









Common Investment Meeting (BERS)

Schedule	Wednesday, March 21, 2018, 09:00 AM — 03:00 PM EDT
Venue	Office of the New York City Comptroller, 1 Centre Street, 10th Floor (Room 1005) - Northside, New York, NY 10007
Organizer	Kim Boston

Agenda

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9:00 AM	Welcome and Opening	
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PUBLIC SESSION

Quarterly Performance Overview:

MARKET RETURNS

Market Returns: Q4-2017

Asset Class	Index	Fourth Quarter 2017	Fiscal Year to Date	3 Year	5 Year	Expected*
Equities - U.S.	Russell 3000	6.3%	11.2%	11.1%	15.6%	7.8%
Equities - Developed Intl	MSCI World Ex-US	4.7%	10.4%	5.1%	4.1%	
Equities - Emerging Intl	MSCI EMF	7.4%	15.9%	9.1%	4.4%	11.0%
Debt - US Govt Long Duration	Citigroup Treasury 10+	2.4%	3.0%	2.8%	3.6%	
Debt - US Government	NYC Treas/Agency +5	0.7%	1.2%	2.2%	2.1%	2.8%
Debt - Investment Grade	NYC IG Credit	1.0%	2.3%	3.8%	3.2%	3.4%
Debt - High Yield	Citigroup BB & B	0.5%	2.5%	5.3%	5.8%	6.1%

*Average of consultant long-term arithmetic expected returns, as of 2016

Source: State Street



Market Returns: Q4-2017

The drivers of strong market returns include:

- 1) Strong equity earnings growth
- 2) Continuation of low inflation, global quantitative easing and low yields
- 3) Tax Cuts and Jobs Act (TCJA) – corporate tax reduction from 35% to 21%

Source: State Street



PERFORMANCE REPORTING

Fourth Quarter 2017

Total NYC Pension Fund Net Performance as of 12/31/2017

(SSB **N**, p.27; **T**, **F** p.28; **P** p.29; **B** p.31)

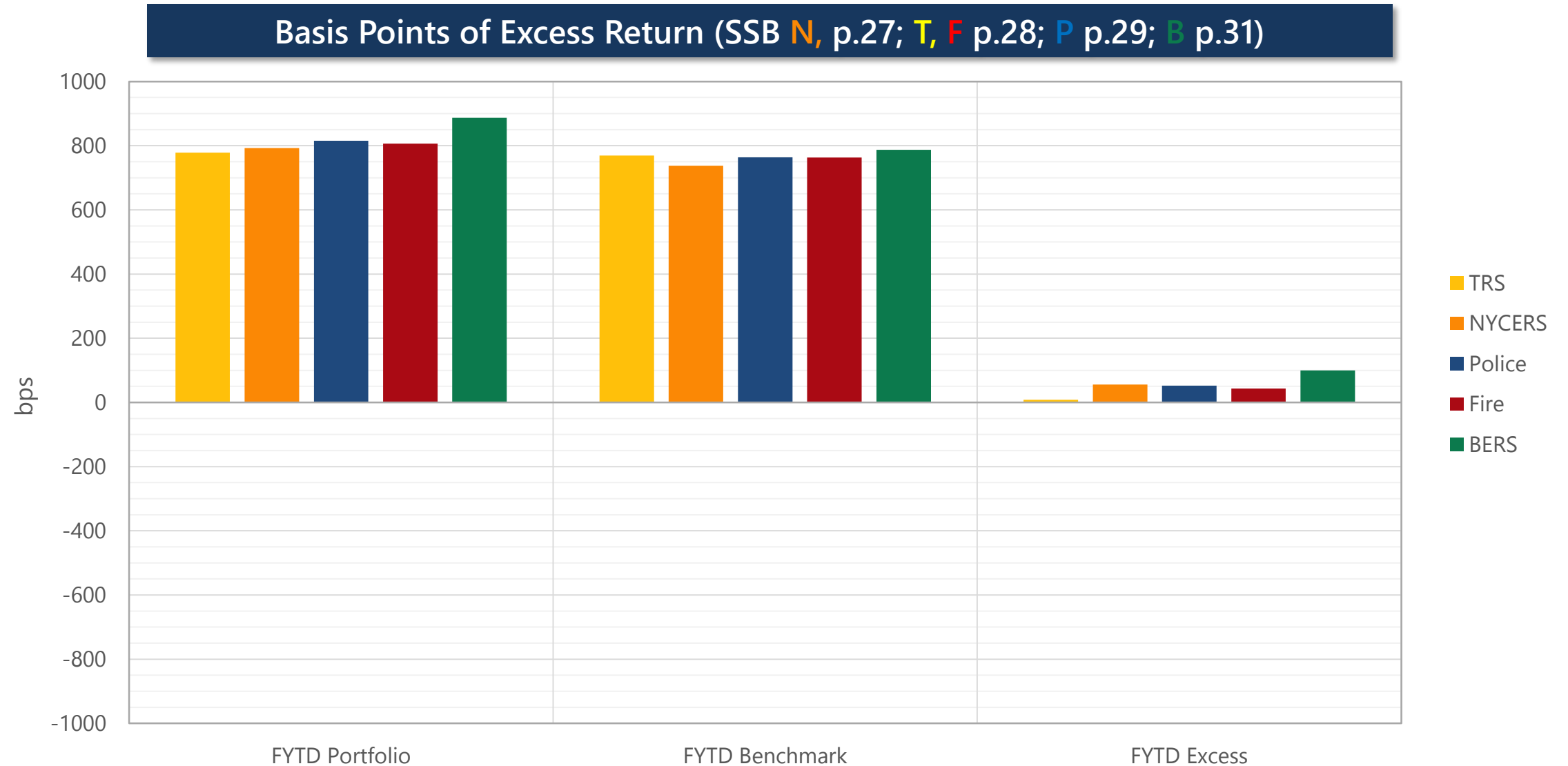
NYC Pension System	Portfolio Std Dev - 1 yr.	Fiscal YTD	One Year Trailing	Three Year Trailing
BERS	2.05%	8.9%	18.8%	8.9%
TRS	1.83%	7.8%	16.5%	7.9%
NYCERS	1.64%	7.9%	16.3%	8.2%
POLICE	1.62%	8.2%	16.6%	8.3%
FIRE	1.58%	8.1%	16.6%	8.1%
Public Mkt Equiv 35 (43/22/35 index)		7.4%	15.5%	7.4%
Median Fund - TUCS		7.5%	16.0%	8.0%

Net of fees in public asset classes are recorded on an accrual basis.
Private markets data is reported on a lagged basis with fees recorded on a cash basis.

Source: State Street

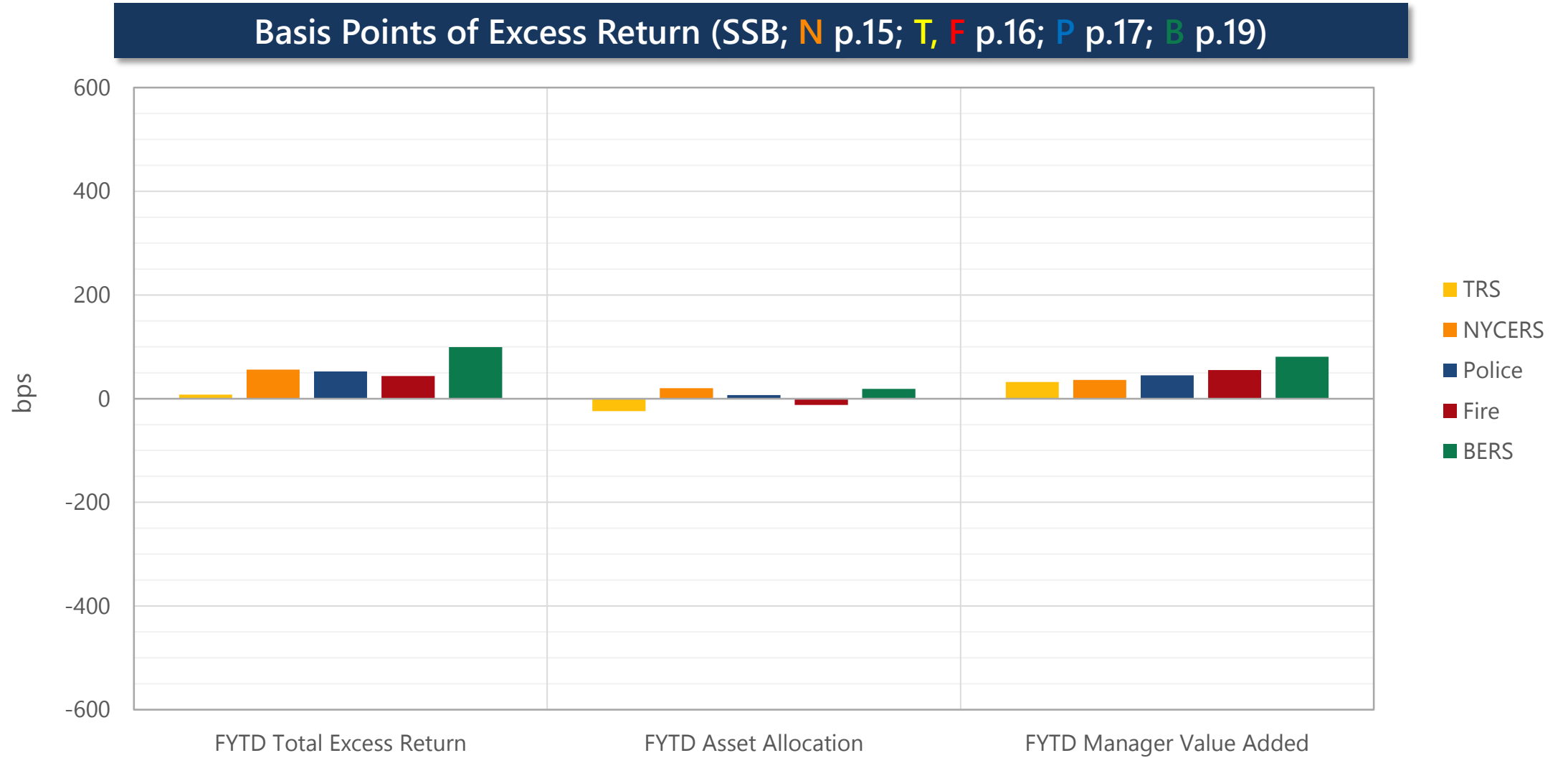


Fiscal Year to Date Return as of 12/31/2017 – Total Portfolio



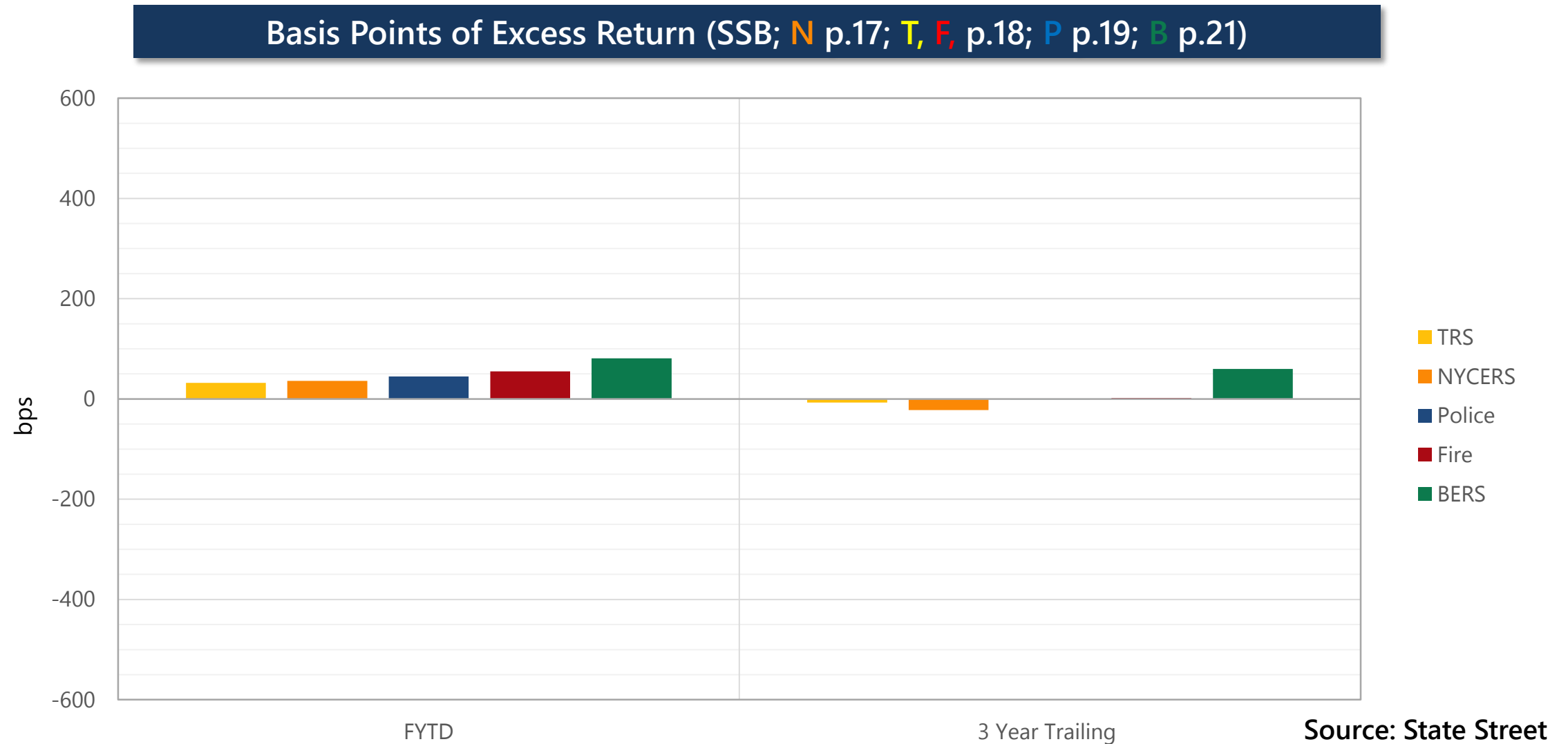
Source: State Street

Fiscal Year to Date as of 12/31/2017 Excess Return – Total Portfolio



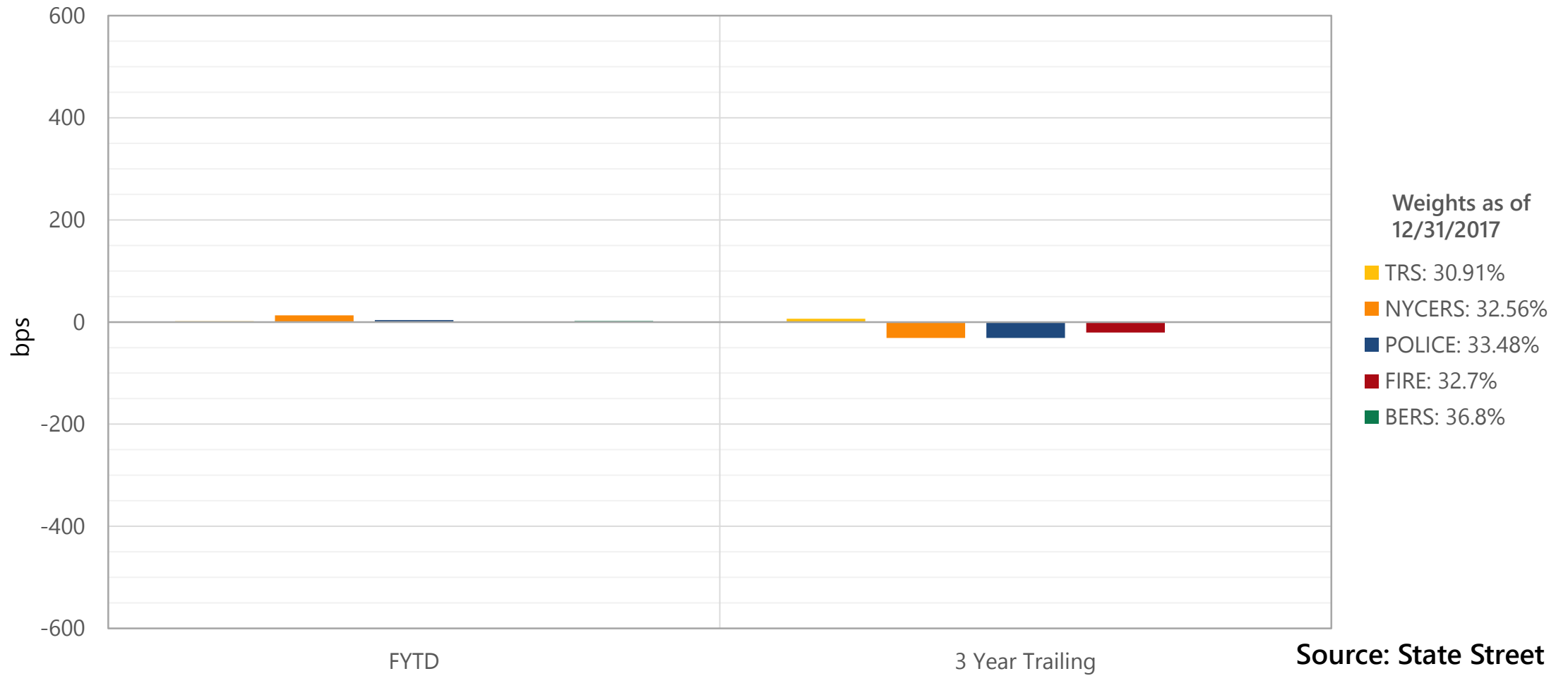
Source: State Street

Fiscal Year to Date as of 12/31/2017 Manager Value Added - Total Portfolio



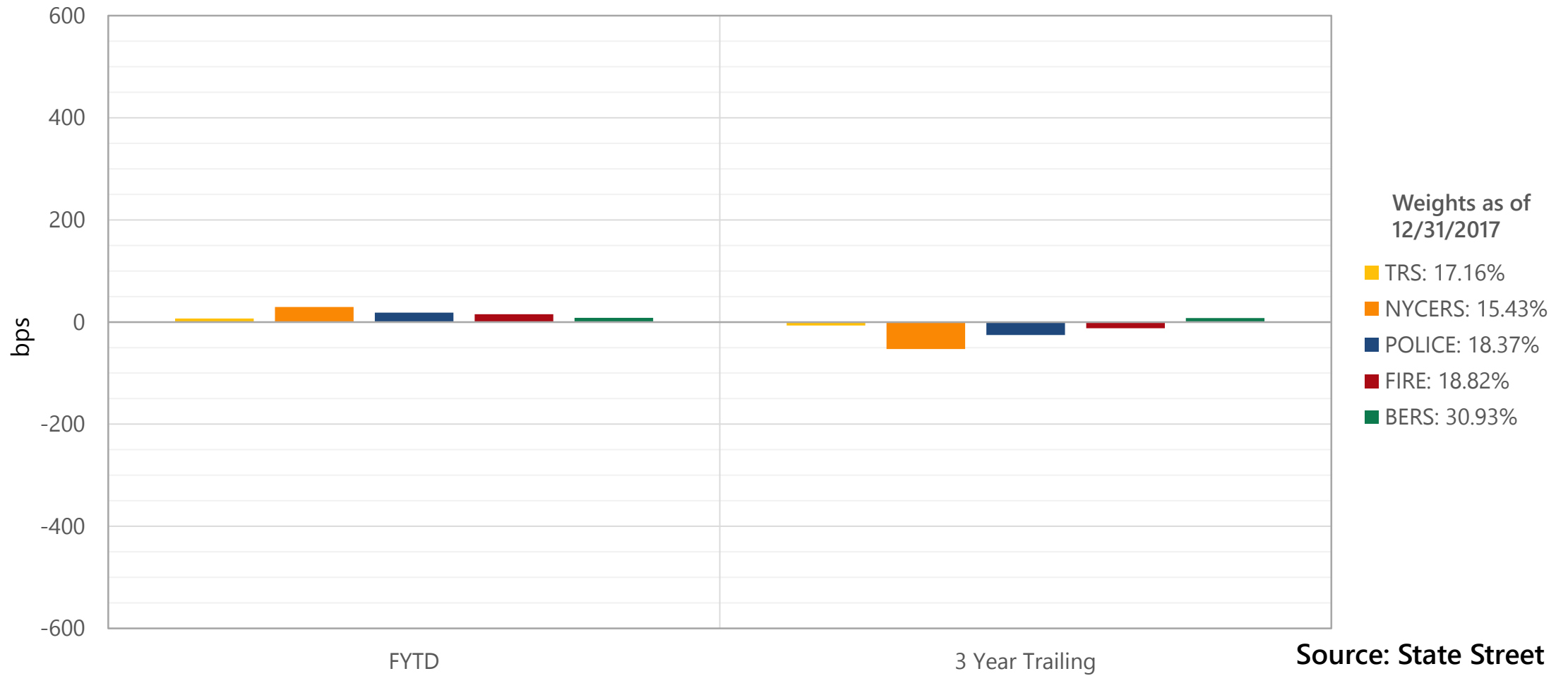
Value Added – Total U.S. Equities

Basis Points of Excess Return (SSB **N**, p.27; **T**, **F** p.28; **P** p.29; **B** p.31)



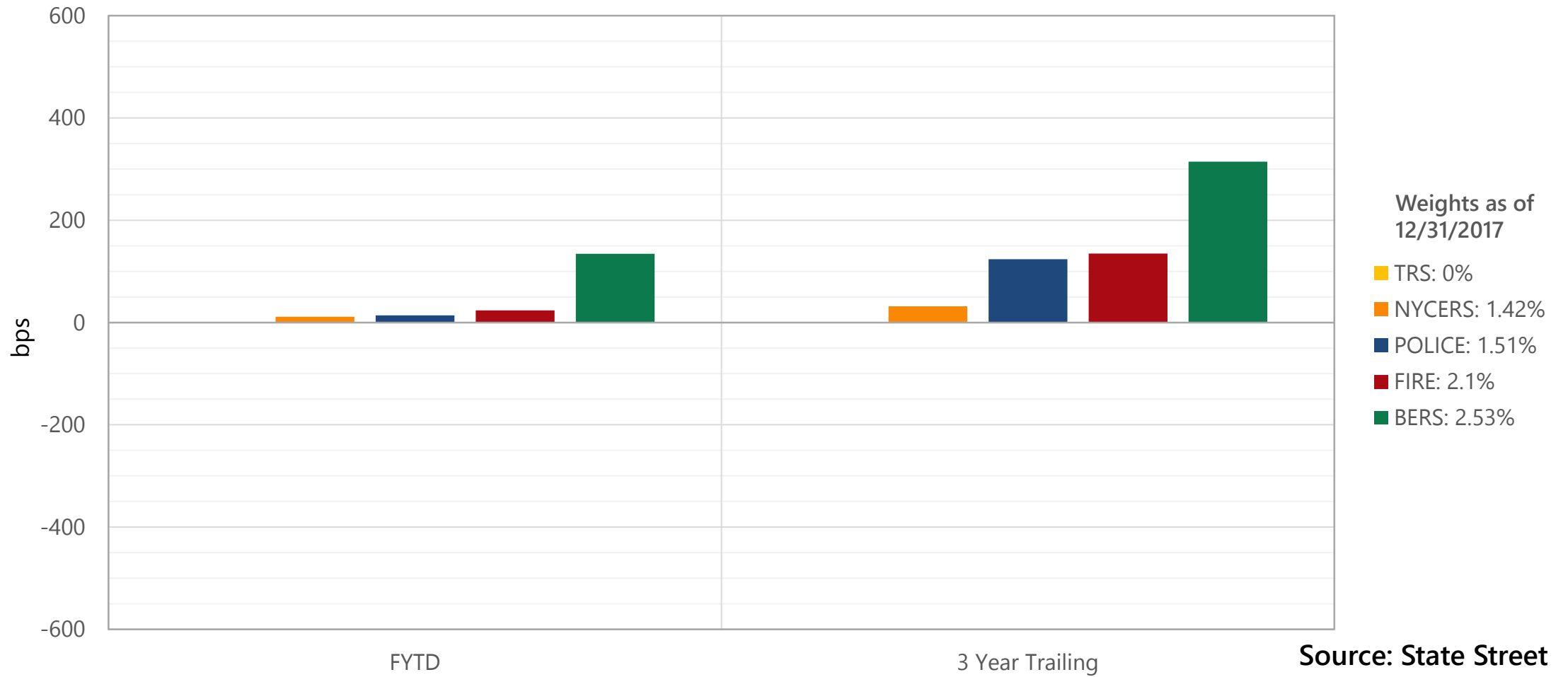
Value Added – Total Large Cap Russell 1000

Basis Points of Excess Return (SSB **N**, p.27; **T**, **F** p.28; **P** p.29; **B** p.31)



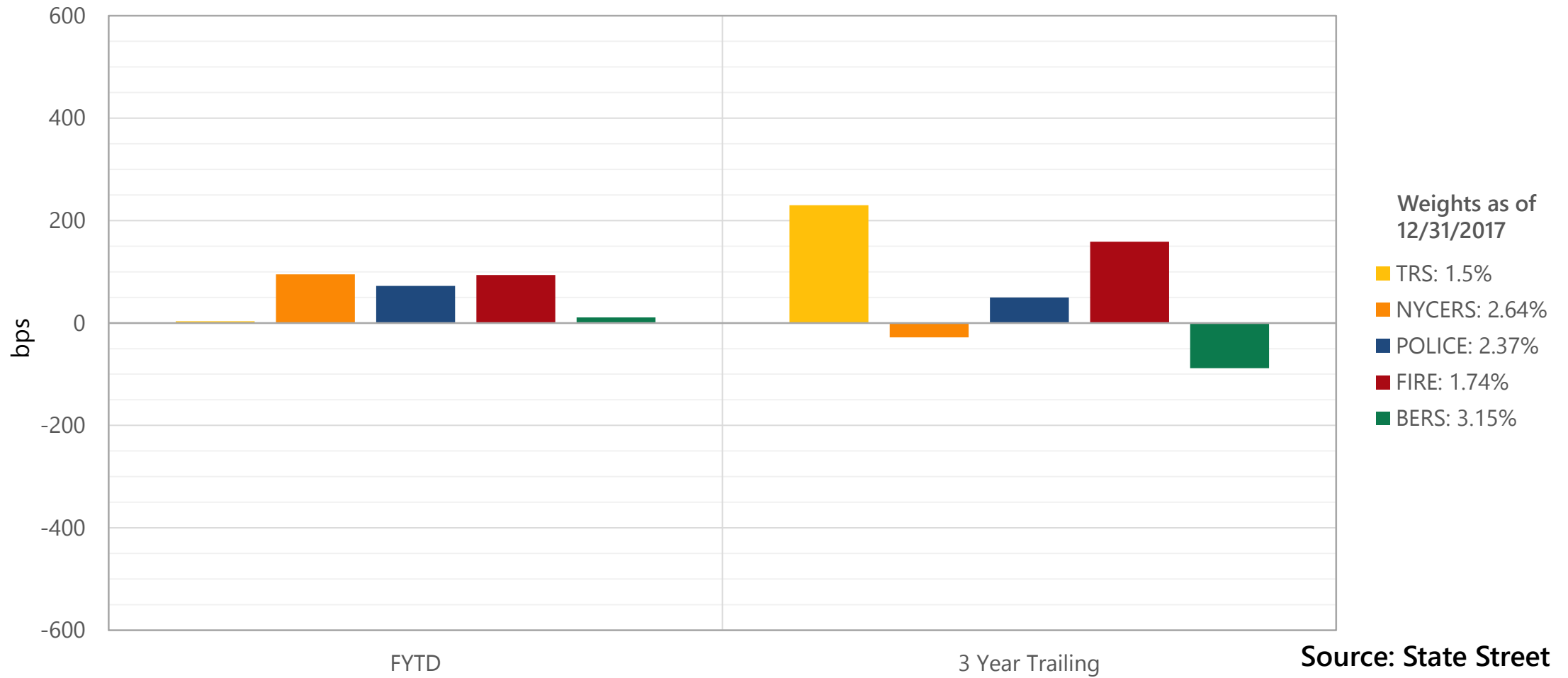
Value Added – Total Mid-Cap

Basis Points of Excess Return (SSB **N**, p.27; **T**, **F** p.28; **P** p.29; **B** p.31)



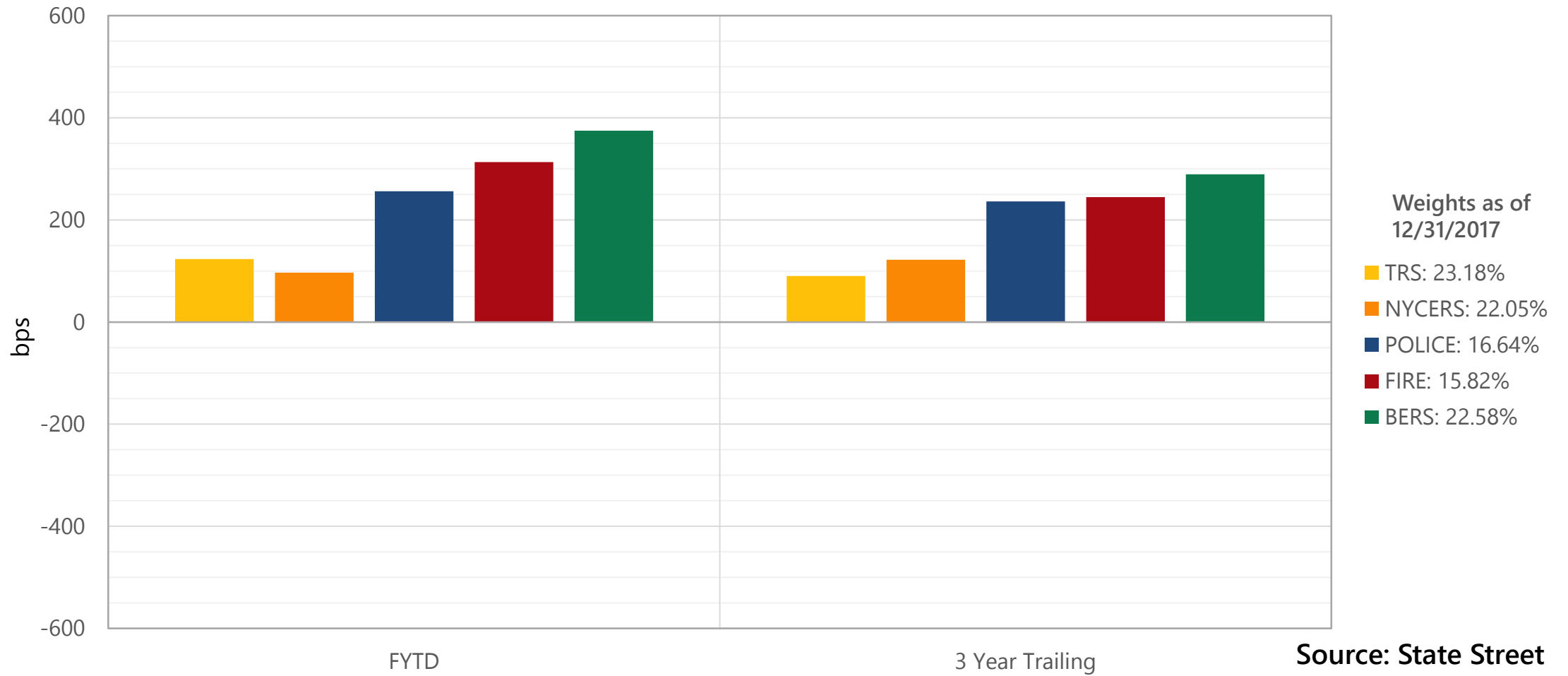
Value Added – Total Small Cap

Basis Points of Excess Return (SSB **N**, p.27; **T**, **F** p.28; **P** p.29; **B** p.31)



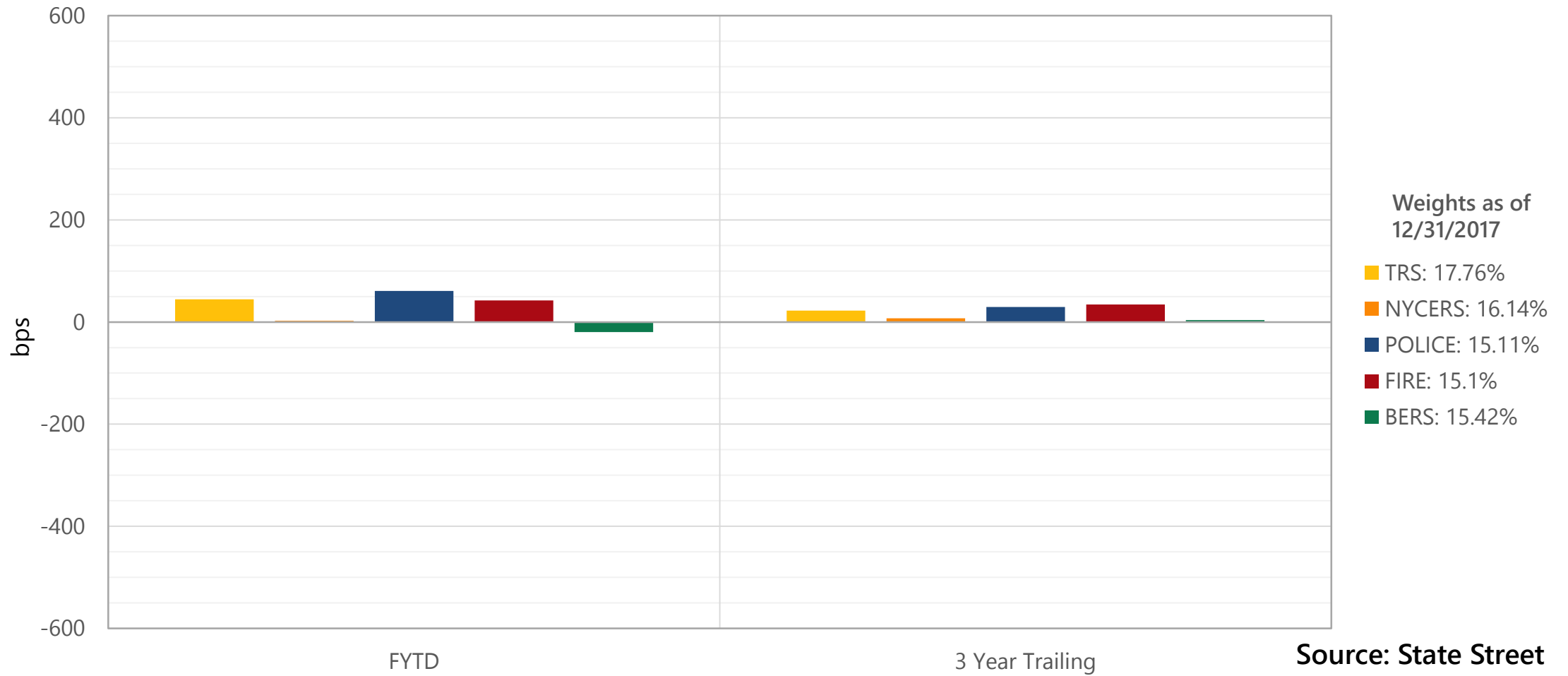
Value Added – Total International Equities

Basis Points of Excess Return (SSB; **N** p.29; **T, F** p.30; **P** p.31; **B** p.33)



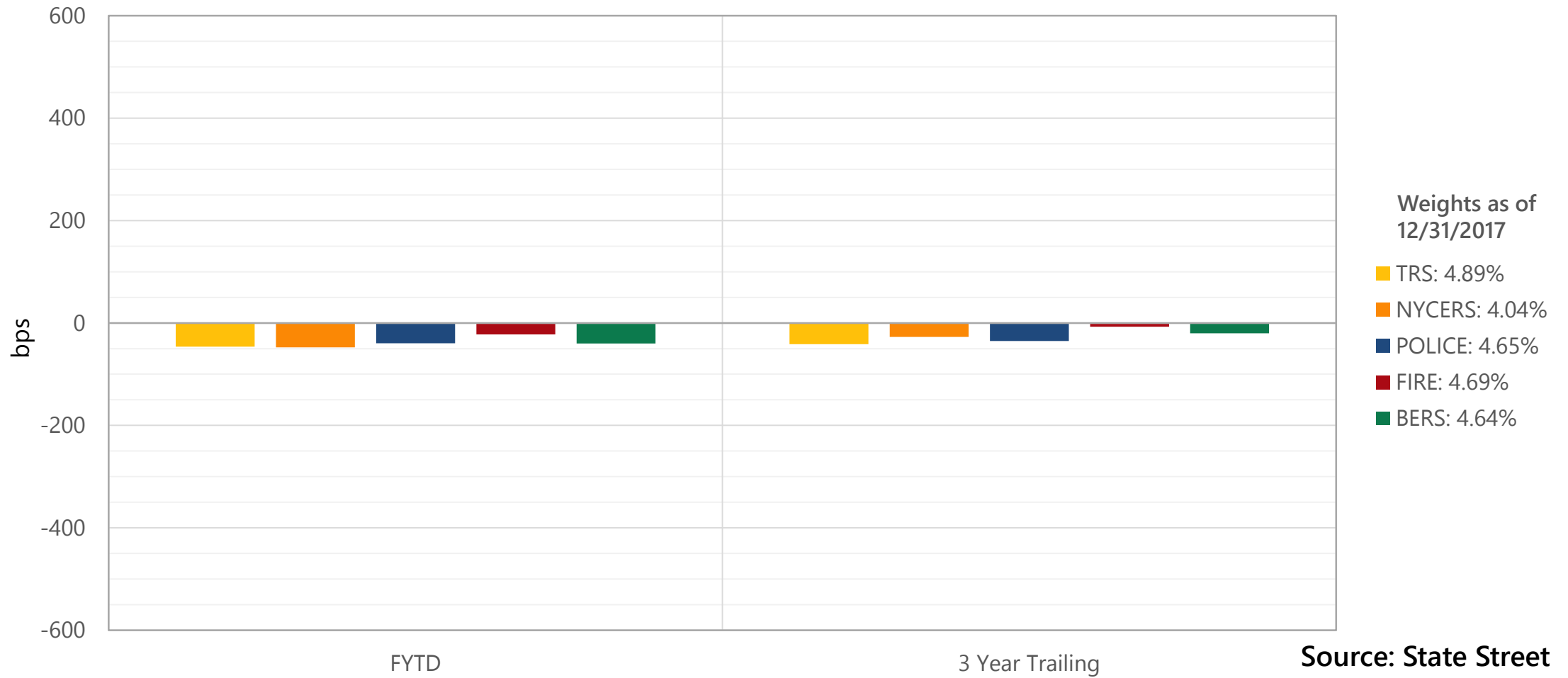
Value Added – Total Structured Fixed Income

Basis Points of Excess Return (SSB **F** p.30; **N, T** p.33; **P, B** p.35)



Value Added – High Yield

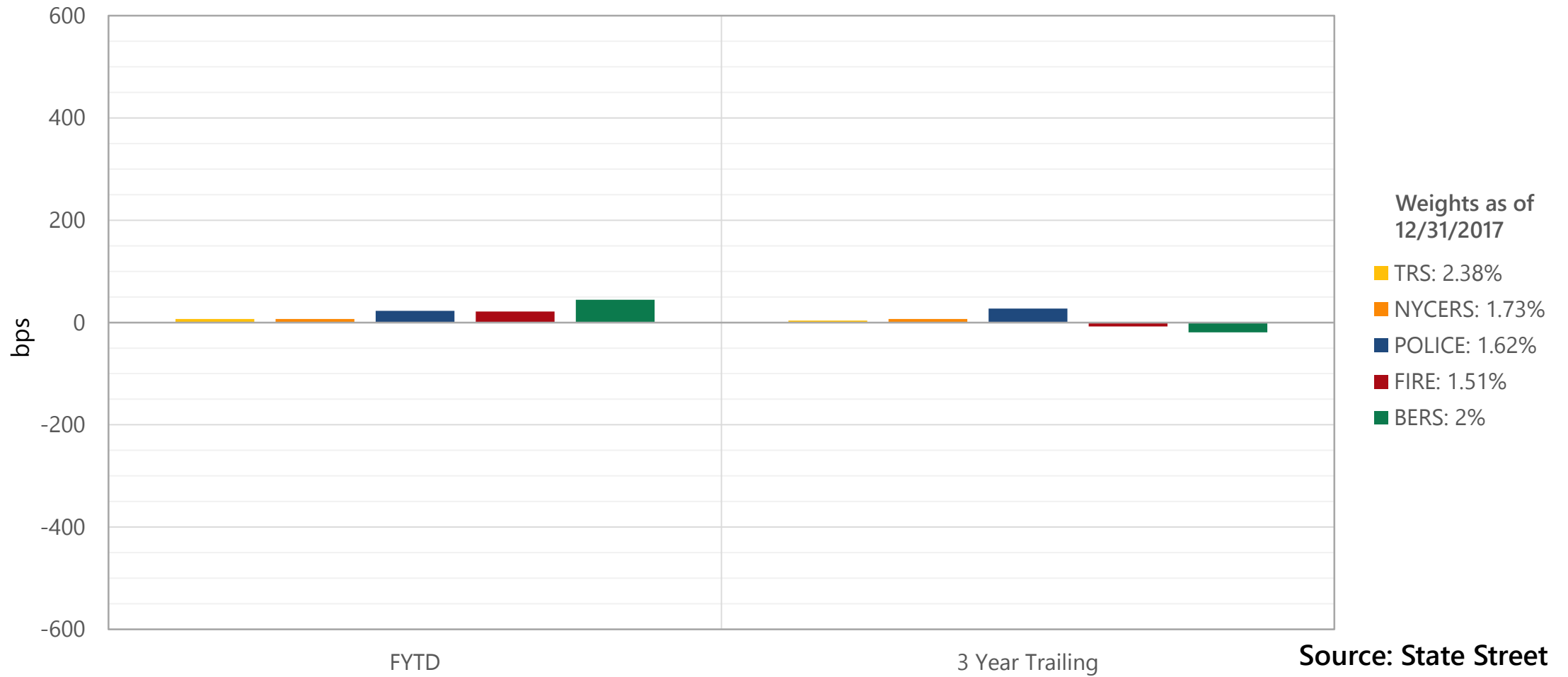
Basis Points of Excess Return (SSB **F** p.30; **N, T** p.33; **P, B** p.35)



Source: State Street

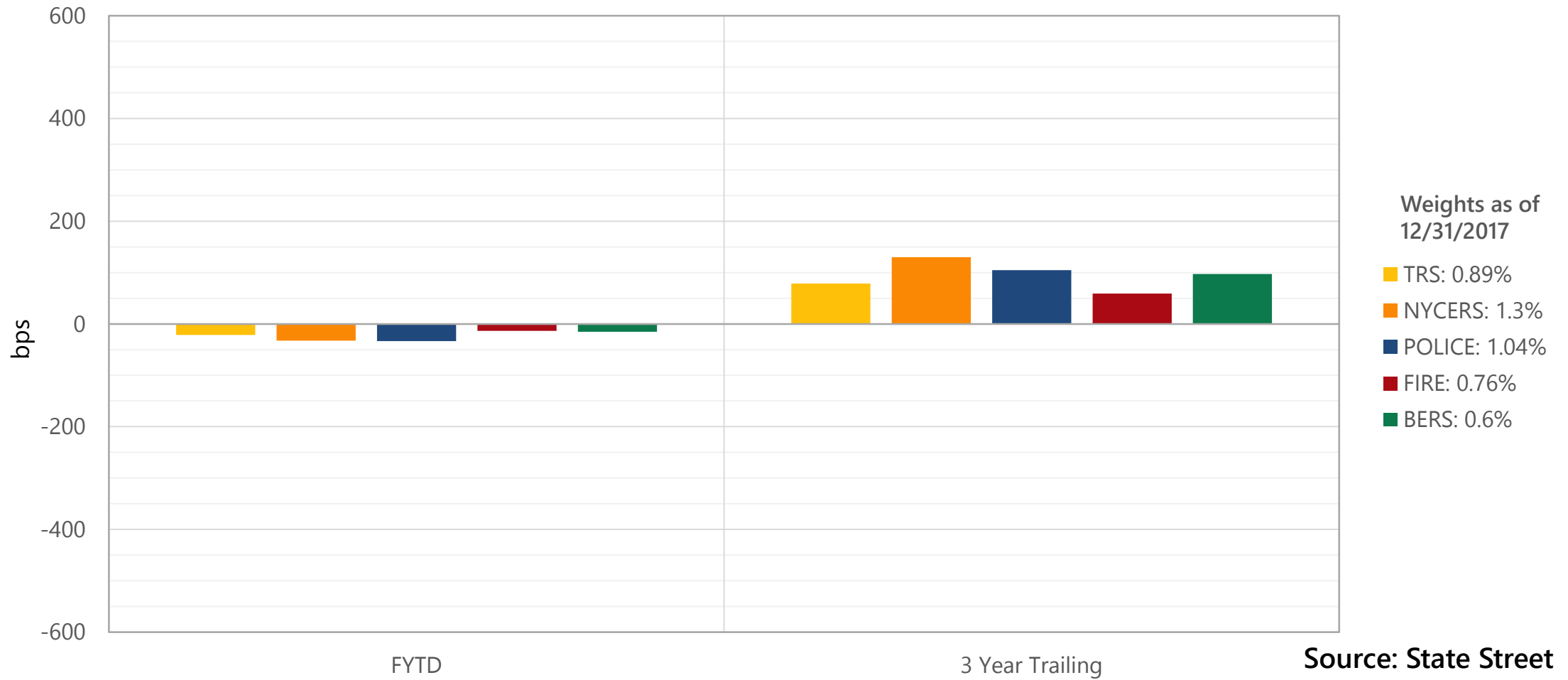
Value Added – Bank Loans

Basis Points of Excess Return (SSB **F** p.31; **N, T** p.33; **B** p.35; **P** p.36)



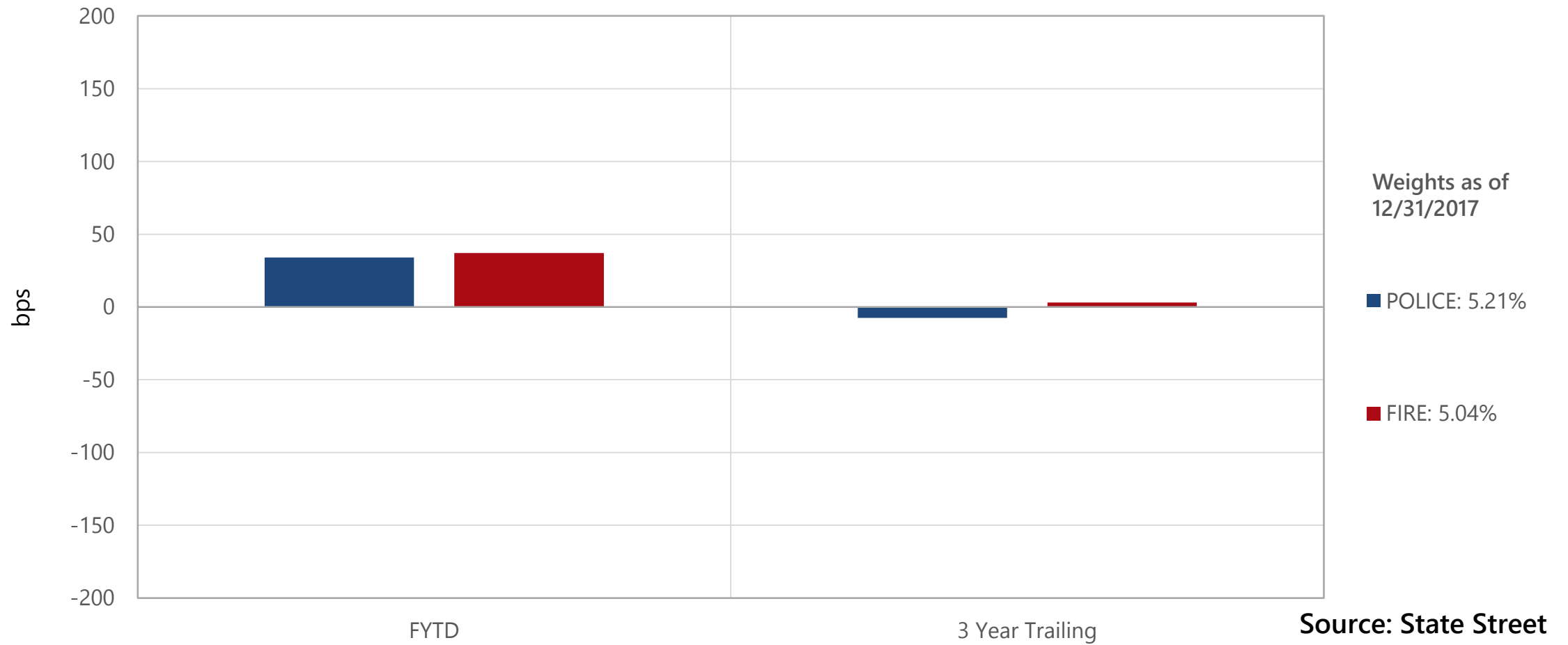
Value Added – Economically Targeted Investments

Basis Points of Excess Return



Value Added - Hedge Funds

Basis Points of Excess Return (SSB **F** p.57; **P** p.60)

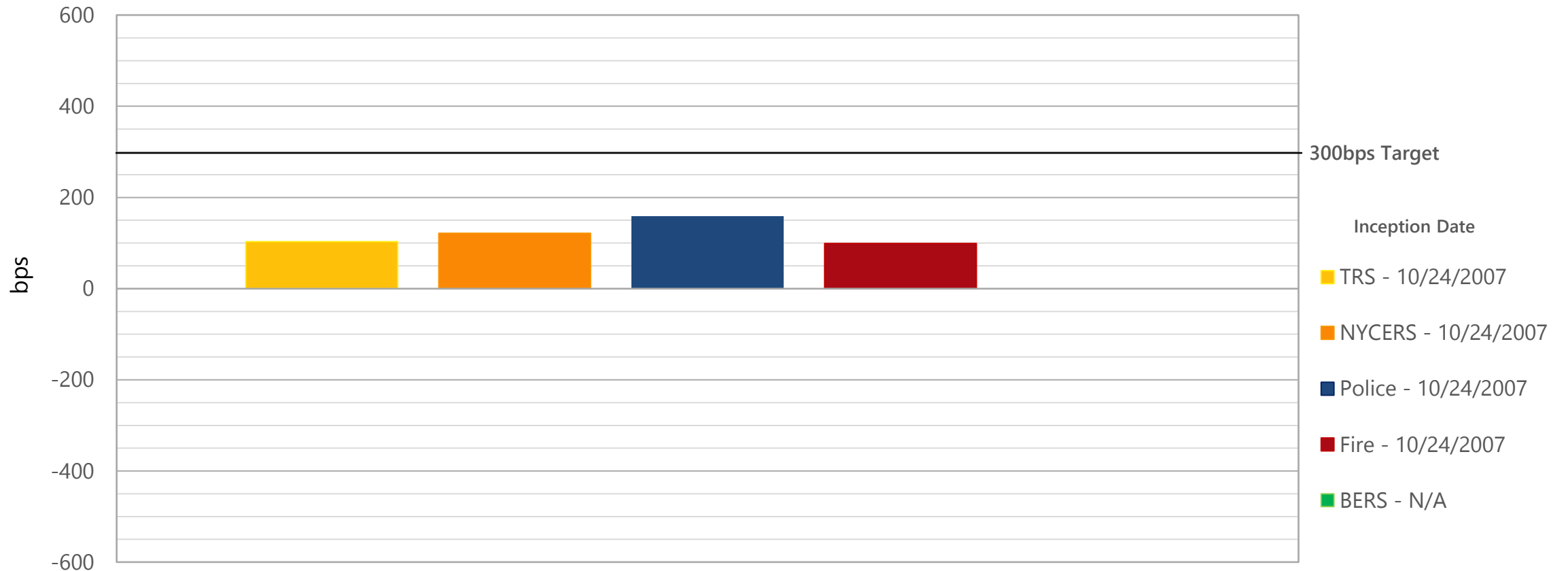


PRIVATE MARKET DATA



Value Added - Opportunistic Fixed Income (OFI)

Basis Points of Cumulative IRR above Public Market Equivalent



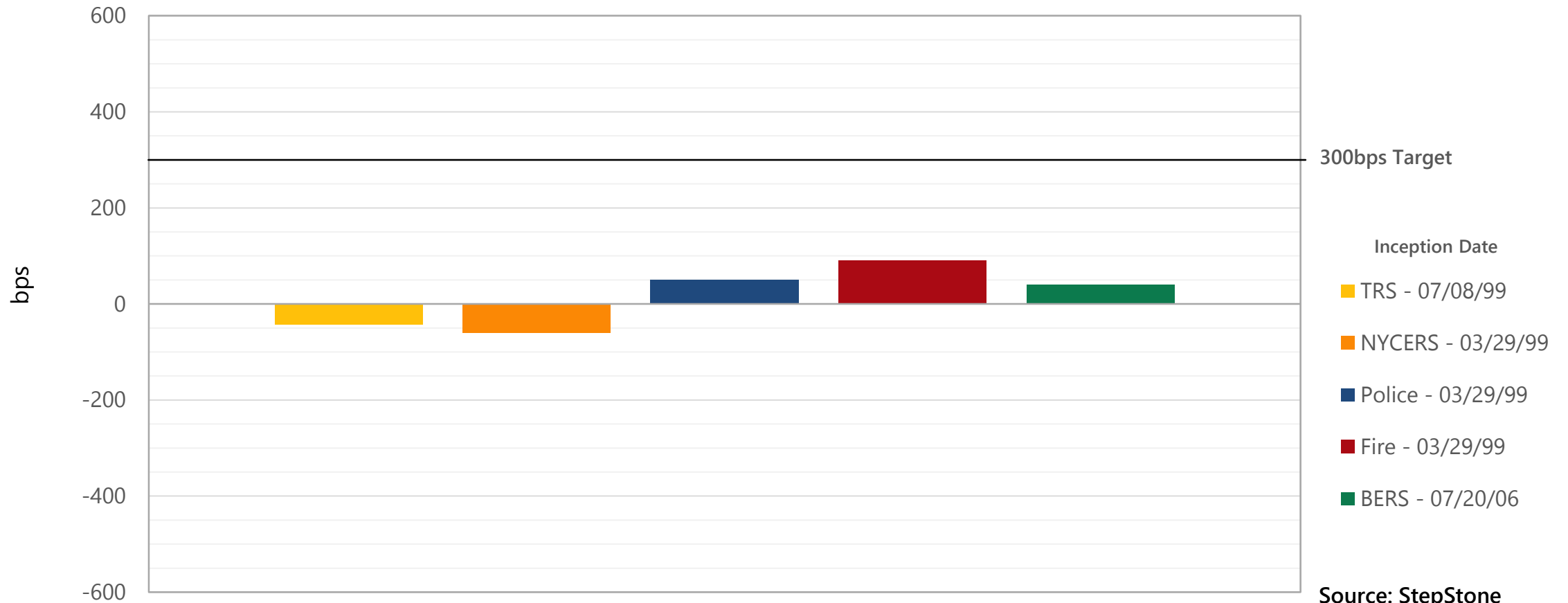
Excess Return Since Inception; PME Benchmark: 50% JP Morgan Global High Yield 50% CS Leveraged Loans as of 12/31/17

Source: State Street

The PME Spread is the difference between the IRR and the PME Benchmark.

Value Added - Private Equity

Basis Points of Cumulative IRR above Public Market Equivalent

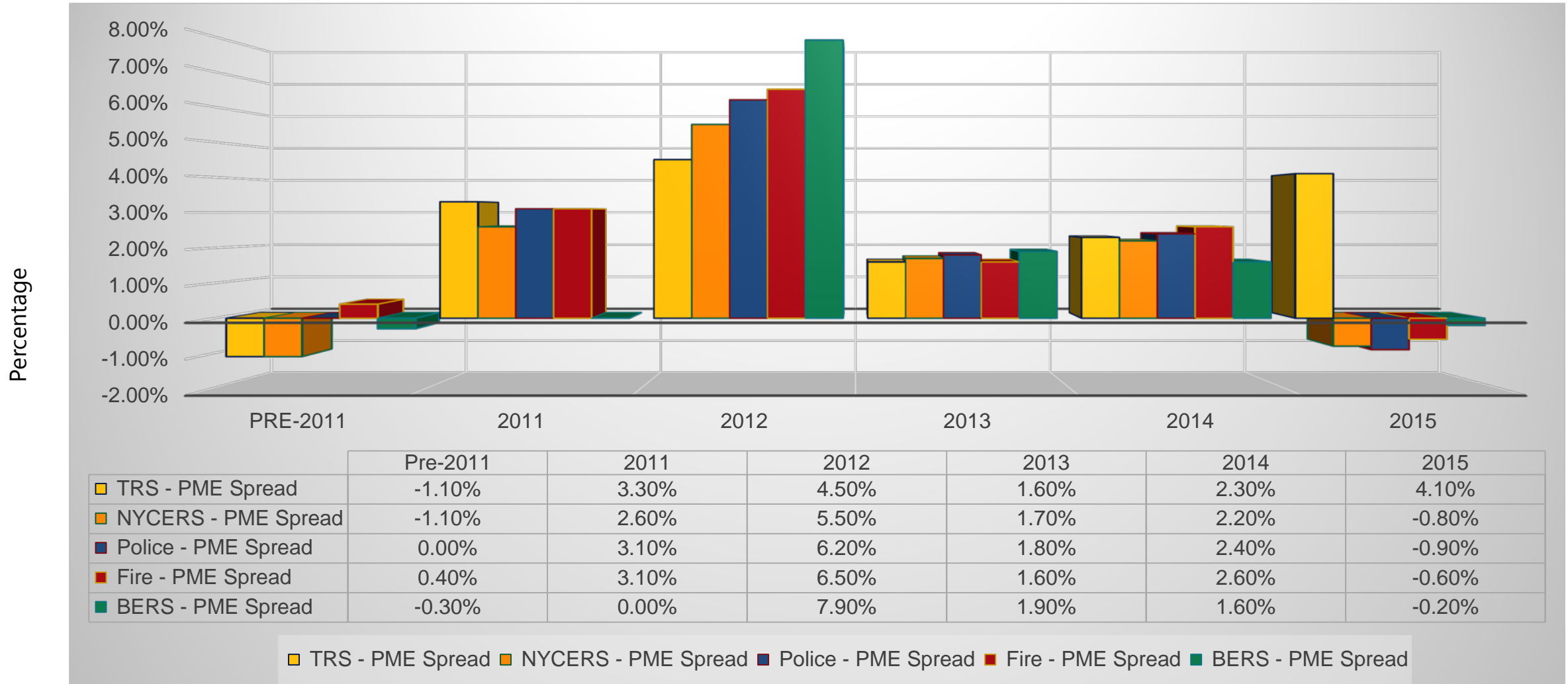


Excess Return Since Inception; The PE Benchmark is the Russell 3000 + 300 bps as of 9/30/17

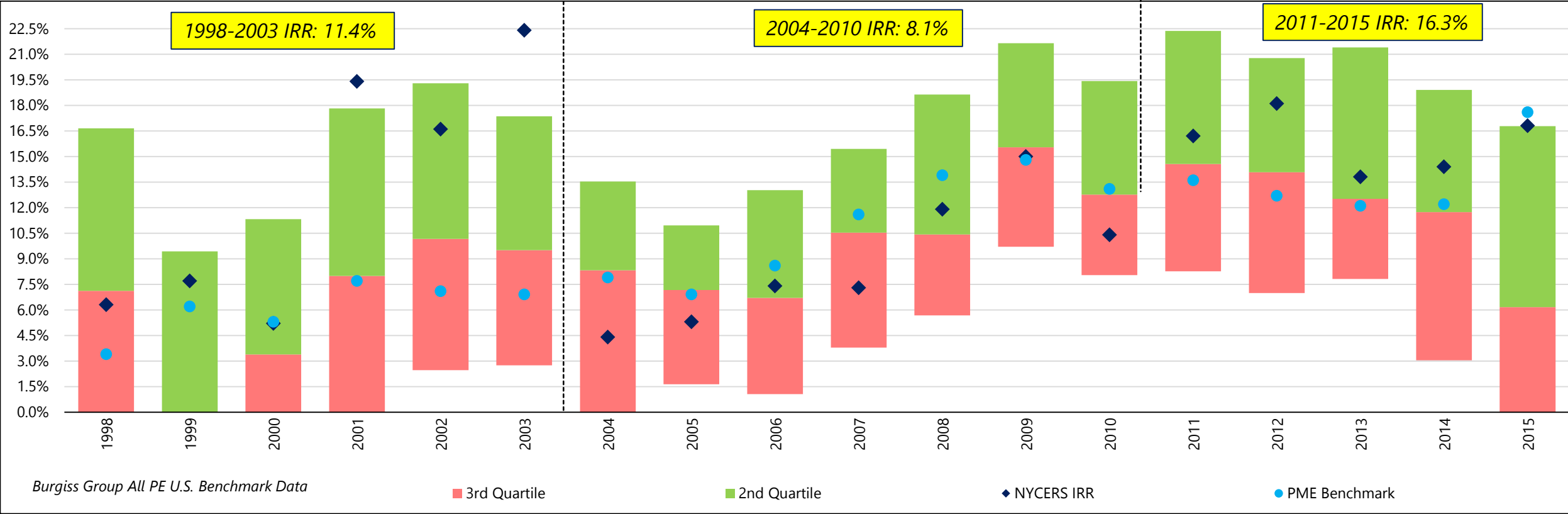
Source: StepStone Group & Hamilton Lane

The PME Spread is the difference between the IRR and the PME Benchmark.

Private Equity Value Added – PME Spread By Vintage Year as of 9/30/17



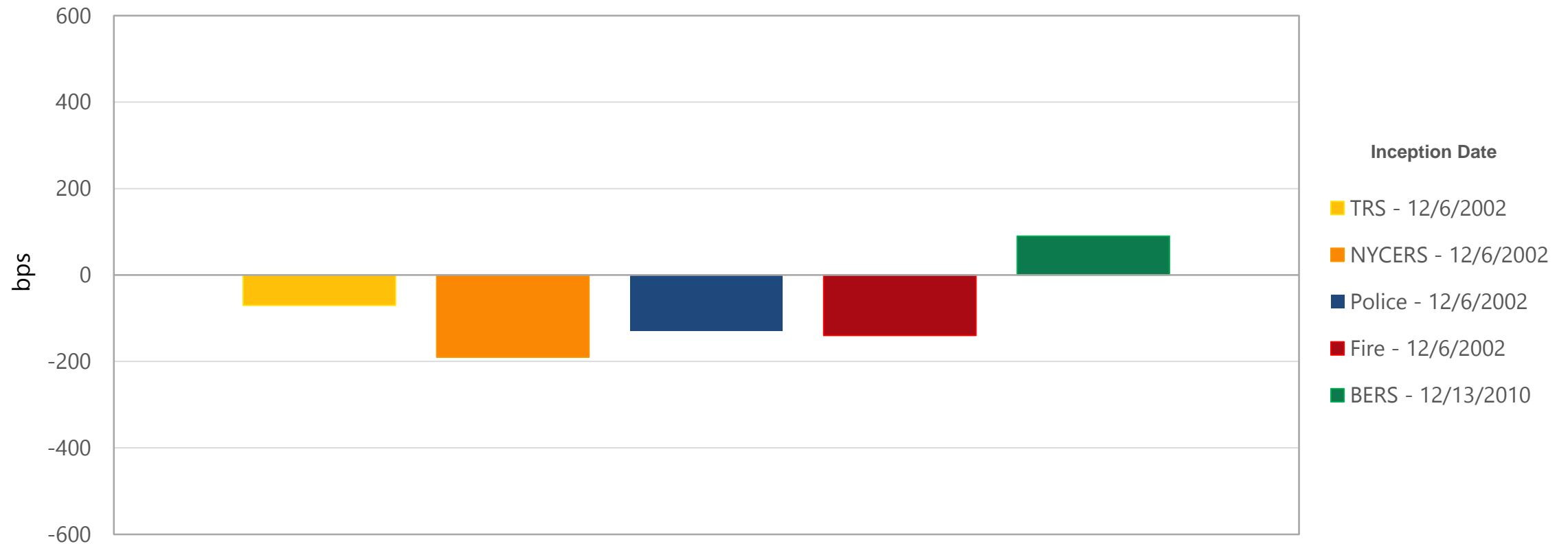
NYCERS Vintage Year Analysis



Vintage Year commitments, by Region

Value Added - Private Real Estate - Core

Basis Points of Cumulative IRR above Public Market Equivalent



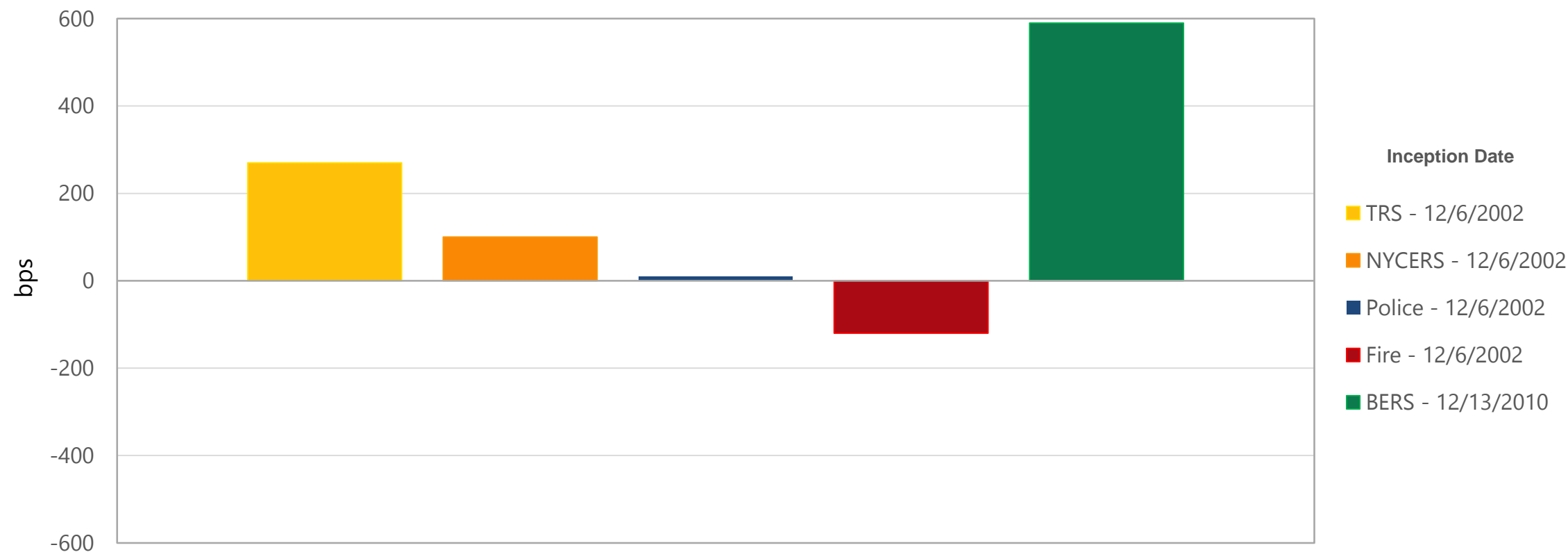
Excess Return Since Inception; Core = 40% Equities- Russell 3000 /60% Barclay Agg. as of 09/30/17

Source: State Street

The PME Spread is the difference between the IRR and the PME Benchmark.

Value Added - Private Real Estate – Non-Core

Basis Points of Cumulative IRR above Public Market Equivalent



Excess Return Since Inception; Non-core = 60% Equities- Russell 3000/40% BarcAgg as of 09/30/17

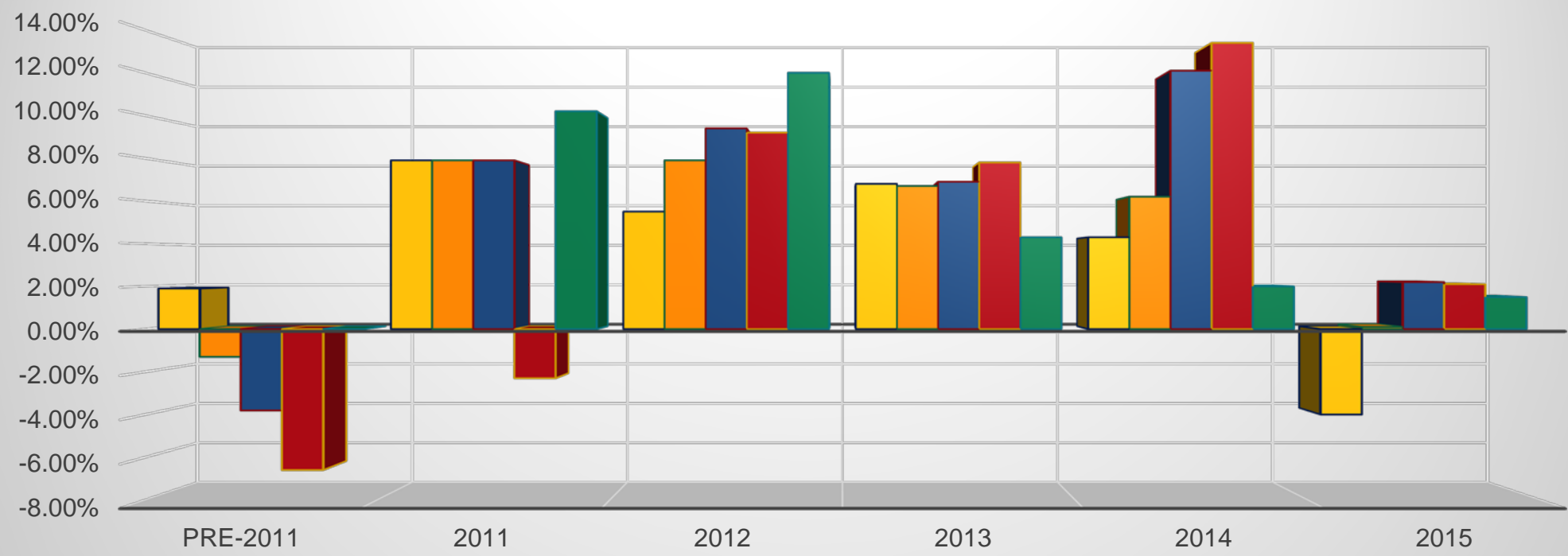
Source: State Street

The PME Spread is the difference between the IRR and the PME Benchmark.



Private Real Estate (Non-Core) Value Added - PME Spread By Vintage Year as of 9/30/17

Percentage



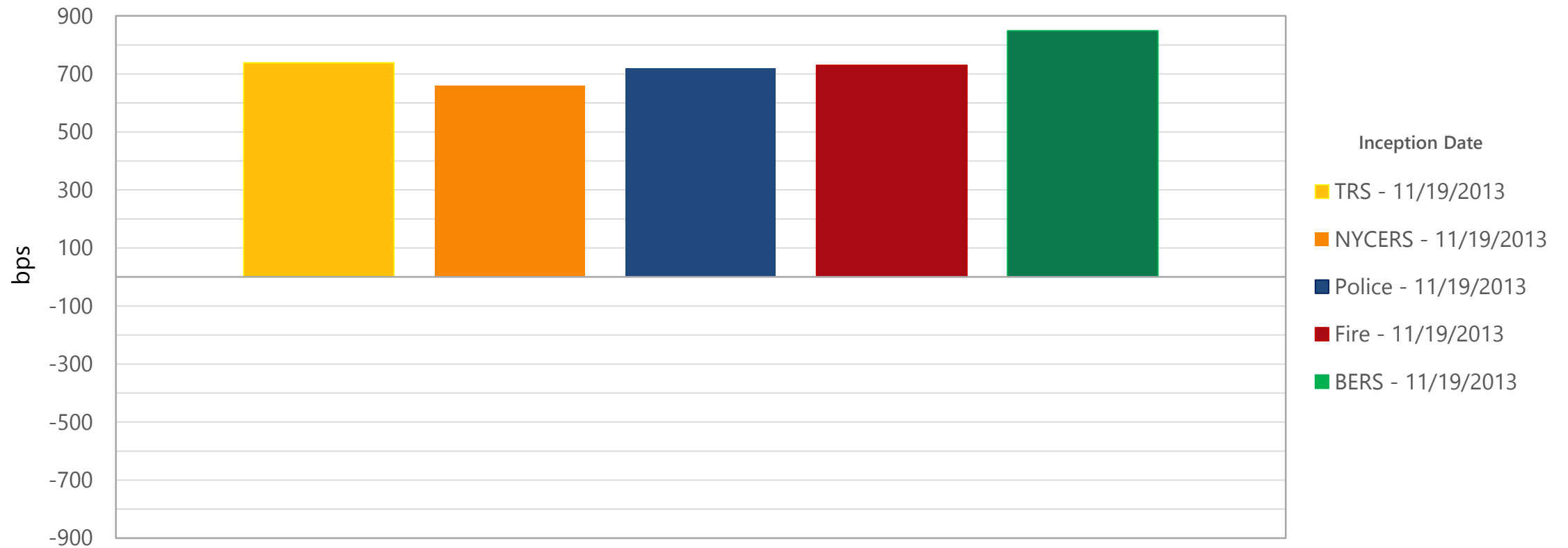
	Pre-2011	2011	2012	2013	2014	2015
■ TRS - PME Spread	1.90%	7.90%	5.50%	6.80%	4.30%	-4.00%
■ NYCERS - PME Spread	-1.30%	7.90%	7.90%	6.70%	6.20%	0.10%
■ Police - PME Spread	-3.81%	7.90%	9.40%	6.90%	12.10%	2.20%
■ Fire - PME Spread	-6.60%	-2.30%	9.20%	7.80%	13.40%	2.10%
■ BERS - PME Spread	0.00%	10.20%	12.00%	4.30%	2.00%	1.50%

■ TRS - PME Spread ■ NYCERS - PME Spread ■ Police - PME Spread ■ Fire - PME Spread ■ BERS - PME Spread

Source: State Street

Value Added - Infrastructure

Basis Points of Cumulative IRR above Public Market Equivalent

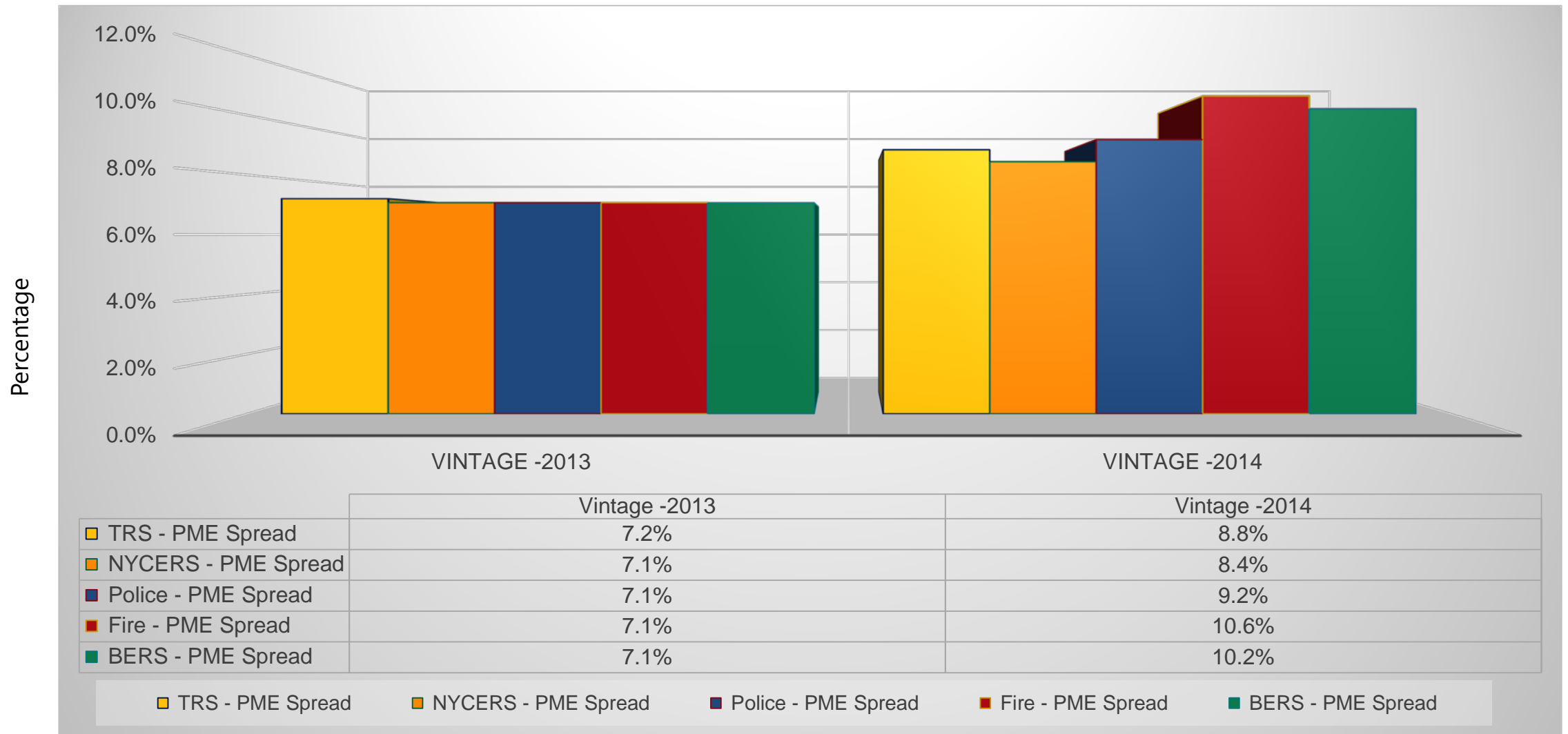


Excess Return Since Inception; PME Benchmark: 50% R3000 & 50% Barclays Agg. as of 09/30/17

Source: StepStone Group

The PME Spread is the difference between the IRR and the PME Benchmark.

Infrastructure Value Added – PME Spread By Vintage Year as of 9/30/17



Source: StepStone Group



QUESTIONS?



APPENDIX

Hedge Fund Partnership Snapshot; FYTD 12/31/2017 Excess in Basis Points

Portfolio	Fund Name	Strategy	FYTD %Return	FYTD HFRI FOF Composite Index + 1%	FYTD Excess amount	FYTD Excess in Bps
Leaders:						
NYC FIRE/POLICE	CCP Quantitative Fund LP	Tactical Trading	24.44%	4.95%	19.49%	1,949
NYC FIRE	Turiya Fund LP	Long/Short Equity	13.75%	4.95%	8.80%	880
NYC POLICE	Turiya Fund LP	Long/Short Equity	13.64%	4.95%	8.69%	869
NYC FIRE/POLICE	Luxor Capital Partners, LP	Event Driven	10.02%	4.95%	5.07%	507
NYC FIRE/POLICE	Perry Partners LP	Event Driven	9.92%	4.95%	4.97%	497
Laggards:						
NYC FIRE/POLICE	Key Square Partners LP	Tactical Trading	-2.13%	4.95%	-7.08%	(708)
NYC FIRE/POLICE	Brevan Howard AH Fund LP	Tactical Trading	-2.09%	4.95%	-7.04%	(704)
NYC FIRE/POLICE	Altimeter Partners Fund LP	Long/Short Equity	-2.05%	4.95%	-7.00%	(700)

Source: State Street



Public Equities Manager Level – 12/31/17 3 Year Excess in Basis Points

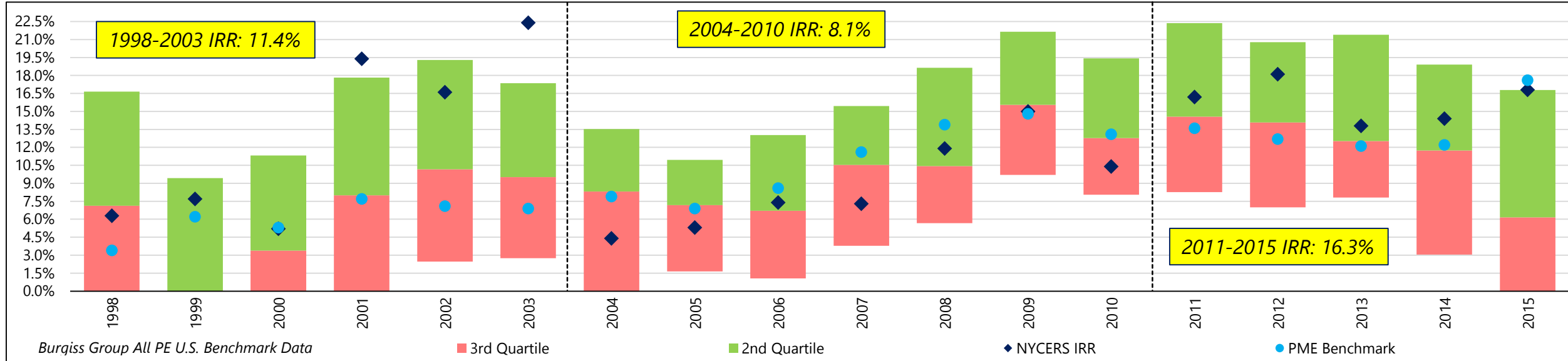
Manager Name	Investment Mandate	Benchmark Name	Employees' 3 Year Trailing Excess Bps	Police 3 Year Trailing Excess Bps	Fire 3 Year Trailing Excess Bps	Teachers' 3 Year Trailing Excess Bps	Board of Ed 3 Year Trailing Excess Bps
Leaders:							
Brown AM	Small Cap Growth	RUSSELL 2000 GROWTH DAILY		529	528	557	
Ceredex	Small Cap Value	RUSSELL 2000 VALUE DAILY	132	134	135		
Acadian EAFE Small Cap	Developed Small Cap	S&P EPAC Small Cap USD NET	260	330	330	378	330
Baillie Gifford MTA	Developed Growth	NYC Developed Growth Benchmark	187	293	293	268	293
Walter Scott EAFE Large Cap	Developed Growth	NYC Developed Growth Benchmark	160	164	166	174	
Causeway EAFE Large Cap	Developed Value	NYC Developed Value Benchmark	119	121	121	50	
Sprucegrove	Developed Value	NYC Developed Value Benchmark	182		183		178
Wellington Mgmt MCC	Mid Cap Core	S&P 400 MIDCAP INDEX		149	150		149
Laggards:							
RAFI Enhanced Small Co.	Small Cap Fundamental Index	RUSSELL 2000	(83.38)	(55.03)			
Iridian Asset MCV	Mid Cap Value	RUSSELL MIDCAP		(221.52)	(225.28)		
Parametric EM	Active Emerging Markets	FTSE Custom NYCERS All Emerging Index	(284.78)	(154.72)	(155.28)	(263.75)	
Pyramis EAFE Small Cap	Developed Small Cap	S&P EPAC Small Cap USD NET	(39.01)	(29.52)	(27.22)	(37.66)	
RAFI Enhanced Large Co.	Russell 1000 Fundamental	RUSSELL 1000	(180.18)	(179.66)			
VTL S&P 500	Russell 1000 Fundamental	S&P 500 INDEX	(123.52)	(121.47)			

For further details on Manager performance please refer to: Overview Appendix B Public Markets Manager Performance Detail.

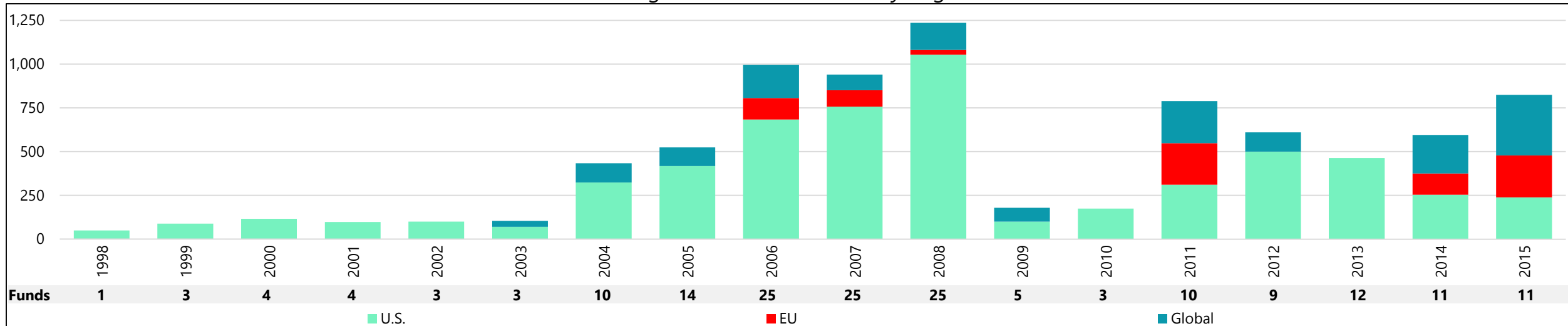
Source: State Street



NYCERS Vintage Year Analysis



Vintage Year commitments, by Region



GLOBAL MACRO UPDATE

Global Macro Update

- Global QE continues to slow
- Policy Rate Increases (Fed +25bp Dec. '17, Canada +25bp Jan. '18, UK +25bp Nov. '17)
- Tax plan (Dec. '17) and spending increases (Jan. '18)
- Valuations



Global Macro Update

- Change in Quantitative Easing 2018

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
US					
UST	(\$18B)	(\$36B)	(\$54B)	(\$72B)	(\$90B)
MBS	(\$12B)	(\$24B)	(\$36B)	(\$48B)	(\$60B)
Total US	(\$30B)	(\$60B)	(\$90B)	(\$120B)	(\$150B)
Europe	\$200B	\$100B	\$100B	\$100B	\$0*
Japan	\$105B	\$90B*	\$90B*	\$80B*	\$60B*
Global Total	\$275B	\$130B*	\$100B*	\$60B*	(\$90B)*

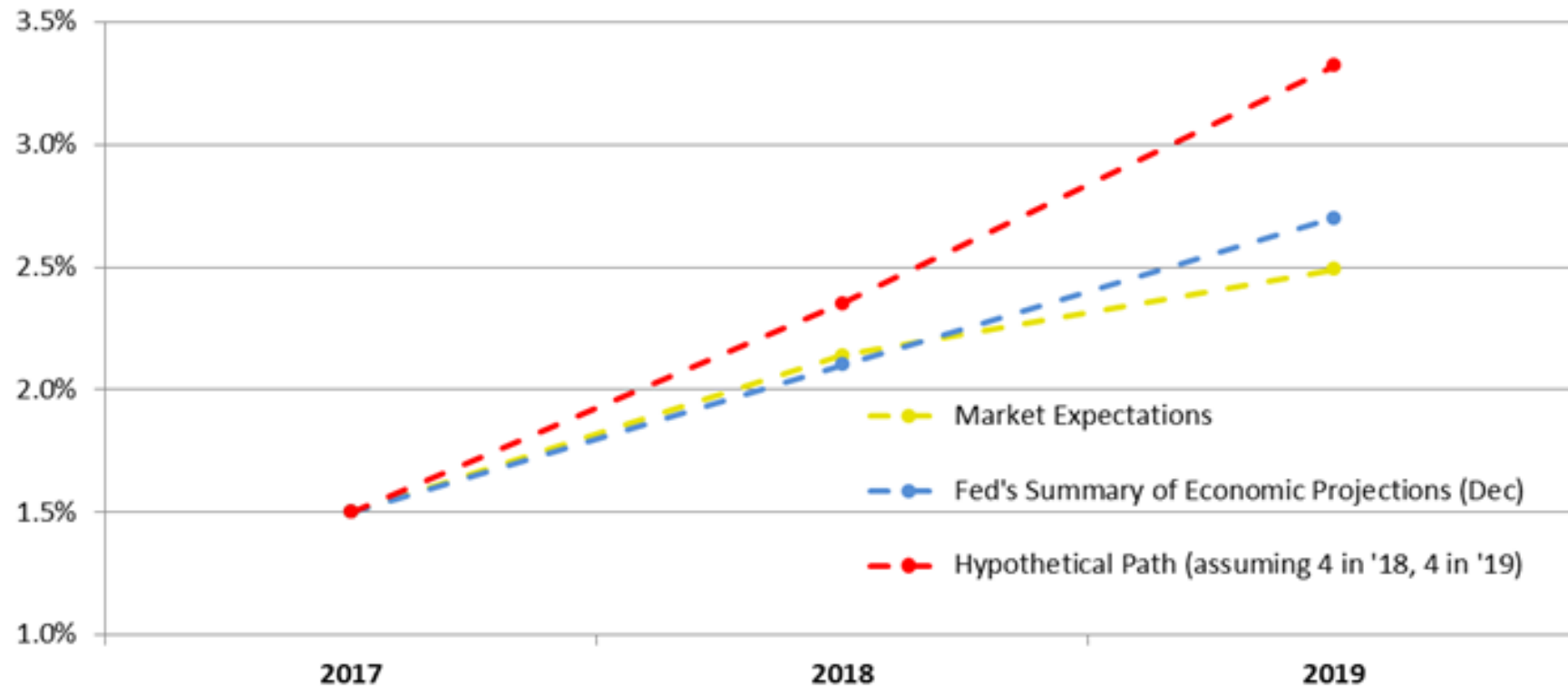
*Estimates

Source: Federal Reserve, ECB, and BOJ



Global Macro Update

- Probable FOMC rate increases not priced into markets.



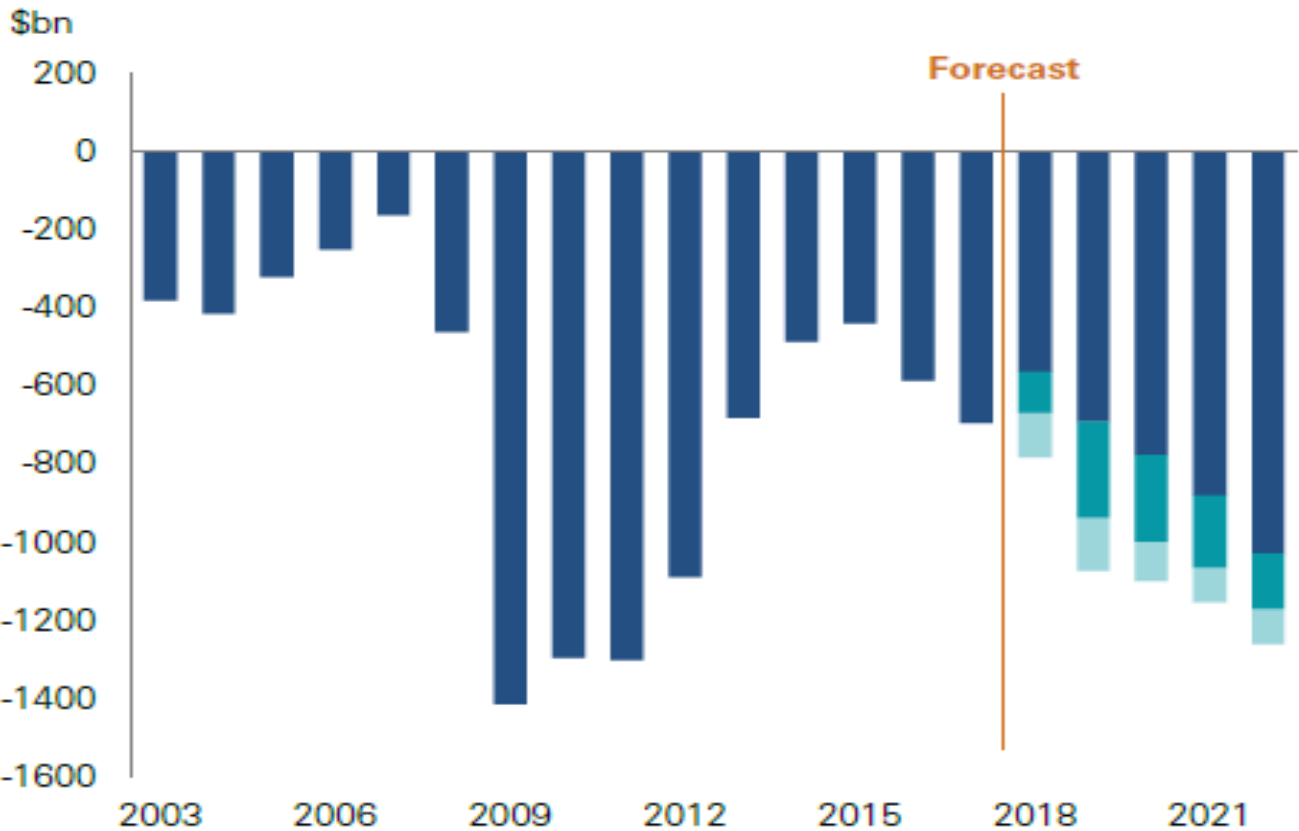
Source: Morgan Stanley



Global Macro Update

Fiscal Deficit: Further Deterioration

Impact on US Fiscal Deficit From Tax Reform and Budget Act

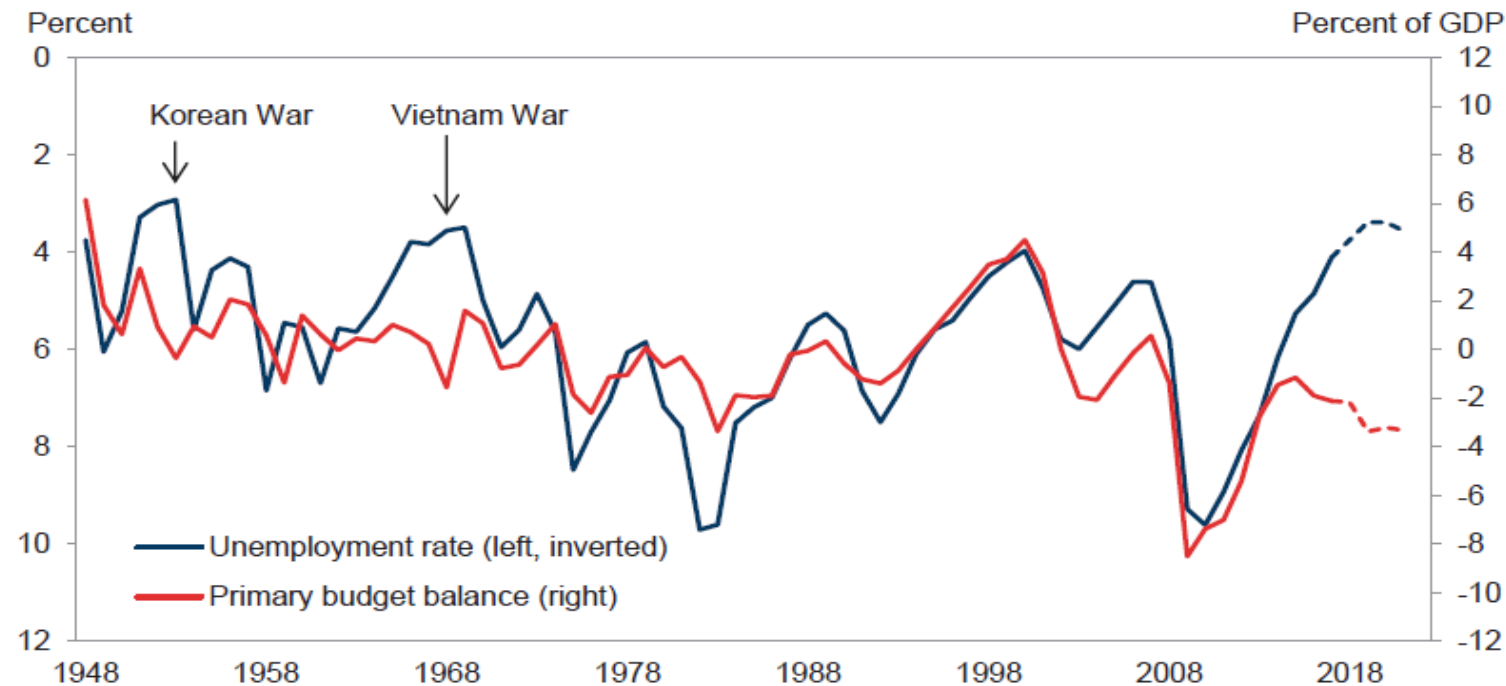


	Increase in spending caps
	Tax reform (JCT)
	CBO Baseline (June 2017)

Source: CBO via Haver. Data as of February 2018

Global Macro Update

- Unprecedented late-cycle fiscal stimulus.



Source: Department of Labor, Office of Management and Budget, Goldman Sachs Global Investment Research



Global Macro Update

- Rising yields impact equities.

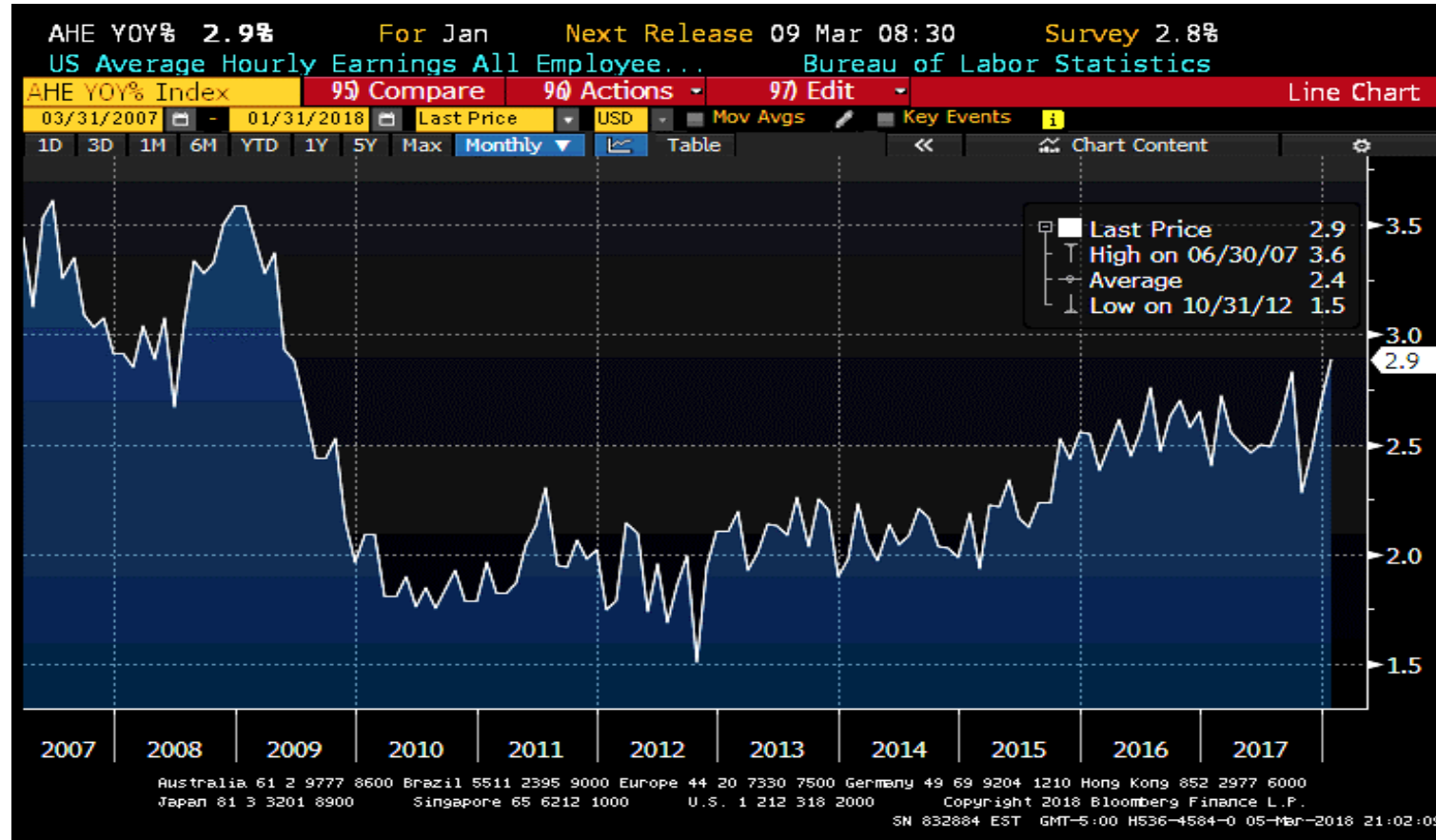


Source: Bloomberg



Global Macro Update

- Inflationary concerns drive change in correlations.



Source: Bloomberg

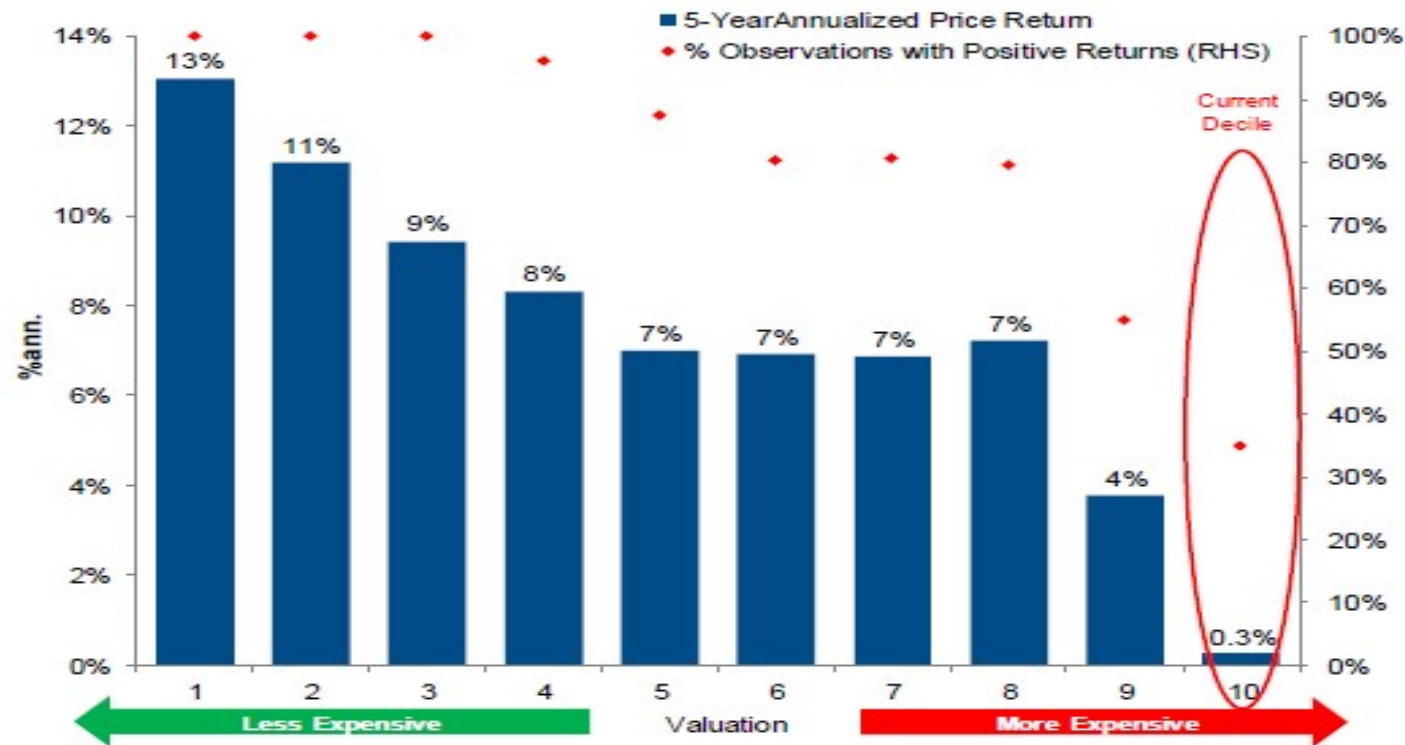
CPI				
	HEADLINE		CORE	
ACTUAL:	MONTH	YEAR	MONTH	YEAR
January	0.5	2.1	0.3	1.8
February	0.2	2.2	0.2	1.8
ESTIMATES:	MONTH	YEAR	MONTH	YEAR
April	0.2	2.6	0.2	2.1
May	0.2	2.7	0.2	2.2
June	0.2	3	0.2	2.4
July	0.2	3.1	0.2	2.5
August	0.2	3.2	0.2	2.5



Global Macro Update

• US Equity Valuations.

2. US Equity Price Returns from Each Valuation Decile² – December 2017



Valuation model (over the last 70 years) uses five inputs:

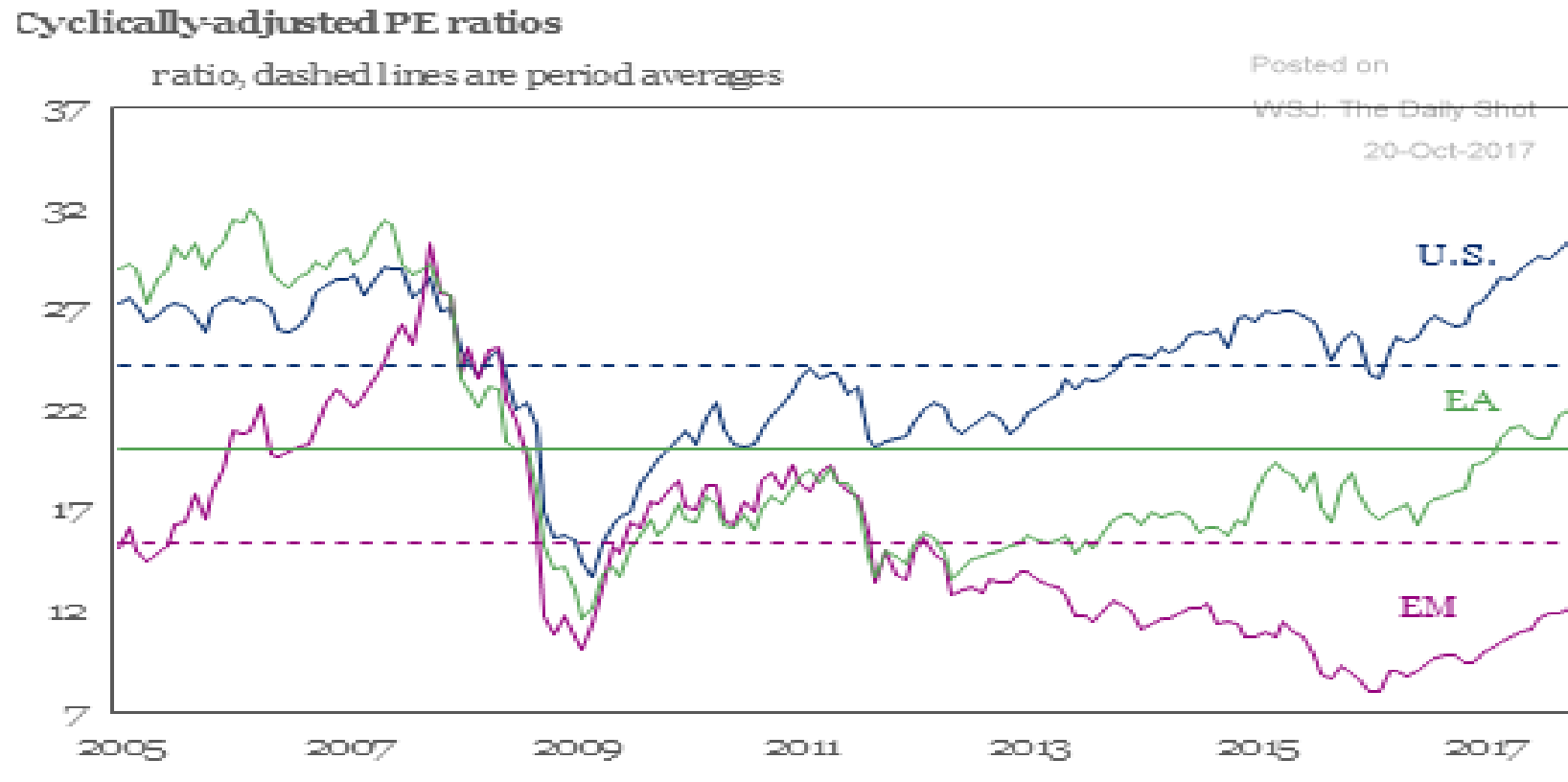
1. price/trend earnings
2. price/peak earnings
3. price/trailing 12-mo earnings
4. Schiller CAPE ratio
5. Price/10-yr average earnings.

Source: Goldman Sachs



Global Macro Update

- Global Equity Valuations



Source: Wall Street Journal



Global Macro Update

- Credit Valuations

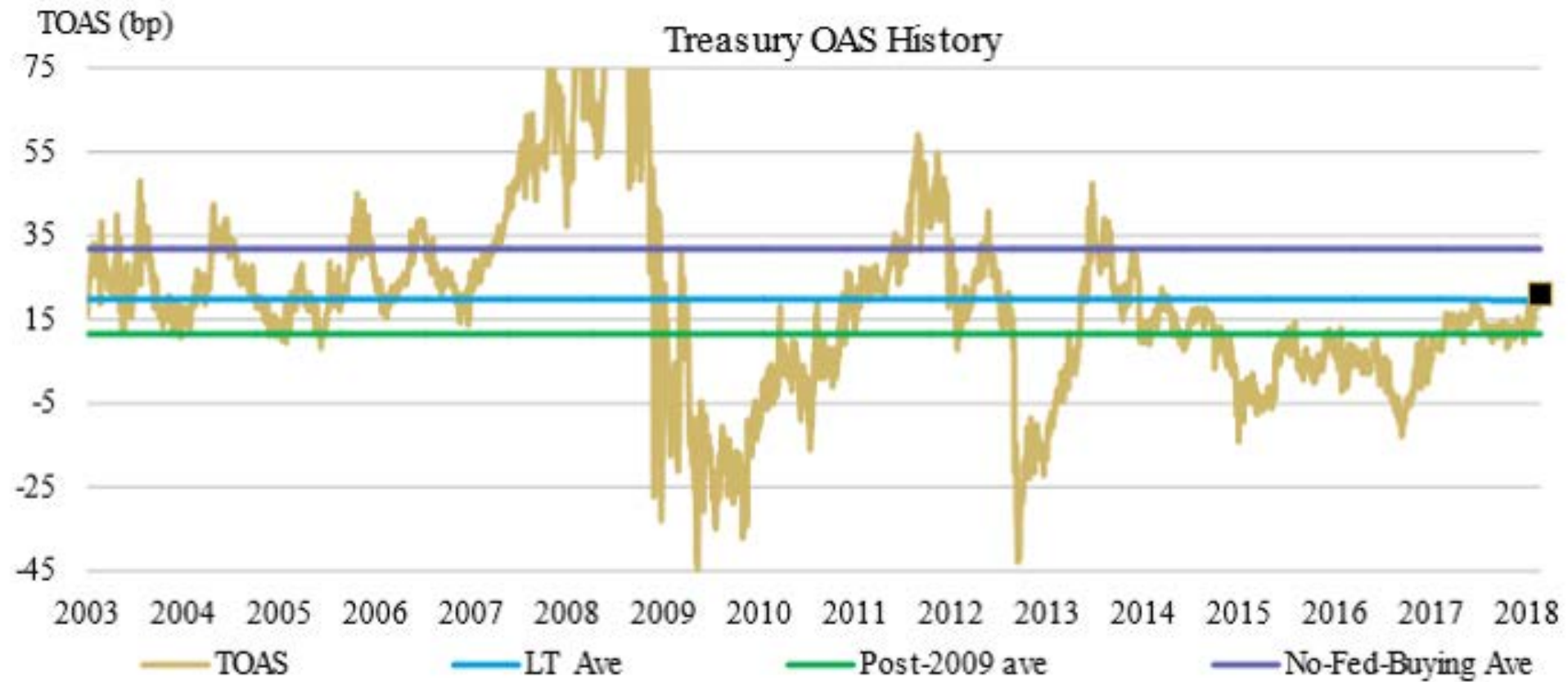


Source: Morgan Stanley, Citigroup Index LLC



Global Macro Update

- MBS Valuations



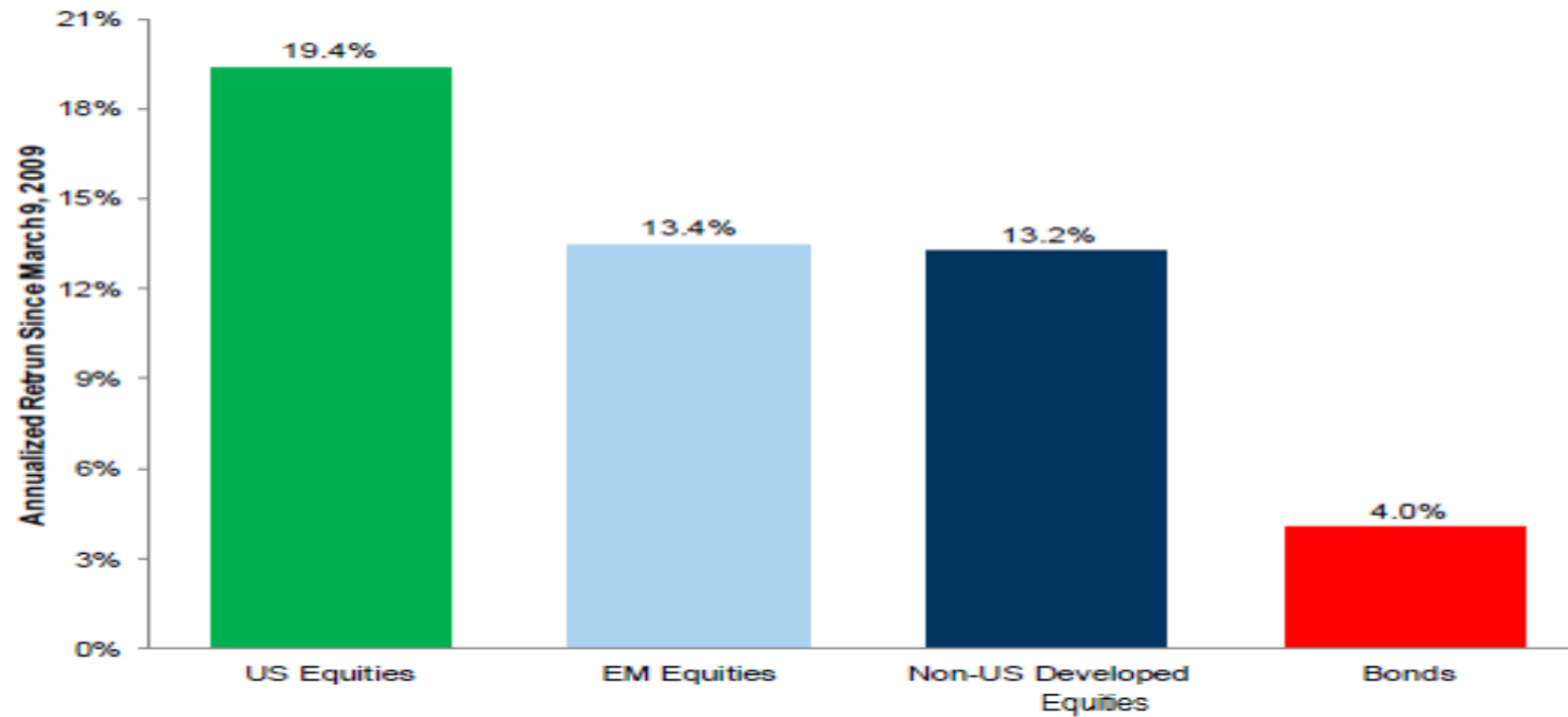
Source: Morgan Stanley



Global Macro Update

- Annualized Asset Class Returns

2. Annualized Asset Class Returns Since March 9, 2009



Source: Goldman Sachs



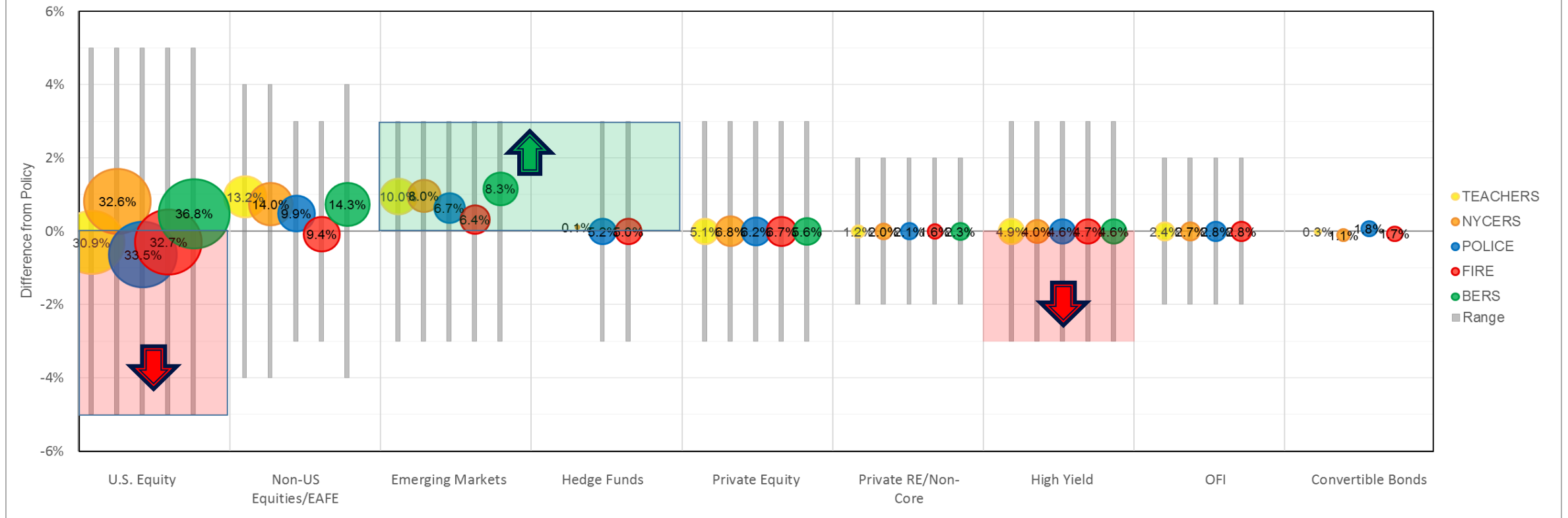
QUESTIONS?

ASSET ALLOCATION REVIEW

Asset Allocation Review - Growth

Relative Mix to Adjusted New Policy Weights

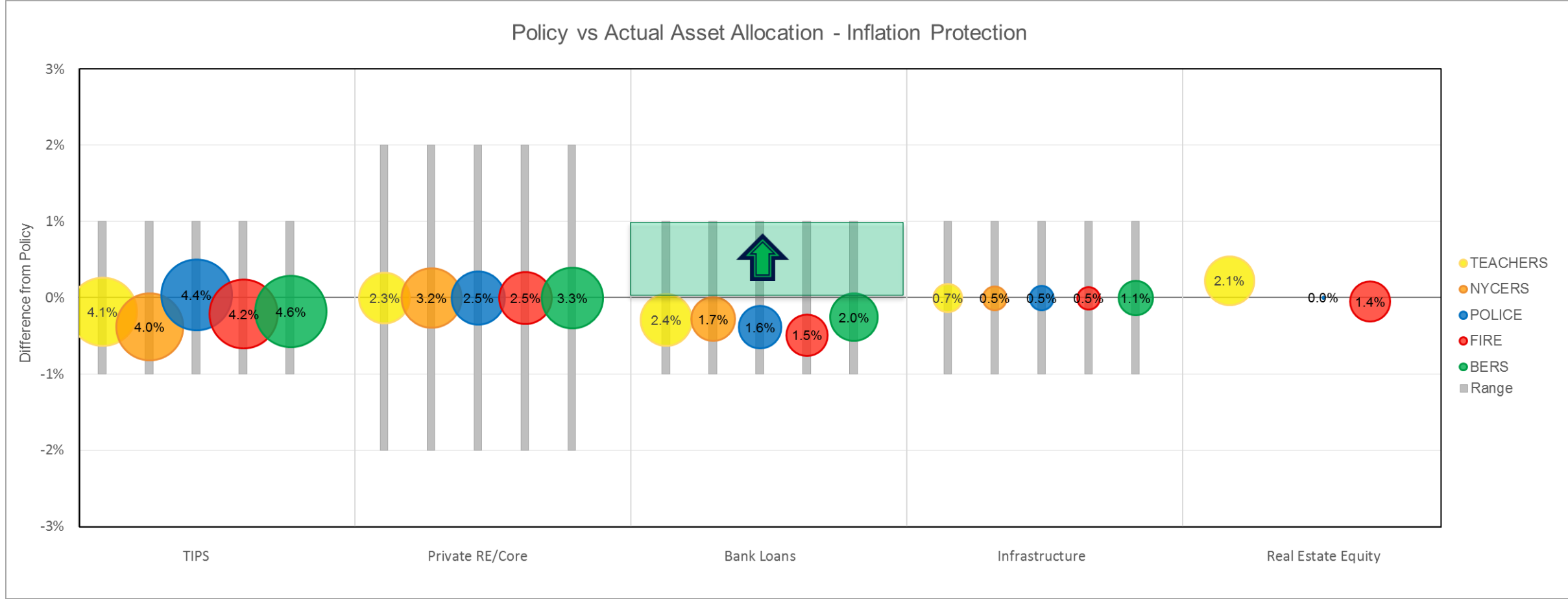
Policy vs Actual Asset Allocation - Growth



Source: State Street

Asset Allocation Review – Inflation Protection

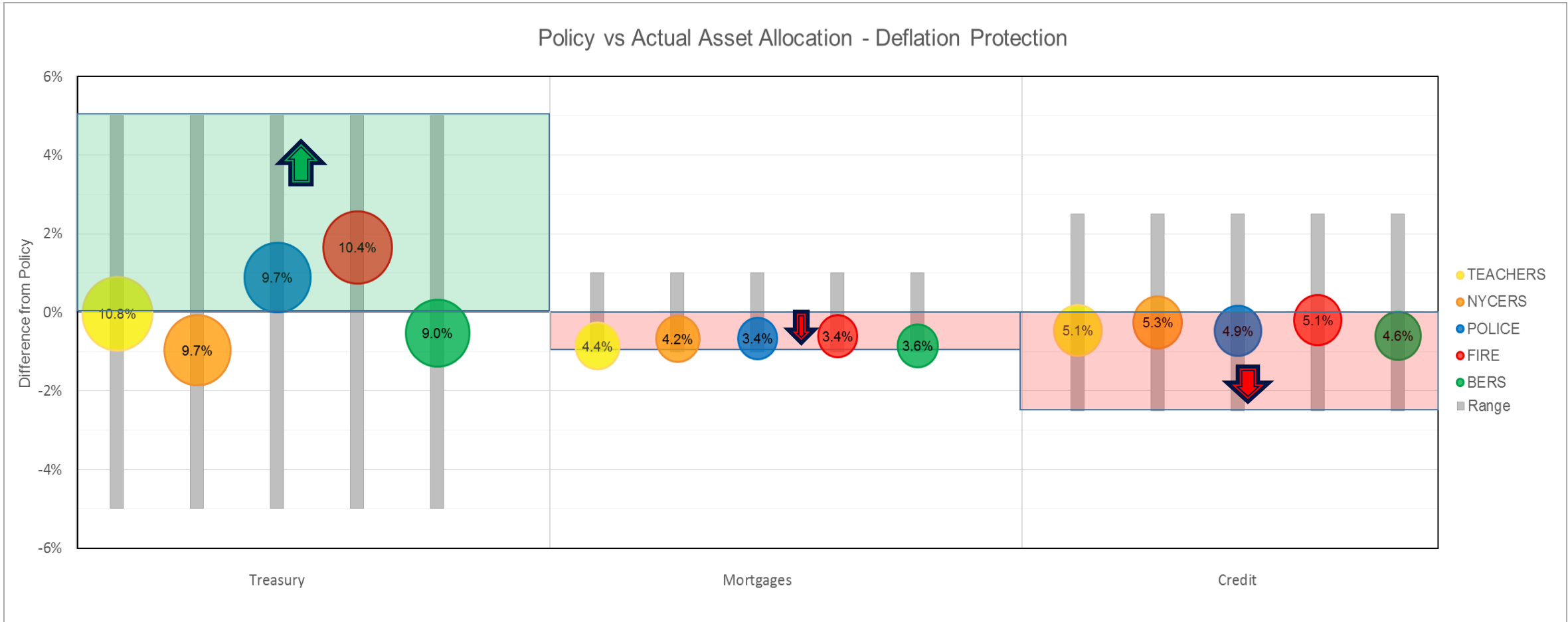
Relative Mix to Adjusted New Policy Weights



Source: State Street

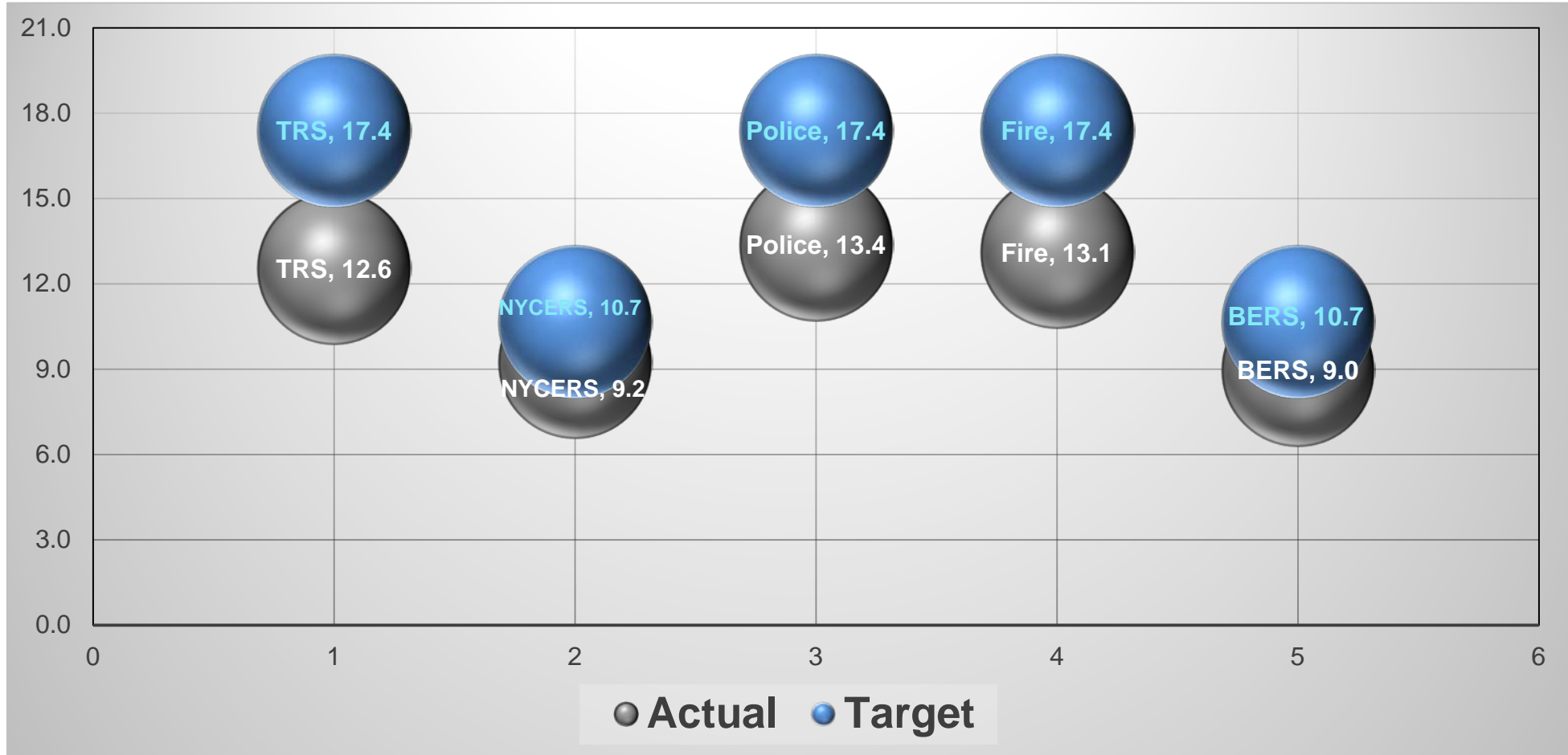
Asset Allocation Review - Deflation Protection

Relative Mix to Adjusted New Policy Weights



Source: State Street

Treasury Duration Actual Vs. Target as of 12/31/2017



Source: State Street

QUESTIONS?

Bolton Report (Actuarial Audit):

BOLTON PARTNERS

Actuarial Audit



New York City Office of the Comptroller

Actuarial Audit, Experience Study and
Administrative Review

First Engagement

Board of Trustees Presentation
on March 21, 2018

Presented by:

Thomas Lowman, FSA, EA

Colin England, FSA, EA

www.boltonpartners.com

Bolton Partners, Inc.

First Engagement:

Hired by the Office of the Comptroller to:

Valuations:

- Replicate Valuation calculation

Experience Study:

- Compare actual experience to assumptions

Administrative Review:

- Review the data management process and other administrative policies and practices

Results in Multiple Documents

Power Point Presentation:

- Contains summary of results

Separate documents covering detailed findings:

- Replication findings and recommendations
- Experience study results
- Administrative review
- Independent Actuary's statement

Part I: Full Replication of 2014 Valuations

Comparison of OA and BP Results (\$ Millions)						
System	Category	OA Results	BP Results	Percentage Difference	Tolerance Limit	Pass / Fail
NYCERS	PVFB	\$ 90,534	\$ 90,850	0.35%	4.00%	Pass
	Employer Contribution	\$ 3,365	\$ 3,402	1.08%	5.00%	Pass
TRS	PVFB	\$ 81,378	\$ 80,878	-0.62%	4.00%	Pass
	Employer Contribution	\$ 3,703	\$ 3,619	-2.25%	5.00%	Pass
BERS	PVFB	\$ 5,616	\$ 5,631	0.27%	4.00%	Pass
	Employer Contribution	\$ 266	\$ 269	1.34%	5.00%	Pass
Police	PVFB	\$ 58,258	\$ 58,195	-0.11%	4.00%	Pass
	Employer Contribution	\$ 2,394	\$ 2,386	-0.32%	5.00%	Pass
Fire	PVFB	\$ 22,764	\$ 22,679	-0.37%	4.00%	Pass
	Employer Contribution	\$ 1,054	\$ 1,044	-0.98%	5.00%	Pass
Total	PVFB	\$ 258,550	\$ 258,233	-0.12%		
	Employer Contribution	\$ 10,782	\$ 10,720	-0.57%		

Part I: Full Replication of 2014 Valuations

Preliminary findings:

- Close match for all five Systems
- Recommend prefunding of TRS/BERS 8.25% interest rates on TDA funds
- Actuarial losses from higher than expected firefighter overtime should be considered in revising assumption (recognizing 2006-2014 hiring freeze) in Experience Study
- LAG method could be improved



Part I: Full Replication of 2014 Valuations

Other issues:

- Agree with GRS that all plans should have actuarial reports (Police and Fire already do)
- Coordinate, between the OA and the Systems, the treatment of VSF payments and potential offsets for escalation for Police, Fire, and NYCERS
- Some minor, non-material programming recommendations
- Suggest review of TDA annuity loads (and all loads)

Part 2: Experience Study through 6/30/2015

- All tables and assumptions reviewed
 - Including economic assumptions
- Not currently recommending any revisions, only assumptions to consider in second biennial audit
- Recommend measuring overtime based on average of beginning and end of year pay
- Recommend using confidence intervals to help decide which assumptions require revision

Part 2: Experience Study through 6/30/2015

NYCERS Experience Study Summary of Findings Likely (L), May (M) or Unlikely (U) to Recommend Changes Red indicates liability increase, Black Decrease						
Assumption	GEN	TRA	SAN	COR	TBTA	Impact
Service Retirement Mortality	U	U	U	L	U	Significant
Disability Retirement Mortality	U	U	U	L	M	Insignificant
Employee Ordinary Mortality	L	L	L	L	M	Insignificant
Unreduced Retirement	L	L	L	L	M	Very Significant
Reduced Retirement	L	N/A	N/A	N/A	L	Insignificant
Withdrawal	U	M	U	L	L	Significant
Ordinary Disability	L	U	U	L	U	Insignificant
Accidental Disability	L	M	U	M	M	Insignificant
Salary Increase	M	M	L	M	L	Very Significant
Overtime	L	L	L	L	L	Significant
Dual Overtime Retirement	L	L	U	L	L	Very Significant
Dual Overtime Disability	L	L	L	L	L	Significant

Part 2: Experience Study through 6/30/2015

NYCERS Sans NYCERS Experience Study Summary of Findings Likely (L), May (M) or Unlikely (U) to Recommend Changes Red indicates liability increase, Black Decrease					
Assumption	TRS	BERS	POLICE	FIRE	Impact
Service Retirement Mortality	L	L	U	U	Significant
Disability Retirement Mortality	U	L	U	U	Insignificant
Employee Ordinary Mortality	U	L	U	L	Insignificant
Unreduced Retirement	U	L	U	L	Very Significant
Reduced Retirement	L	L	N/A	N/A	Insignificant
Withdrawal	U	U	L	M	Significant
Ordinary Disability	U	U	L	L	Insignificant
Accidental Disability	U	U	L	U	Insignificant
Salary Increase	U	U	U	U	Very Significant
Overtime	N/A	N/A	L	M	Significant
Dual Overtime Retirement	N/A	N/A	L	M	Very Significant
Dual Overtime Disability	N/A	N/A	L	M	Significant

Part 2: Experience Study through 6/30/2015

- Changes that Affect all Plans
 - We anticipate using not just lives to determine exposure, but weighting those lives by the amounts of the members' benefits, to better reflect the effect of mortality on NYCERS' accrued liability. Because of the typical relationship between income and longevity, we anticipate that this will reduce the ratio of actual experience to assumed, by 5% or more.
- Inflation assumption
 - We are not currently suggesting any change in the inflation assumption, although we note that the current assumption is relatively high compared to recent experience.
 - We also note that the current inflation assumption is slightly higher than the typical investment advisor's or economist's expectation, although it is consistent with the market expectation, as reflected in the TBI.
- Investment Return Assumption
 - We are not currently suggesting any change in the investment return assumption. We note that the assumption appears to be slightly conservative relative to the long-term expectations of the three groups of investment advisors included in our analysis.
 - We note that if we were to suggest revising the inflation assumption, we would also likely suggest revising the investment return assumption in tandem.
 - We expect to consider any additional changes in the investment markets and the investment mix, and may suggest revising the investment return assumption.

Part 2: Experience Study through 6/30/2015

Summary

- No revisions currently required
- Some assumption changes likely to be suggested in next study – and significant
 - Retiree Mortality
 - Salary Improvement
 - Turnover/Withdrawal
 - Unreduced Retirement
 - Dual Overtime
- Other assumption changes likely to be suggested in next study – but not significant
 - Disabled Retiree Mortality
 - Employee Mortality
 - Reduced Retirement
 - Disability
 - Some of the changes mentioned above, but with minor adjustments
 - e.g. increasing “Elected” and decreasing “Mandated” Retirement
- Still other assumption changes might be suggested, depending on 2016 and 2017 experience or further changes in expectations
 - CPI
 - Investment Return
 - Some of the assumptions mentioned above
- So, be on the look out for next year’s study!

Part 3: Administrative Review

Scope of Review:

- Data collection, validation, and transmission processes
- Retiree maintenance
- Benefit calculation / certification processes
- Benefit statement process
- Data security procedures and protocols
- Update on recommendations made in prior administrative reviews
- “Wish lists”

Overall, we were very impressed by the work the OA and the Systems are doing to administer the plans and serve their members.

Most of the Systems have recently upgraded, or are in the process of upgrading, their pension management systems for technology improvements. Many of our recommendations will naturally be satisfied as the system upgrades take place.

Recommendations made for each system and OA.

Next Steps:

- 2016 Replication
- Review Experience for 2008-2017
- Review administrative changes

THANK YOU!



QUESTIONS?

SUPPLEMENTAL MATERIAL - Performance Reporting (Public):

Total Fund Overview - Public:



New York City
Board of Education Retirement System
Performance Overview as of December 31, 2017

Total Fund Overview



New York City Board of Education Retirement System

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Through December 31, 2017

New York City Board of Education Retirement System (BERS)

Consultant's Commentary – Through December 31, 2017

Total Fund Performance

The Board of Education Retirement System (BERS) Total Fund returned +4.15% net of fees for the quarter ended December 31, 2017, versus the policy benchmark's return of +4.06%. For the six months of the fiscal year as of December 31, 2017, the Total Fund returned +8.87% net of fees, versus the benchmark return of +7.87%. The trailing calendar year 2017 return was 18.82% versus 16.63%.

Total Fund Asset Allocation

As of December 31, 2017, the BERS Total Fund had \$5.86 billion, up from \$5.59 billion at September 2017. The International Developed Value, High Yield, and Bank Loans composites added relative value by the out performance of their respective benchmarks. For the fiscal year to date, International Developed Growth had the best relative performance.

Active U.S. Equity Commentary

As of December 31, 2017, U.S. Equity was \$2.16 billion (36.8%) of the NYBERS Total Fund. The U.S. equity composite was positive in the fourth quarter returning +6.35%. This performance slightly outpaced the Russell 3000 index return of +6.34%.

Active U.S. Equity Managers

- **Wellington** returned +7.52% during the quarter versus +6.25% for S&P Midcap 400 index. For the fiscal year as of December 31, 2017, Wellington returned +11.10% versus +9.68% for the S&P Midcap 400 index. Wellington is the only active mid cap U.S. manager. BERS will be participating in the search to expand our small cap U.S. active management.

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Through December 31, 2017

- Positive stock selection in the health care and information technology sectors drove quarterly performance, while stock selection modestly detracted among financials and consumer discretionary holdings. Additionally, an underweight to real estate also added value during the quarter.
- A leading contributor was Sage Therapeutics, a biotech company focused on diseases of the central nervous system. Another health care contributor was Neurocrine Biosciences, which makes Ingrezza, a drug that treats tardive dyskinesia, a side effect of long-term opioid use.
- The largest detractors during the quarter were TESARO, First Republic Bank, and CarMax. TESARO is a biotech company that makes a drug called Zejula, a cancer drug that targets ovarian cancer.

International Equity Commentary

As of December 31, 2017, Developed International Equity was \$788.4 million (13.4%) of the NYBERS Total Fund. Non-U.S. stocks returned +4.68% in the fourth quarter versus +4.70% for the World ex USA Custom Benchmark.

Active International Equity Managers

- **Sprucegrove** returned +5.81% during the quarter versus +4.70% for the World ex USA Custom Benchmark. For the fiscal year as of December 31, 2017, Sprucegrove returned +14.30% versus +10.70% for the World ex USA Custom Benchmark.
- The Fund continues to represent high quality value style holdings with a projected ROE of 14.3%, which is higher than the MSCI EAFE index at 11.0% and financial leverage of 2.1x, which is below the MSCI EAFE index at 2.7x. The Fund has a normalized P/E of 14.4x, 2.1x P/B and a 2.7% dividend yield. These characteristics are consistent with the historical profile of the account. The manager feels their portfolio is attractively valued compared to the market.
- Over the quarter, the largest positive returns in the developed markets came from Singapore (+10.1%) and Japan (+8.5%), while the weakest returns were from Sweden (-3.8%), Finland (-2.6%) and Italy (-2.3%). The portfolio includes stocks from the emerging markets totaling about 14% of the account. These stocks have contributed to performance compared to the EAFE index which has no emerging market stocks.

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Through December 31, 2017

- The Fund has notably higher exposure to the Materials, Information Technology and Energy sectors and lower exposure to Real Estate, Health Care, Telecommunications services, Consumer Staples and Financials and Utilities sectors, relative to the benchmark.
- The top 10 holdings represent +23.1% of the portfolio.

- **Baillie Gifford** returned +3.47% in the quarter versus +4.70% for the World ex USA Custom Benchmark. For the fiscal year as of December 31, 2017, Baillie Gifford returned +16.26% versus +10.70% for the World ex USA Custom Benchmark. Growth stock investing and exposure to China was a net positive for the quarter and the year.

- ASM Lithography, a Dutch semiconductor equipment manufacturer, was the portfolio's largest holding at +5.0%.
- At quarter end, the portfolio had +14.4% invested in emerging markets.
- The top 10 holdings represent +40.2% of the portfolio.

- **Acadian** underperformed for the quarter, +5.09% versus +6.34% for the S&P EPAC Small Cap Index. However, Acadian outperformed for the fiscal year as of December 31, 2017, +15.89% versus +13.70% for the S&P EPAC Small Cap Index.

- Negative stock selection coupled with country allocations negatively impacted quarterly results. Key sources of negative active return included a combination of stock selection and underweight positions in Korea and Australia, along with an opportunistic exposure to China. However, a combination of stock selection and a market underweight in France, an opportunistic exposure to South Africa, and stock selection in the Netherlands positively impacted quarterly results.

- At quarter end, the portfolio's emerging markets exposure was 12.6%. The portfolio held 1,053 stocks.

Through December 31, 2017

Emerging Markets Equity Commentary

As of December 31, 2017, Emerging Markets Equity was \$472.6 million (8.1%) of the NYBERS Total Fund. Emerging Markets underperformed for the quarter, +6.97% versus +7.44% for the MSCI Emerging Markets, net Index. Emerging Markets also underperformed for the fiscal year as of December 31, 2017, +15.65% versus +15.92% for the MSCI Emerging Markets, net Index.

Emerging Markets Equity Managers

- **Acadian** underperformed for the quarter, +6.92% versus +7.44% for the MSCI Emerging Markets, net Index. Acadian also underperformed for the fiscal year as of December 31, 2017, +15.71% versus +15.92% for the MSCI Emerging Markets, net Index.
- Losses incurred from stock selection were reduced by value added from country allocations. Key sources of negative active return included stock selection in Taiwan, Poland, and India. More successful investments included stock selection in Russia and Turkey, along with a combination of stock selection and an underweight position in Mexico.
- At quarter end, the portfolio held 471 stocks.
- **CONY GT EM BlackRock** underperformed for the quarter, +7.21% versus +7.44% for the MSCI Emerging Markets, net Index. CONY GT EM BlackRock also underperformed for the fiscal year as of December 31, 2017, +15.59% versus +15.92% for the MSCI Emerging Markets, net Index.
- At quarter end, the portfolio held 842 stocks.
- The top 10 holdings represent +22.2% of the portfolio.

Through December 31, 2017

Fixed Income – Structured Manager Composite Commentary

As of December 31, 2017, The Total Structured Portfolio was \$904.1 million (15.4%) of the NYBERS Total Fund. Structured Fixed Income returned +0.64% in the fourth quarter versus +0.63% for the benchmark. For the fiscal year as of December 31, 2017, Structured Fixed Income returned +1.44% versus +1.64% for the benchmark. SSgA 1 -3 Yr. Treasury Index was a new manager beginning January, 2017.

Fixed Income – Structured Manager Composite Managers

- **BlackRock (mortgages)** returned +0.03% in the quarter, underperforming the Citigroup Mortgage index return of +0.10%. For the fiscal year as of December 31, 2017, BlackRock (mortgages) returned +1.08% versus +1.09% for the Citigroup Mortgage index.
- The weather-related headwinds from the third quarter largely receded in the fourth, as labor markets, inflation, and consumer confidence levels displayed strength. According to January 2018 Bureau of Labor Statistics data, the 204,000 average monthly job gain over the quarter underscored an incredible string of positive employment numbers that has persisted for seven years now, as the U.S. economy continues to build momentum in employment that is virtually unprecedented over the past several decades. Further, wage levels are also accelerating, albeit at a much slower pace than the levels of employment gains might imply.
- Solid labor market dynamics come on the heels of other extremely strong economic growth statistics in the U.S. (and globally as well), with GDP growth over 3% in both the second and third quarters, strong recent retail sales, and manufacturing surveys at, or near, multi-decade highs, according to December 2017 Bureau of Economic Analysis and Bloomberg data. According to December 2017 Institute for Supply Management data, the ISM manufacturing survey index of new orders levels rose more than 5 points, to 69.4, a point rarely reached and the highest level in more than a decade.
- **Prudential (credit)** returned +1.11% in the quarter, ahead of the Investment Grade Credit index return of +1.02%. For the fiscal year as of December 31, 2017, Prudential (credit) returned +2.50% versus +2.27% for the Investment Grade Credit index.
- **SSgA (governments)** returned +0.72% in the quarter, ahead of the +0.67% return for its NYC - Treasury Agency plus five index benchmark. For the fiscal year as of December 31, 2017, SSgA (governments) returned +1.24% versus +1.20% for the NYC - Treasury Agency plus five index.

 Segal Marco Advisors

Through December 31, 2017

- The largest driver of performance over the quarter was our overweight to US Agencies vs US Treasuries. This has been a core position in the portfolio for some time and has continued to positively impact performance as spreads remain tight.
- **SSgA 1 -3 Yr. Treasury Index** returned -0.26% in the quarter, in line with the Citigroup 1 - 3 Yr. Treasury index return of -0.26%. For the fiscal year as of December 31, 2017, the SSGA 1-3 Yr. Treasury Index fell -0.02%, in line with the Citigroup 1 - 3 Yr. Treasury index return of -0.02%.
- Over the reporting period, tracking for the strategy was very tight; therefore, an attribution analysis is not applicable.
- **Taplin, Canida & Habacht** returned +1.30% in the quarter versus +1.02% for the Investment Grade Credit index. For the fiscal year as of December 31, 2017, Taplin, Canida & Habacht returned +2.69% versus +2.27% for the Investment Grade Credit index.
- Yield curve management was a positive contributor during the quarter, as the portfolio's barbelled structure benefited from meaningful yield curve flattening. Investment grade corporate floating rate notes, part of the portfolio's barbelled term structure, benefitted from the Fed rate hike in December, but generated lower excess returns than fixed rate corporates during the period.
- Credit was the best performing fixed income sector (+89 basis points of excess return), as spreads tightened in the quarter. Quality selection added to performance as the portfolio was overweight BBB rated securities (+106 basis points of excess return), which outperformed. Sector selection contributed modestly to performance as the portfolio was overweight industrials (+102 bps) versus other sectors.
- Security selection was a minor detractor for the quarter. In particular, issuers within pharmaceuticals and retail reduced relative performance, while issuers within the metals & mining sector contributed to performance.

Enhanced Yield Fixed Income & Bank Loans Commentary

As of December 31, 2017, Enhanced Yield Fixed Income & Bank Loans was \$388.9 million (6.6%) of the NYBERS Total Fund.

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Through December 31, 2017

Enhanced Yield Fixed Income & Bank Loans Managers

- **Loomis Sayles** returned +1.03% net of fees in the quarter versus +0.41% for the Merrill Lynch High Yield Master II Index. For the fiscal year as of December 31, 2017, Loomis Sayles returned +1.71% net of fees versus +2.45% for the Merrill Lynch High Yield Master II Index.
- Outperformance was driven primarily by security selection while yield curve positioning contributed markedly throughout the quarter. High yield credit, convertibles, and investment grade credit sectors were the top contributors.
- High yield credit positively contributed to performance as the sector generated the greatest returns within the strategy. Security selection was the major driver in this sector. Exposure across the consumer non-cyclical and energy names moderately aided excess return with the securities issued by New Albertsons, Kindred Healthcare, and Whiting Petroleum having the best performance in this sector.
- Allocation to convertibles positively impacted performance during the quarter. Select exposure to capital goods and consumer non-cyclical names modestly helped excess return with the securities issued by Hologic, Ryland Group Cvt, and Trinity Industries having the best performance in this sector.
- Overweight exposure to investment grade credit generated positive return during the quarter. Security selection contributed the most in this sector. Throughout the period, banking, basic industry and energy names moderately increased excess return with the securities issued by Georgia-Pacific, Lloyds Banking Group, and El Paso having the best performance in this sector.
- **Shenkman** returned +0.62% net of fees in the quarter, outperforming the +0.52% return for its Citigroup BB&B index benchmark. For the fiscal year as of December 31, 2017, Shenkman returned +2.52% net of fees, in line with the +2.52% return for the Citigroup BB&B index.
- High yield edged higher in the fourth quarter as rising interest rate concerns and mutual fund outflows were overshadowed by equity markets surging to record levels, a robust third quarter earnings season, crude oil surpassing \$60 per barrel for the first time in 2½ years, and President Trump signing the Republican tax cut bill into law.
- Triple-C rated bonds posted the largest increase at +0.73% for the period, while single-B's and double-B's produced comparable returns of +0.37% and +0.35%, respectively. The Index's average price declined by \$1.20 to \$100.59, leaving the year-end yield and spread at 5.84% and 373bps, respectively, essentially unchanged on a spread basis versus the end of September. Only \$6.58 billion of bonds defaulted in the final quarter of the year. The par-weighted default rate continues to linger in the low 1% range versus 3.57% at the beginning of 2017, and now stands at 1.27%. Energy represented the highest default sector of the year at 25% of high yield defaults, with most of those bankruptcies occurring early in 2017 before commodity prices began their ascent. Before shutting down in the final two weeks of December, quarterly new

Through December 31, 2017

issuance was the lowest of 2017 at \$72.5 billion. Refinancing was the stated use of proceeds for 66.7% of the supply and 92.4% of new issues were rated single-B or higher. Meanwhile, high yield mutual funds saw an outflow of \$9.5 billion, its fifth consecutive quarterly outflow. Lastly, 95 high yield companies received rating upgrades versus 73 that received downgrades.

- **Babson** returned +1.21% net of fees during the quarter, outperforming the +1.17% return of the Credit Suisse Leveraged Loan Index. For the fiscal year as of December 31, 2017, Babson returned +2.68% net of fees, outperforming the +2.24% return of the Credit Suisse Leveraged Loan Index.
- Both credit selection and sector selection contributed positively to the fourth quarter outperformance, although given the modest overall favorable comparison the contributions were at the margin. A significant overweight in the Utility sector (7.60% average weight vs. 3.20% average market weight) was the most meaningful sector “bet” in the portfolio that aided results as that industry sector overall outperformed the broader market. From a credit perspective, a look at the Top 10/Bottom 10 contributors to performance reveals a mixed bag of solid performing loans somewhat offset by a few challenged names. The net result was a favorable one after adding up the pluses and minuses.
- Portfolio attribution also shows a positive contribution to performance from the portfolio’s holdings in bonds although the effects to this quarter were less than the prior quarter. Loan performance was the key contributor as should be expected. Combined the performance of the long-term assets was more than sufficient to offset the negative carry from an average 2.7% cash weighting during the period.

TIPS, ETI, Cash Commentary

As of December 31, 2017, Fixed Income – TIPS, ETI and Cash was \$373 million (6.4%) of the NYBERS Total Fund.

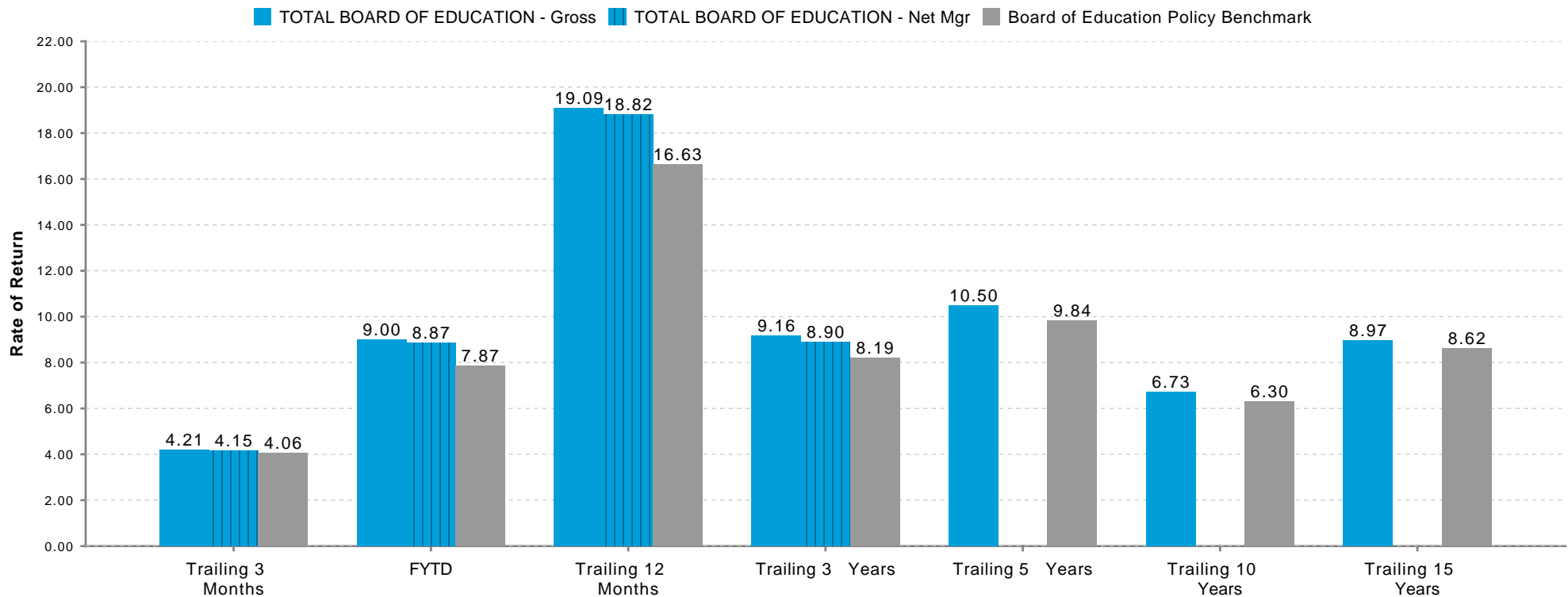
Fixed Income – TIPS Managers

- **SSgA (TIPS)** returned +1.26% in the quarter, in line with the +1.26% return for its Barclays Global Inflation Linked Index. SSgA (TIPS) returned +2.18% for the fiscal year as of December 31, 2017, ahead of the +2.14% return for its Barclays Global Inflation Linked Index.

TOTAL BOARD OF EDUCATION

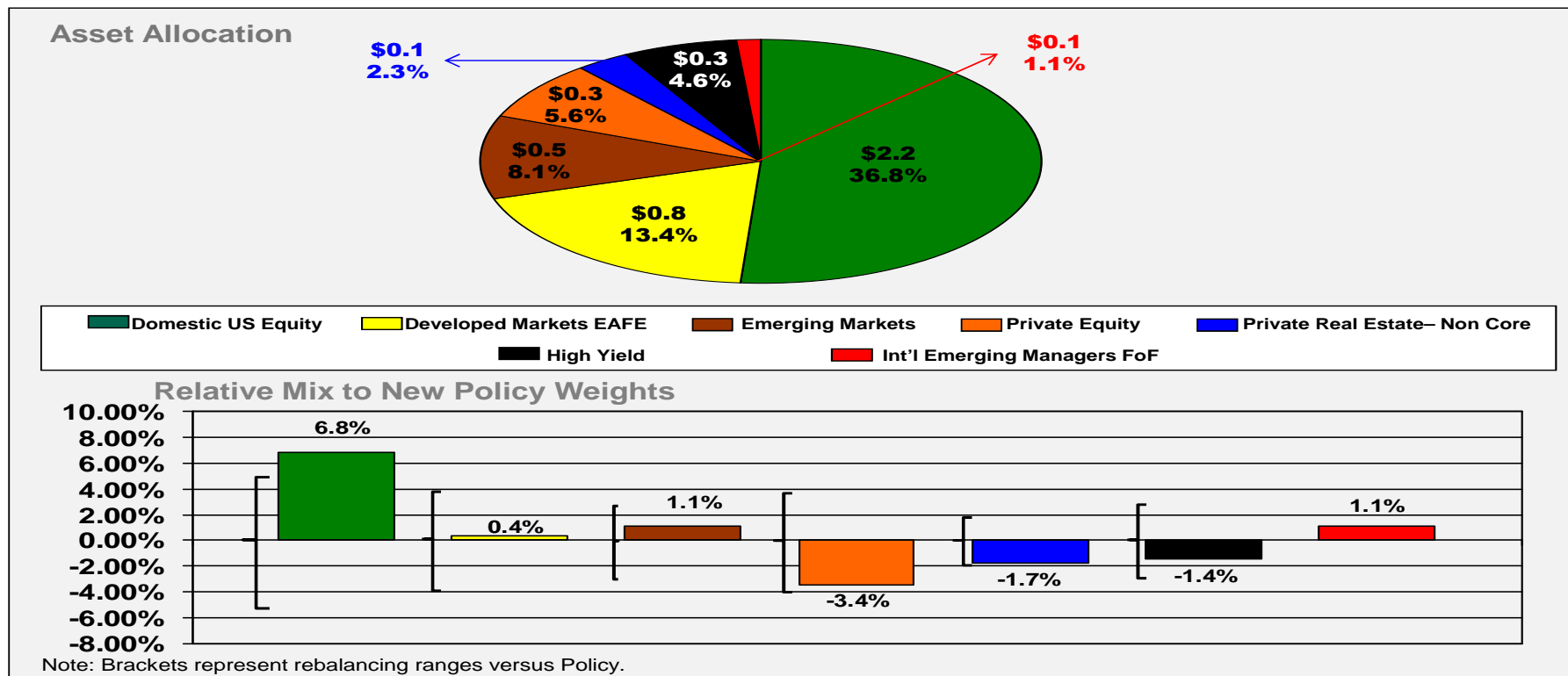
Market Value (Billions)

\$5.9

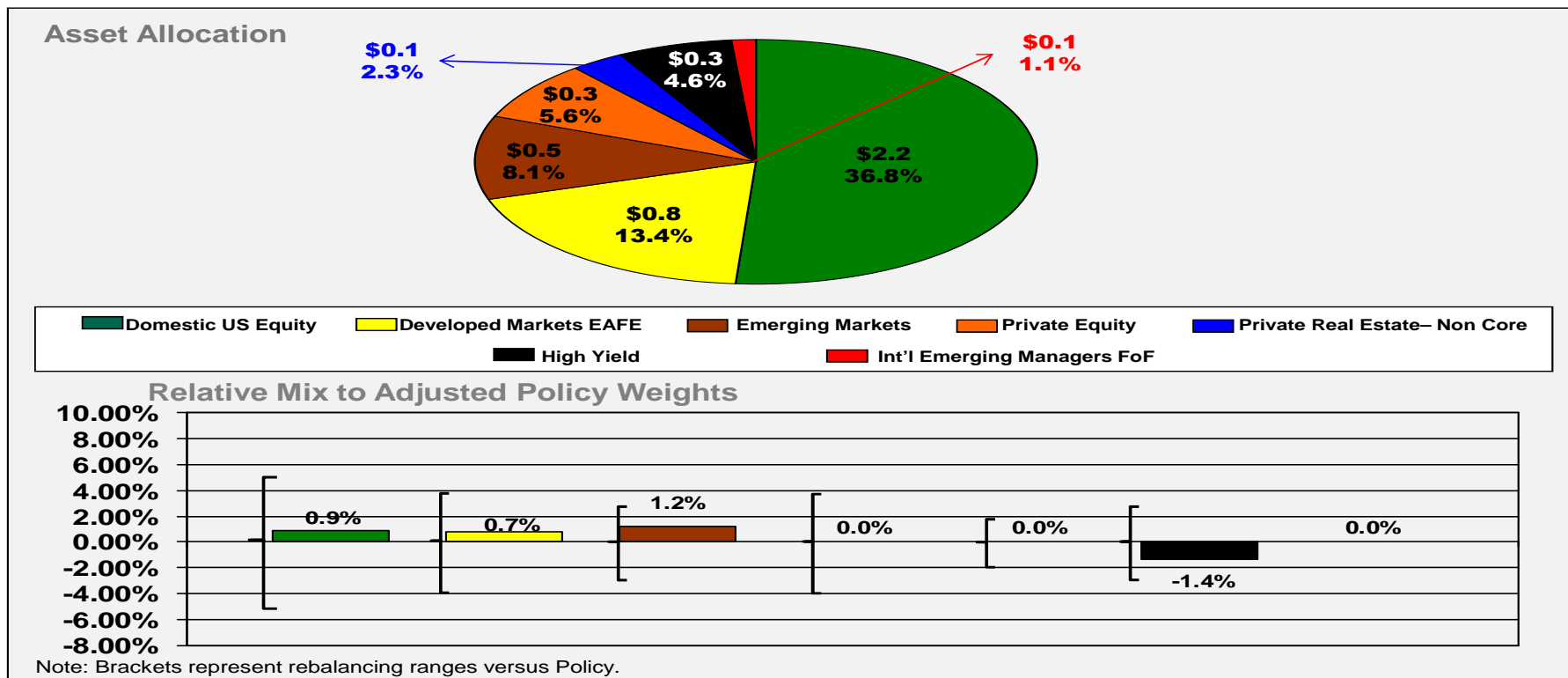


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL BOARD OF EDUCATION	6.8	6.5	10.5	6.4	11.2	11.6

Portfolio Asset Allocation – Growth

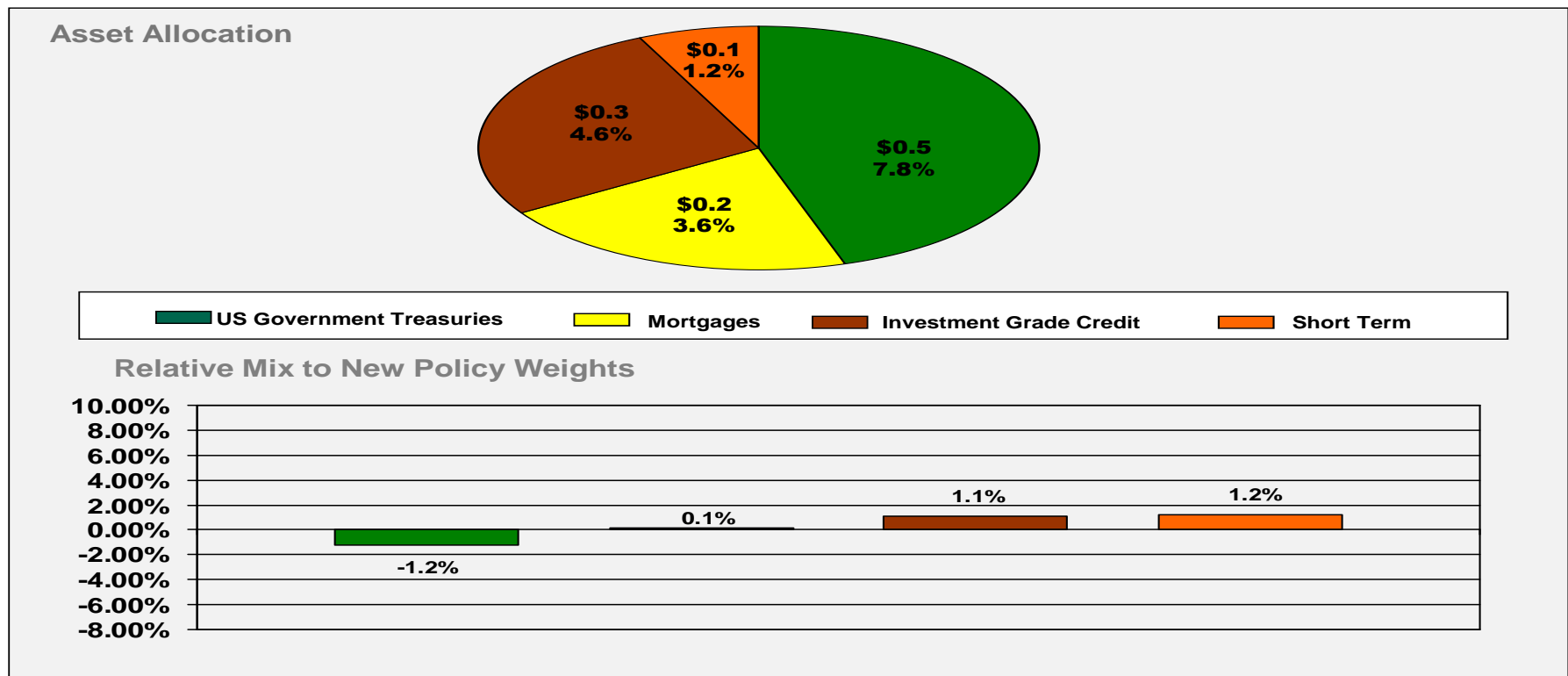


Portfolio Asset Allocation – Growth

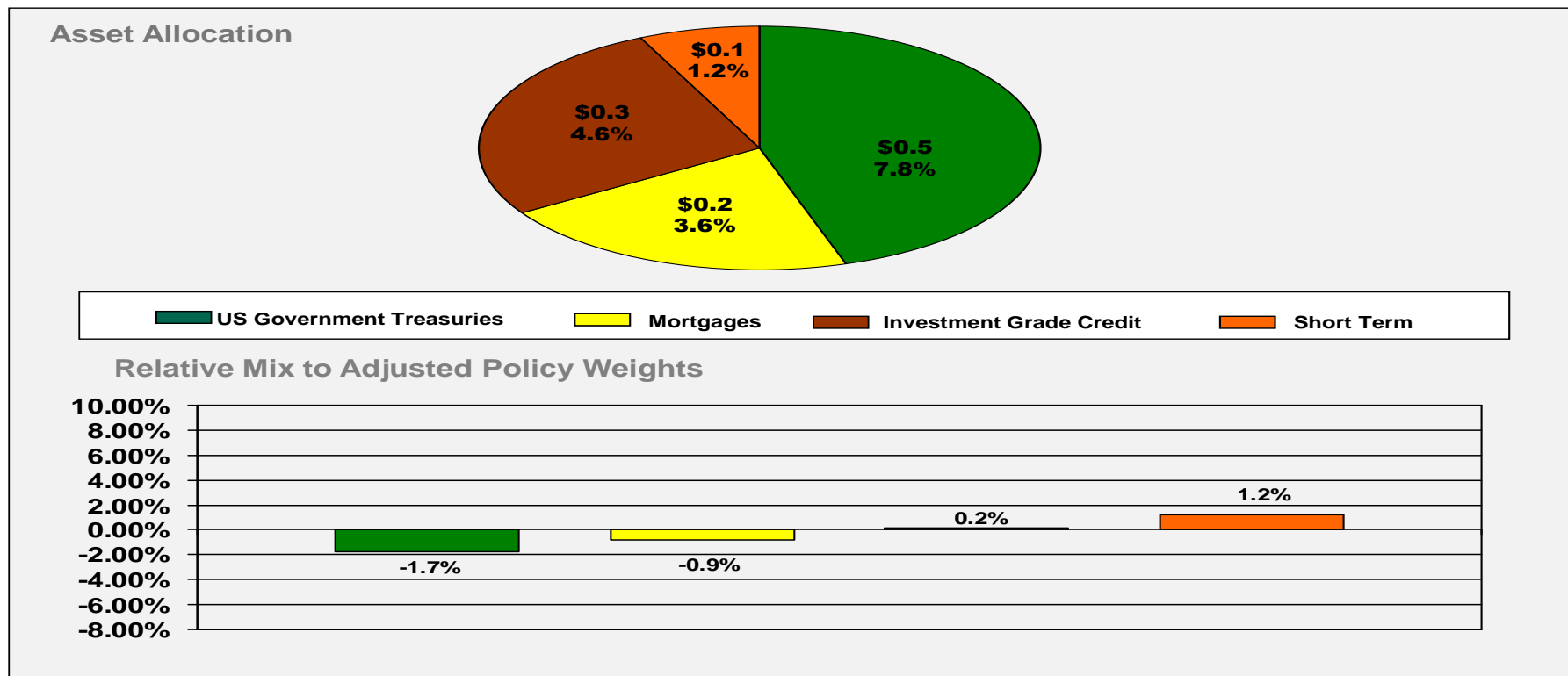


Note: On December 29, 2017 BERS' combined Fixed Income and Cash portfolios have a duration of 6.2 years. The duration of the Barclays US Aggregate Index was 6 years on that date.

Portfolio Asset Allocation – Deflation Protection

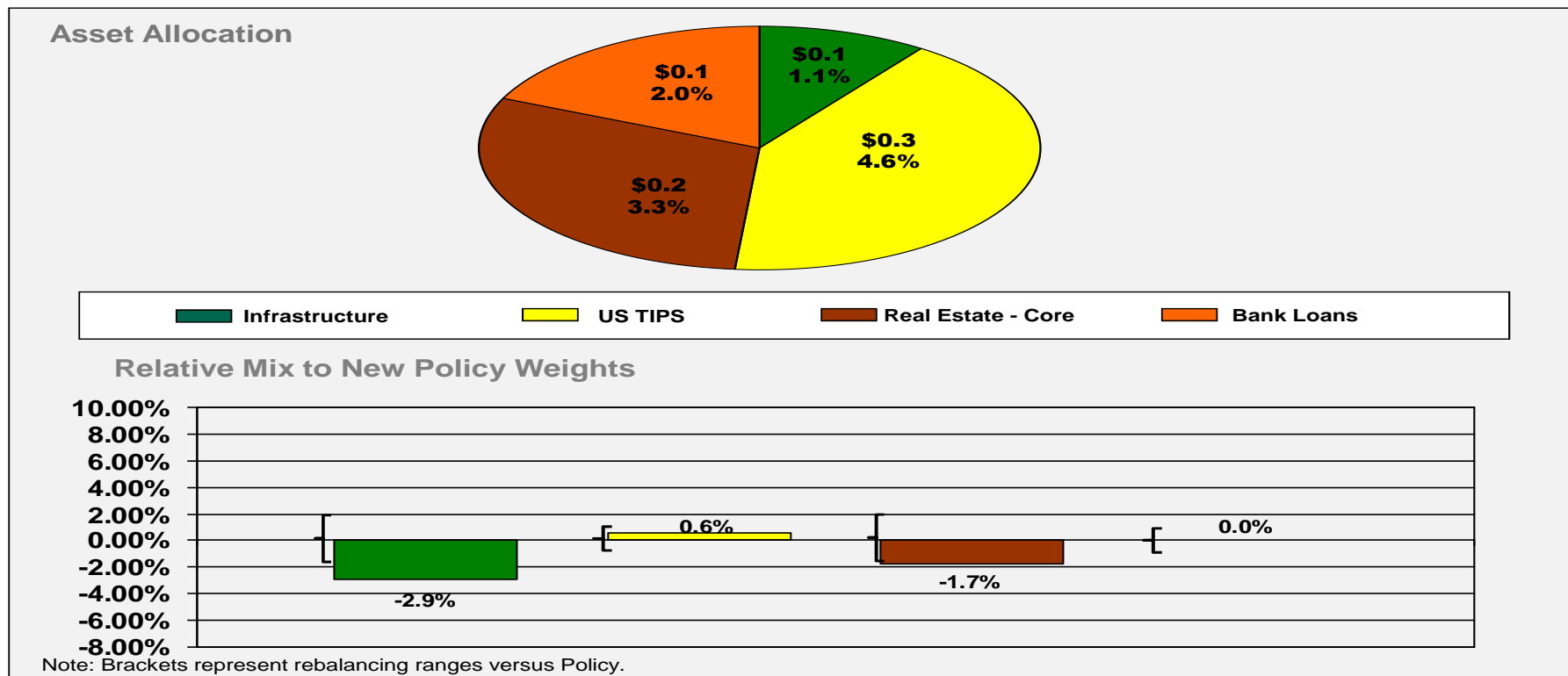


Portfolio Asset Allocation – Deflation Protection

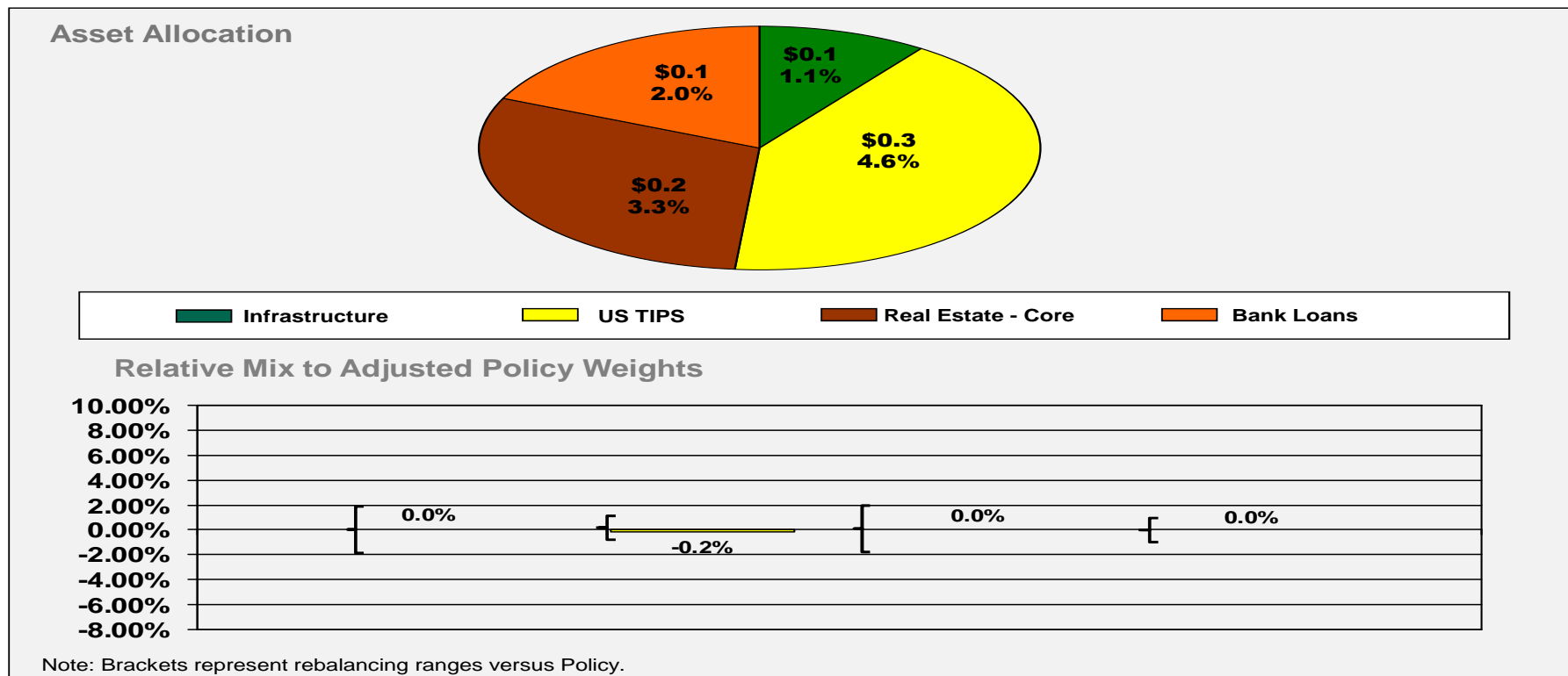


Note: On December 29, 2017 BERS' combined Fixed Income and Cash portfolios have a duration of 6.2 years. The duration of the Barclays US Aggregate Index was 6 years on that date.

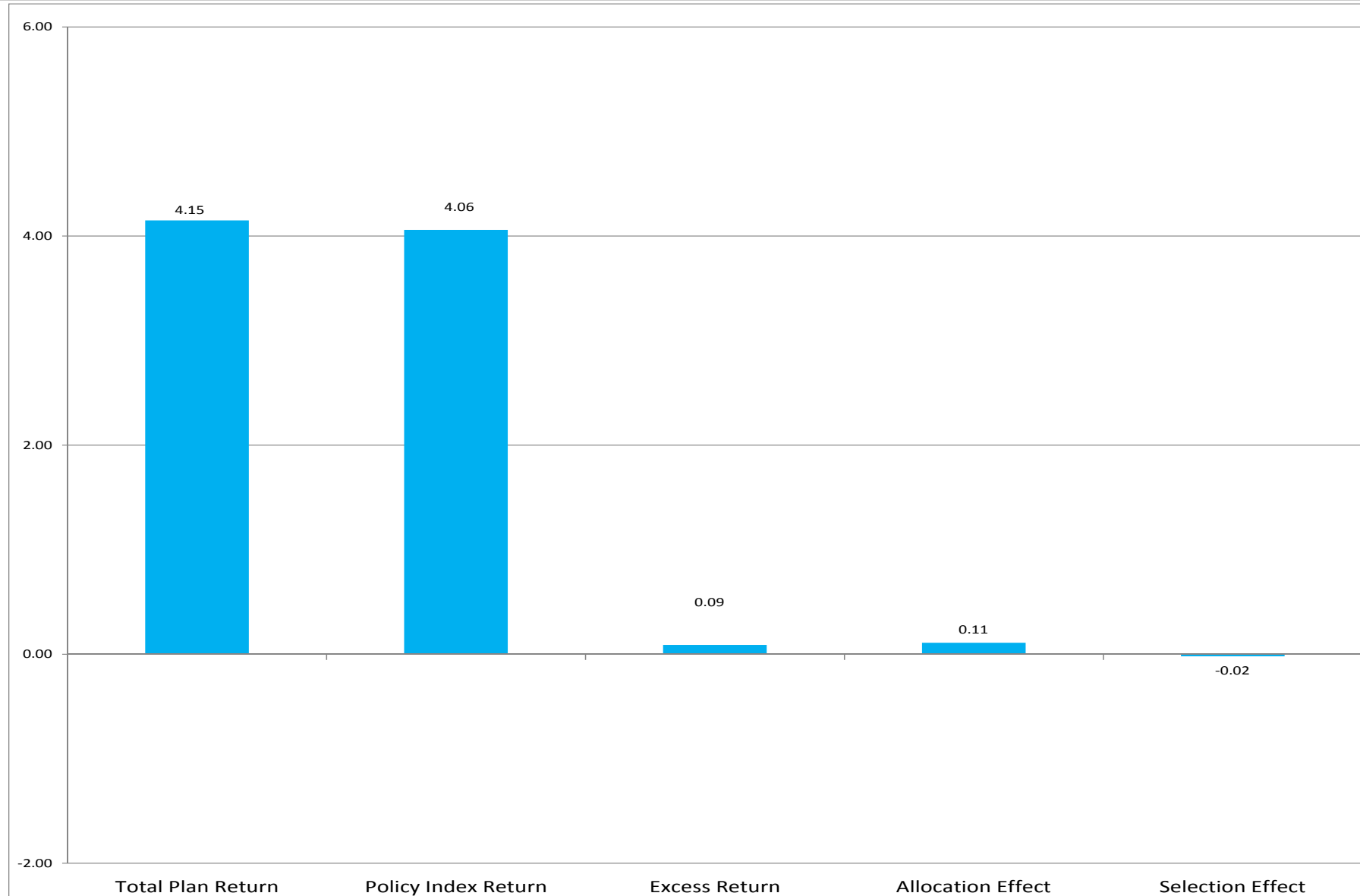
Portfolio Asset Allocation – Inflation Protection

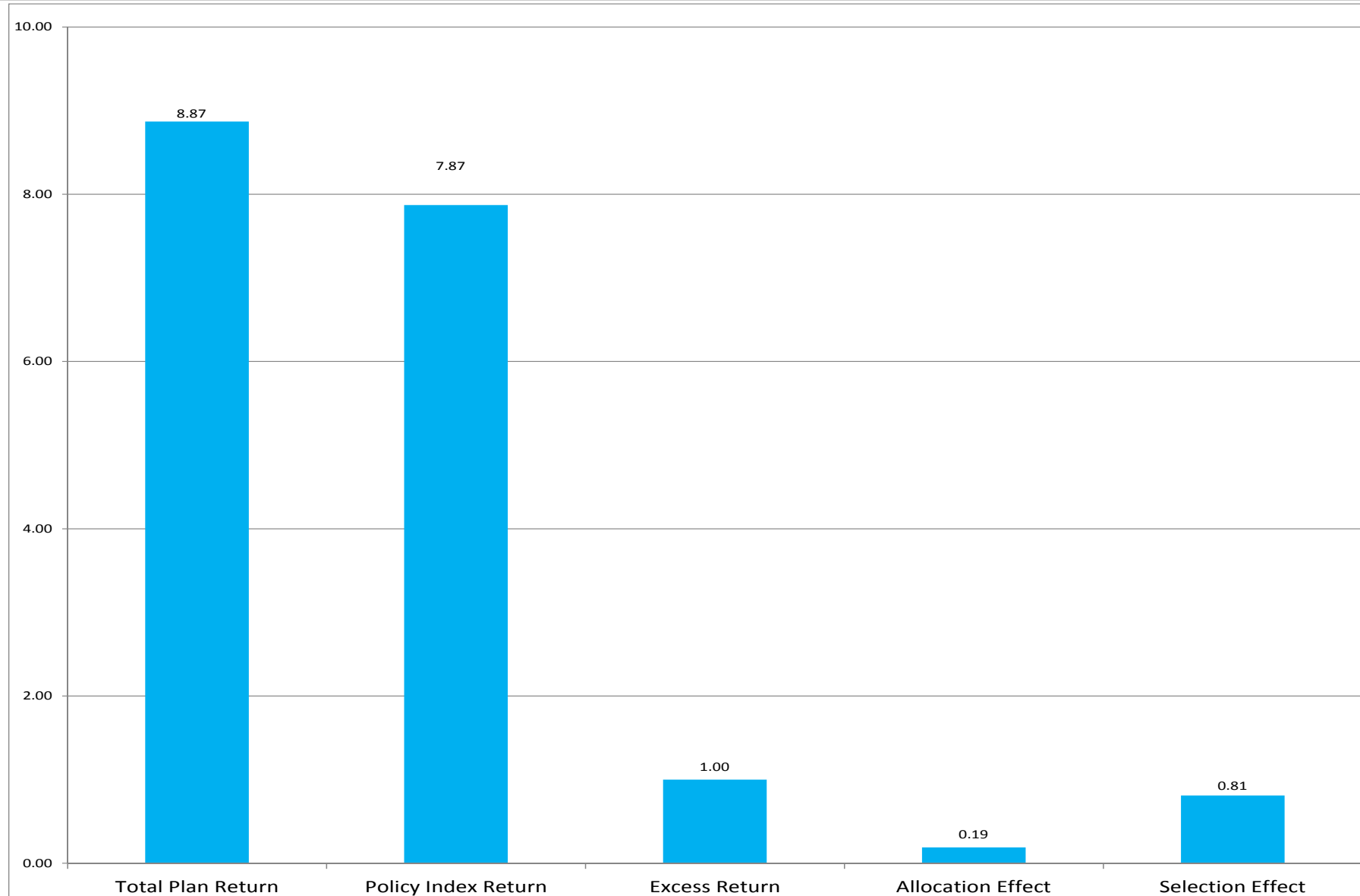


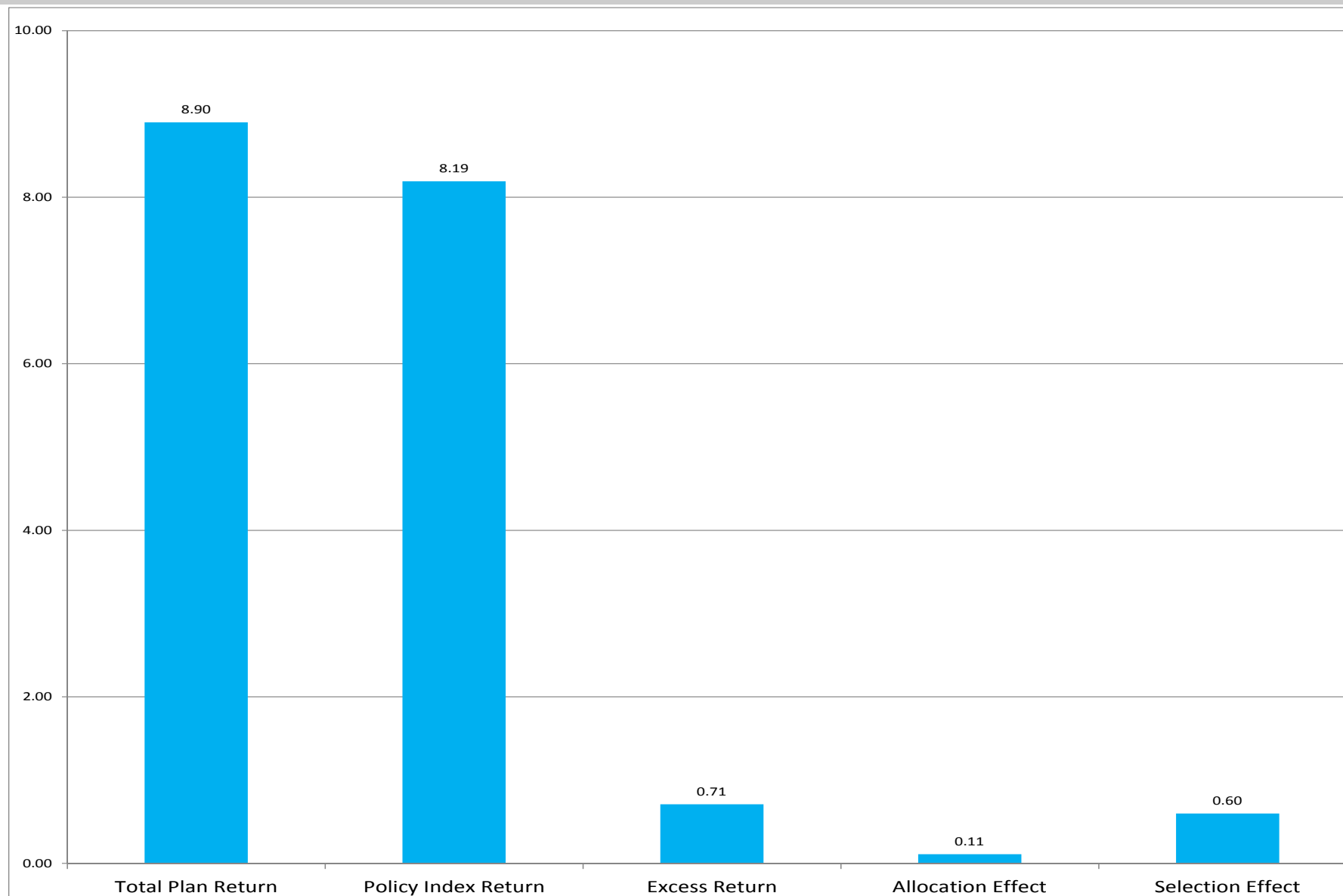
Portfolio Asset Allocation – Inflation Protection



Note: On December 29, 2017 BERS' combined Fixed Income and Cash portfolios have a duration of 6.2 years. The duration of the Barclays US Aggregate Index was 6 years on that date.





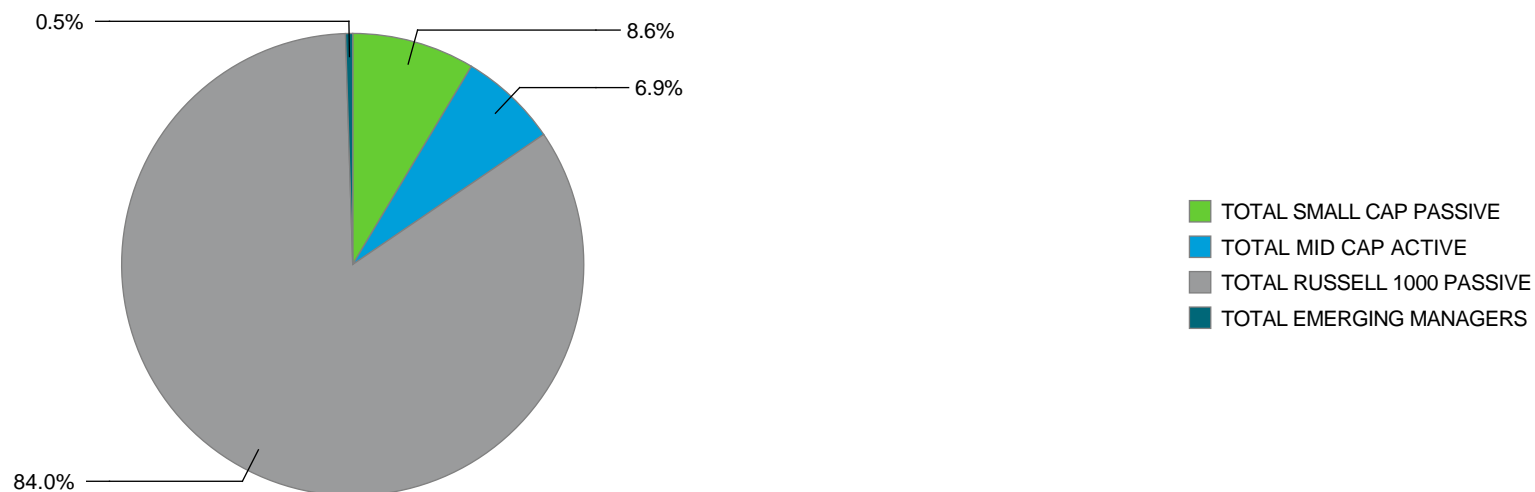


Allocation Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>FYTD</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL BOARD OF EDUCATION	0.11	0.19	0.11	Board of Education Policy Benchmark
TOTAL DOMESTIC EQUITY	0.01	0.01	0.00	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.00	0.02	0.08	MSCI World ex USA IMI Net
TOTAL EMERGING MARKETS	0.03	0.06	0.03	MSCI Emerging Markets
TOTAL INTERNATIONAL FOF	0.00	0.00	0.00	MSCI ACWI Ex US IMI Net
TOTAL PRIVATE EQUITY	0.00	0.00	0.00	Russell 3K + 300bps
TOTAL PRIVATE REAL ESTATE - CORE	0.00	0.00	0.00	NCREIF ODCE net
TOTAL PRIVATE REAL ESTATE - NON CORE	0.00	0.00	0.00	NCREIF ODCE net + 200bps
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL US TREASURY SHORT TERM	-0.06	-0.16	-0.14	Citigroup USBIG Treasury 1-3 Y Index
TOTAL ACTIVE GOVERNMENT	0.10	0.22	0.23	NYC - Treasury Agency Plus Five
TOTAL INVESTMENT GRADE CREDIT	-0.01	-0.02	-0.03	NYC - Investment Grade Credit
TOTAL MORTGAGES	0.03	0.05	0.03	CITIGROUP MORTGAGE INDEX
TOTAL ETI	0.00	0.00	0.00	ETI Custom Benchmark
TOTAL HIGH YIELD	0.04	0.06	0.03	CITIGROUP BB&B
TOTAL BANK LOANS	0.00	0.00	-0.01	Credit Suisse Lev Loan Index
TOTAL TIPS MANAGERS	0.00	0.01	0.00	BBG BARC Gbl Inf-Lk: US TIPS (Dly)
TOTAL CASH	-0.03	-0.06	-0.12	

Selection Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>FYTD</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL BOARD OF EDUCATION	-0.02	0.81	0.60	Board of Education Policy Benchmark
TOTAL DOMESTIC EQUITY	0.01	0.01	0.00	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.03	0.69	0.41	MSCI World ex USA IMI Net
TOTAL EMERGING MARKETS	-0.04	-0.02	0.06	MSCI Emerging Markets
TOTAL INTERNATIONAL FOF	-0.01	0.00	0.00	MSCI ACWI Ex US IMI Net
TOTAL PRIVATE EQUITY	-0.08	-0.04	-0.07	Russell 3K + 300bps
TOTAL PRIVATE REAL ESTATE - CORE	0.01	-0.01	0.00	NCREIF ODCE net
TOTAL PRIVATE REAL ESTATE - NON CORE	0.02	0.13	0.07	NCREIF ODCE net + 200bps
TOTAL INFRASTRUCTURE	0.01	0.05	0.05	CPI + 4%
TOTAL US TREASURY SHORT TERM	0.00	0.00	0.00	Citigroup USBIG Treasury 1-3 Y Index
TOTAL ACTIVE GOVERNMENT	0.00	0.00	0.00	NYC - Treasury Agency Plus Five
TOTAL INVESTMENT GRADE CREDIT	0.01	0.02	0.01	NYC - Investment Grade Credit
TOTAL MORTGAGES	0.00	0.00	0.01	CITIGROUP MORTGAGE INDEX
TOTAL ETI	0.00	0.00	0.00	ETI Custom Benchmark
TOTAL HIGH YIELD	0.01	-0.02	-0.01	CITIGROUP BB&B
TOTAL BANK LOANS	0.00	0.01	-0.01	Credit Suisse Lev Loan Index
TOTAL TIPS MANAGERS	0.00	0.00	0.01	BBG BARC Gbl Inf-Lk: US TIPS (Dly)
TOTAL CASH	0.00	0.00	0.01	

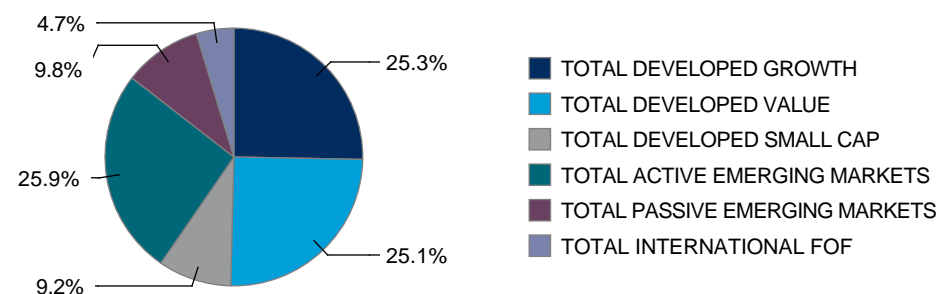
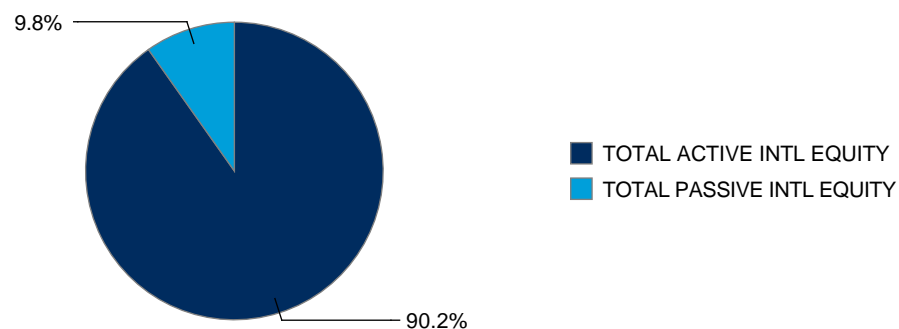
Total Domestic Equity Asset Allocations: December 31, 2017

	Market Value (Billions)	% of Plan
TOTAL DOMESTIC EQUITY	\$2.2	36.8



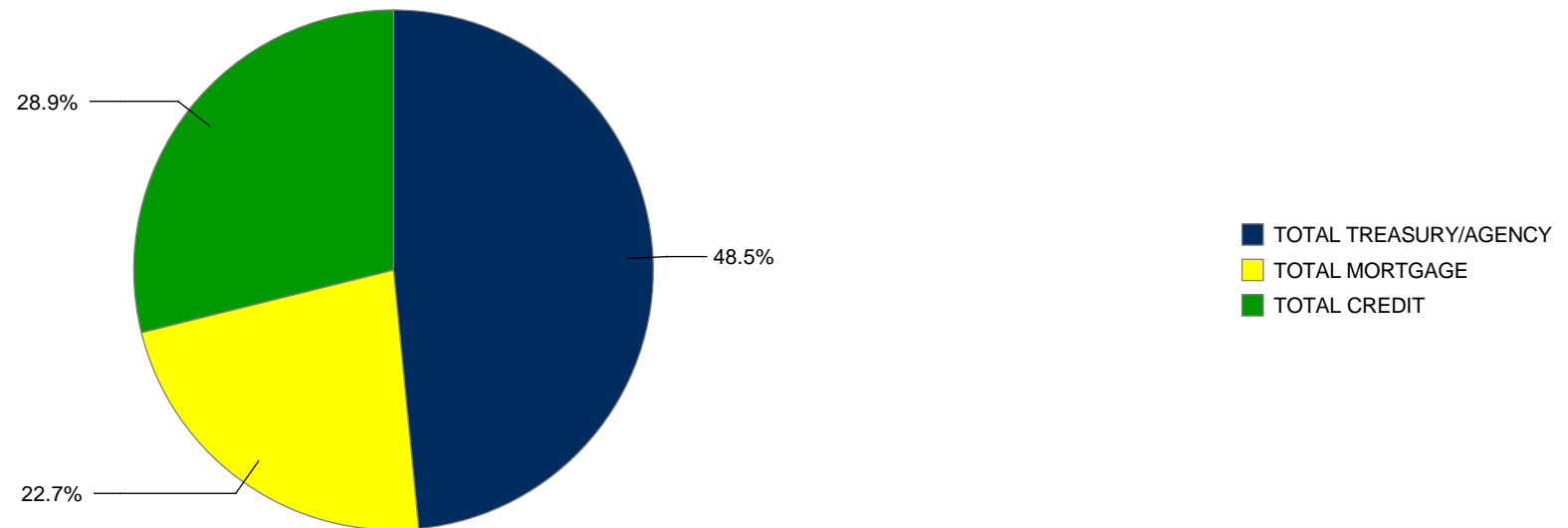
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP PASSIVE	7.4	8.6	1.2	3.3	3.4	0.1
TOTAL MID CAP ACTIVE	6.0	6.9	0.9	6.1	7.6	1.5
TOTAL RUSSELL 1000 ACTIVE	10.0	0.0	-10.0	6.6		-6.6
TOTAL RUSSELL 1000 PASSIVE	66.0	84.0	18.0	6.6	6.6	0.0
TOTAL EMERGING MANAGERS	0.6	0.5	-0.1	3.3	2.5	-0.8
TOTAL RUSSELL TOP 200 PASSIVE	10.0	0.0	-10.0			

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL INTERNATIONAL EQUITY	\$1.3	22.6



	<u>Asset Weight</u>	<u>Quarterly Returns - Fund and Benchmark</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	25.33	3.53	4.23	(0.70)
TOTAL DEVELOPED VALUE	25.06	5.87	4.23	1.64
TOTAL DEVELOPED SMALL CAP	9.16	5.18	6.34	(1.17)
TOTAL ACTIVE EMERGING MARKETS	25.91	7.01	7.44	(0.43)
TOTAL PASSIVE EMERGING MARKETS	9.79	7.25	7.44	(0.19)
TOTAL INTERNATIONAL FOF	4.74	4.45	5.23	(0.78)
TOTAL INTERNATIONAL EQUITY	100.00	5.54	5.00	0.54

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED + ETI	\$939.3	16.0



Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL TREASURY/AGENCY	61.54	48.46	-13.08	0.67	0.56	-0.12
TOTAL MORTGAGE	19.23	22.65	3.42	0.10	0.09	-0.01
TOTAL INV GRADE CREDIT	19.23	28.89	9.66	1.02	1.22	0.21

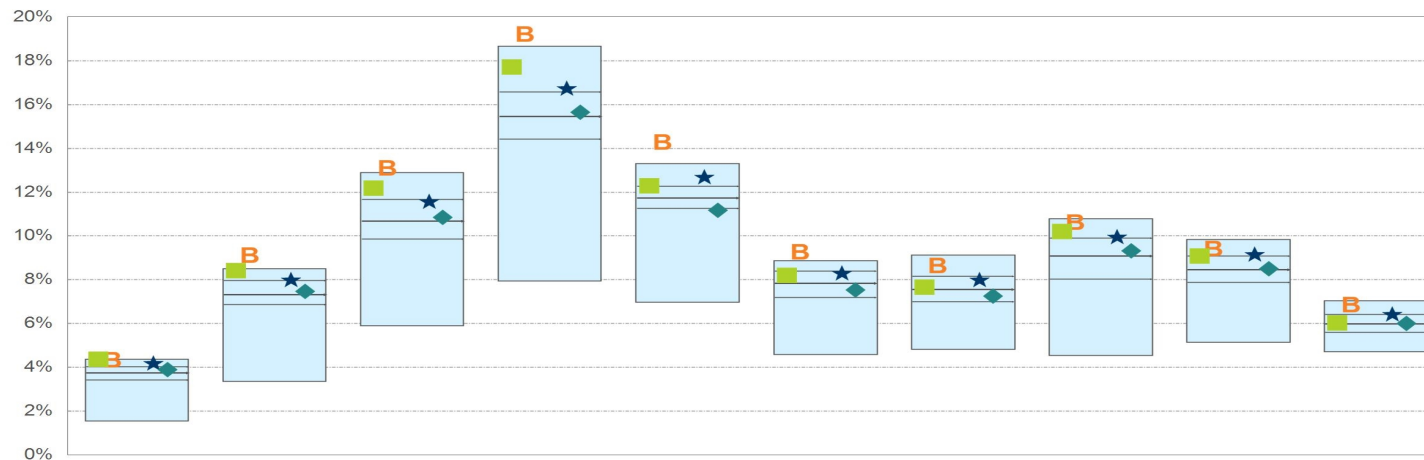


Through December 31, 2017



City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$1 Billion
Cumulative Periods Ending : December 31, 2017



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	4.37	8.50	12.89	18.67	13.31	8.88	9.12	10.78	9.84	7.03
25th	4.03	7.96	11.67	16.58	12.28	8.39	8.16	9.90	9.08	6.42
50th	3.74	7.31	10.67	15.45	11.74	7.83	7.55	9.08	8.46	5.99
75th	3.43	6.87	9.85	14.43	11.27	7.19	6.99	8.03	7.89	5.59
95th	1.56	3.36	5.89	7.95	6.98	4.58	4.82	4.55	5.14	4.72
No. Of Obs	67	67	67	67	67	67	67	67	66	60
B Total System - BOE	4.21 (10)	9.00 (1)	12.98 (4)	19.09 (4)	14.16 (2)	9.16 (4)	8.52 (13)	10.50 (14)	9.29 (17)	6.73 (11)
★ Board of Ed Policy Ben	4.06 (20)	7.87 (30)	11.46 (30)	16.63 (22)	12.58 (14)	8.19 (35)	7.87 (38)	9.84 (26)	9.04 (29)	6.30 (31)
■ Public Mkt Equiv 25	4.25 (10)	8.28 (11)	12.06 (19)	17.58 (13)	12.17 (29)	8.08 (36)	7.53 (51)	10.08 (20)	8.95 (34)	5.89 (55)
◆ Public Mkt Equiv 35	3.77 (45)	7.35 (47)	10.73 (48)	15.53 (48)	11.04 (79)	7.40 (67)	7.13 (68)	9.19 (47)	8.38 (51)	5.87 (55)

Wilshire Trust Universe Comparison Service® (TUCS®)



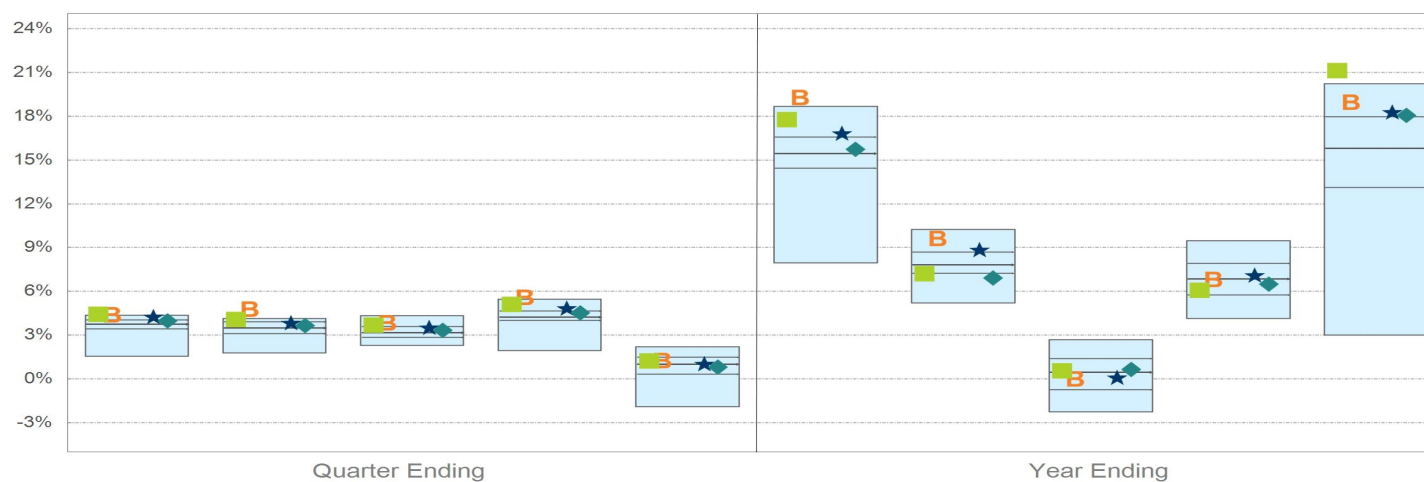
Through December 31, 2017



City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$1 Billion

Consecutive Time Periods: December 31, 2017



Percentile Rankings	Dec 17	Sep 17	Jun 17	Mar 17	Dec 16	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
5th	4.37	4.13	4.32	5.47	2.20	18.67	10.25	2.69	9.47	20.23
25th	4.03	3.91	3.59	4.65	1.49	16.58	8.70	1.38	7.92	17.96
50th	3.74	3.50	3.16	4.23	1.00	15.45	7.83	0.45	6.84	15.82
75th	3.43	3.09	2.86	4.02	0.32	14.43	7.24	-0.74	5.75	13.13
95th	1.56	1.77	2.30	1.95	-1.90	7.95	5.19	-2.25	4.15	3.02
No. Of Obs	67	67	67	67	67	67	67	67	67	67
B Total System - BOE	4.21 (10)	4.59 (1)	3.65 (19)	5.41 (5)	1.08 (39)	19.09 (4)	9.44 (10)	-0.20 (65)	6.64 (60)	18.78 (19)
★ Board of Ed Policy Ben	4.06 (20)	3.66 (36)	3.32 (38)	4.64 (25)	0.85 (57)	16.63 (22)	8.66 (27)	-0.09 (64)	6.93 (44)	18.10 (22)
■ Public Mkt Equiv 25	4.25 (10)	3.87 (26)	3.49 (27)	4.92 (11)	1.05 (44)	17.58 (13)	7.01 (81)	0.35 (54)	5.88 (71)	20.94 (2)
◆ Public Mkt Equiv 35	3.77 (45)	3.45 (57)	3.14 (50)	4.34 (39)	0.62 (62)	15.53 (48)	6.73 (84)	0.46 (48)	6.31 (65)	17.86 (25)

Wilshire Trust Universe Comparison Service® (TUCS®)

Through December 31, 2017

**BERS RETIREMENT SYSTEM
ACTUAL FEES FOR FISCAL YEAR ENDED JUNE 30, 2016 AND
ESTIMATED FEES FOR FY 2017 UPDATED THROUGH NOVEMBER 2016**

INVESTMENT STYLE (EQUITIES)	Actual 2016		Estimates 2017	
	Avg MV 16 (\$MM)	Mgmt Fees BPS	MV 11-30-16 (\$MM)	Mgmt Fees BPS
US Equities	1,692	9.79	1,812	8.39
Small Cap Active	0	-	-	-
Small Cap Growth	-	-	-	-
Small Cap Value	-	-	-	-
Small Cap core	0	-	-	-
Small Cap Fundamental Index	-	-	-	-
Small/Mid Cap Active	-	-	-	-
Small/Mid Cap Growth	-	-	-	-
Small/Mid Cap Value	-	-	-	-
Mid Cap Active	138	45.78	153	30.00
Mid Cap Growth	-	-	-	-
Mid Cap Value	-	-	-	-
Mid Cap core	138	45.78	153	30.00
Russell 1000 Active	-	-	-	-
Russell 1000 Fundamental Index	-	-	-	-
Active Emerging Managers (U.S. Equities)	171	56.38	167	60.00
Total US Active Equities	309	51.80	319	45.65
Total US Passive Equities	1,384	0.42	1,492	0.42
Environmental US E. Strategies	-	-	-	-
International Equities	916	27.39	1,001	27.81
Active EAFE Equities	709	24.73	758	25.08
Growth	320	25.68	326	27.04
Value	308	21.55	347	21.14
Small Cap	81	33.05	86	33.51
Non-US Environmental Strategies	-	-	-	-
Active Emerging Markets	207	36.51	242	36.38
Total Int'l Active Equities	916	27.39	1,001	27.81
Total Int'l Passive Equities	-	-	-	-
Total Passive Developed Markets	-	-	-	-
Total Passive Emerging Markets	-	-	-	-
REITS Passive Index	-	-	-	-

Information provided by the New York City Comptroller

Through December 31, 2017

**BERS RETIREMENT SYSTEM
ACTUAL FEES FOR FISCAL YEAR ENDED JUNE 30, 2016 AND
ESTIMATED FEES FOR FY 2017 UPDATED THROUGH NOVEMBER 2016**

INVESTMENT STYLE (FIXED INCOME)	Actual 2016		Estimates 2017	
	Avg MV 16 (\$MM)	Mgmt Fees BPS	MV 11-30-16 (\$MM)	Mgmt Fees BPS
Fixed Income	1,300	11.98	1,373	11.74
Structured Program	658	6.19	640	6.42
Government Sector	100	4.41	127	3.46
SSGA Long Duration Treasury	-	-	-	-
Mortgage Sector	260	4.29	203	4.97
Investment Grade Credit Sector	299	8.42	310	8.59
Global Fixed Income	-	-	-	-
Progress Fixed Emerging Managers	-	-	-	-
TIPS	172	0.52	216	0.51
Active TIPS	-	-	-	-
Passive TIPS	172	0.52	216	0.51
Enhanced Yield	220	33.39	250	29.13
Bank Loans	96	33.92	111	34.39
Convertible Bonds	-	-	-	-
ETI - Access - RBC	7	24.98	11	17.78
ETI - AFL-CIO HIT	15	42.48	16	39.53
Total Public Markets (Externally managed)	3,776	15.15	4,054	14.59
Other ETI Programs	6	-	7	-
In-House Short Term	125	0.00	123	0.00
Total Public Markets	3,908	14.64	4,185	14.13
INVESTMENT STYLE (PRIVATE)				
Hedge Funds	-	-	-	-
Private Equities	212	184.15	240	216.03 ¹
Private Real Estate	219	116.86	248	101.72
Infrastructure	28	76.29	39	101.45 ²
Opportunistic Fixed Income	-	-	-	-
Total Private Markets	459	154.30 ³	527	161.83
Total Overall	4,367	29.32	4,712	30.65

Footnotes

¹ -Private Equity estimates for FY 2017 are based on partnership terms. For funds in the investment period, management fees are based on the committed capital. For funds in the post-investment period, management fees are based on the Market Value as of 6/30/2016.

² - Infrastructure Fees are based on committed amounts for each investment which are higher than the market values.

³ - Private Markets Investments exclude GP CARRY & Incentive Fees .

⁴ -The Incentive Fees paid for the BERS Fund in 2016 are 2.24 BPS.

Information provided by the New York City Comptroller

Through December 31, 2017

**NYC BOARD OF EDUCATION RETIREMENT SYSTEM
SECURITIES LENDING INCOME
December 31, 2017**

	<u>U. S. FIXED INCOME</u>	<u>U. S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>	<u>TOTAL</u>
1989	70,000	-	-	70,000
1990	79,000	-	-	79,000
1991	111,000	-	-	111,000
1992	122,000	11,000	-	133,000
1993	79,000	32,000	15,000	126,000
1994	93,000	77,000	20,000	190,000
1995	112,000	93,000	12,000	217,000
1996	99,000	76,000	27,000	202,000
1997	101,000	126,000	40,000	267,000
1998	111,000	170,000	60,000	341,000
1999	159,000	263,000	100,000	522,000
2000	193,000	310,000	97,000	600,000
2001	295,000	208,000	159,000	662,000
2002	209,000	143,000	152,000	504,000
2003	153,000	158,000	195,000	506,000
2004	226,000	255,000	174,000	655,000
2005	384,000	479,000	217,000	1,080,000
2006	303,000	734,000	246,000	1,283,000
2007	593,000	1,208,000	272,000	2,073,000
2008	2,514,000	2,266,000	451,000	5,231,000
2009	698,000	1,416,000	367,000	2,481,000
2010	246,000	729,000	326,000	1,301,000
2011	340,000	943,000	599,000	1,882,000
2012	516,000	1,144,000	495,000	2,155,000
2013	349,000	1,325,000	446,000	2,120,000
2014	287,000	512,000	1,387,000	2,186,000
2015	338,000	429,000	1,985,000	2,752,000
2016	418,000	1,585,000	1,685,000	3,688,000
2017	686,000	1,015,000	1,215,000	2,916,000
Since Inception	<u>9,884,000</u>	<u>15,707,000</u>	<u>10,742,000</u>	<u>36,333,000</u>

**New York City
Board of Education Retirement System**

Appendix A

Consolidated Performance Report

Consolidated Performance Report

Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014	2013	2012	3 Year	5 Year	10 Year	ITD	Inception Date
SYSTEM RETURN SUMMARY															
5 BERS-TOTAL PORTFOLIO - GROSS	5,864	100.00	4.21	9.00	19.09	9.44	(0.20)	6.64	18.78	13.50	9.16	10.50	6.73	8.97	07/01/1987
BERS - ESTIMATED INVESTMENT FEES			(0.06)	(0.13)	(0.27)	(0.25)	(0.24)	(0.25)			(0.25)				
EST MANAGEMENT FEES - PUBLIC MARKET (ACCRUAL)			(0.03)	(0.05)	(0.10)	(0.13)	(0.14)	(0.15)			(0.13)				
EST MANAGEMENT FEES - ALTERNATIVE MARKETS (CASH)			(0.03)	(0.08)	(0.17)	(0.12)	(0.10)	(0.10)			(0.12)				
EST INCENTIVE FEES															
EST OTHER FEES															
EST FEE OFFSETS															
BERS-TOTAL PORTFOLIO - NET MGR			4.15	8.87	18.82	9.19	(0.44)	6.39			8.90				
BOARD OF EDUCATION POLICY BENCHMARK			4.06	7.87	16.63	8.66	(0.08)	6.93	18.10	14.05	8.19	9.84	6.30		
EXCESS RETURN			0.08	1.00	2.18	0.53	(0.36)	(0.53)	0.68	(0.55)	0.72	0.66	0.43		
EQUITY RETURN DETAIL															
18 BERS-TOTAL EQUITY (INCLUDES PE & RA) - GROSS	4,198	71.59	5.60	12.08	25.58	10.72	(0.13)	7.08	27.83	16.72	11.57	13.71	7.23	9.49	08/01/1993
ESTIMATED INVESTMENT FEES			(0.08)	(0.16)	(0.34)	(0.30)	(0.30)	(0.28)			(0.31)				
EST MANAGEMENT FEES			(0.08)	(0.16)	(0.34)	(0.30)	(0.30)	(0.28)							
EST INCENTIVE FEES															
EST OTHER FEES															
EST FEE OFFSETS															
BERS-TOTAL EQUITY (INCL PE & RA) - NET MGR			5.52	11.92	25.24	10.42	(0.43)	6.81			11.25				
26 BERS-TOTAL DOMESTIC EQUITY - GROSS	2,158	36.80	6.36	11.23	21.47	12.69	0.51	11.27	35.96	16.62	11.22	15.79	8.61	10.02	09/01/1991
ESTIMATED INVESTMENT FEES			(0.01)	(0.02)	(0.04)	(0.12)	(0.12)	(0.13)			(0.09)				
BERS-TOTAL DOMESTIC EQUITY - NET MGR			6.35	11.22	21.43	12.57	0.39	11.14			11.12				
RUSSELL 3000 (DAILY)			6.34	11.20	21.13	12.74	0.48	12.56	33.55	16.42	11.12	15.58	8.60	9.90	
EXCESS RETURN			0.02	0.02	0.29	(0.17)	(0.09)	(1.42)	2.41	0.20	0.00	0.21	0.01	0.12	
36 BERS-TOTAL SMALL CAP - GROSS	185	3.15	3.42	9.31	14.47	21.28	(6.44)	3.20	44.74	19.91	9.11	14.18	7.21	7.36	04/01/2004
ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.01)	(0.08)	(0.15)			(0.04)				
BERS-TOTAL SMALL CAP - NET MGR			3.42	9.31	14.47	21.28	(6.52)	3.05			9.07				
RUSSELL 2000 (DAILY)			3.34	9.20	14.65	21.31	(4.41)	4.89	38.82	16.35	9.96	14.12	8.71	8.64	
EXCESS RETURN			0.08	0.11	(0.18)	(0.03)	(2.11)	(1.85)	5.92	3.56	(0.88)	0.05	(1.50)	(1.29)	
46 BERS-TOTAL MID CAP - GROSS	148	2.53	7.60	11.26	25.33	12.90	2.56	10.77	37.52	19.12	13.22	17.19		15.31	10/01/2010
ESTIMATED INVESTMENT FEES			(0.08)	(0.17)	(0.27)	(0.62)	(0.55)	(0.41)			(0.49)				
BERS-TOTAL MID CAP - NET MGR			7.52	11.10	25.06	12.28	2.01	10.36			12.73				
RUSSELL MIDCAP (DAILY)			6.07	9.75	18.52	13.80	(2.44)	13.22	34.76	17.28	9.58	14.96		14.21	
EXCESS RETURN			1.46	1.35	6.54	(1.51)	4.45	(2.86)	2.76	1.84	3.15	2.24		1.10	

Consolidated Performance Report

Through December 31, 2017

		Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014	2013	2012	3 Year	5 Year	10 Year	ITD	Inception Date
EQUITY RETURN DETAIL																
58	BERS-TOTAL RUSSELL 1000 - GROSS	1,814	30.93	6.57	11.45	21.73	12.20	0.98	12.92	62.18	14.87	11.31	20.36	10.92	10.46	09/01/1993
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)			(0.00)				
	BERS-TOTAL RUSSELL 1000 - NET MGR			6.57	11.44	21.73	12.20	0.97	12.91			11.31				
	RUSSELL 1000 (DAILY)			6.59	11.36	21.69	12.05	0.92	13.24	33.11	16.42	11.23	15.71	8.59	9.69	
	EXCESS RETURN			(0.02)	0.08	0.04	0.14	0.05	(0.33)	29.07	(1.56)	0.08	4.65	2.32	0.77	
68	BERS-TOTAL EMERGING MANAGER- GROSS	11	0.19	2.51	7.34										7.95	05/01/2017
	ESTIMATED INVESTMENT FEES			(0.13)	(0.27)										(0.17)	
	BERS-TOTAL EMERGING MANAGER - NET MGR			2.38	7.07										7.78	
	RUSSELL 2000 (DAILY)			3.34	9.20										10.67	
	EXCESS RETURN			(0.96)	(2.12)										(2.90)	

Consolidated Performance Report

Through December 31, 2017

		Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014	2013	2012	3 Year	5 Year	10 Year	ITD	Inception Date
EQUITY RETURN DETAIL																
80	BERS-TOTAL INTERNATIONAL EQUITY - GROSS	1,324	22.58	5.54	15.38	36.75	7.65	(7.04)	(3.03)	17.99	18.36	11.02	9.38	4.31	8.26	11/01/1992
	ESTIMATED INVESTMENT FEES			(0.07)	(0.15)	(0.34)	(0.29)	(0.25)	(0.26)			(0.29)				
	BERS-TOTAL INTERNATIONAL EQUITY - NET MGR			5.47	15.23	36.40	7.36	(7.30)	(3.30)			10.73				
	MSCI AC WORLD EX US (NET)			5.00	11.48	27.19	4.50	(5.66)	(3.87)	15.29	16.83	7.83	6.80	1.84		
	EXCESS RETURN			0.47	3.75	9.21	2.86	(1.63)	0.57	2.70	1.52	2.89	2.58	2.47		
90	BERS-TOTAL DEVELOPED GROWTH ACTIVE - GROSS	335	5.72	3.53	16.41	44.65	0.96	(3.56)	(6.42)	29.53	18.88	12.09	11.29	5.50	6.41	08/01/2007
	ESTIMATED INVESTMENT FEES			(0.07)	(0.15)	(0.35)	(0.26)	(0.25)	(0.24)			(0.28)				
	BERS-TOTAL DEVELOPED GROWTH ACTIVE - NET MGR			3.47	16.26	44.30	0.70	(3.81)	(6.66)			11.81				
	NYC DEVELOPED GROWTH BENCHMARK			4.23	9.50	27.77	(3.04)	4.09	(4.43)	22.55	16.86	8.84	8.59	2.58	2.95	
	EXCESS RETURN			(0.76)	6.76	16.53	3.74	(7.90)	(2.23)	6.98	2.02	2.97	2.70	2.91	3.46	
100	BERS-TOTAL DEVELOPED VALUE ACTIVE - GROSS	332	5.66	5.87	14.42	27.41	11.38	(9.37)	(2.98)	16.94	17.84	8.75	7.85	3.83	7.58	08/01/2004
	ESTIMATED INVESTMENT FEES			(0.06)	(0.12)	(0.26)	(0.24)	(0.19)	(0.21)			(0.23)				
	BERS-TOTAL DEVELOPED VALUE ACTIVE - NET MGR			5.81	14.30	27.15	11.14	(9.56)	(3.19)			8.52				
	NYC DEVELOPED VALUE BENCHMARK			4.23	10.49	22.77	5.02	(5.68)	(5.39)	22.95	17.69	6.74	7.18	1.26	5.79	
	EXCESS RETURN			1.58	3.81	4.38	6.12	(3.87)	2.21	(6.01)	0.15	1.78	0.67	2.57	1.79	
110	BERS-TOTAL DEVELOPED SMALL CAP ACTIVE - GROSS	121	2.07	5.18	16.07	38.82	6.76	9.04	(4.60)			17.35			13.27	05/01/2013
	ESTIMATED INVESTMENT FEES			(0.09)	(0.19)	(0.44)	(0.35)	(0.36)	(0.32)			(0.38)				
	BERS-TOTAL DEVELOPED SMALL CAP ACTIVE - NET MGR			5.09	15.89	38.38	6.41	8.68	(4.92)			16.97				
	S&P EPAC SMALL CAP USD NET			6.34	13.70	33.47	1.34	8.58	(3.43)			13.67			11.01	
	EXCESS RETURN			(1.25)	2.18	4.91	5.07	0.09	(1.49)			3.30			2.26	
120	BERS-TOTAL ACTIVE EMERGING MARKETS - GROSS	343	5.85	7.01	15.90	40.92	13.14	(14.83)	4.14	(4.70)	18.12	10.74	6.15	1.74	9.90	04/01/2004
	ESTIMATED INVESTMENT FEES			(0.09)	(0.20)	(0.47)	(0.40)	(0.31)	(0.37)			(0.39)				
	BERS-TOTAL ACTIVE EMERGING MARKETS - NET MGR			6.92	15.71	40.45	12.74	(15.14)	3.77			10.35				
	MSCI EMERGING MARKETS			7.44	15.92	37.28	11.19	(14.92)	(2.19)	(2.60)	18.22	9.10	4.35	1.68	9.17	
	EXCESS RETURN			(0.52)	(0.21)	3.16	1.55	(0.22)	5.96	(2.10)	(0.11)	1.25	1.80	0.05	0.73	
130	BERS-TOTAL PASSIVE EMERGING MARKETS - GROSS	130	2.21	7.25	15.69	37.41									34.04	12/01/2016
	ESTIMATED INVESTMENT FEES			(0.04)	(0.09)	(0.15)									(0.13)	
	BERS-TOTAL PASSIVE EMERGING MARKETS - NET MGR			7.21	15.60	37.26									33.90	
	MSCI EMERGING MARKETS			7.44	15.92	37.28									34.19	
	EXCESS RETURN			(0.23)	(0.32)	(0.02)									(0.29)	
140	BERS-TOTAL INTERNATIONAL FUND OF FUNDS - GROSS	63	1.07	4.45	11.90										15.25	05/01/2017
	ESTIMATED INVESTMENT FEES			(0.09)	(0.20)										(0.27)	
	BERS-TOTAL INTERNATIONAL FUND OF FUNDS - NET MGR			4.36	11.71										14.98	
	MSCI ACWI EX USA IMI NET			5.23	11.82										15.74	
	EXCESS RETURN			(0.87)	(0.12)										(0.76)	

Consolidated Performance Report

Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014	2013	2012	3 Year	5 Year	10 Year	ITD	Inception Date
EQUITY RETURN DETAIL															
152 BERS-TOTAL PRIVATE EQUITY (TIME WEIGHTED)	326	5.56	4.41	9.38	19.22	10.42	14.26	22.16	15.34	7.70	14.58	16.21	9.91	6.60	07/01/2006
NYC R3000 +3% LAGGED			5.34	9.31	22.22	18.37	2.49	21.24	24.53	35.20	14.03	17.49	11.79	12.52	
EXCESS RETURN			(0.93)	0.07	(3.00)	(7.96)	11.77	0.92	(9.19)	(27.50)	0.54	(1.28)	(1.89)	(5.92)	
162 BERS-TOTAL PRIVATE REAL ESTATE (TIME WEIGHTED)	328	5.59	2.74	6.44	13.57	10.75	16.06	13.67	8.64	14.30	13.44	12.51		12.16	12/01/2010
NCREIF NFI-ODCE NET + 100 BP			2.10	4.03	7.72	8.86	15.08	12.56	14.02	10.88	10.51	11.61		12.72	
EXCESS RETURN			0.65	2.41	5.85	1.89	0.98	1.10	(5.39)	3.41	2.93	0.89		(0.57)	
172 BERS-TOTAL INFRASTRUCTURE (TIME WEIGHTED)	62	1.06	3.52	11.99	24.82	9.26	11.63	18.85			15.03			15.62	12/01/2013
CPI + 4%			1.64	3.73	6.20	6.18	4.68	4.69			5.69			5.47	
EXCESS RETURN			1.89	8.26	18.61	3.08	6.94	14.16			9.35			10.15	

Consolidated Performance Report

Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014	2013	2012	3 Year	5 Year	10 Year	ITD	Inception Date
FIXED INCOME RETURN DETAIL															
184 BERS-TOTAL FIXED INCOME - GROSS	1,596	27.21	0.84	1.81	4.47	6.65	(0.68)	5.69	(0.56)	8.55	3.43	3.06	5.46	5.28	04/01/2004
ESTIMATED INVESTMENT FEES			(0.03)	(0.06)	(0.13)	(0.13)	(0.13)	(0.16)			(0.13)				
EST MANAGEMENT FEES			(0.03)	(0.06)	(0.13)	(0.13)	(0.13)	(0.16)							
EST INCENTIVE FEES															
EST OTHER FEES															
EST FEE OFFSETS															
BERS-TOTAL FIXED INCOME - NET MGR			0.81	1.75	4.34	6.51	(0.81)	5.53			3.30				
192 BERS-TOTAL STRUCTURED FIXED INCOME - GROSS	904	15.42	0.65	1.47	4.19	3.95	0.26	7.66	(2.38)	6.68	2.78	2.68	4.96	7.64	01/01/1985
ESTIMATED INVESTMENT FEES			(0.01)	(0.03)	(0.05)	(0.06)	(0.06)	(0.08)			(0.06)				
BERS-TOTAL STRUCTURED FIXED INCOME - NET MGR			0.64	1.44	4.14	3.89	0.20	7.58			2.73				
NYC - CORE PLUS FIVE			0.63	1.64	4.51	3.20	0.41	7.66	(2.79)	5.41	2.69	2.54	4.73		
EXCESS RETURN			0.01	(0.20)	(0.37)	0.70	(0.21)	(0.08)	0.41	1.27	0.04	0.14	0.23		
202 BERS-TOTAL TIPS - GROSS	267	4.56	1.26	2.18	3.05	4.78	(0.83)	3.37	(8.52)	7.67	2.31	0.25	3.73	3.95	06/01/2005
ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.01)	(0.01)	(0.02)	(0.10)			(0.01)				
BERS-TOTAL TIPS - NET MGR			1.26	2.18	3.04	4.78	(0.85)	3.27			2.30				
BBG BARC GBL INF-LK: US TIPS (DLY)			1.26	2.14	3.01	4.68	(1.44)	3.64	(8.61)	6.98	2.05	0.13	3.53	3.78	
EXCESS RETURN			0.00	0.04	0.04	0.09	0.58	(0.37)	0.09	0.69	0.24	0.12	0.20	0.17	
212 BERS-TOTAL HIGH YIELD - GROSS	272	4.64	0.91	2.29	7.17	15.96	(4.34)	3.09	8.39	15.68	5.93	5.84	7.90	6.08	08/01/1997
ESTIMATED INVESTMENT FEES			(0.09)	(0.17)	(0.36)	(0.36)	(0.32)	(0.34)			(0.35)				
BERS-TOTAL HIGH YIELD - NET MGR			0.82	2.12	6.81	15.60	(4.66)	2.75			5.59				
CITIGROUP BB & B			0.52	2.52	7.03	15.48	(4.21)	2.78	6.17	14.45	5.79	5.26	6.50	6.11	
EXCESS RETURN			0.30	(0.40)	(0.22)	0.12	(0.45)	(0.04)	2.22	1.23	(0.20)	0.59	1.40	(0.02)	
222 BERS- TOTAL BANK LOANS - GROSS	117	2.00	1.29	2.86	4.81	8.86	0.46	2.34	6.33		4.66	4.52		4.60	12/01/2012
ESTIMATED INVESTMENT FEES			(0.08)	(0.17)	(0.34)	(0.38)	(0.34)	(0.35)			(0.35)				
BERS-TOTAL BANK LOANS - NET MGR			1.21	2.68	4.47	8.48	0.12	1.99			4.30				
CSFB LEVERAGED LOAN INDEX			1.17	2.24	4.25	9.88	(0.38)	2.06	6.15		4.50	4.33		4.41	
EXCESS RETURN			0.04	0.44	0.22	(1.39)	0.51	(0.07)	0.18		(0.19)	0.19		0.19	
232 BERS-TOTAL TARGETED INVESTMENTS (NO CASH)	35	0.60	0.33	1.17	4.37	2.60	3.60	7.31	(1.66)	4.35	3.52	3.20	4.62	6.85	12/01/1984
BERS CUSTOM BENCHMARK (NO CASH)			0.28	1.20	3.19	2.43	1.18	5.76	(1.71)	3.74	2.26	2.14	3.84		
EXCESS RETURN			0.05	(0.03)	1.18	0.17	2.42	1.55	0.05	0.60	1.26	1.06	0.78		

Consolidated Performance Report

Through December 31, 2017

		Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014	2013	2012	3 Year	5 Year	10 Year	ITD	Inception Date
CASH SUMMARY																
244	BOARD OF ED. SHORT TERM - GROSS	70	1.19	0.28	0.59	1.10	0.55	0.39	0.28	0.29	0.53	0.68	0.52	0.96	2.01	
	ESTIMATED INVESTMENT FEES			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	BOARD OF ED. SHORT TERM - NET MGR			0.28	0.59	1.10	0.55	0.39	0.28	0.29	0.53	0.68	0.52	0.96		
248	CASH ACCOUNTS	0	0.00													
250	SECURITY LENDING	1	0.01													

**New York City
Board of Education Retirement System**

Appendix B

Public Markets Manager Performance Detail

Public Markets Manager Performance Detail

Net Returns Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014
EQUITY SUMMARY								
US EQUITY								
NYC BERS BLACKROCK R2000 GROWTH	97	1.65	4.62	11.15	22.26	11.29	(1.30)	5.50
RUSSELL 2000 GROWTH DAILY			4.59	11.09	22.17	11.32	(1.38)	5.60
Excess			0.04	0.06	0.09	(0.02)	0.08	(0.11)
NYC BERS BLACKROCK R2000 VALUE	88	1.50	2.14	7.36	7.34	31.71	(7.38)	4.11
RUSSELL 2000 VALUE DAILY			2.05	7.26	7.84	31.74	(7.47)	4.22
Excess			0.09	0.10	(0.49)	(0.03)	0.09	(0.11)
Wellington Mgmt MCC	148	2.53	7.52	11.10	25.06	12.28	1.76	10.96
S&P MID CAP 400			6.25	9.68	16.24	20.74	(2.18)	9.77
Excess			1.27	1.42	8.82	(8.45)	3.94	1.19
NYC BERS BLACKROCK R1000 GROWTH	916	15.62	7.86	14.23	30.25	7.06	5.78	12.91
RUSSELL 1000 GROWTH - DAILY			7.86	14.23	30.21	7.08	5.67	13.05
Excess			(0.01)	0.00	0.03	(0.02)	0.12	(0.14)
NYC BERS BLACKROCK R1000 VALUE	898	15.31	5.33	8.62	13.66	17.31	(3.81)	13.39
RUSSELL 1000 VALUE (DAILY)			5.33	8.61	13.66	17.34	(3.83)	13.45
Excess			0.01	0.01	(0.01)	(0.03)	0.01	(0.06)
EMERGING MANAGERS								
BERS-TOTAL EMERGING MANAGERS	11	0.19	2.38	7.07				
RUSSELL 2000 (DAILY)			3.34	9.20				
Excess			(0.96)	(2.12)				
BERS-TOTAL LEGATO	11	0.19	2.39	7.14				
RUSSELL 2000 (DAILY)			3.34	9.20				
Excess			(0.95)	(2.06)				

Public Markets Manager Performance Detail

Net Returns Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014
NON - US EQUITY								
Sprucegrove MTA (BOE)	332	5.66	5.81	14.30	27.15	11.14	(9.56)	(3.19)
NYC Developed Value Benchmark			4.23	10.49	22.77	5.02	(5.68)	(5.39)
Excess			1.58	3.81	4.38	6.12	(3.87)	2.21
Baillie Gifford MTA	335	5.72	3.47	16.26	44.17	0.70	(3.81)	(6.66)
NYC Developed Growth Benchmark			4.23	9.50	27.77	(3.04)	4.09	(4.43)
Excess			(0.76)	6.76	16.40	3.74	(7.90)	(2.23)
Acadian	121	2.07	5.09	15.89	38.38	6.41	8.68	(4.92)
S&P EPAC Small Cap USD NET			6.34	13.70	33.47	1.34	8.58	(3.43)
Excess			(1.25)	2.18	4.91	5.07	0.09	(1.49)
EMERGING MARKETS								
ACADIAN	343	5.85	6.92	15.71	40.45	12.74	(15.14)	3.77
MSCI EMERGING MARKETS			7.44	15.92	37.28	11.19	(14.92)	(2.19)
Excess			(0.52)	(0.21)	3.16	1.55	(0.22)	5.96
BLACKROCK	130	2.21	7.21	15.59	37.25			
MSCI EMERGING MARKETS			7.44	15.92	37.28			
Excess			(0.23)	(0.33)	(0.03)			
INTERNATIONAL FOF								
BERS-TOTAL INTERNATIONAL FOF	63	1.07	4.36	11.71				
MSCI ACWI ex USA IMI Net			5.23	11.82				
Excess			(0.87)	(0.12)				
BERS-TOTAL INTERNATIONAL FIS	63	1.07	4.36	11.71				
MSCI ACWI ex USA IMI Net			5.23	11.82				
Excess			(0.87)	(0.12)				

Public Markets Manager Performance Detail

Net Returns Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014
FIXED INCOME SUMMARY								
STRUCTURED FIXED INCOME								
Blackrock Mortgages	178	3.03	0.03	1.08	3.06	2.32	1.73	
CITIGROUP MORTGAGE INDEX			0.10	1.09	2.47	1.59	1.56	
Excess			(0.07)	(0.02)	0.59	0.73	0.17	
Prudential - Credit	146	2.48	1.11	2.50	6.21	5.86	(0.22)	7.20
NYC - Investment Grade Credit			1.02	2.27	6.04	5.56	(0.65)	7.04
Excess			0.10	0.24	0.17	0.30	0.43	0.16
Taplin Canida Habacht - Credit	126	2.14	1.30	2.69	7.18	8.02	(3.01)	8.68
NYC - Investment Grade Credit			1.02	2.27	6.04	5.56	(0.65)	7.04
Excess			0.29	0.43	1.14	2.46	(2.36)	1.64
State Street Govt	376	6.41	0.72	1.24	4.92	1.23	0.45	12.21
NYC - Treasury Agency Plus Five			0.67	1.20	4.66	1.21	0.72	12.38
Excess			0.05	0.04	0.27	0.01	(0.27)	(0.16)
SSGA 1-3 Treasury Index	79	1.35	(0.26)	(0.02)	0.45			
Citigroup USBIG Treasury 1-3 Y Index			(0.26)	(0.02)	0.42			
Excess			(0.01)	0.00	0.03			
HIGH YIELD								
Loomis Sayles - High Yield	135	2.31	1.03	1.71	7.02	19.92	(7.07)	2.83
NYC-Loomis (BoA MLMSTII 7-03/BB&B PRIOR)			0.41	2.45	7.48	17.49	(4.64)	2.50
Excess			0.62	(0.74)	(0.46)	2.44	(2.43)	0.33
Shenkman - High Yield	137	2.33	0.62	2.52	6.60	11.62	(1.97)	2.66
CITIGROUP BB & B			0.52	2.52	7.03	15.48	(4.21)	2.78
Excess			0.10	0.00	(0.43)	(3.85)	2.24	(0.13)

Public Markets Manager Performance Detail

Net Returns Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014
BANK LOANS								
Babson BL	117	2.00	1.21	2.68	4.47	8.48	0.12	1.99
CSFB LEVERAGED LOAN INDEX			1.17	2.24	4.25	9.88	(0.38)	2.06
Excess			0.04	0.44	0.22	(1.39)	0.51	(0.07)
TIPS								
SSGA TIPS	267	4.56	1.26	2.18	3.04	4.78		
BBG BARC Gbl Inf-Lk: US TIPS (Dly)			1.26	2.14	3.01	4.68		
Excess			0.00	0.04	0.04	0.09		
ECONOMICALLY TARGETED INVESTMENTS								
ACCESS RBC	10	0.17	(0.03)	1.01	2.64	1.61	1.83	6.66
Access RBC Benchmark			(0.04)	0.68	1.96	1.52	1.40	5.08
Excess			0.01	0.33	0.69	0.09	0.43	1.58
AFL-CIO HOUSING INV TRUST	16	0.27	0.23	1.01	3.17	1.94	1.13	6.10
BBG BARC Agg (Dly)			0.39	1.24	3.54	2.65	0.55	5.97
Excess			(0.16)	(0.23)	(0.38)	(0.71)	0.58	0.14
CPC CONST FACILITY	1	0.01	1.50	3.32	6.05	(3.95)	12.90	
CPC CONST BENCHMARK			0.86	1.73	3.34	3.03	2.90	
Excess			0.64	1.59	2.72	(6.99)	10.01	
BOA-PPAR (FNMA)	1	0.02	0.12	0.42	5.21	4.07	42.03	13.31
FNMA Plus 85bps			0.38	1.58	3.61	2.38	2.50	7.13
Excess			(0.26)	(1.16)	1.60	1.69	39.53	6.19
CCD-PPAR (FNMA)	1	0.02	1.02	1.39	5.26	3.71	6.69	25.71
FNMA Plus 85bps			0.38	1.58	3.61	2.38	2.50	7.13
Excess			0.64	(0.19)	1.65	1.33	4.20	18.58

Public Markets Manager Performance Detail

Net Returns Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014
CCD-PPAR (GNMA)	0	0.01	0.21	0.34	3.10	2.78	5.08	15.37
GNMA Plus 65bps			0.14	1.32	2.53	2.28	2.02	6.65
Excess			0.07	(0.98)	0.57	0.50	3.06	8.72
CFSB-PPAR (GNMA)	0	0.00	0.34	0.27	3.83	3.21	5.90	15.34
GNMA Plus 65bps			0.14	1.32	2.53	2.28	2.02	6.65
Excess			0.20	(1.05)	1.30	0.93	3.88	8.69
CPC-PPAR (FNMA)	1	0.02	0.27	1.69	5.06	6.15	8.96	13.91
FNMA Plus 85bps			0.38	1.58	3.61	2.38	2.50	7.13
Excess			(0.11)	0.11	1.45	3.77	6.46	6.78
JPMC-PPAR (FNMA)	3	0.05	0.84	1.15	9.96	7.94	6.18	12.06
FNMA Plus 85bps			0.38	1.58	3.61	2.38	2.50	7.13
Excess			0.46	(0.44)	6.35	5.56	3.68	4.93
LIIF-PPAR (FNMA)	2	0.03	0.44	1.00	9.55	5.03	6.29	38.12
FNMA Plus 85bps			0.38	1.58	3.61	2.38	2.50	7.13
Excess			0.06	(0.58)	5.94	2.65	3.79	30.99
LIIF-PPAR (GNMA)	0	0.00	0.01	0.31	2.52	3.88	3.92	9.74
GNMA Plus 65bps			0.14	1.32	2.53	2.28	2.02	6.65
Excess			(0.13)	(1.01)	(0.01)	1.61	1.91	3.09
NCBCI-PPAR (FNMA)	0	0.00	0.22	1.48	1.75	3.46	4.97	14.93
FNMA Plus 85bps			0.38	1.58	3.61	2.38	2.50	7.13
Excess			(0.16)	(0.10)	(1.86)	1.07	2.47	7.81
NCBCI-PPAR (GNMA)	0	0.00	0.18	0.43	3.01	3.51	5.53	16.66
GNMA Plus 65bps			0.14	1.32	2.53	2.28	2.02	6.65
Excess			0.04	(0.89)	0.48	1.23	3.52	10.01

Public Markets Manager Performance Detail



Net Returns Through December 31, 2017

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2016	2015	2014
CASH								
BOARD OF ED. SHORT TERM	70	1.19	0.28	0.59	1.10	0.55	0.39	0.28
91 DAY T-BILL			0.28	0.55	0.86	0.33	0.05	0.02
Excess			(0.00)	0.04	0.24	0.23	0.35	0.26
CASH ACCOUNTS								
CASH ACCOUNTS	0	0.00						
SECURITY LENDING								
SECURITY LENDING	1	0.01						

**New York City
Board of Education Retirement System**

Appendix C

Alternative Assets Manager Performance Detail

Alternative Assets Manager Performance Detail

Through September 30, 2017

	Vintage Year (Cash Flow)	Commitments	Contributions	Distributions	Market Value	Investment Multiple	ITD IRR%
TOTAL PRIVATE EQUITY		646,204,003	348,343,006	184,587,004	306,526,047	1.41	11.1%
TOTAL ACTIVE							
Mesirow Financial Private Equity Partnership Fund III, L.P.	2005	57,000,000	55,093,273	72,141,309	20,113,108	1.67	8.6%
Mesirow Financial Private Equity Partnership Fund IV, L.P.	2006	25,000,000	22,842,233	22,375,104	15,844,712	1.67	10.5%
New York Fairview Private Equity Fund, L.P.	2006	19,000,000	17,320,307	15,324,154	8,286,494	1.36	6.0%
Mesirow Financial Private Equity Partnership Fund V, L.P.	2009	45,000,000	36,689,326	23,632,954	39,640,871	1.72	16.2%
Platinum Equity Capital Partners III, L.P.	2012	15,000,000	14,035,465	13,465,730	11,374,938	1.77	46.1%
Warburg Pincus Private Equity XI, L.P.	2012	25,000,000	23,745,163	8,635,577	25,505,640	1.44	13.6%
<u>NYCBERS - 2012 Emerging Manager Program</u>	<u>2012</u>	<u>25,000,000</u>	<u>10,649,844</u>	<u>1,003,083</u>	<u>11,592,801</u>	<u>1.18</u>	<u>10.6%</u>
Apollo Investment Fund VIII, L.P.	2013	20,000,000	14,102,284	2,453,579	15,835,742	1.30	17.4%
Carlyle Partners VI, L.P.	2013	20,000,000	17,931,491	3,676,697	17,830,415	1.20	11.9%
Landmark Equity Partners XV, L.P.	2013	19,000,000	9,998,149	4,849,643	7,357,584	1.22	12.8%
Landmark Equity Partners XV, L.P. - Side Car	2013	6,000,000	4,746,722	1,753,110	4,331,127	1.28	17.6%
CVC Capital Partners VI, L.P.	2013	17,690,756	9,101,875	436,798	10,807,156	1.24	12.2%
Crestview Partners III, L.P.	2013	15,000,000	5,741,871	96,110	6,319,080	1.12	7.6%
Crestview Partners III (Co-Investment B), L.P.	2013	5,000,000	3,065,378	72,440	3,583,609	1.19	N/M
ASF VI, L.P.	2014	15,000,000	9,047,799	2,279,204	9,930,406	1.35	15.1%
ASF VI NYC Co-Invest, L.P.	2014	5,000,000	3,491,506	1,743,377	3,264,962	1.43	17.7%
Carlyle Partners VI, L.P. - Side Car	2014	2,200,000	1,382,046	-	1,405,299	1.02	0.8%
Lexington Capital Partners VIII, L.P.	2014	20,000,000	9,890,829	2,901,840	9,781,199	1.28	29.5%
Vista Equity Partners Fund V, L.P.	2014	25,000,000	25,190,159	5,614,104	25,649,615	1.24	11.8%
Centerbridge Capital Partners III, L.P.	2015	2,500,000	1,177,759	117,612	1,257,152	1.17	13.4%
Siris Partners III, L.P.	2015	3,500,000	1,778,647	109,916	1,719,701	1.03	2.4%
American Securities Partners VII, L.P.	2015	8,000,000	3,496,698	134,269	3,844,027	1.14	N/M
ASF VII, L.P.	2015	10,000,000	1,543,778	126,709	1,921,613	1.33	N/M
ASF VII B NYC Co-Invest, L.P.	2015	6,000,000	90,060	-	655,681	7.28	N/M
Warburg Pincus Private Equity XII, L.P.	2015	21,500,000	9,322,201	99,452	9,350,848	1.01	N/M
Welsh, Carson, Anderson & Stowe XII, L.P.	2015	10,000,000	4,162,019	138,026	5,118,103	1.26	18.3%
Bridgepoint Europe V, L.P.	2015	8,584,082	4,852,961	769,344	4,945,433	1.18	N/M
Bridgepoint Europe V Co-Invest	2015	2,889,345	1,428,666	-	1,577,861	1.10	N/M
EQT VII, L.P.	2015	17,262,677	8,244,188	30,712	9,525,930	1.16	N/M

Information provided by the New York City Board of Education Retirement System Consultants

Alternative Assets Manager Performance Detail



Through September 30, 2017

	Vintage Year (Cash Flow)	Commitments	Contributions	Distributions	Market Value	Investment Multiple	ITD IRR%
<u>NYCBERS - 2015 Emerging Manager Program</u>	<u>2015</u>	<u>30,000,000</u>	<u>1,234,604</u>	<u>220,350</u>	<u>1,386,841</u>	<u>1.30</u>	<u>N/M</u>
Vista Equity Partners Fund VI, L.P.	2016	16,000,000	9,315,340	159,040	9,247,072	1.01	N/M
Apax IX USD, L.P.	2016	13,000,000	2,236,000	-	2,212,695	0.99	N/M
Ares Corporate Opportunities Fund V, L.P.	2017	10,000,000	962,263	-	901,699	0.94	N/M
Green Equity Investors VII, L.P.	2017	10,000,000	1,507,103	-	1,457,058	0.97	N/M
BC European Capital X, L.P.	2017	11,814,466	-	-	-	N/A	N/M
BC European Capital X Metro Co-Investment L.P.	2017	4,678,087	400,104	-	398,947	1.00	N/M
Platinum Equity Capital Partners IV, L.P.	2017	11,500,000	2,524,896	226,761	2,550,628	1.10	N/M
CVC Capital Partners VII, L.P.	2017	20,084,592	-	-	-	N/A	N/M
Apollo Investment Fund IX, L.P.	2017	32,000,000	-	-	-	N/A	N/M
KKR Americas Fund XII, L.P.	2017	16,000,000	-	-	-	N/A	N/M

Information provided by the New York City Board of Education Retirement System Consultants

Alternative Assets Manager Performance Detail

Through September 30, 2017

	Vintage Year	Style Sector	Original Commitment	Total Contributions	Total Distributions	Market Value	Total Value Multiple	Net IRR%
TOTAL PRIVATE REAL ESTATE			419,888,175	311,104,718	93,568,083	329,054,604	1.36	12.1%
TOTAL PRIVATE REAL ESTATE								
Brookfield Premier Real Estate Partners	2016	Core Portfolio	10,000,000	10,109,423	109,423	10,867,912	1.09	13.5%
Exeter Industrial Core Club Fund II	2016	Core Portfolio	10,000,000	3,410,000	254,486	3,521,751	1.11	10.9%
Jamestown Premier Property Fund	2016	Core Portfolio	5,000,000	5,338,908	743,758	5,023,065	1.08	6.6%
LaSalle Property Fund	2010	Core Portfolio	27,600,000	27,600,000	7,226,685	37,471,288	1.62	11.1%
Lion Industrial Trust - 2007	2017	Core Portfolio	10,000,000	10,201,209	201,208	10,843,964	N/M	12.7%
MetLife Core Property Fund	2014	Core Portfolio	15,000,000	15,000,000	1,762,588	17,769,252	1.30	10.3%
NYC Asset Investor #2 LLC (Related)	2013	Core Portfolio	11,000,000	10,557,373	1,487,426	14,335,487	1.50	17.8%
NYCRS Artemis Co-Investment	2016	Core Portfolio	11,000,000	6,078,082	3,365,271	4,083,382	1.23	36.9%
UBS Trumbull Property Fund	2011	Core Portfolio	41,400,000	59,301,567	14,759,734	77,410,240	1.55	9.2%
USAA Eagle Real Estate Fund	2015	Core Portfolio	10,000,000	8,134,668	-	9,364,827	1.15	9.5%
Basis Investment Group Real Estate Fund I	2017	Non-Core Portfolio	1,200,000	-	-	-	N/M	N/M
Blackstone Real Estate Partners Europe IV	2013	Non-Core Portfolio	32,500,000	30,698,490	8,264,411	35,056,909	1.41	16.9%
Blackstone Real Estate Partners VIII	2015	Non-Core Portfolio	16,500,000	8,915,575	2,602,403	8,341,693	1.23	18.4%
Brookfield Strategic Real Estate Partners	2012	Non-Core Portfolio	10,000,000	11,608,878	6,205,788	14,001,914	1.74	22.4%
Carlyle Realty Partners VII	2014	Non-Core Portfolio	25,000,000	16,848,459	1,200,522	19,948,137	1.26	16.4%
Divco West Fund V	2016	Non-Core Portfolio	10,000,000	2,307,490	-	2,313,033	1.00	0.5%
DRA Growth and Income Fund IX	2017	Non-Core Portfolio	10,000,000	3,009,886	400,927	2,836,823	N/M	N/M
DRA Growth and Income Fund IX Co-investment	2017	Non-Core Portfolio	2,000,000	-	-	-	N/M	N/M
European Property Investors Special Opp IV	2015	Non-Core Portfolio	11,176,931	3,948,998	179,476	4,015,256	1.06	7.5%
Exeter Industrial Value Fund IV	2016	Non-Core Portfolio	10,000,000	1,000,000	-	922,052	N/M	N/M
Franklin Templeton Private Real Estate Fund	2011	Non-Core Portfolio	30,000,000	33,887,680	38,549,202	7,359,319	1.35	20.3%
H/2 Special Opportunities Fund III	2014	Non-Core Portfolio	15,000,000	12,993,856	3,236,967	13,012,264	1.25	15.5%
H/2 Special Opportunities Fund IV	2016	Non-Core Portfolio	10,000,000	1,168,355	81,350	1,011,261	0.94	-10.2%
Lone Star Real Estate Fund V	2017	Non-Core Portfolio	23,164,910	1,897,382	-	1,390,727	N/M	N/M
NYC Asset Investor #1 LLC (Vanbarton)	2013	Non-Core Portfolio	10,000,000	11,026,372	1,782,516	12,163,165	1.26	9.8%
NYC Asset Investor #3 LLC (Hudson)	2013	Non-Core Portfolio	8,000,000	4,481,552	837,198	4,243,463	1.13	7.2%
NYCRS-KKR CMBS Retention Partners	2017	Non-Core Portfolio	13,000,000	2,600,000	-	2,650,348	N/M	N/M
Pramerica Real Estate Capital VI	2016	Non-Core Portfolio	10,721,600	2,460,912	53,586	2,718,283	N/M	N/M
PW Real Estate Fund III LP	2016	Non-Core Portfolio	10,624,734	3,820,804	-	3,835,569	1.00	0.5%
Westbrook Real Estate Fund X	2016	Non-Core Portfolio	10,000,000	2,698,799	263,158	2,543,220	1.04	7.4%

Information provided by the New York City Retirement Systems Consultants. Interim returns are subject to change and may differ due to differences in accounting and performance methodologies.

Alternative Assets Manager Performance Detail



Through September 30, 2017

	Vintage Year	Original Commitment	Total Contributions	Total Distributions	Market Value	Total Value Multiple	Net IRR%
TOTAL INFRASTRUCTURE		137,476,719	45,147,866	10,080,353	46,651,146	1.26	14.5%
TOTAL INFRASTRUCTURE							
Brookfield Infrastructure Fund II, L.P.	2013	10,000,000	7,723,692	1,317,422	8,913,960	1.32	13.2%
KKR Global Infrastructure Investors II L.P.	2014	19,000,000	9,169,588	1,227,642	9,276,664	1.15	12.6%
IFM Global Infrastructure Fund	2014	15,000,000	16,184,128	1,184,128	18,954,491	1.24	10.3%
Global Energy & Power Infrastructure Fund II	2014	15,000,000	5,934,337	6,185,660	3,617,734	1.65	54.9%
Global Infrastructure Partners III-A/B, L.P.	2016	12,000,000	2,208,635	68,818	1,862,168	NM	NM
Brookfield Infrastructure Fund III, L.P.	2016	10,000,000	1,780,155	96,115	1,896,875	NM	NM
Actis Energy 4	2016	10,600,000	1,265,991	552	1,076,000	NM	NM
EQT Infrastructure III (No.2) SCS	2017	9,396,026	-	-	-	NM	NM
ASF VII Infrastructure L.P.	2017	12,000,000	843,132	17	1,053,254	NM	NM
AxInfra US II LP	2017	4,800,000	14,400	-	-	NM	NM
Axiom Infrastructure Canada II (Intl) L.P.	2017	7,920,693	23,808	-	-	NM	NM
NYCRS EIG Energy Partners, L.P.	2017	11,760,000	-	-	-	NM	NM

Information provided by the New York City Board of Education Retirement System Consultants

**New York City
Board of Education Retirement System**

Appendix D

Footnotes



Through December 31, 2017

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- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
 - Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
 - Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
 - Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
 - Effective 7/1/03, the “NYC-Loomis” benchmark index for the Loomis Sayles Enhanced Yield portfolio reflects a change from the Citigroup BB&B Index to the more appropriate BofA Merrill Lynch High Yield Master II Index.
 - Effective 7/1/09, the Core+5 program was restructured.
 - The U.S. Gov’t sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov’t Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.
 - The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.
 - There were no changes to the Mortgage sector Index.
 - 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

- Estimated management fees for public market investments are calculated on an accrual basis without adjustment for management fee caps. Alternative investment fees are recorded on a cash basis. Since not all alternative managers currently provide detailed fee disclosure, the alternative investment fees noted here are not comprehensive.
- Public Market returns are Net of Manager Fees for periods after January 2014 and Gross of investment advisory fees for other periods unless otherwise indicated.
- Public market excess returns for periods prior to 2014 are based on Gross performance.

Page Specific

Page 12 - 17 - Portfolio Asset Allocation

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

Pages 18 - 20 - 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.

Through December 31, 2017

The indexes and most recent policy weights are as follows:

*U.S. Equity: Russell 3000 * 36.00%*

*International Developed (EAFE) Markets: MSCI World ex USA IMI Net * 12.72%*

*Emerging Markets: MSCI Emerging Markets * 6.90%*

*International Emerging Managers FOF: MSCI ACWI Ex US IMI Net * 1.06%*

*REITs: Dow Jones Real Estate Securities * 0.00%*

*Private Equity: Russell 3000 + 300 b.p. per annum * 5.37%*

*Private Real Estate – Core: NFI - ODCE Net * 3.37%*

*Private Real Estate – Non Core: NFI - ODCE Net + 200bps * 2.49%*

*Infrastructure: CPI + 4% * 1.01%*

*US Treasury Short Term: Citigroup USBIG Treasury 1-3Y * 0.00%*

*Total Active Government: NYC Treasury Agency + 5 * 9.47%*

*Core Fixed Income: BBG Barc Agg * 0.00%*

*Progress Fixed: BBG Barc Agg * 0.00%*

*Mortgage: Citigroup Mortgage Index * 3.84%*

*ETI: ETI Custom Benchmark * 0.59%*

*Investment Grade Credit: NYC – Investment Grade Credit * 4.43%*

*High Yield: Citigroup BB&B * 6.00%*

*Bank Loans: Credit Suisse Leveraged Loan * 2.00%*

*TIPS: BBG BARC Gbl Inf-Lk: US TIPS (Dly) * 4.75%*



Through December 31, 2017

Page 21 – 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.

ETI Quarterly Report (Public):

BERS Pension Fund - Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	<u>BOA</u>		<u>CCD</u>		<u>CFSB</u>		<u>CPC</u>		<u>JPM</u>		<u>LIIF</u>		<u>NCBCI</u>		<u>NHS</u>		<u>WF</u>		<u>LISC</u>		<u>BE</u>		<u>HDC</u>	
Contractual Commitment ¹	\$4.00		\$4.00		\$1.00		\$4.00		\$5.00		\$4.00		\$1.00		\$1.00		\$2.00		\$1.00		\$1.00		\$2.00	
Current Market Value ¹	\$1.10		\$1.38		\$0.13		\$1.09		\$2.98		\$1.84		\$0.11		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Commitments Q4 (included in total)																								
Bronx	\$0.00	0	\$0.00	0	\$0.00	0	\$0.05	84	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0
Brooklyn	0.00	0	0.00	0	0.00	0	0.07	70	0.00	0	0.00	0	0.00	0	0.00	0	0.09	65	0.00	0	0.00	0	0.00	0
Manhattan	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Queens	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Staten Island	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Outside of NYC	0.00	0	0.00	0	0.00	0	0.02	66	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Total	\$0.00	0	\$0.00	0	\$0.00	0	\$0.15	220	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.09	65	\$0.00	0	\$0.00	0	\$0.00	0
Delivered Q4 (included in total)																								
Bronx	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.11	74	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0
Brooklyn	0.00	0	0.09	50	0.00	0	0.00	0	0.00	0	0.05	39	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Manhattan	0.00	0	0.00	0	0.00	0	0.00	18	0.07	60	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Queens	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Staten Island	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Outside of NYC	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Total	\$0.00	0	\$0.09	50	\$0.00	0	\$0.00	18	\$0.18	134	\$0.05	39	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0
Total Commitments																								
Bronx	\$0.00	0	\$0.74	283	\$0.00	0	\$0.42	1,337	\$1.15	820	\$0.26	61	\$0.00	0	\$0.00	0	\$0.08	90	\$0.11	48	\$0.00	0	\$0.00	0
Brooklyn	0.47	346	0.60	179	0.00	0	0.16	691	0.11	89	0.28	121	0.00	0	0.00	0	0.09	65	0.25	156	0.22	359	0.00	0
Manhattan	0.00	0	0.00	0	0.05	39	0.30	916	0.05	54	0.28	92	0.00	0	0.00	0	0.48	203	0.20	90	0.21	83	0.00	0
Queens	0.09	54	0.00	0	0.00	0	0.13	406	0.22	68	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Staten Island	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.04	67	0.00	0	0.00	0	0.00	0
Outside of NYC	0.09	39	0.21	41	0.00	0	0.04	91	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Total	\$0.65	439	\$1.55	503	\$0.05	39	\$1.05	3,441	\$1.53	1,031	\$0.81	274	\$0.00	0	\$0.00	0	\$0.69	425	\$0.56	294	\$0.43	442	\$0.00	0
Historical Investments																								
Bronx	\$0.26	60	\$0.63	519	\$0.00	0	\$0.22	991	\$2.14	1,219	\$0.25	117	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0
Brooklyn	0.28	54	0.40	302	0.00	0	0.43	1,230	0.23	137	0.61	375	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Manhattan	0.34	100	0.24	283	0.16	197	0.24	1,137	0.28	279	1.01	407	0.10	123	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Queens	0.75	239	0.04	54	0.00	0	0.01	16	0.05	96	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Staten Island	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Outside of NYC	0.00	0	0.00	0	0.00	0	0.20	446	0.23	123	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Total	\$1.63	453	\$1.31	1,158	\$0.16	197	\$1.09	3,820	\$2.92	1,854	\$1.87	899	\$0.10	123	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0

*Lenders : Bank of America Citi Community Development Carver Federal Savings Bank The Community Preservation Corp JP Morgan Chase Low Income Investment Fund NCB Capital Impact Neighborhood Housing Service Wells Fargo Local Initiatives Support Corporation Bellwether Enterprise NYC HDC

¹ Dollar amount listed in millions

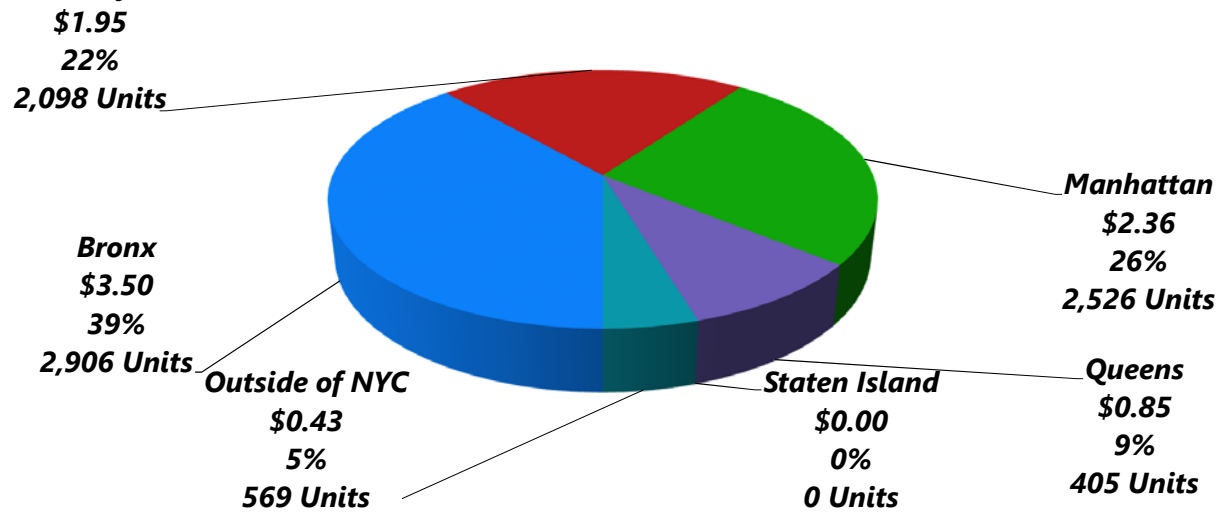
BERS Pension Fund - Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

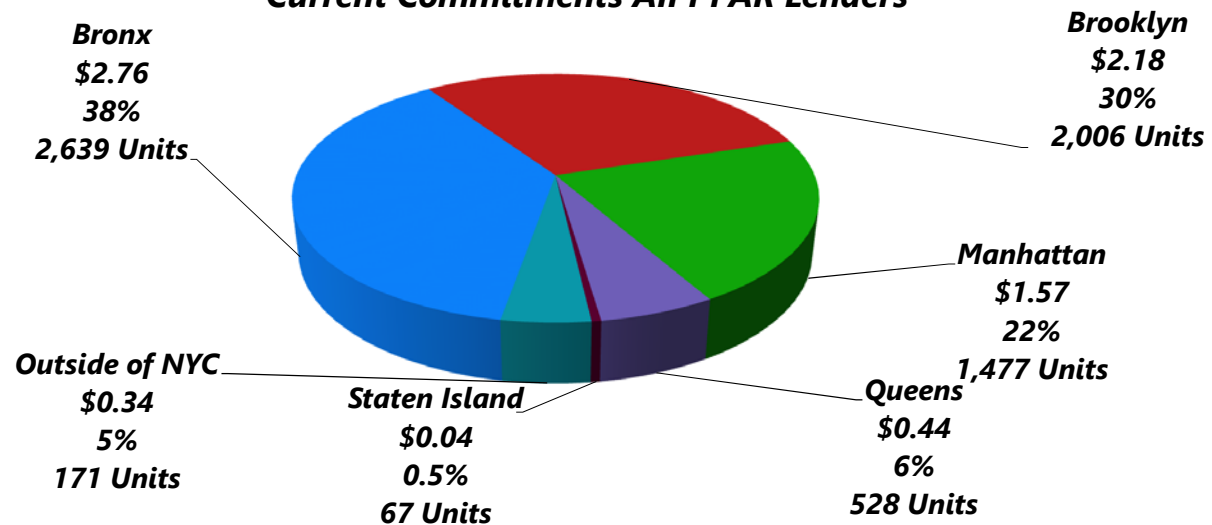
Lenders*	All Lender Totals	
Contractual Commitment ¹	\$30.00	
Current Market Value ¹	\$8.63	
	Dollars	Units
Commitments Q4 (included in total)		
Bronx	\$0.05	84
Brooklyn	0.17	135
Manhattan	0.00	0
Queens	0.00	0
Staten Island	0.00	0
Outside of NYC	0.02	66
Total	\$0.24	285
Delivered Q4 (included in total)		
Bronx	\$0.11	74
Brooklyn	0.14	89
Manhattan	0.07	78
Queens	0.00	0
Staten Island	0.00	0
Outside of NYC	0.00	0
Total	\$0.32	241
Total Commitments		
Bronx	\$2.76	2,639
Brooklyn	2.18	2,006
Manhattan	1.57	1,477
Queens	0.44	528
Staten Island	0.04	67
Outside of NYC	0.34	171
Total	\$7.33	6,888
Historical Investments		
Bronx	\$3.50	2,906
Brooklyn	1.95	2,098
Manhattan	2.36	2,526
Queens	0.85	405
Staten Island	0.00	0
Outside of NYC	0.43	569
Total	\$9.09	8,504

¹ Dollar amount listed in millions

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



BERS Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)
Market Value \$16.11 million¹

NYC Community Investment Initiative (NYCCII)

Borough	NYCCII Phase I: 2002 - 2005		NYCCII Phase II: 2006 - 2013		Grand Total	
	Investments	Units ²	Investments	Units ²	Investments	Units ²
Bronx	\$27,600,000	1,886	\$52,827,900	802	\$80,427,900	2,688
Brooklyn	49,501,800	3,230	103,890,446	5,616	153,392,246	8,846
Manhattan	172,021,700	6,908	174,075,200	813	346,096,900	7,721
Queens	0	0	17,760,000	1,149	17,760,000	1,149
Staten Island	0	0	6,414,554	693	6,414,554	693
Outside NYC	0	0	100,000,000	137	100,000,000	137
Total	\$249,123,500	12,024	\$454,968,100	9,210	\$704,091,600	21,234

HIT Home Mortgage Program

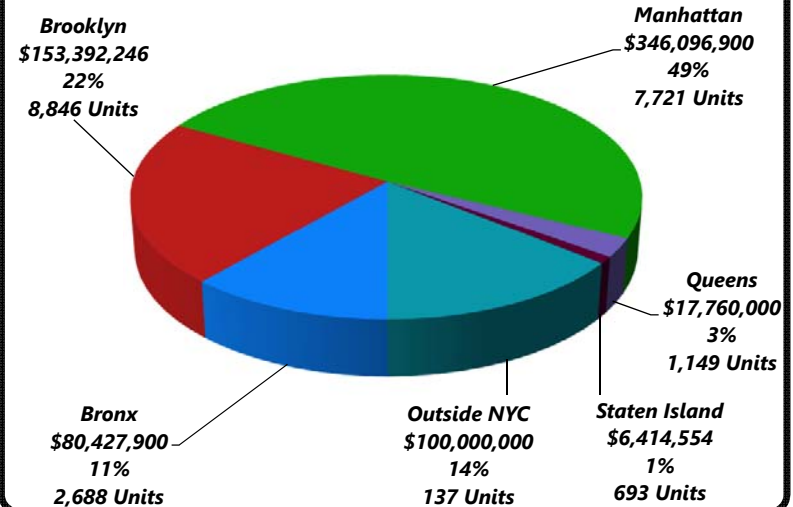
Borough	NYCCII Phase I: 2002 - 2005		NYCCII Phase II: 2006 - 2013		Grand Total	
	\$ Amount	Loans	\$ Amount	Loans	\$ Amount	Loans
Bronx	\$32,544,168	41	\$218,082,108	296	\$250,626,276	337
Brooklyn	116,575,736	138	864,892,271	1,115	981,468,007	1,253
Manhattan	10,742,253	12	214,244,680	265	224,986,933	277
Queens	82,399,317	64	894,399,418	973	976,798,735	1,037
Staten Island	106,039,089	191	359,980,460	439	466,019,549	630
Total	\$348,300,563	446	\$2,551,598,937	3,088	\$2,899,899,500	3,534

BERS Loans	Phase I:	0	Phase II:	13	Total:	13
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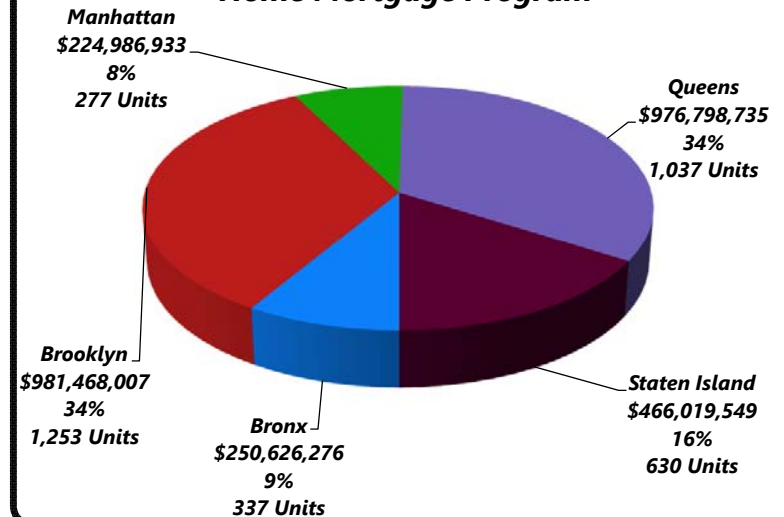
¹Interest is reinvested

²Low/Moderate Income Units

NYCCII Multifamily Program

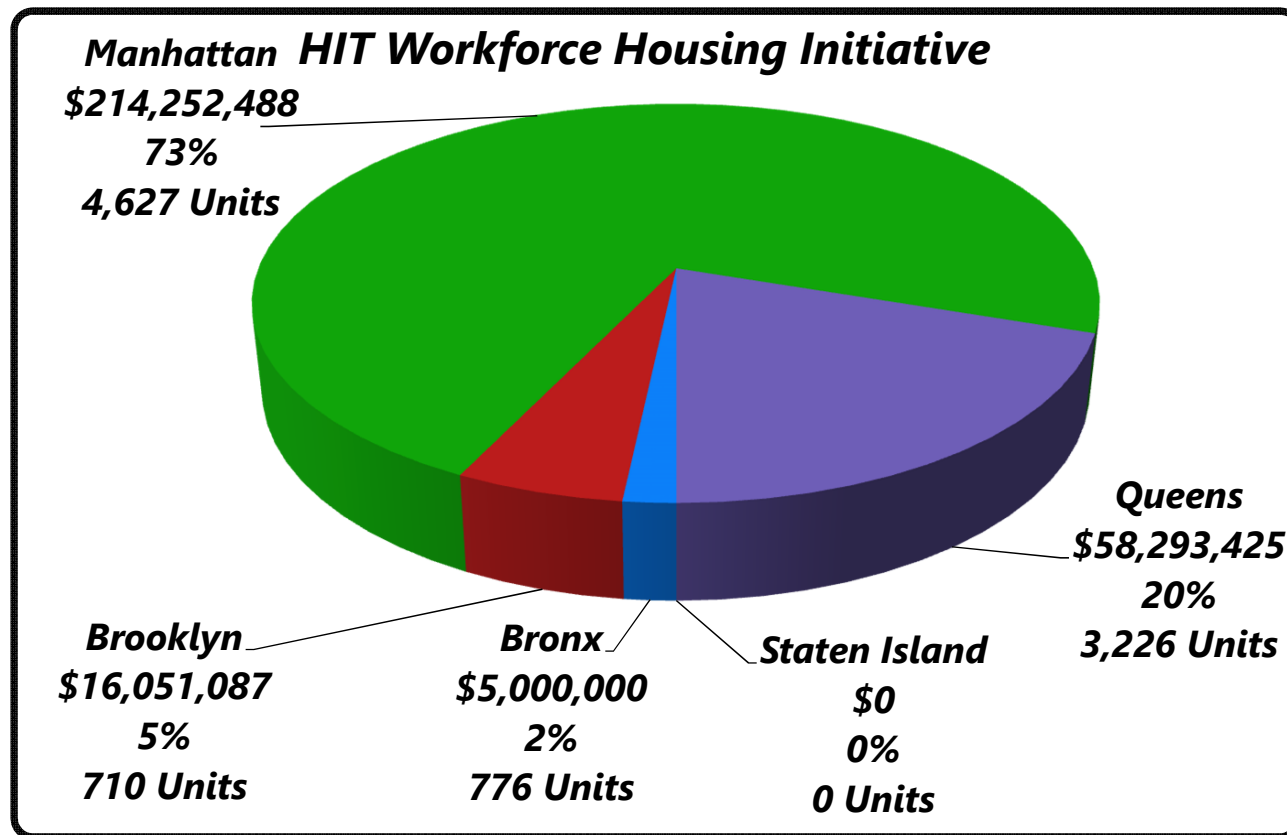


Home Mortgage Program



BERS Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)		
NYC Workforce Housing Initiative: 2009 - 2015		
	<u>Investments</u>	<u>Low/Mod Units</u>
<u>Borough</u>	<u>Since Inception</u>	<u>Since Inception</u>
Bronx	\$5,000,000	776
Brooklyn	16,051,087	710
Manhattan	214,252,488	4,627
Queens	58,293,425	3,226
Staten Island	0	0
Total	\$293,597,000	9,339



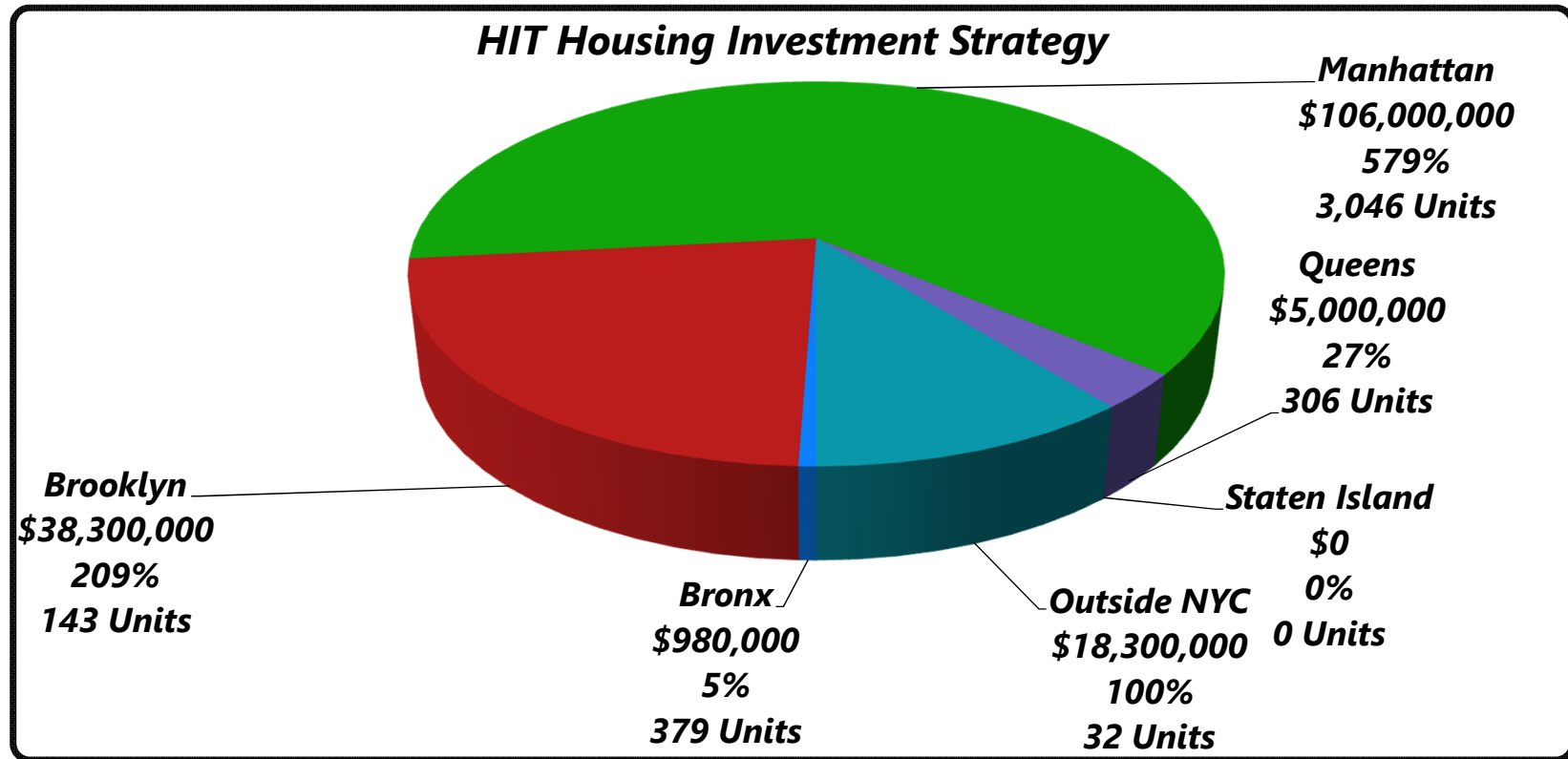
BERS Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)

HIT Housing Investment Strategy: 2015 - Q4 2017

<u>Borough</u>	<u>Q4 Investments</u>	<u>Investments</u>	<u>Q4 LMI Units</u>	<u>LMI Units</u>
		<u>Since Inception</u>		<u>Since Inception</u>
Bronx	\$0	\$980,000	0	379
Brooklyn	0	38,300,000	0	143
Manhattan	0	106,000,000	0	3,046
Queens	0	5,000,000	0	306
Staten Island	0	0	0	0
Outside NYC	0	18,300,000	0	32
Total	\$0	\$168,580,000	0	3,906

Revised Queens unit count to add 101 units (166%-230% AMI) previously not counted as workforce.



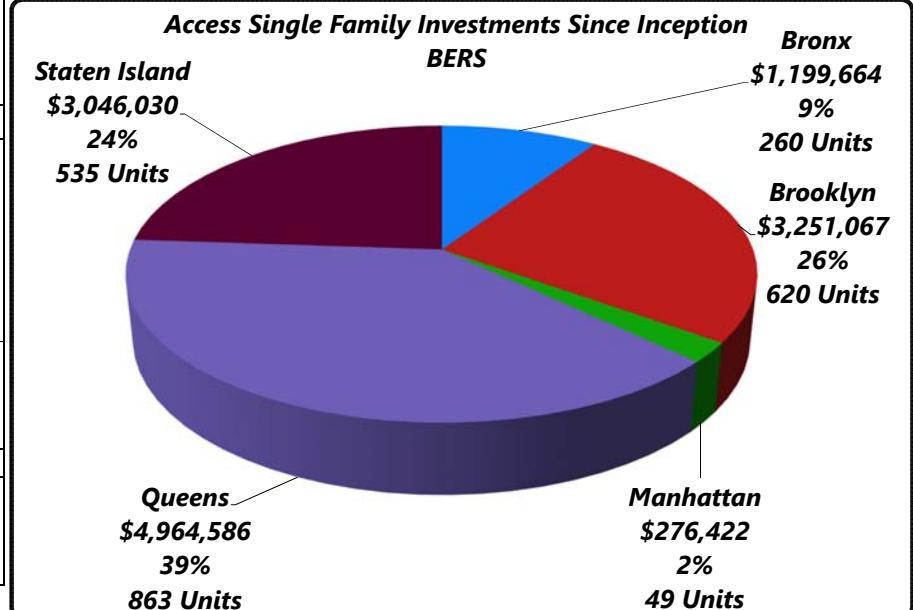
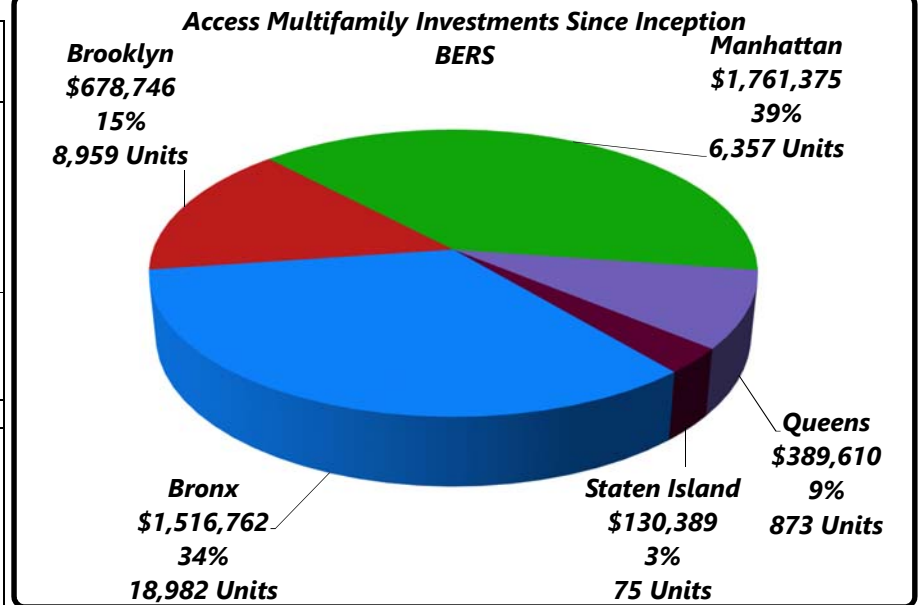
BERS Pension Fund - Economically Targeted Investments Quarterly Report

ACCESS CAPITAL STRATEGIES (Since Inception 2/1/07)

\$7.20 million Allocated (2.34% of total account)

Market Value \$9.91 million

Multifamily Investments Detail	\$ Invested ¹		Units ²	
	Q4	Total	Q4	Total
Bronx	\$163,800	\$1,516,762	164	18,982
Brooklyn	46,800	678,746	55	8,959
Manhattan	100,337	1,761,375	72	6,357
Queens	0	389,610	0	873
Staten Island	23,400	130,389	36	75
Total BERS Multifamily Investments	\$334,337	\$4,476,881	327	35,246
Multifamily Total All Systems	\$14,287,913	\$191,319,702	327	35,246
Single Family Investments Detail	\$ Invested		Units	
	Q4	Total	Q4	Total
Bronx	\$171,139	\$1,199,664	23	260
Brooklyn	421,656	3,251,067	49	620
Manhattan	32,254	276,422	5	49
Queens	623,668	4,964,586	77	863
Staten Island	480,855	3,046,030	65	535
Total BERS Single Family Investments	\$1,729,572	\$12,737,769	219	2,327
Single Family Total All Systems	\$73,913,351	\$544,349,101	219	2,327
Other Investments Detail	\$ Invested		Loans	
	Q4	Total	Q4	Total
Bronx	\$0	\$15,795	0	1
Brooklyn	0	126,135	0	8
Manhattan	0	56,930	0	5
Queens	0	12,716	0	3
Staten Island	0	0	0	0
Total BERS Other Investments	\$0	\$211,577	0	17
Other Investments Total All Systems	\$0	\$9,041,740	0	17
Grand Total BERS	\$2,063,910	\$17,426,227		
Grand Total All Systems	\$88,201,264	\$744,710,542		

¹ Certain bond investment amounts are allocated pro rata across boroughs based upon unit count.² If not indicated otherwise, superintendent units are allocated based on building size.

Private Equity Quarterly Report (Public):



NYC Board of Education Retirement System

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Section 1:

Portfolio Update

NYC Board of Education Retirement System

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Portfolio Snapshot

Hamilton Lane was engaged by the NYC Board of Education Retirement System (“BERS”) in November 2012 to provide alternative investment fund administration services in accordance with the investment objectives of the BERS Private Equity portfolio (the “Portfolio”). This report represents the review by Hamilton Lane of the BERS’s Portfolio and is based on information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of September 30, 2017, with highlights through December 31, 2017.

Private Equity Allocation: BERS has a target allocation of 9.0% +/- 4% to Private Equity. As of September 30, 2017, Private Equity constituted 5.48% of BERS total plan. (Plan value is \$5.594 billion as of September 30, 2017)

Performance: As of September 30, 2017, the Portfolio consisted of 48 active partnerships from 33 underlying fund managers. The Portfolio has generated a since inception internal rate of return (“IRR”) of 11.11% and a total value multiple of 1.41x.

Portfolio Summary			
\$ in millions	6/30/2017	9/30/2017	Change
Active Partnerships	45	47	2
Active GP Relationships	30	32	2
Capital Committed ⁽¹⁾	\$595.3	\$616.4	\$21.1
Unfunded Commitment	\$288.2	\$282.7	(\$5.5)
Capital Contributed	\$320.7	\$348.3	\$27.6
Capital Distributed	\$171.2	\$184.6	\$13.4
Market Value	\$280.7	\$306.5	\$25.8
Total Value Multiple	1.41x	1.41x	-
Since Inception IRR	10.89%	11.11%	22 bps
Avg. Age of Active Commitments	4.3 years	4.5 years	0.2 years

⁽¹⁾ The “change” in capital committed from the prior quarter reflects currency adjustments from existing foreign denominated funds, as well as three new commitments made during the quarter.

⁽²⁾ Includes only committed capital in the 2012 and 2015 Emerging Manager Programs

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 58% of the Portfolio’s total exposure, Growth Equity represents 11%, Secondary represents 11%, Special Situations/Turnaround represents 9%, Venture Capital accounts for 5%, Co-Investment represents 5%, and Other represents 1%. Strategic exposure takes into account the strategies for each of the underlying partnerships in the funds-of-funds within the BERS Portfolio.

NYC Board of Education Retirement System

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Portfolio Overview

Commitments

The table below highlights all funds that have closed year-to-date as of September 30, 2017.

YTD Commitments 2017			
Closing Date	Partnership	Investment Strategy	Commitment Amount (\$ in Millions)
2/28/2017	Platinum Equity Capital Partners IV, L.P.	Special Situations/Turnaround	\$11.5
5/26/2017	CVC Capital Partners VII, L.P.	Corporate Finance/Buyout - Mega	€17.0/\$20.1
6/1/2017	Apollo Investment Fund IX, L.P.	Corporate Finance/Buyout - Mega	\$32.0
8/25/2017	KKR Americas Fund XII, L.P.	Corporate Finance/Buyout - Mega	\$16.0
8/29/2017	ICV Partners IV, L.P.	Corporate Finance/Buyout - Small	\$3.0
Total			\$82.6

During the third quarter, the Portfolio closed on two new investments, totaling \$19.0 million, which are detailed below:

KKR Americas Fund XII, L.P. (\$16.0 million) The fund, an Emerging Manager 2015 Program commitment, seeks to focus on large cap investments, with equity checks averaging between \$350 and \$600 million and transaction values between \$500 million and \$2 billion.

ICV Partners IV, L.P. (\$3.0 million) The fund, an Emerging Manager 2015 Program commitment, will focus on stable businesses that are leaders in their targeted markets. The fund will seek investments in family- and founder-owned businesses, private equity-backed orphans and corporate carve-outs, which have historically allowed for lower entry multiples.

Subsequent Closings

Subsequent Closings 2017			
Closing Date	Partnership	Investment Strategy	Commitment Amount (\$ in Millions)
10/31/2017	Valor Equity Partners IV, L.P.	Growth Equity	\$4.5
11/9/2017	Capital Partners Private Equity Income Fund III L.P.	Corporate Finance/Buyout - Small	\$2.8
11/21/2017	Patriot Financial Partners III, L.P.	Growth Equity	\$2.5
12/6/2017	NMS Fund III, L.P.	Corporate Finance/Buyout - Small	\$2.0
12/14/2017	Warburg Pincus Financial Sector, L.P.	Growth Equity	\$13.0
Total			\$24.8

Valor Equity Partners IV, L.P. (\$4.5 million) The fund, an Emerging Manager 2015 Program commitment, will target companies in the United States with established revenue streams in industries with long-term growth drivers employing sales, process improvement or tech service initiatives.

Capital Partners Private Equity Income Fund III, L.P. (\$2.8 million) The fund, an Emerging Manager 2015 Program commitment, will focus on the lower-middle-market and target companies within the manufacturing, distribution and services industries. The fund seeks to limit leverage usage, which enables it to mitigate financial risk, generate attractive cash yields, quickly de-risk investments and make portfolio companies more resistant to market dislocations.

Patriot Financial Partners III, L.P. (\$2.5 million) The fund, an Emerging Manager 2015 Program commitment, will focus on making growth-stage investments in community banks. The GP primarily aims to invest in community banks with experienced management teams, growing non-interest bearing deposits and strong competitive positioning.

NYC Board of Education Retirement System

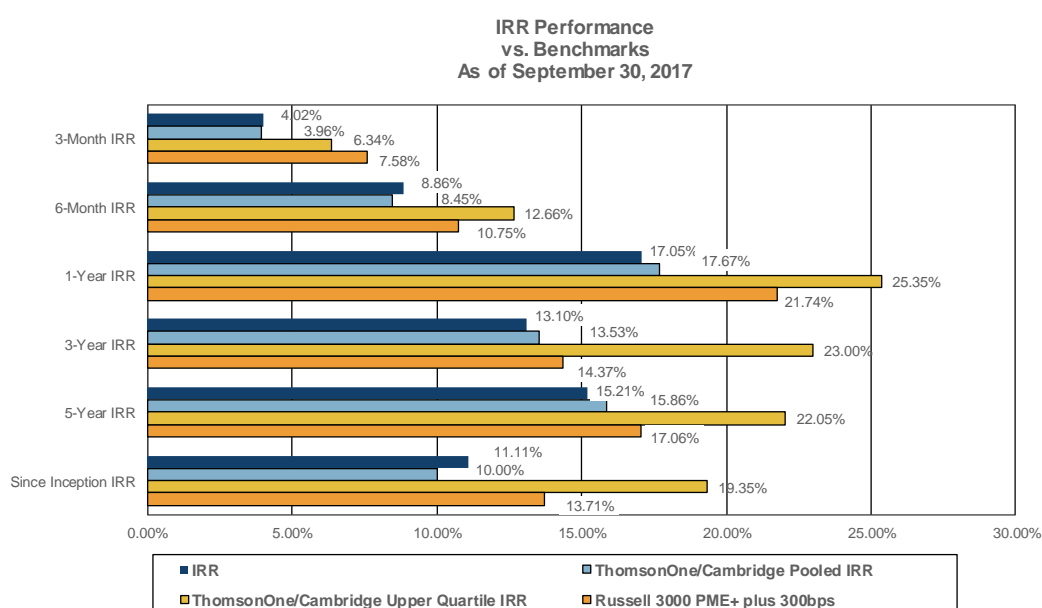
Third Quarter 2017 Report

NMS Fund III, L.P. (\$2.0 million) The fund will pursue a thematic focus on healthcare services and business services companies within the U.S. The GP will target founder-owned companies in the lower-middle market with no prior institutional investors.

Warburg Pincus Financial Sector, L.P. (\$13.0 million) The fund will invest principally in (i) Financial Sector Opportunities and (ii) Alternative Financial Sector Opportunities, in each case on a global basis.

Portfolio Performance Summary

The chart below is a graphical depiction of the IRR performance of the Portfolio with respect to 3-Month, 6-Month, 1-Year, 3-Year, 5-Year, and Since Inception time periods. The Portfolio is benchmarked against the ThomsonOne/Cambridge Pooled IRR, and ThomsonOne/Cambridge Upper Quartile IRR, as well as the Russell 3000 Total Return Public Market Equivalent ("PME+") plus 300 bps.



Note: Private Equity benchmark is provided by ThomsonOne/Cambridge and reflects U.S. Buyout Funds Pooled IRR and Upper Quartile IRR as of December 31, 2017, for funds with vintage years 2005, 2006, 2009, 2012, 2013, 2014, 2015, 2016 and 2017. PME+ is the Russell 3000 Total Return Index and incorporates the PME+ methodology. This calculation includes a 3.0% premium.

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the third quarter of 2017 increased 22 basis points from the prior quarter, with the Portfolio generating an IRR of 11.11%.
 - Relative to benchmarks, the since inception IRR is outperforming the ThomsonOne/Cambridge Pooled IRR by 101 basis points, but is underperforming the ThomsonOne/Cambridge Upper Quartile IRR by 824 basis points and the Russell 3000 PME+ plus 300 basis points premium by 260 basis points.
- Performance on a one-year basis for the third quarter 2017 increased 97 basis points from the prior quarter, with the Portfolio generating an IRR of 17.05%.
 - Relative to the benchmarks, the one-year IRR is underperforming the ThomsonOne/Cambridge Pooled IRR by 62 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 830 basis points and the Russell 3000 PME+ plus 300 bps by 469 basis points.

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Vintage Year Performance

The table below details IRR performance of the Portfolio with respect to Vintage Year. The Portfolio is benchmarked against the ThomsonOne/Cambridge Median Quartile IRR, the ThomsonOne/Cambridge Upper Quartile IRR, and the Russell 3000 Public Market Equivalent.

Performance by Vintage Year						
Vintage Year	Capital Committed ⁽¹⁾	IRR	ThomsonOne/Cambridge Median Quartile IRR ⁽²⁾	ThomsonOne/Cambridge Upper Quartile IRR ⁽²⁾	PME Benchmark ⁽³⁾	PME Spread ⁽⁴⁾
2005	\$57,000,000	8.55%	8.34%	13.43%	8.58%	(0.03%)
2006	44,000,000	8.54%	9.18%	15.33%	11.04%	(2.50%)
2009	45,000,000	16.25%	20.70%	26.07%	13.56%	2.69%
2012	40,000,000	21.05%	18.79%	26.88%	13.13%	7.92%
2013	93,200,000	14.00%	14.83%	21.15%	12.06%	1.94%
2014	91,340,756	13.35%	15.40%	21.05%	11.79%	1.56%
2015	94,236,103	17.39%	8.64%	15.50%	17.58%	(0.19%)
2016	40,500,000	N/M	N/M	N/M	N/M	N/M
2017	111,077,144	N/M	N/M	N/M	N/M	N/M

⁽¹⁾ For details regarding Paid-In Capital, Distributions and Market Value by Vintage Year please see Section 3 of the report, Portfolio Assessment.

⁽²⁾ ThomsonOne/Cambridge Benchmark - U.S. Buyouts as of 9/30/2017.

⁽³⁾ PME is the Russell 3000 Total Return Index and incorporates the PME+ methodology.

⁽⁴⁾ PME Spread is the percentage difference between the IRR and PME Benchmark for each respective partnership.

- Vintage year 2012 has generated the highest since inception IRR for the Portfolio at 21.05% and is outperforming the ThomsonOne/Cambridge Median Quartile IRR by 226 basis points and the Russell 3000 PME+ by 792 basis points, but is underperforming the ThomsonOne/Cambridge Upper Quartile IRR by 583 basis points.
 - The top performing partnership in the vintage year 2012 is Platinum Equity Capital Partners III, L.P., a Special Situations/Turnaround partnership, which has generated a since inception IRR of 46.07%.

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Quarterly Value Analysis

The table below details quarterly performance of the Portfolio for the year ending September 30, 2017.

Portfolio Summary					
\$ in millions	Quarter Ending				Year Ending
	12/31/2016	3/31/2017	6/30/2017	9/30/2017	9/30/2017
Beginning Market Value	\$236.8	\$252.6	\$266.6	\$280.7	\$236.8
Paid-in Capital	21.7	13.3	12.2	27.6	74.8
Distributions	(14.6)	(8.9)	(10.6)	(13.4)	(47.5)
Net Value Change	8.7	9.6	12.5	11.6	42.4
Ending Market Value	\$252.6	\$266.6	\$280.7	\$306.5	\$306.5
Unfunded Commitments	\$246.4	\$245.9	\$288.2	\$282.7	\$282.7
Total Exposure	\$499.0	\$512.5	\$568.9	\$589.2	\$589.2
Point to Point IRR	3.61%	3.76%	4.66%	4.02%	17.05%
Since Inception IRR	10.34%	10.56%	10.89%	11.11%	11.11%

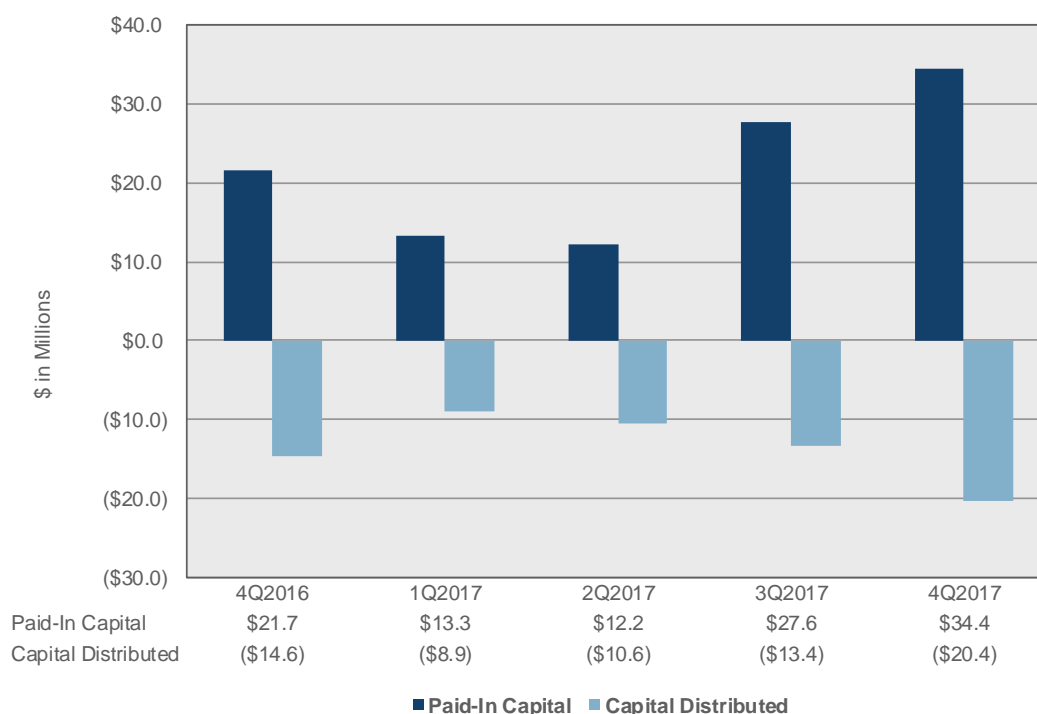
- Over the past twelve months, the Portfolio has experienced a net value gain of \$42.4 million.
- During the past four quarters, the Portfolio has consistently been in a cash flow outflow position, deploying more capital than was returned via distributions. Contributions of \$74.8 million outpaced distributions of \$47.5 million during the twelve months ending September 30, 2017.
- The Portfolio experienced a point-to-point IRR of 17.05% of the year with an increase in market value of 29.4%.

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Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended December 31, 2017.



- During the third quarter contributions more than doubled the amount from the prior quarter, while distributions increased by 26.4%. Contributions outpaced distributions during the quarter, resulting in a net cash outflow of \$14.2 million.
 - Lexington Capital Partners VIII, L.P., a 2014 Secondaries partnership, called the most capital during the third quarter of 2017, totaling \$4.3 million to purchase undisclosed portfolio investments.
 - The Portfolio received its largest distribution from Mesirow Financial Private Equity Partnership Fund V, L.P., which distributed \$3.2 million in proceeds from undisclosed investments. For the year ended December 31, 2017, Mesirow Financial Private Equity Partnership Fund V, L.P. has realized a 3.5x DPI (Distributions to Paid-in).
- In the fourth quarter, contribution activity increased 24.2% while distributions also increased, by 52.2%, resulting in a net cash outflow of \$14.0 million.
 - CVC Capital Partners VI, L.P., a 2014 Mega Buyout partnership, called the most capital during the fourth quarter of 2017, totaling \$6.4 million to purchase multiple portfolio investments.
 - Warburg Pincus Private Equity XI, L.P., a 2012 Growth Equity partnership, distributed the most capital during the quarter totaling \$4.3 million. The majority of the proceeds were driven by the realization of Stratford School, Inc. which generated a 4.9x multiple for the fund.

NYC Board of Education Retirement System

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Value Drivers

The table below displays the Portfolio's top five performance drivers by net value change for the quarter ending September 30, 2017.

Top Five Performing Investments for the Quarter Ending September 30, 2017 ¹				
Investment Name	Vintage Year	Net Value Change (\$ Millions)	Point-to-Point IRR	Since Inception IRR
Apollo Investment Fund VIII, L.P.	2013	\$1.35	9.60%	17.44%
Mesirow Financial Private Equity Partnership Fund V, L.P.	2009	1.29	3.24%	16.25%
Warburg Pincus Private Equity XI, L.P.	2012	1.28	4.97%	13.58%
Vista Equity Partners Fund V, L.P.	2014	0.95	3.86%	11.75%
Platinum Equity Capital Partners III, L.P.	2012	0.78	6.96%	46.07%

¹Investments with less than 8 quarter of activity not included.

- The above five partnerships generated an aggregated net value increase of \$5.65 million during the third quarter of 2017.
 - Apollo Investment Fund VIII, L.P., a 2013 Mega Buyout partnership, generated a net value increase of \$1.35 million. Protection 1 drove the positive performance as the holding was written up 27% quarter-over-quarter to \$2.8 billion. The fund held Protection 1 at a 1.7x multiple as of September 30, 2017.
 - Mesirow Financial Private Equity Partnership Fund V, L.P., a 2009 Special Situations partnership, generated a net value increase of \$1.29 million. The positive performance was driven by Lightspeed China Partners I, L.P. and the Huron Fund IV L.P. which were written up 55% and 27% quarter-over-quarter to \$20.2 million and \$27.6 million, respectively.
 - Warburg Pincus Private Equity XI, L.P., a 2012 Growth Equity partnership, generated a net value increase of \$1.28 million during the quarter. Performance was driven by Vincom Retail Joint Stock Company which was written up 65% quarter-over-quarter to \$289.1 million. The fund valued Vincom at a 2.7x multiple and a gross IRR of 31.7%.
 - Vista Equity Partners Fund V, L.P., a 2014 Large Buyout partnership, generated \$0.95 million in net value gain during the quarter. Performance was driven by Solera Holdings Inc. which was written up 10% quarter-over-quarter to \$1.1 billion as of September 30, 2017. The fund valued Solera at a 1.2x multiple and a gross IRR of 10.0% as of quarter end.
 - Platinum Equity Capital Partners III, L.P., a 2012 Special Situations/Turnaround partnership, generated \$0.78 million in net value gain during the quarter. WFS drove the positive performance as the holding was written up 36% quarter-over-quarter to \$538.2 million. The fund valued WFS at a 3.0x multiple and a gross IRR of 85.3% as of quarter end.

NYC Board of Education Retirement System

Third Quarter 2017 Report

The table below shows the Portfolio's bottom five performance drivers by net value change for the quarter ending September 30, 2017.

Bottom Five Performing Investments for the Quarter Ending September 30, 2017 ¹				
Investment Name	Vintage Year	Net Value Change (\$ Millions)	Point-to-Point IRR	Since Inception IRR
Valor Equity Partners III, L.P.	2013	(0.05)	(1.38%)	12.82%
Mill City Fund II, L.P.	2014	(0.04)	(10.49%)	(30.36%)
Carlyle Partners VI, L.P. - Side Car	2014	(0.03)	(2.39%)	0.84%
Centerbridge Capital Partners III, L.P.	2015	0.02	1.9%	13.43%
Raine Partners II, L.P.	2014	0.02	1.6%	5.14%

¹Investments with less than 8 quarter of activity not included.

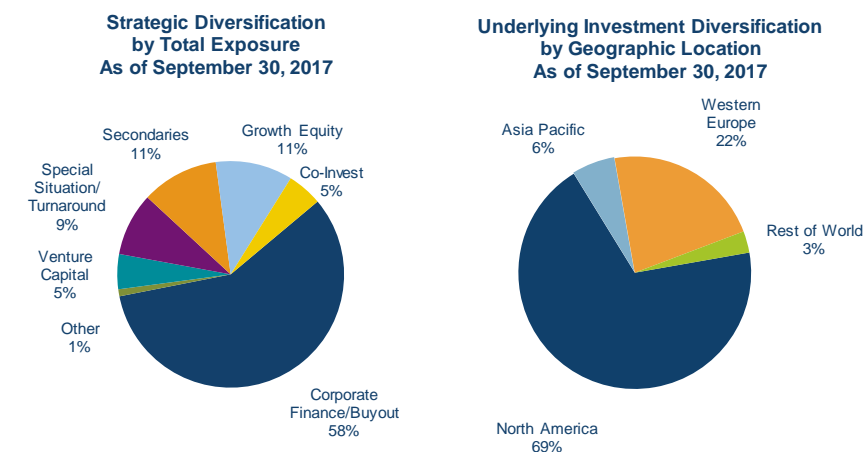
- The partnerships listed above generated a net value loss of \$0.08 million during the third quarter 2017. Despite negative short term performance, the above partnerships generated a since inception IRR of 3.75% as of September 30, 2017.
 - Valor Equity Partners III, L.P., a 2013 Growth Equity partnership, experienced a net value loss of \$0.05 million during the third quarter. Renovate America, Inc. drove the negative performance as the holding was written down 28% quarter-over-quarter to \$53.8 million. The fund valued the holding at a 1.2x multiple and a gross IRR of 5.0% as of September 30, 2017.
 - Mill City Fund II, L.P., a 2014 Small Buyout partnership, generated a net value loss of \$0.04 million. The negative performance resulted from Impact Topco, Inc. being written down 83% quarter-over-quarter to \$1.0 million.
 - Carlyle Partners VI, L.P. - Side Car, a 2014 Co-Investment partnership, generated a net value loss of \$0.03 million during the third quarter of 2017. Acosta, Inc. drove performance as the holding was written down 11% to \$226.4 million as of September 30, 2017.
 - Centerbridge Capital Partners III, L.P., a 2015 Special Situations/Turnaround partnership, generated a net value gain of \$0.02 million during the third quarter of 2017. The gain can be attributed to BFF PEI, Limited Partnership, which was written up 9.8% quarter-over-quarter to \$519.3 million. The fund valued the holding at a 2.1x as of September 30, 2017, up from 1.9x cost the prior quarter.
 - Raine Partners II, L.P., a 2014 Growth Equity partnership, experienced a net value gain of \$0.02 million during the third quarter. DraftKings, Inc. drove the positive performance during the quarter as the holding was written up 3.6% to \$103.5 million. On a since inception basis, the investment has performed well as the fund valued DraftKings Inc. at a 1.4x multiple and a gross IRR of 16.0% as of September 30, 2017.

NYC Board of Education Retirement System

Third Quarter 2017 Report

Portfolio Exposures

The pie chart below represents the strategic and geographic diversification of the Portfolio as of September 30, 2017. Strategy is measured by total exposure, which is the sum of the market value and the unfunded commitments, providing a snapshot of the Portfolio's future diversification. Strategic exposure takes into account the strategies for each underlying partnership in the funds-of-funds within the BERS Portfolio. Geography is measured by the Portfolio's exposed market value of the underlying portfolio holdings.



As of September 30, 2017

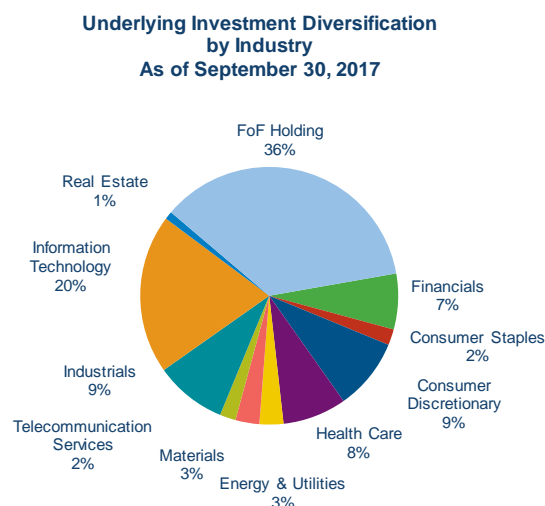
	Sum of Current Exposed Market Value	% of Total
North America	\$239.5	69%
U.S. (non-NY State)	\$201.8	62%
U.S. (NY State)	\$21.0	6%
New York City	\$3.8	1%
Non-New York City	\$17.2	5%
Western Europe	\$74.5	22%
Rest of World	\$11.0	3%
Asia	\$19.7	6%
Total	\$344.7	100%

- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 58% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 69% of the Portfolio's underlying market value attributable to this region.
 - The remaining 31% of the Portfolio's exposure is diversified between Western Europe, Asia and 'Rest-of-World'. Roughly 6% of the Portfolio's current exposed market value is based in New York, with 1% based in New York City companies and fund managers.

NYC Board of Education Retirement System

Third Quarter 2017 Report

The pie chart below represents the industry diversification of the Portfolio as of September 30, 2017. Industry diversification is measured by the Portfolio's exposed market value of the underlying portfolio companies and fund managers.



- The Portfolio has a large exposure to the FoF Holding sector (36%). Commitments made to the three Mesirow Fund-of-Funds accounted for 57% of exposure to Fund-of-Funds holdings. FoF Holding exposure is expected to reduce as the Portfolio continues to make direct private equity fund commitments.

NYC Board of Education Retirement System

Third Quarter 2017 Report

Private Equity Company Exposure

The table below identifies the top ten underlying holdings held by partnerships in the BERS Portfolio, as measured by exposed market value as of September 30, 2017. As noted in the second column, the values of underlying holdings held by several partnerships have been aggregated.

Top 10 Portfolio Holdings by Exposed Market Value September 30, 2017			
Company Name	Partnership	Exposed Valuation (\$ in Millions)	% of Total Portfolio
TIBCO Software, Inc.	Vista Equity Partners V, L.P.	\$4.6	1.3%
Solera Holdings Inc.	Vista Equity Partners Fund V, L.P.	4.6	1.3%
Veritas Holdings Ltd.	Carlyle Partners VI, LP Carlyle Partners VI, L.P. - Side Car	3.6	1.1%
Marketo, Inc.	Vista Equity Partners Fund V, L.P. Vista Equity Partners Fund VI, L.P.	3.4	1.0%
Accuride Corp	Crestview Partners III (Co-Investment B), L.P. Crestview Partners III, L.P.	3.3	1.0%
WOW	Crestview Partners III (Co-Investment B), L.P. Crestview Partners III, L.P.	3.2	0.9%
Protection 1	Apollo Investment Fund VIII, L.P.	3.0	0.9%
Vertiv Co.	Platinum Equity Capital Partners III, L.P. Platinum Equity Capital Partners IV, L.P.	3.0	0.9%
Ortho Clinical Diagnostics	Carlyle Partners VI, LP Carlyle Partners VI, L.P. - Side Car	2.6	0.8%
EagleView Technology	Vista Equity Partners Fund V, L.P.	2.5	0.7%
Total		\$33.8	9.9%

Note: Undisclosed fund investments are not included in this analysis.

- As of September 30, 2017, the top ten partnership holdings represent 9.9% of the total Portfolio's exposed market value, or \$33.8 million of exposed market value.
- Six of the ten top partnership holdings are held in multiple funds within the Portfolio.
- TIBCO Software, Inc., the Portfolio's largest exposure, a provider of message queue software for companies to use on-premises or as part of cloud computing environments. Vista Equity Partners Fund V, L.P. made its initial investment in December 2014. The investment was held at 1.37x cost as of September 30, 2017, up from 1.25x the prior quarter.

NYC Board of Education Retirement System

Third Quarter 2017 Report



Section 2:

Portfolio Assessment

NYC Board of Education Retirement System
Private Equity Portfolio
As of September 30, 2017 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR ¹	PME Benchmark ²	PME Spread ³
Active Investments										
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$ 57,000,000	\$ 55,093,273	\$ 72,141,309	\$ 20,113,108	1.67x	8.55%	8.58%	(0.02%)
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	22,842,233	22,375,104	15,844,712	1.67x	10.48%	12.36%	(1.89%)
2006	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	17,320,307	15,324,154	8,286,494	1.36x	6.04%	9.39%	(3.35%)
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	36,689,326	23,632,954	39,640,871	1.72x	16.25%	13.56%	2.68%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	15,000,000	14,035,465	13,465,730	11,374,938	1.77x	46.07%	13.94%	32.13%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	23,745,163	8,635,577	25,505,640	1.44x	13.58%	12.83%	0.75%
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	20,000,000	14,102,284	2,453,579	15,835,742	1.30x	17.44%	12.99%	4.45%
2013	Carlyle Partners VI, L.P.	7/3/2013	20,000,000	17,931,491	3,676,697	17,830,415	1.20x	11.88%	11.60%	0.28%
2013	Landmark Equity Partners XV, L.P.	10/30/2013	19,000,000	9,998,149	4,849,643	7,357,584	1.22x	12.76%	11.79%	0.97%
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	6,000,000	4,746,722	1,753,110	4,331,127	1.28x	17.65%	9.67%	7.98%
2014	CVC Capital Partners VI, L.P.	2/18/2014	17,690,756	9,101,875	436,798	10,807,156	1.24x	12.19%	13.26%	(1.08%)
2013	Crestview Partners III, L.P.	3/3/2015	15,000,000	5,741,871	96,110	6,319,080	1.12x	7.64%	12.09%	(4.45%)
2013	Crestview Partners III (Co-Investment B), L.P.	12/17/2015	5,000,000	3,065,378	72,440	3,583,609	1.19x	N/M	N/M	N/M
2014	ASF VI, L.P.	5/9/2014	15,000,000	9,047,799	2,279,204	9,930,406	1.35x	15.13%	11.84%	3.29%
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	5,000,000	3,491,506	1,743,377	3,264,962	1.43x	17.70%	8.89%	8.81%
2014	Carlyle Partners VI, L.P. - Side Car	9/23/2014	2,200,000	1,382,046	-	1,405,299	1.02x	0.84%	12.24%	(11.40%)
2014	Lexington Capital Partners VIII, L.P.	1/8/2015	20,000,000	9,890,829	2,901,840	9,781,199	1.28x	29.45%	14.09%	15.37%
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	25,000,000	25,190,159	5,614,104	25,649,615	1.24x	11.75%	11.44%	0.32%
2015	Centerbridge Capital Partners III, L.P.	5/21/2015	2,500,000	1,177,759	117,612	1,257,152	1.17x	13.43%	12.61%	0.82%
2015	Siris Partners III, L.P.	5/4/2015	3,500,000	1,778,647	109,916	1,719,701	1.03x	2.39%	14.44%	(12.05%)
2012	NYCBERS - 2012 Emerging Manager Program*	10/31/2014	25,000,000	10,649,844	1,003,083	11,592,801	1.18x	10.63%	11.75%	(1.12%)
2015	American Securities Partners VII, L.P.	7/8/2016	8,000,000	3,496,698	134,269	3,844,027	1.14x	N/M	N/M	N/M
2015	ASF VII, L.P.	12/29/2015	10,000,000	1,543,778	126,709	1,921,613	1.33x	N/M	N/M	N/M
2015	ASF VII B NYC Co-Invest, L.P.	12/29/2015	6,000,000	90,060	-	655,681	7.28x	N/M	N/M	N/M
2015	NYCBERS - 2015 Emerging Manager Program**	2/22/2016	30,000,000	1,234,604	220,350	1,386,841	1.30x	N/M	N/M	N/M
2015	Warburg Pincus Private Equity XII, L.P.	12/21/2015	21,500,000	9,322,201	99,452	9,350,848	1.01x	N/M	N/M	N/M
2015	Welsh, Carson, Anderson & Stowe XII, L.P.	8/26/2015	10,000,000	4,162,019	138,026	5,118,103	1.26x	18.27%	16.43%	1.84%
2015	Bridgepoint Europe V, L.P.	2/8/2016	8,584,082	4,852,961	769,344	4,945,433	1.18x	N/M	N/M	N/M
2015	Bridgepoint Europe V Co-Invest	8/16/2016	2,889,345	1,428,666	-	1,577,861	1.10x	N/M	N/M	N/M
2015	EQT VII, L.P.	1/8/2016	17,262,677	8,244,188	30,712	9,525,930	1.16x	N/M	N/M	N/M
2016	Vista Equity Partners Fund VI, L.P.	6/28/2016	16,000,000	9,315,340	159,040	9,247,072	1.01x	N/M	N/M	N/M
2016	Apax IX USD, L.P.	5/12/2017	13,000,000	2,236,000	-	2,212,695	0.99x	N/M	N/M	N/M
2017	Ares Corporate Opportunities Fund V, L.P.	6/22/2017	10,000,000	962,263	-	901,699	0.94x	N/M	N/M	N/M
2017	Green Equity Investors VII, L.P.	5/12/2017	10,000,000	1,507,103	-	1,457,058	0.97x	N/M	N/M	N/M
2017	BC European Capital X, L.P.	N/A	11,814,466	-	-	-	N/A	N/M	N/M	N/M
2017	BC European Capital X Metro Co-Investment L.P.	3/24/2017	4,678,087	400,104	-	398,947	1.00x	N/M	N/M	N/M
2017	Platinum Equity Capital Partners IV, L.P.	3/21/2017	11,500,000	2,524,896	226,761	2,550,628	1.10x	N/M	N/M	N/M
2017	CVC Capital Partners VII, L.P.	N/A	20,084,592	-	-	-	N/A	N/M	N/M	N/M
2017	Apollo Investment Fund IX, L.P.	N/A	32,000,000	-	-	-	N/A	N/M	N/M	N/M
2017	KKR Americas Fund XII, L.P.	N/A	16,000,000	-	-	-	N/A	N/M	N/M	N/M
Total Portfolio			\$ 646,204,003	\$ 348,343,006	\$ 184,587,004	\$ 306,526,047	1.41x	11.11%	10.71%	0.40%

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR ¹	PME Benchmark ²	PME Spread ³
Commitments Closed Subsequent to as of Date										
2017	Valor Equity Partners III, L.P.	N/A	\$ 4,500,000	-	-	-	N/A	N/A	N/A	N/A
2017	Patriot Financial Partners III, L.P.	N/A	2,500,000	-	-	-	N/A	N/A	N/A	N/A
2017	NMS Fund III, L.P.	N/A	2,000,000	-	-	-	N/A	N/A	N/A	N/A
2017	Warburg Pincus Financial Sector, L.P.	N/A	13,000,000	-	-	-	N/A	N/A	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 22,000,000	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A

*Please note that the NYCBERS - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$14.7 million has been committed as of September 30, 2017.

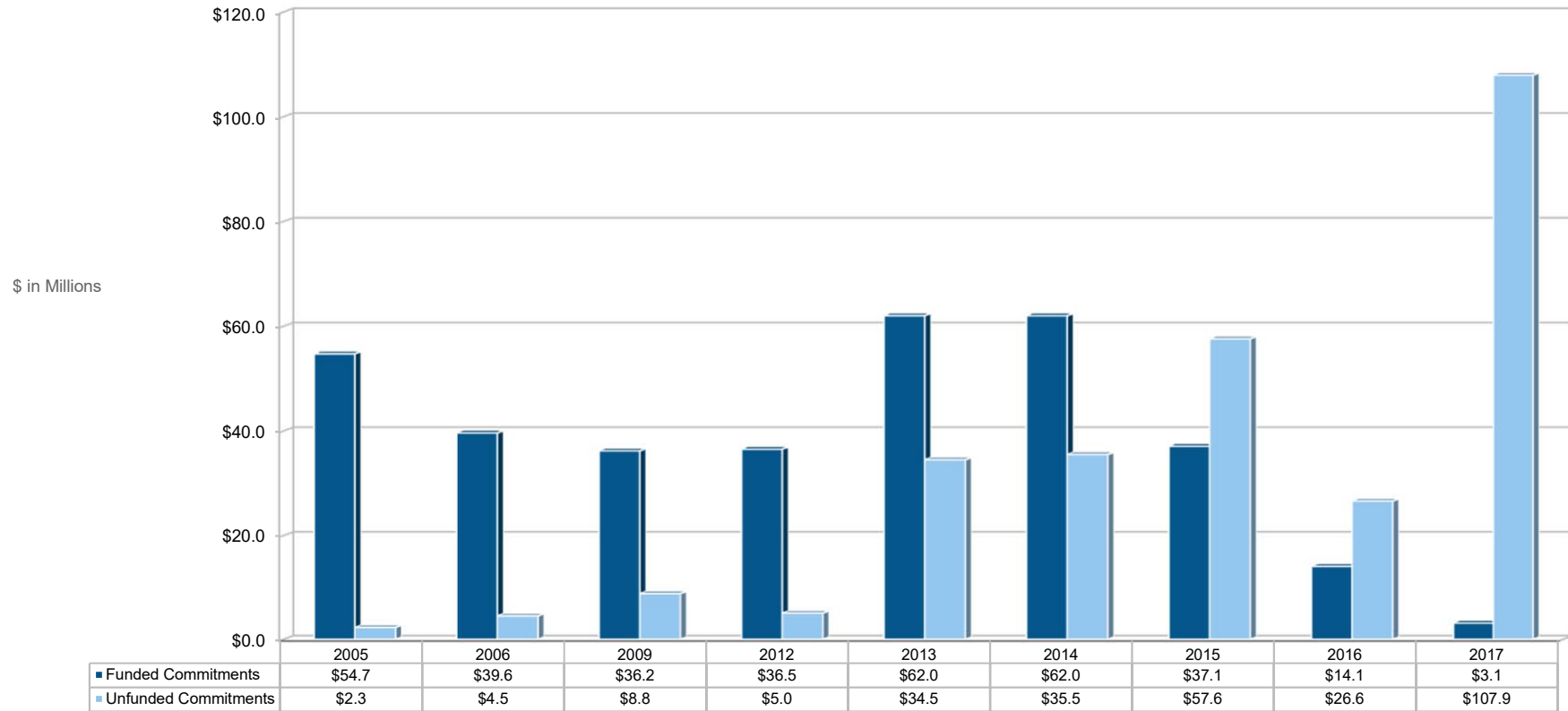
**Please note that the NYCBERS - 2015 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$10.5 million has been committed as of September 30, 2017.

² The total PME is the Russell 3000 Total Return Index and incorporates the PME + methodology for all partnerships where distributions have occurred, and incorporates the and incorporates the Long Nickel methodologies for those partnerships that have not yet had any distributions to date. The fund PME is the Russell 3000 Total Return Index and incorporates the PME + methodology for all partnerships where distributions have occurred.

³PME Spread is the percentage difference between the IRR and PME Benchmark for each respective partnership.

Note: Where available, September 30, 2017 reported valuations were used. In the absence of September 30, 2017 reported values, market values have been adjusted forward using interim cashflows through September 30, 2017. The IRR calculated in the early years of a fund is not meaningful g j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of September 30, 2017.

**NYC Board of Education Retirement System
Commitments By Vintage Year
As of September 30, 2017**



Funded Commitments exclude additional fees.

Unfunded Commitments include recallable returns of capital.

NYC Board of Education Retirement System

Third Quarter 2017 Report



Section 3:

Funds-of-Funds Review

NYC Board of Education Retirement System

Third Quarter 2017 Report

Mesirow Financial Private Equity Partnership Fund III, L.P.

Fund Overview

The Partnership, a 2005 vintage year Partnership, was formed on April 6, 2005 with the intent of investing capital in various private equity limited partnerships. As of September 30, 2017, the Partnership has invested in 43 underlying funds.

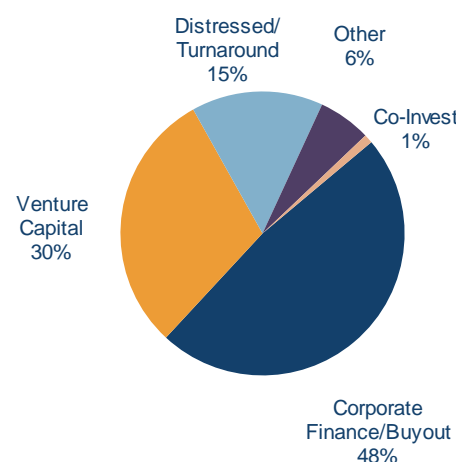
Partnership Summary

NYC Board of Education Retirement System committed \$57.0 million to the Mesirow Financial Private Equity Partnership Fund III, L.P. and as of September 30, 2017, has generated a 8.55% IRR and a Total Value Multiple of 1.667 from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ in millions	6/30/2017	9/30/2017	Change
Capital Commitment	\$57.0	\$57.0	-
Unfunded Commitment	\$2.3	\$2.3	-
Capital Contributed	\$55.1	\$55.1	-
Capital Distributed	\$70.7	\$72.1	\$1.4
Market Value	\$20.8	\$20.1	(\$0.7)
Total Value Multiple	1.66x	1.67x	0.01x
Since Inception IRR	8.51%	8.55%	(4 bps)

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since Inception IRR
5.07%	0.58%	6.07%	13.83%	8.55%

**Strategic Diversification
by Exposed Market Value
As of September 30, 2017**



*Strategic exposure to 'Other' consists of underlying partnerships for which investment strategies are not disclosed in the quarter end financial statements.

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund III, L.P. is underperforming the upper quartile benchmark¹ by 175 bps and is outperforming the median quartile benchmark¹ by 178 bps on a since inception basis, as of September 30, 2017.

Outperformance of the median quartile benchmark¹ is being driven by ten underlying funds, all of which are being held above a 2.0x total value multiple as of September 30, 2017. The ten funds represent roughly 24.4% of underlying commitments and 34.4% of underlying market value.

Underperformance when compared to the upper quartile benchmark¹ is being driven by two underlying funds, all of which are being held below a 1.0x total value multiple as of September 30, 2017. The two funds represent roughly 2.7% of underlying commitments and 1.0% of underlying market value.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2017

NYC Board of Education Retirement System

Third Quarter 2017 Report

Mesirow Financial Private Equity Partnership Fund IV, L.P.

Fund Overview

The Partnership, a 2006 vintage year Partnership, was formed on November 21, 2006 with the intent of investing capital in various private equity limited partnerships. As of September 30, 2017, the Partnership has invested in 46 underlying funds.

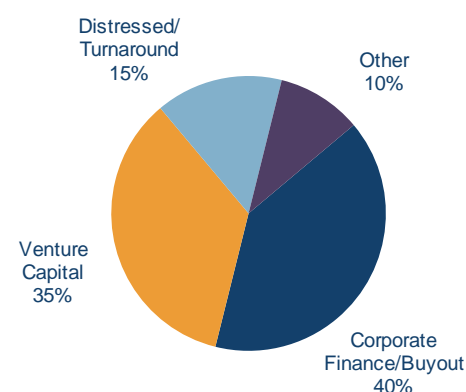
Partnership Summary

NYC Board of Education Retirement System committed \$25.0 million to the Mesirow Financial Private Equity Partnership Fund IV, L.P. and as of September 30, 2017, has generated a 10.48% IRR and a Total Value Multiple of 1.67x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ in millions	6/30/2017	9/30/2017	Change
Capital Commitment	\$25.0	\$25.0	-
Unfunded Commitment	\$2.4	\$2.4	-
Capital Contributed	\$22.8	\$22.8	-
Capital Distributed	\$21.1	\$22.4	\$1.3
Market Value	\$16.5	\$15.8	(\$0.7)
Total Value Multiple	1.65x	1.67x	0.02x
Since Inception IRR	10.41%	10.48%	(7 bps)

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since Inception IRR
6.66%	15.53%	12.21%	15.11%	10.48%

**Strategic Diversification
by Exposed Market Value
As of September 30, 2017**



*Strategic exposure to 'Other' consists of underlying partnerships for which investment strategies are not disclosed in the quarter end financial statements.

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund IV, L.P. is outperforming the upper quartile benchmark¹ by 15 bps and the median quartile benchmark¹ by 501 bps on a since inception basis, as of September 30, 2017.

Outperformance of the median quartile benchmark¹ is being driven by thirteen underlying funds, all of which are being held above a 2.0x total value multiple as of September 30, 2017. These thirteen funds represent roughly 22.9% of underlying commitments and 27.7% of underlying market value.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2017

NYC Board of Education Retirement System

Third Quarter 2017 Report

Mesirow Financial Private Equity Partnership Fund V, L.P.

Fund Overview

The Partnership, a 2009 vintage year Partnership, was formed on November 5, 2008 with the intent of investing capital in various private equity limited partnerships. As of September 30, 2017, the Partnership has invested in 51 underlying funds.

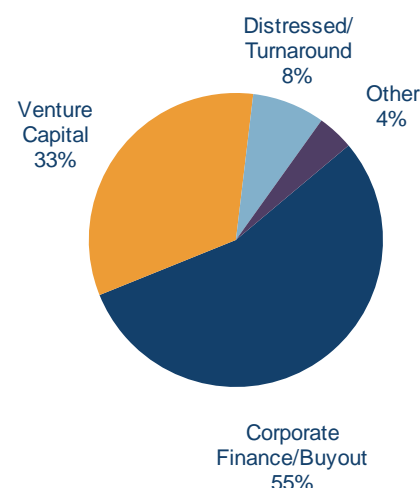
Partnership Summary

NYC Board of Education Retirement System committed \$45.0 million to the Mesirow Financial Private Equity Partnership Fund V, L.P. and as of September 30, 2017, has generated a 16.25% IRR and a Total Value Multiple of 1.72x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ in millions	6/30/2017	9/30/2017	Change
Capital Commitment	\$45.0	\$45.0	-
Unfunded Commitment	\$9.5	\$8.8	(\$0.7)
Capital Contributed	\$36.0	\$36.7	\$0.7
Capital Distributed	\$20.5	\$23.6	\$3.1
Market Value	\$40.8	\$39.6	(\$1.2)
Total Value Multiple	1.70x	1.72x	0.02x
Since Inception IRR	16.36%	16.25%	(11 bps)

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since Inception IRR
7.05%	19.64%	16.82%	17.55%	16.25%

**Strategic Diversification
by Exposed Market Value
As of September 30, 2017**



*Strategic exposure to 'Other' consists of underlying partnerships for which investment strategies are not disclosed in the quarter end financial statements.

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund V, L.P. is outperforming the upper quartile benchmark by 146 bps and the median quartile benchmark by 723 bps on a since inception basis, as of September 30, 2017.

Outperformance of the median and upper quartile benchmarks¹ is being driven by ten underlying funds, all of which are being held above a 2.0x total value multiple as of September 30, 2017. These top drivers represent roughly 21.4% of underlying commitments and 24.4% of underlying market value.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2017

NYC Board of Education Retirement System

Third Quarter 2017 Report

New York Fairview Private Equity Fund, L.P. Fund Overview

The Partnership, a 2006 vintage year Partnership, was formed on May 22, 2006 with the intent of investing in emerging private equity funds with aggregate capital commitments of no more than \$300 million. As of September 30, 2017, the Partnership has invested in 6 underlying funds.

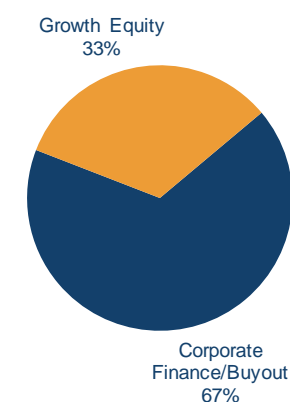
Partnership Summary

NYC Board of Education Retirement System committed \$19.0 million to the New York Fairview Private Equity Fund, L.P. and as of September 30, 2017 has generated a 6.04% IRR and a Total Value Multiple of 1.36x from its investment. The Partnership is heavily weighted towards Corporate Finance/Buyout, with roughly 67% of the underlying funds exposed market value attributable to this sector.

Performance Summary			
\$ in millions	6/30/2017	9/30/2017	Change
Capital Commitment	\$19.0	\$19.0	-
Unfunded Commitment	\$2.1	\$2.1	-
Capital Contributed	\$17.3	\$17.3	-
Capital Distributed	\$15.1	\$15.3	\$0.2
Market Value	\$8.2	\$8.3	\$0.1
Total Value Multiple	1.35x	1.36x	0.01x
Since Inception IRR	5.94%	6.04%	(9 bps)

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since Inception IRR
1.89%	0.65%	4.02%	9.13%	6.04%

Strategic Diversification
by Exposed Market Value
As of September 30, 2017



Performance Drivers

When compared to global private equity funds of the same vintage, New York Fairview Private Equity Fund, L.P. is underperforming the upper and median quartile benchmark¹ by 463 bps and 22 bps respectively, on a since inception basis, as of September 30, 2017.

Underlying fund performance has been unfavorable, with all six funds being held below 1.0x total value multiple as of September 30, 2017.

¹ ThomsonOne/Cambridge – Global All Private Equity IRR as of September 30, 2017

NYC Board of Education Retirement System

Third Quarter 2017 Report



Appendix A:

Glossary of Terms

NYC Board of Education Retirement System

Third Quarter 2017 Report

Additional Fees: The amount of capital an investor pays into a fund/investment that does not count against the investors' commitment. Additional fees typically consist of management fees or late-closing interest expense.

Capital Committed: An investor's financial obligation to provide a set amount of capital to the investment.

Capital Contributed: Capital contributed from an investor's capital commitment to fund partnership investments, organizational expenses and management fees.

Capital Distributed: Cash or stock disbursed to the investors of an investment.

Co/Direct Investment: A direct investment is a purchased interest of an operating company. A co-investment is a direct investment made alongside a partnership.

Corporate Finance/Buyout: Funds seeking to make controlling and non-controlling investments in established companies which have the potential to achieve greater value through improved performance.

Cost Basis: Capital contributions less return of principal.

Fund-of-Funds: An investment vehicle which invests in other private equity partnerships.

Fund/Investment Size: The total amount of capital committed by investors to a fund.

Investment Category: Used to identify investments in one of the following categories: co/direct investments, fund-of-funds, primary funds, secondary fund-of-funds or secondary purchases.

Investment Strategy: A sub-classification of a partnership's investment type, such as Co/Direct Investment, Corporate Finance/Buyout, Mezzanine, Real Estate, Special Situation, Venture Capital.

Life Cycle Period: The current stage of a partnership depending on the percentage contributed to date. Life cycle periods are investment and realization.

Mezzanine: An investment strategy involving the purchase of subordinated debt. These securities exist between the senior debt and equity of a holding's capital structure. Subordinated debt carries a lower level of risk than pure equity structures because they generate current income and have a more senior position in the company's capital structure.

Net Internal Rate Of Return ("IRR"): The discount rate that equates the net present value of the partnership's cash outflows with its inflows and residual value at the time of calculation. The calculation is net of management fees and the general partner's carried interest.

Originator: The institution responsible for recommending a client commit to an investment.

Ownership Percentage: The investor's percent of ownership as measured by capital committed divided by fund/investment size.

Paid-In Capital: The amount of capital an investor has contributed to a partnership, which includes capital contributions and additional fees.

Pooled Average IRR: An IRR calculation which aggregates cash flows (paid-in capital and capital distributed) and the reported market values of each investment within a portfolio to create one portfolio investment and return.

NYC Board of Education Retirement System

Third Quarter 2017 Report

Portfolio Holding Exposure: The limited partner's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.

Primary Fund: Defines when the investor acquired an interest in the partnership. Primary fund is the investment category when an investor participates in a closing at the inception of the partnership.

Private Equity Partnership: A professionally managed pool of capital that generally invests in unlisted companies or securities. Common investment strategies include corporate finance/buyout, mezzanine, special situations and venture capital.

Realized Multiple: Ratio of cumulative distributions to paid-in capital.

Return On Investment ("ROI"): A calculation based on the total value (market value plus distributions) divided by paid-in capital for an investment.

Reported Market Value: The investment's capital account balance at quarter end, which includes the general partner's reported value of the underlying holdings and other assets and liabilities.

Secondary Fund-of-Funds: A private equity vehicle formed to purchase active partnership interests from an investor.

Secondary Purchase: A purchase of an existing partnership interest or pool of partnership interests from an investor.

Special Situation: Partnerships that invest using a unique strategy. Examples include distressed and turnaround, industry focused and multi-stage partnerships.

Total Exposure: Calculated by the summation of market value and unfunded commitments.

Venture Capital: An investment strategy that provides start-up or growth capital to companies in the early stages of development. Venture investments generally involve a greater degree of risk, but have the potential for higher returns.

Vintage Year: The year in which a partnership makes its first capital call for an investment into a portfolio company/holding.

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Third Quarter 2017 Report



Appendix B:

Disclosure Statement

NYC Board of Education Retirement System

Third Quarter 2017 Report

Non-public information contained in this report is confidential and intended solely for dissemination to NYC Board of Education Retirement System and/or its Affiliates. Hamilton Lane has prepared this report to enable NYC Board of Education Retirement System and/or its Affiliates to assess the performance and status of its alternative investment portfolio. The calculations contained in this document are made by Hamilton Lane based on information provided by the general partner (e.g. cash flows and valuations), and have not been prepared, reviewed or approved by the general partners. Hamilton Lane hereby disclaims any liability resulting from any unauthorized dissemination of the attached information.

The information contained in this report may include forward-looking statements regarding the funds presented or their portfolio companies. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the funds or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The information presented is not a complete analysis of every material fact concerning each fund or each company. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

All opinions, estimates and forecasts of future performance or other events contained herein are based on information available to Hamilton Lane as of the date of this presentation and are subject to change. Past performance of the investments described herein is not indicative of future results. Certain of the information included in this presentation has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable but the accuracy of such information cannot be guaranteed.

The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the funds will achieve comparable results or that they will be able to implement their investment strategy or achieve their investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the funds or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.



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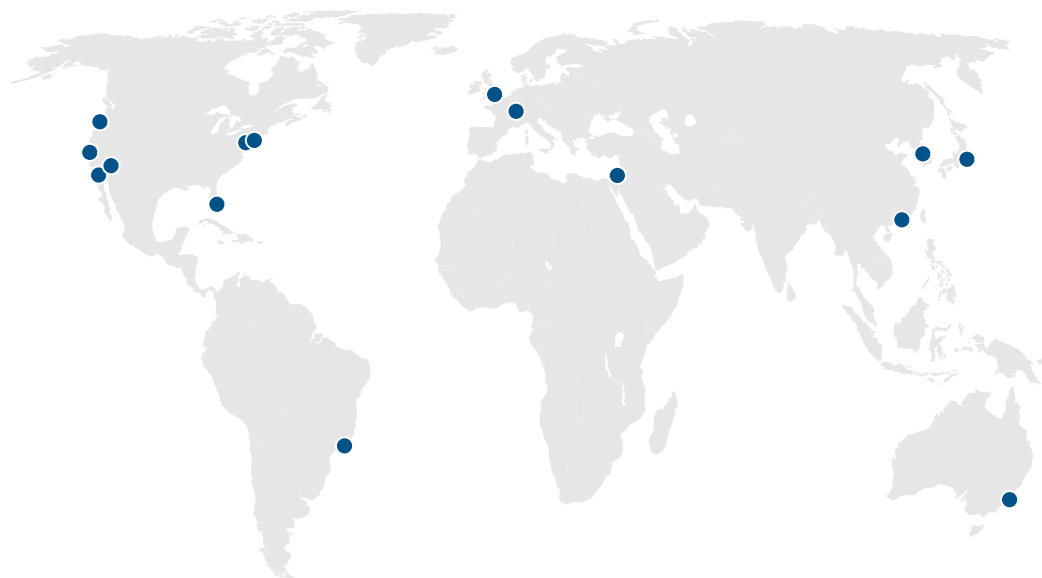
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Real Estate Quarterly Report (Public):

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

REAL ESTATE PORTFOLIO

MONITORING REPORT

Third Quarter 2017



**Board of Education
Retirement System**

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I. Significant Valuation Changes

During the third quarter of 2017, net of cash flow activity, 25 investments appreciated and 3 declined in value from the prior quarter. Below are the top 15 valuation changes (in terms of the absolute value of impact) that occurred in the portfolio during the quarter. These valuation changes account for 87.4% of the valuation change during the quarter.

USD in millions

Investments	Valuation Change USD	Valuation Change %	Comments
NYCRS-KKR CMBS Retention Partners	\$2.6	N/A	This increase in valuation is a result of the Fund making its first capital call towards the end of the quarter. The valuation was also affected by carried interest allocated as part of a broader Strategic Partnership, including KKR Americas Fund XII and KKR Global Infrastructure Investors II.
H/2 Special Opportunities Fund III	\$2.3	14.9%	The decrease in valuation of the Fund was almost entirely driven by distributions of net current income and net capital proceeds made throughout the quarter. These distributions made are associated with various Fund assets.
Brookfield Strategic Real Estate Partners	\$1.8	14.8%	The increase in the valuation of the Fund was driven by a write-up in the value of the Fund's European Industrial business "Gazeley." This valuation change reflects the price upon which the Fund has agreed to sell the investment. Other factors include rental growth, strong leasing activity and tightening cap rates.
Blackstone Real Estate Partners Europe IV (USD Vehicle)	\$1.5	4.3%	The increase in the valuation of the Fund is inclusive of noticable distribution activity. Positive leasing activity across several portfolios drove up the Fund's valuation with sales activity having an upward impact elsewhere. The Fund entered agreements to sell several assets in subsequent quarters.
NYC Asset Investor #2 LLC (Related)	\$1.4	11.0%	The valuation change is an increase resulting from a write-up in fair value of all underlying investments across the portfolio. The write-up came as a result of the portfolio being appraised to reflect its true market value.
Lone Star Real Estate Fund V	\$1.4	N/A	This increase in valuation is a result of the Fund making its first capital call towards the end of the quarter. The valuation was also affected by management fees accrued beginning with the first close of the fund.
NYCRS Artemis Co-Investment	\$1.4	49.7%	The increase in third quarter valuation was driven by a capital call related to an acquisition the Fund's fifth investment, The Boro. The total equity of this investment represents nearly a fifth of the Fund's committed capital.
European Property Investors Special Opportunities IV (EPISO IV)	\$1.3	49.3%	The main driver of the increase in the Fund's valuation was a call made related to two acquisitions made during the previous quarter. This value is also inclusive of a Return of Capital distribution and significant appreciation in the portfolio. A capital call is expected in the following quarter in relation to two acquisitions made during the quarter.
UBS Trumbull Property Fund	\$1.1	1.5%	The increase in valuation for the Fund was primarily due to Net Operating Income increases across the apartment and industrial aspects of the portfolio. During the quarter, the Fund closed on eight separate acquisitions including six industrial assets.

USD in millions

Investments	Valuation Change USD	Valuation Change %	Comments
Carlyle Realty Partners VII	\$1.1	5.7%	The net increase in valuation was primarily driven by a capital call related to various new and existing investments as well as management fees. Impacting that call were distributions resulting from both operating income and gains on assets sold.
Westbrook Real Estate Fund X	\$0.9	57.6%	The main driver of the increase in the Fund's valuation were several capital calls made throughout the quarter. Portfolio activity includes the addition of the two assets Epoch Plaza and La Palma Office Park.
Exeter Industrial Value Fund IV	\$0.9	N/A	This increase in valuation is a result of the Fund making its first capital call towards the end of the quarter. The Fund experienced limited income due to fees in this initial quarter.
Brookfield Premier Real Estate Partners	\$0.9	9.1%	The increase in the Fund's valuation was driven by positive market fundamentals including healthy leasing activity and increased rental rates in the office and industrial portfolios. Additional drivers of the performance include continued stabilization of the build-to-core portfolio.
PW Real Estate Fund III LP	\$0.8	27.5%	The increase in valuation of the Fund was primarily impacted by a capital call and the appreciation of the Euro against the dollar. The capital call was used to reimburse an outstanding amount on the credit facility.
Divco West Fund V	\$0.7	45.3%	The net increase in the valuation was driven by capital contributions and a positive income for the period. The Fund executed its Final Close during the quarter and continued its acquisition process by adding two additional investments.

II. Top 10 Portfolio Holdings

The following table shows the top 10 holdings in the portfolio in terms of the current exposed market value. These investments comprised approximately 76.6% of the portfolio's exposed market value as of quarter end.

USD in millions

Investments	Contributions	Total Distributions	Exposed Current Market Value
UBS Trumbull Property Fund	\$0.8	-\$0.8	\$77.4
LaSalle Property Fund	\$0.0	-\$0.4	\$37.5
Blackstone Real Estate Partners Europe IV (USD Vehicle)	\$0.1	-\$0.8	\$35.1
Carlyle Realty Partners VII	\$1.6	-\$0.4	\$19.9
MetLife Core Property Fund	\$0.0	-\$0.2	\$17.8
NYC Asset Investor #2 LLC (Related)	\$0.0	\$0.0	\$14.3
Brookfield Strategic Real Estate Partners	\$0.4	-\$0.5	\$14.0
H/2 Special Opportunities Fund III	\$0.0	-\$2.3	\$13.0
NYC Asset Investor #1 LLC (Vanbarton)	\$0.1	\$0.0	\$12.2
Brookfield Premier Real Estate Partners	\$0.8	-\$0.1	\$10.9
Total	\$3.8	-\$5.6	\$252.0

III. Performance by Strategy

The following table shows the portfolio's since inception performance by strategy as of the end of September 30, 2017.

USD in millions

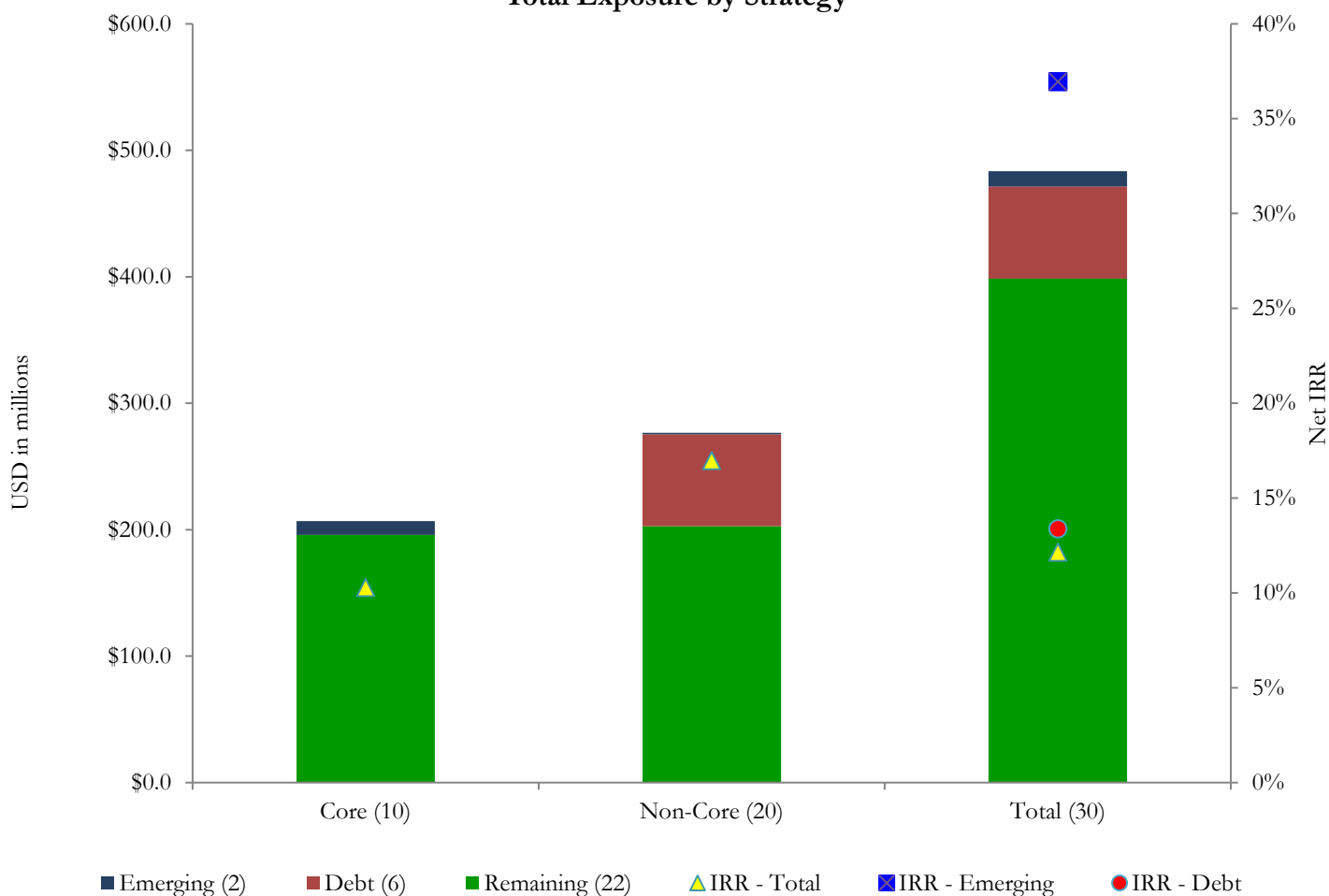
Investments by Strategy	Number of Investments	Committed Capital	Contributions	Distributions	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR	NYCRS Benchmark ²	Benchmark Spread ³
Core ¹	10	\$151.0	\$155.7	\$29.9	\$190.7	\$16.1	\$206.8	1.42x	10.3%	7.6%	2.7%
Non-Core ¹	20	\$268.9	\$155.4	\$63.7	\$138.3	\$138.4	\$276.7	1.30x	17.0%	9.0%	8.0%
Total¹	30	\$419.9	\$311.1	\$93.6	\$329.0	\$154.4	\$483.5	1.36x	12.1%	8.7%	3.4%
Emerging Managers ¹	2	\$12.2	\$6.1	\$3.4	\$4.1	\$8.1	\$12.2	1.23x	36.9%	9.3%	27.7%
Debt	6	\$73.1	\$21.1	\$3.4	\$20.8	\$52.1	\$72.8	1.14x	13.4%	6.8%	6.6%

¹ Total includes liquidated investments, except for commitments and total exposure.

² The blended benchmark is comprised of Russell 3000 and Barclays Capital Aggregate Bond Index at the ratios of 40/60, 60/40 and 50/50 for Core, Non-Core and Total Portfolio, respectively, except that BofA Merrill Lynch US High Yield Index is the benchmark for NYCRS-KKR CMBS Retention Partners, a non-core investment.

³ Spread is calculated as IRR minus the Blended Benchmark for NYCRS.

Total Exposure by Strategy



Number of funds represents the total number of investments for each strategy.

IV. Performance by Vintage Year

The following table and graph illustrates the Portfolio's since inception investment performance and exposure vintage year as of the end of September 30, 2017.

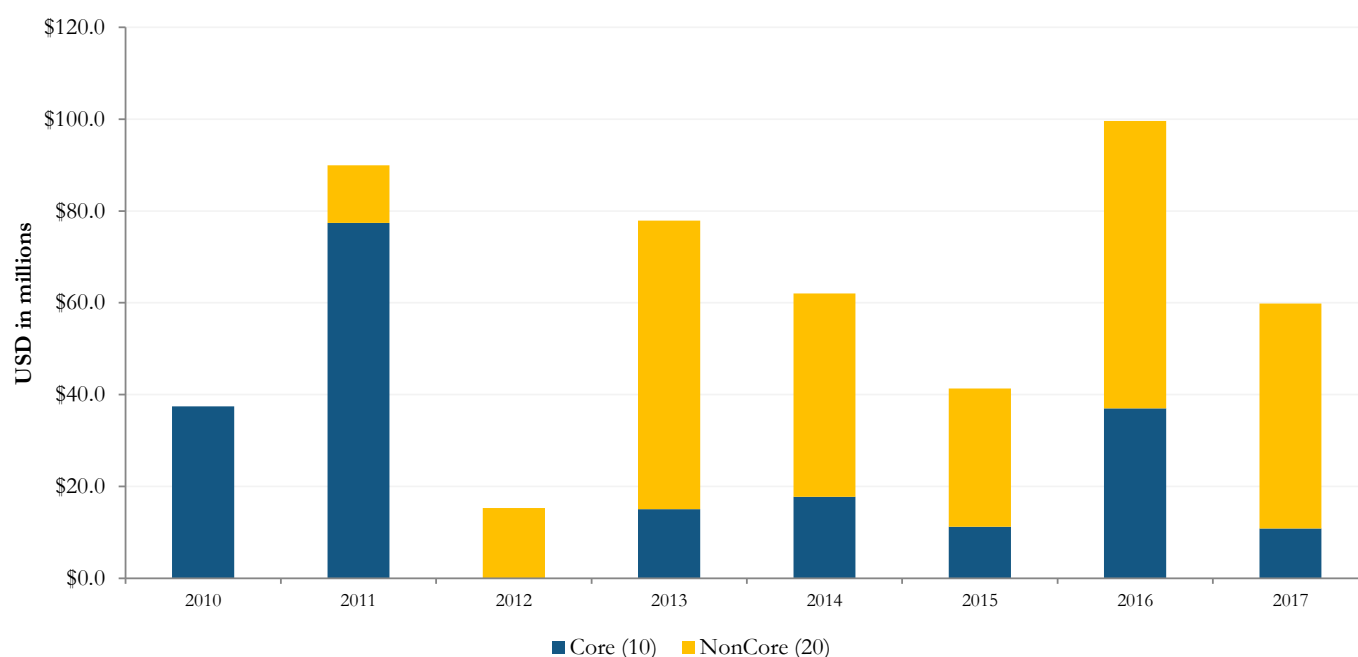
USD in millions

Vintage Year	Core					Non-Core					Total				
	Total Exposure	TVM ¹	IRR ¹	IRR Quarile-Private iQ	IRR Quarile-Courtland	Total Exposure	TVM ¹	IRR ¹	IRR Quarile-Private iQ	IRR Quarile-Courtland	Total Exposure	TVM ¹	IRR ¹	IRR Quarile-Private iQ	IRR Quarile-Courtland
2010	\$37.5	1.62x	11.1%	First	Second	\$0.0	N/M	N/M	N/A	N/A	\$37.5	1.62x	11.1%	First	Third
2011	\$77.4	1.55x	9.2%	N/M	Fourth	\$12.6	1.35x	20.3%	First	Second	\$90.0	1.48x	10.7%	First	Fourth
2012	\$0.0	N/M	N/M	N/A	N/A	\$15.3	1.74x	22.4%	First	First	\$15.3	1.74x	22.4%	First	First
2013	\$15.0	1.50x	17.8%	First	First	\$62.9	1.35x	14.3%	First	Third	\$77.9	1.38x	15.0%	First	Second
2014	\$17.8	1.30x	10.3%	First	Second	\$44.3	1.25x	16.0%	First	Second	\$62.1	1.27x	13.2%	First	Second
2015	\$11.2	1.15x	9.5%	First	Third	\$30.1	1.18x	16.0%	First	Second	\$41.3	1.17x	12.9%	First	Second
2016	\$37.0	1.12x	15.2%	N/M	N/M	\$62.6	1.02x	4.1%	N/M	N/M	\$99.6	1.09x	12.4%	N/M	N/M
2017	\$10.8	N/M	N/M	N/A	N/A	\$49.0	N/M	N/M	N/A	N/A	\$59.8	N/M	N/M	N/A	N/A
Total²	\$206.8	1.42x	10.3%	First	Third	\$276.7	1.30x	17.0%	First	Second	\$483.5	1.36x	12.1%	First	Third

¹IRRs and TVMs for investments are not considered meaningful until they have been held for two full years.

²Relationship totals include liquidated investments.

Total Exposure by Vintage Year



Number of funds represents the total number of investments for each vintage year.

V. Investments by Vintage Year

Investment	Vintage Year	First Draw-down	Committed Capital	Contributions	Distributions	Market Value	Multiple	IRR ¹	PME ²	PME Spread ³
Active Investments:										
UBS Trumbull Property Fund	2011	4/2011	\$41,400,000	\$59,301,567	(\$14,759,734)	\$77,410,240	1.55x	9.2%	7.1%	2.1%
LaSalle Property Fund	2010	12/2010	\$27,600,000	\$27,600,000	(\$7,226,685)	\$37,471,288	1.62x	11.1%	7.6%	3.5%
Brookfield Strategic Real Estate Partners	2012	9/2012	\$10,000,000	\$11,608,878	(\$6,205,788)	\$14,001,914	1.74x	22.4%	9.8%	12.7%
Blackstone Real Estate Partners Europe IV	2013	12/2013	\$32,500,000	\$30,698,490	(\$8,264,411)	\$35,056,909	1.41x	16.9%	8.7%	8.2%
NYC Asset Investor #1 LLC (Vanborton)	2013	6/2013	\$10,000,000	\$11,026,372	(\$1,782,516)	\$12,163,165	1.26x	9.8%	8.8%	1.0%
NYC Asset Investor #2 LLC (Related)	2013	7/2013	\$11,000,000	\$10,557,373	(\$1,487,426)	\$14,335,487	1.50x	17.8%	7.1%	10.7%
NYC Asset Investor #3 LLC (Hudson)	2013	9/2013	\$8,000,000	\$4,481,552	(\$837,198)	\$4,243,463	1.13x	7.2%	9.2%	-2.0%
Carlyle Realty Partners VII	2014	7/2014	\$25,000,000	\$16,848,459	(\$1,200,522)	\$19,948,137	1.26x	16.4%	7.0%	9.4%
H/2 Special Opportunities Fund III	2014	12/2014	\$15,000,000	\$12,993,856	(\$3,236,967)	\$13,012,264	1.25x	15.5%	7.6%	8.0%
MetLife Core Property Fund	2014	7/2014	\$15,000,000	\$15,000,000	(\$1,762,588)	\$17,769,252	1.30x	10.3%	5.5%	4.8%
Blackstone Real Estate Partners VIII	2015	8/2015	\$16,500,000	\$8,915,575	(\$2,602,403)	\$8,341,693	1.23x	18.4%	7.8%	10.6%
European Property Investors Special Opp IV	2015	12/2015	\$11,176,931	\$3,948,998	(\$179,476)	\$4,015,256	1.06x	7.5%	11.0%	-3.5%
USAA Eagle Real Estate Fund	2015	12/2015	\$10,000,000	\$8,134,668	\$0	\$9,364,827	1.15x	9.5%	8.2%	1.3%
Brookfield Premier Real Estate Partners	2016	11/2016	\$10,000,000	\$10,109,423	(\$109,423)	\$10,867,912	1.09x	13.5%	7.3%	6.3%
Divco West Fund V	2016	12/2016	\$10,000,000	\$2,307,490	\$0	\$2,313,033	1.00x	0.5%	11.0%	-10.4%
Exeter Industrial Core Club Fund II	2016	5/2016	\$10,000,000	\$3,410,000	(\$254,486)	\$3,521,751	1.11x	10.9%	7.9%	3.0%
Exeter Industrial Value Fund IV	2016	9/2017	\$10,000,000	\$1,000,000	\$0	\$922,052	N/M	N/M	N/M	N/A
H/2 Special Opportunities Fund IV	2016	11/2016	\$10,000,000	\$1,168,355	(\$81,350)	\$1,011,261	0.94x	-10.2%	11.0%	-21.2%
Jamestown Premier Property Fund	2016	2/2016	\$5,000,000	\$5,338,908	(\$743,758)	\$5,023,065	1.08x	6.6%	8.1%	-1.5%
NYCRS Artemis Co-Investment	2016	2/2016	\$11,000,000	\$6,078,082	(\$3,365,271)	\$4,083,382	1.23x	36.9%	8.1%	28.9%
Pramerica Real Estate Capital VI	2016	4/2017	\$10,721,600	\$2,460,912	(\$53,586)	\$2,718,283	N/M	N/M	N/M	N/A
PW Real Estate Fund III LP	2016	10/2016	\$10,624,734	\$3,820,804	\$0	\$3,835,569	1.00x	0.5%	11.0%	-10.5%
Westbrook Real Estate Fund X	2016	7/2016	\$10,000,000	\$2,698,799	(\$263,158)	\$2,543,220	1.04x	7.4%	11.1%	-3.7%
Basis Investment Group Real Estate Fund I	2017	N/A	\$1,200,000	\$0	\$0	\$0	N/A	N/A	N/A	N/A
DRA Growth and Income Fund IX	2017	3/2017	\$10,000,000	\$3,009,886	(\$400,927)	\$2,836,823	N/M	N/M	N/M	N/A
DRA Growth and Income Fund IX Co-investment	2017	N/A	\$2,000,000	\$0	\$0	\$0	N/A	N/A	N/A	N/A
Lion Industrial Trust - 2007	2017	1/2017	\$10,000,000	\$10,201,209	(\$201,208)	\$10,843,964	N/M	N/M	N/M	N/A
Lone Star Real Estate Fund V	2017	9/2019	\$23,164,910	\$1,897,382	\$0	\$1,390,727	N/M	N/M	N/M	N/A
NYCRS-KKR CMBS Retention Partners	2017	9/2017	\$13,000,000	\$2,600,000	\$0	\$2,629,123	N/M	N/M	N/M	N/A
"Run-Off" Investments:										
Franklin Templeton Private Real Estate Fund	2011	4/2011	\$30,000,000	\$33,887,680	(\$38,549,202)	\$7,359,319	1.35x	20.3%	9.0%	11.4%
Exited Investments:										
Total Portfolio			\$419,888,175	\$311,104,718	(\$93,568,083)	\$329,033,380	1.36x	12.1%	8.7%	3.4%

¹ Performance for funds with less than four quarters of activity is not meaningful.

IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated a consultant to the New York City Employees' Retirement System, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

² Russell 3000 and Barclays Capital Aggregate Bond Index are blended at the ratios of 40/60, 60/40 and 50/50 for Core, Non-Core and Total Portfolio, respectively, except that BofA Merrill Lynch US High Yield Index is the benchmark for NYCRS-KKR CMBS Retention Partners, a non-core investment.

³ Spread is calculated as IRR minus the Blended Benchmark for NYCRS.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

VI. Managers by Vintage Year

Manager	Vintage Year	Strategy	Committed Capital	Contributions	Distributions	Market Value	Multiple	IRR ¹	PME ²	PME Spread ³
Active Managers:										
Blackstone	2004	Non-Core	\$49,000,000	\$39,614,065	(\$10,866,814)	\$43,398,602	1.37x	17.1%	8.7%	8.4%
PGIM Real Estate	2006	Non-Core	\$10,721,600	\$2,460,912	(\$53,586)	\$2,718,283	N/M	N/M	N/M	N/A
UBS Realty Investors	2011	Core	\$41,400,000	\$59,301,567	(\$14,759,734)	\$77,410,240	1.55x	9.2%	7.1%	2.1%
Carlyle Group	2007	Non-Core	\$25,000,000	\$16,848,459	(\$1,200,522)	\$19,948,137	1.26x	16.4%	7.0%	9.4%
Westbrook Partners	2007	Non-Core	\$10,000,000	\$2,698,799	(\$263,158)	\$2,543,220	1.04x	7.4%	11.1%	-3.7%
LaSalle Investment Management	2010	Core	\$27,600,000	\$27,600,000	(\$7,226,685)	\$37,471,288	1.62x	11.1%	7.6%	3.5%
H2 Capital Partners	2011	Non-Core	\$25,000,000	\$14,162,211	(\$3,318,317)	\$14,023,525	1.22x	14.7%	7.6%	7.1%
Brookfield Asset Management	2012	Non-Core	\$10,000,000	\$11,608,878	(\$6,205,788)	\$14,001,914	1.74x	22.4%	9.8%	12.7%
Lone Star Funds	2013	Non-Core	\$23,164,910	\$1,897,382	\$0	\$1,390,727	N/M	N/M	N/M	N/A
The Hudson Companies	2013	Non-Core	\$8,000,000	\$4,481,552	(\$837,198)	\$4,243,463	1.13x	7.2%	9.2%	-2.0%
The Related Companies	2013	Core	\$11,000,000	\$10,557,373	(\$1,487,426)	\$14,335,487	1.50x	17.8%	7.1%	10.7%
Vanbarton Group	2013	Non-Core	\$10,000,000	\$11,026,372	(\$1,782,516)	\$12,163,165	1.26x	9.8%	8.8%	1.0%
DivcoWest	2014	Non-Core	\$10,000,000	\$2,307,490	\$0	\$2,313,033	1.00x	0.5%	11.0%	-10.4%
DRA Advisors	2014	Non-Core	\$12,000,000	\$3,009,886	(\$400,927)	\$2,836,823	N/M	N/M	N/M	N/A
MetLife	2014	Core	\$15,000,000	\$15,000,000	(\$1,762,588)	\$17,769,252	1.30x	10.3%	5.5%	4.8%
Tristan Capital Partners	2015	Non-Core	\$11,176,931	\$3,948,998	(\$179,476)	\$4,015,256	1.06x	7.5%	11.0%	-3.5%
USAA	2015	Core	\$10,000,000	\$8,134,668	\$0	\$9,364,827	1.15x	9.5%	8.2%	1.3%
Aermont Capital (PW)	2016	Non-Core	\$10,624,734	\$3,820,804	\$0	\$3,835,569	1.00x	0.5%	11.0%	-10.5%
Artemis Real Estate Partners	2016	Core	\$11,000,000	\$6,078,082	(\$3,365,271)	\$4,083,382	1.23x	36.9%	8.1%	28.9%
Brookfield Asset Management	2016	Core	\$10,000,000	\$10,109,423	(\$109,423)	\$10,867,912	1.09x	13.5%	7.3%	6.3%
Exeter Property Group	2016	Core	\$10,000,000	\$3,410,000	(\$254,486)	\$3,521,751	1.11x	10.9%	7.9%	3.0%
Exeter Property Group	2016	Non-Core	\$10,000,000	\$1,000,000	\$0	\$922,052	N/M	N/M	N/M	N/A
Jamestown	2016	Core	\$5,000,000	\$5,338,908	(\$743,758)	\$5,023,065	1.08x	6.6%	8.1%	-1.5%
Basis Investment Group	2017	Non-Core	\$1,200,000	\$0	\$0	\$0	N/A	N/A	N/A	N/A
Clarion Partners	2017	Core	\$10,000,000	\$10,201,209	(\$201,208)	\$10,843,964	N/M	N/M	N/M	N/A
Kohlberg Kravis Roberts	2017	Non-Core	\$13,000,000	\$2,600,000	\$0	\$2,629,123	N/M	N/M	N/M	N/A
"Run-Off" Managers:										
Franklin Templeton	2011	Non-Core	\$30,000,000	\$33,887,680	(\$38,549,202)	\$7,359,319	1.35x	20.3%	9.0%	11.4%
Exited Managers:										
Total Portfolio			\$419,888,175	\$311,104,718	(\$93,568,083)	\$329,033,380	1.36x	12.1%	8.7%	3.4%

¹ Performance for funds with less than four quarters of activity is not meaningful.

IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated a consultant of the New York City Employees' Retirement System, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

² Russell 3000 and Barclays Capital Aggregate Bond Index are blended at the ratios of 40/60, 60/40 and 50/50 for Core, Non-Core and Total Portfolio, respectively, except that BofA Merrill Lynch US High Yield Index is the benchmark for NYCERS-KKR CMBS Retention Partners, a non-core investment.

³ Spread is calculated as IRR minus the Blended Benchmark for NYCERS.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

Infrastructure Quarterly Report (Public):



Infrastructure Monitoring Report

For the period ended September 30, 2017

Report Prepared For:

New York City Board of Education Retirement System



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I. Executive Summary

New York City Board of Education Retirement System (“NYC BERS”) established the Infrastructure Program (the “Program”) in December of 2012 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

The inclusion of infrastructure in the NYC BERS pension portfolio allows for global investments in facilities or assets that provide core essential services critical to the operation and development of economies. Typically infrastructure investments have high barriers to entry due to significant capital expenditure requirements, exclusive long term contracts or regulatory requirements. Infrastructure investments are comprised of long useful-life assets with high tangible value and relatively low value erosion over time.

The Program seeks to invest in opportunities in a variety of infrastructure sectors, including but not limited to, transportation, energy, power, utilities, water, wastewater, communications and social infrastructure.

StepStone Group LP (“StepStone”) was engaged by NYC BERS on October 20, 2014 to provide infrastructure advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through September 30, 2017, the Program has committed US\$137.5 million to 12 partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of September 30, 2017 as well as significant activity that occurred during the third quarter of 2017.

Allocation Summary

NYC BERS has an Infrastructure allocation target of 4% of total pension assets. As of September 30, 2017, the market value of NYC BERS Infrastructure Program represented approximately 0.8% of total pension assets, a two basis point increase from the prior quarter.

As the Program matures, the percentage of its market value relative to the total NYC BERS pension assets will continue to increase.

US\$ in millions*	September 30, 2017	June 30, 2017	September 30, 2016	Quarterly Change	Yearly Change
Total Pension Assets*	\$5,594.0	\$5,303.0	\$4,726.0	\$291.0	\$868.0
Total Infrastructure Assets	\$46.7	\$43.0	\$37.1	\$3.6	\$9.5
% Allocation to Infrastructure (Target)	0.8%	0.8%	0.8%	+2 bps	+ 5 bps

*NYC BERS total Pension Assets are as of quarter-end (or, if not yet available, the most recent month-end prior to quarter-end) as reported by The New York City Comptroller's Office on www.comptroller.nyc.gov

Performance Summary

As of September 30, 2017, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.3x invested capital and an IRR of 14.5%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions *	September 30, 2017	June 30, 2017	September 30, 2016	Quarterly Change	Yearly Change
Number of Managers	10	8	5	2	5
Number of Investments	12	9	6	3	6
Committed Capital ¹	\$137.5	\$112.7	\$81.0	\$24.8	\$56.5
Contributed Capital	\$45.1	\$41.6	\$35.1	\$3.5	\$10.0
Distributed Capital	\$10.1	\$8.9	\$1.4	\$1.1	\$8.7
Market Value	\$46.7	\$43.0	\$37.1	\$3.6	\$9.5
Total Value	\$56.7	\$52.0	\$38.5	\$4.7	\$18.3
Total Gain/(Loss)	\$11.6	\$10.4	\$3.4	\$1.2	\$8.2
Unfunded Commitment	\$96.1	\$73.9	\$46.9	\$22.2	\$49.3
Exposure ²	\$142.8	\$116.9	\$84.0	\$25.8	\$58.8
DPI ³	0.2x	0.2x	0.0x	0.0x	0.2x
TVPI ⁴	1.3x	1.3x	1.1x	0.0x	0.2x
IRR ⁵	14.5%	14.9%	8.8%	-0.4%	5.7%
TVPI Net of StepStone Fees ⁶	1.3x	1.2x	1.1x	0.0x	0.2x
IRR Net of StepStone Fees ⁶	14.5%	14.9%	8.8%	-0.4%	5.7%

* Note that amounts may not total due to rounding. **Past performance is not necessarily indicative of future results.**

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations. Note that the Base/(US\$) committed capital for foreign currency-denominated investments as of respective quarter-end dates is calculated as follows: (total net amount funded in Base currency) + (unfunded commitment in Local currency * quarter-end exchange rate). StepStone utilizes S&P Capital IQ as the source for quarter-end exchange rates to calculate committed capital.

² Exposure represents the sum of Market Value and Unfunded Commitment.

³ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁴ TVPI, or Total Value to Paid-In Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVPI is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

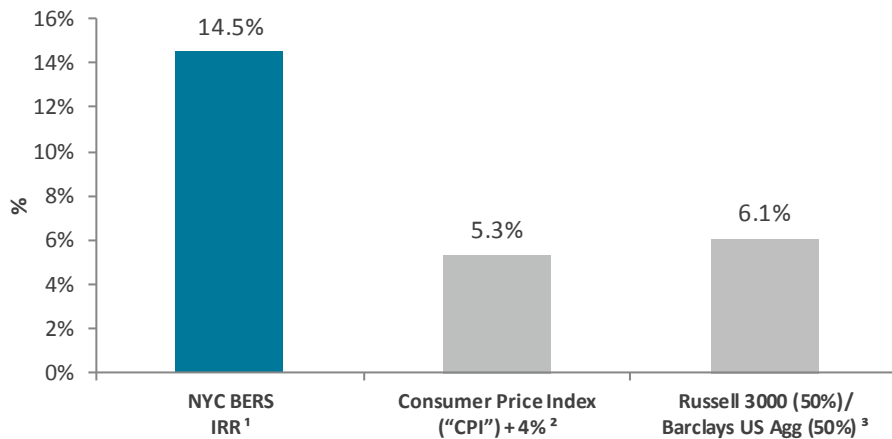
⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC BERS to StepStone through the quarter-end date.

Portfolio Performance vs. Benchmarks

The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period. The Infrastructure Portfolio's performance is also measured against a dollar-weighted public benchmark, which produced the return that would have been earned if NYC BERS's infrastructure cash flows were invested in an index of 50% Russell 3000® and 50% Barclays U.S. Aggregate®. The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.

The following graph illustrates Portfolio IRR performance versus benchmarks as of September 30, 2017.



¹NYC BERS since inception Internal Rate of Return ("IRR") is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest. **Past performance is not necessarily indicative of future results.**

²Consumer Price Index ("CPI") benchmark represents the compound annual growth rate of the Consumer Price Index for All Urban Consumers and All Items, as provided by the U.S. Department of Labor: Bureau of Labor Statistics, calculated over a five-year rolling period plus a 4.0% premium.

³Benchmark is a dollar-weighted PME+ calculation of daily changes in 50% of the Russell 3000® Index and 50% of the Barclays U.S. Aggregate® Index. These index comparisons are being provided solely for informational purposes as an indication of returns that could be earned by investors by making similar investments in the indexes and should not be relied upon for any purpose. An investor cannot directly invest in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.

Portfolio Diversification

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

- Core Infrastructure Investments: 60% to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of September 30, 2017 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	45.6	97.7%	77.4	80.5%	123.0	86.1%
Non-Core	1.1	2.3%	18.7	19.5%	19.8	13.9%
Total	46.7	100.0%	96.1	100.0%	142.8	100.0%
By Geographic Focus:						
Global	11.9	25.5%	41.1	42.8%	53.0	37.1%
OECD	34.8	74.5%	55.0	57.2%	89.8	62.9%
Total	46.7	100.0%	96.1	100.0%	142.8	100.0%
By Industry Focus:						
Diversified	42.0	89.9%	65.3	68.0%	107.3	75.1%
Energy	4.7	10.1%	30.8	32.0%	35.5	24.9%
Total	46.7	100.0%	96.1	100.0%	142.8	100.0%

II. Infrastructure Market Overview

Market Overview

North America

The US administration has yet to release their infrastructure plan, although in recent parliamentary discussions, the President appeared to change his policy stance on PPPs, claiming that he no longer favored private investment, and that direct investment from the US Treasury to pay for the infrastructure program would be preferable. His comments sharply contrast his administration's initial plan and recent communications, and it remains to be seen if this statement means that the administration is ruling out PPPs or will be using them in a more limited role. Various public interest groups have commented that they do not believe the administration will be able to achieve their target funding amount without employing private capital.

Separately, a key decision is expected to be made on November 13, 2017 with regards to potential tariffs on solar PV cells and modules imported into the US. The US International Trade Commission ruled that the imported cells have caused "serious injury" to US manufacturers, and will be providing a remedy recommendation to be approved by the President.

Notable transactions include Semptra's offer to buy Oncor for US\$9.45 billion, outbidding rival offers from Berkshire and an attempted offer from Elliott management. A notable renewable energy transaction that closed was Munich Re's acquisition of a 49% stake in the 460 MW Horse Creek / Electra wind farms in Texas, which are structured with a 13-year energy hedge. In the meantime, Alinda Infrastructure Fund II sold its oil storage asset, Houston Fuel Oil Terminal Company, for US\$2.1 billion to a strategic investor, SemGroup Corporation. Q3 was quiet for the transportation sector, with just one transaction of note; SNC Lavalin sold an 80% stake in a portfolio of operational transport Canadian P3s to Luxembourg listed PPP fund BBGI for roughly US\$254 million.

Europe

In France, Emmanuel Macron secured a parliamentary majority and is starting to implement his policies. Macron and his Prime Minister are supportive of infrastructure investment and both are pro-clean power, which should auger well for infrastructure investors and the renewables sector in particular. Part of Macron's policy is to sell stakes held by the Government in French businesses, using the proceeds to fund a €10 billion innovation fund. The sale process could include stakes in airport operator ADP and the national lottery.

In Germany, Angela Merkel secured a fourth term as Chancellor, however she will have to form a minority government with a new partner given its incumbent partner, the Social Democrats, confirmed shortly after the election they would head into opposition. The fourth round of Brexit negotiations commenced in September. In an attempt to move forward discussions from the separation arrangements to transition arrangements, the UK Government proposed a €20 billion settlement to resolve its financial obligations to the EU. This offer has not been accepted by the EU and negotiations are once again progressing slowly. Separately, the Bank of England has hinted that there could be an interest rate increase in 2017. A rate rise would be sooner than many expected, however it would merely reverse the rate decrease made following the Brexit referendum.

There are a number of notable active transactions currently in the market: 3i has commenced the sale process for its 15% stake in Anglian Water; Deutsche Bank's PEIF is likely to commence a process to sell its 23% stake in Kelda Group and the shareholders in Arqiva commenced a sale process for up to 100% of the company. An Equitix led consortium agreed to acquire HS1 from Borealis and OTPP; Borealis, Wren House and USS acquired stakes in Thames Water totaling 36%; and MEIF III exited Copenhagen Airport, selling to Danish pension fund ATP.

Australia

Towards the end of the third quarter, the NSW Government called for expressions of interest for the 51% sale of the A\$16.8 billion WestConnex project. Documents reveal that the project contains three concessions, ending in 2060 with tolls rising by 4% annually or at CPI, whichever is higher. First round bids are due in early December and financial close is expected to be in early 2018.

During the quarter, the most significant transaction was the Melbourne Metro PPP launched by the State Government of Victoria for the A\$6 billion tunnels and stations construction project. The Cross Yarra Partnership, a consortium led by LendLease also comprising John Holland, Bouygues Consortium and Capella Capital, emerged as the winning bidder and will now negotiate a final contract with the State Government. Another notable transaction during the quarter was the sale of the 40-year lease of the South Australia land titles registry by the State Government. The winning consortium, Land Services SA, comprised of Macquarie Infrastructure and Real Assets and Public Sector Pension Investment Board, reportedly bid A\$1.6 billion for the asset which represented an EBITDA multiple of 30x.

In the renewables sector, Equis Energy has been granted approval to construct a 1GW solar farm in Wandoan, Queensland. The Wandoan South Solar Project would involve total investment of up to A\$1.5 billion and will have capacity to add battery storage. Heightened activity continues in the sector with the purchase of the 453MW Coopers Gap wind farm for A\$850 million by the Powering Australian Renewables Fund consortium comprised of AGL and QIC. Further, international companies Tesla and French solar company, Neoen, were granted approval to develop a 100MW grid scale battery by the State Government of South Australia. This deal has opened up more opportunities in the energy storage sub-sector, with the South Australian Government issuing three further tenders to add at least 400MWh of new energy storage.

Infrastructure Fundraising

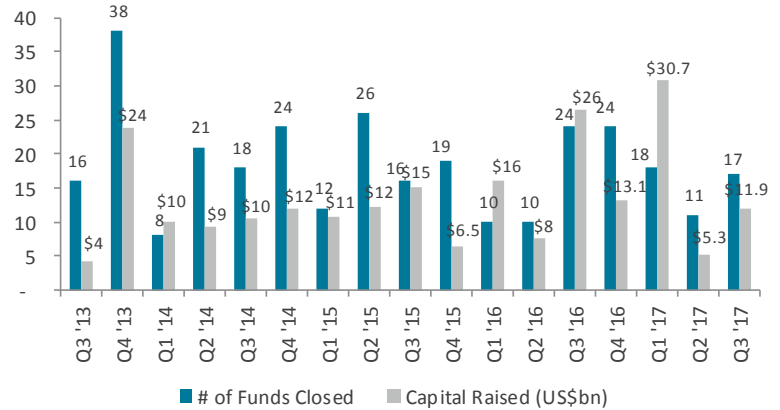
The level of institutional capital secured by unlisted infrastructure funds was decreased in Q2 2017 compared to Q1 2017, in terms of number of funds closed.

Over the quarter, 17 funds held final closing with US\$11.9 billion of aggregate capital raised, partially recovering from recent lows in Q2 2017. However, the amount represented a year-over-year decrease of 55% compared to Q3 2016, where 24 funds held a final close raising US\$26.4 billion. The last three quarters have seen a slight decrease in terms of fundraising with an 4% decrease on the amount raised year to date compare to first three quarters of 2016, despite record raisings in Q1 2017.

The largest fund to reach a final closing during Q3 2017 was AMP Capital, which raised US\$2.5 billion to invest in debt in developed markets across Europe and North America. Infrastructure funds closed this year have been able to raise an average of 107% of targets. This was bolstered by the closure of funds including BlackRock Global Renewable Power Fund II, which secured 165% of its initial US\$1.0 billion target, and AMP Capital Infrastructure Debt Fund III, which raised US\$2.5 billion, 25% above target.

Unlisted Infrastructure Fundraising

Source: Preqin

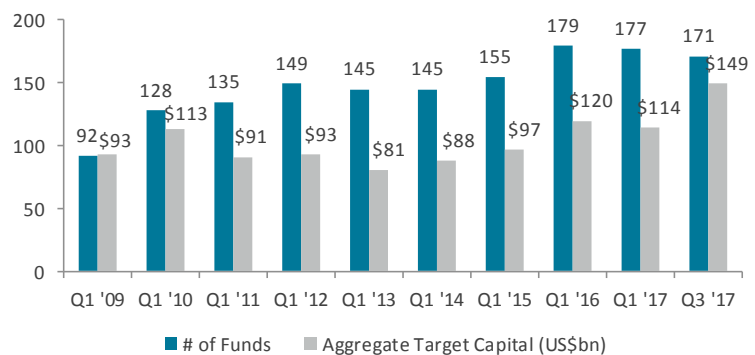


Fund	General Partner	Size (mn)	Location Focus
AMP Capital Infrastructure Debt Fund III	AMP Capital Investors	\$ 2,500	OECD
BlackRock Global Renewable Power Fund II	BlackRock	\$ 1,650	OECD
BlackRock Renewable Income UK Fund	BlackRock	£ 1,100	UK
First Infrastructure Capital	First Infrastructure Capital Advisors	\$ 1,000	US
Equitix Fund IV	Equitix	£ 758	Denmark, Italy, Spain, UK

At the end of the third quarter, Preqin observed 170 funds in market targeting aggregate capital commitments of US\$149.0 billion. The largest funds in market include: Alinda Infrastructure Fund III, targeting US\$5.0 billion, Copenhagen Infrastructure III targeting €3.0 billion and Macquarie Infrastructure Partners III targeting US\$3.5 billion.

Unlisted Infrastructure Fundraising

Source: Preqin



Major Transactions

During the third quarter, there were 344 deals completed with an estimated aggregate deal value of US\$123.0 billion, representing a 15% decrease compared to the prior quarter, and 35% decrease compared to third quarter of 2016. Aggregate deal size also decreased slightly to US\$358.0 million. European deals account for the largest proportion of deals completed in Q3 2017, while the renewable energy sector continued to represent a majority of completed. Notable deals are as below:

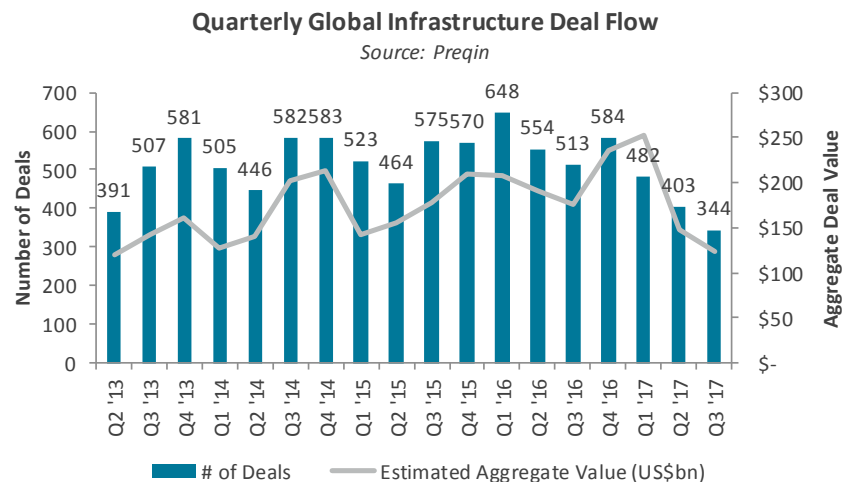
In August 2017, Energia de Portugal sold Naturgas Energia, its Spanish gas distribution business, to a JP Morgan-led consortium for a reported €2.6 billion. Naturgas supplies natural gas and liquefied propane gas through more than a million supply points, located in the Basque Country, Cantabria and Asturias. It has 7,715 kilometers of pipeline.

In August 2017, financial close was reached on the UK government's sale of the UK Green Investment Bank to a Macquarie-led consortium for £2.3 billion. The Bank has invested in 63 UK renewable projects, mainly in offshore wind, waste and bioenergy and energy efficiency sectors.

In July 2017, Alinda Infrastructure Fund II sold Houston Fuel Oil Terminal Company ("HFOTCO") for US\$2.1 billion (including debt). HFOTCO is the largest provider of residual fuel storage on the US Gulf Coast, with 13.8 million barrels of capacity on 312 acres of the Houston Ship Channel.

In August 2017, AIMCo and AES Corporation have acquired equal stakes in renewable developer sPower from seller, private equity firm Fir Tree Partners, for US\$853 million. sPower owns 1,274MW of solar and wind projects that are operational or under construction. The assets have an average remaining power purchase agreement term of 21 years. The developer is also reported to have a 10GW development pipeline, according to the announcement.

In August 2017, Riverstone Holdings acquired Kingfisher Midstream, and pipeline and gas gathering company for a reported US\$1.6 billion. Kingfisher Midstream has a portfolio of midstream infrastructure assets that include over 300 miles of gas and crude pipelines, 60 MMcf/d of gas processing capacity and fifty-thousand barrels of crude storage.



III. Portfolio Review

Quarterly Highlights

- **New Investment Commitments** – During the third quarter of 2017, the Program closed on three new investments totaling US\$24.5 million. This is shown in the table below.

US\$ in millions

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
AxInfra US II LP	August 2017	2017	Infrastructure	North America	Diversified	\$4.8
Axiom Infrastructure Canada II L.P.	August 2017	2017	Infrastructure	North America	Diversified	7.9
NYCRS EIG Energy Partners, L.P.	August 2017	2017	Infrastructure	Global	Energy	11.8
Total						\$24.5

- **Subsequent Investment Commitments** – Subsequent to quarter-end, the Program closed on one new investment commitment totaling US\$2.9 million. This is shown in the table below.

US\$ in millions

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
NYCRS EIG Energy Partners Co-Investment, L.P.	January 2018	2018	Infrastructure	Global	Energy	\$2.9
Total						\$2.9

- **Cash Outflow Increased** – During the third quarter of 2017, the Program made US\$3.5 million of contributions and received US\$1.1 million of distributions, for a net cash outflow of US\$2.4 million. This compared to a net cash inflow of US\$5.9 million during the prior quarter.
- **Valuation Increased** – During the third quarter of 2017, net of cash flow activity, the valuation of the Portfolio increased by approximately US\$1.2 million, or 2.7%, from the prior quarter. The valuation increase primarily reflects the increase in value of underlying investments in ASF VII.
- **New Underlying Fund Investments** – During the third quarter of 2017, five new investment positions were added to the Portfolio.

US\$ in millions

Company	Fund(s)	Investment Date	Stage	Industry	Country	Exposed Invested Capital	Exposed Market Value	TVM
European Renewable Power	Brookfield Infrastructure Fund III, L.P.	Aug-17	Private	Renewables	Germany	0.1	0.1	1.0x
Gas Natural SDG, S.A.	Global Energy & Power Infrastructure Fund	Aug-17	Public	Utilities	Spain	0.8	0.8	1.0x
Genesis Energy, L.P.	KKR Global Infrastructure Investors II L.P.	Aug-17	Public	Midstream	United States	1.5	1.5	1.0x
OHL Mexico	IFM Global Infrastructure Fund	Aug-17	Public	Transportation	Mexico	1.6	1.6	1.0x
Project Okavango	Actis Energy 4	Jul-17	Private	Renewables	Zambia	<0.1	<0.1	1.0x

- **No Exits** – There were no exits of investment positions during the quarter.

Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of September 30, 2017. Note that the performance of funds that are less than one year old is not meaningful.

As of September 30, 2017 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/(Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$10.0	\$7.7	\$1.3	\$8.9	\$10.2	\$2.5	\$2.4	\$11.3	0.2x	1.3x	13.2%
2014	49.0	31.3	8.6	31.8	40.4	9.2	21.0	52.8	0.3x	1.3x	16.2%
2016	32.6	5.3	0.2	4.8	5.0	(0.3)	27.7	32.6	NM	NM	NM
2017	45.9	0.9	-	1.1	1.1	0.2	45.0	46.1	NM	NM	NM
Total	\$137.5	\$45.1	\$10.1	\$46.7	\$56.7	\$11.6	\$96.1	\$142.8	0.2x	1.3x	14.5%

Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of September 30, 2017.

As of September 30, 2017 (US\$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/(Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Core	\$117.5	\$43.9	\$10.1	\$45.6	\$55.7	\$11.8	\$77.4	\$123.0	0.2x	1.3x	14.8%
Diversified	90.7	37.9	3.9	42.0	45.9	7.9	55.9	97.9	0.1x	1.2x	11.0%
Energy	26.8	5.9	6.2	3.6	9.8	3.9	21.5	25.1	1.0x	1.7x	54.9%
Non-Core	20.0	1.3	0.0	1.1	1.1	(0.2)	18.7	19.8	NM	NM	NM
Diversified	9.4	-	-	-	-	-	9.4	9.4	NM	NM	NM
Energy	10.6	1.3	0.0	1.1	1.1	(0.2)	9.3	10.4	NM	NM	NM
Total	\$137.5	\$45.1	\$10.1	\$46.7	\$56.7	\$11.6	\$96.1	\$142.8	0.2x	1.3x	14.5%

Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of September 30, 2017.

As of September 30, 2017 (US\$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/(Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$51.8	\$10.8	\$1.4	\$11.9	\$13.3	\$2.5	\$41.1	\$53.0	0.1x	1.2x	12.0%
OECD	85.7	34.4	8.7	34.8	43.4	9.1	55.0	89.8	0.3x	1.3x	15.5%
Total	\$137.5	\$45.1	\$10.1	\$46.7	\$56.7	\$11.6	\$96.1	\$142.8	0.2x	1.3x	14.5%

*Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

Portfolio Diversification

By Strategy, Geography and Industry Focus

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

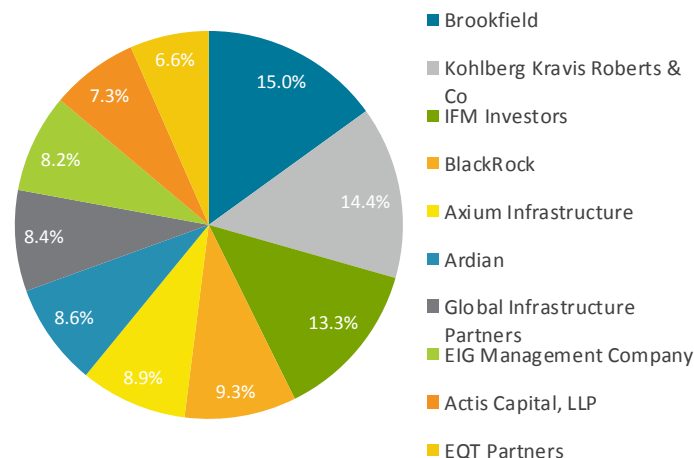
- Core Infrastructure Investments: 60% to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of September 30, 2017 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	45.6	97.7%	77.4	80.5%	123.0	86.1%
Non-Core	1.1	2.3%	18.7	19.5%	19.8	13.9%
Total	46.7	100.0%	96.1	100.0%	142.8	100.0%
By Geographic Focus:						
Global	11.9	25.5%	41.1	42.8%	53.0	37.1%
OECD	34.8	74.5%	55.0	57.2%	89.8	62.9%
Total	46.7	100.0%	96.1	100.0%	142.8	100.0%
By Industry Focus:						
Diversified	42.0	89.9%	65.3	68.0%	107.3	75.1%
Energy	4.7	10.1%	30.8	32.0%	35.5	24.9%
Total	46.7	100.0%	96.1	100.0%	142.8	100.0%

By Investment Manager

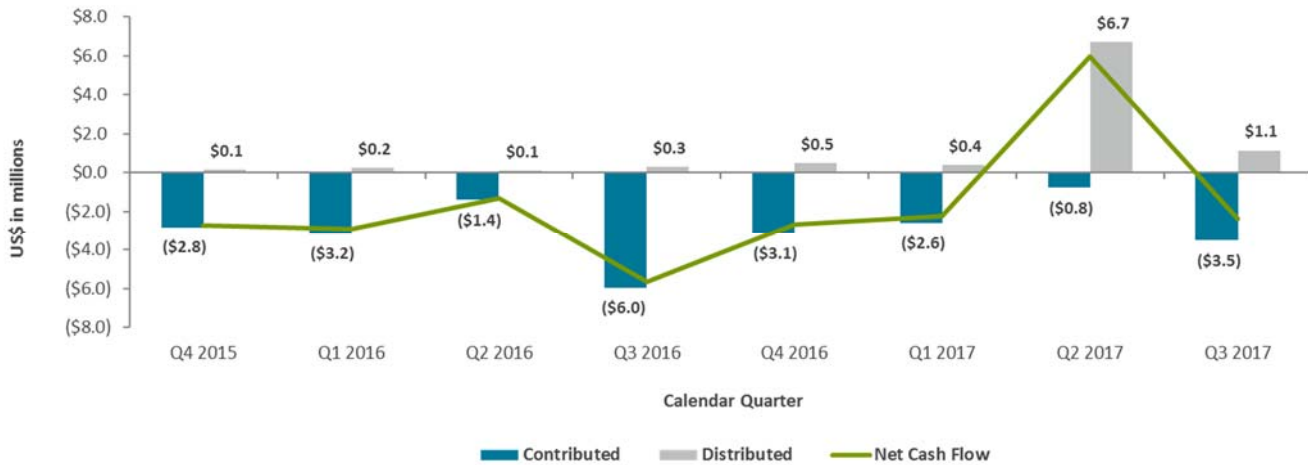
As of September 30, 2017, the Program had made 12 investment commitments to ten managers. NYC BERS seeks to limit its exposure to any single manager to no more than 10% of the total Infrastructure Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



Portfolio Cash Flow Analysis

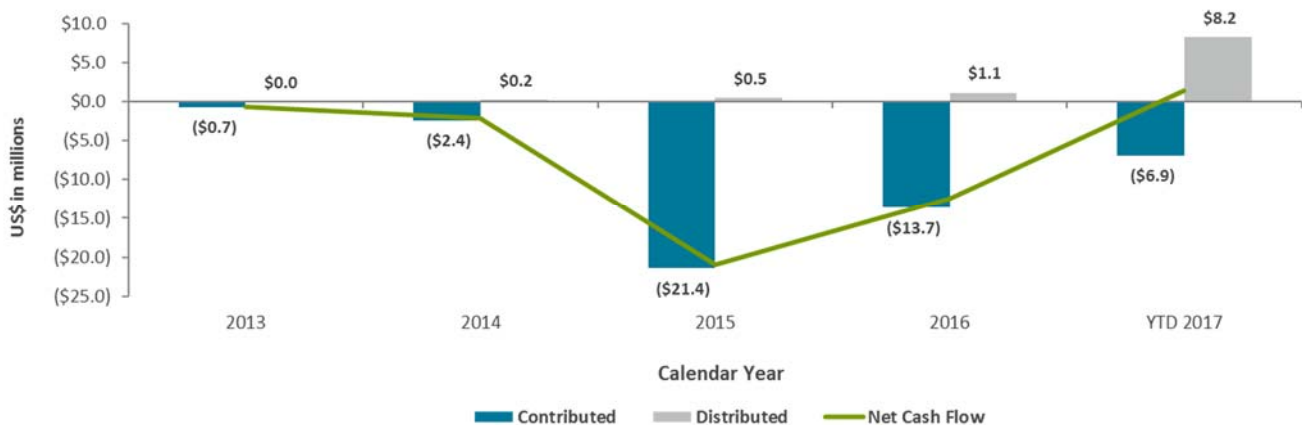
Quarterly Cash Flow Activity

During the third quarter of 2017, the Program made US\$3.5 million of contributions and received US\$1.1 million of distributions, for a net cash outflow of US\$2.4 million. As of September 30, 2017, ten fund investments in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



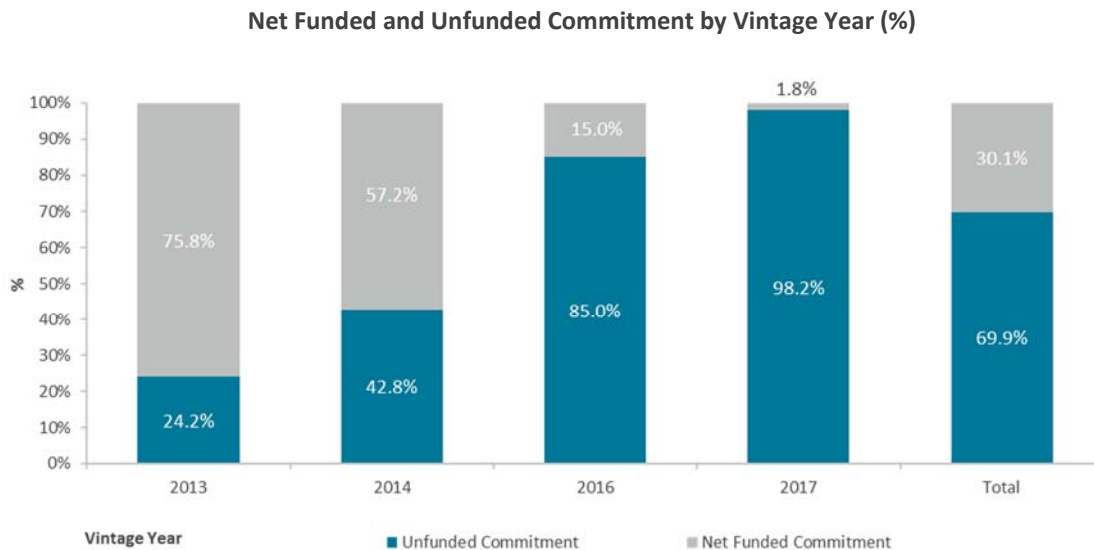
Annual Cash Flow Activity

During the first nine months of 2017, the Program made US\$6.9 million of contributions and received US\$8.2 million of distributions, for a net cash inflow of US\$1.3 million. The graph below illustrates cash flow activity since inception by calendar year.

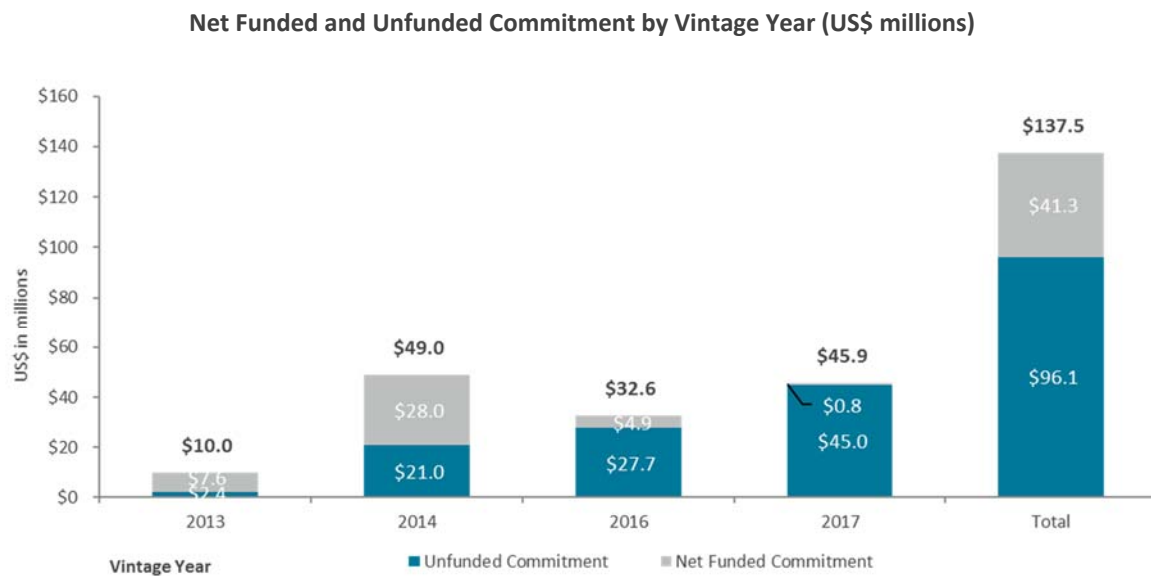


Net Funded and Unfunded Commitments by Vintage Year

The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and callable distributions) as a percentage of total capital commitments, by fund vintage year, as of September 30, 2017. Overall, the Portfolio was 69.9% unfunded as of quarter-end.



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of September 30, 2017. Overall, the Portfolio had US\$96.1 million of unfunded commitments as of quarter-end.

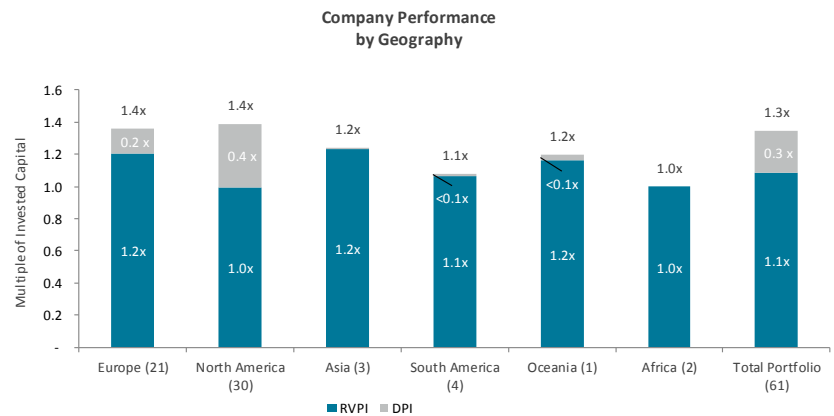
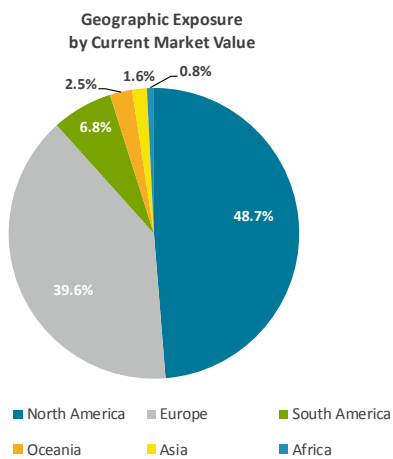


Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to 61 unique unrealized portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size. The Program's individual portfolio investment exposure is relatively concentrated as a result of the relative immaturity of the Program.

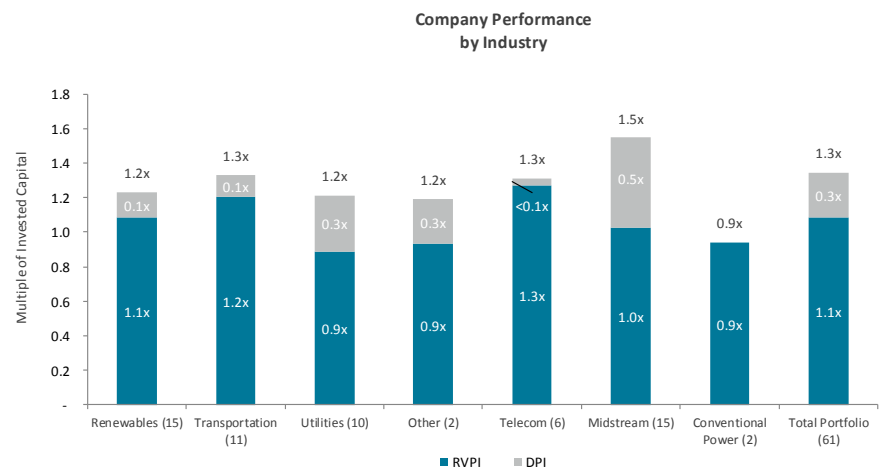
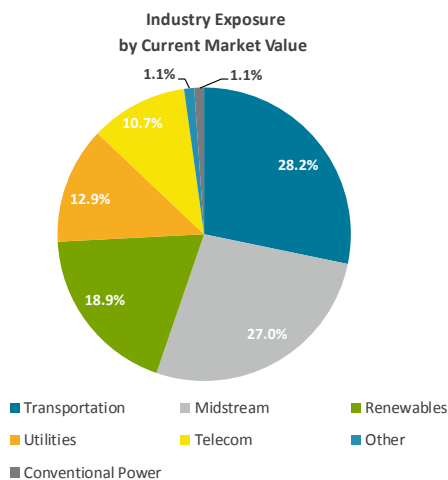
Geographic Exposure and Performance

The following charts illustrate the Portfolio's current exposure and performance by geographic region at the portfolio company level.



Industry Exposure and Performance

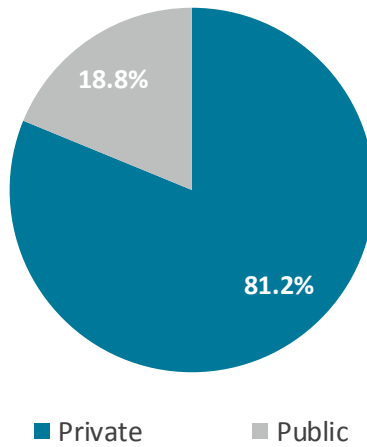
The following charts illustrate the Portfolio's current exposure and performance by industry at the portfolio company level.



Public Market Exposure

As of quarter-end, publicly traded investments comprised 18.8% of the Portfolio’s exposed market value. The following chart illustrates the current public market exposure at the portfolio company level.

Public Market Exposure Current Market Value



IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
Allocation	NYC BERS has an Infrastructure allocation target of 4% of total pension assets.	✓	<p>The market value of NYC BERS Infrastructure Program represents approximately 0.8% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYC BERS pension assets is expected to increase.</p>
Performance vs. Benchmarks	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed: (i) The Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period and (ii) A dollar-weighted PME+ ("PME") calculation of daily changes in 50% of the Russell 3000® Index and 50% of the Barclays U.S. Aggregate® Index.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of September 30, 2017, the Portfolio outperformed the CPI and PME benchmark by 9.2% and 8.5%, respectively.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
Strategy Diversification	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program has 86.1% exposure to Core investments and 13.9% exposure to Non-Core investments.</p>
Asset Type & Location Diversification	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
Leverage	The average leverage of all investments in the Program is to be no higher than 65%.	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 41.5%¹.</p>
Single Investment Size & Manager Diversification	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Infrastructure Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

¹The Program's leverage level is calculated by using a weighted average of each underlying investment's leverage and Net Asset Value as of September 30, 2017.

APPENDICES:

Basket Clause

BERS - BASKET/NON BASKET SUMMARY

As of December 31st 2017

Equity	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Domestic Equity	35.9%	0.0%	35.9%	36.8%	0.0%	36.8%
Non-U.S. Equity	10.0%	10.7%	20.7%	8.6%	14.0%	22.6%
Private Equity	0.0%	5.6%	5.6%	0.1%	5.5%	5.6%
Real Estate - Core	3.3%	0.0%	3.3%	3.3%	0.0%	3.3%
Real Estate - Opportunistic	2.3%	0.0%	2.3%	2.3%	0.0%	2.3%
Private Infrastructure	1.1%	0.0%	1.1%	1.1%	0.0%	1.1%
Total Equity	52.6%	16.2%	68.8%	52.2%	19.4%	71.6%
Fixed Income						
U.S. Treasuries – All Maturities	0.0%	0.0%	0.0%	7.8%	0.0%	7.8%
U.S. Treasuries - Longer Than Five Years	9.5%	0.0%	9.5%	0.0%	0.0%	0.0%
Core Mortgage-Backed Securities	2.5%	0.0%	2.5%	2.9%	0.1%	3.0%
Credit - Investment Grade Corporates	4.5%	0.0%	4.5%	4.6%	0.1%	4.6%
High Yield	5.1%	0.9%	6.0%	4.1%	0.5%	4.6%
Bank Loans	0.0%	2.0%	2.0%	0.2%	1.8%	2.0%
TIPS	4.7%	0.0%	4.7%	4.6%	0.0%	4.6%
Economically Targeted Investments	2.0%	0.0%	2.0%	0.6%	0.0%	0.6%
Other Fixed Income	0.0%	0.0%	0.0%	1.2%	0.0%	1.2%
Total Fixed Income	28.2%	2.9%	31.2%	25.9%	2.5%	28.4%
Total Fund	80.8%	19.2%	100.0%	78.0%	22.0%	100.0%

Remaining Capacity

5.8%

3.0%

* Note: Basket amounts are estimates

Liquidity Analysis

BERS Liquidity Profile - Static Analysis

3/12/18

AUM as of December 31, 2017

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
PUBLIC EQUITY	\$3,482	\$3,482	\$3,482	\$3,482
U.S.	2,158	2,158	2,158	2,158
EAFF Equity	788	788	788	788
Emerging Markets	535	535	535	535
PUBLIC FIXED INCOME	\$1,666	\$1,647	\$1,657	\$1,657
Short Term Securities	71	71	71	71
U.S. Government	455	455	455	455
Mortgages				
Core Mortgages	178	178	178	178
ETI	35	16	26	26
Credit - Investment Grade	271	271	271	271
Corporate - Hight Yield	272	272	272	272
Corporate - Bank Loans	117	117	117	117
UST - Inflation Protected	267	267	267	267
ALTERNATIVE ASSETS	\$716	\$0	\$0	\$0
Private Equity	326	0	0	0
Private Real Estate	328	0	0	0
Infrastructure	62	0	0	0
Total Assets	\$5,864	\$5,128	\$5,138	\$5,138
Total Illiquid \$		\$735	\$725	\$725
Total Illiquid %		12.5%	12.4%	12.4%
Unfunded INF Commitments	\$86			
Unfunded PE Commitments	\$274			
Unfunded RE Commitments	167			
Total commitments \$	\$527			
Total commitments %	9.0%			

BERS Liquidity Profile - Static Analysis

3/12/18

AUM as of December 31, 2017

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$735	\$725	\$725
Total Illiquid %	18.8%	18.6%	18.6%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Total Assets	\$5,864	\$5,128	\$5,138	\$5,138

Private Equity, Real Estate and Infrastructure Fixed Income Stress Case

Unfunded INF Commitments	\$17	\$34
Unfunded PE Commitments Drawn	\$55	\$110
Unfunded RE Commitments Drawn	33	67
Total commitments \$	\$105	\$211
Total commitments %	1.8%	3.6%

Total Illiquid \$	\$831	\$936
Total Illiquid %	14.2%	16.0%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids

See Assumptions Page for Full Details

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$735	\$831	\$936
Total Illiquid %	18.8%	21.3%	23.9%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids