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

Scott M. Stringer
COMPTROLLER

TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

COMMON INVESTMENT MEETING

JUNE 15, 2016

LOCATION:
Office of the New York City Comptroller
1 Centre Street, 10th Floor - Northside
New York, NY 10007

TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

(CIM) COMMON INVESTMENT MEETING

JUNE 15, 2016

PUBLIC AGENDA MATERIALS

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Performance Reporting:

- <u>ETI Quarterly Report</u>:

Teachers Pension Fund - Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	BOA		CCD		CFSB		CPC		LIIF		NCBCI		NHS		WF		LISC		BE	
Contractual Commitments	$30.00 MM		$40.00 MM		$9.00 MM		$250.00 MM		$25.00 MM		$12.00 MM		$3.00 MM		$20.00 MM		$10.00 MM		$10.00 MM	
Current Market Value	$7.71 MM		$15.56 MM		$2.39 MM		$149.14 MM		$7.11 MM		$1.83 MM		$0.64 MM		$0.00 MM		$0.00 MM		$0.00 MM	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Commitments 1Q 16 (included in total)																				
Bronx	$0	0	$0	0	$0	0	$4,357,500	333	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Brooklyn	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	861,713	74	0	0
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	2,108,000	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	$0	0	$2,108,000	41	$0	0	$4,357,500	333	$0	0	$0	0	$0	0	$0	0	$861,713	74	$0	0
Delivered 1Q 16 (included in total)																				
Bronx	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Brooklyn	0	0	0	0	0	0	1,424,095	63	0	0	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	64,146	4	1,435,911	124	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	1,163,750	97	0	0	0	0	0	0	0	0	0	0	0	0
Total	$0	0	$0	0	$0	0	$2,651,991	164	$1,435,911	124	$0	0	$0	0	$0	0	$0	0	$0	0
Total Commitments																				
Bronx	$400,000	90	$4,888,159	193	$0	0	$23,875,473	1,409	$1,001,650	74	$0	0	$0	0	$0	0	$1,086,756	48	$0	0
Brooklyn	4,984,509	400	5,768,118	161	0	0	16,241,437	870	4,247,788	251	0	0	0	0	0	0	861,713	74	2,114,267	359
Manhattan	2,240,000	100	0	0	0	0	25,306,991	1,252	6,073,647	306	0	0	0	0	4,826,417	203	1,921,533	90	0	0
Queens	600,000	54	0	0	0	0	9,288,300	406	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	360,000	67	0	0	0	0
Outside of NYC	595,000	39	2,108,000	41	0	0	2,723,000	62	0	0	0	0	0	0	0	0	0	0	0	0
Total	$8,819,509	683	$12,764,277	395	$0	0	$77,435,201	3,999	$11,323,085	631	$0	0	$0	0	$5,186,417	270	$3,870,002	212	$2,114,267	359
Historical Investments																				
Bronx	$1,750,000	60	$5,937,550	452	$0	0	$51,883,333	3,945	$534,986	43	$0	0	$0	0	$0	0	$0	0	$0	0
Brooklyn	0	0	3,678,417	252	0	0	82,708,645	3,617	2,313,267	245	0	0	330,213	7	0	0	0	0	0	0
Manhattan	0	0	3,235,255	283	2,659,482	197	48,257,585	3,261	3,947,157	246	1,605,582	123	252,445	15	0	0	0	0	0	0
Queens	5,019,680	239	660,000	54	0	0	22,125,121	903	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	227,500	8	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	10,915,450	385	0	0	0	0	0	0	0	0	0	0	0	0
Total	$6,769,680	299	$13,511,222	1,041	$2,659,482	197	$216,117,634	12,119	$6,795,410	534	$1,605,582	123	$582,658	22	$0	0	$0	0	$0	0
*Lenders :	Bank of America		Citibank Community Development		Carver Federal Savings Bank		The Community Preservation Corp		Low Income Investment Fund		NCB Capital Impact		Neighborhood Housing Service		Wells Fargo		Local Initiatives Support Corporation		Bellwether Enterprise	

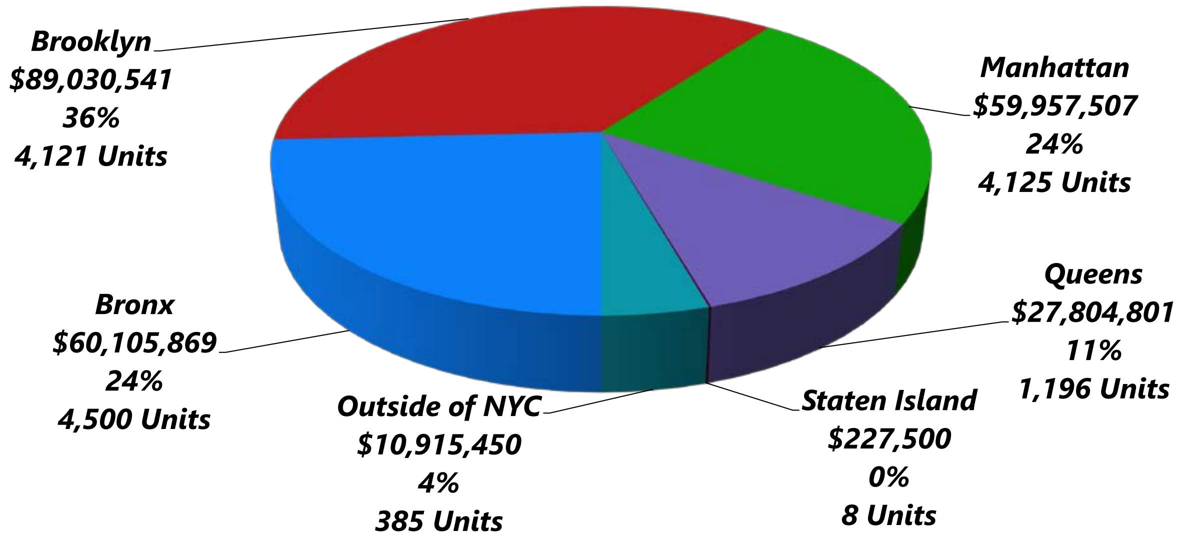
Teachers Pension Fund - Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

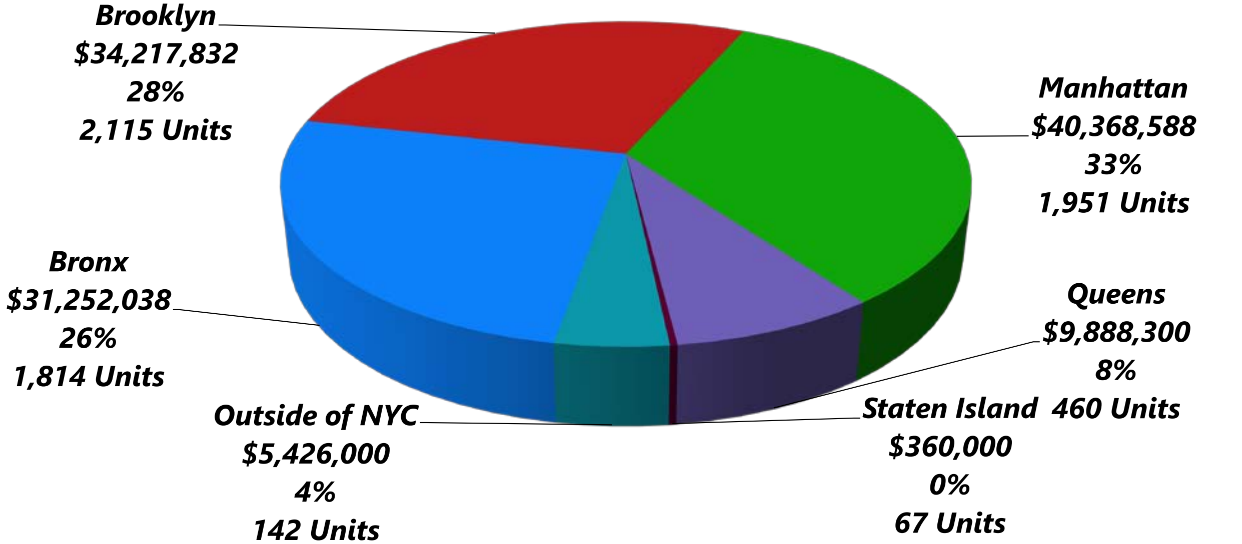
Contractual Commitments	$399.00 MM
Current Market Value	$184.38 MM

	Dollars	Units
Commitments 1Q 16 (included in total)		
Bronx	$4,357,500	333
Brooklyn	861,713	74
Manhattan	0	0
Queens	0	0
Staten Island	0	0
Outside of NYC	2,108,000	41
Total	$7,327,213	448
Delivered 1Q 16 (included in total)		
Bronx	$0	0
Brooklyn	1,424,095	63
Manhattan	1,500,057	128
Queens	0	0
Staten Island	0	0
Outside of NYC	1,163,750	97
Total	$4,087,901	288
Total Commitments		
Bronx	$31,252,038	1,814
Brooklyn	34,217,832	2,115
Manhattan	40,368,588	1,951
Queens	9,888,300	460
Staten Island	360,000	67
Outside of NYC	5,426,000	142
Total	$121,512,758	6,549
Historical Investments		
Bronx	$60,105,869	4,500
Brooklyn	89,030,541	4,121
Manhattan	59,957,507	4,125
Queens	27,804,801	1,196
Staten Island	227,500	8
Outside of NYC	10,915,450	385
Total	$248,041,668	14,335

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



Teachers Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)
Market Value $278.02 million*
NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013
Multifamily Investments Detail

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

NYCCII Phase I 2002-2005

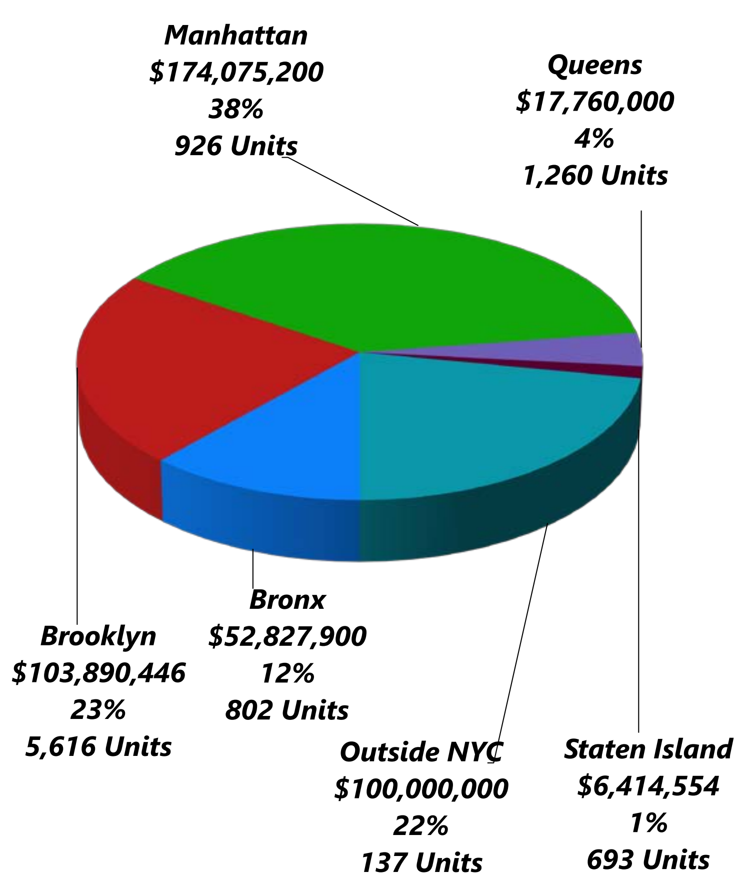
	Dollars	Units	Member Loans	Total All NYC PF's
Multifamily Investments	$249,123,500	12,337	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
Total NYCCII Phase I	$597,424,063	12,337	131	446

NYCCII Phases I & II

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

*Interest is reinvested

HIT Multifamily Investments



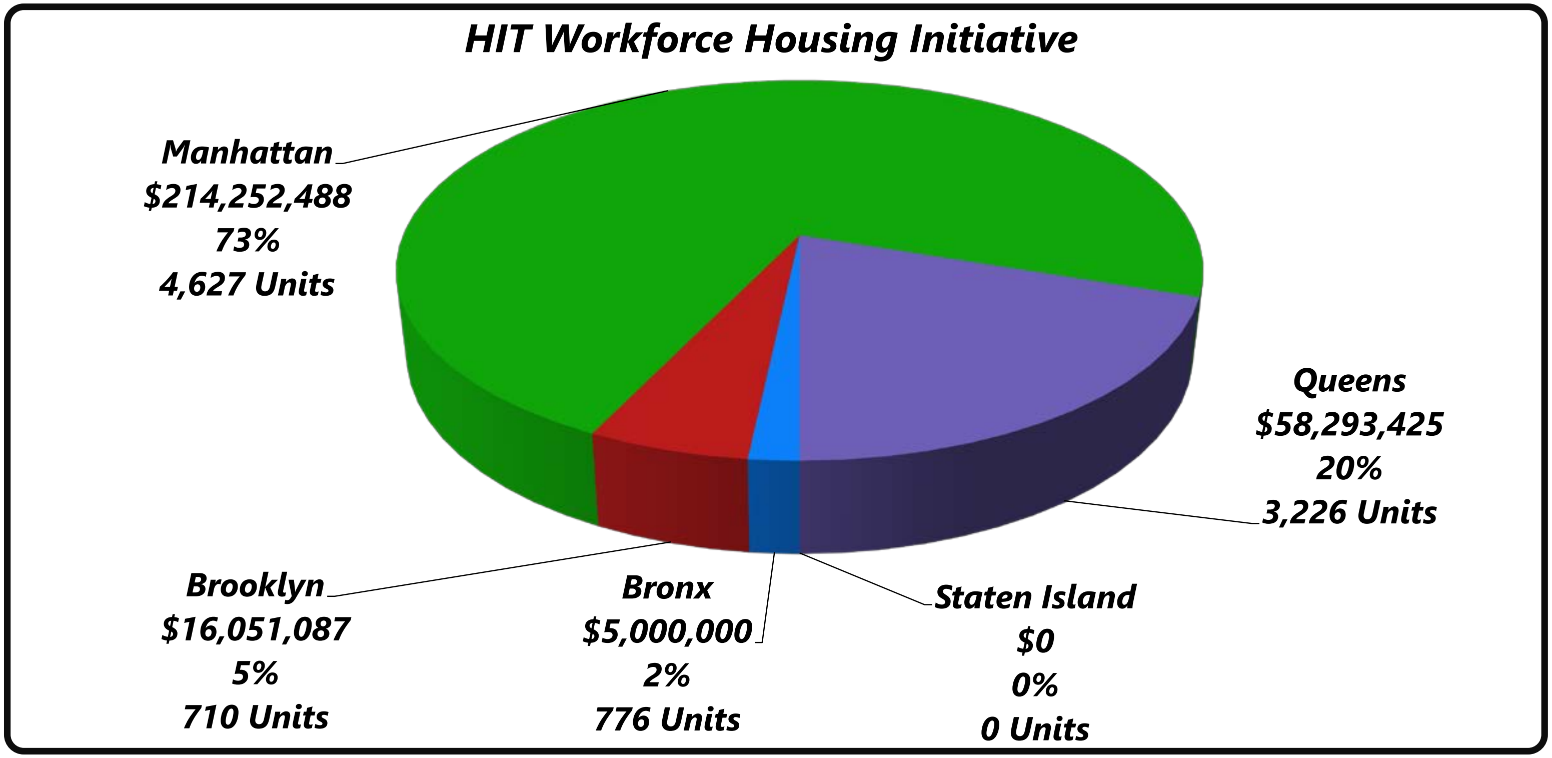
Teachers Pension Fund - Economically Targeted Investments Quarterly Report

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

Investments From 2009 Through Q1 2016

Workforce Investments Detail

Borough	1Q Investments	Investments Since Inception	1Q Housing Units	Housing Units Since Inception
Bronx	$0	$5,000,000	0	776
Brooklyn	0	16,051,087	0	710
Manhattan	0	214,252,488	0	4,627
Queens	0	58,293,425	0	3,226
Staten Island	0	0	0	0
Total	$0	$293,597,000	0	9,339



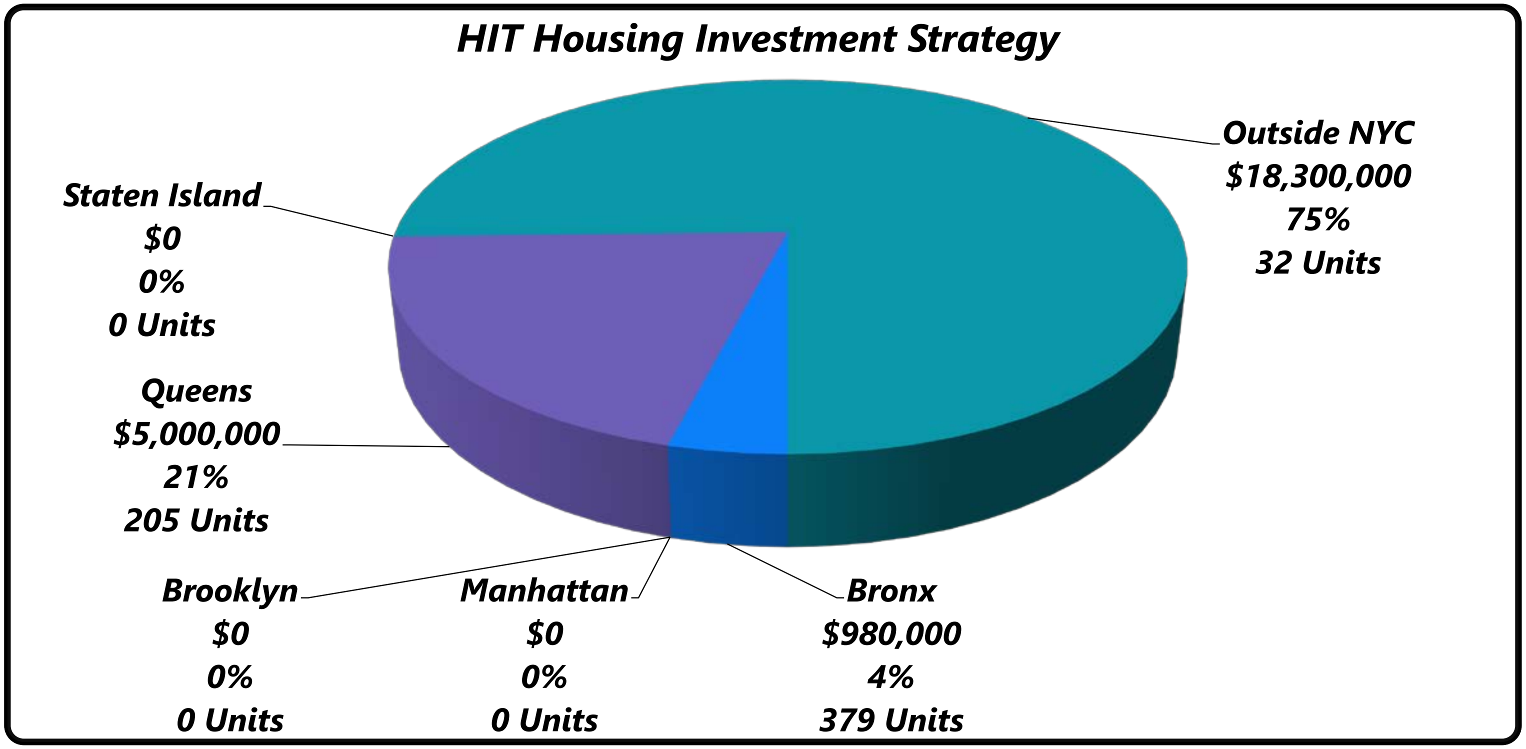
Teachers Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)
HIT Housing Investment Strategy

Investments From Q4 2015 Through Q1 2016

Housing Investment Strategy Detail

Borough	1Q Investments	Investments Since Inception	1Q Housing Units	Housing Units Since Inception
Bronx	$0	$980,000	0	379
Brooklyn	0	0	0	0
Manhattan	0	0	0	0
Queens	0	5,000,000	0	205
Staten Island	0	0	0	0
Outside NYC	18,300,000	18,300,000	32	32
Total	$18,300,000	$5,980,000	32	616



Teachers Pension Fund - Economically Targeted Investments Quarterly Report

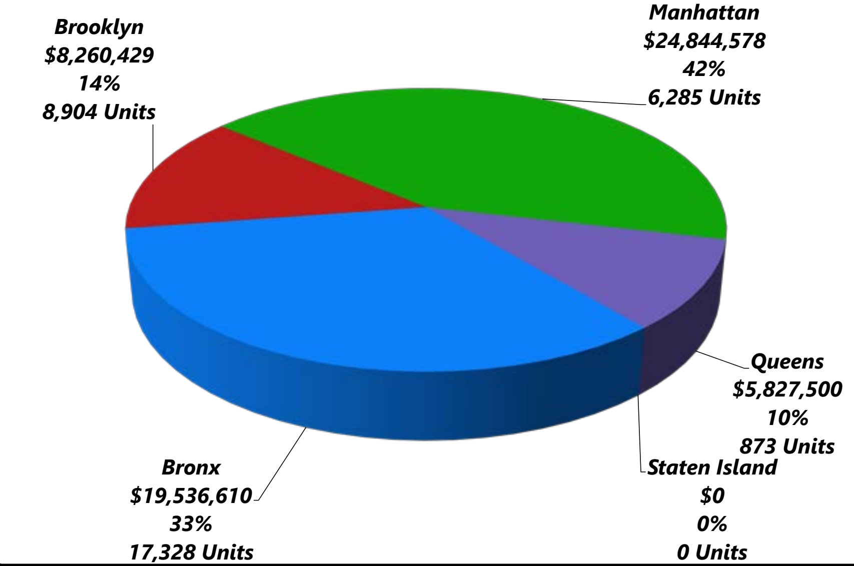
ACCESS CAPITAL STRATEGIES (Since Inception 2/1/07)

$105 million Allocated (35% of total account)
Market Value $101.96 million

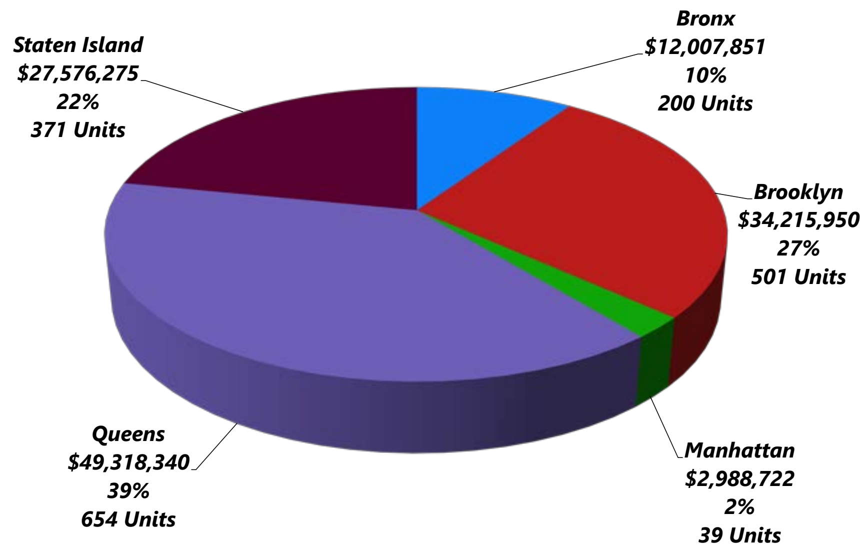
Multifamily Investments Detail	$ Invested[1]		Units[2]	
	1Q	Total	1Q	Total
Bronx	$0	$19,536,610	0	17,328
Brooklyn	0	$8,260,429	0	8,904
Manhattan	0	$24,844,578	0	6,285
Queens	0	$5,827,500	0	873
Staten Island	0	$0	0	0
Total TRS Multifamily Investments	0	$58,469,117	0	33,390
Multifamily Total All Systems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

[1] Certain bond investment amounts are allocated pro rata across boroughs based upon unit count.
[2] If not indicated otherwise, superintendent units are allocated based on building size.

Access Multifamily Investments Since Inception Teachers



Access Single Family Investment Since Inception Teachers



- Private Equity Quarterly Report:

Hamilton Lane

Teachers' Retirement System of the City of New York

Fourth Quarter 2015 Report

Content

Section 1:

Market Update

The Private Equity Market

Introduction

U.S. public markets experienced a year of highs and lows in 2015 ending with a flat annual return after a positive fourth quarter. The S&P 500 ended the year up 1.38% and quarter-over-quarter was up 7.04%, making it the best quarter of the year. 2015 consisted of market rallies and sell offs due to concerns over the Federal Reserve's interest rate rise, energy price volatility and stagnating economic growth in China.[1]

In May of 2015, the U.S. stock market was at record highs and then shortly after, in August, experienced its largest decrease during the bull market due to fears of a China-led economic slowdown. December 2015 saw an end to the unprecedented monetary stimulus that had moved the stock market into a six and a half year rally after the Federal Reserve finally raised interest rates. Along with interest rate concerns that swayed the market over the year, the decline in commodity prices, particularly in oil, added to the market volatility. Energy companies experienced their worst year since 2008. By comparison, the international developed markets, as measured by the MSCI EAFE Index, ended the year down 0.81%, while the fourth quarter closed at a positive return of 4.71%. The emerging markets were down for the year with the MSCI Emerging Markets Index moving down 14.92%, driven by continued worries about China's economic slowdown and the effect it could have on global growth.[23]

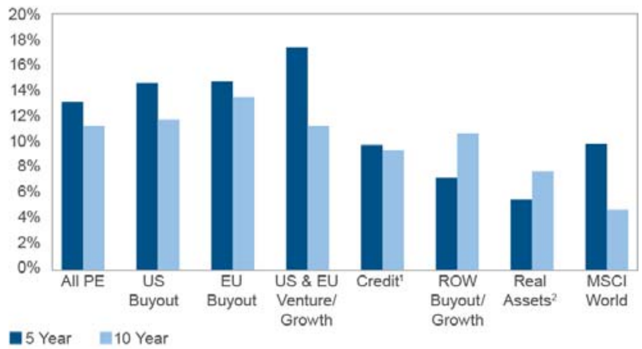
During the year ended 2015, the private equity asset class began to once again widen its performance returns compared to the public markets. Fundraising was consistent and 2015 experienced another year of high distributions, making it the second-highest year of distributions over the last twelve years. Increased distributions have added to LPs' desires to further invest their cash into the asset class. Deal activity slowed a bit due to the high pricing environment and lower exit activity, but the aggregate deal value increased as GPs are completing fewer individual buyout deals, but doing so at larger values.[45]

Private Equity Performance

2015 resulted in another positive year for the private equity markets. Over the long term, all private equity strategies outperformed the public markets, represented by the MSCI World Index. Even the worst performing asset class – real assets – outperformed the MSCI Index on a ten-year basis by 300 basis points (Chart 1). As a whole, the private equity asset class outperformed the MSCI Index by 660 basis points on a ten-year basis. Returns are a bit more mixed on a five-year basis: U.S. and European buyout, venture and growth strategies outperformed the market, while credit, ROW buyout/growth and real assets lagged the public market benchmark.

[1] *Bloomberg*
[2] *MSCI returns are net of withholding taxes in dollar terms.*
[3] *Bloomberg*
[4] *Bain Global Private Equity Report 2016*
[5] *2016 Preqin Global Private Equity and Venture Capital Report (2016)*

Chart 1: Time Weighted Returns: Private Equity vs. MSCI World

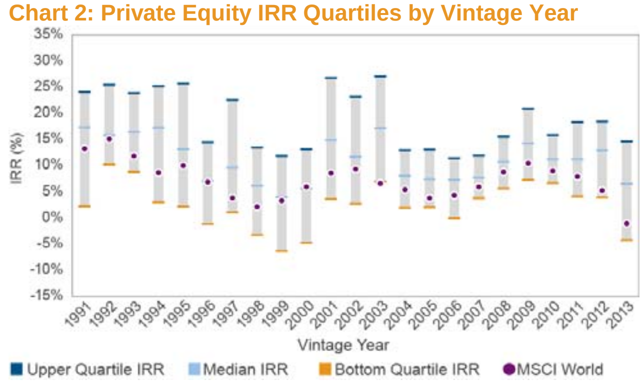


Source: Hamilton Lane Fund Investment Database As of 9/30/15 (January 2016). Return figures are geometric averages of time-weighted returns in local currency. Returns longer than one year are annualized. MSCI World Local is net reinvested dividends.

1 Includes Mezzanine and Distressed Debt Strategies
2 Includes Natural Resources and Infrastructure strategies

Chart 2 provides historical performance broken into upper, median and bottom-quartile managers. Dating back to 1991, the private equity asset class has beaten the MSCI World Index every vintage year except for 1996 and 2000 when the median quartile fell slightly below the benchmark. Overall, one can see the impact on portfolio returns by selecting top-quartile managers.

Chart 2: Private Equity IRR Quartiles by Vintage Year

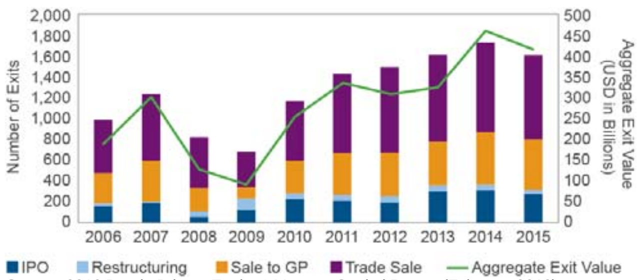


Source: Hamilton Lane Fund Investment Database As of 9/30/15 (January 2016) MSCI World, net reinvested dividends. Benchmark calculated as PME (Public Market Equivalent) using All Private Equity pooled cash flows.

Exit Activity

In 2015, exit activity decreased slightly but was comparable to 2014 levels. The decrease was spread across the spectrum of exit avenues. 2015 experienced the second-largest number of exits, only after 2013, with 1,620 exits. The number of exits decreased slightly compared to 2014 and the aggregate exit value decreased by about 3% from $428 billion to $416 billion (Chart 3). The trend of strategic sales continued to increase as cash-rich corporations added continued competition to the market. These corporations have cash ready to invest and are in a position to pay the higher muliples sellers demand in order to fuel their corporate growth. Trade sales and sales to GPs continue to be the leaders in exit strategies, accounting for 80% of the exit types during the year.[6][7]

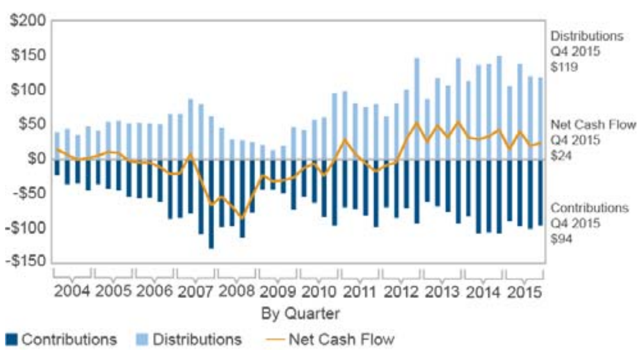
Chart 3: Global Number of Private Equity-Backed Exits by Type and Aggregate Exit Value, 2006 - 2015



Source: 2016 Preqin Private Equity & Venture Capital Report (February 2016).

Lower exit activity led to lower net cash flow for 2015 as compared to 2014. The year still experienced high levels of proceeds received with $483 billion in total, making it the second-highest year in the eleven-year period (Chart 4). Total distributions and contributions decreased by 10% and 4%, respectively, versus 2014. The majority of distributions came from the 2006-2008 funds, which the GFC delayed, but did not completely eliminate unlike other asset classes. Net cash flows increased slightly during the fourth quarter, but the second quarter was by far the strongest with a net cash flow of $41 billion. The positive net cash flows demonstrate the continuing cash being returned to LPs, thus adding to their capital available for further private equity investing.[8]

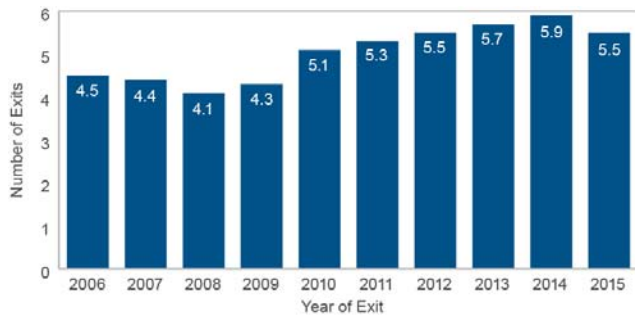
Chart 4: Industry Level All Private Equity Contributions & Distributions (USD in Billions)



Source: Hamilton Lane Fund Investment Database (January 2016).

In recent years, GPs have held companies longer than ever before. In fact, more than half of the companies exited in the past five years were held longer than five years (Chart 5). There has been a gradual shift from a longer holding period as we have moved further away from the GFC. GPs have felt more comfortable exiting deals acquired during the GFC and were able to take advantage of favorable exit environments, resulting in 2015 experiencing the first decrease after a straight six-year increase in the average holding period.[9]

Chart 5: Holding Period of Exited Deals (Percent of Deal Count by Year of Exit)

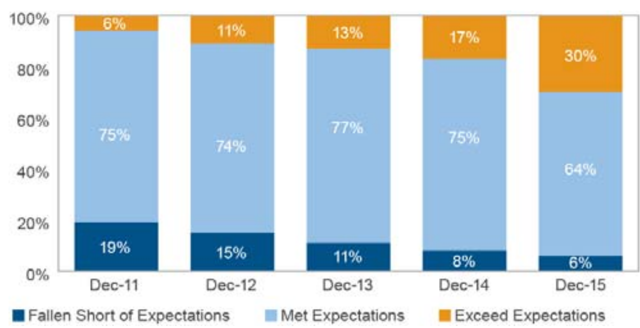


Source: 2016 Preqin Private Equity & Venture Capital Report (February 2016).

Increasing Allocations

The majority of private equity investors feel that their overall historical private equity performance has lived up to expectations. In 2015, 30% of private equity investors felt their private equity portfolio had exceeded expectations, according to Preqin's Investor Outlook Survey (Chart 6).[10] Compared to 2014, that is a 13% increase in investor sentiments that private equity exceeded expectations. The number of investors who felt their private equity portfolio met or exceeded their expectations has steadily increased from 81% in 2011 to 94% in 2015. By comparison, since 2011, the percentage of investors that believe their portfolio has fallen short of expectations has steadily declined, further supporting their realization of the long-term benefits of private equity asset class.[11]

Chart 6: Proportion of Investors that Feel Their Private Equity Fund Investments Have Lived up to Expectations, December 2011 - December 2015



Source: Preqin Investor Outlook: Alternative Assets, H1 2016.

According to Preqin's Investor Outlook Survey, 88% of investors responded that they would maintain or increase the amount of capital in their portfolio in 2016 as they did in 2015 (Chart 7). In addition, 52% of respondents stated they would increase their private equity allocation over the long term.

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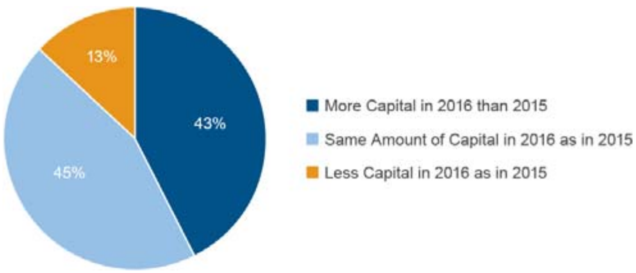
[6] *2016 Preqin Private Equity & Venture Capital Report (2016)*
[7] *Bain Global Private Equity Report 2016*
[8] *2015 Hamilton Lane Market Overview*

[9] *2016 Preqin Global Private Equity and Venture Capital Report (2016)*
[10] *Preqin Investor Outlook: Alternative Assets (H1 2016)*
[11] *Preqin Investor Outlook: Alternative Assets (H1 2016*

These findings reflect LPs' continued desire to recycle the excess cash they are holding back into their private equity portfolios.[12]

Chart 7: Investors' Expected Capital Commitment to Private Equity Funds in 2016 Compared to 2015

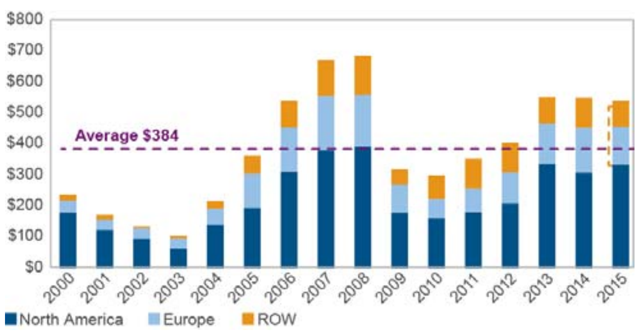


Source: Preqin Investor Outlook: Alternative Assets, H1 2016.

Private Equity Fundraising

Fundraising in 2015 stayed consistent with the past few years' fundraising levels in terms of funds closed and capital raised. However, current trends are still lower than levels experienced at the onset of the GFC. The high level of distributions from 2014 helped to continue the consistent levels of fundraising experienced in 2015. The aggregate amount raised in 2015 was $551 billion, which was down just slightly compared to 2014 at $589 billion (Chart 8). Dating back to 2000, only four other years had a higher amount of aggregate capital raised, and 2015 is well above the historical average of $384 billion. During the year, only 1,062 funds were closed, which is a drop from 1,394 funds in 2014. Overall, GPs are continuing to raise money, but are doing so through fewer funds.[13]

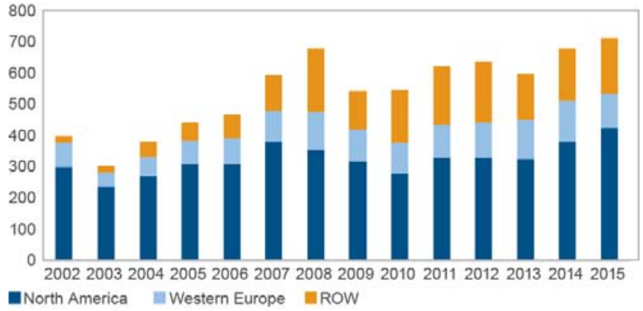
Chart 8: Global Private Equity Fundraising (USD in Billions)



Source: Preqin (January 2016).

While fundraising has stayed consistent with the past two years, Hamilton Lane received a record number of PPMs in 2015. With 713 PPMs received, this is the highest number since 2002 (Chart 9). Hamilton Lane's diligence process has grown as our clients continue to expand their allocations into regions like Asia and Latin America, as well as into diversified strategies like credit, infrastructure and real assets.

Chart 9: PPMs Received by Hamilton Lane Fund Investment Team

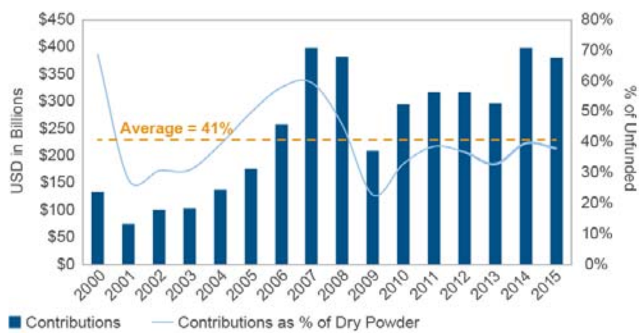


Source: Hamilton Lane Diligence (January 2016).

Deal Activity

Contributions decreased year-over-year as overall deal activity slowed slightly (Chart 10). The rate of contribution relative to unfunded decreased to 38% in 2015, which was down marginally from 2014 at 39%. Both years are below the historical average of 41%. GPs have been slow to enter into deals due to high valuations making it harder to put to work the large amount of dry powder.

Chart 10: All PE Contributions



Source: Hamilton Lane Fund Investment Database (January 2016).

The number of deals closed slowed in the buyout segment, while aggregate deal value had a slight uptick in 2015 (Chart 11). The past two years saw a steady increase in the number of deals, while 2015 was a bit more inconsistent, particularly given the fourth quarter realized just 864 deals. The overall trend in number of deals closed shifted down in 2015, but the fourth quarter experienced the lowest number of deals with the highest aggregate deal value at $131 billion. The shift down in number of deals, but the increase in value shows how the average amount per buyout deal has increased.[14]

[12] *2016 Preqin Private Equity & Venture Capital Report (2016)*
[13] *2016 Preqin Private Equity & Venture Capital Report (2016)*

[14] *2016 Preqin Private Equity & Venture Capital Report (2016)*

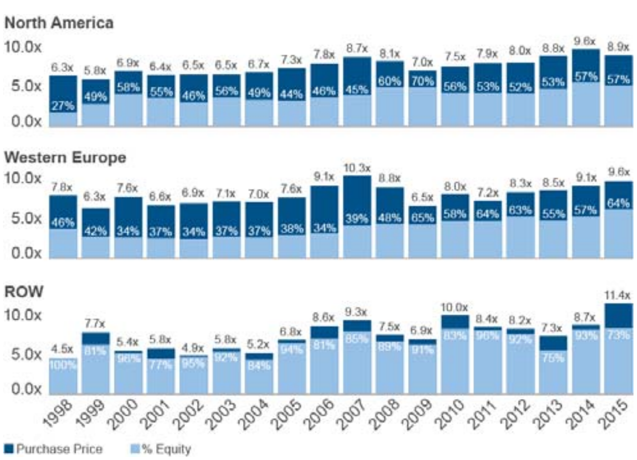
Chart 11: Quarterly Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally, Q1 2006 – Q4 2015

Source: 2016 Preqin Private Equity & Venture Capital Report (2016).

Deal Pricing

Around the globe, purchase prices have been on the rise over the previous few years (Chart 12). According to the Hamilton Lane Fund Investment Database, North America was the cheapest of the regions globally with Western Europe and the Rest of the World (ROW) a bit more expensive. EV/EBITDA has come down since the peak in 2014 from 9.6x to 8.9x. Europe and ROW have continued their purchase price increase trend and the amount of equity used to fund the purchases. Banks are under stricter regulation, which is drying up the amount of debt they will provide for deals and forcing GPs to fund deals with more equity. The general increase in purchase prices has been driven by the large amount of dry powder, competition among GPs for high quality companies, and the rising equity markets.[15]

Chart 12: Purchase Prices (EV/EBITDA and % Equity, Median by Year)

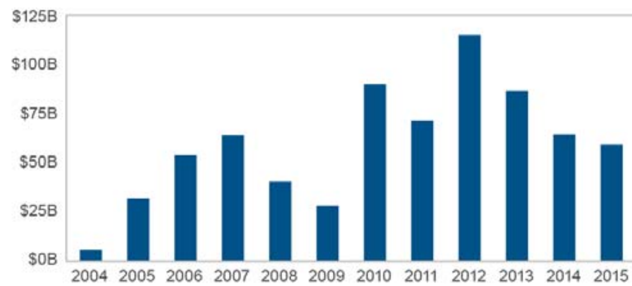


Source: Hamilton Lane Fund Investment Database (August 2015). EBITDA positive companies.

Debt Markets

U.S.-sponsored high-yield issuances have seen a steady decline since 2012. There was an 8% decrease year-over-year with 2015 showing the lowest number of issuances in six years at $59 billion (Chart 13). High-yield bond mutual fund flows were negative for December, making this the ninth outflow month within the past ten. The decline was driven by the lower-than-expected oil prices in the new year, uncertainty around the federal interest rate hike, and the increased stock market volatility.[16]

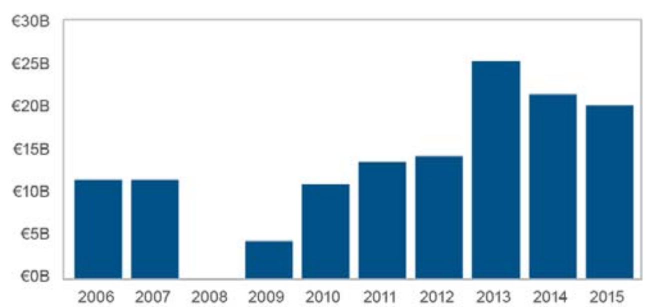
Chart 13: Annual Volume of Sponsored High-Yield Bond Issuances (USD in Billions)



Source: S&P Capital IQ M&A Stats December 2015.

European-sponsored high-yield issuance has seen a decline over the past years similar to the U.S. high-yield bonds (Chart 14). During 2015, European high-yield bond issuances decreased by 6% to €20 billion for the year.

Chart 14: European Annual Volume of Sponsored High-Yield Bond Issuances (EUR in Billions)



Source: S&P Capital IQ M&A Stats December 2015.

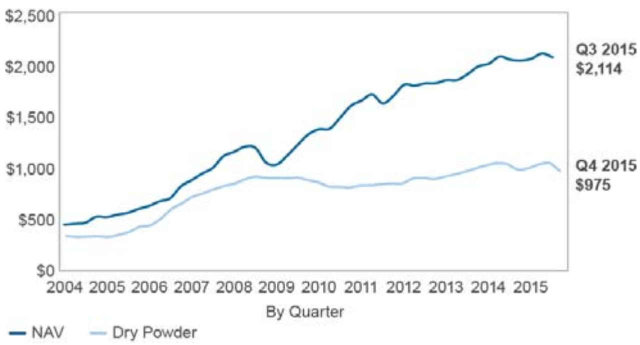
[15] *Bain Global Private Equity Report 2016*

[16] *KKR Credit December Market in Review (January 2016)*

Capital Overhang

During 2015, industry level dry powder slightly decreased by 2% to $975 billion. The fourth quarter experienced the lowest level of dry powder, while the highest quarterly amount occurred in the second and third quarters, which were almost equal at $1,041 and $1,052 billion, respectively. Dry powder has continued to stay relatively consistent since 2008, while net asset value has increased from that point forward (Chart 15).

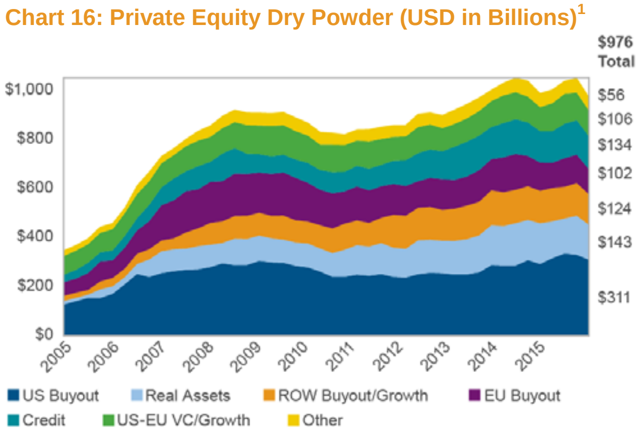
Chart 15: Industry Level NAV & Dry Powder (USD in Billions)



Source: Hamilton Lane Fund Investment Database (January 2016).

Across strategies all funds saw a decrease in capital available with the exception of U.S. Buyout, Credit, and U.S./EU Venture Capital/Growth in 2015. The largest drop year-over-year came from Real Assets, which decreased 14%. Alternatively, the largest increase in dry powder occurred in U.S./EU Venture Capital/Growth, which added $7 billion during the year. According to the Hamilton Lane Fund Investment Database, dry powder levels have remained relatively stable since 2008 (Chart 16).

Chart 16: Private Equity Dry Powder (USD in Billions)[1]



Source: Hamilton Lane Fund Investment Database (March 2016).
[1] Real Assets includes Infrastructure and Natural Resources. Excludes real estate, secondary, and funds-of-funds strategies.

Spotlight: Asia Private Equity Market

Introduction

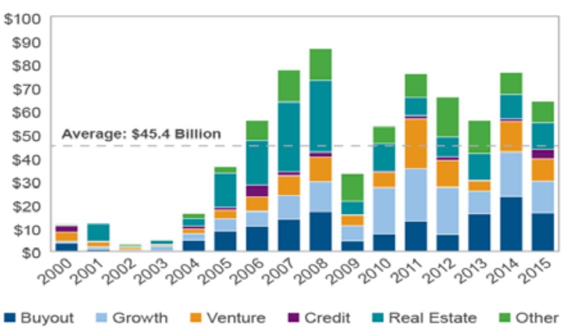
China continues to lead the fundraising and investment activities within Asian private equity, despite continued GDP declines. In other regions, such as India and South Korea, private equity penetration continues to grow, yet is well below levels seen in the developed markets of the U.S. and the UK.

Overall, Asian private equity investment activity grew in 2014, with private equity-backed buyout deals experiencing a record third quarter. Despite historic liquidity challenges, divestitures have picked up in recent years vaulting Asian PE into its first year of positive net cash flow (when measured over the ten-year period ended 12/31/15).

Despite the recent volatile public markets, Asian private equity performance has generated solid absolute returns for investors over the past decade. While private equity in developed markets outperforms Asian private equity during certain vintage years (2008-2010), Asian private equity outperforms the local public markets.

Fundraising

Chart 1: Asia Fundraising by Strategy (USD in Billions)



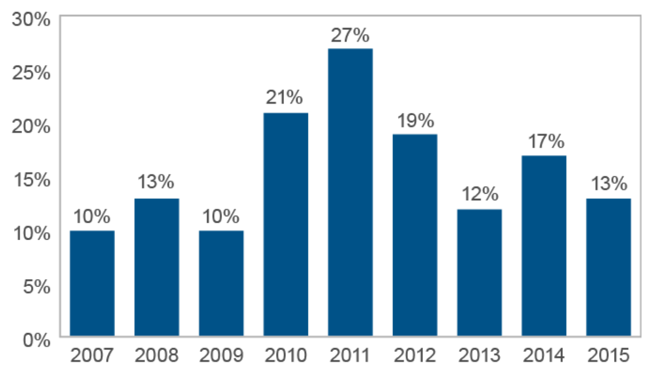
Source: Preqin (March 2016).

Aggregate private equity fundraising decreased in 2015, yet held above the ten-year annual average of $45.4 billion (Chart 1). The decrease in fundraising was most visible in vehicles focused outside of India and China.

The average size of Asia-focused funds peaked in 2014. While 2015 was not able to match that peak value, it remained above the long-term average. Buyout and growth strategies remain the dominant fundraising area with 2015 ushering in more credit-oriented fundraising.

In 2015, fundraising in Asia comprised 13% of global private equity fundraising, slightly below the 16% average (Chart 2).[17]

Chart 2: Asia's Share of Global PE Fundraising

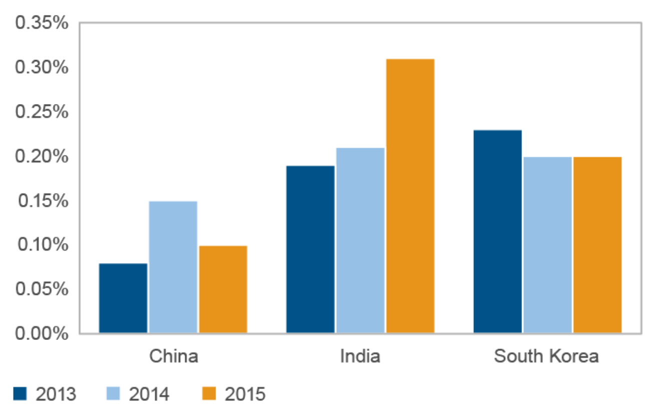


Source: Preqin (January 2016).

Private Equity Penetration

Despite a GDP drop, private equity investment as a percentage of GDP also decreased in China in 2015 (Chart 3). South Korea held steady and India experienced substantial investment growth ending at 0.3% of GDP. By comparison, private equity penetration in major developed markets tends to be higher by a few multiples. The U.S. and the UK, respectively, are 1.41% and 1.95% dollars invested as a percent of GDP. Clearly, the private equity market in Asia has room to grow when compared to more developed regions.[18]

Chart 3: PE Penetration ($ Invested in PE/GDP)



Source: EMPEA, IMF (March 2016).

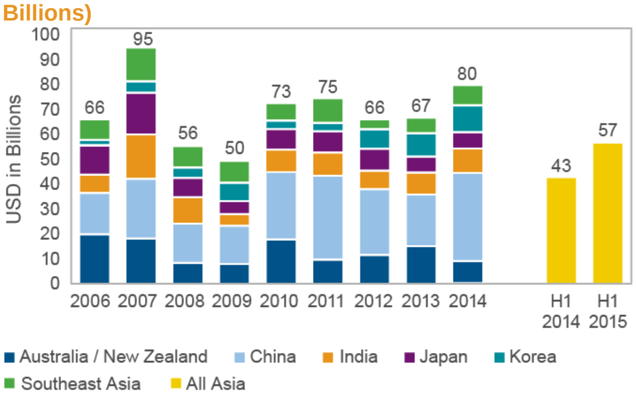
[17] *2016 Preqin Private Equity & Venture Capital Report (2016)*

[18] *Hamilton Lane Asia Private Equity Market Update (March 2016)*

Deal Activity

Annually, Asian PE investments range from $50 billion to almost $100 billion over the last decade. While annual investment activity varies, Asian PE investments grew 33% in the first half of 2015 compared to the prior year (Chart 4). China has continually represented the majority of private equity investment in Asia, recently comprising 44.2%. By strategy, buyout and growth deals continue to dominate the market.[19]

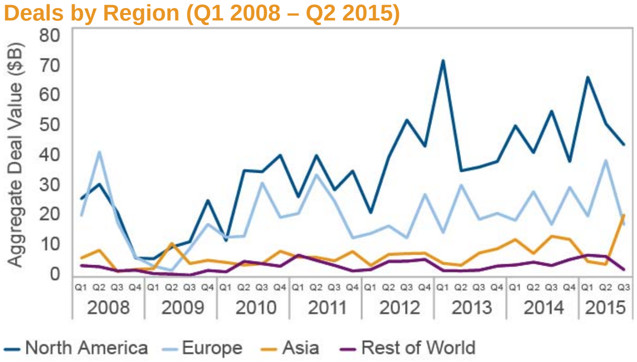
Chart 4: Private Equity Investments by Country (USD in Billions)



Source: AVCJ 2015 Regional Reports.

Chart 5 illustrates the aggregate value of private equity-backed buyout deals by region. Third quarter 2015 was a record quarter for deal value in Asia. Quarter-over-quarter, the value increased by 400% with third quarter 2015 valued at $21 billion. While North America leads in deal value, Europe fell below Asia for the first time since 2009.

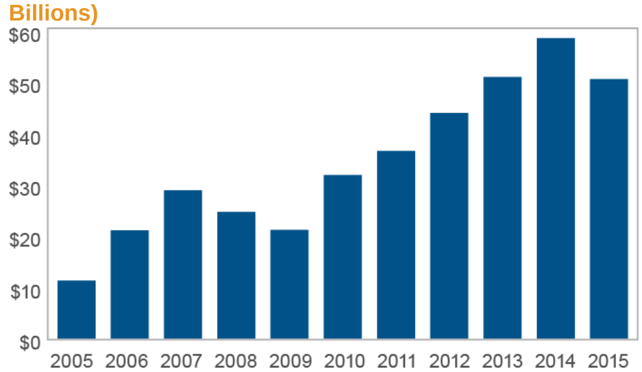
Chart 5: Quarterly Aggregate Value of PE-Backed Buyout Deals by Region (Q1 2008 – Q2 2015)



Source: Preqin .

Asian invested capital decreased at a greater rate than other global markets. Asia-focused private equity fund capital calls decreased to $51 billion in 2015 following a consecutive five-year increase (Chart 6). This reflects a 14% annual decrease. By comparison, global private equity capital calls decreased by 4% year-over-year to $381 billion. The decreased capital calls parallels the overall lower levels of fundraising seen in the Asian-focused private equity market.

Chart 6: Asia-Focused Private Equity Capital Calls (USD in Billions)

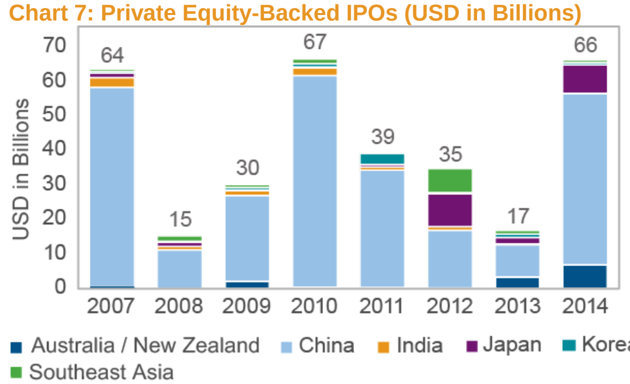


Source: Hamilton Lane Fund Investment Database. Cash flows through 12/31/2015 (March 2016).

Exit Activity

China consistently represents the largest portion of private equity-backed IPOs. Aggregate values, however, can vary greatly from year-to-year. In 2014, the volume of IPO exits reached $66 billion - the second highest in a seven-year period (Chart 7).

Chart 7: Private Equity-Backed IPOs (USD in Billions)

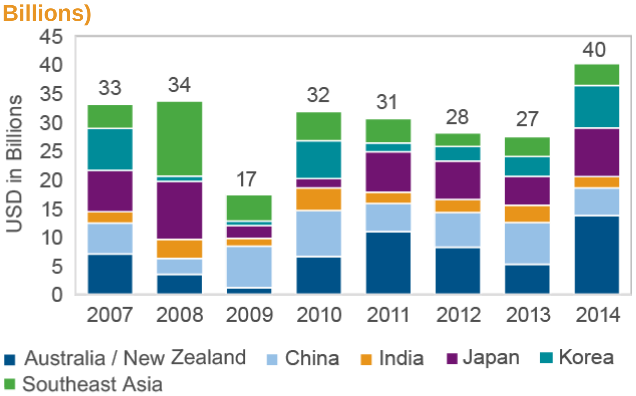


Source: AVCJ 2015 Regional Reports.

Unlike China's clear dominance of the IPO exit, trade sales are more dispersed across the regions. Both China and Australia/New Zealand represent the bulk of private equity-backed trade sale exits (Chart 8). Trade sale exits had been declining before they rebounded in 2014, reaching $40.2 billion.

[19] *AVCJ 2015 Regional Reports*

Chart 8: Private Equity-Backed Trade Sale Exits (USD in Billions)

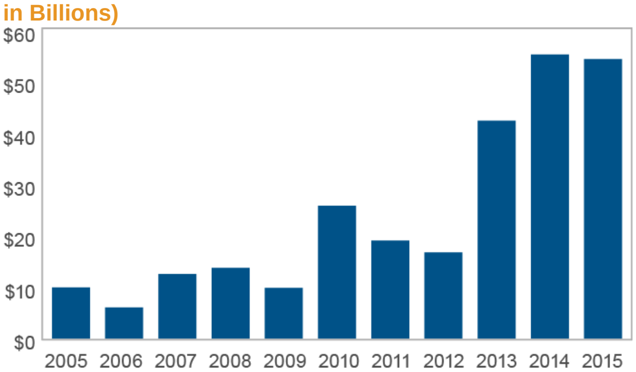


Source: AVCJ 2015 Regional Reports.

Liquidity

Liquidity has historically been a challenge for Asian private equity markets, but there has been a recent uptick the past few years. Despite the Asian public markets' volatility, the Asia-focused private equity market was able to continue the trend of relatively strong distributions (Chart 9). Looking at the larger distribution market, Asia-focused private equity fund distributions accounted for more than 10% of the global private equity distributions.[20]

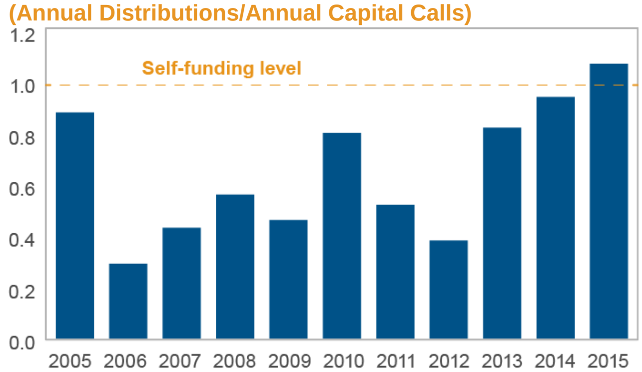
Chart 9: Asia-Focused Private Equity Distributions (USD in Billions)



Source: Hamilton Lane Fund Investment Database. Cash flows through 12/31/2015 (March 2016).

Dating back ten years, 2015 became the first year of positive net cash flow for the Asia-focused private equity market. Chart 10 shows a positive trend toward self-funding since 2013, with distributions finally outpacing contributions in 2015.

Chart 10: Asia-Focused Private Equity Liquidity Ratios (Annual Distributions/Annual Capital Calls)

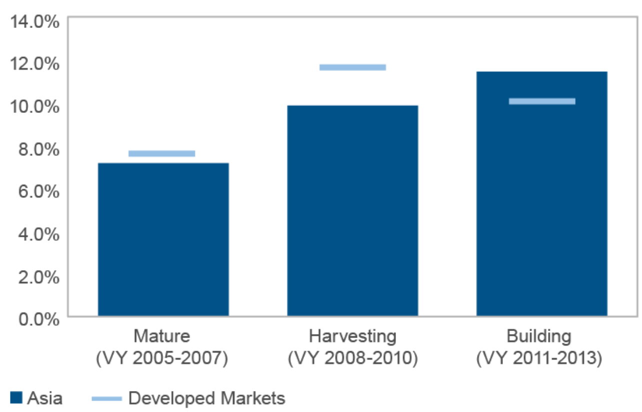


Source: Hamilton Lane Fund Investment Database. Cash flows through 12/31/2015 (March 2016).

Performance

Chart 11 highlights median IRRs for Asia compared to the developed markets, divided across the three fund lifecycles (i.e., building, harvesting and mature). Asia underperforms developed market median return for mature funds and those beginning to harvest the portfolio. However, Asian median returns beat those of younger developed market funds. Within this building stage, the Asia-focused private equity market fund median IRR is 11.6% versus the developed markets returns of 10.3%.

Chart 11: Asia-Focused Private Equity Fund Median IRR by Fund Stage



Source: Hamilton Lane Fund Investment Database. As of 9/30/2015 (March 2016).

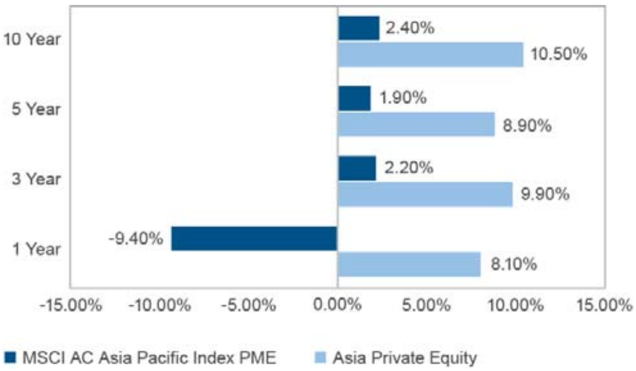
Asian private equity has outperformed the Asian public markets across short-term and long-term time horizons. Since the Global Financial Crisis, many Asian public indices have experienced positive growth.[21] Despite this growth, Asian public markets have not been able to beat the superior performance of Asian private equity markets. Within the Asian private equity asset class, it can be challenging to access managers that outperform over the long term, thus adding more emphasis on identifying top-quartile managers.[22]

[20] *Hamilton Lane Asia Private Equity Market Update (March 2016)*

[21] *UBS Asia Private Equity Market Overview (Q1 2016)*

[22] *Hamilton Lane Asia Private Equity Market Overview (February 2016)*

Chart 12: Asia PE Returns vs. Asia Public Market Returns Third Quarter 2015



Source: Hamilton Lane Fund Investment Database. As of 9/30/2015 (March 2016). Asian PE sample size is limited in select vintages.

Conclusion

The Asian private equity market continues to establish its presence, through steady fundraising, investment activity, and outperformance of regional public markets. While the market is less mature than those in the U.S. and UK, the region has a growing list of premier managers raising successful follow-on funds.

Global investors continue to watch China's GDP rates with a wary eye, given their potential to impact the global markets. Additionally, public market volatility has impacted the short-term performance of the Asian public markets, exacerbating private equity's outperformance. Still, Asia-focused private equity market penetration continues to expand and represents a growing element of limited partners' portfolios.

Section 2:

Portfolio Update

Portfolio Snapshot

Hamilton Lane was engaged by the Teachers' Retirement System of the City of New York ("TRS") in October 2010 to provide alternative investment consulting services in accordance with the investment objectives of the TRS Private Equity portfolio (the "Portfolio"). This report represents the review by Hamilton Lane of TRS's Portfolio and is based upon information made available to Hamilton Lane by the general partners sponsoring each of the partnership investments in the Portfolio as of December 31, 2015, with highlights through March 31, 2016.

Private Equity Allocation: TRS has a target allocation of 6.0% to Private Equity. As of December 31, 2015, Private Equity constituted 5.0% of TRS plan. (Plan value is $58.581 billion as of December 31, 2015)

Performance: As of December 31, 2015, the Portfolio consists of 156 partnerships and 98 underlying fund managers. The Portfolio has generated a since inception internal rate of return ("IRR") of 9.12% and a total value multiple of 1.3x.

Portfolio Summary

$ in millions	9/30/2015	12/31/2015	Change
Active Partnerships	153	156	3
Active GP Relationships	98	98	-
Capital Committed [(1)]	$5,916.1	$6,223.1	$307.0
Liquidated Commitments	$83.0	$83.0	-
Commitments Sold	$288.5	$288.5	-
Unfunded Commitment	$2,155.8	$2,297.3	$141.5
Capital Contributed	$4,645.0	$4,836.5	$191.5
Capital Distributed	$3,375.1	$3,497.0	$121.9
Market Value	$2,849.6	$2,951.5	$101.9
Total Value Multiple	1.3x	1.3x	-
Since Inception IRR	9.25%	9.12%	(13 bps)
Avg. Age of Active Commitments	5.7 years	5.7 years	-

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

Portfolio Exposures: The Corporate Finance/Buyout strategy represents 57% of the Portfolio's total exposure, Secondaries represent 14%, Special Situations/Turnaround accounts for 9%, Growth Equity represents 7%, Venture Capital represents 6%, Co-Investment represents 4%, Energy represents 2%, and Mezzanine represents the remaining 1%. The Portfolio has significant exposure to North America, with 74% of the underlying company market value based in the region.

Portfolio Overview

Commitments

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

YTD Commitments - 2015			
Closing Date	Partnership	Investment Strategy	Commitment Amount ($ in Millions)
1/9/2015	American Securities Partners VII, L.P.	Corporate Finance/Buyout - Large	$111.0
2/4/2015	Siris Partners III, L.P.	Corporate Finance/Buyout - Mid	$45.0
5/28/2015	Valor Equity Partners III, L.P.	Growth Equity	$11.0
6/26/2015	Welsh, Carson, Anderson & Stowe XII, L.P.	Corporate Finance/Buyout - Large	$110.5
6/30/2015	Bridgepoint Europe V, L.P.	Corporate Finance/Buyout - Large	€77.3/$84.4
6/30/2015	Bridgepoint Europe V Co-Invest	Co/Direct Investment	€21.8/$23.8
6/30/2015	Patriot Financial Partners II, L.P.	Growth Equity	$9.9
12/17/2015	ASF VII, L.P.	Secondaries	$134.0
12/17/2015	ASF VII B NYC Co-Invest, L.P.	Co/Direct Investment	$67.0
12/28/2015	Ares Corporate Opportunities Fund V, L.P.	Special Situations/Turnaround	$134.0
Total			$730.6

The Portfolio closed on ten new investments, totaling $730.6 million, which are detailed below:

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

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

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

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

Bridgepoint Europe V, L.P. (€77.3/$84.4 million) the fund will target mid-market companies with predominant exposure to Western Europe. Investments will be made across sectors and geographies with no more than 10% of investments outside of Europe.

Bridgepoint Europe V Co-Invest (€21.8/$23.8 million) the fund is a co-investment vehicle related to the Bridgepoint Europe V, L.P. commitment.

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

ASF VII, L.P. ($134.0 million) the fund will pursue a secondary investment strategy and will be focused primarily in Europe and North America. The General Partner seeks to invest in limited partners' interests in buyout and growth equity funds that are greater than 50% called as well as direct interests in underlying portfolio companies.

ASF VII B NYC Co-Invest, L.P. ($67.0 million) the fund is a co-investment vehicle related to the ASF VII, L.P. commitment.

Ares Corporate Opportunities Fund V, L.P. ($134.0 million) the fund will pursue control investments primarily within North America and Europe. The General Partner will target franchise businesses via leveraged buyouts, distressed buyouts, rescue capital and growth equity.

Subsequent Closings

Subsequent to the quarter end December 31, 2015, the portfolio closed on two additional commitments totaling $162.0 million.

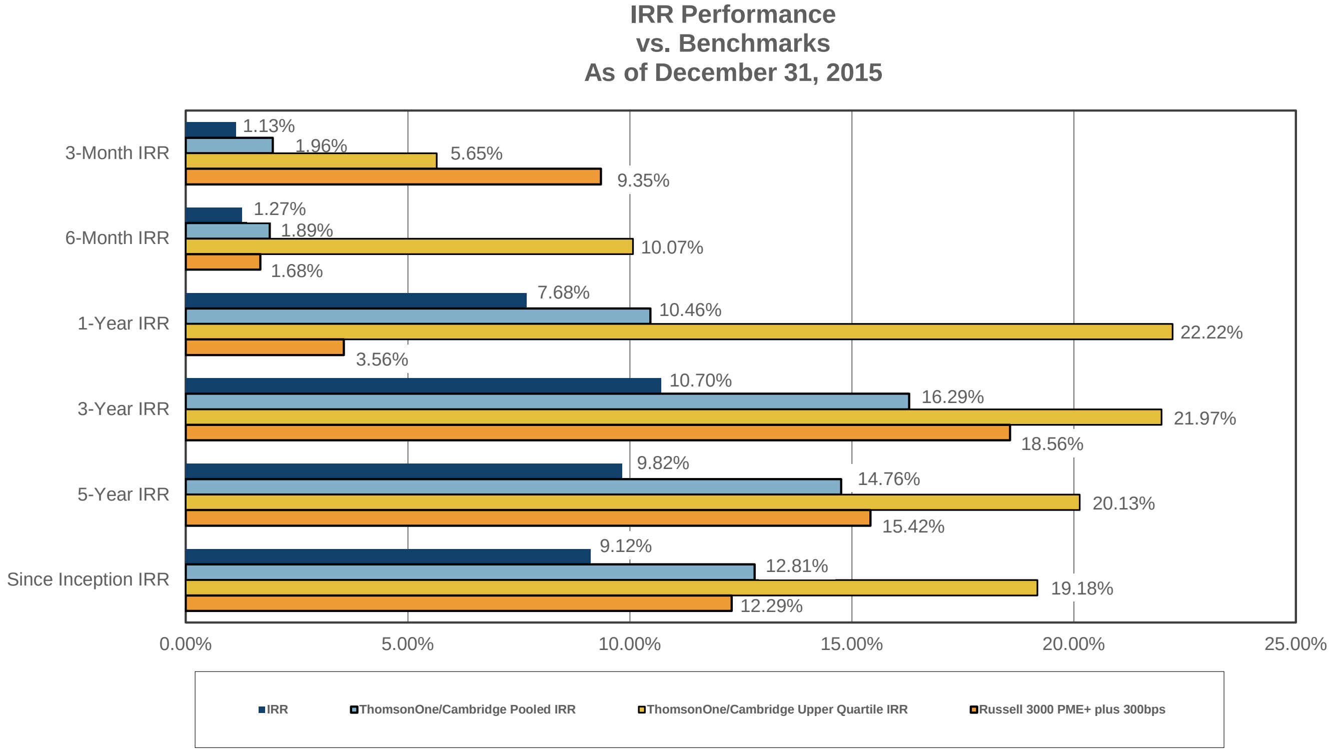
Subsequent Closings			
Investment	**Investment Strategy**	**Commitment ($ in Millions)**	**Closing Date**
Stellex Capital Partners, L.P.	Special Situations/Turnaround	$28.0	1/15/2016
Green Equity Investors VII, L.P.	Corporate Finance/Buyout - Mega	$134.0	4/25/2016
Total		**$162.0**	

Stellex Capital Partners, L.P. ($28.0 million) the fund, the first Emerging Manager 2015 Program commitment, will target middle-market distressed and special situation opportunities primarily within the United States but may also opportunistically invest in Europe. The fund will seek control through equity buyouts or debt restructuring.

Green Equity Investors VII, L.P. ($134.0 million) the fund will seek to invest in market-leading companies with attractive growth prospects across a broad range of industries within the U.S., with a preference for companies primarily in the following sectors: retail/consumer, healthcare/wellness, business/consumer services, and distribution.

Portfolio Performance Summary

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



Note: Private Equity benchmark is provided by ThomsonOne/Cambridge and reflects U.S. Buyout Funds Pooled IRR and Upper Quartile IRR as of December 31, 2015, for funds with vintage years 1999 to 2015. PME+ is the Russell 3000 Total Return Index and incorporates the PME + methodology. This calculation includes a 3% premium.

- As private equity is a long term asset class, the most significant time horizon is the since inception time period. Performance on a since inception basis for the fourth quarter of 2015 decreased 13 basis points from the prior quarter, with the Portfolio generating an IRR of 9.12%.
  - Relative to the benchmarks, the since inception IRR is underperforming the ThomsonOne/Cambridge Pooled IRR by 369 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 1,006 basis points, and Russell 3000 PME+ plus 300 basis points by 317 basis points.
- Performance on a one-year basis for the fourth quarter 2015 decreased 6 basis points from the third quarter 2015, with the Portfolio generating an IRR of 7.68% as of December 31, 2015.
  - Relative to the benchmarks, the one-year IRR is underperforming the peer benchmarks, ThomsonOne/Cambridge Pooled IRR by 278 basis points, the ThomsonOne/Cambridge Upper Quartile IRR by 1,454 basis points, however, is outperforming when compared to the Russell 3000 PME+ plus 300 basis points by 412 basis points.

Quarterly Value Analysis

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

Portfolio Summary					
	Quarter Ending				Year Ending
in $ millions	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Beginning Market Value	$2,720.4	$2,817.5	$2,795.6	$2,849.6	$2,720.4
Paid-in Capital	115.9	112.1	162.8	191.5	582.3
Distributions	(115.4)	(207.3)	(112.4)	(121.9)	(557.0)
Net Value Change	**96.6**	**73.3**	**3.6**	**32.3**	**205.8**
Ending Market Value	$2,817.5	$2,795.6	$2,849.6	$2,951.5	$2,951.5
Unfunded Commitments	**$2,148.2**	**$2,300.2**	**$2,155.8**	**$2,297.3**	**$2,297.3**
Total Exposure	$4,965.7	$5,095.8	$5,005.4	$5,248.8	$5,248.8
Point to Point IRR	3.55%	2.65%	0.13%	1.13%	7.68%
Since Inception IRR	9.46%	9.50%	9.25%	9.12%	9.12%

- Over the past twelve months, the Portfolio has experienced a total of $205.8 million in net value appreciation.
  - The since inception IRR of 9.12% represents a decrease of 13 basis points when compared to the since inception IRR from the prior quarter.

Performance by Strategy

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

Performance by Investment Strategy

Investment Strategy	Capital Committed	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR
Corporate Finance/Buyout	$ 3,590,821,478	10.31%	12.52%	19.45%
Corporate Finance/Buyout - Mega	767,050,327	10.12%	10.22%	14.71%
Corporate Finance/Buyout - Large	1,199,317,894	15.99%	13.03%	17.51%
Corporate Finance/Buyout - Mid	907,047,612	9.46%	10.95%	17.13%
Corporate Finance/Buyout - Small	717,405,645	7.52%	13.31%	20.86%
Co-Invest	273,549,048	5.02%	N/A	N/A
Energy	217,500,000	(0.58%)	7.02%	11.99%
Growth Equity	338,271,863	5.97%	10.85%	18.02%
Secondary	799,000,000	13.60%	9.38%	17.12%
Special Situations/Turnaround	519,000,000	18.34%	11.90%	18.09%
Other	485,000,000	4.32%	5.39%	11.70%
Venture Capital	435,000,000	3.64%	4.51%	11.79%
Mezzanine	50,000,000	13.30%	7.80%	8.74%

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

Vintage Year Performance

The table below details IRR performance of the Portfolio with respect to Vintage Year. The Portfolio is benchmarked against the ThomsonOne/Cambridge Median Quartile IRR, ThomsonOne/Cambridge Upper Quartile IRR, and the Russell 3000 Public Market Equivalent ("PME+").

Vintage Year	Capital Committed[(1)]	IRR	ThomsonOne/ Cambridge Median Quartile IRR	ThomsonOne/ Cambridge Upper Quartile IRR	PME Benchmark[(2)]	PME Spread[(3)]
1999	$ 95,000,000	7.14%	9.70%	14.17%	6.20%	0.94%
2000	35,000,000	6.24%	14.36%	21.58%	5.60%	0.64%
2001	65,000,000	18.97%	20.71%	28.45%	7.63%	11.34%
2002	150,000,000	10.51%	17.43%	26.46%	7.76%	2.75%
2003	85,000,000	20.01%	14.50%	19.74%	6.58%	13.43%
2004	234,000,000	5.65%	11.06%	14.58%	7.41%	(1.76%)
2005	299,736,273	4.94%	8.35%	13.73%	6.22%	(1.28%)
2006	558,907,552	7.66%	8.79%	14.86%	8.44%	(0.78%)
2007	506,302,073	7.42%	12.63%	16.57%	11.33%	(3.91%)
2008	776,477,541	12.13%	14.12%	20.41%	13.56%	(1.43%)
2009	42,500,000	10.66%	19.55%	27.55%	14.92%	(4.26%)
2010	45,000,000	9.37%	15.24%	27.88%	12.21%	(2.84%)
2011	571,801,456	16.01%	13.14%	20.50%	13.16%	2.85%
2012	589,750,000	12.65%	14.23%	23.35%	9.29%	3.36%
2013	823,900,327	3.80%	6.72%	17.19%	5.37%	(1.57%)
2014	659,200,000	N/M	N/M	N/M	N/M	N/M
2015	685,567,167	N/M	N/M	N/M	N/M	N/M

(1) Commitments in the above table do not include liquidated/sold investments.

(2) PME Benchmark is the Russell 3000 Total Return Index and incorporates the PME+ methodology.

(3) PME Spread is the percentage difference between the IRR and PME Benchmark for each respective vintage year.

Performance by Geographic Focus

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

Performance Summary by Region[(1)]

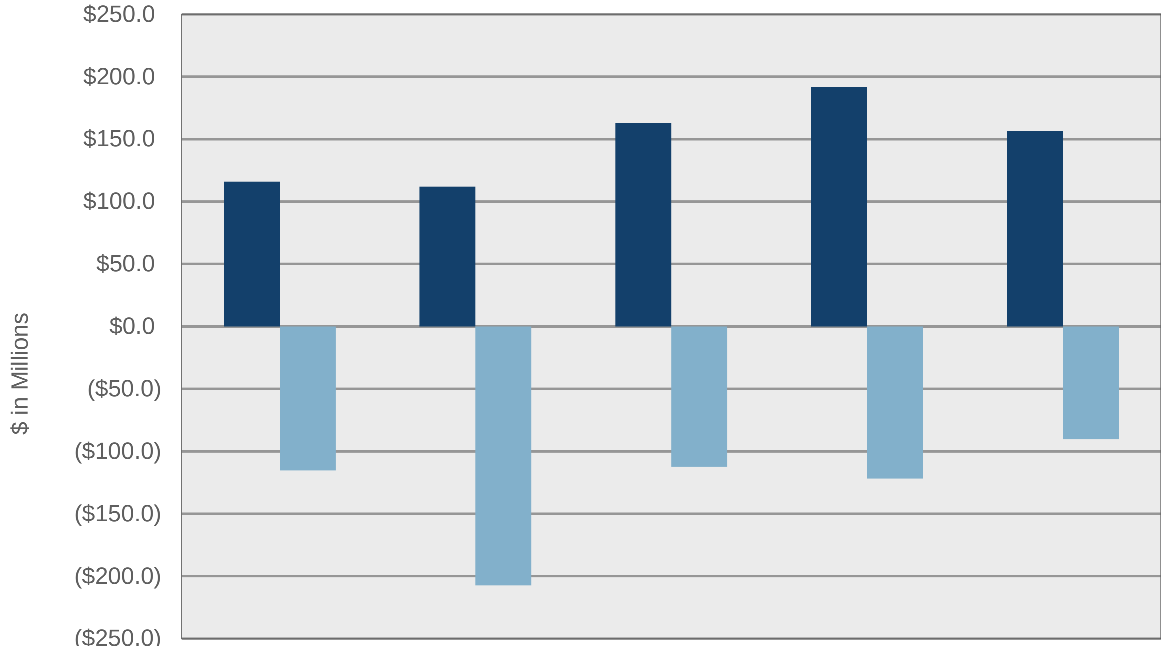
Region	Capital Committed	Paid-In Capital	Capital Distributed	Reported Market Value	IRR	Total Value Multiple
North America	$4,515,090,910	$3,740,261,590	$2,760,233,559	$2,347,582,163	9.71%	1.37x
Western Europe	$551,451,480	$349,501,777	$149,590,542	$225,393,807	2.19%	1.07x
Global/Rest of World	$1,156,600,000	$746,715,108	$587,208,112	$378,507,013	8.76%	1.29x
Total	**$6,223,142,390**	**$4,836,478,475**	**$3,497,032,214**	**$2,951,482,984**	**9.12%**	**1.33x**

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

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

Cash Flow Drivers

The chart below highlights the cash flows of the Portfolio over the past five quarters ended March 31, 2016.



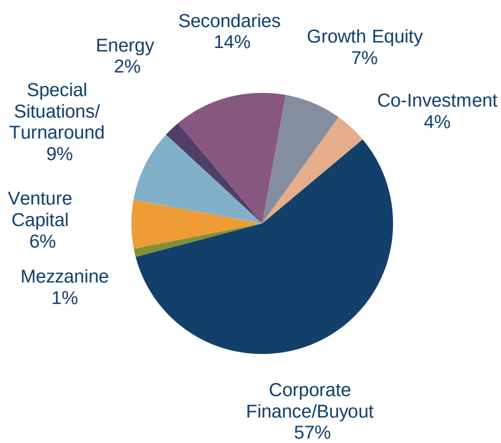
	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016
Paid-In Capital	$115.9	$112.1	$162.8	$191.5	$156.4
Capital Distributed	($115.4)	($207.3)	($112.4)	($121.9)	($90.3)

■ Paid-In Capital ■ Capital Distributed

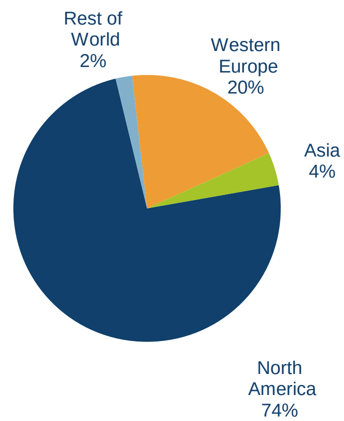
Portfolio Exposures

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

Strategic Diversification by Total Exposure As of December 31, 2015



Underlying Investment Diversification by Geographic Location As of December 31, 2015



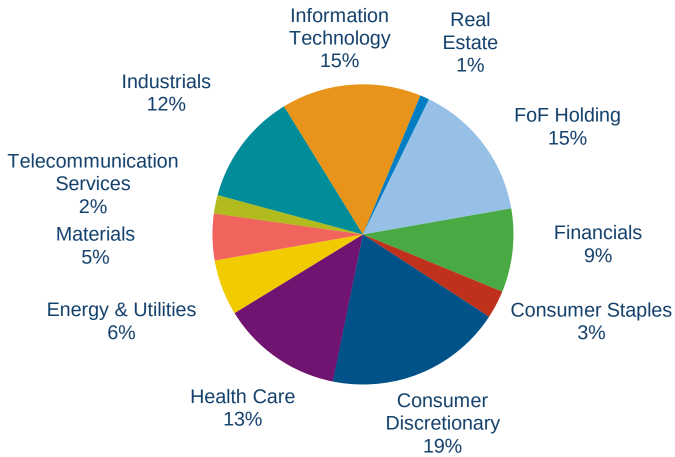
As of December 31, 2015

	Sum of Current Exposed Market Value	% of Total
North America	**$2,421.1**	**74%**
U.S. (non-NY State)	*$2,176.5*	*66%*
U.S. (NY State)	*$244.6*	*7%*
New York City	*$113.4*	*3%*
Non-New York City	*$131.2*	*4%*
Western Europe	**$663.9**	**20%**
Rest of World	**$75.2**	**2%**
Asia	**$126.1**	**4%**
Total	**$3,286.3**	**100%**

- The Portfolio is focused in the Corporate Finance/Buyout strategy, with 57% of the total exposure attributable to this strategy.
- With respect to geography, the Portfolio is concentrated in North America, with 74% of the Portfolio's underlying market value attributable to this region.
    - The remaining 26% of the Portfolio's exposure is diversified between Western Europe, Asia and 'Rest-of-World'.
    - Roughly 7% of the Portfolio's current exposed market value is based in New York.
        - About 3%, or roughly $113.4 million, of the Portfolio's current exposed market value is based in New York City.

The pie chart below represents the industry diversification of the Portfolio as of December 31, 2015. Industries are measured by the Portfolio's exposed market value of the underlying portfolio companies.

Underlying Investment Diversification by Industry As of December 31, 2015



- The Portfolio has a well-balanced exposure, with the largest exposure to the Consumer Discretionary sector representing 19% of underlying holdings. Consumer Discretionary is a broad industry category which encompasses many sub-sectors which are targeted by many of the Portfolio's underlying funds.

Section 3:

Portfolio Assessment

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

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR[2]	PME Benchmark[3]	PME Spread[4]
Active Investments										
1999	Cypress Merchant Banking Partners II, LP	7/8/1999	$ 50,000,000	$ 53,874,600	$ 43,453,284	$ 6,924,387	0.94x	(1.25%)	5.45%	(6.70%)
1999	FdG Capital Partners, L.P.	6/2/1999	30,000,000	34,517,861	51,547,118	7,638,383	1.71x	14.83%	6.53%	8.31%
1999	Lincolnshire Equity Fund II, L.P.	2/26/2001	15,000,000	14,446,100	27,347,315	780,553	1.95x	24.60%	6.88%	17.72%
2000	SCP Private Equity Partners II, L.P.	1/19/2001	20,000,000	22,196,012	6,682,699	5,196,072	0.54x	(7.68%)	5.20%	(12.88%)
2000	Solera Partners, L.P.	7/8/2002	15,000,000	19,818,011	31,226,365	3,077,971	1.73x	8.63%	6.39%	2.24%
2001	Apollo Investment Fund V, L.P.	8/23/2001	30,000,000	46,743,989	91,972,270	987,084	1.99x	38.80%	8.31%	30.49%
2001	New Mountain Partners, L.P.	7/20/2001	15,000,000	12,984,277	18,470,548	331,923	1.45x	12.35%	6.22%	6.13%
2001	RRE Ventures III, L.P.	6/13/2002	20,000,000	26,184,415	33,059,758	2,928,306	1.37x	5.91%	6.54%	(0.63%)
2002	BDCM Opportunity Fund, L.P.	11/10/2003	25,000,000	54,583,604	91,229,261	174,544	1.67x	23.04%	6.05%	16.99%
2002	Coller International Partnership IV, L.P.	11/6/2002	35,000,000	31,222,054	40,815,012	1,643,586	1.36x	11.69%	7.08%	4.61%
2002	Landmark Equity Partners XI, L.P.	9/15/2004	20,000,000	21,259,660	30,125,348	1,564,869	1.49x	23.58%	7.35%	16.23%
2002	Thomas McNerney & Partners, L.P.	11/26/2002	15,000,000	15,000,000	5,252,354	3,826,312	0.61x	(9.98%)	10.66%	(20.64%)
2002	Yucaipa American Alliance Fund I, L.P.	10/1/2004	55,000,000	80,828,995	69,484,670	22,322,959	1.14x	3.78%	10.12%	(6.34%)
2003	Ares Corporate Opportunities Fund, L.P.	5/4/2004	15,000,000	18,004,666	26,322,328	1,427,320	1.54x	13.63%	7.39%	6.23%
2003	Blackstone Capital Partners IV L.P.	1/10/2003	30,000,000	30,690,321	73,408,574	3,022,589	2.49x	37.86%	8.15%	29.71%
2003	FS Equity Partners V, L.P.	5/30/2003	25,000,000	20,170,670	37,161,121	6,150,968	2.15x	15.86%	5.27%	10.59%
2003	Leeds Weld Equity Partners IV, L.P.	12/13/2004	15,000,000	15,356,325	15,910,243	4,604,206	1.34x	4.75%	5.25%	(0.50%)
2004	Aurora Equity Partners III, L.P.	5/19/2005	20,000,000	21,706,212	34,553,138	2,280,760	1.70x	14.41%	9.80%	4.61%
2004	Celtic Pharmaceutical Holdings, L.P.	7/10/2006	15,000,000	15,241,256	241,256	13,818,472	0.92x	(0.96%)	8.15%	(9.11%)
2004	FdG Capital Partners II, L.P.	8/30/2004	35,000,000	37,688,035	42,562,842	1,944,066	1.18x	3.36%	6.56%	(3.20%)
2004	Lincolnshire Equity Fund III, L.P.	12/23/2004	25,000,000	24,258,520	31,533,522	11,910,069	1.79x	30.43%	10.36%	20.07%
2004	Markstone Capital Partners, L.P.	7/21/2004	35,000,000	40,766,689	17,074,753	1,711,436	0.46x	(40.50%)	10.35%	(50.84%)
2004	New York/Fairview Emerging Managers (Tranche A), L.P.	10/21/2004	24,000,000	24,339,311	14,140,536	14,829,035	1.19x	3.28%	8.63%	(5.35%)
2004	Paladin Homeland Security Fund (NY), L.P	10/1/2004	15,000,000	16,274,224	4,956,957	2,582,561	0.46x	(10.80%)	5.86%	(16.66%)
2004	Trilantic Capital Partners III (fka LBMB III), L.P.	9/22/2005	30,000,000	23,796,780	35,225,212	671,179	1.51x	12.45%	4.90%	7.55%
2005	Blackstone Mezzanine Partners II, L.P.	5/26/2006	20,000,000	19,321,889	25,404,816	503,353	1.34x	7.94%	3.65%	4.30%
2005	Bridgepoint Europe III, L.P.	12/6/2005	30,510,473	26,996,441	17,702,271	16,069,033	1.25x	3.51%	5.46%	(1.95%)
2005	GI Partners Fund II, L.P.	6/19/2006	25,000,000	25,294,773	29,880,094	7,587,084	1.48x	6.70%	5.36%	1.34%
2005	JP Morgan Fleming (Tranche A), L.P.	12/21/2005	31,000,000	29,952,965	22,714,058	19,319,175	1.40x	7.65%	10.36%	(2.71%)
2005	NB NYC Growth Fund, LLC	8/16/2005	30,000,000	26,117,536	25,198,182	-	0.96x	(1.71%)	3.10%	(4.81%)
2005	New Mountain Partners II, L.P.	1/12/2005	23,225,800	21,337,552	40,880,962	433,157	1.94x	13.72%	4.48%	9.24%
2005	Palladium Equity Partners III, L.P.	8/10/2005	35,000,000	37,022,828	51,465,357	18,498,912	1.89x	16.28%	10.76%	5.52%
2005	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	20,931,568	10,612,561	5,104,908	0.75x	(5.81%)	7.91%	(13.72%)
2005	Psilos Group Partners III, L.P.	10/17/2007	25,000,000	26,575,585	12,820,541	20,516,094	1.25x	4.68%	7.34%	(2.66%)
2005	Quadrangle Capital Partners II, L.P.	2/28/2006	35,000,000	29,822,733	34,949,363	5,330,825	1.35x	6.14%	6.25%	(0.10%)
2005	Snow Phipps Group, L.P.	8/2/2007	15,000,000	17,147,961	13,274,178	8,817,491	1.29x	6.99%	10.38%	(3.39%)
2005	USPF II Institutional Fund, L.P.	11/23/2005	35,000,000	46,164,567	31,431,781	32,233,007	1.38x	6.46%	7.02%	(0.56%)
2005	VSS Communications Partners IV, L.P.	6/2/2006	10,000,000	11,280,602	6,141,927	2,648,158	0.78x	(4.33%)	7.18%	(11.52%)
2006	Aisling Capital II, L.P.	1/12/2006	4,500,000	5,073,948	3,322,003	2,056,842	1.06x	1.23%	7.34%	(6.11%)
2006	Ampersand 2006, L.P.	7/6/2007	15,000,000	15,000,000	15,019,347	15,500,433	2.03x	14.27%	8.17%	6.10%
2006	Apollo Investment Fund VI, L.P.	5/10/2006	35,000,000	45,048,207	56,479,411	12,104,608	1.52x	9.49%	7.39%	2.11%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	30,000,000	32,905,774	49,684,375	5,614,222	1.68x	13.48%	3.97%	9.51%
2006	Arsenal Capital Partners II, L.P.	12/19/2006	13,500,000	16,168,102	15,222,137	10,063,916	1.56x	10.01%	11.57%	(1.56%)
2006	Avista Capital Partners, L.P.	8/11/2006	30,000,000	39,287,209	33,704,381	16,043,106	1.27x	5.39%	5.90%	(0.51%)
2006	BDCM Opportunity Fund II, L.P.	12/28/2006	25,000,000	36,215,247	35,058,707	33,637,053	1.90x	16.51%	10.80%	5.71%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	75,600,000	76,290,822	90,860,382	33,868,865	1.63x	8.43%	8.20%	0.23%
2006	Catterton Partners VI, L.P.	12/14/2006	30,000,000	33,258,990	40,869,603	22,675,055	1.91x	13.68%	8.33%	5.35%
2006	CCMP Capital Investors II, L.P.	5/22/2007	20,000,000	21,799,576	24,011,860	11,032,288	1.61x	13.04%	10.29%	2.75%
2006	Cinven Fourth Fund	1/22/2007	43,870,298	45,316,574	47,207,206	15,681,367	1.39x	6.84%	7.71%	(0.87%)
2006	CLP 2014 (fka Perseus VII)	8/6/2007	381,908	22,622,284	5,993,407	592,616	0.29x	(32.65%)	12.89%	(45.54%)
2006	Fairview Ventures Fund III, L.P.	7/13/2007	20,000,000	20,303,018	13,906,817	22,680,139	1.80x	15.28%	12.07%	3.21%
2006	First Reserve Fund XI, L.P.	12/22/2006	30,000,000	34,241,400	20,186,949	3,651,968	0.70x	(9.77%)	5.82%	(15.59%)
2006	GF Capital Private Equity Fund, L.P.	3/20/2008	15,000,000	15,479,430	12,829,644	14,265,531	1.75x	15.02%	12.33%	2.68%
2006	GSC Recovery III, L.P.	5/4/2006	10,000,000	11,219,344	11,806,138	1,135,621	1.15x	3.75%	6.47%	(2.72%)
2006	InterMedia Partners VII, L.P.	6/8/2006	25,000,000	28,970,204	17,874,149	24,728,502	1.47x	5.98%	9.69%	(3.71%)
2006	Landmark Equity Partners XIII, L.P.	5/15/2006	25,000,000	23,555,379	19,505,282	11,396,875	1.31x	5.77%	6.06%	(0.29%)
2006	MidOcean Partners III, L.P.	6/19/2007	40,000,000	44,809,580	34,315,549	30,633,787	1.45x	8.43%	9.07%	(0.64%)
2006	RRE Ventures IV, L.P.	10/25/2006	25,000,000	30,629,145	14,257,213	34,021,422	1.58x	9.05%	10.40%	(1.35%)
2006	Terra Firma Capital Partners III, L.P.	2/26/2007	31,055,346	31,302,132	2,208,959	13,885,384	0.51x	(10.87%)	8.27%	(19.14%)
2006	Thomas, McNerney & Partners II, L.P.	11/30/2006	15,000,000	14,567,607	24,226,102	7,314,236	2.17x	16.81%	11.29%	5.52%
2007	Carlyle Partners V, L.P.	9/28/2007	50,000,000	49,588,846	50,380,241	30,585,359	1.63x	13.11%	10.66%	2.45%
2007	Co-Investment Partners Europe, L.P.	12/5/2008	26,408,787	28,937,044	18,453,020	17,655,902	1.25x	5.00%	15.60%	(10.60%)
2007	Constellation Ventures III, L.P.	11/20/2008	15,000,000	16,296,009	3,405,627	9,392,115	0.79x	(5.18%)	17.99%	(23.17%)
2007	Craton Equity Investors I, L.P.	3/11/2008	10,000,000	9,266,168	726,852	1,875,475	0.28x	(21.21%)	13.99%	(35.20%)
2007	FTVentures III, L.P.	3/1/2007	14,081,947	14,882,466	11,233,436	14,030,555	1.70x	11.41%	9.61%	1.79%
2007	GSO Capital Opportunities Fund, L.P.	8/15/2008	30,000,000	48,151,207	64,157,567	4,105,332	1.42x	18.00%	10.16%	7.84%
2007	Halyard Capital Fund II, L.P.	11/2/2007	15,000,000	12,646,125	12,600,699	5,860,317	1.46x	7.63%	9.51%	(1.88%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	15,000,000	14,930,359	8,077,322	14,646,001	1.52x	10.44%	9.87%	0.57%
2007	Nautic Partners VI, L.P.	6/30/2008	20,000,000	21,433,686	34,495,354	13,937,277	2.26x	19.04%	11.83%	7.21%
2007	New Mountain Partners III, L.P.	9/25/2007	35,000,000	34,668,119	22,321,311	31,883,693	1.56x	11.39%	12.37%	(0.98%)
2007	PCG Clean Energy & Technology Fund East, L.P.	4/25/2008	60,000,000	50,496,929	6,230,474	24,824,222	0.61x	(9.69%)	13.24%	(22.93%)
2007	Pegasus Partners IV, L.P.	10/9/2007	20,000,000	24,697,086	12,029,384	12,624,089	1.00x	-0.04%	10.97%	(11.01%)
2007	Pine Brook Capital Partners, L.P.	4/7/2008	22,500,000	22,079,985	13,242,775	13,834,351	1.23x	6.87%	11.08%	(4.22%)
2007	Quaker BioVentures II, L.P.	4/18/2008	15,000,000	13,702,775	8,565,380	9,929,986	1.35x	8.19%	12.33%	(4.14%)
2007	RLJ Equity Partners Fund I, L.P.	4/14/2009	15,000,000	14,696,883	6,276,116	16,174,250	1.53x	13.00%	13.84%	(0.84%)
2007	SCP Vitalife Partners II, L.P.	1/10/2008	15,000,000	15,074,774	1,184	10,905,488	0.72x	(6.69%)	10.07%	(16.76%)
2007	StarVest Partners II, L.P.	12/8/2008	20,000,000	19,550,491	912,803	16,210,987	0.88x	(3.26%)	15.49%	(18.75%)
2007	Trilantic Capital Partners IV L.P.	10/22/2007	53,311,339	53,676,966	65,334,209	17,833,117	1.55x	14.17%	11.06%	3.12%
2007	USPF III Institutional Fund, L.P.	7/10/2007	30,000,000	33,095,437	14,596,209	28,981,714	1.32x	5.97%	8.36%	(2.40%)
2007	Vista Equity Partners Fund III, L.P.	11/30/2007	25,000,000	26,587,242	56,546,571	11,356,238	2.55x	28.58%	9.91%	18.66%
2008	Aisling Capital III, L.P.	11/20/2008	10,500,000	10,957,767	10,055,857	7,924,942	1.64x	23.17%	14.62%	8.55%
2008	Apollo Investment Fund VII, L.P.	4/16/2008	50,000,000	58,836,770	88,421,970	15,657,879	1.77x	25.35%	13.55%	11.80%

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

Vintage Year	Investment	First Drawdown	Committed Capital	Paid-In Capital	Distributed Capital	Market Value	Multiple	IRR[2]	PME Benchmark[3]	PME Spread[4]
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	60,000,000	68,611,883	63,403,752	58,590,913	1.78x	21.74%	11.81%	9.93%
2008	Avista Capital Partners II, L.P.	12/31/2008	50,000,000	60,274,827	64,245,611	47,410,203	1.85x	18.79%	14.62%	4.17%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	20,000,000	21,734,323	7,984,160	17,216,800	1.16x	5.31%	16.71%	(11.40%)
2008	Bridgepoint Europe IV, L.P.	9/30/2008	26,477,541	23,858,185	17,976,526	15,949,538	1.42x	10.50%	15.40%	(4.90%)
2008	Carpenter Community BancFund-A, L.P.	6/5/2008	15,000,000	14,639,741	8,743,840	13,557,369	1.52x	8.10%	15.23%	(7.12%)
2008	First Reserve Fund XII, L.P.	11/14/2008	30,000,000	30,782,184	14,613,215	8,067,852	0.74x	(8.97%)	17.00%	(25.97%)
2008	GCM Grosvenor TRSCNY Emerging Manager Co-Investment Fun	8/22/2008	12,626,263	7,142,504	9,590,046	2,671,263	1.72x	13.49%	11.53%	1.96%
2008	GCM Grosvenor TRSCNY Emerging Manager Fund, L.P.	8/22/2008	59,373,737	60,724,728	33,397,921	44,824,935	1.29x	10.65%	13.37%	(2.72%)
2008	GI Partners III, L.P.	7/29/2008	30,000,000	32,016,448	32,353,422	14,699,523	1.47x	13.27%	15.40%	(2.14%)
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	50,000,000	46,727,154	34,755,221	27,674,413	1.34x	13.29%	12.70%	0.59%
2008	Lee Equity Partners, L.P.	4/23/2008	30,000,000	35,050,921	27,010,683	20,612,876	1.36x	9.63%	13.65%	(4.01%)
2008	Leeds Equity Partners V, L.P.	7/28/2008	40,000,000	38,822,954	25,245,651	34,435,009	1.54x	15.80%	13.96%	1.83%
2008	Levine Leichtman Capital Partners IV, L.P.	9/22/2008	25,000,000	24,890,319	29,073,571	14,177,917	1.74x	20.76%	14.42%	6.33%
2008	New York/Fairview Emerging Managers (Tranche B), L.P.	5/28/2008	35,000,000	31,455,324	15,638,891	30,167,682	1.46x	13.47%	13.14%	0.33%
2008	NGN BioMed Opportunity II, L.P.	10/31/2008	15,000,000	13,988,866	2,959,657	7,523,887	0.75x	(6.73%)	15.88%	(22.62%)
2008	Onex Partners III, L.P.	3/31/2009	40,000,000	43,155,664	25,561,244	38,351,308	1.48x	13.31%	15.33%	(2.02%)
2008	Paladin III (HR), L.P.	1/8/2008	20,000,000	21,395,672	11,739,969	16,588,986	1.32x	8.27%	11.23%	(2.96%)
2008	Relativity Fund, L.P.	1/17/2008	15,000,000	8,181,270	1,827,612	2,713,539	0.56x	(11.10%)	11.55%	(22.66%)
2008	Riverstone/Carlyle Global Energy & Power Fund IV	9/29/2008	32,500,000	32,927,617	24,263,283	13,204,402	1.14x	4.53%	13.67%	(9.14%)
2008	Yucaipa American Alliance Fund II, L.P.	3/28/2008	75,000,000	101,867,035	70,030,338	79,832,615	1.47x	11.49%	12.17%	(0.68%)
2008	Yucaipa Corporate Initiatives Fund II, L.P.	6/23/2008	35,000,000	31,778,476	9,110,803	18,746,136	0.88x	(3.09%)	11.57%	(14.66%)
2009	Lincolnshire Equity Fund IV, L.P.	8/7/2009	12,500,000	11,567,220	3,745,074	10,556,550	1.24x	8.09%	13.68%	(5.59%)
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	30,000,000	28,928,153	22,940,206	21,323,267	1.53x	14.17%	14.65%	(0.47%)
2010	JP Morgan Fleming (Tranche B), L.P.	3/31/2008	10,000,000	9,206,685	2,844,941	10,038,857	1.40x	12.62%	13.29%	(0.67%)
2010	Trident V, L.P.	12/30/2010	35,000,000	36,802,990	7,660,966	37,902,737	1.24x	8.43%	11.88%	(3.45%)
2011	American Securities Partners VI, L.P.	1/10/2012	100,000,000	92,374,616	29,514,539	99,064,863	1.39x	20.00%	11.39%	8.61%
2011	Ampersand 2011, L.P.	3/11/2011	17,500,000	16,887,500	987,648	27,845,528	1.71x	17.78%	12.46%	5.32%
2011	AXA Secondary Fund V L.P.	8/11/2011	160,000,000	81,140,024	46,425,900	68,787,879	1.42x	14.90%	15.80%	(0.89%)
2011	BC European Capital IX, L.P.	9/19/2011	65,328,245	54,333,445	17,919,622	44,414,132	1.15x	6.80%	13.46%	(6.66%)
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	60,000,000	49,924,535	8,184,770	52,322,385	1.21x	11.75%	11.38%	0.38%
2011	EQT VI, L.P.	8/1/2011	48,183,295	40,889,401	1,580,459	44,110,688	1.12x	5.09%	11.02%	(5.93%)
2011	Green Equity Investors VI, L.P.	11/30/2012	100,000,000	66,688,255	3,996,565	75,851,247	1.20x	12.32%	8.71%	3.61%
2011	Pegasus Partners V, L.P.	8/16/2011	20,789,916	14,282,074	3,737,465	13,388,698	1.20x	7.47%	15.52%	(8.05%)
2011	Vista Equity Partners IV, L.P.	11/30/2011	100,000,000	89,193,551	36,912,978	120,849,834	1.77x	23.92%	12.58%	11.34%
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	105,000,000	83,234,070	12,073,058	80,728,544	1.11x	8.66%	7.04%	1.62%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	115,000,000	66,306,220	48,858,781	51,948,354	1.52x	48.00%	11.35%	36.64%
2012	Trilantic Capital Partners V, L.P.	9/20/2012	70,000,000	31,739,629	494,964	28,631,238	0.92x	(5.99%)	9.62%	(15.61%)
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	175,000,000	116,823,655	6,456,491	119,856,969	1.08x	5.37%	10.27%	(4.90%)
2012	NYCTRS - 2012 Emerging Manager Program*	2/7/2013	175,000,000	86,814,895	5,783,269	89,060,924	1.09x	8.94%	5.11%	3.83%
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	200,000,000	60,064,903	1,107,977	57,317,217	0.97x	-3.51%	1.82%	(5.33%)
2013	Carlyle Partners VI, L.P.	7/3/2013	125,000,000	55,820,951	2,323,749	53,460,683	1.00x	-0.06%	5.68%	(5.74%)
2013	Carlyle Partners VI, L.P. - Side Car	9/23/2014	13,750,000	7,624,155	2	7,390,897	0.97x	N/M	N/M	N/M
2013	CVC Capital Partners VI, L.P.	2/18/2014	171,450,327	64,027,884	25,999	57,627,764	0.90x	N/M	N/M	N/M
2013	Landmark Equity Partners XV, L.P.	10/30/2013	113,000,000	33,821,688	10,306,009	28,800,270	1.16x	12.80%	8.31%	4.49%
2013	Landmark Equity Partners XV, L.P. - Side Car	12/24/2013	37,000,000	10,005,111	1,818,671	11,337,318	1.31x	24.45%	3.56%	20.89%
2013	Olympus Growth Fund VI, L.P.	1/21/2014	100,000,000	20,747,937	7,712,246	17,865,101	1.23x	23.32%	7.56%	15.76%
2014	ASF VI, L.P.	5/9/2014	112,000,000	42,266,867	1,315,065	49,908,368	1.21x	N/M	N/M	N/M
2014	ASF VI NYC Co-Invest, L.P.	5/9/2014	38,000,000	22,193,240	3,214,800	23,880,078	1.22x	N/M	N/M	N/M
2014	Centerbridge Capital Partners III, L.P.	5/21/2015	33,500,000	7,394,682	-	7,921,645	1.07x	N/M	N/M	N/M
2014	Crestview Partners III, L.P.	3/3/2015	75,000,000	17,172,895	283,562	16,681,260	0.99x	N/M	N/M	N/M
2014	Crestview Partners III (Co-Investment B), L.P.	12/17/2015	25,000,000	8,380,539	351,165	8,328,467	0.00x	N/M	N/M	N/M
2014	Lexington Capital Partners VIII, L.P.	1/8/2015	150,000,000	19,652,197	3,281,133	24,063,095	1.39x	N/M	N/M	N/M
2014	Siris Partners III, L.P.	5/4/2015	45,000,000	7,213,639	-	6,642,583	0.92x	N/M	N/M	N/M
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	125,000,000	84,394,917	76,209	96,080,250	1.14x	N/M	N/M	N/M
2015	Ares Corporate Opportunities Fund V, L.P.	N/A	134,000,000	-	-	-	0.00x	N/M	N/M	N/M
2015	ASF VII, L.P.	12/29/2015	134,000,000	8,077,052	364,370	7,106,546	0.92x	N/M	N/M	N/M
2015	ASF VII B NYC Co-Invest, L.P.	12/29/2015	67,000,000	6,700	-	6,700	1.00x	N/M	N/M	N/M
2015	Bridgepoint Europe V, L.P.	N/A	84,403,169	-	-	78,050	0.00x	N/M	N/M	N/M
2015	Bridgepoint Europe V Co-Invest	N/A	23,763,999	-	-	-	0.00x	N/M	N/M	N/M
2015	NYCTRS - 2015 Emerging Manager Program**	N/A	200,000,000	-	-	-	0.00x	N/M	N/M	N/M
2015	Welsh, Carson, Anderson & Stowe XII, L.P.	8/26/2015	110,500,000	23,186,257	-	21,140,950	0.91x	N/M	N/M	N/M
2016	American Securities Partners VII, L.P.	N/A	111,000,000	-	-	-	0.00x	N/M	N/M	N/M
Total Portfolio[1]			**$ 6,516,092,390**	**$ 4,836,478,475**	**$ 3,497,032,214**	**$ 2,951,561,033**	**1.33x**	**9.12%**		

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR[2]	PME Benchmark[3]	PME Spread[4]
Commitments Closed Subsequent to as of Date										
2016	Green Equity Investors VII, L.P.	N/A	134,000,000	-	-	-	N/A	N/A	N/A	N/A
2016	Stellex Capital Partners, L.P.	N/A	28,000,000	-	-		N/A	N/A	N/A	N/A
Total Commitments Closed Subsequent to as of Date			**$ 162,000,000**	**$ -**	**$ -**	**$ -**	**N/A**	**N/A**	**N/A**	**N/A**

*Please note that the NYCTRS - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which $165.1 million has been committed as of December 31, 2015.

**Please note that the NYCTRS - 2015 Emerging Manager Program total commitment amount includes the full amount allocated to the Program.

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

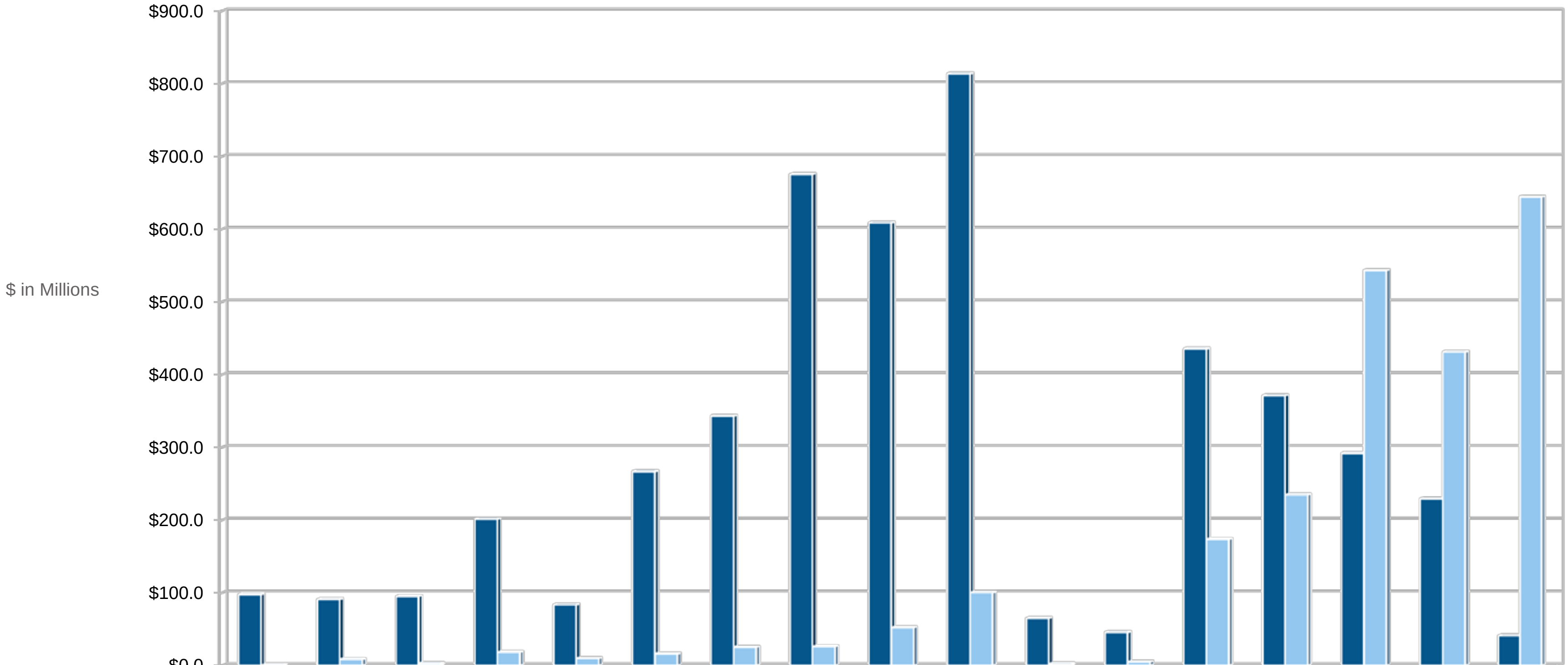
[2]Performance for funds with less than 8 quarters of activity is not yet meaningful.

[3]PME is the Russell 3000 Total Return Index and incorporates the PME + methodology for all partnerships where distributions have occurred, and incorporates the Long Nickels methodologies for those partnerships that have not yet had any distributions to date.

[4]PME Spread is the percentage difference between the IRR and PME Benchmark for each respective partnership.

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

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

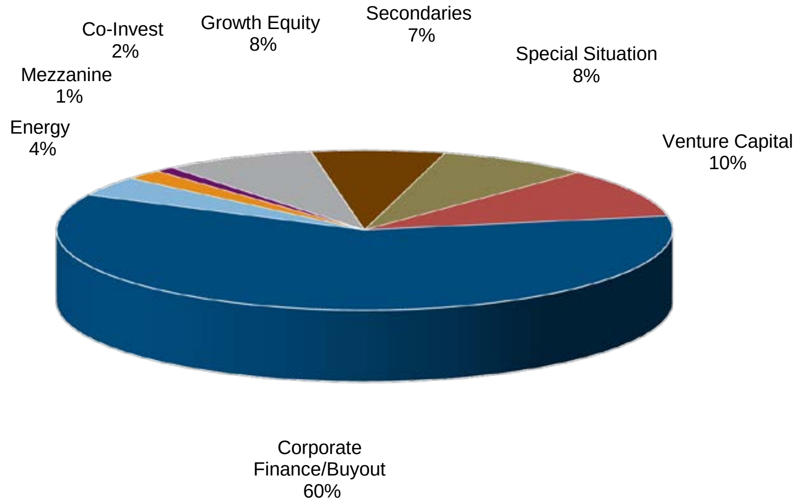


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Funded Commitments	$97.8	$91.0	$95.1	$201.4	$83.6	$266.9	$343.3	$675.5	$608.7	$813.8	$65.1	$45.8	$435.4	$371.1	$291.8	$229.5	$40.9
Unfunded Commitments	$0.8	$8.8	$2.8	$18.5	$10.0	$16.3	$25.5	$26.4	$52.3	$100.2	$2.4	$5.3	$173.9	$234.8	$543.5	$431.2	$644.6

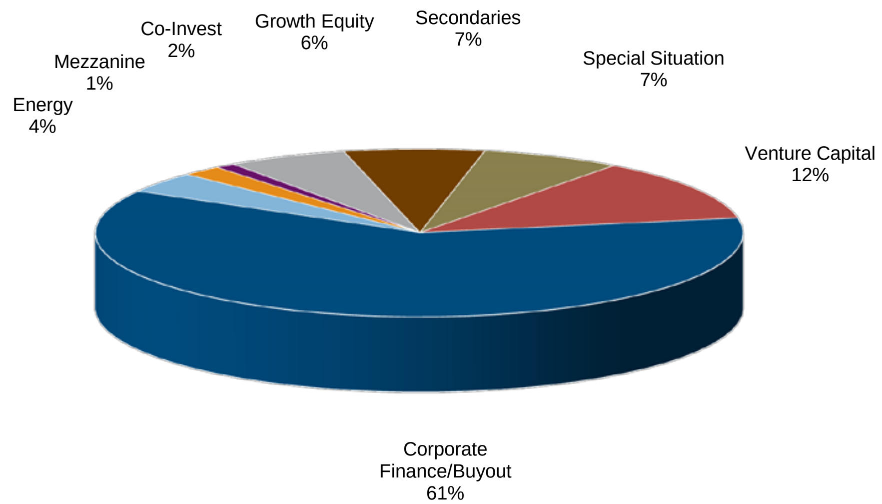
Funded Commitments exclude additional fees.
Unfunded Commitments include recallable returns of capital.

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

As of December 31, 2015



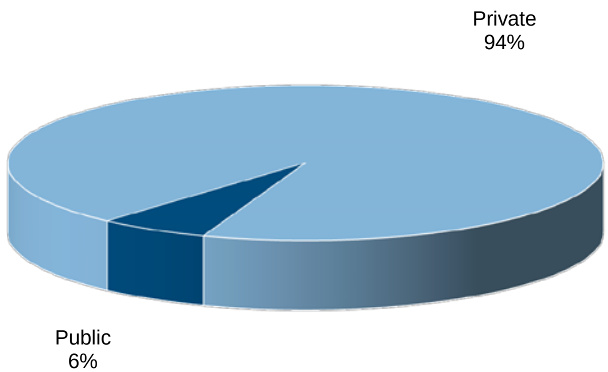
As of December 31, 2014



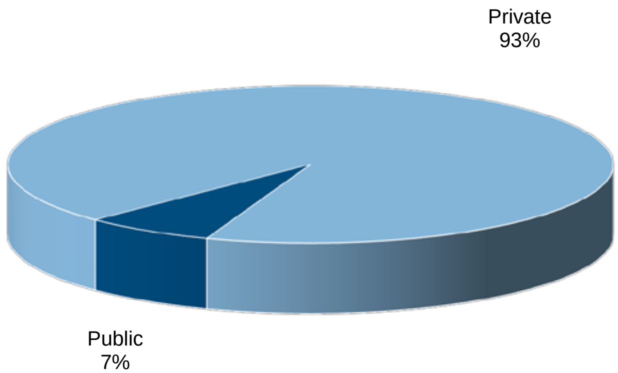
Note: The December 31, 2015 financial statements for Landmark Equity Partners XV, L.P. - Side Car, Lexington Capital Partners VIII, L.P., Markstone Capital Partners, L.P., NB NYC Growth Fund, L.P., New York/Fairview Emerging Managers (Tranche A), L.P., New York/Fairview Emerging Managers (Tranche B), L.P. and NGN BioMed Opportunity II, L.P. were not available from the general partner at the time of completion of this report. The remaining market value is based upon the last reported market value and adjusted forward for net cash flows.

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

Based on Number of Companies (1)



Based on Reported Market Value (1)



(1) Portfolio Company information as of December 31, 2015 for BDCM Opportunity Fund II, L.P., Craton Equity Investors I, L.P., GCM Grosvenor TRSCNY Emerging Manager Fund, L.P., Landmark Equity Partners XI, L.P., Landmark Equity Partners XIII, L.P., Landmark Equity Partners XIV, L.P., Landmark Equity Partners XV, L.P., Landmark Equity Partners XV, L.P. - Side Car, Lexington Capital Partners VIII, L.P., Markstone Capital Partners, L.P., NB NYC Growth Fund, L.P., New York/Fairview Emerging Managers (Tranche A), L.P., New York/Fairview Emerging Managers (Tranche B), L.P., NGN BioMed Opportunity II, L.P., PCG Clean Energy & Technology Fund East, L.P. and RRE Ventures III, L.P. were not available at the time of this analysis. Market values for underlying holdings have been carried forward from last quarter.

Appendix A:

Glossary of Terms

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

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

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

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

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

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

Cost Basis: Capital contributions less return of principal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix B:

Disclosure Statement

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

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

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

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

Contact Information

- **Philadelphia**
One Presidential Blvd., 4th Floor
Bala Cynwyd, PA 19004
USA
+1 610 934 2222

- **Rio de Janeiro**
Av. Niemeyer 2, Sala 102
Leblon Rio de Janeiro
Brasil 22450-220
+55 21 3520 8903

- **New York**
610 Fifth Avenue, Suite 401
New York, NY 10020
USA
+1 212 752 7667

- **Tokyo**
17F, Imperial Hotel Tower
1-1-1, Uchisaiwai-cho, Chiyoda-ku
Tokyo 100-0011
Japan
+81 (0) 3 3580 4000

- **London**
8-10 Great George Street
London SW1P 3AE
United Kingdom
+44 (0) 207 340 0100

- **San Francisco**
200 California Street, Suite 400
San Francisco, CA 94111
USA
+1 415 365 1056

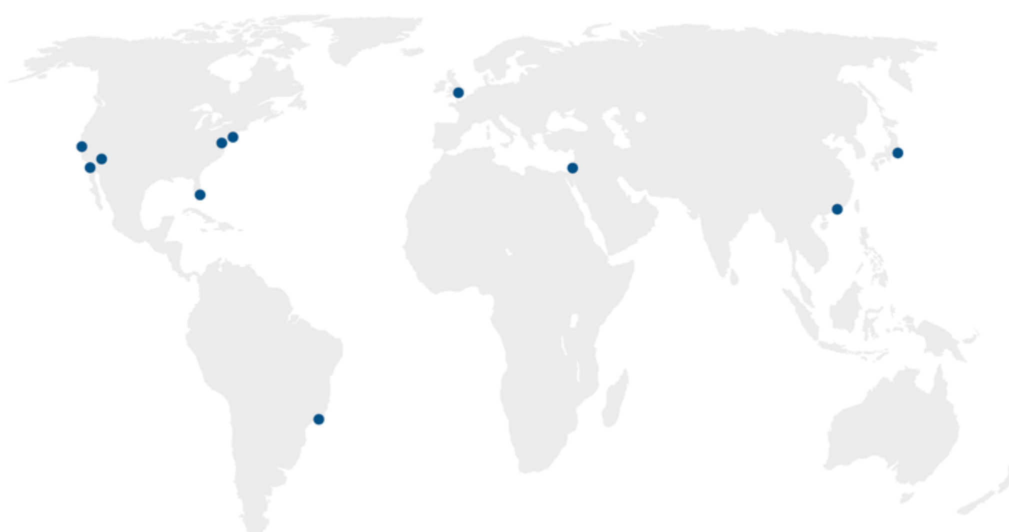
- **Fort Lauderdale**
200 SW 1st Avenue, Suite 880
Ft. Lauderdale, FL 33301
USA
+1 954 745 2780

- **Las Vegas**
3753 Howard Hughes Parkway
Suite 200
Las Vegas, NV 89169
USA
+1 702 784 7690

- **Hong Kong**
Room 1001-2, 10th Floor
St. George's Building
2 Ice House Street
Central Hong Kong, China
+852 3987 7191

- **San Diego**
7777 Fay Avenue, Suite 201
La Jolla, CA 92037
USA
+1 858 410 9967

- **Tel Aviv**
14 Shenkar Street
Nolton House
Herzliya Pituach, 46733
P.O. Box 12279
Israel
+972 9 958 6670



- Real Assets Quarterly Report:

Teachers' Retirement System of the City of New York

Executive Summary: Fourth Quarter 2015 Performance Measurement Report
Real Estate

Portfolio Profile

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

Portfolio Statistics (December 31, 2015)

Total Plan Assets	$58.6 billion
Target Real Assets Allocation (%)	6%
Target Real Assets Allocation ($)	$3.5 billion
Total Real Estate Market Value	$1.8 billion
Real Estate Unfunded Commitments	$777 million
Total Real Estate Exposure	$2.5 billion
Number of Investments	50
Number of Managers	38

Net Returns (as of December 31, 2015)

4Q15 Time-Weighted Net Return:	4.4%
1 Year Time Weighted Net Return:	14.7%
3 Year Time Weighted Net Return:	13.7%
Inception-to-Date (ITD) Time-Weighted:	9.7%
ITD Net IRR:	9.9%
ITD Net Equity Multiple:	1.4x

Investment Guidelines

Style Sector:	Target •40-60% Core/Core Plus •40-60% Non-Core
Benchmark	NFI-ODCE Index +100 bps net over full market cycles
Region Diversification	Maximum 25% Int'l
Investment Diversification	Limit 15% to a single investment
Manager Diversification	Limit 15% to a single manager
Leverage	65%

Fourth Quarter Investment Activity

During the Quarter, the Board made a $63.8 million commitment to an European opportunistic closed-end fund

OVERVIEW

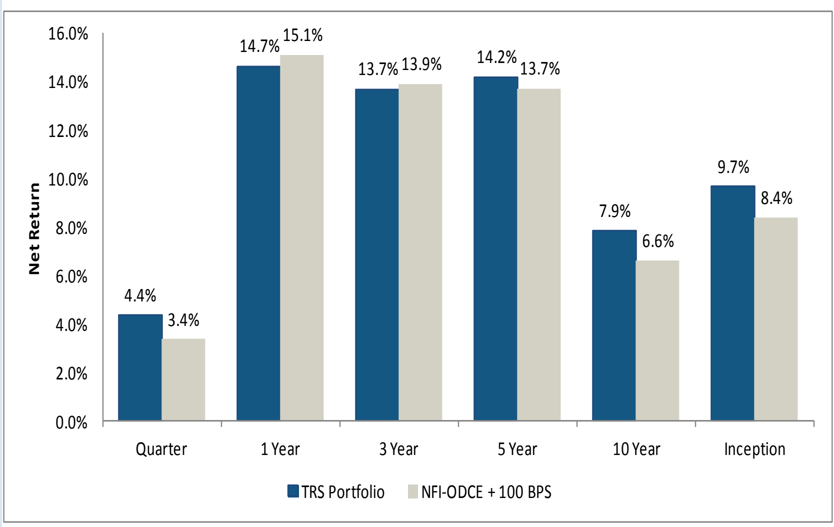
Real Estate transactional volume declined by -0.9% for year-end 2015 in comparison to year-end 2014. In 2015, New York City, which saw a record $53.0 billion in transaction volume – a 20% year-over-year growth rate – and replaced London as the top target market for global real estate investment. Secondary U.S. markets such as Seattle and Atlanta also benefited from increased investment interest with U.S. cities making up 10 out of the top 20 commercial real estate investment targets. Commercial real estate transactional volume in Europe was at €80.8 billion. There was a decline in foreign investment capital especially from the U.S. The largest investment markets in Europe were London, Berlin and Paris. Real estate investment picked up in the Asia Pacific region in the Fourth Quarter by 49% year-over-year.

Direct Commercial Real Estate Investment - Regional Volumes, 2014-2015

$ US Billions	Q2 15	Q3 15	Q4 15	% Change Q3 15 - Q4 15	Q5 14	% Change Q4 14 - Q4 15	YTD 2014	YTD 2015	% Change YTD 2014 - YTD 2015
Americas		76	85	12%	94	-10%	302	314	4%
EMEA		65	89	37%	91	-2%	278	267	-4%
Asia Pacific		32	36	13%	44	-18%	131	124	-5%
Total		173	210	2%	229	-8%	711	705	-1%

Source: Jones Lang LaSalle, February 2016

The Teachers' Retirement System of the City of New York ("NYCTRS") Real Estate Portfolio is, and has been, well positioned to take advantage of conditions in the real estate marketplace. Post economic downturn, in the period reflected in the rolling five-year returns, NYCTRS performance exceeds the benchmark by 47 basis points. At the end of the Fourth Quarter 2015, the Portfolio achieved a total gross return of 5.1% which was comprised of 2.2% income and 2.9% appreciation. The net return for the Quarter was 4.4%. A detailed analysis of NYCTRS' real estate performance is found later in this Executive Summary.



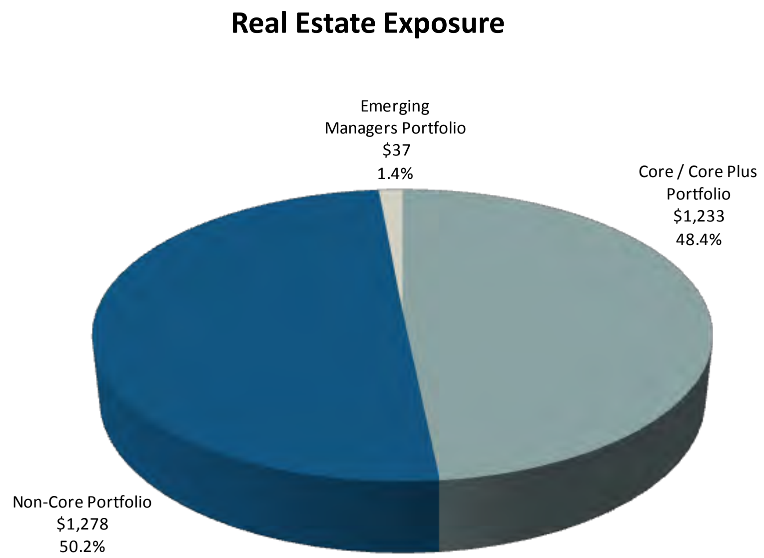
FUNDING AND COMPOSITION

At the end of the Fourth Quarter, the Portfolio was funded at $1.8 billion, or 3.0% of total plan assets. A total of $777 million in unfunded commitments are still outstanding. Unfunded commitments are up from $712 million in the third quarter 2015. New commitment activity will continue throughout 2016.

New contributions for the Quarter totaled $128.1 million, offset by just over $61.9 million in distributions and withdrawals. Distributions were weighted to the non-core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Values + Unfunded Commitments. The Core/ Core Plus component accounts for 48.4% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 50.2% of the Portfolio exposure. The Emerging Manager component accounts for 1.4% of the Portfolio exposure.

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



Teachers' Retirement System of the City of New York		
Total Plan Assets	12/31/2015	58,581
Real Assets Allocation (%)		6.0
Real Assets Allocation ($)		3,515
Style Sector Statistics		
Funded (Market Value) Core / Core Plus Portfolio		$996
Funded (Market Value) Non-Core Portfolio		$748
Funded (Market Value) Emerging Managers Portfolio		$27
Unfunded Core / Core Plus Portfolio		$236
Unfunded Non-Core Portfolio		$530
Unfunded Emerging Managers Portfolio		$10
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		48.4%
Non-Core Portfolio		50.2%
Emerging Managers Portfolio		1.4%
$ Committed		2,548
% Committed on Real Asset Allocation		72.5%
% Committed on Total Plan Assets		4.3%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		3.0%
% Funded (Market Value) of Total Real Assets Allocation		50.4%

PERFORMANCE

During the Quarter under review, the NYCTRS Real Estate Portfolio produced a 5.1% total gross return. The total net return for the Quarter was 4.4%. On a rolling one-year basis the total gross return of 17.4% was recorded. On a net basis the total return was 14.7%. On a gross basis the NYCTRS Portfolio exceeds the NFI-ODCE over all relevant time periods. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles (10-year). This benchmark is exceeded over the Quarter, five-year, ten-year and since inception time periods. The various components of the Portfolio returns are depicted in the chart below.

<u>Core/Core Plus</u>

As of December 31, 2015 the market value of the Core/ Core Plus Portfolio was $996 million, or 56.2% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled $1.2 billion, or 48.4% of the total Portfolio. The Core/ Core plus Portfolio generated a 4.7% total gross return for the Quarter comprised of 1.1% in income and 3.6% in appreciation. The total net return for the Quarter was 4.3%.

The most significant contributor to the Quarterly return for the Core/Core Plus Portfolio was Almanac Realty Securities VI, which added 0.53% to the total return. The largest detractor from the Core/Core Plus Portfolio was UBS Trumbull Property Fund, which detracted (0.09)% from the total net return.

The Core/Core Plus Portfolio achieved a 13.3% net return over the three-year period ending December 31, 2015. Of the 18 Core/Core Plus Funds, Almanac Realty Securities VI was the largest contributor, adding 0.24% to the overall performance of the Portfolio. UBS Trumbull Property Fund was the largest detractor, taking away (0.72)% from the overall performance of the Core/Core Plus Portfolio.

<u>Non-Core</u>

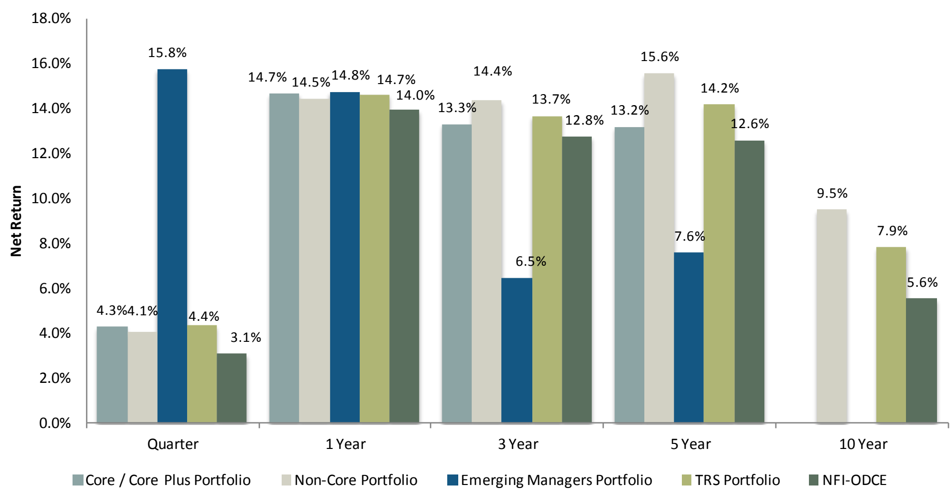
As of December 31, 2015 the market value of the Non-Core Portfolio was $748 million, or 42.2% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled $1.3 billion, or 50.2% of the total Portfolio. The Non-Core Portfolio generated a 5.2% total gross return for the Quarter comprised of 3.2% in income and 2.0% in appreciation. The total net return for the Quarter was 4.1%.

Of the 28 Non-Core Funds that contributed to the Quarterly return, Taconic New York City Investment Fund contributed the most, adding 0.97%. Stockbridge Real Estate Fund III was the largest detractor for the Quarter, taking away (0.39)% from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio generated a three-year net return of 14.4%. Of the 28 Non-Core Funds that contributed to the three-year performance of the Portfolio, Carlyle Realty Partners VI was the largest contributor, adding 1.24%. The largest detractor among these Funds was The City Investment Fund, which took away (1.40)% from overall Non-Core performance.

<u>Emerging Managers</u>

As of December 31, 2015 the market value of the Emerging Managers Portfolio was $27 million, or 1.5% on an invested basis. On a funded and committed basis, the Emerging Managers Portfolio totaled $37 million, or 1.4% of the total Portfolio. The Emerging Managers Portfolio generated a 16.2% total gross return for the Quarter comprised of 13.5% in income and 2.7% in appreciation. The total net return for the Quarter was 15.8%. The Emerging Managers Portfolio has underperformed for a number of reasons including the fact that performance has been adversely impacted by virtue of the vintage years of these funds.

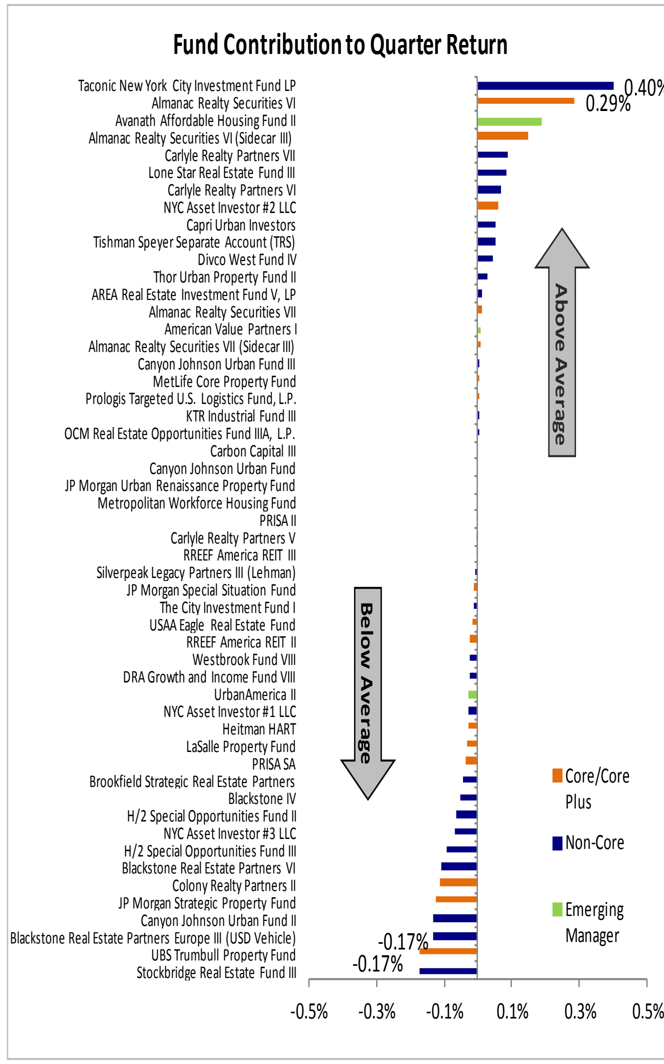


PERFORMANCE

Portfolio Performance

At the end of the Fourth Quarter 2015, the Portfolio had a cumulative market value of $1.7 billion. Total market value plus unfunded commitments was $2.5 billion, or 72.5% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 5.1% which was comprised of 2.2% in income and 2.9% in appreciation. The Portfolio achieved a total net return of 4.4%. Since inception, the Portfolio has a net IRR of 9.9% and an equity multiple of 1.4x as of December 31, 2015. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven by Taconic New York City Investment Fund, which contributed 0.40% to the overall performance. The primary laggards in the Portfolio were UBS Trumbull Property Fund and Stockbridge Real Estate Fund III, each detracting (0.17)%. Brief reviews of Funds making positive contributions to performance during the Quarter are found below. Note, that attached as Exhibit C are charts relating to fund contributions to returns during different relevant periods.



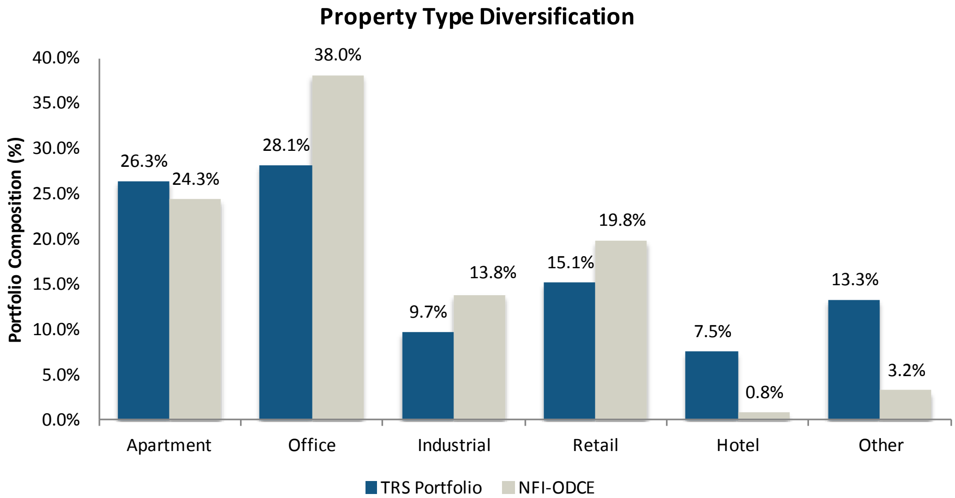
Taconic New York City Investment Fund LP (Taconic). The Fund produced a total gross return of 32.8% comprised solely of income. The net return after fees was 23.7%. As of December 30, 2015, $91.0 million (59% of total commitments) has been contributed to the Fund. $45.0 million in distributions have been made since inception, and $22 million of which had been made during the Quarter. During the Quarter, the tenant lease on the third floor of a class A office and retail building was finalized at a rent above pro forma. Fair value for the residential development condominium in Tribeca was valued at $36.9 million. Fair value for an office and retail building in Manhattan was $89.4 million as of December 31, 2015. Since inception, the Fund has produced a net IRR of 18.9% and 1.7x multiple.

Almanac Realty Securities VI (ARS VI). The Fund produced a total gross return during the Quarter of 18.7%, comprised of 2.1% in income and 16.6% in appreciation. The net return after fees was 18.5%. For 2015 ARS VI earned $11.9 million in net investment income while recording a $53.2 million increase in unrealized appreciation. As of Fourth Quarter 2015, ARS VI has distributed $88.0 million in income and returned $193.4 million of invested capital. Since inception, ARS VI has committed $593.3 million across six investments, two of which have been fully realized. The Fair Market Value of the Fund was $348.3 million and $140.0 million remains unfunded as of the end of the year. Net Fund performance as of December 31, 2015 was 18.2% IRR and 1.3x equity multiple.

Avanath Affordable Housing Fund II (AAH II). During the Quarter, the Fund produced a total gross return of 45.3%, comprised of 30.3% in income and 15.0% in appreciation. The net return after fees was 44.8%. The Fund remains in its investment period. 87% of the investments were closed on during 2015. There are currently 11 assets in the Fund. Portfolio occupancy is at 97.2%. A number of properties have experienced higher than projected expenses and lower than projected gross income contributing to the low overall NOI for the portfolio. Three properties are currently under renovation as part of their business plans. As of year-end, the Fund is projected to generate a gross IRR of 7.7%.

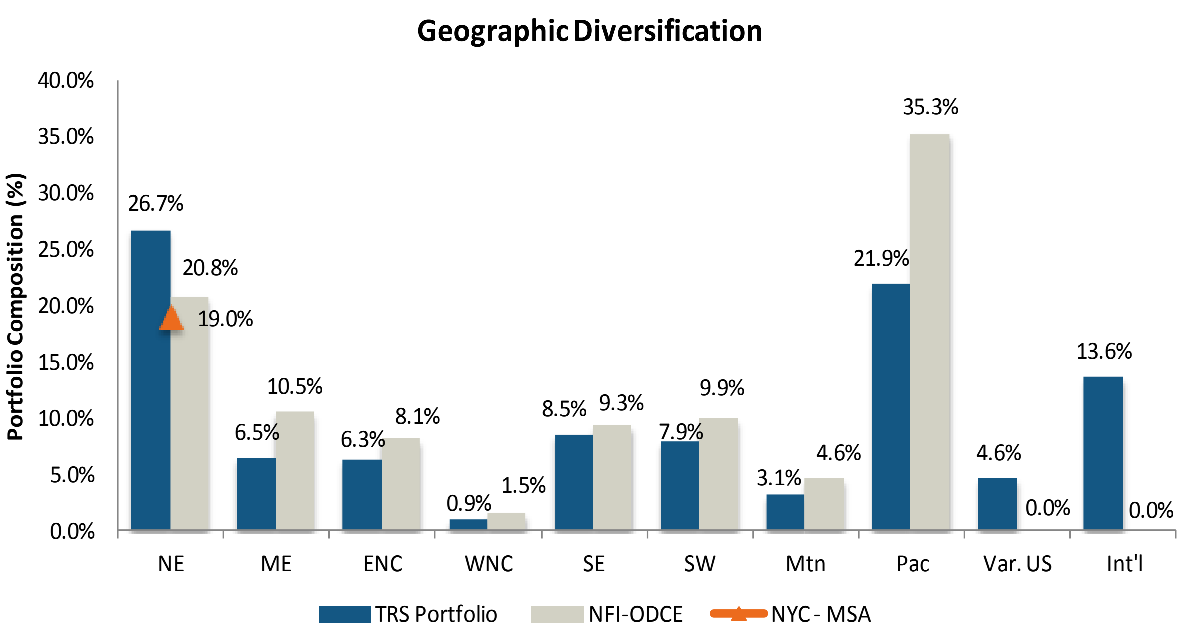
PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. Relative to the ODCE, the Portfolio is underweight to office, industrial and retail. The Portfolio is overweight to hotel, and other property types which includes debt-related investments and other investments within diversified funds which may include for sale residential, self storage, land, data centers, senior living, healthcare, medical office and student housing.



GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight overweight to the Northeast and a slight underweight to the Mid East, East North Central, Mountain and Pacific. The 13.6% international exposure is appropriate for the risk and return profile of TRS and consistent with our long-term target.



MARKET UPDATE

General

•4Q15 real GDP decelerated to a 1.4% annual rate, 40 bps above initial expectations, however 110 bps below 3Q15. Growth was stimulated by positive contributions from decelerating household consumption coupled with strong residential fixed investments and federal government spending. Growth was partially offset by lower private inventory investment, non-residential fixed investment, state and local government spending, as well as lower net export volume due to weak global demand. Real GDP increased by 2.4% over the twelve month period ending December 31, 2015.

•In 4Q15, consumer spending, which represents two-thirds of the GDP, grew at a decelerating pace of 2.4%, 20 bps above predictions. While deceleration was driven by high personal saving rates during the quarter (5%+), growth was mainly driven by a 3.8% rise in real consumption of durable goods resulting from a 0.8% rise in real disposable income due to the declining oil prices since 2H14. As jobs grew by 2.7 million over the year, 2014-2015 represented the strongest two-year period of job growth since 1999.

•In 2015, a decline in energy prices contributed 0.2% to GDP, through a 0.5% contribution to household consumption and a 0.3% detraction from business investment due to a steep decrease in oil drilling and exploration investments.

•During the year, real exports decreased by 0.8% due to lower global growth and a stronger U.S. dollar. The trade deficit of -0.5% partially offset the 4Q15 GDP growth of 30 bps.

•In 2015, CMBS issuance rose to $172.1 billion, 5.6% above 2014; subsequent to quarter-end, new issue spreads on AAA- and BBB- widened by 30 bps and 240 bps, respectively. Given spreads and yields remain below prior corrections, investors expect spreads to continue widening.

Commercial Real Estate

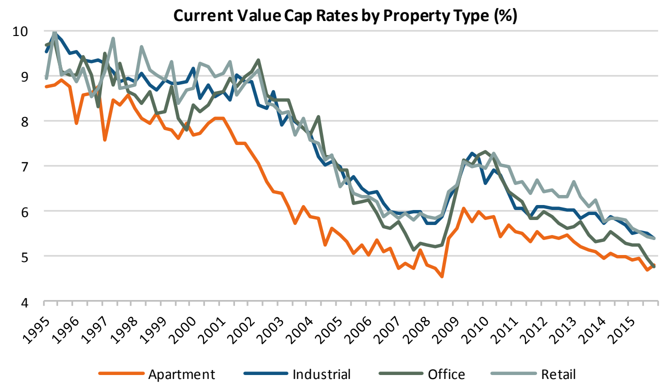
•Activity in the U.S. commercial real estate sector remained strong in 2015, with major cities leading the way. Over $463 billion of annual transaction volume, or 65.9% of global activity, took place in New York, Los Angeles, and Chicago. During the year, transactions grew by 25.1% and current economic indicators suggest slower annual sales growth of 10% in 2016.

•In 2015, foreign capital represented 15.4% of total transaction activity, exceeding 2007 peak levels by 9.0%. Industrial outclassed office as the largest recipient of FDI, with foreign investors representing 40.5% of industrial buyers in 2015. In addition to office, foreign investors have shown growing interests in large-scale, well located, multimarket industrial portfolios and iconic hotel assets.

•In 2015, the office and multifamily sectors recorded the highest transaction volumes across property types in the U.S., each representing approximately 30% of total transaction activities.

•In 2015, transaction cap rates from all traditional property sectors declined by more than 10 bps, with retail recording the largest cap rate compression (-50 bps), with an average cap rate of 4.8%. Multifamily recorded the lowest primary cap rate (4.3%), with apartments trading only 20 bps above 2007 peak levels.

•With core property pricing surpassing peak levels after 2015, concerns have shifted from a fed tightening to a tightening in financial conditions, implying a tightening in lending standards by loan suppliers. Consequently, some investors reduced their 2016 projected C.R.E. price appreciation to 0%.



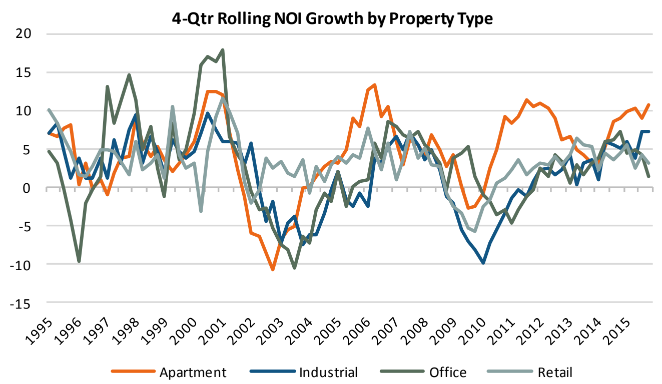


EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles	*Portfolio returns outperform the benchmark over the Quarter, five, ten year and since inception time periods.*
Portfolio Composition	Core/Core Plus (minimum of 40%) Non Core (minimum of 40%) Non Core Emerging	*The portfolio is funded (market value) and committed at 72.5 % of real asset allocation with a portfolio composition of 48.4% core, 50.2% non-core, and 1.4% emerging.*
Real Asset Allocation	Target of 6.0% Currently Funded at 3.0%	*Funded (market value) and committed dollars place the portfolio at 4.3 % of total plan assets.*
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	*All property type locations are in compliance.*
Geographic Diversification	Diversified geographically Max 25% Ex-US	*All geographic type locations are in compliance*
LTV	65%	*Portfolio is in compliance (40.7 %).*
Manager Exposure	15% of real estate allocation	*Manager exposure is in compliance based on market value.*

EXHIBIT B: FOURTH QUARTER 2015 FOIL

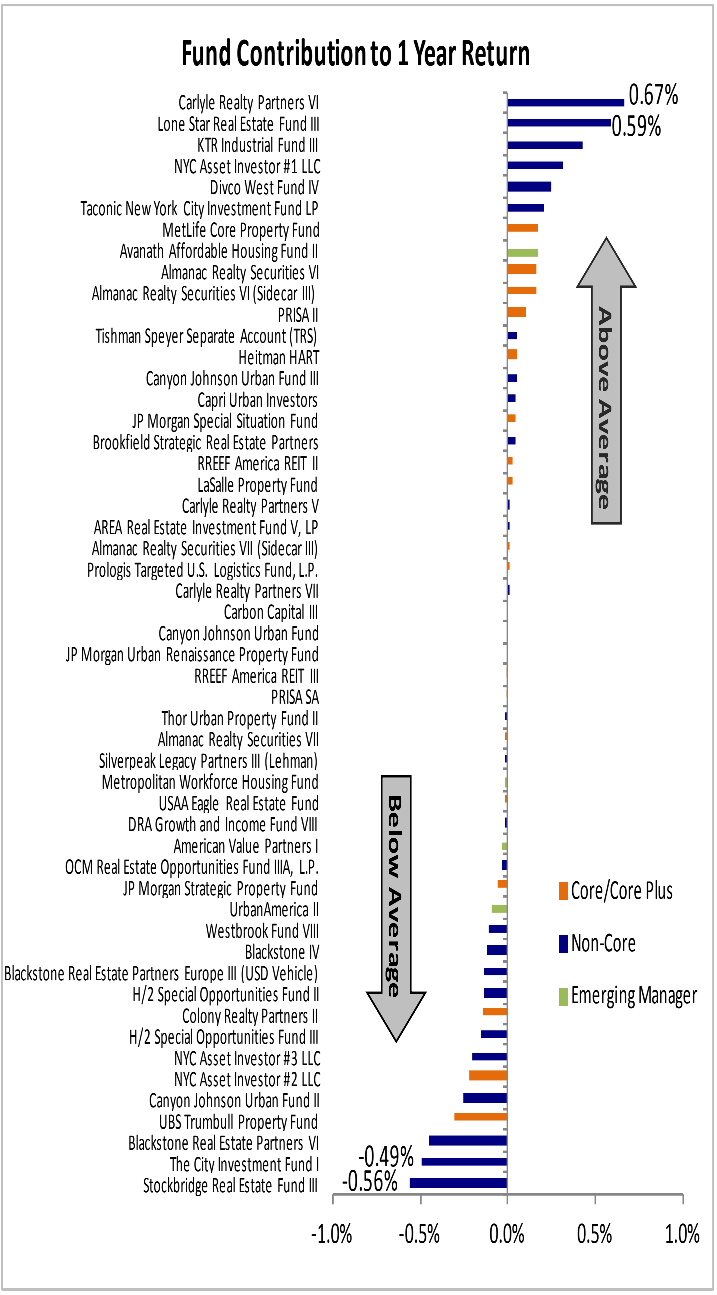
TOWNSENDGROUP

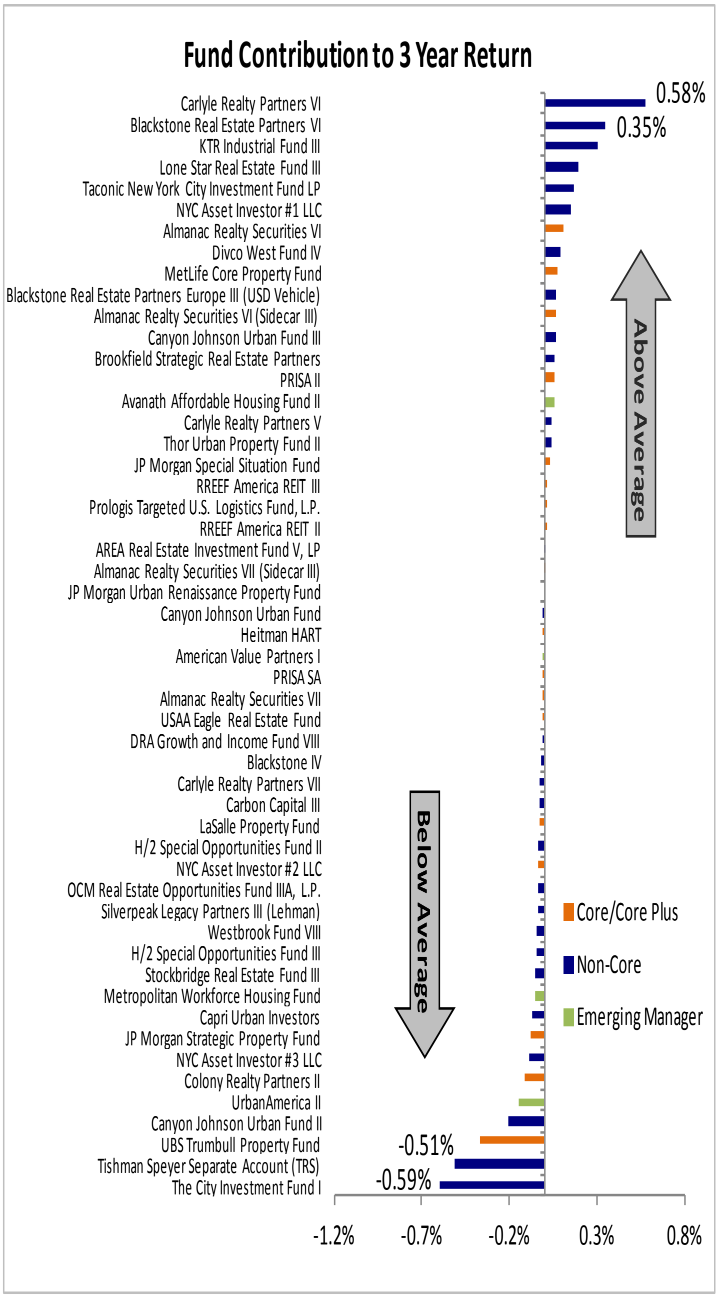
Teachers' Retirement System of the City of New York

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2012	Almanac Realty Securities VI	6/6/2012	100,000,000	60,327,360	-38,037,253	40,798,293	1.3	18.1
2012	Almanac Realty Securities VI (Sidecar III)	7/31/2012	35,000,000	9,581,199	-5,196,029	9,079,802	1.5	35.6
2015	Almanac Realty Securities VII	4/24/2015	65,000,000	14,312,367	0	15,064,211	1.1	12.9
2016	Almanac Realty Securities VII (Sidecar III)	12/9/2015	20,000,000	2,731,636	0	2,881,745	n/a	n/a
2007	Colony Realty Partners II	12/20/2006	15,000,000	16,065,058	-499,580	4,487,600	0.3	-13.8
2007	Heitman HART	3/29/2007	48,000,000	65,005,348	-17,005,304	84,816,854	1.6	8.1
2007	JP Morgan Special Situation Property Fund	1/2/2007	15,000,000	16,994,243	-4,012,898	18,094,030	1.3	3.5
2007	JP Morgan Strategic Property Fund	12/4/2006	86,000,000	93,007,323	0	157,171,340	1.7	8.3
2010	LaSalle Property Fund	7/1/2010	50,000,000	50,000,000	-8,889,495	66,395,457	1.5	12.9
2014	MetLife Core Property Fund	7/1/2014	80,000,000	80,000,000	-3,758,468	89,544,693	1.2	19.8
2013	NYC Asset Investor #2 LLC	7/9/2013	145,000,000	119,955,739	-18,133,596	120,311,917	1.2	13.9
2007	PRISA II	6/30/2007	63,374,139	67,084,579	-11,652,038	82,230,454	1.4	4.9
2006	PRISA SA	9/29/2006	36,000,000	38,664,078	-8,504,877	45,929,421	1.4	4.1
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	10,000,000	12,714,785	-2,831,536	11,897,951	1.2	2.0
2006	RREEF America REIT II	10/1/2006	36,000,000	47,527,452	-19,736,083	45,897,765	1.4	4.7
2007	RREEF America REIT III - 1410	10/1/2007	15,000,000	14,836,751	-7,544,175	954,158	0.6	-7.4
2006	UBS Trumbull Property Fund	9/28/2006	106,000,000	137,781,590	-25,377,919	169,699,318	1.4	7.3
2016	USAA Eagle Real Estate Fund	12/1/2015	78,000,000	30,944,841	0	31,135,239	1.0	7.7
	Core / Core Plus Portfolio		**1,003,374,139**	**877,534,348**	**-171,179,251**	**996,390,250**	**1.3**	**6.5**
2006	AREA Real Estate Investment Fund V, LP	6/15/2006	5,000,000	5,000,001	-1,853,705	2,889,398	0.9	-0.9
2004	Blackstone Fund IV	5/10/2004	25,000,000	32,033,922	-37,800,914	7,774,314	1.4	11.1
2010	Blackstone Real Estate Partners Europe III (USD Ve	10/24/2008	50,000,000	40,267,192	-34,166,718	26,629,515	1.5	15.2
2007	Blackstone Real Estate Partners VI	9/27/2007	50,000,000	53,822,335	-72,348,029	29,152,421	1.9	13.3
2012	Brookfield Strategic Real Estate Partners	9/20/2012	125,000,000	114,512,698	-38,636,160	104,306,815	1.2	15.6
2003	Canyon Johnson Urban Fund	12/6/2002	15,000,000	13,590,364	-15,874,432	0	1.2	10.2
2005	Canyon Johnson Urban Fund II	5/11/2005	30,000,000	26,966,112	-9,895,945	1,505,394	0.4	-11.4
2010	Canyon Johnson Urban Fund III	3/29/2010	25,000,000	24,655,816	-31,656,534	2,358,636	1.4	12.8
2008	Capri Urban Investors	6/3/2008	40,000,000	39,987,138	-10,513,450	25,598,273	0.9	-1.8
2009	Carbon Capital III	7/2/2009	40,000,000	43,757,162	-53,134,591	0	1.2	8.5
2007	Carlyle Realty Partners V	8/27/2007	15,000,000	18,415,518	-19,954,400	5,313,011	1.4	8.6
2011	Carlyle Realty Partners VI	9/14/2011	70,000,000	63,815,840	-62,959,192	41,424,413	1.6	29.7
2014	Carlyle Realty Partners VII	6/30/2014	120,000,000	37,165,875	-118,944	38,401,621	1.0	7.3
2014	Divco West Fund IV	1/15/2014	25,000,000	22,734,479	-7,043,330	23,388,419	1.3	28.1
2014	DRA Growth and Income Fund VIII	9/29/2014	75,000,000	31,111,111	-2,334,131	31,675,769	1.1	13.6
2016	European Property Investors Special Opportunitie	12/18/2015	64,826,199	3,274,286	0	3,260,030	1.0	-11.5
2011	H/2 Special Opportunities Fund II	1/31/2011	40,000,000	39,999,999	-23,365,078	30,804,779	1.4	15.4
2015	H/2 Special Opportunities Fund III	12/29/2014	65,000,000	18,690,576	0	18,341,993	1.0	-3.4
2009	JP Morgan Urban Renaissance Property Fund	12/18/2008	16,360,625	4,206,523	-4,206,523	0	1.0	0.0
2013	KTR Industrial Fund III	6/28/2013	70,000,000	30,589,081	-48,277,889	132,003	1.6	40.6
2014	Lone Star Real Estate Fund III	5/20/2014	190,000,000	162,549,941	-28,164,720	161,706,541	1.2	20.5
2013	NYC Asset Investor #1 LLC	6/25/2013	60,000,000	63,556,082	-6,754,755	73,113,962	1.3	24.2
2013	NYC Asset Investor #3 LLC	9/20/2013	96,000,000	24,292,351	-375,692	24,590,982	1.0	2.3
2003	OCM Real Estate Opportunities Fund IIIA	5/30/2003	15,000,000	15,000,000	-23,027,038	1,059,422	1.6	10.2
2008	Silverpeak Legacy Partners III	5/28/2008	30,000,000	11,748,148	-2,969,883	2,752,267	0.5	-14.4
2008	Stockbridge Real Estate Fund III	9/9/2008	22,500,000	22,498,458	0	29,319,849	1.3	5.4
2012	Taconic New York City Investment Fund LP	7/5/2012	70,000,000	28,954,546	-12,727,273	35,379,129	1.7	18.9
2004	The City Investment Fund I	3/16/2004	120,000,000	118,337,757	-118,271,891	1,488,914	1.0	0.3
2009	Thor Urban Property Fund II	10/30/2008	12,500,000	16,173,958	-10,250,315	12,480,174	1.4	11.4
2004	Tishman Speyer Separate Account (TRS)	8/5/2004	100,000,000	72,402,952	-250,146,943	0	3.5	57.5
2010	Westbrook Real Estate Fund VIII	12/28/2009	50,000,000	59,206,619	-64,287,780	13,198,813	1.3	12.7
2008	American Value Partners Fund I	10/18/2007	25,000,000	17,837,515	-13,037,089	7,716,493	1.2	3.7
2015	Avanath Affordable Housing Fund II	7/14/2015	10,000,000	8,152,988	0	11,275,749	n/a	n/a
2007	Metropolitan Workforce Housing Fund	7/13/2007	10,500,000	10,509,770	-4,719,022	7,236,517	1.1	2.9
2007	UrbanAmerica II	1/30/2007	11,000,000	10,218,031	-412,785	799,396	0.1	-24.7
	Non Core and Emerging Manager Portfolio		**1,788,686,824**	**1,306,035,144**	**-1,009,285,153**	**775,075,013**	**1.4**	**14.2**
	Teachers' Retirement System of the City of New York		**2,792,060,963**	**2,183,569,492**	**-1,180,464,404**	**1,771,465,263**	**1.4**	**9.9**

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 December 31, 2015. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

EXHIBIT C : ATTRIBUTION





Infrastructure Monitoring Report

For the period ended December 31, 2015

Report Prepared For:

Teachers' Retirement System of the City of New York

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I. Executive Summary

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

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

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

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

Since inception through December 31, 2015, the Program has committed US$470.0 million to four partnership investments (the "Portfolio"). This quarterly monitoring report covers the performance of the Portfolio as of December 31, 2015 as well as significant activity that occurred during the fourth quarter of 2015.

Allocation Summary

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

As of December 31, 2015, the market value of NYC TRS Real Assets Program represented approximately 3.5% of total pension assets. The market value of NYC TRS Infrastructure Program represented approximately 0.4% of total pension assets, a three basis point increase from the prior quarter.

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

US$ in millions *	December 31, 2015	September 30, 2015	December 31, 2014	Quarterly Change	Yearly Change
Total Pension Assets*	$58,581.0	$57,279.0	$58,771.0	$1,302.0	($190.0)
Total Real Assets*	$2,077.0	$1,866.0	$1,485.0	$211.0	$592.0
% Allocation to Real Assets (Target of 6% +/- 2%)	3.5%	3.3%	2.5%	+ 29 bps	+ 102 bps
Total Infrastructure Assets	$248.5	$225.1	$42.8	$23.4	$205.7
% Allocation to Infrastructure vs. Total Pension Assets	0.4%	0.4%	0.1%	+ 3 bps	+ 35 bps
% Allocation to Infrastructure vs. Total Real Assets	12.0%	12.1%	2.9%	+ -10 bps	+ 908 bps

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

Performance Summary

As of December 31, 2015, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.1x invested capital and an IRR of 10.7%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US$ in millions *	December 31, 2015	September 30, 2015	December 31, 2014	Quarterly Change	Yearly Change
Number of Managers	4	4	3	0	1
Number of Investments	4	4	3	0	1
Committed Capital [1]	$470.0	$470.0	$370.0	$0.0	$100.0
Contributed Capital	$238.7	$216.6	$42.3	$22.1	$196.4
Distributed Capital	$9.2	$7.8	$3.3	$1.4	$5.9
Market Value	$248.5	$225.1	$42.8	$23.4	$205.7
Total Value	$257.7	$232.9	$46.1	$24.8	$211.6
Total Gain/(Loss)	$19.1	$16.4	$3.8	$2.7	$15.3
Unfunded Commitment	$233.2	$253.9	$327.8	($20.6)	($94.5)
Exposure [2]	$481.7	$479.0	$370.5	$2.8	$111.2
DPI [3]	0.0x	0.0x	0.1x	0.0x	0.0x
TVPI [4]	**1.08x**	**1.08x**	**1.09x**	**0.00x**	**-0.01x**
IRR [5]	**10.7%**	**13.4%**	**13.7%**	**-2.7%**	**-3.0%**
TVPI Net of StepStone Fees [6]	1.08x	1.08x	1.09x	0.00x	-0.01x
IRR Net of StepStone Fees [6]	10.7%	13.3%	13.7%	-2.6%	-3.0%

* Note that amounts may not total due to rounding. **Past performance is not necessarily indicative of future results.**

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

[2] Exposure represents the sum of Market Value and Unfunded Commitment.

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

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

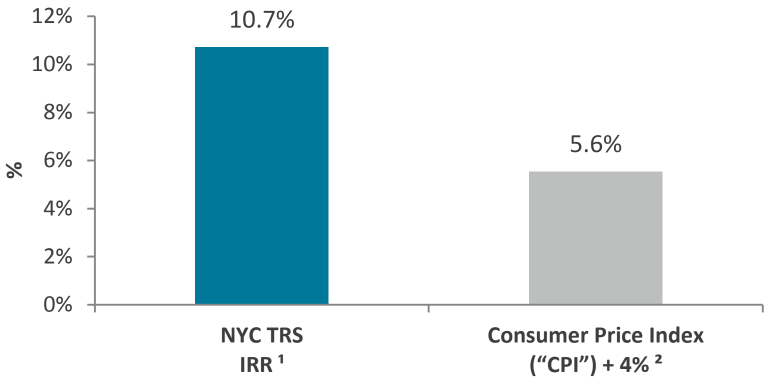
[5] IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

[6] TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC TRS to StepStone through the quarter-end date.

Portfolio Performance vs. Benchmarks

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

As of December 31, 2015, the Program outperformed the benchmark by 5.2%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of December 31, 2015.



[1]NYC TRS since inception Internal Rate of Return ("IRR") is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest. **Past performance is not necessarily indicative of future results.**

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

Portfolio Diversification

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

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

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

	Market Value		Unfunded Commitment		Exposure	
As of December 31, 2015 (US$ in millions)	$	% of Total	$	% of Total	$	% of Total
By Strategy:						
Core	248.5	100.0%	233.2	100.0%	481.7	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	**248.5**	**100.0%**	**233.2**	**100.0%**	**481.7**	**100.0%**
By Geographic Focus:						
Global	81.4	32.8%	65.6	28.1%	147.0	30.5%
OECD	167.1	67.2%	167.7	71.9%	334.7	69.5%
Total	**248.5**	**100.0%**	**233.2**	**100.0%**	**481.7**	**100.0%**
By Industry Focus:						
Diversified	238.9	96.1%	154.3	66.2%	393.2	81.6%
Energy	9.6	3.9%	78.9	33.8%	88.5	18.4%
Total	**248.5**	**100.0%**	**233.2**	**100.0%**	**481.7**	**100.0%**

II. Infrastructure Market Overview

Market Overview

Global growth concerns continued to dominate financial markets during the fourth quarter. The Fed's decision to begin interest rate normalization at the December 16 meeting reflected the belief that economic conditions in the US have significantly improved. Meanwhile, other major advanced economies remain highly accommodative. Following the third quarter's stock market sell-off, central banks in Europe, Japan, and China reiterated their commitments to economic stimulus programs. Diverging monetary policies, a strengthening US dollar, and sharp declines in commodity prices were the main drivers of capital market volatility and performance in 2015.

Infrastructure investment in the US and Canada has been concentrated in the energy sector, driven by the shale boom and growth in renewable energy projects. Low energy prices are creating opportunities to invest in midstream infrastructure, as oil and gas businesses divest assets in response to slowing cash flows. Interest in public-private partnerships ("P3s") in the transport and social infrastructure sectors continues to grow. In the US, fiscal constraints on public-sector funding for these projects has been a significant factor in the increase in recent activity levels. Deal count is expected to increase as a growing number of states are entertaining legislation to allow private investment in infrastructure.

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

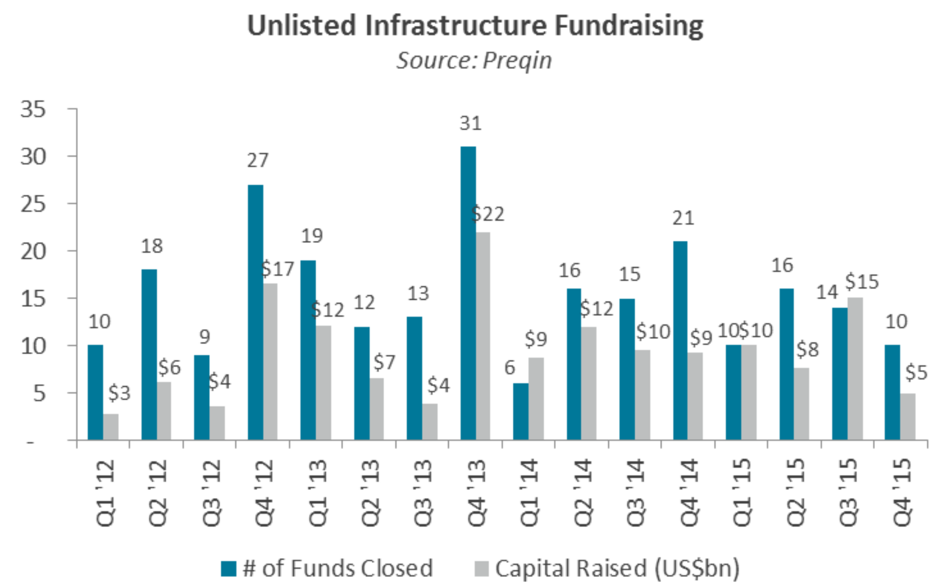
Investment activity in Latin America remains strong. In Mexico, recent changes in government policy are driving growth in infrastructure investment opportunities. Policy initiatives include allowing foreign investment in the energy sector and a National Infrastructure Plan that contains 743 projects requiring investment of approximately US$600 billion from 2014 to 2018. StepStone is aware of several infrastructure fund managers reviewing opportunities in Mexico. Infrastructure is a political and economic priority in many other parts of Latin America, including Brazil, Chile, Peru and Columbia, each of which continues to provide a range of potential investment opportunities. Recent economic volatility in Brazil has created rare opportunities to buy large-scale, core infrastructure assets from state-owned companies.

While infrastructure investment in Japan has traditionally been dominated by government-related entities and infrastructure companies with limited private participation by institutional investors, the country recently announced the privatization act for infrastructure assets. In Australia, fiscal constraints placed on the federal and state governments have increased the reliance on private sector capital in meeting the country's infrastructure deficit. Government initiatives have encouraged a number of high profile opportunities including ports, energy and airport privatizations.

Infrastructure Fundraising

Fundraising for infrastructure strategies continues to be robust with a large number of funds in market. Nearly two-thirds of infrastructure funds closed in 2015 either met or surpassed their initial target, compared to half in 2014.

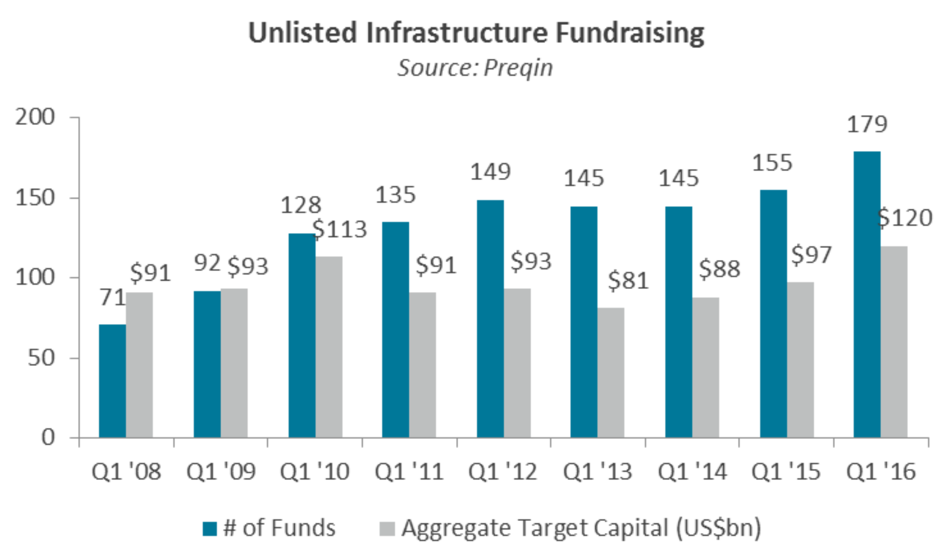
During the fourth quarter, ten funds held final closings. Aggregate capital raised was US$4.9 billion. The amount represented a year over year decrease of 47% compared to Q4 2014, when 21 funds held a final close raising US$9.2 billion.



The largest fund to reach a final closing during Q4 was CCCC First Phase Equity Investment Fund, which raised ¥15.0 billion of commitments. The fund will focus primarily on build-operate-transfer (BOT) or build-transfer (BT) projects, general development projects involving urban complexes and assets with positive incomes in China. Additionally, Guangdong Environmental Protection Fund raised ¥6.3 billion. The fund will invest in environmental protection infrastructure projects including waste water treatment plants and sewage treatment facilities.

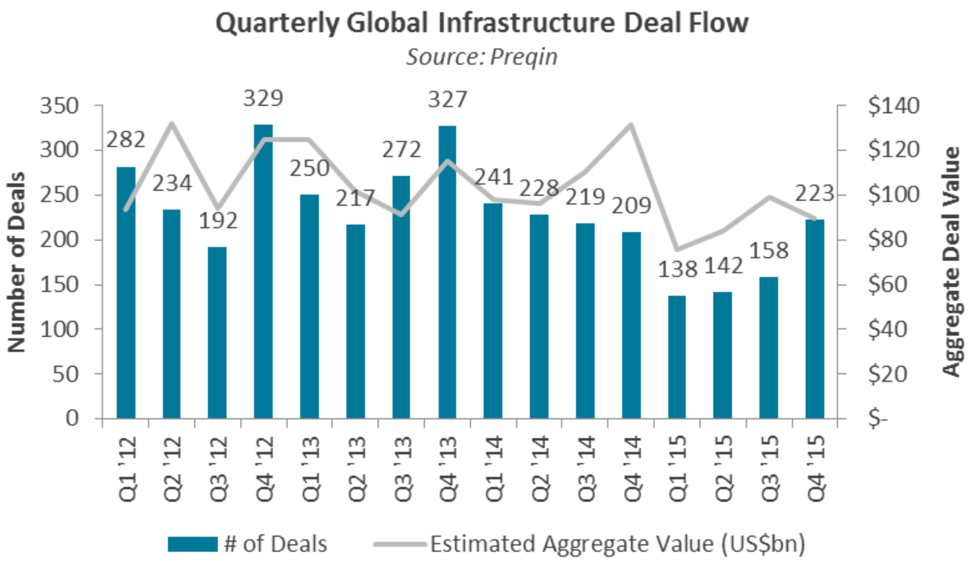
Fund	General Partner		Size	Final Close Date	Location Focus
CCCC First Phase Equity Investment Fund	CCCC Fund Management	¥	15,000	Nov-15	Asia
Guangdong Environmental Protection Fund	Guangdong Technology Financial Group	¥	6,300	Dec-15	Asia
Allianz UK Infrastructure Debt Fund	Allianz Global Investors Infrastructure Debt	£	267	Nov-15	Europe
Meridiam Infrastructure Africa Fund	Meridiam	€	300	Oct-15	Africa
NOY Infrastructure and Energy Investment Fund II	NOY Infrastructure	₪	1,250	Nov-15	Middle East & Israel

At the end of the fourth quarter, Preqin observed 179 funds in market targeting aggregate capital commitments of US$120 billion. The largest funds in market include: Brookfield Infrastructure Fund III, targeting US$12.5 billion; Global Infrastructure Partners III, targeting US$12.5 billion; Alinda Infrastructure Fund III, targeting US$5.0 billion; North Haven Infrastructure Partners II, targeting US$4.0 billion; and West Street Infrastructure Partners III, targeting US$3.0 billion.



Major Transactions

During the fourth quarter, 223 infrastructure deals were completed with an estimated aggregate deal value of US$89.9 billion, representing a 10% decrease compared to the prior quarter. Several significant infrastructure transactions completed in the fourth quarter are presented below.



In October 2015, a partnership comprising Areva, China General Nuclear Power Group and EDF Group closed an £18.0 billion deal to construct Hinkley Point C Nuclear Power Station in the UK.

In November 2015, Australian high voltage electricity company TransGrid was privatized by the NSW government for AUD$10.3 billion, via a 99-year lease to a consortium comprised of a Canadian pension fund, the Abu Dhabi Investment Authority and local infrastructure funds.

In November 2015, a consortium comprising Borealis, Ontario Teachers' Pension Plan, and the Canada Pension Plan Investment Board signed an agreement to acquire the Chicago Skyway Toll Bridge for US$2.8 billion.

In October 2015, the 340MW Galloper offshore wind farm developed by RWE and co-sponsored by Macquarie, Siemens and the Green Investment Bank reached financial close. The deal is valued at £1.6 billion.

In November 2015, China General Nuclear Power Corp. agreed to purchase all of the energy assets of 1Malaysia Development Bhd. for US$2.3 billion. Those assets, known as Edra, consist of 13 power plants across five countries from Malaysia to Egypt and Bangladesh.

III. Portfolio Review

Quarterly Highlights

- **No New Investment Commitments** – There were no new investment commitments made during the fourth quarter of 2015.

- **Subsequent Investment Commitments** – Subsequent to quarter-end through May 13, 2016, the Program closed on two new investment commitments totaling US$258.0 million. These are shown in the table below.

US$ in millions

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
Global Infrastructure Partners III-A/B, L.P.	January 2016	2015	Infrastructure	OECD	Diversified	$139.0
Brookfield Infrastructure Fund III, L.P.	April 2016	2016	Infrastructure	Global	Diversified	119.0
Total						**$258.0**

- **Cash Outflow Increased** – During the fourth quarter of 2015, the Program made US$22.1 million of contributions and received US$1.4 million of distributions, for a net cash outflow of US$20.7 million. This compared to a net cash outflow of US$5.4 million during the prior quarter. Net cash flow is expected to remain negative for the next several years as the Program's committed capital is drawn down for investments, fees and expenses by fund managers.

- **Valuation Increased** – During the fourth quarter of 2015, net of cash flow activity, the valuation of the Portfolio increased by approximately US$2.7 million, or 1.1%, from the prior quarter. The valuation increase reflects the increase in value of underlying investments in Brookfield Infrastructure Fund II and IFM Global Infrastructure Fund.

- **Four New Underlying Fund Investments** – During the fourth quarter of 2015, four new investment positions were added to the portfolio.

US$ in millions

Company	Fund(s)	Investment Date	Stage	Industry	Country	Exposed Invested Capital	Exposed Market Value	TVM
Deutsche Glasfaser	KKR Global Infrastructure Investors II L.P.	Nov-15	Private	Utilities	Germany	4.9	4.8	1.0x
La Bufa Wind	First Reserve Energy Infrastructure Fund II, L.P.	Dec-15	Private	Renewables	Mexico	1.3	1.3	1.0x
Los Ramones II	First Reserve Energy Infrastructure Fund II, L.P.	Dec-15	Private	Energy	Mexico	3.6	3.6	1.0x
X-ELIO	KKR Global Infrastructure Investors II L.P.	Dec-15	Private	Renewables	Spain	9.6	9.6	1.0x

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

Performance by Vintage Year

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

As of December 31, 2015 (US$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	$140.0	$74.8	$8.6	$81.4	$90.1	$15.2	$65.6	$147.0	0.1x	1.2x	17.5%
2014	330.0	163.8	0.6	167.1	167.7	3.8	167.7	334.7	NM	NM	NM
Total	**$470.0**	**$238.7**	**$9.2**	**$248.5**	**$257.7**	**$19.1**	**$233.2**	**$481.7**	**0.0x**	**1.1x**	**10.7%**

Performance by Strategy and Industry Focus

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

As of December 31, 2015 (US$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Core	**$470.0**	**$238.7**	**$9.2**	**$248.5**	**$257.7**	**$19.1**	**$233.2**	**$481.7**	**0.0x**	**1.1x**	**10.7%**
Diversified	380.0	227.6	9.2	238.9	248.1	20.5	154.3	393.2	0.0x	1.1x	11.8%
Energy	90.0	11.1	-	9.6	9.6	(1.5)	78.9	88.5	NM	NM	NM
Total	**$470.0**	**$238.7**	**$9.2**	**$248.5**	**$257.7**	**$19.1**	**$233.2**	**$481.7**	**0.0x**	**1.1x**	**10.7%**

Performance by Geographic Focus

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

As of December 31, 2015 (US$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	$140.0	$74.8	$8.6	$81.4	$90.1	$15.2	$65.6	$147.0	0.1x	1.2x	17.5%
OECD	330.0	163.8	0.6	167.1	167.7	3.8	167.7	334.7	NM	NM	NM
Total	**$470.0**	**$238.7**	**$9.2**	**$248.5**	**$257.7**	**$19.1**	**$233.2**	**$481.7**	**0.0x**	**1.1x**	**10.7%**

Portfolio Diversification

By Strategy, Geography and Industry Focus

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

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

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

	Market Value		Unfunded Commitment		Exposure	
As of December 31, 2015 (US$ in millions)	$	% of Total	$	% of Total	$	% of Total
By Strategy:						
Core	248.5	100.0%	233.2	100.0%	481.7	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	**248.5**	**100.0%**	**233.2**	**100.0%**	**481.7**	**100.0%**
By Geographic Focus:						
Global	81.4	32.8%	65.6	28.1%	147.0	30.5%
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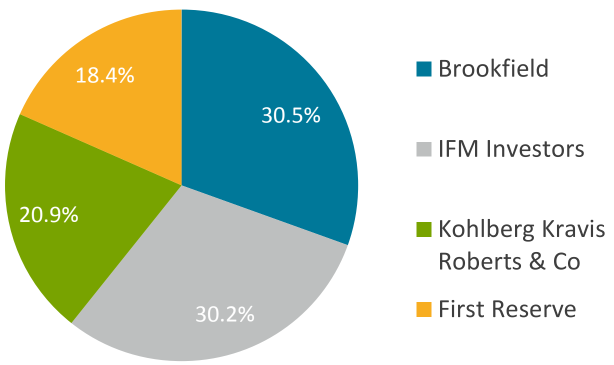
Diversified	238.9	96.1%	154.3	66.2%	393.2	81.6%
Energy	9.6	3.9%	78.9	33.8%	88.5	18.4%
Total	**248.5**	**100.0%**	**233.2**	**100.0%**	**481.7**	**100.0%**

By Investment Manager

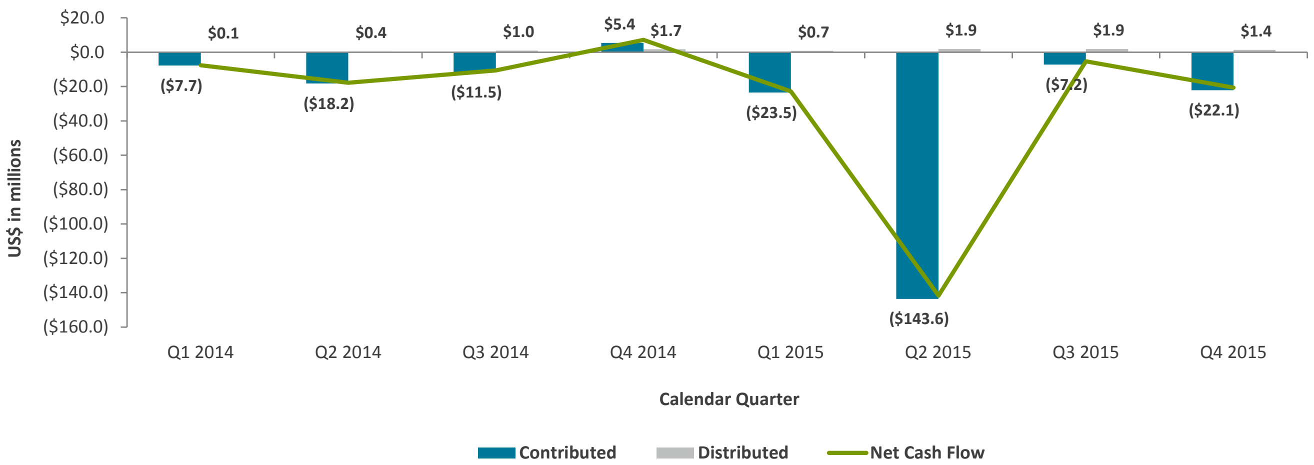
As of December 31, 2015, the Program had made four investment commitments to four managers. NYC TRS seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager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



Portfolio Cash Flow Analysis

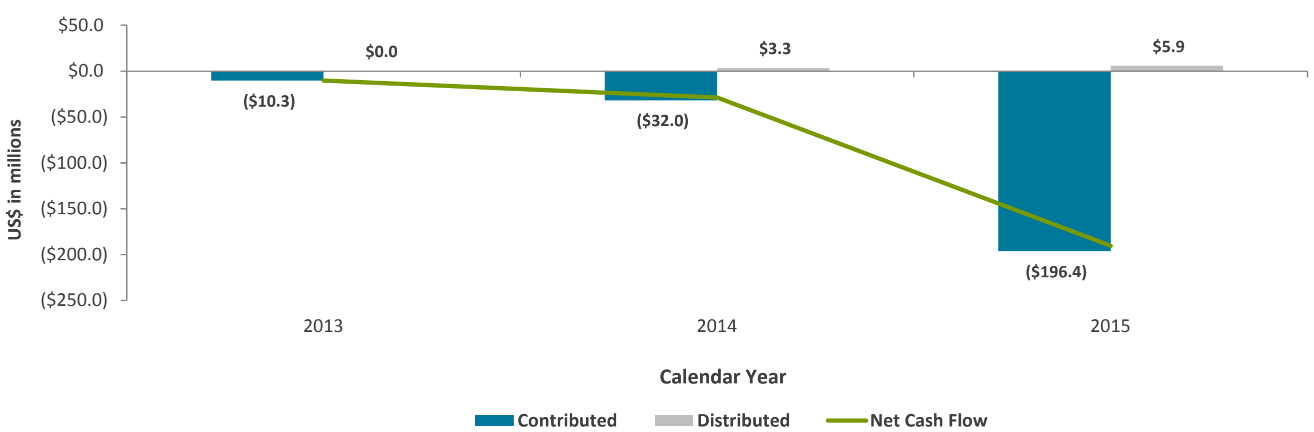
Quarterly Cash Flow Activity

During the fourth quarter of 2015, the Program made US$22.1 million of contributions and received US$1.4 million of distributions, for a net cash outflow of US$20.7 million. As of December 31, 2015, four fund investments in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



Annual Cash Flow Activity

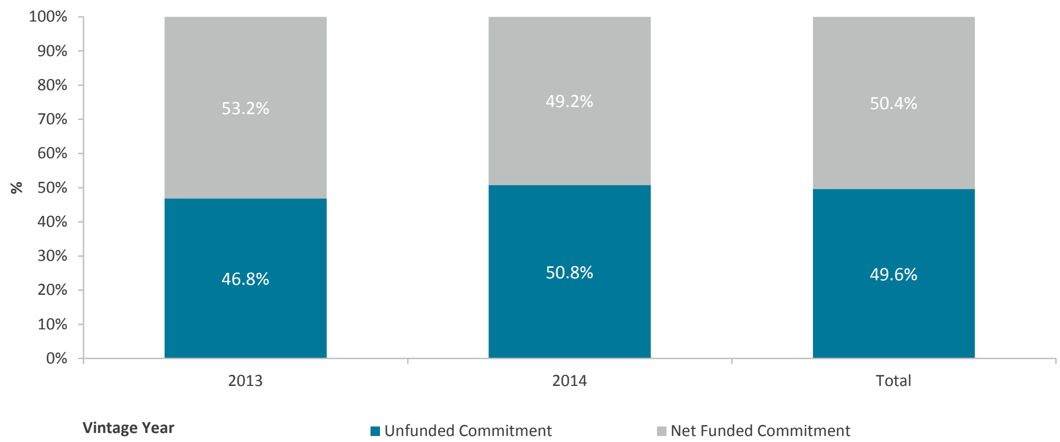
During the calendar year of 2015, the Program made US$196.4 million of contributions and received US$5.9 million of distributions, for a net cash outflow of US$190.5 million. The graph below illustrates cash flow activity since inception by calendar year.



Net Funded and Unfunded Commitments by Vintage Year

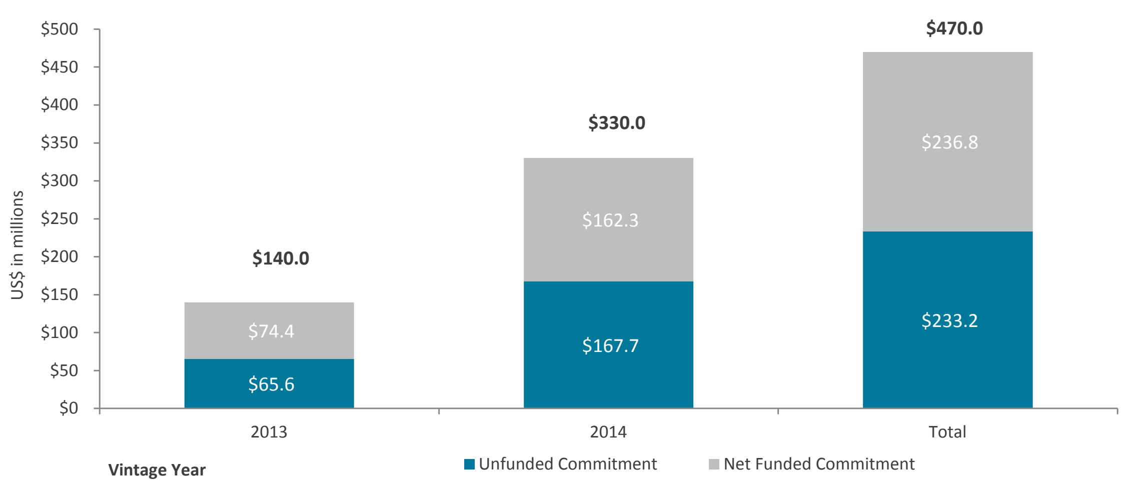
The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and recallable distributions) as a percentage of total capital commitments, by fund vintage year, as of December 31, 2015. Overall, the Portfolio was 49.6% unfunded as of quarter-end.

Net Funded and Unfunded Commitment by Vintage Year (%)



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of December 31, 2015. Overall, the Portfolio had US$233.2 million of unfunded commitments as of quarter-end.

Net Funded and Unfunded Commitment by Vintage Year (US$ millions)

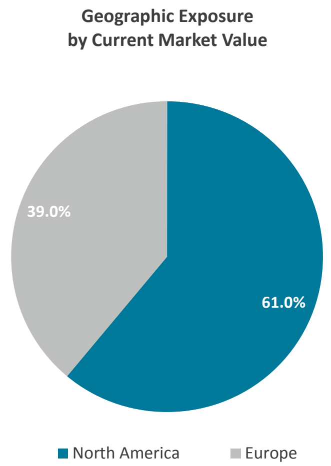


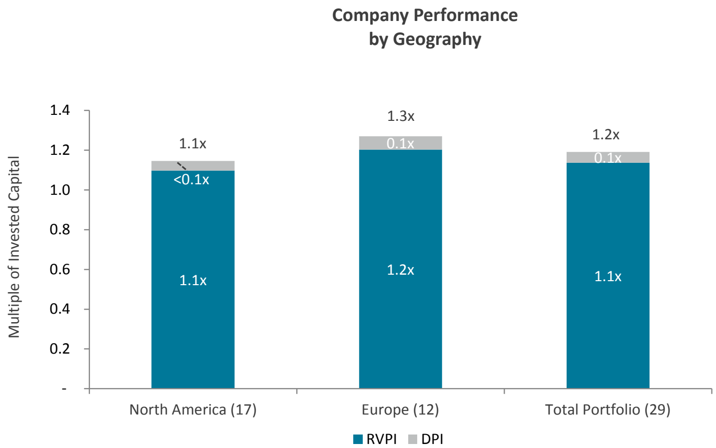
Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to 29 unique portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size. The Program's individual portfolio investment exposure is relatively concentrated as a result of the relative immaturity of the Program.

Geographic Exposure and Performance

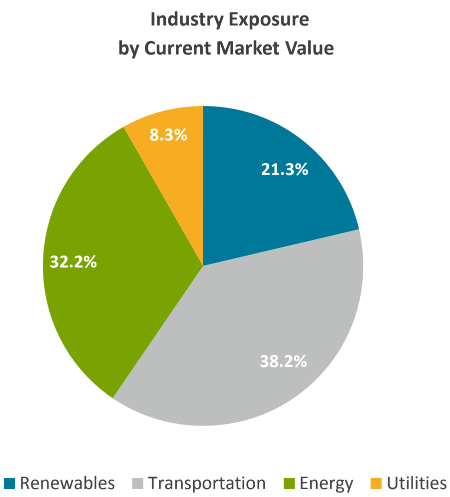
The following charts illustrate the Portfolio's current exposure and performance by geographic region at the portfolio company level.

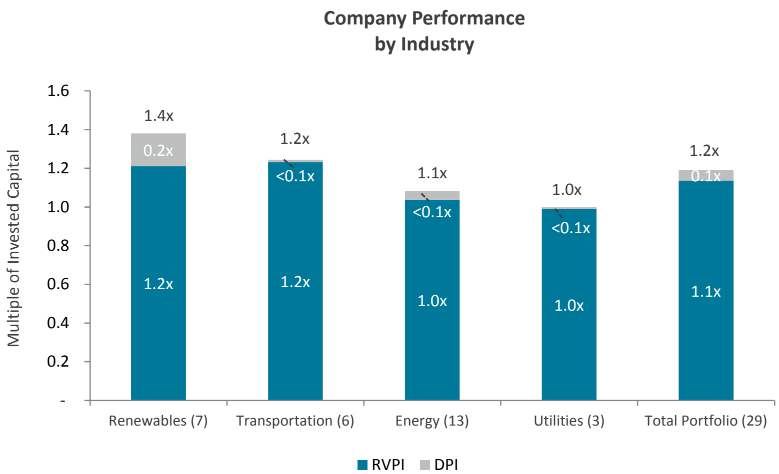




Industry Exposure and Performance

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

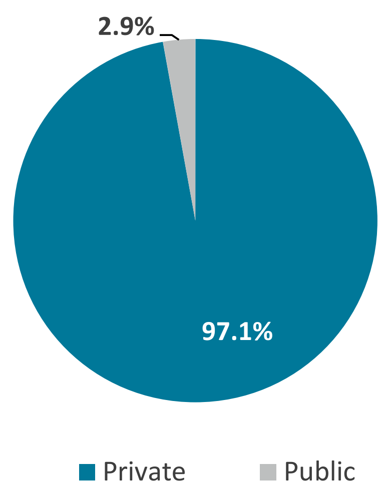




Public Market Exposure

As of quarter-end, publicly traded investments comprised 2.9% of the Portfolio's exposed market value. The following chart illustrates the current public market exposure at the portfolio company level.

Public Market Exposure Current Market Value



IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
Allocation	NYC TRS has a Real Assets allocation target of 6% (plus or minus 2%) of total pension assets. Infrastructure is a component asset class within the NYC TRS Real Assets investment program.	✓	The market value of NYC TRS Real Assets Program currently represents approximately 3.5% of total pension assets and the market value of NYC TRS Infrastructure Program represents approximately 0.4% of total pension assets. As the Program matures, its market value as a percentage of the total NYC TRS pension assets and the total Real Assets Program is expected to increase.
Performance vs. Benchmarks	The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period. The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.	✓	As of December 31, 2015, the Portfolio outperformed the benchmark by 5.2%. However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.
Strategy Diversification	Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40% Actual percentages may differ substantially from these targets during the initial years of the Program.	✓	The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.
Asset Type & Location Diversification	The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.	✓	Given the relative immaturity of the Portfolio, it is not yet diversified by asset type. The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.
Leverage	The average leverage of all investments in the Program is to be no higher than 65%.	✓	The Program is in compliance with the average leverage limitation. The current leverage level is 38.5%*.
Single Investment Size & Manager Diversification	The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund. The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.	✓	On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size. The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program. The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.

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

APPENDICES:

- Basket Clause

TRS - BASKET/NON BASKET SUMMARY

As of April 30th, 2016	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Equity						
Domestic Equity	33.7%	0.0%	33.7%	33.6%	0.0%	33.6%
Non-U.S. Equity	10.0%	7.8%	17.8%	10.0%	7.4%	17.4%
Private Equity	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%
Real Assets	3.6%	0.0%	3.6%	3.6%	0.0%	3.6%
REITS	2.8%	0.2%	3.0%	3.2%	0.2%	3.4%
Total Equity	50.1%	13.0%	63.1%	50.4%	12.6%	63.0%
Fixed Income						
Core+5	18.7%	0.5%	19.2%	17.0%	0.5%	17.5%
U.S. Gov't Sector	*4.1%*	*0.0%*	*4.1%*	*2.0%*	*0.0%*	*2.0%*
Mortgage Sector	*6.7%*	*0.0%*	*6.7%*	*6.3%*	*0.0%*	*6.3%*
Credit Sector	*7.8%*	*0.5%*	*8.3%*	*8.3%*	*0.5%*	*8.8%*
High Yield	4.1%	1.0%	5.1%	4.0%	1.0%	5.0%
Bank Loans	0.0%	2.6%	2.6%	0.0%	2.6%	2.6%
TIPS	3.6%	0.4%	4.0%	3.5%	0.4%	3.9%
Convertibles	2.4%	0.6%	3.0%	1.3%	0.3%	1.6%
Opportunistic Fixed Income	0.0%	2.3%	2.3%	0.0%	2.3%	2.3%
Other Fixed Income	0.8%	0.0%	0.8%	4.0%	0.0%	4.0%
Total Fixed Income	29.5%	7.4%	36.9%	29.8%	7.1%	37.0%
Total Fund	79.6%	20.4%	100.0%	80.3%	19.7%	100.0%
Remaining Capacity		4.6%			5.3%	

* Note: Basket amounts are estimates

- Liquidity Analysis

TRS Liquidity Profile - Static Analysis 5/25/16

AUM as of March 31, 2016

		Liquid Assets		
	Current MV	**Today**	**1 Year**	**2 Years**
Domestic Equity	$20,322	$20,322	$20,322	$20,322
International Equity	5,165	5,165	5,165	5,165
Emerging Markets	5,219	5,219	5,219	5,219
REITS	2,089	2,089	2,089	2,089
Private Equity	3,042	0	0	0
Private Real Estate	2,177	0	0	0
Core + 5	11,210	11,210	11,210	11,210
TIPS	1,429	1,429	1,429	1,429
Opportunistic Fixed Income	1,397	1,047	1,397	1,397
Enhanced Yield	2,935	2,935	2,935	2,935
Bank Loans	1,536	1,536	1,536	1,536
Convertible Bonds	983	983	983	983
ETI	576	101	392	392
Cash	1,900	1,900	1,900	1,900
Total Assets	**$59,981**	**$53,938**	**$54,578**	**$54,578**
Total Illiquid $		$6,043	$5,404	$5,404
Total Illiquid %		10.1%	9.0%	9.0%

Unfunded PE Commitments	$2,034
Unfunded RE Commitments	$1,420
Unfunded OFI Commitments	$392
Total commitments $	$3,846
Total commitments %	6.4%

TRS Liquidity Profile - Static Analysis 5/25/16

AUM as of March 31, 2016

Denominator Effect - Decrease AUM by One-Third			
Total Illiquid $	$6,043	$5,404	$5,404
Total Illiquid %	15.1%	13.5%	13.5%

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

		Liquid Assets		
	Current MV	**Today**	**1 Year**	**2 Years**
Total Assets	**$59,981**	**$53,938**	**$54,578**	**$54,578**

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case		
Unfunded PE Commitments Drawn	$407	$814
Unfunded RE Commitments Drawn	284	568
Unfunded OFI Commitments Drawn	196	0
Total commitments $	**$887**	**$1,381**
Total commitments %	1.5%	2.3%
Total Illiquid $	$6,291	$6,785
Total Illiquid %	10.5%	11.3%

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

Denominator Effect - Decrease AUM by One-Third			
Total Illiquid $	$6,043	$6,291	$6,785
Total Illiquid %	15.1%	15.7%	17.0%

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