

New York City  
Board of Education Retirement System  
Performance Overview as of March 31, 2015

# Total Fund Overview

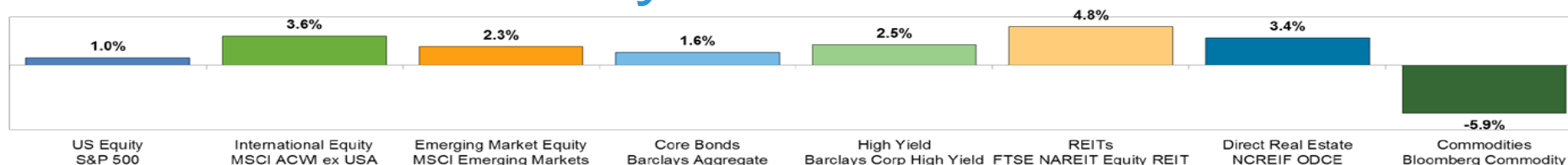
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## **New York City Board of Education Retirement System**

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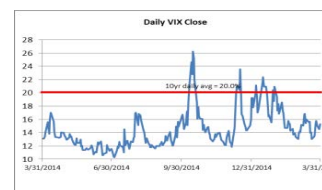
## Market Commentary



### Market Themes

- The Q1 market environment was similar to that of the previous quarter; equity market strength continued and was accompanied by low interest rates. Global equity markets continued to set new records, including the US, where the S&P 500 briefly breached the 2100 level, though only returned 1.0% for the quarter. While consensus economist forecasts continued to predict a higher Fed Funds target this year, the Fed Funds futures markets appeared to be less certain and priced in less than a 60% probability of a 0.50% or higher Fed Funds rate by year end.
- Initial Q1 GDP estimates fell short of consensus forecasts, and the economy only grew an annualized 0.2%. Cold weather was already expected to dampen growth, but additional pressures were seen from a stronger US dollar (which weighed on exports) and low oil prices (which brought energy sector investment to a halt). The slowdown is widely expected to be temporary, as consensus forecasts predict 3.0% annualized growth for the remainder of 2015.
- Non-farm payrolls averaged about 232,000 for the first two months of the year but declined to 126,000 in March. Weather conditions were seen playing a role in the diminished number, as did declines in oil industry-related employment. The unemployment rate improved slightly during the quarter, dropping to 5.5% versus 5.6% at year end.
- CPI for the 12 months ended March 31 registered a slight decline due to tumbling oil prices. Excluding the volatile food and energy components; however, core inflation remained steady at a 1.7% annualized rate. While somewhat lower than ideal, it is consistent with the average core monthly inflation rate for the past 12 months. Oil prices have apparently stabilized and mostly settled within a trading range of \$55-\$60/barrel.
- Looking internationally, Q1 was marked by several key events, including the introduction of full-on quantitative easing by the European Central Bank and the end of the Swiss franc's peg to the euro. Negative interest rates began to emerge among sovereign debt across Europe. These events also contributed to continued currency market volatility and fueled demand for US dollars from abroad.
- Greece again lurched closer to default and possible exit from the euro (Grexit). This drove down sovereign bond yields lower in so-called "safe haven" countries, such as Germany and Switzerland.

### Domestic Equity



- The S&P 500 set new records during the quarter. Although January was weak, equities rebounded in February and March. The S&P 500 returned 1.0% for the quarter.
- Health care and consumer discretionary were the best performing sectors and rose 7% and 5%, respectively. M&A activity boosted the two sectors, as did strong earnings among individual names. Utilities was the worst performer and lost -5%. An intra-quarter spike in yields hurt the sector, but utilities failed to recover as rates settled back to lower levels.

- Large-cap stocks lagged and returned less than 1% for the quarter. This is compared to a 4% return for small- and mid-cap stocks. A stronger US dollar negatively influenced earnings for mega-cap multinationals, as their goods and services were made comparatively more expensive to foreign buyers.

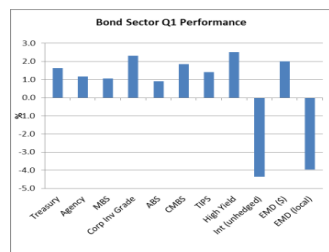
### International Equity

- International Equity** returns to US investors outpaced the S&P 500 despite continuing strength of the US dollar. The MSCI ACWI ex US returned about 4% in Q1. In local currency terms, the index return was more than double at 9%.
- Japan and Germany were among the better performers in USD terms with returns of 10% and 8%, respectively. European equities surged due to improving economic data, a weaker euro, and quantitative easing. Greece was an outlier and lost -29% on the renewed possibility of a "Grexit." While such an event would be negative for Europe, fear is noticeably lessened compared to 2012. There is decreased systemic exposure to Greek debt and steps have already been taken by the ECB and the Eurozone governments to address contagion.

### Emerging Market Equities

- Emerging markets** produced a 2% gain but with notable disparity between regions. Emerging Asia did best (5%), while Latin America lagged (-10%). The two most volatile regions included Turkey (-16%) and Brazil (-15%), which lagged due to political instability in the former and vulnerability to falling oil prices in the case of the latter.

## Market Commentary



- Long duration sectors again outperformed as interest rates ended the quarter slightly lower. The Barclays Long Gov/Credit returned 3.4% for the quarter. This is compared to a 4.8% increase in the Citigroup Pension Liability Index.

### Global Bond Markets

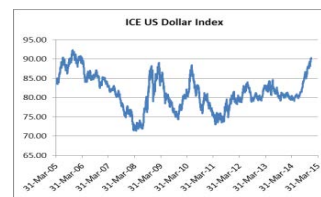
- Developed market fixed income did well in local currency terms, especially in Europe. In February, 10 Year German bund yields moved through Japanese Government Bonds for the first time ever when it traded near 35bps, a -3bp spread to JGBs. Supportive factors included low inflation and the implementation of full-scale quantitative easing by the ECB.
- Despite gains in local terms, currency fluctuations dominated the return profile and resulted in losses to US dollar-based investors.

### Bond Markets – Interest Rates

- Despite increasing expectations for a Fed Funds rate hike, interest rates moved lower. During Q1, the yield on the 10-Year Note dropped from 2.2% to 2.0% but fluctuated within a 1.6%-2.2% range.
- While economists are in near-consensus for a 2015 Fed rate hike, Fed Fund futures are not quite as certain. As of early May, they are pricing in less than a 60% probability of a 0.50% Fed Funds rate in December.

### Bond Markets – Sectors

- The **Barclays Aggregate Index** returned 1.6% for the quarter with credit and duration sensitive sectors taking the lead. High yield and investment grade corporates returned 2.5% and 2.3%, respectively. Treasuries returned 1.6%, while TIPS still managed a 1.4% return despite benign inflation indicators.
- International sectors were the only bond markets to post losses, again due to a stronger US dollar. The Citi World Govt Bond non-USD index lost -4.4%

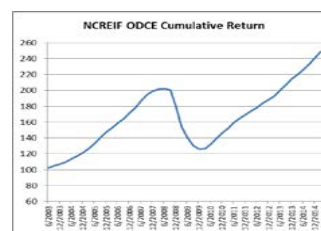
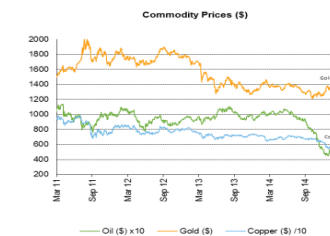


### Currency

- The first quarter of 2015 saw a continued strengthening of the dollar, albeit at a slower pace, and weakening of the euro, driven by a mixture of factors including falling oil prices, the increasing likelihood of the Fed funds rate rises in the next 12 months, and the ECB's bond-buying program.
- The Swiss franc leapt upwards sharply when the Swiss National Bank surprised markets by ending the peg to the euro in January.

### Commodities

- Gold** prices, while volatile over the quarter, ended March 2015 broadly the same as at the end of December 2014.
- Copper** prices ended the quarter marginally down due to a slowdown in demand, particularly from sliding growth in China, and concern over excess supply.
- Oil** prices continued to fall over Q1 2015, although at a slower pace.
- Oil prices fell by approximately 11% over the quarter resulting from increased supply volume and reduced demand.



### 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 a preliminary 3.4% (gross) during the quarter. 220 basis points were derived from capital appreciation and the remainder from income. As of March 31, leverage in the index stood at 22%.
- REITs** experienced a strong quarter given the 4.8% return of the FTSE NAREIT Equity **REIT** Index. While lower than the outsized gains of Q4, nearly all sectors advanced, with self-storage and multi-family sectors leading the way.

## City of New York Board of Education Retirement System Pension Fund Summary

### Asset Allocation

- At March 31, 2015, the Board of Education Retirement System (BERS) Total Portfolio was \$4.4 billion versus \$4.2 billion for year end.
- The overall allocation is 71% equity (including Real Estate and Private Equity) and 29% 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 approximately 7%, offsetting a combined underweight of approximately 5% in private equity and real estate (these underweights will be gradually reduced as these asset classes are slowly built up). Accounting for the public/private equity allocation, the Fund's broader asset allocation remains within allowable ranges.

### Manager Issues

- During the quarter PIMCO was terminated as TIPS manager and assets were transitioned to SSgA.
- Daruma was placed on watch list for performance and organizational issues.

## City of New York Board of Education Retirement System Pension Fund Summary

### Total Fund Performance

- The Total Plan returned 2.5% in the quarter versus 2.7% for the benchmark, but still did well versus its Public Master Trusts > \$ 1 billion Universe and ranked at the 21<sup>st</sup> percentile. For the trailing year, the Total Plan returned 7.4% versus 7.5% for the benchmark but again beat its median peer with a 40<sup>th</sup> percentile ranking. The longer five year return is similar to benchmark, but remains ahead over ten years. Rankings over both time periods are at or near the top quartile of its universe.
- The slight underperformance for the quarter was the result of cash drag. Given continued gains from both equities and intermediate fixed income, an approximate 4% allocation to cash as of quarter end weighed slightly on relative return.

### U.S. Equity

- For the quarter, Total Domestic Equity returned 2.3%, outperforming the 1.8% return of the Russell 3000 Index. Total active equity returned 4.4% for the quarter. All of the managers outperformed their benchmarks, except Daruma. For the trailing 12 months, Total Domestic Equity returned 11.7% versus 12.4% for the Russell 3000. Active equity returned 9.7%.
- **Wellington** outperformed for the quarter, returning 6.0% vs. 5.3% for the S&P Midcap 400 Index. Performance benefited from the portfolio's overweight to the strong performing health-care sector and security selection in the energy and financials sectors. Within financials, insurance company Markel rose on strong performance in both their underwriting and investment businesses. MSCI, a provider of market indices, also outperformed based on positive revenue trends and improving margins. Within the energy sector, Diamondback Energy, an independent oil and natural gas company with attractive assets in the Permian Basin, rose 27% during the quarter as oil prices bottomed. Oil services company Patterson-UTI Energy also outperformed in expectation of an eventual recovery in energy prices. Currently, the portfolio has an overweight to health care, including an allocation to market leading biotech companies and, increasingly, to medical device and service providers. The largest underweight is to the financials sector, based on a belief that REITs are fundamentally unattractive relative to other opportunities.

## City of New York Board of Education Retirement System Pension Fund Summary

### U.S. Equity (continued)

- **Daruma** continues to underperform. The portfolio returned 0.4% during the 1st quarter, underperforming the 4.3% return of its Russell 2000 benchmark. Performance for 2014 was also behind, with a return of -1.4% versus 4.9% for the index. In January, the portfolio was hit hard (-6.1%) when equities across the board declined. In February, Daruma rebounded nicely (+7.8%) as some of their holdings reported good fourth quarter results. Then in March (-1.0%), Daruma suffered as Lumber Liquidators (LL), a stock that had been a winner for them in the past, was battered by a 60 Minutes segment laden with accusations related to product safety. Daruma initially added to their position on weakness, but ultimately exited the shares to avoid further downside as they envisioned both further earnings and valuation risk. The top 10 stocks comprise 37% of the portfolio. New purchases included Entegris (ENTG) and HMS Holdings Corp. (HMSY).
- **Progress** returned 2.7% for the quarter versus 1.8% for its Russell 3000 benchmark. The five-year record remains slightly behind the benchmark, 14.1% versus 14.7%.
- **FIS** returned 5.2% during the quarter versus 4.3% for its Russell 2000 Index benchmark. FIS is behind for the trailing 12 months, 7.5% versus 8.2%. FIS maintains outperformance versus benchmark over the trailing three- and five-year periods.

## City of New York Board of Education Retirement System Pension Fund Summary

### International Equity

- The Total Developed Market portfolio underperformed the MSCI EAFE (net dividend) Index during the quarter, 4.1% versus 4.9%, and this was mainly due to underperformance by Sprucegrove. Within emerging markets, Acadian slightly underperformed. Total Developed Market lagged versus benchmark for the trailing 12 months, -1.8% versus -0.9%, but still maintains outperformance over the trailing three- and five-year time periods.
- **Baillie Gifford** outperformed during the quarter, returning 5.8% compared to 4.9% for the MSCI EAFE (net) Index. Baidu.com and Tencent Holdings were the top performers for the quarter, while UBS Group and Q-Cells were the worst performers. Fiat was the portfolio's largest holding at 4.8%, and the top 10 holdings accounted for 37.1% of the portfolio. New purchases included IP Group, and recent sales included Geberit and Quimica Y Minera ADR.
- **Sprucegrove** returned 2.0% in the quarter versus 4.9% for the MSCI EAFE (net). The financials sector was the most significant detractor in the quarter, with three of the bottom five contributors coming from that sector. In particular, HSBC had a negative impact following an unfavorable reaction to lower than expected profitability in 2014 and the announcement of a reduction in its medium-term ROE target. Elsewhere, from a regional perspective, stock selection in South Africa and India had a negative impact on relative performance in the quarter. There was one new holding (Weir Group) added to the portfolio during the first quarter and two eliminations (Petrobras and Keyence). The top 10 holdings accounted for 25.6% of the portfolio. The fund's largest underweight was to financials with less dramatic overweights to information technology, materials, and energy.



## City of New York Board of Education Retirement System Pension Fund Summary

### International Equity (continued)

- **Acadian** returned 5.0% for the quarter compared to 5.6% for the S&P EPAC Small Cap Index. A 30-basis point gain from stock selection was more than offset by 90 basis points of value lost from country allocations. Key sources of negative active return included opportunistic exposures to Canada and Brazil, along with a combination of stock selection and an underweight position in Korea. Stock selection in the Netherlands and Switzerland proved more successful, as did a combination of stock selection and a market overweight in Japan. At year end, the portfolio's emerging markets exposure was 11%. The portfolio held 806 stocks.

### Emerging Markets

- **Acadian** slightly underperformed for the quarter, 2.1% versus 2.2% for the MSCI Emerging Markets Index, but is ahead over the trailing one year period, 5.3% versus 0.4%. The outperformance was attributable to an overweight in India and an underweight in financials. Less successful investments included an overweight in Brazil and underperformance in China and Russia. The quantitatively-managed portfolio held 428 stocks as of quarter end, compared to 834 for the benchmark. While not specifically a value equity style portfolio, it exhibited many such characteristics including lower valuation metrics versus benchmark (P/E of 11.4x versus 13.7x). The market capitalization was also tilted smaller compared to the benchmark with a weighted average of \$43 billion compared to \$53 billion for the benchmark.

## City of New York Board of Education Retirement System Pension Fund Summary

### Fixed Income – Structured Manager Composite

- The Total Structured Portfolio returned 1.9% for the quarter, performing in line with the NYC Core + 5 Index return. The Total Structured Portfolio performance for the year is slightly behind the benchmark at 7.0% vs 7.1%.
- **Taplin Canida** (credit) returned 2.0% during the quarter versus 2.1% for the customized Citigroup Credit Index. The portfolio leads for the trailing year, 6.9% versus 6.4%. Taplin found support in Q1 in yield curve positioning and quality selection. Sector selection detracted from performance during the quarter as higher quality securities outperformed.
- **Prudential** (credit) returned 2.1% during the quarter, in line with the return of the customized Citigroup Credit Index. For the year, Prudential returned 6.6% versus 6.4% for the index.
- **PRIVEST** (credit) returned 2.2%, slightly ahead of the benchmark return. The portfolio outperformed during the trailing one year, returning 6.9% versus 6.4%. Management attributed the quarter's outperformance to its coupon advantage and negative credit migration. Credit migration for the quarter included two upgrades and five downgrades. PRIVEST committed to purchase \$161.9 million at a weighted average spread, coupon, credit quality and average life of 182 basis points, 3.90%, BBB+, and 12.06 years respectively. PRIVEST received \$9.9 million in optional prepayments during the quarter, resulting in market value gains of \$0.2 million.

## City of New York Board of Education Retirement System Pension Fund Summary

### Fixed Income – Structured Manager Composite (continued)

- **SSgA** (governments) returned 2.8% for the quarter, slightly behind its benchmark. For the trailing year, SSgA returned 11.6%, which was 11 basis points behind benchmark.
- **BlackRock** (mortgages) returned 1.3% during its first full quarter in the Fund, ahead of the 1.2% for the Citigroup Mortgage.

### Fixed Income - TIPS

- **NYCBERS Total TIPS** returned 2.1% for the quarter versus 1.4% for the Barclays US TIPS Index. Assets are being transitioned to a passive strategy managed by SSgA and performance will be monitored following its first full quarter in the Fund.

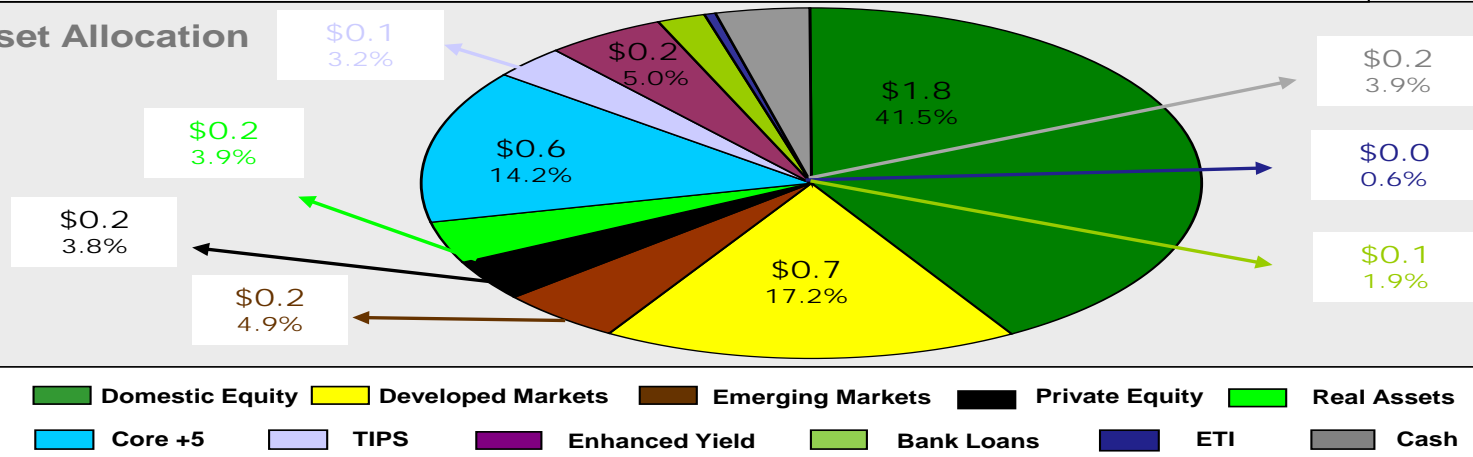
## City of New York Board of Education Retirement System Pension Fund Summary

### Enhanced Yield Fixed Income

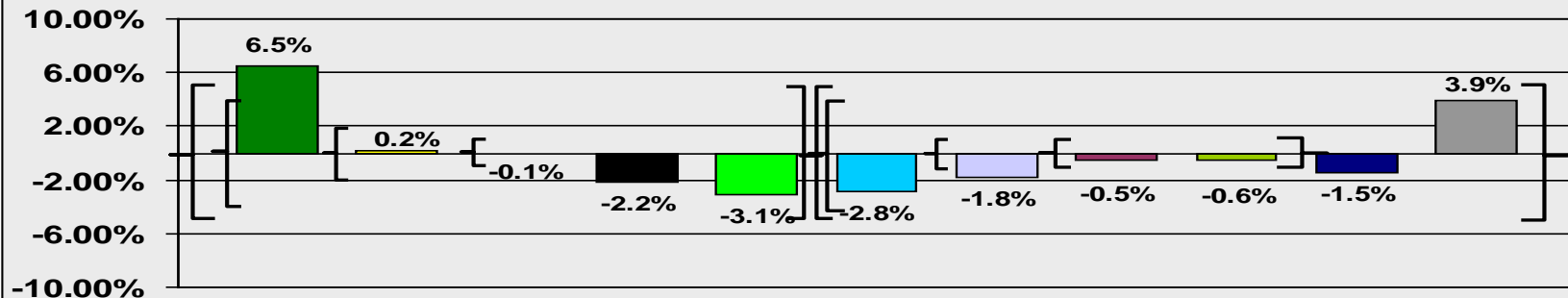
- Total High Yield returned 3.2% for the quarter, outperforming the 2.5% return of the Citigroup BB & B Index. All high yield funds outperformed their benchmarks. Both high yield and bank loans beat their benchmark for the trailing year.
- **Loomis Sayles** returned 3.0% for the quarter versus 2.5% for the Merrill Lynch High Yield Master II Index. The portfolio continues to lead its benchmark for the trailing year, 2.3% versus 2.1%. Security selection in high yield added to performance during the quarter, as did a long-standing allocation to convertibles which benefited from equity-market gains (9% of the fund). Duration was 6.5 years as of quarter end. Average credit quality is B1, which is in line with the benchmark.
- **Shenkman** returned 0.1%, outperforming the -0.6% return for its Citigroup BB & B Index benchmark. For the trailing year, the portfolio remains ahead of benchmark, 3.4% versus 2.5%. Security selection added to return as did an emphasis on higher-rated credits within the high-yield spectrum as such securities tended to outperform. The portfolio remains structured with an underweight in 10+ year maturities and duration of 3.4 years, which is marginally shorter compared to year end. Average credit quality remained at B2/B+.
- **Babson** returned 2.3% during the quarter, outperforming the 2.1% return of the Credit Suisse Leveraged Loan Index. Individual credit selection was the primary contributor to the portfolio during the quarter. The top ten performers contributed 46 bps compared to 19 bps in the index.

**\$4.4B Under Management**

**Asset Allocation**



**Relative Mix to New Policy Weights**

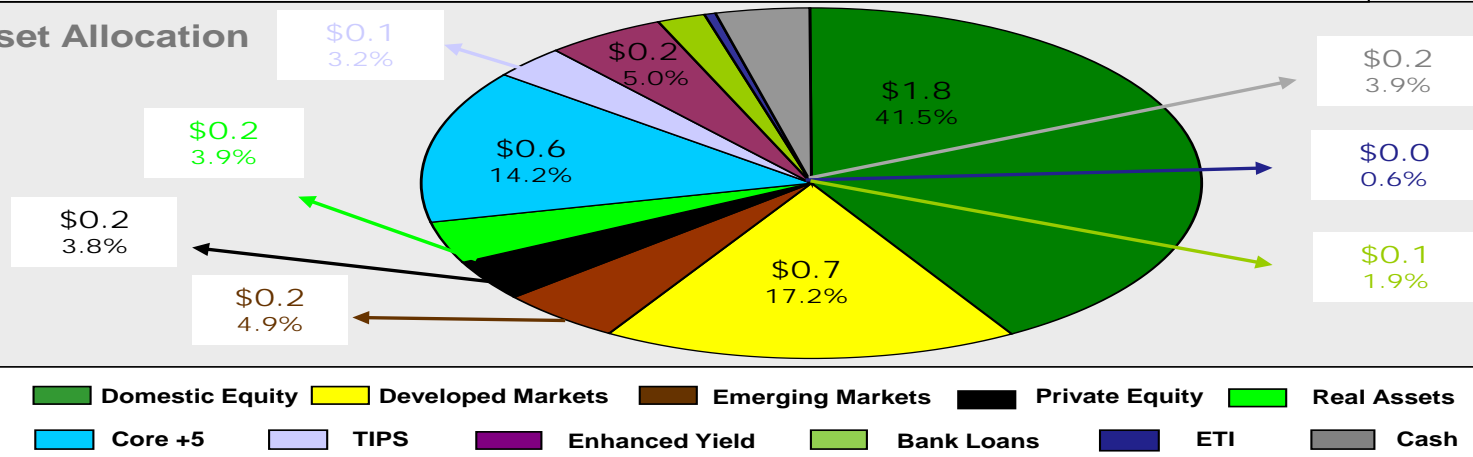


Note: Brackets represent rebalancing ranges versus Policy.

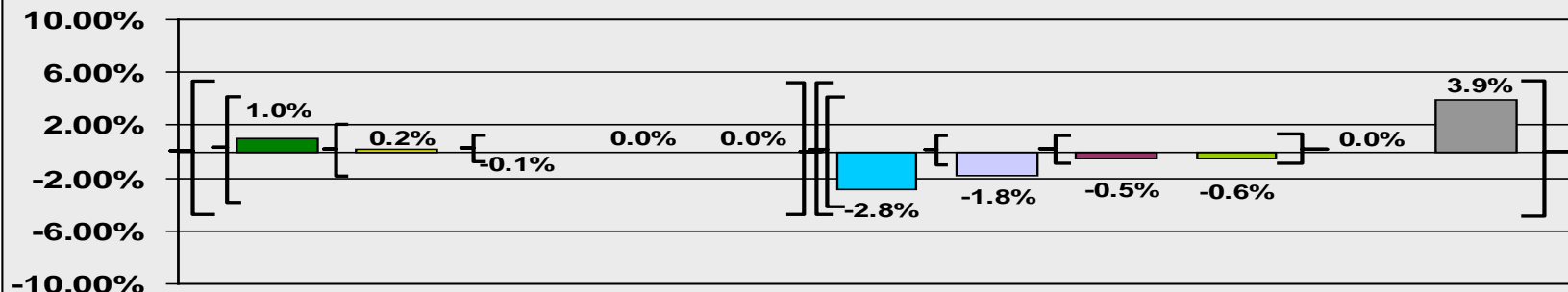
Prepared by State Street Investment Analytics

**\$4.4B Under Management**

**Asset Allocation**



**Relative Mix to Adjusted New Policy Weights**



Note: Brackets represent rebalancing ranges versus Policy.

Prepared by State Street Investment Analytics

## Total Portfolio Returns: March 31, 2015

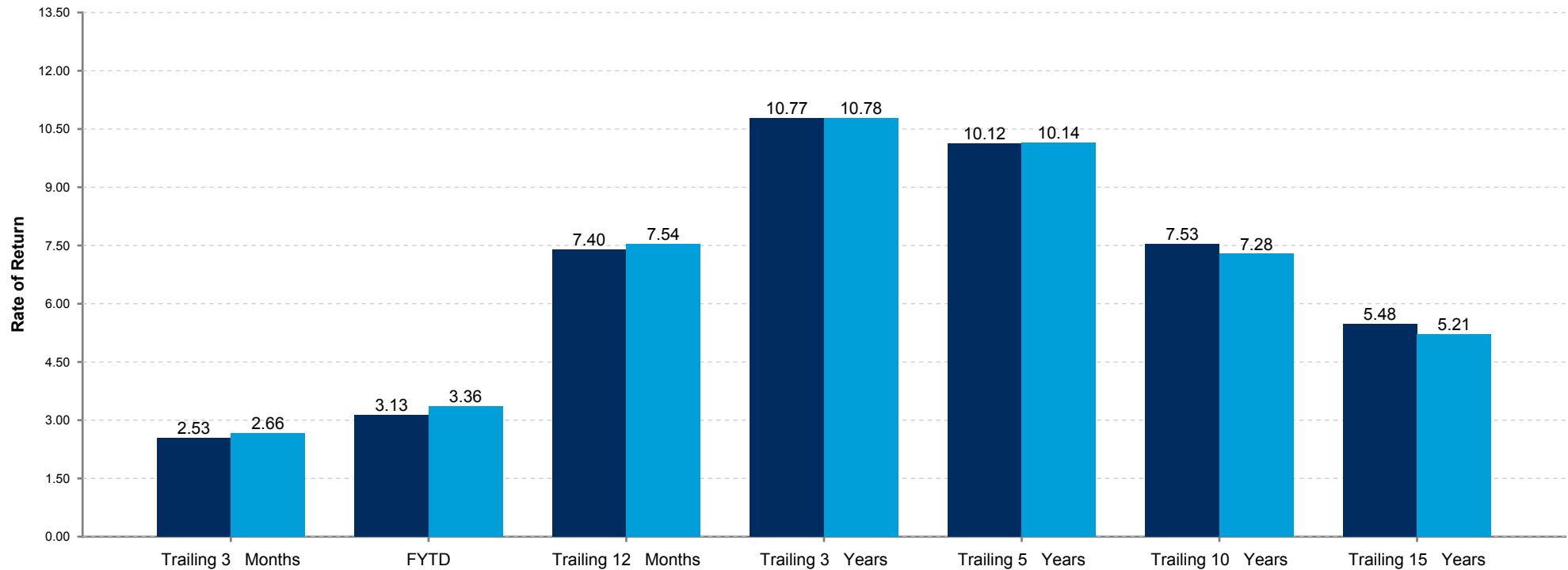


TOTAL BOARD OF EDUCATION

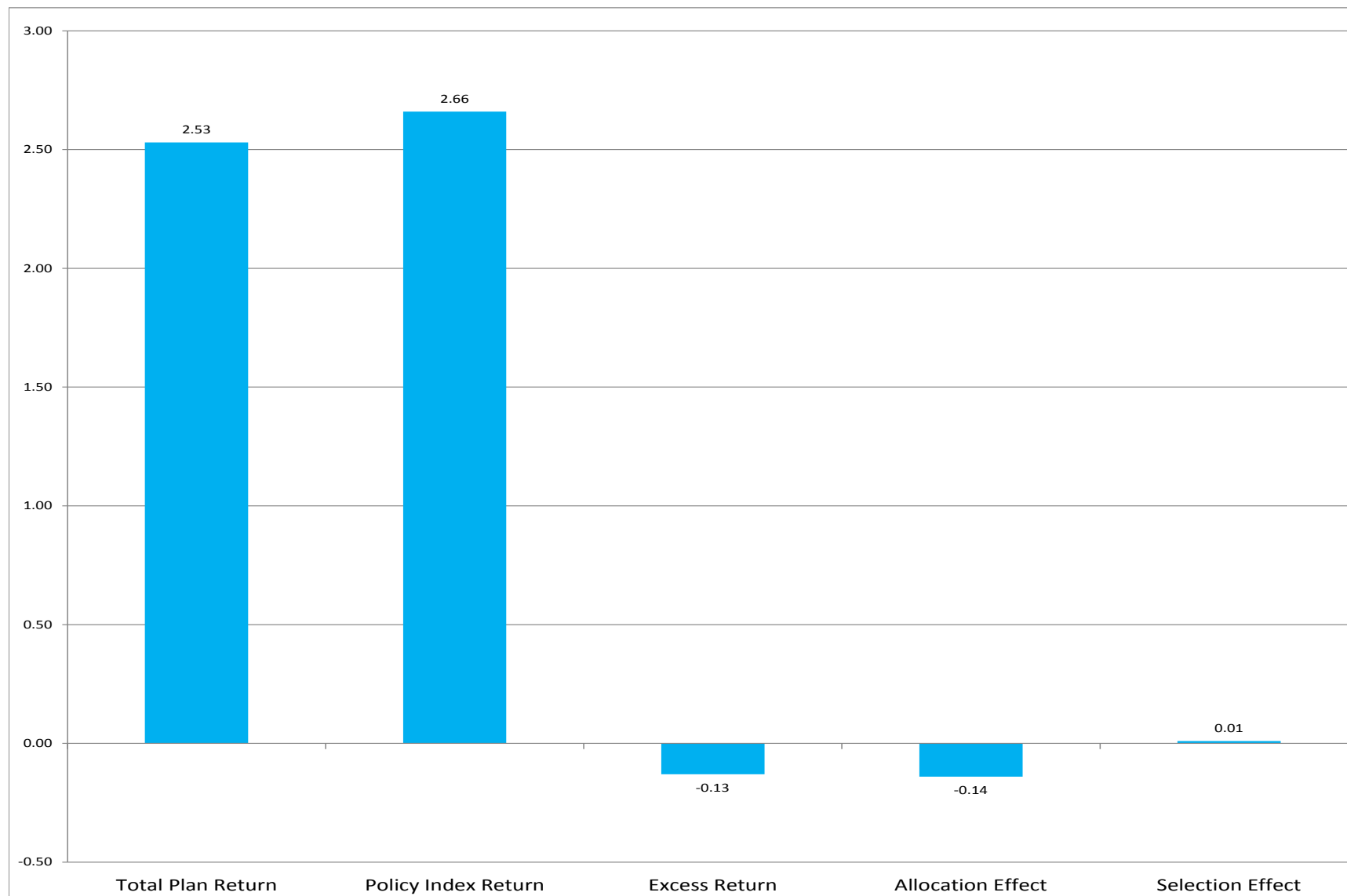
Market Value (Billions)

\$4.4

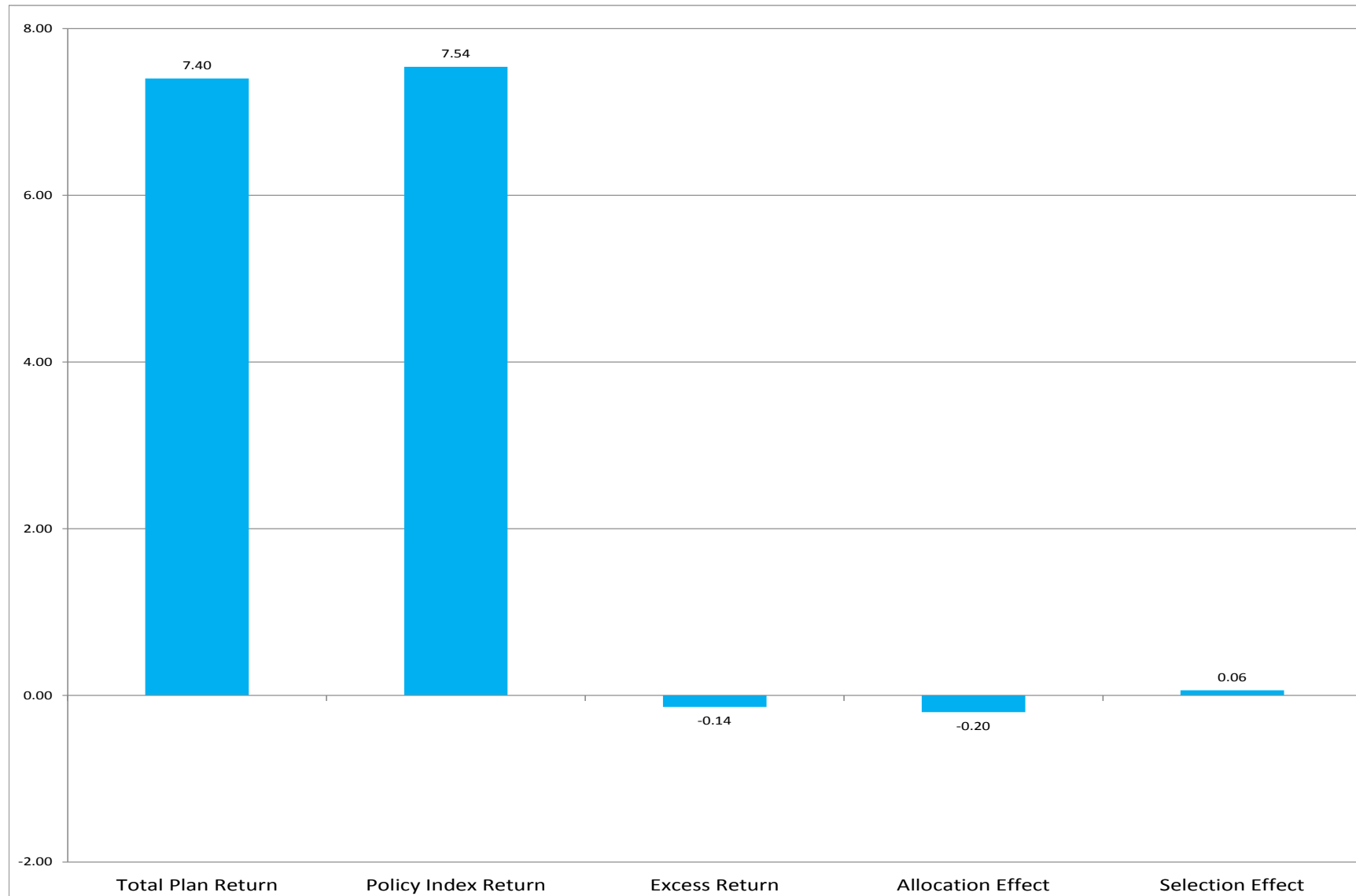
■ TOTAL BOARD OF EDUCATION ■ Board of Education Policy Benchmark

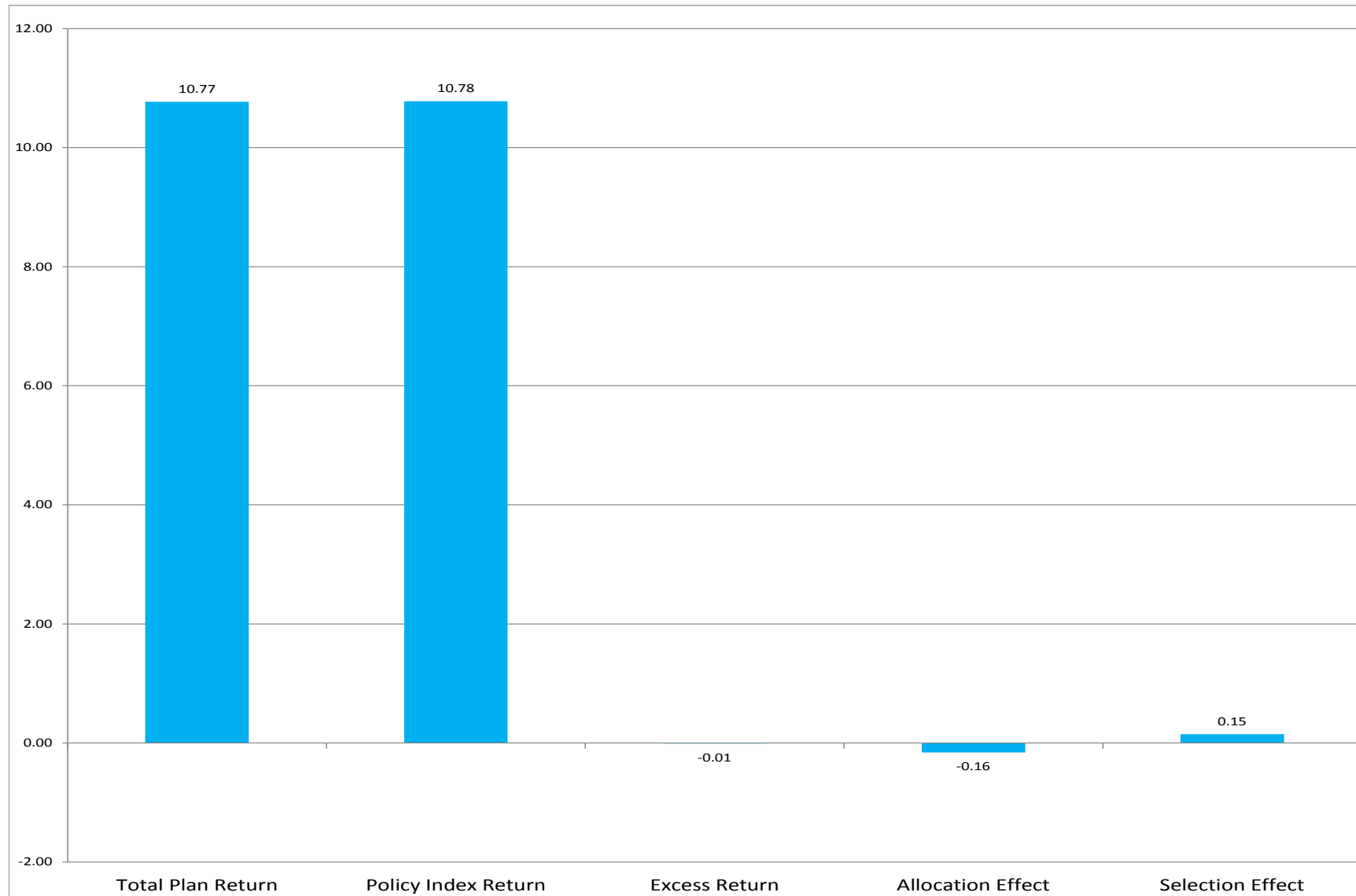


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL BOARD OF EDUCATION	7.0	6.8	10.1	9.6	11.1	11.5









**Allocation Effect - Asset Class Breakdown**

	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL BOARD OF EDUCATION	-0.14	-0.20	-0.16	Board of Education Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.03	0.04	-0.01	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.00	-0.07	-0.04	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.00	-0.06	0.00	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.00	0.01	0.00	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.01	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL STRUCTURED	-0.01	-0.03	-0.06	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.01	0.06	0.09	BARCLAYS U.S TIPS INDEX
TOTAL HIGH YIELD	0.00	0.01	0.00	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.02	0.02	CSFB LEVERAGED LOAN INDEX
TOTAL CASH	-0.11	-0.19	-0.18	

**Selection Effect - Asset Class Breakdown**

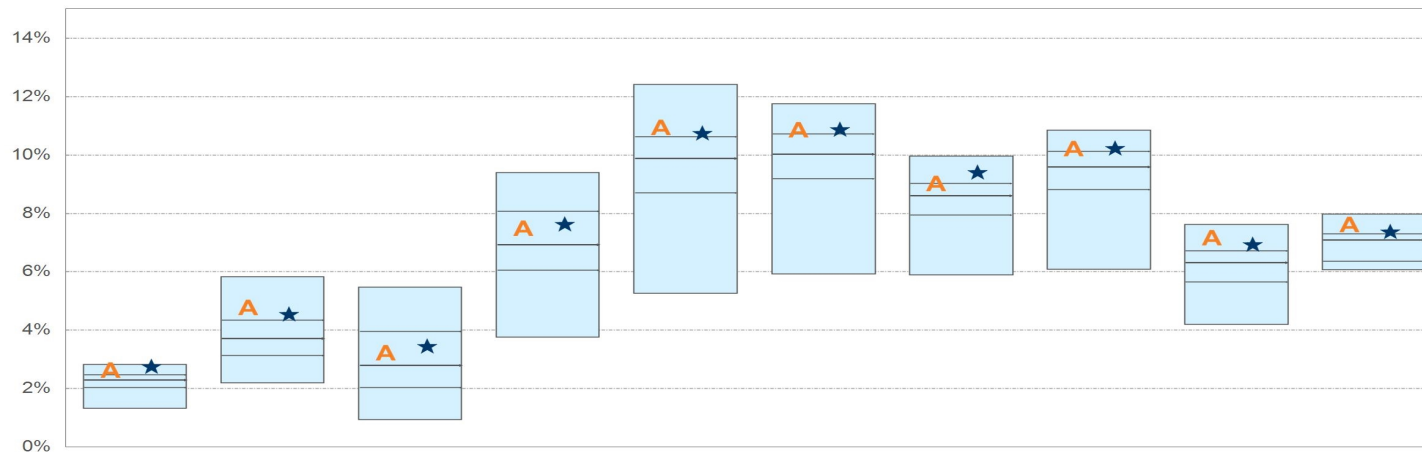
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL BOARD OF EDUCATION	0.01	0.06	0.15	Board of Education Policy Benchmark
TOTAL DOMESTIC EQUITY	0.19	-0.29	0.10	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.13	-0.17	0.03	MSCI EAFE NET
TOTAL EMERGING MARKETS	-0.01	0.24	0.09	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	-0.18	0.17	-0.14	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.03	-0.01	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.01	0.01	0.00	CPI + 4%
TOTAL STRUCTURED	0.00	-0.02	0.06	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.05	0.04	0.02	BARCLAYS U.S TIPS INDEX
TOTAL HIGH YIELD	0.03	0.03	0.05	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.01	0.00	CSFB LEVERAGED LOAN INDEX
TOTAL CASH	0.01	0.01	0.01	

Through March 31, 2015



## City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$1 Billion  
Cumulative Periods Ending : March 31, 2015



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	2.82	5.83	5.48	9.39	12.42	11.75	9.96	10.85	7.62	7.97
25th	2.47	4.35	3.95	8.07	10.62	10.72	9.02	10.12	6.72	7.30
50th	2.30	3.71	2.80	6.92	9.88	10.02	8.61	9.59	6.31	7.09
75th	2.03	3.14	2.03	6.05	8.71	9.18	7.95	8.82	5.65	6.36
95th	1.33	2.20	0.93	3.76	5.26	5.93	5.90	6.08	4.20	6.07
No. Of Obs	73	73	73	73	73	72	71	69	67	61
A Total System - BOE	2.53 (21)	4.69 (15)	3.13 (40)	7.40 (40)	10.85 (18)	10.77 (20)	8.93 (31)	10.12 (26)	7.08 (14)	7.53 (17)
★ Board of Ed Policy Ben	2.66 (17)	4.46 (23)	3.36 (36)	7.54 (34)	10.65 (22)	10.78 (19)	9.31 (19)	10.14 (22)	6.84 (16)	7.28 (26)

Wilshire Trust Universe Comparison Service® (TUCS®)

Through March 31, 2015



## City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$1 Billion  
Consecutive Time Periods: March 31, 2015



Percentile Rankings	Mar 15	Dec 14	Sep 14	Jun 14	Mar 14	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11
5th	2.82	2.99	0.76	4.83	3.08	9.39	15.68	11.52	7.07	16.95
25th	2.47	1.97	-0.32	4.14	2.42	8.07	14.38	10.95	5.03	15.05
50th	2.30	1.51	-0.90	3.94	2.14	6.92	12.87	10.36	4.16	13.94
75th	2.03	1.12	-1.24	3.58	1.83	6.05	11.19	9.44	3.64	12.69
95th	1.33	0.44	-2.06	2.97	1.41	3.76	5.02	7.84	2.53	8.54
No. Of Obs	73	73	73	73	73	73	73	72	71	69
A Total System - BOE	2.53 (21)	2.11 (21)	-1.49 (83)	4.14 (27)	1.80 (80)	7.40 (40)	14.42 (23)	10.60 (36)	3.57 (76)	15.02 (27)
★ Board of Ed Policy Ben	2.66 (17)	1.75 (36)	-1.05 (55)	4.05 (37)	2.07 (55)	7.54 (34)	13.84 (31)	11.06 (19)	4.99 (26)	13.52 (55)

Wilshire Trust Universe Comparison Service® (TUCS®)

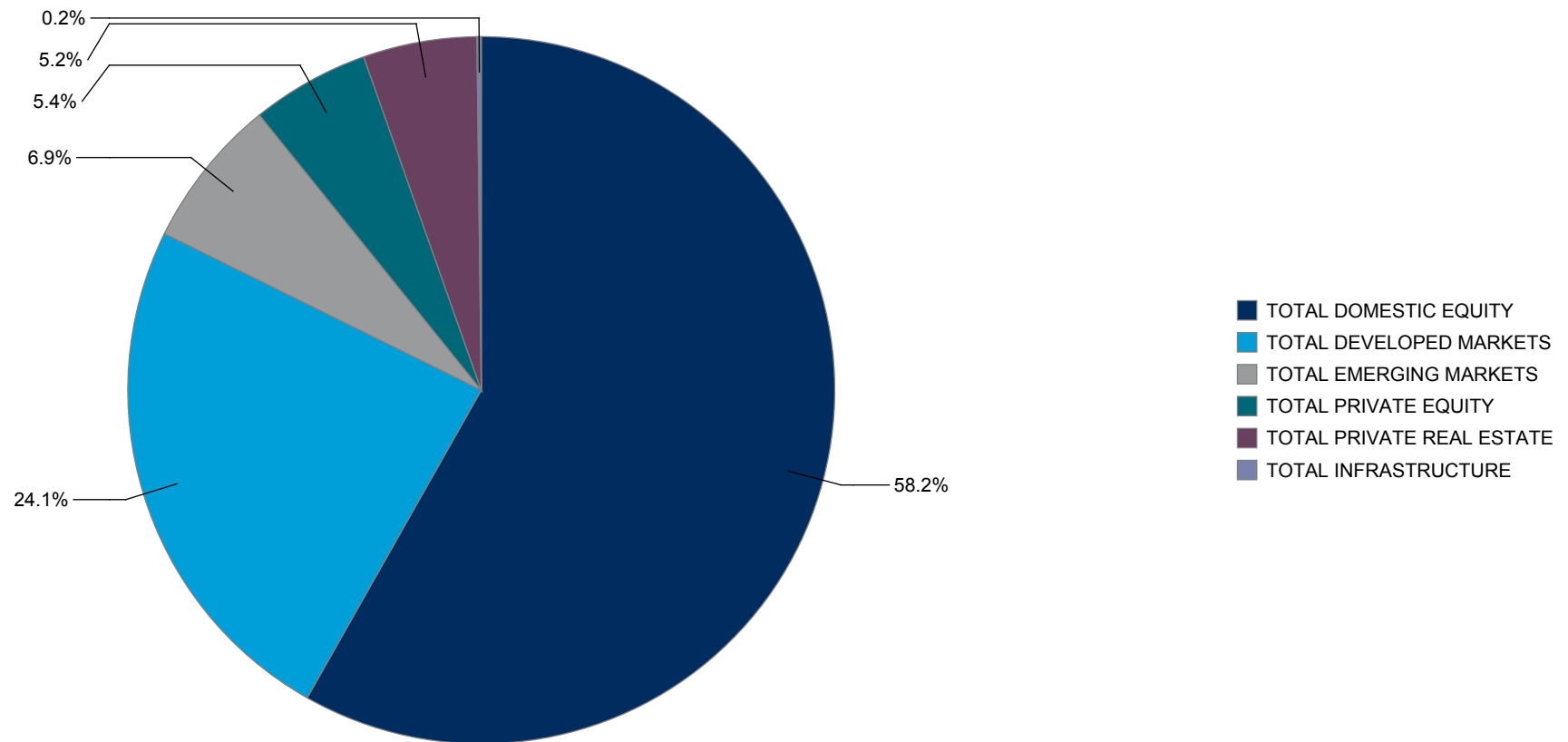
**New York City  
Board of Education Retirement System**

# **Equity Analysis**

## Total Equity Asset Allocation: March 31, 2015



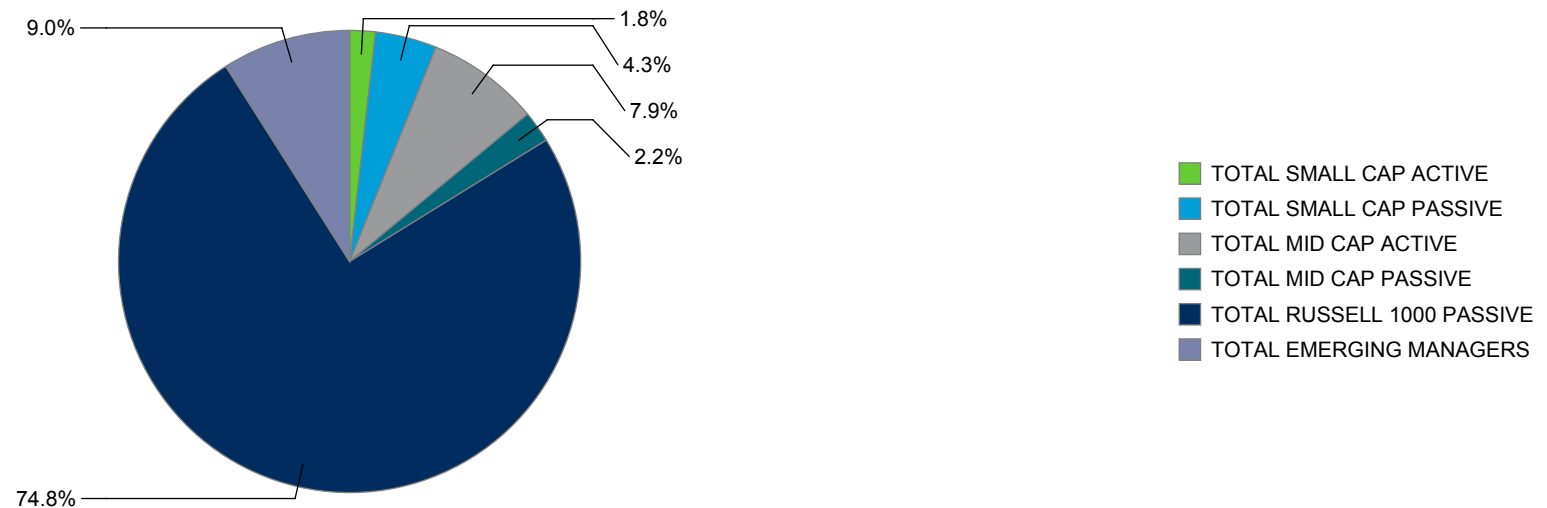
	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL EQUITY	\$3.1	71.3



## Total Domestic Equity Asset Allocations: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL DOMESTIC EQUITY	\$1.8	41.5



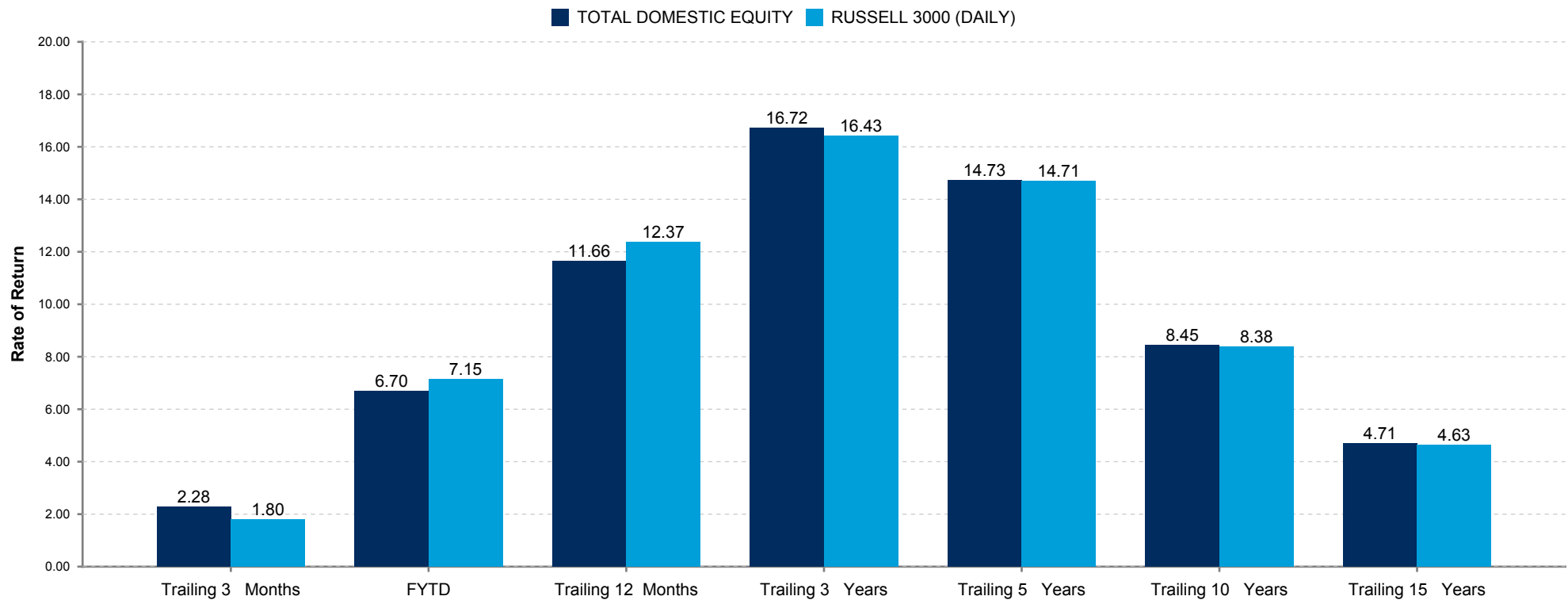
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	2.83	1.82	-1.01	4.32	0.39	-3.93
TOTAL SMALL CAP PASSIVE	5.39	4.26	-1.13	4.32	4.29	-0.03
TOTAL MID CAP ACTIVE	7.25	7.89	0.64	3.95	6.02	2.07
TOTAL MID CAP PASSIVE	3.75	2.23	-1.52	5.31	5.32	0.01
TOTAL RUSSELL 1000 ACTIVE	11.25	0.00	-11.25	1.59		-1.59
TOTAL RUSSELL 1000 PASSIVE	62.03	74.83	12.80	1.59	1.57	-0.02
TOTAL EMERGING MANAGERS	7.50	8.97	1.47	1.80	3.94	2.14



## Total Domestic Equity Returns vs Russell 3000 Index: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL DOMESTIC EQUITY	\$1.8	41.5

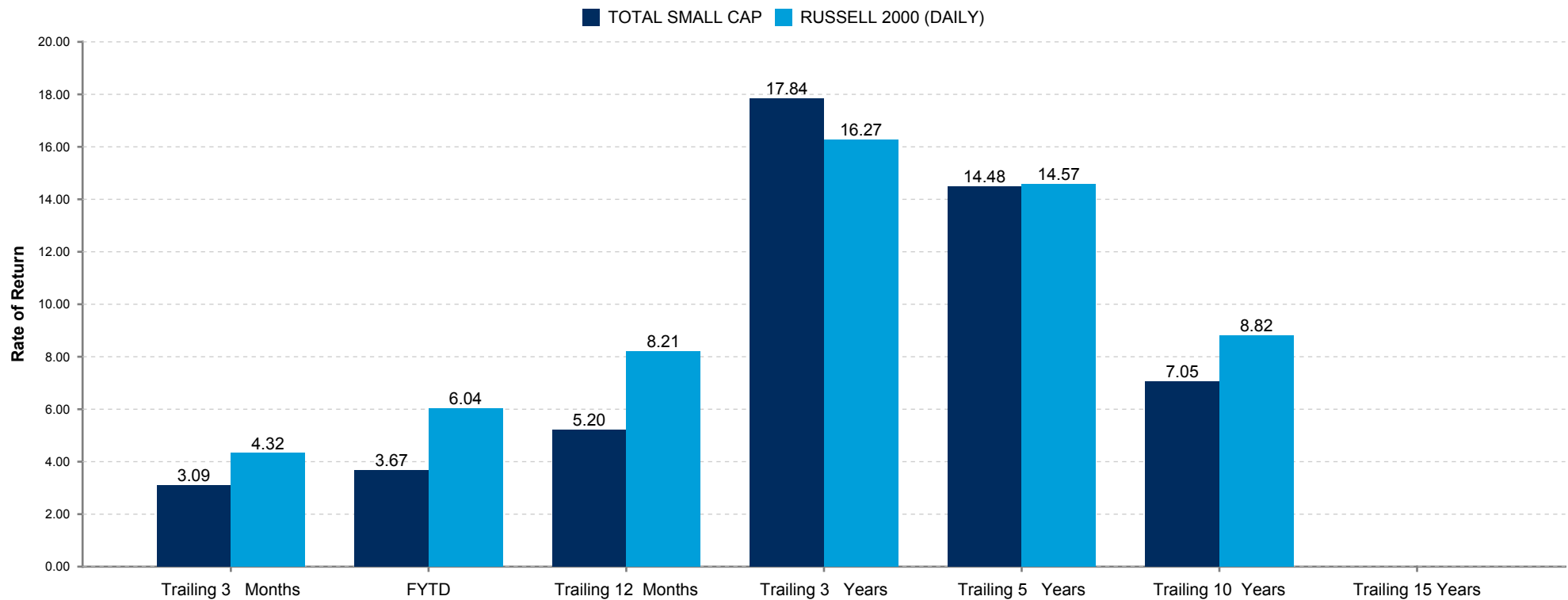


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DOMESTIC EQUITY	10.2	9.8	14.0	13.5	15.6	15.3

## Small Cap Returns vs Russell 2000 Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL SMALL CAP	\$109.8	2.5

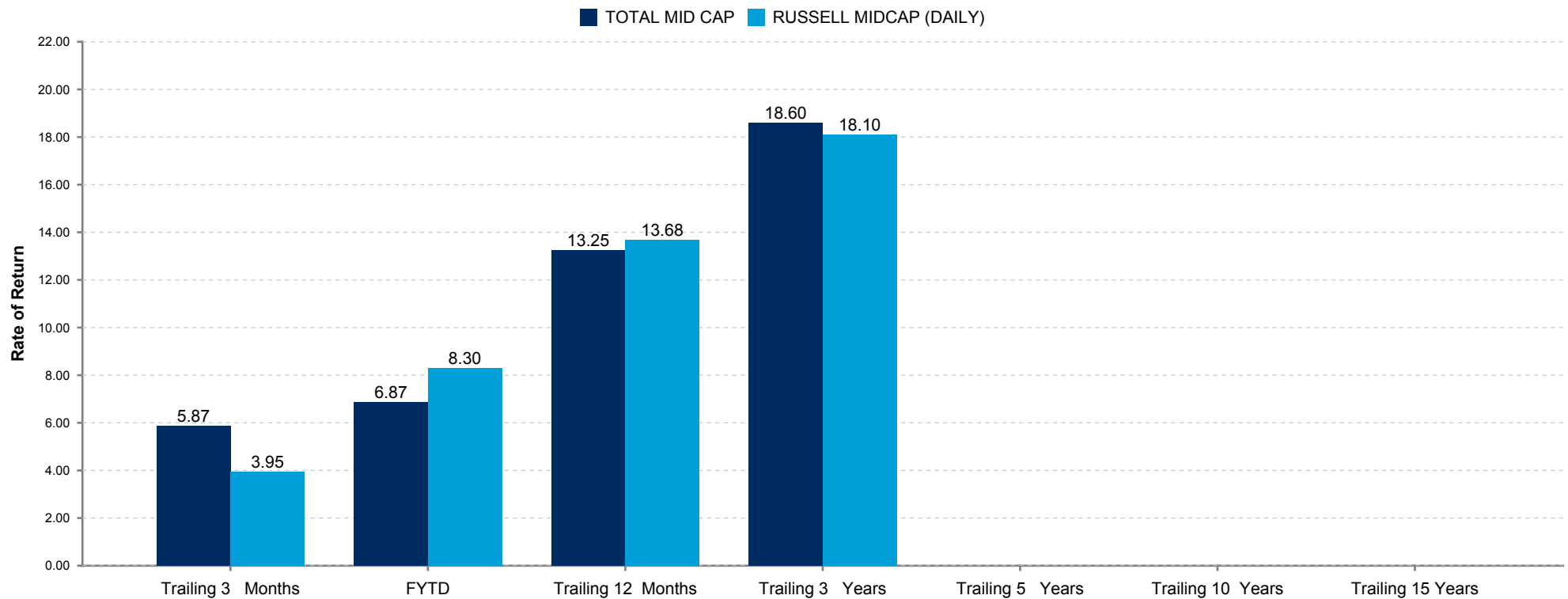


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL SMALL CAP	13.9	13.4	18.7	17.8	19.4	19.8

## Mid Cap Returns vs Russell MidCap Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL MID CAP	\$183.0	4.2

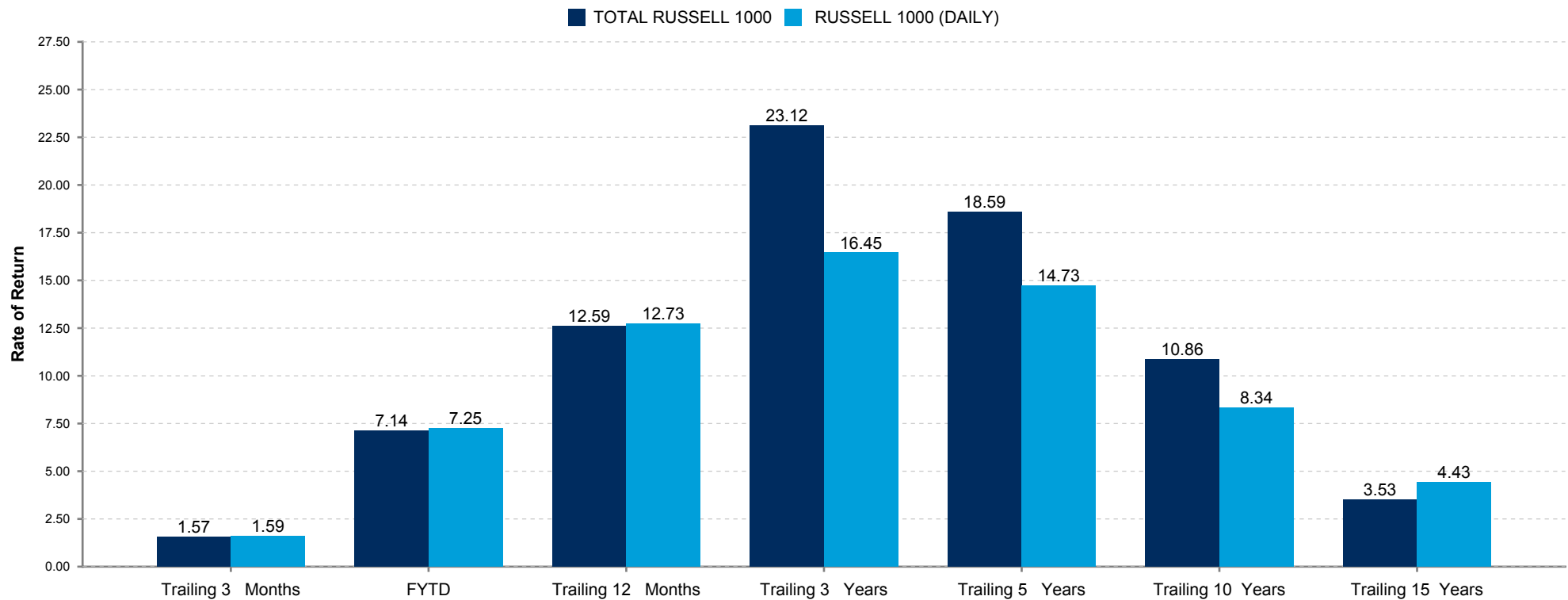


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL MID CAP	11.3	10.3				

## Russell 1000 Returns vs Russell 1000 Index: March 31, 2015



	Market Value (Billions)	% of Plan
TOTAL RUSSELL 1000	\$1.4	31.0

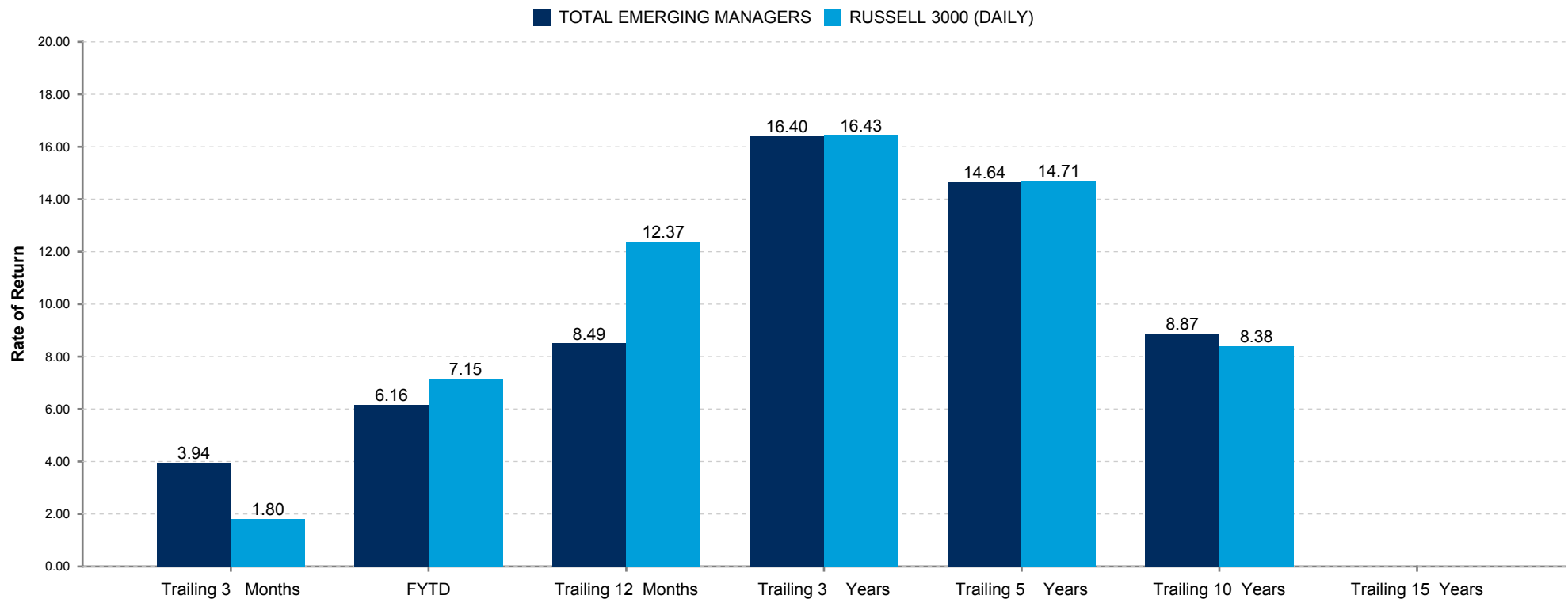


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL RUSSELL 1000	12.2	9.6	15.0	13.2	16.0	15.0

## Emerging Managers Returns vs Russell 3000 Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL EMERGING MANAGERS	\$162.2	3.7

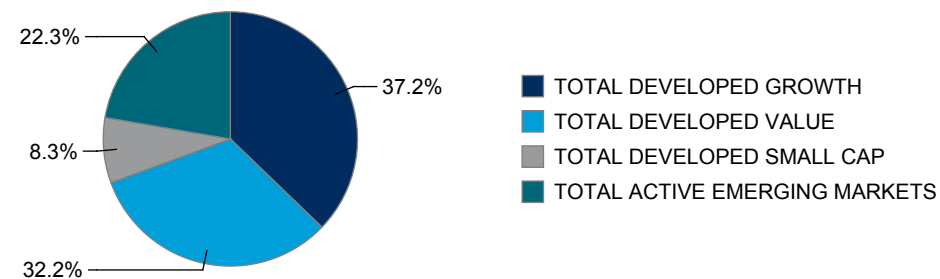
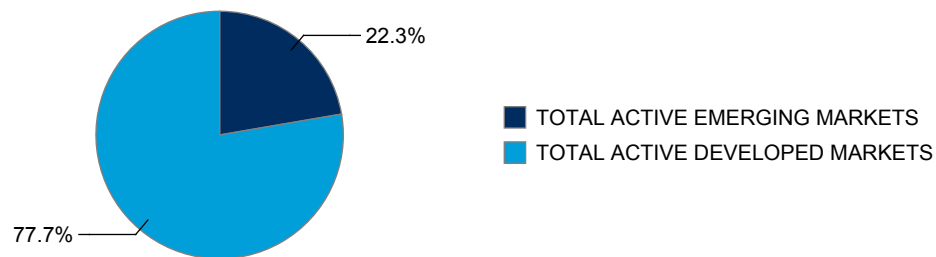


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MANAGERS	11.6	9.8	15.2	13.5	16.5	15.3

## International Equity Asset Allocation: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL INTERNATIONAL EQUITY	\$963.2	22.1

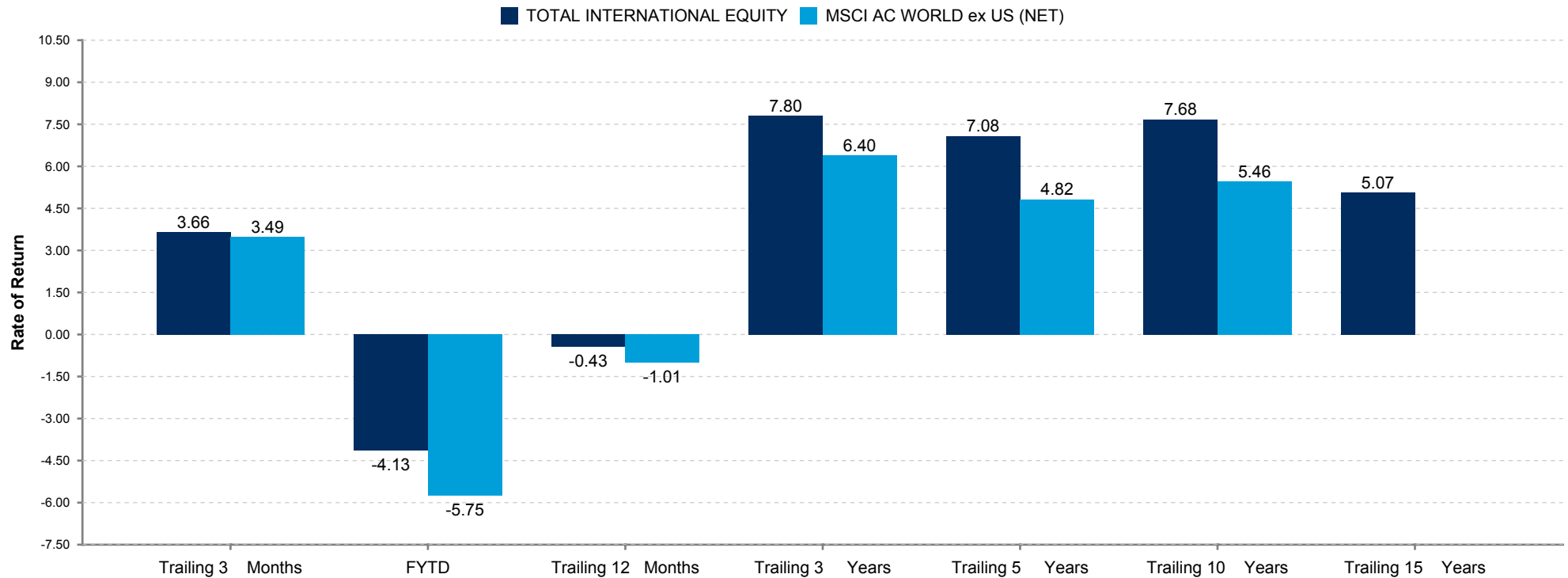


	<u>Asset Weight</u>	<u>Quarterly Returns - Fund and Benchmark</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	37.24	5.82	5.85	(0.02)
TOTAL DEVELOPED VALUE	32.18	1.96	3.89	(1.93)
TOTAL DEVELOPED SMALL CAP	8.26	5.01	5.56	(0.56)
TOTAL ACTIVE EMERGING MARKETS	22.32	2.14	2.24	(0.10)
TOTAL INTERNATIONAL EQUITY	100.00	3.66	3.49	0.17

# Total International Returns vs MSCI AC World ex US Net Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL INTERNATIONAL EQUITY	\$963.2	22.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL INTERNATIONAL EQUITY	12.3	12.5	16.5	16.3	19.0	18.8

## Developed Markets Returns vs MSCI EAFE Index: March 31, 2015



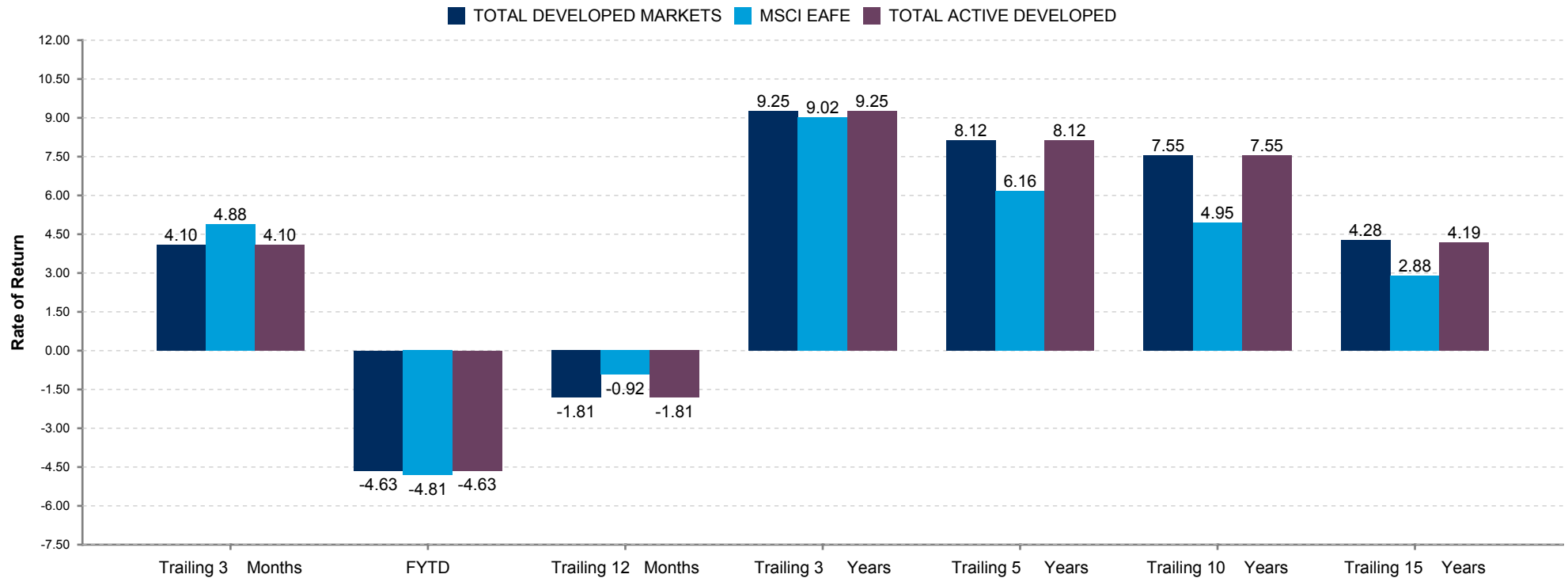
TOTAL DEVELOPED MARKETS

Market Value (Millions)

\$748.3

% of Plan

17.2



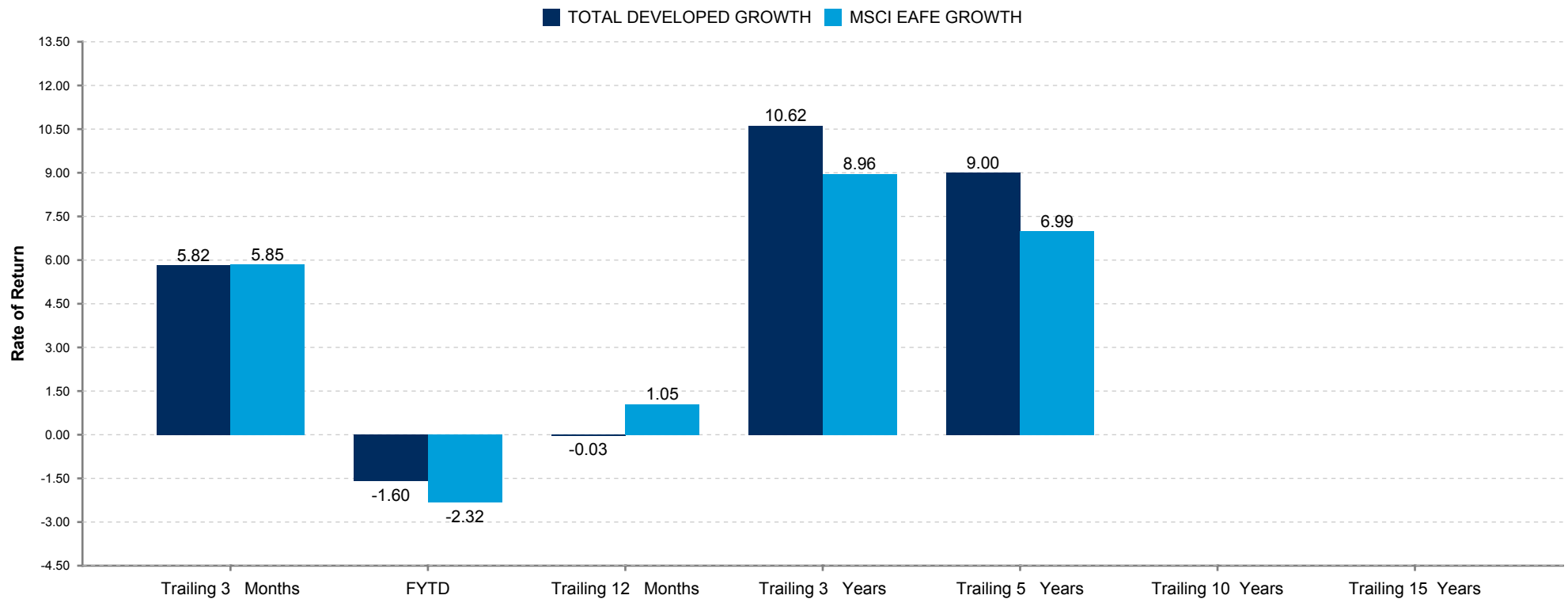
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED MARKETS	12.7	13.0	16.5	16.6	18.2	18.2
TOTAL DEVELOPED ACTIVE	12.7	13.0	16.5	16.6	18.2	18.2



## Developed Growth Returns vs MSCI EAFE Growth Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED GROWTH	\$358.8	8.2

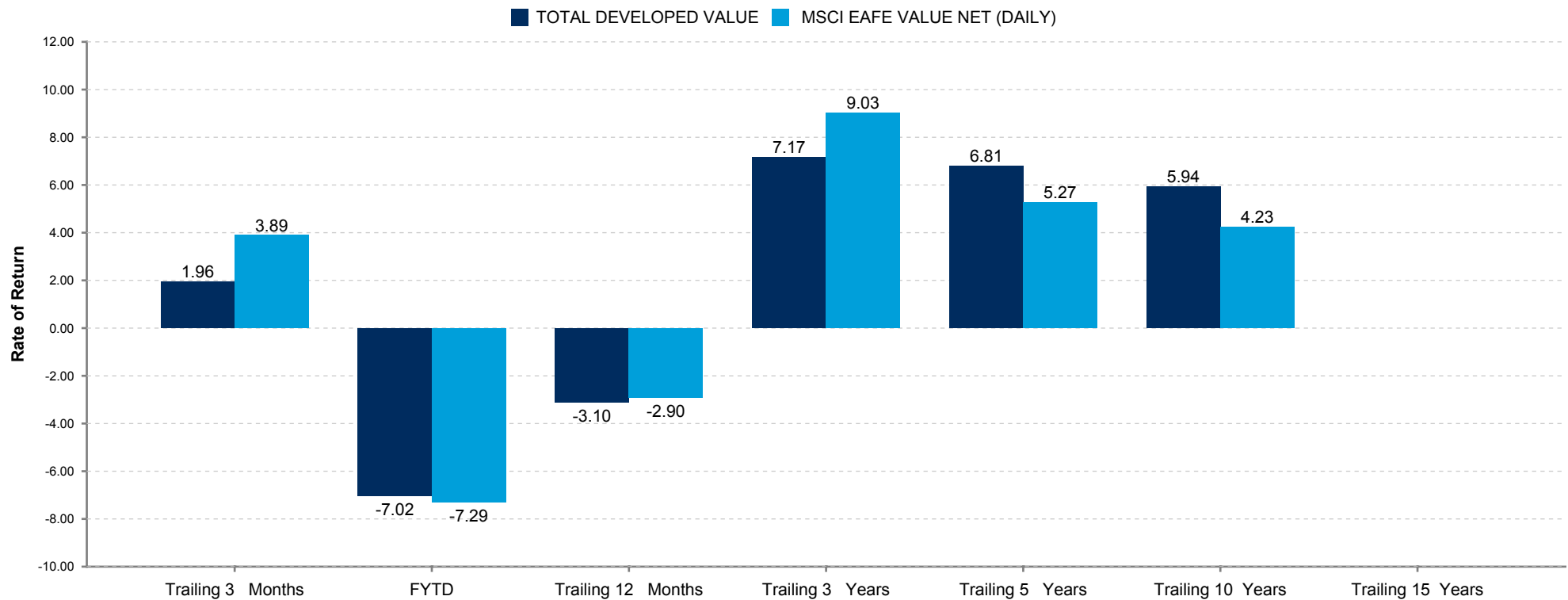


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED GROWTH	14.1	12.1	18.0	16.0		

## Developed Value Returns vs MSCI EAFE Value Net Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL DEVELOPED VALUE	\$310.0	7.1

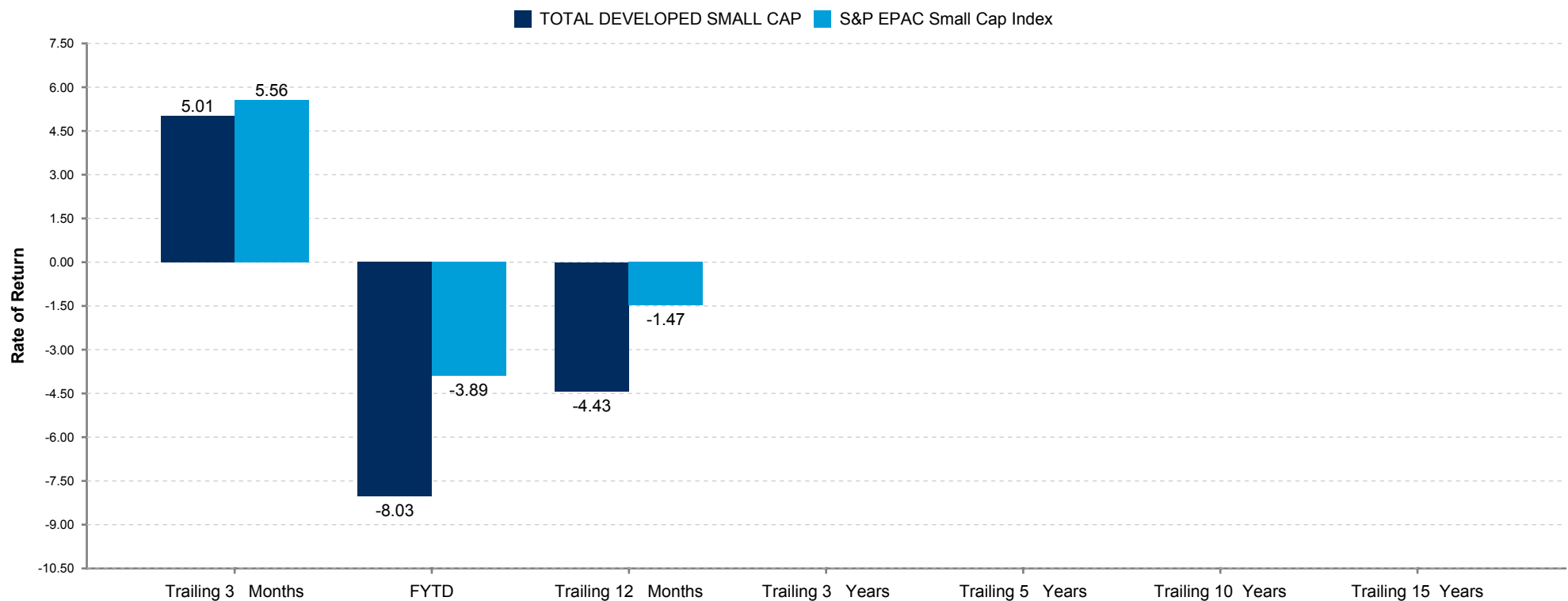


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED VALUE	11.6	14.3	15.0	17.5	16.6	19.3

## Developed Small Cap Returns vs S&P EPAC Small Cap Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP	\$79.6	1.8



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED SMALL CAP						

## Emerging Markets Returns vs MSCI Emerging Markets Index: March 31, 2015



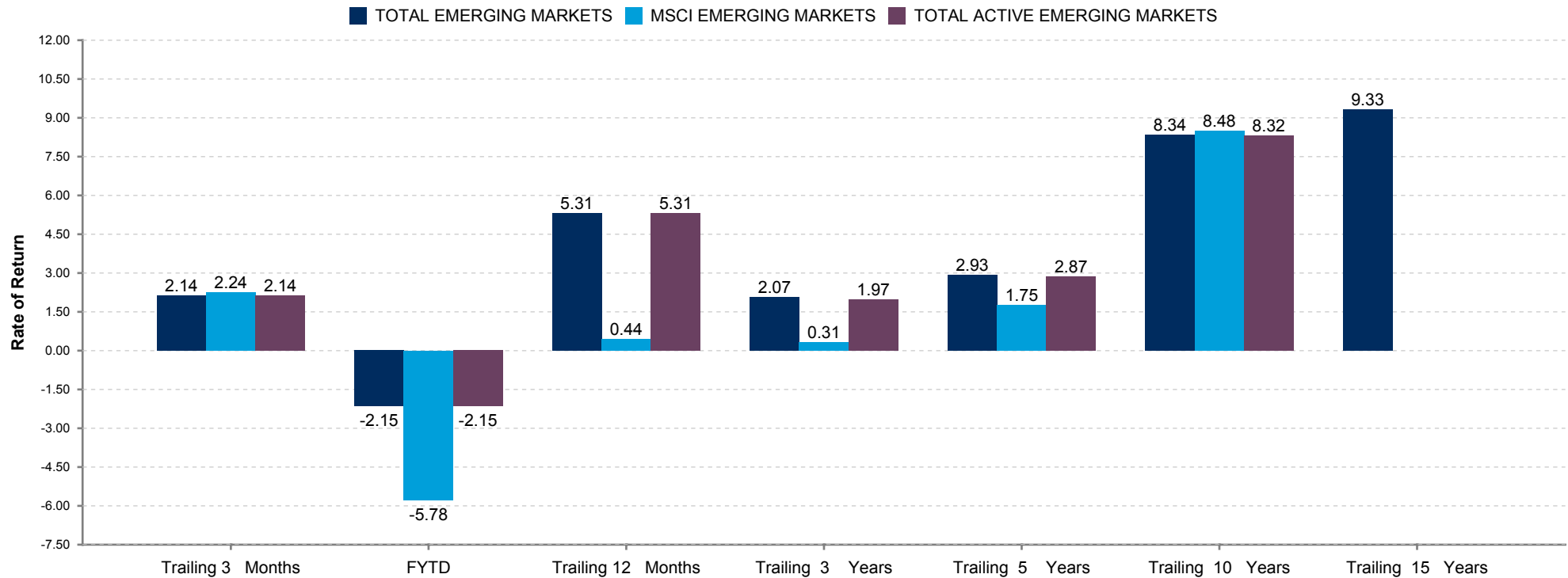
TOTAL EMERGING MARKETS

Market Value (Millions)

\$214.9

% of Plan

4.9



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MARKETS	13.0	13.3	18.4	18.1	23.6	23.5
TOTAL ACTIVE EMERGING MARKETS	13.1	13.3	18.5	18.1	23.6	23.5

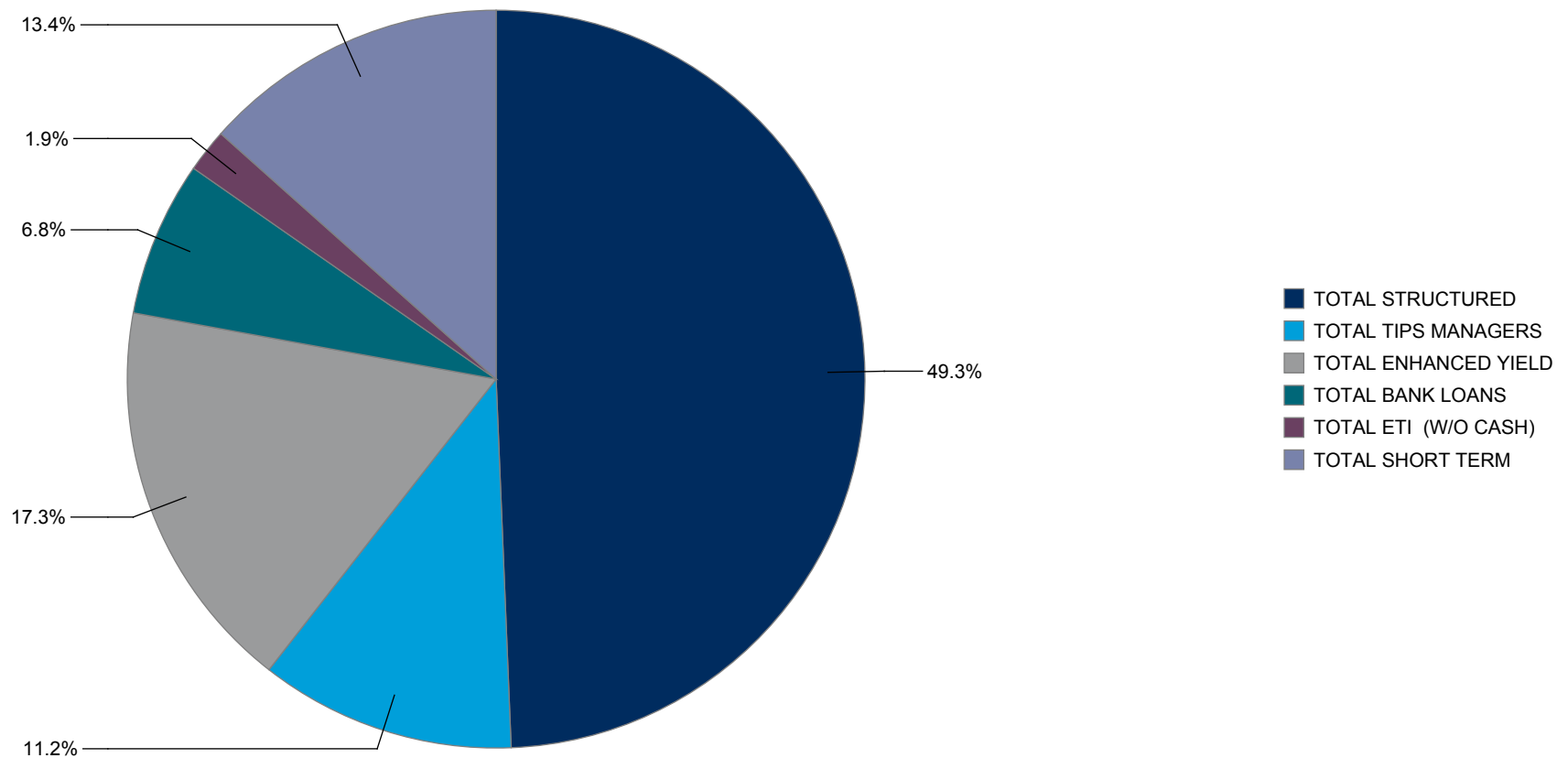
New York City  
Board of Education Retirement System

# Fixed Income Analysis

## Total Fixed Income Asset Allocation: March 31, 2015



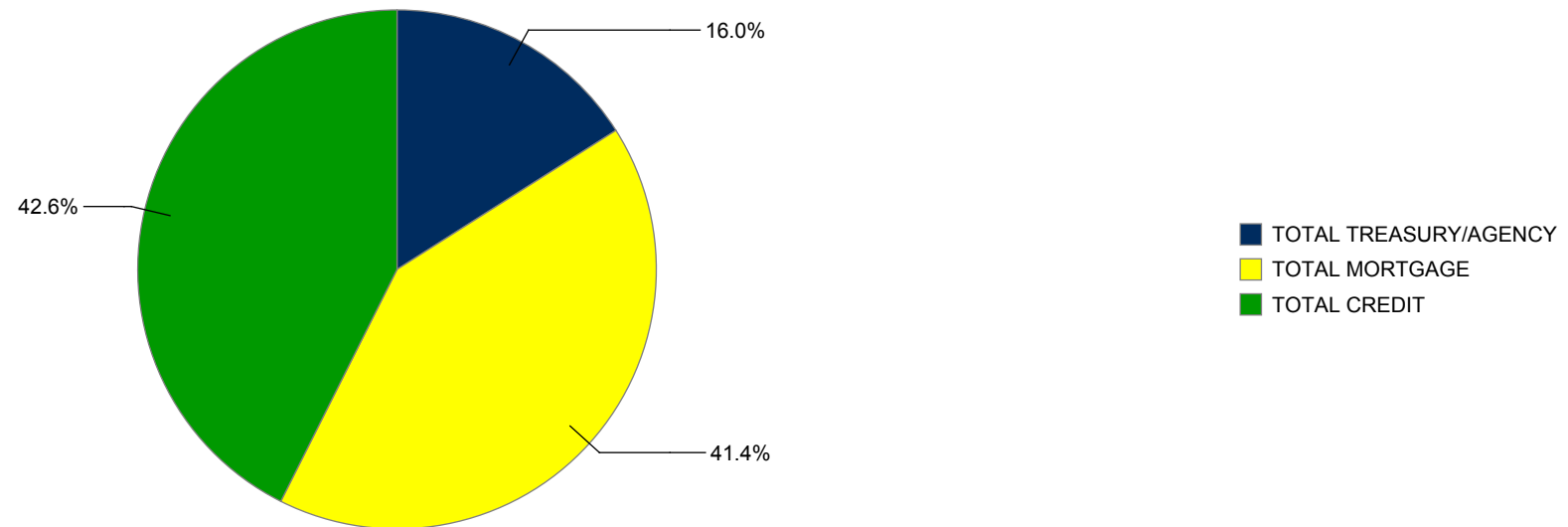
	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL FIXED INCOME	\$1.3	28.7



## Structured Fixed Income Asset Allocation: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$618.0	14.2

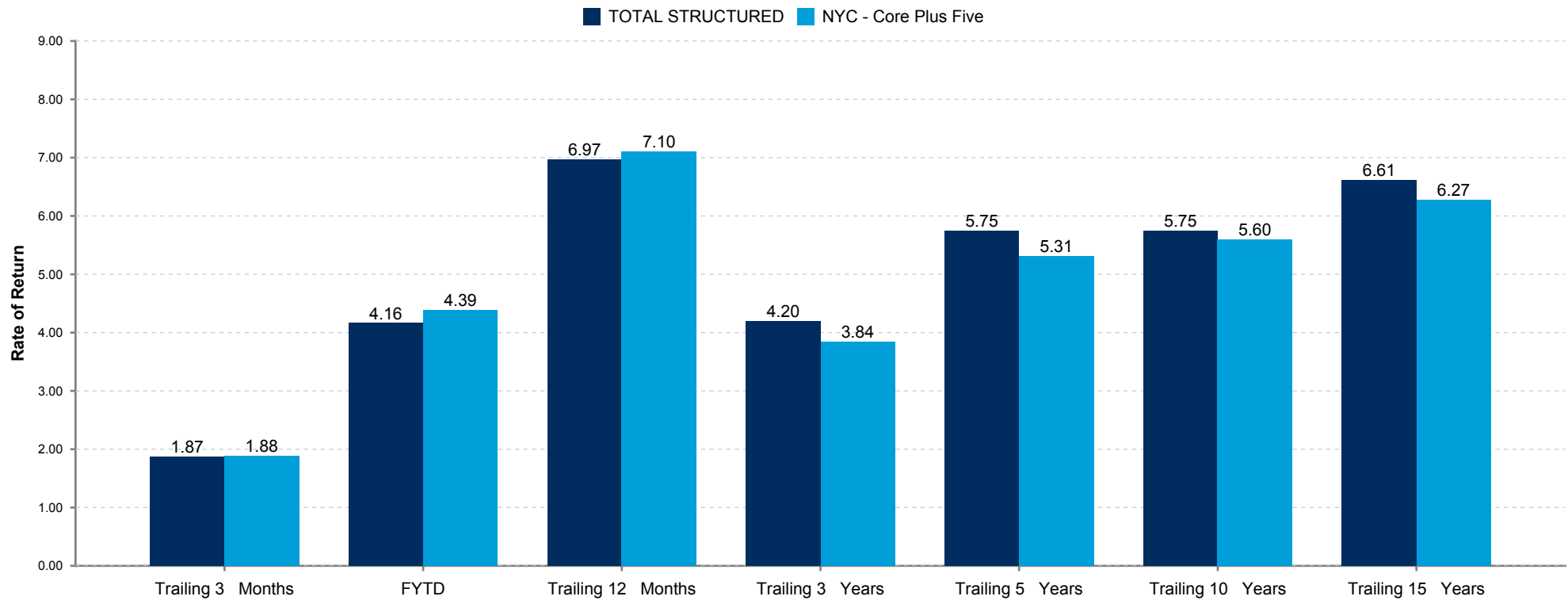


Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL TREASURY/AGENCY	20.34	15.98	-4.36	2.84	2.75	-0.09
TOTAL MORTGAGE	36.34	41.42	5.08	1.15	1.33	0.18
TOTAL INV GRADE CREDIT	43.32	42.60	-0.72	2.09	2.07	-0.02

## Structured Returns vs NYC Core + 5 Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$618.0	14.2



	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
Standard Deviation						
TOTAL STRUCTURED	3.4	3.6	3.3	3.4	3.8	4.0

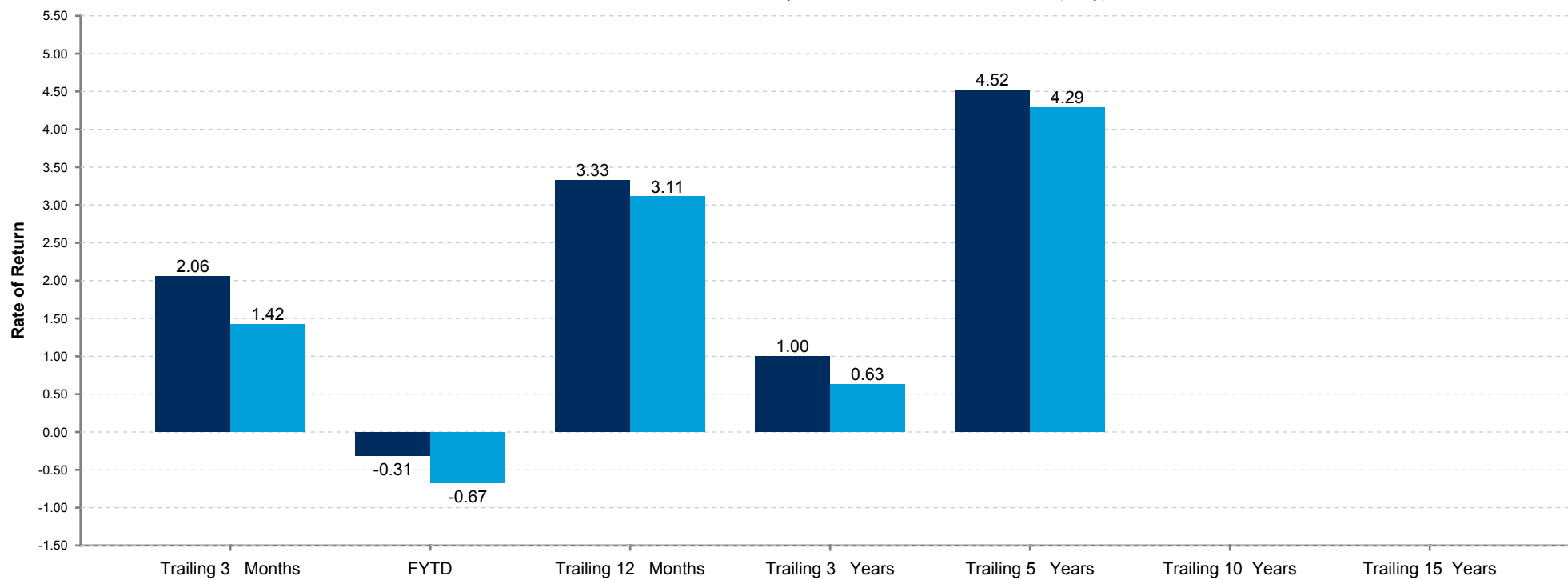


## TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL TIPS MANAGERS	\$140.8	3.2

■ TOTAL TIPS MANAGERS ■ Barclays Global Inflation Linked: US TIPS (Daily)

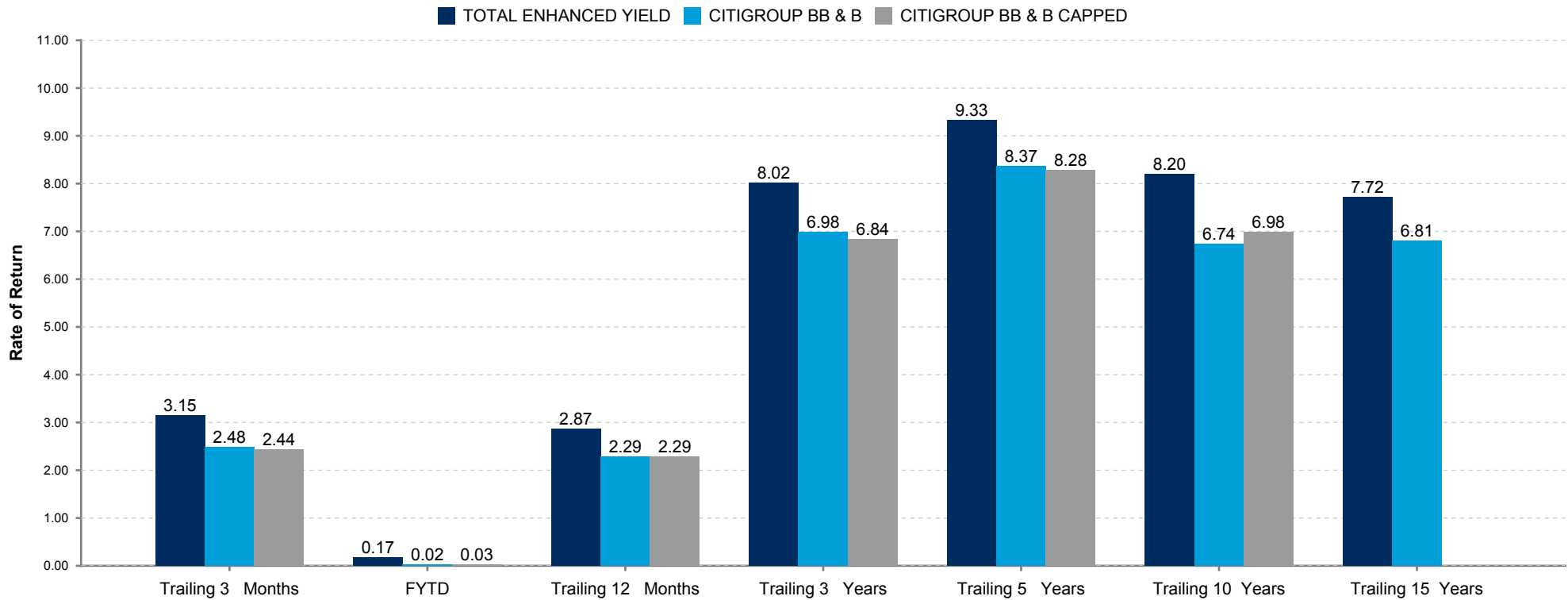


	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
Standard Deviation						
TOTAL TIPS MANAGERS	5.5	5.4	5.3	5.3		

## Enhanced Yield Returns vs Benchmarks: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL ENHANCED YIELD	\$216.7	5.0

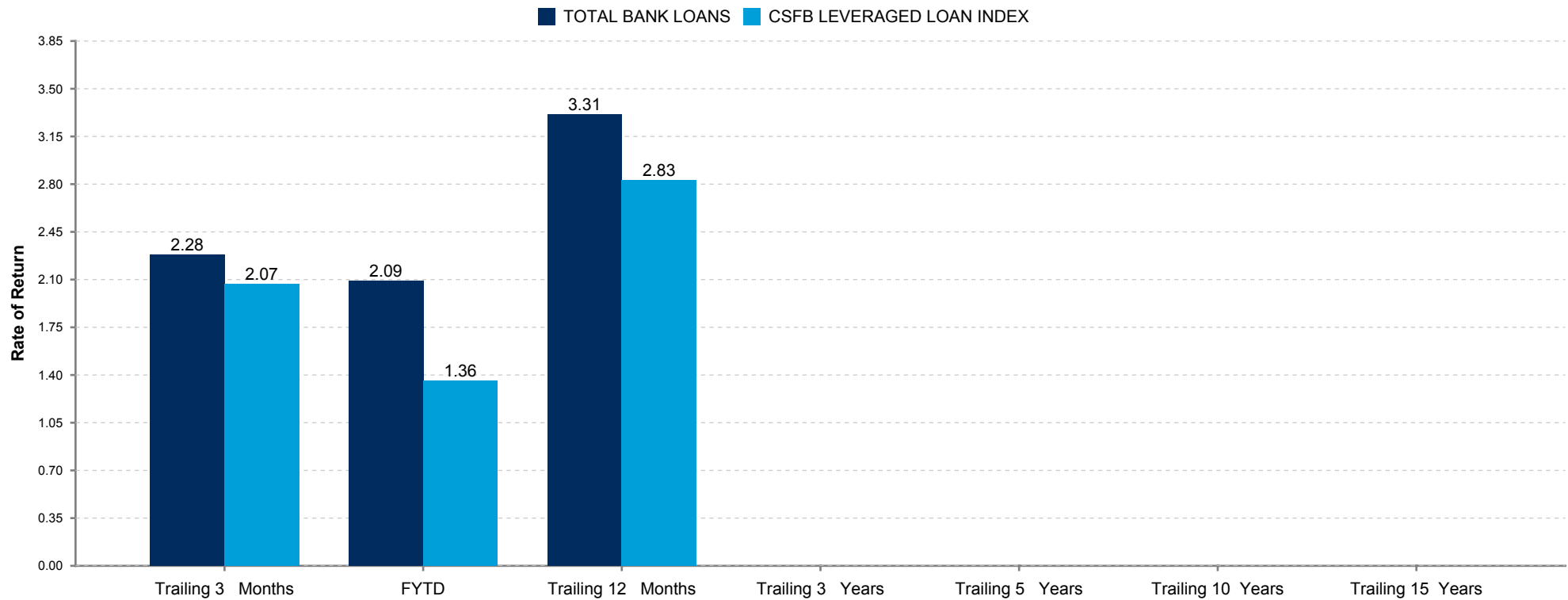


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ENHANCED YIELD	8.0	4.3	6.0	5.6	8.6	8.9

## Bank Loan Returns vs CSFB Leveraged Loan Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL BANK LOANS	\$85.0	1.9

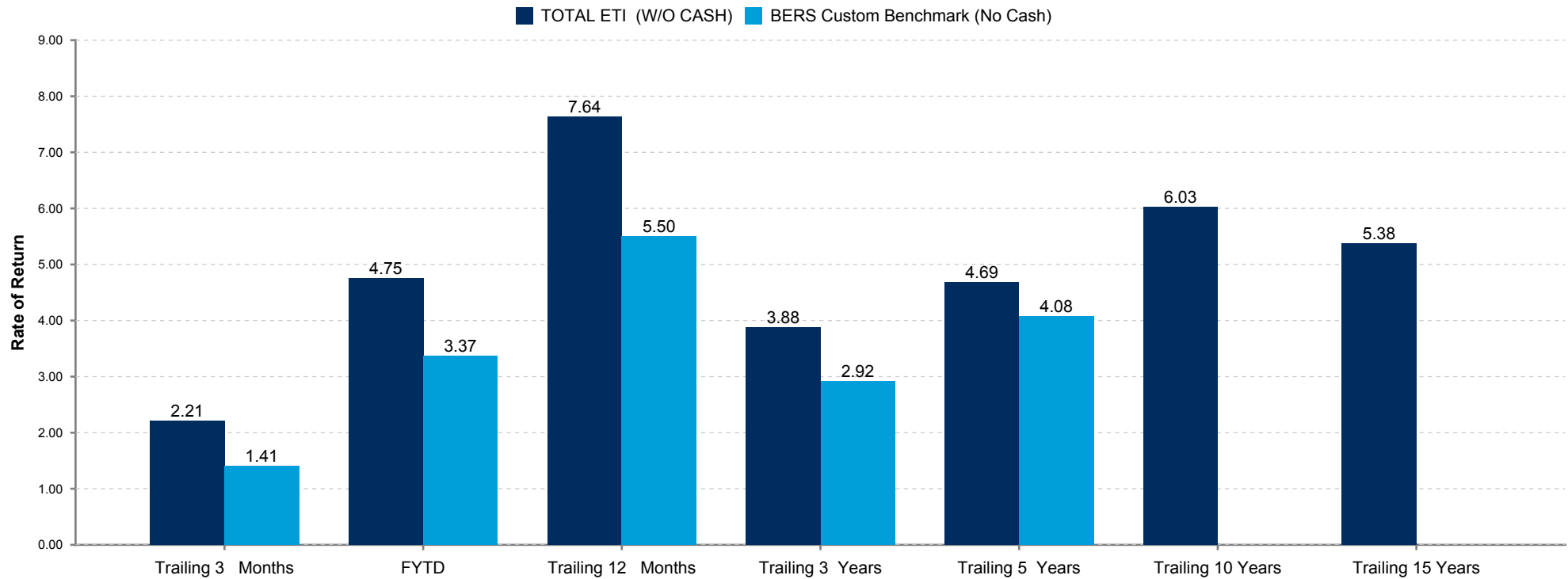


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL BANK LOANS						

## ETI Returns vs Custom Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL ETI (W/O CASH)	\$24.1	0.6



	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
Standard Deviation						
TOTAL ETI (W/O CASH)	2.8	2.6	2.5	2.5	2.9	

**New York City  
Board of Education Retirement System**

# Appendix

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
<b>SMALL CAP</b>									
DARUMA -SCC	32.8	0.75	0.39	0.39	(2.11)	15.00	12.82		
TOTAL SMALL CAP CORE	32.8	0.75	0.39	0.39	(2.11)	15.00	12.82		
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
TOTAL SMALL CAP ACTIVE	32.8	0.75	0.39	0.39	(2.11)	15.00	12.82	6.26	
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
Blackrock R2000 Growth MTA	39.3	0.90	6.61	6.61	11.92				
RUSSELL 2000 GROWTH			6.63	6.63	12.06	17.74	16.58	10.02	4.17
Blackrock R2000 Value MTA	37.7	0.86	1.99	1.99	4.32				
RUSSELL 2000 VALUE			1.98	1.98	4.43	14.79	12.54	7.53	10.10
TOTAL SMALL CAP PASSIVE	77.0	1.77	4.29	4.29	8.10				
TOTAL SMALL CAP	109.8	2.52	3.09	3.09	5.20	17.84	14.48	7.05	
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
<b>MID CAP</b>									
WELLINGTON MID CAP CORE	142.6	3.27	6.02	6.02	13.91	19.57			
TOTAL MID CAP CORE	142.6	3.27	6.02	6.02	13.91	19.57			
S&P 400 MID CAP INDEX			5.31	5.31	12.19	17.03	15.72	10.32	9.16
State St GA S&P 400	40.4	0.93	5.32	5.32	12.14	16.99			
TOTAL MID CAP PASSIVE	40.4	0.93	5.32	5.32	12.14	16.99			
S&P MIDCAP 400			5.31	5.31	12.19	17.03	15.72	10.32	9.16

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL MID CAP	183.0	4.20	5.87	5.87	13.25	18.60			
RUSSELL MIDCAP			3.95	3.95	13.68	18.10	16.16	10.02	8.49
<b>RUSSELL 1000</b>									
Blackrock R1000 Growth MTA	692.3	15.88	3.84	3.84	16.00				
RUSSELL 1000 GROWTH			3.84	3.84	16.09	16.34	15.63	9.36	1.99
Blackrock R1000 Value MTA	660.5	15.15	(0.71)	(0.71)	9.30				
RUSSELL 1000 VALUE			(0.72)	(0.72)	9.33	16.44	13.75	7.21	6.53
TOTAL RUSSELL 1000 PASSIVE	1,352.8	31.03	1.57	1.57	12.61				
TOTAL RUSSELL 1000	1,352.8	31.03	1.57	1.57	12.59	23.12	18.59	10.86	3.53
RUSSELL 1000			1.59	1.59	12.73	16.45	14.73	8.34	4.43
<b>PROGRESS MANAGERS</b>									
AFFINITY IA	14.4	0.33	0.58	0.58	11.75				
HERNDON CAPITAL MGMT-LCV	10.3	0.24	1.88	1.88	2.70	11.30	12.83		
HIGH POINTE LLC -LCG	8.5	0.19	3.79	3.79	16.04	16.08	14.71		
Lombardia Cap Ptnrs LLC - Small Value	4.0	0.09	0.21	0.21	3.01	13.33	13.11		
Nichols Asset Mgmt - SCG	3.2	0.07	6.74	6.74	7.47	17.12			
PIM-Martin Inv Mgmt	14.3	0.33							
REDWOOD INV -LCG	14.5	0.33	4.64	4.64	16.72	17.25			
SEIZART CAPITAL - MCC	11.2	0.26	2.23	2.23	6.27	20.80			
TOTAL PROGRESS MANAGERS	80.5	1.85	2.65	2.65	9.50	15.85	14.09	8.77	4.55
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
<b>F.I.S. MANAGERS</b>									
Channing Cap Mgmt - SCV	18.1	0.42	5.51	5.51	8.10	19.86			
EUDAIMONIA -MICRO CG	5.1	0.12	6.47	6.47	6.53	19.58	17.82		

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Huber Cap Mgmt - SCV	3.9	0.09	(1.10)	(1.10)	(7.54)	12.16			
NICHOLS ASSET MGMT - SCG	12.3	0.28	6.74	6.74	7.50				
Nicholas Investment Partners - SCG	8.9	0.20	9.45	9.45	9.03				
Piermont Capital - SCV	14.6	0.33	2.18	2.18	7.89				
Punch & Associates Inv Mgmt - SCC	9.7	0.22	6.68	6.68	7.47				
Rice Hall James	9.1	0.21	4.56	4.56					
TOTAL F.I.S MANAGERS	81.8	1.88	5.25	5.25	7.52	17.22	15.80		
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
TOTAL EMERGING MANAGERS	162.2	3.72	3.94	3.94	8.49	16.40	14.64	8.87	
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
TOTAL ACTIVE DOMESTIC EQUITY	337.7	7.74	4.41	4.41	9.69	18.04	15.34	8.90	3.54
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
TOTAL PASSIVE DOMESTIC EQUITY	1,470.2	33.72	1.81	1.81	12.01	16.35	14.61	8.33	4.97
TOTAL DOMESTIC EQUITY	1,807.9	41.46	2.28	2.28	11.66	16.72	14.73	8.45	4.71
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
<b>INTERNATIONAL EQUITY</b>									
<b>DEVELOPED MARKETS</b>									
<b>GROWTH</b>									
Baillie Gifford	358.8	8.23	5.82	5.82	(0.03)	10.62	9.00		
TOTAL DEVELOPED GROWTH	358.8	8.23	5.82	5.82	(0.03)	10.62	9.00		
MSCI EAFE GROWTH			5.85	5.85	1.05	8.96	6.99	5.60	1.41



# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>VALUE</b>									
Sprucegrove	310.0	7.11	1.96	1.96	(3.10)	7.17	6.81	5.94	
TOTAL DEVELOPED VALUE	310.0	7.11	1.96	1.96	(3.10)	7.17	6.81	5.94	
MSCI EAFE VALUE			3.89	3.89	(2.90)	9.03	5.27	4.23	4.22
<b>SMALL CAP</b>									
Acadian	79.6	1.83	5.01	5.01	(4.43)				
TOTAL DEVELOPED SMALL CAP	79.6	1.83	5.01	5.01	(4.43)				
S&P EPAC SMALL CAP			5.56	5.56	(1.47)	11.35	9.24	7.10	6.95
TOTAL ACTIVE DEVELOPED MARKETS	748.3	17.16	4.10	4.10	(1.81)	9.25	8.12	7.55	4.19
MSCI EAFE			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
TOTAL DEVELOPED MARKETS	748.3	17.16	4.10	4.10	(1.81)	9.25	8.12	7.55	4.28
MSCI EAFE NET			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
MSCI EAFE IMI NET			4.96	4.96	(1.17)	9.22	6.47	5.17	2.95
<b>EMERGING MARKETS</b>									
Acadian	214.9	4.93	2.14	2.14	5.31				
TOTAL ACTIVE EMERGING MARKETS	214.9	4.93	2.14	2.14	5.31	1.97	2.87	8.32	
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
TOTAL EMERGING MARKETS	214.9	4.93	2.14	2.14	5.31	2.07	2.93	8.34	9.33
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
TOTAL INTERNATIONAL EQUITY	963.2	22.09	3.66	3.66	(0.43)	7.80	7.08	7.68	5.07
MSCI AC WORLD ex US			3.49	3.49	(1.01)	6.40	4.82	5.46	

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>PRIVATE EQUITY INVESTMENTS</b>									
Apollo Investment Fund VIII	2.6	0.06							
Ardian Secondary VI	8.5	0.19							
Carlyle Partners VI, L.P.	6.2	0.14							
CRESTVIEW PRTNR III	1.1	0.02							
CVC Capital Partners VI	1.3	0.03							
Landmark Equity Partners XV	7.0	0.16							
LEXINGTON CAP VIII	1.4	0.03							
Mesirow Financial Private Equity Fnd III	42.6	0.98							
Mesirow Financial Private Equity Fund IV	20.4	0.47							
Mesirow Financial Private Equity Fund V	31.3	0.72							
Mill City Capital II	0.6	0.01							
New Mainstream Capital II	0.2	0.00							
New York Fairview Private Equity, L.P.	11.2	0.26							
Platinum Equity Capital Partners III, LP	5.0	0.12							
Raine Partners II	0.4	0.01							
VISTA EQUITY V	9.6	0.22							
Warburg Pincus Private Equity XI, LP	17.1	0.39							
Webster Capital III	0.3	0.01							
TOTAL PRIVATE EQUITY	166.8	3.83							
NYC R3000 + 3% LAGGED									
<b>REAL ASSETS</b>									
<b>PRIVATE REAL ESTATE</b>									
Blackstone Europe IV	13.1	0.30							
Brookfield Strategic Real Estate Partners L.P.	9.8	0.22							
CARLYLE REALTY FUND VII	3.5	0.08							
Emmes Interborough Fund LLC	7.9	0.18							

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Franklin Templeton Private Real Estate Fund	15.7	0.36							
Hudson Sandy Manager, LLC	1.2	0.03							
H/2 Special Opp Fund III	1.8	0.04							
LaSalle US Property Fund	31.7	0.73							
METLIFE CORE PROPERTY	10.7	0.25							
Related Sep Acct	5.6	0.13							
UBS Trumbull Property Fund LP	61.4	1.41							
TOTAL PRIVATE REAL ESTATE	162.5	3.73							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infrastructure Fund II	6.2	0.14							
FIRST RESERVE EIF II	0.2	0.00							
TOTAL INFRASTRUCTURE	6.4	0.15							
CPI + 4%									
TOTAL REAL ASSETS	168.8	3.87							
TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS)	3,106.7	71.25	2.78	2.78	8.34	13.63	12.02	8.10	4.70
<b>FIXED INCOME MANAGEMENT</b>									
<b>GOVERNMENT</b>									
State Street - Gov't	98.8	2.26	2.75	2.75	11.59	4.46	7.15	6.51	7.14
TOTAL TREASURY / AGENCY	98.8	2.26	2.75	2.75	11.59	4.46	7.15	6.47	7.02
NYC - TREASURY AGENCY PLUS FIVE			2.84	2.84	11.70	4.51	7.22	6.43	7.05

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>MORTGAGE</b>									
Blackrock Mortgages	255.9	5.87	1.32	1.32					
TOTAL MORTGAGE	256.0	5.87	1.33	1.33	5.51	2.80	4.25	5.29	6.05
CITIGROUP MORTGAGE INDEX			1.15	1.15	5.64	2.53	3.69	4.93	5.56
<b>CREDIT</b>									
Prudential - Credit	140.6	3.23	2.13	2.13	6.61	5.08	6.36		
Prudential-Privest - Credit	16.5	0.38	2.18	2.18	6.89				
Taplin Canida Habacht Credit	106.2	2.43	1.99	1.99	6.94	6.22	7.28	5.85	7.08
TOTAL INVESTMENT GRADE CREDIT	263.3	6.04	2.07	2.07	6.76	5.58	6.76	5.58	6.94
NYC - INVESTMENT GRADE CREDIT			2.09	2.09	6.41	4.79	6.07	5.63	6.44
TOTAL STRUCTURED	618.0	14.17	1.87	1.87	6.97	4.20	5.75	5.75	6.61
NYC - CORE PLUS FIVE			1.88	1.88	7.10	3.84	5.31	5.60	6.27
<b>TIPS MANAGERS</b>									
<b>PASSIVE TIPS MANAGERS</b>									
SSGA TIPS	140.8	3.23							
TOTAL PASSIVE TIPS MANAGERS	140.8	3.23							
TOTAL TIPS MANAGERS	140.8	3.23	2.06	2.06	3.33	1.00	4.52		
BARCLAYS GLOBAL INFLATION LINKED: US TIP			1.42	1.42	3.11	0.63	4.29	4.55	6.29
<b>ENHANCED YIELD</b>									
LOOMIS SAYLES & CO	116.8	2.68	3.00	3.00	2.34	8.78	10.23	9.06	8.65
NYC-LOOMIS (BoFA ML-MST II 7-03/BB&B PRIOR)			2.54	2.54	2.05	7.47	8.40	8.04	7.76

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
SHENKMAN ENHANCED YIELD	99.9	2.29	3.33	3.33	3.50				
TOTAL ENHANCED YIELD	216.7	4.97	3.15	3.15	2.87	8.02	9.33	8.20	7.72
CITIGROUP BB & B			2.48	2.48	2.29	6.98	8.37	6.74	6.81
CITIGROUP BB & B CAPPED			2.44	2.44	2.29	6.84	8.28	6.98	
<b>BANK LOANS</b>									
Babson BL	85.0	1.95	2.28	2.28	3.31				
TOTAL BANK LOANS	85.0	1.95	2.28	2.28	3.31				
CREDIT SUISSE LEVERAGED LOAN INDEX			2.07	2.07	2.83	5.36	5.36	4.75	
<b>ETI</b>									
BOA - PPAR ETI MTA (FNMA)	0.8	0.02	35.41	35.41	45.88				
CCD - PPAR (GNMA)	0.4	0.01	1.85	1.85	12.58	11.91	10.34		
CCD - PPAR ETI MTA (FNMA)	0.6	0.01	1.31	1.31	21.61				
CFSB - PPAR (GNMA)	0.1	0.00	1.72	1.72	11.56	9.36	8.62		
CPC - PPAR (FNMA)	0.6	0.01	1.50	1.50	8.65				
JPMC - PPAR (FNMA)	0.7	0.02	0.16	0.16	3.50				
LIIF - PPAR (GNMA)	0.2	0.00	2.31	2.31	8.55	8.45	6.76		
LIIF - PPAR ETI MTA (FNMA)	0.4	0.01	1.34	1.34	33.38				
NCBCI - PPAR (GNMA)	0.1	0.00	2.07	2.07	13.11	12.89	10.20		
NCB-CI PPAR ETI MTA (FNMA)	0.0	0.00	1.94	1.94	11.26				
TOTAL PPAR	4.0	0.09	5.62	5.62	18.14	13.47	10.55		
GNMA PLUS 65BPS			0.87	0.87	5.50	2.71	4.50	5.55	6.15
FNMA PLUS 85BPS			1.51	1.51	6.89	3.57	4.56	5.83	6.49
ACCESS RBC	7.3	0.17	1.62	1.62	6.95	3.28	4.24		
ACCESS RBC BENCHMARK			1.12	1.12	4.88	2.27	3.45		

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
AFL-CIO HOUSING INV TRUST	12.4	0.28	1.60	1.60	5.95	3.08	4.24		
BARCLAYS AGGREGATE			1.61	1.61	5.72	3.10	4.41	4.93	5.66
CPC CONST FACILITY	0.4	0.01	0.68	0.68					
CPC CONST BENCHMARK			0.71	0.71					
TOTAL ETI (W/O CASH)	24.1	0.55	2.21	2.21	7.64	3.88	4.69	6.03	5.38
BERS CUSTOM ETI INDEX			1.41	1.41	5.50	2.92	4.08		
TOTAL FIXED INCOME	1,084.6	24.88	2.18	2.18	5.36	4.56	6.37	6.18	
C/D - Fail Float Earnings	0.1	0.00							
Security Lendings	0.5	0.01							
State Street Short Term	168.4	3.86							
<b>TOTAL BOARD OF EDUCATION</b>	<b>4,360.1</b>	<b>100.00</b>	<b>2.53</b>	<b>2.53</b>	<b>7.40</b>	<b>10.77</b>	<b>10.12</b>	<b>7.53</b>	<b>5.48</b>
BOARD OF EDUCATION POLICY BENCHMARK			2.66	2.66	7.54	10.78	10.14	7.28	5.21

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
<b>SMALL CAP</b>									
DARUMA -SCC	32.8	0.75	0.24	0.24	(2.68)				
TOTAL SMALL CAP CORE	32.8	0.75	0.24	0.24	(2.68)				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
TOTAL SMALL CAP ACTIVE	32.8	0.75	0.24	0.24	(2.68)				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
Blackrock R2000 Growth MTA	39.3	0.90	6.61	6.61	11.92				
RUSSELL 2000 GROWTH			6.63	6.63	12.06	17.74	16.58	10.02	4.17
Blackrock R2000 Value MTA	37.7	0.86	1.99	1.99	4.32				
RUSSELL 2000 VALUE			1.98	1.98	4.43	14.79	12.54	7.53	10.10
TOTAL SMALL CAP PASSIVE	77.0	1.77	4.29	4.29	8.10				
TOTAL SMALL CAP	109.8	2.52	3.05	3.05	5.04				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
<b>MID CAP</b>									
WELLINGTON MID CAP CORE	142.6	3.27	5.87	5.87	13.28				
TOTAL MID CAP CORE	142.6	3.27	5.87	5.87	13.28				
S&P 400 MID CAP INDEX			5.31	5.31	12.19	17.03	15.72	10.32	9.16
State St GA S&P 400	40.4	0.93	5.32	5.32	12.13				
TOTAL MID CAP PASSIVE	40.4	0.93	5.32	5.32	12.13				
S&P MIDCAP 400			5.31	5.31	12.19	17.03	15.72	10.32	9.16

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL MID CAP	183.0	4.20	5.75	5.75	12.81				
RUSSELL MIDCAP			3.95	3.95	13.68	18.10	16.16	10.02	8.49
<b>RUSSELL 1000</b>									
Blackrock R1000 Growth MTA	692.3	15.88	3.84	3.84	15.99				
RUSSELL 1000 GROWTH			3.84	3.84	16.09	16.34	15.63	9.36	1.99
Blackrock R1000 Value MTA	660.5	15.15	(0.71)	(0.71)	9.29				
RUSSELL 1000 VALUE			(0.72)	(0.72)	9.33	16.44	13.75	7.21	6.53
TOTAL RUSSELL 1000 PASSIVE	1,352.8	31.03	1.57	1.57	12.60				
TOTAL RUSSELL 1000	1,352.8	31.03	1.57	1.57	12.58				
RUSSELL 1000			1.59	1.59	12.73	16.45	14.73	8.34	4.43
<b>PROGRESS MANAGERS</b>									
AFFINITY IA	14.4	0.33	0.45	0.45	11.18				
HERNDON CAPITAL MGMT-LCV	10.3	0.24	1.75	1.75	2.17				
HIGH POINTE LLC -LCG	8.5	0.19	3.66	3.66	15.45				
Lombardia Cap Ptnrs LLC - Small Value	4.0	0.09	0.08	0.08	2.48				
Nichols Asset Mgmt - SCG	3.2	0.07	6.60	6.60	6.92				
PIM-Martin Inv Mgmt	14.3	0.33							
REDWOOD INV -LCG	14.5	0.33	4.51	4.51	16.12				
SEIZART CAPITAL - MCC	11.2	0.26	2.10	2.10	5.72				
TOTAL PROGRESS MANAGERS	80.5	1.85	2.53	2.53	8.96				
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
<b>F.I.S. MANAGERS</b>									
Channing Cap Mgmt - SCV	18.1	0.42	5.32	5.32	7.30				
EUDAIMONIA -MICRO CG	5.1	0.12	6.28	6.28	5.74				



# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Huber Cap Mgmt - SCV	3.9	0.09	(1.29)	(1.29)	(8.23)				
NICHOLS ASSET MGMT - SCG	12.3	0.28	6.55	6.55	6.70				
Nicholas Investment Partners - SCG	8.9	0.20	9.25	9.25	8.23				
Piermont Capital - SCV	14.6	0.33	1.99	1.99	7.09				
Punch & Associates Inv Mgmt - SCC	9.7	0.22	6.48	6.48	6.67				
Rice Hall James	9.1	0.21	4.37	4.37					
TOTAL F.I.S MANAGERS	81.8	1.88	5.06	5.06	6.72				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
TOTAL EMERGING MANAGERS	162.2	3.72	3.79	3.79	7.82				
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
TOTAL ACTIVE DOMESTIC EQUITY	337.7	7.74	4.26	4.26	9.07				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
TOTAL PASSIVE DOMESTIC EQUITY	1,470.2	33.72	1.81	1.81	12.00				
TOTAL DOMESTIC EQUITY	1,807.9	41.46	2.26	2.26	11.54				
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
<b>INTERNATIONAL EQUITY</b>									
<b>DEVELOPED MARKETS</b>									
<b>GROWTH</b>									
Baillie Gifford	358.8	8.23	5.76	5.76	(0.28)				
TOTAL DEVELOPED GROWTH	358.8	8.23	5.76	5.76	(0.28)				
MSCI EAFE GROWTH			5.85	5.85	1.05	8.96	6.99	5.60	1.41

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>VALUE</b>									
Sprucegrove	310.0	7.11	1.90	1.90	(3.30)				
TOTAL DEVELOPED VALUE	310.0	7.11	1.90	1.90	(3.30)				
MSCI EAFE VALUE			3.89	3.89	(2.90)	9.03	5.27	4.23	4.22
<b>SMALL CAP</b>									
Acadian	79.6	1.83	4.92	4.92	(4.75)				
TOTAL DEVELOPED SMALL CAP	79.6	1.83	4.92	4.92	(4.75)				
S&P EPAC SMALL CAP			5.56	5.56	(1.47)	11.35	9.24	7.10	6.95
TOTAL ACTIVE DEVELOPED MARKETS	748.3	17.16	4.04	4.04	(2.06)				
MSCI EAFE			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
TOTAL DEVELOPED MARKETS	748.3	17.16	4.04	4.04	(2.06)				
MSCI EAFE NET			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
MSCI EAFE IMI NET			4.96	4.96	(1.17)	9.22	6.47	5.17	2.95
<b>EMERGING MARKETS</b>									
Acadian	214.9	4.93	2.05	2.05	4.94				
TOTAL ACTIVE EMERGING MARKETS	214.9	4.93	2.05	2.05	4.94				
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
TOTAL EMERGING MARKETS	214.9	4.93	2.05	2.05	4.94				
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
TOTAL INTERNATIONAL EQUITY	963.2	22.09	3.59	3.59	(0.70)				
MSCI AC WORLD ex US			3.49	3.49	(1.01)	6.40	4.82	5.46	

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>PRIVATE EQUITY INVESTMENTS</b>									
Apollo Investment Fund VIII	2.6	0.06							
Ardian Secondary VI	8.5	0.19							
Carlyle Partners VI, L.P.	6.2	0.14							
CRESTVIEW PRTNR III	1.1	0.02							
CVC Capital Partners VI	1.3	0.03							
Landmark Equity Partners XV	7.0	0.16							
LEXINGTON CAP VIII	1.4	0.03							
Mesirow Financial Private Equity Fnd III	42.6	0.98							
Mesirow Financial Private Equity Fund IV	20.4	0.47							
Mesirow Financial Private Equity Fund V	31.3	0.72							
Mill City Capital II	0.6	0.01							
New Mainstream Capital II	0.2	0.00							
New York Fairview Private Equity, L.P.	11.2	0.26							
Platinum Equity Capital Partners III, LP	5.0	0.12							
Raine Partners II	0.4	0.01							
VISTA EQUITY V	9.6	0.22							
Warburg Pincus Private Equity XI, LP	17.1	0.39							
Webster Capital III	0.3	0.01							
TOTAL PRIVATE EQUITY	166.8	3.83							
NYC R3000 + 3% LAGGED									
<b>REAL ASSETS</b>									
<b>PRIVATE REAL ESTATE</b>									
Blackstone Europe IV	13.1	0.30							
Brookfield Strategic Real Estate Partners L.P.	9.8	0.22							
CARLYLE REALTY FUND VII	3.5	0.08							
Emmes Interborough Fund LLC	7.9	0.18							

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Franklin Templeton Private Real Estate Fund	15.7	0.36							
Hudson Sandy Manager, LLC	1.2	0.03							
H/2 Special Opp Fund III	1.8	0.04							
LaSalle US Property Fund	31.7	0.73							
METLIFE CORE PROPERTY	10.7	0.25							
Related Sep Acct	5.6	0.13							
UBS Trumbull Property Fund LP	61.4	1.41							
TOTAL PRIVATE REAL ESTATE	162.5	3.73							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infrastructure Fund II	6.2	0.14							
FIRST RESERVE EIF II	0.2	0.00							
TOTAL INFRASTRUCTURE	6.4	0.15							
CPI + 4%									
TOTAL REAL ASSETS	168.8	3.87							
TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS)	3,106.7	71.25	2.71	2.71	8.06				
<b>FIXED INCOME MANAGEMENT</b>									
<b>GOVERNMENT</b>									
State Street - Gov't	98.8	2.26	2.74	2.74	11.53				
TOTAL TREASURY / AGENCY	98.8	2.26	2.74	2.74	11.53				
NYC - TREASURY AGENCY PLUS FIVE			2.84	2.84	11.70	4.51	7.22	6.43	7.05

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>MORTGAGE</b>									
Blackrock Mortgages	255.9	5.87	1.31	1.31					
TOTAL MORTGAGE	256.0	5.87	1.32	1.32	5.43				
CITIGROUP MORTGAGE INDEX			1.15	1.15	5.64	2.53	3.69	4.93	5.56
<b>CREDIT</b>									
Prudential - Credit	140.6	3.23	2.11	2.11	6.53				
Prudential-Prinvest - Credit	16.5	0.38	2.16	2.16	6.81				
Taplin Canida Habacht Credit	106.2	2.43	1.97	1.97	6.85				
TOTAL INVESTMENT GRADE CREDIT	263.3	6.04	2.06	2.06	6.68				
NYC - INVESTMENT GRADE CREDIT			2.09	2.09	6.41	4.79	6.07	5.63	6.44
<b>TIPS MANAGERS</b>									
<b>PASSIVE TIPS MANAGERS</b>									
SSGA TIPS	140.8	3.23							
TOTAL PASSIVE TIPS MANAGERS	140.8	3.23							
TOTAL TIPS MANAGERS	140.8	3.23	2.02	2.02	3.22				
BARCLAYS GLOBAL INFLATION LINKED: US TIP			1.42	1.42	3.11	0.63	4.29	4.55	6.29
<b>ENHANCED YIELD</b>									
LOOMIS SAYLES & CO	116.8	2.68	2.92	2.92	2.01				
NYC-LOOMIS (BoFA ML-MST II 7-03/BB&B PRIOR)			2.54	2.54	2.05	7.47	8.40	8.04	7.76

# Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
SHENKMAN ENHANCED YIELD	99.9	2.29	3.24	3.24	3.15				
TOTAL ENHANCED YIELD	216.7	4.97	3.07	3.07	2.53				
CITIGROUP BB & B			2.48	2.48	2.29	6.98	8.37	6.74	6.81
CITIGROUP BB & B CAPPED			2.44	2.44	2.29	6.84	8.28	6.98	
<b>BANK LOANS</b>									
Babson BL	85.0	1.95	2.19	2.19	2.96				
TOTAL BANK LOANS	85.0	1.95	2.19	2.19	2.96				
CREDIT SUISSE LEVERAGED LOAN INDEX			2.07	2.07	2.83	5.36	5.36	4.75	
<b>ETI</b>									
BOA - PPAR ETI MTA (FNMA)	0.8	0.02	35.41	35.41	45.88				
CCD - PPAR (GNMA)	0.4	0.01	1.85	1.85	12.58				
CCD - PPAR ETI MTA (FNMA)	0.6	0.01	1.31	1.31	21.61				
CFSB - PPAR (GNMA)	0.1	0.00	1.72	1.72	11.56				
CPC - PPAR (FNMA)	0.6	0.01	1.50	1.50	8.65				
JPMC - PPAR (FNMA)	0.7	0.02	0.16	0.16	3.50				
LIIF - PPAR (GNMA)	0.2	0.00	2.31	2.31	8.55				
LIIF - PPAR ETI MTA (FNMA)	0.4	0.01	1.34	1.34	33.38				
NCBCI - PPAR (GNMA)	0.1	0.00	2.07	2.07	13.11				
NCB-CI PPAR ETI MTA (FNMA)	0.0	0.00	1.94	1.94	11.26				
TOTAL PPAR	4.0	0.09	5.62	5.62	18.14				
GNMA PLUS 65BPS			0.87	0.87	5.50	2.71	4.50	5.55	6.15
FNMA PLUS 85BPS			1.51	1.51	6.89	3.57	4.56	5.83	6.49
ACCESS RBC	7.3	0.17	1.56	1.56	6.71				
ACCESS RBC BENCHMARK			1.12	1.12	4.88	2.27	3.45		

## Consolidated Performance Report - Net of Manager Fees

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
AFL-CIO HOUSING INV TRUST	12.4	0.28	1.60	1.60	5.95				
BARCLAYS AGGREGATE			1.61	1.61	5.72	3.10	4.41	4.93	5.66
CPC CONST FACILITY	0.4	0.01	0.68	0.68					
CPC CONST BENCHMARK			0.71	0.71					
TOTAL ETI (W/O CASH)	24.1	0.55	2.20	2.20	7.57				
BERS CUSTOM ETI INDEX			1.41	1.41	5.50	2.92	4.08		
TOTAL FIXED INCOME	1,084.6	24.88	2.15	2.15	5.20				
C/D - Fail Float Earnings	0.1	0.00							
Security Lendings	0.5	0.01							
State Street Short Term	168.4	3.86							
<b>TOTAL BOARD OF EDUCATION</b>	<b>4,360.1</b>	<b>100.00</b>	<b>2.47</b>	<b>2.47</b>	<b>7.16</b>				
BOARD OF EDUCATION POLICY BENCHMARK			2.66	2.66	7.54	10.78	10.14	7.28	5.21

## Actual and Estimated Fees

Through March 31, 2015



NEW YORK CITY BERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>US Equities</b>		<b>1,869</b>	<b>9.42</b>	<b>1,771</b>	<b>12.09</b>
Small Cap Active		34	49.08	31	61.27
Small Cap Growth		-	-	-	-
Small Cap Value		-	-	-	-
Small Cap core		34	49.08	31	61.27
Small Cap Fundamental Index		-	-	-	-
Small/Mid Cap Active		-	-	-	-
Small/Mid Cap Growth		-	-	-	-
Small/Mid Cap Value		-	-	-	-
Mid Cap Active		134	42.52	128	56.76
Mid Cap Growth		-	-	-	-
Mid Cap Value		-	-	-	-
Mid Cap core		134	42.52	128	56.76
Russell 1000 Active		81	16.73	-	-
Russell 1000 Growth		81	16.73	-	-
Russell 1000Core		-	-	-	-
Russell 1000 Fundamental Index		-	-	-	-
Active Emerging Managers (U.S. Equities)		153	54.99	147	79.13
Total US Active Equities		402	42.61	307	67.97
Total US Passive Equities		1,467	0.33	1,464	0.39
Opportunistic US Equity Strategies		-	-	-	-
<b>International Equities</b>		<b>959</b>	<b>24.99</b>	<b>932</b>	<b>27.69</b>
Active EAFE Equities		764	22.96	716	25.39
Growth		354	24.29	332	25.90
Value		323	19.58	304	22.75
Core		-	-	-	-
Small Cap		87	30.09	79	33.37
Environmental-Non US E. Strategies		-	-	-	-
Active Emerging Markets		195	32.95	216	35.30
Total Int'l Active Equities		959	24.99	932	27.69
Total Int'l Passive Equities		-	-	-	-
<b>REITS Passive Index</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Actual and Estimated Fees

Through March 31, 2015



NEW YORK CITY BERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND					
ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (FIXED INCOME)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>Fixed Income</b>		<b>1,097</b>	<b>14.71</b>	<b>757</b>	<b>19.58</b>
Structured Program		594	6.96	346	7.54
Government Sector		91	4.76	92	5.00
Mortgage Sector		249	6.28	-	-
Investment Grade Credit Sector		254	8.42	254	8.46
Global Fixed Income		-	-	-	-
Progress Fixed Emerging Managers		-	-	-	-
TIPS		141	9.18	-	10.00
Active TIPS		141	9.18	-	10.00
Passive TIPS		-	-	-	-
Opportunistic Fixed Income		-	-	-	-
Enhanced Yield		217	31.86	213	40.51
Bank Loans		83	37.86	83	34.85
Convertible Bonds		-	-	-	-
ETI - Access - RBC		7	19.48	7	22.92
ETI - AFL-CIO HIT		12	42.82	12	44.00
Other ETI Programs		2	-	3	-
In-House Short Term		42	0.00	93	0.00
<b>Total Public Markets</b>		<b>3,925</b>	<b>14.71</b>	<b>3,460</b>	<b>17.93</b>
<b>INVESTMENT STYLE (PRIVATE)</b>					
Hedge Funds		-	-	-	-
Private Equity Investments **		134	143.65	146	182.67
Real Assets**		114	86.24	131	101.34
Private Real Estate **		111	78.74	127	96.70
Infrastructure**		3	399.48	4	258.75
<b>Total Private Markets</b>		<b>248</b>	<b>117.23</b>	<b>277</b>	<b>144.16</b>
<b>Total Overall</b>		<b>4,173</b>	<b>20.80</b>	<b>3,737</b>	<b>27.29</b>
* 10 bps placeholder					
** Private Equity & Real Assets Investments exclude GP CARRY & Incentive Fees					

## Securities Lending Income

Through March 31, 2015



### NYC BOARD OF EDUCATION RETIREMENT SYSTEM SECURITIES LENDING INCOME March 31, 2015

	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	<u>INTERNATIONAL 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	349,000	1,325,000	446,000	
2014	287,000	512,000	1,387,000	
2015 (3 Months)	87,000	123,000	417,000	
Since Inception	<u>\$8,529,000</u>	<u>\$12,801,000</u>	<u>\$6,274,000</u>	*Inception 4/89

Through March 31, 2015



- 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.

## **General Notes**

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

## **Page Specific**

### **Page 13 & 14 - Portfolio Asset Allocation**

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

### **Pages 16 - 18 - 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. Allocation is 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 results in a positive Allocation Effect and vice versa.
- **Selection 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, e.g., *If the manager's Actual Returns are higher than the Implied Return there will be a positive Selection Effect.*

- **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, or 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 \* 40.50%*

*International Developed (EAFE) Markets: MSCI EAFE \* 17.00%*

*Emerging Markets: MSCI Emerging Markets \* 5.00%*

*Private Equity: Russell 3000 + 300 b.p. per annum \* 3.70%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 3.70%*

*Infrastructure: CPI + 4% \* 0.11%*

*Domestic Fixed Income: NYC Core +5 \* 17.00%*

*TIPS: Lehman U.S. TIPS \* 5.00%*

*Enhanced Yield: Citigroup BB&B \* 5.50%*

*Bank Loans: Credit Suisse Leveraged Loan \* 2.50%*

### **Page 19 – Allocation and Selection Effects - Asset Class Breakdown**

- This chart aims to break down the Allocation and Selection Effects 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 44 – ETI Returns vs Custom Index**

- Targeted has implemented a Custom Benchmark to better track the performance of the individual Targeted 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 Const Benchmark: 30 Day Libor + 275 bps per annum
- PPAR: Citigroup GNMA + 65 bps per annum
- Access/RBC: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index