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MEMORANDUM

TO: Trustees
Teachers' Retirement System of the City of New York

FROM: Larry Schloss

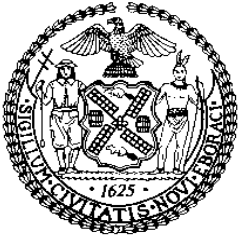
DATE: March 12, 2013

RE: Teachers' Retirement System of the City of New York Investment Meeting –
March 19, 2013

Enclosed is a copy of the **public agenda** for the March 19, 2013 Investment Meeting. *The meeting will be held at 55 Water Street – 16th Floor, New York, NY (beginning at 9:30am).*

Please remember to bring the **Quarterly Performance Overview** book that has been mailed to you to the meeting.

If you have questions about any agenda item, please give me a call 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

TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

INVESTMENT MEETING

MARCH 19, 2013

Location:

55 Water Street, 16th Floor
New York, NY

INVESTMENT MEETING

MARCH 19, 2013

PUBLIC AGENDA

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I. Performance Reviews: (45 Minutes)	
• Quarterly Review/Annual Review – December 31, 2012 (Previously Distributed)	---
• ETI Quarterly Report – December 31, 2012	5
• Real Estate Quarterly Report – September 30, 2012	13
• Private Equity Quarterly Report – September 30, 2012	21
II. January Monthly Performance Review: (30 Minutes)	52
III. Currency Presentation: (20 Minutes)	112

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PUBLIC AGENDA

I. Performance Reviews:

ETI Quarterly Report

Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	<u>CPC</u>		<u>NHS</u>		<u>CCD</u>		<u>CFSB</u>		<u>NCBCI</u>		<u>LIIF</u>		<u>All Lender Totals</u>	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Contractual Commitments	\$235,000,000	n/a	\$5,000,000	n/a	\$13,200,000	n/a	\$32,900,000	n/a	\$8,250,000	n/a	\$24,900,000	n/a	\$319,250,000	n/a
Current Market Value	\$101,248,568	n/a	\$590,851	n/a	\$4,688,095	n/a	\$1,991,710	n/a	\$1,155,057	n/a	\$2,885,700	n/a	\$112,559,981	n/a
<u>Commitments 4Q 12</u> <u>(included in total)</u>														
Bronx	\$574,000	21	\$0	0	\$0	0	\$0	0	\$0	0	\$594,000	43	\$1,168,000	64
Brooklyn	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	287,100	30	0	0	149,575	20	0	0	436,675	50
Queens	572,250	78	0	0	0	0	0	0	0	0	0	0	572,250	78
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$1,146,250	99	\$0	0	\$287,100	30	\$0	0	\$149,575	20	\$594,000	43	\$2,176,925	192
<u>Delivered 4Q 12</u> <u>(included in total)</u>														
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	199,355	4	0	0	0	0	0	0	0	0	0	0	199,355	4
Manhattan	0	0	0	0	0	0	0	0	0	0	1,260,270	70	1,260,270	70
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	227,500	8	0	0	0	0	0	0	0	0	0	0	227,500	8
Total	\$426,855	12	\$0	0	\$0	0	\$0	0	\$0	0	\$1,260,270	70	\$1,687,125	82
<u>Total Commitments</u>														
Bronx	\$21,520,809	1,637	\$0	0	\$4,170,210	376	\$0	0	\$0	0	\$594,000	43	\$26,285,019	2,056
Brooklyn	27,742,440	1,092	0	0	2,038,740	128	0	0	629,095	54	1,751,990	118	32,162,265	1,392
Manhattan	16,355,241	988	0	0	1,514,783	79	675,644	30	\$2,414,688	208	2,646,784	176	23,607,140	1,481
Queens	572,250	78	0	0	0	0	0	0	0	0	0	0	572,250	78
Staten Island			0	0	0	0	0	0	0	0	0	0	0	0
Total	\$66,190,740	3,795	\$0	0	\$7,723,733	583	\$675,644	30	\$3,043,783	262	\$4,992,775	337	\$82,626,674	5,007
<u>Historical Investments</u>														
Bronx	\$35,697,607	2,367	\$0	0	\$882,750	76	\$0	0	\$0	0	\$0	0	\$36,580,357	2,443
Brooklyn	53,432,587	2,490	330,213	7	1,338,417	124	0	0	0	0	1,785,452	174	56,886,668	2,795
Manhattan	33,216,547	2,203	252,445	15	1,621,585	204	1,977,348	167	1,162,320	84	1,260,270	70	39,490,516	2,743
Queens	21,587,871	887	0	0	660,000	54	0	0	0	0	0	0	22,247,871	941
Staten Island	227,500	8	0	0	0	0	0	0	0	0	0	0	227,500	8
Total	\$144,162,112	7,955	\$582,658	22	\$4,502,752	458	\$1,977,348	167	\$1,162,320	84	\$3,045,722	244	\$155,432,912	8,930

*Lenders :

The Community
Preservation CorporationNeighborhood
Housing ServicesCitibank Community
DevelopmentCarver Federal
Savings Bank

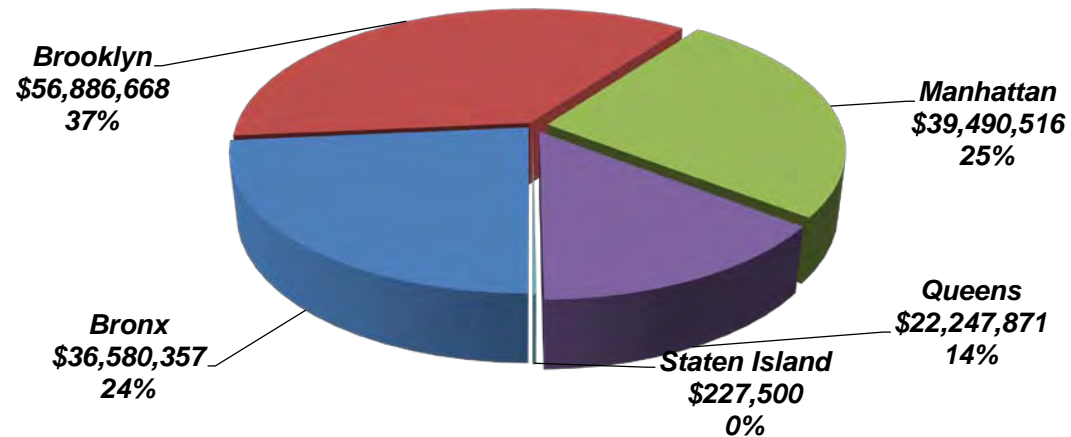
NCB Capital Impact

Low Income
Investment Fund

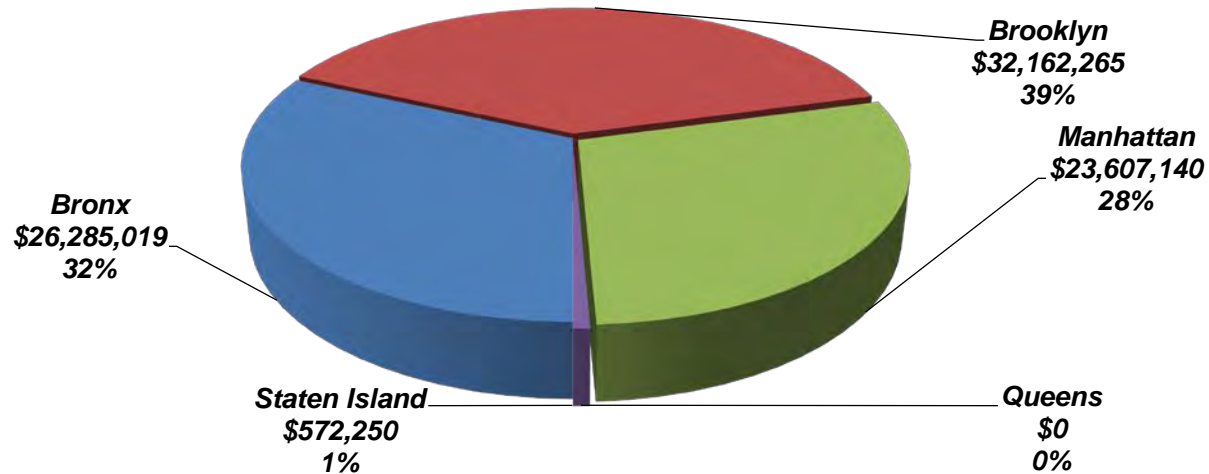
Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)

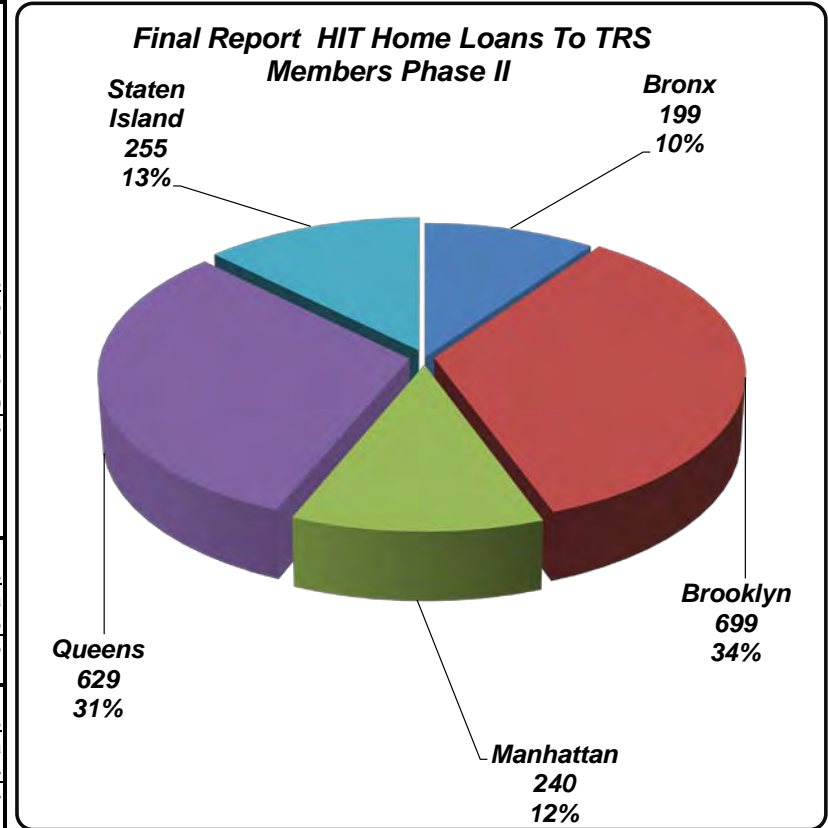
Market Value \$208.9 million*

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	\$218,082,108	1,017	199	296
Brooklyn	864,892,271	3,435	699	1,115
Manhattan	214,244,680	851	240	265
Queens	894,399,418	3,627	629	973
Staten Island	359,980,460	1,433	255	439
Total	\$2,551,598,937	10,363	2,022	3,088
Grand Total NYCCII Phase II	\$2,777,567,037			
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	n/a
Single Family Investments	348,300,563	n/a	133	446
Total NYCCII Phase I	\$597,424,063	12,337	133	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	2,899,899,500	n/a	2155	3,534
Grand Total NYCCII Phases I & II	\$3,374,991,100	19,051	2155	3,534

*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.



TRS Economically Targeted Investments Quarterly Report

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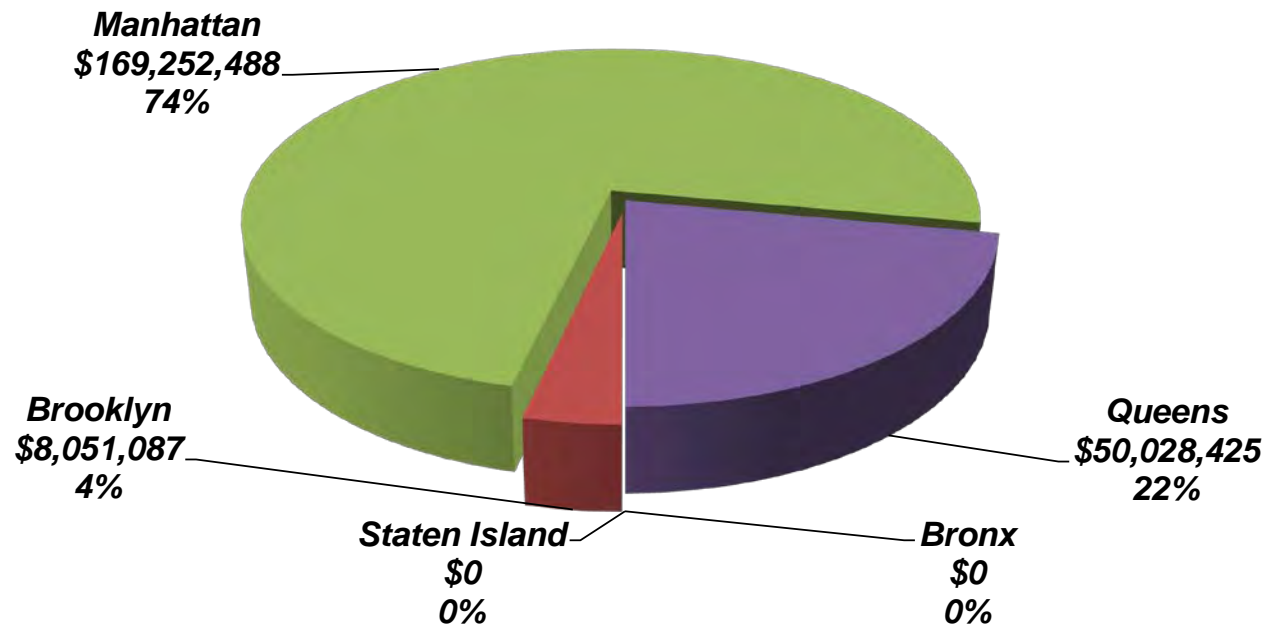
AFL-CIO Housing Investment Trust (HIT) NYC Workforce Housing Initiative 2009-2014

Investments Through 12/31/2012

Workforce Investments Detail

<u>Borough</u>	<u>Dollars</u>	<u>Workforce Housing Units</u>
Bronx	\$0	0
Brooklyn	8,051,087	422
Manhattan	169,252,488	4,627
Queens	50,028,425	2607
Staten Island	0	0
Total	\$227,332,000	7,656

HIT Workforce Housing Initiative



TRS Economically Targeted Investments Quarterly Report

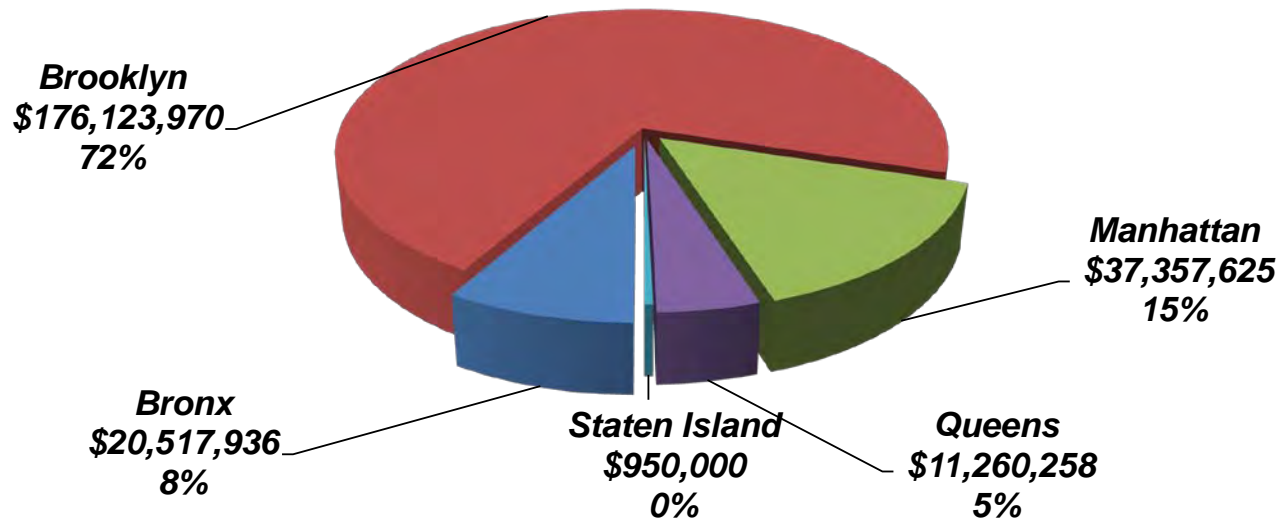
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CPC Term Loan*

Current Commitments NYC		\$246,209,789		
TRS Commitment Share		\$15,440,538		
TRS Market Value*		\$15,440,538		
	# Loans	\$ Committed	# Units Residential	# Units Commercial
Bronx	17	\$20,517,936	823	23
Brooklyn	47	176,123,970	1,644	38
Manhattan	33	37,357,625	746	23
Queens	6	11,260,258	129	3
Staten Island	1	950,000	3	0
Grand Total NYC	104	\$246,209,789	3,345	87
Other NY State	26	\$75,780,042	705	13

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

CPC Term Loan NYC Commitments

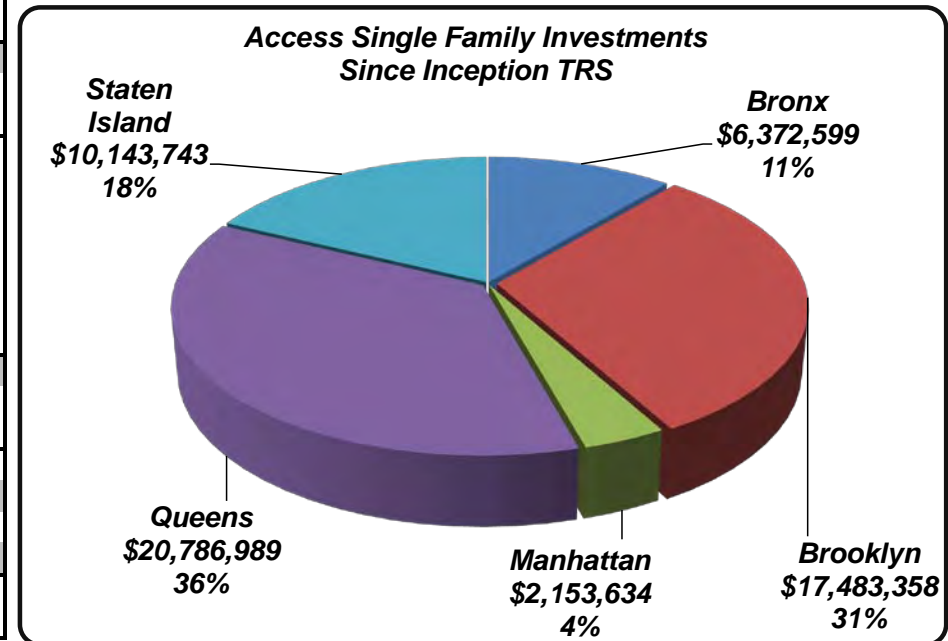
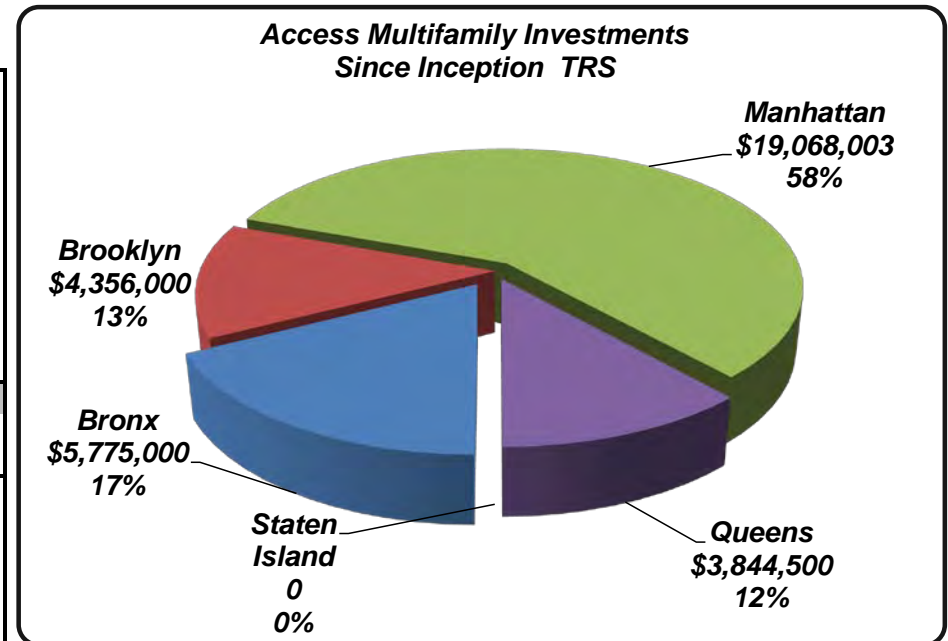


TRS Economically Targeted Investments Quarterly Report

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

Allocated Amount \$33 million (33% of total account)			
Market Value \$45.9 million			
Multifamily Investments Detail			
	TRS Investment	Total Units	# of LMI* Units
Bronx	\$5,775,000	508	508
Brooklyn	4,356,000	404	404
Manhattan	19,068,003	2,815	1,677
Queens	3,844,500	762	762
Staten Island	0	0	0
Total TRS Multifamily Investments	\$33,043,503	4,489	3,351
MultifamilyTotal All Systems	\$100,131,826	4,489	3,351
Single Family Investments Detail			
	TRS Investment	Total Units	# of LMI* Units
Bronx	\$6,372,599	113	113
Brooklyn	17,483,358	292	292
Manhattan	2,153,634	28	28
Queens	20,786,989	311	311
Staten Island	10,143,743	155	155
Total TRS Single Family Investments	\$56,940,322	899	899
Single Family Total All Systems	\$172,546,432	899	899
Other Investments Detail			
	TRS Investment	# of Loans	
Bronx	\$222,750	1	
Brooklyn	1,778,833	8	
Manhattan	802,859	5	
Queens	179,333	3	
Staten Island	\$0	0	
Total TRS Other Investments	\$2,983,774	17	
Other InvestmentsTotal All Systems	\$9,041,740	17	
Grand Total TRS	\$92,967,599		
Grand Total All Systems	\$281,719,998		
* LMI = Low or Moderate Income			



TEACHERS

Economically Targeted Investment Quarterly Report

	Assets (\$MM)	Trailing 3 Months	6/30/2007 12/31/2012	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Trailing* 15 Years	Since Inception	Data Start Date
TEACHERS										
CPC -PPAR	101.25	2.65	5.24	9.88	8.14	8.68	8.04	****	8.18	10/31/01
CCD-PPAR	4.69	2.48	5.02	11.40	9.48	9.51	****	****	9.05	11/30/06
LIIF-PPAR	2.89	2.27	3.72	6.84	5.37	****	****	****	5.83	07/31/09
CFSB-PPAR	1.99	2.56	3.66	8.16	8.01	7.86	****	****	7.52	09/30/06
NCBCI -PPAR	1.16	2.44	5.36	9.46	7.33	****	****	****	7.26	07/31/09
NHS-PPAR	0.59	2.67	5.28	9.68	7.79	8.67	****	****	8.77	09/30/07
CITIGROUP GNMA +65 BPs per annum		-0.22	0.95	2.89	6.27	6.62	5.88	6.60		
CPC -PPAR	+/-	2.88	4.29	6.99	1.86	2.06	2.15	****		
CCD-PPAR	+/-	2.70	4.07	8.51	3.21	2.89	****	****		
LIIF-PPAR	+/-	2.50	2.77	3.94	(0.90)	****	****	****		
CFSB-PPAR	+/-	2.79	2.71	5.27	1.74	1.24	****	****		
NCBCI-PPAR	+/-	2.66	4.41	6.56	1.05	****	****	****		
NHS-PPAR	+/-	2.89	4.33	6.79	1.51	2.05	****	****		
AFL-CIO HOUSING INV TRUST	208.95	0.11	1.59	4.27	6.09	5.96	5.17	****	5.21	09/30/02
Barclay's Capital U.S. Aggregate Index		0.21	1.80	4.21	6.19	5.94	5.18	5.96		
	+/-	(0.10)	(0.21)	0.06	(0.10)	0.01	(0.01)	****	5.21	
ACCESS RBC	45.87	0.16	1.66	4.15	5.42	6.64	****	****	6.55	02/28/07
Access/RBC: 60% MI 30 yrs Mortgage Index (MF30)		-0.15	0.83	2.38	4.72	5.32	****	****	****	
plus 40% U.S. Treasury 1-10 Yr index (G502)	+/-	0.31	0.83	1.78	0.70	1.32	****	****	****	
CPC - TERM LOAN	15.44	0.61	1.24	2.51	2.22	2.73	****	****	4.14	03/31/04
30 Day Libor + 200 bps with a Floor 250 bps per annum		0.05	0.11	0.24	0.25	1.11	2.45	2.46		
	+/-	0.56	1.13	2.27	1.97	1.62	****	****	4.14	
GNMA	0.06	2.31	4.82	9.88	4.37	4.91	5.97	****	6.26	10/31/01
Citigroup 15 YR, GNMA		0.35	1.46	2.64	4.56	5.40	4.96	5.78		
	+/-	1.96	3.36	7.24	(0.19)	(0.49)	1.01	****	6.26	
TOTAL TEACHERS TARGETED (w/o cash)**	382.88	0.88	2.64	5.80	6.39	6.64	5.83	6.76	8.82	11/30/84
Teachers Custom Benchmark (no cash)		0.06	1.41	3.55	5.78	5.81	5.22	6.16		
	+/-	0.82	1.23	2.25	0.61	0.83	0.60	0.60	8.82	

* Historical returns prior to April 2004 provided by Citigroup.

**Time periods greater than one year are annualized. Returns are net of fees and exclude Erasmus.

Real Estate Quarterly Report

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

**Performance Measurement Report
Third Quarter 2012**

The Townsend Group

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

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Market Overview		Exhibit B

The Townsend Group Performance Measurement Report

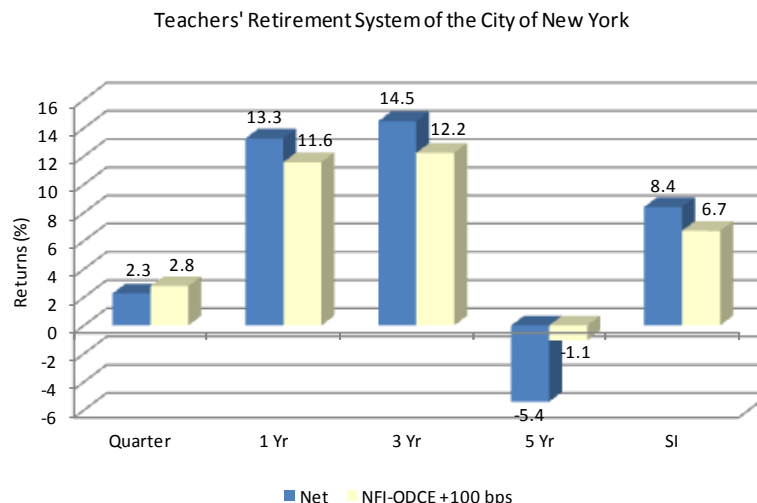
TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

THIRD QUARTER 2012

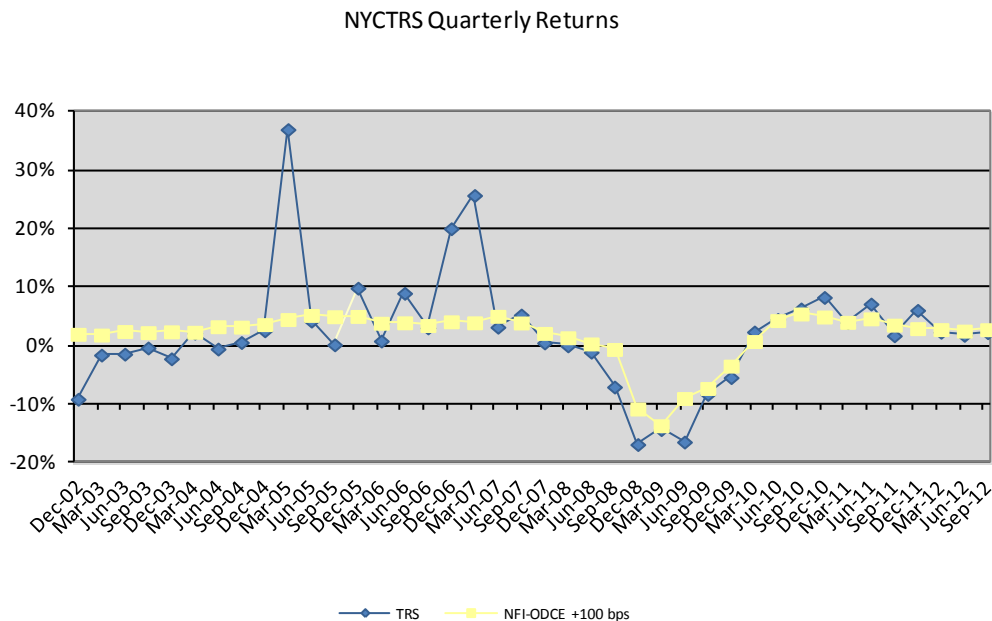
I. Performance Summary

At the end of the Third Quarter 2012, ("Quarter") The Teachers' Retirement System of the City of New York ("NYCTRS") Real Estate Portfolio ("Portfolio") had a cumulative market value of \$949.8 million. Total market value plus unfunded commitments was \$1.5 billion, or 53.6% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 2.8% which was comprised of 0.9% income and 1.9% appreciation. The NCREIF Open-end Diversified Core Equity Index ("NFI-ODCE") +100 bps reported a total net return of 2.8%. In addition, the Portfolio achieved a total net return of 2.3%. Since Inception, the Portfolio has a net IRR of 6.8% and an equity multiple of 1.2x as of September 30, 2012.

The following chart reflects the total net returns for the NYCTRS' Portfolio compared to the NFI-ODCE. During the Global Financial Crisis, real estate values declined 31% and 44% for the de-levered NCREIF Property Index ("NPI") and the levered NCREIF Open-End Diversified Core Equity Index ("NFI-ODCE"), respectively. Since the market trough in 2010, both indices have recovered 19% and 25%, respectively. U.S. GDP rose 2.0% in the Third Quarter of 2012, topping economists' expectations of a 1.9% growth pace, but still too slow to speed up job creation and dent the unemployment rate, which is currently at 7.9%. Consumer spending, which has the biggest impact on GDP, increased to 2% from 1.5% in the Second Quarter, while government spending jumped 3.7%, the biggest increase since mid-2009. Meanwhile, investment in housing increased 14.4%. U.S. real estate transaction volume totaled \$58 billion in the Third Quarter. According to Real Capital Analytics, suburban office transactions saw a 61% increase in volume, while CBD sales were down 28%, which suggests that investors are starting to look for higher yields in secondary markets. While overall sales of retail product declined by over 50%, the western U.S. experienced a 60% increase in shopping center transactions. Sales of apartments were up just slightly and at higher cap rates. In the industrial sector, overall volume was up, but spread amongst many more, smaller deals, as large portfolio trades were mostly absent. Overall, average cap rates declined as loan liquidity improved, allowing for higher valuations in primary and secondary markets. The benchmark established for the Portfolio is the NFI-ODCE +100 bps net over full market cycles.



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 +100 bps total net return measured over full market cycles.

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
Teachers' Retirement System of the City of New York	0.9	1.9	2.8	2.3	6.3	8.9	15.6	13.3	4.7	12.5	17.6	14.5	3.8	-7.6	-4.1	-5.4	13.4	8.4
NFI-ODCE Value Weighted Index			3.0	2.8			12.7	11.6			13.3	12.2		-0.2	-1.1	7.7	6.7	

II. Portfolio Composition

Teachers' Retirement System of the City of New York		
Total Plan Assets	9/30/2012	\$46,066
Real Estate Allocation (%)		6.0%
Real Estate Allocation (\$)		\$2,764
Style Sector Allocation		
Core / Core Plus Portfolio	40.0%	\$1,106
Non-Core Portfolio	55.0%	\$1,520
Emerging Managers Portfolio	5.0%	\$138
Uncommitted Core / Core Plus Portfolio		\$479
Uncommitted Non-Core Portfolio		\$704
Uncommitted Emerging Managers Portfolio		\$101
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		42.3%
Non-Core Portfolio		55.1%
Emerging Managers Portfolio		2.5%
\$ Committed		\$1,481
% Committed on Real Estate Allocation		53.6%
% Committed on Total Plan Assets		3.2%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		2.1%
% Funded (Market Value) of Total Real Estate Allocation		34.4%

Teachers		
Investment Cash Flow Summary		
	Quarter	To Date
Contributions	\$69.4	\$1,167.3
Distributions	-\$8.9	-\$352.1
Withdrawals	-\$5.7	-\$82.4

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.

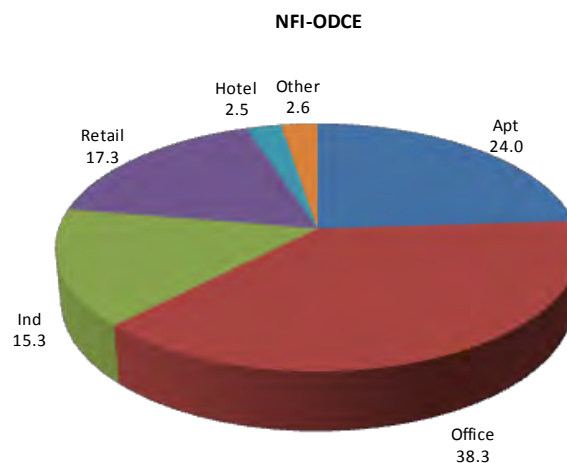
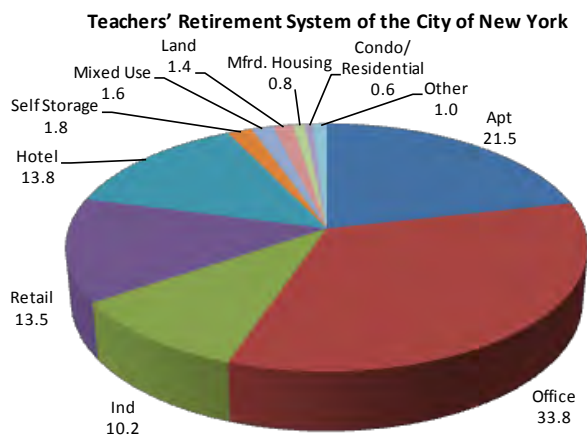
III. Portfolio Compliance

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles	<i>Portfolio returns underperform benchmark.</i>
Portfolio Composition	<p>Core/Core Plus (minimum of 40%)</p> <p>Non Core (minimum of 40%)</p> <p>Non Core Emerging (greater of \$93 million or 5% of the total real estate allocation)</p>	<i>The portfolio is funded (market value) and committed at 53.6% of real estate allocation with a portfolio composition of 42.3% core, 55.1% non-core, and 2.5% emerging.</i>
Real Estate Allocation	Target of 6.0%	<i>Funded (market value) and committed dollars place the portfolio at 3.2% of total plan assets.</i>
	Currently Funded at 2.1%	
Property Type Diversification	<p>Up to 40% Multifamily</p> <p>Up to 35% Industrial</p> <p>Up to 45% Office</p> <p>Up to 35% Retail</p> <p>Up to 25% Hotel</p> <p>Up to 20% Other</p>	<i>All property type locations are in compliance.</i>
Geographic Diversification	<p>Diversified geographically</p> <p>Max 25% Ex-US</p>	<i>All geographic type locations are in compliance</i>
LTV	65%	<i>Portfolio is in early stages of funding, but is in compliance (44.7%).</i>
Manager Exposure	15% of real estate allocation	<i>Manager exposure is within compliance ranges.</i>

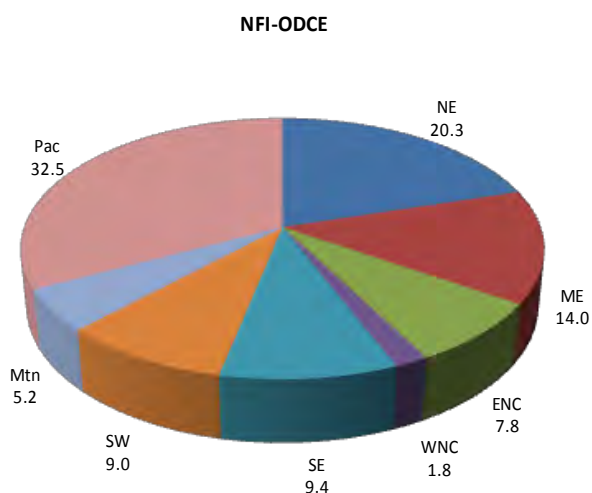
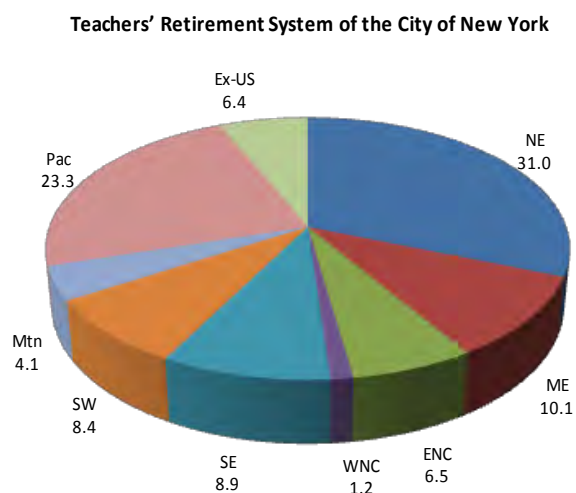
IV. Portfolio Diversification

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



SEPTEMBER 30, 2012

ALTERNATIVE INVESTMENT REPORT

Teachers' Retirement System of the City of New York

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Teachers' Retirement System of the City of New York

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Section 1:

Market Update

Third Quarter 2012 Report

The Private Equity Market

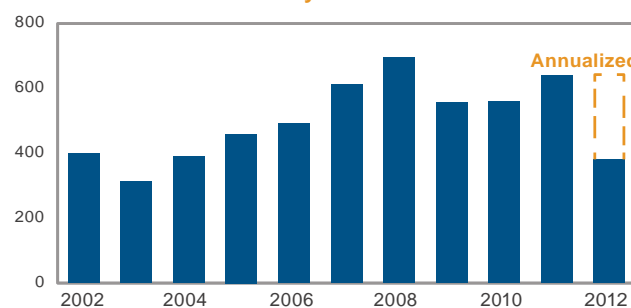
Key Trends

Critically assessing the private equity market requires taking a step back to examine trends within the larger context of the industry's cyclical nature. While the industry continues to be dominated by largely negative and many misleading headlines such as "Looming Wall of Maturities", "LPs Reducing Exposure to Private Equity," and "Dry Powder at Record Levels," we think it is important to instead look to the facts and realize that while all is far from perfect, the private equity asset class has recovered post-crisis and continues its march forward. As you'll read below, the debt markets are healthy, allowing for significant delevering and a moving of the maturity wall. LPs are not reducing but rather increasing their exposure, which is the result of private equity continuing to deliver attractive returns. We would suggest that focusing on dry powder is missing the real looming overhang issue - Net Asset Value increases relative to distributions. Nevertheless, the industry continues to make healthy progress toward recovering from its steep contraction following the financial crisis.

The Fundraising Environment

A key measure of the vibrancy of the private equity market is the volume of private placement memorandums (PPMs), which is experiencing a healthy rebound since the financial crisis. As a large, active investor, we have an excellent vantage point. The volume of PPMs that our diligence team is seeing is on pace for the second highest year in our history (Chart 1). Key drivers of this volume include continued expansion into newer markets (e.g., Asia and Latin America), broadening strategies (e.g., credit and infrastructure) and spin outs from existing fund managers.

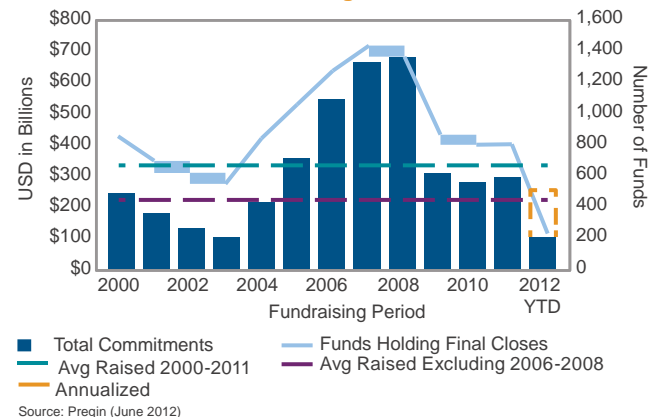
Chart 1: PPMs Received by Hamilton Lane



The global fundraising environment is increasingly challenging for the record number of fund managers seeking capital. Actual dollars raised is expected to be among the lowest in the past

8 years. And yet, excluding the 2006-2008 time period, we are presented with the anomaly that dollars raised will likely be above the average (Chart 2). In short, fewer managers are successfully raising capital. Long over-diversified in this asset class, LPs are finally beginning to concentrate their portfolios.

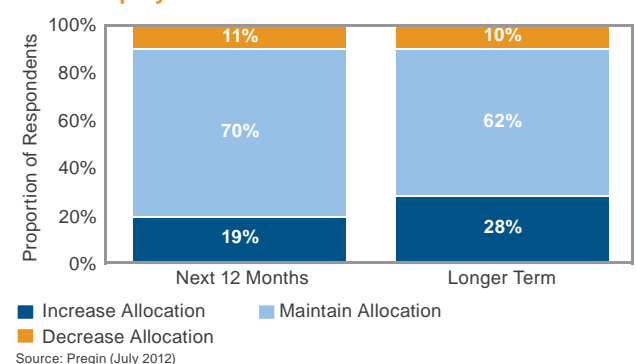
Chart 2: Global PE Fundraising



Increase in PE Allocations

Although some headlines may suggest otherwise, there is evidence that indicates investors are likely to increase their allocations to Private Equity. A recent Preqin investor survey shows that over the next 12 months, nearly 20% of investors plan to increase their allocations to the asset class. This number jumps to nearly 30% over the longer term.

Chart A: Investors' Intentions for Their Private Equity Allocations



PE Continued Outperformance

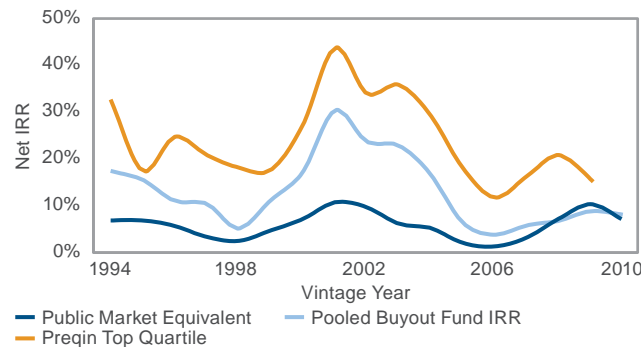
On a macro level, data suggests that private equity continues to outperform the public market equivalent. This is true for pooled or "average private equity" across most vintage years and is

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especially true of top quartile private equity where significant outperformance is persistent.

Chart B: All Buyouts Outperformance of Public Markets

All Buyout Funds vs. MSCI All Country World TR Index



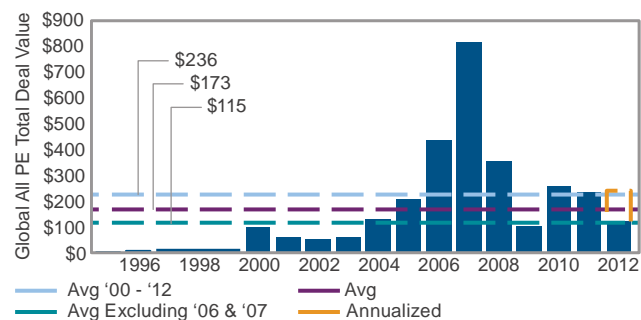
Source: Hamilton Lane Fund Investment Database, Prequin & Bloomberg (July 2012, fund performance as of March 2012)
Please refer to endnotes on page 20

The Absence of “Mega” Continues

It is also worth looking at the bigger players. Mega funds, those that fall in the \$5 billion-plus size, are noticeably absent in today's fundraising environment. Although staging a small comeback by raising just over 10% of the total funds both last year and so far this year, mega funds are still lagging behind the 2006 to 2007 “boom” years when they contributed to more than 40% of the funds raised. That said, funds sized \$1 billion to \$5 billion attracted more than 50% of the capital raised last year and are on track to raise an even greater percentage this year.

Chart 3: Global PE Deal Volume

Total Enterprise Value, USD in Billions



Source: ThomsonOne (July 2012)

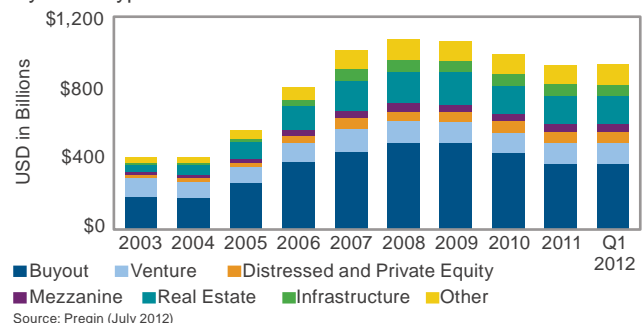
Global deal volume this year looks like it will be close to the level reached last year. While deal volume has returned to “normal” levels, it remains well below past highs (Chart 3). And with fundraising and deal volume nearly equal, capital overhang pressure remains.

What Investors Should Worry About: NAV, Not Dry Powder

Private equity capital overhang – or the level of dry powder – has attracted significant attention in the press. But is it all deserved? After all, from 2011 to 2012, capital overhang is actually on target to remain static given that there has been little change in the levels of either fundraising or distributions. Moreover, the “One Trillion Dollar” headline, while dramatic, is misleading as significant non-private equity capital, such as real estate and infrastructure, is included (Chart 4).

Chart 4: Private Equity Dry Powder

By Fund Type

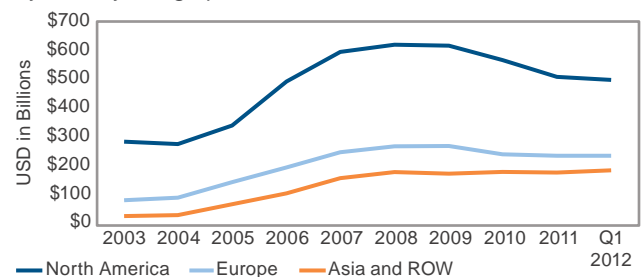


Source: Prequin (July 2012)

More important for investors is that the amount of dry powder is not equally distributed across regions. North America, which experienced the steepest growth starting in 2004, has also shown the steepest decline in dry powder. In Europe, dry powder has fallen slightly but remains close to 2007 levels. Reflecting an overheated market, Asia/ROW levels have steadily increased and recently reached a new high near \$200 billion (Chart 5).

Chart 5: Private Equity Dry Powder

By Primary Geographic Focus



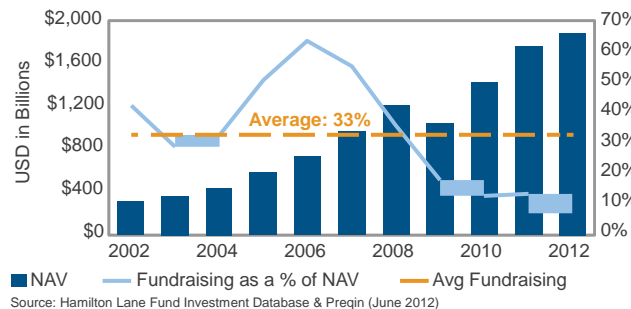
Source: Prequin (July 2012)

While high levels of dry powder can correlate to increased purchase prices, concerns that this capital will be unable to find a home are misguided. GPs rarely struggle in spending money. The real “capital overhang” issue, in our view, is not dry powder, but the accumulating NAV, which needs to be converted to

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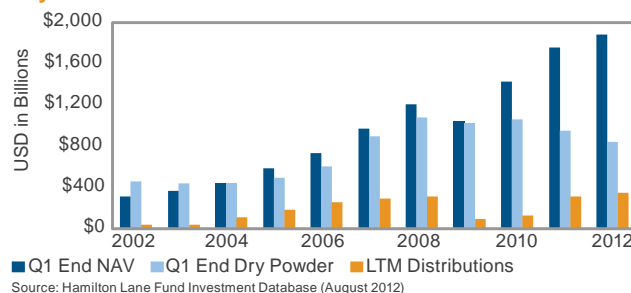
cash distributions. Since its peak in 2006, fundraising as a percentage of NAV has fallen steeply and in 2009 fell below the average rate of 33% (Chart 6). The unprecedented buildup of NAV raises important questions about how and when this asset value bulge returns to investors.

Chart 6: Industry Level All PE NAV and Fundraising
NAV as of Q1 End; Fundraising for Full Year (Annualized)



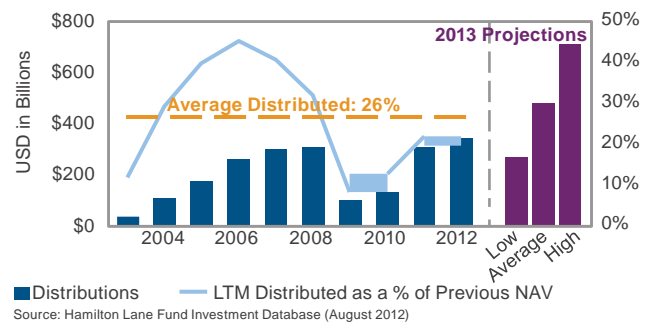
The Hamilton Lane Fund Investment Database shows a static picture of capital overhang from last year to 2012 – while dry powder goes down, NAV increases. Yet, there are some troubling signs (Chart 7). The increasing NAV/Distribution ratio indicates that LPs' exposure continues to grow. Thus, there is pressure on the market to consume tens of billions of dollars in NAV.

Chart 7: Industry Level All PE NAV, Dry Powder and Distributions



The last 12 months have seen industry-record levels of distributions. It may not feel that way to LPs, however, since, as a percentage of NAV, distributions are relatively low. The tremendous pressure from NAV levels increases the likelihood of significant liquidity coming to the market over the next 12 months – even our average estimate would be an unprecedented \$500 billion in distributions (Chart 8). In part, this is driven by the sheer size of the invested asset base and its age. A wave of liquidity will reduce exposure significantly in some cases, causing a need for LPs to recommit.

Chart 8: Industry Level All PE Distributed Capital
As of Q1 End

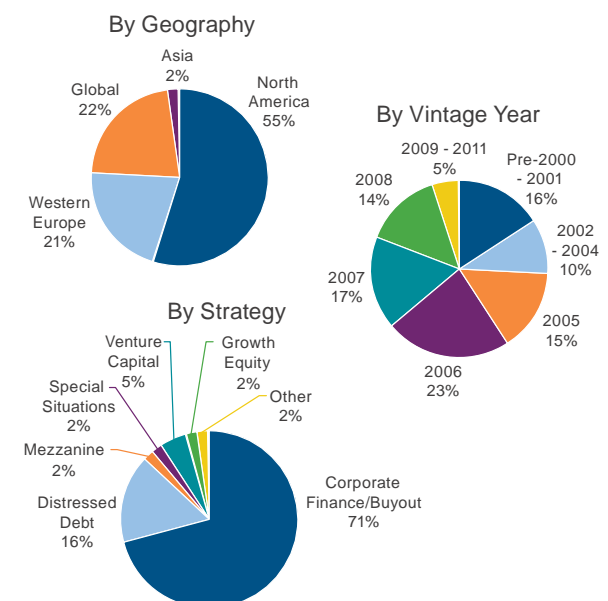


But what if this scenario does not play out and exposure is not reduced? We think that the timing and mechanics of converting NAV to cash distributions should be at the top of every investor's mind.

Sources of LP Liquidity

A look at private equity distributions shows that buyouts have been and will continue to be the big source of liquidity for LPs (Chart 9). Reflecting positions placed post-crisis, coupled with an improving economy, distressed debt investment proceeds as a source of liquidity have jumped from 6% (in 2008-2009) to 16% (in 2011-2012).

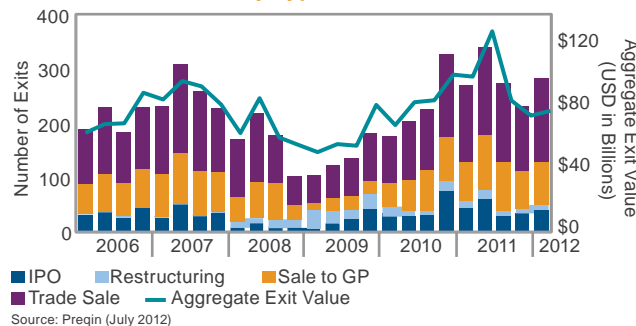
Chart 9: LP Distributions
June 2011-June 2012



Third Quarter 2012 Report

LP distributions by vintage year demonstrate the little recognized insight: **old dollars are not necessarily dead dollars**. For example, vintage years going back to 2005 and 2006 have grown in importance. There are meaningful dollars locked up in older vintages that are still being distributed. In fact, more than a quarter of all capital distributed in the 2011-2012 time period will come from pre-2000 through 2004 vintage years.

Chart 10: Quarterly Aggregate PE-Backed Exit Value and Number of Exits by Type

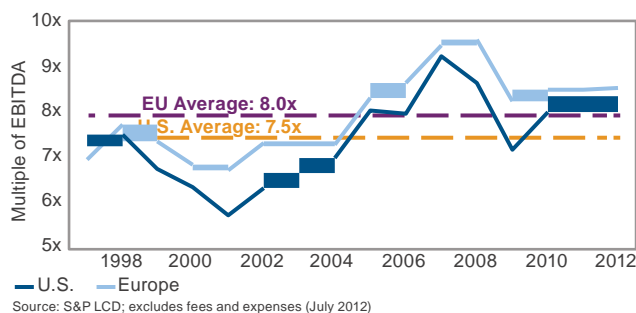


As our comments about growing NAV indicate, liquidity events should be on the rise. Although PE-backed exit values improved during the first quarter, the IPO window remains narrow. While trade sales remain the most popular exit, GP-to-GP exits continue to be a meaningful part of the landscape and we do not see this trend changing. The growing size of the private equity market and the large number of firms looking for exits and investments should continue to drive these transactions (Chart 10).

How Expensive Is the Market?

U.S. and European LBO purchase price multiples remain above their long-term averages (Chart 11). At 8.6x, the average LBO purchase price multiple in Europe has stabilized and has dropped substantially from its pre-crisis high of 9.7x. U.S. price multiples remain below those in Europe and are at or just above pre-boom levels.

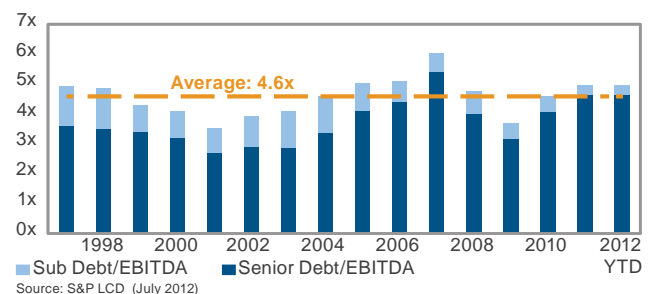
Chart 11: Average LBO Purchase Price Multiples



Leverage multiples for U.S. LBOs remain relatively stable and hovering at industry norms (Chart 12). Banks are lending in the U.S., and debt is affordable and available, just not in the volume seen in 2005 to 2007.

Consistent with today's cautious economic environment, capital structures for larger buyouts are relatively equity-heavy, a trend that has persisted for the past five years. Over the past few years, the average equity contribution for large LBOs in the U.S. has been in the range of 37% to 40%, above the long-term average of 33%. Equity contributions remain higher for mid and smaller deals - four points over the large LBO average. Europe's average equity contribution is above that of the U.S., moving up from 47% in 2011 to 50% in the first half of 2012². These levels reflect a continued trend of remaining above the long-term average of 40%, post-crash, and have important implications for the ability to generate returns.

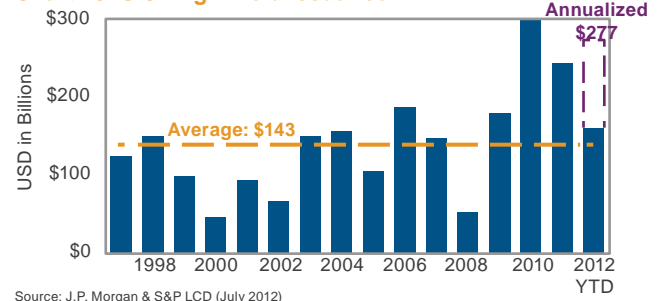
Chart 12: Average Leverage Multiples U.S. LBOs



Debt Markets

The very different conditions of the U.S. and European economies are reflected in the diverging performance of their respective debt markets. This impacts not only returns, but also the type of strategies that will prove favorable, as well as the ability of portfolio companies to refinance in each region.

Chart 13: U.S. High Yield Issuance

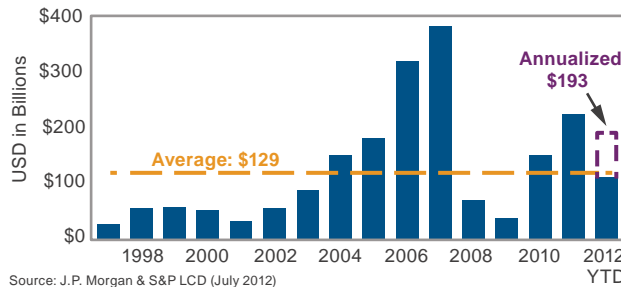


Driven by low rates and investors' search for yield, the U.S. high yield market continues to be robust. Year-to-date 2012, volume

Third Quarter 2012 Report

is already above historical averages (Chart 13). Leveraged loan volume is also running above the historical average and tends to be more correlated to new deal volume given the market's greater dependence on buyout transactions (Chart 14).

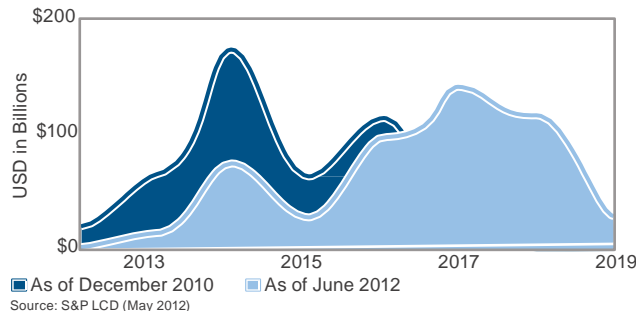
Chart 14: U.S. Leveraged Loans Issuance



What about the price of debt? As expected, average loan prices are well above crisis levels and trading in line with market norms. The difference between B- and Better Rate and Below B- has widened since 2011. High yield prices are strong and generally on the rise. The high volume and price of debt are key factors fueling a healthy U.S. buyout market.

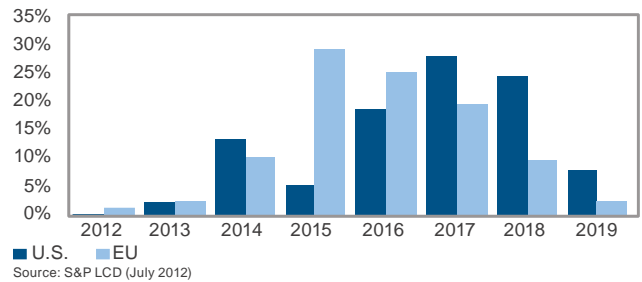
Unfortunately, the efficiency or robust character of the debt markets is rarely appreciated by observers who continue to worry about the collapsing "wall of maturities." This so-called "inevitable" outcome has yet to occur as high levels of refinancing have continued to push back maturities, effectively knocking down the most recent "wall" of 2014 (Chart 15).

Chart 15: U.S. Total Loans Outstanding



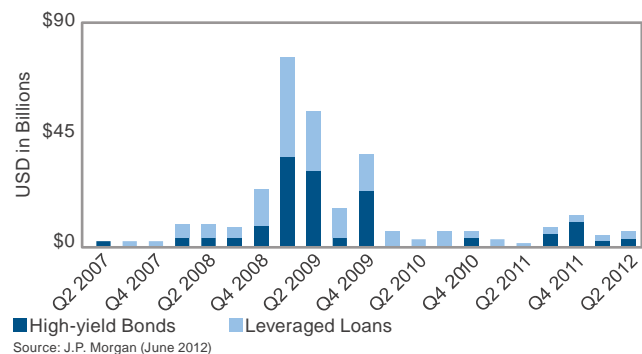
It is a decidedly different picture in Europe, where leverage loan and high yield spreads are weakening on economic concerns. A major default or break up of the Euro would have significant impacts throughout the continent's debt markets and beyond. Given the weaker state of the markets, the ability to refinance is far more limited, making the significant maturities coming due more problematic (Chart 16). More than 50% of the region's total outstanding leveraged loans are set to come due in 2015 and 2016, and the continued failure to address this debt represents one of the key risks to the European buyout market.

Chart 16: Maturity Profiles of U.S. and Europe
% of Region's Total Outstanding Leveraged Loans



Despite tough economic conditions globally, default rates remain near historic lows (Chart 17). Over the last nine months, only 30 companies and \$26.8 billion in bonds and loans have defaulted for an average of 3.3 defaults and \$3.0 billion per month. The par-weighted high-yield default rate increased to 2.21% from 2.17%, but remains well below the 25-year average of 4.2%.

Chart 17: Default Volume



Our assessment of the U.S. debt markets indicates that there is not an abundance of distressed investment opportunity due to the strengthening market and ease in the ability to refinance. We see the most attractive opportunities in small names, rescue capital and "loan to own." The larger distressed sector is characterized by plenty of available capital and scarcity of supply. This all said, opportunities would expand with a pronounced downturn, as lengthened maturities have not significantly reduced leverage levels.

In Europe, we see opportunities across the entire credit landscape driven by loan maturities, defaults and need for bank deleveraging. Non-traditional (e.g., non-performing loans) debt opportunities are the most actionable and attractive today, but require a specialized skill set. We caution that the timing and pace of opportunities will be slow, uncertain and highly dependent on bank willingness and need to sell assets at a loss.

Third Quarter 2012 Report

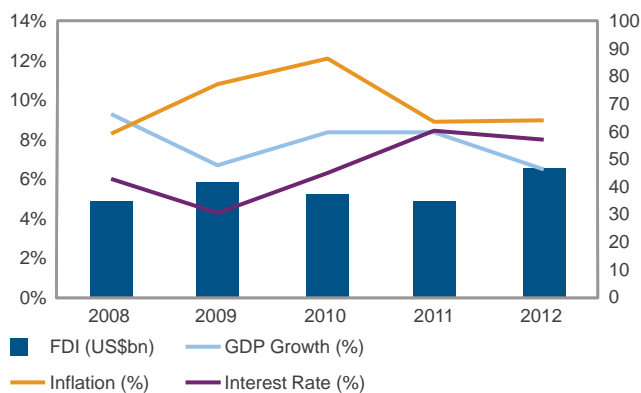
Regional Spotlight



India

Key Population Metrics	
Capital:	New Delhi
Type of Government:	Federal Parliamentary Constitutional Republic
2011 Population:	1.21 Billion
Currency:	Indian Rupee
Official Languages:	Hindi / English
2011 GDP:	\$4.457 Trillion

Country Economics

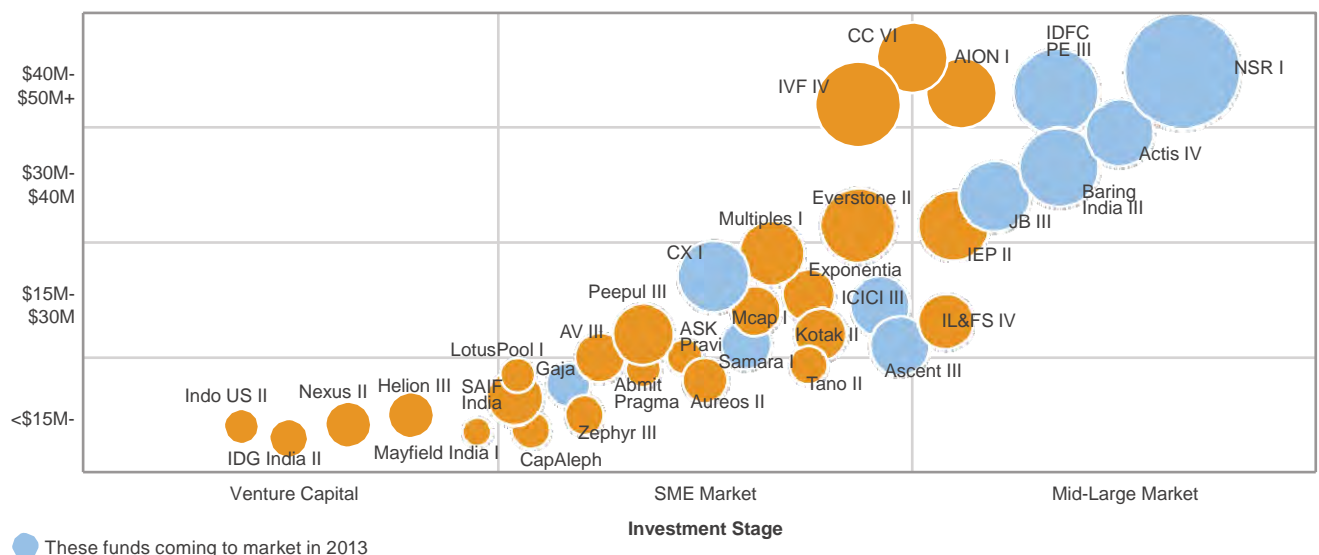


Source: RBI

Macroeconomics: India's economic performance deteriorated sharply over the past year as GDP growth declined to a 9-year low of 5.5% in June 2012.¹ By September 2012, the Indian Government was forced to respond more aggressively to the weakened macroeconomic environment and initiated several policy reforms. These included a postponement on new taxation policies, the easing of FDI restrictions related to various sectors, more active deficit management, and the partial privatization of four state-owned enterprises. Markets responded positively to these initiatives, lifting the Rupee approximately 7% between September and early-October 2012.¹

Private Equity: Coinciding with a weakening economy, India reported a steep decline in deals completed (25%) and deal value (23%) over the one-year period.² While Private Equity funds raised for India dropped by 50% from \$2.5 billion in H1 2011 to \$1.2 billion in H1 2012, families continue to dominate the deal landscape. During 2011, Private Equity accounted for 22.3% of total deal volume, a significant drop from 35.6% in 2007.³

Conclusion: Although a weaker economic backdrop will pose challenges for portfolio companies, we believe prevailing conditions make for a better private equity investment environment as valuation multiples are lower and entrepreneurs face fewer funding options and thus have become more amenable to taking capital from private sources. 🚀



● These funds coming to market in 2013

Note: Bubble size represents the latest fund size

Note: Chart excludes Pan-Asian Funds, Sovereign Wealth Funds and special-focused funds (e.g. Cleantech, Real Estate, and Distressed Debt)

Legend: AV: Avigo; CC: Chrys Capital; JB: Jacob Ballas; pravi: praviCapital; Tata: Tata Opportunities

Note: Exposure to Actis India III is through Actis Emerging Market 3 Fund. Exposure to SAIF India through SAIF IV

Source: Hamilton Lane

1 Source: RBI

2 Source: EMPEA

3 Source: AVCJ

Section 2:

Portfolio Update

Teachers' Retirement System of the City of New York

Third Quarter 2012 Report

Portfolio Snapshot

Hamilton Lane was engaged by the Teachers' Retirement System of the City of New York ("TRS") in October 2010 to provide alternative investment consulting services in accordance with the investment objectives of the TRS Private Equity portfolio (the "Portfolio"). This report represents the review by Hamilton Lane of TRS's Portfolio and is based upon information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of September 30, 2012, with highlights through December 31, 2012.

Private Equity Target: TRS has a target allocation of 6% to Private Equity. As of September 30, 2012, Private Equity constituted 5.0% of NYCTRS plan.

Performance: As of September 30, 2012, the Portfolio consists of 122 partnerships and 82 underlying fund managers. The Portfolio has generated a since inception internal rate of return ("IRR") of 8.43% and a total value multiple of 1.3x.

Portfolio Summary			
\$ millions	6/30/2012	9/30/2012	Change
Active Partnerships	121	122	1
Active GP Relationships	82	82	-
Capital Committed ⁽¹⁾	\$3,967.7	\$4,038.9	\$71.2
Commitments Sold	\$288.2	\$288.3	\$0.1
Unfunded Commitment	\$1,519.5	\$1,512.7	(\$6.8)
Capital Contributed	\$3,070.9	\$3,163.5	\$92.6
Capital Distributed ⁽²⁾	\$1,632.4	\$1,721.9	\$89.5
Market Value	\$2,174.1	\$2,239.3	\$65.2
Total Value Multiple	1.2x	1.3x	0.1x
Since Inception IRR	8.59%	8.43%	(16 bps)
Avg. Age of Active Commitments	4.8 years	4.9 years	0.1 years

⁽¹⁾The "change" in capital committed from the prior quarter reflects currency adjustments from existing foreign denominated funds.

⁽²⁾Distributions are inclusive of receivable amounts from TRS Secondary Sale.

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 56% of the Portfolio's total exposure, Growth Equity accounts for 12%, Venture Capital represents 11%, Secondaries represent 7%, Special Situations/Turnaround represents 7%, Energy represents 5%, Co-Investment represents 1%, and Mezzanine represents the remaining 1%. The Portfolio has significant exposure to North America; with 80% of the underlying company market value based in the region.

Teachers' Retirement System of the City of New York

Third Quarter 2012 Report

Portfolio Overview

Commitments

The table below highlights the funds that closed during the year 2012.

YTD Commitments - 2012			
Closing Date	Partnership	Investment Strategy	Commitment Amount (\$ in Millions)
4/20/2012	Ares Corporate Opportunities Fund IV, L.P.	Special Situations/Turnaround	\$105.0
5/9/2012	Warburg Pincus Private Equity XI, L.P.	Growth Equity	\$175.0
7/31/2012	Trilantic Capital Partners V, L.P.	Corporate Finance/Buyout - Mid	\$70.0
Total			\$350.0

During the first three quarters of 2012, the Portfolio completed three additional investments totaling \$350.0 million, detailed below:

Ares Corporate Opportunities Fund IV, L.P. (\$105.0 million) the fund will pursue opportunistic majority control or shared-control investments in undercapitalized middle market companies with strong franchises and attractive growth opportunities.

Warburg Pincus Private Equity XI, L.P. (\$175.0 million) the fund will seek to invest in growth-oriented companies across a range of venture capital, leveraged buyout and growth equity transactions.

Trilantic Capital Partners V, L.P. (\$70.0 million) the fund will seek to invest in U.S.-based middle market companies with a main concentration in the business services, consumer, energy, and financial services industries.

Subsequent Events

The Portfolio completed additional investments totaling \$267.8 million following the quarter end September 30, 2012, detailed below:

Subsequent Closings			
Investment	Investment Strategy	Commitment (\$ in Millions)	Closing Date
ICV Partners III, L.P.	Corporate Finance/Buyout - Small	14.0	11/16/2012
Carlyle Partners VI, L.P.	Corporate Finance/Buyout - Mega	125.0	12/21/2012
Carlyle Partners VI, L.P. - Side Car	Co-Invest	13.8	12/21/2012
Platinum Equity Capital Partners III, L.P.	Special Situations/Turnaround	115.0	12/28/2012
Total		\$267.8	

ICV Partners III, L.P. (\$14.0 million) the fund, TRS's first commitment in the EM program, will pursue leveraged buyouts of U.S.-based lower-middle-market companies.

Carlyle Partners VI, L.P. & Side Car (\$125.0/\$13.75 million) the fund intends to make investments in companies in which it obtains majority control of the board of directors or significant influence over governance of business, focusing on industries in which the firm has significant expertise (Aerospace,

Teachers' Retirement System of the City of New York

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Defense & Government Services; Consumer & Retail; Healthcare; Industrial & Transportation; Technology; and Telecom & Media).

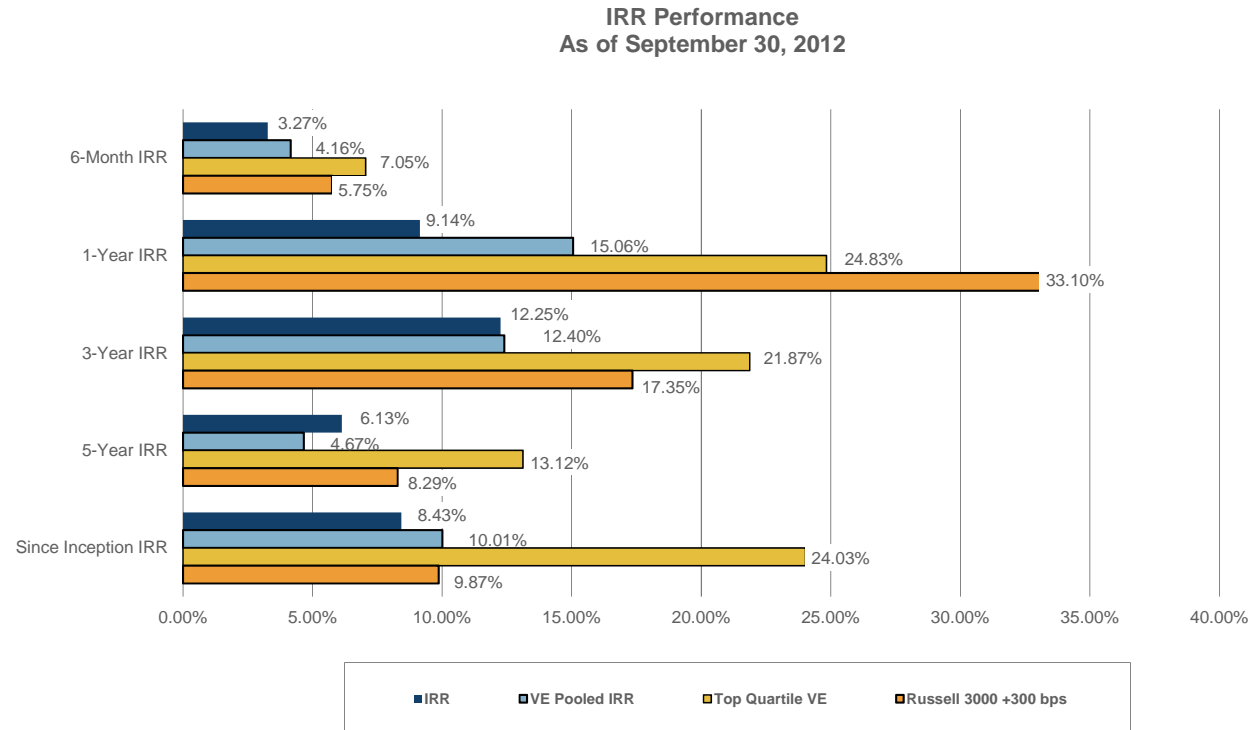
Platinum Equity Capital Partners III, L.P. (\$115.0 million) The fund's strategy is to invest in underperforming businesses and apply operational improvements to build enterprise value and generate top tier investment returns.

Teachers' Retirement System of the City of New York

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Portfolio Performance Summary

The chart below is a graphical depiction of the IRR performance of the Portfolio with respect to 6-Month, 1-Year, 3-Year, 5-Year, and Since Inception time periods. The Portfolio is benchmarked against the VE Pooled IRR, Top Quartile VE and the Russell 3000 plus 300 basis points.



Note: Since Inception IRR for VE benchmarks represent the returns for funds within latest 10 vintage years, the closest available benchmark to the inception date of NYC Teachers Portfolio. The Russell 3000 Total return index incorporates the Long Nickels methodology where the assumption is that the capital is being invested and withdrawn from the index on the days the capital was called and distributed from the underlying fund managers. This calculation includes a 3% premium.

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the third quarter of 2012 decreased 16 basis point from the prior quarter, with the Portfolio generating an IRR of 8.43%.
 - Relative to the benchmarks, the since inception IRR is underperforming the VE Pooled IRR by 158 basis points, the Top Quartile VE by 1,560 basis points, and Russell 3000 plus 300 basis points by 144 basis points.
- Performance on a one-year basis for the third quarter 2012 increased 413 basis points from the second quarter 2012, with the Portfolio generating an IRR of 9.14%.
 - Relative to the benchmarks, the one-year IRR is underperforming the VE Pooled IRR by 592 basis points, the Top Quartile VE by 1,569 basis points, and Russell 3000 plus 300 basis points by 2,396 basis points. The difference in the public benchmarks can be attributable to the public market rally in the third quarter 2012.

Teachers' Retirement System of the City of New York

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The table below details quarterly performance of the Portfolio for the year ending September 30, 2012.

Portfolio Summary					
in \$ millions	Quarter Ending				Year Ending
	12/31/2011	3/31/2012	6/30/2012	9/30/2012	9/30/2012
Beginning Market Value	\$2,113.4	\$2,075.6	\$2,149.8	\$2,174.1	\$2,113.4
Paid-in Capital	111.2	146.1	115.6	92.6	465.5
Distributions ⁽¹⁾	(199.3)	(123.8)	(122.2)	(89.5)	(534.8)
Net Value Change	50.3	51.9	30.9	62.1	195.2
Ending Market Value	\$2,075.6	\$2,149.8	\$2,174.1	\$2,239.3	\$2,239.3
Unfunded Commitments	\$1,495.5	\$1,338.5	\$1,519.5	\$1,512.7	\$1,512.7
Total Exposure	\$3,571.1	\$3,488.3	\$3,693.6	\$3,752.0	\$3,752.0
Point to Point IRR	2.60%	3.01%	2.01%	1.23%	9.14%
Since Inception IRR	8.01%	8.61%	8.59%	8.43%	8.43%

⁽¹⁾Distributions are inclusive of receivable amounts from TRS Secondary Sale.

- Over the past twelve months, the Portfolio has generated an IRR of 9.14% and has experienced a total of \$195.2 million in net value appreciation.
 - The one-year IRR of 9.14% represents a 503 basis point decrease when compared to the one-year IRR as of September 30, 2011. The decrease in IRR can be attributed to the continued volatility across the global markets over the course of the prior year.

Teachers' Retirement System of the City of New York

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The table below details IRR performance of the Portfolio with respect to Vintage Year. The Portfolio is benchmarked against the VE Median IRR, Top Quartile VE, and the Russell 3000 plus 300 basis points.

Performance by Vintage Year ⁽¹⁾					
Vintage Year	Capital Committed	IRR	VE Median IRR	Top Quartile VE	Russell 3000 + 300bps
1999	\$ 95,000,000	6.77%	(2.02%)	5.74%	6.59%
2000	83,000,000	7.38%	0.00%	8.42%	5.35%
2001	80,000,000	20.08%	5.30%	15.85%	6.23%
2002	150,000,000	13.51%	2.05%	18.33%	7.71%
2003	85,000,000	20.72%	7.93%	14.07%	10.85%
2004	234,000,000	7.48%	4.51%	13.06%	8.48%
2005	300,486,491	4.31%	6.04%	10.53%	7.68%
2006	579,222,021	5.74%	3.68%	8.60%	7.46%
2007	506,427,991	7.14%	8.39%	16.16%	5.62%
2008	776,633,775	11.32%	9.47%	17.56%	5.10%
2009	42,500,000	7.89%	9.28%	15.40%	19.29%
2010	45,000,000	(0.51%)	7.86%	14.99%	15.19%
2011	611,664,263	9.06%	(7.39%)	6.20%	12.57%
2012	450,000,000	(12.51%)	(19.55%)	4.62%	19.13%

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

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

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The table below details IRR performance of the Portfolio with respect to Investment Strategy. The Portfolio is benchmarked against the VE Median IRR, and the Top Quartile VE.

Performance by Investment Strategy ⁽¹⁾				
Investment Strategy	Capital Committed	IRR	VE Median IRR	Top Quartile VE
Corporate Finance/Buyout	\$ 2,255,191,626	9.10%	7.71%	15.55%
Corporate Finance/Buyout - Mega	527,020,059	8.52%	6.67%	13.72%
Corporate Finance/Buyout - Large	416,260,691	16.57%	9.11%	18.72%
Corporate Finance/Buyout - Mid	844,037,139	7.68%	5.64%	12.99%
Corporate Finance/Buyout - Small	467,873,737	7.97%	5.55%	16.68%
Co-Invest	69,160,968	0.84%	N/A	N/A
Energy	217,500,000	3.17%	N/A	N/A
Growth Equity	420,000,000	15.91%	N/A	N/A
Secondary	290,000,000	14.78%	N/A	N/A
Special Situations/Turnaround	270,000,000	18.25%	12.98%	19.88%
Other	517,081,947	3.34%	0.59%	7.24%
Venture Capital	467,081,947	2.45%	(0.03%)	6.05%
Mezzanine	50,000,000	13.12%	7.02%	9.91%

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

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

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

Performance Summary by Region						
Region	Capital Committed	Paid-In Capital	Capital Distributed ⁽¹⁾	Reported Market Value	IRR	Total Value Multiple
North America	\$2,628,307,747	\$2,172,241,138	\$1,145,949,377	\$1,549,501,812	7.71%	1.2x
Western Europe	\$284,215,454	\$197,833,730	\$51,428,548	\$143,179,087	(0.62%)	1.0x
Rest of World	\$1,126,411,339	\$793,396,969	\$524,482,988	\$546,648,895	12.75%	1.4x
Total	\$4,038,934,541	\$3,163,471,837	\$1,721,860,913	\$2,239,329,794	8.43%	1.3x

⁽¹⁾ Distributions are inclusive of receivable amounts from TRS Secondary Sale.

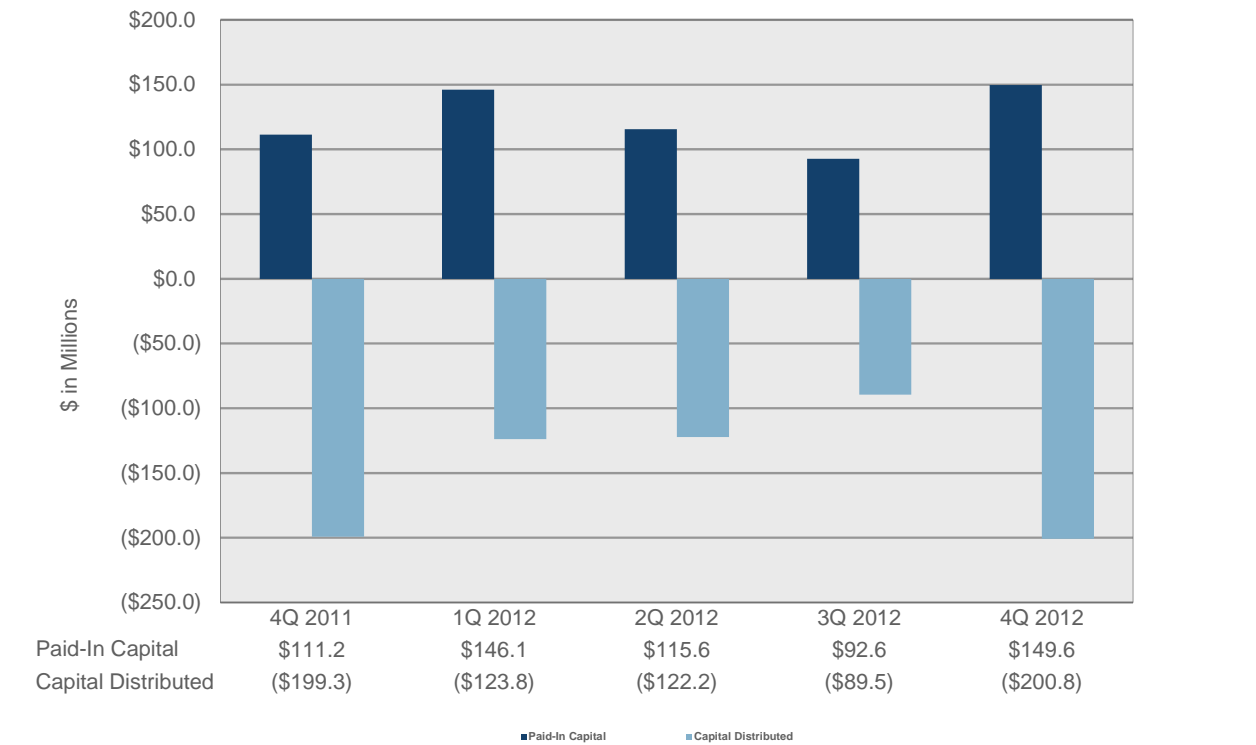
Note: Commitments in the above table do not include liquidated/sold investments.

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Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended September 30, 2012.



Note: Distributions are inclusive of receivable amounts from TRS Secondary Sale.

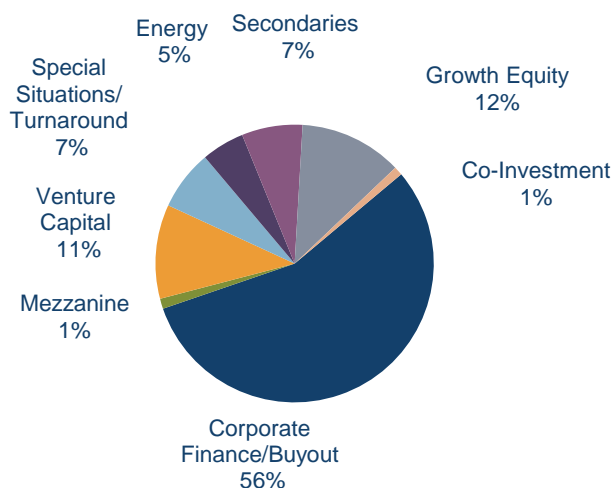
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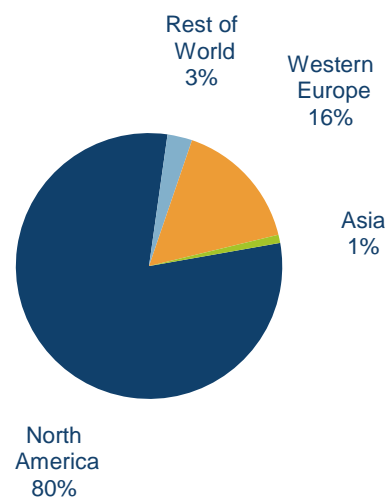
Portfolio Exposures

The pie charts below represent the strategic and geographic diversification of the Portfolio as of September 30, 2012. Strategy is measured by total exposure, which is the sum of the market value and the unfunded commitments and provides a snapshot of the Portfolio's future diversification. Geography is measured by the Portfolio's exposed market value of the underlying portfolio companies.

**Strategic Diversification
by Total Exposure
As of September 30, 2012**



**Underlying Investment Diversification
by Geographic Location
As of September 30, 2012**



- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 56% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 80% of the Portfolio's underlying market value attributable to this region.
 - The remaining 20% of the Portfolio's exposure is diversified between Western Europe, 'Rest-of-World' and Asia.

Section 3:

Portfolio Assessment

Teachers' Retirement System of the City of New York (as of September 30, 2012)								
Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
1999	Cypress Merchant Banking Partners II, LP	7/8/1999	\$50,000,000	\$53,822,460	\$41,083,088	\$4,789,394	0.85x	(3.58)%
	FdG Capital Partners, L.P.	6/2/1999	30,000,000	34,452,711	51,025,646	6,298,637	1.66x	15.09%
	Lincolnshire Equity Fund II, L.P.	2/26/2001	15,000,000	14,446,100	25,257,218	3,257,820	1.97x	24.94%
2000	Carlyle Partners III, L.P.	12/22/2000	30,000,000	33,979,261	71,118,153	789,171	2.12x	23.32%
	Allegra Capital Partners IV, L.P.	7/25/2000	18,000,000	16,000,000	8,195,062	36,826	0.51x	(7.80)%
	SCP Private Equity Partners II, L.P.	1/19/2001	20,000,000	22,168,428	6,465,475	8,642,053	0.68x	(5.66)%
2001	Solera Partners, L.P.	7/8/2002	15,000,000	19,129,580	16,432,594	20,966,878	1.96x	11.06%
	Apollo Investment Fund V, L.P.	8/23/2001	30,000,000	46,725,243	84,455,127	8,369,102	1.99x	39.06%
	New Mountain Partners, L.P.	7/20/2001	15,000,000	12,977,661	17,328,376	1,397,864	1.44x	12.65%
2002	Ripplewood Partners II, L.P.	6/30/2002	15,000,000	17,218,764	12,487,111	7,060,419	1.14x	3.90%
	RRE Ventures III, L.P.	6/13/2002	20,000,000	25,541,773	15,787,469	27,476,698	1.69x	10.09%
	BDCM Opportunity Fund, L.P.	11/10/2003	25,000,000	54,499,579	73,575,840	17,494,886	1.67x	23.47%
2003	Coller International Partnership IV, L.P.	11/6/2002	35,000,000	31,114,183	35,155,757	9,475,634	1.43x	14.06%
	Landmark Equity Partners XI, L.P.	9/15/2004	20,000,000	21,146,435	26,743,383	4,134,588	1.46x	24.49%
	Thomas McNerney & Partners, L.P.	11/26/2002	15,000,000	14,325,000	5,252,354	7,085,708	0.86x	(3.57)%
2004	Yucaipa American Alliance Fund I, L.P.	10/1/2004	55,000,000	80,828,995	59,739,039	39,761,087	1.23x	7.92%
	Ares Corporate Opportunities Fund, L.P.	5/4/2004	15,000,000	17,968,329	20,637,192	7,428,700	1.56x	14.70%
	Blackstone Capital Partners IV L.P.	1/10/2003	30,000,000	30,678,167	55,792,066	16,384,322	2.35x	38.46%
2005	FS Equity Partners V, L.P.	5/30/2003	25,000,000	21,580,998	34,514,798	7,162,190	1.93x	15.83%
	Leeds Weld Equity Partners IV, L.P.	12/13/2004	15,000,000	15,137,731	5,755,134	13,131,632	1.25x	4.49%
	Aurora Equity Partners III, L.P.	5/19/2005	20,000,000	21,681,015	11,238,707	20,184,485	1.45x	12.49%
2006	Celtic Pharmaceutical Holdings, L.P.	7/10/2006	15,000,000	15,241,256	241,256	23,030,787	1.53x	8.35%
	FdG Capital Partners II, L.P.	8/30/2004	35,000,000	36,728,152	18,559,263	22,591,872	1.12x	2.58%
	Lincolnshire Equity Fund III, L.P.	12/23/2004	25,000,000	23,482,973	27,327,369	17,096,738	1.89x	37.47%
2007	Markstone Capital Partners, L.P.	7/21/2004	35,000,000	33,460,657	13,776,797	16,400,170	0.90x	(2.73)%
	New York/Fairview Emerging Managers (Tranche A), L.P.	10/21/2004	24,000,000	20,700,000	4,587,343	15,683,192	0.98x	(0.55)%
	Paladin Homeland Security Fund (NY), L.P.	10/1/2004	15,000,000	15,999,078	2,653,109	5,700,149	0.52x	(12.09)%
2008	Palladium Equity Partners III, L.P.	8/10/2005	35,000,000	34,637,124	22,162,329	32,535,875	1.58x	16.54%
	Trilantic Capital Partners III (fka LMB III), L.P.	9/22/2005	30,000,000	23,475,593	25,844,336	10,422,496	1.54x	13.32%
	Blackstone Mezzanine Partners II, L.P.	5/26/2006	20,000,000	19,200,919	15,558,499	9,309,957	1.30x	8.18%
2009	Bridgepoint Europe III, L.P.	12/6/2005	31,260,691	26,996,441	8,598,219	21,937,320	1.13x	2.63%
	Erasmus New York City Growth Fund, L.P.	8/16/2005	30,000,000	26,117,536	13,184,735	9,669,677	0.88x	(3.04)%
	GI Partners Fund II, L.P.	6/19/2006	25,000,000	25,146,866	10,625,352	25,224,168	1.43x	7.40%
2010	JP Morgan Fleming (Tranche A), L.P.	12/21/2005	31,000,000	25,493,972	6,234,831	23,216,980	1.16x	4.79%
	New Mountain Partners II, L.P.	1/12/2005	23,225,800	21,130,671	18,994,141	17,025,067	1.70x	12.38%
	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	20,023,087	5,113,674	9,795,866	0.74x	(8.81)%
2011	Psilos Group Partners III, L.P.	10/17/2007	25,000,000	23,700,585	12,820,541	17,537,192	1.28x	7.34%
	Quadrangle Capital Partners II, L.P.	2/28/2006	35,000,000	29,026,219	12,119,277	21,058,949	1.14x	3.59%
	Snow Phipps Group, L.P.	8/2/2007	15,000,000	15,734,937	6,712,929	13,625,062	1.29x	10.52%
2012	USPF II Institutional Fund, L.P.	11/23/2005	35,000,000	42,777,922	21,665,759	30,904,082	1.23x	5.92%
	VSS Communications Partners IV, L.P.	6/2/2006	10,000,000	10,453,541	2,626,686	5,700,427	0.80x	(5.27)%
	Aisling Capital II, L.P.	1/12/2006	4,500,000	4,084,546	895,075	2,928,801	0.94x	(1.78)%
2013	Ampersand 2006, L.P.	7/6/2007	15,000,000	13,200,000	3,540,241	16,323,622	1.50x	11.71%
	Apollo Investment Fund VI, L.P.	5/10/2006	35,000,000	42,819,614	18,614,577	36,918,025	1.30x	7.63%
	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	30,000,000	32,538,327	35,323,061	16,935,124	1.61x	14.06%
2014	Arsenal Capital Partners II, L.P.	12/19/2006	13,500,000	14,752,706	4,317,798	17,548,682	1.48x	14.67%
	Avista Capital Partners, L.P.	8/11/2006	30,000,000	36,870,479	24,822,695	23,820,060	1.32x	8.00%
	BDCM Opportunity Fund II, L.P.	12/28/2006	25,000,000	32,044,878	13,635,483	29,871,428	1.36x	13.21%
2015	Blackstone Capital Partners V, L.P.	4/13/2006	75,600,000	73,818,850	12,520,454	65,732,319	1.06x	1.43%
	Catterton Partners VI, L.P.	12/14/2006	30,000,000	30,533,290	10,379,783	37,001,234	1.55x	12.87%
	CCMP Capital Investors II, L.P.	5/22/2007	20,000,000	19,042,654	6,394,592	19,339,313	1.35x	12.35%
2016	Cinven Fourth Fund	1/22/2007	44,638,025	42,419,422	11,188,675	42,649,840	1.27x	6.95%
	Fairview Ventures Fund III, L.P.	7/13/2007	20,000,000	15,249,472	2,185,368	16,265,832	1.21x	8.71%
	First Reserve Fund XI, L.P.	12/22/2006	30,000,000	33,088,824	11,057,478	24,631,396	1.08x	2.55%
2017	GF Capital Private Equity Fund, L.P.	3/20/2008	15,000,000	14,211,543	8,174,107	11,366,591	1.37x	14.37%
	GSC Recovery III, L.P.	5/4/2006	10,000,000	10,581,644	6,638,300	4,504,320	1.05x	1.64%
	InterMedia Partners VII, L.P.	6/8/2006	25,000,000	26,549,099	3,223,123	30,764,897	1.28x	5.73%
2018	Landmark Equity Partners Fund XIII, L.P.	5/15/2006	25,000,000	22,110,335	12,028,264	12,923,247	1.13x	3.55%
	MidOcean Partners III, L.P.	6/19/2007	40,000,000	32,814,634	5,151,223	29,283,902	1.05x	1.53%
	Perseus Partners VII, L.P.	8/6/2007	20,000,000	21,560,539	3,063,758	11,139,995	0.66x	(14.29)%
2019	RRE Ventures IV, L.P.	10/25/2006	25,000,000	25,108,048	3,219,108	32,194,079	1.41x	11.57%
	Terra Firma Capital Partners III, L.P.	2/26/2007	30,983,997	28,860,394	662,055	14,692,425	0.53x	(19.42)%
	Thomas, McNerney & Partners II, L.P.	11/30/2006	15,000,000	12,862,500	1,539,679	11,825,691	1.04x	1.41%
2020	Carlyle Partners V, L.P.	9/28/2007	50,000,000	34,226,122	10,648,125	32,178,208	1.25x	8.32%
	Co-Investment Partners Europe, L.P.	12/5/2008	26,534,705	25,732,682	5,112,169	22,912,984	1.09x	3.65%
	Constellation Ventures III, L.P.	11/20/2008	15,000,000	14,283,707	255,253	12,604,175	0.90x	(4.60)%
2021	Craton Equity Investors I, L.P.	3/11/2008	10,000,000	8,670,173	6,094	7,226,821	0.83x	(6.91)%
	FTVentures III, L.P.	3/1/2007	14,081,947	14,338,340	3,465,639	17,649,319	1.47x	13.76%
	GSO Capital Opportunities Fund, L.P.	8/15/2008	30,000,000	38,247,926	25,316,623	26,848,817	1.36x	18.21%
2022	Halyard Capital Fund II, L.P.	11/2/2007	15,000,000	10,092,543	488,624	8,650,163	0.91x	(3.08)%
	Montreux Equity Partners IV, L.P.	3/27/2007	15,000,000	13,087,500	7,958,758	10,595,580	1.42x	14.04%
	Nautic Partners VI, L.P.	6/30/2008	20,000,000	18,124,669	28,223	20,164,284	1.11x	4.43%
2023	New Mountain Partners III, L.P.	9/25/2007	35,000,000	27,093,046	7,398,015	24,623,429	1.18x	7.99%
	PCG Clean Energy & Technology Fund East, L.P.	4/25/2008	60,000,000	44,944,829	3,352,781	36,844,074	0.89x	(4.48)%
	Pegasus Partners IV, L.P.	10/9/2007	20,000,000	21,798,493	10,687,175	18,360,091	1.33x	9.98%
2024	Pine Brook Capital Partners, L.P.	4/7/2008	22,500,000	17,136,457	7,484,475	15,373,014	1.33x	16.07%
	Quaker BioVentures II, L.P.	4/18/2008	15,000,000	10,993,332	2,551,453	7,660,823	0.93x	(3.60)%
	RLJ Equity Partners Fund I, L.P.	4/14/2009	15,000,000	8,153,575	471,052	9,964,428	1.28x	11.99%
2025	SCP Vitalife Partners II, L.P.	1/10/2008	15,000,000	10,874,774	1,184	8,933,927	0.82x	(7.43)%
	StarVest Partners II, L.P.	12/8/2008	20,000,000	12,640,083	5,245	10,154,488	0.80x	(10.33)%
	Trilantic Capital Partners IV L.P.	10/22/2007	53,311,339	50,367,829	18,976,325	54,153,583	1.45x	18.35%
2026	USPF III Institutional Fund, L.P.	7/10/2007	30,000,000	26,206,549	5,107,320	21,675,510	1.02x	0.70%
	Vista Equity Partners Fund III, L.P.	11/30/2007	25,000,000	23,845,920	17,909,665	36,499,376	2.28x	30.49%

Teachers' Retirement System of the City of New York (as of September 30, 2012)								
Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2008	Aisling Capital III, L.P.	11/20/2008	10,500,000	5,289,031	175,677	4,551,362	0.89x	(10.06%)
	Apollo Investment Fund VII, L.P.	4/16/2008	50,000,000	48,895,848	27,322,798	42,932,327	1.44x	23.23%
	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	60,000,000	49,981,767	32,684,011	45,227,325	1.56x	25.61%
	Avista Capital Partners II, L.P.	12/31/2008	50,000,000	52,360,827	19,275,145	51,317,301	1.35x	16.55%
	Blue Wolf Capital Fund II, L.P.	11/14/2008	20,000,000	17,243,905	6,406,683	14,605,883	1.22x	16.21%
	Bridgepoint Europe IV, L.P.	9/30/2008	26,633,775	16,599,721	-	17,651,798	1.06x	3.72%
	Carpenter Community BancFund-A, L.P.	6/5/2008	15,000,000	13,618,573	174,916	15,713,670	1.17x	6.11%
	CS TRSCNY Emerging Manager Co-Investment Fund, L.P.	8/22/2008	12,626,263	6,970,962	3,676,364	5,927,678	1.38x	12.44%
	CS TRSCNY Emerging Manager Fund, L.P.	8/22/2008	59,373,737	29,779,092	7,653,158	22,355,258	1.01x	0.56%
	First Reserve Fund XII, L.P.	11/14/2008	30,000,000	21,383,140	1,665,737	19,341,075	0.98x	(0.73%)
	GI Partners III, L.P.	7/29/2008	30,000,000	28,516,049	4,632,146	32,096,106	1.29x	15.86%
	Landmark Equity Partners XIV, L.P.	9/19/2008	50,000,000	27,491,949	7,437,597	25,552,998	1.20x	18.28%
	Lee Equity Partners, L.P.	4/23/2008	30,000,000	18,081,241	3,664,723	12,864,024	0.91x	(4.10%)
	Leeds Equity Partners V, L.P.	7/28/2008	40,000,000	25,931,437	3,169,908	21,715,922	0.96x	(3.62%)
	Levine Leichtman Capital Partners IV, L.P.	9/22/2008	25,000,000	23,957,236	7,569,497	26,237,363	1.41x	26.90%
	New York/Fairview Emerging Managers (Tranche B), L.P.	5/28/2008	35,000,000	14,714,000	2,064,796	15,497,124	1.19x	9.80%
	NGN BioMed Opportunity II, L.P.	10/31/2008	15,000,000	10,088,866	17,765	7,382,465	0.73x	(11.44%)
	Onex Partners III, L.P.	3/31/2009	40,000,000	22,522,137	3,860,388	21,097,070	1.11x	6.59%
	Paladin III (HR), L.P.	1/8/2008	20,000,000	13,746,661	5,373,216	9,537,145	1.08x	3.36%
	Relativity Fund, L.P.	1/17/2008	15,000,000	7,775,321	455,301	2,564,821	0.39x	(35.12%)
	Riverstone/Carlyle Global Energy & Power Fund IV	9/29/2008	32,500,000	26,517,311	14,626,488	22,089,100	1.38x	15.54%
	Yucaipa American Alliance Fund II, L.P.	3/28/2008	75,000,000	88,277,310	37,075,620	84,787,669	1.38x	16.98%
	Yucaipa Corporate Initiatives Fund II, L.P.	6/23/2008	35,000,000	30,961,868	1,275,520	19,572,236	0.67x	(24.57%)
2009	Lincolnshire Equity Fund IV, L.P.	8/7/2009	12,500,000	6,421,572	73,604	5,217,056	0.82x	(21.23%)
	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	30,000,000	17,426,164	-	21,112,263	1.21x	11.52%
2010	JP Morgan Fleming (Tranche B), L.P.	3/31/2008	10,000,000	4,431,510	891	4,760,103	1.07x	6.11%
	Trident V, L.P.	12/30/2010	35,000,000	13,798,886	804,843	12,564,114	0.97x	(3.00%)
2011	Ampersand 2011, L.P.	3/31/2009	17,500,000	8,400,000	-	10,231,604	1.22x	21.17%
	Blackstone Capital Partners VI, L.P.	1/24/2011	60,000,000	8,734,038	201	9,260,000	1.06x	7.42%
	EQT VI, L.P.	8/1/2011	55,000,000	13,068,320	174,970	11,182,032	0.87x	(41.32%)
	BC European Capital IX, L.P.	9/19/2011	69,164,263	11,113,523	92,294	12,152,689	1.10x	14.79%
	AXA Secondary Fund V L.P.	8/11/2011	160,000,000	39,219,633	826,618	48,763,319	1.26x	30.93%
	Pegasus Partners V, L.P.	8/16/2011	50,000,000	8,035,608	-	7,087,764	0.88x	(21.58%)
	Green Equity Investors VI, L.P.	10/28/2011	100,000,000	-	-	-	0.00x	N/A
	Vista Equity Partners IV, L.P.	10/27/2011	100,000,000	32,407,780	74,191	30,796,027	0.95x	(7.97%)
	American Securities Partners VI, L.P.	12/21/2011	100,000,000	16,404,415	47,451	15,047,504	0.92x	(7.73%)
2012	Ares Corporate Opportunities Fund IV, L.P.	4/20/2012	105,000,000	-	-	-	0.00x	N/A
	Warburg Pincus Private Equity XI, L.P.	5/9/2012	175,000,000	20,246,194	68,613	18,852,740	0.93x	(9.43%)
	Trilantic Capital Partners V, L.P.	7/31/2012	70,000,000	600,870	-	156,823	0.00x	N/A
Grand Total(s)**:			\$ 4,038,934,541	\$ 3,163,471,837	\$ 1,721,860,913	\$ 2,239,329,794	1.25x	8.43%

* Where available, September 30, 2012 reported valuations were used. In the absence of September 30, 2012 reported values, market values have been adjusted forward using interim cashflows through September 30, 2012. The IRR calculated in the early years of a fund is not meaningful given the j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of September 30, 2012.

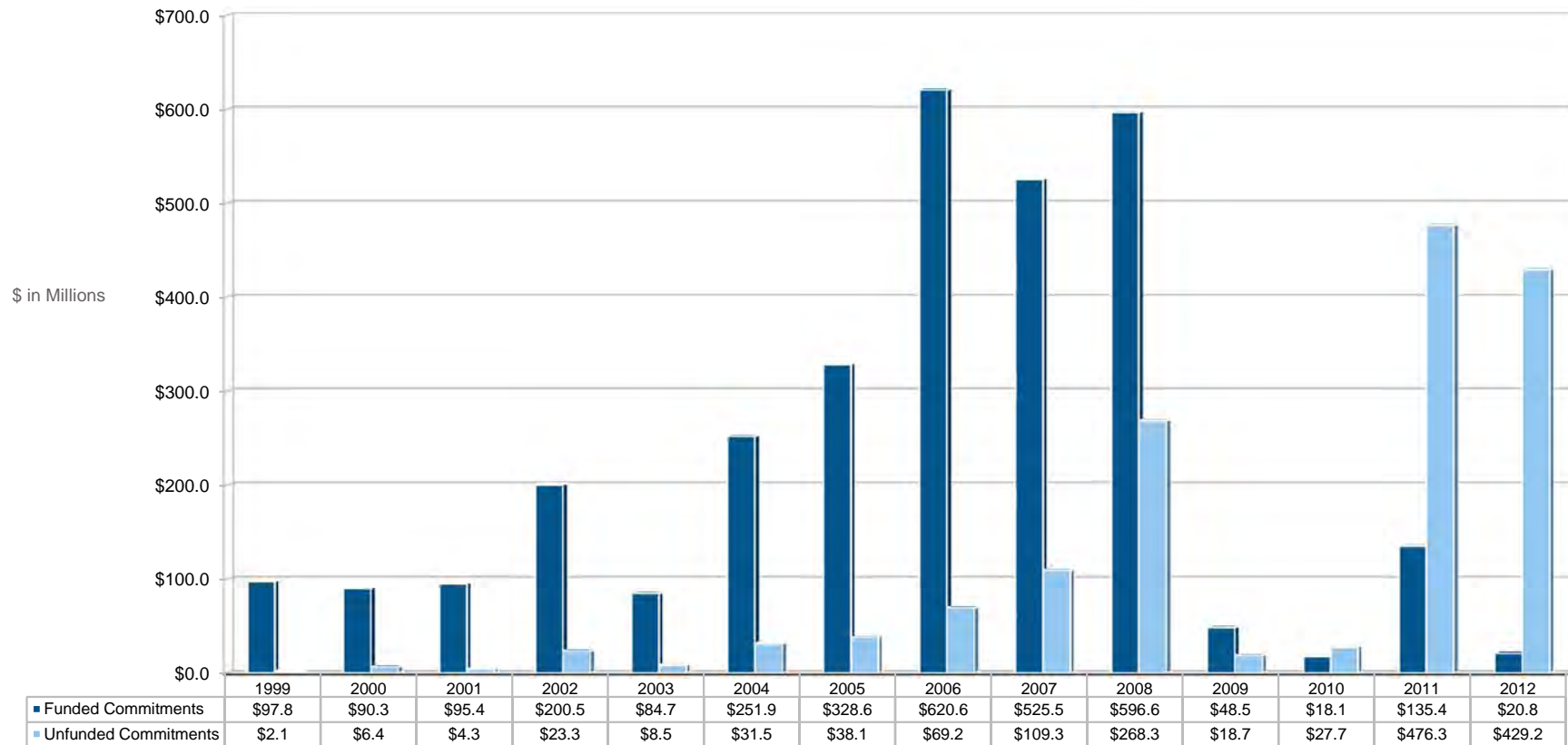
**Grand Totals are inclusive of liquidated investments in the TRS Portfolio and include sale proceeds from the 2012 Secondary Sale Partnerships

Vintage Year	Deal Name	First Drawdown	Capital Committed	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2012	ICV Partners III, L.P. ⁽¹⁾⁽²⁾	11/16/2012	14,000,000	-	-	-	0.00x	N/A
	Carlyle Partners VI, L.P. ⁽¹⁾	12/21/2012	125,000,000	-	-	-	0.00x	N/A
	Carlyle Partners VI, L.P. - Side Car ⁽¹⁾	12/21/2012	13,750,000	-	-	-	0.00x	N/A
	Platinum Equity Capital Partners III, L.P. ⁽¹⁾	12/28/2012	115,000,000	-	-	-	0.00x	N/A
Grand Total(s):			\$ 267,750,000	-	-	-	0.00x	N/A

⁽¹⁾ Investment Close date is subsequent to September 30, 2012

⁽²⁾ 2012 EM Program Commitment

Teachers' Retirement System of the City of New York
Commitments By Vintage Year
As of September 30, 2012

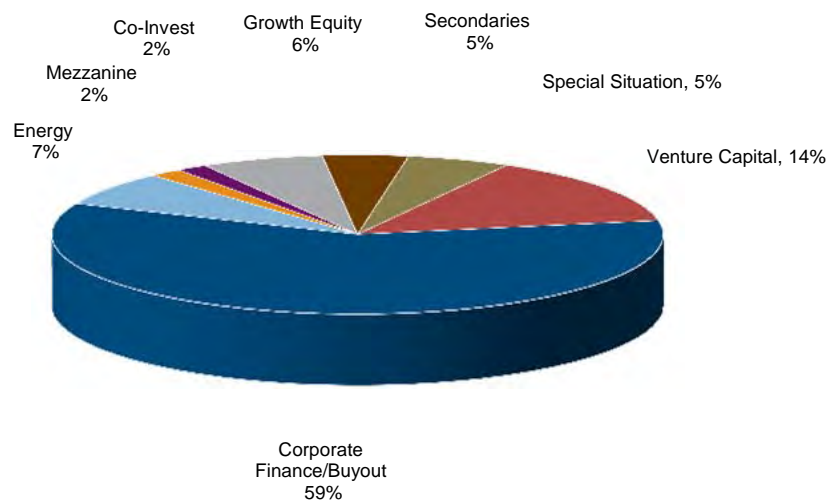


Funded Commitments exclude additional fees.

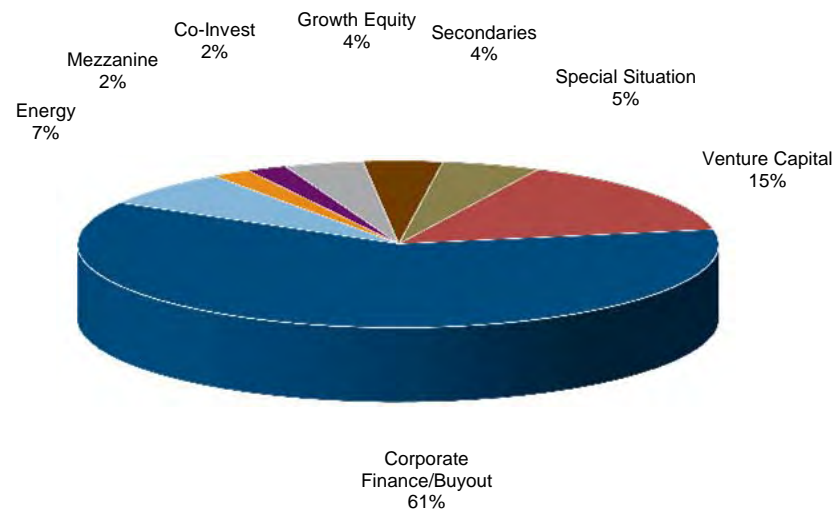
Unfunded Commitments include recallable returns of capital.

Teachers' Retirement System of the City of New York Portfolio Strategic Diversification As Measured By Reported Market Value

As of September 30, 2012



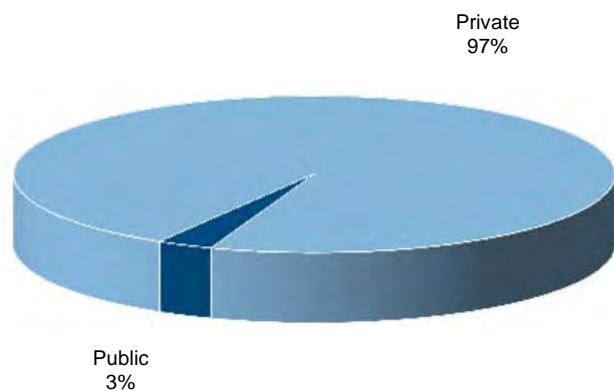
As of September 30, 2011



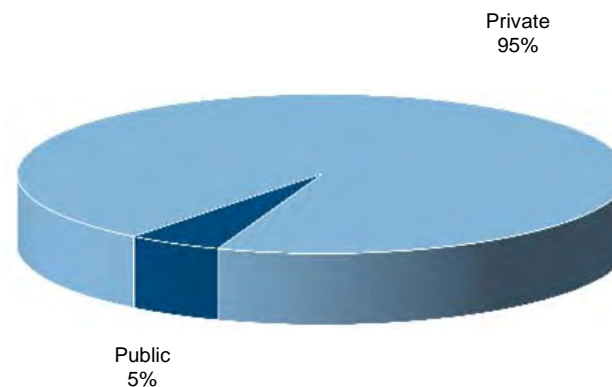
Note: The September 30, 2012 financial statement for Allegra Capital Partners IV, L.P., FdG Capital Partners, L.P. and PCG Clean Energy & Technology Fund East, L.P. was not available from the general partner at the time of completion of this report. The remaining market value is based upon the last reported market value and adjusted forward for net cash flows.

Teachers' Retirement System of the City of New York
Public Vs. Private Holdings
As of September 30, 2012

Based on Number of Companies ⁽¹⁾



Based on Reported Market Value ⁽¹⁾



⁽¹⁾ Portfolio Company information as of September 30, 2012 for Allegra Capital Partners IV, L.P., AXA Secondary Fund V, L.P., BC European Capital IX, L.P., Blackstone Mezzanine Partners II, L.P., and PCG Clean Energy & Technology Fund East, L.P., was not available at the time of this analysis. Market values for underlying holdings have been carried forward from last quarter.

Appendix A:

Glossary of Terms

Teachers' Retirement System of the City of New York

Third Quarter 2012 Report

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

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

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

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

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

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

Cost Basis: Capital contributions less return of principal.

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

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

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

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

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

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

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

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

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

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

Teachers' Retirement System of the City of New York

Third Quarter 2012 Report

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix B:

Disclosure Statements

Teachers' Retirement System of the City of New York

Third Quarter 2012 Report

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

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

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

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

II. January Monthly Performance Review:

Monthly Performance Review

January 2013

*Prepared for the New York City
Teachers' Retirement System
3.19.2013*

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ECONOMIC INDICATORS

AS OF MARCH 2013

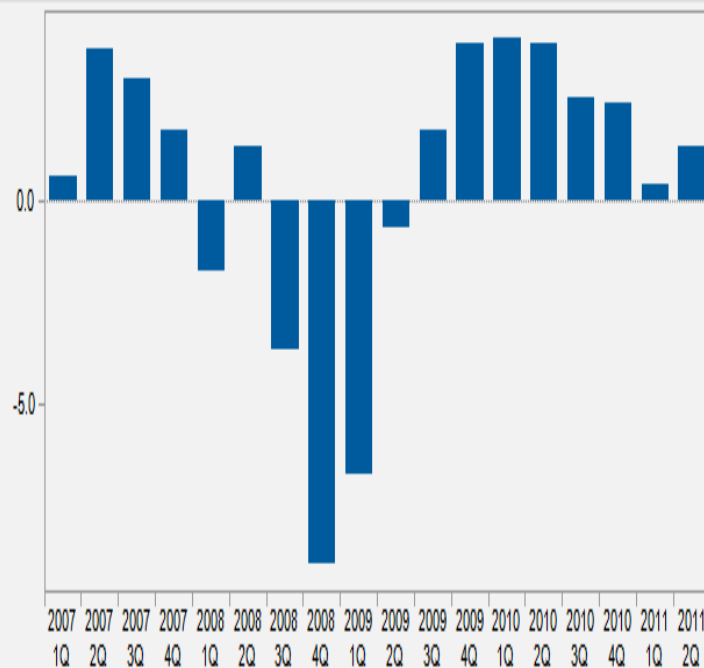


**NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT**

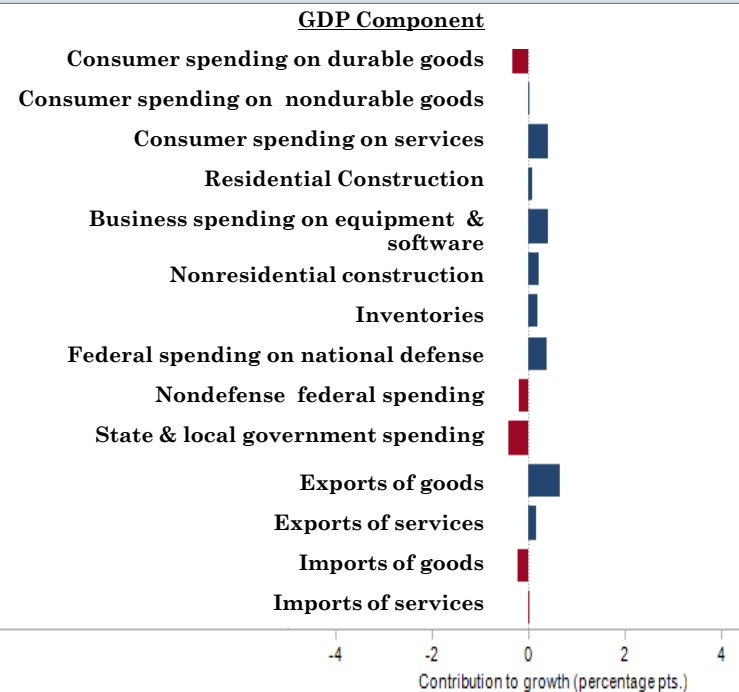
COMPONENTS OF GDP

2

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



**COMPONENTS WHICH CONTRIBUTED
TO GDP GROWTH**



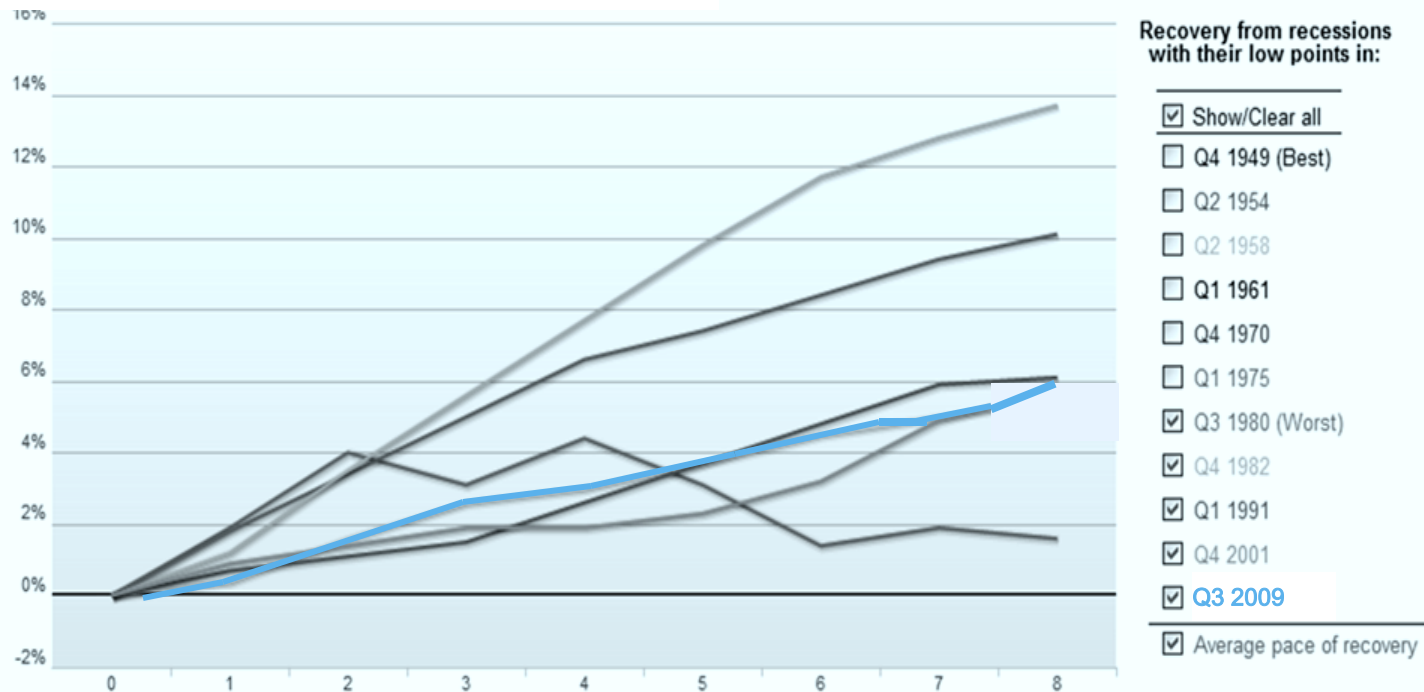
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

US GROSS DOMESTIC PRODUCT (INFLATION ADJUSTED)

57

3

US GROSS DOMESTIC PRODUCT, INFLATION ADJUSTED QUARTERLY



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

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

CAPACITY UTILIZATION

4



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ISM MANUFACTURING INDEX

5



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WEEKLY UNEMPLOYMENT CLAIMS

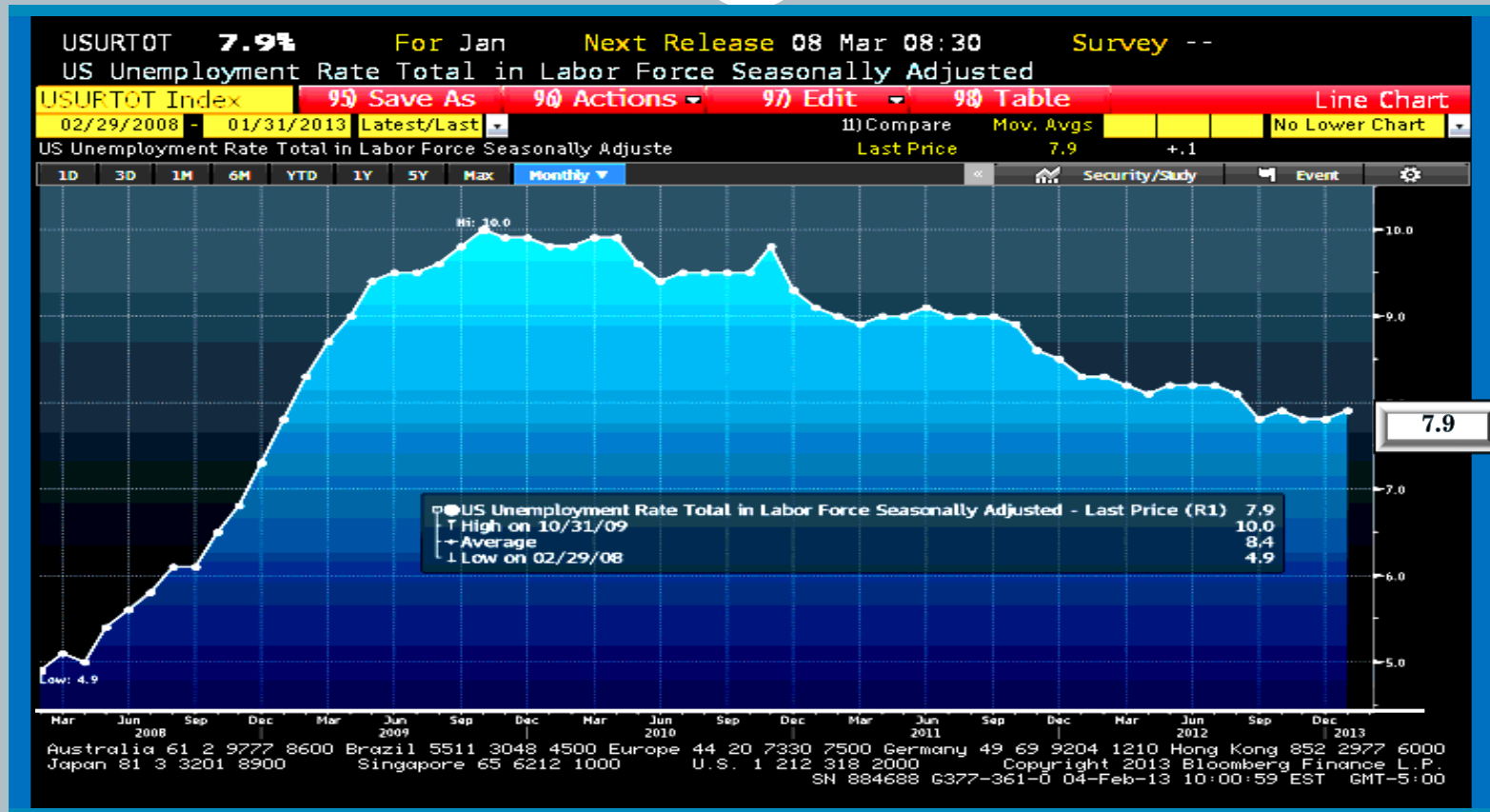
6



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UNEMPLOYMENT RATE

7

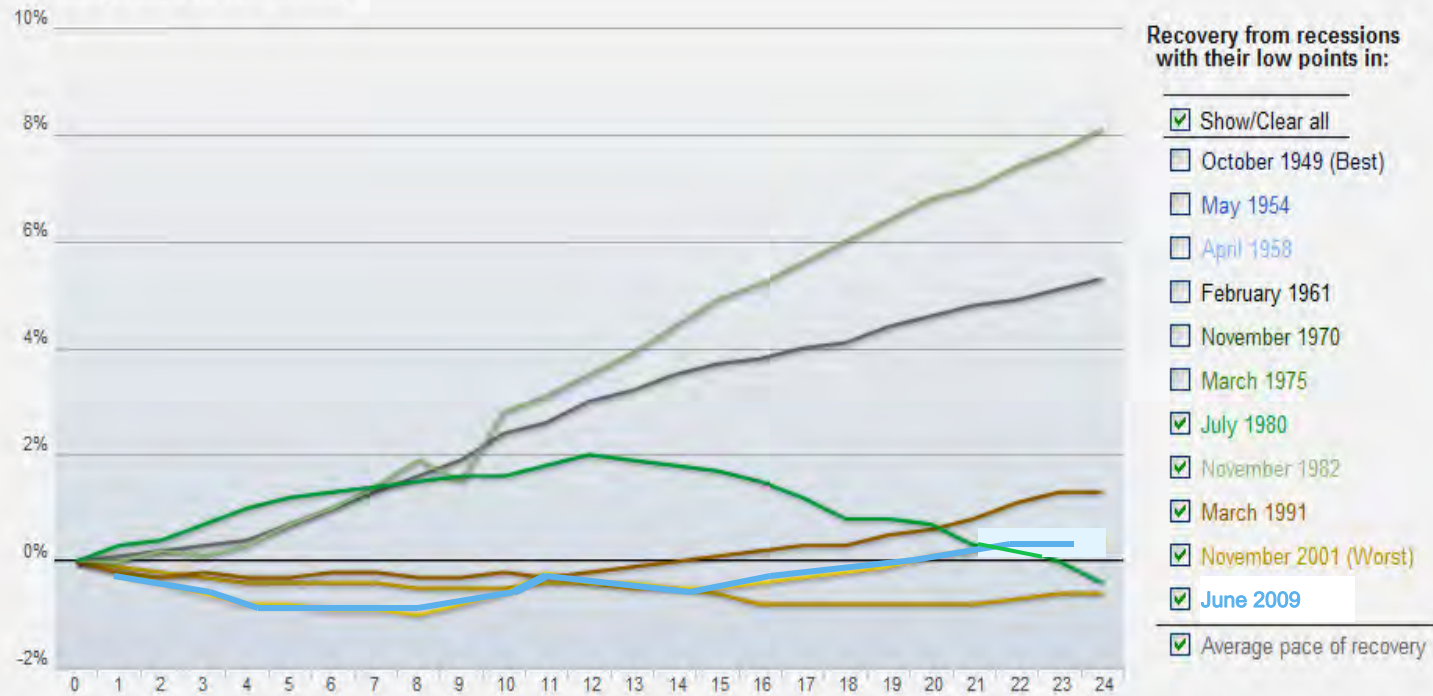


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US JOBS (NON-AGRICULTURAL PAYROLLS)

8

U.S. non-agricultural payrolls, monthly



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

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CONSUMER SENTIMENT

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

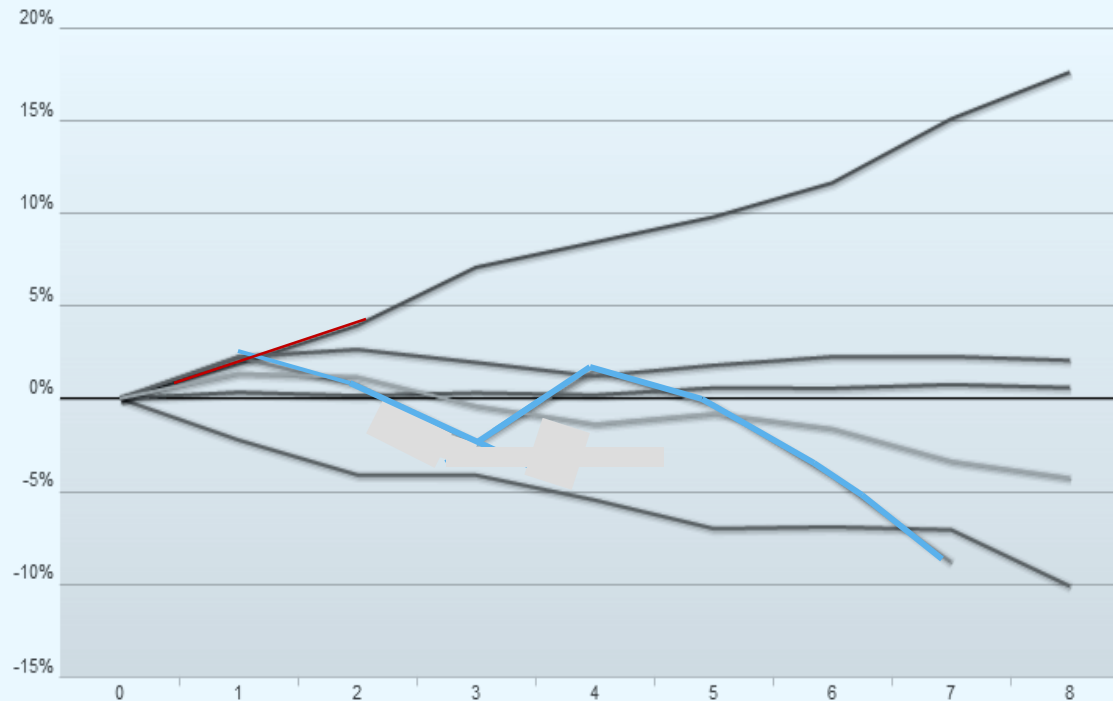


- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS 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



Recovery from recessions
with their low points in:

☒ Show/Clear all

☐ Q2 1954

☐ Q2 1958

☐ Q1 1961

☐ Q4 1970

☐ Q1 1975

☒ Q3 1980 (Worst)

☒ Q4 1982

☒ Q1 1991

☒ Q4 2001 (Best)

☒ Q3 2009

☒ Average pace of recovery

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



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RETAIL SALES

14



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US AUTO SALES

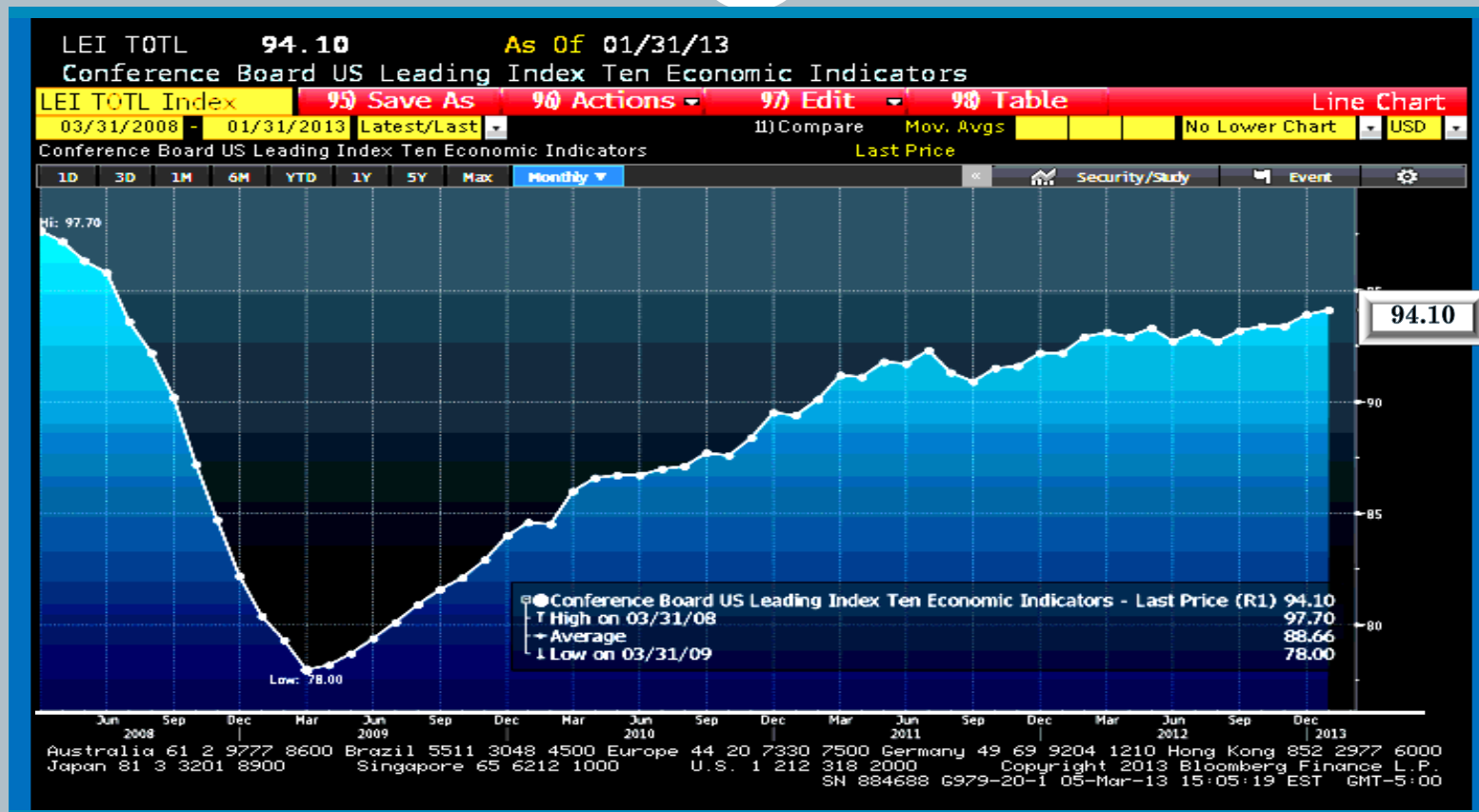
15



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INDEX OF LEADING ECONOMIC INDICATORS

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

17



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MARKET INDICATORS

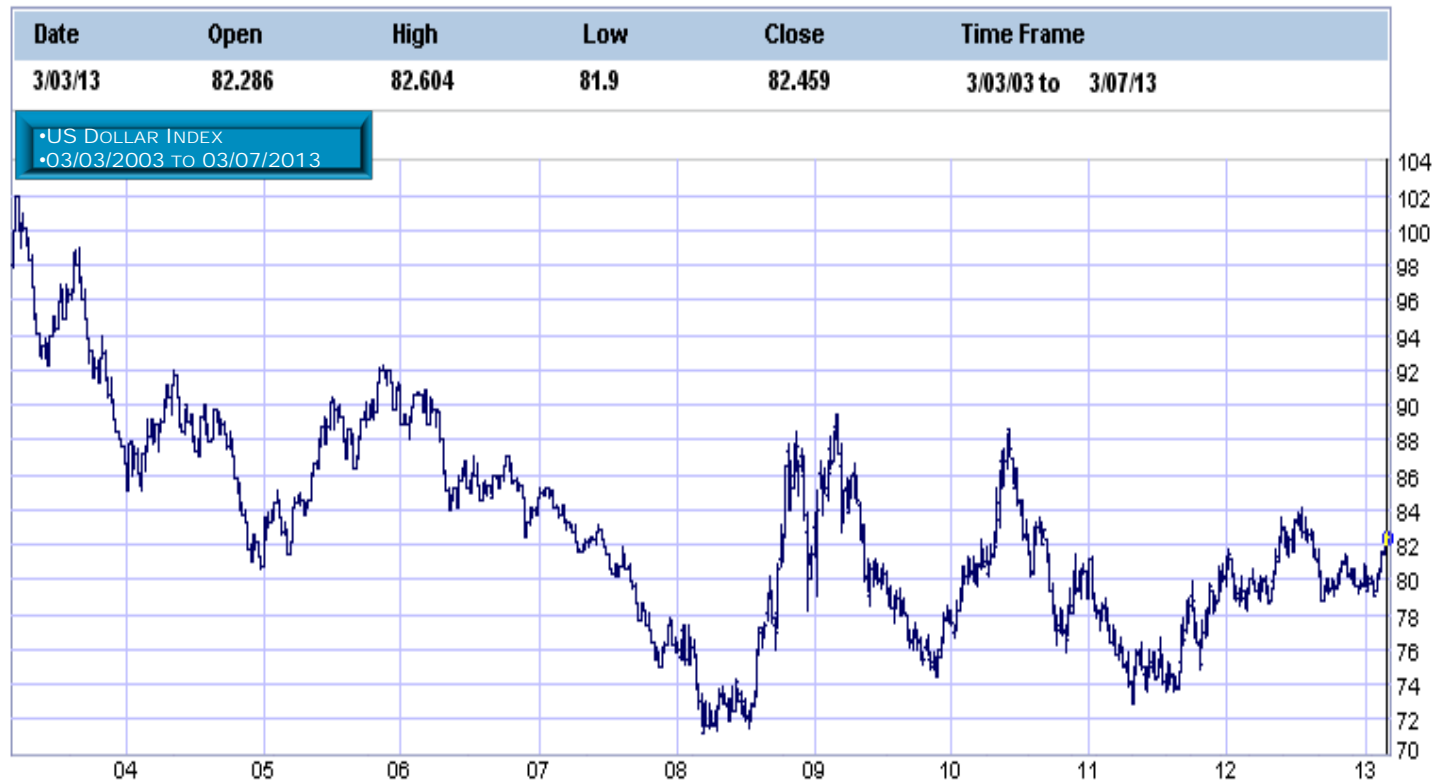
AS OF MARCH 2013



NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

TRADE WEIGHTED US DOLLAR INDEX

19



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USD/EUR EXCHANGE RATE

20



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3-MONTH LIBOR RATES

21



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VOLATILITY INDEX (THE "VIX")

76

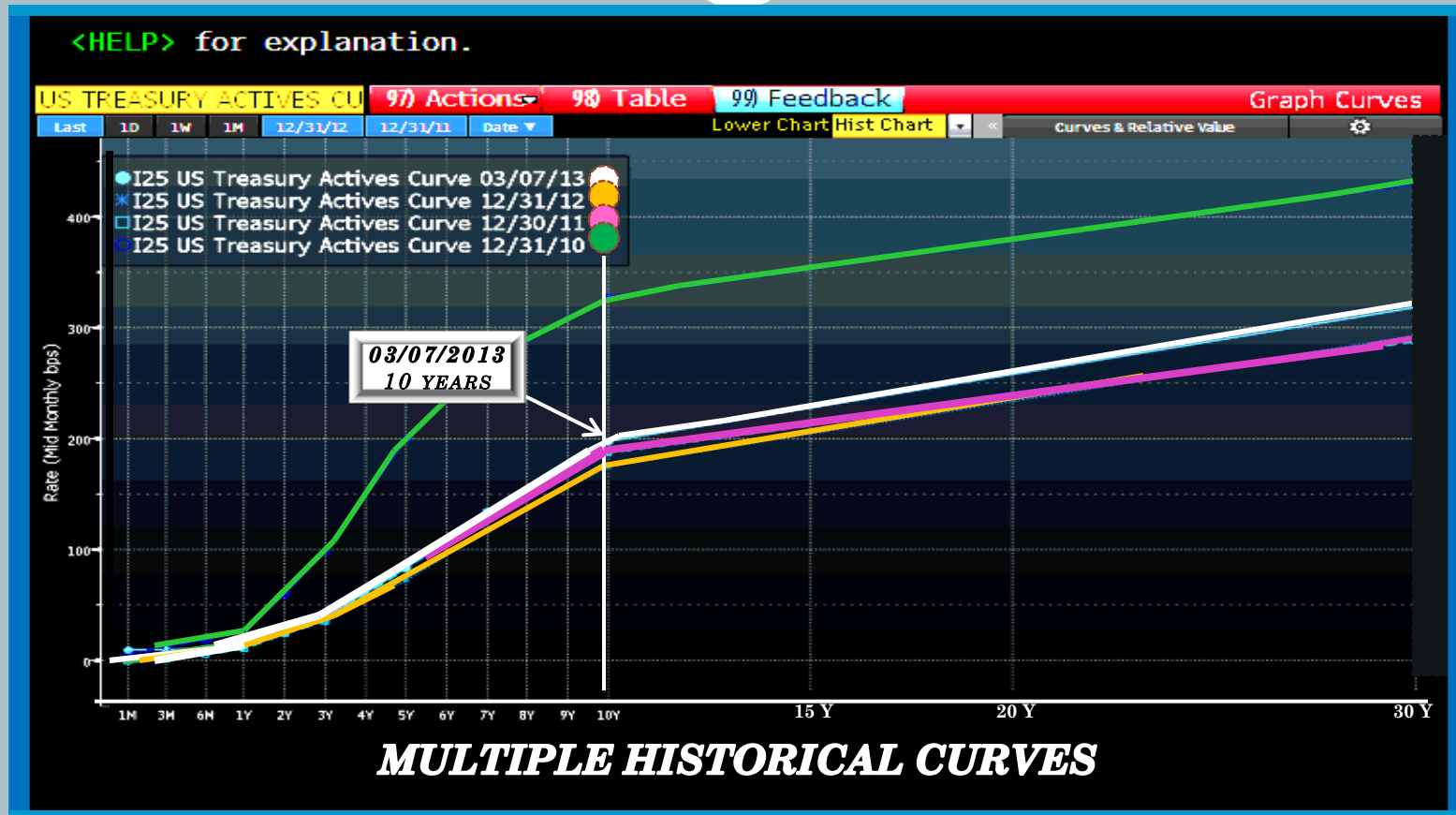
22



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US TREASURY YIELD CURVES

23



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10 YEAR TREASURY RATES

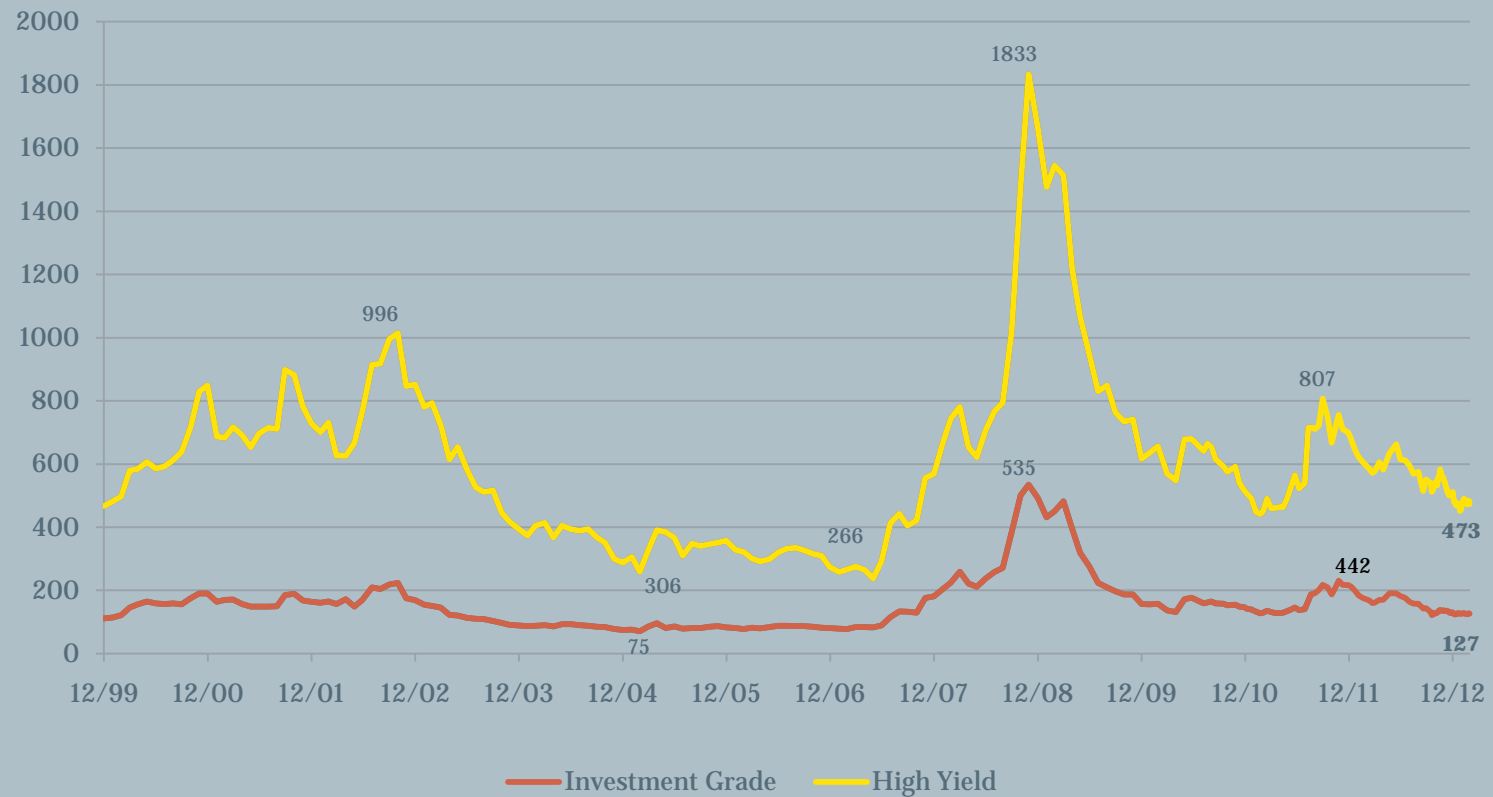
24



- 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.

INVESTMENT GRADE AND HY SPREADS

25



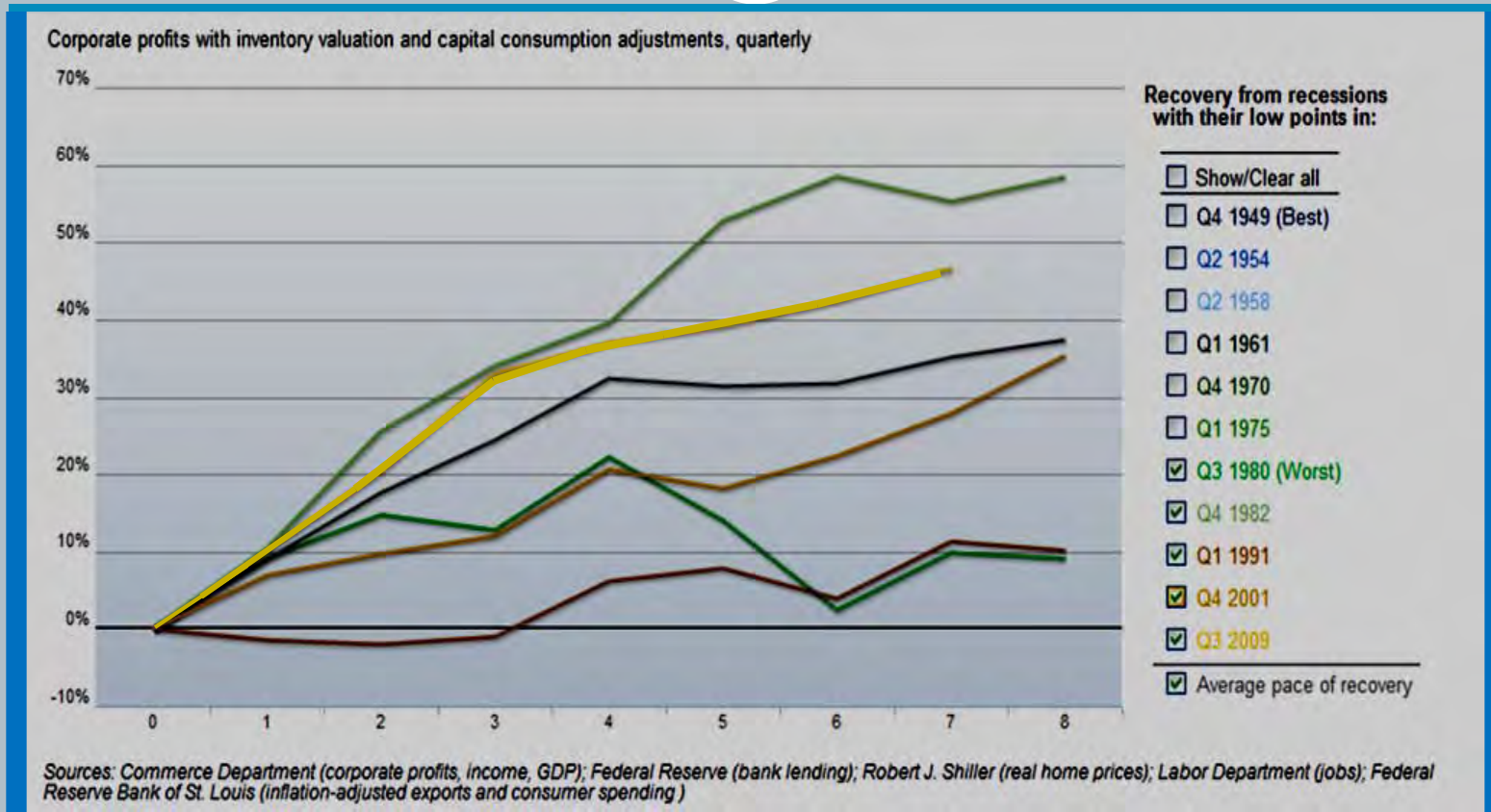
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- SOURCE: BLOOMBERG

CORPORATE PROFITS

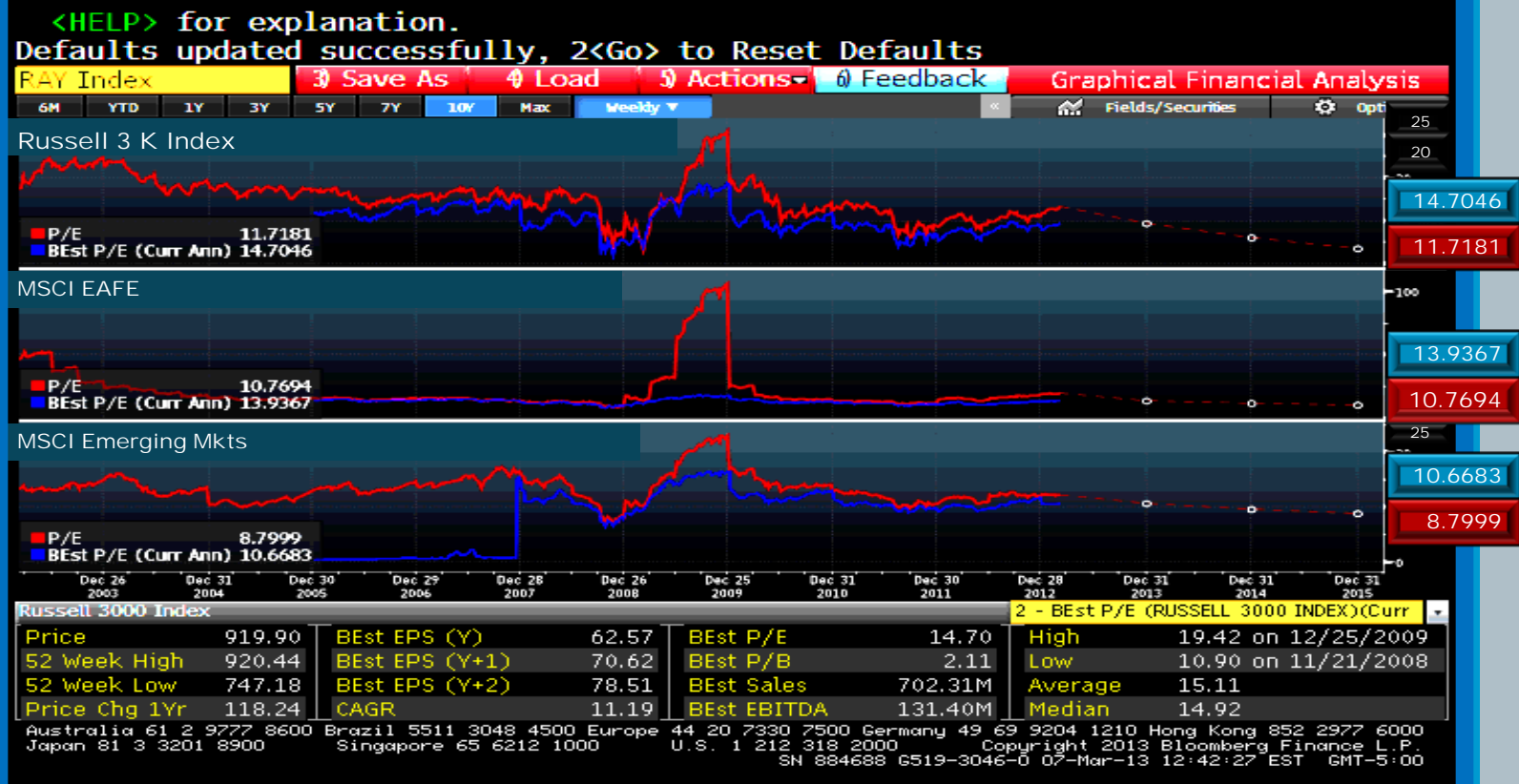
27



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PRICE TO EARNING RATIOS INCLUDING ESTIMATES

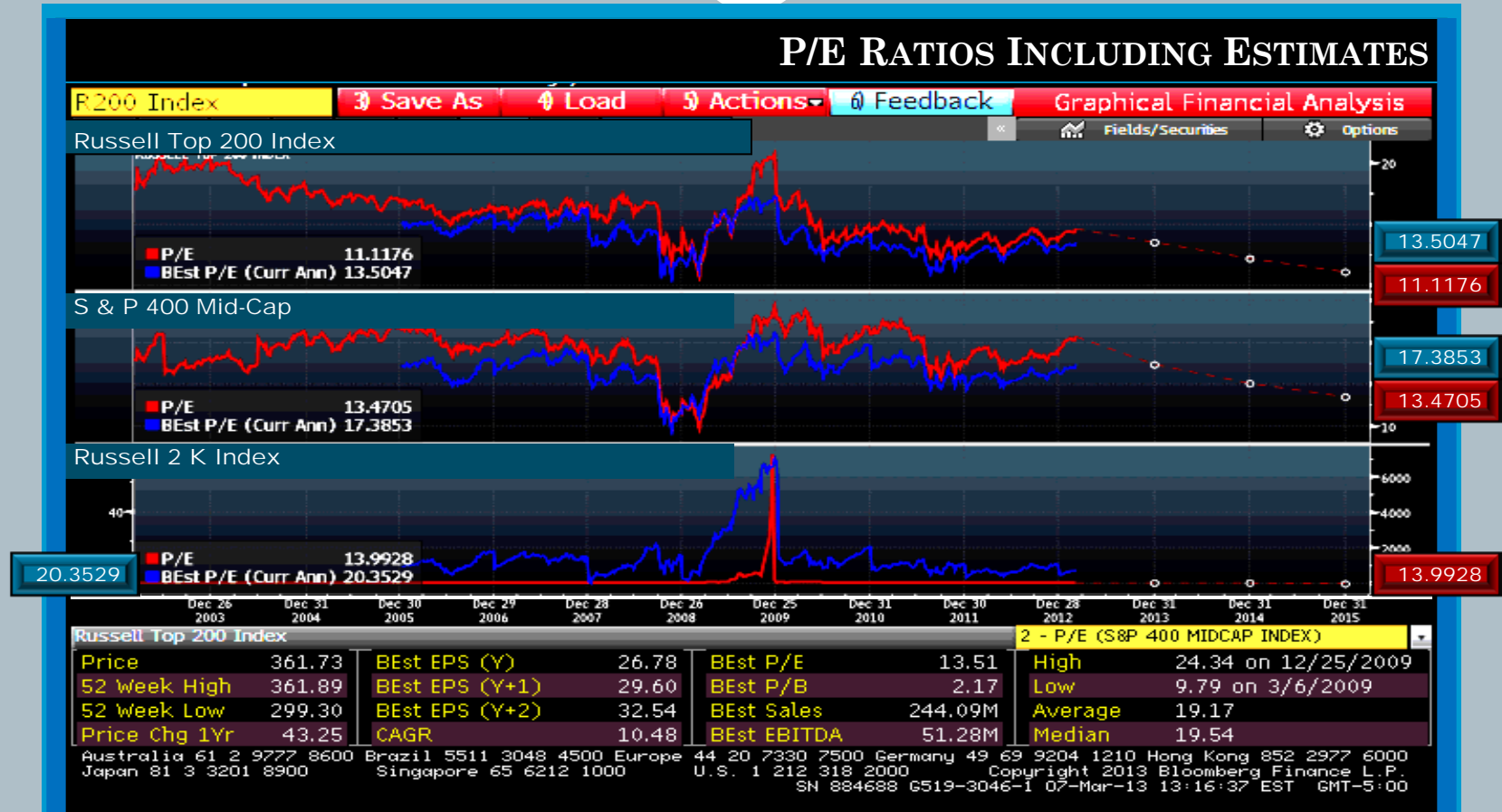
28



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PRICE TO EARNING RATIOS INCLUDING ESTIMATES

29

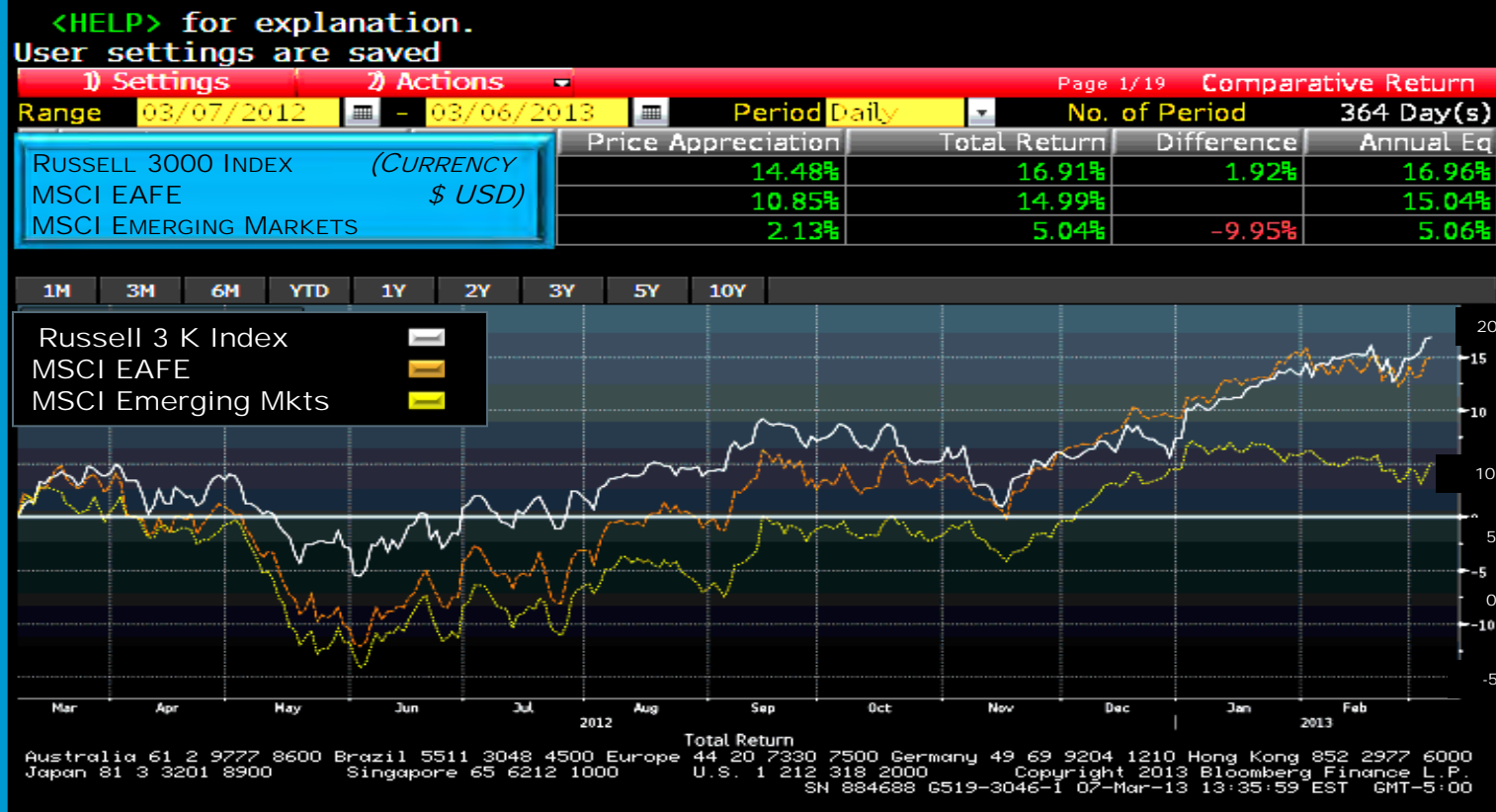


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RECENT GLOBAL EQUITY MARKET RETURNS

84

30



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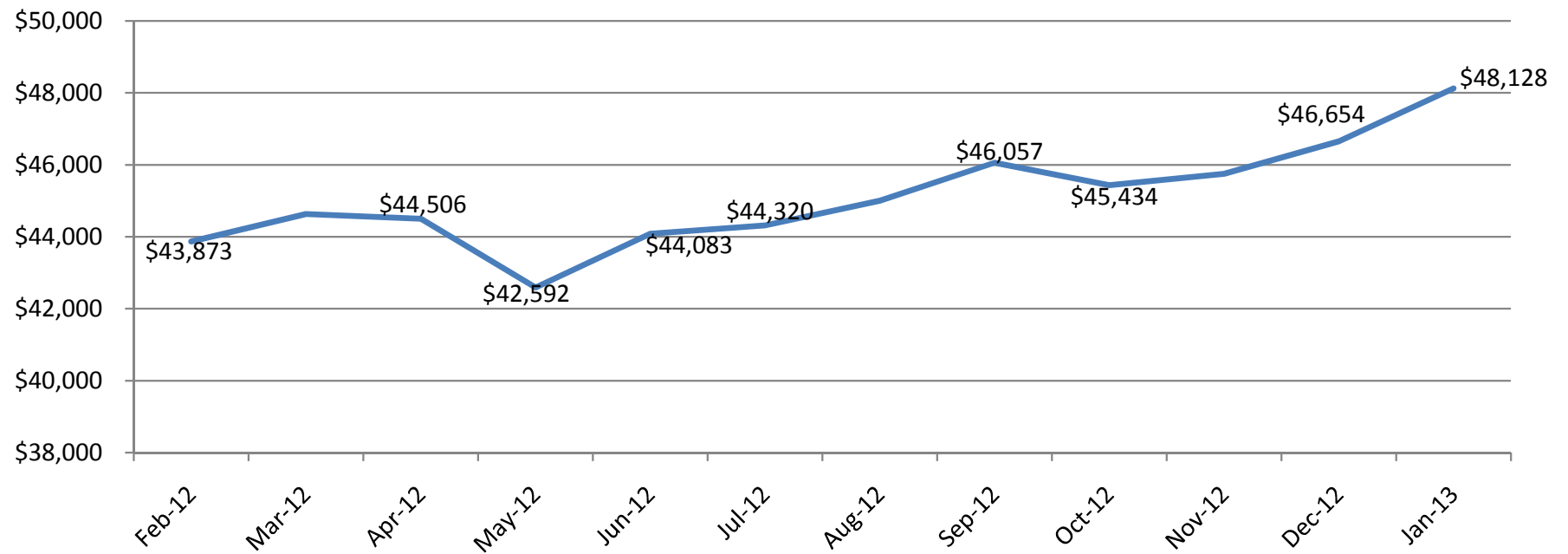
MERGERS & ACQUISITIONS ACTIVITY

31

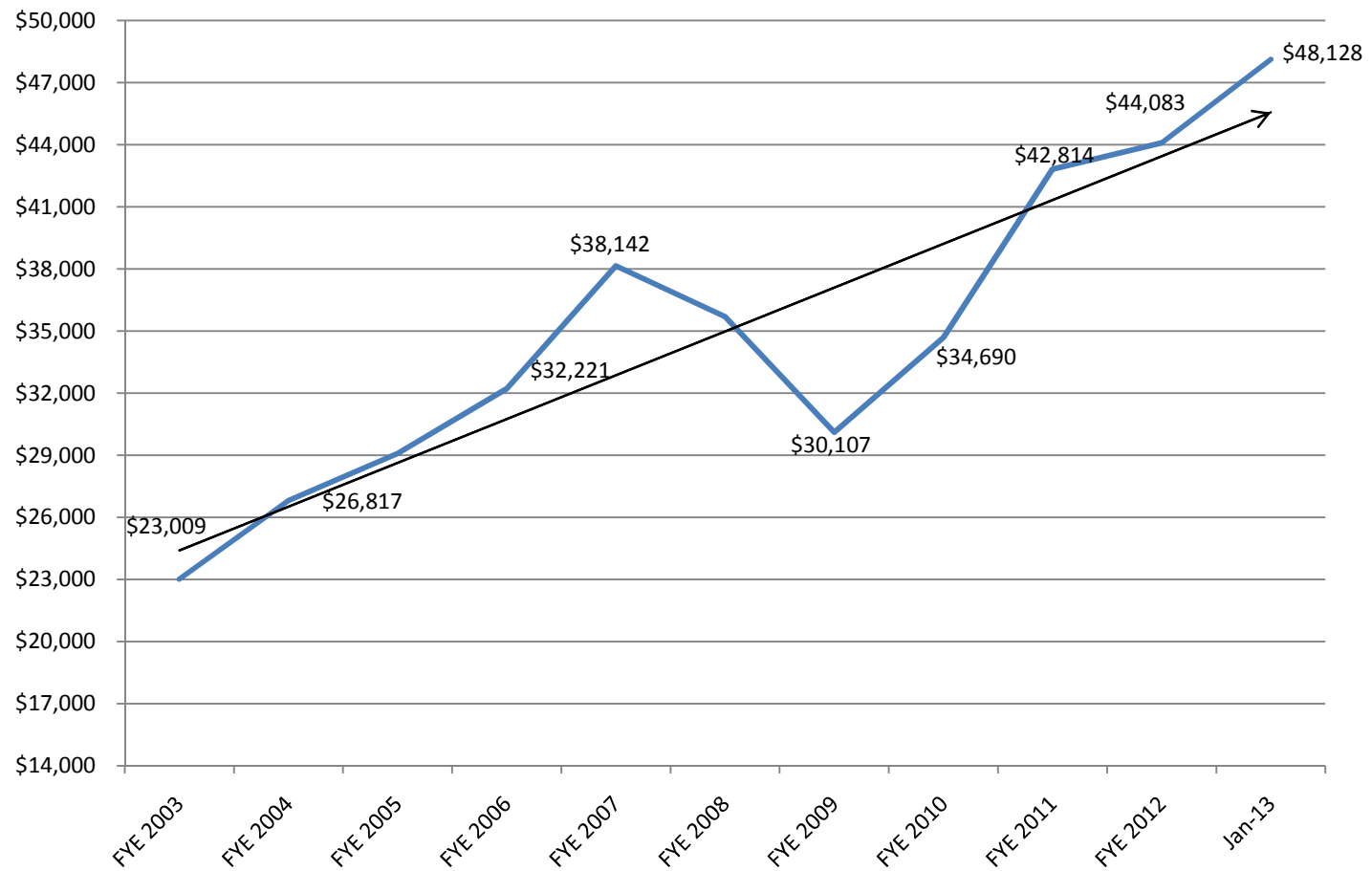


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TRS - Market Values February 2012 - January 2013



TRS Market Value 2003 - 2013

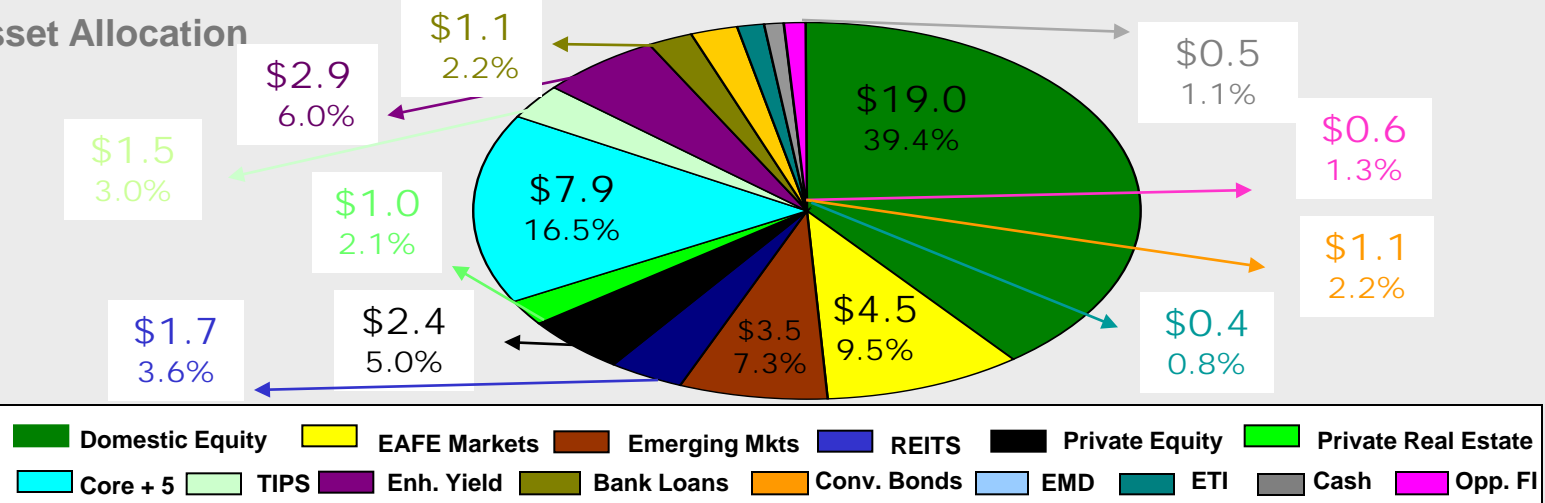


The 10 year Return for TEACHERS as of January 31, 2013 is 8.38%.

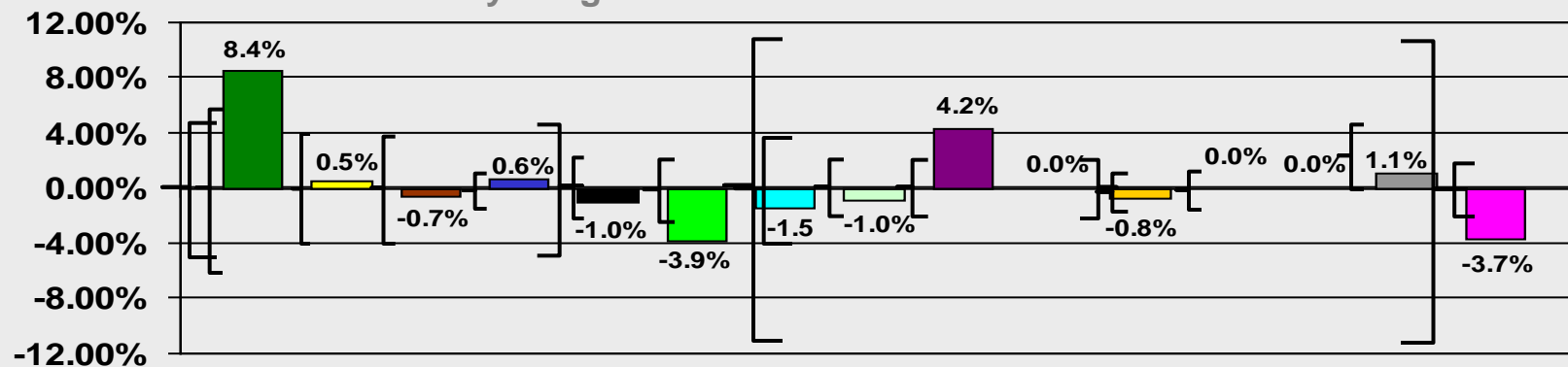
Portfolio Asset Allocation: January 31, 2013

\$48.1B Under Management

Asset Allocation



Relative Mix to New Policy Weights

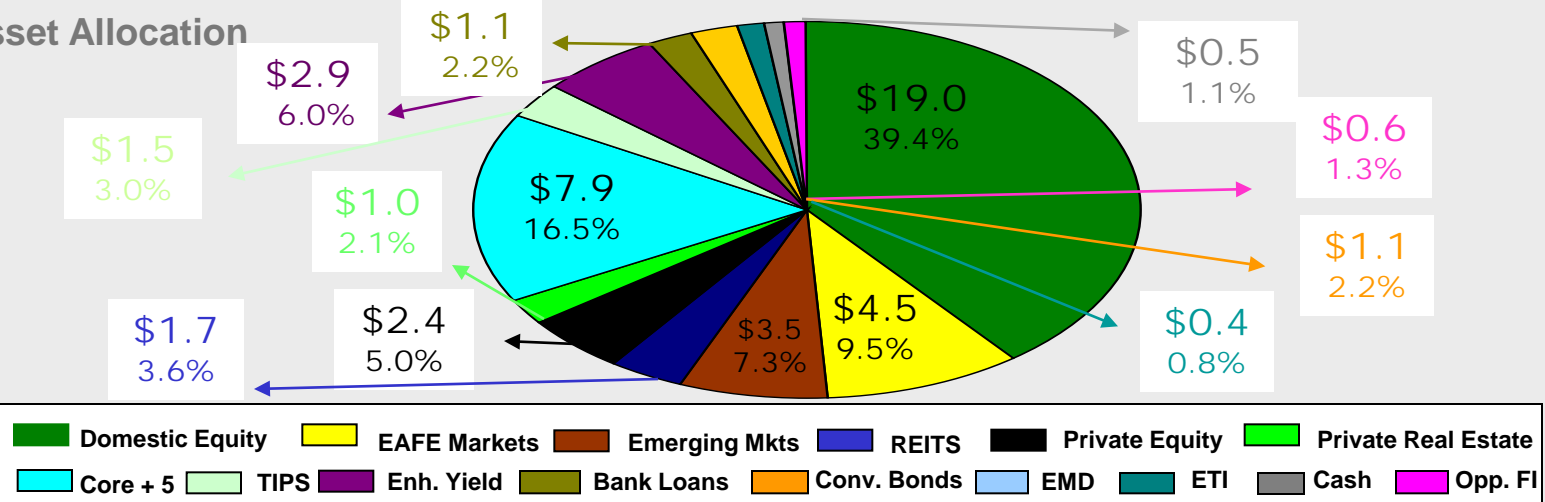


Note: Brackets represent rebalancing ranges versus Policy.

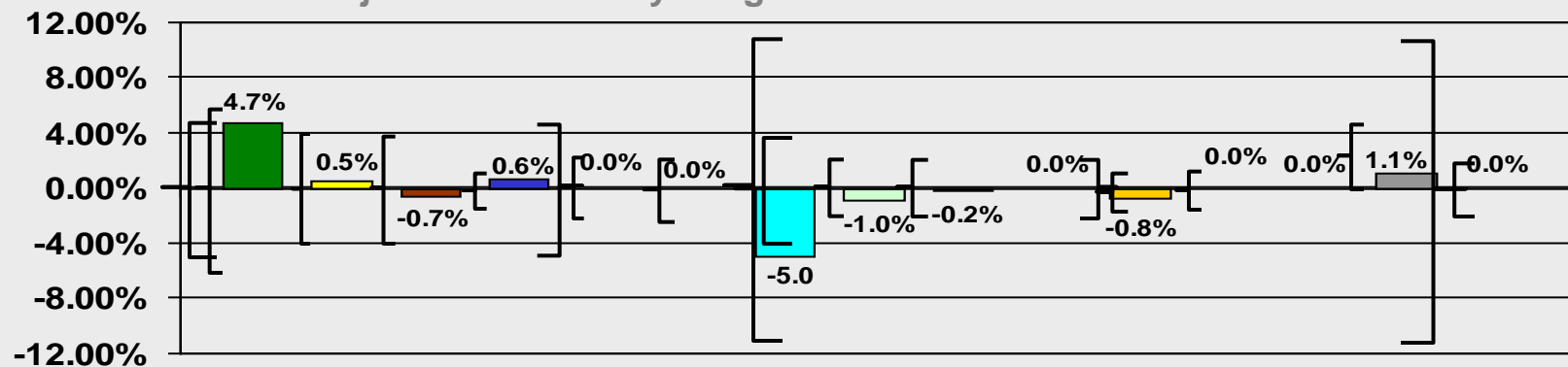
Portfolio Asset Allocation: January 31, 2013

\$48.1B Under Management

Asset Allocation



Relative Mix to Adjusted New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

NYC TEACHERS' RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of January 31st, 2013)

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ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy
TOTAL EQUITIES	\$32,181.6	66.9%	63.0%	NA	61.8%
TOTAL FIXED INCOME	\$15,946.2	33.1%	37.0%	NA	38.2%
TOTAL ASSETS	\$48,127.8	100.0%	100.0%	NA	100.0%

	In \$MM	Actual %	Policy Target %	Adjustment	Adjusted Policy	Adjusted Target Range ****
US Equities	\$18,979.3	39.4%	31.0%	3.7%	34.7%	28.7% - 40.7%
Non-US Equities/EAFE	\$4,555.8	9.5%	9.0%	NA	9.0%	5.0% - 13.0%
Emerging Markets	\$3,526.0	7.3%	8.0%	NA	8.0%	4.0% - 12.0%
Real Estate Investment Trusts	\$1,721.8	3.6%	3.0%	NA	3.0%	1.5% - 4.5%
TOTAL PUBLIC EQUITY	\$28,782.9	59.8%	51.0%	NA	54.7%	49.7% - 59.7%
** PRIVATE REAL ESTATE*	\$1,015.7	2.1%	6.0%	NA	2.1%	4.0% - 8.0%
** PRIVATE EQUITY*	\$2,383.1	5.0%	6.0%	NA	5.0%	4.0% - 8.0%
TOTAL EQUITIES	\$32,181.6	66.9%	63.0%	NA	61.8%	

	In \$MM	Actual %	Policy Target %	Adjustment	Adjusted Policy	Adjusted Target Range ****
Core +5	US - Government	\$1,096.5	2.3%	NA	21.4%	17.4% - 25.4%
	US - Mortgage	\$3,468.9	7.2%	NA		
	US - Investment Grade Credit	\$3,246.4	6.7%	NA		
	TOTAL CORE + 5	\$7,920.6	16.5%	3.4%	21.4%	17.4% - 25.4%
	High Yield	\$2,884.6	6.0%	NA	8.5%	6.5% - 10.0%
	Bank Loans	\$1,072.6	2.2%	NA		
	Total High Yield & Bank Loans	\$3,957.2	8.2%	4.5%	8.5%	6.5% - 10.0%
	TIPS	\$1,453.6	3.0%	4.0%	4.0%	2.0% - 6.0%
	Convertible Bonds	\$1,076.1	2.2%	3.0%	3.0%	1.5% - 4.5%
	EMD	\$0.0	0.0%	3.0%	0.0%	1.5% - 4.5%
	*** ETI	\$380.3	0.8%	*** 2.0%	*** 0.8%	*** 0.8%
	Cash	\$536.6	1.1%	N/A	N/A	0.0% - 5.0%
	TOTAL PUBLIC FIXED INCOME	\$15,324.3	31.8%	32.0%	36.9%	25.9% - 47.9%
	** OPPORTUNISTIC FIXED INCOME	\$621.8	1.3%	5.0%	1.3%	3.0% - 7.0%
	TOTAL FIXED INCOME	\$15,946.2	33.1%	37.0%	38.2%	

* Assumes a 50%/50% weighting to Core and Non-Core Real Estate.

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

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

**** Adjusted Target Ranges are calculated as follows: US Equities: +/-6%; Non-US Equities/EAFE: +/-4%; Emerging Markets: +/-4%; REITs: +/-1.5%; Total Public Equity: +/-5%; Real Estate: +/-2%; Private Equity: +/-2%; Core +5: +/-4%; TIPS: +/-2%; High Yield & Bank Loans: +/-2% (Bank Loans up to 1/3 of Adjusted Policy); Convertible Bonds: +/-1.5%; EMD: +/-1.5%; Cash: 0-5%; Total Public Fixed Income: +/-11%; OFI: +/-2%.

NYC TEACHERS' RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of January 31st, 2013)

Adjustments to Long-Term Asset Allocation

1) Private Equity

The amount over/under target will be added/subtracted from the US Equity target allocation.

2) Real Estate

50% of the amount over/under target will be added/subtracted from the Core+5 target allocation and 50% of the amount over/under target will be added/subtracted from the US Equity target allocation.

3) Emerging Markets Debt

50% of the amount over/under target will be added/subtracted from the Core+5 target allocation and 50% of the amount over/under target will be added/subtracted from the High Yield target allocation.

4) Opportunistic Fixed Income

80% of the amount over/under target will be added/subtracted from the High Yield target allocation and 20% of the amount over/under target will be added/subtracted from the US Equities target allocation.

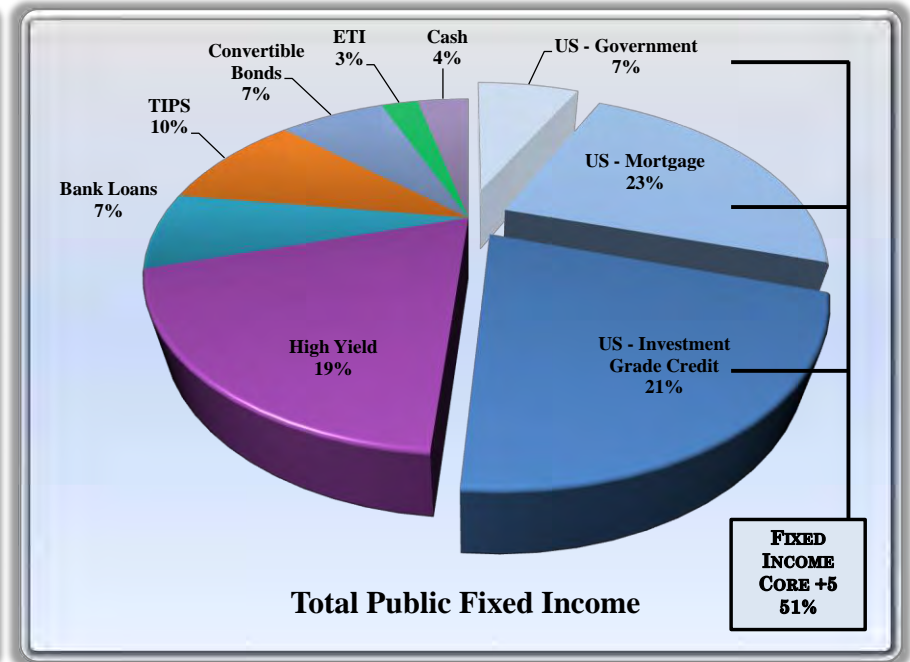
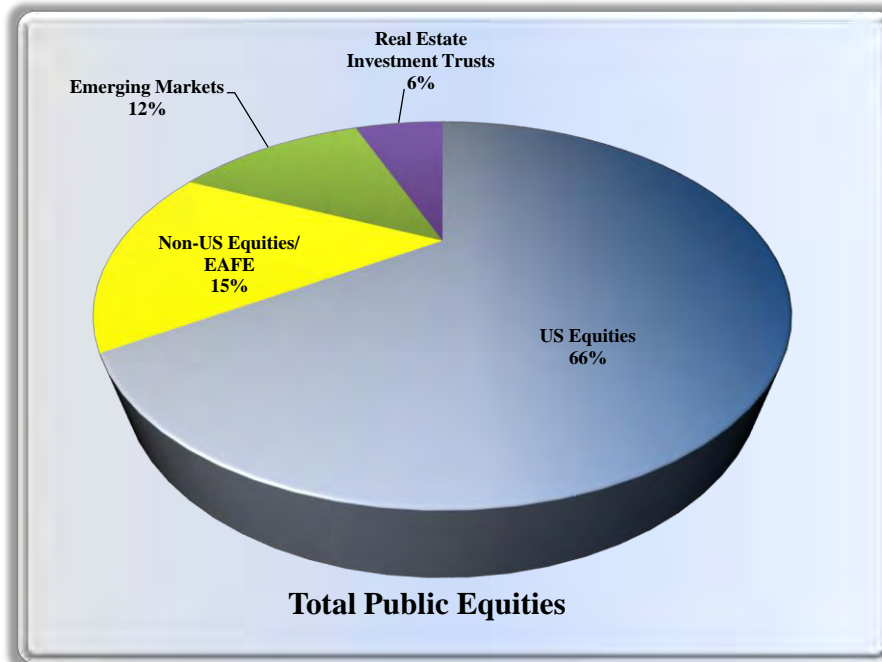
Impact of Adjustments

1) Core +5 Policy Target %	18.0%
Adjustment: 50% of uninvested Real Estate	1.9%
Adjustment: 50% of uninvested Emerging Markets Debt	<u>1.5%</u>
Adjusted Core+5 Policy Target %	21.4%
2) High Yield Policy Target %	4.0%
Adjustment: 50% of uninvested Emerging Markets Debt	1.5%
Adjustment: 80% of uninvested Opportunistic Fixed Income	<u>3.0%</u>
Adjusted High Yield Policy Target %	8.5%
3) Domestic Equity Policy Target %	31.0%
Adjustment: 20% of (over)/underallocation of OFI	0.7%
Adjustment: 100% of (over)/underallocation of PE	1.0%
Adjustment: 50% of (over)/underallocation of RE	<u>1.9%</u>
Adjusted Domestic Equity Policy Target %	34.7%

NYC TEACHERS' RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of January 31st, 2013)



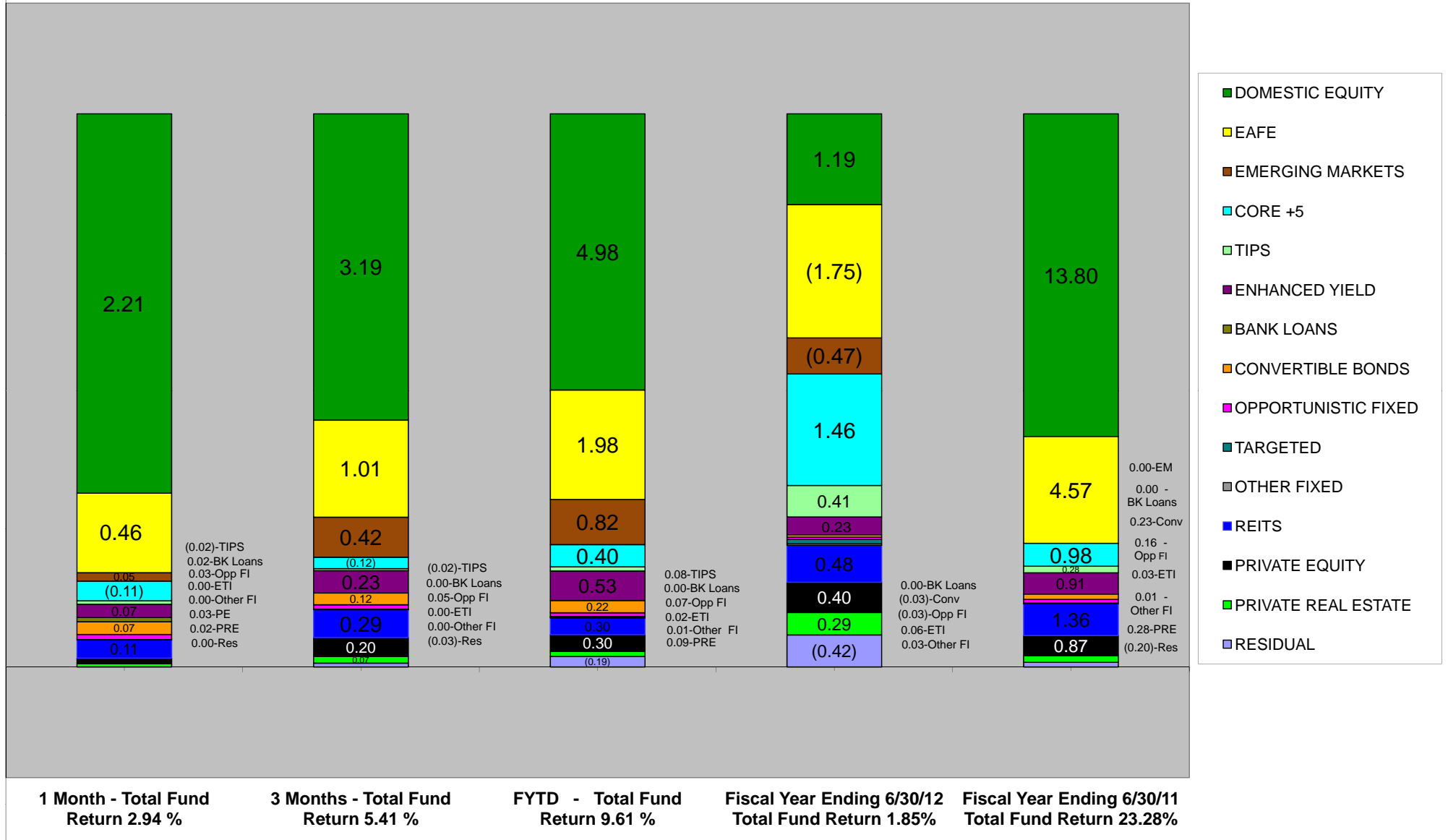
THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Teachers' Retirement System
January 31, 2013

	Trailing 1 Month	Trailing 3 Months	06/30/12 01/31/13	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<u>MARKET INDICATORS</u>								
STANDARD & POORS 500	5.18	6.75	11.44	16.78	10.31	14.14	3.97	7.93
S&P MIDCAP INDEX 400	7.22	11.98	17.13	18.56	10.34	17.56	7.98	11.64
RUSSELL 1000	5.42	7.36	12.21	17.03	10.29	14.48	4.28	8.35
RUSSELL 2000	6.26	10.63	13.91	15.47	8.98	15.98	6.31	10.69
RUSSELL 3000	5.49	7.61	12.34	16.90	10.18	14.59	4.44	8.53
RUSSELL 3000 GROWTH	4.46	6.34	9.42	13.44	9.64	14.79	5.78	8.42
RUSSELL 3000 VALUE	6.46	8.81	15.19	20.32	10.66	14.34	2.94	8.48
MSCI EAFE (NET DIVIDEND)	5.27	11.27	19.96	17.25	2.96	6.94	-0.79	9.23
MSCI EMERGING MARKETS FREE	1.39	7.72	15.52	8.01	0.57	7.50	2.35	17.10
FTSE CUSTOM BENCHMARK	0.23	6.22	13.69	6.05	0.15	7.94	3.08	****
MSCI WORLD INDEX	5.12	8.59	15.26	16.62	6.66	10.88	2.00	8.96
MSCI EUROPE SMID CAP INDEX	5.29	11.88	25.03	22.81	3.14	9.24	0.66	****
NYC - TREASURY AGENCY PLUS FIVE	-2.01	-2.05	-1.46	1.16	10.06	8.80	7.07	6.44
CITIGROUP MORTGAGE	-0.49	-0.51	0.39	1.66	4.10	4.17	5.23	5.05
NYC - INVESTMENT GRADE CREDIT INDEX	-0.91	-0.92	3.88	6.37	8.03	7.65	6.93	6.03
NYC - CORE PLUS FIVE	-0.96	-0.98	1.35	3.34	6.84	6.39	6.35	5.78
CITIGROUP BROAD INVESTMENT GRADE	-0.73	-0.69	1.11	2.60	5.58	5.35	5.52	5.23
BARCLAYS CAPITAL AGGREGATE	-0.70	-0.68	1.09	2.59	5.58	5.41	5.44	5.10
CITIGROUP BB & B	0.53	2.64	7.81	12.15	9.58	11.31	8.00	8.65
BofA MERRILL LYNCH HY MASTER II	1.38	3.75	9.43	13.87	9.44	11.54	10.61	10.21
CREDIT SUISSE LEVERAGED LOAN INDEX	1.12	2.27	****	****	****	****	****	****
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	-0.68	-0.85	2.13	3.87	9.73	8.10	6.07	6.50
BofA ML ALL CONVERTIBLES EX MANDATORY	3.90	6.94	11.19	12.78	5.99	10.70	6.04	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	3.40	6.75	5.35	13.68	12.85	21.52	5.70	12.28
NCREIF NFI-ODCE NET	0.00	2.06	4.64	9.77	12.33	13.30	-2.00	****
91 DAY TREASURY BILL	0.00	0.03	0.07	0.11	0.10	0.11	0.42	1.77

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Teachers' Retirement System
February 28, 2013

	Trailing 1 Month	Trailing 3 Months	06/30/12 02/28/13	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<u>MARKET INDICATORS</u>								
STANDARD & POORS 500	1.36	7.58	12.95	13.46	9.20	13.49	4.95	8.24
S&P MIDCAP INDEX 400	0.98	10.64	18.28	14.57	8.39	15.97	8.61	12.01
RUSSELL 1000	1.34	7.95	13.72	13.62	9.15	13.75	5.21	8.67
RUSSELL 2000	1.10	11.26	15.17	14.02	6.69	14.71	7.35	11.16
RUSSELL 3000	1.33	8.19	13.83	13.65	8.94	13.82	5.38	8.85
RUSSELL 3000 GROWTH	1.23	5.94	10.77	9.71	8.44	13.94	6.50	8.62
RUSSELL 3000 VALUE	1.41	10.37	16.81	17.57	9.38	13.65	4.11	8.93
MSCI EAFE (NET DIVIDEND)	-0.95	7.61	18.82	9.84	0.82	6.85	-1.26	9.38
MSCI EMERGING MARKETS FREE	-1.24	5.04	14.09	0.62	0.41	6.92	0.65	17.27
FTSE CUSTOM BENCHMARK	-0.33	4.71	13.32	0.27	0.74	7.80	1.71	****
MSCI WORLD INDEX	0.22	7.39	15.51	11.37	4.93	10.43	2.16	9.17
MSCI EUROPE SMID CAP INDEX	-0.67	8.71	24.19	13.30	1.34	10.05	-0.17	****
NYC - TREASURY AGENCY PLUS FIVE	1.07	-2.00	-0.40	3.55	10.56	8.98	7.14	6.27
CITIGROUP MORTGAGE	0.35	0.04	0.74	1.90	4.16	4.20	5.30	5.01
NYC - INVESTMENT GRADE CREDIT INDEX	0.54	-0.29	4.44	6.11	8.01	7.70	7.03	5.87
NYC - CORE PLUS FIVE	0.57	-0.50	1.93	3.87	6.96	6.47	6.43	5.68
CITIGROUP BROAD INVESTMENT GRADE	0.47	-0.34	1.59	3.11	5.72	5.39	5.54	5.13
BARCLAYS CAPITAL AGGREGATE	0.50	-0.34	1.60	3.12	5.71	5.45	5.52	5.01
CITIGROUP BB & B	0.35	2.29	8.19	10.24	9.10	11.43	8.35	8.55
BofA MERRILL LYNCH HY MASTER II	0.46	3.46	9.94	11.85	8.97	11.66	10.98	10.11
CREDIT SUISSE LEVERAGED LOAN INDEX	0.39	2.26	****	****	****	****	****	5.49
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	0.03	-1.29	2.16	4.25	9.28	8.53	5.83	6.12
BofA ML ALL CONVERTIBLES EX MANDATORY	0.75	6.60	12.02	10.37	4.99	10.12	6.33	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	0.80	8.18	6.19	15.77	10.81	19.56	6.70	12.21
NCREIF NFI-ODCE NET	0.00	2.06	4.64	9.77	12.33	13.30	-2.00	****
91 DAY TREASURY BILL	0.00	0.02	0.07	0.11	0.10	0.11	0.39	1.76

NYC Teachers' Retirement System Contribution to Return - January 2013



THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Teachers' Retirement System

January 31, 2013

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2012	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
ASSET CLASS SUMMARY																
DOMESTIC EQUITY	\$ 18,979.3	39.44%	5.72%	8.24%	13.02%	5.72%	2.94%	16.65%	0.41%	17.33%	28.33%	17.16%	14.65%	4.53%	****	9.74%
INTERNATIONAL EAFE	4,555.8	9.47%	4.98	10.66	18.74	4.98	-11.58	17.59	-9.82	11.42	32.77	18.06	8.83	0.97	****	6.80
EMERGING MARKETS	3,526.0	7.33%	0.64	6.53	13.14	0.64	-15.61	16.92	****	****	****	5.63	****	****	****	-2.71
REAL ESTATE EQUITY SECURITIES	1,721.8	3.58%	2.99	6.70	6.75	2.99	11.53	18.16	8.03	32.10	30.86	14.11	22.48	6.06	13.61	13.16
CORE + 5	7,811.8	16.23%	-0.68	-0.69	2.32	-0.68	9.08	6.62	8.73	8.58	8.54	4.68	7.06	6.56	5.92	8.32
CONVERTIBLE BONDS	1,076.1	2.24%	3.30	5.35	9.76	3.30	-2.72	12.08	-4.22	13.18	34.16	10.25	8.30	****	****	6.14
TIPS MANAGERS	1,453.6	3.02%	-0.64	-0.65	2.37	-0.64	12.11	7.23	13.50	6.47	10.14	4.33	8.25	6.22	****	6.31
ENHANCED YIELD	2,884.6	5.99%	1.27	3.76	8.67	1.27	6.70	13.64	5.55	13.43	38.75	12.37	10.93	9.66	9.31	6.49
BANK LOANS	1,072.6	2.23%	1.06	1.99	****	1.06	****	****	****	****	****	****	****	****	****	1.99
OPPORTUNISTIC FIXED INCOME	621.8	1.29%	2.35	4.11	7.35	2.35	-3.25	15.56	-3.20	23.88	18.09	17.24	10.93	****	****	****
PROGRESS FIXED INCOME	108.8	0.23%	-0.56	-0.43	1.77	-0.56	****	****	****	****	****	****	****	****	****	1.82
ECONOMICALLY TARGETED INVESTMENTS	380.3	0.79%	-0.16	0.62	2.45	-0.16	7.07	5.74	6.70	6.61	7.62	4.94	5.81	6.34	5.73	9.58
PRIVATE EQUITY	2,383.1	4.95%	0.63	3.77	5.61	0.63	8.36	11.45	15.80	14.04	-4.44	12.55	14.21	6.89	****	11.90
PRIVATE REAL ESTATE	1,015.7	2.11%	0.87	3.34	4.62	0.87	20.25	13.02	24.55	9.99	-44.20	12.77	16.19	-4.26	****	8.42
CASH	536.6	1.11%	0.02	0.09	0.22	0.02	0.71	0.72	0.50	0.45	1.23	0.35	0.40	1.12	****	2.50
TOTAL TEACHERS	\$ 48,127.8		2.94%	5.41%	9.61%	2.94%	1.85%	13.09%	1.83%	13.92%	21.15%	12.18%	11.24%	4.66%	8.38%	8.57%
TOTAL EQUITY	28,782.9	59.81%	4.79	8.27	13.39	4.79	-1.42	16.50	-2.35	16.64	29.37	15.66	13.04	3.41	****	6.10
TOTAL FIXED INCOME	15,409.6	32.02%	0.21	0.94	4.32	0.21	8.18	8.49	7.95	9.77	14.75	6.87	8.23	7.31	****	6.39
TOTAL PRIVATE EQUITY	2,383.1	4.95%	0.63	3.77	5.61	0.63	8.36	11.45	15.80	14.04	-4.44	12.55	14.21	6.89	****	11.90
TOTAL PRIVATE REAL ESTATE	1,015.7	2.11%	0.87	3.34	4.62	0.87	20.25	13.02	24.55	9.99	-44.20	12.77	16.19	-4.26	****	8.42
TOTAL CASH	536.6	1.11%	0.02	0.09	0.22	0.02	0.71	0.72	0.50	0.45	1.23	0.35	0.40	1.12	****	2.50

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

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report *NYC Teachers' Retirement System

January 31, 2013

97

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2012	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
EQUITY ASSET CLASS SUMMARY																
DOMESTIC EQUITY	\$ 18,979.3	39.44%	5.72%	8.24%	13.02%	5.72%	2.94%	16.65%	0.41%	17.33%	28.33%	17.16%	14.65%	4.53%	8.55%	9.74%
PASSIVE DOMESTIC EQUITY	17,950.8	37.30%	5.72	8.18	12.95	5.72	3.05	16.60	0.35	17.23	28.40	17.12	14.57	4.48	8.55	8.87
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			0.23	0.58	0.62	0.23	(0.79)	0.18	(0.67)	0.30	0.06	0.22	(0.02)	0.05	0.02	
TOTAL RUSSELL 3000	15,477.9	32.16%	5.49	7.61	12.32	5.49	3.90	16.40	1.05	17.23	28.40	16.90	14.69	4.54	8.58	9.76
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			(0.00)	(0.00)	(0.02)	(0.00)	0.06	(0.02)	0.02	0.30	0.06	(0.00)	0.09	0.11	0.06	
TOTAL MID CAP PASSIVE	2,472.9	5.14%	7.21	11.95	17.08	7.21	-2.29	17.87	****	****	****	18.55	****	****	****	10.34
S&P 400 MIDCAP			7.22	11.98	17.13	7.22	-2.33	17.88	****	****	****	18.56	****	****	****	
			(0.01)	(0.03)	(0.05)	(0.01)	0.04	(0.01)	****	****	****	(0.01)	****	****	****	
ACTIVE DOMESTIC EQUITY	967.8	2.01%	5.82	9.13	14.31	5.82	1.13	17.85	-0.73	17.55	31.51	18.03	14.87	4.64	8.42	2.66
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			0.33	1.52	1.97	0.33	(2.71)	1.43	(1.75)	0.62	3.17	1.12	0.28	0.20	(0.11)	
TOTAL LARGE CAP	485.0	1.01%	5.19	7.64	12.67	5.19	2.87	16.38	-0.78	12.82	****	16.70	12.39	****	****	18.92
RUSSELL 1000			5.42	7.36	12.21	5.42	4.37	16.42	1.50	16.10	****	17.03	14.48	****	****	
			(0.23)	0.28	0.46	(0.23)	(1.50)	(0.04)	(2.28)	(3.28)	****	(0.34)	(2.09)	****	****	
TOTAL EMERGING MGRS (Program changed 7/01/2012)	273.9	0.57%	6.20	10.85	15.97	6.20	-0.61	17.84	-0.49	21.13	29.70	17.67	16.16	5.78	****	4.13
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	****	****	
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	****	****	
			(0.06)	0.22	2.05	(0.06)	1.47	1.49	3.69	(5.72)	2.52	2.20	0.18	****	****	
			0.71	3.24	3.63	0.71	(4.45)	1.42	(1.51)	4.20	1.36	0.77	1.57	****	****	
TOTAL SMALL CAP ACTIVE	208.8	0.43%	6.82	10.43	16.08	6.82	-0.62	21.45	0.58	29.21	****	21.72	21.69	****	****	25.41
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	****	15.47	15.98	****	****	
			0.56	(0.20)	2.16	0.56	1.45	5.10	4.76	2.36	****	6.24	5.71	****	****	
TOTAL U.S. ENVIRONMENTAL	60.7	0.13%	5.18	10.85	12.79	5.18	-1.34	13.53	1.20	27.39	31.28	13.89	16.58	****	****	6.73
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	****	****	
			(1.08)	0.22	(1.13)	(1.08)	0.74	(2.82)	5.38	0.54	4.10	(1.58)	0.60	****	****	
INTERNATIONAL EQUITY	8,081.8	16.79%	3.04	8.82	16.29	3.04	-12.82	16.67	-10.53	11.43	32.77	13.52	7.60	0.28	9.83	6.43
ACTIVE DEVELOPED MARKETS	3,671.3	7.63%	4.93	10.51	18.51	4.93	-11.10	17.54	-9.88	11.12	32.51	18.36	8.68	0.95	10.20	6.59
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	9.23	
			(0.34)	(0.76)	(1.45)	(0.34)	2.73	0.23	2.26	3.37	0.73	1.11	1.74	1.74	0.97	
NON-U.S. ENVIRONMENTAL	90.1	0.19%	4.65	8.29	13.34	4.65	-2.84	17.67	-6.66	8.67	33.34	16.27	9.73	****	****	-0.27
MSCI DEV STD WORLD INDEX GROSS			5.12	8.59	15.26	5.12	-4.42	16.54	-5.02	12.34	30.80	16.62	10.88	****	****	
			(0.47)	(0.30)	(1.92)	(0.47)	1.58	1.13	(1.64)	(3.67)	2.54	(0.35)	(1.15)	****	****	
NON-U.S. ACTIVIST	107.2	0.22%	5.24	15.75	25.67	5.24	-25.49	22.09	-23.39	36.48	42.60	16.32	10.55	****	****	18.84
MSCI EUROPE SMID CAP INDEX			5.29	11.88	25.03	5.29	-19.00	25.81	-17.56	16.03	53.23	22.81	9.24	****	****	
			(0.05)	3.87	0.64	(0.05)	(6.49)	(3.72)	(5.84)	20.45	(10.63)	(6.49)	1.31	****	****	
ACTIVE EMERGING MARKETS	1,431.1	2.97%	1.57	7.40	14.66	1.57	****	****	****	****	****	****	****	****	****	5.75
MSCI EMERGING MARKETS FREE			1.39	7.72	15.52	1.39	****	****	****	****	****	****	****	****	****	
			0.17	(0.32)	(0.87)	0.17	****	****	****	****	****	****	****	****	****	
PASSIVE DEVELOPED MARKETS	685.7	1.42%	5.22	11.13	19.76	5.22	-13.34	17.58	****	****	****	17.46	****	****	****	2.37
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	****	****	****	17.25	****	****	****	
			(0.06)	(0.14)	(0.19)	(0.06)	0.49	0.26	****	****	****	0.21	****	****	****	
PASSIVE EMERGING MARKETS	2,094.9	4.35%	0.02	5.92	12.23	0.02	-16.20	15.88	****	****	****	4.04	****	****	****	-3.51
MSCI EMERGING MARKETS FREE			1.39	7.72	15.52	1.39	-15.67	18.63	****	****	****	8.01	****	****	****	
			(1.37)	(1.80)	(3.30)	(1.37)	(0.53)	(2.75)	****	****	****	(3.97)	****	****	****	

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FIXED INCOME ASSET CLASS SUMMARY																
TOTAL FIXED INCOME	\$ 15,409.6	32.02%	0.21%	0.94%	4.32%	0.21%	8.18%	8.49%	7.95%	9.77%	14.75%	6.87%	8.23%	7.31%	****	6.39%
CORE + 5	7,811.8	16.23%	-0.68	-0.69	2.32	-0.68	9.08	6.62	8.73	8.58	8.54	4.68	7.06	6.56	5.92	8.32
<i>NYC - CORE PLUS FIVE</i>			-0.96	-0.98	1.35	-0.96	9.35	5.41	9.40	7.13	6.28	3.34	6.39	6.35	5.78	
			0.29	0.29	0.97	0.29	(0.27)	1.21	(0.67)	1.45	2.26	1.34	0.67	0.20	0.14	
ALL MORTGAGE	3,468.9	7.21%	-0.34	-0.35	1.34	-0.34	5.91	4.26	6.32	7.70	8.30	3.26	5.37	5.48	5.18	7.23
<i>CITIGROUP MORTGAGE INDEX</i>			-0.49	-0.51	0.39	-0.49	5.05	2.60	6.38	5.50	5.76	1.66	4.17	5.23	5.05	
			0.16	0.16	0.95	0.16	0.86	1.67	(0.06)	2.20	2.54	1.60	1.20	0.25	0.14	
ALL INVESTMENT GRADE CREDIT	3,246.4	6.75%	-0.60	-0.59	4.84	-0.60	9.19	10.58	7.79	9.47	19.96	7.60	8.36	7.56	6.46	7.65
<i>NYC - INVESTMENT GRADE CREDIT</i>			-0.91	-0.92	3.88	-0.91	9.14	9.52	7.80	8.36	16.36	6.37	7.65	6.93	6.03	
			0.31	0.33	0.96	0.31	0.05	1.06	(0.01)	1.11	3.60	1.22	0.71	0.63	0.42	
ALL TREASURY / AGENCY	1,096.5	2.28%	-1.98	-2.03	-1.32	-1.98	18.49	4.08	18.21	9.39	-5.89	1.44	8.83	7.21	6.58	8.17
<i>NYC - TREASURY AGENCY PLUS FIVE</i>			-2.01	-2.05	-1.46	-2.01	18.72	3.84	18.44	9.24	-7.44	1.16	8.80	7.07	6.44	
			0.03	0.03	0.14	0.03	(0.23)	0.24	(0.24)	0.15	1.55	0.28	0.03	0.14	0.14	
TOTAL TIPS MANAGERS	1,453.6	3.02%	-0.64	-0.65	2.37	-0.64	12.11	7.23	13.50	6.47	10.14	4.33	8.25	6.22	****	6.31
<i>BARCLAYS CAPITAL US TIPS INDEX</i>			-0.68	-0.85	2.13	-0.68	11.66	6.98	13.56	6.37	11.41	3.87	8.10	6.07	****	
			0.03	0.20	0.24	0.03	0.45	0.26	(0.06)	0.10	(1.27)	0.46	0.15	0.14	****	
TOTAL ENHANCED YIELD	2,884.6	5.99%	1.27	3.76	8.67	1.27	6.70	13.64	5.55	13.43	38.75	12.37	10.93	9.66	9.31	6.49
<i>CITIGROUP BB & B</i>			0.53	2.64	7.81	0.53	8.45	14.45	6.58	13.35	40.37	12.15	11.31	8.00	8.65	
			0.74	1.12	0.86	0.74	(1.75)	(0.82)	(1.03)	0.08	(1.62)	0.23	(0.38)	1.66	0.66	
TOTAL BANK LOANS	1,072.6	2.23%	1.06	1.99	****	1.06	****	****	****	****	****	****	****	****	****	1.99
<i>CREDIT SUISSE LEVERAGED LOAN INDEX</i>			1.12	2.27	****	1.12	****	****	****	****	****	****	****	****	****	
			(0.05)	(0.27)	****	(0.05)	****	****	****	****	****	****	****	****	****	
TOTAL CONVERTIBLE BONDS	1,076.1	2.24%	3.30	5.35	9.76	3.30	-2.72	12.08	-4.22	13.18	34.16	10.25	8.30	****	****	6.14
<i>BofA ML ALL CONVERTIBLES EX MANDATORY</i>			3.90	6.94	11.19	3.90	-1.68	14.41	-3.42	16.52	47.19	12.78	10.70	****	****	
			(0.60)	(1.59)	(1.43)	(0.60)	(1.04)	(2.33)	(0.81)	(3.34)	(13.03)	(2.53)	(2.40)	****	****	
TOTAL OPPORTUNISTIC FIXED	621.8	1.29%	2.35	4.11	7.35	2.35	-3.25	15.56	-3.20	23.88	18.09	17.24	10.93	****	****	****
<i>JP MORGAN HY PLUS 3%</i>			1.54	4.63	11.60	1.54	10.67	19.20	8.73	18.05	61.90	17.30	15.22	****	****	
			0.81	(0.52)	(4.25)	0.81	(13.92)	(3.64)	(11.93)	5.83	(43.81)	(0.06)	(4.29)	****	****	
TOTAL PROGRESS FIXED	108.8	0.23%	-0.56	-0.43	1.77	-0.56	****	****	****	****	****	****	****	****	****	1.82
<i>BARCLAYS CAPITAL AGGREGATE</i>			-0.70	-0.68	1.09	-0.70	****	****	****	****	****	****	****	****	****	
			0.14	0.25	0.68	0.14	****	****	****	****	****	****	****	****	****	
ECONOMICALLY TARGETED INVESTMENTS	380.3	0.79%	-0.16	0.62	2.45	-0.16	7.07	5.74	6.70	6.61	7.62	4.94	5.81	6.34	5.73	9.58
<i>TEACHERS CUSTOM BENCHMARK (NO CASH)</i>			-0.60	-0.52	0.81	-0.60	2.28	3.55	7.51	6.31	5.12	2.28	5.09	5.37	5.14	
			0.44	1.14	1.65	0.44	4.79	2.19	(0.81)	0.30	2.50	2.66	0.71	0.97	0.59	
CASH ASSET CLASS SUMMARY																
TOTAL CASH	536.6	1.11%	0.02	0.09	0.22	0.02	0.71	0.72	0.50	0.45	1.23	0.35	0.40	1.12	****	2.50
<i>ML 91 DAY TREASURY BILL INDEX</i>			0.00	0.03	0.07	0.00	0.11	0.11	0.10	0.13	0.21	0.11	0.11	0.42	****	
			0.02	0.06	0.14	0.02	0.60	0.61	0.40	0.32	1.02	0.24	0.29	0.70	****	

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US EQUITY																
TOTAL RUSSELL 3000	15,477.9	32.16%	5.49	7.61	12.32	5.49	3.90	16.40	1.05	17.23	28.40	16.90	14.69	4.54	8.58	9.76
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	4.44	8.53	
			+/-	(0.00)	(0.02)	(0.00)	0.06	(0.02)	0.02	0.30	0.06	(0.00)	0.09	0.11	0.06	
STATE STREET R3000	7,655.4	15.91%	5.50	7.63	12.35	5.50	3.98	16.41	1.20	****	****	16.93	****	****	****	15.01
BLACKROCK R3000	7,822.4	16.25%	5.47	7.59	12.30	5.47	3.83	16.39	0.89	16.92	****	16.87	14.52	****	****	18.38
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	****	16.90	14.59	****	****	
STATE STREET R3000			+/-	0.01	0.02	0.01	0.01	0.14	(0.00)	0.17	****	0.02	****	****	****	
BLACKROCK R3000			+/-	(0.01)	(0.02)	(0.04)	(0.01)	(0.01)	(0.03)	(0.13)	(0.01)	(0.03)	(0.07)	****	****	
TOTAL SMALL CAP	208.8	0.43%	6.82	10.43	16.08	6.82	-0.62	21.45	0.58	29.21	****	21.72	21.69	****	****	25.41
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	****	15.47	15.98	****	****	
			+/-	0.56	(0.20)	2.16	0.56	1.45	5.10	4.76	2.36	****	6.24	5.71	****	****
TOTAL SMALL CAP ACTIVE	208.8	0.43%	6.82	10.43	16.08	6.82	-0.62	21.45	0.58	29.21	****	21.72	21.69	****	****	25.41
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	****	15.47	15.98	****	****	
			+/-	0.56	(0.20)	2.16	0.56	1.45	5.10	4.76	2.36	****	6.24	5.71	****	****
TOTAL SMALL CAP GROWTH ACTIVE	208.8	0.43%	6.82	10.43	16.08	6.82	-0.62	21.45	0.58	29.21	****	21.72	21.69	****	****	25.41
BROWN AM (D)	208.8	0.43%	6.82	10.43	16.08	6.82	-0.62	21.45	0.58	29.21	****	21.72	21.69	****	****	25.41
RUSSELL 2000 GROWTH			6.58	10.49	12.23	6.58	-2.71	14.59	-2.91	29.09	****	13.63	17.01	****	****	
TOTAL SMALL CAP GROWTH			+/-	0.24	(0.06)	3.84	0.24	2.09	6.87	3.49	0.12	****	8.09	4.67	****	****
BROWN AM			+/-	0.24	(0.06)	3.84	0.24	2.09	6.87	3.49	0.12	****	8.09	4.67	****	****
TOTAL MID CAP	2,472.9	5.14%	7.21	11.95	17.08	7.21	-2.29	17.87	****	****	****	18.55	****	****	****	10.34
RUSSELL MIDCAP			6.84	11.04	16.05	6.84	-1.65	17.28	****	****	****	18.14	****	****	****	
			+/-	0.36	0.91	1.03	0.36	(0.64)	0.59	****	****	0.41	****	****	****	
TOTAL MID CAP PASSIVE	2,472.9	5.14%	7.21	11.95	17.08	7.21	-2.29	17.87	****	****	****	18.55	****	****	****	10.34
SSGA S&P 400	2,472.9	5.14%	7.21	11.95	17.08	7.21	-2.29	17.87	****	****	****	18.55	****	****	****	10.34
S&P 400 MIDCAP			7.22	11.98	17.13	7.22	-2.33	17.88	****	****	****	18.56	****	****	****	
TOTAL MID CAP PASSIVE			+/-	(0.01)	(0.03)	(0.05)	(0.01)	0.04	(0.01)	****	****	(0.01)	****	****	****	
SSGA S&P 400			+/-	(0.01)	(0.03)	(0.05)	(0.01)	0.04	(0.01)	****	****	(0.01)	****	****	****	
TOTAL LARGE CAP GROWTH	165.7	0.34%	5.16	8.94	13.32	5.16	6.93	17.88	2.98	9.54	****	17.52	13.41	****	****	17.50
PROFIT INV MGMT (D)	165.7	0.34%	5.16	8.94	13.32	5.16	6.93	17.88	2.98	9.54	****	17.52	13.41	****	****	17.50
RUSSELL 1000 GROWTH			4.29	6.00	9.19	4.29	5.76	15.26	2.64	16.71	****	13.43	14.61	****	****	
TOTAL LARGE CAP GROWTH			+/-	0.87	2.94	4.13	0.87	1.17	2.62	0.34	(7.17)	****	4.09	(1.20)	****	****
PROFIT INV MGMT			+/-	0.87	2.94	4.13	0.87	1.17	2.62	0.34	(7.17)	****	4.09	(1.20)	****	****
TOTAL LARGE CAP CORE	319.3	0.66%	5.21	6.98	12.33	5.21	0.90	15.62	-1.94	15.87	****	16.28	12.71	****	****	20.27
SEIZERT CAPITAL PTNRS (D)	169.3	0.35%	6.00	8.26	15.04	6.00	-0.77	15.25	-0.02	15.84	****	16.48	13.18	****	****	18.08
PIEDMONT INV ADV (D)	150.0	0.31%	4.33	5.57	9.43	4.33	2.76	16.04	-4.01	15.91	****	16.05	12.20	****	****	15.32
RUSSELL 1000			5.42	7.36	12.21	5.42	4.37	16.42	1.50	16.10	****	17.03	14.48	****	****	
TOTAL LARGE CAP CORE			+/-	(0.21)	(0.38)	0.12	(0.21)	(3.47)	(0.80)	(3.44)	(0.23)	****	(0.76)	(1.76)	****	****
SEIZERT CAPITAL PTNRS			+/-	0.58	0.90	2.83	0.58	(5.14)	(1.17)	(1.52)	(0.26)	****	(0.55)	(1.30)	****	****
PIEDMONT INV ADV			+/-	(1.09)	(1.80)	(2.78)	(1.09)	(1.62)	(0.39)	(5.51)	(0.19)	****	(0.99)	(2.28)	****	****
TOTAL LARGE CAP	485.0	1.01%	5.19	7.64	12.67	5.19	2.87	16.38	-0.78	12.82	****	16.70	12.39	****	****	18.92
RUSSELL 1000			5.42	7.36	12.21	5.42	4.37	16.42	1.50	16.10	****	17.03	14.48	****	****	
			+/-	(0.23)	0.28	0.46	(0.23)	(1.50)	(0.04)	(2.28)	(3.28)	****	(0.34)	(2.09)	****	****

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EMERGING MANAGERS																
TOTAL EMERGING MGRS (Program changed 6/01/2012)	273.9	0.57%	6.20	10.85	15.97	6.20	-0.61	17.84	-0.49	21.13	29.70	17.67	16.16	5.78	****	4.13
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	6.31	****	
RUSSELL 3000			5.49	7.61	12.34	5.49	3.84	16.42	1.03	16.93	28.34	16.90	14.59	14.59	****	
ATTUCKS	44.0	0.09%	6.41	10.18	15.85	6.41	-3.42	15.58	1.50	16.10	28.43	15.44	17.50	6.31	****	4.67
CAPITAL PROSPECTS	39.8	0.08%	5.93	10.31	14.04	5.93	****	****	****	****	****	****	****	****	****	19.35
F.I.S FUND MGMT	97.4	0.20%	6.11	11.28	17.54	6.11	****	****	****	****	****	****	****	****	****	22.40
PROGRESS EQUITY	92.8	0.19%	6.30	10.94	15.25	6.30	****	****	****	****	****	****	****	****	****	18.86
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	6.31	****	
ATTUCKS +/-			0.15	(0.45)	1.94	0.15	(1.34)	(0.77)	5.68	(10.75)	1.25	(0.04)	1.52	0.00	****	
CAPITAL PROSPECTS +/-			(0.33)	(0.32)	0.12	(0.33)	****	****	****	****	****	****	****	****	****	
F.I.S FUND MGMT +/-			(0.15)	0.65	3.62	(0.15)	****	****	****	****	****	****	****	****	****	
PROGRESS EQUITY +/-			0.04	0.31	1.33	0.04	****	****	****	****	****	****	****	****	****	
U.S. ENVIRONMENTAL																
TOTAL U.S. ENVIRONMENTAL	60.7	0.13%	5.18	10.85	12.79	5.18	-1.34	13.53	1.20	27.39	31.28	13.89	16.58	****	****	6.73
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	****	****	
+/-			(1.08)	0.22	(1.13)	(1.08)	0.74	(2.82)	5.38	0.54	4.10	(1.58)	0.60	****	****	
WALDEN ASSET MGMT	60.7	0.13%	5.18	10.85	12.78	5.18	-1.34	13.52	1.20	25.69	29.88	13.89	16.59	****	****	7.95
RUSSELL 2000			6.26	10.63	13.91	6.26	-2.08	16.35	-4.18	26.85	27.18	15.47	15.98	****	****	
+/-			(1.08)	0.22	(1.13)	(1.08)	0.74	(2.83)	5.38	(1.16)	2.70	(1.59)	0.61	****	****	
NON - US EQUITY																
TOTAL INTL GROWTH	2,007.1	4.17%	5.31	10.97	19.75	5.31	-7.98	21.44	-9.44	12.52	34.40	21.96	10.48	2.93	****	1.15
BAILLIE	1,046.9	2.18%	6.40	12.48	22.49	6.40	-11.33	20.34	-10.27	18.23	41.76	21.50	11.79	3.86	****	1.47
WALTER -SCOTT	959.8	1.99%	4.14	9.38	16.91	4.14	-4.24	22.66	-6.51	14.30	34.26	22.48	11.75	6.30	****	4.78
MSCI EAFE GROWTH			4.67	10.30	17.82	4.67	-12.22	17.28	-11.82	12.60	29.91	16.38	8.36	0.07	****	
TOTAL INTL GROWTH +/-			0.64	0.67	1.93	0.64	4.24	4.16	2.38	(0.08)	4.49	5.57	2.12	2.86	****	
BAILLIE +/-			1.73	2.17	4.67	1.73	0.90	3.06	1.55	5.63	11.85	5.11	3.43	3.80	****	
WALTER -SCOTT +/-			(0.53)	(0.92)	(0.91)	(0.53)	7.98	5.38	5.31	1.70	4.35	6.09	3.38	6.23	****	
TOTAL INTL VALUE	1,203.6	2.50%	4.16	9.68	16.54	4.16	-12.23	14.38	-9.34	9.44	31.02	15.87	7.16	-0.53	****	6.63
SPRUCEGROVE (NEW)	1,014.2	2.11%	4.02	9.99	16.80	4.02	-8.48	18.80	-9.15	19.93	35.62	18.63	11.19	2.81	****	0.63
MONDRIAN INVESTMENT PARTNERS LTD II	188.5	0.39%	4.95	8.09	14.79	4.95	-11.12	8.45	-2.88	3.16	24.13	12.29	6.33	****	****	-1.34
MSCI EAFE VALUE			5.92	12.36	22.40	5.92	-14.60	18.43	-11.65	3.81	35.06	19.21	6.44	-0.72	****	
TOTAL INTL VALUE +/-			(1.76)	(2.69)	(5.86)	(1.76)	2.37	(4.05)	2.31	5.63	(4.04)	(3.34)	0.72	0.19	****	
SPRUCEGROVE (NEW) +/-			(1.91)	(2.38)	(5.60)	(1.91)	6.13	0.37	2.50	16.12	0.56	(0.58)	4.75	3.53	****	
MONDRIAN INVESTMENT PARTNERS LTD II +/-			(0.97)	(4.28)	(7.60)	(0.97)	3.48	(9.98)	8.76	(0.65)	(10.93)	(6.92)	(0.11)	****	****	
TOTAL INTL CORE	460.1	0.96%	5.35	10.68	18.61	5.35	-13.55	16.44	-11.30	11.45	32.36	16.52	8.21	0.02	****	-1.45
THORNBURG	317.8	0.66%	4.95	10.11	17.49	4.95	-10.73	17.24	-9.59	15.10	30.12	17.22	10.05	1.26	****	-0.96
BLACKROCK	49.7	0.10%	6.28	11.28	20.91	6.28	-14.61	18.02	-12.95	9.01	30.70	18.68	7.63	-0.53	****	-0.53
PHILADELPHIA	92.6	0.19%	6.26	12.38	20.83	6.26	-17.94	14.11	-12.66	7.36	40.88	15.03	6.05	-1.59	****	-3.65
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	****	
TOTAL INTL CORE +/-			0.08	(0.58)	(1.35)	0.08	0.28	(0.88)	0.85	3.70	0.58	(0.73)	1.27	0.81	****	
THORNBURG +/-			(0.33)	(1.16)	(2.46)	(0.33)	3.10	(0.07)	2.55	7.35	(1.66)	(0.03)	3.11	2.05	****	
BLACKROCK +/-			1.01	0.02	0.95	1.01	(0.78)	0.70	(0.80)	1.26	(1.08)	1.43	0.69	0.27	****	
PHILADELPHIA +/-			0.99	1.11	0.88	0.99	(4.11)	(3.20)	(0.52)	(0.39)	9.10	(2.22)	(0.89)	(0.80)	****	

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TOTAL ACTIVE DEVELOPED MARKETS	3,671.3	7.63%	4.93	10.51	18.51	4.93	-11.10	17.54	-9.88	11.14	32.60	18.36	8.68	0.95	10.20	6.59
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	9.23	
+/-			(0.34)	(0.76)	(1.45)	(0.34)	2.73	0.23	2.26	3.39	0.82	1.11	1.74	1.74	0.97	
TOTAL NON-U.S. ENVIRONMENTAL	90.1	0.19%	4.65	8.29	13.34	4.65	-2.84	17.67	-6.66	8.67	33.34	16.27	9.73	****	****	-0.27
F&C SGE	90.1	0.19%	4.65	8.29	13.34	4.65	-2.83	17.67	-6.66	12.37	38.14	16.28	10.27	****	****	3.83
MSCI DEV STD WORLD INDEX GROSS			5.12	8.59	15.26	5.12	-4.42	16.54	-5.02	12.34	30.80	16.62	10.88	****	****	
TOTAL NON-U.S. ENVIRONMENTAL			(0.47)	(0.30)	(1.92)	(0.47)	1.58	1.13	(1.64)	(3.67)	2.54	(0.35)	(1.15)	****	****	
F&C SGE +/-			(0.47)	(0.30)	(1.92)	(0.47)	1.58	1.13	(1.64)	0.03	7.34	(0.35)	(0.61)	****	****	
TOTAL NON-U.S. ACTIVIST	107.2	0.22%	5.24	15.75	25.67	5.24	-25.49	22.09	-23.39	36.48	42.60	16.32	10.55	****	****	18.84
GOVERNANCE FOR OWNERS	107.2	0.22%	5.24	15.75	25.67	5.24	-25.49	22.09	-23.39	36.48	42.60	16.32	10.55	****	****	18.84
MSCI EUROPE SMID CAP INDEX			5.29	11.88	25.03	5.29	-19.00	25.81	-17.56	16.03	53.23	22.81	9.24	****	****	
TOTAL NON-U.S. ACTIVIST			(0.05)	3.87	0.64	(0.05)	(6.49)	(3.72)	(5.84)	20.45	(10.63)	(6.49)	1.31	****	****	
GOVERNANCE FOR OWNERS +/-			(0.05)	3.87	0.64	(0.05)	(6.49)	(3.72)	(5.84)	20.45	(10.63)	(6.49)	1.31	****	****	
TOTAL ACTIVE DEVELOPED-ENV-ACTIVIST	3,870.1	8.04%	4.93	10.59	18.57	4.93	31.04	17.60	-10.11	11.43	32.77	18.25	8.71	0.90	****	6.76
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	****	
+/-			(0.34)	(0.68)	(1.39)	(0.34)	44.87	0.29	2.03	3.68	0.99	1.00	1.77	1.69	****	
TOTAL PASSIVE DEVELOPED MARKETS	685.7	1.42%	5.22	11.13	19.76	5.22	-13.34	17.58	****	****	****	17.46	****	****	****	2.37
SSGA	685.7	1.42%	5.22	11.13	19.76	5.22	-13.34	17.58	****	****	****	17.46	****	****	****	2.37
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	****	****	****	17.25	****	****	****	
TOTAL PASSIVE DEVELOPED MARKETS			(0.06)	(0.14)	(0.19)	(0.06)	0.49	0.26	****	****	****	0.21	****	****	****	
SSGA +/-			(0.06)	(0.14)	(0.19)	(0.06)	0.49	0.26	****	****	****	0.21	****	****	****	
TOTAL DEVELOPED MARKETS	4,555.8	9.47%	4.98	10.66	18.74	4.98	-11.58	17.59	-9.82	11.12	32.51	18.06	8.83	0.97	****	6.80
MSCI EAFE (NET DIVIDEND)			5.27	11.27	19.96	5.27	-13.83	17.32	-12.14	7.75	31.78	17.25	6.94	-0.79	9.23	
+/-			(0.30)	(0.60)	(1.21)	(0.30)	2.25	0.27	2.32	3.37	0.73	0.81	1.89	1.76	****	
ACTIVE EMERGING MARKETS	1,431.1	2.97%	1.57	7.40	14.66	1.57	****	****	****	****	****	****	****	****	****	5.75
DFA EM	708.2	1.47%	1.56	8.25	15.25	1.56	****	****	****	****	****	****	****	****	****	5.60
EATON VANCE	722.9	1.50%	1.57	7.08	14.44	1.57	****	****	****	****	****	****	****	****	****	20.52
MSCI EMERGING MARKETS FREE			1.39	7.72	15.52	1.39	****	****	****	****	****	****	****	****	****	
ACTIVE EMERGING MARKETS			0.17	(0.32)	(0.87)	0.17	****	****	****	****	****	****	****	****	****	
DFA EM +/-			0.17	0.53	(0.27)	0.17	****	****	****	****	****	****	****	****	****	
EATON VANCE +/-			0.18	(0.64)	(1.09)	0.18	****	****	****	****	****	****	****	****	****	
PASSIVE EMERGING MARKETS	2,094.9	4.35%	0.02	5.92	12.23	0.02	-16.20	15.88	****	****	****	4.04	****	****	****	-3.51
BLACKROCK - EM	2,094.9	4.35%	0.02	5.92	12.23	0.02	-16.20	15.88	****	****	****	4.04	****	****	****	-3.51
MSCI EMERGING MARKETS FREE			1.39	7.72	15.52	1.39	-15.67	18.63	****	****	****	8.01	****	****	****	
PASSIVE EMERGING MARKETS			(1.37)	(1.80)	(3.30)	(1.37)	(0.53)	(2.75)	****	****	****	(3.97)	****	****	****	
BLACKROCK EM +/-			(1.37)	(1.80)	(3.30)	(1.37)	(0.53)	(2.75)	****	****	****	(3.97)	****	****	****	
TOTAL EMERGING MARKETS	3,526.0	7.33%	0.64	6.53	13.14	0.64	-15.61	16.92	****	****	****	5.63	****	****	****	-2.71
MSCI EMERGING MARKETS FREE			1.39	7.72	15.52	1.39	-15.67	18.63	****	****	****	8.01	****	****	****	
+/-			(0.75)	(1.19)	(2.38)	(0.75)	0.06	(1.71)	****	****	****	(2.38)	****	****	****	
TOTAL INTERNATIONAL EQUITY	8,081.8	16.79%	3.04	8.82	16.29	3.04	-12.82	16.67	-10.53	11.43	32.77	13.52	7.60	0.28	9.83	6.43
MSCI WORLD INDEX			5.12	8.59	15.26	5.12	-4.42	16.54	-5.02	12.34	30.80	16.62	10.88	2.00	8.96	
+/-			(2.08)	0.23	1.03	(2.08)	(8.40)	0.13	(5.51)	(0.91)	1.97	(3.10)	(3.28)	(1.73)	0.88	

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REITS																
TOTAL REAL ESTATE EQUITY SECURITIES	1,721.8	3.58%	2.99	6.70	6.75	2.99	11.53	18.16	8.03	32.10	30.86	14.11	22.48	6.06	13.61	13.16
MS REIT MTA	585.8	1.22%	2.98	6.77	5.83	2.98	36.41	18.15	6.91	33.27	34.42	13.99	22.40	7.18	****	10.74
EUROPEAN REIT MTA	286.0	0.59%	2.27	8.07	14.70	2.27	****	****	****	****	****	****	****	****	****	17.07
ADELANTE CAPITAL MANAGEMENT	241.3	0.50%	2.67	5.46	4.51	2.67	14.72	17.46	10.19	30.87	29.00	13.61	22.48	4.61	12.18	11.76
SECURITY CAPITAL	206.5	0.43%	3.10	5.89	4.67	3.10	11.68	16.02	7.55	31.77	27.56	11.84	21.56	5.41	****	9.35
COHEN & STEERS - REITS	201.0	0.42%	3.67	6.82	6.31	3.67	****	****	****	****	****	****	****	****	****	8.86
URDANG -REITS	201.2	0.42%	3.65	7.02	5.43	3.65	****	****	****	****	****	****	****	****	****	8.96
DJ U.S. SELECT REAL ESTATE SECURITIES INDEX			3.40	6.75	5.35	3.40	12.77	17.09	8.87	28.47	29.01	13.68	21.52	5.70	12.28	
TOTAL REAL ESTATE EQUITY SECURITIES +/-			(0.41)	(0.05)	1.40	(0.41)	(1.24)	1.07	(0.84)	3.63	1.85	0.44	0.96	0.36	1.33	
MS REIT MTA +/-			(0.42)	0.02	0.48	(0.42)	23.64	1.07	(1.96)	4.80	5.41	0.31	0.88	1.48	****	
EUROPEAN REIT MTA +/-			(1.14)	1.32	9.35	(1.14)	****	****	****	****	****	****	****	****	****	
ADELANTE CAPITAL MANAGEMENT +/-			(0.73)	(1.29)	(0.84)	(0.73)	1.94	0.38	1.31	2.40	(0.01)	(0.07)	0.96	(1.09)	(0.10)	
SECURITY CAPITAL +/-			(0.30)	(0.87)	(0.67)	(0.30)	(1.09)	(1.07)	(1.32)	3.30	(1.45)	(1.83)	0.04	(0.29)	****	
COHEN & STEERS - REITS +/-			0.27	0.07	0.97	0.27	****	****	****	****	****	****	****	****	****	
URDANG -REITS +/-			0.24	0.27	0.09	0.24	****	****	****	****	****	****	****	****	****	
FIXED INCOME																
TOTAL STRUCTURED FIXED INCOME	7,811.8	16.23%	-0.68	-0.69	2.32	-0.68	9.08	6.62	8.73	8.58	8.54	4.68	7.06	6.56	5.92	8.32
NYC - CORE PLUS FIVE			-0.96	-0.98	1.35	-0.96	9.35	5.41	9.40	7.13	6.28	3.34	6.39	6.35	5.78	
+/-			0.29	0.29	0.97	0.29	(0.27)	1.21	(0.67)	1.45	2.26	1.34	0.67	0.20	0.14	
ALL MORTGAGE	3,468.9	7.21%	-0.34	-0.35	1.34	-0.34	5.91	4.26	6.32	7.70	8.30	3.26	5.37	5.48	5.18	7.23
PIMCO	1,122.0	2.33%	-0.49	-0.43	0.78	-0.49	5.51	3.37	6.46	7.26	8.47	2.37	4.92	5.65	5.44	7.47
BLACKROCK	1,120.9	2.33%	-0.16	-0.28	1.93	-0.16	6.71	5.63	5.99	8.24	9.46	4.46	5.97	6.03	5.46	6.27
NEUBERGER BERMAN -MORT	402.1	0.84%	-0.33	-0.46	0.85	-0.33	4.86	2.95	6.39	****	****	2.06	4.66	****	****	4.66
GOLDMAN SACHS -MORT	321.1	0.67%	-0.52	-0.66	1.01	-0.52	6.17	3.83	6.60	5.82	****	2.77	4.77	****	****	5.08
WELLINGTON -MORT	321.4	0.67%	-0.51	-0.43	0.68	-0.51	5.39	2.79	7.08	5.90	****	2.11	4.55	****	****	4.89
SMITH BREENEN -MORT	161.2	0.33%	-0.26	-0.21	1.20	-0.26	5.46	3.75	6.16	6.31	****	2.97	4.80	****	****	5.21
CITIGROUP MORTGAGE INDEX			-0.49	-0.51	0.39	-0.49	5.05	2.60	6.38	5.50	5.76	1.66	4.17	5.23	5.05	
ALL MORTGAGE +/-			0.16	0.16	0.95	0.16	0.86	1.67	(0.06)	2.20	2.54	1.60	1.20	0.25	0.14	
PIMCO +/-			0.00	0.09	0.39	0.00	0.46	0.78	0.08	1.76	2.71	0.71	0.75	0.42	0.39	
BLACKROCK +/-			0.33	0.23	1.54	0.33	1.65	3.04	(0.39)	2.74	3.70	2.79	1.80	0.80	0.41	
NEUBERGER BERMAN -MORT +/-			0.16	0.06	0.46	0.16	(0.19)	0.35	0.01	****	****	0.40	0.50	****	****	
GOLDMAN SACHS -MORT +/-			(0.03)	(0.15)	0.62	(0.03)	1.11	1.23	0.23	0.32	****	1.11	0.60	****	****	
WELLINGTON -MORT +/-			(0.01)	0.09	0.29	(0.01)	0.34	0.20	0.71	0.40	****	0.45	0.38	****	****	
SMITH BREENEN -MORT +/-			0.24	0.31	0.81	0.24	0.40	1.16	(0.22)	0.81	****	1.31	0.64	****	****	

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ALL INVESTMENT GRADE CREDIT	3,246.4	6.75%	-0.60	-0.59	4.84	-0.60	9.19	10.58	7.79	9.47	19.96	7.60	8.36	7.56	6.46	7.65
BLACKROCK -CREDIT	792.0	1.65%	-0.72	-0.74	4.43	-0.72	9.70	10.42	7.93	9.44	17.16	7.31	8.34	7.38	6.39	7.31
TAPLIN,CANIDA -CREDIT	771.4	1.60%	-0.28	-0.27	5.54	-0.28	8.39	10.47	7.81	9.26	21.33	7.98	8.41	6.74	5.90	7.11
T.ROWE PRICE -CREDIT	771.3	1.60%	-0.73	-0.72	5.08	-0.73	9.39	11.34	7.97	10.00	18.91	8.03	8.73	8.30	6.94	7.92
PRUDENTIAL - CREDIT	430.0	0.89%	-0.71	-0.77	4.04	-0.71	9.59	9.59	7.90	8.63	****	6.62	7.82	****	****	8.59
BARROW HANLEY - CREDIT	306.7	0.64%	-0.75	-0.68	5.22	-0.75	8.83	11.52	6.76	10.00	****	8.23	8.37	****	****	8.96
PRUDENTIAL-PRIVEST	174.9	0.36%	-0.34	-0.08	****	-0.34	****	****	****	****	****	****	****	****	****	-0.01
NYC - INVESTMENT GRADE CREDIT			-0.91	-0.92	3.88	-0.91	9.14	9.52	7.80	8.36	16.36	6.37	7.65	6.93	6.03	
ALL INVESTMENT GRADE CREDIT +/-			0.31	0.33	0.96	0.31	0.05	1.06	(0.01)	1.11	3.60	1.22	0.71	0.63	0.42	
BLACKROCK -CREDIT +/-			0.19	0.18	0.55	0.19	0.56	0.90	0.14	1.08	0.80	0.93	0.68	0.45	0.36	
TAPLIN,CANIDA -CREDIT +/-			0.63	0.64	1.66	0.63	(0.75)	0.94	0.01	0.90	4.97	1.60	0.75	(0.19)	(0.13)	
T.ROWE PRICE -CREDIT +/-			0.18	0.20	1.20	0.18	0.25	1.81	0.17	1.64	2.55	1.66	1.07	1.37	0.90	
PRUDENTIAL - CREDIT +/-			0.21	0.15	0.16	0.21	0.45	0.07	0.10	0.27	****	0.25	0.17	****	****	
BARROW HANLEY - CREDIT +/-			0.17	0.23	1.33	0.17	(0.31)	2.00	(1.04)	1.64	****	1.86	0.72	****	****	
PRUDENTIAL-PRIVEST +/-			0.58	0.84	****	0.58	****	****	****	****	****	****	****	****	****	
ALL TREASURY / AGENCY	1,096.5	2.28%	-1.98	-2.03	-1.32	-1.98	18.49	4.08	18.21	9.39	-5.89	1.44	8.83	7.21	6.58	8.17
PIMCO	427.5	0.89%	-1.97	-1.98	-1.23	-1.97	18.31	4.38	17.71	9.90	-4.47	1.68	8.91	7.34	6.70	7.84
STATE STREET -GOVT	355.2	0.74%	-2.02	-2.12	-1.43	-2.02	18.68	3.86	18.60	8.96	****	1.22	8.75	****	****	8.20
BLACKROCK -GOVT	313.7	0.65%	-1.94	-1.99	-1.31	-1.94	18.52	3.92	18.44	9.20	****	1.36	8.83	****	****	8.14
NYC - TREASURY AGENCY PLUS FIVE			-2.01	-2.05	-1.46	-2.01	18.72	3.84	18.44	9.24	-7.44	1.16	8.80	7.07	6.44	
ALL TREASURY / AGENCY +/-			0.03	0.03	0.14	0.03	(0.23)	0.24	(0.24)	0.15	1.55	0.28	0.03	0.14	0.14	
PIMCO +/-			0.04	0.08	0.23	0.04	(0.40)	0.54	(0.73)	0.66	2.97	0.52	0.11	0.27	0.26	
STATE STREET -GOVT +/-			(0.01)	(0.06)	0.03	(0.01)	(0.04)	0.02	0.15	(0.28)	****	0.06	(0.05)	****	****	
BLACKROCK -GOVT +/-			0.07	0.06	0.15	0.07	(0.20)	0.08	(0.00)	(0.04)	****	0.20	0.03	****	****	
HIGH YIELD																
TOTAL ENHANCED YIELD	2,884.6	5.99%	1.27	3.76	8.67	1.27	6.70	13.64	5.55	13.43	38.75	12.37	10.93	9.66	9.31	6.49
CITIGROUP BB & B			0.53	2.64	7.81	0.53	8.45	14.45	6.58	13.35	40.37	12.15	11.31	8.00	8.65	
+/-			0.74	1.12	0.86	0.74	(1.75)	(0.82)	(1.03)	0.08	(1.62)	0.23	(0.38)	1.66	0.66	
LOOMIS	357.2	0.74%	1.72	4.67	****	1.72	****	****	****	****	****	****	****	****	****	6.96
BoFA MERRILL LYNCH HY MASTER II			1.38	3.75	****	1.38	****	****	****	****	****	****	****	****	****	
+/-			0.35	0.92	****	0.35	****	****	****	****	****	****	****	****	****	
OAKTREE	290.0	0.60%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
BoFA MERRILL LYNCH HY MASTER II CONSTRAINED			****	****	****	****	****	****	****	****	****	****	****	****	****	
+/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
STONE HARBOR INVESTMENT PARTNERS	507.9	1.06%	1.58	4.31	10.17	1.58	5.68	15.30	4.34	12.84	40.64	14.41	11.01	9.54	****	8.55
BoFA ML-MST II 10-12/BB&B PRIOR			1.38	3.75	8.91	1.38	8.45	14.65	6.58	13.35	40.37	13.29	11.69	8.22	****	
+/-			0.20	0.56	1.26	0.20	(2.77)	0.65	(2.24)	(0.51)	0.27	1.12	(0.68)	1.32	****	
T.ROWE PRICE ENHANCED	586.2	1.22%	1.29	3.57	8.81	1.29	6.16	13.60	5.23	14.00	43.45	12.33	11.01	10.04	****	8.69
NEUBERGER BERMAN	578.0	1.20%	1.15	3.63	****	1.15	****	****	****	****	****	****	****	****	****	6.00
SHENKMAN	254.1	0.53%	0.66	2.77	6.58	0.66	6.96	11.66	5.37	11.77	29.79	9.93	9.54	8.77	****	7.79
PENN	155.9	0.32%	1.06	3.21	****	1.06	****	****	****	****	****	****	****	****	****	5.09
FORT WASHINGTON	155.3	0.32%	1.03	3.50	****	1.03	****	****	****	****	****	****	****	****	****	5.69
CITIGROUP BB & B			0.53	2.64	7.81	0.53	8.45	14.45	6.58	13.35	40.37	12.15	11.31	8.00	8.65	
T.ROWE PRICE ENHANCED +/-			0.76	0.93	1.00	0.76	(2.29)	(0.85)	(1.35)	0.65	3.08	0.18	(0.31)	2.04	****	
NEUBERGER BERMAN +/-			0.62	1.00	****	0.62	****	****	****	****	****	****	****	****	****	
SHENKMAN +/-			0.13	0.14	(1.24)	0.13	(1.49)	(2.79)	(1.21)	(1.58)	(10.58)	(2.22)	(1.78)	0.77	****	
PENN +/-			0.53	0.57	****	0.53	****	****	****	****	****	****	****	****	****	
FORT WASHINGTON +/-			0.50	0.86	****	0.50	****	****	****	****	****	****	****	****	****	

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BANK LOANS																
TOTAL BANK LOANS	1,072.6	2.23%	1.06	1.99	****	1.06	****	****	****	****	****	****	****	****	****	1.99
BABSON BL MTA	270.3	0.56%	1.15	****	****	1.15	****	****	****	****	****	****	****	****	****	1.90
CREDIT SUISSE BL MTA	267.8	0.56%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
GUGGENHEIM BL MTA	267.9	0.56%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
ING BL MTA	133.5	0.28%	0.99	1.87	****	0.99	****	****	****	****	****	****	****	****	****	1.87
WELLS BL MTA	133.1	0.28%	0.75	1.74	****	0.75	****	****	****	****	****	****	****	****	****	1.74
CREDIT SUISSE LEVERAGED LOAN INDEX			1.12	2.27	****	1.12	****	****	****	****	****	****	****	****	****	
TOTAL BANK LOANS +/-			(0.05)	(0.27)	****	(0.05)	****	****	****	****	****	****	****	****	****	
BABSON BL MTA +/-			0.03	****	****	0.03	****	****	****	****	****	****	****	****	****	
CREDIT SUISSE BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
GUGGENHEIM BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
ING BL MTA +/-			(0.12)	(0.39)	****	(0.12)	****	****	****	****	****	****	****	****	****	
WELLS BL MTA +/-			(0.36)	(0.53)	****	(0.36)	****	****	****	****	****	****	****	****	****	
TIPS																
TOTAL TIPS MANAGERS	1,453.6	3.02%	-0.64	-0.65	2.37	-0.64	12.11	7.23	13.50	6.47	10.14	4.33	8.25	6.22	****	6.31
PIMCO-TIPS-MTA	822.4	1.71%	-0.56	-0.52	2.66	-0.56	12.36	7.67	13.34	6.57	10.24	4.81	8.41	6.29	****	6.28
STATE STREET-TIPS-MTA	364.7	0.76%	-0.72	-0.81	2.08	-0.72	11.68	6.87	13.61	6.34	10.00	3.86	8.08	6.04	****	6.46
BLACKROCK-TIPS-MTA	266.4	0.55%	-0.78	-0.82	1.90	-0.78	11.95	6.42	13.82	6.34	10.02	3.52	8.00	6.24	****	6.76
BARCLAYS CAPITAL US TIPS INDEX			-0.68	-0.85	2.13	-0.68	11.66	6.98	13.56	6.37	11.41	3.87	8.10	6.07	****	
TOTAL TIPS MANAGERS +/-			0.03	0.20	0.24	0.03	0.45	0.26	(0.06)	0.10	(1.27)	0.46	0.15	0.14	****	
PIMCO-TIPS-MTA +/-			0.11	0.33	0.53	0.11	0.70	0.69	(0.22)	0.20	(1.17)	0.93	0.31	0.21	****	
STATE STREET-TIPS-MTA +/-			(0.05)	0.04	(0.05)	(0.05)	0.02	(0.11)	0.05	(0.03)	(1.41)	(0.02)	(0.02)	(0.03)	****	
BLACKROCK-TIPS-MTA +/-			(0.11)	0.03	(0.23)	(0.11)	0.29	(0.56)	0.26	(0.03)	(1.39)	(0.35)	(0.10)	0.16	****	
CONVERTIBLE BONDS																
TOTAL CONVERTIBLE BONDS	1,076.1	2.24%	3.30	5.35	9.76	3.30	-2.72	12.08	-4.22	13.18	34.16	10.25	8.30	****	****	6.14
BofA ML ALL CONVERTIBLES EX MANDATORY			3.90	6.94	11.19	3.90	-1.68	14.41	-3.42	16.52	47.19	12.78	10.70	****	****	
TRS CUSTOM CONVERTIBLE BOND INDEX			2.81	5.14	10.03	2.81	-1.88	13.21	-3.73	11.56	36.65	11.14	8.08	****	****	
+/-			(0.60)	(1.59)	(1.43)	(0.60)	(1.04)	(2.33)	(0.81)	(3.34)	(13.03)	(2.53)	(2.40)	****	****	
+/-			0.49	0.21	(0.27)	0.49	(0.84)	(1.13)	(0.49)	1.62	(2.49)	(0.89)	0.22	****	****	
F&C CONVERTIBLE BONDS	126.7	0.26%	1.82	4.56	9.62	1.82	-3.14	14.15	-5.89	9.81	37.07	10.51	6.58	****	****	8.25
UBS Global Focus Customised			1.21	4.11	9.00	1.21	-2.80	13.72	-4.94	8.66	27.02	10.66	6.20	****	****	
+/-			0.61	0.45	0.62	0.61	(0.34)	0.43	(0.95)	1.15	10.05	(0.15)	0.38	****	****	
ADVENT CONVERTIBLE BONDS	334.8	0.70%	3.02	4.60	8.86	3.02	-0.83	11.16	-1.66	14.97	36.37	9.30	9.28	****	****	8.25
BofA ML CONVERTIBLES YIELD ALT. INDEX			3.17	5.35	10.09	3.17	-0.41	12.21	-1.73	12.98	46.25	11.59	8.55	****	****	
+/-			(0.15)	(0.76)	(1.23)	(0.15)	(0.42)	(1.05)	0.06	1.99	(9.88)	(2.29)	0.72	****	****	
ADVENT GLOBAL	68.5	0.14%	4.39	6.73	11.08	4.39	-2.14	12.86	-4.87	13.43	****	12.05	8.38	****	****	9.46
BofA ML GLOBAL CONVERTIBLES INDEX (VG00)			2.59	6.19	9.95	2.59	-3.02	13.44	-5.66	11.73	****	11.11	7.40	****	****	
+/-			1.81	0.53	1.13	1.81	0.88	(0.58)	0.79	1.70	****	0.93	0.98	****	****	
VICTORY CONVERTIBLE BONDS	226.8	0.47%	3.43	4.42	8.80	3.43	-1.74	10.47	-3.05	11.63	27.36	8.45	8.02	****	****	4.28
BofA ML CONVERTIBLE BONDS INVST GRADE			3.00	4.09	8.99	3.00	-1.23	11.89	-3.14	7.89	25.49	9.31	7.17	****	****	
+/-			0.43	0.33	(0.19)	0.43	(0.51)	(1.43)	0.09	3.74	1.87	(0.86)	0.85	****	****	
LORD ABBETT CONVERTIBLE BONDS	319.3	0.66%	3.87	6.80	11.14	3.87	-5.14	13.00	-6.18	16.90	35.38	12.02	9.72	****	****	4.85
BofA ML ALL CONVERTIBLES INDEX			3.87	6.99	12.02	3.87	-3.22	14.96	-5.18	16.77	49.13	12.95	10.33	****	****	
+/-			0.00	(0.19)	(0.87)	0.00	(1.93)	(1.96)	(1.00)	0.13	(13.75)	(0.93)	(0.61)	****	****	

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TOTAL PROGRESS FIXED																
TOTAL PROGRESS FIXED	108.8	0.23%	-0.56	-0.43	1.77	-0.56	****	****	****	****	****	****	****	****	****	1.82
PIM AMBASSADOR MTA	27.0	0.06%	-0.56	-0.57	1.24	-0.56	****	****	****	****	****	****	****	****	****	1.23
PIM GIA MTA	22.1	0.05%	-0.32	-0.02	2.98	-0.32	****	****	****	****	****	****	****	****	****	3.27
PIM HILLSWICK MTA	10.8	0.02%	-1.03	-0.96	0.51	-1.03	****	****	****	****	****	****	****	****	****	0.45
PIM NEW CENTURY MTA	27.3	0.06%	-0.55	-0.40	1.86	-0.55	****	****	****	****	****	****	****	****	****	1.85
PIM PUGH CAP MTA	21.7	0.05%	-0.57	-0.47	1.74	-0.57	****	****	****	****	****	****	****	****	****	1.77
BARCLAYS CAPITAL AGGREGATE			-0.70	-0.68	1.09	-0.70	****	****	****	****	****	****	****	****	****	
TOTAL PROGRESS FIXED +/-			0.14	0.25	0.68	0.14	****	****	****	****	****	****	****	****	****	
PIM AMBASSADOR MTA +/-			0.14	0.11	0.15	0.14	****	****	****	****	****	****	****	****	****	
PIM GIA MTA +/-			0.38	0.67	1.89	0.38	****	****	****	****	****	****	****	****	****	
PIM HILLSWICK MTA +/-			(0.33)	(0.27)	(0.58)	(0.33)	****	****	****	****	****	****	****	****	****	
PIM NEW CENTURY MTA +/-			0.15	0.29	0.78	0.15	****	****	****	****	****	****	****	****	****	
PIM PUGH CAP MTA +/-			0.13	0.22	0.65	0.13	****	****	****	****	****	****	****	****	****	
OPPORTUNISTIC FIXED INCOME																
TOTAL OPPORTUNISTIC FIXED INCOME MANAGERS	621.8	1.29%	2.35	4.11	7.35	2.35	-3.25	15.56	-2.89	26.12	20.90	17.24	10.93	****	****	****
NYC - JP MORGAN HY PLUS 3%			1.54	4.63	11.60	1.54	10.67	19.20	8.73	18.05	61.90	17.30	15.22	****	****	
+/-			0.81	(0.52)	(4.25)	0.81	(13.92)	(3.64)	(11.62)	8.07	(41.00)	(0.06)	(4.29)	****	****	
TOTAL DISTRESSED FIXED	621.8	1.29%	2.35	4.11	7.35	2.35	-3.25	15.56	-2.89	26.12	20.90	17.24	10.93	****	****	****
AVE EURO SP SITS FD	3.9	0.01%	15.06	51.83	51.18	15.06	-25.72	32.04	-1.19	3.70	61.06	36.60	6.27	****	****	15.06
AVE SPECIAL SITUATIONS FD V	1.4	0.00%	11.10	0.00	18.03	11.10	-25.95	27.97	-5.24	19.07	76.44	29.88	16.87	****	****	11.10
AVE SPECIAL SITUATIONS FD VI	66.4	0.14%	1.12	0.00	5.35	1.12	-1.75	15.42	-14.53	****	****	15.26	****	****	****	1.12
TORCHLIGHT INVESTORS	42.8	0.09%	****	****	****	****	****	****	****	****	****	****	****	****	****	15.63
3 MONTH LIBOR PLUS 750BPS			0.63	1.90	4.51	0.63	7.96	7.93	7.85	7.85	8.16	7.91	7.88	****	****	
AVE EURO SP SITS FD +/-			14.43	49.93	46.67	14.43	(33.68)	24.11	(9.04)	(4.15)	52.90	28.69	(1.61)	****	****	
AVE SPECIAL SITUATIONS FD V +/-			10.47	(1.90)	13.52	10.47	(33.91)	20.04	(13.09)	11.22	68.28	21.97	8.99	****	****	
AVE SPECIAL SITUATIONS FD VI +/-			0.49	(1.90)	0.84	0.49	(9.71)	7.49	(22.38)	****	****	7.35	****	****	****	
TORCHLIGHT INVESTORS +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
TOTAL STRATEGIC MANDATES	507.4	1.05%	2.74	3.56	8.72	2.74	****	16.61	****	****	****	16.07	****	****	****	18.08
ANGELO GORDON PTNRS LP	95.7	0.20%	8.64	8.50	8.65	8.64	****	****	****	****	****	****	****	****	****	****
APOLLO PTNRS LP	79.1	0.16%	2.61	2.61	2.61	2.61	****	****	****	****	****	****	****	****	****	****
FORTRESS PTNRS LP	28.5	0.06%	0.00	0.99	0.69	0.00	****	****	****	****	****	****	****	****	****	****
GOLDENTREE OD MTA	118.8	0.25%	1.38	4.77	10.06	1.38	****	15.67	****	****	****	17.29	****	****	****	****
MARATHON OD	146.9	0.31%	0.81	0.51	12.03	0.81	****	25.44	****	****	****	20.93	****	****	****	****
OAK HILL PTNRS LP	38.4	0.08%	3.01	1.44	****	3.01	****	****	****	****	****	****	****	****	****	****
JP MORGAN GLOBAL HIGH YIELD BOND INDEX			1.42	3.95	9.72	1.42	****	16.20	****	****	****	14.30	****	****	****	
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			1.54	4.63	11.60	1.54	****	19.20	****	****	****	17.30	****	****	****	
TOTAL STRATEGIC MANDATES +/-			1.20	(1.07)	(2.89)	1.20	****	(2.60)	****	****	****	(1.22)	****	****	****	
ANGELO GORDON PTNRS LP +/-			7.10	3.87	(2.95)	7.10	****	****	****	****	****	****	****	****	****	
APOLLO PTNRS LP +/-			1.08	(2.02)	(8.99)	1.08	****	****	****	****	****	****	****	****	****	
FORTRESS PTNRS LP +/-			(1.54)	(3.64)	(10.91)	(1.54)	****	****	****	****	****	****	****	****	****	
GOLDENTREE OD MTA +/-			(0.15)	0.14	(1.54)	(0.15)	****	(3.54)	****	****	****	(0.01)	****	****	****	
MARATHON OD +/-			(0.73)	(4.12)	0.43	(0.73)	****	6.24	****	****	****	3.64	****	****	****	
OAK HILL PTNRS LP +/-			1.47	(3.19)	****	1.47	****	****	****	****	****	****	****	****	****	

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OTHER FIXED INCOME																
TOTAL ETI	380.3	0.79%	-0.16	0.62	2.45	-0.16	7.07	5.74	6.70	6.61	7.62	4.94	5.81	6.34	5.73	9.58
TEACHERS CUSTOM BENCHMARK (NO CASH)			-0.60	-0.52	0.81	-0.60	6.70	3.55	7.51	6.31	5.12	2.28	5.09	5.37	5.14	
+/-			0.44	1.14	1.65	0.44	0.37	2.19	(0.81)	0.30	2.50	2.66	0.71	0.97	0.59	
AFL-CIO HOUSING INV TRUST	207.8	0.43%	-0.57	-0.48	1.01	-0.57	7.60	4.27	7.86	6.16	6.28	2.89	5.34	5.62	5.11	5.11
BARCLAYS CAPITAL AGGREGATE			-0.70	-0.68	1.09	-0.70	7.47	4.21	7.84	6.54	5.93	2.59	5.41	5.44	5.10	
+/-			0.13	0.20	(0.07)	0.13	0.13	0.06	0.02	(0.38)	0.35	0.30	(0.07)	0.18	0.01	
ACCESS RBC	45.6	0.09%	-0.55	-0.29	1.10	-0.55	6.57	4.15	6.78	5.72	10.99	3.27	4.67	6.33	****	6.35
ACCESS CUSTOM BENCHMARK			-0.50	-0.49	0.32	-0.50	5.24	2.38	6.32	5.52	2.89	1.38	4.06	4.78	****	
+/-			(0.05)	0.20	0.77	(0.05)	1.33	1.78	0.46	0.20	8.10	1.90	0.61	1.55	****	
CFSB-PPAR	2.0	0.00%	0.49	42.67	4.18	0.49	5.67	8.16	3.29	12.80	9.82	8.17	7.85	7.71	****	7.50
CCD-PPAR	4.7	0.01%	0.86	2.53	5.92	0.86	8.83	11.40	5.59	11.58	12.48	11.72	9.37	9.43	****	9.07
LIIF-PPAR	2.9	0.01%	0.61	2.15	4.35	0.61	5.72	6.84	4.96	4.34	****	7.09	5.08	****	****	5.87
NCBCI-PPAR	1.2	0.00%	0.76	2.45	6.16	0.76	8.88	9.46	8.50	4.10	****	9.80	7.27	****	****	7.31
NHS-PPAR	0.6	0.00%	0.76	2.45	6.07	0.76	5.04	9.68	3.85	9.95	14.83	9.97	7.62	8.70	****	8.50
TARGETED INVESTMENT	101.4	0.21%	0.71	2.54	5.94	0.71	7.09	9.80	5.40	9.02	10.00	10.06	7.98	8.49	****	10.31
CPC TERM LOAN	14.1	0.03%	0.19	0.60	1.43	0.19	2.34	2.51	2.09	2.06	2.19	2.49	2.23	2.66	****	4.12
CASH																
TOTAL CASH	536.6	1.11%	0.02	0.09	0.22	0.02	0.71	0.72	0.50	0.45	1.23	0.35	0.40	1.12	****	2.50
ML 91 DAY TREASURY BILL INDEX			0.00	0.03	0.07	0.00	0.06	0.11	0.10	0.13	0.21	0.11	0.11	0.42	****	
+/-			0.02	0.06	0.14	0.02	0.66	0.61	0.40	0.32	1.02	0.24	0.29	0.70	****	
PRIVATE EQUITY																
TOTAL PRIVATE EQUITY	2,383.1	4.95%	0.63	3.77	5.61	0.63	8.36	11.45	15.80	14.04	-4.44	12.55	14.21	6.89	****	11.90
RUSSELL 3000 PLUS 3% Lagged			0.00	7.61	4.46	0.00	12.18	35.20	5.55	15.96	-1.42	35.20	18.28	6.37	****	
+/-			0.63	(3.84)	1.16	0.63	(3.82)	(23.75)	10.25	(1.92)	(3.02)	(22.65)	(4.07)	0.52	****	
PRIVATE REAL ESTATE																
TOTAL PRIVATE REAL ESTATE	1,015.7	2.11%	0.87	3.34	4.62	0.87	20.25	13.02	24.55	9.99	-44.20	12.77	16.19	-4.26	****	8.42
NCREIF NFI-ODCE NET + 100 BP			0.08	2.25	5.17	0.08	12.31	10.77	15.97	16.26	-29.40	10.77	14.30	-0.98	****	
+/-			0.79	1.10	(0.55)	0.79	7.94	3.25	8.58	(6.27)	(14.80)	2.00	1.89	(3.28)	****	
TOTAL TEACHERS	48,127.8		2.94	5.41	9.61	2.94	1.85	13.09	1.83	13.92	21.15	12.18	11.24	4.66	8.38	8.57
TEACHERS POLICY BENCHMARK			2.84	5.14	9.75	2.84	3.13	13.77	1.64	14.01	25.01	12.38	11.74	4.79	8.49	
+/-			0.10	0.26	(0.14)	0.10	(1.28)	(0.68)	0.20	(0.09)	(3.86)	(0.20)	(0.50)	(0.13)	(0.11)	

Teachers' Retirement System of the City of New York
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Vintage Year	Deal Name	First Drawdown	Capital		Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
			Committed						
1999	Cypress Merchant Banking Partners II, LP	7/8/1999	\$ 50,000,000	\$	53,822,460	\$ 41,083,088	\$ 4,789,394	0.85x	(3.58%)
	FdG Capital Partners, L.P.	6/2/1999	30,000,000		34,452,711	51,025,646	6,298,637	1.66x	15.09%
	Lincolnshire Equity Fund II, L.P.	2/26/2001	15,000,000		14,446,100	25,257,218	3,257,820	1.97x	24.94%
2000	Carlyle Partners III, L.P.	12/22/2000	30,000,000		33,979,261	71,118,153	789,171	2.12x	23.32%
	SCP Private Equity Partners II, L.P.	1/19/2001	20,000,000		22,168,428	6,465,475	8,642,053	0.68x	(5.66%)
	Solera Partners, L.P.	7/8/2002	15,000,000		19,129,580	16,432,594	20,966,878	1.96x	11.06%
2001	Apollo Investment Fund V, L.P.	8/23/2001	30,000,000		46,725,243	84,455,127	8,369,102	1.99x	39.06%
	New Mountain Partners, L.P.	7/20/2001	15,000,000		12,977,661	17,328,376	1,397,864	1.44x	12.65%
	Ripplewood Partners II, L.P.	6/30/2002	15,000,000		17,218,764	12,487,111	7,060,419	1.14x	3.90%
	RRE Ventures III, L.P.	6/13/2002	20,000,000		25,541,773	15,787,469	27,476,698	1.69x	10.09%
2002	BDCM Opportunity Fund, L.P.	11/10/2003	25,000,000		54,499,579	73,575,840	17,494,886	1.67x	23.47%
	Coller International Partnership IV, L.P.	11/6/2002	35,000,000		31,114,183	35,155,757	9,475,634	1.43x	14.06%
	Landmark Equity Partners XI, L.P.	9/15/2004	20,000,000		21,146,435	26,743,383	4,134,588	1.46x	24.49%
	Thomas McNemey & Partners, L.P.	11/26/2002	15,000,000		14,325,000	5,252,354	7,085,708	0.86x	(3.57%)
	Yucaipa American Alliance Fund I, L.P.	10/1/2004	55,000,000		80,828,995	59,739,039	39,761,087	1.23x	7.92%
2003	Ares Corporate Opportunities Fund, L.P.	5/4/2004	15,000,000		17,968,329	20,637,192	7,428,700	1.56x	14.70%
	Blackstone Capital Partners IV, L.P.	1/10/2003	30,000,000		30,678,167	55,792,066	16,384,322	2.35x	38.46%
	FS Equity Partners V, L.P.	5/30/2003	25,000,000		21,580,998	34,514,798	7,162,190	1.93x	15.83%
	Leeds Weld Equity Partners IV, L.P.	12/13/2004	15,000,000		15,137,731	5,755,134	13,131,632	1.25x	4.49%
2004	Aurora Equity Partners III, L.P.	5/19/2005	20,000,000		21,681,015	11,238,707	20,184,485	1.45x	12.49%
	Celtic Pharmaceutical Holdings, L.P.	7/10/2006	15,000,000		15,241,256	241,256	23,030,787	1.53x	8.35%
	FdG Capital Partners II, L.P.	8/30/2004	35,000,000		36,728,152	18,559,263	22,591,872	1.12x	2.58%
	Lincolnshire Equity Fund III, L.P.	12/23/2004	25,000,000		23,482,973	27,327,369	17,096,738	1.89x	37.47%
	Markstone Capital Partners, L.P.	7/21/2004	35,000,000		33,460,657	13,776,797	16,400,170	0.90x	(2.73%)
	New York/Fairview Emerging Managers (Tranche A), L.P.	10/21/2004	24,000,000		20,700,000	4,587,343	15,683,192	0.98x	(0.55%)
	Paladin Homeland Security Fund (NY), L.P.	10/1/2004	15,000,000		15,999,078	2,653,109	5,700,149	0.52x	(12.09%)
	Palladium Equity Partners III, L.P.	8/10/2005	35,000,000		34,637,124	22,162,329	32,535,875	1.58x	16.54%
	Trilantic Capital Partners III (fka LBMB III), L.P.	9/22/2005	30,000,000		23,475,593	25,844,336	10,422,496	1.54x	13.32%
2005	Blackstone Mezzanine Partners II, L.P.	5/26/2006	20,000,000		19,200,919	15,558,499	9,309,957	1.30x	8.18%
	Bridgepoint Europe III, L.P.	12/6/2005	31,260,691		26,996,441	8,598,219	21,933,927	1.13x	2.62%
	Erasmus New York City Growth Fund, L.P.	8/16/2005	30,000,000		26,117,536	13,184,735	9,669,677	0.88x	(3.04%)
	GI Partners Fund II, L.P.	6/19/2006	25,000,000		25,146,866	10,625,352	25,224,168	1.43x	7.40%
	JP Morgan Fleming (Tranche A), L.P.	12/21/2005	31,000,000		25,493,972	6,234,831	23,216,980	1.16x	4.79%
	New Mountain Partners II, L.P.	1/12/2005	23,225,800		21,130,671	18,994,141	17,025,067	1.70x	12.38%
	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000		20,023,087	5,113,674	9,795,866	0.74x	(8.81%)
	Psilos Group Partners III, L.P.	10/17/2007	25,000,000		23,700,585	12,820,541	17,537,192	1.28x	7.34%
	Quadrangle Capital Partners II, L.P.	2/28/2006	35,000,000		29,026,219	12,119,277	21,058,949	1.14x	3.59%
	Snow Phipps Group, L.P.	8/2/2007	15,000,000		15,734,937	6,712,929	13,625,062	1.29x	10.52%
	USPF II Institutional Fund, L.P.	11/23/2005	35,000,000		42,777,922	21,665,759	30,904,082	1.23x	5.92%
	VSS Communications Partners IV, L.P.	6/2/2006	10,000,000		10,453,541	2,626,686	5,700,427	0.80x	(5.27%)
2006	Aisling Capital II, L.P.	1/12/2006	4,500,000		4,084,546	895,075	2,928,801	0.94x	(1.78%)
	Ampersand 2006, L.P.	7/6/2007	15,000,000		13,200,000	3,540,241	16,323,622	1.50x	11.71%
	Apollo Investment Fund VI, L.P.	5/10/2006	35,000,000		42,819,614	18,614,577	36,918,025	1.30x	7.63%
	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	30,000,000		32,538,327	35,323,061	16,935,124	1.61x	14.06%
	Arsenal Capital Partners II, L.P.	12/19/2006	13,500,000		14,752,706	4,317,798	17,548,682	1.48x	14.67%
	Avista Capital Partners, L.P.	8/11/2006	30,000,000		36,870,479	24,822,695	23,820,060	1.32x	8.00%
	BDCM Opportunity Fund II, L.P.	12/28/2006	25,000,000		32,044,878	13,635,483	29,871,428	1.36x	13.21%
	Blackstone Capital Partners V, L.P.	4/13/2006	75,600,000		73,818,850	12,520,454	65,732,319	1.06x	1.43%
	Catterton Partners VI, L.P.	12/14/2006	30,000,000		30,533,290	10,379,783	37,001,234	1.55x	12.87%
	CCMP Capital Investors II, L.P.	5/22/2007	20,000,000		19,042,654	6,394,592	19,339,313	1.35x	12.35%
	Cinven Fourth Fund	1/22/2007	44,638,025		42,419,422	11,188,675	42,643,244	1.27x	6.94%
	Fairview Ventures Fund III, L.P.	7/13/2007	20,000,000		15,249,472	2,185,368	16,265,832	1.21x	8.71%
	First Reserve Fund XI, L.P.	12/22/2006	30,000,000		33,088,824	11,057,478	24,631,396	1.08x	2.55%
	GF Capital Private Equity Fund, L.P.	3/20/2008	15,000,000		14,211,543	8,174,107	11,366,591	1.37x	14.37%
	GSC Recovery III, L.P.	5/4/2006	10,000,000		10,581,644	6,638,300	4,504,320	1.05x	1.64%
	InterMedia Partners VII, L.P.	6/8/2006	25,000,000		26,549,099	3,223,123	30,764,897	1.28x	5.73%
	Landmark Equity Partners Fund XIII, L.P.	5/15/2006	25,000,000		22,110,335	12,028,264	12,923,247	1.13x	3.55%
	MidOcean Partners III, L.P.	6/19/2007	40,000,000		32,814,634	5,151,223	29,283,902	1.05x	1.53%
	Perseus Partners VII, L.P.	8/6/2007	20,000,000		21,560,539	3,063,758	11,139,995	0.66x	(14.29%)
	RRE Ventures IV, L.P.	10/25/2006	25,000,000		25,108,048	3,219,108	32,194,079	1.41x	11.57%
	Terra Firma Capital Partners III, L.P.	2/26/2007	30,983,997		28,860,394	662,055	14,690,152	0.53x	(19.43%)
	Thomas, McNemey & Partners II, L.P.	11/30/2006	15,000,000		12,862,500	1,539,679	11,825,691	1.04x	1.41%

**Teachers' Retirement System of the City of New York
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Vintage Year	Deal Name	First	Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
		Drawdown	Committed					
2007	Carlyle Partners V, L.P.	9/28/2007	50,000,000	34,226,122	10,648,125	32,178,208	1.25x	8.32%
	Co-Investment Partners Europe, L.P.	12/5/2008	26,534,705	25,732,682	5,112,169	22,909,440	1.09x	3.65%
	Constellation Ventures III, L.P.	11/20/2008	15,000,000	14,283,707	255,253	12,604,175	0.90x	(4.60%)
	Craton Equity Investors I, L.P.	3/11/2008	10,000,000	8,670,173	6,094	7,226,821	0.83x	(6.91%)
	FTVentures III, L.P.	3/1/2007	14,081,947	14,338,340	3,465,639	17,649,319	1.47x	13.76%
	GSO Capital Opportunities Fund, L.P.	8/15/2008	30,000,000	38,247,926	25,316,623	26,848,817	1.36x	18.21%
	Halyard Capital Fund II, L.P.	11/2/2007	15,000,000	10,092,543	488,624	8,650,163	0.91x	(3.08%)
	Montreux Equity Partners IV, L.P.	3/27/2007	15,000,000	13,087,500	7,958,758	10,595,580	1.42x	14.04%
	Nautic Partners VI, L.P.	6/30/2008	20,000,000	18,124,669	28,223	20,164,284	1.11x	4.43%
	New Mountain Partners III, L.P.	9/25/2007	35,000,000	27,093,046	7,398,015	24,623,429	1.18x	7.99%
	PCG Clean Energy & Technology Fund East, L.P.	4/25/2008	60,000,000	44,944,829	3,352,781	36,844,074	0.89x	(4.48%)
	Pegasus Partners IV, L.P.	10/9/2007	20,000,000	21,798,493	10,687,175	18,360,091	1.33x	9.98%
	Pine Brook Capital Partners, L.P.	4/7/2008	22,500,000	17,136,457	7,484,475	15,373,014	1.33x	16.07%
	Quaker BioVentures II, L.P.	4/18/2008	15,000,000	10,993,332	2,551,453	7,660,823	0.93x	(3.60%)
	RLJ Equity Partners Fund I, L.P.	4/14/2009	15,000,000	8,153,575	471,052	9,964,428	1.28x	11.99%
	SCP Vitalife Partners II, L.P.	1/10/2008	15,000,000	10,874,774	1,184	8,933,927	0.82x	(7.43%)
	StarVest Partners II, L.P.	12/8/2008	20,000,000	12,640,083	5,245	10,154,488	0.80x	(10.33%)
	Trilantic Capital Partners IV L.P.	10/22/2007	53,311,339	50,367,829	18,976,325	54,153,583	1.45x	18.35%
	USPF III Institutional Fund, L.P.	7/10/2007	30,000,000	26,206,549	5,107,320	21,675,510	1.02x	0.70%
	Vista Equity Partners Fund III, L.P.	11/30/2007	25,000,000	23,845,920	17,909,665	36,499,376	2.28x	30.49%
2008	Aisling Capital III, L.P.	11/20/2008	10,500,000	5,289,031	175,677	4,551,362	0.89x	(10.06%)
	Apollo Investment Fund VII, L.P.	4/16/2008	50,000,000	48,895,848	27,322,798	42,932,327	1.44x	23.23%
	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	60,000,000	49,981,767	32,684,011	45,227,325	1.56x	25.61%
	Avista Capital Partners II, L.P.	12/31/2008	50,000,000	52,360,827	19,275,145	51,317,301	1.35x	16.55%
	Blue Wolf Capital Fund II, L.P.	11/14/2008	20,000,000	17,243,905	6,406,683	14,605,883	1.22x	16.21%
	Bridgepoint Europe IV, L.P.	9/30/2008	26,633,775	16,599,721	-	17,649,068	1.06x	3.71%
	Carpenter Community BancFund-A, L.P.	6/5/2008	15,000,000	13,618,573	174,916	15,713,670	1.17x	6.11%
	CS TRSCNY Emerging Manager Co-Investment Fund, L.P.	8/22/2008	12,626,263	6,970,962	3,676,364	5,927,678	1.38x	12.44%
	CS TRSCNY Emerging Manager Fund, L.P.	8/22/2008	59,373,737	29,779,092	7,653,158	22,355,258	1.01x	0.56%
	First Reserve Fund XII, L.P.	11/14/2008	30,000,000	21,383,140	1,665,737	19,341,075	0.98x	(0.73%)
	GI Partners III, L.P.	7/29/2008	30,000,000	28,516,049	4,632,146	32,096,106	1.29x	15.86%
	Landmark Equity Partners XIV, L.P.	9/19/2008	50,000,000	27,491,949	7,437,597	25,552,998	1.20x	18.28%
	Lee Equity Partners, L.P.	4/23/2008	30,000,000	18,081,241	3,664,723	12,864,024	0.91x	(4.10%)
	Leeds Equity Partners V, L.P.	7/28/2008	40,000,000	25,931,437	3,169,908	21,715,922	0.96x	(3.62%)
	Levine Leichtman Capital Partners IV, L.P.	9/22/2008	25,000,000	23,957,236	7,569,497	26,237,363	1.41x	26.90%
	New York/Fairview Emerging Managers (Tranche B), L.P.	5/28/2008	35,000,000	14,714,000	2,064,796	15,497,124	1.19x	9.80%
	NGN BioMed Opportunity II, L.P.	10/31/2008	15,000,000	10,088,866	17,765	7,382,465	0.73x	(11.44%)
	Onex Partners III, L.P.	3/31/2009	40,000,000	22,522,137	3,860,388	21,097,070	1.11x	6.59%
	Paladin III (HR), L.P.	1/8/2008	20,000,000	13,746,661	5,373,216	9,537,145	1.08x	3.36%
	Relativity Fund, L.P.	1/17/2008	15,000,000	7,775,321	455,301	2,564,821	0.39x	(35.12%)
	Riverstone/Carlyle Global Energy & Power Fund IV	9/29/2008	32,500,000	26,517,311	14,626,488	22,089,100	1.38x	15.54%
	Yucaipa American Alliance Fund II, L.P.	3/28/2008	75,000,000	88,277,310	37,075,620	84,787,669	1.38x	16.98%
	Yucaipa Corporate Initiatives Fund II, L.P.	6/23/2008	35,000,000	30,961,868	1,275,520	19,572,236	0.67x	(24.57%)
2009	Lincolnshire Equity Fund IV, L.P.	8/7/2009	12,500,000	6,421,572	73,604	5,217,056	0.82x	(21.23%)
	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	30,000,000	17,426,164	-	21,112,263	1.21x	11.52%
2010	JP Morgan Fleming (Tranche B), L.P.	3/31/2008	10,000,000	4,431,510	891	4,760,103	1.07x	6.11%
	Trident V, L.P.	12/30/2010	35,000,000	13,798,886	804,843	12,564,114	0.97x	(3.00%)
2011	Ampersand 2011, L.P.	3/31/2009	17,500,000	8,400,000	-	10,231,604	1.22x	21.17%
	Blackstone Capital Partners VI, L.P.	1/24/2011	60,000,000	8,734,038	201	9,260,000	1.06x	7.42%
	EQT VI, L.P.	8/1/2011	55,000,000	13,068,320	174,970	11,180,303	0.87x	(41.36%)
	BC European Capital IX, L.P.	9/19/2011	69,164,263	11,113,523	92,294	12,150,810	1.10x	14.77%
	AXA Secondary Fund V L.P.	8/11/2011	160,000,000	39,219,633	826,618	48,763,319	1.26x	30.93%
	Pegasus Partners V, L.P.	8/16/2011	50,000,000	8,035,608	-	7,087,764	0.88x	(21.58%)
	Green Equity Investors VI, L.P.	10/28/2011	100,000,000	-	-	-	0.00x	N/A
	Vista Equity Partners IV, L.P.	10/27/2011	100,000,000	32,407,780	74,191	30,796,027	0.95x	(7.97%)
2012	American Securities Partners VI, L.P.	12/21/2011	100,000,000	16,404,415	47,451	15,047,504	0.92x	(7.73%)
	Ares Corporate Opportunities Fund IV, L.P.	4/20/2012	105,000,000	-	-	-	0.00x	N/A
	Warburg Pincus Private Equity XI, L.P.	5/9/2012	175,000,000	20,246,194	68,613	18,852,740	0.93x	(9.43%)
	Trilantic Capital Partners V, L.P.	7/31/2012	70,000,000	600,870	-	156,823	0.00x	N/A
Grand Total(s)**:			\$ 4,038,934,541	\$ 3,163,471,837	\$ 1,727,801,141	\$ 2,239,307,650	1.21x	8.43%

* Where available, September 30, 2012 reported valuations were used. In the absence of September 30, 2012 reported values, market values have been adjusted forward using interim cashflows through September 30, 2012. The IRR calculated in the early years of a fund is not meaningful given the j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of September 30, 2012.

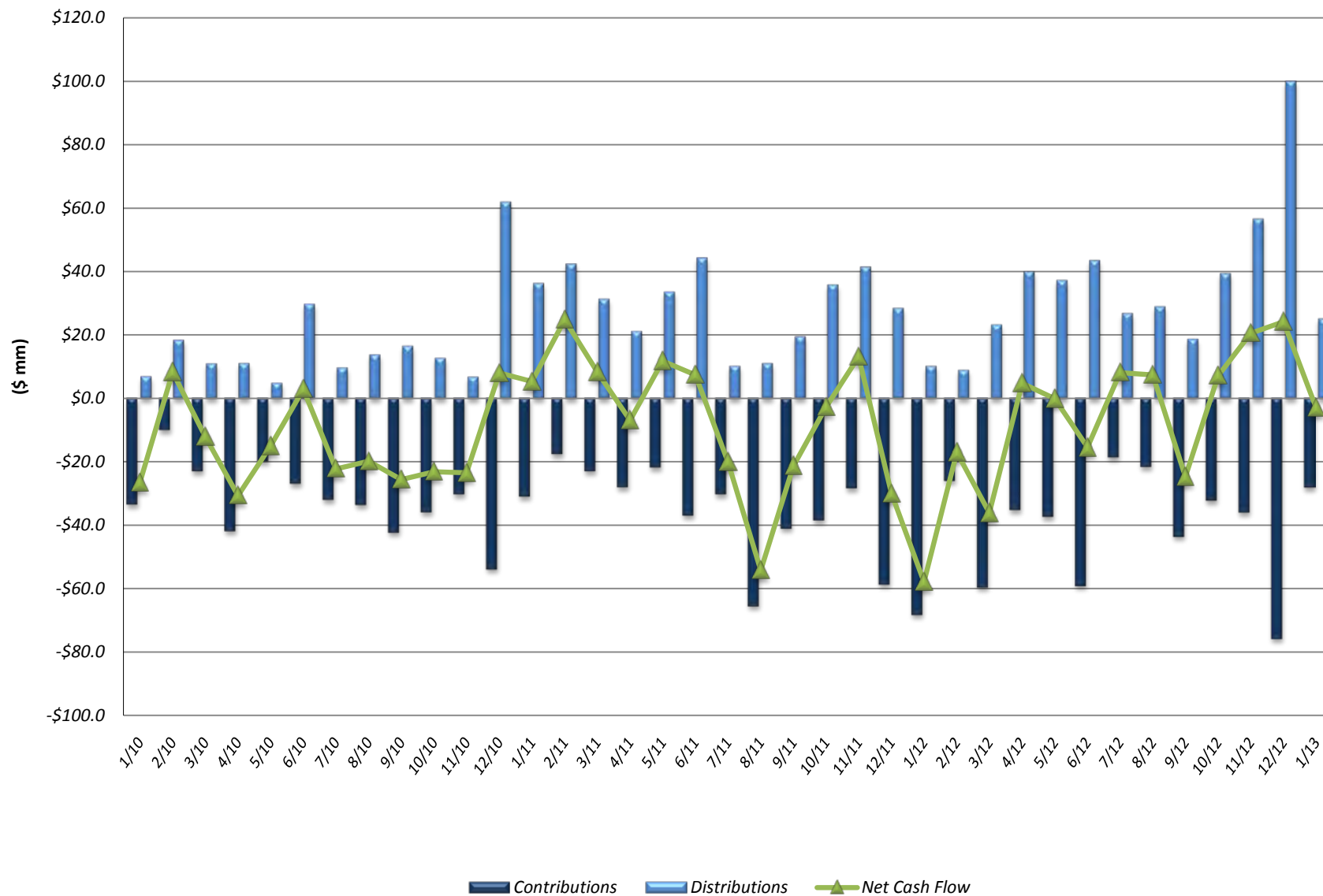
**Grand Totals are inclusive of liquidated investments in the TRS Portfolio and include sales proceeds from the 2012 Secondary Sale Partnerships

Vintage Year	Deal Name	First	Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
		Drawdown	Committed					
2012	ICV Partners III, L.P. ^{(1) (2)}	11/16/2012	14,000,000	-	-	-	0.00x	N/A
	Carlyle Partners VI, L.P. ⁽¹⁾	12/21/2012	125,000,000	-	-	-	0.00x	N/A
	Carlyle Partners VI, L.P. - Side Car ⁽¹⁾	12/21/2012	13,750,000	-	-	-	0.00x	N/A
	Platinum Equity Capital Partners III, L.P. ⁽¹⁾	12/28/2012	115,000,000	-	-	-	0.00x	N/A
Grand Total(s)**:			\$ 267,750,000	\$ -	\$ -	\$ -	0.00x	N/A

⁽¹⁾ Investment Close date is subsequent to September 30, 2012

⁽²⁾ 2012 EM Program Commitment

NYC Teachers Monthly PE Cash Flow Summary



Teachers' Retirement System of the City of New York

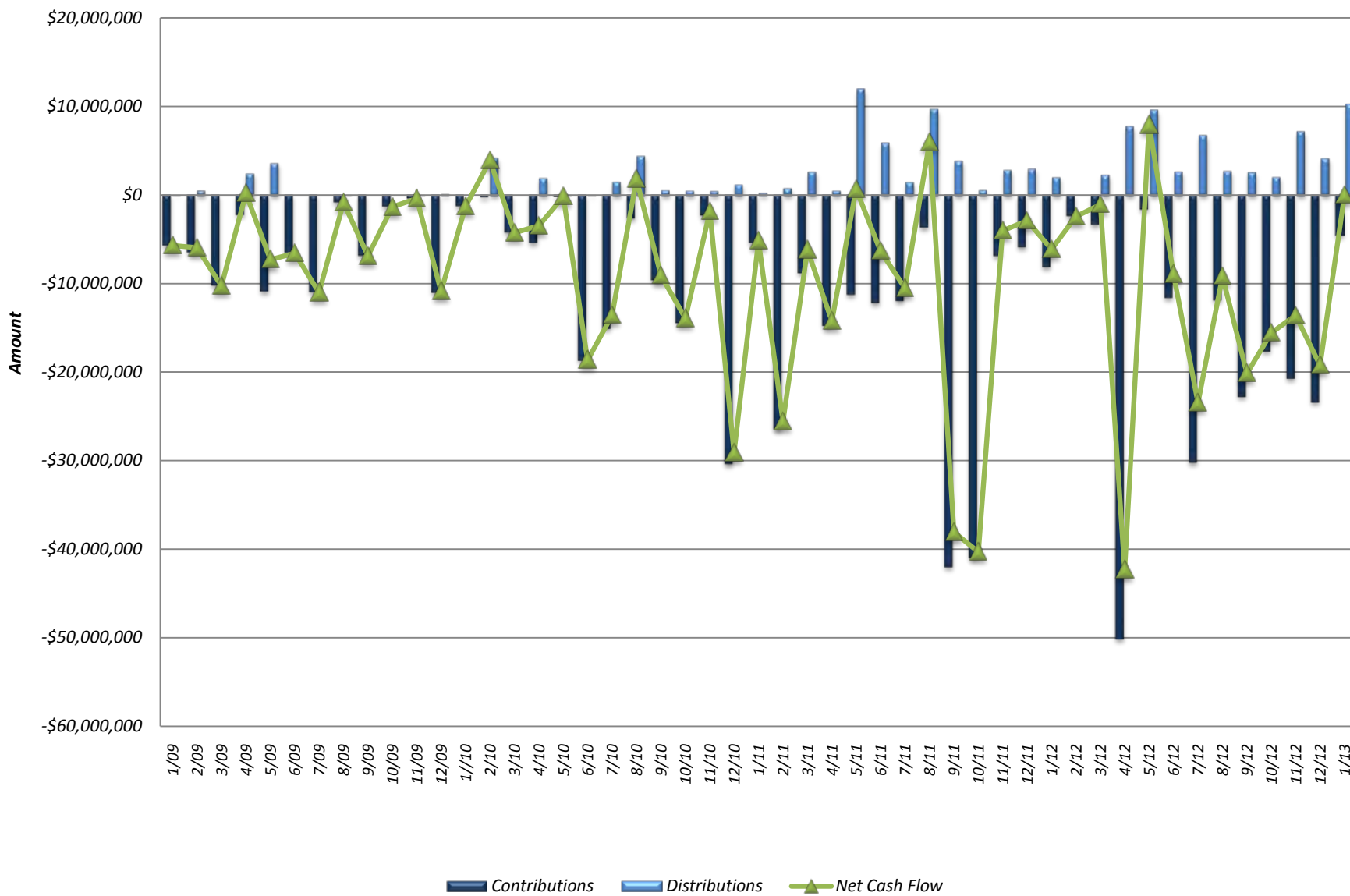
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2003	Canyon Johnson Urban Fund	12/6/2002	\$15,000,000	\$13,456,450	(\$15,403,730)	\$328,073	1.2	10.2%
2003	OCM Real Estate Opportunities Fund IIIA	5/30/2003	\$15,000,000	\$15,000,000	(\$21,469,038)	\$3,026,051	1.6	10.8%
2004	The City Investment Fund I	3/16/2004	\$120,000,000	\$118,337,757	(\$69,079,473)	\$50,440,659	1.0	0.3%
2004	Blackstone Fund IV	5/10/2004	\$25,000,000	\$31,915,155	(\$27,379,211)	\$14,278,048	1.3	11.6%
2004	Tishman Speyer Separate Account (TRS)	8/5/2004	\$100,000,000	\$72,402,952	(\$185,099,124)	\$69,144,394	3.5	58.8%
2005	Canyon Johnson Urban Fund II	5/11/2005	\$30,000,000	\$26,966,112	(\$18,000)	\$14,993,731	0.6	-11.4%
2006	AREA Real Estate Fund V	6/15/2006	\$5,000,000	\$5,000,001	(\$1,282,235)	\$2,151,041	0.7	-9.6%
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	\$10,000,000	\$11,554,565	(\$1,624,227)	\$7,382,648	0.8	-4.9%
2006	PRISA	9/29/2006	\$36,000,000	\$37,635,978	(\$3,443,339)	\$34,112,506	1.0	0.0%
2006	RREEF America REIT II	10/1/2006	\$36,000,000	\$47,527,452	(\$14,177,432)	\$34,610,934	1.0	0.6%
2006	UBS Trumbull Property Fund ("UBS-TPF")	9/28/2006	\$106,000,000	\$115,880,692	(\$7,667,723)	\$119,490,406	1.1	3.8%
2007	RREEF America REIT III - 1410	10/1/2007	\$15,000,000	\$15,000,000	(\$100,040)	\$6,144,503	0.4	-16.2%
2007	Colony Realty Partners II	12/20/2006	\$15,000,000	\$16,065,058	(\$499,580)	\$6,562,900	0.4	-15.5%
2007	UrbanAmerica II	1/30/2007	\$11,000,000	\$10,218,031	\$0	\$5,936,855	0.6	-11.5%
2007	JP Morgan Special Situation Property Fund	1/2/2007	\$15,000,000	\$16,228,514	(\$2,128,084)	\$11,909,290	0.9	-2.9%
2007	PRISA II	6/30/2007	\$63,374,139	\$65,381,189	(\$4,256,805)	\$57,648,991	0.9	-1.3%
2007	Metropolitan Workforce Housing Fund	7/13/2007	\$10,500,000	\$10,350,870	(\$309,051)	\$10,247,562	1.0	1.0%
2007	Heitman HART	3/29/2007	\$48,000,000	\$55,545,267	(\$7,545,267)	\$56,661,617	1.2	4.2%
2007	JP Morgan Strategic Property Fund	12/4/2006	\$86,000,000	\$88,782,816	\$0	\$103,016,015	1.2	4.4%
2007	Carlyle Realty Partners V	8/27/2007	\$15,000,000	\$17,156,067	(\$9,328,835)	\$10,864,672	1.2	5.8%
2007	Blackstone Real Estate Partners VI	9/27/2007	\$50,000,000	\$50,865,087	(\$7,059,343)	\$59,559,945	1.3	9.3%
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	\$30,000,000	\$11,748,148	(\$2,741,576)	\$3,260,655	0.5	-22.6%
2008	Capri Urban Investors	6/3/2008	\$40,000,000	\$39,987,138	\$0	\$26,247,251	0.7	-16.7%
2008	American Value Partners Fund I	10/18/2007	\$25,000,000	\$16,343,319	(\$2,982,919)	\$10,982,158	0.9	-7.0%
2008	Stockbridge Real Estate Fund III	9/9/2008	\$22,500,000	\$20,607,558	\$0	\$18,787,857	0.9	-4.6%
2009	Thor Urban Property Fund II	10/30/2008	\$12,500,000	\$10,788,829	(\$5,552,254)	\$3,481,264	0.8	-13.9%
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	Carbon Capital III	7/2/2009	\$40,000,000	\$43,757,162	(\$19,428,027)	\$30,932,952	1.2	8.3%
2010	Canyon Johnson Urban Fund III	3/29/2010	\$25,000,000	\$18,452,569	(\$2,254,579)	\$16,722,970	1.0	2.6%
2010	LaSalle Property Fund	7/1/2010	\$50,000,000	\$29,375,135	(\$1,383,015)	\$33,052,985	1.2	13.7%
2010	Blackstone Real Estate Partners Europe III (USD Vehicle)	10/24/2008	\$50,000,000	\$23,592,087	(\$259,611)	\$27,190,186	1.2	15.4%
2010	Westbrook Real Estate Fund VIII	12/28/2009	\$50,000,000	\$57,644,976	(\$16,471,257)	\$47,768,021	1.1	17.4%
2011	Carlyle Realty Partners VI	9/14/2011	\$70,000,000	\$16,009,182	(\$312,590)	\$17,832,790	1.1	20.0%
2011	H/2 Special Opportunities Fund II	1/31/2011	\$40,000,000	\$7,844,263	\$0	\$10,817,284	1.4	28.0%
2012	Taconic New York City Investment Fund LP	7/5/2012	\$70,000,000	\$7,477,273	\$0	\$7,185,293	1.0	-15.4%
2012	Almanac Realty Securities VI	6/6/2012	\$100,000,000	\$9,097,762	(\$992,495)	\$8,411,221	1.0	17.2%
2012	Almanac Realty Securities VI (Sidecar III)	7/31/2012	\$35,000,000	\$910,176	\$0	\$952,024	1.0	30.9%
2012	Brookfield Strategic Real Estate Partners	9/20/2012	\$110,000,000	\$8,227,371	\$0	\$7,673,008	n/a	n/a
Teachers' Retirement System of the City of New York			\$1,613,234,764	\$1,167,339,484	(\$434,455,383)	\$949,808,761	1.2	6.8%

Funds Closed Subsequent to Quarter

Vintage	Fund Name	First Draw Down	Capital Committed	Contributions				
2012	Emmes Asset Management		\$60,000,000	-	-	-	-	-
2012	AXA Real Estate Debt Joint Venture		\$150,000,000	-	-	-	-	-
2013	NYC Related Superstorm Sandy Rebuilding Fund		\$145,000,000	-	-	-	-	-
2013	NYC Hudson Superstorm Sandy Rebuilding Fund		\$96,000,000	-	-	-	-	-
Grand Total			\$451,000,000					

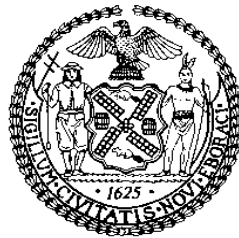
Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of September 30, 2012. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

TRS Monthly Real Estate Cash Flow Summary



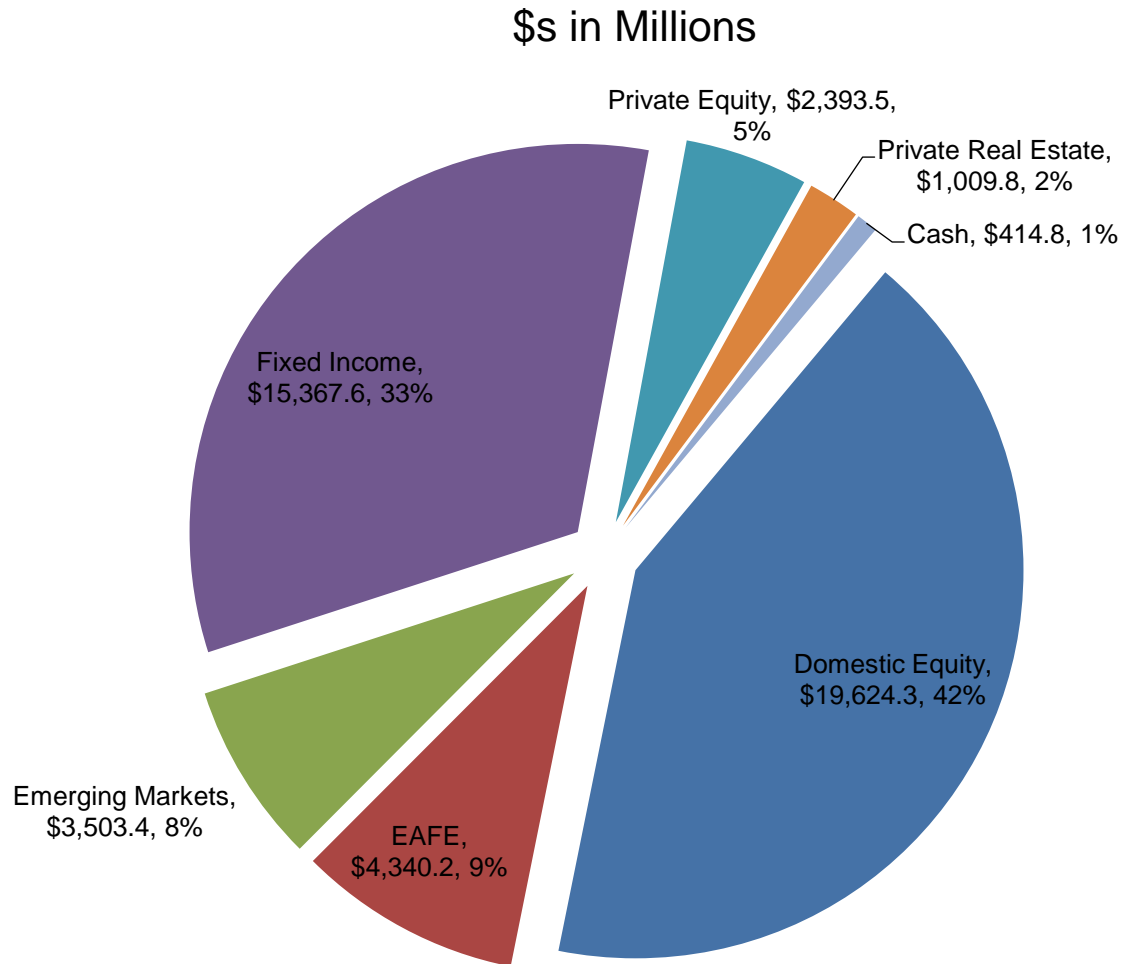
III. Currency Presentation:

TRS Geographical Exposure Summary



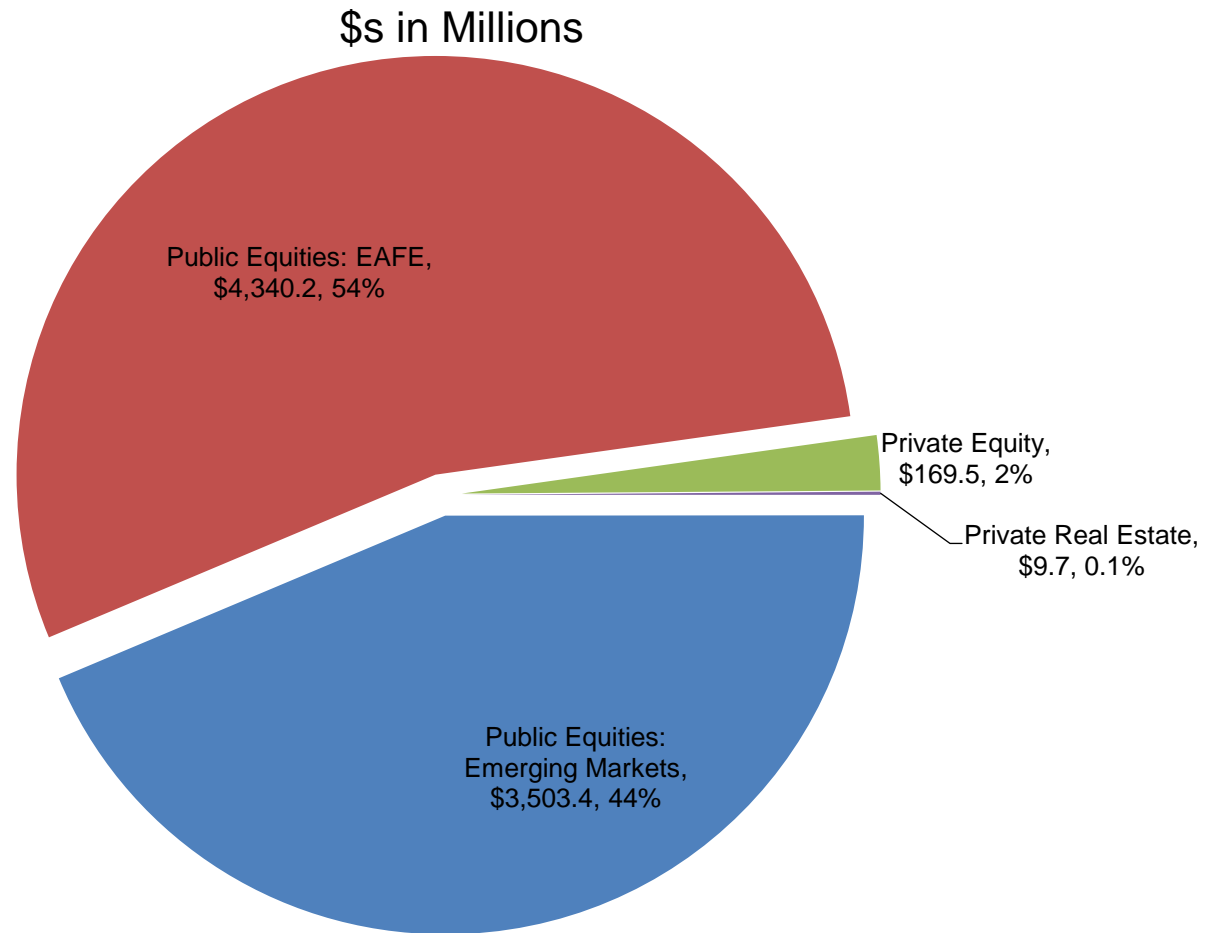
THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BAM Risk Management
December 31, 2012

Asset Class Exposure



Total AUM as of December 31, 2012: \$46.6 billion

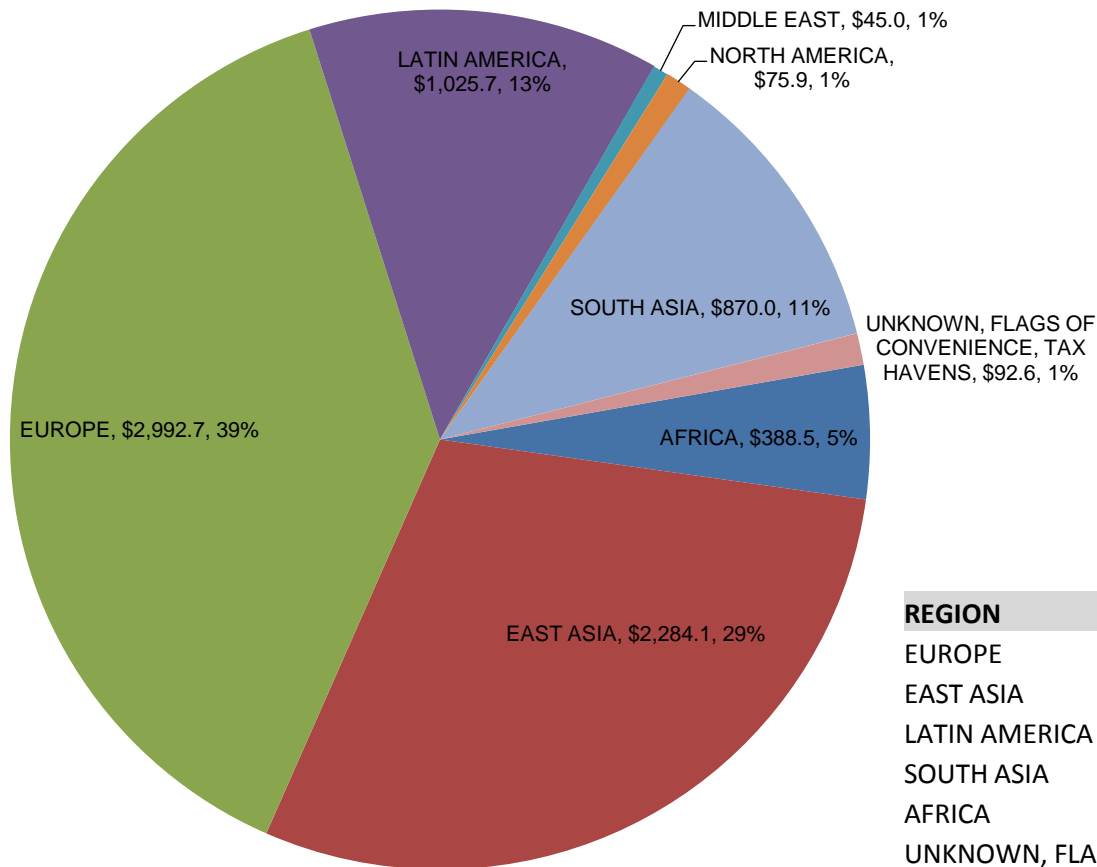
Total International and Emerging Market Exposure by Asset Class



Total International and Emerging Market exposure of \$8 billion

Regional Exposure (ex U.S.)*

\$s in Millions

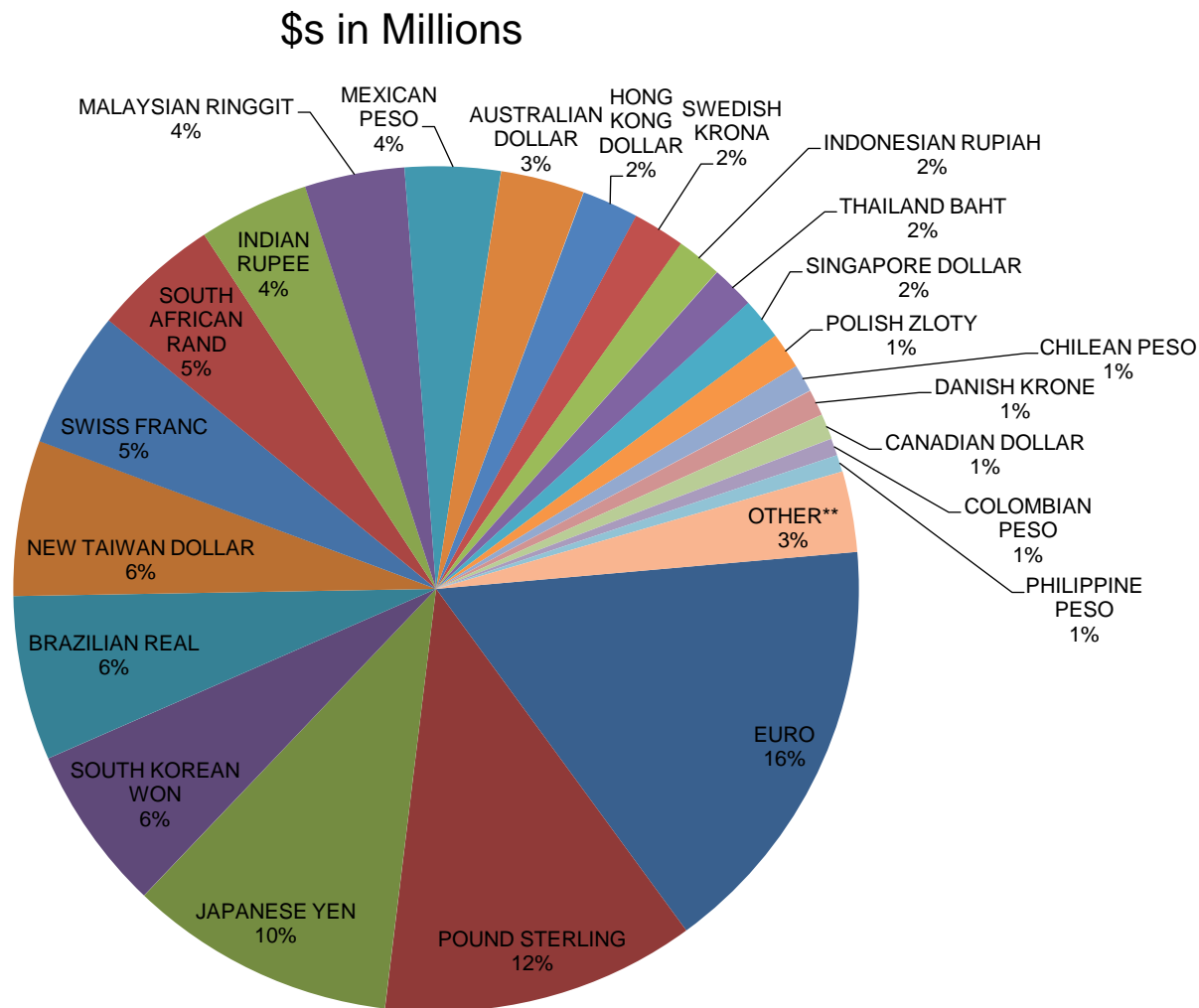


REGION	\$ in Millions
EUROPE	\$2,992.7
EAST ASIA	\$2,284.1
LATIN AMERICA	\$1,025.7
SOUTH ASIA	\$870.0
AFRICA	\$388.5
UNKNOWN, FLAGS OF CONVENIENCE, TAX HAVENS	\$92.6
NORTH AMERICA	\$75.9
MIDDLE EAST	\$45.0
TOTAL REGIONAL EXPOSURE	\$7,774.5

*Figures do not include BGI Int'l (\$46.8MM) and transition/terminated accounts (\$3.5MM)

Worldwide Currency Exposure (ex U.S.)*

117



\$7.8 billion in currency exposure or 16.5% of total portfolio

*Figures do not include BGI Int'l (\$46.8MM) and transition/terminated accounts (\$3.5MM)

BAM Risk Management
NYC Comptroller's Office

**Other includes all exposure less than \$50MM

Rocaton



Non-U.S. Equity Currency Hedging Discussion

March 2013

Christopher Lyon	203-621-1718
Robin Pellish	203-621-1723
Michael Fulvio	203-621-1716

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- Hedging Foreign Currency: Other Considerations Page 9
- Impact of hedging on total Pension Fund Page 10-13
- Impact of Hedging on Pension Fund with 20% EAFE Allocation Page 14-17

Executive Summary

- The New York City Teachers' Pension Fund has a 9% long term target allocation to developed non-US equities. Given that exposure, the question has been raised as to whether it is appropriate to consider hedging the currency exposure which results from this allocation. Although currency hedging can be accomplished in a variety of ways, in this analysis hedging is defined by rolling passive investments in currency futures such that the currency exposures resulting from the securities held in the non-US equity managers' portfolios are fully hedged back to the US dollar.
 - It should be noted that this analysis addresses only the currency exposure within the developed non-US equity portfolios. Hedging emerging market currencies is much more difficult and expensive to implement and, therefore, is generally not considered.
- The following analysis evaluates the implementation of a hedging policy and arrives at the following conclusions:
 - Looking at a variety of time periods during the past 25 years, we find that currency hedging typically has had a negligible and inconsistent impact on the returns of EAFE index portfolios. As one would expect, unhedged non US equity portfolios have been somewhat higher in volatility, although at a 9% target, the impact of hedging EAFE currency exposures on the total Pension Fund would have had a modest impact of 20 bps over the past 25 years.
 - From a more qualitative perspective, given that a company's headquarters location and the currency in which its shares are denominated may have little to no relation to the stock's underlying currency exposures, understanding the portfolio's actual currency exposure is somewhat ambiguous.
- In summary, given the fact that implementing a hedging policy incurs costs and the fact that there is no compelling evidence that hedging foreign currency exposure in an EAFE portfolio is of significant benefit to a long term investor, we do not recommend implementing such a policy within the Pension Fund, particularly at the current target allocation to non-US developed equities.

MSCI EAFE History – Unhedged vs. Hedged

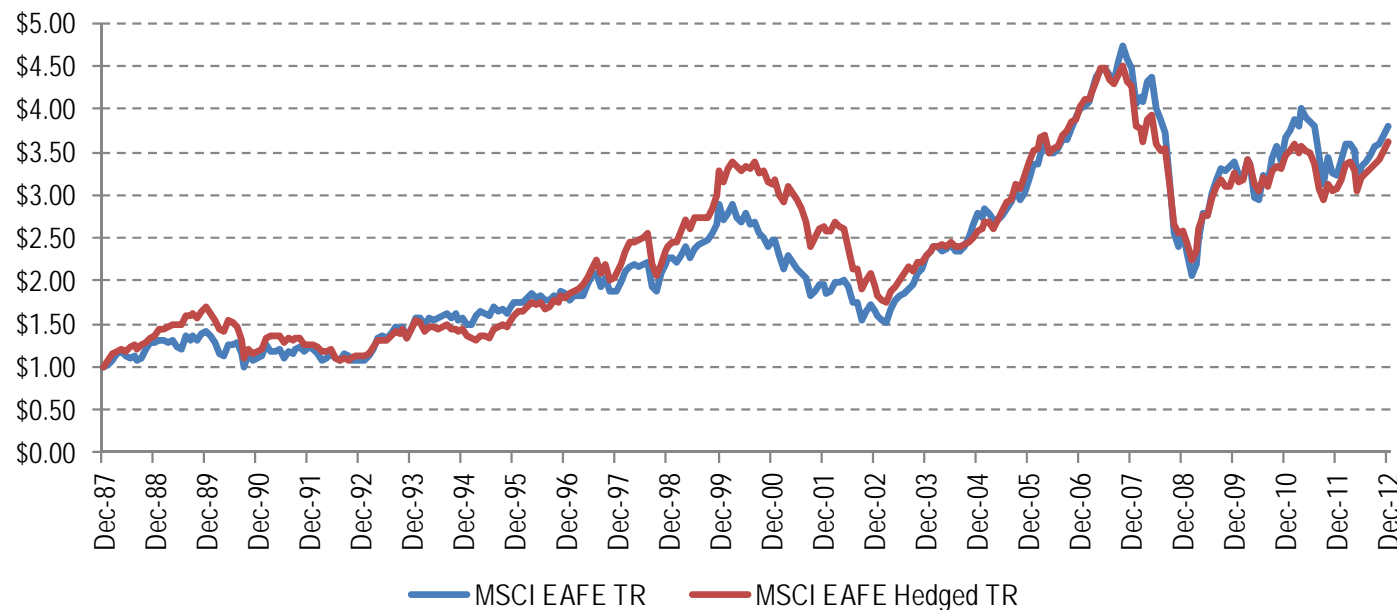
- There is not a consistent return advantage to hedging or not hedging currencies. However, hedged portfolios, as would be expected, do have a fairly consistently lower volatility. The increase in volatility from currency exposure has been particularly pronounced in the last five years.

MSCI EAFE TR Period Ending 12/31/12	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 25 Years
Annualized Return - Unhedged	17.9%	4.0%	-3.2%	8.7%	5.5%
Annualized Return - Hedged	18.2%	3.5%	-3.2%	6.5%	5.3%
Est. % of volatility in unhedged returns explained by currencies	6%	12%	12%	17%	22%
Annualized Volatility of Unhedged EAFE Returns	16%	19%	23%	18%	18%
Annualized Volatility of Hedged EAFE Returns	12%	13%	18%	15%	15%

MSCI EAFE TR 5 Year Periods	12/31/07 - 12/31/12	12/31/02 - 12/31/07	12/31/97 - 12/31/02	12/31/92-12/31/97	12/31/87-12/31/92
Annualized Return - Unhedged	-3.2%	22.1%	-2.6%	11.7%	1.6%
Annualized Return - Hedged	-3.2%	17.3%	-1.7%	13.0%	2.6%
Est. % of volatility in unhedged returns explained by currencies	12%	37%	18%	29%	28%
Annualized Volatility of Unhedged EAFE Returns	23%	11%	17%	14%	20%
Annualized Volatility of Hedged EAFE Returns	18%	10%	17%	13%	17%

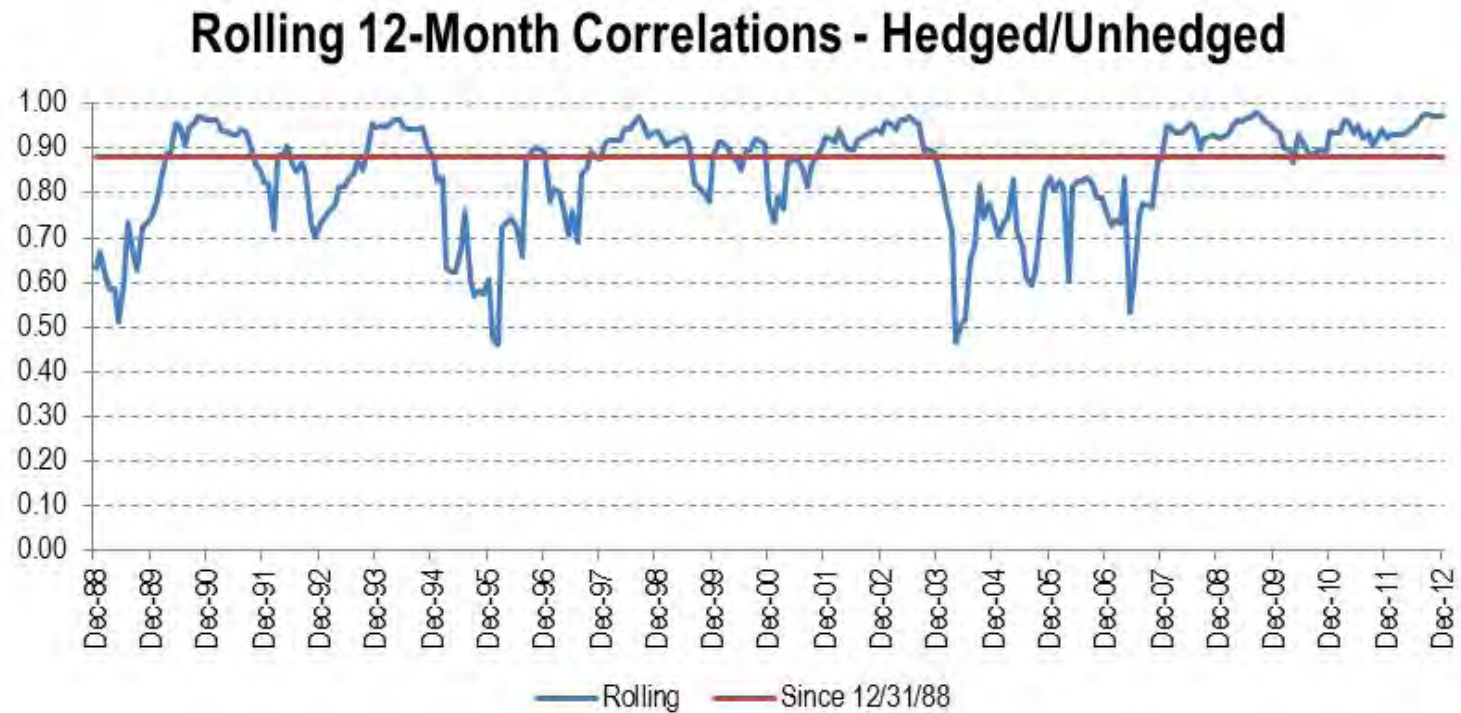
Growth of \$1 – MSCI EAFE Unhedged vs. Hedged

Growth of \$1 - 12/31/87 thru 12/31/12



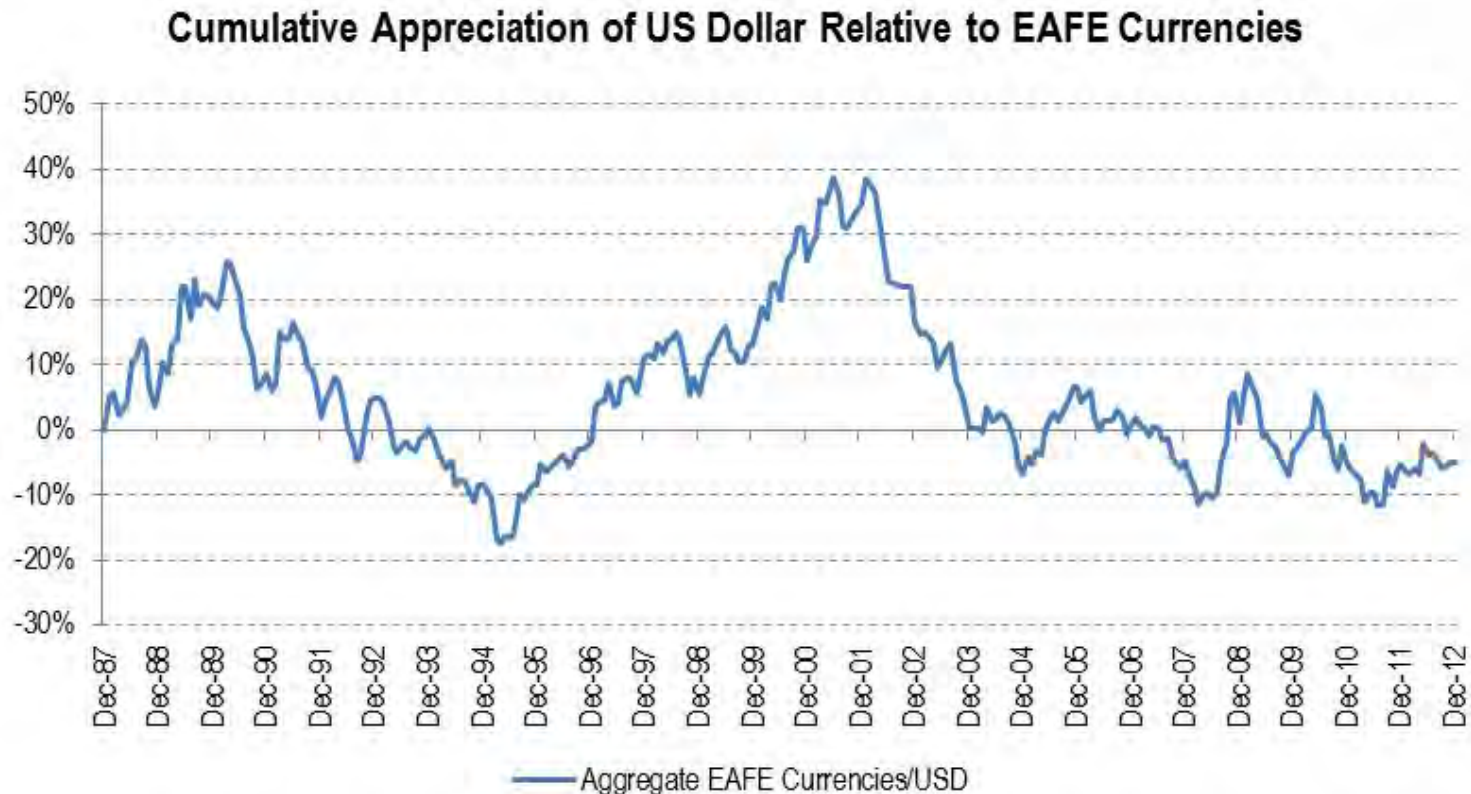
- This chart provides a different view of the data presented on the previous slide. Over the last 25 years, the total return on non-U.S. equities has ultimately been very similar with and without currency hedging, although for shorter periods of time, one or the other of the hedging policies has dominated.
- The unhedged returns have been about 5.5% annualized and the hedged returns have been about 5.3% annualized through the 25 years ending December 31, 2012.

Rolling Correlations – MSCI EAFE Unhedged & Hedged



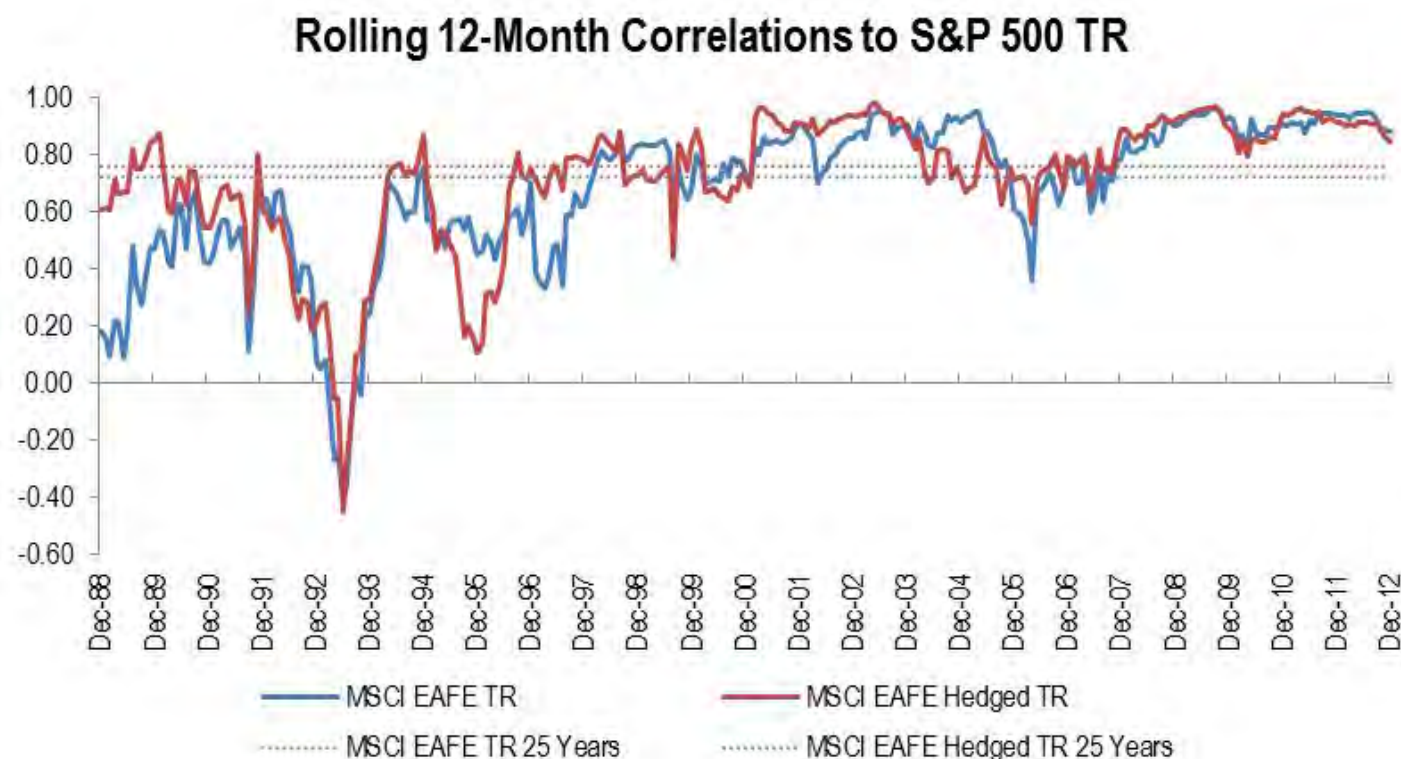
- While there have been short periods of time during which the hedged and unhedged returns have diverged, they have tended to exhibit high correlations, especially over longer time horizons.
- In the 25-year period ending December 31, 2012, the correlation between hedged and unhedged non-U.S. Developed equity returns was about 0.9.

U.S. Dollar Appreciation/Depreciation (MSCI EAFE)



- Examining the relationship of the US dollar versus the EAFE currency basket illustrates the fact that, over time, the expected return of currencies should be zero. Therefore, a persistent exposure to the US dollar is not expected to generate returns or losses over the long run.

MSCI EAFE Correlation to S&P 500 Returns



- Non-US dollar currencies do, at times, provide a small diversification benefit to global equity portfolios as demonstrated by the very modestly lower correlation of the non-hedged EAFE index with the S&P 500 index.

Hedging Policies: Other Considerations

S&P 500 Index	North America	Developed International	Emerging Markets	Other International*
Apple Inc.	35%	31%	0%	34%
Exxon Mobil Corp.	35%	0%	0%	65%
Microsoft Corp.	54%	0%	0%	46%
IBM Corp.	42%	0%	24%	34%
General Electric Co.	58%	20%	23%	-2%
AT&T Inc.	100%	0%	0%	0%
Chevron Corp.	41%	0%	0%	59%
Johnson & Johnson	44%	36%	19%	0%
Wells Fargo & Co.	100%	0%	0%	0%
Coca Cola Co.	44%	10%	21%	24%

MSCI EAFE Index	North America	Developed International	Emerging Markets	Other International*
Nestle Sa	32%	18%	0%	50%
HSBC Holdings	22%	34%	49%	-5%
Vodafone Group	0%	66%	0%	34%
Novartis Ag	33%	23%	0%	45%
BP	35%	0%	0%	65%
Royal Dutch Shell	20%	40%	9%	32%
Roche Holdings Ag	36%	35%	26%	4%
Glaxosmithkline	29%	0%	0%	71%
Toyota Motor Corp	28%	37%	17%	17%
BHP Billiton Limited	9%	33%	56%	2%

MSCI EM Index	North America	Developed International	Emerging Markets	Other International*
Samsung Electronics Co	41%	38%	21%	0%
Taiwan Semiconductor Ma	59%	11%	29%	0%
China Mobile Ltd	0%	0%	100%	0%
America Movil Sab De Cv	11%	N/A	65%	23%
Gazprom	0%	0%	0%	100%
China Construction Bank	0%	0%	99%	1%
Vale S.A.	5%	26%	76%	-1%
Petroleo Brasileiro Sa	0%	0%	91%	9%
Industrial & Commercial	0%	0%	100%	0%
CNOOC Limited	N/A	N/A	N/A	N/A

- As globalization proceeds, the currency in which a company's shares are denominated are less and less related to the underlying currency exposures of that business. This is further complicated by the fact that businesses typically engage in their own hedging policies.
- Another consideration is the cost of implementing a hedging policy. Although this analysis presumes that the hedging is implemented in a passive manner, there are explicit costs such as manager and custodian fees as well as implicit costs such as the time of staff and Board to implement and monitor the hedging policy.

Sources: Bloomberg, Wilshire Atlas, MSCI.

Companies shown represent the top 10 companies of the respective indexes as of 6/30/2012 based on market capitalization.

*Other International captures data for companies that did not provide a regional breakdown.

Impact on Total Pension Fund with Current Long Term Target

Current Long Term Target Portfolio

<i>Asset Class</i>	<i>Allocation</i>	<i>Benchmark for Analysis</i>
U.S. Equities	31%	S&P 500
International Developed Markets ¹	9%	MSCI EAFE ¹
Emerging Market Equities	8%	MSCI Emerging Markets
REITS	3%	FTSE NAREIT
Private Equity	6%	S&P 500
Private Real Estate (Core)	3%	FTSE NAREIT
Private Real Estate (Non-Core)	3%	FTSE NAREIT
Core+5	18%	Barclays Aggregate
Convertibles	3%	BAML All Converts
TIPS	4%	Barclays TIPS ²
Opportunistic Fixed	5%	40% Barclays High Yield/ 40% J.P. Morgan EMBI Global Diversified ³ / 20% S&P 500
High Yield & Bank Loans	4%	Barclays High Yield
EMD	3%	J.P. Morgan EMBI Global Diversified ³

¹Either hedged or unhedged for the ensuing analysis.

²Prior to March 1997, returns are based on Barclays Intermediate U.S. Gov't.

³Prior to January 1994, returns are based on Barclays Aggregate.

- In the following pages, we perform similar analyses on hedged versus unhedged non-U.S. equity exposures in the context of the current long term target portfolio for the New York City Teachers' Pension Fund.

NYCT Pension Fund: Current Long Term Target

Impact of MSCI EAFE Unhedged vs. Hedged

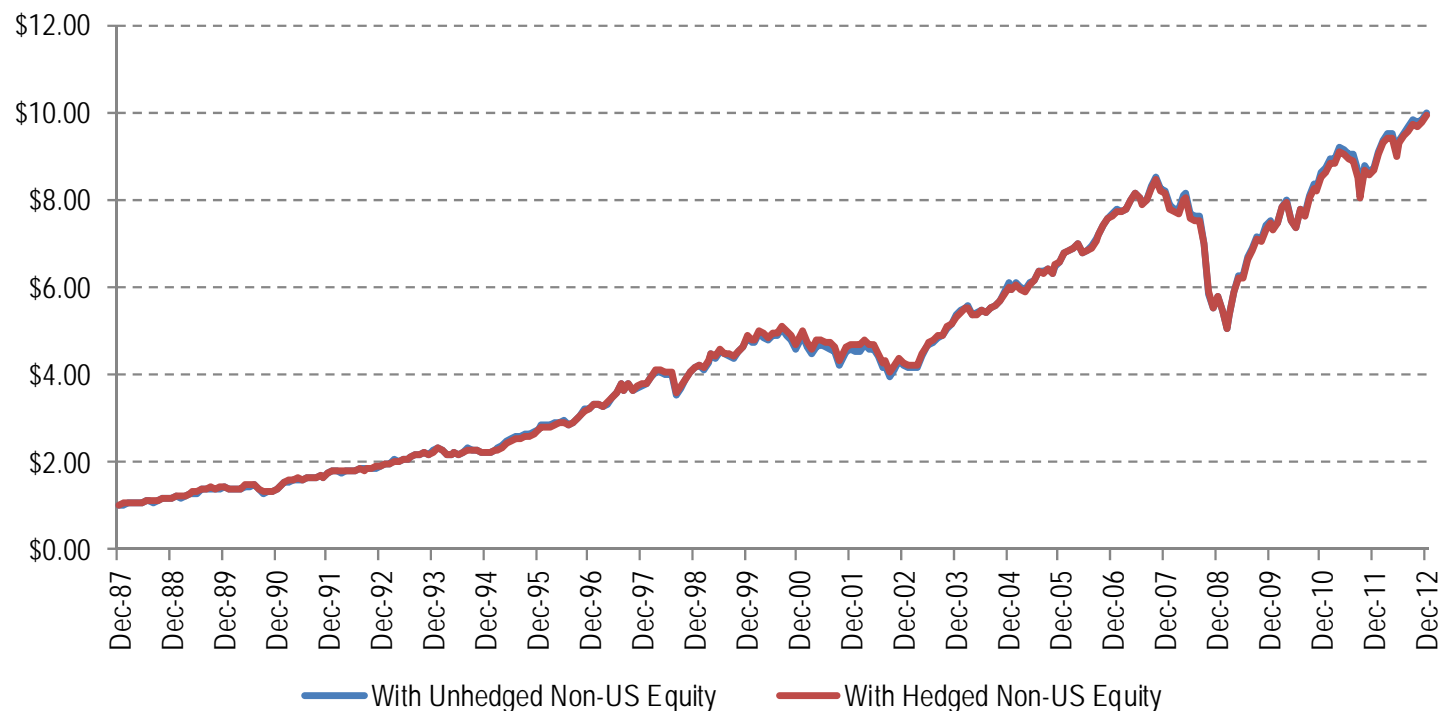
- The data below provides additional evidence that hedging EAFE exposure in the Pension Fund would have had virtually no return impact, but would have reduced volatility by 40-50 bps over the past 10 years. Given the negligible impact on long term returns, hedging foreign currency exposures to reduce the Fund's interim volatility somewhat, seems unwarranted.

Current Long Term Target Period Ending 12/31/12	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 25 Years
Annualized Return w/ Unhedged Non-US Equity	14.4%	9.9%	4.1%	9.0%	9.6%
Annualized Return w/ Hedged Non-US Equity	14.4%	9.9%	4.1%	8.8%	9.6%
Annualized Volatility w/ Unhedged Non-US Equity	7.6%	11.0%	15.5%	12.0%	10.6%
Annualized Volatility w/ Hedged Non-US Equity	7.2%	10.5%	15.0%	11.6%	10.4%

Current Long Term Target 5 Year Periods	12/31/07 - 12/31/12	12/31/02 - 12/31/07	12/31/97 - 12/31/02	12/31/92-12/31/97	12/31/87-12/31/92
Annualized Return w/ Unhedged Non-US Equity	4.1%	14.1%	2.4%	14.5%	13.9%
Annualized Return w/ Hedged Non-US Equity	4.1%	13.7%	2.5%	14.6%	13.9%
Annualized Volatility w/ Unhedged Non-US Equity	15.5%	6.6%	11.6%	7.3%	8.8%
Annualized Volatility w/ Hedged Non-US Equity	15.0%	6.4%	11.6%	7.5%	8.9%

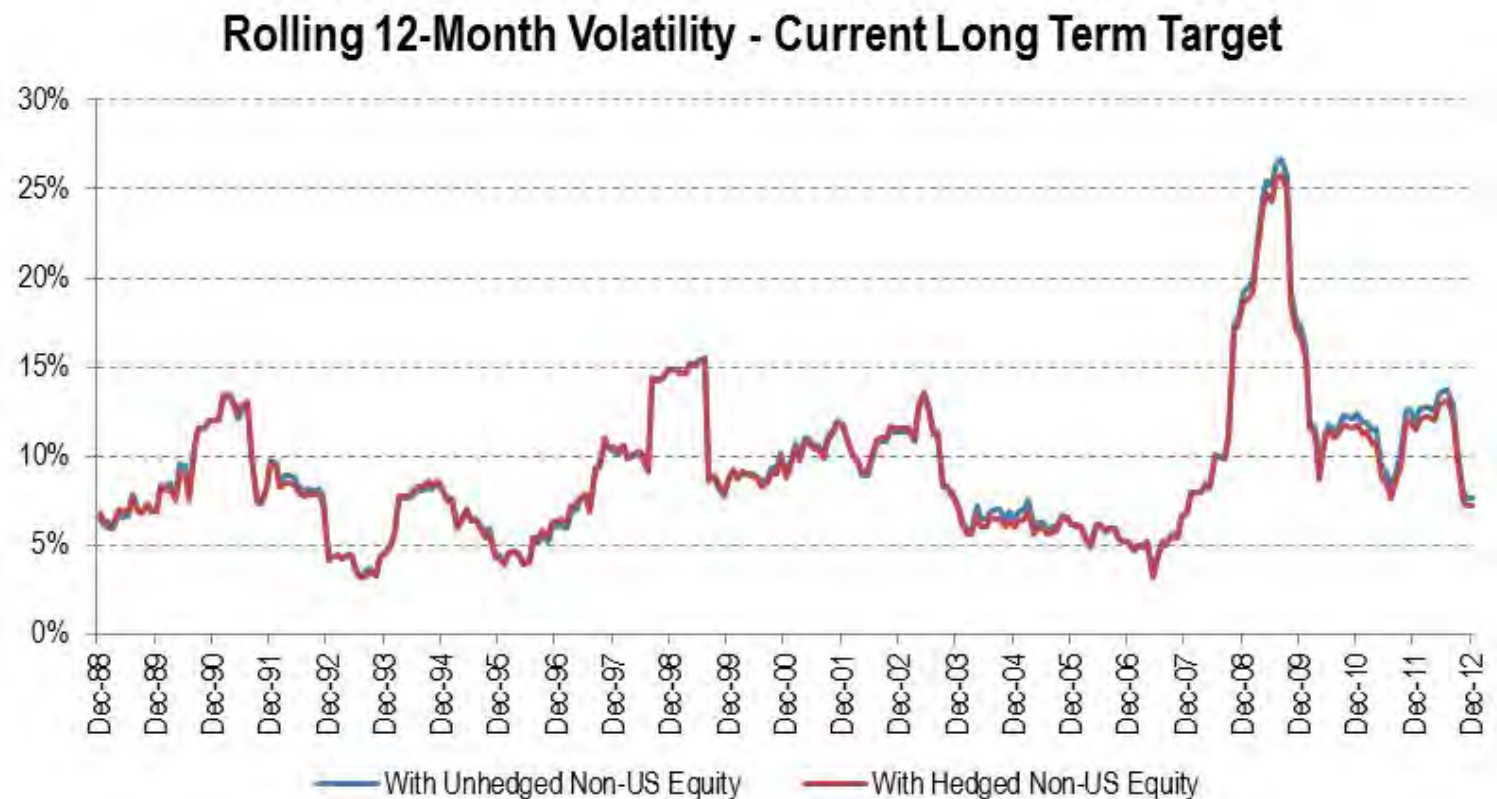
Growth of \$1 – MSCI EAFE Unhedged vs. Hedged Current Long Term Target

Growth of \$1 - 12/31/87 thru 12/31/12 - Current Long Term Target



- Over the last 25 years, the total return on the portfolio has ultimately been very similar with and without currency hedging of the developed Non-U.S. equity exposure.
- The unhedged and hedged returns have both been about 9.6% through December 31, 2012.

Rolling Volatility – MSCI EAFE Unhedged vs. Hedged Current Long Term Target



Impact on Total Pension Fund with 20% Allocation to EAFE

Adjusted Long Term Target Portfolio

<i>Asset Class</i>	<i>Allocation</i>	<i>Benchmark for Analysis</i>
U.S. Equities	27%	S&P 500
International Developed Markets ¹	20%	MSCI EAFE ¹
Emerging Market Equities	7%	MSCI Emerging Markets
REITS	3%	FTSE NAREIT
Private Equity	5%	S&P 500
Private Real Estate (Core)	3%	FTSE NAREIT
Private Real Estate (Non-Core)	3%	FTSE NAREIT
Core+5	16%	Barclays Aggregate
Convertibles	3%	BAML All Converts
TIPS	4%	Barclays TIPS ²
Opportunistic Fixed	4%	40% Barclays High Yield/ 40% J.P. Morgan EMBI Global Diversified ³ / 20% S&P 500
High Yield & Bank Loans	4%	Barclays High Yield
EMD	3%	J.P. Morgan EMBI Global Diversified ³

¹ Either hedged or unhedged for the ensuing analysis.

² Prior to March 1997, returns are based on Barclays Intermediate U.S. Gov't.

³ Prior to January 1994, returns are based on Barclays Aggregate.

- For further analysis of the impact of hedging currencies on the total portfolio, we increased the exposure to non-US developed markets equities from the 9% target to 20% by reducing all asset classes pro-rata.

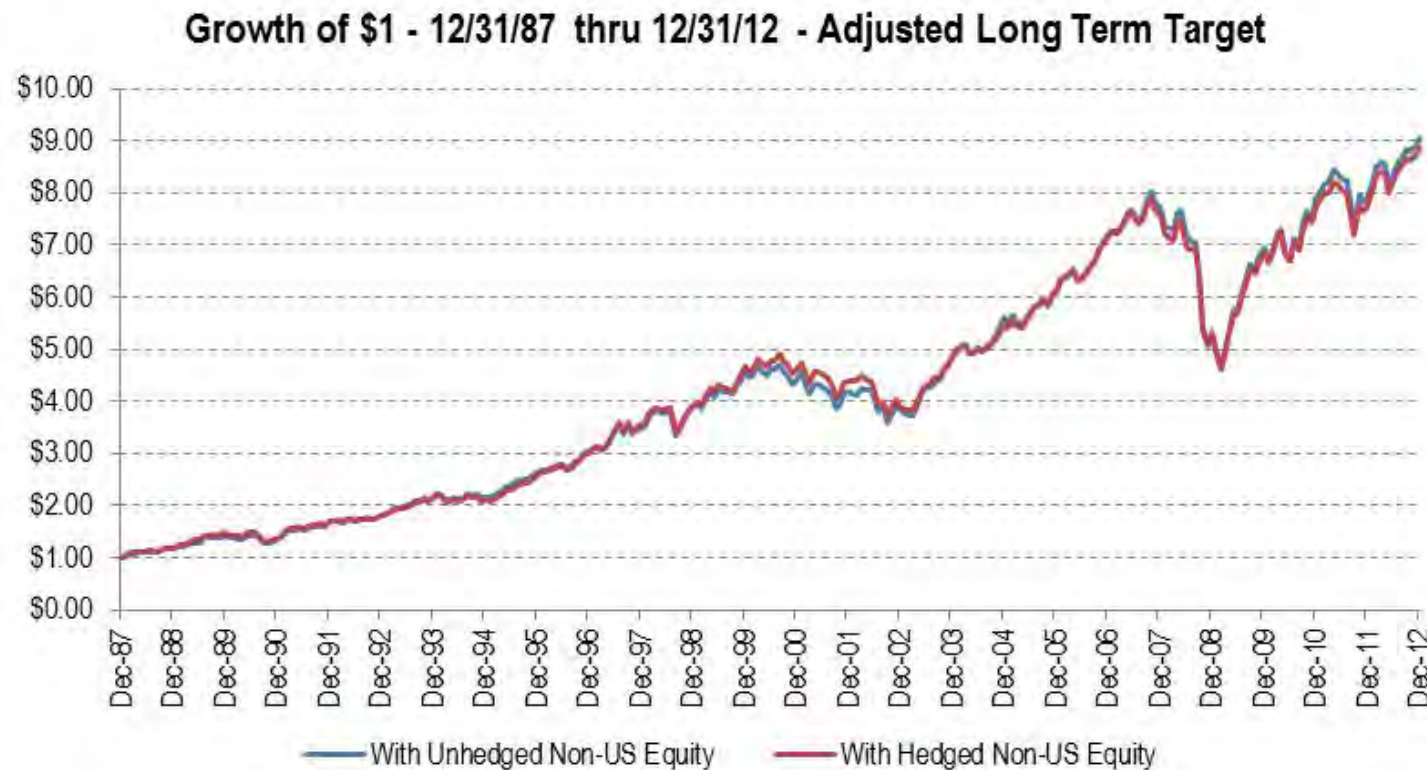
Adjusted Long Term Target MSCI EAFE Unhedged vs. Hedged

- With a 20% allocation to non-US developed market equities, the impact of not hedging foreign currencies has a slightly greater impact on the total fund volatility, particularly over the last five years (although the unhedged portfolio also significantly outperformed the hedged portfolio as well).

Adjusted Long Term Target Period Ending 12/31/12	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 25 Years
Annualized Return w/ Unhedged Non-US Equity	14.9%	9.3%	3.2%	9.0%	9.2%
Annualized Return w/ Hedged Non-US Equity	14.9%	9.1%	3.2%	8.5%	9.1%
Annualized Volatility w/ Unhedged Non-US Equity	8.5%	11.9%	16.3%	12.6%	11.1%
Annualized Volatility w/ Hedged Non-US Equity	7.6%	10.7%	15.2%	11.8%	10.8%

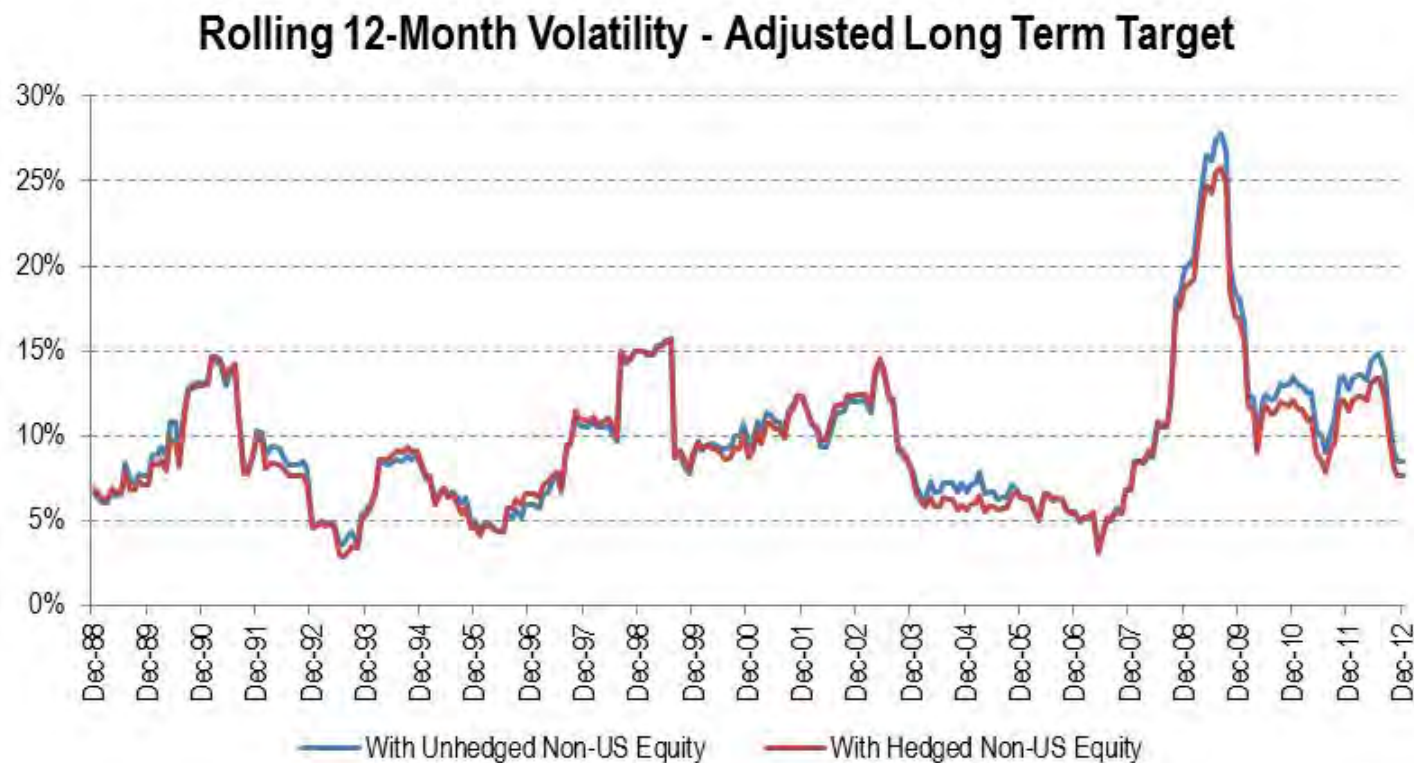
Adjusted Long Term Target 5 Year Periods	12/31/07 - 12/31/12	12/31/02 - 12/31/07	12/31/97 - 12/31/02	12/31/92-12/31/97	12/31/87-12/31/92
Annualized Return w/ Unhedged Non-US Equity	3.2%	15.1%	1.8%	14.2%	12.5%
Annualized Return w/ Hedged Non-US Equity	3.2%	14.2%	2.0%	14.5%	12.6%
Annualized Volatility w/ Unhedged Non-US Equity	16.3%	7.0%	12.0%	7.6%	9.4%
Annualized Volatility w/ Hedged Non-US Equity	15.2%	6.6%	12.1%	7.8%	9.4%

Growth of \$1 – MSCI EAFE Unhedged vs. Hedged Adjusted Long Term Target



- Over the last 25 years, the total return on the portfolio has ultimately been very similar with and without currency hedging of the developed Non-U.S. equity exposure.
- The returns on the portfolios with unhedged and hedged exposures have been about 9.2% and 9.1%, respectively, through December 31, 2012.

Rolling Volatility – MSCI EAFE Unhedged vs. Hedged Adjusted Long Term Target



Disclosures

- The analysis contained in this document may contain historical information which may not be indicative of future experience.
- The analysis contained in this document may contain long-term, forward-looking assumptions regarding risk and/or return. These assumptions are used for modeling purposes only and may not be realized.
- The potential impact of active management may not be included in the analysis.
- This analysis was prepared on a best-efforts basis and no warranties or guarantees are made with respect to any reliance made on this analysis.

APPENDICES:

BASKET CLAUSE

TRS - BASKET/NON BASKET SUMMARY

As of January 31st, 2013

	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Equity						
Domestic Equity	34.7%	0.0%	34.7%	39.4%	0.0%	39.4%
Non-U.S. Equity	10.0%	7.0%	17.0%	10.0%	6.8%	16.8%
Private Equity	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%
Real Estate	2.1%	0.0%	2.1%	2.1%	0.0%	2.1%
REITS	2.8%	0.2%	3.0%	3.4%	0.2%	3.6%
Total Equity	49.6%	12.2%	61.8%	54.9%	11.9%	66.9%
Fixed Income						
Core+5	21.0%	0.4%	21.4%	16.1%	0.4%	16.5%
<i>U.S. Gov't Sector</i>	<i>4.1%</i>	<i>0.0%</i>	<i>4.1%</i>	<i>2.3%</i>	<i>0.0%</i>	<i>2.3%</i>
<i>Mortgage Sector</i>	<i>8.6%</i>	<i>0.0%</i>	<i>8.6%</i>	<i>7.2%</i>	<i>0.0%</i>	<i>7.2%</i>
<i>Credit Sector</i>	<i>8.3%</i>	<i>0.4%</i>	<i>8.7%</i>	<i>6.3%</i>	<i>0.4%</i>	<i>6.7%</i>
High Yield	8.0%	0.4%	8.5%	5.4%	0.6%	6.0%
Bank Loans	0.0%	0.0%	0.0%	0.0%	2.2%	2.2%
TIPS	3.6%	0.4%	4.0%	2.4%	0.6%	3.0%
Convertibles	2.4%	0.6%	3.0%	1.9%	0.3%	2.2%
Opportunistic Fixed Income	0.0%	1.3%	1.3%	0.0%	1.3%	1.3%
Other Fixed Income	0.0%	0.0%	0.0%	1.9%	0.0%	1.9%
Total Fixed Income	35.1%	3.1%	38.2%	27.7%	5.5%	33.1%
Total Fund	84.7%	15.3%	100.0%	82.6%	17.4%	100.0%

Remaining Capacity

9.7%

7.6%

* Note: Basket amounts are estimates

LIQUIDITY ANALYSIS

TRS Liquidity Profile - Static Analysis

3/4/13

AUM as of January 31, 2013

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$18,979	\$18,979	\$18,979	\$18,979
International Equity	4,556	4,556	4,556	4,556
Emerging Markets	3,526	3,526	3,526	3,526
REITS	1,722	1,722	1,722	1,722
Private Equity	2,383	0	0	0
Private Real Estate	1,016	0	0	0
Core + 5	7,921	7,921	7,921	7,921
TIPS	1,454	1,454	1,454	1,454
Opportunistic Fixed Income	622	466	622	622
Enhanced Yield	2,885	2,885	2,885	2,885
Bank Loans	1,073	1,073	1,073	1,073
Convertible Bonds	1,076	1,076	1,076	1,076
ETI	380	46	269	269
Cash	537	537	537	537
Total Assets	\$48,128	\$44,239	\$44,618	\$44,618
Total Illiquid \$		\$3,889	\$3,510	\$3,510
Total Illiquid %		8.1%	7.3%	7.3%
Unfunded PE Commitments	\$1,794			
Unfunded RE Commitments	473			
Unfunded OFI Commitments	622			
Total commitments \$	\$2,889			
Total commitments %	6.0%			

TRS Liquidity Profile - Static Analysis

3/4/13

AUM as of January 31, 2013

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$3,889	\$3,510	\$3,510
Total Illiquid %	12.1%	10.9%	10.9%

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

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Total Assets	\$48,128	\$44,239	\$44,618	\$44,618

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$359	\$718
Unfunded RE Commitments Drawn	95	189
Unfunded OFI Commitments Drawn	311	0
Total commitments \$	\$764	\$907
Total commitments %	1.6%	1.9%

Total Illiquid \$	\$4,275	\$4,417
Total Illiquid %	8.9%	9.2%

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

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$3,889	\$4,275	\$4,417
Total Illiquid %	12.1%	13.3%	13.8%

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