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## MEMORANDUM

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

FROM: Scott C. Evans

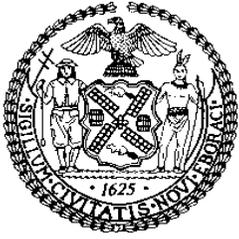
DATE: August 27, 2015

RE: Teachers' Retirement System of the City of New York Investment Meeting –  
September 3, 2015

Enclosed is a copy of the **public agenda** for the Thursday, September 3, 2015 Investment Meeting. *The meeting will be held at 55 Water Street – 16<sup>th</sup> Floor, New York, NY (beginning at 9:30am).*

Please remember to bring your **Quarterly Performance Overview book** with you to the meeting, it will be delivered to you.

If you have questions about any agenda item, please give me a call at 212-669-8318.



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Scott M. Stringer  
COMPTROLLER

# TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

## INVESTMENT MEETING

SEPTEMBER 3, 2015

LOCATION:  
55 Water Street  
16<sup>th</sup> Floor  
NYC

## INVESTMENT MEETING

SEPTEMBER 3, 2015

## PUBLIC AGENDA

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• Quarterly Review/Annual Review – June 30, 2015 (To be distributed)	---
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II. July Monthly Performance Review: (30 Minutes)	73
III. Trustee Education (Corporate Governance & Responsible Investing Overview): (30 Minutes)	130
IV. Asset Allocation Update: (15 Minutes)	---

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# PUBLIC AGENDA

## I. Performance Reviews:

## QUARTERLY REPORTS

Quarterly Review/Annual Review  
(To be distributed)

## ETI Quarterly Report

# TRS Pension Fund - Economically Targeted Investments Quarterly Report

## Public/Private Apartment Rehabilitation Program (PPAR)

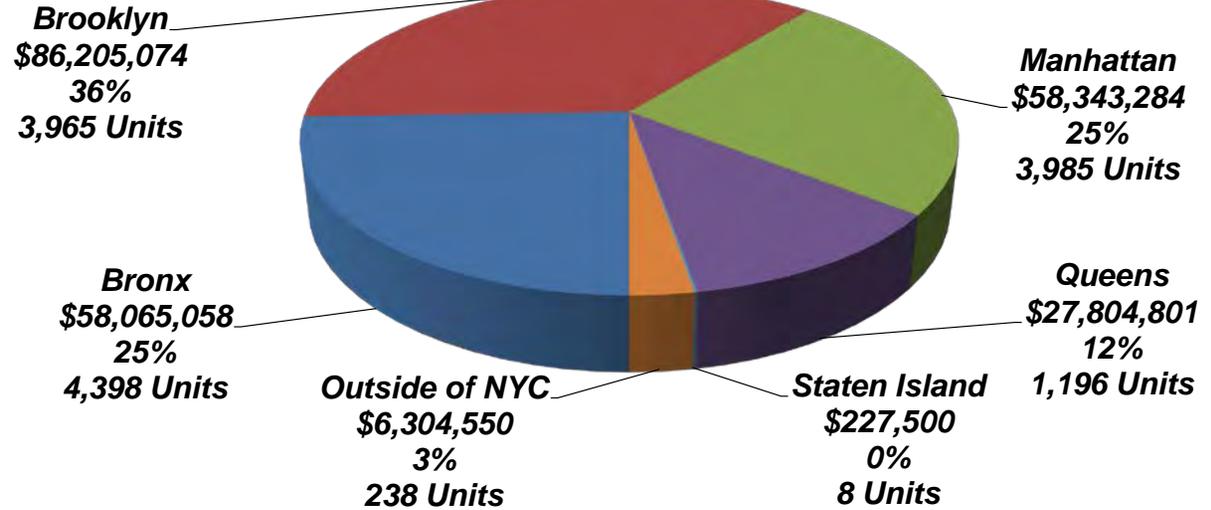
Lenders*	BOA		CCD		CFSB		CPC		LIIF		NCBCI		NHS		Wells Fargo		LISC	
Contractual Commitments	\$30.00 MM		\$40.00 MM		\$9.00 MM		\$250.00 MM		\$25.00 MM		\$12.00 MM		\$3.00 MM		\$20.00 MM		\$10.00 MM	
Current Market Value	\$5.19 MM		\$13.83 MM		\$2.15 MM		\$131.44 MM		\$5.16 MM		\$1.67 MM		\$0.60 MM		\$0.00 MM		\$0.00 MM	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
<b>Commitments 2Q 15</b>																		
<b>(included in total)</b>																		
Bronx	\$0	0	\$2,069,417	66	\$0	0	\$6,465,900	343	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	868,000	50	0	0	1,122,518	41	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	5,833,261	325	0	0	0	0	0	0	3,881,067	103	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>0</b>	<b>\$2,937,417</b>	<b>116</b>	<b>\$0</b>	<b>0</b>	<b>\$13,421,679</b>	<b>709</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$3,881,067</b>	<b>103</b>	<b>\$0</b>	<b>0</b>
<b>Delivered 2Q 15</b>																		
<b>(included in total)</b>																		
Bronx	\$0	0	\$2,694,800	86	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	836,850	35	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	2,172,800	133	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	796,600	21	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>0</b>	<b>\$2,694,800</b>	<b>86</b>	<b>\$0</b>	<b>0</b>	<b>\$3,806,250</b>	<b>189</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>
<b>Total Commitments</b>																		
Bronx	\$1,750,000	60	\$4,888,159	193	\$0	0	\$18,158,430	989	\$1,001,650	74	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	2,526,901	112	868,000	50	0	0	21,447,542	1,179	4,247,788	251	0	0	0	0	0	0	0	0
Manhattan	2,240,000	100	0	0	0	0	25,737,896	1,268	5,827,187	338	0	0	0	0	3,881,067	103	1,921,533	90
Queens	600,000	54	0	0	0	0	9,288,300	406	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	360,000	67	0	0
Outside of NYC	595,000	39	0	0	0	0	6,912,150	186	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$7,711,901</b>	<b>365</b>	<b>\$5,756,159</b>	<b>243</b>	<b>\$0</b>	<b>0</b>	<b>\$81,544,318</b>	<b>4,028</b>	<b>\$11,076,626</b>	<b>663</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$4,241,067</b>	<b>170</b>	<b>\$1,921,533</b>	<b>90</b>
<b>Historical Investments</b>																		
Bronx	\$0	0	\$5,937,550	452	\$0	0	\$51,592,522	3,903	\$534,986	43	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	3,678,417	252	0	0	79,883,177	3,461	2,313,267	245	0	0	330,213	7	0	0	0	0
Manhattan	0	0	3,235,255	283	2,659,482	197	48,079,272	3,245	2,511,247	122	1,605,582	123	252,445	15	0	0	0	0
Queens	5,019,680	239	660,000	54	0	0	22,125,121	903	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	227,500	8	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	6,304,550	238	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$5,019,680</b>	<b>239</b>	<b>\$13,511,222</b>	<b>1,041</b>	<b>\$2,659,482</b>	<b>197</b>	<b>\$208,212,143</b>	<b>11,758</b>	<b>\$5,359,499</b>	<b>410</b>	<b>\$1,605,582</b>	<b>123</b>	<b>\$582,658</b>	<b>22</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>

\*Lenders : Bank of America      Citibank Community Development      Carver Federal Savings Bank      The Community Preservation Corp      Low Income Investment Fund      NCB Capital Impact      Neighborhood Housing Service      Wells Fargo      Local Initiatives Support Corporation

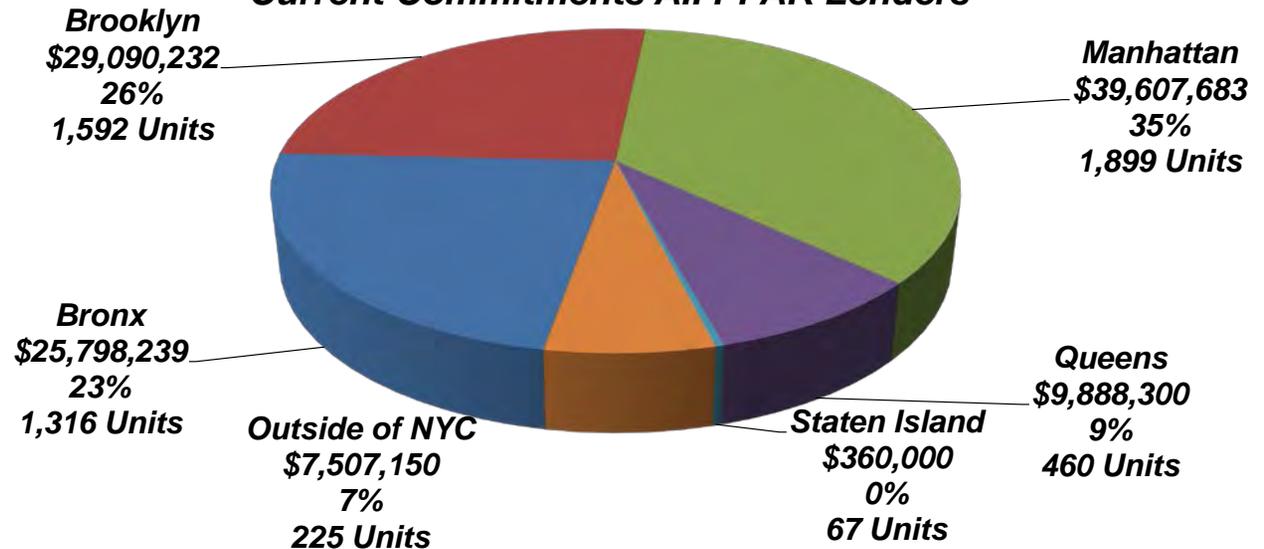
**Public/Private Apartment Rehabilitation Program (PPAR)**

Contractual Commitments	\$399.00 MM	
Current Market Value	\$160.04 MM	
<b>Commitments 2Q 15</b> <i>(included in total)</i>	<b>Dollars</b>	<b>Units</b>
Bronx	\$8,535,317	409
Brooklyn	1,990,518	91
Manhattan	9,714,329	428
Queens	0	0
Staten Island	0	0
Outside of NYC	0	0
<b>Total</b>	<b>\$20,240,164</b>	<b>928</b>
<b>Delivered 2Q 15</b> <i>(included in total)</i>		
Bronx	\$2,694,800	86
Brooklyn	836,850	35
Manhattan	2,172,800	133
Queens	0	0
Staten Island	0	0
Outside of NYC	796,600	21
<b>Total</b>	<b>\$6,501,050</b>	<b>275</b>
<b>Total Commitments</b>		
Bronx	\$25,798,239	1,316
Brooklyn	29,090,232	1,592
Manhattan	39,607,683	1,899
Queens	9,888,300	460
Staten Island	360,000	67
Outside of NYC	7,507,150	225
<b>Total</b>	<b>\$112,251,604</b>	<b>5,559</b>
<b>Historical Investments</b>		
Bronx	\$58,065,058	4,398
Brooklyn	86,205,074	3,965
Manhattan	58,343,284	3,985
Queens	27,804,801	1,196
Staten Island	227,500	8
Outside of NYC	6,304,550	238
<b>Total</b>	<b>\$236,950,266</b>	<b>13,790</b>

**Historical Investments Since Inception All PPAR Lenders**



**Current Commitments All PPAR Lenders**



# TRS Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)  
 Market Value \$217.31 million\*  
 NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013 Multifamily Investments Detail				
Borough	2Q Investments	Investments Since Inception	2Q Housing Units	Housing Units Since Inception
Bronx	\$0	\$52,827,900	0	802
Brooklyn	0	103,890,446	0	5,616
Manhattan	0	174,075,200	0	926
Queens	0	17,760,000	0	1,260
Staten Island	0	6,414,554	0	693
Outside NYC	0	100,000,000	0	137
<b>Total</b>	<b>\$0</b>	<b>\$454,968,100</b>	<b>0</b>	<b>9,434</b>
<b>Grand Total NYCCII Phase II</b>		<b>\$454,968,100</b>		<b>9,434</b>

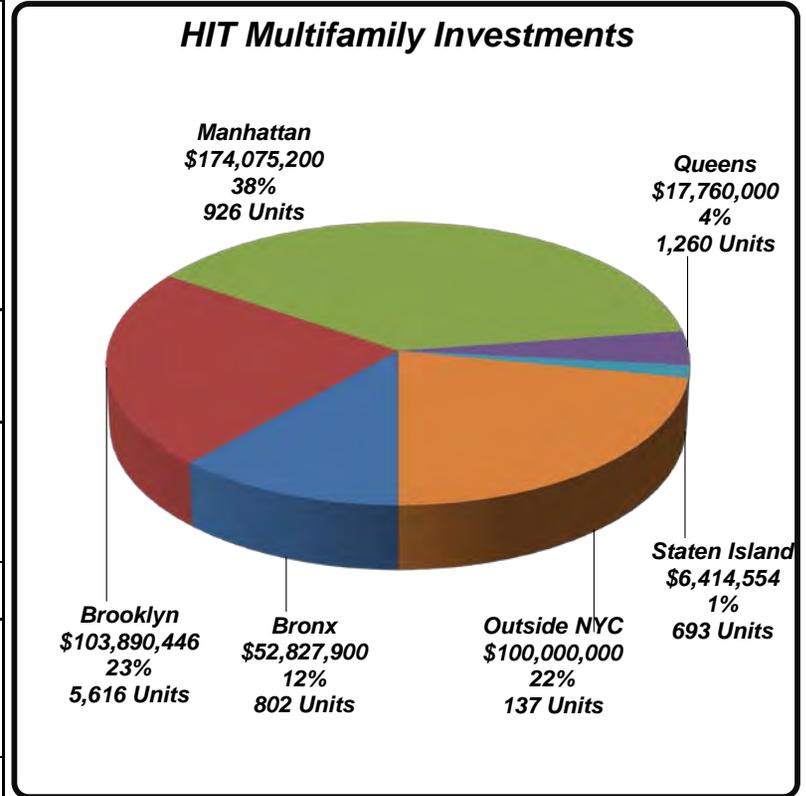
  

NYCCII Phase I 2002-2005				
	Dollars	Units	Member Loans	Total All NYC PF's
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
<b>Total NYCCII Phase I</b>	<b>\$597,424,063</b>	<b>12,337</b>	<b>131</b>	<b>446</b>

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

\*Interest is reinvested

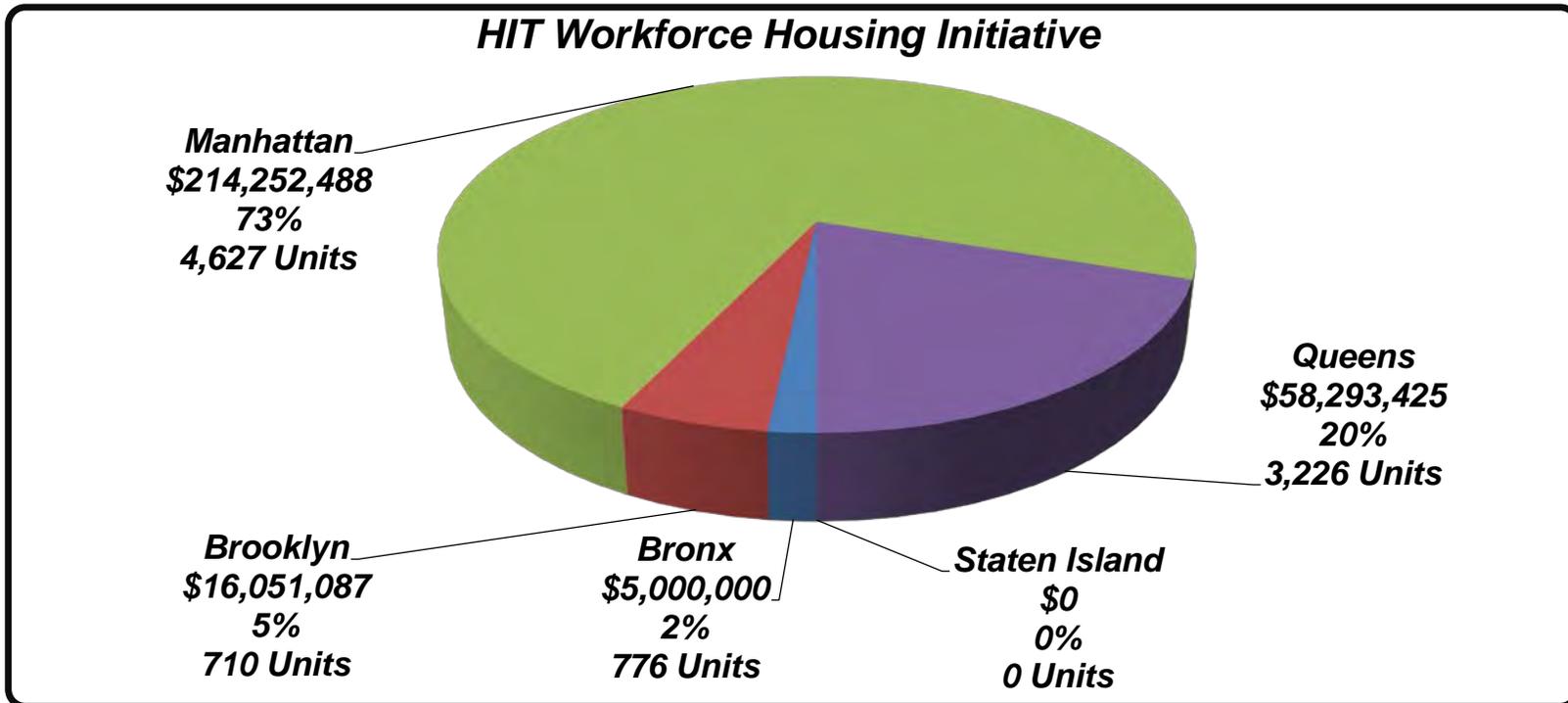


AFL-CIO Housing Investment Trust (HIT)  
 NYC Workforce Housing Initiative

Investments From 2009 Through Q2 2015

Workforce Investments Detail

Borough	2Q Investments	Investments		Housing Units	
		Since Inception	2Q Housing Units	Since Inception	
Bronx	\$0	\$5,000,000	0	776	
Brooklyn	0	16,051,087	0	710	
Manhattan	0	214,252,488	0	4,627	
Queens	0	58,293,425	0	3,226	
Staten Island	0	0	0	0	
<b>Total</b>	<b>\$0</b>	<b>\$293,597,000</b>	<b>0</b>	<b>9,339</b>	



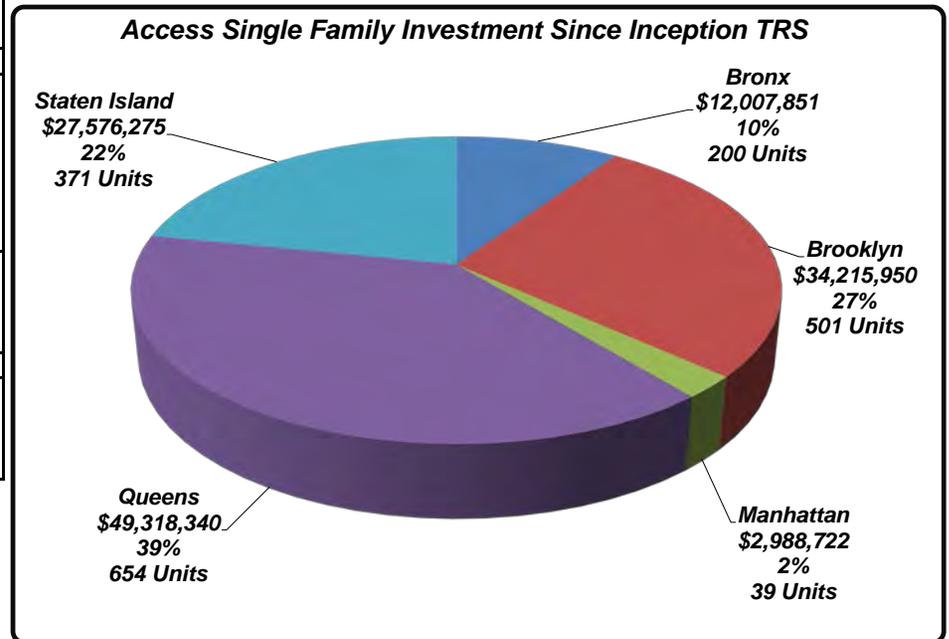
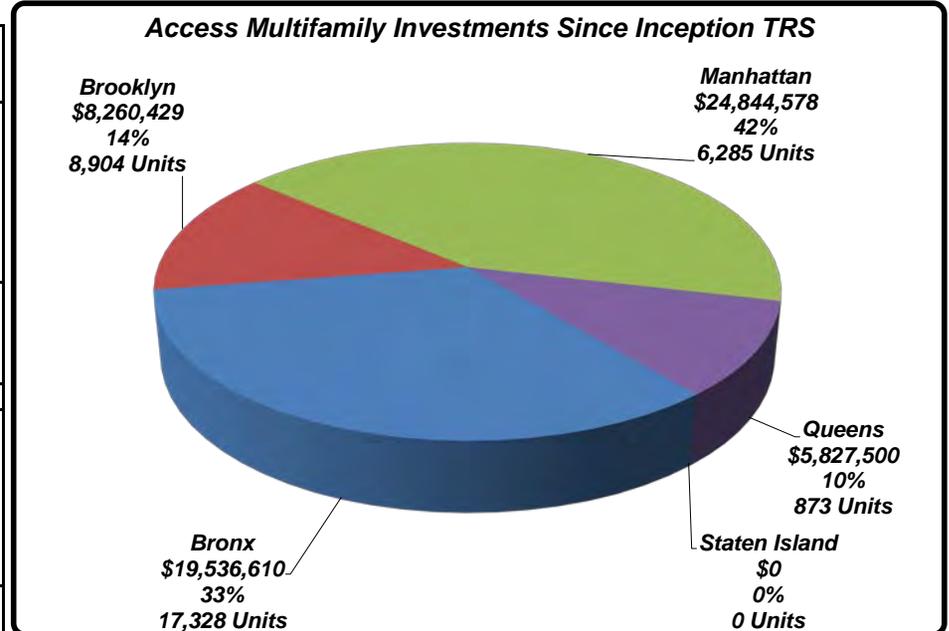
# TRS Pension Fund - Economically Targeted Investments Quarterly Report

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

<b>\$105 million Allocated (35% of total account)</b>					
<b>Market Value \$110.05 million</b>					
<b>Multifamily Investments Detail</b>					
		<b>\$ Invested<sup>1</sup></b>		<b>Units<sup>2</sup></b>	
	<b>2Q</b>	<b>Total</b>		<b>2Q</b>	<b>Total</b>
Bronx	\$0	\$19,536,610	0	17,328	
Brooklyn	0	\$8,260,429	0	8,904	
Manhattan	0	\$24,844,578	0	6,285	
Queens	0	\$5,827,500	0	873	
Staten Island	0	\$0	0	0	
<b>Total TRS Multifamily Investments</b>	<b>0</b>	<b>\$58,469,117</b>	<b>0</b>	<b>33,390</b>	
<b>Multifamily Total All Systems</b>	<b>0</b>	<b>\$167,054,619</b>	<b>0</b>	<b>33,390</b>	
<b>Single Family Investments Detail</b>					
		<b>\$ Invested</b>		<b>Units</b>	
	<b>2Q</b>	<b>Total</b>	<b>2Q</b>	<b>Total</b>	
Bronx	0	\$12,007,851	0	200	
Brooklyn	0	\$34,215,950	0	501	
Manhattan	0	\$2,988,722	0	39	
Queens	0	\$49,318,340	0	654	
Staten Island	0	\$27,576,275	0	371	
<b>Total TRS Single Family Investments</b>	<b>0</b>	<b>\$126,107,139</b>	<b>0</b>	<b>1,765</b>	
<b>Single Family Total All Systems</b>	<b>0</b>	<b>\$360,306,111</b>	<b>0</b>	<b>1,765</b>	
<b>Other Investments Detail</b>					
		<b>\$ Invested</b>		<b>Units</b>	
	<b>2Q</b>	<b>Total</b>	<b>2Q</b>	<b>Total</b>	
Bronx	0	\$236,250	0	1	
Brooklyn	0	\$1,886,641	0	8	
Manhattan	0	\$851,517	0	5	
Queens	0	\$190,201	0	3	
Staten Island	0	\$0	0	0	
<b>Total TRS Other Investments</b>	<b>0</b>	<b>\$3,164,609</b>	<b>0</b>	<b>17</b>	
<b>Other Investments Total All Systems</b>	<b>0</b>	<b>\$9,041,740</b>	<b>0</b>	<b>17</b>	
<b>Grand Total TRS</b>	<b>\$0</b>	<b>\$187,740,865</b>			
<b>Grand Total All Systems</b>	<b>\$0</b>	<b>\$536,402,470</b>			

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

<sup>2</sup> If not indicated otherwise, superintendent units are allocated based on building size.



## Private Equity Quarterly Report



# Teachers' Retirement System of the City of New York

First Quarter 2015 Report

## **Content**

Section 1 – Market Update

Section 2 – Portfolio Update

Section 3 – Portfolio Assessment

Appendix A – Glossary of Terms

Appendix B – Disclosure Statements

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

First Quarter 2015 Report



**Section 1:**

Market Update

# The Private Equity Market

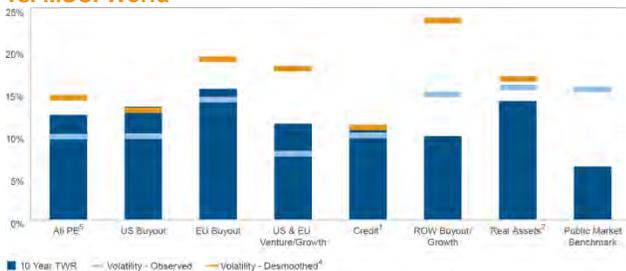
## Introduction

U.S. public markets started off the year with another quarter of growth, crossing into year seven of the current bull market. The S&P 500 and the NASDAQ Composite returned 0.95% and 3.79% as concerns loomed that the Fed's first interest rate increase would be imminent. However, following the March Federal Open Market Committee, these concerns were put to rest as the Fed announced interest rate hikes would not occur until later in the year. In Europe, the European Central Bank expanded quantitative easing, increasing its bond purchasing program to €60.0 billion per month through September 2016.<sup>1</sup> Public markets responded positively as the MSCI Europe Index returned 16.7% during the quarter. Overall, global markets had a strong quarter as the MSCI All Country World Index returned 2.4% during the quarter.<sup>2</sup>

Private equity started off 2015 slowly compared to 2014 numbers. Fundraising slowed as just 151 funds closed on \$94.0 billion in commitments during 1Q15. Deal and exit activity also slowed substantially, experiencing decreases in volume from the totals seen in 4Q14.<sup>3</sup> Despite the slowdown, performance remains strong as the asset class continues to outperform public markets. Private equity was also cash flow positive in 1Q15, with industry level distributions of \$104.0 billion outweighing contributions of \$86.0 billion resulting in net cash flow of \$18.0 billion back to limited partners.<sup>4</sup>

## Private Equity Performance

**Chart 1: Ten Year Time Weighted Returns Private Equity vs. MSCI World<sup>2</sup>**



Source: Hamilton Lane Fund Investment Database (May 2015). Return figures are geometric averages of time-weighted returns in local currency. Returns longer than one year are annualized.

<sup>1</sup> Includes Mezzanine and Distressed Debt Strategies  
<sup>2</sup> Includes Natural Resources, Commodities, and Infrastructure strategies  
<sup>3</sup> MSCI World, local currency, with reinvested dividends net of tax  
<sup>4</sup> Volatility has been "de-smoothed" to correct for autocorrelation in the reported net asset values  
<sup>5</sup> The All PE sample includes all funds classified as buyout, growth equity, venture capital, distressed debt, mezzanine, infrastructure, co-investment, real estate, secondaries or special situation strategies contained within the Hamilton Lane Fund Investment Database as of the date of this chart. The All PE sample's performance is calculated on a pooled basis where larger funds have a greater impact than smaller funds. Performance of the funds included in this sample takes into account the effect of fees charged by the fund's GP, but not by Hamilton Lane.

Private equity performance remains strong as measured on a time weighted return (TWR) and internal rate of return (IRR) basis. The longer time horizon returns are a more accurate

<sup>1</sup> European Central Bank 22 January 2015 Press Release  
<sup>2</sup> Bloomberg Total Return Analysis  
<sup>3</sup> Preqin Q1 2015  
<sup>4</sup> Hamilton Lane Fund Investment Database (May 2015) 10 year TWR as benchmarked against MSCI World, local currency, with reinvested dividends net of tax

depiction of private equity returns given the long term duration of the asset class. Private equity had a TWR of 12.4% over the ten-year period, as compared to a return of 6.3% for the MSCI World Index. European buyout, real assets, and US buyout performed the strongest, returning 15.5%, 14.0%, and 13.4% during the ten-year period. In terms of risk, private equity volatility de-smoothed was comparable or lower than that of the public market, with the exception of European buyout and ROW buyout/growth strategies, which experienced de-smoothed volatility much greater than that of the public market.

**Chart 2: Private Equity IRR vs. PME by Vintage Year**



Source: Hamilton Lane Fund Investment Database (May 2015)  
<sup>1</sup> The All PE sample includes all funds classified as buyout, growth equity, venture capital, distressed debt, mezzanine, infrastructure, co-investment, secondaries or special situation strategies contained within the Hamilton Lane Fund Investment Database as of the date of this chart. The All PE sample's performance is calculated on a pooled basis where larger funds have a greater impact than smaller funds. Performance of the funds included in this sample takes into account the effect of fees charged by the fund's GP, but not by Hamilton Lane.  
<sup>2</sup> Public Market Return is represented by the MSCI World Index calculated using the Public Markets Equivalent ("PME") methodology. The PME calculation methodology assumes that capital is being invested in, or withdrawn from, the index on the days the capital was called and distributed from the underlying fund managers. Contributions were scaled by a factor such that the ending portfolio balance would be equal to the private equity net asset value. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets countries. With 1,612 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. This index is being provided for comparative purposes only since many investors request us to compare performance against this index. It is not possible to invest directly in an index. The index return includes the reinvestment of dividends and does not include transaction fees or expenses, which would decrease the overall return.

Private equity outperformed the public market equivalent (PME) in 18 of 20 vintage years by an average of 590 bps as measured by IRR. Outperformance is even greater for top quartile funds that outperformed the PME by an average of 1,065 bps in the vintage years 1994 to 2013. These returns demonstrate the superior performance of private equity over public markets, as well as the importance of fund manager selection in committing capital to the asset class.

## Slowdown in Exit Activity

**Chart 3: Global Number of Private Equity-Backed Exits (USD in Billions)**



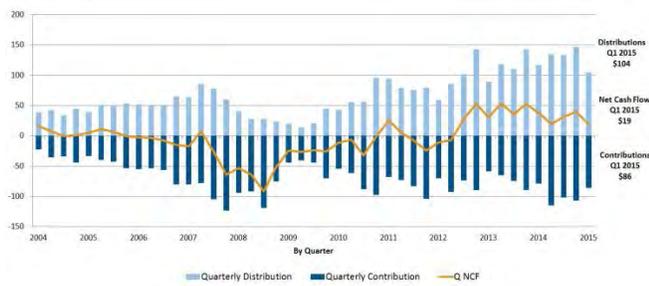
Source: Preqin Q1 2015 Buyout Deals Factsheet

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

In 1Q15, there were 353 exited deals which totaled \$99.5 billion in aggregate deal value, the lowest quarterly exit volume since 1Q13. Though volume slowed, exited value experienced a quarter-over-quarter increase of \$8.8 billion, the first quarterly increase since peaking in 2Q14. Trade sales and sales to GPs represented the most common exit methods, accounting for 79% of exit volume during 1Q15.

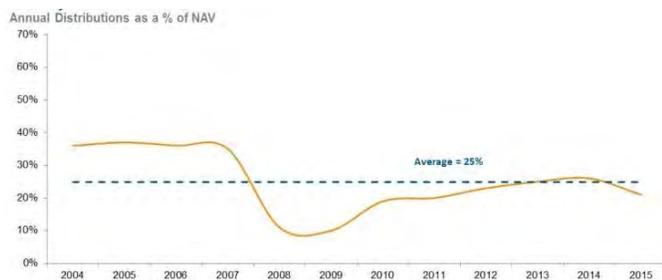
**Chart 4: Private Equity Industry Level Cash Flows (USD in Billions)**



Source: Hamilton Lane Fund Investment Database (May 2015)

Despite the quarterly increase, aggregate exit value remained far below the \$142.3 billion peak experienced in 2Q14. Consequently, industry level distribution activity has slowed as shown in Chart 4. Limited partners received \$104.0 billion in distributions during 1Q15, the lowest total since 1Q13. Distribution pacing dropped below the historical average of 25% during 1Q15, further signaling a slowdown in exit activity.

**Chart 5: Industry Level All PE<sup>1</sup> Distribution Pace**



Source: Hamilton Lane Fund Investment Database (May 2015)

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

European and US buyout strategies were the top performing strategies as measured by the annual liquidity ratio. European buyouts returned 2.5x paid-in capital, an increase of just under 1.0x from 2014, while US buyouts returned 1.9x. US buyout distribution activity remained strong, returning above 1.0x paid-in capital annually since 2009. Overall, distribution activity remained strong throughout the asset class with only rest of world buyout/growth and real assets failing to return above 1.0x paid-in capital.

**Chart 6: Annual Liquidity Ratio by Strategy (Distributions/Contributions) by Calendar Year**

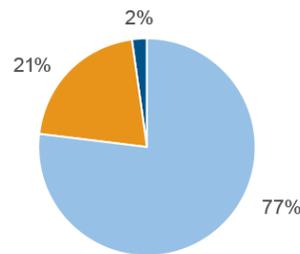


Source: Hamilton Lane Fund Investment Database (May 2015)  
<sup>1</sup> Cash flows through March 31, 2015.

### Increasing Allocations

Strong historical performance over public markets and positive expected future performance continues to draw investor capital to private equity. According to the Hamilton Lane Private Markets Survey, which surveyed both LPs and GPs, over 77% of respondents believe private equity will return between 5-15% over the next five years, and 21% believe returns will exceed 15%.

**Chart 7: Expectation of PE Returns over the Next Five Years, Assuming Public Equity Returns Average 3-8%**



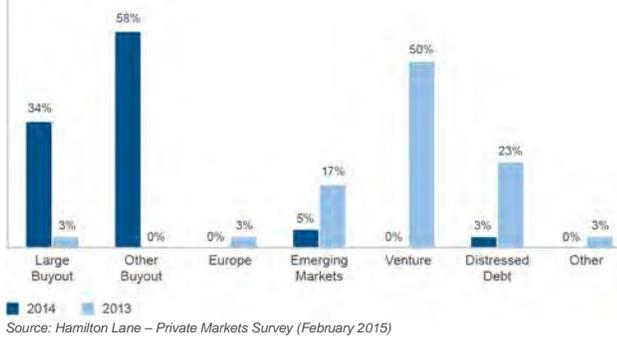
Source: Hamilton Lane – Private Markets Survey (February 2015)

Given these expectations, it's not surprising to see allocations increasing. In a February 2015 Preqin Survey, 36% of investors expected to increase their allocation to private equity, while 48% expect to maintain their current allocation. As shown in Chart 8, buyout strategies will see the bulk of new capital as 92% of LPs surveyed by Hamilton Lane plan to allocate the most to this strategy over the next two years. This is a strong shift from the 2013 survey in which 50% of LPs surveyed stated they would allocate the most to venture capital.

# Teachers' Retirement System of the City of New York

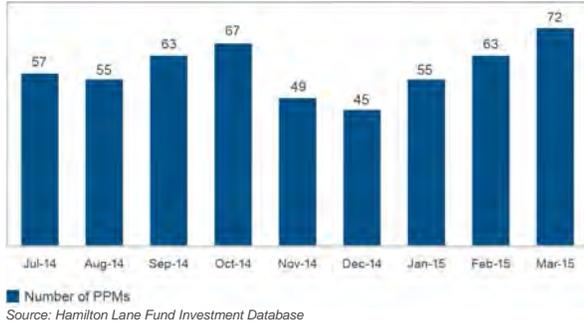
## First Quarter 2015 Report

**Chart 8: LPs - Which PE areas will you allocate the most capital to in the next two years?**



### Private Equity Fundraising

**Chart 9: PPMs Received by Hamilton Lane Fund Investment Team**



The Hamilton Lane Fund Investment Team received 190 new PPMs during 1Q15, an increase of 29 over 4Q14. Fundraising remains challenging and competitive for GPs as there were 2,235 funds in market targeting \$793.0 billion in capital as of January 2015, the largest number of funds in market ever.<sup>5</sup>

**Chart 10: Quarterly Global Private Equity Fundraising**



Despite the number of funds in market, fundraising slowed during 1Q15 as 151 funds closed on \$94.0 billion in commitments. The number of funds closed is the lowest quarterly total of the last five years, while capital raised is the lowest quarterly amount since 2Q13. North America

partnerships attracted the majority of activity, as 94 funds closed on \$62.7 billion in commitments.<sup>6</sup>

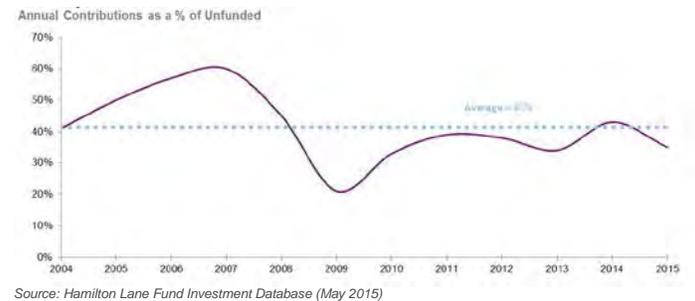
### Deal Activity

**Chart 11: Quarterly Aggregate Value of Private Equity-Backed Buyout Deals by Region (USD in Billions)**



In 1Q15, deal activity volume slowed while aggregate deal value increased to the highest level in over three years. However, after adjusting for the \$40.0 billion buyout of Kraft Foods in March 2015, aggregate deal value totaled just \$56.6 million in 1Q15, marking a significant decline in aggregate deal value. The slowdown in deals executed and aggregate value is reflected in the industry level contribution pace, which fell below the twelve year average of 41% of unfunded commitments. As both public and private asset valuations continued to climb in 1Q15, attractively priced deals are hard to come by in today's market. The falloff in executed deals may be the result of GPs avoiding overpriced deals.

**Chart 12: Industry Level PE Contribution Pace**



<sup>5</sup> Preqin Q1 2015 PE Fundraising

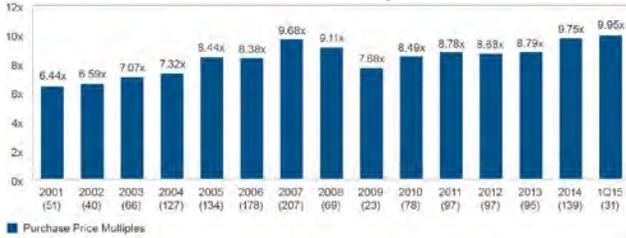
<sup>6</sup> Preqin Q1 2015 PE Fundraising

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

### Deal Pricing

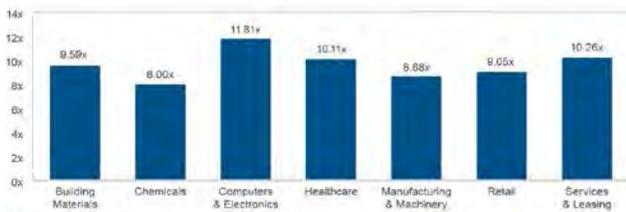
**Chart 13: LBO Purchase Price Multiples**



Source: S&P Capital IQ M&A Stats March 2015

Given the run up of public and private valuations over the last five years, purchase price multiples have consequently also continued to rise. As shown in Chart 13, LBO purchase price multiples increased .20x quarter-over-quarter to 9.95x as of March 31, 2015. Multiples are even greater for high demand sectors like technology and healthcare, as shown in Chart 14. Barring a market contraction, multiples will likely remain at elevated levels given high asset valuations and the large amount of dry powder available to GPs.

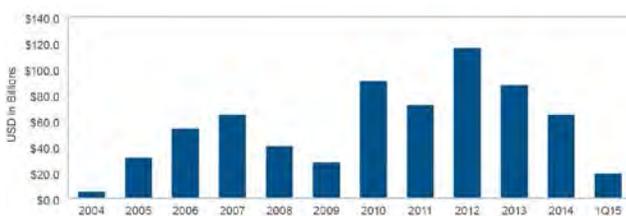
**Chart 14: Purchase Price Multiples by Industry**



Source: S&P Capital IQ M&A Stats March 2015

### Debt Markets

**Chart 15: Annual Volume of Sponsored High-Yield Bond Issuances**



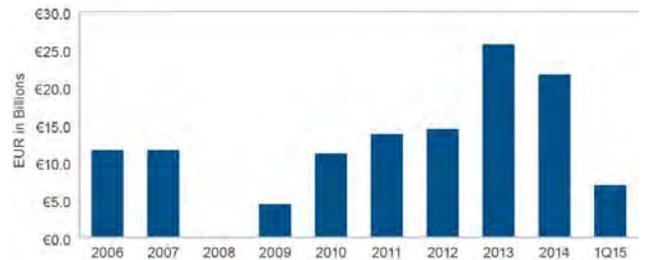
Source: S&P Capital IQ M&A Stats March 2015

As shown in Chart 15, 1Q15 US sponsored high-yield bond issuances totaled \$19.4 billion, representing 30% of the activity seen in all of 2014. Leveraged loan volume totaled \$80.7 billion which was the lowest level since 2010. High yield mutual fund inflows experienced \$9.0 billion in net inflows, a turnaround from 4Q14 activity, while leveraged loan mutual funds experienced outflows of \$3.4 billion.<sup>7</sup> European sponsored high-yield issuances were also up, as 1Q15 activity totaled €7.1 billion representing over 32% of the activity seen in 2014. With high yield debt availability remaining consistent, default rates have been low. Fitch Ratings forecasts high yield

<sup>7</sup> UBS Leverage Capital Markets March 27, 2015 Update

default rates to be 1.5% in 2015, below the historical average of 4.3%.<sup>8</sup>

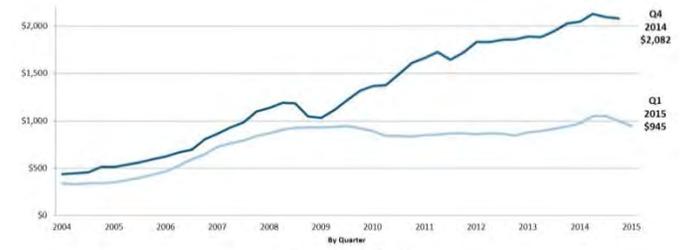
**Chart 16: European Annual Volume of Sponsored High-Yield Bond Issuances**



Source: S&P Capital IQ M&A Stats March 2015

### Capital Overhang

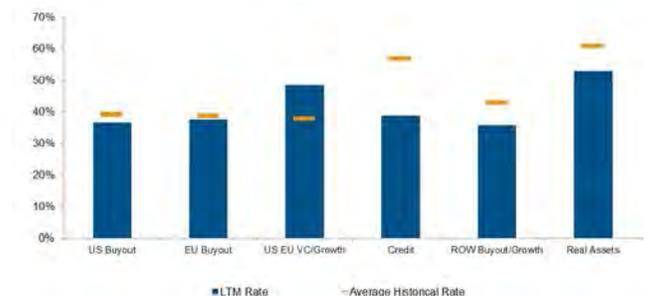
**Chart 17: Industry Level NAV & Dry Powder (USD in Billions)**



Source: Hamilton Lane Fund Investment Database (May 2015)

Following a record year of exit and distribution activity, the capital overhang remained relatively unchanged quarter-over-quarter, remaining near record levels as of March 31, 2015. Dry powder decreased 5% during 1Q15, despite a slowdown in contribution activity. The decrease was driven by sustained contribution activity, albeit lower than 2014 contribution levels, and a slowdown in fundraising. Contribution pacing across almost all strategies, with the exception of US/EU venture capital and growth funds, are below their historical pacing. Given the high priced valuations in today's market, GPs will spend capital on higher priced deals going forward. This is one area to monitor to see what effect spending on higher priced deals will have on fund performance.

**Chart 18: Contributions as a Percentage of Unfunded Commitment**



Source: Hamilton Lane Fund Investment Database (May 2015). Average historical rate back to 2004.

<sup>8</sup> Fitch Ratings (December 2014)

# Spotlight: Secondary Market

## Introduction

Over the past 15 years, in our opinion, no part of the private equity industry has changed more in form and substance than the secondary market. The rationales for sale and types of transactions in the buyout, venture, growth equity, and other private equity asset classes have remained largely the same. The same cannot be said for the secondary industry. This overview looks into the trends of today's market, and how the market has evolved since the early 2000s.

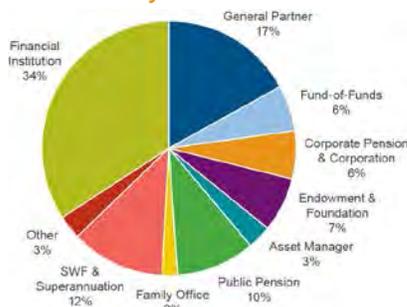
## Volume

Rewind the clock to 15 years ago and you would find that LPs typically sold their PE assets in the secondary space because they were distressed. Selling PE funds was not something LPs did without real provocation. It was the mark of ultimate LP distress. This dynamic, combined with a small number of buyers, created relatively high discounts as liquidity was low. For GPs, secondary sales happened very infrequently and caused great consternation when it did because it signaled a literal end of a marriage in their mind.

Fast forward to today and you will see vastly different rationales for sale. Today, LPs do not think twice about selling their PE commitments. Many LPs are in the market constantly checking price, weighing options and opportunistically running mini-processes. Long gone are the days of LP distress. LPs today are much more sophisticated and proactively use the secondary market to their benefit. But how have GPs reacted to this evolution? For many, secondary sales are such a frequent event that they rarely give it a second thought. For a much smaller subset, some GPs continue to be strategic about how they replace their clients. Either way, the LP/GP relationship continues to evolve as neither party views the relationship as forever.

Secondary market volume today can best be described as record-breaking. Market volume has increased each year for the past five years. In 2014, secondary market volume was over \$42.0 billion, a 50% increase from 2013.<sup>9</sup> Chart 1 illustrates the secondary volume by LP type.

Chart 1: 2014 Sellers by Volume



Source: Cogent Partners (January 2015)

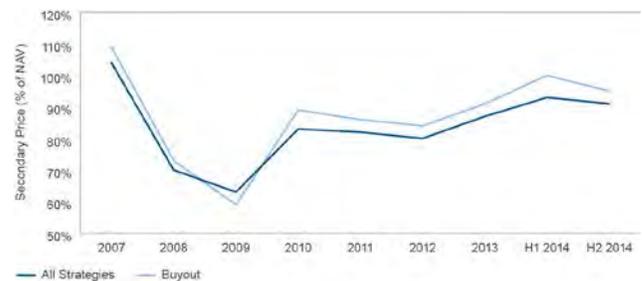
<sup>9</sup> Cogent Partners (January 2015)

Selling non-core GP relationships, portfolio re-balancing, and managing duration (since funds are lasting more than 10 years) are often reasons why LPs sell today. In addition, a new type of secondary transaction has emerged that didn't exist 5 years ago – GP/zombie fund restructurings. As noted in Chart 1, GPs represented 17% of market volume in 2014 and some expect these transactions to become a larger part of the secondary market. More evolution? Yes. The market continues to evolve with changing rationales for sale and new transaction types that did not exist a short time ago.

## Pricing

Is secondary market pricing today record-breaking, similar to secondary market volume? No, however, pricing is robust as illustrated in Chart 2.

Chart 2: Secondary Pricing as a Percentage of NAV



Source: Cogent Partners (January 2015)

Today's market pricing is being driven by a number of things. For one, private equity is performing. NAVs have been rising and distributions have been increasing. The exit environment for PE portfolio companies is the best we have seen in a long time. The public markets are open for IPOs and have provided a foundation for exits and rising valuations. These types of positive events, particularly when priced off of an arrears valuation date, allow buyers to have more conviction around paying a higher price. Second, fundraising, as shown in Chart 3, has steadily increased since 2010, reaching an all-time high of \$27.0 billion in 2014. This level of capital has created liquidity for selling LPs and helps foster the market's evolution as market participants create ways to deploy capital.

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

**Chart 3: Secondary Fundraising (USD in Billions)**



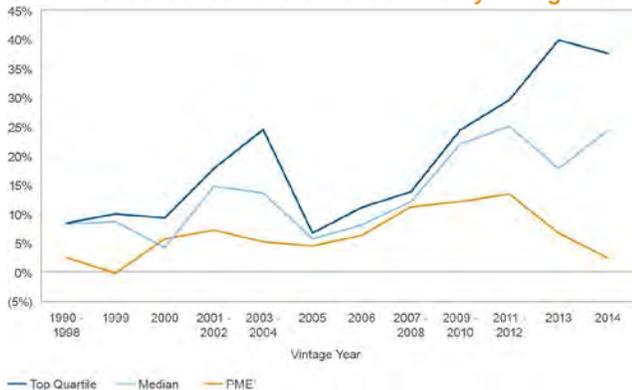
Source: Preqin

Third, many buyers today are using leverage to purchase secondary transactions, particularly when brokers run processes on behalf of selling LPs and when buyers purchase larger portfolios of LP interests. Although it allows a secondary buyer to pay a higher price while underwriting to the same return, leverage comes with costs. Those costs are increased risk and slower distributions back to LPs as cash flow from investments is first used to pay down debt.

### Performance

Part of the attraction to this asset class is that performance has been strong. As illustrated in Chart 4, the IRR of top quartile secondary fund of funds outperformed the PME in each vintage year, while median funds outperformed the PME in each vintage year with exception of 2000.

**Chart 4: Secondaries Fund of Funds IRRs by Vintage Year**



Source: Hamilton Lane Fund Investment Database (May 2015)  
 Public Market Return is represented by the MSCI World Index calculated using the Public Markets Equivalent ("PME") methodology. The PME calculation methodology assumes that capital is being invested in, or withdrawn from, the index on the days the capital was called and distributed from the underlying fund managers. Contributions were scaled by a factor such that the ending portfolio balance would be equal to the private equity net asset value. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets countries. With 1,612 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. This index is being provided for comparative purposes only since many investors request us to compare performance against this index. It is not possible to invest directly in an index. The index return includes the reinvestment of dividends and does not include transaction fees or expenses, which would decrease the overall return.

Are all secondary funds and strategies created equal? Hardly. Many participants have come to see secondaries as risk-free because GPs undervalue (not overvalue) their holdings, secondaries remove blind pool risk, and then you get the benefit of buying at a discount. However, as the market has evolved, so too has the way some participants play in this market. Today's market has more duration and more leverage. More duration exists because some buyers are

purchasing funds that have large unfunded components. Additionally, GP/zombie fund restructurings, which are a meaningful part of today's market, typically have a large unfunded component to them. More leverage exists because more buyers are using it to generate returns since discounts are thinner and more lenders are making it widely available. Therefore, when analyzing performance of secondaries, it is important for investors to ask how secondary returns are being created and understand the different amounts of risk each party takes in achieving its returns. Is DPI (distributions to paid-in-capital) high because buyers are purchasing funded portfolios without using leverage? Can buyers still achieve discounts in today's market? Does a secondary portfolio contain mostly high quality managers and assets? If yes, then these are just some signs of potentially lower risk portfolios.

### Conclusion

The secondary market has evolved significantly over the last decade. Today's market provides a viable liquidity solution for LPs in an asset class with a growing duration problem. It has also allowed LPs to be more active portfolio managers, whereby they can alter exposures, weightings and risk profiles. These are all good things. However, investors need to be careful not to have a false sense of security, as secondaries are not risk free. Despite all of the market's evolution, secondaries, when used properly, can be a real return enhancer and mitigator of the J-Curve.

# Teachers' Retirement System of the City of New York

First Quarter 2015 Report



## Section 2:

Portfolio Update

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

### First Quarter 2015 Report

#### Portfolio Snapshot

Hamilton Lane was engaged by the Teachers' Retirement System of the City of New York ("TRS") in October 2010 to provide alternative investment consulting services in accordance with the investment objectives of the TRS Private Equity portfolio (the "Portfolio"). This report represents the review by Hamilton Lane of TRS's Portfolio and is based upon information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of March 31, 2015, with highlights through June 30, 2015.

**Private Equity Allocation:** TRS has a target allocation of 6.0% to Private Equity. As of March 31, 2015, Private Equity constituted 4.7% of TRS plan. (Plan value is \$60.1 billion as of March 31, 2015)

**Performance:** As of March 31, 2015, the Portfolio consists of 148 partnerships and 96 underlying fund managers. The Portfolio has generated a since inception internal rate of return ("IRR") of 9.47% and a total value multiple of 1.3x.

Portfolio Summary			
\$ millions	12/31/2014	3/31/2015	Change
Active Partnerships	146	148	2
Active GP Relationships	95	96	1
Capital Committed <sup>(1)</sup>	\$5,595.0	\$5,727.0	\$132.0
Commitments Sold	\$288.5	\$288.5	-
Unfunded Commitment	\$2,116.4	\$2,144.0	\$27.6
Capital Contributed	\$4,254.9	\$4,370.7	\$115.8
Capital Distributed	\$2,941.5	\$3,057.2	\$115.7
Market Value	\$2,720.2	\$2,818.6	\$98.4
Total Value Multiple	1.3x	1.3x	-
Since Inception IRR	9.30%	9.47%	17 bps
Avg. Age of Active Commitments	5.4 years	5.5 years	0.1 years

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

**Portfolio Exposures:** The Corporate Finance/Buyout strategy represents 54% of the Portfolio's total exposure, Growth Equity accounts for 13%, Secondaries represent 12%, Venture Capital represents 7%, Special Situations/Turnaround represents 7%, Energy represents 3%, Co-Investment represents 3%, and Mezzanine represents the remaining 1%. The Portfolio has significant exposure to North America, with 81% of the underlying company market value based in the region.

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

### First Quarter 2015 Report

## Portfolio Overview

### Commitments

The table below highlights the funds that have closed during the first quarter of the 2015 calendar year.

YTD Commitments - 2015			
Closing Date	Partnership	Investment Strategy	Commitment Amount (\$ in Millions)
1/9/2015	American Securities Partners VII, L.P.	Corporate Finance/Buyout - Large	\$111.0
2/4/2015	Siris Partners III, L.P.	Corporate Finance/Buyout - Mid	\$45.0
<b>Total</b>			<b>\$156.0</b>

The Portfolio closed on two new investments, totaling \$156.0 million, which are detailed below:

**American Securities Partners VII, L.P. (\$111.0 million)** the fund will target control investments in the industrial and services sectors and will opportunistically invest in energy services, healthcare and consumer businesses.

**Siris Partners III, L.P. (\$45.0 million)** the fund will target investments in complex middle-market technology businesses that possess both a mature business line that generates stable cash flows, as well as next-generation growth assets.

### Subsequent Closings

Subsequent to the quarter end March 31, 2015, the portfolio closed on five additional commitments totaling \$241.7 million.

Subsequent Closings			
Investment	Investment Strategy	Commitment (\$ in Millions)	Closing Date
Valor Equity Partners III, L.P.	Growth Equity	\$11.0	5/28/2015
Welsh, Carson, Anderson & Stowe XII, L.P.	Corporate Finance/Buyout - Large	\$110.5	6/26/2015
Bridgepoint Europe V, L.P.	Corporate Finance/Buyout - Large	€77.3/\$86.1	6/30/2015
Patriot Financial Partners II, L.P.	Growth Equity	\$9.9	6/30/2015
Wigmore Street Co-Investment No. 2 L.P. (Bridgepoint)	Co/Direct Investment	€21.8/\$24.2	6/30/2015
<b>Total</b>		<b>\$241.7</b>	

**Valor Equity Partners III, L.P. (\$11.0 million)** the fund, an Emerging Manager 2012 Program commitment, will target growth equity investments within North America. The fund utilizes an opportunistic approach targeting disruptive businesses with significant growth potential across sectors.

**Welsh, Carson, Anderson & Stowe XII, L.P. (\$110.5 million)** the fund will pursue control investments in the information/business services and healthcare sectors, focusing primarily on businesses in the United States.

**Bridgepoint Europe V, L.P. (€77.3/\$86.1 million)** the fund will target mid-market companies with predominant exposure to Western Europe. Investments will be made across sector and geographies with no more than 10% of investments outside of Europe.

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

### First Quarter 2015 Report

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**Patriot Financial Partners II, L.P. (\$9.9 million)** the fund, an Emerging Manager 2012 Program commitment, will target growth equity investments in the North American financial services sector. The fund seeks to make smaller toe-hold investments in certain publicly traded community banks with the goal of obtaining board representation and eventually consummating a transaction

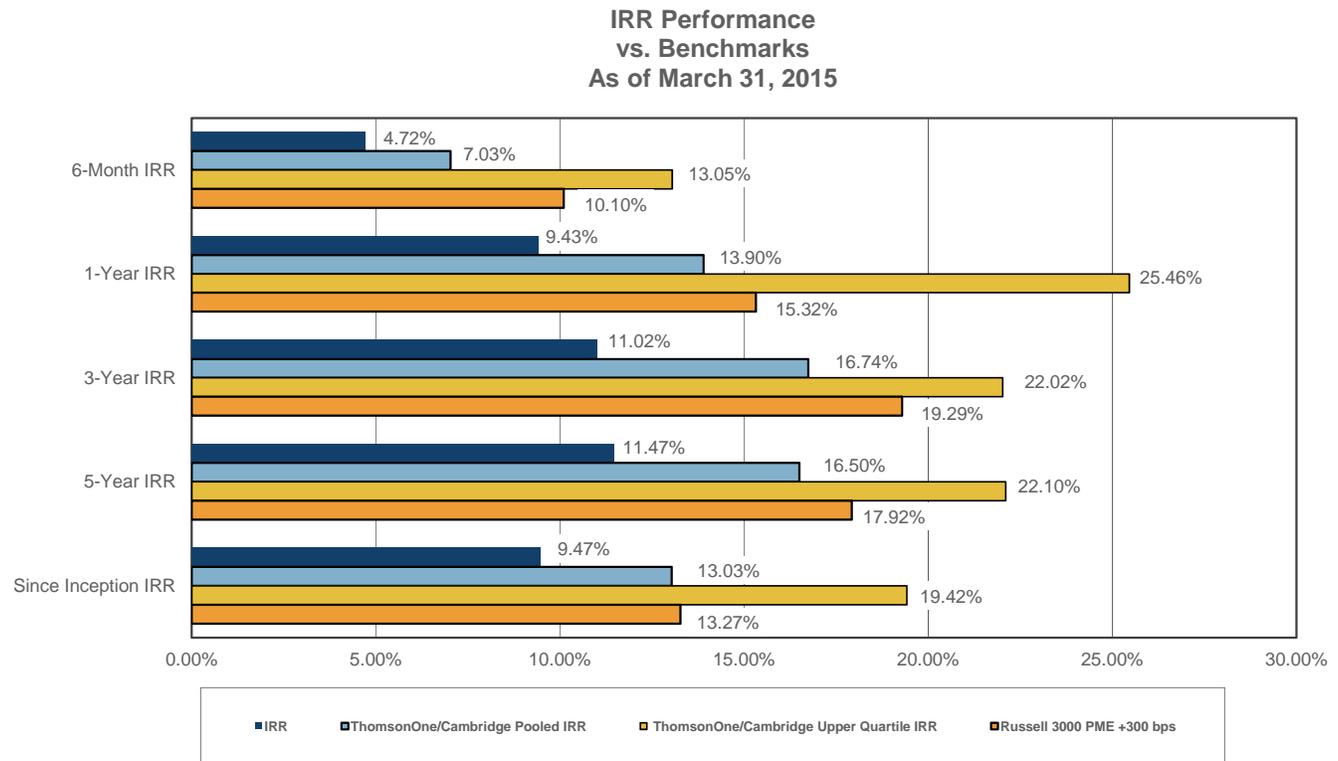
**Wigmore Street Co-Investment No. 2 L.P. (€21.8/\$24.2 million)** the fund is a co-investment vehicle related to the Bridgepoint Europe V, L.P. commitment.

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

### First Quarter 2015 Report

#### Portfolio Performance Summary

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



*Note: Private Equity benchmark is provided by ThomsonOne/Cambridge and reflects U.S. Buyout Funds Pooled IRR and Upper Quartile IRR as of March 31, 2015, for funds with vintage years 1999 to 2015. The Russell 3000 Total return index incorporates the Long Nickels methodology where the assumption is that the capital is being invested and withdrawn from the index on the days the capital was called and distributed from the underlying fund managers. This calculation includes a 3% premium.*

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the first quarter of 2015 increased 17 basis points from the prior quarter, with the Portfolio generating an IRR of 9.47%.
  - Relative to the benchmarks, the since inception IRR is underperforming the ThomsonOne/Cambridge Pooled IRR by 356 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 995 basis points, and Russell 3000 plus 300 basis points by 380 basis points.
- Performance on a one-year basis for the first quarter 2015 increased 61 basis points from the fourth quarter 2014, with the Portfolio generating an IRR of 9.43% as of March 31, 2015.
  - Relative to the benchmarks, the one-year IRR is underperforming the ThomsonOne/Cambridge Pooled IRR by 447 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 1,603 basis points, and Russell 3000 plus 300 basis points by 589 basis points.
    - Underperformance to the public benchmarks can be attributed to the continued strong performance of the public markets through the quarter end, March 31, 2015.

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

### First Quarter 2015 Report

#### Quarterly Value Analysis

The table below details quarterly performance of the Portfolio for the year ending March 31, 2015.

Portfolio Summary					
in \$ millions	Quarter Ending				Year Ending
	6/30/2014	9/30/2014	12/31/2014	3/31/2015	3/31/2015
Beginning Market Value	\$2,544.6	\$2,650.1	\$2,712.4	\$2,720.2	\$2,544.6
Paid-in Capital	135.8	185.3	131.5	115.8	568.4
Distributions	(110.4)	(158.0)	(152.9)	(115.7)	(537.0)
<b>Net Value Change</b>	<b>80.1</b>	<b>35.0</b>	<b>29.2</b>	<b>98.3</b>	<b>242.6</b>
Ending Market Value	\$2,650.1	\$2,712.4	\$2,720.2	\$2,818.6	\$2,818.6
<b>Unfunded Commitments</b>	<b>\$2,229.4</b>	<b>\$2,162.8</b>	<b>\$2,116.4</b>	<b>\$2,144.0</b>	<b>\$2,144.0</b>
Total Exposure	\$4,879.5	\$4,875.2	\$4,836.6	\$4,962.6	\$4,962.6
Point to Point IRR	3.15%	1.32%	1.08%	3.61%	9.43%
Since Inception IRR	9.59%	9.45%	9.30%	9.47%	9.47%

- Over the past twelve months, the Portfolio has experienced a total of \$242.6 million in net value appreciation.
  - The since inception IRR of 9.47% represents a decrease of 7 basis points when compared to the since inception IRR as of March 31, 2014.

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

### First Quarter 2015 Report

#### Performance by Strategy

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

Performance by Investment Strategy				
Investment Strategy	Capital Committed	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR
Corporate Finance/Buyout	\$ 3,409,341,129	10.54%	12.08%	19.42%
Corporate Finance/Buyout - Mega	1,143,102,903	10.56%	9.97%	13.28%
Corporate Finance/Buyout - Large	554,938,517	16.20%	13.58%	18.63%
Corporate Finance/Buyout - Mid	976,537,139	11.03%	9.95%	17.12%
Corporate Finance/Buyout - Small	734,762,570	7.62%	12.93%	20.96%
Co-Invest	182,768,551	3.68%	N/A	N/A
Energy	217,500,000	0.72%	8.13%	14.35%
Growth Equity	317,371,863	7.12%	9.08%	16.75%
Secondary	665,000,000	14.36%	12.54%	22.90%
Special Situations/Turnaround	385,000,000	19.43%	12.22%	17.56%
Other	485,000,000	4.66%	5.53%	12.18%
Venture Capital	435,000,000	4.00%	4.42%	12.28%
Mezzanine	50,000,000	13.17%	7.51%	9.04%

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

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

### First Quarter 2015 Report

#### Vintage Year Performance

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

Performance by Vintage Year					
Vintage Year	Capital Committed	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR	Russell 3000 + 300bps
1999	\$ 95,000,000	7.06%	9.85%	14.17%	8.78%
2000	35,000,000	6.86%	14.44%	21.61%	7.86%
2001	65,000,000	19.10%	20.85%	29.29%	8.78%
2002	150,000,000	11.60%	16.85%	25.95%	10.21%
2003	85,000,000	20.27%	14.57%	20.10%	12.98%
2004	234,000,000	6.31%	11.23%	14.82%	11.28%
2005	299,664,317	4.90%	8.44%	13.24%	10.93%
2006	578,454,172	8.12%	9.77%	15.38%	11.13%
2007	506,285,574	7.51%	12.28%	16.71%	10.24%
2008	774,165,757	13.29%	14.46%	22.37%	10.54%
2009	42,500,000	10.31%	20.34%	27.59%	20.24%
2010	45,000,000	9.24%	18.14%	30.57%	18.24%
2011	571,181,413	15.29%	12.92%	17.60%	17.84%
2012	589,750,000	17.67%	8.89%	16.84%	22.47%
2013	820,780,310	2.74%	(0.97%)	13.50%	23.88%
2014	659,200,000	28.95%	(6.08%)	5.37%	14.57%
2015	111,000,000	N/M	N/M	N/M	N/M

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

#### Performance by Geographic Focus

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

Performance Summary by Region <sup>(1)</sup>						
Region	Capital Committed	Paid-In Capital	Capital Distributed	Reported Market Value	IRR	Total Value Multiple
North America	\$4,267,047,835	\$3,408,735,697	\$2,407,638,647	\$2,278,746,419	10.08%	1.38x
Western Europe	\$439,333,709	\$291,235,218	\$120,116,503	\$178,054,939	0.71%	1.02x
Global/Rest of World	\$955,600,000	\$670,772,679	\$528,722,276	\$361,782,379	9.50%	1.33x
<b>Total</b>	<b>\$5,661,981,544</b>	<b>\$4,370,743,594</b>	<b>\$3,056,477,427</b>	<b>\$2,818,583,737</b>	<b>9.47%</b>	<b>1.34x</b>

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

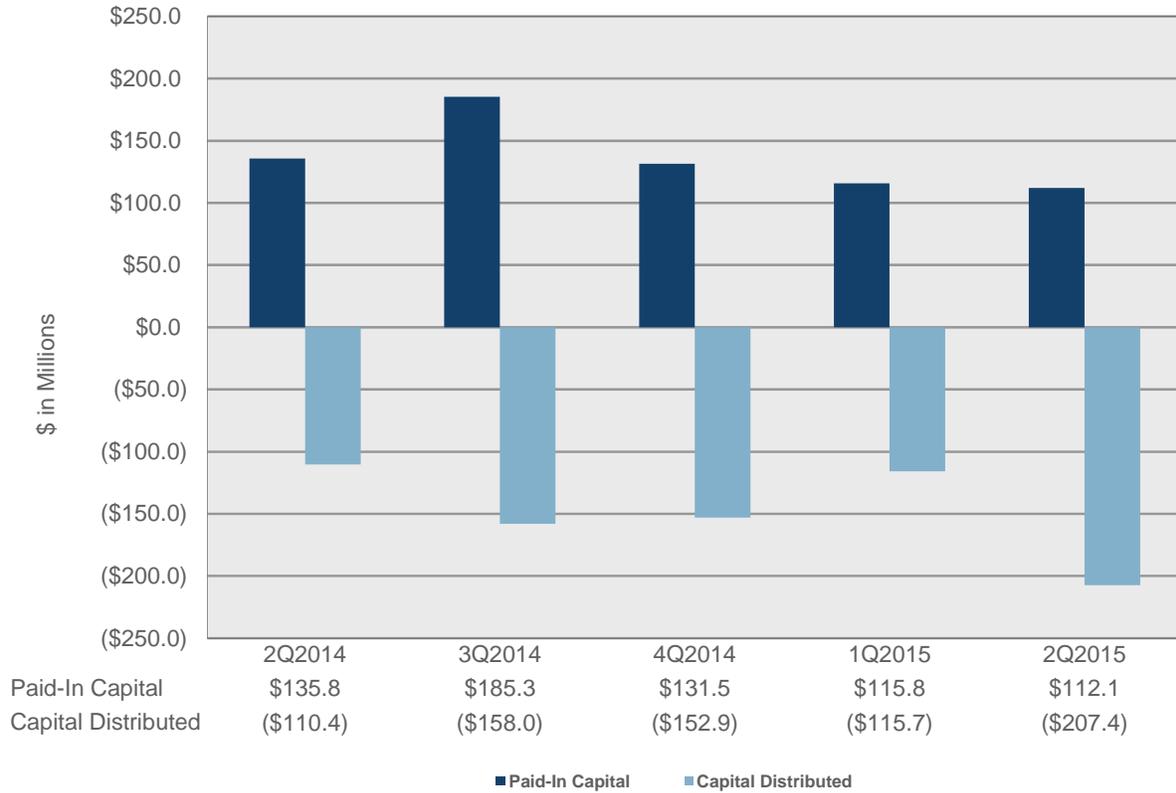
<sup>(1)</sup>Prior to a partnership being 75% drawn, region focus is based on the GP-stated geographic strategy. Subsequent to a partnership being 75% drawn, fund geographic focus is based on actual portfolio company exposure by total invested. Partnerships with less than 75% of total invested capital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

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

### Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended June 30, 2015.



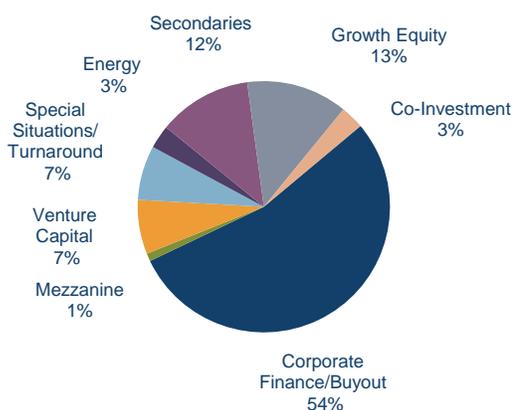
## Teachers' Retirement System of the City of New York

### First Quarter 2015 Report

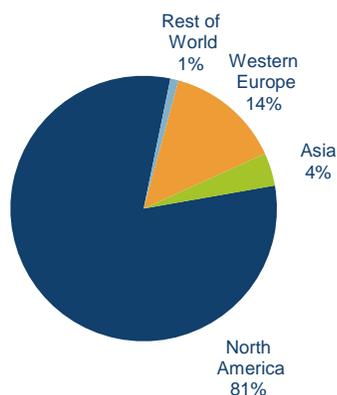
#### Portfolio Exposures

The pie charts below represent the strategic and geographic diversification of the Portfolio as of March 31, 2015. Strategy is measured by total exposure, which is the sum of the market value and the unfunded commitments and provides a snapshot of the Portfolio's future diversification. Geography is measured by the Portfolio's exposed market value of the underlying portfolio companies.

**Strategic Diversification  
by Total Exposure  
As of March 31, 2015**



**Underlying Investment Diversification  
by Geographic Location  
As of March 31, 2015**



As of March 31, 2015

	Sum of Current Exposed Market Value	% of Total
<b>North America</b>	<b>\$2,485.1</b>	<b>81%</b>
U.S. (non-NY State)	\$2,231.3	70%
U.S. (NY State)	\$253.8	8%
New York City	\$116.7	4%
Non-New York City	\$137.1	4%
<b>Western Europe</b>	<b>\$436.8</b>	<b>14%</b>
<b>Rest of World</b>	<b>\$43.1</b>	<b>1%</b>
<b>Asia</b>	<b>\$113.3</b>	<b>4%</b>
<b>Total</b>	<b>\$3,078.3</b>	<b>100%</b>

- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 54% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 81% of the Portfolio's underlying market value attributable to this region.
  - The remaining 19% of the Portfolio's exposure is diversified between Western Europe, 'Rest-of-World' and Asia.
  - Roughly 8% of the Portfolio's current exposed market value is based in New York.
    - About 4%, or roughly \$116.7 million, of the Portfolio's current exposed market value is based in New York City.

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

First Quarter 2015 Report



## **Section 3:**

Portfolio Assessment

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
<b>Active Investments</b>								
1999	Cypress Merchant Banking Partners II, LP	7/8/1999	\$ 50,000,000	\$ 53,874,600	\$ 43,453,284	\$ 7,589,861	0.95x	(1.02%)
1999	FdG Capital Partners, L.P.	6/2/1999	30,000,000	34,517,861	51,547,118	5,356,793	1.65x	14.56%
1999	Lincolnshire Equity Fund II, L.P.	2/26/2001	15,000,000	14,446,100	27,347,315	900,570	1.96x	24.65%
2000	SCP Private Equity Partners II, L.P.	1/19/2001	20,000,000	22,196,012	6,682,699	6,416,750	0.59x	(6.59%)
2000	Solera Partners, L.P.	7/8/2002	15,000,000	19,763,085	31,226,365	7,176,341	1.94x	10.13%
2001	Apollo Investment Fund V, L.P.	8/23/2001	30,000,000	46,743,989	91,849,314	1,406,793	2.00x	38.83%
2001	New Mountain Partners, L.P.	7/20/2001	15,000,000	12,984,277	18,470,548	361,290	1.45x	12.39%
2001	RRE Ventures III, L.P.	6/13/2002	20,000,000	26,081,130	31,916,700	4,724,222	1.40x	6.29%
2002	BDCM Opportunity Fund, L.P.	11/10/2003	25,000,000	54,583,604	90,223,476	1,141,472	1.67x	23.04%
2002	Coller International Partnership IV, L.P.	11/6/2002	35,000,000	31,222,054	40,280,819	2,233,647	1.36x	11.80%
2002	Landmark Equity Partners XI, L.P.	9/15/2004	20,000,000	21,259,660	29,463,254	2,302,300	1.49x	23.77%
2002	Thomas McNerney & Partners, L.P.	11/26/2002	15,000,000	14,700,000	5,252,354	4,410,428	0.66x	(8.39%)
2002	Yucaipa American Alliance Fund I, L.P.	10/1/2004	55,000,000	80,828,995	69,484,670	31,458,981	1.25x	6.41%
2003	Ares Corporate Opportunities Fund, L.P.	5/4/2004	15,000,000	18,004,666	25,779,114	1,450,989	1.51x	13.41%
2003	Blackstone Capital Partners IV L.P.	1/10/2003	30,000,000	30,690,311	72,555,982	4,365,303	2.51x	37.97%
2003	FS Equity Partners V, L.P.	5/30/2003	25,000,000	21,683,731	37,718,780	8,653,149	2.14x	16.56%
2003	Leeds Weld Equity Partners IV, L.P.	12/13/2004	15,000,000	15,356,325	15,910,243	3,985,477	1.30x	4.39%
2004	Aurora Equity Partners III, L.P.	5/19/2005	20,000,000	21,706,212	34,553,138	1,671,716	1.67x	14.19%
2004	Celtic Pharmaceutical Holdings, L.P.	7/10/2006	15,000,000	15,241,256	241,256	13,818,472	0.92x	(1.05%)
2004	FdG Capital Partners II, L.P.	8/30/2004	35,000,000	37,178,975	41,728,926	3,460,857	1.22x	3.87%
2004	Lincolnshire Equity Fund III, L.P.	12/23/2004	25,000,000	23,857,757	30,876,522	13,169,351	1.85x	31.70%
2004	Markstone Capital Partners, L.P.	7/21/2004	35,000,000	40,766,689	16,852,082	2,155,960	0.47x	(55.41%)
2004	New York/Fairview Emerging Managers (Tranche A), L.P.	10/21/2004	24,000,000	24,032,070	11,707,297	15,888,724	1.15x	2.79%
2004	Paladin Homeland Security Fund (NY), LP	10/1/2004	15,000,000	16,164,780	3,805,833	5,633,385	0.58x	(7.57%)
2004	Trilantic Capital Partners III (fka LBMB III), L.P.	9/22/2005	30,000,000	23,407,177	34,539,875	1,218,165	1.53x	12.62%
2005	Blackstone Mezzanine Partners II, L.P.	5/26/2006	20,000,000	19,310,591	22,986,255	1,766,075	1.28x	7.03%
2005	Bridgepoint Europe III, L.P.	12/6/2005	30,438,517	26,996,441	17,702,271	14,703,728	1.20x	3.04%
2005	GI Partners Fund II, L.P.	6/19/2006	25,000,000	25,246,749	28,605,176	9,646,564	1.52x	7.21%
2005	JP Morgan Fleming (Tranche A), L.P.	12/21/2005	31,000,000	29,638,460	19,847,942	23,620,204	1.47x	9.16%
2005	NB NYC Growth Fund, LLC	8/16/2005	30,000,000	26,117,536	22,375,310	479,102		(2.76%)
2005	New Mountain Partners II, L.P.	1/12/2005	23,225,800	21,142,801	36,194,011	4,779,554	1.94x	13.73%
2005	Palladium Equity Partners III, L.P.	8/10/2005	35,000,000	36,029,238	48,624,437	25,217,572	2.05x	18.37%
2005	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	20,622,939	8,306,204	7,898,735	0.79x	(5.04%)
2005	Psilos Group Partners III, L.P.	10/17/2007	25,000,000	26,575,585	12,820,541	20,832,277	1.27x	5.34%
2005	Quadrangle Capital Partners II, L.P.	2/28/2006	35,000,000	29,783,410	31,852,232	7,790,059	1.33x	6.00%
2005	Snow Phipps Group, L.P.	8/2/2007	15,000,000	17,088,026	11,168,681	11,063,669	1.30x	7.79%
2005	USPF II Institutional Fund, L.P.	11/23/2005	35,000,000	46,164,567	30,880,542	29,240,108	1.30x	5.80%
2005	VSS Communications Partners IV, L.P.	6/2/2006	10,000,000	11,280,602	6,068,886	2,602,875	0.77x	(4.79%)
2006	Aisling Capital II, L.P.	1/12/2006	4,500,000	5,032,843	2,414,268	4,161,175	1.31x	5.73%
2006	Ampersand 2006, L.P.	7/6/2007	15,000,000	15,000,000	15,019,347	11,692,729	1.78x	12.64%
2006	Apollo Investment Fund VI, L.P.	5/10/2006	35,000,000	45,048,207	51,204,379	18,103,292	1.54x	9.99%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	30,000,000	32,860,216	47,146,343	8,643,879	1.70x	13.86%
2006	Arsenal Capital Partners II, L.P.	12/19/2006	13,500,000	15,950,930	9,531,036	14,209,235	1.49x	9.54%
2006	Avista Capital Partners, L.P.	8/11/2006	30,000,000	38,444,474	31,300,502	19,256,261	1.32x	6.39%
2006	BDCM Opportunity Fund II, L.P.	12/28/2006	25,000,000	35,655,722	31,537,456	35,728,533	1.89x	17.61%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	75,600,000	76,226,429	70,195,119	55,771,074	1.65x	8.97%
2006	Catterton Partners VI, L.P.	12/14/2006	30,000,000	32,893,166	39,841,631	21,670,505	1.87x	13.83%
2006	CCMP Capital Investors II, L.P.	5/22/2007	20,000,000	21,674,008	21,475,301	12,312,154	1.56x	12.96%
2006	Cinven Fourth Fund	1/22/2007	43,802,798	44,538,000	42,531,075	17,711,169	1.35x	6.49%
2006	CLP 2014 (fka Perseus VII)	8/6/2007	20,000,000	22,567,679	5,665,565	625,289		(36.85%)
2006	Fairview Ventures Fund III, L.P.	7/13/2007	20,000,000	19,669,277	11,021,087	23,464,256	1.75x	16.06%
2006	First Reserve Fund XI, L.P.	12/22/2006	30,000,000	34,241,400	19,371,900	9,300,398	0.84x	(4.57%)
2006	GF Capital Private Equity Fund, L.P.	3/20/2008	15,000,000	15,135,481	10,786,837	14,959,784	1.70x	15.55%
2006	GSC Recovery III, L.P.	5/4/2006	10,000,000	11,208,693	11,688,755	1,718,695	1.20x	4.69%
2006	InterMedia Partners VII, L.P.	6/8/2006	25,000,000	28,671,799	16,147,307	30,269,713	1.62x	7.92%
2006	Landmark Equity Partners XIII, L.P.	5/15/2006	25,000,000	23,437,100	17,569,585	12,220,572	1.27x	5.43%
2006	MidOcean Partners III, L.P.	6/19/2007	40,000,000	43,593,783	26,715,781	35,098,089	1.42x	8.48%
2006	RRE Ventures IV, L.P.	10/25/2006	25,000,000	30,080,020	7,086,200	41,107,732	1.60x	10.43%
2006	Terra Firma Capital Partners III, L.P.	2/26/2007	31,051,374	30,975,783	648,250	15,280,950	0.51x	(12.18%)
2006	Thomas, McNerney & Partners II, L.P.	11/30/2006	15,000,000	14,267,607	7,802,355	24,646,022	2.27x	18.32%
2007	Carlyle Partners V, L.P.	9/28/2007	50,000,000	48,752,898	40,022,324	41,442,185	1.67x	14.53%
2007	Co-Investment Partners Europe, L.P.	12/5/2008	26,392,288	28,835,985	11,466,296	23,069,055	1.20x	4.51%
2007	Constellation Ventures III, L.P.	11/20/2008	15,000,000	16,047,224	3,405,627	7,983,136	0.71x	(8.24%)
2007	Craton Equity Investors I, L.P.	3/11/2008	10,000,000	9,266,168	35,559	3,685,266	0.40x	(17.72%)
2007	FTVentures III, L.P.	3/1/2007	14,081,947	14,882,466	9,064,099	15,312,936	1.64x	11.67%
2007	GSO Capital Opportunities Fund, L.P.	8/15/2008	30,000,000	48,030,721	59,503,343	8,577,690	1.42x	18.37%

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2007	Halyard Capital Fund II, L.P.	11/2/2007	15,000,000	12,504,921	4,087,471	9,046,888	1.05x	1.11%
2007	Montreux Equity Partners IV, L.P.	3/27/2007	15,000,000	14,930,359	7,889,117	15,603,453	1.57x	12.45%
2007	Nautic Partners VI, L.P.	6/30/2008	20,000,000	21,422,800	17,078,455	21,828,729	1.82x	15.19%
2007	New Mountain Partners III, L.P.	9/25/2007	35,000,000	34,282,966	13,518,146	31,795,197	1.32x	8.13%
2007	PCG Clean Energy & Technology Fund East, L.P.	4/25/2008	60,000,000	50,082,329	6,230,474	26,483,571	0.65x	(9.62%)
2007	Pegasus Partners IV, L.P.	10/9/2007	20,000,000	24,552,016	12,029,295	13,614,344	1.04x	1.16%
2007	Pine Brook Capital Partners, L.P.	4/7/2008	22,500,000	21,796,817	11,302,657	17,064,491	1.30x	9.77%
2007	Quaker BioVentures II, L.P.	4/18/2008	15,000,000	13,252,775	8,111,836	10,864,562	1.43x	10.51%
2007	RLJ Equity Partners Fund I, L.P.	4/14/2009	15,000,000	14,507,010	6,276,116	12,513,228	1.30x	9.40%
2007	SCP Vitalife Partners II, L.P.	1/10/2008	15,000,000	14,512,274	1,184	13,122,056	0.90x	(2.36%)
2007	StarVest Partners II, L.P.	12/8/2008	20,000,000	18,900,779	912,803	15,438,631	0.87x	(4.17%)
2007	Trilantic Capital Partners IV L.P.	10/22/2007	53,311,339	53,435,019	54,348,334	34,224,961	1.66x	16.75%
2007	USPF III Institutional Fund, L.P.	7/10/2007	30,000,000	29,984,326	13,329,541	26,238,732	1.32x	6.09%
2007	Vista Equity Partners Fund III, L.P.	11/30/2007	25,000,000	26,554,415	54,043,787	13,245,516	2.53x	29.04%
2008	Aisling Capital III, L.P.	11/20/2008	10,500,000	9,985,080	7,647,880	8,684,639	1.64x	24.87%
2008	Apollo Investment Fund VII, L.P.	4/16/2008	50,000,000	56,500,974	80,851,570	21,933,625	1.83x	26.56%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	60,000,000	67,648,678	60,872,765	55,948,463	1.73x	22.84%
2008	Avista Capital Partners II, L.P.	12/31/2008	50,000,000	58,512,325	42,746,666	66,362,823	1.86x	20.43%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	20,000,000	21,395,770	7,984,160	16,491,503	1.14x	5.75%
2008	Bridgepoint Europe IV, L.P.	9/30/2008	26,426,924	23,858,184	13,966,853	15,873,592	1.25x	7.61%
2008	Carpenter Community BancFund-A, L.P.	6/5/2008	15,000,000	14,389,912	690,525	20,413,478	1.47x	8.13%
2008	GCM Grosvenor TRSCNY Emerging Manager Co-Investment Fund	8/22/2008	12,626,263	7,106,809	8,346,249	3,577,162	1.68x	13.41%
2008	GCM Grosvenor TRSCNY Emerging Manager Fund, L.P.	8/22/2008	59,373,737	55,312,748	25,141,152	42,559,171	1.22x	9.55%
2008	First Reserve Fund XII, L.P.	11/14/2008	30,000,000	30,228,512	13,003,119	15,429,795	0.94x	(1.84%)
2008	GI Partners III, L.P.	7/29/2008	30,000,000	31,764,411	29,566,943	17,777,781	1.49x	14.74%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	50,000,000	45,447,419	28,293,352	33,280,372	1.35x	15.80%
2008	Lee Equity Partners, L.P.	4/23/2008	30,000,000	31,369,199	11,814,312	27,965,514	1.27x	7.99%
2008	Leeds Equity Partners V, L.P.	7/28/2008	40,000,000	36,907,015	10,339,610	42,322,559	1.43x	14.70%
2008	Levine Leichtman Capital Partners IV, L.P.	9/22/2008	25,000,000	24,808,667	27,720,936	12,397,710	1.62x	19.82%
2008	New York/Fairview Emerging Managers (Tranche B), L.P.	5/28/2008	35,000,000	29,151,500	12,146,031	29,260,217	1.42x	14.18%
2008	NGN BioMed Opportunity II, L.P.	10/31/2008	15,000,000	13,538,866	2,818,639	7,911,509	0.79x	(5.98%)
2008	Onex Partners III, L.P.	3/31/2009	40,000,000	42,984,486	18,633,395	39,200,101	1.35x	11.92%
2008	Paladin III (HR), L.P.	1/8/2008	20,000,000	20,816,701	11,160,998	13,636,392	1.19x	5.88%
2008	Relativity Fund, L.P.	1/17/2008	15,000,000	8,181,270	1,286,079	3,421,501	0.58x	(11.53%)
2008	Riverstone/Carlyle Global Energy & Power Fund IV	9/29/2008	32,500,000	32,176,805	24,241,291	15,494,022	1.23x	7.62%
2008	Yucaipa American Alliance Fund II, L.P.	3/28/2008	75,000,000	100,529,590	67,124,045	98,326,991	1.65x	15.93%
2008	Yucaipa Corporate Initiatives Fund II, L.P.	6/23/2008	32,738,833	31,709,756	9,110,803	18,038,249	0.86x	(4.14%)
2009	Lincolnshire Equity Fund IV, L.P.	8/7/2009	12,500,000	10,392,241	3,745,074	8,375,591	1.17x	6.58%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	30,000,000	27,279,577	17,125,683	23,266,847	1.48x	14.21%
2010	JP Morgan Fleming (Tranche B), L.P.	3/31/2008	10,000,000	8,204,225	2,431,092	8,698,556	1.36x	12.96%
2010	Trident V, L.P.	12/30/2010	35,000,000	36,169,148	5,628,905	36,736,968	1.17x	8.11%
2011	Ampersand 2011, L.P.	3/11/2011	17,500,000	16,100,000	987,648	24,396,213	1.58x	18.71%
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	60,000,000	38,404,984	6,460,856	39,710,726	1.20x	13.02%
2011	EQT VI, L.P.	8/1/2011	48,022,932	40,230,962	845,596	39,245,933	1.00x	(0.23%)
2011	BC European Capital IX, L.P.	9/19/2011	64,846,557	47,573,725	7,079,672	41,321,197	1.02x	1.03%
2011	AXA Secondary Fund V L.P.	8/11/2011	160,000,000	75,280,905	31,881,500	70,028,044	1.35x	14.70%
2011	Pegasus Partners V, L.P.	8/16/2011	20,789,916	10,950,865	3,737,465	12,158,769	1.45x	15.33%
2011	Green Equity Investors VI, L.P.	11/30/2012	100,000,000	50,198,239	2,069,601	55,517,810	1.15x	12.45%
2011	Vista Equity Partners IV, L.P.	11/30/2011	100,000,000	87,298,641	3,334,408	130,235,902	1.53x	22.61%
2011	American Securities Partners VI, L.P.	1/10/2012	100,000,000	72,912,668	21,511,731	76,452,435	1.34x	20.96%
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	105,000,000	71,959,447	7,459,852	71,086,905	1.09x	11.31%
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	175,000,000	79,007,654	5,773,088	80,916,681	1.10x	7.24%
2012	Trilantic Capital Partners V, L.P.	9/20/2012	70,000,000	22,302,513	267,026	20,821,030	0.95x	(4.47%)
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	115,000,000	52,941,108	43,416,934	43,583,328	1.64x	69.11%
2012	ICV Partners III, L.P.	2/7/2013	14,000,000	9,795,136	2,642,568	7,423,047	1.03x	N/M
2012	ACON Equity Partners III, L.P.	6/21/2013	7,000,000	4,780,948	254,096	4,849,345	1.07x	N/M
2012	Incline Equity Partners III, L.P.	9/10/2013	9,000,000	4,033,476	168,596	3,853,357	1.00x	N/M
2013	Grey Mountain Partners III, L.P.	7/1/2013	6,500,000	1,658,764	-	1,950,292	1.18x	N/M
2013	Altaris Health Partners III, L.P.	1/27/2014	11,000,000	1,828,590	221,457	1,960,690	1.19x	N/M
2012	Capital Partners Private Equity Income Fund II, L.P.	8/5/2013	8,750,000	3,168,561	729,356	2,514,020	1.02x	N/M
2013	Vista Foundation Fund II, L.P.	12/27/2013	17,500,000	7,381,158	-	6,635,496	0.90x	N/M
2013	FTV IV, L.P.	12/2/2013	17,500,000	7,805,294	-	9,642,157	1.24x	N/M
2012	NYCTRS - 2012 Emerging Manager Program*	2/7/2013	175,000,000	40,451,928	4,016,073	38,828,404	1.06x	N/M
2013	American Securities Partners VII, L.P.	N/A	111,000,000	-	-	-	0.00x	N/M
2013	Carlyle Partners VI, L.P.	7/3/2013	125,000,000	39,288,978	1,301,318	37,000,937	0.97x	N/M
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	13,750,000	3,034,618	2	2,805,859	0.92x	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	113,000,000	22,399,375	341,342	26,621,760	1.20x	N/M

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	37,000,000	10,005,111	-	12,008,738	1.20x	N/M
2013	Olympus Growth Fund VI, L.P.	1/21/2014	100,000,000	12,311,789	54,788	14,399,092	1.17x	N/M
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	200,000,000	26,416,077	127,657	24,981,904	0.95x	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	168,330,310	15,160,901	25,999	10,849,314	0.72x	N/M
2013	NMS Fund II, L.P.	10/31/2014	8,200,000	1,271,510	5,713	1,088,342	0.86x	N/M
2014	Lexington Capital Partners VIII, L.P.	1/8/2015	150,000,000	10,500,000	-	16,859,661	1.61x	N/M
2014	ASF VI, L.P.	5/9/2014	38,000,000	30,091,721	-	36,602,241	1.22x	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	112,000,000	22,193,240	-	25,075,513	1.13x	N/M
2014	Crestview Partners III, L.P.	3/3/2015	75,000,000	6,630,797	206,461	6,005,039	0.94x	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	N/A	25,000,000	-	-	-	0.00x	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	125,000,000	49,871,346	9,745	48,262,960	0.97x	N/M
2014	Centerbridge Capital Partners III, L.P.	N/A	33,500,000	-	-	-	0.00x	N/M
2014	Mill City Fund II, L.P.	12/29/2014	8,200,000	4,642,429	-	3,804,795	0.82x	N/M
2014	Raine Partners II, L.P.	2/20/2015	20,000,000	2,707,178	-	2,085,140	0.77x	N/M
2014	Siris Partners III, L.P.	N/A	45,000,000	-	-	-	0.00x	N/M
2014	Webster Capital III, L.P.	1/6/2015	16,500,000	2,988,150	-	2,746,282	0.92x	N/M
<b>Total Active Investments</b>			<b>\$ 5,745,709,535</b>	<b>\$ 4,052,491,873</b>	<b>\$ 2,675,608,599</b>	<b>\$ 2,818,583,737</b>	<b>1.36x</b>	<b>9.96%</b>
<b>Total Exited Investments</b>			<b>\$ 63,000,000</b>	<b>\$ 318,229,712</b>	<b>\$ 381,695,599</b>	<b>\$ -</b>	<b>1.20x</b>	<b>2.48%</b>
<b>Total Portfolio<sup>1</sup></b>			<b>\$ 5,808,709,535</b>	<b>\$ 4,370,721,585</b>	<b>\$ 3,057,304,197</b>	<b>\$ 2,818,583,737</b>	<b>1.34x</b>	<b>9.47%</b>

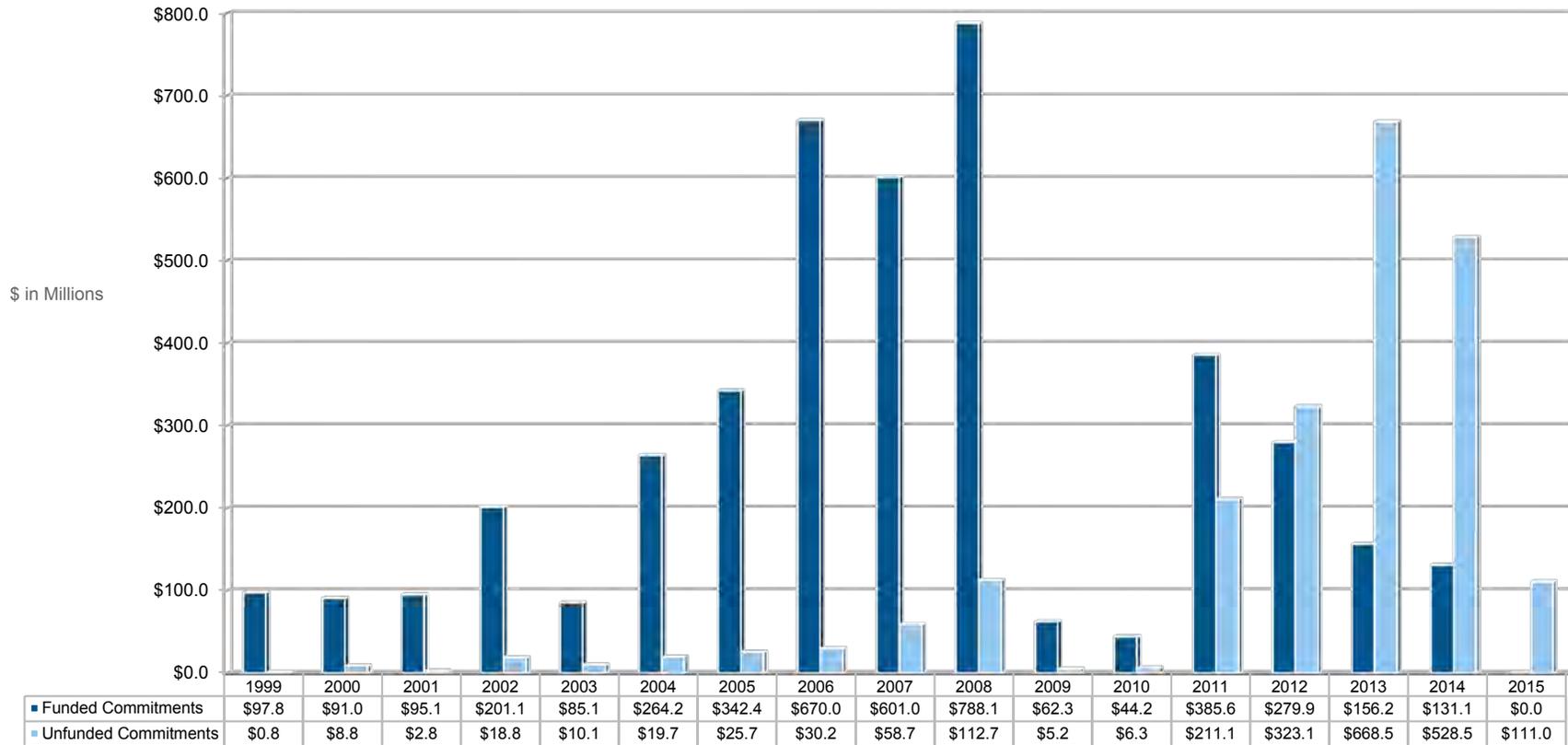
Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Commitments Closed Subsequent to as of Date</b>								
2015	Bridgepoint Europe V, L.P.	N/A	\$ 85,349,663	-	-	-	N/A	N/A
2015	Patriot Financial Partners II, L.P.	7/21/2015	9,900,000	-	-	-	N/A	N/A
2014	Valor Equity Partners III, L.P.	N/A	11,000,000	-	-	-	N/A	N/A
2015	Welsh, Carson, Anderson & Stowe XII, L.P.	N/A	110,500,000	-	-	-	N/A	N/A
2015	Wigmore Street Co-Investment No. 2 L.P.	N/A	24,030,488	-	-	-	N/A	N/A
<b>Total Commitments Closed Subsequent to as of Date</b>			<b>\$ 240,780,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>

\*Please note that the NYCTRS - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$91.25 million has been committed as of March 31, 2015.

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

Note: Where available, March 31, 2015 reported valuations were used. In the absence of March 31, 2015 reported values, market values have been adjusted forward using interim cashflows through March 31, 2015. The IRR calculated in the early years of a fund is not meaningful given the j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of March 31, 2015.

**Teachers' Retirement System of the City of New York  
Commitments By Vintage Year  
As of March 31, 2015**

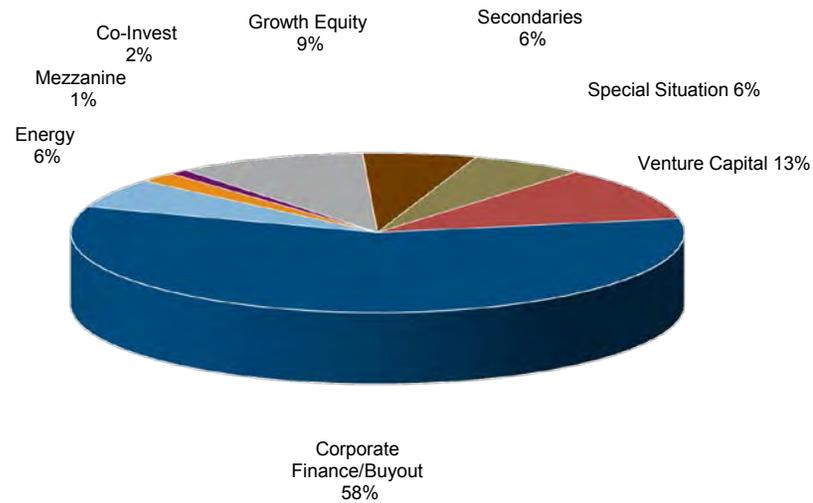


Funded Commitments exclude additional fees.

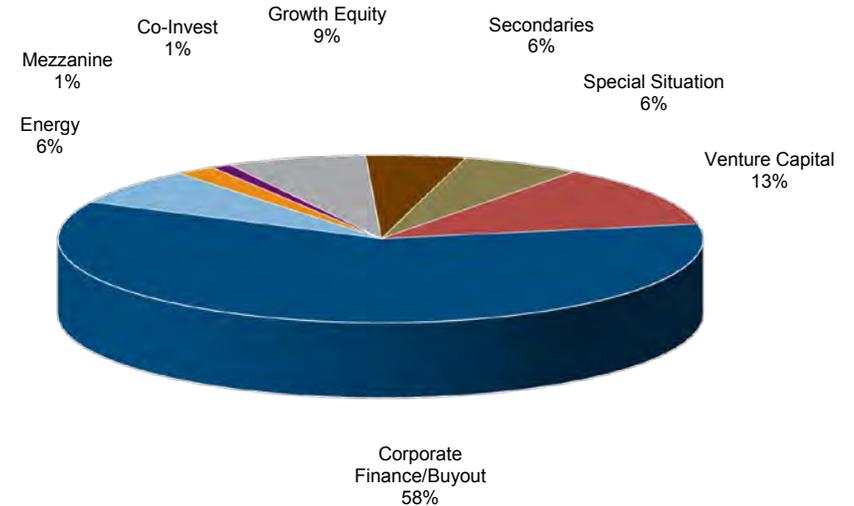
Unfunded Commitments include recallable returns of capital.

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

As of March 31, 2015



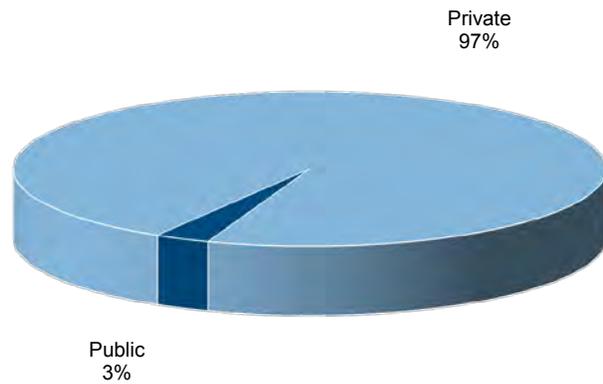
As of March 31, 2014



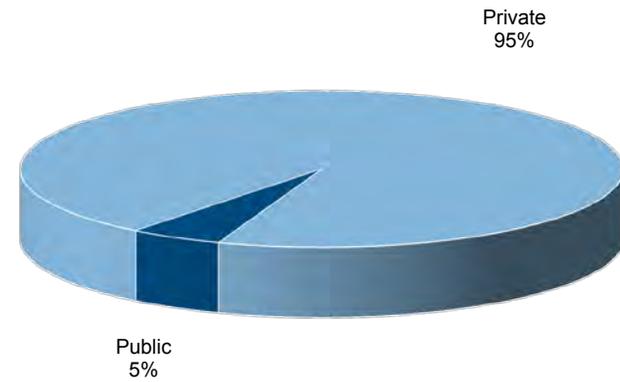
Note: The March 31, 2015 financial statement for ASF VI NYC Co-Invest, L.P., ASF VI, L.P., AXA Secondary Fund V L.P., Lincolnshire Equity Fund II, L.P., and Markstone Capital Partners, L.P. was not available from the general partner at the time of completion of this report. The remaining market value is based upon the last reported market value and adjusted forward for net cash flows.

**Teachers' Retirement System of the City of New York  
Public Vs. Private Holdings  
As of March 31, 2015**

**Based on Number of Companies <sup>(1)</sup>**



**Based on Reported Market Value <sup>(1)</sup>**



<sup>(1)</sup> Portfolio Company information as of March 31, 2015 for ASF VI NYC Co-Invest, L.P., ASF VI, L.P., AXA Secondary Fund V L.P., Lincolnshire Equity Fund II, L.P., and Markstone Capital Partners, L.P., and Ripplewood Partners II, L.P. was not available at the time of this analysis. Market values for underlying holdings have been carried forward from last quarter.

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

First Quarter 2015 Report



**Appendix A:**

Glossary of Terms

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

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

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

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

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

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

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

**Cost Basis:** Capital contributions less return of principal.

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

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

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

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

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

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

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

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

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

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

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

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

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

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

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

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

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

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

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

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

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

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

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

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

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

First Quarter 2015 Report



# Appendix B:

Disclosure Statement

# Teachers' Retirement System of the City of New York

## First Quarter 2015 Report

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

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

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

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

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## Real Assets Quarterly Report

# Teachers' Retirement System of the City of New York

Executive Summary: First Quarter 2015 Performance Measurement Report  
Real Estate

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## Portfolio Profile

The Teachers' Retirement System of the City of New York has allocated 6.0% (+/- 2%) of the total plan to Real Assets. Real Estate investments are categorized under Real Assets. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

## Portfolio Statistics (March 31, 2015)

Total Plan Assets	\$60.1 billion
Target Real Assets Allocation (%)	6%
Target Real Assets Allocation (\$)	\$3.6 billion
Total Real Estate Market Value	\$1.5 billion
Real Estate Unfunded Commitments	\$833 million
Total Real Estate Exposure	\$2.4 billion
Number of Investments	45
Number of Managers	35

## Net Returns (as of March 31, 2015)

1Q15 Time-Weighted Net Return:	3.3%
1 Year Time Weighted Net Return:	15.0%
3 Year Time Weighted Net Return:	12.3%
Inception-to-Date (ITD) Time-Weighted:	9.4%
ITD Net IRR:	9.3%
ITD Net Equity Multiple:	1.3x

## Investment Guidelines

Style Sector: Target •40-60% Core/Core Plus  
•40-60% Non-Core

Benchmark NFI-ODCE Index +100 bps net over full market cycles

Region Diversification Maximum 25% Int'l

Investment Diversification Limit 15% to a single investment

Manager Diversification Limit 15% to a single manager

Leverage 65%

## First Quarter Investment Activity

During the Quarter, the Board made a \$52.0 million commitment to an open end core/core plus fund.

## OVERVIEW

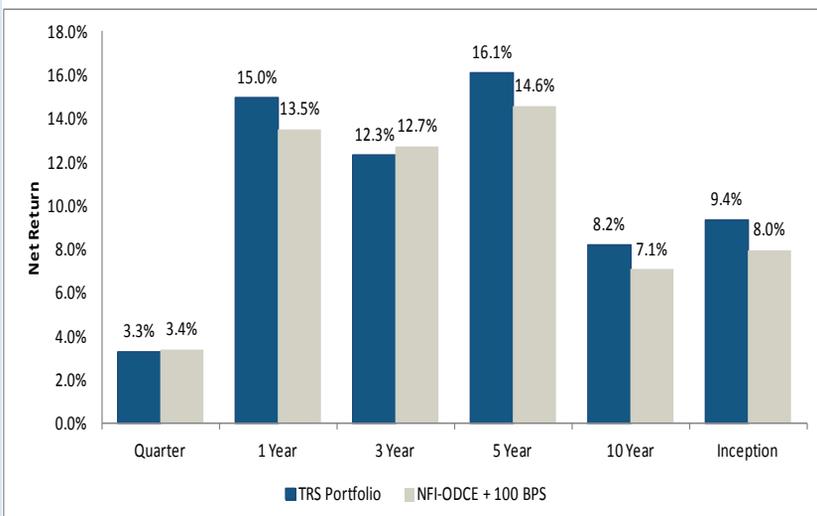
Global real estate is now experiencing steady growth throughout the sectors. This growth can be attributed to new corporate leasing commitments, increased consumer confidence and the expansion of e-commerce. Abundant equity, availability of debt and continued low interest rate environment are keeping investment volumes high for 2015. Real Estate investment markets are 9.0% higher than the same period last year. Commercial real estate investment volumes in Europe declined 1.0% due to the weakened Euro. Investment volumes for Asia overall increased 7.0% with Japan growing 6.0% year over year and Singapore increased 67.0% from 1Q14 to 1Q15. In contrast, volumes in China decreased 13.0% year over year. Developer macro concerns and the housing correction stalled investment volumes.

## Direct Commercial Real Estate Investment - Regional Volumes

\$ US Billions	Q1 15		Q1 14		2013		2014	
	Q4 14	Q1 15	Q4 14	Q1 14	Q1 15	2013	2014	2014
Americas	94	73	-22%	62	18%	241	302	25%
EMEA	94	57	-39%	57	-1%	221	278	26%
Asia Pacific	44	25	-43%	23	7%	127	131	3%
<b>Total</b>	<b>231</b>	<b>155</b>	<b>-33%</b>	<b>142</b>	<b>9%</b>	<b>589</b>	<b>711</b>	<b>21%</b>

Source: Jones Lang LaSalle, April 2015

The Teachers' Retirement System of the City of New York ("NYCTRS") Real Estate Portfolio is, and has been, well positioned to take advantage of conditions in the real estate marketplace. Post economic downturn, in the period reflected in the rolling five-year returns, NYCTRS performance underperforms the benchmark by 10 basis points. At the end of the First Quarter 2015, the Portfolio achieved a total gross return of 4.3% which was comprised of 1.0% income and 3.4% appreciation. The net return for the Quarter was 3.3%. A detailed analysis of NYCTRS' real estate performance is found later in this Executive Summary.



### FUNDING AND COMPOSITION

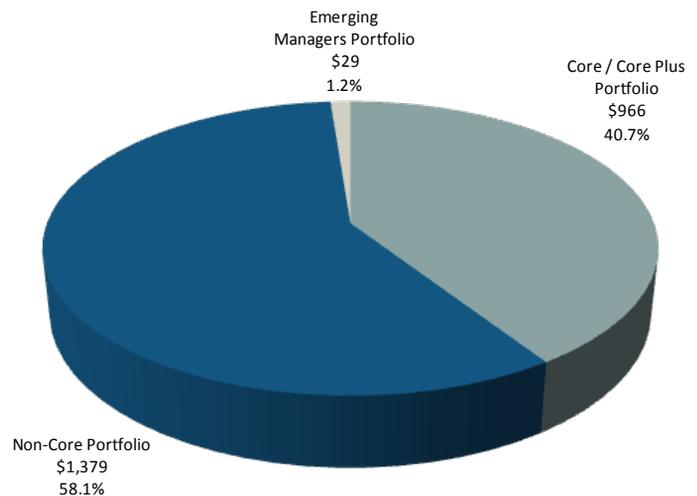
At the end of the First Quarter, the Portfolio was funded at \$1.5 billion, or 2.6% of total plan assets. A total of \$833 million in unfunded commitments are still outstanding. Unfunded commitments are down from \$924 million in the fourth quarter 2014. New commitment activity will continue throughout 2015.

New contributions for the Quarter totaled \$94.7 million, offset by just over \$81.8 million in distributions and withdrawals. Distributions were weighted to the non-core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Values + Unfunded Commitments. The Core/ Core Plus component accounts for 40.7% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 58.1% of the Portfolio exposure. The Emerging Manager component accounts for 1.2% of the Portfolio exposure.

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

### Real Estate Exposure



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

Total Plan Assets	3/31/2015	60,146
Real Asset Allocation (%)		6.0
Real Asset Allocation (\$)		3,609

#### Style Sector Statistics (Market Value)

Funded (Market Value) Core / Core Plus Portfolio	\$791
Funded (Market Value) Non-Core Portfolio	\$729
Funded (Market Value) Emerging Managers Portfolio	\$21
Unfunded Core / Core Plus Portfolio	\$175
Unfunded Non-Core Portfolio	\$650
Unfunded Emerging Managers Portfolio	\$8

#### Funded (Market Value) and Committed Statistics

Core / Core Plus Portfolio	40.7%
Non-Core Portfolio	58.1%
Emerging Managers Portfolio	1.2%
\$ Committed	2,375
% Committed on Real Asset Allocation	65.8%
% Committed on Total Plan Assets	3.9%

#### Funded (Market Value) Statistics

% Funded (Market Value) of Total Plan Assets	2.6%
% Funded (Market Value) of Total Real Asset Allocation	42.7%

## PERFORMANCE

During the Quarter under review, the NYCTRS Real Estate Portfolio produced a 4.3% total gross return. The total net return for the Quarter was 3.3%. On a rolling one-year basis the total gross return of 18.4% was recorded. On a net basis the total return was 15.0%. On a gross basis the NYCTRS Portfolio exceeds the NFI-ODCE over all relevant time periods. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles (10-year). This benchmark is exceeded over the one-year, five-year, ten-year and since inception time periods. The various components of the Portfolio returns are depicted in the chart below.

### Core/Core Plus

As of March 31, 2015 the market value of the Core/ Core Plus Portfolio was \$790 million, or 51.3% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$966 million, or 40.7% of the total Portfolio. The Core/ Core plus Portfolio generated a 3.4% total gross return for the Quarter comprised of 1.1% in income and 2.2% in appreciation. The total net return for the Quarter was 2.9%.

The most significant contributor to the Quarterly return for the Core/Core Plus Portfolio was JP Morgan Strategic Property Fund, which added 0.17% to the total return. The largest detractor from the Core/Core Plus Portfolio was Almanac Realty Securities VI, which detracted (0.17)% from the total net return.

The Core/Core Plus Portfolio achieved a 11.9% net return over the three-year period ending March 31, 2015. Of the 15 Core/Core Plus Funds, PRISA II was the largest contributor, adding 0.18% to the overall performance of the Portfolio. UBS Trumbull Property Fund was the largest detractor, taking away (0.65)% from the overall performance of the Core/Core Plus Portfolio.

### Non-Core

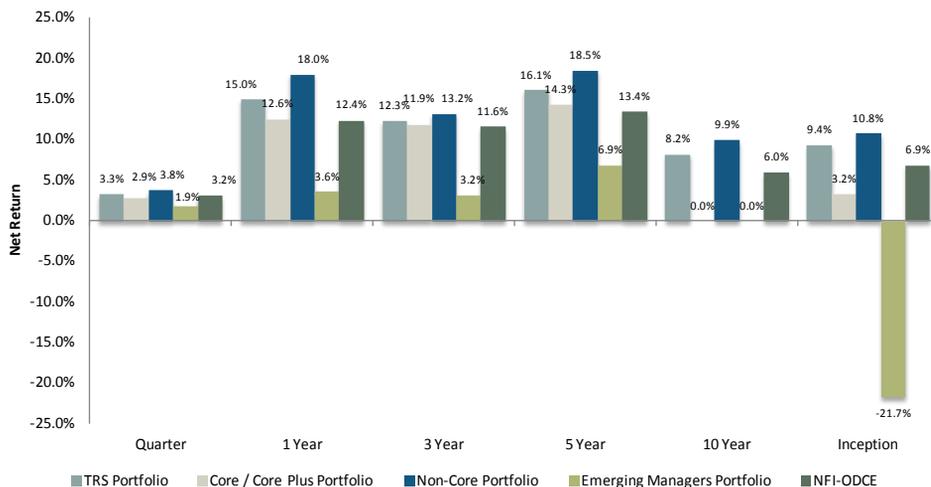
As of March 31, 2015 the market value of the Non-Core Portfolio was \$729 million, or 47.3% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$1.4 billion, or 58.1% of the total Portfolio. The Non-Core Portfolio generated a 5.4% total gross return for the Quarter comprised of 0.8% in income and 4.6% in appreciation. The total net return for the Quarter was 3.8%.

Of the 27 Non-Core Funds that contributed to the Quarterly return, KTR Industrial Fund III contributed the most, adding 1.07%. The City Investment Fund was the largest detractor for the Quarter, taking away (0.71)% from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio generated a three-year net return of 13.2%. Of the 27 Non-Core Funds that contributed to the three-year performance of the Portfolio, Blackstone Real Estate Partners VI was the largest contributor, adding 1.23%. The largest detractor among these Funds was Tishman Speyer Separate Account, which took away (1.97)% from overall Non-Core performance.

### Emerging Managers

As of March 31, 2015 the market value of the Emerging Managers Portfolio was \$21 million, or 1.4% on an invested basis. On a funded and committed basis, the Emerging Managers Portfolio totaled \$29 million, or 1.2% of the total Portfolio. The Emerging Managers Portfolio generated a 2.3% total gross return for the Quarter comprised of 1.6% in income and 0.7% in appreciation. The total net return for the Quarter was 1.9%. The Emerging Managers Portfolio has underperformed for a number of reasons including the fact that performance has been adversely impacted by virtue of the vintage years of these funds.



### PERFORMANCE

#### Portfolio Performance

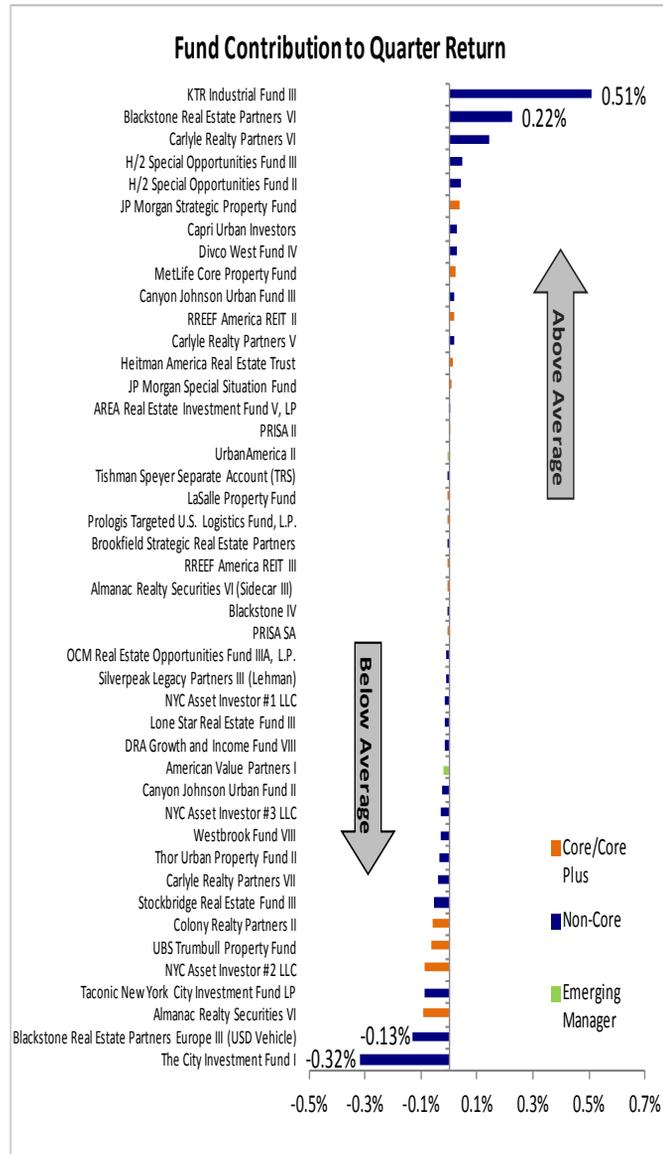
At the end of the First Quarter 2015, the Portfolio had a cumulative market value of \$1.5 billion. Total market value plus unfunded commitments (including recent commitments) was \$2.4 billion, or 65.8% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 4.3% which was comprised of 1.0% in income and 3.4% in appreciation. The Portfolio achieved a total net return of 3.3%. Since inception, the Portfolio has a net IRR of 9.3% and an equity multiple of 1.3x as of March 31, 2015. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven by KTR Industrial Fund III, which contributed 0.51% to the overall performance. The primary laggards in the Portfolio were The City Investment Fund I and Blackstone Real Estate Partners Europe III, detracting (0.32)% and (0.13)%, respectively. Brief reviews of Funds making positive contributions to performance during the Quarter are found below. Note, that attached as Exhibit C are charts relating to fund contributions to returns during different relevant periods.

**KTR Industrial Fund III (KTR III).** The Fund produced a total gross return of 31.0%, comprised of 1.9% in income and 29.2% in appreciation. The net return after fees was 24.4%. Due to the announcement of sale of the Fund assets during the first Quarter, the Fund experienced a significant write up in value contributing to an increase in appreciation returns. The definitive agreement to sell the KTR III assets was executed subsequent to Quarter end, but had been in process for over a year prior. Unrealized appreciation for the First Quarter of 2015 was approximately \$175.9 million while realized losses were only \$77,000.

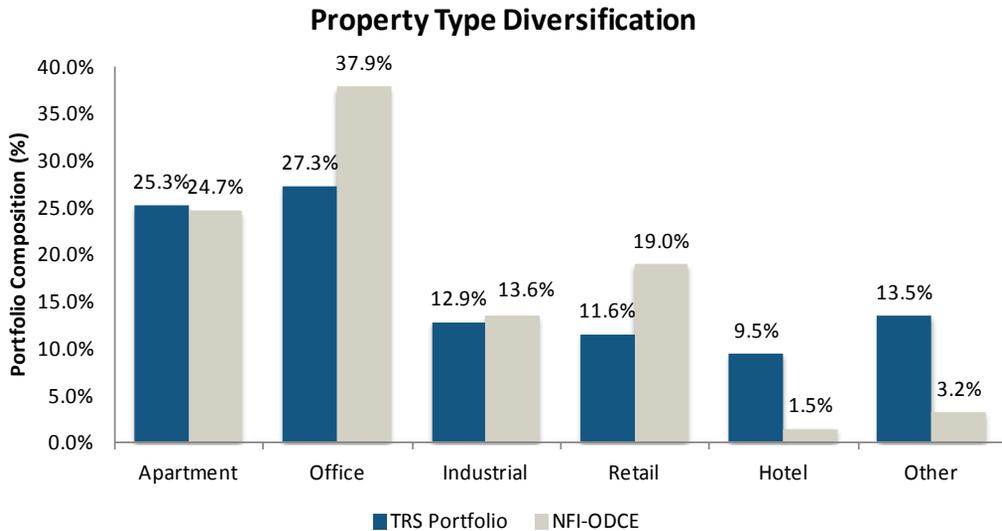
**Blackstone Real Estate Partners VI (BREP VI).** BREP VI produced a total gross return during the Quarter of 11.9%, comprised of 0.1% in income and 11.7% in appreciation. The net return after fees was 9.3%. Disposition activity for the Quarter was abundant. The industrial portfolio was sold during the Quarter in addition to an office portfolio. These sales resulted in distributions of \$3.1 billion for the year to date. An industrial portfolio which was owned by both BREP VI and BREP VII, generated \$3.4 billion in proceeds, a gross IRR of 29% and a 2.4x equity multiple. Part of the EOP portfolio, was also sold during the Quarter. The asset was sold for the sales price of \$2.2 billion at a 4.5% capitalization rate. The Fund's valuation increased by \$1.36 billion for the Quarter.

**Carlyle Realty Partners VI (Carlyle VI).** Carlyle VI had a total gross return of 8.7% comprised of 2.1% in income and 6.6% in appreciation. The net return after fees was 7.5%. As of March 31, 2015, Carlyle VI has closed on 128 investments requiring approximately \$2.04 billion of Fund equity. A multifamily was sold in January for \$59.0 million at a 5.25% cap rate. This investment generated a 29% gross IRR, \$13.2 million in gross profit and 1.8x equity multiple. Distributions for the Quarter were approximately \$56.4million. The Fund has completed its exit strategy on 48 investments and partially exited another two investments. This investment activity has generated a gross IRR of 55% and a 2.0x gross equity multiple. The projected equity multiple remains strong at 1.96x over the life of the Fund.



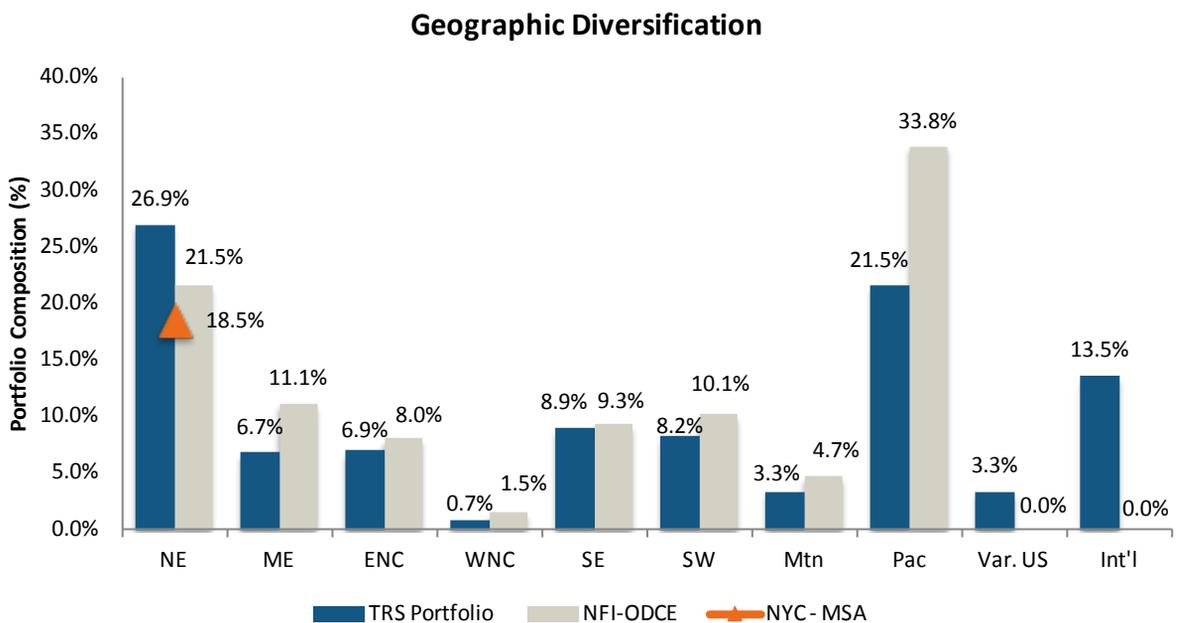
## PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. Relative to the ODCE, the Portfolio is still underweight to all property sectors (excluding hotels and apartments) due to TRS' allocation to other property types such as For Sale Residential, Self Storage, Land, Health Care, Medical Office, Senior Living and Student Housing.



## GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight overweight to the Northeast and a slight underweight to the Mid East, East North Central, Mountain and Pacific. The 13.5% international exposure is appropriate for the risk and return profile of TRS and consistent with our long-term target.



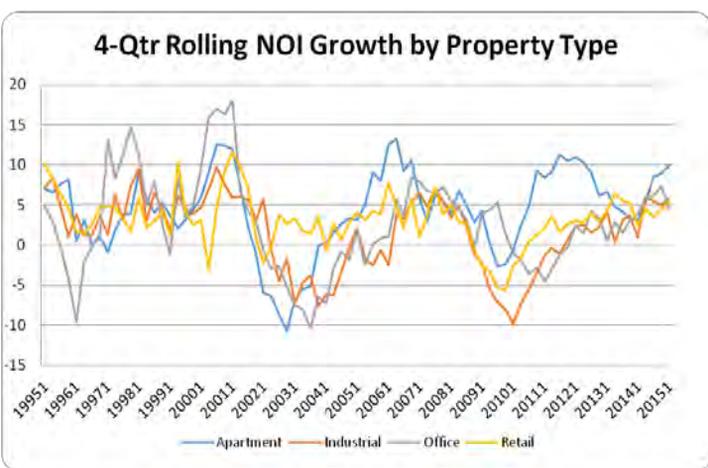
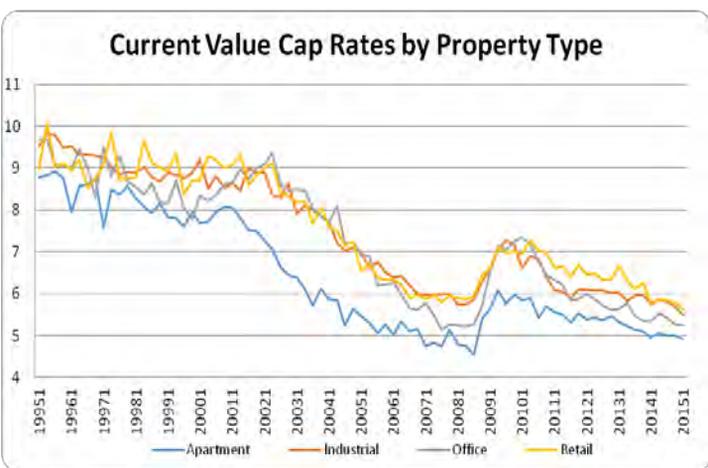
## MARKET UPDATE

### General

- For the first quarter of 2015, real GDP contracted 0.7%, a 290 bps drop from 1Q15. This was only the third time the economy shrank since the GFC. The contraction was driven by temporary factors including harsh weather, a strong dollar, which drove exports to decrease by the most since early 2009, and a labor dispute at West Coast ports.
- As of 1Q15, consumer spending grew by 1.8%, a significant decrease from the 4.4% increase in the prior Quarter. The decrease may be due to the harsh winter and therefore is expected to rebound in the second quarter, as the weather improves. However, consumer confidence is at a six-month low as of May 2015.
- In the first quarter of 2015, lending in the securitized market remained strong, with CMBS issuance rising to \$27 billion, a 33% increase year-over-year.
- Lower energy prices boosted consumer's finances by lowering their gasoline bills, a development expected to boost the economy throughout the year. But the most dramatic effect thus far has been the drop in business investment. With energy companies holding off on drilling and equipment purchases as they deal with squeezed profits. A measure of business spending on construction, machinery and R&D fell at a 2.8% pace in the winter, the biggest decline since late 2009.
- As of 1Q15, the US realized the best job growth on a year-over-year basis since the 1990s. Additionally, the quality of jobs is improving with the potential for wage growth this year. Corporate profits are also healthy, with after tax-profits growing 3.1% over the period, with robust business spending expected to continue.

### Commercial Real Estate

- In 1Q15, commercial real estate transactions reached almost \$70 billion, a 24% increase from the same period a year ago. Current macroeconomic and financial indicators suggest ample room for continued potential growth.
- During the Quarter, portfolio and entity-level transactions were a big part of the sales activity accounting for 36% of all transactions. Historically roughly 25% of the total sales volume was in portfolio or entity-level deals. This is notable because prior to the last downturn the share of portfolio deals spiked to about half of all transactions for four consecutive quarters, along with the run-up in asset prices.
- During the Quarter, transaction cap rates from all traditional property sectors continued to decline. Suburban office cap rates fell the most, year-over-year, by 55 bps to end the Quarter at 6.8%.
- Debt market activity remains strong, but terms remain generally conservative as indicated by average loan-to-value ratios that stand at 60.5% and debt service coverage that is north of 2.0 for all property types other than multifamily.



# Teachers' Retirement System of the City of New York

Executive Summary: First Quarter 2015 Performance Measurement Report

Real Estate

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## EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles (10-year)	<i>Portfolio returns outperform the benchmark.</i>
Portfolio Composition	Core/Core Plus (minimum of 40%)	<i>The portfolio is funded (market value) and committed at 65.8 % of real asset allocation with a portfolio composition of 40.7% core, 58.1% non-core, and 1.2% emerging.</i>
	Non Core (minimum of 40%)	
	Non Core Emerging	
Real Asset Allocation	Target of 6.0%	<i>Funded (market value) and committed dollars place the portfolio at 4.0 % of total plan assets.</i>
	Currently Funded at 2.6%	
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	<i>All property type locations are in compliance.</i>
Geographic Diversification	Diversified geographically Max 25% Ex-US	<i>All geographic type locations are in compliance</i>
LTV	65%	<i>Portfolio is in compliance (43.6 %).</i>
Manager Exposure	15% of real estate allocation	<i>Manager exposure is in compliance based on market value.</i>

# Teachers' Retirement System of the City of New York

Executive Summary: First Quarter 2015 Performance Measurement Report

Real Estate

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## EXHIBIT B: First Quarter 2015 FOIL



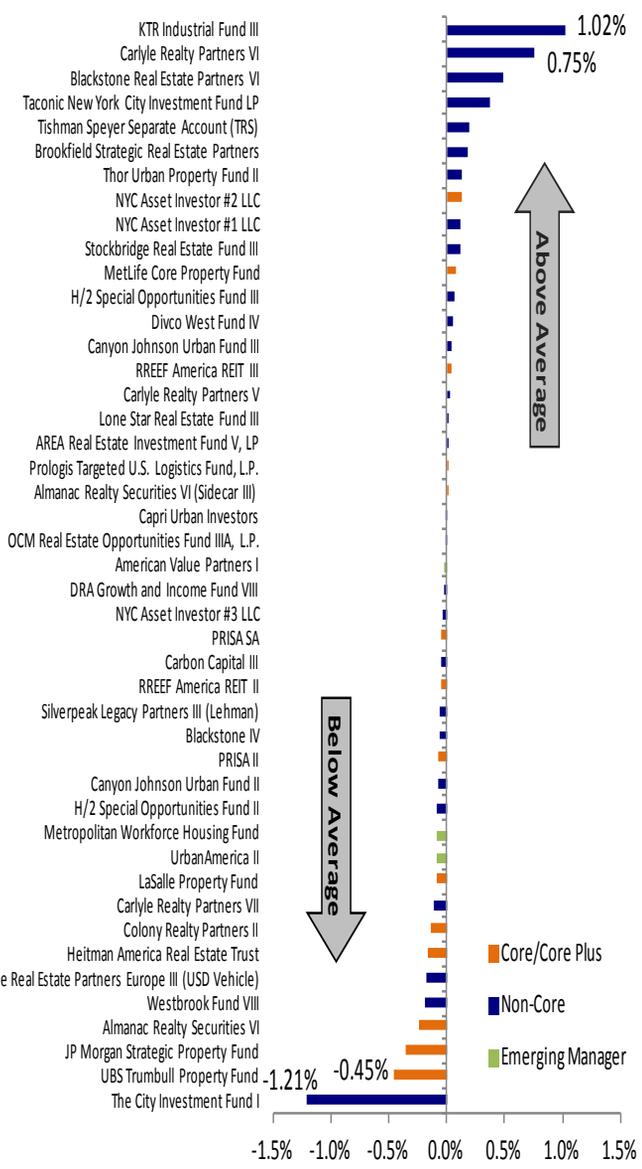
### Teachers' Retirement System of the City of New York

Vintage Year	Fund Name	First Draw	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2012	Almanac Realty Securities VI	6/6/2012	100,000,000	52,636,856	-37,028,453	26,797,425	1.2	14.6
2012	Almanac Realty Securities VI (Sidecar III)	7/31/2012	35,000,000	6,357,451	-5,019,400	3,034,782	1.3	20.7
2007	Colony Realty Partners II	12/20/2006	15,000,000	16,065,058	-499,580	5,083,200	0.3	-13.6
2007	Heitman HART	3/29/2007	48,000,000	62,624,473	-14,624,429	76,031,346	1.4	7.3
2007	JP Morgan Special Situation Property Fund	1/2/2007	15,000,000	16,783,726	-3,519,707	16,103,948	1.2	2.2
2007	JP Morgan Strategic Property Fund	12/4/2006	86,000,000	91,866,685	0	141,793,543	1.5	7.7
2010	LaSalle Property Fund	7/1/2010	50,000,000	49,122,539	-6,766,782	60,634,931	1.4	12.3
2014	MetLife Core Property Fund	7/1/2014	80,000,000	55,813,956	-1,215,655	58,142,236	1.1	21.1
2013	NYC Asset Investor #2 LLC	7/9/2013	145,000,000	66,470,955	-1,766,667	75,008,502	1.2	15.2
2007	PRISA II	6/30/2007	63,374,139	66,694,114	-9,413,612	74,503,944	1.3	3.7
2006	PRISA SA	9/29/2006	36,000,000	38,346,066	-7,104,197	42,399,836	1.3	3.3
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	10,000,000	12,425,002	-2,529,107	10,618,361	1.1	0.8
2006	RREEF America REIT II	10/1/2006	36,000,000	47,527,452	-18,512,015	42,404,386	1.3	3.9
2007	RREEF America REIT III - 1410	10/1/2007	15,000,000	14,836,751	-4,866,898	3,378,540	0.6	-8.1
2006	UBS Trumbull Property Fund	9/28/2006	106,000,000	131,939,631	-20,639,408	154,741,703	1.3	6.6
	<b>Core / Core Plus Portfolio</b>		<b>840,374,139</b>	<b>729,510,715</b>	<b>-133,505,909</b>	<b>790,676,683</b>	<b>1.3</b>	<b>5.4</b>
2006	ARFA Real Estate Investment Fund V, LP	6/15/2006	5,000,000	5,000,001	-1,853,705	2,539,794	0.9	-2.3
2004	Blackstone Fund IV	5/10/2004	25,000,000	32,033,922	-33,788,730	12,256,895	1.4	11.8
2010	Blackstone Real Estate Partners Europe III (USD V)	10/24/2008	50,000,000	39,231,466	-22,357,720	34,165,700	1.4	15.3
2007	Blackstone Real Estate Partners VI	9/27/2007	50,000,000	53,583,552	-58,891,265	48,060,792	2.0	15.1
2012	Brookfield Strategic Real Estate Partners	9/20/2012	125,000,000	109,919,966	-33,863,001	93,818,441	1.2	15.6
2003	Canyon Johnson Urban Fund	12/6/2002	15,000,000	13,590,364	-15,874,432	0	1.2	10.2
2005	Canyon Johnson Urban Fund II	5/11/2005	30,000,000	26,966,112	-5,795,945	8,277,887	0.5	-9.0
2010	Canyon Johnson Urban Fund III	3/29/2010	25,000,000	24,655,816	-15,469,920	17,250,783	1.3	12.3
2008	Capri Urban Investors	6/3/2008	40,000,000	39,987,138	-3,715,000	29,412,325	0.8	-3.8
2009	Carbon Capital III	7/2/2009	40,000,000	43,757,162	-53,134,591	0	1.2	8.5
2007	Carlyle Realty Partners V	8/27/2007	15,000,000	18,308,472	-18,918,694	5,724,441	1.3	8.5
2011	Carlyle Realty Partners VI	9/14/2011	70,000,000	59,654,115	-35,813,312	52,091,849	1.5	28.2
2014	Carlyle Realty Partners VII	6/30/2014	120,000,000	15,419,730	0	13,855,442	0.9	-48.8
2014	Divco West Fund IV	1/15/2014	25,000,000	20,480,614	0	22,682,341	1.1	19.4
2014	DRA Growth and Income Fund VIII	9/29/2014	75,000,000	16,666,667	-935,024	16,267,177	1.0	9.5
2011	H/2 Special Opportunities Fund II	1/31/2011	40,000,000	39,999,999	-17,561,261	35,760,580	1.3	18.5
2015	H/2 Special Opportunities Fund III	12/29/2014	65,000,000	7,595,824	0	8,686,724	1.1	163.5
2009	JP Morgan Urban Renaissance Property Fund	12/18/2008	16,360,625	4,206,523	-4,206,523	0	1.0	0.0
2013	KTR Industrial Fund III	6/28/2013	70,000,000	30,589,081	-762,086	48,386,878	1.6	49.6
2014	Lone Star Real Estate Fund III	5/20/2014	190,000,000	99,691,700	-10,112,115	95,773,941	1.1	13.0
2013	NYC Asset Investor #1 LLC	6/25/2013	60,000,000	44,706,880	-2,291,523	48,250,456	1.1	20.1
2013	NYC Asset Investor #3 LLC	9/20/2013	96,000,000	14,559,919	0	15,426,004	1.1	6.6
2003	OCM Real Estate Opportunities Fund IIIA	5/30/2003	15,000,000	15,000,000	-23,027,038	1,262,616	1.6	10.3
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	30,000,000	11,748,148	-2,932,677	2,563,531	0.5	-16.9
2008	Stockbridge Real Estate Fund III	9/9/2008	22,500,000	21,904,458	0	32,477,626	1.5	9.2
2012	Taconic New York City Investment Fund LP	7/5/2012	70,000,000	28,954,546	-636,364	38,874,233	1.4	15.1
2004	The City Investment Fund I	3/16/2004	120,000,000	118,337,757	-112,094,014	8,923,910	1.0	0.5
2009	Thor Urban Property Fund II	10/30/2008	12,500,000	16,173,958	-8,021,986	12,972,395	1.3	10.3
2004	Tishman Speyer Separate Account (TRS)	8/5/2004	100,000,000	72,402,952	-249,109,243	191,467	3.4	57.5
2010	Westbrook Real Estate Fund VIII	12/28/2009	50,000,000	59,025,106	-53,607,018	22,993,076	1.3	13.3
2008	American Value Partners Fund I	10/18/2007	25,000,000	17,795,166	-8,025,963	11,807,121	1.1	2.9
2007	Metropolitan Workforce Housing Fund	7/13/2007	10,500,000	10,509,770	-4,356,973	7,103,810	1.1	2.2
2007	UrbanAmerica II	1/30/2007	11,000,000	10,218,031	0	2,385,891	0.2	-18.9
	<b>Non Core and Emerging Manager Portfolio</b>		<b>1,713,860,625</b>	<b>1,142,674,917</b>	<b>-797,156,123</b>	<b>750,244,125</b>	<b>1.4</b>	<b>14.2</b>
	<b>Teachers' Retirement System of the City of New York</b>		<b>2,554,234,764</b>	<b>1,872,185,632</b>	<b>-930,662,032</b>	<b>1,540,920,808</b>	<b>1.3</b>	<b>9.3</b>

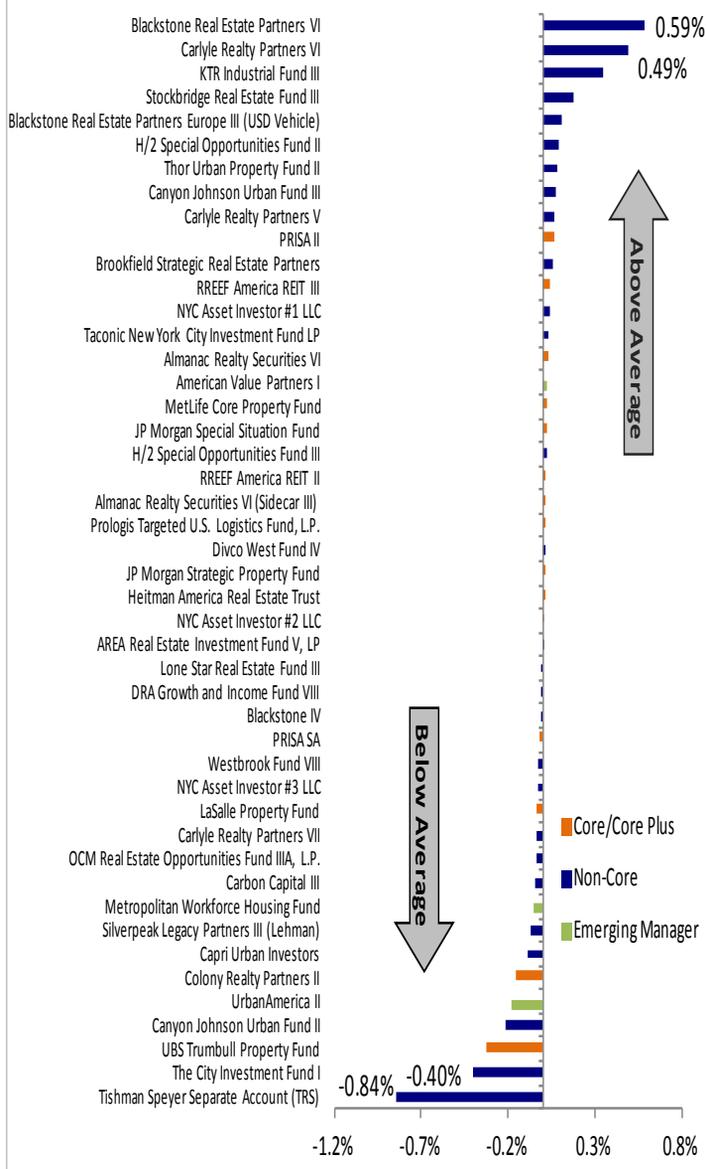
Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows 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, 2015. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

#### EXHIBIT C : ATTRIBUTION

### Fund Contribution to 1 Year Return



### Fund Contribution to 3 Year Return





## Infrastructure Monitoring Report

For the period ended March 31, 2015

Report Prepared For:

Teachers' Retirement System of the City of New York



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

## I. Executive Summary

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

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

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

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

Since inception through March 31, 2015, the Program has committed US\$370.0 million to three partnership investments (the "Portfolio"). This quarterly monitoring report covers the performance of the Portfolio as of March 31, 2015 as well as significant activity that occurred during the first quarter of 2015.

### Allocation Summary

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

As of March 31, 2015, the market value of NYC TRS Real Assets Program represented approximately 2.6% of total pension assets. The market value of NYC TRS Infrastructure Program represented approximately 0.1% of total pension assets, a four basis point increase from the prior quarter.

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

<i>US\$ in millions</i> <sup>*</sup>	March 31, 2015	December 31, 2014	March 31, 2014	Quarterly Change	Yearly Change
Total Pension Assets <sup>*</sup>	\$60,146.0	\$58,771.0	\$55,813.0	\$1,375.0	\$4,333.0
Total Real Assets <sup>*</sup>	\$1,584.0	\$1,485.0	\$1,276.0	\$99.0	\$308.0
% Allocation to Real Assets (Target of 6% +/- 2%)	2.6%	2.5%	2.3%	+ 11 bps	+ 35 bps
Total Infrastructure Assets	\$67.6	\$42.8	\$19.0	\$24.8	\$48.6
% Allocation to Infrastructure vs. Total Pension Assets	0.1%	0.1%	0.0%	+ 4 bps	+ 8 bps
% Allocation to Infrastructure vs. Total Real Assets	4.3%	2.9%	1.5%	+ 139 bps	+ 278 bps

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

## Performance Summary

As of March 31, 2015, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.1x invested capital and an IRR of 14.9%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

<i>US\$ in millions</i> <sup>*</sup>	March 31, 2015	December 31, 2014	March 31, 2014	Quarterly Change	Yearly Change
Number of Managers	3	3	2	-	1
Number of Investments	3	3	2	-	1
Committed Capital <sup>1</sup>	\$370.0	\$370.0	\$280.0	\$0.0	\$90.0
Contributed Capital	\$65.7	\$42.3	\$18.0	\$23.5	\$47.7
Distributed Capital	\$4.1	\$3.3	\$0.2	\$0.7	\$3.9
Market Value	\$67.6	\$42.8	\$19.0	\$24.8	\$48.6
Total Value	\$71.6	\$46.1	\$19.2	\$25.5	\$52.5
Total Gain/(Loss)	\$5.9	\$3.8	\$1.2	\$2.1	\$4.7
Unfunded Commitment	\$304.3	\$327.8	\$262.0	(\$23.5)	\$42.3
Exposure <sup>2</sup>	\$371.9	\$370.5	\$281.0	\$1.3	\$90.9
DPI <sup>3</sup>	0.1x	0.1x	0.0x	0.0x	0.1x
TVPI <sup>4</sup>	1.09x	1.09x	1.06x	0.00x	0.03x
IRR <sup>5</sup>	14.9%	13.7%	30.2%	1.2%	-15.3%
TVPI Net of StepStone Fees <sup>6</sup>	1.09x	1.09x	1.06x	0.00x	0.03x
IRR Net of StepStone Fees <sup>6</sup>	14.9%	13.7%	30.2%	1.2%	-15.3%

<sup>\*</sup> Note that amounts may not total due to rounding.

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

<sup>2</sup> Exposure represents the sum of Market Value and Unfunded Commitment.

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

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

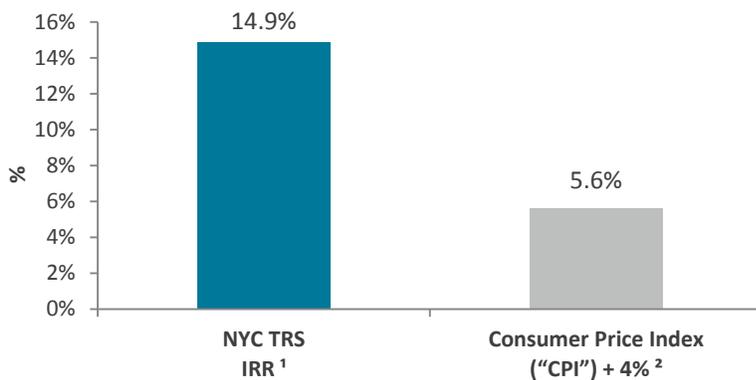
<sup>5</sup> IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

<sup>6</sup> TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC TRS to StepStone through the quarter-end date. Note that no fees have been paid by NYC TRS to StepStone as of March 31, 2015.

## Portfolio Performance vs. Benchmarks

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

As of March 31, 2015, the Program outperformed the benchmark by 9.3%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of March 31, 2015.



<sup>1</sup>NYC TRS since inception Internal Rate of Return (“IRR”) is calculated based on the Portfolio’s daily cash flows and market value as of quarter-end. IRR is net of fund managers’ fees, expenses and carried interest.

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

## Portfolio Diversification

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

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

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

As of March 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<b>By Strategy:</b>						
Core	67.6	100.0%	304.3	100.0%	371.9	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
<b>Total</b>	<b>67.6</b>	<b>100.0%</b>	<b>304.3</b>	<b>100.0%</b>	<b>371.9</b>	<b>100.0%</b>
<b>By Geographic Focus:</b>						
Global	66.3	98.1%	76.4	25.1%	142.7	38.4%
OECD	1.3	1.9%	227.9	74.9%	229.2	61.6%
<b>Total</b>	<b>67.6</b>	<b>100.0%</b>	<b>304.3</b>	<b>100.0%</b>	<b>371.9</b>	<b>100.0%</b>
<b>By Industry Focus:</b>						
Diversified	66.3	98.1%	216.4	71.1%	282.7	76.0%
Energy	1.3	1.9%	87.9	28.9%	89.2	24.0%
<b>Total</b>	<b>67.6</b>	<b>100.0%</b>	<b>304.3</b>	<b>100.0%</b>	<b>371.9</b>	<b>100.0%</b>

## II. Infrastructure Market Overview

### Market Overview

Demand for infrastructure investments from institutional investors remained strong during the first quarter of 2015 (“1Q15”). This demand was primarily a result of expansionary monetary policies in most markets, which has kept interest rates at very low levels and caused investors to seek alternatives to traditional sources of investment income (e.g. fixed income). This demand continued to drive a high valuation environment for the infrastructure asset class, particularly in mature markets with a wide range of opportunities, such as Western Europe, the Nordic region and Australia.

Global economic growth was mixed during 1Q15. Among OECD countries, annualized gross domestic product (“GDP”) was 1.9% higher than the prior corresponding period (“pcp”). Of the seven major economies – the United States, Canada, the United Kingdom, Germany, France, Italy and Japan – the US experienced the highest GDP growth rate of 2.7%, while Japan’s GDP contracted by 1.0% mainly due to soft business and consumer spending. Germany achieved GDP growth of 1.0% year over year, although only 0.3% quarter over quarter which was below forecasts. In major emerging markets, economic activity was generally subdued during the quarter. China’s economy expanded by 7.0% compared to pcp, its slowest rate of growth since 2009. In Brazil, a 5.7% gain in exports was insufficient to offset declines in domestic demand for the quarter. GDP contracted 0.2% quarter over quarter, and 1.6% year over year.

The energy sector in the US and Canada continued to produce infrastructure investment opportunities, driven by the dislocation in the energy sector and related oil price declines, insufficient midstream infrastructure, coal plant retirements, cross-border opportunities with Mexico, and the ongoing build out of renewable generation to satisfy state-level Renewable Portfolio Standards. And, fiscal constraints on public-sector funding have stimulated an increased consideration of public-private partnerships (“P3s”) in the transport and social infrastructure sectors across North America.

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

Investment activity in parts of Latin America remains strong. In Mexico, recent changes in government policy are driving significant growth in infrastructure investment opportunities. Policy initiatives include allowing foreign investment in the energy sector and a National Infrastructure Plan that contains 743 projects requiring investment of approximately US\$600 billion from 2014 to 2018. StepStone is aware of several infrastructure fund managers reviewing opportunities in Mexico. Despite the current fiscal challenges in Brazil, infrastructure investment has remained a political and economic priority, and other parts of Latin America, particularly the Andean region, continue to provide a range of potential investment opportunities.

While infrastructure investment in Japan has traditionally been dominated by government-related entities and infrastructure companies with limited private participation by institutional investors, the government continues to face high debt levels. The country recently announced the privatization act for infrastructure assets including airports, and opened bidding processes for Sendai Airport and New Kansai airport. Australia’s economy grew 2.3% year over year in the first quarter driven by improved consumption and exports. Fiscal constraints placed on the federal and state governments has increased the reliance on private sector capital in meeting Australia’s infrastructure deficit. Government initiatives have encouraged a number of high profile asset sales/P3 transactions that expect to be continued into 2015.

## Infrastructure Fundraising

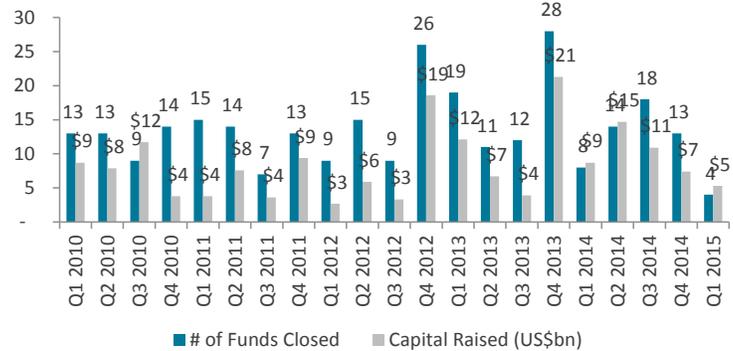
Fundraising for infrastructure strategies continues to be robust with a large number of funds in market, although the number of managers that closed new funds during the first quarter was down compared to recent periods.

During the first quarter, five funds held final closings. Aggregate capital raised was US\$5.3 billion. The amount represented a year over year decrease of 39% compared to Q1 2014, when US\$15 billion was raised. The capital was raised by five managers.

The largest fund to reach a final closing during Q4 was First State European Diversified Infrastructure Fund, which closed at its hard cap of €2.0 billion. The fund targets core assets in Europe across gas, water and electricity networks; ports; rail and toll roads; and telecommunication network infrastructure. Additionally, P2 Brasil III closed with US\$1.7 billion of commitments. P2 is managed by a joint venture between Pátria Investimentos and Brazilian engineering company Promon. The fund is focused on South America and targets greenfield, brownfield and secondary stage assets in the energy, distribution/storage, natural resources, logistics, transportation, waste management and water sectors.

**Unlisted Infrastructure Fundraising**

Source: Preqin



Fund	General Partner	Size	Final Close Date	Location Focus
First State European Diversified Infrastructure Fund	First State Investments	€ 2,000	Jan-15	Europe
P2Brasil III	P2Brasil	\$ 1,674	Mar-15	South America
Equis Asia Fund II	Equis Funds Group	\$ 1,000	Feb-15	Asia
Equis Direct Investment Fund	Equis Funds Group	\$ 300	Feb-15	Asia
CapAsia ASEAN Infrastructure Fund III	CapAsia	\$ 100	Mar-15	Southeast Asia

As of the end of Q1 2015, Preqin observed 146 funds in market targeting aggregate capital commitments of US\$97 billion. The largest funds in market include: Alinda Infrastructure Fund III which is targeting US\$5.0 billion for North America and Europe; Morgan Stanley Infrastructure Partners II, which is targeting \$4.0 billion in commitments for global infrastructure investments; and ArcLight Energy Partners Fund VI, also targeting US\$4.0 billion to invest in energy infrastructure across North America and Western Europe. Two dedicated European funds are each targeting €2bn: Deutsche Asset & Wealth Management's Pan-European Infrastructure Fund II, and Ardian Infrastructure Generation IV.

**Unlisted Infrastructure Fundraising**

Source: Preqin



## Major Transactions

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

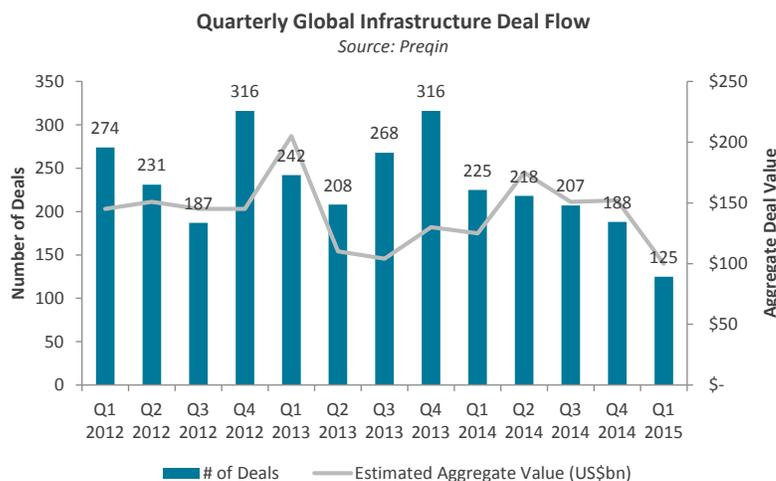
In January 2015, Cheung Kong Infrastructure Holdings reached a deal to acquire 100% of Eversholt Rail Group from 3i Infrastructure, Morgan Stanley, and STAR Capital Partners for £2.5 billion. Eversholt is one of three rolling stock companies formed in 1994 as part of the privatization of British Rail.

In February 2015, CPP Investment Board, QIC, and Transurban Group reached financial close on NorthConnex, a A\$2.9 billion toll road development project in Sydney, NSW.

In March 2015, IFM Investors announced the planned acquisition of Indiana Toll Roads for \$5.7 billion through a bankruptcy sales process. The road has 66 years of concession life remaining and serves as a transportation link between Chicago and the US east coast.

In March 2015, a consortium consisting of Borealis Infrastructure, AP-Fonden 3, AP-Fonden 1, and Folksam signed an agreement to acquire 100% of the shares of Fortum Distribution, Fortum's electricity distribution networks in Sweden for €6.6 billion. Fortum Distribution is the second largest player in the electricity distribution market in Sweden with 17% market share.

In March 2015, Canada Pension Plan Investment Board announced the acquisition of 100% of the UK student accommodation portfolio Liberty Living for £1.1 billion. Liberty Living is one of the U.K.'s largest student accommodation providers with over 40 residences located in 17 university towns and cities across the UK.



### III. Portfolio Review

#### Quarterly Highlights

- **No New Investment Commitments** – There were no new investment commitments made during the first quarter of 2015.
- **Subsequent Investment Commitments** – Subsequent to quarter-end through August 7, 2015, the Program closed on one new investment commitment totaling US\$100.0 million. This is shown in the table below.

*US\$ in millions*

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
KKR Global Infrastructure Investors II L.P.	June 2015	2014	Infrastructure	OECD	Diversified	\$100.0
<b>Total</b>						<b>\$100.0</b>

- **Cash Outflow Increased** – During the first quarter of 2015, the Program made US\$23.5 million of contributions and received US\$0.7 million of distributions, for a net cash outflow of US\$22.8 million. This compared to a net cash inflow of US\$7.2 million during the prior quarter. Net cash flow is expected to remain negative for the next several years as the Program’s committed capital is drawn down for investments, fees and expenses by fund managers.
- **Valuation Increased** – During the first quarter of 2015, net of cash flow activity, the valuation of the Portfolio increased by approximately US\$2.1 million, or 3.1%, from the prior quarter. The valuation increase reflects the increase in value of underlying investments in Brookfield Infrastructure Fund II.
- **Two New Investments** – During the first quarter of 2015, two new investment positions were added to the portfolio.

*US\$ in millions*

Company	Fund(s)	Investment Date	Stage	Industry	Country	Exposed Invested Capital	Exposed Market Value	Exposed Realized Proceed	TVM
Kingfisher Wind	First Reserve Energy Infrastructure Fund II, L.P.	Jan-15	Private	Energy	United States	1.2	1.1	-	1.0x
French Telecom Infrastructure	Brookfield Infrastructure Fund II	Mar-15	Private	Utilities	France	9.9	9.9	-	1.0x

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

### Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of March 31, 2015. Note that the performance of funds that are less than one year old is not meaningful.

*As of March 31, 2015 (US\$ in millions)*

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$140.0	\$63.7	\$4.1	\$66.3	\$70.4	\$6.7	\$76.4	\$142.7	0.1x	1.1x	17.2%
2014	230.0	2.1	-	1.3	1.3	(0.8)	227.9	229.2	NM	NM	NM
<b>Total</b>	<b>\$370.0</b>	<b>\$65.7</b>	<b>\$4.1</b>	<b>\$67.6</b>	<b>\$71.6</b>	<b>\$5.9</b>	<b>\$304.3</b>	<b>\$371.9</b>	<b>0.1x</b>	<b>1.1x</b>	<b>14.9%</b>

### Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of March 31, 2015.

*As of March 31, 2015 (US\$ in millions)*

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
<b>Core</b>	<b>\$370.0</b>	<b>\$65.7</b>	<b>\$4.1</b>	<b>\$67.6</b>	<b>\$71.6</b>	<b>\$5.9</b>	<b>\$304.3</b>	<b>\$371.9</b>	<b>0.1x</b>	<b>1.1x</b>	<b>14.9%</b>
Diversified	280.0	63.7	4.1	66.3	70.4	6.7	216.4	282.7	0.1x	1.1x	17.2%
Energy	90.0	2.1	-	1.3	1.3	(0.8)	87.9	89.2	NM	NM	NM
<b>Total</b>	<b>\$370.0</b>	<b>\$65.7</b>	<b>\$4.1</b>	<b>\$67.6</b>	<b>\$71.6</b>	<b>\$5.9</b>	<b>\$304.3</b>	<b>\$371.9</b>	<b>0.1x</b>	<b>1.1x</b>	<b>14.9%</b>

### Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of March 31, 2015.

*As of March 31, 2015 (US\$ in millions)*

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$140.0	\$63.7	\$4.1	\$66.3	\$70.4	\$6.7	\$76.4	\$142.7	0.1x	1.1x	17.2%
OECD	230.0	2.1	-	1.3	1.3	(0.8)	227.9	229.2	NM	NM	NM
<b>Total</b>	<b>\$370.0</b>	<b>\$65.7</b>	<b>\$4.1</b>	<b>\$67.6</b>	<b>\$71.6</b>	<b>\$5.9</b>	<b>\$304.3</b>	<b>\$371.9</b>	<b>0.1x</b>	<b>1.1x</b>	<b>14.9%</b>

## Portfolio Diversification

### By Strategy, Geography and Industry Focus

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

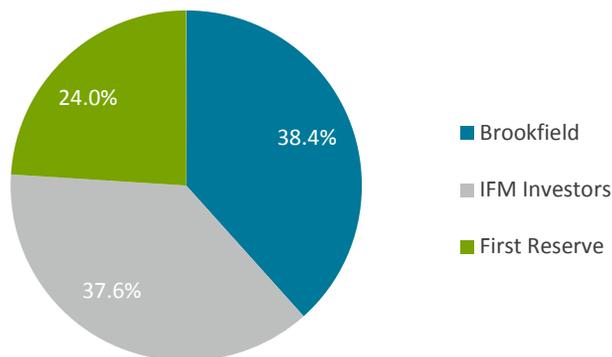
- Core Infrastructure Investments: 60 to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

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

As of March 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<b>By Strategy:</b>						
Core	67.6	100.0%	304.3	100.0%	371.9	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
<b>Total</b>	<b>67.6</b>	<b>100.0%</b>	<b>304.3</b>	<b>100.0%</b>	<b>371.9</b>	<b>100.0%</b>
<b>By Geographic Focus:</b>						
Global	66.3	98.1%	76.4	25.1%	142.7	38.4%
OECD	1.3	1.9%	227.9	74.9%	229.2	61.6%
<b>Total</b>	<b>67.6</b>	<b>100.0%</b>	<b>304.3</b>	<b>100.0%</b>	<b>371.9</b>	<b>100.0%</b>
<b>By Industry Focus:</b>						
Diversified	66.3	98.1%	216.4	71.1%	282.7	76.0%
Energy	1.3	1.9%	87.9	28.9%	89.2	24.0%
<b>Total</b>	<b>67.6</b>	<b>100.0%</b>	<b>304.3</b>	<b>100.0%</b>	<b>371.9</b>	<b>100.0%</b>

### By Investment Manager

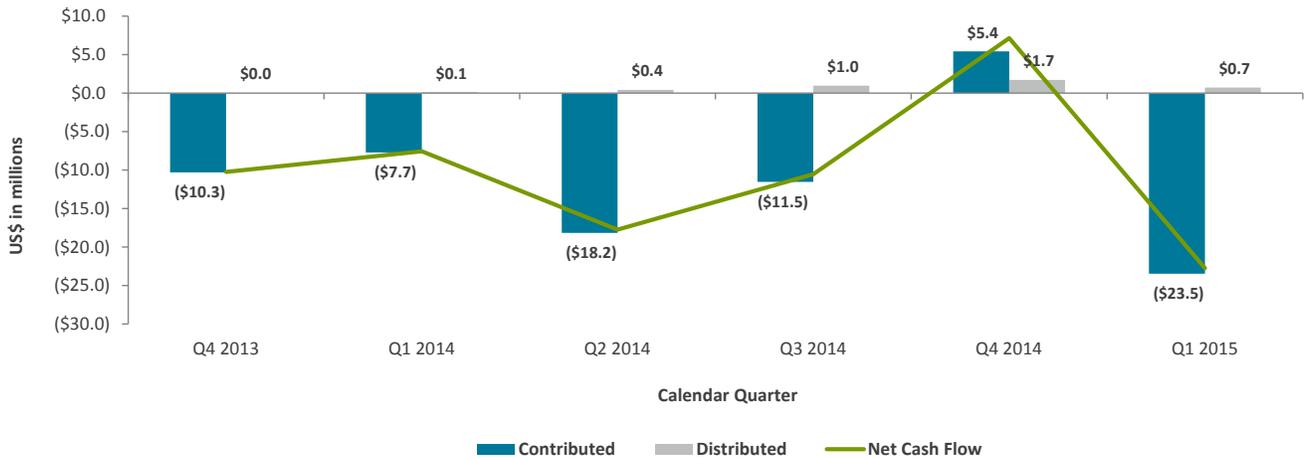
As of March 31, 2015, the Program had made three investment commitments to three managers. NYC TRS seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



## Portfolio Cash Flow Analysis

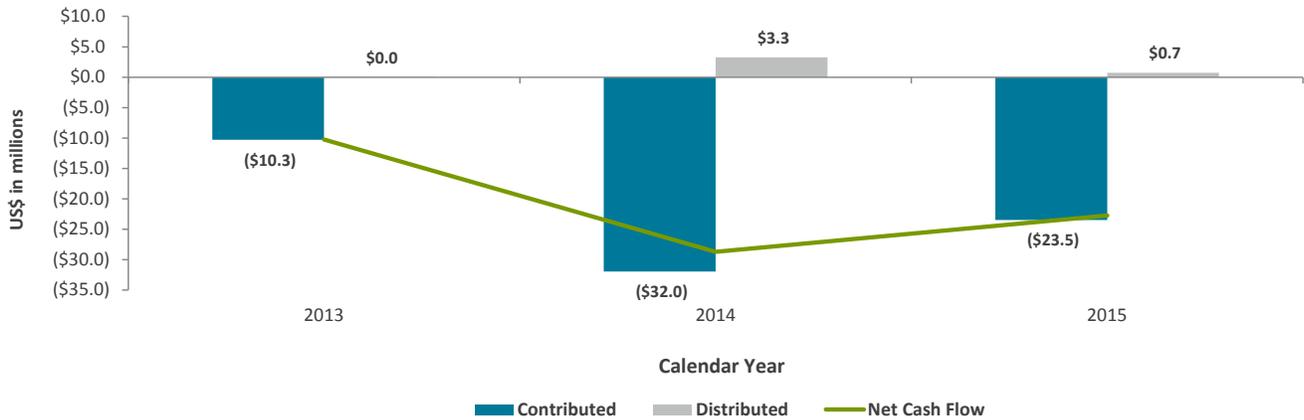
### Quarterly Cash Flow Activity

During the first quarter of 2015, the Program made US\$23.5 million of contributions and received US\$0.7 million of distributions, for a net cash outflow of US\$22.8 million. As of March 31, 2015, two fund investments in the Portfolio had cash flow activity. As the Program’s commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



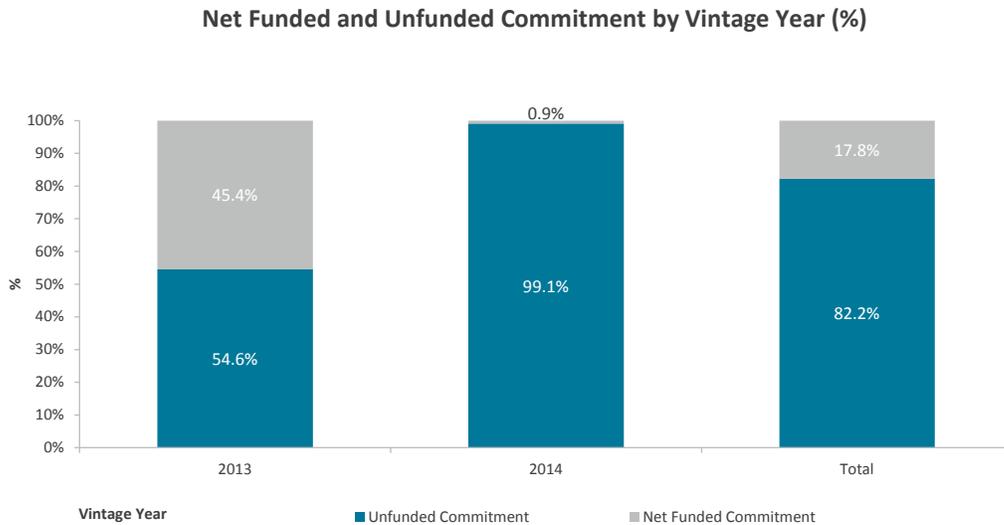
### Annual Cash Flow Activity

During the first three months of 2015, the Program made US\$23.5 million of contributions and received US\$0.7 million of distributions, for a net cash outflow of US\$22.8 million. The graph below illustrates cash flow activity since inception by calendar year.

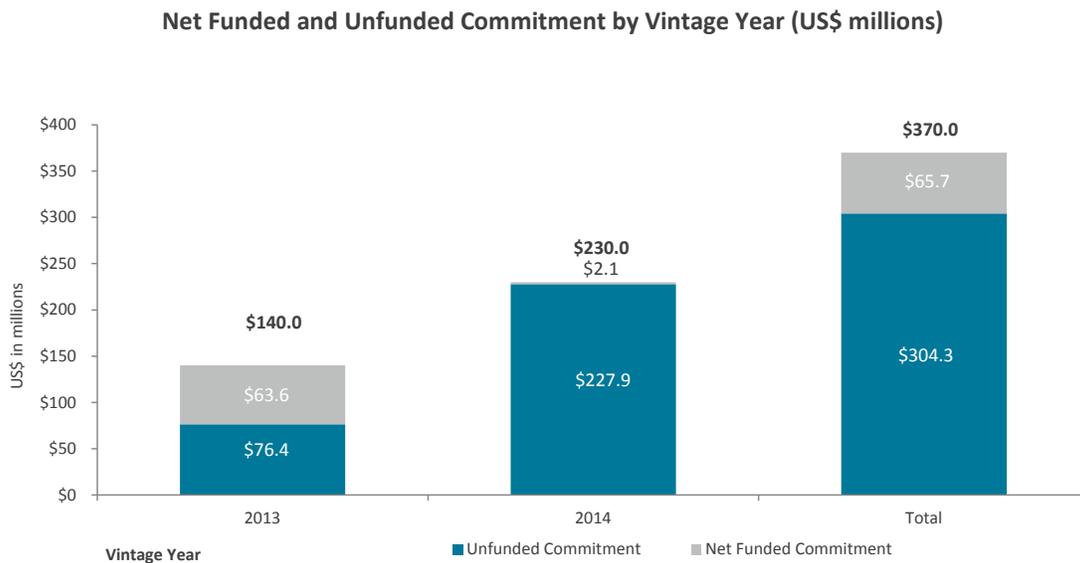


### Net Funded and Unfunded Commitments by Vintage Year

The following chart illustrates the Portfolio’s net funded commitments (defined as total contributions inside commitment less any returns of excess capital and recallable distributions) as a percentage of total capital commitments, by fund vintage year, as of March 31, 2015. Overall, the Portfolio was 82.2% unfunded as of quarter-end.



The following chart illustrates the Portfolio’s net funded commitments relative to total capital commitments, by fund vintage year, as of March 31, 2015. Overall, the Portfolio had US\$304.3 million of unfunded commitments as of quarter-end.

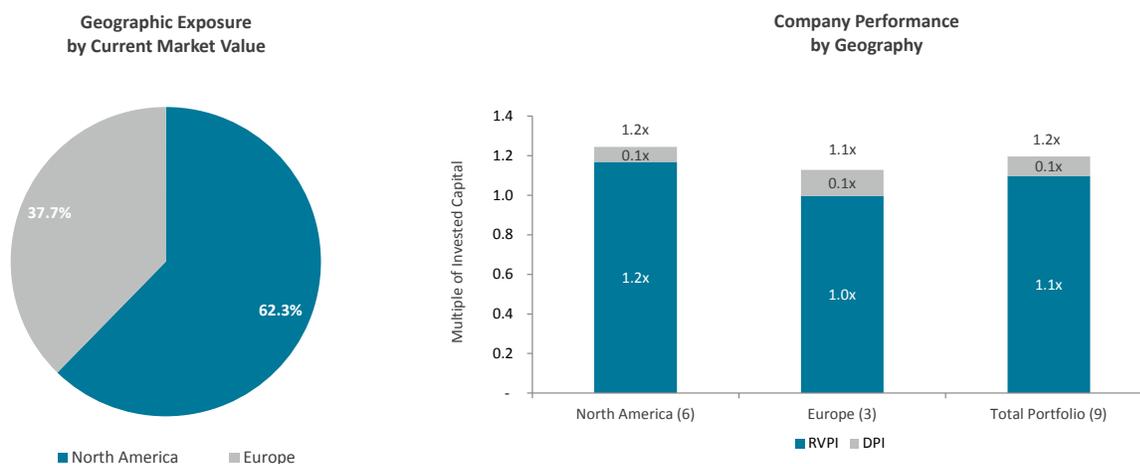


## Portfolio Company-Level Analysis

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

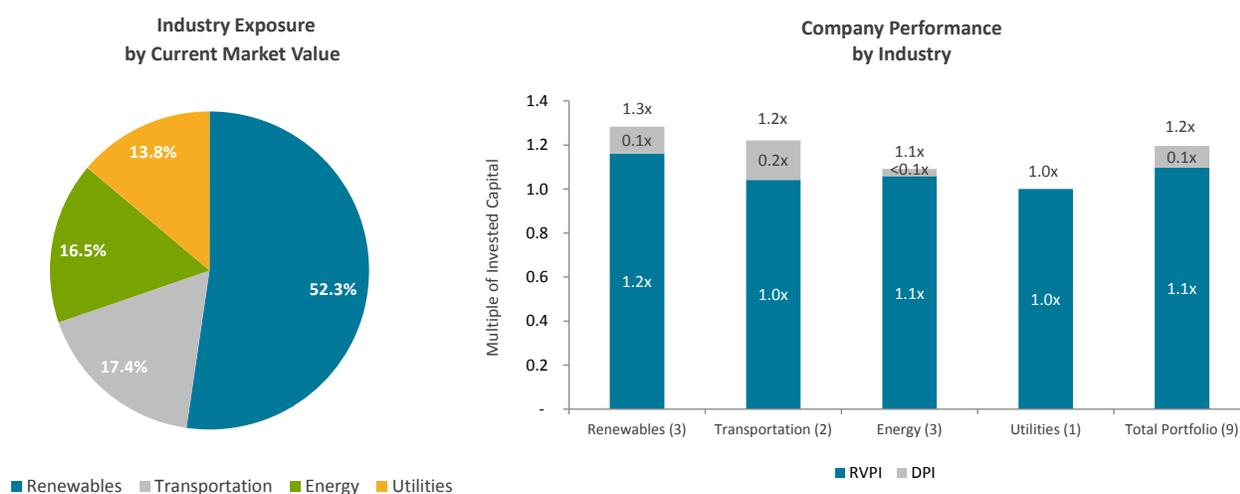
### Geographic Exposure and Performance

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



### Industry Exposure and Performance

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



### Public Market Exposure

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

## IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
<b>Allocation</b>	<p>NYC TRS has a Real Assets allocation target of 6% (plus or minus 2%) of total pension assets.</p> <p>Infrastructure is a component asset class within the NYC TRS Real Assets investment program.</p>	✓	<p>The market value of NYC TRS Real Assets Program currently represents approximately 2.6% of total pension assets and the market value of NYC TRS Infrastructure Program represents approximately 0.1% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYC TRS pension assets and the total Real Assets Program is expected to increase.</p>
<b>Performance vs. Benchmarks</b>	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of March 31, 2015, the Portfolio outperformed the benchmark by 9.3%.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
<b>Strategy Diversification</b>	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.</p>
<b>Asset Type &amp; Location Diversification</b>	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
<b>Leverage</b>	<p>The average leverage of all investments in the Program is to be no higher than 65%.</p>	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 36.6% .</p>
<b>Single Investment Size &amp; Manager Diversification</b>	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

\*The Program's leverage level is calculated by using a weighted average of each underlying investment's leverage and Net Asset Value as of March 31, 2015.

**Teachers' Retirement System of the City of New York**  
**Infrastructure Portfolio**  
**As of March 31, 2015**

Vintage Year	Investment	Closing Date	Committed Capital	Contributed Capital	Distributed Capital	Market Value	TVPI	IRR
<b>Active Investments:</b>								
2013	Brookfield Infrastructure Fund II	7/8/2013	\$140,000,000	\$63,669,147	\$4,054,786	\$66,295,899	1.10x	17.2%
2014	IFM Global Infrastructure Fund	1/2/2014	140,000,000	-	-	-	N/A	N/A
2014	First Reserve Energy Infrastructure Fund II, L.P.	4/16/2014	90,000,000	2,076,932	-	1,255,565	NM	NM
<b>Total Portfolio:</b>			<b>\$370,000,000</b>	<b>\$65,746,079</b>	<b>\$4,054,786</b>	<b>\$67,551,464</b>	<b>1.09x</b>	<b>14.9%</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 the early years of a fund is usually not meaningful given the J-Curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated by StepStone Group LP, a consultant to the New York City Retirement Systems, based on information provided by the general partners of each investment (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

## II. July Monthly Performance Review:

# *Monthly Performance Review*

## *July 2015*

*Prepared for the New York City  
Teachers' Retirement System  
9.3.2015*



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# **ECONOMIC INDICATORS**

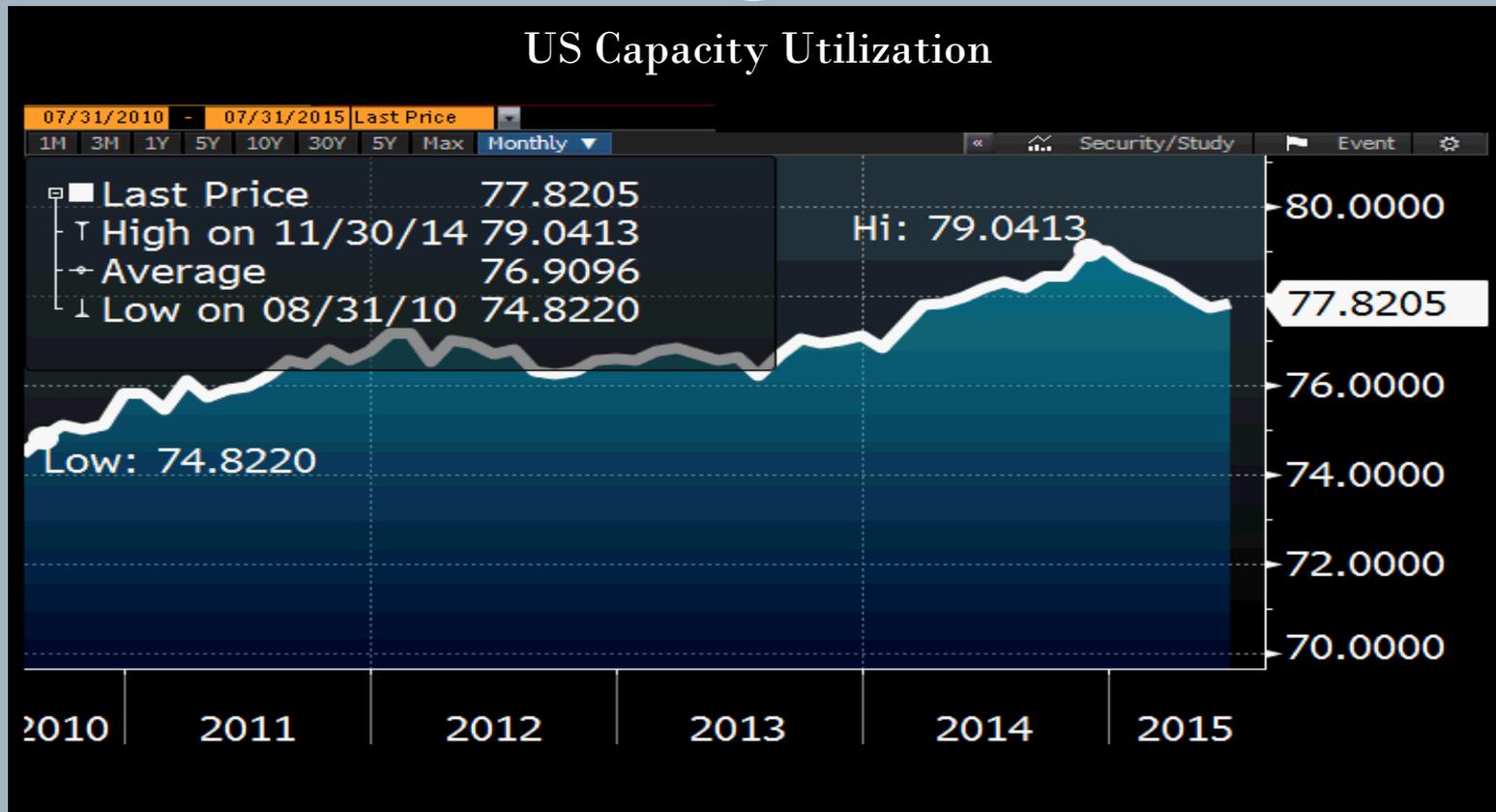
*AS OF JULY 2015*



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

# CAPACITY UTILIZATION

2



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# ISM MANUFACTURING INDEX

3



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# WEEKLY UNEMPLOYMENT

4

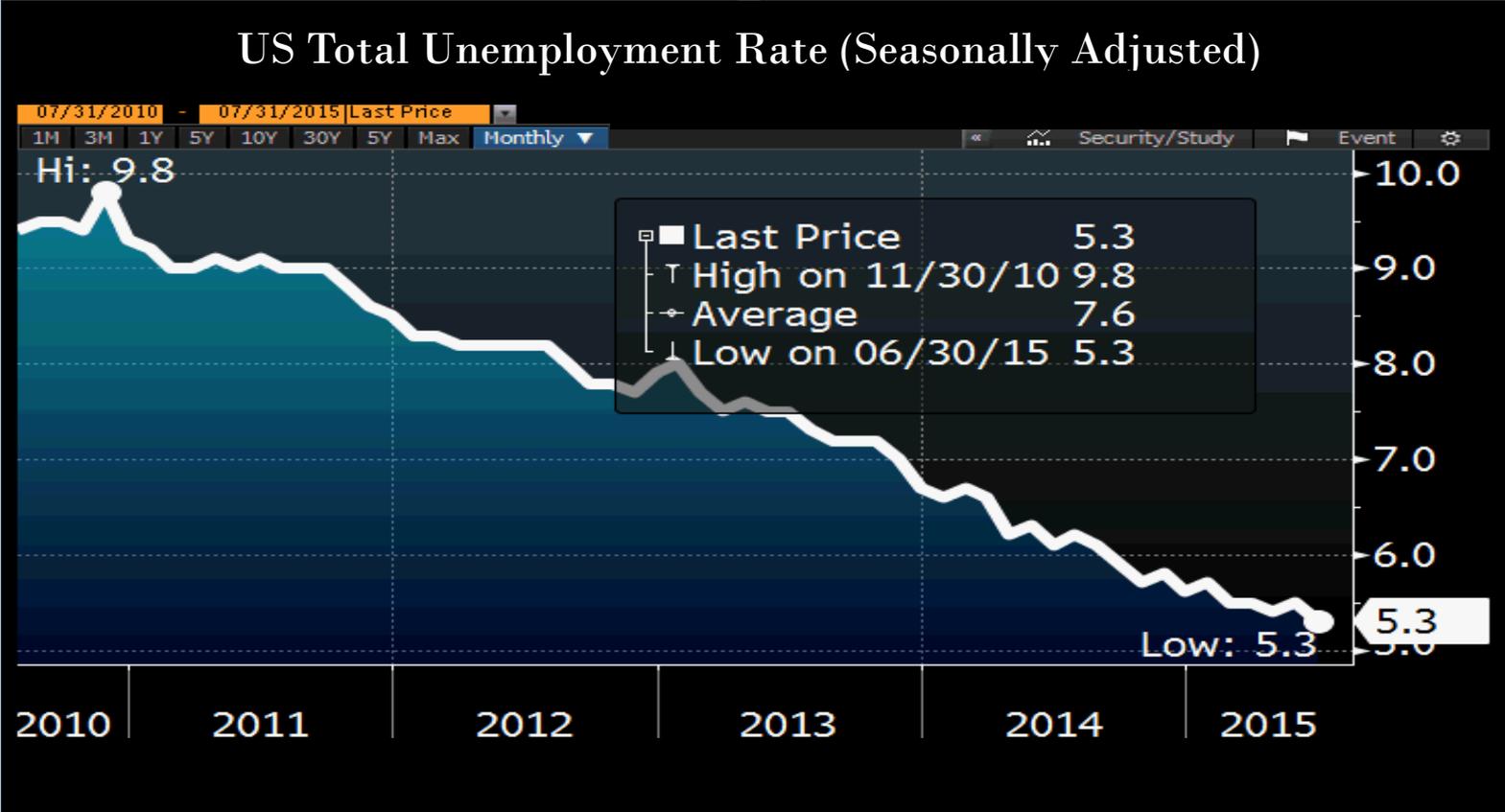
### US Weekly Unemployment Claims (First Time)



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# UNEMPLOYMENT RATE

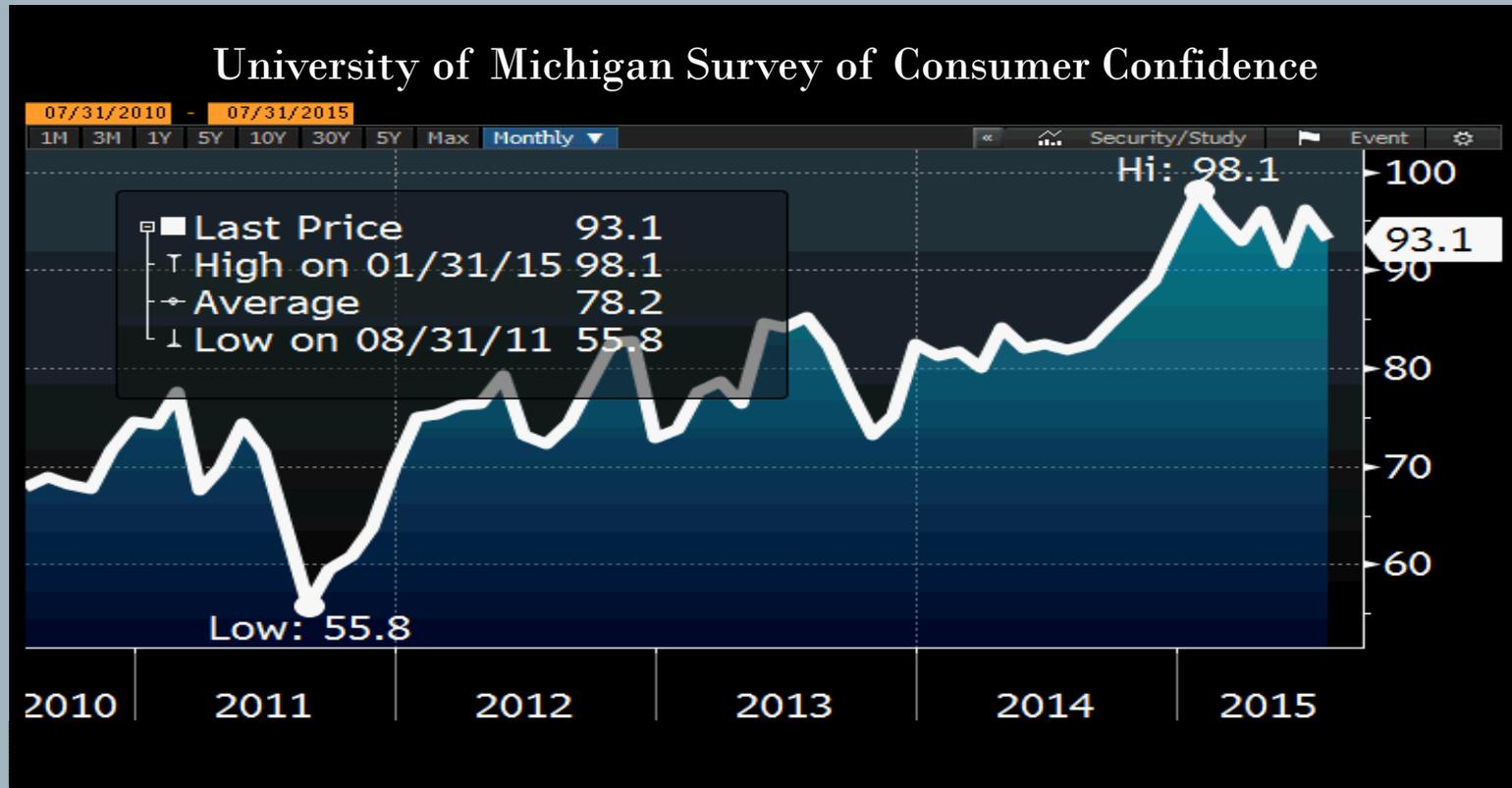
5



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# CONSUMER SENTIMENT

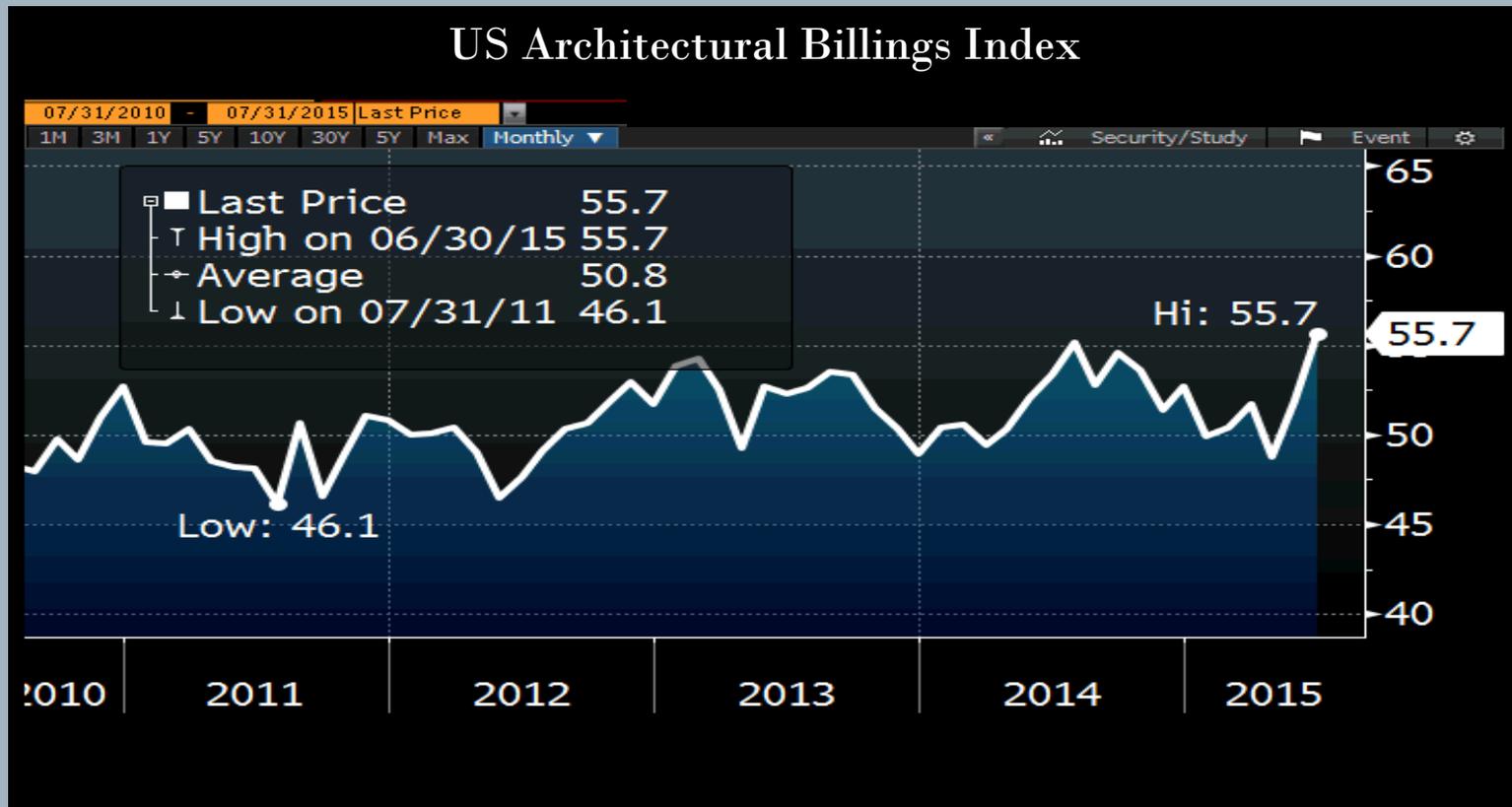
6



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# ARCHITECTURAL BILLINGS INDEX

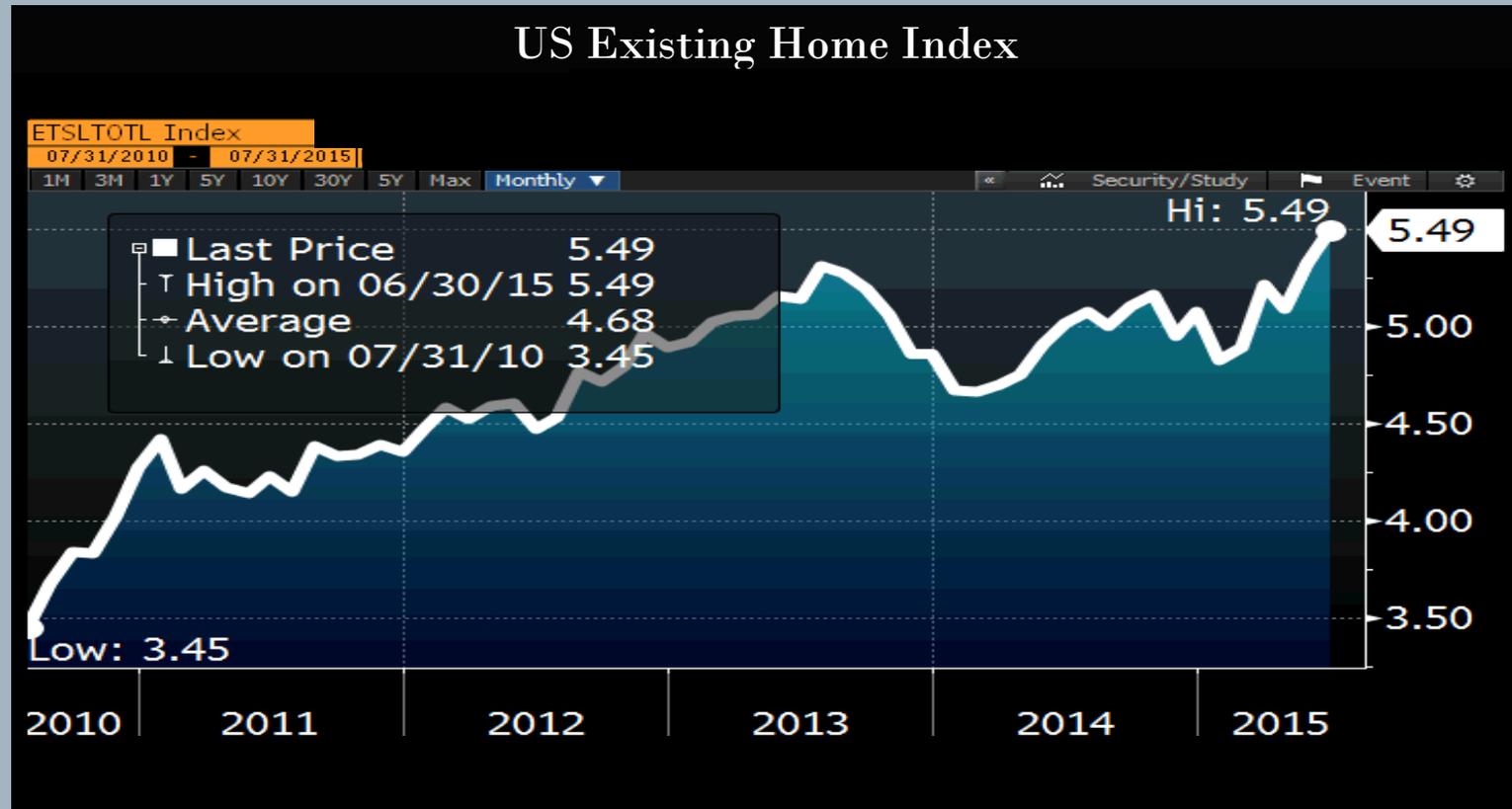
7



- A SCORE ABOVE 50 INDICATES AN INCREASE IN THE BILLINGS WHILE A READING BELOW 50 INDICATE A NEGATIVE OUTLOOK;
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A SIX TO NINE 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.

# EXISTING HOME SALES

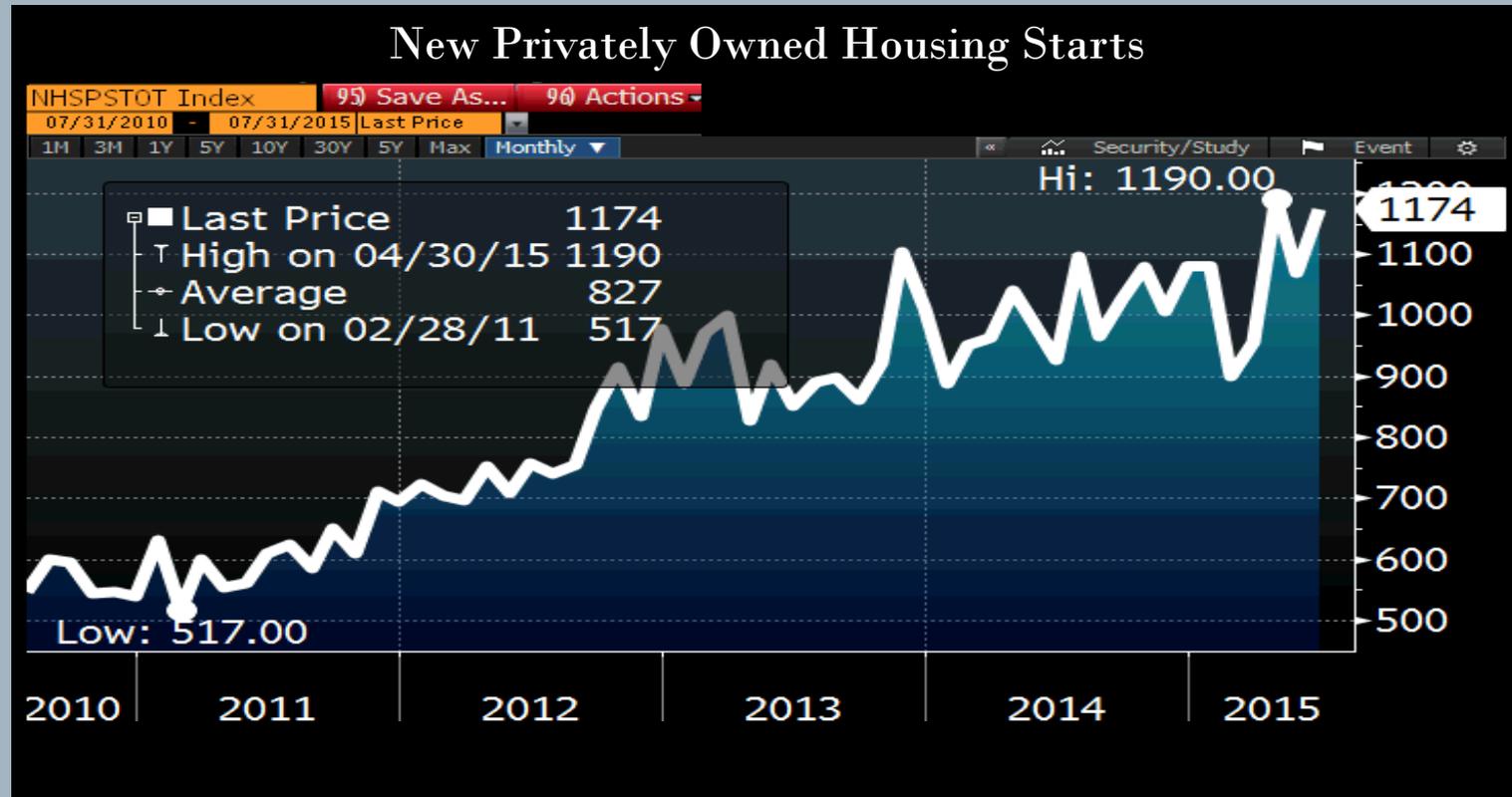
8



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# NEW HOUSING STARTS

9



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# RETAIL SALES

10

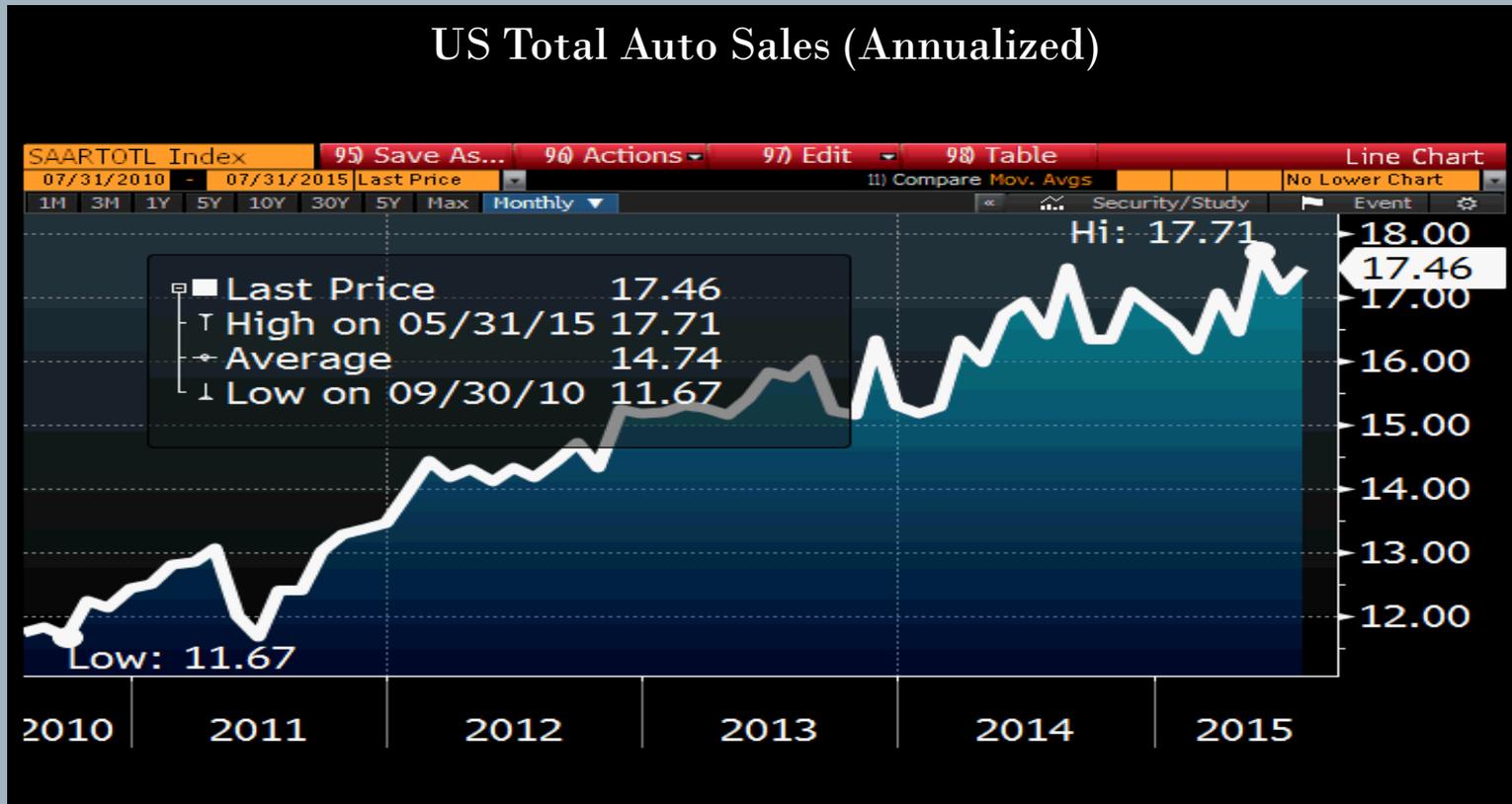


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# US AUTO SALES

11

## US Total Auto Sales (Annualized)



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# INDEX OF LEADING ECONOMIC INDICATORS

12

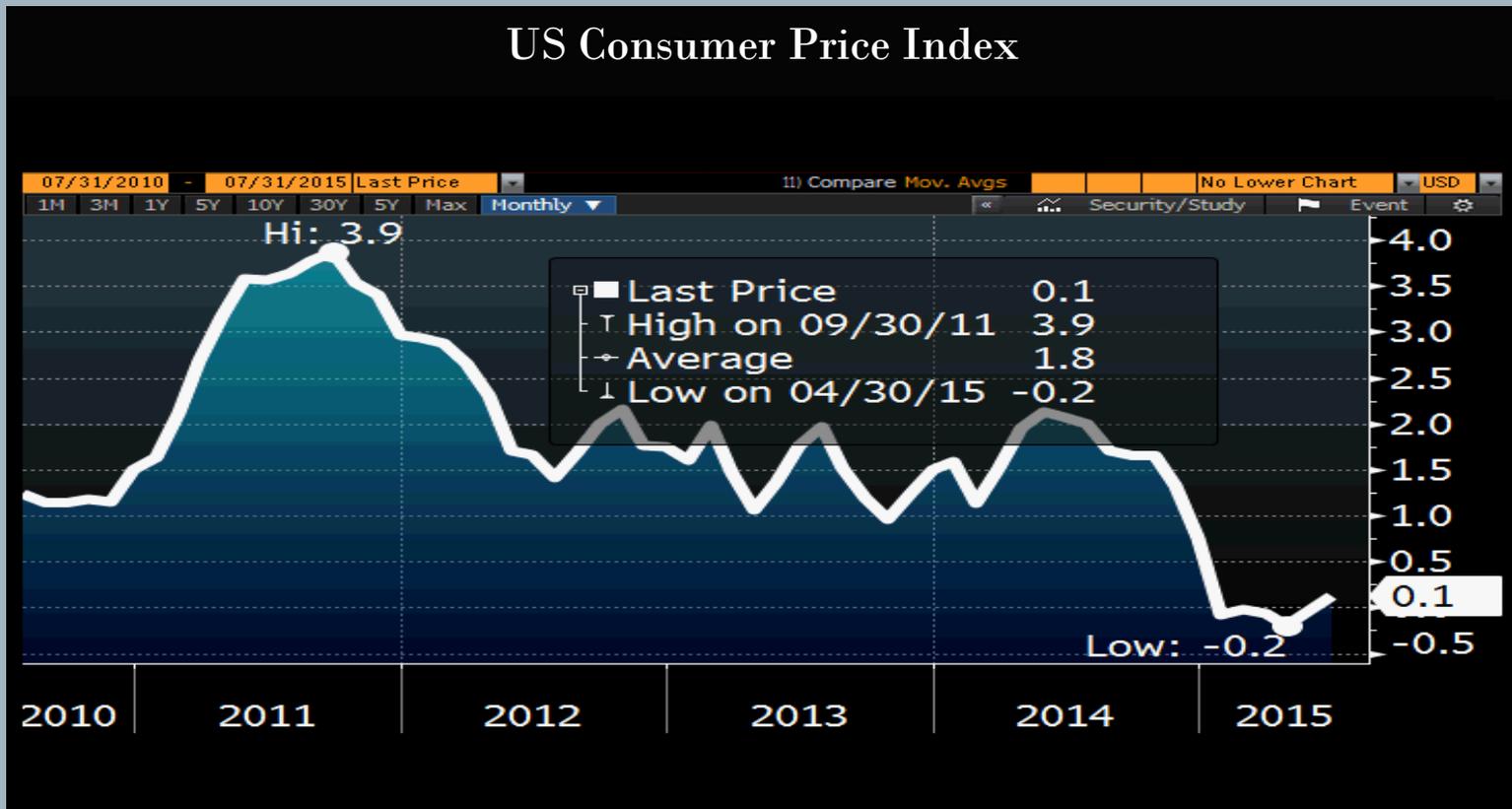
## US Leading Index of Ten Economic Indicators



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

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# **MARKET INDICATORS**

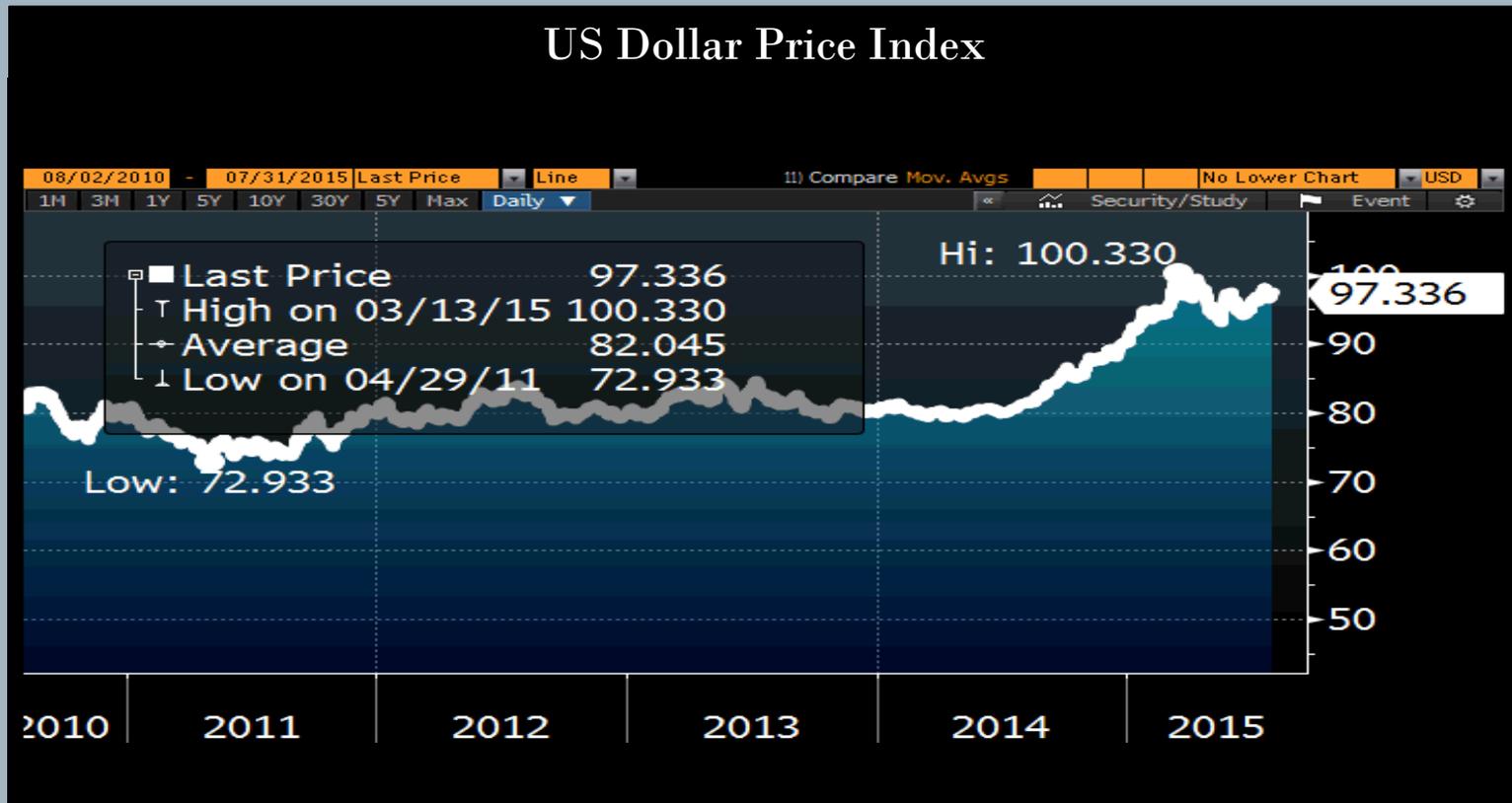
*AS OF JULY 2015*



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

# TRADE WEIGHTED US DOLLAR INDEX

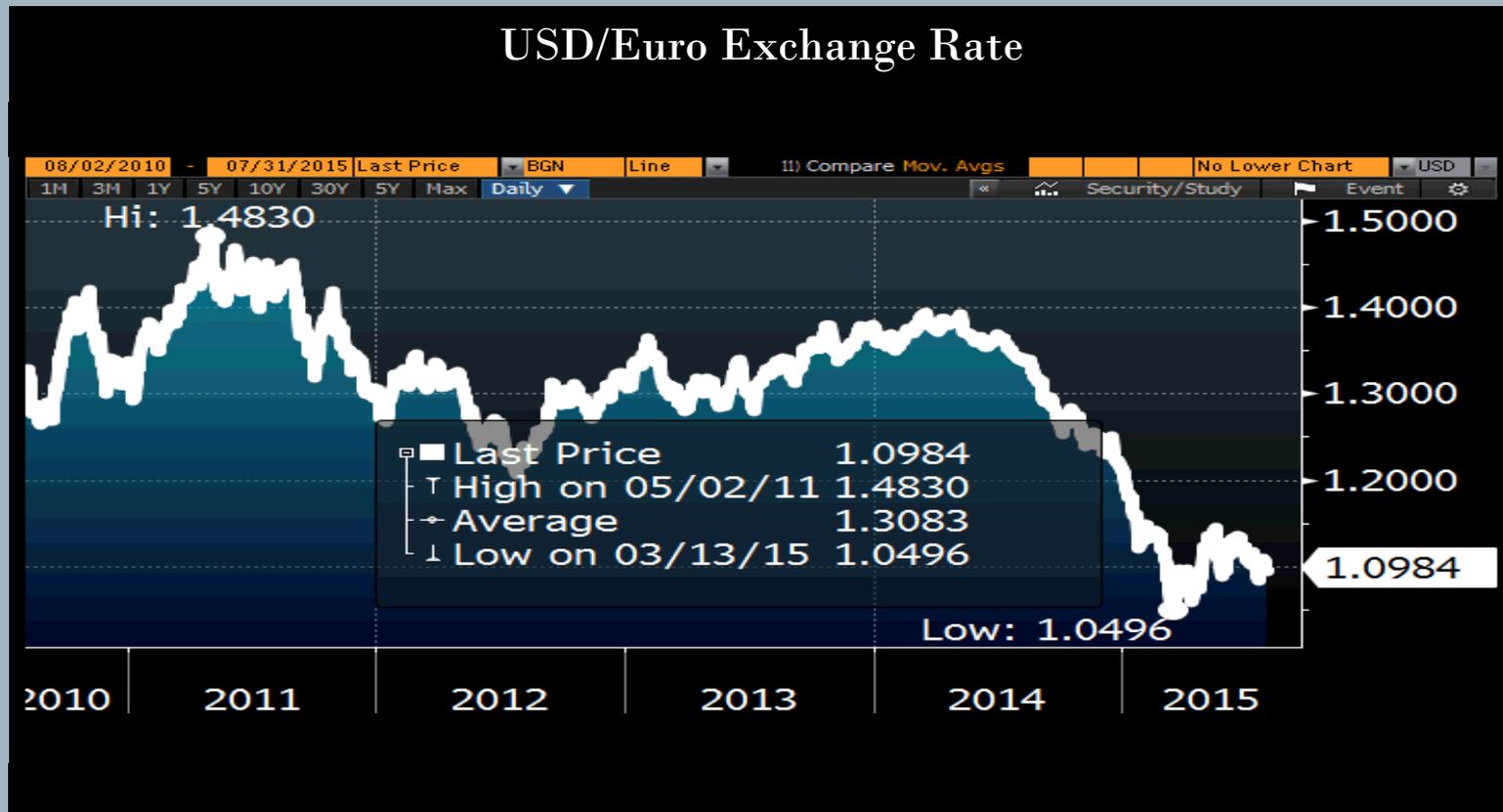
15



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# USD/EUR EXCHANGE RATE

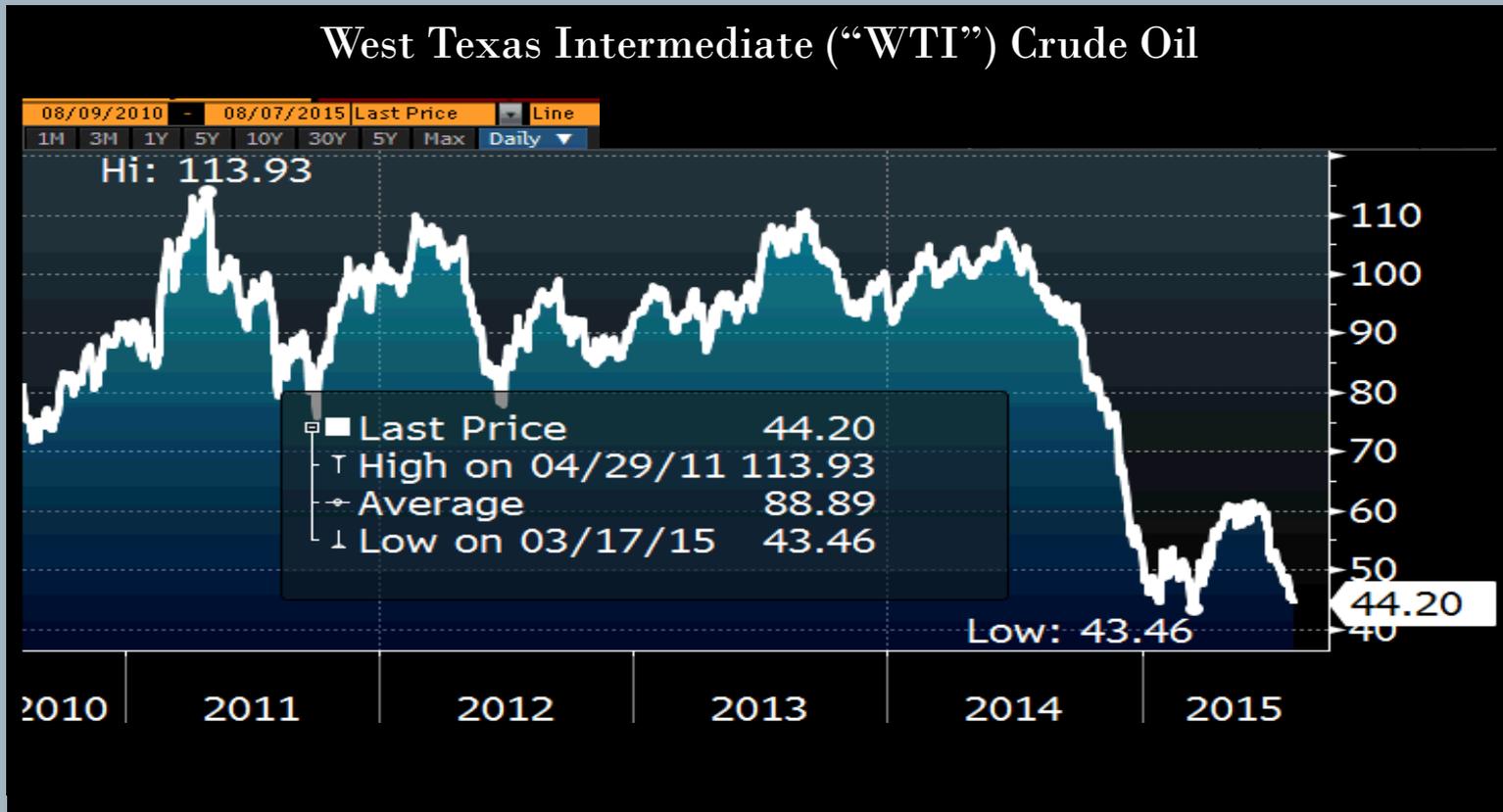
16



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# WTI CRUDE OIL PRICES

17

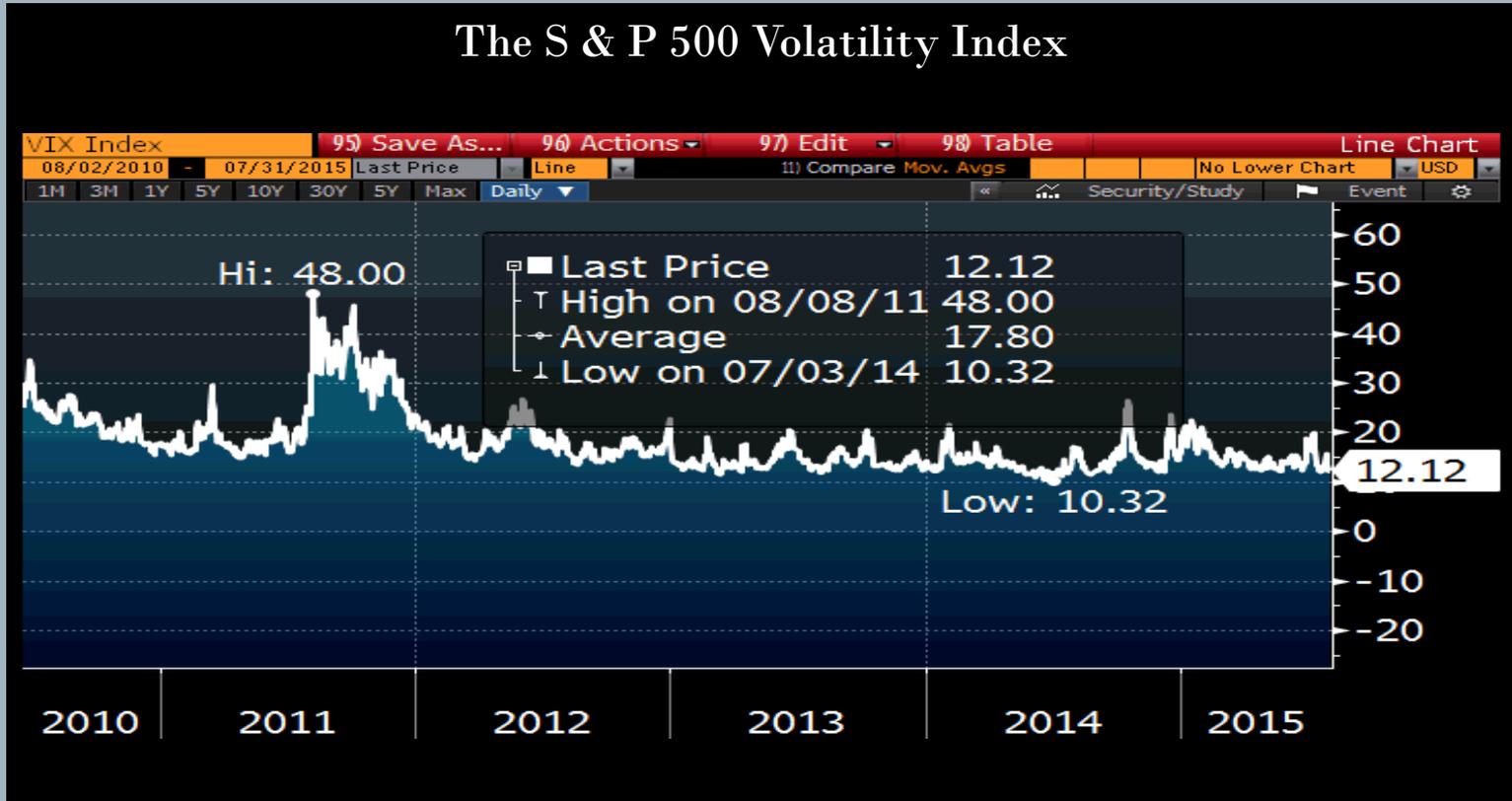


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# VOLATILITY INDEX (THE "VIX")

18

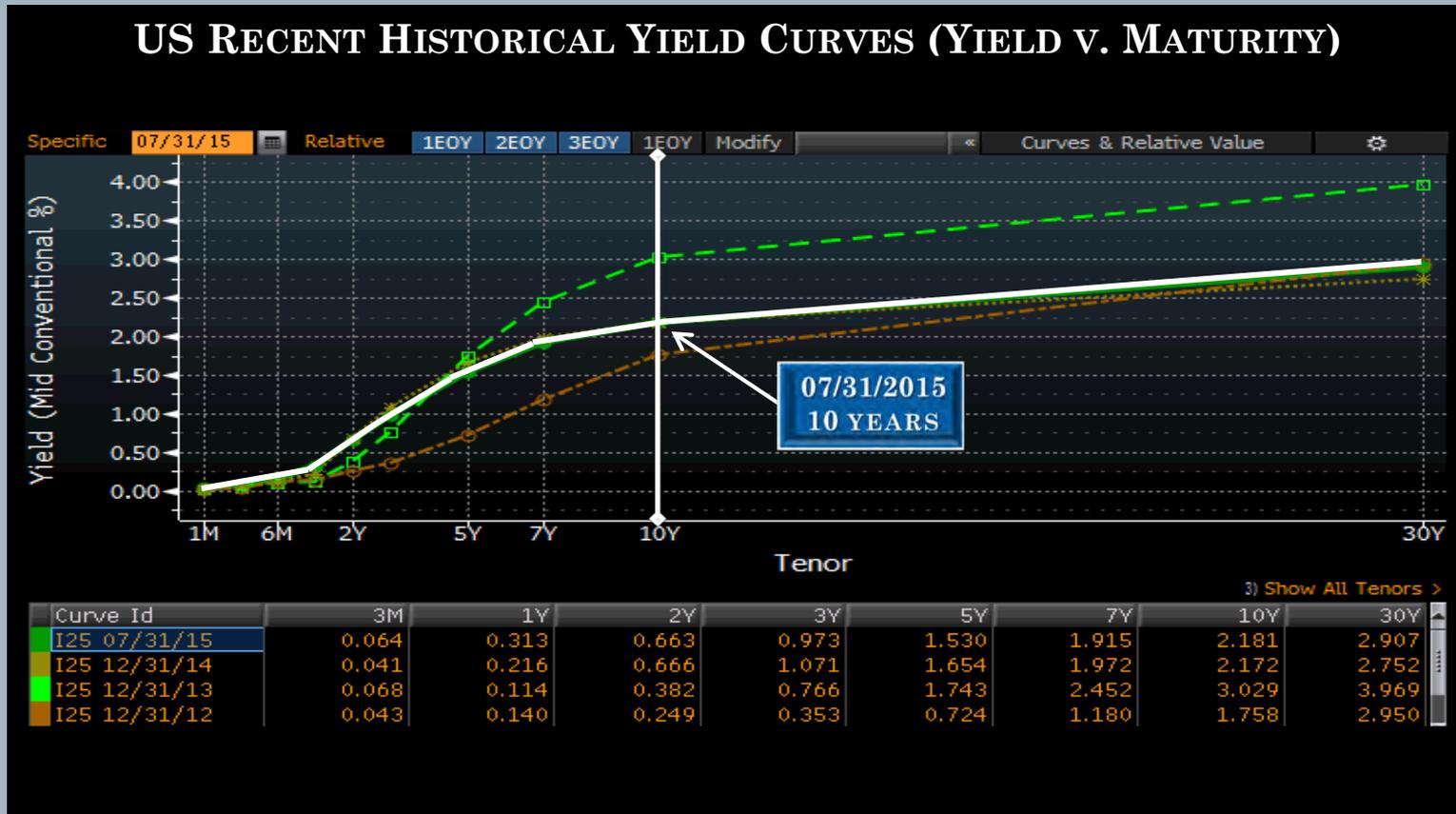
The S & P 500 Volatility Index



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# US HISTORICAL TREASURY YIELD CURVES

19



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# 10 YEAR TREASURY RATES

20



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# INVESTMENT GRADE AND HY SPREADS

21



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# CORPORATE EARNINGS VS. EARNINGS PER SHARE

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## CORPORATE EARNINGS

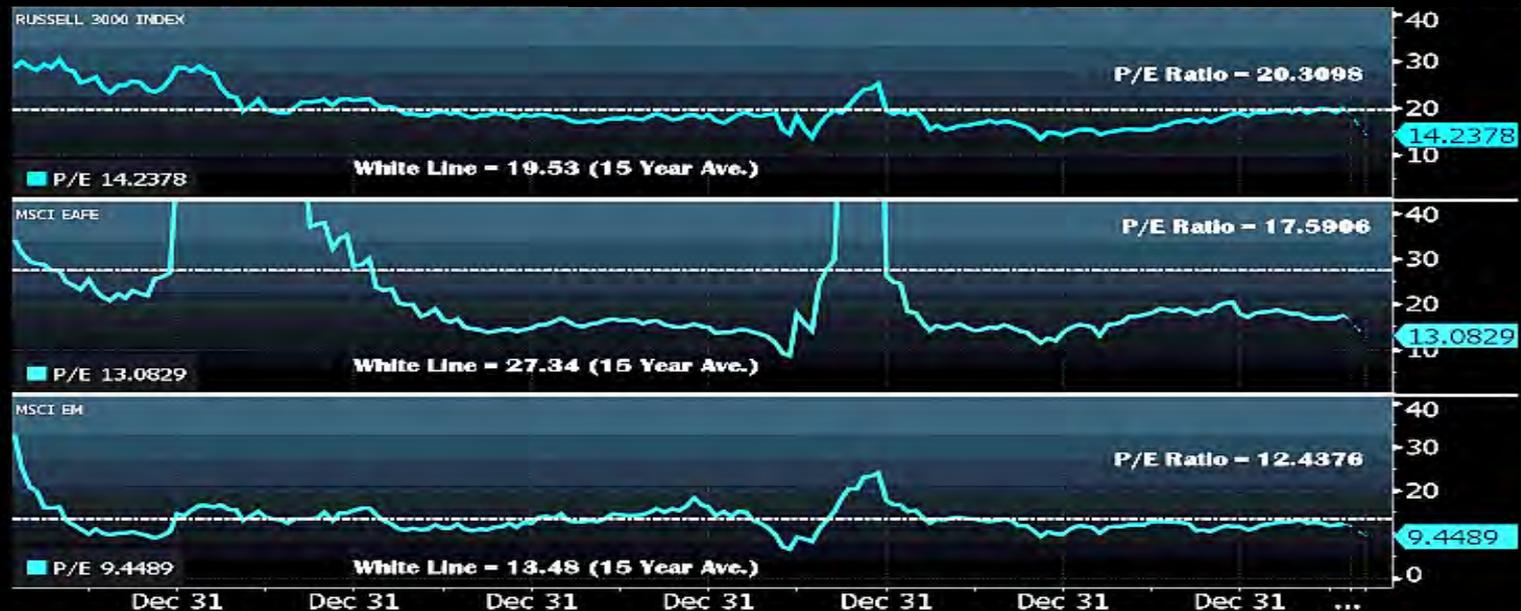


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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

23

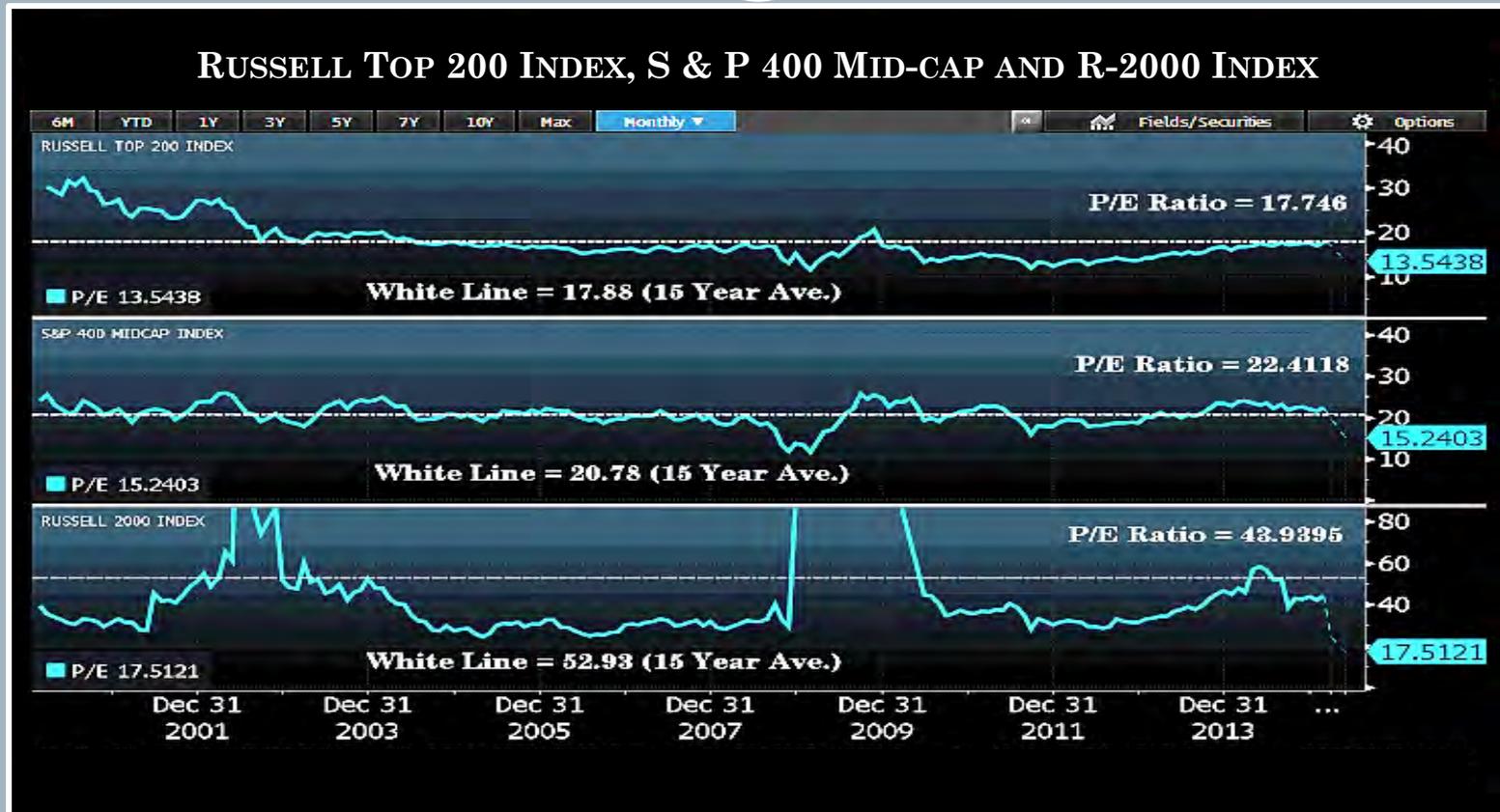
## RUSSELL-3000 INDEX, MSCI EAFE AND MSCI EMERGING MARKETS



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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

24



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# RECENT GLOBAL EQUITY MARKET RETURNS

25



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# MERGERS & ACQUISITIONS ACTIVITY

26



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**CITY OF NEW YORK  
NYC Teachers' Retirement System  
Market Indicator Report  
July 31, 2015**



**MARKET INDICATORS**

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	2.10	1.41	2.10	11.21	14.04	17.58	16.24	7.72
S&P 400	0.14	0.57	0.14	11.30	12.09	18.67	16.29	9.20
RUSSELL 1000	1.93	1.32	1.93	11.24	14.11	18.02	16.45	7.93
RUSSELL 2000	(1.16)	1.85	(1.16)	12.03	10.28	17.90	15.27	7.61
RUSSELL 3000	1.67	1.35	1.67	11.28	13.80	18.00	16.35	7.90
RUSSELL 3000 GROWTH	3.14	3.18	3.14	16.37	17.13	18.94	17.76	8.96
RUSSELL 3000 VALUE	0.17	(0.51)	0.17	6.23	10.47	16.92	14.88	6.72
MSCI EAFE NET	2.08	(1.32)	2.08	(0.28)	7.12	12.32	8.01	5.02
MSCI EMF NET	(6.93)	(12.98)	(6.93)	(13.38)	(0.05)	0.61	0.58	6.62
FTSE CUSTOM TEACHERS	(5.28)	(10.16)	(5.28)	(15.47)	(0.46)	(0.08)		
MSCI WORLD NET	1.80	(0.23)	1.80	4.92	10.31	14.46	11.74	6.20
MSCI EUROPE SMID CAP NET	2.65	1.27	2.65	4.41	10.91	18.34	11.20	7.20
MSCI AC WORLD ex US NET	(0.28)	(4.57)	(0.28)	(4.57)	4.98	8.83	5.85	5.13
1 Year Treasury Bill Yield + 4%	0.35	1.06	0.35	4.33	4.29	4.29	4.36	5.93
HFRI Fund of Funds Composite Index + 1%	0.20	0.30	0.20	5.47	6.35	7.08	5.00	4.07
NYC - TREASURY AGENCY PLUS FIVE	1.83	(0.94)	1.83	6.08	5.31	1.00	4.85	5.79
CITIGROUP MORTGAGE	0.64	(0.25)	0.64	3.58	3.82	1.85	2.87	4.72
NYC - INVESTMENT GRADE CREDIT	0.48	(1.61)	0.48	1.64	3.99	2.34	4.55	5.12
NYC - CORE PLUS FIVE	0.81	(0.98)	0.81	3.19	4.17	1.87	3.91	5.19
CITIGROUP BROAD INVESTMENT GRADE	0.65	(0.69)	0.65	2.79	3.36	1.58	3.23	4.69

**CITY OF NEW YORK  
NYC Teachers' Retirement System  
Market Indicator Report  
July 31, 2015**

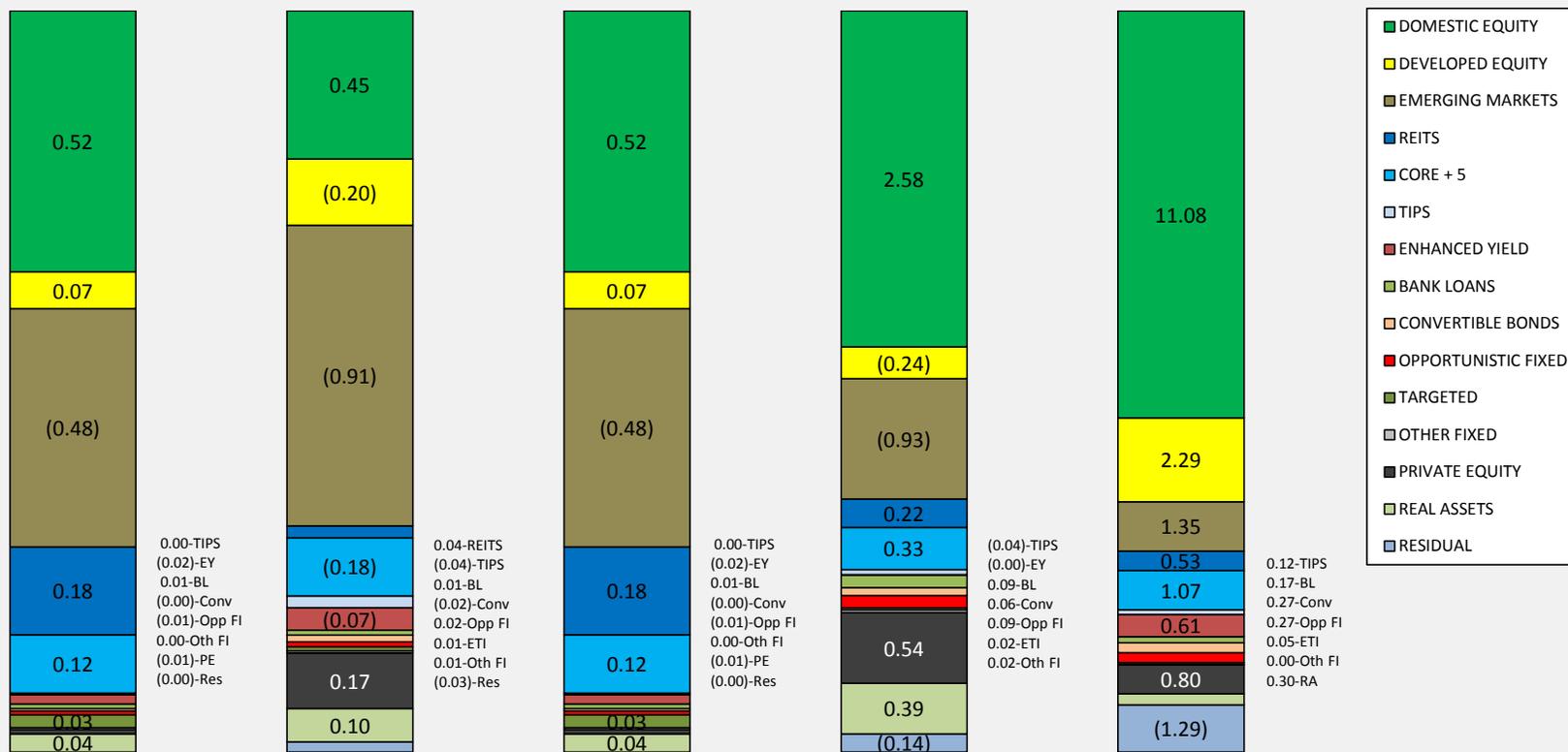


**MARKET INDICATORS**

	<u>1 Month</u>	<u>3 Month</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
BARCLAYS CAPITAL AGGREGATE	0.70	(0.64)	0.70	2.82	3.40	1.60	3.27	4.61
CITIGROUP BB & B	(0.61)	(1.59)	(0.61)	0.99	4.23	5.46	7.51	6.30
CITIGROUP BB & B CAPPED	(0.61)	(1.59)	(0.61)	0.97	4.24	5.45	7.43	6.54
BofA ML HIGH YIELD MASTER II	(0.62)	(1.84)	(0.62)	0.16	4.14	5.91	7.54	7.52
BofAML HYM CONSTRAINED (DAILY)	(0.61)	(1.84)	(0.61)	0.17	4.15	5.91	7.52	7.56
CSFB LEVERAGED LOAN	0.09	(0.02)	0.09	2.29	3.61	4.97	5.47	4.67
BARCLAYS GLOBAL US TIPS	0.21	(1.58)	0.21	(1.56)	1.04	(1.31)	3.30	4.37
BofA ML U.S. Convertible - Yield Alternat	(2.00)	(4.03)	(2.00)	(4.00)	2.08	5.73	5.79	4.87
BofA ML US Invt Grade Conv Bond Index	(0.73)	(0.71)	(0.73)	6.58	11.81	14.37	10.72	5.33
BofA ML ALL CONVERTIBLES EX MANDATORY	(0.70)	(0.78)	(0.70)	4.72	10.79	14.40	11.68	7.81
DJ US SELECT REAL ESTATE	5.93	1.19	5.93	11.29	11.95	10.11	13.55	6.52
NCREIF NFI - ODCE NET*	0.00	3.58	0.00	13.39	12.56	12.07	13.33	5.86
CPI + 4%	0.46	1.89	0.46	4.22	5.14			
91 DAY TREASURY BILL	(0.00)	(0.00)	(0.00)	0.01	0.03	0.06	0.08	1.41

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

### NYC Teachers' Retirement System Contribution to Return - July 2015



1 Month - Total Fund  
Return: 0.45%

3 Months - Total Fund  
Return: (0.64)%

FYTD - Total Fund  
Return: 0.45%

FY Ending 6/30/15 Total  
Return: 2.99%

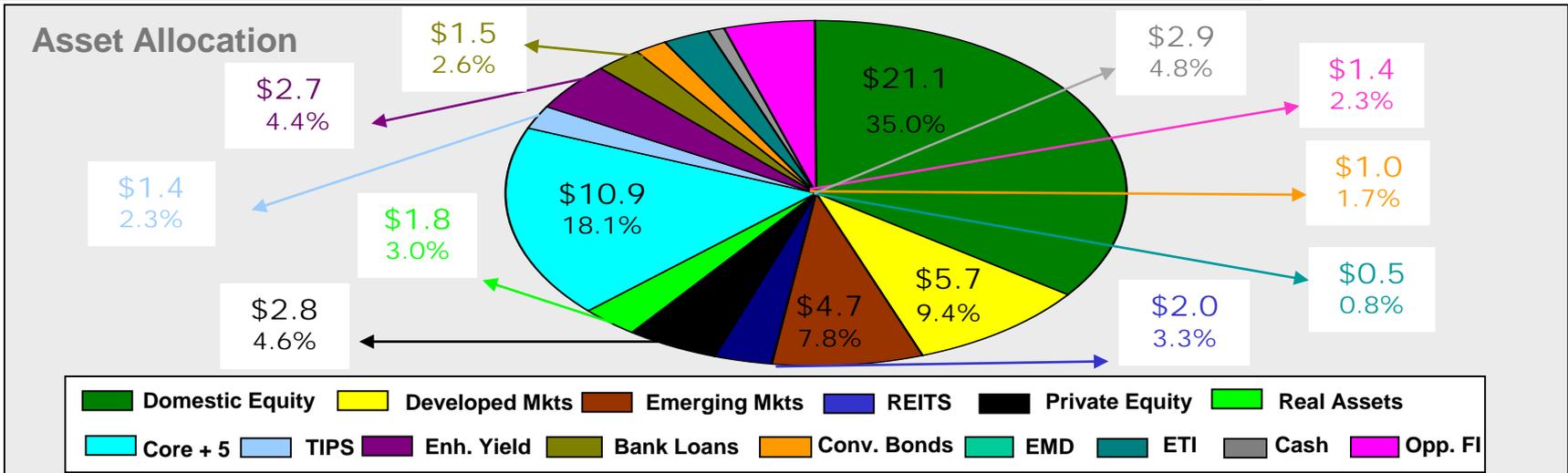
FY Ending 6/30/14 Total  
Return: 17.62%

Prepared by State Street

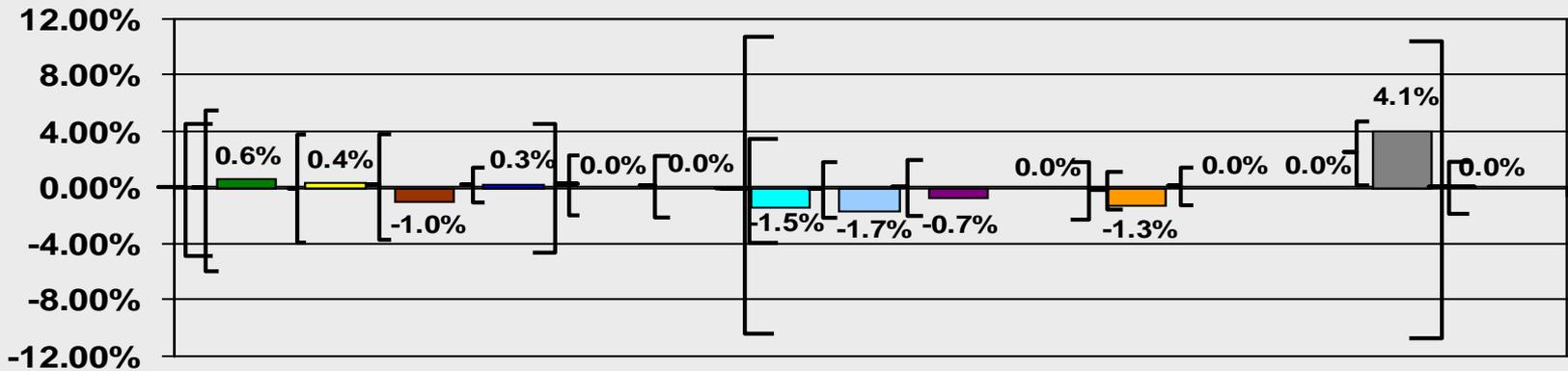
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# Portfolio Asset Allocation: July 31, 2015

**\$60.3B Under Management**



### Relative Mix to Adjusted New Policy Weights

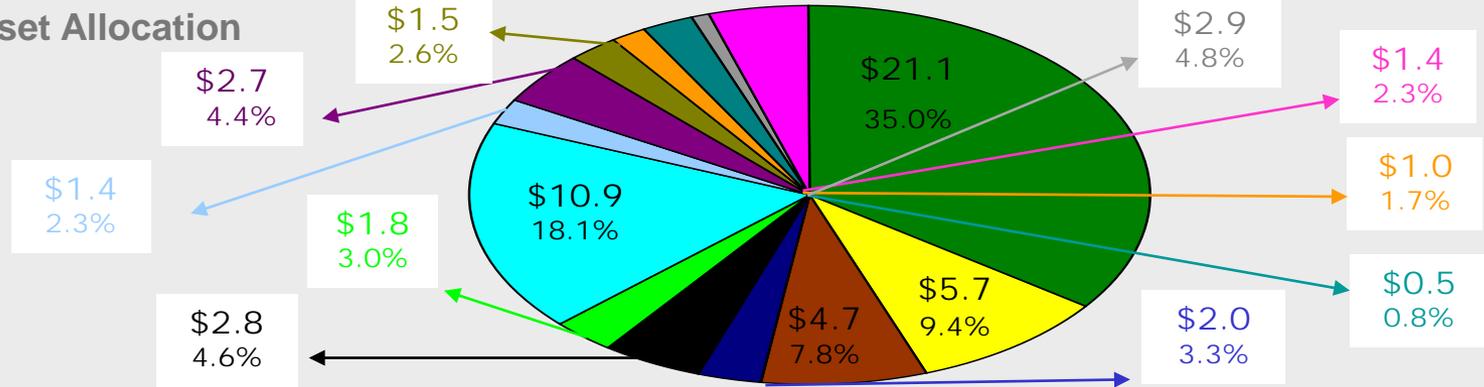


Note: Brackets represent rebalancing ranges versus Policy.

# Portfolio Asset Allocation: July 31, 2015

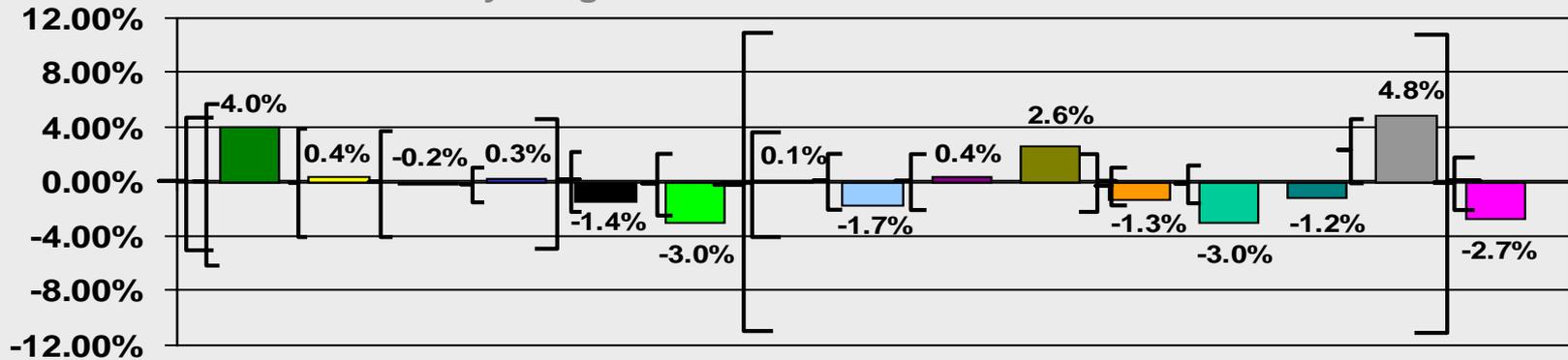
**\$60.3B** Under Management

## Asset Allocation



- Domestic Equity
- Developed Mkts
- Emerging Mkts
- REITS
- Private Equity
- Real Assets
- Core + 5
- TIPS
- Enh. Yield
- Bank Loans
- Conv. Bonds
- EMD
- ETI
- Cash
- Opp. FI

## Relative Mix to New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

# NYC TEACHERS' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

(as of July 31st, 2015)

### ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy
<b>TOTAL EQUITIES</b>	\$38,005.8	63.0%	63.0%	NA	62.8%
<b>TOTAL FIXED INCOME</b>	\$22,329.9	37.0%	37.0%	NA	37.2%
<b>TOTAL ASSETS</b>	\$60,335.7	100.0%	100.0%	NA	100.0%

	In \$MM	Actual	Policy Target %	Adjustment	Adjusted Policy	Adjusted Target Range ***
US Equities	\$21,128.1	35.0%	31.0%	3.5%	34.5%	28.5% - 40.5%
Non-US Equities/EAFE	\$5,650.7	9.4%	9.0%	NA	9.0%	5.0% - 13.0%
Emerging Markets	\$4,685.3	7.8%	8.0%	0.8%	8.8%	4.8% - 12.8%
Real Estate Investment Trusts	\$1,968.0	3.3%	3.0%	NA	3.0%	1.5% - 4.5%
<b>TOTAL PUBLIC EQUITY</b>	\$33,432.1	55.4%	51.0%	NA	55.2%	50.2% - 60.2%
* <b>REAL ASSETS</b>	\$1,806.8	3.0%	6.0%	NA	3.0%	4.0% - 8.0%
* <b>PRIVATE EQUITY</b>	\$2,766.9	4.6%	6.0%	NA	4.6%	4.0% - 8.0%
<b>TOTAL EQUITIES</b>	\$38,005.8	63.0%	63.0%	NA	62.8%	

	In \$MM	Actual	Policy Target %	Adjustment	Adjusted Policy	Adjusted Target Range ***
Core +5	US - Government	\$1,167.9	18.0%	NA	19.5%	15.5% - 23.5%
	US - Mortgage	\$4,366.1		NA		
	US - Investment Grade Credit	\$5,137.1		NA		
<b>TOTAL CORE + 5</b>	\$10,901.3	18.1%	18.0%	1.5%	19.5%	15.5% - 23.5%
High Yield	\$2,668.3	4.4%	4.0%	NA	7.6%	5.6% - 9.6%
Bank Loans	\$1,546.8	2.6%		NA		0.0% - 2.5%
<b>Total High Yield &amp; Bank Loans</b>	\$4,215.2	7.0%	4.0%	3.6%	7.6%	5.6% - 9.6%
TIPS	\$1,395.4	2.3%	4.0%	NA	4.0%	2.0% - 6.0%
Convertible Bonds	\$1,013.7	1.7%	3.0%	NA	3.0%	1.5% - 4.5%
EMD	\$0.0	0.0%	3.0%	NA	0.0%	1.5% - 4.5%
** ETI	\$510.2	0.8%	**2.0%	NA	**0.8%	**0.8%
Cash	\$2,893.8	4.8%	0.0%	0.8%	0.8%	0.0% - 5.0%
<b>TOTAL PUBLIC FIXED INCOME</b>	\$20,929.6	34.7%	32.0%	NA	34.9%	23.9% - 45.9%
* <b>OPPORTUNISTIC FIXED INCOME</b>	\$1,400.3	2.3%	5.0%	NA	2.3%	3.0% - 7.0%
<b>TOTAL FIXED INCOME</b>	\$22,329.9	37.0%	37.0%	NA	37.2%	

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

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

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

# NYC TEACHERS' RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of July 31st, 2015)*

### Adjustments to Long-Term Asset Allocation

#### 1) Private Equity

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

#### 2) Real Assets

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

#### 3) Emerging Markets Debt

50% of the amount under/over target will be added/subtracted to/from the High Yield target allocation, 25% of the amount under/over target will be added/subtracted to/from the Emerging Markets Equities target allocation and 25% of the amount under target will be added to the Cash target allocation.

#### 4) Opportunistic Fixed Income

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

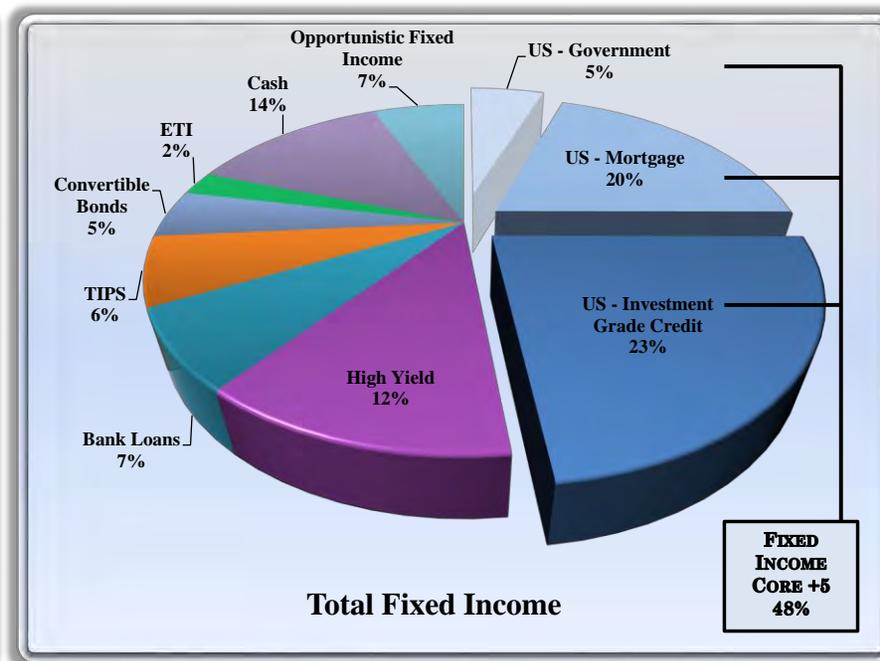
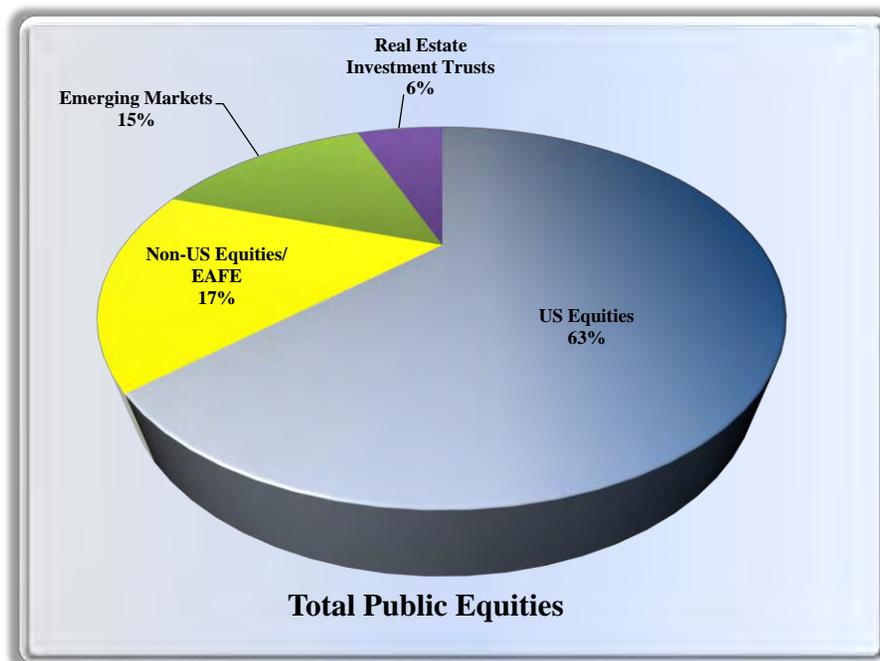
### Impact of Adjustments

<b>1) Core +5 Policy Target %</b>	<b>18.0%</b>
Adjustment: 50% of uninvested Real Assets	<u>1.5%</u>
<b>Adjusted Core+5 Policy Target %</b>	<b>19.5%</b>
<b>2) High Yield Policy Target %</b>	<b>4.0%</b>
Adjustment: 50% of uninvested Emerging Markets Debt	1.5%
Adjustment: 80% of uninvested Opportunistic Fixed Income	<u>2.1%</u>
<b>Adjusted High Yield Policy Target %</b>	<b>7.6%</b>
<b>3) Domestic Equity Policy Target %</b>	<b>31.0%</b>
Adjustment: 20% of (over)/underallocation of OFI	0.5%
Adjustment: 100% of (over)/underallocation of Private Equity	1.4%
Adjustment: 50% of (over)/underallocation of Real Assets	<u>1.5%</u>
<b>Adjusted Domestic Equity Policy Target %</b>	<b>34.5%</b>
<b>4) Emerging Markets Equities Policy Target %</b>	<b>8.0%</b>
Adjustment: 25% of uninvested Emerging Markets Debt	<u>0.8%</u>
<b>Adjusted Emerging Markets Equities Policy Target %</b>	<b>8.8%</b>
<b>5) Cash Policy Target %</b>	<b>0.0%</b>
Adjustment: 25% of uninvested Emerging Markets Debt	<u>0.8%</u>
<b>Adjusted Cash Policy Target %</b>	<b>0.8%</b>

# NYC TEACHERS' RETIREMENT SYSTEM

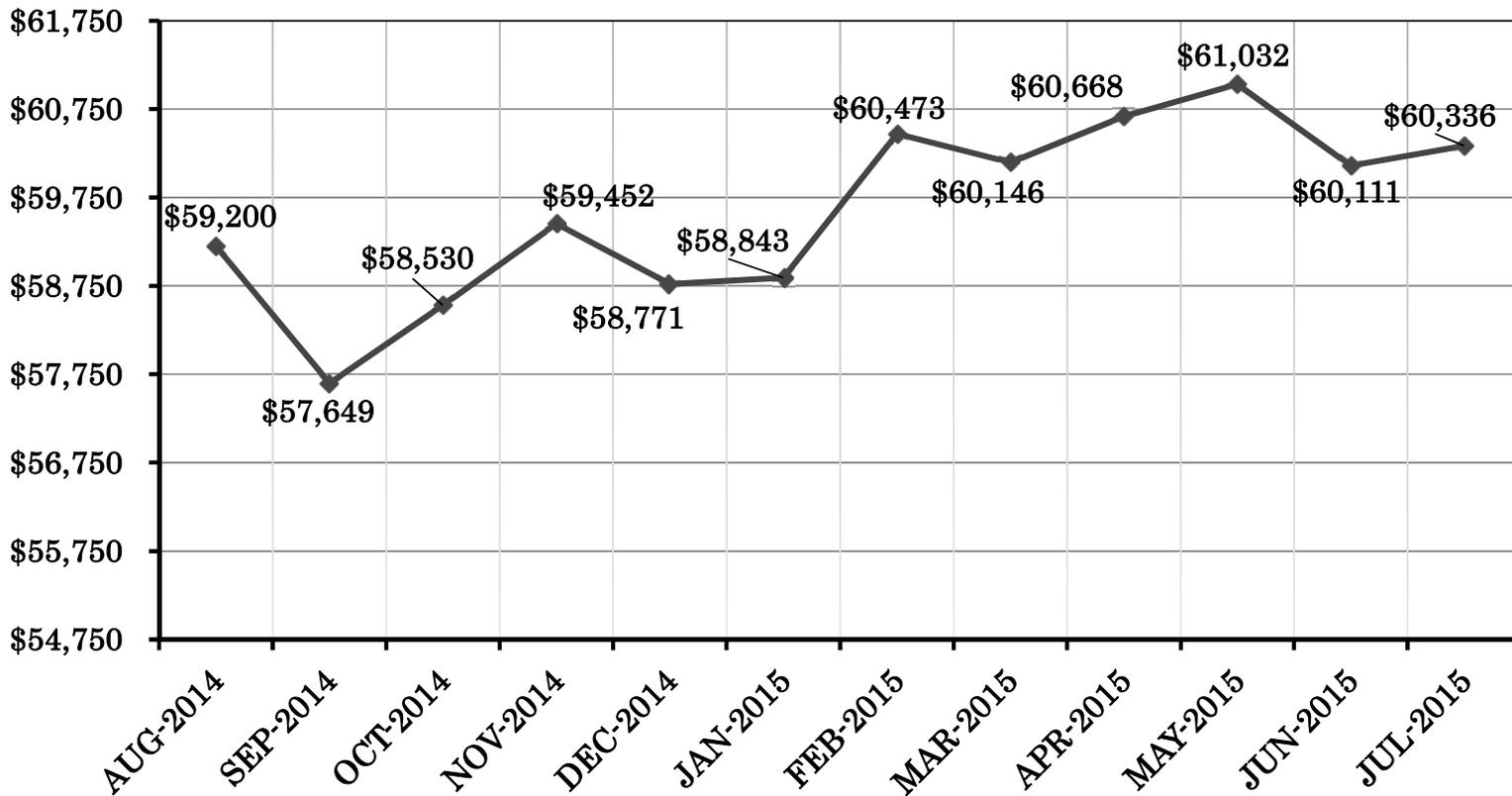
## CLASSIFICATION OF INVESTMENTS

*(as of July 31st, 2015)*

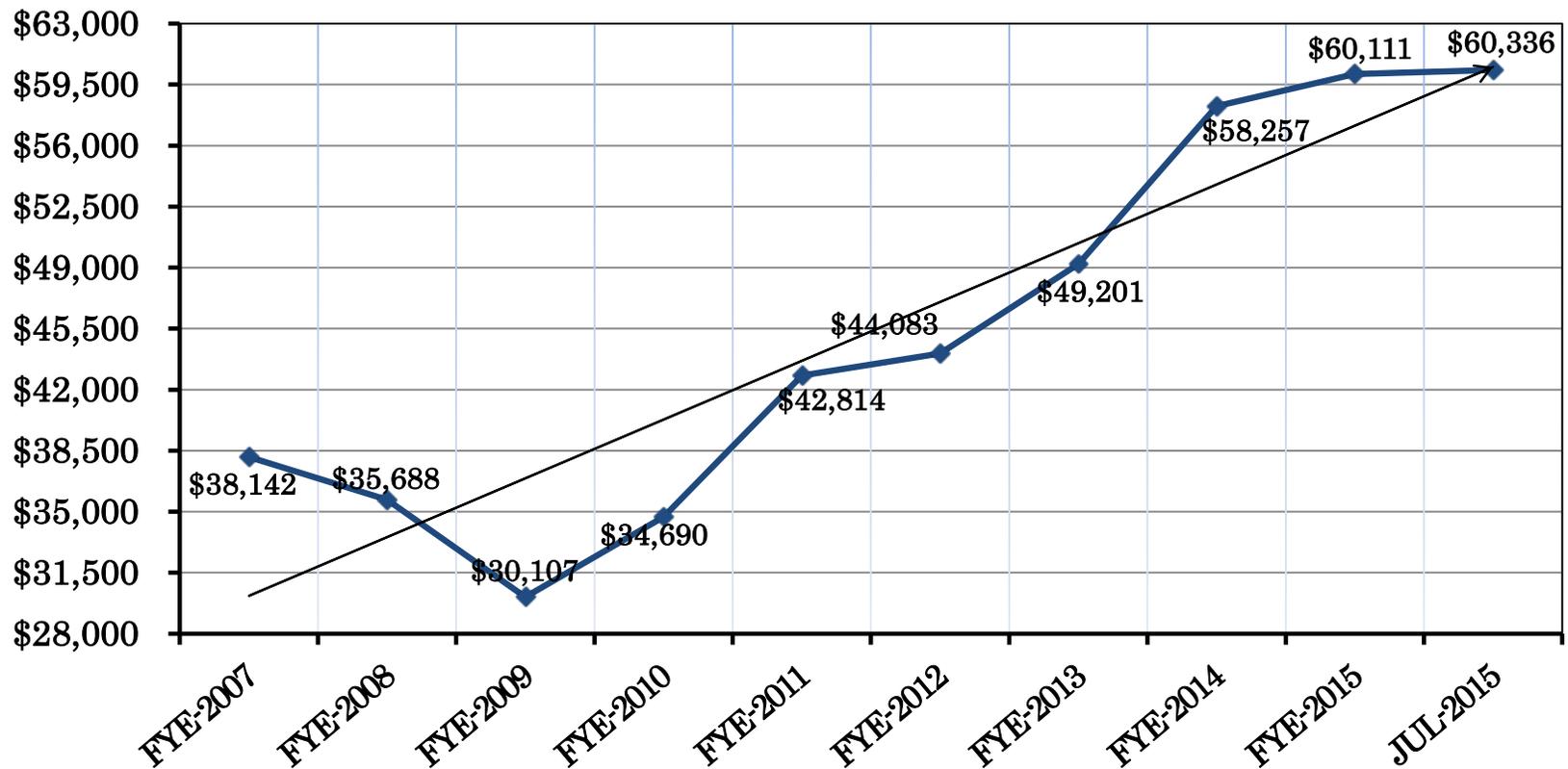


Note: Totals may not equal 100% due to rounding

TEACHERS' RETIREMENT SYSTEM - MARKET VALUES  
AUGUST 2014 - JULY 2015



## TEACHERS' RETIREMENT SYSTEM - MARKET VALUES 2007 - 2015



THE 10 YEAR RETURN FOR TEACHERS' MV AS OF JULY 31, 2015 IS 6.56%.

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
<b>ASSET CLASS SUMMARY</b>							
<b>TRS-TOTAL TEACHERS</b>	<b>60,336</b>	<b>100.00</b>	<b>0.43</b>	<b>(0.69)</b>	<b>0.43</b>	<b>2.27</b>	<b>7.53</b>
Teachers Policy Benchmark			0.65	(0.45)	0.65	2.62	8.50
Excess			(0.22)	(0.24)	(0.22)	(0.35)	(0.97)
<b>TRS-TOTAL EQUITY (INCL PE &amp; RA)</b>	<b>38,006</b>	<b>62.99</b>	<b>0.49</b>	<b>(0.68)</b>	<b>0.49</b>	<b>2.86</b>	<b>8.39</b>
<b>TRS-TOTAL FIXED INCOME</b>	<b>22,324</b>	<b>37.00</b>	<b>0.33</b>	<b>(0.72)</b>	<b>0.33</b>	<b>1.18</b>	<b>5.84</b>
<b>EQUITY SUMMARY</b>							
<b>US EQUITY</b>							
State Street Global Adv R3000	8,961	14.85	1.67	1.30	1.67	3.57	12.21
RUSSELL 3000 (DAILY)			1.67	1.35	1.67	3.65	12.56
Excess			(0.01)	(0.05)	(0.01)	(0.07)	(0.35)
BLACKROCK INST R 2000 GROWTH	190	0.31	0.41	5.50	0.41	9.08	5.90
RUSSELL 2000 GROWTH DAILY			0.41	5.50	0.41	9.18	5.60
Excess			0.00	0.01	0.00	(0.11)	0.30
BLACKROCK INST R 2000 VALUE	275	0.46	(2.91)	(1.78)	(2.91)	(2.03)	4.25
RUSSELL 2000 VALUE DAILY			(2.76)	(1.82)	(2.76)	(2.02)	4.22
Excess			(0.15)	0.05	(0.15)	(0.01)	0.03
Brown AM - SCG	333	0.55	1.78	4.57	1.78	8.32	2.92
RUSSELL 2000 GROWTH DAILY			0.41	5.50	0.41	9.18	5.60
Excess			1.37	(0.93)	1.37	(0.86)	(2.68)
State St GA S&P 400	1,923	3.19	0.15	0.34	0.15	4.09	10.10
S&P 400 MIDCAP INDEX (DAILY)			0.14	0.57	0.14	4.34	9.77
Excess			0.01	(0.23)	0.01	(0.25)	0.33

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
BLACKROCK INST R 1000 GROWTH	4,651	7.71	3.38	2.99	3.38	7.41	13.03
RUSSELL 1000 GROWTH - DAILY			3.39	3.00	3.39	7.49	13.05
Excess			(0.01)	(0.00)	(0.01)	(0.07)	(0.02)
Blackrock Inst R 1000 Value	4,333	7.18	0.44	(0.38)	0.44	(0.19)	13.56
RUSSELL 1000 VALUE (DAILY)			0.44	(0.38)	0.44	(0.18)	13.45
Excess			0.00	0.01	0.00	(0.01)	0.11
<b>FUND OF FUNDS</b>							
TRS-TOTAL FUND OF FUNDS	386	0.64	(1.08)	1.23	(1.08)	3.01	1.86
RUSSELL 2000 (DAILY)			(1.16)	1.85	(1.16)	3.54	4.89
Excess			0.08	(0.62)	0.08	(0.53)	(3.04)
TRS-TOTAL ATTUCKS	61	0.10	(0.61)	0.76	(0.61)	2.21	2.13
RUSSELL 2000 (DAILY)			(1.16)	1.85	(1.16)	3.54	4.89
Excess			0.56	(1.09)	0.56	(1.33)	(2.76)
TRS-TOTAL CAPITAL PROSPECTS - R2000	56	0.09	(1.10)	1.84	(1.10)	2.89	1.53
RUSSELL 2000 (DAILY)			(1.16)	1.85	(1.16)	3.54	4.89
Excess			0.06	(0.02)	0.06	(0.65)	(3.36)
TRS-TOTAL FIS R2000	139	0.23	(1.16)	1.69	(1.16)	3.74	1.46
RUSSELL 2000 (DAILY)			(1.16)	1.85	(1.16)	3.54	4.89
Excess			0.00	(0.16)	0.00	0.20	(3.44)
TRS-TOTAL PIM R2000	130	0.22	(1.20)	0.71	(1.20)	2.67	2.30
RUSSELL 2000 (DAILY)			(1.16)	1.85	(1.16)	3.54	4.89
Excess			(0.04)	(1.14)	(0.04)	(0.87)	(2.60)
<b>U.S. ENVIRONMENTAL</b>							
Walden Asset Management (ENVRN)	77	0.13	(1.58)	(0.57)	(1.58)	0.55	(0.33)
RUSSELL 2000 (DAILY)			(1.16)	1.85	(1.16)	3.54	4.89
Excess			(0.42)	(2.42)	(0.42)	(2.99)	(5.22)

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
<b>NON - US EQUITY</b>							
Causeway	957	1.59	1.84	(1.25)	1.84	7.60	(5.72)
MSCI EAFE VALUE NET (DAILY)			1.74	(2.36)	1.74	5.92	(5.39)
Excess			0.10	1.11	0.10	1.68	(0.32)
Sprucegrove MTA	1,156	1.92	(0.72)	(4.84)	(0.72)	2.29	(4.06)
MSCI EAFE VALUE NET (DAILY)			1.74	(2.36)	1.74	5.92	(5.39)
Excess			(2.46)	(2.48)	(2.46)	(3.63)	1.34
Baillie Gifford MTA	1,253	2.08	(0.29)	(2.59)	(0.29)	6.82	(7.83)
MSCI EAFE GROWTH			2.41	(0.31)	2.41	9.49	(4.43)
Excess			(2.69)	(2.28)	(2.69)	(2.67)	(3.40)
Walter Scott	1,088	1.80	1.32	(2.52)	1.32	5.47	(3.66)
MSCI EAFE GROWTH			2.41	(0.31)	2.41	9.49	(4.43)
Excess			(1.09)	(2.22)	(1.09)	(4.02)	0.77
Acadian	289	0.48	1.09	0.78	1.09	12.02	(2.33)
S&P EPAC Small Cap Index			0.50	(0.06)	0.50	11.13	(3.10)
Excess			0.59	0.83	0.59	0.90	0.77
Pyramis	283	0.47	3.40	2.88	3.40	14.70	(5.41)
S&P EPAC Small Cap Index			0.50	(0.06)	0.50	11.13	(3.10)
Excess			2.90	2.94	2.90	3.58	(2.31)
SSGA MTA	484	0.80	2.03	(1.22)	2.03	8.16	(5.43)
MSCI EAFE			2.08	(1.32)	2.08	7.72	(4.90)
Excess			(0.04)	0.10	(0.04)	0.44	(0.52)
SSGA MSCI EAFE Small Cap Index	140	0.23	0.96	0.78	0.96	11.37	
MSCI EAFE SMALL CAP NET (DAILY)			0.85	0.61	0.85	11.08	
Excess			0.11	0.17	0.11	0.29	

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
<b>EMERGING MARKETS</b>							
Baillie Gifford EM Equities	1,134	1.88	(6.01)	(9.56)	(6.01)	(5.96)	4.83
FTSE Custom NYC Teachers Emerging Index			(5.28)	(10.16)	(5.28)	(6.40)	0.67
Excess			(0.73)	0.60	(0.73)	0.43	4.16
<b>DFA MTA 325</b>							
DFA MTA 325	1,025	1.70	(6.89)	(13.64)	(6.89)	(9.19)	(4.59)
FTSE Custom NYC Teachers Emerging Index			(5.28)	(10.16)	(5.28)	(6.40)	0.67
Excess			(1.61)	(3.47)	(1.61)	(2.80)	(5.26)
<b>PARAMETRIC EM</b>							
PARAMETRIC EM	1,108	1.84	(4.78)	(9.89)	(4.78)	(7.59)	(0.80)
FTSE Custom NYC Teachers Emerging Index			(5.28)	(10.16)	(5.28)	(6.40)	0.67
Excess			0.50	0.28	0.50	(1.19)	(1.47)
<b>CONY GT TRS Blackrock-MSCI EM INDEX MTA</b>							
CONY GT TRS Blackrock-MSCI EM INDEX MTA	1,418	2.35	(5.64)	(10.77)	(5.64)	(6.87)	(1.82)
TRS MSCI Custom Emerging Markets Index			(5.61)	(10.69)	(5.61)	(6.87)	(0.89)
Excess			(0.03)	(0.08)	(0.03)	0.00	(0.93)
<b>REAL ESTATE SECURITIES</b>							
<b>Adelante Capital Mgt. - REIT</b>							
Adelante Capital Mgt. - REIT	400	0.66	5.92	1.92	5.92	1.73	33.05
DJ US SELECT REAL ESTATE SECURITIES INDEX			5.93	1.19	5.93	(0.10)	31.85
Excess			(0.01)	0.73	(0.01)	1.83	1.20
<b>Center Square Investment Mgt. - REIT</b>							
Center Square Investment Mgt. - REIT	268	0.44	6.17	1.58	6.17	1.07	32.56
DJ US SELECT REAL ESTATE SECURITIES INDEX			5.93	1.19	5.93	(0.10)	31.85
Excess			0.24	0.39	0.24	1.18	0.71
<b>Cohen &amp; Steers - REIT</b>							
Cohen & Steers - REIT	268	0.44	5.95	1.15	5.95	1.04	31.67
DJ US SELECT REAL ESTATE SECURITIES INDEX			5.93	1.19	5.93	(0.10)	31.85
Excess			0.02	(0.04)	0.02	1.15	(0.18)
<b>Morgan Stanley - REIT</b>							
Morgan Stanley - REIT	764	1.27	4.97	0.34	4.97	(0.20)	30.72
Morgan Stanley Custom RESI Index			5.09	0.33	5.09	(0.95)	31.85
Excess			(0.12)	0.00	(0.12)	0.75	(1.13)

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
Security Capital - REIT	269	0.45	6.41	1.30	6.41	(0.07)	32.80
DJ US SELECT REAL ESTATE SECURITIES INDEX			5.93	1.19	5.93	(0.10)	31.85
Excess			0.48	0.12	0.48	0.03	0.95
<b>FIXED INCOME SUMMARY</b>							
<b>STRUCTURED FIXED INCOME</b>							
Blackrock - Mortgage	1,487	2.46	0.52	(0.29)	0.52	1.26	6.56
CITIGROUP MORTGAGE INDEX			0.64	(0.25)	0.64	1.00	6.12
Excess			(0.12)	(0.04)	(0.12)	0.26	0.44
Blackrock - Special Purpose Mtge	10	0.02	1.25	4.69	1.25	11.07	36.89
CITIGROUP MORTGAGE INDEX			0.64	(0.25)	0.64	1.00	6.12
Excess			0.61	4.94	0.61	10.07	30.77
Neuberger Berman - Mortgage	1,311	2.17	0.60	(0.23)	0.60	0.94	6.66
CITIGROUP MORTGAGE INDEX			0.64	(0.25)	0.64	1.00	6.12
Excess			(0.04)	0.01	(0.04)	(0.06)	0.54
Goldman Sachs - Mortgage	657	1.09	0.54	(0.22)	0.54	1.05	6.28
CITIGROUP MORTGAGE INDEX			0.64	(0.25)	0.64	1.00	6.12
Excess			(0.10)	0.02	(0.10)	0.05	0.15
Wellington - Mortgage	638	1.06	0.60	(0.26)	0.60	0.96	6.67
CITIGROUP MORTGAGE INDEX			0.64	(0.25)	0.64	1.00	6.12
Excess			(0.04)	(0.01)	(0.04)	(0.04)	0.55
Smith Breeden - Mortgage	263	0.44	0.60	(0.14)	0.60	1.14	6.41
CITIGROUP MORTGAGE INDEX			0.64	(0.25)	0.64	1.00	6.12
Excess			(0.03)	0.11	(0.03)	0.14	0.29
Blackrock - Credit	1,233	2.04	0.48	(1.50)	0.48	0.09	7.43
NYC - Investment Grade Credit			0.48	(1.61)	0.48	(0.04)	7.04
Excess			0.00	0.11	0.00	0.13	0.39

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
Taplin Canida Habacht - Credit	1,225	2.03	0.17	(2.24)	0.17	(0.91)	7.34
NYC - Investment Grade Credit			0.48	(1.61)	0.48	(0.04)	7.04
Excess			(0.31)	(0.63)	(0.31)	(0.88)	0.30
T. Rowe Price - Credit	1,238	2.05	0.53	(1.59)	0.53	0.61	7.82
NYC - Investment Grade Credit			0.48	(1.61)	0.48	(0.04)	7.04
Excess			0.05	0.02	0.05	0.65	0.77
Prudential - Credit	746	1.24	0.58	(1.51)	0.58	0.08	7.19
NYC - Investment Grade Credit			0.48	(1.61)	0.48	(0.04)	7.04
Excess			0.10	0.10	0.10	0.12	0.14
Barrow Hanley - Credit	504	0.84	0.56	(1.56)	0.56	0.17	7.39
NYC - Investment Grade Credit			0.48	(1.61)	0.48	(0.04)	7.04
Excess			0.08	0.05	0.08	0.21	0.35
Prudential-Prinvest - Credit	192	0.32	0.95	(0.16)	0.95	1.74	7.20
NYC - Investment Grade Credit			0.48	(1.61)	0.48	(0.04)	7.04
Excess			0.47	1.45	0.47	1.78	0.16
State Street - Gov't	759	1.26	1.75	(0.98)	1.75	0.39	12.08
NYC - Treasury Agency Plus Five			1.83	(0.94)	1.83	0.50	12.38
Excess			(0.08)	(0.04)	(0.08)	(0.10)	(0.29)
Blackrock - Gov't	409	0.68	1.77	(0.84)	1.77	0.66	11.96
NYC - Treasury Agency Plus Five			1.83	(0.94)	1.83	0.50	12.38
Excess			(0.06)	0.10	(0.06)	0.16	(0.42)
<b>ENHANCED YIELD</b>							
Loomis Sayles - High Yield	328	0.54	(0.72)	(1.91)	(0.72)	2.08	3.55
BofAML HIGH YIELD MASTER II (DAILY)			(0.62)	(1.84)	(0.62)	1.86	2.50
Excess			(0.10)	(0.07)	(0.10)	0.22	1.04

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
Neuberger Berman - High Yield	526	0.87	(0.59)	(2.03)	(0.59)	1.50	1.85
BofAML HIGH YIELD MASTER II (DAILY)			(0.62)	(1.84)	(0.62)	1.86	2.50
Excess			0.03	(0.19)	0.03	(0.36)	(0.65)
Oaktree - High Yield	305	0.51	(0.50)	(1.51)	(0.50)	2.03	1.33
BofAML HYM CONSTRAINED (DAILY)			(0.61)	(1.84)	(0.61)	1.87	2.51
Excess			0.11	0.33	0.11	0.16	(1.18)
Stone Harbor - High Yield	452	0.75	(0.65)	(2.35)	(0.65)	1.24	0.79
BofA ML MST II 7-12/BB&B Prior			(0.62)	(1.84)	(0.62)	1.86	2.50
Excess			(0.03)	(0.51)	(0.03)	(0.63)	(1.72)
T. Rowe Price - High Yield	548	0.91	(0.02)	(0.69)	(0.02)	3.22	2.96
CITIGROUP BB & B			(0.61)	(1.59)	(0.61)	2.12	2.78
Excess			0.59	0.90	0.59	1.11	0.18
Penn Capital Mgt - High Yield	139	0.23	0.03	(0.87)	0.03	2.92	0.92
CITIGROUP BB & B			(0.61)	(1.59)	(0.61)	2.12	2.78
Excess			0.64	0.72	0.64	0.80	(1.86)
Fort Washington - High Yield	139	0.23	(0.83)	(2.02)	(0.83)	2.12	2.37
CITIGROUP BB & B			(0.61)	(1.59)	(0.61)	2.12	2.78
Excess			(0.22)	(0.43)	(0.22)	0.01	(0.42)
Shenkman - High Yield	231	0.38	(0.36)	(1.33)	(0.36)	3.03	2.75
CITIGROUP BB & B			(0.61)	(1.59)	(0.61)	2.12	2.78
Excess			0.25	0.26	0.25	0.91	(0.03)
<b>BANK LOANS</b>							
Babson BL	386	0.64	0.24	0.44	0.24	3.48	1.99
CSFB LEVERAGED LOAN INDEX			0.09	(0.02)	0.09	2.96	2.06
Excess			0.15	0.46	0.15	0.52	(0.07)

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
Credit Suisse BL	388	0.64	0.37	0.54	0.37	4.01	2.67
CSFB LEVERAGED LOAN INDEX			0.09	(0.02)	0.09	2.96	2.06
Excess			0.28	0.56	0.28	1.05	0.61
Guggenheim BL	393	0.65	0.42	0.62	0.42	3.64	2.88
CSFB LEVERAGED LOAN INDEX			0.09	(0.02)	0.09	2.96	2.06
Excess			0.33	0.64	0.33	0.68	0.83
Voya BL	194	0.32	0.41	0.53	0.41	3.42	2.66
CSFB LEVERAGED LOAN INDEX			0.09	(0.02)	0.09	2.96	2.06
Excess			0.32	0.56	0.32	0.46	0.60
Wells BL	187	0.31	0.16	0.15	0.16	2.77	1.68
CSFB LEVERAGED LOAN INDEX			0.09	(0.02)	0.09	2.96	2.06
Excess			0.07	0.17	0.07	(0.19)	(0.38)
<b>TIPS</b>							
State Street TIPS Passive	1,045	1.73	0.13	(1.58)	0.13	0.63	3.57
Barclays Global Inflation Linked: US TIPS (Daily)			0.21	(1.58)	0.21	0.55	3.64
Excess			(0.08)	0.00	(0.08)	0.08	(0.07)
Blackrock TIPS	350	0.58	0.16	(1.49)	0.16	0.73	3.74
Barclays Global Inflation Linked: US TIPS (Daily)			0.21	(1.58)	0.21	0.55	3.64
Excess			(0.05)	0.09	(0.05)	0.18	0.10
<b>CONVERTIBLE BONDS</b>							
F&C Conv Bonds	236	0.39	0.60	(1.26)	0.60	4.00	7.73
UBS Global Focus Customized			0.71	(1.12)	0.71	5.38	3.80
Excess			(0.10)	(0.14)	(0.10)	(1.38)	3.92
Advent Conv Bonds	473	0.78	(0.52)	(1.57)	(0.52)	1.55	4.63
BofA ML U.S. Convertible - Yield Alternatives			(2.00)	(4.03)	(2.00)	(1.57)	2.75
Excess			1.48	2.46	1.48	3.13	1.88

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
Victory - Conv Bonds	304	0.50	(0.74)	(0.93)	(0.74)	1.41	13.72
BofA Merrill Lynch US Investment Grade Convertible Bond Index			(0.73)	(0.71)	(0.73)	1.72	15.69
Excess			(0.01)	(0.22)	(0.01)	(0.31)	(1.98)
<b>FIXED INCOME FUND OF FUNDS</b>							
Hillswick	11	0.02	1.01	(0.48)	1.01	0.75	7.08
Barclays Aggregate (Daily)			0.70	(0.64)	0.70	0.59	5.97
Excess			0.32	0.16	0.32	0.16	1.11
NEW CENTURY	41	0.07	0.61	(0.85)	0.61	0.07	6.51
Barclays Aggregate (Daily)			0.70	(0.64)	0.70	0.59	5.97
Excess			(0.08)	(0.21)	(0.08)	(0.52)	0.55
Ramirez Asset	28	0.05	0.60	(0.55)	0.60	0.46	
Barclays Aggregate (Daily)			0.70	(0.64)	0.70	0.59	
Excess			(0.09)	0.09	(0.09)	(0.13)	
PUGH CAP	35	0.06	0.78	(0.84)	0.78	0.53	5.86
Barclays Aggregate (Daily)			0.70	(0.64)	0.70	0.59	5.97
Excess			0.08	(0.19)	0.08	(0.06)	(0.10)
<b>CORE FIXED INCOME</b>							
LM CAPITAL	70	0.12	0.58		0.58		
Barclays Aggregate (Daily)			0.70		0.70		
Excess			(0.12)		(0.12)		
GIA	45	0.07	0.43		0.43		
Barclays Aggregate (Daily)			0.70		0.70		
Excess			(0.26)		(0.26)		
<b>OPPORTUNISTIC FIXED INCOME</b>							
TRS-TOTAL OPPORTUNISTIC FIXED INCOME	1,400	2.32	(0.32)	0.68	(0.32)	2.07	8.88

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
<b>OTHER FIXED INCOME</b>							
AFL-CIO HOUSING INV TRUST	219	0.36	0.66	(0.34)	0.66	1.06	6.10
Barclays Aggregate (Daily)			0.70	(0.64)	0.70	0.59	5.97
Excess			(0.04)	0.30	(0.04)	0.47	0.14
ACCESS RBC	108	0.18	0.60	(0.31)	0.60	1.43	6.66
Access RBC Benchmark			0.58	(0.11)	0.58	1.01	5.08
Excess			0.02	(0.20)	0.02	0.42	1.58
CPC CONST FACILITY	9	0.02	1.23	1.67	1.23	2.55	
CPC CONST BENCHMARK			0.24	0.71	0.24	1.67	
Excess			0.99	0.96	0.99	0.88	
CPC-PPAR (FNMA)	49	0.08	11.45	7.61	11.45	7.79	13.91
FNMA Plus 85bps			0.77	0.07	0.77	1.64	7.13
Excess			10.68	7.54	10.68	6.15	6.78
BOA-PPAR (FNMA)	7	0.01	10.84	6.62	10.84	42.23	13.31
FNMA Plus 85bps			0.77	0.07	0.77	1.64	7.13
Excess			10.07	6.55	10.07	40.60	6.19
CFSB-PPAR (GNMA)	2	0.00	9.41	5.42	9.41	5.74	15.34
GNMA Plus 65bps			0.59	(0.25)	0.59	1.00	6.65
Excess			8.83	5.68	8.83	4.73	8.69
CCD-PPAR (GNMA)	6	0.01	7.62	3.84	7.62	4.33	15.37
GNMA Plus 65bps			0.59	(0.25)	0.59	1.00	6.65
Excess			7.03	4.10	7.03	3.32	8.72
CCD-PPAR (FNMA)	9	0.02	11.53	7.28	11.53	6.80	25.71
FNMA Plus 85bps			0.77	0.07	0.77	1.64	7.13
Excess			10.75	7.21	10.75	5.17	18.58

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
LIIF-PPAR (GNMA)	3	0.00	3.80	1.92	3.80	3.71	9.74
GNMA Plus 65bps			0.59	(0.25)	0.59	1.00	6.65
Excess			3.21	2.17	3.21	2.70	3.09
LIIF-PPAR (FNMA)	3	0.00	10.82	6.63	10.82	6.47	38.12
FNMA Plus 85bps			0.77	0.07	0.77	1.64	7.13
Excess			10.05	6.56	10.05	4.84	30.99
NCBCI-PPAR (GNMA)	2	0.00	7.84	4.03	7.84	4.73	16.66
GNMA Plus 65bps			0.59	(0.25)	0.59	1.00	6.65
Excess			7.25	4.28	7.25	3.73	10.01
NCBCI-PPAR (FNMA)	0	0.00	7.67	3.93	7.67	4.51	14.93
FNMA Plus 85bps			0.77	0.07	0.77	1.64	7.13
Excess			6.89	3.86	6.89	2.88	7.81
NHS-PPAR (GNMA)	1	0.00	6.19	2.97	6.19	4.20	13.73
GNMA Plus 65bps			0.59	(0.25)	0.59	1.00	6.65
Excess			5.60	3.23	5.60	3.19	7.08
<b>CASH</b>							
TEACHERS' SHORT TERM	2,888	4.79	0.05	0.13	0.05	0.45	0.32
91 DAY T-BILL			0.00	0.00	0.00	0.00	0.02
Excess			0.05	0.13	0.05	0.45	0.30
C/D - Fail Float Earnings	2	0.00					
SECURITY LENDING	4	0.01					
<b>PRIVATE EQUITY</b>							
TRS-TOTAL PRIVATE EQUITY	2,767	4.59	(0.38)	3.41	(0.38)	6.10	12.62

# New York City Teachers' Retirement System

## Manager / Benchmark Comparison Report

Rates of Return - Net Mgr

Periods Ending July 31, 2015



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	Ending Market Value (\$MM)	% of Total	1 Month	3 Months	FYTD	CYTD	2014
REAL ASSETS							
TRS-TOTAL PRIVATE REAL ESTATE	1,573	2.61	1.25	3.48	1.25	9.21	14.00
TRS-TOTAL INFRASTRUCTURE	234	0.39	0.72	1.47	0.72	7.11	10.69

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
<b>Active Investments</b>								
1999	Cypress Merchant Banking Partners II, LP	7/8/1999	\$ 50,000,000	\$ 53,874,600	\$ 43,453,284	\$ 7,589,861	0.95x	(1.02%)
1999	FdG Capital Partners, L.P.	6/2/1999	30,000,000	34,517,861	51,547,118	5,356,793	1.65x	14.56%
1999	Lincolnshire Equity Fund II, L.P.	2/26/2001	15,000,000	14,446,100	27,347,315	900,570	1.96x	24.65%
2000	SCP Private Equity Partners II, L.P.	1/19/2001	20,000,000	22,196,012	6,682,699	6,416,750	0.59x	(6.59%)
2000	Solera Partners, L.P.	7/8/2002	15,000,000	19,763,085	31,226,365	7,176,341	1.94x	10.13%
2001	Apollo Investment Fund V, L.P.	8/23/2001	30,000,000	46,743,989	91,849,314	1,406,793	2.00x	38.83%
2001	New Mountain Partners, L.P.	7/20/2001	15,000,000	12,984,277	18,470,548	361,290	1.45x	12.39%
2001	RRE Ventures III, L.P.	6/13/2002	20,000,000	26,081,130	31,916,700	4,724,222	1.40x	6.29%
2002	BDCM Opportunity Fund, L.P.	11/10/2003	25,000,000	54,583,604	90,223,476	1,141,472	1.67x	23.04%
2002	Collier International Partnership IV, L.P.	11/6/2002	35,000,000	31,222,054	40,280,819	2,233,647	1.36x	11.80%
2002	Landmark Equity Partners XI, L.P.	9/15/2004	20,000,000	21,259,660	29,463,254	2,302,300	1.49x	23.77%
2002	Thomas McNerney & Partners, L.P.	11/26/2002	15,000,000	14,700,000	5,252,354	4,410,428	0.66x	(8.39%)
2002	Yucaipa American Alliance Fund I, L.P.	10/1/2004	55,000,000	80,828,995	69,484,670	31,458,981	1.25x	6.41%
2003	Ares Corporate Opportunities Fund, L.P.	5/4/2004	15,000,000	18,004,666	25,779,114	1,450,989	1.51x	13.41%
2003	Blackstone Capital Partners IV L.P.	1/10/2003	30,000,000	30,690,311	72,555,982	4,365,303	2.51x	37.97%
2003	FS Equity Partners V, L.P.	5/30/2003	25,000,000	21,683,731	37,718,780	8,653,149	2.14x	16.56%
2003	Leeds Weld Equity Partners IV, L.P.	12/13/2004	15,000,000	15,356,325	15,910,243	3,985,477	1.30x	4.39%
2004	Aurora Equity Partners III, L.P.	5/19/2005	20,000,000	21,706,212	34,553,138	1,671,716	1.67x	14.19%
2004	Celtic Pharmaceutical Holdings, L.P.	7/10/2006	15,000,000	15,241,256	241,256	13,818,472	0.92x	(1.05%)
2004	FdG Capital Partners II, L.P.	8/30/2004	35,000,000	37,178,975	41,728,926	3,460,857	1.22x	3.87%
2004	Lincolnshire Equity Fund III, L.P.	12/23/2004	25,000,000	23,857,757	30,876,522	13,169,351	1.85x	31.70%
2004	Markstone Capital Partners, L.P.	7/21/2004	35,000,000	40,766,689	16,852,082	2,155,960	0.47x	(55.41%)
2004	New York/Fairview Emerging Managers (Tranche A), L.P.	10/21/2004	24,000,000	24,032,070	11,707,297	15,888,724	1.15x	2.79%
2004	Paladin Homeland Security Fund (NY), LP	10/1/2004	15,000,000	16,164,780	3,805,833	5,633,385	0.58x	(7.57%)
2004	Trilantic Capital Partners III (fka LBMB III), L.P.	9/22/2005	30,000,000	23,407,177	34,539,875	1,218,165	1.53x	12.62%
2005	Blackstone Mezzanine Partners II, L.P.	5/26/2006	20,000,000	19,310,591	22,986,255	1,766,075	1.28x	7.03%
2005	Bridgepoint Europe III, L.P.	12/6/2005	30,438,517	26,996,441	17,702,271	14,703,728	1.20x	3.04%
2005	GI Partners Fund II, L.P.	6/19/2006	25,000,000	25,246,749	28,605,176	9,646,564	1.52x	7.21%
2005	JP Morgan Fleming (Tranche A), L.P.	12/21/2005	31,000,000	29,638,460	19,847,942	23,620,204	1.47x	9.16%
2005	NB NYC Growth Fund, LLC	8/16/2005	30,000,000	26,117,536	22,375,310	479,102		(2.76%)
2005	New Mountain Partners II, L.P.	1/12/2005	23,225,800	21,142,801	36,194,011	4,779,554	1.94x	13.73%
2005	Palladium Equity Partners III, L.P.	8/10/2005	35,000,000	36,029,238	48,624,437	25,217,572	2.05x	18.37%
2005	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	20,622,939	8,306,204	7,898,735	0.79x	(5.04%)
2005	Psilos Group Partners III, L.P.	10/17/2007	25,000,000	26,575,585	12,820,541	20,832,277	1.27x	5.34%
2005	Quadrangle Capital Partners II, L.P.	2/28/2006	35,000,000	29,783,410	31,852,232	7,790,059	1.33x	6.00%
2005	Snow Phipps Group, L.P.	8/2/2007	15,000,000	17,088,026	11,168,681	11,063,669	1.30x	7.79%
2005	USPF II Institutional Fund, L.P.	11/23/2005	35,000,000	46,164,567	30,880,542	29,240,108	1.30x	5.80%
2005	VSS Communications Partners IV, L.P.	6/2/2006	10,000,000	11,280,602	6,068,886	2,602,875	0.77x	(4.79%)
2006	Aisling Capital II, L.P.	1/12/2006	4,500,000	5,032,843	2,414,268	4,161,175	1.31x	5.73%
2006	Ampersand 2006, L.P.	7/6/2007	15,000,000	15,000,000	15,019,347	11,692,729	1.78x	12.64%
2006	Apollo Investment Fund VI, L.P.	5/10/2006	35,000,000	45,048,207	51,204,379	18,103,292	1.54x	9.99%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	30,000,000	32,860,216	47,146,343	8,643,879	1.70x	13.86%
2006	Arsenal Capital Partners II, L.P.	12/19/2006	13,500,000	15,950,930	9,531,036	14,209,235	1.49x	9.54%
2006	Avista Capital Partners, L.P.	8/11/2006	30,000,000	38,444,474	31,300,502	19,256,261	1.32x	6.39%
2006	BDCM Opportunity Fund II, L.P.	12/28/2006	25,000,000	35,655,722	31,537,456	35,728,533	1.89x	17.61%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	75,600,000	76,226,429	70,195,119	55,771,074	1.65x	8.97%
2006	Catterton Partners VI, L.P.	12/14/2006	30,000,000	32,893,166	39,841,631	21,670,505	1.87x	13.83%
2006	CCMP Capital Investors II, L.P.	5/22/2007	20,000,000	21,674,008	21,475,301	12,312,154	1.56x	12.96%
2006	Cinven Fourth Fund	1/22/2007	43,802,798	44,538,000	42,531,075	17,711,169	1.35x	6.49%
2006	CLP 2014 (fka Perseus VII)	8/6/2007	20,000,000	22,567,679	5,665,565	625,289		(36.85%)
2006	Fairview Ventures Fund III, L.P.	7/13/2007	20,000,000	19,669,277	11,021,087	23,464,256	1.75x	16.06%
2006	First Reserve Fund XI, L.P.	12/22/2006	30,000,000	34,241,400	19,371,900	9,300,398	0.84x	(4.57%)
2006	GF Capital Private Equity Fund, L.P.	3/20/2008	15,000,000	15,135,481	10,786,837	14,959,784	1.70x	15.55%
2006	GSC Recovery III, L.P.	5/4/2006	10,000,000	11,208,693	11,688,755	1,718,695	1.20x	4.69%
2006	InterMedia Partners VII, L.P.	6/8/2006	25,000,000	28,671,799	16,147,307	30,269,713	1.62x	7.92%
2006	Landmark Equity Partners XIII, L.P.	5/15/2006	25,000,000	23,437,100	17,569,585	12,220,572	1.27x	5.43%
2006	MidOcean Partners III, L.P.	6/19/2007	40,000,000	43,593,783	26,715,781	35,098,089	1.42x	8.48%
2006	RRE Ventures IV, L.P.	10/25/2006	25,000,000	30,080,020	7,086,200	41,107,732	1.60x	10.43%
2006	Terra Firma Capital Partners III, L.P.	2/26/2007	31,051,374	30,975,783	648,250	15,280,950	0.51x	(12.18%)
2006	Thomas, McNerney & Partners II, L.P.	11/30/2006	15,000,000	14,267,607	7,802,355	24,646,022	2.27x	18.32%
2007	Carlyle Partners V, L.P.	9/28/2007	50,000,000	48,752,898	40,022,324	41,442,185	1.67x	14.53%
2007	Co-Investment Partners Europe, L.P.	12/5/2008	26,392,288	28,835,985	11,466,296	23,069,055	1.20x	4.51%
2007	Constellation Ventures III, L.P.	11/20/2008	15,000,000	16,047,224	3,405,627	7,983,136	0.71x	(8.24%)
2007	Craton Equity Investors I, L.P.	3/11/2008	10,000,000	9,266,168	35,559	3,685,266	0.40x	(17.72%)
2007	FTVentures III, L.P.	3/1/2007	14,081,947	14,882,466	9,064,099	15,312,936	1.64x	11.67%
2007	GSO Capital Opportunities Fund, L.P.	8/15/2008	30,000,000	48,030,721	59,503,343	8,577,690	1.42x	18.37%

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2007	Halyard Capital Fund II, L.P.	11/2/2007	15,000,000	12,504,921	4,087,471	9,046,888	1.05x	1.11%
2007	Montreux Equity Partners IV, L.P.	3/27/2007	15,000,000	14,930,359	7,889,117	15,603,453	1.57x	12.45%
2007	Nautic Partners VI, L.P.	6/30/2008	20,000,000	21,422,800	17,078,455	21,828,729	1.82x	15.19%
2007	New Mountain Partners III, L.P.	9/25/2007	35,000,000	34,282,966	13,518,146	31,795,197	1.32x	8.13%
2007	PCG Clean Energy & Technology Fund East, L.P.	4/25/2008	60,000,000	50,082,329	6,230,474	26,483,571	0.65x	(9.62%)
2007	Pegasus Partners IV, L.P.	10/9/2007	20,000,000	24,552,016	12,029,295	13,614,344	1.04x	1.16%
2007	Pine Brook Capital Partners, L.P.	4/7/2008	22,500,000	21,796,817	11,302,657	17,064,491	1.30x	9.77%
2007	Quaker BioVentures II, L.P.	4/18/2008	15,000,000	13,252,775	8,111,836	10,864,562	1.43x	10.51%
2007	RLJ Equity Partners Fund I, L.P.	4/14/2009	15,000,000	14,507,010	6,276,116	12,513,228	1.30x	9.40%
2007	SCP Vitalife Partners II, L.P.	1/10/2008	15,000,000	14,512,274	1,184	13,122,056	0.90x	(2.36%)
2007	StarVest Partners II, L.P.	12/8/2008	20,000,000	18,900,779	912,803	15,438,631	0.87x	(4.17%)
2007	Trilantic Capital Partners IV L.P.	10/22/2007	53,311,339	53,435,019	54,348,334	34,224,961	1.66x	16.75%
2007	USPF III Institutional Fund, L.P.	7/10/2007	30,000,000	29,984,326	13,329,541	26,238,732	1.32x	6.09%
2007	Vista Equity Partners Fund III, L.P.	11/30/2007	25,000,000	26,554,415	54,043,787	13,245,516	2.53x	29.04%
2008	Aisling Capital III, L.P.	11/20/2008	10,500,000	9,985,080	7,647,880	8,684,639	1.64x	24.87%
2008	Apollo Investment Fund VII, L.P.	4/16/2008	50,000,000	56,500,974	80,851,570	21,933,625	1.83x	26.56%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	60,000,000	67,648,678	60,872,765	55,948,463	1.73x	22.84%
2008	Avista Capital Partners II, L.P.	12/31/2008	50,000,000	58,512,325	42,746,666	66,362,823	1.86x	20.43%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	20,000,000	21,395,770	7,984,160	16,491,503	1.14x	5.75%
2008	Bridgepoint Europe IV, L.P.	9/30/2008	26,426,924	23,858,184	13,966,853	15,873,592	1.25x	7.61%
2008	Carpenter Community BancFund-A, L.P.	6/5/2008	15,000,000	14,389,912	690,525	20,413,478	1.47x	8.13%
2008	GCM Grosvenor TRSCNY Emerging Manager Co-Investment Fund	8/22/2008	12,626,263	7,106,809	8,346,249	3,577,162	1.68x	13.41%
2008	GCM Grosvenor TRSCNY Emerging Manager Fund, L.P.	8/22/2008	59,373,737	55,312,748	25,141,152	42,559,171	1.22x	9.55%
2008	First Reserve Fund XII, L.P.	11/14/2008	30,000,000	30,228,512	13,003,119	15,429,795	0.94x	(1.84%)
2008	GI Partners III, L.P.	7/29/2008	30,000,000	31,764,411	29,566,943	17,777,781	1.49x	14.74%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	50,000,000	45,447,419	28,293,352	33,280,372	1.35x	15.80%
2008	Lee Equity Partners, L.P.	4/23/2008	30,000,000	31,369,199	11,814,312	27,965,514	1.27x	7.99%
2008	Leeds Equity Partners V, L.P.	7/28/2008	40,000,000	36,907,015	10,339,610	42,322,559	1.43x	14.70%
2008	Levine Leichtman Capital Partners IV, L.P.	9/22/2008	25,000,000	24,808,667	27,720,936	12,397,710	1.62x	19.82%
2008	New York/Fairview Emerging Managers (Tranche B), L.P.	5/28/2008	35,000,000	29,151,500	12,146,031	29,260,217	1.42x	14.18%
2008	NGN BioMed Opportunity II, L.P.	10/31/2008	15,000,000	13,538,866	2,818,639	7,911,509	0.79x	(5.98%)
2008	Onex Partners III, L.P.	3/31/2009	40,000,000	42,984,486	18,633,395	39,200,101	1.35x	11.92%
2008	Paladin III (HR), L.P.	1/8/2008	20,000,000	20,816,701	11,160,998	13,636,392	1.19x	5.88%
2008	Relativity Fund, L.P.	1/17/2008	15,000,000	8,181,270	1,286,079	3,421,501	0.58x	(11.53%)
2008	Riverstone/Carlyle Global Energy & Power Fund IV	9/29/2008	32,500,000	32,176,805	24,241,291	15,494,022	1.23x	7.62%
2008	Yucaipa American Alliance Fund II, L.P.	3/28/2008	75,000,000	100,529,590	67,124,045	98,326,991	1.65x	15.93%
2008	Yucaipa Corporate Initiatives Fund II, L.P.	6/23/2008	32,738,833	31,709,756	9,110,803	18,038,249	0.86x	(4.14%)
2009	Lincolnshire Equity Fund IV, L.P.	8/7/2009	12,500,000	10,392,241	3,745,074	8,375,591	1.17x	6.58%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	30,000,000	27,279,577	17,125,683	23,266,847	1.48x	14.21%
2010	JP Morgan Fleming (Tranche B), L.P.	3/31/2008	10,000,000	8,204,225	2,431,092	8,698,556	1.36x	12.96%
2010	Trident V, L.P.	12/30/2010	35,000,000	36,169,148	5,628,905	36,736,968	1.17x	8.11%
2011	Ampersand 2011, L.P.	3/11/2011	17,500,000	16,100,000	987,648	24,396,213	1.58x	18.71%
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	60,000,000	38,404,984	6,460,856	39,710,726	1.20x	13.02%
2011	EQT VI, L.P.	8/1/2011	48,022,932	40,230,962	845,596	39,245,933	1.00x	(0.23%)
2011	BC European Capital IX, L.P.	9/19/2011	64,846,557	47,573,725	7,079,672	41,321,197	1.02x	1.03%
2011	AXA Secondary Fund V L.P.	8/11/2011	160,000,000	75,280,905	31,881,500	70,028,044	1.35x	14.70%
2011	Pegasus Partners V, L.P.	8/16/2011	20,789,916	10,950,865	3,737,465	12,158,769	1.45x	15.33%
2011	Green Equity Investors VI, L.P.	11/30/2012	100,000,000	50,198,239	2,069,601	55,517,810	1.15x	12.45%
2011	Vista Equity Partners IV, L.P.	11/30/2011	100,000,000	87,298,641	3,334,408	130,235,902	1.53x	22.61%
2011	American Securities Partners VI, L.P.	1/10/2012	100,000,000	72,912,668	21,511,731	76,452,435	1.34x	20.96%
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	105,000,000	71,959,447	7,459,852	71,086,905	1.09x	11.31%
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	175,000,000	79,007,654	5,773,088	80,916,681	1.10x	7.24%
2012	Trilantic Capital Partners V, L.P.	9/20/2012	70,000,000	22,302,513	267,026	20,821,030	0.95x	(4.47%)
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	115,000,000	52,941,108	43,416,934	43,583,328	1.64x	69.11%
2012	ICV Partners III, L.P.	2/7/2013	14,000,000	9,795,136	2,642,568	7,423,047	1.03x	N/M
2012	ACON Equity Partners III, L.P.	6/21/2013	7,000,000	4,780,948	254,096	4,849,345	1.07x	N/M
2012	Incline Equity Partners III, L.P.	9/10/2013	9,000,000	4,033,476	168,596	3,853,357	1.00x	N/M
2013	Grey Mountain Partners III, L.P.	7/1/2013	6,500,000	1,658,764	-	1,950,292	1.18x	N/M
2013	Altaris Health Partners III, L.P.	1/27/2014	11,000,000	1,828,590	221,457	1,960,690	1.19x	N/M
2012	Capital Partners Private Equity Income Fund II, L.P.	8/5/2013	8,750,000	3,168,561	729,356	2,514,020	1.02x	N/M
2013	Vista Foundation Fund II, L.P.	12/27/2013	17,500,000	7,381,158	-	6,635,496	0.90x	N/M
2013	FTV IV, L.P.	12/2/2013	17,500,000	7,805,294	-	9,642,157	1.24x	N/M
2012	NYCTRS - 2012 Emerging Manager Program*	2/7/2013	175,000,000	40,451,928	4,016,073	38,828,404	1.06x	N/M
2013	American Securities Partners VII, L.P.	N/A	111,000,000	-	-	-	0.00x	N/M
2013	Carlyle Partners VI, L.P.	7/3/2013	125,000,000	39,288,978	1,301,318	37,000,937	0.97x	N/M
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	13,750,000	3,034,618	2	2,805,859	0.92x	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	113,000,000	22,399,375	341,342	26,621,760	1.20x	N/M

**Teachers' Retirement System of the City of New York**  
**Private Equity Portfolio**  
**As of March 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	37,000,000	10,005,111	-	12,008,738	1.20x	N/M
2013	Olympus Growth Fund VI, L.P.	1/21/2014	100,000,000	12,311,789	54,788	14,399,092	1.17x	N/M
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	200,000,000	26,416,077	127,657	24,981,904	0.95x	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	168,330,310	15,160,901	25,999	10,849,314	0.72x	N/M
2013	NMS Fund II, L.P.	10/31/2014	8,200,000	1,271,510	5,713	1,088,342	0.86x	N/M
2014	Lexington Capital Partners VIII, L.P.	1/8/2015	150,000,000	10,500,000	-	16,859,661	1.61x	N/M
2014	ASF VI, L.P.	5/9/2014	38,000,000	30,091,721	-	36,602,241	1.22x	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	112,000,000	22,193,240	-	25,075,513	1.13x	N/M
2014	Crestview Partners III, L.P.	3/3/2015	75,000,000	6,630,797	206,461	6,005,039	0.94x	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	N/A	25,000,000	-	-	-	0.00x	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	125,000,000	49,871,346	9,745	48,262,960	0.97x	N/M
2014	Centerbridge Capital Partners III, L.P.	N/A	33,500,000	-	-	-	0.00x	N/M
2014	Mill City Fund II, L.P.	12/29/2014	8,200,000	4,642,429	-	3,804,795	0.82x	N/M
2014	Raine Partners II, L.P.	2/20/2015	20,000,000	2,707,178	-	2,085,140	0.77x	N/M
2014	Siris Partners III, L.P.	N/A	45,000,000	-	-	-	0.00x	N/M
2014	Webster Capital III, L.P.	1/6/2015	16,500,000	2,988,150	-	2,746,282	0.92x	N/M
<b>Total Active Investments</b>			<b>\$ 5,745,709,535</b>	<b>\$ 4,052,491,873</b>	<b>\$ 2,675,608,599</b>	<b>\$ 2,818,583,737</b>	<b>1.36x</b>	<b>9.96%</b>
<b>Total Exited Investments</b>			<b>\$ 63,000,000</b>	<b>\$ 318,229,712</b>	<b>\$ 381,695,599</b>	<b>\$ -</b>	<b>1.20x</b>	<b>2.48%</b>
<b>Total Portfolio<sup>1</sup></b>			<b>\$ 5,808,709,535</b>	<b>\$ 4,370,721,585</b>	<b>\$ 3,057,304,197</b>	<b>\$ 2,818,583,737</b>	<b>1.34x</b>	<b>9.47%</b>

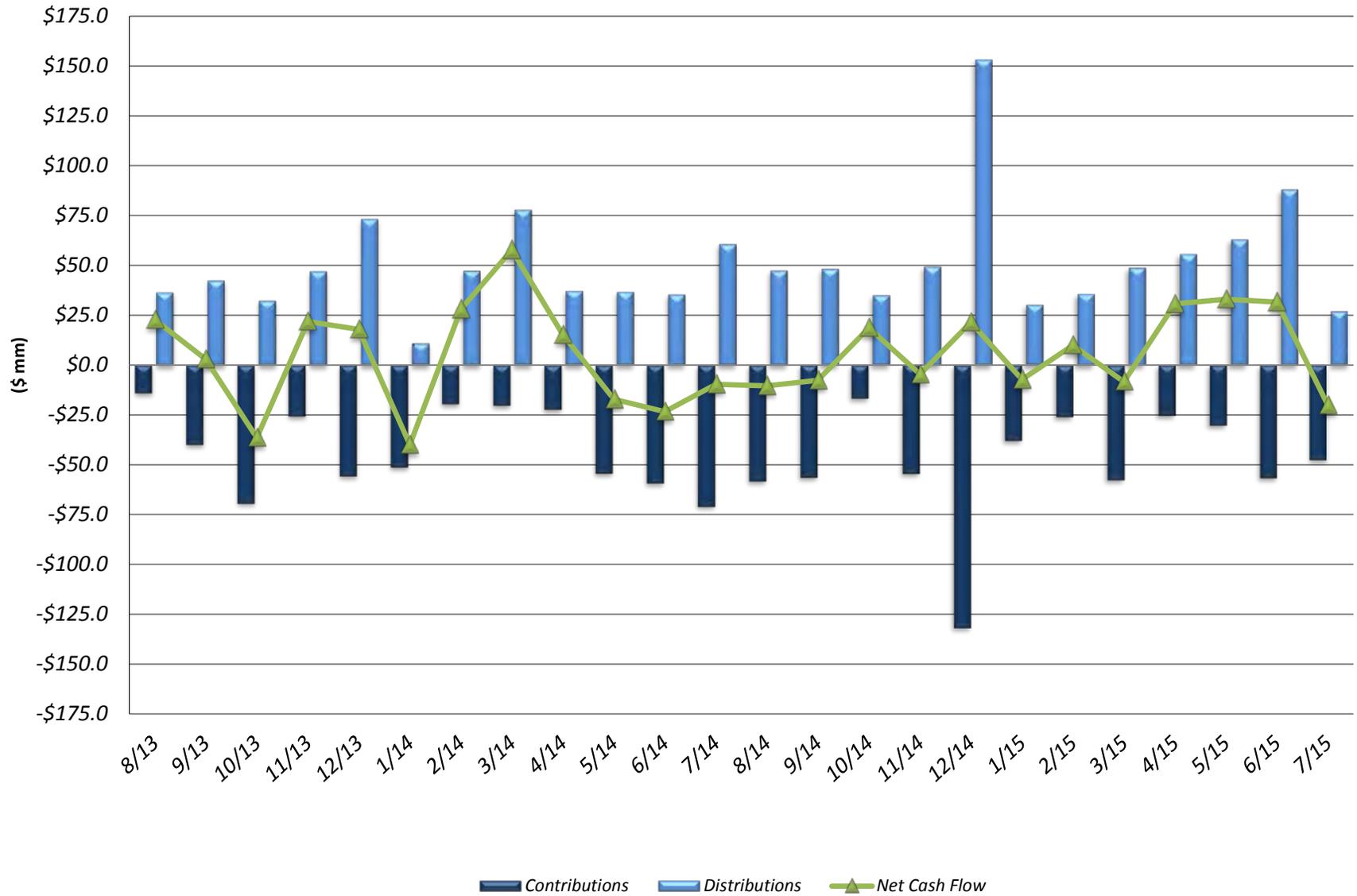
Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Commitments Closed Subsequent to as of Date</b>								
2015	Bridgepoint Europe V, L.P.	N/A	\$ 85,349,663	-	-	-	N/A	N/A
2015	Patriot Financial Partners II, L.P.	7/21/2015	9,900,000	-	-	-	N/A	N/A
2014	Valor Equity Partners III, L.P.	N/A	11,000,000	-	-	-	N/A	N/A
2015	Welsh, Carson, Anderson & Stowe XII, L.P.	N/A	110,500,000	-	-	-	N/A	N/A
2015	Wigmore Street Co-Investment No. 2 L.P.	N/A	24,030,488	-	-	-	N/A	N/A
<b>Total Commitments Closed Subsequent to as of Date</b>			<b>\$ 240,780,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>

\*Please note that the NYCTRS - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$91.25 million has been committed as of March 31, 2015.

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

Note: Where available, March 31, 2015 reported valuations were used. In the absence of March 31, 2015 reported values, market values have been adjusted forward using interim cashflows through March 31, 2015. The IRR calculated in the early years of a fund is not meaningful given the j-curve effect. The aggregate portfolio performance figures for IRR and multiple are as of March 31, 2015.

### NYC Teachers Monthly PE Cash Flow Summary (as of July 31, 2015)



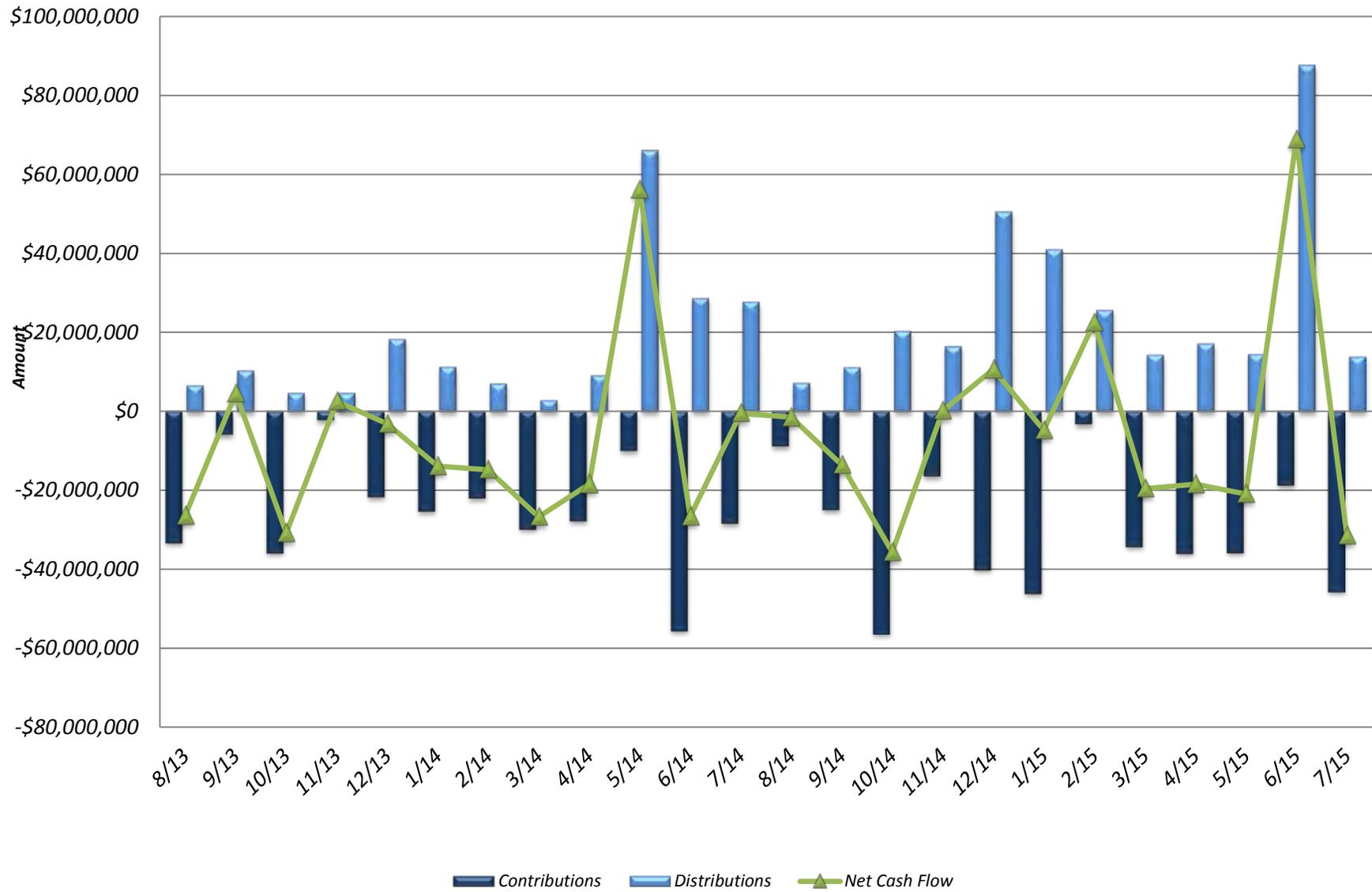


## 1Q2015 Teachers' Retirement System of the City of New York

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2006	UBS Trumbull Property Fund	9/28/2006	\$106,000,000	\$131,939,631	(\$20,639,408)	\$154,741,703	1.3	6.6%
2006	RREEF America REIT II	10/1/2006	\$36,000,000	\$47,527,452	(\$18,512,015)	\$42,404,386	1.3	3.9%
2006	PRISA SA	9/29/2006	\$36,000,000	\$38,346,066	(\$7,104,197)	\$42,399,836	1.3	3.3%
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	\$10,000,000	\$12,425,002	(\$2,529,107)	\$10,618,361	1.1	0.8%
2007	JP Morgan Strategic Property Fund	12/4/2006	\$86,000,000	\$91,866,685	\$0	\$141,793,543	1.5	7.7%
2007	Heitman HART	3/29/2007	\$48,000,000	\$62,624,473	(\$14,624,429)	\$76,031,346	1.4	7.3%
2007	PRISA II	6/30/2007	\$63,374,139	\$66,694,114	(\$9,413,612)	\$74,503,944	1.3	3.7%
2007	JP Morgan Special Situation Property Fund	1/2/2007	\$15,000,000	\$16,783,726	(\$3,519,707)	\$16,103,948	1.2	2.2%
2007	Colony Realty Partners II	12/20/2006	\$15,000,000	\$16,065,058	(\$499,580)	\$5,083,200	0.3	-13.6%
2007	RREEF America REIT III	10/1/2007	\$15,000,000	\$14,836,751	(\$4,866,898)	\$3,378,540	0.6	-8.1%
2010	LaSalle Property Fund	7/1/2010	\$50,000,000	\$49,122,539	(\$6,766,782)	\$60,634,931	1.4	12.3%
2012	Almanac Realty Securities VI	6/6/2012	\$100,000,000	\$52,636,856	(\$37,028,453)	\$26,797,425	1.2	14.6%
2012	Almanac Realty Securities VI (Sidecar III)	7/31/2012	\$35,000,000	\$6,357,451	(\$5,019,400)	\$3,034,782	1.3	20.7%
2013	NYC Asset Investor #2 LLC	7/9/2013	\$145,000,000	\$66,470,955	(\$1,766,667)	\$75,008,502	1.2	15.2%
2014	MetLife Core Property Fund	7/1/2014	\$80,000,000	\$55,813,956	(\$1,215,655)	\$58,142,236	1.1	21.1%
<b>Core / Core Plus Portfolio</b>			<b>\$840,374,139</b>	<b>\$729,510,715</b>	<b>(\$133,505,909)</b>	<b>\$790,676,683</b>	<b>1.3</b>	<b>5.4%</b>
2003	OCM Real Estate Opportunities Fund IIIA	5/30/2003	\$15,000,000	\$15,000,000	(\$23,027,038)	\$1,262,616	1.6	10.3%
2003	Canyon Johnson Urban Fund	12/6/2002	\$15,000,000	\$13,590,364	(\$15,874,432)	\$0	1.2	10.2%
2004	Blackstone Fund IV	5/10/2004	\$25,000,000	\$32,033,922	(\$33,788,730)	\$12,256,895	1.4	11.8%
2004	The City Investment Fund I	3/16/2004	\$120,000,000	\$118,337,757	(\$112,094,014)	\$8,923,910	1.0	0.5%
2004	Tishman Speyer Separate Account (TRS)	8/5/2004	\$100,000,000	\$72,402,952	(\$249,109,243)	\$191,467	3.4	57.5%
2005	Canyon Johnson Urban Fund II	5/11/2005	\$30,000,000	\$26,966,112	(\$5,795,945)	\$8,277,887	0.5	-9.0%
2006	AREA Real Estate Investment Fund V, LP	6/15/2006	\$5,000,000	\$5,000,001	(\$1,853,705)	\$2,539,794	0.9	-2.3%
2007	Blackstone Real Estate Partners VI	9/27/2007	\$50,000,000	\$53,583,552	(\$58,891,265)	\$48,060,792	2.0	15.1%
2007	Metropolitan Workforce Housing Fund	7/13/2007	\$10,500,000	\$10,509,770	(\$4,356,973)	\$7,103,810	1.1	2.2%
2007	Carlyle Realty Partners V	8/27/2007	\$15,000,000	\$18,308,472	(\$18,918,694)	\$5,724,441	1.3	8.5%
2007	UrbanAmerica II	1/30/2007	\$11,000,000	\$10,218,031	\$0	\$2,385,891	0.2	-18.9%
2008	Stockbridge Real Estate Fund III	9/9/2008	\$22,500,000	\$21,904,458	\$0	\$32,477,626	1.5	9.2%
2008	Capri Urban Investors	6/3/2008	\$40,000,000	\$39,987,138	(\$3,715,000)	\$29,412,325	0.8	-3.8%
2008	American Value Partners Fund I	10/18/2007	\$25,000,000	\$17,795,166	(\$8,025,963)	\$11,807,121	1.1	2.9%
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	\$30,000,000	\$11,748,148	(\$2,932,677)	\$2,563,531	0.5	-16.9%
2009	Thor Urban Property Fund II	10/30/2008	\$12,500,000	\$16,173,958	(\$8,021,986)	\$12,972,395	1.3	10.3%
2009	Carbon Capital III	7/2/2009	\$40,000,000	\$43,757,162	(\$53,134,591)	\$0	1.2	8.5%
2009	JP Morgan Urban Renaissance Property Fund	12/18/2008	\$16,360,625	\$4,206,523	(\$4,206,523)	\$0	1.0	0.0%
2010	Blackstone Real Estate Partners Europe III (USD Vet)	10/24/2008	\$50,000,000	\$39,231,466	(\$22,357,720)	\$34,165,700	1.4	15.3%
2010	Westbrook Real Estate Fund VIII	12/28/2009	\$50,000,000	\$59,025,106	(\$53,607,018)	\$22,993,076	1.3	13.3%
2010	Canyon Johnson Urban Fund III	3/29/2010	\$25,000,000	\$24,655,816	(\$15,469,920)	\$17,250,783	1.3	12.3%
2011	Carlyle Realty Partners VI	9/14/2011	\$70,000,000	\$59,654,115	(\$35,813,312)	\$52,091,849	1.5	28.2%
2011	H/2 Special Opportunities Fund II	1/31/2011	\$40,000,000	\$39,999,999	(\$17,561,261)	\$35,760,580	1.3	18.5%
2012	Brookfield Strategic Real Estate Partners	9/20/2012	\$125,000,000	\$109,919,966	(\$33,863,001)	\$93,818,441	1.2	15.6%
2012	Taconic New York City Investment Fund LP	7/5/2012	\$70,000,000	\$28,954,546	(\$636,364)	\$38,874,233	1.4	15.1%
2013	KTR Industrial Fund III	6/28/2013	\$70,000,000	\$30,589,081	(\$762,086)	\$48,386,878	1.6	49.6%
2013	NYC Asset Investor #1 LLC	6/25/2013	\$60,000,000	\$44,706,880	(\$2,291,523)	\$48,250,456	1.1	20.1%
2013	NYC Asset Investor #3 LLC	9/20/2013	\$96,000,000	\$14,559,919	\$0	\$15,426,004	1.1	6.6%
2014	Lone Star Real Estate Fund III	5/20/2014	\$190,000,000	\$99,691,700	(\$10,112,115)	\$95,773,941	1.1	13.0%
2014	Divco West Fund IV	1/15/2014	\$25,000,000	\$20,480,614	\$0	\$22,682,341	1.1	19.4%
2014	DRA Growth and Income Fund VIII	9/29/2014	\$75,000,000	\$16,666,667	(\$935,024)	\$16,267,177	1.0	9.5%
2014	Carlyle Realty Partners VII	6/30/2014	\$120,000,000	\$15,419,730	\$0	\$13,855,442	0.9	-48.8%
2015	H/2 Special Opportunities Fund III	12/29/2014	\$65,000,000	\$7,595,824	\$0	\$8,686,724	1.1	163.5%
<b>Non Core and Emerging Manager Portfolio</b>			<b>\$1,713,860,625</b>	<b>\$1,142,674,917</b>	<b>(\$797,156,123)</b>	<b>\$750,244,125</b>	<b>1.4</b>	<b>14.2%</b>
<b>Teachers' Retirement System of the City of New York</b>			<b>\$2,554,234,764</b>	<b>\$1,872,185,632</b>	<b>(\$930,662,032)</b>	<b>\$1,540,920,808</b>	<b>1.3</b>	<b>9.3%</b>
<b>Funds Closed Subsequent to Quarter</b>								
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2015	Almanac VII (including co-investment)		\$85,000,000	-	-	-	-	-
<b>Grand Total</b>			<b>\$85,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: PCG historical cash flow data. TFG 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 L-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of December 31, 2014. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

### TRS Monthly Real Estate Cash Flow Summary

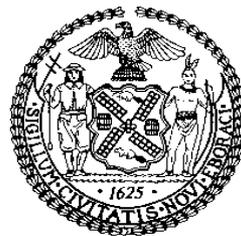


### III. Trustee Education (Corporate Governance & Responsible Investing Overview):

# Teachers' Retirement System of the City of New York

Corporate Governance and Responsible Investment  
Bureau of Asset Management

## Program Overview



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER

September 3, 2015

# Corporate Governance and Responsible Investment

- Fulfill fiduciary duty to vote NYC Pension Funds' domestic proxies
  - 3,500 shareowner meetings per year (30,000+ individual ballot items)
- Protect and create long-term shareowner value through active ownership
  - Strengthen corporate governance and promote sustainable business practices
- Primary Responsibilities
  - Proxy voting policies and implementation
  - Portfolio company engagement – routine and through shareowner initiatives
  - Institutional investor collaboration – formal and informal
  - Regulatory engagement and advocacy
  - Additional responsible investment activities
- Eight-member team
  - New Director of Strategy and Corporate Engagement adds senior staff capacity

# Why it Matters?

## NYC Funds are long-term investors

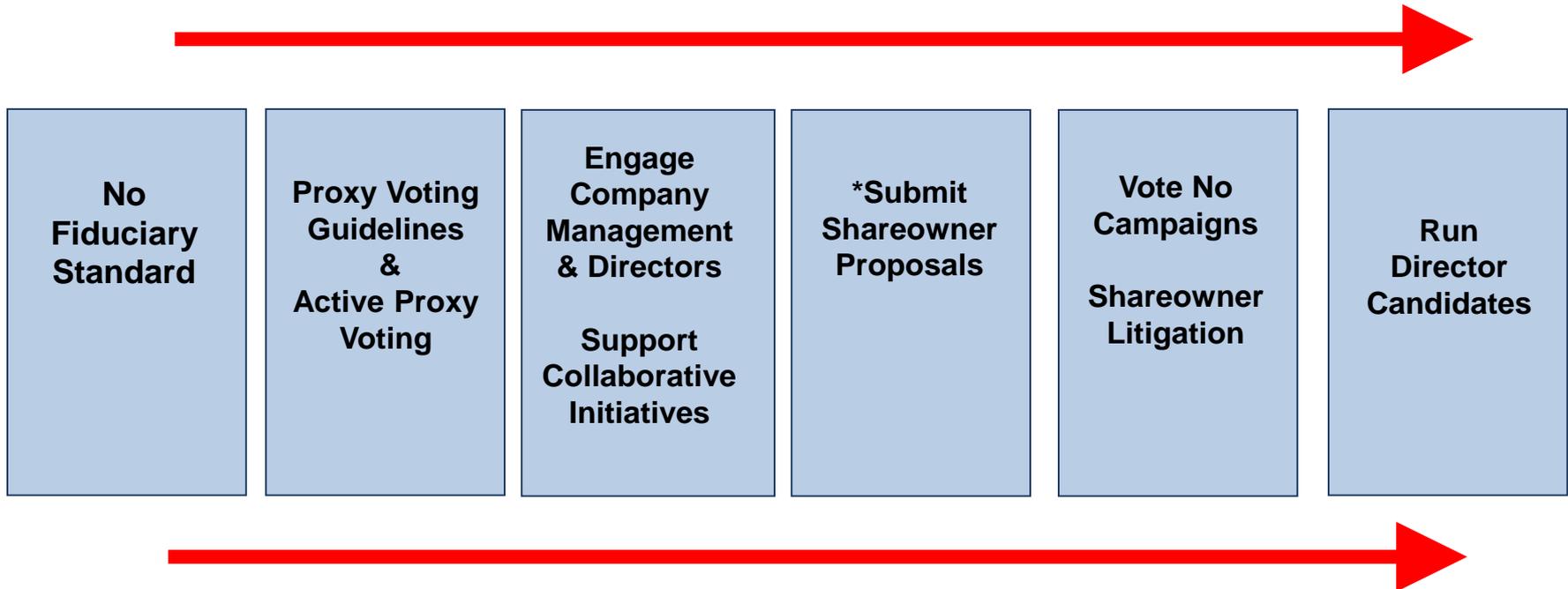
- Investment time horizon
- Investment strategy
- Can't exercise "The Wall Street Walk"
- Corporate governance & sustainability become paramount
- The goal: manage risk and create long-term value
- Diverse set of engagement approaches and tools

# Key Issues and Themes

- Board of directors: independence, accountability & diversity/quality
- Executive pay
- Workforce diversity
- Worker and human rights risks
- Climate change
- Environmental risk
- Corporate political spending

# Active Ownership

## Continuum of U.S. pension fund activism



*\*NYC Funds are among the most active shareowner proposal proponents in the U.S.*

# Leadership and Collaboration

## NYC has a long and proud history

- Council of Institutional Investors (1985)
- CERES (1989)
- 25-year history of spearheading individual reforms
  - e.g. McBride principles, sexual non-discrimination
- Active participant in ongoing investor collaborations
  - Human Capital Working Group
  - Carbon Asset Risk Initiative
- Boardroom Accountability Project (launched fall 2014)
  - Proxy access campaign is most successful and impactful effort to date

# Boardroom Accountability Project

## Full update at upcoming Proxy Committee meeting

**“Shareholders Gain Greater Sway Over Boards,”**

*Wall Street Journal Blog, May 22, 2015*

**“The Surprisingly Successful Push to Make Corporate America More Democratic,”**

*Think Progress, May 17, 2015*

**“An Early Victor From Proxy Season: NYC’s Pensions,”**

*Wall Street Journal Blog, May 22, 2015*

**“Chevron shareholders support proxy-access proposal; near majority at Exxon Mobil”**

*Pensions & Investments, May 27, 2015*

**“City Comptroller Reaches Deals With 5 Companies on Giving Shareholders Say on Directors,”** *New York Times, March 10, 2015*

**“Bank of America adopts proxy access after discussions with 3 major pension funds,”**

*Pensions & Investments, March 20, 2015*

# Other Responsible Investment Activities

## Serve as a resource to BAM and Trustees

- Responsible investment surveys
  - e.g. Asset Owner Disclosure Project (AODP), UN Principles for Responsible Investment (PRI)
  
- Responsible Contractor Policy (RCP)
  - Working with BAM staff to assess and benchmark existing policy with peer best practice
  - Updating RCP can (1) mitigate investment and reputational risk by defining expectations of fund managers for labor law compliance and provision of fair wages & benefits and (2) provide roadmap for stakeholder roles under policy
  
- Investment manager ESG questionnaire
  - Objective is to assess policies and practices with respect to analyzing ESG risks
  - Work with BAM staff to review and evaluate responses

#### IV. Asset Allocation Update:

APPENDICES:

Basket Clause

## TRS - BASKET/NON BASKET SUMMARY

As of July 31st, 2015

	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
<b>Equity</b>						
<b>Domestic Equity</b>	34.5%	0.0%	34.5%	35.0%	0.0%	35.0%
<b>Non-U.S. Equity</b>	10.0%	7.8%	17.8%	10.0%	7.1%	17.1%
<b>Private Equity</b>	0.0%	4.6%	4.6%	0.0%	4.6%	4.6%
<b>Real Assets</b>	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%
<b>REITS</b>	2.8%	0.2%	3.0%	3.1%	0.2%	3.3%
<b>Total Equity</b>	<b>50.2%</b>	<b>12.5%</b>	<b>62.8%</b>	<b>51.1%</b>	<b>11.9%</b>	<b>63.0%</b>
<b>Fixed Income</b>						
<b>Core+5</b>	19.0%	0.5%	19.5%	17.6%	0.5%	18.1%
<i>U.S. Gov't Sector</i>	4.0%	0.0%	4.0%	1.9%	0.0%	1.9%
<i>Mortgage Sector</i>	7.0%	0.0%	7.0%	7.2%	0.0%	7.2%
<i>Credit Sector</i>	8.0%	0.5%	8.5%	8.0%	0.5%	8.5%
<b>High Yield</b>	4.2%	0.9%	5.1%	3.5%	0.9%	4.4%
<b>Bank Loans</b>	0.0%	2.6%	2.6%	0.0%	2.6%	2.6%
<b>TIPS</b>	3.6%	0.4%	4.0%	2.1%	0.2%	2.3%
<b>Convertibles</b>	2.4%	0.6%	3.0%	1.3%	0.3%	1.7%
<b>Opportunistic Fixed Income</b>	0.0%	2.3%	2.3%	0.0%	2.3%	2.3%
<b>Other Fixed Income</b>	0.8%	0.0%	0.8%	5.6%	0.0%	5.6%
<b>Total Fixed Income</b>	<b>29.9%</b>	<b>7.3%</b>	<b>37.2%</b>	<b>30.2%</b>	<b>6.8%</b>	<b>37.0%</b>
<b>Total Fund</b>	<b>80.2%</b>	<b>19.8%</b>	<b>100.0%</b>	<b>81.2%</b>	<b>18.8%</b>	<b>100.0%</b>

**Remaining Capacity**

5.2%

6.2%

\* Note: Basket amounts are estimates

## Liquidity Analysis

## TRS Liquidity Profile - Static Analysis

8/26/15

AUM as of July 31, 2015

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$21,128	\$21,128	\$21,128	\$21,128
International Equity	5,651	5,651	5,651	5,651
Emerging Markets	4,685	4,685	4,685	4,685
REITS	1,968	1,968	1,968	1,968
Private Equity	2,767	0	0	0
Private Real Estate	1,807	0	0	0
Core + 5	10,901	10,901	10,901	10,901
TIPS	1,395	1,395	1,395	1,395
Opportunistic Fixed Income	1,400	1,050	1,400	1,400
Enhanced Yield	2,668	2,668	2,668	2,668
Bank Loans	1,547	1,547	1,547	1,547
Convertible Bonds	1,014	1,014	1,014	1,014
ETI	510	108	336	336
Cash	2,894	2,894	2,894	2,894
<b>Total Assets</b>	<b>\$60,336</b>	<b>\$55,010</b>	<b>\$55,588</b>	<b>\$55,588</b>
<b>Total Illiquid \$</b>		<b>\$5,326</b>	\$4,748	\$4,748
<b>Total Illiquid %</b>		<b>8.8%</b>	7.9%	7.9%
Unfunded PE Commitments	\$2,233			
Unfunded RE Commitments	\$1,049			
Unfunded OFI Commitments	\$402			
<b>Total commitments \$</b>	<b>\$3,684</b>			
<b>Total commitments %</b>	<b>6.1%</b>			

## TRS Liquidity Profile - Static Analysis

8/26/15

AUM as of July 31, 2015

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

<b>Total Illiquid \$</b>	\$5,326	\$4,748	\$4,748
<b>Total Illiquid %</b>	13.2%	11.8%	11.8%

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

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
<b>Total Assets</b>	<b>\$60,336</b>	<b>\$55,010</b>	<b>\$55,588</b>	<b>\$55,588</b>

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

Unfunded PE Commitments Drawn	\$447	\$893
Unfunded RE Commitments Drawn	210	420
Unfunded OFI Commitments Drawn	201	0
<b>Total commitments \$</b>	<b>\$857</b>	<b>\$1,313</b>
<b>Total commitments %</b>	<b>1.4%</b>	<b>2.2%</b>

<b>Total Illiquid \$</b>	\$5,605	\$6,060
<b>Total Illiquid %</b>	9.3%	10.0%

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>	\$5,326	\$5,605	\$6,060
<b>Total Illiquid %</b>	13.2%	13.9%	15.1%

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