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## MEMORANDUM

**TO:** Trustees  
New York City Employees' Retirement System

**FROM:** Lawrence Schloss

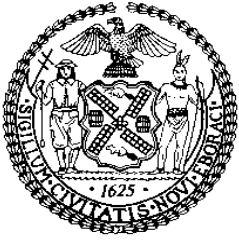
**DATE:** September 18, 2012

**RE:** NYC Employees' Retirement System Investment Meeting –  
September 25, 2012

Enclosed is a copy of the **public agenda** for the September 25, 2012 Investment Meeting. The meeting will be held at 335 Adams Street - Suite 2200, Brooklyn, N.Y., (beginning at 9:30am).

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

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



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

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John C. Liu  
COMPTROLLER

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## INVESTMENT MEETING

SEPTEMBER 25, 2012

## INVESTMENT MEETING

SEPTEMBER 25, 2012

## PUBLIC AGENDA

***Revised***

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I. Performance Reviews: (1 Hour)	
• Quarterly Review/Annual Review – June 30, 2012 (To be Distributed)	---
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## **PUBLIC AGENDA**

## I. Performance Reviews:

Quarterly Review/Annual Review – June 30, 2012  
(Previously Distributed)

## ETI Quarterly Report

# NYCERS Economically Targeted Investments Quarterly Report

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## Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	CPC		JPMC		NHS		BOA		CCD		CFSB		NCBCI		LIIF		All Lender Totals	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Contractual Commitments	\$267,500,000	n/a	\$75,000,000	n/a	\$10,000,000	n/a	\$50,000,000	n/a	\$16,000,000	n/a	\$40,000,000	n/a	\$10,000,000	n/a	\$30,000,000	n/a	\$498,500,000	n/a
Current Market Value	\$148,816,720	n/a	\$34,995,535	n/a	\$1,163,274	n/a	\$1,918,681	n/a	\$5,588,279	n/a	\$2,419,815	n/a	\$1,010,306	n/a	\$1,967,115	n/a	\$197,879,726	n/a
<b>Commitments 2Q 12 (included in total)</b>																		
Bronx	\$6,178,210	203	\$16,307,396	293	\$0	0	\$13,588,893	1,216	\$0	0	\$0	0	\$0	0	\$0	0	\$36,074,499	1,712
Brooklyn	3,362,603	177	0	0	0	0	0	0	0	0	0	0	0	0	1,399,600	47	4,762,203	224
Manhattan	109,075	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	109,075	24
Queens	0	0	0	0	0	0	3,076,490	65	800,000	54	0	0	0	0	0	0	3,876,490	119
Staten Island	344,500	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	344,500	8
<b>Total</b>	<b>\$9,994,388</b>	<b>412</b>	<b>\$16,307,396</b>	<b>293</b>	<b>\$0</b>	<b>0</b>	<b>\$16,665,383</b>	<b>1,281</b>	<b>\$800,000</b>	<b>54</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$1,399,600</b>	<b>47</b>	<b>\$45,166,767</b>	<b>2,087</b>
<b>Delivered 2Q 12 (included in total)</b>																		
Bronx	\$979,184	86	\$0	0	\$0	0	\$0	0	\$1,070,000	76	\$0	0	\$0	0	\$0	0	\$2,049,184	162
Brooklyn	2,139,229	112	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,139,229	112
Manhattan	0	0	840,000	40	0	0	0	0	0	0	0	0	0	0	0	0	840,000	40
Queens	0	0	0	0	0	0	0	0	800,000	54	0	0	0	0	0	0	800,000	54
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$3,118,413</b>	<b>198</b>	<b>\$840,000</b>	<b>40</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$1,870,000</b>	<b>130</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$5,828,413</b>	<b>368</b>
<b>Total Commitments</b>																		
Bronx	\$28,638,004	1,813	\$28,047,396	641	\$0	0	\$13,588,893	1,216	\$5,054,800	376	\$0	0	\$0	0	\$0	0	\$75,329,094	4,046
Brooklyn	54,452,151	1,498	0	0	0	0	0	0	2,471,200	128	0	0	366,539	33	2,123,625	118	59,413,515	1,777
Manhattan	22,244,825	1,114	2,837,178	184	0	0	1,044,878	48	1,488,100	49	818,962	30	3,129,547	206	4,662,224	246	36,225,714	1,877
Queens	5,290,000	56	1,800,000	96	0	0	17,927,787	239	800,000	54	0	0	0	0	0	0	25,817,787	445
Staten Island	344,500	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	344,500	8
<b>Total</b>	<b>\$110,969,481</b>	<b>4,489</b>	<b>\$32,684,574</b>	<b>921</b>	<b>\$0</b>	<b>0</b>	<b>\$32,561,558</b>	<b>1,503</b>	<b>\$9,814,100</b>	<b>607</b>	<b>\$818,962</b>	<b>30</b>	<b>\$3,496,086</b>	<b>239</b>	<b>\$6,785,848</b>	<b>364</b>	<b>\$197,130,610</b>	<b>8,153</b>
<b>Historical Investments</b>																		
Bronx	\$88,969,728	5,308	\$24,431,904	1,174	\$0	0	\$0	0	\$1,070,000	76	\$0	0	\$0	0	\$0	0	\$114,471,632	6,558
Brooklyn	81,632,325	3,534	20,670,313	610	660,425	7	1,909,324	88	1,622,323	124	0	0	0	0	2,164,184	174	108,658,895	4,537
Manhattan	70,317,819	3,874	43,910,219	1,297	504,891	15	0	0	1,965,558	204	2,396,785	167	1,024,918	66	0	0	120,120,190	5,623
Queens	20,128,481	777	14,795,260	591	0	0	0	0	800,000	54	0	0	0	0	0	0	35,723,741	1,422
Staten Island	0	0	1,282,000	35	0	0	0	0	0	0	0	0	0	0	0	0	1,282,000	35
<b>Total</b>	<b>\$261,048,353</b>	<b>13,493</b>	<b>\$105,089,696</b>	<b>3,707</b>	<b>\$1,165,316</b>	<b>22</b>	<b>\$1,909,324</b>	<b>88</b>	<b>\$5,457,881</b>	<b>458</b>	<b>\$2,396,785</b>	<b>167</b>	<b>\$1,024,918</b>	<b>66</b>	<b>\$2,164,184</b>	<b>174</b>	<b>\$380,256,457</b>	<b>18,175</b>

\*Lenders :

The Community  
Preservation Corporation

JP Morgan  
Chase

Neighborhood  
Housing Services

Bank of  
America

Citibank Community  
Development

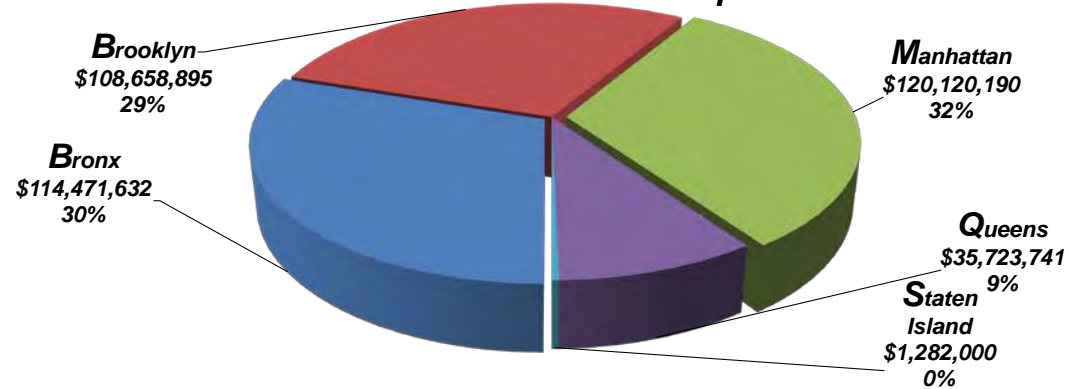
Carver Federal  
Savings Bank

NCB Capital Impact

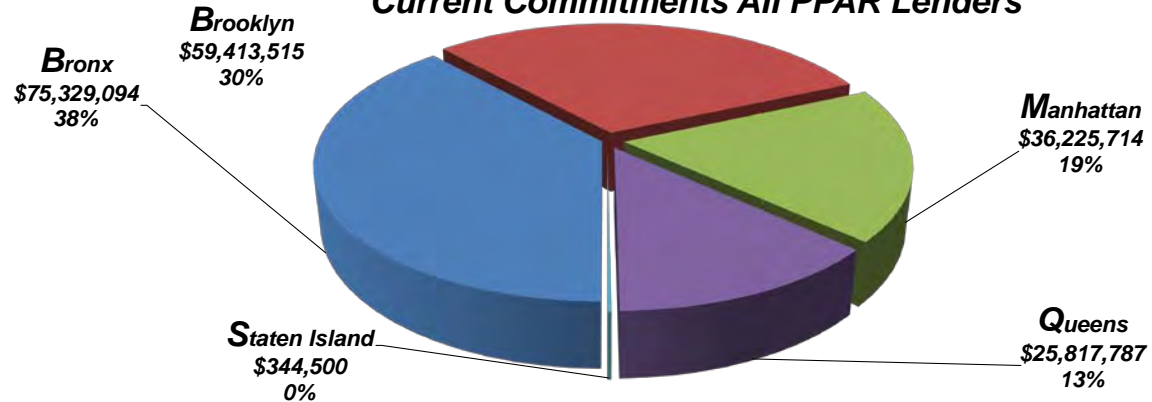
Low Income  
Investment Fund

## Public/Private Apartment Rehabilitation Program (PPAR)

*Historical Investments Since Inception All PPAR Lenders*



*Current Commitments All PPAR Lenders*



# NYCERS Economically Targeted Investments Quarterly Report

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AFL-CIO Housing Investment Trust (HIT)

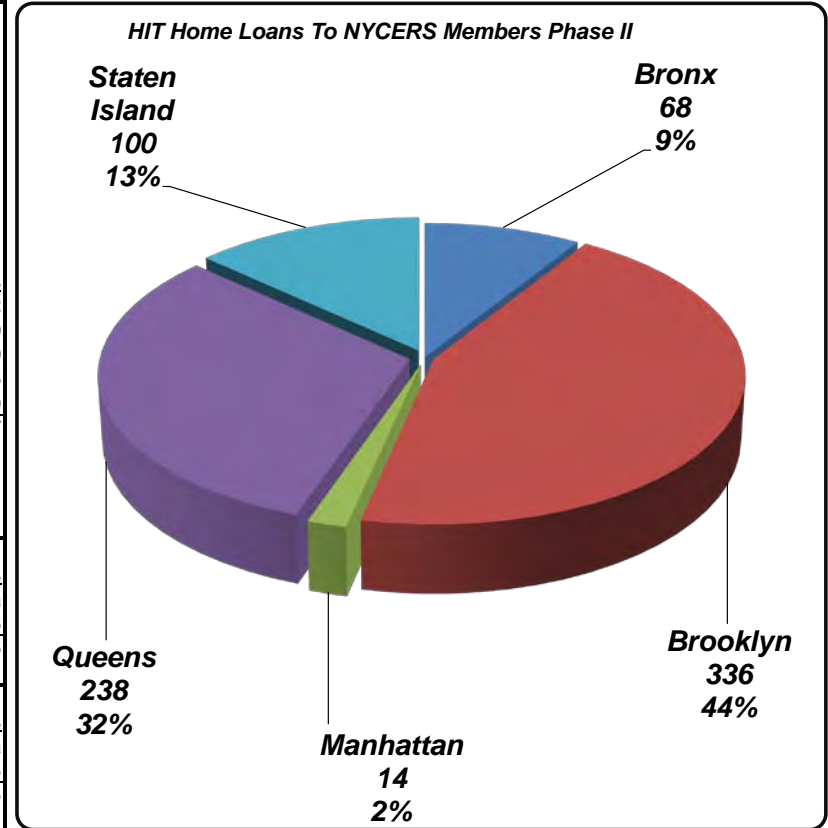
Market Value \$223.4 million\*

NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2012				
Multifamily Investments Detail				
Borough	Dollars	Units		
Bronx	\$52,827,900	802		
Brooklyn	14,890,446	3,033		
Manhattan	134,075,200	926		
Queens	17,760,000	1,260		
Staten Island	6,414,554	693		
<b>Total</b>	<b>\$225,968,100</b>	<b>6,714</b>		
Single Family Investments Detail				
	Home Loans	Transactions	Member Loans	Total All NYC PF's
Bronx	\$192,898,759	902	68	272
Brooklyn	776,987,340	3,116	336	1,050
Manhattan	173,004,333	714	14	230
Queens	793,077,043	3,216	238	906
Staten Island	314,019,951	1,260	100	399
<b>Total</b>	<b>\$2,249,987,426</b>	<b>9,208</b>	<b>756</b>	<b>2,857</b>
<b>Grand Total NYCCII Phase II</b>	<b>\$2,475,955,526</b>			
<b>Other-NYC Metro Area **</b>	<b>\$100,000,000</b>	<b>137</b>		
NYCCII Phase I 2002 - 2005				
	Dollars	Units	Member Loans	Total All NYC PF's
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
Single Family Investments	348,300,563	n/a	134	446
<b>Total NYCCII Phase I</b>	<b>\$597,424,063</b>	<b>12,337</b>	<b>134</b>	<b>446</b>
NYCCII Phases I & II				
	Dollars	Units	Member Loans	Total All NYC PF's
Multifamily Investments	\$475,091,600	19,051	n/a	n/a
Single Family Investments	2,598,287,989	n/a	890	3303
<b>Grand Total NYCCII Phases I &amp; II</b>	<b>\$3,073,379,589</b>	<b>19,051</b>	<b>890</b>	<b>3,303</b>

\*Interest is reinvested

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



# NYCERS Economically Targeted Investments Quarterly Report

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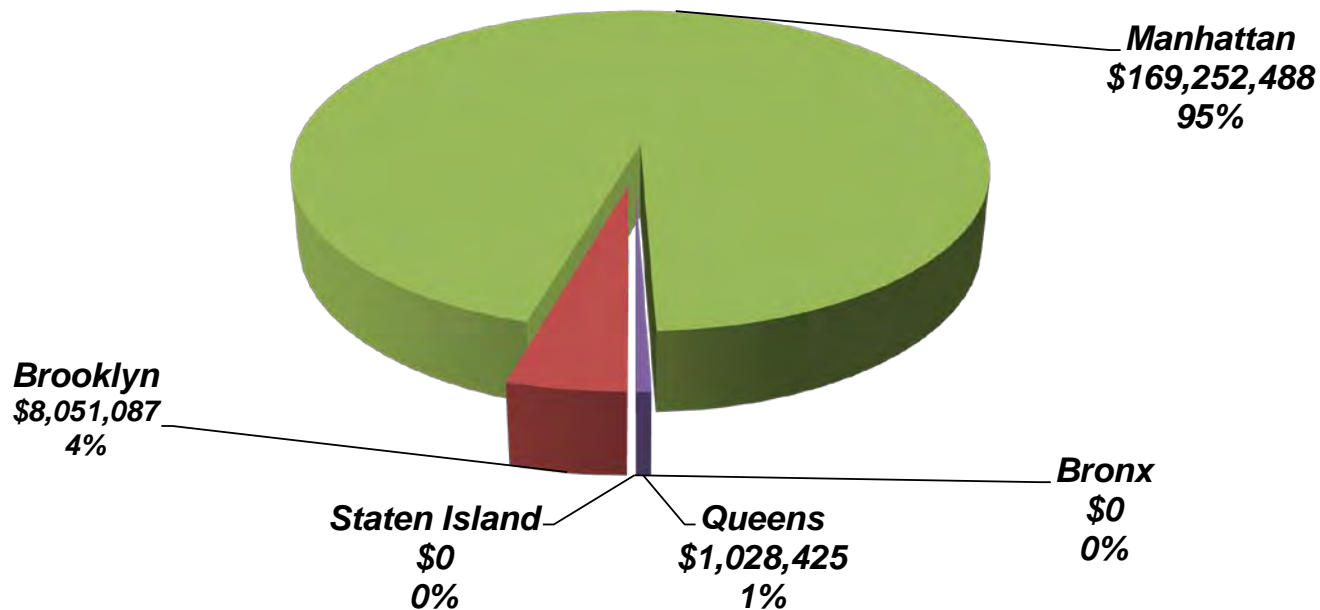
## AFL-CIO Housing Investment Trust (HIT) NYC Workforce Housing Initiative 2009-2014

Investments Through 06/30/2012

### Workforce Investments Detail

<u>Borough</u>	<u>Dollars</u>	<u>Workforce Housing Units</u>
Bronx	\$0	0
Brooklyn	8,051,087	422
Manhattan	169,252,488	4,627
Queens	1,028,425	208
Staten Island	0	0
<b>Total</b>	<b>\$178,332,000</b>	<b>5,257</b>

### HIT Workforce Housing Initiative



# NYCERS Economically Targeted Investments Quarterly Report

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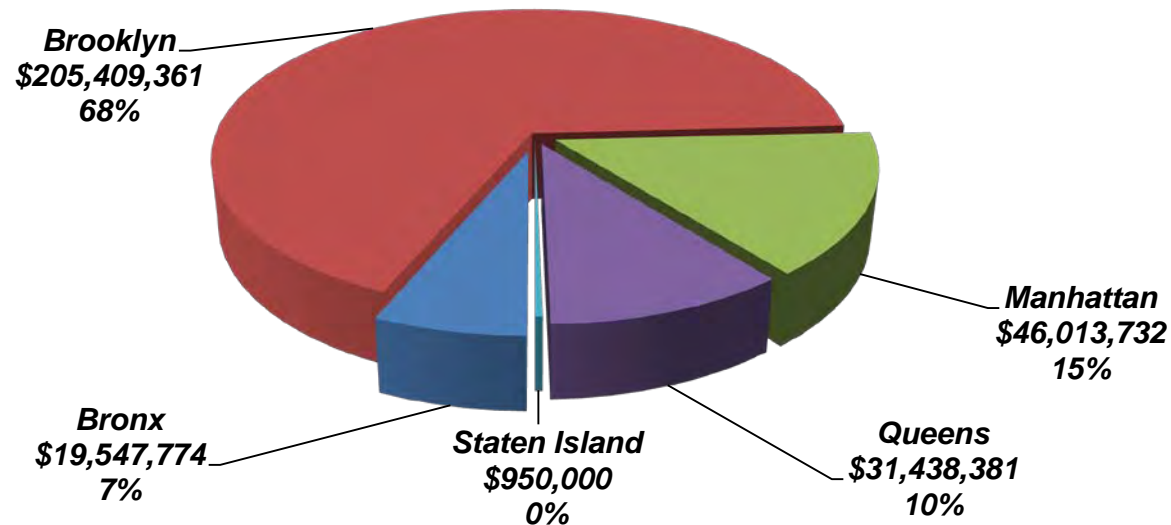
## CPC Term Loan\*

Revolver Current Commitments NYC	\$303,359,248
NYCERS Commitment Share	\$22,132,977
NYCERS Market Value*	\$22,132,977

	# Loans	\$ Committed	# Units Residential	# Units Commercial
Bronx	20	\$19,547,774	550	28
Brooklyn	59	205,409,361	1,772	40
Manhattan	39	46,013,732	849	22
Queens	8	31,438,381	254	10
Staten Island	1	950,000	3	0
<b>Grand Total NYC</b>	<b>127</b>	<b>\$303,359,248</b>	<b>3,428</b>	<b>100</b>
Other NY State	42	\$136,490,225	1,462	21

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

**CPC Term Loan NYC Commitments**



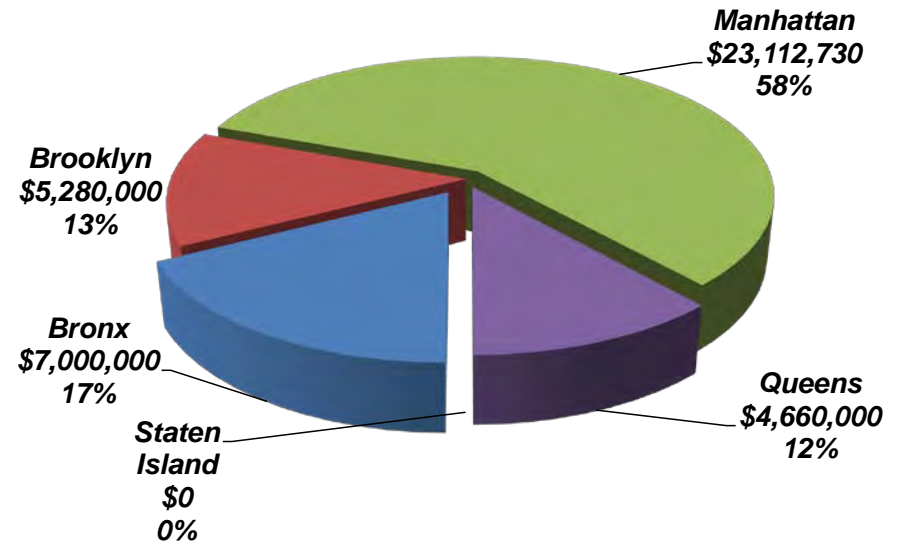
# NYCERS Economically Targeted Investments Quarterly Report

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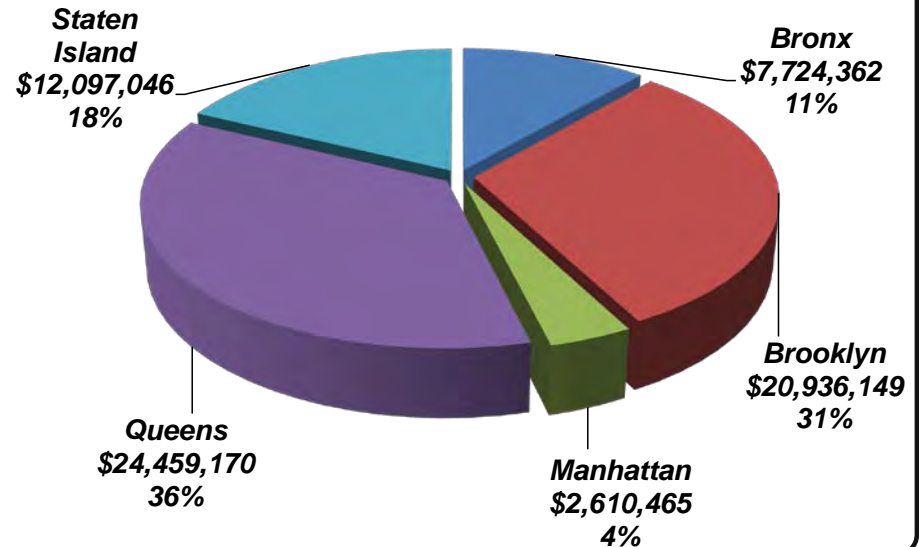
## ACCESS CAPITAL STRATEGIES (Since Inception 2/1/07)

Allocated Amount \$40 million (40% of total account)			
Market Value \$54.7 million			
<b>Multifamily Investments Detail</b>	<b>NYCERS</b>		
	<b>Investment</b>	<b>Total Units</b>	<b># of LMI* Units</b>
Bronx	\$7,000,000	508	508
Brooklyn	\$5,280,000	404	404
Manhattan	\$23,112,730	2,815	1,677
Queens	\$4,660,000	762	762
Staten Island	\$0	0	0
<b>Total NYCERS Multifamily Investments</b>	<b>\$40,052,730</b>	<b>4,489</b>	<b>3,351</b>
<b>MultifamilyTotal All Systems</b>	<b>\$100,131,826</b>	<b>4,489</b>	<b>3,351</b>
<b>Single Family Investments Detail</b>	<b>NYCERS</b>		
	<b>Investment</b>	<b>Total Units</b>	<b># of LMI* Units</b>
Bronx	\$7,724,362	113	113
Brooklyn	\$20,936,149	287	287
Manhattan	\$2,610,465	28	28
Queens	\$24,459,170	304	304
Staten Island	\$12,097,046	153	153
<b>Total NYCERS Single Family Investments</b>	<b>\$67,827,192</b>	<b>885</b>	<b>885</b>
<b>Single Family Total All Systems</b>	<b>\$169,567,980</b>	<b>885</b>	<b>885</b>
<b>Other Investments Detail</b>	<b>NYCERS</b>		
	<b>Investment</b>	<b># of Loans</b>	
Bronx	\$270,000	1	
Brooklyn	\$2,156,161	8	
Manhattan	\$973,162	5	
Queens	\$217,373	3	
Staten Island	\$0	0	
<b>Total NYCERS Other Investments</b>	<b>\$3,616,696</b>	<b>17</b>	
<b>Other InvestmentsTotal All Systems</b>	<b>\$9,041,740</b>	<b>17</b>	
<b>Grand Total NYCERS</b>	<b>\$111,496,618</b>		
<b>Grand Total All Systems</b>	<b>\$278,741,546</b>		
* LMI = Low or Moderate Income			

**Access Multifamily Investments  
Since Inception NYCERS**



**Access Single Family Investments  
Since Inception NYCERS**



## NYCERS Economically Targeted Investment Quarterly Report

	Assets (\$MM)	Trailing 1 Month	Trailing 3 Months	6/30/2007 6/30/2012	Year To Date	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 7 Years	Trailing* 9 Years	Trailing* 10 Years	Trailing* 11 Years	Trailing* 15 Years	Since Inception	Data Start Date
<b>EMPLOYEES</b>															
AFL-CIO HOUSING INV TRUST	223.39	0.15	2.42	7.60	2.64	7.60	6.48	6.87	5.60	5.11	****	****	****	5.32	09/30/02
CPC -PPAR	148.82	0.76	2.49	7.25	4.33	7.25	8.03	8.56	7.81	7.59	7.55	7.93	8.05	9.99	11/30/84
ACCESS RBC	54.70	0.43	1.71	6.57	2.46	6.57	6.18	7.37	****	****	****	****	****	6.86	02/28/07
JPM CHASE- PPAR	35.00	0.53	2.22	7.05	3.73	7.05	8.13	8.36	7.91	7.74	7.87	****	****	7.93	10/31/01
CPC - Term Loan	22.18	0.21	0.63	2.34	1.26	2.34	2.16	3.21	4.25	****	****	****	****	4.25	03/31/04
ERASMUS	19.07	****	****	****	****	****	****	****	****	****	****	****	****	****	10/31/05
CCD-PPAR	5.59	0.95	4.52	8.83	6.07	8.83	9.36	9.54	****	****	****	****	****	8.95	11/30/06
CFSB-PPAR	2.42	1.30	3.13	5.67	4.34	5.67	8.29	8.17	****	****	****	****	****	7.53	09/30/06
LIIF-PPAR	1.97	0.50	1.58	5.72	3.01	5.72	****	****	****	****	****	****	****	5.54	07/31/09
BOA-PPAR	1.92	0.75	2.17	6.84	3.11	6.84	****	****	****	****	****	****	****	6.44	01/31/11
NHS-PPAR	1.16	0.82	2.64	5.04	4.18	5.04	9.61	****	****	****	****	****	****	8.57	09/30/07
FNMA	1.06	0.35	1.97	1.35	3.50	1.35	6.35	7.25	6.64	6.42	6.46	6.64	6.92	7.49	02/29/92
NCBCI-PPAR	1.01	0.77	2.34	8.88	3.89	8.88	****	****	****	****	****	****	****	6.64	07/31/09
GNMA	0.27	0.81	2.33	2.55	3.43	2.55	4.57	5.89	6.07	5.80	5.98	6.08	6.63	8.48	11/30/84
SHORT TERM INVESTMENTS	0.03	0.01	0.03	0.08	0.05	0.08	0.14	1.04	1.93	1.90	1.94	2.24	3.25	2.04	11/30/84
<b>TOTAL EMPLOYEES ETI (w/cash)**</b>	<b>499.51</b>	<b>0.41</b>	<b>2.28</b>	<b>7.04</b>	<b>3.16</b>	<b>7.04</b>	<b>6.80</b>	<b>7.35</b>	<b>6.60</b>	<b>6.33</b>	<b>6.42</b>	<b>6.77</b>	<b>6.80</b>	<b>9.93</b>	<b>04/30/82</b>
<b>TOTAL EMPLOYEES ETI (w/o cash)**</b>	<b>499.48</b>	<b>0.42</b>	<b>2.29</b>	<b>7.10</b>	<b>3.20</b>	<b>7.10</b>	<b>6.87</b>	<b>7.40</b>	<b>6.63</b>	<b>6.38</b>	<b>6.54</b>	<b>6.68</b>	<b>7.08</b>	<b>8.72</b>	<b>11/30/84</b>
<b>EMPLOYEES CUSTOM ETI BENCHMARK (no cash)</b>		<b>0.07</b>	<b>1.64</b>	<b>6.63</b>	<b>2.05</b>	<b>6.63</b>	<b>6.49</b>	<b>6.90</b>	<b>5.92</b>	<b>5.56</b>	<b>5.72</b>	<b>6.04</b>	<b>6.52</b>		
<b>BARCLAYS CAPITAL US AGGREGATE BOND INDEX</b>		<b>0.04</b>	<b>2.06</b>	<b>7.47</b>	<b>2.37</b>	<b>7.47</b>	<b>6.93</b>	<b>6.79</b>	<b>5.58</b>	<b>5.11</b>	<b>5.63</b>	<b>5.90</b>	<b>6.27</b>		

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

\* Historical returns prior to April 2004 provided by Citigroup.

\*\*Returns are net of fees and exclude Erasmus.

## Real Estate Quarterly Report

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

**Performance Measurement Report  
First Quarter 2012**

The Townsend Group

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

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Glossary of Terms		Exhibit A
Market Overview		Exhibit B

## The Townsend Group Performance Measurement Report

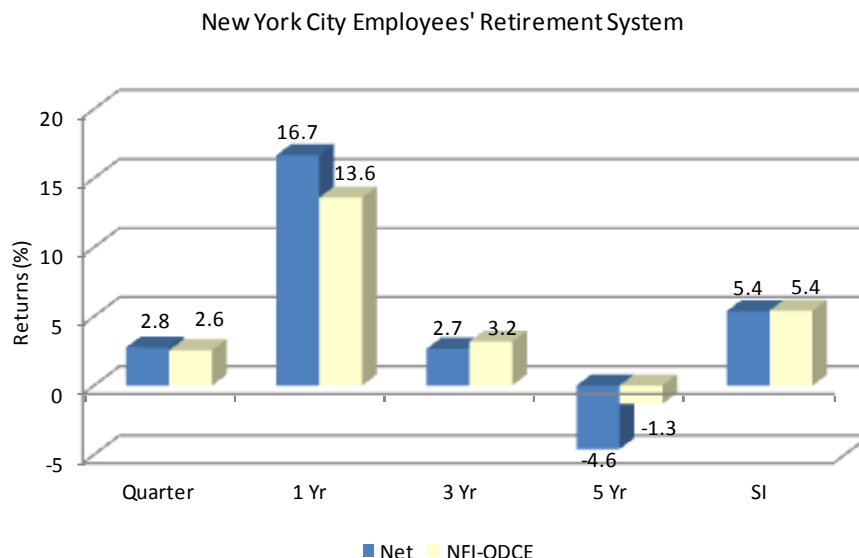
### THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

#### FIRST QUARTER 2012

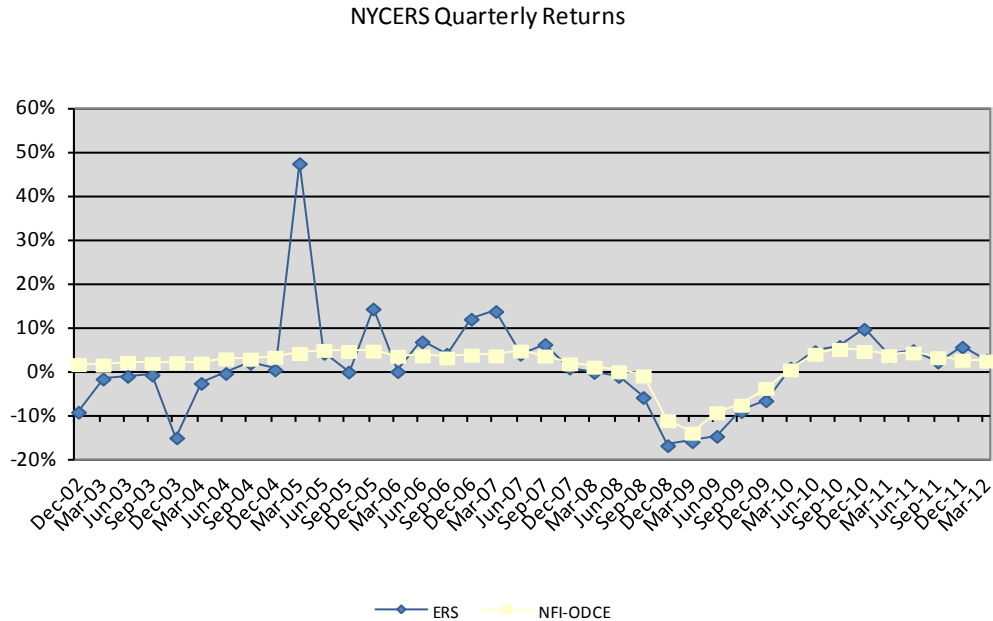
#### I. Performance Summary

At the end of the First Quarter 2012, ("Quarter") The New York City Employees' Retirement System ("NYCERS") Real Estate Portfolio ("Portfolio") had a cumulative market value of \$1.6 billion. Total market value plus unfunded commitments was \$2.2 billion, or 87.7% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 3.2% which was comprised of 0.9% income and 2.3% appreciation. The NCREIF Open-end Diversified Core Equity Index ("NFI-ODCE") reported a total net return of 2.6%. In addition, the Portfolio achieved a total net return of 2.8%.

The following chart reflects the total net returns for the NYCERS' Portfolio compared to the NFI-ODCE. The US economic outlook has improved significantly following the market volatility in the second half of 2011. The recovery in the US appears to be self-sustaining, although growth should be moderate. Job growth has spread from the tech-related markets to other segments as well. The Federal Reserve remains committed to an accommodative monetary policy to boost economic growth. Possible obstacles could arise from the euro zone crisis which continues to pose considerable risk for the US economy. During the Global Financial Crisis, real estate values declined 24% and 38% for the de-levered NCREIF Property Index ("NPI") and the levered NFI-ODCE, respectively. Since the market trough in 2010, both indices have recovered 33% and 36%, respectively, suggesting a market recovery continues. US Transaction volume increased 42.8% in the First Quarter of 2012 compared to the first quarter of 2011, according to RCA Analytics. Transaction activity should grow in 2012, driven by demand for income-producing assets and the slower than expected liquidation of distressed assets. REITs are also on pace for another year of record capital raising as share prices increase, helping fuel the increase in acquisitions. Foreign investors are also flocking to the US for stable cash flows. The benchmark established for the Portfolio is the NFI-ODCE net over rolling five-year periods.



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



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

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception	
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET
New York City Employees' Retirement System	0.9	2.3	3.2	2.8	5.4	13.1	19.1	16.7	4.4	0.3	4.7	2.7	3.8	-6.5	-2.9	-4.6	11.9	5.4
NFI-ODCE Value Weighted Index	1.3	1.5	2.8	2.6	5.4	8.9	14.7	13.6	6.1	-1.9	4.1	3.2	5.7	-5.8	-0.4	-1.3	6.4	5.4

## II. Portfolio Composition

New York City Employees' Retirement System		
Total Plan Assets	3/31/2012	\$42,224
Real Estate Allocation (%)		6.0%
Real Estate Allocation (\$)		\$2,533
Style Sector Allocation		
Core / Core Plus Portfolio	40.0%	\$1,013
Non-Core Portfolio	55.0%	\$1,393
Emerging Managers Portfolio	5.0%	\$127
Uncommitted Core / Core Plus Portfolio		\$96
Uncommitted Non-Core Portfolio		\$162
Uncommitted Emerging Managers Portfolio		\$53
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		41.3%
Non-Core Portfolio		55.4%
Emerging Managers Portfolio		3.3%
\$ Committed		\$2,221
% Committed on Real Estate Allocation		87.7%
% Committed on Total Plan Assets		5.3%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		3.8%
% Funded (Market Value) of Total Real Estate Allocation		62.6%

Employees		
Investment Cash Flow Summary		
	Quarter	To Date
Contributions	\$49.9	\$2,055.6
Distributions	-\$9.8	-\$486.5
Withdrawals	-\$3.9	-\$92.9

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

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

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

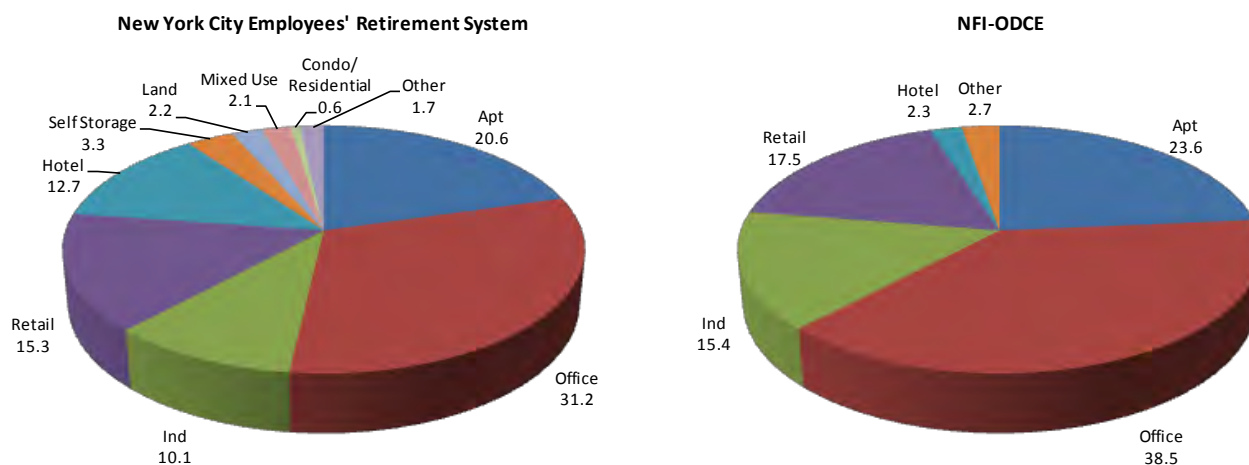
### III. Portfolio Compliance

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) over rolling five-year periods	<i>Portfolio returns underperform benchmark.</i>
Portfolio Composition	<p>Core/Core Plus (minimum of 40%)</p> <p>Non Core (minimum of 40%)</p> <p>Non Core Emerging (greater of \$88 million or 5% of the total real estate allocation)</p>	<i>The portfolio is funded (market value) and committed at 87.7% of real estate allocation with a portfolio composition of 41.3% core, 55.4% non-core, and 3.3% emerging.</i>
Real Estate Allocation	Target of 6.0%	<i>Funded (market value) and committed dollars place the portfolio at 5.3% of total plan assets.</i>
	Currently Funded at 3.8%	
Diversification	<p>± 30% of NFI-ODCE</p> <p>Other property type (0%-15%)</p>	<i>All property types and geographic locations are in compliance.</i>
LTV	65%	<i>Portfolio is in early stages of funding, but is in compliance (47.1%).</i>
Manager Exposure	0%-25% of real estate allocation	<i>Manager exposure is within compliance ranges.</i>

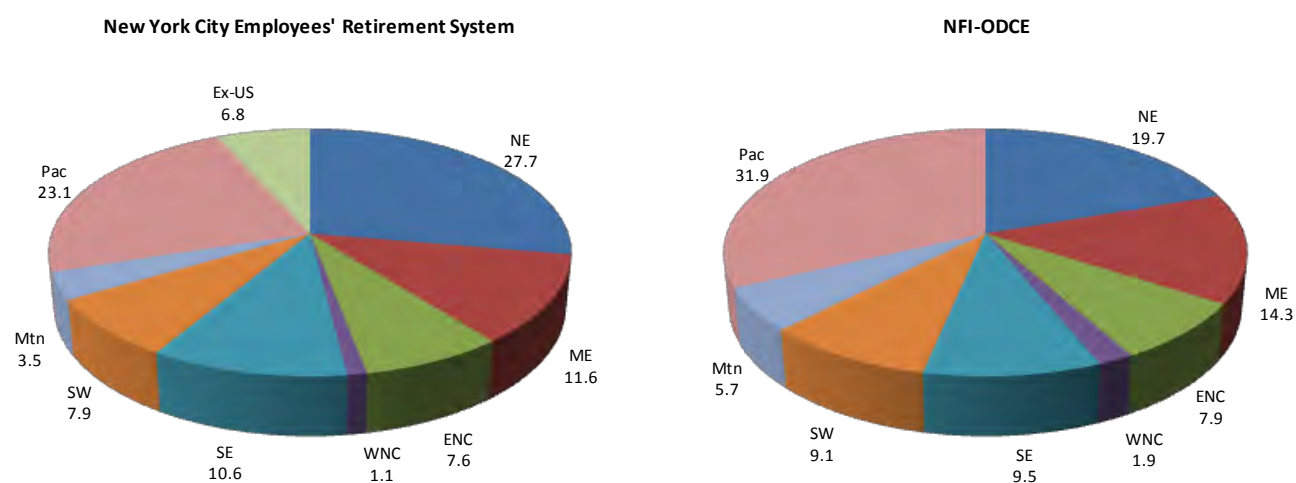
#### IV. Portfolio Diversification

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

##### Property Type Diversification (%)



##### Geographic Diversification (%)



## Private Equity Quarterly Report



## Private Equity Monitoring Report

For the period ended March 31, 2012

Report Prepared For:

New York City Employees' Retirement System



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## I. Executive Summary

The New York City Employees' Retirement System ("NYCERS") established the Alternative Investment Program (the "Program") on January 1, 1997 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

StepStone Group LLC ("StepStone") was engaged by NYCERS on September 1, 2011 to provide private equity advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through March 31, 2012, the Program has committed US\$6.2 billion to 135 partnership investments (the "Portfolio"). During the first quarter of 2012 and subsequent to quarter-end, NYCERS sold interests in 11 partnership investments in secondary transactions (the "Secondary Sale"). This quarterly monitoring report covers the performance of the Portfolio as of March 31, 2012 Pro-Forma for the Secondary Sale as well as significant activity that occurred during the first quarter of 2012.

### Performance Summary

<i>US\$ in millions</i>	March 31, 2012	December 31, 2011	Quarterly Change
Number of Managers	92	92	-
Number of Investments	135	135	-
Committed Capital	\$6,176.8	\$6,123.5	\$53.2
Net Contributed Capital <sup>1</sup>	\$4,058.6	\$3,851.0	\$207.6
Net Distributed Capital <sup>2</sup>	\$1,776.3	\$1,588.2	\$188.1
Market Value <sup>3</sup>	\$3,334.0	\$3,233.3	\$100.8
Total Value	\$5,110.3	\$4,821.5	\$288.9
Total Gain/(Loss)	\$1,051.7	\$970.5	\$81.2
Unfunded Commitment <sup>4</sup>	\$2,006.9	\$2,160.4	\$(153.5)
Total Exposure <sup>5</sup>	\$5,340.9	\$5,393.7	\$(52.8)
DPI <sup>6</sup>	0.44x	0.41x	0.03x
TVM <sup>7</sup>	1.26x	1.25x	0.01x
IRR <sup>8</sup>	8.3%	8.2%	+ 10 bps
TVM Net of StepStone Fees <sup>9</sup>	1.26x	1.25x	0.01x
IRR Net of StepStone Fees <sup>9</sup>	8.3%	8.2%	+ 8 bps

<sup>1</sup> Net Contributed Capital represents total contributed capital net of distributions subject to recall.

<sup>2</sup> Net Distributed Capital represents total permanent (non-recallable) distributed capital. Please note that the Net Distributed Capital as of March 31, 2012 is presented Pro-Forma for the proceeds received and expected to be received from the sale of 11 partnership investments in secondary transactions that closed during the first quarter of 2012 and subsequent to quarter-end.

<sup>3</sup> Please note that the Market Value as of March 31, 2012 is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first quarter of 2012 and subsequent to quarter-end.

<sup>4</sup> Unfunded Commitment represents the aggregate remaining commitments to partnership investments. Please note that the Unfunded Commitment is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first quarter of 2012 and subsequent to quarter-end.

<sup>5</sup> Total Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>6</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Net Distributed Capital divided by Net Contributed Capital.

<sup>7</sup> TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Net Distributed Capital, divided by Net Contributed Capital.

<sup>8</sup> 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 manager's fees, expenses and carried interest.

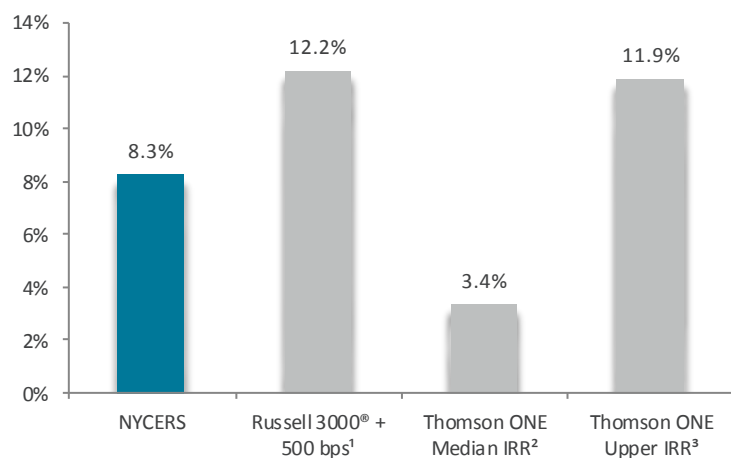
<sup>9</sup> TVM and IRR Net of StepStone fees represent TVM and IRR net of fees paid by NYCERS to StepStone.

## Portfolio Performance vs. Benchmarks

The Portfolio's performance is measured against two benchmarks:

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

The following graph illustrates Portfolio IRR performance versus benchmarks as of March 31, 2012.



<sup>1</sup>Benchmark is a dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

<sup>2</sup>Benchmark is provided by Thomson ONE and reflects U.S. All Private Equity Funds Median Quartile IRR as of March 31, 2012 for funds with vintage years 1998 to 2011. Note: Thomson ONE data is continuously updated and is therefore subject to change.

<sup>3</sup>Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE and reflects U.S. All Private Equity Funds Upper Quartile IRR as of December 31, 2011 for funds with vintage years 1998 to 2011. Note: Thomson ONE data is continuously updated and is therefore subject to change.

## Portfolio Diversification

### By Strategy

As of March 31, 2012 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
Buyout	2,006.5	60.2%	1,338.3	66.7%	3,344.8	62.6%
Growth Equity	172.6	5.2%	124.5	6.2%	297.1	5.6%
Special Situations	188.1	5.6%	76.5	3.8%	264.7	5.0%
Energy	274.2	8.2%	68.6	3.4%	342.8	6.4%
Secondaries	130.5	3.9%	200.3	10.0%	330.8	6.2%
Co-Investment	69.0	2.1%	20.6	1.0%	89.6	1.7%
Other	493.1	14.8%	178.0	8.9%	671.1	12.6%
<b>Total</b>	<b>3,334.0</b>	<b>100.0%</b>	<b>2,006.9</b>	<b>100.0%</b>	<b>5,340.9</b>	<b>100.0%</b>

### By Fund Geographic Focus

As of March 31, 2012 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
North America	2,368.2	71.0%	1,241.0	61.8%	3,609.1	67.6%
Global	779.2	23.4%	475.1	23.7%	1,254.3	23.5%
Western Europe	153.1	4.6%	271.6	13.5%	424.6	8.0%
Rest of World	33.6	1.0%	19.2	1.0%	52.8	1.0%
<b>Total</b>	<b>3,334.0</b>	<b>100.0%</b>	<b>2,006.9</b>	<b>100.0%</b>	<b>5,340.9</b>	<b>100.0%</b>

## II. Market Overview

### Executive Summary

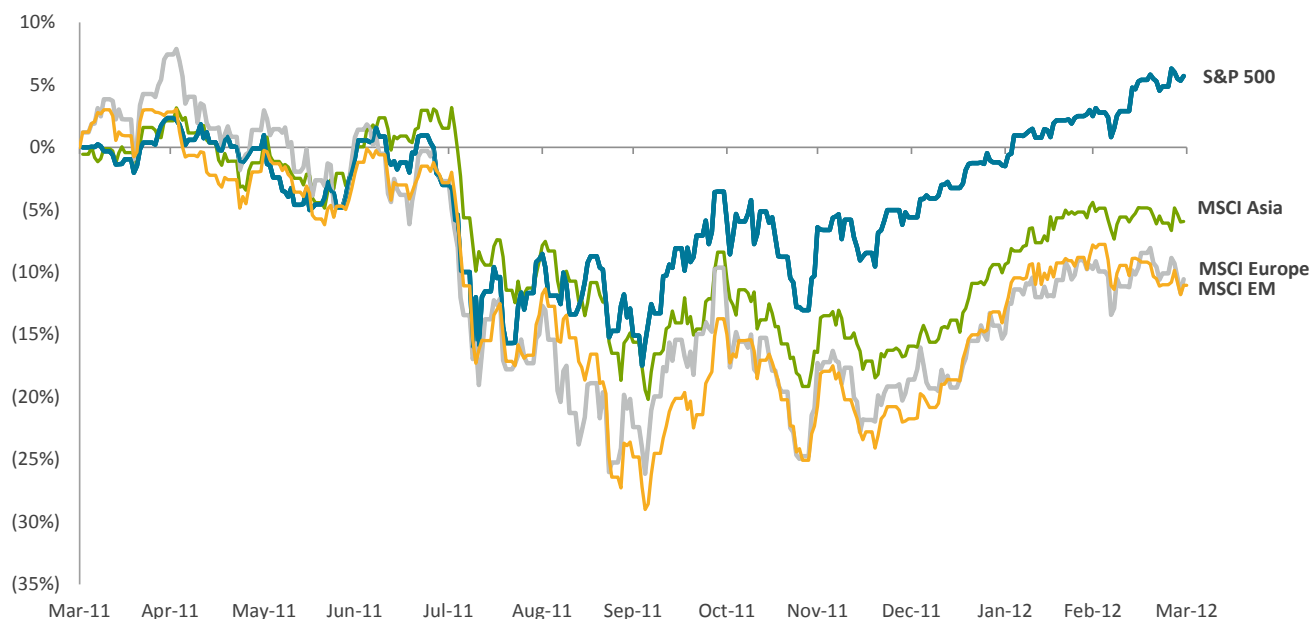
The recovery of the U.S. public equity market continued during the first quarter of 2012 after the stark negative trends witnessed during the third quarter of 2011. Major U.S. public equity market indices posted significant gains during the quarter and have returned to levels not seen since late 2007. During the first quarter of 2012, U.S. LBO new loan issuance volume totaled US\$7.4 billion, representing a decline of 48.5% from the prior quarter, marking the first quarter of single-digit volume (in billions of US\$) since the first quarter of 2010. Purchase price multiples for U.S. LBOs fell from 9.4x EBITDA in the fourth quarter of 2011 to 8.3x EBITDA in the first quarter of 2012. After a record amount of capital deployed during the fourth quarter of 2011, private equity investment activity decreased by 47.2% during the first quarter of 2012 to US\$42.2 billion. Fundraising activity also slowed, with private equity managers raising US\$58.8 billion in the first quarter of 2012, representing a decrease of 15.2% from US\$69.3 billion raised in the fourth quarter of 2011.

### Capital Markets Overview

#### Public Equity Markets

Positive trends in public markets that began in the fourth quarter of 2011 continued into the first quarter of 2012. Quarterly results for public markets throughout the world were consistently strong. The S&P 500 index experienced a steady rise of 12.0% quarter-over-quarter, while MSCI Europe, MSCI Asia and MSCI Emerging Markets indices were up 9.9%, 11.9% and 13.6%, respectively. For the one-year period ended March 31, 2012, the S&P 500 increased in value by 6.2% while MSCI Europe, MSCI Asia and MSCI Emerging Markets indices declined by 10.6%, 5.9% and 11.1%, respectively, as illustrated on the chart below.

1-Year Global Public Indices



Source: Capital IQ

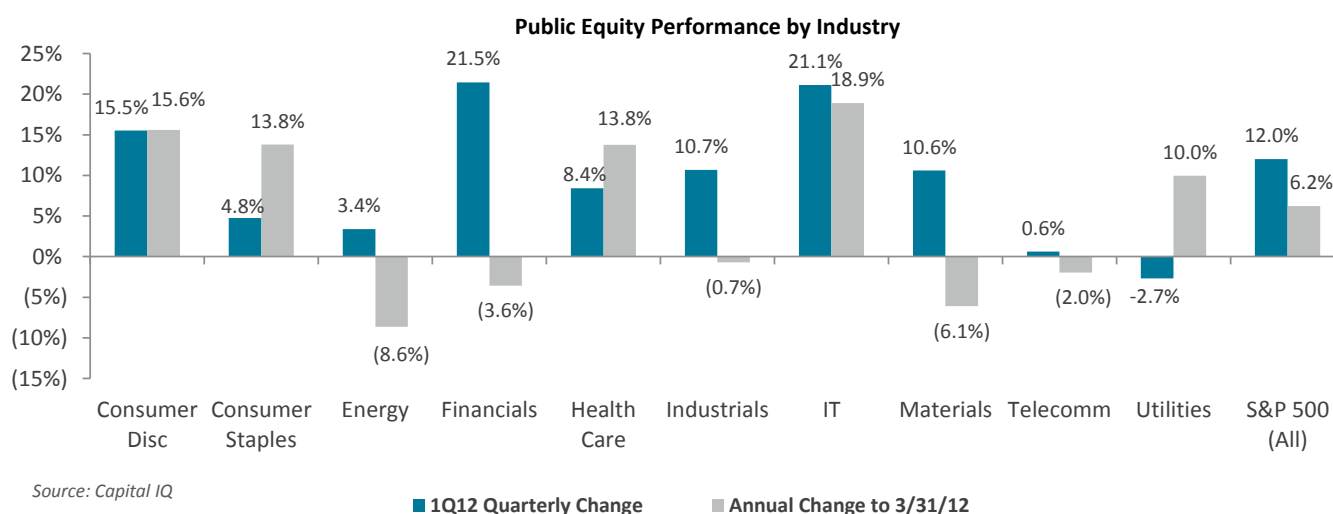
The following table shows the holding period returns of three MSCI indices and the S&P 500 over various time horizons from three months to ten years through March 31, 2012. All indices performed positively over the quarter with the MSCI Emerging Markets posting the greatest gain at 13.6%.

Regional Indices					
	Current Qtr	1 Yr	3 Yr	5 Yr	10 Yr
MSCI Asia	11.9%	(5.9%)	53.1%	(13.7%)	63.2%
MSCI Europe	9.9%	(10.6%)	48.0%	(30.1%)	27.8%
MSCI EM	13.6%	(11.1%)	82.7%	12.1%	196.3%
S&P 500	12.0%	6.2%	76.5%	(0.9%)	22.8%

For the period ended March 31, 2012

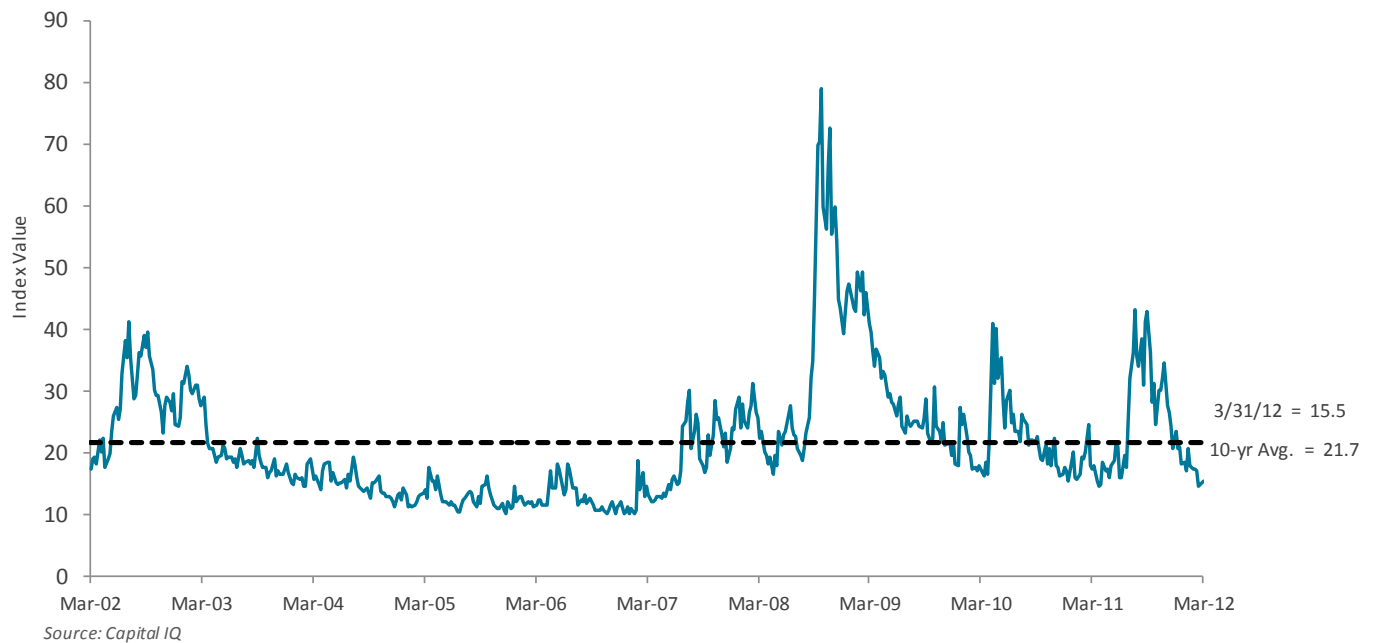
Source: Capital IQ

During the first quarter of 2012, weighted average stock prices increased for nine out of ten industry sectors in the S&P 500, with the index as a whole increasing 12.0%. The best performing sector was Financials, which increased by 21.5% from the prior quarter. Over the past 12 months, five out of ten sectors exhibited positive performance, with all positive performing sectors posting gains of 10.0% or more. The IT sector significantly outperformed the broader market over the past 12 months ended March 31, 2012, posting gains of 18.9% compared to an increase of 6.2% by the aggregated S&P 500. The chart below details the capitalization-weighted average change in stock prices for the S&P 500 by industry during the first quarter and last 12 months ended March 31, 2012.



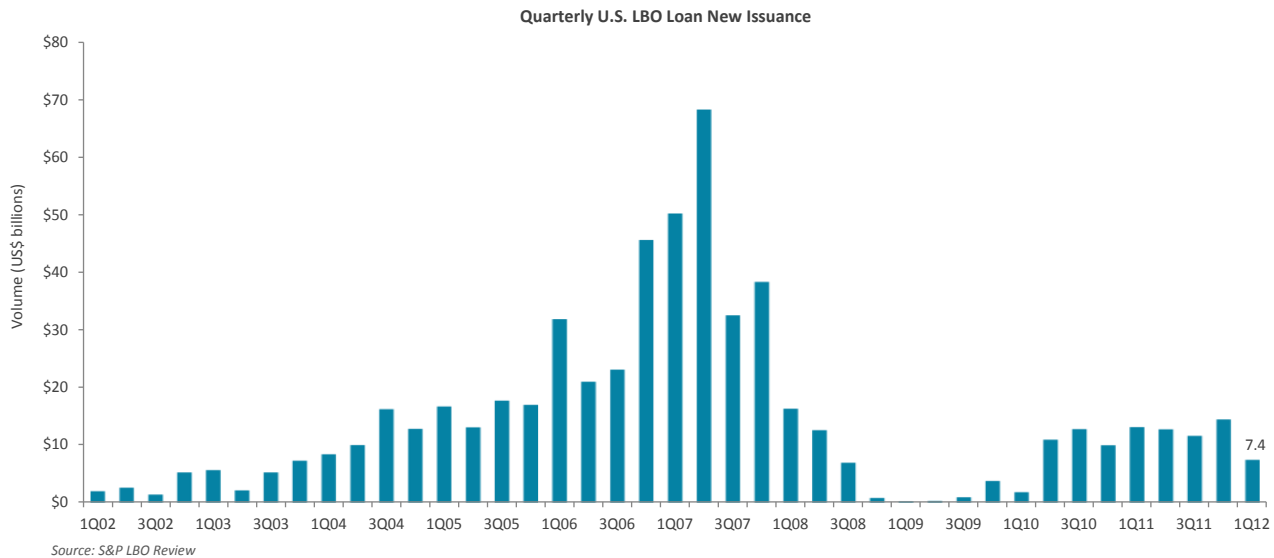
The CBOE Volatility Index (“VIX”), maintained by the Chicago Board Options Exchange, is a popular indicator of investor sentiment and public market volatility. VIX measures the market's expectation of 30-day volatility based on S&P 500 index option prices. VIX closed at 15.5 at the end of the first quarter of 2012, significantly lower than the prior quarter closing price of 23.4 and well below the ten-year historical average price of 21.7. The graph below depicts the historical closing prices of the VIX index over the last ten years through March 31, 2012.

**VIX Volatility Index (^VIX)**

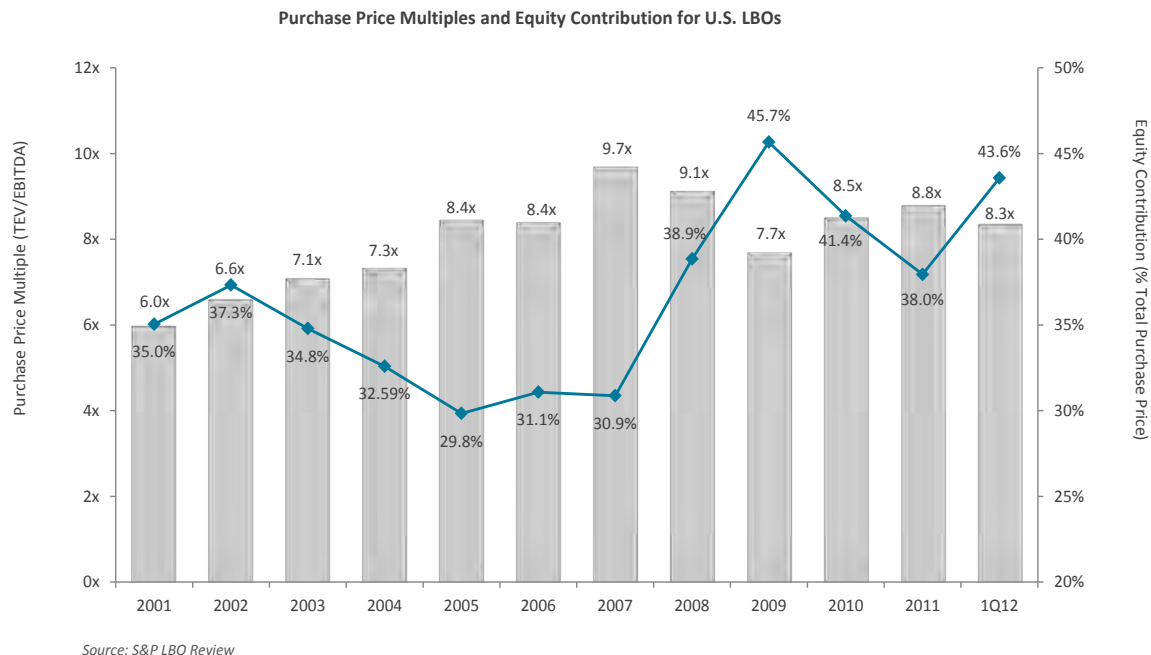


## Debt Markets

During the first quarter of 2012, U.S. LBO new loan issuance volume declined to about half the volume in the fourth quarter of 2011 to US\$7.4 billion, marking the first quarter of single-digit volume (in billions of US\$) since the first quarter of 2010. Uncertainty in Europe weighed on the credit markets resulting in particularly high equity contributions. The following chart shows the quarterly volume of U.S. LBO new loan issuance for the past ten years.



In the first quarter of 2012, the average purchase price multiple for U.S. LBO deals was 8.3x total enterprise value (“TEV”) to earnings before interest, tax, depreciation, and amortization (“EBITDA”), down from 9.4x in the fourth quarter of 2011. Additionally, the average equity contribution for U.S. LBOs increased to 43.6% in the first quarter of 2012, up from 41.9% in the fourth quarter of 2011 and 38.0% in 2011.



## Private Equity Market Overview

### All Private Equity

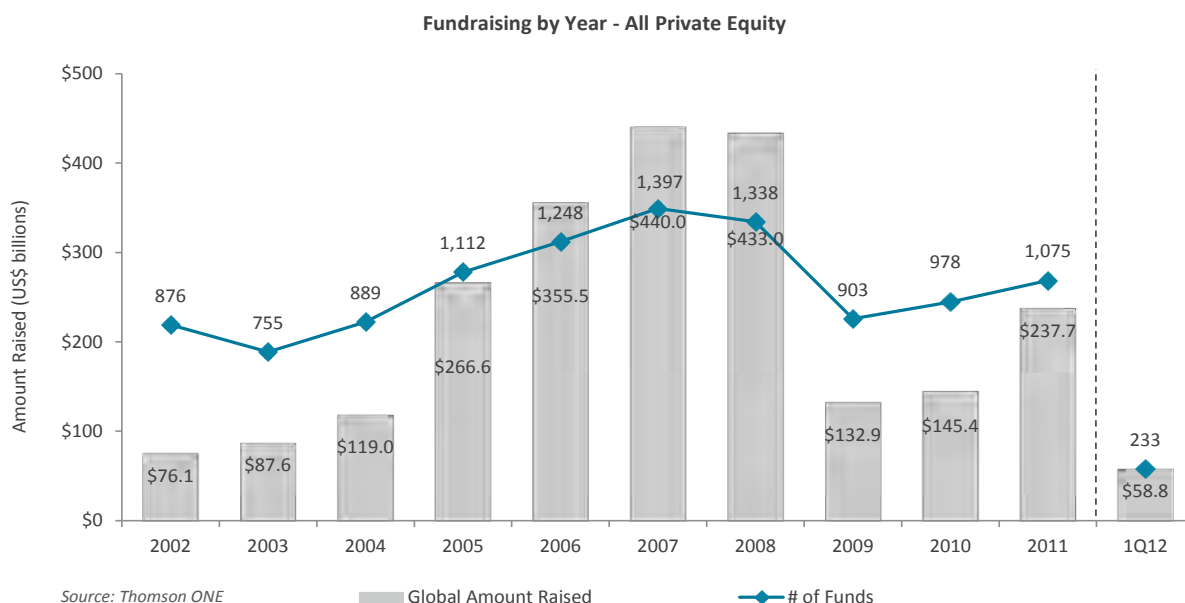
During the first quarter of 2012, private equity fund performance increased 5.1% compared to the S&P 500 which saw an increase of 12.0% during the same period. Of note, the Mezzanine sector increased 15.1% during the quarter, the largest single-sector increase during the first quarter. The table below shows the pooled Internal Rate of Return ("IRR") performance of global private equity investments by sector over various investment horizons from 3 months to 20 years through March 31, 2012.

Sector	3 Mo	6 Mo	9 Mo	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Venture Capital	3.3%	4.4%	1.6%	6.4%	6.0%	1.9%	2.7%	15.0%
All Buyouts	5.2%	11.0%	5.6%	10.3%	13.0%	4.0%	9.6%	10.1%
Small/Middle Buyouts (<\$2bn)	5.2%	11.1%	9.3%	13.5%	9.4%	5.4%	10.2%	12.0%
Large/Mega Buyouts (>\$2bn)	5.3%	10.9%	4.5%	9.3%	14.7%	3.4%	9.1%	8.4%
Mezzanine	15.1%	18.5%	19.0%	22.2%	7.5%	4.7%	6.9%	8.2%
All Private Equity	5.1%	10.1%	5.4%	9.8%	11.7%	4.1%	8.0%	11.0%

Source: Thomson ONE

### Fundraising

Private equity managers raised US\$58.8 billion in the first quarter of 2012, representing a decrease of 15.2% from the prior quarter's total of US\$69.3 billion and an increase of 2.8% from the same period in 2011. Buyout-focused funds accounted for 63.8% of the capital raised during the first quarter of 2012, slightly above the ten-year average of 59.9%. Notable funds that closed during the first quarter of 2012 include: BC European Capital IX, KKR North American Fund XI, and Apax VIII<sup>1</sup>. The chart below shows private equity fundraising activity by calendar year over the last ten years through the first quarter of 2012.

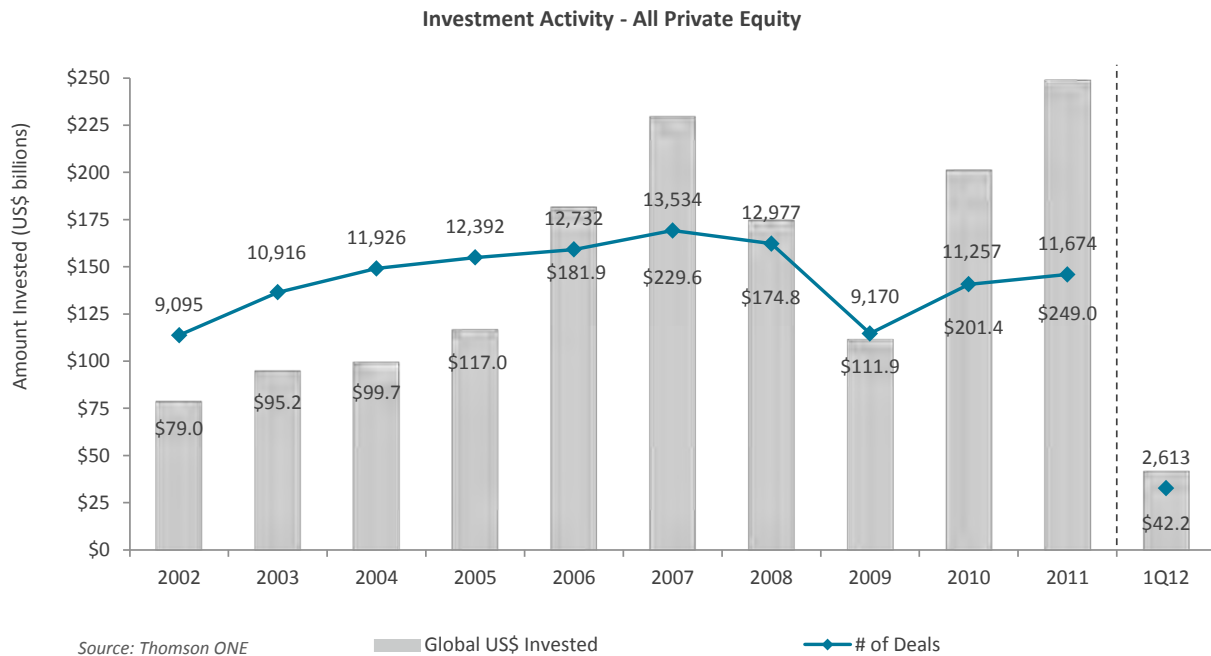


<sup>1</sup> Inclusion of fund names does not constitute an investment recommendation. For illustrative purposes only.

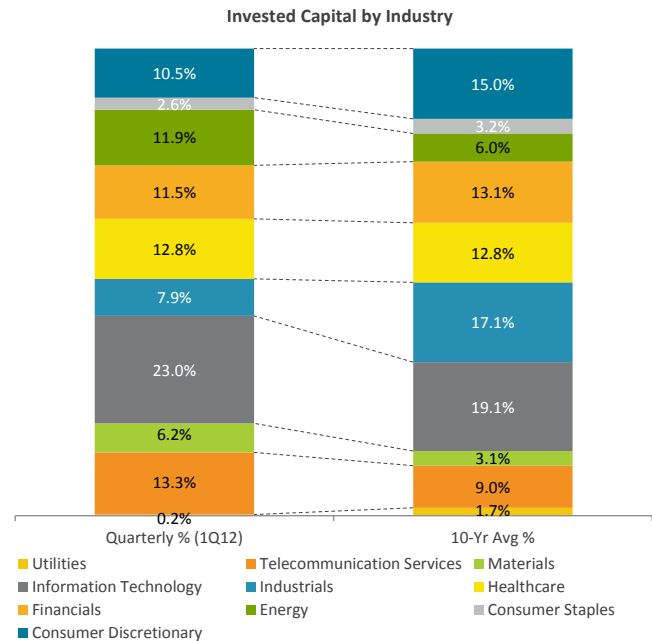
<sup>2</sup> Private equity-backed M&A deal activity includes both strategic M&A exits as well as exits through buyouts and recapitalizations.

## Investment Activity

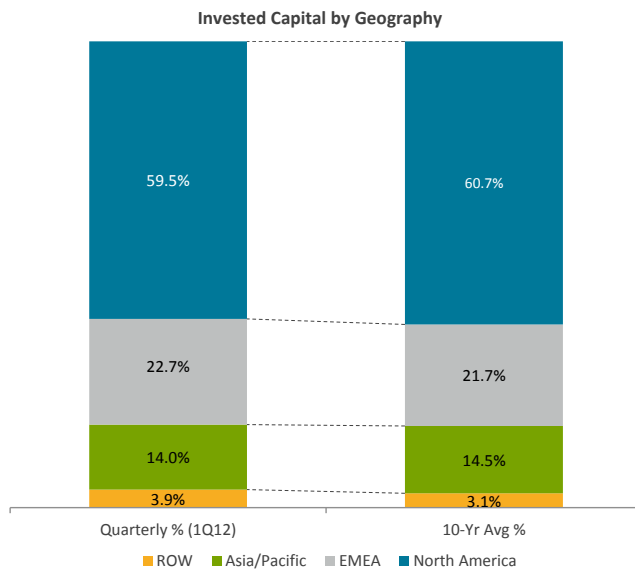
In the first quarter of 2012, private equity funds invested US\$42.2 billion in 2,613 investments, compared to US\$79.9 billion invested in the fourth quarter of 2011 and US\$64.7 billion invested in the first quarter 2011, representing a decrease of 47.2% and 34.8%, respectively. During the first quarter of 2012, the average investment size decreased from US\$27.0 million to US\$16.2 million, or 40.1%, quarter-over-quarter.



Information technology (“IT”) was the most active industry in terms of investment activity during the first quarter of 2012. Private equity funds invested US\$7.2 billion, or 23.0% of total capital invested during the quarter, in 957 IT companies. This represents a slight increase in the IT industry’s share of invested capital compared to the ten-year average of 19.1% of invested capital. In contrast, investments in the Industrials sector represented 7.9% of invested capital during the quarter, well below the ten-year average of 17.1% of invested capital. The chart on the right details the percentage of invested capital by industry for the first quarter of 2012 and over the last ten years.



Source: Thomson ONE



Source: Thomson ONE

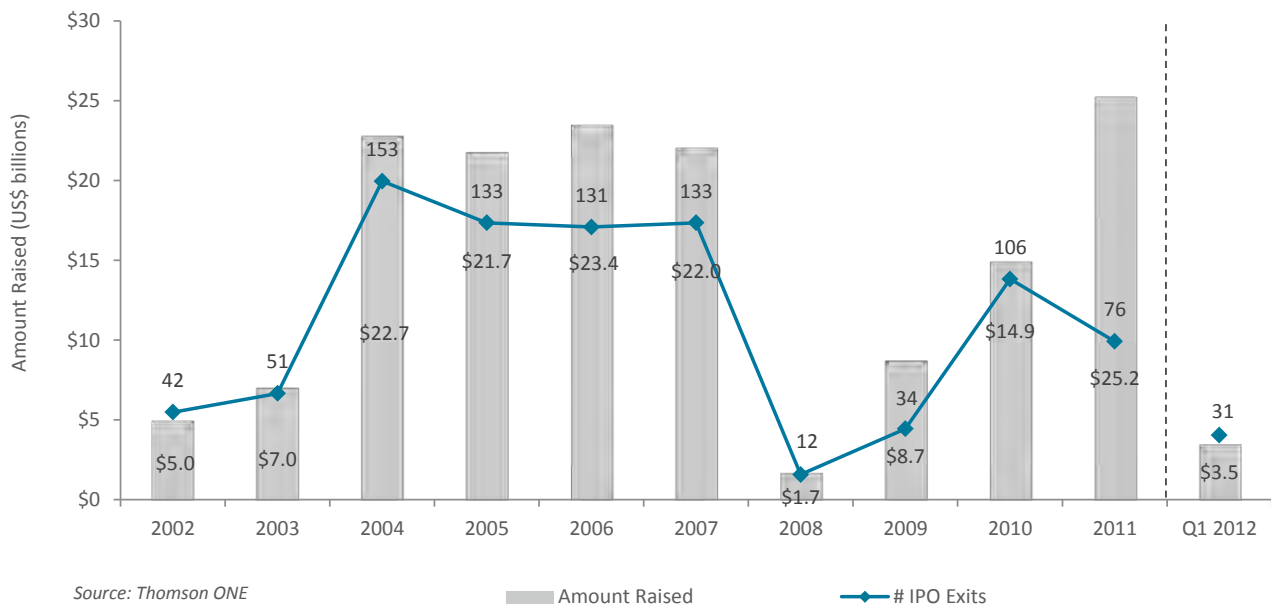
The graph to the left shows invested capital by geography based on the geographic region in which portfolio companies are located. In the first quarter of 2012, investment activity in North America was slightly lower than the historical average, representing 59.5% of total invested capital during the quarter compared to 60.7% over the last ten years. All other regions had investment activity within 1.0% of their ten-year historical average.

Note: Invested Capital is for all private equity from 2002-1Q12.

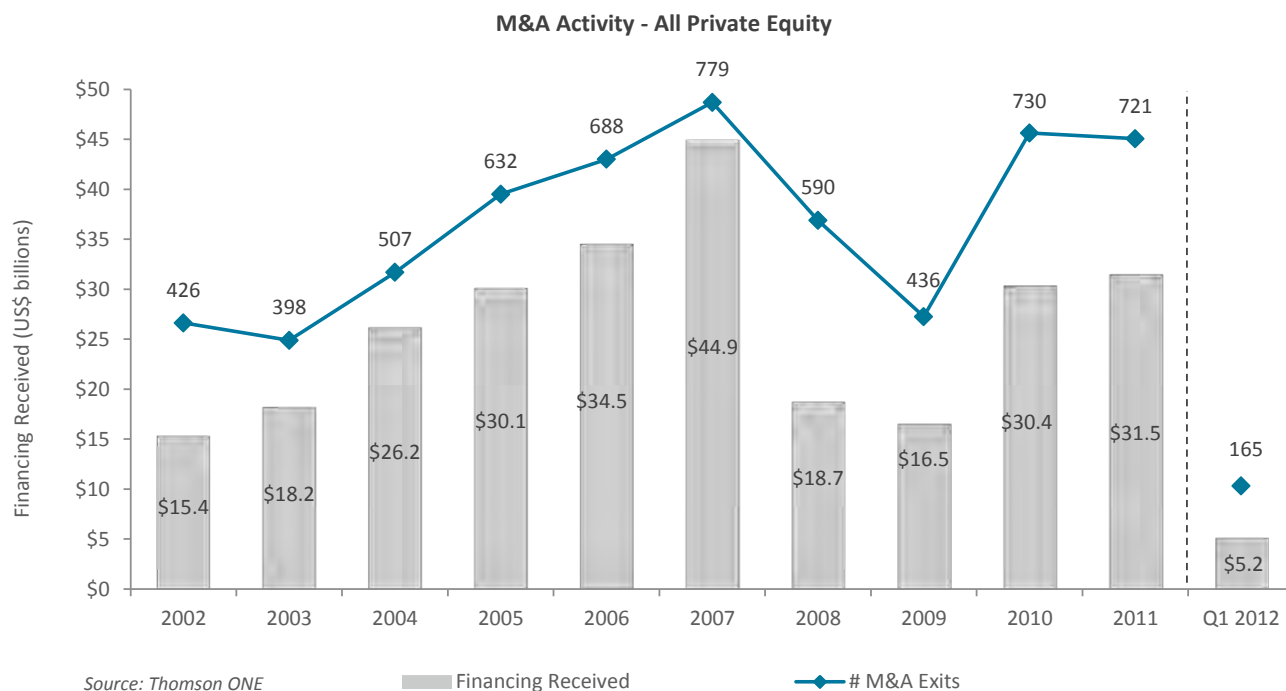
## Deal Environment

During the first quarter of 2012, there were 31 private equity-backed initial public offerings (“IPOs”) which raised a total of US\$3.5 billion, compared to 14 IPOs which raised US\$3.1 billion in the fourth quarter of 2011, representing a quarter-over-quarter increase of 121.4% in the number of IPOs and an increase of 14.9% in total dollars raised. First quarter of 2012 activity was substantially lower in terms of total dollars raised compared to the same period in 2011, during which 22 public equity-backed IPOs raised US\$10.9 billion. In terms of proceeds, the largest IPO of the quarter was Vantiv (NYSE: VNTV), a provider of integrated payment processing services, which raised US\$500.0 million, and is backed by Advent International. Since the IPO, the stock price has risen 36.2% as of June 29, 2012. The second largest IPO was Rexnord Industries (NYSE: RXN), a designer, manufacturer and servicer of process control and water management products, which raised US\$426.3 million, and is backed by Apollo Management. Since the IPO, the stock price has risen 6.9% as of June 29, 2012.

IPO Activity - All Private Equity



Private equity-backed Mergers and Acquisitions (“M&A”) deal activity<sup>2</sup> decreased relative to the fourth quarter of 2011, in terms of deal volume and total dollars raised. Of the 165 deals closed during the first quarter of 2012, 117 deals had disclosed financing and received US\$5.2 billion in financing, representing a 28.8% quarter-over-quarter decrease in financing received.



<sup>2</sup> Private equity-backed M&A deal activity includes both strategic M&A exits as well as exits through buyouts and recapitalizations.

## III. Portfolio Review

### Quarterly Highlights

- Cash Flow Activity** – During the first quarter of 2012, the Portfolio made US\$207.6 million of net contributions and received US\$136.3 million of net distributions, for a net cash outflow of US\$71.3 million, compared to a net cash outflow of US\$42.9 million during the prior quarter and a net cash inflow of US\$8.0 million during the first quarter of 2011. Net contributions increased 22.1% from the prior quarter and increased 118.7% from the first quarter of 2011. The most recent four quarter average of the Program’s net contributions is US\$175.5 million. Net distributions increased 7.2% from the prior quarter and increased 32.4% from the first quarter of 2011. The most recent four quarter average of the Program’s net distributions is US\$113.4 million.
- Secondary Sale** – During the first quarter of 2012 and subsequent to quarter-end, NYCERS sold interests in 11 partnership investments in secondary transactions (the “Secondary Sale”). These 11 investments represented US\$469.7 million of committed capital and US\$335.4 million of market value as of September 30, 2011 (the transaction pricing date) and were sold at an average discount of 6.1%, releasing the Portfolio from an unfunded liability of US\$129.5 million.
  - During the quarter, NYCERS sold five investments (“Tranche 1”), which represented US\$262.9 million of committed capital and US\$199.6 million of market value, at an average discount of 6.6%, releasing the Portfolio from an unfunded liability of US\$73.3 million.
  - Subsequent to quarter-end, NYCERS sold six investments (“Tranche 2”), which represented US\$206.8 million of committed capital and US\$135.8 million of market value, at an average discount of 5.4%, releasing the Portfolio from an unfunded liability of US\$56.2 million.

The investments sold in the Secondary Sale were:

<i>(US\$ in millions)</i>	<b>Vintage Year</b>	<b>Sub-Strategy</b>	<b>Geographic Focus</b>	<b>Committed Capital</b>
<b>Tranche 1</b>				
Clayton, Dubilier & Rice Fund VII, L.P.	2005	Large Buyout	Global	\$ 45.0
Clayton, Dubilier & Rice Fund VIII, L.P.	2009	Large Buyout	Global	50.0
Silver Lake Partners II, L.P.	2004	Large Buyout	North America	52.9
Silver Lake Partners III, L.P.	2007	Mega Buyout	North America	65.0
Thomas H. Lee Equity Fund VI, L.P.	2006	Mega Buyout	North America	50.0
<b>Subtotal Tranche 1</b>				<b>\$ 262.9</b>
<b>Tranche 2</b>				
AEA Investors 2006 Fund L.P.	2006	Middle-Market Buyout	Global	\$ 30.0
Ethos US Dollar Fund V-B	2005	Small Buyout	Rest of World	40.0
HM 2006 Sector Performance Fund	2007	Small Buyout	North America	25.0
NewSpring Growth Capital II, L.P.	2006	Venture Capital	North America	20.0
Tailwind Capital Partners, L.P.	2007	Middle-Market Buyout	North America	30.0
Vitruvian Investment Partnership I	2007	Middle-Market Buyout	Western Europe	61.8
<b>Subtotal Tranche 2</b>				<b>\$ 206.8</b>
<b>Total Secondary Sale</b>				<b>\$ 469.7</b>

- Recent Portfolio Activity** – During the first quarter of 2012, net of cash flow activity and Pro-Forma for the Secondary Sale, the valuation of the Portfolio increased by US\$81.2 million, or 2.5%, from the prior quarter. The increase in Portfolio value is primarily attributable to the recovery of the public equity and credit markets during the quarter, which resulted in valuation increases of publicly-traded holdings held by buyout funds and higher public comparables for valuation purposes. During the last twelve months, net of cash flow activity and Pro-Forma for the Secondary Sale, the valuation of the Portfolio increased by US\$211.4 million, or 6.8%, from the quarter ended March 31, 2011. The table below illustrates recent portfolio activity, with fourth quarter of 2011 and first quarter of 2012 data presented Pro-Forma for the Secondary Sale.

<i>US\$ in millions</i>	2011				2012
	Q1	Q2	Q3	Q4	Q1
Beginning Market Value	\$2,971.7	\$3,083.8	\$3,231.5	\$3,250.7	\$3,233.3
Net Contributed Capital	\$94.9	\$136.9	\$187.7	\$169.9	\$207.6
Net Distributed Capital	(\$102.9)	(\$119.8)	(\$70.5)	(\$284.9)	(\$188.1)
Appreciation/(Depreciation)	\$120.1	\$130.6	(\$97.9)	\$97.5	\$81.2
Ending Market Value	\$3,083.8	\$3,231.5	\$3,250.7	\$3,233.3	\$3,334.0
Unfunded Commitment	\$2,062.7	\$1,929.3	\$2,120.0	\$2,160.4	\$2,006.9
<b>Total Exposure</b>	<b>\$5,146.5</b>	<b>\$5,160.8</b>	<b>\$5,370.7</b>	<b>\$5,393.7</b>	<b>\$5,340.9</b>
TVM	1.25x	1.28x	1.24x	1.25x	1.26x
Since Inception IRR	8.7%	9.2%	8.0%	8.2%	8.3%
Weighted Avg. Age of Commitments (years)	5.0	4.8	4.7	5.1	4.8

- New Investment Commitments** – During the first quarter of 2012, the Program increased its commitment to one partnership but did not close on any new investment commitments.

<i>As of March 31, 2012 (US\$ in millions)</i>	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital	
AXA Secondary Fund V B L.P.	March 2012	Secondaries	Global	\$	45.0
<b>Total</b>				<b>\$</b>	<b>45.0</b>

- Subsequent Investment Commitments** – Subsequent to quarter-end through August 30, 2012, the Program closed on four new investment commitments, together totaling US\$360.0 million.

<i>As of August 30, 2012 (US\$ in millions)</i>	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital	
Ares Corporate Opportunities Fund IV, L.P.	April 2012	Special Situations	North America	\$	125.0
Warburg Pincus Private Equity XI, L.P.	May 2012	Growth Equity	Global		110.0
Palladium Equity Partners IV, L.P.	June 2012	Small Buyout	North America		55.0
Trilantic Capital Partners V L.P.	July 2012	Middle-Market Buyout	North America		70.0
<b>Total</b>				<b>\$</b>	<b>360.0</b>

- **Significant Valuation Changes** – During the first quarter of 2012, net of cash flow activity, 78 fund investments appreciated and 47 declined in value from the prior quarter. Below are the top fifteen valuation changes (in terms of the absolute value of impact) that occurred in the Portfolio during the quarter. These valuation changes account for 60.1% of the valuation change during the quarter.

US\$ in millions

Rank	Fund	Valuation Change US\$	Valuation Change %	Comments
1	Apollo Investment Fund VI, L.P.	\$14.7	17.4%	The increase in valuation primarily reflects the write-ups of CEVA Logistics, Realogy Corporation, and other credit investments.
2	Psilos Group Partners III, L.P.	\$8.7	27.7%	The increase in valuation primarily reflects the write-ups of Extend Health and Mauna Kea Technologies.
3	Apollo Investment Fund VII, L.P.	\$8.7	12.4%	The increase in valuation primarily reflects the increase in share prices of publicly-traded investments (Charter Communications and LyondellBasell Industries) and the write-up of other credit investments.
4	Avista Capital Partners II, L.P.	\$6.4	10.1%	The increase in valuation primarily reflects the write-up of Hi-Crush Proppants.
5	Perseus Partners VII, L.P.	(\$6.3)	(20.6%)	The decrease in valuation primarily reflects the write-downs of Established Brands International, NanoBio Corporation, and Vehicle Production Group.
6	Blackstone Capital Partners V, L.P.	\$5.6	5.2%	The increase in valuation primarily reflects the write-ups of Michael's Stores, Mivisa Envases, and Pinnacle Foods.
7	Yucaipa American Alliance Fund II, LP	(\$5.4)	(3.5%)	The decrease in valuation primarily reflects the write-down of Barneys New York.
8	Ares Corporate Opportunities Fund III, L.P.	\$5.0	8.9%	The increase in valuation primarily reflects the increase in share prices of publicly-traded investments (LyondellBasell Industries and Nortek) and the write-ups of AOT Bedding and HD Supply.
9	Solera Partners, L.P.	\$5.0	16.8%	The increase in valuation primarily reflects the gain on the sale of shares of Annie's, Inc. during the IPO on the NYSE.

Rank	Fund	Valuation Change US\$	Valuation Change %	Comments
10	The Fourth Cinven Fund	\$4.7	7.8%	The increase in valuation primarily reflects the increase in the share price of the publicly-traded investment Ziggo and the write-ups of Partnership Assurance and Sebia.
11	Celtic Pharmaceutical Holdings L.P.	(\$4.4)	(9.5%)	The decrease in valuation primarily reflects the write-downs of Targeted Delivery Technologies, Neutron Holdings, and Inspiration Biopharmaceuticals.
12	Tailwind Capital Partners, L.P.	(\$4.4)	NM	The decrease in valuation reflects the sale of the interest in the partnership at a discount to net asset value.
13	GF Capital Private Equity Fund, L.P.	\$3.6	17.1%	The increase in valuation primarily reflects the gain on the sale of Airborne, Inc.
14	Vista Equity Partners Fund III, L.P.	\$3.6	9.5%	The increase in valuation primarily reflects the write-ups of SumTotal Systems, Petroleum Place, and ADERANT Holdings.
15	Ares Corporate Opportunities Fund II, L.P.	\$3.3	9.7%	The increase in valuation primarily reflects the increase in share prices of publicly-traded investments (General Nutrition Centers and Nortek) and the write-up of HD Supply.

## Investment Performance

### Since Inception Performance

US\$ in millions	March 31, 2012	December 31, 2011	Quarterly Change
<b>Active Investments</b>			
Number of Managers	81	87	(6)
Number of Investments	122	128	(6)
Committed Capital	\$5,648.2	\$5,808.6	\$(160.5)
Net Contributed Capital <sup>1</sup>	\$3,676.6	\$3,633.5	\$43.1
Net Distributed Capital <sup>2</sup>	\$1,362.1	\$1,336.1	\$26.0
Market Value <sup>3</sup>	\$3,333.2	\$3,232.4	\$100.8
Total Value	\$4,695.3	\$4,568.6	\$126.7
Total Gain/(Loss)	\$1,018.8	\$935.1	\$83.7
Unfunded Commitment <sup>4</sup>	\$1,998.6	\$2,160.1	\$(161.6)
Total Exposure <sup>5</sup>	\$5,331.8	\$5,392.6	\$(60.8)
DPI <sup>6</sup>	0.37x	0.37x	0.00x
TVM <sup>7</sup>	1.28x	1.26x	0.02x
IRR <sup>8</sup>	9.0%	8.6%	+ 39 bps
<b>Exited Investments</b>			
Number of Managers	11	5	6
Number of Investments	13	7	6
Committed Capital	\$528.6	\$314.9	\$213.7
Net Contributed Capital <sup>1</sup>	\$382.1	\$217.5	\$164.6
Net Distributed Capital <sup>2</sup>	\$414.2	\$252.1	\$162.1
Total Value	\$415.0	\$252.9	\$162.1
Total Gain/(Loss)	\$32.9	\$35.4	\$(2.5)
Unfunded Commitment <sup>4</sup>	\$8.3	\$0.3	\$8.0
DPI <sup>6</sup>	1.08x	1.16x	-0.07x
TVM <sup>7</sup>	1.09x	1.16x	-0.08x
IRR <sup>8</sup>	2.5%	3.8%	- 136 bps
<b>Total Portfolio</b>			
Number of Managers	92	92	-
Number of Investments	135	135	-
Committed Capital	\$6,176.8	\$6,123.5	\$53.2
Net Contributed Capital <sup>1</sup>	\$4,058.6	\$3,851.0	\$207.6
Net Distributed Capital <sup>2</sup>	\$1,776.3	\$1,588.2	\$188.1
Market Value <sup>3</sup>	\$3,334.0	\$3,233.3	\$100.8
Total Value	\$5,110.3	\$4,821.5	\$288.9
Total Gain/(Loss)	\$1,051.7	\$970.5	\$81.2
Unfunded Commitment <sup>4</sup>	\$2,006.9	\$2,160.4	\$(153.5)
Total Exposure <sup>5</sup>	\$5,340.9	\$5,393.7	\$(52.8)
DPI <sup>6</sup>	0.44x	0.41x	0.03x
TVM <sup>7</sup>	1.26x	1.25x	0.01x
IRR <sup>8</sup>	8.3%	8.2%	+ 10 bps

<sup>1</sup> Net Contributed Capital represents total contributed capital net of distributions subject to recall.

<sup>2</sup> Net Distributed Capital represents total permanent (non-recallable) distributed capital. Please note that the Net Distributed Capital as of March 31, 2012 is presented Pro- Forma for the proceeds received and expected to be received from the sale of 11 partnership investments in secondary transactions that closed during the first quarter of 2012 and subsequent to quarter-end.

<sup>3</sup> Please note that the Market Value as of March 31, 2012 is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first quarter of 2012 and subsequent to quarter-end.

<sup>4</sup> Unfunded Commitment represents the aggregate remaining commitments to partnership investments. Please note that the Unfunded Commitment is presented Pro-Forma for the sale of 11 partnership investments in secondary transactions that closed during the first quarter of 2012 and subsequent to quarter-end.

<sup>5</sup> Total Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>6</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Net Distributed Capital divided by Net Contributed Capital.

<sup>7</sup> TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Net Distributed Capital, divided by Net Contributed Capital.

<sup>8</sup> 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 manager's fees, expenses and carried interest.

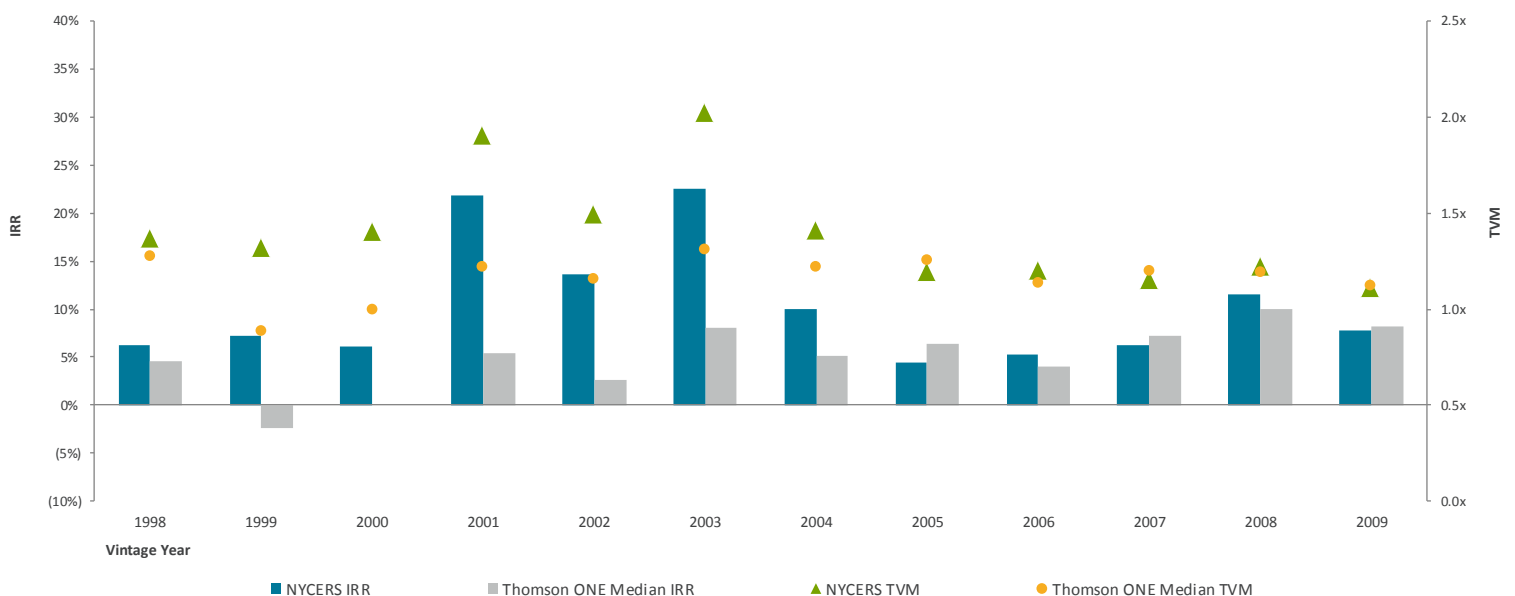
## Performance by Vintage Year

The following table and chart illustrate the Portfolio's since inception investment performance by vintage year as of March 31, 2012 Pro-Forma for the Secondary Sale relative to the median quartile U.S. All Private Equity TVM and IRR benchmarks as provided by Thomson ONE. Performance of funds that are less than two years old is not meaningful. Note that Thomson ONE data is continuously updated and is therefore subject to change.

As of March 31, 2012 (US\$ in millions)

Vintage Year	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR	Thomson ONE U.S. All PE Median Quartile TVM	Thomson ONE U.S. All PE Median Quartile IRR
1998	\$50.0	\$50.1	\$63.8	\$4.5	\$0.0	\$4.5	1.37x	6.3%	1.27x	4.6%
1999	95.0	92.9	107.9	14.8	2.3	17.1	1.32x	7.2%	0.89x	(2.4%)
2000	127.0	115.1	109.9	51.8	7.8	59.5	1.40x	6.1%	1.00x	0.0%
2001	100.0	101.1	135.9	56.6	4.0	60.5	1.90x	21.8%	1.22x	5.4%
2002	190.0	183.5	167.4	106.3	7.0	113.3	1.49x	13.6%	1.16x	2.6%
2003	110.0	92.8	128.1	59.1	12.2	71.3	2.02x	22.5%	1.31x	8.1%
2004	389.9	339.1	234.8	243.5	49.4	292.9	1.41x	10.0%	1.22x	5.1%
2005	514.5	440.9	197.8	326.4	58.1	384.4	1.19x	4.5%	1.25x	6.4%
2006	1,028.4	874.9	252.2	794.0	142.6	936.6	1.20x	5.3%	1.14x	4.0%
2007	957.7	722.0	239.6	592.7	192.9	785.7	1.15x	6.3%	1.20x	7.2%
2008	1,320.7	769.2	101.3	838.8	533.2	1,372.1	1.22x	11.6%	1.19x	10.0%
2009	200.0	93.0	37.0	66.3	86.4	152.7	1.11x	7.8%	1.12x	8.2%
2010	175.0	52.7	0.1	51.3	122.6	173.9	0.97x	NM	1.06x	NM
2011	798.6	131.5	0.4	128.0	668.4	796.4	0.98x	NM	0.94x	NM
2012	120.0	-	-	-	120.0	120.0	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$6,176.8</b>	<b>\$4,058.6</b>	<b>\$1,776.3</b>	<b>\$3,334.0</b>	<b>\$2,006.9</b>	<b>\$5,340.9</b>	<b>1.26x</b>	<b>8.3%</b>	<b>1.13x</b>	<b>3.4%</b>

As of March 31, 2012



## Portfolio Periodic Returns vs. Russell 3000® Index

<i>As of March 31, 2012</i>	1 Year	3 Year	5 Year	10 Year	Since Inception
NYCERS IRR	6.5%	13.3%	6.2%	8.8%	8.3%
Russell 3000® <sup>1</sup>	8.6%	23.2%	7.1%	7.4%	7.2%
Russell 3000® + 500 bps <sup>1</sup>	13.6%	28.2%	12.1%	12.4%	12.2%
<b>NYCERS Outperformance/(Underperformance)</b>	<b>(7.1%)</b>	<b>(14.9%)</b>	<b>(5.9%)</b>	<b>(3.7%)</b>	<b>(3.9%)</b>

<sup>1</sup>Benchmark is a dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

## Performance by Strategy / Sub-Strategy

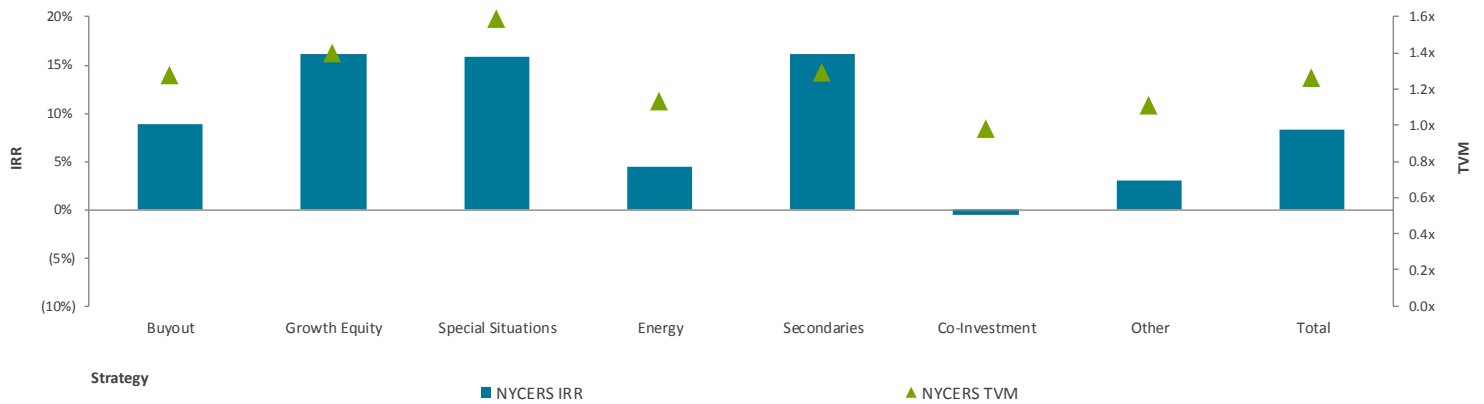
The following table and charts illustrate the Portfolio's since inception investment performance by strategy and sub-strategy as of March 31, 2012 Pro-Forma for the Secondary Sale.

*As of March 31, 2012 (US\$ in millions)*

Strategy / Sub-Strategy	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR
<b>Buyout</b>	<b>\$4,004.1</b>	<b>\$2,574.1</b>	<b>\$1,278.9</b>	<b>\$2,006.5</b>	<b>\$1,338.3</b>	<b>\$3,344.8</b>	<b>1.28x</b>	<b>8.9%</b>
Mega Buyout	1,065.3	566.6	209.1	492.4	459.8	952.3	1.24x	7.7%
Large Buyout	682.9	352.3	339.3	177.9	301.0	478.9	1.47x	16.7%
Middle-Market Buyout	1,439.2	1,112.7	474.0	894.2	313.4	1,207.6	1.23x	6.9%
Small Buyout	816.7	542.4	256.6	442.1	264.1	706.1	1.29x	9.9%
<b>Growth Equity</b>	<b>274.3</b>	<b>150.4</b>	<b>37.6</b>	<b>172.6</b>	<b>124.5</b>	<b>297.1</b>	<b>1.40x</b>	<b>16.1%</b>
<b>Special Situations</b>	<b>315.0</b>	<b>216.1</b>	<b>156.0</b>	<b>188.1</b>	<b>76.5</b>	<b>264.7</b>	<b>1.59x</b>	<b>15.9%</b>
<b>Energy</b>	<b>355.0</b>	<b>286.9</b>	<b>51.2</b>	<b>274.2</b>	<b>68.6</b>	<b>342.8</b>	<b>1.13x</b>	<b>4.5%</b>
<b>Secondaries</b>	<b>384.1</b>	<b>184.2</b>	<b>106.5</b>	<b>130.5</b>	<b>200.3</b>	<b>330.8</b>	<b>1.29x</b>	<b>16.1%</b>
<b>Co-Investment</b>	<b>106.2</b>	<b>82.9</b>	<b>12.3</b>	<b>69.0</b>	<b>20.6</b>	<b>89.6</b>	<b>0.98x</b>	<b>-0.6%</b>
<b>Other</b>	<b>738.0</b>	<b>564.0</b>	<b>133.7</b>	<b>493.1</b>	<b>178.0</b>	<b>671.1</b>	<b>1.11x</b>	<b>3.0%</b>
Mezzanine	70.0	64.8	33.3	54.6	8.1	62.7	1.36x	12.8%
Venture Capital	668.0	499.3	100.4	438.5	169.9	608.4	1.08x	2.1%
<b>Total</b>	<b>\$6,176.8</b>	<b>\$4,058.6</b>	<b>\$1,776.3</b>	<b>\$3,334.0</b>	<b>\$2,006.9</b>	<b>\$5,340.9</b>	<b>1.26x</b>	<b>8.3%</b>

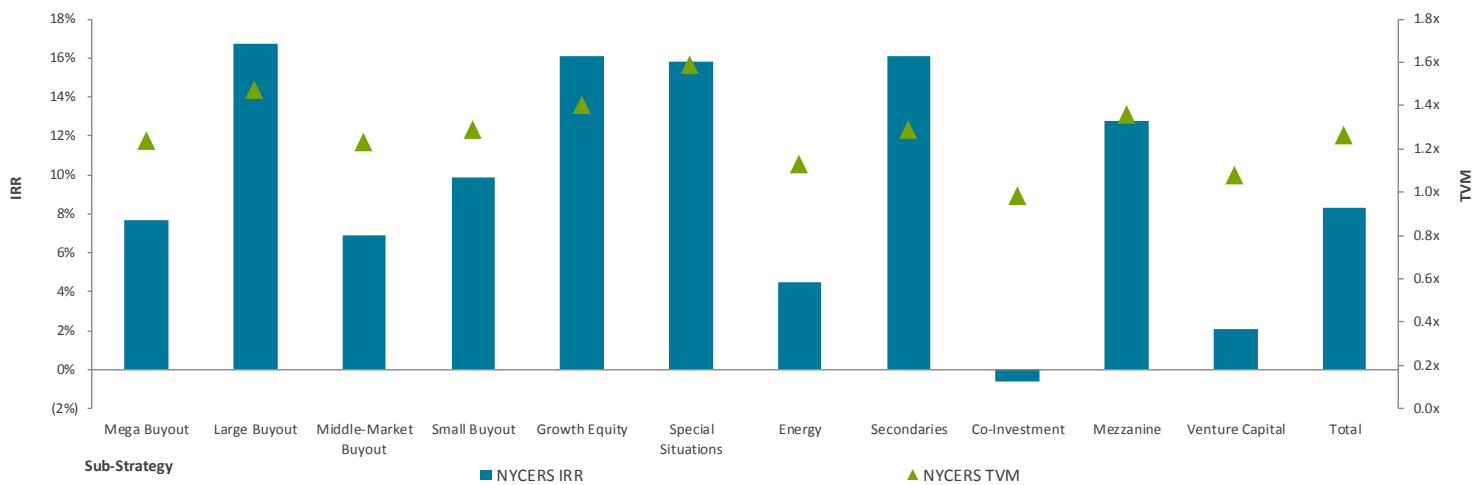
## Performance by Strategy

As of March 31, 2012



## Performance by Sub-Strategy

As of March 31, 2012



## Portfolio Diversification

### By Strategy/Sub-Strategy

	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<i>As of March 31, 2012 (US\$ in millions)</i>						
<b>Buyout</b>	<b>2,006.5</b>	<b>60.2%</b>	<b>1,338.3</b>	<b>66.7%</b>	<b>3,344.8</b>	<b>62.6%</b>
Mega Buyout	492.4	14.8%	459.8	22.9%	952.3	17.8%
Large Buyout	177.9	5.3%	301.0	15.0%	478.9	9.0%
Middle-Market Buyout	894.2	26.8%	313.4	15.6%	1,207.6	22.6%
Small Buyout	442.1	13.3%	264.1	13.2%	706.1	13.2%
<b>Growth Equity</b>	<b>172.6</b>	<b>5.2%</b>	<b>124.5</b>	<b>6.2%</b>	<b>297.1</b>	<b>5.6%</b>
<b>Special Situations</b>	<b>188.1</b>	<b>5.6%</b>	<b>76.5</b>	<b>3.8%</b>	<b>264.7</b>	<b>5.0%</b>
<b>Energy</b>	<b>274.2</b>	<b>8.2%</b>	<b>68.6</b>	<b>3.4%</b>	<b>342.8</b>	<b>6.4%</b>
<b>Secondaries</b>	<b>130.5</b>	<b>3.9%</b>	<b>200.3</b>	<b>10.0%</b>	<b>330.8</b>	<b>6.2%</b>
<b>Co-Investment</b>	<b>69.0</b>	<b>2.1%</b>	<b>20.6</b>	<b>1.0%</b>	<b>89.6</b>	<b>1.7%</b>
<b>Other</b>	<b>493.1</b>	<b>14.8%</b>	<b>178.0</b>	<b>8.9%</b>	<b>671.1</b>	<b>12.6%</b>
Venture Capital	438.5	13.2%	169.9	8.5%	608.4	11.4%
Mezzanine	54.6	1.6%	8.1	0.4%	62.7	1.2%
<b>Total</b>	<b>3,334.0</b>	<b>100.0%</b>	<b>2,006.9</b>	<b>100.0%</b>	<b>5,340.9</b>	<b>100.0%</b>

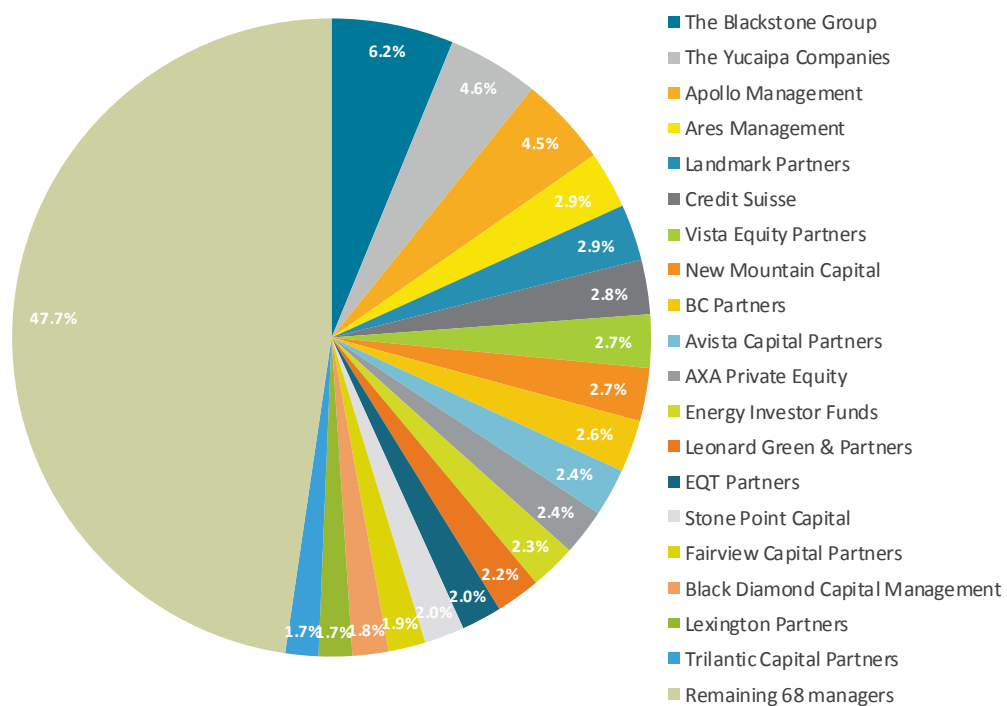
### By Fund Geographic Focus

	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<i>As of March 31, 2012 (US\$ in millions)</i>						
North America	2,368.2	71.0%	1,241.0	61.8%	3,609.1	67.6%
Global	779.2	23.4%	475.1	23.7%	1,254.3	23.5%
Western Europe	153.1	4.6%	271.6	13.5%	424.6	8.0%
Rest of World	33.6	1.0%	19.2	1.0%	52.8	1.0%
<b>Total</b>	<b>3,334.0</b>	<b>100.0%</b>	<b>2,006.9</b>	<b>100.0%</b>	<b>5,340.9</b>	<b>100.0%</b>

## By Investment Manager

As of March 31, 2012 and Pro-Forma for the Secondary Sale, the Portfolio was highly diversified by investment manager, with 19 managers comprising US\$2.8 billion, or 52.3% of total exposure. The remaining 68 managers comprised 47.7% of total exposure as of quarter-end.

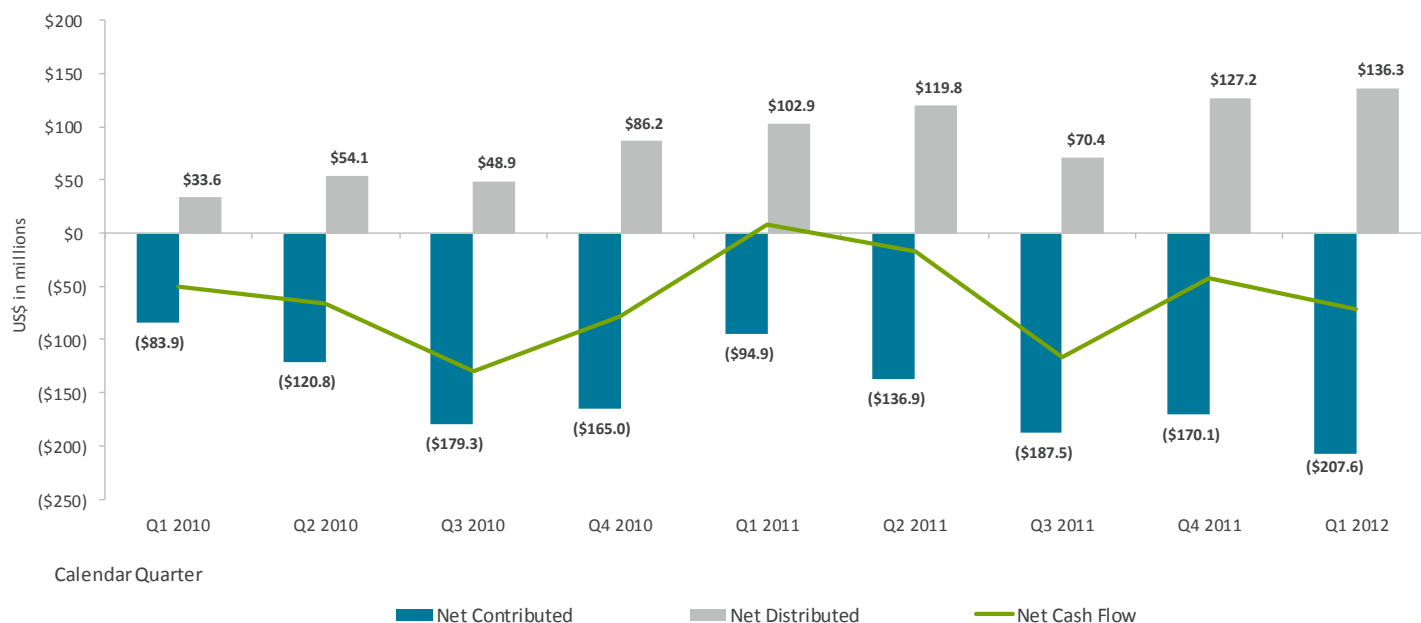
**Portfolio Total Exposure by Investment Manager**  
As of March 31, 2012



## Portfolio Cash Flow Analysis

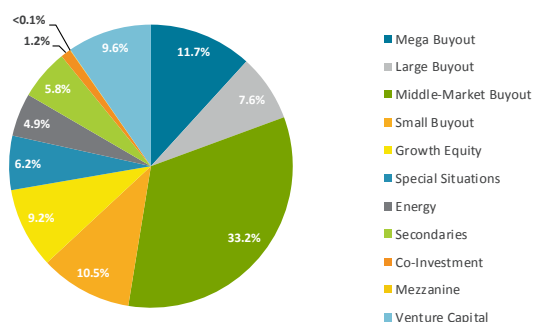
### Quarterly Cash Flow Activity

During the first quarter of 2012, the Portfolio made US\$207.6 million of net contributions and received US\$136.3 million of net distributions, for a net cash outflow of US\$71.3 million. The graph below illustrates recent cash flow activity by quarter.

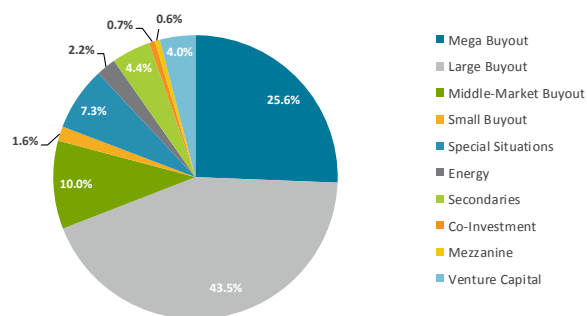


Buyout funds were the most active in terms of cash flow activity during the quarter. Buyout funds drew down US\$131.0 million, or 63.1% of total net contributions during the quarter, and distributed US\$110.2 million, or 80.8% of total net distributions during the quarter.

### Q1 2012 Net Contributed by Sub-Strategy

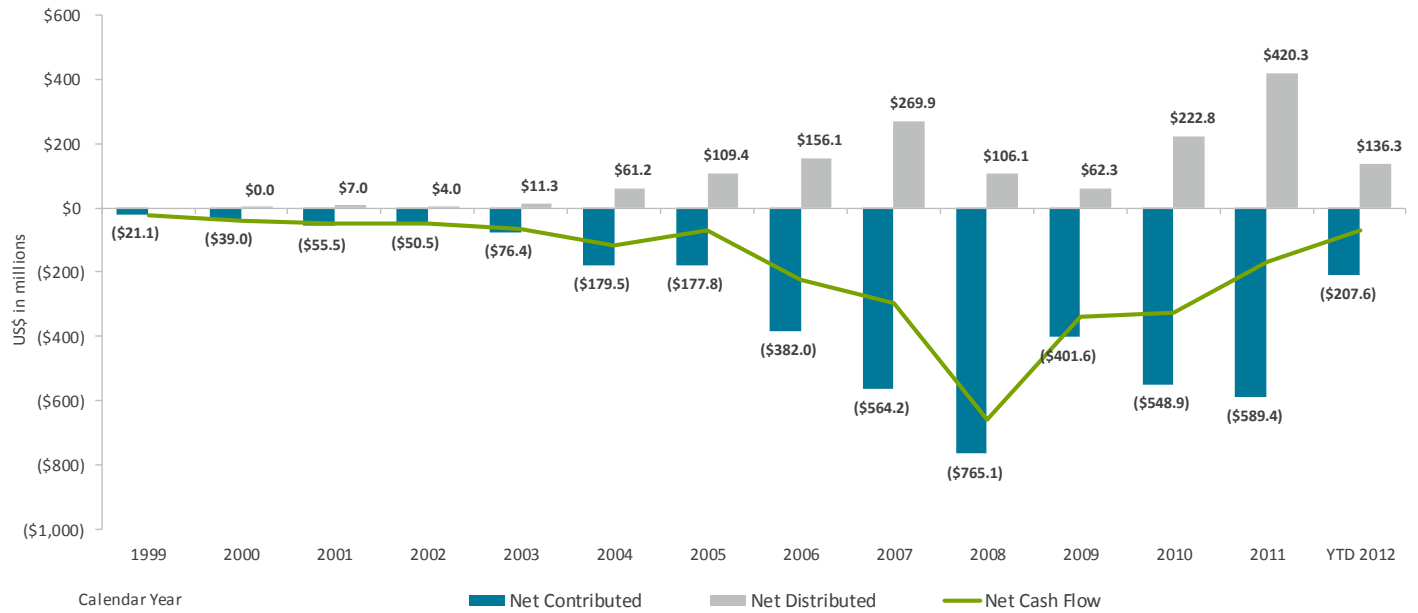


### Q1 2012 Net Distributed by Sub-Strategy



## Yearly Cash Flow Activity

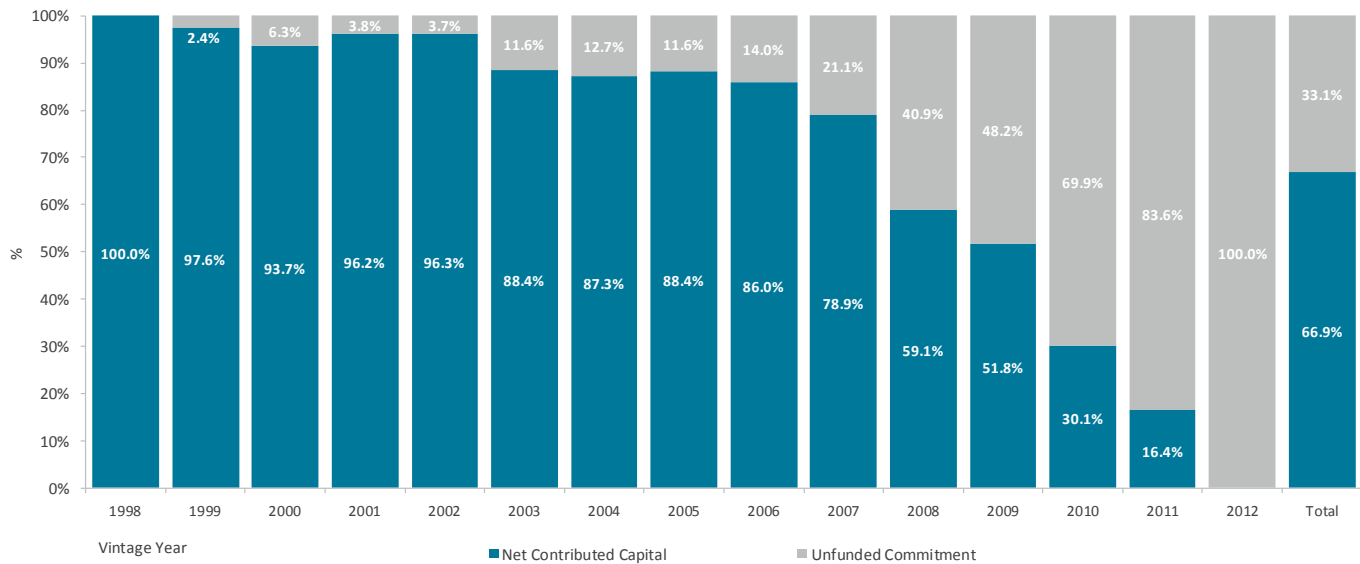
The graph below illustrates cash flow activity since inception by calendar year.



## Invested Capital by Vintage Year

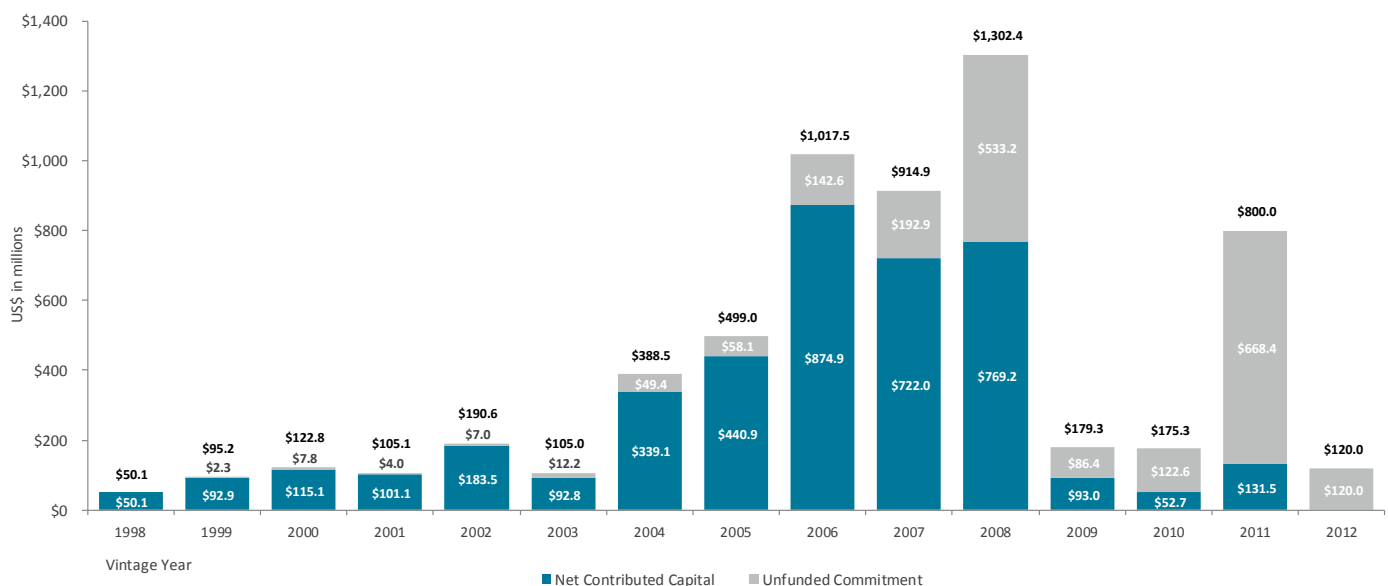
The following chart illustrates cumulative net capital contributions as a percentage of total capital commitments, by fund vintage year, as of March 31, 2012 Pro-Forma for the Secondary Sale.

**Capital Contributions to Unfunded by Vintage Year (%)**



The following chart illustrates cumulative net capital contributions relative to unfunded commitment, by fund vintage year, as of March 31, 2012 Pro-Forma for the Secondary Sale.

**Capital Contributions to Unfunded by Vintage Year (US\$)**

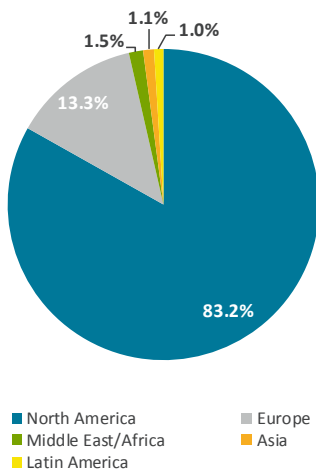


## Portfolio Company-Level Analysis

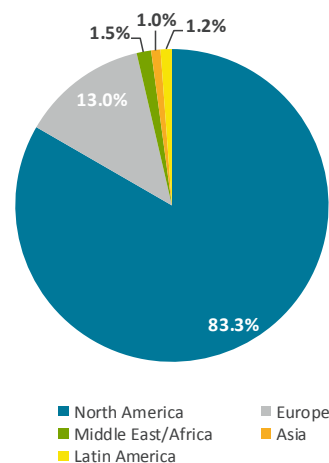
### Geographic Exposure

The following charts illustrate the Portfolio's current exposure by geography at the portfolio company level as of March 31, 2012.

Geographic Exposure by Current Cost



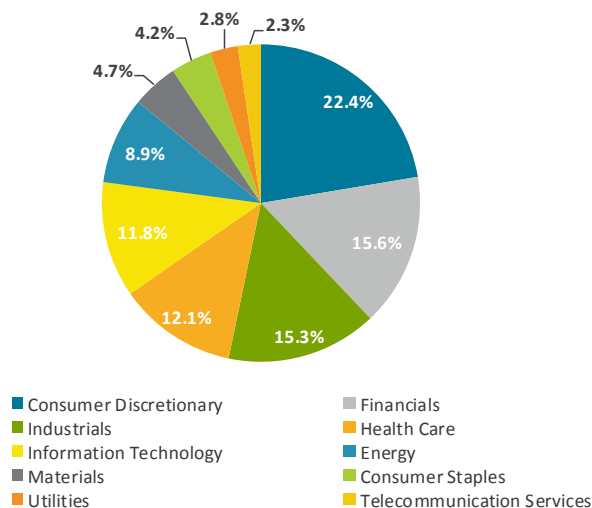
Geographic Exposure by Current Market Value



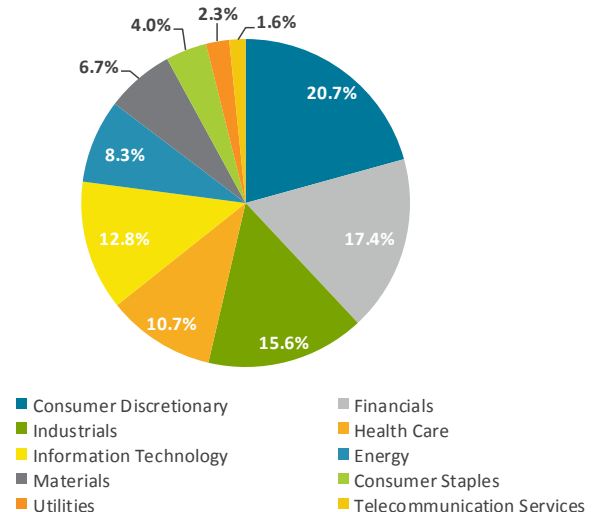
### Industry Exposure

The following charts illustrate the Portfolio's current exposure by industry at the portfolio company level as of March 31, 2012. Please note that the Financials category includes investments in various debt securities as well as certain undisclosed fund of funds investments.

Industry Exposure by Current Cost



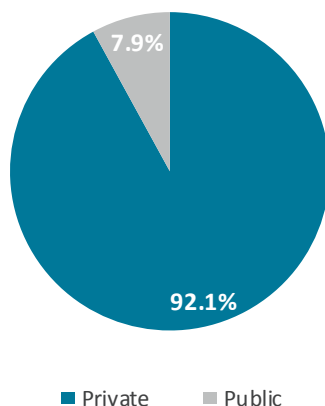
Industry Exposure by Current Market Value



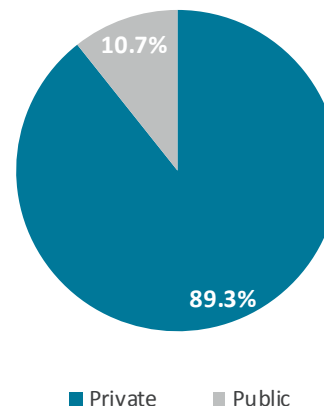
## Public Market Exposure

As of quarter-end, publicly traded investments comprised 7.9% of the Portfolio's exposed cost and 10.7% of the Portfolio's exposed market value. The following charts illustrate the current public market exposure at the portfolio company level.

Public Market Exposure by Current Cost



Public Market Exposure Current Market Value



## Top 10 Portfolio Company Holdings

The following table shows the top 10 portfolio company holdings in the Portfolio in terms of the current exposed market value. These 10 portfolio companies comprised approximately 8.0% of the Portfolio's exposed market value and 5.6% of exposed cost as of quarter-end.

As of March 31, 2012 (US\$ in millions)

Rank	Company	Fund(s)	Industry	Country	Exposed Current Cost	Exposed Current Market Value
1	AmeriCold Realty Trust	Yucaipa American Alliance Fund I and II	Industrials	U.S.	\$ 40.2	\$ 70.9
2	LyondellBasell Industries N.V.	Apollo Investment Fund VII and Ares Corporate Opportunities III	Materials	Netherlands	8.1	27.7
3	SoftLayer Technologies	GI Partners Fund II and III	Information Technology	U.S.	9.5	22.6
4	Kleen Energy Systems	United States Power Fund II and III	Utilities	U.S.	19.2	22.2
5	Annie's, Inc.	Solera Partners	Consumer Staples	U.S.	4.2	21.9
6	Calypso Energy Holdings	United States Power Fund II and III	Energy	U.S.	24.4	21.7
7	Charter Communications Inc.	Apollo Investment Fund VI and VII and Crestview Partners II	Consumer Discretionary	U.S.	6.9	21.7
8	NuCO2	Aurora Equity Partners III	Industrials	U.S.	7.2	21.2
9	Extend Health, Inc.	Psilos Group Partners III	Financials	U.S.	1.5	20.0
10	HD Supply	Ares Corporate Opportunities II and III, Carlyle Partners V, and CD&R Fund VII	Industrials	U.S.	22.2	19.0
<b>Total</b>					\$ 143.5	\$ 268.8

## Callan Performance Summary

September 25, 2012



**New York City Employees'  
Retirement System**

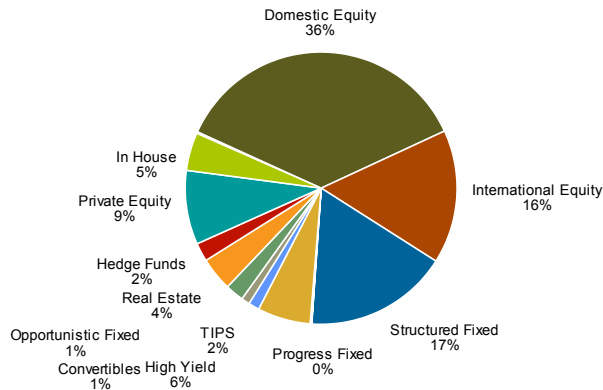
Performance Measurement Summary  
06/30/12

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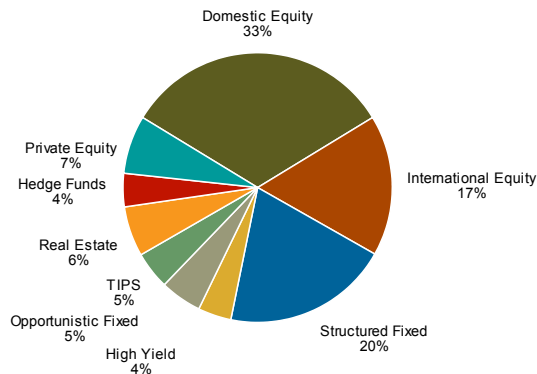
**Bud Pellecchia**  
Senior Vice President

# Total Fund Actual Asset Allocation Versus New Long Term Target

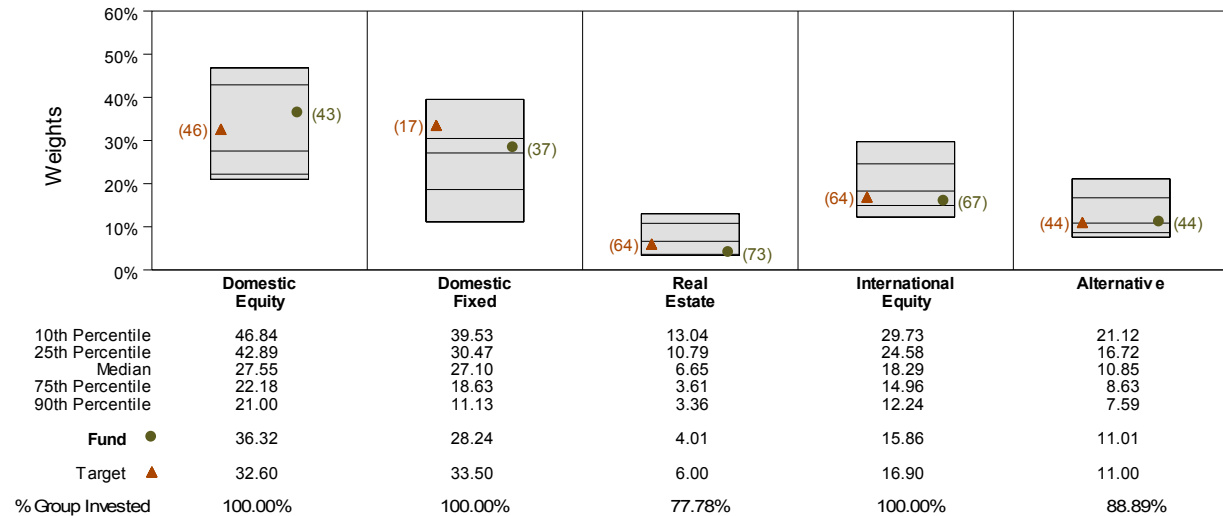
**Actual Asset Allocation**



**Target Asset Allocation**

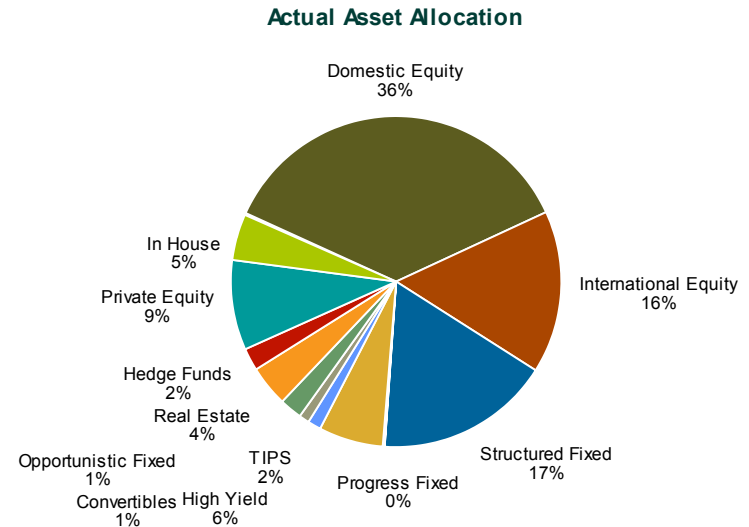
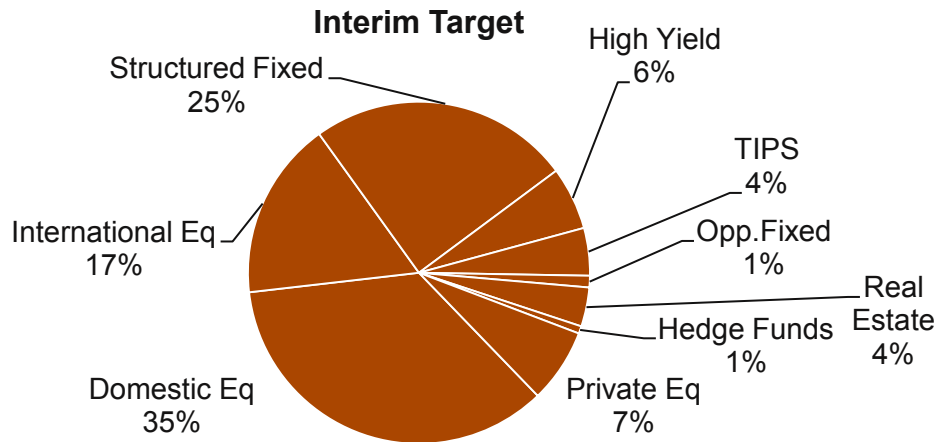


**Asset Class Weights vs CAI Pub Fund:10+B**



Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Domestic Equity	15,117,604	36.3%	32.6%	3.7%	1,549,306
International Equity	6,603,051	15.9%	16.9%	(1.0%)	(430,822)
Structured Fixed	7,122,819	17.1%	20.0%	(2.9%)	(1,201,290)
Progress Fixed	103,636	0.2%	0.0%	0.2%	103,636
High Yield	2,624,223	6.3%	4.0%	2.3%	959,402
Convertibles	545,926	1.3%	0.0%	1.3%	545,926
Opportunistic Fixed	435,054	1.0%	5.0%	(4.0%)	(1,645,973)
TIPS	922,681	2.2%	4.5%	(2.3%)	(950,243)
Real Estate	1,670,349	4.0%	6.0%	(2.0%)	(826,883)
Hedge Funds	928,941	2.2%	4.0%	(1.8%)	(735,881)
Private Equity	3,655,480	8.8%	7.0%	1.8%	742,042
In House	1,890,780	4.5%	0.0%	4.5%	1,890,780
<b>Total</b>	<b>41,620,545</b>	<b>100.0%</b>	<b>100.0%</b>		

# Total Fund Actual Asset Allocation Versus Interim Target



## Interim Target

- 32.6% Russell 3000 for **Broad Domestic Equity**, 16.9% ACWI ex-US for **Global Ex-US Equity**, 20% Core Plus 5% for **Fixed Income**
- 4.5% BC US TIPS Index for **TIPS**
- 4% Citigroup High Yield Index BB & B for **High Yield Fixed Income**
- 7% Russell 3000 Index + 5% for **Private Equity**
- 3.7% NFI-ODCE Equal Weight Net, 1.15% Russell 3000 Index, 1.15% Core Plus 5% Index for **Real Estate**
- 0.7% HFRI FOF Composite + 1%, 1.65% Russell 3000 Index, 1.65% Core Plus 5% Index for **Hedge Funds**
- 1.1% JP Morgan High Yield Index + 3%, 1.95% Core Plus 5%, 1.95% Citigroup HY Index BB & B for **Opportunistic Fixed Income**

## Or

- 35.4% Russell 3000 Index
- 16.9% ACWI ex-US Index
- 24.75% Core Plus 5% Index
- 4.5% BC US TIPS Index
- 5.95% Citigroup High Yield Index BB & B
- 7% Russell 3000 + 5%
- 3.7% NFI-ODCE Equal Weight Net
- 0.7% HFRI FOF Composite + 1%
- 1.1 % JP Morgan High Yield Index + 3%

# Total Fund Quarterly Attribution Analysis Versus New Long Term Target

With Private Equity Target Return Equal to Actual Return

## Relative Attribution Effects for Quarter ended June 30, 2012

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Domestic Equity	39%	33%	(3.53%)	(3.15%)	(0.15%)	(0.15%)	(0.30%)
Structured Fixed	16%	20%	2.58%	2.65%	(0.01%)	(0.18%)	(0.19%)
High Yield	6%	4%	1.54%	2.08%	(0.03%)	0.05%	0.02%
TIPS	2%	5%	3.26%	3.15%	0.00%	(0.12%)	(0.12%)
Short Term	2%	0%	0.12%	0.12%	0.00%	0.02%	0.02%
Convertibles	1%	0%	(2.30%)	(2.30%)	0.00%	(0.02%)	(0.02%)
Total Targeted	1%	0%	2.28%	2.28%	0.00%	0.03%	0.03%
Opportunistic Fixed	1%	5%	4.89%	2.17%	0.02%	(0.16%)	(0.13%)
Progress Fixed	0%	0%	2.35%	2.35%	0.00%	0.01%	0.01%
Real Estate	4%	6%	4.54%	2.38%	0.08%	(0.09%)	(0.01%)
International Equity	18%	17%	(7.32%)	(7.38%)	0.01%	(0.05%)	(0.04%)
Private Equity	8%	7%	4.27%	4.27%	0.00%	0.06%	0.06%
Hedge Funds	2%	4%	(1.30%)	(1.99%)	0.01%	0.02%	0.03%
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>Total</b>	<b>(1.69%) = (1.05%) + (0.06%) + (0.58%)</b>	<b>(0.64%)</b>
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- Current Quarter Target = 32.6% Russell 300 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – Private Equity, 6.0% NFI-ODCE Equal Weight Net, 5.0% JP Morgan Global HY Bd Idx+3.0%, 4.5% Barclays US TIPS Index, 4.0% HFRI Fund of Funds Compos+1.0% and 4.0% High Yield Idx BB & B.

# Total Fund Quarterly Attribution Analysis Versus Interim Target

With Private Equity Target Return Equal to Actual Return

## Relative Attribution Effects for Quarter ended June 30, 2012

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return			
Domestic Equity	39%	33%	(3.53%)	(3.15%)	(0.15%)	(0.15%)	(0.30%)			
Structured Fixed	16%	20%	2.58%	2.65%	(0.01%)	(0.18%)	(0.19%)			
High Yield	6%	4%	1.54%	2.08%	(0.03%)	0.05%	0.02%			
TIPS	2%	5%	3.26%	3.15%	0.00%	(0.12%)	(0.12%)			
Short Term	2%	0%	0.12%	0.12%	0.00%	0.02%	0.02%			
Convertibles	1%	0%	(2.30%)	(2.30%)	0.00%	(0.02%)	(0.02%)			
Total Targeted	1%	0%	2.28%	2.28%	0.00%	0.03%	0.03%			
Opportunistic Fixed	1%	5%	4.89%	2.32%	0.02%	(0.16%)	(0.14%)			
Progress Fixed	0%	0%	2.35%	2.35%	0.00%	0.01%	0.01%			
Real Estate	4%	6%	4.54%	1.37%	0.12%	(0.07%)	0.05%			
International Equity	18%	17%	(7.32%)	(7.38%)	0.01%	(0.05%)	(0.04%)			
Private Equity	8%	7%	4.27%	4.27%	0.00%	0.06%	0.06%			
Hedge Funds	2%	4%	(1.30%)	(0.56%)	(0.01%)	(0.01%)	(0.03%)			
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total			(1.69%)	=	(1.04%)	+	(0.05%)	+	(0.59%)	(0.65%)

- Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – Private Equity, 4.5% Barclays US TIPS, 4.0% High Yield BB & B, 3.7% NFI-ODCE Equal Weight Net, 2.0% Citi Core Plus 5 Index, 2.0% High Yield Idx BB & B, 1.6% Russell 3000 Index, 1.6% Citi Core Plus 5 Index, 1.1% Russell 3000 Index, 1.1% Citi Core Plus 5 Index, 1.1% JP Morgan Global HY Bd Idx+3.0% and 0.7% HFRI Fund of Funds Compos+1.0%.

# Total Fund Quarterly Attribution Analysis Versus New Long Term Target

With Private Equity Target Return Equal to Russell 3000 + 5% On One Quarter Lag

## Relative Attribution Effects for Quarter ended June 30, 2012

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Domestic Equity	39%	33%	(3.53%)	(3.15%)	(0.15%)	(0.20%)	(0.35%)
Structured Fixed	16%	20%	2.58%	2.65%	(0.01%)	(0.15%)	(0.16%)
High Yield	6%	4%	1.54%	2.08%	(0.03%)	0.04%	0.01%
TIPS	2%	5%	3.26%	3.15%	0.00%	(0.10%)	(0.10%)
Short Term	2%	0%	0.12%	0.12%	0.00%	0.01%	0.01%
Convertibles	1%	0%	(2.30%)	(2.30%)	0.00%	(0.03%)	(0.03%)
Total Targeted	1%	0%	2.28%	2.28%	0.00%	0.03%	0.03%
Opportunistic Fixed	1%	5%	4.89%	2.17%	0.02%	(0.12%)	(0.10%)
Progress Fixed	0%	0%	2.35%	2.35%	0.00%	0.01%	0.01%
Real Estate	4%	6%	4.54%	2.38%	0.08%	(0.07%)	0.01%
International Equity	18%	17%	(7.32%)	(7.38%)	0.01%	(0.06%)	(0.05%)
Private Equity	8%	7%	4.27%	13.73%	(0.79%)	0.17%	(0.63%)
Hedge Funds	2%	4%	(1.30%)	(1.99%)	0.01%	0.03%	0.04%
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>			<b>(1.69%)</b>		<b>= (0.39%) + (0.86%) + (0.45%)</b>		<b>(1.30%)</b>

- Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – RUS3 Quarter Lag+5.0%, 6.0% NFI-ODCE Equal Weight Net, 5.0% JP Morgan Global HY Bd Idx+3.0%, 4.5% Barclays US TIPS Index, 4.0% HFRI Fund of Funds Compos+1.0% and 4.0% High Yield Idx BB & B.

# Total Fund Quarterly Attribution Analysis Versus Interim Target

With Private Equity Target Return Equal to Russell 3000 + 5% On One Quarter Lag

## Relative Attribution Effects for Quarter ended June 30, 2012

	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Style Class							
Domestic Equity	39%	33%	(3.53%)	(3.15%)	(0.15%)	(0.20%)	(0.35%)
Structured Fixed	16%	20%	2.58%	2.65%	(0.01%)	(0.15%)	(0.16%)
High Yield	6%	4%	1.54%	2.08%	(0.03%)	0.04%	0.01%
TIPS	2%	5%	3.26%	3.15%	0.00%	(0.10%)	(0.10%)
Short Term	2%	0%	0.12%	0.12%	0.00%	0.01%	0.01%
Convertibles	1%	0%	(2.30%)	(2.30%)	0.00%	(0.03%)	(0.03%)
Total Targeted	1%	0%	2.28%	2.28%	0.00%	0.03%	0.03%
Opportunistic Fixed	1%	5%	4.89%	2.32%	0.02%	(0.13%)	(0.11%)
Progress Fixed	0%	0%	2.35%	2.35%	0.00%	0.01%	0.01%
Real Estate	4%	6%	4.54%	1.37%	0.12%	(0.05%)	0.07%
International Equity	18%	17%	(7.32%)	(7.38%)	0.01%	(0.06%)	(0.05%)
Private Equity	8%	7%	4.27%	13.73%	(0.79%)	0.16%	(0.63%)
Hedge Funds	2%	4%	(1.30%)	(0.56%)	(0.01%)	0.00%	(0.01%)
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	0.00%	0.00%
<div>Total (1.69%) = (0.38%) + (0.85%) + (0.46%) (1.31%)</div>							

- Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI Acwi ex-US Index, 7.0% NYC – RUS3 Quarter Lag+5.0%, 4.5% Barclays US TIPS Index, 4.0% High Yield Idx BB & B, 3.7% NFI-ODCE Equal Weight Net, 2.0% Citi Core Plus 5 Index, 2.0% High Yield Idx BB & B, 1.6% Russell 3000 Index, 1.6% Citi Core Plus 5 Index, 1.1% Russell 3000 Index, 1.1% Citi Core Plus 5 Index, 1.1% JP Morgan Global HY Bd Idx+3.0% and 0.7% HFRI Fund of Funds Compos+1.0%.

# Total Fund 9-Month Attribution Analysis Versus New Long Term Target

With Private Equity Target Return Equal to Actual Return

## Three Quarters Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Domestic Equity	38%	33%	22.23%	22.57%	(0.12%)	0.40%	0.28%
Structured Fixed	16%	20%	5.07%	4.40%	0.11%	0.19%	0.29%
High Yield	5%	4%	12.25%	13.13%	(0.05%)	0.01%	(0.04%)
Short Term	3%	0%	0.43%	0.43%	0.00%	(0.51%)	(0.51%)
TIPS	2%	5%	7.00%	6.84%	0.00%	0.07%	0.08%
Convertibles	1%	0%	9.23%	9.23%	0.00%	(0.04%)	(0.04%)
Total Targeted	1%	0%	4.54%	4.54%	0.00%	(0.11%)	(0.11%)
Opportunistic Fixed	1%	5%	3.07%	16.48%	(0.11%)	(0.21%)	(0.32%)
Progress Fixed	0%	0%	4.19%	4.19%	0.00%	(0.02%)	(0.02%)
Real Estate	4%	6%	12.28%	7.92%	0.17%	0.07%	0.23%
International Equity	17%	17%	8.32%	7.02%	0.23%	(0.04%)	0.19%
Private Equity	9%	7%	4.57%	4.57%	0.00%	(0.20%)	(0.20%)
Hedge Funds	1%	4%	(1.44%)	1.31%	(0.03%)	0.29%	0.26%
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	(0.07%)	(0.07%)

<b>Total</b>	<b>12.02% = 12.00% + 0.21% + (0.18%)</b>	<b>0.03%</b>
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- Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – Private Equity, 6.0% NFI-ODCE Equal Weight Net, 5.0% JP Morgan Global HY Bd Idx+3.0%, 4.5% Barclays US TIPS Index, 4.0% HFRI Fund of Funds Compos+1.0% and 4.0% High Yield Idx BB & B.

# Total Fund 9-Month Attribution Analysis Versus Interim Target

With Private Equity Target Return Equal to Actual Return

## Three Quarters Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Domestic Equity	38%	33%	22.23%	22.57%	(0.12%)	0.39%	0.27%
Structured Fixed	16%	20%	5.07%	4.40%	0.11%	0.19%	0.30%
High Yield	5%	4%	12.25%	13.13%	(0.05%)	0.01%	(0.04%)
Short Term	3%	0%	0.43%	0.43%	0.00%	(0.52%)	(0.52%)
TIPS	2%	5%	7.00%	6.84%	0.00%	0.08%	0.08%
Convertibles	1%	0%	9.23%	9.23%	0.00%	(0.05%)	(0.05%)
Total Targeted	1%	0%	4.54%	4.54%	0.00%	(0.11%)	(0.11%)
Opportunistic Fixed	1%	5%	3.07%	10.43%	(0.07%)	0.04%	(0.03%)
Progress Fixed	0%	0%	4.19%	4.19%	0.00%	(0.02%)	(0.02%)
Real Estate	4%	6%	12.28%	10.08%	0.09%	0.03%	0.12%
International Equity	17%	17%	8.32%	7.02%	0.23%	(0.04%)	0.19%
Private Equity	9%	7%	4.57%	4.57%	0.00%	(0.21%)	(0.21%)
Hedge Funds	1%	4%	(1.44%)	11.31%	(0.15%)	0.02%	(0.13%)
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	(0.07%)	(0.07%)

<b>Total</b>	<b>12.02% = 12.24% + 0.05% + (0.27%)</b>	<b>(0.21%)</b>
--------------	--	----------------

- Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – Private Equity, 4.5% Barclays US TIPS Index, 4.0% High Yield Idx BB & B, 3.7% NFI-ODCE Equal Weight Net, 2.0% Citi Core Plus 5 Index, 2.0% High Yield Idx BB & B, 1.6% Russell 3000 Index, 1.6% Citi Core Plus 5 Index, 1.1% Russell 3000 Index, 1.1% Citi Core Plus 5 Index, 1.1% JP Morgan Global HY Bd Idx+3.0% and 0.7% HFRI Fund of Funds Compos+1.0%.

# Total Fund 9-Month Attribution Analysis Versus New Long Term Target

With Private Equity Target Return Equal to Russell 3000 + 5% on One Quarter Lag

## Three Quarters Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Domestic Equity	38%	33%	22.23%	22.57%	(0.12%)	0.34%	0.22%
Structured Fixed	16%	20%	5.07%	4.40%	0.11%	0.23%	0.34%
High Yield	5%	4%	12.25%	13.13%	(0.05%)	(0.01%)	(0.06%)
Short Term	3%	0%	0.43%	0.43%	0.00%	(0.49%)	(0.49%)
TIPS	2%	5%	7.00%	6.84%	0.00%	0.10%	0.10%
Convertibles	1%	0%	9.23%	9.23%	0.00%	(0.05%)	(0.05%)
Total Targeted	1%	0%	4.54%	4.54%	0.00%	(0.11%)	(0.11%)
Opportunistic Fixed	1%	5%	3.07%	16.48%	(0.11%)	(0.18%)	(0.29%)
Progress Fixed	0%	0%	4.19%	4.19%	0.00%	(0.02%)	(0.02%)
Real Estate	4%	6%	12.28%	7.92%	0.17%	0.09%	0.25%
International Equity	17%	17%	8.32%	7.02%	0.23%	(0.05%)	0.18%
Private Equity	9%	7%	4.57%	11.43%	(0.78%)	(0.15%)	(0.93%)
Hedge Funds	1%	4%	(1.44%)	1.31%	(0.03%)	0.30%	0.27%
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	(0.06%)	(0.06%)
<b>Total</b>			<b>12.02%</b>	<b>= 12.68%</b>	<b>+ (0.56%)</b>	<b>+ (0.09%)</b>	<b>(0.66%)</b>

- Current Quarter Target = 32.6% Russell 3000 Index, 20.0% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – RUS3 Quarter Lag+5.0%, 6.0% NFI-ODCE Equal Weight Net, 5.0% JP Morgan Global HY Bd Idx+3.0%, 4.5% Barclays US TIPS Index, 4.0% HFRI Fund of Funds Compos+1.0% and 4.0% High Yield Idx BB & B.

# Total Fund 9-Month Attribution Analysis Versus Interim Target

With Private Equity Target Return Equal to Russell 3000 + 5% on One Quarter Lag

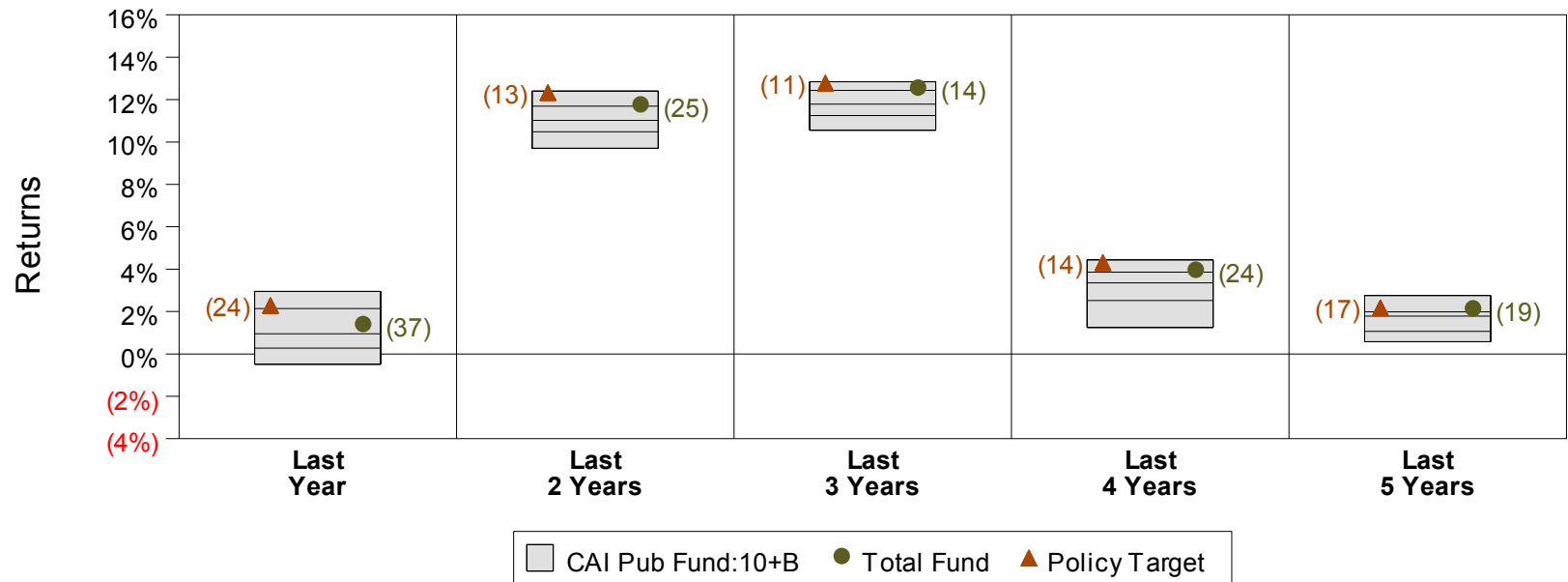
## Three Quarters Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Domestic Equity	38%	33%	22.23%	22.57%	(0.12%)	0.32%	0.21%
Structured Fixed	16%	20%	5.07%	4.40%	0.11%	0.24%	0.34%
High Yield	5%	4%	12.25%	13.13%	(0.05%)	(0.02%)	(0.06%)
Short Term	3%	0%	0.43%	0.43%	0.00%	(0.51%)	(0.51%)
TIPS	2%	5%	7.00%	6.84%	0.00%	0.10%	0.11%
Convertibles	1%	0%	9.23%	9.23%	0.00%	(0.06%)	(0.06%)
Total Targeted	1%	0%	4.54%	4.54%	0.00%	(0.12%)	(0.12%)
Opportunistic Fixed	1%	5%	3.07%	10.43%	(0.07%)	0.08%	0.01%
Progress Fixed	0%	0%	4.19%	4.19%	0.00%	(0.03%)	(0.03%)
Real Estate	4%	6%	12.28%	10.08%	0.09%	0.05%	0.14%
International Equity	17%	17%	8.32%	7.02%	0.24%	(0.05%)	0.18%
Private Equity	9%	7%	4.57%	11.43%	(0.78%)	(0.16%)	(0.94%)
Hedge Funds	1%	4%	(1.44%)	11.31%	(0.16%)	0.03%	(0.12%)
Cash Equiv	0%	0%	0.00%	0.00%	0.00%	(0.06%)	(0.06%)
<b>Total</b>			<b>12.02%</b>	<b>= 12.93%</b>	<b>+</b>	<b>(0.73%) + (0.18%)</b>	<b>(0.90%)</b>

- Current Quarter Target = 32.6% Russell 3000 Index, 20% Citi Core Plus 5 Index, 16.9% MSCI ACWI ex-US Index, 7.0% NYC – RUS3 quarter lag+5.0%, 4.5% Barclays US TIPS Index, 4.0% High Yield Idx BB & B, 3.7% NFI-ODCE Equal Weight Net, 2.0% Citi Core Plus 5 Index, 2.0% High Yield Idx BB & B, 1.6% Russell 3000 Index, 1.6% Citi Core Plus 5 Index, 1.1% Russell 3000 Index, 1.1 % Citi Core Plus 5 Index, 1.1% JP Morgan Global HY Bd Idx+3.0%.

# Total Fund Peer Comparisons

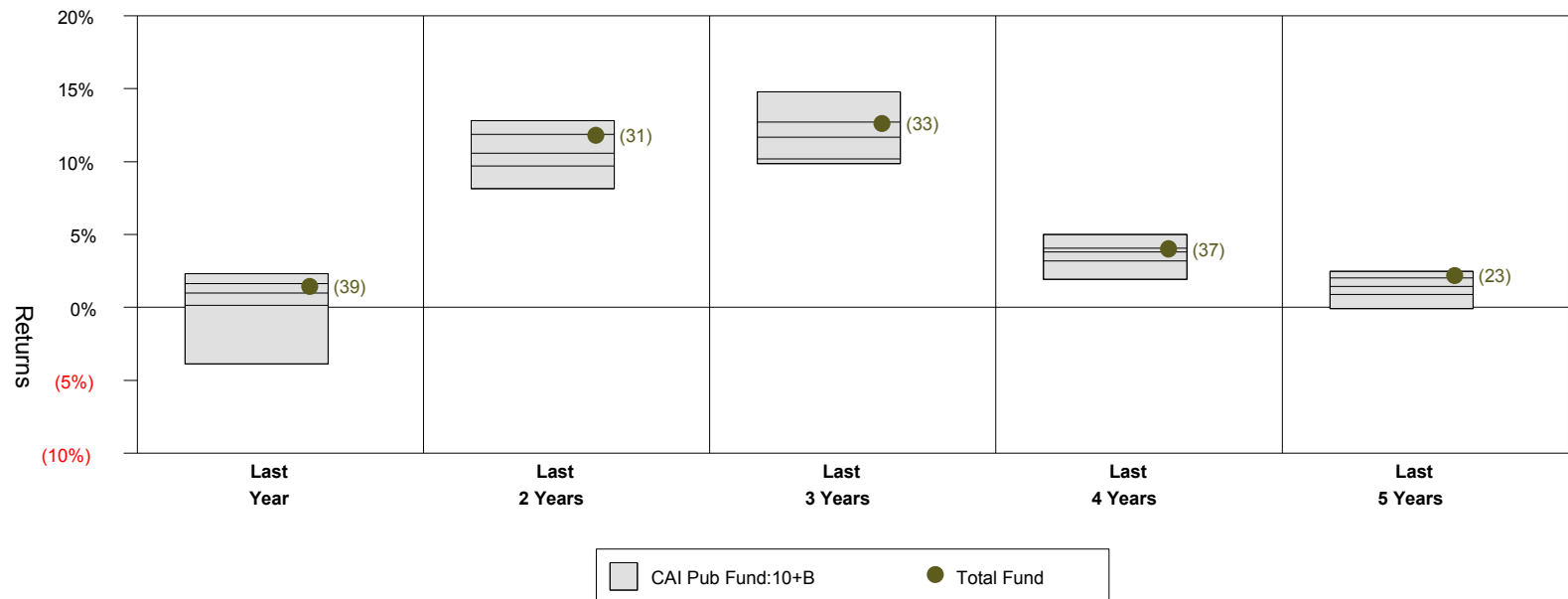
## CAI Pub Fund:10+B



# Total Fund Peer Comparisons

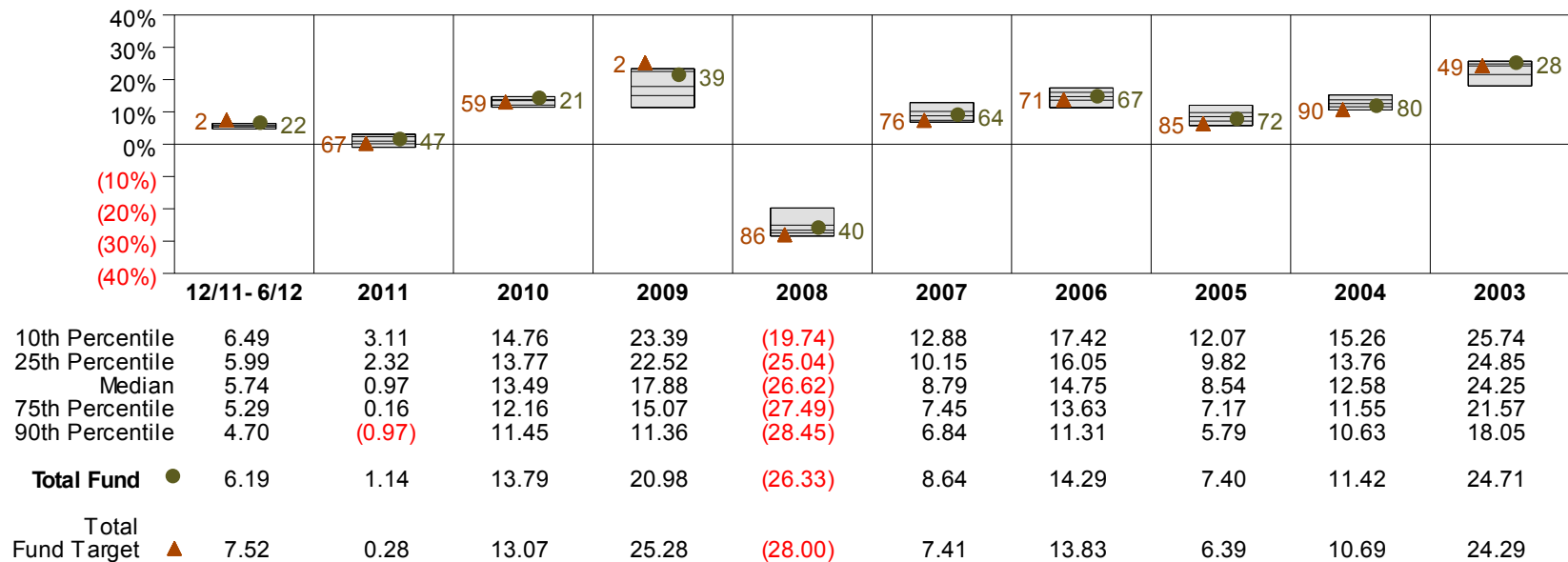
## Asset Allocation Adjusted Rankings

- For this comparison each fund in the Database is adjusted to have the same asset allocation as the client. This removes large asset allocation variances among plans and allows for a greater focus on manager performance.



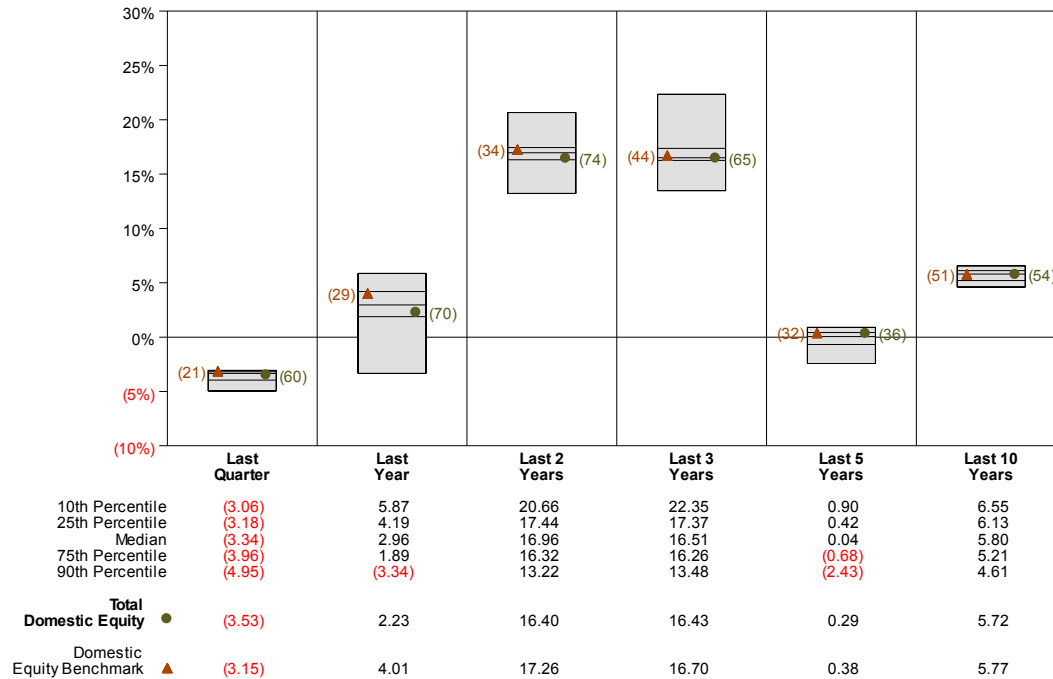
# Total Fund Peer Comparisons

## Performance vs CAI Pub Fund:10+B (Gross)

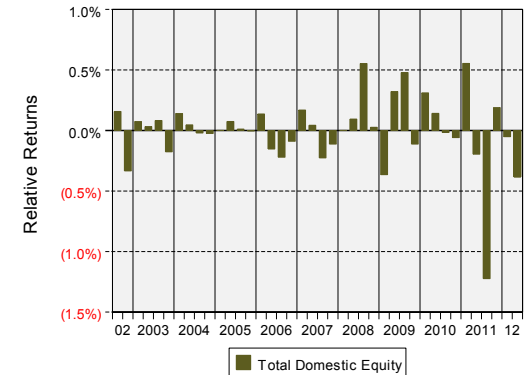


# Total Domestic Equity

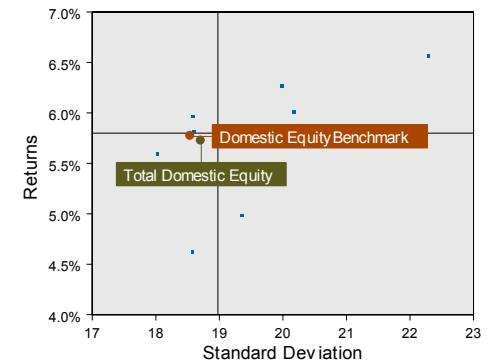
Performance vs CAI Pub Fund:10+ Dom Eq (Gross)



Relative Returns vs Domestic Equity Benchmark



CAI Pub Fund:10+ Dom Eq (Gross)  
Annualized Ten Year Risk vs Return

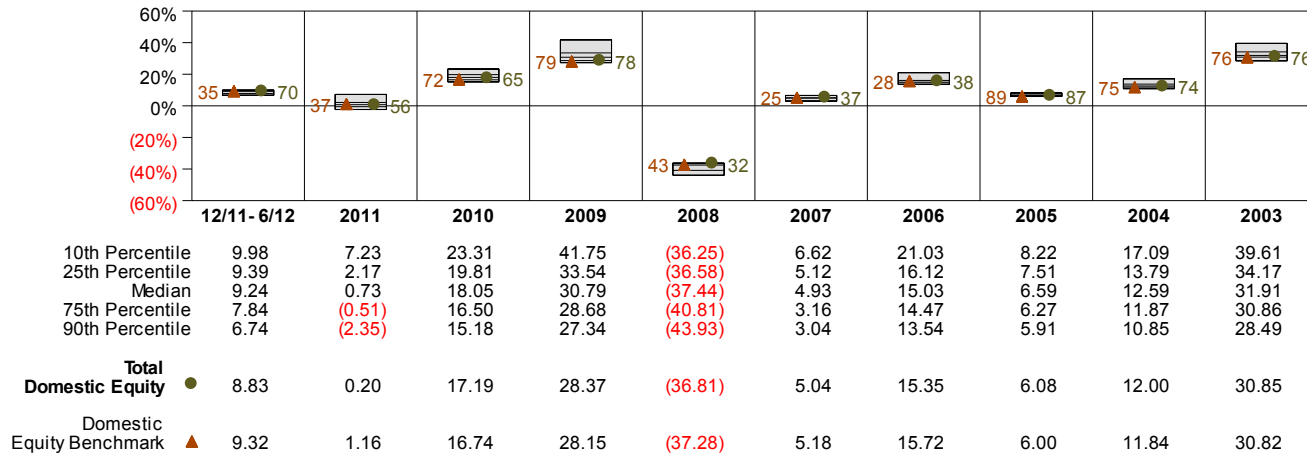


- The Domestic Equity Benchmark is comprised of 90% Russell 3000, 10% S&P 500 until September 30, 2011 and 100% Russell 3000 thereafter.

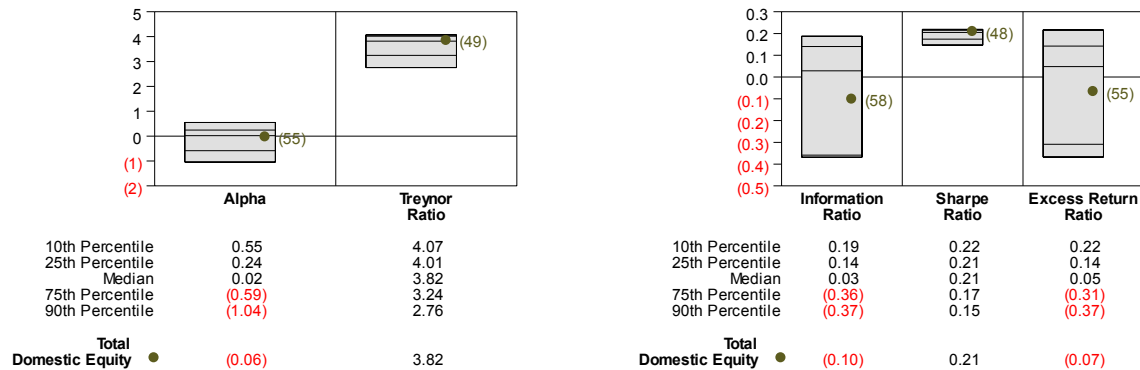
# Total Domestic Equity

## Continued

### Performance vs CAI Pub Fund:10+ Dom Eq (Gross)

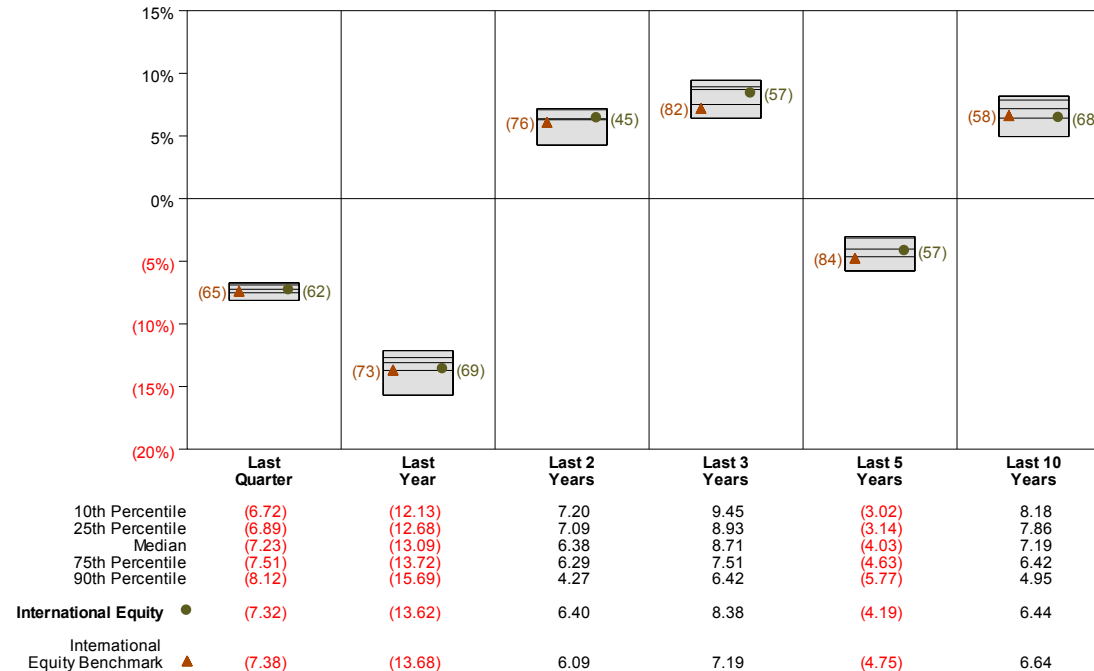


### Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against CAI Pub Fund:10+ Dom Eq (Gross) Ten Years Ended June 30, 2012

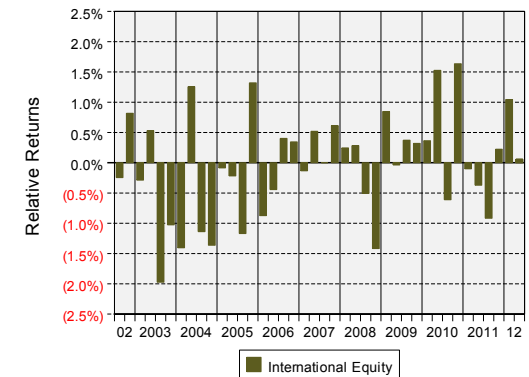


# Total International Equity

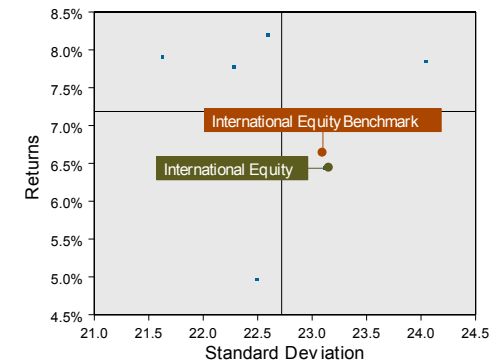
Performance vs CAI Pub Fund:10+ Intl Eq (Gross)



Relative Returns vs International Equity Benchmark



CAI Pub Fund:10+ Intl Eq (Gross)  
Annualized Ten Year Risk vs Return

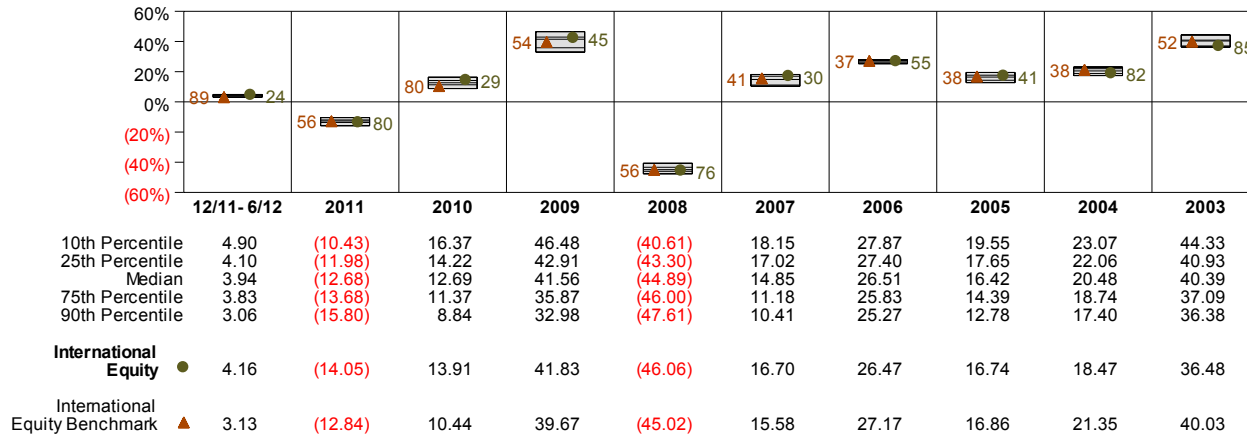


- The International Equity Benchmark is comprised of MSCI EAFE Index through June 30, 2003, 83% MSCI EAFE Index and 17% MSCI Emerging Markets Index through June 30, 2006, 83% MSCI EAFE Index and 17% FTSE Custom Benchmark through September 30, 2011, and MSCI AC World ex US Index thereafter.

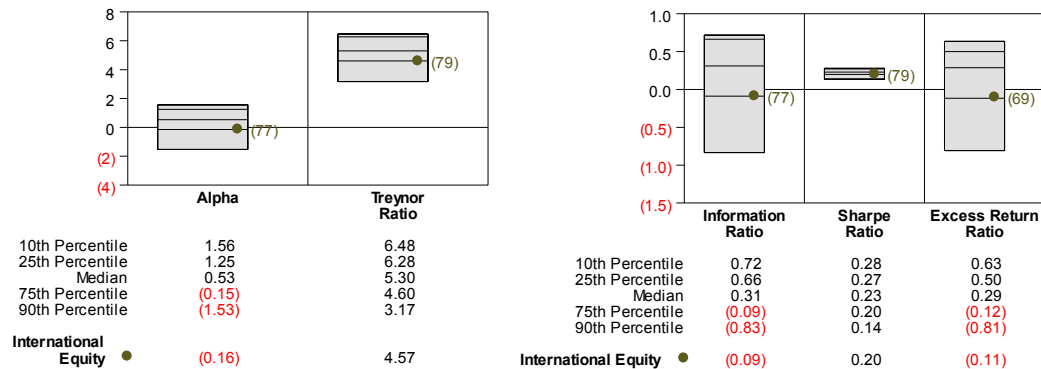
# Total International Equity

Continued

Performance vs CAI Pub Fund:10+ Intl Eq (Gross)

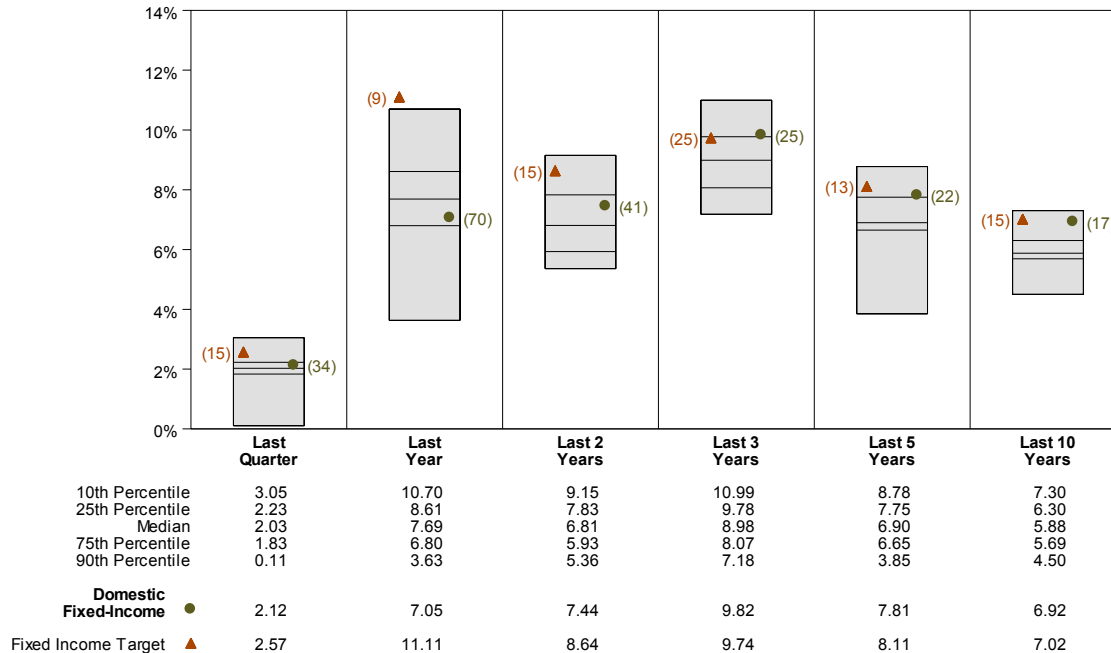


Risk Adjusted Return Measures vs International Equity Benchmark  
Rankings Against CAI Pub Fund:10+ Intl Eq (Gross)  
Ten Years Ended June 30, 2012



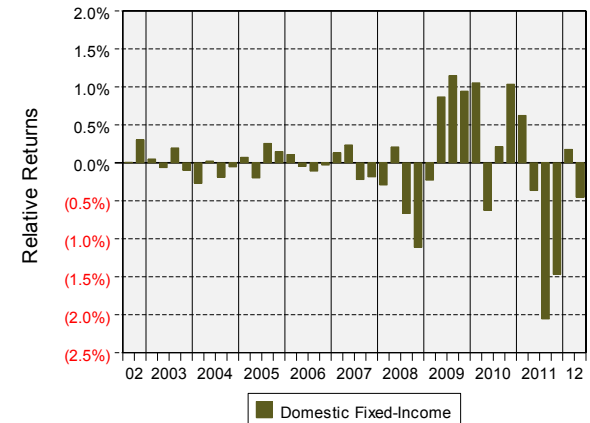
# Total Fixed Income Against New Long Term Fixed Income Target

Performance vs CAI Pub Fund:10+ Dom Fix (Gross)

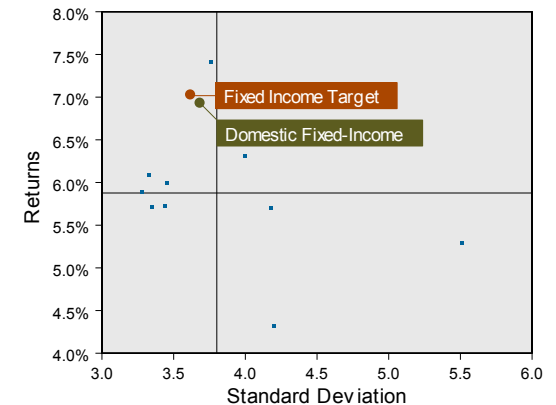


- The Fixed Income Target is comprised of 13% BC Credit High Yield Index and 87% BC Core Plus 5 NYCERS Index until June 30, 2003, 10% BC US Tips Index, 73% Citigroup Core Plus 5 Index, and 17% Citigroup High Yield BB & B Rated Index until September 30, 2011, and 60% Citigroup Core Plus 5 Index, 12% Citigroup High Yield BB & B Rated Index, 15% JP Morgan High Yield Index+3%, and 13% BC US TIPS Index thereafter.

Relative Return vs Fixed Income Target



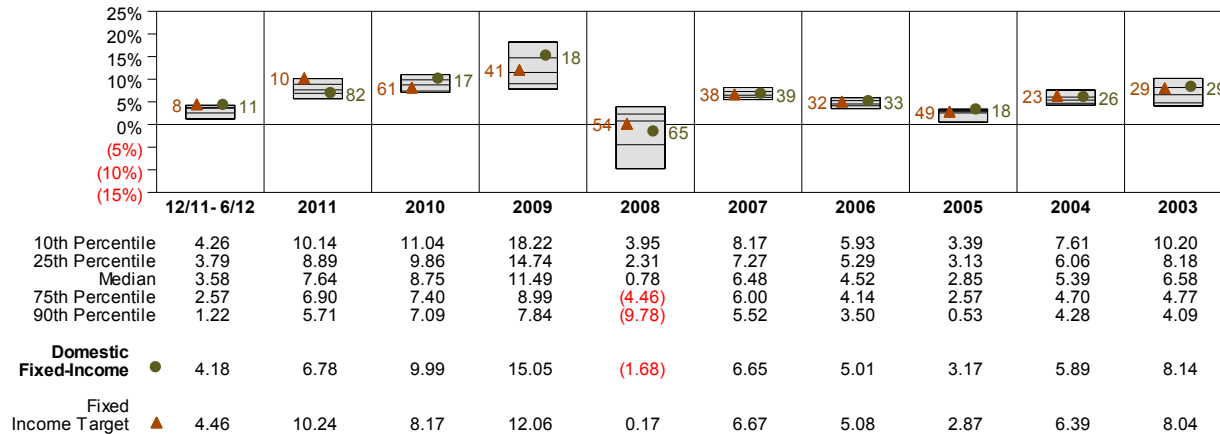
CAI Pub Fund:10+ Dom Fix (Gross)  
Annualized Ten Year Risk vs Return



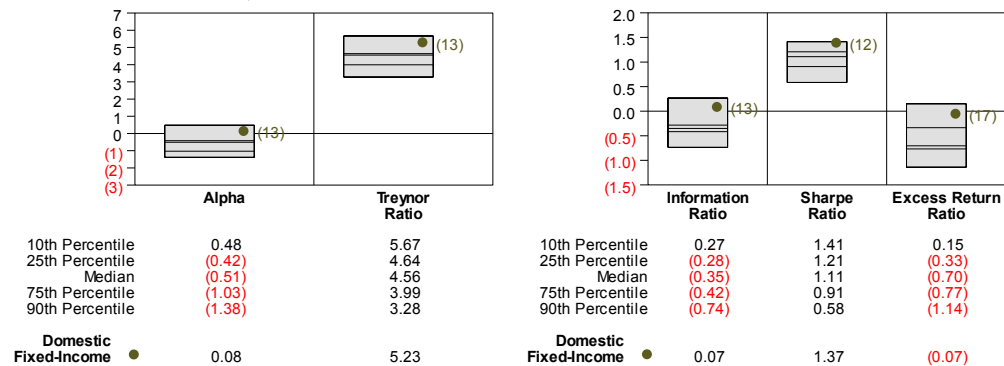
# Total Fixed Income Against New Long Term Fixed Income Target

Continued

Performance vs CAI Pub Fund:10+ Dom Fix (Gross)

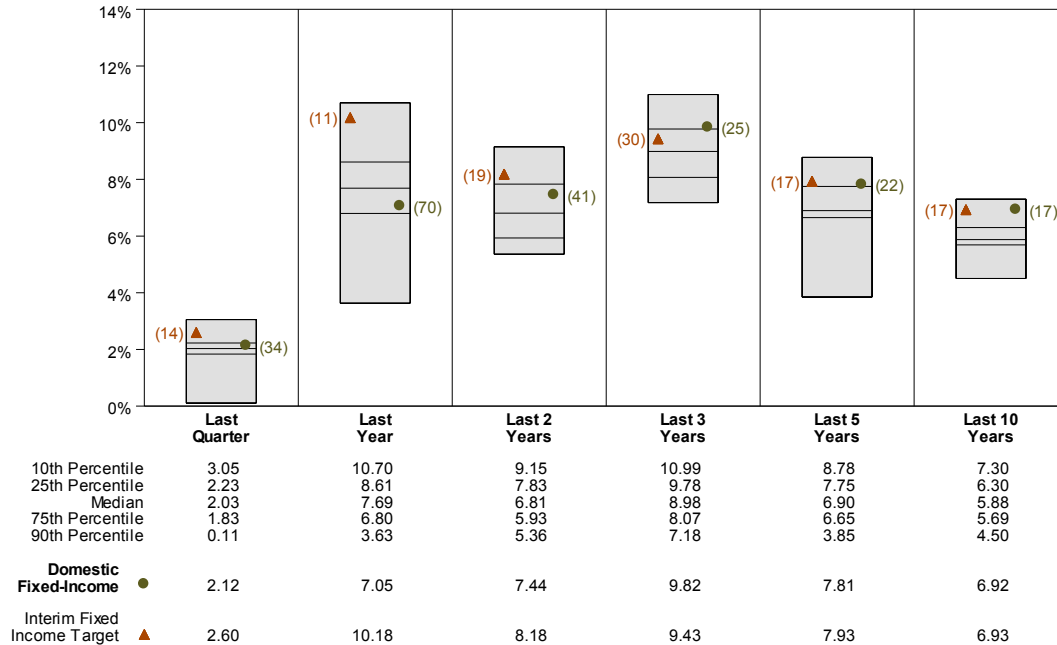


Risk Adjusted Return Measures vs Fixed Income Target  
Rankings Against CAI Pub Fund:10+ Dom Fix (Gross)  
Ten Years Ended June 30, 2012



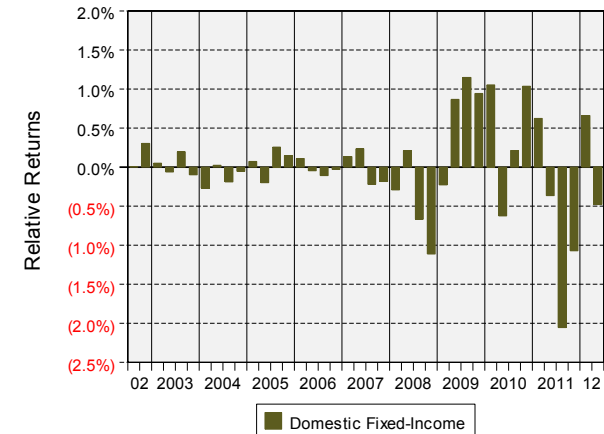
# Total Fixed Income Against New Interim Fixed Income Target

Performance vs CAI Pub Fund:10+ Dom Fix (Gross)

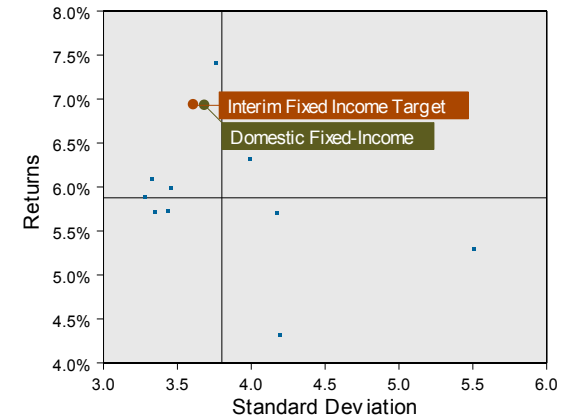


- The Interim Fixed Income Target is comprised of 13% BC Credit High Yield Index and 87% BC Core Plus 5 NYCERS Index until June 30, 2003, 10% BC US TIPS Index, 73% Citigroup Core Plus 5 Index, and 17% Citigroup High Yield BB & B Rated Index until September 30, 2011, and 65.52% Citigroup Core Plus 5 Index, 17.76% Citigroup High Yield BB & B Rated Index, 3.28% JP Morgan High Yield Index+3%, and 13.43% BC US TIPS Index thereafter.

Relative Returns vs Interim Fixed Income Target



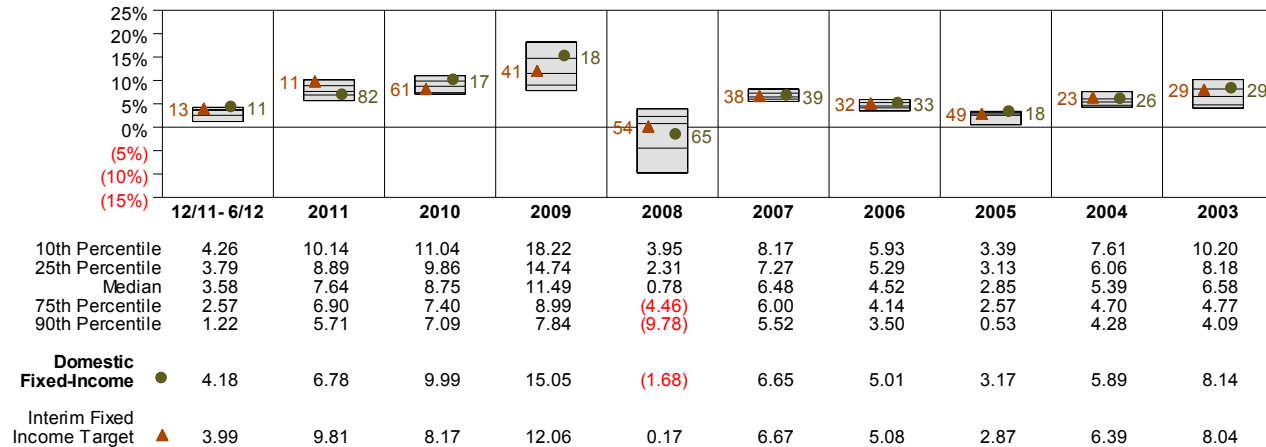
CAI Pub Fund:10+ Dom Fix (Gross)  
Annualized Ten Year Risk vs Return



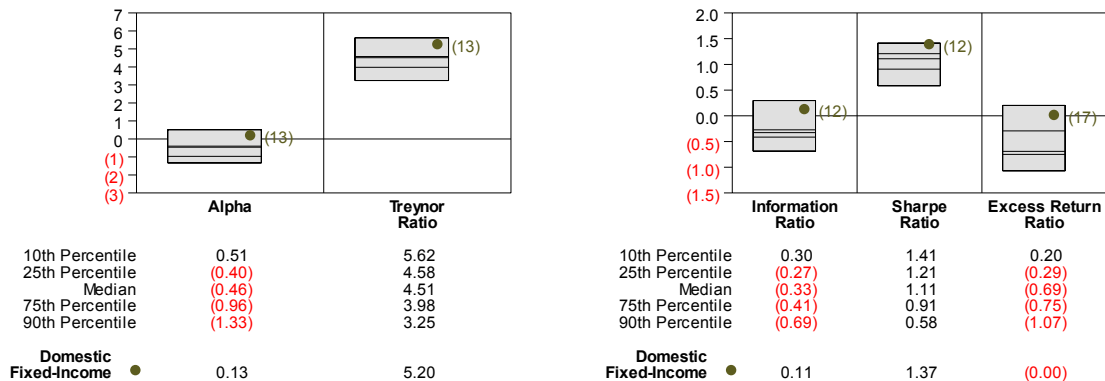
# Total Fixed Income Against New Interim Fixed Income Target

Continued

Performance vs CAI Pub Fund:10+ Dom Fix (Gross)



Risk Adjusted Return Measures vs Interim Fixed Income Target  
Rankings Against CAI Pub Fund:10+ Dom Fix (Gross)  
Ten Years Ended June 30, 2012



## II. July Monthly Performance Review:

# *Monthly Performance Review* *July 2012*

*Prepared for the New York City  
Employees' Retirement System*  
*9/25/2012*

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# **ECONOMIC INDICATORS**

*as of September 2012*

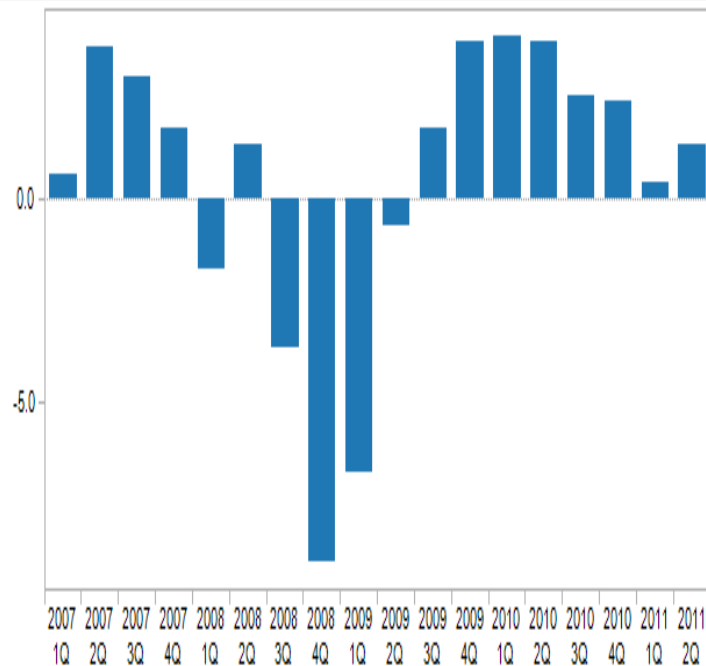


**NYC OFFICE OF THE COMPTROLLER  
BUREAU OF ASSET MANAGEMENT**

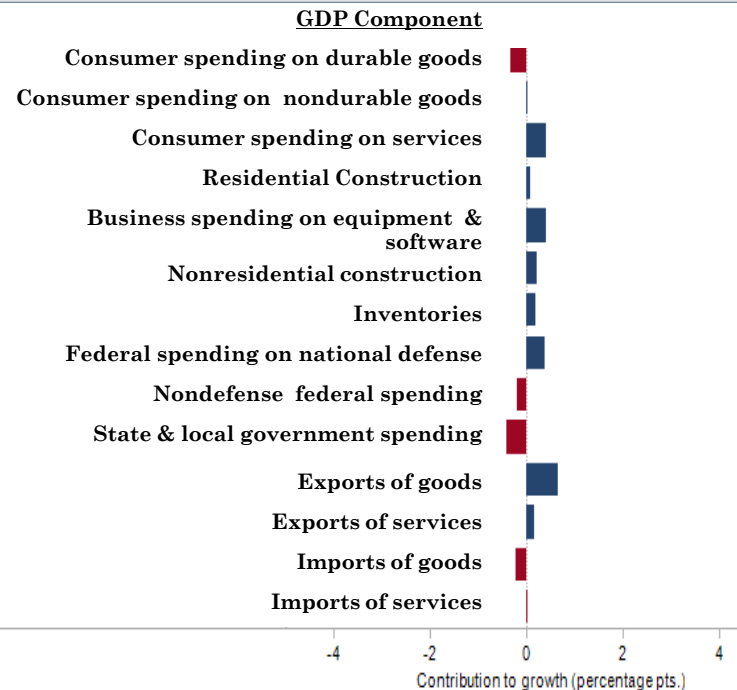
# COMPONENTS OF GDP

2

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



**COMPONENTS WHICH CONTRIBUTED TO GDP GROWTH**



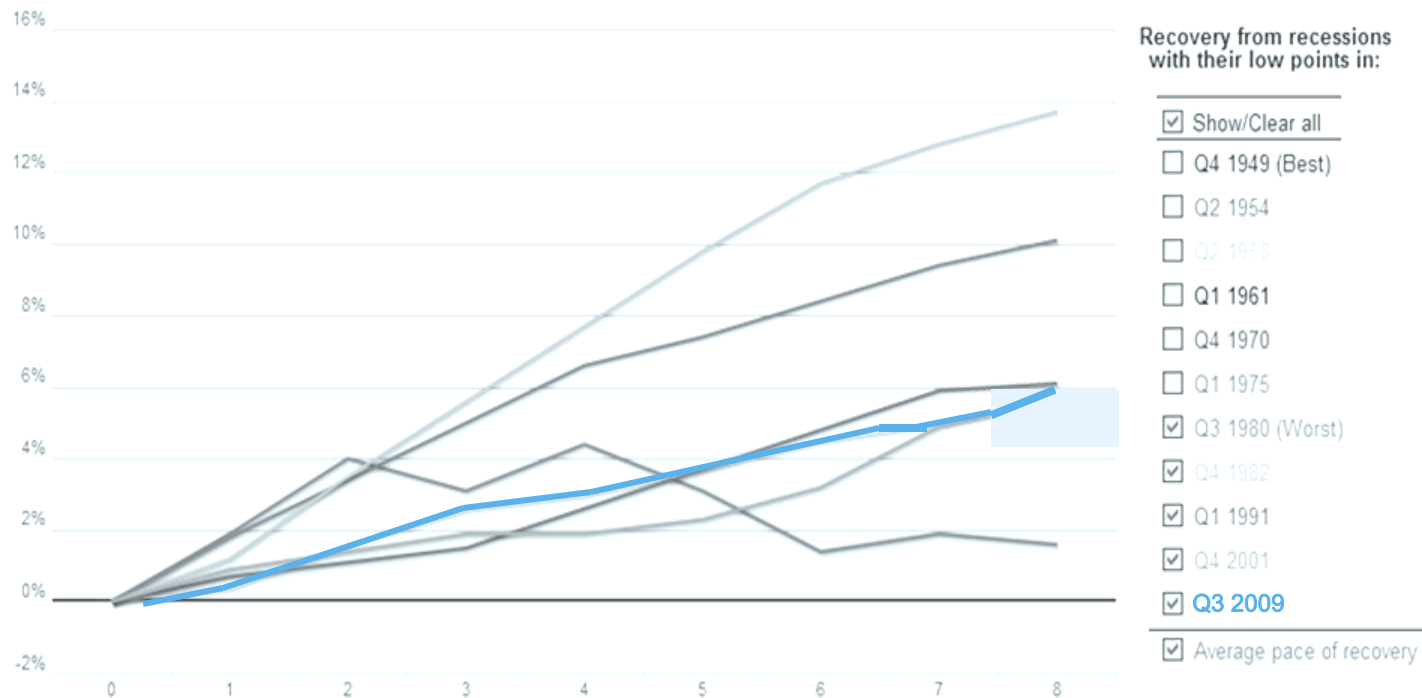
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# US GROSS DOMESTIC PRODUCT (INFLATION ADJUSTED)

80

3

US GROSS DOMESTIC PRODUCT, INFLATION ADJUSTED QUARTERLY



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

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

# CAPACITY UTILIZATION

4



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

# ISM MANUFACTURING INDEX

5



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

# WEEKLY UNEMPLOYMENT CLAIMS

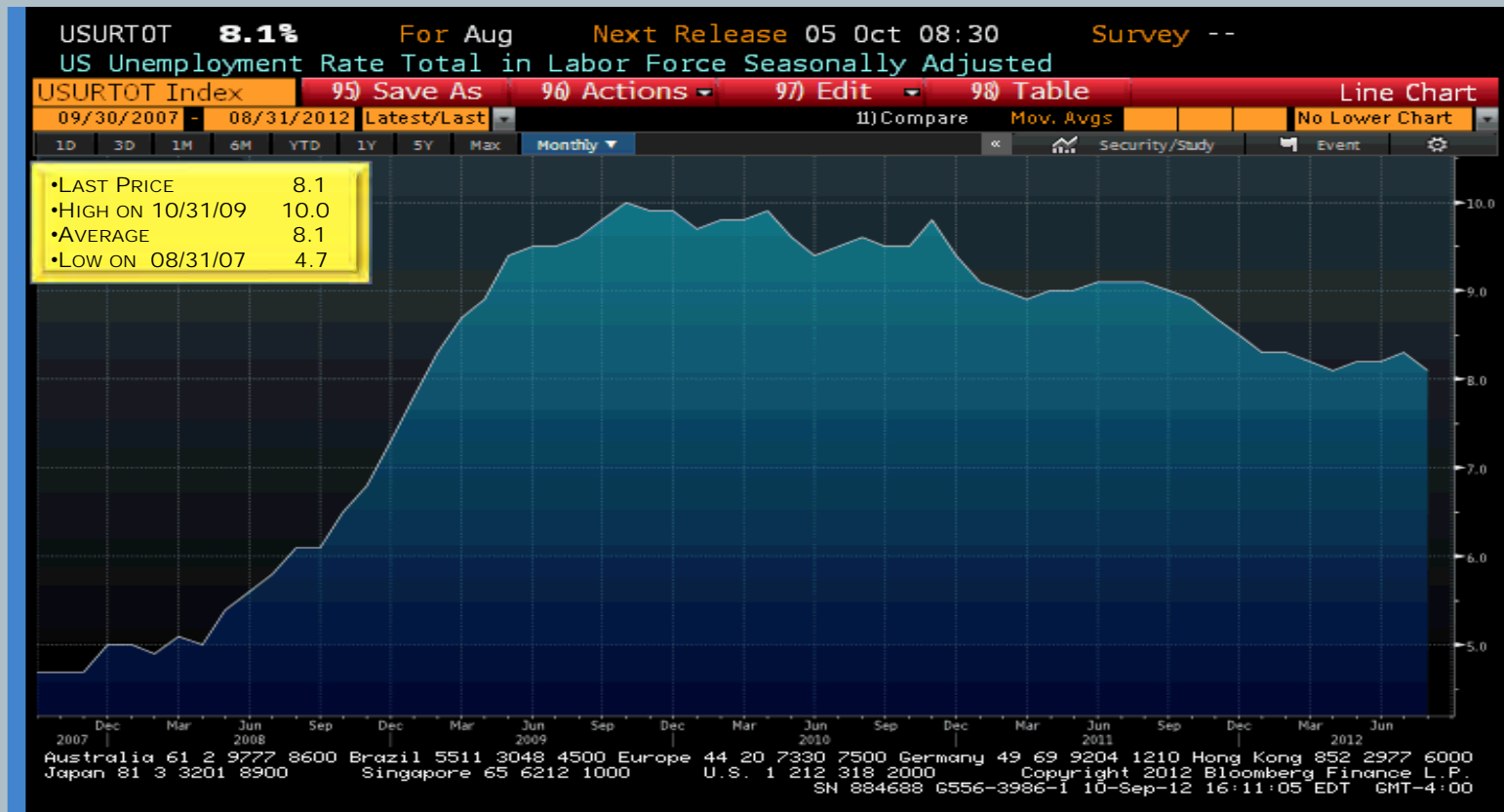
6



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

# UNEMPLOYMENT RATE

7

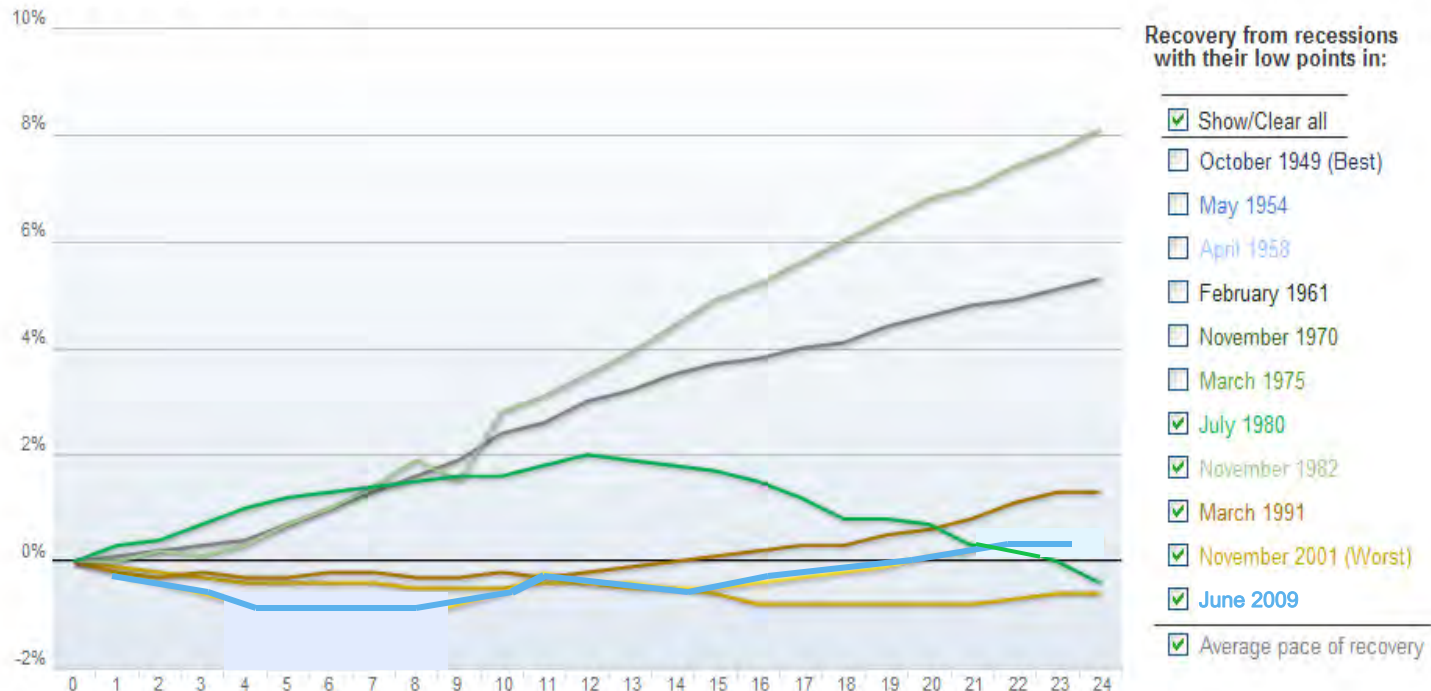


- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# US JOBS (NON-AGRICULTURAL PAYROLLS)

8

U.S. non-agricultural payrolls, monthly

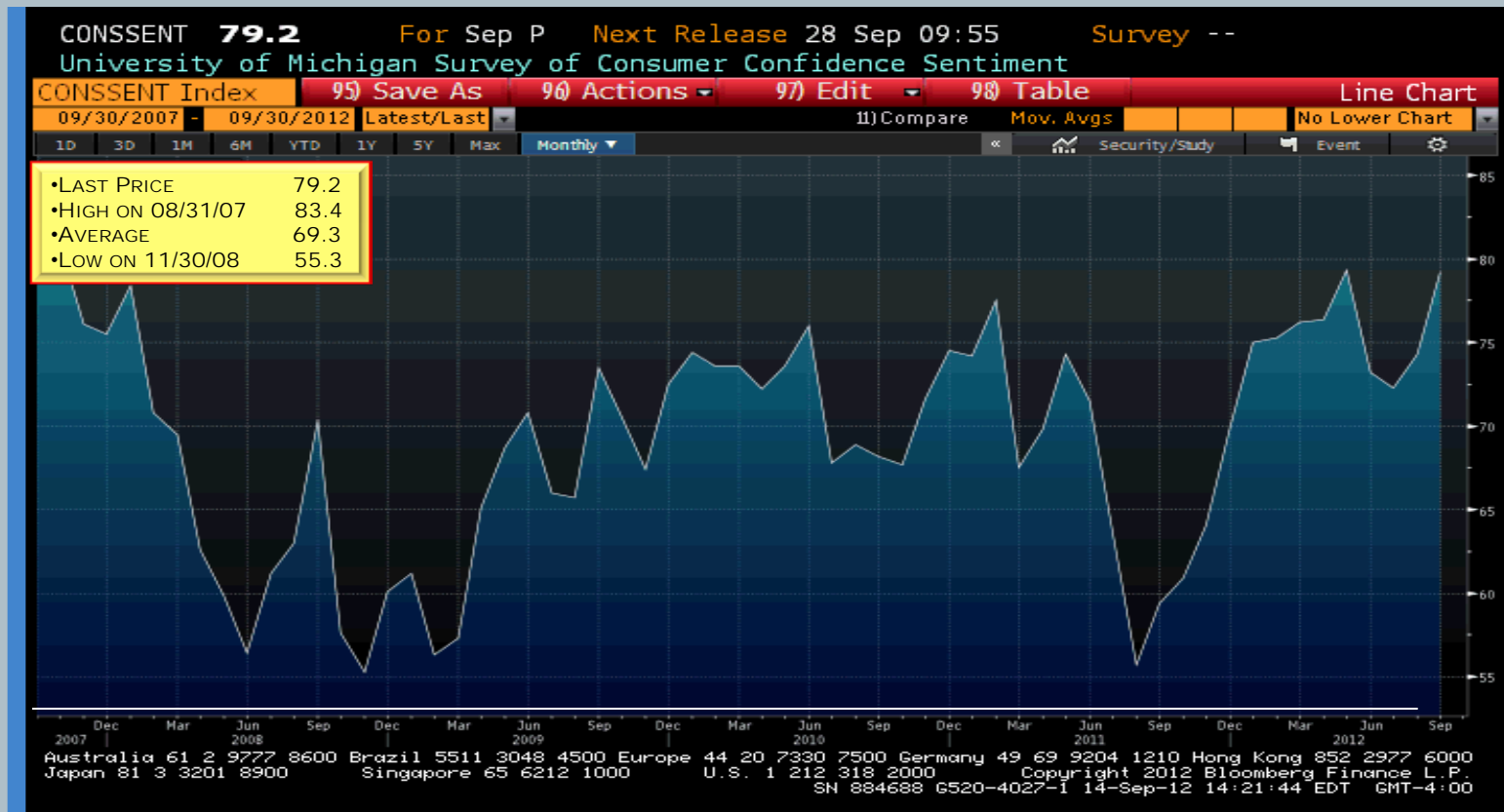


Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

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

# CONSUMER SENTIMENT

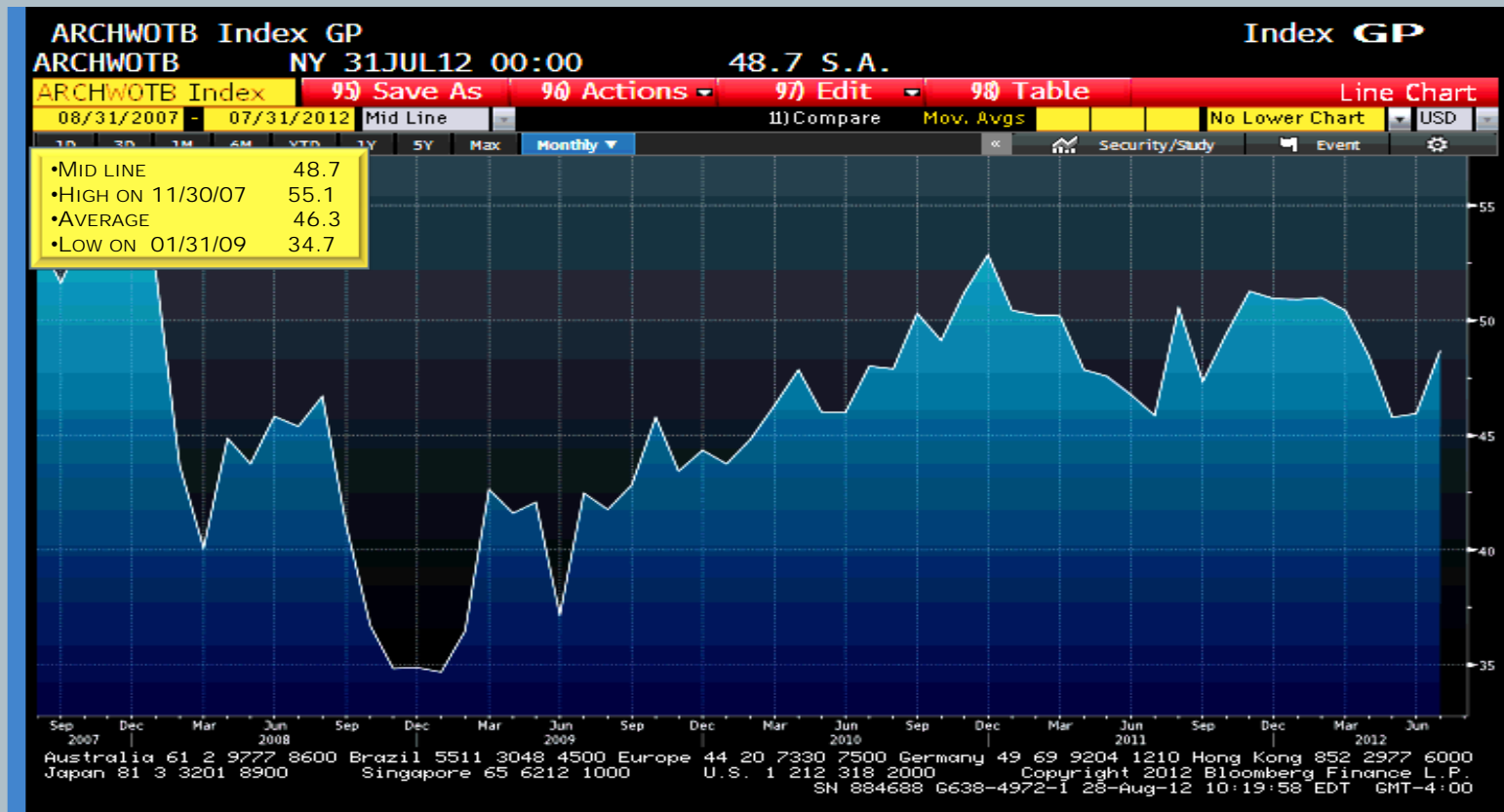
9



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

# ARCHITECTURAL BILLINGS INDEX

10

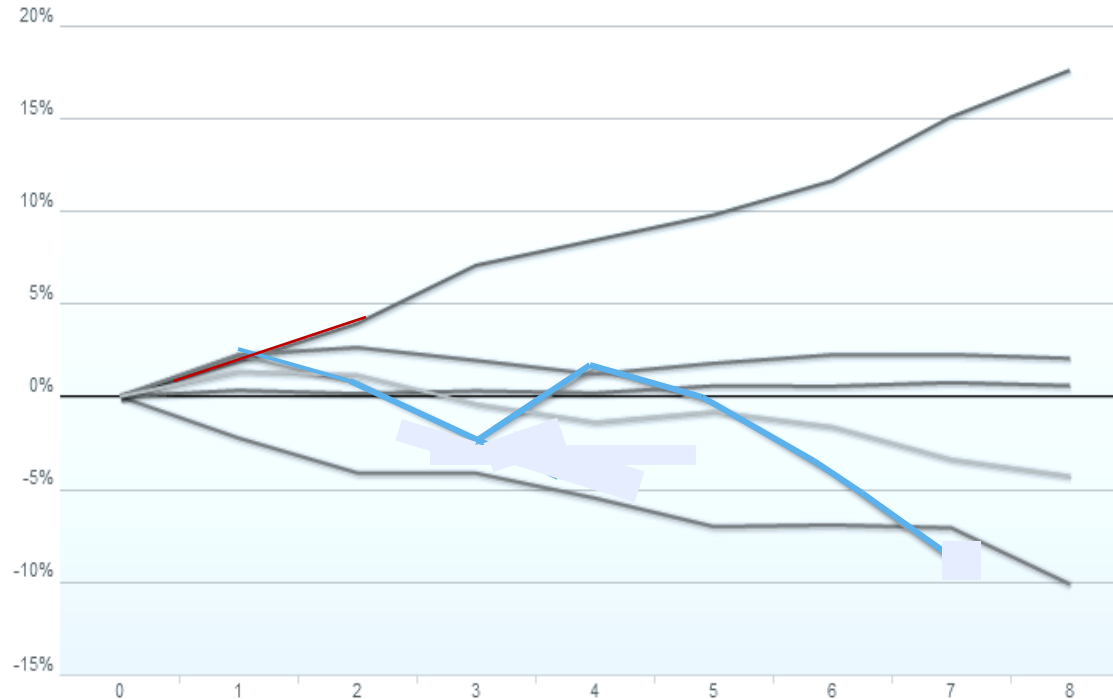


- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS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

# US HOUSE PRICES (INFLATION ADJUSTED)

11

U.S. house prices, inflation adjusted, quarterly



Recovery from recessions  
with their low points in:

☒ Show/Clear all

☐ Q2 1954

☐ Q2 1958

☐ Q1 1961

☐ Q4 1970

☐ Q1 1975

☒ Q3 1980 (Worst)

☒ Q4 1982

☒ Q1 1991

☒ Q4 2001 (Best)

☒ Q3 2009

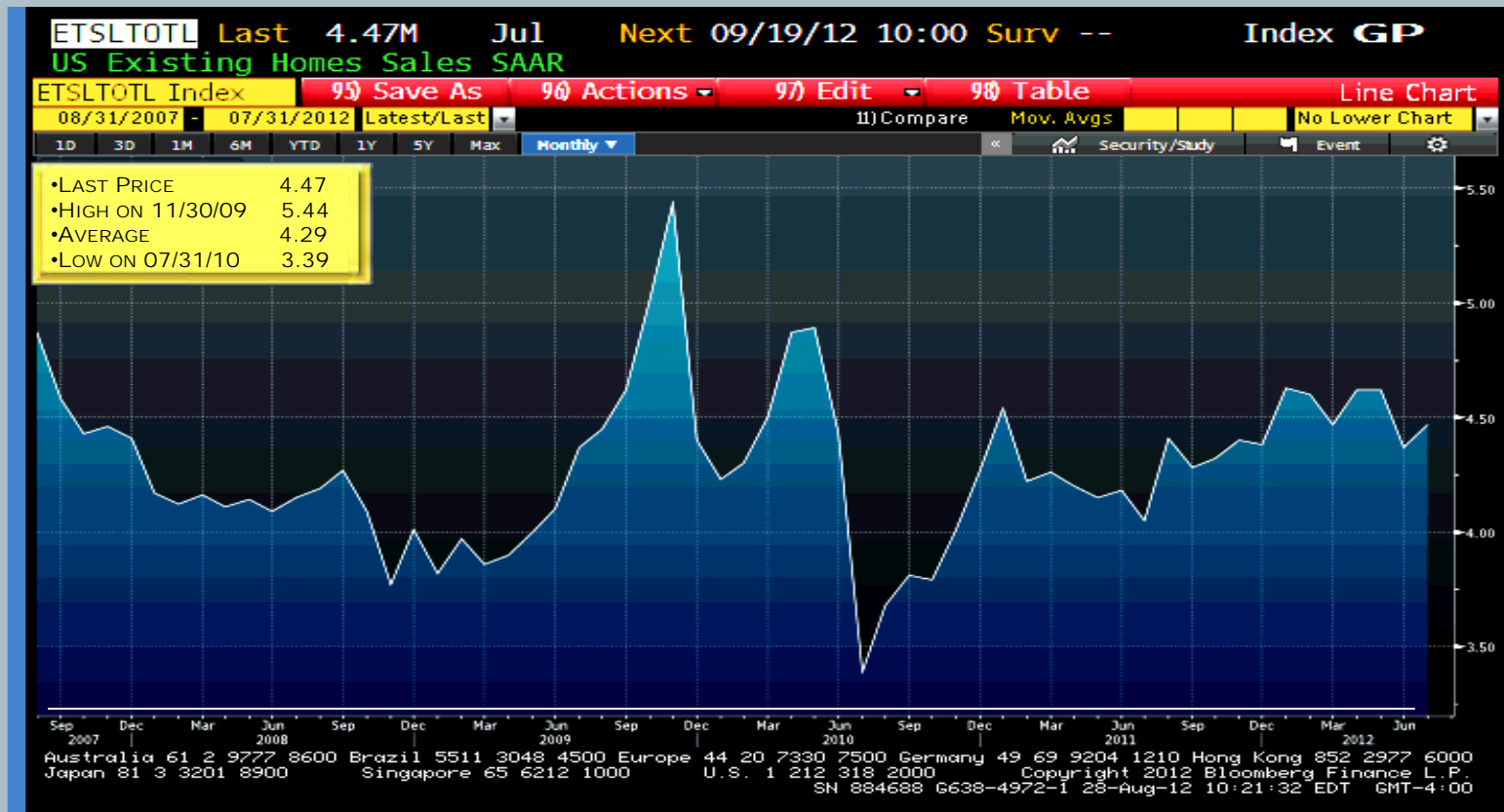
☒ Average pace of recovery

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

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

# EXISTING HOME SALES

12



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

# NEW HOUSING STARTS

13



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# RETAIL SALES

14



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# US AUTO SALES

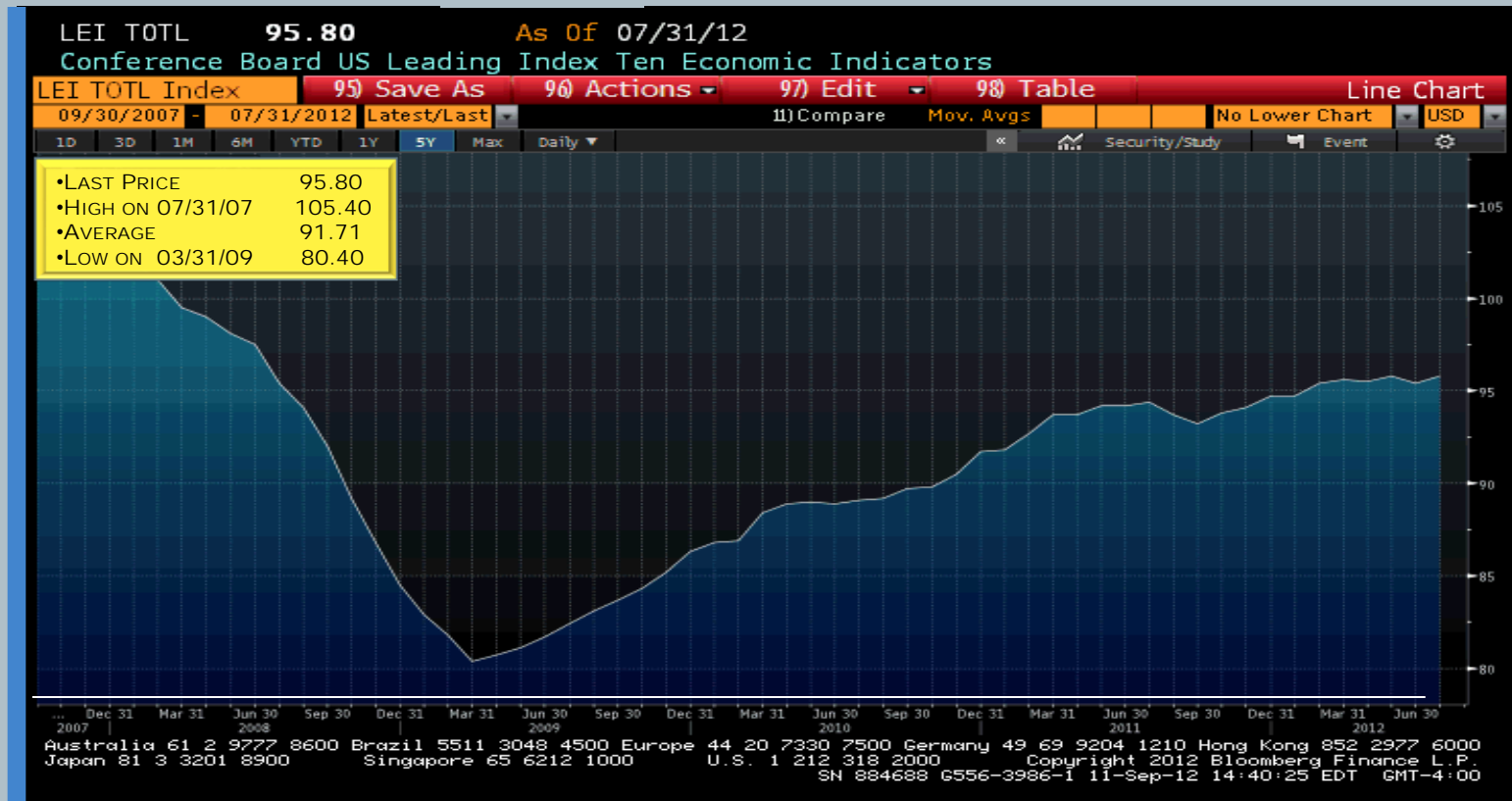
15



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# INDEX OF LEADING ECONOMIC INDICATORS

16



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

# INFLATION- CPI

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# MARKET INDICATORS

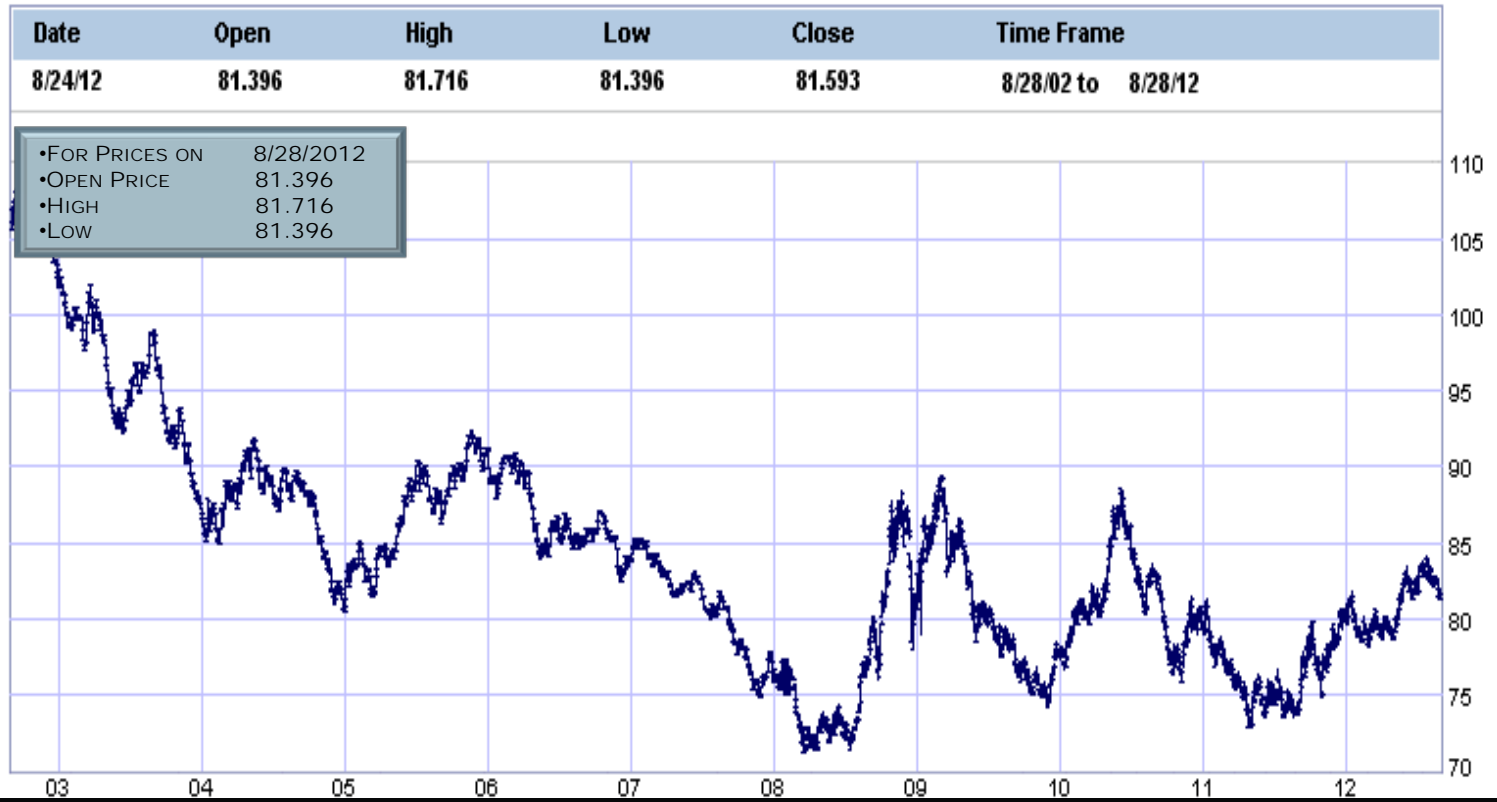
*as of September 2012*



NYC OFFICE OF THE COMPTROLLER  
BUREAU OF ASSET MANAGEMENT

# TRADE WEIGHTED US DOLLAR INDEX

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

# USD/EUR EXCHANGE RATE

20



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# 3-MONTH LIBOR RATES

21



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# VOLATILITY INDEX (THE "VIX")

99

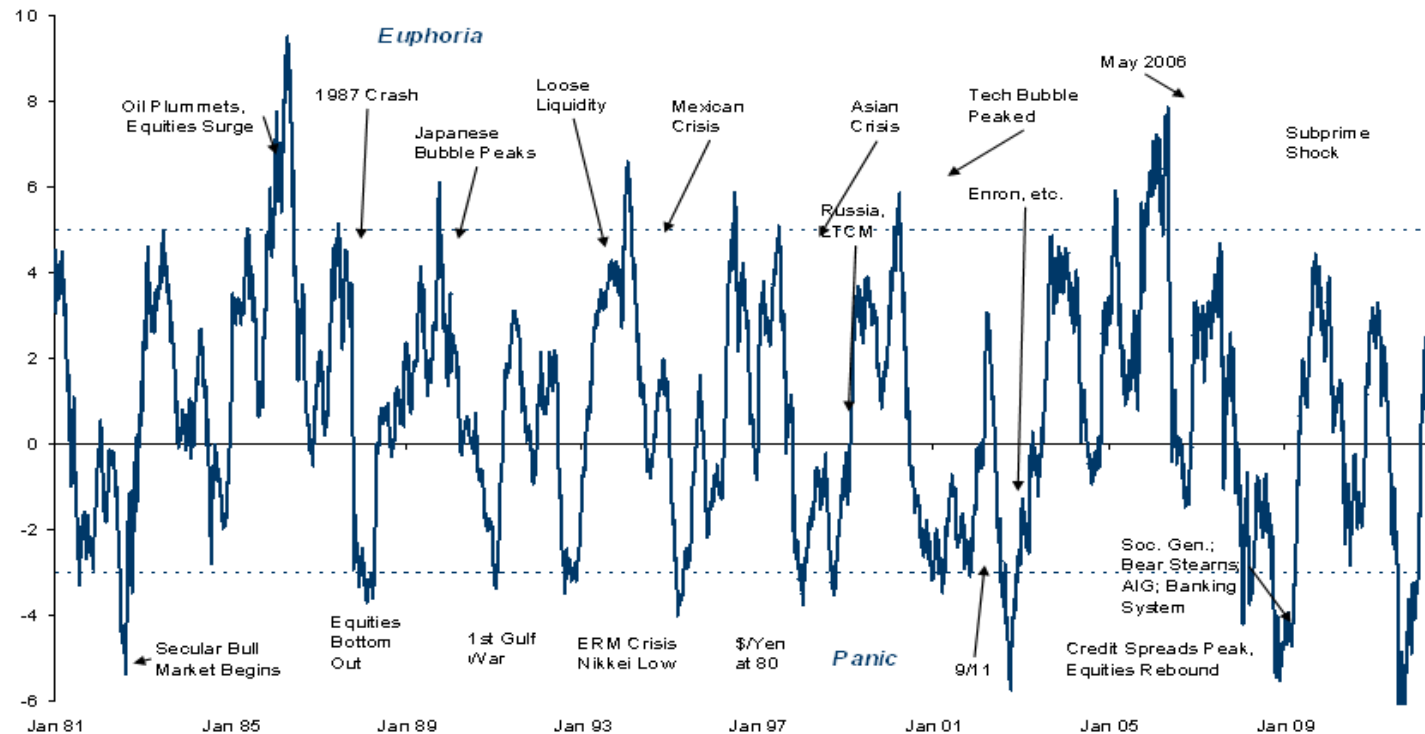
22



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# GLOBAL RISK APPETITE

23

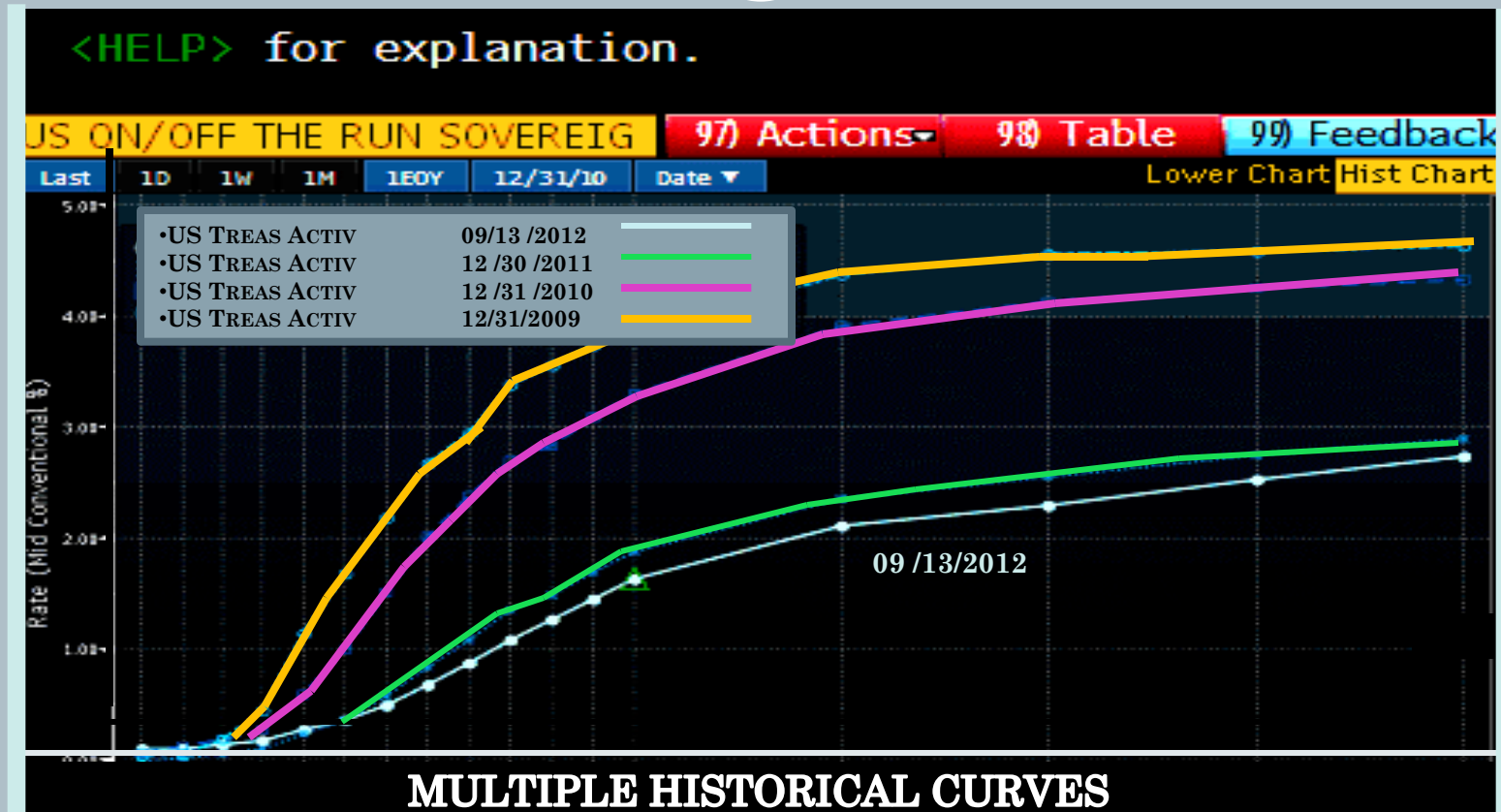


Last Data Point: 08/28/2012

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# US TREASURY YIELD CURVES

24



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# 10 YEAR TREASURY RATES

25

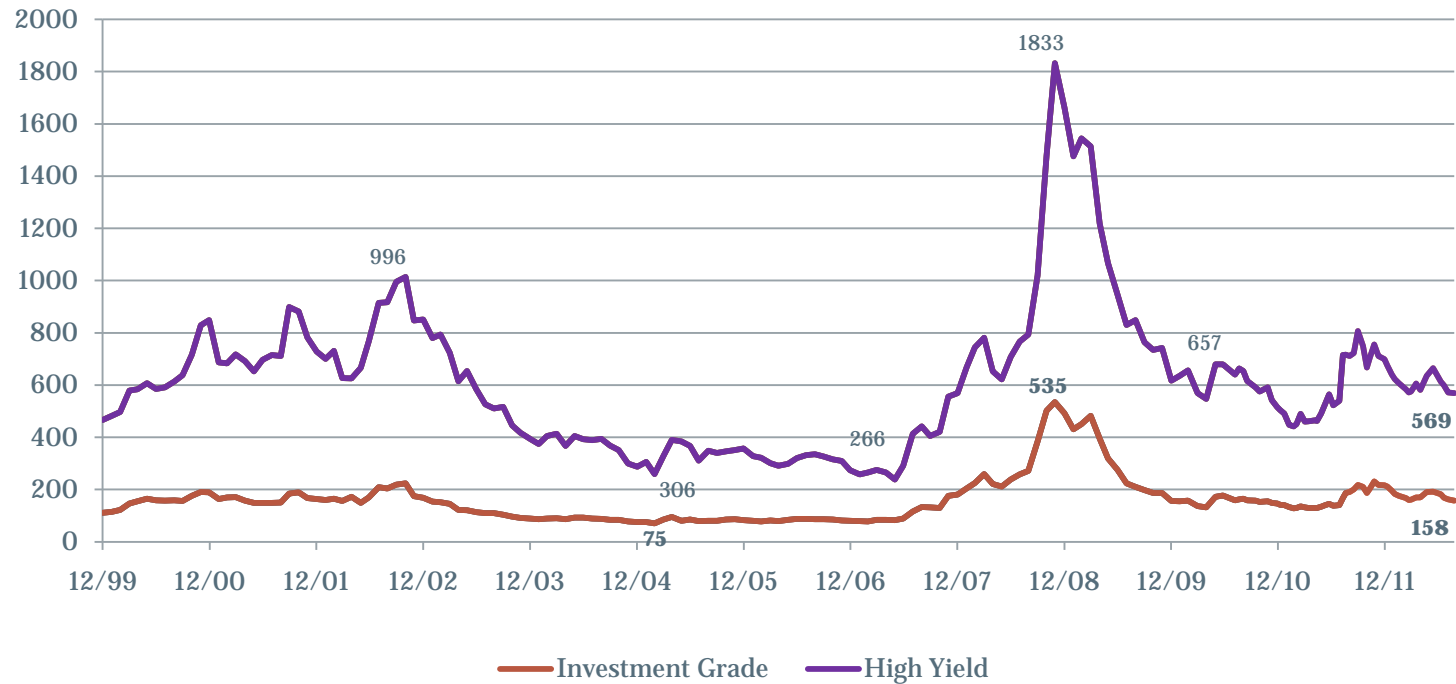


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# INVESTMENT GRADE AND HY SPREADS

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## Investment Grade vs High Yield Spreads



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

# CORPORATE EARNINGS

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

104

27

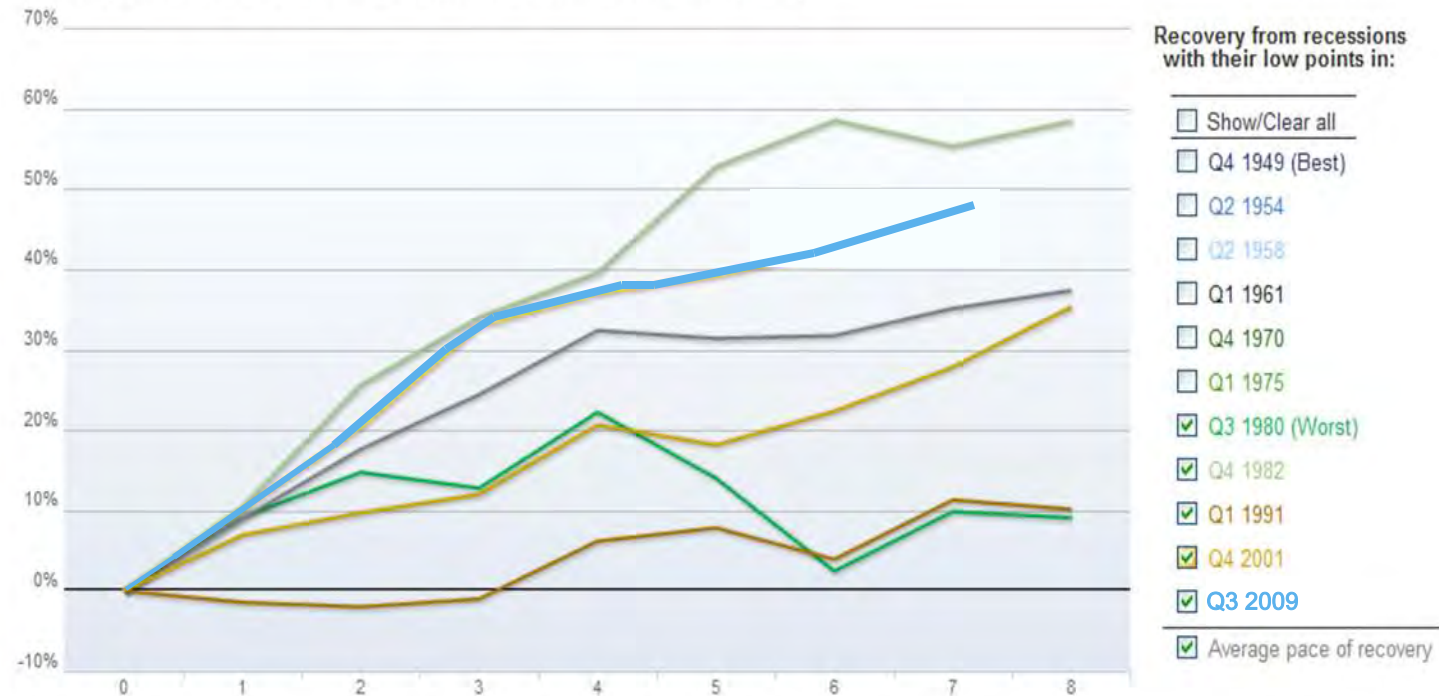


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# CORPORATE PROFITS

28

Corporate profits with inventory valuation and capital consumption adjustments, quarterly



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

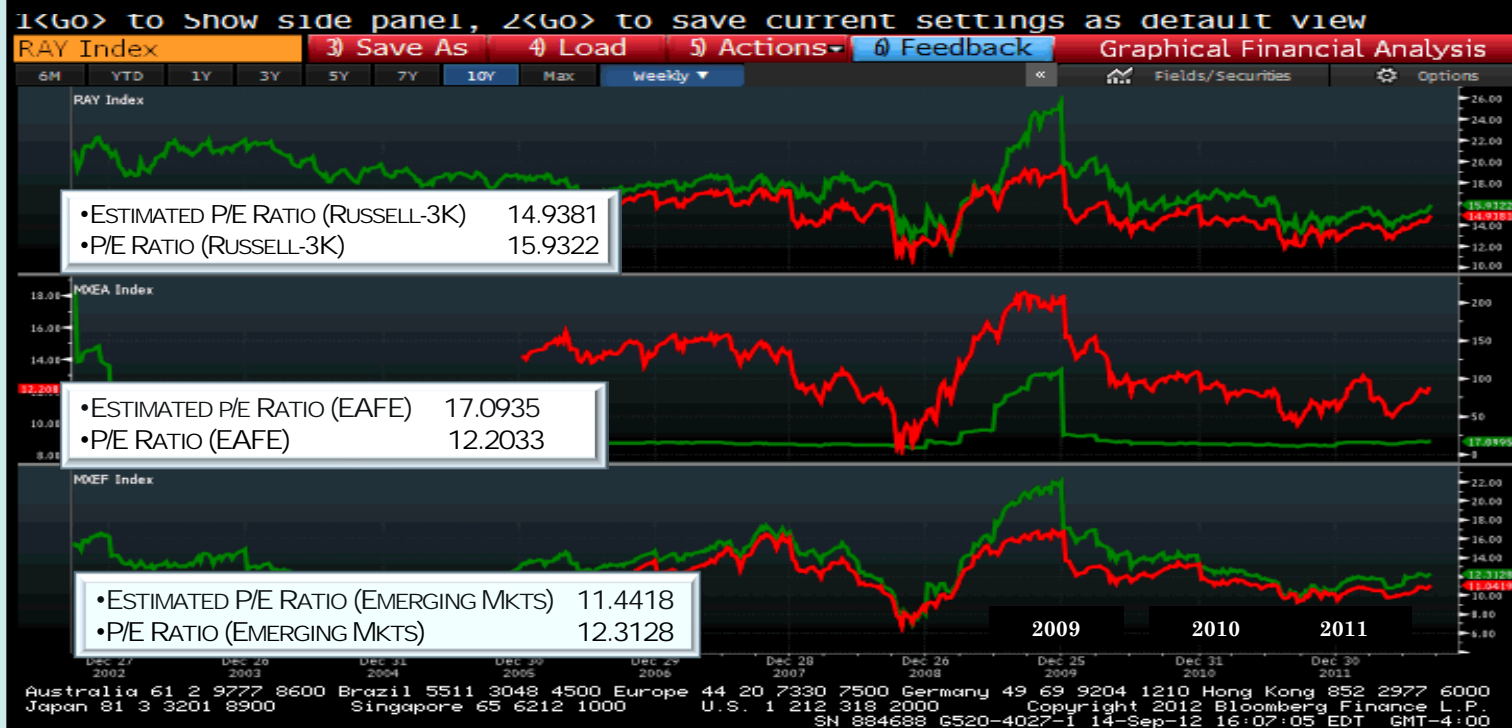
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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

106

29

## P/E RATIOS INCLUDING ESTIMATES



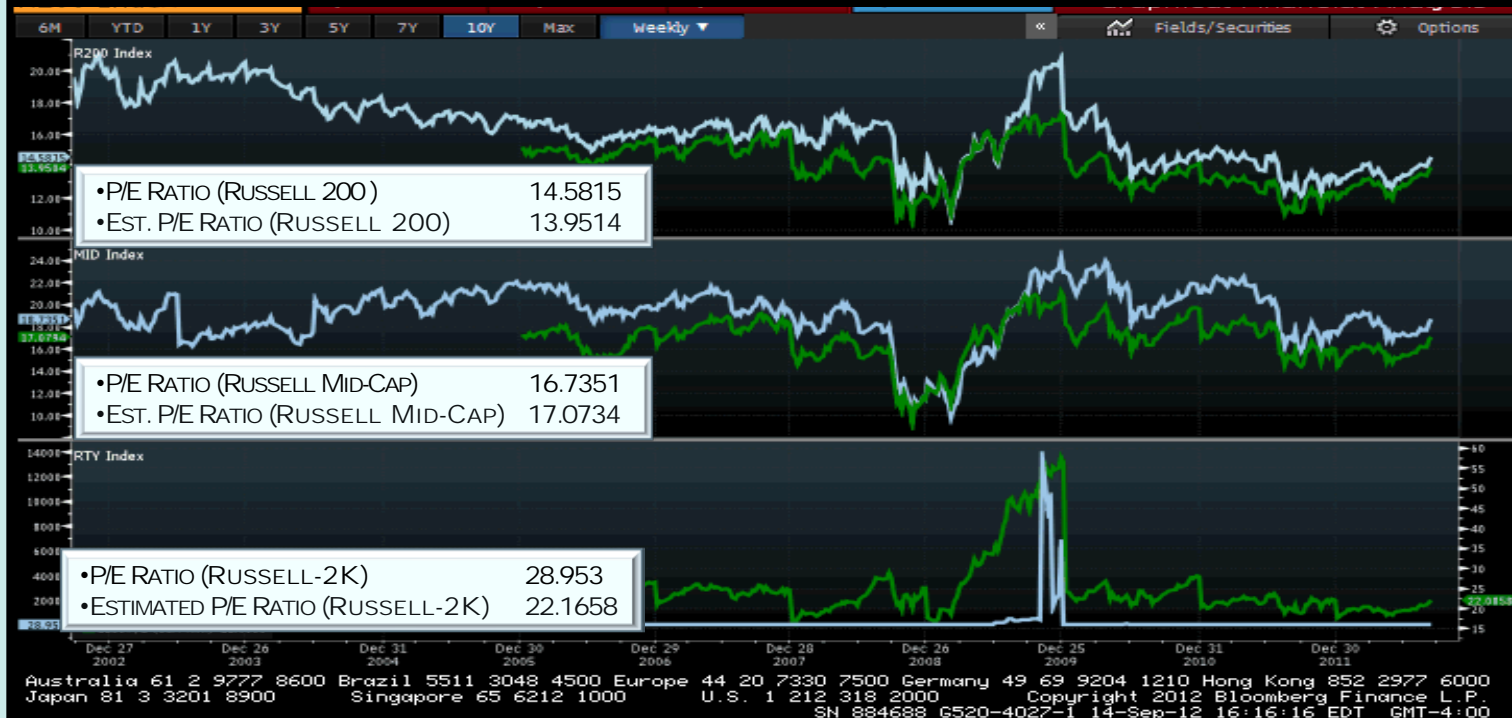
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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

107

30

## P/E RATIOS INCLUDING ESTIMATES

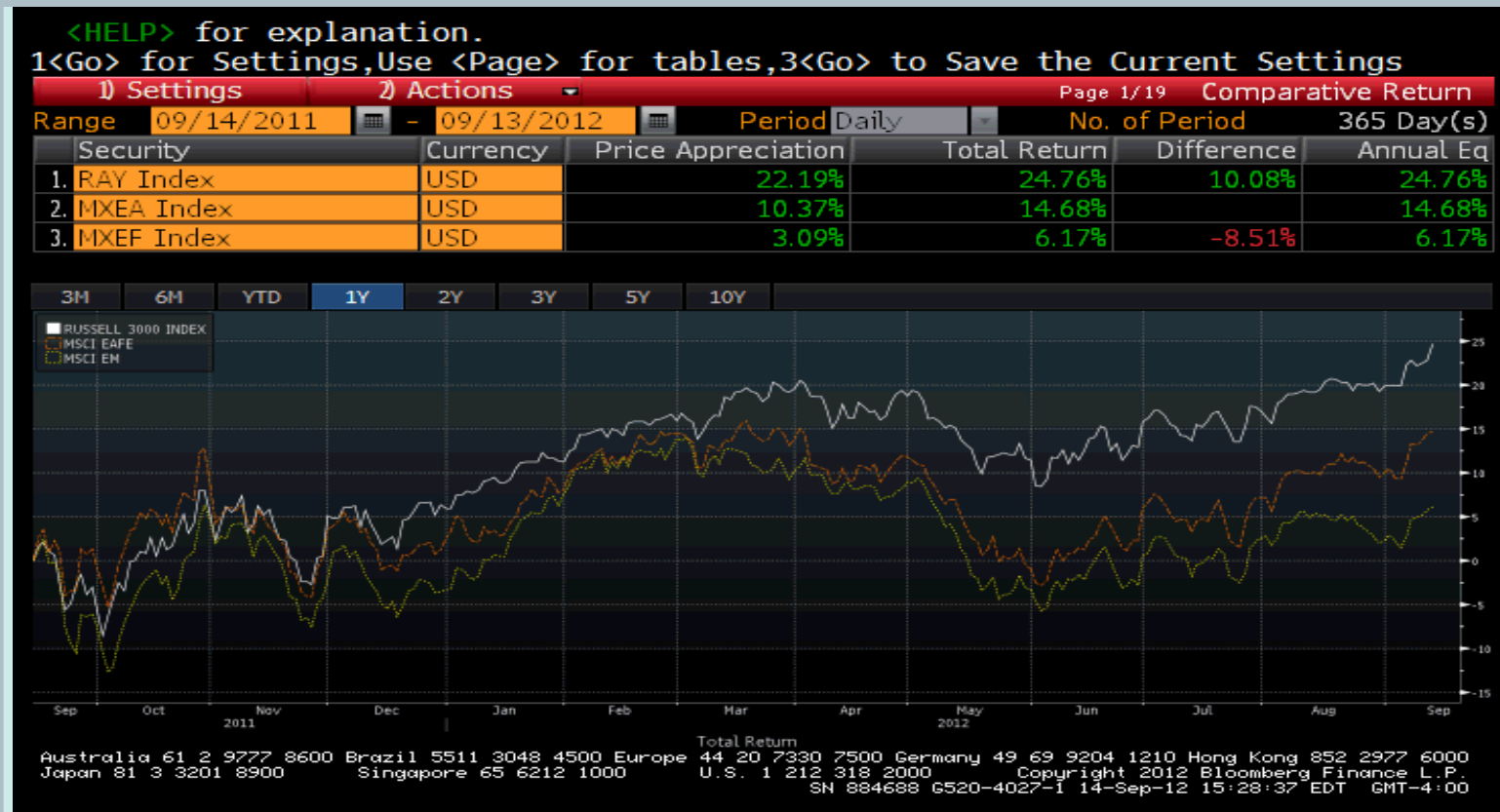


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# RECENT GLOBAL EQUITY MARKET RETURNS

108

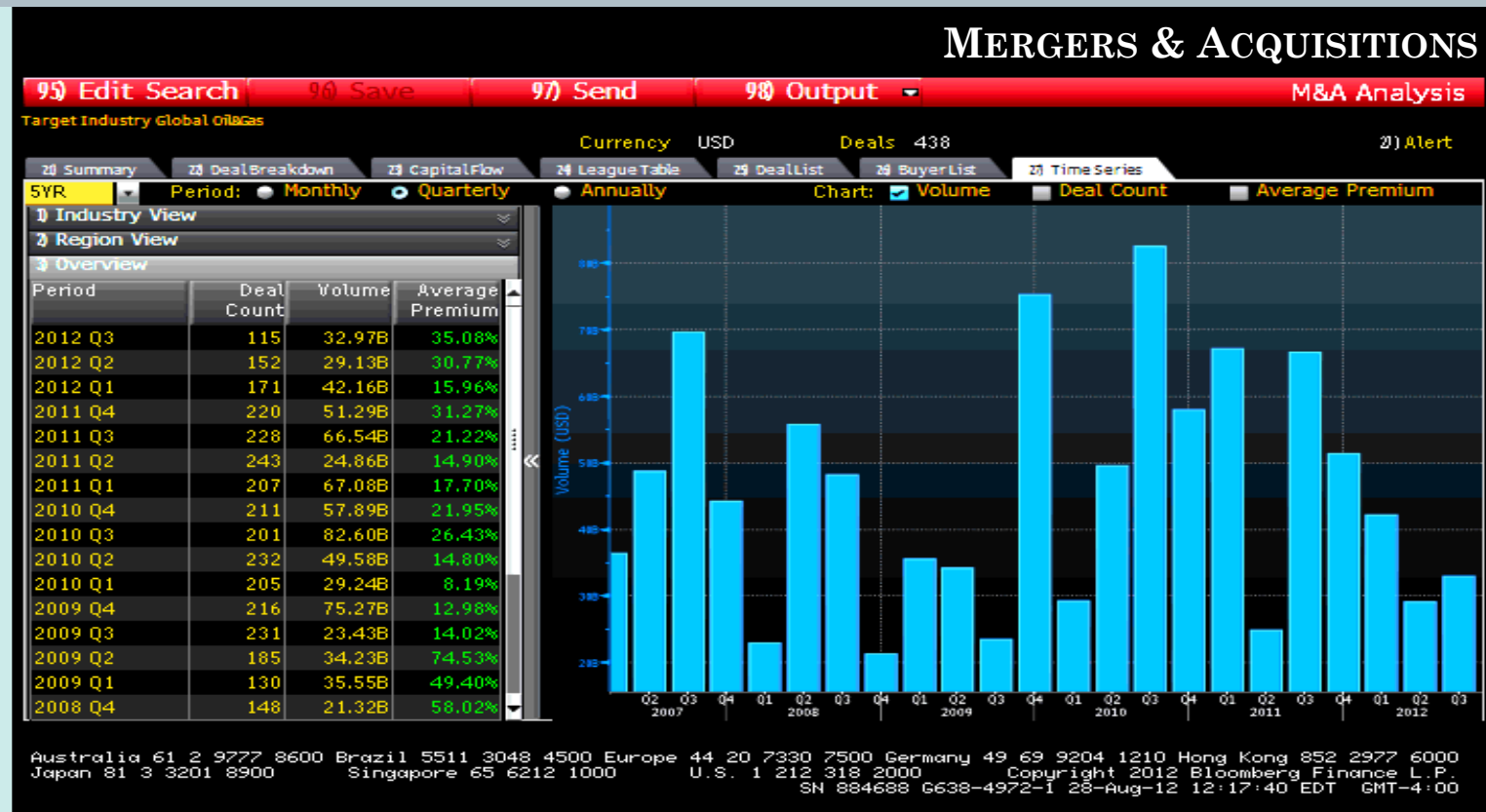
31



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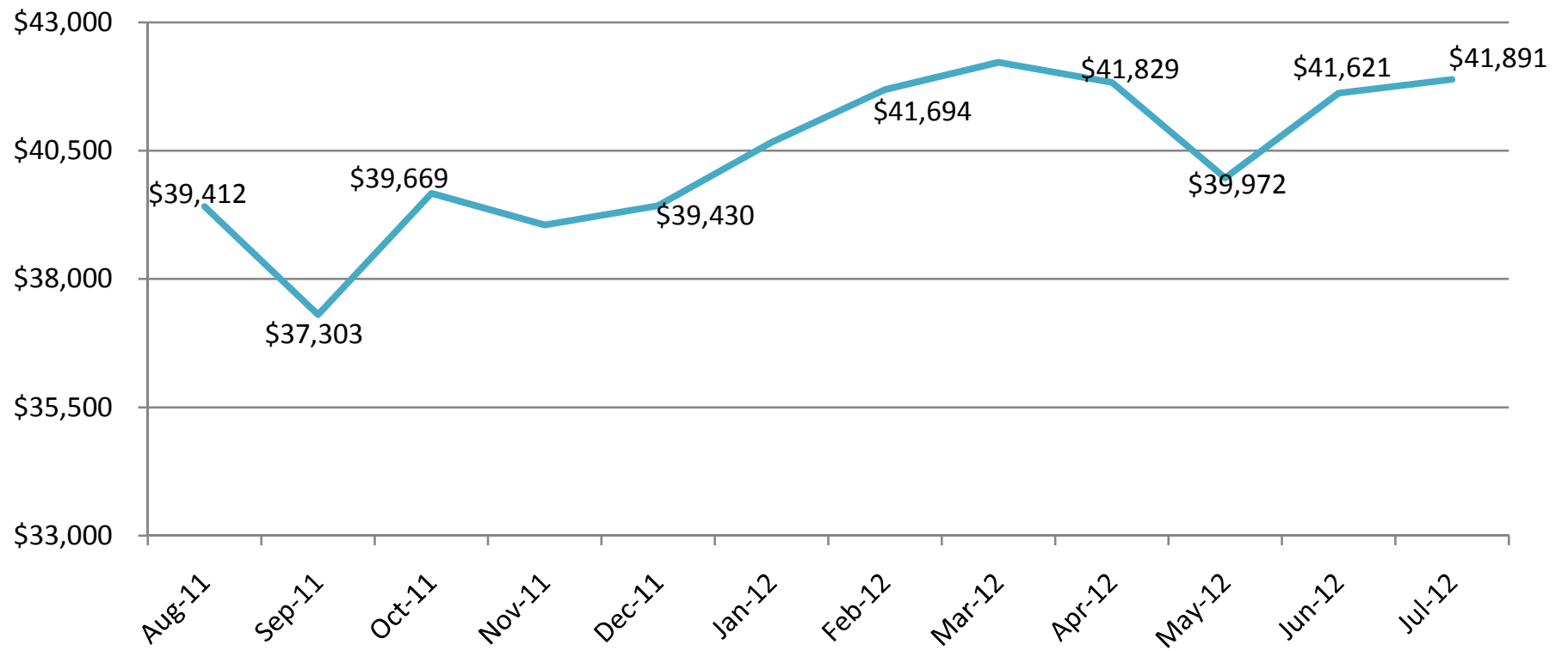
# MERGERS & ACQUISITIONS ACTIVITY

32

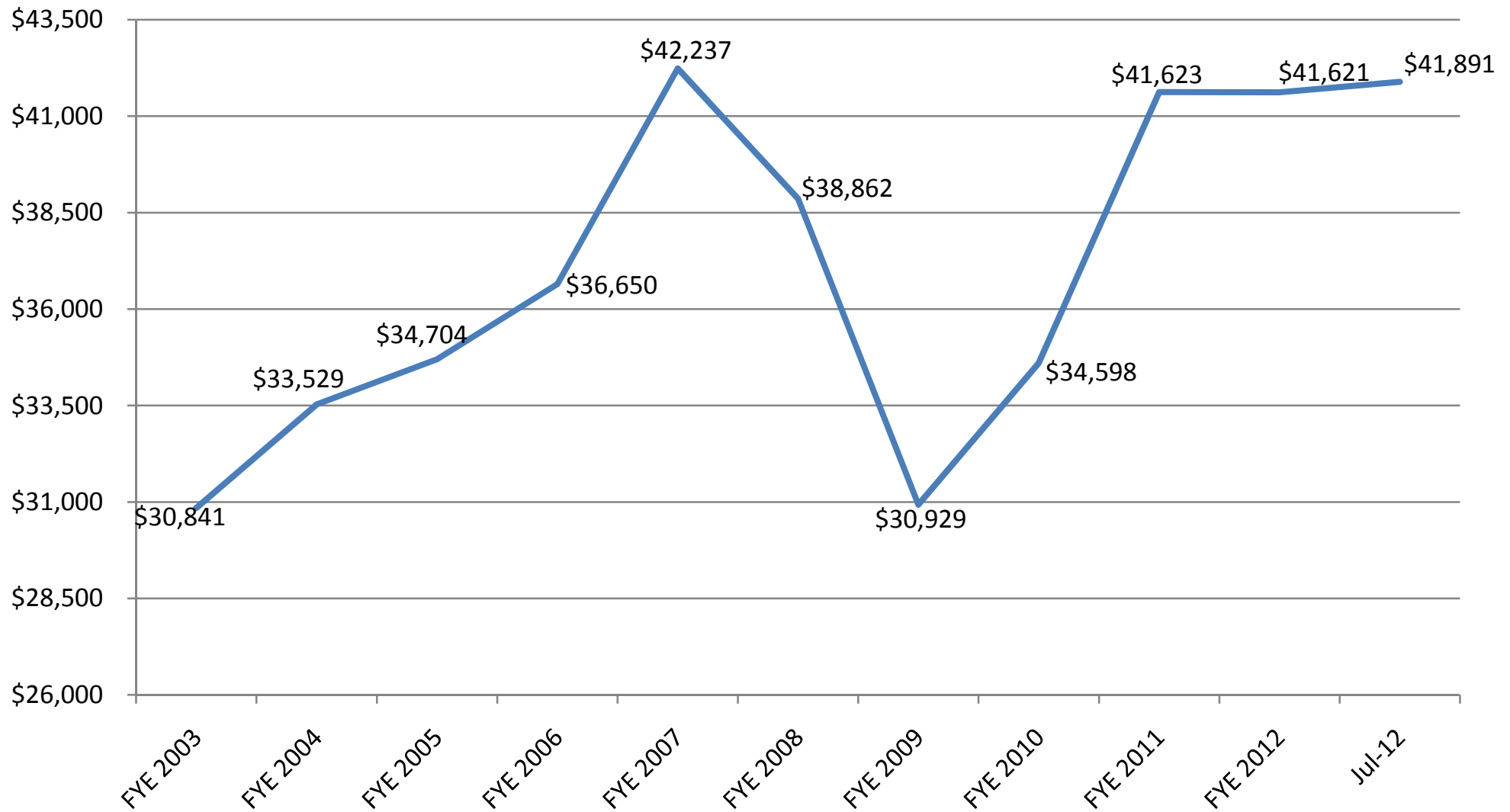


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## NYCERS - Market Values August 2011 - July 2012



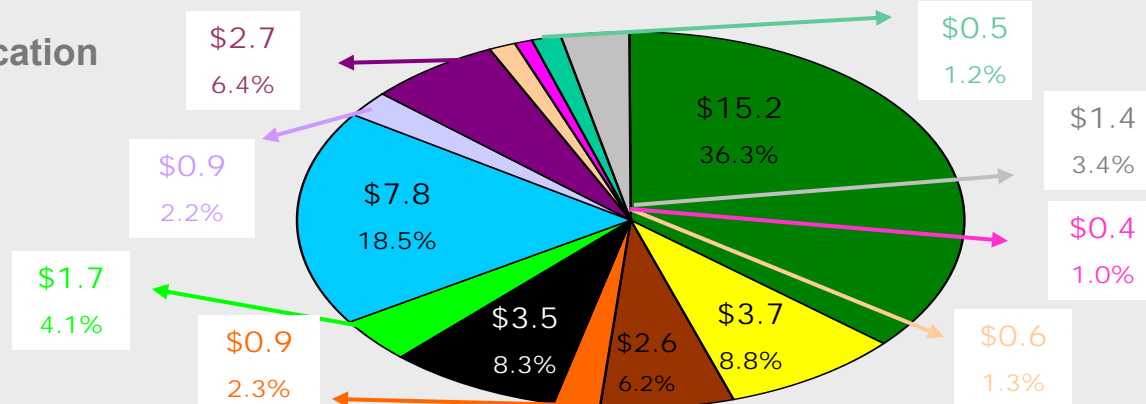
## NYCERS -Market Values 2003 - 2012



## Portfolio Asset Allocation: July 31, 2012

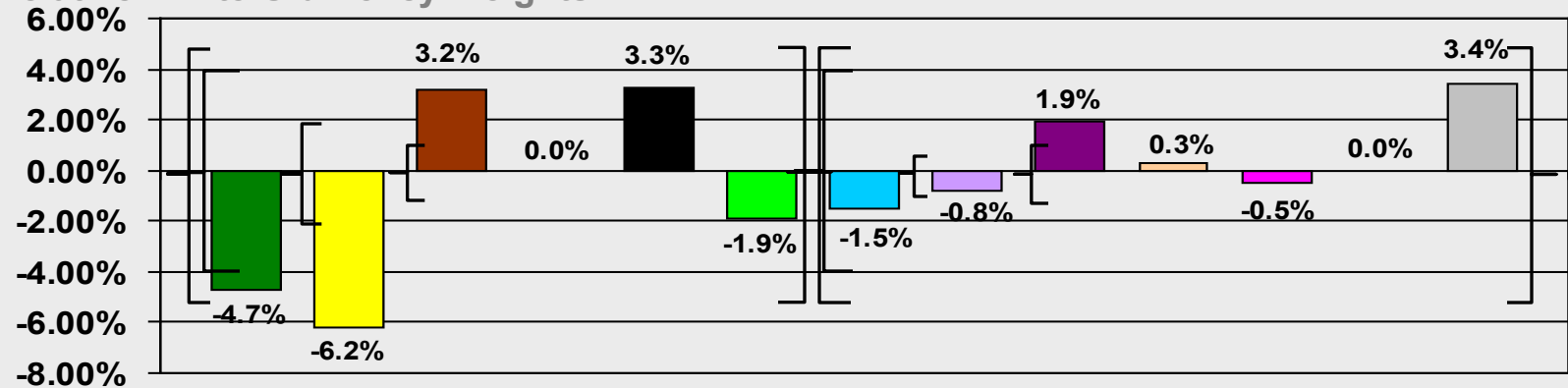
**\$41.9B** Under Management

### Asset Allocation



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

### Relative Mix to Old Policy Weights

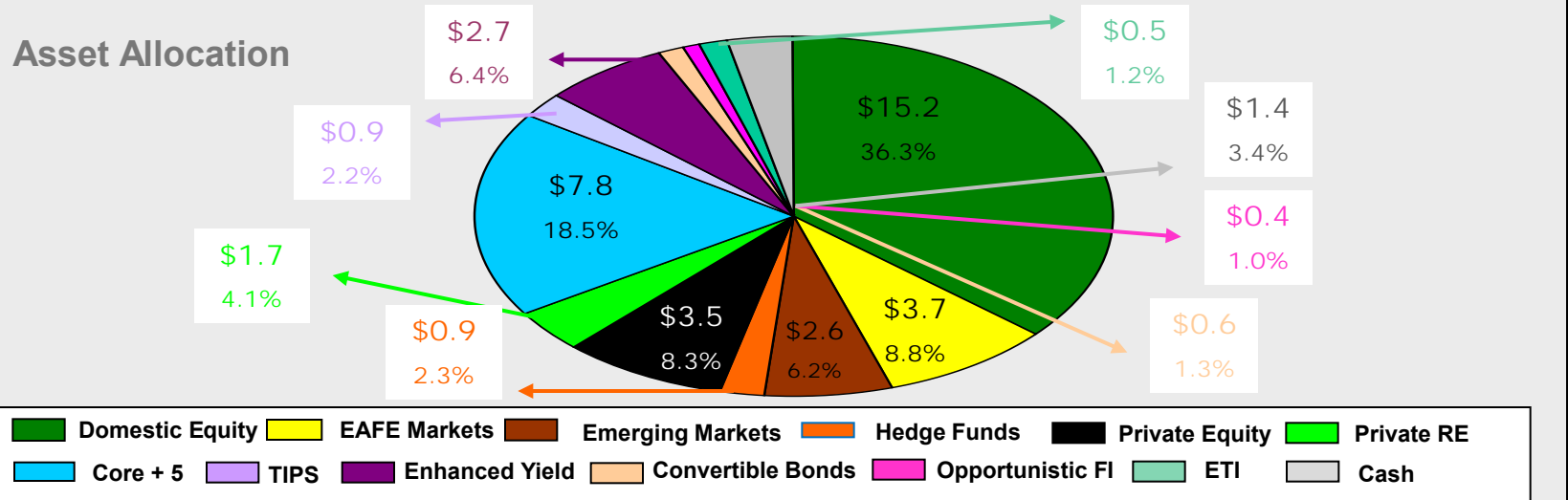


Note: Brackets represent rebalancing ranges versus policy.

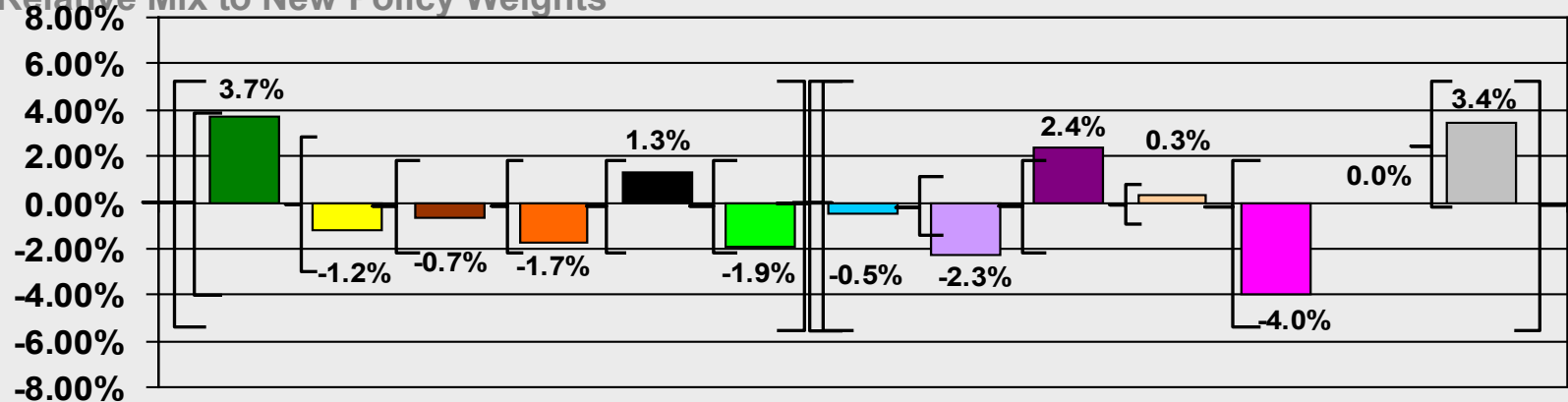
## Portfolio Asset Allocation: July 31, 2012

**\$41.9B** Under Management

### Asset Allocation



### Relative Mix to New Policy Weights

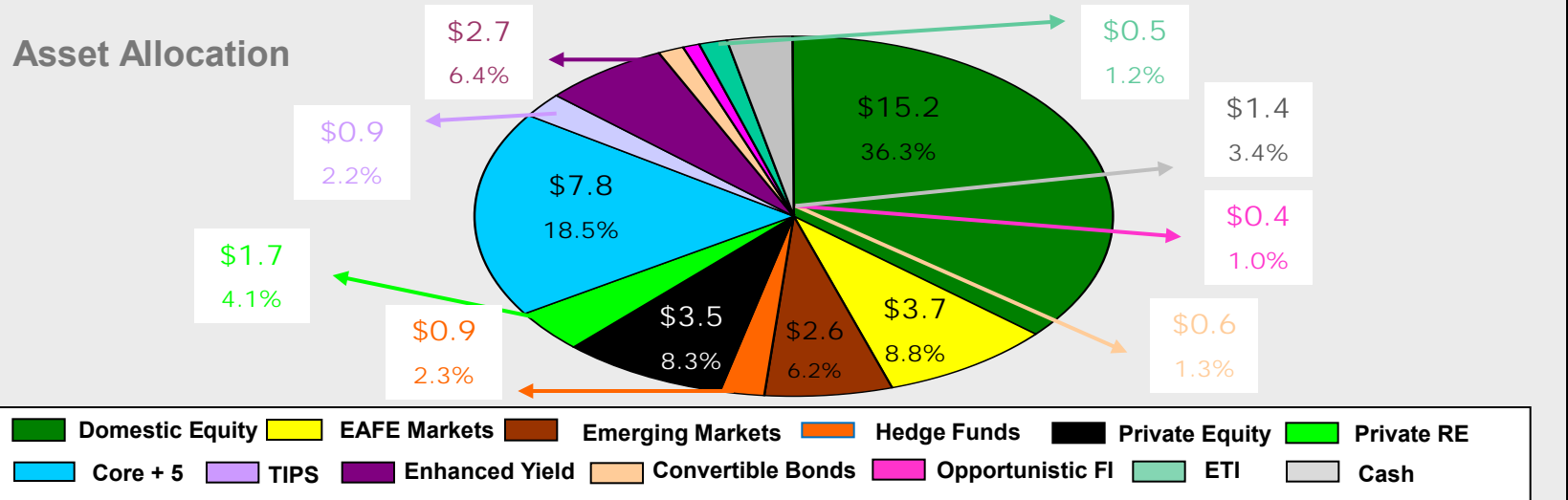


Note: Brackets represent rebalancing ranges versus policy.

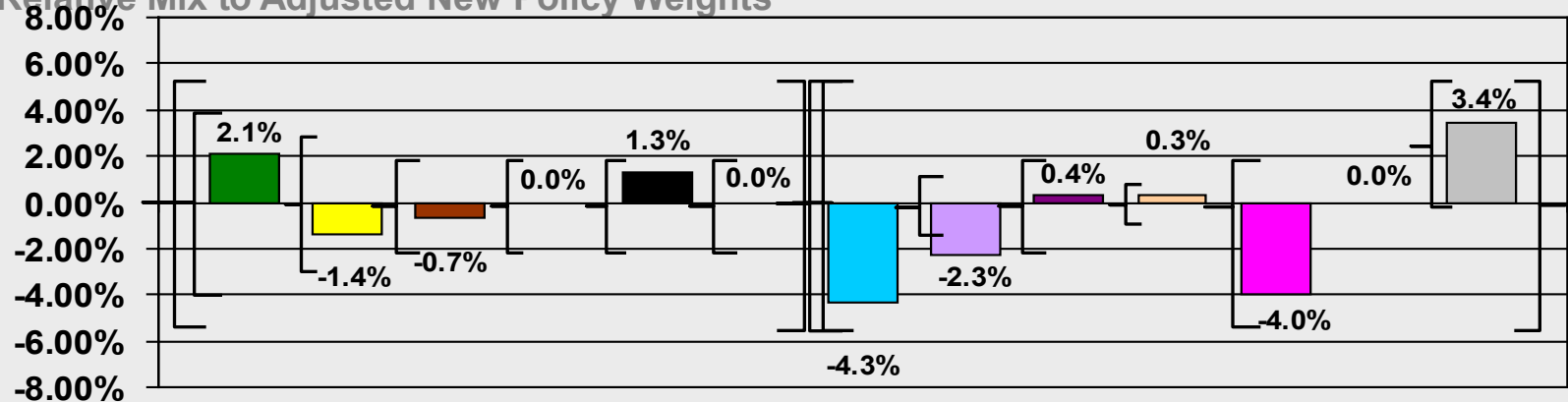
## Portfolio Asset Allocation: July 31, 2012

**\$41.9B** Under Management

### Asset Allocation



### Relative Mix to Adjusted New Policy Weights



Note: Brackets represent rebalancing ranges versus policy.

# NYC EMPLOYEES' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of July 31st 2012)*

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### ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
<b>TOTAL EQUITIES</b>	\$27,611.2	65.9%	66.5%	NA	64.7%	59.7% - 69.7%
<b>TOTAL FIXED INCOME</b>	\$14,280.1	34.1%	33.5%	NA	35.3%	30.3% - 40.3%
<b>TOTAL ASSETS</b>	\$41,891.3	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
<b>US Equities</b>	\$15,199.9	36.3%	32.6%	1.7%	34.3%	30.3% - 38.3%
<b>Non-US Equities/EAFE</b>	\$3,698.8	8.8%	10.0%	0.2%	10.2%	7.2% - 13.2%
<b>Emerging Markets</b>	\$2,576.7	6.2%	6.9%	NA	6.9%	4.9% - 8.9%
<b>TOTAL PUBLIC EQUITY</b>	\$21,475.4	51.3%	49.5%	NA	51.3%	
<b>HEDGE FUNDS</b>	\$946.6	2.3%	4.0%	NA	2.3%	2.0% - 6.0%
<b>* PRIVATE REAL ESTATE</b>	\$1,700.6	4.1%	6.0%	NA	4.1%	4.0% - 8.0%
<b>* PRIVATE EQUITY</b>	\$3,488.7	8.3%	7.0%	NA	7.0%	5.0% - 9.0%
<b>TOTAL EQUITIES</b>	\$27,611.2	65.9%	66.5%	NA	64.7%	59.7% - 69.7%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
<b>Core +5</b>	US - Government	\$1,078.3	19.0%	NA	22.8%	17.8% - 27.8%
	US - Mortgage	\$3,028.5		NA		
	US - Investment Grade Credit	\$3,487.8		NA		
	<b>TOTAL CORE + 5</b>	\$7,757.9	19.0%	3.8%	22.8%	17.8% - 27.8%
	<b>TIPS</b>	\$939.3	2.2%	4.5%	4.5%	3.0% - 6.0%
	<b>High Yield</b>	\$2,660.2	6.4%	4.0%	6.0%	4.0% - 8.0%
	<b>Bank Loans</b>	\$0.0	0.0%	NA	0.0%	0.0% - 2.0%
	<b>Convertible Bonds</b>	\$550.3	1.3%	1.0%	1.0%	0.0% - 2.0%
	<b>** ETI</b>	\$502.9	** 2.0%	NA	** 1.2%	** 1.2%
	<b>Cash</b>	\$1,434.9	3.4%	0.0%	0.0%	0.0% - 5.0%
	<b>TOTAL PUBLIC FIXED INCOME</b>	\$13,845.5	33.1%	28.5%	34.3%	
	<b>* OPPORTUNISTIC FIXED INCOME</b>	\$434.6	1.0%	5.0%	1.0%	0.0% - 7.0%
	<b>TOTAL FIXED INCOME</b>	\$14,280.1	34.1%	33.5%	35.3%	30.3% - 40.3%

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

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

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

# NYC EMPLOYEES' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of July 31st 2012)*

### Adjustments to Long-Term Asset Allocation

#### 1) Private Equity

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

#### 2) Real Estate

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

#### 3) Opportunistic Fixed Income

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

#### 4) Hedge Funds

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

### Impact of Adjustments

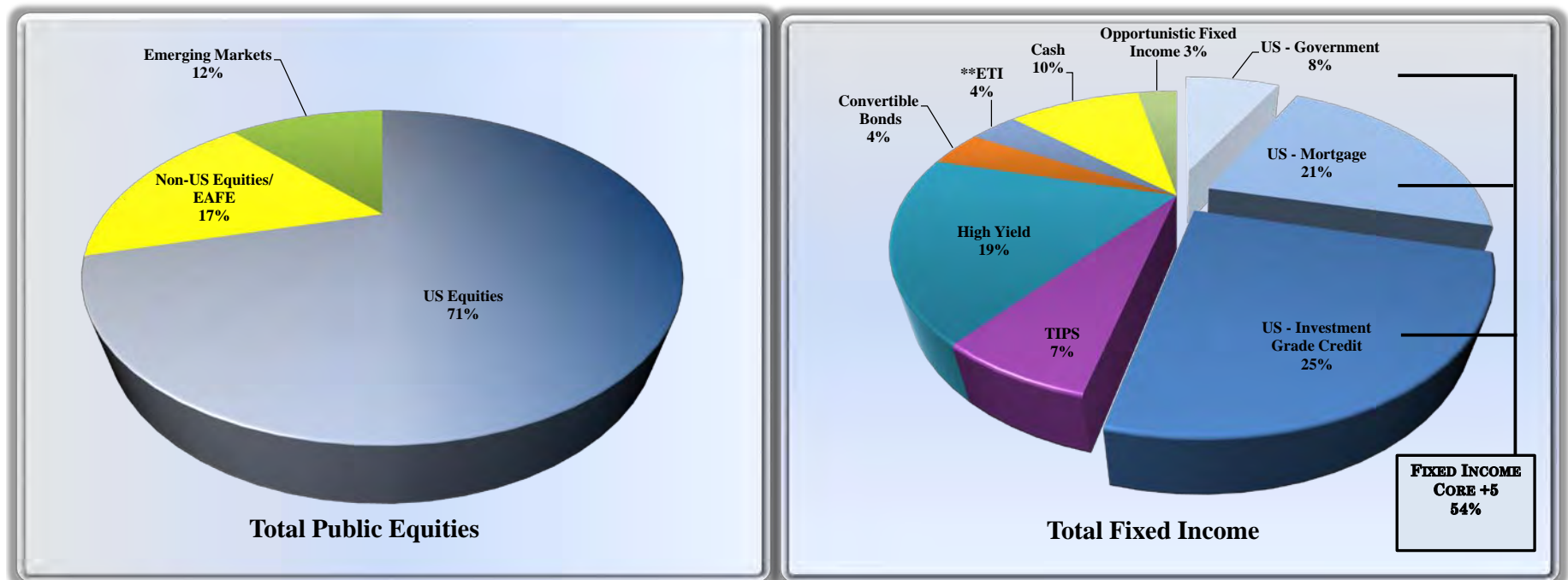
<b>Core +5 Policy Target %</b>	<b>19.0%</b>
Adjustment: 50% of uninvested Opportunistic FI	2.0%
Adjustment: 50% of uninvested Real Estate	1.0%
Adjustment: 50% of uninvested Hedge Funds	<u>0.9%</u>
<b>Adjusted Core+5 Policy Target %</b>	<b>22.8%</b>
 <b>High Yield Policy Target %</b>	 <b>4.0%</b>
Adjustment: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

# NYC EMPLOYEES' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of July 31st 2012)*

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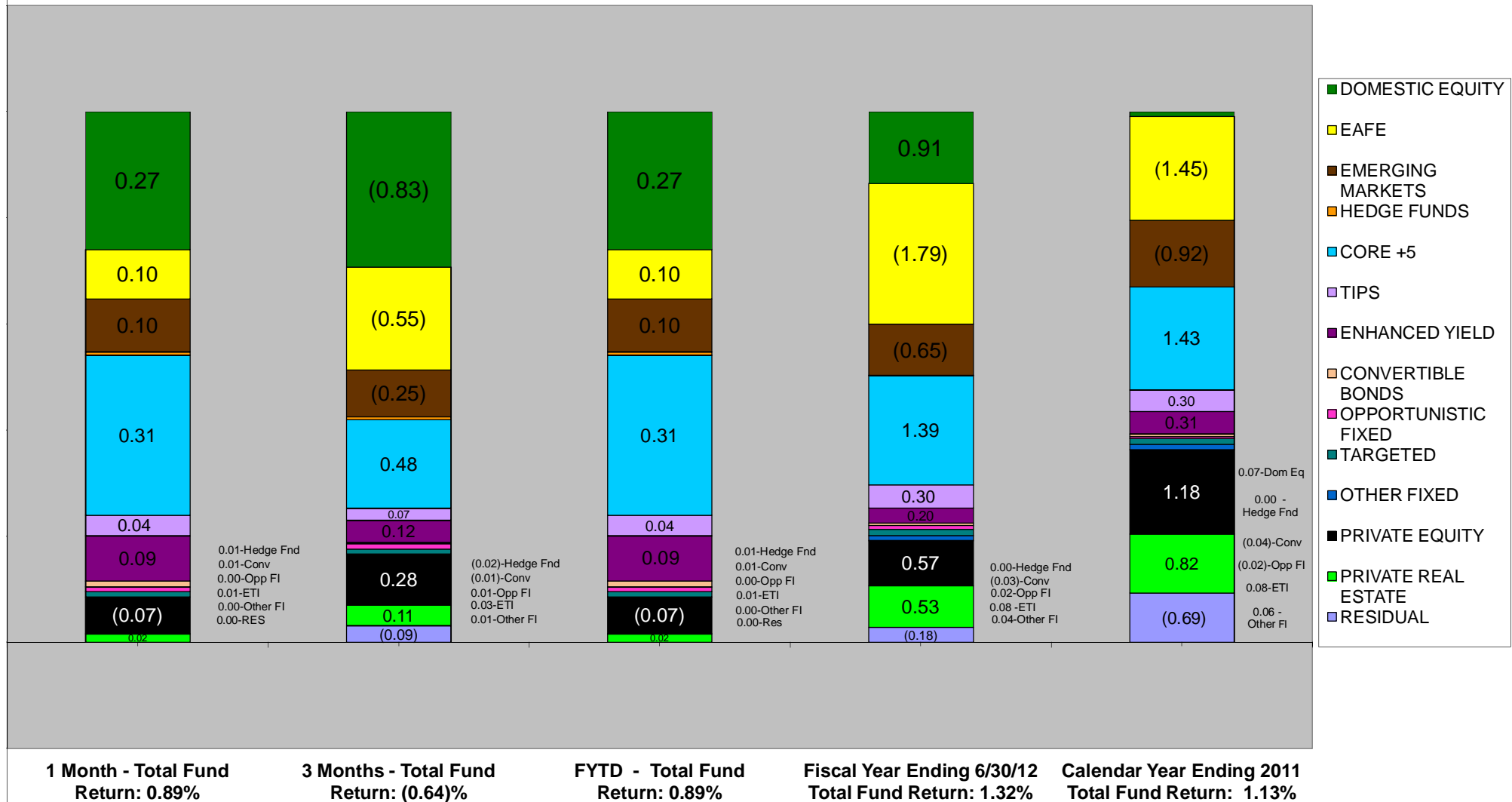
**THE BANK OF NEW YORK MELLON**  
**CITY OF NEW YORK**  
**Market Indicator Page \*NYC Employees' Retirement System**  
**July 31, 2012**

	Trailing 1 Month	Trailing 3 Months	06/30/12 07/31/12	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<b><u>MARKET INDICATORS</u></b>								
STANDARD & POORS 500	1.39	-0.78	1.39	9.13	14.26	14.12	1.13	6.33
S&P MIDCAP INDEX 400	-0.04	-4.76	-0.04	1.20	12.81	16.06	3.45	9.31
RUSSELL 1000	1.19	-1.40	1.19	7.96	14.13	14.26	1.25	6.65
RUSSELL 2000	-1.38	-3.31	-1.38	0.19	11.42	13.71	1.69	8.62
RUSSELL 3000	0.99	-1.54	0.99	7.33	13.92	14.22	1.29	6.80
RUSSELL 3000 GROWTH	1.10	-2.69	1.10	7.55	15.99	15.29	3.40	6.92
RUSSELL 3000 VALUE	0.88	-0.35	0.88	7.09	11.88	13.17	-0.93	6.54
MSCI EAFE (NET DIVIDEND)	1.13	-4.20	1.13	-11.45	1.86	3.31	-5.61	6.36
MSCI EMERGING MARKETS FREE	2.02	-5.83	2.02	-13.64	0.86	6.94	-0.43	15.56
FTSE CUSTOM BENCHMARK	2.25	-5.35	2.25	-12.83	2.14	9.40	0.67	****
MSCI WORLD INDEX	1.31	-2.57	1.31	-1.40	8.39	9.06	-1.70	6.81
MSCI EUROPE SMID CAP INDEX	0.83	-6.89	0.83	-14.72	1.76	6.06	****	****
1 YEAR TREASURY BILL YIELD + 4%	0.43	1.09	0.43	****	****	****	****	****
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	0.81	-1.10	0.81	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE	1.99	5.27	1.99	17.30	10.89	10.77	10.08	7.55
CITIGROUP MORTGAGE	0.79	1.20	0.79	4.92	4.41	5.51	6.81	5.43
NYC - INVESTMENT GRADE CREDIT INDEX	2.72	3.83	2.72	9.68	7.95	9.41	7.74	6.75
NYC - CORE PLUS FIVE	1.77	3.05	1.77	9.27	7.04	7.99	7.98	6.41
CITIGROUP BROAD INVESTMENT GRADE	1.41	2.37	1.41	7.34	5.77	6.71	7.09	5.78
BARCLAYS CAPITAL AGGREGATE	1.38	2.34	1.38	7.25	5.83	6.85	6.91	5.65
CITIGROUP BB & B	1.89	2.93	1.89	8.94	10.64	13.00	7.32	9.39
BofA MERRILL LYNCH HY MASTER II	1.92	2.73	1.92	7.23	10.03	14.58	9.26	10.59
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	1.90	3.02	1.90	9.49	10.63	10.31	8.37	7.26
BofA ML ALL CONVERTIBLES EX MANDATORY	0.61	-1.15	0.61	1.06	7.72	11.44	3.63	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	1.83	2.46	1.83	12.88	18.88	29.93	3.84	11.20
NCREIF NFI-ODCE NET	0.00	2.29	0.00	11.31	15.25	7.37	-1.81	****
91 DAY TREASURY BILL	0.01	0.03	0.01	0.07	0.10	0.12	0.90	1.85

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

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

## NYC Employees' Retirement System Contribution to Return - July 2012



# THE BANK OF NEW YORK MELLON

## CITY OF NEW YORK

### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

July 31, 2012

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>ASSET CLASS SUMMARY</b>																
DOMESTIC EQUITY	\$ 15,199.9	36.28%	0.73%	-2.10%	0.73%	9.63%	2.23%	0.17%	17.16%	28.26%	-36.69%	5.79%	13.72%	1.15%	6.69%	10.78%
INTERNATIONAL EAFE	3,698.8	8.83%	0.98	-5.10	0.98	4.38	-13.74	-12.59	11.17	33.66	-44.37	-11.30	4.50	-4.99	****	4.07
EMERGING MARKETS	2,576.7	6.15%	1.69	-3.84	1.69	7.86	-13.32	-18.76	26.33	86.55	-54.13	-12.18	10.37	0.71	****	10.56
HEDGE FUNDS	946.6	2.26%	0.29	-0.84	0.29	1.16	-2.14	****	****	****	****	-2.33	****	****	****	-1.71
CORE + 5	7,594.6	18.13%	1.81	3.04	1.81	5.49	9.24	8.85	9.42	9.65	3.27	9.32	9.19	8.33	6.75	8.76
CONVERTIBLE BONDS	550.3	1.31%	0.86	-0.56	0.86	6.32	-2.09	-3.02	14.54	33.08	****	0.67	9.43	****	****	3.79
TIPS MANAGERS	939.3	2.24%	1.80	3.02	1.80	5.96	12.13	13.50	6.47	10.15	-0.66	10.08	10.34	8.50	****	6.66
ENHANCED YIELD	2,660.2	6.35%	1.39	1.87	1.39	7.86	6.31	5.73	14.24	40.25	-18.55	6.37	12.97	9.09	9.96	8.31
OPPORTUNISTIC FIXED ^^	434.6	1.04%	0.88	3.28	0.88	14.85	-4.48	-4.40	26.01	19.13	-6.33	-1.81	20.39	****	****	20.05
PROGRESS FIXED EMERGING MGRS	105.2	0.25%	1.49	2.55	1.49	4.64	8.80	8.39	7.43	8.78	6.21	8.51	7.89	7.58	7.20	6.79
CORE PLUS FIXED INCOME	58.1	0.14%	1.72	2.57	1.72	4.89	7.61	8.11	7.46	****	****	7.71	8.22	****	****	8.99
ECONOMICALLY TARGETED INVESTMENTS	502.9	1.20%	0.88	2.36	0.88	4.07	7.04	6.61	6.87	8.23	6.28	7.04	6.81	7.36	6.45	9.94
PRIVATE EQUITY	3,488.7	8.33%	-0.81	3.32	-0.81	5.52	7.50	13.78	14.02	-4.17	-2.73	6.48	13.78	5.53	****	11.93
PRIVATE REAL ESTATE	1,700.6	4.06%	0.41	2.83	0.41	9.46	17.51	22.28	8.46	-43.87	-7.38	14.95	6.59	-4.37	****	7.06
CASH	1,434.9	3.43%	0.03	0.43	0.03	0.72	0.99	0.89	0.49	1.31	3.42	0.90	0.84	1.83	****	2.76
<b>TOTAL EMPLOYEES</b>	<b>\$ 41,891.3</b>		<b>0.89%</b>	<b>-0.64%</b>	<b>0.89%</b>	<b>7.14%</b>	<b>1.32%</b>	<b>1.13%</b>	<b>13.79%</b>	<b>20.98%</b>	<b>-26.36%</b>	<b>3.09%</b>	<b>10.78%</b>	<b>2.50%</b>	<b>7.34%</b>	<b>8.64%</b>
TOTAL EQUITY	21,475.4	51.26%	0.89	-2.88	0.89	8.29	-2.94	-4.35	16.31	31.61	-39.34	0.14	11.23	-0.35	6.91	7.84
TOTAL HEDGE FUNDS	946.6	2.26%	0.29	-0.84	0.29	1.16	-2.14	****	****	****	****	-2.33	****	****	****	-1.71
TOTAL FIXED INCOME	12,845.1	30.66%	1.61	2.58	1.61	6.21	7.97	7.75	10.68	15.55	-1.87	8.10	10.25	8.55	****	6.65
TOTAL PRIVATE EQUITY	3,488.7	8.33%	-0.81	3.32	-0.81	5.52	7.50	13.78	14.02	-4.17	-2.73	6.48	13.78	5.53	****	11.93
TOTAL PRIVATE REAL ESTATE	1,700.6	4.06%	0.41	2.83	0.41	9.46	17.51	22.28	8.46	-43.87	-7.38	14.95	6.59	-4.37	****	7.06
TOTAL CASH	1,434.9	3.43%	0.03	0.43	0.03	0.72	0.99	0.89	0.49	1.31	3.42	0.90	0.84	1.83	****	2.76

^^ since inception irr calculated from Burgis as of 5/31/2012

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

# THE BANK OF NEW YORK MELLON

## CITY OF NEW YORK

### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

July 31, 2012

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>EQUITY ASSET CLASS SUMMARY</b>																
<b>DOMESTIC EQUITY</b>	\$ 15,199.9	36.28%	0.73%	-2.10%	0.73%	9.63%	2.23%	0.17%	17.16%	28.26%	-36.69%	5.79%	13.72%	1.15%	6.69%	10.78%
<b>PASSIVE DOMESTIC EQUITY</b>	12,000.7	28.65%	0.81	-1.98	0.81	9.91	2.88	0.52	16.58	27.80	-37.04	6.36	13.73	1.02	6.60	10.54
<i>RUSSELL 3000</i>			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
			(0.18)	(0.43)	(0.18)	(0.49)	(0.96)	(0.51)	(0.35)	(0.54)	0.27	(0.97)	(0.50)	(0.27)	(0.20)	
TOTAL RUSSELL 3000	6,020.4	14.37%	0.97	-1.53	0.97	10.37	3.87	1.05	17.22	28.29	-37.16	7.32	14.32	1.36	6.80	9.09
<i>RUSSELL 3000</i>			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
			(0.02)	0.01	(0.02)	(0.03)	0.03	0.02	0.29	(0.05)	0.15	(0.00)	0.10	0.06	0.00	
TOTAL STANDARD & POORS 500	3,437.7	8.21%	1.36	-0.86	1.36	10.82	5.03	1.74	14.90	26.45	-37.11	8.72	13.87	0.95	6.24	1.31
<i>STANDARD &amp; POORS 500</i>			1.39	-0.78	1.39	11.01	5.45	2.11	15.06	26.47	-37.00	9.13	14.12	1.13	6.33	
			(0.03)	(0.08)	(0.03)	(0.19)	(0.42)	(0.37)	(0.16)	(0.02)	(0.11)	(0.41)	(0.25)	(0.18)	(0.09)	
TOTAL MID CAP PASSIVE	2,079.3	4.96%	-0.05	-4.76	-0.05	7.87	-2.29	****	****	****	****	****	****	****	****	2.63
<i>S&amp;P MIDCAP INDEX 400</i>			-0.04	-4.76	-0.04	7.85	-2.33	-1.73	26.64	37.38	-36.23	1.20	16.06	3.45	9.31	
			(0.00)	(0.00)	(0.00)	0.01	0.04	****	****	****	****	****	****	****	****	
TOTAL SMALL CAP PASSIVE	463.3	1.11%	-1.38	-3.28	-1.38	7.16	-2.01	****	****	****	****	0.28	****	****	****	2.72
<i>RUSSELL 2000</i>			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			0.00	0.03	0.00	0.13	0.07	****	****	****	****	0.09	****	****	****	
<b>ACTIVE DOMESTIC EQUITY</b>	3,131.5	7.48%	0.48	-2.53	0.48	8.78	-0.01	-1.73	19.89	30.13	-35.57	3.87	13.84	1.52	7.12	9.84
<i>RUSSELL 3000</i>			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
			(0.51)	(0.99)	(0.51)	(1.62)	(3.85)	(2.76)	2.96	1.79	1.74	(3.45)	(0.38)	0.23	0.32	
TOTAL LARGE CAP	1,723.0	4.11%	0.90	-1.51	0.90	9.39	3.04	0.66	16.74	27.39	****	7.21	13.90	****	****	3.81
<i>RUSSELL 1000</i>			1.19	-1.40	1.19	10.68	4.37	1.50	16.10	28.43	-37.60	7.96	14.26	1.25	6.65	
			(0.29)	(0.12)	(0.29)	(1.28)	(1.34)	(0.84)	0.64	(1.04)	****	(0.75)	(0.36)	****	****	
TOTAL SMALL CAP ACTIVE	734.8	1.75%	-0.89	-3.82	-0.89	6.83	-5.73	-6.63	29.84	38.79	-42.32	-2.15	14.58	0.50	****	4.77
<i>RUSSELL 2000</i>			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			0.49	(0.51)	0.49	(0.20)	(3.66)	(2.46)	2.99	11.61	(8.52)	(2.34)	0.87	(1.19)	****	
TOTAL EMERGING MGRS	673.8	1.61%	0.96	-3.64	0.96	9.34	0.14	-0.20	17.79	28.04	-36.45	3.36	13.73	1.58	6.89	7.79
<i>RUSSELL 3000</i>			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
			(0.03)	(2.10)	(0.03)	(1.06)	(3.70)	(1.23)	0.86	(0.30)	0.86	(3.96)	(0.49)	0.29	0.09	
<b>US STRATEGIC EQUITY</b>	67.6	0.16%	-1.28	-5.51	-1.28	0.55	-7.70	0.40	8.19	21.74	-31.55	-5.25	5.81	-3.44	****	0.07
TOTAL U.S. ACTIVIST	6.0	0.01%	3.74	-6.65	3.74	-4.75	-17.54	-0.19	3.93	20.21	-28.66	-10.89	2.03	-4.81	****	-0.95
<i>RUSSELL 2500</i>			-0.68	-4.10	-0.68	7.57	-2.29	-2.51	26.71	34.40	-36.78	0.88	15.42	2.24	9.31	
			4.42	(2.56)	4.42	(12.32)	(15.25)	2.32	(22.78)	(14.19)	8.12	(11.78)	(13.38)	(7.06)	****	
TOTAL U.S. ENVIRONMENTAL	61.6	0.15%	-1.74	-4.74	-1.74	4.04	-1.35	1.17	26.98	29.89	****	0.50	14.90	****	****	5.70
<i>RUSSELL 2000</i>			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			(0.36)	(1.42)	(0.36)	(2.99)	0.73	5.34	0.13	2.71	****	0.31	1.19	****	****	
<b>TOTAL INTERNATIONAL EQUITY</b>	6,275.5	14.98%	1.25	-4.59	1.25	5.46	-13.62	-14.05	14.04	41.07	-46.01	-11.47	5.65	-3.91	7.67	6.23
PASSIVE DEVELOPED MARKETS	993.3	2.37%	0.99	-4.17	0.99	4.37	-13.29	-12.50	8.18	32.26	-42.78	-11.10	3.39	-5.28	6.66	4.80
<i>MSCI EAFE (NET DIVIDEND)</i>			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
			(0.14)	0.03	(0.14)	0.24	0.54	(0.36)	0.43	0.48	0.61	0.35	0.08	0.33	0.30	
PASSIVE EMERGING MARKETS	976.5	2.33%	1.67	-5.43	1.67	5.13	-15.21	****	****	****	****	-14.27	****	****	****	-11.47
<i>FTSE CUSTOM BENCHMARK</i>			2.25	-5.35	2.25	6.23	-15.03	-18.27	24.60	83.92	-52.98	-12.83	9.40	0.67	****	
			(0.57)	(0.08)	(0.57)	(1.10)	(0.18)	****	****	****	****	(1.45)	****	****	****	
ACTIVE DEVELOPED MARKETS	2,324.6	5.55%	1.39	-4.60	1.39	4.64	-13.30	-11.88	10.56	34.00	-44.73	-10.56	4.60	-4.93	6.52	6.38
<i>MSCI EAFE (NET DIVIDEND)</i>			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
			0.26	(0.40)	0.26	0.51	0.53	0.26	2.81	2.22	(1.34)	0.88	1.29	0.67	0.16	
ACTIVE EMERGING MARKETS	1,598.0	3.81%	1.69	-3.88	1.69	8.43	-12.97	-18.87	27.44	86.55	-54.13	-11.77	10.84	0.97	****	10.90
<i>FTSE CUSTOM BENCHMARK</i>			2.25	-5.35	2.25	6.23	-15.03	-18.27	24.60	83.92	-52.98	-12.83	9.40	0.67	****	
			(0.56)	1.47	(0.56)	2.20	2.06	(0.60)	2.84	2.63	(1.15)	1.06	1.44	0.29	****	
NON US STRATEGIC EQUITY	380.8	0.91%	-1.47	-11.20	-1.47	3.25	-17.37	-17.79	21.57	33.76	****	-15.75	5.92	****	****	-2.86
TOTAL NON-U.S. ACTIVIST	207.9	0.50%	-2.86	-16.28	-2.86	-0.67	-25.49	-24.14	29.33	29.34	****	-24.83	4.65	****	****	4.16
<i>MSCI EUROPE SMID CAP INDEX</i>			0.83	-6.89	0.83	6.83	-19.00	-17.56	16.03	53.23	-52.13	-14.72	6.06	****	****	
			(3.68)	(9.39)	(3.68)	(7.50)	(6.49)	(6.58)	13.30	(23.89)	****	(10.10)	(1.40)	****	****	
NON-U.S. ENVIRONMENTAL	172.9	0.41%	0.24	-4.20	0.24	8.40	-4.36	-7.75	8.66	40.08	****	-1.37	6.47	****	****	-1.69
<i>MSCI WORLD INDEX</i>			1.31	-2.57	1.31	7.69	-4.42	-5.02	12.34	30.80	-40.33	-1.40	9.06	-1.70	6.81	
			(1.07)	(1.64)	(1.07)	0.72	0.05	(2.73)	(3.68)	9.28	****	0.03	(2.59)	****	****	

# THE BANK OF NEW YORK MELLON

## CITY OF NEW YORK

### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

July 31, 2012

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>FIXED INCOME ASSET CLASS SUMMARY</b>																
<b>TOTAL FIXED INCOME</b>	<b>\$ 12,845.1</b>	<b>30.66%</b>	<b>1.61%</b>	<b>2.58%</b>	<b>1.61%</b>	<b>6.21%</b>	<b>7.97%</b>	<b>7.75%</b>	<b>10.68%</b>	<b>15.55%</b>	<b>-1.87%</b>	<b>8.10%</b>	<b>10.25%</b>	<b>8.55%</b>	<b>****</b>	<b>6.65%</b>
<b>CORE + 5</b>	7,594.6	18.13%	1.81	3.04	1.81	5.49	9.24	8.85	9.42	9.65	3.27	9.32	9.19	8.33	6.75	8.76
NYC - CORE PLUS FIVE			1.77	3.05	1.77	4.83	9.35	9.40	7.13	6.28	6.64	9.27	7.99	7.98	6.41	
	+/-		0.04	(0.01)	0.04	0.67	(0.11)	(0.55)	2.29	3.37	(3.37)	0.05	1.21	0.35	0.34	
ALL MORTGAGE	3,028.5	7.23%	0.86	1.37	0.86	3.40	5.64	6.19	9.12	9.15	3.67	5.67	7.47	7.20	5.77	7.56
CITIGROUP MORTGAGE INDEX			0.79	1.20	0.79	2.49	5.05	6.38	5.50	5.76	8.49	4.92	5.51	6.81	5.43	
	+/-		0.08	0.17	0.08	0.91	0.59	(0.19)	3.62	3.39	(4.82)	0.75	1.96	0.39	0.34	
ALL INVESTMENT GRADE CREDIT	3,487.8	8.33%	2.69	3.90	2.69	7.81	9.36	7.82	9.63	20.37	-6.68	9.88	10.32	8.16	7.30	7.83
NYC - INVESTMENT GRADE CREDIT			2.72	3.83	2.72	7.31	9.14	7.80	8.36	16.36	-4.06	9.68	9.41	7.74	6.75	
	+/-		(0.03)	0.07	(0.03)	0.50	0.23	0.03	1.27	4.01	(2.62)	0.20	0.91	0.42	0.55	
ALL TREASURY / AGENCY	1,078.3	2.57%	1.97	5.31	1.97	5.51	18.62	18.35	9.55	-6.56	17.73	****	****	****	****	8.51
NYC - TREASURY AGENCY PLUS FIVE			1.99	5.27	1.99	5.32	18.72	18.44	9.24	-7.44	18.91	17.30	10.77	10.08	7.55	
	+/-		(0.02)	0.04	(0.02)	0.19	(0.10)	(0.09)	0.31	0.88	(1.18)	****	****	****	****	
<b>TOTAL TIPS MANAGERS</b>	939.3	2.24%	1.80	3.02	1.80	5.96	12.13	13.50	6.47	10.15	-0.66	10.08	10.34	8.50	****	6.66
BARCLAYS CAPITAL US TIPS INDEX			1.90	3.02	1.90	6.01	11.66	13.56	6.37	11.41	-2.35	9.49	10.31	8.37	7.26	
	+/-		(0.09)	(0.01)	(0.09)	(0.05)	0.47	(0.06)	0.10	(1.26)	1.69	0.59	0.03	0.14	****	
<b>TOTAL ENHANCED YIELD</b>	2,660.2	6.35%	1.39	1.87	1.39	7.86	6.31	5.73	14.24	40.25	-18.55	6.37	12.97	9.09	9.96	2.72
CITIGROUP BB & B			1.89	2.93	1.89	8.73	8.45	6.58	13.35	40.37	-25.10	8.94	13.00	7.32	9.39	
	+/-		(0.49)	(1.06)	(0.49)	(0.87)	(2.14)	(0.85)	0.89	(0.12)	6.55	(2.58)	(0.02)	1.77	0.57	
<b>TOTAL CONVERTIBLE BONDS</b>	550.3	1.31%	0.86	-0.56	0.86	6.32	-2.09	-3.02	14.54	33.08	****	0.67	9.43	****	****	3.79
BoFA ML ALL CONVERTIBLES EX MANDATORY			0.61	-1.15	0.61	7.56	-1.68	-3.42	16.52	47.19	-33.02	1.06	11.44	3.63	****	
	+/-		0.26	0.59	0.26	(1.24)	(0.41)	0.39	(1.98)	(14.11)	****	(0.39)	(2.01)	****	****	
<b>TOTAL OPPORTUNISTIC FIXED ^^</b>	434.6	1.04%	0.88	3.28	0.88	14.85	-4.48	-4.40	26.01	19.13	-6.33	-1.81	20.39	****	****	20.05
NYC - JP MORGAN HY PLUS 3%			2.05	2.89	2.05	10.68	10.67	8.73	18.05	61.90	-23.83	11.20	18.16	12.67	****	
	+/-		(1.17)	0.38	(1.17)	4.17	(15.15)	(13.13)	7.96	(42.77)	17.50	(13.01)	2.23	****	****	
^^ since inception irr calculated from Burgis as of 5/31/2012																
<b>TOTAL PROGRESS FIXED EMERGING MGRS</b>	105.2	0.25%	1.49	2.55	1.49	4.64	8.80	8.39	7.43	8.78	6.21	8.51	7.89	7.58	7.20	6.79
BARCLAYS CAPITAL AGGREGATE			1.38	2.34	1.38	3.78	7.47	7.84	6.54	5.93	5.24	7.25	6.85	6.91	5.65	
	+/-		0.11	0.21	0.11	0.86	1.33	0.55	0.89	2.85	0.97	1.26	1.04	0.68	1.55	
<b>TOTAL CORE PLUS FIXED INCOME</b>	58.1	0.14%	1.72	2.57	1.72	4.89	7.61	8.11	7.46	****	****	7.71	8.22	****	****	8.99
BARCLAYS CAPITAL AGGREGATE			1.38	2.34	1.38	3.78	7.47	7.84	6.54	5.93	5.24	7.25	6.85	6.91	5.65	
12,845.1	+/-		0.34	0.23	0.34	1.10	0.14	0.27	0.92	****	****	0.46	1.38	****	****	
<b>ECONOMICALLY TARGETED INVESTMENTS</b>	502.9	1.20%	0.88	2.36	0.88	4.07	7.04	6.61	6.87	8.23	6.28	7.04	6.81	7.36	6.45	9.94
EMPLOYEES CUSTOM BENCHMARK (NO CASH)			1.08	1.84	1.08	3.15	6.63	7.66	6.47	5.21	7.01	6.39	6.45	6.95	5.71	
	+/-		(0.20)	0.52	(0.20)	0.91	0.40	(1.05)	0.40	3.02	(0.73)	0.65	0.36	0.41	0.74	
<b>CASH ASSET CLASS SUMMARY</b>																
<b>TOTAL CASH</b>	<b>1,434.9</b>	<b>3.43%</b>	<b>0.03</b>	<b>0.43</b>	<b>0.03</b>	<b>0.72</b>	<b>0.99</b>	<b>0.89</b>	<b>0.48</b>	<b>1.31</b>	<b>3.42</b>	<b>0.90</b>	<b>0.84</b>	<b>1.83</b>	<b>****</b>	<b>2.76</b>
ML 91 DAY TREASURY BILL INDEX			0.01	0.03	0.01	0.05	0.06	0.10	0.13	0.21	2.06	0.07	0.12	0.90	1.85	
	+/-		0.02	0.40	0.02	0.68	0.93	0.79	0.35	1.10	1.36	0.83	0.72	0.92	****	

# THE BANK OF NEW YORK MELLON

## CITY OF NEW YORK

### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

July 31, 2012

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>US EQUITY</b>																
TOTAL RUSSELL 3000	6,020.4	14.37%	0.97	-1.53	0.97	10.37	3.87	1.05	17.22	28.29	-37.16	7.32	14.32	1.36	6.80	9.09
RUSSELL 3000			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
			0.02	0.01	0.02	0.03	0.03	0.02	0.29	0.05	0.15	0.00	0.10	0.06	0.00	
BLACKROCK RUSSELL 3000	4,148.5	9.90%	0.98	-1.53	0.98	10.38	3.84	0.95	17.04	28.21	-37.29	7.30	14.21	1.25	6.74	1.98
STATE STREET R3000	1,871.9	4.47%	0.95	-1.55	0.95	10.33	3.92	1.19	****	****	****	7.35	****	****	****	12.73
RUSSELL 3000			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
BLACKROCK RUSSELL 3000			0.01	0.02	0.01	0.01	0.00	0.01	0.11	0.13	0.02	0.03	0.01	0.05	0.06	
STATE STREET R3000			0.04	0.01	0.04	0.07	0.08	0.17	****	****	****	0.03	****	****	****	
TOTAL STANDARD & POORS 500	3,437.7	8.21%	1.36	-0.86	1.36	10.82	5.03	1.74	14.90	26.45	-37.11	8.72	13.87	0.95	6.24	1.31
AMALGAMATED S & P 500 INDEX	3,437.7	8.21%	1.36	-0.86	1.36	10.82	5.03	1.74	14.90	26.45	-37.11	8.72	13.87	0.95	6.24	1.46
STANDARD & POORS 500			1.39	-0.78	1.39	11.01	5.45	2.11	15.06	26.47	-37.00	9.13	14.12	1.13	6.33	
TOTAL STANDARD & POORS 500			0.03	0.08	0.03	0.19	0.42	0.37	0.16	0.02	0.11	0.41	0.25	0.18	0.09	
AMALGAMATED S & P 500 INDEX			0.03	0.08	0.03	0.19	0.42	0.37	0.16	0.02	0.11	0.41	0.25	0.18	0.09	
TOTAL SMALL CAP	1,198.1	2.86%	-1.08	-3.62	-1.08	6.92	-4.34	-4.50	29.84	38.79	-42.32	-1.26	15.48	0.97	7.91	6.04
RUSSELL 2000			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			0.30	0.31	0.30	0.11	2.27	0.33	2.99	11.61	8.52	1.45	1.77	0.72	0.71	
TOTAL SMALL CAP PASSIVE	463.3	1.11%	-1.38	-3.28	-1.38	7.16	-2.01	****	****	****	****	0.28	****	****	****	2.72
BLACKROCK R2000	463.3	1.11%	-1.38	-3.28	-1.38	7.16	-2.01	****	****	****	****	0.28	****	****	****	2.72
RUSSELL 2000			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
TOTAL SMALL CAP PASSIVE			0.00	0.03	0.00	0.13	0.07	****	****	****	****	0.09	****	****	****	
BLACKROCK R2000			0.00	0.03	0.00	0.13	0.07	****	****	****	****	0.09	****	****	****	
TOTAL SMALL CAP ACTIVE	734.8	1.75%	-0.89	-3.82	-0.89	6.83	-5.73	-6.63	29.84	38.79	-42.32	-2.15	14.58	0.50	****	4.77
RUSSELL 2000			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			0.49	0.51	0.49	0.20	3.66	2.46	2.99	11.61	8.52	2.34	0.87	1.19	****	
TOTAL SMALL CAP CORE ACTIVE	138.0	0.33%	0.34	-2.42	0.34	7.35	-13.23	-10.13	31.75	45.44	****	-5.34	14.30	****	****	14.79
DARUMA ASSET MANAGEMNT	138.0	0.33%	0.34	-2.42	0.34	7.35	-13.23	-10.13	31.75	45.44	****	-5.34	14.30	****	****	14.79
RUSSELL 2000			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
TOTAL SMALL CAP CORE			1.72	0.89	1.72	0.32	11.15	5.96	4.90	18.26	****	5.53	0.59	****	****	
DARUMA ASSET MANAGEMNT			1.72	0.89	1.72	0.32	11.15	5.96	4.90	18.26	****	5.53	0.59	****	****	
RAFI ENHANCED SMALL CO.	596.8	1.42%	-1.18	-4.16	-1.18	6.85	-3.39	-4.70	29.59	34.62	****	-1.15	15.29	****	****	6.20
RUSSELL 2000			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			0.20	0.85	0.20	0.18	1.31	0.52	2.74	7.44	****	1.34	1.58	****	****	
TOTAL MID CAP	2,079.3	4.96%	-0.05	-4.76	-0.05	7.87	-2.29	****	****	****	****	1.21	****	****	****	2.63
RUSSELL MIDCAP			0.23	-3.86	0.23	8.22	-1.65	-1.55	25.47	40.46	-41.46	2.28	16.20	1.87	9.59	
			0.28	0.90	0.28	0.35	0.63	****	****	****	****	1.07	****	****	****	
TOTAL MID CAP PASSIVE	2,079.3	4.96%	-0.05	-4.76	-0.05	7.87	-2.29	****	****	****	****	1.21	****	****	****	2.63
SSGA S&P 400	2,079.3	4.96%	-0.05	-4.76	-0.05	7.87	-2.29	****	****	****	****	1.21	****	****	****	2.63
S&P MIDCAP INDEX 400			-0.04	-4.76	-0.04	7.85	-2.33	-1.73	26.64	37.38	-36.23	1.20	16.06	3.45	9.31	
TOTAL MID CAP PASSIVE			0.00	0.00	0.00	0.01	0.04	****	****	****	****	0.01	****	****	****	
SSGA S&P 400			0.00	0.00	0.00	0.01	0.04	****	****	****	****	0.01	****	****	****	
TOTAL LARGE CAP	1,723.0	4.11%	0.90	-1.51	0.90	9.39	3.04	0.66	16.74	27.39	****	7.21	13.90	****	****	3.81
RUSSELL 1000			1.19	-1.40	1.19	10.68	4.37	1.50	16.10	28.43	-37.60	7.96	14.26	1.25	6.65	
	1,723.0		0.29	0.12	0.29	1.28	1.34	0.84	0.64	1.04	****	0.75	0.36	****	****	

# THE BANK OF NEW YORK MELLON

## CITY OF NEW YORK

### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

July 31, 2012

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
TOTAL LARGE CAP GROWTH	243.8	0.58%	1.23	-4.00	1.23	10.20	4.56	2.33	13.59	****	****	8.36	13.48	****	****	16.86
PROFIT INV MGMT (D)	159.7	0.38%	2.51	-2.86	2.51	11.23	6.05	2.97	9.48	****	****	11.08	12.78	****	****	16.50
CASTLEARK MGMT (D)	84.1	0.20%	-1.12	-6.09	-1.12	8.30	1.93	1.17	21.89	****	****	3.55	14.86	****	****	17.56
RUSSELL 1000 GROWTH			1.34	-2.58	1.34	11.55	5.76	2.64	16.71	37.22	-38.43	8.26	15.35	3.47	6.77	
TOTAL LARGE CAP GROWTH +/-			(0.11)	(1.42)	(0.11)	(1.35)	(1.20)	(0.31)	(3.12)	****	****	0.10	(1.87)	****	****	
PROFIT INV MGMT +/-			1.17	(0.28)	1.17	(0.33)	0.30	0.33	(7.23)	****	****	2.82	(2.57)	****	****	
CASTLEARK MGMT +/-			(2.46)	(3.51)	(2.46)	(3.25)	(3.83)	(1.47)	5.18	****	****	(4.71)	(0.49)	****	****	
TOTAL LARGE CAP VALUE	113.8	0.27%	-0.39	-2.23	-0.39	6.41	-0.43	-1.79	10.60	****	****	2.02	9.77	****	****	13.45
DENALI ADVISORS (D)	113.8	0.27%	-0.39	-2.23	-0.39	6.41	-0.43	-0.34	11.13	****	****	2.02	10.93	****	****	14.74
RUSSELL 1000 VALUE			1.03	-0.17	1.03	9.80	3.01	0.39	15.51	19.69	-36.85	7.64	13.19	-1.06	6.41	
TOTAL LARGE CAP VALUE +/-			(1.42)	(2.06)	(1.42)	(3.39)	(3.44)	(2.18)	(4.91)	****	****	(5.62)	(3.42)	****	****	
DENALI ADVISORS +/-			(1.42)	(2.06)	(1.42)	(3.39)	(3.44)	(0.73)	(4.38)	****	****	(5.62)	(2.25)	****	****	
TOTAL LARGE CAP CORE	232.9	0.56%	1.26	-1.88	1.26	9.65	0.90	-1.94	15.86	****	****	4.86	12.87	****	****	25.67
SEIZERT CAPITAL PRTRNS (D)	120.3	0.29%	0.86	-2.83	0.86	7.11	-0.77	-0.03	15.82	****	****	2.83	13.40	****	****	16.31
PIEDMONT INV ADV (D)	112.6	0.27%	1.69	-0.84	1.69	12.50	2.76	-4.01	15.91	****	****	7.11	12.32	****	****	15.24
RUSSELL 1000			1.19	-1.40	1.19	10.68	4.37	1.50	16.10	28.43	-37.60	7.96	14.26	1.25	6.65	
TOTAL LARGE CAP CORE +/-			0.07	(0.48)	0.07	(1.03)	(3.48)	(3.44)	(0.24)	****	****	(3.10)	(1.39)	****	****	
SEIZERT CAPITAL PRTRNS +/-			(0.32)	(1.44)	(0.32)	(3.57)	(5.14)	(1.53)	(0.28)	****	****	(5.12)	(0.86)	****	****	
PIEDMONT INV ADV +/-			0.50	0.56	0.50	1.82	(1.62)	(5.51)	(0.19)	****	****	(0.84)	(1.94)	****	****	
TOTAL FUNDAMENTAL INDEX LARGE CAP	1,132.5	2.70%	0.89	-0.81	0.89	9.48	3.53	1.24	18.05	26.11	****	8.01	14.61	****	****	4.00
RUSSELL 1000			1.19	-1.40	1.19	10.68	4.37	1.50	16.10	28.43	-37.60	7.96	14.26	1.25	6.65	
+/-			(0.30)	0.58	(0.30)	(1.20)	(0.84)	(0.26)	1.95	(2.32)	****	0.06	0.35	****	****	
VTL S&P 500	278.7	0.67%	0.85	-1.01	0.85	9.89	2.93	0.72	17.47	30.84	****	7.41	14.16	****	****	4.64
STANDARD & POORS 500			1.39	-0.78	1.39	11.01	5.45	2.11	15.06	26.47	-37.00	9.13	14.12	1.13	6.33	
+/-			(0.54)	(0.23)	(0.54)	(1.12)	(2.52)	(1.39)	2.41	4.37	****	(1.72)	0.04	****	****	
RAFI ENHANCED LARGE CO.	853.8	2.04%	0.90	-0.75	0.90	9.34	3.73	2.38	18.99	27.48	****	8.21	15.52	****	****	5.97
RUSSELL 1000			1.19	-1.40	1.19	10.68	4.37	1.50	16.10	28.43	-37.60	7.96	14.26	1.25	6.65	
RAFI ENHANCED LARGE CO. +/-			(0.29)	0.65	(0.29)	(1.34)	(0.65)	0.88	2.89	(0.95)	****	0.25	1.26	****	****	
EMERGING MANAGERS																
TOTAL EMERGING MGRS	673.8	1.61%	0.96	-3.64	0.96	9.34	0.14	-0.20	17.79	28.04	-36.45	3.36	13.73	1.58	6.89	7.79
PROGRESS EQUITY	263.6	0.63%	1.22	-3.83	1.22	9.55	-1.02	-1.18	16.81	30.87	-37.03	2.28	13.11	1.36	6.99	7.89
ATTUCKS	203.3	0.49%	0.77	-4.27	0.77	8.53	-0.02	0.50	18.78	24.63	-36.63	3.04	13.97	****	****	0.50
F.I.S FUND MGMT	158.3	0.38%	0.98	-2.78	0.98	10.07	2.21	0.81	16.39	26.79	-35.41	5.50	13.72	1.70	6.63	2.63
CAPITAL PROSPECTS	48.7	0.12%	0.32	-2.80	0.32	9.31	0.60	-0.95	18.56	27.04	-37.64	3.83	13.82	****	****	0.23
RUSSELL 3000			0.99	-1.54	0.99	10.40	3.84	1.03	16.93	28.34	-37.31	7.33	14.22	1.29	6.80	
TOTAL EMERGING MGRS +/-			(0.03)	(2.10)	(0.03)	(1.06)	(3.70)	(1.23)	0.86	(0.30)	0.86	(3.96)	(0.49)	0.29	0.09	
PROGRESS EQUITY +/-			0.23	(2.28)	0.23	(0.85)	(4.86)	(2.21)	(0.12)	2.53	0.28	(5.04)	(1.11)	0.07	0.19	
ATTUCKS +/-			(0.22)	(2.73)	(0.22)	(1.87)	(3.86)	(0.52)	1.85	(3.71)	0.68	(4.29)	(0.25)	****	****	
F.I.S FUND MGMT +/-			(0.01)	(1.24)	(0.01)	(0.33)	(1.63)	(0.22)	(0.54)	(1.55)	1.90	(1.83)	(0.50)	0.41	(0.17)	
CAPITAL PROSPECTS +/-			(0.67)	(1.25)	(0.67)	(1.09)	(3.24)	(1.97)	1.63	(1.30)	(0.33)	(3.49)	(0.40)	****	****	

# THE BANK OF NEW YORK MELLON

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### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>ACTIVIST EQUITY</b>																
TOTAL U.S. ACTIVIST RUSSELL 2500	6.0	0.01%	3.74	-6.65	3.74	-4.75	-17.54	-0.19	3.93	20.21	-28.66	-10.89	2.03	-4.81	****	-0.95
			-0.68	-4.10	-0.68	7.57	-2.29	-2.51	26.71	34.40	-36.78	0.88	15.42	2.24	9.31	
			4.42	(2.56)	4.42	(12.32)	(15.25)	2.32	(22.78)	(14.19)	8.12	(11.78)	(13.38)	(7.06)	****	
BREEDEN CAPITAL MANAGEMENT RUSSELL 2500	6.0	0.01%	3.74	-6.65	3.74	-4.75	-17.57	0.42	-3.11	29.42	****	-10.92	2.49	****	****	5.62
			-0.68	-4.10	-0.68	7.57	-2.29	-2.51	26.71	34.40	-36.78	0.88	15.42	2.24	9.31	
			4.42	(2.56)	4.42	(12.32)	(15.28)	2.93	(29.82)	(4.98)	****	(11.80)	(12.93)	****	****	
<b>U.S. ENVIRONMENTAL</b>																
TOTAL U.S. ENVIRONMENTAL RUSSELL 2000	61.6	0.15%	-1.74	-4.74	-1.74	4.04	-1.35	1.17	26.98	29.89	****	0.50	14.90	****	****	5.70
			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			(0.36)	(1.42)	(0.36)	(2.99)	0.73	5.34	0.13	2.71	****	0.31	1.19	****	****	
WALDEN ASSET MGMT RUSSELL 2000	61.6	0.15%	-1.74	-4.74	-1.74	4.04	-1.35	1.17	26.98	29.89	****	0.50	14.90	****	****	5.70
			-1.38	-3.31	-1.38	7.03	-2.08	-4.18	26.85	27.18	-33.80	0.19	13.71	1.69	8.62	
			(0.36)	(1.42)	(0.36)	(2.99)	0.73	5.34	0.13	2.71	****	0.31	1.19	****	****	
<b>NON - US EQUITY</b>																
EAFE GROWTH MSCI EAFE (NET DIVIDEND)	794.7	1.90%	1.59	-4.77	1.59	6.07	-12.72	-12.92	10.16	33.99	-44.76	-9.84	4.40	-3.46	****	6.19
			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
MSCI EAFE GROWTH			1.72	-4.73	1.72	5.97	-12.22	-11.82	12.60	29.91	-42.46	-10.12	5.65	-3.76	****	
			0.45	(0.56)	0.45	1.95	1.11	(0.77)	2.41	2.21	(1.37)	1.61	1.09	2.15	****	
			(0.13)	(0.04)	(0.13)	0.10	(0.50)	(1.09)	(2.44)	4.08	(2.30)	0.28	(1.25)	0.31	****	
TOTAL INTL GROWTH BAILLIE GIFFORD	794.7	1.90%	1.59	-4.77	1.59	6.07	-12.72	-12.92	10.16	33.99	-44.76	-9.84	4.40	-3.46	****	6.19
	382.0	0.91%	1.73	-5.63	1.73	5.08	-12.01	-11.03	17.57	46.55	-44.86	-8.42	7.82	****	****	-2.56
PYRAMIS GLOBAL ADVISORS G.E. (NEW)	315.0	0.75%	1.63	-3.81	1.63	7.33	-10.89	-11.29	10.72	34.05	-42.74	-8.80	6.17	****	****	-4.52
	96.9	0.23%	0.96	-4.89	0.96	5.77	-15.50	-15.62	6.38	28.21	-42.40	-13.00	2.01	****	****	-7.45
MSCI EAFE GROWTH			1.72	-4.73	1.72	5.97	-12.22	-11.82	12.60	29.91	-42.46	-10.12	5.65	-3.76	****	
			(0.13)	(0.04)	(0.13)	0.10	(0.50)	(1.09)	(2.44)	4.08	(2.30)	0.28	(1.25)	0.31	****	
TOTAL INTL GROWTH			0.01	(0.90)	0.01	(0.89)	0.22	0.79	4.97	16.64	(2.40)	1.71	2.17	****	****	
BAILLIE GIFFORD			0.09	0.92	(0.09)	1.35	1.33	0.53	(1.88)	4.14	(0.28)	1.33	0.52	****	****	
PYRAMIS GLOBAL ADVISORS			(0.76)	(0.16)	(0.76)	(0.20)	(3.28)	(3.80)	(6.22)	(1.70)	0.06	(2.87)	(3.64)	****	****	
G.E. (NEW)																
EAFE VALUE MSCI EAFE (NET DIVIDEND)	694.1	1.66%	0.51	-4.16	0.51	2.83	-12.96	-11.01	10.16	33.99	-44.76	-11.17	4.21	-6.12	****	4.52
			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
MSCI EAFE VALUE			0.59	-3.31	0.59	3.10	-14.60	-11.65	3.81	35.06	-43.68	-11.91	1.87	-6.58	****	
			(0.62)	0.04	(0.62)	(1.30)	0.87	1.13	2.41	2.21	(1.37)	0.27	0.90	(0.52)	****	
			(0.07)	(0.86)	(0.07)	(0.27)	1.64	0.63	6.35	(1.07)	(1.08)	0.74	2.34	0.45	****	

# THE BANK OF NEW YORK MELLON

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
TOTAL INTL VALUE	694.1	1.66%	0.51	-4.16	0.51	2.83	-12.96	-11.01	10.07	31.48	-44.99	-11.17	4.21	-6.12	****	4.52
SPRUCEGROVE (NEW)	475.3	1.13%	0.75	-4.66	0.75	5.49	-9.40	-10.12	19.06	34.90	-41.78	-7.59	8.37	****	****	-2.60
MONDRIAN INVESTMENT PARTNERS LTD II	218.1	0.52%	0.00	-3.07	0.00	-0.35	-10.72	-2.94	3.98	25.02	****	-9.51	4.41	****	****	-4.06
MSCI EAFE VALUE			0.59	-3.31	0.59	3.10	-14.60	-11.65	3.81	35.06	-43.68	-11.91	1.87	-6.58	****	
TOTAL INTL VALUE +/-			(0.07)	(0.86)	(0.07)	(0.27)	1.64	0.63	6.26	(3.58)	(1.31)	0.74	2.34	0.45	****	
SPRUCEGROVE (NEW) +/-			0.16	(1.35)	0.16	2.39	5.21	1.53	15.25	(0.16)	1.90	4.32	6.50	****	****	
MONDRIAN INVESTMENT PARTNERS LTD II +/-			(0.59)	0.24	(0.59)	(3.45)	3.88	8.71	0.17	(10.04)	****	2.40	2.54	****	****	
TOTAL PASSIVE DEVELOPED	993.3	2.37%	0.99	-4.17	0.99	4.37	-13.29	-12.50	8.18	32.26	-42.78	-11.10	3.39	-5.28	6.66	4.80
SSGA	993.2	2.37%	0.99	-4.17	0.99	4.37	-13.29	****	****	****	****	-11.10	****	****	****	-6.81
MSCI EAFE (NET DIVIDEND)			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
TOTAL PASSIVE +/-			(0.14)	0.03	(0.14)	0.24	0.54	(0.36)	0.43	0.48	0.61	0.35	0.08	0.33	0.30	
SSGA +/-			(0.14)	0.03	(0.14)	0.24	0.54	****	****	****	****	0.34	****	****	****	
TOTAL INTL CORE	797.8	1.90%	1.97	-4.72	1.97	4.75	-14.80	-11.82	11.66	37.63	-44.88	-11.30	5.17	-4.94	****	-4.94
THORNBURG	518.3	1.24%	2.50	-3.41	2.50	7.58	-12.39	-11.61	16.28	32.90	-42.20	-8.28	6.80	****	****	-3.50
PHILADELPHIA	279.5	0.67%	1.01	-6.54	1.01	1.08	-17.64	-12.08	6.45	43.38	-47.64	-15.12	3.11	-6.60	****	-6.60
MSCI EAFE (NET DIVIDEND)			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
TOTAL INTL CORE +/-			0.84	(0.52)	0.84	0.63	(0.96)	0.32	3.91	5.85	(1.49)	0.15	1.86	0.67	****	
THORNBURG +/-			1.36	0.79	1.36	3.46	1.44	0.53	8.53	1.12	1.19	3.17	3.49	****	****	
PHILADELPHIA +/-			(0.13)	(2.34)	(0.13)	(3.05)	(3.81)	0.06	(1.30)	11.60	(4.25)	(3.67)	(0.20)	(0.99)	****	
TOTAL PROGRESS INTL	37.9	0.09%	1.32	-4.39	1.32	5.35	-12.53	-13.33	12.96	36.52	-44.31	-10.86	4.81	****	****	-5.52
MSCI EAFE (NET DIVIDEND)			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
+/-			0.18	(0.19)	0.18	1.23	1.30	(1.19)	5.21	4.74	(0.92)	0.58	1.50	****	****	
NON-US ACTIVIST & ENVIRONMENTAL EQUITY																
TOTAL NON-U.S. ENVIRONMENTAL	172.9	0.41%	0.24	-4.20	0.24	8.40	-4.36	-7.75	8.66	40.08	****	-1.37	6.47	****	****	-1.69
GENERATION GE	121.3	0.29%	0.13	-3.85	0.13	8.24	-4.49	-7.77	15.09	48.07	****	-1.55	9.73	****	****	5.88
F&C SGE	51.6	0.12%	0.51	-5.03	0.51	8.79	-4.05	-7.69	13.52	40.22	****	-0.93	9.11	****	****	0.83
MSCI WORLD INDEX			1.31	-2.57	1.31	7.69	-4.42	-5.02	12.34	30.80	-40.33	-1.40	9.06	-1.70	6.81	
TOTAL NON-U.S. ENVIRONMENTAL +/-			(1.07)	(1.64)	(1.07)	0.72	0.05	(2.73)	(3.68)	9.28	****	0.03	(2.59)	****	****	
GENERATION GE +/-			(1.18)	(1.28)	(1.18)	0.55	(0.08)	(2.76)	2.75	17.27	****	(0.15)	0.67	****	****	
F&C SGE +/-			(0.80)	(2.46)	(0.80)	1.11	0.36	(2.67)	1.18	9.42	****	0.46	0.06	****	****	
TOTAL NON-U.S. ACTIVIST	207.9	0.50%	-2.86	-16.28	-2.86	-0.67	-25.49	-24.14	29.33	29.34	****	-24.83	4.65	****	****	4.16
GOVERNANCE FOR OWNERS	207.9	0.50%	-2.85	-16.28	-2.85	-0.67	-25.50	-23.36	36.13	42.60	****	-24.83	8.92	****	****	13.39
MSCI EUROPE SMID CAP INDEX			0.83	-6.89	0.83	6.83	-19.00	-17.56	16.03	53.23	-52.13	-14.72	6.06	****	****	
+/-			(3.68)	(9.39)	(3.68)	(7.50)	(6.49)	(6.58)	13.30	(23.89)	****	(10.10)	(1.40)	****	****	
+/-			(3.68)	(9.39)	(3.68)	(7.50)	(6.50)	(5.80)	20.10	(10.63)	****	(10.10)	2.87	****	****	
TOTAL DEVELOPED MARKETS	3,318.0	7.92%	1.24	-4.44	1.24	4.56	-13.36	-12.11	10.09	33.65	-44.34	-10.81	4.31	-5.03	6.52	5.71
MSCI EAFE (NET DIVIDEND)			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
+/-			0.11	(0.24)	0.11	0.44	0.47	0.03	2.34	1.87	(0.95)	0.64	1.00	0.58	0.16	
TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST	3,698.8	8.83%	0.98	-5.10	0.98	4.38	-13.74	-12.59	11.17	33.66	-44.37	-11.30	4.50	-4.99	****	4.07
MSCI EAFE (NET DIVIDEND)			1.13	-4.20	1.13	4.12	-13.83	-12.14	7.75	31.78	-43.39	-11.45	3.31	-5.61	6.36	
+/-			(0.15)	(0.90)	(0.15)	0.25	0.09	(0.45)	3.42	1.88	(0.98)	0.15	1.19	0.62	****	

# THE BANK OF NEW YORK MELLON

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### Manager / Benchmark Comparison Report \*NYC Employees' Retirement System

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>EMERGING MARKETS</b>																
TOTAL EMERGING MARKETS	2,576.7	6.15%	1.69	-3.84	1.69	7.86	-13.32	-18.76	26.33	86.55	-54.13	-12.18	10.37	0.71	****	10.56
ACTIVE EMERGING MARKETS	1,598.0	3.81%	1.69	-3.88	1.69	8.43	-12.97	-18.87	27.43	86.55	-54.13	-11.77	10.84	0.97	****	10.90
DFA	495.2	1.18%	0.90	-6.25	0.90	6.50	-18.27	-23.73	32.76	93.27	-50.75	-17.62	9.65	1.72	****	12.54
BAILLIE GIFFORD	307.0	0.73%	2.55	-6.95	2.55	2.29	-15.51	-17.76	24.87	89.08	-55.93	-13.16	8.16	-0.63	****	9.48
STATE STREET	0.7	0.00%	0.02	8.04	0.02	20.95	0.06	-16.11	25.68	76.16	-54.78	-0.35	15.42	2.00	****	11.17
ACADIAN	282.5	0.67%	2.61	-5.50	2.61	8.39	-12.32	-15.94	25.57	87.79	-54.82	-10.96	11.98	1.70	****	11.06
EATON VANCE	512.5	1.22%	1.46	****	1.46	****	****	****	****	****	****	****	****	****	****	6.78
FTSE CUSTOM BENCHMARK			2.25	-5.35	2.25	6.23	-15.03	-18.27	24.60	83.92	-52.98	-12.83	9.40	0.67	****	
ACTIVE EMERGING MARKETS +/-			(0.56)	1.47	(0.56)	2.20	2.06	(0.60)	2.83	2.63	(1.15)	1.06	1.44	0.29	****	
DFA +/-			(1.35)	(0.90)	(1.35)	0.27	(3.25)	(5.47)	8.16	9.35	2.23	(4.80)	0.25	1.05	****	
BAILLIE GIFFORD +/-			0.31	(1.60)	0.31	(3.94)	(0.48)	0.51	0.27	5.16	(2.95)	(0.33)	(1.24)	(1.30)	****	
STATE STREET +/-			(2.23)	13.38	(2.23)	14.72	15.09	2.16	1.08	(7.76)	(1.80)	12.47	6.02	1.32	****	
ACADIAN +/-			0.36	(0.16)	0.36	2.16	2.70	2.32	0.97	3.87	(1.84)	1.86	2.58	1.03	****	
EATON VANCE +/-			(0.79)	****	(0.79)	****	****	****	****	****	****	****	****	****	****	
PASSIVE EMERGING MARKETS	976.5	2.33%	1.67	-5.43	1.67	5.13	-15.21	****	****	****	****	-14.27	****	****	****	-11.47
BLACKROCK-EM	976.5	2.33%	1.67	-5.43	1.67	5.13	-15.21	****	****	****	****	-14.27	****	****	****	-11.47
FTSE CUSTOM BENCHMARK			2.25	-5.35	2.25	6.23	-15.03	-18.27	24.60	83.92	-52.98	-12.83	9.40	0.67	****	
PASSIVE EMERGING MARKETS +/-			(0.57)	(0.08)	(0.57)	(1.10)	(0.18)	****	****	****	****	(1.45)	****	****	****	
BLACKROCK-EM +/-			(0.57)	(0.08)	(0.57)	(1.10)	(0.18)	****	****	****	****	(1.45)	****	****	****	
TOTAL INTERNATIONAL EQUITY	6,275.5	14.98%	1.25	-4.59	1.25	5.46	-13.62	-14.05	14.04	41.07	-46.01	-11.47	5.65	-3.91	7.67	6.23
MSCI WORLD INDEX			1.31	-2.57	1.31	7.69	-4.42	-5.02	12.34	30.80	-40.33	-1.40	9.06	-1.70	6.81	
+/-			(0.06)	(2.02)	(0.06)	(2.22)	(9.21)	(9.04)	1.70	10.27	(5.68)	(10.07)	(3.41)	(2.21)	0.86	
<b>HEDGE FUNDS</b>																
TOTAL HEDGE FUNDS	946.6	2.26%	0.29	-0.84	0.29	1.16	-2.14	****	****	****	****	-2.33	****	****	****	-1.71
1 YEAR TREASURY BILL YIELD + 4%			0.43	1.09	0.43	2.45	4.26	****	****	****	****	4.38	****	****	****	7.83
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.81	-1.10	0.81	2.29	-3.45	****	****	****	****	-3.16	****	****	****	5.75
+/-			(0.14)	(1.93)	(0.14)	(1.30)	(6.40)	****	****	****	****	(6.71)	****	****	****	
+/-			(0.53)	0.26	(0.53)	(1.14)	1.31	****	****	****	****	0.83	****	****	****	
TOTAL DIRECT HEDGE FUNDS	708.1	1.69%	1.56	0.67	1.56	2.52	****	****	****	****	****	****	****	****	****	2.52
D.E. SHAW COMPOSITE FD	204.3	0.49%	****	0.91	-0.07	4.83	****	****	****	****	****	****	****	****	****	4.83
BREXAN HOWARD	189.3	0.45%	****	-1.72	2.37	-2.45	****	****	****	****	****	****	****	****	****	-2.45
BRIGADE LEV CAP STR	113.0	0.27%	****	0.25	0.36	****	****	****	****	****	****	****	****	****	****	1.84
BLUE TREND FD	117.0	0.28%	****	****	6.11	****	****	****	****	****	****	****	****	****	****	****
CASPIAN SELECT CF	84.6	0.20%	****	****	0.00	****	****	****	****	****	****	****	****	****	****	0.71
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.81	-1.10	0.81	2.29	****	****	****	****	****	****	****	****	****	
MSCI AC WORLD INDEX STD NET			1.37	-3.16	1.37	7.10	****	****	****	****	****	****	****	****	****	
BARCLAYS CAPITAL AGGREGATE			1.38	2.34	1.38	3.78	****	****	****	****	****	****	****	****	****	
TOTAL DIRECT HEDGE FUNDS +/-			0.75	1.77	0.75	0.23	****	****	****	****	****	****	****	****	****	
D.E. SHAW COMPOSITE FD +/-			****	2.01	****	2.54	****	****	****	****	****	****	****	****	****	
BREXAN HOWARD +/-			****	(0.62)	****	****	****	****	****	****	****	****	****	****	****	
BRIGADE LEV CAP STR +/-			****	1.35	****	****	****	****	****	****	****	****	****	****	****	
BLUE TREND FD +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
CASPIAN SELECT CF +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
TOTAL PERMAL HEDGE FUNDS OF FUNDS	238.5	0.57%	-3.31	-4.95	-3.31	-3.22	-2.89	****	****	****	****	-6.56	****	****	****	-5.63
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.81	-1.10	0.81	2.29	-3.45	****	****	****	****	-3.16	****	****	****	
+/-			(4.13)	(3.85)	(4.13)	(5.51)	0.56	****	****	****	****	(3.40)	****	****	****	

# THE BANK OF NEW YORK MELLON

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FIXED INCOME																
TOTAL STRUCTURED FIXED INCOME	7,594.6	18.13%	1.81	3.04	1.81	5.49	9.24	8.85	9.42	9.65	3.27	9.32	9.19	8.33	6.75	8.76
NYC - CORE PLUS FIVE			1.77	3.05	1.77	4.83	9.35	9.40	7.13	6.28	6.64	9.27	7.99	7.98	6.41	
			0.04	(0.01)	0.04	0.67	(0.11)	(0.55)	2.29	3.37	(3.37)	0.05	1.21	0.35	0.34	
ALL MORTGAGE	3,028.5	7.23%	0.86	1.37	0.86	3.40	5.64	6.19	9.12	9.15	3.67	5.67	7.47	7.20	5.77	7.56
PIMCO	778.4	1.86%	0.90	1.33	0.90	3.30	5.36	6.35	8.35	9.30	4.48	5.61	7.26	7.43	5.93	7.81
NEUBERGER BERMAN -MORT	755.3	1.80%	0.99	1.41	0.99	3.19	4.77	5.73	****	****	****	4.89	****	****	****	5.75
BLACKROCK	720.6	1.72%	0.80	1.41	0.80	4.38	6.77	6.04	8.81	10.93	2.28	6.68	7.69	7.37	5.82	6.57
WELLINGTON -MORT	299.1	0.71%	0.75	1.22	0.75	2.47	5.49	7.01	6.02	****	****	5.21	6.07	****	****	6.07
GOLDMAN SACHS -MORT	298.4	0.71%	0.80	1.51	0.80	3.09	6.23	6.57	5.80	****	****	6.06	5.98	****	****	5.98
SMITH BREENEN -MORT	176.8	0.42%	0.75	1.24	0.75	3.00	5.36	6.00	6.40	****	****	5.32	5.94	****	****	5.94
CITIGROUP MORTGAGE INDEX			0.79	1.20	0.79	2.49	5.05	6.38	5.50	5.76	8.49	4.92	5.51	6.81	5.43	
ALL MORTGAGE +/-			0.08	0.17	0.08	0.91	0.59	(0.19)	3.62	3.39	(4.82)	0.75	1.96	0.39	0.34	
PIMCO +/-			0.11	0.13	0.11	0.80	0.30	(0.03)	2.85	3.54	(4.01)	0.69	1.76	0.62	0.50	
NEUBERGER BERMAN -MORT +/-			0.20	0.21	0.20	0.70	(0.28)	(0.65)	****	****	****	(0.03)	****	****	****	
BLACKROCK +/-			0.02	0.22	0.02	1.89	1.72	(0.33)	3.31	5.17	(6.21)	1.76	2.19	0.56	0.39	
WELLINGTON -MORT +/-			(0.04)	0.02	(0.04)	(0.02)	0.43	0.63	0.52	****	****	0.29	0.56	****	****	
GOLDMAN SACHS -MORT +/-			0.01	0.31	0.01	0.60	1.17	0.19	0.30	****	****	1.14	0.48	****	****	
SMITH BREENEN -MORT +/-			(0.03)	0.04	(0.03)	0.51	0.30	(0.38)	0.90	****	****	0.40	0.44	****	****	
ALL INVESTMENT GRADE CREDIT	3,487.8	8.33%	2.69	3.90	2.69	7.81	9.36	7.82	9.63	20.37	-6.68	9.88	10.32	8.16	7.30	7.83
PRUDENTIAL - CREDIT	932.1	2.23%	2.66	3.92	2.66	7.39	9.85	8.28	9.01	19.47	-2.40	10.33	9.97	8.98	7.60	7.69
T. ROWE PRICE -CREDIT	688.8	1.64%	2.73	3.77	2.73	8.23	9.60	8.08	10.54	20.33	-4.18	9.96	11.09	9.10	7.56	8.13
BLACKROCK - CREDIT	695.4	1.66%	2.72	4.11	2.72	8.07	9.72	7.75	9.56	18.44	-5.39	10.29	10.07	8.31	7.21	7.51
TAPLIN, CANIDA -CREDIT	595.2	1.42%	2.48	3.60	2.48	7.24	8.32	7.88	9.33	23.02	-12.92	8.62	10.48	6.69	6.99	7.46
BARROW HANLEY - CREDIT	576.4	1.38%	2.85	4.10	2.85	8.30	8.94	6.78	9.97	****	****	9.86	****	****	****	9.74
NYC - INVESTMENT GRADE CREDIT			2.72	3.83	2.72	7.31	9.14	7.80	8.36	16.36	-4.06	9.68	9.41	7.74	6.75	
ALL INVESTMENT GRADE CREDIT +/-			(0.03)	0.07	(0.03)	0.50	0.23	0.03	1.27	4.01	(2.62)	0.20	0.91	0.42	0.55	
PRUDENTIAL - CREDIT +/-			(0.05)	0.09	(0.05)	0.08	0.72	0.48	0.65	3.11	1.66	0.66	0.55	1.23	0.85	
T. ROWE PRICE -CREDIT +/-			0.01	(0.05)	0.01	0.92	0.46	0.28	2.18	3.97	(0.12)	0.29	1.68	1.36	0.81	
BLACKROCK - CREDIT +/-			0.01	0.28	0.01	0.76	0.58	(0.05)	1.20	2.08	(1.33)	0.61	0.66	0.56	0.46	
TAPLIN, CANIDA -CREDIT +/-			(0.24)	(0.23)	(0.24)	(0.07)	(0.82)	0.09	0.97	6.66	(8.86)	(1.05)	1.07	(1.06)	0.24	
BARROW HANLEY - CREDIT +/-			0.14	0.27	0.14	0.99	(0.20)	(1.01)	1.61	****	****	0.18	****	****	****	
ALL TREASURY / AGENCY	1,078.3	2.57%	1.97	5.31	1.97	5.51	18.62	18.35	9.55	-6.56	17.73	17.29	11.03	10.18	7.59	8.51
PIMCO	466.1	1.11%	1.97	5.34	1.97	5.73	18.60	18.07	10.17	-4.80	15.74	17.20	11.30	10.36	7.75	8.43
BLACKROCK -GOVT	431.3	1.03%	1.99	5.32	1.99	5.36	18.61	18.59	9.14	****	****	17.40	10.83	****	****	10.83
STATE STREET	180.9	0.43%	1.91	5.19	1.91	5.29	18.69	18.51	8.93	-6.54	18.90	17.28	10.83	10.29	7.65	8.83
NYC - TREASURY AGENCY PLUS FIVE			1.99	5.27	1.99	5.32	18.72	18.44	9.24	-7.44	18.91	17.30	10.77	10.08	7.55	
ALL TREASURY / AGENCY +/-			(0.02)	0.04	(0.02)	0.19	(0.10)	(0.09)	0.31	0.88	(1.18)	(0.01)	0.26	0.10	0.04	
PIMCO +/-			(0.02)	0.07	(0.02)	0.41	(0.12)	(0.38)	0.93	2.64	(3.17)	(0.10)	0.53	0.27	0.19	
BLACKROCK -GOVT +/-			(0.01)	0.06	(0.01)	0.05	(0.11)	0.15	(0.10)	****	****	0.10	****	****	****	
STATE STREET +/-			(0.08)	(0.07)	(0.08)	(0.02)	(0.03)	0.07	(0.31)	0.90	(0.01)	(0.03)	0.06	0.21	0.09	

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HIGH YIELD																
TOTAL ENHANCED YIELD	2,660.2	6.35%	1.39	1.87	1.39	7.86	6.31	5.73	14.24	40.25	-18.55	6.37	12.97	9.09	9.96	8.31
CITIGROUP BB & B			1.89	2.93	1.89	8.73	8.45	6.58	13.35	40.37	-25.10	8.94	13.00	7.32	9.39	
			0.49	1.06	0.49	0.87	2.14	0.85	0.89	0.12	6.55	2.58	0.02	1.77	0.57	
LOOMIS SAYLES	556.6	1.33%	1.09	1.43	1.09	8.86	6.22	7.60	16.36	52.81	-23.17	5.68	16.16	10.59	12.07	9.56
NYC-LOOMIS (BoFA ML-MST II 7-03/BB&B PRIOR)			1.92	2.73	1.92	9.13	6.51	4.38	15.19	57.51	-26.39	7.23	14.58	9.26	10.69	
			0.83	1.30	0.83	0.27	0.30	3.22	1.17	4.70	3.22	1.55	1.58	1.33	1.38	
T. ROWE PRICE	530.0	1.27%	1.74	2.62	1.74	7.87	6.27	4.96	14.14	43.67	-19.96	6.65	12.78	9.01	9.62	9.20
NEUBERGER BERMAN	509.0	1.22%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
SHENKMAN	316.4	0.76%	1.49	2.19	1.49	7.02	6.95	5.34	11.70	29.38	-12.87	7.34	10.68	8.18	****	7.55
STONE HARBOR	300.8	0.72%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
PENN	200.6	0.48%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
FORT WASHINGTON	195.4	0.47%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
HIGH YIELD TRANSITION -ACCOUNT	51.4	0.12%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CITIGROUP BB & B			1.89	2.93	1.89	8.73	8.45	6.58	13.35	40.37	-25.10	8.94	13.00	7.32	9.39	
T. ROWE PRICE			0.15	0.32	0.15	0.86	2.17	1.61	0.79	3.30	5.14	2.29	0.22	1.69	0.23	
NEUBERGER BERMAN			****	****	****	****	****	****	****	****	****	****	****	****	****	
SHENKMAN			0.40	0.74	0.40	1.71	1.49	1.24	1.65	10.99	12.23	1.60	2.32	0.86	****	
STONE HARBOR			****	****	****	****	****	****	****	****	****	****	****	****	****	
PENN			****	****	****	****	****	****	****	****	****	****	****	****	****	
FORT WASHINGTON			****	****	****	****	****	****	****	****	****	****	****	****	****	
TIPS																
TOTAL TIPS MANAGERS	939.3	2.24%	1.80	3.02	1.80	5.96	12.13	13.50	6.47	10.15	-0.66	10.08	10.34	8.50	****	6.66
PIMCO-TIPS-MTA	544.2	1.30%	1.78	3.08	1.78	6.14	12.36	13.34	6.57	10.24	-0.88	10.37	10.38	8.51	****	6.61
STATE STREET-TIPS-MTA	232.1	0.55%	1.82	2.91	1.82	5.83	11.68	13.61	6.34	10.00	-0.96	9.44	10.29	8.36	****	6.90
BLACKROCK-TIPS	163.0	0.39%	1.84	2.94	1.84	5.52	11.95	13.82	6.34	10.02	0.22	9.97	10.26	8.61	****	7.38
BARCLAYS CAPITAL US TIPS INDEX			1.90	3.02	1.90	6.01	11.66	13.56	6.37	11.41	-2.35	9.49	10.31	8.37	7.26	
TOTAL TIPS MANAGERS			0.09	0.01	0.09	0.05	0.47	0.06	0.10	1.26	1.69	0.59	0.03	0.14	****	
PIMCO-TIPS-MTA			0.11	0.06	0.11	0.13	0.70	0.22	0.20	1.17	1.47	0.88	0.07	0.15	****	
STATE STREET-TIPS-MTA			0.07	0.11	0.07	0.18	0.02	0.05	0.03	1.41	1.39	0.05	0.02	0.01	****	
BLACKROCK-TIPS			0.06	0.09	0.06	0.49	0.29	0.26	0.03	1.39	2.57	0.48	0.05	0.25	****	
CONVERTIBLE BONDS																
TOTAL CONVERTIBLE BONDS	550.3	1.31%	0.86	-0.56	0.86	6.32	-2.09	-3.02	14.54	33.08	****	0.67	9.43	****	****	3.79
BoFA ML ALL CONVERTIBLES EX MANDATORY			0.61	-1.15	0.61	7.56	-1.68	-3.42	16.52	47.19	-33.02	1.06	11.44	3.63	****	
NYCERS CUSTOM CONVERTIBLE BOND INDEX			0.80	-0.93	0.80	6.69	-1.59	-3.33	12.53	39.96	****	0.85	9.27	****	****	
			0.26	0.59	0.26	1.24	0.41	0.39	1.98	14.11	****	0.39	2.01	****	****	
			0.07	0.37	0.07	0.37	0.51	0.31	2.01	6.88	****	0.18	0.16	****	****	
ADVENT CONVERTIBLE BONDS	264.7	0.63%	1.14	0.27	1.14	6.88	-0.61	-1.59	14.96	36.66	****	2.09	10.26	****	****	6.33
BoFA ML CONVERTIBLES YIELD ALT. INDEX			0.74	0.26	0.74	5.94	-0.41	-1.73	12.98	46.25	****	1.12	9.91	****	****	
			0.39	0.01	0.39	0.95	0.20	0.14	1.98	9.59	****	0.97	0.35	****	****	
LORD ABBETT CONVERTIBLE BONDS	145.2	0.35%	0.35	-1.67	0.35	5.69	-4.96	-5.68	16.94	35.17	****	-2.06	9.41	****	****	3.33
BoFA ML ALL CONVERTIBLES INDEX			0.60	-1.54	0.60	7.23	-3.22	-5.18	16.77	49.13	-35.73	-0.32	10.93	2.64	7.22	
			0.25	0.13	0.25	1.54	1.75	0.50	0.17	13.96	****	1.74	1.52	****	****	

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VICTORY CONVERTIBLE BONDS	140.4	0.34%	0.88	-0.97	0.88	5.90	-1.78	-3.05	11.63	27.36	****	0.92	7.94	****	****	2.87
BofA ML CONVERTIBLE BONDS INVST GRADE			1.05	-1.53	1.05	6.86	-1.23	-3.14	7.89	25.49	****	1.65	6.89	****	****	
+/-			(0.17)	0.56	(0.17)	(0.95)	(0.55)	0.09	3.74	1.87	****	(0.73)	1.05	****	****	
FIXED INCOME EMERGING/DEVELOPING MANAGERS																
TOTAL PROGRESS FIXED EMERGING MGRS	105.2	0.25%	1.49	2.55	1.49	4.64	8.80	8.39	7.43	8.78	6.21	8.51	7.89	7.58	7.20	6.79
BARCLAYS CAPITAL AGGREGATE			1.38	2.34	1.38	3.78	7.47	7.84	6.54	5.93	5.24	7.25	6.85	6.91	5.65	
+/-			0.11	0.21	0.11	0.86	1.33	0.55	0.89	2.85	0.97	1.26	1.04	0.68	1.55	
TOTAL CORE PLUS FIXED INCOME	58.1	0.14%	1.72	2.57	1.72	4.89	7.61	8.11	7.46	****	****	7.71	8.22	****	****	8.99
LM CAPITAL - MTA	58.1	0.14%	1.72	2.57	1.72	4.89	7.61	8.11	7.46	****	****	7.71	8.22	****	****	8.99
BARCLAYS CAPITAL AGGREGATE			1.38	2.34	1.38	3.78	7.47	7.84	6.54	5.93	5.24	7.25	6.85	6.91	5.65	
CORE PLUS FIXED INCOME +/-			0.34	0.23	0.34	1.10	0.14	0.27	0.92	****	****	0.46	1.38	****	****	
LM CAPITAL - MTA +/-			0.34	0.23	0.34	1.10	0.14	0.27	0.92	****	****	0.46	1.38	****	****	
OPPORTUNISTIC FIXED																
TOTAL OPPORTUNISTIC FIXED INCOME^^	434.6	1.04%	0.88	3.28	0.88	14.85	-4.48	-4.40	26.01	19.13	-6.33	-1.81	20.39	****	****	20.05
NYC - JP MORGAN HY PLUS 3%			2.05	2.89	2.05	10.68	10.67	8.73	18.05	61.90	-23.83	11.20	18.16	****	****	
+/-			(1.17)	0.38	(1.17)	4.17	(15.15)	(13.13)	7.96	(42.77)	17.50	(13.01)	2.23	****	****	
^^ since inception irr calculated from Burgis as of 5/31/2012																
TOTAL FUND STRATEGIES	141.5	0.34%	****	****	****	****	****	****	****	****	****	****	****	****	****	5.06
AVE EURO SPECIAL SITUATIONS FD	12.8	0.03%	14.54	-45.21	14.54	1.58	-24.87	-0.86	4.60	65.87	-9.22	-27.21	11.02	****	****	14.54
AVE SPECIAL SITUATIONS FD V	5.1	0.01%	10.91	-0.96	10.91	7.24	-25.95	-4.21	19.07	76.44	-51.42	-26.60	33.27	****	****	10.91
AVE SPECIAL SITUATIONS FD VI	63.2	0.15%	-3.49	-1.46	-3.49	9.63	-1.75	-14.53	****	****	****	-1.71	****	****	****	-3.49
3 MONTH LIBOR PLUS 750BPS			0.64	1.93	0.64	4.58	7.96	7.85	7.85	8.16	10.11	7.97	7.87	****	****	
AVE SPECIAL SITUATIONS FD V +/-			13.90	(47.14)	13.90	(3.00)	(32.83)	(8.71)	(3.25)	57.71	(19.33)	(35.18)	3.15	****	****	
AVE SPECIAL SITUATIONS FD VI +/-			10.27	(2.89)	10.27	2.66	(33.91)	(12.06)	11.22	68.28	(61.53)	(34.57)	25.40	****	****	
AVE EURO SPECIAL SITUATIONS FD +/-			(4.13)	(3.39)	(4.13)	5.05	(9.71)	(22.38)	****	****	****	****	****	****	****	
ALLIANCE BERNSTEIN LEGACY SECS LP	34.5	0.08%	****	****	****	****	****	****	****	****	****	****	****	****	****	13.99
AG GECC LP	25.9	0.06%	****	****	****	****	****	****	****	****	****	****	****	****	****	20.82
NYC-CORE PLUS 5 + 200BPS			1.90	3.49	1.90	5.93	11.35	11.40	9.13	8.28	8.64	11.27	9.99	9.98	****	
TOTAL STRATEGIC MANDATES	293.1	0.70%	1.48	1.45	1.48	11.87	****	****	****	****	****	****	****	****	****	11.87
ANGELO GORDON PTNRS LP	36.0	0.09%	0.00	****	0.00	****	****	****	****	****	****	****	****	****	****	0.00
APOLLO PTNRS LP	62.7	0.15%	0.00	0.01	0.00	****	****	****	****	****	****	****	****	****	****	0.01
FORTRESS PTNRS LP	9.8	0.02%	0.00	0.00	0.00	****	****	****	****	****	****	****	****	****	****	0.00
GOLDENTREE OD MTA	96.7	0.23%	1.56	1.65	1.56	8.21	****	****	****	****	****	****	****	****	****	8.21
MARATHON OD MTA	87.8	0.21%	3.27	3.42	3.27	16.57	****	****	****	****	****	****	****	****	****	16.57
JP MORGAN GLOBAL HIGH YIELD BOND INDEX			1.89	2.38	1.89	9.45	****	****	****	****	****	****	****	****	****	
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			2.05	2.89	2.05	10.68	****	****	****	****	****	****	****	****	****	
TOTAL STRATEGIC MANDATES +/-			(0.57)	(1.44)	(0.57)	1.19	****	****	****	****	****	****	****	****	****	
ANGELO GORDON PTNRS LP +/-			(2.05)	****	(2.05)	****	****	****	****	****	****	****	****	****	****	
APOLLO PTNRS LP +/-			(2.05)	(2.88)	(2.05)	****	****	****	****	****	****	****	****	****	****	
FORTRESS PTNRS LP +/-			(2.05)	(2.89)	(2.05)	****	****	****	****	****	****	****	****	****	****	
GOLDENTREE OD MTA +/-			(0.48)	(1.24)	(0.48)	(2.46)	****	****	****	****	****	****	****	****	****	
MARATHON OD MTA +/-			1.23	0.52	1.23	5.90	****	****	****	****	****	****	****	****	****	

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OTHER FIXED INCOME																
TOTAL ETI	502.9	1.20%	0.88	2.36	0.88	4.07	7.04	6.61	6.87	8.23	6.28	7.04	6.81	7.36	6.45	9.94
EMPLOYEES CUSTOM BENCHMARK (NO CASH)			1.08	1.84	1.08	3.15	6.63	7.66	6.47	5.21	7.01	6.39	6.45	6.95	5.71	
+/-			(0.20)	0.52	(0.20)	0.91	0.40	(1.05)	0.40	3.02	(0.73)	0.65	0.36	0.41	0.74	
AFL-CIO HOUSING INV TRUST	225.6	0.54%	0.99	2.27	0.99	3.66	7.60	7.86	6.16	6.28	5.26	7.34	6.51	6.93	****	5.37
BARCLAYS CAPITAL AGGREGATE			1.38	2.34	1.38	3.78	7.47	7.84	6.54	5.93	5.24	7.25	6.85	6.91	5.65	
+/-			(0.39)	(0.07)	(0.39)	(0.13)	0.13	0.02	(0.38)	0.35	0.02	0.09	(0.34)	0.03	****	
ACCESS RBC	55.2	0.13%	1.01	1.87	1.01	3.49	6.57	6.78	5.72	10.99	6.67	6.68	6.19	7.28	****	6.94
ACCESS CUSTOM BENCHMARK			0.75	1.25	0.75	2.29	5.24	6.32	5.52	2.89	9.67	4.88	5.24	6.43	****	
+/-			0.26	0.63	0.26	1.20	1.33	0.46	0.20	8.10	(3.00)	1.81	0.95	0.84	****	
BOA-PPAR	1.9	0.00%	0.81	2.57	0.81	3.94	6.84	****	7.53	7.53	7.53	7.53	****	****	****	6.64
CFSB-PPAR	2.4	0.01%	1.11	3.62	1.11	5.50	5.67	3.29	12.80	9.82	5.50	6.01	8.33	8.22	****	7.62
CCD-PPAR	5.6	0.01%	0.85	4.83	0.85	6.97	8.83	5.59	11.58	12.48	6.69	9.39	9.40	9.53	****	8.97
LIIF-PPAR	2.0	0.00%	0.76	2.03	0.76	3.79	5.72	4.96	4.34	****	****	5.93	5.65	****	****	5.65
NCBCI-PPAR	1.4	0.00%	1.56	3.66	1.56	5.51	8.88	8.50	4.10	****	****	9.99	6.99	****	****	6.99
NHS-PPAR	1.2	0.00%	0.88	3.13	0.88	5.10	5.04	3.85	9.95	14.83	5.41	5.79	9.60	****	****	8.30
TARGETED INVESTMENT	185.9	0.44%	0.78	2.74	0.78	4.97	7.11	5.76	8.64	10.32	7.69	7.34	7.94	8.38	7.50	10.30
CPC TERM LOAN	21.6	0.05%	0.20	0.63	0.20	1.46	2.34	2.09	2.06	2.19	4.81	2.38	2.17	3.13	****	4.23
CASH																
TOTAL CASH	1,434.9	3.43%	0.03	0.43	0.03	0.72	0.99	0.89	0.49	1.31	3.42	0.90	0.84	1.83	****	2.76
ML 91 DAY TREASURY BILL INDEX			0.01	0.03	0.01	0.05	0.06	0.10	0.13	0.21	2.06	0.07	0.12	0.90	1.85	
+/-			0.02	0.40	0.02	0.68	0.93	0.79	0.36	1.10	1.36	0.83	0.72	0.92	****	
PRIVATE EQUITY																
TOTAL PRIVATE EQUITY	3,488.7	8.33%	-0.81	3.32	-0.81	5.52	7.50	13.78	14.02	-4.17	-2.73	6.48	13.78	5.53	****	11.93
RUSSELL 3000 PLUS 5%			1.36	-0.76	1.36	12.42	8.84	6.03	21.93	33.34	-32.30	12.33	19.23	6.35	11.84	
+/-			(2.17)	4.08	(2.17)	(6.90)	(1.34)	7.76	(7.91)	(37.51)	29.57	(5.84)	(5.45)	(0.82)	****	
PRIVATE REAL ESTATE																
TOTAL PRIVATE REAL ESTATE	1,700.6	4.06%	0.41	2.83	0.41	9.46	17.51	22.28	8.46	-43.87	-7.38	14.95	6.59	-4.37	****	7.06
NCREIF NFI-ODCE NET			0.00	2.29	0.00	4.90	11.31	14.97	15.26	-30.40	-10.70	11.31	7.37	-1.81	****	
+/-			0.41	0.54	0.41	4.56	6.21	7.31	(6.80)	(13.47)	3.32	3.64	(0.78)	(2.55)	****	
TOTAL EMPLOYEES	41,891.3		0.89	-0.64	0.89	7.14	1.32	1.13	13.79	20.98	-26.36	3.09	10.78	2.50	7.34	8.64
EMPLOYEES POLICY BENCHMARK			1.35	-0.15	1.35	7.75	3.01	1.60	13.77	25.03	-28.19	5.22	11.54	3.03	7.53	
+/-			(0.45)	(0.49)	(0.45)	(0.61)	(1.69)	(0.47)	0.02	(4.05)	1.83	(2.13)	(0.76)	(0.52)	(0.19)	

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

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

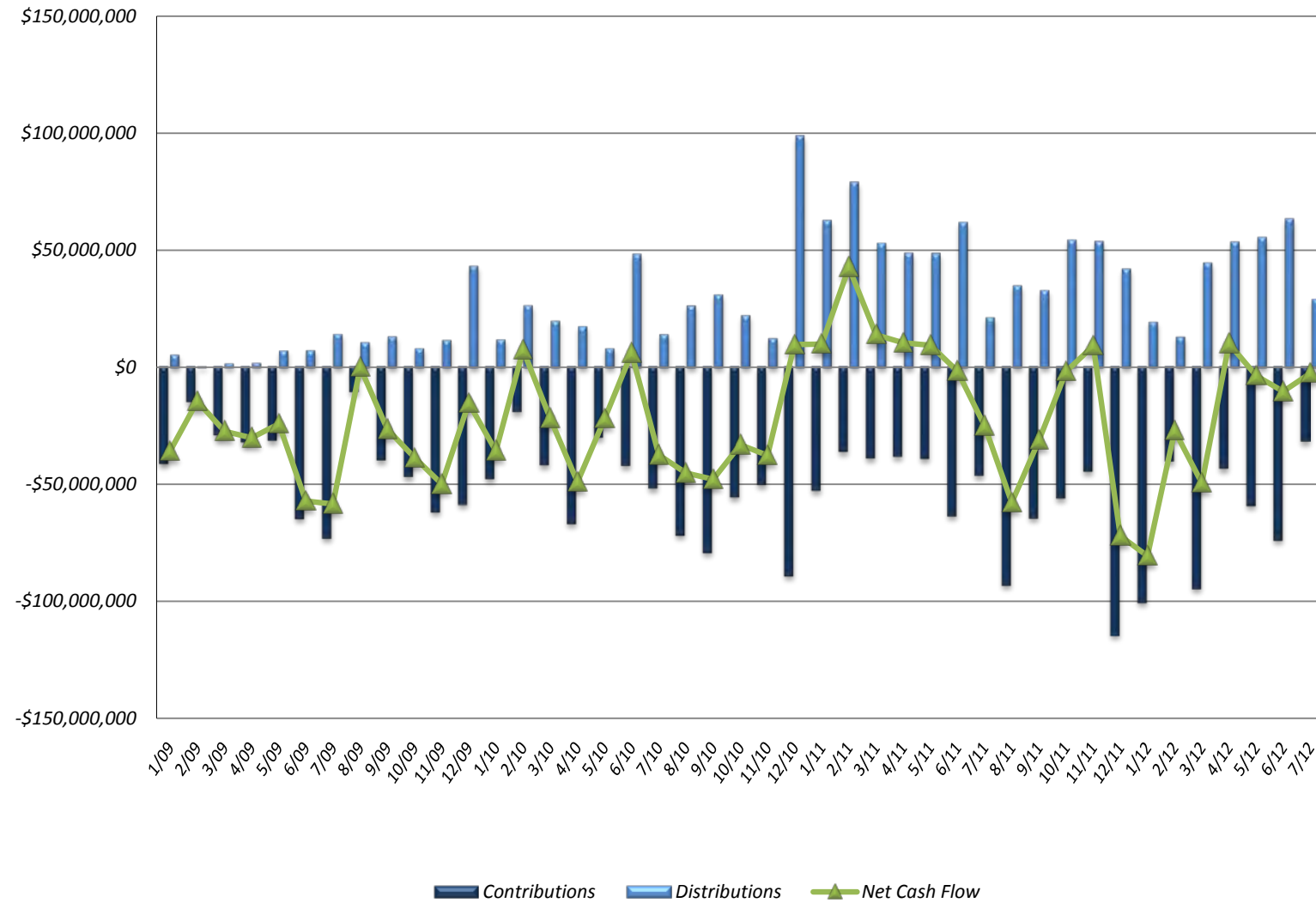
**New York City Employees' Retirement System**  
**Active Investments and Subsequent Commitments**  
**As of March 31, 2012 (in USD)**

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

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

Note: IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated by StepStone Group LLC ("StepStone"), a consultant to the New York City Police Pension Fund, Subchapter 2, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

### NYCERS Monthly PE Cash Flow Summary



## New York City Employees' Retirement System

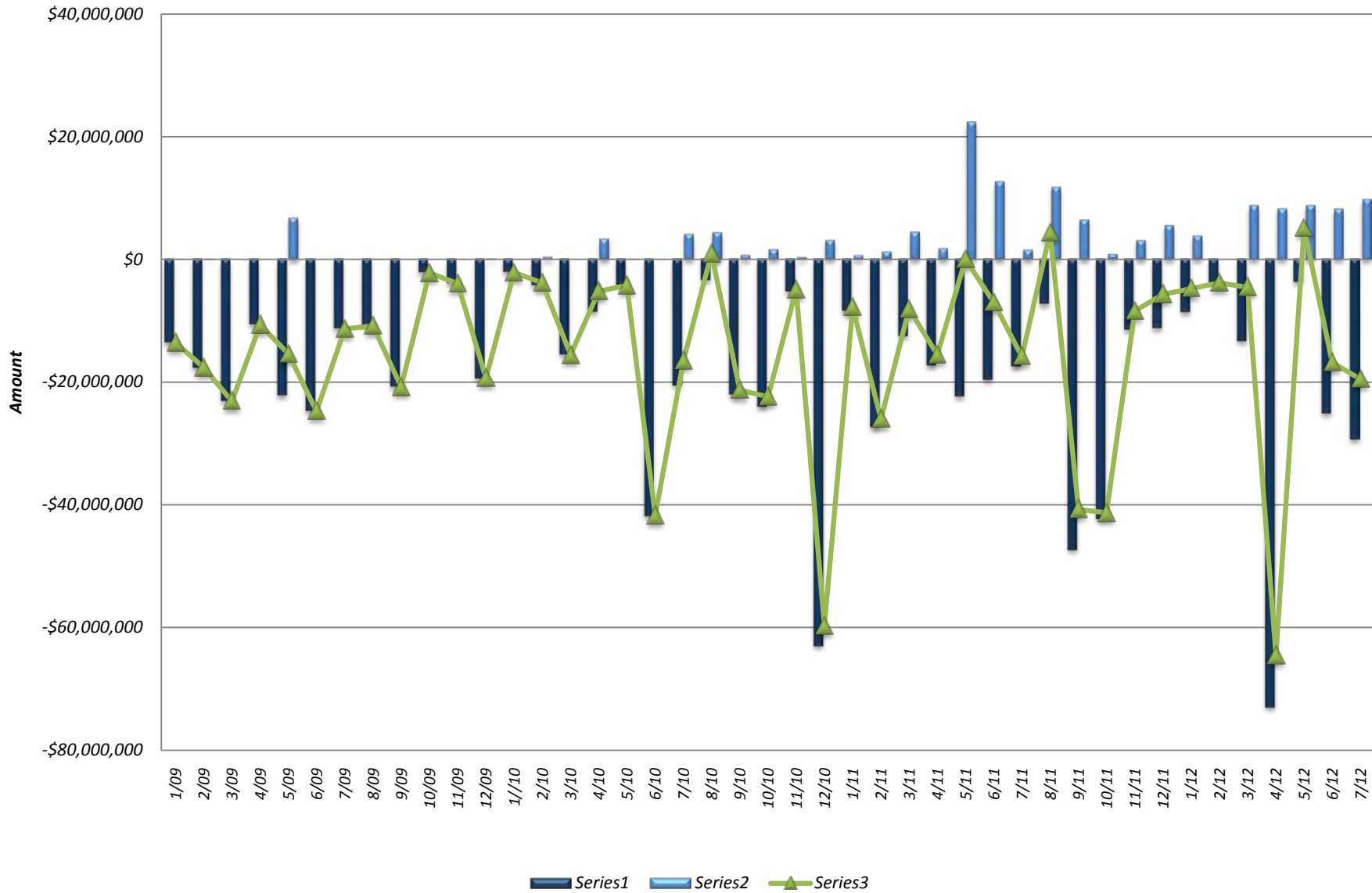
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2003	Canyon Johnson Urban Fund	12/6/2002	\$15,000,000	\$13,456,450	(\$15,403,730)	\$315,044	1.2	10.2%
2004	The City Investment Fund I	3/16/2004	\$225,000,000	\$221,883,300	(\$125,909,728)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

## Funds Closed Subsequent to Quarter

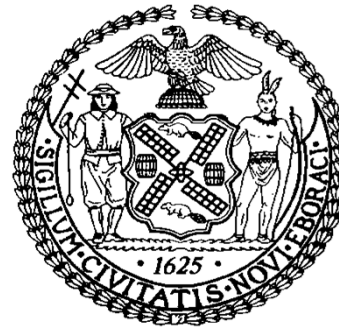
Vintage	Fund Name	First Draw Down	Capital Committed	Contributions
2012	Brookfield Strategic Real Estate Partners		\$100,000,000	-
<b>Grand Total</b>			<b>\$100,000,000</b>	

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

### NYCERS Monthly Real Estate Cash Flow Summary



### III. Emerging Markets Permissible Countries Analysis (Callan):



September 25, 2012

## NYCERS Emerging Markets Permissible Countries Analysis

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**Mark Kline**  
Executive Vice President

**Bud Pellecchia**  
Senior Vice President

**Annoesjka West**  
Vice President

**Andy Iseri, CFA**  
Vice President

**Ho Hwang**  
Assistant Vice President

# Today's Agenda

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- Background
- Methodology
- Results
- Recommendations
- Future Considerations

# Background

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## Goals

- Objective: maintain allocation to emerging markets
  - Higher economic growth – higher risk, higher return
  - Diversification
- Constraint: avoid providing capital to countries that are unfit or undeserving of foreign investment
  - Unfit: poor investor protection, lack of transparency
  - Undeserving: abusive labor practices

# Background

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## Risks of Screening

- Important to avoid making investment judgments on country merit - best left to active managers
- Smaller opportunity set may offer limited return potential relative to unconstrained universe
- Constrained universe may feature different risk, return, and correlation attributes than was used in asset allocation assumptions
  - The lesser developed countries are often the best diversifiers
  - Sector biases may result – the more developed countries have heavy technology weights

# Background

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## Limitations

- Passive use of publicly available information has inherent limitations
  - Lack of transparency in scoring
  - Regular availability of supporting information
  - Backward-looking information
  - Lack of customization
  - Changes in availability
- NYCERS' enhancements address some of these limitations
  - Elimination of volatility/liquidity factor
  - Forward-looking labor factor
  - Increased transparency with individual country labor reports that explain scores

# Methodology

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## Scoring

- Scores are based on six broad equally-weighted factors, each with sub-factors
- Each country's scores are normalized to a range of 1-3, with 3 being the highest
- Countries are eliminated for three reasons:
  - Lowest six overall scores\*
  - If the regulatory/legal score is 1\*\*
  - If the labor score is 1\*\* **and** the forward-looking assessment is negative

*\*Changed from overall score of 1.75 in 2008*

*\*\* After the primary data provider decimalized the scoring, the category score of 1 was then interpreted as a score that rounds to 1.0, e.g., 1.4 or less*

# Methodology

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## Summary of Factors

1. Political Stability (16.7%)
  - Civil liberties, independent judiciary, political risk
2. Transparency (16.7%)
  - Freedom of press, monetary/fiscal transparency, stock exchange listing requirements
3. Market Regulation, Legal System, Investor Protection (16.7%)
  - Financial regulation, creditors' and shareholders' rights
4. Labor Practices (16.7%)
  - Labor laws, institutional capacity, implementation effectiveness, contract labor
  - Forward-looking assessment from Verite
5. Capital Market Openness (16.7%)
  - Trade policy
  - Foreign investment restrictions
  - Banking/finance laws
  - Stock market openness
6. Settlement Proficiency and Transaction Costs (16.7%)
  - Settlement automation/timeliness
  - Commissions, fees, market impact

# Results

## 2012 Factor Scoring

Chile	2.683
Poland	2.592
Taiwan	2.575
Czech Republic	2.537
Hungary	2.416
South Africa	2.394
Malaysia	2.342
Brazil	2.334
Peru	2.260
South Korea	2.251
Mexico	2.217
Thailand	2.192
Colombia	2.176
Philippines	2.143
Turkey	2.141
UAE	2.137
India	2.052
Egypt	2.051
<b>Morocco</b>	<b>2.050</b>
<b>Indonesia</b>	<b>2.023</b>
Argentina*	1.966
<b>China</b>	<b>1.877</b>
<b>Pakistan</b>	<b>1.698</b>
<b>Russia</b>	<b>1.624</b>

\* 2012 Probation

Bold = Prohibited

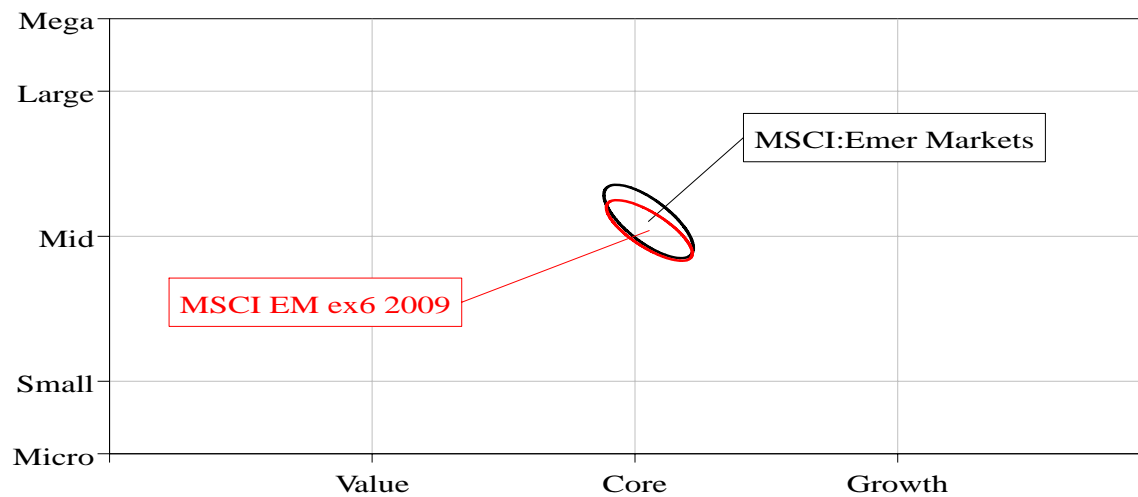
- Average 2012 score was -0.02 lower than 2010 (2.19 vs. 2.21)
- **Columbia** no longer “bottom 6” due to improved Regulatory/Legal, Market Openness and Settlement Proficiency
  - Taken off probationary status
- **Argentina** joins “bottom 6” due to deterioration in Political Stability, Transparency, Labor Practices and Regulatory/Legal
  - Begins 1-year probationary period
- **Egypt** is taken off probation – improved Labor score (1.66 w/2 positive forward looking assessments)
- **Taiwan** and **Brazil** are taken off probation – improved Regulatory/Legal score
- Deal-Breakers
  - No country failed Labor Practices “deal-breaker”
  - **Argentina** and **Russia** failed Regulatory/Legal “deal-breaker”
    - Both were also in the “bottom 6”
- **2012 Prohibited Countries (no change from 2010)**
  - **China, Indonesia, Morocco, Pakistan, Russia**
- **2012 Probation Country (possible prohibition in 2013)**
  - **Argentina**

# Results

## Performance & Style

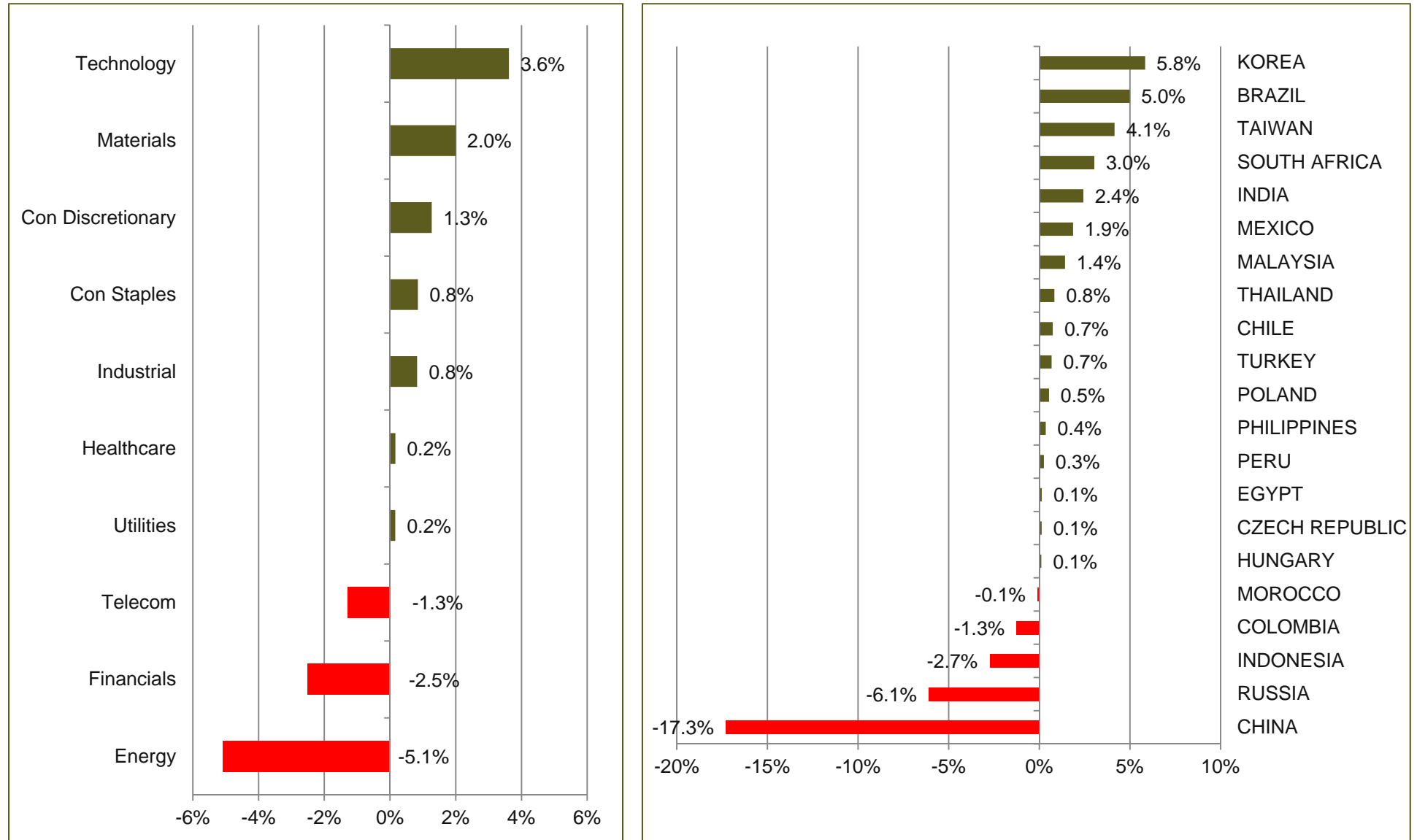
June 30, 2012	1 Quarter	1 Year	3 Years	5 Years	5 Yr SD
ACADIAN	-8.84	-12.32	15.14	2.46	
BAILLIE GIFFORD	-11.59	-15.51	11.72	-0.19	
DFA	-9.65	-18.27	13.97	2.44	
TOTAL ACTIVE EMERGING MARKETS	-7.29	-12.97	14.53	1.63	33.53
<b>FTSE CUSTOM BENCHMARK</b>	<b>-9.38</b>	<b>-15.03</b>	<b>12.41</b>	<b>1.11</b>	<b>32.38</b>
FTSE EMERGING MARKETS	-8.97	-15.61	10.01	0.37	31.79
MSCI EMERGING MARKETS (Net)	-8.89	-15.95	9.77	-0.09	31.75

International Equity Style Map  
Since Inception of MSCI:Emer Markets  
Ended June 30, 2010



# Results

## Sector & Country Differences



# Considerations

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- In 2012 Israel and Jordan were not scored
  - Israel was graduated to developed by FTSE and MSCI
  - Jordan was reclassified as frontier by FTSE and MSCI
- In 2012 the United Arab Emirates was added to the scoring universe since it has been classified as emerging by FTSE
- No change in country universe planned for 2013
- Verite contract expired with this latest report
- The current methodology of deeming the “bottom six” overall scores prohibited (out of 25 countries in 2010) equated to 24% of the country universe
  - This resulted in 19 countries being permissible in 2010
- **Given that the 2012 scoring universe includes 24 countries, the same 24% proportion would equate to 5.76 countries subject to prohibition (rounding to six)**
  - This would result in only 18 countries remaining permissible
  - Consider adjusting exclusion level to “bottom five” of overall scores in 2012
    - *19 countries would be permissible (same as 2010)*
- Inclusion of additional factors should be determined prior to next year’s scoring

2012 Report  
Summary of Methodology**Background**

In May 2001, the New York City Employees Retirement System (NYCERS) allocated a portion of the System's investments to emerging markets. In making this decision, the NYCERS' Board of Trustees was guided by the principle that a well-diversified portfolio will, over time, add value while reducing overall portfolio risk.

Emerging markets currently represent over 80% of the world's population yet only 12% of its investable market capitalization (MSCI ACWI). Over the long-term, emerging markets are expected to generate attractive returns as they grow increasingly important to the world's economy. These returns, however, are expected to continue to be subject to greater volatility relative to more mature economies. Emerging markets often lack the political, social and economic institutions necessary for a stable investment environment. Many of these factors, including legal protections, market regulations, civil liberties and labor rights and protections, are still being developed in emerging market countries. Development in these areas varies widely across emerging countries, and any individual country can change dramatically in a given factor in a short period of time.

NYCERS believes that a number of variables should be assessed prior to an emerging market country being considered investable. Evaluated systematically and collectively, these variables help to define the emerging market investable universe and to set the parameters for investments in companies domiciled in those countries.

**Methodology**

Callan created the Investable Emerging Countries 2012 Report primarily utilizing publicly available reports and data materials on emerging markets. The information is sourced directly from data providers summarized in Section 4 (Data Sources). In previous years, data was gathered from the California Public Employees' Retirement System (CalPERS) website. In 2007, CalPERS ended its practice of screening the emerging markets universe, so data is now gathered directly from publicly available sources and Verite, an independent non-profit social auditing and research organization ("Verite Research") and The PRS Group. Importantly, the use of publicly available information creates a number of limitations:

- Lack of transparency and consistency – In five of the six broad factors, supporting data and scoring methodology are developed and maintained by each data provider and may not reflect a standardized or consistent process. Further, original research and/or specific scoring criteria may not be available. The sixth factor, labor practices, has been supplemented with the detailed country reports being provided to NYCERS by Verite.
- Availability of information – Each data provider publishes information at different times and cover different periods. Further, some providers only update information as material changes occur, hence individual country reports typically cover different periods.
- Backward-looking nature of the information – Reports are based on a snapshot in time for five of the six factors. No adjustments are made for countries that show evidence of improving over

time except to the extent that the country exhibits a year-over-year scoring improvement; however, a country in decline that exhibits the same level of development in a given factor will get the same score as the improving country. In other words, the scores measure the absolute level of compliance with a given standard, without incorporating the trajectory of improvement. The labor factor, however, is the exception.

- Lack of customization – publicly available reports include composite country scores that do not allow for alternative weighting schemes that properly reflect a given user's preferences. For instance, a user may find monetary transparency to be more important than political stability, but the final country score cannot be changed to reflect the alternative weighting without re-engineering the data.

Callan has worked with NYCERS to create a set of factors and factor weights that best address the objectives of the Study as outlined by the Board of Trustees. At Callan's recommendation, the Board dropped the "market volatility and liquidity" factor that was included in the publicly available weighting scheme. This decision was based on the premise that such measures are extremely dynamic and are better judged by portfolio managers actively trading in those markets. Additionally, volatility can often create opportunity. The remaining factors were then equally weighted to take a more neutral approach than the weighting schemes in the public domain.

Research developed by Verite was added for a forward-looking component in order to address the "snapshot" nature of the publicly available reports. Given that most active managers are motivated to take forward-looking views on the other five factors, but are not similarly motivated for labor issues, it was decided that a forward-looking component would enhance the framework in a useful, cost-effective manner. This is especially true in emerging markets, where labor legislation and practices can change rapidly. Verite's country-specific labor practice reports provide education and context to NYCERS' investment decisions.

The starting list of emerging countries included the 26 MSCI Emerging Markets Free Index countries as of year-end 2003—the dominant emerging markets index in the U.S. institutional fund marketplace. FTSE will be used to create an emerging markets benchmark that is comprised of the countries that constitute the "investable emerging countries" list. FTSE is a leading provider of global equity benchmarks in Europe and increasingly in the United States.

MSCI modified its Emerging Market Index between 2007 and 2010. In 2007, Venezuela was removed from their family of indices. In 2008, Jordan was downgraded to the Frontier Index. In 2009, Argentina and Pakistan were downgraded to their Frontier Index. In 2010, Israel was upgraded to MSCI's Developed Markets Index (EAFE/World). MSCI continues to be in a consultation period regarding the potential to add countries to the Emerging Market Index; namely the United Arab Emirates, Qatar and Kuwait. MSCI is also in a consultation period regarding graduating South Korea to developed status. Countries that have been removed from the Emerging Market Index will continue to be scored for a number of years since many actively managed emerging markets investment managers continue to consider investing in companies in these countries. In 2010, however, Venezuela was removed from the scoring universe because MSCI removed the country from its coverage universe. In 2012 the

United Arab Emirates was added to the scoring universe as it gained emerging market status by FTSE. Future adjustments to the country universe will be considered prior to each year's scoring.

Countries scored in 2012 include:

- |                  |                        |
|------------------|------------------------|
| ▪ Argentina      | ▪ Morocco              |
| ▪ Brazil         | ▪ Pakistan             |
| ▪ Chile          | ▪ Peru                 |
| ▪ China          | ▪ Philippines          |
| ▪ Colombia       | ▪ Poland               |
| ▪ Czech Republic | ▪ Russia               |
| ▪ Egypt          | ▪ South Africa         |
| ▪ Hungary        | ▪ South Korea          |
| ▪ India          | ▪ Taiwan               |
| ▪ Indonesia      | ▪ Thailand             |
| ▪ Malaysia       | ▪ Turkey               |
| ▪ Mexico         | ▪ United Arab Emirates |

Each country's total score is based on six equally-weighted broad factors:

- Political Stability
- Transparency
- Labor Practices
- Regulatory / Legal Capacity
- Capital Market Openness
- Settlement Proficiency / Transaction Costs

Within each of these factors, numerous sub-factors are also scored. Some of the sub-factors have components to their scores as well. Most of the labor sub-factors have a forward-looking assessment of the degree to which labor practices in a given country are improving or deteriorating. The forward-looking assessments are used to modify the factor scores upward or downward incrementally based on the direction and magnitude of the assessment.

## Description of the Factors

**Political Stability:** Political stability, including progress towards the development of basic democratic institutions and principles, such as guaranteed elimination of human rights violations (such as torture) and a strong and impartial legal system, all of which are necessary to ensure political stability, support

free market development and attract and retain long-term sources of capital. This macro-factor shall include the following sub-factors:

a) *Civil Liberties*: The extent to which countries permit freedom of expression, association and organizational rights, rule of law and human rights, free trade unions and effective collective bargaining, personal autonomy and economic rights. A score of 3 (highest) means that a country has relatively good civil liberties and a score of 1 (lowest) means civil liberty conditions are poor.

b) *Independent Judiciary and Legal Protection*: The extent to which countries have independent judiciaries, the degree to which or the absence of irregular payments made to the judiciary and the extent to which there is a trusted legal framework that honors contracts and clearly delineates ownership of and protects financial assets, favoritism in decisions of government officials and the extend of organized crime present in the country. A score of 1 (lowest) to 3 (highest) is used where the higher score indicates greater overall legal protection.

c) *Political Risk*: A score reflecting government stability, a high quality of socioeconomic conditions and a positive investment profile. This sub-factor evaluates internal and external conflict, corruption, the military and religious influence in politics, law and order, ethnic tensions, democratic accountability and bureaucratic quality. A score of 1 (lowest) to 3 (highest) is used where the highest score conveys lower overall political risk in that country.

**Transparency**: Financial transparency, including elements of a free press necessary for investors to have truthful, accurate and relevant information on the conditions in the countries and companies in which they are investing. This macro-factor shall include the following sub-factors:

a) *Freedom of the Press*: The structure of the news delivery system in a country and the laws and their promulgation with respect to their influence of the news, the degree of political influence and control, economic influences on the news and the extent of any violations against the media with respect to physical violations and censorship. A score of 3 indicates the press in a country is free and a score 1 conveys it is not.

b) *Monetary and Fiscal Transparency*: This score reflects how governmental monetary and fiscal policies and implementation are publicly available in a clear and timely manner, in accordance with international standards. A score of 1 (lowest) to 3 (highest) is used where the higher score indicates the greatest transparency.

c) *Stock Exchange Listing Requirements*: This sub-factor evaluates the stringency of stock exchange listing requirements for public companies with respect to frequency of financial reporting, the requirement of annual independent audits and minimum financial viability. A score of 3 means the listing requirements are most stringent, and a score of 1 indicates the least stringent requirements.

d) *Accounting Standards*: This sub-factor evaluates a country's adherence to internationally acceptable quality in terms of accounting and auditing standards. A score of 3 means the standards are being met with full compliance, and a score of 1 indicates non-compliance.

**Market Regulation/Legal System/Investor Protection:** This category analyzes a broad set of factors that together comprise a large portion of the investment climate within a country. This category attempts to identify the degree of legal protection for foreign investors within a country, as well as shareholder and creditors' rights. The following sub-factors are analyzed:

- a) *Adequacy of Financial Regulation:* A score of 1 (lowest) to 3 (highest) is assigned, with higher scores reflecting greater financial regulatory and supervisory stringency.
- b) *Investor Protections:* This segment reflects the adequacy of investor protections in each market in the case of bankruptcy proceedings/reorganization. A score of 1 (lowest) to 3 (highest) is assigned, with higher scores reflecting a higher level of investor protections.
- c) *Shareholders' Rights:* This segment reflects the adequacy of shareholders rights in each market. A score of 1 (lowest) to 3 (highest) is assigned, with higher scores reflecting stronger regulations regarding shareholders' rights.

**Capital Market Openness:** Openness to foreign investment is a critical barometer of a government's commitment to free market policies. Markets are viable if they have the ability to attract and retain long-term sources of capital. Further, markets are evaluated based on the level of restriction imposed on foreign investors. The following sub-factors are evaluated:

- a) *Trade Policy:* This sub-factor measures the degree to which there is oppressive government interference in free trade through deterrents such as trade barriers and punitive tariffs.
- b) *Foreign Investment:* This sub-factor examines governmental barriers to the free flow of capital from foreign sources through the imposition of restrictions on foreign ownership of local assets, repatriation restrictions and unequal treatment of foreigners and locals under the law.
- c) *Banking and Finance:* This sub-factor looks at undue government control of banks and financial institutions and measures such issues as government ownership of banks and allocation of credit and the degree of freedom financial institutions have to offer all types of financial services, securities and insurance policies. Protectionist-banking regulations against foreigners are also evaluated.
- d) *Stock Market Foreign Ownership Restrictions:* This sub-factor examines local stock market restrictions on share ownership of public companies by foreigners. A score of 1 (lowest) to 3 (highest) is assigned, with higher scores reflecting a greater level of market openness.

**Settlement Proficiency/Transaction Costs:** Cost effective, efficient settlement of securities transactions is critical as the world moves to one-day settlement. This factor measures the efficiency and the cost effectiveness of transacting in the markets included in this analysis.

- a) *Settlement Proficiency:* This segment illustrates whether a country's trading and settlement is automated and measures the success of the market in settling transactions in a timely, efficient manner. A score of 1 (lowest) to 3 (highest) is assigned, with higher scores reflecting an automated, efficient operational process.

b) *Transaction Costs*: This sub-factor measures the costs associated with trading in a particular market and includes trading costs (market impact, commissions, and fees) and tax withholding rates. High trading costs tax the returns and increase the hurdle rate of managers investing in these markets. Markets that impose a high level of taxes, or have a high level of trading costs, receive a low score. A score of 1 (lowest) to 3 (highest) is assigned, with higher scores reflecting a lower level of transaction costs.

## Non-Publicly Sourced Factor

**Labor Practices:** The labor factor measures the degree to which a given country's labor laws and practices are in compliance with the standards set by the International Labor Organization (ILO). This evaluation is conducted by Verite. Verite's sub-factors are:

*Laws (30% of total score)*: This category measures the degree to which ILO conventions are put into law, as well as measuring any deficiencies in the laws. Freedom of association, forced labor, child labor and labor equality are considered along with work conditions. Each of these sub-factors is given a forward-looking score as well.

*Institutional Capacity (20% of total score)*: This score refers to the ability of a given country to implement, enforce and monitor compliance with the laws at national and local levels. It includes government and non-government institutions.

*Effectiveness of Implementation (50% of total score)*: This category measures the degree to which the laws and institutional capacity have been effective in ensuring proper labor standards consistent with the ILO conventions.

Additionally, Verite provides forward-looking scores for most of the components in the sub-factors above. The forward-looking scores are aggregated, and the total labor practice score is then adjusted upward or downward proportionately to the magnitude and direction of the forward-looking assessment. Verite also provides NYCERS with two red flags. They are not part of the score, but may serve as a useful benchmark for future progress. The first red flag indicates the presence of a significant population of foreign contract laborers with widespread abuses of labor laws. The second red flag indicates the weakening of labor protections in Export Processing Zones (EPZs).

## Other Notes on Methodology

### Exclusion from Investable Universe

For reporting periods 2007 and prior, countries with an overall score of 1.75 or lower were excluded from the investable universe. In 2008 the convention was changed to exclude the six lowest scoring countries—a convention that remains today. Since 2009 Venezuela was excluded as the country has been removed from all MSCI indices.

During the 2009 scoring process, excluding six of the 25 countries in the scoring universe at that time equated to eliminating 24 percent of the universe (by country count). As the number of countries

making up the emerging markets universe fluctuates a decision will be made, prior to subsequent scoring, whether the cut off remains six (24 percent), or a different level. **2012 scoring includes a universe of 24 countries. Excluding six countries currently eliminates 25 percent of country universe (by count).**

## Probation Periods

A probation period is used to minimize turnover given the high trading costs in emerging markets. The probation period is initiated when a previously investable country fails to be permissible according to methodology in effect at the time of scoring. To avoid liquidating positions in the country in one year and then adding it back possibly the following year if it should score back above the threshold, a one-year probationary period will be used, during which the investment will be maintained. However, a second consecutive year below the threshold requires exclusion. The probation period also allows additional time to research the rationale for exclusion (e.g., if a country is excluded due to a low Regulatory/Legal score, an in-depth analysis of the Regulatory/Legal sub-categories will take place during the probation period). Results based on the rationale for exclusion analysis could lead to extended probation periods.

## Deal Breakers

In addition to the elimination of the six countries with the lowest overall scores (revised from “score below 1.75” in 2008), two deal breaker rules were established in 2004 and remain in place today:

- Any country with a regulation/legal score of 1\* is to be eliminated regardless of total score.
- Any country with a labor practices score of 1\* and a negative forward-looking assessment is to be eliminated regardless of total score.

***\*After the primary data provider decimalized the scoring, the category score of 1 was then interpreted as a score which rounds to 1.0, e.g., 1.4 or less.***

#### IV. Procurement Search Process (Pat Stryker):

**PROPOSED AMENDMENTS TO  
BAM'S AMENDED PILOT SEARCH PROCESS FOR  
PUBLIC EQUITY AND FIXED INCOME INVESTMENT MANAGERS FOR  
THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM (NYCERS)**

The Bureau of Asset Management (BAM) has proposed the use of an amended manager search and selection process for the engagement of public equity and fixed-income investment managers for NYCERS as permitted in accordance with Section 3-12 of the City of New York's Procurement Policy Board Rules (PPB). BAM shall incorporate the following requirements into any proposal submitted to the PPB for approval of the proposed amended search process:

- 1) For each manager search, BAM will issue a Notice of Search describing a) the desired investment approach; b) the minimum required qualifications a manager should possess with respect to performance record, assets under management, regulatory requirements and such other qualifications as BAM shall determine; and c) where and when such information must be provided in order for a manager and product to be considered for an engagement. At least 10 days prior to the issuance of each Notice of Search, BAM shall provide a draft of the Notice of Search to the Trustees.
- 2) After the General Investment Consultants for the five City Funds have made selections of qualified investment managers, BAM shall then compile the list of managers recommended by the five consultants and, for the purpose of selecting investment managers for NYCERS, rank them by the highest total score using the following method:

Managers recommended by Callan shall be given 51 points; and

Managers recommended by the other four General Investment Managers shall not collectively total more than 49 points.

- 3) Prior to BAM making recommendations to the Investment Committee, BAM shall provide the Trustees the opportunity to meet with and interview managers on a schedule determined by BAM.
- 4) BAM shall present its recommendations to the NYCERS Investment Committee which must approve any manager selection.

V. Emerging Manager Sub-Committee update (Manhattan BP):

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
CAL. NO. R –**

**WHEREAS**, the New York City Employees' Retirement System (NYCERS) has a longstanding policy to seek investments in emerging managers to improve diversification of assets and strategies, and the performance of investments for plan beneficiaries, consistent with the fiduciary responsibility of the Board of Trustees;

**WHEREAS**, emerging manager investments offer advantages in terms of expanding access to innovative strategies, greater competition and a larger universe of talent;

**WHEREAS**, several pension funds in the U.S., including New York State's, have formal requirements to conduct outreach on emerging managers strategies and annual reporting on implementation of emerging manager strategies;

**WHEREAS**, the New York City Employees' Retirement System has one of the most robust emerging manager programs in the nation in a variety of asset classes including domestic equity, international equity, fixed income, private equity, real estate and hedge funds and seeks to continually strengthen this program, including but not limited to improving ways of evaluating the efficacy of investment strategies, promoting the program's transparency and accountability, and expanding the diversity and pool of talent from which it draws; therefore be it

**RESOLVED**, that the Board hereby adopts the attached changes to NYCERS' Investment Policy Statement that would require the Bureau of Asset Management ("BAM") to work with the Board to (1) conduct a public relations campaign to publicize NYCERS' emerging manager strategies to increase the pool and diversity of talent which NYCERS can access (2) conduct an annual report on investments with emerging managers and the progress of emerging managers strategies with appropriate data disaggregation including but limited to data regarding African American, Asian American, Latino, Native American and women ownership and (3) systematically identify qualified emerging managers, compile a database of such entities and conduct an annual conference to promote emerging manager strategies.

## DRAFT ADDITION TO INVESTMENT POLICY STATEMENT ON EMERGING MANAGERS

### EXISTING POLICY:

#### D. Emerging Managers

The Fund seeks to employ Emerging Managers. Emerging Managers are asset managers the Board believes will add significant value to the Fund through implementation of investment strategies consistent with the Board's asset allocation and other policies, but which, because of size, length of track record, or other similar factors, have not been awarded contracts through the Board's Manager selection process. Smaller Emerging Managers are typically retained pursuant to a Manager of Managers arrangement, while larger Emerging Managers may be retained directly. The Board implements its Emerging Manager program through a competitive RFP process.

### PROPOSED ADDITIONAL POLICY LANGUAGE:

The Emerging Manager program shall include, but not be limited to, the following actions and objectives to support the program:

- 1) Periodic advertising of the existence of the strategy established in this section so that Emerging Managers are aware of the opportunities made available by this strategy
- 2) An annual report on:
  - a. Investments with Emerging Managers, including a comparative analysis of assets invested with Emerging Managers relative to assets invested with all Managers, and
  - b. The progress and success of the efforts undertaken during such period to achieve the goals of the Emerging Manager strategy
- 3) Maintenance and updating of a database of Emerging Managers in consultation with other fiduciary entities
- 4) A periodic, but not less than annual, conference to promote the Emerging Manager strategy

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## CAL. NO. R -1

**WHEREAS**, the New York City Employees' Retirement System has a longstanding policy to seek investments in emerging managers to improve diversification of assets and strategies, and the performance of investments for plan beneficiaries, consistent with the fiduciary responsibility of the Board of Trustees;

**WHEREAS**, emerging manager investments offer advantages in terms of expanding access to innovative strategies, greater competition and a larger universe of talent,;

**WHEREAS**, the New York City Employees' Retirement System believes that it would be beneficial to review its emerging managers policy to ensure that specific programs and/or practices are in place that meet with the overall mission and objectives of the System; therefore be it

**RESOLVED**, that the Bureau of Asset Management ("BAM"), working with the Board's consultants, shall outline to the Board and subsequently undertake a comprehensive study of the asset classes in which emerging managers have historically provided, and are expected to continue to provide, equivalent or superior risk-adjusted, benchmark-relative return when compared to more established peers (the "Study") and present these findings in a report to the Board (the "Report"); and be it further

**RESOLVED**, that once the Study is completed and the Report is presented to the Board of Trustees (the "Report"), the Board directs BAM as needed to comprehensively re-evaluate NYCERS' Investment Policy Statement for emerging manager policy for all asset classes and strategies and develop recommendations for the Board on improvements for prudent investment in emerging managers; and be it further;

**RESOLVED**, that following consideration of the Report by the Board, BAM is directed as needed to work with the Board to evaluate the resource needs for this initiative in the context of the total set of priorities given to BAM by the Board and advise the Board on the need for an investment professional or professional advisor to work with BAM and with the Board to develop, monitor and review its emerging manager policy; and be it further

**RESOLVED**, that upon adoption of any changes to the System's Investment Policy Statement relative to emerging managers, and the approval and hire, if desired by the Board, of dedicated emerging manager staff or external consulting resources, BAM and the Board's consultants shall develop and present a Strategic Implementation Plan for the emerging manager program to the Board for its consideration.

The foregoing is a true copy of a resolution adopted by the Board of Trustees on March 27, 2012

(Signed)



Executive Director

## APPENDICES:

Basket Clause

## NYCERS - BASKET/NON BASKET SUMMARY

As of July 31st, 2012						
<b>Equity</b>	<b>Adjusted Fund Policy</b>			<b>Fund Actual (PE &amp; RE on an invested basis)</b>		
	<b>Non Basket*</b>	<b>Basket*</b>	<b>Total</b>	<b>Non Basket*</b>	<b>Basket*</b>	<b>Total</b>
<b>Domestic Equity</b>	34.30%	0.00%	34.30%	36.28%	0.00%	36.28%
<b>Non-U.S. Equity</b>	10.00%	7.00%	17.00%	10.00%	4.98%	14.98%
<b>Private Equity</b>	0.00%	7.00%	7.00%	0.00%	8.33%	8.33%
<b>Real Estate</b>	4.10%	0.00%	4.10%	4.06%	0.00%	4.06%
<b>Hedge Funds</b>	0.00%	2.30%	2.30%	0.00%	2.26%	2.26%
<b>Total Equity</b>	<b>48.40%</b>	<b>16.30%</b>	<b>64.70%</b>	<b>50.34%</b>	<b>15.57%</b>	<b>65.91%</b>
<b>Fixed Income</b>						
<b>Core+5</b>	22.40%	0.40%	22.80%	18.13%	0.00%	18.13%
<i>U.S. Gov't Sector</i>	<i>4.76%</i>	<i>0.00%</i>	<i>4.76%</i>	<i>2.57%</i>	<i>0.00%</i>	<i>2.57%</i>
<i>Mortgage Sector</i>	<i>9.09%</i>	<i>0.00%</i>	<i>9.09%</i>	<i>7.23%</i>	<i>0.00%</i>	<i>7.23%</i>
<i>Credit Sector</i>	<i>8.55%</i>	<i>0.40%</i>	<i>8.95%</i>	<i>8.33%</i>	<i>0.00%</i>	<i>8.33%</i>
<b>High Yield</b>	5.60%	0.40%	6.00%	5.79%	0.56%	6.35%
<b>Bank Loans</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TIPS</b>	4.25%	0.25%	4.50%	2.02%	0.42%	2.44%
<b>Convertibles</b>	1.00%	0.00%	1.00%	1.31%	0.00%	1.31%
<b>Opportunistic Fixed Income</b>	0.00%	1.00%	1.00%	0.00%	1.04%	1.04%
<b>Other Fixed Income</b>	0.00%	0.00%	0.00%	4.98%	0.03%	5.02%
<b>Total Fixed Income</b>	<b>33.25%</b>	<b>2.05%</b>	<b>35.30%</b>	<b>32.24%</b>	<b>2.05%</b>	<b>34.29%</b>
<b>Total Fund</b>	<b>81.65%</b>	<b>18.35%</b>	<b>100.00%</b>	<b>82.58%</b>	<b>17.62%</b>	<b>100.20%</b>
<b>Remaining Capacity</b>		6.65%			7.38%	

\* Note: Basket amounts are estimates

## Liquidity Analysis

# NYCERS Liquidity Profile - Static Analysis

9/17/12

AUM as of June 30, 2012

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$15,118	\$15,118	\$15,118	\$15,118
International Equity	4,069	4,069	4,069	4,069
Emerging Markets	2,534	2,534	2,534	2,534
Hedge Funds	929	447	482	929
Private Equity	3,655	0	0	0
Private Real Estate	1,670	0	0	0
Core + 5	7,226	7,226	7,226	7,226
TIPS	923	923	923	923
Opportunistic Fixed Income	435	326	435	435
Enhanced Yield	2,624	2,624	2,624	2,624
Convertible Bonds	546	546	546	546
ETI	500	278	477	500
Cash	1,391	1,391	1,391	1,391
<b>Total Assets</b>	<b>\$41,621</b>	<b>\$35,483</b>	<b>\$35,825</b>	<b>\$36,295</b>
<b>Total Illiquid \$</b>		<b>\$6,138</b>	<b>\$5,795</b>	<b>\$5,326</b>
<b>Total Illiquid %</b>		<b>14.7%</b>	<b>13.9%</b>	<b>12.8%</b>
Unfunded PE Commitments	\$2,146			
Unfunded RE Commitments	735			
Unfunded OFI Commitments	757			
<b>Total commitments \$</b>	<b>\$3,638</b>			
<b>Total commitments %</b>	<b>8.7%</b>			

## Denominator Effect - Decrease AUM by One-Third

<b>Total Illiquid \$</b>	<b>\$6,138</b>	<b>\$5,795</b>	<b>\$5,326</b>
<b>Total Illiquid %</b>	<b>22.1%</b>	<b>20.9%</b>	<b>19.2%</b>

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

## NYCERS Liquidity Profile - Static Analysis

9/17/12

AUM as of June 30, 2012

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Total Assets	\$41,621	\$35,483	\$35,825	\$36,295

### Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$429	\$858
Unfunded RE Commitments Drawn	147	294
Unfunded OFI Commitments Drawn	379	0
<b>Total commitments \$</b>	<b>\$955</b>	<b>\$1,152</b>
<b>Total commitments %</b>	<b>2.3%</b>	<b>2.8%</b>

<b>Total Illiquid \$</b>	\$6,750	\$6,478
<b>Total Illiquid %</b>	16.2%	15.6%

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

### Denominator Effect - Decrease AUM by One-Third

<b>Total Illiquid \$</b>	\$6,138	\$6,750	\$6,478
<b>Total Illiquid %</b>	22.1%	24.3%	23.3%

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