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MEMORANDUM

TO: Trustees
New York City Employees' Retirement System

FROM: Lawrence Schloss

DATE: May 18, 2011

RE: **NYC Employees' Retirement System Investment Meeting – May 24, 2011**

Enclosed is a copy of the public agenda for the May 24, 2011 Investment Meeting. The meeting will be held at 335 Adams Street, Suite 2200, Brooklyn, N.Y. (beginning at 9:30am)

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

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

John C. Liu
COMPTROLLER

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT MEETING

MAY 24, 2011

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT MEETING

MAY 24, 2011

PUBLIC AGENDA

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PUBLIC AGENDA

I. Monthly Performance Review:

Monthly Performance Review
March 2011

Prepared for the New York City Employees' Retirement System

5/24/2011

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ECONOMIC INDICATORS

as of May 2011

NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

Gross Domestic Product

2

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

CAPACITY UTILIZATION

3

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

SOURCE: BLOOMBERG

ISM Manufacturing Index

4

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Weekly Unemployment Claims

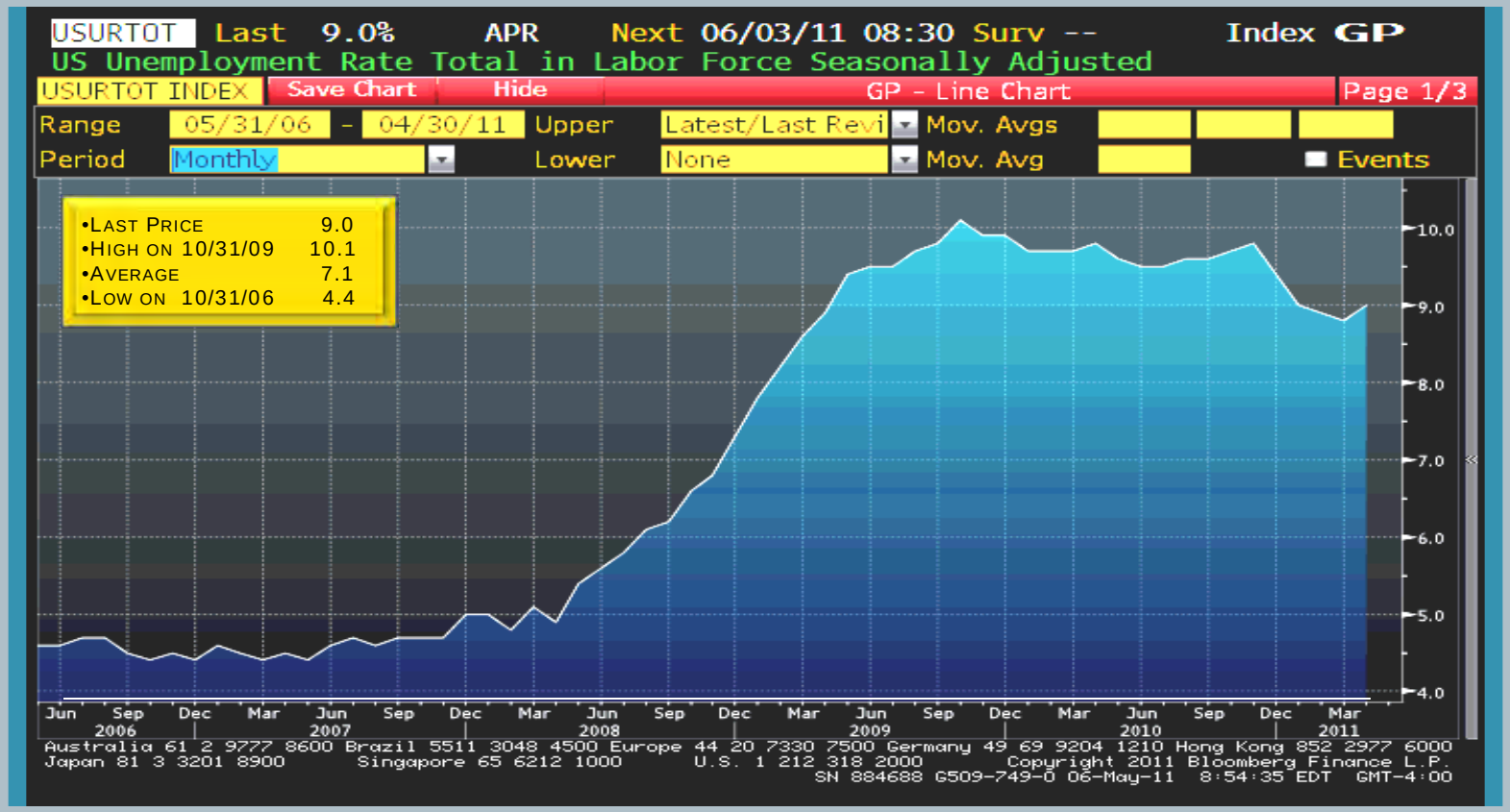
5

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

UNEMPLOYMENT RATE

6



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

SOURCE: BLOOMBERG

Consumer Sentiment

7

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Architectural Billings Index

8

- A score above 50 indicates an increase in billings while a reading below 50 indicates a negative outlook
- This index is considered a leading indicator for commercial building construction with a 6-9 month lag
- Note: The market indicators contained in the board materials are a subset of indictors relevant to Fund performance and strategic planning and are not intended as the excusive indicators.

Source: Bloomberg

Existing Home Sales

9

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

New Housing Starts

10

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Retail Sales

11

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

US Auto Sales

12

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Index of Leading Economic Indicators

13

- The Index of LEI is composed of: ave. weekly manufacturing hrs, ave. weekly jobless claims, manufacturers' new orders-consumer & capital, vendor performance, new building permits, stock prices, money supply-M2, int. rate spreads & consumer expectations
  - Note: The market indicators contained in the board materials are a subset of indictors relevant to Fund performance and strategic planning and are not intended as the excusive indicators.

Source: Bloomberg

INFLATION- CPI

14

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

SOURCE: BLOOMBERG

MARKET INDICATORS

as of May 2011

NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

USD/EUR Exchange Rate

16

- **Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.**

Source: Bloomberg

Strength of the US Dollar

17

- This Dollar Index is based on strength vs. the Euro, Yen, British Pound, Canadian Dollar, Swedish Krona & the Swiss Franc
- Note: The market indicators contained in the board materials are a subset of indictors relevant to Fund performance and strategic planning and are not intended as the excusive indicators.

Source: Bloomberg

3-Month LIBOR

18

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

VOLATILITY INDEX (VIX)

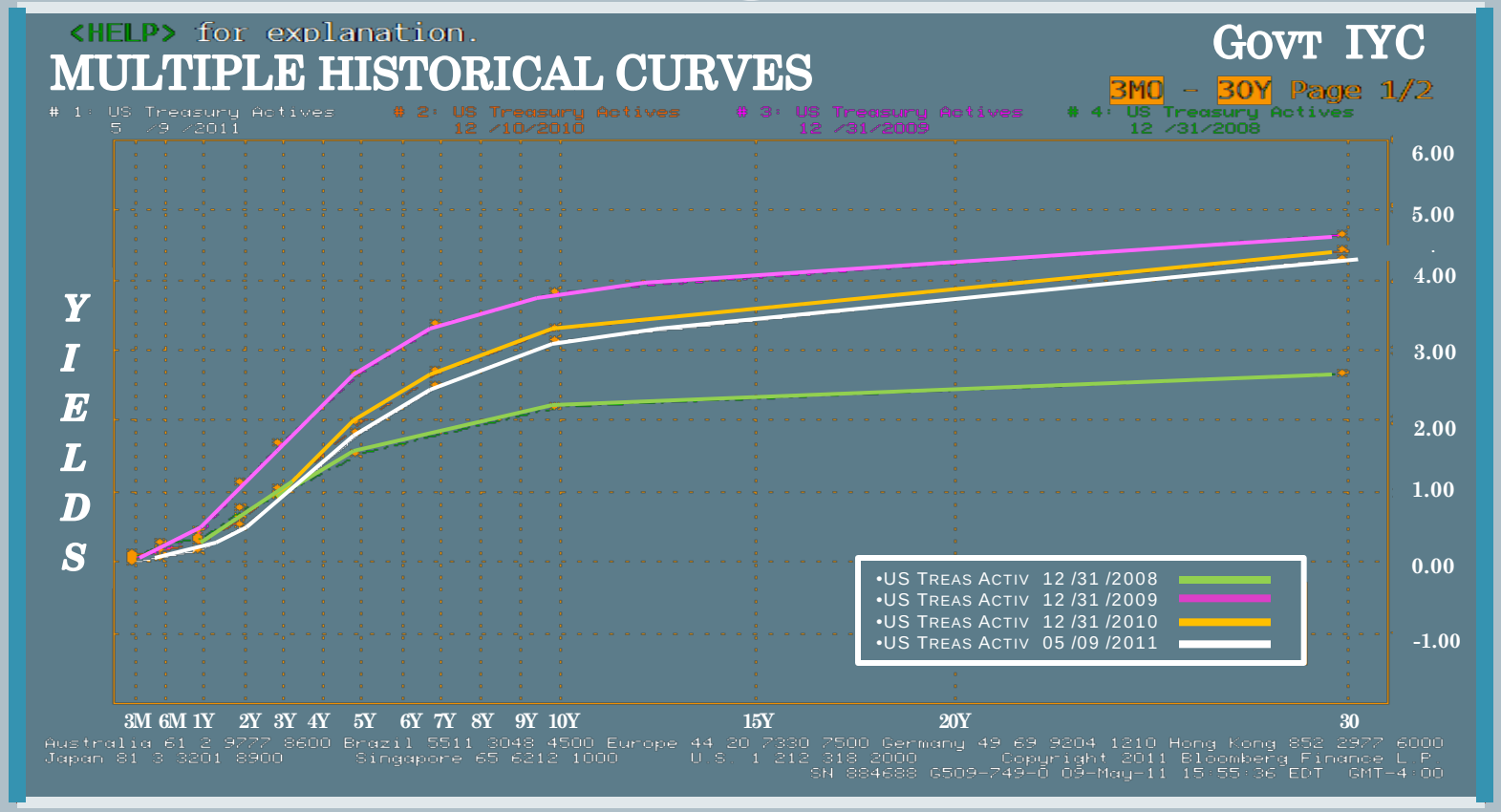
19

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

SOURCE: BLOOMBERG

US Treasury Yield Curves

20



- **Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.**

Source: Bloomberg

10 Year Treasury Rates

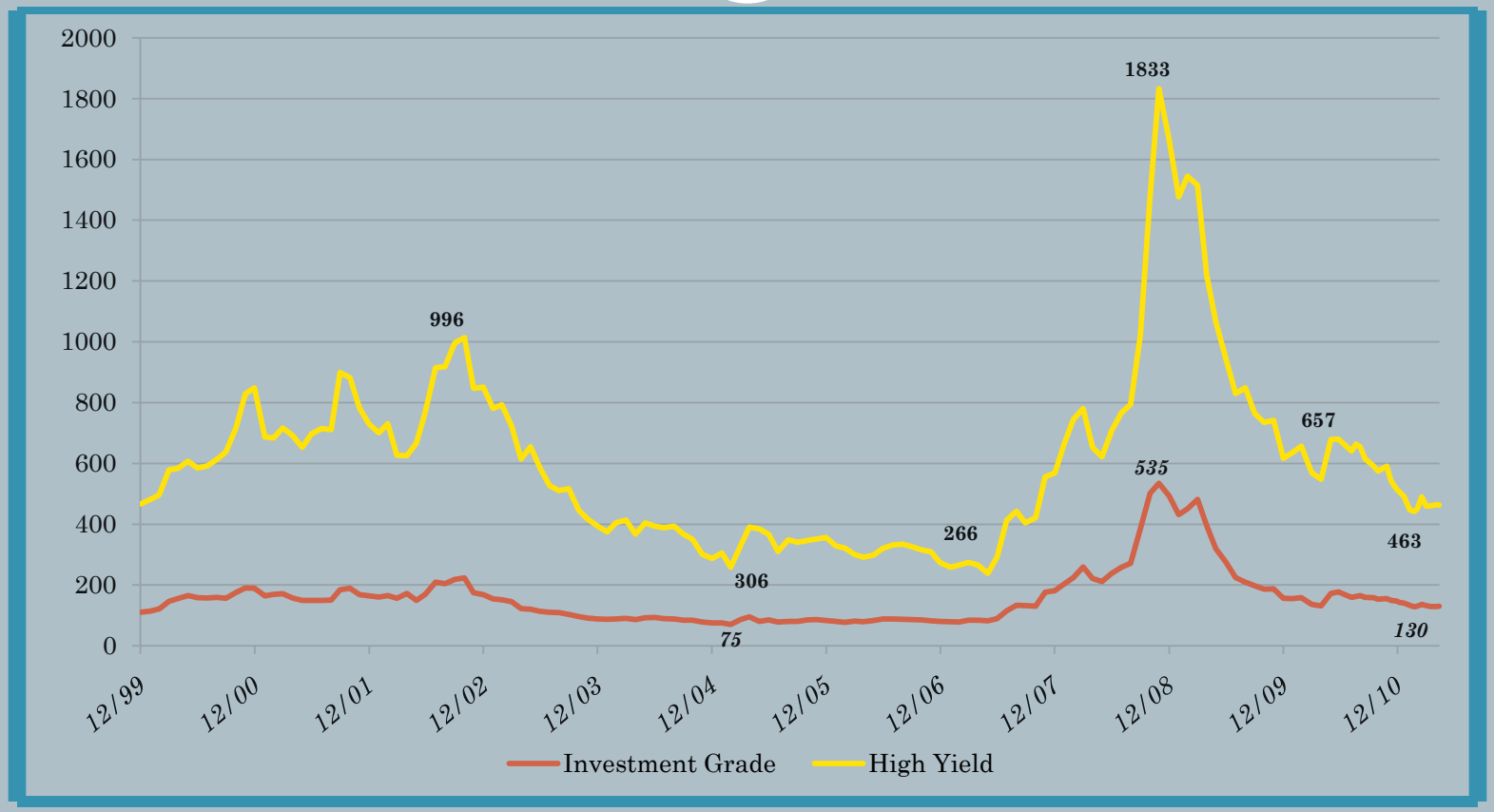
21

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Investment Grade and HY Spreads

22



- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Barclays Capital and Taplin, Canida & Habacht, Inc.

Corporate Earnings
S & P 500 Earnings Per Share & P/E Ratio

23

- Note: The market indicators contained in the board materials are a subset of indicators relevant to fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Price to Earning Ratios Including Estimates

24

- Note: The market indicators contained in the board materials are a subset of indicators relevant to fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Price to Earning Ratios Including Estimates

25

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Recent Global Equity Market Returns

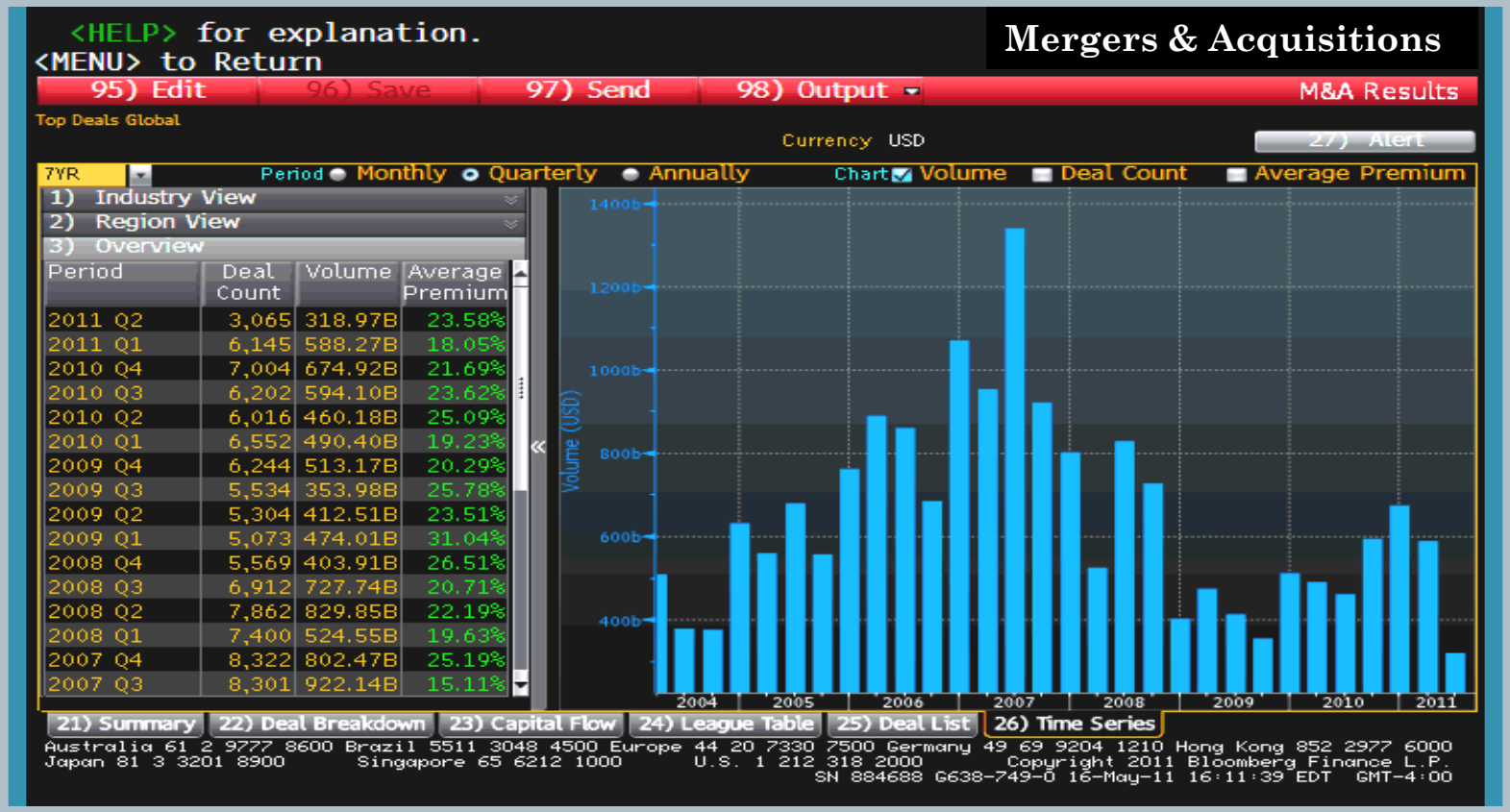
26

- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

Mergers & Acquisitions Activity

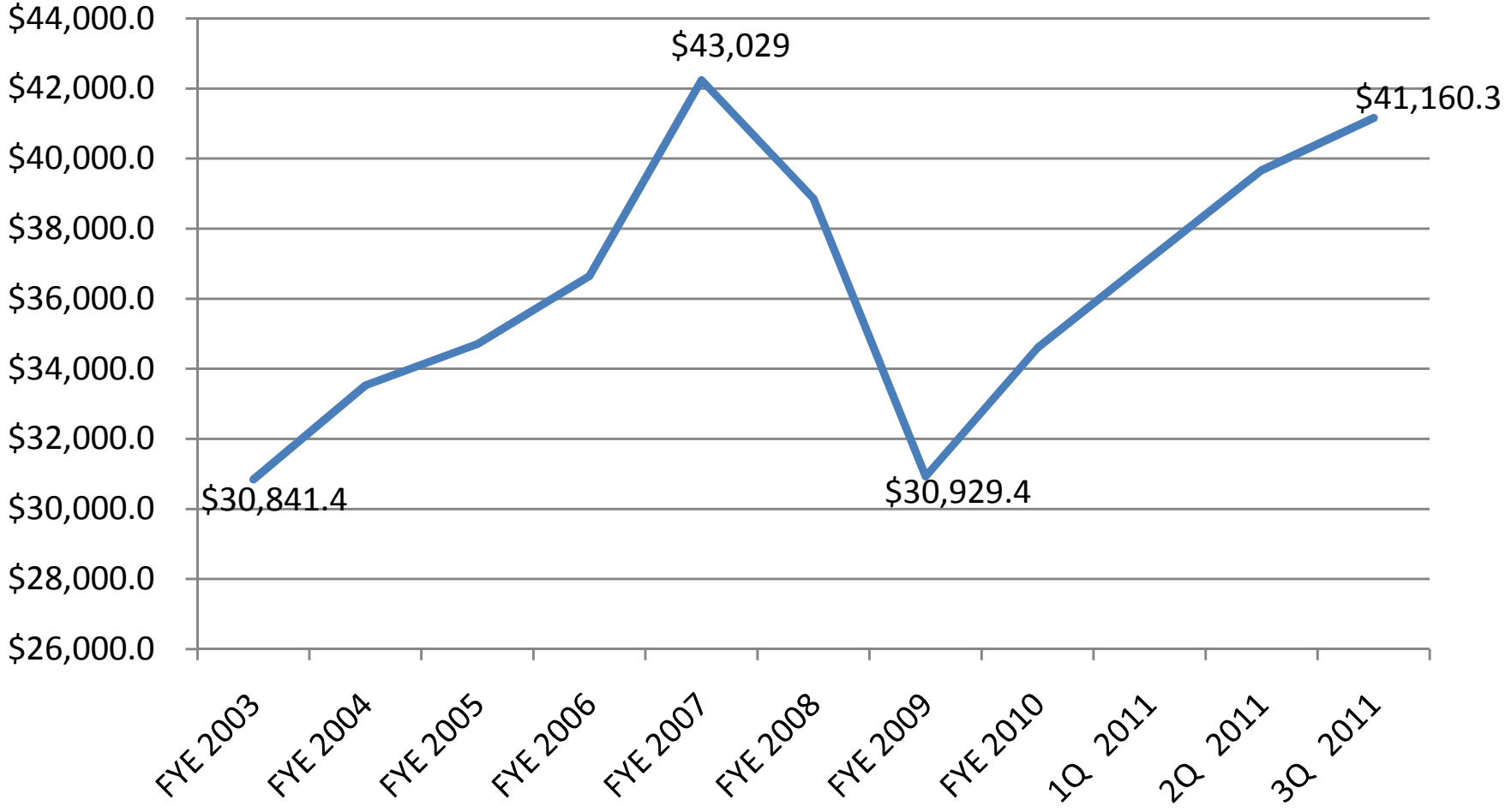
27



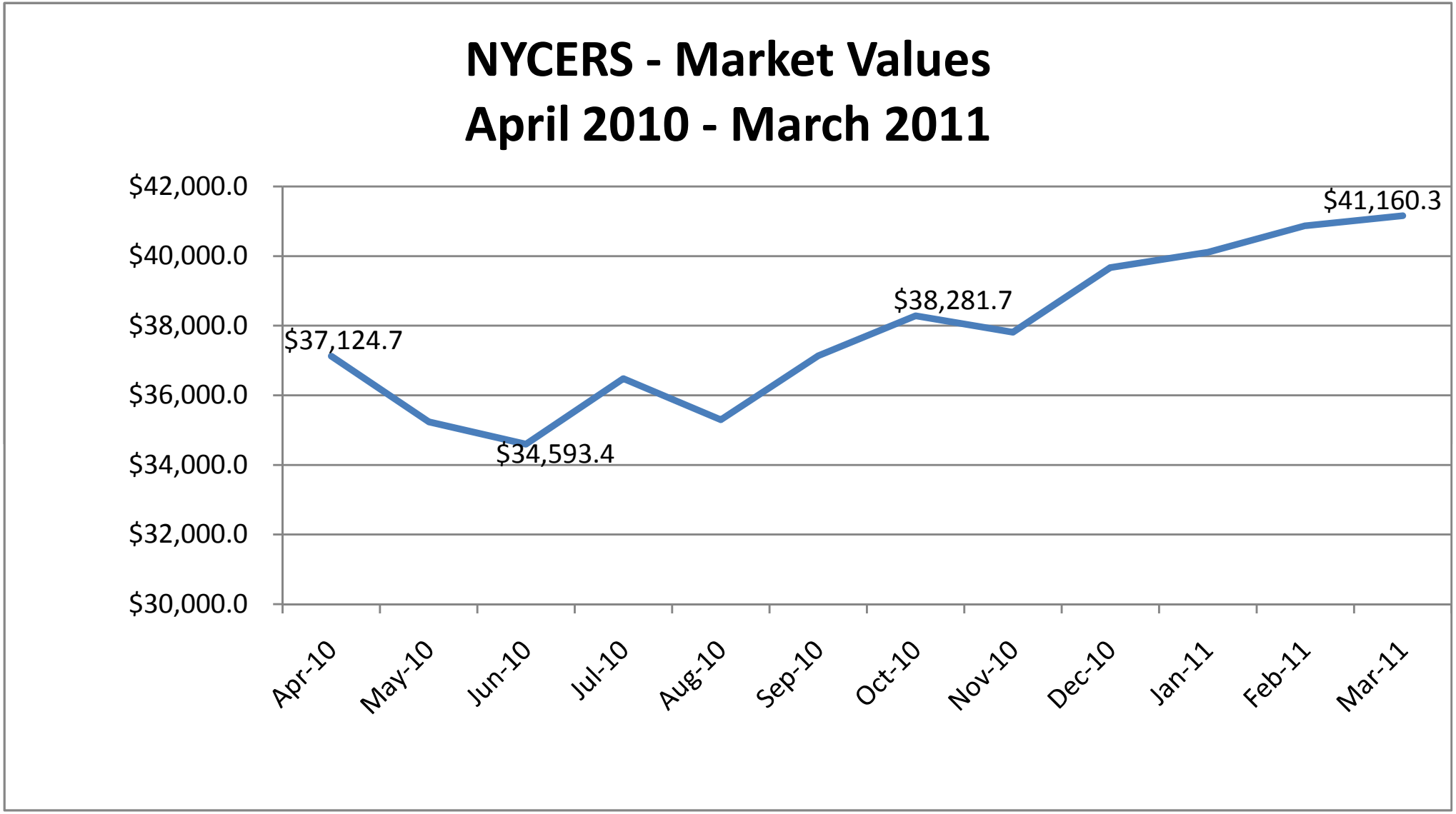
- Note: The market indicators contained in the board materials are a subset of indicators relevant to Fund performance and strategic planning and are not intended as the exclusive indicators.

Source: Bloomberg

NYCERS - Market Values
2003 - 2011

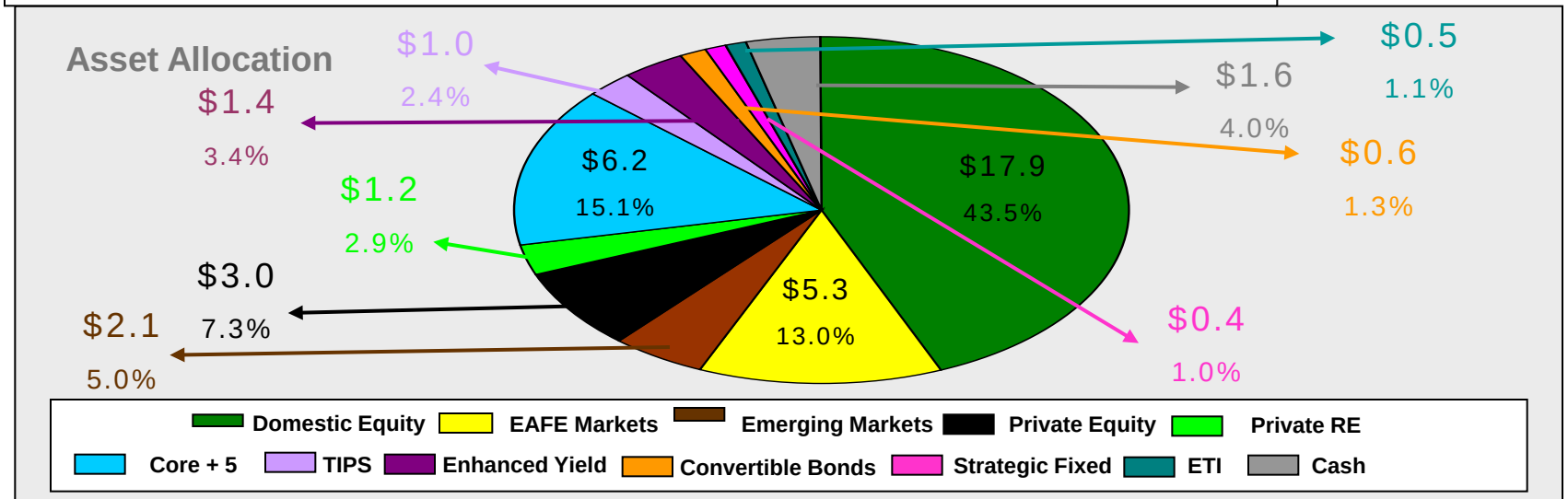


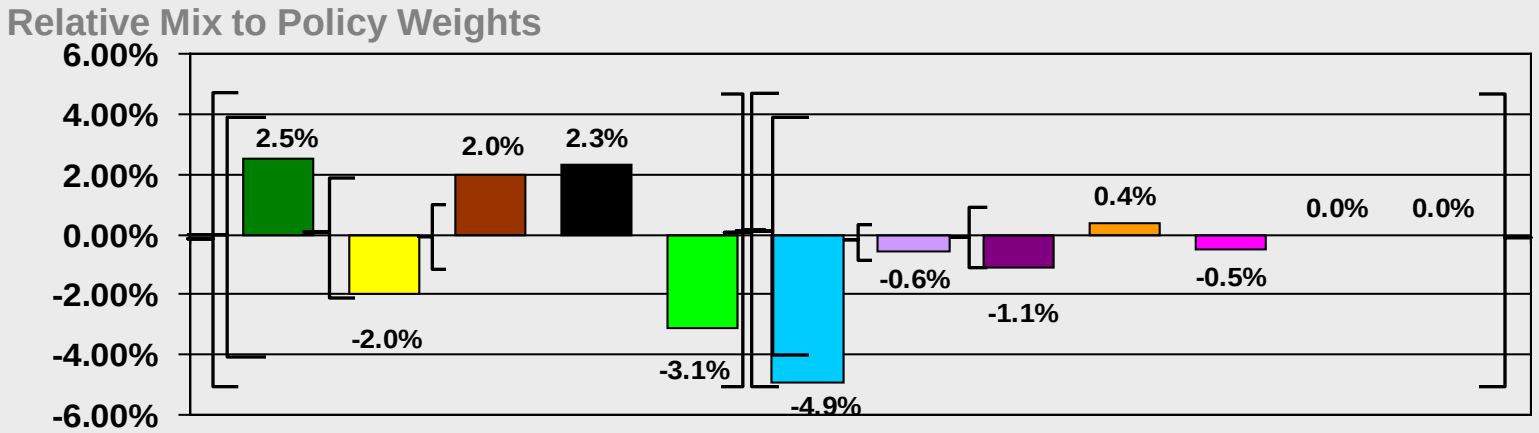
The March 2011 market value of $41.160 is down 4.5% from its high in September 2007 of $43.029. Approximately $6 billion of assets have been sold to pay benefits since September 2007. For the period of 2003-2011 NYCERS withdrew $13B in assets from managers to pay benefits. This is an average of $2B per year.


NYCERS - Market Values
April 2010 - March 2011
$42,000.0
$40,000.0
$38,000.0
$36,000.0
$34,000.0
$32,000.0
$30,000.0
$37,124.7
$34,593.4
$38,281.7
$41,160.3
Apr-10
May-10
Jun-10
Jul-10
Aug-10
Sep-10
Oct-10
Nov-10
Dec-10
Jan-11
Feb-11
Mar-11

Portfolio Asset Allocation: March 31, 2011

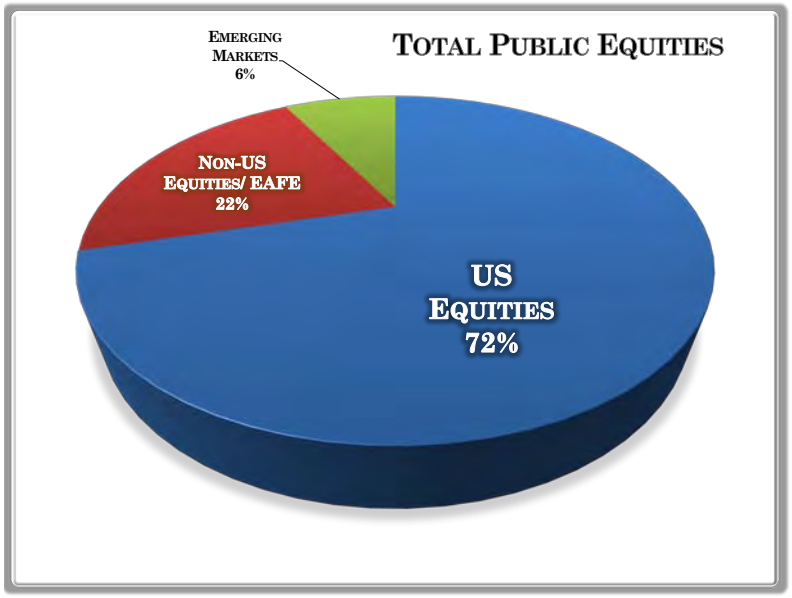
$41.2B Under Management



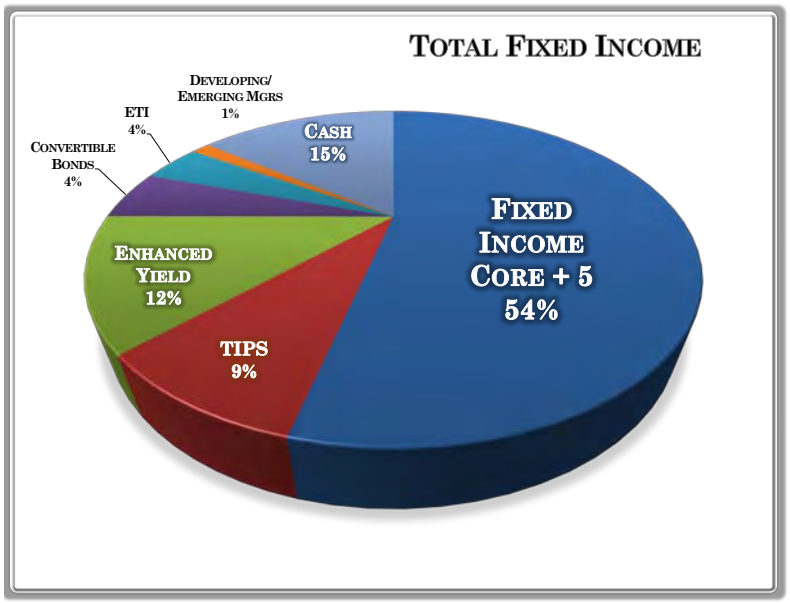


Note: Brackets represent rebalancing ranges.

NYC EMPLOYEES' RETIREMENT SYSTEM
CLASSIFICATION OF INVESTMENTS
(as of March 31st 2011)



	In $MM	Actual %	Policy %	*Adjusted Policy %	Rebalancing Range %
US Equities	$17,907.2	43.5%	41.0%	44.1%	40.1%-48.1%
Non-US Equities/EAFE	$5,340.8	13.0%	15.0%	15.0%	13.0%-17.0%
Emerging Markets	$2,052.2	5.0%	3.0%	3.0%	2.0%-4.0%
Total Public Equities	$25,300.2	61.5%	59.0%	62.1%	



	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
US - Government	$1,035.2	17.1%	21.2%	21.2%	*Neutral to the Core + 5 Index Weights*
US - Mortgage	$2,784.7	45.9%	43.8%	43.8%	
US - Investment Grade Credit	$2,240.6	37.0%	35.0%	35.0%	
Fixed Income Core + 5	$6,060.4	14.7%	20.0%	20.0%	16.0%-24.0%
TIPS	$979.5	2.4%	3.0%	3.0%	2.5%-3.5%
Enhanced Yield	$1,414.0	3.4%	4.5%	5.0%	4.0%-6.0%
Convertible Bonds	$564.0	1.4%	1.0%	1.0%	1.0%
ETI	$452.2	1.1%	**2.0%	**1.1%	1.1%
Developing/ Emerging Mgrs	$145.2	0.4%	0.0%	0.0%	0.0%
Cash	$1,647.6	4.0%	0.0%	0.0%	0.0%
Sub-total Fixed Income	$11,263.0	27.0%	28.5%	29.0%	

	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Private Real Estate	$1,195.9	2.9%	6.0%	2.9%	4.0%-8.0%

	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Private Equity	$2,999.2	7.3%	5.0%	5.0%	5.0%

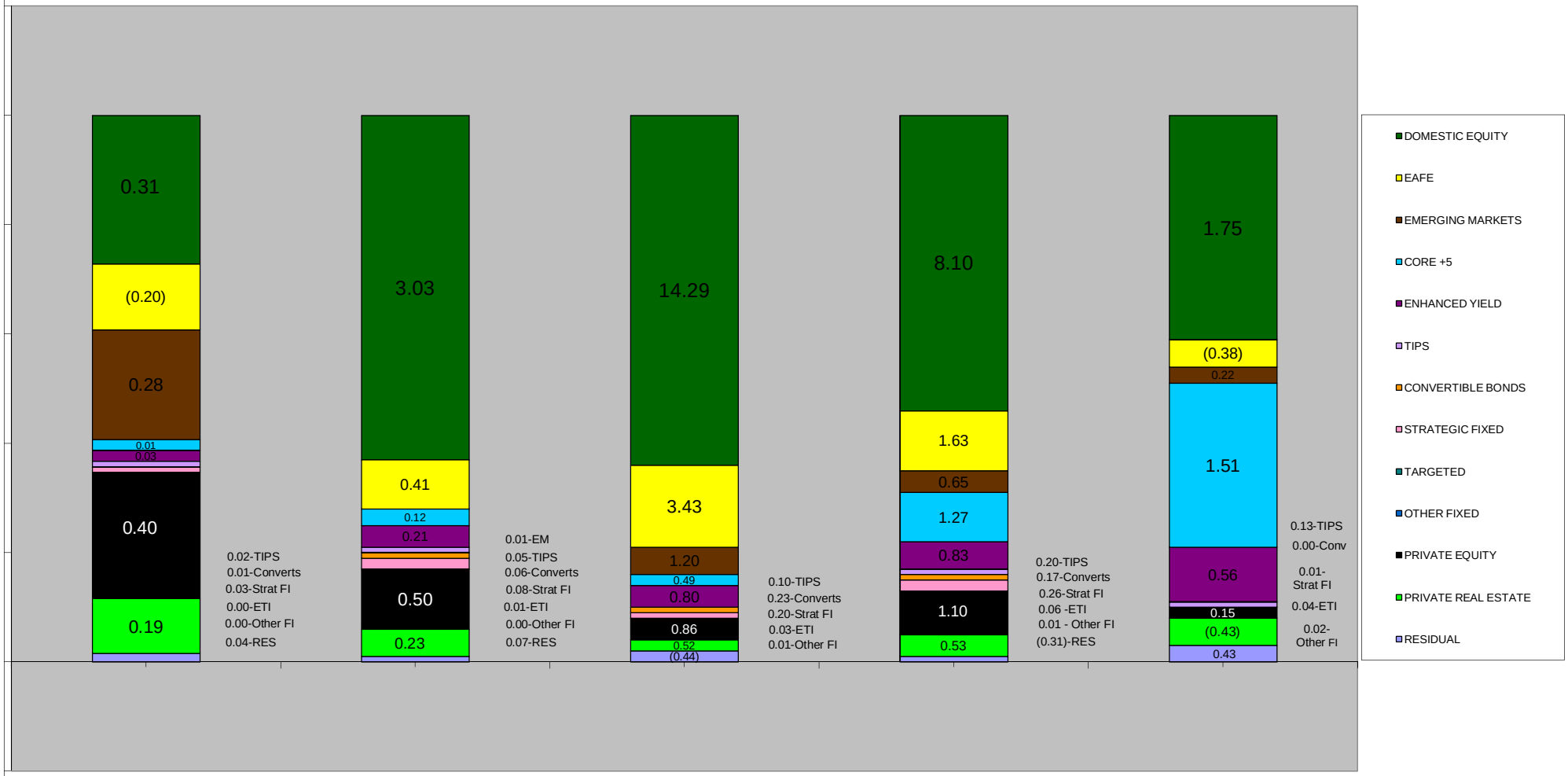
	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Hedge Funds	$0.0	0.0%	0.0%	0.0%	0.0%
Strategic Fixed Income	$402.0	1.0%	1.5%	1.0%	1.0%
Absolute Return	$402.0	1.0%	1.5%	1.0%	

	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Total Equities	$29,495.3	71.7%	70.0%	70.0%	65.0%-75.0%
Total Fixed Income	$11,665.0	28.3%	30.0%	30.0%	25.0%-35.0%
TOTAL	$41,160.3	100.0%	100.0%	100.0%	

*IF PE, RE, OR STRATEGIC FI ACTUAL WEIGHTS ARE LESS THAN THE POLICY WEIGHTS, THE DIFFERENCE WILL BE INVESTED IN THE US EQUITY, NON-US EQUITY, CORE + 5, OR HIGH YIELD AS APPROPPRIATE.

**ETI'S HAVE A POLICY OF 2% OF THE TOTAL FUND. THE ETI ADJUSTED POLICY % IS SHOWN FOR ILLUSTRATIVE PURPOSES ONLY AND IS NOT INCLUDED IN THE SUB-TOTALS. THE ETI POLICY % IS INCLUDED WITHIN THE POLICY % OF THE OTHER ASSET CLASSES.

NYC Employees' Retirement System Contribution to Return - March 2011



1 Month - Total Fund Return: 1.12%

3 Months - Total Fund Return: 4.78%

FYTD - Total Fund Return: 21.72%

1 Year - Total Fund Return: 14.50%

3 Year - Total Fund Return: 4.01%

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Employees' Retirement System
March 31, 2011

	Trailing 1 Month	Trailing 3 Months	06/30/10 03/31/11	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
MARKET INDICATORS								
STANDARD & POORS 500	0.04	5.92	30.56	15.65	31.63	2.36	2.62	3.29
S&P MIDCAP INDEX 400	2.45	9.36	40.41	26.95	44.36	10.01	6.07	9.37
RUSSELL 1000	0.26	6.24	31.77	16.69	33.03	2.98	2.93	3.83
RUSSELL 2000	2.59	7.94	39.65	25.79	43.12	8.57	3.35	7.87
RUSSELL 3000	0.45	6.38	32.40	17.41	33.81	3.42	2.95	4.13
RUSSELL 3000 GROWTH	0.42	6.30	34.82	19.24	34.00	5.58	4.32	3.25
RUSSELL 3000 VALUE	0.48	6.47	30.02	15.60	33.65	1.09	1.42	4.86
MSCI EAFE (NET DIVIDEND)	-2.24	3.36	28.36	10.42	30.61	-3.02	1.30	5.39
MSCI EMERGING MARKETS FREE	5.90	2.10	29.52	18.78	46.89	4.63	11.02	17.13
FTSE CUSTOM BENCHMARK	6.14	0.64	31.26	20.30	51.28	5.85	11.95	****
MSCI WORLD INDEX	-0.94	4.91	30.31	14.03	32.21	0.34	2.65	4.74
MSCI EUROPE SMID CAP INDEX	0.85	6.54	40.37	21.10	44.60	-1.23	****	****
NYC - TREASURY AGENCY PLUS FIVE	0.00	-0.36	-0.92	7.34	1.83	4.53	6.73	6.33
CITIGROUP MORTGAGE	0.18	0.61	1.36	4.53	4.78	5.93	6.53	5.71
NYC - INVESTMENT GRADE CREDIT INDEX	0.01	0.81	3.51	6.89	13.45	6.73	6.14	6.09
NYC - CORE PLUS FIVE	0.08	0.47	1.54	5.80	6.82	6.01	6.59	6.05
CITIGROUP BROAD INVESTMENT GRADE	0.05	0.36	1.34	5.06	5.75	5.34	6.20	5.67
BARCLAYS CAPITAL AGGREGATE	0.06	0.42	1.57	5.12	6.40	5.30	6.02	5.57
CITIGROUP BB & B	0.41	3.80	13.41	13.72	25.04	8.19	6.46	6.96
BofA MERRILL LYNCH HY MASTER II	0.42	3.90	14.27	14.18	34.01	12.70	9.03	8.41
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	1.02	2.08	3.94	7.97	7.08	3.95	6.26	6.75
BofA ML ALL CONVERTIBLES EX MANDATORY	0.69	5.66	23.53	16.92	32.94	8.53	****	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	-1.42	6.66	30.01	24.40	63.53	1.37	0.56	11.10
NCREIF NFI-ODCE NET	3.79	3.79	14.34	19.02	-1.67	-9.76	-1.03	****
91 DAY TREASURY BILL	0.03	0.05	0.13	0.16	0.17	0.52	2.23	2.24

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page *NYC Employees' Retirement System
April 30, 2011

	Trailing 1 Month	Trailing 3 Months	06/30/10 04/30/11	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
MARKET INDICATORS								
STANDARD & POORS 500	2.96	6.53	34.43	17.22	27.59	1.73	2.95	2.82
S&P MIDCAP INDEX 400	2.72	10.13	44.22	25.07	36.50	8.28	6.35	8.52
RUSSELL 1000	3.01	6.87	35.74	18.02	28.66	2.30	3.29	3.34
RUSSELL 2000	2.64	11.08	43.34	22.20	34.94	8.03	3.89	7.34
RUSSELL 3000	2.98	7.21	36.34	18.35	29.16	2.75	3.33	3.64
RUSSELL 3000 GROWTH	3.37	7.43	39.36	21.62	29.90	4.95	5.04	2.37
RUSSELL 3000 VALUE	2.58	6.98	33.37	15.17	28.40	0.39	1.47	4.63
MSCI EAFE (NET DIVIDEND)	5.98	7.02	36.03	19.18	26.59	-2.85	1.53	5.29
MSCI EMERGING MARKETS FREE	3.12	8.20	33.56	21.00	38.10	2.98	10.17	16.92
FTSE CUSTOM BENCHMARK	3.44	8.15	35.77	22.20	41.37	4.66	11.17	****
MSCI WORLD INDEX	4.31	6.99	35.93	18.87	27.98	0.01	2.89	4.43
MSCI EUROPE SMID CAP INDEX	7.48	11.54	50.88	30.21	37.24	0.26	****	****
NYC - TREASURY AGENCY PLUS FIVE	1.62	1.79	0.69	7.12	4.38	5.80	7.33	6.73
CITIGROUP MORTGAGE	1.12	1.53	2.49	5.09	5.26	6.31	6.77	5.82
NYC - INVESTMENT GRADE CREDIT INDEX	1.62	2.22	5.18	6.97	12.97	7.09	6.56	6.30
NYC - CORE PLUS FIVE	1.40	1.83	2.97	6.06	7.49	6.60	6.96	6.26
CITIGROUP BROAD INVESTMENT GRADE	1.23	1.48	2.59	5.32	6.38	5.92	6.50	5.85
BARCLAYS CAPITAL AGGREGATE	1.27	1.58	2.86	5.36	6.82	5.82	6.33	5.74
CITIGROUP BB & B	1.32	2.98	14.91	13.11	20.59	7.28	6.67	7.22
BofA MERRILL LYNCH HY MASTER II	1.52	3.31	16.00	13.38	27.89	11.74	9.22	8.72
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	2.51	4.44	6.55	8.13	9.44	5.56	6.81	6.95
BofA ML ALL CONVERTIBLES EX MANDATORY	1.68	5.13	25.61	16.29	28.09	7.42	****	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	5.98	9.23	37.78	23.19	45.95	1.32	2.52	11.49
NCREIF NFI-ODCE NET	0.00	3.79	14.34	19.02	-1.67	-9.76	-1.03	****
91 DAY TREASURY BILL	0.02	0.06	0.15	0.17	0.16	0.49	2.16	2.19

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Manager / Benchmark Comparison Report *NYC Employees' Retirement System
March 31, 2011

	Assets ($MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	Calendar YTD 2010	Calendar YTD 2009	Calendar YTD 2008	Calendar YTD 2007	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
ASSET CLASS SUMMARY															
DOMESTIC EQUITY	$ 17,907.2	43.51%	0.68%	6.87%	32.78%	6.87%	17.16%	28.26%	-36.69%	5.04%	17.92%	3.96%	3.18%	4.25%	11.16%
INTERNATIONAL EAFE	5,340.8	12.98%	-1.19	3.26	29.42	3.26	11.17	33.66	-44.37	11.14	13.24	-2.21	1.84	****	6.74
EMERGING MARKETS	2,052.2	4.99%	5.91	0.22	31.07	0.22	26.33	86.55	-54.13	42.87	21.41	5.63	12.90	****	16.01
CORE + 5	6,060.4	14.72%	0.09	0.80	2.86	0.80	9.42	9.65	3.27	6.65	7.07	7.01	7.02	6.36	8.69
CONVERTIBLE BONDS	564.0	1.37%	0.55	5.11	21.10	5.11	14.54	33.08	****	****	15.68	****	****	****	6.35
TIPS MANAGERS	979.5	2.38%	0.99	1.87	3.62	1.87	6.47	10.15	-0.66	11.70	7.85	4.07	6.38	****	5.20
ENHANCED YIELD	1,414.0	3.44%	0.73	4.73	15.03	4.73	14.24	40.25	-18.55	3.83	15.09	11.82	8.70	8.08	8.45
PROGRESS FIXED EMERGING MGRS	93.4	0.23%	0.09	0.61	2.44	0.61	7.43	8.78	6.21	3.77	5.78	6.68	6.75	6.63	6.62
STRATEGIC FIXED	402.0	0.98%	3.23	7.12	16.75	7.12	26.01	19.13	-6.33	****	26.74	14.64	****	****	9.50
CORE PLUS FIXED INCOME	51.8	0.13%	0.29	1.09	3.33	1.09	7.46	****	****	****	5.96	****	****	****	9.00
ECONOMICALLY TARGETED INVESTMENTS	452.2	1.10%	0.20	0.94	2.67	0.94	6.87	8.23	6.28	7.49	5.49	6.68	6.97	6.81	10.06
PRIVATE EQUITY	2,999.2	7.29%	5.77	7.12	12.21	7.12	14.02	-4.17	-2.73	13.63	18.02	4.46	7.06	****	12.51
PRIVATE REAL ESTATE	1,195.9	2.91%	7.11	8.67	21.33	8.67	8.46	-43.87	-7.38	40.33	23.54	-15.09	-1.16	****	5.28
CASH	1,624.4	3.95%	0.03	0.01	-0.14	0.01	0.26	1.38	3.50	5.54	0.05	1.27	2.92	2.76	5.63
TOTAL EMPLOYEES	**$ 41,160.3**		**1.12%**	**4.78%**	**21.72%**	**4.78%**	**13.79%**	**20.98%**	**-26.36%**	**8.63%**	**14.50%**	**4.01%**	**4.78%**	**5.78%**	**9.00%**
TOTAL EQUITY	25,300.2	61.47%	0.68	5.68	31.94	5.68	16.31	31.61	-39.34	8.36	17.06	2.64	3.43	4.99	8.58
TOTAL FIXED INCOME	10,017.4	24.34%	0.42	1.99	6.25	1.99	10.68	15.55	-1.87	6.67	9.51	8.01	7.55	****	6.21
TOTAL PRIVATE EQUITY	2,999.2	7.29%	5.77	7.12	12.21	7.12	14.02	-4.17	-2.73	13.63	18.02	4.46	7.06	****	12.51
TOTAL PRIVATE REAL ESTATE	1,195.9	2.91%	7.11	8.67	21.33	8.67	8.46	-43.87	-7.38	40.33	23.54	-15.09	-1.16	****	5.28
TOTAL CASH	1,647.6	4.00%	0.03	0.01	-0.10	0.01	0.49	1.31	3.42	5.53	0.29	1.30	2.94	****	3.06

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EQUITY ASSET CLASS SUMMARY																
DOMESTIC EQUITY		$ 17,907.2	43.51%	0.68%	6.87%	32.78%	6.87%	17.27%	28.79%	-37.22%	5.69%	17.92%	3.96%	3.18%	4.25%	11.16%
ACTIVE DOMESTIC EQUITY		3,398.0	8.26%	0.78	6.69	33.56	6.69	19.89	30.13	-35.57	5.70	18.84	6.22	3.90	4.56	10.36
RUSSELL 3000				0.45	6.38	32.40	6.38	16.93	28.34	-37.31	5.13	17.41	3.42	2.95	4.13	
	+/-			0.33	0.31	1.16	0.31	2.96	1.79	1.74	0.57	1.43	2.80	0.95	0.43	
PASSIVE DOMESTIC EQUITY		14,323.6	34.80%	0.63	6.71	32.58	6.71	16.58	27.80	-37.04	5.08	17.58	3.38	2.93	4.11	10.96
RUSSELL 3000				0.45	6.38	32.40	6.38	16.93	28.34	-37.31	5.13	17.41	3.42	2.95	4.13	
	+/-			0.18	0.33	0.18	0.33	(0.35)	(0.54)	0.27	(0.05)	0.17	(0.04)	(0.02)	(0.02)	
DEVELOPED MARKETS		4,869.7	11.83%	-1.52	3.14	28.59	3.14	10.09	33.65	-44.34	11.14	12.25	-2.55	1.63	5.75	6.68
ACTIVE DEVELOPED MARKETS		3,895.7	9.46%	-1.37	3.30	28.91	3.30	10.56	34.00	-44.73	11.09	12.84	-2.51	1.63	5.81	7.42
MSCI EAFE (NET DIVIDEND)				-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
	+/-			0.87	(0.06)	0.55	(0.06)	2.81	2.22	(1.34)	(0.08)	2.42	0.51	0.33	0.42	
PASSIVE DEVELOPED MARKETS		974.0	2.37%	-2.14	2.55	27.34	2.55	8.18	32.26	-42.78	11.37	9.94	-2.73	1.61	5.69	5.71
MSCI EAFE (NET DIVIDEND)				-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
	+/-			0.10	(0.81)	(1.02)	(0.81)	0.43	0.48	0.61	0.20	(0.48)	0.29	0.31	0.30	
EMERGING MARKETS		2,052.2	4.99%	5.91	0.22	31.07	0.22	26.33	86.55	-54.13	42.87	21.41	5.63	12.90	****	16.01
ACTIVE EMERGING MARKETS		1,486.4	3.61%	6.03	-0.03	31.18	-0.03	27.43	86.55	-54.13	42.87	22.17	5.85	13.02	****	16.49
FTSE CUSTOM BENCHMARK				6.14	0.64	31.26	0.64	24.60	83.92	-52.98	39.34	20.30	5.85	11.95	****	
	+/-			(0.11)	(0.67)	(0.08)	(0.67)	2.83	2.63	(1.15)	3.53	1.87	0.00	1.07	****	
PASSIVE EMERGING MARKETS		565.8	1.37%	****	****	****	****	****	****	****	****	****	****	****	****	****
FTSE CUSTOM BENCHMARK				6.14	0.64	31.26	0.64	24.60	83.92	-52.98	39.34	20.30	5.85	11.95	****	
	+/-			****	****	****	****	****	****	****	****	****	****	****	****	

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US EQUITY															
TOTAL RUSSELL 3000	7,644.1	18.57%	0.34	6.26	32.46	6.26	17.22	28.29	-37.16	5.03	17.55	3.49	2.96	4.16	9.44
RUSSELL 3000			0.45	6.38	32.40	6.38	16.93	28.34	-37.31	5.13	17.41	3.42	2.95	4.13	
+/-			(0.11)	(0.12)	0.06	(0.12)	0.29	(0.05)	0.15	(0.10)	0.14	0.07	0.01	0.03	
BLACKROCK RUSSELL 3000	4,790.8	11.64%	0.40	6.31	32.36	6.31	17.04	28.21	-37.29	4.98	17.45	3.37	2.88	4.10	1.78
STATE STREET R3000	2,853.3	6.93%	0.25	6.18	****	6.18	****	****	****	****	****	****	****	****	18.48
RUSSELL 3000			0.45	6.38	32.40	6.38	16.93	28.34	-37.31	5.13	17.41	3.42	2.95	4.13	
BLACKROCK RUSSELL 3000 +/-			(0.05)	(0.07)	(0.04)	(0.07)	0.11	(0.13)	0.02	(0.15)	0.04	(0.05)	(0.07)	(0.03)	
STATE STREET R3000 +/-			(0.20)	(0.20)	****	(0.20)	****	****	****	****	****	****	****	****	
TOTAL STANDARD & POORS 500	3,932.1	9.55%	-0.03	5.85	30.38	5.85	14.90	26.45	-37.11	5.68	15.44	2.22	2.56	3.28	0.89
AMALGAMATED S &P 500 INDEX	3,932.1	9.55%	-0.03	5.85	30.38	5.85	14.90	26.45	-37.11	5.68	15.44	2.22	2.56	3.24	1.05
STANDARD & POORS 500			0.04	5.92	30.56	5.92	15.06	26.47	-37.00	5.49	15.65	2.36	2.62	3.29	
TOTAL STANDARD & POORS 500 +/-			(0.07)	(0.07)	(0.18)	(0.07)	(0.16)	(0.02)	(0.11)	0.19	(0.21)	(0.14)	(0.06)	(0.01)	
AMALGAMATED S &P 500 INDEX +/-			(0.07)	(0.07)	(0.18)	(0.07)	(0.16)	(0.02)	(0.11)	0.19	(0.21)	(0.14)	(0.06)	(0.05)	
TOTAL SMALL CAP	1,545.2	3.75%	3.99	9.75	42.67	9.75	29.84	38.79	-42.32	4.81	28.67	9.03	4.19	****	7.82
RUSSELL 2000			2.59	7.94	39.65	7.94	26.85	27.18	-33.80	-1.55	25.79	8.57	3.35	7.87	
+/-			1.40	1.81	3.02	1.81	2.99	11.61	(8.52)	6.36	2.88	0.46	0.84	****	
TOTAL SMALL CAP PASSIVE	471.4	1.94%	****	****	****	****	****	****	****	****	****	****	****	****	****
BLACKROCK R2000	471.4	1.94%	****	****	****	****	****	****	****	****	****	****	****	****	****
RUSSELL 2000			2.59	7.94	39.65	7.94	26.85	27.18	-33.80	-1.55	25.79	8.57	3.35	7.87	
TOTAL SMALL CAP PASSIVE +/-			****	****	****	****	****	****	****	****	****	****	****	****	
BLACKROCK R2000 +/-			****	****	****	****	****	****	****	****	****	****	****	****	
TOTAL SMALL CAP ACTIVE	1,073.9	2.61%	2.94	8.64	41.23	8.64	29.84	38.79	-42.32	4.81	27.37	8.66	3.97	****	7.01
RUSSELL 2000			2.59	7.94	39.65	7.94	26.85	27.18	-33.80	-1.55	25.79	8.57	3.35	7.87	
+/-			0.35	0.70	1.58	0.70	2.99	11.61	(8.52)	6.36	1.58	0.09	0.62	****	
TOTAL SMALL CAP GROWTH ACTIVE	139.8	0.34%	1.82	4.22	34.83	4.22	28.88	52.75	-44.28	8.80	19.62	10.09	4.42	****	7.60
WELLS CAPITAL	139.8	0.34%	1.82	4.22	34.84	4.22	28.88	52.72	-39.78	13.31	19.62	12.90	8.05	9.04	11.02
RUSSELL 2000 GROWTH			3.75	9.24	44.35	9.24	29.09	34.47	-38.53	7.03	31.04	10.17	4.34	6.44	
TOTAL SMALL CAP GROWTH +/-			(1.93)	(5.02)	(9.52)	(5.02)	(0.21)	18.28	(5.75)	1.77	(11.42)	(0.08)	0.08	****	
WELLS CAPITAL +/-			(1.93)	(5.02)	(9.51)	(5.02)	(0.21)	18.25	(1.25)	6.28	(11.42)	2.73	3.71	2.60	
TOTAL SMALL CAP VALUE ACTIVE	69.8	0.17%	4.09	8.73	43.02	8.73	30.42	37.72	-38.61	0.45	33.03	9.71	5.00	****	7.42
GABELLI	69.8	0.17%	4.09	8.73	43.02	8.73	30.42	37.72	-36.22	4.18	33.03	11.36	7.30	****	9.74
RUSSELL 2000 VALUE			1.39	6.60	34.93	6.60	24.50	20.59	-28.93	-9.77	20.63	6.76	2.23	9.01	
TOTAL SMALL CAP VALUE +/-			2.70	2.13	8.09	2.13	5.92	17.13	(9.68)	10.22	12.40	2.95	2.77	****	
GABELLI +/-			2.70	2.13	8.09	2.13	5.92	17.13	(7.29)	13.95	12.40	4.60	5.07	****	
TOTAL SMALL CAP CORE ACTIVE	228.5	0.56%	5.47	12.82	50.01	12.82	31.75	45.44	****	****	33.68	****	****	****	32.22
DARUMA ASSET MANAGEMNT	228.5	0.56%	5.47	12.82	50.01	12.82	31.75	45.44	****	****	33.68	****	****	****	32.22
RUSSELL 2000			2.59	7.94	39.65	7.94	26.85	27.18	-33.80	-1.55	25.79	8.57	3.35	7.87	
TOTAL SMALL CAP CORE +/-			2.88	4.88	10.36	4.88	4.90	18.26	****	****	7.89	****	****	****	
DARUMA ASSET MANAGEMNT +/-			2.88	4.88	10.36	4.88	4.90	18.26	****	****	7.89	****	****	****	
RAFI ENHANCED SMALL CO.	635.7	1.54%	2.18	8.20	39.56	8.20	29.59	34.62	****	****	26.43	****	****	****	11.79
RUSSELL 2000			2.59	7.94	39.65	7.94	26.85	27.18	-33.80	-1.55	25.79	8.57	3.35	7.87	
+/-			(0.41)	0.26	(0.09)	0.26	2.74	7.44	****	****	0.64	****	****	****	

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TOTAL MID CAP	2,276.1	5.53%	2.44	****	****	****	****	****	****	****	****	****	****	****	7.19
RUSSELL MIDCAP			1.53	7.63	37.89	7.63	26.85	27.18	-33.80	-1.55	24.27	7.26	4.66	8.52	
+/-			0.91	****	****	****	****	****	****	****	****	****	****	****	
TOTAL MID CAP PASSIVE	2,276.1	5.53%	2.44	****	****	****	****	****	****	****	****	****	****	****	7.19
SSGA S&P 400	2,276.1	5.53%	2.44	****	****	****	****	****	****	****	****	****	****	****	7.19
S&P MIDCAP INDEX 400			2.45	9.36	40.41	9.36	26.85	27.18	-33.80	-1.55	26.95	10.01	6.07	9.37	
TOTAL MID CAP PASSIVE +/-			(0.01)	****	****	****	****	****	****	****	****	****	****	****	
SSGA S&P 400 +/-			(0.01)	****	****	****	****	****	****	****	****	****	****	****	
TOTAL LARGE CAP	1,660.2	4.03%	-0.19	5.74	30.39	5.74	16.74	27.39	****	****	15.51	****	****	****	4.15
RUSSELL 1000			0.26	6.24	31.77	6.24	16.10	28.43	-37.60	5.77	16.69	2.98	2.93	3.83	
+/-			(0.45)	(0.50)	(1.38)	(0.50)	0.64	(1.04)	****	****	(1.18)	****	****	****	
TOTAL LARGE CAP GROWTH	230.0	0.56%	-0.09	5.88	31.88	5.88	13.59	****	****	****	14.62	****	****	****	26.06
PROFIT INV MGMT (D)	147.1	0.36%	-0.66	4.91	26.90	4.91	9.48	****	****	****	9.23	****	****	****	23.79
CASTLEARK MGMT (D)	83.0	0.20%	0.94	7.66	41.72	7.66	21.89	****	****	****	25.59	****	****	****	30.40
RUSSELL 1000 GROWTH			0.12	6.03	33.99	6.03	16.71	37.22	-38.43	11.82	18.26	5.20	4.34	3.00	
TOTAL LARGE CAP GROWTH +/-			(0.21)	(0.15)	(2.11)	(0.15)	(3.12)	****	****	****	(3.64)	****	****	****	
PROFIT INV MGMT +/-			(0.78)	(1.12)	(7.09)	(1.12)	(7.23)	****	****	****	(9.03)	****	****	****	
CASTLEARK MGMT +/-			0.82	1.63	7.73	1.63	5.18	****	****	****	7.33	****	****	****	
TOTAL LARGE CAP VALUE	116.4	0.28%	-0.83	6.00	27.15	6.00	10.60	****	****	****	10.40	****	****	****	24.80
DENALI ADVISORS (D)	116.1	0.28%	1.00	7.79	29.41	7.79	11.13	****	****	****	11.29	****	****	****	27.35
RUSSELL 1000 VALUE			0.40	6.46	29.60	6.46	15.51	19.69	-36.85	-0.18	15.15	0.60	1.37	4.53	
TOTAL LARGE CAP VALUE +/-			(1.23)	(0.46)	(2.45)	(0.46)	(4.91)	****	****	****	(4.75)	****	****	****	
DENALI ADVISORS +/-			0.60	1.33	(0.19)	1.33	(4.38)	****	****	****	(3.86)	****	****	****	
TOTAL LARGE CAP CORE	229.1	0.56%	0.48	5.32	29.32	5.32	15.86	****	****	****	14.50	****	****	****	44.90
SEIZERT CAPITAL PRTNRS (D)	121.0	0.29%	1.27	7.32	31.00	7.32	15.82	****	****	****	17.01	****	****	****	29.37
PIEDMONT INV ADV (D)	108.1	0.26%	-0.39	3.17	27.50	3.17	15.91	****	****	****	11.82	****	****	****	24.23
RUSSELL 1000			0.26	6.24	31.77	6.24	16.10	28.43	-37.60	5.77	16.69	2.98	2.93	3.83	
TOTAL LARGE CAP CORE +/-			0.22	(0.92)	(2.45)	(0.92)	(0.24)	****	****	****	(2.19)	****	****	****	
SEIZERT CAPITAL PRTNRS +/-			1.01	1.08	(0.77)	1.08	(0.28)	****	****	****	0.32	****	****	****	
PIEDMONT INV ADV +/-			(0.65)	(3.07)	(4.27)	(3.07)	(0.19)	****	****	****	(4.87)	****	****	****	
TOTAL FUNDAMENTAL INDEX LARGE CAP	1,084.7	2.64%	-0.07	5.89	30.92	5.89	18.05	26.11	****	****	16.57	****	****	****	4.25
RUSSELL 1000			0.26	6.24	31.77	6.24	16.10	28.43	-37.60	5.77	16.69	2.98	2.93	3.83	
+/-			(0.33)	(0.35)	(0.85)	(0.35)	1.95	(2.32)	****	****	(0.12)	****	****	****	
VTL S&P 500	268.9	0.65%	0.38	6.62	31.51	6.62	17.47	30.84	****	****	15.98	****	****	****	5.52
STANDARD & POORS 500			0.04	5.92	30.56	5.92	15.06	26.47	-37.00	5.49	15.65	2.36	2.62	3.29	
+/-			0.34	0.70	0.95	0.70	2.41	4.37	****	****	0.33	****	****	****	
RAFI ENHANCED LARGE CO.	815.1	1.98%	0.41	6.67	32.31	6.67	18.99	27.48	****	****	17.47	****	****	****	7.10
RUSSELL 1000			0.26	6.24	31.77	6.24	16.10	28.43	-37.60	5.77	16.69	2.98	2.93	3.83	
RAFI ENHANCED LARGE CO. +/-			0.15	0.43	0.54	0.43	2.89	(0.95)	****	****	0.78	****	****	****	

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EMERGING MANAGERS															
PROGRESS EQUITY	263.4	0.64%	1.01	7.42	34.04	7.42	16.81	30.87	-37.03	9.06	17.91	4.70	4.06	4.25	8.42
ATTUCKS	199.3	0.48%	1.32	6.96	34.48	6.96	18.78	24.63	-36.63	****	19.75	3.82	****	****	0.10
F.I.S FUND MGMT	152.7	0.37%	0.49	6.65	32.67	6.65	16.39	26.79	-35.41	6.75	17.45	3.86	3.05	3.54	2.59
CAPITAL PROSPECTS	48.5	0.12%	1.32	7.86	34.52	7.86	18.56	27.04	-37.64	****	20.59	4.42	****	****	0.20
RUSSELL 3000			0.45	6.38	32.40	6.38	16.93	28.34	-37.31	5.13	17.41	3.42	2.95	4.13	
PROGRESS EQUITY +/-			0.56	1.04	1.64	1.04	(0.12)	2.53	0.28	3.93	0.50	1.28	1.11	0.12	
ATTUCKS +/-			0.87	0.58	2.08	0.58	1.85	(3.71)	0.68	****	2.34	0.40	****	****	
F.I.S FUND MGMT +/-			0.04	0.27	0.27	0.27	(0.54)	(1.55)	1.90	1.62	0.04	0.44	0.10	(0.59)	
CAPITAL PROSPECTS +/-			0.87	1.48	2.12	1.48	1.63	(1.30)	(0.33)	****	3.18	1.00	****	****	
ACTIVIST EQUITY															
TOTAL U.S. ACTIVIST	122.2	0.30%	1.67	14.88	24.44	14.88	3.93	20.21	-28.66	-3.93	13.60	5.07	1.76	****	2.18
RUSSELL 2500			2.27	8.70	40.10	8.70	26.71	34.40	-36.78	1.38	26.12	8.90	4.39	8.86	
+/-			(0.60)	6.18	(15.66)	6.18	(22.78)	(14.19)	8.12	(5.31)	(12.52)	(3.83)	(2.63)	****	
BREEDEN CAPITAL MANAGEMENT	110.6	0.27%	1.75	15.65	26.75	15.65	-3.11	29.42	****	****	13.37	****	****	****	17.79
RUSSELL 2500			2.27	8.70	40.10	8.70	26.71	34.40	-36.78	1.38	26.12	8.90	4.39	8.86	
+/-			(0.52)	6.95	(13.35)	6.95	(29.82)	(4.98)	****	****	(12.75)	****	****	****	
U.S. ENVIRONMENTAL															
WALDEN ASSET MGMT	63.5	0.15%	3.68	7.74	34.41	7.74	26.98	29.89	****	****	27.24	****	****	****	9.30
RUSSELL 2000			2.59	7.94	39.65	7.94	26.85	27.18	-33.80	-1.55	25.79	8.57	3.35	7.87	
+/-			1.09	(0.20)	(5.24)	(0.20)	0.13	2.71	****	****	1.45	****	****	****	
NON - US EQUITY															
EAFE GROWTH	1,446.1	3.51%	-0.73	3.27	29.57	3.27	10.16	33.99	-44.76	26.18	12.20	-2.28	3.74	****	9.13
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
MSCI EAFE GROWTH			-1.18	2.30	28.68	2.30	12.60	29.91	-42.46	16.85	12.88	-2.16	2.50	****	
+/-			1.51	(0.09)	1.21	(0.09)	2.41	2.21	(1.37)	15.01	1.78	0.74	2.44	****	
+/-			0.45	0.97	0.89	0.97	(2.44)	4.08	(2.30)	9.33	(0.68)	(0.12)	1.24	****	
TOTAL INTL GROWTH	1,446.1	3.51%	-0.73	3.27	29.57	3.27	10.16	33.99	-44.76	26.18	12.20	-2.28	3.74	****	9.13
BAILLIE GIFFORD	417.8	1.01%	1.10	2.23	31.55	2.23	17.57	46.55	-44.86	****	15.96	1.40	****	****	-0.90
PYRAMIS GLOBAL ADVISORS	372.6	0.91%	-2.23	3.14	29.23	3.14	10.72	34.05	-42.74	****	12.71	-0.92	****	****	-3.98
G.E. (NEW)	333.4	0.81%	-1.96	3.09	27.96	3.09	6.38	28.21	-42.40	****	9.54	-5.19	****	****	-6.29
MARTIN CURRIE	321.6	0.78%	-0.01	4.99	29.14	4.99	4.65	27.07	-46.82	****	9.77	-5.05	****	****	-8.76
MSCI EAFE GROWTH			-1.18	2.30	28.68	2.30	12.60	29.91	-42.46	16.85	12.88	-2.16	2.50	****	
TOTAL INTL GROWTH +/-			0.45	0.97	0.89	0.97	(2.44)	4.08	(2.30)	9.33	(0.68)	(0.12)	1.24	****	
BAILLIE GIFFORD +/-			2.28	(0.07)	2.87	(0.07)	4.97	16.64	(2.40)	****	3.08	3.56	****	****	
PYRAMIS GLOBAL ADVISORS +/-			(1.05)	0.84	0.55	0.84	(1.88)	4.14	(0.28)	****	(0.17)	1.24	****	****	
G.E. (NEW) +/-			(0.78)	0.79	(0.72)	0.79	(6.22)	(1.70)	0.06	****	(3.34)	(3.03)	****	****	
MARTIN CURRIE +/-			1.17	2.69	0.46	2.69	(7.95)	(2.84)	(4.36)	****	(3.11)	(2.89)	****	****	

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EAFE VALUE	1,322.0	3.21%	-2.37	2.42	27.05	2.42	10.16	33.99	-44.76	26.18	11.03	-3.91	1.77	****	7.11
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
MSCI EAFE VALUE			-3.21	4.64	28.38	4.64	3.81	35.06	-43.68	6.47	8.82	-2.96	0.97	****	
+/-			(0.13)	(0.94)	(1.31)	(0.94)	2.41	2.21	(1.37)	15.01	0.61	(0.89)	0.47	****	
+/-			0.84	(2.22)	(1.33)	(2.22)	6.35	(1.07)	(1.08)	19.71	2.21	(0.95)	0.80	****	
TOTAL INTL VALUE	1,322.0	3.21%	-2.37	2.42	27.05	2.42	10.07	31.48	-44.99	10.41	11.03	-3.91	1.77	****	7.11
SPRUCEGROVE (NEW)	507.9	1.23%	-0.69	1.31	27.32	1.31	19.06	34.90	-41.78	****	14.79	0.30	****	****	-1.75
MONDRIAN INVESTMENT PARTNERS LTD II	360.6	0.88%	-2.09	4.27	25.71	4.27	3.98	25.02	****	****	10.26	****	****	****	-3.41
ALLIANCE	453.2	1.10%	-4.41	2.21	27.90	2.21	3.97	38.60	-49.59	****	5.48	-6.48	****	****	-8.13
MSCI EAFE VALUE			-3.21	4.64	28.38	4.64	3.81	35.06	-43.68	6.47	8.82	-2.96	0.97	****	
TOTAL INTL VALUE +/-			0.84	(2.22)	(1.33)	(2.22)	6.26	(3.58)	(1.31)	3.94	2.21	(0.95)	0.80	****	
SPRUCEGROVE (NEW) +/-			2.52	(3.33)	(1.06)	(3.33)	15.25	(0.16)	1.90	****	5.97	3.26	****	****	
MONDRIAN INVESTMENT PARTNERS LTD II +/-			1.12	(0.37)	(2.67)	(0.37)	0.17	(10.04)	****	****	1.44	****	****	****	
ALLIANCE +/-			(1.20)	(2.43)	(0.48)	(2.43)	0.16	3.54	(5.91)	****	(3.34)	(3.52)	****	****	
TOTAL PASSIVE DEVELOPED	974.0	2.37%	-2.14	2.55	27.34	2.55	8.18	32.26	-42.78	11.37	9.94	-2.73	1.61	5.69	5.71
SSGA	973.2	2.36%	-2.15	****	****	****	****	****	****	****	****	****	****	****	1.04
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
TOTAL PASSIVE +/-			0.10	(0.81)	(1.02)	(0.81)	0.43	0.48	0.61	0.20	(0.48)	0.29	0.31	0.30	
SSGA +/-			0.09	****	****	****	****	****	****	****	****	****	****	****	
TOTAL INTL CORE	1,084.4	2.63%	-0.98	4.47	30.46	4.47	11.66	37.63	-44.88	****	16.05	-0.92	****	****	-3.49
THORNBURG	596.0	1.45%	-0.43	4.05	31.29	4.05	16.28	32.90	-42.20	****	18.22	0.98	****	****	-2.23
PHILADELPHIA	488.3	1.19%	-1.64	4.98	29.46	4.98	6.45	43.38	-47.64	****	13.51	-2.93	****	****	-4.66
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
TOTAL INTL CORE +/-			1.26	1.11	2.10	1.11	3.91	5.85	(1.49)	****	5.63	2.10	****	****	
THORNBURG +/-			1.81	0.69	2.93	0.69	8.53	1.12	1.19	****	7.80	4.00	****	****	
PHILADELPHIA +/-			0.60	1.62	1.10	1.62	(1.30)	11.60	(4.25)	****	3.09	0.09	****	****	
TOTAL PROGRESS INTL	42.7	0.10%	-1.15	2.85	28.37	2.85	12.96	36.52	-44.31	****	13.58	-0.72	****	****	-4.28
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
+/-			1.09	(0.51)	0.01	(0.51)	5.21	4.74	(0.92)	****	3.16	2.30	****	****	
NON-US ACTIVIST & ENVIRONMENTAL EQUITY															
TOTAL NON-U.S. ENVIRONMENTAL	178.4	0.43%	0.18	3.15	26.84	3.15	8.66	40.08	****	****	12.08	****	****	****	-1.37
GENERATION GE	125.7	0.31%	0.12	3.37	24.86	3.37	15.09	48.07	****	****	13.08	****	****	****	10.55
F&C SGE	52.7	0.13%	0.33	2.62	27.02	2.62	13.52	40.22	****	****	13.86	****	****	****	2.12
MSCI WORLD INDEX			-0.94	4.91	30.31	4.91	12.34	30.80	-40.33	9.57	14.03	0.34	2.65	4.74	
TOTAL NON-U.S. ENVIRONMENTAL +/-			1.12	(1.76)	(3.47)	(1.76)	(3.68)	9.28	****	****	(1.95)	****	****	****	
GENERATION GE +/-			1.06	(1.54)	(5.45)	(1.54)	2.75	17.27	****	****	(0.95)	****	****	****	
F&C SGE +/-			1.27	(2.29)	(3.29)	(2.29)	1.18	9.42	****	****	(0.17)	****	****	****	
GOVERNANCE FOR OWNERS	292.7	0.71%	3.48	5.97	48.20	5.97	36.13	42.60	****	****	34.64	****	****	****	39.44
MSCI EUROPE SMID CAP INDEX			0.85	6.54	40.37	6.54	16.03	53.23	-52.13	****	21.10	-1.23	****	****	
+/-			2.63	(0.57)	7.83	(0.57)	20.10	(10.63)	****	****	13.54	****	****	****	
TOTAL DEVELOPED MARKETS	4,869.7	11.83%	-1.52	3.14	28.59	3.14	10.09	33.65	-44.34	11.14	12.25	-2.55	1.63	5.75	6.68
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
+/-			0.72	(0.22)	0.23	(0.22)	2.34	1.87	(0.95)	(0.03)	1.83	0.47	0.33	0.36	
TOTAL DEVELOPED-ENVIRONMENTAL-ACTVIST	5,340.8	12.98%	-1.19	3.26	29.42	3.26	11.17	33.66	-44.37	11.14	13.24	-2.21	1.84	****	6.74
MSCI EAFE (NET DIVIDEND)			-2.24	3.36	28.36	3.36	7.75	31.78	-43.39	11.17	10.42	-3.02	1.30	5.39	
+/-			1.05	(0.10)	1.06	(0.10)	3.42	1.88	(0.98)	(0.03)	2.82	0.81	0.54	****	

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EMERGING MARKETS															
TOTAL EMERGING MARKETS	2,052.2	4.99%	5.91	0.22	31.07	0.22	26.33	86.55	-54.13	42.87	21.41	5.63	12.90	****	16.01
ACTIVE EMERGING MARKETS	1,486.4	3.61%	6.03	-0.03	31.18	-0.03	27.43	86.55	-54.13	42.87	22.17	5.85	13.02	****	16.49
DFA	463.1	1.13%	6.41	-0.52	32.20	-0.52	32.76	93.27	-50.75	47.86	23.22	10.35	17.57	****	20.29
BAILLIE GIFFORD	357.8	0.87%	5.05	-1.98	25.90	-1.98	24.87	89.08	-55.93	37.46	19.26	3.61	10.93	****	15.16
STATE STREET	350.6	0.85%	6.76	1.36	33.12	1.36	25.68	76.16	-54.78	39.51	22.51	3.78	10.47	****	14.09
ACADIAN	314.9	0.76%	5.78	1.47	33.94	1.47	25.57	87.79	-54.82	46.89	23.72	5.64	13.13	****	16.27
FTSE CUSTOM BENCHMARK			6.14	0.64	31.26	0.64	24.60	83.92	-52.98	39.34	20.30	5.85	11.95	****	
ACTIVE EMERGING MARKETS +/-			(0.11)	(0.67)	(0.08)	(0.67)	2.83	2.63	(1.15)	3.53	1.87	0.00	1.07	****	
DFA +/-			0.27	(1.16)	0.94	(1.16)	8.16	9.35	2.23	8.52	2.92	4.50	5.62	****	
BAILLIE GIFFORD +/-			(1.09)	(2.62)	(5.36)	(2.62)	0.27	5.16	(2.95)	(1.88)	(1.04)	(2.24)	(1.02)	****	
STATE STREET +/-			0.62	0.72	1.86	0.72	1.08	(7.76)	(1.80)	0.17	2.21	(2.07)	(1.48)	****	
ACADIAN +/-			(0.36)	0.83	2.68	0.83	0.97	3.87	(1.84)	7.55	3.42	(0.21)	1.18	****	
PASSIVE EMERGING MARKETS	565.8	1.37%	****	****	****	****	****	****	****	****	****	****	****	****	****
BLACKROCK-EM	565.8	1.37%	****	****	****	****	****	****	****	****	****	****	****	****	****
FTSE CUSTOM BENCHMARK			6.14	0.64	31.26	0.64	24.60	83.92	-52.98	39.34	20.30	5.85	11.95	****	
PASSIVE EMERGING MARKETS +/-			****	****	****	****	****	****	****	****	****	****	****	****	
BLACKROCK-EM +/-			****	****	****	****	****	****	****	****	****	****	****	****	
FIXED INCOME															
TOTAL STRUCTURED FIXED INCOME	6,060.4	14.72%	0.09	0.80	2.86	0.80	9.42	9.65	3.27	6.65	7.07	7.01	7.02	6.36	8.69
NYC - CORE PLUS FIVE			0.08	0.47	1.54	0.47	7.13	6.28	6.64	7.02	5.80	6.01	6.59	6.05	
+/-			0.01	0.33	1.32	0.33	2.29	3.37	(3.37)	(0.37)	1.27	1.00	0.43	0.31	
ALL MORTGAGE	2,784.7	6.77%	0.14	0.83	2.79	0.83	9.12	9.15	3.67	6.43	6.14	6.88	6.90	6.07	7.62
PIMCO	716.6	1.74%	0.13	0.93	3.37	0.93	8.35	9.30	4.48	6.76	6.58	6.83	7.15	6.38	7.88
NEUBERGER BERMAN -MORT	700.8	1.70%	0.08	1.15	2.82	1.15	****	****	****	****	6.22	****	****	****	5.66
BLACKROCK	656.3	1.59%	0.13	0.75	3.48	0.75	8.81	10.93	2.28	6.74	7.14	6.91	6.82	6.05	6.48
WELLINGTON -MORT	275.0	0.67%	0.24	0.63	1.54	0.63	6.02	****	****	****	4.92	****	****	****	5.61
GOLDMAN SACHS -MORT	272.9	0.66%	0.14	0.35	1.26	0.35	5.80	****	****	****	4.33	****	****	****	5.16
SMITH BREEDEN -MORT	163.1	0.40%	0.31	0.52	2.14	0.52	6.40	****	****	****	5.05	****	****	****	5.59
CITIGROUP MORTGAGE INDEX			0.18	0.61	1.36	0.61	5.50	5.76	8.49	6.99	4.53	5.93	6.53	5.71	
ALL MORTGAGE +/-			(0.04)	0.22	1.43	0.22	3.62	3.39	(4.82)	(0.56)	1.61	0.95	0.37	0.36	
PIMCO +/-			(0.05)	0.32	2.01	0.32	2.85	3.54	(4.01)	(0.23)	2.05	0.90	0.62	0.67	
NEUBERGER BERMAN -MORT +/-			(0.10)	0.54	1.46	0.54	****	****	****	****	1.69	****	****	****	
BLACKROCK +/-			(0.05)	0.14	2.12	0.14	3.31	5.17	(6.21)	(0.25)	2.61	0.98	0.29	0.34	
WELLINGTON -MORT +/-			0.06	0.02	0.18	0.02	0.52	****	****	****	0.39	****	****	****	
GOLDMAN SACHS -MORT +/-			(0.04)	(0.26)	(0.10)	(0.26)	0.30	****	****	****	(0.20)	****	****	****	
SMITH BREEDEN -MORT +/-			0.13	(0.09)	0.78	(0.09)	0.90	****	****	****	0.52	****	****	****	

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ALL INVESTMENT GRADE CREDIT	2,240.6	5.44%	0.06	1.19	4.70	1.19	9.63	20.37	-6.68	4.52	7.98	7.76	6.56	6.30	7.66
PRUDENTIAL - CREDIT	605.7	1.47%	0.01	0.85	3.72	0.85	9.01	19.47	-2.40	5.43	7.27	8.35	7.38	6.74	7.25
T. ROWE PRICE -CREDIT	443.1	1.08%	0.01	1.37	5.28	1.37	10.54	20.33	-4.18	4.91	8.71	8.49	7.41	6.45	7.96
BLACKROCK - CREDIT	439.4	1.07%	0.03	0.95	4.50	0.95	9.56	18.44	-5.39	5.66	7.73	7.31	6.70	6.57	7.04
TAPLIN, CANIDA -CREDIT	386.6	0.94%	0.36	2.09	5.45	2.09	9.33	23.02	-12.92	2.54	8.70	7.35	5.24	6.34	7.30
BARROW HANLEY - CREDIT	365.7	0.89%	-0.08	0.88	5.07	0.88	9.97	****	****	****	7.87	****	****	****	8.88
NYC - INVESTMENT GRADE CREDIT			0.01	0.81	3.51	0.81	8.36	16.36	-4.06	4.73	6.89	6.73	6.14	6.09	
ALL INVESTMENT GRADE CREDIT +/-			0.05	0.38	1.19	0.38	1.27	4.01	(2.62)	(0.21)	1.09	1.03	0.42	0.21	
PRUDENTIAL - CREDIT +/-			0.00	0.04	0.21	0.04	0.65	3.11	1.66	0.70	0.38	1.62	1.24	0.65	
T. ROWE PRICE -CREDIT +/-			0.00	0.56	1.77	0.56	2.18	3.97	(0.12)	0.18	1.82	1.76	1.27	0.36	
BLACKROCK - CREDIT +/-			0.02	0.14	0.99	0.14	1.20	2.08	(1.33)	0.93	0.84	0.58	0.56	0.48	
TAPLIN, CANIDA -CREDIT +/-			0.35	1.28	1.94	1.28	0.97	6.66	(8.86)	(2.19)	1.81	0.62	(0.90)	0.25	
BARROW HANLEY - CREDIT +/-			(0.09)	0.07	1.56	0.07	1.61	****	****	****	0.98	****	****	****	
ALL TREASURY / AGENCY	1,035.2	2.52%	0.01	-0.14	-0.71	-0.14	9.55	-6.56	17.73	9.99	7.64	4.76	6.85	6.40	8.00
PIMCO	450.3	1.09%	0.01	-0.11	-0.53	-0.11	10.17	-4.80	15.74	10.27	8.01	5.00	7.07	6.65	7.27
BLACKROCK -GOVT	414.3	1.01%	0.01	-0.12	-0.79	-0.12	9.14	****	****	****	7.46	****	****	****	5.21
STATE STREET	170.6	0.41%	-0.01	-0.29	-1.02	-0.29	8.93	-6.54	18.90	9.90	7.10	4.89	6.89	6.45	8.32
NYC - TREASURY AGENCY PLUS FIVE			0.00	-0.36	-0.92	-0.36	9.24	-7.44	18.91	9.85	7.34	4.53	6.73	6.33	
ALL TREASURY / AGENCY +/-			0.01	0.22	0.21	0.22	0.31	0.88	(1.18)	0.14	0.30	0.23	0.12	0.07	
PIMCO +/-			0.01	0.25	0.39	0.25	0.93	2.64	(3.17)	0.42	0.67	0.47	0.34	0.32	
BLACKROCK -GOVT +/-			0.01	0.24	0.13	0.24	(0.10)	****	****	****	0.12	****	****	****	
STATE STREET +/-			(0.01)	0.07	(0.10)	0.07	(0.31)	0.90	(0.01)	0.05	(0.24)	0.36	0.16	0.12	
HIGH YIELD															
TOTAL ENHANCED YIELD	1,414.0	3.44%	0.73	4.73	15.03	4.73	14.24	40.25	-18.55	3.83	15.09	11.82	8.70	8.08	8.45
CITIGROUP BB & B			0.41	3.80	13.41	3.80	13.35	40.37	-25.10	2.25	13.72	8.19	6.46	6.96	
+/-			0.32	0.93	1.62	0.93	0.89	(0.12)	6.55	1.58	1.37	3.63	2.24	1.12	
LOOMIS SAYLES	359.9	0.87%	1.56	7.20	18.48	7.20	16.36	52.81	-23.17	3.12	19.13	14.68	10.13	9.12	9.78
NYC-LOOMIS (BofA ML-MST II 7-03/BB&B PRIOR)			0.42	3.90	14.27	3.90	15.19	57.51	-26.39	2.19	14.18	12.70	9.03	8.43	
+/-			1.14	3.30	4.21	3.30	1.17	(4.70)	3.22	0.93	4.95	1.98	1.10	0.69	
T. ROWE PRICE	368.2	0.89%	0.41	3.92	14.21	3.92	14.14	43.67	-19.96	4.34	14.23	11.89	8.83	9.14	9.42
SEIX	349.6	0.85%	0.43	4.35	15.35	4.35	14.70	36.39	-18.08	3.65	15.07	10.73	8.11	****	7.70
SHENKMAN	336.3	0.82%	0.44	3.33	11.99	3.33	11.70	29.38	-12.87	4.20	11.85	9.89	7.64	****	7.70
CITIGROUP BB & B			0.41	3.80	13.41	3.80	13.35	40.37	-25.10	2.25	13.72	8.19	6.46	6.96	
T. ROWE PRICE +/-			0.00	0.12	0.80	0.12	0.79	3.30	5.14	2.09	0.51	3.70	2.37	2.18	
SEIX +/-			0.02	0.55	1.94	0.55	1.35	(3.98)	7.02	1.40	1.35	2.54	1.65	****	
SHENKMAN +/-			0.03	(0.47)	(1.42)	(0.47)	(1.65)	(10.99)	12.23	1.95	(1.87)	1.70	1.18	****	
TIPS															
TOTAL TIPS MANAGERS	979.5	2.38%	0.99	1.87	3.62	1.87	6.47	10.15	-0.66	11.70	7.85	4.07	6.38	****	5.20
PIMCO-TIPS-MTA	552.5	1.34%	0.95	1.72	3.43	1.72	6.57	10.24	-0.88	11.76	7.72	4.00	6.35	****	5.12
STATE STREET-TIPS-MTA	242.4	0.59%	1.02	2.05	3.90	2.05	6.34	10.00	-0.96	11.51	8.06	3.89	6.26	****	5.50
BLACKROCK-TIPS	184.6	0.45%	1.06	2.09	3.81	2.09	6.34	10.02	0.22	11.79	7.97	4.43	6.61	****	6.03
BARCLAYS CAPITAL US TIPS INDEX			1.02	2.08	3.94	2.08	6.37	11.41	-2.35	11.64	7.97	3.95	6.26	6.75	
TOTAL TIPS MANAGERS +/-			(0.03)	(0.21)	(0.32)	(0.21)	0.10	(1.26)	1.69	0.06	(0.12)	0.12	0.12	****	
PIMCO-TIPS-MTA +/-			(0.07)	(0.36)	(0.51)	(0.36)	0.20	(1.17)	1.47	0.12	(0.25)	0.05	0.09	****	
STATE STREET-TIPS-MTA +/-			0.00	(0.03)	(0.04)	(0.03)	(0.03)	(1.41)	1.39	(0.13)	0.09	(0.06)	0.00	****	
BLACKROCK-TIPS +/-			0.04	0.01	(0.13)	0.01	(0.03)	(1.39)	2.57	0.15	0.00	0.48	0.35	****	

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CONVERTIBLE BONDS															
TOTAL CONVERTIBLE BONDS	564.0	1.37%	0.55	5.11	21.10	5.11	14.54	33.08	****	****	15.68	****	****	****	6.35
BofA ML ALL CONVERTIBLES EX MANDATORY			0.69	5.66	23.53	5.66	16.52	47.19	-33.02	****	16.92	8.53	****	****	
+/-			(0.14)	(0.55)	(2.43)	(0.55)	(1.98)	(14.11)	****	****	(1.24)	****	****	****	
ADVENT CONVERTIBLE BONDS	265.8	0.65%	0.80	4.90	19.29	4.90	14.96	36.66	****	****	15.21	****	****	****	9.35
BofA ML CONVERTIBLES YIELD ALT. INDEX			0.18	4.19	15.40	4.19	12.98	46.25	****	****	12.42	****	****	****	
+/-			0.62	0.71	3.89	0.71	1.98	(9.59)	****	****	2.79	****	****	****	
LORD ABBETT CONVERTIBLE BONDS	154.3	0.37%	0.61	5.65	25.70	5.65	16.94	35.17	****	****	18.42	****	****	****	7.24
BofA ML ALL CONVERTIBLES INDEX			0.48	5.07	23.30	5.07	16.77	49.13	-35.73	4.53	16.15	7.61	5.66	6.14	
+/-			0.13	0.58	2.40	0.58	0.17	(13.96)	****	****	2.27	****	****	****	
VICTORY CONVERTIBLE BONDS	143.9	0.35%	0.11	4.68	18.43	4.68	11.63	27.36	****	****	13.28	****	****	****	5.03
BofA ML CONVERTIBLE BONDS INVST GRADE			-0.02	4.28	15.54	4.28	7.89	25.49	****	****	10.27	****	****	****	
+/-			0.13	0.40	2.89	0.40	3.74	1.87	****	****	3.01	****	****	****	
FIXED INCOME EMERGING/DEVELOPING MANAGERS															
TOTAL PROGRESS FIXED EMERGING MGRS	93.4	0.23%	0.09	0.61	2.44	0.61	7.43	8.78	6.21	3.77	5.78	6.68	6.75	6.63	6.62
BARCLAYS CAPITAL AGGREGATE			0.06	0.42	1.57	0.42	6.54	5.93	5.24	6.97	5.12	5.30	6.02	5.57	
+/-			0.03	0.19	0.87	0.19	0.89	2.85	0.97	(3.20)	0.66	1.38	0.73	1.06	
TOTAL CORE PLUS FIXED INCOME	51.8	0.13%	0.29	1.09	3.33	1.09	7.46	****	****	****	5.96	****	****	****	9.00
LM CAPITAL - MTA	51.8	0.13%	0.29	1.09	3.33	1.09	7.46	****	****	****	5.96	****	****	****	9.00
BARCLAYS CAPITAL AGGREGATE			0.06	0.42	1.57	0.42	6.54	5.93	5.24	6.97	5.12	5.30	6.02	5.57	
CORE PLUS FIXED INCOME +/-			0.23	0.67	1.76	0.67	0.92	****	****	****	0.84	****	****	****	
LM CAPITAL - MTA +/-			0.23	0.67	1.76	0.67	0.92	****	****	****	0.84	****	****	****	
STRATEGIC FIXED INCOME															
TOTAL STRATEGIC FIXED	402.0	0.98%	3.23	7.12	16.75	7.12	26.01	19.13	-6.33	****	26.74	14.64	****	****	9.50
NYC-CORE PLUS 5 + 200BPS			0.23	0.96	3.05	0.96	9.13	8.28	8.64	9.02	7.80	8.02	****	****	
+/-			3.00	6.16	13.70	6.16	16.88	10.85	(14.97)	****	18.94	6.62	****	****	
PIMCO-DISCO	243.2	0.59%	0.00	3.94	10.96	3.94	29.68	22.26	****	****	25.30	****	****	****	22.15
AVE SPECIAL SITUATIONS FD V	26.7	0.06%	33.71	33.71	37.92	33.71	20.71	4.09	-15.03	****	48.62	12.60	****	****	****
AVE EURO SPECIAL SITUATIONS FD	50.3	0.12%	5.00	8.06	21.90	8.06	7.97	25.46	****	****	17.37	****	****	****	20.72
TOTAL DISTRESSED FIXED	320.2	0.78%	3.63	6.69	13.73	6.69	24.09	19.13	-6.33	****	24.21	13.90	****	****	8.90
3 MONTH LIBOR PLUS 750BPS			0.63	1.90	5.81	1.90	7.85	8.16	10.11	****	7.86	8.48	****	****	
PIMCO-DISCO +/-			(0.63)	2.04	5.15	2.04	21.83	14.10	****	****	17.44	****	****	****	
AVE SPECIAL SITUATIONS FD V +/-			33.08	31.81	32.11	31.81	12.86	(4.07)	(25.14)	****	40.76	4.12	****	****	
AVE EURO SPECIAL SITUATIONS FD +/-			4.37	6.16	16.09	6.16	0.12	17.30	****	****	9.51	****	****	****	
TOTAL DISTRESSED FIXED +/-			3.00	4.79	7.92	4.79	16.24	10.97	(16.44)	****	16.35	5.42	****	****	
TOTAL PPIP	81.9	0.20%	1.65	9.09	33.57	9.09	31.50	****	****	****	40.11	****	****	****	31.16
ALLIANCE BERNSTEIN LEGACY SECS LP	46.6	0.11%	0.60	5.60	26.37	5.60	28.34	****	****	****	32.26	****	****	****	25.67
AG GECC LP	35.3	0.09%	3.09	14.16	44.74	14.16	****	****	****	****	53.90	****	****	****	48.83
NYC-CORE PLUS 5 + 200BPS			0.23	0.96	3.05	0.96	9.13	8.28	8.64	9.02	7.80	8.02	****	****	
TOTAL PPIP +/-			1.42	8.13	30.52	8.13	22.37	****	****	****	32.31	****	****	****	
ALLIANCE BERNSTEIN LEGACY SECS LP +/-			0.37	4.64	23.32	4.64	19.21	****	****	****	24.46	****	****	****	
AG GECC LP +/-			2.86	13.20	41.69	13.20	****	****	****	****	****	****	****	****	

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OTHER FIXED INCOME															
TOTAL ETI	452.2	1.10%	0.20	0.94	2.67	0.94	6.87	8.23	6.28	7.49	5.49	6.68	6.97	6.81	10.06
EMPLOYEES CUSTOM BENCHMARK (NO CASH)			0.14	0.57	1.84	0.57	6.47	5.21	7.01	7.29	5.23	5.57	6.33	5.87	
+/-			0.06	0.37	0.83	0.37	0.40	3.02	(0.73)	0.20	0.26	1.11	0.64	0.94	
AFL-CIO HOUSING INV TRUST	203.4	0.49%	0.10	0.79	2.12	0.79	6.16	6.28	5.26	6.69	4.81	5.56	6.06	****	4.96
BARCLAYS CAPITAL AGGREGATE			0.06	0.42	1.57	0.42	6.54	5.93	5.24	6.97	5.12	5.30	6.02	5.57	
+/-			0.04	0.37	0.55	0.37	(0.38)	0.35	0.02	(0.28)	(0.31)	0.26	0.04	****	
ACCESS RBC	50.1	0.12%	-0.31	0.21	1.09	0.21	5.36	10.99	6.67	****	3.50	6.82	****	****	6.73
ACCESS CUSTOM BENCHMARK			0.10	0.27	1.07	0.27	5.52	****	****	****	4.28	4.95	6.17	****	
+/-			(0.41)	(0.06)	0.02	(0.06)	(0.16)	****	****	****	(0.78)	1.87	****	****	
STATE STREET SHORT TERM	1,624.4	3.95%	0.03	0.01	-0.14	0.01	0.26	1.38	3.50	5.54	0.05	1.27	2.92	2.76	5.63
ML 91 DAY TREASURY BILL INDEX			0.03	0.05	0.13	0.05	0.13	0.21	2.06	5.00	0.16	0.52	2.23	2.24	
+/-			0.00	(0.04)	(0.27)	(0.04)	0.13	1.17	1.44	0.54	(0.11)	0.75	0.69	0.52	
PRIVATE EQUITY															
TOTAL PRIVATE EQUITY	2,999.2	7.29%	5.77	7.12	12.21	7.12	14.02	-4.17	-2.73	13.63	18.02	4.46	7.06	****	12.51
RUSSELL 3000 PLUS 5%			0.71	7.99	37.29	7.99	21.93	33.34	-32.30	10.13	22.42	8.79	8.18	9.30	
+/-			5.06	(0.87)	(25.08)	(0.87)	(7.91)	(37.51)	29.57	3.50	(4.40)	(4.33)	(1.12)	****	
PRIVATE REAL ESTATE															
TOTAL PRIVATE REAL ESTATE	1,195.9	2.91%	7.11	8.67	21.33	8.67	8.46	-43.87	-7.38	40.33	23.54	-15.09	-1.16	****	5.28
NCREIF NFI-ODCE NET			3.89	3.89	14.45	3.89	15.26	-30.40	-10.70	14.84	19.13	-9.73	-1.01	****	
+/-			3.22	4.78	6.88	4.78	(6.80)	(13.47)	3.32	25.49	4.41	(5.36)	(0.15)	****	
TOTAL EMPLOYEES	41,160.3		1.12	4.78	21.72	4.78	13.79	20.98	-26.36	8.63	14.50	4.01	4.78	5.78	9.00
EMPLOYEES POLICY BENCHMARK			0.26	4.27	22.76	4.27	13.77	25.03	-28.19	8.01	14.14	4.13	4.77	5.70	
+/-			0.86	0.51	(1.04)	0.51	0.02	(4.05)	1.83	0.62	0.36	(0.13)	0.01	0.08	

New York City Employees' Retirement System

As of September 30, 2010 (Amounts in USD)

Vintage Year	Deal Name	First Drawdown	Capital Committed	Cash In	Cash Out	Market Value	Multiple	IRR
1998	VS&A Communications Partners III	12/15/1998	$ 50,000,000	$ 50,238,655	$ 53,432,617	$ 13,948,664	1.34x	6.2%
1999	Cypress Merchant Banking Partners II	3/29/1999	50,000,000	53,737,291	36,090,214	8,436,756	0.83x	(4.6%)
	FdG Capital Partners	6/2/1999	25,000,000	28,684,924	41,831,598	6,962,860	1.70x	16.0%
	Lincolnshire Equity Fund II	10/20/1999	20,000,000	19,261,466	33,676,292	5,881,875	2.05x	26.1%
2000	Allegra Capital Partners IV	1/10/2000	27,000,000	24,000,000	3,939,676	2,019,058	0.25x	(18.7%)
	Carlyle Partners III	3/1/2000	50,000,000	55,631,231	93,576,139	8,940,699	1.84x	19.9%
	SCP Private Equity Partners II	6/15/2000	30,000,000	29,595,184	8,813,898	13,138,804	0.74x	(5.2%)
	Solera Partners	5/26/2000	20,000,000	22,806,710	5,614,285	22,947,485	1.25x	4.6%
2001	Apollo Investment Fund V	4/13/2001	40,000,000	62,396,287	106,539,528	16,526,151	1.97x	39.9%
	New Mountain Partners	3/16/2001	20,000,000	17,299,599	18,823,913	5,745,249	1.42x	13.1%
	Ripplewood Partners II	2/28/2001	20,000,000	21,036,529	11,477,930	11,679,875	1.10x	3.6%
	RRE Ventures III	7/6/2001	20,000,000	25,089,882	11,418,654	22,569,785	1.35x	7.6%
2002	BDCM Opportunity Fund	10/14/2002	25,000,000	52,144,226	64,840,590	19,469,998	1.62x	24.0%
	Landmark Equity Partners XI	10/23/2002	55,000,000	57,491,052	65,460,475	15,109,887	1.40x	25.5%
	Thomas, McNerney & Partners	10/9/2002	20,000,000	18,150,000	7,003,139	11,913,368	1.04x	1.2%
	Yucaipa American Alliance Fund I	7/1/2002	90,000,000	112,000,454	77,088,099	60,607,550	1.23x	9.5%
2003	Ares Corporate Opportunities Fund	4/1/2003	45,000,000	53,646,783	51,425,966	27,245,539	1.47x	15.1%
	Blackstone Capital Partners IV	2/26/2003	40,000,000	38,686,002	63,717,283	22,335,979	2.22x	41.3%
	FS Equity Partners V	1/20/2003	25,000,000	20,667,063	7,352,841	27,062,995	1.67x	15.5%
2004	Aurora Equity Partners III	11/16/2004	50,000,000	53,786,966	20,159,403	48,401,362	1.27x	13.7%
	Celtic Pharmaceutical Holdings	12/23/2004	25,000,000	25,402,094	402,094	41,172,288	1.64x	15.8%
	FdG Capital Partners II	8/30/2004	35,000,000	36,094,676	8,768,276	15,781,096	0.68x	(12.6%)
	Lincolnshire Equity Fund III	10/1/2004	55,000,000	44,079,968	59,986,096	30,637,742	2.06x	44.9%
	Markstone Capital Partners	1/30/2004	40,000,000	37,733,153	13,712,291	23,944,377	1.00x	(0.1%)
	New York/Fairview Emerging Managers (Tranche A)	10/21/2004	32,000,000	22,560,000	1,726,174	17,468,770	0.85x	(5.9%)
	Paladin Homeland Security Fund (NY City)	9/27/2004	15,000,000	15,642,891	1,922,187	6,946,206	0.57x	(14.5%)
	Palladium Equity Partners III	11/12/2004	35,000,000	23,496,262	6,642,930	20,738,452	1.17x	8.2%
	Silver Lake Partners II	7/28/2004	52,900,000	53,007,351	24,866,444	44,519,236	1.31x	8.4%
	Trilantic Capital Partners III (fka LBMB III)	11/18/2004	50,000,000	39,126,703	25,815,038	26,922,935	1.35x	11.4%
2005	Blackstone Mezzanine Partners II	10/10/2005	25,000,000	22,966,238	7,538,680	21,095,185	1.25x	9.5%
	Clayton, Dubilier & Rice Fund VII	3/31/2005	45,000,000	46,484,519	5,621,387	45,730,885	1.10x	3.5%
	Erasmus New York City Growth Fund	8/16/2005	40,000,000	34,819,694	8,545,125	21,697,352	0.87x	(4.6%)
	Ethos Private Equity Fund V	11/9/2005	40,000,000	33,342,144	9,677,371	25,305,491	1.05x	2.4%
	GI Partners Fund II	9/26/2005	35,000,000	33,845,910	953,725	38,621,871	1.17x	4.7%
	JP Morgan Fleming (Tranche A)	12/21/2005	43,000,000	25,972,246	2,963,290	22,829,504	0.99x	(0.3%)
	New Mountain Partners II	1/12/2005	46,451,615	41,947,155	13,251,493	43,556,310	1.35x	9.5%
	Prism Venture Partners V-A	7/14/2005	30,000,000	25,500,000	5,296,433	14,029,799	0.76x	(11.3%)
	Psilos Group Partners III	10/24/2005	35,000,000	27,823,681	197,841	23,264,039	0.84x	(8.0%)
	Quadrangle Capital Partners II	8/29/2005	65,000,000	54,401,978	12,572,566	50,669,454	1.16x	6.1%
	Snow Phipps Group	9/7/2005	20,000,000	15,890,985	4,429,424	17,432,102	1.38x	21.6%
	USPF II Institutional Fund	11/23/2005	65,000,000	71,670,167	33,381,012	53,823,565	1.22x	7.6%
	VSS Communications Partners IV	3/14/2005	25,000,000	24,727,085	2,502,480	15,663,700	0.73x	(10.9%)
2006	AEA Investors 2006 Fund	12/29/2006	30,000,000	17,150,306	-	16,842,986	0.98x	(1.2%)
	Aisling Capital II	1/12/2006	7,000,000	5,349,630	779,722	3,752,931	0.85x	(6.2%)
	Ampersand 2006	8/14/2006	25,000,000	19,750,000	5,900,401	15,500,538	1.08x	3.4%
	Apollo Investment Fund VI	5/10/2006	90,000,000	107,216,322	33,380,944	90,110,802	1.15x	6.7%
	Ares Corporate Opportunities Fund II	5/23/2006	50,000,000	51,993,528	17,147,022	46,316,467	1.22x	8.2%
	Arsenal Capital Partners II	12/19/2006	22,500,000	15,171,635	185,680	15,134,263	1.01x	0.5%
	Avista Capital Partners	4/27/2006	45,000,000	53,026,898	20,482,604	42,494,304	1.19x	7.1%
	BDCM Opportunity Fund II	3/29/2006	25,000,000	22,426,013	7,977,133	17,013,220	1.11x	7.2%
	Blackstone Capital Partners V	4/13/2006	123,900,000	114,765,246	11,779,226	101,264,803	0.99x	(0.6%)
	Catterton Partners VI	12/14/2006	45,000,000	32,641,953	1,550,264	38,146,489	1.22x	7.4%
	CCMP Capital Investors II	8/17/2006	30,000,000	18,183,931	58,657	16,995,270	0.94x	(3.7%)
	Cinven Fourth Fund	1/22/2007	66,825,020	45,560,388	-	46,920,545	1.03x	1.0%
	Fairview Ventures Fund III	6/29/2006	25,000,000	9,211,840	327,709	7,608,627	0.86x	(9.5%)
	First Reserve Fund XI	12/14/2006	45,000,000	38,048,983	4,371,918	33,056,000	0.98x	(0.7%)
	GF Capital Private Equity Fund	12/22/2006	20,000,000	11,492,718	-	11,525,153	1.00x	0.2%
	GSC Recovery III	5/4/2006	25,000,000	25,301,099	7,183,838	14,798,551	0.87x	(6.3%)
	InterMedia Partners VII	1/20/2006	25,000,000	23,278,543	331,937	24,358,742	1.06x	2.0%
	Landmark Equity Partners XIII	5/11/2006	50,000,000	43,490,213	15,929,191	28,832,252	1.03x	1.3%
	MidOcean Partners III	12/21/2006	60,000,000	31,323,252	1,513,612	17,115,386	0.59x	(20.6%)
	NewSpring Growth Capital II (fka NewSpring Ventures II)	11/15/2006	20,000,000	10,561,753	-	10,915,301	1.03x	1.9%
	Perseus Partners VII	8/31/2006	30,000,000	26,641,969	2,589,080	27,566,546	1.13x	7.9%
	RRE Ventures IV	12/19/2006	35,000,000	25,738,255	1,452,204	26,184,664	1.07x	3.8%
	Terra Firma Capital Partners III	3/8/2006	50,000,000	35,166,155	1,124,908	10,241,978	0.32x	(41.6%)
	Thomas H. Lee Equity Fund VI	7/12/2006	50,000,000	33,341,416	754,050	29,851,224	0.92x	(3.5%)
	Thomas, McNerney & Partners II	11/30/2006	25,000,000	13,687,500	1,386,528	9,859,939	0.82x	(9.4%)
2007	Avenue Special Situations Fund V	6/4/2007	75,000,000	75,546,950	1,909,251	90,581,089	1.22x	10.0%
	Carlyle Partners V	7/6/2007	70,000,000	34,547,587	2,687,126	32,110,239	1.01x	0.4%
	Co-Investment Partners Europe	3/19/2007	38,157,000	20,798,966	126,978	17,142,785	0.83x	(11.0%)
	Constellation Ventures III	5/22/2007	25,000,000	12,629,820	-	10,965,812	0.87x	(9.9%)
	Craton Equity Investors I	4/30/2007	20,000,000	12,396,008	12,194	10,793,492	0.87x	(9.9%)
	FTVentures III	3/1/2007	25,000,000	16,750,000	16,061	19,721,884	1.18x	8.4%
	GSO Capital Opportunities Fund I	7/16/2007	45,000,000	35,903,716	10,368,505	31,709,676	1.17x	13.5%
	Halyard Capital Fund II	7/2/2007	25,000,000	11,681,902	507,504	11,454,958	1.02x	1.0%

New York City Employees' Retirement System

As of September 30, 2010 (Amounts in USD)

Vintage Year	Deal Name	First Drawdown	Capital Committed	Cash In	Cash Out	Market Value	Multiple	IRR
2007	HM 2006 Sector Performance Fund	7/20/2007	25,000,000	20,678,877	919,589	14,539,008	0.75x	(13.3%)
	Montreux Equity Partners IV	3/27/2007	20,000,000	11,400,000	579,872	9,672,125	0.90x	(6.0%)
	Nautic Partners VI	5/14/2007	30,000,000	12,355,404	32,218	10,287,332	0.84x	(9.2%)
	New Mountain Partners III	8/9/2007	100,000,000	44,536,558	6,495,556	36,258,335	0.96x	(3.1%)
	PCG Clean Energy & Technology Fund East	7/6/2007	90,000,000	46,588,703	31	43,834,673	0.94x	(4.2%)
	Pegasus Partners IV	1/29/2007	30,000,000	27,977,934	1,145,433	47,031,813	1.72x	32.1%
	Quaker BioVentures II	3/30/2007	20,000,000	9,257,775	663,993	6,917,990	0.82x	(16.1%)
	RLJ Equity Partners Fund I	11/30/2007	20,000,000	7,920,290	66,280	7,369,323	0.94x	(8.8%)
	SCP Vitalife Partners II Fund	4/13/2007	20,000,000	7,999,698	1,579	5,626,823	0.70x	(18.9%)
	Silver Lake Partners III	8/13/2007	65,000,000	37,369,875	2,964,949	39,218,692	1.13x	9.7%
	StarVest Partners II	8/1/2007	25,000,000	6,800,955	6,556	4,942,306	0.73x	(22.5%)
	Tailwind Capital Partners	2/2/2007	30,000,000	18,464,908	3,407,229	17,269,351	1.12x	6.9%
	Trilantic Capital Partners IV (fka LBMB IV)	10/22/2007	69,028,637	31,670,546	750,199	34,349,496	1.11x	5.9%
	USPF III Institutional Fund	6/28/2007	65,000,000	42,625,297	6,130,681	34,992,649	0.96x	(1.8%)
	Vista Equity Partners Fund III	10/3/2007	30,000,000	23,403,880	246,156	35,363,721	1.52x	23.6%
	Vitruvian Investment Partnership I	3/15/2007	65,988,000	20,768,104	843	14,314,428	0.69x	(34.7%)
	Vitruvian Investment Partnership I (Side Car)	3/15/2007	7,332,000	2,306,019	94	1,590,304	0.69x	(34.6%)
2008	Aisling Capital III	11/20/2008	14,000,000	1,490,311	-	935,907	0.63x	NM
	Apollo Investment Fund VII	1/28/2008	100,000,000	58,342,072	18,848,132	51,055,425	1.20x	19.6%
	Ares Corporate Opportunities Fund III	7/30/2008	75,000,000	35,187,334	5,063,486	40,006,975	1.28x	21.1%
	Avenue Europe Special Situations Fund	6/17/2008	40,974,000	36,200,748	299,930	51,383,601	1.43x	25.3%
	Avista Capital Partners II	11/5/2008	75,000,000	41,084,747	12,202,132	33,940,015	1.12x	NM
	Blue Wolf Capital Fund II	11/14/2008	25,000,000	7,067,287	907,105	7,638,213	1.21x	NM
	Bridgepoint Europe IV	11/14/2008	30,934,000	6,305,030	-	5,454,741	0.87x	NM
	Carpenter Community BancFund-A	2/12/2008	20,000,000	11,115,018	198,314	10,160,830	0.93x	(5.0%)
	Crestview Partners II	10/1/2008	50,000,000	17,593,483	1,292,623	15,635,148	0.96x	NM
	CS NYCERS Emerging Manager Co-Investment Fund	8/22/2008	26,262,627	8,460,660	60,440	8,387,428	1.00x	(0.1%)
	CS NYCERS Emerging Manager Fund	8/22/2008	116,737,374	21,422,182	5,126,155	13,954,154	0.89x	(10.3%)
	First Reserve Fund XII	8/25/2008	45,000,000	19,544,605	1,738,371	11,567,000	0.68x	(24.7%)
	GI Partners Fund III	7/29/2008	45,000,000	21,701,544	420,854	22,657,907	1.06x	11.5%
	Landmark Equity Partners XIV	9/19/2008	109,120,000	9,391,961	1,851,673	8,512,131	1.10x	7.9%
	Lee Equity Partners Fund	4/23/2008	42,500,000	16,883,449	1,048,172	12,296,264	0.79x	(14.8%)
	Leeds Equity Partners V	7/28/2008	60,000,000	6,115,395	-	8,093,275	1.32x	14.4%
	Levine Leichtman Capital Partners IV	4/8/2008	35,000,000	9,870,198	1,431,508	8,627,813	1.02x	2.0%
	New York/Fairview Emerging Managers (Tranche B)	5/28/2008	45,000,000	7,893,000	-	7,027,831	0.89x	(10.9%)
	NGN BioMed Opportunity II	2/11/2008	20,000,000	9,451,821	23,687	8,836,662	0.94x	(4.9%)
	Onex Partners III	12/10/2008	75,000,000	21,608,809	1,760	17,978,803	0.83x	NM
	Paladin III (NY City)	1/8/2008	30,000,000	15,137,513	1,757,289	12,240,756	0.92x	(4.8%)
	Pine Brook Capital Partners	1/11/2008	30,000,000	11,081,236	3,543,247	9,081,589	1.14x	8.7%
	Relativity Fund	1/17/2008	20,000,000	5,601,826	215,958	2,797,792	0.54x	(27.2%)
	Riverstone/Carlyle Global Energy and Power Fund IV	3/3/2008	45,000,000	21,557,184	3,515,719	21,283,290	1.15x	10.7%
	Yucaipa American Alliance Fund II	3/28/2008	120,000,000	87,238,758	20,629,491	94,391,987	1.32x	24.0%
	Yucaipa Corporate Initiatives Fund II	6/23/2008	45,000,000	13,851,126	136,683	8,134,126	0.60x	(33.7%)
2009	Clayton, Dubilier & Rice Fund VIII	1/12/2009	50,000,000	15,291,760	8,582	17,232,875	1.13x	NM
	FS Equity Partners VI	7/27/2009	32,500,000	9,470,003	-	8,510,997	0.90x	NM
	Lexington Capital Partners VII	12/3/2009	50,000,000	11,133,415	4,518	12,858,070	1.16x	NM
	Lincolnshire Equity Fund IV	8/5/2009	27,500,000	1,633,340	-	861,037	0.53x	NM
	Welsh, Carson, Anderson & Stowe XI	2/10/2009	40,000,000	11,793,486	-	10,417,375	0.88x	NM
2010	Ampersand 2009	N/A	25,000,000	-	-	-	N/A	NM
	BDCM Opportunity Fund III	N/A	45,000,000	-	-	-	N/A	NM
	Blackstone Capital Partners VI	N/A	120,000,000	-	-	-	N/A	NM
	JP Morgan Fleming (Tranche B)	2/26/2010	35,000,000	2,884,741	23,601	3,535,122	1.23x	NM
	Snow Phipps II	1/8/2010	30,000,000	866,256	88,214	85,693	0.20x	NM
	Wellspring Capital Partners V	N/A	40,000,000	-	-	-	N/A	NM
Grand Total(s):			**$ 5,467,610,273**	**$ 3,570,054,821**	**$ 1,288,738,046**	**$ 2,828,840,415**	**1.15x**	**6.8%**

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

The Townsend Group

The New York City Employees' Retirement Systems

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2002	Canyon Johnson Urban Fund	2/6/2002	$ 15,000,000	$ 13,404,169	$ (15,403,730)	$ 690,338	1.20	11.4%
2003	Tishman Speyer Separate Account (ERS)	12/16/2003	$ 100,000,000	$ 71,066,452	$ (203,100,170)	$ 31,335,056	3.30	63.9%
2004	Blackstone IV	5/14/2004	$ 30,000,000	$ 37,653,167	$ (30,550,618)	$ 15,281,650	1.22	11.7%
2004	Canyon Johnson Urban Fund II	5/11/2005	$ 40,000,000	$ 35,774,151	$ (24,000)	$ 22,311,850	0.62	-15.4%
2004	City Investment Fund I	3/16/2004	$ 225,000,000	$ 221,883,300	$ (104,348,886)	$ 55,689,110	0.72	-15.7%
2005	AMB U.S. Logistics Fund	10/4/2006	$ 25,000,000	$ 27,705,253	$ (2,827,668)	$ 13,256,142	0.58	-14.8%
2005	JP Morgan Special Situations Fund	10/3/2007	$ 90,000,000	$ 95,208,444	$ (10,401,508)	$ 50,933,125	0.64	-12.5%
2005	JP Morgan Strategic Property Fund	12/5/2006	$ 86,000,000	$ 90,632,962	$ -	$ 74,973,577	0.83	-4.9%
2005	PRISA	9/26/2006	$ 86,000,000	$ 88,749,702	$ (1,702,824)	$ 64,925,210	0.75	-7.0%
2005	RREEF America REIT II	10/2/2006	$ 86,000,000	$ 107,721,526	$ (22,569,593)	$ 69,548,187	0.86	-4.9%
2005	RREEF America REIT III	10/1/2007	$ 90,000,000	$ 90,000,000	$ (600,237)	$ 19,951,831	0.23	-39.3%
2005	Trumbull Property Fund (UBS - RESA)	9/28/2006	$ 86,000,000	$ 95,469,914	$ (7,216,413)	$ 83,226,874	0.95	-1.5%
2005	AREA Real Estate Investment Fund V	6/15/2006	$ 25,000,000	$ 25,000,001	$ (5,518,252)	$ 9,584,787	0.60	-20.5%
2006	Colony Realty Partners II	12/20/2006	$ 20,000,000	$ 21,420,211	$ (666,108)	$ 9,309,603	0.47	-22.7%
2006	Heitman Core Property Fund	3/29/2007	$ 115,000,000	$ 104,225,477	$ (8,470,727)	$ 86,708,104	0.91	-4.1%
2006	Westbrook VII	12/3/2007	$ 40,000,000	$ 41,488,325	$ (1,624,243)	$ 25,198,582	0.65	-26.5%
2006	Urban America II	1/30/2007	$ 25,000,000	$ 23,222,735	$ -	$ 13,781,682	0.59	-19.4%
2007	PRISA II	6/29/2007	$ 141,518,761	$ 143,849,238	$ (1,515,094)	$ 95,991,833	0.68	-16.9%
2007	AREA European Real Estate Fund III	5/20/2008	$ 30,000,000	$ 14,515,000	$ -	$ 12,653,411	0.87	-9.1%
2007	Blackstone Real Estate Partners VI	9/27/2007	$ 110,000,000	$ 59,370,870	$ (99,440)	$ 54,626,086	0.92	-3.3%
2007	Canyon Johnson Urban Fund III	3/29/2010	$ 30,000,000	$ 3,919,601	$ (48,562)	$ 2,292,672	0.60	-93.2%
2007	Capri Urban	6/3/2008	$ 60,000,000	$ 36,329,707	$ -	$ 18,028,254	0.50	-40.7%
2007	Carlyle V	8/27/2007	$ 20,000,000	$ 20,188,784	$ (3,417,327)	$ 17,059,585	1.01	0.8%
2007	Lehman Real Estate Fund III	6/4/2008	$ 50,000,000	$ 20,708,109	$ (194,124)	$ 9,231,045	0.46	-32.8%
2007	PRISA III	9/30/2008	$ 50,000,000	$ 37,097,039	$ -	$ 30,186,870	0.81	-16.4%
2007	Stockbridge III	9/9/2008	$ 27,000,000	$ 11,033,263	$ -	$ 5,422,791	0.49	-35.7%
2007	Thor Urban Property Fund II	10/30/2008	$ 40,000,000	$ 21,391,963	$ (3,862,438)	$ 10,625,925	0.68	-52.5%
2007	Walton VI	4/27/2009	$ 50,000,000	$ 17,000,000	$ -	$ 10,290,722	0.61	-39.9%
2007	American Value Partners I	10/18/2007	$ 55,000,000	$ 25,153,210	$ (97,590)	$ 13,837,041	0.55	-48.6%
2007	Metropolitan Workforce Housing Fund	7/13/2007	$ 20,000,000	$ 5,697,692	$ (408,971)	$ 2,296,370	0.47	-79.8%
2008	Blackstone Europe III	10/24/2008	$ 50,000,000	$ 3,096,811	$ -	$ 3,870,420	1.25	26.0%
2008	JPMorgan Urban Renaissance Fund	12/16/2008	$ 16,360,625	n/a	n/a	n/a	n/a	n/a
2008	Westbrook VIII	12/28/2009	$ 50,000,000	$ 6,144,893	$ (4,462,260)	$ 1,949,734	1.04	17.0%
2009	LaSalle U.S. Core Property Fund	7/1/2010	$ 50,000,000	$ 6,286,337	-	$ 6,261,503	1.00	-1.6%
2009	BlackRock Carbon Capital III	7/2/2009	$ 40,000,000	$ 22,985,571	$ (5,358,934)	$ 19,381,082	1.08	11.4%
	New York City Employees Retirement System		$ 2,073,879,386	$ 1,645,393,877	$ (434,489,717)	$ 960,711,052	0.85	-7.5%

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005.

Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of September 30, 2010.

Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

II. Emerging Manager Review & Recommendation:

Emerging Managers Program Review and Recommendation

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5-24-11

What is an Emerging Manager?

- The goal of the Emerging Managers Program is to gain exposure to smaller investment managers that generally do not have enough assets for “stand alone” mandates from the NYC Retirement Systems.

- Currently, NYCERS invests in emerging managers through Emerging Manager of Managers or Fund of Funds, who are charged with monitoring the underlying emerging managers (“sub-managers”) on a regular basis and providing performance measurement and analysis on at least a quarterly basis.

- Sub-managers will generally remain in the NYC Emerging Manager Program until they reach $1 billion of firm-wide assets under management.

NYCERS History with Emerging Managers

- December 1991-NYCERS Invested $90 million with Progress Investment Management in U.S. Equity.
- January 1992- NYCERS Invested $30 mm with Progress Investment Management in Fixed Income and was awarded an additional $24 mm in January 1995.
- Through 2 additional RFPS , Progress's U.S. Equity account received $124mm in July 1994, $36mm January 1995, and $10mm in July 1995.
- April 1999- NYCERS invested with The FIS Group for $25mm in U.S. Equity.
- November 2002- The FIS Group received an additional funding of $25 mm.
- November 2007- NYCERS Invested $50 mm with Progress Investment Management in Non U.S. Equity.
- November 2007- NYCERS invested $825 mm with 5 Emerging Managers for U.S. Equity:
  - $198 million with Attucks Asset Management
  - $149 million with The FIS Group
  - $54 million with Capital Prospects
  - $371 million with Progress Investment Management
  - $54 million with Bivium Capital.

NYCERS Emerging Manager of Managers– Current Market Value

Manager of Managers	*NYCERS Investment ($ in Millions) As of 3/31/11*
Progress (All Cap)	$263M
Progress (Fixed Income)	93
Progress (EAFE)	43
FIS (All Cap)	153
Attucks (All Cap)	199
Capital Prospects (All Cap)	48
Total Emerging Manager of Managers	**$799M**

NYCERS U.S. Equities Emerging Manager of Managers- Performance

Year	Year End Market Value ($ in Millions)	1 Year Absolute Return	1 Year Excess Return	3 Year Absolute Return	3 Year Excess Return	5 Year Absolute Return	5 Year Excess Return	Absolute Return Since (7/1993)	Excess Return Since (7/1993)	% of Active U.S Equity	% of U.S Equity	% of Total Pension Fund
1993	$90M	****	****	****	****	****	****	****	****	5.95%	0.68%	0.39%
1994	$90M	-0.76%	-93 bps	****	****	****	****	****	****	6.19%	0.71%	0.40%
1995	$121M	34%	-309 bps	****	****	****	****	****	****	6.11%	0.78%	0.45%
1996	$149M	22%	-7 bps	17%	-70 bps	****	****	****	****	6.22%	0.86%	0.50%
1997	$193M	30%	-159 bps	28%	-153 bps	****	****	****	****	6.36%	0.91%	0.56%
1998	$155M	20%	-371 bps	24%	-179 bps	20%	-182 bps	****	****	5.07%	0.64%	0.40%
1999	$331M	25%	442 bps	25%	-28 bps	26%	-76 bps	****	****	9.31%	1.31%	0.76%
2000	$318M	-4%	306 bps	13%	143 bps	18%	60 bps	****	****	17.18%	1.48%	0.79%
2001	$261M	-19%	-722 bps	-0.86%	-45 bps	9%	-128 bps	****	****	16.38%	1.33%	0.73%
2002	$272M	-25%	-369 bps	-17%	-284 bps	-3%	-185 bps	****	****	13.73%	1.76%	0.94%
2003	$361M	32%	77 bps	-7%	-401 bps	-0.8%	-116 bps	****	****	15.21%	1.92%	1.07%
2004	$402M	11%	-99 bps	3%	-175 bps	-3%	-201 bps	****	****	17.22%	2.16%	1.14%
2005	$432M	7%	65 bps	16%	12 bps	-1%	-260 bps	****	****	21.18%	2.41%	1.19%
2006	$491M	13%	-269 bps	10%	-97 bps	6%	-145 bps	****	****	36.31%	2.51%	1.22%
2007	$705M	8%	326 bps	9%	48 bps	14%	24 bps	****	****	44.27%	3.62%	1.67%
2008	$448M	-37%	22 bps	-8%	32 bps	-1%	14 bps	****	****	20.60%	3.72%	1.47%
2009	$571M	27%	-94 bps	-5%	87 bps	1%	18 bps	****	****	16.92%	3.57%	1.60%
2010	$100M	17%	22 bps	-2%	-3 bps	3%	11 bps	7%	-89 bps	15.54%	3.54%	1.60%

* Benchmark is the R3K index. As of 12/31/10
Returns are Net of Fees

NYCERS Emerging Manager Fixed Income - Performance

Year	Year End Market Value $	1 Year Absolute Return	1 Year Excess Return	3 Year Absolute Return	3 Year Excess Return	5 Year Absolute Return	5 Year Excess Return	Since Inception Absolute Return (1/92)	Since Inception Excess Return (1/92)
1991	$31M	****	****	****	****	****	****	****	****
1992	$33M	7%	-47 bps	****	****	****	****	****	****
1993	$37M	10%	50 bps	****	****	****	****	****	****
1994	$36M	-2%	56 bps	5%	20 bps	****	****	****	****
1995	$42M	17%	-158 bps	8%	-11 bps	****	****	****	****
1996	$43M	3%	-72 bps	6%	-52 bps	7%	-31 bps	****	****
1997	$46M	10%	33 bps	10%	-64 bps	7%	-15 bps	****	****
1998	$51M	9%	57 bps	7%	4 bps	7%	-14 bps	****	****
1999	$48M	-5%	-28 bps	4%	18 bps	7%	-32 bps	****	****
2000	$52M	10%	-406 bps	5%	-119 bps	5%	-80 bps	****	****
2001	$57M	10%	199 bps	5%	-73 bps	7%	-27 bps	****	****
2002	$63M	12%	-187 bps	10%	-128 bps	7%	-69 bps	****	****
2003	$67M	7%	170 bps	9%	65 bps	6%	-46 bps	****	****
2004	$72M	6%	-32 bps	8%	-13 bps	9%	-47 bps	****	****
2005	$75M	4%	154 bps	6%	98 bps	8%	64 bps	****	****
2006	$80M	7%	-15 bps	6%	37 bps	7%	21 bps	****	****
2007	$76M	7%	101 bps	6%	81 bps	6%	76 bps	****	****
2008	$79M	6%	142 bps	7%	76 bps	6%	71 bps	****	****
2009	$86M	9%	282 bps	7%	175 bps	7%	133 bps	****	****
2010	$93M	7%	72 bps	7%	165 bps	7%	117 bps	7%	22 bps

Returns are Net of Fees
As of 12/31/10

Notes: From January 2008 to Present: Fixed Income Strategy was U. S. Core benchmarked to the Lehman Bros. Aggregate (Barclays Agg U.S.).
Prior to 2008: Fixed Income Strategy was a custom strategy. Two manager strategies including High Yield, Long Duration Governments, U. S. Corporate

NYCERS Emerging Manager EAFE- Performance

Year	Year End Market Value $	1 Year Absolute Return	1 Year Excess Return	3 Year Absolute Return	3 Year Excess Return	5 Year Absolute Return	5 Year Excess Return	Since Inception Absolute Return (12/07)	Since Inception Excess Return (12/07)
2007	$48M	****	****	****	****	****	****	****	****
2008	$27M	-45%	-172 bps	****	****	****	****	****	****
2009	$37M	36%	394 bps	****	****	****	****	****	****
2010	$42M	12%	441 bps	-6%	128 bps	****	****	1%	123 bps

As of 12/31/10

Recommended Investment Policy for the Emerging & Developing Managers

- The Emerging Manager of Manager's Sub-Managers would be generally limited to under $2 billion of firm-wide assets under management (currently limited to under $1BN).

- A Sub-Manager can graduate out of the Emerging Managers Program when it reaches $2 billion in firm-wide AUM. In general, graduation can only occur if and when the Comptroller's Office issues a new RFP in the Sub-Manager's respective investment strategy and is selected by the Boards. Otherwise, the Sub-Manager will remain in the Emerging Managers Program.

- There should be no overlap between NYC's Sub-Managers and Developing Managers.

III. Asset Allocation:

New York City Employees' Retirement System

Asset Allocation Study

May 24, 2011

Mark Kline
Executive Vice President
New Jersey Consulting Office

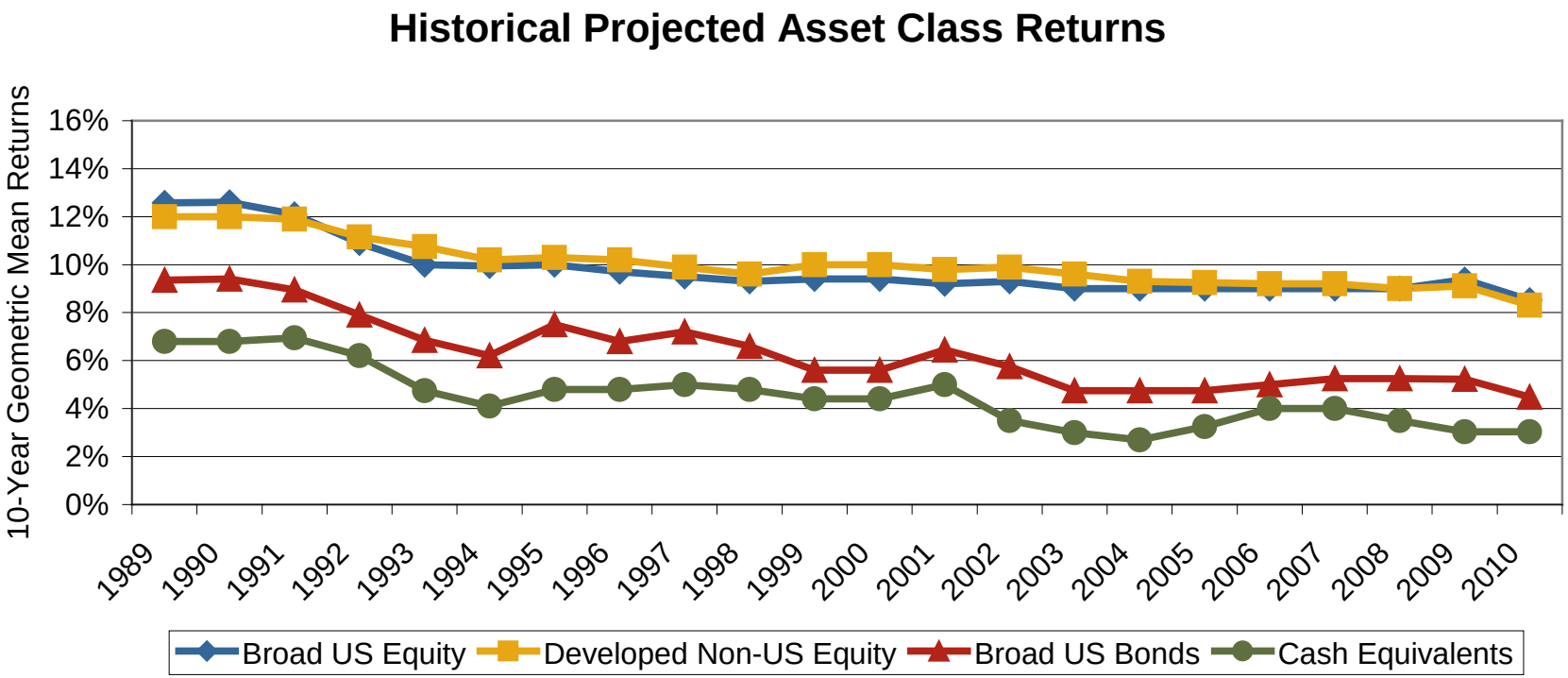
Annoesjka West
Vice President
New Jersey Consulting Office

Jim Van Heuit
Senior Vice President
Capital Markets Research

Objectives

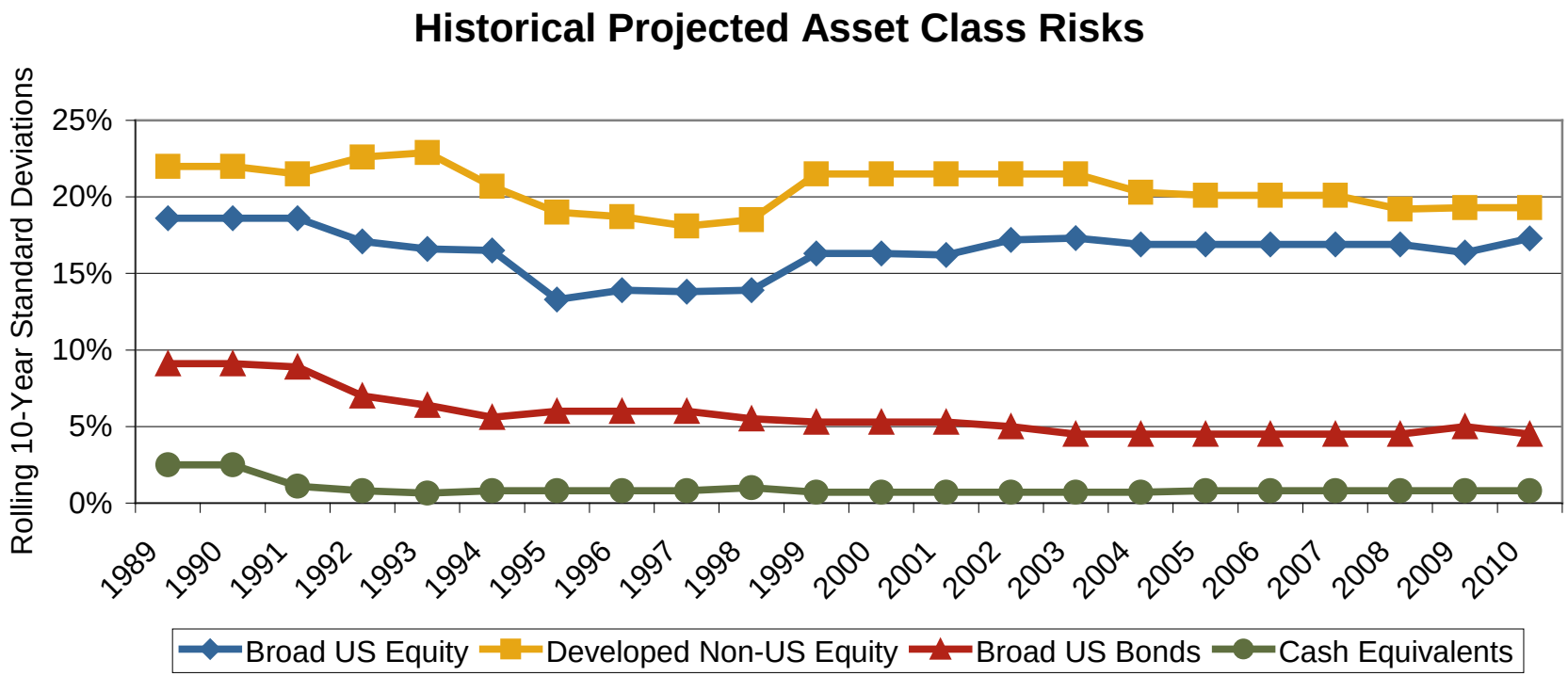
- **Address concerns about amount of equity risk**
  - Suffered significant losses in 2001, 2002, and 2008
  - Future System performance shouldn't track equity returns as closely
  - The allocation may vary from the traditional 70%/30% allocations
- **Achieve any chosen return objective with the least possible expected risk through diversification**
  - Reallocate among existing asset classes
  - Introduce new asset classes with either tactical or strategic advantages
- **Adopt an asset mix appropriate to current conditions that also provides an intermediate step to a longer-term mix**
  - Given the size of the System, changes in allocations must be made at a measured pace
  - Current conditions may lead to an asset mix which differs from that which may be chosen under more normal market conditions

Callan Projected Asset Class Returns



- **Projected Returns for Fixed Income Have Fallen With Falling Yields**
- **Projected Equity Returns Have Fallen**
  - Lower dividend yields
  - Less likely multiple expansion
  - Consistent risk premium over falling fixed income returns

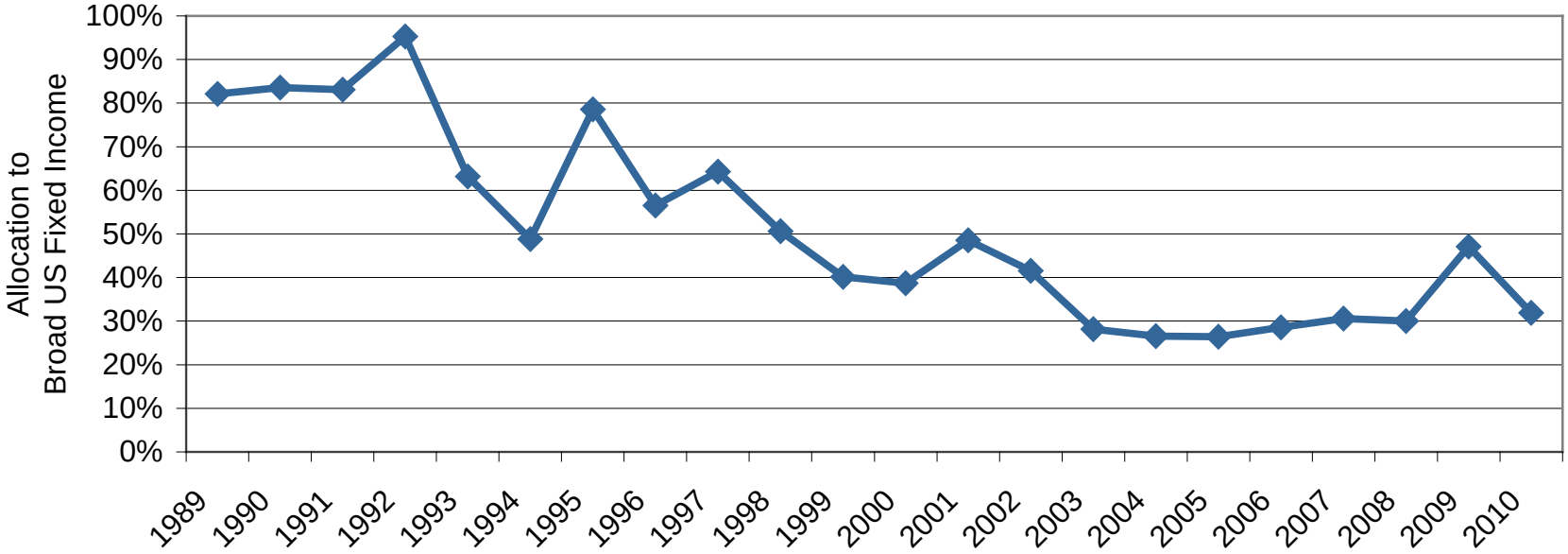
Callan Projected Asset Class Risks



- **Projected Standard Deviations for Fixed Income Have Fallen**
- **Projected Equity Risks Have Been Reasonably Stable**
  - Realized risks have fluctuated around these levels

Optimal Fixed Income Allocations

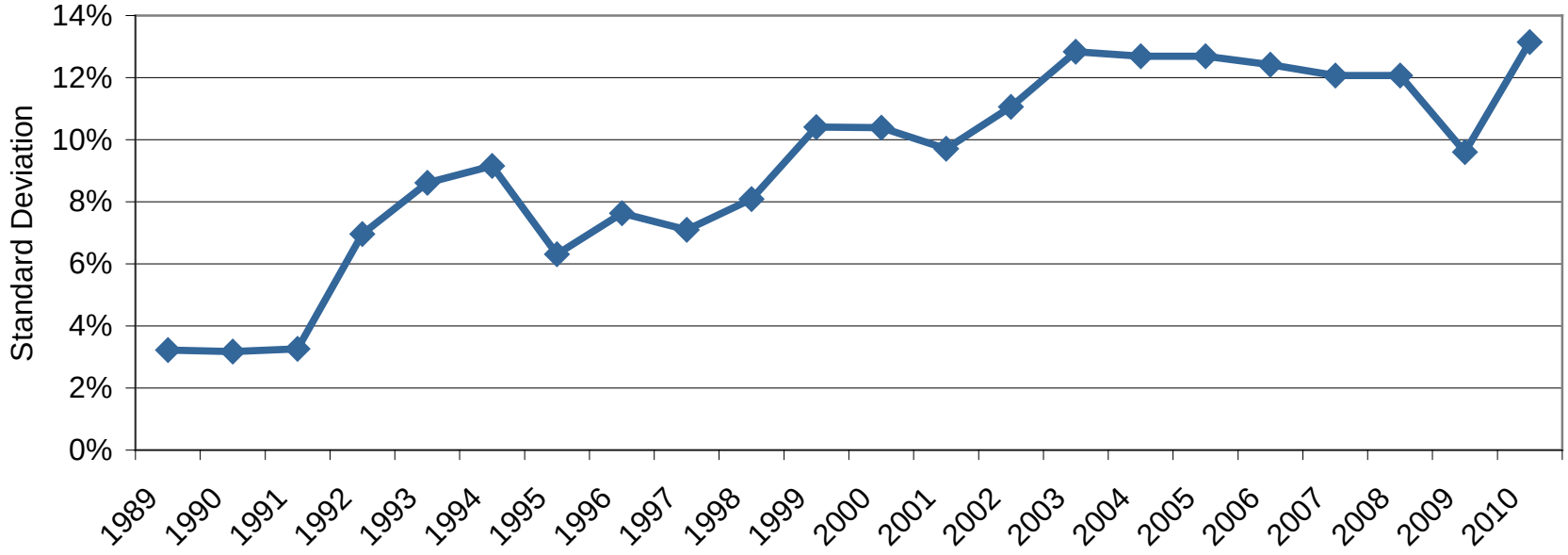
Historical Fixed Income Allocations for 8% Mixes



- **Fixed Income Allocations Have Fallen Through Time**
  - Progressively more equity needed to achieve an 8% return
- **Early Fixed Income Allocations Contain Cash**
  - Minimum return above 8% in the absence of cash equivalents

Risks for 8% Mixes

Historical Projected Standard Deviations for 8% Mixes

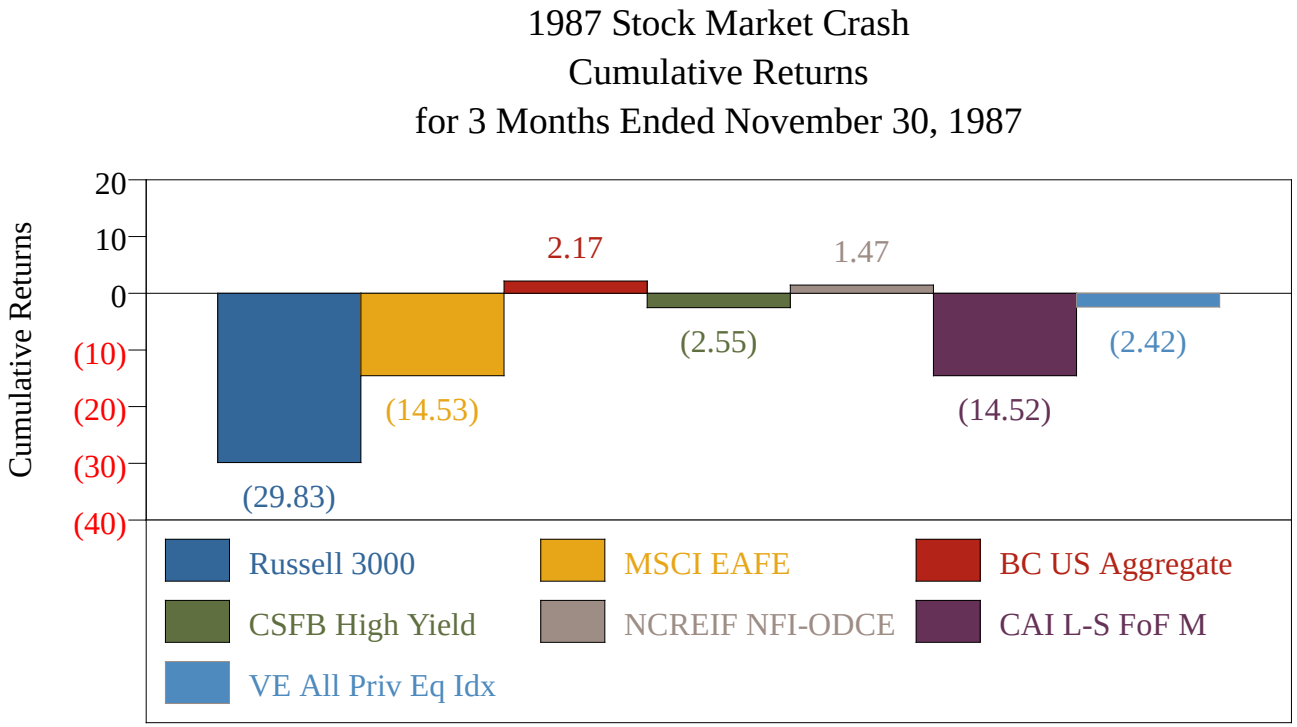


- **Asset Mix Risks Have Risen as Fixed Income Allocations Have Fallen**
  - The additional equity needed to achieve an 8% return increases risk
- **Risks Over Recent Years Have Stabilized at High Levels**

Addressing Equity Risk

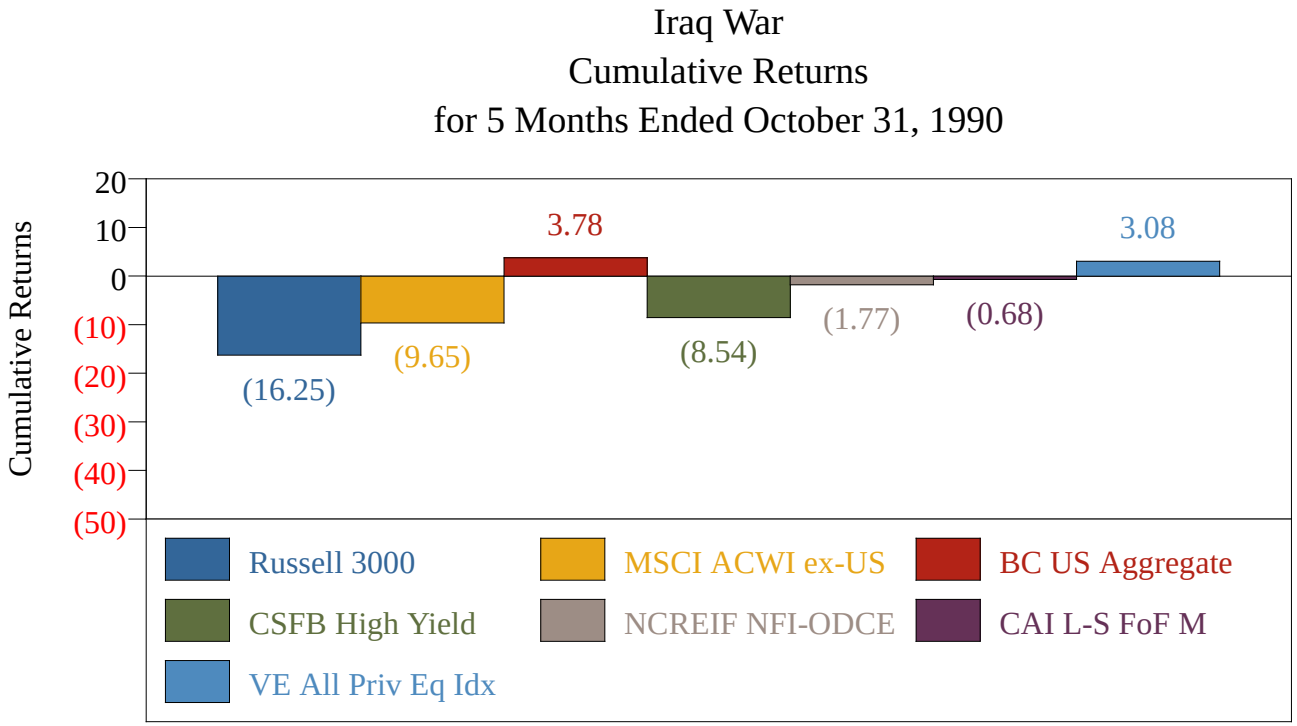
- **Equity asset classes fulfill a "Capital Accumulation" Role**
  - The allocations to equity asset classes have to be high enough to achieve the targeted rate of return
  - Equity asset classes provide positive rates of return in the vast majority of strategic time periods
- **Mitigating the risk of poor equity returns**
  - When equity asset classes underperform, they can do so spectacularly
  - Look at history to determine asset classes that perform relatively well when equity asset classes underperform
  - Look at history to determine asset classes that perform relatively poorly when equity asset classes underperform
- **The slides on pages 7 to 11 show the performance of an array of asset classes during periods of very poor equity performance**

Asset Class Performance Peak to Trough
1987 Stock Market Crash



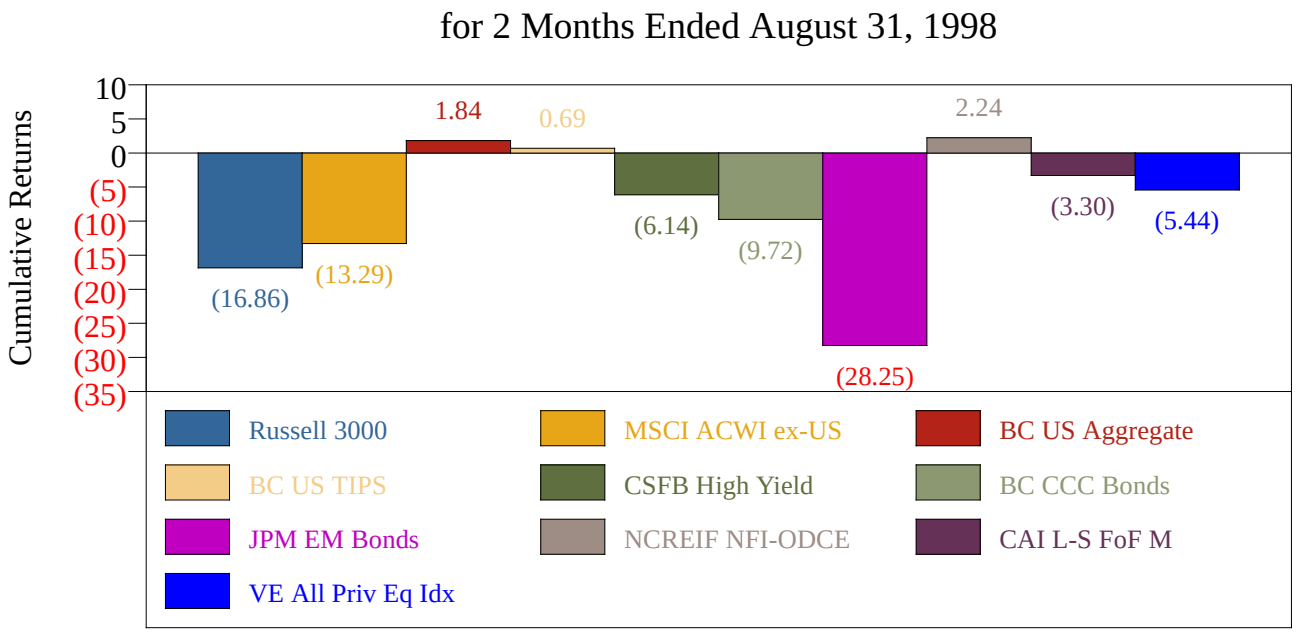
- **Equity performed the worst during this period with a -29.83% by the Russell 3000 as the proxy for public equity.**
- **Fixed income performed the best during the '87 crash with the Barclays Capital US Aggregate index (a proxy for Core+5) returning 2.17% and high yield losing only 2.55% even though it has equity-like characteristics.**
- **Real estate also did well with a 1.47% return.**

Asset Class Performance Peak to Trough
Iraq War



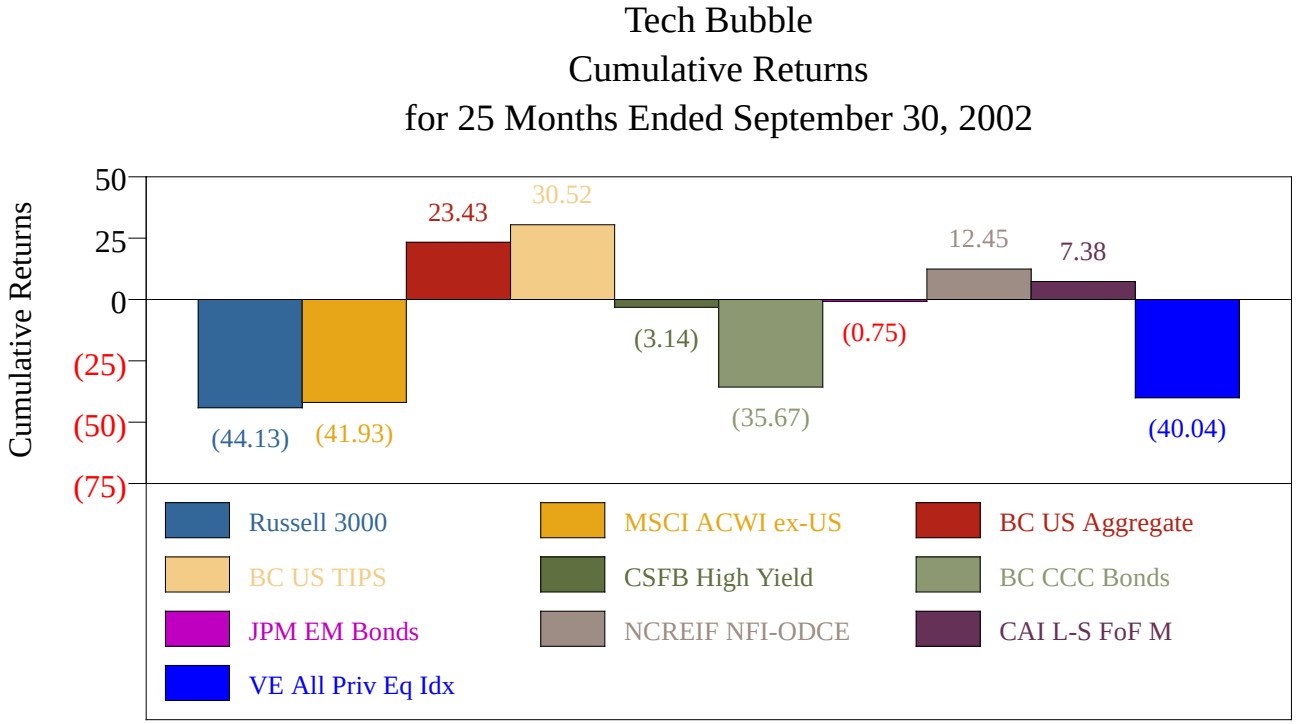
- **US equity fell by more than 15% after the first Iraq war began. Non-US equity was the next worst performing asset class falling almost 10% followed by high yield.**
- **Investment-grade fixed income was the best performing asset class followed by hedge funds and real estate.**

Asset Class Performance Peak to Trough
Long-Term Capital Management and Russian Default



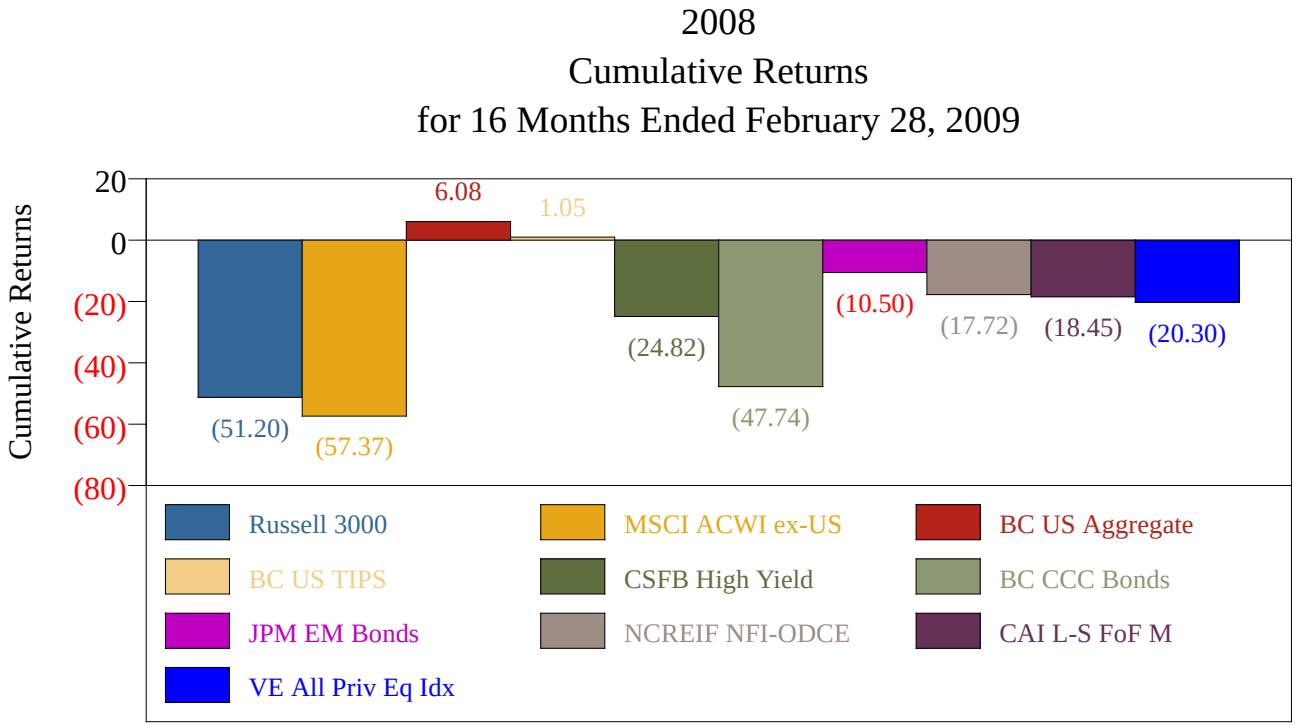
- **CCC and emerging markets bonds are shown as proxies for the distressed and emerging markets debt that may be in the opportunistic fixed income portfolio.**
- **Emerging markets debt was the worst performing asset class over this period as confidence in emerging markets was shaken by the Russian debt default.**
- **US and non-US equity were the next worst performing asset classes.**
- **Investment-grade bonds like the BC US Aggregate and TIPS had positive returns while below investment-grade bonds such as high yield generally and CCC bonds specifically were hurt by their equity-like characteristics.**
- **Real estate had positive returns.**

Asset Class Performance Peak to Trough
Tech Bubble



- **US and non-US public equity were the worst-performing asset classes when the tech bubble burst. Broad private equity also performed poorly driven to a significant degree by the large losses in venture capital.**
- **Broad investment-grade fixed income and TIPS had double digit positive returns. CCC bonds were dragged down by their equity-like characteristics.**
- **Real estate and hedge funds also performed well.**

Asset Class Performance Peak to Trough 2008



- **US and non-US public equity each lost more than 50%. The performance of the distressed debt proxy was almost as bad.**
- **Broad investment-grade fixed income and TIPS had positive returns outperforming all other asset classes by wide margins.**
- **High yield, real estate, hedge funds and broad private equity performed similarly with returns between those of public equity and investment-grade fixed income.**

Review of Asset Class Risks

- **The stronger the equity characteristics, the greater the underperformance in poor equity markets**
  - US equity, non-US equity and private equity perform poorly when equity markets generally are down
  - Other risk assets such as emerging markets debt and low-grade US bonds also often perform poorly under these conditions
  - Active management can mitigate but not eliminate these risks
- **Fixed income tends to perform well when equities fall**
  - Investment grade bonds and TIPS are often up when equity is down
  - Investors frequently demonstrate a “flight to quality” in volatile markets
- **Investments with significant income can also do well**
  - Although real estate struggled in 2008, it generally held its value in other periods
- **Investments which hedge equity exposure can do well**
  - Hedge funds can suffer poor performance when equity markets are down but often experience only a fraction of the losses realized by equity markets

Portfolio Construction

- **Create "optimal" portfolios that minimize risk for a targeted level of return**
  - Risk is minimized by maximizing diversification
- **Basket clause restrictions also need to be recognized**
- **Optimization does not recognize the specific roles that asset classes can play**
  - Standard deviations and correlations only address general "risks"
  - Constraints can be introduced to address more specific risk scenarios

Role of Asset Classes/Strategies

Colored strategies = illiquid investments

- **Capital Accumulation**
  - U.S. equity
  - Non-U.S. equity
  - Emerging markets
  - **Private equity**
  - High yield
  - **Public/private real estate**
- **Diversification/Expand Opportunity Set**
  - TIPS
  - High yield
  - Non-U.S. equity
  - Emerging markets
  - Global
  - Non-U.S. fixed income
  - Commodities
  - **Private equity**
  - **Private real estate**
  - **Hedge funds**
  - **Infrastructure**
  - **Timber**
- **Lower Volatility**
  - Stable value
  - Short duration fixed income
  - **Hedge funds**
- **Flight to Quality**
  - Treasury bonds
  - Cash equivalents
- **Alpha Generation**
  - Small/Mid Cap U.S. equity
  - Non-U.S. equity
  - Emerging markets
  - **Private equity**
  - **Private real estate**
  - **Hedge funds**
- **Inflation hedge**
  - TIPS
  - REITs
  - **Private real estate**
  - **Infrastructure**
  - Commodities
  - **Timber**
  - Equity
  - Other real assets

Capital Market Projections

- **Cornerstones of strategic planning – expectations and time horizon**
- **Projections represent our best thinking regarding the long-term (5 to 10-year) outlook, recognizing our projected returns represent the midpoint of a range, rather than a specific number**
- **Develop results that are readily defensible both for individual asset classes and for total portfolios**
- **Be conscious of the level of change suggested in strategic allocations for long-term investors**
- **Reflect common sense and recent market developments**
- **Balance conflicting opinions**

Callan's Capital Market Projection Process

- **Evaluate the current environment and economic outlook for the U.S. and other major industrial countries:**
  - Business cycles
  - Relative growth
  - Inflation
- **Examine the relationships between the economy and asset class performance**
- **Examine recent and long-run trends in asset class performance**
- **Apply market insight:**
  - Consultant experience - Plan Sponsor, Manager Search, Specialty
  - Industry consensus
  - Client Policy Review Committee
- **Test the projections for reasonable results**

Joint Callan/BAM Assumptions

Asset Class	Single-Year Return	Risk (Standard Deviation, %)	Ten-Year Compound Return
Broad Domestic Equity	9.35%	18.12%	8.00%
Global ex-US	10.06%	20.87%	8.20%
Core+5	4.00%	5.75%	3.90%
High Yield	6.15%	11.55%	5.60%
Opportunistic	6.50%	9.75%	6.20%
TIPS	3.60%	5.90%	3.50%
Real Estate	7.85%	16.35%	6.70%
Hedge Funds	6.75%	10.00%	6.40%
Private Equity	13.10%	30.00%	9.00%
Cash Equivalents	3.00%	0.90%	3.00%

Asset Class	Broad Domestic Equity	Global ex-US	Core+5	High Yield	Oppor-tunistic	TIPS	Real Estate	Hedge Funds	Private Equity	Cash Equivalents
Broad Domestic Equity	1.0000	0.8451	0.0800	0.6117	0.6500	-0.1028	0.7361	0.7412	0.9468	-0.0432
Global ex-US	0.8451	1.0000	0.0400	0.5507	0.6000	-0.1017	0.6584	0.7032	0.9105	-0.0400
Core+5	0.0800	0.0400	1.0000	0.2500	0.1500	0.2500	-0.1000	-0.2900	0.0000	0.0700
High Yield	0.6117	0.5507	0.2500	1.0000	0.9100	0.0600	0.5400	0.5100	0.6500	-0.1100
Opportunistic	0.6500	0.6000	0.1500	0.9100	1.0000	0.0570	0.5100	0.5880	0.6790	-0.1000
TIPS	-0.1028	-0.1017	0.2500	0.0600	0.0570	1.0000	-0.0200	0.1000	-0.1600	0.0700
Real Estate	0.7361	0.6584	-0.1000	0.5400	0.5100	-0.0200	1.0000	0.5600	0.7300	-0.0600
Hedge Funds	0.7412	0.7032	-0.2900	0.5100	0.5880	0.1000	0.5600	1.0000	0.7100	0.1500
Private Equity	0.9468	0.9105	0.0000	0.6500	0.6790	-0.1600	0.7300	0.7100	1.0000	-0.1500
Cash Equivalents	-0.0432	-0.0400	0.0700	-0.1100	-0.1000	0.0700	-0.0600	0.1500	-0.1500	1.0000

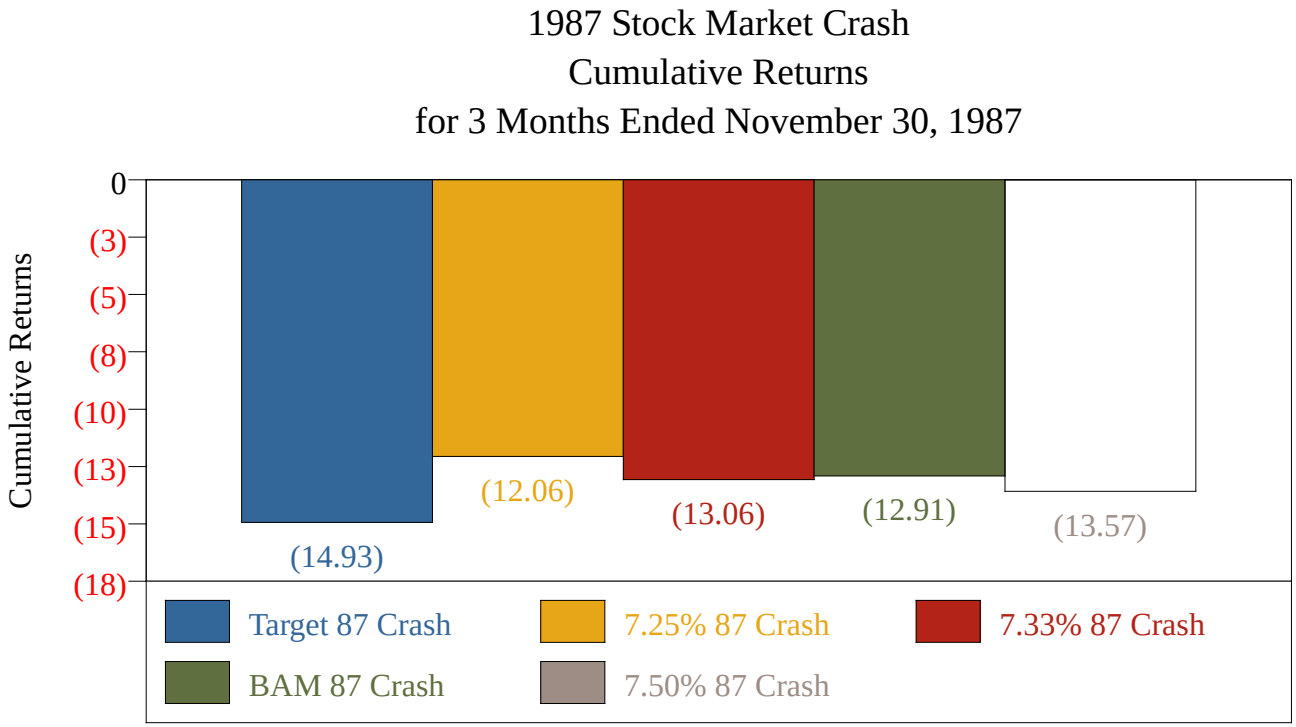
- **Added projections for opportunistic fixed income.**
- **Hedge fund returns are adjusted to reflect the expected composition of a NYCERS investment.**
- **BAM requested a higher correlation between private equity and high yield.**

Efficient Asset Mixes
Joint Assumptions, 25% Basket Clause

Asset Class	Target	Min	Max	7.25%	7.33%	7.50%	BAM
Broad Domestic Equity	41.0%	0%	100%	30.9%	33.3%	36.0%	32.6%
Global ex-US	18.0%	16%	100%	16.0%	16.0%	16.0%	16.9%
Core+5	21.0%	20%	100%	24.4%	22.0%	20.0%	20.0%
High Yield	6.0%	3%	6%	3.0%	3.0%	3.0%	4.0%
Opportunistic	0.0%	0%	4%	4.0%	4.0%	4.0%	5.0%
TIPS	3.0%	3%	5%	3.0%	3.0%	3.0%	4.5%
Real Estate	6.0%	5%	7%	6.7%	6.7%	5.0%	6.0%
Hedge Funds	0.0%	3%	5%	5.0%	5.0%	3.3%	4.0%
Private Equity	5.0%	7%	10%	7.0%	7.0%	9.7%	7.0%
Cash Equivalents	0.0%	0%	100%	0.0%	0.0%	0.0%	0.0%
Total	100.0%			100.0%	100.0%	100.0%	100.0%
Arithmetic Mean	8.09%			7.81%	7.94%	8.21%	7.94%
10-Year Geometric Mean	7.40%			7.25%	7.33%	7.50%	7.33%
Risk	13.55%			12.48%	12.88%	13.80%	12.90%
Total Non-Fixed Income	70.0%			65.6%	68.0%	70.0%	66.5%
Total Basket Clause	17.6%			25.0%	25.0%	25.0%	25.0%
Level 1 Illiquidity	8.0%			13.7%	13.7%	14.7%	13.0%
Level 2 Illiquidity	6.0%			6.0%	6.0%	5.1%	6.5%
Total Illiquidity	14.0%			19.7%	19.7%	19.9%	19.5%
Public Equity Risk	79.1%			68.4%	69.6%	68.5%	69.9%
Public & Private Equity Risk	89.8%			84.7%	85.4%	89.1%	85.6%
Opportunistic Risk	0.0%			2.2%	2.1%	2.0%	2.7%

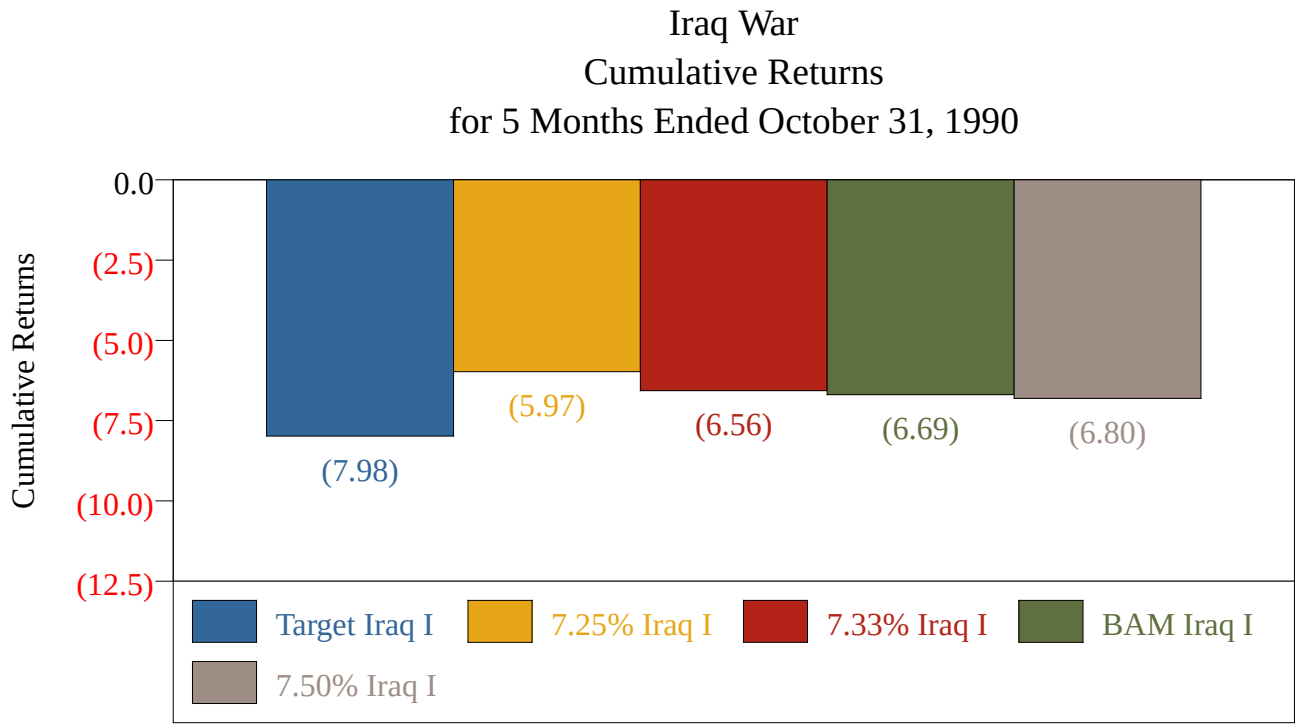
- **Constraints have been imposed so that asset classes that play specific roles in the portfolio (especially roles that mitigate losses in poor equity markets) are included at reasonable levels.**
- **Minimums are imposed on global ex-US equity, Core+5 fixed income, high yield, TIPS, real estate, hedge funds, and private equity.**
- **Maximums on high yield, opportunistic, TIPS, real estate, hedge funds and private equity.**

Asset Mix Performance Peak to Trough
1987 Stock Market Crash



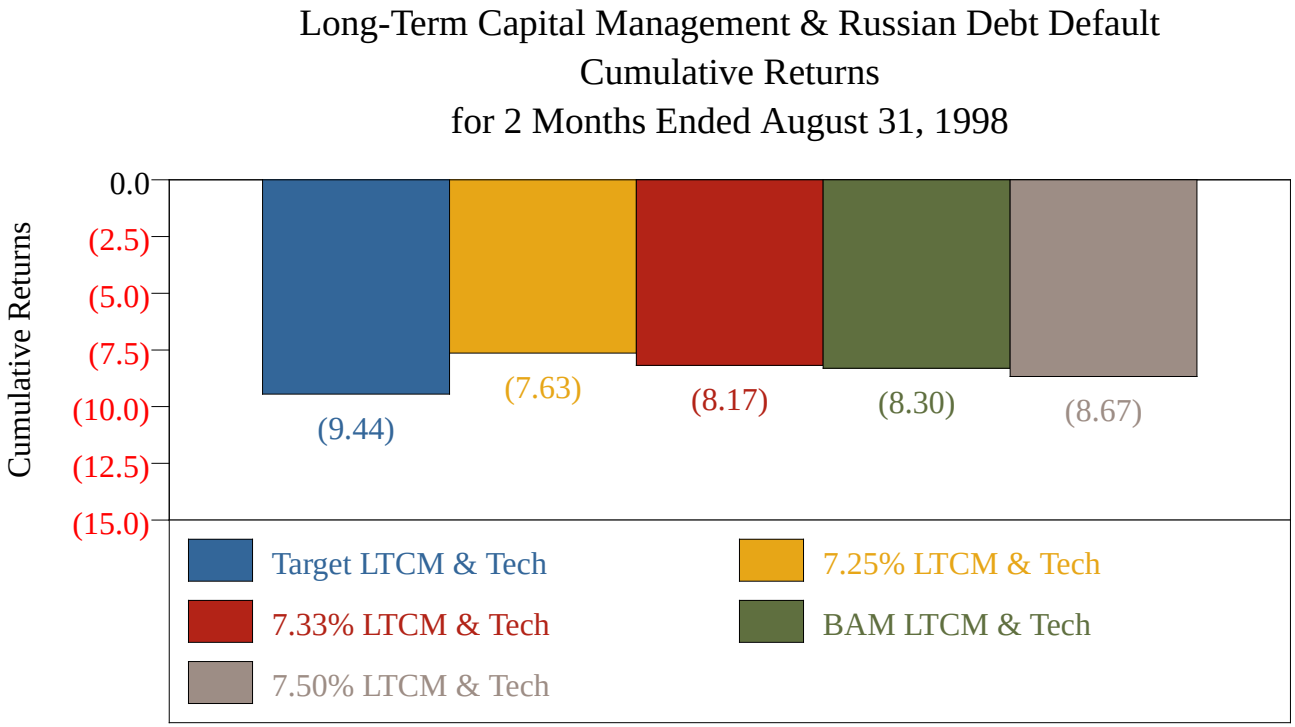
- **The existing target mix would have had the worst performance during the 1987 stock market crash.**
- **Although they have the same expected returns and risks, the 7.33% mix would have underperformed the BAM mix by 15 basis points during the crash. Both mixes would have saved about 2% compared to the target mix.**
- **As is the case in all of the exhibits, the 7.25% mix performs the best in poor equity markets because it has the least amount of equity. Conversely, the 7.50% mix performs the worst because it has the most equity.**

Asset Mix Performance Peak to Trough
First Iraq War



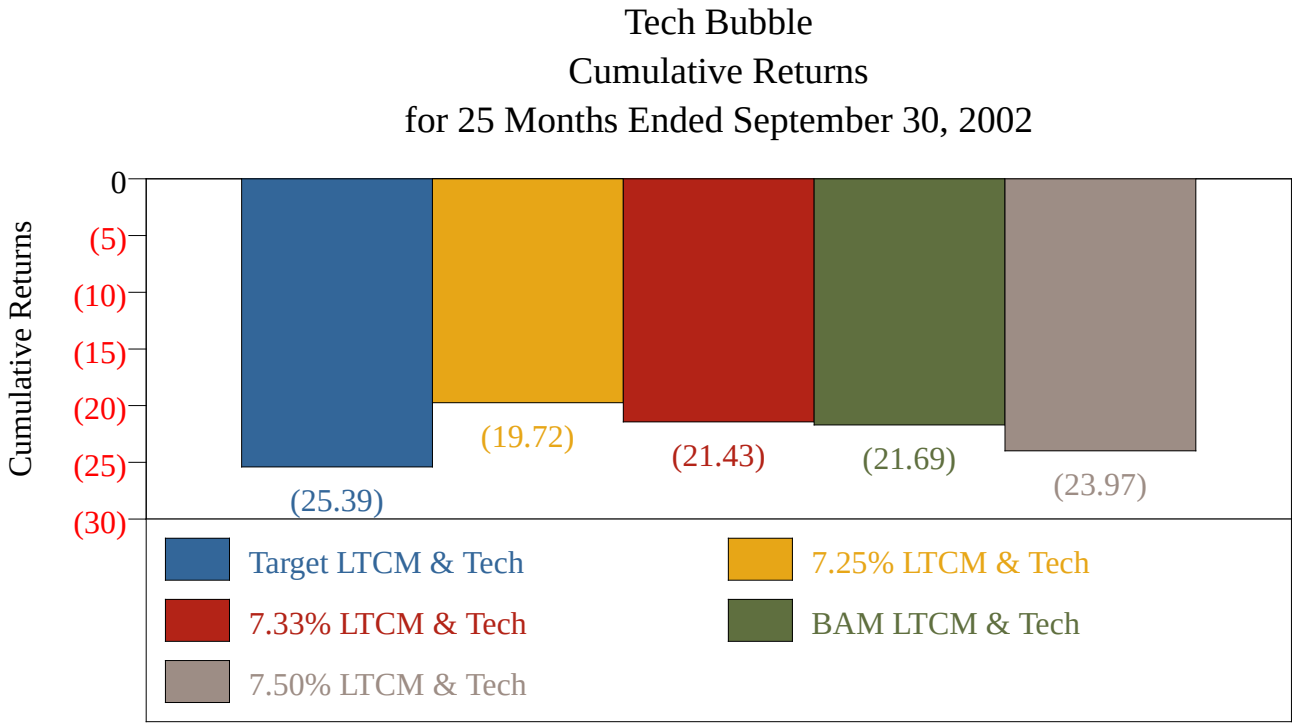
- **The high public equity allocation would have caused the existing target mix to have the worst performance during the stock market decline associated with the first Iraq war**
- **Although they have the same expected returns and risks, the 7.33% mix would have outperformed the BAM mix by 13 basis points during the period. Both of these mixes performed more than 1¼% better than the target mix.**

Asset Mix Performance Peak to Trough
Long-Term Capital Management & Russian Default



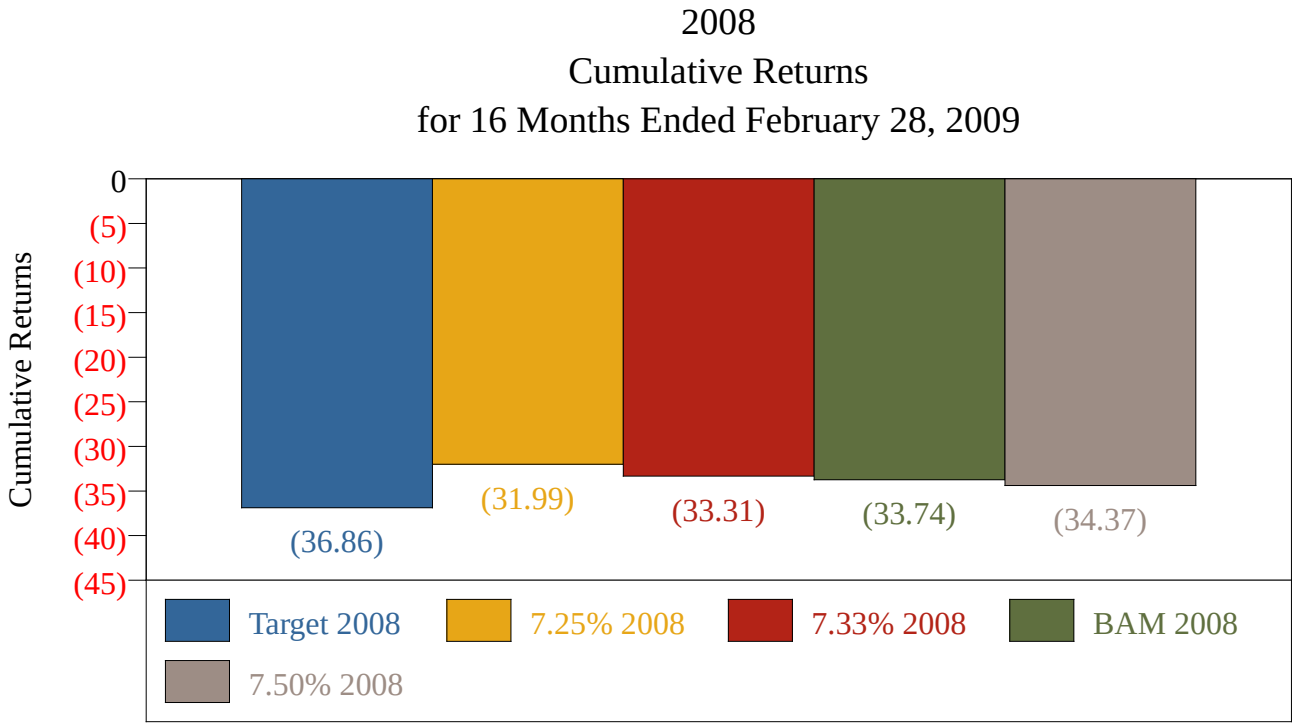
- **The equity-heavy existing target mix would have had the poorest performance over this period.**
- **The 7.33% mix would have outperformed the BAM mix by 13 basis points with both mixes beating the target mix by well over 1%.**

Asset Mix Performance Peak to Trough
Bursting of the Tech Bubble



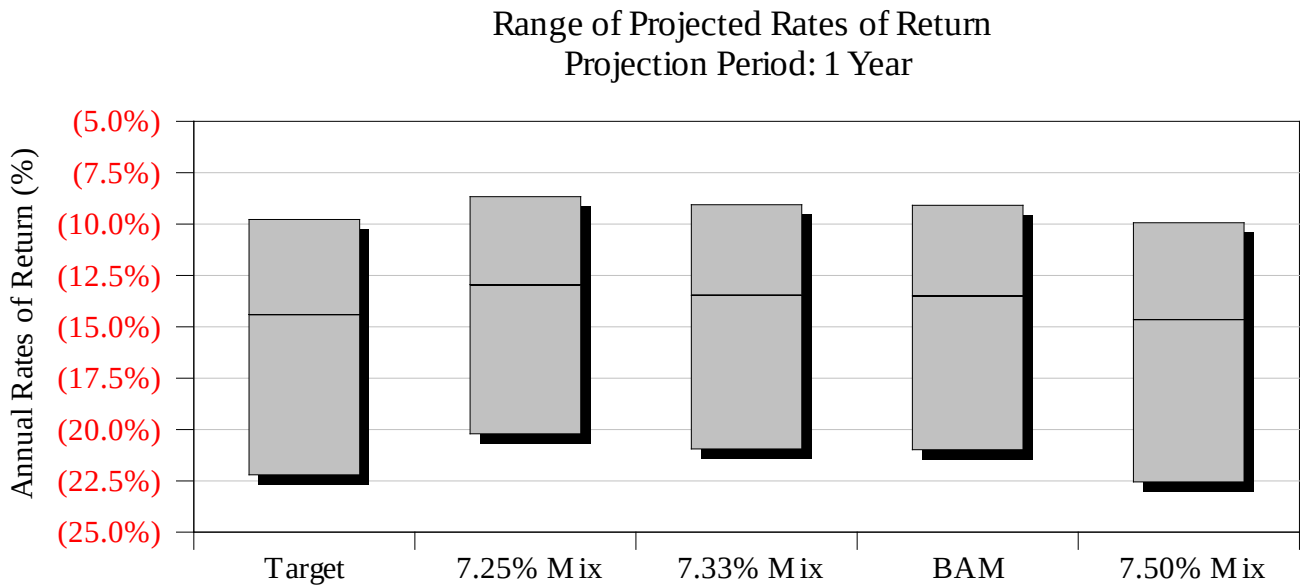
- **The existing target mix would have been down more than 25% when the tech bubble burst.**
- **The 7.33% mix would have outperformed the BAM mix by 26 basis points with both mixes saving the System almost 4%.**

Asset Mix Performance Peak to Trough 2008



- **The existing target mix would have been down almost 37% during the 2008 market crisis.**
- **The 7.33% mix would have outperformed the BAM mix by 43 basis points with both mixes saving the System more than 3%.**

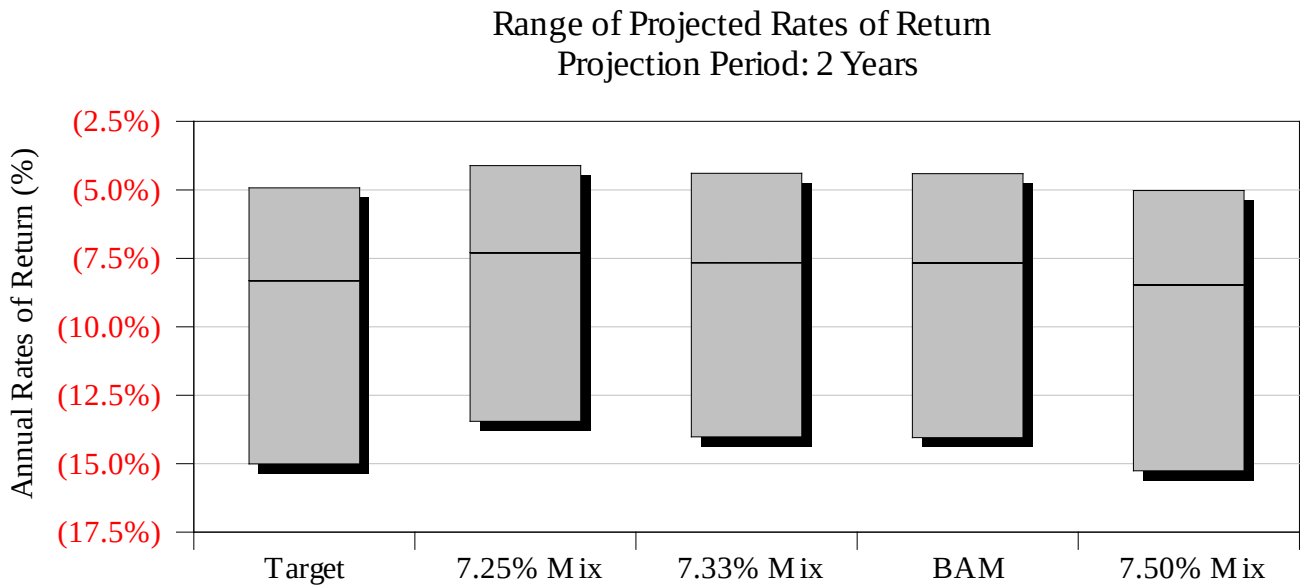
Expected Drawdown Risk
1 Year



	Target	7.25% Mix	7.33% Mix	BAM	7.50% Mix
90th Percentile	(9.8%)	(8.7%)	(9.1%)	(9.1%)	(9.9%)
95th Percentile	(14.4%)	(12.9%)	(13.5%)	(13.5%)	(14.6%)
99th Percentile	(22.2%)	(20.2%)	(20.9%)	(21.0%)	(22.5%)

- **The 90th, 95th, and 99th percentiles represent the losses at the worst 10%, 5% and 1% of the simulated outcomes.**
- **The existing target and 7.50% mixes would be expected to have the worst drawdown risks for any given single year in the future by at least 1%.**
- **The 7.33% mix and the BAM mix are expected to have the same drawdown risks.**

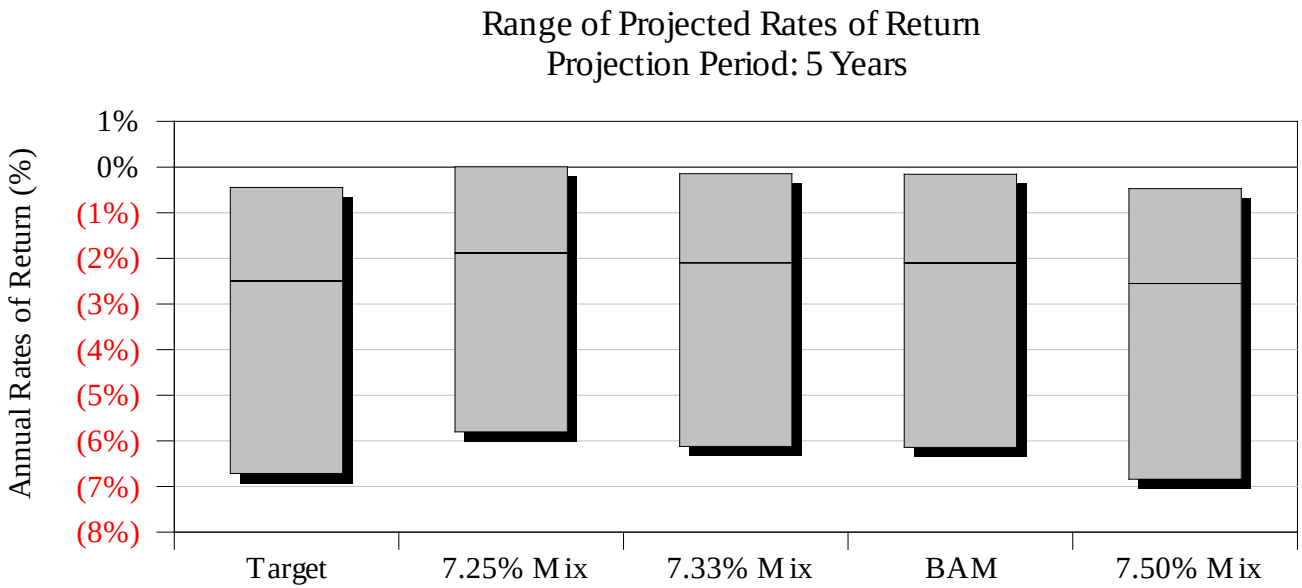
Expected Drawdown Risk
2 Years



	Target	7.25% Mix	7.33% Mix	BAM	7.50% Mix
90th Percentile	(4.9%)	(4.1%)	(4.4%)	(4.4%)	(5.0%)
95th Percentile	(8.3%)	(7.3%)	(7.7%)	(7.7%)	(8.5%)
99th Percentile	(15.0%)	(13.4%)	(14.0%)	(14.0%)	(15.3%)

- **The existing target and 7.50% mixes continue to have the worst drawdown risks over two-year periods in the future.**
- **The 7.33% mix and the BAM mix are expected to have the same drawdown risks over two years as well as one year.**
- **The returns shown above are not as poor on an annualized basis as those over one year because extremely bad returns are unlikely to be repeated in consecutive years. However, since the returns above are annualized, the cumulative return over two years is twice as bad as that shown above.**

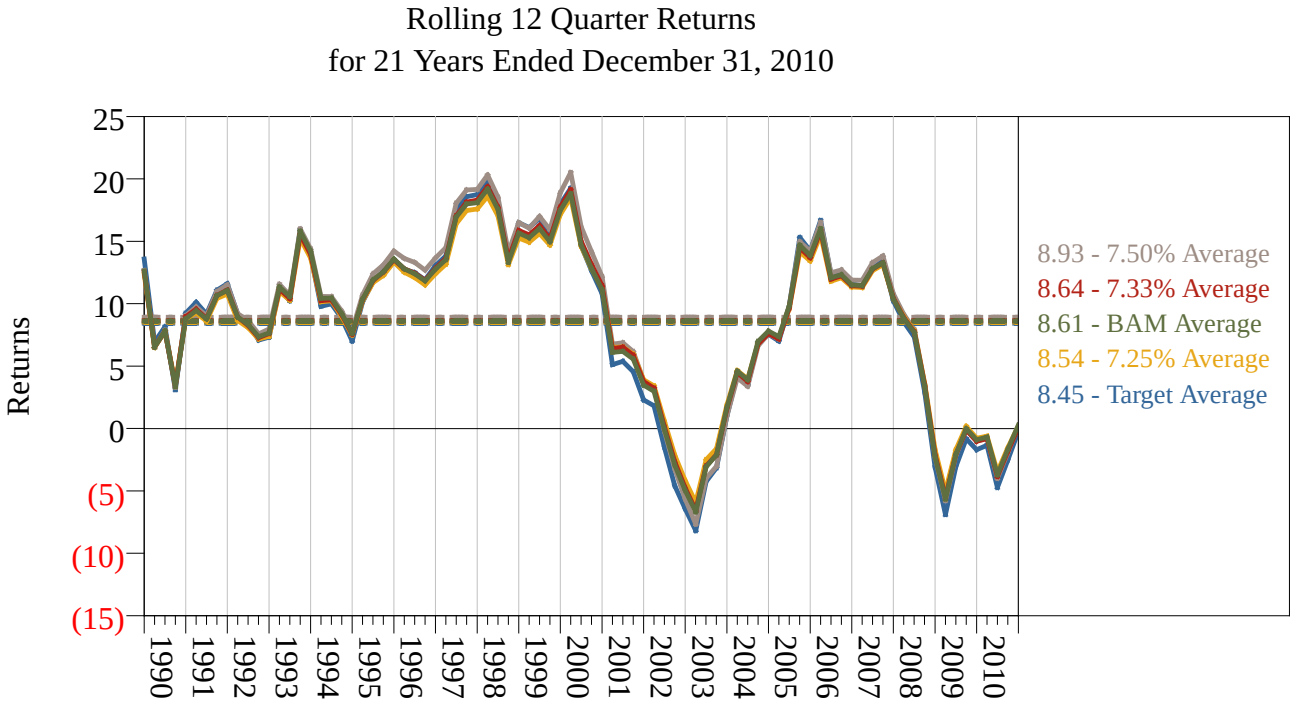
Expected Drawdown Risk
5 Years



	Target	7.25% Mix	7.33% Mix	BAM	7.50% Mix
90th Percentile	(0.4%)	0.0%	(0.1%)	(0.2%)	(0.5%)
95th Percentile	(2.5%)	(1.9%)	(2.1%)	(2.1%)	(2.5%)
99th Percentile	(6.7%)	(5.8%)	(6.1%)	(6.1%)	(6.8%)

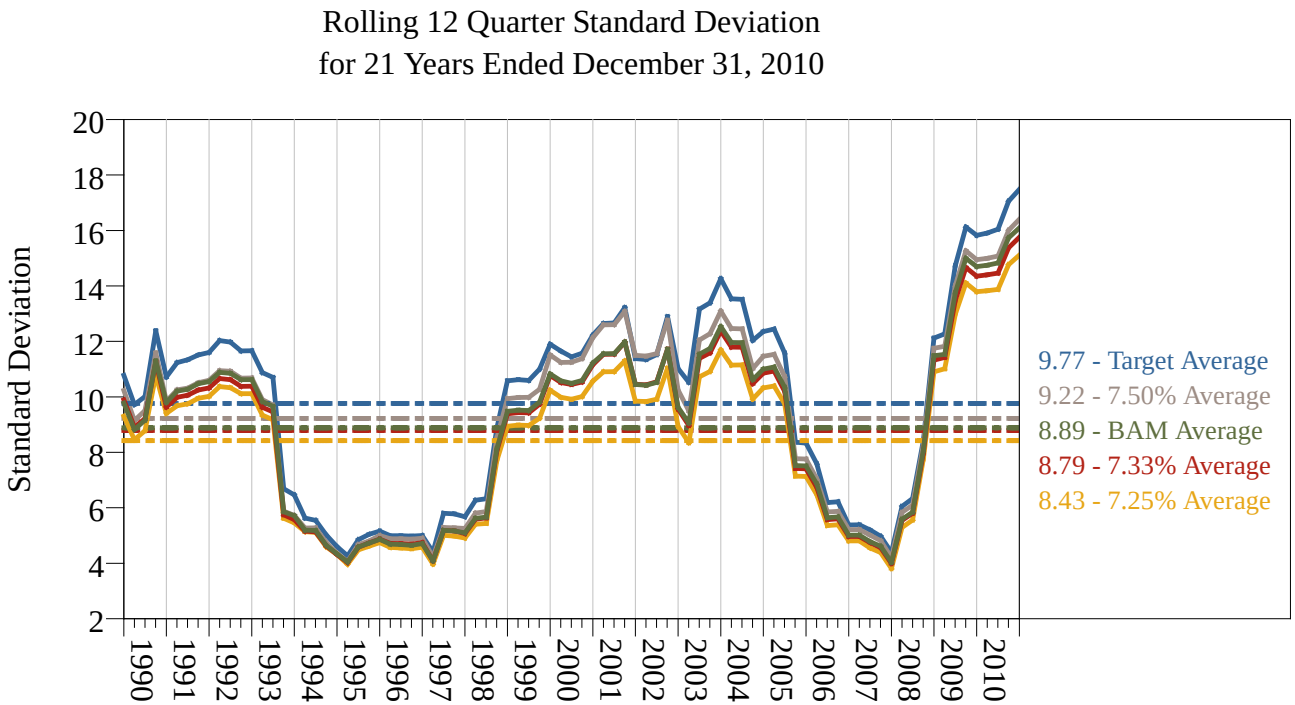
- **The similarities the 7.33% mix and the BAM mix continue over five-year periods in the future. In the 99th percentile, they save the System about 60 basis points per year for five years.**
- **The 7.25% mix now avoids cumulative losses at the 90th percentile.**
- **Although there is a narrower band of annualized returns over five years, the range of cumulative returns is larger than over 2 years.**

Performance
Rolling 3-Year Returns



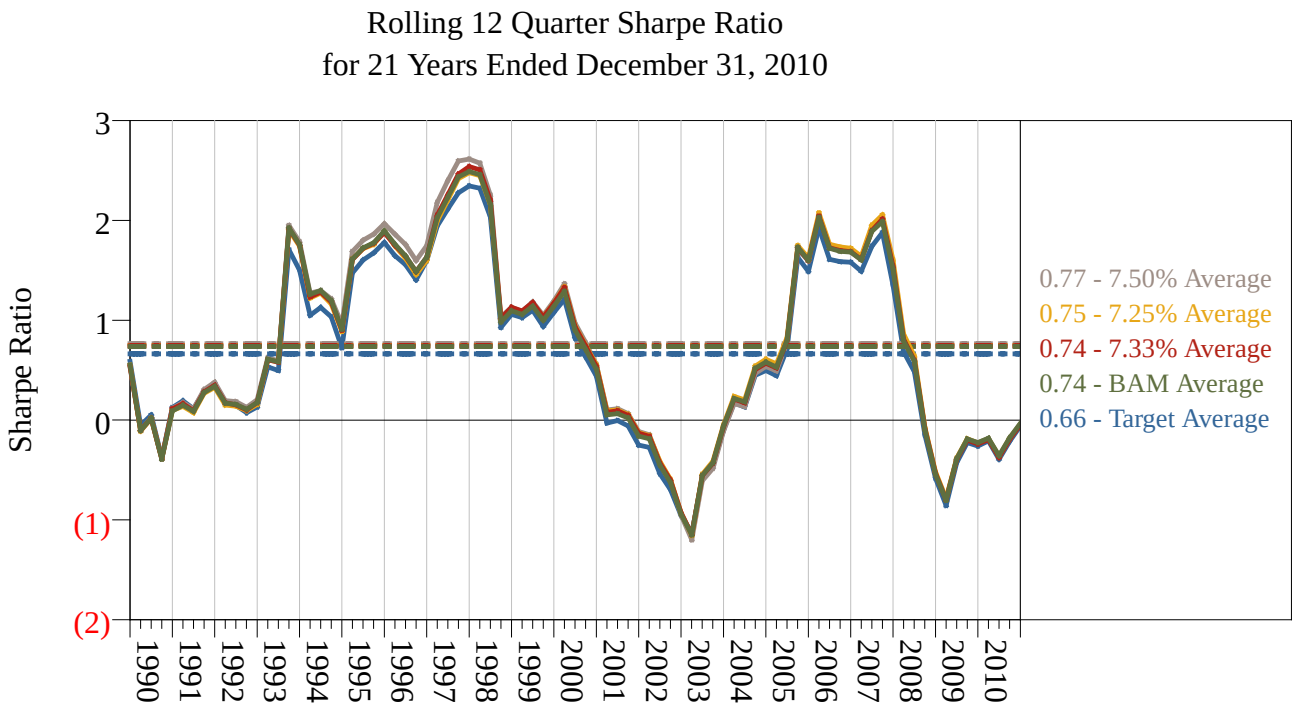
- **The average historical mix returns generally reflect the same order as the projected returns.**
  - The exception is that the existing target mix which has an expected return of 7.40% but an average rolling 3-year historical return of less than that of the 7.25% mix. This is likely due to the concentrated equity risk.

Risk
Rolling 3-Year Standard Deviations



- **As was the case with returns, the average historical mix risks reflect the same order as the projected mix risks.**
  - The historical risk of the existing target mix rises above the risks of the all of the other mixes.

Risk-Adjusted Returns
Rolling 3-Year Sharpe Ratios



- **The Sharpe ratio is the amount of return earned for risk taken.**
  - The higher the Sharpe ratio the better because higher Sharpe ratios mean that more return is earned for a given level of risk.
- **The alternative mixes all have significantly higher Sharpe ratios than the target mix**

Summary Observations/Recommendations

- **Both projected and historical returns demonstrate the benefits of additional diversification available from new and existing asset classes**
  - Downside protection in past market crises
  - Reduction in overall market risk
  - Greater opportunities for added value from superior investment managers in selected areas
  - Some reduced liquidity
- **Significant allocations to equity asset classes have to be maintained over the intermediate term**
  - Fixed income returns are likely to be relatively poor over the next several years
  - Equity returns are likely to be below long-run historical averages
  - Below average returns for publicly-traded stocks and bonds mean that relatively high equity allocations are necessary to achieve a given return target
  - NYCERS already has a significant equity allocation which would be difficult to reduce given the dollar value of the assets

Summary Observations/Recommendations

- **The fixed income allocation should be maintained at approximately its current level**
  - Even with low expected returns, the downside protection is critical
- **The real estate allocation should be maintained**
  - Real estate provides capital appreciation, income and diversification as well as less volatility than equity
- **Hedge funds should be introduced and opportunistic fixed income should be expanded**
  - Hedge funds provide diversification and access to differentiated sources of active manager value added
  - Due to its credit characteristics, opportunistic fixed income can have significant correlation with equity but there are current opportunities as well as a different source of active manager value added
  - The amount of risk contributed to the total portfolio by opportunistic fixed income can be mitigated by funding out of high yield fixed income

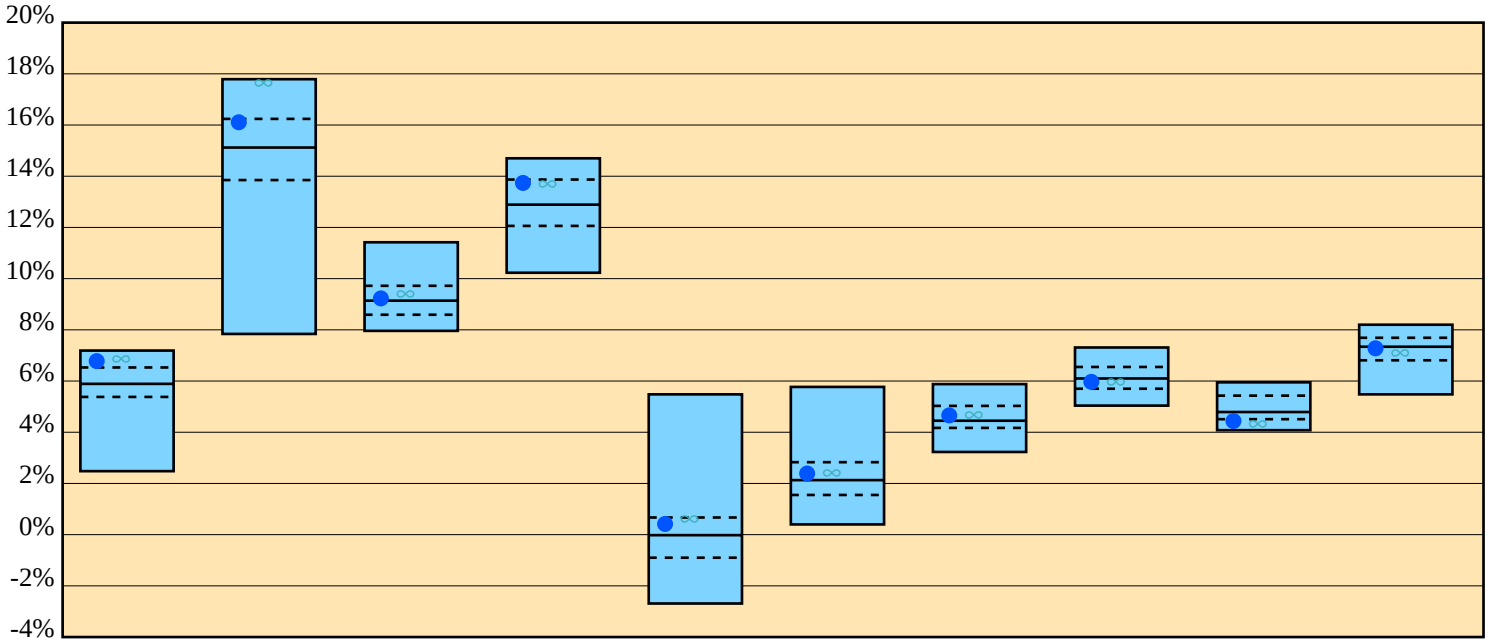
Summary Observations/Recommendations

- **Callan and BAM recommend adopting a new asset allocation policy which targets a return similar to the existing target.**
- **BAM has presented a recommended portfolio for approval shown as the "BAM" mix (slide 18)**
  - Similar expected return as current portfolio with significantly improved diversification
  - Optimized portfolio targeting similar expected return to the BAM mix (7.33%) shows similar expected levels of risk
  - Measures of illiquidity and equity market risk nearly identical in the BAM mix and optimized 7.33% portfolios
  - Both the BAM mix and 7.33% optimized portfolios:
    - Significantly improve overall diversification
    - Would have achieved better downside protection in past market crises
    - Begin the process of further portfolio diversification and reducing equity risk exposure as basket clause limitations are relaxed and the outlook for capital markets improves

APPENDICES

TUCS PERFORMANCE RANKINGS 4Q10

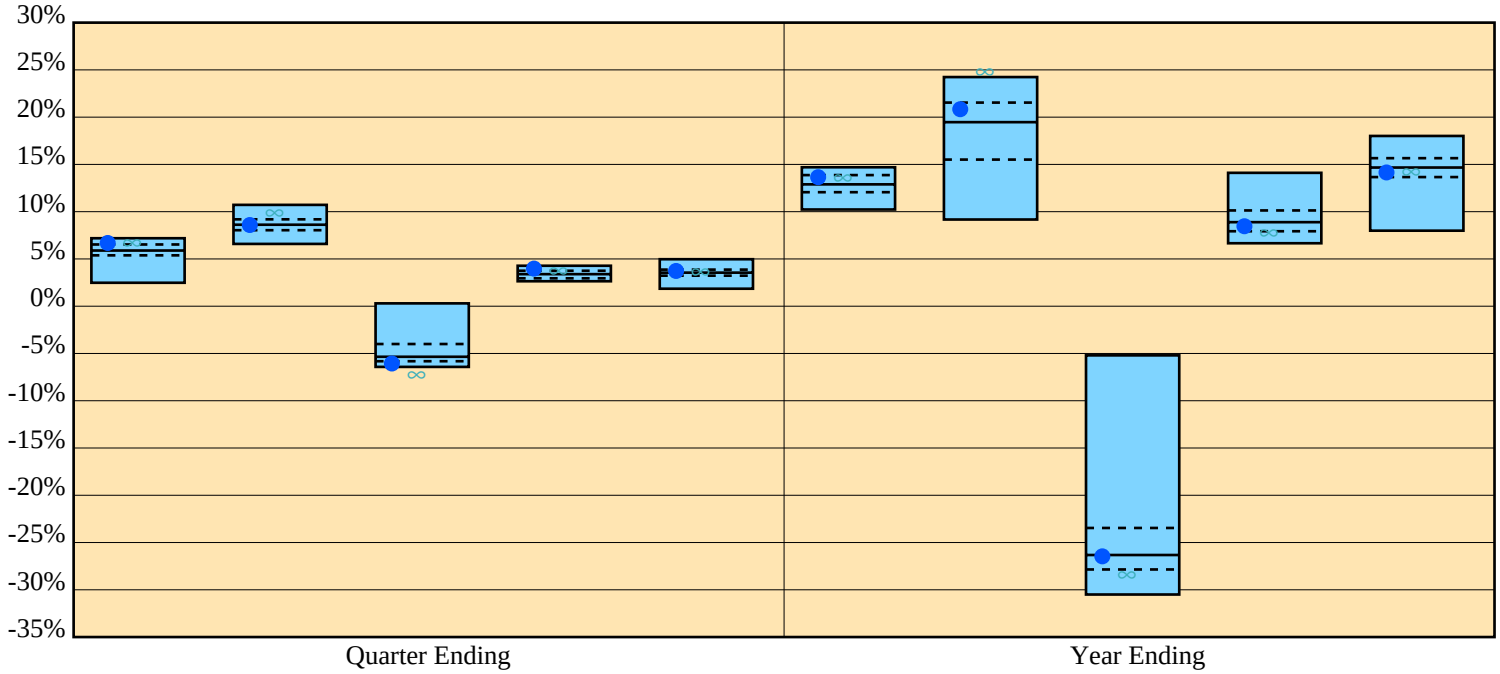
City of New York - Employees
Total Returns of Public Master Trusts > $10 Billion
Rates of Return for Periods Ending December 31, 2010



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	7.19	17.79	11.42	14.70	5.48	5.77	5.88	7.31	5.95	8.20
25th Percentile	6.53	16.24	9.72	13.87	0.67	2.83	5.03	6.55	5.43	7.69
Median	5.89	15.12	9.14	12.89	-0.02	2.13	4.45	6.10	4.79	7.34
75th Percentile	5.38	13.85	8.59	12.06	-0.90	1.55	4.17	5.70	4.51	6.81
95th Percentile	2.48	7.84	7.96	10.23	-2.69	0.40	3.23	5.04	4.08	5.48
● Total System	6.83 (15)	16.16 (25)	9.28 (45)	13.79 (27)	0.47 (32)	2.44 (35)	4.71 (40)	6.02 (58)	4.49 (78)	7.33 (50)
∞ Employees Policy Benchmark	6.97 (10)	17.74 (5)	9.48 (32)	13.78 (30)	0.71 (22)	2.49 (32)	4.78 (32)	6.05 (55)	4.41 (84)	7.18 (54)

Returns for periods greater than one year are annualized.

City of New York - Employees
Total Returns of Public Master Trusts > $10 Billion
Recent Periods



	Dec 10	Sep 10	Jun 10	Mar 10	Dec 09	Dec 10	Dec 09	Dec 08	Dec 07	Dec 06
5th Percentile	7.19	10.72	0.30	4.28	4.97	14.70	24.24	-5.20	14.11	18.01
25th Percentile	6.53	9.19	-4.00	3.75	3.87	13.87	21.54	-23.46	10.13	15.66
Median	5.89	8.62	-5.35	3.39	3.55	12.89	19.47	-26.32	8.89	14.67
75th Percentile	5.38	8.04	-5.82	2.95	3.23	12.06	15.51	-27.85	7.93	13.66
95th Percentile	2.48	6.59	-6.42	2.64	1.85	10.23	9.17	-30.50	6.66	7.99
● Total System	6.83 (15)	8.73 (40)	-5.92 (83)	4.12 (15)	3.87 (25)	13.79 (27)	20.98 (35)	-26.32 (50)	8.60 (55)	14.29 (58)
∞ Employees Policy Benchmark	6.97 (10)	10.07 (8)	-7.02 (96)	3.93 (17)	3.90 (20)	13.78 (30)	25.03 (1)	-28.19 (77)	8.01 (72)	14.48 (50)

Returns for periods greater than one year are annualized.

BASKET CLAUSE

NYCERS - BASKET/NON BASKET SUMMARY

As of March 31, 2011	Fund Policy			Fund Actual (PE & RE on an invested basis)		
Equity	**Non Basket**	**Basket**	**Total**	**Non Basket**	**Basket**	**Total**
Domestic Equity	41.00%	0.00%	41.00%	43.51%	0.00%	43.51%
Non-U.S. Equity	10.00%	8.00%	18.00%	10.00%	7.96%	17.96%
Private Equity	0.00%	5.00%	5.00%	0.00%	7.29%	7.29%
Real Estate	2.40%	3.60%	6.00%	1.68%	1.23%	2.91%
Total Equity	53.40%	16.60%	70.00%	55.18%	16.48%	71.66%
Fixed Income						
Core+5	20.00%	0.00%	20.00%	14.72%	0.00%	14.72%
U.S. Gov't Sector	*4.25%*	*0.00%*	*4.25%*	*2.52%*	*0.00%*	*2.52%*
Mortgage Sector	*8.76%*	*0.00%*	*8.76%*	*6.77%*	*0.00%*	*6.77%*
Credit Sector	*6.99%*	*0.00%*	*6.99%*	*5.44%*	*0.00%*	*5.44%*
High Yield	4.00%	0.50%	4.50%	3.14%	0.30%	3.44%
TIPS	2.50%	0.50%	3.00%	1.93%	0.45%	2.38%
Convertibles	1.00%	0.00%	1.00%	1.37%	0.00%	1.37%
Strategic/Opportunistic	1.00%	0.50%	1.50%	0.00%	0.98%	0.98%
Other Fixed Income	0.00%	0.00%	0.00%	5.42%	0.03%	5.45%
Total Fixed Income	28.50%	1.50%	30.00%	26.58%	1.76%	28.34%
Total Fund	81.90%	18.10%	100.00%	81.77%	18.23%	100.00%
Remaining Capacity		6.90%			6.77%	