



New York City  
Fire Department Pension Fund, Subchapter Two  
Performance Overview as of June 30, 2014

# Total Fund Overview



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## **Fire Retirement System of New York City**

<b>Table of Contents:</b>
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<b>Equity Analysis</b> <b>Fixed Income Analysis</b> <b>Appendix</b>
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Through June 30, 2014



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### **Equity Markets**

US stocks advanced in the months ended June 30, 2014, amid improving economic data underscoring growth in the United States and Europe. Initially, momentum investors, anxious of the Fed accelerating its pace of tapering bond purchases, rotated from growth into the perceived safety of lower price-to-earnings and higher-yielding equities in the value sectors from March through May. This aided the energy and utilities sectors, which led performance in the second quarter. The appetite for the narrow segment of momentum stocks in biotech and technology returned mid-May as investors focused on high-growth and high-yielding stocks. For the quarter, large cap stocks outperformed small cap stocks, with the S&P 500 Index returning +5.2% versus +2.1% for the Russell 2000 Index. So far this year value has outpaced growth across the capitalization spectrum. International equities gained +4.1% in the second quarter, according to the MSCI EAFE Index, underperforming domestic and emerging markets. Japan was one of the better performing regions of the market, returning roughly +6.7% during the quarter, amid positive remarks on structural reform from Prime Minister Abe. Emerging markets rallied to a 12-month high, according to the MSCI Emerging Markets Index, which posted +6.6% for the quarter. Returns were bolstered by improving conditions in the Ukraine, positive election results in India, and better economic conditions in China. Turkey and India were the best performing markets, returning +15.0% and +13.0%, respectively. Technology, energy and utilities led the way in sector performance, each clocking gains of over 10%. The consumer segment of the market lagged, returning around 4% during the quarter.

### **Fixed Income Markets**

Fixed income markets continued to rally through June on the heels of a robust first quarter. Despite expectations for higher interest rates, Treasuries rallied in the second quarter, spurring strong performance across bond sectors. The 10-year Treasury yield fell almost 20 basis points during the quarter, finishing at 2.5%. The Treasury yield curve flattened as two year yields rose slightly to 0.47% from 0.44%. Treasury Inflation-Protected Securities, or TIPS, outperformed nominal Treasuries due to increased inflation (expectations and actual), with the Barclays US TIPS Index posting gains of +3.8% over the period. High yield bonds returned +2.4%, aided by a decline in Treasury yields and a tightening of credit spreads. Spreads on high yield credit declined to 337 basis points, a post-crisis low, from 358 basis points at the end of the first quarter. Contrary to previous periods, where lower-quality debt outperformed, BB-, B-, and CCC- performed similarly in the quarter. Bank loan performance softened in the second quarter as retail flows turned negative after over 90 consecutive weeks of net inflows. However, demand for collateralized loan obligations, or CLOs, helped loans end the quarter in positive territory with gains of +1.4%, according to the S&P LSTA Loan Index. The additional monetary accommodation implemented by the ECB in June fueled gains in Eurozone sovereign debt and helped to extend a rally in emerging markets debt. Emerging market debt has been the clear winner in the first half of the year

Through June 30, 2014



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following a challenging 2013. In addition to the accommodative action by the ECB, declining Treasury yields and economic stability in several emerging market countries provided a tailwind for the asset class. Coming off a strong February and March, local currency (JP Morgan GBI-EM GD Unhedged) and external currency (JP Morgan EMBI+) emerging markets debt had a stellar second quarter, returning +4.0% and +5.8%, respectively.

### **Commodity Markets**

Commodities posted modest gains in the second quarter with the Dow Jones UBS essentially flat while the GSCI returned +2.7%. Commodity prices experienced high variability among sub-sectors. Poor weather conditions in the growing regions, combined with severe cold weather, sparked supply related rallies earlier in the quarter in corn and natural gas before reversing course and trading downward during the second half of the quarter. Further tensions in the Middle East pushed energy prices higher while record low livestock inventories in the US caused cattle prices to spike. In addition to energy and livestock, base metals recorded gains while agriculture posted losses.

### **Private Markets**

New private equity commitments totaled \$173.1 billion in the first half of the year, putting 2014 on track to be the fifth straight year of increasing commitments. While the overall trend was up, commitments to North American private equity funds fell 3% in the first half of the year. With US equities scaling record highs and debt readily available with few covenants, for some investors the relative value of European and Asian private equity may be outweighing the risks of investing overseas. Venture capital commitments in the first six months of the year were \$27.2 billion, nearly matching the total raised in all of 2013. However, allocations to venture capital, at 16% of total private equity raised, are just below the 10-year historic relative average. With a wave of large secondary fund managers returning to market this year, capital allocations to secondaries in the first half of 2014 were \$14.5 billion, surpassing the \$13.2 billion added to secondary funds in all of 2013. While financial institutions continue to methodically sell down their mature private equity portfolios, we are closely watching the secondary market for negative implications of a potential oversupply of capital. Lastly, mezzanine funds continue to face strong headwinds of a robust high yield market and an expanding supply of private debt and uni-tranche lenders competing away investment opportunities. New mezzanine funds represented only 3% of all new private equity commitments in the first half of 2014.

Looking ahead to the rest of the year, we anticipate the strong distribution environment—barring a significant correction in US public equities—will continue for mature US private equity investments. For new investments, we remain guarded on the large buyout sector in the US as an active high yield market, elevated transaction prices and the return of “covenant-lite” term sheets leave little room for operational missteps, and provide scant protection in the event of a prolonged recession. We favor managers with demonstrated price discipline, strong

Through June 30, 2014



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value orientation and those with operational capabilities to enhance portfolio company performance. Turnaround specialists can provide attractive options in light of the impact that the recession has had on many businesses. In Asia, many of the largest economies are going through important economic reforms. The Asian private equity environment—although not without risk—is becoming more appealing, given its lower valuations and higher growth prospects relative to the US. With investor interest in private equity expanding across all strategies and regions, investors need to be prepared to make quick decisions as many top tier fund managers are able to meet their capital fund raise targets within a few months of marketing.

Moving to real estate, NEPC's views have not changed materially since the first quarter. We remain neutral on core real estate in the US, positive on non-core real estate strategies, and neutral on debt strategies (both in the US and Europe). For US core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates. That said, the main concerns for US core real estate (and US real estate, broadly) continue to be plentiful capital that is driving up pricing, and the market's expectation for higher future interest rates and their impact on capitalization rates and capital values. Putting these two competing forces together—strong fundamentals versus the potential increase in cap rates—we think base case US core real estate returns will be similar to historical average returns. However, we think dispersion of potential return outcomes is much broader than normal (both for the upside and downside). We are also neutral on REITs based on the same views above. REITs are trading at 2.5% above their net asset values, which is near their long-term average, and still close to all time high funds from operations, or FFO, multiples (16.0x FFO). For non-core real estate, select attractive opportunities remain for niche-focused US firms, managers with a proven ability to make disciplined investment decisions, and Europe-focused firms.

For real assets, we remain positive on energy, negative on timber, and neutral on agriculture, metals and mining, and infrastructure. The North American energy landscape continues to evolve as the "shale revolution" matures and we believe there are value opportunities in the new market dynamic. We believe in long-term demand drivers for agriculture, especially for row crops such as corn and soy. Infrastructure is an opportunity that can be utilized without a widely apparent "buy" signal. We think core/core plus and some brownfield investments should be in highly defensive assets with conservative debt levels, so as to enjoy the benefits provided to true infrastructure assets and prevent timing risk from riskier opportunistic investments. Metals and mining offer the prospect to invest in assets that will continue to feed urbanization trends, especially in Asia. We maintain our bearish outlook on North American timber due to a supply overhang largely at the mercy of a housing recovery. Still, there have been pockets of opportunity in this market, for instance, the Pacific Northwest, which has benefitted from sustained demand in the Asian markets. However, these deals have been largely fully priced. Foreign timber opportunities have the potential to generate higher total returns. That said, the asset class risk-return profile shifts when assets are purchased outside of North America (and Australia/New Zealand).

Through June 30, 2014



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**Performance:** For the quarter, the Fund returned 4.08%, which ranked in the 33<sup>rd</sup> percentile of the BNY Mellon Public Master Trust Universe, outperforming the policy index return of 3.93%. Active managers added 5 basis points to aggregate performance during the quarter versus the policy index, and allocation decisions added 10 basis points to the Total Fund return. For the year ended June 30, 2014, the Fund returned 17.39%, which ranked in the 51<sup>st</sup> percentile in the BNY Mellon Public Mast Trust Universe, with active adding 5 basis points over the trailing year, and deviations from the policy adding 110 basis points to overall returns.

### **Domestic Equity Composite**

The Fund had 36% invested in domestic equity at the end of the second quarter. Within domestic equity, the Fund was overweight Small Cap Active Managers by 0.36%, underweight Russell 2000 Index Funds by 1.91%, overweight Small to Mid Cap Active Managers by 0.48%, overweight Mid Cap Active Managers by 2.93%, underweight Mid Cap S&P 400 Index Managers by 2.98%, overweight Russell 1000 Active Managers by 0.03%, overweight Russell 1000 Index Fund Funds by 3.99%, underweight Russell 3000 Index Fund Managers by 2.72% and underweight to Manager of Managers by 0.18%.

For the quarter, the Total Domestic Equity Portfolio returned 4.7%, underperforming the Russell 3000 Index return of 4.87% by 17 bps.

### **International Equity Composite**

At the end of the second quarter, the Fund had an allocation to international equity of 16%. Of this total, 39% was allocated to emerging markets equity and 61% was allocated to developed international markets. The Fund also allocates across style in the developed international space, with 20% of the allocation invested in active value mandates, 6.9% in core mandates, 18.6% in growth mandates. A total of 17.8% of the total international allocation was invested passively, including 11% invested in Emerging Markets Passive investments and 6.8% invested in Passive developed investments; remainder includes the actively managed strategies.

The International Developed Markets Equity Composite returned 3.2% in the second quarter, underperforming the MSCI EAFE Index which returned 4.1%. Passive managers outperformed active managers within the Fund.

The Emerging Markets Composite returned 7.82% in the second quarter, outperforming the MSCI EM Index which returned 6.6%.

### **Fixed Income Composite**

At the end of the second quarter, the Fund had an allocation to fixed income of 30%. Of the allocation to fixed

Through June 30, 2014



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income, 54.8% was invested in structured fixed income, 12.8% was allocated to high yield, 9.5% was invested in TIPS, 5.4% was allocated to cash and short term investments, 5.5% allocated to bank loans, 1.7% was in convertible bonds, 2.0% was allocated to economically targeted investments (ETI), 7.1% was allocated to opportunistic fixed income, 0.9% to Progress Fixed and 0.3% allocated to core plus.

The Structured Fixed Income Composite returned 2.8% in the second quarter, outperforming the NYC Core plus 5 Index return of 2.6% by 20 bps. The Barclays Capital Aggregate Index returned 2.04% in the quarter. All three sectors were positive in the quarter.

The Enhanced Yield or high yield fixed income composite, posted a return of 2.4%, which outperformed the Citigroup BB&B Capped Index return of 2.27%.

The TIPS Composite returned 3.72%, which underperformed the Barclays Global Inflation Linked: US TIPS Index return of 3.81% for the quarter.

### **Real Estate Equity Securities Composite & Private Equity**

As of June 30, 2014, the Fund had \$372 million invested in REITs for a commitment of 3.5% of Total Fund assets. In the second quarter the REIT portfolio returned 7.13%, matching the DJ US Select Real Estate Securities Index return of 7.13%. As of June 30<sup>th</sup>, the Fund had an allocation to Private Real Estate of 3.7% and 6.4% allocated to Private Equity.

### **Hedge Funds**

The allocation to hedge funds as of June 30, 2014 was \$375 million, 3.5% of the total fund. The second quarter return for the hedge fund portfolio was 2.23%, outperforming the HFRI FOF Composite Index return of 1.72%, and outperforming the 1 Yr TBill yield +4% return of 1.06%.

## Total Portfolio Returns: June 30, 2014

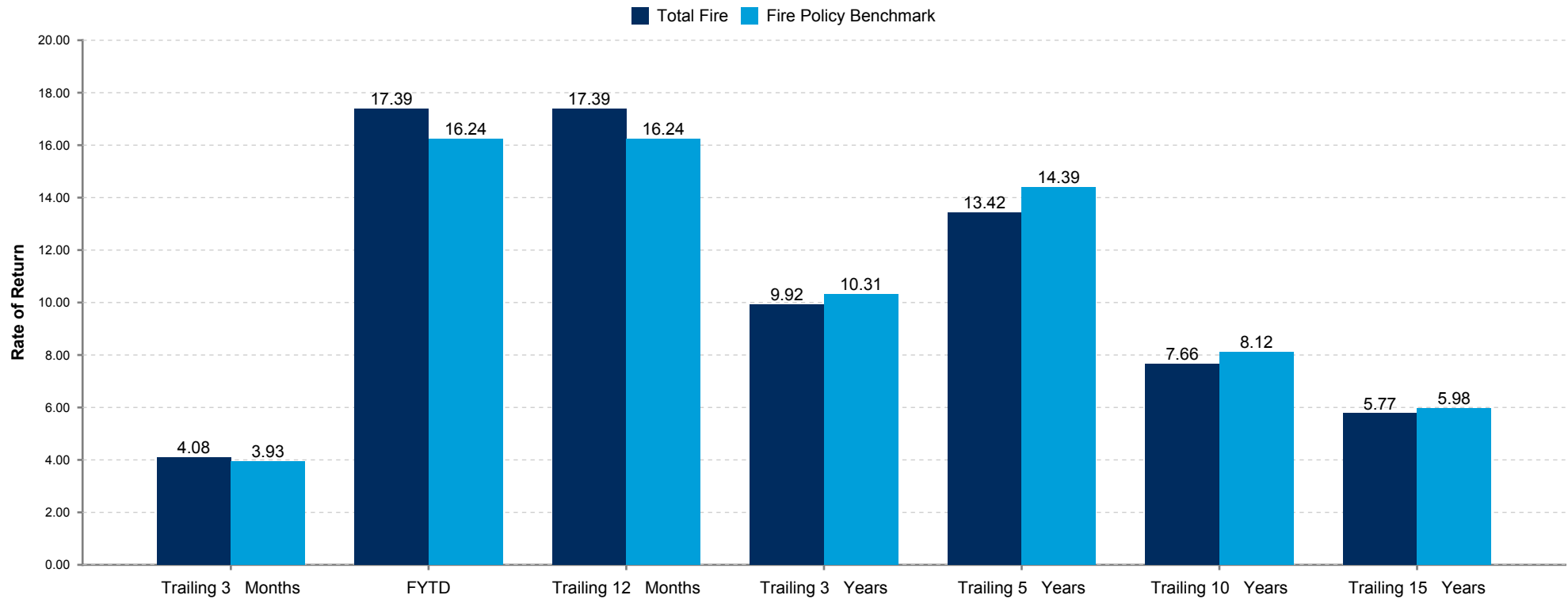


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TOTAL FIRE

Market Value (Billions)

\$10.7



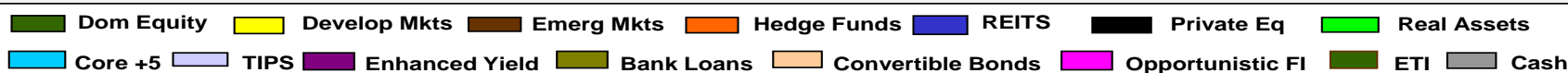
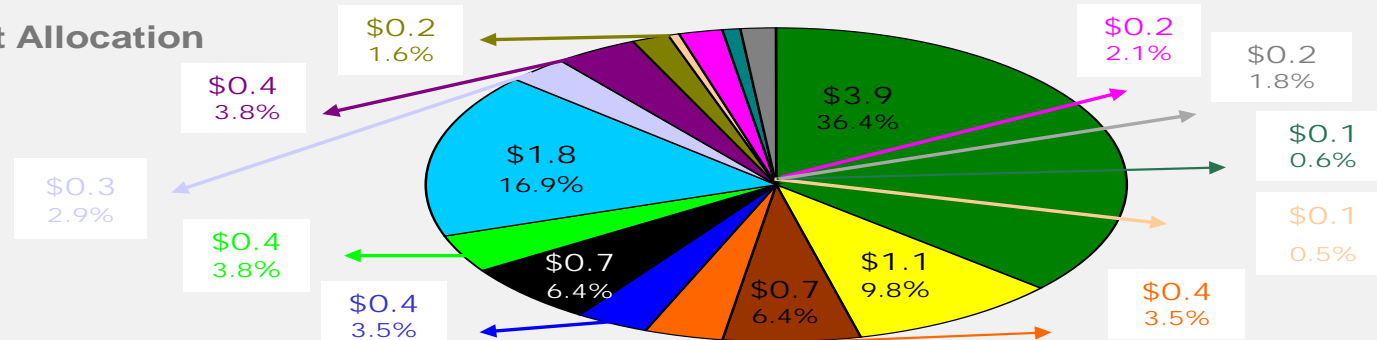
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL FIRE	8.3	8.1	13.4	9.8	10.3	11.5



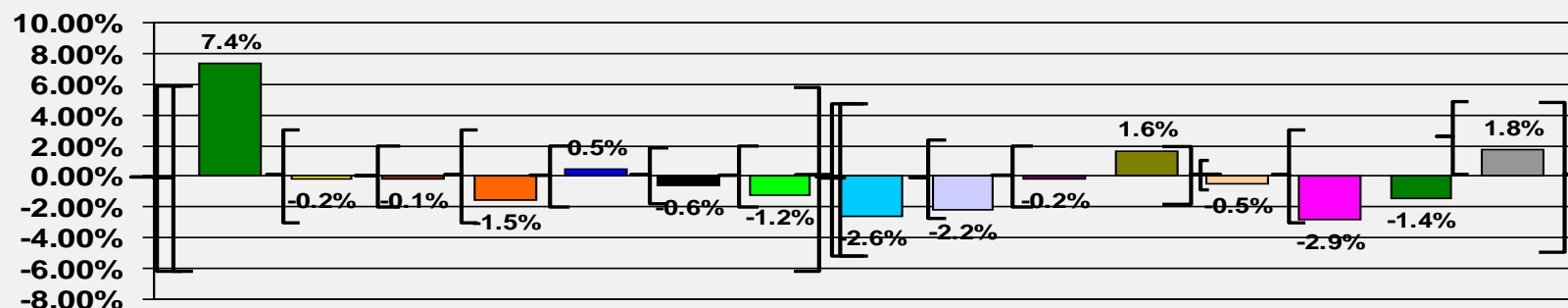


**\$10.7B Under Management**

**Asset Allocation**



**Relative Mix to New Policy Weights**



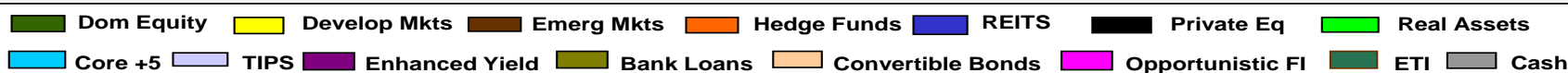
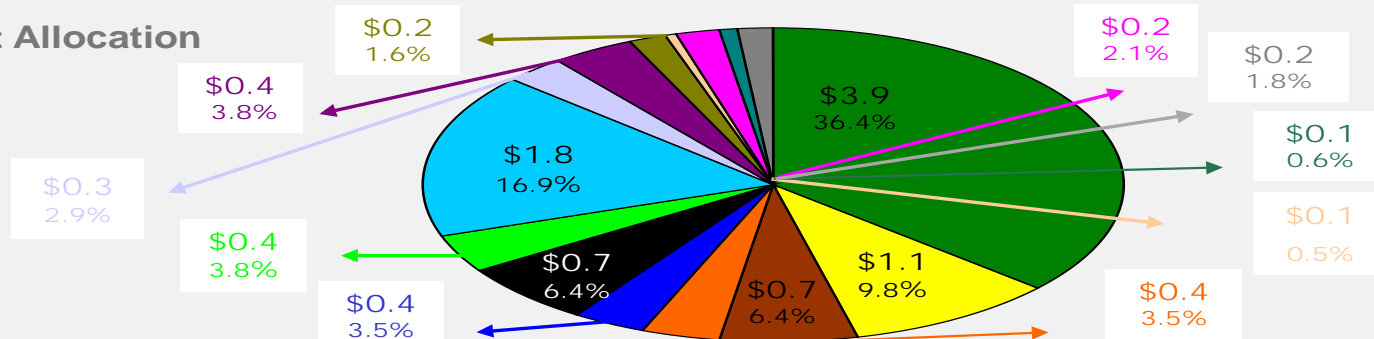
Note: Brackets represent rebalancing ranges versus Policy.

Prepared by State Street Investment Analytics

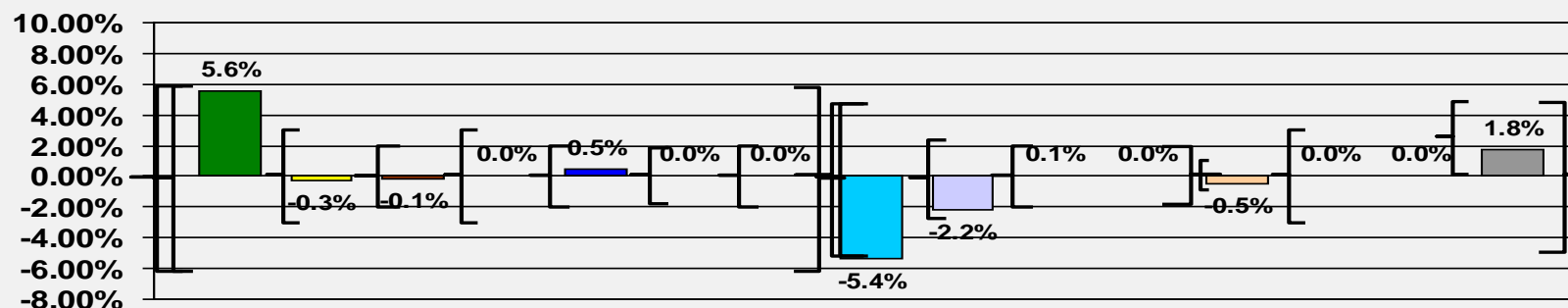


**\$10.7B Under Management**

**Asset Allocation**

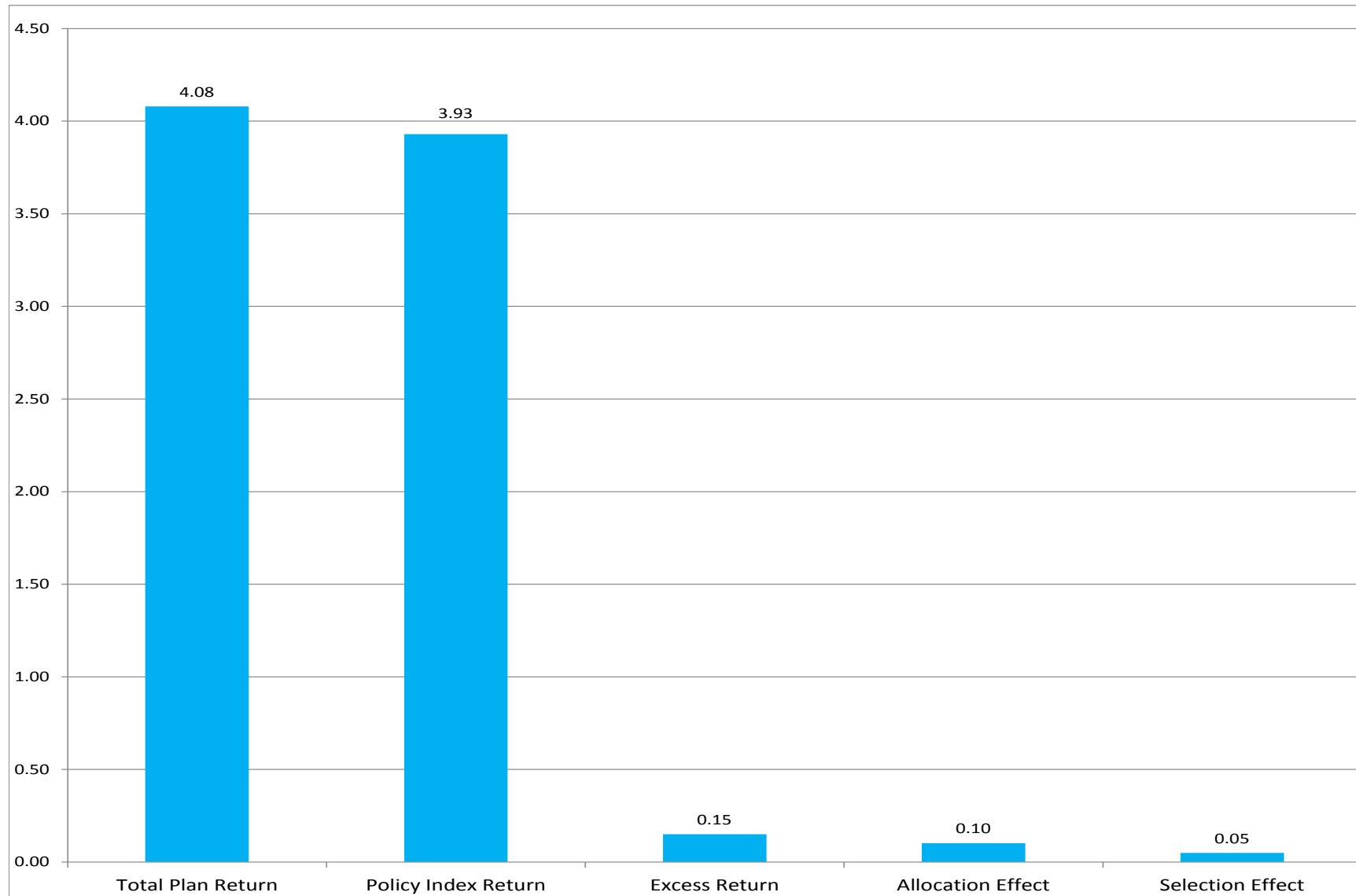


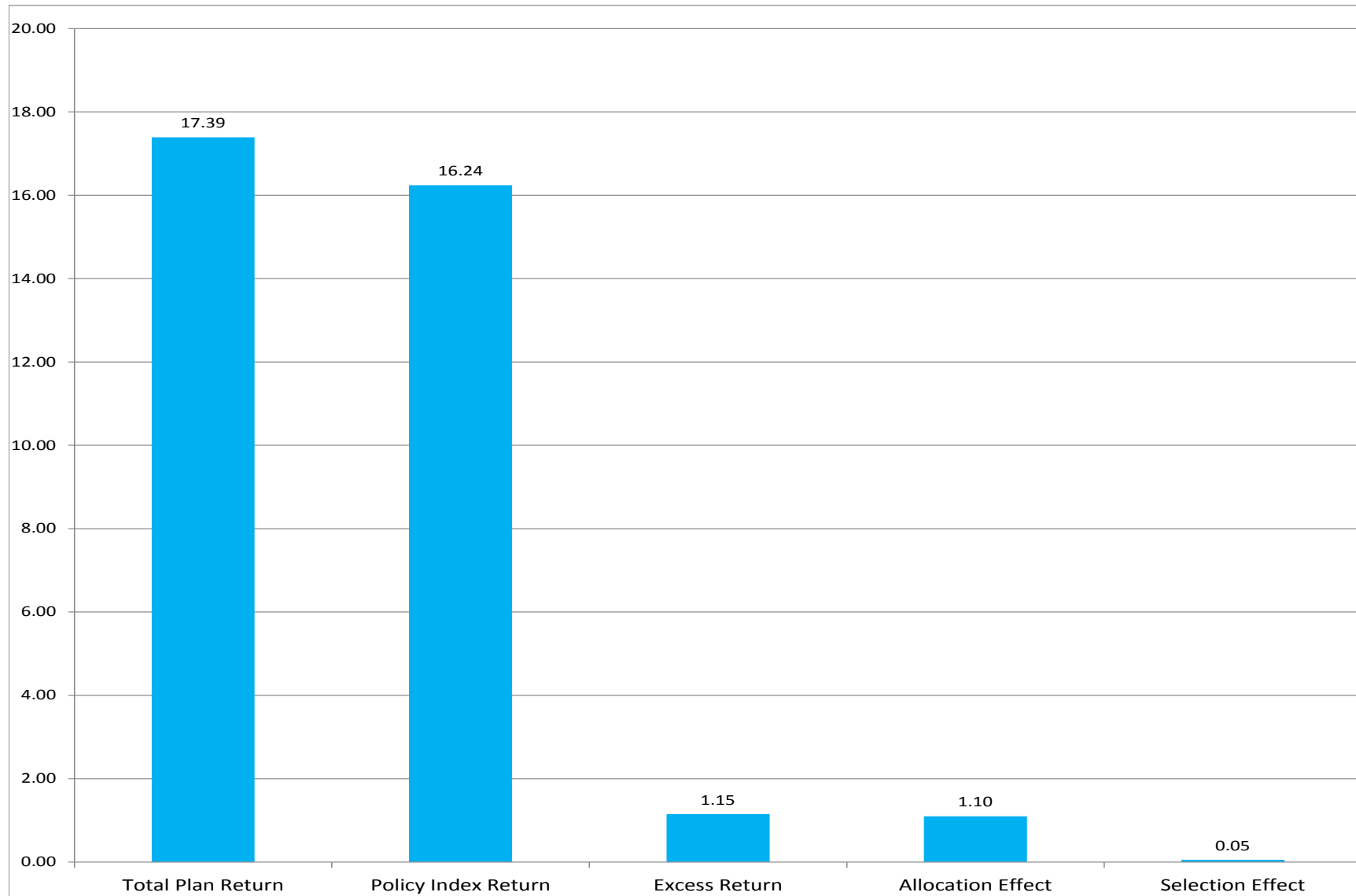
**Relative Mix to Adjusted New Policy Weights**

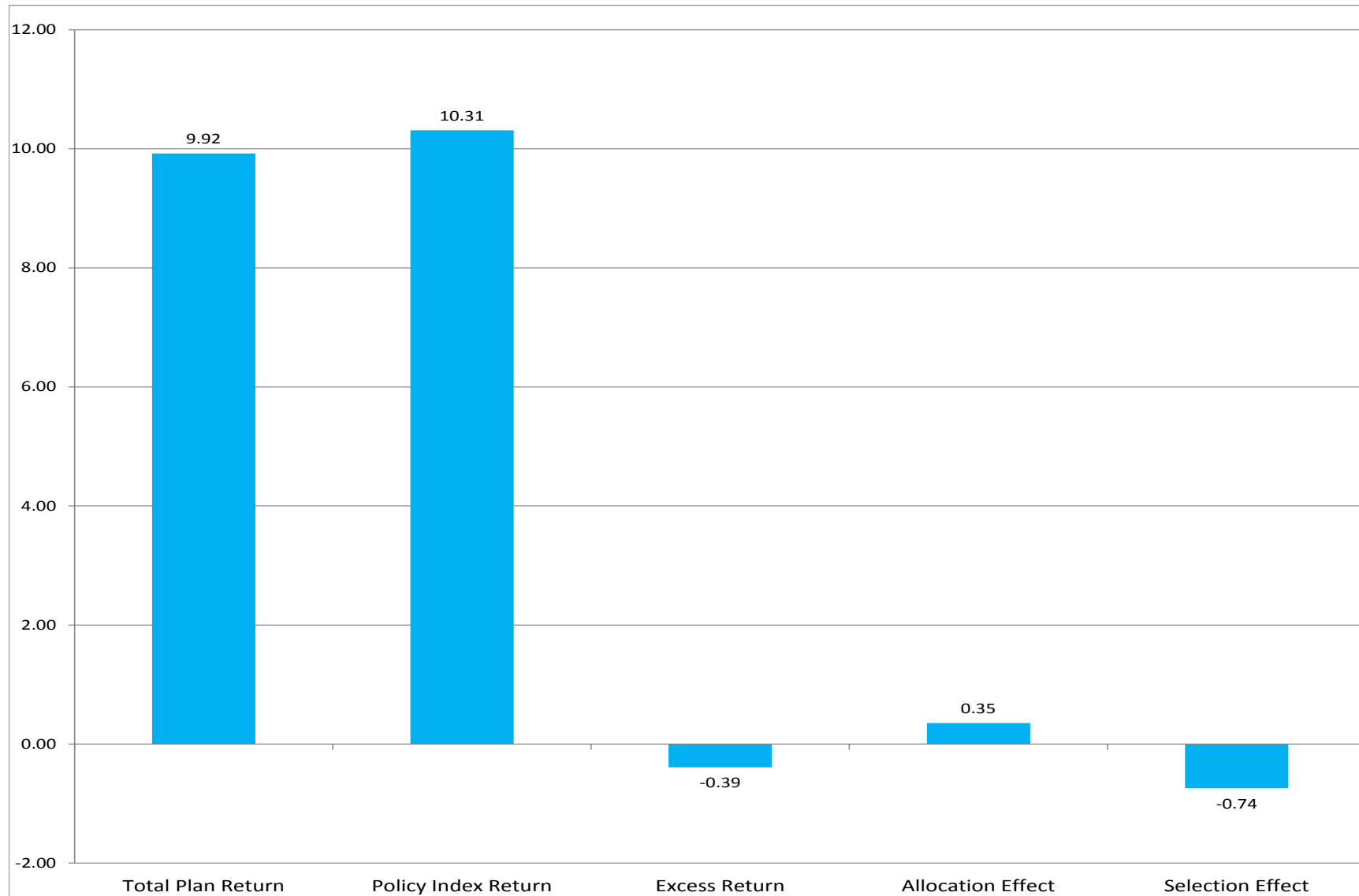


Note: Brackets represent rebalancing ranges versus Policy.

Prepared by State Street Investment Analytics









**Allocation Effect - Asset Class Breakdown**

	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE	0.10	1.10	0.35	Fire Policy Benchmark
TOTAL DOMESTIC EQUITY	0.05	0.48	0.30	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.00	-0.05	-0.10	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.00	-0.02	-0.05	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.00	0.02	0.01	NYC R3000 +3% Lagged
TOTAL REAL ASSETS	-0.01	-0.01	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL HEDGE FUNDS	0.00	-0.01	0.00	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	0.01	-0.03	0.02	DJ U.S. Select REIT
TOTAL STRUCTURED	0.06	0.45	0.13	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	0.00	-0.02	-0.05	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.00	0.01	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.00	0.22	0.14	BARCLAYS US TIPS INDEX
TOTAL CONVERTIBLE BONDS	-0.01	-0.04	-0.02	BofAML ALL CONVERTIBLE - Ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return

**Selection Effect - Asset Class Breakdown**

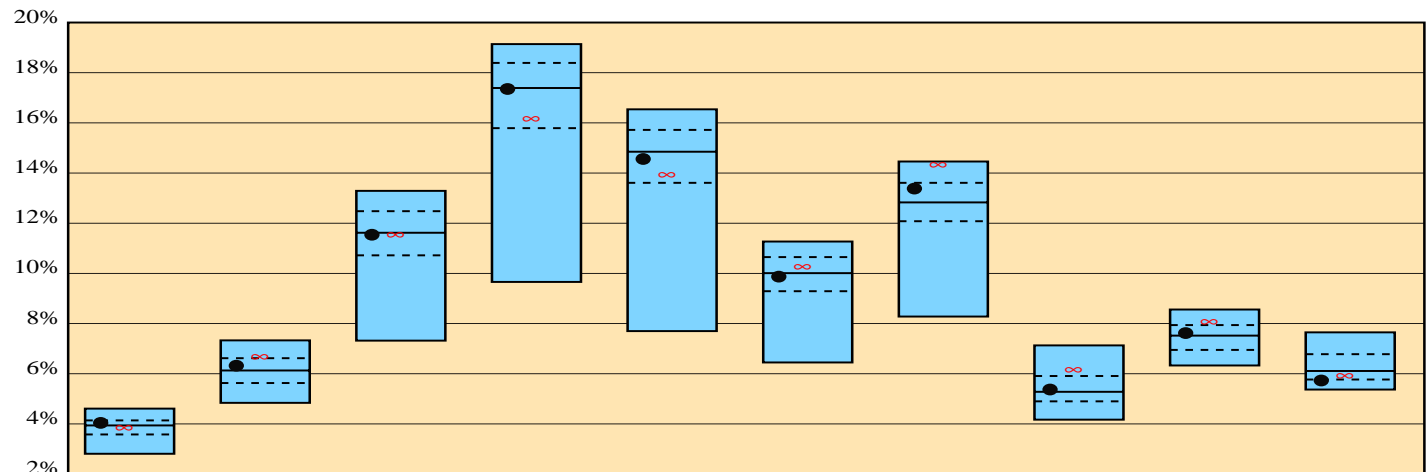
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE	0.05	0.05	-0.74	Fire Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.08	0.24	-0.08	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.09	-0.09	-0.09	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.07	0.18	0.09	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	-0.02	-0.69	-0.42	NYC R3000 +3% Lagged
TOTAL REAL ASSETS	0.11	0.16	0.04	NCREIF NFI-ODCE NET + 1%
TOTAL HEDGE FUNDS	0.04	0.06	0.02	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	0.00	0.04	0.00	DJ U.S. Select REIT
TOTAL STRUCTURED	0.03	0.15	0.12	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	0.00	0.04	-0.01	CITIGROUP BB & B
TOTAL BANK LOANS	-0.01	0.01	0.00	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.00	0.00	0.01	BARCLAYS US TIPS INDEX
TOTAL CONVERTIBLE BONDS	-0.01	-0.05	-0.03	BofAML ALL CONVERTIBLE - Ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.01	0.05	0.02	10% Annual Return

Through June 30, 2014



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### City of New York - Fire Total Returns of Public Master Trusts > \$1 Billion Rates of Return for Periods Ending June 30, 2014



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	4.61	7.33	13.29	19.14	16.54	11.27	14.46	7.13	8.56	7.65
25th Percentile	4.14	6.62	12.48	18.39	15.72	10.65	13.61	5.91	7.94	6.78
Median	3.94	6.13	11.62	17.39	14.85	10.01	12.83	5.28	7.52	6.11
75th Percentile	3.58	5.63	10.72	15.79	13.61	9.29	12.08	4.90	6.95	5.77
95th Percentile	2.81	4.84	7.32	9.66	7.70	6.45	8.28	4.17	6.33	5.37
● Total System	4.08 (33)	6.36 (38)	11.58 (52)	17.39 (51)	14.60 (56)	9.91 (54)	13.42 (29)	5.41 (42)	7.66 (35)	5.77 (75)
∞ Fire Policy Benchmark	3.93 (52)	6.76 (17)	11.60 (51)	16.24 (65)	13.98 (66)	10.31 (36)	14.39 (7)	6.23 (14)	8.12 (13)	5.98 (56)

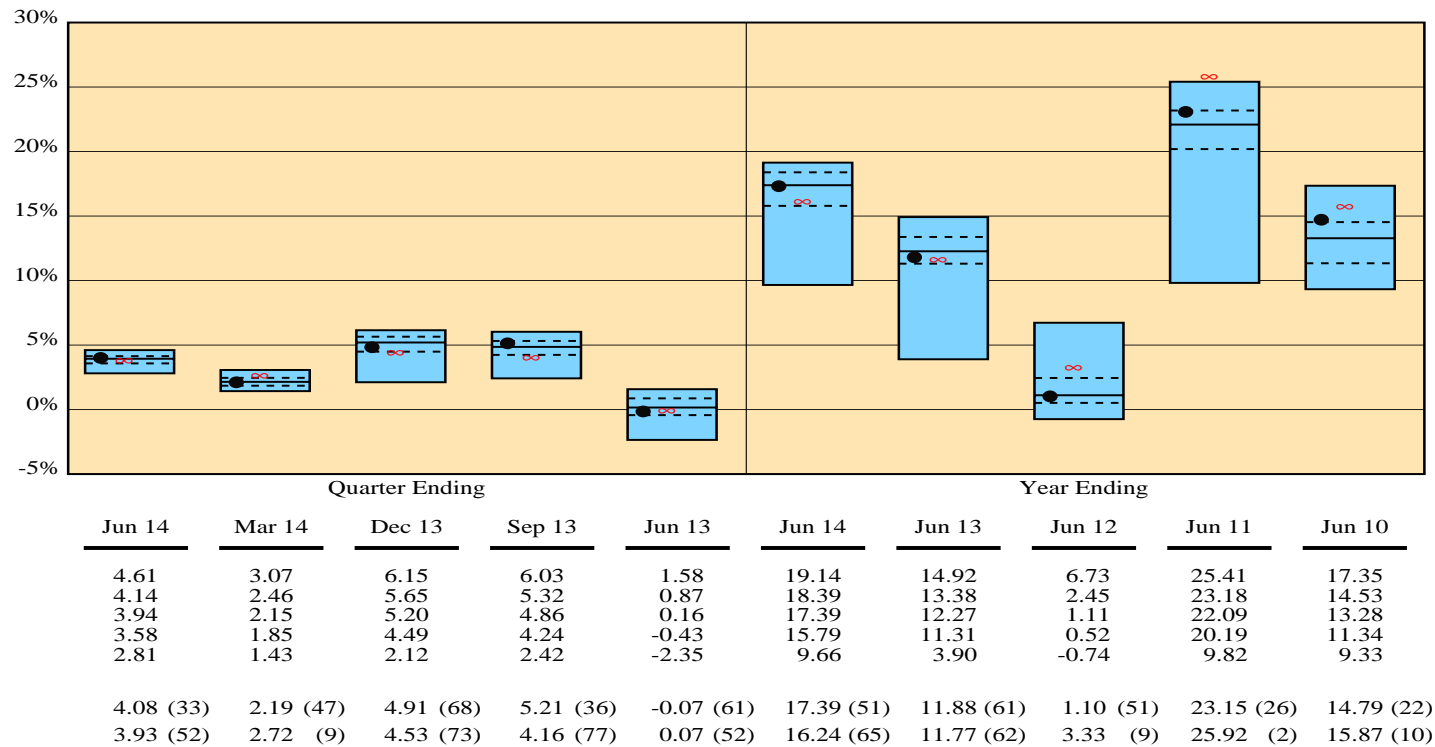
Returns for periods greater than one year are annualized.

Through June 30, 2014



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### City of New York - Fire Total Returns of Public Master Trusts > \$1 Billion Recent Periods



Returns for periods greater than one year are annualized.





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**Fire Retirement System  
of New York City**

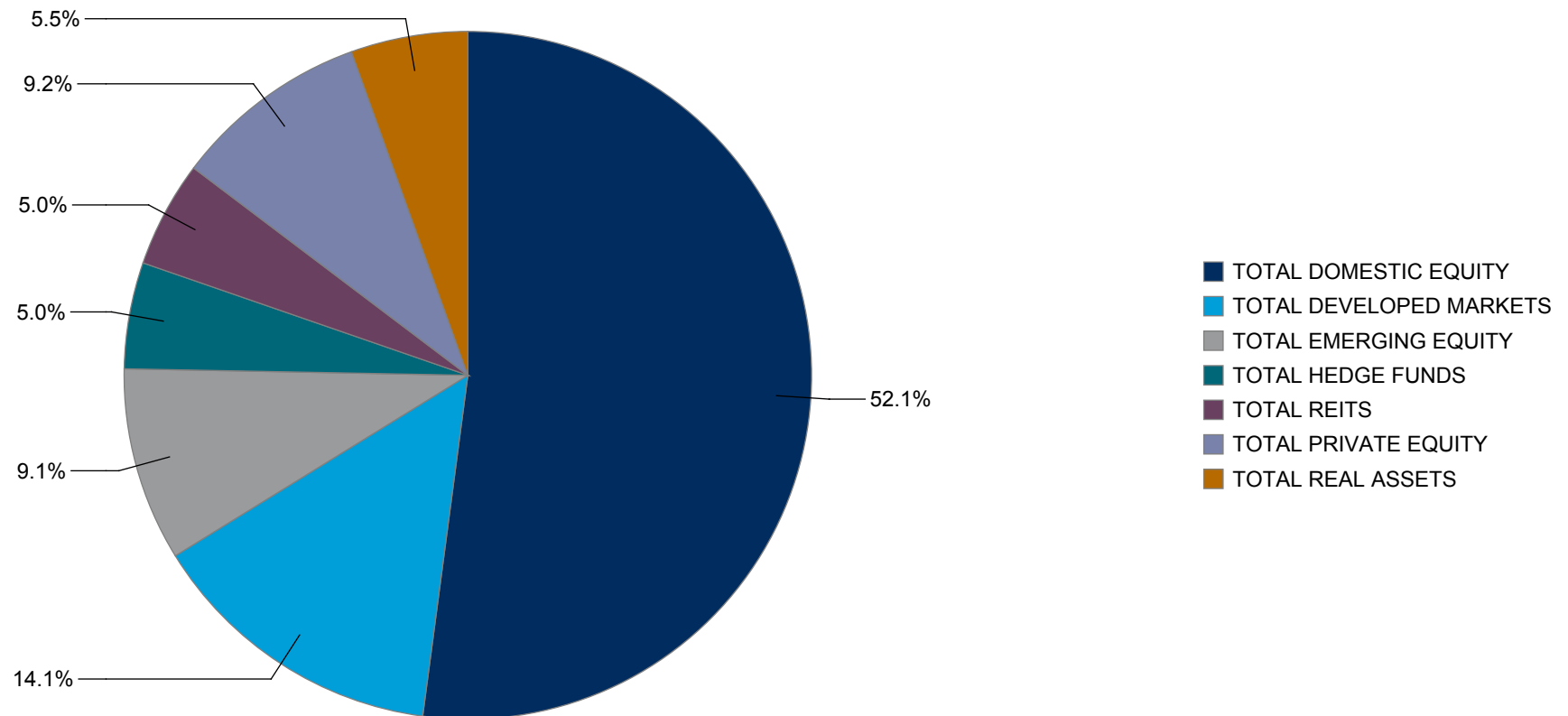
# **Equity Analysis**

## Total Equity Asset Allocation: June 30, 2014



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	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL EQUITY	\$7.5	69.8



## Total Domestic Equity Asset Allocations: June 30, 2014

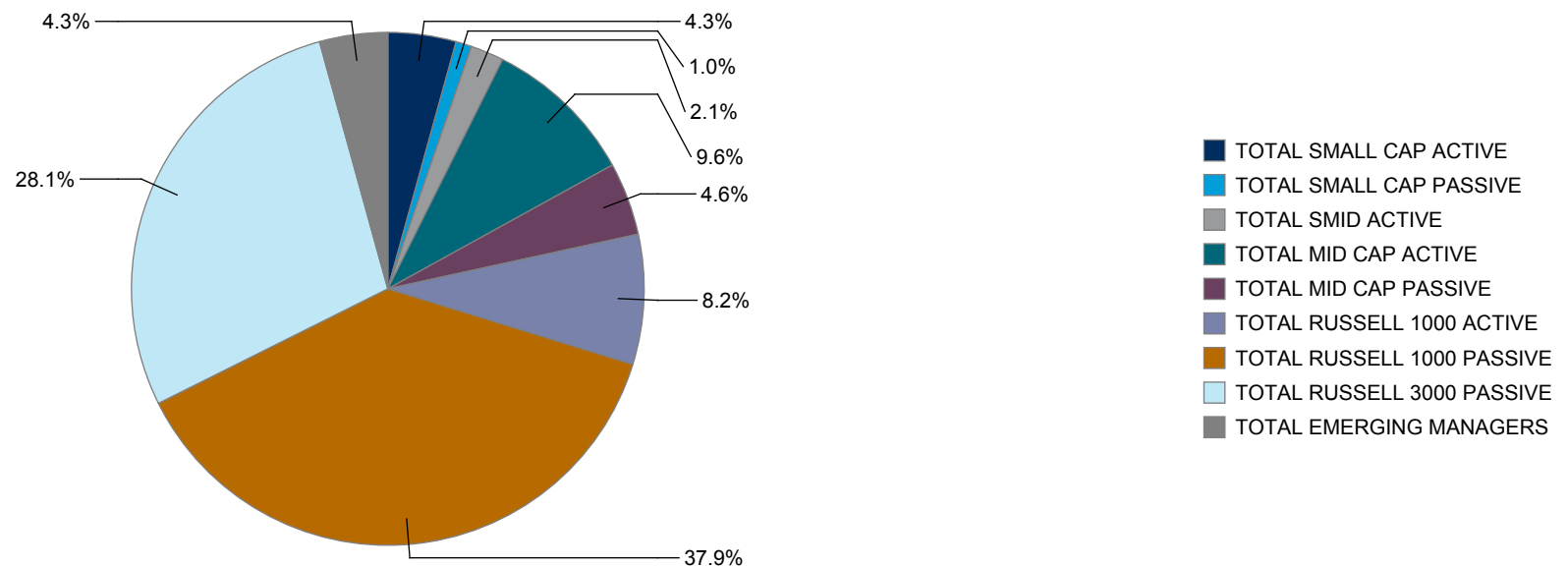


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TOTAL DOMESTIC EQUITY

Market Value (Billions)

\$3.9



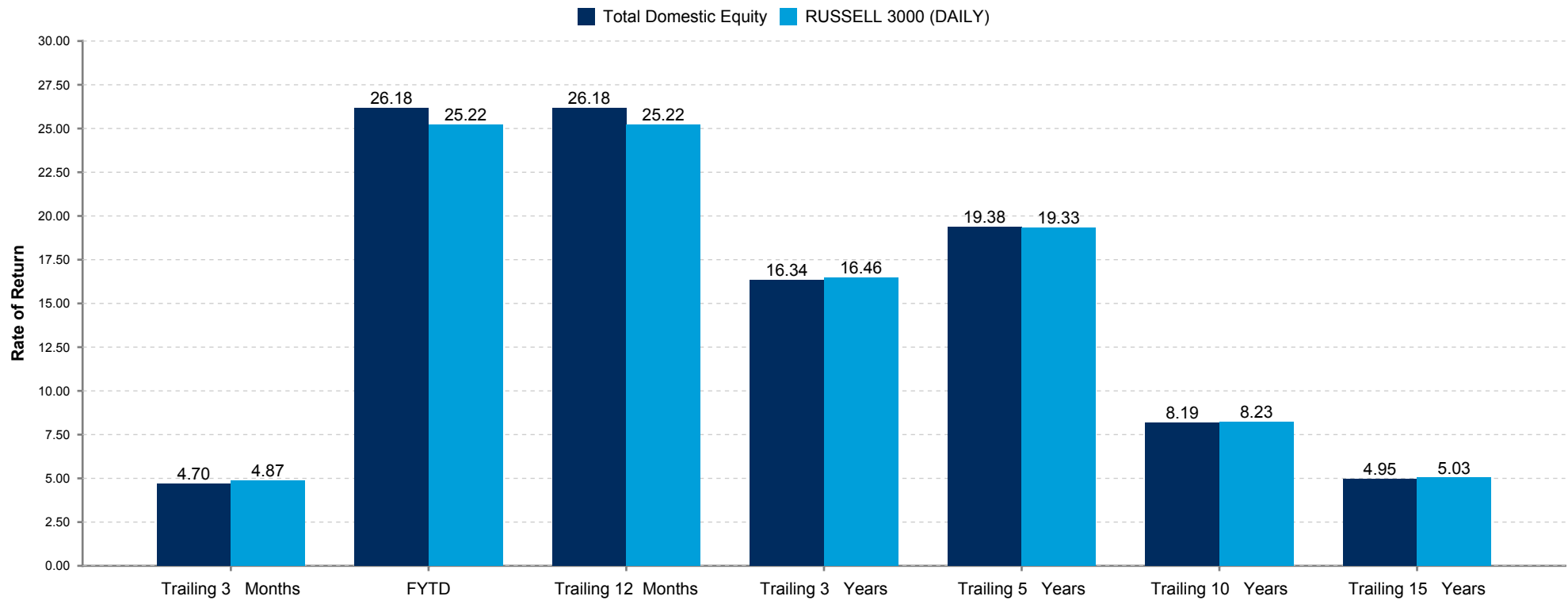
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	3.90	4.26	0.36	2.05	3.15	1.10
TOTAL SMALL CAP PASSIVE	2.95	1.04	-1.91	2.05	2.16	0.11
TOTAL SMID ACTIVE	1.60	2.08	0.48	4.20	3.75	-0.45
TOTAL MID CAP ACTIVE	6.65	9.58	2.93	4.97	4.86	-0.11
TOTAL MID CAP PASSIVE	7.53	4.55	-2.98	4.33	4.32	-0.01
TOTAL RUSSELL 1000 ACTIVE	8.17	8.20	0.03	5.12	4.89	-0.23
TOTAL RUSSELL 1000 PASSIVE	33.95	37.94	3.99	5.12	5.11	-0.01
TOTAL RUSSELL 3000 PASSIVE	30.80	28.08	-2.72	4.87	4.81	-0.06
TOTAL EMERGING MANAGERS	4.45	4.27	-0.18	2.05	2.77	0.72

## Total Domestic Equity Returns vs Russell 3000 Index: June 30, 2014



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	Market Value (Billions)	% of Plan
TOTAL DOMESTIC EQUITY	\$3.9	36.4



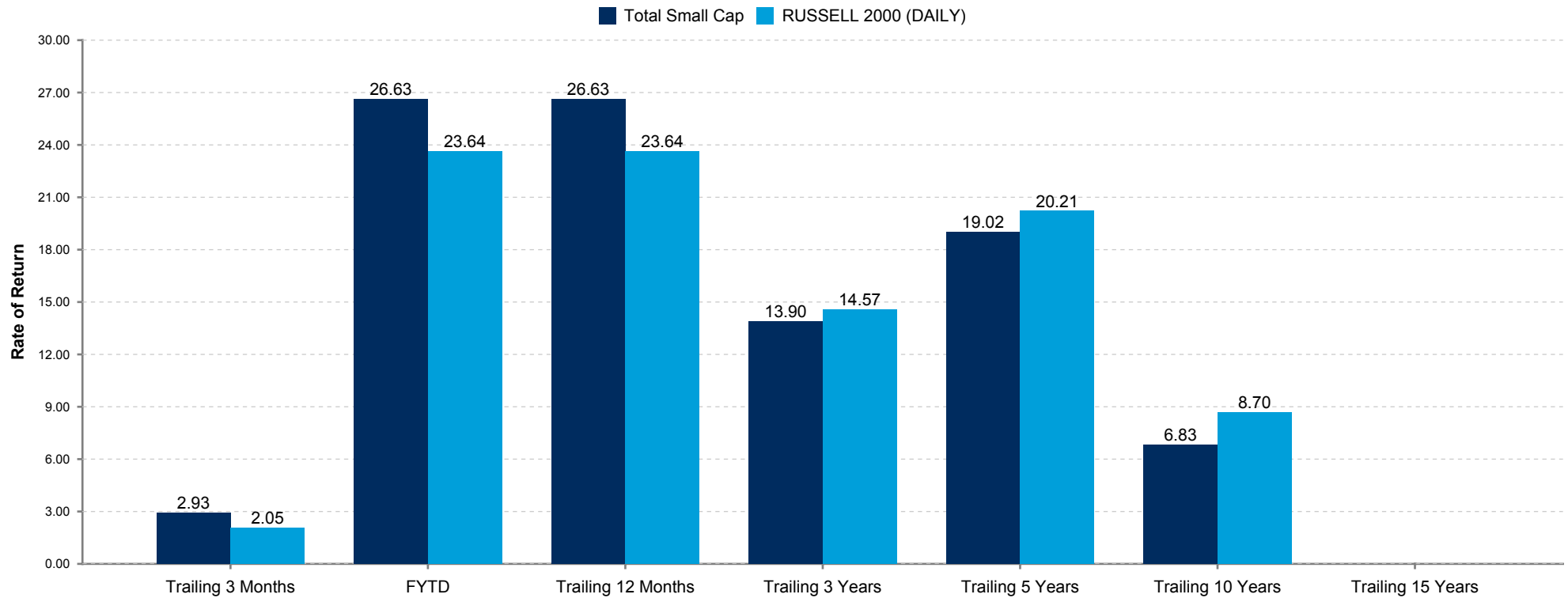
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DOMESTIC EQUITY	13.6	12.9	14.4	13.9	15.5	15.3

## Small Cap Returns vs Russell 2000 Index: June 30, 2014



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	Market Value (Millions)	% of Plan
TOTAL SMALL CAP	\$206.0	1.9



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 5 Years	Benchmark 10 Years
Standard Deviation						
TOTAL SMALL CAP	16.3	17.0	17.4	18.2	18.3	19.7

## Mid Cap Returns vs Russell MidCap Index: June 30, 2014



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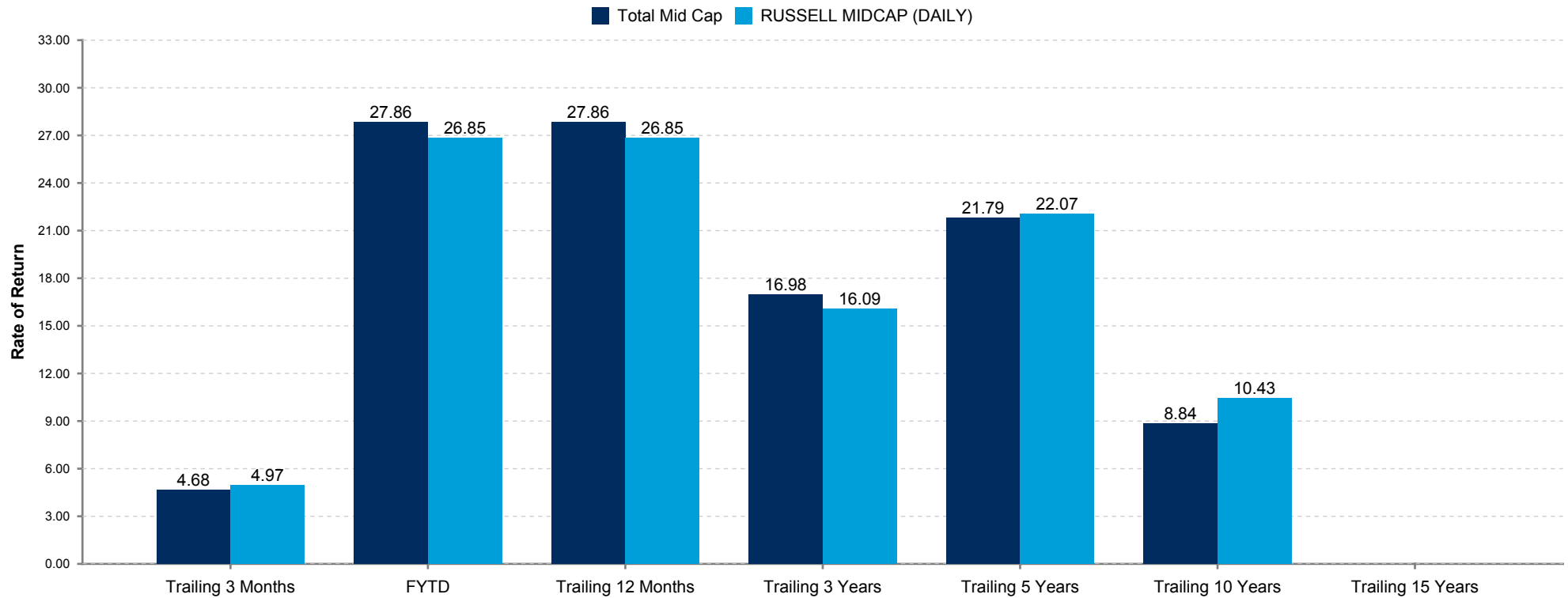
TOTAL MID CAP

Market Value (Millions)

\$549.7

% of Plan

5.1



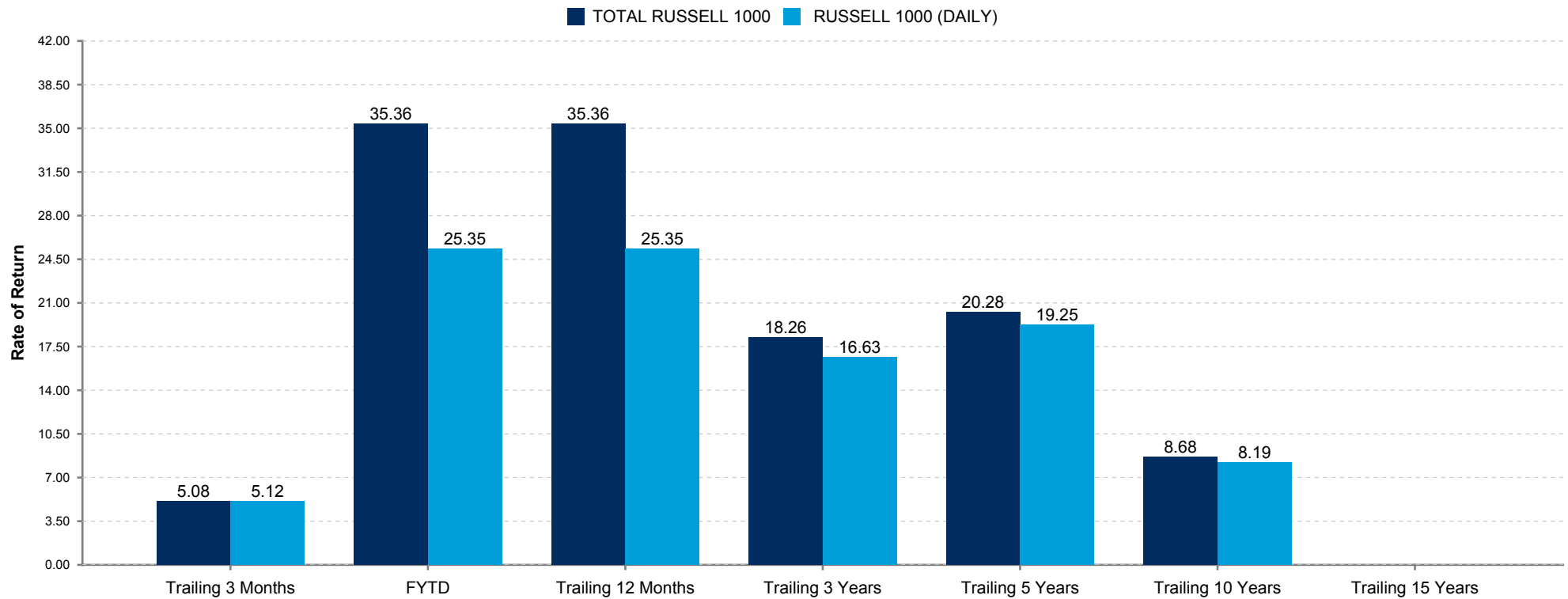
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL MID CAP	15.4	14.4	15.8	15.4	17.4	17.7

## Russell 1000 Returns vs Russell 1000 Index: June 30, 2014



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	Market Value (Billions)	% of Plan
TOTAL RUSSELL 1000	\$1.8	16.8



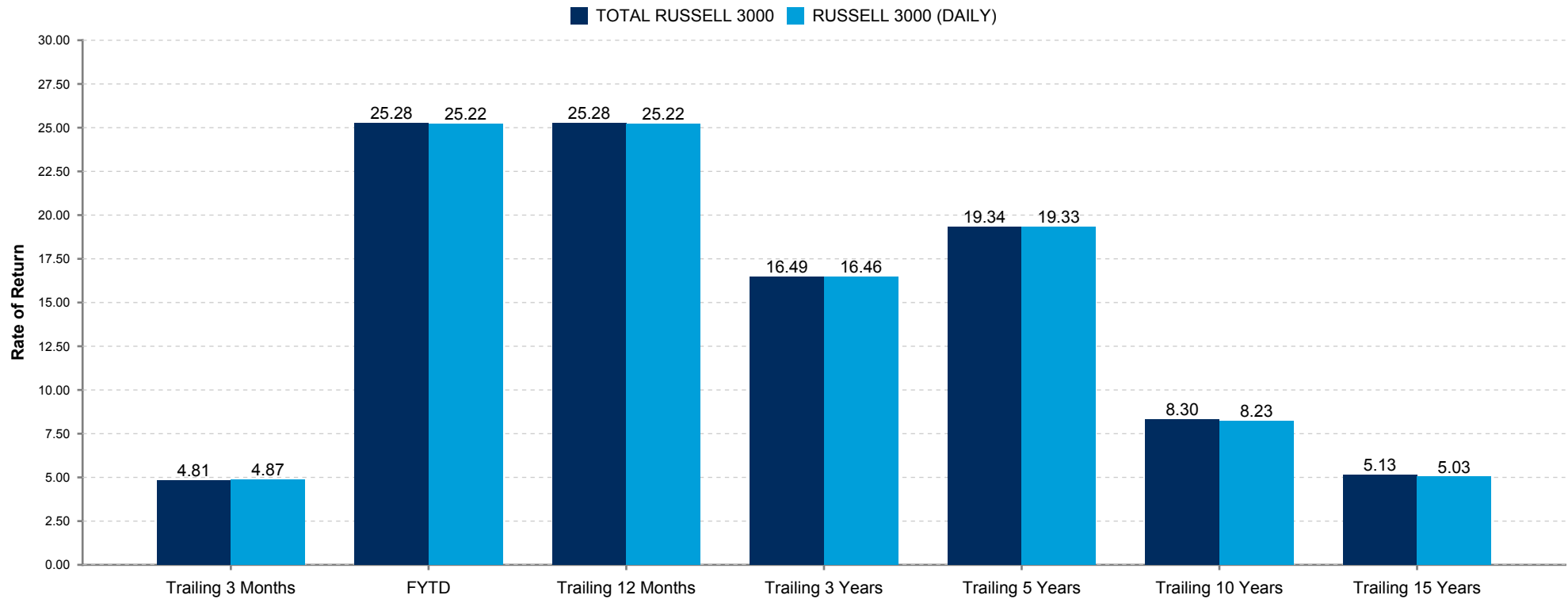
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL RUSSELL 1000	15.5	12.6	15.4	13.7	15.9	15.0

## Russell 3000 Fund Returns vs Russell 3000 Index: June 30, 2014



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	Market Value (Billions)	% of Plan
TOTAL RUSSELL 3000	\$1.1	10.2



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL RUSSELL 3000	12.8	12.9	13.9	13.9	15.2	15.3

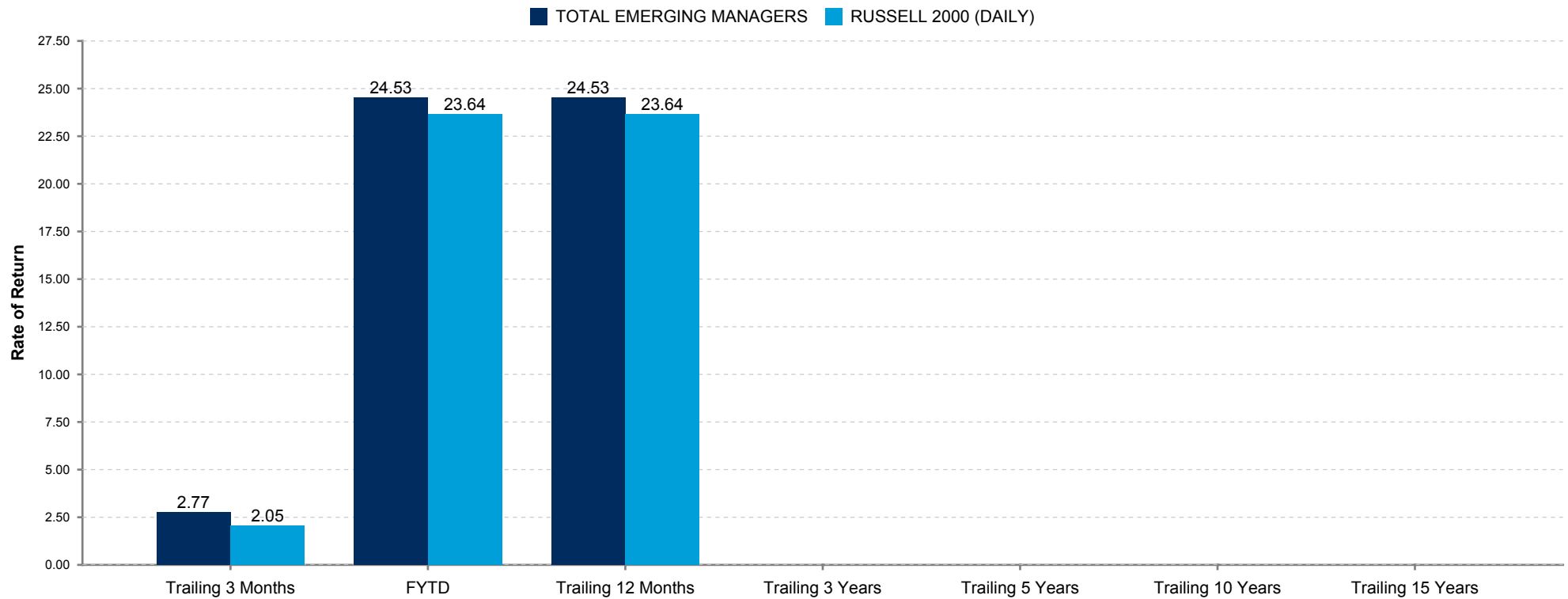


## Emerging Managers Returns vs Russell 2000 Index: June 30, 2014



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	Market Value (Millions)	% of Plan
TOTAL EMERGING MANAGERS	\$166.2	1.6



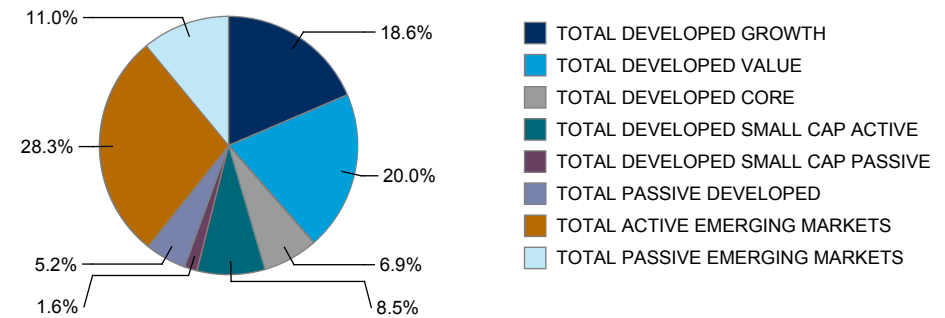
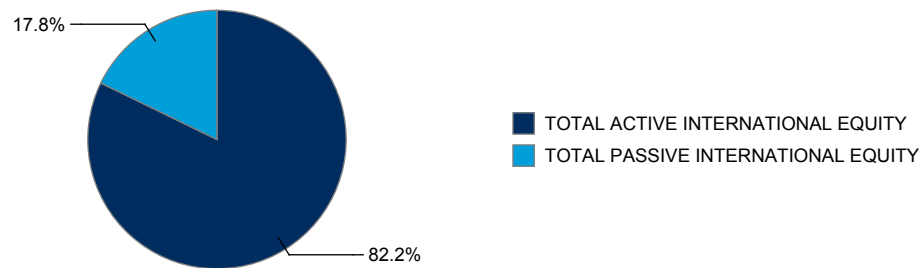
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MANAGERS						

## International Equity Asset Allocation: June 30, 2014



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	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL INTERNATIONAL EQUITY	\$1.7	16.2



	<u>Asset Class Weight</u>	<u>Quarterly Returns - Fund and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	18.6	2.96	3.45	(0.49)
TOTAL DEVELOPED VALUE	20.0	3.47	4.73	(1.26)
TOTAL DEVELOPED CORE	6.9	2.79	4.09	(1.30)
TOTAL DEVELOPED SMALL CAP ACTIVE	8.5	3.01	2.53	0.48
TOTAL DEVELOPED SMALL CAP PASSIVE	1.6	2.21	2.08	0.13
TOTAL PASSIVE DEVELOPED	5.2	4.23	4.09	0.14
TOTAL ACTIVE EMERGING MARKETS	28.3	8.30	6.60	1.71
TOTAL PASSIVE EMERGING MARKETS	11.0	6.61	6.60	0.02
TOTAL INTERNATIONAL EQUITY	100.0	4.97	5.03	(0.06)

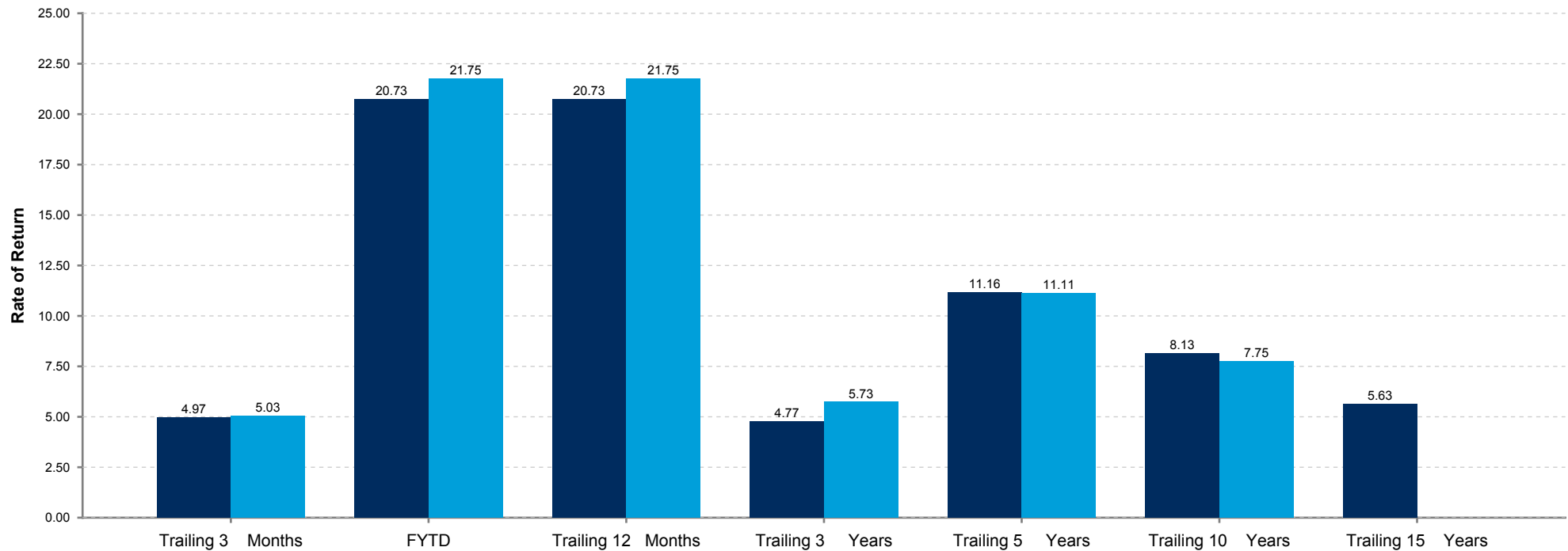
## Total International Returns vs MSCI AC World ex US Net Index: June 30, 2014



STATE STREET

	Market Value (Billions)	% of Plan
TOTAL INTERNATIONAL EQUITY	\$1.7	16.2

■ TOTAL INTERNATIONAL EQUITY ■ MSCI AC WORLD ex US (NET)



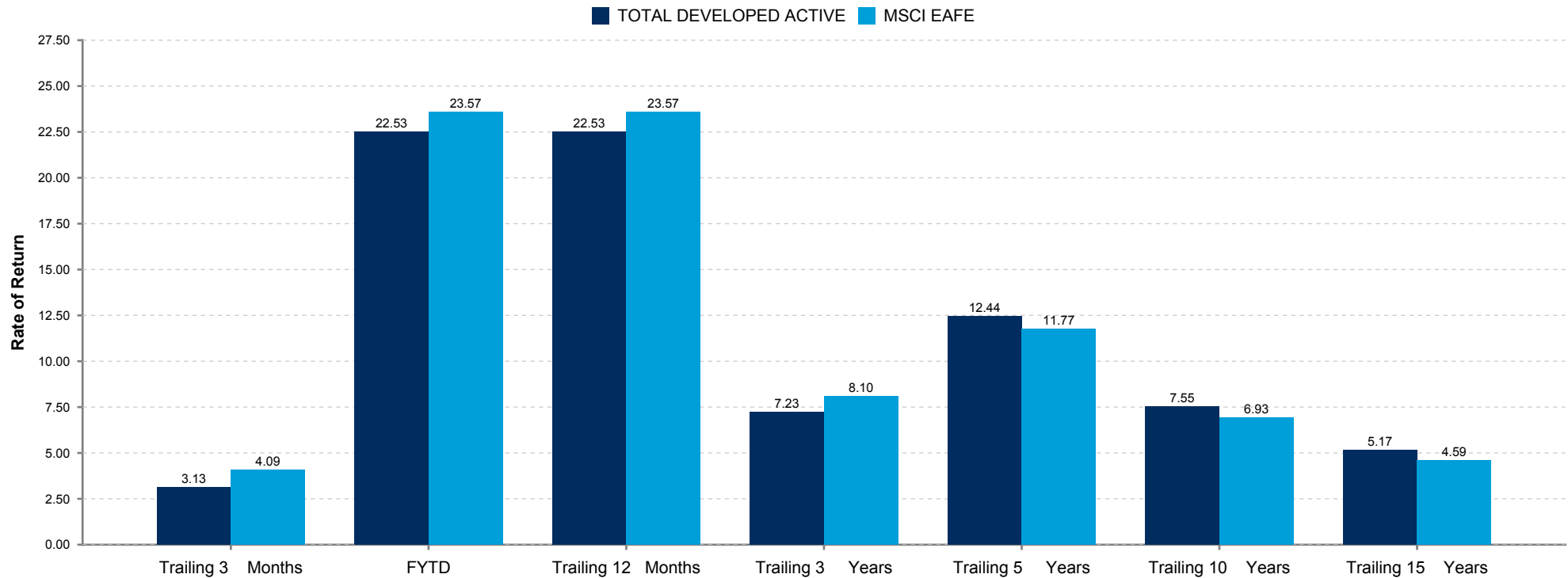
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL INTERNATIONAL EQUITY	17.3	16.6	17.2	16.9	19.3	18.9

## Developed Active Returns vs MSCI EAFE Index: June 30, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED ACTIVE	\$936.8	8.8



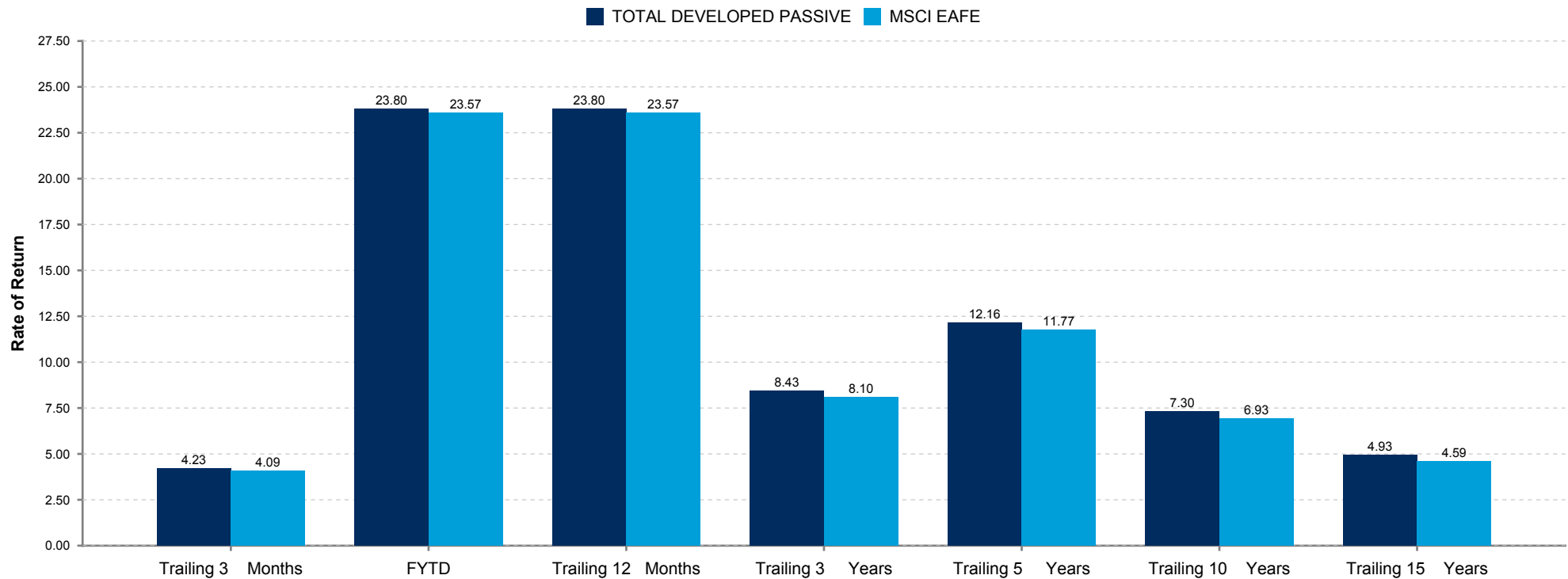
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED ACTIVE	16.3	16.3	16.5	17.0	17.9	18.2

## Developed Passive Returns vs MSCI EAFE Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED PASSIVE	\$89.7	0.8



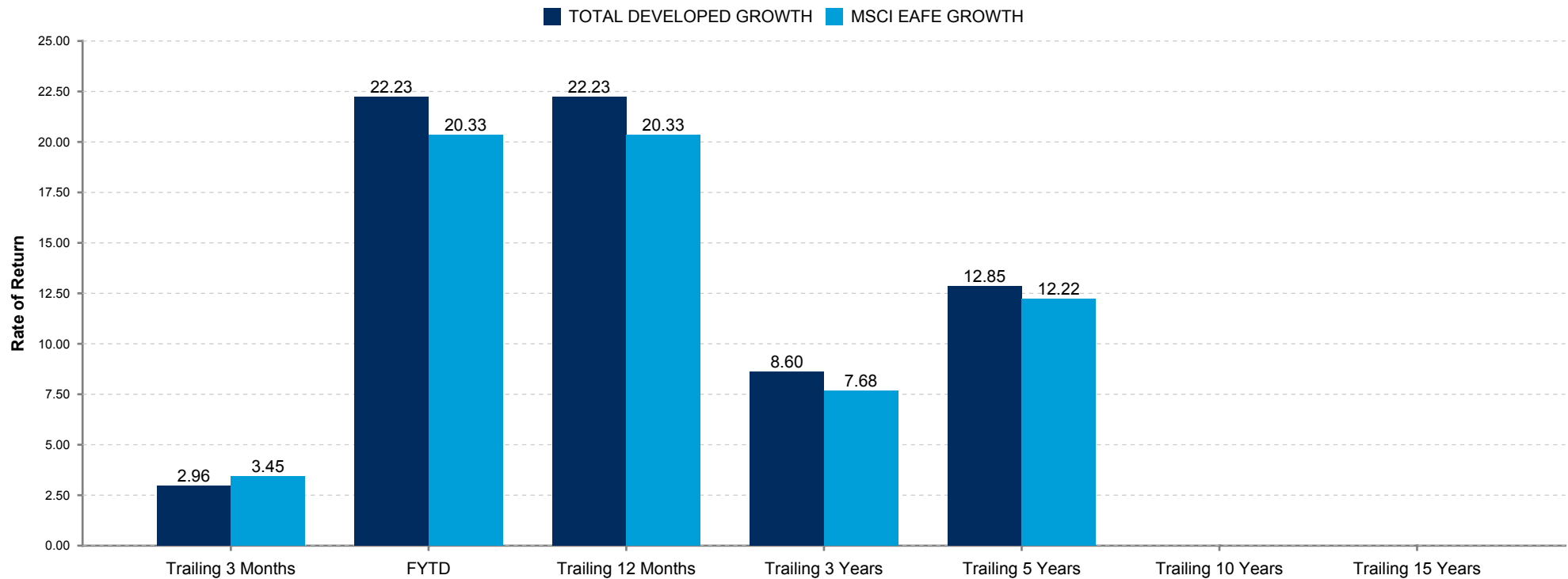
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED PASSIVE	16.3	16.3	17.0	17.0	18.2	18.2

## Developed Growth Returns vs MSCI EAFE Growth Index: June 30, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED GROWTH	\$322.2	3.0



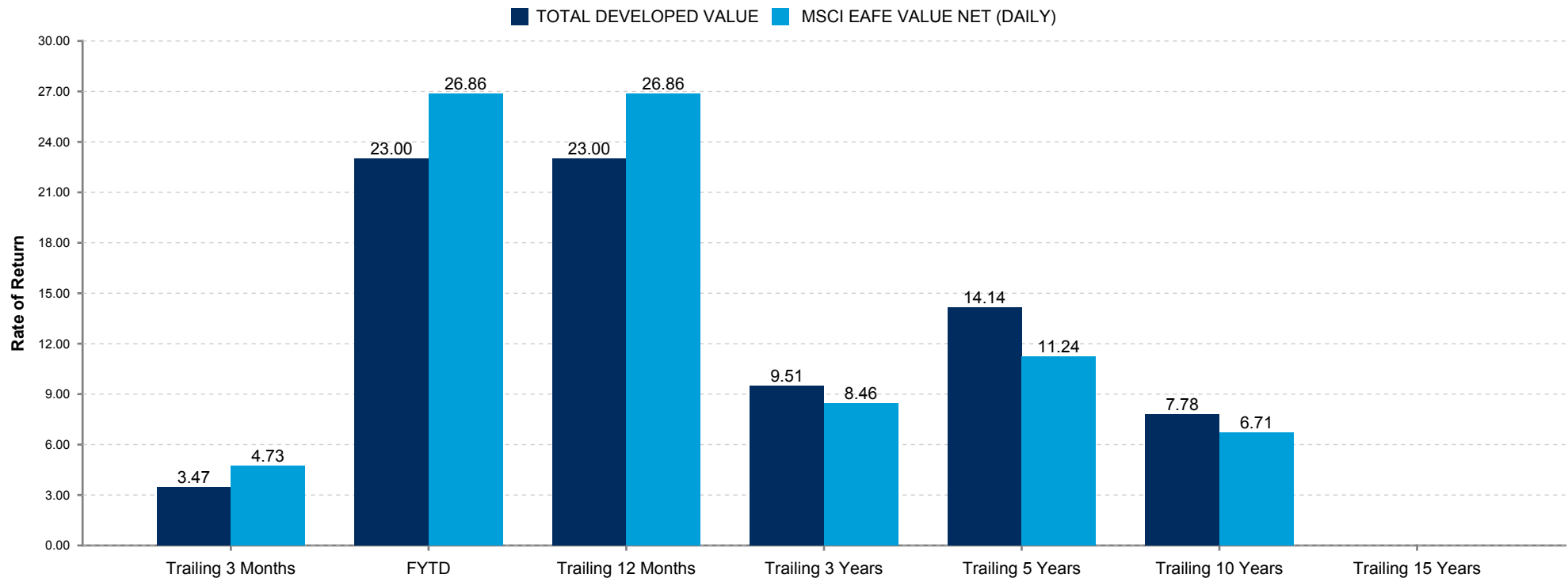
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED GROWTH	16.8	15.9	17.0	16.3		

## Developed Value Returns vs MSCI EAFE Value Net Index: June 30, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED VALUE	\$346.7	3.2



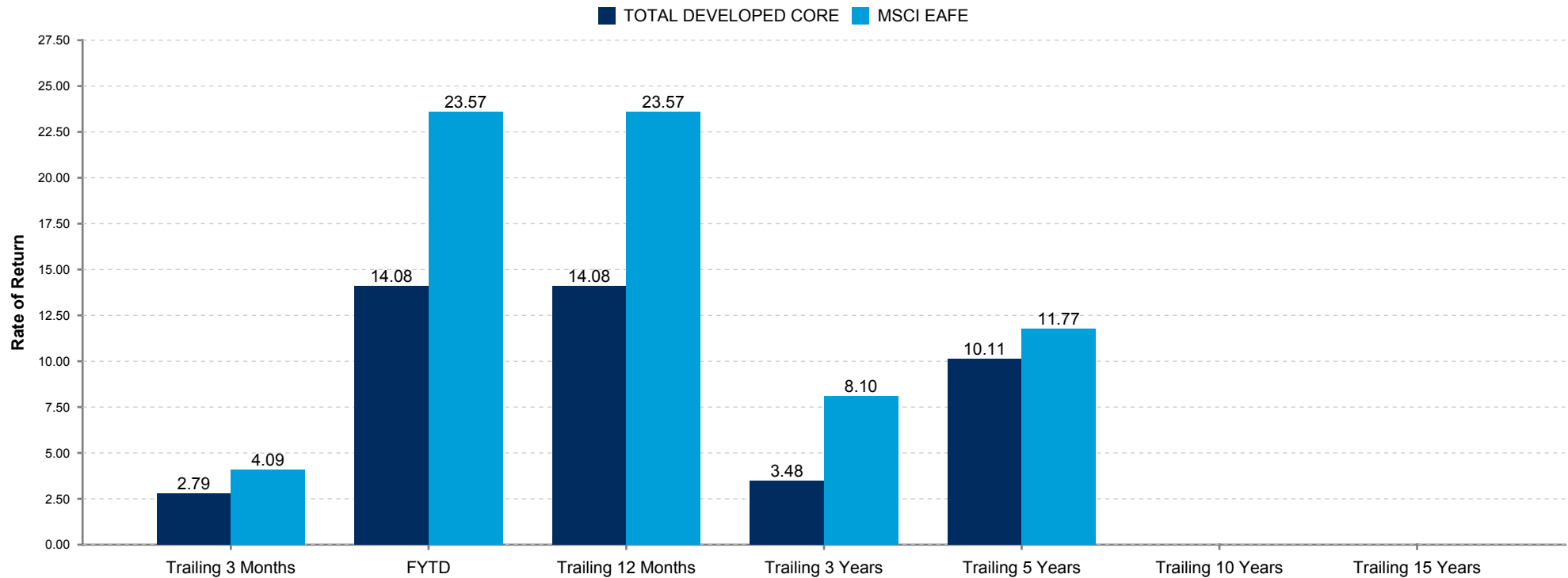
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED VALUE	14.7	17.1	15.6	18.1	17.40	19.31

## Developed Core Returns vs MSCI EAFE Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL DEVELOPED CORE	\$120.4	1.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED CORE	17.2	16.3	17.1	17.0		

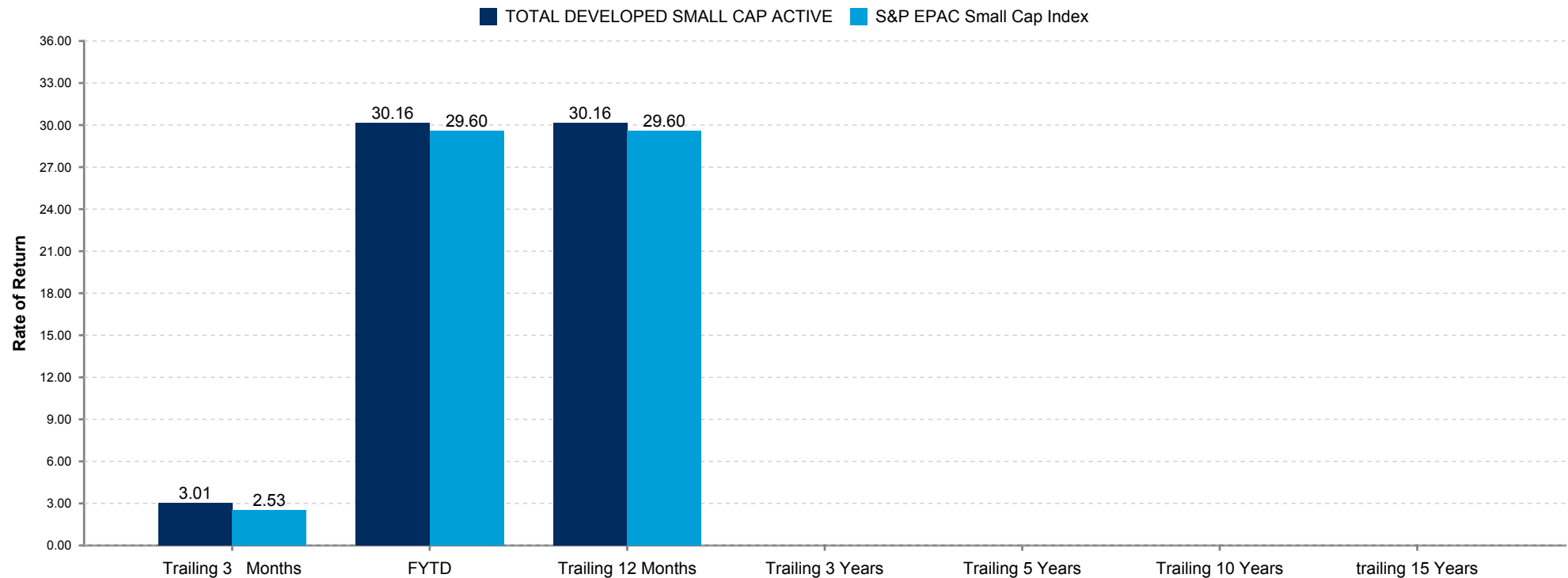


## Developed Small Cap Active Returns vs S&P EPAC Small Cap Index: June 30, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP ACTIVE	\$147.3	1.4



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

## Developed Small Cap Passive Returns vs MSCI EAFE Small Cap Net Index: June 30, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP PASSIVE	\$27.3	0.3

■ TOTAL EAFE SMALL CAP PASSIVE ■ MSCI EAFE SMALL CAP NET (DAILY)



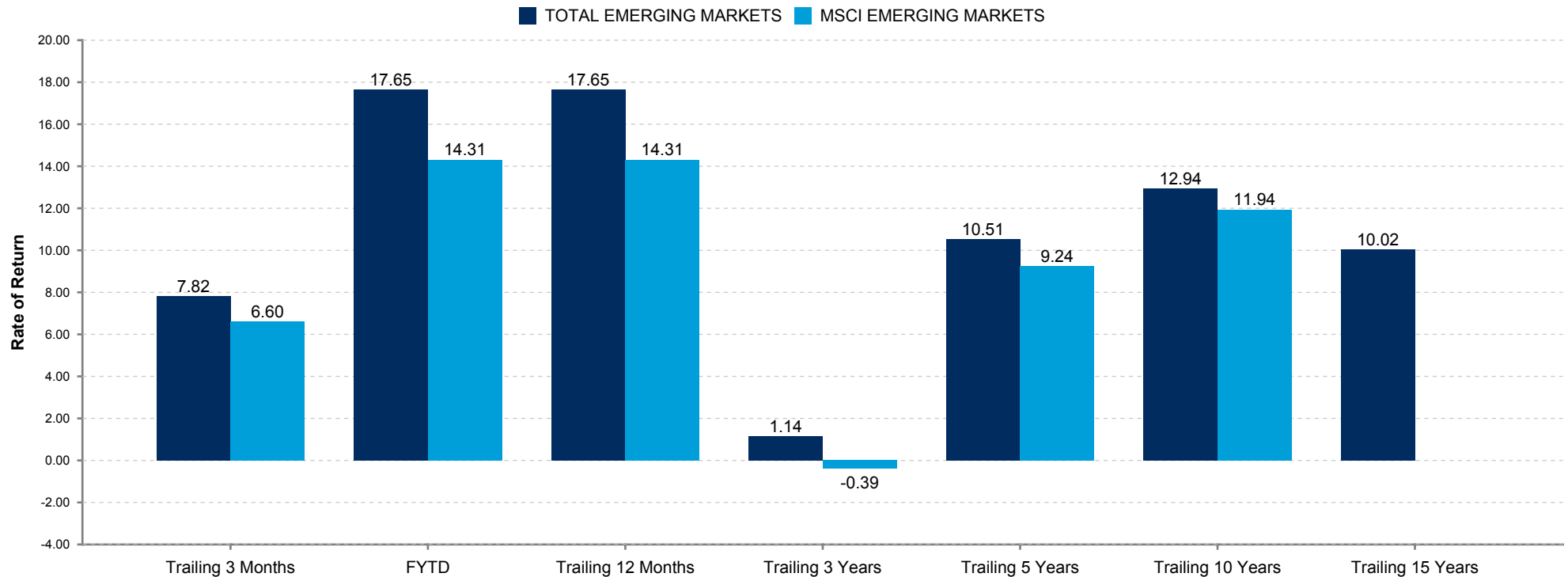
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED SMALL CAP PASSIVE						

## Emerging Markets Returns vs MSCI Emerging Markets Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL EMERGING MARKETS	\$682.3	6.4



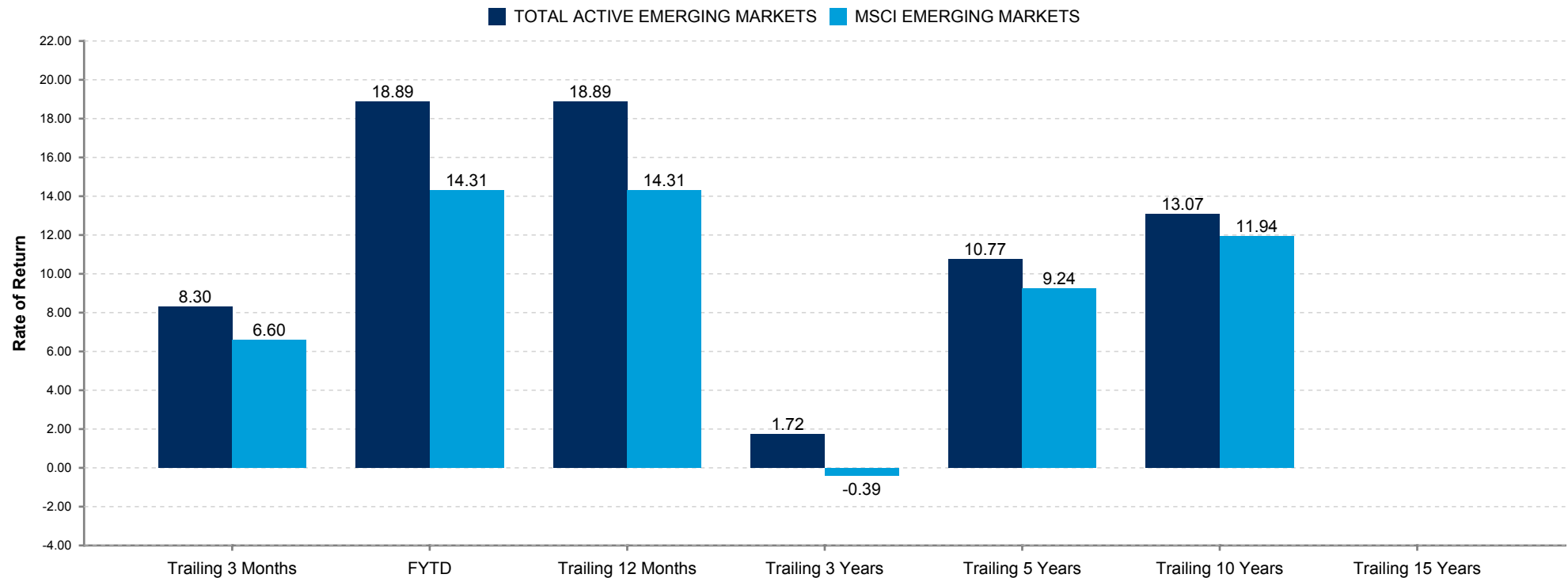
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MARKETS	19.8	19.5	19.5	19.2	24.0	23.8

## Emerging Markets Active Returns vs MSCI Emerging Markets Index: June 30, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL ACTIVE EMERGING MARKETS	\$491.1	4.6



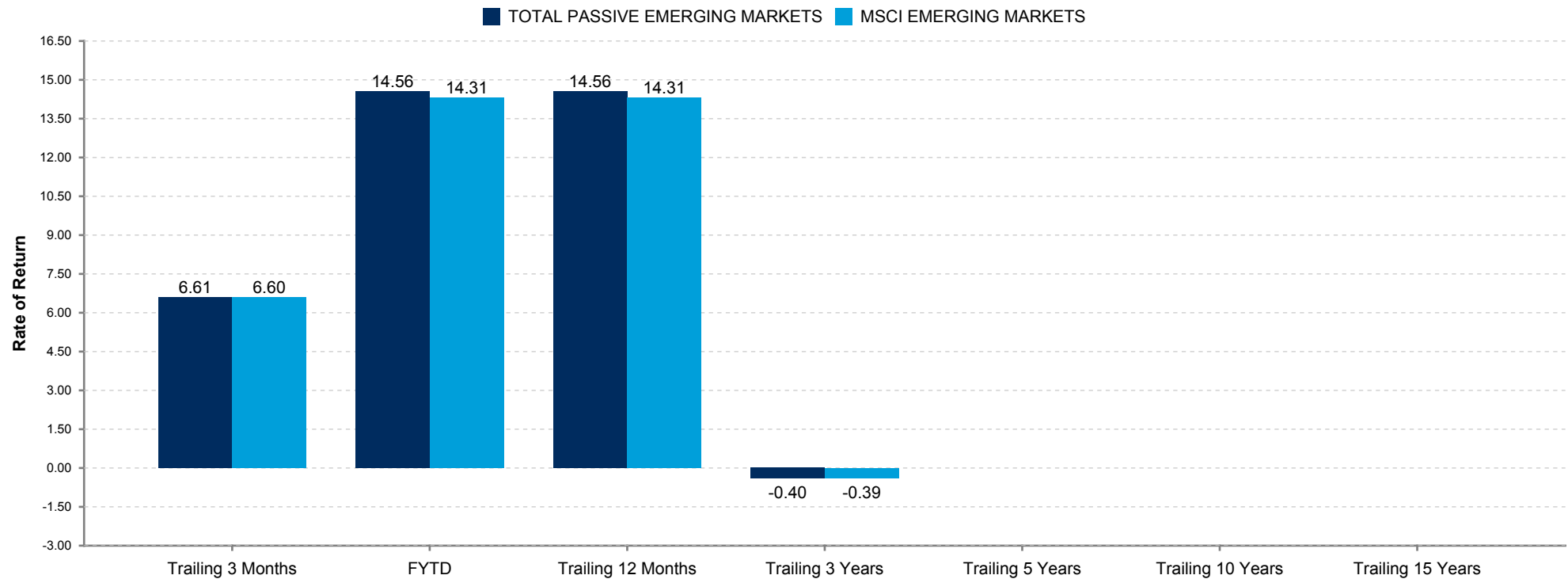
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ACTIVE EMERGING MARKETS	20.0	19.5	19.6	19.2	24.0	23.8

## Emerging Markets Passive Returns vs MSCI Emerging Markets Index: June 30, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL PASSIVE EMERGING MARKETS	\$191.2	1.8



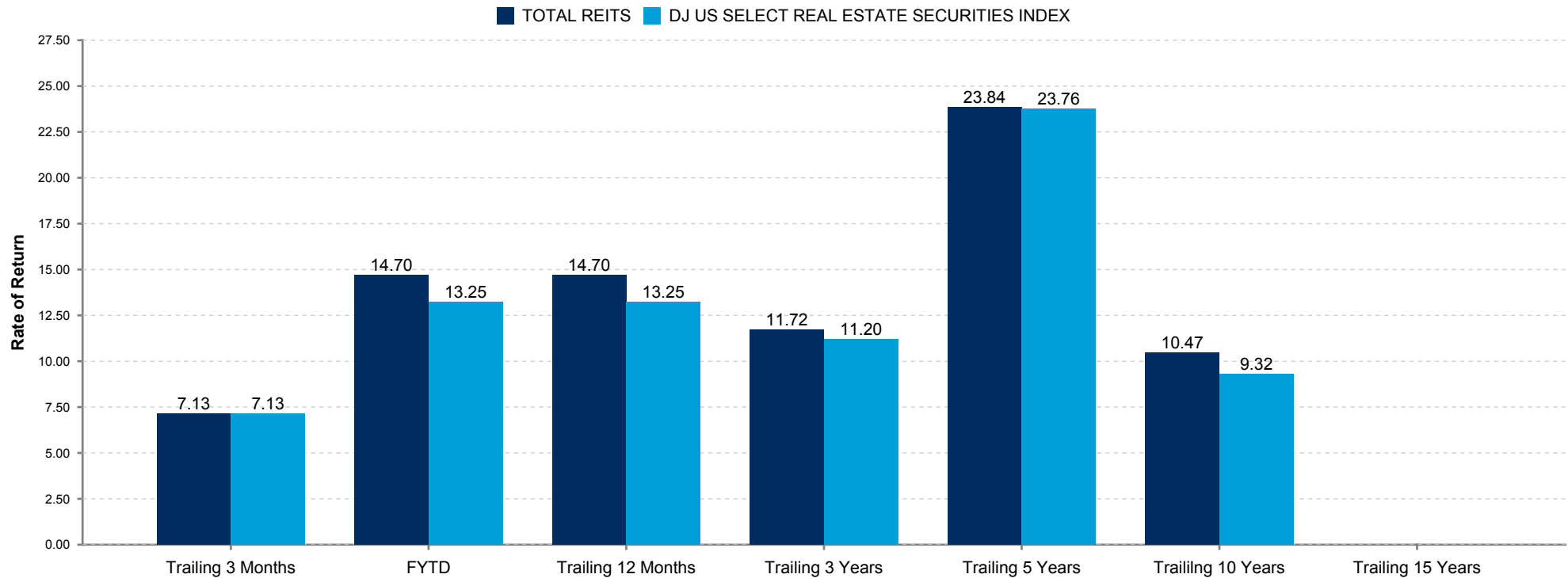
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL PASSIVE EMERGING MARKETS	19.4	19.5				

## REITS Returns vs DJ US Select Real Estate Securities Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL REITS	\$372.3	3.5



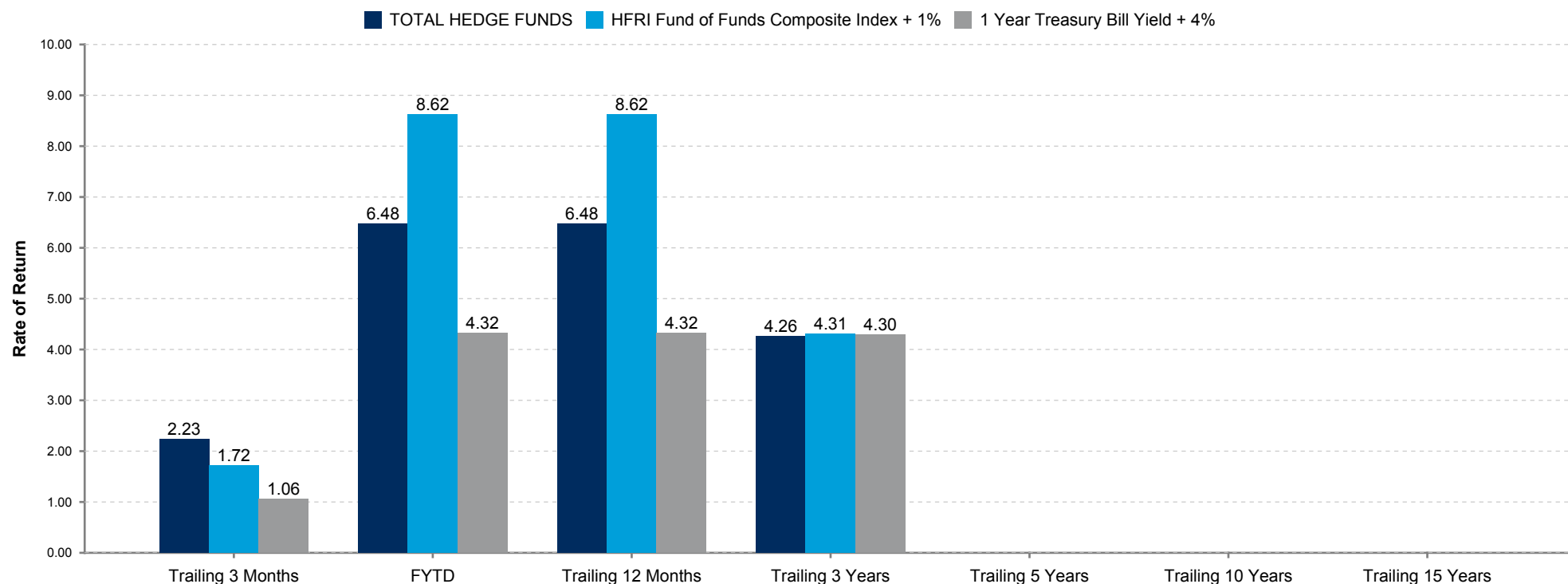
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL REITS	16.1	16.7	17.5	18.4	25.2	26.4

# Hedge Fund Returns vs HFRI Fund of Funds Composite Index + 1% and 1 Yr TBill Yield + 4%: June 30, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL HEDGE FUNDS	\$375.1	3.5



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL HEDGE FUNDS	3.9	4.1				



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**Fire Retirement System  
of New York City**

# **Fixed Income Analysis**

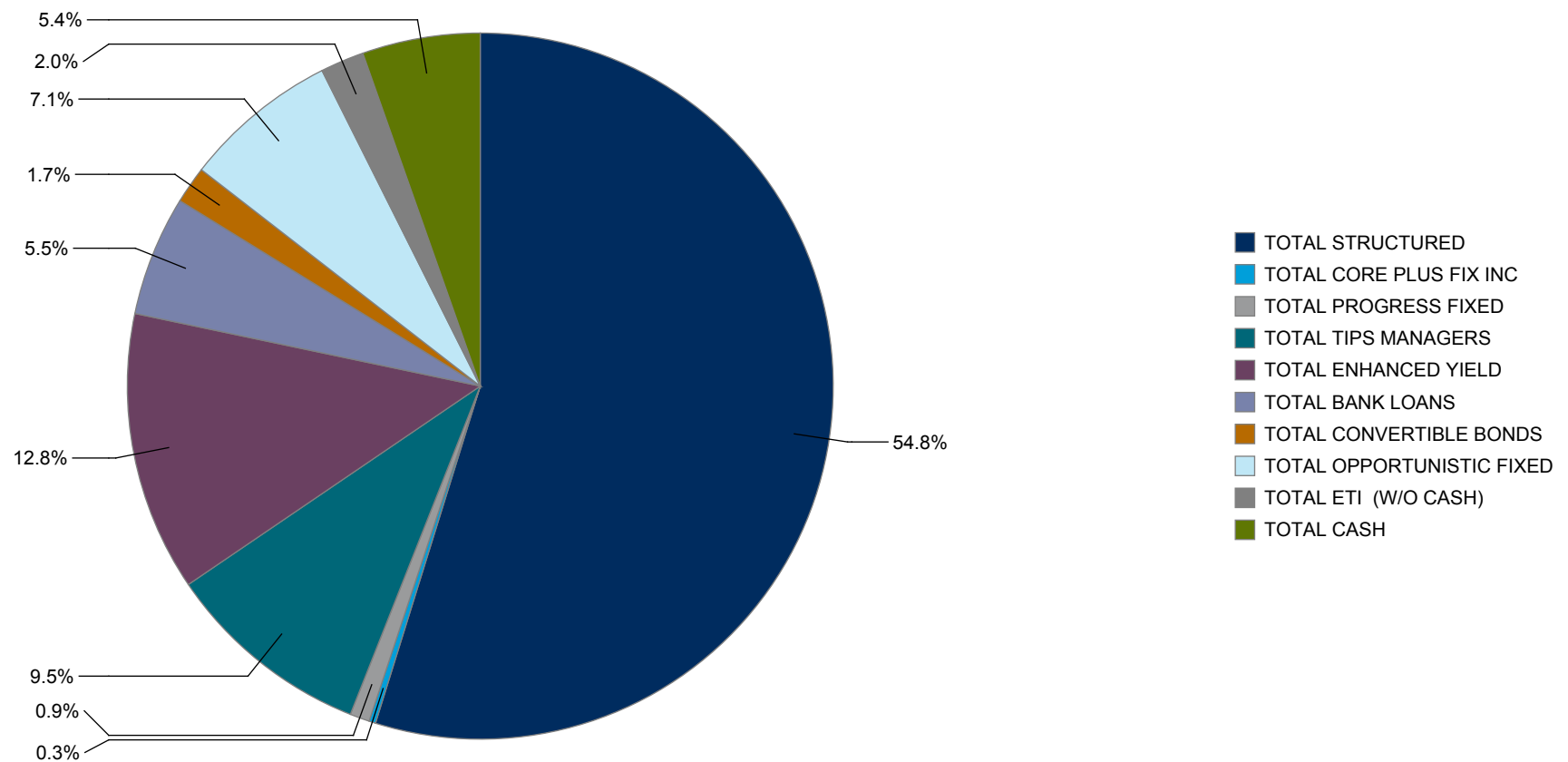


## Total Fixed Income Asset Allocation: June 30, 2014



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL FIXED INCOME	\$3.2	30.1

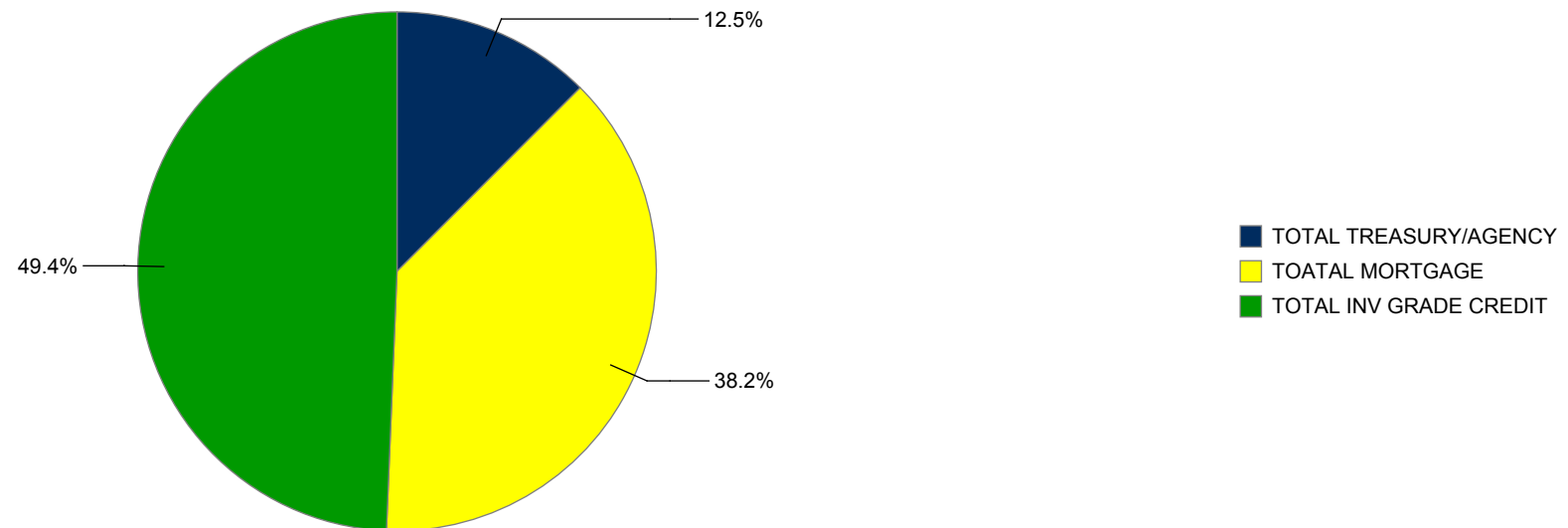


## Structured Fixed Income Asset Allocation: June 30, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$1.8	16.5



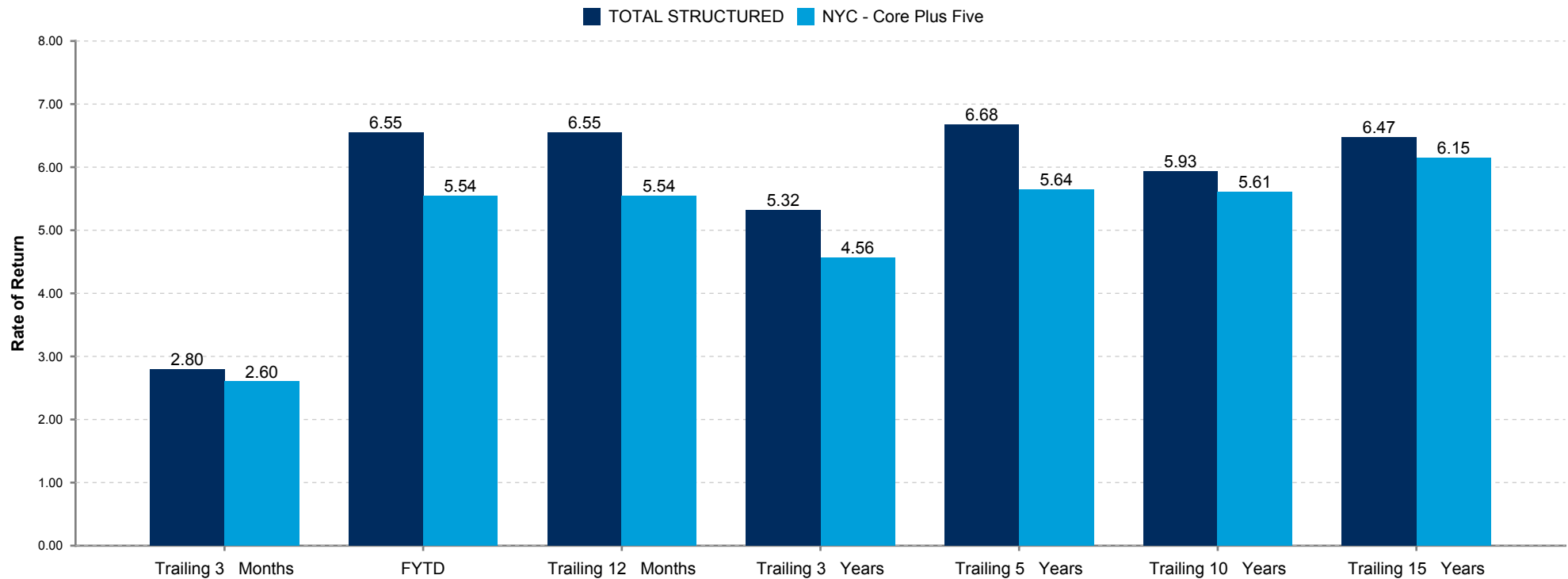
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
Total Treasury/Agency	18.25	12.45	-5.80	2.94	3.16	0.22
Total Mortgage	38.19	38.20	0.01	2.41	2.49	0.08
Total Inv Grade Credit	43.56	49.35	5.79	2.62	2.95	0.33

## Structured Returns vs NYC Core + 5 Index: June 30, 2014



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$1.8	16.5



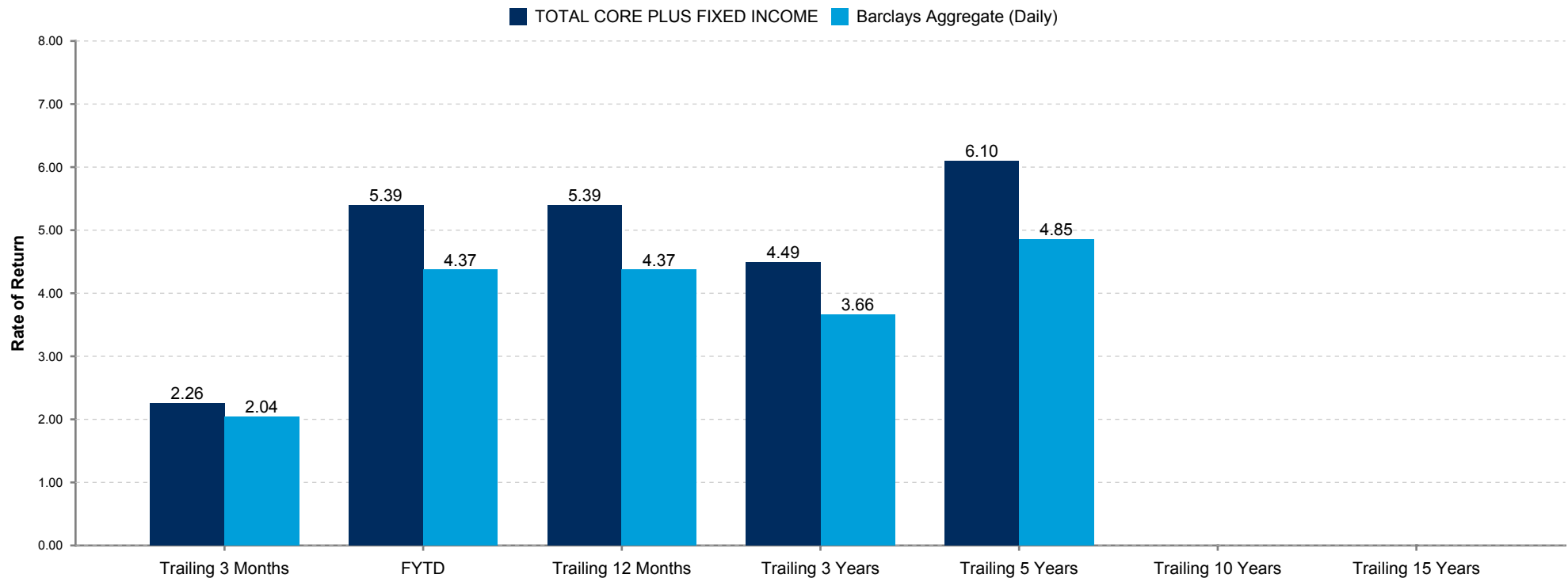
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL STRUCTURED	3.3	3.5	3.4	3.5	3.8	4.0

## Core Plus Fixed Income Returns vs Barclays Aggregate Index: June 30, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL CORE PLUS FIXED INCOME	\$11.0	0.1



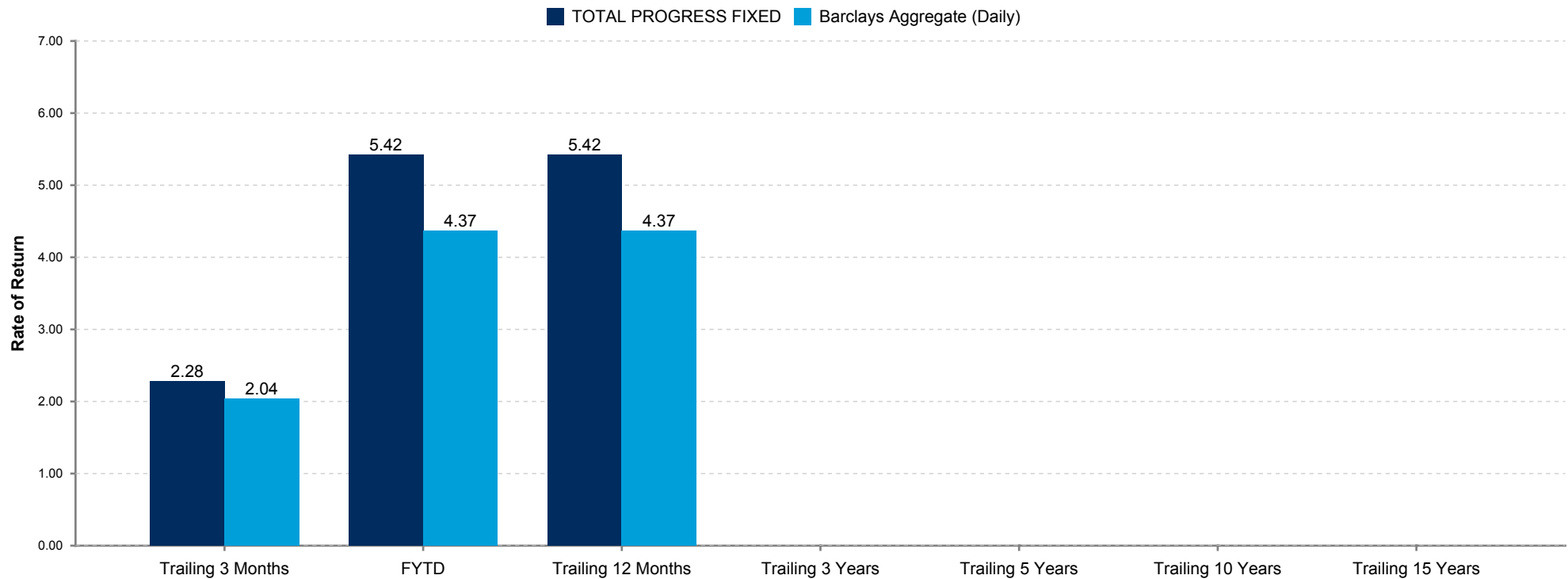
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL CORE PLUS FIXED INCOME	4.5	2.8	3.1	2.8		

# Progress Fixed Income Returns vs Barclays Aggregate Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL PROGRESS FIXED	\$27.7	0.3



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL PROGRESS FIXED						

## TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: June 30, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL TIPS MANAGERS	\$305.3	2.9

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



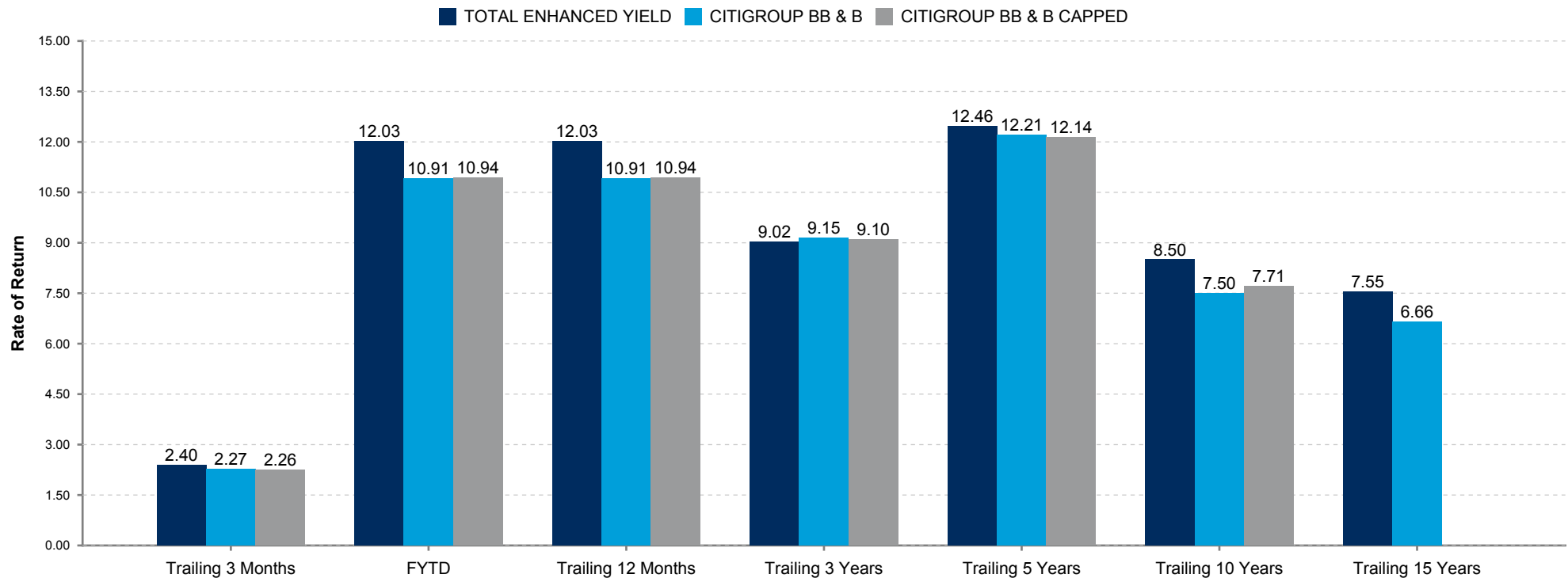
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL TIPS MANAGERS	5.4	5.5	5.1	5.2		

# Enhanced Yield Returns vs Citigroup BB & B Index and Citigroup BB & B Capped Index: June 30, 2014



STATE STREET

	Market Value (Millions)	% of Plan
TOTAL ENHANCED YIELD	\$411.6	3.8



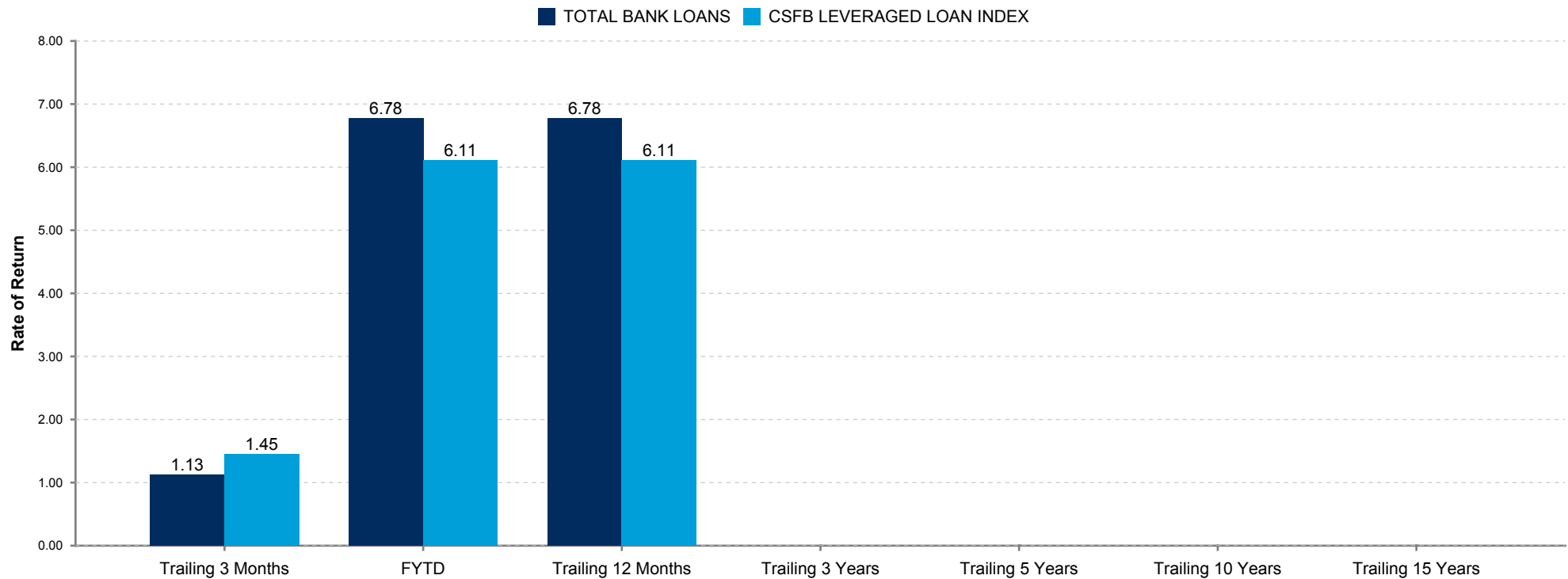
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ENHANCED YIELD	9.0	5.7	5.8	5.8	8.0	8.8

## Bank Loan Returns vs CSFB Leveraged Loan Index: June 30, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL BANK LOANS	\$175.9	1.6



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

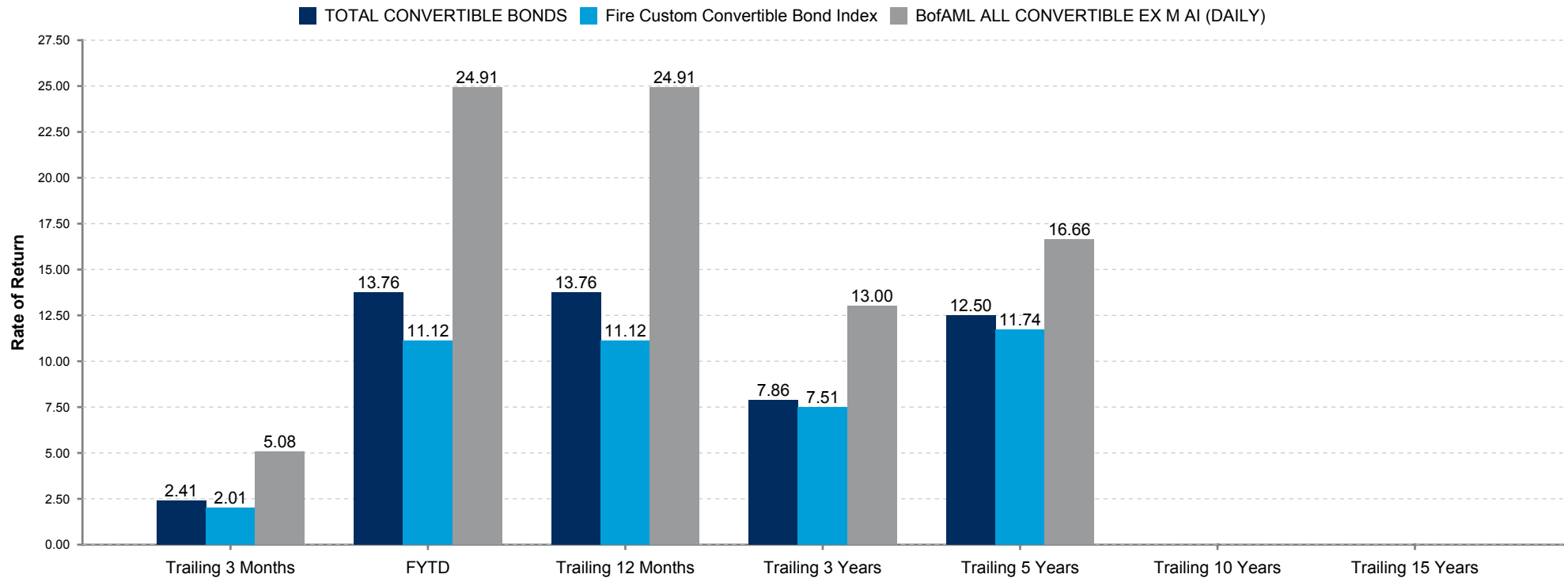


# Convertible Bond Returns vs Custom Convertible Bond Index and BofAML All Convertible Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL CONVERTIBLE BONDS	\$53.6	0.5



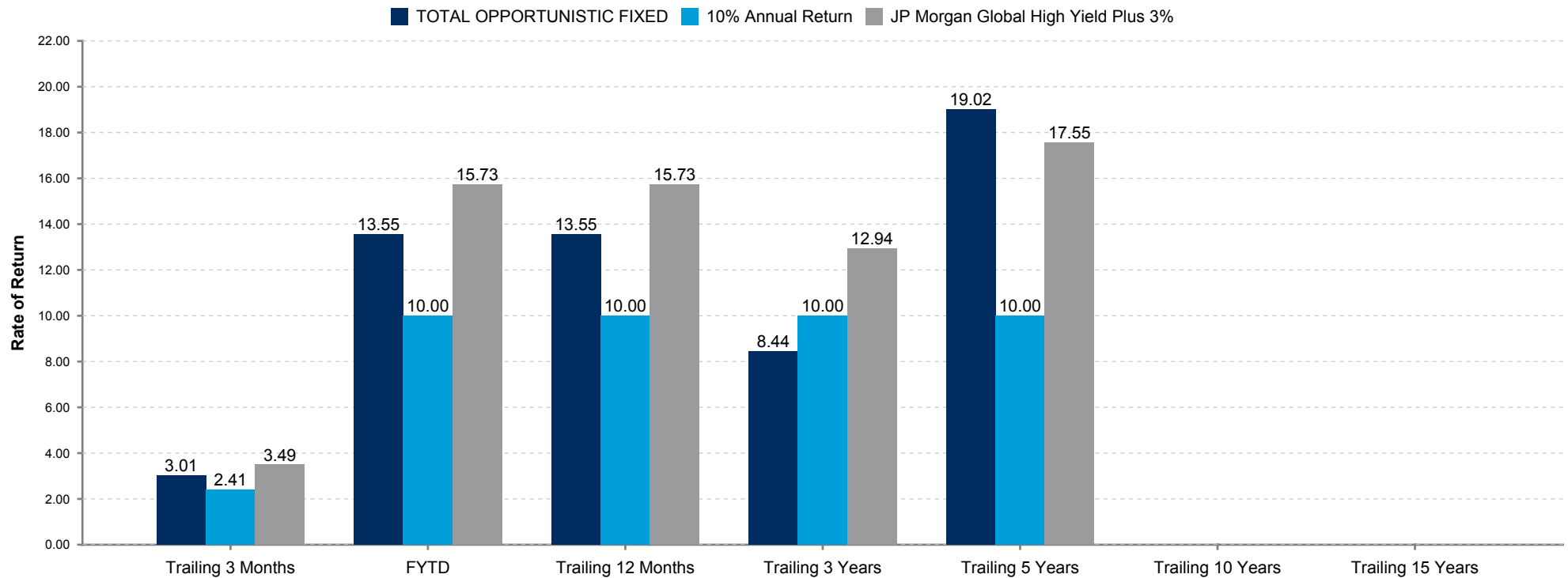
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL CONVERTIBLE BONDS	7.9	5.5	8.3	6.1		

# Opportunistic Fixed Income Returns vs 10% Annual Return Index and JP Morgan Global High Yield Plus 3% Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL OPPORTUNISTIC FIXED	\$230.1	2.1



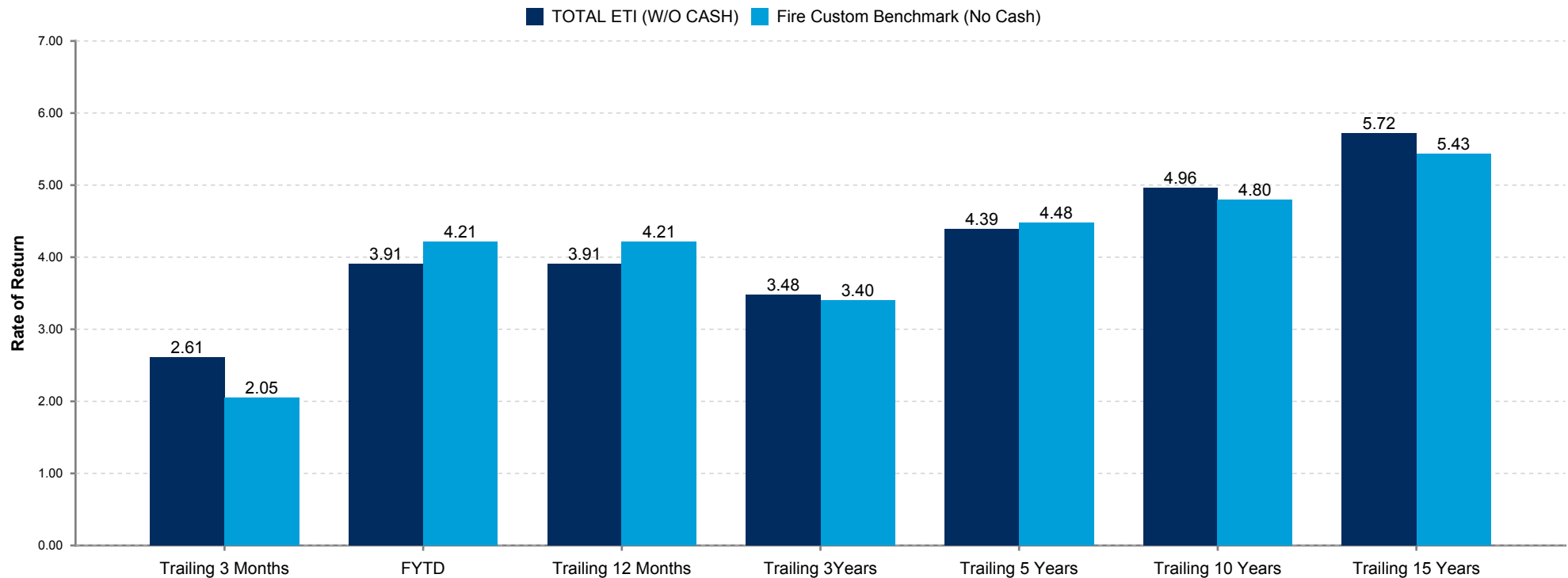
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL OPPORTUNISTIC FIXED	8.4	0.0	9.2	0.0		

## ETI Returns vs Custom Index: June 30, 2014



STATE STREET.

	Market Value (Millions)	% of Plan
TOTAL ETI (W/O CASH)	\$65.0	0.6



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ETI (W/O CASH)	2.6	2.5	2.5	2.6	2.9	3.0



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**Fire Retirement System  
of New York City**

# Appendix

# Consolidated Performance Report

Through June 30, 2014



STATE STREET

	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>									
Brown AM - SCG	35.5	0.33	0.93	(1.00)	29.24	17.97	24.75		
TOTAL SMALL CAP GROWTH	35.5	0.33	0.93	(1.00)	29.24	14.83	20.62	8.95	
RUSSELL 2000 GROWTH			1.72	2.22	24.73	14.49	20.50	9.04	5.78
Ceredex SCV	78.3	0.73	3.42	4.17	25.92				
Dalton Greiner (Value) - Small Cap	51.8	0.48	4.32	7.07	27.14	16.18			
TOTAL SMALL CAP VALUE	130.1	1.22	3.78	5.31	26.40	15.24			
RUSSELL 2000 VALUE			2.38	4.20	22.54	14.65	19.88	8.24	9.74
TOTAL ACTIVE SMALL CAP	165.6	1.55	3.15	3.89	27.01	14.37	19.44	7.01	
RUSSELL 2000			2.05	3.19	23.64	14.57	20.21	8.70	8.01
Blackrock R2000 Growth	25.0	0.23	1.73	2.23					
TOTAL SMALL CAP GROWTH PASSIVE	25.0	0.23	1.73	2.23					
RUSSELL 2000 GROWTH			1.72	2.22	24.73	14.49	20.50	9.04	5.78
Blackrock R2000 Value	15.4	0.14	2.09	3.92					
TOTAL SMALL CAP VALUE PASSIVE	15.4	0.14	2.09	3.92					
RUSSELL 2000 VALUE			2.38	4.20	22.54	14.65	19.88	8.24	9.74
TOTAL SMALL CAP PASSIVE	40.4	0.38	2.16	3.33					
TOTAL SMALL CAP	206.0	1.92	2.93	3.77	26.63	13.90	19.02	6.83	
RUSSELL 2000			2.05	3.19	23.64	14.57	20.21	8.70	8.01

# Consolidated Performance Report

Through June 30, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>SMALL/MID CAP</b>									
Security Global Investors SMID	80.8	0.76	3.75	6.94	23.16	14.57			
RUSSELL 2500 VALUE			4.20	7.87	24.94	16.02	21.58	9.40	10.24
<b>MID CAP</b>									
Times Square Capital MCG	166.4	1.55	2.69	4.22	24.05	16.41			
RUSSELL MIDCAP GROWTH			4.37	6.51	26.04	14.54	21.16	9.83	6.62
Iridian Asset Mgmt. MCV	101.8	0.95	6.39	11.30	35.90	21.82			
TOTAL MID CAP VALUE	101.8	0.95	6.39	11.30	35.90	21.82	26.45	11.46	
RUSSELL MIDCAP VALUE			5.62	11.14	27.76	17.56	22.97	10.66	9.97
Wellington Mgmt. MCC	104.5	0.98	6.96	11.07	32.78	17.50			
TOTAL MID CAP CORE	104.5	0.98	6.96	11.07	32.78	17.50	22.34	9.38	
S&P 400 MIDCAP INDEX			4.33	7.50	25.24	15.26	21.67	10.50	10.02
TOTAL MID CAP ACTIVE	372.7	3.48	4.86	7.96	29.52	18.11	22.89	9.34	
RUSSELL MIDCAP			4.97	8.67	26.85	16.09	22.07	10.43	9.11
State St GA S&P 400	177.0	1.65	4.32	7.48	25.18	15.26			
S&P 400 MIDCAP INDEX			4.33	7.50	25.24	15.26	21.67	10.50	10.02
TOTAL MID CAP	549.7	5.14	4.68	7.79	27.86	16.98	21.79	8.84	
RUSSELL MIDCAP			4.97	8.67	26.85	16.09	22.07	10.43	9.11
<b>RUSSELL 1000</b>									
Profit Inv Mgmt - LCG	54.1	0.51	5.14	7.04	26.99	18.30	18.83		
Zevenbergen ACG	208.5	1.95	4.73	4.16	35.62	15.45	21.20		

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL RUSSELL 1000 GROWTH	262.6	2.45	4.82	4.74	33.74	16.02	19.75	7.90	
RUSSELL 1000 GROWTH			5.13	6.31	26.92	16.26	19.24	8.20	3.07
RUSSELL 3000 GROWTH			4.86	5.98	26.75	16.11	19.34	8.27	3.27
Seizert Capital Ptnrs - LCC	56.5	0.53	5.23	8.44	26.96	16.54	19.81		
TOTAL RUSSELL 1000 CORE	56.5	0.53	5.23	8.44	26.96	16.54	19.81		
RUSSELL 1000			5.12	7.27	25.35	16.63	19.25	8.19	4.80
TOTAL RUSSELL 1000 ACTIVE	319.1	2.98	4.89	5.38	32.49	17.42	19.76	8.45	
RUSSELL 1000			5.12	7.27	25.35	16.63	19.25	8.19	4.80
Blackrock R1000 Growth	698.3	6.52	5.11	6.25					
RUSSELL 1000 GROWTH			5.13	6.31	26.92	16.26	19.24	8.20	3.07
Blackrock R1000 Value	778.3	7.27	5.09	8.26					
RUSSELL 1000 VALUE			5.10	8.28	23.81	16.92	19.23	8.03	5.93
TOTAL RUSSELL 1000 PASSIVE	1,476.6	13.80	5.11	7.25					
TOTAL RUSSELL 1000	1,795.7	16.78	5.08	6.94	35.36	18.26	20.28	8.68	
RUSSELL 1000			5.12	7.27	25.35	16.63	19.25	8.19	4.80
<b>RUSSELL 3000</b>									
State Street Global Advisors R3000	1,092.4	10.21	4.81	6.87	25.15	16.48			
TOTAL RUSSELL 3000 PASSIVE	1,092.4	10.21	4.81	6.87	25.28	16.49	19.34	8.30	5.13
RUSSELL 3000			4.87	6.94	25.22	16.46	19.33	8.23	5.03
<b>ATTUCKS MANAGERS</b>									
Apex Capital Mgmt - SCG	5.2	0.05	2.83	4.14	24.13				
Bird Rock Asset Mgmt - SCV	2.4	0.02	4.33	5.33	23.21				

# Consolidated Performance Report

Through June 30, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
EAM Investors - MCG	5.4	0.05	(3.63)	0.77	24.29				
Opus Capital Mgmt - SCV	6.2	0.06	4.64	5.35	20.72				
Paradigm Asset Mgt - SCC	6.4	0.06	1.06	1.36	18.18				
TOTAL ATTUCKS MANAGERS	25.8	0.24	1.51	3.10	21.71				
RUSSELL 2000			2.05	3.19	23.64	14.57	20.21	8.70	8.01
<b>CAPITAL PROSPECTS MANAGERS</b>									
AH Lisanti Capital Growth - SCG	3.8	0.04	(2.51)	(2.48)	23.54				
Bernzott Capital Advisors - SCV	3.8	0.04	5.11	2.18	22.77				
Channing Cap Mgmt - SCV	4.3	0.04	2.12	5.04	28.43				
CWC Advisors - SCC	3.5	0.03	5.31	5.41	23.01				
High Pointe R-2000	1.5	0.01	2.88	3.05	23.07				
Huber Cap Mgmt - SCV	4.2	0.04	5.71	2.85	23.17				
Lombardia R-2000 Value	3.4	0.03	3.52	3.81	22.51				
Profit Inv Mgmt - SCC	3.7	0.03	5.71	4.04	27.39				
Quotient Investors - SCC	4.0	0.04	6.46	10.53	33.09				
Stephens Inv Mgmt - SCG	3.6	0.03	(0.87)	(2.38)	19.28				
Summit Creek Advisors - SCG	3.6	0.03	0.19	(0.66)	21.60				
TOTAL CAPITAL PROSPECTS MANAGERS	39.5	0.37	3.03	2.80	24.46				
RUSSELL 2000			2.05	3.19	23.64	14.57	20.21	8.70	8.01
<b>PROGRESS MANAGERS</b>									
Apex Cap Mgmt - SMDG	18.5	0.17	4.37	6.96	31.00				
Cardinal Cap Mgmt - SCV	11.2	0.10	5.16	8.65	28.85				
Huber Cap Mgmt - SCV	17.2	0.16	5.54	2.81	22.88				
Lombardia Cap Ptnrs LLC Small Value	6.0	0.06	4.82	6.81	27.00				
Monarch Partners Asset Mgmt - SCV	13.7	0.13	1.78	3.53	21.78				
Nichols Asset Mgmt - SCG	14.5	0.14	(0.93)	(1.79)	22.24				
OMT Cap Mgmt - SMDG	10.1	0.09	(1.72)	(3.01)	16.85				



# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Phocas Financial - SCV	9.8	0.09	5.42	7.38	33.96				
TOTAL PROGRESS MANAGERS	101.0	0.94	2.99	3.60	25.30				
RUSSELL 2000			2.05	3.19	23.64	14.57	20.21	8.70	8.01
EMERGING MANAGER PROGRAM	166.2	1.55	2.77	3.33	24.53				
RUSSELL 2000			2.05	3.19	23.64	14.57	20.21	8.70	8.01
RUSSELL 3000			4.87	6.94	25.22	16.46	19.33	8.23	5.03
TOTAL ACTIVE DOMESTIC EQUITY	1,104.4	10.32	4.21	5.80	28.71	16.58	19.91	8.32	4.22
TOTAL PASSIVE DOMESTIC EQUITY	2,786.4	26.04	4.89	7.05	25.34	16.27	19.20	8.23	5.38
TOTAL DOMESTIC EQUITY	3,890.8	36.36	4.70	6.71	26.18	16.34	19.38	8.19	4.95
RUSSELL 3000			4.87	6.94	25.22	16.46	19.33	8.23	5.03
<b>INTERNATIONAL EQUITY</b>									
<b>DEVELOPED MARKETS</b>									
<b>GROWTH</b>									
Baillie Gifford	206.5	1.93	1.60	0.64	26.44				
Walter Scott	115.7	1.08	5.49	2.88	15.33				
TOTAL DEVELOPED GROWTH	322.2	3.01	2.96	1.44	22.23	8.60	12.85		
MSCI EAFE GROWTH			3.45	3.56	20.33	7.68	12.22	7.09	3.51
<b>VALUE</b>									
Causeway	130.2	1.22	2.26	2.88	23.93				
Sprucegrove	216.4	2.02	4.21	6.38	22.45	8.32	13.98	8.43	
TOTAL DEVELOPED VALUE	346.7	3.24	3.47	5.04	23.00	9.51	14.14	7.78	
MSCI EAFE VALUE NET			4.73	6.01	26.86	8.46	11.24	6.71	5.53

# Consolidated Performance Report

Through June 30, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>CORE</b>									
Thornburg	120.2	1.12	2.79	(1.14)	14.17	4.02	10.67		
TOTAL DEVELOPED CORE	120.4	1.13	2.79	(1.14)	14.08	3.48	10.11		
MSCI EAFE Free NET			4.09	4.78	23.57	8.10	11.77	6.93	4.59
<b>SMALL CAP</b>									
Acadian	77.3	0.72	3.91	8.93	34.78				
Pyramis	70.1	0.65	2.03	4.01	25.42				
TOTAL DEVELOPED SMALL CAP ACTIVE	147.3	1.38	3.01	6.53	30.16				
S&P EPAC SmallCap Index			2.53	6.43	29.60	9.81	15.20	9.57	8.35
TOTAL ACTIVE DEVELOPED EQUITY	936.8	8.75	3.13	3.18	22.53	7.23	12.44	7.55	5.17
MSCI EAFE Free NET			4.09	4.78	23.57	8.10	11.77	6.93	4.59
SSGA MSCI EAFE Small Cap Index	27.3	0.25	2.21						
TOTAL DEVELOPED SMALL CAP PASSIVE	27.3	0.25	2.21						
MSCI EAFE SMALLCAP NET			2.08	5.50	29.08	9.84	15.21	8.73	8.32
SSGA	89.7	0.84	4.23	5.08	23.90	8.46			
TOTAL PASSIVE DEVELOPED	89.7	0.84	4.23	5.00	23.80	8.43	12.16	7.30	4.93
MSCI EAFE Free NET			4.09	4.78	23.57	8.10	11.77	6.93	4.59
TOTAL DEVELOPED EQUITY	1,053.8	9.85	3.20	3.33	22.63	7.30	12.31	7.47	5.06
MSCI EAFE Free NET			4.09	4.78	23.57	8.10	11.77	6.93	4.59
TOTAL DEVELOPED ENVIRONMENTAL ACTIVIST EX PASSIVE	936.9	8.75	3.13	3.17	22.71	7.22	12.45	7.42	
TOTAL DEVELOPED ENVIRONMENTAL ACTIVIST	1,053.9	9.85	3.20	3.33	22.80	7.31	12.33	7.37	
MSCI EAFE			4.09	4.78	23.57	8.10	11.77	6.93	4.59

# Consolidated Performance Report

Through June 30, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EMERGING MARKETS</b>									
Acadian	118.6	1.11	7.62	8.70	16.26	2.36	12.37		
Ballie Gifford	182.8	1.71	10.19	9.24	23.25	2.93	11.59		
DFA	86.5	0.81	7.68	7.45	16.73				
Eaton Vance EM	103.2	0.96	6.35	6.87	16.44				
TOTAL ACTIVE EMERGING MARKETS	491.1	4.59	8.30	8.29	18.89	1.72	10.77	13.07	
MSCI EMERGING MARKETS			6.60	6.14	14.31	(0.39)	9.24	11.94	
CONY GT FIRE Blackrock-MSCI EM MK	191.2	1.79	6.61	5.98	14.56	(0.40)			
TOTAL PASSIVE EMERGING MARKETS	191.2	1.79	6.61	5.98	14.56	(0.40)			
MSCI EMERGING MARKETS			6.60	6.14	14.31	(0.39)	9.24	11.94	
TOTAL EMERGING MARKETS	682.3	6.38	7.82	7.63	17.65	1.14	10.51	12.94	10.02
MSCI EMERGING MARKETS			6.60	6.14	14.31	(0.39)	9.24	11.94	
TOTAL ACTIVE INTERNATIONAL EQUITY	1,428.0	13.34	4.85	4.88					
TOTAL PASSIVE INTERNATIONAL EQUITY	308.2	2.88	5.51	5.14					
TOTAL INTERNATIONAL EQUITY	1,736.2	16.22	4.97	4.98	20.73	4.77	11.16	8.13	5.63
MSCI AC WORLD ex US			5.03	5.56	21.75	5.73	11.11	7.75	
<b>REITS</b>									
Adelante (Lend Lease Rosen) (REIT)	67.9	0.63	7.62	18.52	16.24	12.62	24.03	9.55	
European	119.0	1.11	6.56	10.44	13.74				
FTSE EPRA/NAREIT Devel			7.88	12.21	14.38	10.19	17.41	9.12	
MS REIT	185.4	1.73	7.31	17.75	14.76	11.24	23.87	11.43	
TOTAL REITS	372.3	3.48	7.13	15.44	14.70	11.72	23.84	10.47	
DJ US SELECT REAL ESTATE			7.13	18.14	13.25	11.20	23.76	9.32	11.03

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>HEDGE FUNDS</b>									
<b>DIRECT HEDGE FUNDS</b>									
BLUE TREND FD	21.4	0.20	10.26	6.15	4.87				
BREVAN HOWARD LP	19.7	0.18	(1.55)	(4.35)	(5.07)				
BREVAN HOWARD OPP	20.1	0.19	(1.17)	(3.60)	(3.51)				
BRIGADE LEV CAP STR FD	25.7	0.24	3.43	5.26	9.67				
CARLSON DOUBLE BLK DIA FD	29.7	0.28	1.93	4.81	9.99				
CASPIAN SELECT CF	22.9	0.21	1.50	4.92	9.97				
CCP QUANT FD	15.4	0.14	4.87	(1.97)	(12.34)				
D.E. SHAW COMPOSITE FD	57.1	0.53	4.72	9.37	13.67				
FIR TREE VAL FD	29.6	0.28	0.69	0.25	9.36				
LUXOR CAPITAL	27.5	0.26							
PERRY CAPITAL LP	24.1	0.23	1.61	2.85	12.71				
PHARO MACRO FD	19.2	0.18	3.62	9.26	20.08				
STANDARD GENERAL	6.2	0.06							
TOTAL DIRECT HEDGE FUNDS	318.7	2.98	2.57	3.51	6.82				
HFRI Fund of Funds Composite Index + 1%			1.72	2.54	8.62	4.31	5.27	4.45	5.64
PERMAL ASSET MANAGEMENT	56.4	0.53	0.46	1.82	3.34	4.21			
TOTAL PERMAL HEDGE FUNDS OF FUNDS	56.4	0.53	0.46	1.82	4.69	3.88			
HFRI Fund of Funds Composite Index + 1%			1.72	2.54	8.62	4.31	5.27	4.45	5.64
TOTAL HEDGE FUNDS	375.1	3.50	2.23	3.24	6.48	4.26			
HFRI Fund of Funds Composite Index + 1%			1.72	2.54	8.62	4.31	5.27	4.45	5.64
1 Year Treasury Bill Yield + 4%			1.06	2.11	4.32	4.30	4.51	6.07	6.79

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>PRIVATE EQUITY INVESTMENTS</b>									
Acon Eq Ptnrs III	0.4	0.00							
Aisling Capital II LP	0.7	0.01							
Aisling Capital III LP	2.7	0.03							
Altaris Health Partners III, L.P.	0.1	0.00							
AMERICAN SEC PTNRS VI	12.7	0.12							
Ampersand 2011 Limited Partnership	5.6	0.05							
Apollo Investment Fund V	1.5	0.01							
Apollo Investment Fund VI	15.0	0.14							
Apollo Investment Fund VII	15.7	0.15							
Apollo Inv Fd VIII	1.4	0.01							
Ardian Secondary VI	3.5	0.03							
Ares Corp	0.8	0.01							
Ares Corp Opport Fund II LP	1.4	0.01							
Ares Corp Opport Fund III	8.3	0.08							
Ares Corp Opport Fund IV	4.6	0.04							
Aurora Equity Partners III	0.4	0.00							
Avista Capital Partners LP	3.7	0.03							
Avista Capital Partners II	11.2	0.10							
AXA Secondary Fund V	28.5	0.27							
BC EUR CAP IX - (Non US)	13.7	0.13							
BDCM Opportunity FD III	7.9	0.07							
Blackstone Capital Partners IV	7.4	0.07							
Blackstone Capital V	8.4	0.08							
Blackstone Capital Partners VI	5.2	0.05							
Blackstone Mezz Prts II	0.3	0.00							
Bridgepoint Europe III LP	3.1	0.03							
Bridgepoint EUR IV (Global)	6.1	0.06							
Capital Ptnrs PE Inc II	0.2	0.00							

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Carlyle Partners IV L.P.	1.9	0.02							
Carlyle Partners V LP	8.8	0.08							
CARLYLE PTNRS VI	3.8	0.04							
Catterton Ptnrs VI LP	3.9	0.04							
CCMP Capital Investors II	3.7	0.03							
Celtic Pharmaceutical Holdings LP	3.8	0.04							
Cinven Fourth Fund	2.2	0.02							
Coller International Prts V	2.3	0.02							
COMVEST INV PTNRS IV	13.1	0.12							
Constellation Ventures III	2.9	0.03							
CS EM MGR CO-INV/C Suisse Cust FD INV GR	1.0	0.01							
CS EMERG MGR FD/C Suisse EM DOM MGRS FD	5.6	0.05							
Crestview Partners II	7.0	0.07							
CVC European Equity Partners III	0.4	0.00							
CVC European Equity Partners V (Global)	10.3	0.10							
CVC Capital Partners VI, L.P.	0.1	0.00							
Cypress Merchant	3.1	0.03							
EQT VI (Global)	9.4	0.09							
Erasmus NYC Growth Fund/Aldus LP	30.5	0.29							
Erasmus NYC Growth FD A	0.4	0.00							
FDG	5.7	0.05							
FDG Cap Part II	0.7	0.01							
Fenway Ptnrs Capital III	2.6	0.02							
Fire Medal Fund	0.2	0.00							
FirstMark Capital IV / Pequot PE Fund IV	4.8	0.05							
First Reserve Fund XI	3.0	0.03							
First Reserve Fund XII	4.0	0.04							
F S Equity Partners V (Freeman Spogli V)	3.1	0.03							
FS Equity Partners VI	13.8	0.13							

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
FT Ventures Fund III	3.0	0.03							
FTV Capital IV	0.8	0.01							
GI Partnrs Fund II LP	1.0	0.01							
GI Partners III	4.8	0.05							
GREEN EQ INV VI	8.4	0.08							
GSO Capital Opportunities Fund I	2.7	0.03							
Highland Consumer Fund I	1.5	0.01							
ICV PTNRS III	0.4	0.00							
INCLINE EQ PT III	0.3	0.00							
InteMedia Ptnrs VII LP	3.8	0.04							
JP Morgan Fleming	2.3	0.02							
Landmark Equity Ptnrs XI	0.8	0.01							
Landmark Equity Partners XIV	9.4	0.09							
Landmark Eq Ptnrs XV	4.0	0.04							
Lee Equity Partners	5.8	0.05							
Levine Leichtman CAP Partners IV	3.6	0.03							
Lexington Cap Ptnrs VII	6.8	0.06							
Lincolnshire	0.4	0.00							
Lincolnshire Equity Fund III LP	3.1	0.03							
Lincolnshire EQ FD IV	1.9	0.02							
Lombard Odier DH Euro Choice II-Delaware	3.5	0.03							
Lombard Odier DH EuroChoice III-Scotland	4.0	0.04							
LODH EUR IV (Global)	4.7	0.04							
Markstone Cap	2.6	0.02							
Midocean Patnrs III	9.0	0.08							
Montreux Equity Partners IV	4.9	0.05							
NorthBound Emerging MG custom fund	3.2	0.03							
New Mountain Partners	0.9	0.01							
New Mountain Partners II LP	0.3	0.00							

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
New Mountain Ptnrs III	9.7	0.09							
NewSpring Growth Capital II	2.4	0.02							
New York / Fairview Emerg Mgr Fund LP	4.6	0.04							
NGN BIOMED Opportunity II	2.6	0.02							
Olympus Capital Asia III	4.4	0.04							
Olympus Growth Fund VI	0.8	0.01							
Onex Partners III	4.9	0.05							
Paladin HMLD Sec	2.8	0.03							
Paladin Homeland Sec III	5.4	0.05							
Palladium Equity Ptnrs III	11.1	0.10							
Palladium Equity Ptnrs IV	1.6	0.01							
PCG Clean Energy & Tech Fd East	5.0	0.05							
Pegasus Partners IV	5.7	0.05							
Pegasus Partners V	4.6	0.04							
Permira Fund IV	4.1	0.04							
Perseus Patners VII	1.2	0.01							
Pine Brook CAP Partners	6.8	0.06							
PLATINUM EQ CAP PTNRS III	5.8	0.05							
Prism Venture Parts. V-A	2.9	0.03							
Psilos Group Ptnrs III	2.1	0.02							
Riverstone/Carlyle Gbl Engy-Power Fd IV	5.2	0.05							
RRE Ventures Fund IV	3.5	0.03							
Scale Venture Partners III	7.6	0.07							
SCP	5.6	0.05							
SCP Vitalife JPTnrs II	3.9	0.04							
Snow Phipps & Guggenheim	3.2	0.03							
Snow Phipps Group II	4.6	0.04							
SUMMIT PARTNERS GR WQ VIII	15.3	0.14							
Tailwind Capital Partners	0.3	0.00							



# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Terra Firma Cap III	3.3	0.03							
Trident V LP	13.2	0.12							
Trilantic Capital Ptnrs III	0.2	0.00							
Trilantic Capital Ptnrs IV	6.9	0.06							
Trilantic Capital Ptnrs V	1.6	0.02							
U.S. Power Fund II LP	4.3	0.04							
U.S. Power Fund III LP	3.8	0.04							
Vista Foundation Fd II FIS	0.5	0.00							
Vista Equity Ptnrs III	5.3	0.05							
Vista Equity Ptnrs IV	29.1	0.27							
Vitruvian Partners	2.3	0.02							
VS & A	0.3	0.00							
VSS Communications Partners IV	1.5	0.01							
WARBURG PINCUS PE XI	15.8	0.15							
Well Spring Cap Partners V	2.4	0.02							
WEL CRSN ADRSN & STO XI	6.6	0.06							
Yucaipa American Alliance Fd I	4.1	0.04							
Yucaipa American Alliance Fd II	21.0	0.20							
Yucaipa Corp Initiatives II	3.1	0.03							
TOTAL PRIVATE EQUITY	684.2	6.39							

## REAL ASSETS

### PRIVATE REAL ESTATE

AG Realty Fund VII (Global)	6.9	0.06							
Amer Value Ptnrs I LP	2.3	0.02							
Ares European RE Fund III	12.2	0.11							
ARA Asia Dragon Fd (Global)	4.7	0.04							
Blackrock Carbon III	1.1	0.01							

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Blackstone Europe IV	6.0	0.06							
Blackstone REP EUR III	5.0	0.05							
Blackstone REP IV	3.0	0.03							
Blackstone REP VI	14.4	0.13							
Blackstone REP VII	25.3	0.24							
Brookfield Strat RE Partners	7.5	0.07							
Canyon-Jonhson Urban Fund II	3.0	0.03							
Canyon-Jonhson Urban Fund III	3.4	0.03							
Carlyle Realty V	1.7	0.02							
Carlyle Realty VI	13.0	0.12							
City Investment Fund cl	15.4	0.14							
Colony Investors VIII	7.6	0.07							
Colony Realty Partners II	2.0	0.02							
DIVCO WEST FD III	36.7	0.34							
DIVCO WEST FD IV	6.9	0.06							
EMMES Sep Acct	1.8	0.02							
H/2 Special Opportunities Fund II	9.8	0.09							
Heitman America RE Trust	12.7	0.12							
HUDSON SEP AC	0.5	0.00							
JPMC Strategic Property Fund	33.4	0.31							
JPMC Special Situations Fund	4.9	0.05							
KTR Industrial Fd III	3.6	0.03							
LaSalle US Property Fund	30.4	0.28							
LONE STAR RE FD III	6.2	0.06							
Metro Wkforce Housing FD	3.2	0.03							
PRISA	7.5	0.07							
PRISA II	21.6	0.20							
PROLOGIS Inc	4.6	0.04							
Related Sep Acct	3.6	0.03							

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
RREEF America II Inc	7.6	0.07							
RREEF America III Inc	1.5	0.01							
Silverpeak Legacy Partners III (Global)	0.9	0.01							
Stockbridge Real Estate Fund III	16.2	0.15							
Taconic NYC Investmt Fd	8.5	0.08							
Thor Urban Property Fd II	4.6	0.04							
UBS Trumbull Property Fd	34.8	0.32							
Walton ST REF VI (Global)	4.8	0.04							
Westbrook Fund VIII	4.1	0.04							
TOTAL PRIVATE REAL ESTATE	404.7	3.78							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infr Fd II	4.0	0.04							
TOTAL INFRASTRUCTURE	4.0	0.04							
CPI + 4%									
TOTAL REAL ASSETS	408.7	3.82							
TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS)	7,467.3	69.77	4.73	6.93	21.94	11.97	16.30	8.06	
<b>FIXED INCOME MANAGEMENT</b>									
<b>GOVERNMENT</b>									
Fischer Francis - Govt	59.5	0.56	2.79	6.27	3.53	5.52	5.82	6.35	6.91
PIMCO - Gov't	102.2	0.96	3.57	7.56	4.77	6.03	6.54	6.54	
State Street - Gov't	58.3	0.54	2.84	6.29	3.91	5.44			
TOTAL GOVERNMENT	220.0	2.06	3.16	6.87	4.20	5.73	6.11	6.33	6.86
NYC - Treasury Agency Plus Five			2.94	6.51	3.79	5.57	5.87	6.20	6.74

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>MORTGAGE</b>									
Blackrock - Mortgage	232.0	2.17	2.53	4.52	5.24	4.12	5.76	5.57	
Goldman Sachs - Mortgage	91.3	0.85	2.41	4.28	4.86	3.44			
Neuberger Berman - Mortgage	115.5	1.08	2.68	4.45	5.03	2.98			
PIMCO - Mortgage	236.0	2.21	2.39	4.12	4.71	3.32	5.22	5.43	6.04
TOTAL MORTGAGE	674.9	6.31	2.49	4.34	4.96	3.56	5.21	5.28	5.83
CITIGROUP MORTGAGE INDEX			2.41	4.06	4.59	2.79	3.97	5.00	5.53
<b>INVESTMENT GRADE CREDIT</b>									
Blackrock - Credit	159.0	1.49	2.83	5.85	8.10	6.40			
Prudential - Credit	156.1	1.46	2.66	5.48	7.66	6.18			
Prudential-Privest - Credit	41.9	0.39	1.85	4.45	5.92				
Taplin Canida Habacht - Credit	267.2	2.50	3.13	6.89	9.17	7.07	8.95	5.88	6.88
T Rowe Price - Credit	247.9	2.32	3.22	6.36	9.32	6.99	9.11	6.67	6.73
TOTAL INVESTMENT GRADE CREDIT	872.1	8.15	2.95	6.17	8.58	6.71	8.60	5.99	6.54
NYC - Investment Grade			2.62	5.40	7.17	5.78	7.44	5.68	6.29
<b>TOTAL STRUCTURED</b>									
TOTAL STRUCTURED	1,767.0	16.51	2.80	5.54	6.55	5.32	6.68	5.93	6.47
NYC - Core Plus Five			2.60	5.08	5.54	4.56	5.64	5.61	6.15
<b>CORE PLUS FIXED INCOME</b>									
LM Capital	11.0	0.10	2.26	4.13	5.39	4.49	6.10		
TOTAL CORE PLUS FIX INC	11.0	0.10	2.26	4.13	5.39	4.49	6.10		
Barclays Aggregate			2.04	3.93	4.37	3.66	4.85	4.93	5.60
<b>TOTAL STRUCTURED PLUS LM CAPITAL</b>									
TOTAL STRUCTURED PLUS LM CAPITAL	1,778.0	16.61	2.80	5.53	6.54	5.31	6.67	5.93	6.47
NYC - Core Plus Five			2.60	5.08	5.54	4.56	5.64	5.61	6.15

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>PROGRESS MANAGERS</b>									
AMBASSADOR	6.8	0.06	2.14	4.47	4.42				
GIA	5.7	0.05	2.77	5.02	7.13				
Hillswick	2.7	0.03	2.23	4.41	3.94				
NEW CENTURY	7.0	0.06	1.98	4.83	5.69				
PUGH CAP	5.5	0.05	2.37	4.46	5.33				
TOTAL PROGRESS FIXED	27.7	0.26	2.28	4.66	5.42				
Barclays Aggregate			2.04	3.93	4.37	3.66	4.85	4.93	5.60
<b>TIPS MANAGERS</b>									
<b>ACTIVE TIPS MANAGERS</b>									
Blackrock TIPS	115.1	1.08	3.71	5.80	4.61	3.75	5.62		
PIMCO TIPS	114.1	1.07	3.65	5.83	4.64	4.01	5.79		
TOTAL ACTIVE TIPS MANAGERS	229.2	2.14	3.68	5.81	4.62	3.88	5.70		
<b>PASSIVE TIPS MANAGERS</b>									
State Street TIPS Passive	76.1	0.71	3.85	5.88	4.67	3.62	5.59		
TOTAL PASSIVE TIPS MANAGERS	76.1	0.71	3.85	5.88	4.67	3.62	5.59		
TOTAL TIPS MANAGERS	305.3	2.85	3.72	5.83	4.64	3.81	5.67		
Barclays US TIPS Index			3.81	5.83	4.44	3.55	5.55	5.25	6.67
<b>ENHANCED YIELD</b>									
Loomis Sayles	113.7	1.06	2.87	6.84	13.85				
BofAML HIGH YIELD MASTER II			2.57	5.64	11.80	9.27	13.94	8.91	7.52
Penn Capital Mgt	115.4	1.08	2.07	4.84	11.24				
T. Rowe	182.4	1.70	2.31	5.39	11.33	8.76	12.39	8.61	

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL ENHANCED YIELD	411.6	3.85	2.40	5.63	12.03	9.02	12.46	8.50	7.55
CITIGROUP BB & B			2.27	5.31	10.91	9.15	12.21	7.50	6.66
CITIGROUP BB & B CAPPED			2.26	5.28	10.94	9.10	12.14	7.71	
<b>BANK LOANS</b>									
Babson BL	87.8	0.82	1.20	2.53	6.31				
Guggenheim BL	88.1	0.82	1.06	2.53	7.24				
TOTAL BANK LOANS	175.9	1.64	1.13	2.53	6.78				
CSFB LEVERAGED LOAN INDEX			1.45	2.77	6.11	5.68	8.79	5.03	
<b>CONVERTIBLE BONDS</b>									
Advent Conv Bonds	53.6	0.50	2.41	6.28	13.76	8.39	12.42		
BofA ML U.S. Convertible			2.01	5.98	11.12	7.51	11.74	5.52	4.74
TOTAL CONVERTIBLE BONDS	53.6	0.50	2.41	6.28	13.76	7.86	12.50		
Fire Custom Convertible			2.01	5.98	11.12	7.51	11.74		
BofAML ALL CONVERTIBLE Ex MANDATORY			5.08	9.70	24.91	13.00	16.66	7.91	7.25
<b>OPPORTUNISTIC FIXED</b>									
Avenue Europe Special Sit. Fund L.P.	0.2	0.00							
Avenue Special Situations Fund V L.P.	0.1	0.00							
Avenue Special Situations Fund VI L.P.	16.6	0.16							
Fortress Ctr St Ptnrs	13.4	0.13							
Oaktree Opp Fd IX	20.1	0.19							
Torchlight Debt Oppy Fund III LLC	1.2	0.01							
TOTAL FUND STRATEGIES	51.6	0.48							
10% Annual Return									
JP Morgan Global High Yield + 3%									

# Consolidated Performance Report

Through June 30, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Angelo Gordon Ct St Ptnrs	25.9	0.24	3.89	7.80	17.03				
Apollo Centre Street Partnership, L.P	27.6	0.26	2.00	7.62	16.08				
Contrarian Partnership, L.P	6.5	0.06	2.02	6.90	10.08				
Golden Tree OD	35.4	0.33	2.25	5.99	11.90				
MARATHON-OD-FI	49.3	0.46	3.06	6.46	15.38				
Oak Hill Ctr St Ptnrs	33.6	0.31	2.34	4.45	13.83				
TOTAL STRATEGIC MANDATES	178.4	1.67	2.69	6.35	14.60				
10% Annual Return			2.41	4.88	10.00	10.00	10.00	10.00	10.00
JP Morgan Global High Yield + 3%			3.49	7.35	15.73	12.94	17.55		
TOTAL OPPORTUNISTIC FIXED	230.1	2.15	3.01	6.21	13.55	8.44	19.02		
10% Annual Return			2.41	4.88	10.00	10.00	10.00	10.00	10.00
JP Morgan Global High Yield + 3%			3.49	7.35	15.73	12.94	17.55		
<b>ETI</b>									
BOA-PPAR ETI (FNMA)	0.2	0.00	4.38	9.78					
CCD-PPAR (GNMA)	1.0	0.01	5.22	9.84	13.62	10.90	10.39		
CCD-PPAR ETI (FNMA)	0.4	0.00	4.40	9.32					
CFSB-PPAR (GNMA)	0.4	0.00	4.16	9.54	12.19	7.76	8.50		
CPC-PPAR (FNMA)	0.5	0.00	4.43	11.13	21.80				
JPMC-PPAR (FNMA)	0.4	0.00	0.58	8.98					
LIIF-PPAR (GNMA)	0.5	0.00	3.34	6.89	10.17	7.99			
LIIF-PPAR ETI (FNMA)	0.3	0.00	20.28	26.22					
NCBCI-PPAR (GNMA)	0.3	0.00	4.47	9.98	16.72	11.95			
NCB-CI PPAR ETI (FNMA)	0.0	0.00	3.91	9.43					
TOTAL FIRE PPAR	4.1	0.04	4.99	9.96	15.12	10.30	9.31		
GNMA Plus 65bps			2.46	4.47	5.44	3.46	4.96	5.70	6.21
FNMA Plus 85bps			2.69	4.48	5.30	3.68	4.79	5.88	6.43

# Consolidated Performance Report

Through June 30, 2014



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Access RBC	19.4	0.18	2.78	4.44	4.39	3.63	4.69		
Access RBC Benchmark			1.99	3.33	3.55	2.60	3.62		
AFL-CIO Hsg Inv Trust	41.5	0.39	2.40	4.19	4.45	3.60	4.52	4.94	
Barclays Aggregate			2.04	3.93	4.37	3.66	4.85	4.93	5.60
TOTAL ETI (W/O CASH)	65.0	0.61	2.61	3.50	3.91	3.48	4.39	4.96	5.72
Fire Custom Benchmark			2.05	3.76	4.21	3.40	4.48	4.80	5.43
FIRE SHORT TERM	174.2	1.63	0.03	0.07	0.18	0.30	0.43	2.14	2.73
TOTAL FIXED INCOME (DOMESTIC & GLOBAL)	3,221.3	30.10	2.59	5.13	7.32	5.56	7.51	6.18	6.49
C/D - Fail Float Earnings	0.7	0.01	0.01	0.01	0.31	0.17	0.17	2.59	
Security Lending	13.0	0.12							
<b>TOTAL FIRE</b>	<b>10,702.3</b>	<b>100.00</b>	<b>4.08</b>	<b>6.36</b>	<b>17.39</b>	<b>9.92</b>	<b>13.42</b>	<b>7.66</b>	<b>5.77</b>
<i>Fire Policy Benchmark</i>			3.93	6.76	16.24	10.31	14.39	8.12	5.98





NEW YORK CITY FIRE RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2013 AND ESTIMATED FEES FOR FY 2014 UPDATED THROUGH SEPTEMBER 2013					
		Actual 2013		Estimates 2014	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-2013 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2013 (\$MM)	BASIS POINTS
<b>US Equities</b>		<b>3,488</b>	<b>12.20</b>	<b>3,628</b>	<b>14.60</b>
Small Cap Active		131	57.83	147	67.39
Small Cap Growth		28	89.13	33	100.00
Small Cap Value		103	49.44	114	57.85
Small Cap core		-	-	-	-
Small Cap Fundamental Index		-	-	-	-
Small/Mid Cap Active		66	51.85	71	58.52
Small/Mid Cap Growth		-	-	-	-
Small/Mid Cap Value		66	51.85	71	58.52
Mid Cap Active		289	51.04	311	58.36
Mid Cap Growth		135	56.45	143	64.01
Mid Cap Value		75	47.55	81	57.30
Mid Cap core		79	45.12	86	50.00
Large Cap Active		324	20.90	283	27.71
Large Cap Growth		197	22.64	236	26.10
Large Cap Value		82	10.98	-	-
Large Cap Core		45	31.51	47	35.69
Large Cap Fundamental Index		-	-	-	-
Active Emerging Managers (U.S. Equities)		133	66.67	147	78.11
Total US Active Equities		943	43.91	959	53.75
Total US Passive Equities		2,545	0.45	2,669	0.53
Opportunistic US Equity Strategies		-	-	-	-
<b>International Equities</b>		<b>1,608</b>	<b>24.05</b>	<b>1,553</b>	<b>33.66</b>
Active EAFE Equities		1,006	19.88	859	33.41
Growth		421	11.12	301	28.01
Value		282	17.54	313	26.98
Core		246	40.64	116	45.91
Small Cap		57	6.72	129	50.40
Opportunistic-Non US Equity Strategies		21	56.69	-	-
Active Emerging Markets		339	47.62	437	50.93
Total Int'l Active Equities		1,367	27.34	1,296	39.32
Total Int'l Passive Equities		242	5.42	258	5.21
REITS Passive Index		325	39.88	322	39.75



NEW YORK CITY FIRE RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2013 AND					
ESTIMATED FEES FOR FY 2014 UPDATED THROUGH SEPTEMBER 2013					
	Actual 2013		Estimates 2014		
INVESTMENT STYLE (FIXED INCOME)	MARKET VALUE 06-30-2013 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2013 (\$MM)	BASIS POINTS	
<b>Fixed Income</b>	<b>2,718</b>	<b>18.75</b>	<b>2,716</b>	<b>18.54</b>	
Structured Program	1,573	8.82	1,584	8.38	
Government Sector	211	8.60	210	8.75	
Mortgage Sector	644	9.81	650	7.19	
Investment Grade Credit Sector	717	8.72	724	9.35	
Global Fixed Income	10	22.64	11	16.15	
Progress Fixed Emerging Managers	26	35.28	26	37.50	
TIPS	232	7.14	234	6.32	
Active TIPS	175	9.35	176	8.25	
Passive TIPS	58	0.48	58	0.50	
Opportunistic Fixed Income	167	65.06	186	90.85	
Enhanced Yield	291	50.42	227	34.05	
Bank Loans	136	29.17	138	38.32	
Convertible Bonds	82	35.01	49	51.50	
ETI - Access - RBC	8	27.49	11	26.79	
ETI - AFL-CIO HIT	40	42.67	40	44.00	
Other ETI Programs	4	-	4	-	
In-House Short Term	148	0.00	206	0.00	
<b>Total Public Markets</b>	<b>8,139</b>	<b>17.90</b>	<b>8,218</b>	<b>20.49</b>	
<b>INVESTMENT STYLE (PRIVATE)</b>					
Hedge Funds	239	173.58	249	206.24	
Private Equity Investments *	522	171.82	566	198.02	
Real Assets	333	114.24	361	111.47	
Private Real Estate	333	114.24	360	106.92	
Infrastructure**	-	-	1	91.97	
<b>Total Private Markets</b>	<b>1,093</b>	<b>154.68</b>	<b>1,176</b>	<b>173.21</b>	
<b>Total Overall</b>	<b>9,233</b>	<b>34.10</b>	<b>9,394</b>	<b>39.61</b>	
* Private Equity Investments exclude GP CARRY					
** Included investment held for less than a full year; Basis Points shown represent average for the period.					



**NYC FIRE DEPARTMENT PENSION FUND  
SECURITIES LENDING INCOME  
June 30, 2014**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>	
1989*	\$109,000	--	--	
1990	104,000	--	--	
1991	157,000	--	--	
1992	429,000	\$47,000	\$48,000	
1993	762,000	146,000	102,000	
1994	693,000	267,000	102,000	
1995	495,000	306,000	96,000	
1996	455,000	228,000	179,000	
1997	473,000	512,000	257,000	
1998	789,000	552,000	356,000	
1999	716,000	690,000	408,000	
2000	734,000	897,000	408,000	
2001	1,176,000	1,286,000	561,000	
2002	671,000	1,162,000	506,000	
2003	349,000	644,000	452,000	
2004	505,000	670,000	462,000	
2005	740,000	1,070,000	574,000	
2006	599,000	1,753,000	713,000	
2007	1,437,000	3,180,000	786,000	
2008	4,172,000	6,798,000	1,236,000	
2009	1,606,000	3,588,000	817,000	
2010	760,000	2,047,000	563,000	
2011	977,000	2,674,000	927,000	
2012	1,229,000	3,324,000	832,000	
2013	893,000	3,467,000	704,000	
2014 (6 Months)	386,000	1,003,000	739,000	
Since Inception	<u>\$21,416,000</u>	<u>\$36,311,000</u>	<u>\$11,828,000</u>	*Inception 4/89

Through June 30, 2014



- 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 7/1/09, 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

#### Pages 9 & 10 - Portfolio Asset Allocation

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

#### Pages 11 - 13 - 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 \* 30.77%*  
*International Developed (EAFE) Markets: MSCI EAFE \* 10.14%*



*Emerging Markets: MSCI Emerging Markets \* 6.50%*

*REITs: Dow Jones Real Estate Securities \* 3.00%*

*Private Equity: Russell 3000 + 300 b.p. per annum \* 6.45%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 3.75%*

*Hedge Funds: 1yr T- Bill yield + 4% \* 3.53%*

*Domestic Fixed Income: NYC Core +5 \* 22.26%*

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

*Enhanced Yield: Citigroup BB&B \* 3.74%*

*Bank Loans: Credit Suisse Leveraged Loan \* 1.66%*

*Convertible Bonds: BofAML All Convertibles Ex Mandatory \* 1.00%*

*Opportunistic Fixed: 10% Annualized Return \* 2.21%*

### **Page 14 – 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 51 – 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 Term Loan: 30 Day Libor + 200 bps per annum (with a floor of 250 bps)
- GNMA: Citigroup 15 yr. GNMA
- 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