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MEMORANDUM

TO: Trustees
New York City Employees' Retirement System

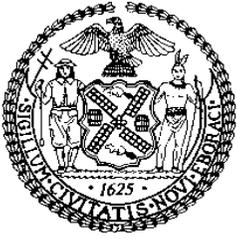
FROM: Lawrence Schloss

DATE: October 16, 2012

RE: NYC Employees' Retirement System Investment Meeting –
October 23, 2012

Enclosed is a copy of the **public agenda** for the October 23, 2012 Investment Meeting. The meeting will be held at 335 Adams Street - Suite 2200, Brooklyn, N.Y., (beginning at 9:30am).

If you have questions about any agenda item please call me at (212) 669-8318.



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

John C. Liu
COMPTROLLER

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT MEETING

OCTOBER 23, 2012

INVESTMENT MEETING

OCTOBER 23, 2012

PUBLIC AGENDA

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II. Infrastructure Education: (1 Hour)	66
III. Private Equity IPS: (30 Minutes)	102

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PUBLIC AGENDA

I. August Monthly Performance Review:

Monthly Performance Review
August 2012

Prepared for the New York City
Employees' Retirement System

10/23/2012

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ECONOMIC INDICATORS

as of October 2012

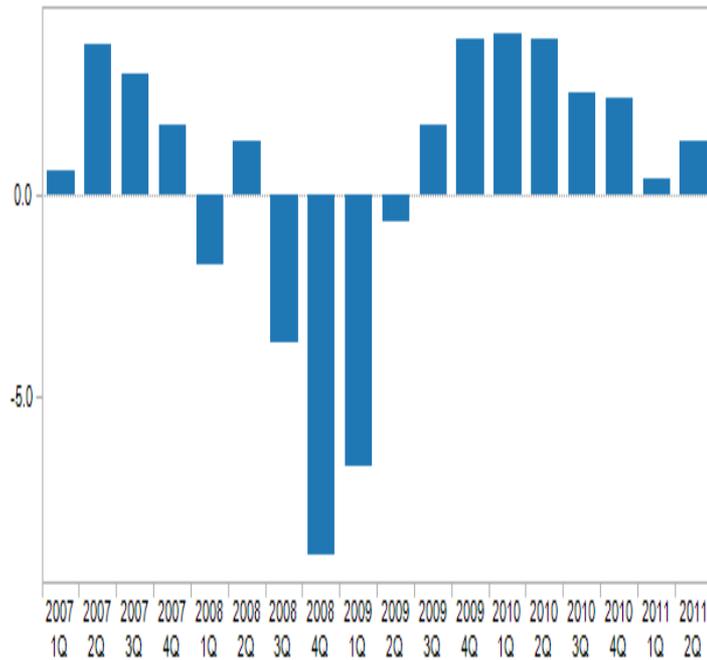


**NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT**

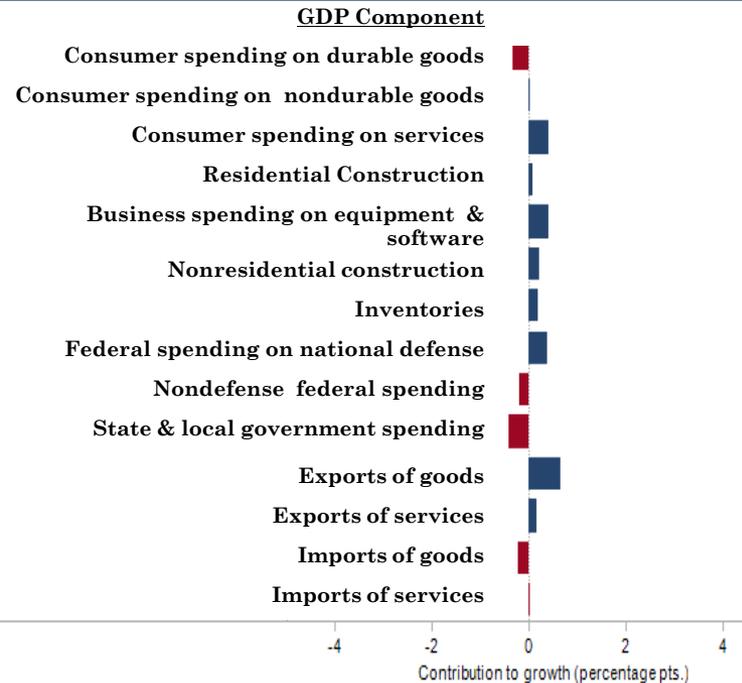
COMPONENTS OF GDP

2

ALL SHOW OVERALL % CHANGE FROM PRECEDING QUARTER AT SEASONAL ADJUSTED ANNUAL RATE



COMPONENTS WHICH CONTRIBUTED TO GDP GROWTH

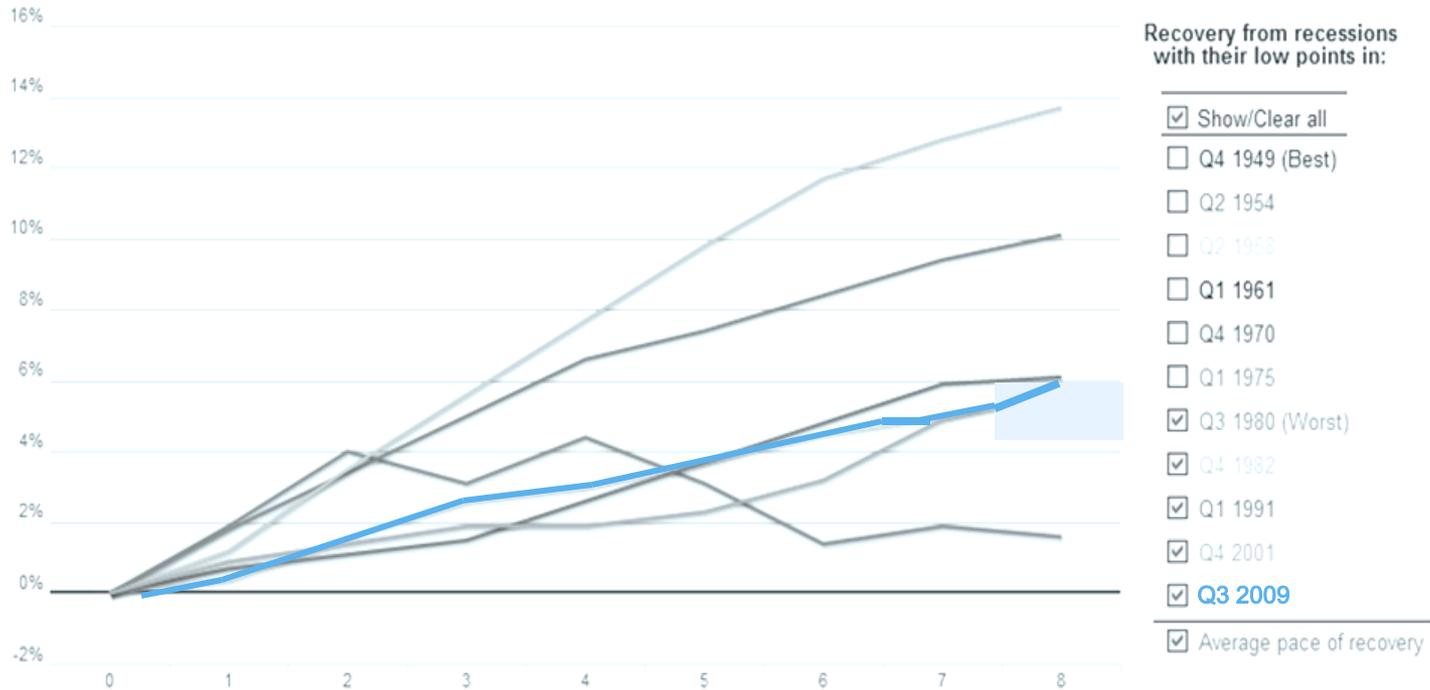


◦ **NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**

US GROSS DOMESTIC PRODUCT (INFLATION ADJUSTED)

3

US GROSS DOMESTIC PRODUCT, INFLATION ADJUSTED QUARTERLY

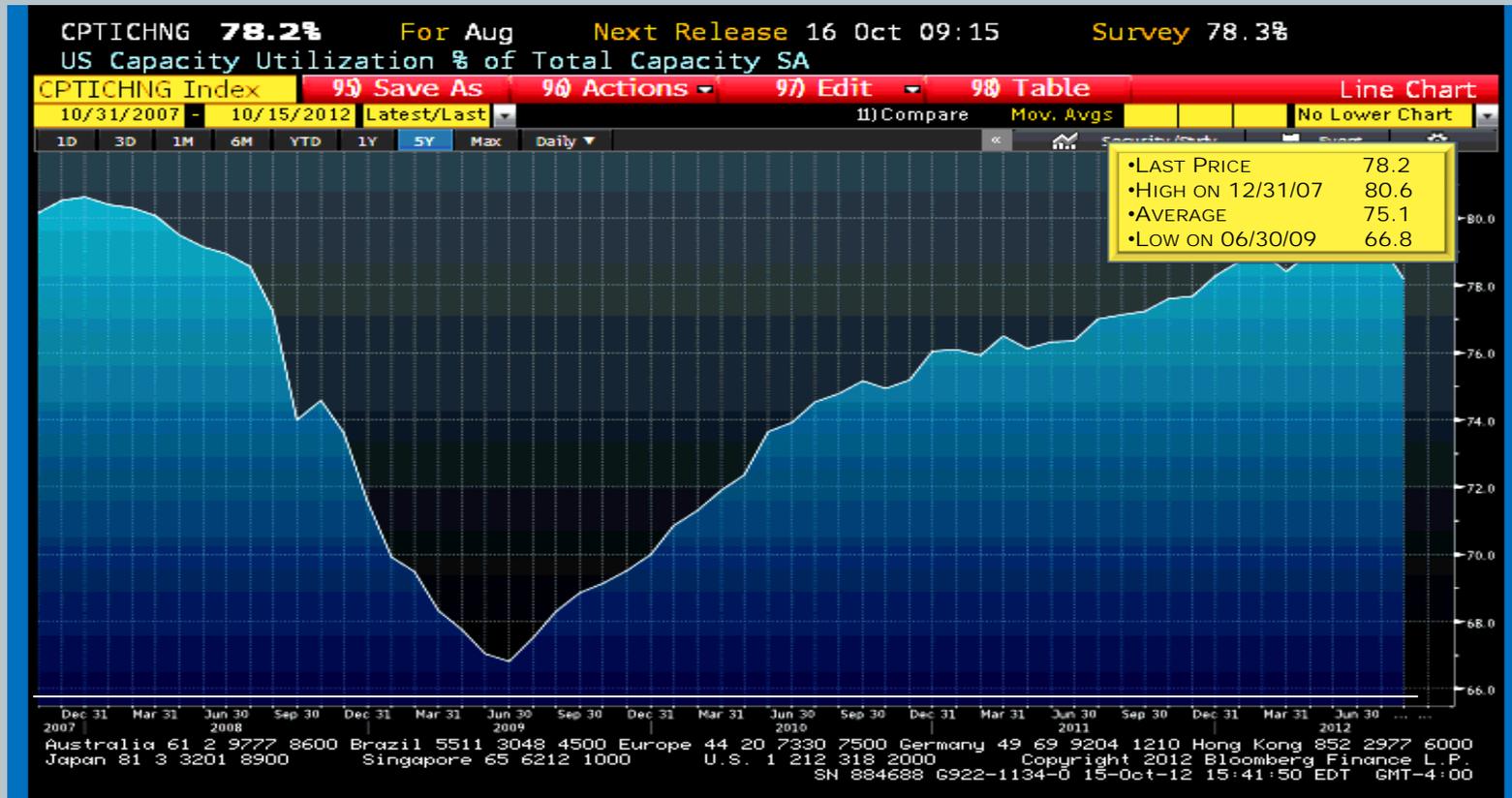


Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

- **NOTES: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**
- **GDP GROWTH DURING THE CURRENT RECOVERY INCLUDES SECOND-QUARTER FORECAST CALCULATED USING CONSENSUS FORECAST OF 2 % ANNUAL GROWTH.**

CAPACITY UTILIZATION

4



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ISM MANUFACTURING INDEX

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WEEKLY UNEMPLOYMENT CLAIMS

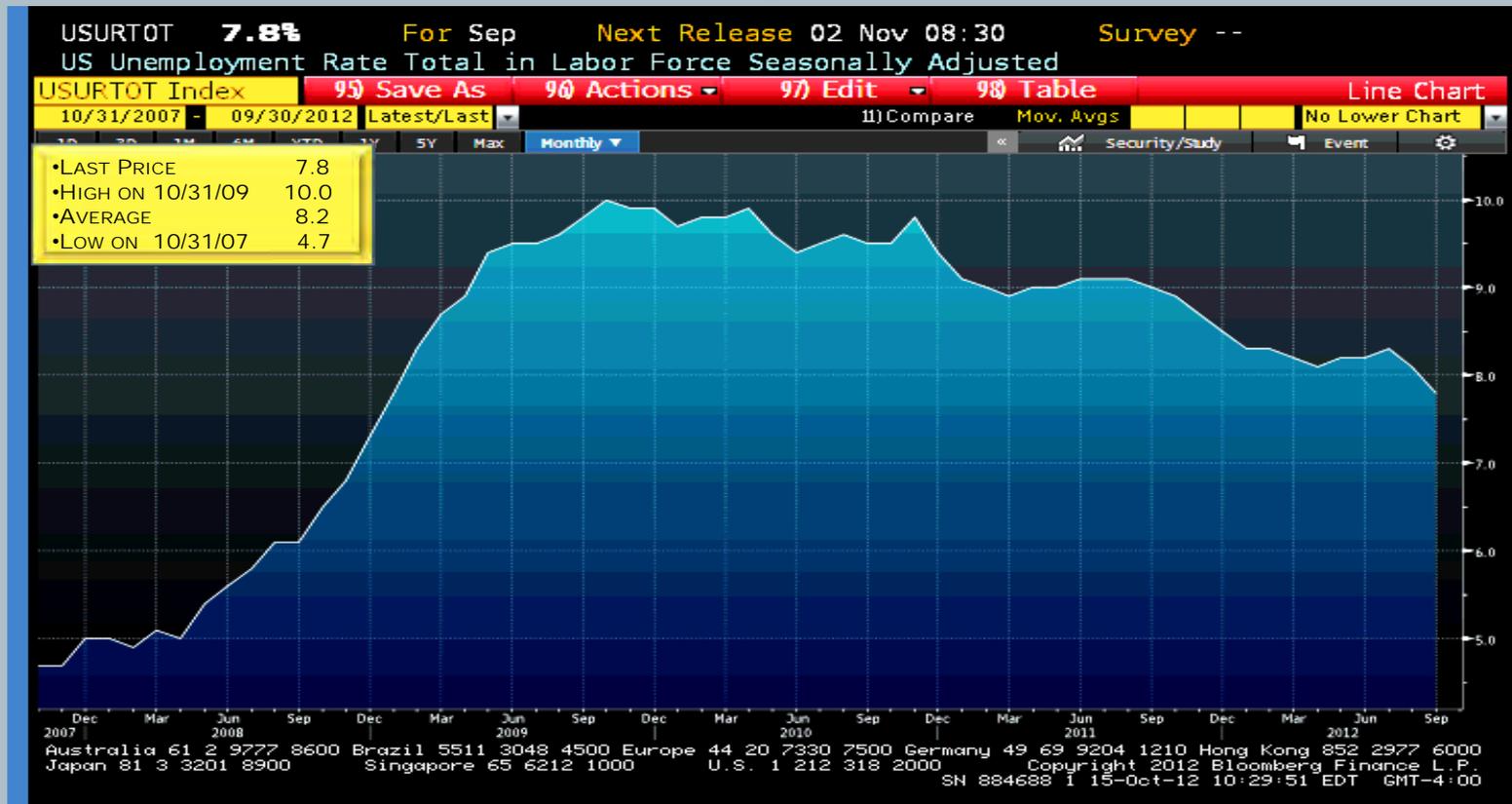
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UNEMPLOYMENT RATE

7

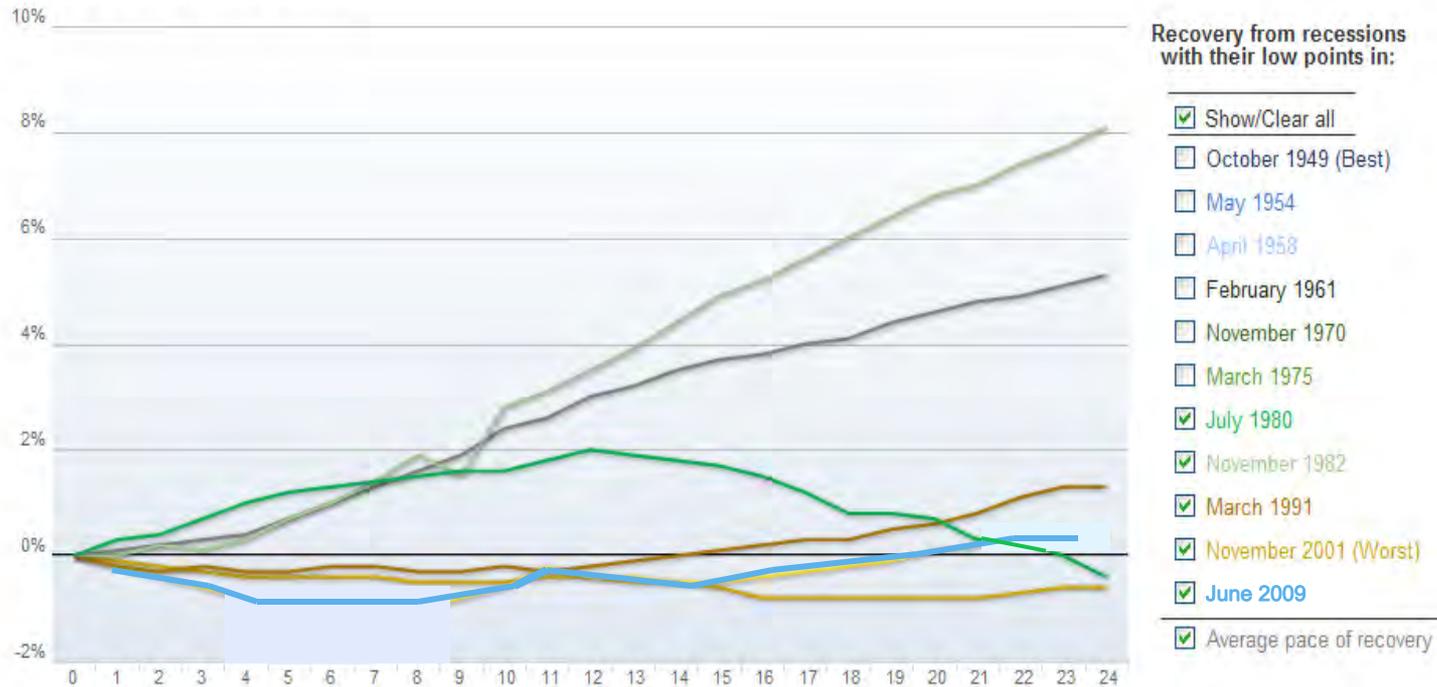


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US JOBS (NON-AGRICULTURAL PAYROLLS)

8

U.S. non-agricultural payrolls, monthly



Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

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CONSUMER SENTIMENT

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ARCHITECTURAL BILLINGS INDEX

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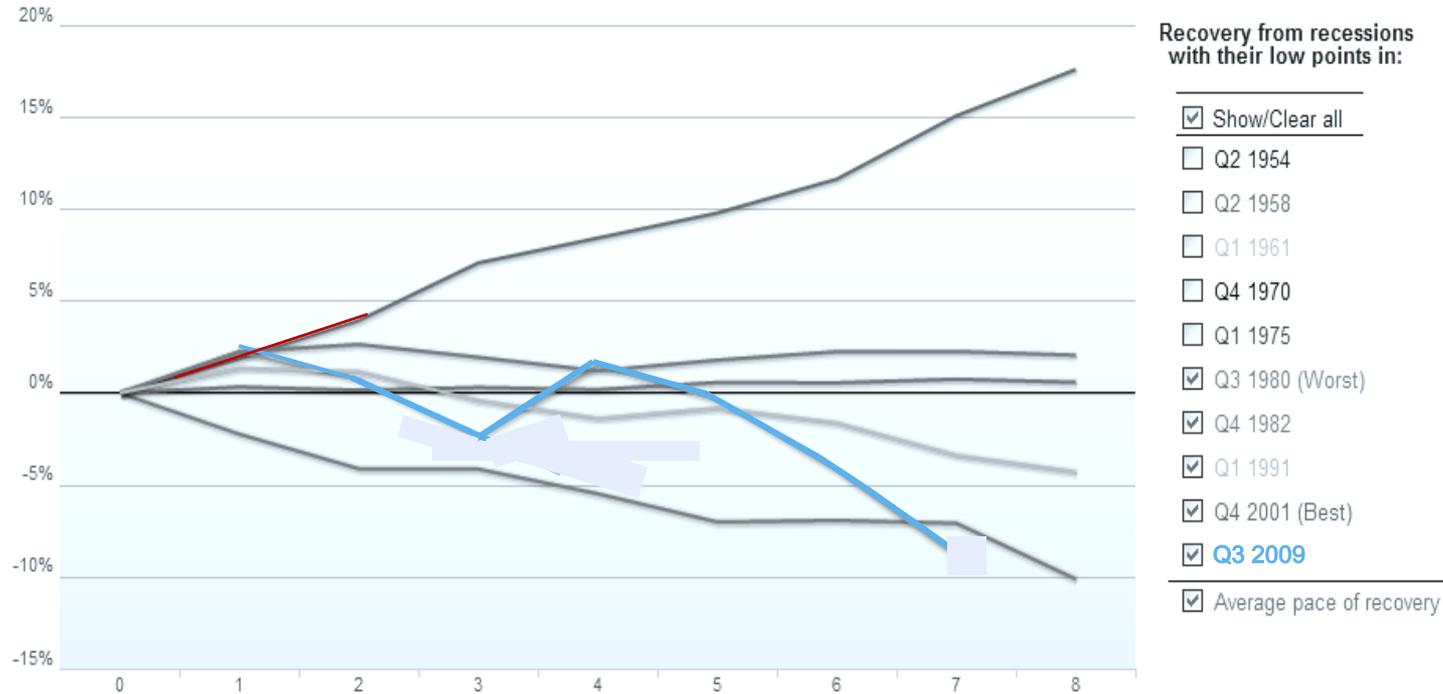


- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

US HOUSE PRICES (INFLATION ADJUSTED)

11

U.S. house prices, inflation adjusted, quarterly



Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

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- **QUARTERLY REAL HOME PRICES DATA BEGAN IN 1953. RECOVERY DATA BEFORE 1953 ARE NOT INCLUDED IN RANKINGS OR AVERAGES**

EXISTING HOME SALES

12



- **NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**

NEW HOUSING STARTS

13



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RETAIL SALES

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US AUTO SALES

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INDEX OF LEADING ECONOMIC INDICATORS

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- THE INDEX OF LEI IS COMPOSED OF: AVE. WEEKLY MANUFACTURING HRS, AVE. WEEKLY JOBLESS CLAIMS, MANUFACTURERS' NEW ORDERS-CONSUMER & CAPITAL, VENDOR PERFORMANCE, NEW BUILDING PERMITS, STOCK PRICES, MONEY SUPPLY-M2, INT. RATE SPREADS & CONSUMER EXPECTATIONS
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INFLATION- CPI

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MARKET INDICATORS

as of October 2012



NYC OFFICE OF THE COMPTROLLER
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TRADE WEIGHTED US DOLLAR INDEX

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USD/EUR EXCHANGE RATE

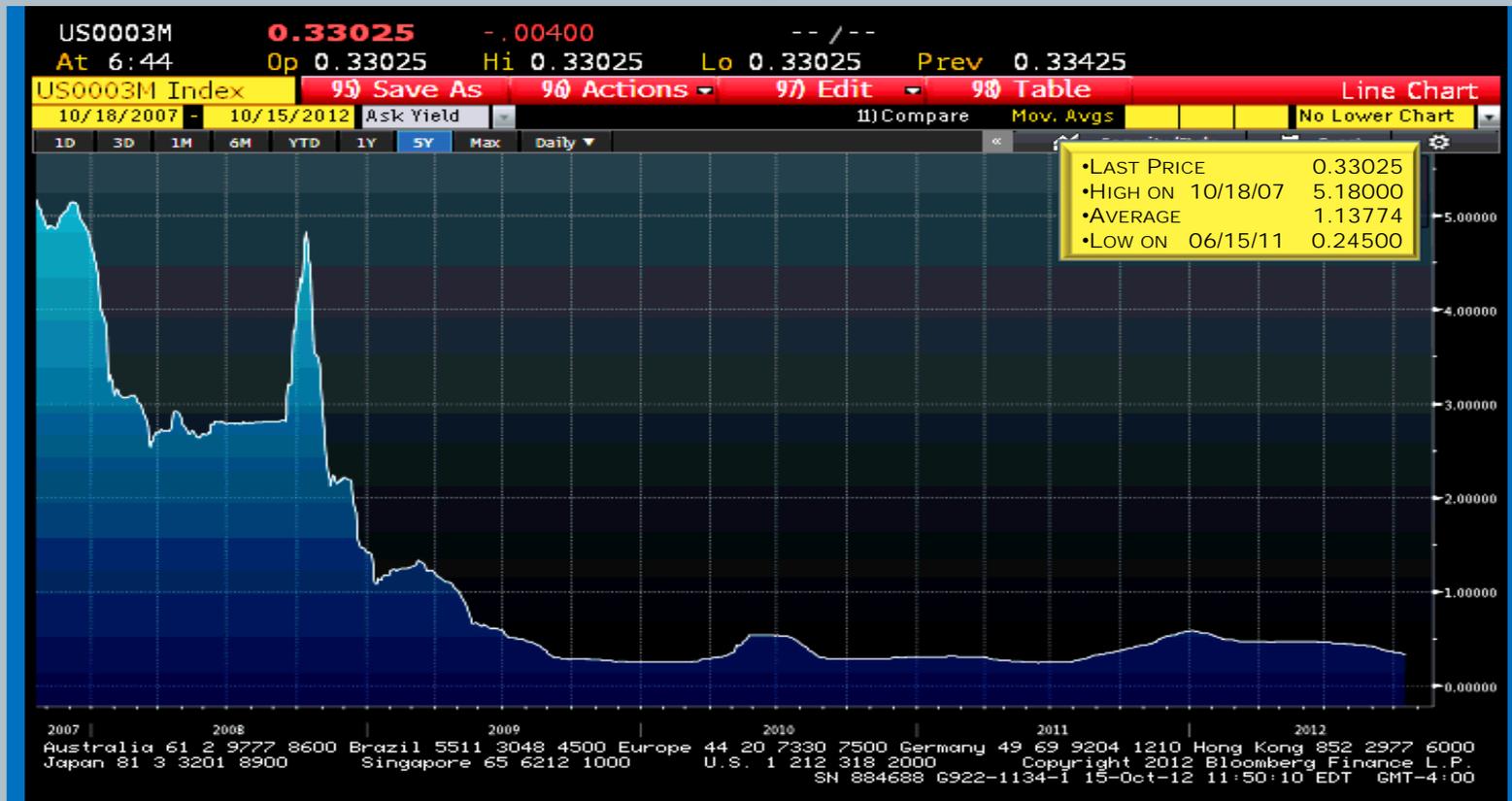
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3-MONTH LIBOR RATES

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VOLATILITY INDEX (THE "VIX")

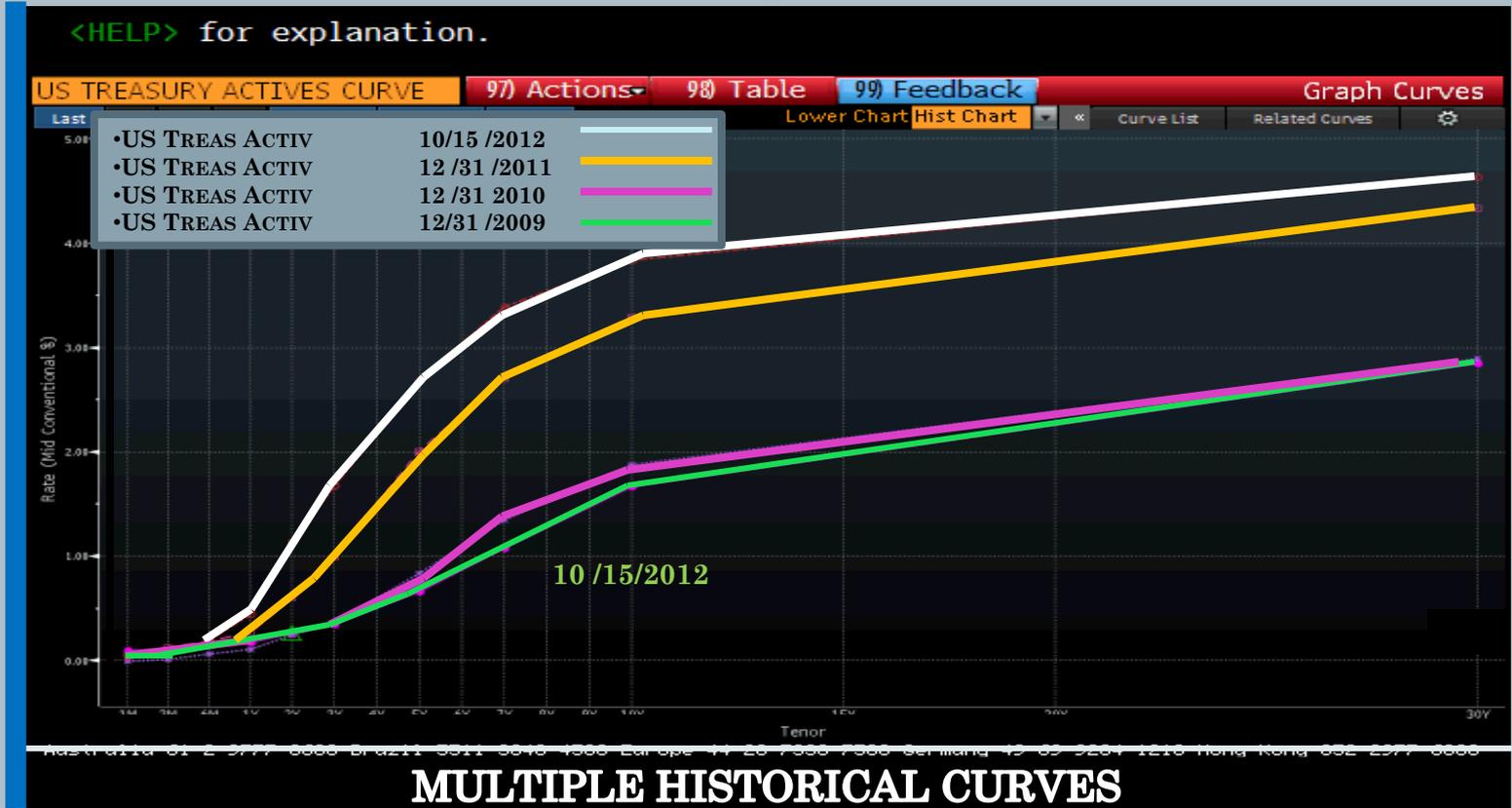
22



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US TREASURY YIELD CURVES

23



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10 YEAR TREASURY RATES

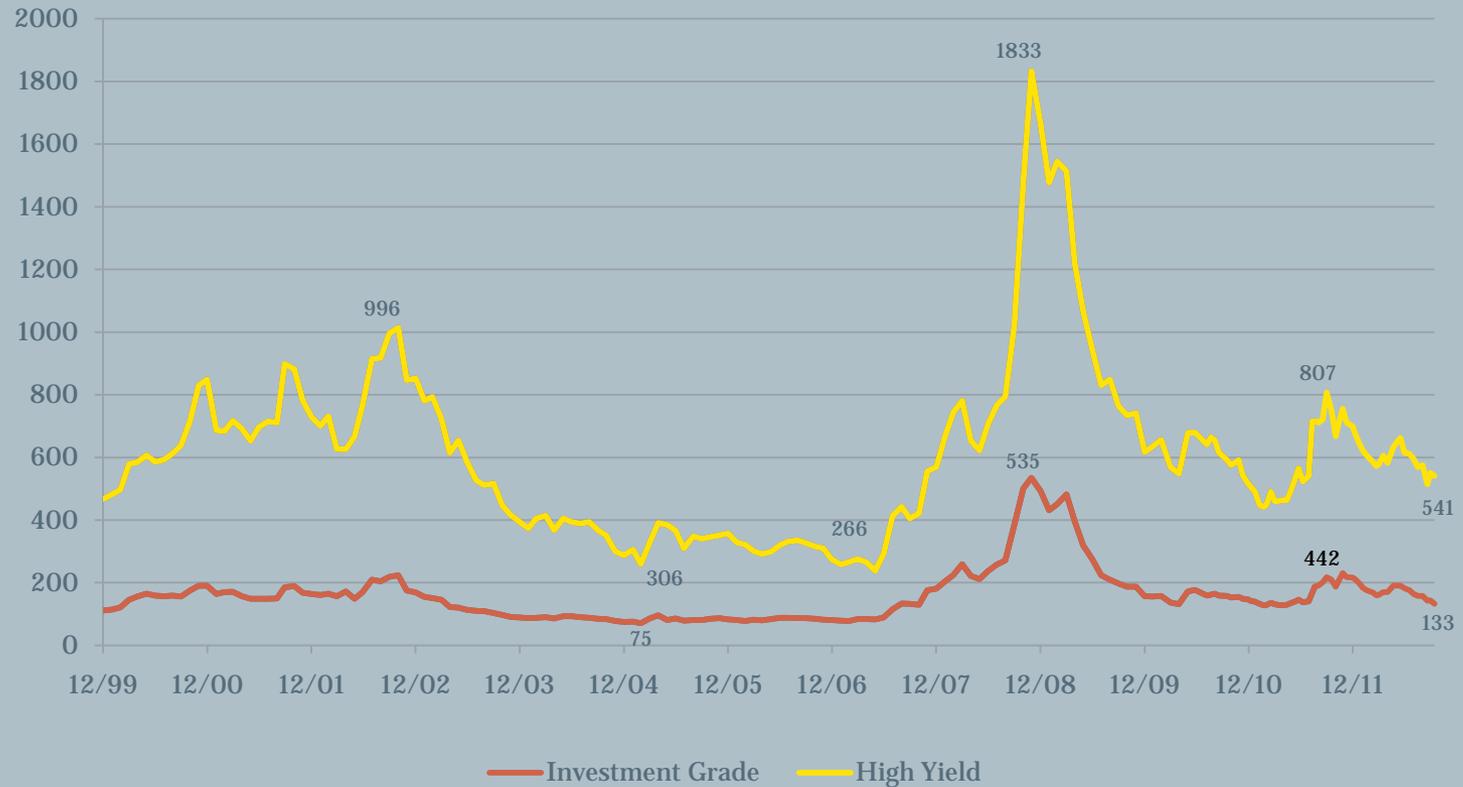
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INVESTMENT GRADE AND HY SPREADS

25



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CORPORATE EARNINGS

S & P 500 EARNINGS PER SHARE & P/E RATIO

26

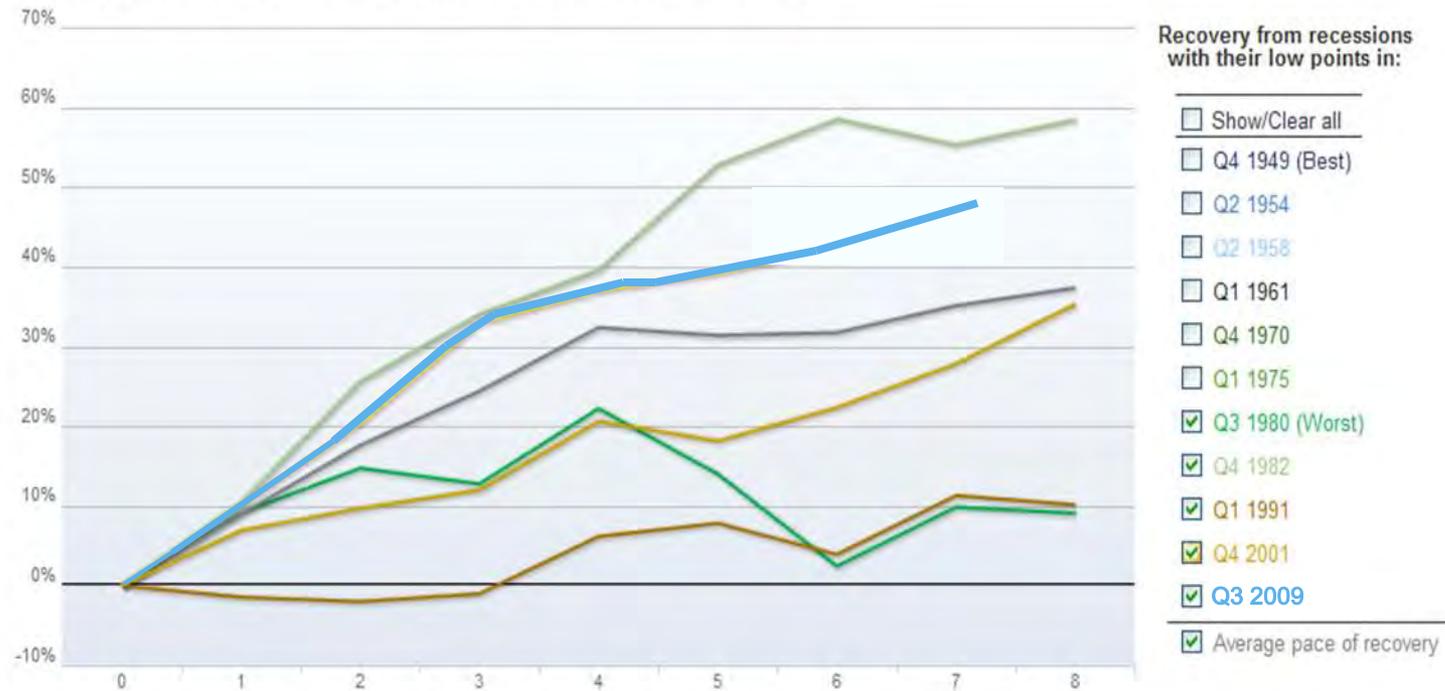


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CORPORATE PROFITS

27

Corporate profits with inventory valuation and capital consumption adjustments, quarterly



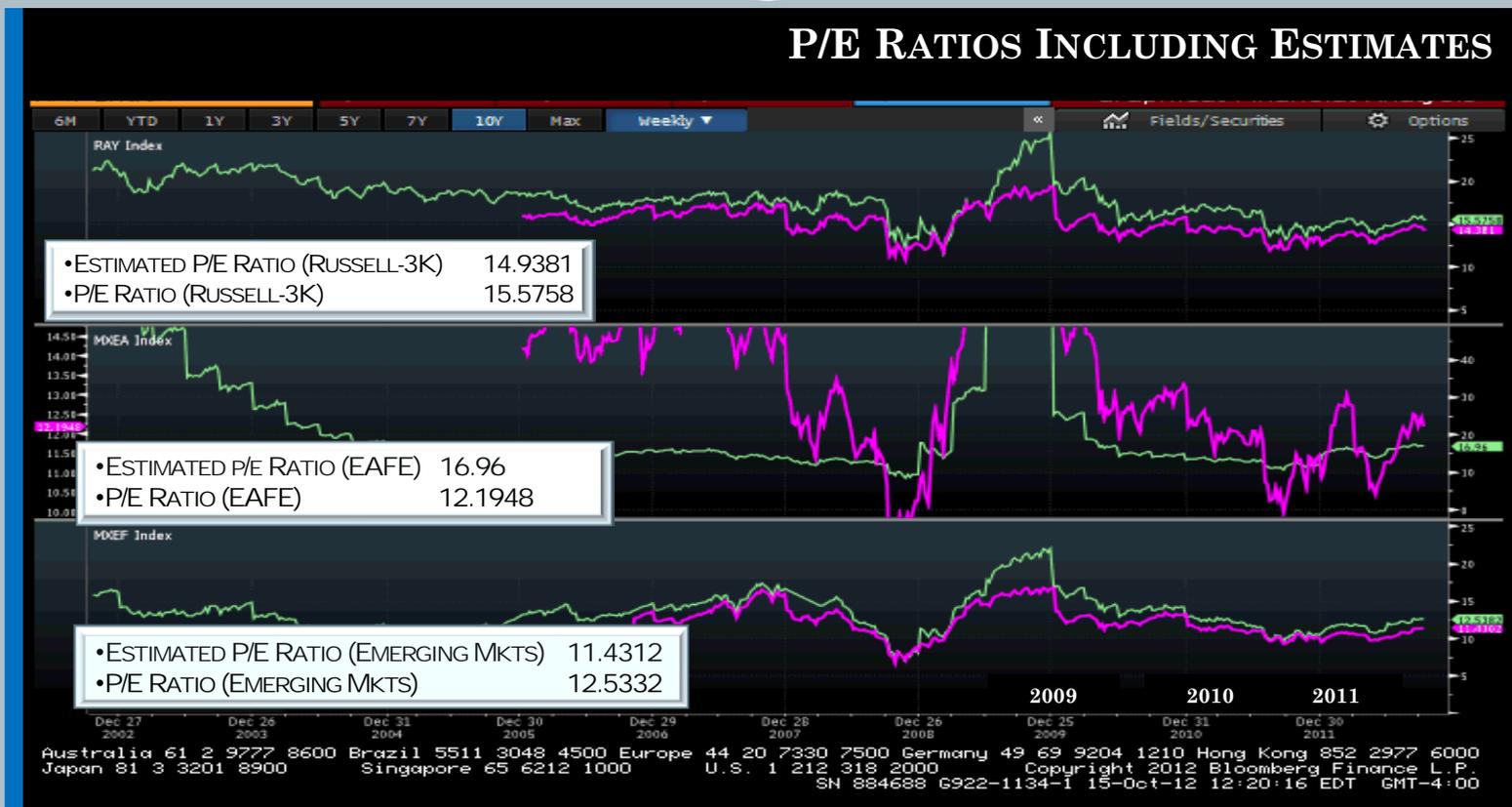
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PRICE TO EARNING RATIOS INCLUDING ESTIMATES

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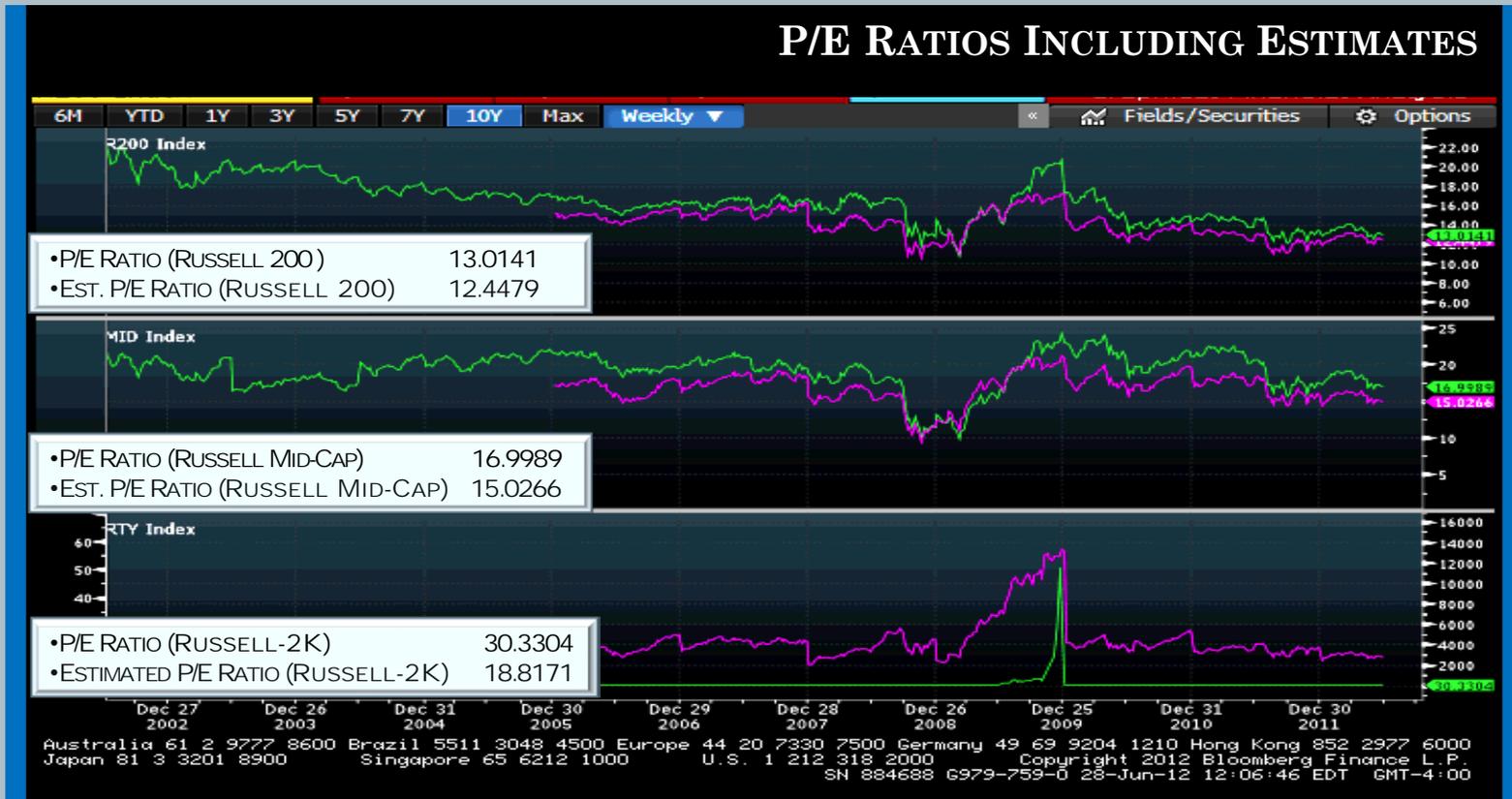
P/E RATIOS INCLUDING ESTIMATES



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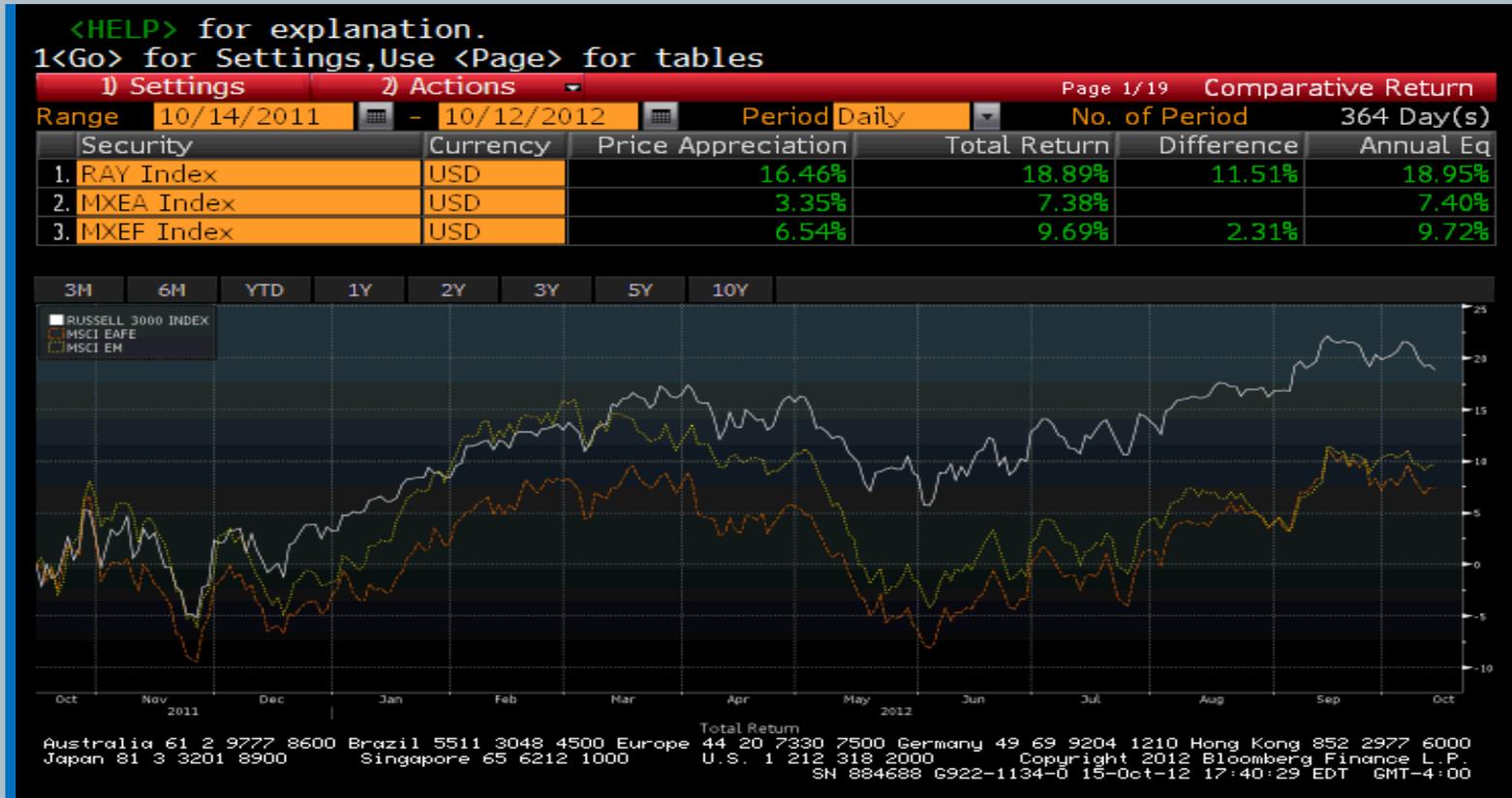
PRICE TO EARNING RATIOS INCLUDING ESTIMATES

29



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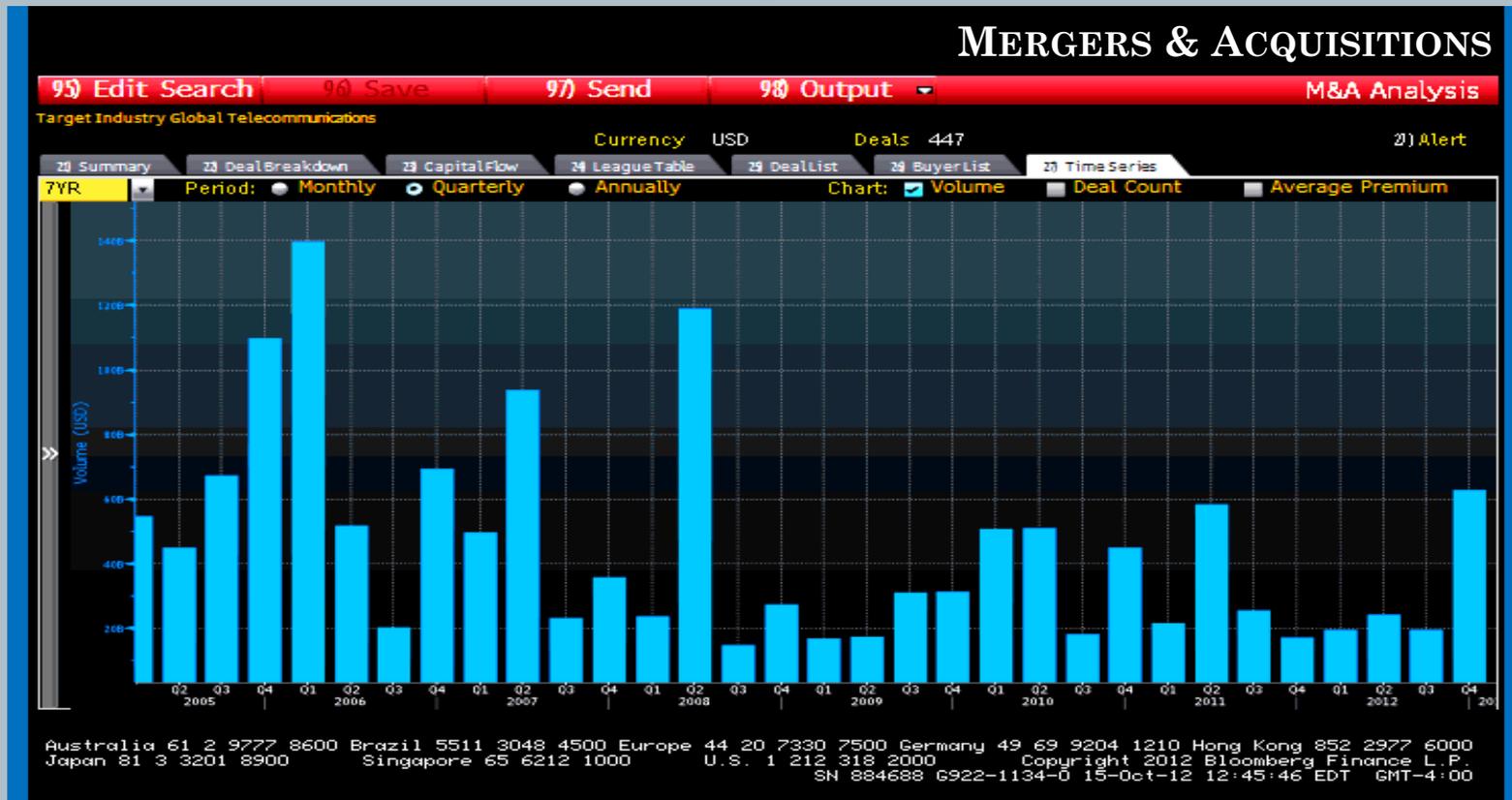
RECENT GLOBAL EQUITY MARKET RETURNS



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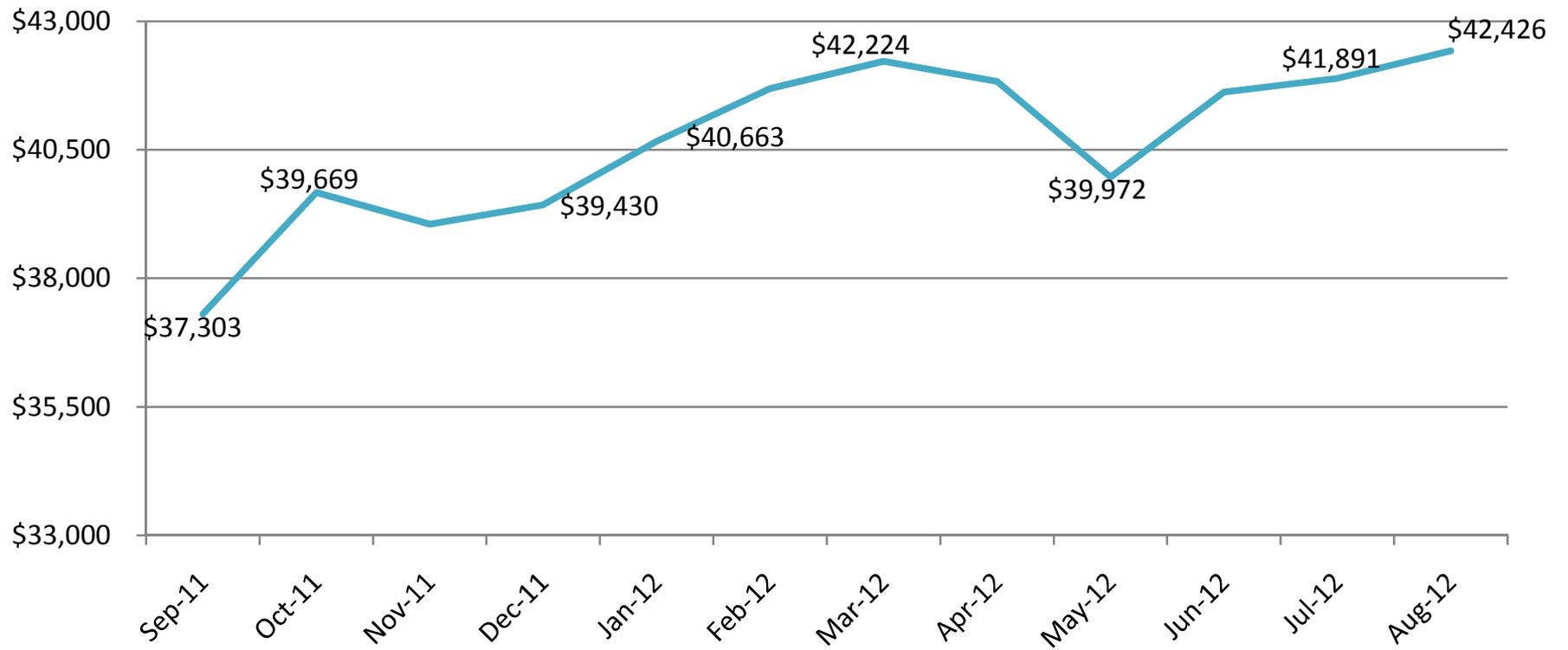
MERGERS & ACQUISITIONS ACTIVITY

31

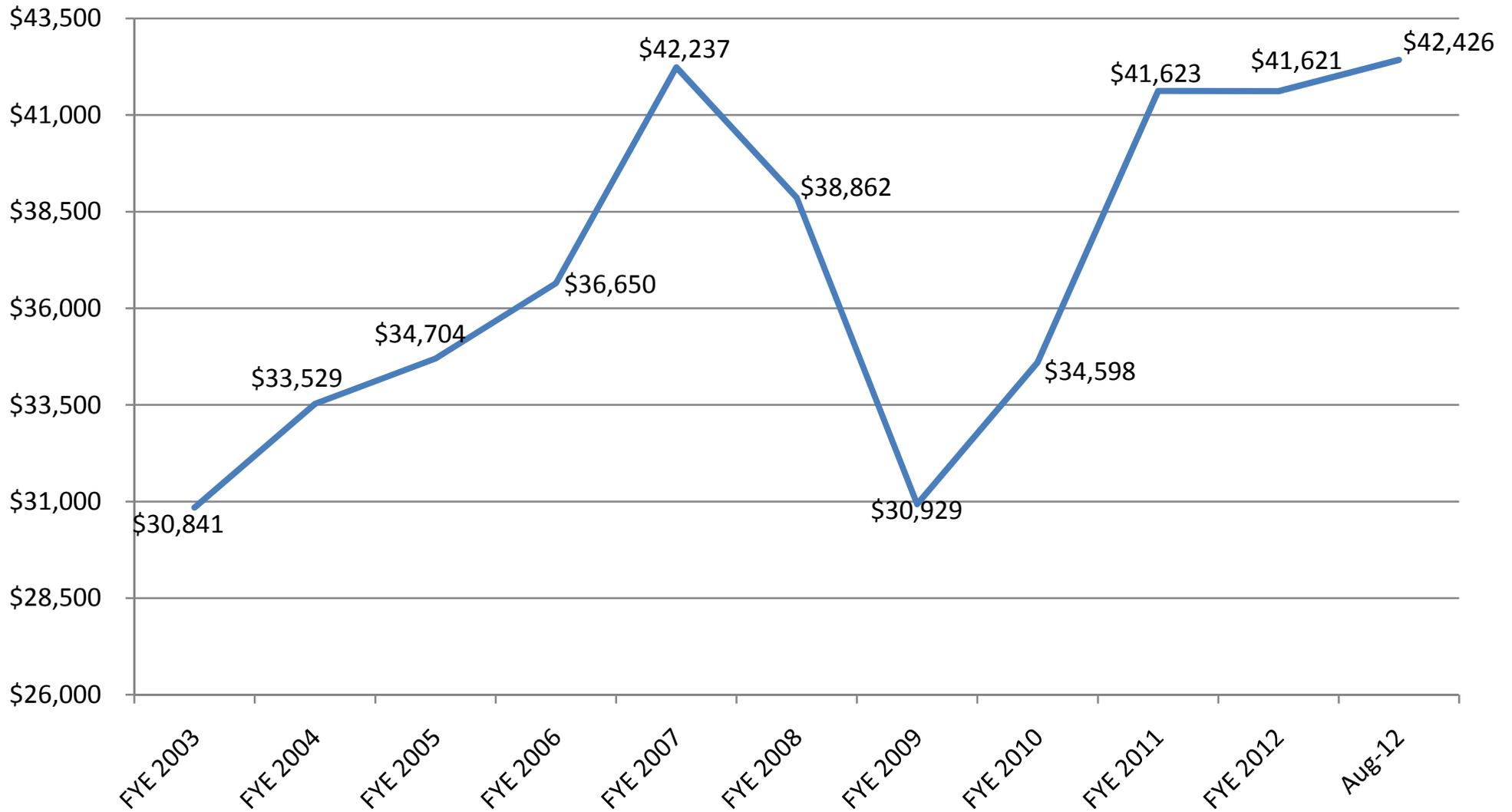


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NYCERS - Market Values September 2011 - August 2012



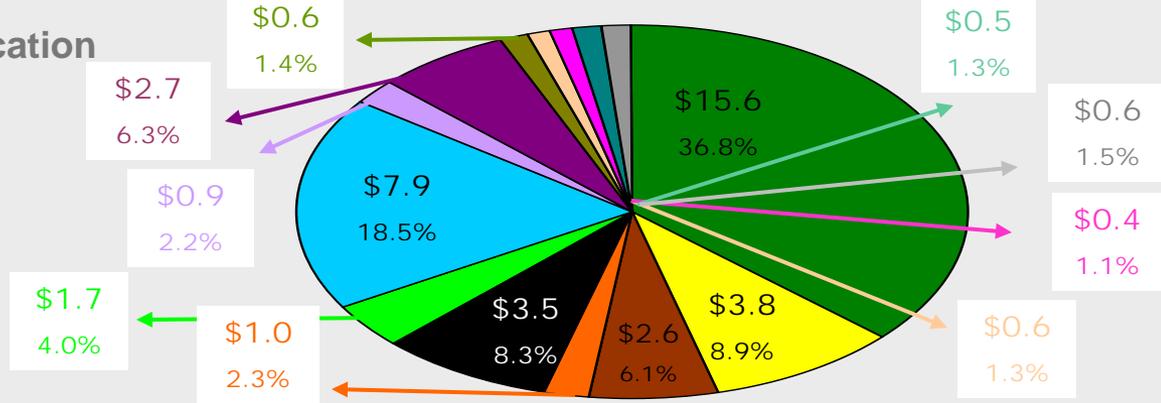
NYCERS - Market Values 2003 - 2012



Portfolio Asset Allocation: August 31, 2012

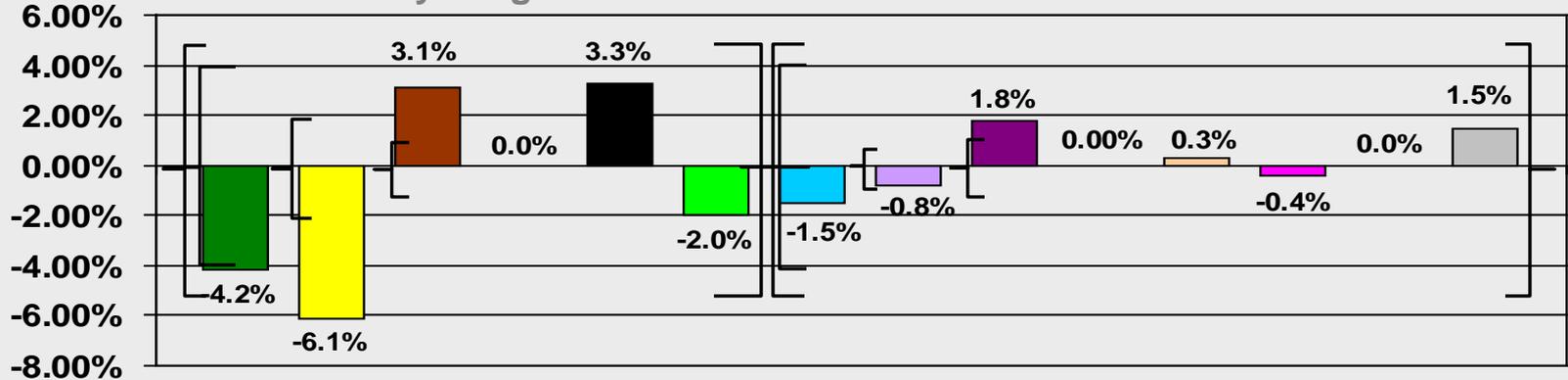
\$42.4B Under Management

Asset Allocation



- Domestic Equity
- EAFE Markets
- Emerging Markets
- Hedge Funds
- Private Equity
- Private RE
- Core + 5
- TIPS
- Enhanced Yield
- Bank Loans
- Convertible Bonds
- Opportunistic FI
- ETI
- Cash

Relative Mix to Old Policy Weights

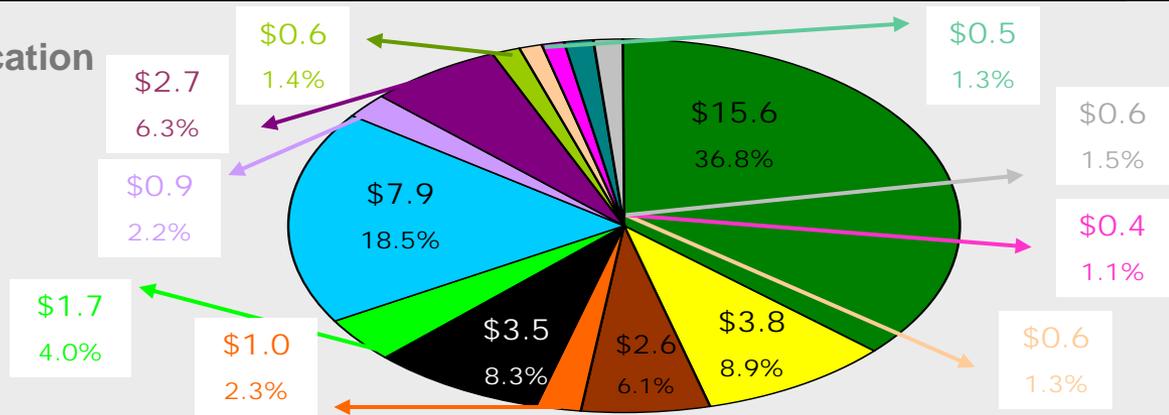


Note: Brackets represent rebalancing ranges versus policy.

Portfolio Asset Allocation: August 31, 2012

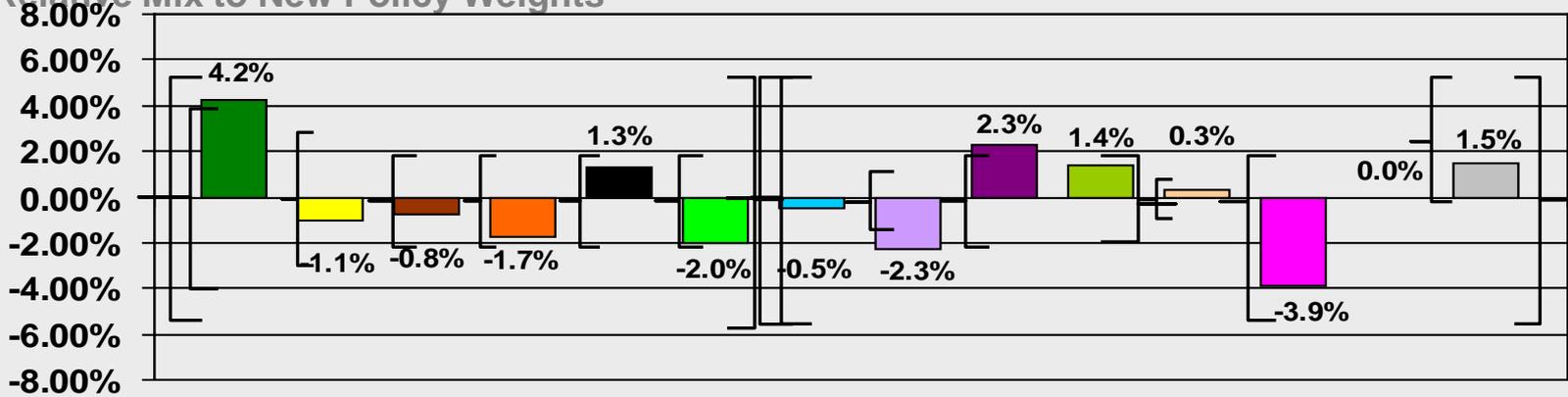
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Asset Allocation



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Relative Mix to New Policy Weights

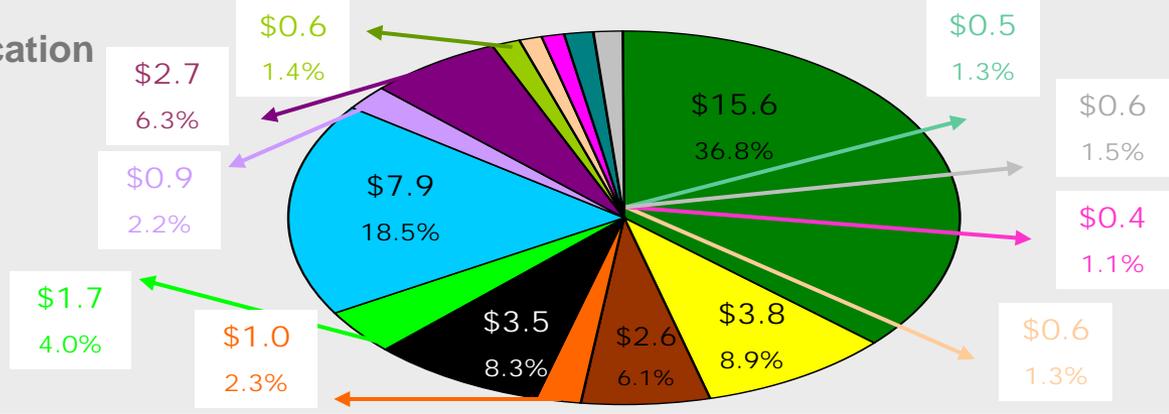


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Portfolio Asset Allocation: August 31, 2012

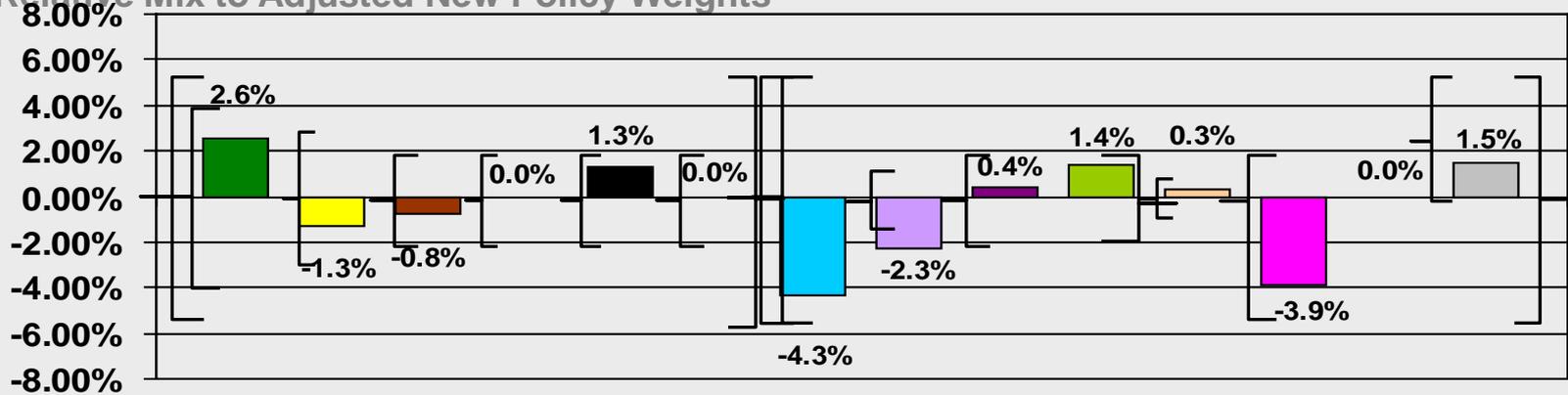
\$42.4B Under Management

Asset Allocation



- Domestic Equity
- EAFE Markets
- Emerging Markets
- Hedge Funds
- Private Equity
- Private RE
- Core + 5
- TIPS
- Enhanced Yield
- Bank Loans
- Convertible Bonds
- Opportunistic FI
- ETI
- Cash

Relative Mix to Adjusted New Policy Weights



Note: Brackets represent rebalancing ranges versus policy.

NYC EMPLOYEES' RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of August 31st 2012)

ASSET CLASS ALLOCATIONS	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
TOTAL EQUITIES	\$28,200.4	66.5%	66.5%	NA	64.6%	59.6% - 69.6%
TOTAL FIXED INCOME	\$14,225.2	33.5%	33.5%	NA	35.4%	30.4% - 40.4%
TOTAL ASSETS	\$42,425.6	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
US Equities	\$15,614.9	36.8%	32.6%	1.7%	34.3%	30.3% - 38.3%
Non-US Equities/EAFE	\$3,791.5	8.9%	10.0%	0.2%	10.2%	7.2% - 13.2%
Emerging Markets	\$2,589.1	6.1%	6.9%	NA	6.9%	4.9% - 8.9%
TOTAL PUBLIC EQUITY	\$21,995.5	51.8%	49.5%	NA	51.4%	
HEDGE FUNDS	\$960.4	2.3%	4.0%	NA	2.3%	2.0% - 6.0%
* PRIVATE REAL ESTATE	\$1,710.0	4.0%	6.0%	NA	4.0%	4.0% - 8.0%
* PRIVATE EQUITY	\$3,534.5	8.3%	7.0%	NA	7.0%	5.0% - 9.0%
TOTAL EQUITIES	\$28,200.4	66.5%	66.5%	NA	64.6%	59.6% - 69.6%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***	
Core +5	US - Government	\$1,075.2	2.5%	19.0%	NA	22.8%	17.8% - 27.8%
	US - Mortgage	\$3,038.4	7.2%		NA		
	US - Investment Grade Credit	\$3,573.6	8.4%		NA		
	TOTAL CORE + 5	\$7,850.8	18.5%	19.0%	3.8%	22.8%	17.8% - 27.8%
TIPS	\$938.1	2.2%	4.5%	NA	4.5%	3.0% - 6.0%	
High Yield	\$2,679.1	6.3%	4.0%	2.0%	4.0%	2.0% - 6.0%	
Bank Loans	\$580.0	1.4%	0.0%	NA	2.0%	0.0% - 2.0%	
Convertible Bonds	\$560.9	1.3%	1.0%	NA	1.0%	0.0% - 2.0%	
** ETI	\$519.3	1.2%	** 2.0%	NA	** 1.2%	** 1.2%	
Cash	\$634.8	1.5%	0.0%	NA	0.0%	0.0% - 5.0%	
TOTAL PUBLIC FIXED INCOME	\$13,762.9	32.4%	28.5%	NA	34.3%		
* OPPORTUNISTIC FIXED INCOME	\$462.3	1.1%	5.0%	NA	1.1%	0.0% - 7.0%	
TOTAL FIXED INCOME	\$14,225.2	33.5%	33.5%	NA	35.4%	30.4% - 40.4%	

* Ranges for illiquid asset classes represent minimums and maximums which will be monitored and will influence pacing analysis but will not necessarily result in purchases or sales.

** ETIs have a policy of 2% of the total Fund. The ETI adjusted policy % is shown for illustrative purposes only and is not included in the sub-totals. The ETI policy % is included within the policy % of the other asset classes.

*** Adjusted Target Ranges are calculated as follows: Total Equities: +/-5%; Total Fixed Income: +/-5%; US Equities: +/-4%; Non-US Equities/EAFE: +/-3%; Emerging Markets: +/-2%; Hedge Funds: +/-2%; Real Estate: +/-2%; Private Equity: +/-2%; Core +5: +/-5%; TIPS: +/-1.5%; High Yield: +/-2%; Bank Loans: up to 1/3 of High Yield; Convertible Bonds: +/-1%; Cash: 0-5%; OFI: +2%/-5%.

NYC EMPLOYEES' RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of August 31st 2012)

Adjustments to Long-Term Asset Allocation

1) Private Equity

100% of uninvested commitments will be invested in Global Equity.

2) Real Estate

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in US Equity.

3) Opportunistic Fixed Income

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in High Yield.

4) Hedge Funds

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in Global Equity.

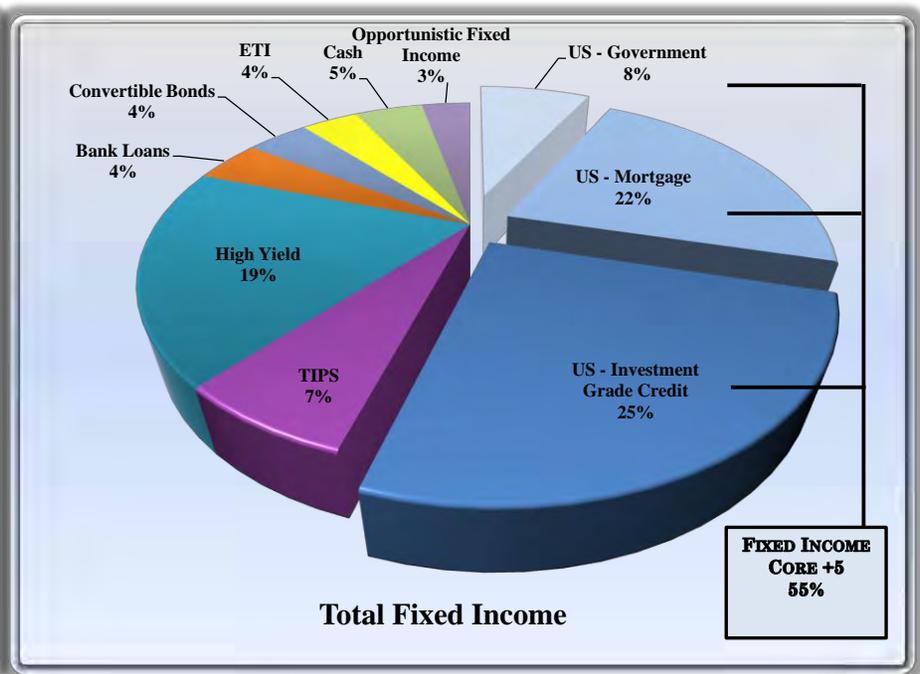
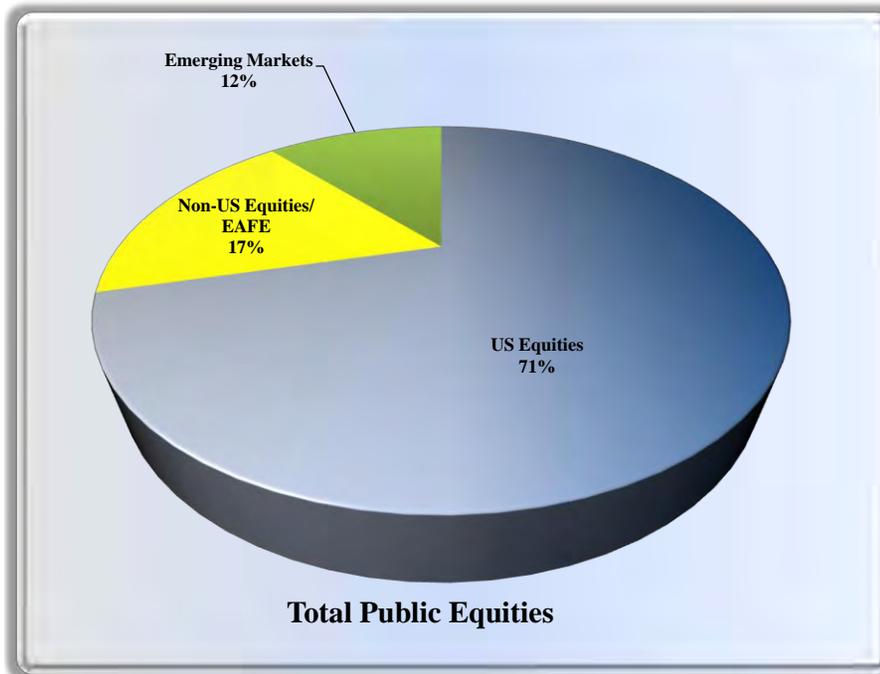
Impact of Adjustments

Core +5 Policy Target %	19.0%
Adjustment: 50% of uninvested Opportunistic FI	2.0%
Adjustment: 50% of uninvested Real Estate	1.0%
Adjustment: 50% of uninvested Hedge Funds	<u>0.9%</u>
Adjusted Core+5 Policy Target %	22.8%
High Yield Policy Target %	4.0%
Adjustment: 50% of uninvested Opportunistic FI	<u>2.0%</u>
Adjusted High Yield Policy Target %	6.0%
Domestic Equity Policy Target %	32.6%
Adjustment: 50% of uninvested Real Estate	1.0%
Adjustment: 80% of uninvested Private Equity	0.0%
Adjustment: 40% of uninvested Hedge Funds	<u>0.7%</u>
Adjusted Domestic Equity Policy Target %	34.3%
Non-U.S. Equity (Developed) Policy Target %	10.0%
Adjustment: 20% of uninvested Private Equity	0.0%
Adjustment: 10% of uninvested Hedge Funds	<u>0.2%</u>
Adjusted Domestic Equity Policy Target %	10.2%

NYC EMPLOYEES' RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of August 31st 2012)



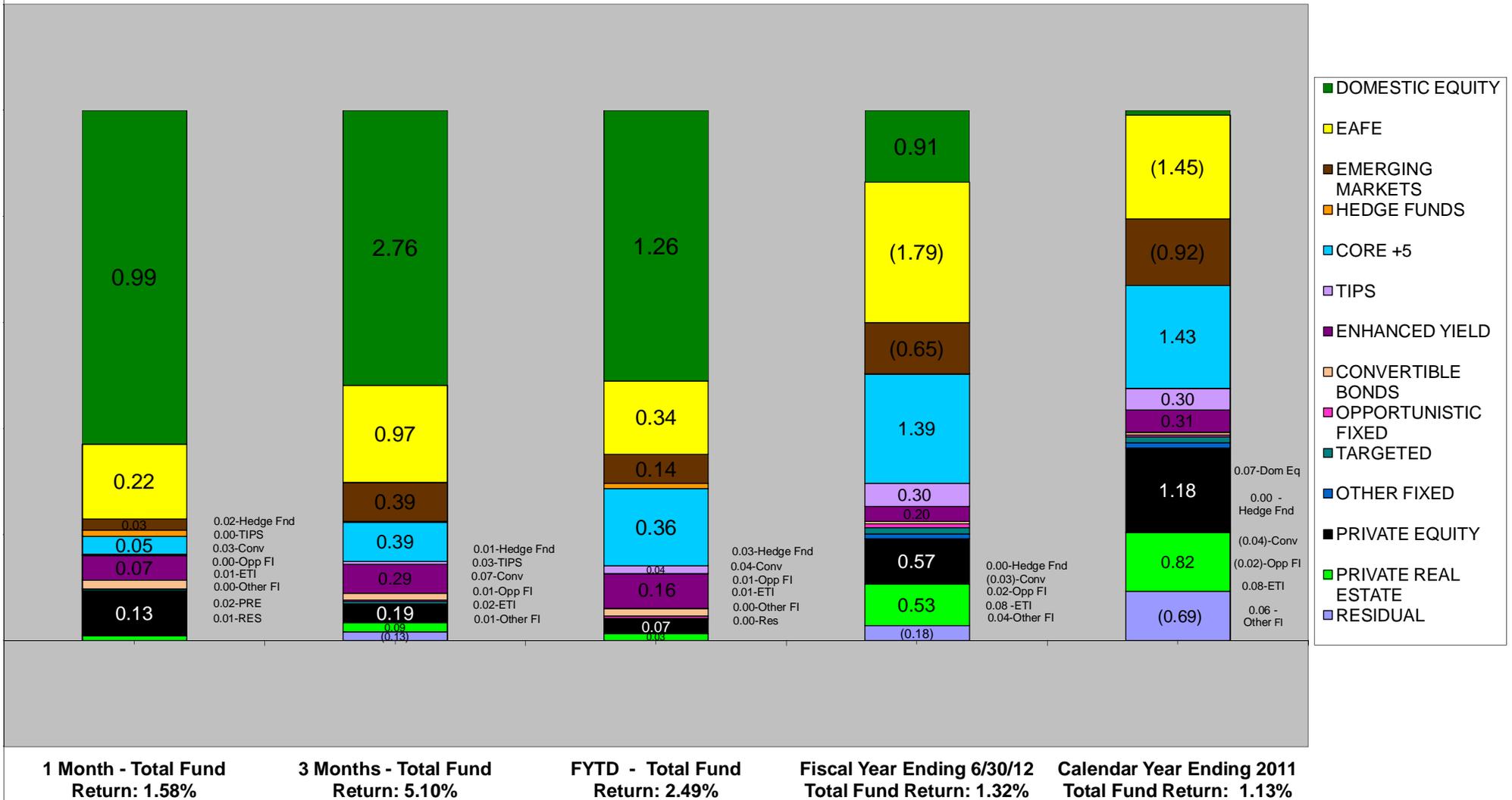
THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Employees' Retirement System
August 31, 2012

	Trailing 1 Month	Trailing 3 Months	06/30/12 08/31/12	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<u>MARKET INDICATORS</u>								
STANDARD & POORS 500	2.25	7.94	3.67	18.00	18.24	13.62	1.28	6.50
S&P MIDCAP INDEX 400	3.48	5.39	3.43	12.75	17.70	15.73	3.97	9.63
RUSSELL 1000	2.43	7.61	3.64	17.33	18.18	13.82	1.47	6.85
RUSSELL 2000	3.33	6.99	1.91	13.40	17.70	13.88	1.90	9.00
RUSSELL 3000	2.50	7.57	3.51	17.03	18.14	13.82	1.50	7.01
RUSSELL 3000 GROWTH	2.76	6.90	3.89	17.01	20.56	15.58	3.62	7.19
RUSSELL 3000 VALUE	2.24	8.25	3.14	17.05	15.78	12.10	-0.72	6.70
MSCI EAFE (NET DIVIDEND)	2.69	11.13	3.85	-0.04	4.86	2.40	-4.81	6.67
MSCI EMERGING MARKETS FREE	-0.29	5.70	1.73	-5.48	1.69	6.96	-0.06	15.35
FTSE CUSTOM BENCHMARK	0.34	6.38	2.60	-4.46	3.00	9.03	1.42	****
MSCI WORLD INDEX	2.59	9.28	3.93	8.77	11.86	8.50	-1.19	7.06
MSCI EUROPE SMID CAP INDEX	4.57	11.78	5.44	-1.14	6.41	4.83	-5.38	****
1 YEAR TREASURY BILL YIELD + 4%	0.35	1.09	0.78	****	****	****	****	****
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	0.69	1.22	1.51	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE	-0.33	0.96	1.65	10.89	8.56	10.17	9.56	7.15
CITIGROUP MORTGAGE	0.10	0.98	0.89	3.69	4.37	5.29	6.54	5.35
NYC - INVESTMENT GRADE CREDIT INDEX	0.30	3.57	3.03	9.63	7.03	8.86	7.61	6.51
NYC - CORE PLUS FIVE	0.08	1.94	1.86	7.39	6.22	7.59	7.70	6.21
CITIGROUP BROAD INVESTMENT GRADE	0.08	1.53	1.48	5.76	5.11	6.37	6.82	5.61
BARCLAYS CAPITAL AGGREGATE	0.07	1.49	1.45	5.78	5.19	6.51	6.66	5.48
CITIGROUP BB & B	1.05	5.09	2.95	13.86	11.11	13.19	7.25	9.04
BofA MERRILL LYNCH HY MASTER II	1.21	5.24	3.15	13.05	10.60	14.27	9.28	10.45
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	-0.29	1.04	1.60	8.29	9.53	9.88	8.12	6.85
BofA ML ALL CONVERTIBLES EX MANDATORY	2.15	4.99	2.77	9.02	9.53	11.02	4.09	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	-0.24	7.20	1.58	19.39	19.59	24.01	2.61	11.16
NCREIF NFI-ODCE NET	0.00	2.29	0.00	11.31	15.25	7.37	-1.81	****
91 DAY TREASURY BILL	0.01	0.03	0.02	0.06	0.10	0.12	0.80	1.84

THE BANK OF NEW YORK MELLON
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Market Indicator Page *NYC Employees' Retirement System
September 30, 2012

	Trailing 1 Month	Trailing 3 Months	06/30/12 09/30/12	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<u>MARKET INDICATORS</u>								
STANDARD & POORS 500	2.58	6.35	6.35	30.20	14.75	13.20	1.05	8.01
S&P MIDCAP INDEX 400	1.94	5.44	5.44	28.54	12.64	14.33	3.82	10.77
RUSSELL 1000	2.57	6.31	6.31	30.05	14.55	13.27	1.22	8.35
RUSSELL 2000	3.28	5.25	5.25	31.91	12.80	12.98	2.21	10.17
RUSSELL 3000	2.63	6.23	6.23	30.20	14.41	13.25	1.30	8.49
RUSSELL 3000 GROWTH	2.04	6.01	6.01	29.35	15.63	14.69	3.21	8.56
RUSSELL 3000 VALUE	3.20	6.44	6.44	31.05	13.19	11.83	-0.72	8.28
MSCI EAFE (NET DIVIDEND)	2.96	6.92	6.92	13.75	1.54	2.12	-5.24	8.20
MSCI EMERGING MARKETS FREE	6.05	7.89	7.89	17.33	-0.66	5.95	-0.98	17.36
FTSE CUSTOM BENCHMARK	6.06	8.82	8.82	17.06	0.18	7.65	0.75	****
MSCI WORLD INDEX	2.79	6.83	6.83	22.32	8.45	8.07	-1.57	8.61
MSCI EUROPE SMID CAP INDEX	4.49	10.17	10.17	18.99	2.07	4.18	-4.88	****
1 YEAR TREASURY BILL YIELD + 4%	0.35	1.13	1.13	****	****	****	****	****
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	0.87	2.53	2.53	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE	****	****	****	****	****	****	****	****
CITIGROUP MORTGAGE	****	****	****	****	****	****	****	****
NYC - INVESTMENT GRADE CREDIT INDEX	****	****	****	****	****	****	****	****
NYC - CORE PLUS FIVE	****	****	****	****	****	****	****	****
CITIGROUP BROAD INVESTMENT GRADE	0.13	1.62	1.62	5.12	5.18	6.04	6.69	5.46
BARCLAYS CAPITAL AGGREGATE	0.14	1.58	1.58	5.16	5.21	6.18	6.53	5.32
CITIGROUP BB & B	****	****	****	****	****	****	****	****
BofA MERRILL LYNCH HY MASTER II	1.42	4.61	4.61	18.94	9.77	12.61	9.06	10.78
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	0.51	2.12	2.12	9.10	9.48	9.31	7.94	6.64
BofA ML ALL CONVERTIBLES EX MANDATORY	1.71	4.52	4.52	16.47	7.54	9.91	3.74	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	-1.97	-0.42	-0.42	31.99	15.82	20.38	1.41	11.45
NCREIF NFI-ODCE NET	****	****	****	****	****	****	****	****
91 DAY TREASURY BILL	0.01	0.03	0.03	0.07	0.11	0.11	0.72	1.82

NYC Employees' Retirement System Contribution to Return - August 2012



**THE BANK OF NEW YORK MELLON
CITY OF NEW YORK**

**Manager / Benchmark Comparison Report *NYC Employees' Retirement System
August 31, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
ASSET CLASS SUMMARY																
DOMESTIC EQUITY	\$ 15,614.9	36.81%	2.73%	7.35%	3.48%	12.63%	2.23%	0.17%	17.16%	28.26%	-36.69%	16.00%	13.33%	1.42%	6.93%	10.84%
INTERNATIONAL EAFE	3,791.5	8.94%	2.51	9.65	3.52	7.00	-13.74	-12.59	11.17	33.66	-44.37	0.26	3.66	-4.22	****	4.33
EMERGING MARKETS	2,589.1	6.10%	0.53	6.37	2.23	8.43	-13.32	-18.76	26.33	86.55	-54.13	-3.60	10.04	1.57	****	10.51
HEDGE FUNDS	960.4	2.26%	0.82	0.47	1.11	1.98	-2.14	****	****	****	****	-1.53	****	****	****	-0.90
CORE + 5	7,687.2	18.12%	0.30	2.28	2.11	5.81	9.24	8.85	9.42	9.65	3.27	8.07	8.69	8.14	6.55	8.75
CONVERTIBLE BONDS	560.9	1.32%	1.93	5.04	2.81	8.37	-2.09	-3.02	14.54	33.08	****	7.60	9.21	****	****	4.18
TIPS MANAGERS	938.1	2.21%	-0.13	1.14	1.67	5.82	12.13	13.50	6.47	10.15	-0.66	8.95	9.92	8.29	****	6.56
ENHANCED YIELD	2,679.1	6.31%	1.16	4.54	2.57	9.11	6.31	5.73	14.24	40.25	-18.55	11.97	13.10	8.95	9.80	8.34
BANK LOANS	580.0	1.37%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
OPPORTUNISTIC FIXED ^^	462.3	1.09%	0.12	1.64	1.00	14.99	-4.48	-4.40	26.01	19.13	-6.33	2.24	17.86	****	****	11.33
PROGRESS FIXED EMERGING MGRS	105.3	0.25%	0.16	1.65	1.65	4.81	8.80	8.39	7.43	8.78	6.21	7.01	7.51	7.37	6.83	6.77
CORE PLUS FIXED INCOME	58.3	0.14%	0.30	2.43	2.02	5.20	7.61	8.11	7.46	****	****	6.89	7.86	****	****	8.85
ECONOMICALLY TARGETED INVESTMENTS	519.3	1.22%	0.44	1.74	0.44	4.53	7.04	6.61	6.87	8.23	6.28	6.55	6.68	7.23	6.52	9.93
PRIVATE EQUITY	3,534.5	8.33%	1.59	2.15	0.77	7.20	7.50	13.78	14.02	-4.17	-2.73	5.48	13.51	5.70	****	12.01
PRIVATE REAL ESTATE	1,710.0	4.03%	0.37	2.18	0.78	9.86	17.51	22.28	8.46	-43.87	-7.38	15.36	9.51	-4.78	****	7.03
CASH	634.8	1.50%	0.02	0.08	0.05	0.74	0.99	0.89	0.49	1.31	3.42	0.78	0.81	1.73	****	2.73
TOTAL EMPLOYEES	\$ 42,425.6		1.58%	5.10%	2.49%	8.83%	1.32%	1.13%	13.79%	20.98%	-26.36%	9.00%	10.35%	2.68%	7.41%	8.68%
TOTAL EQUITY	21,995.5	51.84%	2.43	7.66	3.34	10.92	-2.94	-4.35	16.31	31.61	-39.34	10.49	10.69	0.05	7.14	7.94
TOTAL HEDGE FUNDS	960.4	2.26%	0.82	0.47	1.11	1.98	-2.14	****	****	****	****	-1.53	****	****	****	-0.90
TOTAL FIXED INCOME	13,590.4	32.03%	0.51	2.74	2.13	6.76	7.97	7.75	10.68	15.55	-1.87	8.50	9.86	8.38	****	6.65
TOTAL PRIVATE EQUITY	3,534.5	8.33%	1.59	2.15	0.77	7.20	7.50	13.78	14.02	-4.17	-2.73	5.48	13.51	5.70	****	12.01
TOTAL PRIVATE REAL ESTATE	1,710.0	4.03%	0.37	2.18	0.78	9.86	17.51	22.28	8.46	-43.87	-7.38	15.36	9.51	-4.78	****	7.03
TOTAL CASH	634.8	1.50%	0.02	0.08	0.05	0.74	0.99	0.89	0.49	1.31	3.42	0.78	0.81	1.73	****	2.73

^^ since inception irr calculated from Burgis as of 8/31/2012

* Returns data throughout the various reports are shown Gross of Fees with the exception of PE, RE, Opp FI, and Hedge Funds.

**THE BANK OF NEW YORK MELLON
CITY OF NEW YORK**

**Manager / Benchmark Comparison Report *NYC Employees' Retirement System
August 31, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
EQUITY ASSET CLASS SUMMARY																
DOMESTIC EQUITY	\$ 15,614.9	36.81%	2.73%	7.35%	3.48%	12.63%	2.23%	0.17%	17.16%	28.26%	-36.69%	16.00%	13.33%	1.42%	6.93%	10.84%
PASSIVE DOMESTIC EQUITY	12,318.9	29.04%	2.65	7.26	3.48	12.83	2.88	0.52	16.58	27.80	-37.04	16.32	13.38	1.26	6.82	10.61
<i>RUSSELL 3000</i>			2.50	7.57	3.51	13.15	3.84	1.03	16.93	28.34	-37.31	17.03	13.82	1.50	7.01	
			+/-	0.16	(0.30)	(0.03)	(0.33)	(0.96)	(0.51)	(0.35)	(0.54)	0.27	(0.70)	(0.44)	(0.24)	(0.19)
TOTAL RUSSELL 3000 <i>RUSSELL 3000</i>	6,171.0	14.55%	2.50	7.56	3.50	13.13	3.87	1.05	17.22	28.29	-37.16	17.01	13.92	1.57	7.01	9.17
			+/-	0.01	(0.01)	(0.01)	(0.03)	0.03	0.02	0.29	(0.05)	0.15	(0.02)	0.10	0.07	0.00
TOTAL STANDARD & POORS 500 <i>STANDARD & POORS 500</i>	3,517.6	8.29%	2.32	7.95	3.71	13.39	5.03	1.74	14.90	26.45	-37.11	17.73	13.39	1.11	6.43	1.50
			+/-	0.07	0.01	0.04	(0.12)	(0.42)	(0.37)	(0.16)	(0.02)	(0.11)	(0.27)	(0.24)	(0.17)	(0.08)
TOTAL MID CAP PASSIVE <i>S&P MIDCAP INDEX 400</i>	2,151.4	5.07%	3.47	5.37	3.42	11.61	-2.29	****	****	****	****	12.69	****	****	****	4.72
			+/-	0.01	(0.02)	(0.02)	(0.00)	0.04	****	****	****	****	(0.05)	****	****	****
TOTAL SMALL CAP PASSIVE <i>RUSSELL 2000</i>	478.9	1.13%	3.36	7.02	1.93	10.76	-2.01	****	****	****	****	13.54	****	****	****	2.72
			+/-	0.02	0.03	0.02	0.16	0.07	****	****	****	****	0.14	****	****	****
ACTIVE DOMESTIC EQUITY	3,226.2	7.60%	3.02	7.62	3.52	12.07	-0.01	-1.73	19.89	30.13	-35.57	15.01	13.25	1.98	7.41	9.93
<i>RUSSELL 3000</i>			2.50	7.57	3.51	13.15	3.84	1.03	16.93	28.34	-37.31	17.03	13.82	1.50	7.01	
			+/-	0.53	0.06	0.01	(1.09)	(3.85)	(2.76)	2.96	1.79	1.74	(2.02)	(0.57)	0.48	0.40
TOTAL LARGE CAP <i>RUSSELL 1000</i>	1,767.3	4.17%	2.58	7.69	3.50	12.21	3.04	0.66	16.74	27.39	****	16.75	12.83	****	****	4.35
			+/-	0.15	0.08	(0.14)	(1.15)	(1.34)	(0.84)	0.64	(1.04)	****	(0.58)	(0.98)	****	****
TOTAL SMALL CAP ACTIVE <i>RUSSELL 2000</i>	762.1	1.80%	3.71	7.42	2.79	10.80	-5.73	-6.63	29.84	38.79	-42.32	12.01	14.70	0.93	****	5.18
			+/-	0.38	0.42	0.88	0.20	(3.66)	(2.46)	2.99	11.61	(8.52)	(1.38)	0.81	(0.97)	****
TOTAL EMERGING MGRS <i>RUSSELL 3000</i>	696.8	1.64%	3.41	7.66	4.41	13.07	0.14	-0.20	17.79	28.04	-36.45	14.29	13.81	2.10	7.31	7.94
			+/-	0.92	0.10	0.90	(0.08)	(3.70)	(1.23)	0.86	(0.30)	0.86	(2.73)	(0.02)	0.60	0.30
US STRATEGIC EQUITY	69.9	0.16%	3.31	9.82	1.99	3.88	-7.70	0.40	8.19	21.74	-31.55	6.81	6.23	-2.98	****	0.53
TOTAL U.S. ENVIRONMENTAL <i>RUSSELL 2000</i>	63.8	0.15%	3.64	4.81	1.83	7.82	-1.35	1.17	26.98	29.89	****	11.81	15.49	****	****	6.46
			+/-	0.30	(2.18)	(0.08)	(2.78)	0.73	5.34	0.13	2.71	****	(1.59)	1.61	****	****
TOTAL INTERNATIONAL EQUITY	6,380.6	15.04%	1.70	8.33	2.97	7.25	-13.62	-14.05	14.04	41.07	-46.01	-0.99	4.73	-3.20	7.89	6.28
PASSIVE DEVELOPED MARKETS	1,020.0	2.40%	2.69	10.99	3.70	7.17	-13.29	-12.50	8.18	32.26	-42.78	0.34	2.49	-4.48	6.96	4.91
<i>MSCI EAFE (NET DIVIDEND)</i>			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
			+/-	0.00	(0.14)	(0.15)	0.25	0.54	(0.36)	0.43	0.48	0.61	0.38	0.08	0.33	0.29
PASSIVE EMERGING MARKETS	979.0	2.31%	0.26	5.71	1.94	5.41	-15.21	****	****	****	****	-6.58	****	****	****	-10.66
<i>FTSE CUSTOM BENCHMARK</i>			0.34	6.38	2.60	6.59	-15.03	-18.27	24.60	83.92	-52.98	-4.46	9.03	1.42	****	
			+/-	(0.08)	(0.66)	(0.66)	(1.19)	(0.18)	****	****	****	(2.12)	****	****	****	****
ACTIVE DEVELOPED MARKETS	2,373.7	5.60%	2.11	9.47	3.53	6.85	-13.30	-11.88	10.56	34.00	-44.73	0.56	3.71	-4.24	6.78	6.45
<i>MSCI EAFE (NET DIVIDEND)</i>			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
			+/-	(0.57)	(1.66)	(0.32)	(0.07)	0.53	0.26	2.81	2.22	(1.34)	0.60	1.31	0.56	0.11
ACTIVE EMERGING MARKETS	1,607.9	3.79%	0.70	6.77	2.40	9.18	-12.97	-18.87	27.44	86.55	-54.13	-2.81	10.57	1.87	****	10.87
<i>FTSE CUSTOM BENCHMARK</i>			0.34	6.38	2.60	6.59	-15.03	-18.27	24.60	83.92	-52.98	-4.46	9.03	1.42	****	
			+/-	0.35	0.39	(0.20)	2.59	2.06	(0.60)	2.84	2.63	(1.15)	1.65	1.54	0.45	****
NON US STRATEGIC EQUITY	397.7	0.94%	4.47	6.23	2.93	7.87	-17.37	-17.79	21.57	33.76	****	-0.96	5.43	****	****	-1.73
TOTAL NON-U.S. ACTIVIST <i>MSCI EUROPE SMID CAP INDEX</i>	219.3	0.52%	5.54	5.48	2.53	4.83	-25.49	-24.14	29.33	29.34	****	-7.13	3.82	****	****	5.51
			+/-	0.97	(6.31)	(2.91)	(6.89)	(6.49)	(6.58)	13.30	(23.89)	****	(5.99)	(1.01)	****	****
NON-U.S. ENVIRONMENTAL <i>MSCI WORLD INDEX</i>	178.4	0.42%	3.18	7.18	3.43	11.85	-4.36	-7.75	8.66	40.08	****	7.89	6.76	****	****	-0.88
			+/-	0.59	(2.10)	(0.50)	1.38	0.05	(2.73)	(3.68)	9.28	****	(0.88)	(1.74)	****	****

**THE BANK OF NEW YORK MELLON
CITY OF NEW YORK**

**Manager / Benchmark Comparison Report *NYC Employees' Retirement System
August 31, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
FIXED INCOME ASSET CLASS SUMMARY																
TOTAL FIXED INCOME	\$ 13,590.4	32.03%	0.51%	2.74%	2.13%	6.76%	7.97%	7.75%	10.68%	15.55%	-1.87%	8.50%	9.86%	8.38%	****	6.65%
CORE + 5	7,687.2	18.12%	0.30	2.28	2.11	5.81	9.24	8.85	9.42	9.65	3.27	8.07	8.69	8.14	6.55	8.75
<i>NYC - CORE PLUS FIVE</i>			0.08	1.94	1.86	4.91	9.35	9.40	7.13	6.28	6.64	7.39	7.59	7.70	6.21	
			+/-	0.21	0.34	0.25	0.89	(0.11)	(0.55)	2.29	3.37	0.68	1.09	0.44	0.35	
ALL MORTGAGE	3,038.4	7.16%	0.33	1.38	1.19	3.74	5.64	6.19	9.12	9.15	3.67	4.75	7.00	7.06	5.71	7.55
<i>CITIGROUP MORTGAGE INDEX</i>			0.10	0.98	0.89	2.59	5.05	6.38	5.50	5.76	8.49	3.69	5.29	6.54	5.35	
			+/-	0.22	0.40	0.31	1.15	0.59	(0.19)	3.62	3.39	(4.82)	1.07	1.70	0.51	0.36
ALL INVESTMENT GRADE CREDIT	3,573.6	8.42%	0.45	3.63	3.16	8.30	9.36	7.82	9.63	20.37	-6.68	10.40	9.78	8.08	7.02	7.82
<i>NYC - INVESTMENT GRADE CREDIT</i>			0.30	3.57	3.03	7.63	9.14	7.80	8.36	16.36	-4.06	9.63	8.86	7.61	6.51	
			+/-	0.15	0.06	0.13	0.67	0.23	0.03	1.27	4.01	(2.62)	0.77	0.92	0.48	0.51
ALL TREASURY / AGENCY	1,075.2	2.53%	-0.29	0.95	1.67	5.20	18.62	18.35	9.55	-6.56	17.73	11.11	10.43	9.66	7.21	8.47
<i>NYC - TREASURY AGENCY PLUS FIVE</i>			-0.34	0.96	1.65	4.96	18.72	18.44	9.24	-7.44	18.91	10.89	10.17	9.56	7.15	
			+/-	0.04	(0.00)	0.02	0.24	(0.10)	(0.09)	0.31	0.88	(1.18)	0.21	0.26	0.11	0.06
TOTAL TIPS MANAGERS	938.1	2.21%	-0.13	1.14	1.67	5.82	12.13	13.50	6.47	10.15	-0.66	8.95	9.92	8.29	****	6.56
<i>BARCLAYS CAPITAL US TIPS INDEX</i>			-0.29	1.04	1.60	5.71	11.66	13.56	6.37	11.41	-2.35	8.29	9.88	8.12	6.85	
			+/-	0.15	0.11	0.06	0.11	0.47	(0.06)	0.10	(1.26)	1.69	0.65	0.04	0.17	****
TOTAL ENHANCED YIELD	2,679.1	6.31%	1.16	4.54	2.57	9.11	6.31	5.73	14.24	40.25	-18.55	11.97	13.10	8.95	9.80	2.72
<i>CITIGROUP BB & B</i>			1.05	5.09	2.95	9.87	8.45	6.58	13.35	40.37	-25.10	13.86	13.19	7.25	9.04	
			+/-	0.12	(0.56)	(0.38)	(0.75)	(2.14)	(0.85)	0.89	(0.12)	6.55	(1.89)	(0.08)	1.70	0.76
TOTAL BANK LOANS	580.0	1.37%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
<i>CREDIT SUISSE LEVERAGED LOAN INDEX</i>			****	****	****	****	****	****	****	****	****	****	****	****	****	****
			+/-	****	****	****	****	****	****	****	****	****	****	****	****	****
TOTAL CONVERTIBLE BONDS	560.9	1.32%	1.93	5.04	2.81	8.37	-2.09	-3.02	14.54	33.08	****	7.60	9.21	****	****	4.18
<i>BoFA ML ALL CONVERTIBLES EX MANDATORY</i>			2.15	4.99	2.77	9.87	-1.68	-3.42	16.52	47.19	-33.02	9.02	11.03	4.09	****	
			+/-	(0.22)	0.05	0.04	(1.50)	(0.41)	0.39	(1.98)	(14.11)	****	(1.42)	(1.81)	****	****
TOTAL OPPORTUNISTIC FIXED ^^	462.3	1.09%	0.12	1.64	1.00	14.99	-4.48	-4.40	26.01	19.13	-6.33	2.24	17.86	****	****	11.33
<i>NYC - JP MORGAN HY PLUS 3%</i>			1.51	5.80	3.59	12.35	10.67	8.73	18.05	61.90	-23.83	16.78	17.92	12.70	****	
			+/-	(1.39)	(4.16)	(2.59)	2.64	(15.15)	(13.13)	7.96	(42.77)	17.50	(14.53)	(0.06)	****	****
^^ since inception irr calculated from Burgis as of 8/31/2012																
TOTAL PROGRESS FIXED EMERGING MGRS	105.3	0.25%	0.16	1.65	1.65	4.81	8.80	8.39	7.43	8.78	6.21	7.01	7.51	7.37	6.83	6.77
<i>BARCLAYS CAPITAL AGGREGATE</i>			0.07	1.49	1.45	3.85	7.47	7.84	6.54	5.93	5.24	5.78	6.51	6.66	5.48	
			+/-	0.10	0.17	0.20	0.96	1.33	0.55	0.89	2.85	0.97	1.23	1.00	0.71	1.36
TOTAL CORE PLUS FIXED INCOME	58.3	0.14%	0.30	2.43	2.02	5.20	7.61	8.11	7.46	****	****	6.89	7.86	****	****	8.85
<i>BARCLAYS CAPITAL AGGREGATE</i>			0.07	1.49	1.45	3.85	7.47	7.84	6.54	5.93	5.24	5.78	6.51	6.66	5.48	
	13,010.4		+/-	0.23	0.94	0.57	1.35	0.14	0.27	0.92	****	****	1.11	1.36	****	****
ECONOMICALLY TARGETED INVESTMENTS	519.3	1.22%	0.44	1.74	0.44	4.53	7.04	6.61	6.87	8.23	6.28	6.55	6.68	7.23	6.52	9.93
<i>EMPLOYEES CUSTOM BENCHMARK (NO CASH)</i>			0.07	1.21	1.15	3.22	6.63	7.66	6.47	5.21	7.01	4.89	6.19	6.71	5.63	
			+/-	0.38	0.53	(0.70)	1.31	0.40	(1.05)	0.40	3.02	(0.73)	1.67	0.50	0.52	0.90
CASH ASSET CLASS SUMMARY																
TOTAL CASH	634.8	1.50%	0.02	0.08	0.05	0.74	0.99	0.89	0.48	1.31	3.42	0.78	0.81	1.73	****	2.73
<i>ML 91 DAY TREASURY BILL INDEX</i>			0.01	0.03	0.02	0.06	0.06	0.10	0.13	0.21	2.06	0.06	0.12	0.80	1.84	
			+/-	0.01	0.05	0.03	0.68	0.93	0.79	0.35	1.10	1.36	0.72	0.70	0.94	****

**THE BANK OF NEW YORK MELLON
CITY OF NEW YORK**

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August 31, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
US EQUITY																
TOTAL RUSSELL 3000	6,171.0	14.55%	2.50	7.56	3.50	13.13	3.87	1.05	17.22	28.29	-37.16	17.01	13.92	1.57	7.01	9.17
RUSSELL 3000			2.50	7.57	3.51	13.15	3.84	1.03	16.93	28.34	-37.31	17.03	13.82	1.50	7.01	
			+/-	0.01	(0.01)	(0.01)	(0.03)	0.03	0.02	0.29	(0.05)	0.15	(0.02)	0.10	0.07	0.00
BLACKROCK RUSSELL 3000	4,252.0	10.02%	2.49	7.56	3.50	13.14	3.84	0.95	17.04	28.21	-37.29	17.00	13.82	1.46	6.95	2.17
STATE STREET R3000	1,919.0	4.52%	2.52	7.54	3.49	13.11	3.92	1.19	****	****	****	17.02	****	****	****	13.59
RUSSELL 3000			2.50	7.57	3.51	13.15	3.84	1.03	16.93	28.34	-37.31	17.03	13.82	1.50	7.01	
			+/-	(0.00)	(0.00)	(0.01)	(0.02)	(0.00)	(0.07)	0.11	(0.13)	0.02	(0.02)	(0.00)	(0.04)	(0.06)
			+/-	0.02	(0.02)	(0.02)	(0.04)	0.08	0.17	****	****	****	(0.01)	****	****	****
TOTAL STANDARD & POORS 500	3,517.6	8.29%	2.32	7.95	3.71	13.39	5.03	1.74	14.90	26.45	-37.11	17.73	13.39	1.11	6.43	1.50
AMALGAMATED S & P 500 INDEX	3,517.6	8.29%	2.32	7.95	3.71	13.39	5.03	1.74	14.90	26.45	-37.11	17.73	13.39	1.11	6.43	1.64
STANDARD & POORS 500			2.25	7.94	3.67	13.51	5.45	2.11	15.06	26.47	-37.00	18.00	13.62	1.28	6.50	
			+/-	0.07	0.01	0.04	(0.12)	(0.42)	(0.37)	(0.16)	(0.02)	(0.11)	(0.27)	(0.24)	(0.17)	(0.08)
			+/-	0.07	0.01	0.04	(0.12)	(0.42)	(0.37)	(0.16)	(0.02)	(0.11)	(0.27)	(0.24)	(0.17)	(0.07)
TOTAL SMALL CAP	1,241.0	2.93%	3.57	7.26	2.45	10.75	-4.34	-4.50	29.84	38.79	-42.32	12.54	15.54	1.38	8.19	6.35
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	0.24	0.27	0.55	0.15	(2.27)	(0.33)	2.99	11.61	(8.52)	(0.86)	1.66	(0.52)	(0.81)
TOTAL SMALL CAP PASSIVE	478.9	1.13%	3.36	7.02	1.93	10.76	-2.01	****	****	****	****	13.54	****	****	****	2.72
BLACKROCK R2000	478.9	1.13%	3.36	7.02	1.93	10.76	-2.01	****	****	****	****	13.54	****	****	****	2.72
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	0.02	0.03	0.02	0.16	0.07	****	****	****	0.14	****	****	****	****
			+/-	0.02	0.03	0.02	0.16	0.07	****	****	****	0.14	****	****	****	****
TOTAL SMALL CAP ACTIVE	762.1	1.80%	3.71	7.42	2.79	10.80	-5.73	-6.63	29.84	38.79	-42.32	12.01	14.70	0.93	****	5.18
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	0.38	0.42	0.88	0.20	(3.66)	(2.46)	2.99	11.61	(8.52)	(1.38)	0.81	(0.97)	****
TOTAL SMALL CAP CORE ACTIVE	141.9	0.33%	2.85	8.61	3.19	10.41	-13.23	-10.13	31.75	45.44	****	8.27	15.13	****	****	15.29
DARUMA ASSET MANAGEMNT	141.9	0.33%	2.85	8.61	3.19	10.41	-13.23	-10.13	31.75	45.44	****	8.27	15.13	****	****	15.29
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	(0.49)	1.62	1.29	(0.19)	(11.15)	(5.96)	4.90	18.26	****	(5.13)	1.25	****	****
			+/-	(0.49)	1.62	1.29	(0.19)	(11.15)	(5.96)	4.90	18.26	****	(5.13)	1.25	****	****
RAFI ENHANCED SMALL CO.	620.2	1.46%	3.91	7.10	2.68	11.03	-3.39	-4.70	29.59	34.62	****	13.40	15.08	****	****	7.05
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	0.58	0.10	0.78	0.43	(1.31)	(0.52)	2.74	7.44	****	(0.00)	1.20	****	****
TOTAL MID CAP	2,151.4	5.07%	3.47	5.37	3.42	11.61	-2.29	****	****	****	****	12.69	****	****	****	4.72
RUSSELL MIDCAP			3.15	6.30	3.39	11.63	-1.65	-1.55	25.47	40.46	-41.46	13.30	15.56	2.47	9.87	
			+/-	0.32	(0.93)	0.03	(0.02)	(0.63)	****	****	****	(0.60)	****	****	****	****
TOTAL MID CAP PASSIVE	2,151.4	5.07%	3.47	5.37	3.42	11.61	-2.29	****	****	****	****	12.69	****	****	****	4.72
SSGA S&P 400	2,151.4	5.07%	3.47	5.37	3.42	11.61	-2.29	****	****	****	****	12.69	****	****	****	4.72
S&P MIDCAP INDEX 400			3.48	5.39	3.43	11.61	-2.33	-1.73	26.64	37.38	-36.23	12.75	15.73	3.97	9.63	
			+/-	(0.01)	(0.02)	(0.02)	(0.00)	0.04	****	****	****	(0.05)	****	****	****	****
			+/-	(0.01)	(0.02)	(0.02)	(0.00)	0.04	****	****	****	(0.05)	****	****	****	****

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
TOTAL LARGE CAP	1,767.3	4.17%	2.58	7.69	3.50	12.21	3.04	0.66	16.74	27.39	****	16.75	12.83	****	****	4.35
RUSSELL 1000			2.43	7.61	3.64	13.37	4.37	1.50	16.10	28.43	-37.60	17.33	13.82	1.47	6.85	
	1,767.3	+/-	0.15	0.08	(0.14)	(1.15)	(1.34)	(0.84)	0.64	(1.04)	****	(0.58)	(0.98)	****	****	
TOTAL LARGE CAP GROWTH	253.1	0.60%	3.85	7.50	5.13	14.44	4.56	2.33	13.59	****	****	19.91	14.09	****	****	17.73
PROFIT INV MGMT (D)	165.7	0.39%	3.79	8.20	6.40	15.45	6.05	2.97	9.48	****	****	22.37	13.42	****	****	17.35
CASTLEARK MGMT (D)	87.4	0.21%	3.95	6.18	2.78	12.57	1.93	1.17	21.89	****	****	15.52	15.38	****	****	18.45
RUSSELL 1000 GROWTH			2.69	6.89	4.07	14.55	5.76	2.64	16.71	37.22	-38.43	17.37	15.58	3.69	7.03	
TOTAL LARGE CAP GROWTH +/-			1.16	0.60	1.06	(0.12)	(1.20)	(0.31)	(3.12)	****	****	2.55	(1.50)	****	****	
PROFIT INV MGMT +/-			1.10	1.31	2.34	0.89	0.30	0.33	(7.23)	****	****	5.00	(2.16)	****	****	
CASTLEARK MGMT +/-			1.26	(0.71)	(1.28)	(1.98)	(3.83)	(1.47)	5.18	****	****	(1.85)	(0.20)	****	****	
TOTAL LARGE CAP VALUE	115.7	0.27%	1.69	5.57	1.30	8.22	-0.43	-1.79	10.60	****	****	9.94	9.13	****	****	13.66
DENALI ADVISORS (D)	115.7	0.27%	1.69	5.57	1.30	8.22	-0.43	-0.34	11.13	****	****	9.94	10.24	****	****	14.91
RUSSELL 1000 VALUE			2.17	8.35	3.23	12.19	3.01	0.39	15.51	19.69	-36.85	17.30	12.08	-0.86	6.56	
TOTAL LARGE CAP VALUE +/-			(0.48)	(2.78)	(1.93)	(3.97)	(3.44)	(2.18)	(4.91)	****	****	(7.36)	(2.95)	****	****	
DENALI ADVISORS +/-			(0.48)	(2.78)	(1.93)	(3.97)	(3.44)	(0.73)	(4.38)	****	****	(7.36)	(1.84)	****	****	
TOTAL LARGE CAP CORE	239.5	0.56%	2.85	8.92	4.14	12.77	0.90	-1.94	15.86	****	****	15.38	12.43	****	****	25.99
SEIZERT CAPITAL PRTNRS (D)	124.1	0.29%	3.13	8.91	4.02	10.46	-0.77	-0.03	15.82	****	****	12.48	12.76	****	****	16.94
PIEDMONT INV ADV (D)	115.5	0.27%	2.55	8.93	4.28	15.36	2.76	-4.01	15.91	****	****	18.67	12.09	****	****	15.70
RUSSELL 1000			2.43	7.61	3.64	13.37	4.37	1.50	16.10	28.43	-37.60	17.33	13.82	1.47	6.85	
TOTAL LARGE CAP CORE +/-			0.42	1.31	0.50	(0.60)	(3.48)	(3.44)	(0.24)	****	****	(1.95)	(1.38)	****	****	
SEIZERT CAPITAL PRTNRS +/-			0.70	1.30	0.38	(2.91)	(5.14)	(1.53)	(0.28)	****	****	(4.86)	(1.06)	****	****	
PIEDMONT INV ADV +/-			0.12	1.32	0.64	2.00	(1.62)	(5.51)	(0.19)	****	****	1.34	(1.72)	****	****	
TOTAL FUNDAMENTAL INDEX LARGE CAP	1,159.0	2.73%	2.34	7.70	3.24	12.03	3.53	1.24	18.05	26.11	****	17.09	13.13	****	****	4.48
RUSSELL 1000			2.43	7.61	3.64	13.37	4.37	1.50	16.10	28.43	-37.60	17.33	13.82	1.47	6.85	
			(0.09)	0.09	(0.40)	(1.33)	(0.84)	(0.26)	1.95	(2.32)	****	(0.25)	(0.68)	****	****	
VTL S&P 500	286.5	0.68%	2.80	8.22	3.67	12.97	2.93	0.72	17.47	30.84	****	17.19	13.50	****	****	5.23
STANDARD & POORS 500			2.25	7.94	3.67	13.51	5.45	2.11	15.06	26.47	-37.00	18.00	13.62	1.28	6.50	
			0.55	0.27	0.00	(0.54)	(2.52)	(1.39)	2.41	4.37	****	(0.81)	(0.13)	****	****	
RAFI ENHANCED LARGE CO.	872.5	2.06%	2.18	7.54	3.10	11.73	3.73	2.38	18.99	27.48	****	17.05	13.61	****	****	6.39
RUSSELL 1000			2.43	7.61	3.64	13.37	4.37	1.50	16.10	28.43	-37.60	17.33	13.82	1.47	6.85	
RAFI ENHANCED LARGE CO. +/-			(0.24)	(0.08)	(0.54)	(1.64)	(0.65)	0.88	2.89	(0.95)	****	(0.28)	(0.20)	****	****	
EMERGING MANAGERS																
TOTAL EMERGING MGRS	696.8	1.64%	3.41	7.66	4.41	13.07	0.14	-0.20	17.79	28.04	-36.45	14.29	13.81	2.10	7.31	7.94
PROGRESS EQUITY	273.6	0.64%	3.80	8.02	5.06	13.71	-1.02	-1.18	16.81	30.87	-37.03	13.76	13.28	2.01	7.46	8.05
ATTUCKS	210.1	0.50%	3.38	7.28	4.18	12.19	-0.02	0.50	18.78	24.63	-36.63	14.03	13.99	****	****	1.21
F.I.S FUND MGMT	163.0	0.38%	2.99	7.65	4.00	13.36	2.21	0.81	16.39	26.79	-35.41	15.40	13.78	2.02	6.91	2.84
CAPITAL PROSPECTS	50.0	0.12%	2.84	7.30	3.17	12.41	0.60	-0.95	18.56	27.04	-37.64	14.74	13.67	****	****	0.82
RUSSELL 3000			2.50	7.57	3.51	13.15	3.84	1.03	16.93	28.34	-37.31	17.03	13.82	1.50	7.01	
TOTAL EMERGING MGRS +/-			0.92	0.10	0.90	(0.08)	(3.70)	(1.23)	0.86	(0.30)	0.86	(2.73)	(0.02)	0.60	0.30	
PROGRESS EQUITY +/-			1.30	0.46	1.55	0.56	(4.86)	(2.21)	(0.12)	2.53	0.28	(3.27)	(0.54)	0.51	0.45	
ATTUCKS +/-			0.88	(0.28)	0.67	(0.96)	(3.86)	(0.52)	1.85	(3.71)	0.68	(3.00)	0.17	****	****	
F.I.S FUND MGMT +/-			0.49	0.09	0.49	0.20	(1.63)	(0.22)	(0.54)	(1.55)	1.90	(1.62)	(0.05)	0.51	(0.10)	
CAPITAL PROSPECTS +/-			0.34	(0.27)	(0.34)	(0.74)	(3.24)	(1.97)	1.63	(1.30)	(0.33)	(2.29)	(0.15)	****	****	

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U.S. ENVIRONMENTAL																
TOTAL U.S. ENVIRONMENTAL	63.8	0.15%	3.64	4.81	1.83	7.82	-1.35	1.17	26.98	29.89	****	11.81	15.49	****	****	6.46
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	0.30	(2.18)	(0.08)	(2.78)	0.73	5.34	0.13	2.71	****	(1.59)	1.61	****	****
WALDEN ASSET MGMT	63.8	0.15%	3.64	4.81	1.83	7.82	-1.35	1.17	26.98	29.89	****	11.81	15.49	****	****	6.46
RUSSELL 2000			3.33	6.99	1.91	10.60	-2.08	-4.18	26.85	27.18	-33.80	13.40	13.88	1.90	9.00	
			+/-	0.30	(2.18)	(0.08)	(2.78)	0.73	5.34	0.13	2.71	****	(1.59)	1.61	****	****
NON - US EQUITY																
EAFE GROWTH	813.6	1.92%	2.37	9.83	4.00	8.59	-12.72	-12.92	10.16	33.99	-44.76	0.85	3.65	-3.01	****	6.42
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
MSCI EAFE GROWTH			1.95	9.36	3.70	8.04	-12.22	-11.82	12.60	29.91	-42.46	0.14	5.20	-3.20	****	
			+/-	(0.31)	(1.30)	0.15	1.67	1.11	(0.77)	2.41	2.21	(1.37)	0.90	1.25	1.80	****
			+/-	0.42	0.48	0.30	0.55	(0.50)	(1.09)	(2.44)	4.08	(2.30)	0.71	(1.56)	0.19	****
TOTAL INTL GROWTH	813.6	1.92%	2.37	9.83	4.00	8.59	-12.72	-12.92	10.16	33.99	-44.76	0.85	3.65	-3.01	****	6.42
BAILLIE GIFFORD	389.8	0.92%	2.02	9.17	3.79	7.20	-12.01	-11.03	17.57	46.55	-44.86	0.06	6.91	****	****	-2.09
PYRAMIS GLOBAL ADVISORS	323.7	0.76%	2.75	11.00	4.42	10.28	-10.89	-11.29	10.72	34.05	-42.74	3.57	5.21	****	****	-3.88
G.E. (NEW)	99.4	0.23%	2.56	8.96	3.54	8.48	-15.50	-15.62	6.38	28.21	-42.40	-1.19	1.43	****	****	-6.82
MSCI EAFE GROWTH			1.95	9.36	3.70	8.04	-12.22	-11.82	12.60	29.91	-42.46	0.14	5.20	-3.20	****	
			+/-	0.42	0.48	0.30	0.55	(0.50)	(1.09)	(2.44)	4.08	(2.30)	0.71	(1.56)	0.19	****
			+/-	0.07	(0.19)	0.09	(0.84)	0.22	0.79	4.97	16.64	(2.40)	(0.08)	1.71	****	****
			+/-	0.80	1.64	0.72	2.24	1.33	0.53	(1.88)	4.14	(0.28)	3.43	0.01	****	****
			+/-	0.61	(0.39)	(0.16)	0.44	(3.28)	(3.80)	(6.22)	(1.70)	0.06	(1.32)	(3.77)	****	****
EAFE VALUE	710.9	1.68%	2.43	9.54	2.95	5.32	-12.96	-11.01	10.16	33.99	-44.76	-0.02	3.13	-5.39	****	4.77
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
MSCI EAFE VALUE			3.44	13.06	4.04	6.64	-14.60	-11.65	3.81	35.06	-43.68	0.74	0.53	-5.54	****	
			+/-	(0.26)	(1.59)	(0.90)	(1.60)	0.87	1.13	2.41	2.21	(1.37)	0.02	0.72	(0.58)	****
			+/-	(1.01)	(3.52)	(1.09)	(1.32)	1.64	0.63	6.35	(1.07)	(1.08)	(0.76)	2.59	0.15	****
TOTAL INTL VALUE	710.9	1.68%	2.43	9.54	2.95	5.32	-12.96	-11.01	10.07	31.48	-44.99	-0.02	3.13	-5.39	****	4.77
SPRUCEGROVE (NEW)	483.3	1.14%	1.67	8.38	2.44	7.25	-9.40	-10.12	19.06	34.90	-41.78	2.20	7.04	-2.23	****	-2.23
MONDRIAN INVESTMENT PARTNERS LTD II	227.0	0.53%	4.08	12.12	4.08	3.71	-10.72	-2.94	3.98	25.02	****	1.87	3.97	****	****	-3.10
MSCI EAFE VALUE			3.44	13.06	4.04	6.64	-14.60	-11.65	3.81	35.06	-43.68	0.74	0.53	-5.54	****	
			+/-	(1.01)	(3.52)	(1.09)	(1.32)	1.64	0.63	6.26	(3.58)	(1.31)	(0.76)	2.59	0.15	****
			+/-	(1.76)	(4.67)	(1.61)	0.61	5.21	1.53	15.25	(0.16)	1.90	1.46	6.51	****	****
			+/-	0.64	(0.93)	0.04	(2.92)	3.88	8.71	0.17	(10.04)	****	1.13	3.44	****	****
TOTAL PASSIVE DEVELOPED	1,020.0	2.40%	2.69	10.99	3.70	7.17	-13.29	-12.50	8.18	32.26	-42.78	0.34	2.49	-4.48	6.96	4.91
SSGA	1,019.9	2.40%	2.69	10.99	3.70	7.17	-13.29	****	****	****	****	0.34	****	****	****	-4.88
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
			+/-	0.00	(0.14)	(0.15)	0.25	0.54	(0.36)	0.43	0.48	0.61	0.38	0.08	0.33	0.29
			+/-	0.00	(0.14)	(0.15)	0.25	0.54	****	****	****	****	0.38	****	****	****
TOTAL INTL CORE	810.4	1.91%	1.59	9.09	3.59	6.41	-14.80	-11.82	11.66	37.63	-44.88	0.32	4.42	-4.32	****	-4.56
THORNBURG	523.5	1.23%	1.01	8.44	3.53	8.67	-12.39	-11.61	16.28	32.90	-42.20	2.53	6.50	****	****	-3.23
PHILADELPHIA	286.9	0.68%	2.65	10.25	3.69	3.76	-17.64	-12.08	6.45	43.38	-47.64	-2.27	1.98	-5.79	****	-6.01
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
			+/-	(1.10)	(2.04)	(0.26)	(0.51)	(0.96)	0.32	3.91	5.85	(1.49)	0.37	2.02	0.49	****
			+/-	(1.67)	(2.69)	(0.32)	1.75	1.44	0.53	8.53	1.12	1.19	2.57	4.10	****	****
			+/-	(0.03)	(0.88)	(0.16)	(3.16)	(3.81)	0.06	(1.30)	11.60	(4.25)	(2.23)	(0.42)	(0.99)	****
TOTAL PROGRESS INTL	38.7	0.09%	1.97	9.38	3.31	7.42	-12.53	-13.33	12.96	36.52	-44.31	-0.89	4.42	****	****	-5.03
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
			+/-	(0.72)	(1.76)	(0.54)	0.50	1.30	(1.19)	5.21	4.74	(0.92)	(0.85)	2.02	****	****

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NON-US ACTIVIST & ENVIRONMENTAL EQUITY																
TOTAL NON-U.S. ENVIRONMENTAL	178.4	0.42%	3.18	7.18	3.43	11.85	-4.36	-7.75	8.66	40.08	****	7.89	6.76	****	****	-0.88
GENERATION GE	125.4	0.30%	3.34	6.78	3.48	11.86	-4.49	-7.77	15.09	48.07	****	7.69	9.46	****	****	6.63
F&C SGE	53.0	0.13%	2.80	8.12	3.32	11.83	-4.05	-7.69	13.52	40.22	****	8.36	8.62	****	****	1.51
MSCI WORLD INDEX			2.59	9.28	3.93	10.47	-4.42	-5.02	12.34	30.80	-40.33	8.77	8.50	-1.19	7.06	
TOTAL NON-U.S. ENVIRONMENTAL +/-			0.59	(2.10)	(0.50)	1.38	0.05	(2.73)	(3.68)	9.28	****	(0.88)	(1.74)	****	****	
GENERATION GE +/-			0.76	(2.50)	(0.46)	1.39	(0.08)	(2.76)	2.75	17.27	****	(1.08)	0.96	****	****	
F&C SGE +/-			0.21	(1.16)	(0.61)	1.36	0.36	(2.67)	1.18	9.42	****	(0.41)	0.12	****	****	
TOTAL NON-U.S. ACTIVIST	219.3	0.52%	5.54	5.48	2.53	4.83	-25.49	-24.14	29.33	29.34	****	-7.13	3.82	****	****	5.51
GOVERNANCE FOR OWNERS	219.3	0.52%	5.54	5.48	2.53	4.83	-25.50	-23.36	36.13	42.60	****	-7.13	6.45	****	****	14.68
MSCI EUROPE SMID CAP INDEX			4.57	11.78	5.44	11.72	-19.00	-17.56	16.03	53.23	-52.13	-1.14	4.83	-5.38	****	
+/-			0.97	(6.31)	(2.91)	(6.89)	(6.49)	(6.58)	13.30	(23.89)	****	(5.99)	(1.01)	****	****	
+/-			0.97	(6.31)	(2.91)	(6.89)	(6.50)	(5.80)	20.10	(10.63)	****	(5.99)	1.62	****	****	
TOTAL DEVELOPED MARKETS	3,393.8	8.00%	2.28	9.98	3.55	6.95	-13.36	-12.11	10.09	33.65	-44.34	0.41	3.44	-4.31	6.80	5.79
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
+/-			(0.40)	(1.15)	(0.30)	0.03	0.47	0.03	2.34	1.87	(0.95)	0.45	1.03	0.50	0.13	
TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST	3,791.5	8.94%	2.51	9.65	3.52	7.00	-13.74	-12.59	11.17	33.66	-44.37	0.26	3.66	-4.22	****	4.33
MSCI EAFE (NET DIVIDEND)			2.69	11.13	3.85	6.92	-13.83	-12.14	7.75	31.78	-43.39	-0.04	2.40	-4.81	6.67	
+/-			(0.18)	(1.48)	(0.33)	0.07	0.09	(0.45)	3.42	1.88	(0.98)	0.31	1.26	0.58	****	
EMERGING MARKETS																
TOTAL EMERGING MARKETS	2,589.1	6.10%	0.53	6.37	2.23	8.43	-13.32	-18.76	26.33	86.55	-54.13	-3.60	10.04	1.57	****	10.51
ACTIVE EMERGING MARKETS	1,607.9	3.79%	0.70	6.77	2.40	9.18	-12.97	-18.87	27.43	86.55	-54.13	-2.81	10.57	1.87	****	10.87
DFA	497.8	1.17%	0.54	5.79	1.44	7.07	-18.27	-23.73	32.76	93.27	-50.75	-8.38	9.02	2.70	****	12.46
BAILLIE GIFFORD	309.0	0.73%	0.65	5.53	3.22	2.96	-15.51	-17.76	24.87	89.08	-55.93	-5.55	8.27	0.03	****	9.46
STATE STREET	0.9	0.00%	0.36	9.70	0.39	21.39	0.06	-16.11	25.68	76.16	-54.78	8.88	15.24	2.82	****	11.08
ACADIAN	284.9	0.67%	1.20	8.69	3.84	9.69	-12.32	-15.94	25.57	87.79	-54.82	-1.17	11.54	2.86	****	11.11
EATON VANCE	515.4	1.21%	0.61	7.42	2.07	****	****	****	****	****	****	****	****	****	****	7.42
FTSE CUSTOM BENCHMARK			0.34	6.38	2.60	6.59	-15.03	-18.27	24.60	83.92	-52.98	-4.46	9.03	1.42	****	
ACTIVE EMERGING MARKETS +/-			0.35	0.39	(0.20)	2.59	2.06	(0.60)	2.83	2.63	(1.15)	1.65	1.54	0.45	****	
DFA +/-			0.19	(0.58)	(1.16)	0.47	(3.25)	(5.47)	8.16	9.35	2.23	(3.92)	(0.01)	1.28	****	
BAILLIE GIFFORD +/-			0.31	(0.85)	0.62	(3.64)	(0.48)	0.51	0.27	5.16	(2.95)	(1.08)	(0.76)	(1.39)	****	
STATE STREET +/-			0.02	3.33	(2.21)	14.80	15.09	2.16	1.08	(7.76)	(1.80)	13.35	6.22	1.40	****	
ACADIAN +/-			0.85	2.32	1.24	3.09	2.70	2.32	0.97	3.87	(1.84)	3.30	2.51	1.45	****	
EATON VANCE +/-			0.26	1.05	(0.53)	****	****	****	****	****	****	****	****	****	****	
PASSIVE EMERGING MARKETS	979.0	2.31%	0.26	5.71	1.94	5.41	-15.21	****	****	****	****	-6.58	****	****	****	-10.66
BLACKROCK-EM	979.0	2.31%	0.26	5.71	1.94	5.41	-15.21	****	****	****	****	-6.58	****	****	****	-10.66
FTSE CUSTOM BENCHMARK			0.34	6.38	2.60	6.59	-15.03	****	****	****	****	-4.46	****	****	****	
PASSIVE EMERGING MARKETS +/-			(0.08)	(0.66)	(0.66)	(1.19)	(0.18)	****	****	****	****	(2.12)	****	****	****	
BLACKROCK-EM +/-			(0.08)	(0.66)	(0.66)	(1.19)	(0.18)	****	****	****	****	(2.12)	****	****	****	
TOTAL INTERNATIONAL EQUITY	6,380.6	15.04%	1.70	8.33	2.97	7.25	-13.62	-14.05	14.04	41.07	-46.01	-0.99	4.73	-3.20	7.89	6.28
MSCI WORLD INDEX			2.59	9.28	3.93	10.47	-4.42	-5.02	12.34	30.80	-40.33	8.77	8.50	-1.19	7.06	
+/-			(0.89)	(0.95)	(0.96)	(3.22)	(9.21)	(9.04)	1.70	10.27	(5.68)	(9.76)	(3.77)	(2.01)	0.82	

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HEDGE FUNDS																
TOTAL HEDGE FUNDS	960.4	2.26%	0.82	0.47	1.11	1.98	-2.14	****	****	****	****	-1.53	****	****	****	-0.90
1 YEAR TREASURY BILL YIELD + 4%			0.35	1.09	0.78	2.81	4.26	****	****	****	****	4.22	****	****	****	
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.69	1.22	1.51	3.00	-3.45	****	****	****	****	0.07	****	****	****	
+/-			0.47	(0.62)	0.33	(0.83)	(6.40)	****	****	****	****	(5.75)	****	****	****	
+/-			0.13	(0.75)	(0.40)	(1.01)	1.31	****	****	****	****	(1.60)	****	****	****	
TOTAL DIRECT HEDGE FUNDS	714.4	1.68%	0.88	1.95	2.46	3.43	****	****	****	****	****	****	****	****	****	3.43
D.E. SHAW COMPOSITE FD	207.4	0.49%	****	1.72	1.45	6.42	****	****	****	****	****	****	****	****	****	6.42
BREVAN HOWARD	191.2	0.45%	****	1.11	3.41	-1.45	****	****	****	****	****	****	****	****	****	-1.45
BRIGADE LEV CAP STR	114.1	0.27%	****	1.38	1.26	****	****	****	****	****	****	****	****	****	****	2.75
BLUE TREND FD	116.9	0.28%	****	****	6.01	****	****	****	****	****	****	****	****	****	****	6.01
CASPIAN SELECT CF	84.9	0.20%	****	1.05	0.34	****	****	****	****	****	****	****	****	****	****	1.05
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.69	1.22	1.51	3.00	****	****	****	****	****	****	****	****	****	
MSCI AC WORLD INDEX STD NET			2.17	8.69	3.57	9.43	****	****	****	****	****	****	****	****	****	
BARCLAYS CAPITAL AGGREGATE			0.07	1.49	1.45	3.85	****	****	****	****	****	****	****	****	****	
TOTAL DIRECT HEDGE FUNDS +/-			0.19	0.73	0.95	0.43	****	****	****	****	****	****	****	****	****	
D.E. SHAW COMPOSITE FD +/-			****	0.50	(0.06)	3.42	****	****	****	****	****	****	****	****	****	
BREVAN HOWARD +/-			****	(0.11)	1.90	(4.45)	****	****	****	****	****	****	****	****	****	
BRIGADE LEV CAP STR +/-			****	0.17	(0.25)	****	****	****	****	****	****	****	****	****	****	
BLUE TREND FD +/-			****	****	4.51	****	****	****	****	****	****	****	****	****	****	
CASPIAN SELECT CF +/-			****	(0.16)	(1.17)	****	****	****	****	****	****	****	****	****	****	
TOTAL PERMAL HEDGE FUNDS OF FUNDS	246.1	0.58%	0.63	-3.62	-2.70	-2.61	-2.89	****	****	****	****	-5.96	****	****	****	-4.72
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.69	1.22	1.51	3.00	-3.45	****	****	****	****	0.07	****	****	****	
+/-			(0.05)	(4.84)	(4.21)	(5.60)	0.56	****	****	****	****	(6.04)	****	****	****	
FIXED INCOME																
TOTAL STRUCTURED FIXED INCOME	7,687.2	18.12%	0.30	2.28	2.11	5.81	9.24	8.85	9.42	9.65	3.27	8.07	8.69	8.14	6.55	8.75
NYC - CORE PLUS FIVE			0.08	1.94	1.86	4.91	9.35	9.40	7.13	6.28	6.64	7.39	7.59	7.70	6.21	
+/-			0.21	0.34	0.25	0.89	(0.11)	(0.55)	2.29	3.37	(3.37)	0.68	1.09	0.44	0.35	
ALL MORTGAGE	3,038.4	7.16%	0.33	1.38	1.19	3.74	5.64	6.19	9.12	9.15	3.67	4.75	7.00	7.06	5.71	7.55
PIMCO	780.6	1.84%	0.28	1.40	1.18	3.59	5.36	6.35	8.35	9.30	4.48	4.68	6.86	7.22	5.88	7.80
NEUBERGER BERMAN -MORT	757.4	1.79%	0.28	1.34	1.27	3.48	4.77	5.73	****	****	****	4.11	****	****	****	5.68
BLACKROCK	723.9	1.71%	0.46	1.57	1.27	4.86	6.77	6.04	8.81	10.93	2.28	5.94	7.25	7.25	5.78	6.57
WELLINGTON -MORT	299.6	0.71%	0.18	1.03	0.92	2.65	5.49	7.01	6.02	****	****	3.94	5.77	****	****	5.96
GOLDMAN SACHS -MORT	299.2	0.71%	0.29	1.30	1.09	3.39	6.23	6.57	5.80	****	****	4.72	5.67	****	****	5.91
SMITH BREEDEN -MORT	177.5	0.42%	0.43	1.39	1.19	3.45	5.36	6.00	6.40	****	****	4.49	5.81	****	****	5.92
CITIGROUP MORTGAGE INDEX			0.10	0.98	0.89	2.59	5.05	6.38	5.50	5.76	8.49	3.69	5.29	6.54	5.35	
ALL MORTGAGE +/-			0.22	0.40	0.31	1.15	0.59	(0.19)	3.62	3.39	(4.82)	1.07	1.70	0.51	0.36	
PIMCO +/-			0.18	0.42	0.29	0.99	0.30	(0.03)	2.85	3.54	(4.01)	1.00	1.57	0.68	0.53	
NEUBERGER BERMAN -MORT +/-			0.18	0.36	0.39	0.89	(0.28)	(0.65)	****	****	****	0.42	****	****	****	
BLACKROCK +/-			0.36	0.59	0.38	2.27	1.72	(0.33)	3.31	5.17	(6.21)	2.26	1.95	0.71	0.43	
WELLINGTON -MORT +/-			0.08	0.04	0.04	0.06	0.43	0.63	0.52	****	****	0.26	0.48	****	****	
GOLDMAN SACHS -MORT +/-			0.19	0.32	0.21	0.80	1.17	0.19	0.30	****	****	1.03	0.38	****	****	
SMITH BREEDEN -MORT +/-			0.33	0.41	0.30	0.85	0.30	(0.38)	0.90	****	****	0.80	0.52	****	****	

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ALL INVESTMENT GRADE CREDIT	3,573.6	8.42%	0.45	3.63	3.16	8.30	9.36	7.82	9.63	20.37	-6.68	10.40	9.78	8.08	7.02	7.82
PRUDENTIAL - CREDIT	934.6	2.20%	0.27	3.46	2.94	7.68	9.85	8.28	9.01	19.47	-2.40	10.15	9.39	8.82	7.31	7.66
T. ROWE PRICE -CREDIT	692.3	1.63%	0.50	3.59	3.25	8.77	9.60	8.08	10.54	20.33	-4.18	10.66	10.48	9.02	7.34	8.12
BLACKROCK - CREDIT	697.9	1.65%	0.37	3.59	3.10	8.46	9.72	7.75	9.56	18.44	-5.39	10.55	9.55	8.14	6.94	7.49
TAPLIN, CANIDA -CREDIT	599.2	1.41%	0.68	3.72	3.18	7.97	8.32	7.88	9.33	23.02	-12.92	9.88	9.98	6.75	6.64	7.46
BARROW HANLEY - CREDIT	579.6	1.37%	0.57	3.88	3.44	8.92	8.94	6.78	9.97	****	****	10.88	9.66	****	****	9.66
PRUDENTIAL-PRIVEST-CREDIT	70.0	0.16%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
NYC - INVESTMENT GRADE CREDIT			0.30	3.57	3.03	7.63	9.14	7.80	8.36	16.36	-4.06	9.63	8.86	7.61	6.51	
ALL INVESTMENT GRADE CREDIT +/-			0.15	0.06	0.13	0.67	0.23	0.03	1.27	4.01	(2.62)	0.77	0.92	0.48	0.51	
PRUDENTIAL - CREDIT +/-			(0.03)	(0.10)	(0.08)	0.05	0.72	0.48	0.65	3.11	1.66	0.52	0.53	1.21	0.81	
T. ROWE PRICE -CREDIT +/-			0.20	0.03	0.22	1.14	0.46	0.28	2.18	3.97	(0.12)	1.02	1.62	1.42	0.84	
BLACKROCK - CREDIT +/-			0.07	0.02	0.07	0.83	0.58	(0.05)	1.20	2.08	(1.33)	0.92	0.69	0.53	0.44	
TAPLIN, CANIDA -CREDIT +/-			0.38	0.15	0.15	0.34	(0.82)	0.09	0.97	6.66	(8.86)	0.25	1.12	(0.85)	0.13	
BARROW HANLEY - CREDIT +/-			0.27	0.31	0.41	1.29	(0.20)	(1.01)	1.61	****	****	1.25	****	****	****	
PRUDENTIAL-PRIVEST-CREDIT +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
ALL TREASURY / AGENCY	1,075.2	2.53%	-0.29	0.95	1.67	5.20	18.62	18.35	9.55	-6.56	17.73	11.11	10.43	9.66	7.21	8.47
PIMCO	464.6	1.10%	-0.31	0.90	1.65	5.40	18.60	18.07	10.17	-4.80	15.74	10.96	10.67	9.84	7.37	8.34
BLACKROCK -GOVT	430.2	1.01%	-0.26	1.02	1.72	5.09	18.61	18.59	9.14	****	****	11.32	10.25	****	****	10.42
STATE STREET	180.4	0.43%	-0.31	0.93	1.60	4.97	18.69	18.51	8.93	-6.54	18.90	10.98	10.23	9.77	7.26	8.79
NYC - TREASURY AGENCY PLUS FIVE			-0.34	0.96	1.65	4.96	18.72	18.44	9.24	-7.44	18.91	10.89	10.17	9.56	7.15	
ALL TREASURY / AGENCY +/-			0.04	(0.00)	0.02	0.24	(0.10)	(0.09)	0.31	0.88	(1.18)	0.21	0.26	0.11	0.06	
PIMCO +/-			0.02	(0.06)	0.00	0.43	(0.12)	(0.38)	0.93	2.64	(3.17)	0.07	0.50	0.28	0.22	
BLACKROCK -GOVT +/-			0.07	0.06	0.07	0.12	(0.11)	0.15	(0.10)	****	****	0.43	****	****	****	
STATE STREET +/-			0.03	(0.03)	(0.05)	0.01	(0.03)	0.07	(0.31)	0.90	(0.01)	0.09	0.06	0.21	0.11	
HIGH YIELD																
TOTAL ENHANCED YIELD	2,679.1	6.31%	1.16	4.54	2.57	9.11	6.31	5.73	14.24	40.25	-18.55	11.97	13.10	8.95	9.80	8.34
CITIGROUP BB & B			1.05	5.09	2.95	9.87	8.45	6.58	13.35	40.37	-25.10	13.86	13.19	7.25	9.04	
			+/-	0.12	(0.56)	(0.38)	(0.75)	(2.14)	(0.85)	0.89	(0.12)	6.55	(1.89)	(0.08)	1.70	0.76
LOOMIS SAYLES	569.2	1.34%	2.27	5.27	3.39	11.33	6.22	7.60	16.36	52.81	-23.17	13.28	16.32	10.73	11.88	9.65
NYC-LOOMIS (BoFA ML-MST II 7-03/BB&B PRIOR)			1.21	5.24	3.15	10.44	6.51	4.38	15.19	57.51	-26.39	13.05	14.27	9.28	10.35	
			+/-	1.07	0.02	0.24	0.89	(0.30)	3.22	1.17	(4.70)	3.22	0.22	2.05	1.45	1.53
T. ROWE PRICE	535.4	1.26%	1.01	5.23	2.76	8.96	6.27	4.96	14.14	43.67	-19.96	12.20	12.75	8.90	9.61	9.22
NEUBERGER BERMAN	539.6	1.27%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
SHENKMAN	318.7	0.75%	0.72	4.31	2.22	7.80	6.95	5.34	11.70	29.38	-12.87	11.65	10.96	7.88	****	7.56
STONE HARBOR	303.7	0.72%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
PENN	206.3	0.49%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
FORT WASHINGTON	206.1	0.49%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
HIGH YIELD TRANSITION -ACCOUNT	0.0	0.00%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CITIGROUP BB & B			1.05	5.09	2.95	9.87	8.45	6.58	13.35	40.37	-25.10	13.86	13.19	7.25	9.04	
T. ROWE PRICE +/-			(0.04)	0.13	(0.19)	(0.91)	(2.17)	(1.61)	0.79	3.30	5.14	(1.66)	(0.44)	1.64	0.57	
NEUBERGER BERMAN +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
SHENKMAN +/-			(0.32)	(0.79)	(0.73)	(2.07)	(1.49)	(1.24)	(1.65)	(10.99)	12.23	(2.21)	(2.23)	0.63	****	
STONE HARBOR +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
PENN +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
FORT WASHINGTON +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	

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BANK LOANS																
TOTAL BANK LOANS	580.0	1.37%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
BABSON BL MTA	159.5	0.38%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSSE BL MTA	159.5	0.38%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
GUGGENHEIM BL MTA	101.5	0.24%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
INVESCO BL MTA	159.5	0.38%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSSE LEVERAGED LOAN INDEX			****	****	****	****	****	****	****	****	****	****	****	****	****	****
BABSON BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSSE BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
GUGGENHEIM BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
INVESCO BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
TIPS																
TOTAL TIPS MANAGERS	938.1	2.21%	-0.13	1.14	1.67	5.82	12.13	13.50	6.47	10.15	-0.66	8.95	9.92	8.29	****	6.56
PIMCO-TIPS-MTA	543.8	1.28%	-0.08	1.18	1.70	6.06	12.36	13.34	6.57	10.24	-0.88	9.37	9.97	8.32	****	6.52
STATE STREET-TIPS-MTA	231.7	0.55%	-0.18	1.10	1.64	5.64	11.68	13.61	6.34	10.00	-0.96	8.29	9.89	8.13	****	6.79
BLACKROCK-TIPS	162.6	0.38%	-0.25	1.08	1.58	5.26	11.95	13.82	6.34	10.02	0.22	8.46	9.80	8.37	****	7.24
BARCLAYS CAPITAL US TIPS INDEX			-0.29	1.04	1.60	5.71	11.66	13.56	6.37	11.41	-2.35	8.29	9.88	8.12	6.85	
TOTAL TIPS MANAGERS +/-			0.15	0.11	0.06	0.11	0.47	(0.06)	0.10	(1.26)	1.69	0.65	0.04	0.17	****	
PIMCO-TIPS-MTA +/-			0.21	0.15	0.10	0.35	0.70	(0.22)	0.20	(1.17)	1.47	1.08	0.09	0.20	****	
STATE STREET-TIPS-MTA +/-			0.11	0.06	0.04	(0.07)	0.02	0.05	(0.03)	(1.41)	1.39	(0.00)	0.01	0.01	****	
BLACKROCK-TIPS +/-			0.04	0.04	(0.02)	(0.45)	0.29	0.26	(0.03)	(1.39)	2.57	0.16	(0.08)	0.25	****	
CONVERTIBLE BONDS																
TOTAL CONVERTIBLE BONDS	560.9	1.32%	1.93	5.04	2.81	8.37	-2.09	-3.02	14.54	33.08	****	7.60	9.21	****	****	4.18
BoFA ML ALL CONVERTIBLES EX MANDATORY			2.15	4.99	2.77	9.87	-1.68	-3.42	16.52	47.19	-33.02	9.02	11.03	4.09	****	
NYCERS CUSTOM CONVERTIBLE BOND INDEX			1.99	4.66	2.80	8.81	-1.59	-3.33	12.53	39.96	****	7.54	8.85	****	****	
+/-			(0.22)	0.05	0.04	(1.50)	(0.41)	0.39	(1.98)	(14.11)	****	(1.42)	(1.81)	****	****	
+/-			(0.06)	0.38	0.01	(0.44)	(0.51)	0.31	2.01	(6.88)	****	0.06	0.36	****	****	
ADVENT CONVERTIBLE BONDS	269.0	0.63%	1.64	4.96	2.80	8.64	-0.61	-1.59	14.96	36.66	****	8.27	9.77	****	****	6.61
BoFA ML CONVERTIBLES YIELD ALT. INDEX			1.57	3.85	2.33	7.60	-0.41	-1.73	12.98	46.25	****	6.03	9.20	****	****	
+/-			0.07	1.11	0.47	1.04	(0.20)	0.14	1.98	(9.59)	****	2.24	0.57	****	****	
LORD ABBETT CONVERTIBLE BONDS	148.8	0.35%	2.47	5.07	2.83	8.30	-4.96	-5.68	16.94	35.17	****	6.80	9.56	****	****	3.87
BoFA ML ALL CONVERTIBLES INDEX			2.41	5.14	3.02	9.81	-3.22	-5.18	16.77	49.13	-35.73	8.39	10.51	3.16	7.34	
+/-			0.06	(0.06)	(0.19)	(1.52)	(1.75)	(0.50)	0.17	(13.96)	****	(1.58)	(0.95)	****	****	
VICTORY CONVERTIBLE BONDS	143.1	0.34%	1.92	5.15	2.82	7.94	-1.78	-3.05	11.63	27.36	****	7.18	7.73	****	****	3.28
BoFA ML CONVERTIBLE BONDS INVST GRADE			1.98	4.98	3.05	8.97	-1.23	-3.14	7.89	25.49	****	8.12	6.78	****	****	
+/-			(0.06)	0.17	(0.23)	(1.04)	(0.55)	0.09	3.74	1.87	****	(0.94)	0.95	****	****	

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FIXED INCOME EMERGING/DEVELOPING MANAGERS																
TOTAL PROGRESS FIXED EMERGING MGRS	105.3	0.25%	0.16	1.65	1.65	4.81	8.80	8.39	7.43	8.78	6.21	7.01	7.51	7.37	6.83	6.77
BARCLAYS CAPITAL AGGREGATE			0.07	1.49	1.45	3.85	7.47	7.84	6.54	5.93	5.24	5.78	6.51	6.66	5.48	
			+/-	0.10	0.17	0.20	0.96	1.33	0.55	0.89	2.85	0.97	1.23	1.00	0.71	1.36
TOTAL CORE PLUS FIXED INCOME	58.3	0.14%	0.30	2.43	2.02	5.20	7.61	8.11	7.46	****	****	6.89	7.86	****	****	8.85
LM CAPITAL - MTA	58.3	0.14%	0.30	2.43	2.02	5.20	7.61	8.11	7.46	****	****	6.89	7.86	****	****	8.85
BARCLAYS CAPITAL AGGREGATE			0.07	1.49	1.45	3.85	7.47	7.84	6.54	5.93	5.24	5.78	6.51	6.66	5.48	
CORE PLUS FIXED INCOME			+/-	0.23	0.94	0.57	1.35	0.14	0.27	0.92	****	****	1.11	1.36	****	****
LM CAPITAL - MTA			+/-	0.23	0.94	0.57	1.35	0.14	0.27	0.92	****	****	1.11	1.36	****	****
OPPORTUNISTIC FIXED																
TOTAL OPPORTUNISTIC FIXED INCOME^^	462.3	1.09%	0.12	1.64	1.00	14.99	-4.48	-4.40	26.01	19.13	-6.33	2.24	17.86	****	****	11.33
NYC - JP MORGAN HY PLUS 3%			1.51	5.80	3.59	12.35	10.67	8.73	18.05	61.90	-23.83	16.78	17.92	****	****	
			+/-	(1.39)	(4.16)	(2.59)	2.64	(15.15)	(13.13)	7.96	(42.77)	17.50	(14.53)	(0.06)	****	****
^^ since inception irr calculated from Burgis as of 8/31/2012																
TOTAL FUND STRATEGIES	118.3	0.28%	****	****	****	****	****	****	****	****	****	****	****	****	****	4.39
AVE EURO SPECIAL SITUATIONS FD	4.9	0.01%	14.59	-52.37	-0.67	3.10	-24.87	-0.86	4.60	65.87	-9.22	-29.67	10.97	****	****	14.59
AVE SPECIAL SITUATIONS FD V	5.1	0.01%	10.89	-24.67	0.00	7.42	-25.95	-4.21	19.07	76.44	-51.42	-27.27	35.13	****	****	10.89
AVE SPECIAL SITUATIONS FD VI	63.0	0.15%	-3.22	-1.46	0.00	9.60	-1.75	-14.53	****	****	****	-1.67	****	****	****	-3.22
3 MONTH LIBOR PLUS 750BPS			0.64	1.93	0.64	5.25	7.96	7.85	7.85	8.16	10.11	7.98	7.87	****	****	
AVE SPECIAL SITUATIONS FD V			+/-	13.95	(54.30)	(1.31)	(2.15)	(32.83)	(8.71)	(3.25)	57.71	(19.33)	(37.65)	3.10	****	****
AVE SPECIAL SITUATIONS FD VI			+/-	10.25	(26.60)	(0.64)	2.17	(33.91)	(12.06)	11.22	68.28	(61.53)	(35.25)	27.26	****	****
AVE EURO SPECIAL SITUATIONS FD			+/-	(3.86)	(3.39)	(0.64)	4.35	(9.71)	(22.38)	****	****	****	****	****	****	****
ALLIANCE BERNSTEIN LEGACY SECS LP	20.0	0.05%	****	****	****	****	****	****	****	****	****	****	****	****	****	17.16
AG GECC LP	25.3	0.06%	****	****	****	****	****	****	****	****	****	****	****	****	****	22.43
NYC-CORE PLUS 5 + 200BPS			0.24	2.40	2.15	6.18	11.35	11.40	9.13	8.28	8.64	9.39	9.59	9.70	****	
TOTAL STRATEGIC MANDATES	344.0	0.81%	1.38	3.86	2.88	13.41	****	****	****	****	****	****	****	****	****	13.41
ANGELO GORDON PTNRS LP	54.0	0.13%	0.00	****	0.00	****	****	****	****	****	****	****	****	****	****	0.00
APOLLO PTNRS LP	55.7	0.13%	0.00	0.00	0.00	****	****	****	****	****	****	****	****	****	****	0.01
FORTRESS PTNRS LP	19.1	0.05%	-0.29	-0.29	-0.29	****	****	****	****	****	****	****	****	****	****	-0.29
GOLDENTREE OD MTA	106.4	0.25%	1.00	3.70	2.58	9.30	****	****	****	****	****	****	****	****	****	9.30
MARATHON OD MTA	108.8	0.26%	3.51	8.77	6.90	20.66	****	****	****	****	****	****	****	****	****	20.66
JP MORGAN GLOBAL HIGH YIELD BOND INDEX			1.31	5.28	3.23	10.89	****	****	****	****	****	****	****	****	****	
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			1.51	5.80	3.59	12.35	****	****	****	****	****	****	****	****	****	
TOTAL STRATEGIC MANDATES			+/-	(0.14)	(1.94)	(0.72)	1.06	****	****	****	****	****	****	****	****	****
ANGELO GORDON PTNRS LP			+/-	(1.51)	****	(3.59)	****	****	****	****	****	****	****	****	****	****
APOLLO PTNRS LP			+/-	(1.51)	(5.80)	(3.59)	****	****	****	****	****	****	****	****	****	****
FORTRESS PTNRS LP			+/-	(1.80)	(6.09)	(3.88)	****	****	****	****	****	****	****	****	****	****
GOLDENTREE OD MTA			+/-	(0.51)	(2.10)	(1.01)	(3.05)	****	****	****	****	****	****	****	****	****
MARATHON OD MTA			+/-	2.00	2.97	3.31	8.31	****	****	****	****	****	****	****	****	****

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Employees' Retirement System

August 31, 2012

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
OTHER FIXED INCOME																
TOTAL ETI	519.3	1.22%	0.44	1.74	0.44	4.53	7.04	6.61	6.87	8.23	6.28	6.55	6.68	7.23	6.52	9.93
EMPLOYEES CUSTOM BENCHMARK (NO CASH)			0.07	1.21	1.15	3.22	6.63	7.66	6.47	5.21	7.01	4.89	6.19	6.71	5.63	
			+/- 0.38	0.53	(0.70)	1.31	0.40	(1.05)	0.40	3.02	(0.73)	1.67	0.50	0.52	0.90	
AFL-CIO HOUSING INV TRUST	226.0	0.53%	0.19	1.33	1.18	3.85	7.60	7.86	6.16	6.28	5.26	6.28	6.30	6.69	****	5.35
BARCLAYS CAPITAL AGGREGATE			0.07	1.49	1.45	3.85	7.47	7.84	6.54	5.93	5.24	5.78	6.51	6.66	5.48	
			+/- 0.12	(0.16)	(0.27)	(0.00)	0.13	0.02	(0.38)	0.35	0.02	0.50	(0.21)	0.03	****	
ACCESS RBC	55.4	0.13%	0.27	1.71	0.27	3.76	6.57	6.78	5.72	10.99	6.67	5.47	5.85	7.44	****	6.88
ACCESS CUSTOM BENCHMARK			0.08	0.80	0.83	2.37	5.24	6.32	5.52	2.89	9.67	3.36	5.01	6.16	****	
			+/- 0.19	0.92	(0.56)	1.39	1.33	0.46	0.20	8.10	(3.00)	2.12	0.83	1.28	****	
BOA-PPAR	15.5	0.04%	0.84	2.43	1.66	4.82	6.84	****	7.51	7.51	7.51	7.51	****	****	****	6.84
CFSB-PPAR	2.4	0.01%	0.15	2.58	1.27	5.66	5.67	3.29	12.80	9.82	5.50	6.06	8.22	8.08	****	7.54
CCD-PPAR	5.6	0.01%	0.70	2.52	1.56	7.72	8.83	5.59	11.58	12.48	6.69	9.62	9.37	9.51	****	8.96
LIIF-PPAR	2.0	0.00%	-0.01	1.26	0.76	3.79	5.72	4.96	4.34	****	****	5.34	5.50	****	****	5.48
NCBCI-PPAR	1.4	0.00%	0.60	2.95	2.17	6.14	8.88	8.50	4.10	****	****	10.21	7.04	****	****	7.00
NHS-PPAR	1.2	0.00%	0.91	2.63	1.80	6.06	5.04	3.85	9.95	14.83	5.41	6.34	8.25	8.35	****	8.35
TARGETED INVESTMENT	188.2	0.44%	0.82	2.32	1.60	5.84	7.11	5.76	8.64	10.32	7.69	7.66	7.96	8.36	7.61	10.30
CPC TERM LOAN	21.6	0.05%	0.24	0.65	0.44	1.70	2.34	2.09	2.06	2.19	4.81	2.45	2.19	3.04	****	4.21
CASH																
TOTAL CASH	634.8	1.50%	0.02	0.08	0.05	0.74	0.99	0.89	0.49	1.31	3.42	0.78	0.81	1.73	****	2.73
ML 91 DAY TREASURY BILL INDEX			0.01	0.03	0.02	0.06	0.06	0.10	0.13	0.21	2.06	0.06	0.12	0.80	1.84	
			+/- 0.01	0.05	0.03	0.68	0.93	0.79	0.36	1.10	1.36	0.72	0.70	0.94	****	
PRIVATE EQUITY																
TOTAL PRIVATE EQUITY	3,534.5	8.33%	1.59	2.15	0.77	7.20	7.50	13.78	14.02	-4.17	-2.73	5.48	13.51	5.70	****	12.01
RUSSELL 3000 PLUS 5%			3.03	8.58	4.43	15.83	8.84	6.03	21.93	33.34	-32.30	22.03	18.83	6.56	12.05	
			+/- (1.44)	(6.44)	(3.66)	(8.62)	(1.34)	7.76	(7.91)	(37.51)	29.57	(16.55)	(5.32)	(0.85)	****	
PRIVATE REAL ESTATE																
TOTAL PRIVATE REAL ESTATE	1,710.0	4.03%	0.37	2.18	0.78	9.86	17.51	22.28	8.46	-43.87	-7.38	15.36	9.51	-4.78	****	7.03
NCREIF NFI-ODCE NET			0.00	2.29	0.00	4.90	11.31	14.97	15.26	-30.40	-10.70	11.31	7.37	-1.81	****	
			+/- 0.37	(0.11)	0.78	4.96	6.21	7.31	(6.80)	(13.47)	3.32	4.05	2.14	(2.97)	****	
TOTAL EMPLOYEES	42,425.6		1.58	5.10	2.49	8.83	1.32	1.13	13.79	20.98	-26.36	9.00	10.35	2.68	7.41	8.68
EMPLOYEES POLICY BENCHMARK			1.48	5.78	2.85	9.34	3.01	1.60	13.77	25.03	-28.19	11.02	10.99	3.16	7.59	
			+/- 0.10	(0.68)	(0.35)	(0.51)	(1.69)	(0.47)	0.02	(4.05)	1.83	(2.01)	(0.64)	(0.48)	(0.18)	

New York City Employees' Retirement System
Active Investments and Subsequent Commitments
As of March 31, 2012 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
Active Investments								
1998	VS&A Communications Partners III, L.P.	12/15/1998	\$ 50,000,000	\$ 50,063,625	\$ 63,825,056	\$ 4,519,765	1.37x	6.3%
1999	Cypress Merchant Banking Partners II, L.P.	3/29/1999	50,000,000	49,853,018	36,663,028	5,190,347	0.84x	(3.7%)
1999	FdG Capital Partners LLC	6/2/1999	25,000,000	24,302,765	38,113,544	5,248,936	1.78x	15.2%
1999	Lincolnshire Equity Fund II, L.P.	10/20/1999	20,000,000	18,711,603	33,126,429	4,348,040	2.00x	25.1%
2000	Carlyle Partners III, L.P.	3/1/2000	50,000,000	44,854,539	91,013,896	6,116,734	2.17x	20.4%
2000	Solera Partners, L.P.	5/26/2000	20,000,000	18,310,491	1,317,300	34,363,004	1.95x	9.1%
2000	SCP Private Equity Partners II, L.P.	6/15/2000	30,000,000	27,931,907	5,949,854	10,459,899	0.59x	(7.7%)
2001	Ripplewood Partners II, L.P.	2/28/2001	20,000,000	22,198,219	16,126,720	9,431,515	1.15x	4.5%
2001	New Mountain Partners, L.P.	3/16/2001	20,000,000	16,299,604	21,721,077	2,273,337	1.47x	12.8%
2001	Apollo Investment Fund V, L.P.	4/13/2001	40,000,000	37,355,718	83,373,594	14,607,818	2.62x	39.0%
2001	RRE Ventures III, L.P.	7/6/2001	20,000,000	25,262,003	14,641,650	30,252,661	1.78x	11.4%
2002	Yucaipa American Alliance Fund I, LP	7/1/2002	90,000,000	90,079,247	54,710,774	63,137,962	1.31x	8.0%
2002	Thomas, McNeerney & Partners, L.P.	10/9/2002	20,000,000	18,900,000	7,003,139	8,906,918	0.84x	(4.4%)
2002	BDCM Opportunity Fund, L.P.	10/14/2002	25,000,000	22,680,595	40,321,510	21,438,559	2.72x	24.2%
2002	Landmark Equity Partners XI, L.P.	10/23/2002	55,000,000	51,876,110	65,400,848	12,789,236	1.51x	24.8%
2003	FS Equity Partners V, L.P.	1/20/2003	25,000,000	20,013,626	17,351,039	22,636,573	2.00x	16.3%
2003	Blackstone Capital Partners IV, L.P.	2/26/2003	40,000,000	29,337,263	62,033,306	17,042,250	2.70x	39.8%
2003	Ares Corporate Opportunities Fund, L.P.	4/1/2003	45,000,000	43,410,390	48,706,309	19,470,204	1.57x	13.4%
2004	Markstone Capital Partners, LP	1/30/2004	40,000,000	36,662,312	12,641,450	22,026,190	0.95x	(1.5%)
2004	FdG Capital Partners II LP	8/30/2004	35,000,000	27,592,349	9,560,727	23,163,320	1.19x	3.2%
2004	Paladin Homeland Security Fund (NY City), L.P.	9/27/2004	15,000,000	15,092,783	1,727,294	5,872,259	0.50x	(12.6%)
2004	Lincolnshire Equity Fund III, L.P.	10/1/2004	55,000,000	45,411,744	60,120,212	30,367,751	1.99x	38.7%
2004	New York/Fairview Emerging Managers Fund, L.P.-Tranche 1	10/21/2004	32,000,000	26,800,000	5,381,224	20,765,742	0.98x	(0.7%)
2004	Palladium Equity Partners III, L.P.	11/12/2004	35,000,000	27,669,252	10,016,765	32,806,751	1.55x	16.5%
2004	Aurora Equity Partners III L.P.	11/16/2004	50,000,000	50,531,846	24,444,665	50,464,436	1.48x	13.8%
2004	Trilantic Capital Partners III L.P.	11/18/2004	50,000,000	37,441,009	41,388,915	15,979,666	1.53x	13.2%
2004	Celtic Pharmaceutical Holdings L.P.	12/23/2004	25,000,000	25,402,094	402,094	42,020,717	1.67x	11.3%
2005	New Mountain Partners II, L.P.	1/12/2005	46,451,615	36,322,688	26,744,947	31,901,742	1.61x	10.5%
2005	VSS Communications Partners IV, L.P.	3/14/2005	25,000,000	24,987,760	3,258,511	16,963,512	0.81x	(5.1%)
2005	Prism Venture Partners V-A, L.P.	7/14/2005	30,000,000	28,500,000	7,035,880	14,057,400	0.74x	(9.4%)
2005	Erasmus New York City Growth Fund	8/16/2005	40,000,000	34,819,694	8,545,125	21,570,233	0.86x	(3.5%)
2005	Quadrangle Capital Partners II LP	8/29/2005	65,000,000	50,577,592	14,949,234	48,572,634	1.26x	6.0%
2005	Snow Phipps Group, L.P.	9/7/2005	20,000,000	18,207,660	6,237,296	18,553,199	1.36x	12.8%
2005	GI Partners Fund II L.P.	9/26/2005	35,000,000	34,768,463	12,927,598	32,182,860	1.30x	5.8%
2005	Blackstone Mezzanine Partners II, L.P.	10/10/2005	25,000,000	21,681,049	14,499,582	14,170,675	1.32x	8.4%
2005	Psilos Group Partners III, L.P.	10/24/2005	35,000,000	32,373,682	1,554,042	40,246,190	1.29x	8.3%
2005	USPF II Institutional Fund, L.P.	11/23/2005	65,000,000	58,710,520	18,964,527	56,195,060	1.28x	5.9%
2005	JP Morgan Fleming (Tranche A)	12/21/2005	43,000,000	32,159,637	6,136,775	31,963,573	1.18x	5.9%
2006	Aisling Capital II, LP	1/12/2006	7,000,000	6,081,732	1,120,339	4,282,888	0.89x	(3.4%)
2006	InterMedia Partners VII, L.P.	1/20/2006	25,000,000	23,381,087	331,937	30,478,485	1.32x	6.4%
2006	Terra Firma Capital Partners III, L.P.	3/8/2006	53,052,130	41,877,072	1,123,857	18,679,700	0.47x	(21.9%)
2006	BDCM Opportunity Fund II, L.P.	3/29/2006	25,000,000	21,294,604	2,248,416	24,327,009	1.25x	7.9%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	123,900,000	116,394,471	10,511,069	113,591,487	1.07x	1.7%
2006	Avista Capital Partners, L.P.	4/27/2006	45,000,000	43,582,862	25,134,969	35,346,700	1.39x	8.3%
2006	GSC Recovery III, L.P.	5/4/2006	25,000,000	25,134,911	12,964,665	11,605,766	0.98x	(0.8%)
2006	Apollo Investment Fund VI, L.P.	5/10/2006	90,000,000	80,507,317	11,701,363	99,187,978	1.38x	7.9%
2006	Landmark Equity Partners XIII, L.P.	5/11/2006	50,000,000	45,718,449	26,191,523	25,454,039	1.13x	4.0%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	50,000,000	42,301,138	34,771,301	37,503,474	1.71x	13.8%
2006	Fairview Ventures Fund III, L.P.	6/29/2006	25,000,000	17,186,840	1,191,430	19,241,008	1.19x	8.9%
2006	Ampersand 2006	8/14/2006	25,000,000	21,000,000	5,900,401	20,301,175	1.25x	6.9%
2006	CCMP Capital Investors II, L.P.	8/17/2006	30,000,000	21,180,322	4,888,565	27,096,727	1.51x	15.0%
2006	Perseus Partners VII, L.P.	8/31/2006	30,000,000	26,992,867	49,972	24,366,796	0.90x	(3.3%)
2006	Thomas, McNeerney & Partners II, L.P.	11/30/2006	25,000,000	19,687,500	2,566,131	16,307,578	0.96x	(1.7%)
2006	Catterton Partners VI, L.P.	12/14/2006	45,000,000	34,959,414	3,547,893	49,242,368	1.51x	10.8%
2006	First Reserve Fund XI, L.P.	12/14/2006	45,000,000	42,868,887	11,964,479	37,355,992	1.15x	4.6%
2006	Arsenal Capital Partners II, LP	12/19/2006	22,500,000	21,894,010	1,568	31,497,869	1.44x	14.3%
2006	RRE Ventures IV, L.P.	12/19/2006	35,000,000	32,790,735	3,396,122	41,981,753	1.38x	12.0%
2006	MidOcean Partners III, L.P.	12/21/2006	60,000,000	41,579,760	565,573	36,872,628	0.90x	(3.3%)
2006	GF Capital Private Equity Fund, L.P.	12/22/2006	20,000,000	17,211,704	-	24,457,625	1.42x	16.7%
2006	The Fourth Cinven Fund	1/22/2007	71,955,974	58,447,607	10,748,326	64,814,565	1.29x	7.4%
2007	Pegasus Partners IV, L.P.	1/29/2007	30,000,000	28,717,276	10,640,893	42,517,277	1.85x	21.6%
2007	FTVentures III, L.P.	3/1/2007	25,000,000	14,468,473	17,000	27,728,495	1.92x	17.7%
2007	Co-Investment Partners Europe, L.P.	3/19/2007	39,980,769	33,748,763	1,223,176	30,795,229	0.95x	(2.4%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	20,000,000	16,040,000	4,610,869	15,052,088	1.23x	8.4%
2007	Quaker BioVentures II, L.P.	3/30/2007	20,000,000	11,703,426	816,717	9,712,108	0.90x	(4.9%)
2007	SCP Vitalife Partners II Fund	4/13/2007	20,000,000	13,899,698	1,579	11,578,560	0.83x	(8.2%)
2007	Craton Equity Investors I, L.P.	4/30/2007	20,000,000	18,609,493	12,194	16,096,723	0.87x	(6.6%)
2007	Nautic Partners VI, L.P.	5/14/2007	30,000,000	27,043,209	42,334	27,822,590	1.03x	1.5%
2007	Constellation Venture Capital III, L.P.	5/22/2007	25,000,000	22,498,595	-	20,255,535	0.90x	(5.5%)
2007	United States Power Fund III, L.P.	6/28/2007	65,000,000	50,654,993	4,940,003	46,862,265	1.02x	0.7%
2007	Halyard Capital Fund II, L.P.	7/2/2007	25,000,000	15,349,743	419,614	13,502,862	0.91x	(3.2%)
2007	Carlyle Partners V, L.P.	7/6/2007	70,000,000	43,329,730	7,844,455	47,452,397	1.28x	9.3%
2007	PCG Clean Energy & Technology Fund (East), LLC	7/6/2007	90,000,000	67,614,209	4,115,910	58,910,505	0.93x	(3.2%)
2007	GSO Capital Opportunities Fund LP	7/16/2007	45,000,000	43,074,597	18,790,556	40,406,245	1.37x	17.0%
2007	StarVest Partners II, L.P.	8/1/2007	25,000,000	14,673,409	6,556	12,118,808	0.83x	(10.9%)
2007	New Mountain Partners III, L.P.	8/9/2007	100,000,000	62,629,259	8,819,066	61,670,562	1.13x	5.6%
2007	Vista Equity Partners Fund III, L.P.	10/3/2007	30,000,000	26,059,711	14,257,755	41,109,346	2.12x	29.6%
2007	Trilantic Capital Partners IV, L.P.	10/22/2007	69,028,637	60,440,881	21,669,454	56,570,535	1.29x	13.9%
2007	RLJ Equity Partners Fund I, L.P.	11/30/2007	20,000,000	10,614,557	561,791	12,566,851	1.24x	13.0%
2008	Paladin III (NY City), L.P.	1/8/2008	30,000,000	16,430,718	3,008,636	15,441,921	1.12x	4.2%
2008	Pine Brook Capital Partners, L.P.	1/11/2008	30,000,000	19,850,236	6,782,944	18,616,496	1.28x	14.8%
2008	Relativity Fund, L.P.	1/17/2008	20,000,000	9,704,806	81,213	4,359,671	0.46x	(32.2%)
2008	Apollo Investment Fund VII, L.P.	1/28/2008	100,000,000	63,312,038	15,143,409	79,052,409	1.49x	21.5%

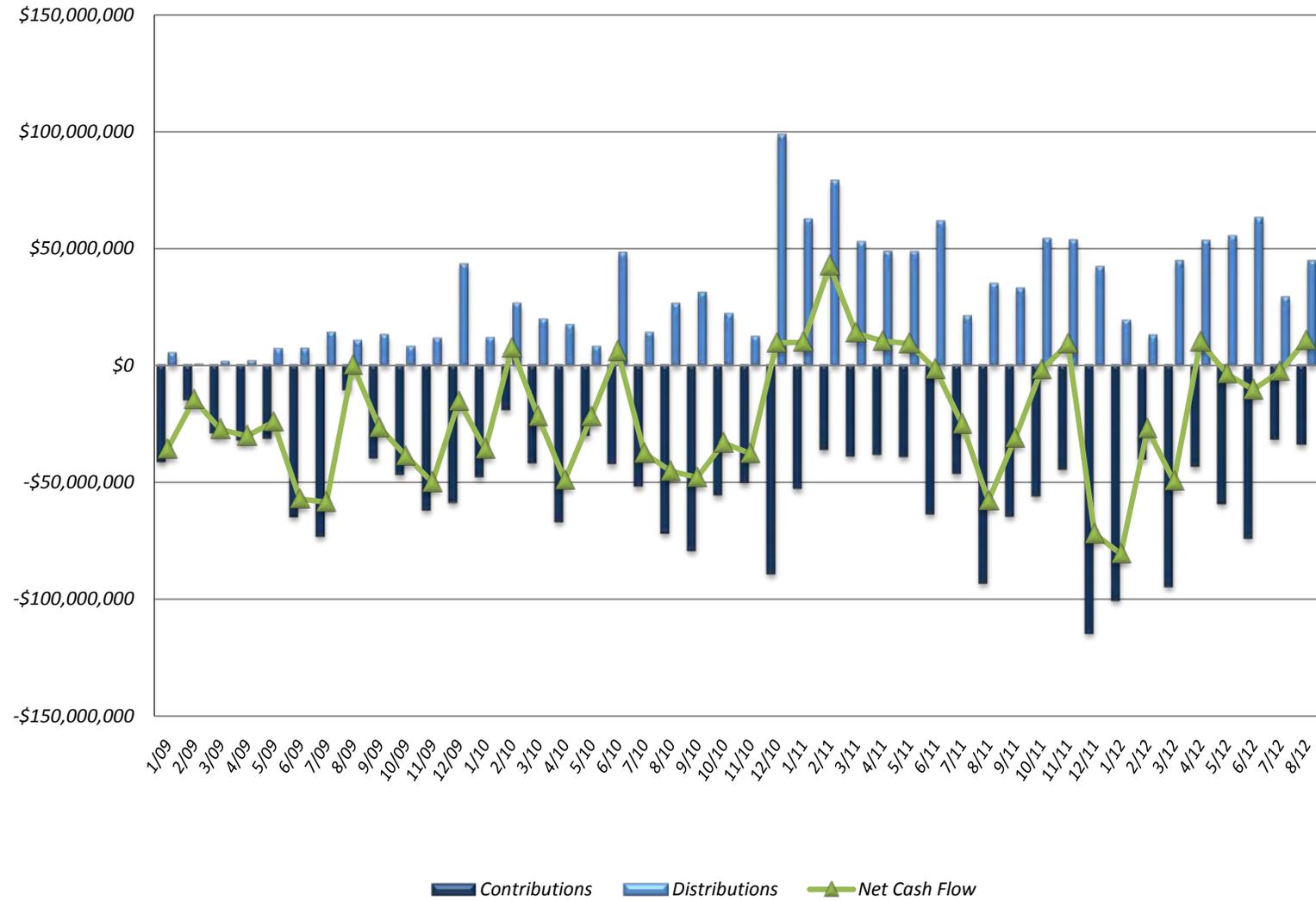
**New York City Employees' Retirement System
Active Investments and Subsequent Commitments
As of March 31, 2012 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
2008	NGN BioMed Opportunity II, L.P.	2/11/2008	20,000,000	12,251,821	23,687	8,788,123	0.72x	(13.5%)
2008	Carpenter Community BancFund-A, L.P.	2/12/2008	20,000,000	15,805,974	87,244	17,875,486	1.14x	5.5%
2008	Riverstone/Carlyle Global Energy & Power Fund IV, L.P.	3/3/2008	45,000,000	34,538,708	9,293,199	41,796,271	1.48x	20.5%
2008	Yucaipa American Alliance Fund II, LP	3/28/2008	120,000,000	116,426,373	8,369,725	148,183,057	1.34x	16.1%
2008	Levine Leichtman Capital Partners IV, L.P.	4/8/2008	35,000,000	22,191,193	2,484,859	29,412,751	1.44x	26.6%
2008	Lee Equity Partners Fund, L.P.	4/23/2008	42,500,000	18,202,111	2,917,985	12,828,542	0.87x	(5.4%)
2008	New York/Fairview Emerging Managers Fund, L.P.-Tranche 2	5/28/2008	45,000,000	15,543,000	528,443	17,348,878	1.15x	8.4%
2008	Yucaipa Corporate Initiatives Fund II, LP	6/23/2008	45,000,000	28,339,176	26,353	14,558,986	0.51x	(40.0%)
2008	Leeds Equity Partners V, L.P.	7/28/2008	60,000,000	22,936,909	1,053,858	25,413,967	1.15x	9.8%
2008	GI Partners Fund III L.P.	7/29/2008	45,000,000	35,930,185	2,473,866	42,458,754	1.25x	15.9%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	75,000,000	47,172,365	16,618,190	60,660,219	1.64x	26.7%
2008	CS NYCERS Emerging Manager Co-Investment Fund, L.P.	8/22/2008	26,262,627	14,309,996	2,560,854	16,659,176	1.34x	13.4%
2008	CS NYCERS Emerging Manager Fund, L.P.	8/22/2008	116,737,374	38,273,801	3,109,858	34,804,363	0.99x	(0.6%)
2008	First Reserve Fund XII, L.P.	8/25/2008	45,000,000	32,463,771	1,901,847	33,091,309	1.08x	3.8%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	109,120,000	47,662,523	12,349,412	44,963,823	1.20x	21.3%
2008	Crestview Partners II, L.P.	10/1/2008	50,000,000	26,819,976	1,849,782	33,052,117	1.30x	16.4%
2008	Avista Capital Partners II, L.P.	11/5/2008	75,000,000	55,454,318	4,001,778	70,293,405	1.34x	14.7%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	25,000,000	17,904,840	5,974,595	15,531,819	1.20x	16.3%
2008	Bridgepoint Europe IV	11/14/2008	27,065,666	17,195,721	-	17,543,375	1.02x	1.7%
2008	Aisling Capital III, LP	11/20/2008	14,000,000	4,449,536	106,885	3,538,310	0.82x	(16.2%)
2008	Onex Partners III LP	12/10/2008	75,000,000	35,008,077	566,940	32,565,625	0.95x	(3.9%)
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	40,000,000	20,416,809	-	22,624,705	1.11x	7.5%
2009	FS Equity Partners VI, L.P.	7/27/2009	32,500,000	17,559,016	149,176	17,105,427	0.98x	(1.4%)
2009	Lincolnshire Equity Fund IV, L.P.	8/5/2009	27,500,000	6,100,820	-	4,304,888	0.71x	(23.5%)
2009	Lexington Capital Partners VII, L.P.	12/3/2009	50,000,000	19,640,086	2,539,402	22,253,513	1.26x	21.0%
2010	Snow Phipps II, L.P.	1/8/2010	30,000,000	9,577,842	59,912	10,703,383	1.12x	NM
2010	JP Morgan Fleming (Tranche B)	2/26/2010	35,000,000	10,598,581	25,525	9,787,356	0.93x	NM
2010	Trident V, L.P.	4/29/2010	110,000,000	32,568,062	-	30,809,784	0.95x	NM
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	120,000,000	15,780,458	-	13,811,215	0.88x	NM
2011	Ampersand 2011	3/11/2011	25,000,000	10,000,000	-	9,363,559	0.94x	NM
2011	BDCM Opportunity Fund III, L.P.	4/8/2011	45,000,000	13,100,399	392,849	13,119,741	1.03x	NM
2011	AXA Secondary Fund V B L.P.	6/16/2011	120,000,000	19,340,986	-	25,011,745	1.29x	NM
2011	Wellspring Capital Partners V, L.P.	7/1/2011	40,000,000	8,523,040	-	7,694,053	0.90x	NM
2011	EQT VI, L.P.	8/1/2011	111,316,020	9,465,448	-	7,420,951	0.78x	NM
2011	Pegasus Partners V, L.P.	8/16/2011	14,322,112	3,355,721	-	2,732,639	0.81x	NM
2011	BC European Capital IX	9/19/2011	142,979,016	15,378,146	-	13,812,294	0.90x	NM
2011	American Securities Partners VI, L.P.	11/18/2011	80,000,000	13,728,788	-	13,168,210	0.96x	NM
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	100,000,000	22,854,644	-	21,836,849	0.96x	NM
2012	Green Equity Investors VI, L.P.	N/A	120,000,000	-	-	-	0.00x	N/A
Total Active Investments			\$ 5,648,171,940	\$ 3,676,563,186	\$ 1,362,128,183	\$ 3,333,199,424	1.28x	9.0%

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
Commitments Closed Subsequent to as of Date								
2012	Ares Corporate Opportunities Fund IV, L.P.	N/A	\$ 125,000,000	\$ -	\$ -	\$ -	N/A	N/A
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	110,000,000	-	-	-	N/A	N/A
2012	Palladium Equity Partners IV, L.P.	N/A	55,000,000	-	-	-	N/A	N/A
2012	Trilantic Capital Partners V L.P.	N/A	70,000,000	-	-	-	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 360,000,000	\$ -	\$ -	\$ -	N/A	N/A

Note: 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 by StepStone Group LLC ("StepStone"), a consultant to the New York City Police Pension Fund, Subchapter 2, 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.

NYCERS Monthly PE Cash Flow Summary



New York City Employees' Retirement System

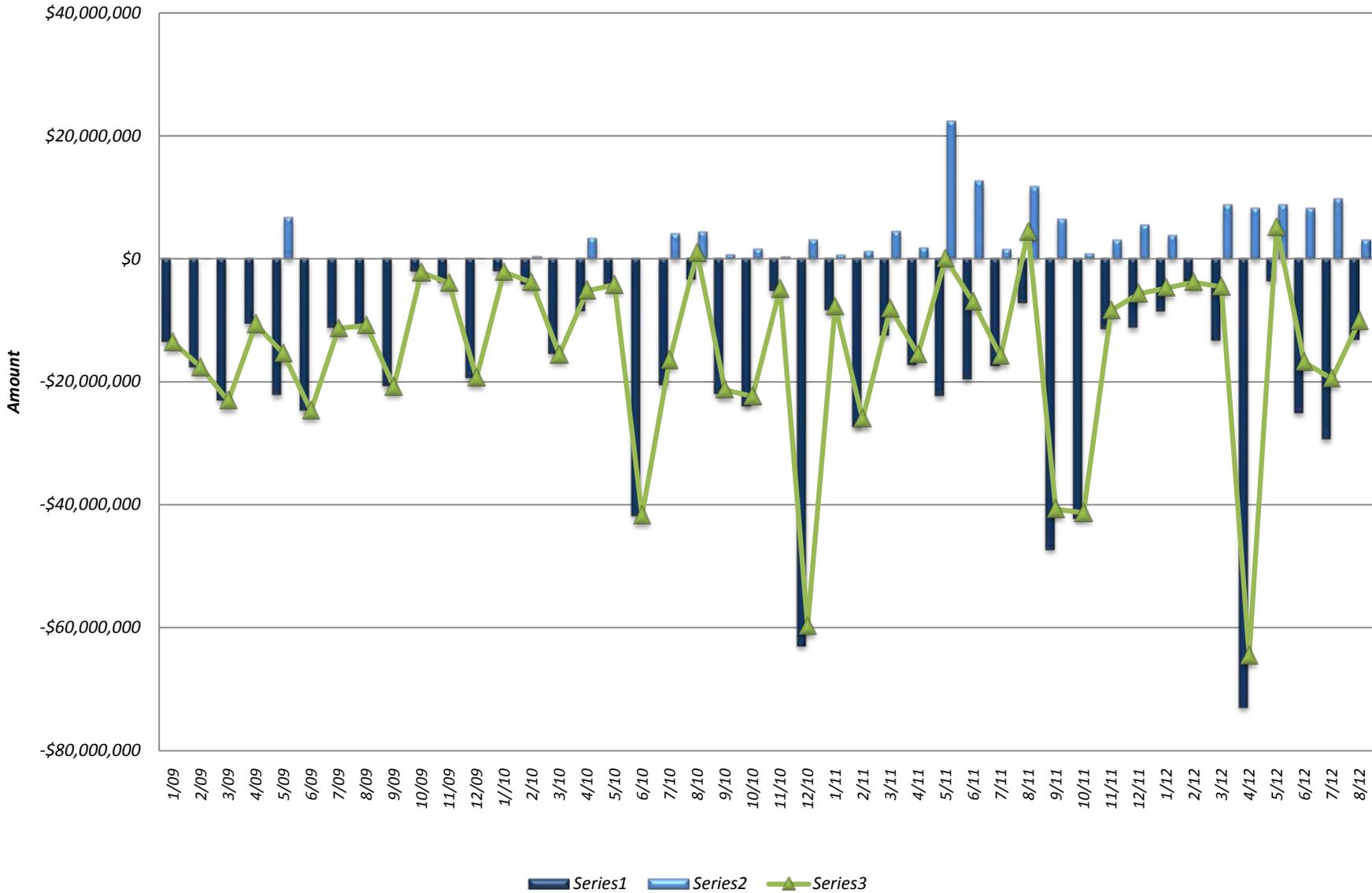
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2003	Canyon Johnson Urban Fund	12/6/2002	\$15,000,000	\$13,456,450	(\$15,403,730)	\$315,044	1.2	10.2%
2004	The City Investment Fund I	3/16/2004	\$225,000,000	\$221,883,300	(\$125,909,728)	\$95,961,355	1.0	0.0%
2004	Blackstone Fund IV	5/10/2004	\$30,000,000	\$38,139,975	(\$32,556,549)	\$16,729,756	1.3	11.9%
2004	Tishman Speyer Separate Account (ERS)	12/16/2003	\$100,000,000	\$71,066,452	(\$225,424,104)	\$39,515,928	3.7	63.9%
2005	Canyon Johnson Urban Fund II	5/11/2005	\$40,000,000	\$35,954,818	(\$24,000)	\$21,357,690	0.6	-11.3%
2006	AREA Real Estate Fund V	6/15/2006	\$25,000,000	\$25,000,001	(\$6,054,005)	\$11,044,422	0.7	-10.7%
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	\$25,000,000	\$28,393,061	(\$3,713,912)	\$17,459,983	0.7	-6.1%
2006	PRISA	9/29/2006	\$86,000,000	\$89,568,396	(\$5,734,782)	\$80,642,123	1.0	-0.7%
2006	RREEF America REIT II	10/1/2006	\$86,000,000	\$113,537,802	(\$31,582,617)	\$81,351,195	1.0	-0.1%
2006	UBS Trumbull Property Fund ("UBS-TPF")	9/28/2006	\$156,000,000	\$137,893,791	(\$13,130,643)	\$137,309,522	1.1	2.4%
2007	RREEF America REIT III - 1410	10/1/2007	\$90,000,000	\$90,000,000	(\$600,237)	\$31,582,397	0.4	-20.6%
2007	Colony Realty Partners II	12/20/2006	\$20,000,000	\$21,420,211	(\$666,108)	\$10,110,100	0.5	-14.3%
2007	UrbanAmerica II	1/30/2007	\$25,000,000	\$23,222,735	\$0	\$14,457,181	0.6	-11.3%
2007	JP Morgan Special Situation Property Fund	1/2/2007	\$90,000,000	\$96,796,320	(\$12,086,578)	\$68,306,259	0.8	-4.0%
2007	Metropolitan Workforce Housing Fund	7/13/2007	\$14,000,000	\$13,801,367	(\$304,797)	\$12,753,524	0.9	-3.9%
2007	PRISA II	6/30/2007	\$141,518,761	\$144,972,583	(\$7,514,775)	\$122,276,841	0.9	-3.0%
2007	JP Morgan Strategic Property Fund	12/4/2006	\$136,000,000	\$140,812,492	\$0	\$151,490,195	1.1	2.0%
2007	Heitman HART	3/29/2007	\$115,000,000	\$130,414,087	(\$15,414,087)	\$128,310,044	1.1	3.2%
2007	Carlyle Realty Partners V	8/27/2007	\$20,000,000	\$22,283,438	(\$11,030,583)	\$13,816,039	1.1	4.2%
2007	Blackstone Real Estate Partners VI	9/27/2007	\$110,000,000	\$110,021,287	(\$9,103,372)	\$129,866,888	1.3	9.2%
2008	Capri Urban Investors	6/3/2008	\$60,000,000	\$51,086,732	\$0	\$29,980,248	0.6	-20.9%
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	\$50,000,000	\$22,168,479	(\$498,574)	\$10,037,479	0.5	-20.2%
2008	Stockbridge Real Estate Fund III	9/9/2008	\$27,000,000	\$16,717,380	\$0	\$12,816,494	0.8	-11.2%
2008	American Value Partners Fund I	10/18/2007	\$55,000,000	\$33,713,710	(\$5,584,785)	\$22,019,240	0.8	-10.0%
2008	Westbrook Real Estate Fund VII	12/3/2007	\$40,000,000	\$42,246,092	(\$4,654,547)	\$31,611,762	0.9	-5.2%
2008	AREA European Real Estate Fund III	5/6/2008	\$30,000,000	\$25,540,000	(\$3,712,500)	\$22,687,794	1.0	1.7%
2008	PRISA III	9/30/2008	\$50,000,000	\$51,972,292	\$0	\$59,427,626	1.1	6.0%
2009	Thor Urban Property Fund II	10/30/2008	\$40,000,000	\$33,870,608	(\$14,558,419)	\$14,433,267	0.9	-14.5%
2009	JP Morgan Urban Renaissance Property Fund	12/18/2008	\$16,360,625	\$4,206,523	(\$4,206,523)	\$0	1.0	0.0%
2009	Walton Street Real Estate Fund VI	4/27/2009	\$50,000,000	\$37,323,933	(\$4,910,424)	\$36,234,876	1.1	6.6%
2009	Carbon Capital III	7/2/2009	\$40,000,000	\$43,757,162	(\$9,259,300)	\$39,874,120	1.1	8.7%
2010	Canyon Johnson Urban Fund III	3/29/2010	\$30,000,000	\$17,376,199	(\$1,788,808)	\$15,220,389	1.0	-2.4%
2010	Blackstone Real Estate Partners Europe III (USD Vehicle)	10/24/2008	\$50,000,000	\$16,879,747	\$0	\$18,857,257	1.1	12.6%
2010	LaSalle Property Fund	7/1/2010	\$50,000,000	\$22,834,719	(\$770,341)	\$25,519,747	1.2	14.9%
2010	Westbrook Real Estate Fund VIII	12/28/2009	\$50,000,000	\$29,231,237	(\$13,177,133)	\$20,872,259	1.2	20.9%
2011	Carlyle Realty Partners VI	9/14/2011	\$70,000,000	\$10,351,770	(\$37,787)	\$9,961,726	1.0	-9.1%
2011	H/2 Special Opportunities Fund II	1/31/2011	\$40,000,000	\$7,844,263	\$0	\$9,299,054	1.2	23.7%
2012	Blackstone Real Estate Partners VII	3/31/2012	\$170,000,000	\$19,833,146	\$0	\$22,953,634	1.2	0.0%
2012	Taconic New York City Investment Fund LP	n/a	\$70,000,000	\$0	\$0	(\$162,380)	n/a	n/a
New York City Employees' Retirement System			\$2,537,879,386	\$2,055,592,556	(\$579,413,749)	\$1,586,301,079	1.1	1.9%

Funds Closed Subsequent to Quarter

Vintage	Fund Name	First Draw Down	Capital Committed	Contributions
2012	Brookfield Strategic Real Estate Partners		\$100,000,000	-
Grand Total			\$100,000,000	

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of March 31, 2012. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

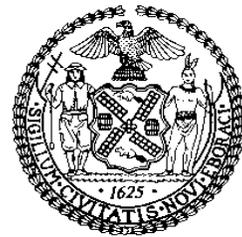
NYCERS Monthly Real Estate Cash Flow Summary



II. Infrastructure Education:



The Global Infrastructure Opportunity



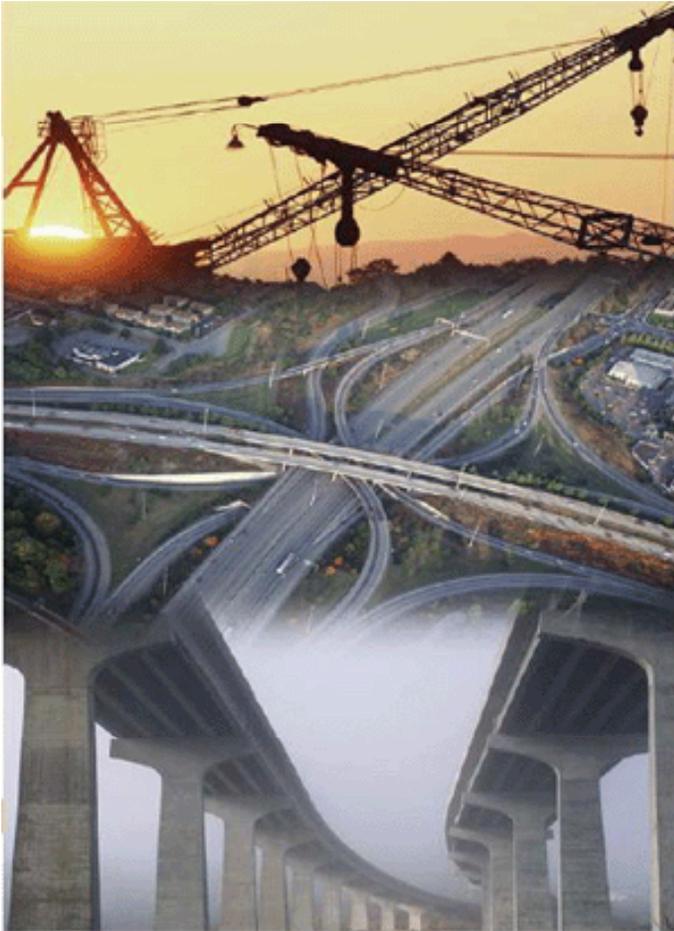
THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER

October 23rd, 2012

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2. Infrastructure Sectors
3. Case Studies
4. Infrastructure Demand and Investors
5. Testing the Investment Thesis
6. Strategies and Targeted Returns
7. Benchmarking
8. Access to the Market
9. Appendices

Defining Infrastructure



- The traditional definition of infrastructure is: The fundamental facilities and systems serving a community
- Infrastructure assets typically display some or all of the following characteristics:
 - Provider of Essential Services
 - Monopolistic/Quasi Monopolistic
 - High Barriers to Entry
 - Extended Asset Life
 - Stable and Predictable Cash Flows

Infrastructure Sectors

- Infrastructure assets can be classified into two broadly defined categories:
 - Economic infrastructure
 - Provides services that the end user is prepared to pay for (i.e. transportation and utilities)
 - Sourced through privatizations, public-to-private partnerships or private business sales
 - Has potentially higher returns as well as higher risks
 - Social infrastructure
 - Usually is government run or supported
 - Sourced through public-to-private partnerships
 - Generally has lower risk and lower projected returns



Infrastructure Sectors (cont.)

- Examples of economic and social infrastructure investments are highlighted below:

Economic Infrastructure			Social Infrastructure
Transportation	Energy & Utility	Communication	
Toll Roads / Tunnels / Bridges	Contracted Power Generation	Cable Networks	Education Facilities
Airports	Regulated Electricity Assets	Communications Towers	Healthcare Facilities
Ports	Oil / Gas / Electric Transmission and Distribution Systems	Select Satellite Systems	Legal / Governmental Facilities
Rail & Mass Transit Networks	Water Treatment / Distribution Facilities		
Parking Facilities	Oil Storage		

Infrastructure Sectors (cont.)

- Infrastructure assets can be also classified by the life cycle stage of the asset
 - Greenfield assets are under development/construction and do not generate revenue

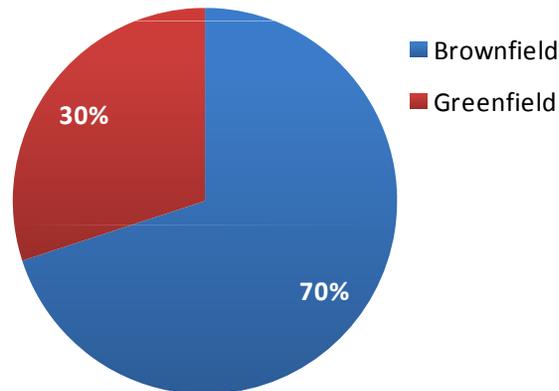


- Brownfield assets are already under operation and generate revenue in one of three phases:
 - Ramp-up phase where usage is just beginning following the completion of construction
 - Growth phase where usage continues to increase towards its long run potential
 - Mature phase where usage levels off and grows at approximately the rate of GDP growth

Infrastructure Sectors (cont.)

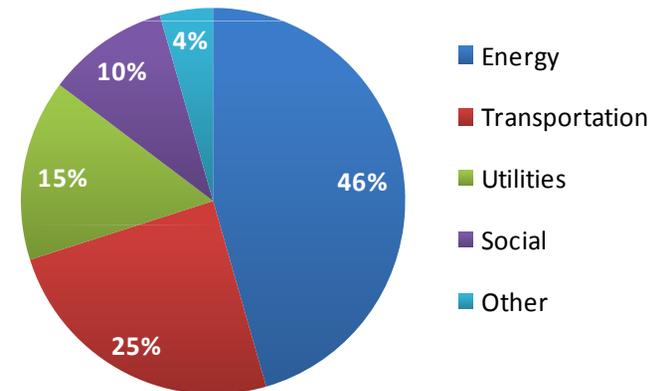
- Of the infrastructure deals completed globally in 2011, 70% were brownfield involving a fully operational asset and 30% were greenfield projects to design, build and maintain a new asset. Similarly, brownfield deals dominated the deal mix in the U.S. representing 89% of the completed deals (see Appendices A and B for a deal list)
- Energy assets represented the largest number of infrastructure deals both globally and in the U.S. accounting for 46% and 64% of the total, respectively. About 25% of the infrastructure deals globally were in transportation while utilities represented 15% of the investments

Infrastructure Deals by Project Stage



Source: Preqin. Data for 2011.

Infrastructure Deals by Sector



Source: Preqin. Data for 2011.

Case Study – Greenfield Investment



Hudson Transmission Partners

A 660 MW transmission cable development project which will run underground and underwater from northern New Jersey to New York City.

■ Investment Attributes

- Partnered with an experienced developer to fund a greenfield development project to construct an underwater interstate transmission line
- Hudson will bring energy and capacity from a cheaper grid to New York City under a 20 year contract with the New York Power Authority (Moody's: Aa2)

■ Value Creation Process

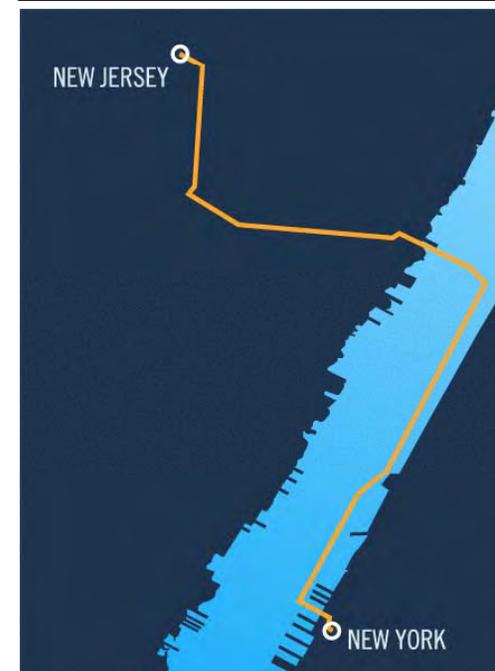
- Negotiated key project agreements including land options, EPC contract and FTCPA during the permitting process
- 20 year project financing secured on advantageous terms in the private placement market with the base rate fully swapped to a fixed rate

■ Performance

- Construction proceeding on schedule and budget with commercial operations expected in July 2013. Expect to generate long-term, stable and mostly contracted cash flows once operational
- Exit through sale to a lower discount rate investor such as the local power authority or a public pension fund

Fund Name: Starwood Energy

Investment Date: May 2011
 Committed Equity: \$66 million
 Leverage: 80%
 Projected IRR: 23.5%
 Projected Multiple: 2.9x



Case Study – Greenfield Investment



Berlin Station

A 75 MW biomass development project currently under construction in Berlin, New Hampshire that will generate electricity using new wood-combustion technology.

■ Investment Attributes

- Partnered with development team by providing a bridge loan to be repaid with proceeds from the project's 1603 Grant
- Project supported by 20 year PPA with the Public Service Company of New Hampshire with a fuel cost pass through
- Construction contracted under a fixed price, turnkey EPC contract with significant warranties

■ Value Creation Process

- Purchased 33.3% of the project equity at a substantial discount to the value of the project
- Actively participated in the final development of the project including restructuring ownership structure and negotiation of debt terms

■ Performance

- Construction is progressing on schedule and on budget
- Positioned to generate long-term, stable and contracted cash flows once operational

Fund Name: Starwood Energy

Investment Date: Sept. 2011

Committed Equity: \$57 million

Leverage: 73%

Projected IRR: >20%

Projected Multiple: >2x



Case Study – Brownfield Investment



Puget Energy

Regulated utility in Washington state engaging in electric generation, transmission and distribution, and gas transmission and distribution.

■ Investment Attributes

- Acquisition by a Macquarie Group led consortium of the largest regulated utility in the Washington state providing electric power to 1,080,000 customers and natural gas to 750,000 customers

■ Value Creation Process

- Final order issued in relation to general rate case authorizing 3.2% and 1.3% increases in electric and natural gas rates respectively. Higher rates are expected to result in an annual increase of revenue of \$77 million
- The 343 MW Lower Snake River wind project completed ahead of schedule and on budget
- Closed on \$1 billion revolving credit facility which was used to refinance debt maturities

■ Performance

- Valuation uplift driven by increase in gas consumption and continued decline of power costs

Fund Name: Macquarie Infrastructure

Acquisition Date: Feb. 2009

Committed Equity: \$1,063.8 million

Leverage: 60%

Projected IRR: 10.2%

Projected Multiple: ~2x



Case Study – Brownfield Investment



London City Airport

A London airport serving 3 million passengers and connecting to over 30 destinations within the United Kingdom, Europe and United States.

■ Investment Attributes

- Acquired majority control of an unregulated asset incapable of replication with pricing power, inflation-linked revenues and growth potential in a constrained market

■ Value Creation Process

- Implemented best practice industrial management techniques to improve service, marketing, price efficiency, cost reduction and expansion capex
- Used Lean techniques to improve security screening capacity

■ Performance

- Improved on-time departure rate from 65% at the time of acquisition to 84% leading all London airports
- Growth in revenues as passenger volume increased to over 3 million
- Resilience demonstrated in earnings through the recession with EBITDA improving by 7.7% per annum since acquisition

Fund Name: Global Infrastructure Partners

Acquisition Date: Nov. 2006
 Committed Equity: \$548 million
 Leverage: 46%
 Projected IRR: 15-20%
 Projected Multiple: 2x



Infrastructure Investment Demand

■ Demand Drivers

- Population growth and urbanization: 75% urbanization in the Americas and Europe, 53% in Asia by 2030
- Aging Infrastructure: current rate of investment is low at 2% - 4% of GDP while 5.5% - 9% is needed
- Investment limitations due to budget deficits in Europe and the US require involvement of private capital sources of funding and sales of assets to pay down sovereign debt

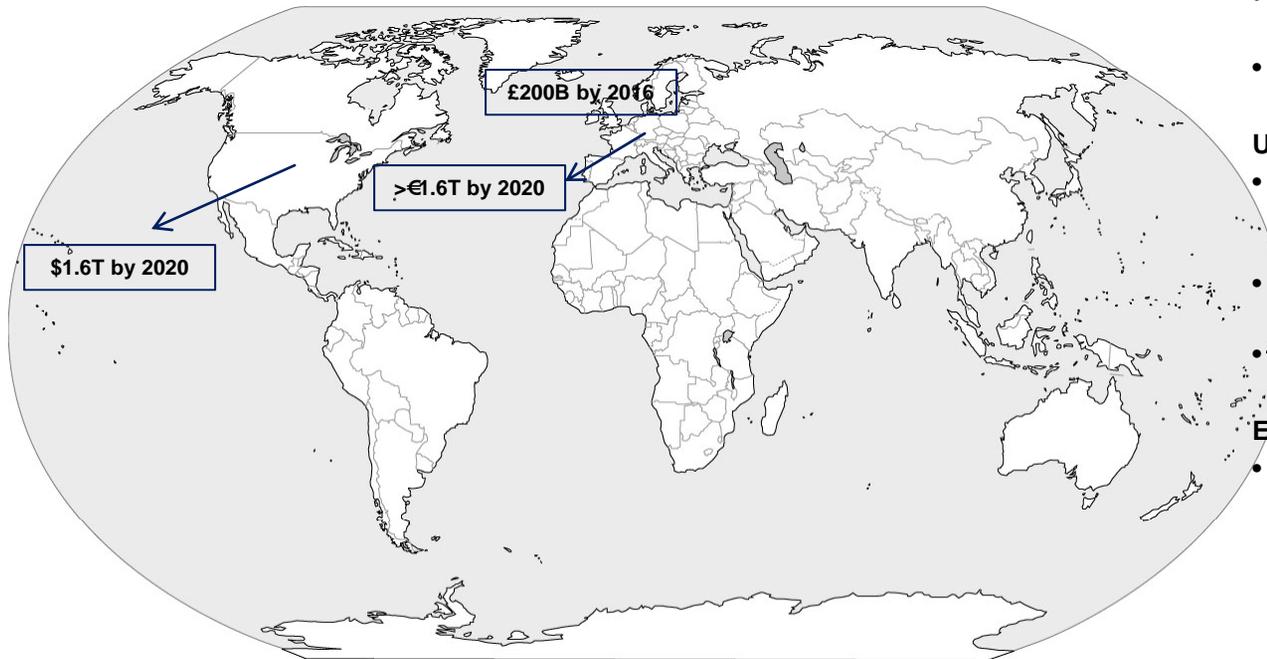
■ Investment Needs

- OECD estimates the annual infrastructure requirements to average 3.5% of world GDP or about \$2 trillion per year
- The American Society of Civil Engineers estimates that the US infrastructure funding gap is \$1 trillion through 2014



Infrastructure Investment Demand (cont.)

- \$50 trillion of investment required globally over the next 20 years to deliver replacement infrastructure in the energy, transport and utility sectors



United States

- Energy: \$75 billion from 2011 to 2016; \$2 trillion by 2030
- Airport System: \$94 billion from 2011 to 2015
- Water and Wastewater: \$255 billion from 2011 to 2016

United Kingdom

- Infrastructure: £200 billion over the next 5 years of which £160 billion expected to come from the private sector
- Energy: £20 billion to develop UK offshore transmission network
- Water and Wastewater: £10 billion over the next 10 years

Europe

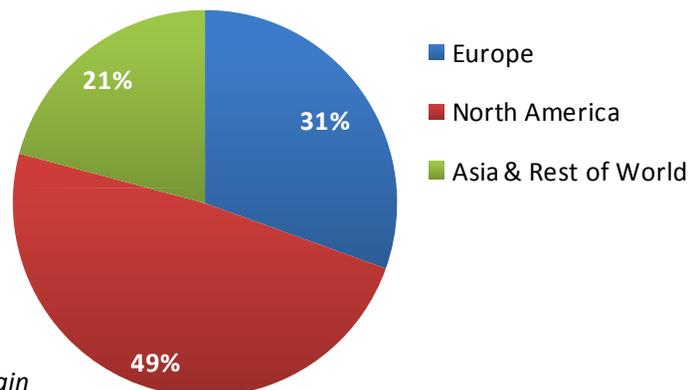
- Energy: €1.1 trillion by 2020 for:
 - €500 billion on distribution networks and grids
 - €200 billion on transmission networks and storage
 - €500 billion on new generation capacity
- Transport: €500 billion by 2020 for implementation of Trans-European Transport Network program

Source: Balfour Beatty Infrastructure Partners, 2011

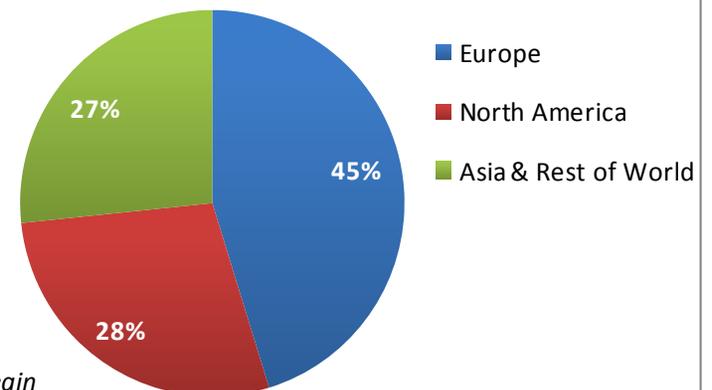
Infrastructure Investment Demand (cont.)

- OECD countries dominate the aggregate capital raised by infrastructure funds from 2004 to 2011. North America focused infrastructure funds represent 49% of the capital raised on average per year. Europe focused funds account for an average of 31% of the aggregate capital commitments per year
- By region, Europe has historically represented the largest number of infrastructure deals accounting for an average of 45% of all transactions completed from 2004 to 2011. North America contributed 28% to the total while 27% of the deals were in Asia and Rest of World

**Split of Aggregate Capital Raised by Region,
2004 -2011 Average**



**Number of Infrastructure Deals Completed by
Region, 2004 -2011 Average**



Infrastructure Market Development in the U.S.

- Public Private Partnerships (“P3”) in the U.S. have been slower to materialize
 - Questions regarding the viability of the P3 model in the U.S. continue to surround the model. There have been some successes such as the Long Beach Courthouse project in California
 - Failed or publicly scrutinized privatizations (i.e. Pennsylvania Turnpike, Chicago Skyway) still create long-term uncertainty for the market

- The energy sector continues to see more actionable opportunities as private companies look for alternative sources of funding and a significant amount of new capital is required to meet development needs

- The availability of debt is less of a factor in suppressing transaction activity. Well structured projects can obtain financing

Infrastructure Investors

Representative Direct Investors¹

- CalSTRS (USA)
- CalPERS (USA)
- OTPP (Canada)
- CPPIB (Canada)
- OMERS (Canada)
- Future Fund (Australia)
- QSuper (Australia)
- USS (UK)
- National Pension Service (Korea)
- PFA (Japan)
- ADIA (Abu Dhabi)
- GIC (Singapore)
- TIAA-CREF (USA)
- All State (USA)
- Nationwide Insurance (USA)
- AXA (France)

1) The list includes pension funds, sovereign funds and insurance companies

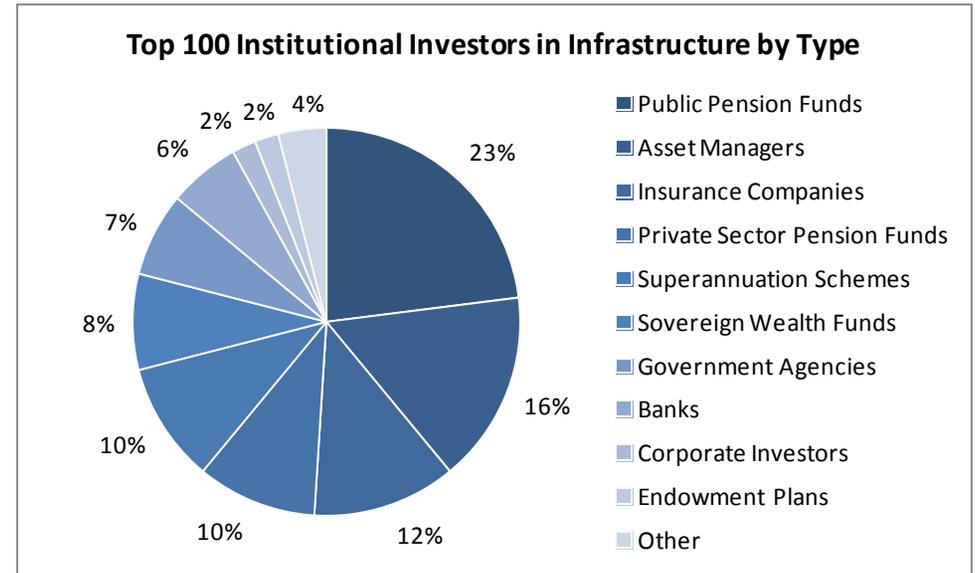
2) See Appendix C for a comprehensive list of infrastructure funds

Representative Infrastructure Funds²

- **Core/Value-Added**
 - GIP (Global)
 - Goldman Sachs (Global)
 - Hastings (Global)
 - Highstar (Global)
 - IFM (Global)
 - JPMorgan (Global)
 - MSIP (Global)
 - QIC (Global)
 - SteelRiver (North America)
 - UBS (Global)
- **Non-Core**
 - Actis (Emerging Markets)
 - ArcLight (USA)
 - BTG Pactual (Brazil)
 - EnCap Flatrock (USA)
 - First Reserve (Global)
 - IFC Global Infrastructure Fund (Emerging Markets)
 - Starwood Energy (North America)

Infrastructure Investors (cont.)

- The 100 largest institutional investors in infrastructure (by committed capital) have an aggregate of \$204 billion committed to infrastructure to date through a combination of unlisted funds, listed funds and direct investments
- Public pension plans are the largest investor type accounting for 23% of the total investors
- 72% of the top 100 institutional investors operate a separate infrastructure allocation. The remaining investors allocate capital through a private equity allocation, a real assets allocation or a different source



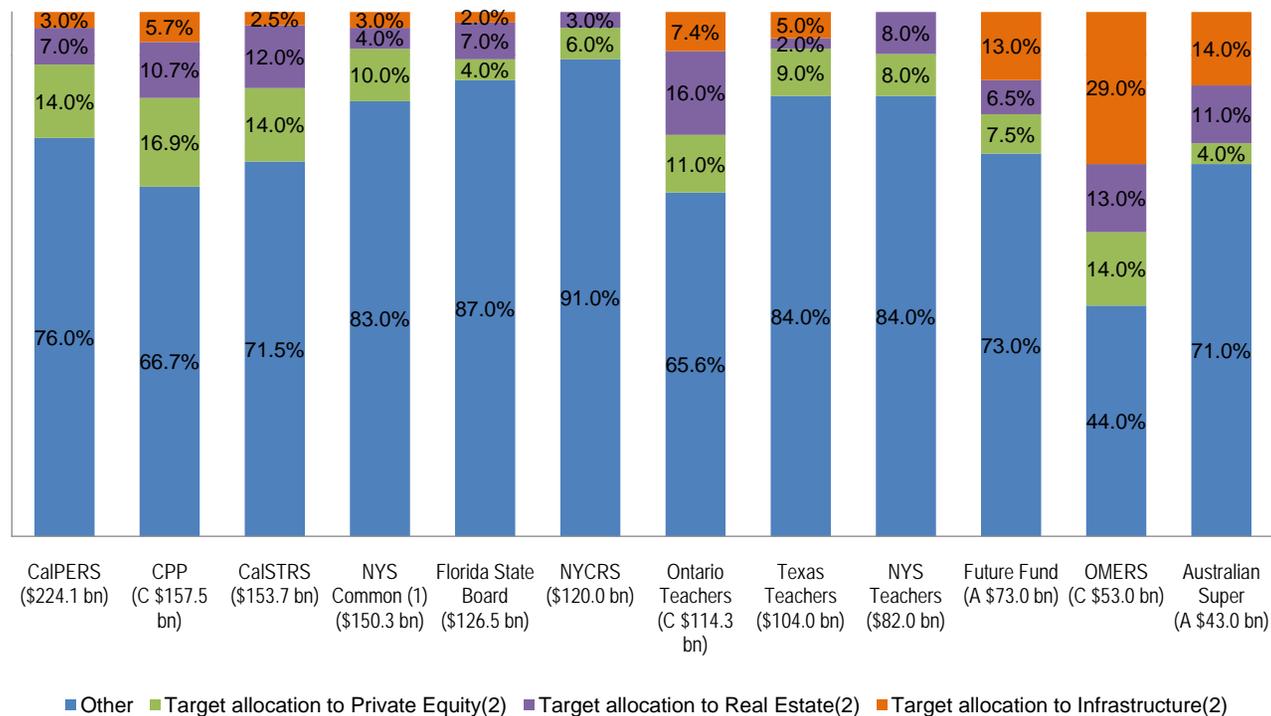
Largest Infrastructure Investors by Current Commitment to Infrastructure

Rank	Investor	Currently Committed to Infrastructure (\$bn)	Investor Type	Investor Location
1	OMERS	14.3	Public Pension Fund	Canada
2	CPP Investment Board	9.1	Public Pension Fund	Canada
3	Corporacion Andina de Fomento	8.4	Government Agency	Venezuela
4	Ontario Teachers' Pension Plan	7.8	Public Pension Fund	Canada
5	APG - All Pensions Plans	7.5	Asset Manager	Netherlands
6	TIAA-CREF	6.5	Private Pension Fund	US
7	QIC	6.2	Asset Manager	Australia
8	CDP Capital - Private Equity Group	5.7	Asset Manager	Canada
9	Ping An Trust	5.5	Investment Company	China
10	AustralianSuper	5	Superannuation Scheme	Australia

Source: Preqin

Institutional Investor Approach

- Australian institutional investors have been investing in infrastructure since the 1990s
- Canadian and European institutional investors have significantly increased their exposure to infrastructure since 2000
- U.S. pension plans have lagged somewhat, but this is changing with the majority of the large plans adopting a target infra allocation between 2% - 3% over the last few years



- 1) NYS Common target allocation is to real assets, no infrastructure investments have been made up to date
- 2) Source: Prequin and pension plan websites

Investment Thesis

- Infrastructure investments exhibit distinct characteristics that can benefit institutional investors
 - Lower correlation to other asset classes leading to portfolio diversification benefits
 - Competitive total risk adjusted return
 - Inflation protection
 - Less volatility in earnings generating more consistent and attractive cash yields
 - Long duration in line with long term pension liabilities



Testing The Investment Thesis: Correlation

- The correlation benefit is less apparent in public market data as the impact of the financial crisis increased correlations across asset classes
- Private market data provides some more supportive evidence, with correlations to other asset classes ranging from -0.272 to 0.257

	MSCI World	S&P 500	Barclay's Aggregate Bond Index	EPRA/NAREIT Global Total Return	NPI	Dow Jones Brookfield Global Infrastructure Index	Townsend Infrastructure Composite
MSCI World	1.000						
S&P 500	0.979	1.000					
Barclay's Aggregate Bond Index	-0.263	-0.242	1.000				
EPRA/NAREIT Global Total Return	0.890	0.889	-0.032	1.000			
NPI	0.264	0.268	-0.171	0.253	1.000		
Dow Jones Brookfield Global Infrastructure Index	0.866	0.857	-0.002	0.857	0.335	1.000	
Townsend Infrastructure Composite ¹	0.229	0.257	-0.272	0.244	0.214	0.196	1.000

Source: The Townsend Group, Thomson Reuters

1) The TTG Infrastructure Composite is a value-weighted, client-level return calculation for all client investments in infrastructure funds from 2006 to 2011

Testing The Investment Thesis: Returns

- An analysis of public and private market data shows competitive returns relative to other asset classes
- Returns vary depending on asset type and revenue model

As of 12/31/11	Quarter	1-Year	3-Year	5-Year	7-Year
<u>Stocks</u>					
MSCI World Index	7.3%	-7.6%	7.0%	-5.5%	-0.4%
S&P 500	11.2%	0.0%	11.7%	-2.4%	0.5%
<u>Fixed Income</u>					
Lehman Aggregate Bond	1.1%	7.8%	6.8%	6.5%	5.6%
<u>Listed Real Estate</u>					
EPRA/NAREIT Global Total Return	7.4%	-5.8%	16.2%	-5.3%	3.3%
<u>Private Equity</u>					
Cambridge Associates U.S. Private Equity	5.3%	10.9%	15.0%	7.2%	N/A
<u>Listed Infrastructure</u>					
Dow Jones Brookfield Infrastructure*	7.1%	13.8%	17.6%	5.1%	10.0%
<u>Unlisted Infrastructure</u>					
TTG Infrastructure Composite**	1.0%	10.5%	11.8%	7.9%	N/A

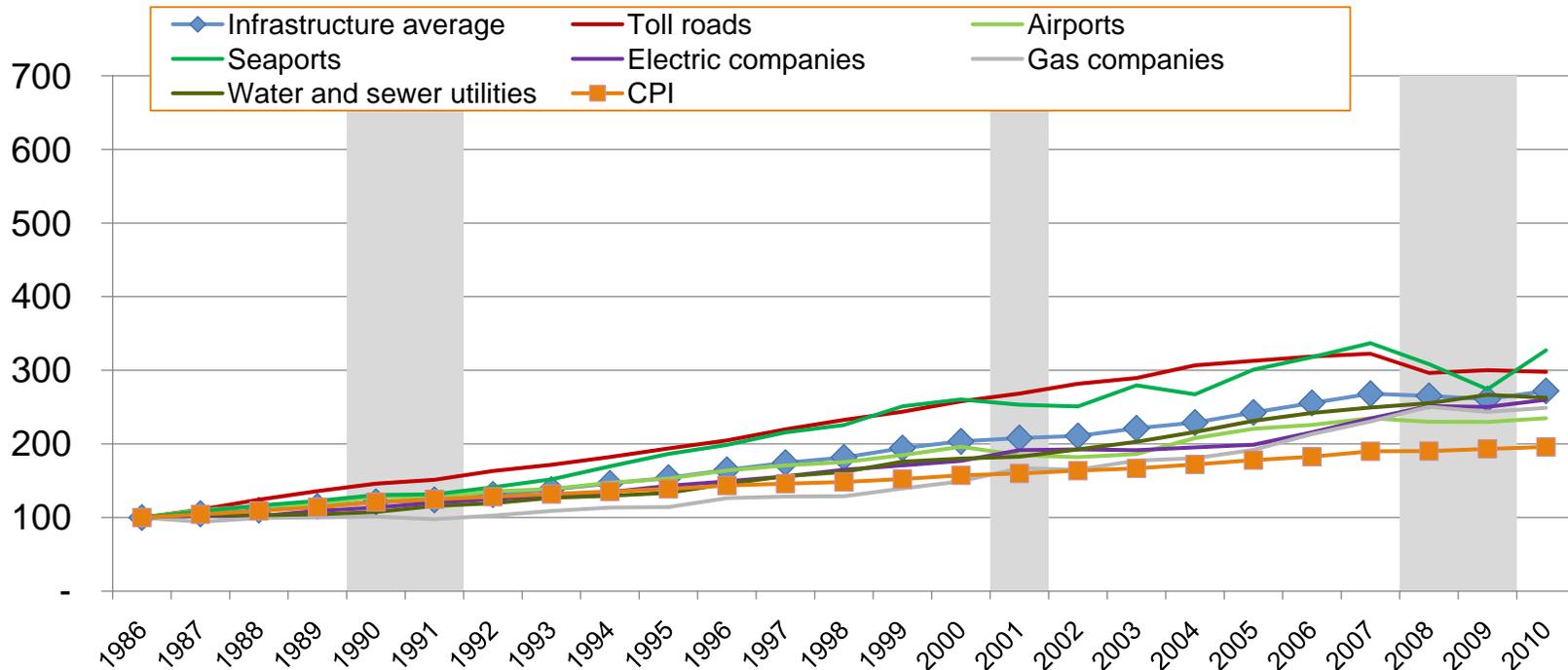
Source: The Townsend Group, Thomson Reuters, Cambridge Associates

*The Index aims to represent companies globally that have at least 70% of estimated cash flow derived from infrastructure assets

** The TTG Infrastructure Composite is a value-weighted, client-level return calculation for all client investments in infrastructure funds from 2006 to 2011

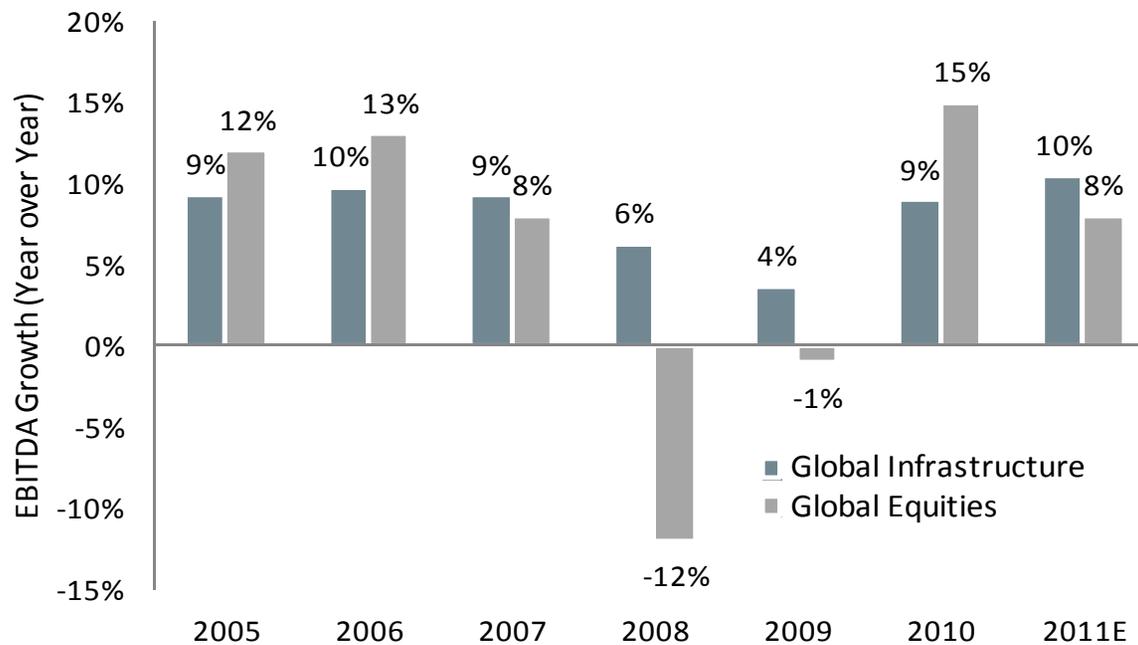
Testing The Investment Thesis: Inflation

- Infrastructure cash flows are typically linked to inflation through CPI indexation, regulatory or contractual adjustments
- Annual cash flows (EBITDA indices) for U.S. infrastructure grew faster than CPI



Testing The Investment Thesis: Volatility

- An analysis of public infrastructure companies earnings growth supports thesis of lower volatility
- Private market data is less robust, but provides similar support



Source: Brookfield Investment Management, Dow Jones Brookfield Global Infrastructure Index, MSCI

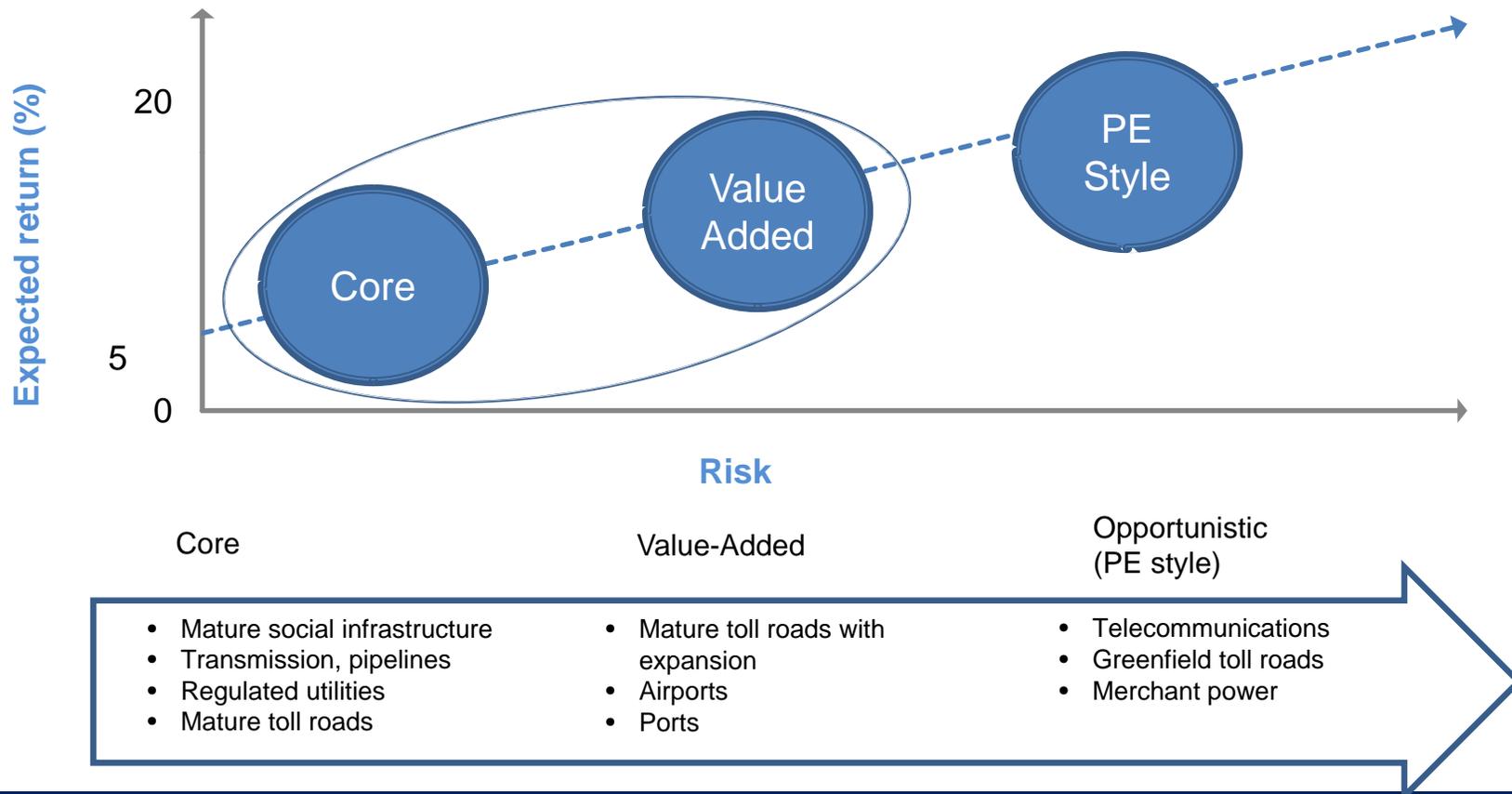
Strategies and Targeted Returns

- Infrastructure risk - return profile depends on the strategy
 - Core: expected returns range from 8% - 11%
 - Value-Added: expected returns range from 12% - 14%
 - Opportunistic: expected returns above 15%

Category	Characteristics
Core	<ul style="list-style-type: none"> • Mature OECD infrastructure • Assets governed by regulatory regimes or contracted revenues
Value-Added	<ul style="list-style-type: none"> • Developing, OECD infrastructure • Assets with revenue growth from increased demand or driven by significant expansion capital expenditure or operating improvements
Opportunistic	<ul style="list-style-type: none"> • Greenfield, non-OECD Infrastructure • Capital intensive assets operating in competitive market environments

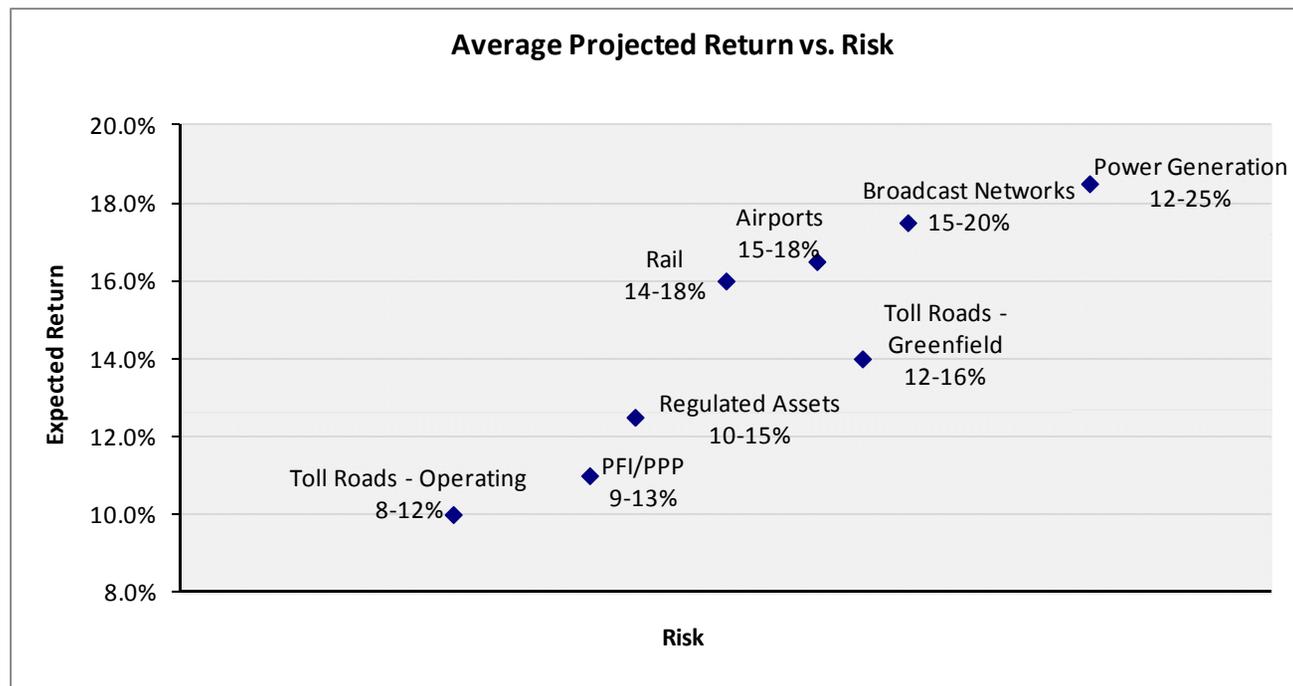
Strategies and Targeted Returns (cont.)

- The lower risk strategies include Core and Value-Added



Strategies and Targeted Returns: Asset Type

- Asset type and revenue model are key determinants of risk and must be considered together
- Potentially wide ranges of expected return for the same asset type
 - Availability payment versus patronage toll roads
 - Contracted versus merchant power generation



Income vs. Appreciation

- Returns from income vs. appreciation vary depending on the strategy
- The lower risk Core and Value-Added strategies rely on higher income and lower appreciation

Strategy	Expected Income	Expected Appreciation	Expected Total Return	Characteristics
Core	6% to 8%	2% to 5%	8% to 11%	• Higher income, lower growth
				• Fixed-income like, inflation-linked or absolute return
Value-Added	4% to 6%	6% to 10%	12% to 14%	• Moderate income, moderate growth
				• Inflation-linked or absolute return
Opportunistic	0% to 4%	>10%	≥15%	• Low or no income, high growth
				• Private equity like returns

Benchmarking In Infrastructure

- No industry standard
- Inflation index plus margin is the most widely used due to the inflation linkage of the asset class
- Possible benchmarks include:
 - Inflation index (i.e. CPI) plus margin
 - Total return
 - Indices: S&P Global Infrastructure Index, MSCI World Infrastructure 100 Index, etc.

Access to the Infrastructure Market

- Similar to other alternative asset classes, infrastructure has developed where investors must consider the four quadrants of debt and equity, public and private opportunities
- Resources and capital availability may limit a plan sponsor's ability to access all available investment structures

	PROS	CONS
Infrastructure Funds	<ul style="list-style-type: none"> ■ Access to manager expertise ■ Relative immediacy of investment 	<ul style="list-style-type: none"> ■ Increased management fees ■ Lower control over investments
Co-Investments	<ul style="list-style-type: none"> ■ Reduced management fees ■ Increased control over investments 	<ul style="list-style-type: none"> ■ Need for specialized in-house expertise ■ Lower control over the capital structure of the deals
Direct Investments	<ul style="list-style-type: none"> ■ Eliminated management fees ■ Increased control over investments 	<ul style="list-style-type: none"> ■ Significant lead time required ■ Need for in-house expertise and larger staff

Conclusion and Next Steps

- Infrastructure can provide portfolio diversification, attractive risk adjusted returns and inflation protection in an economic environment of high volatility and low yields

- As next steps, BAM will present to the Board an IPS and a strategic plan for infrastructure investing recommending
 - Pursuing predominantly the lower risk Core/Value-Added strategies
 - U.S./Global mandate
 - Benchmark of CPI + 4%

Appendix A: Greenfield U.S. deals (2003-2012)

TRANSACTION TYPE	SECTOR	SUBSECTOR	AMOUNT
GREENFIELD			
SR 125 South Highway (CALIFORNIA)	Transport	Roads	\$635m
Illinois Central School Bus	Transport	Other	n/a
Freeport LNG	Power	Other	n/a
Astoria Energy I	Power	Energy Generation	\$980m
The Transbay Transit Center and Caltrain Downtown Extension Program	Transport	Rail	\$4185m
Canyon Farm Funding	Environment	Waste	n/a
Black Bear Hydro	Renewables	Other	n/a
OFS Holdings	Power	Other	n/a
Hurrikan Power Funding	Renewables	Wind	n/a
Synagro Technologies	Environment	Waste	n/a
I-495 Capital Beltway HOT Lane Project (VIRGINIA)	Transport	Roads	\$1800m
ReNu Power	Power	Energy Generation	\$87m
Trans-Texas Corridor: SH130, Seg 5&6	Transport	Roads	\$1380m
ITS Technologies & Logistics	Transport	Other	n/a
GIM Channelview Cogeneration, LLC	Power	Energy Generation	\$500m
Santa Paula Water Concession	Environment	Water	\$125.5m
Regency Gas Pipeline System	Power	Energy Transmission	n/a
I-595 Corridor Roadway Improvements Project (Florida)	Transport	Roads	\$1760m
Arkoma Connector Pipeline	Power	Energy Transmission	n/a
Astoria Energy II	Power	Energy Generation	\$1000m
Chesapeake Midstream Partners L.P. (CHKM)	Power	Energy Transmission	\$267m
Dallas-Fort Worth (DFW) Connector Project	Transport	Roads	\$805m
Miami Port Tunnel (POMT) Florida	Transport	Bridges and Tunnels	\$651m
Terra-Gen Power Holdings	Renewables	Wind	n/a
Connecticut Service Plazas P3	Transport	Roads	\$178m
North Tarrant Expressway	Transport	Roads	\$2000m
Black Point Petroleum	Power	Other	n/a
JP Energy Partners	Power	Energy Generation	n/a
Seagirt Marine Terminal	Transport	Ports	\$334m
Florida Atlantic University (FAU)	Social Infrastructure	Accommodation	\$63m
Ruby Pipeline Project	Power	Energy Transmission	\$2200m
I-485 Outer Loop - North Carolina	Transport	Roads	\$160m
I-635 (LBJ Freeway) (TEXAS)	Transport	Roads	\$2600m
Denver FasTracks Eagle P3 Light Rail Project	Transport	Light Rail	\$1637m
Enogex	Power	Energy Transmission	n/a
Long Beach Courthouse	Social Infrastructure	Accommodation	\$495m
Hudson Transmission Partners	Power	Energy Transmission	\$869m
Bayonne Energy Centre	Power	Energy Generation	\$650m
Western Group Housing Privatization Project	Social Infrastructure	Accommodation	\$362m
Midtown Tunnel Project (Virginia)	Transport	Bridges and Tunnels	\$2100m
Alta Wind VII and Alta Wind IX Projects (California)	Renewables	Wind	n/a
Presidio Parkway / Doyle Drive Concession, San Fco, Ca.	Transport	Roads	\$365m
I-95 HOV/HOT Lanes Project (VIRGINIA)	Transport	Roads	\$940m

Source: Infranews, 2012

Bureau of Asset Management
NYC Comptroller's Office

Appendix B: Brownfield U.S. deals (2003-2012)

TRANSACTION TYPE	SECTOR	SUBSECTOR	AMOUNT
BROWNFIELD			
13 power plants, total capacity of 1,600MW (Northern Star)	Power	Energy Generation	\$265.4m
Acquisition of SouthWest Water Company Brownfield	Environment	Water	\$427m
Chicago Skyway Toll Bridge Privatisation (Illinois)	Transport	Bridges and Tunnels	\$1800m
Dulles Greenway (VIRGINIA)	Transport	Roads	\$533m
Aquarion Acquisition	Environment	Water	\$860m
Century Campus Finance Package (TEXAS)	Social Infrastructure	Accommodation	\$201.2m
Virginia I-895 / Pocahontas Parkway (VIRGINIA)	Transport	Roads	\$611m
Indiana Toll Road (INDIANA)	Transport	Roads	\$4600m
Chicago Downtown Parking (Chicago Loop Parking)	Transport	Car Parks	\$565m
Colonial Pipeline	Power	Energy Transmission	n/a
RailAmerica	Transport	Rail	\$1100m
Ports America Group	Transport	Ports	\$1300m
Maher Terminals	Transport	Ports	\$1540m
SourceGas	Power	Energy Transmission	\$694m
Duquesne Light Holdings Acquisition	Power	Energy Transmission	\$1600m
Southeast PowerGen (2.5GW Power Portfolio)	Power	Energy Generation	\$620m
Four Container Terminals From Orient Overseas (Global Container Terminals)	Transport	Ports	\$2350m
Carrix Ports (49%)	Transport	Ports	\$3000m
Global Tower Partners (GTP) Acquisition	Other	Other	\$1425m
Northwest Parkway	Transport	Roads	\$600m
Southwest Generation Acquisition	Power	Energy Generation	\$840m
North American Energy Alliance, LLC (NAEA)	Power	Energy Generation	\$1477m
Puget Energy Acquisition	Power	Energy Transmission	\$3200m
Chicago Parking Meters	Transport	Car Parks	\$1160m
Midland Cogeneration Venture	Power	Energy Generation	\$745m
Veolia US Energy-from-Waste Facilities	Environment	Waste	\$450m
GIP Chesapeake JV	Power	Other	\$588m
Gomez Pipelines Acquisition	Power	Energy Transmission	\$78m
Eureka Pipeline Systems Acquisition	Power	Energy Transmission	\$81m
GIP Acquire 40% Stake in Terra-Gen Power Holdings	Renewables	Other	n/a
Medical Area Total Energy Plant (MATEP)	Power	Energy Generation	\$320m
Babcock & Brown Wind Farms	Renewables	Wind	\$352m
Interpark Assets (89 Parking Contracts)	Transport	Car Parks	\$500m

Source: Infranews, 2012

Appendix B (cont.): Brownfield U.S. deals (2003-2012)

TRANSACCTION TYPE	SECTOR	SUBSECTOR	AMOUNT
BROWNFIELD			
Southern Star Central Corp (40% Stake)	Power	Other	\$838m
Inland Public Properties School Sale	Social Infrastructure	Education	\$61m
Southern Star Central Gas Pipeline	Power	Energy Transmission	n/a
NorTex Gas Storage	Power	Energy Storage	\$505m
Freeport LNG Development (55% sale)	Power	Energy Transmission	\$190m
Parking Corporation of America Airports - PCAA (in receivership)	Transport	Car Parks	\$141m
Southern Natural Gas Pipeline (20% sale)	Power	Energy Transmission	\$492m
BAA USA Sale	Social Infrastructure	Other	\$52.4m
Port of Portland Terminal 6	Transport	Ports	\$120.5m
Acquisition of SouthWest Water Company	Environment	Water	\$427m
Colonial Pipeline Company (23.44% sale)	Power	Energy Transmission	\$845m
Providence and Olinda Landfill Gas Sale	Renewables	Other	\$25m
Indianapolis Parking Meters Concession	Transport	Car Parks	\$30m
SteelRiver acquisition of T.W. Phillips Gas and Oil	Power	Energy Transmission	n/a
InterPark	Transport	Car Parks	n/a
Fixed Base Operations (Portland International and Eugene airports)	Transport	Airports	n/a
EQT Acquisition of Peregrine Midstream Partners (70%)	Power	Energy Transmission	n/a
Macquarie's Sale of 33.3% Stake in Aquarion	Environment	Water	n/a
Duet Group's Sale of 29% stake in Duquesne (DQE Holdings)	Power	Energy Transmission	\$360m
Puerto Rico Highway Package Phase One (PR-22,PR-5)	Transport	Roads	\$1136m
Marcellus Shale Joint Venture	Power	Energy Generation	\$200m
Alinda Acquisition of Houston Fuel Oil Terminal Co (HFOTCO)	Power	Energy Storage	\$1300m
I-595 Acquisition (50%)	Transport	Roads	\$800m
The Parking Spot (Airport Parking Operator)	Transport	Car Parks	\$360m
Park Water Company	Environment	Water	\$102m
Sacramento Municipal Utility District Solar PV Portfolio (88MW)	Renewables	Solar	\$180m
Appalachia Midstream Services Acquisition	Power	Energy Generation	\$865m
Colonial Pipeline Partial Sale (16.6%)	Power	Energy Transmission	\$850m
Mountaineer Gas Company	Power	Energy Transmission	n/a
FREIF North American Power I Acquisition	Power	Energy Generation	n/a
Capistrano Wind Partners (Edison/TIAA-CREF/CIRI JV)	Renewables	Wind	\$460m
Eureka Hunter Part-Acquisition by Arclight (28% Stake)	Power	Energy Transmission	\$106.8m
WCA Waste Corporation	Environment	Waste	\$526m
Alta Wind VI 150MW Acquisition	Renewables	Wind	n/a
Caiman Eastern Midstream Sale	Power	Energy Transmission	\$2400m
El Paso JV - Kinder Morgan 50% Acquisition	Power	Energy Transmission	\$300m

Source: Infranews, 2012

Appendix C: Infrastructure Funds In Market

Manager	Fund	Target Capital Raise	Geography
Core / Value-Added			
Alinda Capital Partners	Alinda Infrastructure Fund III	\$3,000,000,000	Global
AMP Capital	AMP Capital Infrastructure Debt Fund	€ 500,000,000	Global
AMP Capital	Strategic Infrastructure Trust of Europe	Open-End Fund	Europe
Antin	Antin Infrastructure Partners II	€ 1,500,000,000	Europe
Aquila	Infrastructure Coalition Program	\$400,000,000	Global
AXA	AXA Infrastructure Fund III	€ 1,500,000,000	Europe
Balfour Beatty	Balfour Beatty Infrastructure Partners, L.P.	€ 800,000,000	Global
Brookfield	Brookfield Global Listed Infrastructure Income fund	Public/Listed	Global
Capital Innovations	Listed Infrastructure Fund	Public/Listed	Global
Cohen & Steers	Global Listed Infrastructure Fund	Public/Listed	Global
Colonial First State	First State Investments Global Listed Infrastructure Fund	Public/Listed	Global
CVC Capital Partners	CVC European Infrastructure Fund	€ 1,500,000,000	Europe
Duff and Phelps	Duff & Phelps Global Listed Infrastructure Fund	Public/Listed	Global
Energy Power Partners	Energy Power Partners Fund I	\$300,000,000	Developed Americas
EQT Partners	EQT Infrastructure Fund II	€ 1,500,000,000	Global
First State Investments Fund Management	First State European Diversified Infrastructure Fund	€ 1,500,000,000	Europe
Global Infrastructure Management	Global Infrastructure Partners II	\$7,500,000,000	Global
Hastings Fund Management	UTA	Open-End Fund	Global
Highstar	Highstar IV	\$3,500,000,000	Global
iCon	iCon Infrastructure Partners II	€ 500,000,000	Europe
Industry Funds Management	IFM Global Infrastructure	Open-End Fund	Global
J.P. Morgan Investment Management, Inc.	JP Morgan Infrastructure Investments Fund	Open-End Fund	Global
Lazard Freres	Lazard Global Listed Infrastructure Trust	Public/Listed	Global
Macquarie	Macquarie European Infrastructure Fund IV	€ 1,500,000,000	Europe
Macquarie	Macquarie Global Listed Infrastructure Fund	Public/Listed	Global
Magellan Asset Management Limited	MFG Core Infrastructure	Public/Listed	Global
Morgan Stanley	Morgan Stanley Infrastructure Partners II	\$4,000,000,000	Global
Palmer Capital	UK Solar Income Partnership	€ 27,000,000	Europe
SteelRiver	SteelRiver Infrastructure Fund North America II	\$2,000,000,000	Developed Americas
StonePeak	StonePeak Infrastructure Partners	\$1,000,000,000	Developed Americas
Tiger Infrastructure Partners	Tiger Infrastructure Partners Fund L.P.	\$600,000,000	Global
United Bridge Partners	UBP New American Bridges Fund	\$1,000,000,000	Developed Americas

Appendix C (cont.): Infrastructure Funds In Market

Manager	Fund	Target Capital Raise	Geography
<i>Opportunistic</i>			
3i	India Infrastructure Fund II	\$1,250,000,000	Emerging Markets
Actis	Actis Energy Fund III	\$750,000,000	Emerging Markets
Alterna Capital Partners	Alterna Core Capital Assets II	\$600,000,000	Global
Aviva Investors	Aviva Investors European Renewable Energy Fund	€ 300,000,000	Europe
Black River	Black River Metals & Mining	\$300,000,000	Emerging Markets
BlackRock	BlackRock NTR Renewable Power Fund	\$1,500,000,000	Global
BRZ Investimentos	BRZ Ports and Logistics Assets Fund	\$450,000,000	Emerging Markets
BTG Pactual	BTG Pactual Infrastructure Fund II	\$1,500,000,000	Emerging Markets
Capital Dynamics AG	Clean Energy and Infrastructure Fund	\$500,000,000	Global
Capital Dynamics AG	US Solar Energy Fund	\$300,000,000	Developed Americas
Citi Capital Advisors	Build India Fund II	\$650,000,000	Emerging Markets
EnCap	EnCap Flatrock Midstream Fund II	\$1,250,000,000	Developed Americas
Energy Capital Partners	Energy Capital Partners II	\$3,500,000,000	Developed Americas
Energy Finance Company	Funding Solar Energy Limited Partnership	\$100,000,000	Developed Americas
Equis Funds Group	Equis Asia Fund	\$500,000,000	Emerging Markets
Fortress Investments	Fortress Power Assets Fund	\$350,000,000	Developed Americas
IFC Asset Management Company	IFC Global Infrastructure Fund	\$1,000,000,000	Emerging Markets
Marguerite	2020 European Fund for Energy, Climate Change & Infrastructure	€ 1,500,000,000	Europe
Modoc Capital LLC	Modoc Renewables Infrastructure Fund	\$250,000,000	Developed Americas
Starwood Energy	Starwood Energy Infrastructure Fund II	\$750,000,000	Developed Americas
Swiss Asia	China District Energy Fund	\$500,000,000	Emerging Markets

III. Private Equity IPS:

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
PRIVATE EQUITY INVESTMENT POLICY

Adopted: September 23, 2003
Amended: December 16, 2003
Amended: October 24, 2006
Proposed: October 23, 2012

I. SCOPE

The Private Equity Program Investment Policy Statement (the "IPS") applies to the Private Equity Program assets within the New York City Employees' Retirement System ("NYCERS", the "Fund", or the "System").

II. PURPOSE

The IPS provides the broad strategic framework for managing the Systems' Private Equity assets. The design of the IPS ensures that Managers, Advisors, Consultants and other participants selected by the System adhere to the investment principles and guidelines of the Fund. Additionally, the use of the IPS assures sufficient flexibility in managing investment risks and returns associated with the Private Equity Program (the "Program"). The purpose of the Program is to provide access to a portion of the global markets that are not publicly-traded as well as to access strategies which benefit from longer holding periods. The Program targets superior risk adjusted returns to what is generally available in public equity markets.

III. INVESTMENT PHILOSOPHY

The System's Board of Trustees believes that Private Equity markets are inefficient and illiquid and should therefore provide superior returns for risk taken, and that there is a return premium for investors who are willing to take an opportunistic approach to this asset class. The Board believes that risk can be managed through a combination of quantitative and qualitative constraints; including liquidity, vintage, manager, currency, industry, leverage and market value (see Section IX) and that a successful Private Equity program has the following strategy diversification: Buyout, Growth Equity, Special Situations, Energy, Secondary and Co-Investment (see Section V).

IV. STRATEGIC OBJECTIVE

The System has mandated investments in Private Equity Assets¹ as part of its strategic asset allocation to:

- A. Increase the diversification of its assets.
- B. Take advantage of the ability to accept illiquidity in exchange for an illiquidity premium.
- C. Make investments that have less correlation to public markets.
- D. Invest with Managers who have demonstrated the ability to or have the potential to outperform the 10-year average of the Russell 3000 Index (one quarter lag) plus a 300 basis point risk premium (net of fees and expenses) or Performance Objective returns as compared to similar investments.
- E. Reduce the volatility and increase the risk-adjusted returns of the overall portfolio of the System.

¹ Private Equity Assets are non-traditional investments made with the objective of achieving returns that are greater than those earned in the traditional public equity and debt markets. Alternative asset class components may be broadly categorized as (1) non-marketable, illiquid assets, and (2) marketable, liquid securities managed in a nontraditional format. Special debt, private equity, (including venture capital) real-estate-related investments, oil and gas, as well as timber, are examples of non-marketable assets. Risk arbitrage, commodities and derivatives are examples of the more liquid alternative asset types.

The System also expects that commitments to and investments in Private Equity Assets will establish, maintain and continually improve the reputation of the System as an investor, and that the System will make both continuous use of and contributions to the best practices of investors in Alternative Investments. The Fund will seek investments in which the proposer demonstrates a commitment to standards of good conduct, including compliance with all Federal, State and local laws, including, but not limited to, labor, anti-discrimination, environmental, and health and safety laws, and will reject investments that would pose reputational risk to the Fund or bring public or regulatory scrutiny other than that which is required by law or regulation to consummate an investment transaction. The Fund will not entertain investments that have the potential of eliminating public-sector jobs. The Fund encourages the submission of proposals for review from proposers that demonstrate a strong commitment to diversity in their firms.

The Fund seeks to employ Emerging Managers¹. Emerging Managers are asset managers the Board believes will add significant value to the Fund through implementation of investment strategies consistent with the Board's asset allocation and other policies, but which, because of size, length of track record, or other similar factors, have not been awarded contracts through the Board's manager selection process².

As part of NYCERS' continued commitment to drive asset class best practices and support long-term partnerships between Limited Partners and General Partners the Fund will strive to adhere to the Institutional Limited Partner Association's ("ILPA") guiding principles emphasizing alignment of interest, governance and transparency.

The operation of the Program is subject to the exclusive benefit rule and all other applicable laws, including requirements of prudence.

V. ASSET ALLOCATION

Asset allocation is a critical driver for the long-term success of the private equity program. Since it is not possible to rebalance quickly in private equity, pacing and manager selection have heightened importance as tools to influence allocation. Pursuant to a 2011 asset allocation study performed by the System's general consultant, Callan Associates, Inc. ("Callan"), the Board has adopted an allocation to Private Equity of **7.0%** of the market value of the total assets of the System **plus** or **minus 2.0%**. Long-term asset allocation targets have been developed with the assistance of the System's Private Equity Consultant, StepStone, and the strategies are denoted below:

Strategy
Buyout
Growth Equity
Special Situations/Turnaround
Energy
Secondary
Co-Invest
Other

¹ Emerging Managers are sponsors targeting capital raises up to \$750 million and investing through funds I – III. Emerging Managers include Minority & Women-Owned Business Enterprise ("MWBE")

² Per NYCERS' Core IPS dated September 25, 2007

VI. RESPONSIBILITIES AND DELEGATION

A. Role of Board of Trustees

The Board of Trustees (the "Board") is responsible for reviewing and approving Policies, including the IPS. In addition the Board shall:

- Review the Program at least annually and approve and adopt the Annual Private Equity Plan.
- Approve the retention of strategic consultants, advisors and other external resources, as needed.
- Oversee performance, risk and execution of the Program.
- Approve investment recommendations.
- Delegate investment approval authority as appropriate.
- Approve and/or ratify exceptions to the Annual Private Equity Plan as triggering events may arise.

B. Role of Comptroller's Office Staff

The duties of the Comptroller's Office Staff ("Staff") include, but are not limited to:

- Reviewing and recommending changes to the IPS, developing and implementing periodic reviews of the Program, which shall occur at least annually, and managing the operations of the Program.
- Working with the System's Consultants to develop and implement an Annual Private Equity Plan, identifying and evaluating private equity strategies, investment managers and investments appropriate for the Program, and making selection recommendations to the Board.
- As needed, identifying and evaluating strategic consultants and advisors and other external resources for the Program, and making selection recommendations to the Board.
- Overseeing the System's portfolio of Program investments, including management of consultants and advisors and other external resources engaged on the System's behalf in connection with the Program with the objective that the System obtains the maximum value from those relationships.
- Monitoring and reporting on the performance metrics as provided by the Managers with respect to the overall purpose and objectives of the Program; and monitoring and reporting on the performance of the consultants at least annually.
- Recommend the sale of LP interests, in the secondary market, to optimize the Program's performance.

C. Role of Private Equity Consultant

NYCERS retains a private equity consultant (the "PE Consultant") to assist in the implementation of its strategic allocation to the private equity asset class. The

strategic allocation to the asset class is recommended to the Board by Callan. The PE Consultant is a fiduciary and advises Staff and NYCERS on all aspects of its private equity investment program. The responsibilities of the PE Consultant(s) include, but are not limited to:

- Providing strategic advice:
 - Providing advice to the Board and Staff with respect to the development and operation of the Program, including advice on industry developments and portfolio construction.
 - Assisting the Board and Staff in developing the IPS and in periodic reviews of the IPS and the Program.

Together with Staff, provide an annual and a longer-term Private Equity plan for the Program.

- Periodic assessments of industry best practices with regard to policies and procedures.
- Analysis of NYCERS' existing private equity portfolio.
- Periodic reports on the state of the private equity marketplace.
- Attending meetings of the Board and providing educational seminars for the Trustees.
- Such other strategic advice and services as NYCERS or Staff may reasonably require.
- New investment identification and evaluation, including:
 - Assisting Staff in identifying, evaluating and recommending investment opportunities and terminations consistent with the IPS and believed to be appropriate for the Program, including conducting due diligence with respect to new investments, as requested.
 - The manager's ability to comply with the Board's investment policies and restrictions.
- Periodic reports on current and anticipated investment opportunities.
- Assisting Staff with the implementation, negotiation and execution of new commitments and/or investments.
- Portfolio monitoring:
 - Assisting Staff with the ongoing review of committed investments, including reports to the Board on significant manager developments, proposed amendments to fund documentation and investment performance.
 - Update Board quarterly on any portfolio company opt-outs pertaining to the Board's investment policy.
 - Periodic and real-time reports on developments at and performance of individual partnerships in the NYCERS portfolio.

D. Role of Custodian Bank/Alternatives Administrator

The Custodian Bank and/or Alternatives Administrator shall be responsible for reviewing and certifying all Program cash flow authorizations (such as capital calls and distributions).

VII. PERFORMANCE OBJECTIVE

The performance of the Program shall be measured against the following benchmark:

A. Opportunity Cost:

The expected long-term performance objective of the Private Equity program shall be measured against the 10-year average of the Russell 3000 Index (one quarter lag) plus a 300 basis point risk premium. The performance objective is net of fees and expenses. Use of the Russell 3000 Index reflects the opportunity cost of investing in Private Equity investments versus publicly traded common stocks. The 10-year average smoothes short-term volatility and is intended to cover at least one complete market cycle, consistent with the anticipated average term of the partnership investments. The index shall be modified to reflect the Program's actual cash flows.

Staff shall report regularly to the Board on performance of individual investments and of the Program as a whole in comparison to an appropriate sector based benchmark (e.g. Thompson One, etc.).

VIII. INVESTMENT OPERATIONS

A. General Approach

The Staff shall review and manage investments using a disciplined but opportunistic management strategy. Guided by the Annual Private Equity Plan (see below), Staff shall use a "top-down" approach to making assessments as to appropriate strategic weightings within the portfolio. Staff then shall seek to identify the most attractive investment opportunities available consistent with the Annual Private Equity Plan and with the goal to be diversified prudently across strategies, industries, partnerships and geography.

B. Annual Plan

Investments made under the Program shall be made in accordance with the Annual Private Equity Plan (the "Annual Plan"). Staff along with the Consultant shall present the Annual Plan to the Board, no later than 90 days after the previous calendar year end, for the Board's approval, which will provide guidance to the Staff and Consultant in the management, operations and investments of the Program. The Annual Plan shall include an elaboration of a target strategic allocation within the Private Equity asset class.

C. Pacing

The Annual Plan shall recommend commitment ranges to be made by the System within each strategy as well as a total target commitment for the System (the "Pacing Analysis") in order to achieve both the target strategic allocation and the overall allocation to the private equity asset class. The Pacing Analysis shall take into account the System's overall allocation to and investments in the Private Equity asset

class, within each strategy, across industries and geography, and by vintage as well as the market environment and such other considerations as are appropriate. The Program shall strive to avoid inappropriate concentrations in strategies, industries, geographic areas, funds, managers or vintage years.

D. Investment Guidelines

1. Investment Types

This IPS authorizes commitments to private equity partnerships, fund of funds partnerships and separate accounts investing in private equity partnerships. These investments may be in any type of security throughout the capital structure. This IPS also allows for structures which may not conform precisely to the previous list but whose intent is to capture private equity exposure and returns while insulating the System from liability in excess of the amounts invested.

2. Co-Investment and Direct Secondaries

Investment rights may include opportunities for additional capital participation through co-investment or other side-by-side direct investment opportunities. Secondary investments include the purchase of LP interests, co-investments or other pooled investment vehicles.

3. Emerging Equity Markets

Emerging private equity markets are defined as private equity markets that are located in countries included in the MSCI Emerging Markets Index. NYCERS has adopted an Investable Country policy with respect to emerging market *public* equity investments. The policy provides for a screen of the universe of emerging markets in order to select countries with positive investment attributes. Given the unique attributes of private market investments, including the rigorous diligence undertaken by Managers prior to making a particular private market investment due to the illiquid nature of such investments relative to public market investments, the Board has determined to provide Managers with discretion to invest in emerging private equity markets, provided, however, that Managers shall consider in their due diligence appropriate risk factors such as: market liquidity and volatility; market regulation and transparency; investor protection/corporate governance; political and economic stability and rule of law; transaction costs; and the existence and enforcement of worker health and safety protection, and labor and environmental statutes.

Managers will be provided with NYCERS' "Approved Equity Markets" list (see Exhibit A), including any updates to the list. Managers shall include in the required quarterly reports their due diligence analysis as to why, after taking into consideration the above-enumerated risk factors, substantial overriding reasons exist for a particular investment in a country that is not on the approved equity markets list.

Investments in emerging private equity real estate markets shall in all instances be subject to requirements of prudence, and to investment restrictions on rejecting any investment that would pose a reputational risk to the Investor or bring public or regulatory scrutiny, or that would result in the loss of public sector jobs (individually or collectively "Investment Restrictions" or "Restrictions").

4. Separate Managed Accounts

The Program may, from time to time, use funds of funds or Managers with discretionary mandates to accomplish investment strategies and activities.

E. Exceptions to the IPS

From time to time, the Program may require exceptions to this IPS. In the event that an exception is required, the following procedures shall be followed:

1. Non-Urgent¹ matters requiring an exception to this IPS will be addressed at the next scheduled NYCERS investment meeting. The Board shall be provided a detailed written summary and rationale warranting a potential exception to the IPS. Exceptions will only be granted with Board approval (vote, motion, etc.).
2. For urgent matters² (time-sensitive) requiring an exception to this IPS, the Staff will notify the Board, in writing or via electronic mail, as soon as practicable of the matter requiring the need for an exception to the IPS. A documented phone vote granting the exception may be obtained and the Board will ratify the decision at the next scheduled monthly investment meeting.

IX. RISK MANAGEMENT

Private Equity does not lend itself to traditional quantitative measures of risk such as standard deviation and benchmark tracking error. Rather, risk is managed through a combination of quantitative and qualitative constraints. The following sections identify the most significant risks with private equity investments and the method of control. The Program will only consider investment structures that provide limited liability to the System.

A. Liquidity

Private equity investments are illiquid and typically have expected holding periods of 10-12 years. Investments are typically held until maturity and selling prior to maturity generally results in a discount to fair market value. Asset allocation exposure is controlled through the investment pacing described in the Annual Plan. The Board recognizes that lowering the private equity target allocation may result in forced sales and increased exposure to liquidity risk.

B. Vintage Risk

Vintage refers to the year of first capital draw and vintage risk refers to the variability of private equity commitments over time. The Annual Plan controls the short and long-term investment pacing that minimizes vintage risk while achieving targeted exposure.

C. Manager Risk

Manager risk is the impact that a general partner has on the selection of investments to put in the portfolio. It is usually manifested in two ways: the size of the Program's exposure to a particular partnership, and the number of general partners in the private equity portfolio. Partnership exposure is controlled through careful selection and by limiting the commitment size to a partnership. The maximum commitment to a partnership is limited to the lesser of **15%** of a fund-raise, or **\$300 million**. The **15%** limit does not apply to a fund of funds manager or a separate account.

¹ Non-Urgent matters are defined as those not requiring an affirmative decision prior to the next scheduled NYCERS investment meeting.

² Urgent matters are defined as those requiring an affirmative decision prior to the next scheduled NYCERS investment meeting.

The optimum number of general partners in the portfolio varies with time and is controlled by the Annual Plan.

Firm risk is the exposure to a private equity manager or general partner and is controlled by limiting the total exposure (defined as unfunded commitments plus net asset value) to pooled investment vehicles operated by a general partner and/or its affiliates. The Program's maximum total exposure to a general partner and its affiliates is limited to **15%** of the total exposure of the Private Equity Program.

D. Currency

The Private Equity Program accepts the currency risks consistent with the geographic constraints. Private equity partnerships generally do not hedge currency risk and the Private Equity Program will not implement currency hedges.

E. Industry

Typically, private equity partnerships are permitted to invest in a wide variety of industries with limited controls. Industry risk is controlled primarily through appropriate diversification across classes and subclasses.

F. Leverage

General partners invest capital from private equity partnerships throughout the capital structure of firms. The capital markets control the maximum leverage available to the general partners and limited partners control leverage exposure through partnership selection and portfolio construction.

G. Market Value

Market value refers to portfolio company market value.

X. INVESTMENT / EVALUATION CRITERIA

Staff shall develop and maintain selection guidelines for Private Equity investments to include the following minimum requirements:

- The principals shall demonstrate relevant experience and expertise in the strategy they propose to execute and the market in which they propose to operate.
- The principals shall demonstrate requisite skills and experience necessary to execute the proposed strategy, including evidence from similar prior accomplishments.
- The principals shall demonstrate an ability to cooperate and to work well together over the long term and to manage a stable organization.
- The principals shall dedicate a sufficient proportion of their time and effort to the proposed investment vehicle.
- The principals shall make a meaningful personal financial commitment to the proposed investment.
- The principals shall be individuals of high character and solid professional reputation.
- The proposed strategy and business plan shall be set forth in sufficient detail as to permit substantive and meaningful review of the investment opportunity, verification of the investment concept and evaluation of the appropriate risk

factors.

- NYCERS will reject investments that would pose reputational risk to the Fund or bring public or regulatory scrutiny other than that which is required by law or regulation to consummate an investment transaction.
- NYCERS will not entertain proposals that have the potential of eliminating public-sector jobs.
- The proposed strategy and business plan shall provide reasonable assurance that the investment opportunity can produce the target return.
- The risk anticipated in the strategy and market is justified by and compensated for by the proposed investment, based on reasonable assumptions.

Primary emphasis will be on the quality and experience of the general partners, sponsors or managing members (collectively for ease of reference "general partners") and the staff of a proposed investment. Additional factors to be evaluated shall include:

- Fit within the Annual Plan and the System's portfolio.
- Strategy: its uniqueness, the General Partner's access to proprietary deal flow, and the flexibility and likelihood of success of the firm's entry and exit strategy.
- Integrity and reputation of the General Partners, its employees and other investors.
- Depth and breadth of the General Partner's principals' and their employees' experience and expertise.
- Personnel turnover.
- Quality of overall partnership governance and management of the partnership including controls and reporting systems (including audited financials and reports to Limited Partners).
- Relationship with and reputation among existing investors (e.g., re-ups and declines).
- Relationship with existing portfolio companies, including terminated Managers.
- Relationship and reputation among banks and other sources of financing.
- Nature and quality of value-added involvement by General Partners.
- Demonstrated ability of General Partners and their employees.
- Past financial performance.
- Pre-existing commitments of General Partners (with particular emphasis on unrealized investments in previous funds).
- Alignment of employee interests with those of Principals.
- Alignment of General Partners interests with investors (General Partner

investment relative to contemplated commitment, waterfall, treatment of transaction fees, clawbacks and lookbacks, operating budget, etc.).

- Appropriateness of terms and conditions.

Exhibit A

NYCERS' Approved Equity Markets

Argentina	Hungary	Poland
Australia	India	Portugal
Austria	Indonesia	Singapore
Belgium	Ireland	South Africa
Brazil	Israel	South Korea
Canada	Italy	Spain
Chile	Japan	Sweden
Colombia	Jordan	Switzerland
Czech Republic	Luxembourg	Taiwan
Denmark	Malaysia	Taiwan
Egypt	Mexico	Thailand
Finland	Netherlands	Turkey
France	New Zealand	United Kingdom
Germany	Norway	United States (including U.S.
Greece	Peru	Virgin Islands)
Hong Kong	Philippines	

Glossary of Terms:

Sectors:

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.

Growth Equity: Partnerships formed to invest and create value in emerging companies with high growth potential.

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

Energy: Partnerships that generate long-term capital appreciation through privately negotiated equity and equity-related investments in energy and natural resources companies.

Secondaries: A private equity vehicle formed to purchase active partnership interests from an investor.

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

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.

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

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.

APPENDICES:

BASKET CLAUSE

NYCERS - BASKET/NON BASKET SUMMARY

As of August 31st, 2012	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
<u>Equity</u>	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Domestic Equity	34.30%	0.00%	34.30%	36.81%	0.00%	36.81%
Non-U.S. Equity	10.00%	7.00%	17.00%	10.00%	5.04%	15.04%
Private Equity	0.00%	7.00%	7.00%	0.00%	8.34%	8.34%
Real Estate	4.00%	0.00%	4.00%	4.03%	0.00%	4.03%
Hedge Funds	0.00%	2.30%	2.30%	0.00%	2.25%	2.25%
Total Equity	<u>48.30%</u>	<u>16.30%</u>	<u>64.60%</u>	<u>50.84%</u>	<u>15.63%</u>	<u>66.47%</u>
Fixed Income						
Core+5	22.40%	0.40%	22.80%	18.12%	0.00%	18.12%
<i>U.S. Gov't Sector</i>	4.76%	0.00%	4.76%	2.53%	0.00%	2.53%
<i>Mortgage Sector</i>	9.09%	0.00%	9.09%	7.16%	0.00%	7.16%
<i>Credit Sector</i>	8.55%	0.40%	8.95%	8.42%	0.00%	8.42%
High Yield	3.60%	0.40%	4.00%	5.68%	0.63%	6.32%
Bank Loans	0.00%	2.00%	2.00%	0.00%	1.37%	1.37%
TIPS	4.25%	0.25%	4.50%	1.80%	0.42%	2.21%
Convertibles	1.00%	0.00%	1.00%	1.32%	0.00%	1.32%
Opportunistic Fixed Income	0.00%	1.10%	1.10%	0.00%	1.09%	1.09%
Other Fixed Income	0.00%	0.00%	0.00%	3.07%	0.03%	3.11%
Total Fixed Income	<u>31.25%</u>	<u>4.15%</u>	<u>35.40%</u>	<u>30.00%</u>	<u>3.54%</u>	<u>33.53%</u>
Total Fund	<u>79.55%</u>	<u>20.45%</u>	<u>100.00%</u>	<u>80.83%</u>	<u>19.17%</u>	<u>100.00%</u>
Remaining Capacity		4.55%		5.83%		

* Note: Basket amounts are estimates

LIQUIDITY ANALYSIS

NYCERS Liquidity Profile - Static Analysis

10/11/12

AUM as of August 31, 2012

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$15,615	\$15,615	\$15,615	\$15,615
International Equity	3,791	3,791	3,791	3,791
Emerging Markets	2,589	2,589	2,589	2,589
Hedge Funds	955	450	505	955
Private Equity	3,536	0	0	0
Private Real Estate	1,710	0	0	0
Core + 5	7,851	7,851	7,851	7,851
TIPS	938	938	938	938
Opportunistic Fixed Income	462	346	462	462
Enhanced Yield	2,679	2,679	2,679	2,679
Bank Loans	580	580	580	580
Convertible Bonds	561	561	561	561
ETI	519	281	498	519
Cash	635	635	635	635
Total Assets	\$42,421	\$36,317	\$36,703	\$37,175
Total Illiquid \$		\$6,104	\$5,718	\$5,246
Total Illiquid %		14.4%	13.5%	12.4%
Unfunded PE Commitments	\$2,148			
Unfunded RE Commitments	620			
Unfunded OFI Commitments	748			
Total commitments \$	\$3,516			
Total commitments %	8.3%			

NYCERS Liquidity Profile - Static Analysis

10/11/12

AUM as of August 31, 2012

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$6,104	\$5,718	\$5,246
Total Illiquid %	21.6%	20.2%	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	\$42,421	\$36,317	\$36,703	\$37,175

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn		\$430	\$859
Unfunded RE Commitments Drawn		124	248
Unfunded OFI Commitments Drawn		374	0
Total commitments \$		\$928	\$1,107
Total commitments %		2.2%	2.6%

Total Illiquid \$		\$6,646	\$6,353
Total Illiquid %		15.7%	15.0%

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

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$6,104	\$6,646	\$6,353
Total Illiquid %	21.6%	23.5%	22.5%

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