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TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

COMMON INVESTMENT MEETING

REPORTING & INITIATIVES

DECEMBER 15, 2016

LOCATION:

Office of the New York City Comptroller
1 Centre Street, 10th Floor - Northside
New York, NY 10007

**TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK
COMMON INVESTMENT MEETING – REPORTING & INITIATIVES
DECEMBER 15, 2016
PUBLIC AGENDA MATERIAL**

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PUBLIC AGENDA MATERIAL



Total Fund Performance Overview – Public
(Material to be sent under separate cover)

ETI Quarterly Report



Teachers' Pension Fund - Economically Targeted Investments Quarterly Report

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Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	BOA		CCD		CFSB		CPC		LIIF		NCBCI		NHS		WF		LISC		BE	
Contractual Commitments	\$30.00 MM		\$40.00 MM		\$9.00 MM		\$250.00 MM		\$25.00 MM		\$12.00 MM		\$3.00 MM		\$20.00 MM		\$10.00 MM		\$10.00 MM	
Current Market Value	\$9.84 MM		\$15.80 MM		\$2.42 MM		\$150.00 MM		\$8.34 MM		\$1.85 MM		\$0.64 MM		\$0.00 MM		\$0.00 MM		\$0.00 MM	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Commitments Q3 2016 (included in total)																				
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$800,000	90	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,040,677	83
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$800,000	90	\$0	0	\$2,040,677	83
Delivered Q3 2016 (included in total)																				
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$164,150	20	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$0	0	\$0	0	\$0	0	\$0	0	\$164,150	20	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total Commitments																				
Bronx	\$0	0	\$8,138,775	350	\$0	0	\$22,245,175	1,324	\$1,569,475	61	\$0	0	\$0	0	\$800,000	90	\$1,086,756	48	\$0	0
Brooklyn	3,127,608	346	5,768,118	161	0	0	18,112,446	897	4,247,788	251	0	0	0	0	0	0	2,389,741	156	2,114,267	359
Manhattan	2,240,000	100	0	0	0	0	24,432,522	1,134	5,597,947	275	0	0	0	0	4,826,417	203	1,921,533	90	2,040,677	83
Queens	600,000	54	0	0	0	0	9,288,300	406	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	360,000	67	0	0	0	0
Outside of NYC	595,000	39	2,108,000	41	0	0	3,405,500	74	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$6,562,608	539	\$16,014,893	552	\$0	0	\$77,483,942	3,835	\$11,415,210	587	\$0	0	\$0	0	\$5,986,417	360	\$5,398,029	294	\$4,154,945	442
Historical Investments																				
Bronx	\$1,750,000	60	\$5,937,550	452	\$0	0	\$54,213,632	4,060	\$1,536,636	117	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	1,856,901	54	3,678,417	252	0	0	83,728,149	3,666	2,313,267	245	0	0	330,213	7	0	0	0	0	0	0
Manhattan	0	0	3,235,255	283	2,659,482	197	49,496,286	3,371	4,422,857	277	1,605,582	123	252,445	15	0	0	0	0	0	0
Queens	5,019,680	239	660,000	54	0	0	22,125,121	903	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	227,500	8	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	10,915,450	385	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$8,626,581	353	\$13,511,222	1,041	\$2,659,482	197	\$220,706,138	12,393	\$8,272,760	639	\$1,605,582	123	\$582,658	22	\$0	0	\$0	0	\$0	0

*Lenders :

Bank of
America

Citibank Community
Development

Carver Federal
Savings Bank

The Community
Preservation Corp

Low Income
Investment Fund

NCB Capital Impact

Neighborhood
Housing Service

Wells Fargo

Local Initiatives
Support Corporation

Bellwether
Enterprise

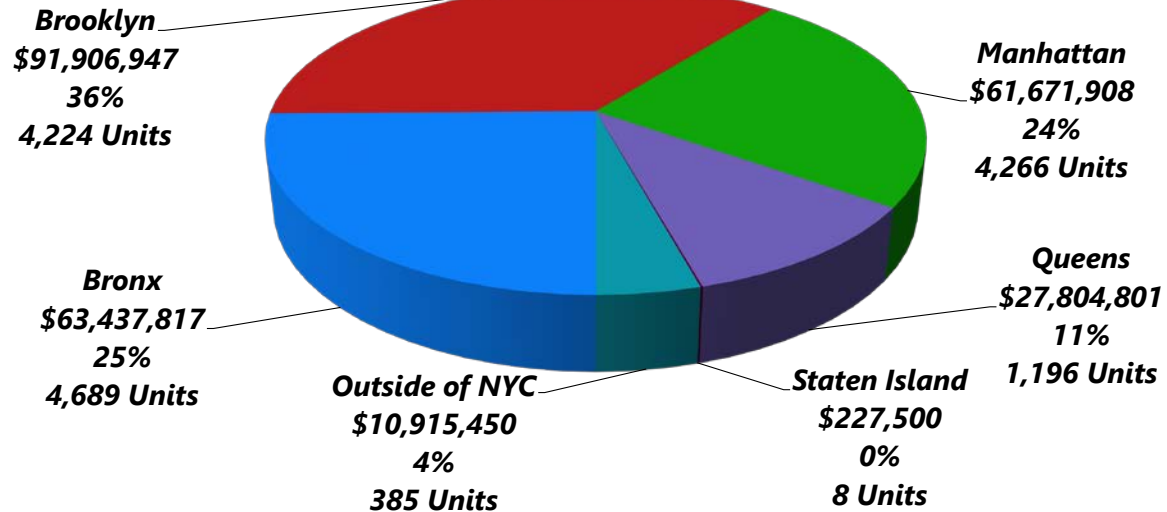
Teachers' Pension Fund - Economically Targeted Investments Quarterly Report

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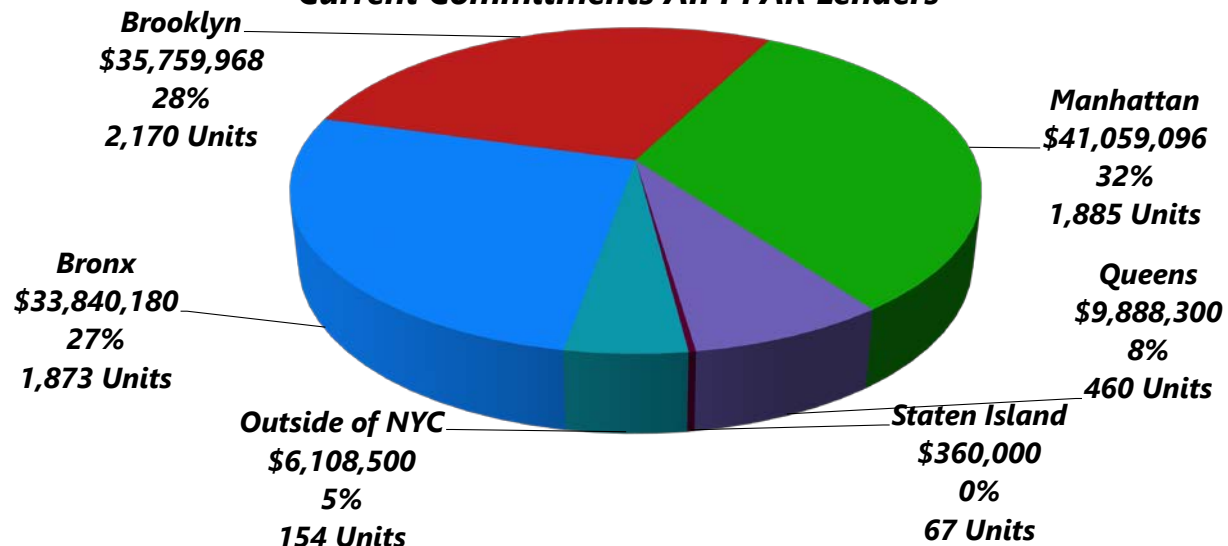
Public/Private Apartment Rehabilitation Program (PPAR)

Contractual Commitments	\$399.00 MM	
Current Market Value	\$188.90 MM	
Commitments Q3 2016 (included in total)	Dollars	Units
Bronx	\$800,000	90
Brooklyn	0	0
Manhattan	2,040,677	83
Queens	0	0
Staten Island	0	0
Outside of NYC	0	0
Total	\$2,840,677	173
Delivered Q3 2016 (included in total)		
Bronx	\$164,150	20
Brooklyn	0	0
Manhattan	0	0
Queens	0	0
Staten Island	0	0
Outside of NYC	0	0
Total	\$164,150	20
Total Commitments		
Bronx	\$33,840,180	1,873
Brooklyn	35,759,968	2,170
Manhattan	41,059,096	1,885
Queens	9,888,300	460
Staten Island	360,000	67
Outside of NYC	6,108,500	154
Total	\$127,016,044	6,609
Historical Investments		
Bronx	\$63,437,817	4,689
Brooklyn	91,906,947	4,224
Manhattan	61,671,908	4,266
Queens	27,804,801	1,196
Staten Island	227,500	8
Outside of NYC	10,915,450	385
Total	\$255,964,423	14,768

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



Teachers' Pension Fund - Economically Targeted Investments Quarterly Report

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AFL-CIO Housing Investment Trust (HIT)

Market Value \$284.36 million*

NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013

Multifamily Investments Detail

<u>Borough</u>	<u>Q3 Investments</u>	<u>Investments</u>	<u>Q3 Housing Units</u>	<u>Housing Units</u>
		<u>Since Inception</u>		<u>Since Inception</u>
Bronx	\$0	\$52,827,900	0	802
Brooklyn	0	103,890,446	0	5,616
Manhattan	0	174,075,200	0	813
Queens	0	17,760,000	0	1,149
Staten Island	0	6,414,554	0	693
Outside NYC	0	100,000,000	0	137
Total	\$0	\$454,968,100	0	9,210
Grand Total NYCCII Phase II		\$454,968,100		9,210

NYCCII Phase I 2002-2005

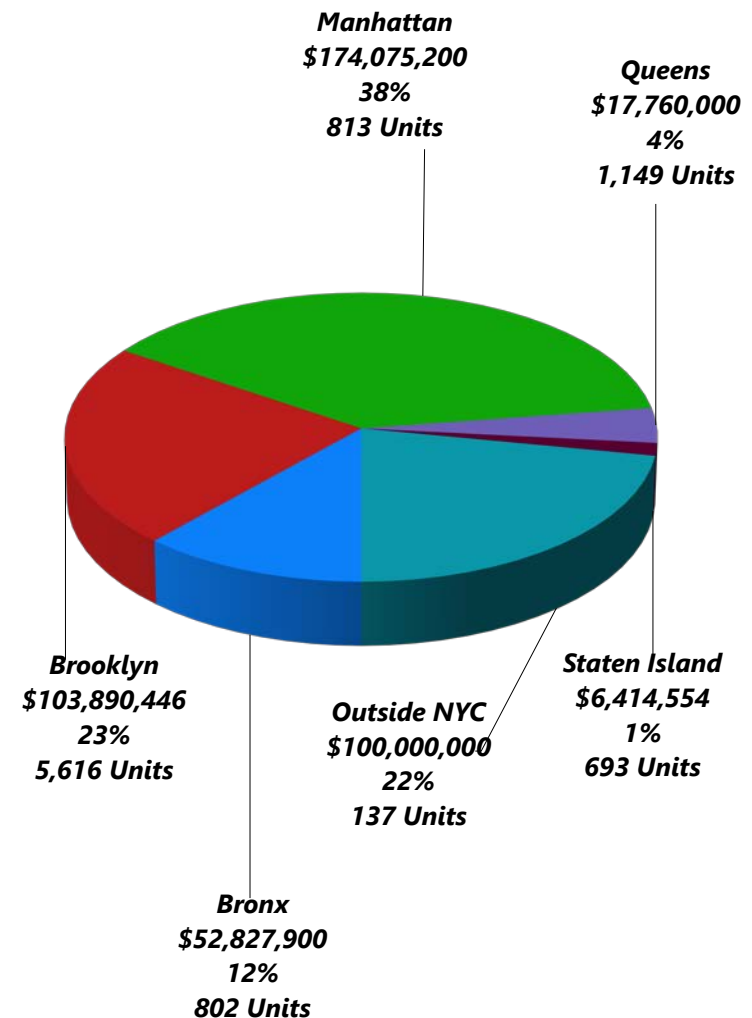
	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$249,123,500	12,024	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
Total NYCCII Phase I	\$597,424,063	12,024	131	446

NYCCII Phases I & II

	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$704,091,600	21,234	n/a	n/a
HIT Home Investments	2,899,899,500	n/a	131	446
Grand Total NYCCII Phases I & II	\$3,603,991,100	21,234	131	446

*Interest is reinvested

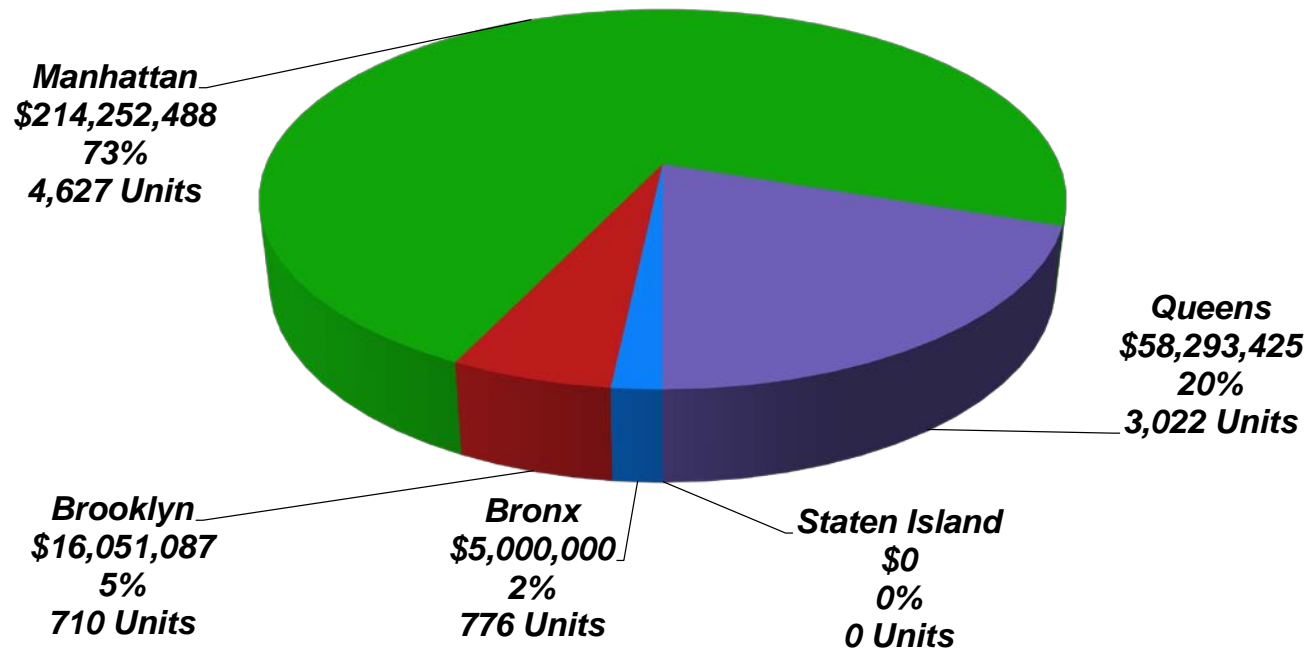
HIT Multifamily Investments



Teachers' Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)				
NYC Workforce Housing Initiative				
Investments From 2009 Through Q3 2016				
Workforce Investments Detail				
<u>Borough</u>	<u>Q3 Investments</u>	<u>Investments Since Inception</u>	<u>Q3 Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$5,000,000	0	776
Brooklyn	0	16,051,087	0	710
Manhattan	0	214,252,488	0	4,627
Queens	0	58,293,425	0	3,022
Staten Island	0	0	0	0
Total	\$0	\$293,597,000	0	9,135

HIT Workforce Housing Initiative



Teachers' Pension Fund - Economically Targeted Investments Quarterly Report

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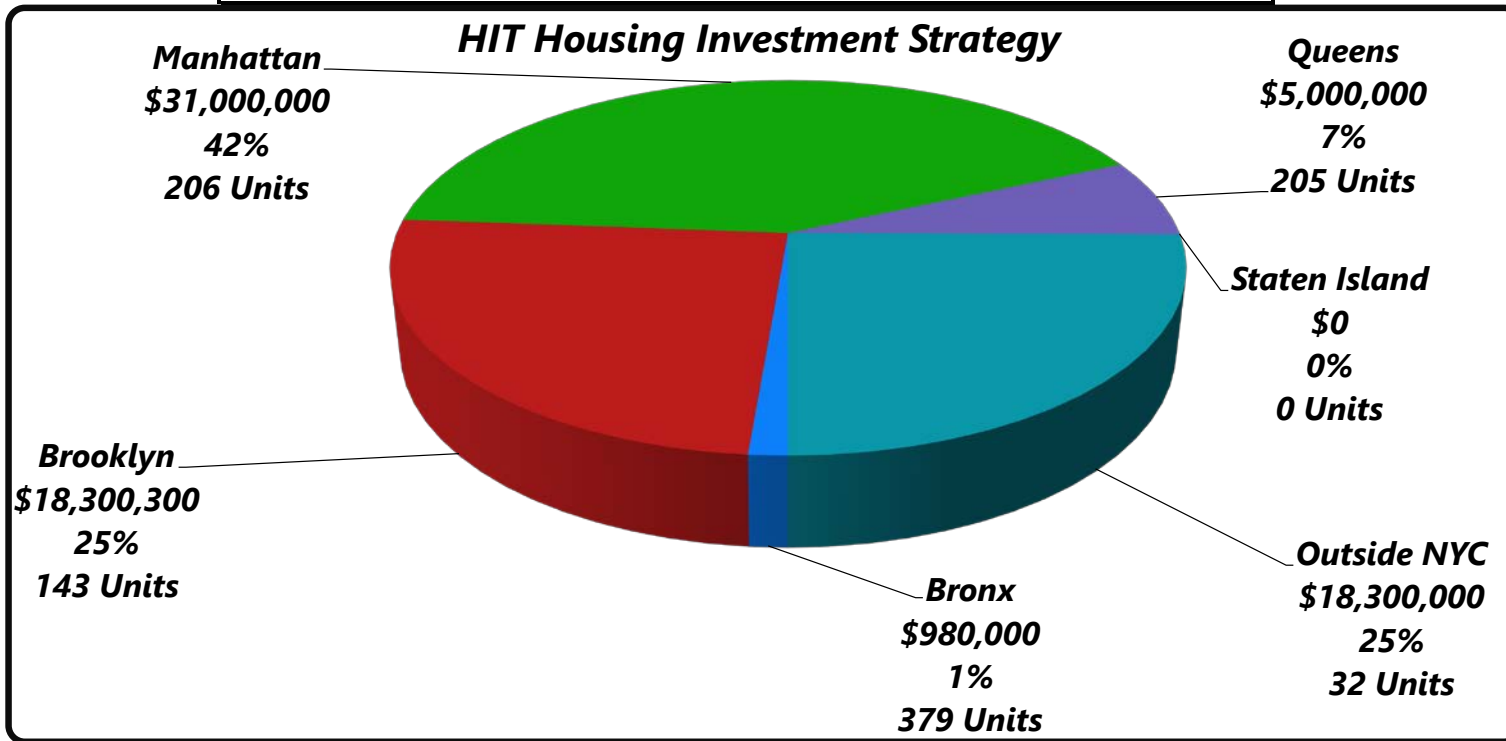
AFL-CIO Housing Investment Trust (HIT)

HIT Housing Investment Strategy

Investments From Q4 2015 Through Q3 2016

Housing Investment Strategy Detail

<u>Borough</u>	<u>Q3 Investments</u>	<u>Investments Since Inception</u>	<u>Q3 Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$980,000	0	379
Brooklyn	18,300,300	18,300,300	143	143
Manhattan	31,000,000	31,000,000	206	206
Queens	0	5,000,000	0	205
Staten Island	0	0	0	0
Outside NYC	0	18,300,000	0	32
Total	\$49,300,300	\$73,580,300	349	965



Teachers' Pension Fund - Economically Targeted Investments Quarterly Report

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

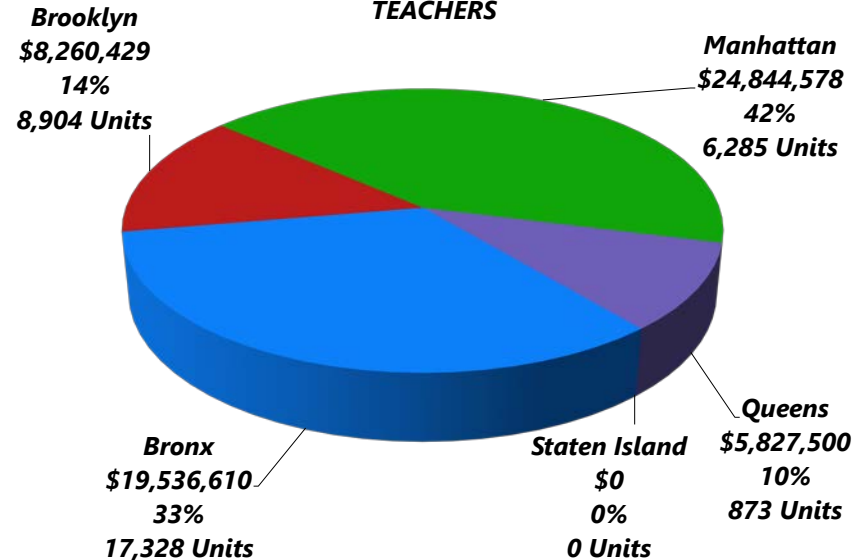
\$105 million Allocated (35% of total account)
Market Value \$94.01 million

<u>Multifamily Investments Detail</u>		<u>\$ Invested¹</u>		<u>Units²</u>	
		<u>Q3</u>	<u>Total</u>	<u>Q3</u>	<u>Total</u>
Bronx		\$0	\$19,536,610	0	17,328
Brooklyn		0	8,260,429	0	8,904
Manhattan		0	24,844,578	0	6,285
Queens		0	5,827,500	0	873
Staten Island		0	0	0	0
Total TEACHERS Multifamily Investment		\$0	\$58,469,117	0	33,390
Multifamily Total All Systems		\$0	\$167,054,619	0	33,390
<u>Single Family Investments Detail</u>		<u>\$ Invested</u>		<u>Units</u>	
		<u>Q3</u>	<u>Total</u>	<u>Q3</u>	<u>Total</u>
Bronx		\$82,950	\$12,090,801	1	201
Brooklyn		0	34,215,950	0	501
Manhattan		0	2,988,722	0	39
Queens		0	49,318,340	0	654
Staten Island		276,850	27,853,125	3	374
Total TEACHERS Single Family Investment		\$359,800	\$126,466,939	4	1,769
Single Family Total All Systems		\$1,028,000	\$361,334,111	4	1,769
<u>Other Investments Detail</u>		<u>\$ Invested</u>		<u>Loans</u>	
		<u>Q3</u>	<u>Total</u>	<u>Q3</u>	<u>Total</u>
Bronx		\$0	\$236,250	0	1
Brooklyn		0	1,886,641	0	8
Manhattan		0	851,517	0	5
Queens		0	190,201	0	3
Staten Island		0	0	0	0
Total TEACHERS Other Investments		\$0	\$3,164,609	0	17
Other Investments Total All Systems		\$0	\$9,041,740	0	17
Grand Total TEACHERS		\$359,800	\$188,100,664		
Grand Total All Systems		\$1,028,000	\$537,430,470		

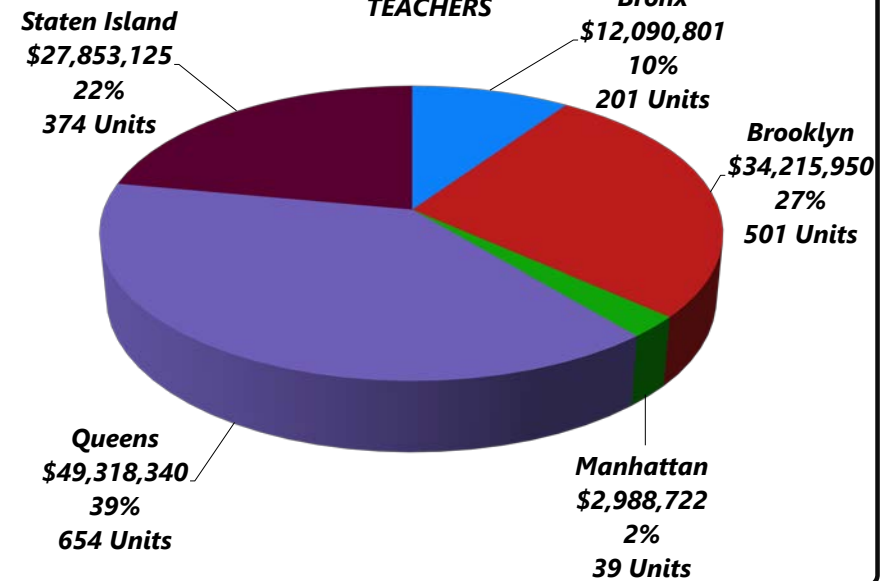
¹ Certain bond investment amounts are allocated pro rata across boroughs based upon unit count.

² If not indicated otherwise, superintendent units are allocated based on building size.

**Access Multifamily Investments Since Inception
TEACHERS**



**Access Single Family Investments Since Inception
TEACHERS**



Private Equity Quarterly Report



Teachers' Retirement System of the City of New York

Content

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Teachers' Retirement System of the City of New York

Quarter 2016 Report



Section 1:

Market Update

Teachers' Retirement System of the City of New York

Second Quarter 2016 Report

The Private Equity Market

Introduction¹

On June 23, 2016, the referendum was held in which the people of the UK voted to leave the EU. The Brexit announcement surprised the world and led to a mixed reaction across global markets during the second quarter of 2016.

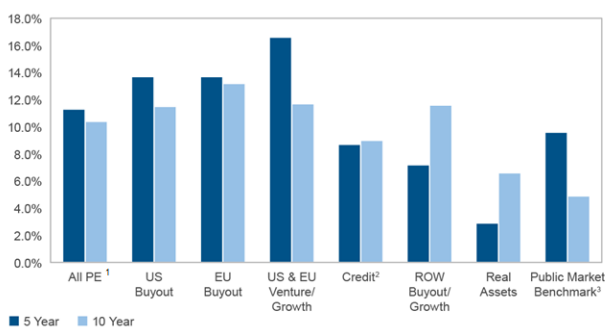
The U.S. public markets ended the quarter on another high note, as the S&P 500 rose 2.5%. The index experienced some volatility toward the end of the quarter, but the gain earned earlier in the quarter nevertheless held up. The majority of the increase occurred in May when an upgrade was made to U.S. GDP growth predictions; however, the expectation that the Fed could raise interest rates contracted this growth in June.

Despite the news of Brexit, UK equities rose during the quarter as the FTSE All-Share increased 4.7%. In anticipation of the benefits from a weakened currency, the UK equity market was able to recover from post-Brexit losses. Sectors such as oil and gas, basic materials, healthcare and consumer goods all experienced strong quarter ends as the sterling weakened. Conversely, the rest of the Eurozone saw their equities decline as the MSCI EMU index ended the second quarter down 2.2%. The index declined in June after the Brexit announcement.

The Japanese equity market declined 7.4% during the second quarter due to the UK's announcement as investors focused on the impact of short-term currency appreciation. Similar to Europe, the rest of the Asian markets ended the second quarter slightly more positive.

Private Equity Performance

Chart 1: Time Weighted Returns: Private Equity vs. MSCI World⁴



Source: Hamilton Lane Fund Investment Database (2Q 2016). Return figures are geometric averages of time-weighted returns in local currency. Returns longer than one year are annualized.

¹ The All PE sample includes all funds classified as buyout, growth equity, venture capital, distressed debt, mezzanine, infrastructure, co-investment, real estate, secondaries or special situation strategies contained within the Hamilton Lane Fund Investment Database as of the date of this chart. The All PE sample's performance is calculated on a pooled basis where larger funds have a greater impact than smaller funds. Performance of the funds included in this sample takes into account the effect of fees charged by the fund's GP, but not by Hamilton Lane.

² Includes Mezzanine and Distressed Debt Strategies

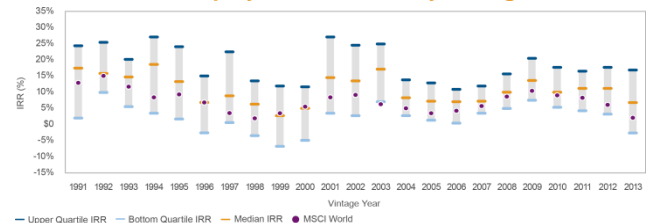
³ MSCI World, local currency, with reinvested dividends net of tax

⁴ MSCI World, local currency, with reinvested dividends net of tax

Private equity returns have continued to outperform the MSCI World Index as noted in Chart 1. Looking at the 10-year time period, all private equity strategies outperformed global public markets, as measured by the MSCI World index, by an average of 5.9%. European buyout was the top performing strategy over this time period producing a 12.8% return. Over the 5-year period, credit, rest-of-world buyout and real assets underperformed the MSCI World Index. Venture/Growth was the top performer over this time period, posting a 17.9% return, while all private equity, U.S. buyout and European buyout each outperformed the index.

Compared to domestic equities and high-yield bonds over a 10-year period, private equity has outperformed on a total return basis, producing a 9.8% return compared to 6.9% and 6.6% respectively. Private equity looks even more appealing when assessing the risk/return profile as the asset class' Sharpe ratio is 0.47, compared to 0.23 for domestic equities and 0.31 for high-yield bonds.²

Chart 2: Private Equity IRR Quartiles by Vintage Year



Source: Hamilton Lane Fund Investment Database (2Q 2016)

MSCI World, net reinvested dividends. Benchmark calculated as PME (Public Market Equivalent) using All Private Equity pooled cashflows.

Top-quartile funds have outperformed the MSCI World Index in every vintage year from 1991 to 2013, while median-quartile funds have also outperformed the index in every year with the exception of 1999 and 2000. Chart 2 highlights the importance of manager selection as top-quartile managers outperform public benchmarks year after year. The chart also highlights how uncommon negative returns can be while investing in private equity, as bottom-quartile managers generated negative performance in only five out of the last 23 vintage years, including 2013, which is still working through the J-curve.

² Indices used: Hamilton Lane All Private Equity with volatility de-smoothed; Russell 3000 Index; MSCI World ex US Index; MSCI Emerging Markets Index; Barclays Aggregate Bond Index; Credit Suisse High Yield Index; HFRI Composite Index; FTSE/NAREIT Equity REIT Index; S&P Global Infrastructure Index.

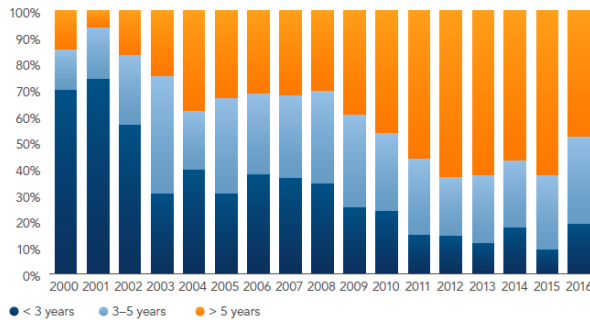
¹ Schroders Market Review 2Q16

Teachers' Retirement System of the City of New York

Second Quarter 2016 Report

Increase in Exit Activity

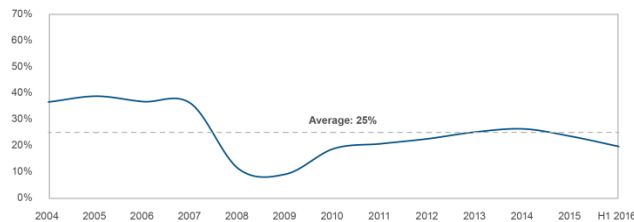
Chart 3: Holding Period of Exited Deals



Source: Hamilton Lane Fund Investment Database (August 2016)

The amount of private equity-backed exits increased 18% quarter-over-quarter to 434. These exits were valued at \$90 billion, representing a 33% increase quarter-over-quarter. Beginning in 2009, holding periods for underlying companies began to trend upward. In 2015, more than 60% of companies were held longer than 5 years. Year-to-date 2016 has seen a slight decrease, as just under 50% of the exited companies have been held for longer than 5 years. Consequently, the amount of companies exited in less than 3 years, increased to 20%.

Chart 4: Industry Level All PE¹ Distribution Pace

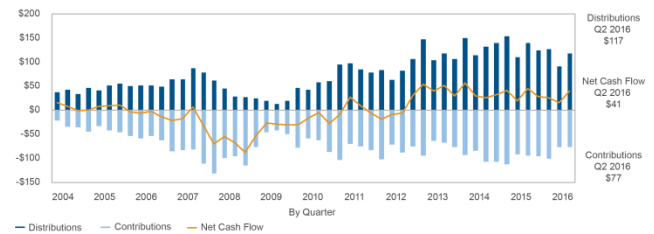


Source: Hamilton Lane Fund Investment Database (2Q 2016). Cashflows through 6/30/2016.

¹ The All PE sample includes all funds classified as buyout, growth equity, venture capital, distressed debt, mezzanine, infrastructure, co-investment, real estate, secondaries or special situation strategies contained within the Hamilton Lane Fund Investment Database as of the date of this chart. The All PE sample's performance is calculated on a pooled basis where larger funds have a greater impact than smaller funds. Performance of the funds included in this sample takes into account the effect of fees charged by the fund's GP, but not by Hamilton Lane.

The decrease in exit activity over the past year, is reflected in the industry-level distribution pace, which was 19.8% of net asset value (NAV). This is below the 10-year average and a continuation from 2015, when the pace fell below the average for the first time since 2012. However, 2Q16 distributions totaled \$117.0 billion, a 167% increase in total value from 1Q16.

Chart 5: Private Equity Industry Level Cash Flows (USD in Billions)¹



Source: Hamilton Lane Fund Investment Database (2Q 2016).

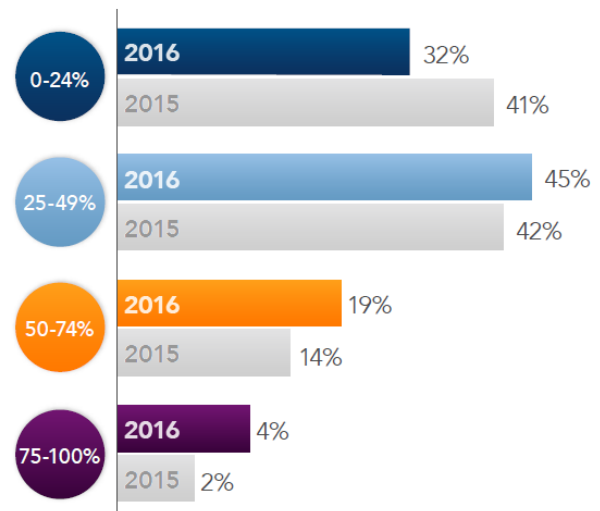
¹ Cashflows through 6/30/2016.

Investor Appetite

Investor appetite for the asset class has remained strong as evidenced by increasing allocations and record levels of fundraising. Preqin conducted a survey, that revealed 56% of investors intend to increase their allocations to private equity in the longer term, and only 7% plan to decrease their allocations.³

Co-investments have been an area of growing interest as investors increase allocation to private equity. Hamilton Lane conducted a survey of general partners ("GPs") which revealed that more limited partners ("LPs") are pursuing co-investment opportunities as seen in the chart below. 2015 produced high levels of co-investment interest from LPs, which represents an increase year-over-year.

Chart 6: Percentage of LPs asking to see co-investment opportunities



Source: Hamilton Lane Market Overview 2016 GP Survey

³ Preqin Investor Outlook: Alternative Assets H2 2016

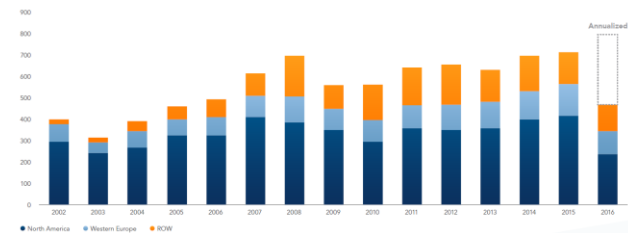
Teachers' Retirement System of the City of New York

Second Quarter 2016 Report

Private Equity Fundraising

Hamilton Lane saw a 30% increase in Private Placement Memorandums ("PPMs") received during the first quarter, and second quarter volume stayed on the same pace. 2016 is on track to be a record year for PPMs received due to fund managers offering more investments across more geographies and increased specialization of strategy choices. While the increase in the number of funds provides more choices to the Limited Partners, it also increases the complexity of fund selection.

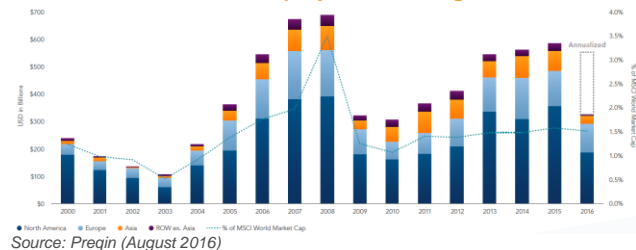
Chart 7: PPMs Received by Hamilton Lane Fund Investment Team



Source: Hamilton Lane Diligence (August 2016)

Fund raising through the second quarter of 2016 is above the long-term average of \$387.0 billion per year, yet the levels have been flat in relation to the percentage of the MSCI World Market Cap since 2013. In the second quarter, 180 funds closed on an aggregate amount of \$101.0 billion. Buyout funds raised an aggregate amount of \$56.1 billion, which was more than all other strategies combined.⁴ Venture capital was the strategy with the most funds to close with 89 funds closing in the second quarter.

Chart 8: Global Private Equity Fundraising



Source: Preqin (August 2016)

After a slowdown in private equity fundraising, the second quarter saw amounts of capital raised return to average levels. While "traditional" fundraising may seem to have hit a plateau, layering in shadow fundraising from co-investments shows that fundraising levels are trending back to highs seen in 2007. Private equity returns continue to outperform the public market benchmarks over the long term period (Chart 2). Investor net cash flows increased significantly in the investor's favor quarter-over-quarter (Chart 5) adding to the appeal of the private equity market.

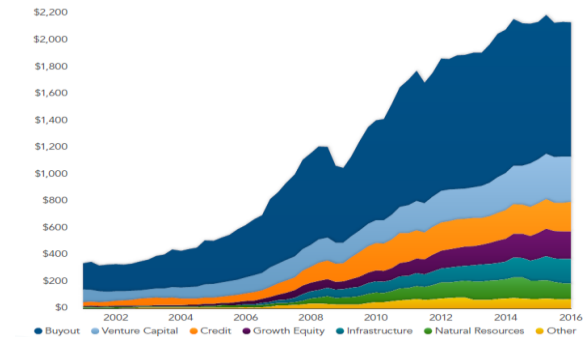
Chart 9: U.S. PE Fundraising and CI Capital



Source: Hamilton Lane Estimates, Pitchbook (June 2016)

Capital Overhang

Chart 10: Private Equity Dry Powder



Source: Hamilton Lane Fund Investment Database (May 2016). Real Assets includes Infrastructure and Natural Resources. Excludes real estate, secondary, and funds-of-funds strategies.

The total amount of dry powder has not shifted significantly quarter-over-quarter and represents a decline from 2015. However, the unfunded age is trending above the average of 2.1 years. Buyout and venture capital remained unchanged, while the average age of credit increased to nearly 4 years.

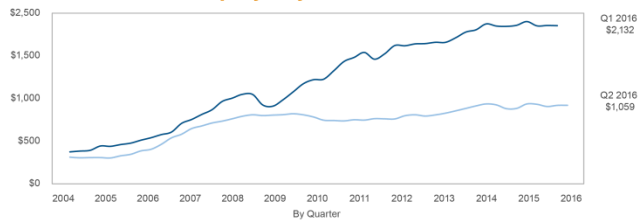
Industry-level dry powder decreased 6% in 1Q 2016 to \$929.5 billion. All strategies experienced a reduction in dry powder, with the exception of EU buyout, which added \$4.9 billion during the quarter. Real assets led the decline, eliminating \$11.9 billion. Chart 10 shows that dry powder has sustained 2008 levels over the past seven years, a result of expansion into strategies such as credit, real assets and emerging markets. Due to high purchase prices, General Partners have been disciplined in deployment of capital which in turn has caused the age of capital overhang to reach record highs.

⁴ 2Q16 Preqin Quarterly Update

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Chart 11: Private Equity Dry Powder

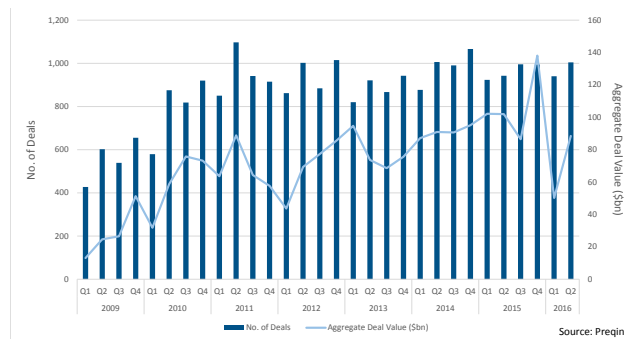


Source: Hamilton Lane Fund Investment Database (2Q 2016).

Deal Activity

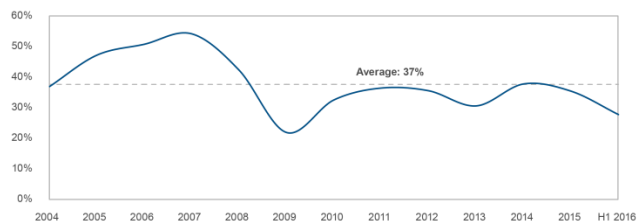
After a decline in global buyout deals through 1Q16, Q2 saw a small bounce back of 7% with 1,004 deals closing.⁵ The more significant rebound was in the aggregate deal value increasing to \$88.5 billion from \$50.1 billion. This represents a 76% increase from 1Q16, which accounted for the lowest aggregate deal value since 1Q12. Europe and North America accounted for the majority, increasing 99% and 83% in deal value, respectively.

Chart 12: Quarterly Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally



Source: Preqin Q2 Quarterly Private Equity Update

Chart 13: Industry Level All PE Contribution Pace



Source: Hamilton Lane Fund Investment Database (2Q 2016).

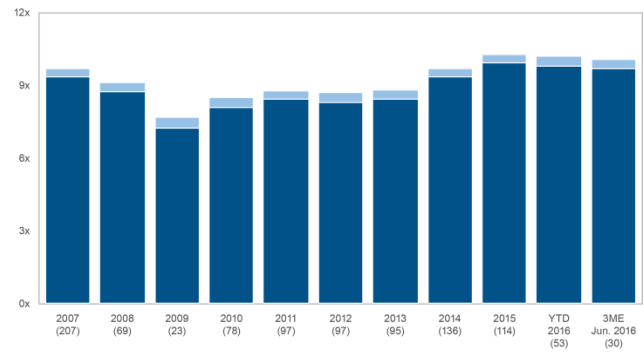
Although deal activity has increased from the previous quarter, the contribution pace at the industry level declined. Contributions relative to unfunded commitments are at 27.7%, which is well below the average of 37%.

⁵ The Q2 2016 Preqin Quarterly Update

Deal Pricing

Purchase prices in North America have seen a slight decline to 8.7x after spiking to 9.4x in 2015, while pricing in Western Europe reached a 16-year high of 11.5x. Prices in North America are seeing their first significant drop since 2009.

Chart 14: LBO Purchase Price Multiples

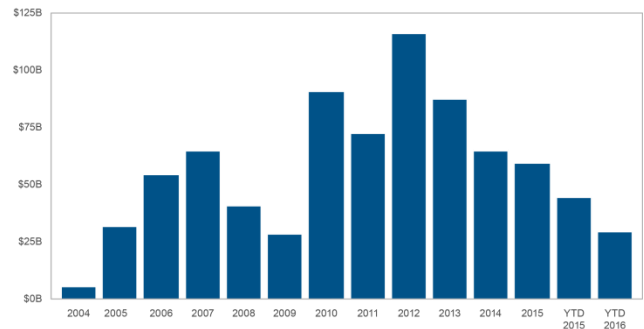


Source: S&P Capital IQ M&A Stats June 2016

Debt Markets

2Q16 U.S. sponsored high-yield bonds increased quarter-over-quarter, but are still down over the long-term. High-yield bonds volume increased in the first five months of the year; however this trend halted in June with the announcement of Brexit.⁶

Chart 15: Volume of Sponsored High-Yield Bond Issuances



Source: S&P Capital IQ M&A Stats June 2016

⁶ KKR Credit June Market in Review

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Spotlight: Debt/Credit

Introduction

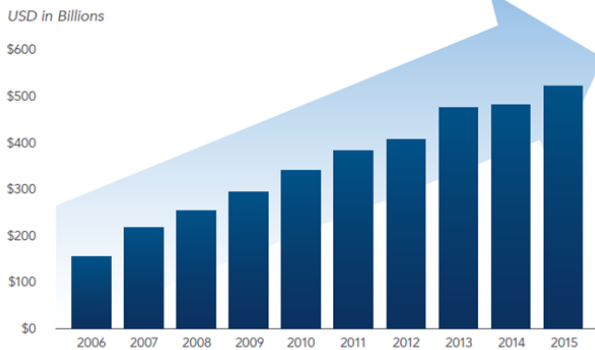
Institutional Investors have become increasingly interested in private debt in recent years. The private debt market has experienced consistent growth as there are more opportunities within the strategy, returns have been attractive, and the amount of capital raised continues to rise.

Fundraising and Performance

The private debt market has seen consistent growth over the last ten years as seen in Chart 1, as the total assets under management has grown from \$150 billion to just over \$500 billion. The largest strategies include distressed debt (38%), mezzanine debt (25%), and direct lending (22%).

Credit investing offers investors J-curve mitigation, as seen in Chart 2. Data shows the credit strategy generates a positive median IRR after four quarters, which is much shorter when compared to some of the larger strategies such as corporate finance/buyout, which takes nine quarters, and venture capital, which takes 12 quarters. When compared to co-investment, venture, real estate and buyout, credit investing assumes the lowest level of risk, while still managing to achieve attractive positive returns.

Chart 1: Private Debt AUM

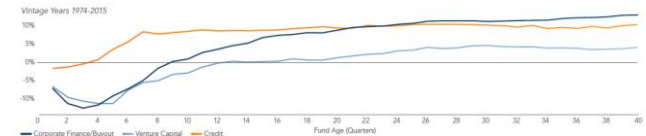


Source: Preqin Private Debt Online (December 2015)

The amount of negative-yielding debt globally has grown significantly since 2014. As seen in chart 3, negative-yielding debt has grown from less than 1 trillion to over \$10 trillion. Large bond markets such as Switzerland, Japan, and Germany have had the interest rates on their outstanding debt turn negative. The current yield for municipal bonds is 1.6% which is equal to the minimum yield over the last 20 years. Bond yield in all sectors and regions (high-yield, U.S. corporate, 30Y Mortgage, 10Y treasury, and emerging markets) continue to remain low, as they are all close to the minimum. High-yield bonds are currently the highest at 7.3%⁷

⁷ Barclays U.S. High Yield Index, Barclays U.S. Corporate Aggregate Index, Federal Reserve 30Y Mortgage rate, US 10Y Treasury, Barclays Emerging Market Agg. (July 2016)

Chart 2: Median IRR J-Curves by Strategy

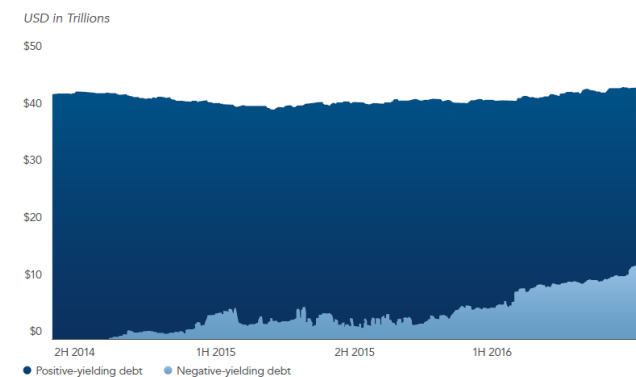


Source: Hamilton Lane Fund Investment Database (June 2016)

Currently, private debt represents a small percentage of investor portfolios and is dwarfed by investment in public fixed income. The average percentage of assets under management allocated to public fixed income is 26%, while the highest allocation to private debt is just above 10% by family offices.⁸

To achieve target returns, investors need to increasingly turn towards equity and alternatives. To earn a 7.5% return in 1995, investors could allocate 100% of their capital towards bonds. In 2005, the amount allocated towards bonds decreased to 52% as investors needed to diversify their portfolios to achieve outperformance and the amount of allocation towards private equity increased to 4%. Today, the allocation necessary to gain 7.5% towards bonds is 12%, while allocation towards private equity has increased to 12%.⁹

Chart 3: Growth of Negative-Yielding Debt Globally



Source: The Wall Street Journal / Bank of America Merrill Lynch (July 2016)

⁸ Preqin Investor Interviews, Pensions & Investments (December 2015)
⁹ Callan Associates (June 2016)

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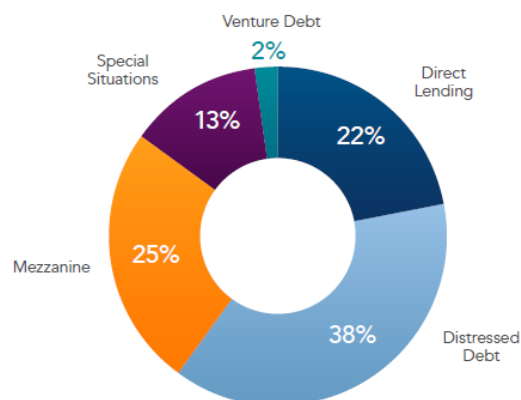
Chart 4: Credit (Distressed and Mezzanine Debt) IRR Quartiles

Vintage	IRR Quartiles		
	Top Q IRR	Median IRR	Bottom Q IRR
1982 - 1985	13.4%	10.8%	8.7%
1986 - 1987	11.0%	6.1%	1.6%
1988	14.1%	12.8%	10.6%
1989 - 1990	23.4%	14.3%	11.9%
1992 - 1993	15.8%	14.1%	11.5%
1994 - 1996	7.9%	5.6%	3.5%
1997	13.0%	8.4%	5.3%
1998	11.1%	8.2%	5.9%
1999	12.0%	10.8%	8.0%
2000	10.9%	10.4%	8.4%
2001	22.6%	14.7%	8.7%
2002	34.6%	22.6%	12.6%
2003	25.8%	16.7%	8.1%
2004	9.8%	8.4%	0.9%
2005	8.8%	7.2%	4.5%
2006	8.3%	7.4%	1.5%
2007	9.0%	7.0%	4.0%
2008	13.5%	10.6%	6.7%
2009	14.1%	9.4%	7.1%
2010	12.8%	9.9%	7.7%
2011	10.3%	8.9%	5.3%
2012	14.5%	9.2%	2.3%
2013	9.1%	3.7%	-2.8%
2014	9.2%	3.1%	-4.4%
2015	6.5%	1.0%	-4.2%
Total	12.8%	8.4%	3.8%

Source: Hamilton Lane Fund Investment Database (June 2016)

Credit has produced positive median IRRs from vintage years 1982 through 2015 with an overall median IRR of 8.4%. 2002 was the apex at 22.6% and 2015 represents the trough at 1.0% however; these funds are early in their life cycle and still working through the J-curve.¹⁰

Chart 5: Private Debt Strategy Mix



Source: Prequin Private Debt Online (December 2015)

Historically, private debt investing had been mainly comprised of mezzanine and distressed debt strategies. Now, direct lending almost makes up nearly one quarter of private debt investing. The departure of banks from lending activity due to

increased regulatory requirements has allowed alternative firms to provide the direct lending. LP interest in their debt allocations and diversifying their private equity portfolio has also helped fuel this growth.

Outlook

Fifteen years ago, allocations to private equity, were at the level of today's allocations to private debt.¹¹ Private debt allocations have continued to grow as the total capital under management has grown three-fold over the last nine years. As investors continue to see positive returns coupled with a lower risk profile, it becomes more likely they will continue to allocate capital towards private debt.

¹⁰ Hamilton Lane Fund Investment Database (2Q 2016)

¹¹ Prequin Investor Interviews, Pensions & Investments (December 2015)

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Section 2:

Portfolio Update

Teachers' Retirement System of the City of New York

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Portfolio Snapshot

Hamilton Lane was engaged by the Teachers' Retirement System of the City of New York ("TRS") in October 2010 to provide alternative investment consulting services in accordance with the investment objectives of the TRS Private Equity portfolio (the "Portfolio"). This report represents the review by Hamilton Lane of TRS's Portfolio and is based upon information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of June 30, 2016, with highlights through September 30, 2016.

Private Equity Allocation: TRS has a target allocation of 6.0% to Private Equity. As of June 30, 2016, Private Equity constituted 5.0% of TRS plan. (Plan value is \$61.649 billion as of June 30, 2016)

Performance: As of June 30, 2016, the Portfolio consists of 162 partnerships and 97 underlying fund managers. The Portfolio has generated a since inception internal rate of return ("IRR") of 9.03% and a total value multiple of 1.3x.

Portfolio Summary			
\$ in millions	3/31/2016	6/30/2016	Change
Active Partnerships	157	162	5
Active GP Relationships	97	97	-
Capital Committed ⁽¹⁾⁽²⁾	\$6,259.8	\$6,962.1	\$702.3
Liquidated Commitments	\$83.0	\$83.0	-
Commitments Sold	\$288.5	\$288.5	-
Unfunded Commitment	\$2,182.8	\$2,779.4	\$596.6
Capital Contributed	\$4,992.9	\$5,137.0	\$144.1
Capital Distributed	\$3,587.3	\$3,752.7	\$165.4
Market Value	\$3,046.6	\$3,104.6	\$58.0
Total Value Multiple	1.3x	1.3x	-
Since Inception IRR	8.98%	9.03%	5 bps
Avg. Age of Active Commitments	5.9 years	5.9 years	-

⁽¹⁾ The "change" in capital committed from the prior quarter reflects currency adjustments from existing foreign denominated funds and an additional commitment made during the quarter.

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

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 61% of the Portfolio's total exposure, Secondaries represent 12%, Special Situations/Turnaround represents 9%, Growth Equity accounts for 6%, Venture Capital represents 5%, Co-Investment represents 5%, and Energy represents the remaining 2%. The Portfolio has significant exposure to North America, with 75% of the underlying company market value based in the region.

Teachers' Retirement System of the City of New York

Second Quarter 2016 Report

Portfolio Overview

Commitments

The table below highlights the funds that have closed through the second quarter of the 2016 calendar year.

YTD Commitments - 2016			
Closing Date	Partnership	Investment Strategy	Commitment Amount (\$ in Millions)
1/15/2016	Stellex Capital Partners, L.P.	Special Situations/Turnaround	\$28.0
4/25/2016	Green Equity Investors VII, L.P.	Corporate Finance/Buyout - Mega	\$134.0
5/26/2016	Vista Equity Partners Fund VI, L.P.	Corporate Finance/Buyout - Mega	\$223.0
5/27/2016	Apax IX USD, L.P.	Corporate Finance/Buyout - Mega	\$178.0
6/30/2016	BC European Capital X, L.P.	Corporate Finance/Buyout - Large	€111.0/\$123.0
6/30/2016	BC European Capital X Metro Co-Investment L.P.	Co/Direct Investment	€44.4 / \$49.2
Total			\$735.2

The Portfolio closed on six new investments, totaling \$735.2 million, which are detailed below:

Stellex Capital Partners, L.P. (\$28.0 million) the fund, the first Emerging Manager 2015 Program commitment, will target middle-market distressed and special situation opportunities primarily within the United States but may also opportunistically invest in Europe. The fund will seek control through equity buyouts or debt restructuring.

Green Equity Investors VII, L.P. (\$134.0 million) will invest in market-leading companies with attractive growth prospects across a broad range of industries, with a preference in retail/consumer, healthcare/wellness, business/consumer services, and distribution sectors.

Vista Equity Partners Fund VI, L.P. (\$223.0 million) the targets upper middle-market enterprise software companies in a relatively fragmented and expanding market. The fund seeks control positions in investments and intends to contribute significant value-add capabilities through board representation and their involvement.

Apax IX USD, L.P. (\$178.0 million) the fund will invest in buyouts in large cap companies mainly in Europe and North America. The fund targets four core sectors: consumer, healthcare, services, and technology and telecommunications. The fund seeks to invest in majority positions in order to gain control and drive value post-investment.

BC European Capital X, L.P. (€111.0/\$123.0 million) the fund will invest primarily in control buyouts of upper mid- and large-sized companies, focusing mainly in Europe, with select investments in the North America.

BC European Capital X Metro Co-Invest L.P. (€44.4/\$49.2 million) the fund is co-investment vehicle related to the BC European Capital X, L.P. commitment.

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Subsequent Closings

Subsequent to the quarter end June 30, 2016, the portfolio closed one commitment totaling \$24.0 million.

Subsequent Closings			
Investment	Investment Strategy	Commitment (\$ in Millions)	Closing Date
FTV V, L.P.	Growth Equity	\$24.0	9/15/2016
Total		\$24.0	

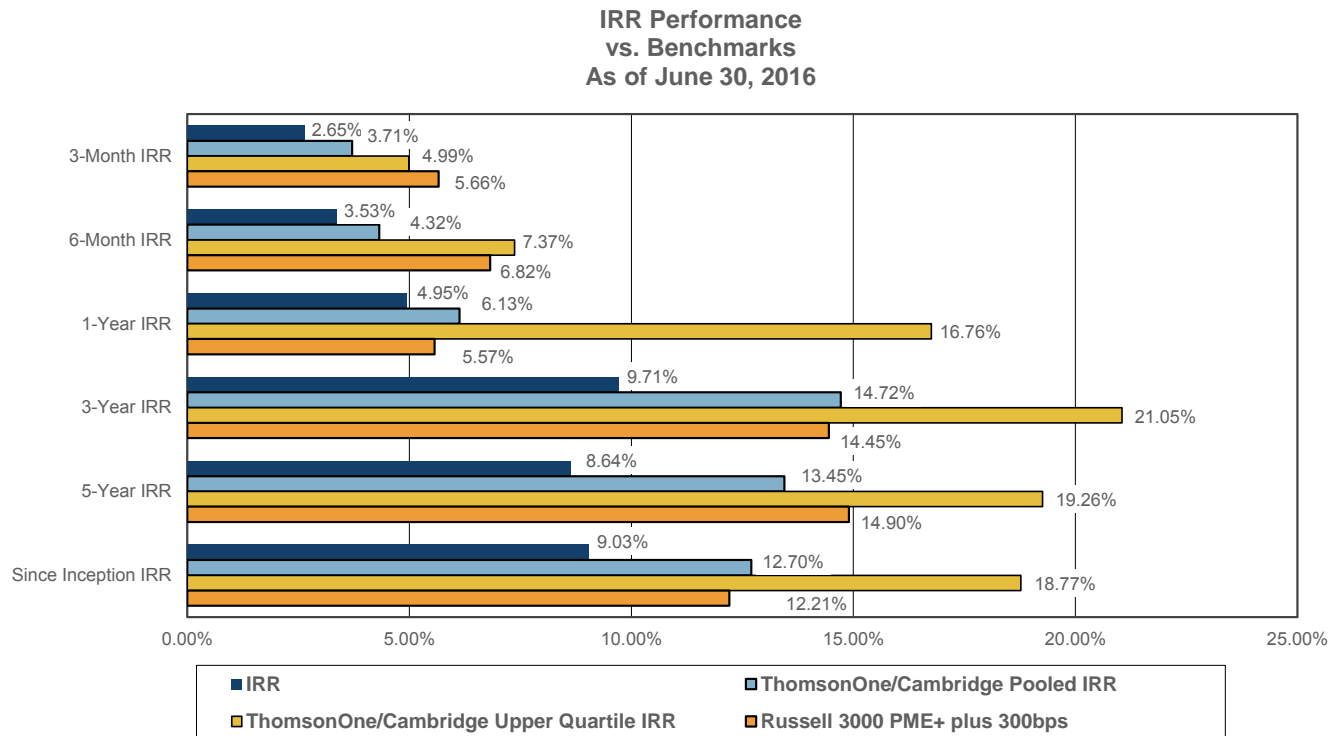
FTV V, L.P. (\$24.0 million) the fund, an Emerging Manager 2015 Program commitment, will target enterprise technology & services, financial services, and payments & transaction processing sectors primarily in the United States. Investments to established, high-growth companies in the lower middle market will range between \$20 million and \$80 million.

Teachers' Retirement System of the City of New York

Second Quarter 2016 Report

Portfolio Performance Summary

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



Note: Private Equity benchmark is provided by ThomsonOne/Cambridge and reflects U.S. Buyout Funds Pooled IRR and Upper Quartile IRR as of June 30, 2016, for funds with vintage years 1999 to 2016. PME+ is the Russell 3000 Total Return Index and incorporates the PME + methodology for all partnerships where distributions have occurred, and incorporates the Long Nickels methodologies for those partnerships that have not yet had any distributions to date. This calculation includes a 3% premium.

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the second quarter of 2016 increased 5 basis points from the prior quarter, with the Portfolio generating an IRR of 9.03%.
 - Relative to the benchmarks, the since inception IRR is underperforming the ThomsonOne/ Cambridge Pooled IRR by 367 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 974 basis points, and Russell 3000 PME+ plus 300 basis points by 318 basis points.
- Performance on a one-year basis for the second quarter 2016 decreased 1 basis point from the first quarter 2016, with the Portfolio generating an IRR of 4.95% as of June 30, 2016.
 - Relative to the benchmarks, the one-year IRR is underperforming the peer benchmarks, ThomsonOne/Cambridge Pooled IRR by 118 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 1,181 basis points, and the public benchmarks, the Russell 3000 PME+ plus 300 basis points by 62 basis points.

Teachers' Retirement System of the City of New York

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Quarterly Value Analysis

The table below details quarterly performance of the Portfolio for the year ending June 30, 2016.

Portfolio Summary					
\$ in millions	Quarter Ending				Year Ending
	9/30/2015	12/31/2015	3/31/2016	6/30/2016	6/30/2016
Beginning Market Value	\$2,795.6	\$2,849.6	\$2,954.7	\$3,046.6	\$2,795.6
Paid-in Capital	162.8	191.5	156.4	144.1	654.8
Distributions	(112.4)	(121.9)	(90.3)	(165.4)	(490.0)
Net Value Change	3.6	35.5	25.8	79.3	144.2
Ending Market Value	\$2,849.6	\$2,954.7	\$3,046.6	\$3,104.6	\$3,104.6
Unfunded Commitments	\$2,155.8	\$2,297.4	\$2,182.8	\$2,779.4	\$2,779.4
Total Exposure	\$5,005.4	\$5,252.1	\$5,229.4	\$5,884.0	\$5,884.0
Point to Point IRR	0.13%	1.24%	0.86%	2.65%	4.95%
Since Inception IRR	9.25%	9.13%	8.98%	9.03%	9.03%

- Over the past twelve months, the Portfolio has experienced a total of \$144.2 million in net value appreciation.
 - The since inception IRR of 9.03% represents an increase of 5 basis points when compared to the since inception IRR from the prior quarter.

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Performance by Strategy

The table below details IRR performance of the Portfolio with respect to Investment Strategy. The Portfolio is benchmarked against the ThomsonOne/Cambridge Median Quartile IRR, and the ThomsonOne/Cambridge Upper Quartile IRR.

Performance by Investment Strategy				
Investment Strategy	Capital Committed	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR
Corporate Finance/Buyout	\$ 4,228,605,352	10.23%	11.91%	18.77%
Corporate Finance/Buyout - Mega	1,303,588,851	10.44%	9.02%	12.58%
Corporate Finance/Buyout - Large	1,290,602,336	15.57%	11.98%	16.60%
Corporate Finance/Buyout - Mid	907,108,521	9.18%	10.62%	17.13%
Corporate Finance/Buyout - Small	727,305,645	7.56%	13.24%	20.10%
Co-Invest	323,112,315	5.25%	N/A	N/A
Energy	217,500,000	(0.83%)	5.54%	10.99%
Growth Equity	328,371,863	5.98%	10.24%	17.50%
Secondary	799,000,000	12.75%	14.16%	21.68%
Special Situations/Turnaround	580,500,000	18.36%	11.30%	17.70%
Other	485,000,000	3.98%	5.17%	11.38%
Venture Capital	435,000,000	3.30%	3.78%	11.19%
Mezzanine	50,000,000	13.23%	7.75%	9.42%

Note: Commitments in the above table do not include liquidated/sold investments.

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Vintage Year Performance

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

Performance by Vintage Year						
Vintage Year	Capital Committed ⁽¹⁾	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR	PME Benchmark ⁽²⁾	PME Spread ⁽³⁾
1999	\$ 95,000,000	7.10%	9.60%	14.17%	6.19%	0.9%
2000	35,000,000	6.18%	14.36%	21.57%	5.59%	0.6%
2001	65,000,000	18.94%	20.69%	28.47%	7.62%	11.32%
2002	95,000,000	15.21%	17.46%	26.47%	6.79%	8.42%
2003	85,000,000	19.92%	14.46%	19.63%	6.51%	13.41%
2004	254,000,000	2.88%	10.96%	14.48%	8.16%	(5.28%)
2005	334,797,182	5.77%	8.11%	13.57%	6.62%	(0.85%)
2006	558,955,003	7.61%	8.83%	14.76%	8.37%	(0.76%)
2007	506,312,630	7.28%	12.70%	17.16%	11.17%	(3.89%)
2008	776,520,388	11.48%	13.71%	19.44%	13.21%	(1.73%)
2009	42,500,000	9.82%	19.20%	27.26%	14.62%	(4.80%)
2010	45,000,000	8.79%	15.38%	25.24%	11.46%	(2.67%)
2011	572,163,003	15.82%	12.44%	17.48%	12.29%	3.53%
2012	589,750,000	12.51%	14.17%	22.95%	9.30%	3.21%
2013	825,438,851	9.25%	9.54%	17.89%	6.27%	3.0%
2014	659,200,000	11.06%	6.45%	14.02%	4.25%	6.81%
2015	553,216,397	N/M	N/M	N/M	N/M	N/M
2016	869,236,076	N/M	N/M	N/M	N/M	N/M

⁽¹⁾ Commitments in the above table do not include liquidated/sold investments.

⁽²⁾ PME Benchmark is the Russell 3000 Total Return Index and incorporates the PME+ methodology.

⁽³⁾ PME Spread is the percentage difference between the IRR and PME Benchmark for each respective vintage year.

Performance by Geographic Focus

The table below details IRR performance of the Portfolio with respect to Geographic Focus.

Performance Summary by Region ⁽¹⁾						
Region	Capital Committed	Paid-In Capital	Capital Distributed	Reported Market Value	IRR	Total Value Multiple
North America	\$4,900,090,910	\$3,975,007,822	\$2,967,166,579	\$2,453,993,673	9.55%	1.36x
Western Europe	727,398,620	370,423,106	169,543,302	239,895,455	2.99%	1.11x
Global/Rest of World	1,334,600,000	791,533,041	615,962,508	410,673,556	8.76%	1.30x
Total	\$6,962,089,530	\$5,136,963,969	\$3,752,672,389	\$3,104,562,683	9.03%	1.33x

Note: Commitments in the above table do not include liquidated/sold investments.

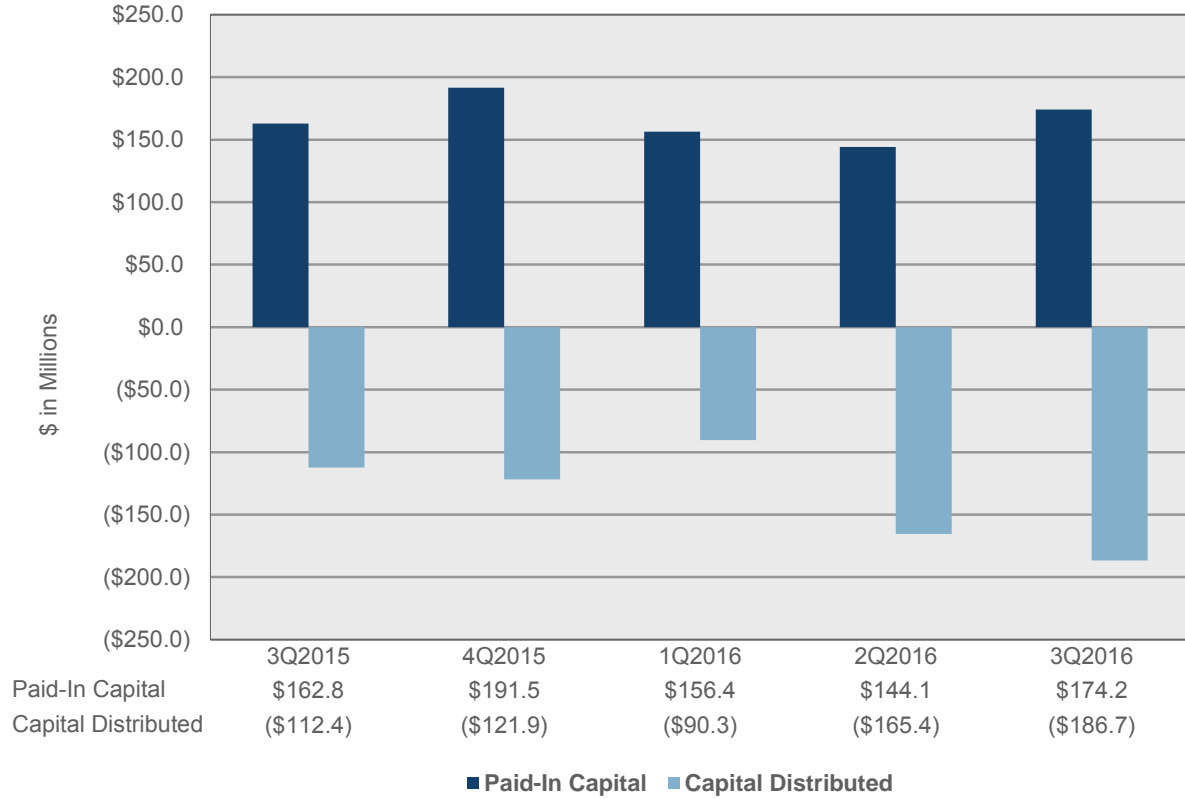
⁽¹⁾ Prior to a partnership being 75% drawn, region focus is based on the GP-stated geographic strategy. Subsequent to a partnership being 75% drawn, fund geographic focus is based on actual portfolio company exposure by total invested. Partnerships with less than 75% of total invested capital allocated to one geographic region are classified as Global.

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Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended September 30, 2016.



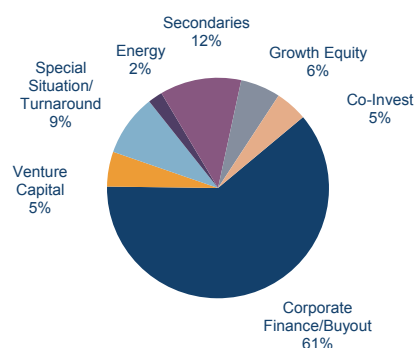
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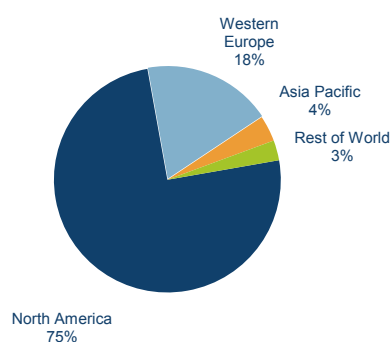
Portfolio Exposures

The pie charts below represent the strategic and geographic diversification of the Portfolio as of June 30, 2016. Strategy is measured by total exposure, which is the sum of the market value and the unfunded commitments and provides a snapshot of the Portfolio's future diversification. Geography is measured by the Portfolio's exposed market value of the underlying portfolio companies.

**Strategic Diversification
by Total Exposure
As of June 30, 2016**



**Underlying Investment Diversification
by Geographic Location
As of June 30, 2016**



As of June 30, 2016

	Sum of Current Exposed Market Value	% of Total
North America	\$2,550.4	75%
U.S. (non-NY State)	\$2,245.9	66%
U.S. (NY State)	\$304.5	9%
New York City	\$156.5	5%
Non-New York City	\$148.0	4%
Western Europe	\$627.6	18%
Rest of World	\$98.0	3%
Asia	\$126.4	4%
Total	\$3,402.4	100%

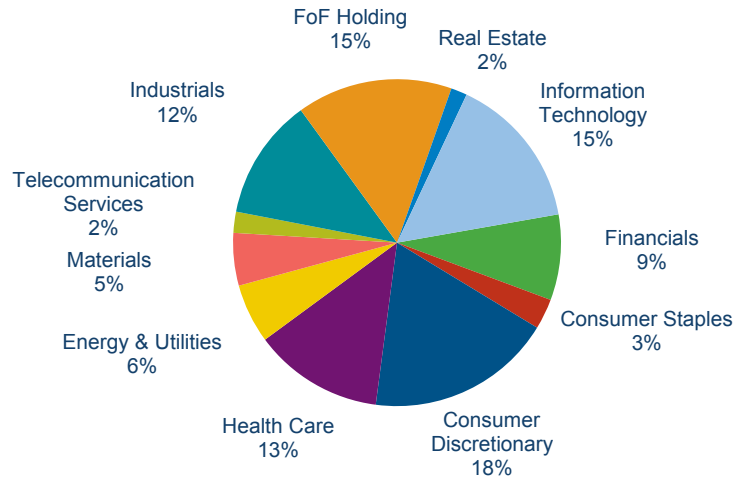
- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 61% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 75% of the Portfolio's underlying market value attributable to this region.
 - The remaining 25% of the Portfolio's exposure is diversified between Western Europe, Asia and 'Rest-of-World'.
 - Roughly 9% of the Portfolio's current exposed market value is based in New York.
 - About 5%, or roughly \$156.5 million, of the Portfolio's current exposed market value is based in New York City.

Teachers' Retirement System of the City of New York

Second Quarter 2016 Report

The pie chart below represents the industry diversification of the Portfolio as of June 30, 2016. Industry diversification is measured by the Portfolio's exposed market value of the underlying portfolio companies.

**Underlying Investment Diversification
by Industry
As of June 30, 2016**



Teachers' Retirement System of the City of New York

3rd Quarter 2016 Report



Section 3:

Portfolio Assessment

Teachers' Retirement System of the City of New York
Private Equity Portfolio
As of June 30, 2016 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR ²	PME Benchmark ³	PME Spread ⁴
Active Investments										
1999	Cypress Merchant Banking Partners II, LP	7/8/1999	\$ 50,000,000	\$ 53,974,600	\$ 50,435,675	\$ 169,951	0.94x	(1.19%)	5.55%	(6.74%)
1999	FdG Capital Partners, L.P.	6/2/1999	30,000,000	34,517,861	51,547,118	7,638,383	1.71x	14.76%	6.53%	8.23%
1999	Lincolnshire Equity Fund II, L.P.	2/26/2001	15,000,000	14,446,100	27,347,315	778,467	1.95x	24.58%	6.85%	17.73%
2000	SCP Private Equity Partners II, L.P.	1/19/2001	20,000,000	22,196,012	7,913,115	3,951,747	0.53x	(7.47%)	5.98%	(13.45%)
2000	Solera Partners, L.P.	7/8/2002	15,000,000	19,857,302	31,226,365	2,755,281	1.71x	8.46%	6.32%	2.14%
2001	Apollo Investment Fund V, L.P.	8/23/2001	30,000,000	46,743,989	91,972,270	969,787	1.99x	38.80%	8.31%	30.49%
2001	New Mountain Partners, L.P.	7/20/2001	15,000,000	12,984,277	18,470,548	353,479	1.45x	12.35%	6.21%	6.14%
2001	RRE Ventures III, L.P.	6/13/2002	20,000,000	26,221,386	33,096,729	2,832,136	1.37x	5.83%	6.53%	(0.70%)
2002	BDCM Opportunity Fund, L.P.	11/10/2003	25,000,000	54,583,604	91,374,716	46,525	1.67x	23.04%	6.04%	17.00%
2002	Coller International Partnership IV, L.P.	11/6/2002	35,000,000	31,222,054	41,161,512	1,395,732	1.36x	11.70%	7.07%	4.63%
2002	Landmark Equity Partners XI, L.P.	9/15/2004	20,000,000	21,259,660	30,125,348	1,490,715	1.49x	23.47%	7.33%	16.14%
2002	Thomas McNerney & Partners, L.P.	11/26/2002	15,000,000	15,000,000	5,252,354	3,491,007	0.58x	(10.39%)	9.57%	(19.96%)
2003	Ares Corporate Opportunities Fund, L.P.	5/4/2004	15,000,000	18,004,666	26,330,386	1,505,293	1.55x	13.62%	7.38%	6.24%
2003	Blackstone Capital Partners IV L.P.	1/10/2003	30,000,000	30,690,321	74,041,685	2,544,424	2.50x	37.84%	8.15%	29.69%
2003	FS Equity Partners V, L.P.	5/30/2003	25,000,000	20,177,556	40,536,497	2,316,954	2.12x	15.67%	4.77%	10.90%
2003	Leeds Weld Equity Partners IV, L.P.	12/13/2004	15,000,000	15,356,325	17,201,020	3,324,518	1.34x	4.69%	5.28%	(0.59%)
2004	Aurora Equity Partners III, L.P.	5/19/2005	20,000,000	21,707,515	34,616,403	2,259,063	1.70x	14.36%	9.82%	4.54%
2004	Celtic Pharmaceutical Holdings, L.P.	7/10/2006	15,000,000	15,241,256	241,256	13,818,472	0.92x	(0.90%)	8.38%	(9.28%)
2004	FdG Capital Partners II, L.P.	8/30/2004	35,000,000	37,688,035	42,562,842	2,389,728	1.19x	3.52%	6.58%	(3.06%)
2004	Lincolnshire Equity Fund III, L.P.	12/23/2004	25,000,000	24,577,327	31,575,986	12,375,584	1.79x	29.98%	10.69%	19.29%
2004	Markstone Capital Partners, L.P.	7/21/2004	35,000,000	40,766,689	17,074,753	1,711,436	0.46x	(35.26%)	9.82%	(45.08%)
2004	New York/Fairview Emerging Managers (Tranche A), L.P.	10/21/2004	24,000,000	24,544,139	19,976,816	10,188,443	1.23x	3.75%	8.51%	(4.76%)
2004	Paladin Homeland Security Fund (NY), L.P	10/1/2004	15,000,000	16,385,335	5,286,725	1,630,543	0.42x	(12.28%)	6.23%	(18.51%)
2004	Trilantic Capital Partners III (fka LBMB III), L.P.	9/22/2005	30,000,000	23,796,780	35,225,212	663,454	1.51x	12.43%	4.87%	7.56%
2004	Yucaipa American Alliance Fund I, L.P.	10/1/2004	55,000,000	80,828,995	69,484,670	19,669,184	1.10x	2.91%	10.03%	(7.12%)
2005	Blackstone Mezzanine Partners II, L.P.	5/26/2006	20,000,000	19,324,126	25,432,109	462,116	1.34x	7.91%	3.62%	4.29%
2005	Bridgepoint Europe III, L.P.	12/6/2005	30,571,382	26,996,441	19,230,413	13,725,585	1.22x	3.04%	5.55%	(2.51%)
2005	GI Partners Fund II, L.P.	6/19/2006	25,000,000	25,322,032	29,897,404	8,915,688	1.53x	7.10%	5.41%	1.69%
2005	JP Morgan Fleming (Tranche A), L.P.	12/21/2005	31,000,000	30,229,148	23,307,834	18,397,551	1.38x	7.03%	10.26%	(3.23%)
2005	NB NYC Growth Fund, LLC	8/16/2005	30,000,000	26,117,536	26,157,965	-	1.00x	(0.70%)	3.12%	(3.82%)
2005	New Mountain Partners II, L.P.	1/12/2005	23,225,800	21,337,552	40,880,962	363,953	1.93x	13.69%	4.45%	9.24%
2005	Palladium Equity Partners III, L.P.	8/10/2005	35,000,000	37,276,793	52,054,446	18,282,712	1.89x	15.96%	10.69%	5.27%
2005	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	20,931,568	11,565,613	3,260,320	0.71x	(6.91%)	8.04%	(14.95%)
2005	Psilos Group Partners III, L.P.	10/17/2007	25,000,000	26,575,585	12,820,541	19,290,534	1.21x	3.72%	7.55%	(3.83%)
2005	Quadrangle Capital Partners II, L.P.	2/28/2006	35,000,000	30,274,712	36,108,846	4,653,413	1.35x	6.09%	6.24%	(0.15%)
2005	Snow Phipps Group, L.P.	8/2/2007	15,000,000	17,210,453	13,458,181	8,922,474	1.30x	6.91%	10.21%	(3.30%)
2005	USPF II Institutional Fund, L.P.	11/23/2005	35,000,000	46,164,567	32,010,818	31,781,736	1.38x	6.22%	7.04%	(0.82%)
2005	VSS Communications Partners IV, L.P.	6/2/2006	10,000,000	11,369,963	7,566,617	890,452	0.74x	(5.15%)	7.30%	(12.45%)
2006	Aisling Capital II, L.P.	1/12/2006	4,500,000	5,096,995	3,483,652	1,185,802	0.92x	(1.90%)	7.28%	(9.18%)
2006	Ampersand 2006, L.P.	7/6/2007	15,000,000	15,000,000	19,151,423	13,403,938	2.17x	14.90%	7.70%	7.20%
2006	Apollo Investment Fund VI, L.P.	5/10/2006	35,000,000	45,048,207	56,509,934	10,533,073	1.49x	8.94%	7.31%	1.63%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	30,000,000	32,905,774	49,736,200	5,851,938	1.69x	13.46%	3.73%	9.73%
2006	Arsenal Capital Partners II, L.P.	12/19/2006	13,500,000	16,181,398	15,387,547	11,673,588	1.67x	10.94%	11.37%	(0.43%)
2006	Avista Capital Partners, L.P.	8/11/2006	30,000,000	39,313,459	34,721,128	14,737,427	1.26x	5.10%	5.94%	(0.84%)
2006	BDCM Opportunity Fund II, L.P.	12/28/2006	25,000,000	36,330,630	35,058,707	35,345,806	1.94x	16.22%	10.69%	5.53%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	75,600,000	76,331,501	102,365,530	24,609,613	1.66x	8.55%	8.13%	0.42%
2006	Catterton Partners VI, L.P.	12/14/2006	30,000,000	33,396,247	40,869,603	21,858,501	1.88x	13.05%	8.17%	4.88%
2006	CCMP Capital Investors II, L.P.	5/22/2007	20,000,000	21,879,967	26,518,524	10,206,397	1.68x	13.58%	10.15%	3.43%
2006	Cinven Fourth Fund	1/22/2007	43,916,334	45,601,948	58,885,142	3,369,174	1.37x	6.51%	7.37%	(0.86%)
2006	CLP 2014 (fka Perseus VII)	8/6/2007	381,908	22,622,284	7,349,304	482,967	0.35x	(23.86%)	12.27%	(36.13%)
2006	Fairview Ventures Fund III, L.P.	7/13/2007	20,000,000	20,636,759	15,758,990	21,599,571	1.81x	14.59%	11.78%	2.81%
2006	First Reserve Fund XI, L.P.	12/22/2006	30,000,000	34,241,400	20,186,949	3,129,847	0.68x	(10.29%)	6.08%	(16.37%)
2006	GF Capital Private Equity Fund, L.P.	3/20/2008	15,000,000	15,479,430	16,924,166	10,267,340	1.76x	14.30%	12.05%	2.25%
2006	GSC Recovery III, L.P.	5/4/2006	10,000,000	11,239,908	11,848,063	1,145,460	1.16x	3.77%	6.50%	(2.73%)
2006	InterMedia Partners VII, L.P.	6/8/2006	25,000,000	28,970,204	17,874,149	24,095,136	1.45x	5.52%	9.57%	(4.05%)
2006	Landmark Equity Partners XIII, L.P.	5/15/2006	25,000,000	23,555,379	20,277,918	10,018,505	1.29x	5.22%	6.04%	(0.82%)
2006	MidOcean Partners III, L.P.	6/19/2007	40,000,000	45,626,475	34,411,148	36,656,438	1.56x	9.58%	9.02%	0.56%
2006	RRE Ventures IV, L.P.	10/25/2006	25,000,000	31,100,259	15,029,594	31,858,867	1.51x	7.79%	10.23%	(2.44%)
2006	Terra Firma Capital Partners III, L.P.	2/26/2007	31,056,761	31,502,393	3,143,171	12,195,963	0.49x	(11.08%)	8.97%	(20.05%)
2006	Thomas, McNerney & Partners II, L.P.	11/30/2006	15,000,000	14,567,607	24,976,102	8,324,571	2.29x	17.44%	11.22%	6.22%
2007	Carlyle Partners V, L.P.	9/28/2007	50,000,000	49,789,739	58,038,787	23,730,099	1.64x	12.81%	10.48%	2.33%
2007	Co-Investment Partners Europe, L.P.	12/5/2008	26,419,344	28,973,368	19,577,404	16,538,608	1.25x	4.74%	15.03%	(10.29%)
2007	Constellation Ventures III, L.P.	11/20/2008	15,000,000	16,296,009	3,405,627	9,623,219	0.80x	(4.43%)	15.66%	(20.09%)
2007	Craton Equity Investors I, L.P.	3/11/2008	10,000,000	9,266,168	769,776	1,787,735	0.28x	(20.20%)	13.97%	(34.17%)
2007	FTVentures III, L.P.	3/1/2007	14,081,947	14,882,466	11,233,436	14,767,917	1.75x	11.38%	9.44%	1.94%
2007	GSO Capital Opportunities Fund, L.P.	8/15/2008	30,000,000	48,176,814	64,343,852	4,007,275	1.42x	17.88%	10.11%	7.77%
2007	Halyard Capital Fund II, L.P.	11/2/2007	15,000,000	12,742,232	12,726,629	5,683,322	1.44x	7.26%	9.44%	(2.18%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	15,000,000	14,930,359	8,077,322	14,794,275	1.53x	9.92%	9.64%	0.28%
2007	Nautic Partners VI, L.P.	6/30/2008	20,000,000	21,437,126	40,101,550	9,532,328	2.32x	19.10%	11.82%	7.28%
2007	New Mountain Partners III, L.P.	9/25/2007	35,000,000	34,815,842	27,993,603	29,648,853	1.66x	11.99%	12.08%	(0.09%)
2007	PCG Clean Energy & Technology Fund East, L.P.	4/25/2008	60,000,000	50,646,929	6,653,741	22,969,204	0.58x	(9.93%)	12.41%	(22.34%)
2007	Pegasus Partners IV, L.P.	10/9/2007	20,000,000	25,078,049	13,376,515	11,606,444	1.00x	(0.09%)	10.93%	(11.02%)
2007	Pine Brook Capital Partners, L.P.	4/7/2008	22,500,000	22,922,181	13,769,067	13,724,913	1.20x	5.91%	10.94%	(5.03%)
2007	Quaker BioVentures II, L.P.	4/18/2008	15,000,000	13,702,775	9,037,673	7,870,286	1.23x	5.52%	12.05%	(6.53%)
2007	RLJ Equity Partners Fund I, L.P.	4/14/2009	15,000,000	14,760,981	6,276,116	18,672,698	1.69x	14.53%	13.17%	1.36%
2007	SCP Vitalife Partners II, L.P.	1/10/2008	15,000,000	15,074,774	1,184	9,401,904	0.62x	(8.80%)	11.58%	(20.38%)
2007	StarVest Partners II, L.P.	12/8/2008	20,000,000	19,934,407	912,803	17,560,704	0.93x	(1.71%)	13.17%	(14.88%)
2007	Trilantic Capital Partners IV L.P.	10/22/2007	53,311,339	55,500,211	75,656,387	10,624,584	1.55x	14.24%	10.95%	3.29%
2007	USPF III Institutional Fund, L.P.	7/10/2007	30,000,000	33,095,437	15,596,209	28,192,027	1.32x	5.69%	8.23%	(2.54%)
2007	Vista Equity Partners Fund III, L.P.	11/30/2007	25,000,000	26,596,689	56,579,359	11,624,770	2.56x	28.31%	9.63%	18.68%
2008	Aisling Capital III, L.P.	11/20/2008	10,500,000	11,141,921	10,232,779	6,917,224	1.54x	19.41%	14.64%	4.77%
2008	Apollo Investment Fund VII, L.P.	4/16/2008	50,000,000	58,836,770	89,235,411	14,857,060	1.77x	24.92%	13.44%	11.48%

Teachers' Retirement System of the City of New York
Private Equity Portfolio
As of June 30, 2016 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR ²	PME Benchmark ³	PME Spread ⁴
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	60,000,000	68,715,472	72,633,274	54,697,999	1.85x	21.61%	11.48%	10.13%
2008	Avista Capital Partners II, L.P.	12/31/2008	50,000,000	61,041,756	68,238,792	41,792,407	1.80x	17.41%	14.38%	3.03%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	20,000,000	21,734,323	10,000,955	15,971,559	1.19x	5.69%	15.02%	(9.33%)
2008	Bridgepoint Europe IV, L.P.	9/30/2008	26,520,388	24,004,965	20,769,276	13,855,662	1.44x	10.31%	14.74%	(4.43%)
2008	Carpenter Community BancFund-A, L.P.	6/5/2008	15,000,000	14,639,741	8,743,840	14,087,695	1.56x	8.10%	14.55%	(6.45%)
2008	First Reserve Fund XII, L.P.	11/14/2008	30,000,000	31,128,871	14,613,215	7,995,998	0.73x	(9.03%)	15.87%	(24.90%)
2008	GCM Grosvenor TRSCNY Emerging Manager Co-Investment Fund, L.P.	8/22/2008	12,626,263	7,160,393	12,687,551	9,887	1.77x	13.95%	11.40%	2.55%
2008	GCM Grosvenor TRSCNY Emerging Manager Fund, L.P.	8/22/2008	59,373,737	63,447,717	37,719,873	44,631,685	1.30x	10.25%	12.77%	(2.52%)
2008	GI Partners III, L.P.	7/29/2008	30,000,000	32,127,607	32,653,441	13,446,047	1.43x	12.08%	15.12%	(3.04%)
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	50,000,000	47,144,424	37,270,586	23,702,602	1.29x	11.14%	12.30%	(1.16%)
2008	Lee Equity Partners, L.P.	4/23/2008	30,000,000	35,293,165	40,185,584	2,831,142	1.22x	6.27%	13.09%	(6.82%)
2008	Leeds Equity Partners V, L.P.	7/28/2008	40,000,000	39,209,720	37,118,527	26,220,644	1.62x	16.24%	13.39%	2.85%
2008	Levine Leichtman Capital Partners IV, L.P.	9/22/2008	25,000,000	24,968,674	31,549,372	12,625,562	1.77x	20.55%	14.17%	6.38%
2008	New York/Fairview Emerging Managers (Tranche B), L.P.	5/28/2008	35,000,000	32,709,147	19,653,831	30,325,288	1.53x	14.08%	12.49%	1.59%
2008	NGN BioMed Opportunity II, L.P.	10/31/2008	15,000,000	14,363,866	2,959,657	7,247,106	0.71x	(7.60%)	14.45%	(22.05%)
2008	Onex Partners III, L.P.	3/31/2009	40,000,000	43,219,704	31,426,739	33,446,857	1.50x	12.65%	14.59%	(1.94%)
2008	Paladin III (HR), L.P.	1/8/2008	20,000,000	23,833,079	12,043,302	18,756,031	1.29x	7.68%	11.03%	(3.35%)
2008	Relativity Fund, L.P.	1/17/2008	15,000,000	8,181,270	1,827,612	2,598,924	0.54x	(10.93%)	10.49%	(21.42%)
2008	Riverstone/Carlyle Global Energy & Power Fund IV	9/29/2008	32,500,000	34,030,139	24,282,611	13,751,723	1.12x	3.84%	13.39%	(9.55%)
2008	Yucaipa American Alliance Fund II, L.P.	3/28/2008	75,000,000	102,882,362	70,305,991	78,225,946	1.44x	10.38%	11.87%	(1.49%)
2008	Yucaipa Corporate Initiatives Fund II, L.P.	6/23/2008	35,000,000	31,852,532	9,866,113	19,418,259	0.92x	(1.83%)	11.08%	(12.91%)
2009	Lincolnshire Equity Fund IV, L.P.	8/7/2009	12,500,000	12,174,187	3,745,074	11,238,141	1.23x	7.29%	12.68%	(5.39%)
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	30,000,000	29,054,967	24,139,149	19,445,018	1.50x	12.76%	14.24%	(1.48%)
2010	JP Morgan Fleming (Tranche B), L.P.	3/31/2008	10,000,000	9,412,088	3,585,594	9,649,457	1.41x	11.53%	12.54%	(1.01%)
2010	Trident V, L.P.	12/30/2010	35,000,000	37,161,399	10,607,858	36,247,831	1.26x	8.02%	11.07%	(3.05%)
2011	American Securities Partners VI, L.P.	1/10/2012	100,000,000	106,067,020	32,735,252	116,194,237	1.40x	18.82%	11.05%	7.77%
2011	Ampersand 2011, L.P.	3/11/2011	17,500,000	16,887,500	6,085,900	26,186,229	1.91x	19.21%	12.16%	7.05%
2011	AXA Secondary Fund V L.P.	8/11/2011	160,000,000	82,441,347	56,628,403	61,103,908	1.43x	13.81%	14.88%	(1.07%)
2011	BC European Capital IX, L.P.	9/19/2011	65,564,836	56,205,067	19,780,442	48,171,488	1.21x	8.26%	12.51%	(4.25%)
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	60,000,000	53,031,852	8,735,078	55,354,598	1.21x	9.76%	10.66%	(0.90%)
2011	EQT VI, L.P.	8/1/2011	48,308,251	41,730,033	1,614,977	50,582,045	1.25x	8.65%	10.24%	(1.59%)
2011	Pegasus Partners V, L.P.	8/16/2011	20,789,916	15,349,326	3,737,465	18,221,669	1.43x	13.44%	13.68%	(0.24%)
2011	Vista Equity Partners IV, L.P.	11/30/2011	100,000,000	95,470,400	45,292,593	126,898,560	1.80x	22.70%	12.67%	10.03%
2012	Green Equity Investors VI, L.P.	11/30/2012	100,000,000	81,551,492	13,971,182	84,590,766	1.21x	11.74%	8.52%	3.22%
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	105,000,000	87,054,111	12,073,058	89,002,097	1.16x	9.24%	7.29%	1.95%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	115,000,000	77,276,040	49,638,210	73,075,668	1.59x	46.59%	11.72%	34.87%
2012	Trilantic Capital Partners V (North America), L.P.	9/20/2012	70,000,000	37,462,382	541,952	36,854,622	1.00x	(0.11%)	8.92%	(9.03%)
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	175,000,000	147,182,169	6,456,491	150,616,276	1.07x	4.05%	10.45%	(6.40%)
2012	NYCTRS - 2012 Emerging Manager Program*	2/7/2013	175,000,000	87,059,982	4,571,513	93,107,237	1.09x	7.72%	5.70%	2.02%
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	200,000,000	86,444,674	1,778,950	92,324,967	1.09x	9.17%	4.51%	4.66%
2013	Carlyle Partners VI, L.P.	7/3/2013	125,000,000	58,933,512	2,323,749	62,863,690	1.11x	6.93%	5.91%	1.02%
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	13,750,000	7,457,124	2	6,958,744	0.93x	N/M	N/M	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	172,988,851	63,706,346	25,999	63,308,560	0.99x	(0.62%)	5.79%	(6.41%)
2013	Landmark Equity Partners XV, L.P.	10/30/2013	113,000,000	36,093,498	14,210,058	27,985,187	1.17x	11.18%	8.36%	2.82%
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	37,000,000	11,362,668	3,360,607	12,533,041	1.40x	24.88%	4.30%	20.58%
2013	Olympus Growth Fund VI, L.P.	1/21/2014	100,000,000	50,772,665	7,712,246	52,411,367	1.18x	28.02%	10.33%	17.69%
2014	ASF VI, L.P.	5/9/2014	112,000,000	52,283,066	2,607,817	60,015,105	1.20x	14.90%	5.43%	9.47%
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	38,000,000	23,294,480	5,259,200	24,318,741	1.27x	18.11%	1.66%	16.45%
2014	Centerbridge Capital Partners III, L.P.	5/21/2015	33,500,000	8,920,310	353,151	9,397,611	1.09x	N/M	N/M	N/M
2014	Crestview Partners III, L.P.	3/3/2015	75,000,000	17,172,895	283,562	14,837,966	0.88x	N/M	N/M	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	12/17/2015	25,000,000	8,380,539	351,165	8,309,233	1.03x	N/M	N/M	N/M
2014	Lexington Capital Partners VIII, L.P.	1/8/2015	150,000,000	33,194,146	6,539,346	35,288,801	1.26x	N/M	N/M	N/M
2014	Siris Partners III, L.P.	5/4/2015	45,000,000	6,957,824	34,696	6,093,128	0.88x	N/M	N/M	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	125,000,000	109,780,891	21,761,252	97,926,609	1.09x	N/M	N/M	N/M
2015	American Securities Partners VII, L.P.	1/19/2016	111,000,000	1,014,536	1,014,536	-	1.00x	N/M	N/M	N/M
2015	ASF VII, L.P.	12/29/2015	134,000,000	10,088,350	742,301	10,942,603	1.12x	N/M	N/M	N/M
2015	ASF VII B NYC Co-Invest, L.P.	12/29/2015	67,000,000	6,700	-	6,700	1.00x	N/M	N/M	N/M
2015	Bridgepoint Europe V, L.P.	2/8/2016	85,709,996	17,861,874	-	18,148,370	1.02x	N/M	N/M	N/M
2015	NYCTRS - 2015 Emerging Manager Program**	2/22/2016	200,000,000	5,629,882	-	5,424,510	0.87x	N/M	N/M	N/M
2015	Welsh, Carson, Anderson & Stowe XII, L.P.	8/26/2015	110,500,000	29,011,005	-	30,299,227	1.04x	N/M	N/M	N/M
2015	Bridgepoint Europe V Co-Invest	N/A	24,106,401	-	-	-	N/A	N/M	N/M	N/M
2016	Ares Corporate Opportunities Fund V, L.P.	N/A	134,000,000	-	-	-	N/A	N/M	N/M	N/M
2016	Green Equity Investors VII, L.P.	N/A	134,000,000	-	-	-	N/A	N/M	N/M	N/M
2016	Vista Equity Partners Fund VI, L.P.	6/28/2016	223,000,000	26,755,243	-	27,015,039	1.01x	N/M	N/M	N/M
2016	Apax IX USD, L.P.	N/A	178,000,000	-	-	-	N/A	N/M	N/M	N/M
2016	BC European Capital X, L.P.	N/A	123,025,769	-	-	-	N/A	N/M	N/M	N/M
2016	BC European Capital X Metro Co-Investment L.P.	N/A	49,210,308	-	-	-	N/A	N/M	N/M	N/M
Total Portfolio ¹			\$ 7,227,039,530	\$ 5,136,963,969	\$ 3,752,672,389	\$ 3,104,562,683	1.33x	9.03%	9.21%	(0.18%)

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR ²	PME Benchmark ³	PME Spread ⁴
Commitments Closed Subsequent to as of Date										
2016	FTV V, L.P.	N/A	24,000,000	-	-	-	N/A	N/A	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 24,000,000	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A

*Please note that the NYCTRS - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$165.1 million has been committed as of June 30, 2016.

**Please note that the NYCTRS - 2015 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$28 million has been committed as of June 30, 2016.

¹Please note that the Total Portfolio is inclusive of liquidated investments in the TRS Portfolio and include sales proceeds from the 2012 Secondary Sale Partnerships.

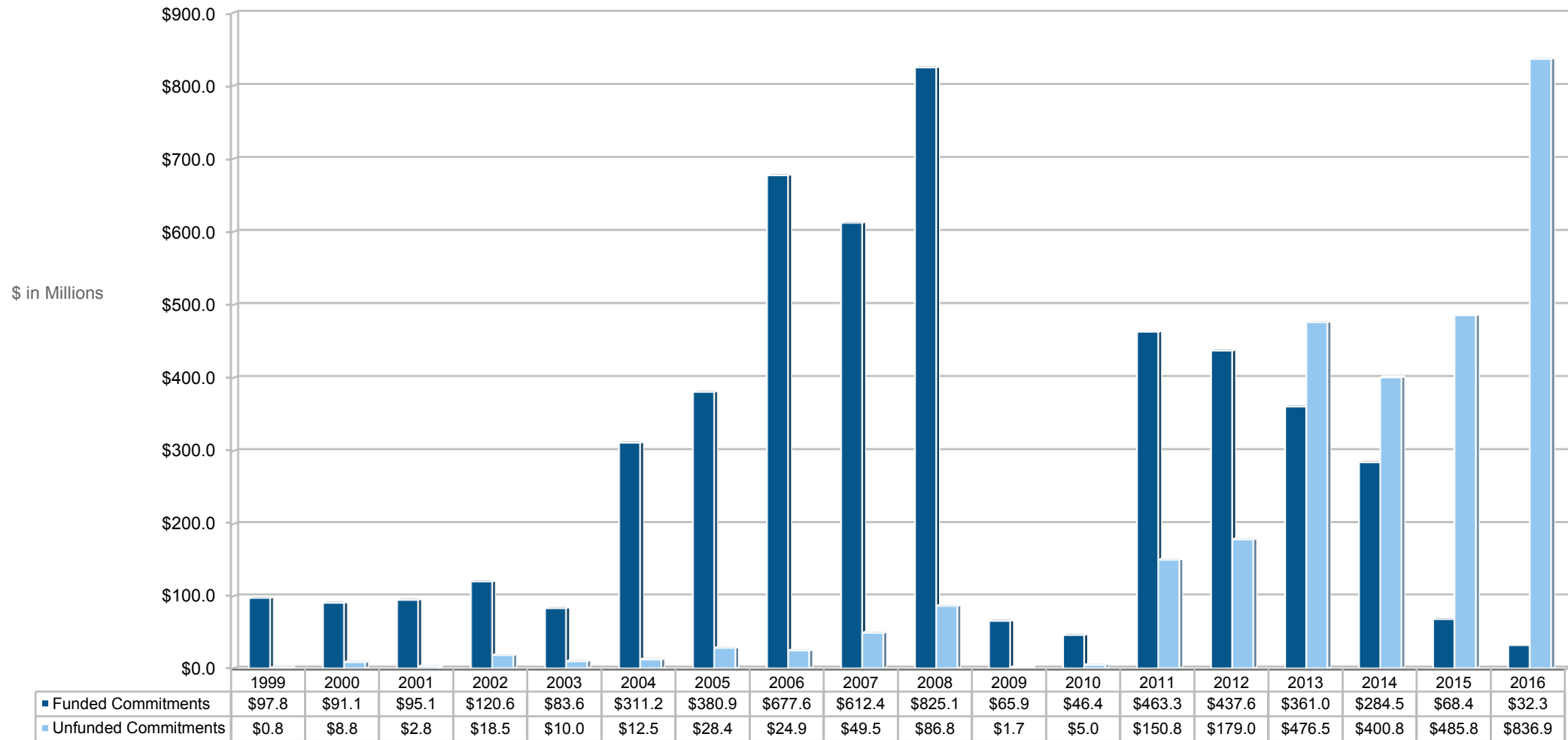
²Performance for funds with less than 8 quarters of activity is not yet meaningful.

³The total PME is the Russell 3000 Total Return Index and incorporates the PME + methodology for all partnerships where distributions have occurred, and incorporates the PME methodologies for those partnerships that have not yet had any distributions to date. The fund PME is the Russell 3000 Total Return Index and incorporates the PME II methodology for all partnerships where distributions have occurred.

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

Note: Where available, June 30, 2016 reported valuations were used. In the absense of June 30, 2016 reported values, market values have been adjusted forward using interim cashflows through June 30, 2016. The IRR calculated in the early years of a fund is not meaningful given the j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of June 30, 2016.

Teachers' Retirement System of the City of New York
Commitments By Vintage Year
As of June 30, 2016



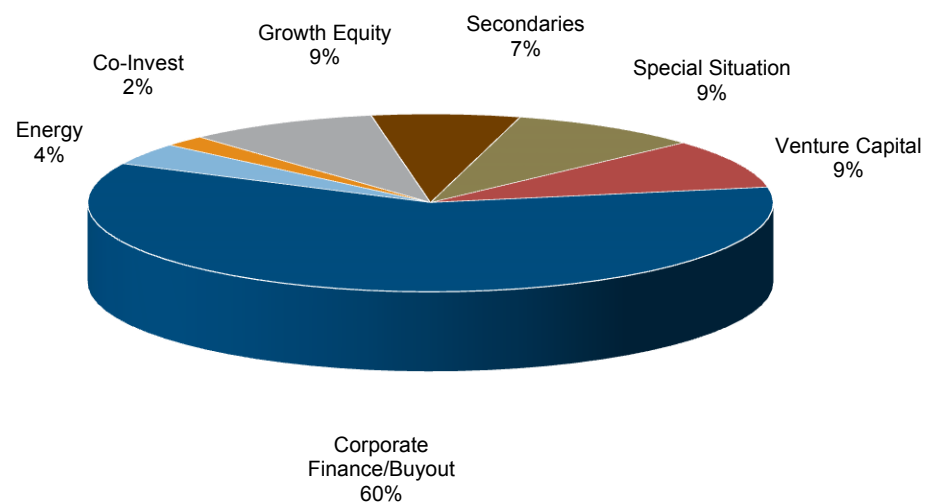
Funded Commitments exclude additional fees.

Unfunded Commitments include recallable returns of capital.

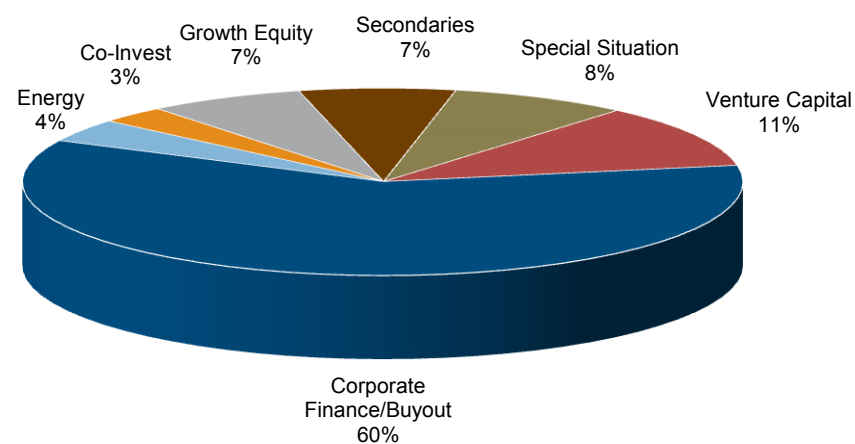
Teachers' Retirement System of the City of New York

Portfolio Strategic Diversification As Measured By Reported Market Value

As of June 30, 2016



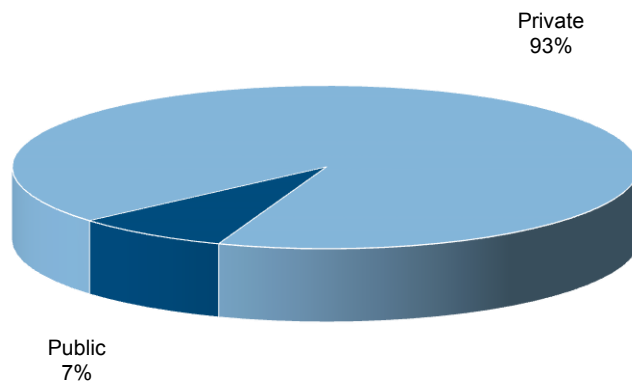
As of June 30, 2015



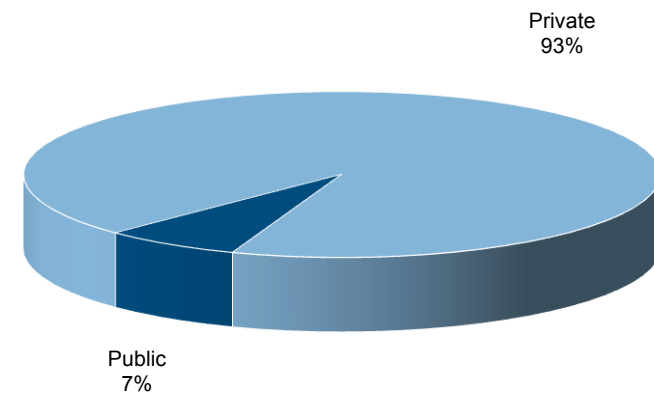
(1) Portfolio Company information as of June 30, 2016 for FdG Capital Partners, L.P., GCM Grosvenor TRSCNY Emerging Manager Fund, L.P., Lincolnshire Fund II, L.P., Markstone Capital Partners, L.P. were not available at the time of this analysis. Market values for underlying holdings have been carried forward from last quarter.

Teachers' Retirement System of the City of New York
Public Vs. Private Holdings
As of June 30, 2016

Based on Number of Companies ⁽¹⁾



Based on Reported Market Value ⁽¹⁾



⁽¹⁾ Portfolio Company information as of June 30, 2016 for FdG Capital Partners, L.P., GCM Grosvenor TRSCNY Emerging Manager Fund, L.P., Lincolnshire Fund II, L.P., Markstone Capital Partners, L.P. were not available at the time of this analysis. Market values for underlying holdings have been carried forward from last quarter.

Teachers' Retirement System of the City of New York

Quarter 2016 Report



Appendix A:

Glossary of Terms

Teachers' Retirement System of the City of New York

Quarter 2016 Report

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

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

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

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

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

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

Cost Basis: Capital contributions less return of principal.

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

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

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

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

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

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

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

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

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

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

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

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

Teachers' Retirement System of the City of New York

Quarter 2016 Report

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

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

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

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

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

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

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

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

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

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

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



Teachers' Retirement System of the City of New York

Third Quarter 2016 Report



Appendix B:

Disclosure Statement

Teachers' Retirement System of the City of New York

Quarter 2016 Report

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

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

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

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



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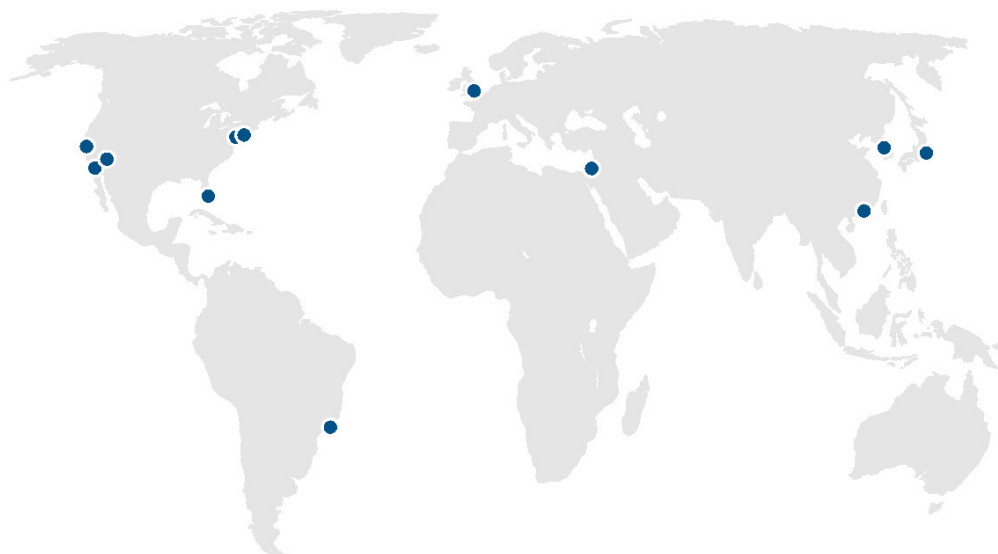
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Real Assets Quarterly Report

Teachers' Retirement System of the City of New York

Executive Summary: Second Quarter 2016 Performance Measurement Report Real Estate

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Portfolio Profile

The Teachers' Retirement System of the City of New York has allocated 9.0% (+/- 2%) of the total plan to Real Estate. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

Portfolio Statistics (June 30, 2016)

Total Plan Assets	\$61.6 billion
Target Real Assets Allocation (%)	9%
Target Real Assets Allocation (\$)	\$5.5 billion
Total Real Estate Market Value	\$1.9 billion
Real Estate Unfunded Commitments	\$874.9 million
Total Real Estate Exposure	\$2.8 billion
Number of Investments	54
Number of Managers	41

Net Returns (as of June 30, 2016)

2Q16 Time-Weighted Net Return:	2.1%
1 Year Time Weighted Net Return:	12.6%
3 Year Time Weighted Net Return:	13.3%
Inception-to-Date (ITD) Time-Weighted:	9.7%
ITD Net IRR:	9.9%
ITD Net Equity Multiple:	1.4x

Investment Guidelines

Style Sector:	Target • 5% of RE Allocation to Core/Core Plus • 4% of RE Allocation Non-Core
Benchmark	NFI-ODCE Index +100 bps net over full market cycles
Region Diversification	Maximum 25% Int'l
Investment Diversification	Limit 15% to a single investment
Manager Diversification	Limit 15% to a single manager
Leverage	65%

Second Quarter Investment Activity

During the Quarter, the Board made a \$119.0 million commitment to a core-plus open-end fund and a \$119.0 million commitment to a U.S. focused non-core commercial real estate credit specialist.

OVERVIEW

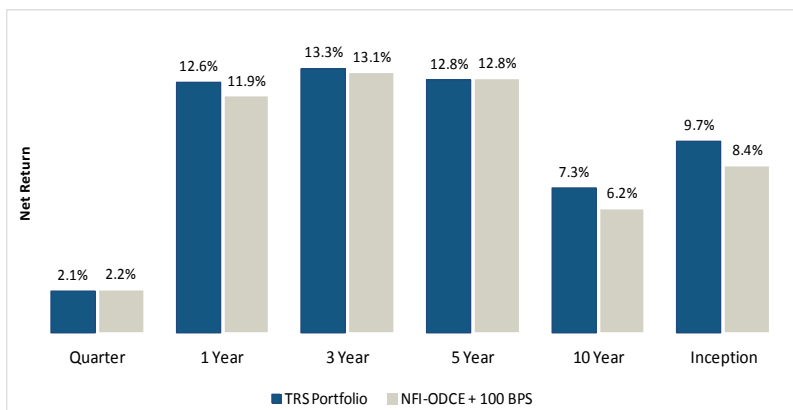
Global investment activity for 2Q16 was generally modest, coming in at \$154 billion, bringing the first half down 10% y/y compared to 2015. U.S. cities continue to be attractive targets for global capital with New York and Los Angeles (1st and 3rd respectively), accounting for 12% of global transactions. Foreign investment represented approximately 12% of total U.S. activity, with China overtaking Canada as the primary foreign capital source year-to-date. On average, industrial and multifamily transaction cap rates were essentially flat for the first half of 2016 while hotel and office saw 15 and 11 basis point expansions, respectively.

Direct Commercial Real Estate Investment - Regional Volumes, 2015-2016

\$ US Billions	Q1 16	Q2 16	% Change Q1 16 - Q2 16	Q2 15	% Change Q2 15 - Q2 16	H1 2015	H1 2016	% Change H1 2015 - H1 2016
Americas	61	69	13%	80	-14%	153	130	-15%
EMEA	51	57	12%	58	-2%	115	109	-5%
Asia Pacific	25	28	12%	31	-10%	56	54	-4%
Total	137	154	12%	169	-9%	324	293	-10%

Source: Jones Lang LaSalle, July 2016

Teachers' Retirement System of the City of New York ("NYCTRS") Real Estate Portfolio is, and has been, well positioned to take advantage of conditions in the real estate marketplace. Post economic downturn, in the period reflected in the rolling five-year returns, NYCTRS performance is on par with the benchmark. At the end of the Second Quarter 2016, the Portfolio achieved a total gross return of 2.6% which was comprised of 1.3% income and 1.3% appreciation. The net return for the Quarter was 2.1%. A detailed analysis of the Portfolio's real estate performance is found later in this Executive Summary.



Teachers' Retirement System of the City of New York

Executive Summary: Second Quarter 2016 Performance Measurement Report Real Estate

FUNDING AND COMPOSITION

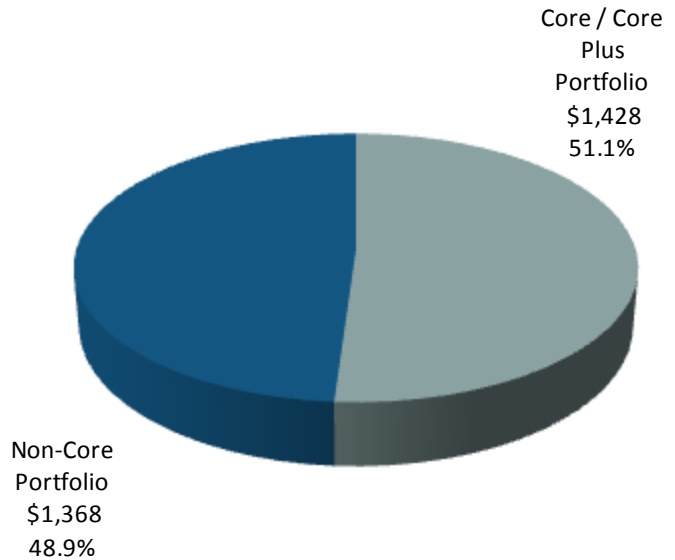
At the end of the Second Quarter, the Portfolio was funded at \$1.9 billion, or 3.1% of total plan assets. A total of \$874.9 million in unfunded commitments are still outstanding. Unfunded commitments are up from \$764.7 million as of First Quarter 2016. New commitment activity has accelerated over the past several months and the trend will continue throughout 2016.

New contributions for the Quarter totaled \$50.9 million, offset by \$77.1 million in distributions and withdrawals. Distributions were weighted to the Non-Core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Value + Unfunded Commitments. The Core/ Core Plus component accounts for 51.1% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 48.9% of the Portfolio exposure.

A more detailed break-down of the Portfolio Composition is shown in the table below. Attached as Exhibit A is a matrix which demonstrates compliance with various Investment Policy Statement guidelines.

Real Estate Exposure



Teachers' Retirement System of the City of New York		
Total Plan Assets	6/30/2016	61,649
Real Estate Allocation (%)		9.0
Real Estate Allocation (\$)		5,548
Core/Core Plus Allocation (%)		5.0
Core/Core Plus Allocation (\$)		3,082
Non-Core Allocation (%)		4.0
Non-Core Allocation (\$)		2,466
Style Sector Allocation		
Funded (Market Value) Core / Core Plus Portfolio		1,084
Funded (Market Value) Non-Core Portfolio		838
Unfunded Core / Core Plus Portfolio		345
Unfunded Non-Core Portfolio		530
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		51.1%
Non-Core Portfolio		48.9%
Core/Core Plus Committed		1,428
Non-Core Committed		1,368
\$ Committed		2,797
% Committed on Real Estate Allocation		50.4%
% Committed on Total Plan Assets		4.5%
Funded (Market Value) Statistics		
% Core/Core Plus Funded (Market Value) of Total Plan Assets		1.8%
% Non-Core Funded (Market Value) of Total Plan Assets		1.4%
% Funded (Market Value) of Total Plan Assets		3.1%
% Funded (Market Value) of Total Real Estate Allocation		34.6%

PERFORMANCE

During the Quarter under review, the NYCTRS Real Estate Portfolio produced a 2.6% total gross return. The total net return for the Quarter was 2.1%. On a rolling one-year basis, a total gross return of 14.9% was recorded. On a net basis the total return was 12.6%. On a gross basis the NYCTRS Portfolio exceeds the NFI-ODCE over all relevant periods. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles. This benchmark is met or exceeded over the one, three, five, ten and since inception time periods. The various components of the Portfolio returns are depicted in the chart below.

Core/Core Plus

As of June 30, 2016 the market value of the Core/ Core Plus Portfolio was \$1.1 billion, or 56.4% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$1.4 billion, or 51.1% of the total Portfolio. The Core/ Core plus Portfolio generated a 2.2% total gross return for the Quarter comprised of 1.1% in income and 1.0% in appreciation. The total net return for the Quarter was 2.0%.

The most significant contributor to the Quarterly return in the Core/Core Plus sector was PRISA II, contributing 0.06% to the overall performance. The largest detractor from the Core/Core Plus Portfolio was UBS Trumbull Property Fund which took away (0.08%) from the total net return.

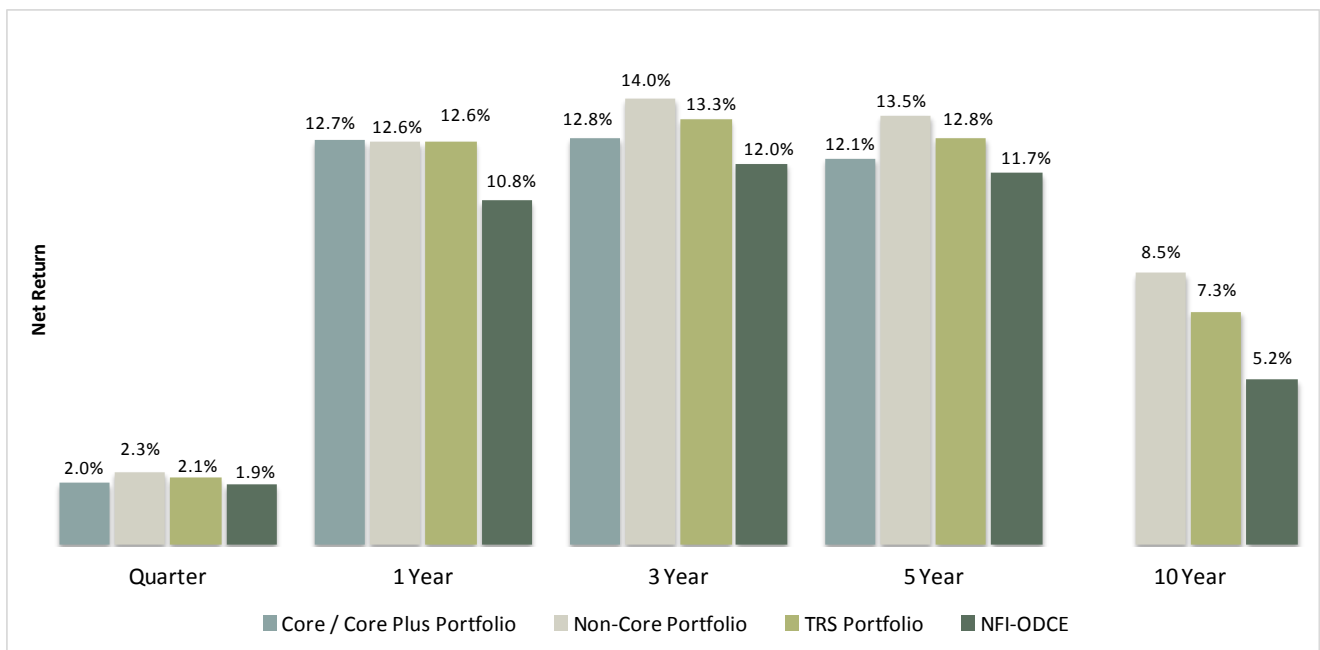
The Core/Core Plus Portfolio achieved a 12.8% net return over the three-year period ending June 30, 2016. Of the 21 Core/Core Plus Funds, Almanac Realty Securities VI was the largest contributor, adding 0.25% to the overall performance of the Portfolio. UBS Trumbull Property Fund was the largest detractor, taking away (0.6)% from the overall performance of the Core/Core Plus Portfolio, however, with its low leverage target, UBS historically outperforms during down cycles.

Non-Core

As of June 30, 2016 the market value of the Non- Core Portfolio was \$838.2 million, or 43.6% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$1.4 billion, or 48.9% of the total Portfolio. The Non-Core Portfolio generated a 3.0% total gross return for the Quarter comprised of 1.4% in income and 1.6% in appreciation. The total net return for the Quarter was 2.3%.

Of the 32 Non-Core Funds that contributed to the Quarterly return of the Portfolio, Lone Star Real Estate Fund III is the largest contributor, adding 0.2%. NYC Asset Investor #1 (VanBarton) was the largest detractor for the Quarter, taking away (0.5)% from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio generated a three-year net return of 14.0%. Of the 31 non-core Funds that contributed to the three-year performance of the Portfolio, Carlyle Realty Partners VI was the largest contributor, adding 1.1%. The largest detractor among these Funds was Urban America Fund II, which took away (1.3)% from overall Non-Core performance.



PERFORMANCE

Portfolio Performance

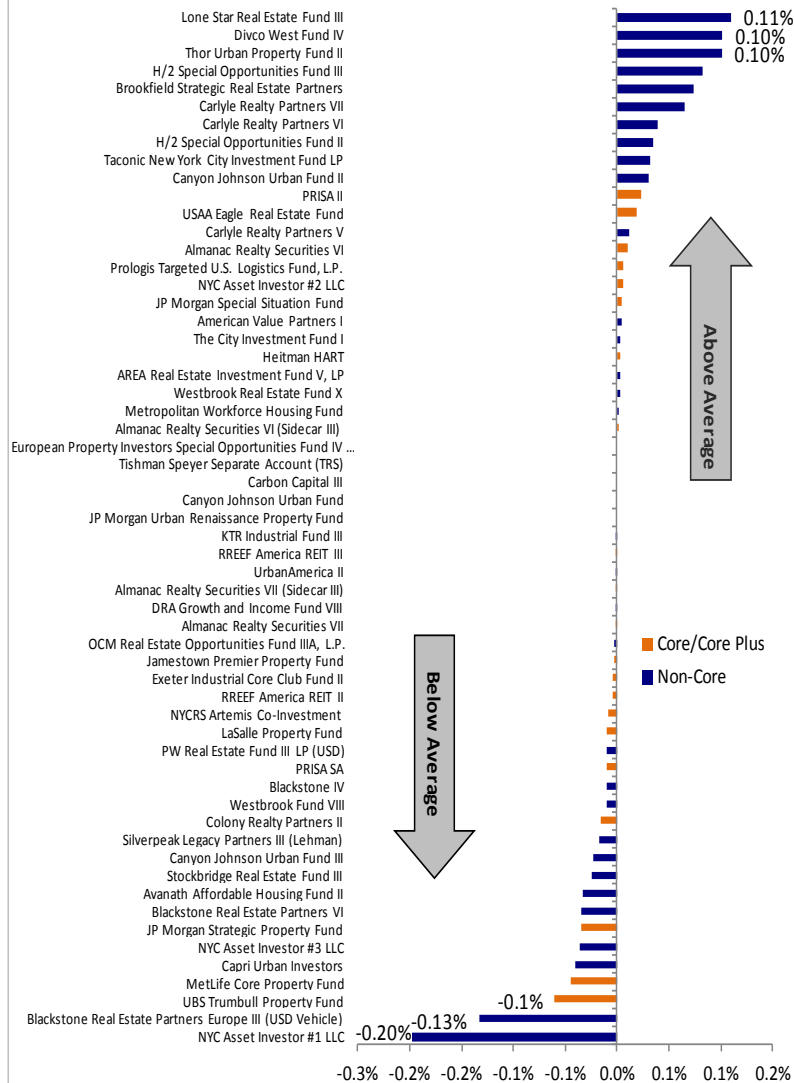
At the end of the Second Quarter 2016, the Portfolio had a cumulative market value of \$1.9 billion. Total market value plus unfunded commitments was \$2.8 billion, or 50.4% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 2.6% which was comprised of 1.3% income and 1.3% appreciation. The Portfolio achieved a total net return of 2.1%. Since inception, the Portfolio has a net IRR of 9.9% and an equity multiple of 1.4x as of June 30, 2016. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven by Lone Star Real Estate Fund III and Divco West Fund IV which contributed 0.11% and 0.10% respectively to the overall performance. The primary laggard in the Portfolio was NYC Asset Investor #1 (VanBarton), detracting (0.08)%. Brief reviews of Funds making positive contributions to performance during the Quarter are found below. Note, that attached as Exhibit C are charts relating to fund contributions to returns during different relevant periods.

Lone Star Real Estate Fund III. The Fund produced a total gross return of 4.2%, comprised of 2.1% in income and 2.0% in appreciation. The net return after fees was 3.3%. There are currently 20 investments encompassing 1,314 assets. No dispositions were executed during the Quarter. Resolution of one of the Fund's European loan portfolios was completed with 84% of underwritten collections received. Refinancing of €279 million was finalized with five lenders for the Fund's Spanish residential development investment. The Fund also increased its 27.8% stake in a Eastern European commercial real estate company to 60.6% as of Quarter-end. Total net equity returned as of the end of the Quarter was 34.3%.

Divco West Fund IV. During the Quarter, the Fund recorded a total gross return of 11.6% comprised of 1.4% in income and 10.2% in appreciation. The net return after fees was 9.3%. As of June 30, 2016, the Fund had 17 unrealized investments with an acquisition cost of \$1.9 billion. During the Quarter, the Fund executed the sale of a business park located in California for a price of \$66.5 million or \$279 psf. Two other sale transactions totaling \$960.5 million were executed subsequent to Quarter-end. The Fund acquired a portfolio of two office buildings in San Ramon, California for \$47.6 million, or \$153 psf.

Fund Contribution to Quarter Return



Brookfield Strategic Real Estate Partners. The Fund produced a total gross return of 4.3% comprised of 0.8% in income and 3.4% in appreciation. The net return after fees was 3.4%. As of Second Quarter 2016, the Fund has a total gross asset value of \$11.2 billion and is well diversified by sector and region. During the Quarter, the Fund sold four of its U.S. industrial properties for a total of \$260 million, generating a 20% IRR. These properties were located in Atlanta, the Texas/Mexico border, Baltimore, and Tampa. Twenty suburban multifamily properties were also sold at a 27% gross IRR with \$190 million distributed back to investors.

Teachers' Retirement System of the City of New York

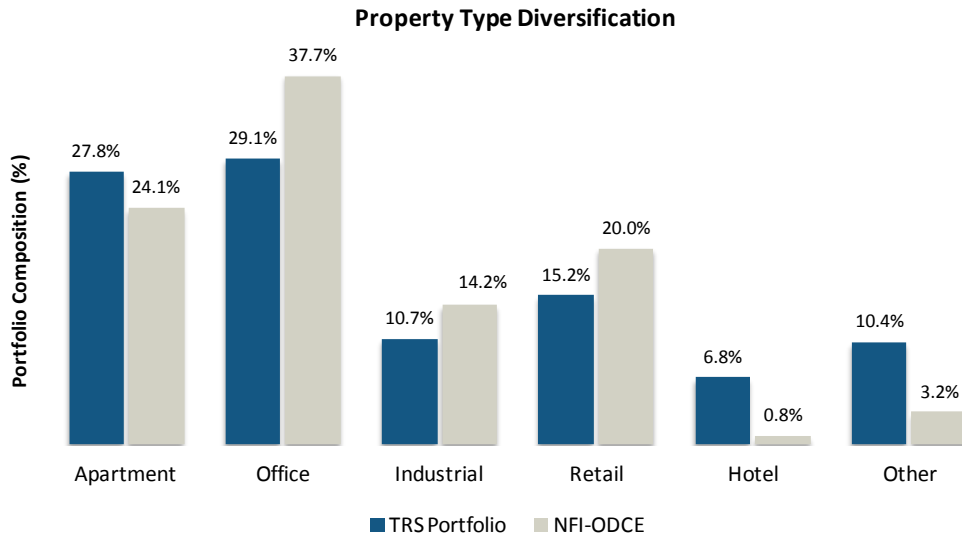
Executive Summary: Second Quarter 2016 Performance Measurement Report

Real Estate

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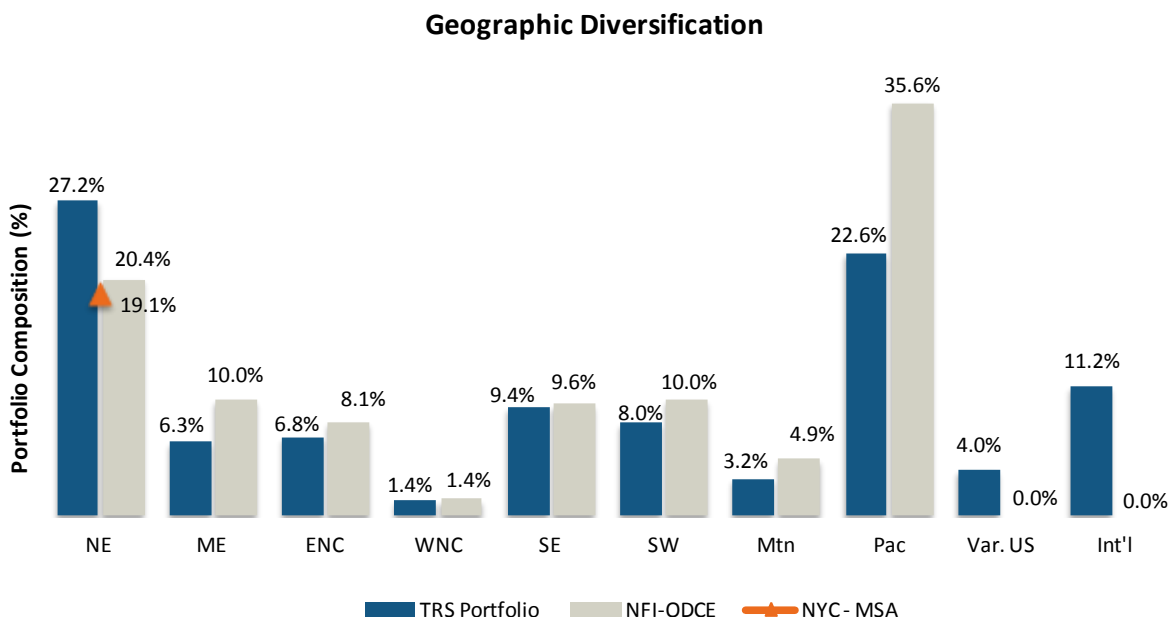
PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. Relative to the ODCE, the Portfolio is underweight to office, industrial and retail. The Portfolio is overweight to hotel and other property types which includes debt-related investments and can include other investments within diversified funds in for sale residential, self storage, land, data centers, senior living, healthcare, medical office and student housing.



GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with an overweight to the Northeast and a slight underweight to several other geographic regions. The 11.2% international exposure is appropriate for the risk and return profile of NYCTRS and consistent with our long-term target.



Teachers' Retirement System of the City of New York

Executive Summary: Second Quarter 2016 Performance Measurement Report Real Estate

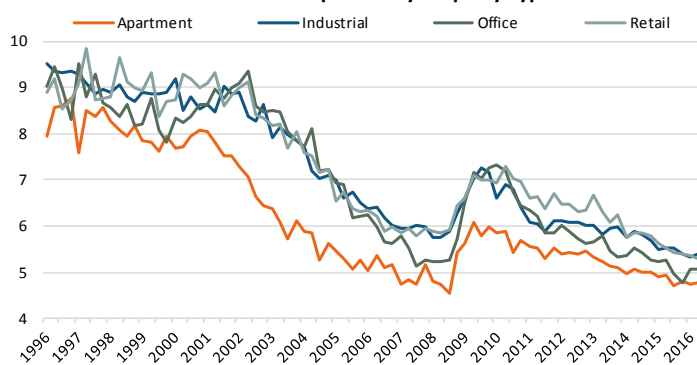
General

- Economic activity increased during the second quarter of 2016 at an annual rate of 1.1%, 2% over 2Q15 levels. Growth during the quarter was chiefly supported by positive contributions by the consumer, with fractional help from trade. Favorable employment trends with moderate wage growth (+2.5% y/y) and strong sentiment (+4.4% annual rate) helped buoy consumer spending. Business investment continues to weigh on trade, reducing growth by 9.7% during the quarter. Leading indicators for the business sector; Purchasing Managers Index (49.4 with 50 and above signaling expansion), Durable Goods Orders (-6% y/y), and Industrial Production Index, point to more of the same to come from subsequent quarters.
- Macro indicators for U.S. real estate came in tepid during 2Q16 with residential housing starts and total construction investment flat to marginally down y/y. Building permits, which signal future construction activity, also fell 9% compared to same period 2015.

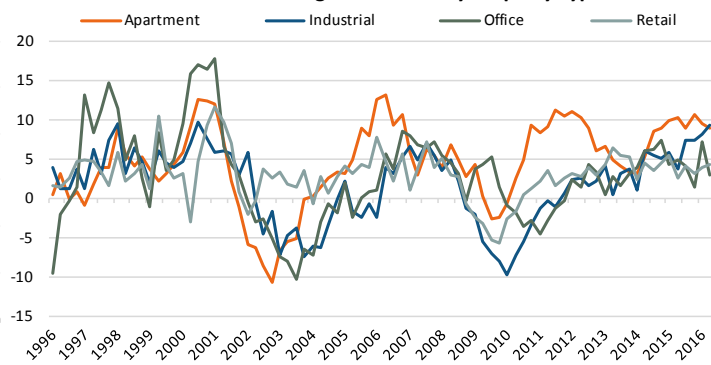
Commercial Real Estate

- 2Q16 saw \$63.5 billion in commercial real estate transaction volume or 41% of global activity. While solid, this represented a 16% drop compared to record 2015 levels. The U.S. decline was on trend with the broad moderation of global transaction activity during the quarter.
- CMBS issuances slowed to \$11.4 billion in 2Q16, less than half of the \$27.5 billion a year ago. Credit conditions remain relatively unchanged from 1Q, with the Fed's survey of senior loan officers showing stronger demand but tighter standards for commercial real estate loans.
- U.S. cities continue to be attractive targets for global investment capital. New York and Los Angeles (1st and 3rd respectively), accounted for 12% of global transactions. Foreign investment represented approximately 12% of total U.S. activity, with China overtaking Canada as the primary foreign capital source year-to-date.
- On average, industrial and multifamily transaction cap rates were essentially flat (0 and 2 bps compression respectively) for the first half of 2016 while hotel and office saw 15 and 11 basis point expansions respectively.

Current Value Cap Rates by Property Type



4-Qtr Rolling NOI Growth by Property Type



Teachers' Retirement System of the City of New York

Executive Summary: Second Quarter 2016 Performance Measurement Report

Real Estate

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EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles	<i>Portfolio returns meet or outperform the benchmark over the one, three, five, ten and SI time periods.</i>
Portfolio Composition	Core/Core Plus (5% of RE Allocation)	<i>The portfolio is funded (market value) and committed at 50.4% of real estate allocation with a portfolio composition of 51.1% core/core plus and 48.9% non-core. Based on market value, the core/core plus portfolio is funded at 56.4% and the non-core portfolio is funded at 43.6%.</i>
	Non Core (4% of RE Allocation)	
Real Estate Allocation	Target of 9.0%	<i>Funded (market value) and committed dollars place the portfolio at 4.5 % of total plan assets.</i>
	Currently Funded at 3.1%	
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	<i>All property type locations are in compliance.</i>
Geographic Diversification	Diversified geographically Max 25% Ex-US	<i>All geographic type locations are in compliance</i>
LTV	65%	<i>Portfolio is in compliance (39.0 %).</i>
Manager Exposure	15% of real estate allocation	<i>Manager exposure is in compliance based on market value.</i>

Teachers' Retirement System of the City of New York

Executive Summary: Second Quarter 2016 Performance Measurement Report Real Estate

EXHIBIT B: SECOND QUARTER 2016 FOIL



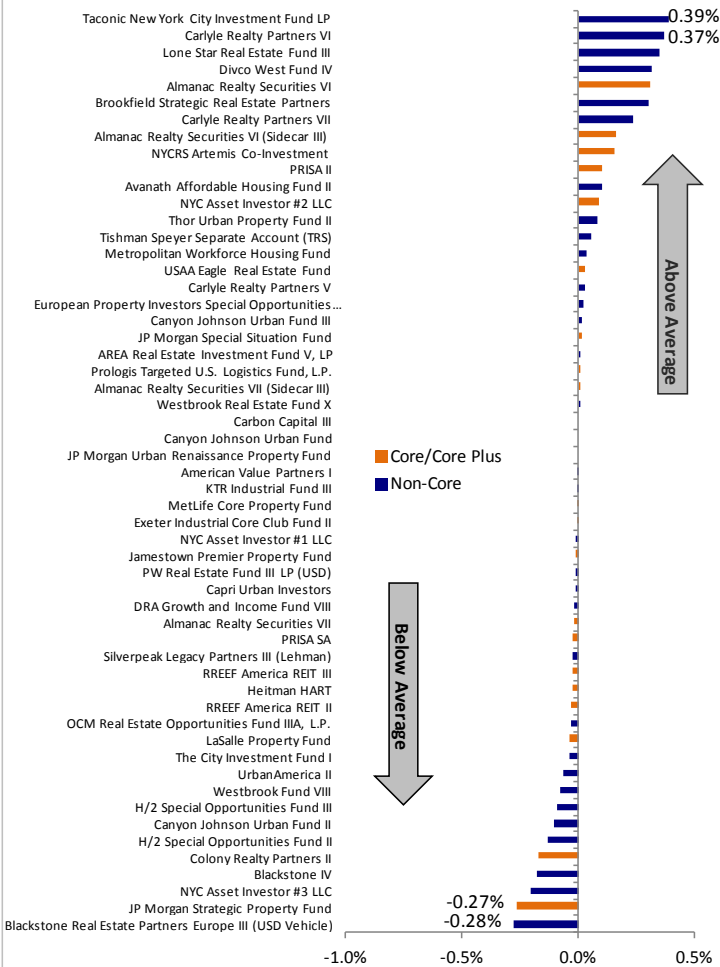
Teachers' Retirement System of the City of New York

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2012	Almanac Realty Securities VI	6/6/2012	100,000,000	64,117,224	-42,830,562	41,710,514	1.3	16.9
2012	Almanac Realty Securities VI (Sidecar III)	7/31/2012	35,000,000	10,498,113	-5,426,549	10,129,657	1.5	30.5
2015	Almanac Realty Securities VII	4/24/2015	65,000,000	15,667,666	-389,748	16,517,379	1.1	9.4
2016	Almanac Realty Securities VII (Sidecar III)	12/9/2015	20,000,000	2,991,102	0	3,221,115	1.1	15.9
2007	Colony Realty Partners II	12/20/2006	15,000,000	16,065,058	-499,580	3,927,500	0.3	-14.3
2016	Exeter Industrial Core Club Fund II	5/20/2016	37,000,000	7,585,000	0	7,555,565	1.0	-5.2
2007	Heitman HART	3/29/2007	48,000,000	66,729,469	-18,729,425	88,760,603	1.6	8.2
2016	Jamestown Premier Property Fund	2/4/2016	52,000,000	14,462,680	-514,822	14,320,376	1.0	6.7
2007	JP Morgan Special Situation Property Fund	1/2/2007	15,000,000	17,143,511	-4,373,537	18,851,699	1.4	3.9
2007	JP Morgan Strategic Property Fund	12/4/2006	86,000,000	93,760,017	0	163,366,220	1.7	8.2
2010	LaSalle Property Fund	7/1/2010	50,000,000	50,000,000	-10,312,729	67,624,775	1.6	12.4
2014	MetLife Core Property Fund	7/1/2014	80,000,000	80,000,000	-5,610,397	90,400,653	1.2	14.8
2013	NYC Asset Investor #2 LLC	7/9/2013	145,000,000	119,955,739	-18,133,596	126,435,301	1.2	12.9
2016	NYCRS Artemis Co-Investment	2/24/2016	70,000,000	7,736,801	0	10,574,472	n/a	n/a
2007	PRISA II	6/30/2007	63,374,139	67,228,134	-13,131,924	85,035,486	1.5	5.3
2006	PRISA SA	9/29/2006	36,000,000	38,812,730	-9,361,123	46,980,606	1.5	4.3
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	10,000,000	12,959,522	-3,078,885	12,524,515	1.2	2.5
2006	RREEF America REIT II	10/1/2006	36,000,000	47,527,452	-20,517,978	46,820,299	1.4	4.8
2007	RREEF America REIT III - 1410	10/1/2007	15,000,000	14,836,751	-7,772,723	684,578	0.6	-7.5
2006	UBS Trumbull Property Fund	9/28/2006	106,000,000	141,940,926	-28,777,948	176,312,548	1.4	7.3
2016	USAA Eagle Real Estate Fund	12/1/2015	78,000,000	48,902,683	0	51,876,988	1.1	12.8
Core / Core Plus Portfolio			1,162,374,139	938,920,579	-189,461,526	1,083,630,848	1.4	6.7
2008	American Value Partners Fund I	10/18/2007	25,000,000	17,872,806	-14,255,023	6,916,343	1.2	3.9
2006	AREA Real Estate Investment Fund V, LP	6/15/2006	5,000,000	5,000,001	-2,246,590	2,620,959	1.0	-0.4
2015	Avanath Affordable Housing Fund II	7/14/2015	10,000,000	9,260,964	0	11,828,135	1.3	32.8
2004	Blackstone Fund IV	5/10/2004	25,000,000	32,033,922	-37,839,432	7,138,865	1.4	10.7
2010	Blackstone Real Estate Partners Europe III (USD Vehicle)	10/24/2008	50,000,000	40,391,223	-37,243,482	22,147,981	1.5	13.5
2007	Blackstone Real Estate Partners VI	9/27/2007	50,000,000	54,064,862	-75,501,366	27,272,888	1.9	13.2
2012	Brookfield Strategic Real Estate Partners	9/20/2012	125,000,000	114,512,698	-48,065,164	103,233,057	1.3	15.9
2003	Canyon Johnson Urban Fund	12/6/2002	15,000,000	13,590,364	-15,874,432	0	1.2	10.2
2005	Canyon Johnson Urban Fund II	5/11/2005	30,000,000	26,966,112	-9,895,945	2,105,632	0.4	-10.6
2010	Canyon Johnson Urban Fund III	3/29/2010	25,000,000	24,655,816	-32,988,887	641,687	1.4	12.3
2008	Capri Urban Investors	6/3/2008	40,000,000	39,987,138	-10,513,450	25,553,935	0.9	-1.7
2009	Carbon Capital III	7/2/2009	40,000,000	43,757,162	-53,134,591	0	1.2	8.5
2007	Carlyle Realty Partners V	8/27/2007	15,000,000	18,462,300	-20,751,757	5,205,766	1.4	9.0
2011	Carlyle Realty Partners VI	9/14/2011	70,000,000	65,153,792	-68,644,513	40,828,266	1.7	28.9
2014	Carlyle Realty Partners VII	6/30/2014	120,000,000	50,123,190	-279,410	55,639,315	1.1	15.0
2014	Divco West Fund IV	1/15/2014	25,000,000	24,276,592	-8,067,814	28,228,401	1.5	30.7
2014	DRA Growth and Income Fund VIII	9/29/2014	75,000,000	75,839,321	-15,199,770	65,781,207	1.1	11.2
2016	European Property Investors Special Opportunities Fund IV (EPISO IV)	12/18/2015	64,826,199	9,493,644	-934,674	8,380,726	1.0	-7.2
2011	H/2 Special Opportunities Fund II	1/31/2011	40,000,000	39,999,999	-24,235,222	31,616,996	1.4	15.0
2015	H/2 Special Opportunities Fund III	12/29/2014	65,000,000	37,381,152	0	40,011,951	1.1	11.0
2009	JP Morgan Urban Renaissance Property Fund	12/18/2008	16,360,625	4,206,523	-4,206,523	0	1.0	0.0
2013	KTR Industrial Fund III	6/28/2013	70,000,000	30,589,081	-48,277,889	132,003	1.6	40.5
2014	Lone Star Real Estate Fund III	5/20/2014	190,000,000	176,188,064	-60,581,664	152,887,649	1.2	17.9
2007	Metropolitan Workforce Housing Fund	7/13/2007	10,500,000	10,509,770	-4,749,193	8,067,890	1.2	4.2
2013	NYC Asset Investor #1 LLC	6/25/2013	60,000,000	64,154,430	-7,023,986	72,554,091	1.2	15.7
2013	NYC Asset Investor #3 LLC	9/20/2013	96,000,000	32,863,075	-375,692	33,184,688	1.0	1.6
2003	OCM Real Estate Opportunities Fund IIIA	5/30/2003	15,000,000	15,000,000	-23,027,038	673,952	1.6	10.0
2016	PW Real Estate Fund III LP	n/a	61,623,459	0	0	-542,336	n/a	n/a
2008	Silverpeak Legacy Partners III	5/28/2008	30,000,000	11,748,148	-3,006,200	2,426,938	0.5	-14.7
2008	Stockbridge Real Estate Fund III	9/9/2008	22,500,000	22,498,458	0	29,837,828	1.3	5.2
2012	Taconic New York City Investment Fund LP	7/5/2012	70,000,000	28,954,546	-17,022,727	33,012,628	1.7	18.1
2004	The City Investment Fund I	3/16/2004	120,000,000	118,337,757	-119,516,336	420,013	1.0	0.3
2009	Thor Urban Property Fund II	10/30/2008	12,500,000	16,173,958	-13,962,341	10,448,356	1.5	12.7
2004	Tishman Speyer Separate Account (TRS)	8/5/2004	100,000,000	72,402,952	-250,146,943	0	3.5	57.5
2007	UrbanAmerica II	1/30/2007	11,000,000	10,218,031	-1,095,256	68,798	0.1	-25.0
2010	Westbrook Real Estate Fund VIII	12/28/2009	50,000,000	59,287,424	-67,801,514	9,847,931	1.3	12.5
2016	Westbrook Real Estate Fund X	n/a	47,000,000	0	0	3,163	n/a	n/a
Non-Core Portfolio			1,897,310,283	1,415,955,275	-1,096,464,824	838,175,702	1.4	14.0
Small Emerging Manager			126,500,000	55,598,372	-20,099,472	37,455,638	1.0	0.9
Teachers' Retirement System of the City of New York			3,059,684,422	2,354,875,854	-1,285,926,350	1,921,806,550	1.4	9.9

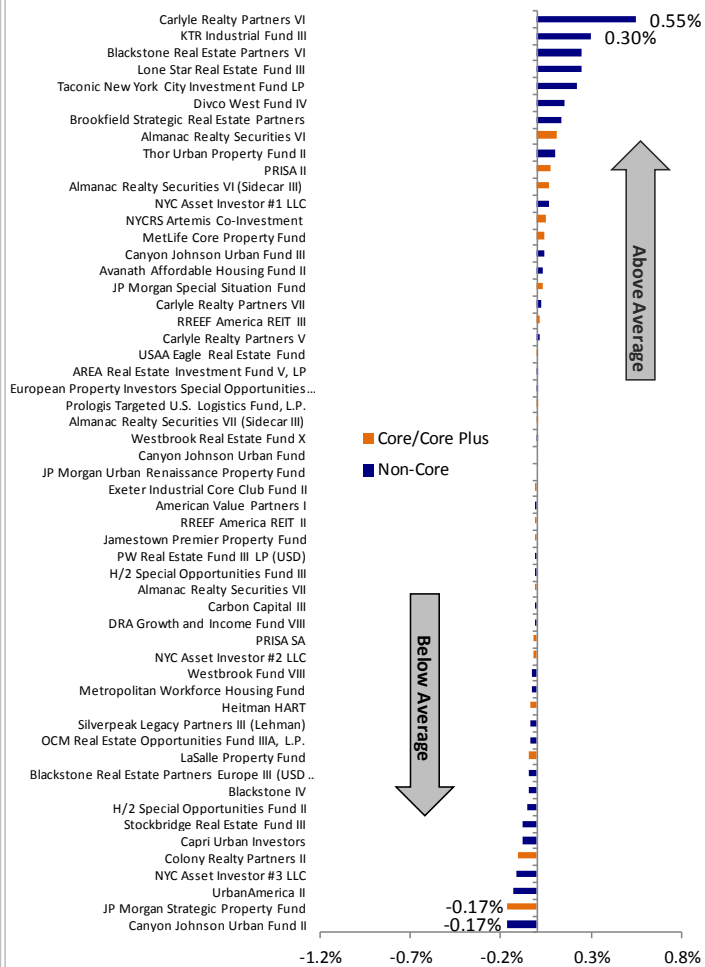
Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows 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 June 30, 2016. 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.

EXHIBIT C : ATTRIBUTION

Fund Contribution to 1 Year Return



Fund Contribution to 3 Year Return





Infrastructure Monitoring Report

For the period ended June 30, 2016

Report Prepared For:

Teachers' Retirement System of the City of New York



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I. Executive Summary

The Teachers' Retirement System of the City of New York ("NYC TRS") established the Infrastructure Program (the "Program") in December of 2012 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

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

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

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

Since inception through June 30, 2016, the Program has committed US\$728.0 million to six partnership investments (the "Portfolio"). This quarterly monitoring report covers the performance of the Portfolio as of June 30, 2016 as well as significant activity that occurred during the second quarter of 2016.

Allocation Summary

NYC TRS has a Real Assets allocation target of 6% (plus or minus 2%) of total pension assets. Infrastructure is a component asset class within the NYC TRS Real Assets investment program.

As of June 30, 2016, the market value of NYC TRS Real Assets Program represented approximately 3.7% of total pension assets. The market value of NYC TRS Infrastructure Program represented approximately 0.5% of total pension assets, a three basis point increase from the prior quarter.

As the Program matures, the percentage of its market value relative to the total NYC TRS pension assets as well as total Real Assets will continue to increase.

US\$ in millions *	June 30, 2016	March 31, 2016	June 30, 2015	Quarterly Change	Yearly Change
Total Pension Assets *	\$60,672.0	\$59,982.0	\$60,111.0	\$690.0	\$561.0
Total Real Assets *	\$2,247.0	\$2,177.0	\$1,771.0	\$70.0	\$476.0
% Allocation to Real Assets (Target of 6% +/- 2%)	3.7%	3.6%	2.9%	+ 7 bps	+ 76 bps
Total Infrastructure Assets	\$292.8	\$273.2	\$212.2	\$19.5	\$80.6
% Allocation to Infrastructure vs. Total Pension Assets	0.5%	0.5%	0.4%	+ 3 bps	+ 13 bps
% Allocation to Infrastructure vs. Total Real Assets	13.0%	12.6%	12.0%	+ 48 bps	+ 105 bps

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

Performance Summary

As of June 30, 2016, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.1x invested capital and an IRR of 10.6%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions *	June 30, 2016	March 31, 2016	June 30, 2015	Quarterly Change	Yearly Change
Number of Managers	5	5	4	0	1
Number of Investments	6	5	4	1	2
Committed Capital ¹	\$728.0	\$609.0	\$470.0	\$119.0	\$258.0
Contributed Capital	\$273.0	\$258.4	\$209.3	\$14.6	\$63.6
Distributed Capital	\$12.6	\$11.8	\$5.9	\$0.8	\$6.6
Market Value	\$292.8	\$273.2	\$212.2	\$19.5	\$80.6
Total Value	\$305.4	\$285.0	\$218.2	\$20.4	\$87.2
Total Gain/(Loss)	\$32.4	\$26.6	\$8.8	\$5.8	\$23.6
Unfunded Commitment	\$460.6	\$354.7	\$260.7	\$105.9	\$199.9
Exposure ²	\$753.4	\$628.0	\$472.9	\$125.4	\$280.4
DPI ³	0.0x	0.0x	0.0x	0.0x	0.0x
TVPI ⁴	1.12x	1.10x	1.04x	0.02x	0.08x
IRR ⁵	10.6%	11.2%	12.5%	-0.5%	-1.8%
TVPI Net of StepStone Fees ⁶	1.12x	1.10x	1.04x	0.02x	0.08x
IRR Net of StepStone Fees ⁶	10.6%	11.1%	12.4%	-0.6%	-1.8%

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

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

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

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

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

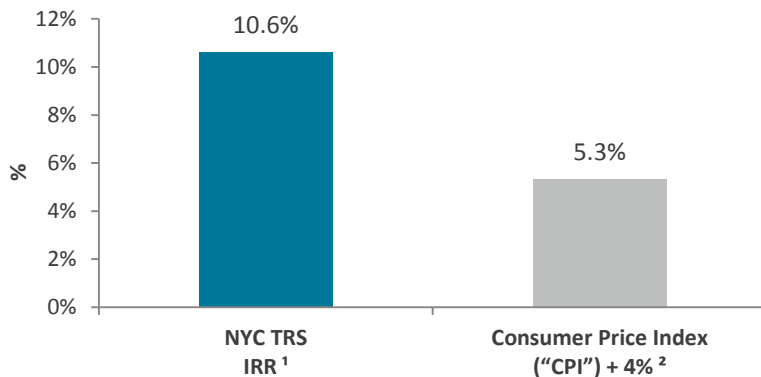
⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

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

Portfolio Performance vs. Benchmarks

The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period. The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.

As of June 30, 2016, the Program outperformed the benchmark by 5.3%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of June 30, 2016.



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

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

Portfolio Diversification

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

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

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

As of June 30, 2016 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	292.8	100.0%	460.6	100.0%	753.4	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	292.8	100.0%	460.6	100.0%	753.4	100.0%
By Geographic Focus:						
Global	103.4	35.3%	168.8	36.7%	272.2	36.1%
OECD	189.4	64.7%	291.8	63.3%	481.2	63.9%
Total	292.8	100.0%	460.6	100.0%	753.4	100.0%
By Industry Focus:						
Diversified	277.8	94.9%	386.4	83.9%	664.3	88.2%
Energy	14.9	5.1%	74.1	16.1%	89.1	11.8%
Total	292.8	100.0%	460.6	100.0%	753.4	100.0%

II. Infrastructure Market Overview

Market Overview

North America

Q2 2016 saw the financial close of the landmark NYC LaGuardia Airport Terminal Public Private Partnership (“P3”) project. The US\$ 4 billion deal is the country’s largest P3 to date and has prompted grantors across the country to look at similar deals. Increasingly, public agencies such as Los Angeles Metropolitan Authority and Washington DC Office of Private Public Partnerships are relying on unsolicited proposals to generate potential P3 transactions. Notable P3 legislation has been passed and signed into law in Kentucky, Tennessee and New Hampshire. Kentucky’s new mandate in particular not only enables counties and regional authorities to enter into P3 agreements, but also allows P3s to be used across all sectors. Offshore wind has gradually been gaining traction with some states passing or considering legislation that would allow offshore wind projects to become economically viable. For example, Massachusetts voted to move forward with a bill that would require up to 2GW of offshore wind procurement by 2027.

Europe

While Britain’s vote to leave the European Union in June (“Brexit”) has created shorter term market uncertainty, stemming from currency volatility and concerns about rising funding costs, economic linkages between the UK and EU are significant and very longstanding. It is expected that interconnectivity between the economies of the UK and Europe will endure. Given the nature of the infrastructure asset class, it is expected that the impact of Brexit will be relatively less than for other sectors in the economy. Typically revenues are not exposed to market volatility as they are structured as long term contracts or subject to regulation. While some infrastructure assets might have GDP exposure (such as airports), it is expected that long-term demographic trends and the essential need of much travel will underpin revenues in these assets. Financial investors have been active in European renewables, including UK offshore wind, drawn to long-term stable cash flows. A large pipeline of offshore wind projects will require funding over the next 15 months. Projects in Germany, the Netherlands, Belgium and France all offer investors opportunities in both debt and equity financing.

Australia

In Australia, the 50-year lease of Port of Melbourne was won in September by a consortium consisting of QIC, Future Fund, GIP and OMERS, at a reported price of A\$9.7bn and an estimated 25x EBITDA multiple. This deal further continues the trend of the sector being highly contested by a range of infrastructure investors, with transaction outcomes over the past 5 years for Port of Brisbane, Port Botany and Port Kembla, Port of Newcastle, and Port of Darwin ranging from estimated EBITDA multiples of 24x to 27x. And, in the electricity sector, the AusGrid transaction introduced new uncertainty for foreign investors into critical infrastructure assets. Chinese bidders State Grid and Cheung Kong Infrastructure were blocked from the sale process due to cited national security considerations. This has delayed the sale process for Endeavour, the third transaction in a series of privatizations for New South Wales’ electricity providers.

Infrastructure Fundraising

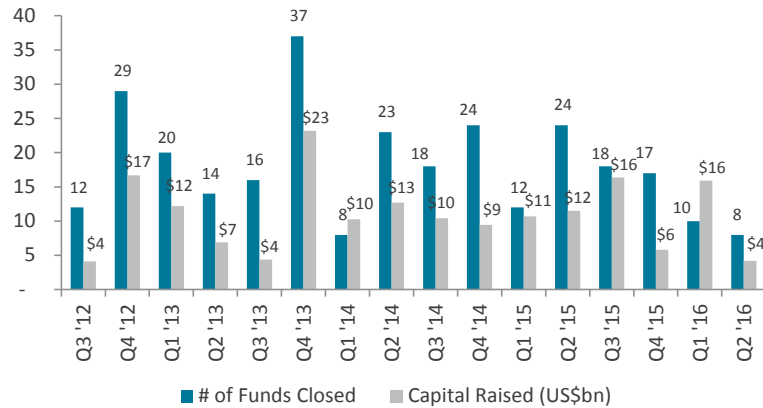
The level of institutional capital secured by unlisted infrastructure funds that reached a final close in Q2 2016 was significantly lower compared with Q1 2016.

During the first quarter, eight funds held final closings. Aggregate capital raised was US\$4.2 billion. The amount represented a year over year decrease of 63% compared to Q2 2015, when 24 funds held a final close raising US\$11.5 billion.

The largest fund to reach a final closing during Q2 was Carlyle Power Partners II, which raised \$1.5 billion of commitments. The fund will pursue investments in the US power generation sector in both traditional and renewable energy opportunities. Additionally, Meridiam Infrastructure Europe III raised €1.3 billion. The fund will invest in greenfield-stage public-private partnership transactions in Europe.

Unlisted Infrastructure Fundraising

Source: Preqin

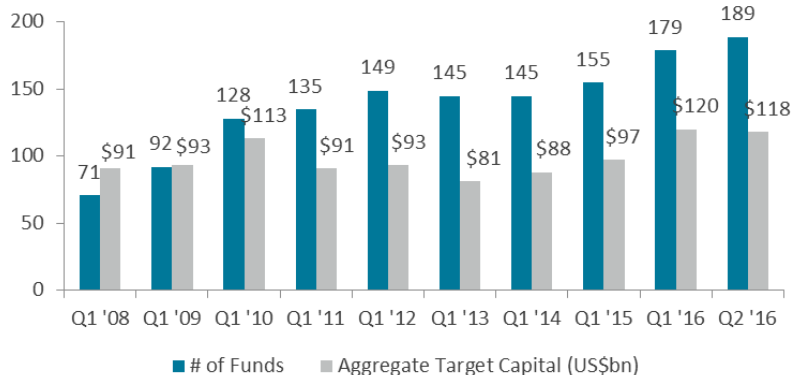


Fund	General Partner	Size (mn)	Location Focus
Carlyle Power Partners II	Carlyle Group	\$ 1,500	North America
Meridiam Infrastructure Europe III	Meridiam	€ 1,300	Europe
SMA 5	Macquarie Infrastructure Debt Investment So	€ 500	UK
Meridiam Transition Fund	Meridiam	€ 350	France
Star America Infrastructure Partners	Star America Infrastructure Partners	\$ 300	North America

At the end of the second quarter, Preqin observed 189 funds in market targeting aggregate capital commitments of US\$118 billion. The largest funds in market include: Brookfield Infrastructure Fund III, targeting US\$14 billion, and Global Infrastructure Partners III, targeting US\$12.5 billion.

Unlisted Infrastructure Fundraising

Source: Preqin



Major Transactions

During the second quarter, 225 infrastructure deals were completed with an estimated aggregate deal value of US\$97 billion, representing a 40% decrease compared to the prior quarter. Several significant infrastructure transactions completed in the second quarter are presented below.

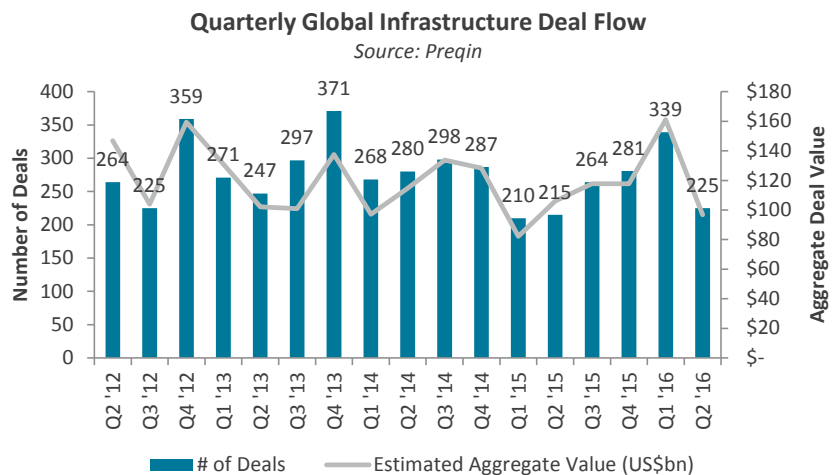
In April 2016, PT Pertamina and Rosneft Oil Company closed a \$13.0 billion joint venture deal to construct an oil refinery in Indonesia.

In June 2016, HOCHTIEF Concessions and J. Murphy and Sons closed on a £2.4 billion deal to construct a 23-mile mining tunnel in North Yorkshire, UK.

In June 2016, Sacyr Vallehermoso was awarded a public-private partnership contract for the construction and concession of the 186km Rome-Latina freeway in Italy valued at €2.8 billion.

In June 2016, TransCanada Corporation was awarded the contract to construct, own, and operate the Sur de Texas-Tuxpan natural gas pipeline in Mexico. The deal is valued at \$2.1 billion.

In April 2016, Cheung Kong Infrastructure Holdings agreed to purchase select midstream assets in Lloydminster, Canada from Husky Energy in the amount of \$1.7 billion representing a 65% equity stake.



III. Portfolio Review

Quarterly Highlights

- **New Investment Commitments** – During the second quarter of 2016, the Program closed on one new investment commitment totaling US\$119.0 million. This is shown in the table below.

US\$ in millions

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
Brookfield Infrastructure Fund III, L.P.	April 2016	2016	Infrastructure	Global	Diversified	\$119.0
Total						\$119.0

- **Subsequent Investment Commitments** – Subsequent to quarter-end through October 21, 2016, the Program has not closed on any additional investment commitments.
- **Cash Outflow Decreased** – During the second quarter of 2016, the Program made US\$14.6 million of contributions and received US\$0.8 million of distributions, for a net cash outflow of US\$13.8 million. This compared to a net cash outflow of US\$17.2 million during the prior quarter. Net cash flow is expected to remain negative for the next several years as the Program's committed capital is drawn down for investments, fees and expenses by fund managers.
- **Valuation Increased** – During the second quarter of 2016, net of cash flow activity, the valuation of the Portfolio increased by approximately US\$5.8 million, or 2.0%, from the prior quarter. The valuation increase reflects the increase in value of underlying investments in Brookfield Infrastructure Fund II, IFM Global Infrastructure Fund, Brookfield Infrastructure Fund III, and KKR Global Infrastructure Investors II.
- **New Underlying Fund Investments** – During the second quarter of 2016, six new investment positions were added to the Portfolio. The top five new investments in terms of the Portfolio's exposed invested capital are below.

US\$ in millions

Company	Fund(s)	Investment Date	Stage	Industry	Country	Exposed Invested Capital	Exposed Market Value	TVM
Columbia Renewable Power	Brookfield Infrastructure Fund III, L.P.	Jan-16	Private	Renewables	Colombia	7.7	8.7	1.1x
PEMEX Midstream	KKR Global Infrastructure Investors II L.P.	Jun-16	Private	Energy	Mexico	5.5	5.5	1.0x
U.S. Renewable Power	Brookfield Infrastructure Fund III, L.P.	Apr-16	Private	Renewables	United States	4.7	4.8	1.0x
Arrowhead Gulf Coast Holdings	First Reserve Energy Infrastructure Fund II, L.P.	May-16	Private	Energy	United States	4.2	4.2	1.0x
Toehold and Other Investments	Brookfield Infrastructure Fund III, L.P.	Jun-16	Private	Other	United States	2.7	3.0	1.1x

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

Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of June 30, 2016. Note that the performance of funds that are less than one year old is not meaningful.

As of June 30, 2016 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$140.0	\$81.6	\$9.7	\$92.5	\$102.2	\$20.6	\$59.2	\$151.8	0.1x	1.3x	16.3%
2014	330.0	181.0	2.9	189.5	192.4	11.4	152.8	342.3	0.0x	1.1x	6.4%
2016	258.0	10.4	-	10.8	10.8	0.3	248.5	259.3	NM	NM	NM
Total	\$728.0	\$273.0	\$12.6	\$292.8	\$305.4	\$32.4	\$460.6	\$753.4	0.0x	1.1x	10.6%

Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of June 30, 2016.

As of June 30, 2016 (US\$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Core	\$728.0	\$273.0	\$12.6	\$292.8	\$305.4	\$32.4	\$460.6	\$753.4	0.0x	1.1x	10.6%
Diversified	638.0	256.6	12.1	277.8	289.9	33.3	386.4	664.3	0.0x	1.1x	11.3%
Energy	90.0	16.3	0.5	14.9	15.4	(0.9)	74.1	89.1	0.0x	0.9x	(8.4%)
Total	\$728.0	\$273.0	\$12.6	\$292.8	\$305.4	\$32.4	\$460.6	\$753.4	0.0x	1.1x	10.6%

Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of June 30, 2016.

As of June 30, 2016 (US\$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$259.0	\$91.0	\$9.7	\$103.4	\$113.0	\$22.1	\$168.8	\$272.2	0.1x	1.2x	17.2%
OECD	469.0	182.0	2.9	189.4	192.3	10.3	291.8	481.2	0.0x	1.1x	5.7%
Total	\$728.0	\$273.0	\$12.6	\$292.8	\$305.4	\$32.4	\$460.6	\$753.4	0.0x	1.1x	10.6%

Portfolio Diversification

By Strategy, Geography and Industry Focus

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

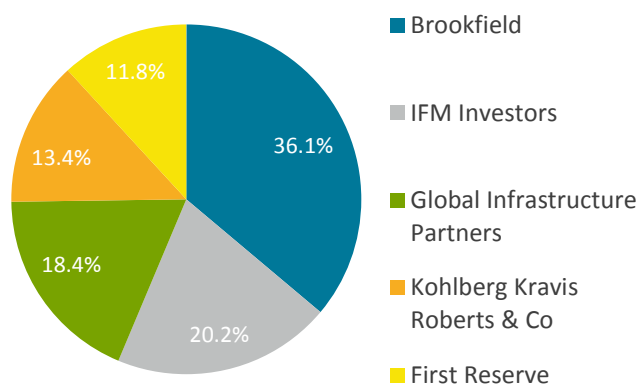
- Core Infrastructure Investments: 60% to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

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

As of June 30, 2016 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	292.8	100.0%	460.6	100.0%	753.4	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	292.8	100.0%	460.6	100.0%	753.4	100.0%
By Geographic Focus:						
Global	103.4	35.3%	168.8	36.7%	272.2	36.1%
OECD	189.4	64.7%	291.8	63.3%	481.2	63.9%
Total	292.8	100.0%	460.6	100.0%	753.4	100.0%
By Industry Focus:						
Diversified	277.8	94.9%	386.4	83.9%	664.3	88.2%
Energy	14.9	5.1%	74.1	16.1%	89.1	11.8%
Total	292.8	100.0%	460.6	100.0%	753.4	100.0%

By Investment Manager

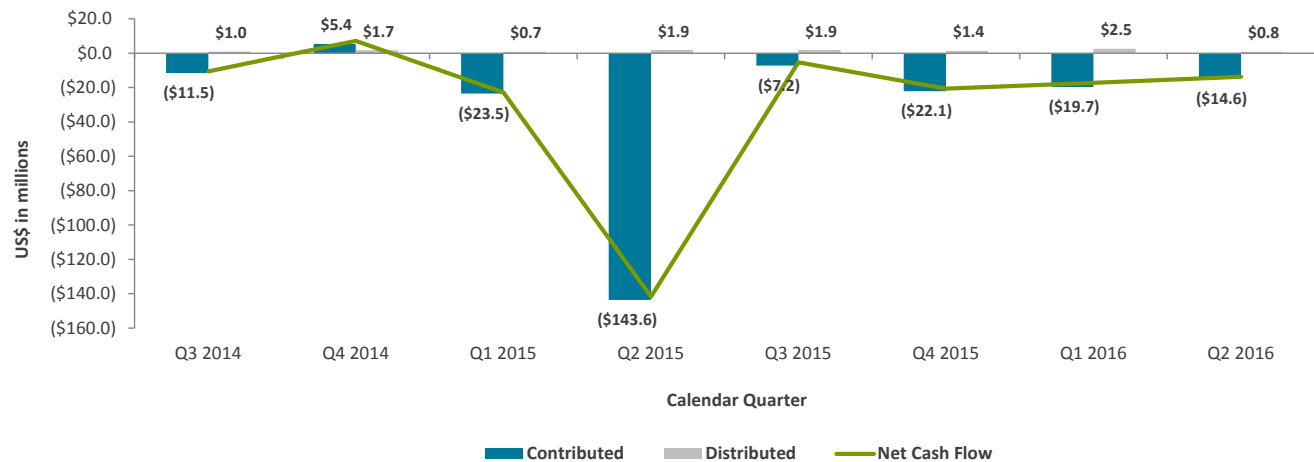
As of June 30, 2016, the Program had made six investment commitments to five managers. NYC TRS seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



Portfolio Cash Flow Analysis

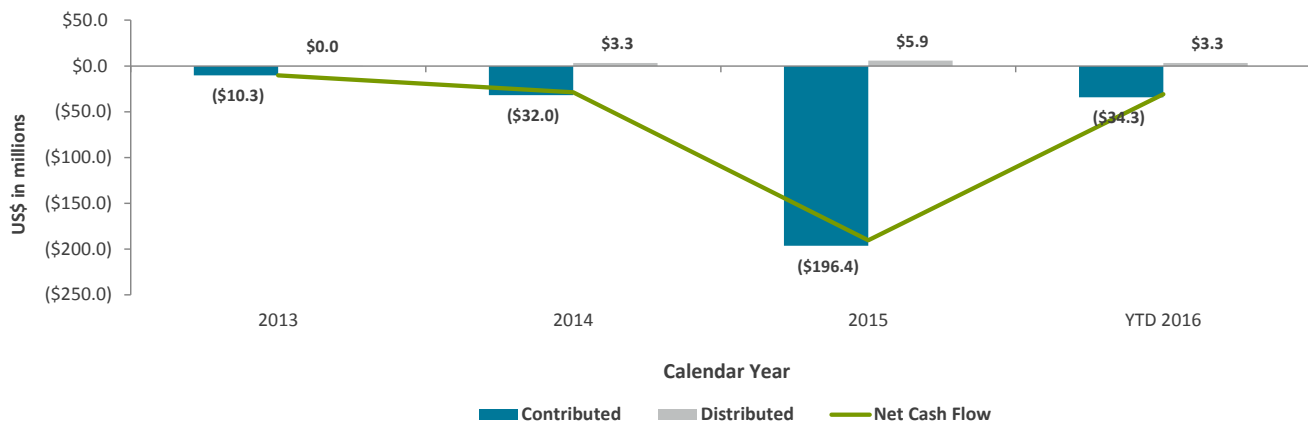
Quarterly Cash Flow Activity

During the second quarter of 2016, the Program made US\$14.6 million of contributions and received US\$0.8 million of distributions, for a net cash outflow of US\$13.8 million. As of June 30, 2016, six fund investments in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



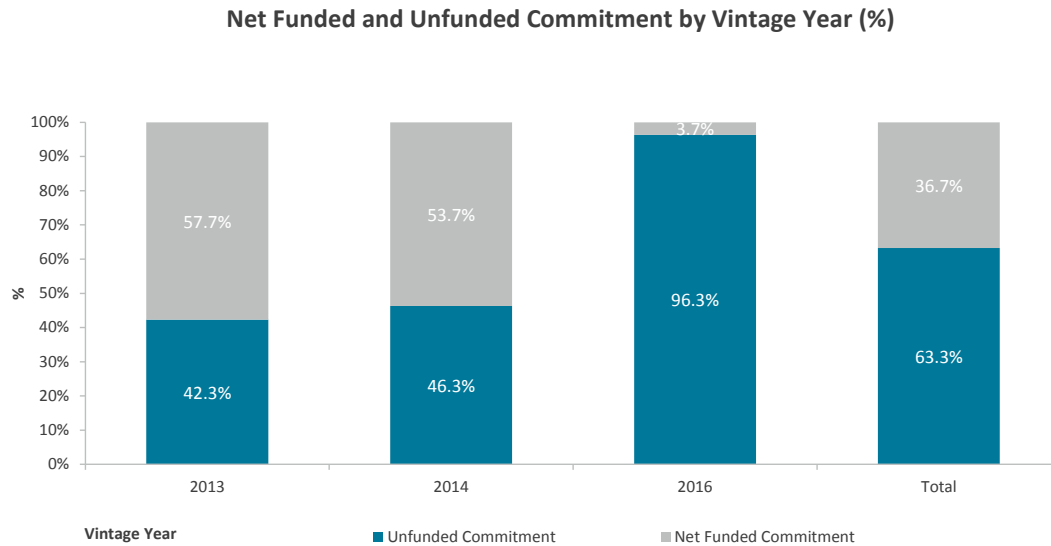
Annual Cash Flow Activity

During the first six months of 2016, the Program made US\$34.3 million of contributions and received US\$3.3 million of distributions, for a net cash outflow of US\$31.0 million. The graph below illustrates cash flow activity since inception by calendar year.

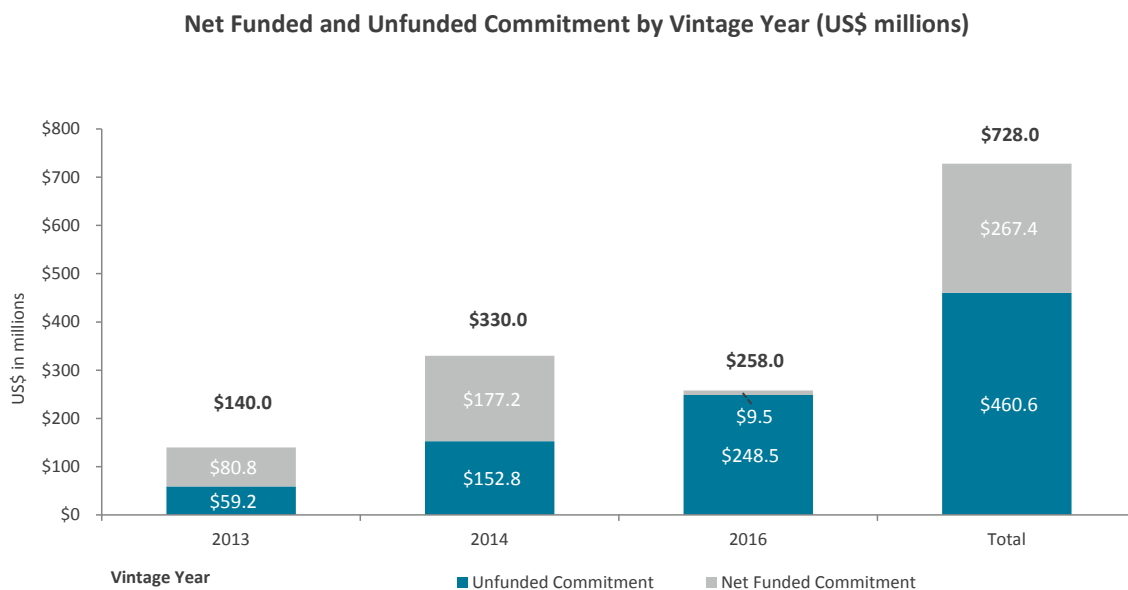


Net Funded and Unfunded Commitments by Vintage Year

The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and callable distributions) as a percentage of total capital commitments, by fund vintage year, as of June 30, 2016. Overall, the Portfolio was 63.3% unfunded as of quarter-end.



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of June 30, 2016. Overall, the Portfolio had US\$460.6 million of unfunded commitments as of quarter-end.

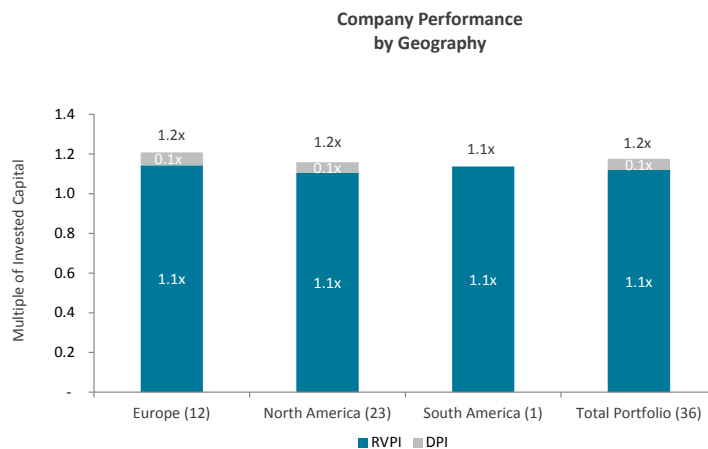
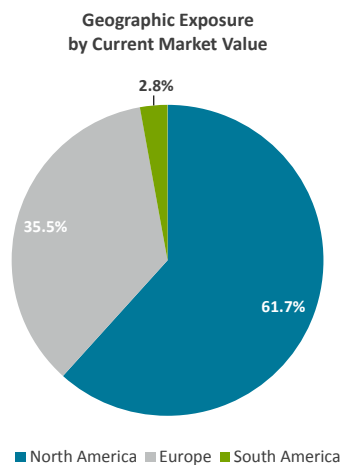


Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to 36 unique portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size. The Program's individual portfolio investment exposure is relatively concentrated as a result of the relative immaturity of the Program.

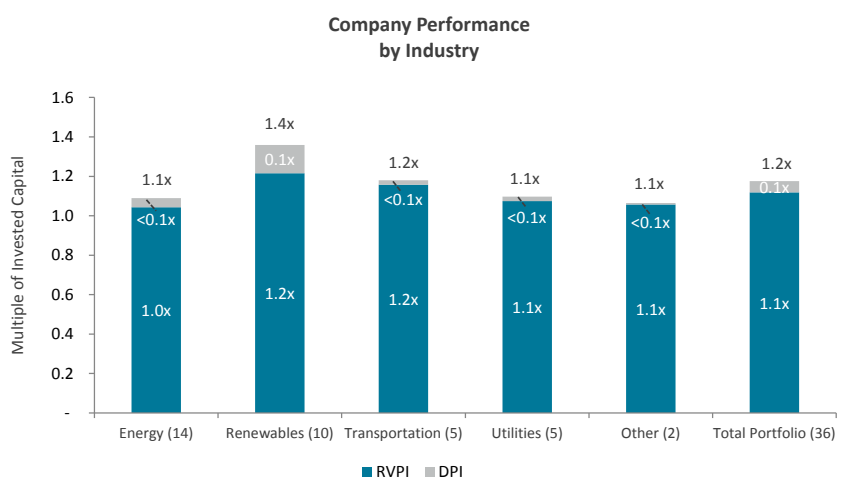
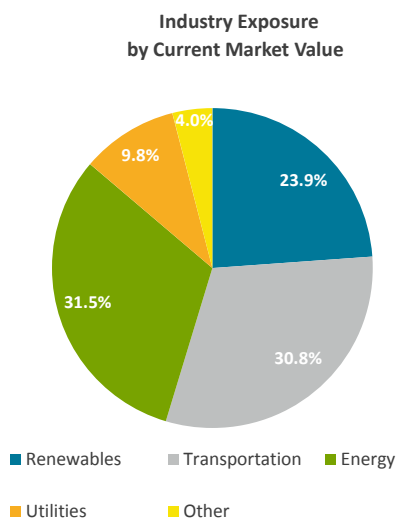
Geographic Exposure and Performance

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



Industry Exposure and Performance

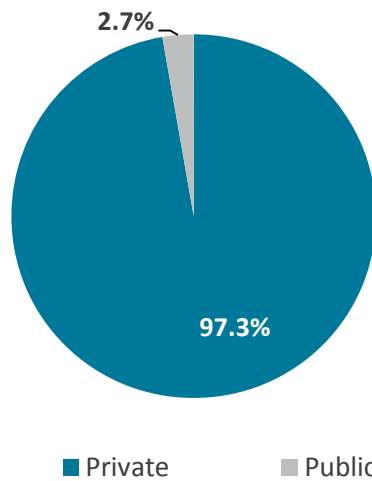
The following charts illustrate the Portfolio's current exposure and performance by industry at the portfolio company level.



Public Market Exposure

As of quarter-end, publicly traded investments comprised 2.7% of the Portfolio's exposed market value. The following chart illustrates the current public market exposure at the portfolio company level.

Public Market Exposure Current Market Value



IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
Allocation	<p>NYC TRS has a Real Assets allocation target of 6% (plus or minus 2%) of total pension assets.</p> <p>Infrastructure is a component asset class within the NYC TRS Real Assets investment program.</p>	✓	<p>The market value of NYC TRS Real Assets Program currently represents approximately 3.7% of total pension assets and the market value of NYC TRS Infrastructure Program represents approximately 0.5% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYC TRS pension assets and the total Real Assets Program is expected to increase.</p>
Performance vs. Benchmarks	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of June 30, 2016, the Portfolio outperformed the benchmark by 5.3%.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
Strategy Diversification	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.</p>
Asset Type & Location Diversification	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
Leverage	<p>The average leverage of all investments in the Program is to be no higher than 65%.</p>	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 40.7%*.</p>
Single Investment Size & Manager Diversification	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

*The Program's leverage level is calculated by using a weighted average of each underlying investment's leverage and Net Asset Value as of June 30, 2016.

APPENDICES:

Basket Clause

TRS - BASKET/NON BASKET SUMMARY

As of September 30th, 2016	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
<u>Equity</u>	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Domestic Equity	33.8%	0.0%	33.8%	33.2%	0.0%	33.2%
Non-U.S. Equity	10.0%	7.8%	17.8%	10.0%	8.3%	18.3%
Private Equity	0.0%	4.9%	4.9%	0.0%	4.9%	4.9%
Real Assets	3.7%	0.0%	3.7%	3.7%	0.0%	3.7%
REITS	2.8%	0.2%	3.0%	3.2%	0.2%	3.4%
Total Equity	50.3%	12.8%	63.1%	50.0%	13.3%	63.4%
<u>Fixed Income</u>						
Core+5	18.7%	0.5%	19.2%	16.6%	0.5%	17.1%
U.S. Gov't Sector	4.1%	0.0%	4.1%	2.1%	0.0%	2.1%
Mortgage Sector	6.5%	0.0%	6.5%	6.1%	0.0%	6.1%
Credit Sector	8.0%	0.5%	8.5%	8.0%	0.5%	8.5%
High Yield	4.1%	1.0%	5.1%	4.0%	1.0%	5.0%
Bank Loans	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%
TIPS	3.6%	0.4%	4.0%	3.4%	0.4%	3.8%
Convertibles	2.4%	0.6%	3.0%	1.3%	0.3%	1.6%
Opportunistic Fixed Income	0.0%	2.4%	2.4%	0.0%	2.4%	2.4%
Other Fixed Income	0.8%	0.0%	0.8%	4.3%	0.0%	4.3%
Total Fixed Income	29.5%	7.4%	36.9%	29.6%	7.1%	36.6%
Total Fund	79.8%	20.2%	100.0%	79.6%	20.4%	100.0%

Remaining Capacity

4.8%

4.6%

* Note: Basket amounts are estimates

Liquidity Analysis

TRS Liquidity Profile - Static Analysis

12/5/16

AUM as of September 30, 2016

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
PUBLIC EQUITY	\$35,190	\$35,190	\$35,190	\$35,190
U.S.	23,474	23,474	23,474	23,474
EAFE Equity	5,743	5,743	5,743	5,743
Emerging Markets	5,973	5,973	5,973	5,973
PUBLIC FIXED INCOME	\$22,004	\$21,510	\$21,815	\$21,815
Short Term Securities	2,147	2,147	2,147	2,147
U.S. Government	1,376	1,376	1,376	1,376
Mortgages				
Core Mortgages	3,911	3,911	3,911	3,911
ETI	588	94	399	399
Credit - Investment Grade	6,744	6,744	6,744	6,744
Corporate - High Yield	3,205	3,205	3,205	3,205
Corporate - Bank Loans	1,610	1,610	1,610	1,610
UST - Inflation Protected	2,423	2,423	2,423	2,423
ALTERNATIVE ASSETS	\$6,989	\$1,136	\$1,514	\$1,514
Private Equity	3,127	0	0	0
Private Real Estate	1,969	0	0	0
Infrastructure	379	0	0	0
Opportunistic Fixed Income	1,514	1,136	1,514	1,514
Total Assets	\$64,184	\$57,836	\$58,520	\$58,520
Total Illiquid \$		\$6,348	\$5,664	\$5,664
Total Illiquid %		9.9%	8.8%	8.8%
Unfunded PE Commitments	\$2,643			
Unfunded RE Commitments	1,734			
Total commitments \$	\$4,377			
Total commitments %	6.8%			

TRS Liquidity Profile - Static Analysis

12/5/16

AUM as of September 30, 2016

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$6,348	\$5,664	\$5,664
Total Illiquid %	14.8%	13.2%	13.2%

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	\$64,184	\$57,836	\$58,520	\$58,520

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$529	\$1,057
Unfunded RE Commitments Drawn	347	694
Total commitments \$	\$875	\$1,751
Total commitments %	1.4%	2.7%

Total Illiquid \$	\$6,539	\$7,415
Total Illiquid %	10.2%	11.6%

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 \$	\$6,348	\$6,539	\$7,415
Total Illiquid %	14.8%	15.3%	17.3%

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