90	5.90				
RUSSELL 2000 GROWTH			10.06	5.60	5.60	20.14	16.80	8.54	4.34
Blackrock INST R 2000 Value	280.4	0.48	9.41	4.25	4.25				
RUSSELL 2000 VALUE			9.40	4.22	4.22	18.29	14.26	6.89	10.23
TOTAL SMALL CAP PASSIVE	454.6	0.77	9.68	4.45	4.45				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
TOTAL SMALL CAP	761.4	1.30	9.35	4.31	4.31	24.17	20.00		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>MID CAP</b>									
STATE STREET GA S&P 400	2,496.1	4.25	6.42	10.11	10.11	20.01			
TOTAL MID CAP PASSIVE	2,496.1	4.25	6.42	10.11	10.11	20.01			
S&P MIDCAP 400			6.35	9.77	9.77	19.99	16.54	9.71	9.65
TOTAL MID CAP	2,496.1	4.25	6.42	10.11	10.11	20.01			
RUSSELL MIDCAP			5.94	13.22	13.22	21.40	17.19	9.56	8.90

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>RUSSELL 1000</b>									
PROFIT INV MGMT	245.2	0.42	5.29	16.50	16.50	22.62	15.77		
TOTAL RUSSELL 1000 GROWTH	245.2	0.42	5.29	16.50	16.50	22.62	15.77		
RUSSELL 1000 GROWTH			4.78	13.05	13.05	20.26	15.81	8.49	2.21
Seizert Capital Ptnrs - LCC	239.2	0.41	0.32	11.18	11.18	20.20	15.00		
TOTAL RUSSELL 1000 CORE	239.2	0.41	0.32	11.18	11.18	19.92	14.40		
TOTAL RUSSELL 1000 ACTIVE	484.4	0.82	2.77	13.81	13.81	21.18	14.78		
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
Blackrock INST R 1000 Growth	4,011.9	6.83	4.78	13.03	13.03				
RUSSELL 1000 GROWTH			4.78	13.05	13.05	20.26	15.81	8.49	2.21
Blackrock INST R 1000 Value	4,185.6	7.12	4.96	13.56	13.56				
RUSSELL 1000 VALUE			4.98	13.45	13.45	20.89	15.42	7.30	6.62
TOTAL RUSSELL 1000 PASSIVE	8,197.5	13.95	4.89	13.28	13.28				
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
TOTAL RUSSELL 1000	8,681.9	14.77	4.77	13.29	13.29	21.04	14.70		
RUSSELL 1000			4.88	13.24	13.24	20.62	15.64	7.96	4.62
<b>RUSSELL 3000</b>									
STATE STREET RUSSELL 3000	8,651.8	14.72	4.82	12.22	12.22	20.39			
TOTAL RUSSELL 3000 PASSIVE	8,651.9	14.72	4.82	12.22	12.22	20.41	15.64	7.99	4.89
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82
<b>ATTUCKS MANAGERS</b>									
APEX - SCG	12.9	0.02	4.53	4.98	4.98	21.42	20.39		

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
GW CAPITAL - SCC	11.4	0.02	4.53	(1.43)	(1.43)	16.31			
LOMBARDIA - SCV	11.3	0.02	8.69	3.10	3.10	17.32	15.43		
PARADIGM - SCC	12.2	0.02	7.03	0.29	0.29	16.06	14.06		
PHOCAS FINANCIAL - SCV	11.4	0.02	7.69	8.23	8.23	20.84	17.01		
TOTAL ATTUCKS MANAGERS	59.2	0.10	6.42	2.94	2.94	18.35	16.09		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>CAPITAL PROSPECTS MANAGERS</b>									
AH LISANTI - SCG	5.5	0.01	10.61	3.13	3.13				
BERNZOTT CAP AD - SCV	5.5	0.01	7.23	6.53	6.53				
CHANNING - SCV	5.9	0.01	7.97	5.43	5.43				
CWC ADVISORS - SCC	4.8	0.01	1.55	3.37	3.37				
HIGH POINTE - SC	2.1	0.00	9.13	2.45	2.45				
HUBER - SCV	5.1	0.01	(1.14)	(9.24)	(9.24)				
LOMBARDIA - SCV	4.7	0.01	8.67	3.09	3.09				
PROFIT - SCC	5.1	0.01	6.27	3.47	3.47				
QUOTIENT - SCC	5.6	0.01	5.91	9.27	9.27				
STEPHENS - SCG	4.9	0.01	4.85	(2.27)	(2.27)				
SUMMIT CREEK - SCG	5.1	0.01	7.18	1.36	1.36				
TOTAL CAPITAL PROSPECTS MANAGERS	54.4	0.09	6.02	2.32	2.32				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>PROGRESS MANAGERS</b>									
APEX CAPITAL MGMT - SMID CG	22.4	0.04	2.42	9.12	9.12				
CARDINAL - SCV	14.3	0.02	8.13	7.80	7.80				
HUBER - SCV	18.3	0.03	(0.99)	(8.89)	(8.89)				
MONARCH PARTNERS - SCV	19.6	0.03	8.78	5.32	5.32				
NICHOLS - SC	20.2	0.03	7.67	(0.21)	(0.21)				
OMT CAP MGMT - SMIDCG	15.7	0.03	9.45	2.66	2.66				
PHOCAS - SCV	15.8	0.03	7.68	8.21	8.21				

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL PROGRESS MANAGERS	126.3	0.21	5.80	3.00	3.00				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
<b>F.I.S MANAGERS</b>									
CHANNING - SCV	33.5	0.06	7.97	5.49	5.49				
EAM INVESTORS - MCG	6.0	0.01	15.14	1.80	1.80				
HUBER - SCV	12.7	0.02	(1.08)	(9.05)	(9.05)				
NICHOLAS INV PTNRS - SCG	22.0	0.04	7.60	1.31	1.31				
PIERMONT CAPITAL	24.3	0.04	10.28						
PUNCH - SCC	14.4	0.02	7.77	0.29	0.29				
RICE HALL JAMES	19.9	0.03	10.02						
TOTAL F.I.S MANAGERS	132.8	0.23	7.96	2.24	2.24				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
TOTAL EMERGING MANAGERS	372.7	0.63	6.69	2.62	2.62				
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82
TOTAL ACTIVE DOMESTIC EQUITY	1,164.0	1.98	5.60	7.37	7.37	21.38	15.85	7.73	
TOTAL PASSIVE DOMESTIC EQUITY	19,800.1	33.69	5.15	12.21	12.21	20.42	15.49	7.91	4.84
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82
<b>ENVIRONMENTAL STRATEGIES</b>									
WALDEN ASSET MGMT	76.2	0.13	8.46	0.12	0.12	14.79	13.98		
TOTAL U.S. ENVIRONMENTAL	76.2	0.13	8.46	0.12	0.12	14.79	14.29		
RUSSELL 2000			9.73	4.89	4.89	19.21	15.55	7.77	7.38
TOTAL DOMESTIC EQUITY	21,040.3	35.80	5.18	11.93	11.93	20.44	15.53	7.89	4.83
RUSSELL 3000			5.24	12.56	12.56	20.51	15.63	7.94	4.82



# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>INTERNATIONAL EQUITY</b>									
<b>DEVELOPED MARKETS</b>									
<b>GROWTH</b>									
Baillie Gifford EAFE MTA	1,172.4	1.99	(0.86)	(7.59)	(7.59)	12.77	8.75		
Walter Scott	1,029.4	1.75	(1.86)	(3.35)	(3.35)	11.07	7.92		
TOTAL DEVELOPED GROWTH	2,201.9	3.75	(1.33)	(5.66)	(5.66)	11.96	7.42		
MSCI EAFE GROWTH NET			(2.29)	(4.43)	(4.43)	11.03	6.19	4.91	1.13
<b>VALUE</b>									
Causeway	888.4	1.51	(3.68)	(5.38)	(5.38)				
Sprucegrove MTA	1,129.4	1.92	(2.68)	(3.85)	(3.85)	11.23	8.44		
TOTAL DEVELOPED VALUE	2,018.0	3.43	(3.15)	(4.52)	(4.52)	10.84	6.20	5.34	
MSCI EAFE VALUE			(4.85)	(5.39)	(5.39)	11.04	4.42	3.89	3.82
<b>SMALL CAP</b>									
Acadian	257.8	0.44	(3.75)	(2.01)	(2.01)				
Pyramis	245.8	0.42	(0.71)	(4.77)	(4.77)				
TOTAL DEVELOPED SMALL CAP ACTIVE	503.6	0.86	(2.29)	(3.38)	(3.38)				
S&P EPAC SMALL CAP INDEX			(1.89)	(3.10)	(3.10)	14.43	8.90	6.92	6.69
TOTAL ACTIVE DEVELOPED MARKETS	4,724.3	8.04	(2.09)	(4.88)	(4.88)	11.39	6.71	5.68	3.76
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
SSGA MSCI EAFE Small Cap Index	125.5	0.21	(1.86)						
TOTAL DEVELOPED SMALL CAP PASSIVE	125.5	0.21	(1.86)						
MSCI EAFE SMALL CAP NET (DAILY)			(2.27)	(4.95)	(4.95)	13.83	8.63	6.04	7.18

# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
SSGA MTA	817.4	1.39	(4.40)	(5.41)	(5.41)	10.99			
TOTAL DEVELOPED LARGE CAP PASSIVE	817.4	1.39	(4.40)	(5.41)	(5.41)	10.99			
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
TOTAL PASSIVE DEVELOPED MARKETS	942.8	1.60	(4.10)	(6.12)	(6.12)	10.71			
TOTAL DEVELOPED MARKETS	5,667.1	9.64	(2.35)	(5.06)	(5.06)	11.29	6.72	5.69	3.77
MSCI EAFE			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
<b>GLOBAL</b>									
SSGA MSCI World Index	117.1	0.20	1.10	5.44	5.44				
TOTAL PASSIVE GLOBAL	117.1	0.20	1.10	5.44	5.44				
MSCI World Index			1.01	4.94	4.94	15.47	10.20	6.03	3.12
TOTAL DEVELOPED ENV ACT EX PASSIVE	4,724.7	8.04	(2.09)	(4.89)	(4.89)	11.52	6.80	5.69	
TOTAL DEVELOPED ENV ACTIVIST	5,784.7	9.84	(2.27)	(4.85)	(4.85)	11.51	6.86	5.72	
<b>EMERGING MARKETS</b>									
Baillie Gifford EM Equities	1,203.8	2.05	(2.93)	5.45	5.45				
DFA EM	1,125.5	1.92	(8.04)	(4.11)	(4.11)				
EATON VANCE	1,194.9	2.03	(6.45)	(0.29)	(0.29)				
TOTAL ACTIVE EMERGING MARKETS	3,524.2	6.00	(5.81)	0.27	0.27				
FTSE CUSTOM NYC TRS INDEX			(5.51)	0.67	0.67	4.31			
TRS Blackrock-MSCI EM INDEX MTA	1,523.2	2.59	(6.11)	(1.76)	(1.76)	2.55			
TOTAL PASSIVE EMERGING MARKETS	1,523.2	2.59	(6.11)	(1.76)	(1.76)	2.55			
TRS MSCI CUSTOM EMERGING			(5.67)	(0.89)	(0.89)				
TOTAL EMERGING MARKETS	5,047.4	8.59	(5.90)	(0.25)	(0.25)	3.45			
FTSE CUSTOM NYC TRS INDEX			(5.51)	0.67	0.67	4.31			

# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL ACTIVE INTERNATIONAL EQUITY	8,248.9	14.04	(3.70)	(2.79)	(2.79)				
TOTAL PASSIVE INTERNATIONAL EQUITY	2,583.1	4.40	(4.93)	(2.44)	(2.44)				
TOTAL INTERNATIONAL EQUITY	10,832.1	18.43	(3.95)	(2.78)	(2.78)	7.57	4.42	4.50	2.99
MSCI AC WORLD ex US			(3.87)	(3.87)	(3.87)	8.99	4.43	5.13	
<b>REITS</b>									
ADELANTE CAPITAL MANAGEMENT	392.7	0.67	14.87	33.48	33.48	17.50	18.52	8.43	
CENTER SQUARE INVESTMENT MGT	265.0	0.45	15.70	33.06	33.06				
COHEN & STEERS - REITS	265.1	0.45	15.34	32.20	32.20				
EUROPEAN	0.6	0.00							
FTSE EPRA/NAREIT DEVELOPED INDEX USD			8.07	15.89	15.89	15.89	12.03	6.90	
MS REIT MTA	763.4	1.30	14.20	31.20	31.20				
SECURITY CAPITAL	268.7	0.46	15.78	33.33	33.33	16.31	17.40	8.94	
TOTAL REITS	1,955.5	3.33	14.64	30.64	30.64	16.66	17.77	9.13	
DJ US SELECT REAL ESTATE SECURITIES INDEX			15.05	31.85	31.85	16.08	16.95	8.00	12.58
<b>PRIVATE EQUITY INVESTMENTS</b>									
ACON Equity Partners III LP	3.7	0.01							
Aisling Capital II, LP	3.1	0.01							
Aisling Capital III, L.P.	7.7	0.01							
Altaris Health Partners III, L.P.	1.9	0.00							
American Securities Partners VI, L.P.	77.8	0.13							
Ampersand 2006 Limited Partnership	9.4	0.02							
Ampersand 2011 L.P.	20.3	0.03							
Apollo Investment Fund V, L.P.	2.1	0.00							
Apollo Investment Fund VI, L.P.	17.2	0.03							
Apollo Investment Fund VII, L.P.	26.0	0.04							
Apollo Investment Fund VIII	17.8	0.03							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Ardian Secondary VI	50.9	0.09							
Ares Corp. Opportunities Fund I, L.P.	1.8	0.00							
Ares Corp. Opportunities Fund II, L.P.	7.4	0.01							
Ares Corp. Opportunities Fund III, L.P.	52.3	0.09							
Ares Corp. Opportunities Fund IV, L.P.	56.2	0.10							
Arsenal Capital Partners II	15.5	0.03							
Aurora Equity Partners III, L.P.	1.4	0.00							
Avista Capital Partners II, L.P.	65.1	0.11							
Avista Capital Partners, L.P.	20.9	0.04							
AXA Secondary Fund V B L.P.	70.6	0.12							
BC European Capital IX	35.2	0.06							
BDCM Opportunity Fund II, L.P.	40.9	0.07							
BDCM Opportunity Fund, L.P.	1.2	0.00							
Blackstone Capital Partners IV, L.P.	7.0	0.01							
Blackstone Capital Partners V, L.P.	49.5	0.08							
Blackstone Capital Partners VI, L.P.	38.5	0.07							
Blackstone Mezzanine Partners II L.P.	2.0	0.00							
Blue Wolf Capital Fund II, L.P.	17.5	0.03							
Bridgepoint Europe III	15.5	0.03							
Bridgepoint Europe IV	17.9	0.03							
Capital Partners PE Income Fund II, L.P.	2.8	0.00							
Carlyle Partners V, L.P.	38.5	0.07							
Carlyle Partners VI, L.P.	38.7	0.07							
Carpenter Community BancFund-A, L.P.	19.6	0.03							
Catterton Partners VI, L.P.	22.6	0.04							
CCMP Capital Investors II, L.P.	14.5	0.02							
Celtic Pharmaceutical Holdings, L.P.	13.8	0.02							
Co-Investment Partners Europe, L.P.	27.3	0.05							
Coller International Partners IV, L.P.	2.7	0.00							
Constellation Venture Capital III, L.P.	7.8	0.01							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Craton Equity Investors I, L.P.	4.1	0.01							
CS Emerging Manager Co-Inv, L.P.	2.6	0.00							
CS Emerging Manager Fund, L.P.	40.3	0.07							
CVC Capital Partners VI	14.3	0.02							
Cypress Merchant Banking Ptnrs II, L.P.	6.1	0.01							
EQT VI, L.P.	35.6	0.06							
Erasmus New York City Growth Fund IA	0.5	0.00							
Fairview Ventures Fund III	21.0	0.04							
FdG Capital Partners II LP	6.4	0.01							
FdG Capital Partners, L.P.	6.8	0.01							
First Reserve Fund XI, L.P.	16.7	0.03							
First Reserve Fund XII, L.P.	22.5	0.04							
The Fourth Civen Fund	25.7	0.04							
FS Equity Partners V, L.P.	10.4	0.02							
FTV IV, LP	7.1	0.01							
FTVentures III, L.P.	15.9	0.03							
GF Capital Private Equity Fund, L.P.	13.8	0.02							
GI Partners Fund II	9.8	0.02							
GI Partners Fund III	18.1	0.03							
Green Equity Investors VI	50.0	0.09							
Grey Mountain Partners Fund III, LP	1.4	0.00							
GSC Recovery III, L.P.	1.8	0.00							
GSO Capital Opportunities Fund, L.P.	8.8	0.01							
Halyard Capital Fund II, L.P.	8.4	0.01							
ICV Partners III, L.P.	7.3	0.01							
Incline Equity Partners III, L.P.	2.7	0.00							
Intermedia Partners VII, L.P.	29.2	0.05							
JP Morgan Fleming, L.P.	30.0	0.05							
Landmark Equity Partners XI, L.P.	2.9	0.00							
Landmark Equity Partners XIII	12.0	0.02							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Landmark Equity Partners XIV, L.P.	35.7	0.06							
Landmark Equity Partners XV	38.3	0.07							
Lee Equity Partners, L.P.	24.6	0.04							
Leeds Equity Partners IV, L.P.	3.4	0.01							
Leeds Equity Partners V, L.P.	38.3	0.07							
Levine Leichtman Capital Partners IV LP	14.2	0.02							
Lincolnshire Equity Fund II, L.P.	0.9	0.00							
Lincolnshire Equity Fund III, L.P.	13.7	0.02							
Lincolnshire Equity Fund IV, L.P.	8.4	0.01							
Markstone Capital Partners, L.P.	10.3	0.02							
MidOcean Partners III, L.P.	38.0	0.06							
Mill City Capital II	4.2	0.01							
Montreux Equity Partners IV L.P.	14.7	0.03							
Nautic Partners VI, L.P.	20.8	0.04							
New Mainstream Capital II	1.1	0.00							
New Mountain Partners I, L.P.	0.3	0.00							
New Mountain Partners II, L.P.	3.4	0.01							
New Mountain Partners III, L.P.	31.7	0.05							
New York Fairview Emerging Mgrs Fund (A)	42.7	0.07							
NGN BioMed Opportunity II, L.P.	7.3	0.01							
Olympus Growth Fund VI, L.P.	11.6	0.02							
Onex Partners III LP	35.6	0.06							
Paladin Homeland Security Fund L.P.	5.2	0.01							
Paladin III, L.P.	16.6	0.03							
Palladium Equity Partners III, L.P.	26.5	0.05							
PCG Clean Energy Tech Fund East, L.P.	26.9	0.05							
Pegasus Partners IV, L.P.	12.2	0.02							
Pegasus Partners V, L.P.	13.4	0.02							
Perseus Partners VII, L.P.	3.2	0.01							
Pine Brook Capital Partners	20.8	0.04							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Platinum Equity Capital Partners III, LP	39.4	0.07							
Prism Venture Partners V, L.P.	7.2	0.01							
Psilos Group Partners III, L.P.	21.3	0.04							
Quadrangle Capital Partners II, L.P.	6.5	0.01							
Quaker BioVentures II, L.P.	6.4	0.01							
Relativity Fund, L.P.	2.4	0.00							
Ripplewood Partners II, L.P.	6.4	0.01							
RiverstoneCarlyle Gbl Engy-Pwr Fd IV LP	19.7	0.03							
RLJ Equity Partners Fund I, L.P.	13.4	0.02							
RRE Ventures III, L.P.	5.0	0.01							
RRE Ventures IV, L.P.	38.6	0.07							
SCP Private Equity Partners II, L.P.	7.1	0.01							
SCP Vitalife Partners II, L.P.	14.9	0.03							
Snow Phipps Group, L.P.	10.8	0.02							
Solera Partners, L.P.	9.1	0.02							
Starvest Partners II, L.P.	13.5	0.02							
Terra Firma Capital Partners III, L.P.	16.9	0.03							
Thomas, McNerney & Partners I, L.P.	5.8	0.01							
Thomas, McNerney & Partners II, L.P.	15.3	0.03							
Trident V, L.P.	34.6	0.06							
Trilantic Capital Partners III, L.P.	1.2	0.00							
Trilantic Capital Partners IV L.P.	39.5	0.07							
Trilantic Capital Partners V L.P.	21.9	0.04							
United States Power Fund III, L.P.	23.0	0.04							
US Power Fund II	26.9	0.05							
Vista Equity Partners Fund III, L.P.	11.9	0.02							
Vista Equity Partners Fund IV, L.P.	99.7	0.17							
VISTA EQUITY V	38.5	0.07							
Vista Foundation Fund II, L.P.	6.2	0.01							
VSS Communications Partners IV, L.P.	4.3	0.01							

# Consolidated Performance Report

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Warburg Pincus Private Equity XI, LP	75.6	0.13							
Welsh, Carson, Anderson & Stowe XI, L.P.	22.4	0.04							
Yucaipa American Alliance Fund I, L.P.	42.4	0.07							
Yucaipa American Alliance Fund II, LP	107.0	0.18							
Yucaipa Corporate Initiatives Fund II LP	20.7	0.04							
TOTAL PRIVATE EQUITY	2,734.5	4.65							
NYC R3000 +3% Lagged									

## REAL ASSETS

### PRIVATE REAL ESTATE

Almanac Realty Securities VI, L.P.	34.6	0.06
American Value Partners Fund I, L.P.	11.4	0.02
ARES RE FD V (fka Apollo RE Fund V)	2.3	0.00
Blackrock Carbon III	2.4	0.00
Blackstone Real Estate Partners Europe III, L.P.	38.1	0.06
Blackstone Real Estate Partners Europe IV, L.P.	12.6	0.02
Blackstone Real Estate Partners Europe VI, L.P.	51.9	0.09
Brookfield Strategic Real Estate Partners L.P.	89.7	0.15
Canyon-Johnson Urban Fund II, L.P.	8.3	0.01
Canyon-Johnson Urban Fund III, L.P.	16.5	0.03
CAPRI URBAN INVESTORS	26.6	0.05
Carlyle Realty Partners V, L.P.	4.8	0.01
Carlyle Realty Partners VI, L.P.	48.0	0.08
Colony Realty Partners II, L.P.	5.8	0.01
DIVCO WEST FD IV	13.2	0.02
Emmes Interborough Fund LLC	30.9	0.05
Heitman America Real Estate Trust LP	72.2	0.12
Hudson Sandy Manager, LLC	14.0	0.02
H/2 Special Opportunities II Ltd.	40.4	0.07



# Consolidated Performance Report

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
H/2 Special Opp Fund III	3.8	0.01							
JPMC Special Situations Fund	15.6	0.03							
JPMC Strategic Property Fund	136.4	0.23							
KTR Industrial Fund III LP	29.0	0.05							
LaSalle US Property Fund	56.1	0.10							
Lone Star Real Estate Fund III, L.P.	80.9	0.14							
METLIFE CORE PROPERTY	40.8	0.07							
Metro Workforce Housing FD	7.8	0.01							
OCM REAL ESTATE OPPORTUNITIES FD III-A	1.5	0.00							
PRISA	40.7	0.07							
PRISA II	71.4	0.12							
PROLOGIS TARGETED US LOGISTICS FD	9.8	0.02							
RELATED SEP ACCT	65.8	0.11							
RREEF America REIT II Corp.	40.5	0.07							
RREEF America REIT III Corp.	4.1	0.01							
Silverpeak Legacy Partners III, L.P.	3.0	0.01							
Stockbridge Real Estate Fund III, LP	30.6	0.05							
Taconic New York City Investment Fund LP	33.9	0.06							
THE CITY INVESTMENT FD	38.5	0.07							
Thor Urban Property Fund II, Inc.	11.3	0.02							
TISHMAN SPEYER/CITIGROUP	0.2	0.00							
UBS Trumbull Property Fund LP	145.8	0.25							
URBAN AMERICA II	2.9	0.01							
Westbrook Real Estate Fund VIII, L.P.	31.3	0.05							
TOTAL PRIVATE REAL ESTATE	1,425.4	2.43							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infrastructure Fd II	58.9	0.10							
FIRST RESERVE EIF II	0.8	0.00							

# Consolidated Performance Report

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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	59.7	0.10							
CPI + 4%									
TOTAL REAL ASSETS	1,485.0	2.53							
TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS)	38,047.4	64.74	2.73	8.64	8.64	15.73	12.36	6.98	

## FIXED INCOME MANAGEMENT

### GOVERNMENT

BLACKROCK - GOVT	406.0	0.69	4.11	12.01	12.01	2.61	6.92		
STATE STREET - GOVT	756.0	1.29	4.37	12.14	12.14	2.54	6.85		
TOTAL TREASURY/AGENCY	1,162.0	1.98	3.78	11.77	11.77	2.54	6.87	6.17	7.33
NYC - TREASURY AGENCY PLUS FIVE			4.45	12.38	12.38	2.59	6.92	6.11	7.22

### MORTGAGE

BLACKROCK - MORT	1,379.8	2.35	1.83	6.61	6.61	3.78	5.10	5.28	
BLACKROCK - SP PURPOSE - MORT	8.7	0.01							
GOLDMAN SACHS - MORT	619.3	1.05	1.75	6.38	6.38	2.83	4.17		
NEUBERGER BERMAN - MORT	1,200.2	2.04	1.95	6.72	6.72	2.70			
PIMCO - MORT	6.0	0.01							
SMITH BREENEN - MORT	240.2	0.41	1.86	6.53	6.53	3.19	4.40		
WELLINGTON - MORT	573.1	0.98	1.90	6.78	6.78	2.47	4.06		
TOTAL MORTGAGE	4,027.3	6.85	1.67	6.39	6.39	3.11	4.65	4.94	5.82
CITIGROUP MORTGAGE INDEX			1.80	6.12	6.12	2.35	3.77	4.78	5.58

### CREDIT

BARROW HANLEY - CREDIT	449.9	0.77	1.38	7.55	7.55	6.03	6.96		
BLACKROCK - CREDIT	1,157.6	1.97	1.54	7.47	7.47	5.60	6.82	5.78	
PRUDENTIAL - CREDIT	657.9	1.12	1.70	7.26	7.26	5.18	6.40		

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
PRUDENTIAL - PRIVEST - CREDIT	188.4	0.32	1.90	7.27	7.27				
TAPLIN, CANIDA - CREDIT	1,137.5	1.94	0.81	7.43	7.43	5.62	6.77	4.83	6.37
T. ROWE PRICE - CREDIT	1,147.8	1.95	1.46	7.96	7.96	6.12	7.25	6.25	6.85
TOTAL INVESTMENT GRADE CREDIT	4,739.1	8.06	1.37	7.53	7.53	5.72	6.87	5.67	6.55
NYC - INVESTMENT GRADE CREDIT			1.63	7.04	7.04	4.79	6.09	5.28	6.37
TOTAL STRUCTURED	9,928.5	16.89	1.77	7.54	7.54	4.04	5.86	5.50	6.46
NYC - CORE PLUS FIVE			2.23	7.66	7.66	3.33	5.28	5.35	6.30
<b>PROGRESS FIXED</b>									
GIA MTA	23.2	0.04	0.15	4.92	4.92				
HILLSWICK MTA	11.3	0.02	2.29	7.46	7.46				
NEW CENTURY MTA	28.9	0.05	1.31	6.90	6.90				
PUGH CAP MTA	22.8	0.04	1.70	6.24	6.24				
Ramirez Asset	28.3	0.05	1.85						
TOTAL PROGRESS FIXED	114.5	0.19	1.38	6.21	6.21				
BARCLAYS CAPITAL AGGREGATE			1.79	5.97	5.97	2.66	4.45	4.71	5.70
<b>TIPS MANAGERS</b>									
<b>ACTIVE TIPS MANAGERS</b>									
BLACKROCK-TIPS-MTA	255.4	0.43	(0.03)	3.80	3.80	0.40	4.14		
PIMCO-TIPS-MTA	782.2	1.33	(0.22)	3.37	3.37	0.60	4.22		
TOTAL ACTIVE TIPS MANAGERS	1,037.5	1.77	(0.17)	3.48	3.48	0.55	4.20		
Barclays US TIPS Index			(0.03)	3.64	3.64	0.44	4.11	4.37	6.49
<b>PASSIVE TIPS MANAGERS</b>									
STATE STREET-TIPS-MTA	347.5	0.59	(0.12)	3.58	3.58	0.36	4.08		
TOTAL PASSIVE TIPS MANAGERS	347.5	0.59	(0.12)	3.58	3.58	0.37	4.08		

# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL TIPS MANAGERS	1,385.1	2.36	(0.16)	3.50	3.50	0.51	4.17		
Barclays US TIPS Index			(0.03)	3.64	3.64	0.44	4.11	4.37	6.49
<b>ENHANCED YIELD</b>									
LOOMIS	321.2	0.55	(1.47)	3.88	3.88				
NEUBERGER BERMAN	517.6	0.88	(0.48)	2.23	2.23				
BofA MERRILL LYNCH HY MASTER II			(1.06)	2.50	2.50	8.37	8.88	7.61	7.30
OAKTREE	299.4	0.51	(0.79)	1.75	1.75				
BofA ML HY MASTER II CONSTRAINED			(1.06)	2.51	2.51	8.36	8.85	7.62	
STONE HARBOR INVESTMENT PARTNERS	446.8	0.76	(1.64)	1.16	1.16	8.04	8.22	7.09	
BofA ML-MST II 7-12/BB&B PRIOR			(1.06)	2.50	2.50	8.25	8.91	6.51	6.54
FORT WASHINGTON	136.3	0.23	(0.89)	2.63	2.63				
PENN	135.5	0.23	(1.76)	1.27	1.27				
SHENKMAN	224.1	0.38	0.08	3.10	3.10	6.71	7.43	6.60	
T. ROWE PRICE ENHANCED	531.1	0.90	(0.13)	3.28	3.28	7.93	8.56	7.49	
TOTAL ENHANCED YIELD	2,612.4	4.45	(0.81)	2.46	2.46	7.72	8.40	7.16	6.79
CITIGROUP BB & B			(0.81)	2.78	2.78	7.69	8.57	6.35	6.43
CITIGROUP BB & B CAPPED			(0.80)	2.81	2.81	7.56	8.47	6.59	
<b>BANK LOANS</b>									
BABSON BL MTA	372.1	0.63	(0.15)	2.34	2.34				
CREDIT SUISSE BL MTA	372.4	0.63	0.42	2.90	2.90				
GUGGENHEIM BL MTA	378.2	0.64	0.58	3.30	3.30				
Voya BL	187.4	0.32	0.43	3.09	3.09				
WELLS BL MTA	181.6	0.31	0.33	2.06	2.06				
TOTAL BANK LOANS	1,491.7	2.54	0.31	2.78	2.78				
CREDIT SUISSE LEVERAGED LOAN INDEX			(0.37)	2.06	2.06	5.84	5.83	4.70	

# Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>CONVERTIBLE BONDS</b>									
Advent - Conv Bonds	466.0	0.79	1.72	5.17	5.17	10.03	8.54		
BofA ML CONVERTIBLES YIELD ALT. INDEX			(1.55)	2.75	2.75	8.35	7.15	4.76	5.15
F&C CONVERTIBLE BONDS	227.0	0.39	3.18	8.19	8.19	11.53	7.47		
UBS GLOBAL FOCUS CUSTOMISED			1.92	3.80	3.80	9.87	6.50		
VICTORY CONVERTIBLE BONDS	300.1	0.51	2.75	14.05	14.05	14.97	10.46		
BofA ML CONVERTIBLE BONDS INVST GRADE			4.07	15.69	15.69	16.26	10.43	5.14	4.18
TOTAL CONVERTIBLE BONDS	993.1	1.69	2.29	8.57	8.57	12.16	8.85		
BofAML ALL CONVERTIBLE EX MANDATORY			1.29	9.33	9.33	16.07	11.97	7.34	5.50
TEACHERS CUSTOM CONVERTIBLE BOND IDX			0.70	6.03	6.03	10.87	7.99		
<b>OPPORTUNISTIC FIXED</b>									
AVE EURO SPECIAL SITUATIONS FD	0.3	0.00							
AVE SPECIAL SITUATIONS FD V	0.2	0.00							
AVE SPECIAL SITUATIONS FD VI	58.5	0.10							
FORTRESS PTNRS LP	96.9	0.16							
LONE STAR FD VIII	84.3	0.14							
OAKTREE OPP FD IX LP	84.3	0.14							
TORCHLIGHT INVESTORS	7.5	0.01							
TOTAL FUND STRATEGIES	332.1	0.57							
10% ANNUAL RETURN									
JP MORGAN GLOBAL HIGH YIELD PLUS 3%									
ANGELO GORDON PTNRS LP	147.6	0.25	(3.98)	5.17	5.17				
APOLLO PTNRSH LP	168.2	0.29	(2.93)	7.00	7.00				
Ares Centre Street	3.4	0.01							

# Consolidated Performance Report

Through December 31, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Contrarian Partnership, L.P	45.3	0.08	(6.13)	0.49	0.49				
GOLDENTREE OD MTA	164.7	0.28	0.62	7.14	7.14	10.85			
Marathon Centre Street Partnership, L.P.	237.4	0.40	(3.41)	5.86	5.86	17.44			
OAK HILL PTNRS LP	160.7	0.27	(1.16)	6.23	6.23				
TOTAL STRATEGIC MANDATES	927.2	1.58	(2.49)	5.88	5.88	13.67			
10% Annual Return			2.41	10.00	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			(1.32)	4.72	4.72	11.25	12.06		
TOTAL OPPORTUNISTIC FIXED	1,259.3	2.14	(1.37)	9.07	9.07	13.83	12.36		
10% Annual Return			2.41	10.00	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			(1.32)	4.72	4.72	11.25	12.06		
<b>ETI</b>									
CCD - PPAR (GNMA)	5.8	0.01	3.66	15.37	15.37	11.77	10.47		
CCD - PPAR ETI MTA (FNMA)	6.3	0.01	13.23	25.71	25.71				
CFSB - PPAR (GNMA)	2.3	0.00	3.81	15.34	15.34	9.17	8.67		
CPC - PPAR (FNMA)	42.8	0.07	2.58	13.91	13.91				
BOA - PPAR ETI MTA (FNMA)	1.5	0.00	1.60	13.31	13.31				
LIIF - PPAR (GNMA)	2.9	0.00	2.03	9.74	9.74	7.99	6.64		
LIIF - PPAR ETI (FNMA)	2.5	0.00	1.28	38.12	38.12				
NCBCI - PPAR (GNMA)	1.5	0.00	4.42	16.66	16.66	12.55	10.00		
NCB - CI PPAR ETI (FNMA)	0.2	0.00	3.70	14.93	14.93				
NHS - PPAR (GNMA)	0.6	0.00	3.17	13.73	13.73	10.73	9.16		
TARGETED INVESTMENT	99.7	0.17	2.02	11.54	11.54	10.04	8.89	8.51	8.55
TOTAL TEACHERS PPAR	161.9	0.28	2.70	12.77	12.77	10.40	9.12	8.66	
GNMA Plus 65bps			1.78	6.65	6.65	2.61	4.73	5.48	6.25
FNMA Plus 85bps			2.16	7.13	7.13	3.34	4.62	5.68	6.49
ACCESS/RBC	110.8	0.19	2.01	6.95	6.95	3.02	4.34		
Access RBC Benchmark			1.57	5.08	5.08	1.95	3.52		

# Consolidated Performance Report



STATE STREET.

Through December 31, 2014

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
AFL - CIO HOUSING INV TRUST	216.4	0.37	1.94	6.33	6.33	2.67	4.39	4.74	
Barclays Aggregate			1.79	5.97	5.97	2.66	4.45	4.71	5.70
CPC CONST FACILITY	5.8	0.01	0.68						
CPC CONST BENCHMARK			0.71						
TOTAL ETI (W/O CASH)	494.9	0.84	2.18	8.32	8.32	5.00	5.67	5.77	6.45
Teachers Custom Benchmark			1.76	5.99	5.99	2.58	4.29	4.77	5.76
Teachers' Short Term	2,429.4	4.13	0.14	0.32	0.32	0.32	0.39	2.10	
TOTAL FIXED INCOME	20,713.2	35.24	0.90	6.01	6.01	5.13	6.29	5.74	6.44
C/D - Fail Float Earnings	2.0	0.00							
Securities Lending	7.9	0.01							
<b>TOTAL TEACHERS'</b>	<b>58,770.6</b>	<b>100.00</b>	<b>2.11</b>	<b>7.75</b>	<b>7.75</b>	<b>12.20</b>	<b>10.38</b>	<b>6.74</b>	<b>5.27</b>
TEACHERS POLICY BENCHMARK			2.02	8.50	8.50	12.38	10.60	6.72	5.18



NEW YORK CITY TEACHERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>US Equities</b>		<b>23,688</b>	<b>3.30</b>	<b>22,074</b>	<b>4.04</b>
Small Cap Active		293	89.80	282	100.00
	Small Cap Growth	293	89.80	282	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	-	-	-	-
Russell 1000 Active		459	29.85	472	38.63
	Russell 1000 Growth	226	31.19	233	41.76
	Russell 1000Core	234	28.56	239	35.56
	Russell 1000 Fundamental Index	-	-	-	-
Active Emerging Managers (U.S. Equities)		373	64.27	349	79.26
Total US Active Equities		1,125	56.87	1,103	67.18
Total US Passive Equities		22,487	0.48	20,901	0.56
Opportunistic / Environmental US E. Strategies		76	43.28	70	45.53
<b>International Equities</b>		<b>10,340</b>	<b>27.55</b>	<b>10,317</b>	<b>33.54</b>
Active EAFE Equities		4,908	28.36	4,622	30.58
	Growth	2,370	26.68	2,232	28.55
	Value	1,981	25.58	1,875	27.53
	Core	-	-	-	-
	Small Cap	556	45.49	515	49.76
Environmental-Non US E. Strategies		-	-	-	-
Active Emerging Markets		3,628	37.13	3,736	52.13
Total Int'l Active Equities		8,537	32.09	8,358	40.21
Total Int'l Passive Equities		1,803	6.05	1,959	5.05
<b>REITS Passive Index</b>		<b>2,004</b>	<b>31.69</b>	<b>1,953</b>	<b>28.55</b>





NEW YORK CITY TEACHERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND					
ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (FIXED INCOME)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>Fixed Income</b>		<b>18,254</b>	<b>17.65</b>	<b>16,595</b>	<b>21.74</b>
Structured Program		9,411	6.81	7,725	8.34
	Government Sector	1,106	5.13	679	6.04
	Mortgage Sector	3,950	5.64	2,693	6.87
	Investment Grade Credit Sector	4,355	8.29	4,353	9.60
Global Fixed Income		-	-	-	-
Progress Fixed Emerging Managers		113	31.83	113	37.50
TIPS		1,416	6.46	603	2.96
	Active TIPS	1,061	8.45	255	6.32
	Passive TIPS	355	0.49	348	0.50
Opportunistic Fixed Income		1,162	70.87	1,098	77.37
Enhanced Yield		2,693	26.84	2,634	36.74
Bank Loans		1,487	30.46	1,487	37.55
Convertible Bonds		908	37.78	897	45.71
ETI - Access - RBC		106	18.76	109	22.92
ETI - AFL-CIO HIT		213	42.82	213	44.00
Other ETI Programs		136	-	155	-
In-House Short Term		610	-	1,561	-
<b>Total Public Markets</b>		<b>54,287</b>	<b>13.79</b>	<b>50,939</b>	<b>16.72</b>
<b>INVESTMENT STYLE (PRIVATE)</b>					
Hedge Funds		-	-	-	-
Private Equities *		2,438	133.94	2,413	192.49
Real Assets*		1,259	111.01	1,363	111.06
	Private Real Estate*	1,221	102.19	1,310	105.14
	Infrastructure*	37	399.84	53	258.76
<b>Total Private Markets</b>		<b>3,697</b>	<b>126.14</b>	<b>3,776</b>	<b>163.10</b>
<b>Total Overall</b>		<b>57,984</b>	<b>20.95</b>	<b>54,715</b>	<b>26.82</b>
* Private Equity & Real Assets Investments exclude GP CARRY & Incentive Fees					



**TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK  
SECURITIES LENDING INCOME  
December 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	2,195,000	9,191,000	6,079,000
Since Inception	<u>\$133,564,000</u>	<u>\$195,962,000</u>	<u>\$63,062,000</u>

\*Inception 4/89



Through December 31, 2014

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- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
- Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
- Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
- Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
- Effective 7/1/09, 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 9 & 10 - Portfolio Asset Allocation

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

#### Pages 11 - 13 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 \* Target Weight) plus (Return Of Asset Class 2 \* Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights. Allocation is the Contribution to Performance resulting from an overweight or underweight to an asset class. E.g. an underweight to an Asset Class that under-performs results in a positive Allocation Effect and vice versa.
- **Selection Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions, e.g., *If the manager's Actual Returns are higher than the Implied Return there will be a positive Selection Effect.*

- **Policy Index = Custom Benchmark**

*The "policy index" is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, or for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.*

*The indexes and most recent policy weights are as follows:*

*U.S. Equity: Russell 3000 \* 34.75%*

*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 \* 4.58%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 2.39%*

*Infrastructure: CPI + 4% \* 0.09%*

*Domestic Fixed Income: NYC Core +5 \* 19.76%*

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

*Enhanced Yield: Citigroup BB&B \* 5.28%*

*Bank Loans: Credit Suisse Leveraged Loan \* 2.53%*

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

*Opportunistic Fixed: 10% Annualized Return \* 2.12%*

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

### **Page 14 – Allocation and Selection Effects - Asset Class Breakdown**

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

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

## Glossary of Terms

Through December 31, 2014



STATE STREET.

- PPAR: Citigroup GNMA + 65 bps per annum
- Access/RBC: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index