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Chief Investment Officer

THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT
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MEMORANDUM

TO: Trustees
New York City Employees' Retirement System

FROM: Lawrence Schloss

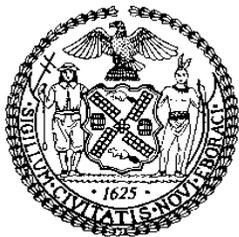
DATE: December 13, 2011

RE: **NYC Employees' Retirement System Investment Meeting –
December 20, 2011**

Enclosed is a copy of the **public agenda** for the December 20, 2011 Investment Meeting. The meeting will be held at 335 Adams Street - Suite 2200, Brooklyn, N.Y., (beginning at 9:30am).

Please remember to bring your **Quarterly Performance Overview book** with you to the meeting; it has been mailed to you.

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



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

John C. Liu
COMPTROLLER

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT MEETING

DECEMBER 20, 2011

INVESTMENT MEETING

DECEMBER 20, 2011

PUBLIC AGENDA

Revised

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| • Quarterly Reports: | |
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PUBLIC AGENDA

I. Discussion by Office of the Comptroller Regarding
the Pension Investment Reform Proposal:

II. Performance Reviews:

~QUARTERLY REPORTS~

ETI QUARTERLY REPORT

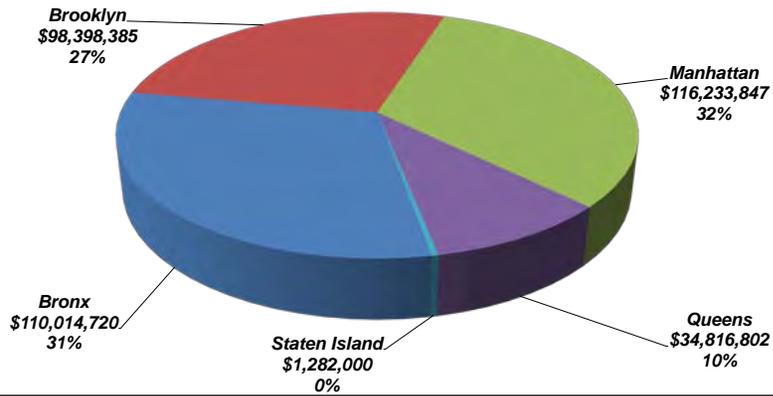
The City of New York - Office of the Comptroller
 Bureau of Asset Management
 NYCERS Economically Targeted Investments Quarterly Report
 Collateral Benefits as of 9/30/2011

Public/Private Apartment Rehabilitation Program (PPAR)

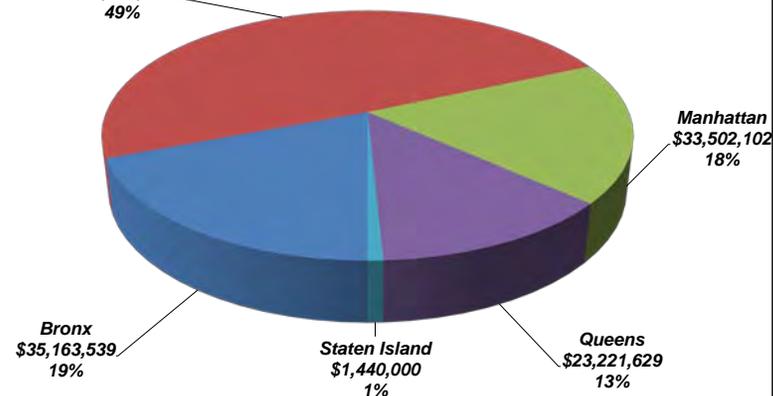
| Lender* | CPC | | JPMC | | NHS | | BOA | | CCD | | CFSB | | NCBCI | | LIIF | | All Lender Totals | |
|---------------------------------------|---------------|--------|---------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-----------|-------------------|--------|
| | Dollars | Units | Dollars | Units | Dollars | Units | Dollars | Units | Dollars | Units | Dollars | Units | Dollars | Units | Dollars | Units | Dollars | Units |
| Contractual Commitments | \$267,500,000 | n/a | \$75,000,000 | n/a | \$10,000,000 | n/a | \$50,000,000 | n/a | \$16,000,000 | n/a | \$60,000,000 | n/a | \$10,000,000 | n/a | \$10,000,000 | n/a | \$498,500,000 | n/a |
| Current Market Value | \$136,092,380 | n/a | \$35,970,587 | n/a | \$1,164,718 | n/a | \$2,057,976 | n/a | \$2,644,045 | n/a | \$2,033,490 | n/a | \$465,785 | n/a | \$2,020,507 | n/a | \$182,449,488 | n/a |
| Commitments 3Q 11 (included in total) | | | | | | | | | | | | | | | | | | |
| Bronx | \$1,622,400 | 121 | \$4,450,000 | 163 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$6,072,400 | 284 |
| Brooklyn | 660,000 | 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 660,000 | 44 |
| Manhattan | 1,158,510 | 96 | 270,000 | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,428,510 | 143 | |
| Queens | 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 |
| Total | \$3,440,910 | 261 | \$4,720,000 | 210 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$8,160,910 | 471 |
| Delivered 3Q 11 (included in total) | | | | | | | | | | | | | | | | | | |
| Bronx | \$2,010,863 | 137 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$2,010,863 | 137 |
| Brooklyn | 979,252 | 31 | 960,000 | 43 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,939,252 | 74 |
| Manhattan | 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 |
| Staten Island | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | \$2,990,114 | 168 | \$960,000 | 43 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$3,950,114 | 211 |
| Total Commitments - Detail | | | | | | | | | | | | | | | | | | |
| Bronx | \$25,163,539 | 1837 | \$6,570,000 | 228 | \$0 | 0 | \$0 | 0 | \$3,430,000 | 366 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$35,163,539 | 2,431 |
| Brooklyn | 79,264,449 | 1806 | 900,420 | 24 | 0 | 0 | 0 | 0 | 8,864,000 | 182 | 0 | 0 | 366,539 | 33 | 724,025 | 71 | 90,139,433 | 2,116 |
| Manhattan | 19,508,138 | 876 | 2,663,178 | 152 | 0 | 0 | 1,044,878 | 48 | 2,541,382 | 178 | 1,114,838 | 61 | 3,681,985 | 238 | 2,947,704 | 122 | 33,502,102 | 1,675 |
| Queens | 8,370,332 | 123 | 0 | 0 | 0 | 0 | 14,851,297 | 174 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,221,629 | 297 |
| Staten Island | 1,440,000 | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,440,000 | 39 |
| Total | \$133,746,457 | 4,681 | \$10,133,598 | 404 | \$0 | 0 | \$15,896,175 | 222 | \$14,855,382 | 726 | \$1,114,838 | 61 | \$4,048,524 | 271 | \$3,671,728 | 193 | \$183,466,703 | 6,558 |
| Historical Investments | | | | | | | | | | | | | | | | | | |
| Bronx | \$85,582,816 | 5,073 | \$24,431,904 | 1,174 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$110,014,720 | 6,247 |
| Brooklyn | 71,371,815 | 3,216 | 20,670,313 | 610 | 660,425 | 7 | 1,909,324 | 88 | 1,622,323 | 124 | 0 | 0 | 0 | 0 | 2,164,184 | 174 | 98,398,385 | 4,219 |
| Manhattan | 69,245,404 | 3,831 | 43,069,219 | 1,257 | 504,891 | 15 | 0 | 0 | 912,277 | 75 | 2,021,806 | 136 | 480,251 | 34 | 0 | 0 | 116,233,847 | 5,348 |
| Queens | 20,021,542 | 767 | 14,795,260 | 591 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,816,802 | 1,358 |
| Staten Island | 0 | 0 | 1,282,000 | 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,282,000 | 35 |
| Total | \$246,221,577 | 12,887 | \$104,248,696 | 3,667 | \$1,165,316 | 22 | \$1,909,324 | 88 | \$2,534,600 | 199 | \$2,021,806 | 136 | \$480,251 | 34 | \$2,164,184 | 174 | \$360,745,754 | 17,207 |

*Lenders: The Community Preservation Corporation, JPMorganChase, Neighborhood Housing Services, Bank of America, Citibank Community Development, Carver Federal Savings Bank, NCB Capital Impact, Low Income Investment Fund

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



The City of New York -Office of the Comptroller
 Bureau of Asset Management
 NYCERS Economically Targeted Investments Quarterly Report
 Collateral Benefits as of 9/30/2011

AFL-CIO Housing Investment Trust (HIT)
 Market Value \$214.4 million*

NYC Community Investment Initiative (NYCCII)

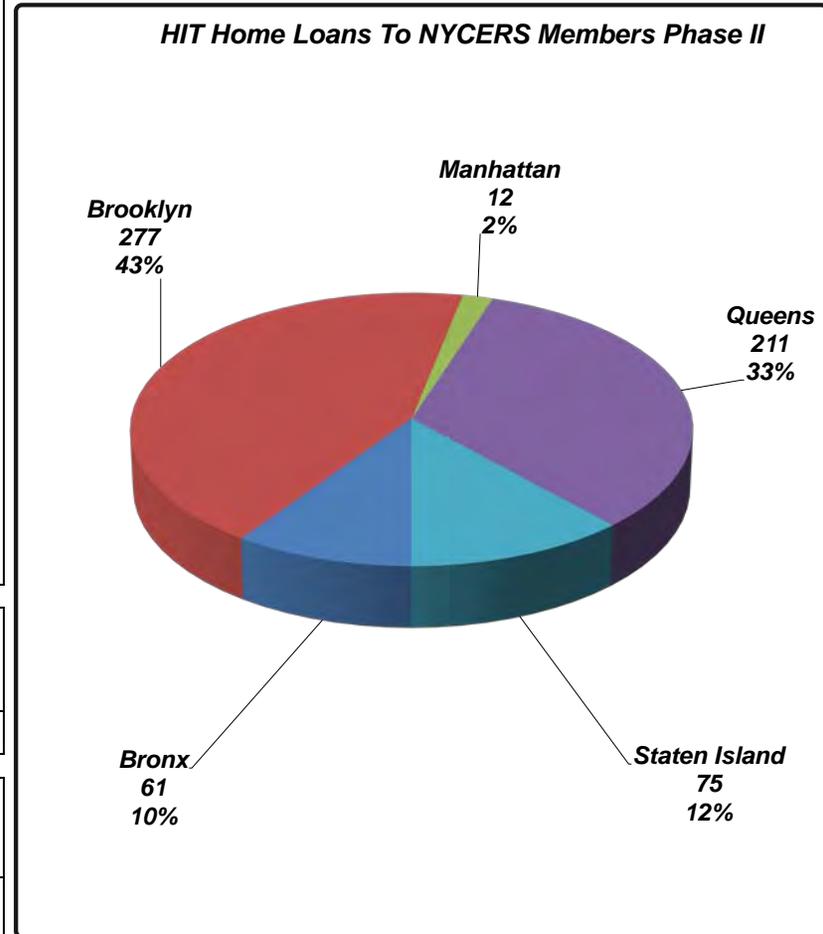
| NYCCII Phase II 2006-2012 | | | | |
|---|------------------------|---------------------|---------------------|---------------------------|
| Multifamily Investments Detail | | | | |
| Borough | Dollars | Units | | |
| Bronx | \$52,827,900 | 802 | | |
| Brooklyn | 14,890,446 | 3,033 | | |
| Manhattan | 134,075,200 | 926 | | |
| Queens | 17,760,000 | 1,260 | | |
| Staten Island | 6,414,554 | 693 | | |
| Total | \$225,968,100 | 6,714 | | |
| Single Family Investments Detail | | | | |
| | Home Loans | Transactions | Member Loans | Total All NYC PF's |
| Bronx | \$132,675,122 | 587 | 61 | 201 |
| Brooklyn | 605,321,387 | 2,209 | 277 | 777 |
| Manhattan | 112,083,051 | 400 | 12 | 134 |
| Queens | 578,407,942 | 2,277 | 211 | 682 |
| Staten Island | 217,322,992 | 783 | 75 | 245 |
| Total | \$1,645,810,494 | 6,256 | 636 | 2,039 |
| Grand Total NYCCII Phase II | \$1,871,778,594 | | | |
| Other-NYC Metro Area ** | \$100,000,000 | 137 | | |

| NYCCII Phase I 2002 - 2005 | | | | |
|----------------------------------|----------------------|---------------|---------------------|---------------------------|
| | Dollars | Units | Member Loans | Total All NYC PF's |
| Multifamily Investments | \$249,123,500 | 12,337 | n/a | na |
| Single Family Investments | 348,300,563 | n/a | 134 | 446 |
| Total NYCCII Phase I | \$597,424,063 | 12,337 | 134 | 446 |

| NYCCII Phases I & II | | | | |
|---|------------------------|---------------|---------------------|---------------------------|
| | Dollars | Units | Member Loans | Total All NYC PF's |
| Multifamily Investments | \$475,091,600 | 19,051 | n/a | n/a |
| Single Family Investments | 1,994,111,057 | n/a | 770 | 2485 |
| Grand Total NYCCII Phases I & II | \$2,469,202,657 | 19,051 | 770 | 2,485 |

*Interest is reinvested

**This investment is for a pediatric nursing facility in Yonkers, approximately 4 miles from the NYC border. It will finance a replacement facility for the Elizabeth Seton Pediatric Center, currently located in Chelsea, which is "one of only two pediatric nursing facilities in downstate New York, and the only one dedicated to long-term care." The new facility will have 137 beds and serve children from NYC, Westchester and Putnam Counties.



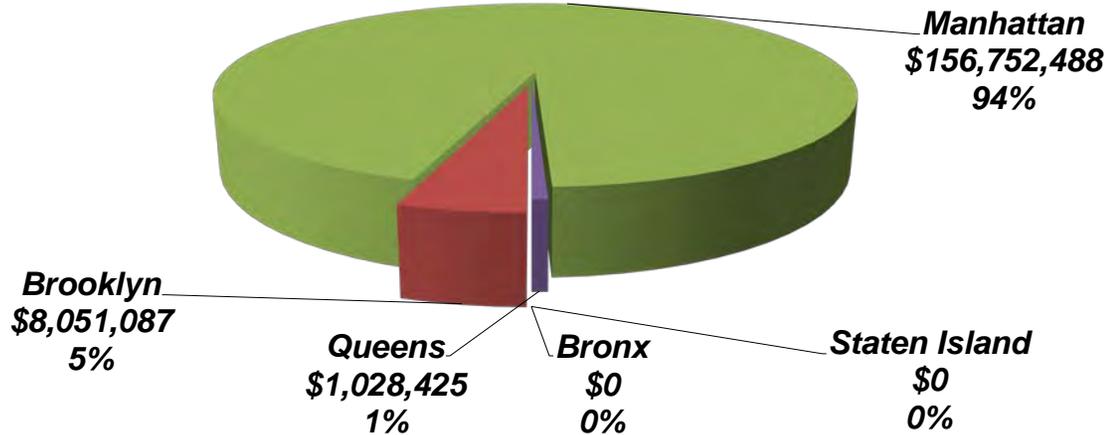
**AFL-CIO Housing Investment Trust (HIT)
 NYC Workforce Housing Initiative 2009-2014**

Investments Through 9/30/2011

Workforce Investments Detail

| <u>Borough</u> | <u>Dollars</u> | <u>Workforce Housing Units</u> |
|----------------|----------------------|--|
| Bronx | \$0 | 0 |
| Brooklyn | 8,051,087 | 422 |
| Manhattan | 156,752,488 | 4,447 |
| Queens | 1,028,425 | 208 |
| Staten Island | 0 | 0 |
| Total | \$165,832,000 | 5,077 |

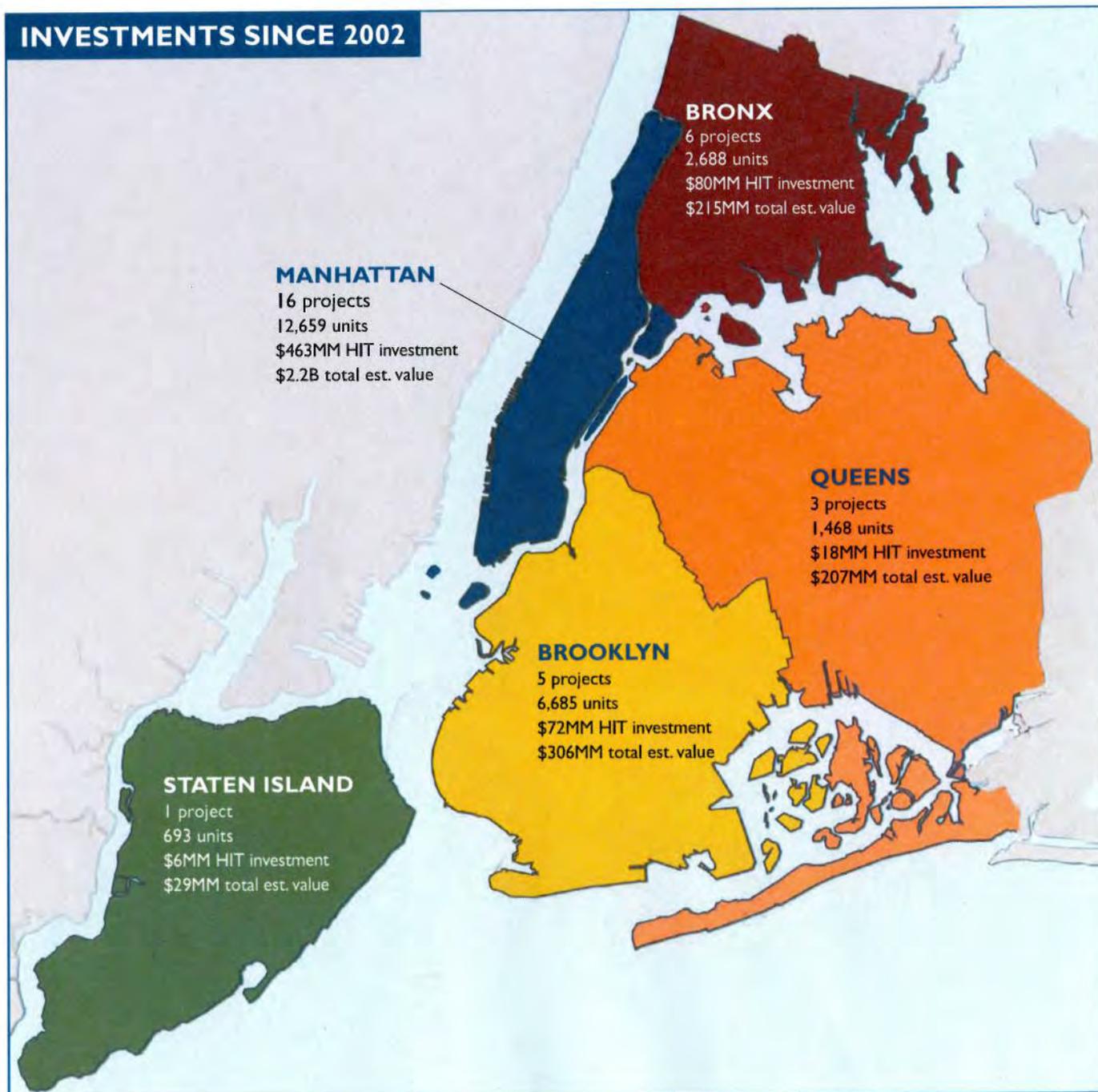
HIT Workforce Housing Initiative



AFL-CIO HOUSING INVESTMENT TRUST

NEW YORK CITY COMMUNITY INVESTMENT INITIATIVE

INVESTMENTS SINCE 2002

**NATIONAL OFFICE**

2401 Pennsylvania Avenue, NW, Suite 200
Washington, DC 20037
202.331.8055

NEW YORK CITY OFFICE

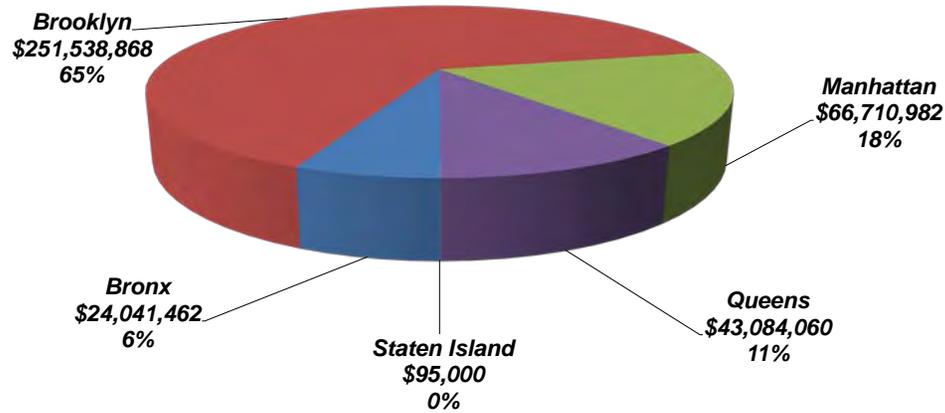
1270 Avenue of the Americas, Suite 210
New York, NY 10020
212.554.2750

CPC Revolver

| | | | | |
|----------------------------------|---------------|----------------------|---------------------|--------------------|
| Revolver Current Commitments NYC | \$385,470,372 | | | |
| NYCERS Commitment Share | \$30,000,000 | | | |
| NYCERS Market Value* | \$24,228,991 | | | |
| | # Loans | \$ Committed | # Units Residential | # Units Commercial |
| Bronx | 26 | \$24,041,462 | 869 | 29 |
| Brooklyn | 73 | 251,538,868 | 2,127 | 41 |
| Manhattan | 45 | 66,710,982 | 1,084 | 28 |
| Queens | 12 | 43,084,060 | 336 | 11 |
| Staten Island | 1 | 95,000 | 3 | 0 |
| Grand Total NYC | 157 | \$385,470,372 | 4,419 | 109 |
| | | | | |
| Other NY State | 61 | \$184,945,914 | 1,778 | 44 |

*Equals the amount drawn down. Interest is paid monthly.

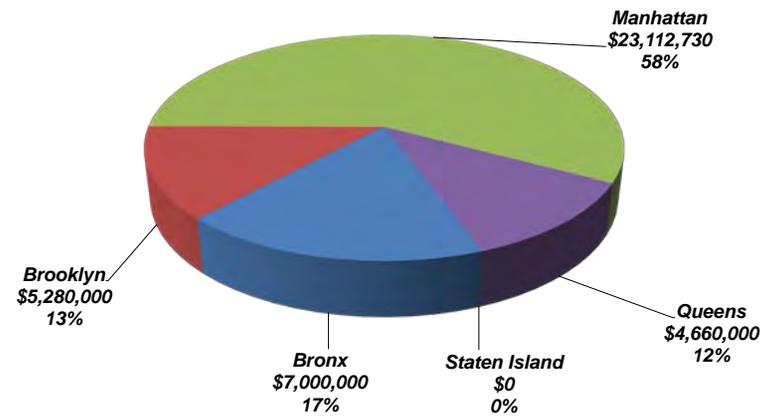
CPC Revolver NYC Commitments



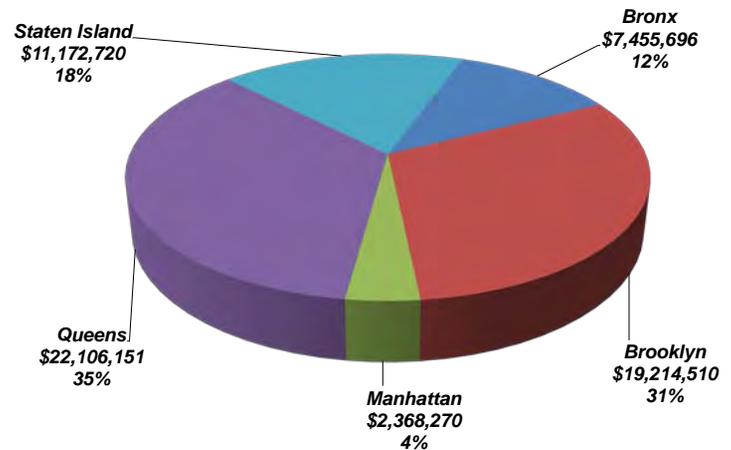
ACCESS CAPITAL STRATEGIES (Since Inception 2/01/07)

| | | | |
|--|--------------------------|--------------------|------------------------|
| Allocated Amount \$40 million (40% of total account) | | | |
| Market Value \$52.8 million | | | |
| <u>Multifamily Investments Detail</u> | | | |
| Borough | <u>NYCERS Investment</u> | <u>Total Units</u> | <u># of LMI* Units</u> |
| Bronx | \$7,000,000 | 508 | 508 |
| Brooklyn | 5,280,000 | 404 | 404 |
| Manhattan | 23,112,730 | 2,815 | 1,677 |
| Queens | 4,660,000 | 762 | 762 |
| Staten Island | 0 | 0 | 0 |
| Total NYCERS Multifamily Investments | \$40,052,730 | 4,489 | 3,351 |
| MultifamilyTotal All Systems | \$100,131,826 | 4,489 | 3,351 |
| <u>Single Family Investments Detail</u> | | | |
| Borough | <u>NYCERS Investment</u> | <u>Total Units</u> | <u># of LMI* Units</u> |
| Bronx | \$7,455,696 | 108 | 108 |
| Brooklyn | 19,214,510 | 264 | 264 |
| Manhattan | 2,368,270 | 26 | 26 |
| Queens | 22,106,151 | 271 | 271 |
| Staten Island | 11,172,720 | 142 | 142 |
| Total NYCERS Single Family Investments | \$62,317,346 | 811 | 811 |
| Single Family Total All Systems | \$155,793,366 | 811 | 811 |
| <u>Other Investments Detail</u> | | | |
| Borough | <u>NYCERS Investment</u> | <u># of Loans</u> | |
| Bronx | \$270,000 | 1 | |
| Brooklyn | 2,156,161 | 8 | |
| Manhattan | 973,162 | 5 | |
| Queens | 217,373 | 3 | |
| Staten Island | 0 | 0 | |
| Total NYCERS Other Investments | \$3,616,696 | 17 | |
| Other InvestmentsTotal All Systems | \$9,041,740 | 17 | |
| Grand Total All NYCERS | \$105,986,773 | | |
| Grand Total All Systems | \$264,966,932 | | |
| * LMI = Low or Moderate Income | | | |

Access Multifamily Investments Since Inception NYCERS



Access Single Family Investments Since Inception NYCERS



**The City of New York Office of the Comptroller
Bureau of Asset Management
NYCERS Economically Targeted Investment Quarterly Report
Collateral Benefits as of 9/30/2011**

| | Assets (\$MM) | Trailing 1 Month | Trailing 3 Months | 6/30/2007 9/30/2011 | Year To Date | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 7 Years | Trailing* 9 Years | Trailing* 10 Years | Trailing* 11 Years | Trailing* 15 Years | Since Inception | Data Start Date |
|--|---------------|------------------|-------------------|---------------------|--------------|-----------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|-----------------|-----------------|
| EMPLOYEES | | | | | | | | | | | | | | | |
| AFL-CIO HOUSING INV TRUST | 214.42 | 0.83 | 3.28 | 3.28 | 6.26 | 4.77 | 7.50 | 6.40 | 5.52 | 5.29 | **** | **** | **** | 5.29 | 09/30/02 |
| CPC -PPAR | 136.09 | 0.47 | 1.57 | 1.57 | 4.41 | 7.82 | 8.73 | 8.32 | 7.94 | 7.81 | 7.80 | 8.24 | 8.25 | 10.06 | 11/30/84 |
| ACCESS RBC | 52.75 | 0.44 | 2.79 | 2.79 | 5.51 | 5.04 | 8.72 | **** | **** | **** | **** | **** | **** | 7.17 | 02/28/07 |
| JPM CHASE- PPAR | 35.97 | 0.53 | 1.60 | 1.60 | 4.78 | 5.07 | 8.31 | 8.26 | 7.82 | 7.90 | **** | **** | **** | 7.98 | 10/31/01 |
| CPC - REVOLVER | 24.23 | 0.18 | 0.51 | 0.51 | 1.53 | 2.06 | 2.31 | 3.96 | 4.47 | **** | **** | **** | **** | 4.43 | 03/31/04 |
| ERASMUS | 21.57 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | 10/31/05 |
| CCD-PPAR | 2.64 | 0.35 | 1.18 | 1.18 | 4.12 | 9.21 | 10.23 | **** | **** | **** | **** | **** | **** | 8.75 | 11/30/06 |
| BOA-PPAR | 2.06 | 0.42 | 1.45 | 1.45 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 3.71 | 01/31/11 |
| CFSB-PPAR | 2.03 | -0.81 | 0.09 | 0.09 | 2.08 | 3.93 | 8.78 | 7.53 | **** | **** | **** | **** | **** | 7.53 | 09/30/06 |
| LIIF-PPAR | 2.02 | 0.36 | 1.49 | 1.49 | 3.79 | 4.50 | **** | **** | **** | **** | **** | **** | **** | 5.52 | 07/31/09 |
| FNMA | 1.26 | 0.16 | 0.52 | 0.52 | 5.02 | 6.19 | 8.05 | 8.20 | 7.13 | 6.87 | 6.93 | 7.33 | 7.41 | 7.74 | 02/29/92 |
| NHS-PPAR | 1.16 | -1.09 | -0.54 | -0.54 | 2.45 | 5.17 | 9.70 | **** | **** | **** | **** | **** | **** | 8.76 | 09/30/07 |
| SHORT TERM INVESTMENTS | 0.48 | 0.00 | 0.01 | 0.01 | 0.05 | 0.09 | 0.36 | 1.56 | 2.17 | 2.06 | 2.23 | 2.75 | 3.54 | 2.18 | 11/30/84 |
| NCBCI-PPAR | 0.47 | 0.56 | 1.50 | 1.50 | 5.09 | 6.10 | **** | **** | **** | **** | **** | **** | **** | 5.56 | 07/31/09 |
| GNMA | 0.46 | 0.66 | 2.05 | 2.05 | 6.90 | 9.15 | 5.69 | 6.73 | 6.65 | 6.19 | 6.51 | 6.91 | 6.94 | 8.71 | 11/30/84 |
| TOTAL EMPLOYEES ETI (w/cash)** | 475.57 | 0.60 | 2.39 | 2.39 | 5.21 | 5.65 | 7.79 | 7.08 | 6.60 | 6.50 | 6.65 | 7.14 | 7.04 | 10.03 | 04/30/82 |
| TOTAL EMPLOYEES ETI (w/o cash)** | 475.58 | 0.61 | 2.42 | 2.42 | 5.26 | 5.71 | 7.86 | 7.12 | 6.64 | 6.62 | 6.75 | 7.15 | 7.10 | 8.79 | 11/30/84 |
| EMPLOYEES CUSTOM ETI BENCHMARK (no cash) | | 0.44 | 3.28 | 3.28 | 6.41 | 5.96 | 7.52 | 6.78 | 5.98 | 5.66 | 5.90 | 6.48 | 6.79 | | |
| BARCLAYS CAPITAL US AGGREGATE BOND INDEX | | 0.73 | 3.82 | 3.82 | 6.65 | 5.26 | 7.98 | 6.53 | 5.58 | 5.34 | 5.67 | 6.31 | 6.46 | | |

*Time periods greater than one year are annualized. Excludes Erasmus.

* Historical returns prior to April 2004 provided by Citigroup.

**Returns are net of fees and exclude Erasmus.

REAL ESTATE QUARTERLY REPORT

**The New York City Employees'
Retirement System**

**Performance Measurement Report
Second Quarter 2011**

The Townsend Group

Cleveland, OH San Francisco, CA London, UK Hong Kong

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| V. | Portfolio Data Sheets | Page 6 |
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| | Glossary of Terms | Exhibit A |
| | Market Overview | Exhibit B |

The Townsend Group Performance Measurement Report

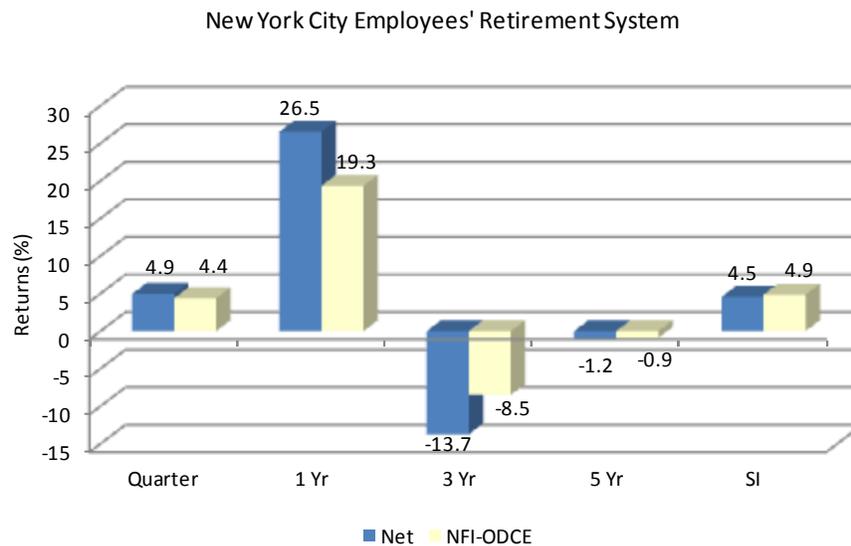
THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SECOND QUARTER 2011

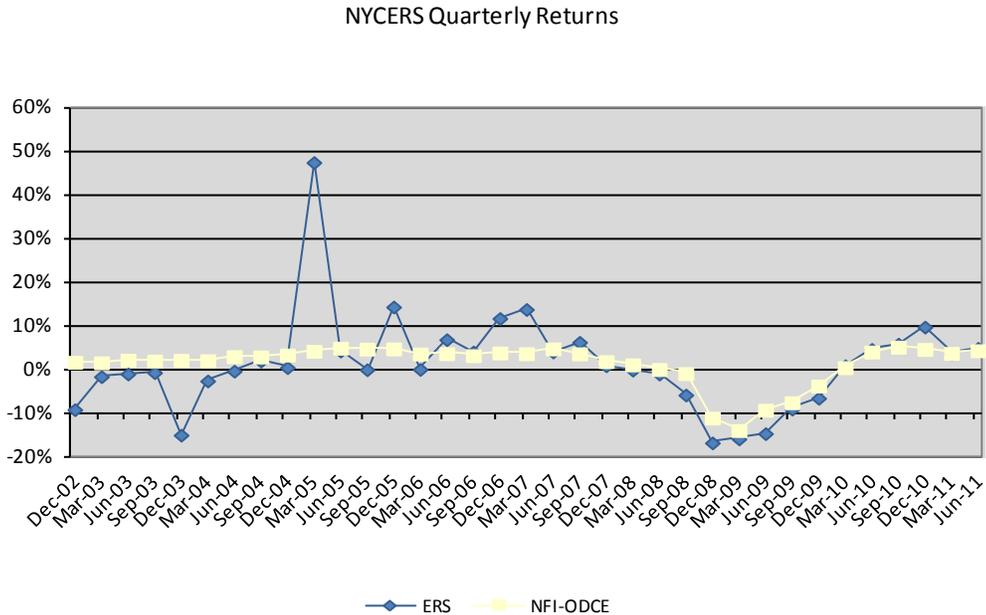
I. Performance Summary

At the end of the Second Quarter 2011, ("Quarter") The New York City Employees' Retirement System ("NYCERS") Real Estate Portfolio ("Portfolio") had a cumulative market value of \$1.3 billion. Total market value plus unfunded commitments was \$1.8 billion, or 72.4% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 5.8% which was comprised of 1.0% income and 4.7% appreciation. The NCREIF Open-end Diversified Core Equity Index ("NFI-ODCE") reported a total net return of 4.4%. In addition, the Portfolio achieved a total net return of 4.9%.

The following chart reflects the total net returns for the NYCERS' Portfolio compared to the NFI-ODCE. Economic recovery in the US continued during the Quarter with 1.3% real GDP growth even with a 0.2% rise in unemployment and mounting worries over the ongoing debt crisis in Europe. Despite added uncertainty around the condition of the global economy and the timing of a US recovery, commercial real estate continues to produce relatively strong returns – the NCREIF Property Index posted a 3.9% total return for the Quarter. As US Treasury yields continue their descent to historical lows, real estate capital flows remain centered around the highest quality core assets, furthering the bifurcation between stabilized and sub-stabilized properties and enhancing the risk/reward profile for Non Core investment strategies. The benchmark established for the Portfolio is the NFI-ODCE net over rolling five-year periods.



The graph below shows the total net returns for the Portfolio by quarter since inception. NFI-ODCE total net return performance is also included. It is important to note the effects of the “J-curve” whereby fees on committed capital exceed distributions to the Portfolio due to minimal invested capital and the early stages of the value-added/opportunistic process in the underlying investments.



The table below reflects the returns for the Portfolio and the NFI-ODCE during pertinent time periods and segments these returns by their components: income, appreciation, and total return. The Portfolio’s objective is to generate a total net return that exceeds the NFI-ODCE total net return measured over rolling five-year periods.

| Returns (%) | Quarter | | | | 1 Year | | | | 3 Year | | | 5 Year | | | Inception | | | |
|--|---------|-----|------|------|--------|------|------|------|--------|-------|-------|--------|-----|------|-----------|------|------|------|
| | INC | APP | TGRS | TNET | INC | APP | TGRS | TNET | INC | APP | TGRS | TNET | INC | APP | TGRS | TNET | TGRS | TNET |
| New York City Employees' Retirement System | 1.0 | 4.7 | 5.8 | 4.9 | 3.9 | 25.1 | 29.7 | 26.5 | 3.7 | -15.5 | -12.3 | -13.7 | 3.4 | -1.4 | 2.0 | -1.2 | 11.5 | 4.5 |
| NFI-ODCE Value Weighted Index | 1.4 | 3.2 | 4.6 | 4.4 | 5.9 | 13.9 | 20.5 | 19.3 | 6.0 | -13.1 | -7.7 | -8.5 | 5.7 | -5.4 | 0.0 | -0.9 | 5.8 | 4.9 |

II. Portfolio Composition

| New York City Employees' Retirement System | | |
|---|-----------|----------|
| Total Plan Assets | 6/30/2011 | \$41,623 |
| Real Estate Allocation (%) | | 6.0% |
| Real Estate Allocation (\$) | | \$2,497 |
| Style Sector Allocation | | |
| Core / Core Plus Portfolio | 40.0% | \$999 |
| Non-Core Portfolio | 55.0% | \$1,374 |
| Emerging Managers Portfolio | 5.0% | \$125 |
| Uncommitted Core / Core Plus Portfolio | | \$149 |
| Uncommitted Non-Core Portfolio | | \$484 |
| Uncommitted Emerging Managers Portfolio | | \$56 |
| Funded (Market Value) and Committed Statistics | | |
| Core / Core Plus Portfolio | | 47.0% |
| Non-Core Portfolio | | 49.2% |
| Emerging Managers Portfolio | | 3.8% |
| \$ Committed | | \$1,809 |
| % Committed on Real Estate Allocation | | 72.4% |
| % Committed on Total Plan Assets | | 4.3% |
| Funded (Market Value) Statistics | | |
| % Funded (Market Value) of Total Plan Assets | | 3.2% |
| % Funded (Market Value) of Total Real Estate Allocation | | 52.6% |

| Employees | | |
|------------------------------|---------|-----------|
| Investment Cash Flow Summary | | |
| | Quarter | To Date |
| Contributions | \$63.4 | \$1,862.9 |
| Distributions | -\$39.0 | -\$431.4 |
| Withdrawals | -\$3.4 | -\$71.3 |

Contributions: Includes actual cash funded to the investment for acquisition and capital items during the quarter.

Distributions: Includes actual cash returned during the quarter from the investments which represents distributions of income from operations and profit.

Withdrawals: Includes cash returned from the investment as a result of return of capital.

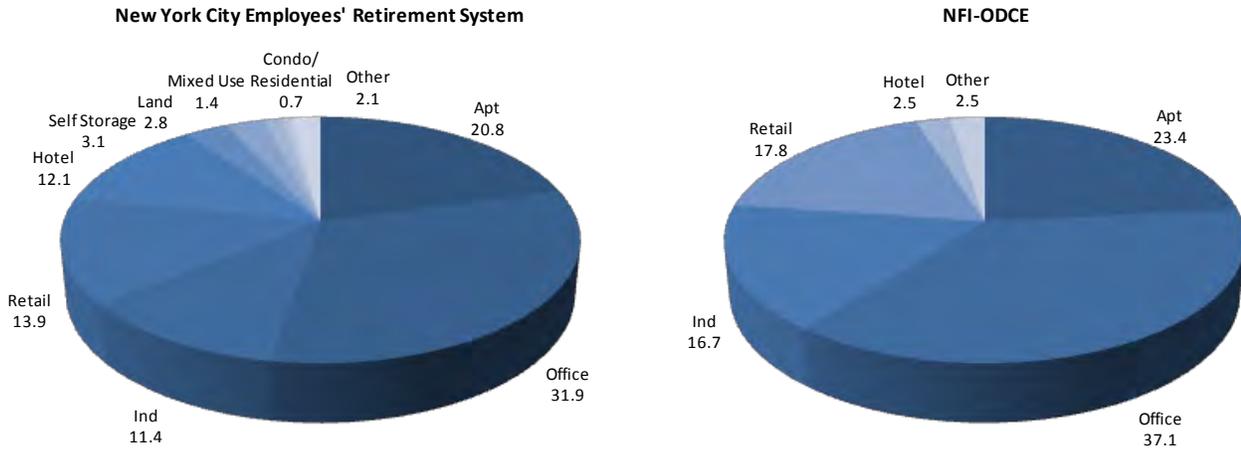
III. Portfolio Compliance

| Category | Requirement | Portfolio Status |
|------------------------|--|---|
| Benchmark | NFI-ODCE (net) over rolling five-year periods | <i>Portfolio returns underperform benchmark, however only six investments have a 5-year track record.</i> |
| Portfolio Composition | Core/Core Plus (minimum of 40%) Non Core (minimum of 40%) Non Core Emerging (greater of \$100 million or 5% of the total real estate allocation) | <i>The portfolio is funded (market value) and committed at 72.4% of real estate allocation with a portfolio composition of 47.0% core, 59.4% non-core, and 3.8% emerging.</i> |
| Real Estate Allocation | Target of 6.0% Currently Funded at 3.2% | <i>Funded (market value) and committed dollars place the portfolio at 4.3% of total plan assets.</i> |
| Diversification | ± 30% of NFI-ODCE Other property type (0%-15%) | <i>All property types and geographic locations are in compliance.</i> |
| LTV | 65% | <i>Portfolio is in early stages of funding, but is in compliance (51.9%).</i> |
| Manager Exposure | 0%-25% of real estate allocation | <i>Manager exposure is within compliance ranges.</i> |

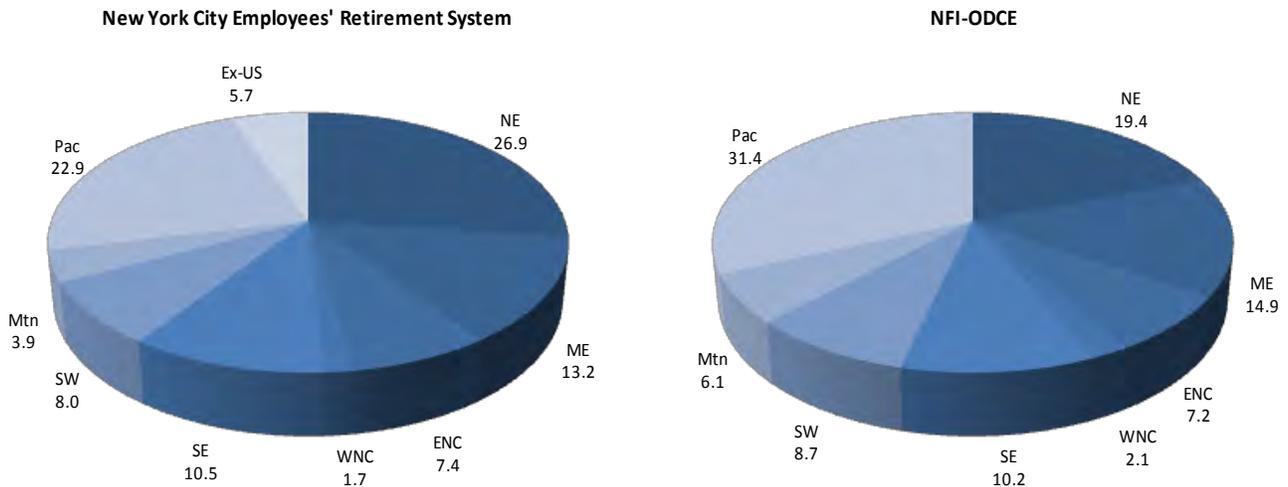
IV. Portfolio Diversification

The Investment Policy Statement (IPS) establishes ranges for diversification by property type and geographic region. These ranges are broad based and allow for investment in all major property types and all geographic regions. The diversification of the current portfolio by property type and geographic region is shown below and compared to diversification of the NFI-ODCE at the end of the Quarter.

Property Type Diversification (%)



Geographic Diversification (%)



PRIVATE EQUITY QUARTERLY REPORT



TORREYCOVE
CAPITAL PARTNERS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

**Private Equity Portfolio Report
Second Quarter 2011**

Table of Contents

Introduction

1 Executive Summary

3 Portfolio Summary

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Performance

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Introduction

This report contains confidential information provided to TorreyCove Capital Partners (the “Advisor” or “TorreyCove”) solely for the purpose of evaluating the New York City Employees’ Retirement System (“NYCERS”) private equity portfolio. This information shall be maintained as confidential and shall not be provided to anyone other than the NYCERS and its officers, employees and lawful agents.

NYCERS or (the “System”) established the Alternative Investment Program (the “Program”) on January 1, 1997 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

The Quarterly Review (the “Review”) has been prepared by TorreyCove to cover the significant events that occurred during the period with respect to the Program’s portfolio of partnership investments. To complete TorreyCove’s independent analysis, information was requested and obtained from NYCERS’ representatives, Bank of New York (the custodian for NYCERS) and the general partners of the individual partnerships; while TorreyCove has reconciled the information across various sources, it relies on the data provided by the aforementioned parties.

TorreyCove has endeavored to reflect the information received in its independent analysis of the Program’s performance and current portfolio valuation accurately. Individual partnerships are subject to an annual audit, and TorreyCove reviews each general partner’s valuation methodology. Subsequent monitoring reports will reflect future developments, as well as refine the analysis of past activities as better or more accurate information is received.

Important Notes and Other Information

PORTFOLIO PERFORMANCE CALCULATIONS

The portfolio’s performance is summarized primarily using three methods:

An internal rate of return (IRR). The IRR takes into account the timing of an investment’s cash flows. Calculating a fund’s IRR since inception, given the long-term nature of alternative equity investments (generally ten to twelve years), is one of the most appropriate means of measurement.

The total value multiple. Reflects the total capital generated compared to the total capital invested. This measurement is a simplified means of measuring the value created by a fund, without consideration for time.

The performance assessment method of measurement. This measurement takes into account a broader spectrum of data when calculating the performance of an investment, including age of investment, peer comparisons, total value multiple and IRR. Based on this data, each investment is assigned a rating by TorreyCove on an annual basis indicating whether the investment is performing at, above or below expectations. Investments less than 24 months old are considered too early to be meaningful.

CURRENCY CONVERSION

The Program includes commitments to funds denominated in Euros. For purposes of this report, 1.0 Euro is equal to 1.4502 U.S. Dollars as of June 30, 2011. Cash flows are converted to U.S. Dollars at the spot conversion rate on that date, and subsequently reconciled with the custodial bank to reflect the actual conversion rate.

Executive Summary

NYCERS Alternative Investment Program (the “Program”)

PRIVATE EQUITY PORTFOLIO

The Program was established on January 1, 1997 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio. However, the first fund commitment was made in the 1998 vintage year.

PERFORMANCE OBJECTIVE

The Program’s objective is to create significant, long-term net returns to NYCERS. As of quarter-end the total program has achieved a return of 9.2% since inception. NYCERS’ active private equity program has a weighted average age of commitments of 4.5 years and weighted average age of contributions of 3.4 years.

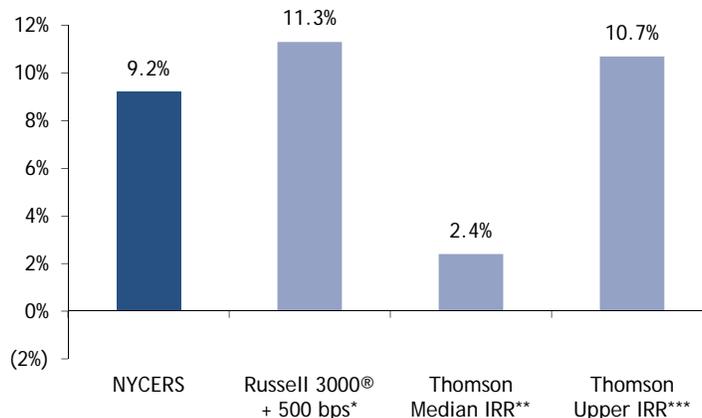
INVESTMENT PACING

NYCERS approved an increase to its private equity allocation from 5% to 7% in June 2011. The pacing plan calls for annual private equity commitments of \$500 to \$750 million per year over the next three years (2012-2014) in order to maintain the target allocation. NYCERS’ current allocation to private equity is 7.8%, which slightly exceeds but is within range of the target exposure to private equity.

RETURN BENCHMARK

The Program’s performance is measured against two benchmarks:

1. A dollar-weighted public benchmark, which produced the return that would have been earned if NYCERS’ private equity cash flows were invested in the Russell 3000® Index* plus a 500 basis points liquidity premium (*the Opportunity Cost Benchmark*)
2. The Thomson Reuters (formerly Venture Economics) Median Return (*the Relative Benchmark*).



*Data is dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell ® is a trademark of Russell Investment Group.

**Thomson Reuters data reflects *US Private Equity Funds* Median Quartile IRR at June 30, 2011 for funds with vintage years from 1998 to 2010. Note: Data is continuously updated and is therefore subject to change.

*** This benchmark is for informational purposes only and is NOT part of the Program’s Policy Benchmarks.

PORTFOLIO EXPOSURE

Figures may not add due to rounding

| Investment Sector | Policy Target | FMV | Unfunded | Total |
|---|---------------|-------------|-------------|-------------|
| Buyout | 60-80% | 73.1% | 68.5% | 71.4% |
| Venture Capital and Growth | 10-20% | 13.4% | 8.8% | 11.7% |
| Distressed and Mezzanine | 5-15% | 3.9% | 3.7% | 3.8% |
| Secondary, Fund of Funds and Co-Investments | 0-10% | 9.5% | 18.9% | 13.1% |
| Grand Total | | 100% | 100% | 100% |

Recently, the Avenue Capital Group Funds (Avenue Europe Special Situations Fund and Avenue Special Situations Fund V) have been reclassified from the Private Equity investment class to the Fixed Income Opportunity bucket of NYCERS' portfolio. As a result of this reclassification, the Avenue Funds have been removed from TorreyCove's performance report on the Program.

Removing all Avenue funds from private equity performance has altered historical performance numbers as compared to previous quarterly reports. Additionally, the removal of the Avenue Funds has resulted in a drop of NYCERS' exposure to private equity Distressed and Mezzanine investments. As portrayed in the table above, NYCERS' exposure to Distressed and Mezzanine investments has fallen below the bottom end of the policy target range.

Portfolio Summary

Portfolio Review

NEW COMMITMENTS

During the quarter, the Program did not close on any new commitments.

PROGRAM IRR

The IRR of the Program since inception increased 50 basis points from the prior quarter to 9.2% as of quarter-end.

CONTRIBUTIONS INCREASED

Contributions increased 29.2% over the prior quarter and increased 18.3% from same time period last year. The most recent four quarter average for the NYCERS' contributions is \$172.9 million.

DISTRIBUTIONS INCREASED

Distributions increased 9.2% from the prior quarter and increased 103.1% from the same time period last year. The most recent four quarter average for the NYCERS' distributions is \$118.4 million.

SUBSEQUENT DEVELOPMENTS

Subsequent to quarter-end, the NYCERS Board approved an amount of up to \$300 million to three new partnerships. Six new commitments closed subsequent to quarter-end with commitments totaling \$615 million.

Recent Investment Activity

\$ Million | Figures may not add due to rounding

| | Q2 | 2010 Q3 | Q4 | 2011 Q1 | Q2 |
|--|------------------|------------------|------------------|------------------|------------------|
| Starting Valuation | \$2,397.3 | \$2,453.8 | \$2,701.0 | \$2,969.9 | \$3,081.8 |
| Contributions | \$139.9 | \$203.3 | \$194.8 | \$128.1 | \$165.5 |
| Distributions | (\$73.2) | (\$72.9) | (\$116.0) | (\$136.1) | (\$148.6) |
| Appreciation/ (Depreciation) | (\$10.2) | \$116.8 | \$190.1 | \$119.9 | \$127.6 |
| Ending Valuation | \$2,453.8 | \$2,701.0 | \$2,969.9 | \$3,081.8 | \$3,226.3 |
| Unfunded Commitments | \$2,371.1 | \$2,289.5 | \$2,227.1 | \$2,140.6 | \$2,006.6 |
| Total | \$4,824.9 | \$4,990.5 | \$5,197.0 | \$5,222.3 | \$5,232.9 |
| IRR Since Inception | 5.8% | 6.7% | 8.2% | 8.7% | 9.2% |
| Weighted Avg. Age of Commitments (yrs) | 3.7 | 3.9 | 4.1 | 4.3 | 4.5 |

Program Summary

Overall Program Performance

\$ Million | Figures may not add due to rounding

| | 3/31/2011 | 6/30/2011 |
|---|-----------|-----------|
| Total Pension Assets | 41,160.3 | 41,623.0 |
| Allocation to Private Equity (7% Target) | 7.5% | 7.8% |
| ACTIVE | | |
| NUMBER OF MANAGERS | 86 | 86 |
| NUMBER OF INVESTMENTS | 126 | 126 |
| Capital Committed | \$5,434.6 | \$5,434.6 |
| Capital Contributed | \$3,757.7 | \$3,923.2 |
| Recallable Distributions | \$420.4 | \$446.2 |
| Capital Distributed (Includes Recallable) | \$1,527.4 | \$1,676.1 |
| FMV | \$3,081.6 | \$3,226.1 |
| Total Value | \$4,609.1 | \$4,902.2 |
| Unfunded Commitments | \$2,140.6 | \$2,006.6 |
| Total Value Multiple | 1.26x | 1.28x |
| IRR | 9.1% | 9.6% |
| EXITED | | |
| NUMBER OF MANAGERS | 2 | 2 |
| NUMBER OF INVESTMENTS | 2 | 2 |
| Capital Committed | \$52.0 | \$52.0 |
| Capital Contributed | \$25.0 | \$25.0 |
| Capital Distributed | \$11.7 | \$11.7 |
| Total Value | \$11.8 | \$11.8 |
| Unfunded Commitments | \$0.0 | \$0.0 |
| Total Value Multiple | 0.47x | 0.47x |
| IRR | -9.2% | -9.2% |
| OVERALL | | |
| Portfolio Multiple | 1.25x | 1.28x |
| IRR | 8.7% | 9.2% |

- As of quarter-end NYCERS had contributed \$3.9 billion to active investments, equivalent to 72.2% of total commitments. In addition, 11.4% of contributed capital has been returned and can be called again.
- Approximately \$2.0 billion of capital commitments remain outstanding, and approximately \$1.7 billion has been distributed to NYCERS. However, 26.6% of distributed capital can be called again.

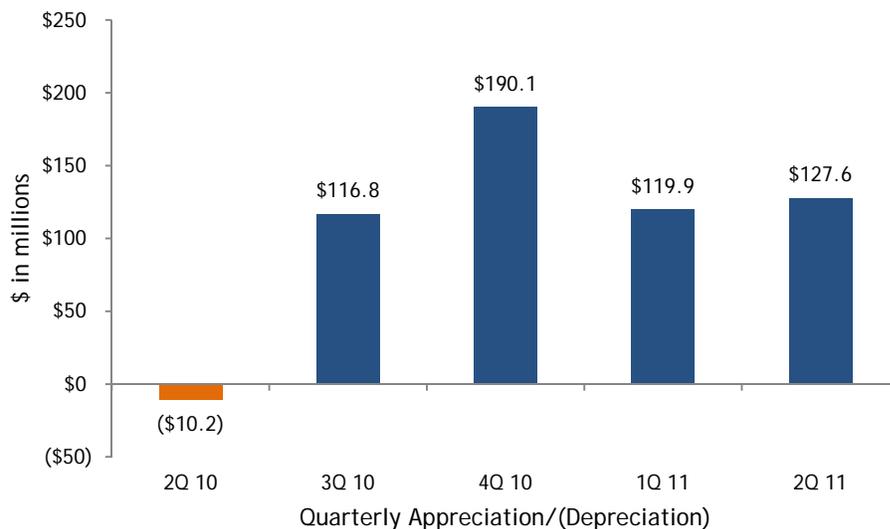
Activity Detail

Actions & Events

RECENT INVESTMENT ACTIVITY

| Investment Name | Month Authorized | Month Closed | Amount Committed |
|--|------------------|--------------|------------------|
| Closed During Current Quarter: | | | |
| None | | | |
| Closed Subsequent to Quarter End: | | | |
| AXA Private Equity Secondary Fund V B | June 2011 | July 2011 | \$75 million |
| BC Partners IX | March 2011 | July 2011 | \$150 million |
| EQT VI | April 2011 | July 2011 | \$120 million |
| Green Equity Investors VI | September 2011 | October 2011 | \$120 million |
| Pegasus Partners V | June 2011 | August 2011 | \$50 million |
| Vista Equity Partners Fund IV | September 2011 | October 2011 | \$100 million |

- Overall, the Program appreciated by \$127.6 million, or 3.9% during the quarter.
- Net of cash flows, 94 funds reported gains totaling \$150.7 million compared to 30 funds reporting losses totaling \$23.1 million. One fund had not drawn capital as of quarter-end and one fund had no cash flow activity or valuation adjustment during the quarter.
- During the quarter, contributions totaled approximately \$165.5 million and distributions totaled \$148.6 million.



Performance

As an overview, the following table compares investments by vintage year (i.e., by initial draw down date of the fund).

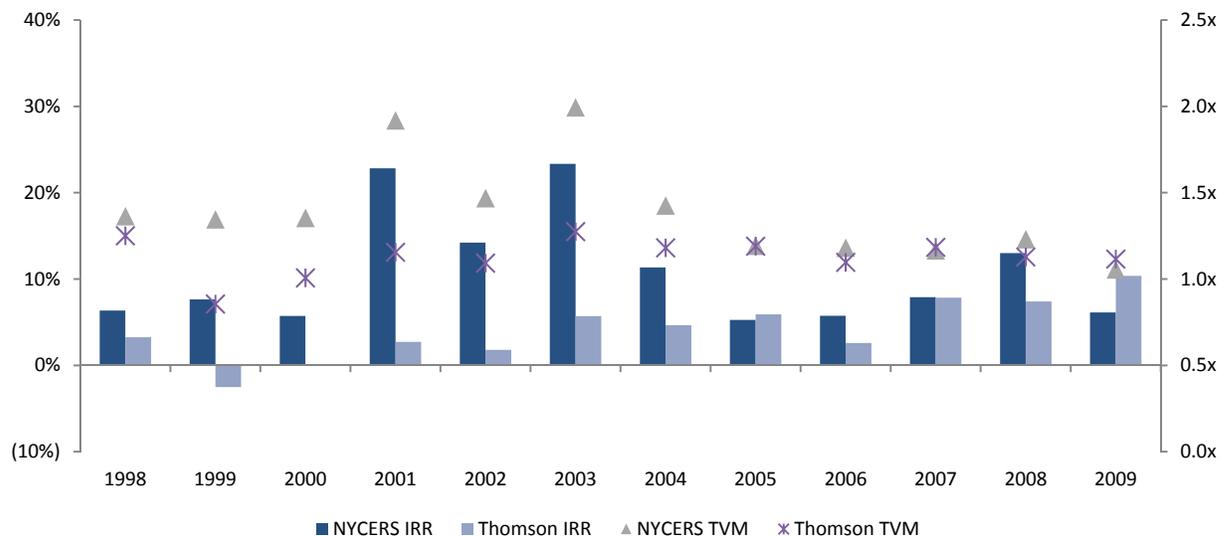
Vintage Year Review

\$ Million

| VINTAGE YEAR | COMMITMENT | MULTIPLE | IRR | THOMSON REUTERS MULTIPLE ^{1,2} | THOMSON REUTERS IRR ^{1,2} |
|--------------|------------------|--------------|-------------|---|------------------------------------|
| 1998 | \$50.0 | 1.36x | 6.4% | 1.25x | 3.3% |
| 1999 | \$95.0 | 1.35x | 7.6% | 0.86x | (2.5%) |
| 2000 | \$127.0 | 1.35x | 5.7% | 1.01x | 0.1% |
| 2001 | \$100.0 | 1.92x | 22.8% | 1.16x | 2.7% |
| 2002 | \$190.0 | 1.47x | 14.2% | 1.09x | 1.8% |
| 2003 | \$110.0 | 1.99x | 23.3% | 1.28x | 5.7% |
| 2004 | \$389.9 | 1.43x | 11.3% | 1.18x | 4.7% |
| 2005 | \$514.5 | 1.19x | 5.3% | 1.19x | 5.9% |
| 2006 | \$1,020.2 | 1.18x | 5.7% | 1.10x | 2.6% |
| 2007 | \$960.5 | 1.17x | 7.9% | 1.18x | 7.8% |
| 2008 | \$1,324.6 | 1.23x | 13.0% | 1.13x | 7.4% |
| 2009 | \$200.0 | 1.06x | 6.1% | 1.12x | 10.4% |
| 2010 | \$175.0 | 0.89x | NM | 0.98x | NM |
| 2011 | \$230.0 | 1.06x | NM | N/A | NM |
| Total | \$5,486.6 | 1.28x | 9.2% | 1.10x | 2.4% |

¹NM - IRRs are generally not meaningful during the early years of a partnership's life. TorreyCove classifies the IRRs of all funds as NM for the first two years.

²Thomson Reuters data reflects *US Private Equity Funds* Median Quartile TVPI & IRR at June 30, 2011. Note: Data is continuously updated and is therefore subject to change.



PERIODIC RETURNS VS. RUSSELL 3000® INDEX

| AS OF 30 JUN 2011 | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION |
|--------------------------|---------------|--------------|--------------|--------------|-----------------|
| Portfolio IRR | 21.2% | 6.7% | 8.6% | 9.7% | 9.2% |
| Russell 3000®* | 31.8% | 8.6% | 6.4% | 6.6% | 6.5% |
| Russell 3000® + 500 bps* | 38.0% | 13.4% | 11.2% | 11.5% | 11.3% |
| <i>Difference</i> | <i>-16.8%</i> | <i>-6.7%</i> | <i>-2.6%</i> | <i>-1.8%</i> | <i>-2.1%</i> |

*Data is dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Exposure

Each of the portfolio investments is allocated to an investment sector based on its primary investment strategy.

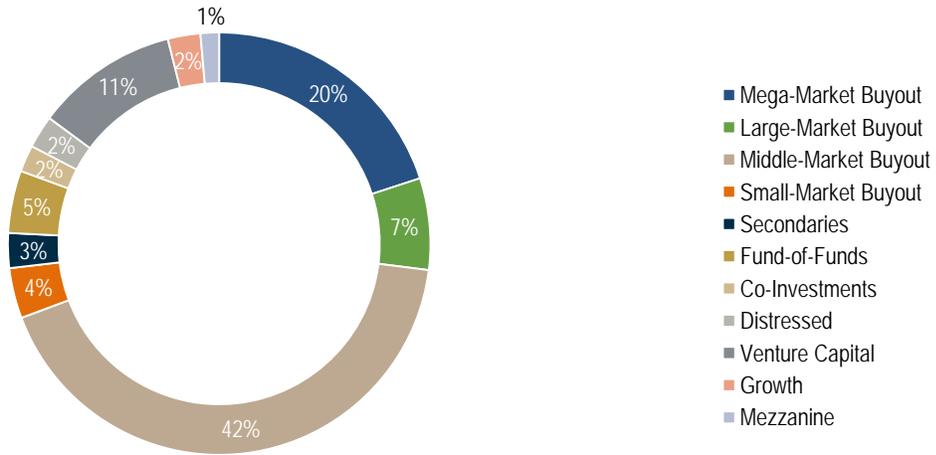
Program Exposure

Aggregate Portfolio Exposure as of Quarter-End | Total = Market Value + Unfunded
Figures may not add due to rounding | \$ in millions

| INVESTMENT SECTOR | TARGET | MARKET VALUE | % | UNFUNDED | % | TOTAL | % |
|---|----------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Buyout | 60-80% | \$2,359.6 | 73.1% | \$1,375.5 | 68.5% | \$3,735.1 | 71.4% |
| Mega | | 644.9 | 20.0% | 361.8 | 18.0% | 1,006.7 | 19.2% |
| Large | | 226.2 | 7.0% | 192.8 | 9.6% | 419.0 | 8.0% |
| Mid | | 1,364.1 | 42.3% | 722.1 | 36.0% | 2,086.3 | 39.9% |
| Small | | 124.4 | 3.9% | 98.8 | 4.9% | 223.2 | 4.3% |
| Venture Capital and Growth | 10-20% | \$433.7 | 13.4% | \$177.0 | 8.8% | \$610.8 | 11.7% |
| Distressed and Mezzanine | 5-15% | \$126.4 | 3.9% | \$73.9 | 3.7% | \$200.3 | 3.8% |
| Distressed | | 80.6 | 2.5% | 52.1 | 2.6% | 132.7 | 2.5% |
| Mezzanine | | 45.8 | 1.4% | 21.8 | 1.1% | 67.6 | 1.3% |
| Secondary, Fund of Fund and Co-Investments | 0-10% | \$306.5 | 9.5% | \$380.2 | 18.9% | \$686.6 | 13.1% |
| Co-Investments | | 65.9 | 2.0% | 26.8 | 1.3% | 92.7 | 1.8% |
| Fund-of-Funds | | 154.5 | 4.8% | 224.2 | 11.2% | 378.7 | 7.2% |
| Secondaries | | 86.0 | 2.7% | 129.2 | 6.4% | 215.2 | 4.1% |
| Grand Total | | \$3,226.3 | 100.0% | \$2,006.6 | 100.0% | \$5,232.9 | 100.0% |
| North America | 70-100% | \$2,538.9 | 78.7% | \$1,569.5 | 78.2% | \$4,108.4 | 78.5% |
| International | 0-30% | \$687.3 | 21.3% | \$437.1 | 21.8% | \$1,124.5 | 21.5% |
| Geographic Focus Total: | | \$3,226.3 | 100.0% | \$2,006.6 | 100.0% | \$5,232.9 | 100.0% |

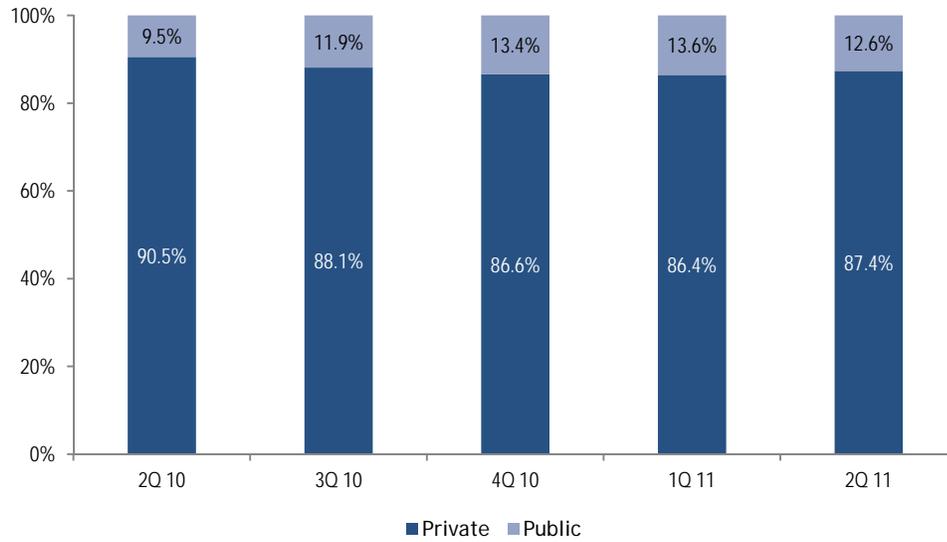
Exposure by Investment Strategy

Based on Fair Market Value | Figures may not add due to rounding



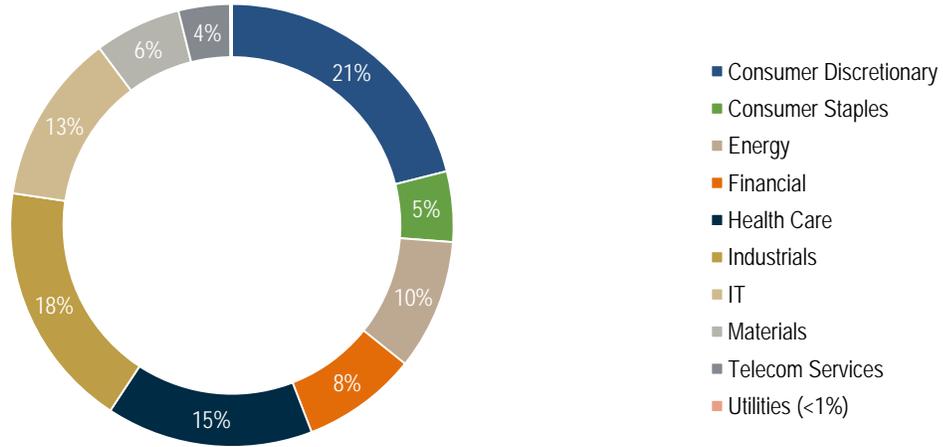
Public vs. Private Exposure

Based on Fair Market Value of Portfolio Companies



Exposure by Industry*

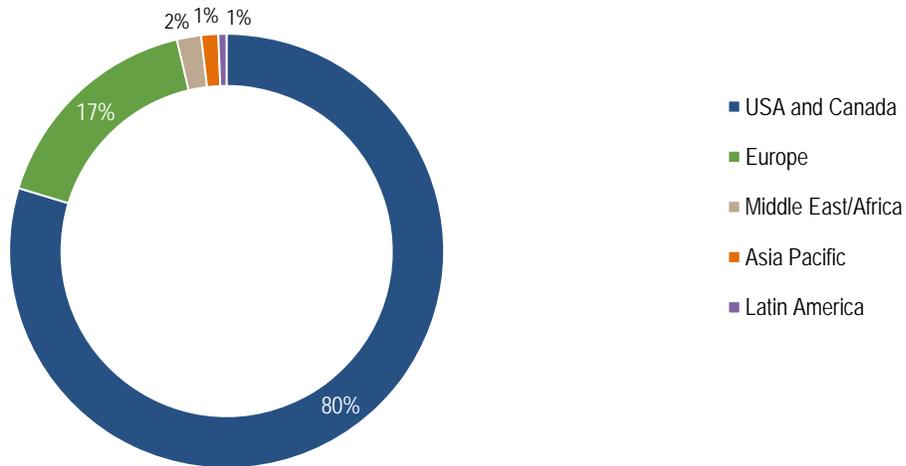
Based on Fair Market Value of Portfolio Companies | Figures may not add due to rounding



*Please note that a small percentage of the portfolio's fair market value as reported by the general partners is presented without industry information. Such data has been excluded from these allocations along with Fund-of-Funds and Secondaries.

Exposure by Geography**

Based on Fair Market Value of Portfolio Companies | Figures may not add due to rounding



**Please note that a small percentage of the portfolio's fair market value as reported by the general partners is presented without geographic information. Such data has been excluded from these allocations.

III. October Monthly Performance Review:

Monthly Performance Review
October 2011

Prepared for the New York City
Employees' Retirement System
12/20/2011

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ECONOMIC INDICATORS

as of December 2011

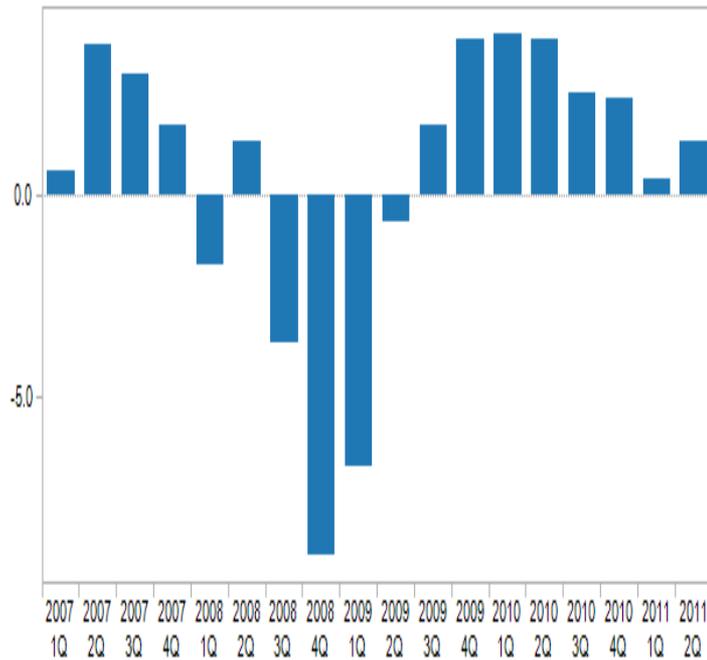


NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

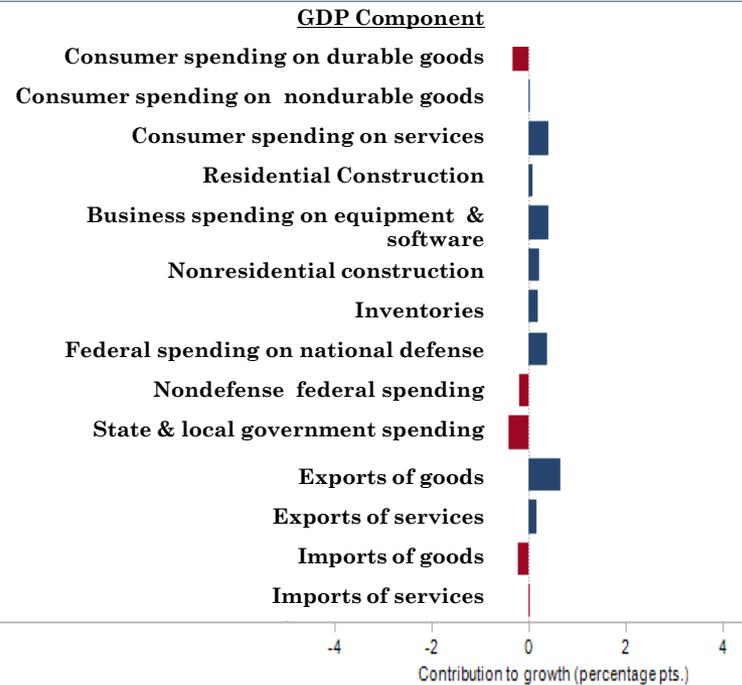
COMPONENTS OF GDP

2

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



COMPONENTS WHICH CONTRIBUTED TO GDP GROWTH

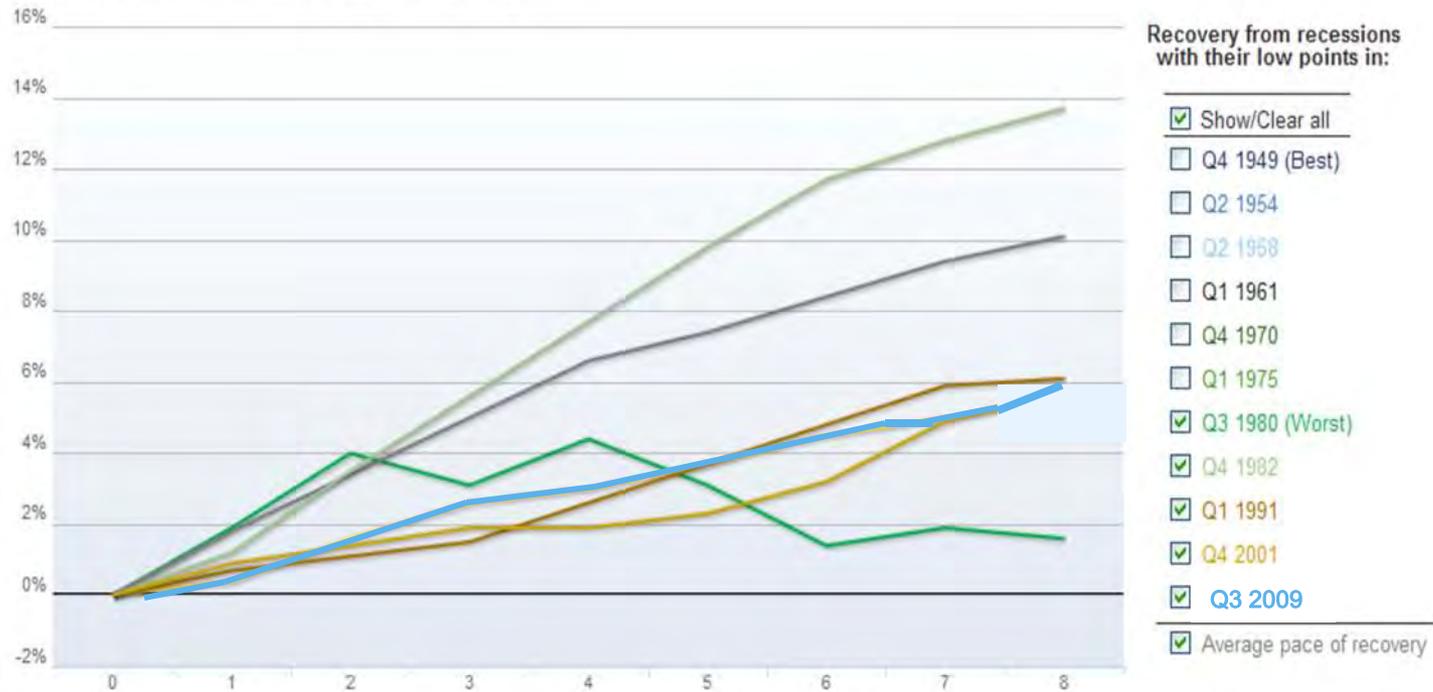


- **NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**

US GROSS DOMESTIC PRODUCT (INFLATION ADJUSTED)

3

U.S. gross domestic product, inflation adjusted, quarterly



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

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

CAPACITY UTILIZATION

4



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

ISM MANUFACTURING INDEX

5



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

WEEKLY UNEMPLOYMENT CLAIMS

6



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

UNEMPLOYMENT RATE

7

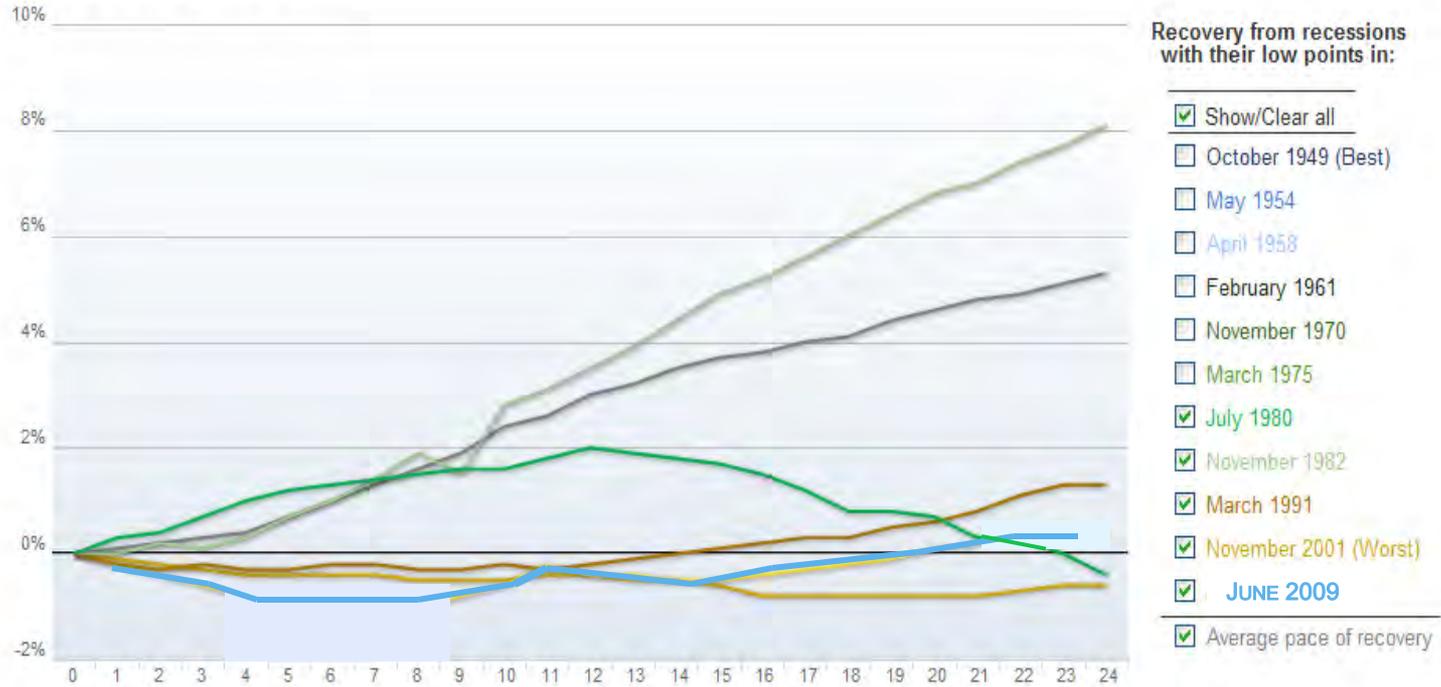


- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

US JOBS (NON-AGRICULTURAL PAYROLLS)

8

U.S. non-agricultural payrolls, monthly

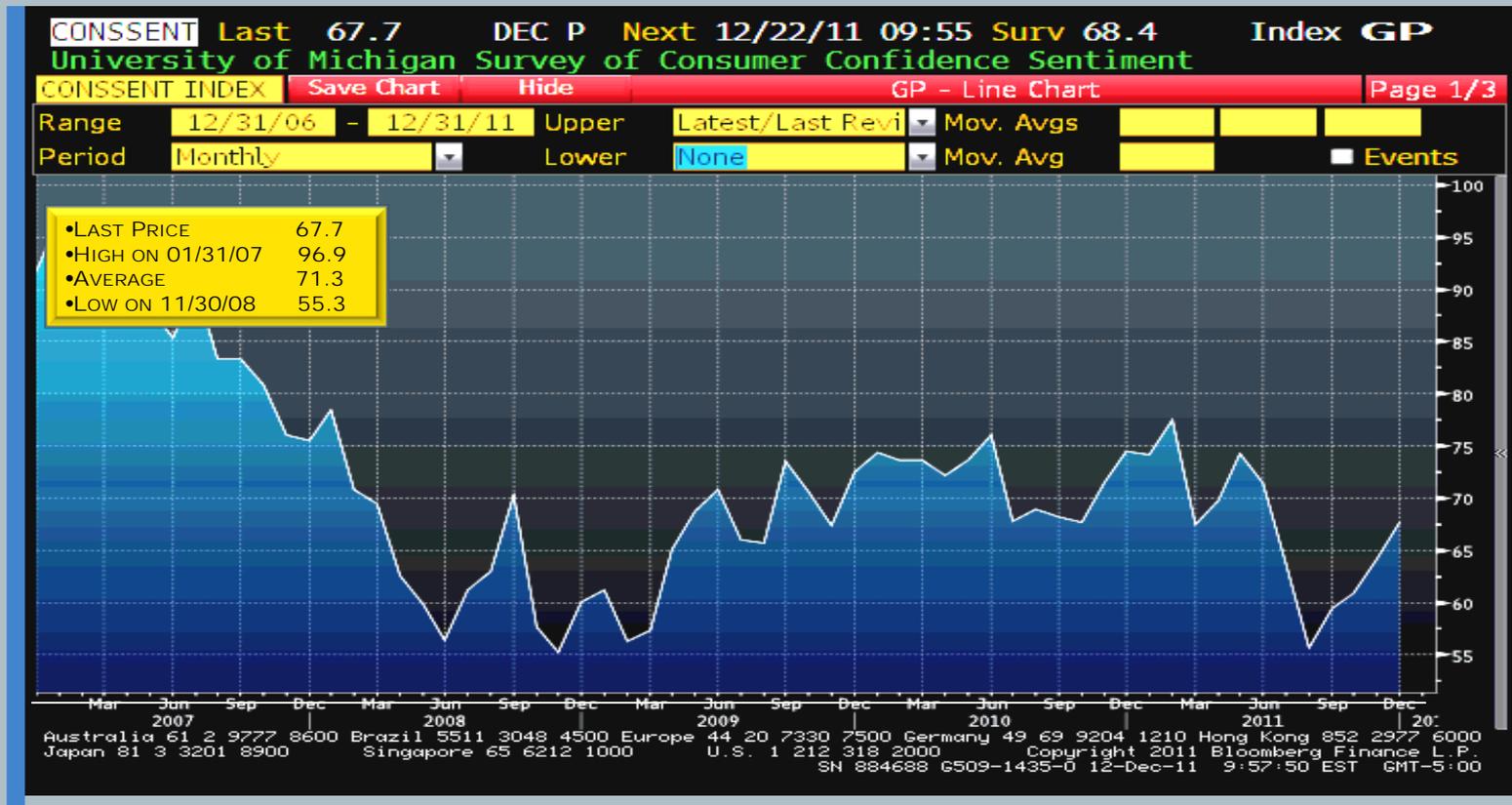


Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

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

CONSUMER SENTIMENT

9



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

ARCHITECTURAL BILLINGS INDEX

10

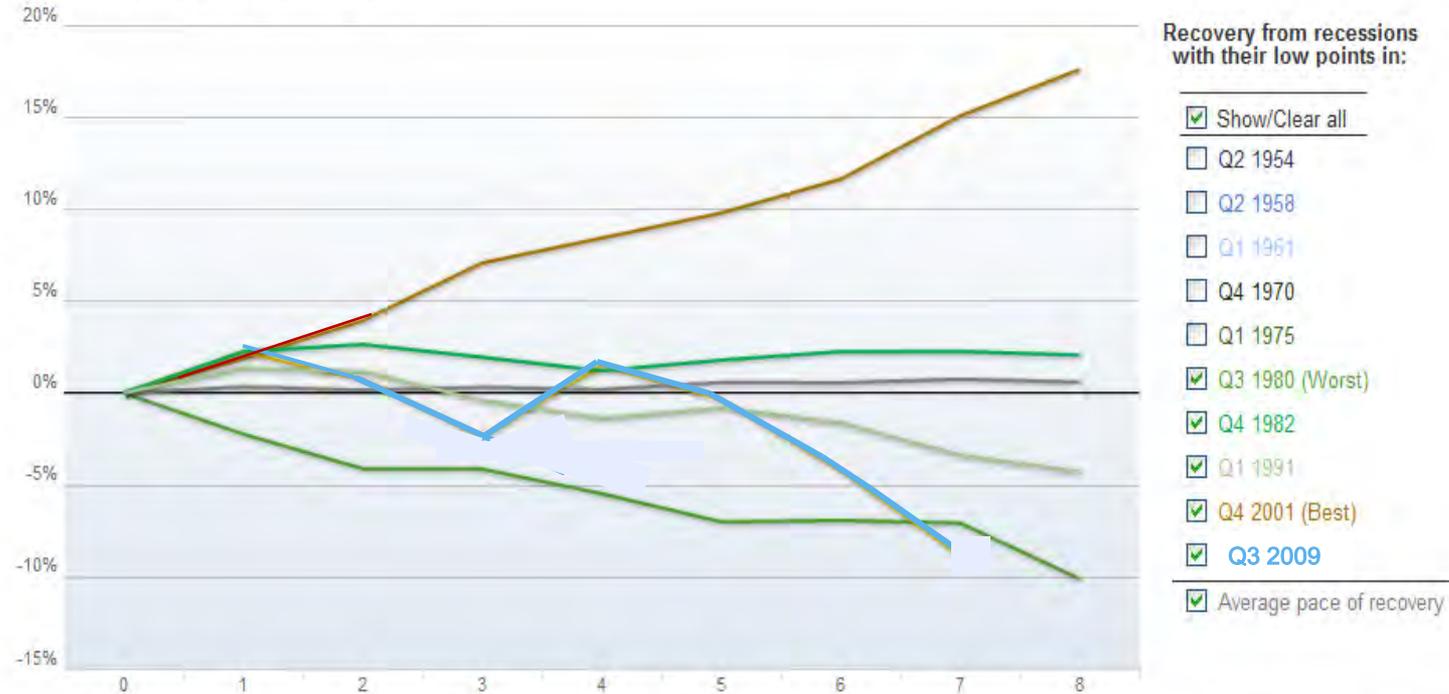


- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS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

US HOUSE PRICES (INFLATION ADJUSTED)

11

U.S. house prices, inflation adjusted, quarterly



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

- **NOTES: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**
- **QUARTERLY REAL HOME PRICES DATA BEGAN IN 1953. RECOVERY DATA BEFORE 1953 ARE NOT INCLUDED IN RANKINGS OR AVERAGES**

EXISTING HOME SALES

12



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

NEW HOUSING STARTS

13



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

RETAIL SALES

14



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

US AUTO SALES

15



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

INDEX OF LEADING ECONOMIC INDICATORS

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- THE INDEX OF LEI IS COMPOSED OF: AVE. WEEKLY MANUFACTURING HRS, AVE. WEEKLY JOBLESS CLAIMS, MANUFACTURERS' NEW ORDERS-CONSUMER & CAPITAL, VENDOR PERFORMANCE, NEW BUILDING PERMITS, STOCK PRICES, MONEY SUPPLY-M2, INT. RATE SPREADS & CONSUMER EXPECTATIONS
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

INFLATION- CPI

17



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

MARKET INDICATORS

as of December 2011



NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

TRADE WEIGHTED US DOLLAR INDEX

19



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

USD/EUR EXCHANGE RATE

20



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

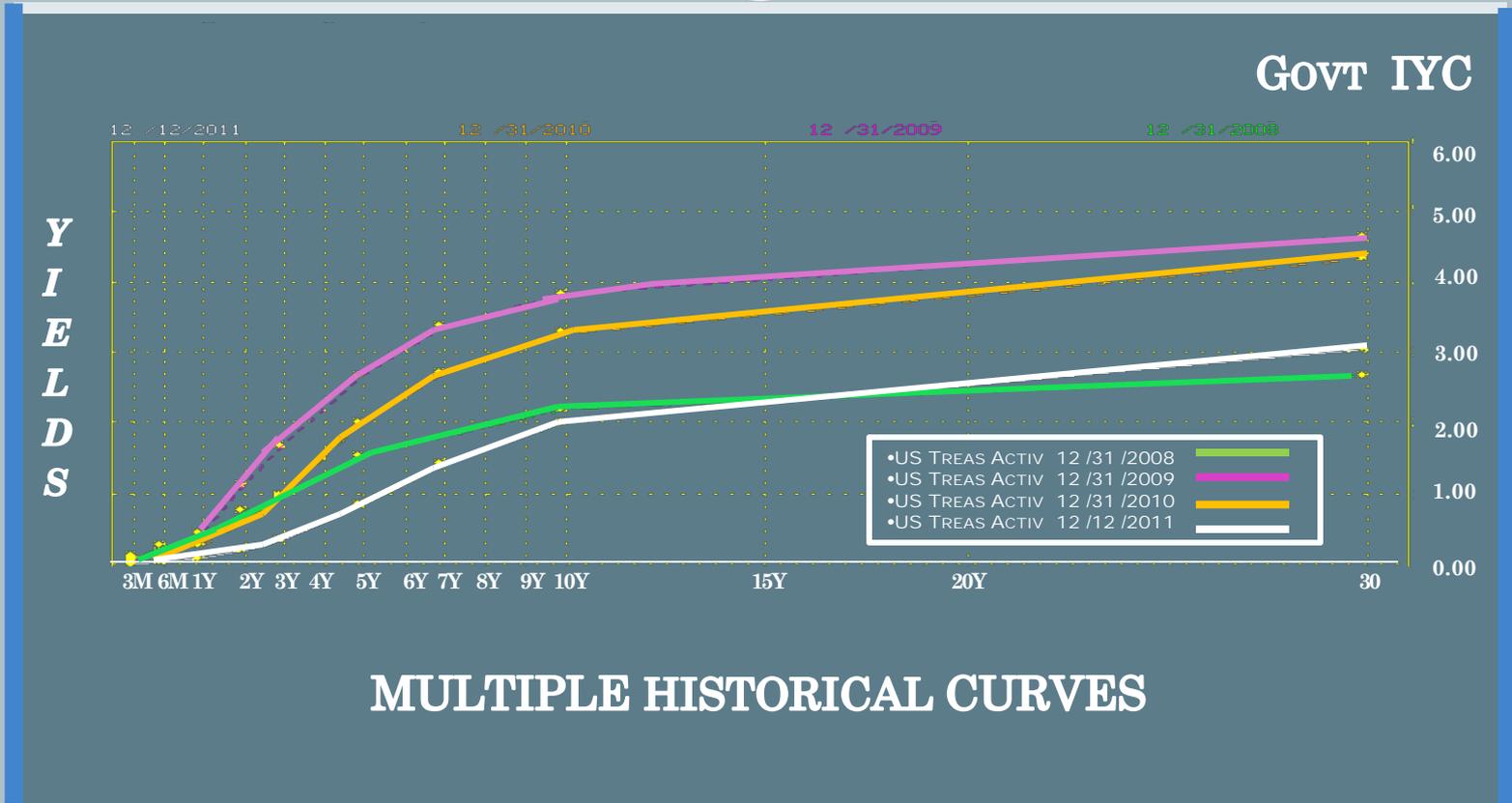
VOLATILITY INDEX (THE "VIX")

21



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

US TREASURY YIELD CURVES



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

10 YEAR TREASURY RATES

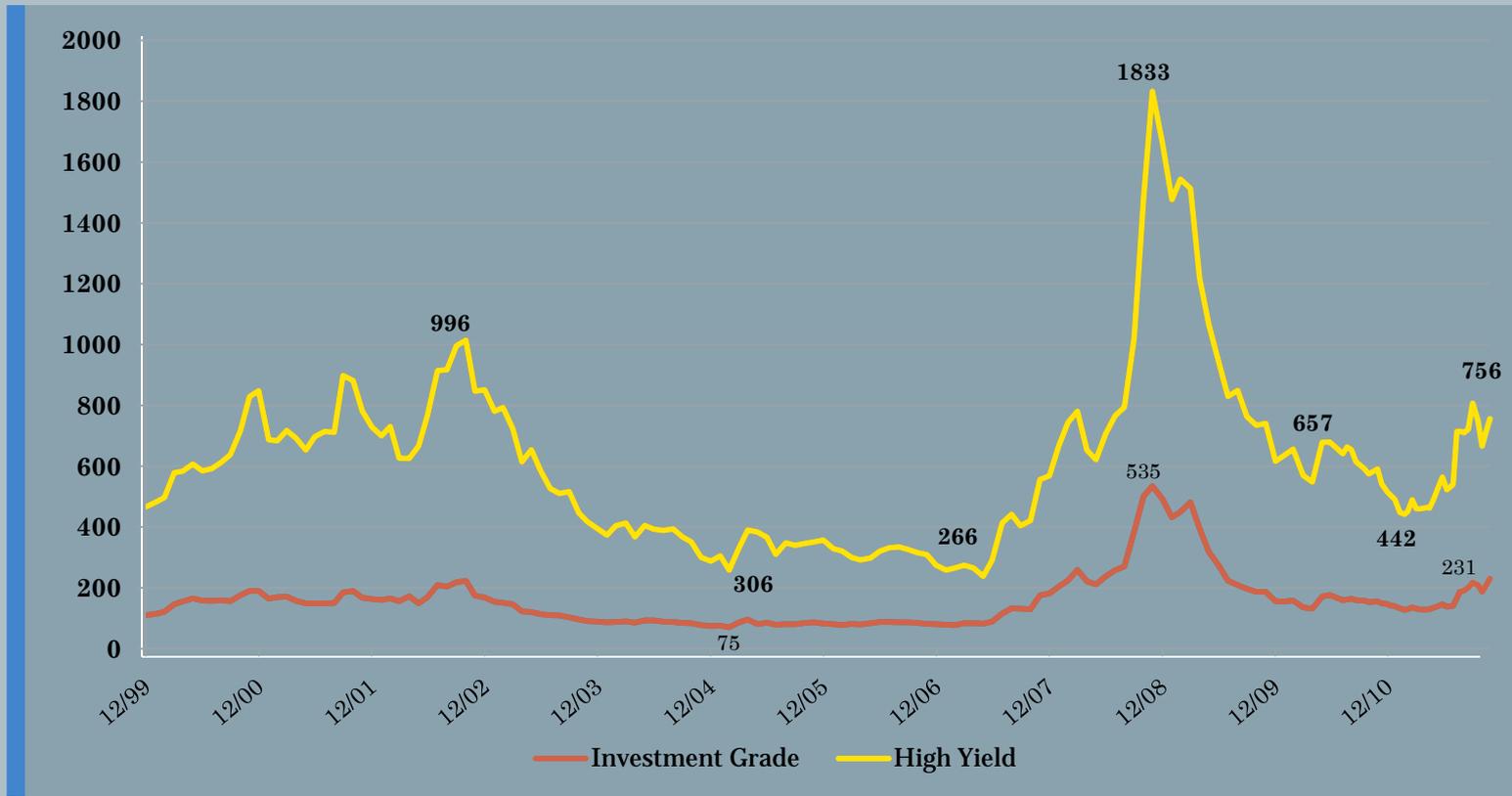
23



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

INVESTMENT GRADE AND HY SPREADS

24



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

CORPORATE EARNINGS

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

25

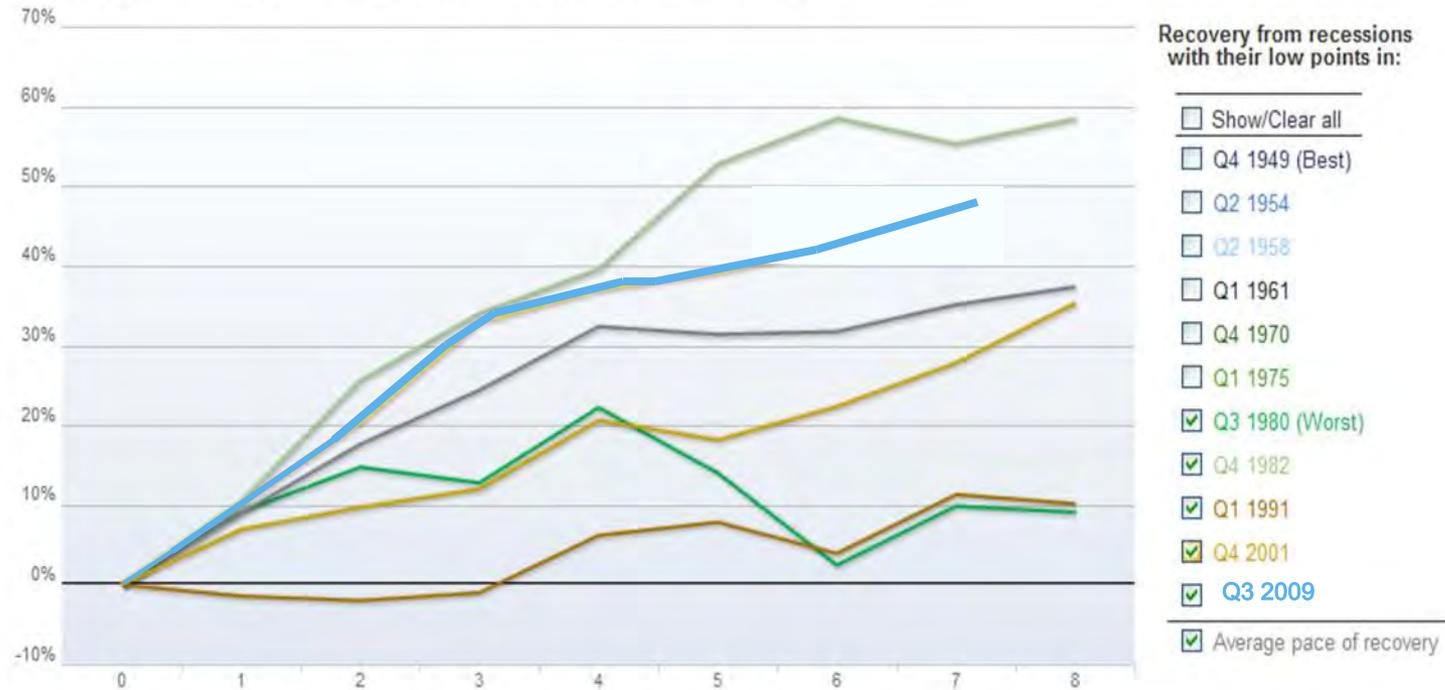


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CORPORATE PROFITS

26

Corporate profits with inventory valuation and capital consumption adjustments, quarterly



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

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

PRICE TO EARNING RATIOS INCLUDING ESTIMATES

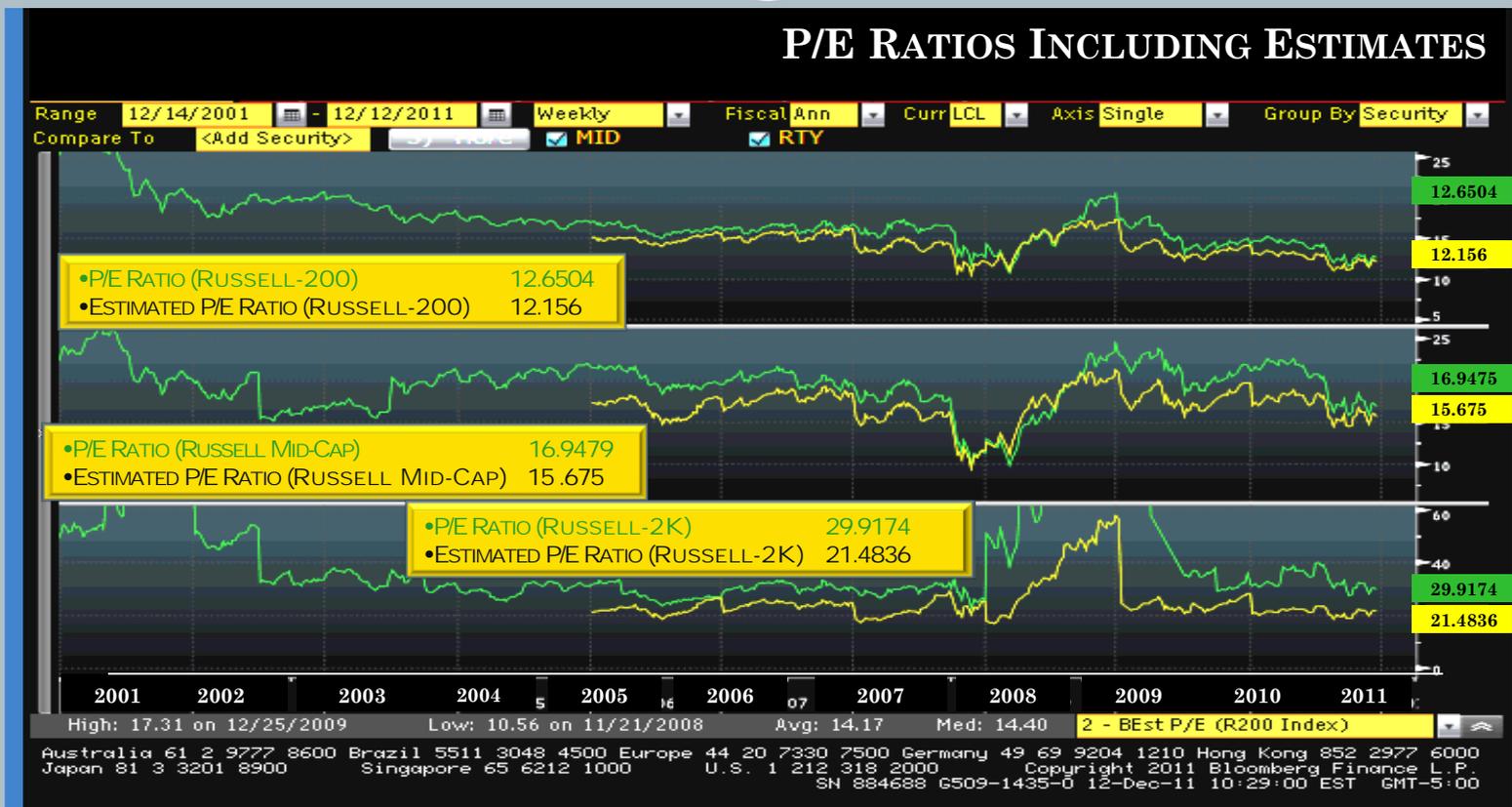
27



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PRICE TO EARNING RATIOS INCLUDING ESTIMATES

28



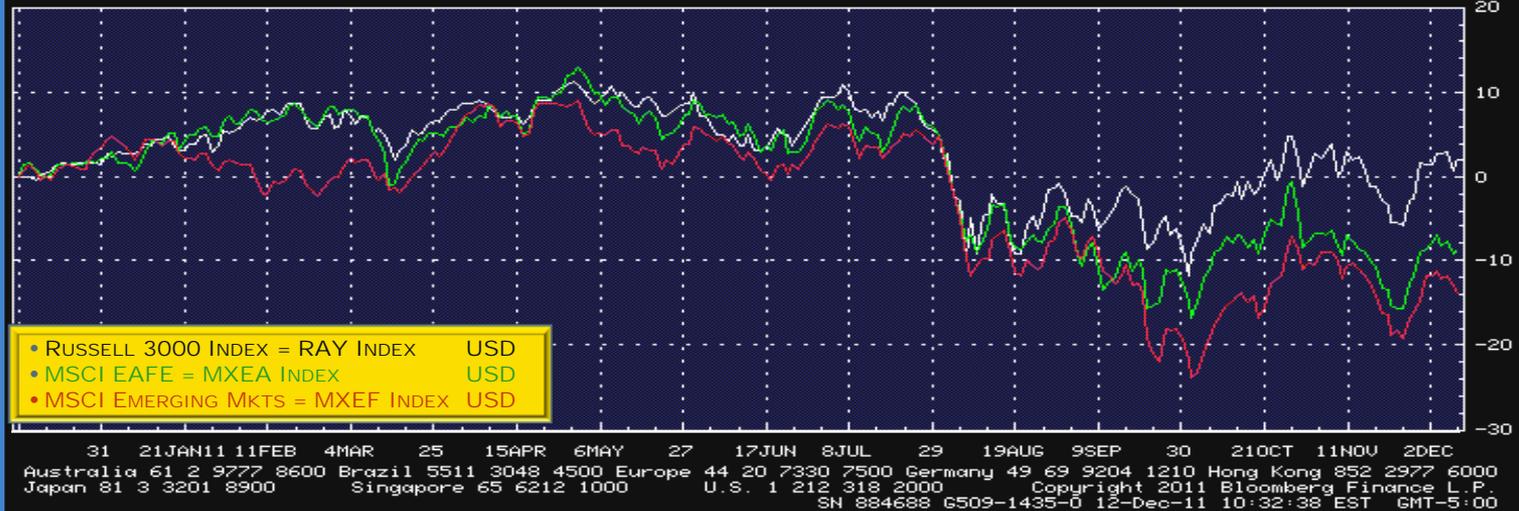
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RECENT GLOBAL EQUITY MARKET RETURNS

COMPARATIVE RETURNS

| Securities | Range | 12/10/10 - 12/9/11 | Period | Daily Total Ret | 364 Day Period Difference | Annual Eq |
|--------------|-------|--------------------|--------|-----------------|---------------------------|-----------|
| | Crcny | Prc | Appr | | | |
| 1 RAY Index | USD | .42 % | | 2.35 % | 11.13 % | 2.36 % |
| 2 MXEA Index | USD | -12.01 % | | -8.78 % | | -8.80 % |
| 3 MXEF Index | USD | -16.20 % | | -14.05 % | -5.27 % | -14.08 % |

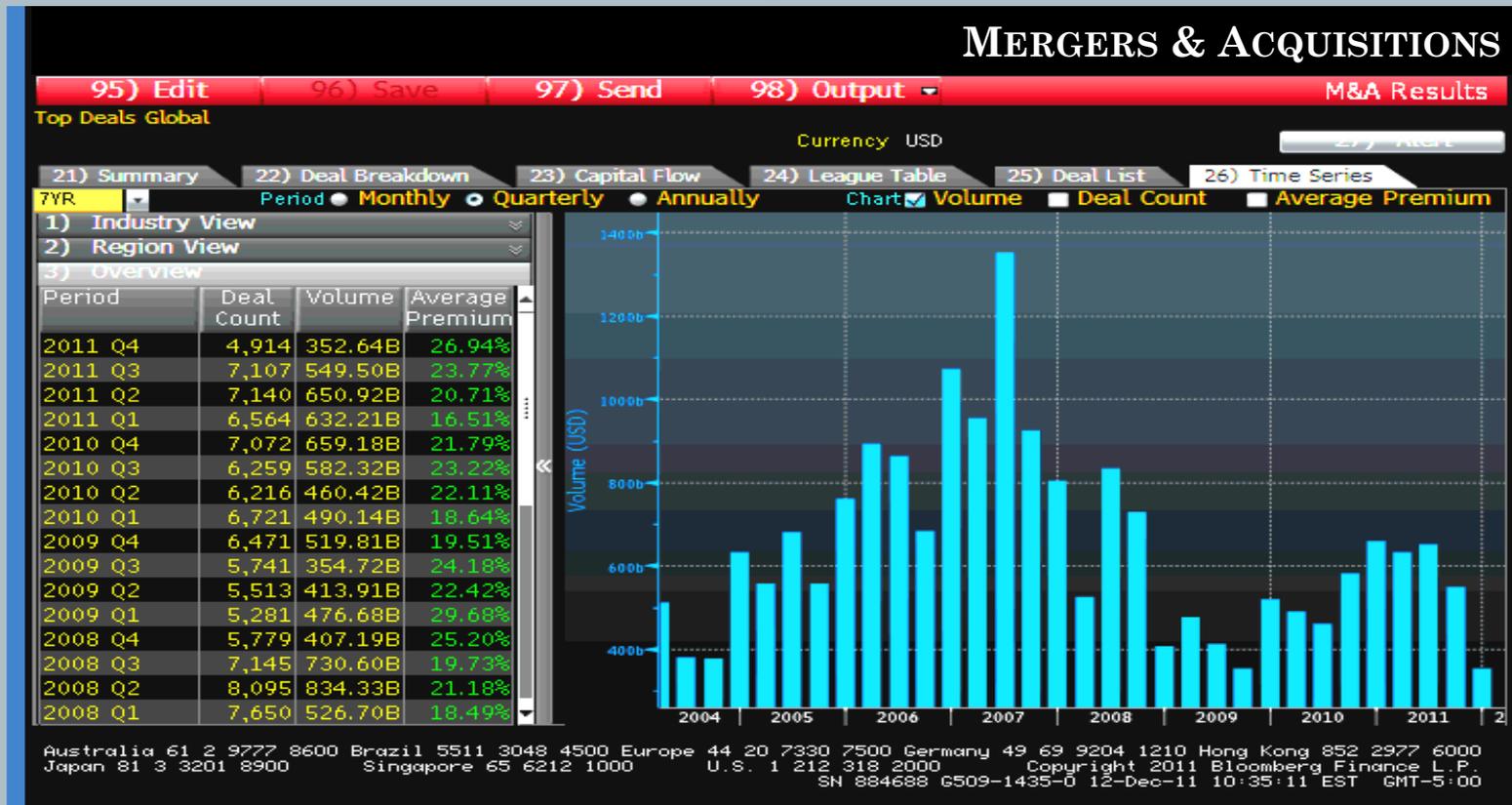
(* = No dividends or coupons)



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

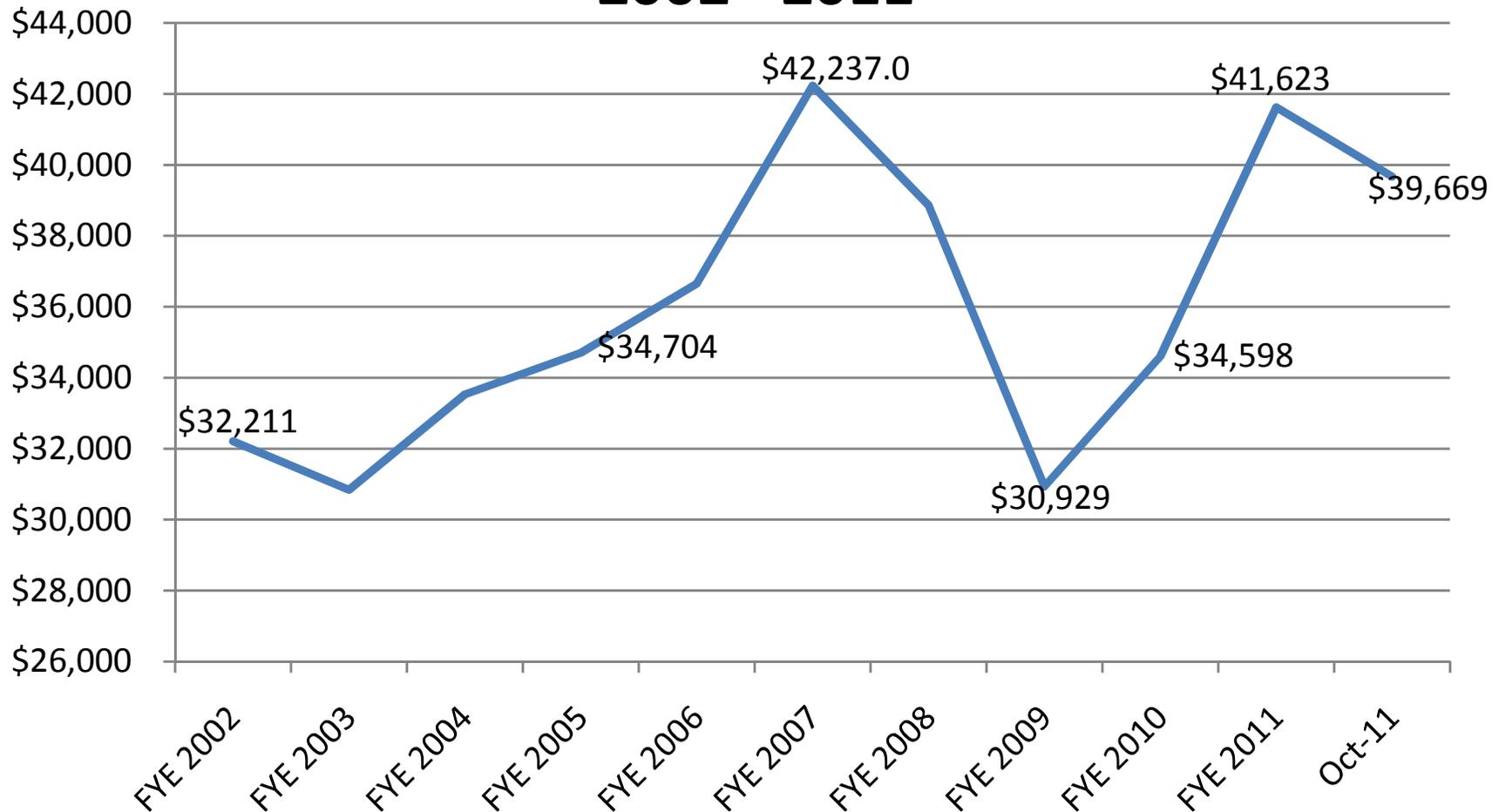
MERGERS & ACQUISITIONS ACTIVITY

30



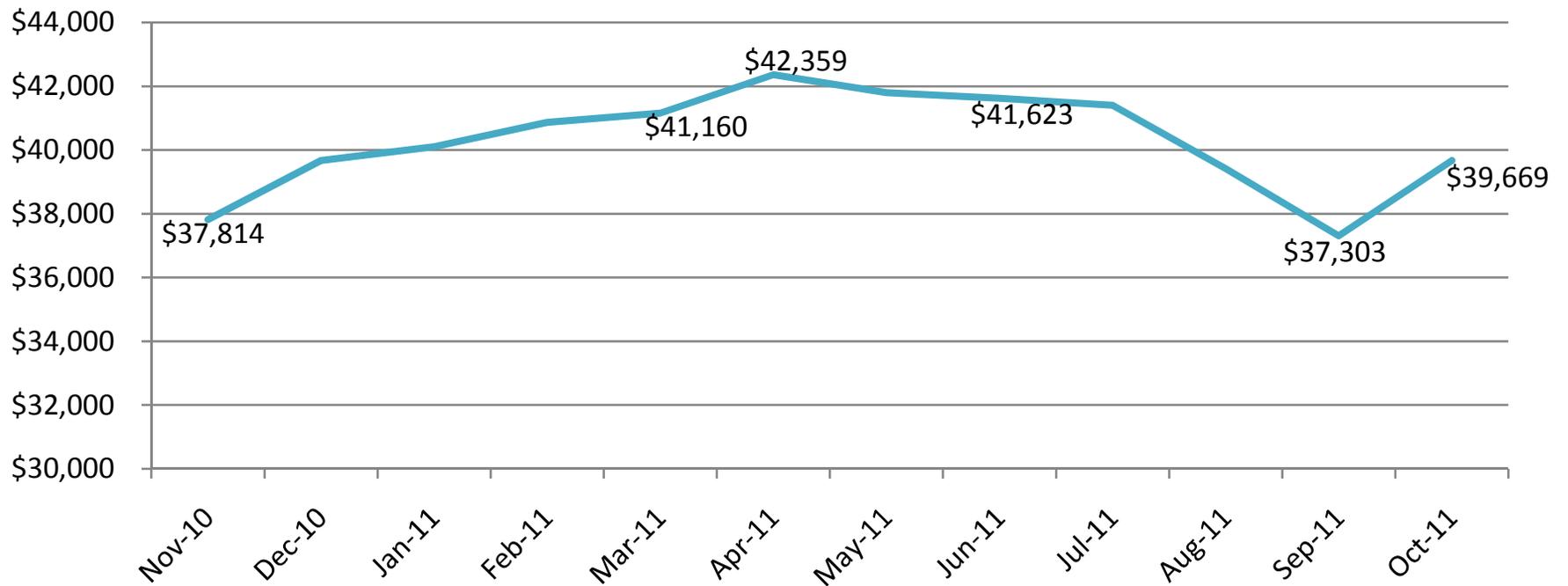
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NYCERS -Market Values 2002 - 2011



The October 2011 market value of \$39.669 billion is down 3.70% from the June 2011 market value of 41.623 billion. Approximately \$6 billion of assets have been sold to pay benefits since September 2007. For the period of 2002-2011 NYCERS withdrew \$15B in assets from managers to pay benefits. This is an average of \$1.6B per year.

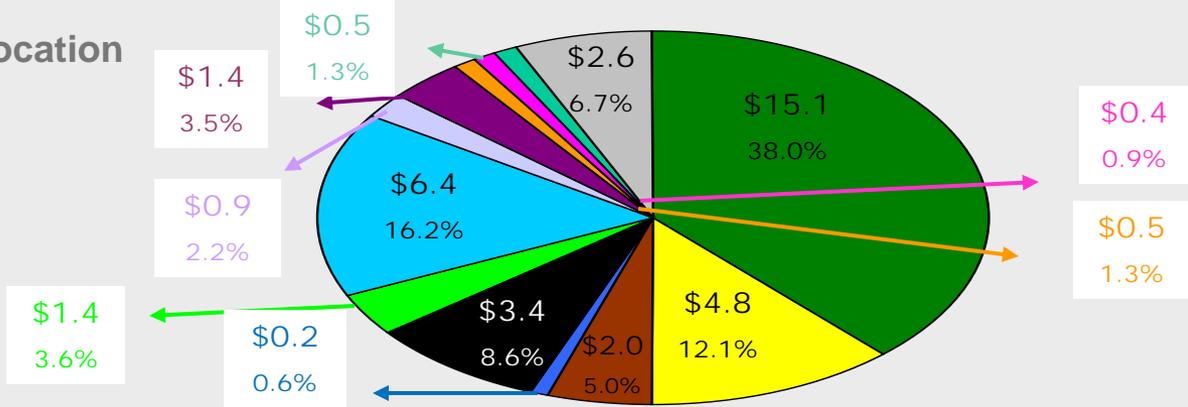
NYCERS - Market Values November 2010 - October 2011



Portfolio Asset Allocation: October 31, 2011

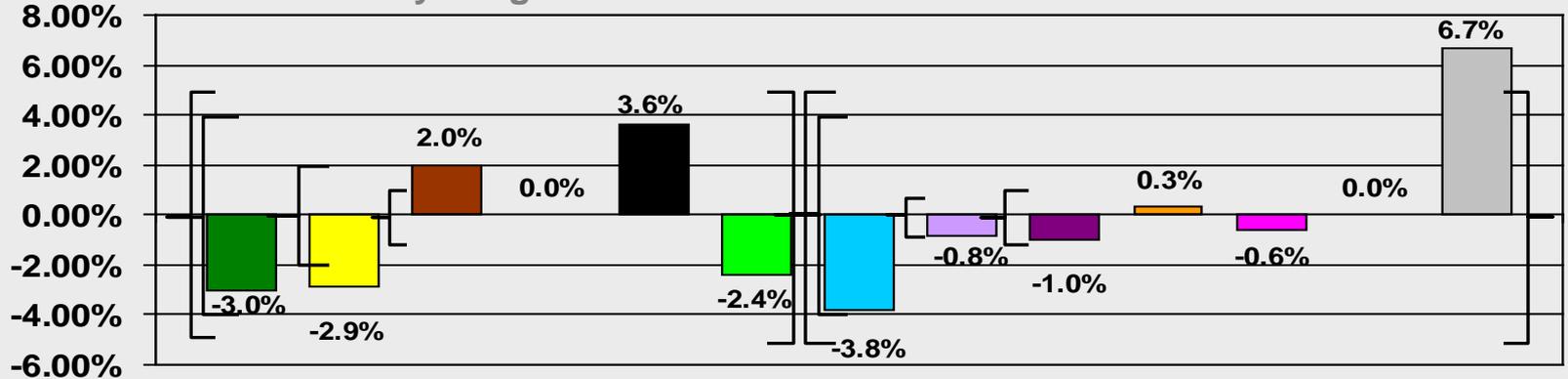
\$39.6B Under Management

Asset Allocation



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

Relative Mix to Old Policy Weights

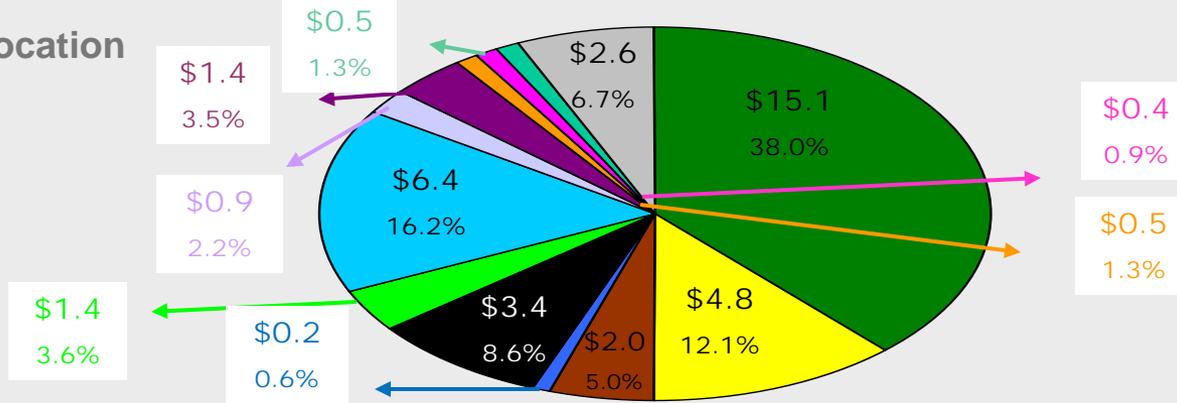


Note: Brackets represent rebalancing ranges versus policy.

Portfolio Asset Allocation: October 31, 2011

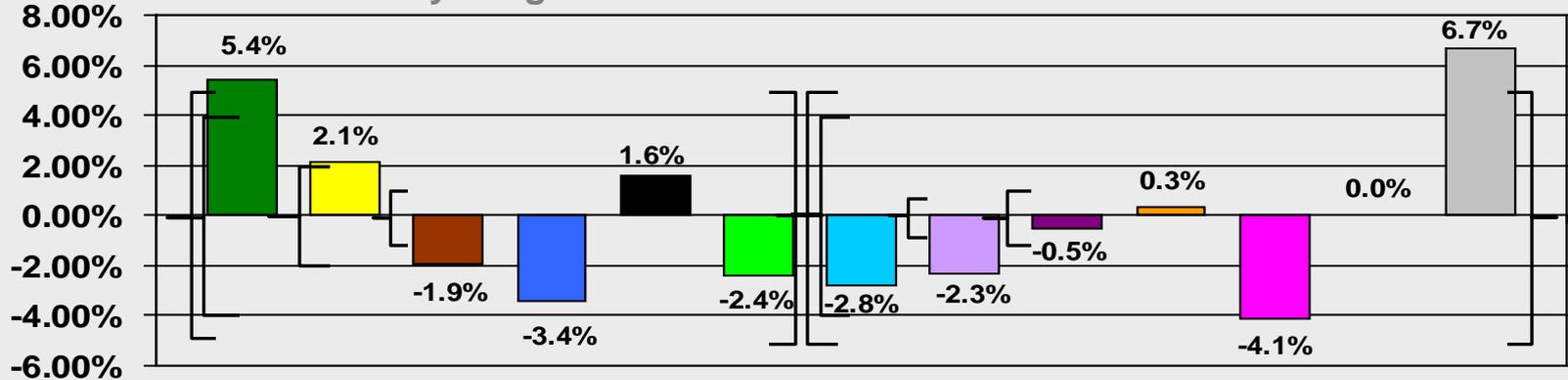
\$39.6B Under Management

Asset Allocation



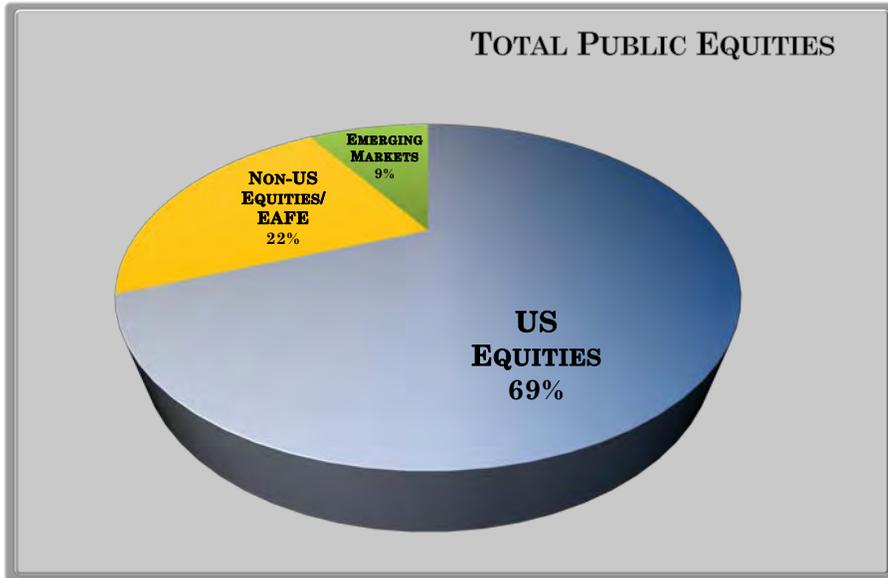
- Domestic Equity
- EAFE Markets
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Relative Mix to New Policy Weights



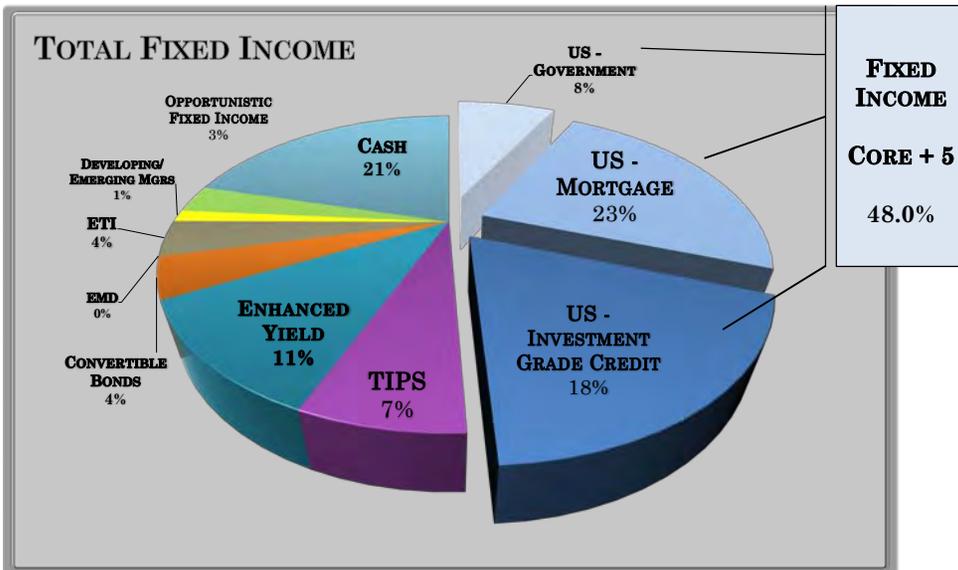
Note: Brackets represent rebalancing ranges versus policy.

**NYC EMPLOYEES' RETIREMENT SYSTEM
CLASSIFICATION OF INVESTMENTS
(as of October 31st 2011)**



| | In \$MM | Actual % | Old Policy % | New Policy % | Preliminary Rebalancing Range % |
|------------------------------|-------------------|--------------|--------------|--------------|---------------------------------|
| US Equities | \$15,082.6 | 38.0% | 41.0% | 32.6% | 28.6%-36.6% |
| Non-US Equities/EAFE | \$4,791.3 | 12.1% | 15.0% | 10.4% | 7.4%-13.4% |
| Emerging Markets | \$1,996.4 | 5.0% | 3.0% | 6.5% | 4.5%-8.5% |
| Total Public Equities | \$21,870.3 | 55.1% | 59.0% | 49.5% | |

| | In \$MM | Actual % | Old Policy % | New Policy % | Preliminary Rebalancing Range % | |
|-------------------------------|------------------------------|--------------|--------------|--------------|---------------------------------|-------------|
| Core + 5 | US - Government | \$987.4 | 2.5% | 20.0% | 19.0% | 14.0%-24.0% |
| | US - Mortgage | \$2,906.0 | 7.3% | | | |
| | US - Investment Grade Credit | \$2,378.4 | 6.0% | | | |
| TIPS | \$876.5 | 2.2% | 3.0% | 4.5% | 3.5%-5.5% | |
| Enhanced Yield | \$1,405.5 | 3.5% | 4.5% | 4.0% | 2.0%-6.0% | |
| Convertible Bonds | \$524.4 | 1.3% | 1.0% | 1.0% | 1.0% | |
| EMD | \$0.0 | N/A | N/A | N/A | N/A | |
| ETI | \$476.8 | 1.2% | *2.0% | *1.2% | 1.2% | |
| Developing/ Emerging Mgrs | \$154.3 | 0.4% | 0.0% | 0.0% | 0.0% | |
| Opportunistic Fixed Income | \$373.4 | 0.9% | 1.5% | 5.0% | 2.0%-7.0% | |
| Cash | \$2,639.9 | 6.7% | 0.0% | 0.0% | 0.0% | |
| Sub-total Fixed Income | \$12,722.7 | 32.1% | 30.0% | 33.5% | | |



| | In \$MM | Actual % | Old Policy % | New Policy % | Preliminary Rebalancing Range % |
|----------------------------------|-----------|----------|--------------|--------------|---------------------------------|
| Private Real Estate ¹ | \$1,435.9 | 3.6% | 6.0% | 6.0% | 4.0%-8.0% |

| | In \$MM | Actual % | Old Policy % | New Policy % | Preliminary Rebalancing Range % |
|-----------------------------|-----------|----------|--------------|--------------|---------------------------------|
| Private Equity ² | \$3,398.0 | 8.6% | 5.0% | 7.0% | 5.0%-9.0% |

| | In \$MM | Actual % | Old Policy % | New Policy % | Preliminary Rebalancing Range % |
|--------------------------|---------|----------|--------------|--------------|---------------------------------|
| Hedge Funds ³ | \$242.2 | 0.6% | 0.0% | 4.0% | 3.0%-5.0% |

| | In \$MM | Actual % | Old Policy % | New Policy % | Preliminary Rebalancing Range % |
|---------------------------|-------------------|---------------|---------------|---------------|---------------------------------|
| TOTAL EQUITIES | \$26,946.4 | 67.9% | 70.0% | 66.5% | 61.5%-71.5% |
| TOTAL FIXED INCOME | \$12,722.7 | 32.1% | 30.0% | 33.5% | 28.5%-38.5% |
| TOTAL | \$39,669.1 | 100.0% | 100.0% | 100.0% | |

¹ UNINVESTED COMMITMENTS TO BE INVESTED AS FOLLOWS: 50% IN PUBLIC EQUITIES (POTENTIALLY PUBLIC REITS) & 50% IN FIXED INCOME

² UNINVESTED COMMITMENTS TO BE INVESTED PUBLIC EQUITIES THAT REFLECT ANTICIPATED GLOBAL NATURE OF ULTIMATE COMMITMENTS.

³ UNINVESTED COMMITMENTS TO BE INVESTED AS FOLLOWS: 50% IN GLOBAL PUBLIC EQUITY & 50% FIXED INCOME.

* ETI'S HAVE A POLICY OF 2% OF THE TOTAL FUND. THE ETI ADJUSTED POLICY % IS SHOWN FOR ILLUSTRATIVE PURPOSES ONLY AND IS NOT INCLUDED IN THE SUB-TOTALS. THE ETI POLICY % IS INCLUDED WITHIN THE POLICY % OF THE OTHER ASSET CLASSES.

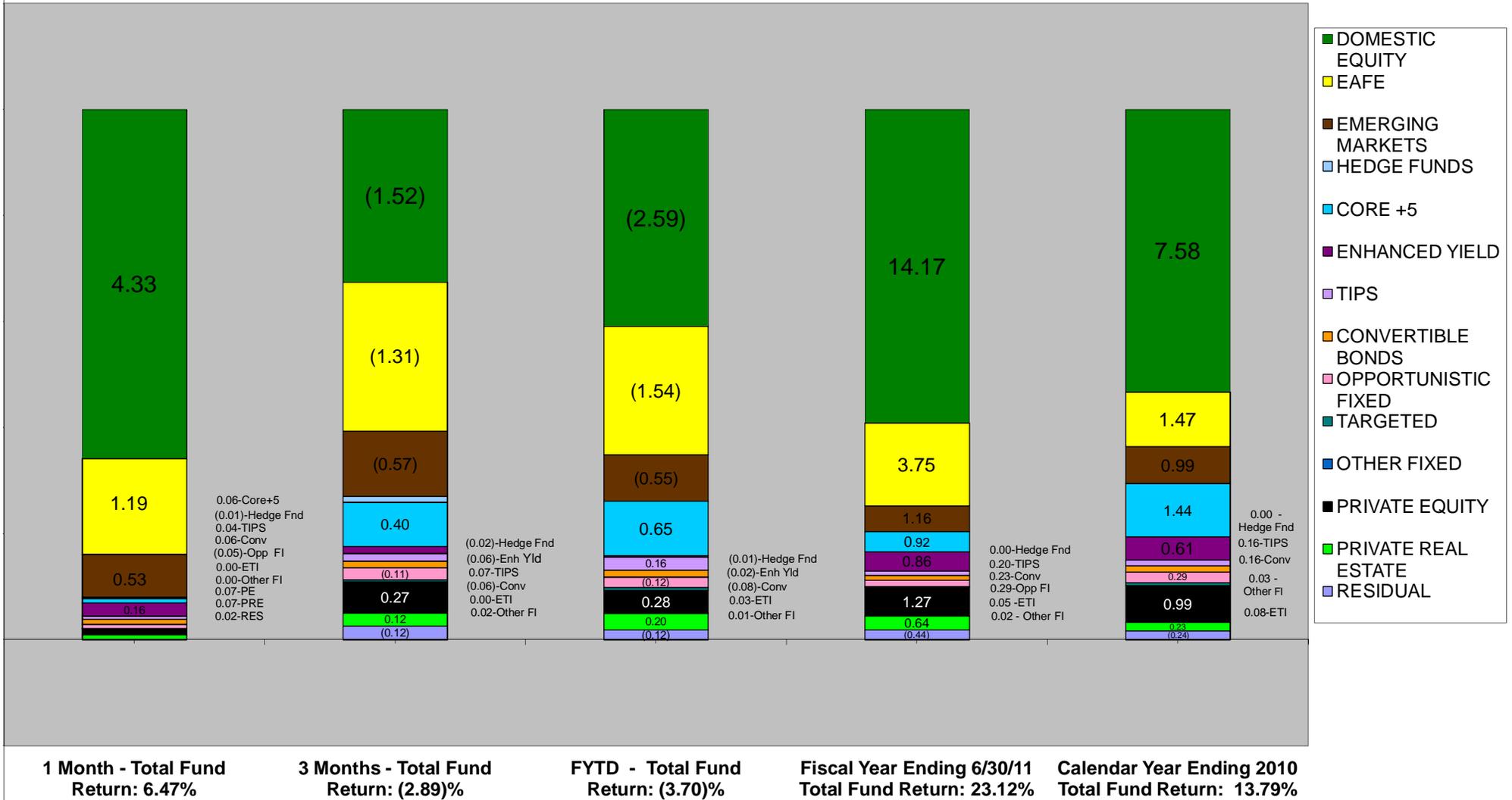
THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Employees' Retirement System
October 31, 2011

| | Trailing 1 Month | Trailing 3 Months | 06/30/11 10/31/11 | Trailing 1 Year | Trailing* 2 Years | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years |
|---|---------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
| <u>MARKET INDICATORS</u> | | | | | | | | |
| STANDARD & POORS 500 | 10.93 | -2.47 | -4.45 | 8.09 | 12.23 | 11.42 | 0.25 | 3.69 |
| S&P MIDCAP INDEX 400 | 13.75 | -5.53 | -8.87 | 8.55 | 17.72 | 17.88 | 4.01 | 8.43 |
| RUSSELL 1000 | 11.21 | -3.01 | -5.12 | 8.01 | 12.74 | 12.23 | 0.54 | 4.16 |
| RUSSELL 2000 | 15.14 | -6.67 | -10.04 | 6.71 | 16.23 | 12.88 | 0.68 | 7.02 |
| RUSSELL 3000 | 11.51 | -3.31 | -5.53 | 7.90 | 13.01 | 12.28 | 0.55 | 4.37 |
| RUSSELL 3000 GROWTH | 11.35 | -2.92 | -4.14 | 9.92 | 15.00 | 15.68 | 3.00 | 3.73 |
| RUSSELL 3000 VALUE | 11.68 | -3.70 | -6.90 | 5.94 | 11.06 | 8.85 | -2.01 | 4.80 |
| MSCI EAFE (NET DIVIDEND) | 9.64 | -9.76 | -11.20 | -4.08 | 1.95 | 9.90 | -2.42 | 5.73 |
| MSCI EMERGING MARKETS FREE | 13.26 | -11.85 | -12.18 | -7.44 | 7.09 | 23.61 | 6.83 | 17.17 |
| FTSE CUSTOM BENCHMARK | 12.21 | -11.07 | -11.37 | -5.95 | 9.57 | 25.58 | 8.01 | **** |
| MSCI WORLD INDEX | 10.37 | -6.18 | -7.86 | 2.30 | 7.68 | 11.40 | -0.44 | 5.08 |
| MSCI EUROPE SMID CAP INDEX | 11.04 | -13.05 | -16.73 | -7.04 | 3.89 | 15.89 | **** | **** |
| <i>1 YEAR TREASURY BILL YIELD + 4%</i> | 0.36 | 1.17 | 1.49 | **** | **** | **** | **** | **** |
| <i>HFRI FUND OF FUNDS COMPOSITE INDEX + 1%</i> | 1.50 | -3.67 | -3.23 | **** | **** | **** | **** | **** |
| NYC - TREASURY AGENCY PLUS FIVE | -1.88 | 7.67 | 11.14 | 9.77 | 10.46 | 10.49 | 8.63 | 6.84 |
| CITIGROUP MORTGAGE | -0.01 | 1.44 | 2.37 | 4.62 | 5.38 | 7.63 | 6.60 | 5.52 |
| NYC - INVESTMENT GRADE CREDIT INDEX | 1.47 | 1.95 | 4.21 | 5.53 | 8.07 | 14.74 | 6.49 | 5.99 |
| NYC - CORE PLUS FIVE | 0.08 | 2.95 | 4.86 | 6.01 | 7.37 | 10.40 | 7.15 | 6.04 |
| CITIGROUP BROAD INVESTMENT GRADE | 0.08 | 2.40 | 4.01 | 5.00 | 6.33 | 8.86 | 6.59 | 5.58 |
| BARCLAYS CAPITAL AGGREGATE | 0.11 | 2.31 | 3.93 | 5.00 | 6.50 | 8.88 | 6.41 | 5.46 |
| CITIGROUP BB & B | 5.33 | -0.49 | 0.93 | 6.19 | 11.32 | 17.38 | 5.78 | 7.56 |
| BofA MERRILL LYNCH HY MASTER II | 5.96 | -1.95 | -0.73 | 4.81 | 11.81 | 23.00 | 7.87 | 8.86 |
| BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES) | 1.86 | 2.45 | 6.46 | 9.03 | 9.76 | 12.17 | 7.55 | 7.12 |
| BofA ML ALL CONVERTIBLES EX MANDATORY | 5.89 | -4.55 | -6.57 | 2.01 | 10.95 | 18.39 | **** | **** |
| DJ WILSHIRE REAL ESTATE SECURITIES INDEX | 14.82 | -3.97 | -2.31 | 11.38 | 26.33 | 16.74 | -1.85 | 11.07 |
| NCREIF NFI-ODCE NET | 0.00 | 3.31 | 3.31 | 17.19 | 11.47 | -7.22 | -0.88 | **** |
| 91 DAY TREASURY BILL | 0.00 | 0.03 | 0.02 | 0.13 | 0.12 | 0.18 | 1.66 | 1.99 |

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Employees' Retirement System
November 30, 2011

| | Trailing 1 Month | Trailing 3 Months | 06/30/11 11/30/11 | Trailing 1 Year | Trailing* 2 Years | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years |
|---|---------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
| MARKET INDICATORS | | | | | | | | |
| STANDARD & POORS 500 | -0.22 | 2.90 | -4.67 | 7.83 | 8.89 | 14.14 | -0.18 | 2.90 |
| S&P MIDCAP INDEX 400 | -0.30 | 1.40 | -9.14 | 5.10 | 15.23 | 21.64 | 3.29 | 7.62 |
| RUSSELL 1000 | -0.26 | 2.64 | -5.37 | 7.38 | 9.42 | 15.11 | 0.06 | 3.37 |
| RUSSELL 2000 | -0.36 | 1.86 | -10.37 | 2.75 | 14.24 | 17.58 | 0.09 | 6.19 |
| RUSSELL 3000 | -0.27 | 2.58 | -5.78 | 7.00 | 9.78 | 15.30 | 0.06 | 3.57 |
| RUSSELL 3000 GROWTH | -0.05 | 2.73 | -4.18 | 8.32 | 11.71 | 19.04 | 2.58 | 2.79 |
| RUSSELL 3000 VALUE | -0.49 | 2.43 | -7.36 | 5.72 | 7.88 | 11.55 | -2.55 | 4.14 |
| MSCI EAFE (NET DIVIDEND) | -4.85 | -5.62 | -15.50 | -4.12 | -1.54 | 10.12 | -3.95 | 4.83 |
| MSCI EMERGING MARKETS FREE | -6.66 | -9.68 | -18.03 | -11.26 | 1.30 | 23.99 | 3.87 | 15.21 |
| FTSE CUSTOM BENCHMARK | -6.68 | -9.36 | -17.29 | -9.82 | 2.99 | 26.67 | 5.14 | **** |
| MSCI WORLD INDEX | -2.38 | -1.52 | -10.06 | 2.02 | 4.25 | 12.97 | -1.41 | 4.22 |
| MSCI EUROPE SMID CAP INDEX | -5.73 | -9.13 | -21.50 | -6.28 | -0.17 | 16.38 | **** | **** |
| 1 YEAR TREASURY BILL YIELD + 4% | 0.35 | 1.03 | 1.84 | **** | **** | **** | **** | **** |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1% | -0.62 | -2.13 | -4.19 | **** | **** | **** | **** | **** |
| NYC - TREASURY AGENCY PLUS FIVE | 1.48 | 3.64 | 12.78 | 12.48 | 10.23 | 7.83 | 8.60 | 7.43 |
| CITIGROUP MORTGAGE | 0.22 | 0.37 | 2.60 | 4.97 | 4.79 | 6.23 | 6.41 | 5.65 |
| NYC - INVESTMENT GRADE CREDIT INDEX | -1.72 | -0.15 | 2.41 | 4.58 | 6.41 | 12.49 | 5.82 | 5.89 |
| NYC - CORE PLUS FIVE | -0.18 | 0.92 | 4.67 | 6.41 | 6.50 | 8.51 | 6.83 | 6.19 |
| CITIGROUP BROAD INVESTMENT GRADE | -0.11 | 0.72 | 3.90 | 5.43 | 5.57 | 7.22 | 6.32 | 5.71 |
| BARCLAYS CAPITAL AGGREGATE | -0.09 | 0.75 | 3.84 | 5.52 | 5.77 | 7.69 | 6.14 | 5.60 |
| CITIGROUP BB & B | -1.87 | 1.00 | -0.96 | 5.48 | 9.96 | 20.16 | 5.04 | 6.96 |
| BofA MERRILL LYNCH HY MASTER II | -2.21 | -0.11 | -2.93 | 3.65 | 10.01 | 25.72 | 7.05 | 8.24 |
| BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES) | 0.77 | 2.41 | 7.28 | 11.76 | 8.68 | 12.20 | 7.45 | 7.45 |
| BofA ML ALL CONVERTIBLES EX MANDATORY | -1.81 | -1.02 | -8.26 | -0.50 | 8.17 | 20.22 | **** | **** |
| DJ WILSHIRE REAL ESTATE SECURITIES INDEX | -4.05 | -2.31 | -6.26 | 9.02 | 19.60 | 26.56 | -3.59 | 9.92 |
| NCREIF NFI-ODCE NET | 0.00 | 3.31 | 3.31 | 17.19 | 11.47 | -7.22 | -0.88 | **** |
| 91 DAY TREASURY BILL | 0.00 | 0.00 | 0.02 | 0.12 | 0.12 | 0.15 | 1.57 | 1.97 |

NYC Employees' Retirement System Contribution to Return - October 2011



1 Month - Total Fund
Return: 6.47%

3 Months - Total Fund
Return: (2.89)%

FYTD - Total Fund
Return: (3.70)%

Fiscal Year Ending 6/30/11
Total Fund Return: 23.12%

Calendar Year Ending 2010
Total Fund Return: 13.79%

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

**Manager / Benchmark Comparison Report *NYC Employees' Retirement System
October 31, 2011**

| | Assets (\$MM) | % of Total | Trailing 1 Month | Trailing 3 Months | Fiscal YTD | Calendar YTD | FY Ending 06/30/11 | Calendar Yr Ending 2010 | Calendar Yr Ending 2009 | Calendar Yr Ending 2008 | Calendar Yr Ending 2007 | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years | Since Inception |
|-----------------------------------|--------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| ASSET CLASS SUMMARY | | | | | | | | | | | | | | | | |
| DOMESTIC EQUITY | \$ 15,082.6 | 38.02% | 11.97% | -3.80% | -6.35% | -0.13% | 32.50% | 17.16% | 28.26% | -36.69% | 5.04% | 7.29% | 12.14% | 0.62% | 4.36% | 10.72% |
| INTERNATIONAL EAFE | 4,791.3 | 12.08% | 10.23 | -10.18 | -11.80 | -7.62 | 31.27 | 11.17 | 33.66 | -44.37 | 11.14 | -4.16 | 11.10 | -2.06 | **** | 4.65 |
| EMERGING MARKETS | 1,996.4 | 5.03% | 12.30 | -11.59 | -11.25 | -11.78 | 30.01 | 26.33 | 86.55 | -54.13 | 42.87 | -6.36 | 26.97 | 8.42 | **** | 12.05 |
| CORE + 5 | 6,271.9 | 15.81% | 0.34 | 2.54 | 4.32 | 7.71 | 5.37 | 9.42 | 9.65 | 3.27 | 6.65 | 5.96 | 11.62 | 7.43 | 6.27 | 8.76 |
| CONVERTIBLE BONDS | 524.4 | 1.32% | 4.68 | -4.36 | -6.18 | -2.04 | 20.30 | 14.54 | 33.08 | **** | **** | 1.55 | 15.55 | **** | **** | 3.09 |
| TIPS MANAGERS | 876.5 | 2.21% | 1.64 | 2.72 | 6.52 | 12.23 | 7.17 | 6.47 | 10.15 | -0.66 | 11.70 | 8.22 | 12.10 | 7.62 | **** | 6.31 |
| ENHANCED YIELD | 1,405.5 | 3.54% | 4.97 | -1.90 | -0.59 | 5.18 | 16.21 | 14.24 | 40.25 | -18.55 | 3.83 | 5.58 | 19.30 | 7.85 | 8.32 | 8.18 |
| PROGRESS FIXED EMERGING MGRS | 99.4 | 0.25% | -0.04 | 2.59 | 4.39 | 7.22 | 4.59 | 7.43 | 8.78 | 6.21 | 3.77 | 5.81 | 10.30 | 6.97 | 6.38 | 6.76 |
| OPPORTUNISTIC FIXED | 373.4 | 0.94% | -4.68 | -9.99 | -11.67 | 0.65 | 24.19 | 26.01 | 19.13 | -6.33 | **** | 3.38 | 13.95 | **** | **** | 6.45 |
| CORE PLUS FIXED INCOME | 54.9 | 0.14% | 0.96 | 1.80 | 3.46 | 7.18 | 5.90 | 7.46 | **** | **** | **** | 5.24 | **** | **** | **** | 9.35 |
| ECONOMICALLY TARGETED INVESTMENTS | 476.8 | 1.20% | 0.18 | 1.69 | 2.58 | 5.40 | 4.52 | 6.87 | 8.23 | 6.28 | 7.49 | 4.96 | 8.43 | 6.97 | 6.57 | 10.01 |
| PRIVATE EQUITY | 3,398.0 | 8.57% | 0.81 | 3.49 | 3.63 | 16.70 | 17.95 | 14.02 | -4.17 | -2.73 | 13.63 | 21.62 | 6.26 | 7.35 | **** | 12.76 |
| PRIVATE REAL ESTATE | 1,435.9 | 3.62% | 1.75 | 3.74 | 6.50 | 20.79 | 26.64 | 8.46 | -43.87 | -7.38 | 40.33 | 23.74 | -11.39 | 0.19 | **** | 6.34 |
| HEDGE FUNDS | 242.2 | 0.61% | -2.09 | -3.25 | -2.79 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.79 |
| CASH | 2,639.9 | 6.65% | 0.03 | 0.15 | 0.27 | 0.87 | 0.48 | 0.49 | 1.31 | 3.42 | 5.53 | 0.55 | 1.08 | 2.49 | **** | 2.94 |
| TOTAL EMPLOYEES | \$ 39,669.1 | | 6.47% | -2.89% | -3.70% | 2.06% | 23.12% | 13.79% | 20.98% | -26.36% | 8.63% | 6.13% | 11.60% | 3.02% | 5.89% | 8.66% |
| TOTAL EQUITY | 21,870.3 | 55.13% | 11.61 | -5.92 | -8.00 | -2.69 | 32.05 | 16.31 | 31.61 | -39.34 | 8.36 | 3.67 | 12.44 | 0.43 | 5.06 | 7.81 |
| TOTAL FIXED INCOME | 10,082.8 | 25.42% | 1.04 | 1.05 | 2.55 | 6.98 | 8.68 | 10.68 | 15.55 | -1.87 | 6.67 | 5.88 | 13.24 | 7.59 | **** | 6.39 |
| TOTAL PRIVATE EQUITY | 3,398.0 | 8.57% | 0.81 | 3.49 | 3.63 | 16.70 | 17.95 | 14.02 | -4.17 | -2.73 | 13.63 | 21.62 | 6.26 | 7.35 | **** | 12.76 |
| TOTAL PRIVATE REAL ESTATE | 1,435.9 | 3.62% | 1.75 | 3.74 | 6.50 | 20.79 | 26.64 | 8.46 | -43.87 | -7.38 | 40.33 | 23.74 | -11.39 | 0.19 | **** | 6.34 |
| HEDGE FUNDS | 242.2 | 0.61% | -2.09 | -3.25 | -2.79 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.79 |
| TOTAL CASH | 2,639.9 | 6.65% | 0.03 | 0.15 | 0.27 | 0.87 | 0.48 | 0.49 | 1.31 | 3.42 | 5.53 | 0.55 | 1.08 | 2.49 | **** | 2.94 |

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Employees' Retirement System

October 31, 2011

| | Assets (\$MM) | % of Total | Trailing 1 Month | Trailing 3 Months | Fiscal YTD | Calendar YTD | FY Ending 06/30/11 | Calendar Yr Ending 2010 | Calendar Yr Ending 2009 | Calendar Yr Ending 2008 | Calendar Yr Ending 2007 | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years | Since Inception |
|-----------------------------------|--------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| EQUITY ASSET CLASS SUMMARY | | | | | | | | | | | | | | | | |
| DOMESTIC EQUITY | \$ 15,082.6 | 38.02% | 11.97% | -3.80% | -6.35% | -0.13% | 32.50% | 17.27% | 28.79% | -37.22% | 5.69% | 7.29% | 12.14% | 0.62% | 4.36% | 10.72% |
| PASSIVE DOMESTIC EQUITY | 11,966.1 | 30.16% | 11.81 | -3.59 | -5.99 | 0.15 | 32.34 | 16.58 | 27.80 | -37.04 | 5.08 | 7.37 | 11.90 | 0.40 | 4.26 | 10.45 |
| <i>RUSSELL 3000</i> | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| | | | 0.31 | (0.28) | (0.46) | (0.33) | (0.03) | (0.35) | (0.54) | 0.27 | (0.05) | (0.54) | (0.39) | (0.14) | (0.12) | |
| TOTAL RUSSELL 3000 | 5,800.6 | 14.62% | 11.50 | -3.28 | -5.48 | 0.50 | 32.55 | 17.22 | 28.29 | -37.16 | 5.03 | 7.92 | 12.38 | 0.62 | 4.40 | 8.89 |
| <i>RUSSELL 3000</i> | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| | | | (0.01) | 0.03 | 0.05 | 0.03 | 0.18 | 0.29 | (0.05) | 0.15 | (0.10) | 0.02 | 0.09 | 0.07 | 0.03 | |
| TOTAL STANDARD & POORS 500 | 3,754.3 | 9.46% | 10.96 | -2.54 | -4.57 | 1.07 | 30.45 | 14.90 | 26.45 | -37.11 | 5.68 | 7.90 | 11.29 | 0.16 | 3.66 | 0.43 |
| <i>STANDARD & POORS 500</i> | | | 10.93 | -2.47 | -4.45 | 1.30 | 30.69 | 15.06 | 26.47 | -37.00 | 5.49 | 8.09 | 11.42 | 0.25 | 3.69 | |
| | | | 0.03 | (0.07) | (0.12) | (0.24) | (0.24) | (0.16) | (0.02) | (0.11) | 0.19 | (0.18) | (0.12) | (0.08) | (0.03) | |
| TOTAL MID CAP PASSIVE | 1,940.8 | 4.89% | 13.68 | -5.53 | -8.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.96 |
| <i>S&P MIDCAP INDEX 400</i> | | | 13.75 | -5.53 | -8.87 | -1.06 | 39.38 | 26.85 | 27.18 | -33.80 | -1.55 | 8.55 | 17.88 | 4.01 | 8.43 | |
| | | | (0.06) | (0.00) | 0.03 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| TOTAL SMALL CAP PASSIVE | 470.4 | 1.19% | 15.10 | -6.66 | -10.05 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | 2.72 |
| <i>RUSSELL 2000</i> | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| | | | (0.04) | 0.01 | (0.01) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| ACTIVE DOMESTIC EQUITY | 3,000.6 | 7.56% | 12.58 | -4.39 | -7.53 | -1.61 | 33.18 | 19.89 | 30.13 | -35.57 | 5.70 | 6.57 | 12.97 | 1.53 | 4.63 | 9.79 |
| <i>RUSSELL 3000</i> | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| | | | 1.07 | (1.08) | (2.00) | (2.09) | 0.81 | 2.96 | 1.79 | 0.57 | 0.57 | (1.34) | 0.69 | 0.98 | 0.26 | |
| TOTAL LARGE CAP | 1,567.2 | 3.95% | 11.32 | -2.65 | -5.60 | -0.01 | 30.61 | 16.74 | 27.39 | **** | **** | 7.13 | 11.89 | **** | **** | 1.75 |
| <i>RUSSELL 1000</i> | | | 11.21 | -3.01 | -5.12 | 0.92 | 31.93 | 16.10 | 28.43 | -37.60 | 5.77 | 8.01 | 12.23 | 0.54 | 4.16 | |
| | | | 0.11 | 0.36 | (0.48) | (0.94) | (1.32) | 0.64 | (1.04) | **** | **** | (0.89) | (0.34) | **** | **** | |
| TOTAL SMALL CAP ACTIVE | 812.0 | 2.05% | 15.44 | -7.38 | -11.57 | -5.58 | 38.80 | 29.84 | 38.79 | -42.32 | 4.81 | 5.64 | 16.64 | 1.30 | **** | 4.50 |
| <i>RUSSELL 2000</i> | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| | | | 0.30 | (0.72) | (1.53) | (1.13) | 1.39 | 2.99 | 11.61 | (8.52) | 6.36 | (1.07) | 3.77 | 0.62 | **** | |
| TOTAL EMERGING MGRS | 621.4 | 1.57% | 12.18 | -4.67 | -6.75 | 0.64 | 34.92 | 17.79 | 28.04 | -36.45 | 8.98 | 8.04 | 12.58 | 1.63 | 4.61 | 7.64 |
| <i>RUSSELL 3000</i> | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| | | | 0.67 | (1.36) | (1.22) | 0.17 | 2.55 | 0.86 | (0.30) | 0.86 | 3.85 | 0.14 | 0.30 | 1.09 | 0.24 | |
| US STRATEGIC EQUITY | 115.9 | 0.29% | 12.65 | -9.24 | -12.71 | -3.30 | 23.86 | 8.19 | 21.74 | -31.55 | -3.93 | 0.39 | 7.23 | -2.43 | **** | -0.61 |
| TOTAL U.S. ACTIVIST | 56.9 | 0.14% | 11.27 | -12.47 | -15.98 | -6.61 | 20.40 | 3.93 | 20.21 | -28.66 | -3.93 | -5.36 | 4.29 | -3.33 | **** | -1.35 |
| <i>RUSSELL 2500</i> | | | 14.66 | -6.10 | -9.67 | -2.39 | 39.28 | 26.71 | 34.40 | -36.78 | 1.38 | 7.97 | 16.05 | 2.02 | 8.01 | |
| | | | (3.39) | (6.38) | (6.30) | (4.22) | (18.88) | (22.78) | (14.19) | 8.12 | (5.31) | (13.33) | (11.76) | (5.35) | **** | |
| TOTAL U.S. ENVIRONMENTAL | 59.0 | 0.15% | 14.64 | -4.24 | -7.64 | 0.29 | 35.46 | 26.98 | 29.89 | **** | **** | 11.96 | 16.11 | **** | **** | 5.50 |
| <i>RUSSELL 2000</i> | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| | | | (0.49) | 2.43 | 2.40 | 4.75 | (1.95) | 0.13 | 2.71 | **** | **** | 5.25 | 3.24 | **** | **** | |
| TOTAL INTERNATIONAL EQUITY | 6,787.7 | 17.11% | 10.79 | -10.57 | -11.65 | -8.44 | 31.06 | 14.04 | 41.07 | -46.01 | 16.71 | -4.53 | 13.66 | -0.16 | 7.14 | 6.50 |
| PASSIVE DEVELOPED MARKETS | 1,554.4 | 3.92% | 9.67 | -9.64 | -11.00 | -7.18 | 29.50 | 8.18 | 32.26 | -42.78 | 11.37 | -4.50 | 10.08 | -2.10 | 6.04 | 5.06 |
| <i>MSCI EAFE (NET DIVIDEND)</i> | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | 0.03 | 0.12 | 0.20 | (0.40) | (0.86) | 0.43 | 0.48 | 0.61 | 0.20 | (0.42) | 0.17 | 0.31 | 0.30 | |
| PASSIVE EMERGING MARKETS | 687.8 | 1.73% | 12.22 | -11.23 | -10.73 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -12.01 |
| <i>FTSE CUSTOM BENCHMARK</i> | | | 12.21 | -11.07 | -11.37 | -11.43 | 30.34 | 24.60 | 83.92 | -52.98 | 39.34 | -5.95 | 25.58 | 8.01 | **** | |
| | | | 0.01 | (0.15) | 0.64 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| ACTIVE DEVELOPED MARKETS | 2,847.5 | 7.18% | 10.57 | -9.79 | -11.34 | -7.00 | 30.90 | 10.56 | 34.00 | -44.73 | 11.09 | -3.61 | 11.09 | -2.12 | 6.04 | 6.66 |
| <i>MSCI EAFE (NET DIVIDEND)</i> | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | 0.92 | (0.03) | (0.14) | (0.22) | 0.54 | 2.81 | 2.22 | (1.34) | (0.08) | 0.47 | 1.18 | 0.29 | 0.31 | |
| ACTIVE EMERGING MARKETS | 1,308.5 | 3.30% | 12.33 | -11.72 | -11.45 | -11.98 | 30.44 | 27.43 | 86.55 | -54.13 | 42.87 | -6.57 | 27.25 | 8.54 | **** | 12.36 |
| <i>FTSE CUSTOM BENCHMARK</i> | | | 12.21 | -11.07 | -11.37 | -11.43 | 30.34 | 24.60 | 83.92 | -52.98 | 39.34 | -5.95 | 25.58 | 8.01 | **** | |
| | | | 0.12 | (0.65) | (0.08) | (0.55) | 0.10 | 2.83 | 2.63 | (1.15) | 3.53 | (0.62) | 1.66 | 0.53 | **** | |
| NON US STRATEGIC EQUITY | 389.4 | 0.98% | 9.97 | -14.16 | -17.05 | -13.51 | 37.89 | 21.57 | 33.76 | **** | **** | -8.21 | 12.77 | **** | **** | -2.95 |
| TOTAL NON-U.S. ACTIVIST | 225.6 | 0.57% | 10.48 | -18.93 | -21.94 | -18.74 | 43.09 | 29.33 | 29.34 | **** | **** | -13.29 | 12.46 | **** | **** | 7.81 |
| <i>MSCI EUROPE SMID CAP INDEX</i> | | | 11.04 | -13.05 | -16.73 | -10.20 | 42.09 | 16.03 | 53.23 | -52.13 | **** | -7.04 | 15.89 | **** | **** | |
| | | | (0.56) | (5.88) | (5.22) | (8.54) | 1.00 | 13.30 | (23.89) | **** | **** | (6.25) | (3.43) | **** | **** | |
| NON-U.S. ENVIRONMENTAL | 163.8 | 0.41% | 9.28 | -6.57 | -9.18 | -5.27 | 28.28 | 8.66 | 40.08 | **** | **** | -0.53 | 12.42 | **** | **** | -3.74 |
| <i>MSCI WORLD INDEX</i> | | | 10.37 | -6.18 | -7.86 | -2.68 | 31.19 | 12.34 | 30.80 | -40.33 | 9.57 | 2.30 | 11.40 | -0.44 | 5.08 | |
| | | | (1.10) | (0.38) | (1.32) | (2.59) | (2.91) | (3.68) | 9.28 | **** | **** | (2.83) | 1.02 | **** | **** | |

THE BANK OF NEW YORK MELLON

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October 31, 2011

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|------------------------------|--------------|------------|------------------|-------------------|------------|--------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------|-------------------|-------------------|--------------------|-----------------|
| US EQUITY | | | | | | | | | | | | | | | | |
| TOTAL RUSSELL 3000 | 5,800.6 | 14.62% | 11.50 | -3.28 | -5.48 | 0.50 | 32.55 | 17.22 | 28.29 | -37.16 | 5.03 | 7.92 | 12.38 | 0.62 | 4.40 | 8.89 |
| RUSSELL 3000 | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| | | | (0.01) | 0.03 | 0.05 | 0.03 | 0.18 | 0.29 | (0.05) | 0.15 | (0.10) | 0.02 | 0.09 | 0.07 | 0.03 | |
| BLACKROCK RUSSELL 3000 | 3,738.2 | 9.42% | 11.49 | -3.32 | -5.51 | 0.41 | 32.30 | 17.04 | 28.21 | -37.29 | 4.98 | 7.83 | 12.26 | 0.50 | 4.34 | 1.19 |
| STATE STREET R3000 | 2,062.4 | 5.20% | 11.53 | -3.24 | -5.44 | 0.63 | **** | **** | **** | **** | **** | 8.06 | **** | **** | **** | 11.28 |
| RUSSELL 3000 | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| BLACKROCK RUSSELL 3000 | | | (0.02) | (0.00) | 0.01 | (0.06) | (0.07) | 0.11 | (0.13) | 0.02 | (0.15) | (0.07) | (0.02) | (0.05) | (0.03) | |
| STATE STREET R3000 | | | 0.02 | 0.08 | 0.09 | 0.16 | **** | **** | **** | **** | **** | 0.16 | **** | **** | **** | |
| TOTAL STANDARD & POORS 500 | 3,754.3 | 9.46% | 10.96 | -2.54 | -4.57 | 1.07 | 30.45 | 14.90 | 26.45 | -37.11 | 5.68 | 7.90 | 11.29 | 0.16 | 3.66 | 0.43 |
| AMALGAMATED S & P 500 INDE> | 3,754.3 | 9.46% | 10.96 | -2.54 | -4.57 | 1.07 | 30.45 | 14.90 | 26.45 | -37.11 | 5.68 | 7.90 | 11.29 | 0.16 | 3.62 | 0.58 |
| STANDARD & POORS 500 | | | 10.93 | -2.47 | -4.45 | 1.30 | 30.69 | 15.06 | 26.47 | -37.00 | 5.49 | 8.09 | 11.42 | 0.25 | 3.69 | |
| TOTAL STANDARD & POORS 500 | | | 0.03 | (0.07) | (0.12) | (0.24) | (0.24) | (0.16) | (0.02) | (0.11) | 0.19 | (0.18) | (0.12) | (0.08) | (0.03) | |
| AMALGAMATED S & P 500 INDE> | | | 0.03 | (0.07) | (0.12) | (0.24) | (0.24) | (0.16) | (0.02) | (0.11) | 0.19 | (0.18) | (0.12) | (0.08) | (0.07) | |
| TOTAL SMALL CAP | 1,282.4 | 3.23% | 15.32 | -7.09 | -10.96 | -3.92 | 40.29 | 29.84 | 38.79 | -42.32 | 4.81 | 7.50 | 17.33 | 1.66 | **** | 5.86 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| | | | 0.18 | (0.42) | (0.92) | 0.54 | 2.88 | 2.99 | 11.61 | (8.52) | 6.36 | 0.79 | 4.45 | 0.98 | **** | |
| TOTAL SMALL CAP PASSIVE | 470.4 | 1.19% | 15.10 | -6.66 | -10.05 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | 2.72 |
| BLACKROCK R2000 | 470.4 | 1.19% | 15.10 | -6.66 | -10.05 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | 2.72 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| TOTAL SMALL CAP PASSIVE | | | (0.04) | 0.01 | (0.01) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| BLACKROCK R2000 | | | (0.04) | 0.01 | (0.01) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| TOTAL SMALL CAP ACTIVE | 812.0 | 2.05% | 15.44 | -7.38 | -11.57 | -5.58 | 38.80 | 29.84 | 38.79 | -42.32 | 4.81 | 5.64 | 16.64 | 1.30 | **** | 4.50 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| | | | 0.30 | (0.72) | (1.53) | (1.13) | 1.39 | 2.99 | 11.61 | (8.52) | 6.36 | (1.07) | 3.77 | 0.62 | **** | |
| TOTAL SMALL CAP VALUE ACTIVE | 62.0 | 0.16% | 14.75 | -6.26 | -9.20 | -3.18 | 40.25 | 30.42 | 37.72 | -38.61 | 0.45 | 8.73 | 18.17 | 2.24 | **** | 5.20 |
| GABELLI | 62.0 | 0.16% | 14.75 | -6.26 | -9.20 | -3.18 | 40.25 | 30.42 | 37.72 | -36.22 | 4.18 | 8.73 | 18.14 | 3.89 | **** | 7.82 |
| RUSSELL 2000 VALUE | | | 14.41 | -7.09 | -10.16 | -6.77 | 31.35 | 24.50 | 20.59 | -28.93 | -9.77 | 3.54 | 9.53 | -1.42 | 7.64 | |
| TOTAL SMALL CAP VALUE | | | 0.34 | 0.82 | 0.96 | 3.59 | 8.90 | 5.92 | 17.13 | (9.68) | 10.22 | 5.19 | 8.64 | 3.65 | **** | |
| GABELLI | | | 0.34 | 0.82 | 0.96 | 3.59 | 8.90 | 5.92 | 17.13 | (7.29) | 13.95 | 5.19 | 8.61 | 5.31 | **** | |
| TOTAL SMALL CAP CORE ACTIVE | 192.0 | 0.48% | 17.33 | -6.71 | -14.20 | -4.92 | 47.35 | 31.75 | 45.44 | **** | **** | 5.66 | 18.25 | **** | **** | 18.25 |
| DARUMA ASSET MANAGEMNT | 192.0 | 0.48% | 17.33 | -6.71 | -14.20 | -4.92 | 47.35 | 31.75 | 45.44 | **** | **** | 5.66 | 18.25 | **** | **** | 18.25 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| TOTAL SMALL CAP CORE | | | 2.20 | (0.04) | (4.16) | (0.46) | 9.94 | 4.90 | 18.26 | **** | **** | (1.05) | 5.37 | **** | **** | |
| DARUMA ASSET MANAGEMNT | | | 2.20 | (0.04) | (4.16) | (0.46) | 9.94 | 4.90 | 18.26 | **** | **** | (1.05) | 5.37 | **** | **** | |
| RAFI ENHANCED SMALL CO. | 558.0 | 1.41% | 14.88 | -7.73 | -10.89 | -4.95 | 37.59 | 29.59 | 34.62 | **** | **** | 6.17 | 15.51 | **** | **** | 5.44 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| | | | (0.26) | (1.07) | (0.85) | (0.49) | 0.18 | 2.74 | 7.44 | **** | **** | (0.53) | 2.63 | **** | **** | |

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|--|---------------|------------|------------------|-------------------|------------|--------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------|-------------------|-------------------|--------------------|-----------------|
| TOTAL MID CAP RUSSELL MIDCAP | 1,940.8 | 4.89% | 13.68 | -5.53 | -8.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.96 |
| | | | 13.01 | -4.89 | -8.34 | -0.93 | 38.47 | 26.85 | 27.18 | -33.80 | -1.55 | 7.85 | 17.83 | 2.26 | 8.35 | |
| | | | 0.67 | (0.64) | (0.50) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| TOTAL MID CAP PASSIVE SSGA S&P 400 | 1,940.8 | 4.89% | 13.68 | -5.53 | -8.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.96 |
| S&P MIDCAP INDEX 400 | 1,940.8 | 4.89% | 13.68 | -5.53 | -8.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.96 |
| | | | 13.75 | -5.53 | -8.87 | -1.06 | 39.38 | 26.85 | 27.18 | -33.80 | -1.55 | 8.55 | 17.88 | 4.01 | 8.43 | |
| TOTAL MID CAP PASSIVE +/- SSGA S&P 400 +/- | | | (0.06) | (0.00) | 0.03 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| | | | (0.06) | (0.00) | 0.03 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| TOTAL LARGE CAP RUSSELL 1000 | 1,567.2 | 3.95% | 11.32 | -2.65 | -5.60 | -0.01 | 30.61 | 16.74 | 27.39 | **** | **** | 7.13 | 11.89 | **** | **** | 1.75 |
| | | | 11.21 | -3.01 | -5.12 | 0.92 | 31.93 | 16.10 | 28.43 | -37.60 | 5.77 | 8.01 | 12.23 | 0.54 | 4.16 | |
| | 1,567.2 +/- | | 0.11 | 0.36 | (0.48) | (0.94) | (1.32) | 0.64 | (1.04) | **** | **** | (0.89) | (0.34) | **** | **** | |
| TOTAL LARGE CAP GROWTH PROFIT INV MGMT (D) | 222.6 | 0.56% | 12.73 | -1.37 | -3.66 | 2.64 | 32.70 | 13.59 | **** | **** | **** | 9.30 | **** | **** | **** | 17.93 |
| CASTLEARK MGMT (D) | 142.4 | 0.36% | 11.66 | -1.20 | -3.30 | 1.87 | 27.44 | 9.48 | **** | **** | **** | 6.22 | **** | **** | **** | 16.38 |
| RUSSELL 1000 GROWTH | 80.1 | 0.20% | 14.68 | -1.67 | -4.29 | 4.05 | 43.11 | 21.89 | **** | **** | **** | 15.23 | **** | **** | **** | 20.88 |
| | | | 10.97 | -2.63 | -3.60 | 2.98 | 35.01 | 16.71 | 37.22 | -38.43 | 11.82 | 9.92 | 15.63 | 3.05 | 3.56 | |
| TOTAL LARGE CAP GROWTH +/- PROFIT INV MGMT +/- CASTLEARK MGMT +/- | | | 1.76 | 1.26 | (0.05) | (0.34) | (2.31) | (3.12) | **** | **** | **** | (0.62) | **** | **** | **** | |
| | | | 0.69 | 1.43 | 0.30 | (1.11) | (7.57) | (7.23) | **** | **** | **** | (3.70) | **** | **** | **** | |
| | | | 3.71 | 0.96 | (0.69) | 1.07 | 8.10 | 5.18 | **** | **** | **** | 5.31 | **** | **** | **** | |
| TOTAL LARGE CAP VALUE DENALI ADVISORS (D) | 107.5 | 0.27% | 11.36 | -3.91 | -6.58 | -1.56 | 26.38 | 10.60 | **** | **** | **** | 5.23 | **** | **** | **** | 15.04 |
| RUSSELL 1000 VALUE | 107.5 | 0.27% | 11.36 | -3.91 | -6.58 | -0.11 | 28.38 | 11.13 | **** | **** | **** | 6.74 | **** | **** | **** | 16.74 |
| | | | 11.45 | -3.40 | -6.61 | -1.08 | 28.94 | 15.51 | 19.69 | -36.85 | -0.18 | 6.16 | 8.78 | -2.05 | 4.57 | |
| TOTAL LARGE CAP VALUE +/- DENALI ADVISORS +/- | | | (0.09) | (0.51) | 0.03 | (0.48) | (2.56) | (4.91) | **** | **** | **** | (0.93) | **** | **** | **** | |
| | | | (0.09) | (0.51) | 0.03 | 0.97 | (0.56) | (4.38) | **** | **** | **** | 0.58 | **** | **** | **** | |
| TOTAL LARGE CAP CORE SEIZERT CAPITAL PRTNRS (D) | 214.1 | 0.54% | 10.87 | -3.88 | -6.34 | -1.44 | 29.21 | 15.86 | **** | **** | **** | 4.23 | **** | **** | **** | 29.84 |
| PIEDMONT INV ADV (D) | 114.1 | 0.29% | 11.46 | -2.70 | -5.30 | 1.32 | 30.59 | 15.82 | **** | **** | **** | 6.75 | **** | **** | **** | 19.04 |
| RUSSELL 1000 | 100.0 | 0.25% | 10.20 | -5.19 | -7.51 | -4.41 | 27.72 | 15.91 | **** | **** | **** | 1.49 | **** | **** | **** | 14.53 |
| | | | 11.21 | -3.01 | -5.12 | 0.92 | 31.93 | 16.10 | 28.43 | -37.60 | 5.77 | 8.01 | 12.23 | 0.54 | 4.16 | |
| TOTAL LARGE CAP CORE +/- SEIZERT CAPITAL PRTNRS +/- PIEDMONT INV ADV +/- | | | (0.34) | (0.86) | (1.22) | (2.36) | (2.72) | (0.24) | **** | **** | **** | (3.79) | **** | **** | **** | |
| | | | 0.26 | 0.31 | (0.18) | 0.40 | (1.34) | (0.28) | **** | **** | **** | (1.26) | **** | **** | **** | |
| | | | (1.01) | (2.17) | (2.39) | (5.34) | (4.21) | (0.19) | **** | **** | **** | (6.52) | **** | **** | **** | |
| TOTAL FUNDAMENTAL INDEX LARGE CAF RUSSELL 1000 | 1,023.0 | 2.58% | 11.10 | -2.54 | -5.75 | 0.01 | 31.20 | 18.05 | 26.11 | **** | **** | 7.44 | 11.94 | **** | **** | 1.79 |
| | | | 11.21 | -3.01 | -5.12 | 0.92 | 31.93 | 16.10 | 28.43 | -37.60 | 5.77 | 8.01 | 12.23 | 0.54 | 4.16 | |
| | | | (0.11) | 0.48 | (0.63) | (0.91) | (0.73) | 1.95 | (2.32) | **** | **** | (0.57) | (0.29) | **** | **** | |
| VTL S&P 500 STANDARD & POORS 500 | 253.3 | 0.64% | 12.04 | -2.44 | -5.72 | 0.53 | 31.52 | 17.47 | 30.84 | **** | **** | 8.35 | 13.64 | **** | **** | 2.70 |
| | | | 10.93 | -2.47 | -4.45 | 1.30 | 30.69 | 15.06 | 26.47 | -37.00 | 5.49 | 8.09 | 11.42 | 0.25 | 3.69 | |
| | | | 1.11 | 0.03 | (1.27) | (0.78) | 0.83 | 2.41 | 4.37 | **** | **** | 0.27 | 2.22 | **** | **** | |
| RAFI ENHANCED LARGE CO. RUSSELL 1000 | 769.7 | 1.94% | 10.80 | -2.57 | -5.76 | 0.80 | 32.67 | 18.99 | 27.48 | **** | **** | 8.79 | 13.08 | **** | **** | 4.04 |
| | | | 11.21 | -3.01 | -5.12 | 0.92 | 31.93 | 16.10 | 28.43 | -37.60 | 5.77 | 8.01 | 12.23 | 0.54 | 4.16 | |
| RAFI ENHANCED LARGE CO. +/- | | | (0.41) | 0.45 | (0.64) | (0.13) | 0.74 | 2.89 | (0.95) | **** | **** | 0.78 | 0.85 | **** | **** | |

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|-----------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| EMERGING MANAGERS | | | | | | | | | | | | | | | | |
| TOTAL EMERGING MGRS | 621.4 | 1.57% | 12.18 | -4.67 | -6.75 | 0.64 | 34.92 | 17.79 | 28.04 | -36.45 | 8.98 | 8.04 | 12.58 | 1.63 | 4.61 | 7.64 |
| PROGRESS EQUITY | 243.6 | 0.61% | 12.24 | -5.46 | -7.40 | 0.06 | 34.83 | 16.81 | 30.87 | -37.03 | 9.06 | 7.55 | 12.87 | 1.61 | 4.76 | 7.77 |
| ATTUCKS | 188.7 | 0.48% | 12.25 | -4.33 | -6.45 | 1.28 | 35.95 | 18.78 | 24.63 | -36.63 | **** | 8.81 | 12.23 | **** | **** | -1.33 |
| F.I.S FUND MGMT | 144.5 | 0.36% | 11.93 | -3.67 | -5.75 | 1.32 | 33.73 | 16.39 | 26.79 | -35.41 | 6.75 | 8.16 | 12.01 | 1.24 | 4.01 | 2.04 |
| CAPITAL PROSPECTS | 44.5 | 0.11% | 12.38 | -5.01 | -7.67 | -0.95 | 33.80 | 18.56 | 27.04 | -37.64 | **** | 7.15 | 11.42 | **** | **** | -1.98 |
| RUSSELL 3000 | | | 11.51 | -3.31 | -5.53 | 0.47 | 32.37 | 16.93 | 28.34 | -37.31 | 5.13 | 7.90 | 12.28 | 0.55 | 4.37 | |
| TOTAL EMERGING MGRS +/- | | | 0.67 | (1.36) | (1.22) | 0.17 | 2.55 | 0.86 | (0.30) | 0.86 | 3.85 | 0.14 | 0.30 | 1.09 | 0.24 | |
| PROGRESS EQUITY +/- | | | 0.73 | (2.15) | (1.87) | (0.42) | 2.46 | (0.12) | 2.53 | 0.28 | 3.93 | (0.35) | 0.58 | 1.07 | 0.39 | |
| ATTUCKS +/- | | | 0.74 | (1.01) | (0.92) | 0.80 | 3.58 | 1.85 | (3.71) | 0.68 | **** | 0.90 | (0.05) | **** | **** | |
| F.I.S FUND MGMT +/- | | | 0.42 | (0.35) | (0.22) | 0.85 | 1.36 | (0.54) | (1.55) | 1.90 | 1.62 | 0.25 | (0.27) | 0.69 | (0.36) | |
| CAPITAL PROSPECTS +/- | | | 0.87 | (1.70) | (2.15) | (1.42) | 1.43 | 1.63 | (1.30) | (0.33) | **** | (0.75) | (0.87) | **** | **** | |
| ACTIVIST EQUITY | | | | | | | | | | | | | | | | |
| TOTAL U.S. ACTIVIST | 56.9 | 0.14% | 11.27 | -12.47 | -15.98 | -6.61 | 20.40 | 3.93 | 20.21 | -28.66 | -3.93 | -5.36 | 4.29 | -3.33 | **** | -1.35 |
| RUSSELL 2500 | | | 14.66 | -6.10 | -9.67 | -2.39 | 39.28 | 26.71 | 34.40 | -36.78 | 1.38 | 7.97 | 16.05 | 2.02 | 8.01 | |
| +/- | | | (3.39) | (6.38) | (6.30) | (4.22) | (18.88) | (22.78) | (14.19) | 8.12 | (5.31) | (13.33) | (11.76) | (5.35) | **** | |
| BREEDEN CAPITAL MANAGEMENT | 56.9 | 0.14% | 11.27 | -12.50 | -16.01 | -6.04 | 22.59 | -3.11 | 29.42 | **** | **** | -4.29 | 6.44 | **** | **** | 6.44 |
| RUSSELL 2500 | | | 14.66 | -6.10 | -9.67 | -2.39 | 39.28 | 26.71 | 34.40 | -36.78 | 1.38 | 7.97 | 16.05 | 2.02 | 8.01 | |
| +/- | | | (3.38) | (6.40) | (6.33) | (3.65) | (16.69) | (29.82) | (4.98) | **** | **** | (12.26) | (9.61) | **** | **** | |
| U.S. ENVIRONMENTAL | | | | | | | | | | | | | | | | |
| TOTAL U.S. ENVIRONMENTAL | 59.0 | 0.15% | 14.64 | -4.24 | -7.64 | 0.29 | 35.46 | 26.98 | 29.89 | **** | **** | 11.96 | 16.11 | **** | **** | 5.50 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| +/- | | | (0.49) | 2.43 | 2.40 | 4.75 | (1.95) | 0.13 | 2.71 | **** | **** | 5.25 | 3.24 | **** | **** | |
| WALDEN ASSET MGMT | 59.0 | 0.15% | 14.64 | -4.24 | -7.64 | 0.29 | 35.46 | 26.98 | 29.89 | **** | **** | 11.96 | 16.11 | **** | **** | 5.50 |
| RUSSELL 2000 | | | 15.14 | -6.67 | -10.04 | -4.46 | 37.41 | 26.85 | 27.18 | -33.80 | -1.55 | 6.71 | 12.88 | 0.68 | 7.02 | |
| +/- | | | (0.49) | 2.43 | 2.40 | 4.75 | (1.95) | 0.13 | 2.71 | **** | **** | 5.25 | 3.24 | **** | **** | |
| NON - US EQUITY | | | | | | | | | | | | | | | | |
| EAFE GROWTH | 1,017.1 | 2.56% | 11.21 | -9.79 | -11.29 | -7.58 | 30.71 | 10.16 | 33.99 | -44.76 | 26.18 | -3.73 | 10.64 | 0.29 | **** | 6.83 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| MSCI EAFE GROWTH | | | 10.11 | -10.15 | -10.74 | -6.58 | 31.65 | 12.60 | 29.91 | -42.46 | 16.85 | -2.46 | 10.84 | -0.56 | **** | |
| +/- | | | 1.57 | (0.03) | (0.09) | (0.80) | 0.35 | 2.41 | 2.21 | (1.37) | 15.01 | 0.35 | 0.74 | 2.70 | **** | |
| +/- | | | 1.10 | 0.36 | (0.54) | (1.00) | (0.94) | (2.44) | 4.08 | (2.30) | 9.33 | (1.26) | (0.20) | 0.85 | **** | |
| TOTAL INTL GROWTH | 1,017.1 | 2.56% | 11.21 | -9.79 | -11.29 | -7.58 | 30.71 | 10.16 | 33.99 | -44.76 | 26.18 | -3.73 | 10.64 | 0.29 | **** | 6.83 |
| BAILLIE GIFFORD | 385.2 | 0.97% | 12.71 | -7.65 | -9.74 | -5.73 | 34.39 | 17.57 | 46.55 | -44.86 | **** | -0.30 | 17.37 | **** | **** | -2.84 |
| PYRAMIS GLOBAL ADVISORS | 338.4 | 0.85% | 9.88 | -10.25 | -10.89 | -6.32 | 31.72 | 10.72 | 34.05 | -42.74 | **** | -2.74 | 11.44 | **** | **** | -5.77 |
| G.E. (NEW) | 292.1 | 0.74% | 10.86 | -12.01 | -13.72 | -9.73 | 29.87 | 6.38 | 28.21 | -42.40 | **** | -6.87 | 6.92 | **** | **** | -8.58 |
| MARTIN CURRIE | 0.8 | 0.00% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| MSCI EAFE GROWTH | | | 10.11 | -10.15 | -10.74 | -6.58 | 31.65 | 12.60 | 29.91 | -42.46 | 16.85 | -2.46 | 10.84 | -0.56 | **** | |
| TOTAL INTL GROWTH +/- | | | 1.10 | 0.36 | (0.54) | (1.00) | (0.94) | (2.44) | 4.08 | (2.30) | 9.33 | (1.26) | (0.20) | 0.85 | **** | |
| BAILLIE GIFFORD +/- | | | 2.60 | 2.50 | 1.01 | 0.85 | 2.74 | 4.97 | 16.64 | (2.40) | **** | 2.17 | 6.52 | **** | **** | |
| PYRAMIS GLOBAL ADVISORS +/- | | | (0.23) | (0.11) | (0.15) | 0.26 | 0.07 | (1.88) | 4.14 | **** | **** | (0.27) | 0.60 | **** | **** | |
| G.E. (NEW) +/- | | | 0.75 | (1.86) | (2.98) | (3.15) | (1.78) | (6.22) | (1.70) | 0.06 | **** | (4.41) | (3.93) | **** | **** | |

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|--|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| EAFE VALUE | 821.8 | 2.07% | 8.35 | -9.93 | -11.30 | -7.22 | 29.75 | 10.16 | 33.99 | -44.76 | 26.18 | -4.18 | 10.03 | -2.88 | **** | 5.17 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| MSCI EAFE VALUE | | | 9.18 | -9.27 | -11.53 | -6.18 | 30.10 | 3.81 | 35.06 | -43.68 | 6.47 | -4.89 | 9.96 | -3.39 | **** | |
| | | | +/- | (1.29) | (0.17) | (0.10) | (0.44) | (0.61) | 2.41 | (1.37) | 15.01 | (0.10) | 0.13 | (0.46) | **** | |
| | | | +/- | (0.83) | (0.67) | 0.23 | (1.04) | (0.35) | 6.35 | (1.07) | (1.08) | 19.71 | 0.72 | 0.08 | 0.51 | **** |
| TOTAL INTL VALUE | 821.8 | 2.07% | 8.35 | -9.93 | -11.30 | -7.22 | 29.75 | 10.07 | 31.48 | -44.99 | 10.41 | -4.18 | 10.03 | -2.88 | **** | 5.17 |
| SPRUCEGROVE (NEW) | 470.6 | 1.19% | 9.23 | -8.51 | -9.62 | -6.13 | 30.53 | 19.06 | 34.90 | -41.78 | **** | -0.41 | 13.78 | **** | **** | -3.29 |
| MONDRIAN INVESTMENT PARTNERS LTD I | 349.0 | 0.88% | 8.03 | -5.53 | -6.79 | 0.98 | 30.61 | 3.98 | 25.02 | **** | **** | 1.19 | 9.78 | **** | **** | -3.74 |
| ALLIANCE | 1.8 | 0.00% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| MSCI EAFE VALUE | | | 9.18 | -9.27 | -11.53 | -6.18 | 30.10 | 3.81 | 35.06 | -43.68 | 6.47 | -4.89 | 9.96 | -3.39 | **** | |
| | | | +/- | (0.83) | (0.67) | 0.23 | (1.04) | (0.35) | 6.26 | (3.58) | (1.31) | 3.94 | 0.72 | 0.08 | 0.51 | **** |
| | | | +/- | 0.05 | 0.76 | 1.90 | 0.05 | 0.43 | 15.25 | (0.16) | 1.90 | **** | 4.48 | 3.82 | **** | **** |
| | | | +/- | (1.15) | 3.74 | 4.73 | 7.16 | 0.51 | 0.17 | (10.04) | **** | 6.08 | (0.18) | **** | **** | **** |
| TOTAL PASSIVE DEVELOPEL | 1,554.4 | 3.92% | 9.67 | -9.64 | -11.00 | -7.18 | 29.50 | 8.18 | 32.26 | -42.78 | 11.37 | -4.50 | 10.08 | -2.10 | 6.04 | 5.06 |
| SSGA | 1,554.2 | 3.92% | 9.67 | -9.64 | -11.00 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -8.55 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | +/- | 0.03 | 0.12 | 0.20 | (0.40) | (0.86) | 0.43 | 0.48 | 0.61 | 0.20 | (0.42) | 0.17 | 0.31 | 0.30 |
| | | | +/- | 0.03 | 0.12 | 0.20 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| TOTAL INTL CORE | 969.9 | 2.44% | 11.94 | -10.27 | -12.11 | -6.56 | 32.76 | 11.66 | 37.63 | -44.88 | **** | -3.45 | 12.86 | **** | **** | -5.53 |
| THORNBURG | 536.2 | 1.35% | 11.16 | -9.71 | -11.60 | -6.39 | 33.61 | 16.28 | 32.90 | -42.20 | **** | -2.48 | 12.40 | **** | **** | -4.56 |
| PHILADELPHIA | 433.7 | 1.09% | 12.92 | -10.95 | -12.73 | -6.76 | 31.75 | 6.45 | 43.38 | -47.64 | **** | -4.62 | 13.43 | **** | **** | -6.67 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | +/- | 2.30 | (0.51) | (0.91) | 0.22 | 2.40 | 3.91 | 5.85 | (1.49) | **** | 0.63 | 2.95 | **** | **** |
| | | | +/- | 1.52 | 0.05 | (0.41) | 0.38 | 3.25 | 8.53 | 1.12 | 1.19 | **** | 1.60 | 2.50 | **** | **** |
| | | | +/- | 3.28 | (1.19) | (1.53) | 0.02 | 1.39 | (1.30) | 11.60 | (4.25) | **** | (0.53) | 3.52 | **** | **** |
| TOTAL PROGRESS INTL | 38.4 | 0.10% | 10.08 | -9.70 | -10.22 | -7.50 | 28.59 | 12.96 | 36.52 | -44.31 | **** | -3.46 | 12.84 | **** | **** | -6.23 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | +/- | 0.44 | 0.06 | 0.98 | (0.72) | (1.77) | 5.21 | 4.74 | (0.92) | **** | 0.62 | 2.94 | **** | **** |
| NON-US ACTIVIST & ENVIRONMENTAL EQUITY | | | | | | | | | | | | | | | | |
| TOTAL NON-U.S. ENVIRONMENTAL | 163.8 | 0.41% | 9.28 | -6.57 | -9.18 | -5.27 | 28.28 | 8.66 | 40.08 | **** | **** | -0.53 | 12.42 | **** | **** | -3.74 |
| GENERATION GE | 114.8 | 0.29% | 9.12 | -6.87 | -9.53 | -5.57 | 26.09 | 15.09 | 48.07 | **** | **** | -0.72 | 16.04 | **** | **** | 5.46 |
| F&C SGE | 49.0 | 0.12% | 9.65 | -5.86 | -8.35 | -4.56 | 28.89 | 13.52 | 40.22 | **** | **** | -0.07 | 12.91 | **** | **** | -0.58 |
| MSCI WORLD INDEX | | | 10.37 | -6.18 | -7.86 | -2.68 | 31.19 | 12.34 | 30.80 | -40.33 | 9.57 | 2.30 | 11.40 | -0.44 | 5.08 | |
| | | | +/- | (1.10) | (0.38) | (1.32) | (2.59) | (2.91) | (3.68) | 9.28 | **** | (2.83) | 1.02 | **** | **** | |
| | | | +/- | (1.25) | (0.68) | (1.68) | (2.89) | (5.10) | 2.75 | 17.27 | **** | (3.03) | 4.64 | **** | **** | |
| | | | +/- | (0.72) | 0.33 | (0.49) | (1.88) | (2.30) | 1.18 | 9.42 | **** | (2.37) | 1.51 | **** | **** | |
| TOTAL NON-U.S. ACTIVIST | 225.6 | 0.57% | 10.48 | -18.93 | -21.94 | -18.74 | 43.09 | 29.33 | 29.34 | **** | **** | -13.29 | 12.46 | **** | **** | 7.81 |
| GOVERNANCE FOR OWNERS | 225.6 | 0.57% | 10.48 | -18.93 | -21.94 | -17.90 | 47.08 | 36.13 | 42.60 | **** | **** | -11.16 | 20.00 | **** | **** | 20.00 |
| MSCI EUROPE SMID CAP INDEX | | | 11.04 | -13.05 | -16.73 | -10.20 | 42.09 | 16.03 | 53.23 | -52.13 | **** | -7.04 | 15.89 | **** | **** | |
| | | | +/- | (0.56) | (5.88) | (5.22) | (8.54) | 1.00 | 13.30 | (23.89) | **** | (6.25) | (3.43) | **** | **** | |
| | | | +/- | (0.56) | (5.88) | (5.22) | (7.71) | 4.99 | 20.10 | (10.63) | **** | (4.12) | 4.11 | **** | **** | |

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Employees' Retirement System

October 31, 2011

| | Assets (\$MM) | % of Total | Trailing 1 Month | Trailing 3 Months | Fiscal YTD | Calendar YTD | FY Ending 06/30/11 | Calendar Yr Ending 2010 | Calendar Yr Ending 2009 | Calendar Yr Ending 2008 | Calendar Yr Ending 2007 | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years | Since Inception |
|---|---------------|------------|------------------|-------------------|------------|--------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------|-------------------|-------------------|--------------------|-----------------|
| TOTAL DEVELOPED MARKETS | 4,401.9 | 11.10% | 10.25 | -9.81 | -11.31 | -7.08 | 30.61 | 10.09 | 33.65 | -44.34 | 11.14 | -3.84 | 10.87 | -2.13 | 6.01 | 5.97 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | 0.61 | (0.05) | (0.11) | (0.30) | 0.25 | 2.34 | 1.87 | (0.95) | (0.03) | 0.24 | 0.96 | 0.29 | 0.28 | |
| TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST | 4,791.3 | 12.08% | 10.23 | -10.18 | -11.80 | -7.62 | 31.27 | 11.17 | 33.66 | -44.37 | 11.14 | -4.16 | 11.10 | -2.06 | **** | 4.65 |
| MSCI EAFE (NET DIVIDEND) | | | 9.64 | -9.76 | -11.20 | -6.78 | 30.36 | 7.75 | 31.78 | -43.39 | 11.17 | -4.08 | 9.90 | -2.42 | 5.73 | |
| | | | 0.59 | (0.42) | (0.61) | (0.84) | 0.91 | 3.42 | 1.88 | (0.98) | (0.03) | (0.08) | 1.19 | 0.35 | **** | |
| EMERGING MARKETS | | | | | | | | | | | | | | | | |
| TOTAL EMERGING MARKETS | 1,996.4 | 5.03% | 12.30 | -11.59 | -11.25 | -11.78 | 30.01 | 26.33 | 86.55 | -54.13 | 42.87 | -6.36 | 26.97 | 8.42 | **** | 12.05 |
| ACTIVE EMERGING MARKETS | 1,308.5 | 3.30% | 12.33 | -11.72 | -11.45 | -11.98 | 30.44 | 27.43 | 86.55 | -54.13 | 42.87 | -6.57 | 27.25 | 8.54 | **** | 12.36 |
| DFA | 391.8 | 0.99% | 12.12 | -14.62 | -14.54 | -15.82 | 30.90 | 32.76 | 93.27 | -50.75 | 47.86 | -10.56 | 30.22 | 11.92 | **** | 14.90 |
| BAILLIE GIFFORD | 324.4 | 0.82% | 12.76 | -8.23 | -8.43 | -11.09 | 24.71 | 24.87 | 89.08 | -55.93 | 37.46 | -5.68 | 26.73 | 6.79 | **** | 11.75 |
| STATE STREET | 311.7 | 0.79% | 11.98 | -11.51 | -11.12 | -9.90 | 33.14 | 25.68 | 76.16 | -54.78 | 39.51 | -4.49 | 24.38 | 6.69 | **** | 10.44 |
| ACADIAN | 280.5 | 0.71% | 12.53 | -11.65 | -10.72 | -9.59 | 33.67 | 25.57 | 87.79 | -54.82 | 46.89 | -3.98 | 27.97 | 9.07 | **** | 12.39 |
| FTSE CUSTOM BENCHMARK | | | 12.21 | -11.07 | -11.37 | -11.43 | 30.34 | 24.60 | 83.92 | -52.98 | 39.34 | -5.95 | 25.58 | 8.01 | **** | |
| ACTIVE EMERGING MARKETS +/- | | | 0.12 | (0.65) | (0.08) | (0.55) | 0.10 | 2.83 | 2.63 | (1.15) | 3.53 | (0.62) | 1.66 | 0.53 | **** | |
| DFA +/- | | | (0.09) | (3.55) | (3.17) | (4.39) | 0.56 | 8.16 | 9.35 | 2.23 | 8.52 | (4.61) | 4.63 | 3.91 | **** | |
| BAILLIE GIFFORD +/- | | | 0.55 | 2.85 | 2.94 | 0.34 | (5.63) | 0.27 | 5.16 | (2.95) | (1.88) | 0.27 | 1.15 | (1.22) | **** | |
| STATE STREET +/- | | | (0.23) | (0.44) | 0.25 | 1.53 | 2.80 | 1.08 | (7.76) | (1.80) | 0.17 | 1.46 | (1.21) | (1.32) | **** | |
| ACADIAN +/- | | | 0.32 | (0.57) | 0.65 | 1.84 | 3.33 | 0.97 | 3.87 | (1.84) | 7.55 | 1.97 | 2.38 | 1.06 | **** | |
| PASSIVE EMERGING MARKETS | 687.8 | 1.73% | 12.22 | -11.23 | -10.73 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -12.01 |
| BLACKROCK-EM | 687.8 | 1.73% | 12.22 | -11.23 | -10.73 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -12.01 |
| FTSE CUSTOM BENCHMARK | | | 12.21 | -11.07 | -11.37 | -11.43 | 30.34 | 24.60 | 83.92 | -52.98 | 39.34 | -5.95 | 25.58 | 8.01 | **** | |
| PASSIVE EMERGING MARKETS +/- | | | 0.01 | (0.15) | 0.64 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| BLACKROCK-EM +/- | | | 0.01 | (0.15) | 0.64 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| TOTAL INTERNATIONAL EQUITY | 6,787.7 | 17.11% | 10.79 | -10.57 | -11.65 | -8.44 | 31.06 | 14.04 | 41.07 | -46.01 | 16.71 | -4.53 | 13.66 | -0.16 | 7.14 | 6.50 |
| MSCI WORLD INDEX | | | 10.37 | -6.18 | -7.86 | -2.68 | 31.19 | 12.34 | 30.80 | -40.33 | 9.57 | 2.30 | 11.40 | -0.44 | 5.08 | |
| | | | 0.42 | (4.39) | (3.79) | (5.76) | (0.13) | 1.70 | 10.27 | (5.68) | 7.14 | (6.83) | 2.26 | 0.28 | 2.06 | |
| HEDGE FUNDS | | | | | | | | | | | | | | | | |
| TOTAL HEDGE FUNDS | 242.2 | 0.61% | -2.09 | -3.25 | -2.79 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -2.79 |
| 1 YEAR TREASURY BILL YIELD + 4% | | | 0.36 | 1.17 | 1.49 | 3.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 7.99 |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1% | | | 1.50 | -3.67 | -3.23 | -3.05 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 6.05 |
| | | | (2.45) | (4.43) | (4.28) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| | | | (3.59) | 0.42 | 0.44 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| PERMAL ASSET MANAGEMENT | 126.0 | 0.32% | -0.45 | -0.79 | -0.28 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -0.28 |
| 1 YEAR TREASURY BILL YIELD + 4% | | | 0.36 | 1.17 | 1.49 | 3.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 7.99 |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1% | | | 1.50 | -3.67 | -3.23 | -3.05 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 6.05 |
| | | | (0.81) | (1.97) | (1.76) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| | | | (1.95) | 2.88 | 2.96 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| CPF LLC PERMAL ASSET MANAGEMENT | 116.3 | 0.29% | -3.82 | -5.82 | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | -5.82 |
| 1 YEAR TREASURY BILL YIELD + 4% | | | 0.36 | 1.17 | 1.49 | 3.84 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 7.99 |
| HFRI FUND OF FUNDS COMPOSITE INDEX + 1% | | | 1.50 | -3.67 | -3.23 | -3.05 | **** | **** | **** | **** | **** | **** | **** | **** | **** | 6.05 |
| | | | (4.18) | (6.99) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |
| | | | (5.32) | (2.15) | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | |

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|---------------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| FIXED INCOME | | | | | | | | | | | | | | | | |
| TOTAL STRUCTURED FIXED INCOME | 6,271.9 | 15.81% | 0.34 | 2.54 | 4.32 | 7.71 | 5.37 | 9.42 | 9.65 | 3.27 | 6.65 | 5.96 | 11.62 | 7.43 | 6.27 | 8.76 |
| NYC - CORE PLUS FIVE | | | 0.08 | 2.95 | 4.86 | 8.06 | 4.15 | 7.13 | 6.28 | 6.64 | 7.02 | 6.01 | 10.40 | 7.15 | 6.04 | |
| | | | +/- | 0.27 | (0.42) | (0.54) | (0.35) | 1.22 | 2.29 | 3.37 | (3.37) | (0.37) | (0.06) | 1.21 | 0.28 | 0.22 |
| ALL MORTGAGE | 2,906.0 | 7.33% | 0.03 | 1.35 | 2.20 | 5.31 | 5.05 | 9.12 | 9.15 | 3.67 | 6.43 | 4.75 | 9.13 | 6.87 | 5.80 | 7.62 |
| PIMCO | 748.7 | 1.89% | 0.09 | 1.53 | 2.20 | 5.62 | 5.84 | 8.35 | 9.30 | 4.48 | 6.76 | 5.24 | 9.12 | 7.05 | 6.10 | 7.89 |
| NEUBERGER BERMAN -MORT | 726.3 | 1.83% | -0.07 | 0.82 | 1.70 | 4.87 | 4.82 | **** | **** | **** | **** | 4.08 | **** | **** | **** | 5.90 |
| BLACKROCK | 684.8 | 1.73% | 0.00 | 1.36 | 2.26 | 5.17 | 5.63 | 8.81 | 10.93 | 2.28 | 6.74 | 4.80 | 9.58 | 6.86 | 5.75 | 6.54 |
| WELLINGTON -MORT | 289.3 | 0.73% | 0.19 | 1.69 | 2.71 | 5.98 | 4.11 | 6.02 | **** | **** | **** | 5.22 | **** | **** | **** | 6.55 |
| GOLDMAN SACHS -MORT | 286.9 | 0.72% | 0.11 | 1.95 | 2.92 | 5.60 | 3.53 | 5.80 | **** | **** | **** | 4.70 | **** | **** | **** | 6.17 |
| SMITH BREEDEN -MORT | 170.0 | 0.43% | -0.05 | 1.18 | 1.97 | 4.88 | 4.50 | 6.40 | **** | **** | **** | 4.59 | **** | **** | **** | 6.09 |
| CITIGROUP MORTGAGE INDEX | | | -0.01 | 1.44 | 2.37 | 5.41 | 3.74 | 5.50 | 5.76 | 8.49 | 6.99 | 4.62 | 7.63 | 6.60 | 5.52 | |
| ALL MORTGAGE +/- | | | 0.04 | (0.09) | (0.17) | (0.10) | 1.31 | 3.62 | 3.39 | (4.82) | (0.56) | 0.13 | 1.50 | 0.27 | 0.28 | |
| PIMCO +/- | | | 0.10 | 0.09 | (0.17) | 0.21 | 2.10 | 2.85 | 3.54 | (4.01) | (0.23) | 0.61 | 1.49 | 0.45 | 0.57 | |
| NEUBERGER BERMAN -MORT +/- | | | (0.06) | (0.62) | (0.67) | (0.55) | 1.08 | **** | **** | **** | **** | (0.55) | **** | **** | **** | |
| BLACKROCK +/- | | | 0.01 | (0.08) | (0.11) | (0.25) | 1.89 | 3.31 | 5.17 | (6.21) | (0.25) | 0.18 | 1.95 | 0.26 | 0.22 | |
| WELLINGTON -MORT +/- | | | 0.20 | 0.25 | 0.34 | 0.57 | 0.37 | 0.52 | **** | **** | **** | 0.60 | **** | **** | **** | |
| GOLDMAN SACHS -MORT +/- | | | 0.12 | 0.51 | 0.55 | 0.19 | (0.21) | 0.30 | **** | **** | **** | 0.08 | **** | **** | **** | |
| SMITH BREEDEN -MORT +/- | | | (0.04) | (0.26) | (0.40) | (0.53) | 0.76 | 0.90 | **** | **** | **** | (0.04) | **** | **** | **** | |
| ALL INVESTMENT GRADE CREDIT | 2,378.4 | 6.00% | 1.67 | 1.59 | 3.84 | 7.48 | 7.09 | 9.63 | 20.37 | -6.68 | 4.52 | 5.69 | 15.93 | 6.84 | 6.17 | 7.73 |
| PRUDENTIAL - CREDIT | 646.7 | 1.63% | 1.55 | 2.21 | 4.48 | 7.72 | 6.03 | 9.01 | 19.47 | -2.40 | 5.43 | 5.88 | 15.94 | 7.74 | 6.69 | 7.49 |
| T. ROWE PRICE -CREDIT | 470.9 | 1.19% | 2.01 | 1.33 | 3.76 | 7.79 | 7.89 | 10.54 | 20.33 | -4.18 | 4.91 | 5.74 | 15.81 | 7.70 | 6.36 | 8.03 |
| BLACKROCK - CREDIT | 467.3 | 1.18% | 1.71 | 1.72 | 3.96 | 7.40 | 6.94 | 9.56 | 18.44 | -5.39 | 5.66 | 5.59 | 15.54 | 6.99 | 6.42 | 7.25 |
| TAPLIN, CANIDA -CREDIT | 407.3 | 1.03% | 1.31 | 1.06 | 3.28 | 7.64 | 7.65 | 9.33 | 23.02 | -12.92 | 2.54 | 6.41 | 16.63 | 5.43 | 5.99 | 7.36 |
| BARROW HANLEY - CREDIT | 386.3 | 0.97% | 1.81 | 1.29 | 3.31 | 6.63 | 7.50 | 9.97 | **** | **** | **** | 4.72 | **** | **** | **** | 9.16 |
| NYC - INVESTMENT GRADE CREDIT | | | 1.47 | 1.95 | 4.21 | 7.53 | 5.94 | 8.36 | 16.36 | -4.06 | 4.73 | 5.53 | 14.74 | 6.49 | 5.99 | |
| ALL INVESTMENT GRADE CREDIT +/- | | | 0.20 | (0.36) | (0.37) | (0.05) | 1.15 | 1.27 | 4.01 | (2.62) | (0.21) | 0.17 | 1.19 | 0.35 | 0.18 | |
| PRUDENTIAL - CREDIT +/- | | | 0.08 | 0.26 | 0.27 | 0.19 | 0.09 | 0.65 | 3.11 | 1.66 | 0.70 | 0.35 | 1.20 | 1.25 | 0.71 | |
| T. ROWE PRICE -CREDIT +/- | | | 0.53 | (0.62) | (0.45) | 0.26 | 1.95 | 2.18 | 3.97 | (0.12) | 0.18 | 0.21 | 1.07 | 1.21 | 0.37 | |
| BLACKROCK - CREDIT +/- | | | 0.23 | (0.23) | (0.25) | (0.13) | 1.00 | 1.20 | 2.08 | (1.33) | 0.93 | 0.06 | 0.80 | 0.50 | 0.43 | |
| TAPLIN, CANIDA -CREDIT +/- | | | (0.16) | (0.89) | (0.93) | 0.11 | 1.71 | 0.97 | 6.66 | (8.86) | (2.19) | 0.88 | 1.89 | (1.06) | 0.00 | |
| BARROW HANLEY - CREDIT +/- | | | 0.34 | (0.66) | (0.90) | (0.90) | 1.56 | 1.61 | **** | **** | **** | (0.80) | **** | **** | **** | |
| ALL TREASURY / AGENCY | 987.4 | 2.49% | -1.86 | 7.37 | 10.72 | 14.31 | 2.65 | 9.55 | -6.56 | 17.73 | 9.99 | 9.34 | 10.81 | 8.66 | 6.87 | 8.39 |
| PIMCO | 425.9 | 1.07% | -1.91 | 7.05 | 10.47 | 14.02 | 2.78 | 10.17 | -4.80 | 15.74 | 10.27 | 8.95 | 11.48 | 8.80 | 7.05 | 8.14 |
| BLACKROCK -GOVT | 395.3 | 1.00% | -1.78 | 7.59 | 10.85 | 14.51 | 2.61 | 9.14 | **** | **** | **** | 9.60 | **** | **** | **** | 10.33 |
| STATE STREET | 166.2 | 0.42% | -1.91 | 7.68 | 11.06 | 14.57 | 2.42 | 8.93 | -6.54 | 18.90 | 9.90 | 9.74 | 10.85 | 8.81 | 6.96 | 8.73 |
| NYC - TREASURY AGENCY PLUS FIVE | | | -1.88 | 7.67 | 11.14 | 14.50 | 2.44 | 9.24 | -7.44 | 18.91 | 9.85 | 9.77 | 10.49 | 8.63 | 6.84 | |
| ALL TREASURY / AGENCY +/- | | | 0.02 | (0.30) | (0.42) | (0.19) | 0.21 | 0.31 | 0.88 | (1.18) | 0.14 | (0.43) | 0.32 | 0.03 | 0.02 | |
| PIMCO +/- | | | (0.03) | (0.62) | (0.68) | (0.48) | 0.34 | 0.93 | 2.64 | (3.17) | 0.42 | (0.82) | 0.99 | 0.17 | 0.21 | |
| BLACKROCK -GOVT +/- | | | 0.10 | (0.08) | (0.29) | 0.01 | 0.17 | (0.10) | **** | **** | **** | (0.17) | **** | **** | **** | |
| STATE STREET +/- | | | (0.04) | 0.01 | (0.08) | 0.07 | (0.02) | (0.31) | 0.90 | (0.01) | 0.05 | (0.03) | 0.36 | 0.18 | 0.12 | |

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Manager / Benchmark Comparison Report *NYC Employees' Retirement System

October 31, 2011

| | Assets (\$MM) | % of Total | Trailing 1 Month | Trailing 3 Months | Fiscal YTD | Calendar YTD | FY Ending 06/30/11 | Calendar Yr Ending 2010 | Calendar Yr Ending 2009 | Calendar Yr Ending 2008 | Calendar Yr Ending 2007 | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years | Since Inception |
|---|---------------|------------|------------------|-------------------|------------|--------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------|-------------------|-------------------|--------------------|-----------------|
| HIGH YIELD | | | | | | | | | | | | | | | | |
| TOTAL ENHANCED YIELD | 1,405.5 | 3.54% | 4.97 | -1.90 | -0.59 | 5.18 | 16.21 | 14.24 | 40.25 | -18.55 | 3.83 | 5.58 | 19.30 | 7.85 | 8.32 | 8.18 |
| CITIGROUP BB & B | | | 5.33 | -0.49 | 0.93 | 5.86 | 14.60 | 13.35 | 40.37 | -25.10 | 2.25 | 6.19 | 17.38 | 5.78 | 7.56 | |
| | | | +/- (0.37) | (1.41) | (1.52) | (0.68) | 1.61 | 0.89 | (0.12) | 6.55 | 1.58 | (0.61) | 1.92 | 2.07 | 0.76 | |
| LOOMIS SAYLES | 387.4 | 0.98% | 4.24 | -3.28 | -1.73 | 7.20 | 20.56 | 16.36 | 52.81 | -23.17 | 3.12 | 7.19 | 24.28 | 9.14 | 9.85 | 9.43 |
| NYC-LOOMIS (BoFA ML-MST II 7-03/BB&B PRIOR) | | | 5.96 | -1.95 | -0.73 | 4.16 | 15.40 | 15.19 | 57.51 | -26.39 | 2.19 | 4.81 | 23.00 | 7.87 | 8.85 | |
| | | | +/- (1.71) | (1.34) | (1.00) | 3.04 | 5.16 | 1.17 | (4.70) | 3.22 | 0.93 | 2.37 | 1.29 | 1.27 | 1.00 | |
| T. ROWE PRICE | 403.0 | 1.02% | 5.27 | -1.96 | -0.61 | 4.09 | 15.09 | 14.14 | 43.67 | -19.96 | 4.34 | 4.58 | 18.97 | 7.87 | 8.92 | 9.09 |
| SEIX | 321.2 | 0.81% | 5.29 | -1.69 | -0.50 | 4.91 | 16.54 | 14.70 | 36.39 | -18.08 | 3.65 | 5.63 | 18.29 | 7.33 | **** | 7.19 |
| SHENKMAN | 293.9 | 0.74% | 5.09 | -0.47 | 0.64 | 4.53 | 12.56 | 11.70 | 29.38 | -12.87 | 4.20 | 4.93 | 15.78 | 7.01 | **** | 7.27 |
| CITIGROUP BB & B | | | 5.33 | -0.49 | 0.93 | 5.86 | 14.60 | 13.35 | 40.37 | -25.10 | 2.25 | 6.19 | 17.38 | 5.78 | 7.56 | |
| T. ROWE PRICE +/- | | | (0.07) | (1.47) | (1.54) | (1.77) | 0.49 | 0.79 | 3.30 | 5.14 | 2.09 | (1.61) | 1.60 | 2.09 | 1.35 | |
| SEIX +/- | | | (0.05) | (1.21) | (1.43) | (0.95) | 1.94 | 1.35 | (3.98) | 7.02 | 1.40 | (0.56) | 0.91 | 1.55 | **** | |
| SHENKMAN +/- | | | (0.25) | 0.02 | (0.29) | (1.33) | (2.04) | (1.65) | (10.99) | 12.23 | 1.95 | (1.26) | (1.60) | 1.24 | **** | |
| TIPS | | | | | | | | | | | | | | | | |
| TOTAL TIPS MANAGERS | 876.5 | 2.21% | 1.64 | 2.72 | 6.52 | 12.23 | 7.17 | 6.47 | 10.15 | -0.66 | 11.70 | 8.22 | 12.10 | 7.62 | **** | 6.31 |
| PIMCO-TIPS-MTA | 505.9 | 1.28% | 1.55 | 2.60 | 6.30 | 11.83 | 6.98 | 6.57 | 10.24 | -0.88 | 11.76 | 7.58 | 12.04 | 7.53 | **** | 6.20 |
| STATE STREET-TIPS-MTA | 217.4 | 0.55% | 1.74 | 2.53 | 6.53 | 12.64 | 7.64 | 6.34 | 10.00 | -0.96 | 11.51 | 8.95 | 11.98 | 7.55 | **** | 6.64 |
| BLACKROCK-TIPS | 153.2 | 0.39% | 1.79 | 3.38 | 7.17 | 12.91 | 7.13 | 6.34 | 10.02 | 0.22 | 11.79 | 9.18 | 12.40 | 7.94 | **** | 7.23 |
| BARCLAYS CAPITAL US TIPS INDEX | | | 1.86 | 2.45 | 6.46 | 12.65 | 7.74 | 6.37 | 11.41 | -2.35 | 11.64 | 9.03 | 12.17 | 7.55 | 7.12 | |
| TOTAL TIPS MANAGERS +/- | | | (0.22) | 0.27 | 0.05 | (0.42) | (0.57) | 0.10 | (1.26) | 1.69 | 0.06 | (0.81) | (0.07) | 0.07 | **** | |
| PIMCO-TIPS-MTA +/- | | | (0.31) | 0.14 | (0.16) | (0.82) | (0.76) | 0.20 | (1.17) | 1.47 | 0.12 | (1.45) | (0.14) | (0.02) | **** | |
| STATE STREET-TIPS-MTA +/- | | | (0.12) | 0.08 | 0.07 | (0.01) | (0.10) | (0.03) | (1.41) | 1.39 | (0.13) | (0.08) | (0.20) | (0.00) | **** | |
| BLACKROCK-TIPS +/- | | | (0.08) | 0.93 | 0.71 | 0.26 | (0.61) | (0.03) | (1.39) | 2.57 | 0.15 | 0.15 | 0.23 | 0.39 | **** | |
| CONVERTIBLE BONDS | | | | | | | | | | | | | | | | |
| TOTAL CONVERTIBLE BONDS | 524.4 | 1.32% | 4.68 | -4.36 | -6.18 | -2.04 | 20.30 | 14.54 | 33.08 | **** | **** | 1.55 | 15.55 | **** | **** | 3.09 |
| BoFA ML ALL CONVERTIBLES EX MANDATORY | | | 5.89 | -4.55 | -6.57 | -1.88 | 22.79 | 16.52 | 47.19 | -33.02 | **** | 2.01 | 18.39 | **** | **** | |
| NYCERS CUSTOM CONVERTIBLE BOND INDEX | | | 4.82 | -3.53 | -5.11 | -1.35 | 17.43 | 12.53 | 39.96 | **** | **** | 1.43 | 16.08 | **** | **** | |
| | | | +/- (1.20) | 0.19 | 0.39 | (0.17) | (2.49) | (1.98) | (14.11) | **** | **** | (0.46) | (2.85) | **** | **** | |
| | | | +/- (0.14) | (0.82) | (1.07) | (0.69) | 2.87 | 2.01 | (6.88) | **** | **** | 0.11 | (0.54) | **** | **** | |
| ADVENT CONVERTIBLE BONDS | 249.5 | 0.63% | 4.20 | -4.13 | -5.60 | -1.22 | 18.99 | 14.96 | 36.66 | **** | **** | 1.73 | 17.06 | **** | **** | 5.81 |
| BoFA ML CONVERTIBLES YIELD ALT. INDEX | | | 2.95 | -3.00 | -3.75 | -0.13 | 14.93 | 12.98 | 46.25 | **** | **** | 1.80 | 17.77 | **** | **** | |
| | | | +/- 1.25 | (1.13) | (1.85) | (1.09) | 4.06 | 1.98 | (9.59) | **** | **** | (0.07) | (0.71) | **** | **** | |
| LORD ABBETT CONVERTIBLE BONDS | 139.5 | 0.35% | 5.53 | -6.06 | -8.52 | -4.38 | 24.35 | 16.94 | 35.17 | **** | **** | 0.14 | 15.51 | **** | **** | 2.81 |
| BoFA ML ALL CONVERTIBLES INDEX | | | 6.63 | -4.96 | -7.17 | -3.06 | 22.54 | 16.77 | 49.13 | -35.73 | 4.53 | 1.03 | 18.77 | 3.03 | 5.61 | |
| | | | +/- (1.10) | (1.09) | (1.35) | (1.33) | 1.81 | 0.17 | (13.96) | **** | **** | (0.88) | (3.26) | **** | **** | |
| VICTORY CONVERTIBLE BONDS | 135.4 | 0.34% | 4.71 | -2.98 | -4.74 | -1.29 | 17.23 | 11.63 | 27.36 | **** | **** | 1.99 | 13.64 | **** | **** | 2.31 |
| BoFA ML CONVERTIBLE BONDS INVST GRADE | | | 4.89 | -2.70 | -4.45 | -0.92 | 14.90 | 7.89 | 25.49 | **** | **** | 1.38 | 11.67 | **** | **** | |
| | | | +/- (0.18) | (0.28) | (0.29) | (0.37) | 2.33 | 3.74 | 1.87 | **** | **** | 0.61 | 1.97 | **** | **** | |

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

**Manager / Benchmark Comparison Report *NYC Employees' Retirement System
October 31, 2011**

| | Assets (\$MM) | % of Total | Trailing 1 Month | Trailing 3 Months | Fiscal YTD | Calendar YTD | FY Ending 06/30/11 | Calendar Yr Ending 2010 | Calendar Yr Ending 2009 | Calendar Yr Ending 2008 | Calendar Yr Ending 2007 | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years | Since Inception |
|--|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| FIXED INCOME EMERGING/DEVELOPING MANAGERS | | | | | | | | | | | | | | | | |
| TOTAL PROGRESS FIXED EMERGING MGRS | 99.4 | 0.25% | -0.04 | 2.59 | 4.39 | 7.22 | 4.59 | 7.43 | 8.78 | 6.21 | 3.77 | 5.81 | 10.30 | 6.97 | 6.38 | 6.76 |
| BARCLAYS CAPITAL AGGREGATE | | | 0.11 | 2.31 | 3.93 | 6.76 | 3.90 | 6.54 | 5.93 | 5.24 | 6.97 | 5.00 | 8.88 | 6.41 | 5.46 | |
| | | | (0.15) | 0.28 | 0.46 | 0.46 | 0.69 | 0.89 | 2.85 | 0.97 | (3.20) | 0.81 | 1.42 | 0.57 | 0.92 | |
| TOTAL CORE PLUS FIXED INCOME | 54.9 | 0.14% | 0.96 | 1.80 | 3.46 | 7.18 | 5.90 | 7.46 | **** | **** | **** | 5.24 | **** | **** | **** | 9.35 |
| LM CAPITAL - MTA | 54.9 | 0.14% | 0.96 | 1.80 | 3.46 | 7.18 | 5.90 | 7.46 | **** | **** | **** | 5.24 | **** | **** | **** | 9.35 |
| BARCLAYS CAPITAL AGGREGATE | | | 0.11 | 2.31 | 3.93 | 6.76 | 3.90 | 6.54 | 5.93 | 5.24 | 6.97 | 5.00 | 8.88 | 6.41 | 5.46 | |
| CORE PLUS FIXED INCOME +/- | | | 0.85 | (0.51) | (0.48) | 0.41 | 2.00 | 0.92 | **** | **** | **** | 0.24 | **** | **** | **** | |
| LM CAPITAL - MTA +/- | | | 0.85 | (0.51) | (0.48) | 0.41 | 2.00 | 0.92 | **** | **** | **** | 0.24 | **** | **** | **** | |
| OPPORTUNISTIC FIXED | | | | | | | | | | | | | | | | |
| TOTAL OPPORTUNISTIC FIXED | 373.4 | 0.94% | -4.68 | -9.99 | -11.67 | 0.65 | 24.19 | 26.01 | 19.13 | -6.33 | **** | 3.38 | 13.95 | **** | **** | 6.45 |
| NYC - 10% ANNUAL | | | 0.80 | 2.41 | 3.23 | 8.27 | 10.00 | 10.00 | 10.00 | 10.00 | **** | 10.00 | 10.00 | **** | **** | |
| NYC - JP MORGAN HY PLUS 3% | | | 6.21 | -0.66 | 0.89 | 7.50 | 18.79 | 27.19 | 6.88 | 2.98 | **** | 9.01 | 26.10 | **** | **** | |
| | | | (5.48) | (12.40) | (14.89) | (7.62) | 14.19 | 16.01 | 9.13 | (16.33) | **** | (6.62) | 3.95 | **** | **** | |
| | | | (10.89) | (9.33) | (12.56) | (6.85) | 5.40 | (1.18) | 12.25 | (9.31) | **** | (5.63) | (12.15) | **** | **** | |
| PIMCO-DISCO | 209.8 | 0.53% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| AVE SPECIAL SITUATIONS FD \ | 10.1 | 0.03% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| AVE SPECIAL SITUATIONS FD V | 53.5 | 0.13% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| AVE EURO SPECIAL SITUATIONS FC | 29.3 | 0.07% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| TOTAL DISTRESSED FIXED | 302.7 | 0.76% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| 3 MONTH LIBOR PLUS 750BPS | | | 0.64 | 1.92 | 2.55 | 6.47 | 7.81 | 7.85 | 8.16 | 10.11 | **** | 7.81 | 8.03 | **** | **** | |
| TOTAL PPIP | 70.7 | 0.18% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| ALLIANCE BERNSTEIN LEGACY SECS LF | 42.0 | 0.11% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| AG GECC LP | 28.7 | 0.07% | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** | **** |
| NYC-CORE PLUS 5 + 200BPS | | | 0.26 | 3.44 | 5.49 | 9.71 | 6.15 | 9.13 | 8.28 | 8.64 | 9.02 | 8.01 | 12.41 | 9.15 | **** | |

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Employees' Retirement System

October 31, 2011

| | Assets (\$MM) | % of Total | Trailing 1 Month | Trailing 3 Months | Fiscal YTD | Calendar YTD | FY Ending 06/30/11 | Calendar Yr Ending 2010 | Calendar Yr Ending 2009 | Calendar Yr Ending 2008 | Calendar Yr Ending 2007 | Trailing 1 Year | Trailing* 3 Years | Trailing* 5 Years | Trailing* 10 Years | Since Inception |
|--------------------------------------|------------------|---------------|---------------------|----------------------|---------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| OTHER FIXED INCOME | | | | | | | | | | | | | | | | |
| TOTAL ETI | 476.8 | 1.20% | 0.18 | 1.69 | 2.58 | 5.40 | 4.52 | 6.87 | 8.23 | 6.28 | 7.49 | 4.96 | 8.43 | 6.97 | 6.57 | 10.01 |
| EMPLOYEES CUSTOM BENCHMARK (NO CASH) | | | 0.16 | 2.12 | 3.45 | 6.59 | 4.33 | 6.47 | 5.21 | 7.01 | 7.29 | 5.41 | 8.13 | 6.67 | 5.78 | |
| +/- | | | 0.01 | (0.43) | (0.87) | (1.19) | 0.19 | 0.40 | 3.02 | (0.73) | 0.20 | (0.45) | 0.30 | 0.30 | 0.79 | |
| AFL-CIO HOUSING INV TRUST | 214.7 | 0.54% | 0.13 | 2.15 | 3.41 | 6.40 | 4.25 | 6.16 | 6.28 | 5.26 | 6.69 | 4.74 | 8.35 | 6.29 | **** | 5.25 |
| BARCLAYS CAPITAL AGGREGATE | | | 0.11 | 2.31 | 3.93 | 6.76 | 3.90 | 6.54 | 5.93 | 5.24 | 6.97 | 5.00 | 8.88 | 6.41 | 5.46 | |
| +/- | | | 0.02 | (0.16) | (0.52) | (0.36) | 0.35 | (0.38) | 0.35 | 0.02 | (0.28) | (0.27) | (0.53) | (0.12) | **** | |
| ACCESS RBC | 52.8 | 0.13% | 0.16 | 2.03 | 2.95 | 5.68 | 3.56 | 5.36 | 10.99 | 6.67 | **** | 4.04 | 9.34 | **** | **** | 7.08 |
| ACCESS CUSTOM BENCHMARK | | | -0.14 | 1.59 | 2.71 | 5.35 | 3.39 | 5.52 | **** | **** | **** | 4.05 | 6.57 | 6.34 | **** | |
| +/- | | | 0.30 | 0.44 | 0.24 | 0.33 | 0.17 | (0.16) | **** | **** | **** | (0.01) | 2.77 | **** | **** | |
| STATE STREET SHORT TERM | 1,936.0 | 4.88% | 0.04 | 0.16 | 0.28 | 0.88 | 0.45 | 0.26 | 1.38 | 3.50 | 5.54 | 0.53 | 1.05 | 2.48 | 2.53 | 5.54 |
| ML 91 DAY TREASURY BILL INDEX | | | 0.00 | 0.03 | 0.02 | 0.10 | 0.16 | 0.13 | 0.21 | 2.06 | 5.00 | 0.13 | 0.18 | 1.66 | 1.99 | |
| +/- | | | 0.04 | 0.13 | 0.26 | 0.78 | 0.29 | 0.13 | 1.17 | 1.44 | 0.54 | 0.40 | 0.86 | 0.82 | 0.53 | |
| PRIVATE EQUITY | | | | | | | | | | | | | | | | |
| TOTAL PRIVATE EQUITY | 3,398.0 | 8.57% | 0.81 | 3.49 | 3.63 | 16.70 | 17.95 | 14.02 | -4.17 | -2.73 | 13.63 | 21.62 | 6.26 | 7.35 | **** | 12.76 |
| RUSSELL 3000 PLUS 5% | | | 11.70 | -1.48 | -3.24 | 4.54 | 37.37 | 21.93 | 33.34 | -32.30 | 10.13 | 12.90 | 17.29 | 5.69 | 9.47 | |
| +/- | | | (10.89) | 4.97 | 6.88 | 12.15 | (19.42) | (7.91) | (37.51) | 29.57 | 3.50 | 8.72 | (11.03) | 1.66 | **** | |
| PRIVATE REAL ESTATE | | | | | | | | | | | | | | | | |
| TOTAL PRIVATE REAL ESTATE | 1,435.9 | 3.62% | 1.75 | 3.74 | 6.50 | 20.79 | 26.64 | 8.46 | -43.87 | -7.38 | 40.33 | 23.74 | -11.39 | 0.19 | **** | 6.34 |
| NCREIF NFI-ODCE NET | | | 0.00 | 3.31 | 3.31 | 11.93 | 19.58 | 15.26 | -30.40 | -10.70 | 14.84 | 17.19 | -7.22 | -0.88 | **** | |
| +/- | | | 1.75 | 0.43 | 3.19 | 8.86 | 7.06 | (6.80) | (13.47) | 3.32 | 25.49 | 6.55 | (4.17) | 1.07 | **** | |
| TOTAL EMPLOYEES | 39,669.1 | | 6.47 | -2.89 | -3.70 | 2.06 | 23.12 | 13.79 | 20.98 | -26.36 | 8.63 | 6.13 | 11.60 | 3.02 | 5.89 | 8.66 |
| EMPLOYEES POLICY BENCHMARK | | | 7.71 | -2.43 | -3.21 | 2.00 | 24.12 | 13.77 | 25.03 | -28.19 | 8.01 | 6.12 | 12.74 | 3.06 | 5.93 | |
| +/- | | | (1.24) | (0.46) | (0.50) | 0.06 | (1.00) | 0.02 | (4.05) | 1.83 | 0.62 | 0.01 | (1.15) | (0.04) | (0.04) | |

New York City Employees' Retirement System
As of June 30, 2011 (Amounts in USD)

| Vintage Year | Deal Name | First Drawdown | Capital Committed | Total Contribution | Recallable Distribution | Total Distribution | Market Value | Multiple | IRR |
|--------------|---|----------------|-------------------|--------------------|-------------------------|--------------------|---------------|----------|---------|
| 1998 | VS&A Communications Partners III | 12/15/1998 | \$ 50,000,000 | \$ 50,238,655 | \$ 175,030 | \$ 53,597,621 | \$ 14,882,840 | 1.36x | 6.4% |
| 1999 | Cypress Merchant Banking Partners II | 3/29/1999 | 50,000,000 | 53,779,715 | 3,946,442 | 40,330,954 | 5,488,389 | 0.84x | (3.7%) |
| | FdG Capital Partners | 6/2/1999 | 25,000,000 | 28,684,924 | 4,399,779 | 42,364,150 | 6,435,530 | 1.83x | 15.7% |
| | Lincolnshire Equity Fund II | 10/20/1999 | 20,000,000 | 19,261,466 | 549,863 | 33,676,292 | 5,531,262 | 2.07x | 25.6% |
| 2000 | Allegria Capital Partners IV* | 1/10/2000 | 27,000,000 | 24,000,000 | - | 11,660,203 | 130,437 | 0.49x | (8.3%) |
| | Carlyle Partners III | 3/1/2000 | 50,000,000 | 55,667,507 | 10,785,033 | 99,675,813 | 7,321,180 | 2.14x | 20.4% |
| | SCP Private Equity Partners II | 6/15/2000 | 30,000,000 | 30,546,373 | 2,864,044 | 8,813,898 | 13,542,843 | 0.70x | (5.2%) |
| | Solera Partners | 5/26/2000 | 20,000,000 | 23,640,766 | 5,491,028 | 6,522,184 | 26,901,129 | 1.54x | 6.4% |
| 2001 | Apollo Investment Fund V | 4/13/2001 | 40,000,000 | 62,396,287 | 25,040,569 | 108,414,163 | 16,431,446 | 2.67x | 39.6% |
| | New Mountain Partners | 3/16/2001 | 20,000,000 | 17,299,599 | 808,043 | 22,183,487 | 2,802,460 | 1.47x | 13.0% |
| | Ripplewood Partners II | 2/28/2001 | 20,000,000 | 22,949,182 | 760,058 | 16,886,778 | 10,337,436 | 1.19x | 6.0% |
| | RRE Ventures III | 7/6/2001 | 20,000,000 | 25,291,692 | 333,059 | 14,732,147 | 28,961,822 | 1.74x | 12.0% |
| 2002 | BDCM Opportunity Fund | 10/14/2002 | 25,000,000 | 52,215,681 | 29,593,342 | 68,013,883 | 21,197,730 | 2.64x | 24.5% |
| | Landmark Equity Partners XI | 10/23/2002 | 55,000,000 | 57,659,709 | 6,179,292 | 68,658,231 | 14,948,320 | 1.50x | 25.6% |
| | Thomas, McNeerney & Partners | 10/9/2002 | 20,000,000 | 18,700,000 | - | 7,003,139 | 9,575,113 | 0.89x | (3.4%) |
| | Yucaipa American Alliance Fund I | 7/1/2002 | 90,000,000 | 112,945,366 | 23,320,987 | 77,088,099 | 60,638,299 | 1.28x | 8.2% |
| 2003 | Ares Corporate Opportunities Fund | 4/1/2003 | 45,000,000 | 53,733,098 | 10,450,097 | 58,500,609 | 22,005,800 | 1.62x | 14.8% |
| | Blackstone Capital Partners IV | 2/26/2003 | 40,000,000 | 38,686,002 | 9,266,304 | 69,778,392 | 21,176,111 | 2.78x | 41.2% |
| | FS Equity Partners V | 1/20/2003 | 25,000,000 | 22,514,174 | 2,782,927 | 17,460,191 | 17,961,067 | 1.65x | 13.2% |
| 2004 | Aurora Equity Partners III | 11/16/2004 | 50,000,000 | 54,120,290 | 3,627,146 | 25,439,264 | 49,216,114 | 1.41x | 14.3% |
| | Celtic Pharmaceutical Holdings | 12/23/2004 | 25,000,000 | 25,402,094 | - | 402,094 | 45,596,159 | 1.81x | 15.6% |
| | FdG Capital Partners II | 8/30/2004 | 35,000,000 | 36,199,681 | 8,699,551 | 13,543,914 | 26,584,873 | 1.14x | 2.7% |
| | Lincolnshire Equity Fund III | 10/1/2004 | 55,000,000 | 45,160,070 | - | 60,017,593 | 33,005,320 | 2.06x | 42.2% |
| | Markstone Capital Partners | 1/30/2004 | 40,000,000 | 38,958,708 | 2,476,430 | 14,937,846 | 25,972,275 | 1.05x | 1.6% |
| | New York/Fairview Emerging Managers (Tranche A) | 10/21/2004 | 32,000,000 | 24,560,000 | - | 2,828,434 | 19,562,743 | 0.91x | (2.9%) |
| | Paladin Homeland Security Fund (NY City) | 9/27/2004 | 15,000,000 | 15,870,445 | 744,431 | 2,026,019 | 6,327,172 | 0.50x | (14.4%) |
| | Palladium Equity Partners III | 11/12/2004 | 35,000,000 | 26,248,780 | 4,843,507 | 12,674,215 | 21,787,089 | 1.38x | 12.4% |
| | Silver Lake Partners II | 7/28/2004 | 52,900,000 | 53,060,180 | 6,613,377 | 44,084,752 | 35,998,593 | 1.58x | 11.3% |
| | Trilantic Capital Partners III (fka LBMB III) | 11/18/2004 | 50,000,000 | 39,117,228 | 2,119,454 | 42,028,592 | 17,059,345 | 1.54x | 14.0% |
| 2005 | Blackstone Mezzanine Partners II | 10/10/2005 | 25,000,000 | 23,138,815 | 1,569,080 | 12,960,813 | 16,768,929 | 1.31x | 9.0% |
| | Clayton, Dubilier & Rice Fund VII | 3/31/2005 | 45,000,000 | 46,598,100 | 5,172,027 | 10,230,889 | 51,141,364 | 1.36x | 8.0% |
| | Erasmus New York City Growth Fund | 8/16/2005 | 40,000,000 | 34,819,694 | - | 8,545,125 | 21,697,352 | 0.87x | (3.9%) |
| | Ethos Private Equity Fund V | 11/9/2005 | 40,000,000 | 34,875,180 | 9,544,779 | 13,027,616 | 28,650,411 | 1.27x | 7.3% |
| | GI Partners Fund II | 9/26/2005 | 35,000,000 | 34,258,350 | - | 995,503 | 45,162,749 | 1.35x | 7.6% |
| | JP Morgan Fleming (Tranche A) | 12/21/2005 | 43,000,000 | 29,676,591 | 1,146,914 | 4,991,505 | 29,993,372 | 1.19x | 6.7% |
| | New Mountain Partners II | 1/12/2005 | 46,451,615 | 42,083,229 | 5,068,602 | 20,491,252 | 38,939,527 | 1.47x | 9.4% |
| | Prism Venture Partners V-A | 7/14/2005 | 30,000,000 | 27,300,000 | - | 6,495,547 | 15,747,271 | 0.81x | (7.2%) |
| | Psilos Group Partners III | 10/24/2005 | 35,000,000 | 29,923,682 | - | 197,841 | 30,350,794 | 1.02x | 0.8% |
| | Quadrangle Capital Partners II | 8/29/2005 | 65,000,000 | 56,108,249 | 6,122,145 | 19,244,800 | 48,975,691 | 1.24x | 6.6% |
| | Snow Phipps Group | 9/7/2005 | 20,000,000 | 18,765,613 | 381,573 | 5,634,943 | 19,195,164 | 1.33x | 15.5% |
| | USPF II Institutional Fund | 11/23/2005 | 65,000,000 | 79,444,714 | 20,734,194 | 36,741,496 | 59,863,347 | 1.29x | 7.1% |
| 2006 | VSS Communications Partners IV | 3/14/2005 | 25,000,000 | 24,727,085 | 710,662 | 2,799,405 | 16,409,593 | 0.77x | (7.2%) |
| | AEA Investors 2006 Fund | 12/29/2006 | 30,000,000 | 19,947,057 | 3,289,360 | 3,473,953 | 22,904,208 | 1.39x | 15.0% |
| | Aisling Capital II | 1/12/2006 | 7,000,000 | 5,698,566 | 126,446 | 963,680 | 3,747,488 | 0.82x | (6.2%) |
| | Ampersand 2006 | 8/14/2006 | 25,000,000 | 19,750,000 | - | 5,900,401 | 16,964,142 | 1.16x | 5.1% |
| | Apollo Investment Fund VI | 5/10/2006 | 90,000,000 | 108,333,702 | 29,280,674 | 39,284,994 | 102,012,956 | 1.42x | 10.2% |
| | Ares Corporate Opportunities Fund II | 5/23/2006 | 50,000,000 | 52,468,933 | 10,487,250 | 30,897,819 | 45,381,245 | 1.57x | 13.1% |
| | Arsenal Capital Partners II | 12/19/2006 | 22,500,000 | 19,739,946 | 1,688,687 | 1,690,255 | 23,286,561 | 1.29x | 11.3% |
| | Avista Capital Partners | 4/27/2006 | 45,000,000 | 54,291,763 | 11,190,650 | 23,178,273 | 49,877,367 | 1.44x | 10.3% |
| | BDCM Opportunity Fund II | 3/29/2006 | 25,000,000 | 26,526,813 | 5,728,718 | 7,977,133 | 24,492,248 | 1.29x | 11.3% |
| | Blackstone Capital Partners V | 4/13/2006 | 123,900,000 | 120,648,071 | 8,139,793 | 15,521,564 | 111,719,327 | 1.06x | 11.3% |
| | Catterton Partners VI | 12/14/2006 | 45,000,000 | 34,844,855 | 996,361 | 3,383,248 | 42,631,503 | 1.33x | 8.8% |
| | CCMP Capital Investors II | 8/17/2006 | 30,000,000 | 21,030,630 | 1,482,319 | 3,502,831 | 25,882,336 | 1.43x | 15.5% |
| | Cinven Fourth Fund | 1/22/2007 | 66,825,020 | 55,154,014 | - | - | 73,021,387 | 1.32x | 9.3% |
| | Fairview Ventures Fund III | 6/29/2006 | 25,000,000 | 13,311,840 | - | 661,454 | 13,810,799 | 1.09x | 5.0% |
| | First Reserve Fund XI | 12/14/2006 | 45,000,000 | 39,475,790 | 3,503,616 | 13,256,252 | 28,646,000 | 1.07x | 2.2% |
| | GF Capital Private Equity Fund | 12/22/2006 | 20,000,000 | 15,772,389 | - | - | 17,917,108 | 1.14x | 8.1% |
| | GSC Recovery III | 5/4/2006 | 25,000,000 | 25,998,904 | 942,621 | 13,907,286 | 9,930,091 | 0.91x | (3.4%) |
| | InterMedia Partners VII | 1/20/2006 | 25,000,000 | 24,622,186 | 2,480,068 | 2,812,005 | 28,093,137 | 1.28x | 6.6% |
| | Landmark Equity Partners XIII | 5/11/2006 | 50,000,000 | 44,783,906 | - | 20,819,696 | 26,020,160 | 1.09x | 3.2% |
| | MidOcean Partners III | 12/21/2006 | 60,000,000 | 42,947,251 | 1,318,363 | 1,533,857 | 34,208,432 | 0.83x | (7.9%) |
| | NewSpring Growth Capital II (fka NewSpring Ventures II) | 11/15/2006 | 20,000,000 | 13,161,753 | - | 1,034,458 | 18,994,038 | 1.52x | 21.3% |
| | Perseus Partners VII | 8/31/2006 | 30,000,000 | 29,715,613 | 3,300,913 | 3,340,725 | 30,123,514 | 1.14x | 5.8% |
| | RRE Ventures IV | 12/19/2006 | 35,000,000 | 29,553,200 | - | 2,997,855 | 38,948,221 | 1.42x | 15.5% |
| | Terra Firma Capital Partners III | 3/8/2006 | 50,000,000 | 38,962,489 | - | 1,124,908 | 15,485,265 | 0.43x | (28.6%) |
| | Thomas H. Lee Equity Fund VI | 7/12/2006 | 50,000,000 | 37,423,130 | 1,284,669 | 4,234,580 | 37,767,872 | 1.13x | 4.1% |
| | Thomas, McNeerney & Partners II | 11/30/2006 | 25,000,000 | 16,125,000 | - | 2,566,131 | 12,473,307 | 0.93x | (3.0%) |
| 2007 | Carlyle Partners V | 7/6/2007 | 70,000,000 | 47,767,232 | 6,322,532 | 13,064,754 | 46,237,564 | 1.28x | 11.7% |
| | Co-Investment Partners Europe | 3/19/2007 | 38,157,000 | 28,677,189 | 65,425 | 193,372 | 28,086,379 | 0.99x | (0.8%) |
| | Constellation Ventures III | 5/22/2007 | 25,000,000 | 18,126,896 | - | - | 14,907,116 | 0.82x | (12.6%) |
| | Craton Equity Investors I | 4/30/2007 | 20,000,000 | 15,338,480 | - | 12,194 | 13,068,076 | 0.85x | (8.9%) |
| | FT Ventures III | 3/1/2007 | 25,000,000 | 19,750,000 | 450,000 | 466,751 | 26,996,828 | 1.40x | 14.3% |
| | GSO Capital Opportunities Fund I | 7/16/2007 | 45,000,000 | 38,351,131 | 8,599,170 | 20,193,572 | 29,014,340 | 1.36x | 16.3% |
| | Halyard Capital Fund II | 7/2/2007 | 25,000,000 | 12,082,715 | 303,345 | 709,016 | 10,595,520 | 0.93x | (2.2%) |
| | HM 2006 Sector Performance Fund | 7/20/2007 | 25,000,000 | 21,245,756 | 2,790,050 | 3,054,643 | 11,383,815 | 0.63x | (13.8%) |
| | Montreux Equity Partners IV | 3/27/2007 | 20,000,000 | 13,380,000 | - | 1,959,167 | 13,709,968 | 1.17x | 7.2% |
| | Nautic Partners VI | 5/14/2007 | 30,000,000 | 20,975,258 | 1,124,213 | 1,166,548 | 18,991,124 | 0.96x | (2.3%) |
| | New Mountain Partners III | 8/9/2007 | 100,000,000 | 63,460,859 | 5,578,024 | 8,521,700 | 55,759,455 | 1.01x | 0.9% |
| | PCG Clean Energy & Technology Fund East | 7/6/2007 | 90,000,000 | 55,765,735 | - | 2,959,295 | 49,955,556 | 0.95x | (2.8%) |
| | Pegasus Partners IV | 1/29/2007 | 30,000,000 | 30,945,486 | 1,205,374 | 14,013,866 | 54,306,894 | 2.26x | 37.3% |
| | Quaker BioVentures II | 3/30/2007 | 20,000,000 | 10,257,775 | 400,645 | 1,186,585 | 9,052,623 | 1.00x | (0.1%) |
| | RLJ Equity Partners Fund I | 11/30/2007 | 20,000,000 | 8,081,353 | - | 628,071 | 10,558,997 | 1.38x | 25.5% |
| | SCP Vitalife Partners II Fund | 4/13/2007 | 20,000,000 | 12,099,698 | - | 1,579 | 9,224,539 | 0.76x | (15.7%) |
| | Silver Lake Partners III | 8/13/2007 | 65,000,000 | 40,567,500 | 6,500,691 | 15,164,407 | 41,911,802 | 1.48x | 19.9% |
| | StarVest Partners II | 8/1/2007 | 25,000,000 | 11,637,081 | - | 6,556 | 9,370,196 | 0.81x | (15.7%) |

New York City Employees' Retirement System
As of June 30, 2011 (Amounts in USD)

| Vintage Year | Deal Name | First Drawdown | Capital Committed | Total Contribution | Recallable Distribution | Total Distribution | Market Value | Multiple | IRR |
|-----------------|--|----------------|-------------------|--------------------|-------------------------|--------------------|------------------|----------|---------|
| 2007 | Tailwind Capital Partners | 2/2/2007 | 30,000,000 | 25,549,205 | 3,368,698 | 5,531,981 | 23,641,502 | 1.16x | 7.5% |
| | Trilantic Capital Partners IV (fka LBMB IV) | 10/22/2007 | 69,028,637 | 43,806,183 | 2,217,251 | 20,411,376 | 37,818,351 | 1.35x | 14.9% |
| | USPF III Institutional Fund | 6/28/2007 | 65,000,000 | 56,780,855 | 4,320,306 | 7,815,866 | 48,072,229 | 0.98x | (0.8%) |
| | Vista Equity Partners Fund III | 10/3/2007 | 30,000,000 | 23,590,219 | - | 14,302,690 | 31,256,712 | 1.93x | 29.4% |
| | Vitruvian Investment Partnership I | 3/15/2007 | 65,988,000 | 36,397,759 | - | 843 | 32,061,297 | 0.88x | (11.1%) |
| | Vitruvian Investment Partnership I (Side Car) | 3/15/2007 | 7,332,000 | 4,042,647 | - | 94 | 3,562,106 | 0.88x | (11.0%) |
| 2008 | Aisling Capital III | 11/20/2008 | 14,000,000 | 2,175,894 | - | - | 1,672,858 | 0.77x | (20.0%) |
| | Apollo Investment Fund VII | 1/28/2008 | 100,000,000 | 67,443,088 | 23,453,390 | 30,252,564 | 61,142,499 | 1.54x | 24.3% |
| | Ares Corporate Opportunities Fund III | 7/30/2008 | 75,000,000 | 46,292,146 | 12,687,642 | 26,320,475 | 43,843,542 | 1.71x | 29.6% |
| | Avista Capital Partners II | 11/5/2008 | 75,000,000 | 61,665,501 | 12,350,715 | 15,557,683 | 54,700,033 | 1.17x | 10.8% |
| | Blue Wolf Capital Fund II | 11/14/2008 | 25,000,000 | 10,241,219 | 1,138,748 | 7,113,343 | 7,036,571 | 1.43x | 23.0% |
| | Bridgepoint Europe IV | 11/14/2008 | 30,934,000 | 9,980,108 | - | - | 10,664,949 | 1.07x | 6.4% |
| | Carpenter Community BancFund-A | 2/12/2008 | 20,000,000 | 15,480,958 | 145,977 | 233,221 | 14,933,652 | 0.98x | (1.2%) |
| | Crestview Partners II | 10/1/2008 | 50,000,000 | 22,125,566 | 1,292,623 | 1,292,623 | 25,862,601 | 1.24x | 18.4% |
| | CS NYCERS Emerging Manager Co-Investment Fund | 8/22/2008 | 26,262,627 | 14,036,839 | - | 110,794 | 16,122,939 | 1.16x | 9.2% |
| | CS NYCERS Emerging Manager Fund | 8/22/2008 | 116,737,374 | 32,005,320 | 7,996,776 | 9,837,184 | 20,867,629 | 0.95x | (3.5%) |
| | Emerald Infrastructure Development Fund* | 12/2/2008 | 25,000,000 | 996,804 | - | 5,607 | - | 0.01x | NM |
| | First Reserve Fund XII | 8/25/2008 | 45,000,000 | 26,200,934 | - | 1,902,070 | 24,156,000 | 0.99x | (0.3%) |
| | GI Partners Fund III | 7/29/2008 | 45,000,000 | 29,510,826 | 1,328,486 | 3,116,797 | 32,815,110 | 1.23x | 20.0% |
| | Landmark Equity Partners XIV | 9/19/2008 | 109,120,000 | 20,553,078 | - | 4,339,729 | 25,084,085 | 1.43x | 33.5% |
| | Lee Equity Partners Fund | 4/23/2008 | 42,500,000 | 17,895,954 | 1,680,953 | 4,598,938 | 9,956,191 | 0.79x | (9.7%) |
| | Leeds Partners V | 7/28/2008 | 60,000,000 | 16,024,338 | 392,761 | 1,446,619 | 16,979,164 | 1.15x | 12.2% |
| | Levine Leichtman Capital Partners IV | 4/8/2008 | 35,000,000 | 18,267,857 | 3,889,874 | 5,613,585 | 18,382,110 | 1.40x | 25.6% |
| | New York/Fairview Emerging Managers (Tranche B) | 5/28/2008 | 45,000,000 | 12,843,000 | - | 328,336 | 13,772,804 | 1.10x | 7.7% |
| | NGN BioMed Opportunity II | 2/11/2008 | 20,000,000 | 10,651,821 | - | 23,687 | 7,456,492 | 0.70x | (18.0%) |
| | Onex Partners III | 12/10/2008 | 75,000,000 | 28,518,305 | 6,534,668 | 6,549,179 | 19,737,458 | 0.90x | (9.1%) |
| | Paladin III (NY City) | 1/8/2008 | 30,000,000 | 17,217,462 | 165,914 | 1,956,843 | 15,942,046 | 1.04x | 1.9% |
| | Pine Brook Capital Partners | 1/11/2008 | 30,000,000 | 13,556,236 | - | 4,051,367 | 13,054,095 | 1.26x | 13.5% |
| | Relativity Fund | 1/17/2008 | 20,000,000 | 7,855,653 | - | 215,958 | 4,320,010 | 0.58x | (26.5%) |
| | Riverstone/Carlyle Global Energy and Power Fund IV | 3/3/2008 | 45,000,000 | 32,534,049 | 1,317,573 | 6,195,688 | 37,497,003 | 1.36x | 20.9% |
| | Yucaipa American Alliance Fund II | 3/28/2008 | 120,000,000 | 98,568,102 | 22,549,880 | 30,806,440 | 108,642,488 | 1.54x | 22.5% |
| | Yucaipa Corporate Initiatives Fund II | 6/23/2008 | 45,000,000 | 15,583,889 | 95,000 | 136,683 | 8,844,031 | 0.57x | (26.5%) |
| 2009 | Clayton, Dubilier & Rice Fund VIII | 1/12/2009 | 50,000,000 | 28,314,609 | 2,531,405 | 2,539,987 | 31,901,558 | 1.24x | 21.6% |
| | FS Equity Partners VI | 1/27/2009 | 32,500,000 | 12,414,119 | 979,679 | 1,118,287 | 10,700,758 | 0.95x | NM |
| | Lexington Capital Partners VII | 12/3/2009 | 50,000,000 | 18,539,276 | - | 76,610 | 17,996,812 | 0.97x | NM |
| | Lincolnshire Equity Fund IV | 8/5/2009 | 27,500,000 | 4,405,523 | - | - | 2,949,291 | 0.67x | NM |
| | Welsh, Carson, Anderson & Stowe XI | 2/10/2009 | 40,000,000 | 15,006,097 | - | - | 15,607,033 | 1.04x | 4.0% |
| 2010 | JP Morgan Fleming (Tranche B) | 2/26/2010 | 35,000,000 | 7,205,927 | - | 25,525 | 6,553,286 | 0.91x | NM |
| | Snow Phipps II | 1/8/2010 | 30,000,000 | 3,973,413 | - | 184,537 | 2,546,156 | 0.69x | NM |
| | Trident V | 4/29/2010 | 110,000,000 | 24,292,586 | 572,429 | 572,429 | 21,856,244 | 0.92x | NM |
| 2011 | Amersand 2011 | 3/11/2011 | 25,000,000 | 2,500,000 | - | - | 3,611,023 | 1.44x | NM |
| | BDCM Opportunity Fund III | 4/8/2011 | 45,000,000 | 2,897,519 | - | 7,632 | 3,021,084 | 1.05x | NM |
| | Blackstone Capital Partners VI | 1/24/2011 | 120,000,000 | 740,353 | - | - | (124,514) | N/A | NM |
| | Wellspring Capital Partners V | 7/1/2011 | 40,000,000 | - | - | - | - | N/A | NM |
| Grand Total(s): | | | \$ 5,486,636,273 | \$ 3,948,106,156 | \$ 445,910,494 | \$ 1,687,658,396 | \$ 3,226,261,253 | 1.28x | 9.2% |

*Exited investment.

Funds Closed Subsequent to as of Date

| Vintage Year | Deal Name | First Drawdown | Capital Committed | Total Contribution | Recallable Distribution | Total Distribution | Market Value | Multiple | IRR |
|--------------------------|---------------------------------------|----------------|-------------------|--------------------|-------------------------|--------------------|--------------|----------|-----|
| 2011 | AXA Private Equity Secondary Fund V B | 6/16/2011 | 75,000,000 | - | - | - | - | N/A | NM |
| | BC European Capital IX | 9/19/2011 | 151,327,640 | - | - | - | - | N/A | NM |
| | EOT VI | N/A | 118,898,775 | - | - | - | - | N/A | NM |
| | Green Equity Investors VI | N/A | 120,000,000 | - | - | - | - | N/A | NM |
| | Pegasus Partners V | 8/16/2011 | 50,000,000 | - | - | - | - | N/A | NM |
| Vista Equity Partners IV | N/A | 100,000,000 | - | - | - | - | N/A | NM | |
| Grand Total(s): | | | \$ 615,226,415 | \$ - | \$ - | \$ - | \$ - | N/A | NM |

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

New York City Employees' Retirement System

| Vintage Year | Fund Name | First Draw Down | Capital Committed | Contributions | Distributions | Market Value | Equity Multiple | Net IRR |
|---|--|-----------------|------------------------|------------------------|------------------------|------------------------|-----------------|--------------|
| 2003 | Canyon Johnson Urban Fund | 12/6/2002 | \$15,000,000 | \$13,456,450 | (\$15,403,730) | \$458,356 | 1.2 | 10.7% |
| 2004 | The City Investment Fund I | 3/16/2004 | \$225,000,000 | \$221,883,300 | (\$125,909,728) | \$69,878,132 | 0.9 | -4.7% |
| 2004 | Blackstone Fund IV | 5/10/2004 | \$30,000,000 | \$37,898,622 | (\$30,550,618) | \$19,135,177 | 1.3 | 13.6% |
| 2004 | Tishman Speyer Separate Account (ERS) | 12/16/2003 | \$100,000,000 | \$71,066,452 | (\$203,100,170) | \$44,900,635 | 3.5 | 63.9% |
| 2005 | Canyon Johnson Urban Fund II | 5/11/2005 | \$40,000,000 | \$35,954,818 | (\$24,000) | \$22,162,652 | 0.6 | -12.6% |
| 2006 | AREA Real Estate Fund V | 6/15/2006 | \$25,000,000 | \$25,000,001 | (\$6,054,005) | \$9,210,653 | 0.6 | -16.4% |
| 2006 | Prologis Targeted U.S. Logistics Fund, L.P. | 10/1/2006 | \$25,000,000 | \$28,097,111 | (\$3,244,413) | \$16,131,904 | 0.7 | -8.8% |
| 2006 | PRISA | 9/29/2006 | \$86,000,000 | \$89,236,806 | (\$4,194,695) | \$74,073,439 | 0.9 | -2.8% |
| 2006 | RREEF America REIT II | 10/1/2006 | \$86,000,000 | \$111,228,331 | (\$26,460,122) | \$78,200,692 | 0.9 | -1.7% |
| 2006 | UBS Trumbull Property Fund ("UBS-TPF") | 9/28/2006 | \$156,000,000 | \$98,793,571 | (\$9,893,304) | \$92,418,066 | 1.0 | 0.8% |
| 2007 | Metropolitan Workforce Housing Fund | 7/13/2007 | \$14,000,000 | \$7,050,169 | (\$408,971) | \$3,155,769 | 0.5 | -43.9% |
| 2007 | RREEF America REIT III | 10/1/2007 | \$90,000,000 | \$90,000,000 | (\$600,237) | \$28,624,722 | 0.3 | -26.2% |
| 2007 | Colony Realty Partners II | 12/20/2006 | \$20,000,000 | \$21,420,211 | (\$666,108) | \$11,229,603 | 0.6 | -14.6% |
| 2007 | UrbanAmerica II | 1/30/2007 | \$25,000,000 | \$23,222,735 | \$0 | \$14,064,562 | 0.6 | -14.6% |
| 2007 | PRISA II | 6/30/2007 | \$141,518,761 | \$144,674,273 | (\$4,405,033) | \$110,949,396 | 0.8 | -7.6% |
| 2007 | JP Morgan Special Situation Property Fund | 1/2/2007 | \$90,000,000 | \$95,967,905 | (\$11,178,002) | \$59,546,446 | 0.7 | -7.4% |
| 2007 | JP Morgan Strategic Property Fund | 12/4/2006 | \$136,000,000 | \$124,303,052 | \$0 | \$121,987,010 | 1.0 | -0.5% |
| 2007 | Heitman HART | 3/29/2007 | \$115,000,000 | \$126,831,456 | (\$11,831,456) | \$119,149,928 | 1.0 | 1.3% |
| 2007 | Carlyle Realty Partners V | 8/27/2007 | \$20,000,000 | \$21,176,493 | (\$6,365,660) | \$16,560,138 | 1.1 | 3.4% |
| 2007 | Blackstone Real Estate Partners VI | 9/27/2007 | \$110,000,000 | \$98,888,744 | (\$3,885,511) | \$116,430,122 | 1.2 | 9.5% |
| 2008 | Capri Urban Investors | 6/3/2008 | \$60,000,000 | \$46,453,907 | \$0 | \$25,872,653 | 0.6 | -29.4% |
| 2008 | Silverpeak Legacy Partners III (Lehman) | 5/28/2008 | \$50,000,000 | \$22,168,479 | (\$298,391) | \$10,924,903 | 0.5 | -23.4% |
| 2008 | American Value Partners Fund I | 10/18/2007 | \$55,000,000 | \$29,808,134 | (\$4,218,000) | \$16,979,014 | 0.7 | -21.3% |
| 2008 | Stockbridge Real Estate Fund III | 9/9/2008 | \$27,000,000 | \$12,808,616 | \$0 | \$8,354,939 | 0.7 | -18.5% |
| 2008 | Westbrook Real Estate Fund VII | 12/3/2007 | \$40,000,000 | \$41,866,798 | (\$1,624,243) | \$29,950,949 | 0.8 | -12.2% |
| 2008 | AREA European Real Estate Fund III | 5/6/2008 | \$30,000,000 | \$20,315,000 | (\$2,335,000) | \$17,972,523 | 1.0 | 0.0% |
| 2008 | PRISA III | 9/30/2008 | \$50,000,000 | \$51,204,399 | \$0 | \$51,390,407 | 1.0 | 0.2% |
| 2009 | Thor Urban Property Fund II | 10/30/2008 | \$40,000,000 | \$21,391,963 | (\$11,587,313) | \$3,741,616 | 0.7 | -26.0% |
| 2009 | JP Morgan Urban Renaissance Property Fund | 12/18/2008 | \$16,360,625 | \$4,206,523 | (\$4,206,523) | \$0 | 1.0 | 0.0% |
| 2009 | Walton Street Real Estate Fund VI | 4/27/2009 | \$50,000,000 | \$29,823,933 | \$0 | \$31,862,685 | 1.1 | 5.8% |
| 2009 | Carbon Capital III | 7/2/2009 | \$40,000,000 | \$36,385,038 | (\$6,125,867) | \$33,401,524 | 1.1 | 9.4% |
| 2010 | Canyon Johnson Urban Fund III | 3/29/2010 | \$30,000,000 | \$9,408,173 | (\$388,409) | \$7,824,573 | 0.9 | -21.1% |
| 2010 | LaSalle Property Fund | 7/1/2010 | \$50,000,000 | \$16,040,579 | (\$228,343) | \$16,935,694 | 1.1 | 13.4% |
| 2010 | Blackstone Real Estate Partners Europe III (USD Vehicle) | 10/24/2008 | \$50,000,000 | \$6,063,196 | \$0 | \$7,089,431 | 1.2 | 16.1% |
| 2010 | Westbrook Real Estate Fund VIII | 12/28/2009 | \$50,000,000 | \$23,176,473 | (\$4,462,260) | \$20,294,256 | 1.1 | 17.5% |
| 2011 | H/2 Special Opportunities Fund II | 1/31/2011 | \$40,000,000 | \$5,619,661 | \$0 | \$6,521,277 | 1.2 | 79.4% |
| 2011 | Carlyle Realty Partners VI | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2011 | Taconic New York City Investment Fund LP | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| New York City Employees' Retirement System | | | \$2,227,879,386 | \$1,862,891,372 | (\$499,650,115) | \$1,317,383,845 | 1.0 | -1.0% |

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, 2011. 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.

IV. Asset Allocation (continued):

REBALANCING RANGES
(Revised)

CALLAN ASSOCIATES^{INC}



MEMORANDUM

SAN FRANCISCO

NEW YORK

CHICAGO

ATLANTA

DENVER

To: New York City Employees' Retirement System

From: Callan Associates

Date: December 20, 2011

Subject: Follow Up to Asset Allocation Discussion

The Board of the New York City Employees' Retirement System adopted a new asset allocation policy at the May Board Meeting. As a follow up to the discussion and the decisions reached by the Board, Callan was asked to provide additional information and thoughts on questions posed during those discussions. We discussed our preliminary observations and recommendations on these topics at the September and November Board Meetings. The attached memorandum updates those observations to reflect discussions which took place at those meetings and further discussions with BAM following the November meeting. We also include our observations on the topic of where to hold uncommitted and/or uncalled assets ultimately targeted for permanent placement (item 4). We believe this fourth topic required further analysis. We have worked closely with BAM to develop proposed policies that are designed to maintain the integrity of the asset allocation policy adopted by the Board yet flexible enough for NYCERS unique circumstances.

1. How should the 16.9% allocation to non- U.S. equities be allocated between Developed and Emerging Markets?

Callan performed asset allocation optimizations using broad non-U.S. equity as the benchmark. In other words, we did not break out non U.S. equity between developed and emerging markets. The Board adopted a new target allocation of 16.9% to non U.S. equity (reduced from the current target of 18%). The current target of 18% to non-U.S. equity is split 13% to developed markets and 5% to emerging markets.

There are a number of variables, which may be considered in determining an allocation to emerging markets. Issues such as the market capitalization breakdown between developed and emerging markets at any point in time; current investment policy for the Fund; optimal use of the basket clause; and the expectations for more rapid growth in emerging economies may all be considered. Finally, while Callan did not provide an optimized solution as part of our asset allocation recommendations for NYCERS, had we done so, it

would have produced an allocation of approximately 70-75% to developed and 25-30% to emerging markets.

Callan believes that an allocation of 6-7% of total non-U.S. equity to emerging markets is reasonable for NYCERS to consider based on all the factors above. The Bureau of Asset Management has proposed an allocation of 10.0% to developed markets and 6.9% to emerging market. Callan supports that proposal.

2. What is the expected 5 year Geometric Mean Return for the new Asset Allocation Target?

The newly adopted target asset allocation has a 10 year expected Geometric Mean Return of 7.33%. The Board asked Callan to determine the 5 year expected return. That is 7.36%

3. What rebalancing ranges should NYCERS adopt?

Callan approaches rebalancing ranges from a variety of angles. First of all, we want the ranges to be narrow enough to protect the integrity of the long term strategic asset allocation adopted by the Board. However, we also recognize that the markets have a certain momentum to them. We therefore, do not want rebalancing frequency to force frequent buying or selling into momentum oriented markets in a way that exacerbates downside losses. Moderate, as opposed to very tight rebalancing ranges, can help control unnecessary transaction costs. Lastly, we believe reasonable rebalancing ranges provide a forced discipline that encourages a buy low / sell high approach.

In determining appropriate rebalancing ranges, we consider issues such as size of the allocation, expected return, volatility, and importantly, correlation. As an example, equities, with the highest volatility, would be expected to have the widest rebalancing ranges; especially given their prominent role in NYCERS portfolios. In fact, we do assign equities a relatively wide range. However, given the high correlation of U.S. and non-U.S. equity; wider ranges around both could result in substantially higher or lower allocations to total equity if we did not consider correlations. On the other hand, the fact that core plus 5 has the lowest correlation with most other asset classes leads to a wider than expected rebalancing range than might otherwise be assumed. Finally, we do not offer a formal rebalancing range for Convertibles since we did not model them as a separate asset class. NYCERS allocated 1% to convertibles as a carve out from Core +5. We are comfortable with that allocation and would also be comfortable with rebalancing ranges of +/- 1% around that allocation.

Listed below are rebalancing ranges we would suggest NYCERS could consider.

| | <u>Domestic Equity</u> | <u>Non-U.S. Equity</u> | <u>Core +5</u> | <u>High Yield</u> |
|---------|------------------------|------------------------|----------------|-------------------|
| Minimum | -4.0% | -4.0% | -5.0% | -2.0% |
| Target | 32.6% | 16.9% | 20.0% | 4.0% |
| Maximum | +4.0% | +4.0% | +5.0% | +2.0% |

| | <u>Opportunistic</u> | <u>TIPS</u> | <u>Real Estate</u> | <u>Hedge Funds</u> | <u>Private Equity</u> |
|---------|----------------------|-------------|--------------------|--------------------|-----------------------|
| Minimum | -5.0% | -1.5% | -2.0% | -2.0% | +2.0% |
| Target | 5.0% | 4.5% | 6.0% | 4.0% | 7.0% |
| Maximum | +2.0% | +1.5% | +2.0% | +2.0% | -2.0% |

Allocations outside of the ranges outlined above should require prior notification to and approval by the Board of Trustees.

The ranges shown above for illiquid strategies (private equity, private real estate, opportunistic fixed income and hedge funds) cannot trigger automatic rebalancing due to the illiquid nature of those strategies. They should however influence pacing analyses for those asset classes to be funded in accordance with long term policy.

Opportunistic Fixed Income is the one area we do not show a symmetrical rebalancing range. It is important to recognize that by its very nature, Opportunistic Fixed Income allocations are subject to potential market opportunities. The range we recommend provides for an allocation as low as zero. While we would not anticipate an allocation of zero, we concur that opportunistic investing needs to recognize the possibility of those opportunities not being present at a particular point in time.

Note that since we modeled non U.S. equity as a separate asset class, we show a rebalancing range around total non U.S. equity. If NYCERS wants to further break out non U.S. equity between developed and emerging markets, we believe rebalancing ranges of $\pm 3\%$ for developed and $\pm 2\%$ for emerging markets would be reasonable.

Note that we have not indicated an allocation range for cash. Callan generally advises that cash should be minimized in order to protect the integrity of the asset allocation policy. Some cash is needed at NYCERS for liquidity purposes for benefit payments and also to fund new commitments primarily to real estate, private equity, and opportunistic investments. We would advise that

cash be limited to 5% except in unusual circumstances. Cash allocations in excess of 5% should require prior notification to and approval by the Board of Trustees.

Finally, in addition to the rebalancing ranges outlined above, current investment policy provides for a range of +/- 5% to total public equity and total public fixed income. We favor a continuation of that policy.

4. It will take an extended period of time to reach target allocations in certain new or illiquid asset classes including hedge funds, real estate, private equity and opportunistic fixed income. Where should assets which are ultimately targeted for those asset classes be held until they are committed and called?

As indicated at the beginning of this memorandum, this is a topic that we believe required further analysis based upon NYCERS particular circumstances and the expected timing of new commitments to areas such as real estate, hedge funds, and opportunistic investments. Shown below are our observations as discussed at the September Board Meeting and as updated following discussions with the Board and BAM.

There is not a perfect answer for where to invest assets ultimately destined for those asset classes. Over the years some of the primary issues we have considered in helping clients develop policies in these areas have included correlations with other asset classes; characteristics of the asset classes; (equity orientation, income component, goal of the asset class etc.) and where allocations are typically drawn from in an optimization process. In other words, we attempt to arrive as closely as we can, to investing the assets in a manner that is consistent with the actual asset allocation target. Over the years, that has led to relatively consistent policies for clients in 3 of the 4 asset classes above. While some clients have adopted different policies than those shown below, we would suggest the following for consideration for NYCERS:

- Assets ultimately targeted for private equity should be invested in public equity in a manner that reflects the expected global nature of the ultimate commitments.
- Assets ultimately targeted for real estate should generally be evenly split between public equity (potentially including public REITS) and fixed income. If non-US real estate investments are anticipated, it could reflect any expected non-US allocations similar to private equity.
- Assets ultimately targeted for hedge funds should generally be evenly split between global public equity and fixed income.

The decision on where to hold uncommitted opportunistic fixed income is not as clear-cut. One could argue that high yield is the publicly traded asset class most like opportunistic fixed income and to hold it there. However, in the new target asset allocation policy, high yield is also being reduced so using it as a holding place may not be consistent with that goal. A decision could be made to hold

some of it in equity since equity, along with high yield, is the ultimate source of much of the new allocation to opportunistic fixed income. However, one of the goals of the new asset allocation policy is reduction in public equity. Investment Grade Fixed Income would be a possible holding place in spite of the fact that one of the reasons for the allocation to opportunistic fixed income is the relative unattractiveness of investment grade fixed income currently. On the other hand, one could argue that larger calls for opportunistic fixed/distressed debt may likely occur when the markets are stressed, equity and high yield are down, and at least the Treasury portion of fixed income is up. Finally, hedge funds also represent another form of opportunistic investments. Therefore, while there is not a perfect solution; we would suggest NYCERS consider the following:

- Fund initial allocations from high yield to the extent necessary to bring the high yield allocation closer to the new target allocation of 4%
- While public equity, fixed income and hedge funds could all be considered as holding places for the remaining uncommitted/uncalled opportunistic fixed income investments, Callan would favor an allocation that is weighted more to fixed income than equity like investments. We would therefore recommend the Board consider holding uncommitted/uncalled Opportunistic Fixed Income 50% in Core +5 and 50% in High Yield.

APPENDICES:

BASKET CLAUSE

NYCERS - BASKET/NON BASKET SUMMARY

| As of October 31, 2011 | Fund Policy | | | Fund Actual (PE & RE on an invested basis) | | |
|----------------------------|---------------|---------------|----------------|--|---------------|----------------|
| | Non Basket* | Basket* | Total | Non Basket* | Basket* | Total |
| | Equity | | | | | |
| Domestic Equity | 32.60% | 0.00% | 32.60% | 38.02% | 0.00% | 38.02% |
| Non-U.S. Equity | 10.00% | 6.90% | 16.90% | 10.00% | 7.11% | 17.11% |
| Private Equity | 0.00% | 7.00% | 7.00% | 0.00% | 8.57% | 8.57% |
| Real Estate | 6.00% | 0.00% | 6.00% | 3.62% | 0.00% | 3.62% |
| Hedge Funds | 0.00% | 4.00% | 4.00% | 0.00% | 0.61% | 0.61% |
| Total Equity | 48.60% | 17.90% | 66.50% | 51.64% | 16.29% | 67.93% |
| Fixed Income | | | | | | |
| Core+5 | 19.00% | 0.00% | 19.00% | 15.81% | 0.00% | 15.81% |
| <i>U.S. Gov't Sector</i> | 4.24% | 0.00% | 4.24% | 2.49% | 0.00% | 2.49% |
| <i>Mortgage Sector</i> | 8.12% | 0.00% | 8.12% | 7.33% | 0.00% | 7.33% |
| <i>Credit Sector</i> | 6.64% | 0.00% | 6.64% | 6.00% | 0.00% | 6.00% |
| High Yield | 3.75% | 0.25% | 4.00% | 3.24% | 0.31% | 3.54% |
| TIPS | 4.25% | 0.25% | 4.50% | 1.79% | 0.42% | 2.21% |
| Convertibles | 1.00% | 0.00% | 1.00% | 1.32% | 0.00% | 1.32% |
| Opportunistic Fixed Income | 1.00% | 4.00% | 5.00% | 0.06% | 0.89% | 0.94% |
| Other Fixed Income | 0.00% | 0.00% | 0.00% | 8.21% | 0.03% | 8.25% |
| Total Fixed Income | 29.00% | 4.50% | 33.50% | 30.43% | 1.64% | 32.07% |
| Total Fund | 77.60% | 22.40% | 100.00% | 82.07% | 17.93% | 100.00% |
| Remaining Capacity | | 2.60% | | | 7.07% | |

* Note: Basket amounts are estimates