



New York City
Board of Education Retirement System
Performance Overview as of March 31, 2013

Total Fund Overview

New York City Board of Education Retirement System

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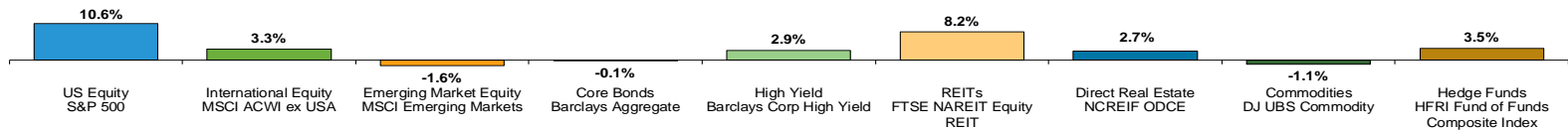
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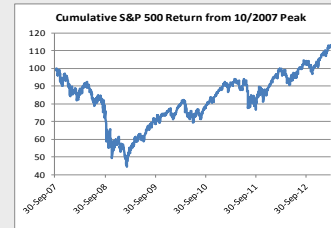
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Index Returns - Q1 2013



Market Themes

- Despite mixed economic data, the surge of optimism in investment markets intensified into 2013, and equity markets continued their upward trend during Q1. From the March 2009 lows, global equity markets have embarked on a substantial bull market run with US equities approaching historical highs not seen since 2007.
- In the US, the federal budget sequester swung into action on March 1; surprisingly, it appears to have been almost unnoticed by markets as equities edged towards near all-time highs. The legal enforcement of fiscal tightening brought an end to a series of short-term measures to tighten budgetary policy since the Obama fiscal stimulus was reversed in 2010. Some estimates forecast a 5% reduction to GDP as a result, which risks pulling the US economy back into recession.
- US economic data for Q1 indicated further labor market improvement. The unemployment rate dropped from 7.8% to 7.6%, while non-farm payroll employment grew by more than an average of 200,000 per month. The inflationary environment remained benign with 1.5% year over year change in CPI.
- In Europe, where growth had been disappointing over recent quarters, financial conditions have eased, although wide dispersion across countries remains. European headlines continued to have impact. February saw inconclusive Italian elections that threatened political gridlock and the implementation of austerity measures. In March, a muddled bail-out of Cyprus generated uncertainty. Although a troubled Cyprus economy was hardly seen as a systemic blow to Eurozone health, it possessed significant political implications that would potentially be far more reaching.
- In the UK, economic data remained essentially flat with a "triple dip" recession threatening. Incoming Bank of England Governor Mark Carney indicated greater likelihood for a more aggressive approach to quantitative easing.
- Since his victory in December, Japan Prime Minister Shinzo Abe's more determined reflationary policies and the dramatic monetary easing enacted by his new Governor Haruhiko Kuroda at the Bank of Japan have created a surge in Japanese equities, further shrinkage in government bond yields, and a commensurate devaluation of the Japanese yen.
- In China, there was further evidence to support optimism that a "soft landing" could be achieved with the economy displaying a trend towards slower but still respectable growth rates. Many believe that the much-discussed regime change of 2012 is leading to a reorientation of the Chinese economy away from investment- and export-led growth in favor of greater domestic consumption.



Domestic Equity

- US Equities** rallied strongly in Q1, and returned 10.6%. European headlines were shrugged off, and support was found from continued, albeit gradual, improvement in domestic economic data.
- Small- and mid-cap stocks outperformed, returning about 12.4% and 13.0%, respectively. This compared to 10.1% for mega cap. Traditionally defensive sectors outperformed. Health care, consumer staples, and utilities gained 15.8%, 14.6%, and 13.0%, respectively.
- Value outperformed growth during the quarter, and performance differentials between financials and technology played a role. Financials returned 11.4% during the quarter, while technology returned 4.6%. The Russell 3000 Value index possesses a 28% allocation to financials and only 7% to technology. The allocations are approximately reversed in the Russell 3000 Growth Index.

International Equity

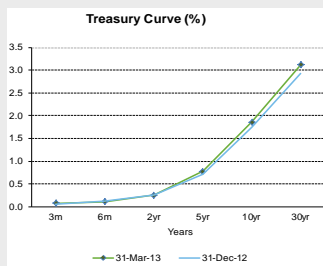
- International equities** significantly underperformed those of the US, hurt by continued financials and technology played a role. Financials returned 11.4% during the quarter, while technology returned 4.6%. The Russell 3000 Value index possesses a 28% allocation to financials and only 7% to technology. The allocations are approximately reversed in the Russell 3000 Growth Index.
- Japan was among the best performing EAFE markets with investors reacting positively to aggressive policy statements by the newly-appointed Bank of Japan governor. The MSCI Japan index returned 11.7%. This is nearly half of the 21.5% gain in local currency terms, as the same statements triggered significant weakness in the Japanese yen versus the US dollar.
- Europe fared relatively poorly with Germany and France barely remaining positive and only returning 0.3% and 0.6%, respectively. Concerns reemerged in Spain and Italy,

Emerging Market Equities

- Large scale quantitative easing programs in the developed world saw investor sentiment swing away from **Emerging Market Equities** in the first three months of the year with the region producing a loss of -1.6%.
- Asian export-oriented countries were hit particularly hard by the sharp drop in the Japanese yen over the quarter, which boosted Japan's competitiveness at its rivals' expense.

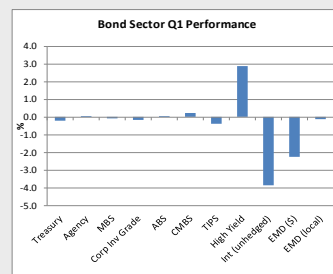
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Bond Markets - Interest Rates

- The yield curve steepened, and interest rates rose compared to year end. The yield on the **10 Year Treasury Note** moved upward from 1.76% to 1.85%. Rates had risen significantly higher intraquarter, briefly climbing over 2%, on speculation that favorable economic data might bring about a sooner than expected end to monetary easing measures. Continued turmoil in Europe, however, renewed safe-haven flows into Treasuries.



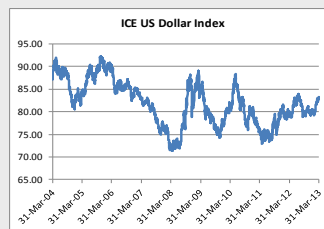
Bond Markets - Sectors

- The **Barclays Aggregate Index** returned -0.12% during the quarter, hindered by losses incurred by long-term Treasuries and long-term investment grade debt. Short-to-intermediate investment grade barely remained positive. The best performing sector within the index were financial-sector investment-grade corporates, which returned 0.88% for the quarter.

- The picture was dramatically different for high yield, which returned 2.9% during the quarter, which gained in sympathy to a rising equity market, and also for serving as one of the few sources of meaningful yield.
- MBS lagged during the quarter and produced a small loss. Although the sector has enjoyed gains on Federal Reserve support, the potential end of monetary easing started to put pressure. CMBS did better, returning 0.24%, on signs of continued strength in property prices.

Global Bond Markets

- International Fixed Income** underperformed during the quarter with the Citigroup WGBI non-USD Index returning -1.3%. Japan was an important contributor, given depreciation of the Japanese yen, combined with the sizable allocation to Japan within the index (more than 40%).
- Emerging market debt underperformed with the JP Morgan EMBI Global Diversified Index (sovereign, USD-denominated), returning -2.3% during the quarter. Corporates did better, returning 0.93%, attracting more inflows due to their more generous yields. Latin America (especially Mexico) did well, while Asia generally lagged. Mexico's close ties to the US have made it a favored market recently.



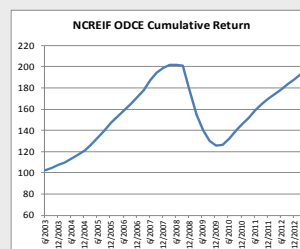
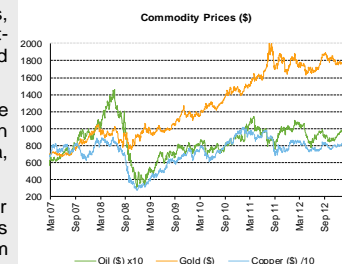
Currency

- The US dollar strengthened considerably against the yen on signals of a new, more aggressive, stimulus approach being adopted by the Bank of Japan. The USD/JPY exchange rate rose above 96, a level not seen since 2010. Expectations are increasing for a near-term move over 100.
- The dollar also strengthened against both the Euro and British pound, on continually weak economic data from both, and renewed fiscal-crisis headlines.

ne in June to continue with its purchase of

Commodities

- Gold prices continued to fall back on concerns, sparked by Cyprus, that other parts of the debt-laden eurozone will ratchet up sales of gold reserves to finance bail-outs.
- Metals prices also returned negatively during the period, as miners' investments in new supply, in conjunction with slowing demand from China, began to come on-stream.
- Oil prices were up over the period, as investor sentiment improved on rising demand forecasts and signs of slowing production, particularly from Saudi Arabia.



Real Estate

- The NCREIF Open-End Diversified Core (ODCE) Index, an index of open-end diversified core real estate funds that invest in direct real estate, returned 2.68% (gross) during the quarter. Capital appreciation and income contributed approximately equal amounts to total return. Core real estate funds saw \$1 billion in inflows, compared to the record \$2.9 billion that was experienced in Q4.
- The FTSE NAREIT Equity REIT Index returned 8.2% for the quarter. Smaller cap REITs did better given their greater sensitivity to CMBS trends. Among REIT sectors, Office and industrials were among the better performing property sectors.

Funds of Hedge Funds

- The swing back towards risk appetite over the three month period was reflected across most **Hedge Fund** strategies. Equity-hedge (long/short) strategies did best and returned 5.0% for the quarter. Fund of funds returned 3.4%, while relative value (consists largely of fixed-income based strategies) returned 3.1%.

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Asset Allocation

At March 31st, 2013, the Board of Education Retirement System (BERS) Total Portfolio was \$3.4 billion versus \$3.2 billion at year end.

The overall allocation is 69% equity (including Real Estate and Private Equity) and 31% fixed income versus a target allocation of 70% equity and 30% fixed income. Within the equity portfolio, the Plan is overweighted to US equity by 6.5%, while also underweighted to Private Equity and Real Estate by 7.6% combined. The overweight in US equity is in place to help offset the Private Equity/Real Estate underweights, and will be gradually reduced as these latter asset classes slowly build up.

The Total Equity and Total Fixed Income allocations are within their allowable ranges. The PE and RE allocations are outside of their ultimate target ranges but this is a function of building up the portfolios.

Manager Issues

AJO was terminated during the quarter due to their contract expiration. Assets were transferred to the BlackRock Russell 3000 portfolio.

The Fund's emerging market equity manager was transitioned from SSgA to Acadian during the quarter, effective March 20th. The portfolio was approximately \$122 million. Commentary will begin following its first full quarter with the Fund.

The funding of an international small-cap allocation (10% of international developed) was completed shortly after quarter end (April 11th) with the funding of a \$61 million portfolio to be managed by Acadian. Commentary will begin next quarter.

Consultant's Commentary

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Manager Issues (continued)

On January 1, 2013, four more senior managers became shareholders of Shenkman. The firm also hired a credit analyst to cover technology and telecom and added a senior person to their Marketing team who previously worked at Seix.

At Loomis, effective February 1, Todd Vandam joined Matt Eagan and Elaine Stokes on the US High Yield portfolio management team.

Babson announced that effective in March, a new Global Fixed Income Platform was created that combined the external Fixed Income (investment grade) business with Global High Yield. Russ Morrison, the current head of high yield investments, will lead this group. Dave Nagle (recently promoted to Head of Investment Grade) and Nat Barker, Head of Investment Grade Research, will report into Morrison. Also, Mike Freno, Managing Director, was promoted to Head of U.S. High Yield Investments, reporting to Morrison. In conjunction with Freno's new role, Sean Feeley, Managing Director, will be Head of Portfolio Management for U.S. High Yield Investments (excluding CLO and Distressed), reporting to Freno. Feeley will provide oversight and coordinate with other portfolio managers across the U.S. High Yield Platform. Note that direct responsibilities for the NYCBERS Bank Loan portfolio are unchanged and remain with Ken Gacevich.

Total Fund Performance

The Total Plan returned 5.7% in the quarter versus 5.9% for the benchmark. For the trailing year, the Total Plan returned 10.6% to 11.1% for the benchmark. Over the past five years, the Plan has earned 5.6% to 5.4% for the index.

Consultant's Commentary

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Total Fund Performance (continued)

Allocation effects were responsible for the slight underperformance during the quarter, given the slight underweight to equity. Cash drag was also a small factor given the strong equity market performance. Management effects were a net positive, with most of the active managers outperforming. A similar story explains trailing year underperformance, though cash drag played a somewhat greater role. Note that much of the Fund's private equity and real estate investments are still in their investment phases and subject to "J-curve" effects that make short-term performance comparisons difficult.

U.S. Equity

For the quarter, Total Domestic Equity returned 11.5% versus 11.1% for the Russell 3000 Index. Zevenbergen and Daruma were among the better performing managers, both on an absolute and relative return basis. For the trailing year, Total Domestic Equity rose 14.6%, seven basis points ahead of benchmark. Daruma stands out as a strong performer over the past year while Zevenbergen was a notable underperformer.

Zevenbergen returned 12.0% during the quarter versus 9.8% for the Russell 3000 Growth benchmark. The trailing year return is just 3.2% versus 10.4% for the benchmark. The portfolio's three year return is also behind the benchmark, but the five-year performance remains slightly ahead. Individual technology sector holdings made significant contributions to return. Standout performers include Netflix and LinkedIn, the 9th and 10th largest positions as of quarter end, which returned 104% and 53%, respectively. Zillow also did extremely well with the account with a 97% return. Management anticipates a "manufacturing renaissance" in the US brought about by a healthy corporate sector, a weaker US dollar, and a revolution in shale-related natural gas production. They see this benefiting the energy industry and also energy-intensive industries. The portfolio has been positioned accordingly with a number of positions they believe are poised to benefit.

Consultant's Commentary

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U.S. Equity (continued)

Wellington returned 13.7% for the quarter compared to 13.5% for its S&P Midcap 400 Index benchmark. For the year, the portfolio slightly trails, 17.3% versus 17.8%. The account achieved notable gains from favorable security selection in the technology sector, which added just over 100 basis points in relative return. The outperformance was mostly offset, however, from less favorable selection in the industrials sector, which detracted just under 100 basis points. In technology, positions in Fleetcor Technologies (+43%) and National Instruments (+27%) added to relative return. Lack of exposure to Rackspace Hosting and Verifone also helped given the -30% decline experienced by both stocks. In industrials, problematic investments included CH Robinson and Expeditors International. The two transportation/shipping companies declined -5% and -10%, respectively. Positioning going forward includes an overweight in health care, with an emphasis on companies in the generic drug industry. Other investment themes include positioning to take advantage from growth in trucking, transaction processing, and non-residential construction.

Daruma returned 14.1% during the quarter, outperforming the 12.4% return of its Russell 2000 Index benchmark. For the trailing year, the portfolio also leads, 21.3% versus 16.3%. Strong stock selection drove outperformance, more than offsetting negative effects from poor sector selection. Individual contributors to return included Shutterstock (+48%), Pandora Media (+54%), and Lumber Liquidators (+33%), which have allocations in the portfolio ranging from 3%-4%. All are top-ten positions, with Lumber Liquidators the largest in the portfolio. Sector allocation was somewhat of a headwind, but not enough to affect overall relative return. This included a major underweight in financials (3% versus 24%), which was one of the three best performing sectors in the benchmark. The portfolio remains concentrated with 35 holdings, and the top 10 holdings accounting for 35% of assets. Sector allocations also continue to vary significantly from benchmark. In addition to the aforementioned financial-sector underweight, the portfolio is positioned with 10% overweights in technology and consumer discretionary.

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U.S. Equity (continued)

Progress returned 10.7% for the quarter versus 11.1% for its Russell 3000 benchmark during quarter. For the trailing year, the portfolio returned 12.4% versus 14.6%. Three and five years lag, though the latter trails by just 11 basis points.

FIS returned 12.3% during the quarter, lagging its Russell 2000 Index benchmark by just 6 basis points. FIS is ahead for the trailing year, 16.8% versus 16.3%. Three year results are ahead of the index but the five year return lags.

International Equity

The Total Developed Market portfolio beat the MSCI EAFE (net dividend) Index during the quarter, 5.3% to 5.1%. For the year, the Total Developed Market portfolio rose 11.5% to 11.3% for the index. Long-term results remain very good in relative terms with both active managers, Baillie Gifford and Sprucegrove, adding value versus both the EAFE and their EAFE-style benchmarks (EAFE Growth for Baillie Gifford and EAFE Value for Sprucegrove). Note that a dedicated international small-cap allocation was funded on April 11th, managed by Acadian Asset Management.

Baillie Gifford returned 5.5% to 5.1% for the MSCI EAFE (net) Index during the quarter. For the year, the portfolio rose 11.3%, four basis points ahead of the index. Baillie Gifford trailed the growth index for the quarter and the year. Longer-term results remain solid. At the regional level, quarterly performance benefited from good selection in the UK and in Europe. An underweight to Developed Asian markets and a 14% allocation to Emerging Markets, which are not in the EAFE index, detracted from performance. At the sector level, industrials and energy were the best performing areas for the portfolio while technology and health care were the weakest areas.

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International Equity (continued)

Sprucegrove returned 4.3% for the quarter compared to 5.1% for the MSCI EAFE (net). For the year, the portfolio trails the index 11.0% to 11.3%. Sprucegrove also outperformed the EAFE Value for the quarter, and was inline for the trailing year. Longer-term results remain solid. From a sector perspective, Sprucegrove lagged the index due to underweight positions and weaker stock selection in Consumer Staples, and stock selection in Financials, Information Technology and Telecommunication Services. These results were partially offset by good results in Materials. At the country level, exposure to emerging markets, especially Korea and South Africa (Impala Platinum), hurt relative performance along with stock selection in Japan and Holland (Boskalis Westminster, Vopak). These results were partially offset by outperformance due to an overweight position and stock selection in Ireland and Switzerland and an underweight position in Germany.

Emerging Markets

State Street Global Advisors (SSgA) was terminated and assets were transitioned to **Acadian Asset Management** effective March 20th. Commentary will begin with the next quarterly report.

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Fixed Income – Structured Manager Composite

The Total Structured Portfolio outperformed its NYC Core + 5 Index during the quarter with a return of -0.1% versus -0.3% for the index. The only manager to lag its benchmark in the period was SSgA, which underperformed by 11 basis points. The Total Structured Portfolio is also ahead for the year, 5.5% versus 4.7%. The stronger relative performers were Taplin Canida credit and PIMCO mortgages, which beat their respective benchmarks by approximately 2.3% and 1.3%, respectively. Trailing three- and five-year returns are ahead of benchmark.

Taplin Canida (credit) returned 0.0% during the quarter versus -0.4% for the customized Citigroup Credit Index. For the past year, Taplin returned 9.2% to 6.9% for its benchmark. Performance is either comparable to, or ahead of the benchmark, over longer time periods. Factors that were supportive to relative performance during the quarter were an emphasis on financials, which meaningfully outperformed industrials and utilities on a duration-weighted basis. Exposure to floating rate securities also helped. On the negative side, the fund was hurt by its exposure further out on the yield curve, as long maturity corporates underperformed intermediate maturities. An overweight to BBB-rated securities also detracted, as these holdings lagged higher quality issuers.

Prudential (credit) returned -0.1% during the quarter versus -0.4% for the customized Citigroup Credit Index. For the year, Prudential returned 7.1% to 6.9% for the index. The three year return is also slightly ahead of the benchmark. The portfolio is positioned similarly to the index in terms of yield (2.57% vs. index 2.52%) and duration (both are at 6.4 years). Average quality is also similar to the benchmark, per Moody's, at A3. Consistent with last quarter, the biggest difference relative to benchmark continues in sector allocation. Non-US credit is significantly underweight, 9.6% versus 20.3%. At the industry level, banking has the largest representation at 19.0% of the portfolio versus 16.9% for the benchmark. For the quarter, an underweight to dollar-denominated Emerging Markets contributed to performance, as the sector lagged. Industry and issue selection within Investment Grade Corporates added value, especially overweights to the Insurance and Electric sectors. This

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Fixed Income – Structured Manager Composite (continued)

was partially offset by an overweight to Telecom. Security selection within Media/Entertainment, Railroads, and Banking aided results while selection within Telecom hurt. Issue selection within Taxable Municipals also contributed to performance.

PRIVEST (credit) – In December 2012, BERS invested in the Prudential PRIVEST fund, which focuses on privately placed corporate bonds, primarily rated investment grade. A summary of the portfolio shows a modified duration of 5.1 years, an average credit quality of BBB+, an average yield to maturity of 2.9%, holdings below investment grade at 1.9% and 289 issuers. During the quarter, the fund returned 1.0% to -0.4% for the Citigroup Credit Index. The fund benefited primarily from spread tightening among private issuers that was greater than what occurred in the public market.

SSgA (governments) returned -0.9% during the quarter versus -0.8% for the index. For the year, SSGA returned 5.9% to 6.0% for its benchmark. Longer-term numbers are mixed, with three-year returns slightly behind but five-year numbers slightly ahead of the benchmark. For the quarter, the portfolio benefited from its overweight to agencies but the underperformance was attributable to the portfolio's yield curve positioning and security selection. During the quarter, SSgA reduced the exposure to agency debt.

PIMCO (mortgages) returned 0.1% to 0.0% for the benchmark during the quarter. Over the past year, the portfolio rose 3.2% to 1.9% for the index. PIMCO also leads for all longer trailing time periods. An overweight to the GNMA 5.0% coupon contributed to performance in the quarter. Senior non-Agency MBS exposure added to performance, as well. A slight overweight to GNMA MBS versus conventional MBS detracted from performance, as GNMA underperformed. The portfolio had a slightly lower duration than the index at quarter end, 2.8 years to 3.1%. Nearly 96% of the portfolio was invested in FNMA, GNMA and FHLMC mortgages with the balance invested in non-Agency MBS (3.8%, most of which is invested in Inverse Floaters) and net cash equivalents (0.6%).

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Fixed Income - TIPS

PIMCO returned 0.1% to -0.4% for the Barclays Capital US TIPS Index. For the year, the portfolio also beat the index, 6.8% to 5.7%. The three- and five-year returns remain ahead of the benchmark, as well. Exposure to Australian and UK inflation-linked bonds added value during the quarter. The portfolio had a slightly lower-than-index duration for most of the quarter, and this also helped. The portfolio remains primarily invested in US TIPS with small allocations to the UK (2.5% on a duration basis) and Australia (2.9% on a duration basis).

Enhanced Yield Fixed Income

Total High Yield returned 2.8% during the quarter versus 1.9% for the Citigroup BB & B Index. Loomis outperformed during the quarter while Shenkman lagged. High yield is ahead for the year, 12.4% versus 11.6%, and also leads over the three and five years.

Loomis Sayles returned 3.7% for the quarter versus 2.9% for the Merrill Lynch High Yield Master II index. Over the full year, the fund returned 14.2% to 13.1% for the index. Performance also remains ahead of benchmark over longer time periods. The portfolio's outperformance can be largely attributed to allocations to lower quality securities, out-of-benchmark asset classes, primarily convertible securities, and positive security selection. Higher beta issuers generally produced better results. Below investment grade industrials were notable outperformers.

Shenkman returned 1.8% for the quarter versus 1.9% for its Citigroup BB & B Index benchmark. During the quarter, an underweight to, and negative selection in, the financials sector hurt performance. An overweight to, and weaker selection in, the media/cable industry also detracted. Better selection in consumer products helped. The portfolio had an average credit rating of B1/B+, in line with where it was at year end.

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Enhanced Yield Fixed Income (continued)

Babson returned 2.3% for the quarter and trailed the Credit Suisse Leveraged Loan index by 6 basis points. Attribution for the quarter did not reveal any meaningful insights. Security selection was largely in line with the benchmark. Loan spreads declined and prices increased during the period. According to Babson, the 3-year discount margin finished the quarter at 499 bps and average prices rose 50 bps to 98.14. Although spreads have tightened, they continue to believe yields remain attractive on a historical basis. Meanwhile, the trailing 12-month default rate for the loan market ticked up to 1.69%, as five large defaults hit the market this month. However, default rates remain well below the historical average and in line with their forecast of 1% – 2% for the year.

Real Estate (Returns provided are those of the fund, as provided by the manager, and as of the date indicated)

The Fund's real estate target is 7%, or about \$241 million based on March 31 market values. Current commitments total \$109 million and include \$27.6 million to La Salle Property Fund, \$41.4 million to UBS Trumbull Property Fund, \$30 million to Franklin Templeton Private Real Estate Fund, and \$10 million to Brookfield Strategic Real Estate Partners, which total at 45% of target. The quarter end market value is \$77.3 million, or 32% of target. Brief comments on the funds follow, with a full report to be provided by the NYC BERS real estate consultant(s).

LaSalle Property Fund (core) returned 2.4% for Q1 2013 versus 2.7% for the NFI-ODCE Index¹. For the trailing year, the fund returned 10.6%, slightly behind the 10.8% for the index. Leverage is 29% compared to 22% for the ODCE. Debt possessed a weighted average term of 6.7 years and a weighted average interest rate of 3.5%. There are 29 properties in the fund (up 2 from year end), with approximately 36% of the NYC BERS commitment to the fund remaining uncalled. In terms of sector allocation, the fund is overweighted to residential (34% versus 26%) and industrials (27% versus 13%), while underweighted to office (22% versus 37%). Geographic focus is

¹NFI-ODCE is short for NCREIF Fund Index - Open End Diversified Core Equity. It is an index of investment returns reporting the results of 28 open-end commingled funds pursuing a core investment strategy. The Index is capitalization-weighted and reported gross of fees.

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Real Estate (Returns provided are those of the fund, as provided by the manager, and as of the date indicated) currently on the East and West (at levels equal or slightly lower than that of the ODCE. The portfolio is 4% allocated to value-add type investments, distributed across four properties. Weighted occupancy rate, including value-add, was 92%. Note that the fund is not currently part of the NCREIF-ODCE, but inclusion is expected later this year.

UBS Trumbull Property Fund (core) returned 1.7% during the first quarter, compared to 2.7% for the NFI-ODCE Index¹. For the trailing year, the fund returned 8.7% versus 10.8% for the index. Lower leverage compared to benchmark contributed to underperformance, and stood at 13% versus 22% for the ODCE. About one-quarter of the quarterly return was derived from income, which is consistent with management's forecast for 2013 last year. Sector positioning as of quarter end was 33% multi-family, 32% office, 20% retail, 9% industrials, and 6% hotel. Value add investment activity picked up slightly, accounting for half of Q1 activity. Exposure to such investments still remains relatively small (7% as of quarter end, compared to 4% at year end). The fund maintains an entry queue, and prospective investors continue to be advised of a 12 month+ wait.

Franklin Templeton Private Real Estate Fund (non-core), a global opportunistic real estate fund of funds has, as of March 31st, called approximately 25% of total limited partner commitments, making investments in six funds and three co-investments. They include two US funds (one of which specializes in real-estate debt), three funds with a Northern Europe focus (including one co-investment), three Asia funds (including one co-investment), and a UK co-investment. Committed assets are allocated 36% US, 29% Europe, and 35% Asia, with office comprising the largest sector exposure (47%). Total portfolio leverage has declined to 47%, with the underlying fund leverage ranging from 9% to 84%. Where as only one investment had started to generate distributions as of year end, four investments have now started to distribute income as of March 31st.

1NFI-ODCE is short for NCREIF Fund Index - Open End Diversified Core Equity. It is an index of investment returns reporting the results of 28 open-end commingled funds pursuing a core investment strategy. The Index is capitalization-weighted and reported gross of fees.

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Private Equity (Returns are provided one quarter in arrears and results shown are provided by the manager)

Brookfield Strategic Real Estate partners (opportunistic) is a closed-end fund investment recently initiated with a \$10 million commitment. The fund does not yet possess a meaningful return history. As of quarter end, \$1.2 million has been contributed to the fund, with five investments having closed on five properties. Quarter-end market value is approximately \$1.3 million.

Mesirow Financial Private Equity Partners III (Fund III) information through 12/31/2012 is not yet available.

Mesirow Financial Private Equity Partners IV (Fund IV) information through 12/31/2012 is not yet available.

Mesirow Financial Private Equity Partners V (Fund V) information through 12/31/2012 is not yet available.

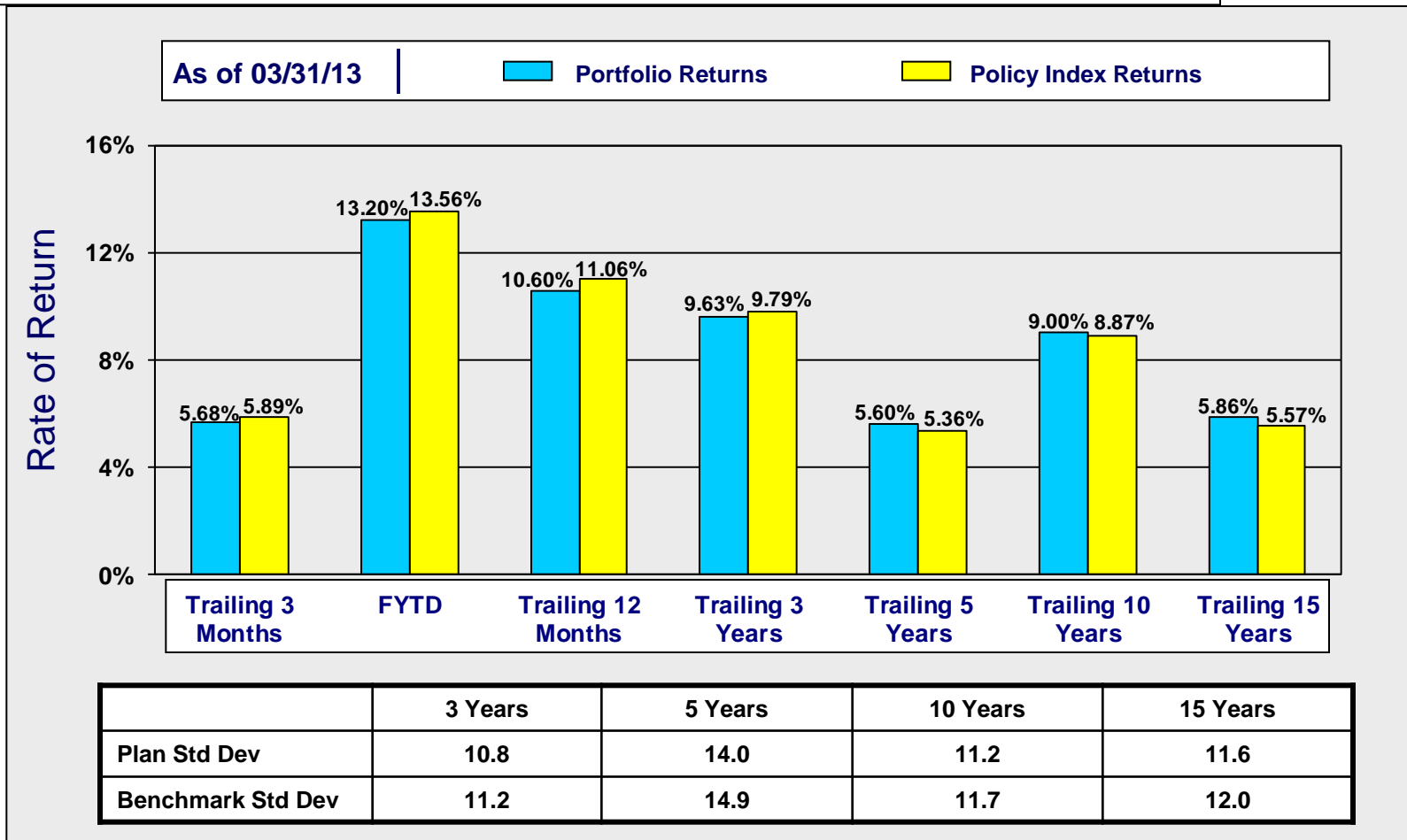
New York/Fairview Private Equity Fund has committed \$18 million to 6 partnerships and contributed \$13.2 million through 12/31/2012. The fund posted a fair value of \$13.0 mm relative to a cost basis of \$9.0 million. The fund has not made commitments to new partnerships, and continues to hold \$3 mm commitments to each of the following 6 partnerships: 21st Century Group, Bertram Growth I, Encore Consumer Capital, GenNx360 Capital Partners, Halyard Capital II, and Vicente Capital Partners Growth. Most of the investments are diversified across various sectors including industrials, media and telecom, energy, consumer goods, technology and healthcare.

Warburg Pincus Private Equity XI has closed on \$7.0 billion in investor commitments through year end. This is out of a total targeted \$12 billion, and includes \$25 million from NYC BERS made on May 2012. Approximately \$5.5 million has been contributed, representing the calling of about 22% of BERS investment. The WP XI portfolio currently consists of 18 companies across eight industries. The fund is relatively new and still early in its investment phase. Its target strategy allocation is as follows: 25% energy, 40%-50% growth, 25% buyout, and 10% other.

1NFI-ODCE is short for NCREIF Fund Index - Open End Diversified Core Equity. It is an index of investment returns reporting the results of 28 open-end commingled funds pursuing a core investment strategy. The Index is capitalization-weighted and reported gross of fees.

Total Portfolio Returns: March 31, 2013

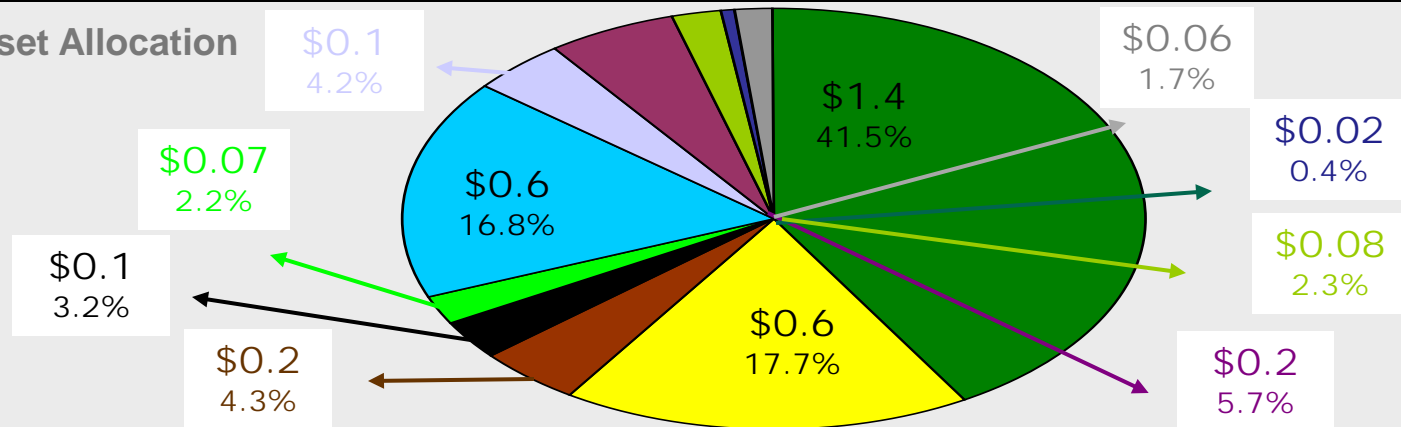
\$3.4B Under Management



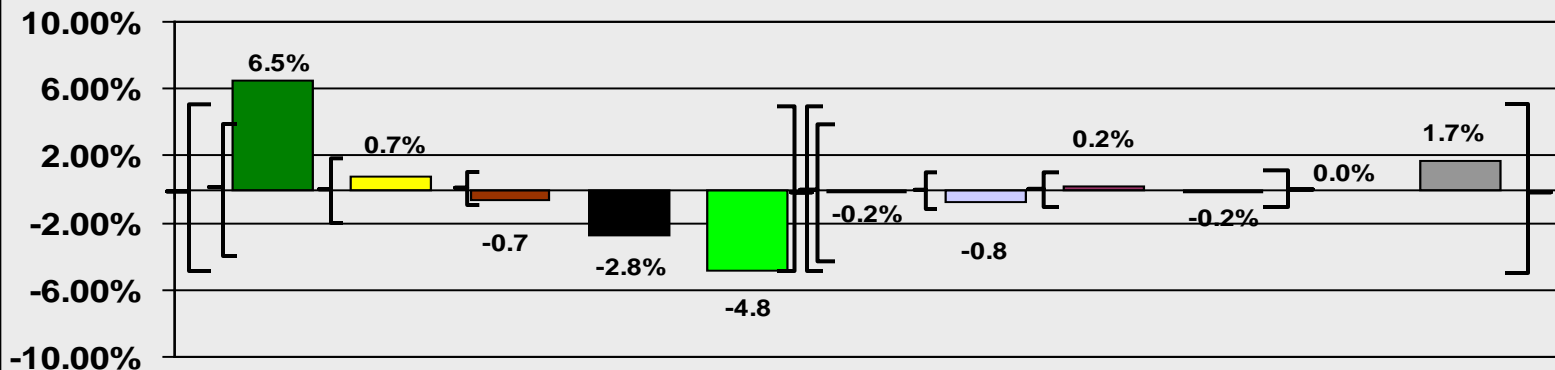
Portfolio Asset Allocation: March 31, 2013

\$3.4B Under Management

Asset Allocation

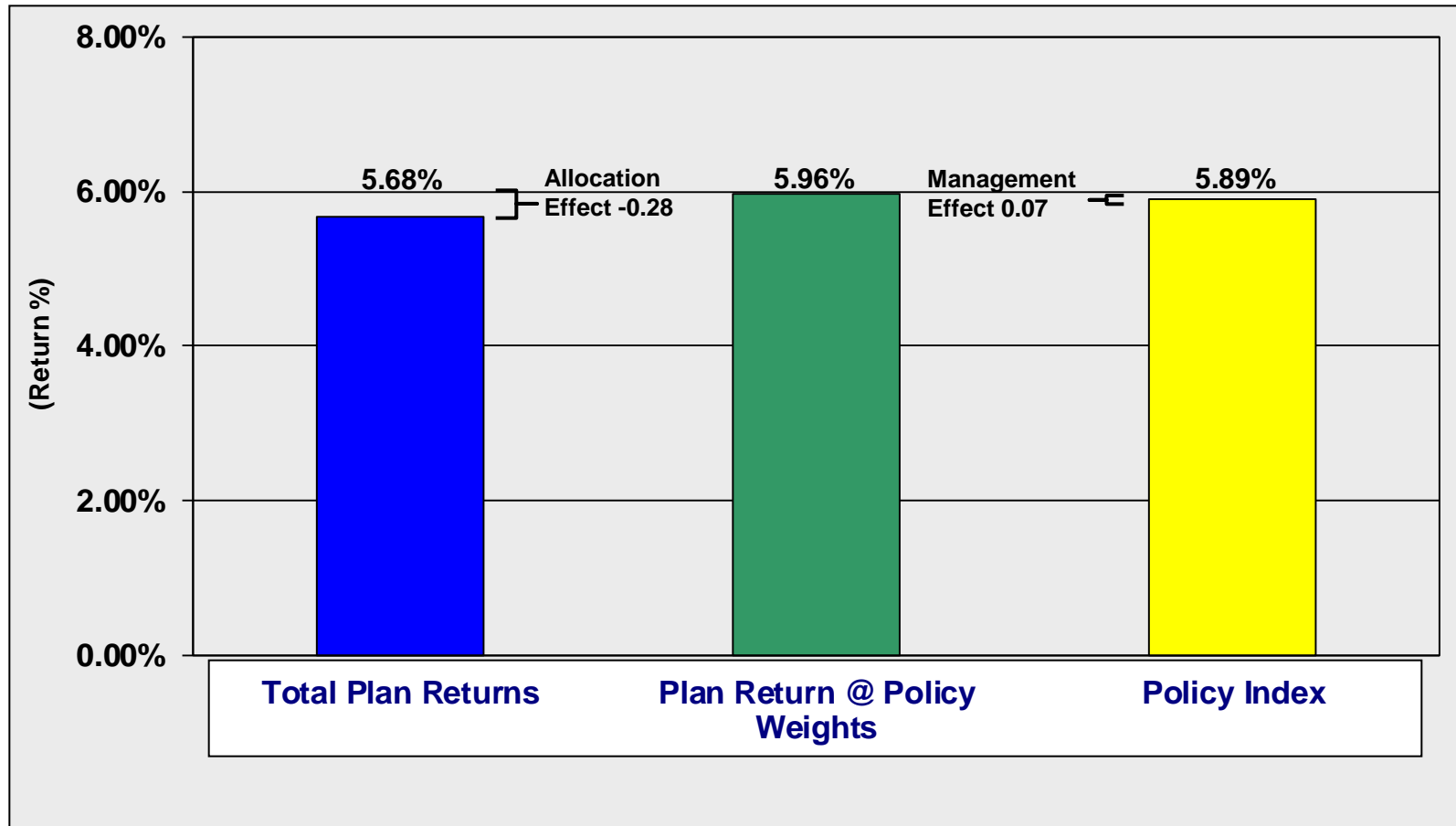


Relative Mix to New Policy Weights

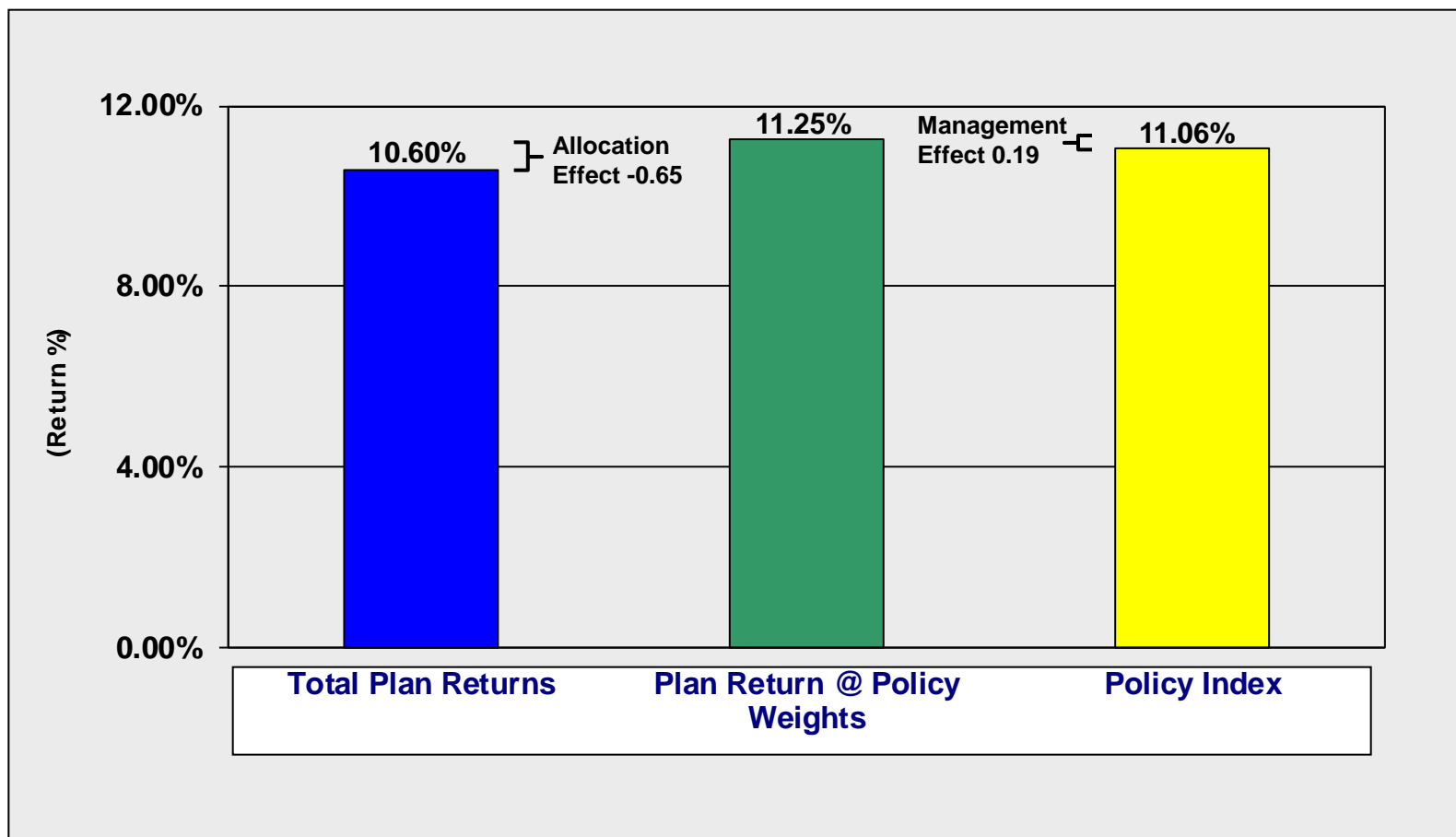


Note: Brackets represent rebalancing ranges versus Policy.

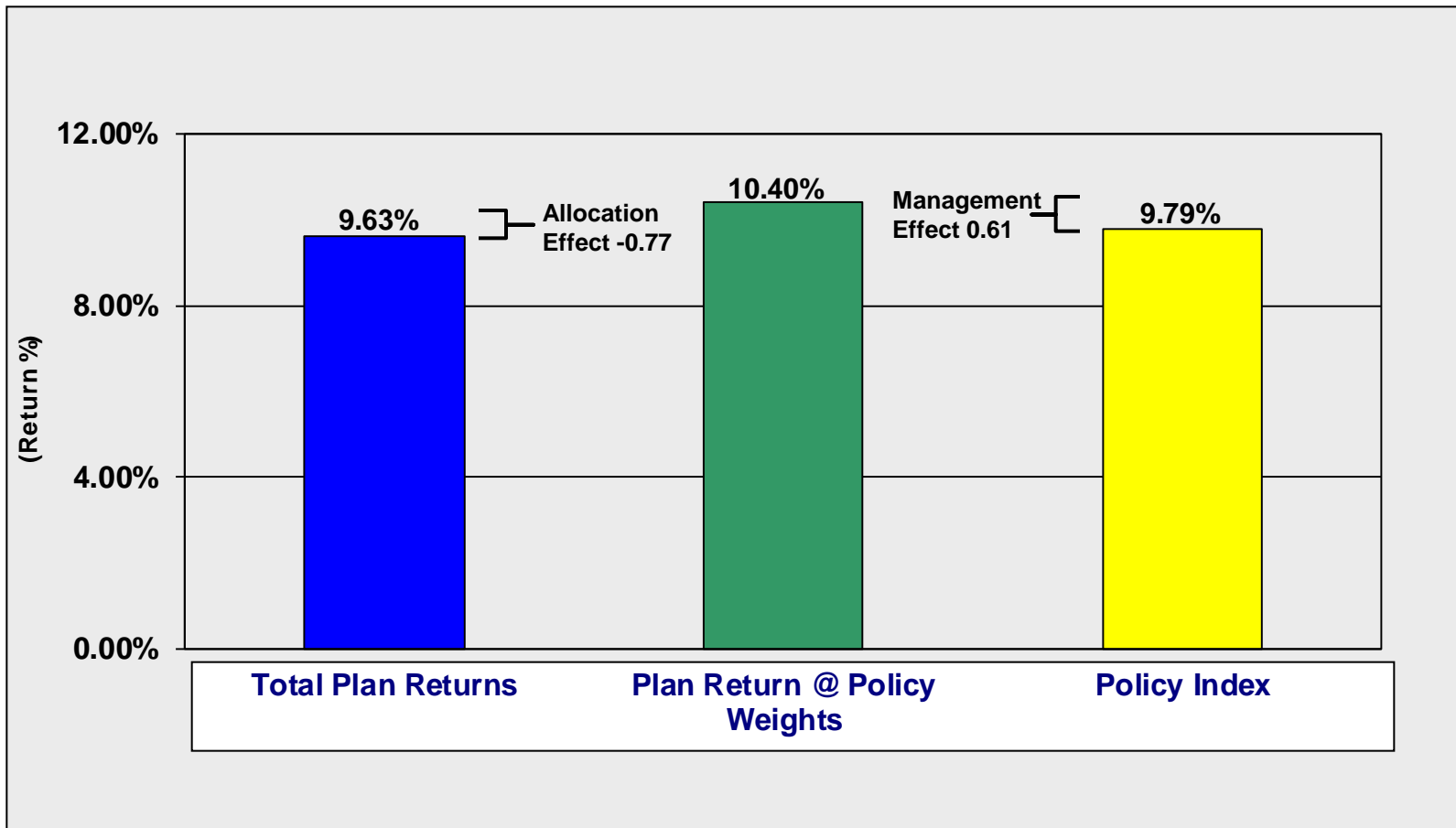
Performance Attribution: Total Plan - Quarter Ending March 31, 2013



Performance Attribution: Total Plan – 12 Months Ending March 31, 2013



Performance Attribution: Total Plan – 3 Years Ending March 31, 2013



Total Plan - Quarter Ending March 31, 2013

Allocation Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.17	-0.13	-0.15	Russell 3000 Index
EAFE Markets	0.00	-0.06	-0.06	MSCI EAFE Index
Emerging Markets	0.03	0.01	-0.06	MSCI Emerging Markets Index
Private Equity	0.00	0.00	0.00	Russell 3000 Index + 300 b.p.
Private Real Estate	0.00	0.00	****	NCREIF ODCE NET + 100 b.p.
Domestic Fixed	-0.04	-0.27	-0.20	NYC Core +5 Index
Enhanced Yield	-0.01	0.00	-0.04	Citigroup BB&B Index
TIPS	0.03	0.01	0.00	Barclays Capital US TIPS Index
State Street Short Term	-0.07	-0.20	-0.37	Total Plan

Note: Detailed effects may not add up to total due to reallocation and trading effects.

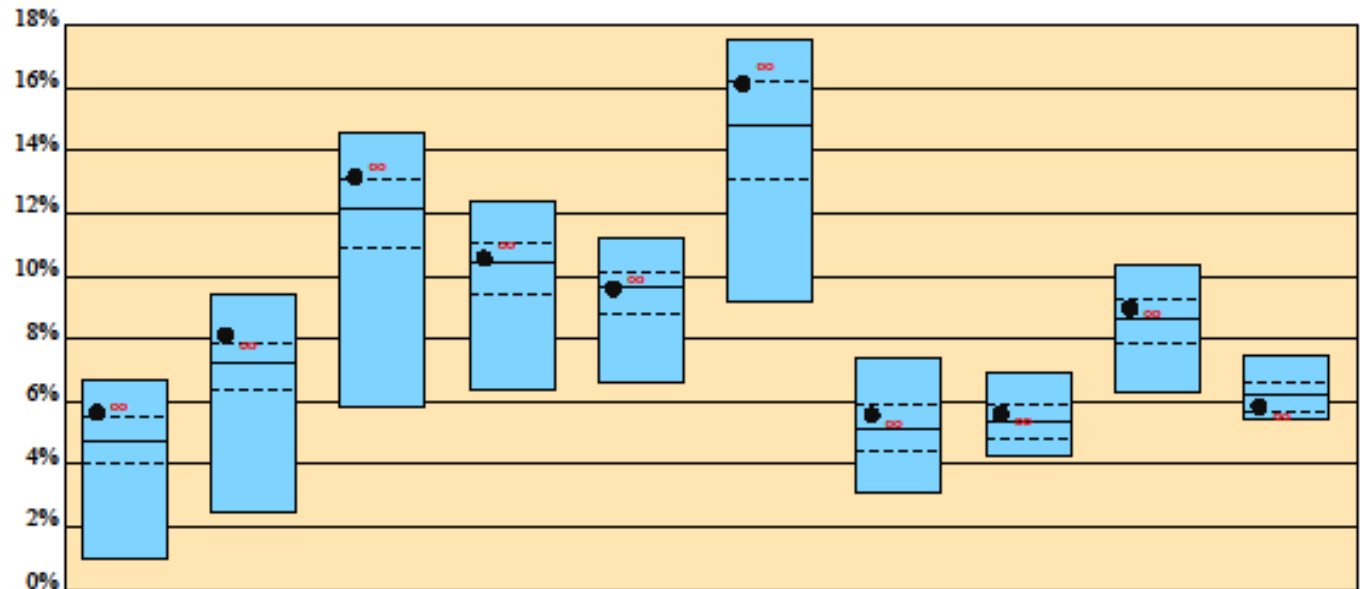
Total Plan - Quarter Ending March 31, 2013

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.17	0.04	-0.04	Russell 3000 Index
EAFE Markets	0.02	0.03	0.60	MSCI EAFE Index
Emerging Markets	0.00	0.02	0.02	MSCI Emerging Markets Index
Private Equity	-0.18	-0.12	-0.17	Russell 3000 Index + 300 b.p.
Private Real Estate	-0.05	0.02	****	NCREIF ODCE NET + 100 b.p.
Domestic Fixed	0.04	0.15	0.12	NYC Core +5 Index
Enhanced Yield	0.05	0.04	0.05	Citigroup BB&B Index
TIPS	0.02	0.04	0.01	Barclays Capital US TIPS Index

Note: Detailed effects may not add up to total due to reallocation and trading effects.

City of New York - Board of Education
Total Returns of Public Master Trusts > \$1 Billion
Rates of Return for Periods Ending March 31, 2013

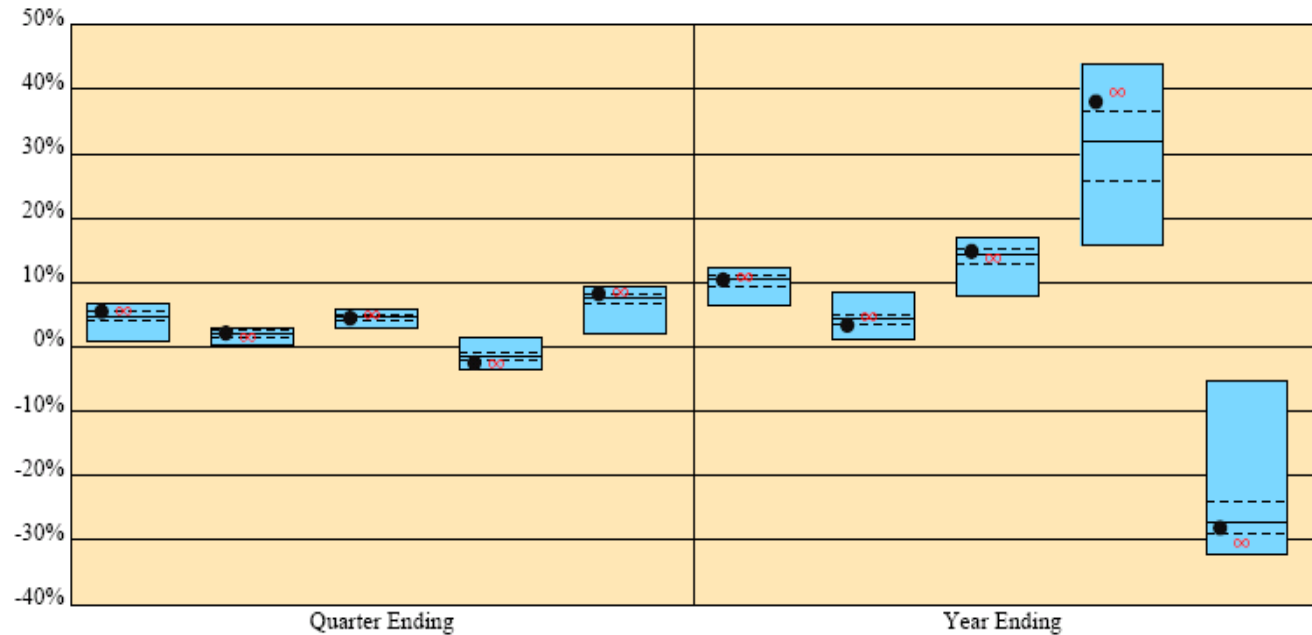


	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	6.69	9.41	14.60	12.40	11.23	17.52	7.41	6.88	10.39	7.50
25th Percentile	5.53	7.87	13.08	11.03	10.12	16.18	5.88	5.92	9.25	6.60
Median	4.76	7.19	12.15	10.44	9.62	14.83	5.09	5.37	8.62	6.18
75th Percentile	4.03	6.38	10.92	9.44	8.76	13.05	4.40	4.79	7.88	5.67
95th Percentile	0.99	2.43	5.83	6.39	6.62	9.21	3.07	4.24	6.30	5.41
● Total System	5.68 (20)	8.15 (15)	13.20 (21)	10.60 (41)	9.63 (47)	16.18 (25)	5.60 (30)	5.63 (33)	9.00 (32)	5.87 (63)
oo Board of Ed Policy Benchmark	5.89 (12)	7.86 (25)	13.56 (14)	11.06 (23)	9.98 (30)	16.79 (13)	5.35 (38)	5.43 (45)	8.87 (39)	5.58 (85)

City of New York - Board of Education

Total Returns of Public Master Trusts > \$1 Billion

Recent Periods



	Mar 13	Dec 12	Sep 12	Jun 12	Mar 12	Mar 13	Mar 12	Mar 11	Mar 10	Mar 09
5th Percentile	6.69	3.04	5.75	1.46	9.44	12.40	8.37	17.00	44.03	-5.14
25th Percentile	5.53	2.52	5.07	-0.92	8.24	11.03	5.06	15.37	36.56	-24.16
Median	4.76	2.16	4.56	-1.55	7.53	10.44	4.34	14.37	31.87	-27.14
75th Percentile	4.03	1.53	4.16	-2.06	6.72	9.44	3.65	12.76	25.88	-29.10
95th Percentile	0.99	0.41	2.82	-3.44	1.97	6.39	1.22	7.95	15.79	-32.18
● Total System	5.68 (20)	2.34 (35)	4.67 (42)	-2.29 (80)	8.45 (20)	10.60 (41)	3.57 (77)	15.03 (37)	38.27 (15)	-27.93 (58)
∞ Board of Ed Policy Benchmark	5.89 (12)	1.86 (64)	5.28 (16)	-2.20 (79)	8.74 (13)	11.06 (23)	5.00 (28)	14.09 (55)	39.87 (12)	-30.26 (88)

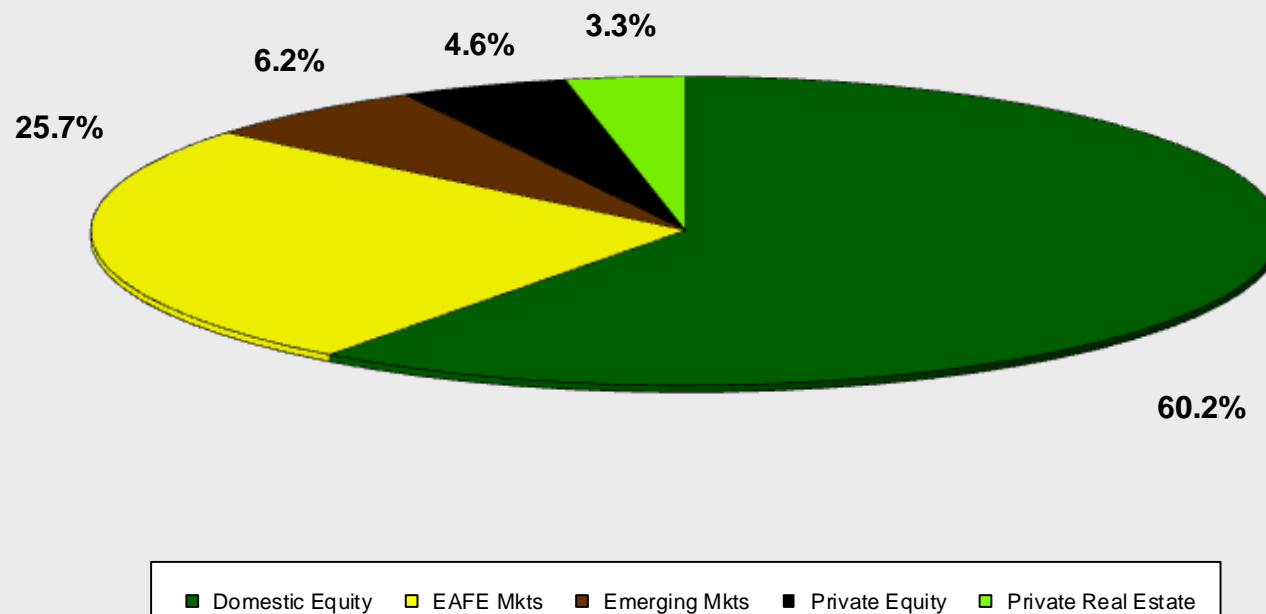
New York City
Board of Education Retirement System

Equity Analysis

Total Equity Asset Allocation: March 31, 2013

\$2.4B Under Management, **69%** of Total Funds

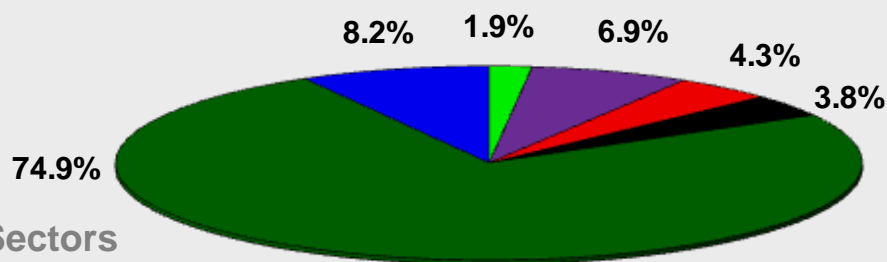
Asset Allocation by Groups



Total Domestic Equity Asset Allocation: Quarter Ending March 31, 2013

\$1.4B Under Management, **41%** of Total Funds

Asset Allocation by Groups



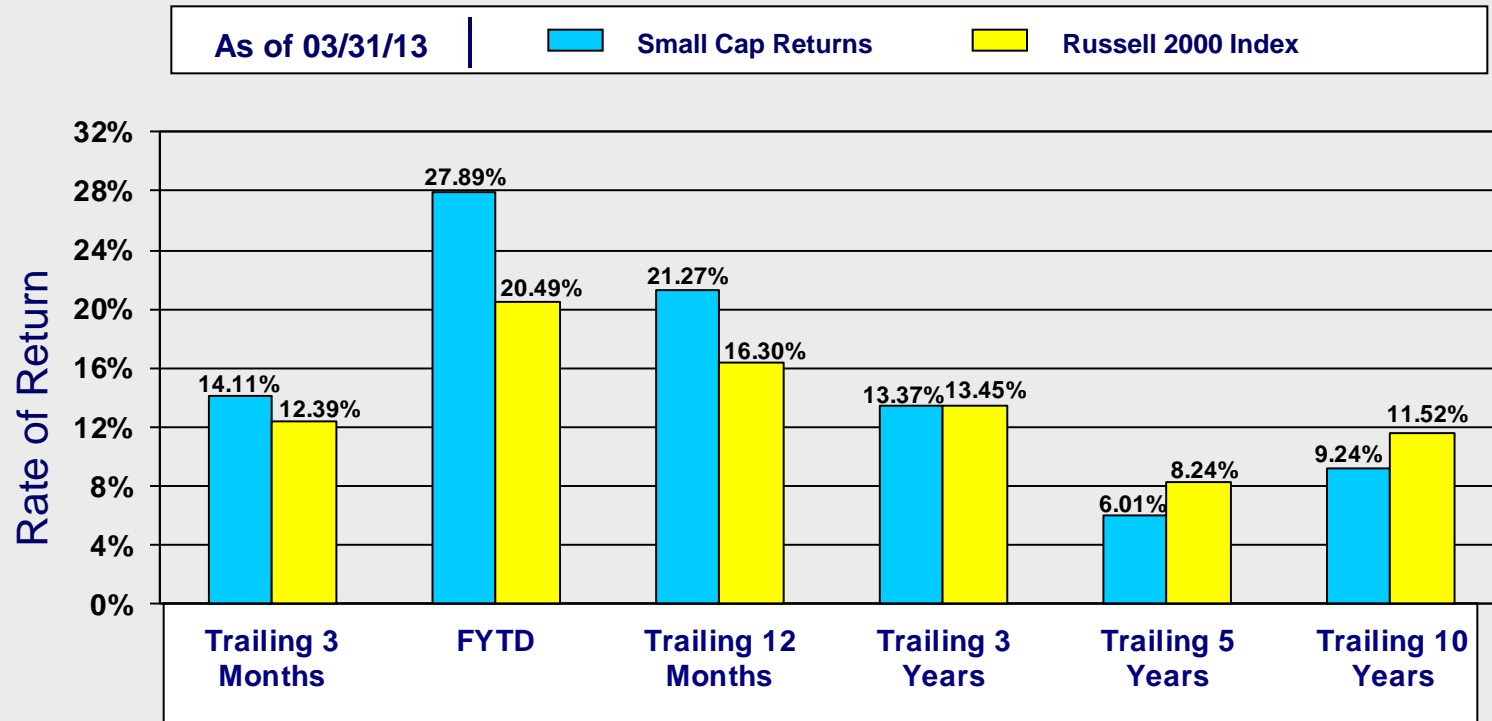
Value Added by Sectors

■ Small Cap Active
 ■ Mid Cap Active
 ■ Mid Cap S&P 400 Index
 ■ Russell 1000 Active
 ■ Russell 3000 Index Funds
 ■ Manager of Managers

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Small Cap Active	2.83	1.85	-0.98	12.39	14.11	1.72	-0.01	0.03
Mid Cap Active	7.25	6.92	-0.33	13.45	13.68	0.23	-0.08	0.02
Mid Cap S&P 400 Index	3.75	4.27	0.52	13.45	13.42	-0.03	0.09	0.00
Russell 1000 Active	11.25	3.80	-7.45	10.96	11.93	0.97	0.00	0.27
Russell 3000 Index Funds	67.42	74.94	7.52	11.07	11.05	-0.02	0.00	-0.01
Manager of Managers	7.50	8.23	0.73	11.07	11.13	0.05	0.00	0.00

Small Cap Returns vs Russell 2000 Index

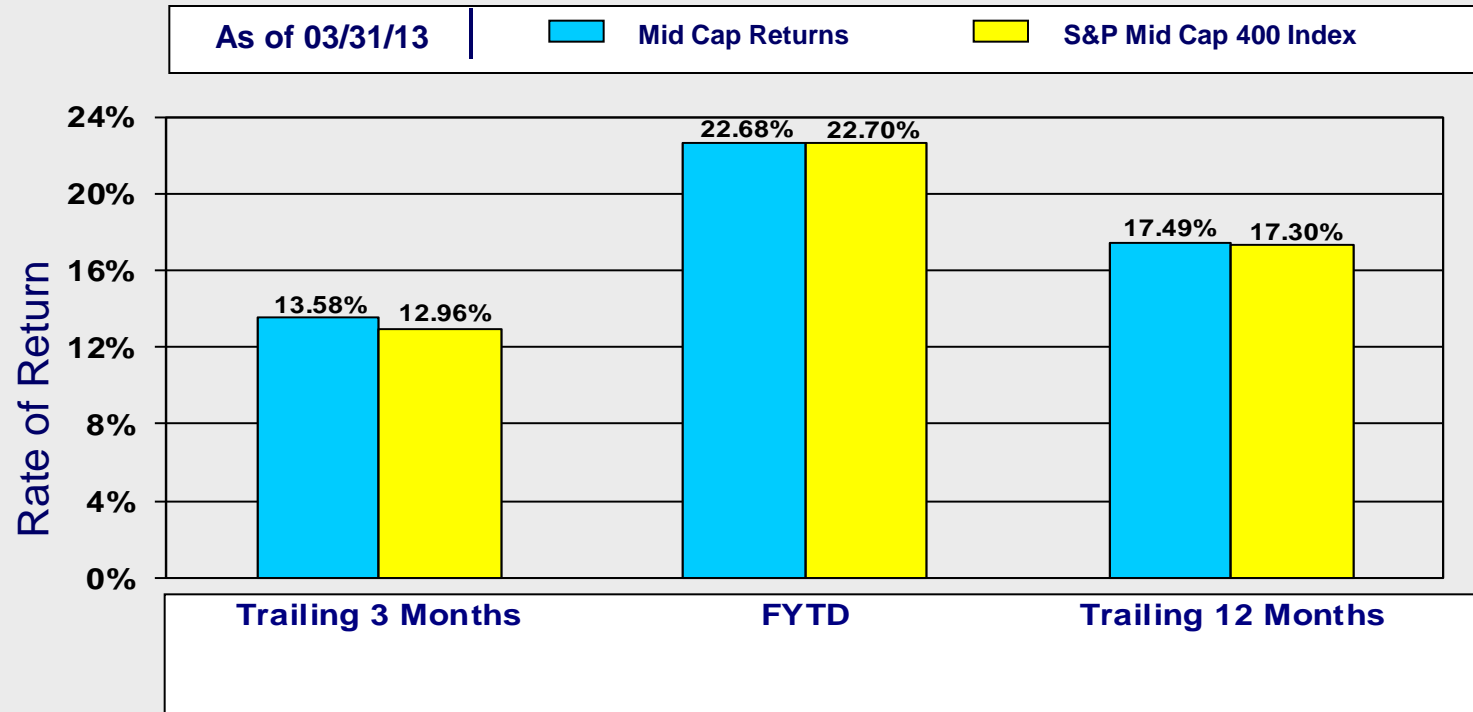
\$26M Under Management, **1%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	21.1	23.9	19.5
Benchmark Std Dev	19.8	24.2	20.0

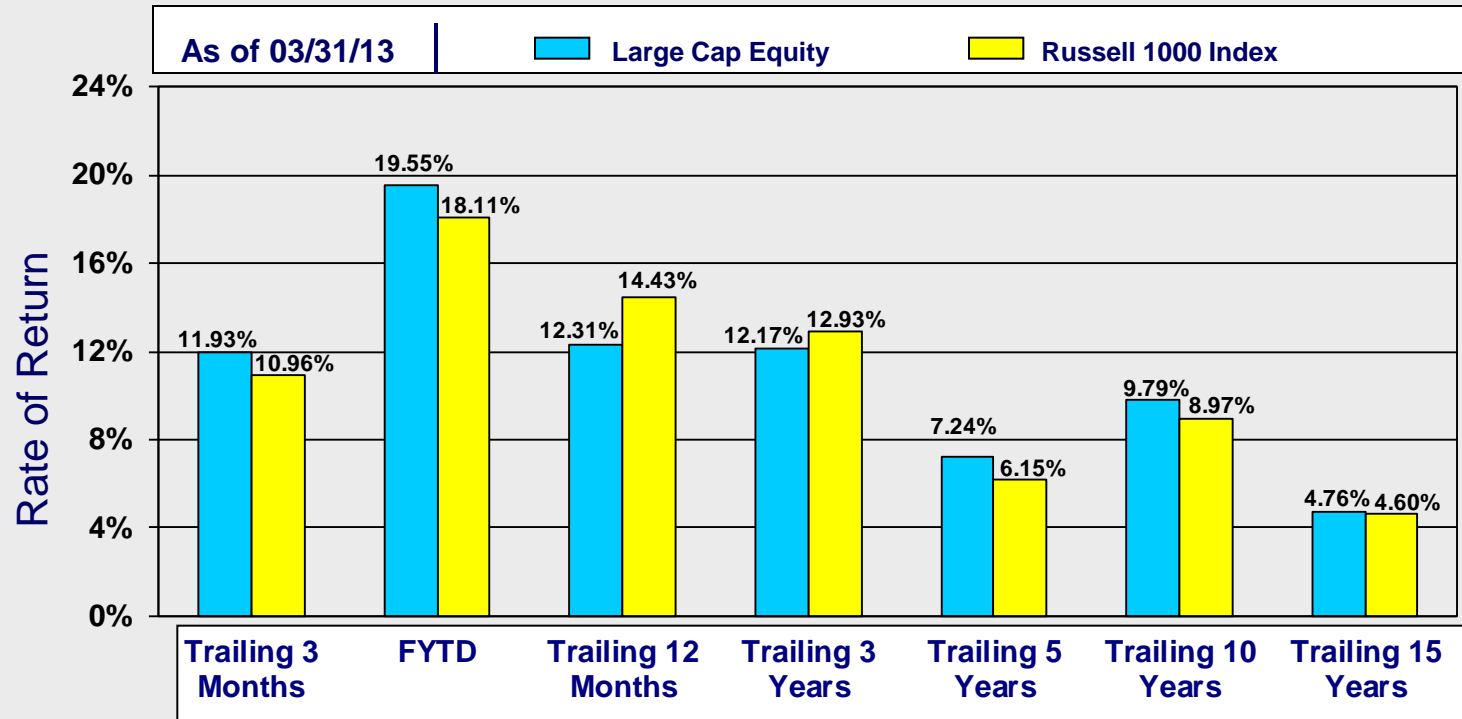
Mid Cap Returns vs Russell MidCap Index

\$160M Under Management, **5%** of Total Funds



Large Cap Returns vs Russell 1000 Index

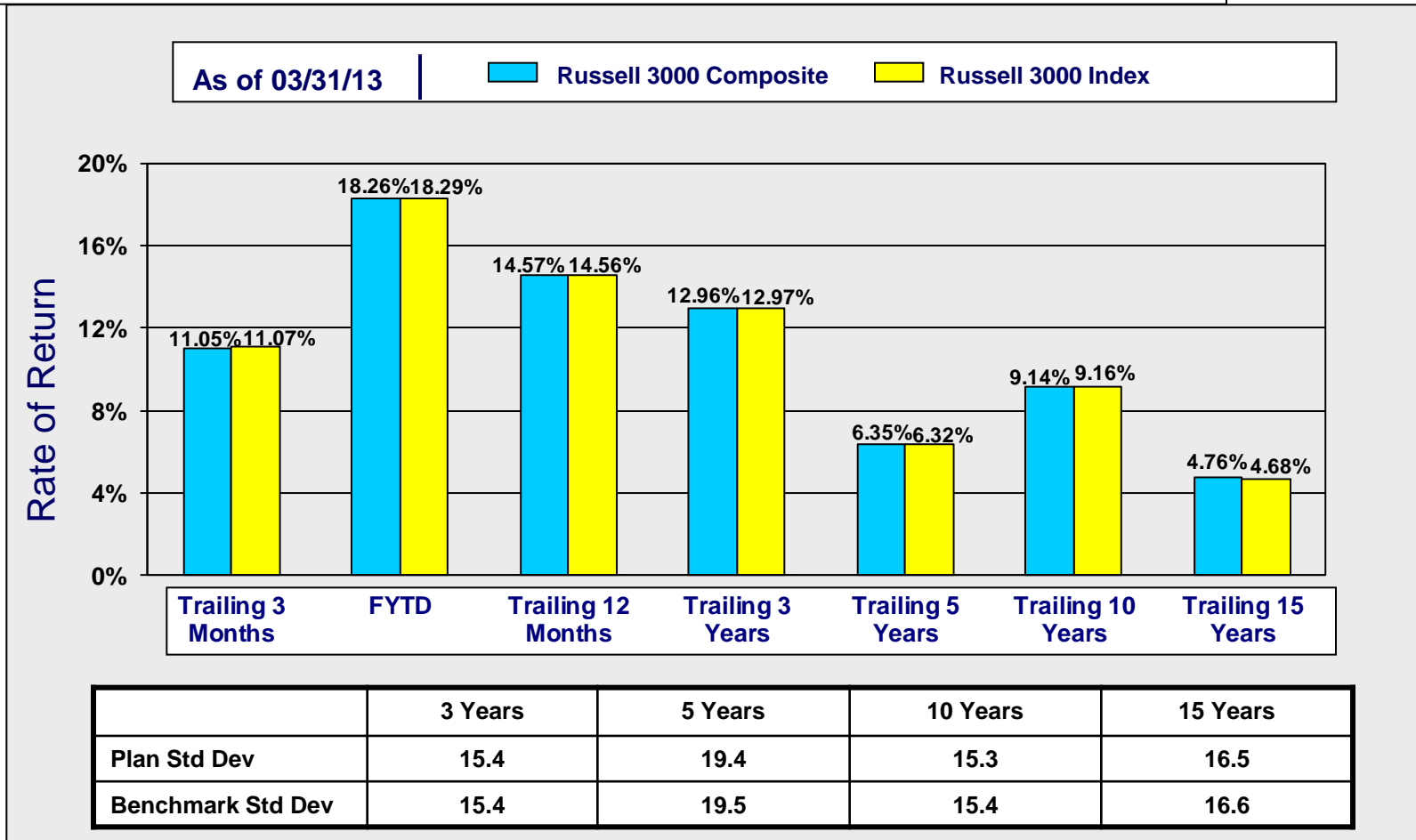
\$54M Under Management, **2%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.9	19.7	15.8	20.3
Benchmark Std Dev	15.1	19.2	15.1	16.4

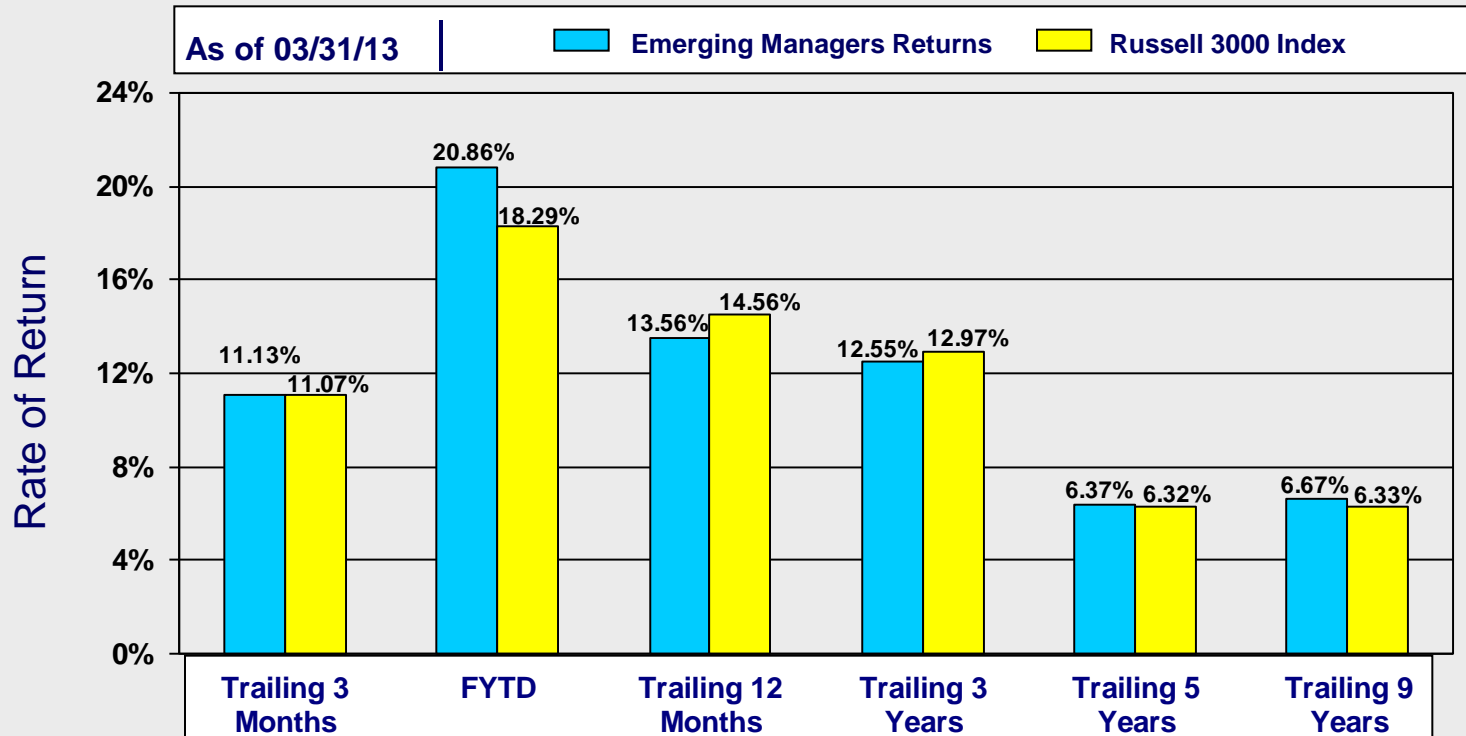
Russell 3000 Passive Returns vs Russell 3000 Index

\$1.1B Under Management, **31%** of Total Funds



Emerging Managers Returns vs Russell 3000 Index

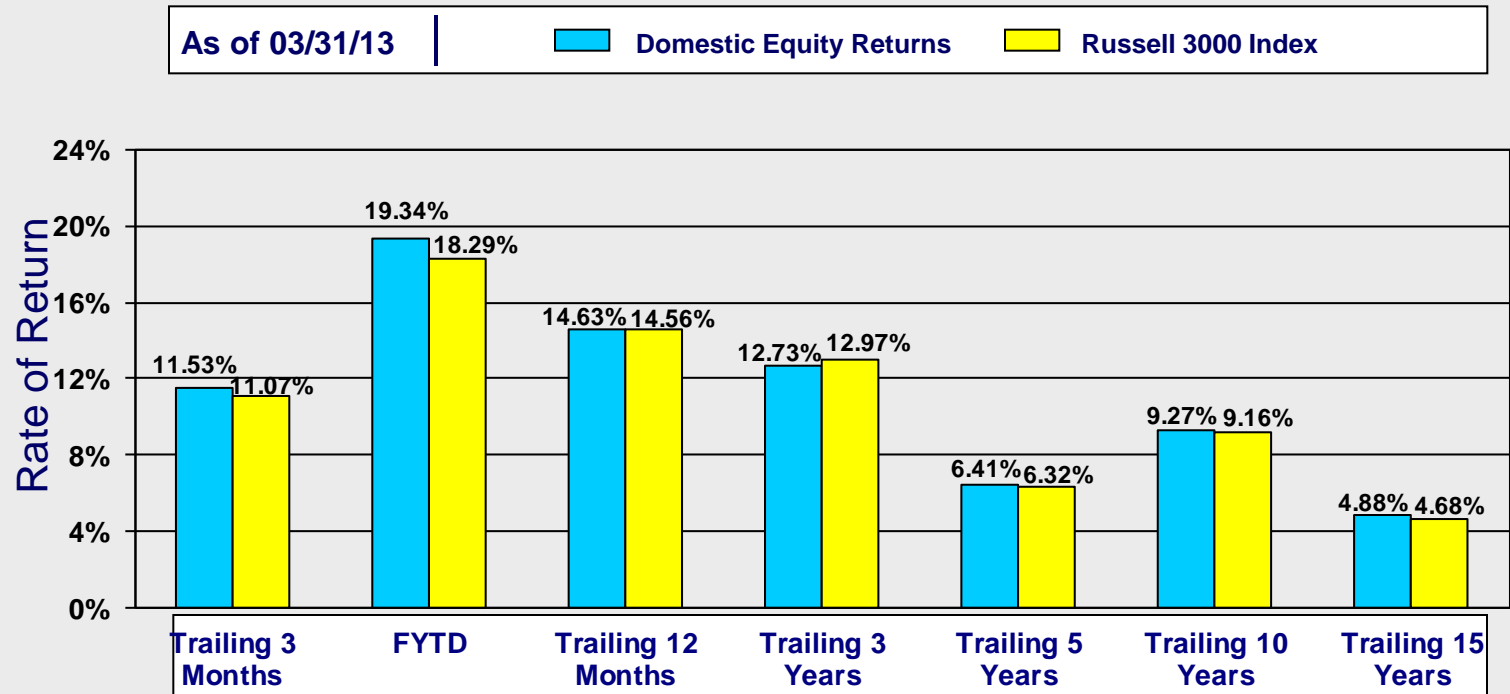
\$118M Under Management, **3%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	17.2	20.7	16.8
Benchmark Std Dev	15.4	19.5	15.7

Total Domestic Equity Returns vs Russell 3000 Index

\$1.4B Under Management, **41%** of Total Funds

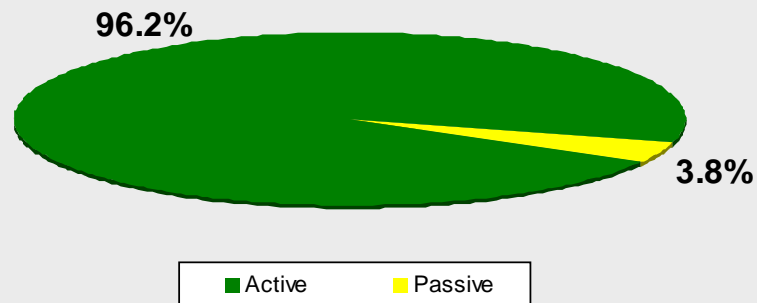


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.0	19.8	15.6	16.8
Benchmark Std Dev	15.4	19.5	15.4	16.6

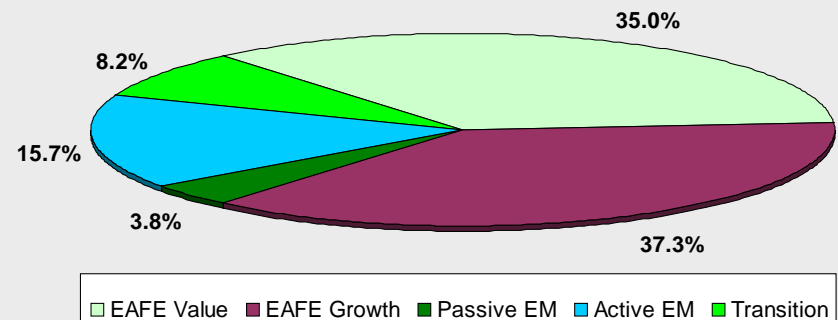
International Equity Asset Allocation: March 31, 2013

\$759M Under Management, **22%** of Total Funds

Asset Allocation by Groups



Asset Allocation by Style

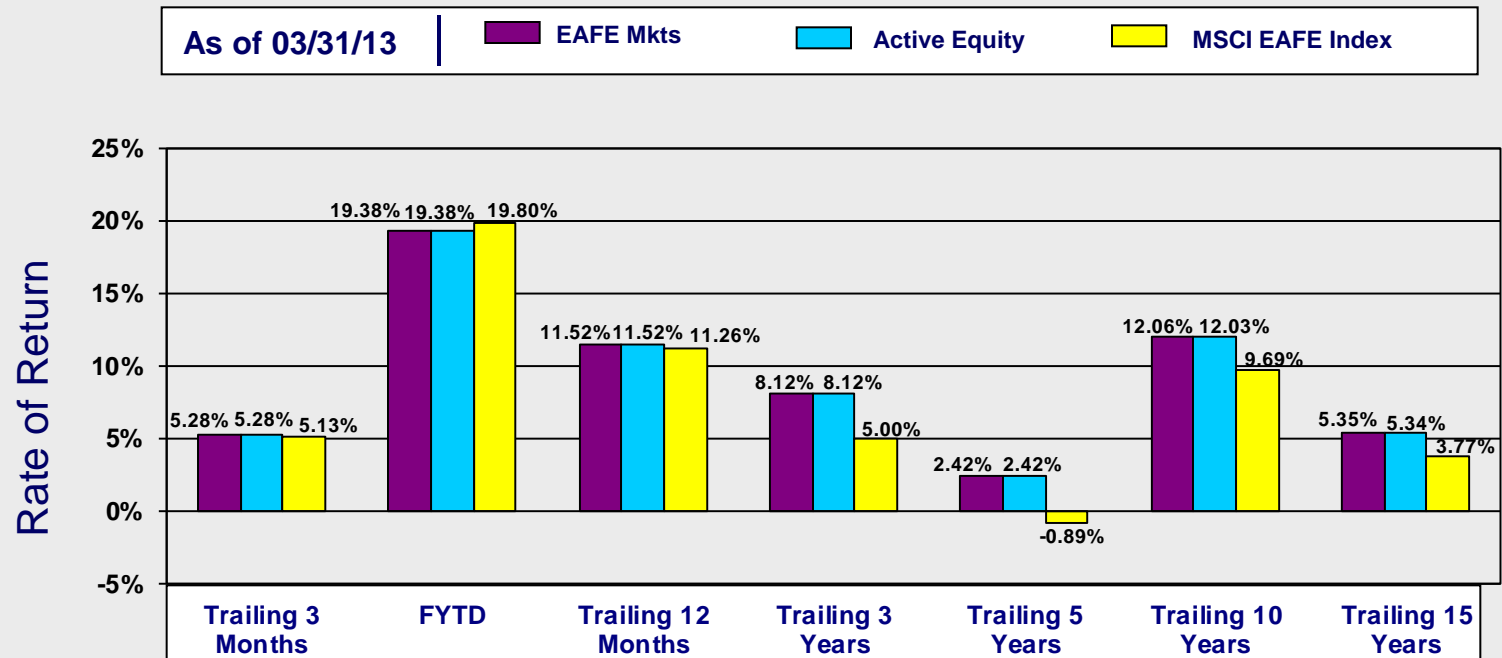


Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
EAFE Growth		37.31		6.81	5.47	-1.35		0.28
EAFE Value		35.04		3.63	4.32	0.68		-0.50
ACTIVE EM		15.67		-1.57	-1.61	-0.04		0.38
PASSIVE EM		3.81		-1.57	-1.60	-0.03		0.00
Transition		8.17		N/A	N/A	N/A		N/A

EAFE Markets Returns vs MSCI EAFE Index

\$611M Under Management, **18%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	18.8	23.1	18.3	18.1
Active Plan Std Dev	18.8	23.1	18.3	18.3
Benchmark Std Dev	19.1	23.0	18.3	17.9

International Growth Returns vs MSCI EAFE Growth Index

\$283M Under Management, **8%** of Total Funds

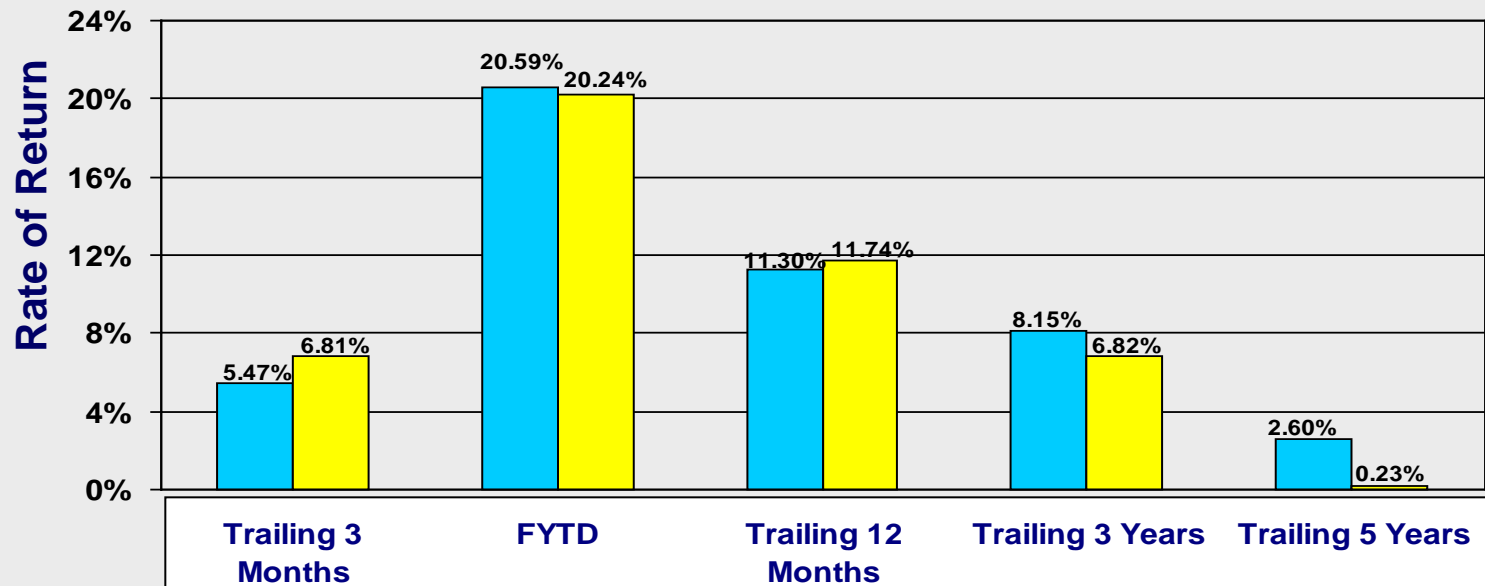
As of 03/31/13



International Growth Returns



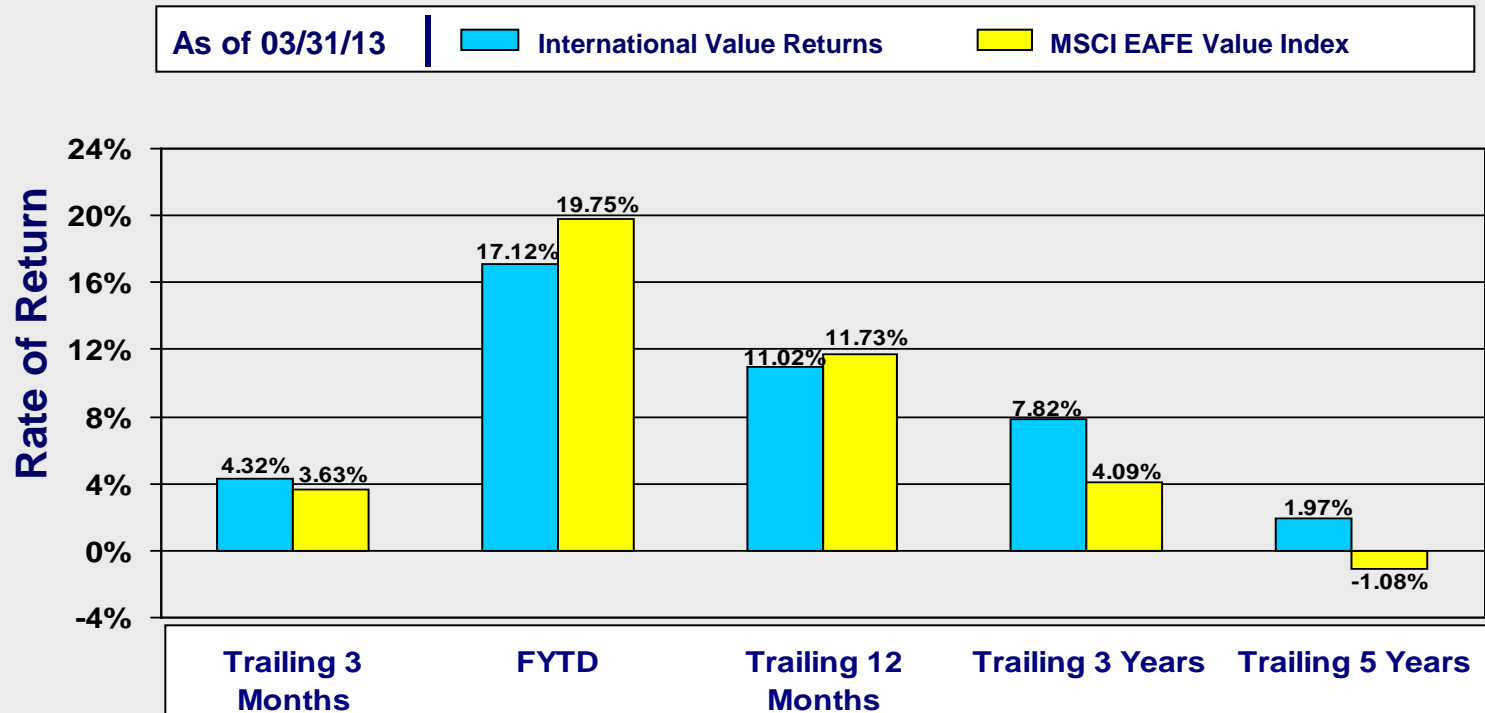
MSCI EAFE Growth Index



	3 Years	5 Years
Plan Std Dev	20.3	25.1
Benchmark Std Dev	18.5	22.1

International Value Returns vs MSCI EAFE Value Index

\$266M Under Management, **8%** of Total Funds



	3 Years	5 Years
Plan Std Dev	17.3	21.1
Benchmark Std Dev	20.0	24.5

Emerging Markets Returns vs MSCI Emerging Markets Index

\$148M Under Management, **4%** of Total Funds

As of 03/31/13

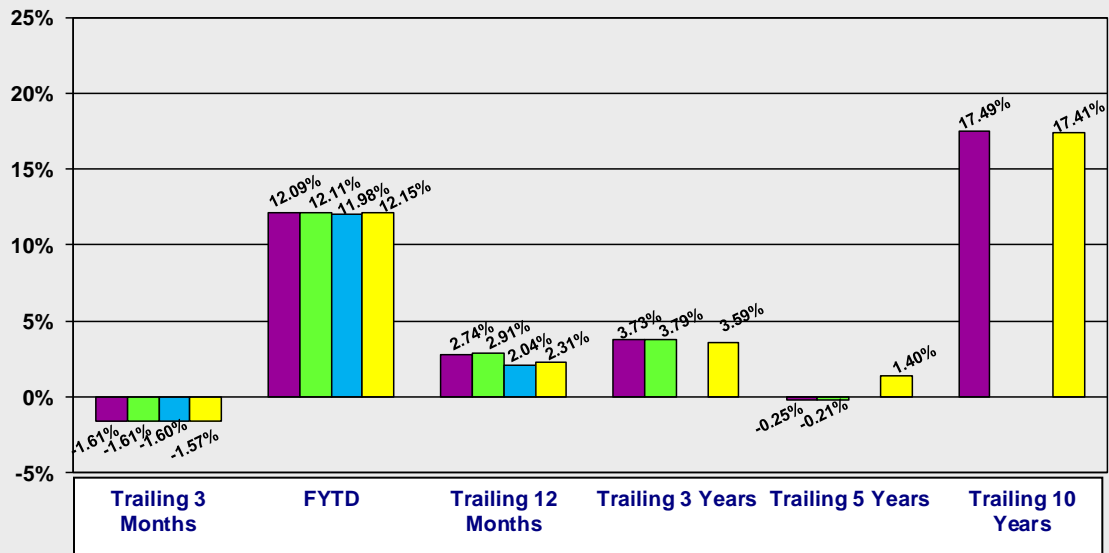
Emerging Mkts Returns

Active Equity

Passive Equity

MSCI Emerging Mkts Index

Rate of Return



	3 Years	5 Years	10 Years
Plan Std Dev	21.6	28.1	24.1
Active Plan Std Dev	21.7	28.2	****
Passive Plan Std Dev	****	****	****
Benchmark Std Dev	20.8	28.0	24.0

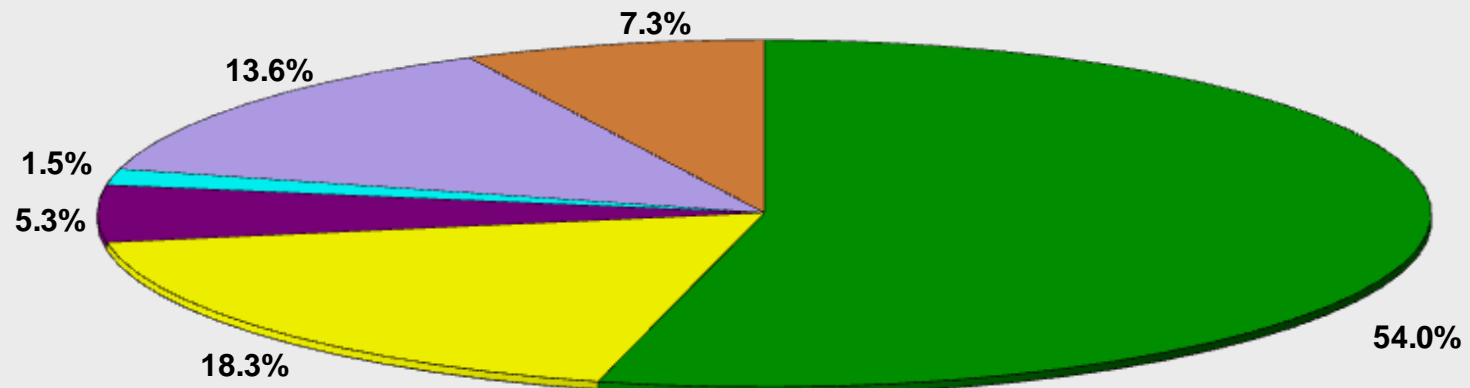
New York City
Board of Education Retirement System

Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2013

\$1.1B Under Management, **31%** of Total Funds

Asset Allocation by Groups

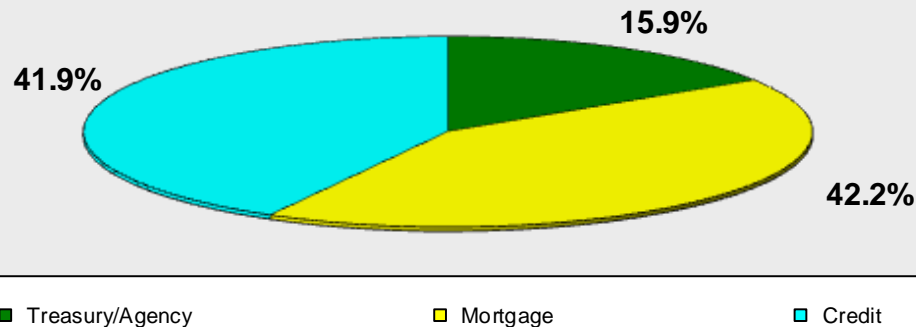


■ Structured Fixed Income ■ Enhanced Yield ■ Short Term Investments ■ ETI ■ Tips Managers ■ Bank Loans

Structured Fixed Income Asset Allocation: Quarter Ending March 31, 2013

\$577M Under Management, **17%** of Total Funds

Asset Allocation by Groups



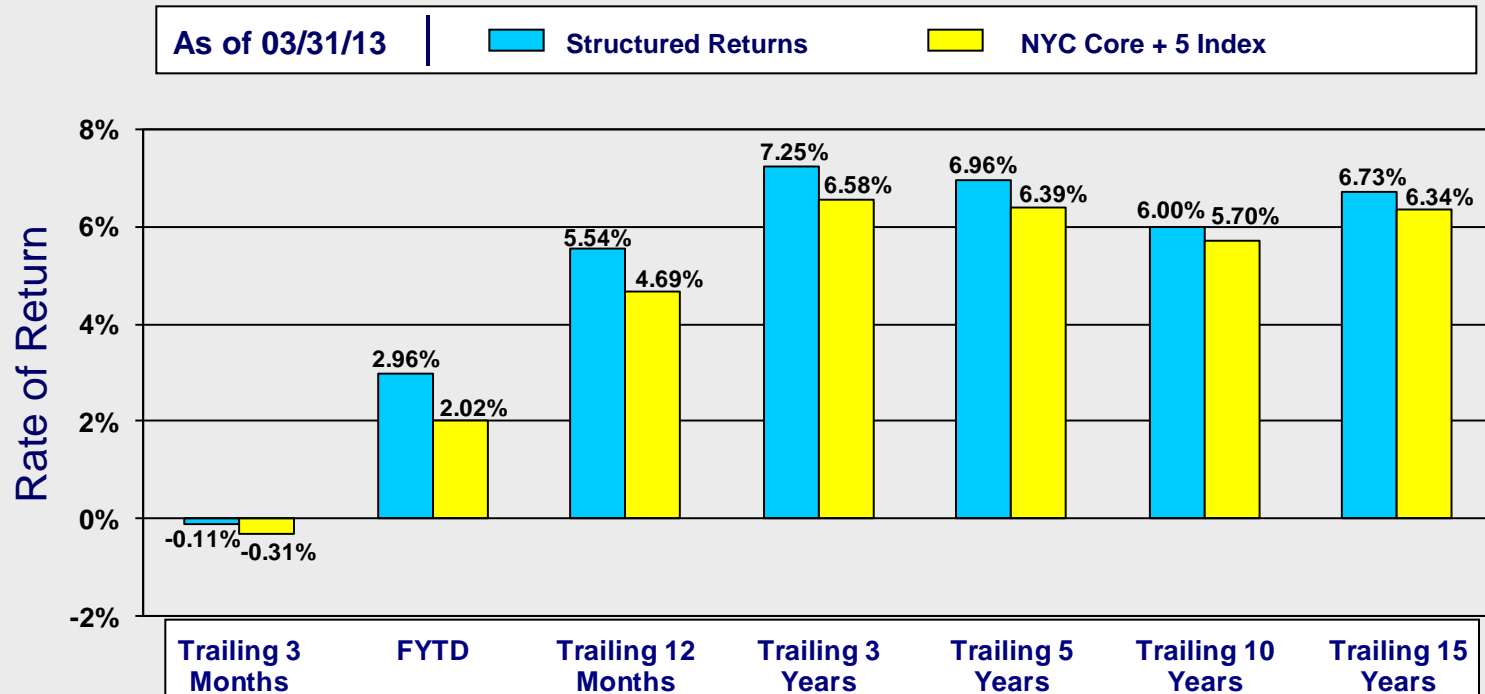
Asset Allocation by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	19.14	15.91	-3.23	-0.75	-0.86	-0.11	0.02	-0.02
Mortgage	40.07	42.16	2.09	-0.04	0.08	0.12	0.01	0.05
Credit	40.79	41.93	1.14	-0.36	-0.01	0.35	0.00	0.15

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

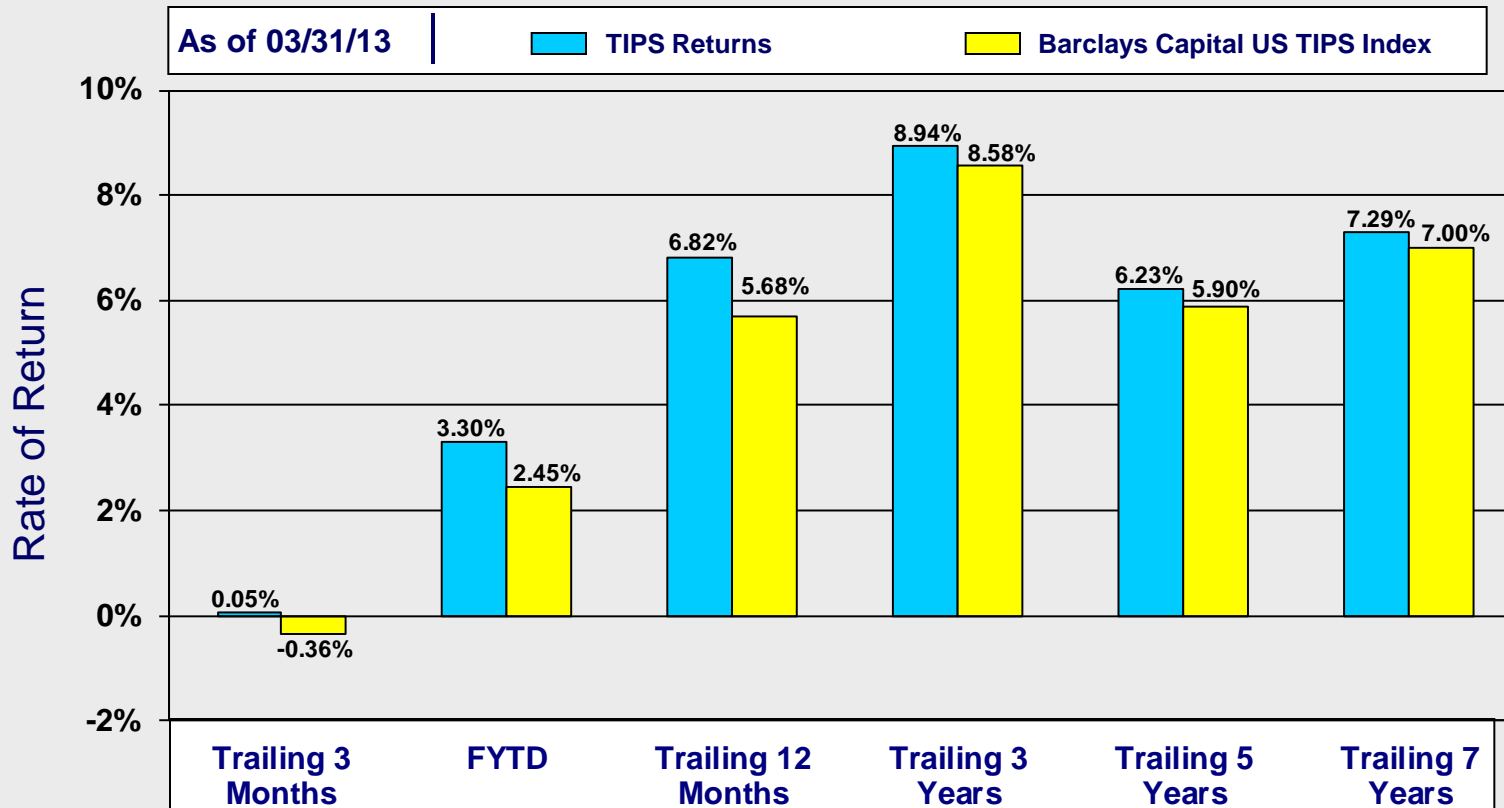
\$577M Under Management, **17%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	2.7	4.2	4.0	3.9
Benchmark Std Dev	2.9	4.4	4.2	4.1

TIPS Returns vs Barclays Capital US TIPS Index

\$146M Under Management, **4%** of Total Funds



	3 Years	5 Years	7 Years
Plan Std Dev	4.1	7.3	6.7
Benchmark Std Dev	4.3	7.1	6.6

Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index

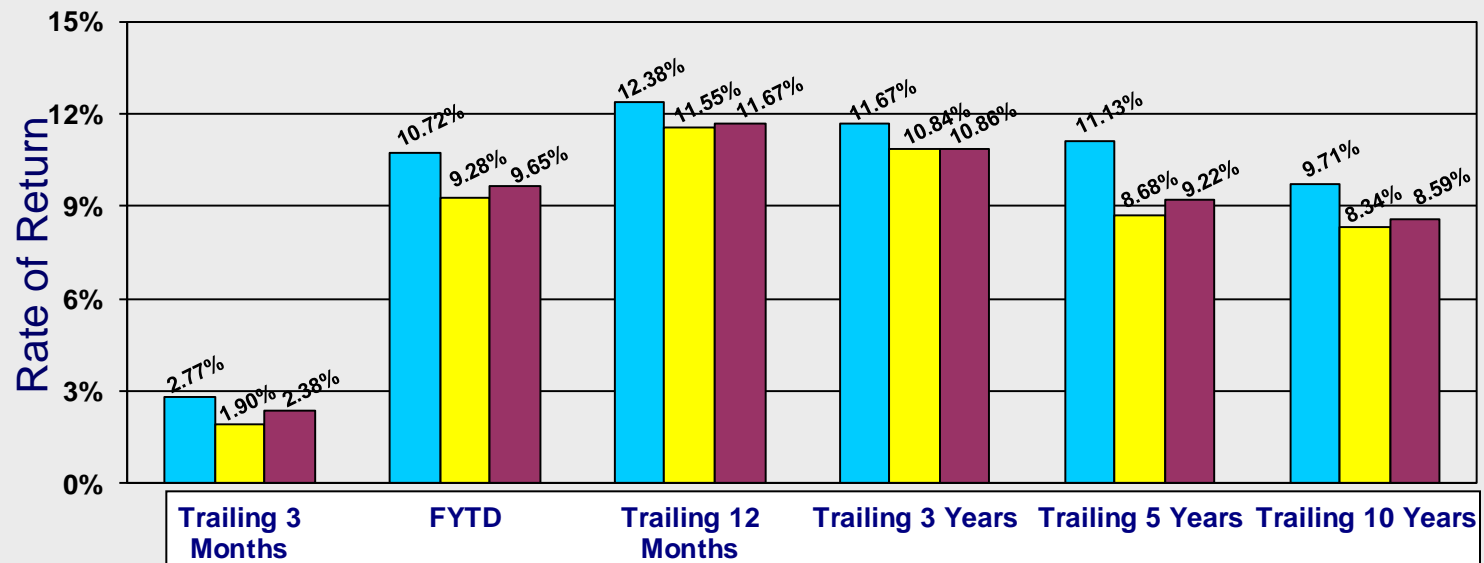
\$195M Under Management, **6%** of Total Funds

As of 03/31/13

Enhanced Yield

Citigroup BB& B Index

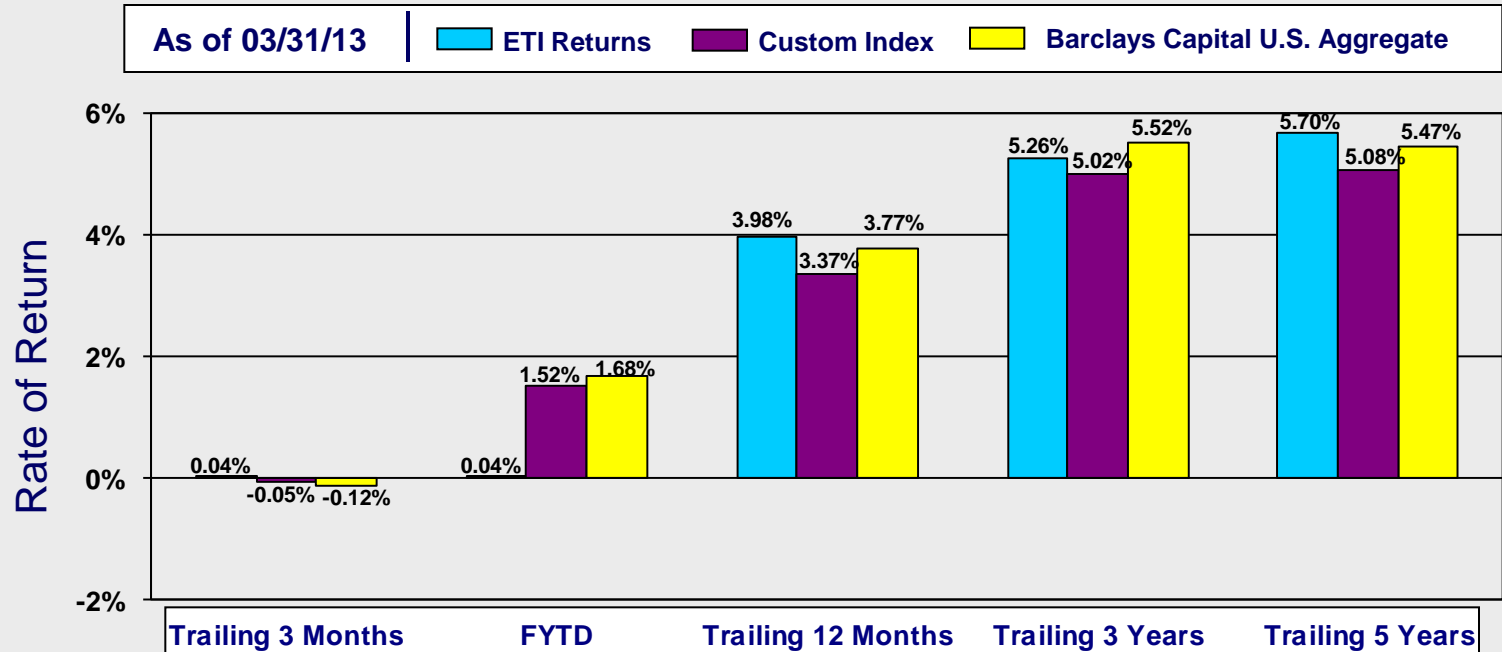
Citigroup BB& B Capped Index



	3 Years	5 Years	10 Years
Plan Std Dev	6.5	11.2	8.7
Citigroup BB&B	6.0	11.7	9.0
Citigroup BB&B Capped	5.9	11.4	8.7

ETI Returns vs Custom Index & Barclays Capital U.S. Aggregate

\$16M Under Management, **0.46%** of Total Funds



	3 Years	5 Years
Plan Std Dev	1.8	2.6
Custom Index Std Dev	2.1	2.9
BC US Aggreg Std Dev	2.4	3.5

Note: Returns (shown net of fees) and Market Value do not include cash

New York City
Board of Education Retirement System

Appendix

Consolidated Performance Report

Through March 31, 2013

Assets (\$MM)	% Total		3 Mos Jan-13 Mar-13	YTD Jan-13 Mar-13	1 Yr Apr-12 Mar-13	3 Yrs Apr-10 Mar-13	5 Yrs Apr-08 Mar-13	10 Yrs Apr-03 Mar-13	15 Yrs Apr-98 Mar-13
EQUITY MANAGEMENT									
SMALL CAP									
26.41	0.77	DARUMA -SCC	14.11	14.11	21.27	13.37	****	****	****
26.41	0.77	TOTAL SMALL CAP CORE	14.11	14.11	21.27	13.37	****	****	****
		RUSSELL 2000	12.39	12.39	16.30	13.45	****	****	****
		SMALL CAP CORE MEDIAN	12.41	12.41	16.65	13.66	****	****	****
26.41	0.77	TOTAL SMALL CAP	14.11	14.11	21.27	13.37	6.01	9.24	****
		RUSSELL 2000	12.39	12.39	16.30	13.45	8.24	11.52	****
98.86	2.87	WELLINGTON MID CAP	13.68	13.68	17.30	****	****	****	****
98.86	2.87	TOTAL MID CAP CORE	13.68	13.68	17.30	****	****	****	****
		S&P MIDCAP 400	13.45	13.45	17.83	****	****	****	****
61.05	1.77	STATE STREET GA S&P 400	13.42	13.42	17.79	****	****	****	****
61.05	1.77	TOTAL MID CAP PASSIVE	13.42	13.42	17.79	****	****	****	****
		S&P MIDCAP 400	13.45	13.45	17.83	****	****	****	****
159.91	4.64	TOTAL MID CAP	13.58	13.58	17.49	****	****	****	****
		RUSSELL MIDCAP	12.96	12.96	17.30	****	****	****	****
LARGE CAP									
54.27	1.58	ZEVENBERGEN	12.01	12.01	3.22	8.96	7.86	11.59	5.36
		RUSSELL 3000 GROWTH	9.82	9.82	10.42	13.19	7.44	8.83	3.29
54.27	1.58	TOTAL LARGE CAP GROWTH	12.01	12.01	3.22	7.87	6.02	8.79	4.12
		LARGE CAP GROWTH MEDIAN	9.55	9.55	9.67	12.46	7.27	9.64	5.54
54.27	1.58	TOTAL LARGE CAP	11.93	11.93	12.31	12.17	7.24	9.79	4.76
		RUSSELL 1000	10.96	10.96	14.43	12.93	6.15	8.97	4.60
RUSSELL 3000									
1071.14	31.09	BLACKROCK R3000	11.05	11.05	14.57	12.96	6.35	9.14	****
1071.14	31.09	TOTAL RUSSELL 3000	11.05	11.05	14.57	12.96	6.35	9.14	4.76
		RUSSELL 3000	11.07	11.07	14.56	12.97	6.32	9.16	4.68

Consolidated Performance Report

Through March 31, 2013

Assets (\$MM)	% Total		3 Mos Jan-13 Mar-13	YTD Jan-13 Mar-13	1 Yr Apr-12 Mar-13	3 Yrs Apr-10 Mar-13	5 Yrs Apr-08 Mar-13	10 Yrs Apr-03 Mar-13	15 Yrs Apr-98 Mar-13
PROGRESS MANAGERS									
8.07	0.23	AFFINITY IA	****	****	****	****	****	****	****
13.69	0.40	JOHN HSU -LCC	6.95	6.95	8.85	9.95	5.16	11.61	****
17.13	0.50	HERNDON CAPITAL MGMT-LCV	11.25	11.25	12.04	14.12	9.60	****	****
4.30	0.12	HIGH POINTE LLC -LCG	11.88	11.88	10.25	11.86	****	****	****
5.43	0.16	LOMBARDIA CAPITAL -SCV	12.93	12.93	15.96	13.82	11.19	****	****
4.60	0.13	NICHOLS ASSET MGMT -SCG	12.65	12.65	15.46	****	****	****	****
14.75	0.43	REDWOOD INV -LCG	8.54	8.54	4.58	****	****	****	****
17.31	0.50	SEIZERT CAPITAL PTNRS -LCV	13.57	13.57	23.24	****	****	****	****
85.28	2.48	TOTAL PROGRESS	10.68	10.68	12.36	11.77	6.21	9.32	****
		RUSSELL 3000	11.07	11.07	14.56	12.97	6.32	9.16	****
F.I.S. MANAGEMENT									
3.07	0.09	APEX SCG	10.56	10.56	****	****	****	****	****
7.52	0.22	CHANNING -SCV	12.14	12.14	24.40	****	****	****	****
1.97	0.06	CUPPS CAPITAL SCG	9.69	9.69	1.00	14.93	****	****	****
1.31	0.04	EUDAIMONIA -MICRO CG	16.03	16.03	16.27	15.56	****	****	****
3.48	0.10	HUBER CAP MGMT -SCV	13.68	13.68	25.79	****	****	****	****
3.88	0.11	NICHOLAS SCG	18.77	18.77	****	****	****	****	****
6.37	0.19	OPUS SCV	11.45	11.45	****	****	****	****	****
4.81	0.14	PUNCH SCC	9.32	9.32	****	****	****	****	****
32.40	0.94	TOTAL F.I.S FUND MGMT	12.33	12.33	16.84	14.74	6.80	****	****
		RUSSELL 2000	12.39	12.39	16.30	13.45	8.24	****	****
117.68	3.42	TOTAL EMERGING MANAGERS	11.13	11.13	13.56	12.55	6.37	****	****
		RUSSELL 3000	11.07	11.07	14.56	12.97	6.32	****	****
297.22	8.63	TOTAL ACTIVE DOMESTIC EQUITY	12.56	12.56	14.70	12.49	6.72	9.66	3.77
1132.19	32.87	TOTAL PASSIVE DOMESTIC EQUITY	11.19	11.19	14.75	12.94	6.33	9.16	5.09
1429.41	41.49	TOTAL DOMESTIC EQUITY	11.53	11.53	14.63	12.73	6.41	9.27	4.88

Consolidated Performance Report

Through March 31, 2013

Assets (\$MM)	% Total		3 Mos Jan-13 Mar-13	YTD Jan-13 Mar-13	1 Yr Apr-12 Mar-13	3 Yrs Apr-10 Mar-13	5 Yrs Apr-08 Mar-13	10 Yrs Apr-03 Mar-13	15 Yrs Apr-98 Mar-13
INTERNATIONAL EQUITY									
DEVELOPED MARKETS									
283.36	8.23	BAILLIE	5.47	5.47	11.30	8.15	2.60	****	****
		MSCI EAFE GROWTH	6.81	6.81	11.74	6.82	0.23	****	****
265.90	7.72	SPRUCEGROVE	4.32	4.32	11.02	7.82	1.97	****	****
		MSCI EAFE VALUE	3.63	3.63	11.73	4.09	-1.08	****	****
62.06	1.80	TRANSITION - EAFE REBALANCE	****	****	****	****	****	****	****
611.45	17.75	TOTAL ACTIVE DEVELOPED MARKETS	5.28	5.28	11.52	8.12	2.42	12.03	5.34
611.45	17.75	TOTAL DEVELOPED MARKETS	5.28	5.28	11.52	8.12	2.42	12.06	5.35
		MSCI EAFE (NET DIVIDEND)	5.13	5.13	11.26	5.00	-0.89	9.69	3.77
		INTERNATIONAL EQUITY MEDIAN	4.33	4.33	10.84	5.96	0.82	10.92	5.95
EMERGING MARKETS									
119.01	3.45	ACADIAN	****	****	****	****	****	****	****
0.02	0.00	TRANSITION - EMERGING MARKETS	****	****	****	****	****	****	****
119.03	3.46	TOTAL ACTIVE EMERGING MARKETS	-1.61	-1.61	2.91	3.79	-0.21	****	****
		MSCI EMERGING MARKET FREE	-1.57	-1.57	2.31	3.59	1.40	****	****
28.98	0.84	BLACKROCK EMERGING MARKETS	-1.60	-1.60	2.04	****	****	****	****
28.98	0.84	TOTAL PASSIVE EMERGING MARKETS	-1.60	-1.60	2.04	****	****	****	****
		MSCI EMERGING MARKET FREE	-1.57	-1.57	2.31	****	****	****	****
148.00	4.30	TOTAL EMERGING MARKETS	-1.61	-1.61	2.74	3.73	-0.25	17.49	9.17
		MSCI EMERGING MARKET FREE	-1.57	-1.57	2.31	3.59	1.40	17.41	8.69
		EMERGING MARKET MEDIAN	0.00	0.00	5.38	5.03	2.70	18.17	10.43
759.45	22.05	TOTAL INTERNATIONAL EQUITY	3.91	3.91	9.77	7.25	1.85	13.03	5.89

Consolidated Performance Report

Through March 31, 2013

Assets (\$MM)	% Total		3 Mos Jan-13 Mar-13	YTD Jan-13 Mar-13	1 Yr Apr-12 Mar-13	3 Yrs Apr-10 Mar-13	5 Yrs Apr-08 Mar-13	10 Yrs Apr-03 Mar-13	15 Yrs Apr-98 Mar-13
PRIVATE EQUITY INVESTMENTS									
14.80	0.43	FAIRVIEW PRIVATE EQUITY FD	****	****	****	****	****	****	****
50.79	1.47	MESIROW PTNRS FD III	****	****	****	****	****	****	****
18.32	0.53	MESIROW PTNRS FD IV	****	****	****	****	****	****	****
16.54	0.48	MESIROW PTNRS FD V	****	****	****	****	****	****	****
3.41	0.10	PLATINUM EQ PTNRS III	****	****	****	****	****	****	****
5.21	0.15	WARBURG PINCUS XI	****	****	****	****	****	****	****
109.07	3.17	TOTAL PRIVATE EQUITY	3.18	3.18	12.14	12.56	4.60	****	****
PRIVATE REAL ESTATE									
1.23	0.04	BROOKFIELD STRATEGIC RE PTNRS	****	****	****	****	****	****	****
6.48	0.19	FRANKIN TEMPLETON FD	****	****	****	****	****	****	****
19.20	0.56	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
50.40	1.46	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
77.30	2.24	TOTAL PRIVATE REAL ESTATE	0.26	0.26	11.26	****	****	****	****
2375.23	68.95	TOTAL EQUITY - PUBLIC & PRIVATE	8.11	8.11	12.73	10.67	4.71	10.21	5.17

Consolidated Performance Report

Through March 31, 2013

Assets (\$MM)	% Total		3 Mos Jan-13 Mar-13	YTD Jan-13 Mar-13	1 Yr Apr-12 Mar-13	3 Yrs Apr-10 Mar-13	5 Yrs Apr-08 Mar-13	10 Yrs Apr-03 Mar-13	15 Yrs Apr-98 Mar-13
		FIXED INCOME MANAGEMENT							
		GOVERNMENT							
91.83	2.67	STATE STREET	-0.86	-0.86	5.88	9.48	7.10	6.51	7.21
91.83	2.67	ALL TREASURY / AGENCY	-0.86	-0.86	5.88	9.48	7.10	6.35	7.07
		NYC - TREASURY AGENCY PLUS 5	-0.75	-0.75	5.96	9.55	6.95	6.37	7.12
		MORTGAGE							
243.34	7.06	PIMCO	0.08	0.08	3.20	5.37	5.97	5.59	6.38
		CITIGROUP MORTGAGE INDEX	-0.04	-0.04	1.93	4.26	5.20	5.03	5.76
		CREDIT							
129.95	3.77	PRUDENTIAL CREDIT	-0.13	-0.13	7.06	7.89	****	****	****
15.15	0.44	PRUDENTIAL PRIVEST	0.99	0.99	****	****	****	****	****
96.87	2.81	TAPLIN, CANADA	0.00	0.00	9.17	8.99	8.56	6.34	6.99
241.98	7.02	ALL INVESTMENT GRADE CREDIT	-0.01	-0.01	8.02	8.37	8.18	6.16	6.82
		NYC - INVESTMENT GRADE CREDIT	-0.36	-0.36	6.89	7.64	7.25	5.87	6.33
577.15	16.75	TOTAL STRUCTURED	-0.11	-0.11	5.54	7.25	6.96	6.00	6.73
		NYC - CORE PLUS FIVE	-0.31	-0.31	4.69	6.58	6.39	5.70	6.34
		ACTIVE TIPS MANAGERS							
145.98	4.24	PIMCO-TIPS-MTA	0.05	0.05	6.82	8.94	6.23	****	****
145.98	4.24	TOTAL ACTIVE TIPS MANAGERS	0.05	0.05	6.82	8.94	6.23	****	****
		BARCLAYS CAPITAL US TIPS INDEX	-0.36	-0.36	5.68	8.58	5.90	****	****
		ENHANCED YIELD							
104.38	3.03	LOOMIS SAYLES & CO	3.66	3.66	14.22	13.03	12.63	10.95	8.23
		NYC-LOOMIS (BofA ML-MST II 7-03/BB&B PRIOR)	2.89	2.89	13.10	10.91	11.33	9.80	7.08
90.85	2.64	SHENKMAN ENHANCED YIELD	1.76	1.76	****	****	****	****	****
195.23	5.67	ALL ENHANCED YIELD	2.77	2.77	12.38	11.67	11.13	9.71	6.35
		CITIGROUP BB & B	1.90	1.90	11.55	10.84	8.68	8.34	6.12
		CITIGROUP BB & B CAPPED	2.38	2.38	11.67	10.86	9.22	8.59	****
		ENHANCED YIELD MEDIAN	2.90	2.90	12.46	10.91	10.73	9.26	7.81

Consolidated Performance Report

Through March 31, 2013

Assets (\$MM)	% Total		3 Mos Jan-13 Mar-13	YTD Jan-13 Mar-13	1 Yr Apr-12 Mar-13	3 Yrs Apr-10 Mar-13	5 Yrs Apr-08 Mar-13	10 Yrs Apr-03 Mar-13	15 Yrs Apr-98 Mar-13
		BANK LOANS							
78.20	2.27	BABSON BL MTA	2.31	2.31	****	****	****	****	****
78.20	2.27	TOTAL BANK LOANS	2.31	2.31	****	****	****	****	****
		CREDIT SUISSE LEVERAGED LOAN INDEX	2.37	2.37	****	****	****	****	****
		ETI							
2.78	0.08	ACCESS/RBC	0.01	0.01	3.40	4.73	6.23	****	****
11.76	0.34	AFL-CIO HOUSING INV TRUST	-0.13	-0.13	3.92	5.31	5.56	****	****
0.12	0.00	CFSB-PPAR	1.50	1.50	8.52	7.84	7.72	****	****
0.29	0.01	CCD-PPAR	2.48	2.48	12.50	9.50	9.75	****	****
0.17	0.01	LIIF-PPAR	2.10	2.10	7.57	5.36	****	****	****
0.07	0.00	NCBCI-PPAR	2.26	2.26	10.26	7.59	****	****	****
0.81	0.02	CPC TERM LOAN	0.59	0.59	2.47	2.26	2.57	****	****
16.00	0.46	TOTAL ETI (WITH CASH)	0.03	0.03	3.94	5.04	5.54	4.74	4.87
		BERS CUSTOM ETI INDEX (NO CASH)	-0.05	-0.05	3.37	5.02	5.08	****	****
		BARCLAYS CAPITAL AGGREGATE	-0.12	-0.12	3.77	5.52	5.47	5.02	5.85
1069.24	31.04	TOTAL FIXED INCOME	0.62	0.62	6.23	7.39	6.96	6.28	6.47
0.45	0.01	SECURITIES LENDING	****	****	****	****	****	****	****
56.62	1.64	STATE STREET SHORT TERM	0.06	0.06	0.54	0.50	1.16	2.34	3.24
0.06	0.00	BNY-MELLON - CD	****	****	****	****	****	****	****
3444.92	100.00	TOTAL BOARD OF EDUCATION	5.68	5.68	10.60	9.63	5.60	9.00	5.86
		BOARD OF EDUCATION POLICY BENCHMARK	5.89	5.89	11.06	9.79	5.36	8.87	5.57

Actual And Estimated Fees

NEW YORK CITY BERS RETIREMENT SYSTEMS						
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2012 AND ESTIMATED FEES FOR FY 2013 UPDATED THROUGH SEPTEMBER 2012						
		Actual 2012		Estimates 2013		
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-2012 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2012 (\$MM)	BASIS POINTS	
US Equities		1,114	14.31	1,178	16.90	
Small Cap Active		25	64.23	22	63.55	
Small Cap Growth		-	-	-	-	
Small Cap Value		-	-	-	-	
Small Cap core		25	64.23	22	63.55	
Small Cap Fundamental Index		-	-	-	-	
Small/Mid Cap Active		-	-	-	-	
Small/Mid Cap Growth		-	-	-	-	
Small/Mid Cap Value		-	-	-	-	
Mid Cap Active		82	55.04	86	57.64	
Mid Cap Growth		-	-	-	-	
Mid Cap Value		-	-	-	-	
Mid Cap core		82	55.04	86	57.64	
Large Cap Active		142	22.00	150	24.25	
Large Cap Growth		47	23.63	49	23.31	
Large Cap Value		95	21.19	101	24.70	
Large Cap Core		-	-	-	-	
Large Cap Fundamental Index		-	-	-	-	
Active Emerging Managers (U.S.)		97	66.38	104	92.53	
Total US Active Equities		345	45.37	362	54.22	
Total US Passive Equities		769	0.36	816	0.36	
Opportunistic US Equity Strategies		-	-	-	-	
International Equities		693	24.03	739	31.21	
Active EAFE Equities		561	21.18	599	27.95	
Growth		305	20.36	328	27.07	
Value		256	22.15	271	29.00	
Core		-	-	-	-	
Opportunistic-Non US Equity Strategies		-	-	-	-	
Active Emerging Markets		106	43.44	112	55.00	
Total Int'l Active Equities		667	24.72	711	32.21	
Total Int'l Passive Equities		26	6.33	28	5.73	
REITS Passive Index		-	-	-	-	

Actual And Estimated Fees

NEW YORK CITY BERS RETIREMENT SYSTEMS ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2012 AND ESTIMATED FEES FOR FY 2013 UPDATED THROUGH SEPTEMBER 2012						
		Actual 2012		Estimates 2013		
INVESTMENT STYLE (FIXED INCOME)		MARKET VALUE 06-30-2012 (\$MM)	BASIS POINTS		MARKET VALUE 09-30-2012 (\$MM)	BASIS POINTS
Fixed Income		981	9.82		1,073	13.56
Structured Program		546	8.55		560	6.66
Government Sector		92	4.51		93	5.00
Mortgage Sector		239	11.35		244	6.10
Investment Grade Credit Sector		215	7.17		224	7.95
Global Fixed Income		-	-		-	-
Progress Fixed Emerging Managers		-	-		-	-
TIPS		73	10.16		145	10.00
Active TIPS		73	10.16		145	10.00
Passive TIPS		-	-		-	-
Opportunistic Fixed Income		-	-		-	-
Enhanced Yield		176	20.82		185	32.81
Bank Loans		-	-		75	36.11
Convertible Bonds		-	-		-	-
Targeted - Access Voyageur		3	26.75		3	27.90
Targeted - AFL-CIO		12	41.41		12	44.00
Other ETI Programs		2	-		2	-
In-House Short Term		170	0.00		92	0.00
Total Public Markets		2,789	15.15		2,990	19.24
INVESTMENT STYLE (PRIVATE)						
Hedge Funds		-	-		-	-
Private Equity Investments *		97	115.60		100	132.57
Private Real Estate Investments		63	106.62		68	108.36
Total Private Markets		160	112.05		169	122.27
Total Overall		2,949	20.41		3,158	24.77
* Private Equity Investments exclude GP CARRY						

Securities Lending Income

Through March 31, 2013

	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>EQUITY</u>
1989*	\$70,000	--	--
1990	79,000	--	--
1991	111,000	--	--
1992	122,000	\$11,000	--
1993	79,000	32,000	\$15,000
1994	93,000	77,000	20,000
1995	112,000	93,000	12,000
1996	99,000	76,000	27,000
1997	101,000	126,000	40,000
1998	111,000	170,000	60,000
1999	159,000	263,000	100,000
2000	193,000	310,000	97,000
2001	295,000	208,000	159,000
2002	209,000	143,000	152,000
2003	153,000	158,000	195,000
2004	226,000	255,000	174,000
2005	384,000	479,000	217,000
2006	303,000	734,000	246,000
2007	593,000	1,208,000	272,000
2008	2,514,000	2,266,000	451,000
2009	698,000	1,416,000	367,000
2010	246,000	729,000	326,000
2011	340,000	943,000	599,000
2012	516,000	1,144,000	495,000
2013 (3 Months)	101,000	358,000	88,000
<u>Since Inception</u>	<u>\$7,907,000</u>	<u>\$11,199,000</u>	<u>\$4,112,000</u>

Note: Inception 4/89

Footnotes

Through March 31, 2013

- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
- Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
- Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
- Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
- Effective 7/1/03, the “NYC-Loomis” benchmark index for the Loomis Sayles Enhanced Yield portfolio reflects a change from the Citigroup BB&B Index to the more appropriate BofA Merrill Lynch High Yield Master II Index.
- Effective 7/1/09, the Core+5 program was restructured.
 - The U.S. Gov’t sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov’t Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.
 - The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.
 - There were no changes to the Mortgage sector Index.
 - The total Core+5 results and benchmark returns combine the three sectors. Historical total Core+5 returns continue to include the old Corporate and Yankee sector returns.

Glossary of Terms

Through March 31, 2013

General Notes

- All Returns are Gross of investment advisory fees unless otherwise indicated.

Page Specific

Page 18- Portfolio Asset Allocation

- Rebalancing Ranges: the minimum and maximum weights that actual Asset Allocation may reach before rebalancing between Asset Classes is necessary.

Glossary of Terms

Through March 31, 2013

Page 19- Performance Attribution: Total Plan

- Plan Return At Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 * Target Weight) plus (Return Of Asset Class 2 * Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights.
- **Management Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**
The “policy index” is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, of for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.
The indexes and most recent policy weights are as follows:
*U.S. Equity: Russell 3000 * 42.60%*
*International Developed (EAFE) Markets: MSCI EAFE * 17%*
*International Emerging Markets: MSCI Emerging Markets * 5%*
*Private Equity: Russell 3000 + 300 b.p. per annum * 3.16%*
Private Real Estate: NFI - ODCE Net +100 b.p. 2.24%*
*Domestic Fixed Income: NYC Core +5 * 17%*
*TIPS: Barclays Capital U.S. TIPS * 5%*
*Enhanced Yield: Citigroup BB&B * 5.50%*
*Bank Loans: Credit Suisse Leveraged Loan * 2.50%*

Glossary of Terms

Through March 31, 2013

Page 23 - Management Effect - Asset Class Breakdown

- This chart aims to break down the Management Effect shown on the Performance Attribution pages. The aim of the Page is to show the asset classes where Managers are either out performing or under performing their benchmark and to show the basis point effect that this is having on Plan performance.

Page 28- Domestic Equity Asset Allocation

- **Value Added By Sectors:** This disaggregates out-performance or under-performance by Asset Allocation and Management Effect.
- **Implied Policy** = Retirement's System Asset Allocation.
- **Implied Return** = Benchmark Return
- **Allocation** = the Contribution to Performance resulting from an overweight or underweight to an asset class. *E.g. an underweight to an Asset Class that under-performs rests in a positive Allocation Effect and vice versa.*
- **Management** = Contribution to Performance from security selection versus the Benchmark, e.g., *If the managers Actual Returns are higher than the Implied Return there will be a positive Management Effect.*

Page 42 – Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 46 – ETI Returns vs Custom Index and Barclays Capital U.S. Aggregate

- ETI has implemented a Custom Benchmark to better track the performance of the individual ETI programs relative to their respective benchmarks. The Custom Benchmark represents the weighted average return of the individual benchmark indexes for each program, updated monthly. The indexes are as follows:
- AFL-CIO Housing Inv Trust: Barclays Capital U.S. Aggregate Bond Index
- CPC Term Loan: 30 Day Libor + 200 bps per annum (with a floor of 250 bps)
- PPAR: Citigroup GNMA + 65 bps per annum
- Access/RBC: 60% BofA Merrill Lynch 30 yr Mortgage Index plus 40% BofA Merrill Lynch US Treasury 1-10yr Index