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NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

INVESTMENT MEETING

JULY 1, 2015

LOCATION:

Office of Buck Consultants,
485 Lexington Avenue, New York, NY 10017
(Board Room of the Xerox Executive Briefing Center on the 22nd Floor)

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

INVESTMENT MEETING

JULY 1, 2015

PUBLIC AGENDA

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I. Performance Reviews: (30 Minutes)	
• Quarterly Review/Annual Review – March 31, 2015 (Previously distributed)	---
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PUBLIC AGENDA

I. Performance Reviews:

QUARTERLY REPORTS

Quarterly Review/Annual Review
(Previously distributed)

ETI Quarterly Report

BERS Pension Fund - Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Lenders* Contractual Commitments Current Market Value	BOA \$4.00 MM \$0.83 MM		CCD \$4.00 MM \$0.98 MM		CFSB \$1.00 MM \$0.14 MM		CPC \$4.00 MM \$0.62 MM		JPM \$5.00 MM \$0.68 MM		LIIF \$4.00 MM \$0.60 MM		NCBCI \$1.00 MM \$0.11 MM		NHS \$1.00 MM \$0.00 MM		Wells Fargo \$2.00 MM \$0.00 MM		LISC \$1.00 MM \$0.00 MM		All Lender Totals \$27.00 MM \$3.96 MM	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Commitments 1Q 15 (included in total)																						
Bronx	\$0	0	\$208,874	60	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$208,874	60
Brooklyn	0	0	0	0	0	0	16,335	70	0	0	50,875	39	0	0	0	0	0	0	0	0	67,210	109
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	198,779	90	198,779	90
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$0	0	\$208,874	60	\$0	0	\$16,335	70	\$0	0	\$50,875	39	\$0	0	\$0	0	\$0	0	\$198,779	90	\$474,863	259
Delivered 1Q 15 (included in total)																						
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	5,715	24	122,400	66	0	0	0	0	0	0	0	0	0	0	128,115	90
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Queens	533,742	109	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	533,742	109
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$533,742	109	\$0	0	\$0	0	\$5,715	24	\$122,400	66	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$661,857	199
Total Commitments																						
Bronx	\$262,500	60	\$551,354	213	\$0	0	\$167,036	646	\$1,691,655	913	\$164,450	74	\$0	0	\$0	0	\$0	0	\$0	0	\$2,836,995	1,906
Brooklyn	379,035	112	0	0	0	0	302,312	1,173	270,318	202	697,398	251	0	0	0	0	0	0	0	0	1,649,063	1,738
Manhattan	336,000	100	0	0	0	0	338,202	1,149	269,403	232	956,702	338	0	0	0	0	0	0	198,779	90	2,099,087	1,909
Queens	90,000	54	0	0	0	0	132,690	406	54,000	96	0	0	0	0	0	0	0	0	0	0	276,690	556
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,000	67	0	0	36,000	67
Outside of NYC	89,250	39	0	0	0	0	110,125	207	231,203	122	0	0	0	0	0	0	0	0	0	0	430,578	368
Total	\$1,156,785	365	\$551,354	213	\$0	0	\$1,050,365	3,581	\$2,516,579	1,565	\$1,818,550	663	\$0	0	\$0	0	\$36,000	67	\$198,779	90	\$7,328,413	6,544
Historical Investments																						
Bronx	\$0	0	\$289,500	366	\$0	0	\$105,794	558	\$554,922	352	\$99,000	43	\$0	0	\$0	0	\$0	0	\$0	0	\$1,049,216	1,319
Brooklyn	0	0	315,116	252	0	0	254,755	680	122,400	66	207,763	245	0	0	0	0	0	0	0	0	900,034	1,243
Manhattan	0	0	236,908	283	161,181	197	157,401	764	8,100	47	281,764	122	103,318	123	0	0	0	0	0	0	948,671	1,536
Queens	752,952	239	40,000	54	0	0	7,675	16	0	0	0	0	0	0	0	0	0	0	0	0	800,627	309
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	78,685	217	0	0	0	0	0	0	0	0	0	0	0	0	78,685	217
Total	\$752,952	239	\$881,524	955	\$161,181	197	\$604,310	2,235	\$685,422	465	\$588,527	410	\$103,318	123	\$0	0	\$0	0	\$0	0	\$3,777,233	4,624

*Lenders :

Bank of
AmericaCitibank Community
DevelopmentCarver Federal
Savings BankThe Community
Preservation CorporationJP Morgan
ChaseLow Income
Investment Fund

NCB Capital Impact

Neighborhood
Housing Service

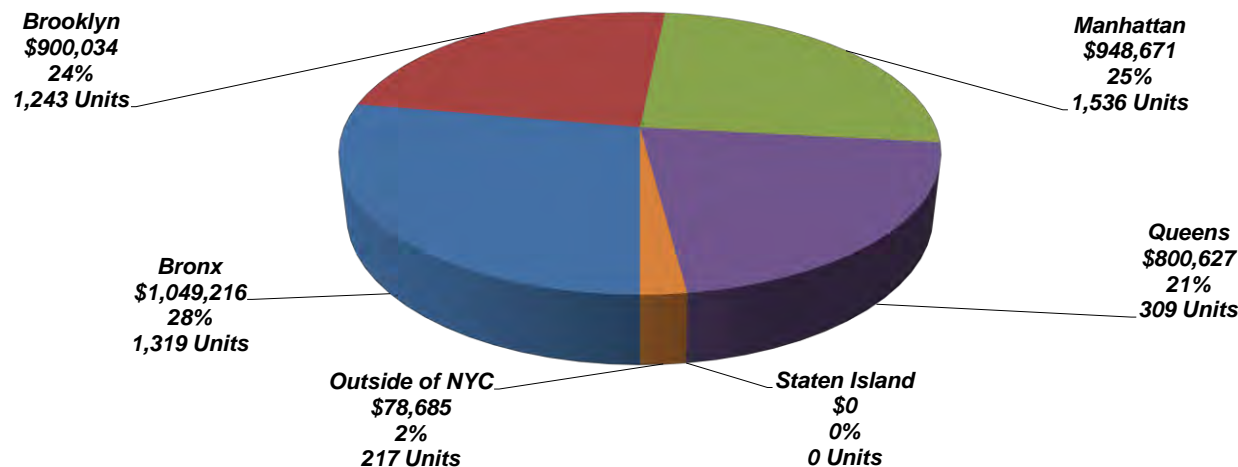
Wells Fargo

Local Initiatives
Support Corporation

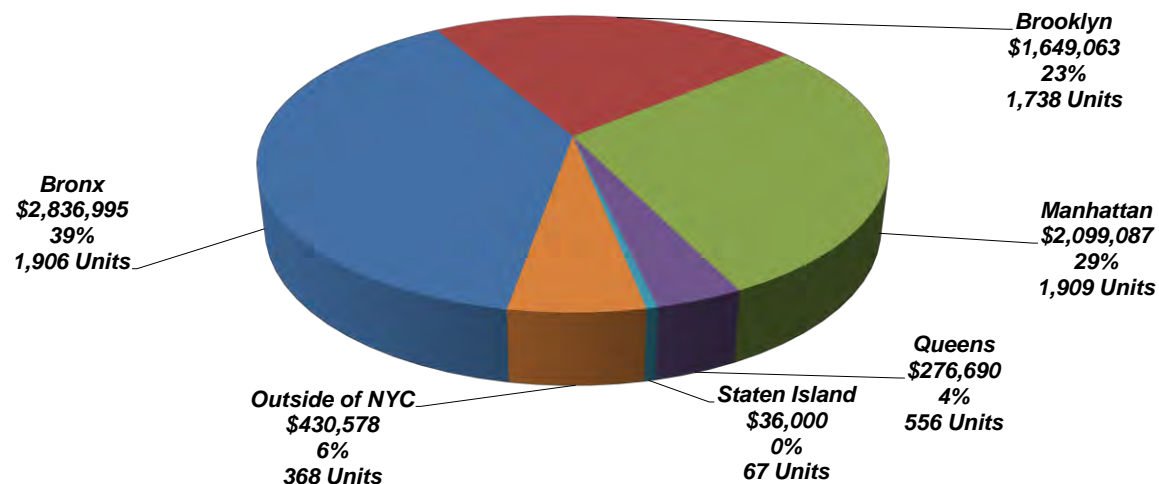
BERS Pension Fund - Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



BERS Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)
Market Value \$12.40 million*
NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013 Multifamily Investments Detail

<u>Borough</u>	<u>1Q Investments</u>	<u>Investments Since Inception</u>	<u>1Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$52,827,900	0	802
Brooklyn	0	103,890,446	0	5,616
Manhattan	0	174,075,200	0	926
Queens	0	17,760,000	0	1,260
Staten Island	0	6,414,554	0	693
Outside NYC	0	100,000,000	0	137
Total	\$0	\$454,968,100	0	9,434
Grand Total NYCCII Phase II		\$454,968,100		9,434

NYCCII Phase I 2002-2005

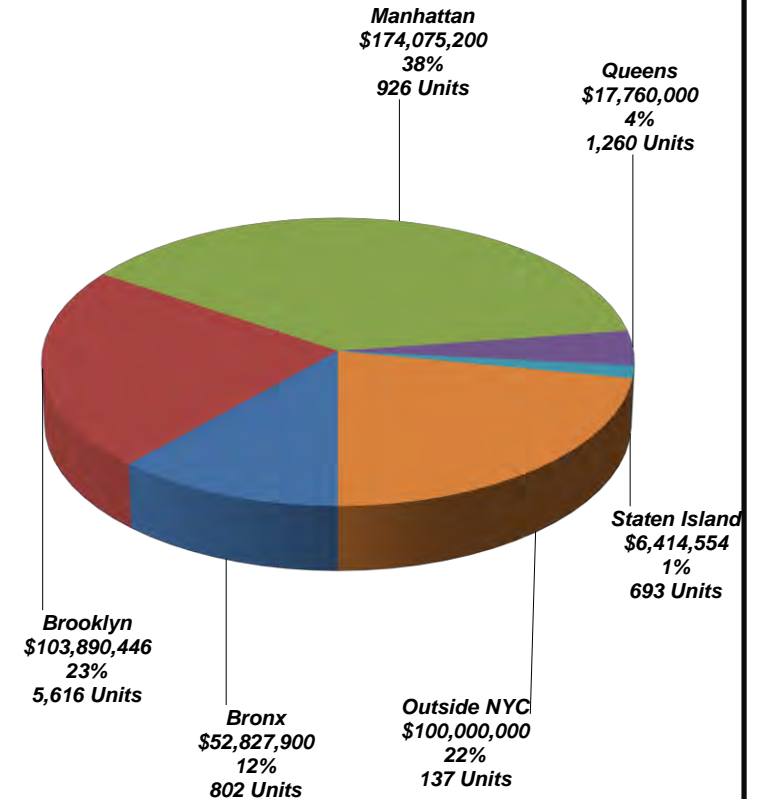
	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
Total NYCCII Phase I	\$597,424,063	12,337	131	446

NYCCII Phases I & II

	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$704,091,600	21,771	n/a	n/a
HIT Home Investments	2,899,899,500	n/a	131	446
Grand Total NYCCII Phases I & II	\$3,603,991,100	21,771	131	446

*Interest is reinvested

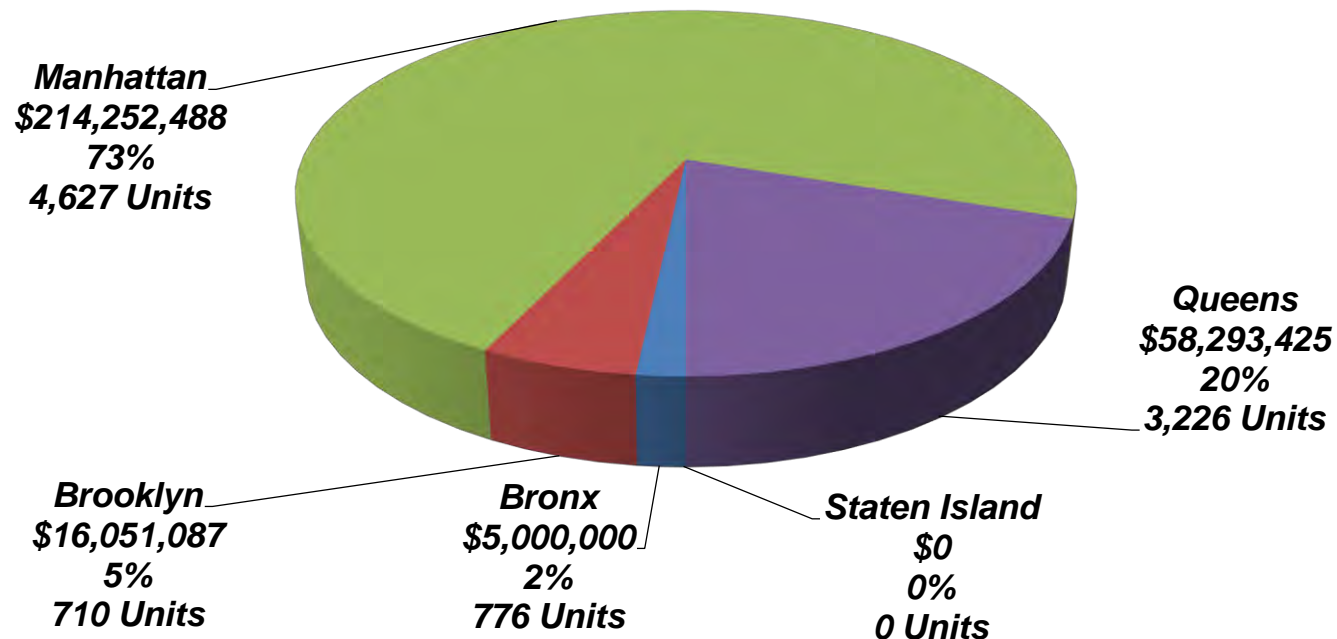
HIT Multifamily Investments



BERS Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)				
NYC Workforce Housing Initiative				
Investments From 2009 Through Q1 2015				
Workforce Investments Detail				
<u>Borough</u>	<u>1Q Investments</u>	<u>Investments Since Inception</u>	<u>1Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$5,000,000	0	776
Brooklyn	8,000,000	16,051,087	288	710
Manhattan	0	214,252,488	0	4,627
Queens	0	58,293,425	0	3,226
Staten Island	0	0	0	0
Total	\$8,000,000	\$293,597,000	288	9,339

HIT Workforce Housing Initiative



BERS Pension Fund - Economically Targeted Investments Quarterly Report

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

\$7.2 million Allocated (2.34% of total account)

Market Value \$7.32 million

<u>Multifamily Investments Detail</u>	<u>\$ Invested¹</u>		<u>Units²</u>	
	<u>1Q</u>	<u>Total</u>	<u>1Q</u>	<u>Total</u>
Bronx	\$234,000	\$1,306,162	160	17,328
Brooklyn	0	\$552,269	0	8,904
Manhattan	117,000	\$1,661,037	152	6,285
Queens	0	\$389,610	0	873
Staten Island	0	\$0	0	0
Total BERS Multifamily Investments	351,000	\$3,909,078	312	33,390
Multifamily Total All Systems	15,000,000	\$167,054,619	312	33,390

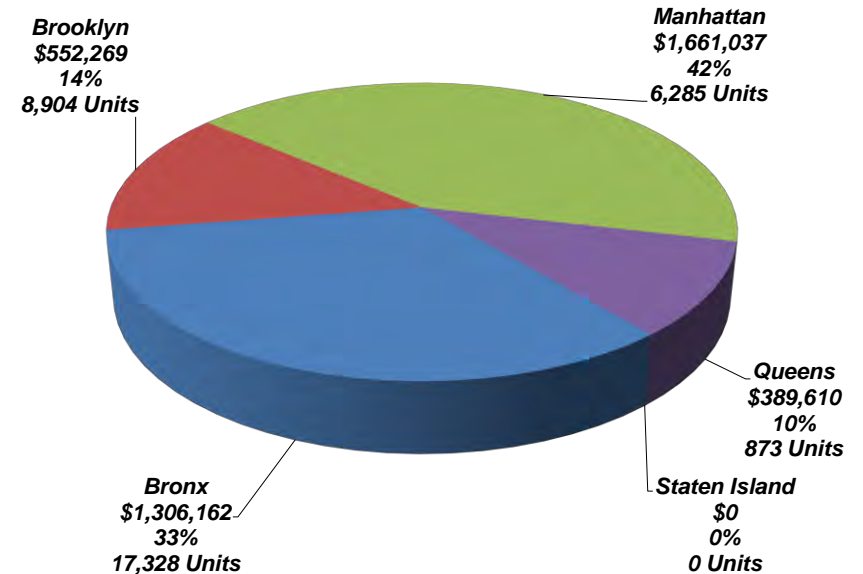
<u>Single Family Investments Detail</u>	<u>\$ Invested</u>		<u>Units</u>	
	<u>1Q</u>	<u>Total</u>	<u>1Q</u>	<u>Total</u>
Bronx	0	\$802,811	0	200
Brooklyn	0	\$2,287,581	0	501
Manhattan	0	\$199,817	0	39
Queens	0	\$3,297,283	0	654
Staten Island	0	\$1,843,671	0	371
Total BERS Single Family Investments	0	\$8,431,163	0	1,765
Single Family Total All Systems	0	\$360,306,111	0	1,765

<u>Other Investments Detail</u>	<u>\$ Invested</u>		<u>Units</u>	
	<u>1Q</u>	<u>Total</u>	<u>1Q</u>	<u>Total</u>
Bronx	0	\$15,795	0	1
Brooklyn	0	\$126,135	0	8
Manhattan	0	\$56,930	0	5
Queens	0	\$12,716	0	3
Staten Island	0	\$0	0	0
Total BERS Other Investments	0	\$211,577	0	17
Other Investments Total All Systems	0	\$9,041,740	0	17
Grand Total BERS	\$351,000	\$12,551,818		
Grand Total All Systems	\$15,000,000	\$536,402,470		

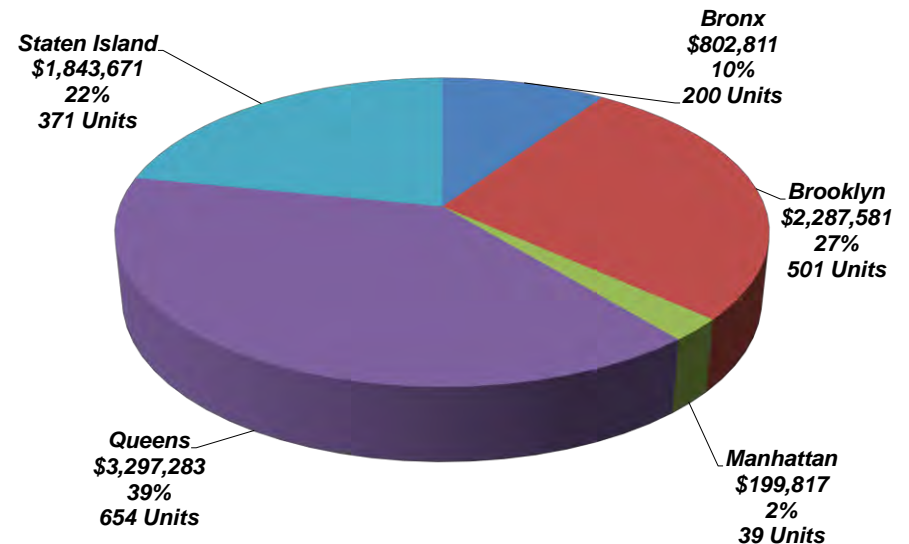
¹ Certain bond investment amounts are allocated pro rata across boroughs based upon unit count.

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

Access Multifamily Investments Since Inception BERS



Access Single Family Investment Since Inception BERS



Private Equity Quarterly Report



NYC Board of Education Retirement System

Fourth Quarter 2014 Report

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Section 2 – Portfolio Update

Section 3 – Portfolio Assessment

Section 4 – Funds-of-Funds Review

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NYC Board of Education Retirement System

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Section 1:

Market Update

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

The Private Equity Market

Introduction

The global market landscape ended 2014 much of the same way the year began; with the majority of markets remaining flat, or bracing for volatility, while other markets continued to ride tailwinds from the multi-year bull market following the recovery from the Global Financial Crisis of 2008 ("GFC"). In US public markets, the S&P 500 index finished 2014 with its sixth straight year of positive growth, posting a fourth quarter increase of 4.9% and annual growth of 13.69%.¹ Meanwhile, turbulence in Europe caused by Russia and Greece, along with lackluster German industrial sector growth kept European equity returns flat during the quarter. Emerging markets such as Brazil and Russia experienced mostly negative returns during the quarter as they grappled with a range of issues from political instability to falling commodity prices. Chinese equity markets experienced slight appreciation resulting from an interest rate cut.²

The private equity asset class finished the year strong with an uptick in distribution activity from \$134 billion to \$146 billion during the fourth quarter.³ Net cash flow followed suit with an increase from \$32 billion to \$50 billion during the fourth quarter and exit volume reached record levels as funds realized value created over the course of the multi-year U.S. economic recovery. However, deal competition amongst private equity firms has been fierce, as indicated by deal pricing multiples increasing 11% to 9.8x during 2014, and dry powder buildup.⁴ Additionally, as another reflection of the competitive climate, fundraising decreased during the fourth quarter of 2014 to the lowest quarterly volume of fund closings and aggregate value since 2010.

Private Equity Performance

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

Time-Weighted Return	All PE	US Buyout	EU Buyout	US & EU Venture Growth	Credit ¹	ROW Buyout/Growth	Real Assets ²	Public Market Benchmark ³
1 Year	17.3%	18.4%	18.6%	24.5%	11.3%	11.2%	13.2%	15.3%
5 Year	15.6%	17.0%	16.3%	16.4%	12.7%	12.0%	10.4%	11.5%
10 Year	14.0%	14.7%	16.5%	11.0%	12.3%	11.1%	17.9%	6.8%

Source: Hamilton Lane Fund Investment Database (January 2015). Return figures are geometric averages of time-weighted returns, in local fund currency.

¹ Includes Mezzanine and Distressed Debt Strategies

² Includes Natural Resources, Commodities, and Infrastructure strategies

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

As a long term asset class, the longer time horizons are more indicative of performance for private equity. Continuing the trend from prior quarters, long term private equity returns have outpaced the MSCI World Public Benchmark under each strategy over the ten year period. In aggregate, the ten year returns for private equity have outperformed the MSCI World on an annualized basis by 720 basis points over the same period, illustrating private equity's superior performance.

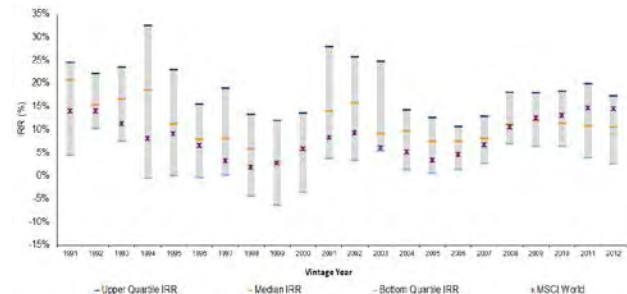
¹ Schroders Overview of Markets in Q4, 2014

² WSJ – China's Bank Cuts Interest Rates (February 2015)

³ Hamilton Lane Fund Investment Database

⁴ S&P Capital IQ M&A Stats January 2015

Chart 2: Private Equity IRR Quartiles by Vintage Year



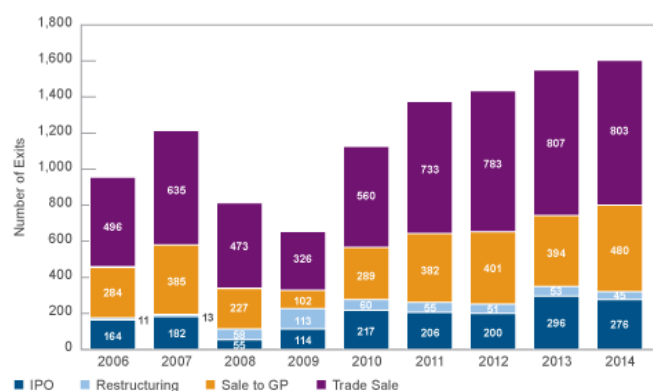
Source: Hamilton Lane Fund Investment Database (January 2015) MSCI World, net reinvested dividends. Benchmark calculated as PME (Public Market Equivalent) using all private equity pooled cash flows.

When evaluating return statistics by manager performance, the chart above indicates top tier managers significantly outperformed the MSCI World Index over the 23 consecutive vintage years displayed in Chart 2, with median tier managers outperforming 17 of 23 vintage years. This is a reflection of the importance of selecting high performing managers who continually demonstrate efficient deployment of capital and J-curve minimization during the lifecycle of funds under management.

Increase in Exit Activity

As a result of favorable market conditions, global private equity exit activity increased to 1,604 deals for the year ended 2014, which is the highest level of exit activity seen to date. As indicated by Chart 3, the increase was driven by peer to peer sale activity between General Partners, up 22% to 480 deals compared to 394 deals for year end 2013. The aggregate exit value of deals also increased from \$330 billion to \$428 billion from year end 2013 to 2014.⁴

Chart 3: Global Number of Private Equity-Backed Exits



Source: Preqin Investor Outlook - Alternative Assets H1 2015

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Fourth quarter exit activity rose to 425 deals; an increase of 23 over the third quarter. The largest exit deal was Brait's trade sale of Pepkor Holdings, Ltd. for \$5.7 billion to Steinhoff International Holdings in mid-November.⁵

According to Hamilton Lane's database, cash flow activity mirrors the broad PE market, as distributions exceeded contributions during every quarter of 2014. General Partners distributed \$146 billion and called nearly \$96 billion from Limited Partners in the fourth quarter alone, providing for a positive net cash flow of \$50 billion.

Chart 4: Private Equity Industry Level Cash Flows

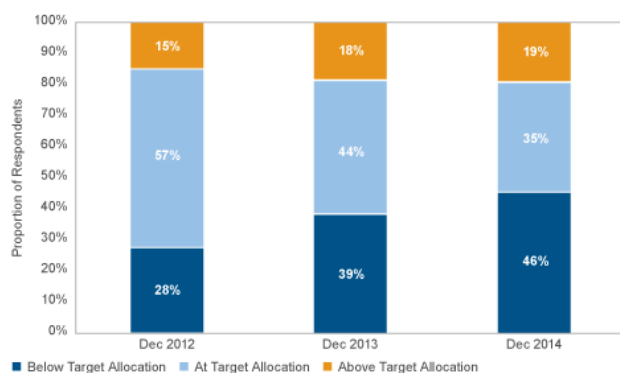


Source: Hamilton Lane Fund Investment Database (January 2015)

Increasing Allocations

Investors continue to view private equity favorably as illustrated by a recent Preqin analysis that surveyed over 5,400 active global private equity investors. As portrayed by Chart 5, many investors surveyed are below their strategic target allocation levels, indicating that many respondents may have underfunded their private equity programs in the past two years. Overall, private equity's track record of outperformance coupled with low volatility are attractive characteristics that continue to draw investors to the asset class.

Chart 5: Proportion of Investors At, Above or Below Their Target Allocations to Private Equity, 2012 – 2014

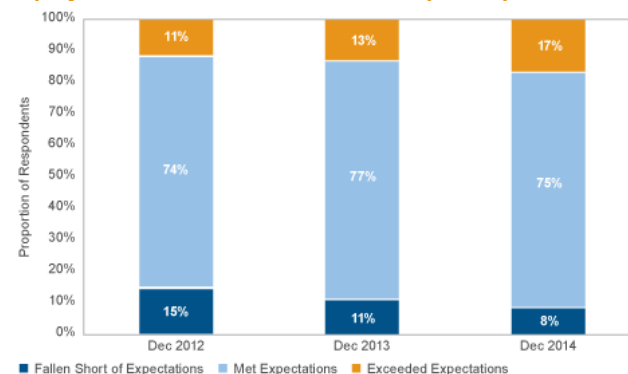


Source: Preqin Investor Outlook - Alternative Assets H1 2015

⁵ Preqin Q4 2014 Private Equity-Backed Buyout Deals and Exits

The recurring theme of low risk and high returns has positively shifted the overall satisfaction of investors in recent years. Chart 6 indicates as of the year ended 2014, 17% of Preqin survey participants claimed the private equity asset class exceeded their expectations, up 6% from two years previously. Conversely, the number of investors surveyed who felt private equity investments fell short of expectations was nearly halved from 2012 through 2014, dropping from 15% to 8%.

Chart 6: Proportion of Investors that Feel Their Private Equity Fund Investments Have Lived up to Expectations



Source: Preqin Investor Outlook - Alternative Assets H1 2015

Private Equity Fundraising

As depicted in Chart 7, subsequent to the second quarter of 2014, fundraising volume steadily decreased quarter over quarter for the remainder of the year. The lowest volume of fundraising occurred in the fourth quarter, with managers closing 203 funds and raising an aggregate amount of \$124 billion. This represents the lowest volume of funds closed since 2010, and a quarterly decline of 17% in comparison to 245 funds closing during the third quarter of 2014.

Chart 7: Quarterly Global Private Equity Fundraising



Source: Preqin Q4 2014 Private Equity Fundraising Report

The competitive landscape General Partners face raising a fund in today's economic environment has led to a reduction in successful closes per dollar raised. To illustrate, research conducted by Preqin indicates 2014 saw the lowest number of new private equity firms launched since 1998, with 180 current

NYC Board of Education Retirement System

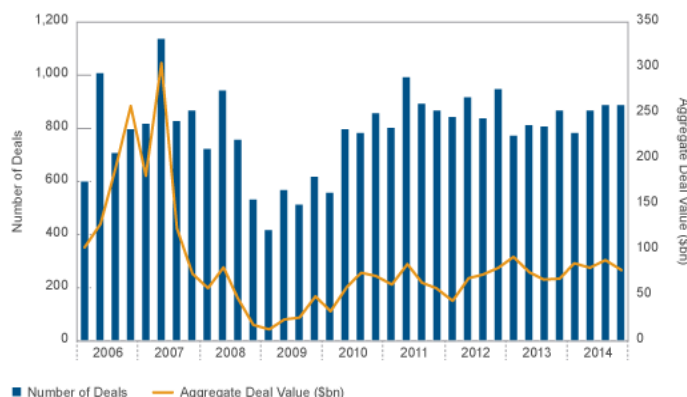
Fourth Quarter 2014 Report

firms declared inactive in 2014 (meaning no additional funds were launched by the fund manager in the past 10 years).⁶

Despite the fundraising volume decline, 2014 proved to be a record year for average fund closing size. The 977 funds closed raked in an average closing amount of \$486 million, which is a 39% increase over the five year average value of \$350 million.⁷ The majority of closings occurred in funds with a geographic location in North America. However, fund managers' interest in Asia increased, with Asia-focused venture capital funds raising \$9.6 billion in 2014, a noteworthy increase of 2.7x compared to 2013.⁸

Deal Activity

Chart 8: Quarterly Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally

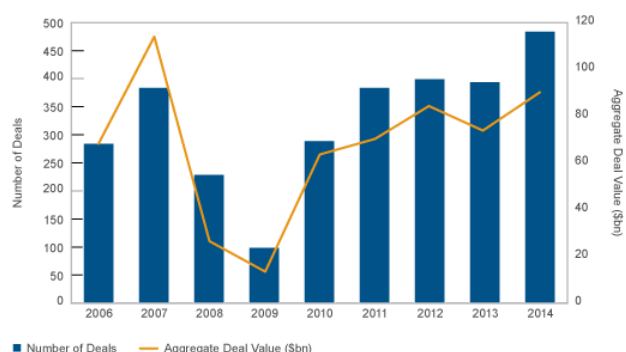


Source: The 2015 Preqin Global Private Equity & Venture Capital Report

2014 saw steady quarterly increases in volume of deals as well, and climbed by 5% over the previous year for a global total of 3,423 deals. This marks the largest annual volume since the GFC. Aggregate deal value of investments increased for the second straight year reaching \$332 billion, a 10% increase over 2013.⁹

Additionally, the Secondary Buyout market activity solidified its presence in the private equity landscape with record volume levels during 2014. As shown in Chart 9, global secondary buyout deal volume surged 22% from 394 to 480 deals in 2014, and at \$90 billion, this represents 27% of aggregate buyout deal value.⁹

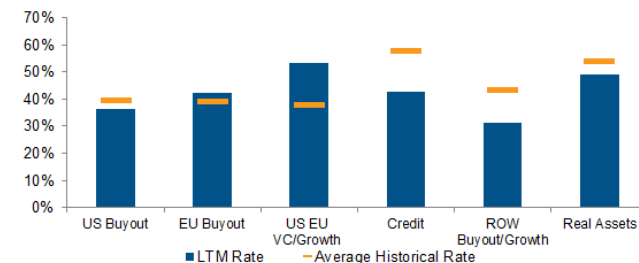
Chart 9: Number and Aggregate Value of Secondary Buyout Deals Globally



Source: The 2015 Preqin Global Private Equity & Venture Capital Report

Though deal activity remains high, contributions as a percentage of unfunded commitment are behind the average historical rate for most strategies as seen in Chart 10. From a return standpoint, this trend serves as an important gauge as to whether Secondary Buyouts remain an effective strategy in deploying capital.

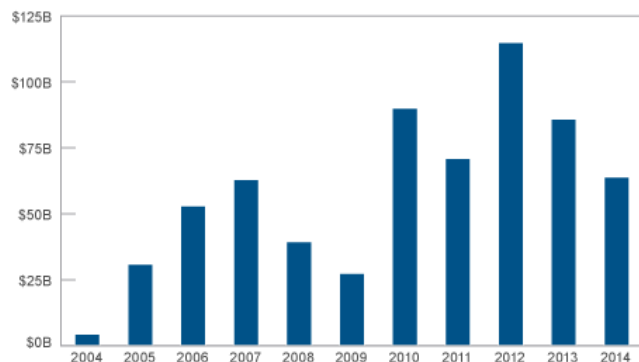
Chart 10: Contributions as a Percentage of Unfunded Commitment



Source: Hamilton Lane Fund Investment Database (January 2015). Average historical rate back to 2005. Data in report is extrapolated to industry level based on Hamilton Lane's known sample.

Debt Markets

Chart 11: Annual Volume of Sponsored High-Yield Bond Issuances



Source: S&P Capital IQ M&A Stats December 2014

⁶ Preqin 2015 Private Equity Compensation & Employee Review

⁷ Preqin 2014 Private Equity Fundraising Factsheet

⁸ The Preqin Private Equity Overview January 2015

⁹ The 2015 Preqin Global Private Equity & Venture Capital Report

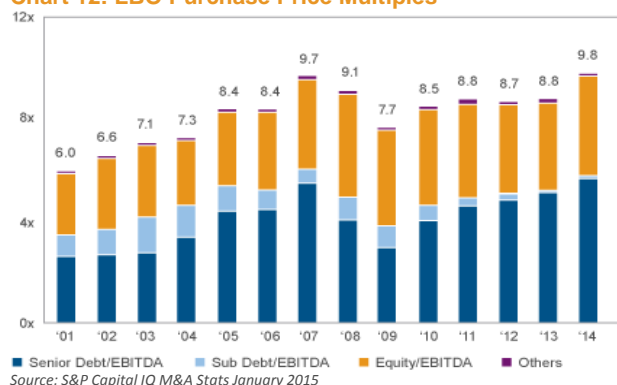
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Bond markets saw a sharp decrease of activity during the fourth quarter due to a combination of declining risk appetite and increased outflows as the market pulled out of loan and high yield mutual funds. Specifically, December saw only \$7.4 billion of high yield bond issuances, marking the second time in three years monthly issuance dropped below \$10 billion.¹⁰ November saw the most fourth quarter issuance activity at \$33 billion, followed by October with \$28.6 billion. High yield issuance in Europe amounted to €71.7 billion for 2014, topping the previous year high of €70 billion, which is the highest level ever.¹⁰

Deal Pricing and Capital Overhang

Chart 12: LBO Purchase Price Multiples



In 2014 purchase price multiples broke away from the four year trend and rose to a new high of 9.8x. The spike reflects the abundance of dry powder and increased deal competition amongst General Partners. Unless a market contraction occurs, purchase price multiples will likely continue this upward trend and managers will be forced to seek alternative ways to locate attractive deals.

Driven by fierce competition and increased allocations, industry level dry powder increased by 11% to \$972 billion during the fourth quarter. As the capital overhang rises to record levels fund managers will continue searching for attractively priced deals to deploy the increasing amounts of dry powder. Despite the mounting levels of dry powder and high purchase price multiples, it remains to be seen what type of effect capital spending on higher priced deals will have on realized returns. This will be an area to monitor in the coming years as the more recent vintage year funds move into their post-investment and realization life cycles.

Chart 13: Industry Level NAV & Dry Powder



¹⁰ JP Morgan, KKR October, November, December 2014 Credit Markets

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

Spotlight: Credit Markets

Industry Overview

Credit market activity was fragmented across the globe and driven heavily by the macroeconomic events and the regulatory changes affecting each region. For the most part, credit remained inexpensive as regulatory authorities such as the U.S. Federal Reserve ("Fed") and European Central Bank ("ECB") continued to keep interest rates low to promote economic growth.

According to Hamilton Lane's Fund Investment Database, time weighted returns of credit-related investments for 2014 generated yearly returns slightly below the 5 year and 10 year averages. This can be attributed to the overall U.S. bull market run and uncertainty surrounding the Fed's timing for raising interest rates in the near future.

Chart 1: Debt Related Investment Time Weighted Returns

Time-Weighted Return	Credit ¹
First Quarter 2014	2.7%
Second Quarter 2014	3.2%
Third Quarter 2014	1.3%
Fourth Quarter 2014	3.7%
1 Year	11.3%
5 Year	12.7%
10 Year	12.3%

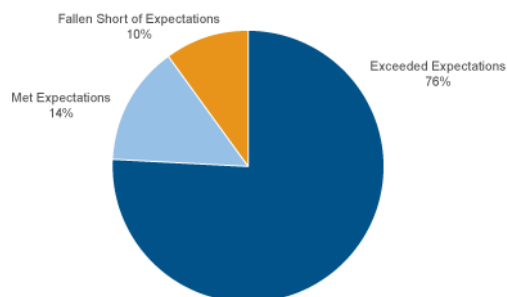
Source: Hamilton Lane Fund Investment Database (January 2015). Returns longer than one year are annualized

¹ Includes Mezzanine and Distressed Debt Strategies

Credit Market Allocations

According to a recent Preqin survey, investor appetite towards debt strategies remained steady throughout 2014. As Chart 2 indicates, 76% of survey respondents indicated their private debt fund investments have lived up to expectations, with only 10% indicating they are dissatisfied with performance. Regarding regional investor appetite, 69% of respondents indicated Europe has the greatest opportunity potential given the current economic climate, followed by North America (57%) and Asia (14%).¹¹

Chart 2: Investor Perception of Debt Related Alternative Investments



Source: Preqin H1 2015 Market Overview

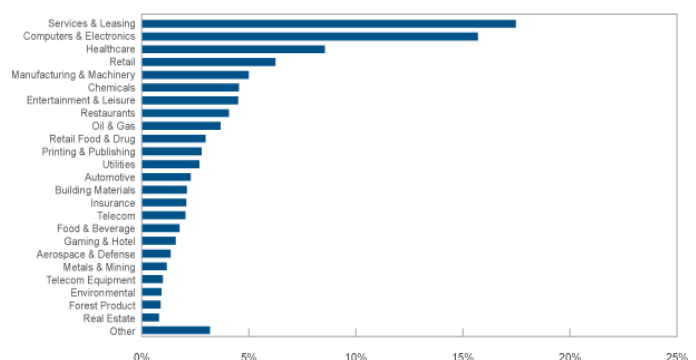
¹¹ Preqin Investor Outlook - Alternative Assets H1 2015

Strategy Types

Hamilton Lane categorizes the different types of debt investments based on strategy/sub-strategy and characteristics of each investment. **Special Situations** Strategies involve senior secured and unitranche loans issued to small or mid-market companies, which have limited alternatives for debt. Target returns for these strategies are conservative, typically returning less than 10% with no equity upside participation. **Mezzanine** investments are a combination of debt and equity ownership across the capital structure of a company. This type of debt investment appeals to entrepreneurs seeking a form of capital that is less dilutive to ownership than a typical private equity transaction. **Active/Non-Control** distressed debt deals are geared towards larger companies and can experience high frequency trading in the secondary debt markets. **Control** strategies involve fund managers building significant debt positions in companies facing distress with a high likelihood of bankruptcy or restructuring. **Restructuring/Turnaround** investments tend to be the most lucrative of all debt strategies with target returns in the 18% to 25% range. Themes for restructuring/turnaround include the purchase of distressed or bankrupt assets at steep discounts in industries such as Airline, Real Estate or Shipping.

With regards to allocation by industry, Chart 3 illustrates sponsored loan volume flows heavily to the Services and Leasing industry (18%), followed by Computers and Electronics (16%) and Healthcare (9%).

Chart 3: Sponsored Loan Volume by Broad Industry



Source: Source: Preqin Private Debt Investment Consultants (February, 2015)

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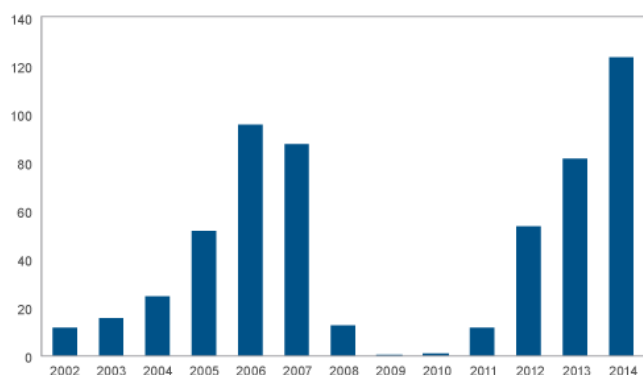
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Key Market Trends

U.S. Credit Markets

The United States is the largest credit market with many well established managers operating across numerous strategies. The Global Financial Crisis ("GFC") in 2008 caused a significant stir in the asset class as illiquidity and overleverage in the U.S. credit market were key contributors to the downturn. The Fed adeptly managed the crisis through both bailouts and low interest rates for a number of years. However, the Fed ended Quantitative easing in October 2014 by repurchasing government bonds and other securities, which increased the money supply and stimulated the private sector. With quantitative easing winding down, U.S. debt markets experienced a decline in sponsored high yield issuances through the remainder of 2014 relative to the first three quarters. Despite the decline of new issuances in 2014, the prolonged low rates have pushed high yield issuances to all-time highs. Even CLO issuance, which was considered extinct following the GFC, made a steady comeback and surpassed record levels in 2014 (Chart 4), illustrating that the market has taken full advantage of the low lending rates.

Chart 4: U.S. CLO Issuance (\$ Billions)

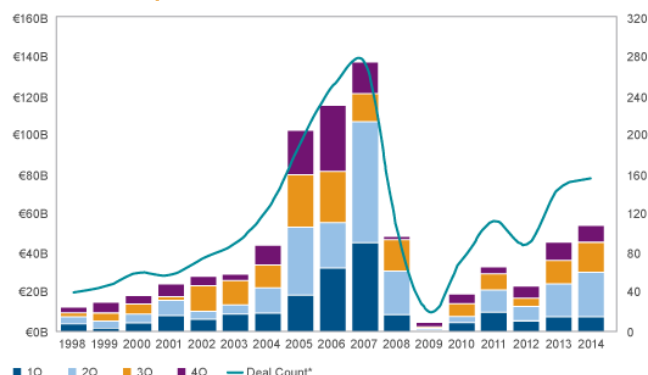


Source: S&P Capital IQ (December 2014)

European Credit Markets

From a regulatory perspective, European jurisdictions have been friendly towards senior creditors, mezzanine, and restructuring arrangements over the past several years. As reflected by Chart 5, with the exception of 2012, both deal volume and value increased steadily since 2009, and reached \$54 billion in 2014.

Chart 5: European Loan Issuance Volume and Value



Source: S&P Capital IQ M&A Stats December 2014

* Deal count includes first and second lien portions of a single transaction as one event; Deal Count also excludes any amendments.

Credit opportunities in Europe remain significant with bank deleveraging through loan portfolios set to continue for the foreseeable future. In the absence of a further systemic shock to the European economies, the pace of deleveraging is likely to vary significantly by each European market. The opportunity set should also be viewed as a longer term play than most expect.

Overall competition is increasing in the European credit market with a number of buyers seeking to acquire portfolios. This has resulted in rising prices and leverage usage to maintain target underwriting returns. In this environment, fund managers able to play in smaller transactions sizes and source bi-lateral deals seem most likely to generate the best returns.

By geography, credit opportunities are most prevalent in Western European markets such as United Kingdom, Ireland, the Benelux region, Spain and Germany. Additionally, the Italian market is expected to develop as Italian banks face further pressure to restructure in the aftermath of the ECB's recent Asset Quality Review.

Asian Credit Markets

Credit market development has lagged in Asia relative to the U.S. and European markets but has continued to make significant strides in recent years. Market accessibility poses a major issue to investors outside of Asia as the legal and regulatory architecture is more opaque than other global markets. Additionally, a lack of sufficiently experienced local players makes securing credit investments risky. The Asian market also presents substantial currency risk, as various complex legal authorities in Asia are not as predictable as Western market regulators.

Final Thoughts

Despite overall loan activity eclipsing many indicators present before the GFC, General Partners have acted prudently by maintaining positive cash flows and manageable capital structures. Credit fund managers will continue to monitor regulation regarding interest rates and the effects these decisions may have on debt-related investment strategies.

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Section 2:

Portfolio Update

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Portfolio Snapshot

Hamilton Lane was engaged by the NYC Board of Education Retirement System ("BERS") in November 2012 to provide alternative investment fund administration services in accordance with the investment objectives of the BERS Private Equity portfolio (the "Portfolio"). This report represents the review by Hamilton Lane of the BERS's Portfolio and is based on information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of December 31, 2014, with highlights through March 31, 2015.

Private Equity Allocation: BERS has a target allocation of 6.0% to Private Equity. As of December 31, 2014, Private Equity constituted 4.0% of BERS total plan.

Performance: As of December 31, 2014, the Portfolio consists of 23 active partnerships consisting of 17 underlying fund managers. The Portfolio has generated a since inception internal rate of return ("IRR") of 10.44% and a total value multiple of 1.40x.

Portfolio Summary			
\$ millions	9/30/2014	12/31/2014	Change
Active Partnerships	18	23	5
Active GP Relationships	12	17	5
Capital Committed ⁽¹⁾	\$357.7	\$367.1	\$9.4
Unfunded Commitment	\$207.3	\$200.3	(\$7.0)
Capital Contributed	\$153.3	\$169.7	\$16.4
Capital Distributed	\$60.0	\$69.0	\$9.0
Market Value	\$153.3	\$169.4	\$16.1
Total Value Multiple	1.39x	1.40x	0.01x
Since Inception IRR	9.86%	10.44%	58 bps
Avg. Age of Active Commitments	3.1 years	3.2 years	0.1 years

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

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 41% of the Portfolio's total exposure, Secondary represents 15%, Venture Capital represents 12%, Distressed/Turnaround represents 9%, Growth Equity accounts for 16%, Co-Investment represents 5%, and Other represents 2%. Strategic exposure takes into account the strategies for each of the underlying partnerships in the funds-of-funds within the BERS Portfolio.

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Portfolio Overview

Commitments

The table below highlights the funds that have closed during the 2014 calendar year.

YTD Commitments - 2014			
Closing Date	Partnership	Investment Strategy	Commitment (\$ in Millions)
3/31/2014	Lexington Capital Partners VIII, L.P.	Secondaries	\$20.0
4/22/2014	ASF VI, L.P.	Secondaries	\$15.0
4/22/2014	ASF VI NYC Co-Invest, L.P.	Co-Invest	\$5.0
6/20/2014	Crestview Partners III, L.P.	Corporate Finance/Buyout - Mid	\$15.0
6/20/2014	Crestview Partners III (Co-Investment B), L.P.	Co-Invest	\$5.0
7/11/2014	Vista Equity Partners V, L.P.	Growth Equity	\$25.0
10/3/2014	NMS Fund II, L.P.	Corporate Finance/Buyout - Small	\$1.2
10/24/2014	Centerbridge Capital Partners III, L.P.	Corporate Finance/Buyout - Large	\$2.5
12/2/2014	Webster Capital III, L.P.	Corporate Finance/Buyout - Small	\$2.3
12/9/2014	Mill City Fund II, L.P.	Corporate Finance/Buyout - Small	\$1.2
12/23/2014	Raine Partners II, L.P.	Growth Equity	\$3.0
Total			\$95.2

The Portfolio closed on eleven new investments, totaling \$95.2 million, which are detailed below:

Lexington Capital Partners VIII, L.P. (\$20.0 million) the fund will focus on acquiring private equity partnership interests from limited partners seeking liquidity through secondary transactions in both U.S and non-U.S. buyouts, venture capital and mezzanine partnerships.

ASF VI, L.P. & Side Car (\$15.0/\$5.0 million) the fund will pursue a secondary investment strategy, acquiring limited partnership interests through the global secondary market in buyout, growth equity, and venture capital funds.

Crestview Capital Partners III, L.P. & Side Car (\$15.0/\$5.0 million) the fund will pursue investment opportunities arising from dislocations in out-of-favor industries, focusing primarily on four industries that are undergoing major transitions or dislocations: Energy, Financial Services, Healthcare and Media.

Vista Equity Partners V, L.P. (\$25.0 million) the fund will be focused on the middle-market software segment and will execute control buyouts of businesses that offer mission-critical and technology-enabled solutions across a variety of industries.

NMS Fund II, L.P. (\$1.2 million) the fund, BERS's first commitment in the Emerging Manager 2012 Program, will target buyout investments in fast-growing companies within the business services, healthcare services, and consumer products and services industries.

Centerbridge Capital Partners III, L.P. (\$2.5 million) the fund will pursue control positions through private equity and distressed debt investments, with a focus on North America and Europe.

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Webster Capital III, L.P. (\$2.3 million) the fund, a commitment in the Emerging Manager 2012 Program, will target control buyouts of growth-oriented small cap companies in the healthcare services and branded consumer sectors.

Mill City Fund II, L.P. (\$1.2 million) the fund, a commitment in the Emerging Manager 2012 Program, will pursue buyouts of lower-middle-market consumer and industrial companies located in the upper-Midwestern U.S. and Canada.

Raine Partners II, L.P. (\$3.0 million) the fund, a commitment in the Emerging Manager 2012 Program, will pursue growth equity investments in lower-middle-market, with a focus on the technology, media and telecommunications ("TMT") space.

Subsequent Closings

Subsequent to the quarter end December 31, 2014, the portfolio closed on three additional commitments totaling \$13.1 million.

Subsequent Closings			
Partnership	Investment Strategy	Commitment (\$ in Millions)	Closing Date
American Securities Partners VII, L.P.	Corporate Finance/Buyout - Large	\$8.0	1/9/2015
Siris Partners III, L.P.	Corporate Finance/Buyout - Mid	\$1.6	2/4/2015
Valor Equity Partners III, L.P.	Growth Equity	\$3.5	5/28/2015
		\$13.1	

American Securities Partners VII, L.P. (\$8.0 million) the fund will target control investments in the industrial and services sectors and will opportunistically invest in energy services, healthcare and consumer businesses.

Siris Partners III, L.P. (\$1.6 million) the fund will target investments in complex middle-market technology businesses that possess both a mature business line that generates stable cash flows, as well as next-generation growth assets.

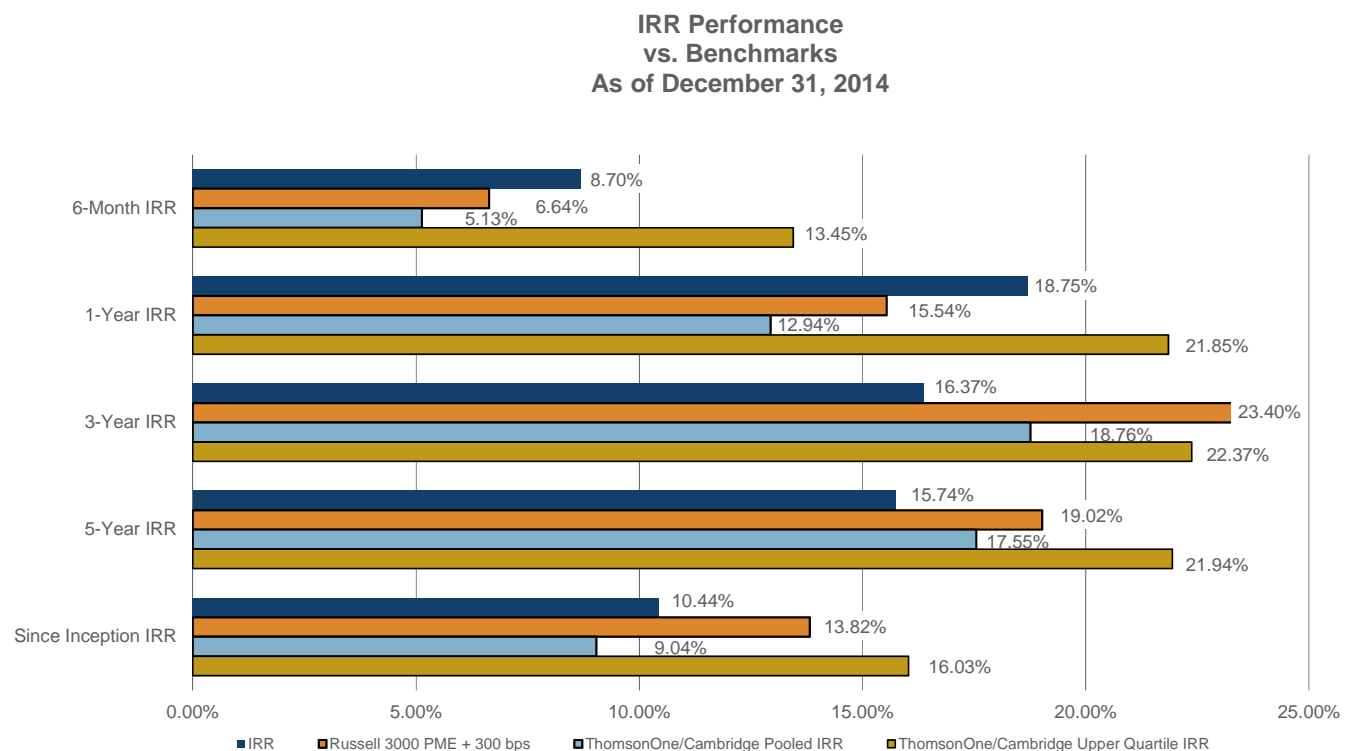
Valor Equity Partners III, L.P. (\$3.5 million) the fund will target growth equity investments within North America. The fund utilizes an opportunistic approach targeting disruptive businesses with significant growth potential across sectors.

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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-, 3-, 5-Year, and Since Inception time periods. The Portfolio is benchmarked against the ThomsonOne/Cambridge Pooled IRR, and ThomsonOne/Cambridge Upper Quartile IRR, as well as the Russell 3000 Public Market Equivalent plus 300bps.



Note: Private Equity benchmark is provided by ThomsonOne/Cambridge and reflects U.S. Buyout Funds Pooled IRR and Upper Quartile IRR as of December 31, 2014, for funds with vintage years 2005, 2006, 2009, 2012, 2013 and 2014. 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 3.0% premium.

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the fourth quarter of 2014 increased 58 basis points from the prior quarter, with the Portfolio generating an IRR of 10.44%.
 - Relative to the benchmarks, the since inception IRR is outperforming the ThomsonOne/Cambridge Pooled IRR by 140 basis points, but is underperforming the ThomsonOne/Cambridge Upper Quartile IRR by 559 basis points and the Russell 3000 plus 300bps by 338 basis points.
- Performance on a one-year basis for the fourth quarter 2014 decreased 291 basis points from the third quarter 2014, with the Portfolio generating an IRR of 18.75%.

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- Relative to the benchmarks, the one-year IRR is outperforming the ThomsonOne/Cambridge Pooled IRR by 581 basis points and the Russell 3000 plus 300bps by 321 basis points, but is underperforming the ThomsonOne/Cambridge Upper Quartile IRR by 310 basis points.
 - Outperformance of the public benchmark can be attributed to the slowed performance in the public markets through the quarter end, December 31, 2014.

Vintage Year Performance

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

Performance by Vintage Year ⁽¹⁾					
Vintage Year	Capital Committed	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR	Russell 3000 + 300bps
2005	\$ 57,000,000	9.47%	8.20%	13.20%	10.94%
2006	44,000,000	8.60%	9.52%	15.65%	11.14%
2009	45,000,000	16.85%	21.32%	26.87%	20.66%
2012	40,000,000	30.76%	9.54%	16.31%	23.51%
2013	87,172,586	N/M	N/M	N/M	N/M
2014	93,950,000	N/M	N/M	N/M	N/M

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

*ThomsonOne/Cambridge Benchmark - U.S. Buyouts as of 12/31/2014

- Vintage year 2012 has generated the highest since inception IRR for the Portfolio at 30.76% and is outperforming the ThomsonOne/Cambridge Median Quartile IRR by 2,122 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 1,445 basis points, and the Russell 3000 plus 300 basis points by 725 basis points.
 - The top performing partnership in the vintage year 2012 is Platinum Equity Capital Partners III, L.P., a Distressed/Turnaround partnership, which has generated a since inception IRR of 71.11%.

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Quarterly Value Analysis

The table below details quarterly performance of the Portfolio for the year ending December 31, 2014.

Portfolio Summary					
in \$ millions	Quarter Ending				Year Ending
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014
Beginning Market Value	\$126.4	\$129.5	\$142.3	\$153.3	\$126.4
Paid-in Capital	6.5	11.3	13.3	16.4	47.5
Distributions	(8.7)	(4.9)	(6.6)	(9.0)	(29.2)
Net Value Change	5.3	6.4	4.3	8.7	24.7
Ending Market Value	\$129.5	\$142.3	\$153.3	\$169.4	\$169.4
Unfunded Commitments	\$168.2	\$196.9	\$207.3	\$200.3	\$200.3
Total Exposure	\$297.7	\$339.2	\$360.6	\$369.7	\$369.7
Point to Point IRR	4.20%	4.88%	2.95%	5.53%	18.75%
Since Inception IRR	9.25%	9.75%	9.86%	10.44%	10.44%

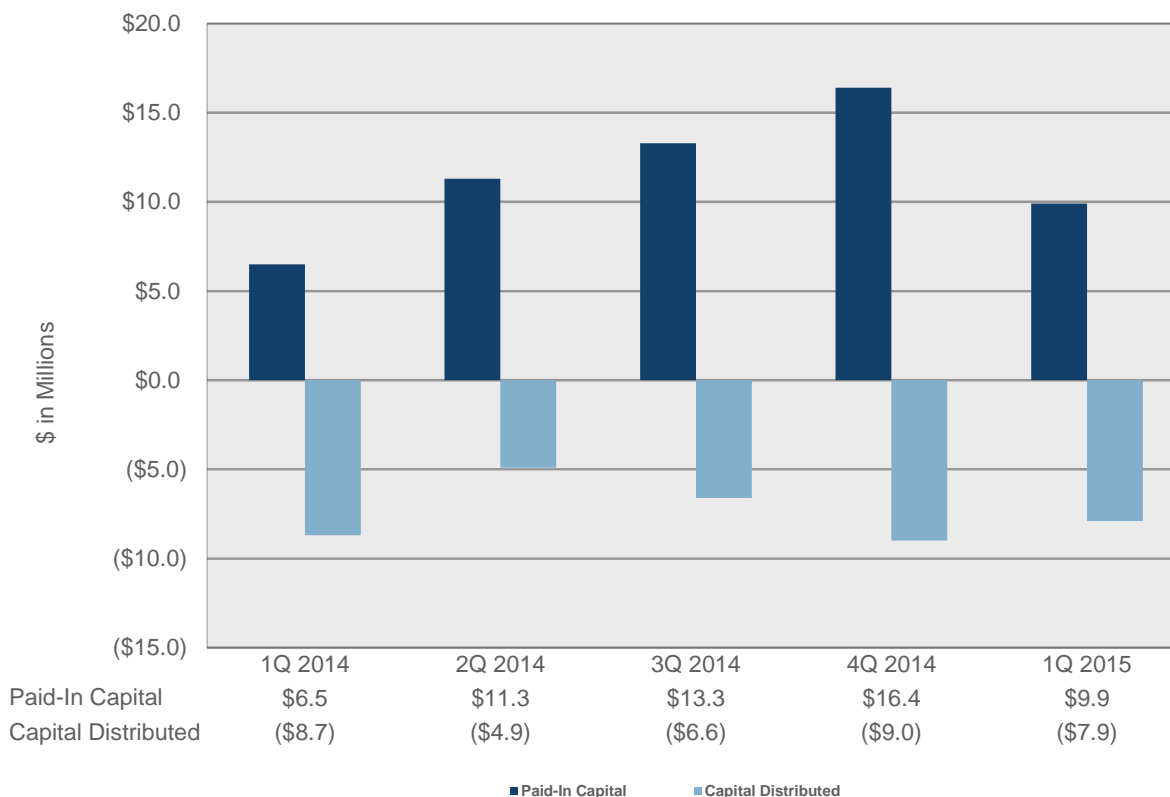
- Over the past twelve months, the Portfolio has experienced a total of \$24.7 million in net value appreciation.
 - The one-year IRR of 18.75% represents a 236 basis point decrease when compared to the one-year IRR as of December 31, 2013.
 - The since inception IRR of 10.44% represents a 159 basis point increase when compared to the since inception IRR as of December 31, 2013.

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Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended March 31, 2015.



- Contribution activity increased during the fourth quarter of 2014, with contributions totaling \$16.4 million. Distribution activity increased modestly during the fourth quarter of 2014, with distributions totaling \$9.0 million.
 - Vista Equity Partners, L.P. called the most capital during the fourth quarter of 2014, calling \$7.1 million for investments in TransFirst, Inc., NAVEX Global Holding Company, and TIBICO Software, Inc.
 - Headquartered in Hauppauge, New York, TransFirst, Inc. is a provider of payment processing technology and value-add solutions to merchants in the United States.
 - Headquartered in Lake Oswego, Oregon, NAVEX Global Holding Company is a leading provider of SaaS-based governance, risk, and compliance solutions.
 - Headquartered in Palo Alto, California, TIBICO Software, Inc. is a provider of infrastructure and analytical software that integrates diverse systems and data sources, while also provides analytical insights.
 - Mesirow Financial Private Equity Partnership Fund III, L.P. distributed the most capital during the fourth quarter of 2014, distributing \$4.6 million in proceeds from various underlying investments.

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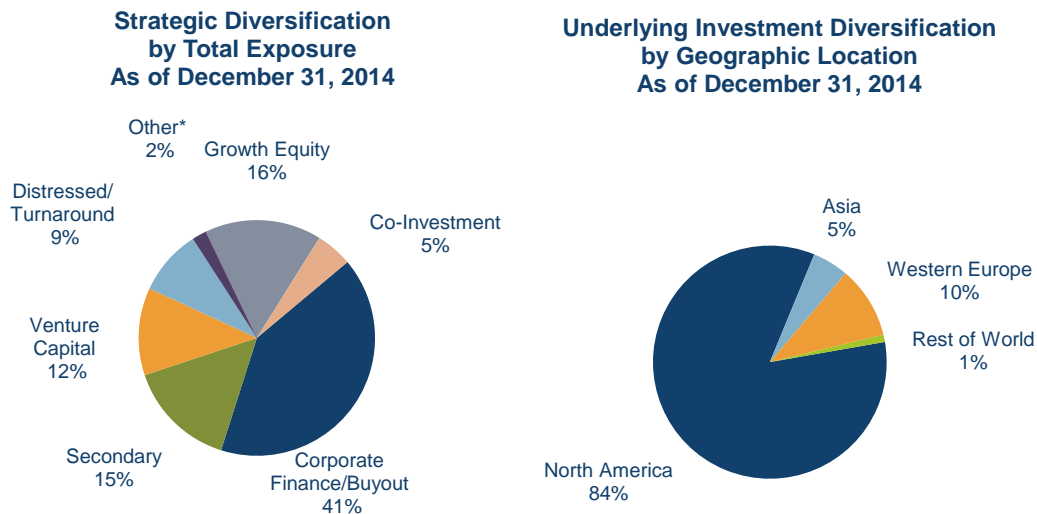
- Contribution activity decreased slightly during the first quarter of 2015, with contributions totaling \$9.9 million. Distribution activity also decreased during the fourth quarter of 2014, with distributions totaling \$7.9 million.
 - Vista Equity Partners Fund V, L.P. called the most capital during the first quarter of 2015, calling \$1.9 million to fund various underlying investments.
 - Mesirow Financial Private Equity Partnership Fund III, L.P. distributed the most capital during the first quarter of 2015, distributing \$3.6 million in proceeds from various underlying investments.

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Portfolio Exposures

The pie chart below represents the strategic and geographic diversification of the Portfolio as of December 31, 2014. Strategy is measured by total exposure, which is the sum of the market value and the unfunded commitments, providing a snapshot of the Portfolio's future diversification. Strategic exposure takes into account the strategies for each underlying partnership in the funds-of-funds within the BERS Portfolio. Geography is measured by the Portfolio's exposed market value of the underlying portfolio holdings.



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

As of December 30, 2014

	Sum of Current Exposed Market Value	% of Total
North America	\$145.9	84%
U.S. (non-NY State)	\$130.1	89%
U.S. (NY State)	\$15.8	11%
Western Europe	\$17.6	10%
Asia	\$8.6	5%
Rest of World	\$1.0	1%
Total	\$173.1	100%

- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 41% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 84% of the Portfolio's underlying market value attributable to this region.
 - The remaining 16% of the Portfolio's exposure is diversified between Western Europe, 'Rest-of-World' and Asia.
 - Roughly 11% of the Portfolio's current exposed market value is based in New York.

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Private Equity Company Exposure

The table below identifies the top ten partnership underlying holdings held by partnerships in the BERS Portfolio, as measured by exposed market value as of December 31, 2014. As noted in the second column, the values of underlying holdings held by several partnerships have been aggregated.

Top 10 Partnership Holdings by Exposed Market Value December 31, 2014			
Partnership Name	Funds-of-Funds	Exposed Valuation (\$ Millions)	% of Total Portfolio
Landmark Acquisition Fund VII	Landmark Equity Partners XV, L.P. Landmark Equity Partners XV, L.P. - Side Car	\$4.4	2.5%
Vicente Capital Partners Growth Equity Fund	New York Fairview Private Equity Fund, L.P.	3.9	2.3%
TIBCO Software, Inc.	Vista Equity Partners Fund V, L.P.	3.7	2.1%
Landmark Acquisition Fund VI	Landmark Equity Partners XV, L.P.	3.4	2.0%
Kelso Investment Associates VIII, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P. Mesirow Financial Private Equity Partnership Fund V, L.P.	3.2	1.9%
M/C Venture Partners VI, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P.	3.1	1.8%
DCMV, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P.	3.0	1.7%
Thoma Bravo Fund X, L.P.	Mesirow Financial Private Equity Partnership Fund IV, L.P. Mesirow Financial Private Equity Partnership Fund V, L.P.	2.9	1.7%
Canaan VII, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P.	2.8	1.6%
Draper Fisher Jurvetson Fund IX, L.P.	Mesirow Financial Private Equity Partnership Fund III, L.P. Mesirow Financial Private Equity Partnership Fund IV, L.P.	2.8	1.6%
Total		\$33.2	19.2%

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

- As of December 31, 2014, the top ten partnership holdings represent 19.2% of the total Portfolio's exposed market value, or \$33.2 million of exposed market value.
- Four of the ten top partnerships are held in multiple funds-of-funds within the portfolio.
- Landmark Acquisition Fund VII, an acquisition vehicle formed for the purpose of making large secondary investments, is the Portfolio's largest exposure and is held through two partnerships, but one fund manager.

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Section 3:

Portfolio Assessment

NYC Board of Education Retirement System
Private Equity Portfolio
As of December 31, 2014 (in USD)

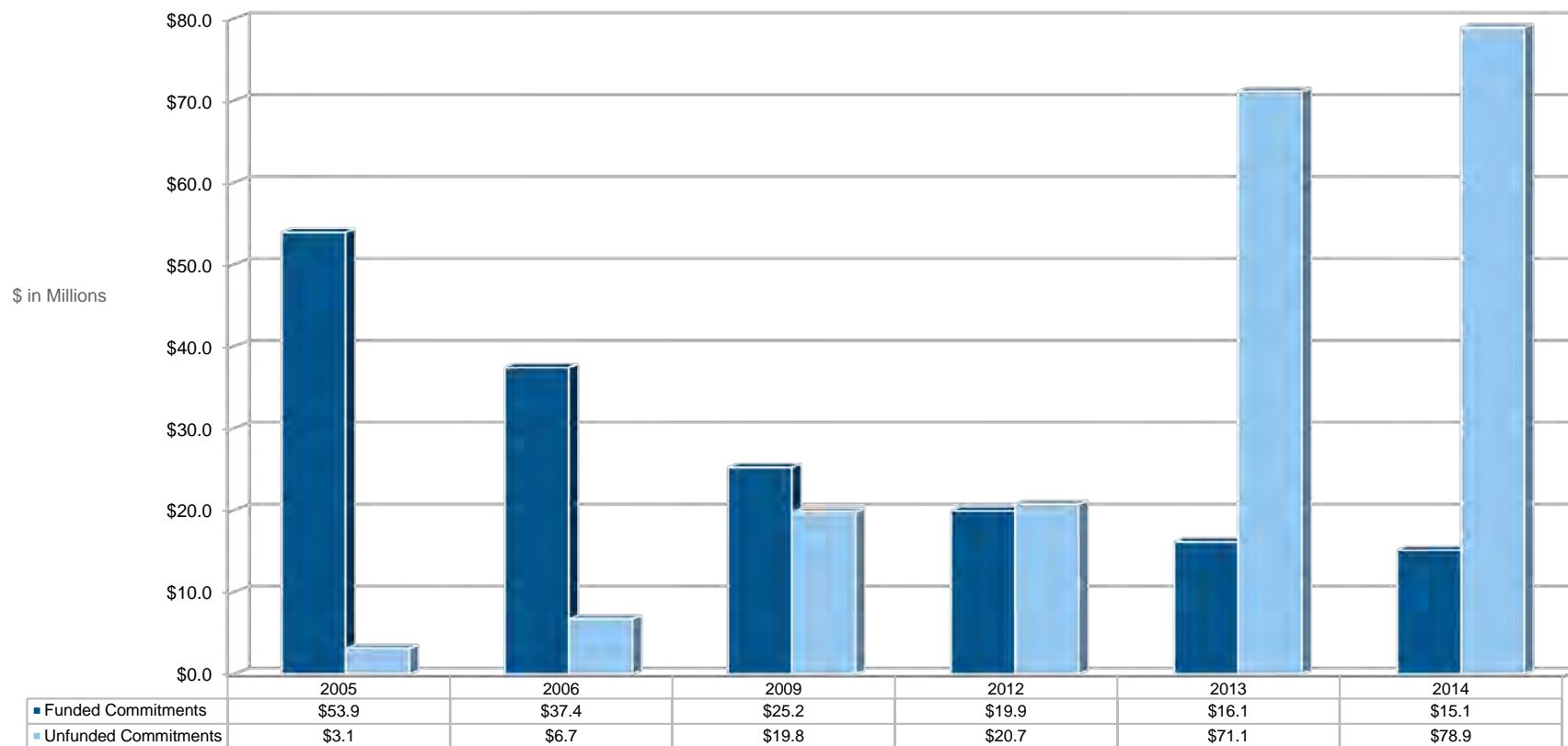
Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
Active Investments								
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$ 57,000,000	\$ 54,238,273	\$ 41,536,092	\$ 47,293,751	1.64x	9.02%
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	20,717,233	7,878,759	22,573,865	1.47x	9.75%
2006	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	16,937,122	10,609,277	11,867,611	1.33x	6.60%
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	25,664,326	2,933,886	33,630,716	1.42x	15.57%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	14,348,070	950,645	16,747,280	1.23x	18.08%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	15,000,000	6,581,286	5,063,046	5,366,131	1.58x	67.81%
2013	Carlyle Partners VI, L.P.	7/3/2013	20,000,000	6,215,379	194	5,944,926	0.96x	N/M
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	2,200,000	485,899	-	449,290	0.00x	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	19,000,000	4,073,024	-	4,502,806	1.11x	N/M
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	6,000,000	1,874,467	-	1,973,804	1.05x	N/M
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	20,000,000	1,731,319	12,756	1,619,596	0.94x	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	18,772,586	1,516,031	2,600	1,144,619	0.76x	N/M
2013	Centerbridge Capital Partners III, L.P.	N/A	2,500,000	-	-	-	0.00x	N/M
2014	ASF VI, L.P.	5/9/2014	15,000,000	3,522,826	-	4,280,238	1.22x	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	5,000,000	2,920,163	-	3,461,007	1.19x	N/M
2014	Crestview Partners III, L.P.	N/A	15,000,000	-	-	-	0.00x	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	N/A	5,000,000	-	-	-	0.00x	N/M
2014	Lexington Capital Partners VIII, L.P.	N/A	20,000,000	-	-	-	0.00x	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	25,000,000	8,030,013	1,949	7,792,465	0.97x	N/M
2014	*NMS Fund II, L.P.	10/31/2014	1,200,000	194,450	-	180,287	0.93x	N/M
2014	*Webster Capital III, L.P.	N/A	2,250,000	-	-	-	0.00x	N/M
2014	*Mill City Fund II, L.P.	12/29/2014	1,200,000	673,113	-	620,882	0.92x	N/M
2014	*Raine Partners II, L.P.	N/A	3,000,000	-	-	-	0.00x	N/M
Total Portfolio			\$ 367,122,586	\$ 169,722,994	\$ 68,989,204	\$ 169,449,274	1.40x	10.44%

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
Commitments Closed Subsequent to as of Date								
2014	American Securities Partners VII, L.P.	N/A	8,000,000	-	-	-	N/A	N/A
2014	Siris Partners III, L.P.	N/A	1,600,000	-	-	-	N/A	N/A
2015	Valor Equity Partners III, L.P.	N/A	3,500,000	-	-	-	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 13,100,000	\$ -	\$ -	\$ -	N/A	N/A

*NMS Fund II, L.P., Webster Capital III, L.P., Mill City Fund II, L.P., and Raine Partners II, L.P. are part of the NYCBERS - 2012 Emerging Manager Program of which NYCBERS has total commitments of \$25.0 million.

Note: Where available, December 31, 2014 reported valuations were used. In the absence of December 31, 2014 reported values, market values have been adjusted forward using interim cashflows through December 31, 2014. 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 December 31, 2014.

**NYC Board of Education Retirement System
Commitments By Vintage Year
As of December 31, 2014**



Funded Commitments exclude additional fees.

Unfunded Commitments include recallable returns of capital.

NYC Board of Education Retirement System

Fourth Quarter 2014 Report



Section 4:

Funds-of-Funds Review

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

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

Fund Overview

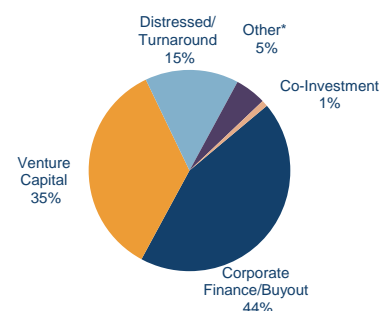
The Partnership, a 2005 vintage year Partnership, was formed on April 6, 2005 with the intent of investing capital in various private equity limited partnerships. As of December 31, 2014, the Partnership has invested in 40 underlying funds.

Partnership Summary

NYC Board of Education Retirement System committed \$57.0 million to the Mesirow Financial Private Equity Partnership Fund III, L.P. and as of December 31, 2014, has generated a 9.47% IRR and a Total Value Multiple of 1.64x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ millions	9/30/2014	12/31/2014	Change
Capital Commitment	\$57.0	\$57.0	-
Unfunded Commitment	\$4.0	\$3.1	(\$0.9)
Capital Contributed	\$53.4	\$54.2	\$0.8
Capital Distributed	\$37.0	\$41.5	\$4.5
Market Value	\$47.8	\$47.3	(\$0.5)
Total Value Multiple	1.59x	1.64x	0.05x
Since Inception IRR	9.02%	9.47%	45bps

Strategic Diversification
by Exposed Market Value
As of December 31, 2014



Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
7.51%	19.84%	15.44%	16.04%	9.47%

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

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund III, L.P. is underperforming the upper quartile benchmark¹ by 127 bps and is outperforming the median quartile benchmark¹ by 339 bps on a since inception basis, as of December 31, 2014.

Outperformance of the median quartile benchmark¹ is being driven by ten underlying funds, all of which are being held above a 2.0x total value multiple as of December 31, 2014. The ten underlying partnerships are equally spread across buyout, venture capital and distressed/turnaround strategies and represent roughly 34.4% of underlying commitments.

Underperformance when compared to the upper quartile benchmark¹ is being driven by nine underlying funds, all of which are being held below a 1.0x total value multiple as of December 31, 2014. Four of the nine funds are European focused, which were established in tough vintage years and have been further hurt by exchange rates. The nine funds represent roughly 12.0% of underlying commitments.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of December 31, 2014

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

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

Fund Overview

The Partnership, a 2006 vintage year Partnership, was formed on November 21, 2006 with the intent of investing capital in various private equity limited partnerships. As of December 31, 2014, the Partnership has invested in 46 underlying funds.

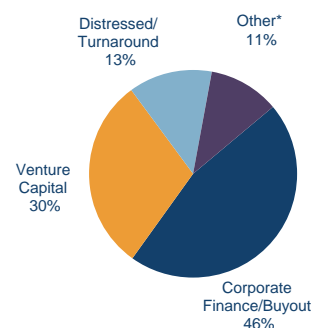
Partnership Summary

NYC Board of Education Retirement System committed \$25.0 million to the Mesirow Financial Private Equity Partnership Fund IV, L.P. and as of December 31, 2014, has generated a 10.24% IRR and a Total Value Multiple of 1.47x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ millions	9/30/2014	12/31/2014	Change
Capital Commitment	\$25.0	\$25.0	-
Unfunded Commitment	\$5.0	\$4.5	(\$0.5)
Capital Contributed	\$20.2	\$20.7	\$0.5
Capital Distributed	\$6.3	\$7.9	\$1.6
Market Value	\$22.6	\$22.6	-
Total Value Multiple	1.43x	1.47x	0.04x
Since Inception IRR	9.75%	10.24%	49bps

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
6.26%	14.25%	15.68%	14.70%	10.24%

Strategic Diversification
by Exposed Market Value
As of December 31, 2014



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

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund IV, L.P. is underperforming the upper quartile benchmark¹ by 81 bps and is outperforming the median quartile benchmark¹ by 355 bps on a since inception basis, as of December 31, 2014.

Outperformance of the median quartile benchmark¹ is being driven by eight underlying funds, all of which are being held above a 2.0x total value multiple as of December 31, 2014. These eight funds represent roughly 18.7% of underlying commitments.

Underperformance when compared to the upper quartile benchmark¹ is being driven by two underlying funds, which are being held at or below a 1.0x total value multiple as of December 31, 2014. One of the funds is European focused, and was established in a tough vintage year and has been further hurt by exchange rates. The two funds represent roughly 1.8% of underlying commitments.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of December 31, 2014

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

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

Fund Overview

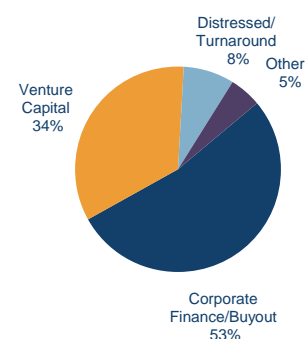
The Partnership, a 2009 vintage year Partnership, was formed on November 5, 2008 with the intent of investing capital in various private equity limited partnerships. As of December 31, 2014, the Partnership has invested in 51 underlying funds.

Partnership Summary

NYC Board of Education Retirement System committed \$45.0 million to the Mesirow Financial Private Equity Partnership Fund V, L.P. and as of December 31, 2014, has generated a 16.85% IRR and a Total Value Multiple of 1.42x from its investment. The Partnership is well diversified strategically.

Performance Summary			
\$ millions	9/30/2014	12/31/2014	Change
Capital Commitment	\$45.0	\$45.0	-
Unfunded Commitment	\$20.3	\$19.8	(\$0.5)
Capital Contributed	\$25.2	\$25.7	\$0.5
Capital Distributed	\$2.0	\$2.9	\$0.9
Market Value	\$31.9	\$33.6	\$1.7
Total Value Multiple	1.35x	1.42x	0.07x
Since Inception IRR	15.57%	16.85%	128bps

Strategic Diversification
by Exposed Market Value
As of December 31, 2014



Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
8.90%	17.79%	18.27%	N/A	16.85%

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

Performance Drivers

When compared to global private equity funds of the same vintage, Mesirow Financial Private Equity Partnership Fund V, L.P. is underperforming the upper quartile benchmark¹ by 470 bps and is outperforming the median quartile benchmark¹ by 278 bps on a since inception basis, as of December 31, 2014.

Outperformance of the median quartile benchmark¹ is being driven by five underlying funds, all of which are being held above a 2.0x total value multiple as of December 31, 2014. One of the five underlying funds is a secondary purchase. These five funds represent roughly 17.2% of underlying commitments.

Underperformance when compared to the upper quartile benchmark¹ is being driven by four underlying funds, all of which are being held at or below a 1.0x total value multiple as of December 31, 2014. The four funds represent roughly 4.8% of underlying commitments.

¹ ThomsonOne/Cambridge – Global All Private Equity IRR as of December 31, 2014

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

New York Fairview Private Equity Fund, L.P.

Fund Overview

The Partnership, a 2006 vintage year Partnership, was formed on May 22, 2006 with the intent of investing in emerging private equity funds with aggregate capital commitments of no more than \$300million. As of December 31, 2014, the Partnership has invested in 6 underlying funds.

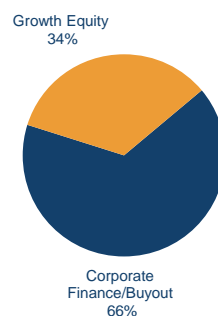
Partnership Summary

NYC Board of Education Retirement System committed \$19.0 million to the New York Fairview Private Equity Fund, L.P. and as of December 31, 2014 has generated a 6.80% IRR and a Total Value Multiple of 1.33x from its investment. The Partnership is heavily weighted towards Corporate Finance/Buyout, with roughly 66% of the underlying funds exposed market value attributable to this sector.

Performance Summary			
\$ millions	9/30/2014	12/31/2014	Change
Capital Commitment	\$19.0	\$19.0	-
Unfunded Commitment	\$2.2	\$2.2	-
Capital Contributed	\$16.9	\$16.9	-
Capital Distributed	\$9.6	\$10.6	\$1.0
Market Value	\$12.5	\$11.9	(\$0.6)
Total Value Multiple	1.30x	1.33x	0.03x
Since Inception IRR	6.60%	6.80%	20bps

Time Horizon Performance				
6-Month IRR	1-Year IRR	3-Year IRR	5-Year IRR	Since-Inception IRR
7.33%	10.37%	12.77%	11.17%	6.80%

Strategic Diversification
by Exposed Market Value
As of December 31, 2014



Performance Drivers

When compared to global private equity funds of the same vintage, New York Fairview Private Equity Fund, L.P. is underperforming the upper quartile benchmark¹ by 425 bps and outperformance median quartile benchmark¹ by 11 bps, on a since inception basis, as of December 31, 2014.

Underlying fund performance has been mixed, with two funds performing well and being held above a 2.0x total value multiple. The funds represent roughly 36.6% of the total underlying commitments. The four remaining underlying funds are being held at or above 1.1x total value multiple or lower as of December 31, 2014.

¹ThomsonOne/Cambridge – Global All Private Equity IRR as of December 31, 2014

NYC Board of Education Retirement System

Fourth Quarter 2014 Report



Appendix A:

Glossary of Terms

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

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

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

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

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

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

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

Cost Basis: Capital contributions less return of principal.

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

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

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

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

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

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

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

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

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

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

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

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

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

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

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

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

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

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

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

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

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

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

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

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

NYC Board of Education Retirement System

Fourth Quarter 2014 Report



Appendix B:

Disclosure Statement

NYC Board of Education Retirement System

Fourth Quarter 2014 Report

Non-public information contained in this report is confidential and intended solely for dissemination to NYC Board of Education Retirement System and/or its Affiliates. Hamilton Lane has prepared this report to enable NYC Board of Education Retirement System and/or its Affiliates to assess the performance and status of its alternative investment portfolio. Hamilton Lane hereby disclaims any liability resulting from any unauthorized dissemination of the attached information.

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

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

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

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

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Real Assets Quarterly Report

The New York City Board of Education Retirement System

Executive Summary: Fourth Quarter 2014 Performance Measurement Report Real Estate

Portfolio Profile

The New York City Board of Education Retirement System has allocated 7.0% (+/- 2%) of the total plan to Real Assets. Real Estate investments are categorized under Real Assets. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

Portfolio Statistics (December 31, 2014)

Total Plan Assets	\$4.2 billion
Target Real Assets Allocation (%)	7%
Target Real Assets Allocation (\$)	\$296.5 million
Total Real Estate Market Value	\$152.1 million
Real Estate Unfunded Commitments	\$100.7 million
Total Real Estate Exposure	\$252.8 million
Number of Investments	11
Number of Managers	11

Net Returns (as of December 31, 2014)

4Q14 Time-Weighted Net Return:	3.1%
1 Year Time Weighted Net Return:	13.9%
3 Year Time Weighted Net Return:	11.3%
Inception-to-Date (ITD) Time-Weighted:	7.9%
ITD Net IRR:	11.5%
ITD Net Equity Multiple:	1.2x

Investment Guidelines

Style Sector:	Target •40-60% Core/Core Plus •40-60% Non-Core
Benchmark	NFI-ODCE Index +100 bps net over full market cycles
Region Diversification	Maximum 25% Int'l
Investment Diversification	Limit 15% to a single investment
Manager Diversification	Limit 15% to a single manager
Leverage	65%

Fourth Quarter Investment Activity

During the Quarter, the Board made a \$15.0 million commitment to an opportunistic debt fund and a \$6.0 million re-up to an opportunistic European fund.

OVERVIEW

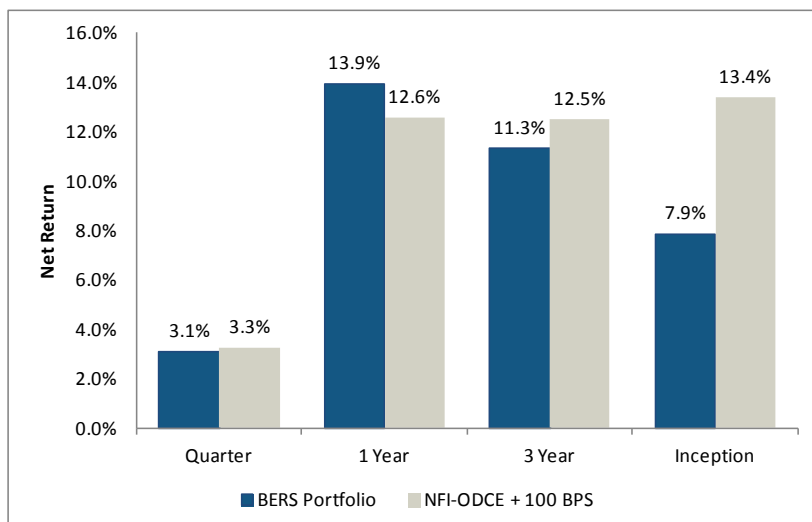
Global real estate is well positioned to continue its momentum in capital markets now supported by improving corporate demand for office and industrial space. Interest is growing in higher-yielding assets in smaller and second-tier locations, particularly in the U.S. and Europe. This demand is due, in part, to competition, yield compression and strengthening property market fundamentals. Development activity is continuing to increase as tenant expansion and tightening fundamentals further justify new construction. In Europe, investment activity in commercial real estate rose 49% in 4Q14 from 3Q14, with a cumulative increase of 32% for the year. In addition, transactional volumes in real estate reached record highs in the Asian markets of China, Japan and Australia for the Fourth Quarter. As core markets remain frothy, the shift to secondary markets is inevitable and provides opportunities for a higher flow of national and foreign capital.

Direct Commercial Real Estate Volumes, 2014

	\$ US		% Change		% Change		% Change	
Billions	Q3 14	Q4 14	Q3 14 - Q4 14	Q4 13 - Q4 14	Q4 13 - 2013	2013	2014	2013 - 2014
Americas	79	94	19%	88	7%	241	302	25%
EMEA	64	93	45%	86	8%	221	277	25%
Asia Pacific	32	43	35%	37	17%	127	131	3%
Total	175	230	31%	211	9%	589	710	20%

Source: Jones Lang LaSalle, January 2015

The New York City Board of Education Retirement System ("NYCBERS") Real Estate Portfolio is well positioned to take advantage of conditions in the real estate marketplace and has been an active investor in the most recent vintage years. At the end of the Fourth Quarter 2014, the Portfolio achieved a total gross return of 3.5% which was comprised of 1.3% income and 2.2% appreciation. The net return for the Quarter was 3.1%. A detailed analysis of the Portfolios real estate performance is found later in this Executive Summary.



The New York City Board of Education Retirement System

Executive Summary: Fourth Quarter 2014 Performance Measurement Report Real Estate

FUNDING AND COMPOSITION

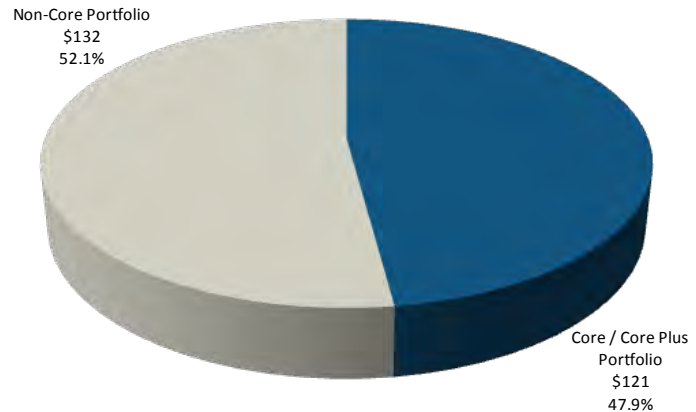
At the end of the Fourth Quarter, the Portfolio was funded at \$152.1 million, or 3.6% of total plan assets. A total of \$100.7 million in unfunded commitments are still outstanding. Unfunded commitments are up from \$93.2 million as of Third Quarter 2014. New commitment activity has accelerated over the past several months and the trend will continue throughout 2015.

New contributions for the Quarter totaled \$17.1 million, offset by \$3.0 million in distributions and withdrawals. Distributions were weighted to the Non-Core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Value + Unfunded Commitments. The Core/ Core Plus component accounts for 47.9% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 52.1% of the Portfolio exposure.

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

Real Estate Exposure



New York City Board of Education Retirement System

Total Plan Assets	12/31/2014	4,236
Real Asset Allocation (%)		7.0
Real Asset Allocation (\$)		296

Style Sector Exposure (Market Value and Unfunded Commitments)

Funded (Market Value) Core / Core Plus Portfolio	\$106
Funded (Market Value) Non-Core Portfolio	\$46
Unfunded Core / Core Plus Portfolio	\$15
Unfunded Non-Core Portfolio	\$86

Funded (Market Value) and Committed Statistics

Core / Core Plus Portfolio	47.9%
Non-Core Portfolio	52.1%
\$ Committed	\$253
% Committed on Real Asset Allocation	85.4%
% Committed on Total Plan Assets	6.0%

Funded (Market Value) Statistics

% Funded (Market Value) of Total Plan Assets	3.6%
% Funded (Market Value) of Total Real Asset Allocation	51.4%

The New York City Board of Education Retirement System

Executive Summary: Fourth Quarter 2014 Performance Measurement Report Real Estate

PERFORMANCE

During the Quarter under review, the NYCBERS Real Estate Portfolio produced a 3.5% total gross return. The total net return for the Quarter was 3.1%. On a rolling one-year basis the total gross return of 15.8% was recorded. On a net basis the total return was 13.9%. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles. This benchmark is not meaningful at this point in time as the NYCBERS Portfolio is in its infancy. The various components of the Portfolio returns are depicted in the chart below.

Core/Core Plus

As of December 31, 2014 the market value of the Core/ Core Plus Portfolio was \$105.9 million, or 69.6% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$121.1 million, or 47.9% of the total Portfolio. The Core/ Core plus Portfolio generated a 3.7% total gross return for the Quarter comprised of 1.3% in income and 2.4% in appreciation. The total net return for the Quarter was 3.5%.

The most significant contributor to the Quarterly return for the Core/Core Plus Portfolio was Related, which added 0.49% to the total return. The largest detractor from the Core/Core Plus Portfolio was UBS Trumbull Property Fund, which detracted (1.11)% from the total net return.

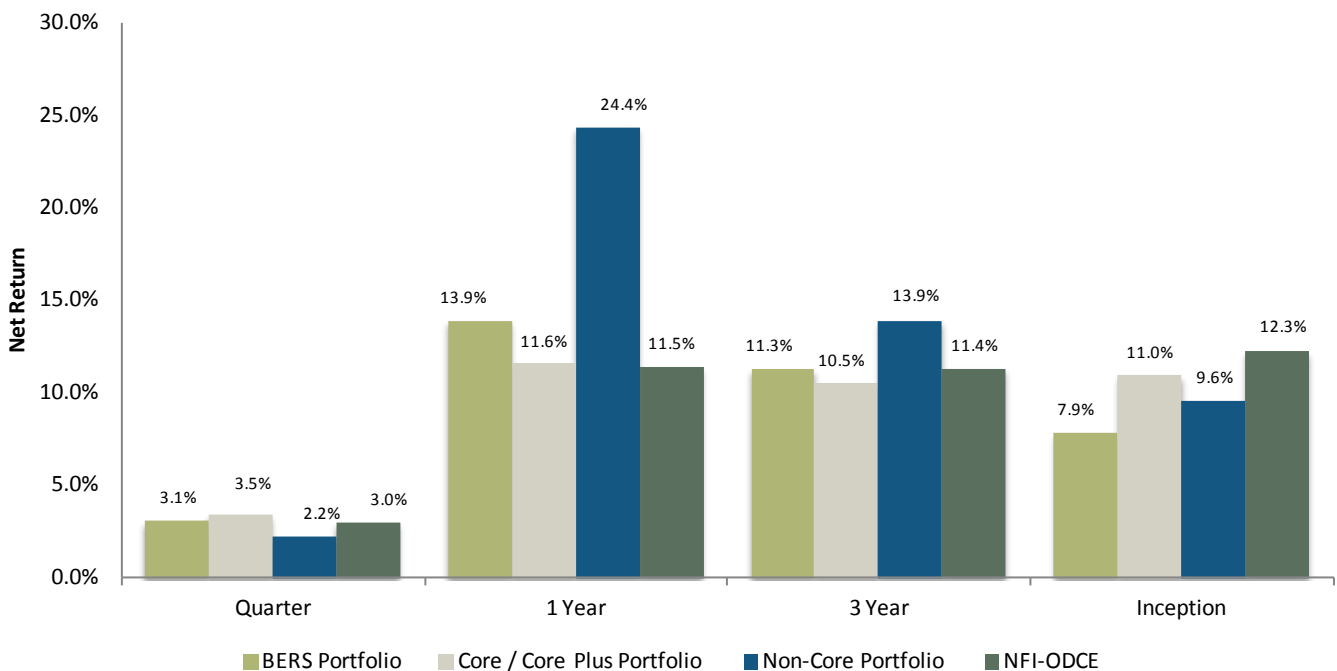
The Core/Core Plus Portfolio achieved a 11.6% net return over the one-year period ending December 31, 2014 and has achieved a 11.0% net return since the inception of the Core/ Core Plus Portfolio in 2011.

Non-Core

As of December 31, 2014 the market value of the Non-Core Portfolio was \$46.2 million, or 30.4% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$131.7 million, or 52.1% of the total Portfolio. The Non-Core Portfolio generated a 3.1% total gross return for the Quarter comprised of 1.2% in income and 1.9% in appreciation. The total net return for the Quarter was 2.2%.

Of the six Non-Core Funds that contributed to the Quarterly return, Franklin Templeton Private Real Estate Fund contributed the most, adding 1.1%. Blackstone Real Estate Partners Europe IV was the largest detractor for the Quarter, taking away (1.3)% from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio achieved a 24.4% net return over the one-year period ending December 31, 2014 and has achieved a 9.6% net return since the inception of the Non-Core Portfolio in 2011.



The New York City Board of Education Retirement System

Executive Summary: Fourth Quarter 2014 Performance Measurement Report Real Estate

PERFORMANCE

Portfolio Performance

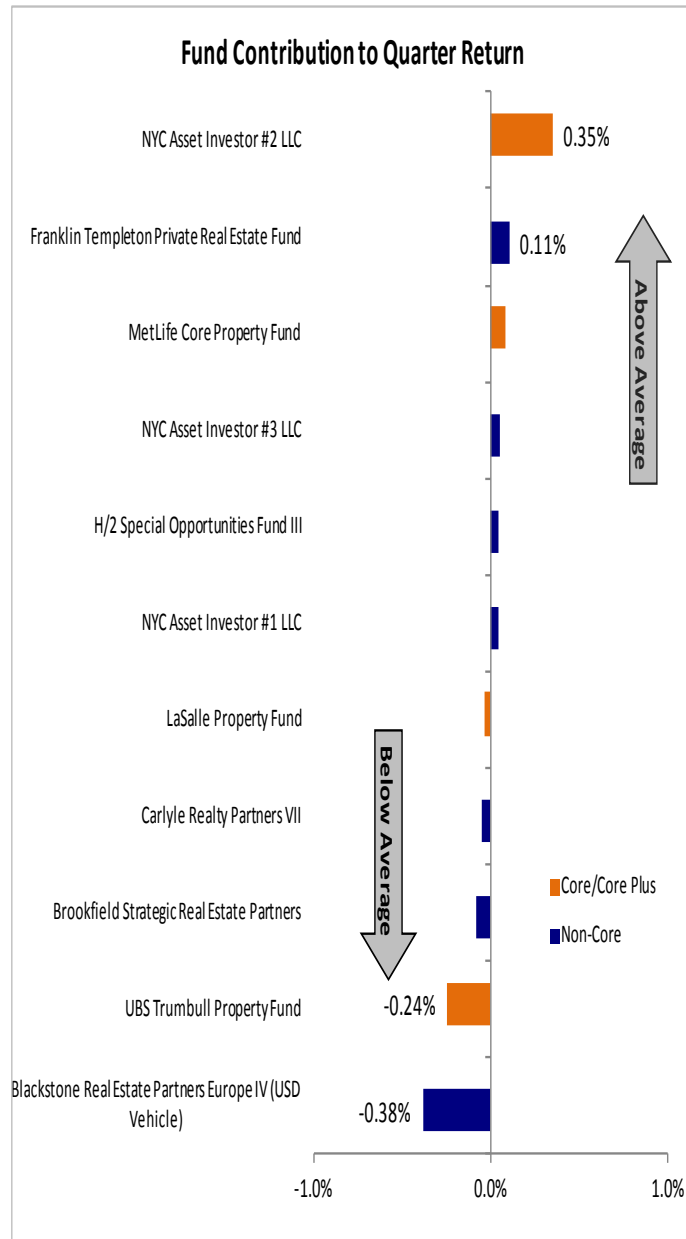
At the end of the Fourth Quarter 2014, the Portfolio had a cumulative market value of \$152.1 million. Total market value plus unfunded commitments was \$252.8 million, or 85.4% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 3.5% which was comprised of 1.3% income and 2.2% appreciation. The Portfolio achieved a total net return of 3.1%. Since inception, the Portfolio has a net IRR of 11.5% and an equity multiple of 1.2x as of December 31, 2014. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven by Related, which contributed 0.35% to the overall performance. The primary laggard in the Portfolio was Blackstone Real Estate Partners Europe IV, which detracted (0.38%). Brief reviews of the Funds in the Portfolio are found below. Note, that attached as Exhibit C is a chart relating to fund contributions to returns over the one-year period.

NYC Asset Investor #2 (Related). The Fund produced a 12.5% total gross return, comprised of (0.1)% in income and 12.6% in appreciation. Over the year 2014, the Portfolio acquired 36 multifamily properties in the Bronx (New York) through four investments. As of December 31, 2014 \$310 million of capital has been committed, and \$142 million has been contributed which represents 45.8% of committed capital. A total of \$171 million remains to be invested.

Franklin Templeton Private Real Estate Fund (FTPREF). The Fund's total gross return for the Quarter was 4.1% comprised of 2.3% in income and 1.8% in appreciation. The net return after fees was 3.9%. Through December 31, 2014, the Fund has closed 14 investments. Two additional investments closed since third quarter. An amendment has been created to end the investment period at December 31, 2014 instead of March 31, 2015. Therefore, the management fee will now be based on invested equity. The first of the two investments made during the Quarter was a fund that will pursue value-add real estate in Spain, specifically Madrid and Barcelona. The fund may also invest up to 20% in Italy. The second fund added to the portfolio has 11 premium hotels seeding the fund. They are located throughout the southeastern U.S. and include familiar brands such as Marriott and Hilton. There was a total of \$14.2 million distributed from underlying investments during the Quarter.

MetLife Core Property Fund. The Fund produced a 7.2% total gross return, comprised of 3.2% in income and 4.0% in appreciation. The net return after fees was 6.9%. Appreciation was primarily driven by the apartment portfolio along with the office sector. The Fund received \$94 million in new commitments during the Quarter. \$230 million of gross investment value was allocated to three new acquisitions throughout the Fourth Quarter. A 20-story luxury development apartment located in a submarket of Atlanta, Georgia was one of the three investments and represents the first acquired "non-core" asset within the portfolio. In addition, a \$75 million open air retail center in a Cincinnati, Ohio suburb was purchased in October. This is the Fund's first retail asset. An industrial asset was sold for \$19 million during Fourth Quarter representing the Fund's only disposition for the Quarter. For the 2014 calendar year, \$404 million was invested across five investments allowing for diversification in geographic regions and property types for the Fund. The portfolio was 93.9% leased at the end of the Quarter.

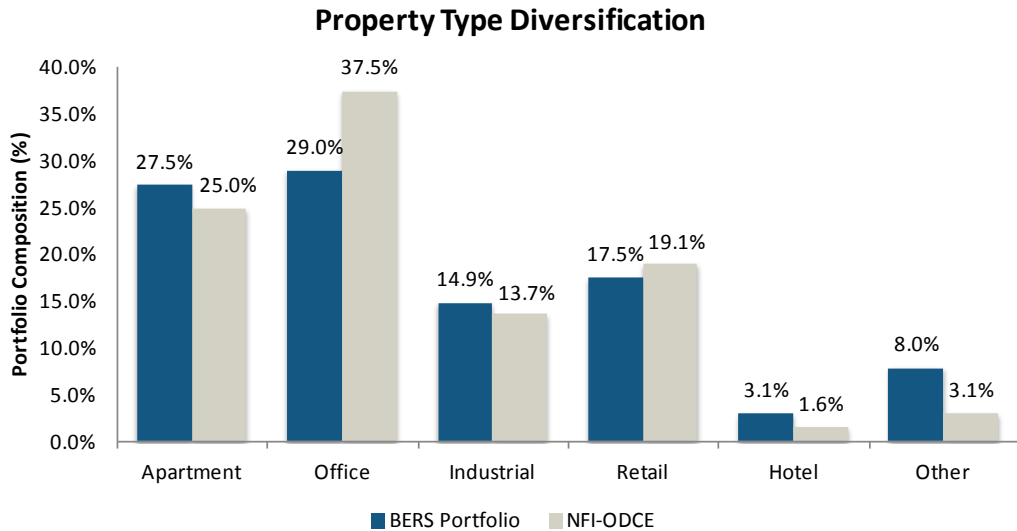


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Executive Summary: Fourth Quarter 2014 Performance Measurement Report
Real Estate

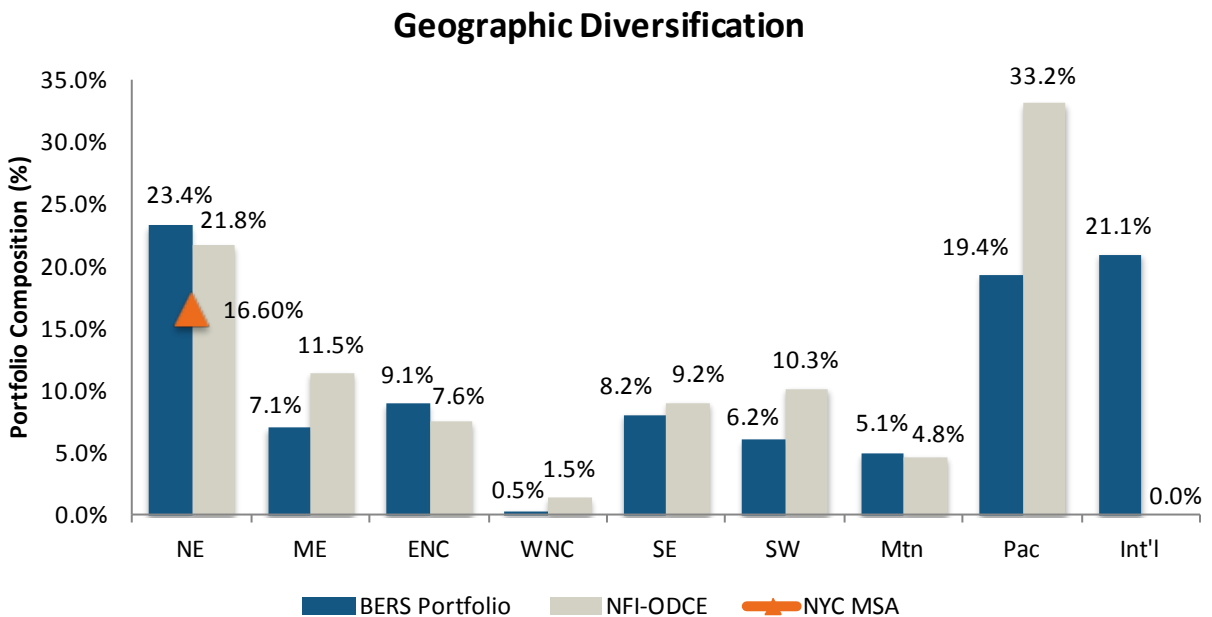
PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. The Portfolio is in line with all property sectors relative to the ODCE, with an underweight to Office and a slight overweight to Apartments, Industrial, Hotel and Other.



GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight overweight to the Northeast and East North Central and a slight underweight to the Midwest, Southeast, Southwest and Pacific. The 21.1% international exposure is appropriate for the risk and return profile of NYCBERS and consistent with our long-term target.



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MARKET UPDATE

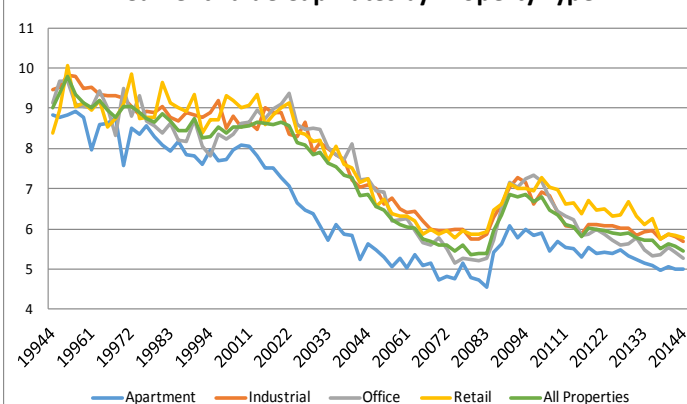
General

- In 2014, real GDP increased to 2.4%, 20 bps above 2013. Economic expansion in the US was driven by stronger consumer spending, business investment, and exports. Exports benefited from an increase in exports of industrial supplies and materials. Growth was partially offset by lower government spending and rising imports.
- As of 4Q14, consumer spending grew by 4.2%, the highest since 4Q10. Consumer confidence was fueled by declines in energy prices and improving job market fundamentals. Job growth has surpassed pre-recession peaks, as 8.7 million jobs lost during the GFC were recovered and a minimum of 200,000 jobs per month were created in 2014.
- In 2014, lending in the securitized market greatly improved, with CMBS issuance rising to \$94.1 billion, 9% above 2013.
- Lower energy prices are a net positive for the U.S. economy and are expected to add approximately 50 basis points to GDP over the next 12–18 months. However, the steep decline in energy prices may stimulate rising risks in high-yield corporate bond markets, particularly for energy firms, which constitute 14% of the US high-yield bond market.
- As of 2014, the US economy is healthier and safer than the rest of the world, as international investments are generally subject to greater risks, which include geopolitical events, deflationary pressures, especially in Europe, and recently the decline in oil prices for energy-focused economies.
- Fundamentals in the job market provide evidence of the broader economic recovery in sectors outside of technology and energy, and benefit highly diversified metros such as Chicago and Atlanta.

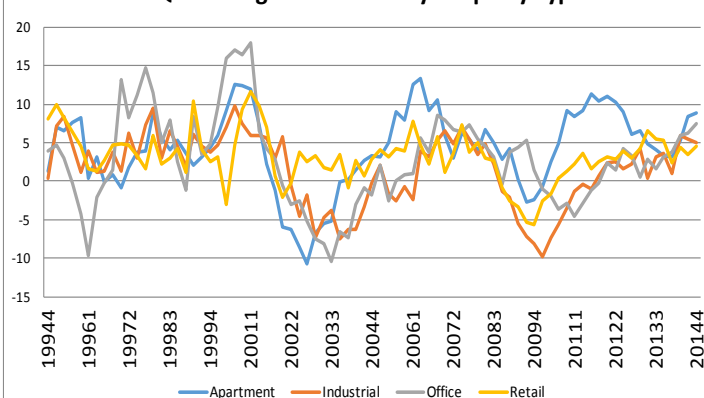
Commercial Real Estate

- As of 2014, sales of commercial real estate properties (with the exception of land investments) appreciated by 17% over 2013, and reached \$402 billion. Transaction activities are expected to remain strong in 2015 with higher flow of national and foreign capital.
- As of 2H14, the shift of capital from primary markets to secondary and tertiary markets has decelerated compared to previous years, largely due to continued risk aversion and global uncertainties. Transaction volumes in the six major metros increased by 23.8% in 2014, compared to 2.4% in non-gateway markets.
- As of 2014, transaction cap rates from all traditional property sectors, with the exception of hotels, experienced continuous declines due to rising property values. As of 4Q14, property values in aggregate have exceeded 2007 peak levels.
- Lending activity remains strong with major lenders such as banks and life companies increasing allocations to real estate investments. Higher availability of capital increases competition among lenders and orient expectations toward further compression in loan spread and lending rate, albeit a potential rise in interest rates.

Current Value Cap Rates by Property Type



4-Qtr Rolling NOI Growth by Property Type



The New York City Board of Education Retirement System

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Real Estate

EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles (10-year)	N/A
Portfolio Composition	Core/Core Plus (minimum of 40%)	The portfolio is funded (market value) and committed at 85.4% of real asset allocation with a portfolio composition of 47.9% core and 52.1% non-core.
	Non Core (minimum of 60%)	
Real Asset Allocation	Target of 7.0%	Funded (market value) and committed dollars place the portfolio at 6.0% of total plan assets.
	Currently Funded at 3.6%	
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	All property type locations are in compliance.
Geographic Diversification	Diversified geographically Max 25% Ex-US	All geographic type locations are in compliance
LTV	65%	Portfolio is in early stages of funding, but is in compliance (28.7%).
Manager Exposure	15% of real estate allocation	N/A

The New York City Board of Education Retirement System

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EXHIBIT B: Fourth Quarter 2014 FOIL



TOWNSENDGROUP

New York City Board of Education Retirement System

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2011	LaSalle Property Fund	12/13/2010	27,600,000	25,965,833	-2,967,085	30,964,933	1.3	12.3
2014	MetLife Core Property Fund	7/1/2014	15,000,000	7,558,140	-112,573	7,785,946	1.0	24.9
2013	NYC Asset Investor #2 LLC	7/9/2013	11,000,000	5,042,624	-134,023	5,599,756	1.1	18.0
2011	UBS Trumbull Property Fund	4/1/2011	41,400,000	50,201,571	-7,032,013	61,554,727	1.4	10.1
	Core/Core Plus Portfolio		95,000,000	88,768,168	-10,245,694	105,905,362	1.3	10.8
2014	Blackstone Real Estate Partners Europe IV	12/23/2013	32,500,000	13,375,978	-1,345,086	12,106,773	1.0	1.1
2012	Brookfield Strategic Real Estate Partners	9/20/2012	10,000,000	8,711,016	-1,267,308	8,789,058	1.2	16.6
2014	Carlyle Realty Partners VII	6/30/2014	25,000,000	2,073,611	0	1,807,947	0.9	0.0
2011	Franklin Templeton Private Real Estate Fund	3/31/2011	30,000,000	20,826,961	-9,412,955	15,962,204	1.2	18.9
2015	H/2 Special Opportunities Fund III	12/29/2014	15,000,000	876,441	0	938,683	n/a	n/a
2013	NYC Asset Investor #1 LLC	6/25/2013	10,000,000	4,836,467	-313,287	5,295,383	1.2	23.9
2013	NYC Asset Investor #3 LLC	9/20/2013	8,000,000	1,209,548	0	1,274,333	1.1	8.2
	Non-Core Portfolio		130,500,000	51,910,022	-12,338,636	46,174,380	1.1	15.6
	New York City Board of Education Retirement System		225,500,000	140,678,190	-22,584,330	152,079,743	1.2	11.5

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 December 31, 2014.

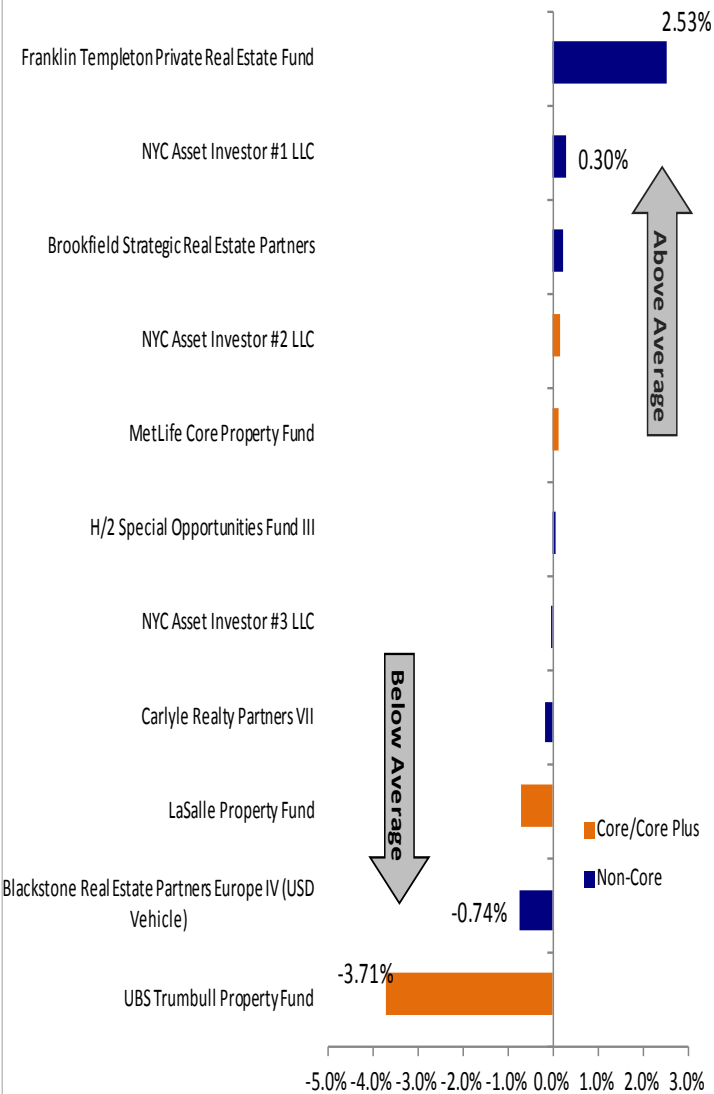
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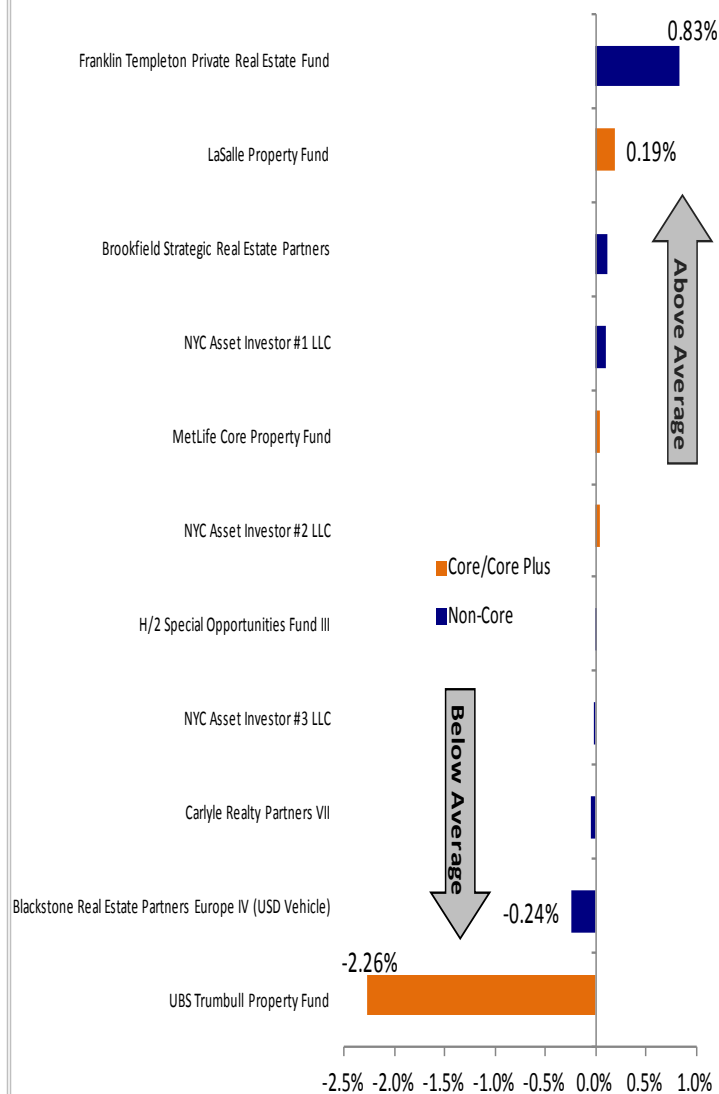
Real Estate

EXHIBIT C : ATTRIBUTION

Fund Contribution to 1 Year Return



Fund Contribution to 3 Year Return





Infrastructure Monitoring Report

For the period ended December 31, 2014

Report Prepared For:

New York City Board of Education Retirement System



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Past performance is not necessarily indicative of future results. Actual performance may vary.

I. Executive Summary

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

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

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

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

Since inception through December 31, 2014, the Program has committed US\$40.0 million to three partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of December 31, 2014 as well as significant activity that occurred during the fourth quarter of 2014.

Allocation Summary

NYC BERS has a Real Assets allocation target of 7% (plus or minus 2%) of total pension assets. Infrastructure is a component asset class within the NYC BERS Real Assets investment program.

As of December 31, 2014, the market value of NYC BERS Real Assets Program represented approximately 3.5% of total pension assets. The market value of NYC BERS Infrastructure Program represented approximately 0.1% of total pension assets, a one basis point decrease from the prior quarter.

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

US\$ in millions *	December 31, 2014	September 30, 2014	December 31, 2013	Quarterly Change	Yearly Change
Total Pension Assets *	\$4,236.0	\$4,132.0	\$3,920.0	\$104.0	\$316.0
Total Real Assets *	\$150.0	\$134.0	\$98.0	\$16.0	\$52.0
% Allocation to Real Assets (Target of 7% +/- 2%)	3.5%	3.2%	2.5%	+ 30 bps	+ 104 bps
Total Infrastructure Assets	\$3.1	\$3.4	\$0.7	(\$0.3)	\$2.4
% Allocation to Infrastructure vs. Total Pension Assets	0.1%	0.1%	0.0%	-1 bps	+ 6 bps
% Allocation to Infrastructure vs. Total Real Assets	2.1%	2.5%	0.7%	-45 bps	+ 135 bps

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

Performance Summary

As of December 31, 2014, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.1x invested capital and an IRR of 10.7%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions*	December 31, 2014	September 30, 2014	December 31, 2013	Quarterly Change	Yearly Change
Number of Managers	3	3	1	0	2
Number of Investments	3	3	1	0	2
Committed Capital ¹	\$40.0	\$40.0	\$10.0	\$0.0	\$30.0
Contributed Capital	\$3.2	\$3.4	\$0.7	(\$0.3)	\$2.4
Distributed Capital	\$0.2	\$0.1	\$0.0	\$0.1	\$0.2
Market Value	\$3.1	\$3.4	\$0.7	(\$0.3)	\$2.4
Total Value	\$3.4	\$3.5	\$0.7	(\$0.1)	\$2.6
Total Gain/(Loss)	\$0.2	\$0.1	(\$0.0)	\$0.1	\$0.2
Unfunded Commitment	\$36.8	\$36.6	\$9.3	\$0.3	\$27.6
Exposure ²	\$40.0	\$40.0	\$10.0	(\$0.0)	\$30.0
DPI ³	0.1x	0.0x	0.0x	0.0x	0.1x
TVPI ⁴	1.07x	1.03x	0.99x	0.04x	0.08x
IRR ⁵	10.7%	8.2%	-5.1%	2.6%	15.9%
TVPI Net of StepStone Fees ⁶	1.07x	1.03x	0.99x	0.04x	0.08x
IRR Net of StepStone Fees ⁶	10.7%	8.2%	-5.1%	2.6%	15.9%

* Note that amounts may not total due to rounding.

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

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

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

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

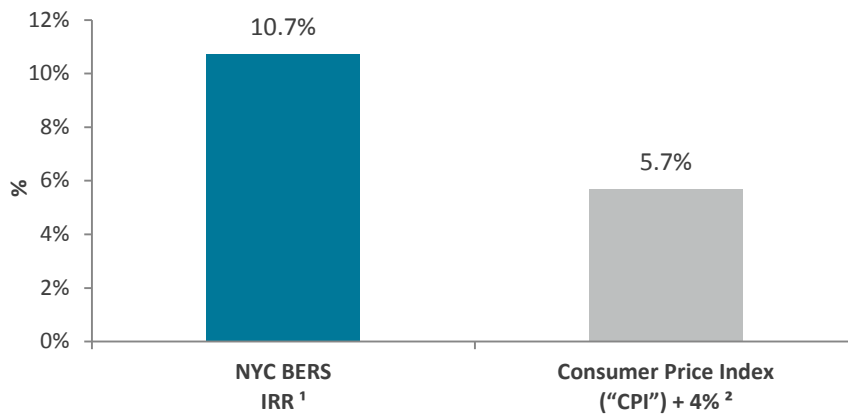
⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC BERS to StepStone through the quarter-end date. Note that no fees have been paid by NYC BERS to StepStone as of December 31, 2014.

Portfolio Performance vs. Benchmarks

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

As of December 31, 2014, the Program outperformed the benchmark by 5.0%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of December 31, 2014.



¹NYC BERS since inception Internal Rate of Return ("IRR") is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

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

Portfolio Diversification

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

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

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

As of December 31, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	3.1	100.0%	36.8	100.0%	40.0	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	3.1	100.0%	36.8	100.0%	40.0	100.0%
By Geographic Focus:						
Global	3.0	95.6%	7.1	19.2%	10.1	25.2%
OECD	0.1	4.4%	29.8	80.8%	29.9	74.8%
Total	3.1	100.0%	36.8	100.0%	40.0	100.0%
By Industry Focus:						
Diversified	3.0	95.6%	22.1	59.9%	25.1	62.7%
Energy	0.1	4.4%	14.8	40.1%	14.9	37.3%
Total	3.1	100.0%	36.8	100.0%	40.0	100.0%

II. Infrastructure Market Overview

Market Overview

Demand for infrastructure investments from institutional investors remained strong during the fourth quarter of 2014 ("4Q14"). As in recent quarters, this demand was primarily a result of expansionary monetary policies in key infrastructure markets, which has kept interest rates at very low levels and caused investors to seek alternatives to traditional sources of investment income (e.g. fixed income). This demand continued to drive a high valuation environment for the infrastructure asset class, particularly in mature markets with a wide range of opportunities, such as Western Europe, the Nordic region, and Australia.

Global economic growth was mixed during 4Q14. Among OECD countries, annualized gross domestic product ("GDP") was 1.8% higher than the prior corresponding period ("pcp"). Of the seven major economies – the United States, Canada, the United Kingdom, Germany, France, Italy and Japan – the UK again experienced the highest GDP growth rate of 2.7%, while Japan's GDP contracted by 0.4% mainly due to soft business and consumer spending. The US economy continued its recovery, with GDP increasing 2.5% compared to pcp. Germany achieved higher than predicted GDP growth of 0.7% quarter over quarter based on consumer spending, investment in equipment and construction, and a rise in exports. In major emerging markets, economic activity was generally subdued during the quarter. For the second consecutive quarter, China's economy expanded by 7.3% compared to pcp, its slowest rate of growth since 2009. Brazil's GDP grew 0.3% quarter over quarter, the second straight quarterly rise following three down quarters.

Infrastructure investment in the US and Canada has been concentrated in the energy sector, although public-private partnerships ("P3s") in the transport and social infrastructure sectors continue to grow in the US, Canada and Mexico. In the US, fiscal constraints on public-sector funding for these projects has been a significant factor in the growing interest in alternative procurement methods.

European markets remain competitive, with a significant amount of capital targeting infrastructure investment in the region. The resulting upward pricing pressure, combined with uncertain medium-term economic growth in the Eurozone, ongoing financial sector reforms, concerns surrounding bank capital adequacy, and geopolitical risks in Eastern Europe, present an uncertain outlook for investors. Notwithstanding this, activity levels are being sustained by the ongoing unbundling of integrated utilities, commitments to renewable energy targets, balance sheet deleveraging by existing asset owners, and security of energy supply priorities.

Investment activity in Latin America remains strong. In Mexico, recent changes in government policy are driving significant growth in infrastructure investment opportunities. Policy initiatives include allowing foreign investment in the energy sector and a National Infrastructure Plan that contains 743 projects requiring investment of approximately US\$600 billion from 2014 to 2018. StepStone is aware of several infrastructure fund managers reviewing opportunities in Mexico. Infrastructure is a political and economic priority in many other parts of Latin America, including Brazil, Chile, Peru and Columbia, each of which continues to provide a range of potential investment opportunities.

While infrastructure investment in Japan has traditionally been dominated by government-related entities and infrastructure companies with limited private participation by institutional investors, the government continues to face high debt levels. The country recently announced the privatization act for infrastructure assets including airports, and opened bidding processes for Sendai Airport and New Kansai airport. Australia's economy grew 0.8% quarter over quarter in the fourth quarter driven by improved consumption and exports. Fiscal constraints placed on the federal and state governments has increased the reliance on private sector capital in meeting Australia's infrastructure deficit. Government initiatives have encouraged a number of high profile asset sales/P3 transactions that expect to be continued into 2015.

Infrastructure Fundraising

Fundraising for infrastructure strategies continues to be robust with a large number of funds in market and several managers having closed new funds at or in excess of targeted fund sizes during the fourth quarter.

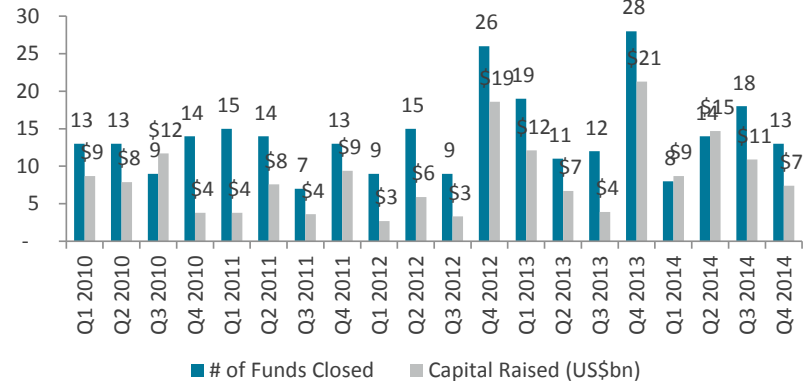
During the fourth quarter, 13 funds held final closings. Aggregate capital raised was US\$7.0 billion. The amount represented a year over year decrease of 65% compared to Q4 2013 when US\$21 billion was raised. The capital was raised by a larger number of small managers that raised less than US\$1.0 billion.

The largest fund to reach a final closing during Q4 was Infracapital Partners II which closed with £1.3 billion of commitments versus the £900 million target. The fund targets core infrastructure assets in the UK and Europe, across utilities, essential

transportation, renewables and communications infrastructure sectors. Additionally, Energy Spectrum Partners VII closed on US\$1.225 billion which was in line with the target. Energy Spectrum targets midstream energy assets in North America including oil and gas gathering and transportation systems, processing and treating facilities, storage facilities and other infrastructure assets. It may also consider investment opportunities in energy service and power development companies.

Unlisted Infrastructure Fundraising

Source: Preqin

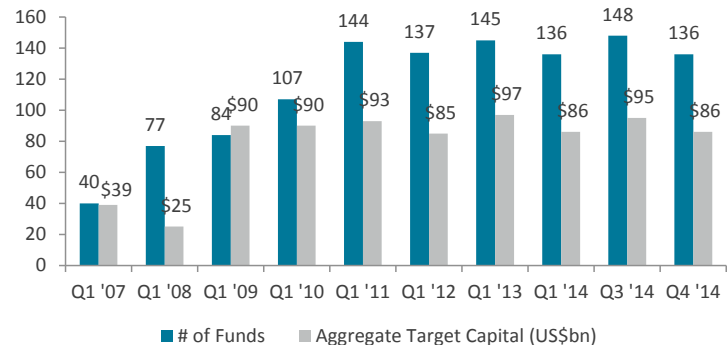


Fund	General Partner	Size	Final Close Date	Location Focus
Infracapital Partners II	Infracapital	£ 1,300	Oct-14	Europe
Energy Spectrum Partners VII	Energy Spectrum	\$ 1,225	Nov-14	North America
Tailwater Energy Capital II	Tailwater Capital	\$ 650	Dec-14	US
BlackRock Renewable Income UK Fund	BlackRock	£ 500	Dec-14	UK
Capital Dynamics Clean Energy & Infrastructure Fund	Capital Dynamics	£ 463	Dec-14	US, UK, Austria
Pantheon Global Infrastructure Fund II	Pantheon	£ 434	Dec-14	Global

Through January 2015, Preqin observed 136 funds in market targeting aggregate capital commitments of US\$86 billion. The largest funds in market include: Alinda Infrastructure Fund III which is targeting US\$5.0 billion; Morgan Stanley Infrastructure Partners II, which is targeting \$4.0 billion in commitments for global infrastructure investments; and ArcLight Energy Partners Fund VI, also targeting US\$4.0 billion to invest in energy infrastructure across North America and Western Europe. Additionally, Deutsche Asset & Wealth Management is targeting €2bn for its Pan-European Infrastructure Fund II. Lastly, Ardian Infrastructure Generation IV is in market targeting €2bn for a European-focused strategy.

Unlisted Infrastructure Fundraising

Source: Preqin



Major Transactions

Several significant infrastructure transactions occurred on a global basis during the fourth quarter, with notable activity in Australia and North America.

In October 2014, a consortium led by **Macquarie Infrastructure & Real Assets** reached an agreement to acquire public utility **Cleco Corporation** for US\$4.7 billion. The transaction is expected to close during the second half of 2015. Cleco is a regulated utility in Louisiana.

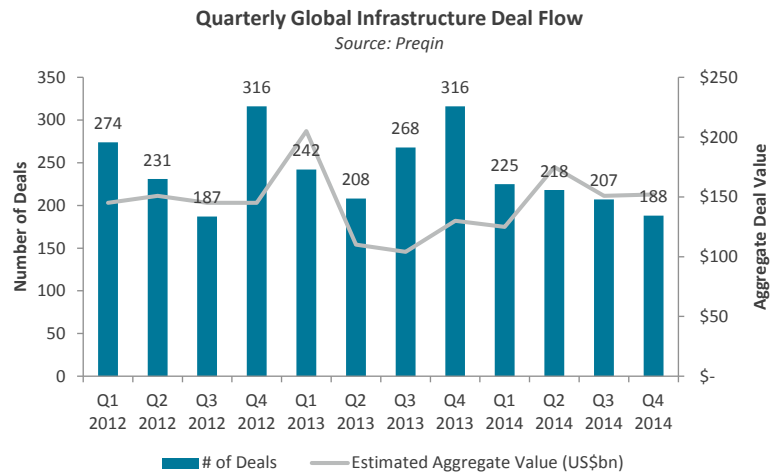
In October 2014, **KKR Global Infrastructure** acquired a one-third stake in **ACCIONA Energía Internacional**, the international renewable energy generation business of ACCIONA Energía, for €397 million. ACCIONA Energía, the Spanish multinational's energy division, will retain the remaining two-thirds of AEI.

In November 2014, **Brookfield Infrastructure** committed to acquire **TDF**, the largest independent communication tower infrastructure business in France from **TPG Capital**. Brookfield agreed to acquire 50% of the business for €1.8 billion. This transaction was subject to completion of labor consultation under French labor law and closed in early April 2015.

In November 2014, **Goldman Sachs Infrastructure** and **Stonepeak Infrastructure** announced a US\$470 million investment in **Vertical Bridge**, a privately owned real estate investment trust focused on the ownership of wireless communications towers in the U.S.

In December 2014, **Macquarie Infrastructure & Real Assets** and **Wren House Infrastructure** agreed to acquire E.on's Spanish and Portuguese integrated electricity business including 415 MW of wind power generation capacity for €2.5 billion.

In December 2014, **IFM Investors** invested an additional US\$1.1 billion to support construction of **Freeport LNG** in the form of senior secured notes. IFM had already invested US\$1.3 billion in the project.



III. Portfolio Review

Quarterly Highlights

- **No New Investment Commitments** – There were no new investment commitments made during the fourth quarter of 2014.
- **Subsequent Investment Commitments** – Subsequent to quarter-end through May 18, 2015, the Program has not closed on any additional investment commitments.
- **Cash Inflow Increased** – During the fourth quarter of 2014, the Program received a net cash inflow of US\$0.4 million. This compared to a net cash outflow of US\$0.8 million during the prior quarter.
- **Valuation Increased** – During the fourth quarter of 2014, net of cash flow activity, the valuation of the Portfolio increased by approximately US\$0.1 million, or 3.5%, from the prior quarter. The valuation increase reflects the increase in value of underlying investments in Brookfield Infrastructure Fund II.
- **Two New Investments** – During the fourth quarter of 2014, the Portfolio made a new investment in Navigator Energy Services, a provider of midstream infrastructure solutions to oil and gas producers in the United States, and U.S. Gas Storage, a portfolio of natural gas storage facilities in Texas and California.
- **No Exits** – There were no exits of investment positions during the quarter.

Investment Performance

Since-Inception Performance

As of December 31, 2014, the Program achieved a Total Value to Paid-In multiple of 1.1x and an IRR of 10.7%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions*	December 31, 2014	September 30, 2014	December 31, 2013	Quarterly Change	Yearly Change
Number of Managers	3	3	1	0	2
Number of Investments	3	3	1	0	2
Committed Capital ¹	\$40.0	\$40.0	\$10.0	\$0.0	\$30.0
Contributed Capital	\$3.2	\$3.4	\$0.7	(\$0.3)	\$2.4
Distributed Capital	\$0.2	\$0.1	\$0.0	\$0.1	\$0.2
Market Value	\$3.1	\$3.4	\$0.7	(\$0.3)	\$2.4
Total Value	\$3.4	\$3.5	\$0.7	(\$0.1)	\$2.6
Total Gain/(Loss)	\$0.2	\$0.1	(\$0.0)	\$0.1	\$0.2
Unfunded Commitment	\$36.8	\$36.6	\$9.3	\$0.3	\$27.6
Exposure ²	\$40.0	\$40.0	\$10.0	(\$0.0)	\$30.0
DPI ³	0.1x	0.0x	0.0x	0.0x	0.1x
TVPI ⁴	1.07x	1.03x	0.99x	0.04x	0.08x
IRR ⁵	10.7%	8.2%	-5.1%	2.6%	15.9%
TVPI Net of StepStone Fees ⁶	1.07x	1.03x	0.99x	0.04x	0.08x
IRR Net of StepStone Fees ⁶	10.7%	8.2%	-5.1%	2.6%	15.9%

* Note that amounts may not total due to rounding.

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

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

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

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

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

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC BERS to StepStone through the quarter-end date. Note that no fees have been paid by NYC BERS to StepStone as of December 31, 2014.

Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of December 31, 2014. Note that the performance of funds that are less than one year old is not meaningful.

As of December 31, 2014 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$10.0	\$2.9	\$0.2	\$3.0	\$3.2	\$0.3	\$7.1	\$10.1	0.1x	1.1x	16.0%
2014	30.0	0.2	-	0.1	0.1	(0.1)	29.8	29.9	NM	NM	NM
Total	\$40.0	\$3.2	\$0.2	\$3.1	\$3.4	\$0.2	\$36.8	\$40.0	0.1x	1.1x	10.7%

Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of December 31, 2014.

As of December 31, 2014 (US\$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Core	\$40.0	\$3.2	\$0.2	\$3.1	\$3.4	\$0.2	\$36.8	\$40.0	0.1x	1.1x	10.7%
Diversified	25.0	2.9	0.2	3.0	3.2	0.3	22.1	25.1	0.1x	1.1x	16.0%
Energy	15.0	0.2	-	0.1	0.1	(0.1)	14.8	14.9	NM	NM	NM
Total	\$40.0	\$3.2	\$0.2	\$3.1	\$3.4	\$0.2	\$36.8	\$40.0	0.1x	1.1x	10.7%

Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of December 31, 2014.

As of December 31, 2014 (US\$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$10.0	\$2.9	\$0.2	\$3.0	\$3.2	\$0.3	\$7.1	\$10.1	0.1x	1.1x	16.0%
OECD	30.0	0.2	-	0.1	0.1	(0.1)	29.8	29.9	NM	NM	NM
Total	\$40.0	\$3.2	\$0.2	\$3.1	\$3.4	\$0.2	\$36.8	\$40.0	0.1x	1.1x	10.7%

Portfolio Diversification

By Strategy, Geography and Industry Focus

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

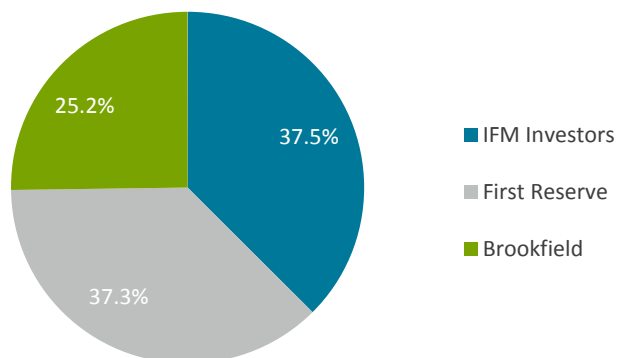
- Core Infrastructure Investments: 60 to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

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

As of December 31, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	3.1	100.0%	36.8	100.0%	40.0	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	3.1	100.0%	36.8	100.0%	40.0	100.0%
By Geographic Focus:						
Global	3.0	95.6%	7.1	19.2%	10.1	25.2%
OECD	0.1	4.4%	29.8	80.8%	29.9	74.8%
Total	3.1	100.0%	36.8	100.0%	40.0	100.0%
By Industry Focus:						
Diversified	3.0	95.6%	22.1	59.9%	25.1	62.7%
Energy	0.1	4.4%	14.8	40.1%	14.9	37.3%
Total	3.1	100.0%	36.8	100.0%	40.0	100.0%

By Investment Manager

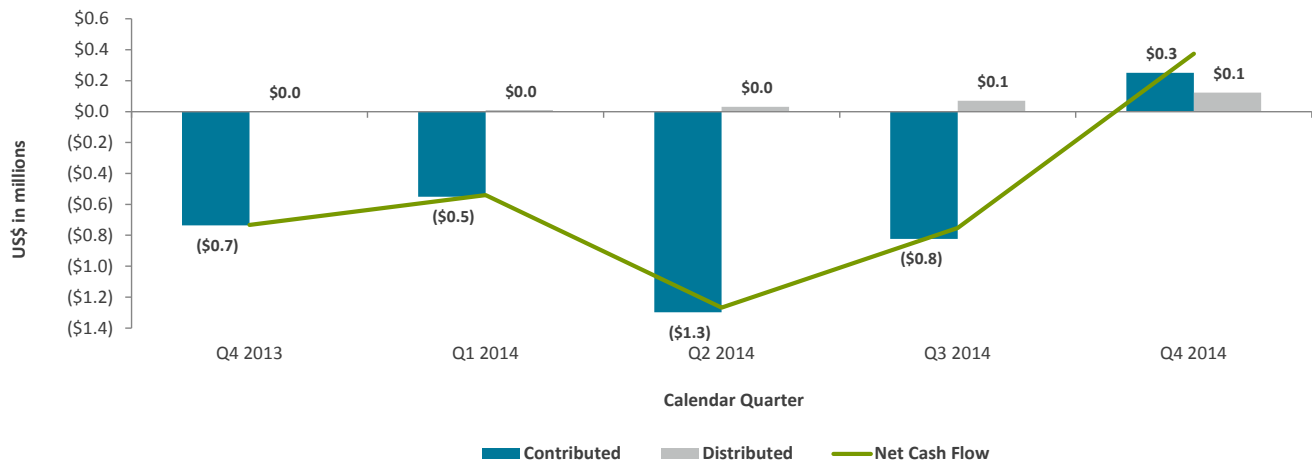
As of December 31, 2014, the Program had made three investment commitments to three managers. NYC BERS seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



Portfolio Cash Flow Analysis

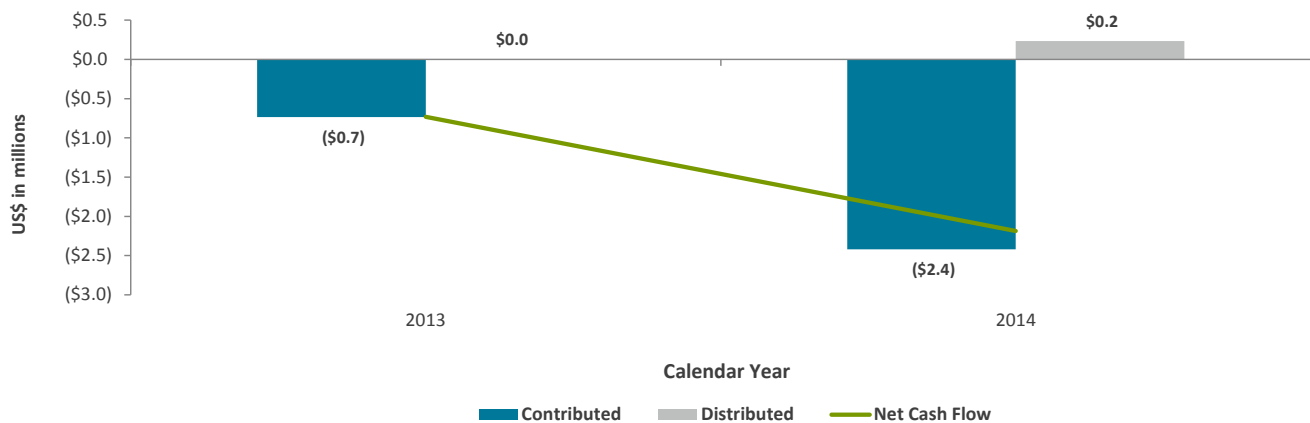
Quarterly Cash Flow Activity

During the fourth quarter of 2014, the Program received a net cash inflow of US\$0.4 million, primarily resulting from the return of excess contributions from Brookfield Infrastructure Fund II. As of December 31, 2014, two fund investments in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



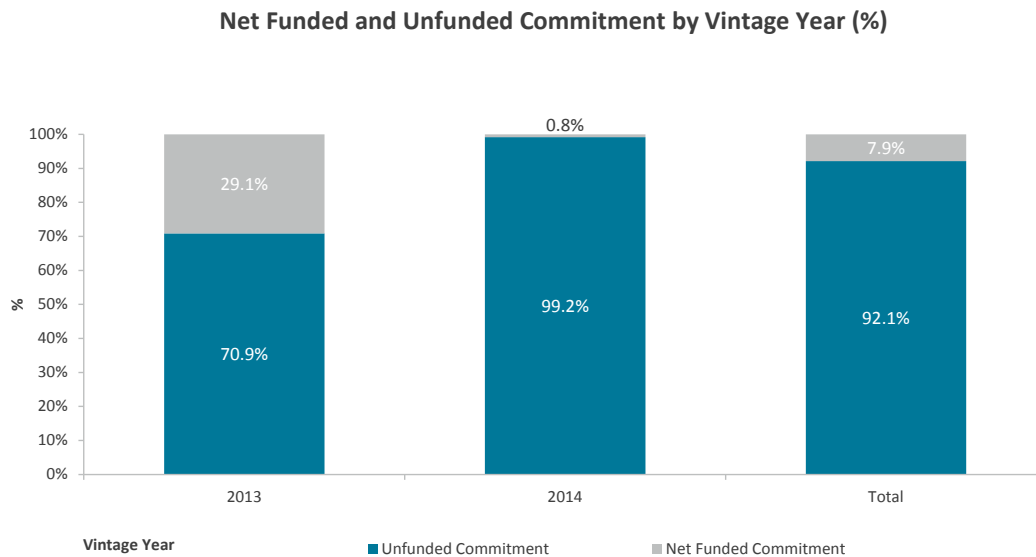
Annual Cash Flow Activity

During the calendar year of 2014, the Program made US\$2.4 million of contributions and received US\$0.2 million of distributions, for a net cash outflow of US\$2.2 million. The graph below illustrates cash flow activity since inception by calendar year.

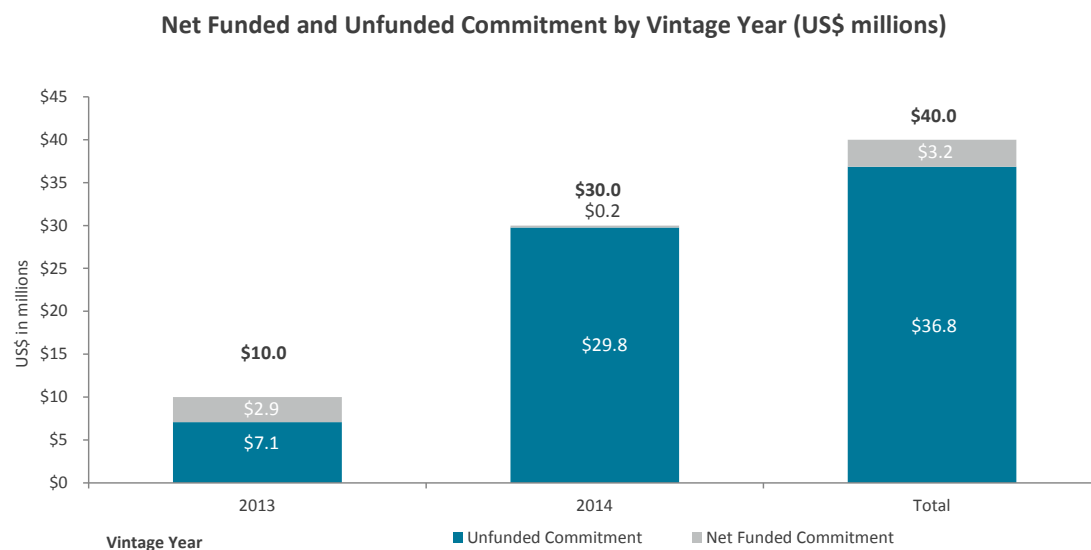


Net Funded and Unfunded Commitments by Vintage Year

The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and callable distributions) as a percentage of total capital commitments, by fund vintage year, as of December 31, 2014. Overall, the Portfolio was 92.1% unfunded as of quarter-end.



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of December 31, 2014. Overall, the Portfolio had US\$36.8 million of unfunded commitments as of quarter-end.



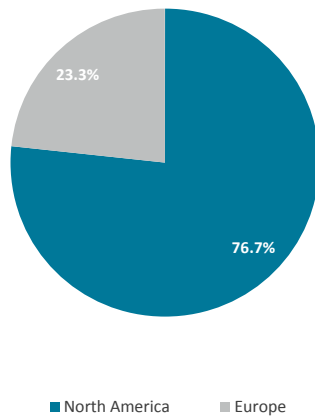
Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to seven unique portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size.

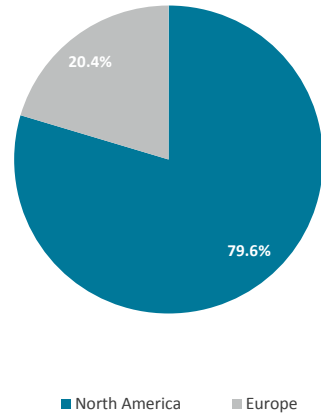
Geographic Exposure

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

Geographic Exposure by Current Cost



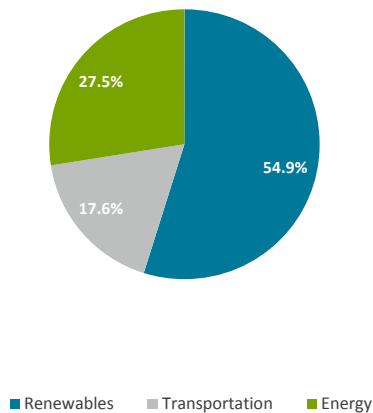
Geographic Exposure by Current Market Value



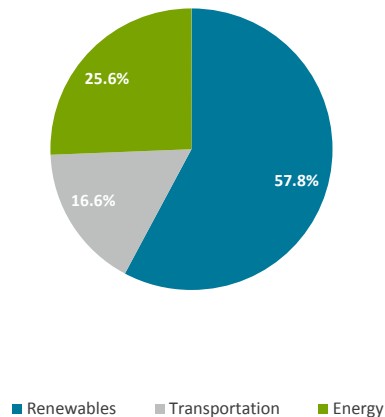
Industry Exposure

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

Industry Exposure by Current Cost



Industry Exposure by Current Market Value



Public Market Exposure

The Portfolio had no exposure to publicly-traded investments as of the quarter-end.

IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
Allocation	<p>NYC BERS has a Real Assets allocation target of 7% (plus or minus 2%) of total pension assets.</p> <p>Infrastructure is a component asset class within the NYC BERS Real Assets investment program.</p>	✓	<p>The market value of NYC BERS Real Assets Program currently represents approximately 3.5% of total pension assets and the market value of NYC BERS Infrastructure Program represents approximately 0.1% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYC BERS pension assets and the total Real Assets Program is expected to increase.</p>
Performance vs. Benchmarks	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of December 31, 2014, the Portfolio outperformed the benchmark by 5.0%.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
Strategy Diversification	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.</p>
Asset Type & Location Diversification	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
Leverage	<p>The average leverage of all investments in the Program is to be no higher than 65%.</p>	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 41.2%*.</p>
Single Investment Size & Manager Diversification	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

*The Program's leverage level is calculated by using a weighted average of each underlying investment's leverage and Net Asset Value as of December 31, 2014.

**New York City Board of Education Retirement System
Infrastructure Portfolio
As of December 31, 2014**

Vintage Year	Investment	Closing Date	Committed Capital	Contributed Capital	Distributed Capital	Market Value	TVPI	IRR
Active Investments:								
2013	Brookfield Infrastructure Fund II	7/8/2013	\$10,000,000	\$2,917,261	\$237,190	\$2,995,738	1.11x	16.0%
2014	IFM Global Infrastructure Fund	1/2/2014	15,000,000	-	-	-	N/A	N/A
2014	First Reserve Energy Infrastructure Fund II, L.P.	4/16/2014	15,000,000	238,721	-	136,423	NM	NM
Total			\$40,000,000	\$3,155,982	\$237,190	\$3,132,161	1.07x	10.7%

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

II. April Monthly Performance Review:



Monthly Performance Review *April 2015*

Prepared for the New York City
Board of Education Retirement System
7.01.2015



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MARKET INDICATORS

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	0.96	5.07	8.15	12.98	16.65	16.73	14.33	8.32
S&P 400 MIDCAP	(1.49)	4.92	5.94	12.28	15.40	16.53	14.41	10.59
RUSSELL 1000	0.71	5.20	8.01	13.00	16.84	16.95	14.47	8.62
RUSSELL 2000	(2.55)	5.03	3.33	9.71	14.97	15.87	12.73	9.18
RUSSELL 3000	0.45	5.19	7.63	12.74	16.69	16.86	14.33	8.66
RUSSELL 3000 GROWTH	0.23	5.97	10.65	16.50	18.59	16.64	15.45	9.69
RUSSELL 3000 VALUE	0.69	4.36	4.58	8.96	14.72	16.98	13.15	7.54
MSCI EAFE NET	4.08	8.63	(0.92)	1.66	7.34	11.22	7.40	5.62
MSCI EMF NET	7.69	9.45	1.47	7.80	2.87	3.24	3.02	9.58
MSCI WORLD NET	2.35	6.65	3.49	7.41	11.92	13.49	10.51	6.87
MSCI EUROPE SMID CAP NET	5.19	9.93	(1.66)	(1.69)	13.41	14.97	10.14	7.80
MSCI AC WORLD ex US NET	5.05	8.88	(0.99)	2.63	6.14	8.74	6.04	6.26
NYC - TREASURY AGENCY PLUS FIVE	(1.35)	(3.57)	7.04	8.93	2.02	3.07	6.54	5.99
CITIGROUP MORTGAGE	0.10	0.42	3.25	4.77	2.63	2.34	3.59	4.81
NYC - INVESTMENT GRADE CREDIT	(0.48)	(0.97)	3.19	4.76	2.60	4.19	5.64	5.44
NYC - CORE PLUS FIVE	(0.45)	(1.00)	3.92	5.53	2.52	3.23	4.97	5.39
CITIGROUP BROAD INVESTMENT GRADE	(0.33)	(0.77)	3.24	4.49	2.08	2.61	4.13	4.85
BARCLAYS AGGREGATE	(0.36)	(0.84)	3.23	4.46	2.07	2.60	4.12	4.75
CITIGROUP BB & B	1.26	3.15	1.28	2.97	4.27	7.05	8.24	6.97
BofA ML HIGH YIELD MASTER II	1.20	3.06	0.69	2.57	4.41	7.53	8.18	8.28
CSFB LEVERAGED LOAN	0.90	2.72	2.27	3.52	4.01	5.40	5.28	4.84

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis



MARKET INDICATORS

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
BARCLAYS GLOBAL US TIPS	0.74	(0.95)	0.06	2.48	(1.84)	0.20	3.96	4.43
BofA ML ALL CONVERTIBLES EX MANDATORY	0.81	4.94	3.45	8.87	13.83	14.26	11.15	8.72
DJ US SELECT REAL ESTATE	(5.80)	(7.51)	10.19	13.89	7.37	10.57	12.87	8.07
NCREIF NFI - ODCE NET*	0.00	3.15	9.46	12.40	12.57	11.60	13.44	6.00
CPI + 4%	0.43	1.55	2.73	5.05	5.36			
91 DAY TREASURY BILL	0.00	0.00	0.02	0.02	0.04	0.07	0.09	1.48

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis



MARKET INDICATORS

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	1.29	0.64	9.54	11.81	16.05	19.67	16.54	8.12
S&P 400 MIDCAP	1.78	1.58	7.82	12.28	15.13	19.87	16.55	10.14
RUSSELL 1000	1.31	0.76	9.42	11.91	16.32	19.97	16.68	8.38
RUSSELL 2000	2.28	1.41	5.69	11.32	14.02	19.45	15.04	8.73
RUSSELL 3000	1.38	0.81	9.12	11.86	16.13	19.92	16.54	8.41
RUSSELL 3000 GROWTH	1.58	0.88	12.40	14.95	18.29	19.89	17.64	9.33
RUSSELL 3000 VALUE	1.17	0.72	5.80	8.71	13.92	19.84	15.39	7.37
MSCI EAFE NET	(0.51)	1.98	(1.43)	(0.48)	8.39	15.63	9.95	5.56
MSCI EMF NET	(4.00)	1.91	(2.59)	(0.01)	2.11	5.96	4.08	8.76
MSCI WORLD NET	0.34	1.09	3.84	5.70	12.09	17.09	12.84	6.72
MSCI EUROPE SMID CAP NET	0.69	3.14	(0.98)	(1.74)	13.07	20.73	13.51	7.76
MSCI AC WORLD ex US NET	(1.56)	1.74	(2.54)	(0.90)	6.54	12.61	8.09	6.04
NYC - TREASURY AGENCY PLUS FIVE	(0.60)	(1.01)	6.40	6.19	3.77	1.55	5.78	5.71
CITIGROUP MORTGAGE	(0.06)	0.51	3.19	3.47	3.42	2.21	3.32	4.72
NYC - INVESTMENT GRADE CREDIT	(0.53)	(0.62)	2.64	2.73	3.51	3.82	5.57	5.24
NYC - CORE PLUS FIVE	(0.37)	(0.29)	3.53	3.64	3.53	2.70	4.66	5.22
CITIGROUP BROAD INVESTMENT GRADE	(0.26)	(0.10)	2.98	3.03	2.89	2.21	3.87	4.70
BARCLAYS AGGREGATE	(0.24)	(0.14)	2.98	3.03	2.87	2.21	3.90	4.61
CITIGROUP BB & B	0.47	1.16	1.76	2.50	4.87	7.59	8.97	6.81
BofA ML HIGH YIELD MASTER II	0.30	0.96	0.99	1.84	4.85	8.07	9.03	8.12
CSFB LEVERAGED LOAN	0.20	1.50	2.47	3.09	3.99	5.65	5.77	4.85

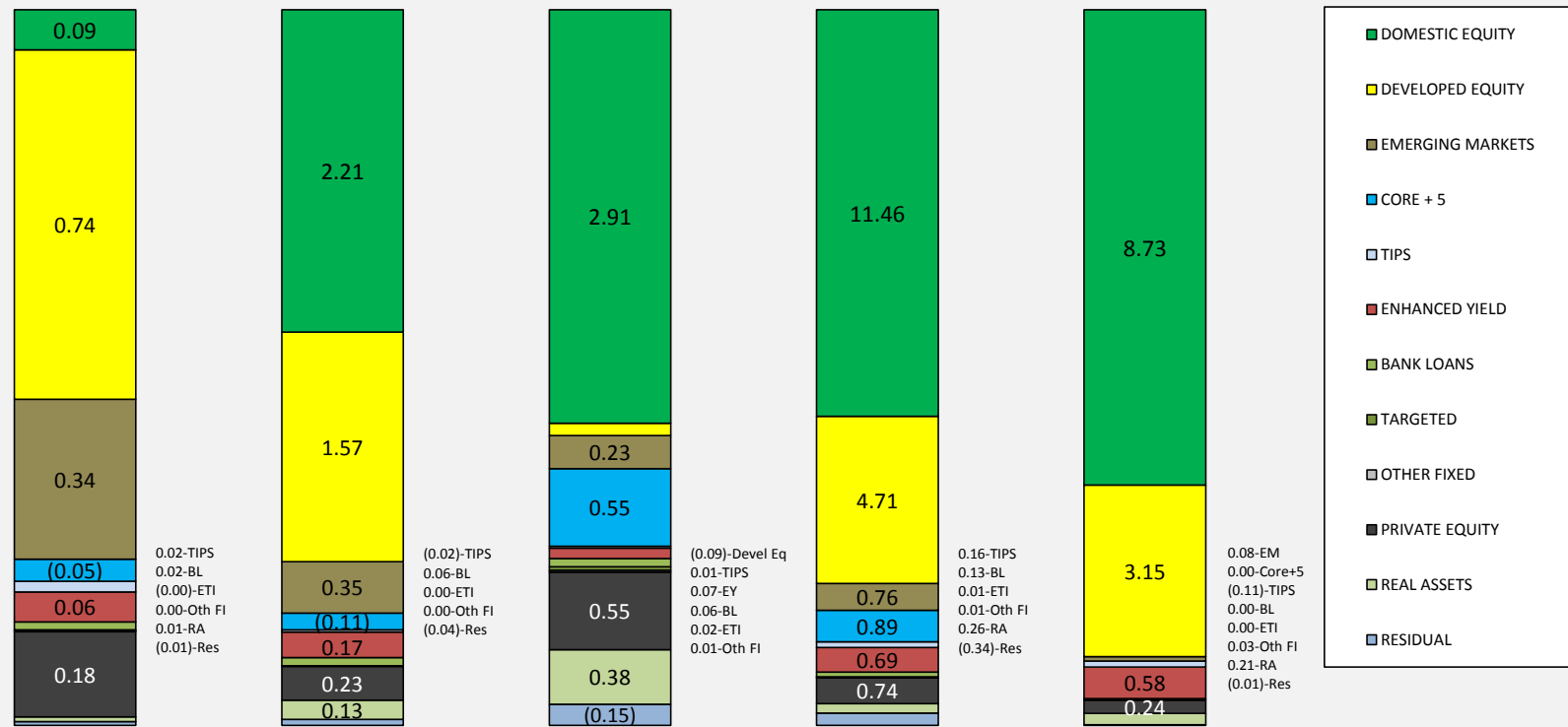


MARKET INDICATORS

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
BARCLAYS GLOBAL US TIPS	(0.82)	(0.56)	(0.77)	(0.47)	(0.04)	(0.62)	3.79	4.28
BofA ML ALL CONVERTIBLES EX MANDATORY	2.22	2.82	5.75	8.71	13.63	16.60	12.69	8.67
DJ US SELECT REAL ESTATE	(0.06)	(4.17)	10.12	11.10	10.68	12.32	14.14	7.71
NCREIF NFI - ODCE NET*	0.00	3.15	9.46	12.40	12.57	11.60	13.44	6.00
CPI + 4%								
91 DAY TREASURY BILL	0.00	0.00	0.02	0.02	0.04	0.07	0.08	1.45

*NCREIF NFI - ODCE NET index return calculated on a quarterly basis

NYC Board of Education Retirement System Contribution to Return - April 2015



1 Month - Total Fund
Return: 1.40%

3 Months - Total Fund
Return: 4.56%

FYTD - Total Fund
Return: 4.57%

FY Ending 6/30/14 Total
Return: 19.47%

FY Ending 6/30/13
Return: 12.90%

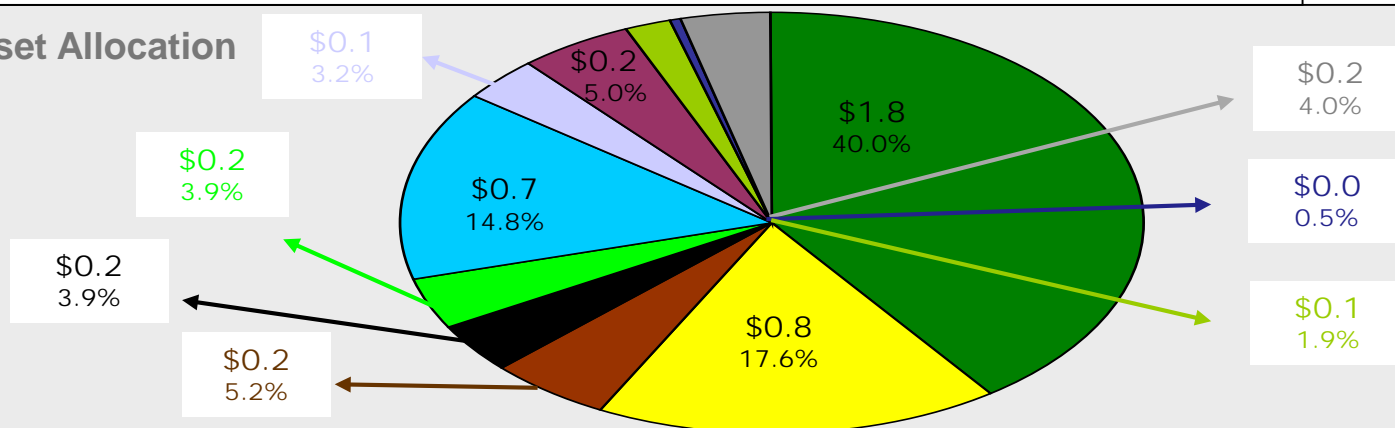
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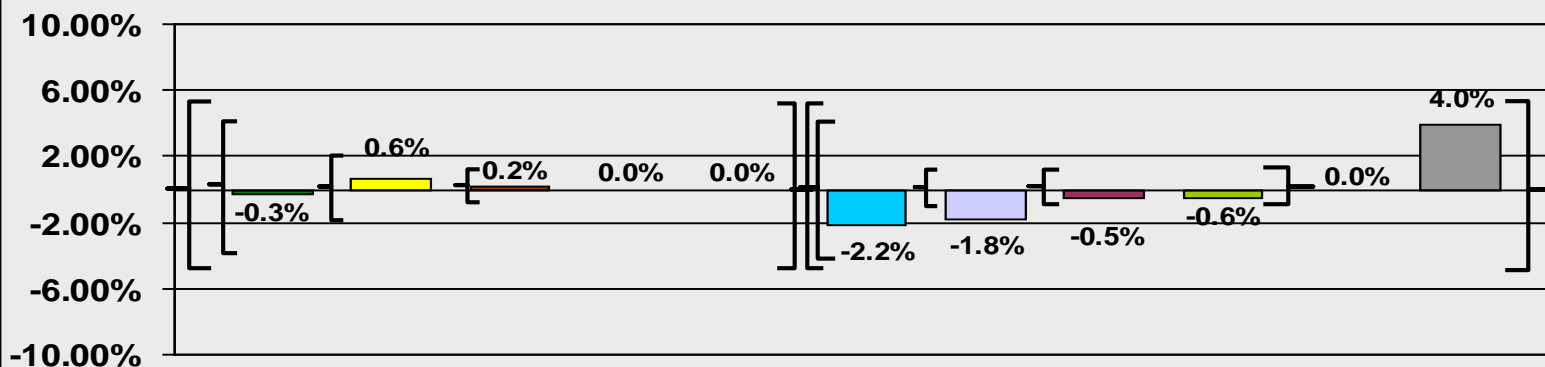
Portfolio Asset Allocation: April 30, 2015

\$4.4B Under Management

Asset Allocation



Relative Mix to Adjusted New Policy Weights

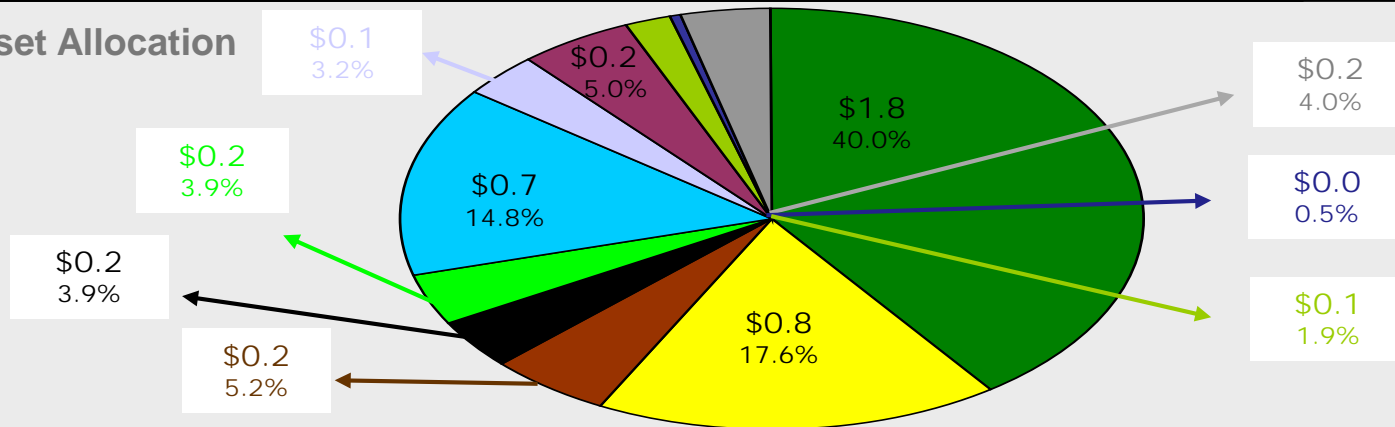


Note: Brackets represent rebalancing ranges versus Policy.

Portfolio Asset Allocation: April 30, 2015

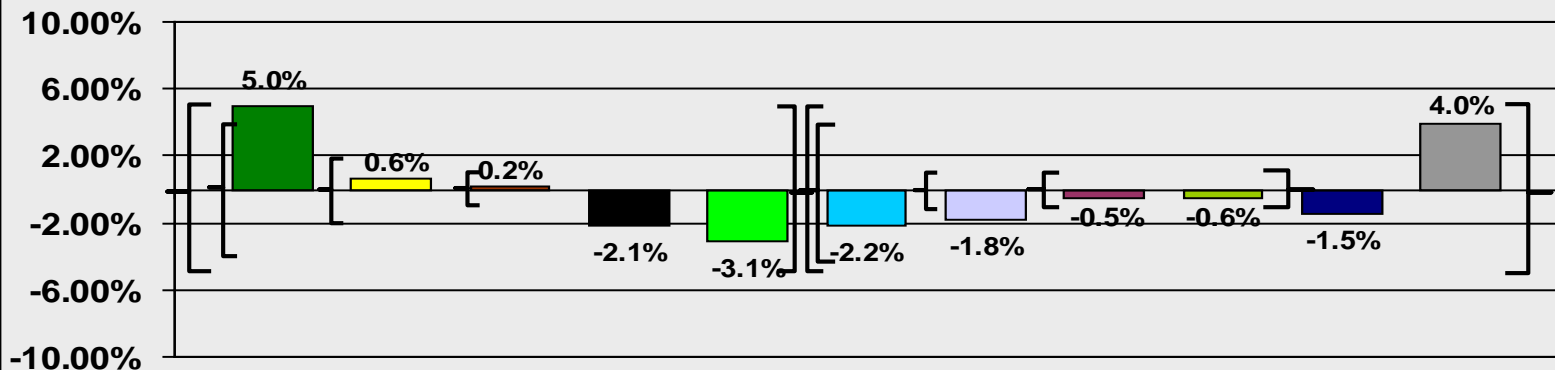
\$4.4B Under Management

Asset Allocation



Domestic Equity Developed Markets Emerging Markets Private Equity Real Assets
Core +5 TIPS Enhanced Yield Bank Loans ETI Cash

Relative Mix to New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of April 30th, 2015)

ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range***
TOTAL EQUITIES	\$3,126.5	70.6%	70.0%	NA	70.0%	65.0% - 75.0%
TOTAL FIXED INCOME	\$1,301.8	29.4%	30.0%	NA	30.0%	25.0% - 35.0%
TOTAL ASSETS	\$4,428.3	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range***
US Equities	\$1,770.9	40.0%	35.0%	5.2%	40.2%	36.2% - 44.2%
Non-US Equities/EAFE	\$780.6	17.6%	17.0%	NA	17.0%	15.0% - 19.0%
Emerging Markets	\$229.7	5.2%	5.0%	NA	5.0%	4.0% - 6.0%
TOTAL PUBLIC EQUITY	\$2,781.3	62.8%	57.0%	NA	62.2%	
* REAL ASSETS	\$174.0	3.9%	7.0%	NA	3.9%	6.0% - 8.0%
* PRIVATE EQUITY	\$171.3	3.9%	6.0%	NA	3.9%	5.0% - 7.0%
TOTAL EQUITIES	\$3,126.5	70.6%	70.0%	NA	70.0%	65.0% - 75.0%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range***
Core +5	US - Government	\$97.3	2.2%	NA	17.0%	13.0% - 21.0%
	US - Mortgage	\$256.6	5.8%	NA		
	US - Investment Grade Credit	\$300.7	6.8%	NA		
	TOTAL CORE + 5	\$654.6	14.8%	NA	17.0%	13.0% - 21.0%
	High Yield	\$219.4	5.0%	NA	5.5%	7.0% - 9.0%
	Bank Loans	\$85.7	1.9%	NA	2.5%	
	Total High Yield & Bank Loans	\$305.2	6.9%	NA	8.0%	7.0% - 9.0%
	TIPS	\$141.8	3.2%	NA	5.0%	4.0% - 6.0%
	**ETI	\$24.2	0.5%	**2.0%	**0.5%	**0.5%
	Cash	\$176.0	4.0%	NA	0.0%	0.0% - 5.0%
	TOTAL PUBLIC FIXED INCOME	\$1,301.8	29.4%	NA	30.0%	
	TOTAL FIXED INCOME	\$1,301.8	29.4%	NA	30.0%	25.0% - 35.0%

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

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

*** Adjusted Target Ranges are calculated as follows: Total Equities: +/-5%; Total Fixed Income: +/-5%; US Equities: +/-4%; Non-US Equities/EAFE: +/-2%; Emerging Markets: +/-1%; Real Assets: +/-1%; Private Equity: +/-1%; Core +5: +/-4%; TIPS: +/-1%; High Yield & Bank Loans: +/-1%; Cash: 0-5%.

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

CLASSIFICATION OF INVESTMENTS

(as of April 30th, 2015)

Adjustments to Long-Term Asset Allocation

1) Private Equity

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

2) Real Assets

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

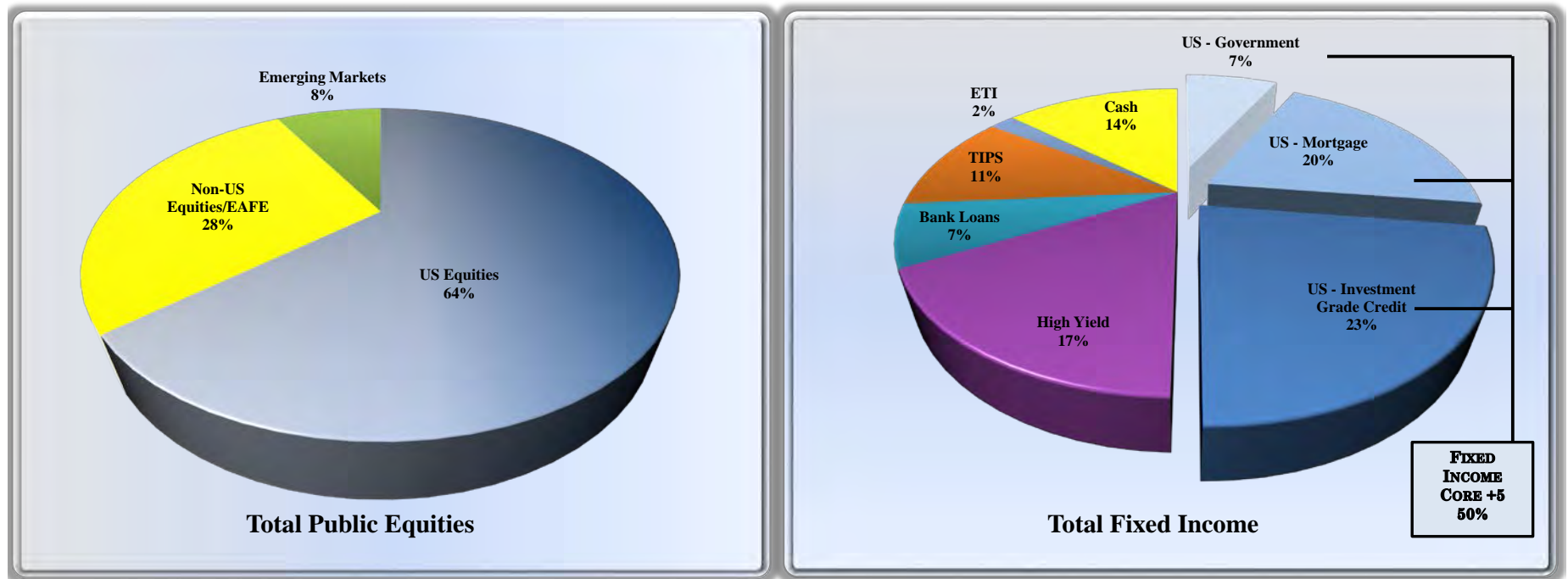
Impact of Adjustments

1) Domestic Equity Policy Target %	35.0%
Adjustment: 100% of uninvested Private Equity	2.1%
Adjustment: 100% of uninvested Real Assets	3.1%
Adjusted Domestic Equity Policy Target %	40.2%

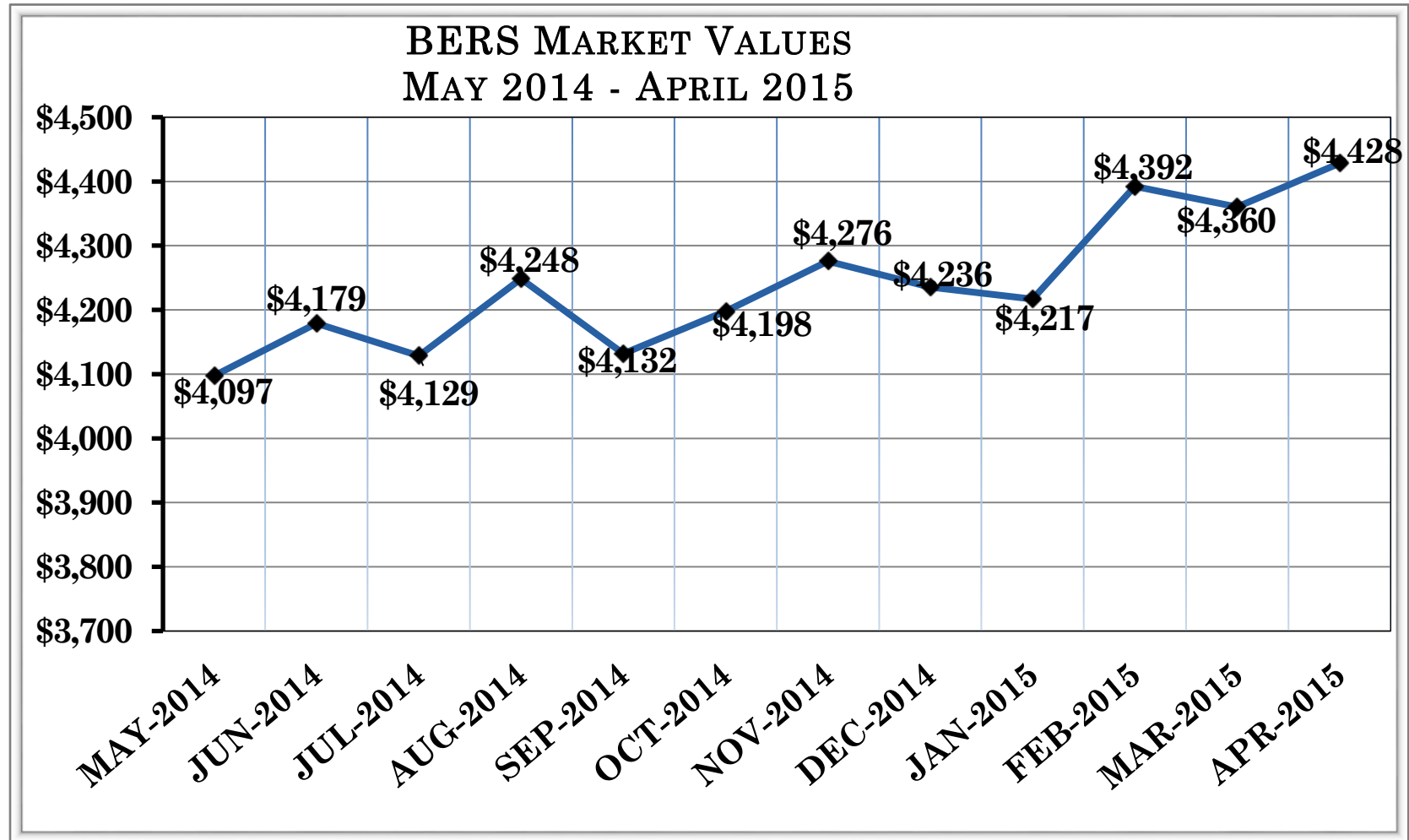
NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

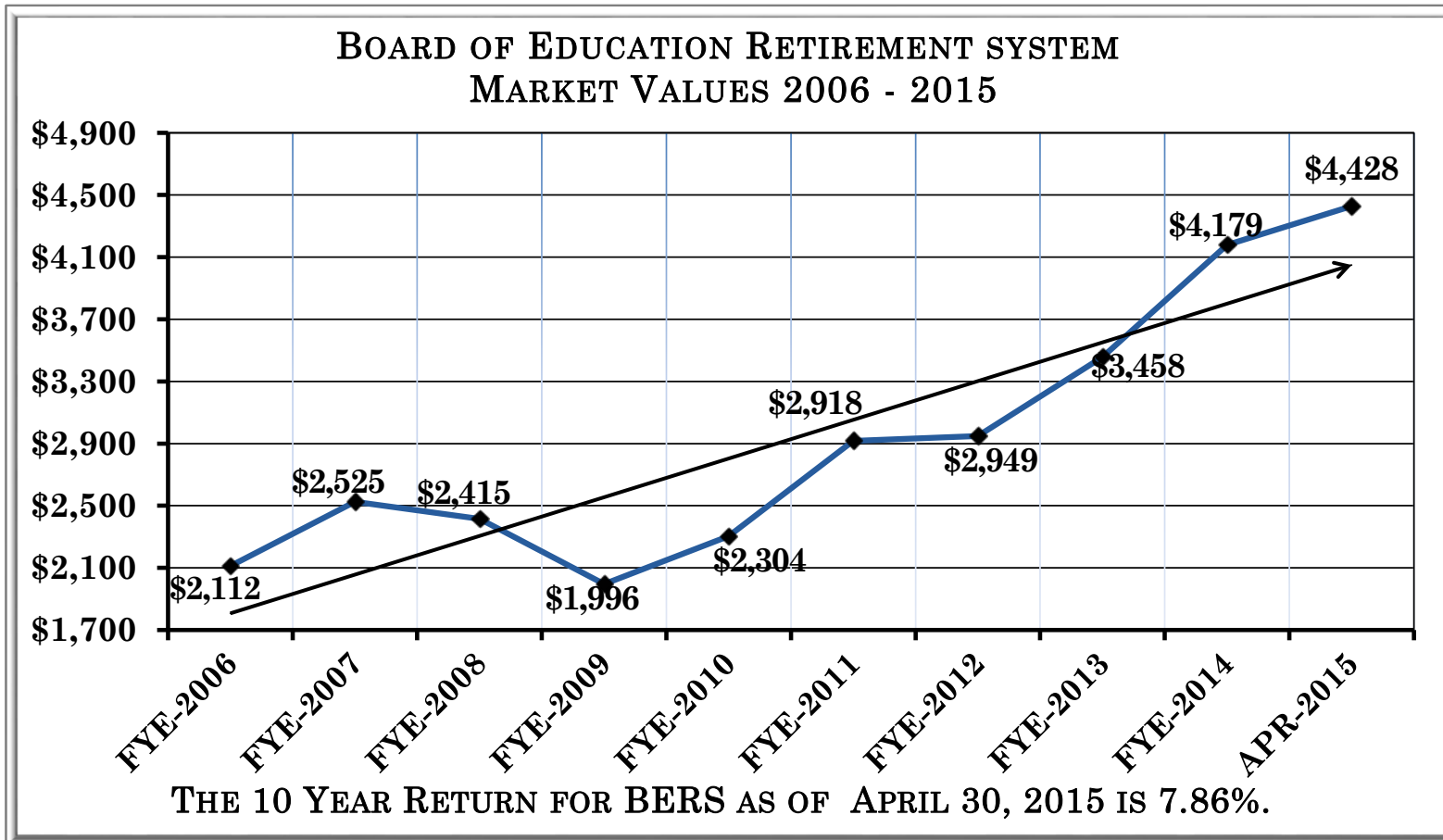
CLASSIFICATION OF INVESTMENTS

(as of April 30th, 2015)



Note: Totals may not equal 100% due to rounding





New York City Board of Education Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total



Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
ASSET CLASS SUMMARY																		
BERS-TOTAL DOM EQUITY	1,770.94	39.99	0.21	5.38	6.92	2.50	26.06	11.27	35.96	16.62	-0.72	17.27	12.55	17.12	14.31	8.77	9.84	Sep-01-91
BERS-TOTAL DEVELOPED EQUITY ACTIVE	780.65	17.63	4.32	9.20	-0.50	8.60	25.59	-4.81	24.21	18.40	-10.35	17.92	1.86	10.86	8.93	8.28	8.38	Nov-01-92
BERS-TOTAL EMERGING (INTL)	229.68	5.19	6.88	7.10	4.59	9.17	16.42	4.14	-4.27	18.15	-18.03	19.85	12.01	4.59	3.97	9.28	8.74	Nov-01-97
BERS-TOTAL STRUCTURED	654.59	14.78	-0.33	-0.79	3.82	1.54	5.97	7.66	-2.38	6.68	9.23	8.36	5.52	3.66	5.36	5.57	8.10	Jan-01-85
BERS-TOTAL TIPS MANAGERS	141.78	3.20	0.70	-0.47	0.39	2.78	4.44	3.37	-8.52	7.67	13.34	6.57	2.73	0.54	4.19		4.60	Jun-01-05
BERS-TOTAL HIGH YIELD	219.44	4.96	1.27	3.50	1.44	4.46	12.96	3.09	8.39	15.68	6.25	15.01	3.51	8.12	9.17	8.44	6.25	Aug-01-97
BERS-TOTAL BANK LOANS	85.72	1.94	0.85	2.89	2.96	3.15	6.31	2.34	6.33				4.07				5.23	Dec-01-12
TOTAL BOE ETI (w/o cash)	24.25	0.55	-0.26	0.07	4.65	2.00	5.12	7.43	-1.66	4.35	7.15	6.31	6.51	3.51	4.41	5.95	7.18	Dec-01-84
BERS-TOTAL PRIVATE EQUITY	171.28	3.87	4.72	6.09	15.04	6.06	24.58	22.16	15.34	7.70	19.15	13.64	29.08	16.64	15.63		4.47	Jul-01-06
BERS-TOTAL REAL ASSETS	173.97	3.93	0.25	3.35	11.08	4.99	10.22	13.77	8.57	14.30	9.43		15.77	11.77			11.58	Dec-01-10
BERS-TOTAL CASH	175.55	3.96	0.04	0.08	0.39	0.21	0.75	0.27	0.29	0.54	0.59	0.47	0.42	0.37	0.43	2.13	2.14	Apr-01-04
SECURITY LENDING	0.39	0.01																Apr-01-04
BERS-TOTAL BOARD OF ED.	4,428.25	100.00	1.40	4.56	4.57	3.97	19.47	6.64	18.78	13.50	-0.42	14.95	8.79	11.25	10.09	7.86	9.00	Jul-01-87
BERS-TOTAL EQUITY	2,781.28	62.81	1.85	6.56	4.70	4.65	25.25	6.09	29.23	17.29	-5.27	17.69	9.52	14.46	11.97	8.55	8.33	Apr-01-04
BERS-TOTAL FIXED INCOME	1,125.78	25.42	0.18	0.34	2.78	2.37	7.10	5.69	-0.56	8.55	9.42	9.39	4.59	4.20	6.05	6.09	5.84	Apr-01-04
BERS-TOTAL PRIVATE EQUITY	171.28	3.87	4.72	6.09	15.04	6.06	24.58	22.16	15.34	7.70	19.15	13.64	29.08	16.64	15.63		4.47	Jul-01-06
BERS-TOTAL REAL ASSETS	173.97	3.93	0.25	3.35	11.08	4.99	10.22	13.77	8.57	14.30	9.43		15.77	11.77			11.58	Dec-01-10
BERS-TOTAL CASH	175.55	3.96	0.04	0.08	0.39	0.21	0.75	0.27	0.29	0.54	0.59	0.47	0.42	0.37	0.43	2.13	2.14	Apr-01-04
SECURITY LENDING	0.39	0.01																Apr-01-04
BERS-TOTAL BOARD OF ED.	4,428.25	100.00	1.40	4.56	4.57	3.97	19.47	6.64	18.78	13.50	-0.42	14.95	8.79	11.25	10.09	7.86	9.00	Jul-01-87
Board of Education Policy Benchmark			1.22	4.21	4.62	3.91	18.30	6.93	18.10	14.05	0.47	13.04	8.30	11.34	10.17	7.54		Jun-01-94

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New York City Board of Education Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total



Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
EQUITY ASSET CLASS SUMMARY																		
BERS-TOTAL DOM EQUITY	1,770.94	39.99	0.21	5.38	6.92	2.50	26.06	11.27	35.96	16.62	-0.72	17.27	12.55	17.12	14.31	8.77	9.84	Sep-01-91
RUSSELL 3000 (DAILY)			0.45	5.19	7.63	2.26	25.22	12.56	33.55	16.42	1.03	16.93	12.74	16.86	14.33	8.66	9.70	Sep-01-91
Excess			-0.24	0.19	-0.71	0.24	0.84	-1.29	2.41	0.20	-1.75	0.34	-0.19	0.25	-0.02	0.11	0.14	
BERS-TOTAL PASSIVE DOM EQUITY	1,437.88	32.47	0.57	5.26	7.46	2.39	25.20	12.22	33.59	16.50	0.69	16.99	12.60	16.82	14.25	8.63	9.58	Sep-01-93
RUSSELL 3000 (DAILY)			0.45	5.19	7.63	2.26	25.22	12.56	33.55	16.42	1.03	16.93	12.74	16.86	14.33	8.66	9.37	Sep-01-93
Excess			0.12	0.07	-0.18	0.13	-0.02	-0.33	0.04	0.08	-0.33	0.06	-0.14	-0.05	-0.07	-0.03	0.21	
BERS-TOTAL SMALL CAP PASSIVE	75.03	1.69	-2.55	5.01	3.21	1.63		4.82					9.57				9.88	Oct-01-13
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65		4.89					9.71				9.80	Oct-01-13
Excess			0.00	-0.02	-0.12	-0.03		-0.08					-0.13				0.08	
BERS-TOTAL MID CAP PASSIVE	0.15	0.00					25.16	9.71	33.46	17.89								Feb-01-11
S&P 400 MIDCAP INDEX (DAILY)			-1.49				25.24	9.77	33.50	17.88								Feb-01-11
Excess							-0.08	-0.06	-0.04	0.01								
BERS-RUSSELL 1000 PASSIVE	1,362.68	30.77	0.73	5.20	7.92	2.31		13.12					12.90				16.67	Oct-01-13
RUSSELL 1000 (DAILY)			0.71	5.20	8.01	2.31		13.24					13.00				16.73	Oct-01-13
Excess			0.02	-0.01	-0.08	0.00		-0.12					-0.11				-0.07	
BERS-TOTAL ACTIVE DOM EQUITY	333.06	7.52	-1.35	5.93	4.02	3.00	29.30	6.75	44.80	16.91	-3.63	17.87	11.36	17.96	14.61	9.18	8.85	Feb-01-93
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18	26.85	9.71	15.87	12.73	9.18	9.30	Feb-01-93
Excess			1.20	0.90	0.69	1.35	5.66	1.85	5.98	0.56	0.54	-8.99	1.66	2.08	1.88	0.00	-0.44	
BERS-TOTAL SMALL CAP ACTIVE	31.86	0.72	-2.79	3.91	-4.50	-2.41	22.21	-1.37	44.54	19.91	-10.17	21.37	0.06	14.89	11.57	6.51	5.98	Apr-01-04
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18	26.85	9.71	15.87	12.73	9.18	8.19	Apr-01-04
Excess			-0.24	-1.13	-7.83	-4.06	-1.44	-6.26	5.72	3.56	-5.99	-5.48	-9.64	-0.98	-1.15	-2.67	-2.21	
BERS-TOTAL MID CAP ACTIVE	141.44	3.19	-0.82	6.68	5.65	5.16	32.77	11.58	40.05	19.88	-6.79		13.91	19.40			17.26	Oct-01-10
RUSSELL MIDCAP (DAILY)			-0.91	4.64	7.31	3.01	26.85	13.22	34.76	17.28	-1.55		13.30	17.87			16.99	Oct-01-10
Excess			0.09	2.04	-1.67	2.15	5.92	-1.64	5.28	2.60	-5.25		0.61	1.53			0.27	
BERS-TOTAL EMERGING MANAGER PROGRAM	159.76	3.61	-1.53	5.69	4.54	2.35	24.89	5.43	40.84	17.00	-1.75	18.99	9.67	16.27	13.86	9.06	8.40	Apr-01-04
RUSSELL 3000 (DAILY)			0.45	5.19	7.63	2.26	25.22	12.56	33.55	16.42	1.03	16.93	12.74	16.86	14.33	8.66	8.24	Apr-01-04
Excess			-1.98	0.50	-3.09	0.09	-0.33	-7.13	7.29	0.58	-2.78	2.06	-3.07	-0.60	-0.47	0.39	0.16	

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New York City Board of Education Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total



Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
BERS-TOTAL INTL EQUITY	1,010.33	22.82	4.89	8.72	0.56	8.73	23.68	-3.03	17.99	18.36	-11.84	18.25	3.88	9.63	7.96	8.46	8.18	Nov-01-92
MSCI AC WORLD ex US (NET)			5.05	8.88	-0.99	8.72	21.75	-3.87	15.29	16.83	-13.71	11.15	2.63	8.74	6.04	6.26		Nov-01-92
Excess			-0.16	-0.16	1.55	0.01	1.93	0.83	2.70	1.52	1.87	7.09	1.25	0.88	1.92	2.20		
BERS-TOTAL DEVELOPED EQUITY	780.65	17.63	4.32	9.20	-0.50	8.60	25.59	-4.81	24.21	18.40	-10.35	17.92	1.86	10.86	8.93	8.28	8.10	Nov-01-92
MSCI EAFE			4.08	8.63	-0.92	9.16	23.57	-4.90	22.78	17.32	-12.14	7.75	1.66	11.22	7.40	5.62	6.61	Nov-01-92
Excess			0.24	0.57	0.42	-0.56	2.02	0.10	1.43	1.09	1.79	10.17	0.21	-0.36	1.53	2.66	1.49	
BERS-TOTAL ACTIVE EMERGING MARKETS	229.68	5.19	6.88	7.10	4.59	9.17	16.26	4.14	-4.70	18.12	-17.86	19.85	12.01	4.45	3.91	9.25	10.24	Apr-01-04
MSCI EMERGING MARKETS			7.69	9.45	1.47	10.10	14.31	-2.19	-2.60	18.22	-18.42	18.88	7.80	3.24	3.02	9.58	9.85	Apr-01-04
Excess			-0.81	-2.35	3.12	-0.94	1.95	6.33	-2.10	-0.11	0.57	0.97	4.21	1.21	0.89	-0.33	0.38	
FIXED INCOME ASSET CLASS SUMMARY																		
BERS-TOTAL FIXED INCOME	1,125.78	25.42	0.18	0.34	2.78	2.37	7.10	5.69	-0.56	8.55	9.42	9.39	4.59	4.20	6.05	6.09	5.84	Apr-01-04
BERS-TOTAL STRUCTURED	654.59	14.78	-0.33	-0.79	3.82	1.54	5.97	7.66	-2.38	6.68	9.23	8.36	5.52	3.66	5.36	5.57	8.10	Jan-01-85
NYC - Core Plus Five			-0.45	-1.00	3.92	1.43	5.54	7.66	-2.79	5.41	9.40	7.13	5.53	3.23	4.97	5.39		Jan-01-85
Excess			0.12	0.21	-0.10	0.11	0.42	0.00	0.41	1.27	-0.17	1.23	-0.01	0.43	0.39	0.18		
BERS-TOTAL MORTGAGE	256.57	5.79	0.23	0.50	3.22	1.56	4.45	5.80	-1.73	4.48	6.30	7.84	4.82	2.64	4.06	5.19	6.21	Aug-01-93
CITIGROUP MORTGAGE INDEX			0.10	0.42	3.25	1.25	4.59	6.12	-1.52	2.60	6.38	5.50	4.77	2.34	3.59	4.81	5.72	Aug-01-93
Excess			0.14	0.08	-0.04	0.31	-0.14	-0.32	-0.21	1.88	-0.08	2.35	0.05	0.30	0.46	0.38	0.50	
BERS-TOTAL INVESTMENT GRADE CREDIT	300.67	6.79	-0.45	-0.91	3.31	1.61	8.24	7.88	-1.07	10.36	8.34	9.02	5.04	5.02	6.28	5.44	7.69	Apr-01-87
NYC - Investment Grade Credit			-0.48	-0.97	3.19	1.60	7.17	7.04	-1.85	9.52	7.79	8.36	4.76	4.19	5.64	5.44		Apr-01-87
Excess			0.03	0.07	0.12	0.01	1.07	0.83	0.78	0.83	0.55	0.66	0.28	0.83	0.64	0.00		
BERS-TOTAL GOVERNMENT	97.34	2.20	-1.43	-3.74	6.92	1.28	3.97	12.27	-7.49	3.95	18.52	8.93	8.76	2.99	6.45	6.04	7.83	May-01-87
NYC - Treasury Agency Plus Five			-1.35	-3.57	7.04	1.45	3.79	12.38	-7.48	3.84	18.44	9.24	8.93	3.07	6.54	5.99		May-01-87
Excess			-0.08	-0.17	-0.13	-0.17	0.19	-0.11	-0.01	0.11	0.08	-0.32	-0.17	-0.08	-0.09	0.04		
BERS-TOTAL HIGH YIELD	219.44	4.96	1.27	3.50	1.44	4.46	12.96	3.09	8.39	15.68	6.25	15.01	3.51	8.12	9.17	8.44	6.25	Aug-01-97
CITIGROUP BB & B			1.26	3.15	1.28	3.77	10.91	2.78	6.17	14.45	6.58	13.35	2.97	7.05	8.24	6.97	6.27	Aug-01-97
Excess			0.01	0.35	0.16	0.69	2.05	0.30	2.22	1.23	-0.33	1.66	0.54	1.07	0.93	1.47	-0.01	

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Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
BERS-TOTAL BANK LOANS	85.72	1.94	0.85	2.89	2.96	3.15	6.31	2.34	6.33				4.07				5.23	Dec-01-12
CSFB LEVERAGED LOAN INDEX			0.90	2.72	2.27	2.99	6.11	2.06	6.15				3.52				4.96	Dec-01-12
Excess			-0.05	0.16	0.69	0.16	0.20	0.28	0.18				0.56				0.27	
BERS-TOTAL TIPS MANAGERS	141.78	3.20	0.70	-0.47	0.39	2.78	4.44	3.37	-8.52	7.67	13.34	6.57	2.73	0.54	4.19		4.60	Jun-01-05
Barclays Global Inflation Linked: US TIPS (Daily)			0.74	-0.95	0.06	2.17	4.44	3.64	-8.61	6.98	13.56	6.31	2.48	0.20	3.96		4.40	Jun-01-05
Excess			-0.03	0.48	0.34	0.61	0.01	-0.27	0.09	0.69	-0.22	0.26	0.25	0.34	0.23		0.20	
BERS-TOTAL TARGETED	24.25	0.55	-0.26	0.07	4.65	2.00	5.20	7.43	-1.61	4.29	7.10	5.75	6.51	3.52	4.39	5.82	6.82	Dec-01-84
BERS Custom Benchmark (No Cash)			-0.16	-0.35	3.20	1.25	4.20	5.76	-1.71	3.74	7.09	5.98	4.48	2.53	3.87			Dec-01-84
Excess			-0.10	0.42	1.45	0.76	1.00	1.67	0.10	0.55	0.01	-0.23	2.04	0.99	0.52			
CASH ASSET CLASS SUMMARY																		
BERS-TOTAL CASH	175.55	3.96	0.04	0.08	0.39	0.21	0.75	0.27	0.29	0.54	0.59	0.47	0.42	0.37	0.43	2.13	2.14	Apr-01-04
91 DAY TREASURY BILL (DAILY)			0.00	0.00	0.02	0.01	0.05	0.03	0.07	0.11	0.10	0.13	0.02	0.07	0.09	1.48	1.51	Apr-01-04
Excess			0.03	0.08	0.37	0.20	0.69	0.24	0.22	0.43	0.49	0.34	0.39	0.30	0.34	0.65	0.63	
US EQUITY																		
BERS-TOTAL SMALL CAP	106.89	2.41	-2.62	4.68	0.95	0.39	24.61	3.20	44.74	19.91	-10.17	21.37	6.84	17.80	13.26	7.31	6.70	Apr-01-04
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18	26.85	9.71	15.87	12.73	9.18	8.19	Apr-01-04
Excess			-0.07	-0.35	-2.38	-1.26	0.97	-1.70	5.92	3.56	-5.99	-5.48	-2.87	1.92	0.53	-1.87	-1.49	
BERS-TOTAL SMALL CAP PASSIVE	75.03	1.69	-2.55	5.01	3.21	1.63		4.82					9.57				9.88	Oct-01-13
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65		4.89					9.71				9.80	Oct-01-13
Excess			0.00	-0.02	-0.12	-0.03		-0.08					-0.13				0.08	
NYC BERS BLACKROCK R2000 GROWTH	38.19	0.86	-2.94	5.90	6.78	3.47		5.50					14.49				11.31	Oct-01-13
RUSSELL 2000 GROWTH DAILY			-2.94	5.91	6.92	3.49		5.60					14.65				11.17	Oct-01-13
Excess			0.00	-0.02	-0.14	-0.02		-0.10					-0.16				0.14	
NYC BERS BLACKROCK R2000 VALUE	36.85	0.83	-2.14	4.12	-0.31	-0.20		4.12					4.77				8.45	Oct-01-13
RUSSELL 2000 VALUE DAILY			-2.14	4.14	-0.18	-0.20		4.22					4.89				8.45	Oct-01-13
Excess			-0.01	-0.01	-0.12	0.00		-0.10					-0.12				0.00	
BERS-TOTAL SMALL CAP ACTIVE	31.86	0.72	-2.79	3.91	-4.50	-2.41	22.21	-1.37	44.54	19.91	-10.17	21.37	0.06	14.89	11.57	6.51	5.98	Apr-01-04
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18	26.85	9.71	15.87	12.73	9.18	8.19	Apr-01-04
Excess			-0.24	-1.13	-7.83	-4.06	-1.44	-6.26	5.72	3.56	-5.99	-5.48	-9.64	-0.98	-1.15	-2.67	-2.21	

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BERS-TOTAL SMALL CAP CORE	31.86	0.72	-2.79	3.91	-4.50	-2.41	22.21	-1.37	44.54	19.91	-10.17		0.06	14.89	11.57		11.98	Apr-01-10
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18		9.71	15.87	12.73		13.73	Apr-01-10
Excess			-0.24	-1.13	-7.83	-4.06	-1.44	-6.26	5.72	3.56	-5.99		-9.64	-0.98	-1.15		-1.76	
Daruma Small Cap-Core	31.86	0.72	-2.79	3.91	-4.50	-2.41	22.21	-1.37	44.54	19.91	-10.17		0.06	14.89	11.57		11.98	Apr-01-10
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18		9.71	15.87	12.73		13.73	Apr-01-10
Excess			-0.24	-1.13	-7.83	-4.06	-1.44	-6.26	5.72	3.56	-5.99		-9.64	-0.98	-1.15		-1.76	
BERS-TOTAL MID CAP	141.60	3.20	-0.46	6.83	6.38	5.38	29.89	10.77	37.52	19.12	-5.53		13.97	18.55			16.85	Oct-01-10
RUSSELL MIDCAP (DAILY)			-0.91	4.64	7.31	3.01	26.85	13.22	34.76	17.28	-1.55		13.30	17.87			16.99	Oct-01-10
Excess			0.45	2.19	-0.93	2.37	3.04	-2.45	2.76	1.84	-3.98		0.67	0.68			-0.15	
State St GA S&P 400	0.15	0.00					25.16	9.71	33.46	17.89								Feb-01-11
S&P 400 MIDCAP INDEX (DAILY)			-1.49				25.24	9.77	33.50	17.88								Feb-01-11
Excess							-0.08	-0.06	-0.04	0.01								
BERS-TOTAL MID CAP ACTIVE	141.44	3.19	-0.82	6.68	5.65	5.16	32.77	11.58	40.05	19.88	-6.79		13.91	19.40			17.26	Oct-01-10
RUSSELL MIDCAP (DAILY)			-0.91	4.64	7.31	3.01	26.85	13.22	34.76	17.28	-1.55		13.30	17.87			16.99	Oct-01-10
Excess			0.09	2.04	-1.67	2.15	5.92	-1.64	5.28	2.60	-5.25		0.61	1.53			0.27	
Wellington Mgmt MCC	141.44	3.19	-0.82	6.68	5.65	5.16	32.77	11.58	40.05	19.88	-6.79		13.91	19.40			17.26	Oct-01-10
S&P 400 MIDCAP INDEX (DAILY)			-1.49	4.92	5.94	3.74	25.24	9.77	33.50	17.88	-1.73		12.28	16.53			16.32	Oct-01-10
Excess			0.67	1.75	-0.29	1.41	7.53	1.81	6.54	2.00	-5.06		1.64	2.86			0.94	
BERS-TOTAL RUSSELL 1000	1,362.68	30.77	0.73	5.20	7.92	2.31	40.68	12.92	62.18	14.87	-1.64	16.72	13.29	23.97	18.38	11.32	10.30	Sep-01-93
RUSSELL 1000 (DAILY)			0.71	5.20	8.01	2.31	25.35	13.24	33.11	16.42	1.50	16.10	13.00	16.95	14.47	8.62	9.44	Sep-01-93
Excess			0.02	-0.01	-0.08	0.00	15.32	-0.32	29.07	-1.56	-3.14	0.62	0.29	7.02	3.91	2.71	0.85	
BERS-RUSSELL 1000 PASSIVE	1,362.68	30.77	0.73	5.20	7.92	2.31		13.12					12.90				16.67	Oct-01-13
RUSSELL 1000 (DAILY)			0.71	5.20	8.01	2.31		13.24					13.00				16.73	Oct-01-13
Excess			0.02	-0.01	-0.08	0.00		-0.12					-0.11				-0.07	
NYC BERS BLACKROCK R1000 GROWTH	695.89	15.71	0.50	5.97	10.91	4.36		12.92					16.58				18.21	Oct-01-13
RUSSELL 1000 GROWTH - DAILY			0.50	5.98	10.98	4.36		13.05					16.67				18.22	Oct-01-13
Excess			0.00	-0.01	-0.07	0.01		-0.13					-0.09				-0.01	
NYC BERS BLACKROCK R1000 VALUE	666.80	15.06	0.95	4.38	4.99	0.23		13.39					9.30				15.13	Oct-01-13
RUSSELL 1000 VALUE (DAILY)			0.93	4.38	4.99	0.21		13.45					9.31				15.20	Oct-01-13
Excess			0.01	0.00	-0.01	0.02		-0.06					-0.02				-0.06	

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BERS-TOTAL EMERGING MANAGER PROGRAM	159.76	3.61	-1.53	5.69	4.54	2.35	24.89	5.43	40.84	17.00	-1.75	18.99	9.67	16.27	13.86	9.06	8.40	Apr-01-04
RUSSELL 3000 (DAILY)			0.45	5.19	7.63	2.26	25.22	12.56	33.55	16.42	1.03	16.93	12.74	16.86	14.33	8.66	8.24	Apr-01-04
Excess			-1.98	0.50	-3.09	0.09	-0.33	-7.13	7.29	0.58	-2.78	2.06	-3.07	-0.60	-0.47	0.39	0.16	
BERS-TOTAL FIS	79.35	1.79	-2.96	6.08	3.89	2.14	22.13	2.58	43.42	17.35	-2.62	27.68	9.21	16.74	14.00		7.11	Jan-01-08
RUSSELL 2000 (DAILY)			-2.55	5.03	3.33	1.65	23.64	4.89	38.82	16.35	-4.18	26.85	9.71	15.87	12.73		8.04	Jan-01-08
Excess			-0.41	1.05	0.55	0.48	-1.51	-2.32	4.60	1.00	1.55	0.83	-0.49	0.87	1.27		-0.94	
BERS-TOTAL PROGRESS	80.42	1.82	-0.08	5.30	5.19	2.57	27.78	8.40	37.64	16.87	-1.43	16.04	10.12	16.20	13.87	9.12	6.01	May-01-99
RUSSELL 3000 (DAILY)			0.45	5.19	7.63	2.26	25.22	12.56	33.55	16.42	1.03	16.93	12.74	16.86	14.33	8.66	5.39	May-01-99
Excess			-0.53	0.12	-2.44	0.31	2.56	-4.15	4.09	0.45	-2.45	-0.89	-2.62	-0.66	-0.45	0.45	0.62	
NON - US EQUITY																		
BERS-TOTAL DEVELOPED VALUE	323.70	7.31	4.43	6.97	-2.90	6.48	22.45	-2.98	16.94	17.84	-9.92	18.56	-0.64	8.71	7.48	6.70	7.65	Aug-01-04
MSCI EAFE VALUE NET (DAILY)			4.42	8.78	-3.19	8.48	26.86	-5.39	22.95	17.69	-12.17	3.25	-0.77	11.77	6.61	4.98	6.15	Aug-01-04
Excess			0.01	-1.81	0.29	-2.00	-4.41	2.41	-6.01	0.15	2.26	15.31	0.13	-3.06	0.87	1.73	1.50	
Sprucegrove MTA (BOE)	323.70	7.31	4.43	6.97	-2.90	6.48	22.45	-2.98	16.94	17.84	-9.92	18.56	-0.64	8.71	7.48	6.70	7.65	Aug-01-04
MSCI EAFE VALUE NET (DAILY)			4.42	8.78	-3.19	8.48	26.86	-5.39	22.95	17.69	-12.17	3.25	-0.77	11.77	6.61	4.98	6.15	Aug-01-04
Excess			0.01	-1.81	0.29	-2.00	-4.41	2.41	-6.01	0.15	2.26	15.31	0.13	-3.06	0.87	1.73	1.50	
BERS-TOTAL DEVELOPED GROWTH	373.40	8.43	4.08	10.99	2.42	10.15	26.44	-6.42	29.53	18.88	-10.71	17.36	4.46	12.24	9.90		5.32	Aug-01-07
MSCI EAFE GROWTH			3.76	8.48	1.36	9.83	20.33	-4.43	22.55	16.86	-12.11	12.25	4.10	10.63	8.14		1.85	Aug-01-07
Excess			0.32	2.51	1.06	0.32	6.11	-1.99	6.98	2.02	1.40	5.12	0.36	1.61	1.76		3.47	
Baillie Gifford MTA	373.40	8.43	4.08	10.99	2.42	10.15	26.44	-6.42	29.53	18.88	-10.71	17.36	4.46	12.24	9.90		5.32	Aug-01-07
MSCI EAFE GROWTH			3.76	8.48	1.36	9.83	20.33	-4.43	22.55	16.86	-12.11	12.25	4.10	10.63	8.14		1.85	Aug-01-07
Excess			0.32	2.51	1.06	0.32	6.11	-1.99	6.98	2.02	1.40	5.12	0.36	1.61	1.76		3.47	
BERS-TOTAL DEVELOPED SMALL CAP	83.54	1.89	4.98	10.13	-3.45	10.24	34.78	-4.60					0.58				10.48	May-01-13
S&P EPAC Small Cap Index			5.33	10.74	1.23	11.19	29.60	-3.10					3.95				11.36	May-01-13
Excess			-0.35	-0.62	-4.68	-0.95	5.18	-1.50					-3.38				-0.88	
Acadian	83.54	1.89	4.98	10.13	-3.45	10.24	34.78	-4.60					0.58				10.48	May-01-13
S&P EPAC Small Cap Index			5.33	10.74	1.23	11.19	29.60	-3.10					3.95				11.36	May-01-13
Excess			-0.35	-0.62	-4.68	-0.95	5.18	-1.50					-3.38				-0.88	
BERS-TOTAL DEVELOPED EQUITY ACTIVE	780.65	17.63	4.32	9.20	-0.50	8.60	25.59	-4.81	24.21	18.40	-10.35	17.92	1.86	10.86	8.93	8.28	8.38	Nov-01-92
MSCI EAFE			4.08	8.63	-0.92	9.16	23.57	-4.90	22.78	17.32	-12.14	7.75	1.66	11.22	7.40	5.62	6.61	Nov-01-92
Excess			0.24	0.57	0.42	-0.56	2.02	0.10	1.43	1.09	1.79	10.17	0.21	-0.36	1.53	2.66	1.77	

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EMERGING MARKETS																		
BERS-TOTAL EMERGING (INTL)	229.68	5.19	6.88	7.10	4.59	9.17	16.42	4.14	-4.27	18.15	-18.03	19.85	12.01	4.59	3.97	9.28	8.74	Nov-01-97
MSCI EMERGING MARKETS			7.69	9.45	1.47	10.10	14.31	-2.19	-2.60	18.22	-18.42	18.88	7.80	3.24	3.02	9.58		Nov-01-97
Excess			-0.81	-2.35	3.12	-0.94	2.10	6.33	-1.67	-0.08	0.39	0.97	4.21	1.35	0.95	-0.30		
BERS-TOTAL ACTIVE EMERGING MARKETS	229.68	5.19	6.88	7.10	4.59	9.17	16.26	4.14	-4.70	18.12	-17.86	19.85	12.01	4.45	3.91	9.25	10.24	Apr-01-04
MSCI EMERGING MARKETS			7.69	9.45	1.47	10.10	14.31	-2.19	-2.60	18.22	-18.42	18.88	7.80	3.24	3.02	9.58	9.85	Apr-01-04
Excess			-0.81	-2.35	3.12	-0.94	1.95	6.33	-2.10	-0.11	0.57	0.97	4.21	1.21	0.89	-0.33	0.38	
ACADIAN	229.68	5.19	6.88	7.10	4.59	9.17	16.26	4.14					12.01				4.47	Mar-01-13
MSCI EMERGING MARKETS			7.69	9.45	1.47	10.10	14.31	-2.19					7.80				2.18	Mar-01-13
Excess			-0.81	-2.35	3.12	-0.94	1.95	6.33					4.21				2.29	
BERS-TOTAL INTL EQUITY	1,010.33	22.82	4.89	8.72	0.56	8.73	23.68	-3.03	17.99	18.36	-11.84	18.25	3.88	9.63	7.96	8.46	8.18	Nov-01-92
MSCI AC WORLD ex US (NET)			5.05	8.88	-0.99	8.72	21.75	-3.87	15.29	16.83	-13.71	11.15	2.63	8.74	6.04	6.26		Nov-01-92
Excess			-0.16	-0.16	1.55	0.01	1.93	0.83	2.70	1.52	1.87	7.09	1.25	0.88	1.92	2.20		
FIXED INCOME																		
BERS-TOTAL STRUCTURED	654.59	14.78	-0.33	-0.79	3.82	1.54	5.97	7.66	-2.38	6.68	9.23	8.36	5.52	3.66	5.36	5.57	8.10	Jan-01-85
NYC - Core Plus Five			-0.45	-1.00	3.92	1.43	5.54	7.66	-2.79	5.41	9.40	7.13	5.53	3.23	4.97	5.39		Jan-01-85
Excess			0.12	0.21	-0.10	0.11	0.42	0.00	0.41	1.27	-0.17	1.23	-0.01	0.43	0.39	0.18		
BERS-TOTAL MORTGAGE	256.57	5.79	0.23	0.50	3.22	1.56	4.45	5.80	-1.73	4.48	6.30	7.84	4.82	2.64	4.06	5.19	6.21	Aug-01-93
CITIGROUP MORTGAGE INDEX			0.10	0.42	3.25	1.25	4.59	6.12	-1.52	2.60	6.38	5.50	4.77	2.34	3.59	4.81	5.72	Aug-01-93
Excess			0.14	0.08	-0.04	0.31	-0.14	-0.32	-0.21	1.88	-0.08	2.35	0.05	0.30	0.46	0.38	0.50	
Blackrock Mortgages	256.50	5.79	0.23	0.49		1.56											1.56	Jan-01-15
CITIGROUP MORTGAGE INDEX			0.10	0.42		1.25											1.25	Jan-01-15
Excess			0.14	0.08		0.31											0.31	
BERS-TOTAL INVESTMENT GRADE CREDIT	300.67	6.79	-0.45	-0.91	3.31	1.61	8.24	7.88	-1.07	10.36	8.34	9.02	5.04	5.02	6.28	5.44	7.69	Apr-01-87
NYC - Investment Grade Credit			-0.48	-0.97	3.19	1.60	7.17	7.04	-1.85	9.52	7.79	8.36	4.76	4.19	5.64	5.44		Apr-01-87
Excess			0.03	0.07	0.12	0.01	1.07	0.83	0.78	0.83	0.55	0.66	0.28	0.83	0.64	0.00		
Prudential - Credit	170.57	3.85	-0.49	-0.95	3.30	1.63	7.63	7.28	-1.21	9.51	8.00	8.72	4.92	4.51	5.93		6.65	Aug-01-09
NYC - Investment Grade Credit			-0.48	-0.97	3.19	1.60	7.17	7.04	-1.85	9.52	7.79	8.36	4.76	4.19	5.64		6.38	Aug-01-09
Excess			-0.01	0.03	0.11	0.03	0.45	0.24	0.64	-0.01	0.20	0.36	0.16	0.31	0.29		0.26	

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New York City Board of Education Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total



Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
Taplin Canida Habacht - Credit	113.69	2.57	-0.44	-0.85	3.11	1.54	9.44	8.77	-1.04	11.51	8.83	9.43	5.07	5.67	6.74	5.70	7.05	Jan-01-93
NYC - Investment Grade Credit			-0.48	-0.97	3.19	1.60	7.17	7.04	-1.85	9.52	7.79	8.36	4.76	4.19	5.64	5.44	6.50	Jan-01-93
Excess			0.04	0.12	-0.08	-0.06	2.27	1.73	0.81	1.99	1.04	1.07	0.31	1.48	1.10	0.26	0.56	
Prudential-Privest - Credit	16.42	0.37	-0.23	-0.90	4.70	1.94	5.92	7.27	0.00				5.89				3.92	Jan-01-13
NYC - Investment Grade Credit			-0.48	-0.97	3.19	1.60	7.17	7.04	-1.85				4.76				2.84	Jan-01-13
Excess			0.24	0.07	1.51	0.34	-1.25	0.23	1.85				1.13				1.07	
BERS-TOTAL GOVERNMENT	97.34	2.20	-1.43	-3.74	6.92	1.28	3.97	12.27	-7.49	3.95	18.52	8.93	8.76	2.99	6.45	6.04	7.83	May-01-87
NYC - Treasury Agency Plus Five			-1.35	-3.57	7.04	1.45	3.79	12.38	-7.48	3.84	18.44	9.24	8.93	3.07	6.54	5.99		May-01-87
Excess			-0.08	-0.17	-0.13	-0.17	0.19	-0.11	-0.01	0.11	0.08	-0.32	-0.17	-0.08	-0.09	0.04		
State Street Govt	97.34	2.20	-1.43	-3.74	6.92	1.28	3.97	12.27	-7.49	3.95	18.52	8.93	8.76	2.99	6.45	6.07	7.26	Jan-01-93
NYC - Treasury Agency Plus Five			-1.35	-3.57	7.04	1.45	3.79	12.38	-7.48	3.84	18.44	9.24	8.93	3.07	6.54	5.99	7.17	Jan-01-93
Excess			-0.08	-0.17	-0.13	-0.17	0.19	-0.11	-0.01	0.11	0.08	-0.32	-0.17	-0.08	-0.09	0.07	0.09	
HIGH YIELD																		
BERS-TOTAL HIGH YIELD	219.44	4.96	1.27	3.50	1.44	4.46	12.96	3.09	8.39	15.68	6.25	15.01	3.51	8.12	9.17	8.44	6.25	Aug-01-97
CITIGROUP BB & B			1.26	3.15	1.28	3.77	10.91	2.78	6.17	14.45	6.58	13.35	2.97	7.05	8.24	6.97	6.27	Aug-01-97
Excess			0.01	0.35	0.16	0.69	2.05	0.30	2.22	1.23	-0.33	1.66	0.54	1.07	0.93	1.47	-0.01	
Loomis Sayles - High Yield	118.38	2.67	1.33	3.37	0.30	4.37	14.13	3.16	9.95	17.52	7.14	15.79	2.86	8.88	10.00	9.37	7.87	Aug-01-97
NYC-Loomis (BoA MLMSTII 7-03/BB&B PRIOR)			1.20	3.06	0.69	3.77	11.80	2.50	7.42	15.58	4.38	15.19	2.57	7.53	8.18	8.28	7.06	Aug-01-97
Excess			0.13	0.30	-0.40	0.59	2.33	0.66	2.54	1.94	2.75	0.60	0.29	1.36	1.82	1.08	0.81	
Shenkman - High Yield	101.06	2.28	1.21	3.65	2.83	4.58	11.59	3.01	6.63				4.28				6.91	Sep-01-12
CITIGROUP BB & B			1.26	3.15	1.28	3.77	10.91	2.78	6.17				2.97				6.40	Sep-01-12
Excess			-0.05	0.50	1.54	0.81	0.68	0.23	0.46				1.31				0.51	
BANK LOANS																		
BERS-TOTAL BANK LOANS	85.72	1.94	0.85	2.89	2.96	3.15	6.31	2.34	6.33				4.07				5.23	Dec-01-12
CSFB LEVERAGED LOAN INDEX			0.90	2.72	2.27	2.99	6.11	2.06	6.15				3.52				4.96	Dec-01-12
Excess			-0.05	0.16	0.69	0.16	0.20	0.28	0.18				0.56				0.27	
Babson BL	85.72	1.94	0.85	2.89	2.96	3.15	6.31	2.34	6.33				4.07				5.23	Dec-01-12
CSFB LEVERAGED LOAN INDEX			0.90	2.72	2.27	2.99	6.11	2.06	6.15				3.52				4.96	Dec-01-12
Excess			-0.05	0.16	0.69	0.16	0.20	0.28	0.18				0.56				0.27	

New York City Board of Education Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total



Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
BERS-TOTAL TIPS MANAGERS	141.78	3.20	0.70	-0.47	0.39	2.78	4.44	3.37	-8.52	7.67	13.34	6.57	2.73	0.54	4.19		4.60	Jun-01-05
Barclays Global Inflation Linked: US TIPS (Daily)			0.74	-0.95	0.06	2.17	4.44	3.64	-8.61	6.98	13.56	6.31	2.48	0.20	3.96		4.40	Jun-01-05
Excess			-0.03	0.48	0.34	0.61	0.01	-0.27	0.09	0.69	-0.22	0.26	0.25	0.34	0.23		0.20	
SSGA TIPS	141.72	3.20	0.70														0.70	Apr-01-15
Barclays Global Inflation Linked: US TIPS (Daily)			0.74														0.74	Apr-01-15
Excess			-0.03														-0.03	
OTHER FIXED INCOME																		
TOTAL BOE ETI (w/o cash)	24.25	0.55	-0.26	0.07	4.65	2.00	5.12	7.43	-1.66	4.35	7.15	6.31	6.51	3.51	4.41	5.95	7.18	Dec-01-84
BERS Custom Benchmark (No Cash)			-0.16	-0.35	3.20	1.25	4.20	5.76	-1.71	3.74	7.09	5.98	4.48	2.53	3.87			Dec-01-84
Excess			-0.10	0.42	1.45	0.76	0.92	1.67	0.05	0.60	0.06	0.33	2.04	0.98	0.54			
AFL-CIO HOUSING INV TRUST	12.37	0.28	-0.17	-0.31	3.63	1.55	4.45	6.33	-2.37	4.27	7.86	6.16	5.26	2.74	4.11		4.88	Dec-01-06
Barclays Aggregate (Daily)			-0.36	-0.84	3.23	1.24	4.37	5.97	-2.02	4.21	7.84	6.54	4.46	2.60	4.12		4.87	Dec-01-06
Excess			0.19	0.52	0.40	0.31	0.08	0.36	-0.35	0.06	0.02	-0.39	0.80	0.14	-0.01		0.01	
ACCESS RBC	7.25	0.16	0.19	0.55	4.25	1.80	4.33	6.95	-2.09	4.43	6.99	5.72	6.09	3.05	4.09		5.66	Mar-01-07
Access RBC Benchmark			0.00	-0.02	2.84	1.12	3.55	5.08	-1.50	2.38	6.32	5.52	4.07	1.98	3.32		4.59	Mar-01-07
Excess			0.19	0.58	1.41	0.69	0.79	1.86	-0.59	2.06	0.66	0.20	2.02	1.07	0.77		1.07	
CPC CONST FACILITY	0.46	0.01	0.19	0.57		0.86											1.66	Aug-01-14
CPC CONST BENCHMARK			0.24	0.71		0.95											2.14	Aug-01-14
Excess			-0.05	-0.14		-0.09											-0.48	
BERS-TOTAL PPAR	4.16	0.09	-1.41	0.21	10.64	4.13	15.99	17.33	9.39	9.28	4.97	8.51	14.16	12.76	10.11		9.52	Oct-01-06
GNMA Plus 65bps			0.39	0.78	3.37	1.26	5.44	6.65	-1.56	2.89	8.70	7.32	4.89	2.60	4.42		5.67	Oct-01-06
Excess			-1.80	-0.57	7.27	2.87	10.56	10.68	10.95	6.39	-3.73	1.19	9.27	10.15	5.69		3.86	
CFSB-PPAR (GNMA)	0.14	0.00	-1.40	-3.72	5.60	0.30	12.19	15.34	4.28	8.16	3.29	12.80	8.59	8.62	8.16		7.76	Oct-01-06
CCD-PPAR (GNMA)	0.35	0.01	-1.36	-3.59	5.53	0.47	13.62	15.37	8.64	11.40	5.59	11.58	9.77	11.19	9.90		9.43	Dec-01-06
CCD-PPAR (FNMA)	0.88	0.02	-1.73	-4.16	14.48	-0.44		25.71					18.20				18.26	Dec-01-13
CPC-PPAR (FNMA)	0.62	0.01	-1.31	-3.64	2.68	0.17		13.91					5.94				13.65	Aug-01-13
JPMC-PPAR (FNMA)	0.67	0.02	-1.29	-4.76	1.57	-1.13		12.06					4.86				8.15	Sep-01-13
BOA-PPAR (FNMA)	0.82	0.02	-1.48	28.42	37.69	33.40		13.31					42.17				39.51	Dec-01-13
LIIF-PPAR (GNMA)	0.17	0.00	-0.54	-1.46	4.48	1.76	10.56	9.74	7.82	6.84	4.96	4.34	6.63	8.14	6.54		6.82	Aug-01-09
NCBCI-PPAR (GNMA)	0.09	0.00	-1.36	-3.61	6.79	0.68	17.59	16.66	12.06	9.46	8.50	4.10	9.88	12.28	9.78		9.36	Aug-01-09
LIIF-PPAR (FNMA)	0.41	0.01	-1.46	-3.89	9.27	-0.14		38.12					12.61				26.56	Nov-01-13
NCBCI-PPAR (FNMA)	0.02	0.00	-1.35	-3.58	5.63	0.57		14.93					8.28				18.21	Nov-01-13

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New York City Board of Education Retirement System

Manager / Benchmark Comparison Report

Rates of Return - Total



Periods Ending April 30, 2015

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Month	FYTD	CYTD	FYE 06/30/14	CYE 12/31/14	CYE 12/31/13	CYE 12/31/12	CYE 12/31/11	CYE 12/31/10	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 10 Year	ITD	Inception Date
CASH																		
BERS-TOTAL CASH	175.55	3.96	0.04	0.08	0.39	0.21	0.75	0.27	0.29	0.54	0.59	0.47	0.42	0.37	0.43	2.13	2.14	Apr-01-04
91 DAY TREASURY BILL (DAILY)			0.00	0.00	0.02	0.01	0.05	0.03	0.07	0.11	0.10	0.13	0.02	0.07	0.09	1.48	1.51	Apr-01-04
Excess			0.03	0.08	0.37	0.20	0.69	0.24	0.22	0.43	0.49	0.34	0.39	0.30	0.34	0.65	0.63	
BOARD OF ED. SHORT TERM	175.48	3.96	0.04	0.08	0.39	0.21	0.75	0.28	0.29	0.53	0.62	0.47	0.42	0.37	0.44	2.10	2.25	Oct-01-00
91 DAY T-BILL			0.00	0.00	0.00	0.00	0.05	0.02	0.08	0.11	0.11	0.14	0.01	0.07	0.09	1.47	1.77	Oct-01-00
Excess			0.04	0.08	0.39	0.21	0.70	0.26	0.21	0.42	0.51	0.33	0.41	0.31	0.35	0.63	0.48	
C/D - Fail Float Earnings	0.07	0.00																Apr-01-04
SECURITY LENDING	0.39	0.01																Apr-01-04
PRIVATE EQUITY																		
BERS-TOTAL PRIVATE EQUITY	171.28	3.87	4.72	6.09	15.04	6.06	24.58	22.16	15.34	7.70	19.15	13.64	29.08	16.64	15.63		4.47	Jul-01-06
NYC R3000 +3% Lagged			-2.54	0.31	9.97	3.32	25.27	21.24	24.53	35.20	5.55	15.96	16.35	23.02	19.21		11.94	Jul-01-06
Excess			7.26	5.78	5.07	2.74	-0.69	0.92	-9.19	-27.50	13.60	-2.32	12.73	-6.38	-3.57		-7.47	
REAL ASSETS																		
BERS-TOTAL REAL ASSETS	173.97	3.93	0.25	3.35	11.08	4.99	10.22	13.77	8.57	14.30	9.43		15.77	11.77			11.58	Dec-01-10
BERS-TOTAL PRIVATE REAL ESTATE	167.57	3.78	0.26	3.27	11.04	4.93	10.16	13.67	8.64	14.30	9.43		15.48	11.74			11.56	Dec-01-10
NCREIF NFI-ODCE NET + 100 BP			0.08	3.41	10.37	3.50	12.85	12.56	14.02	10.88	16.09		13.52	12.70			14.13	Dec-01-10
Excess			0.18	-0.14	0.67	1.44	-2.69	1.10	-5.39	3.41	-6.66		1.97	-0.97			-2.56	
BERS-TOTAL INFRASTRUCTURE	6.39	0.14	0.00	5.49	11.17	6.25		18.85					40.10				17.94	Dec-01-13
CPI + 4%			0.43	1.55	2.73	1.19		4.70					5.05				4.62	Dec-01-13
Excess			-0.43	3.94	8.44	5.06		14.15					35.05				13.33	
BERS-TOTAL BOARD OF ED.																		
Board of Education Policy Benchmark	4,428.25	100.00	1.40	4.56	4.57	3.97	19.47	6.64	18.78	13.50	-0.42	14.95	8.79	11.25	10.09	7.86	9.00	Jul-01-87
Excess			1.22	4.21	4.62	3.91	18.30	6.93	18.10	14.05	0.47	13.04	8.30	11.34	10.17	7.54		Jul-01-87
			0.18	0.35	-0.05	0.05	1.17	-0.29	0.68	-0.55	-0.89	1.91	0.49	-0.09	-0.08	0.31		

NYC Board of Education Retirement System
Private Equity Portfolio
As of December 31, 2014 (in USD)

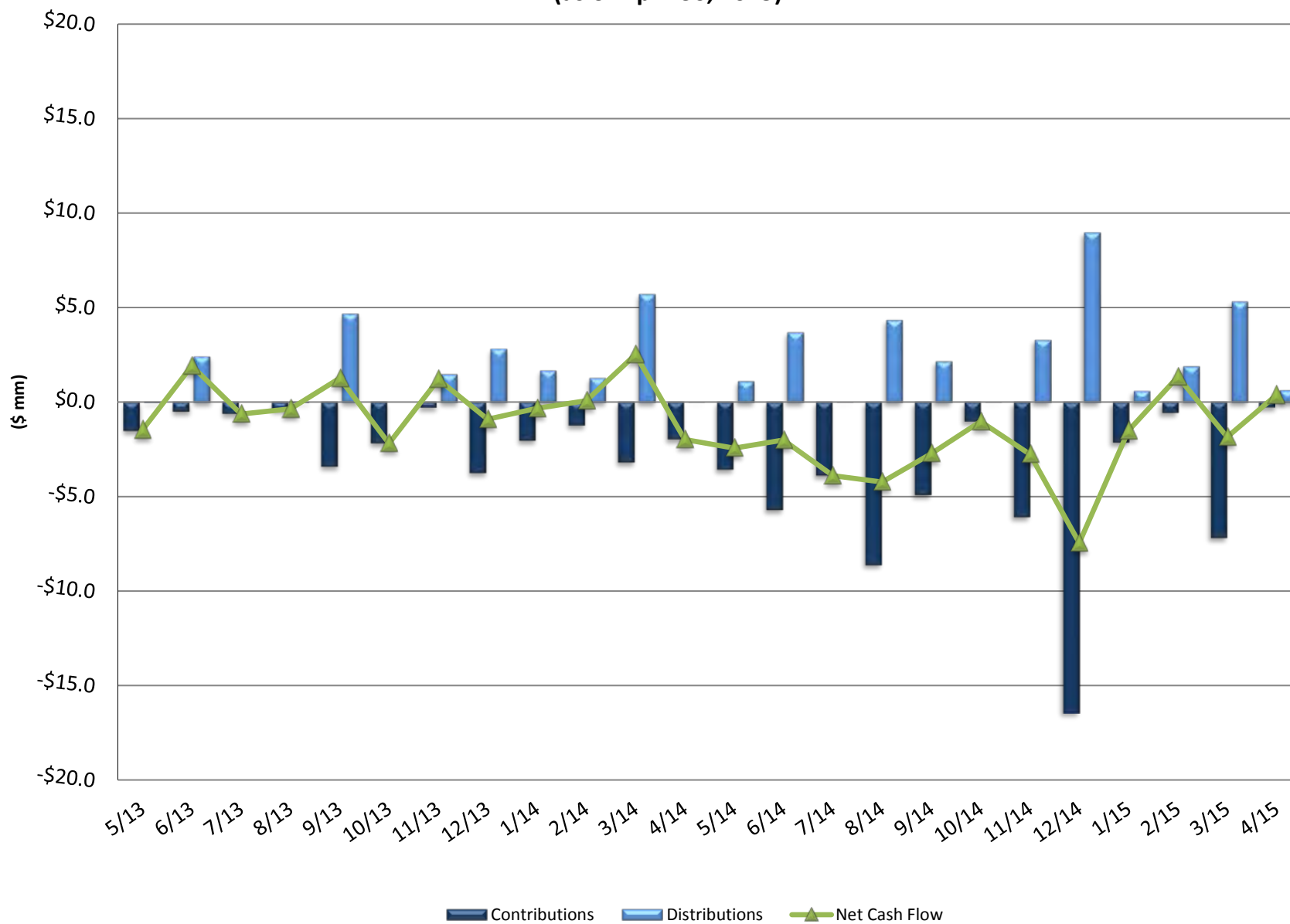
Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
Active Investments								
2005	Mesirow Financial Private Equity Partnership Fund III, L.P.	7/20/2006	\$ 57,000,000	\$ 54,238,273	\$ 41,536,092	\$ 47,293,751	1.64x	9.02%
2006	Mesirow Financial Private Equity Partnership Fund IV, L.P.	3/31/2008	25,000,000	20,717,233	7,878,759	22,573,865	1.47x	9.75%
2006	New York Fairview Private Equity Fund, L.P.	7/14/2006	19,000,000	16,937,122	10,609,277	11,867,611	1.33x	6.60%
2009	Mesirow Financial Private Equity Partnership Fund V, L.P.	3/7/2011	45,000,000	25,664,326	2,933,886	33,630,716	1.42x	15.57%
2012	Warburg Pincus Private Equity XI, L.P.	7/17/2012	25,000,000	14,348,070	950,645	16,747,280	1.23x	18.08%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	15,000,000	6,581,286	5,063,046	5,366,131	1.58x	67.81%
2013	Carlyle Partners VI, L.P.	7/3/2013	20,000,000	6,215,379	194	5,944,926	0.96x	N/M
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	2,200,000	485,899	-	449,290	0.00x	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	19,000,000	4,073,024	-	4,502,806	1.11x	N/M
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	6,000,000	1,874,467	-	1,973,804	1.05x	N/M
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	20,000,000	1,731,319	12,756	1,619,596	0.94x	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	18,772,586	1,516,031	2,600	1,144,619	0.76x	N/M
2013	Centerbridge Capital Partners III, L.P.	N/A	2,500,000	-	-	-	0.00x	N/M
2014	ASF VI, L.P.	5/9/2014	15,000,000	3,522,826	-	4,280,238	1.22x	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	5,000,000	2,920,163	-	3,461,007	1.19x	N/M
2014	Crestview Partners III, L.P.	N/A	15,000,000	-	-	-	0.00x	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	N/A	5,000,000	-	-	-	0.00x	N/M
2014	Lexington Capital Partners VIII, L.P.	N/A	20,000,000	-	-	-	0.00x	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	25,000,000	8,030,013	1,949	7,792,465	0.97x	N/M
2014	*NMS Fund II, L.P.	10/31/2014	1,200,000	194,450	-	180,287	0.93x	N/M
2014	*Webster Capital III, L.P.	N/A	2,250,000	-	-	-	0.00x	N/M
2014	*Mill City Fund II, L.P.	12/29/2014	1,200,000	673,113	-	620,882	0.92x	N/M
2014	*Raine Partners II, L.P.	N/A	3,000,000	-	-	-	0.00x	N/M
Total Portfolio			\$ 367,122,586	\$ 169,722,994	\$ 68,989,204	\$ 169,449,274	1.40x	10.44%

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
Commitments Closed Subsequent to as of Date								
2014	American Securities Partners VII, L.P.	N/A	8,000,000	-	-	-	N/A	N/A
2014	Siris Partners III, L.P.	N/A	1,600,000	-	-	-	N/A	N/A
2015	Valor Equity Partners III, L.P.	N/A	3,500,000	-	-	-	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 13,100,000	\$ -	\$ -	\$ -	N/A	N/A

*NMS Fund II, L.P., Webster Capital III, L.P., Mill City Fund II, L.P., and Raine Partners II, L.P. are part of the NYCBERS - 2012 Emerging Manager Program of which NYCBERS has total commitments of \$25.0 million.

Note: Where available, December 31, 2014 reported valuations were used. In the absence of December 31, 2014 reported values, market values have been adjusted forward using interim cashflows through December 31, 2014. 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 December 31, 2014.

NYC BERS Monthly PE Cash Flow Summary (as of April 30, 2015)





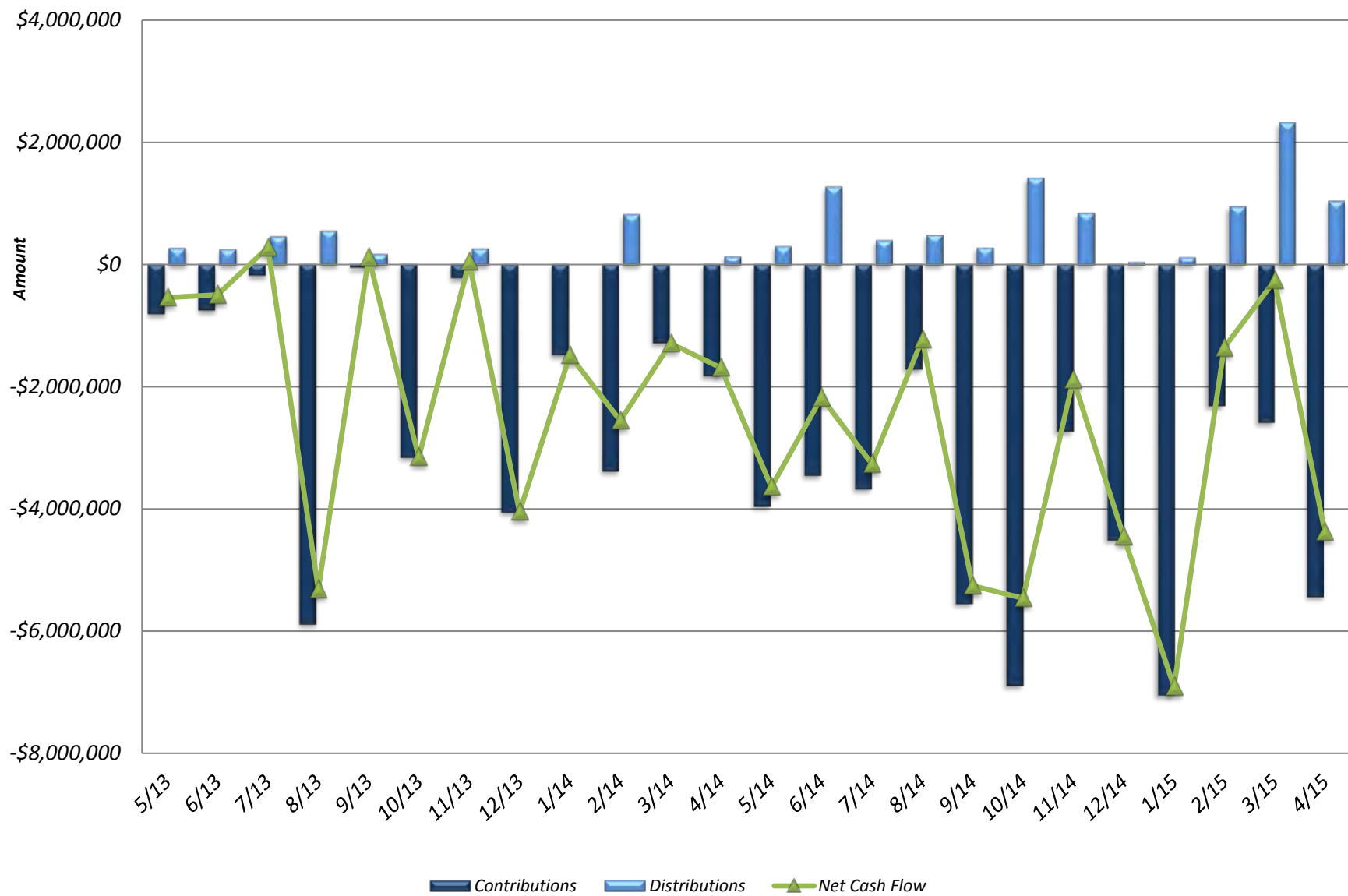
4Q2014 New York City Board of Education Retirement System

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2011	UBS Trumbull Property Fund	4/1/2011	\$41,400,000	\$50,201,571	(\$7,032,013)	\$61,554,727	1.4	10.1%
2011	LaSalle Property Fund	12/13/2010	\$27,600,000	\$25,965,833	(\$2,967,085)	\$30,964,933	1.3	12.3%
2013	NYC Asset Investor #2 LLC - Related	7/9/2013	\$11,000,000	\$5,042,624	(\$134,023)	\$5,599,756	1.1	18.0%
2014	MetLife Core Property Fund	7/1/2014	\$15,000,000	\$7,558,140	(\$112,573)	\$7,785,946	1.0	24.9%
Core/Core Plus Portfolio			\$95,000,000	\$88,768,168	(\$10,245,694)	\$105,905,362	1.3	10.8%
2011	Franklin Templeton Private Real Estate Fund	3/31/2011	\$30,000,000	\$20,826,961	(\$9,412,955)	\$15,962,204	1.2	18.9%
2012	Brookfield Strategic Real Estate Partners	9/20/2012	\$10,000,000	\$8,711,016	(\$1,267,308)	\$8,789,058	1.2	16.6%
2013	NYC Asset Investor #1 LLC - Emmes	6/25/2013	\$10,000,000	\$4,836,467	(\$313,287)	\$5,295,383	1.2	23.9%
2013	NYC Asset Investor #3 LLC - Hudson	9/20/2013	\$8,000,000	\$1,209,548	\$0	\$1,274,333	1.1	8.2%
2014	Blackstone Real Estate Partners Europe IV	12/23/2013	\$32,500,000	\$13,375,978	(\$1,345,086)	\$12,106,773	1.0	1.1%
2014	Carlyle Realty Partners VII	6/30/2014	\$25,000,000	\$2,073,611	\$0	\$1,807,947	0.9	0.0%
2015	H/2 Special Opportunities Fund III	12/29/2014	\$15,000,000	\$876,441	\$0	\$938,683	n/a	n/a
Non-Core Portfolio			\$130,500,000	\$51,910,022	(\$12,338,636)	\$46,174,380	1.1	15.6%
New York City Board of Education Retirement System			\$225,500,000	\$140,678,190	(\$22,584,330)	\$152,079,743	1.2	11.5%

Funds Closed Subsequent to Quarter

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions				
2014	Blackstone Real Estate Partners VIII		\$16,500,000	-	-	-	-	-
Grand Total			\$16,500,000					

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 December 31, 2014.

BERS Monthly Real Estate Cash Flow Summary

III. Asset Allocation Review:



Raymond J. Orlando
Chief Financial Officer

MEMORANDUM

TO: New York City Board of Education Retirement System Trustees

FROM: Raymond J. Orlando

DATE: June 5, 2015

RE: Item for Discussion – Asset Allocation Review

Proposal: To direct our General Consultant, under the supervision of the Chief Investment Officer, with the assistance of the Bureau of Asset Management (“BAM”), the Chief Actuary, and our Asset Class Consultants, to lead the Board of Education Retirement System Board of Trustees in a full asset allocation review.

Since the Board’s last full asset allocation review in 2011, there have been several developments both legislatively and in the capital markets that make the time right for a new assessment of our asset mix, including the sustained bull market in domestic equities, the continued low interest rate environment, the veto of the “basket clause” increase, the reduction in the fund’s Actuarial Interest Rate (“AIR”), the hiring of a new chief actuary, and the Comptroller’s office’s recent release on investment management fees. In addition, it should be noted that the AIR of 7% has a statutory expiration date of June 30, 2016.

These developments lead to several questions to be addressed, including:

- How has the lowered AIR affected the utility of including certain asset classes in our asset mix?
- How do we utilize our knowledge about active management fees, particularly in the alternative asset classes, to gain more value from active management generally and alternative assets specifically?
- Given the basket clause veto, how should we utilize our remaining space to best maximize our risk-adjusted returns?

- To what extent do the basket clause and any other statutory constraints change our recommended asset allocation and what are the costs to the system in expected return and risk?
- How can we better incorporate risk metrics into our discussions on asset classes and, in particular, asset class overlap?
- Are there any new developments in asset allocation strategies that we should incorporate into our Investment Policy Statement?
- Are there better ways to take advantage of our status as long-term investors through our asset class mix?

Rather than address all of these questions tactically and in isolation from each other, the Board of Trustees should direct our General Consultant, under the supervision of the Chief Investment Officer, with the assistance of BAM, the Chief Actuary, and our Asset Class Consultants, to prepare and lead the Board in a full strategic asset allocation review, resulting either in an affirmation of our existing asset policy mix, or the adoption of a new prospective asset allocation.

The asset allocation review should not only include the best asset mix to maximize our long-term risk-adjusted returns, but also recommendations on how we can best address the questions above and any others the trustees may wish to address, and changes, if any, we should make to our Investment Policy Statement that will better allow us to achieve those goals.

Below are a few of the questions we should discuss before pursuing a review:

Questions for Buck Consultants and BAM

- How long would a full asset allocation review take?
- What kind of progress reports would/should the board receive during the interim periods between development and investment committee discussions?
- Are there particular education topics that would best help prepare trustees for this discussion?

Question for BAM, Consultants and Trustees

- Given the current structure of our investment committee meetings, would our regularly scheduled meetings suffice for a “deep” discussion over our asset allocation or should we schedule additional time for one or more dedicated asset allocation discussions?

APPENDICES:

Basket Clause

NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM
BASKET/NON BASKET SUMMARY
(as of April 30, 2015)

<u>Equity</u>	<u>Adjusted Fund Policy</u>			<u>Fund Actual (PE & RE on an invested basis)</u>		
	<u>Non Basket*</u>	<u>Basket*</u>	<u>Total</u>	<u>Non Basket*</u>	<u>Basket*</u>	<u>Total</u>
Domestic Equity	40.2%	0.0%	40.2%	40.0%	0.0%	40.0%
Non-U.S. Equity	10.0%	12.0%	22.0%	10.0%	12.8%	22.8%
Private Equity	0.0%	3.9%	3.9%	0.0%	3.9%	3.9%
Real Assets	3.9%	0.0%	3.9%	3.9%	0.0%	3.9%
Total Equity	54.1%	15.9%	70.0%	53.9%	16.7%	70.6%
<u>Fixed Income</u>						
Core+5	16.5%	0.5%	17.0%	14.3%	0.5%	14.8%
<i>U.S. Gov't Sector</i>	3.4%	0.0%	3.4%	2.2%	0.0%	2.2%
<i>Mortgage Sector</i>	6.2%	0.0%	6.2%	5.8%	0.0%	5.8%
<i>Credit Sector</i>	6.8%	0.5%	7.3%	6.8%	0.5%	7.3%
High Yield	4.5%	1.0%	5.5%	4.0%	1.0%	5.0%
Bank Loans	0.0%	2.5%	2.5%	0.0%	1.9%	1.9%
TIPS	4.5%	0.5%	5.0%	2.9%	0.3%	3.2%
Other Fixed Income	0.0%	0.0%	0.0%	4.5%	0.0%	4.5%
Total Fixed Income	25.5%	4.5%	30.0%	25.6%	3.7%	29.4%
Total Fund	79.6%	20.4%	100.0%	79.6%	20.4%	100.0%

Remaining Capacity

4.6%

4.6%

* Note: Basket amounts are estimates

Liquidity Analysis

BERS Liquidity Profile - Static Analysis

5/29/15

AUM as of April 30, 2015

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$1,771	\$1,771	\$1,771	\$1,771
International Equity	781	781	781	781
Emerging Markets	230	230	230	230
Private Equity	171	0	0	0
Private Real Estate	174	0	0	0
Core + 5	655	655	655	655
TIPS	142	142	142	142
Enhanced Yield	219	219	219	219
Bank Loans	86	86	86	86
ETI	24	12	20	20
Cash	176	176	176	176
Total Assets	\$4,428	\$4,071	\$4,078	\$4,078
Total Illiquid \$		\$357	\$350	\$350
Total Illiquid %		8.1%	7.9%	7.9%
Unfunded PE Commitments	\$212			
Unfunded RE Commitments	105			
Total commitments \$	\$317			
Total commitments %	7.2%			

BERS Liquidity Profile - Static Analysis

5/29/15

AUM as of April 30, 2015

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$357	\$350	\$350
Total Illiquid %	12.1%	11.9%	11.9%

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	\$4,428	\$4,071	\$4,078	\$4,078

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$42	\$85
Unfunded RE Commitments Drawn	21	42
Total commitments \$	\$63	\$127
Total commitments %	1.4%	2.9%

Total Illiquid \$	\$413	\$477
Total Illiquid %	9.3%	10.8%

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 \$	\$357	\$413	\$477
Total Illiquid %	12.1%	14.0%	16.1%

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