



Teachers' Retirement System of the City of New York

Performance Overview as of December 31, 2012

Total Fund Overview

Teachers' Retirement System of the City of New York

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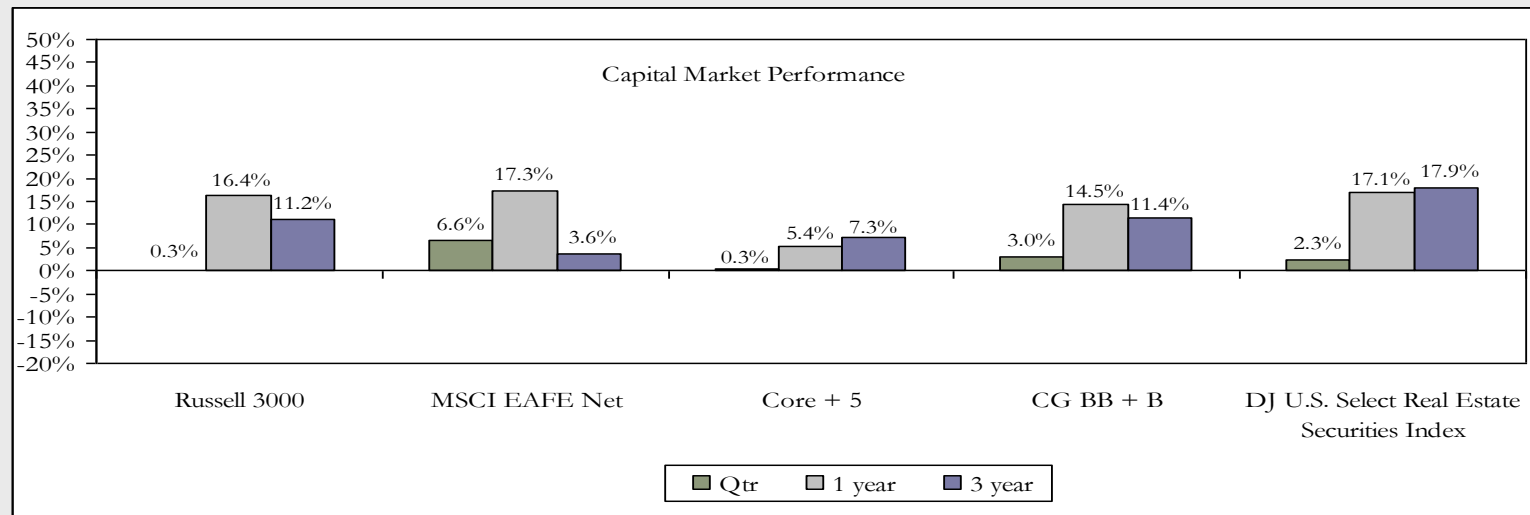


Appendix



Consultant's Commentary

Through December 31, 2012



Consultant's Commentary

Through December 31, 2012

Market Backdrop: Uncertainty surrounding political outcomes in the U.S. and the ongoing European debt crisis brought muted performance across most global capital markets in the fourth quarter of 2012. The broad U.S. equity market, as measured by the Russell 3000 Index, returned 0.25% in the fourth quarter, closing 2012 with a total return of 16.42%. While expected volatility, as measured by the CBOE Implied Volatility Index, increased slightly near the end of the fourth quarter, by the end of the 2012, the index had reached its lowest annual average since 2007. Over the fourth quarter, value stocks generally outperformed their growth counterparts and smaller and mid cap stocks generally outperformed larger cap stocks. U.S. small and large cap stocks, as measured by the Russell 2000 Index and Russell 1000 Index, returned 1.85% and 0.12%, respectively during the final quarter of 2012. Improving visibility into economic and policy direction provided investors with enough confidence to push non-U.S. equity markets to a strong finish in 2012 as concerns of a European collapse and halting growth in emerging markets failed to materialize. In contrast to the still ailing European economy, developed international equity markets, as measured by the MSCI EAFE Net Dividends Index, returned 6.57% in U.S. Dollar terms during the fourth quarter of 2012. Most sectors of the index contributed positively to its overall return with the financials and consumer discretionary sectors showing the strongest performance. Emerging markets equities also fared well over the fourth quarter, in spite of a moderation in the growth of the Chinese economy, with the MSCI Emerging Markets Index returning 5.61%. The Teachers' Custom FTSE Emerging Markets benchmark returned 4.29% over the same period. In fixed income markets, subdued economic growth and low inflation expectations drove interest rates to historic lows as the Federal Reserve announced its third round of reflationary intervention programs in the U.S. fixed income market, in part, by buying mortgage backed securities, aiding the continued stabilization of the U.S. housing market. The Fund's REITS sector participated in these improvements and finished the fourth quarter ahead of the Dow Jones U.S. Select Real Estate Securities Index, which returned 2.31%. The Core + 5 Index, a proxy of the broad U.S. fixed income market, gained 0.29% in the fourth quarter of 2012. Investors in search of more favorable returns in the extremely low interest rate environment showed a willingness to take on additional risk in the fourth quarter. As a result, the highest returns in the U.S. fixed income market over the last three months of 2012 were seen in high yield bonds. The Citigroup High Yield BB&B Index returned 3.00%. With the bond buying programs of central banks in developed

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Through December 31, 2012

economies driving down the domestic bond yields, many investors were compelled to look abroad at developing economies for investment opportunities. U.S. dollar denominated emerging market bonds, as proxied by the JP Morgan Emerging Market Bond Index - Global Diversified, returned 2.80% in the fourth quarter of 2012.

Total Fund Performance: The Teachers' Total Fund had a return of 1.94% for the quarter ending December 31, 2012 versus the policy benchmark's return of 1.72%. During the quarter, active management added 23 basis points to the Fund's total relative return with domestic equity (+0.19%) and private equity (+0.16%) having the largest impacts. The total Fund experienced very strong absolute returns for the calendar year ending December 31, 2012, gaining 13.09%. Although most asset class composites in the Fund added value to the benchmark return for the year, the Fund trailed its benchmark by 68 basis points primarily due to the impact of cash holdings in the Fund as well as the underperformance of the private equity composite on a time-weighted return basis.. For the three year period ending December 31, 2012, the Fund trailed its benchmark by 40 basis points with a return of 9.47%, primarily due to actual asset allocations varying modestly from target allocations. Please note that all composite and manager performance data is reported gross of fees. Total Fund fees of the public markets managers for the 2012 fiscal year have been estimated at approximately 12 basis points.

Total Fund Asset Allocation - \$46.7 Billion: As of December 31, 2012, the Fund had total assets of \$46.7 billion, up from \$46.1 billion at the end of the third quarter of 2012. The Fund is in the process of shifting its asset allocation to its new strategic targets. As of December 31, 2012, the private equity and private real estate invested allocation was 7.3% versus their new aggregate long-term target allocation of 12.0%. The uninvested portion of these target allocations are invested in U.S. equity and Core +5 fixed income until such time as these private equity and real estate commitments are made and funded.

U.S. Equity - \$17.9 Billion, 38.5% of Fund: The U.S. equity composite returned 0.74% during the fourth quarter of 2012, outperforming the broad U.S. equity market, as measured by the Russell 3000 Index, by 49 basis points due, in part, to a modest overweight to active small and mid cap strategies in the Fund. Approximately 95% of

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Through December 31, 2012

the U.S. equity composite is allocated to passively managed mandates with the remainder invested in actively managed U.S. equity portfolios. The actively managed U.S. equity composite outperformed the Russell 3000 Index by 118 basis points with a return of 1.43% over the fourth quarter of 2012. Despite its overwhelmingly indexed orientation, for the one year period ending December 31, 2012, the U.S. equity composite has returned 16.65% versus the Russell 3000 Index's return of 16.42%. Over the three year period ending December 31, 2012, the U.S. equity composite returned 11.18% versus the 11.20% return of the Russell 3000 Index.

Developed International Equity - \$4.3 Billion, 9.3% of Fund: Non-U.S. developed equity markets, as measured by the MSCI EAFE Net Dividends Index, returned 6.57% in U.S. dollar terms during the fourth quarter of 2012. For the same time period, the Fund's total developed international equity composite (including the environmental and activist strategies) returned 6.28%. About 85% of the developed international equity composite is actively managed. The Fund's actively managed composite underperformed the EAFE Index by 33 basis points for the fourth quarter of 2012 with a return of 6.24%. Although active management did not provide value-added during the fourth quarter, the longer term performance of the managers in this composite is much stronger. For the 12 month period ending December 31, 2012, the actively managed composite returned 17.60%, outperforming the MSCI EAFE Net Dividends Index, which returned 17.32% over the same period. Over the three year period ending December 31, 2012, the total developed international composite (including the environmental and activist strategies) has outperformed the index by 216 basis points with an annualized return of 5.72%.

Emerging Markets Equity - \$3.5 Billion, 7.5% of Fund: During the first half of 2012, allocations were made to the Fund's first actively managed emerging markets equity mandates managed by Eaton Vance and DFA. For the fourth quarter of 2012, the emerging markets equity composite, consisting of two strategies actively managed by DFA and Eaton Vance and one passive mandate, returned 4.00% versus its Custom FTSE Benchmark's return of 4.29% over the same period. For the one year period ended December 31, 2012, the emerging markets equity composite returned 16.92% versus the benchmark return of 15.88%.

Consultant's Commentary

Through December 31, 2012

REITs - \$1.7 Billion, 3.6% of Fund: For the fourth quarter of 2012 the REIT composite continued to outperform its benchmark, the Dow Jones U.S. Select Real Estate Securities Index, which returned 2.31%, with a return of 2.98%. European was again the strongest performer within the REIT composite during the quarter with a gain of 6.59%, as its global REIT strategy benefitted from strong returns from investments in Europe and Asia. For the 12 month period ending December 31, 2012, the REIT composite outperformed its benchmark's return of 17.09% with a return of 18.16%. For the three year period ending December 31, 2012, the REIT composite returned 19.02% annually versus its benchmark's return of 17.87% and, over the longer five year period ending December 31, 2012, the REIT composite outperformed the Dow Jones U.S. Select Real Estate Securities Index by 47 basis points with an annualized return of 5.39%.

Structured Fixed Income – \$8.0 Billion, 17.1% of Fund: Broad investment grade fixed income, as measured by the Core + 5 Benchmark, returned 0.29% over the fourth quarter of 2012. All of the underlying sectors in the composite added value relative to their respective benchmarks. The composite returned 0.50% over the fourth quarter versus the Core + 5 Index which gained 0.29% over the same period. The strongest performing sector for the quarter on an absolute basis was Investment Grade Credit; which returned 1.38% versus its benchmark's return of 1.09% over the same period. For the 12 month period ending December 31, 2012, the structured fixed income composite outperformed its benchmark by 1.21% with a return of 6.62%. Over the longer three year period ending December 31, 2012, the structured fixed income composite outperformed its benchmark by 67 basis points with an annualized return of 7.97%.

Enhanced Yield - \$2.9 Billion, 6.1% of Fund: During the fourth quarter of 2012, the broad high yield market continued to post strong returns and this asset class, as measured by the BofA Merrill Lynch High Yield Master II Index, returned 3.18%. Over the same period, the higher quality enhanced yield composite benchmark, the Citigroup BB & B Capped Index, returned 2.92% and the Fund's composite returned 3.22%. During the second quarter of 2012, the Fund began transitioning the Enhanced Yield Composite to its newly approved manager structure. For the one year period ending December 31, 2012, this composite returned 13.64% while the Citigroup BB & B Capped Index returned 14.00%. Over the five year period ending December 31, 2012, the

Consultant's Commentary

Through December 31, 2012

enhanced yield composite outperformed the higher quality capped benchmark and the non-capped Citigroup benchmark by an annualized 0.80% and 1.33%, respectively.

Bank Loans - \$1.1 Billion, 2.2% of Fund: The bank loans composite was funded during the fourth quarter of 2012 with five new mandates. This composite is intended to complement the Enhanced Yield program by investing in floating rate loans issued by below investment grade companies which are more senior in the capital structure than these companies' publicly traded bonds. It is too early to calculate meaningful performance for this composite.

TIPS - \$1.5 Billion, 3.1% of Fund: The broad U.S. TIPS market, as measured by the Barclays U.S. TIPS Index, returned 0.69% for the fourth quarter of 2012. The composite of TIPS managers (75% active/25% passive) outperformed the benchmark by 7 basis points with an aggregate return of 0.76% for the quarter. Once again, the highest absolute return within the total TIPS composite came from PIMCO, which gained 0.84% over the quarter. For the one year period ending December 31, 2012, the TIPS composite, which includes two active and one passive manager, returned 7.23%, leading its benchmark by 25 basis points. For the three year period ending December 31, 2012, the composite modestly outperformed its benchmark by 10 basis points with an annualized return of 9.02%.

Convertibles - \$1.0 Billion, 2.2% of Fund: The broad convertibles market, as measured by the Bank of America Merrill Lynch All Convertibles ex Mandatory Index, returned 2.39% for the quarter ending December 31, 2012. The Fund's convertibles composite returned 1.64%, while the Custom Convertibles benchmark, returned 2.38% over the same period. The convertibles market benefitted from being a hybrid equity and fixed income strategy (similar to high yield bonds) and gained over 13% for the year. During such a strong market, active managers found it difficult to keep pace and the Fund composite gained slightly over 12%. For the three years ending December 31 2012, this composite, which is fully actively managed, underperformed the Custom Index by 6 basis points with an annualized return of 6.67%.

Consultant's Commentary

Through December 31, 2012

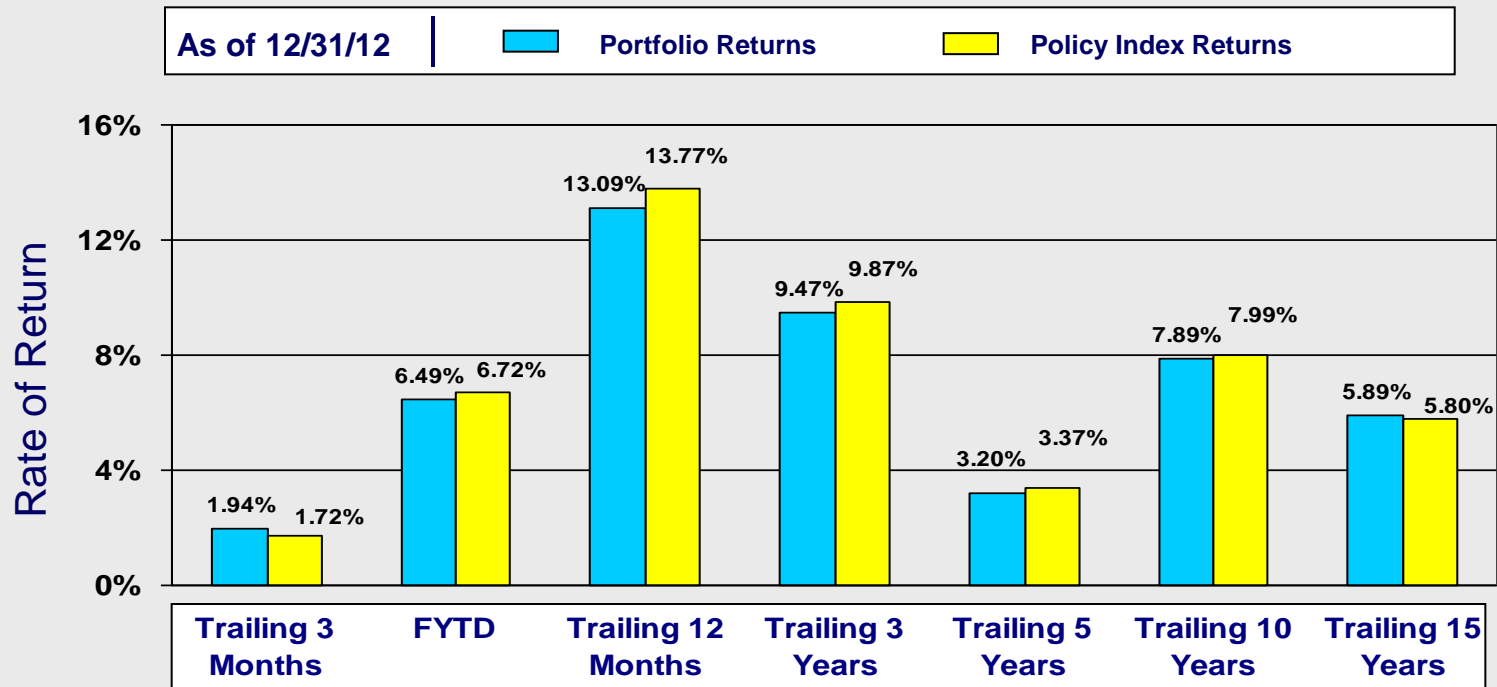
Opportunistic Fixed Income - \$0.6 Billion, 1.3% of Fund: The opportunistic fixed income composite is comprised of investments in three special situation funds managed by Avenue, one distressed fund (Torchlight Investors), and six strategic separate account mandates (Angelo Gordon, Apollo, Fortress, GoldenTree, Marathon, and Oak Hill). These strategic mandates call down capital as opportunities are identified and are still in the process of being funded. As a result, their performance thus far is not yet particularly meaningful. However, over the fourth quarter of 2012, the overall composite returned 1.78% versus the J.P Morgan Global High Yield Index +3% which returned 4.36% over the same period. For the calendar year 2012, this composite gained 15.56%, about 200 basis points more than the publicly traded high yield composite.

Private Equity - \$2.4 Billion, 5.1% of Fund: At the end of the fourth quarter of 2012, the private equity portfolio had \$2.4 billion in invested capital, in line with the \$2.3 billion at the end of the third quarter of 2012. The Fund currently has investments in 126 partnerships. Performance is reported separately by Teachers' Private Equity consultant.

Private Real Estate - \$1.0 Billion, 2.2% of Fund: At the end of the fourth quarter of 2012, the private real estate portfolio had \$1.0 billion in invested capital, in line with its allocation at the end of the third quarter of 2012. The composite has investments in 36 partnerships. Performance is reported separately by Teachers' Private Real Estate consultant.

Total Portfolio Returns: December 31, 2012

\$46.7B Under Management



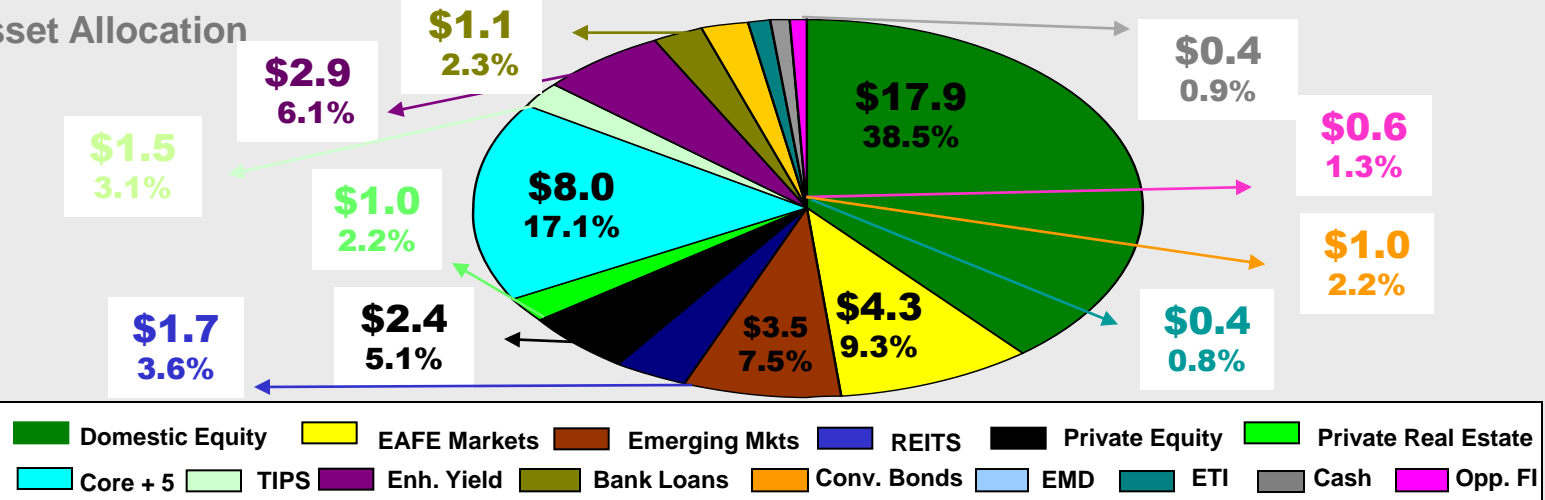
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	10.0	13.0	10.3	10.9
Benchmark Std Dev	10.9	14.8	11.5	11.9

All returns are Gross. An estimate of fees for major investment programs is provided in the Appendix.

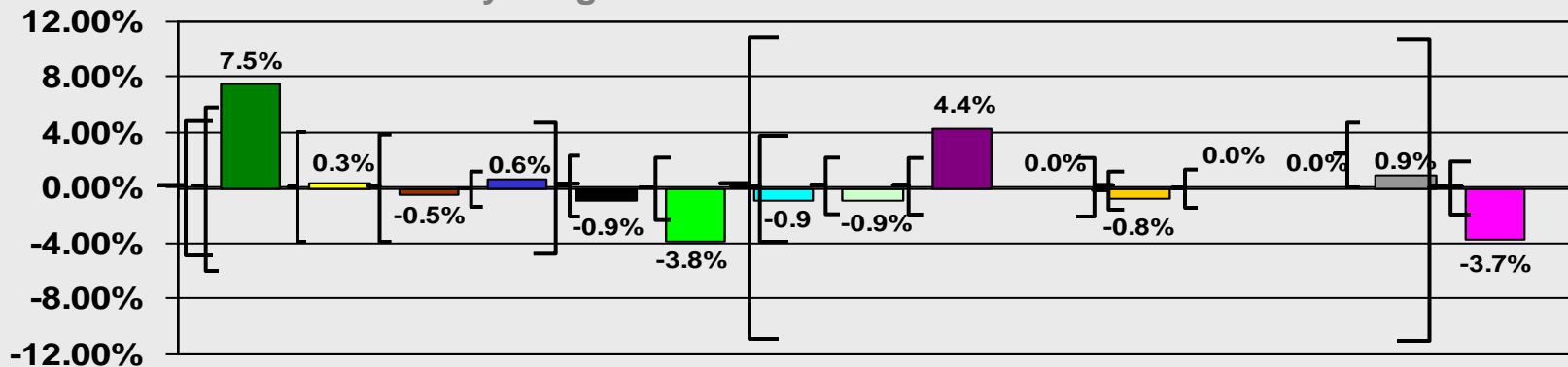
Portfolio Asset Allocation: December 31, 2012

\$46.7B Under Management

Asset Allocation



Relative Mix to New Policy Weights

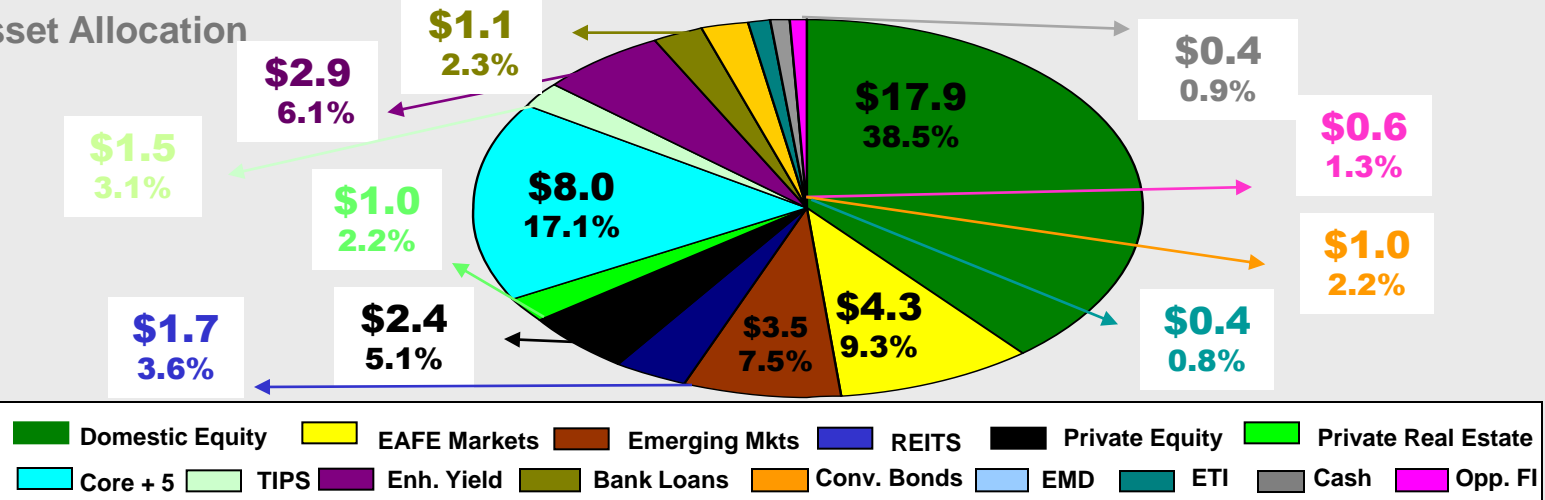


Note: Brackets represent rebalancing ranges versus Policy.

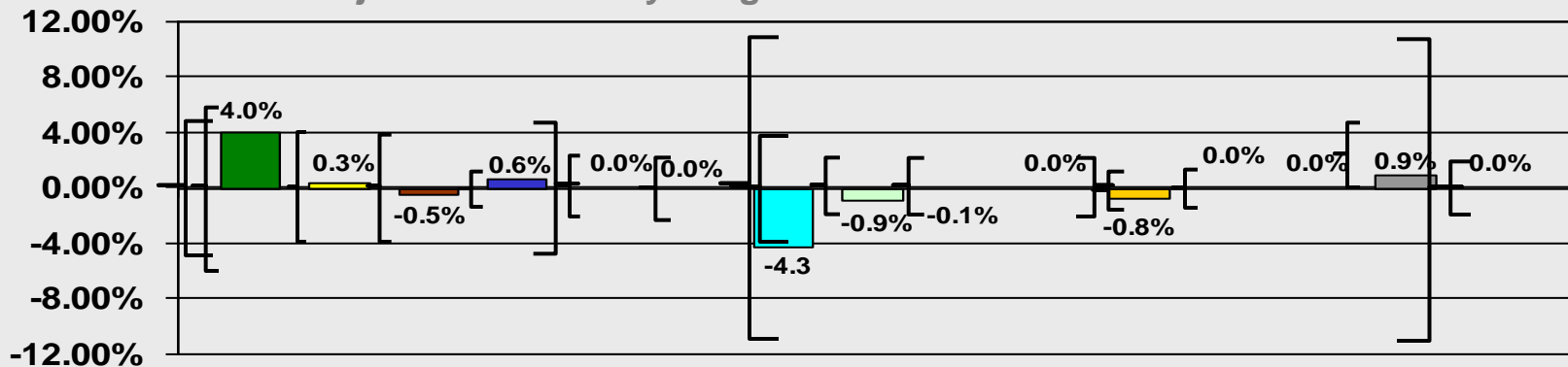
Portfolio Asset Allocation: December 31, 2012

\$46.7B Under Management

Asset Allocation

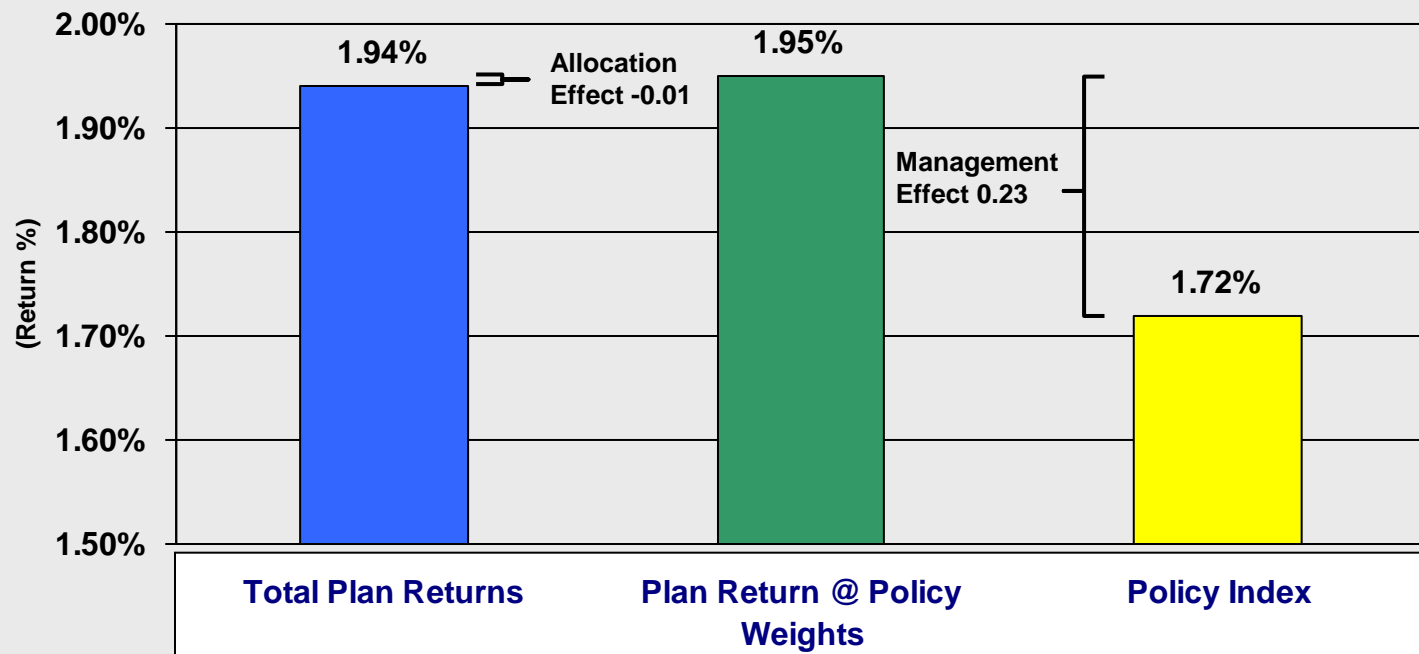


Relative Mix to Adjusted New Policy Weights

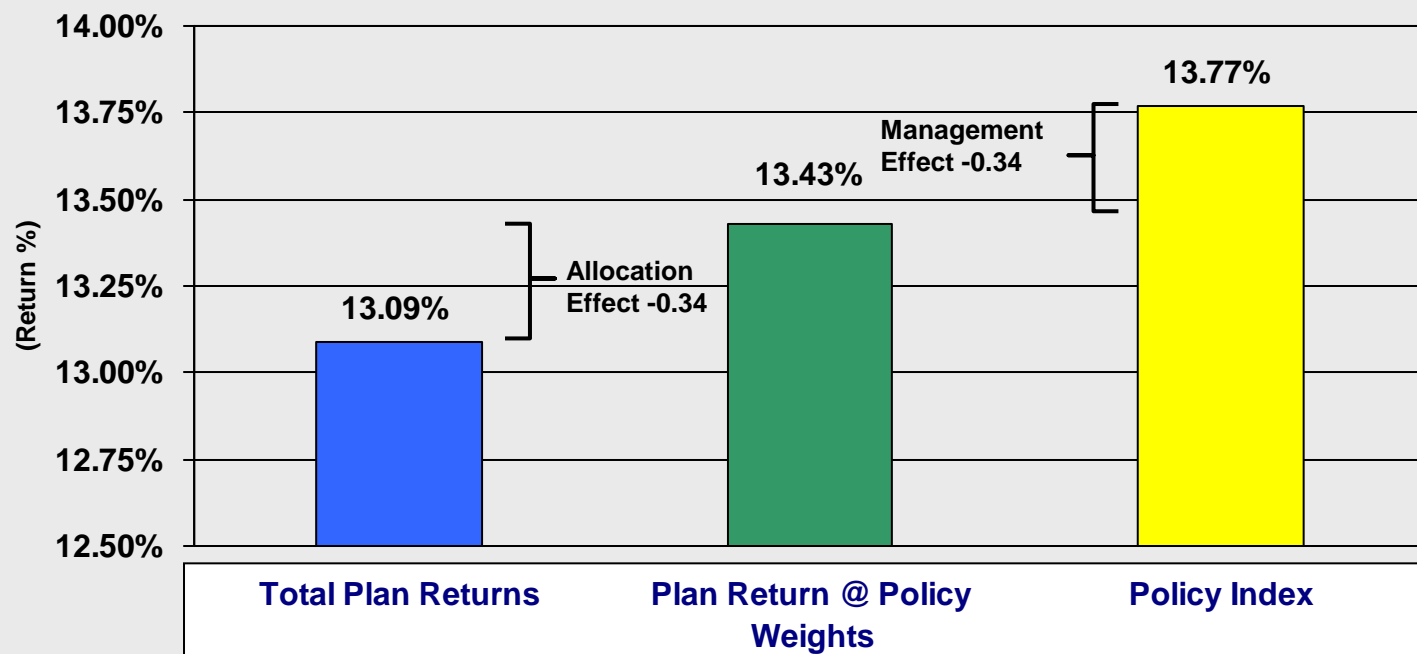


Note: Brackets represent rebalancing ranges versus Policy.

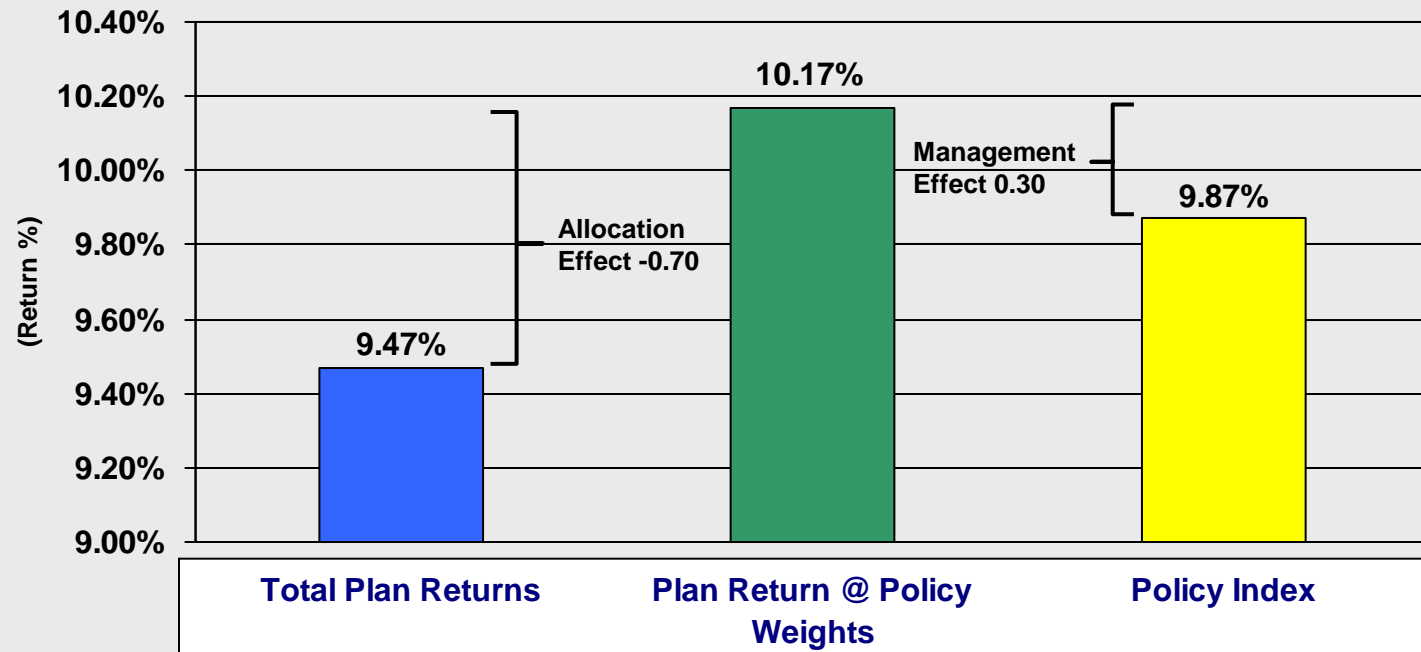
Performance Attribution: Total Plan – Quarter Ending December 31, 2012



Performance Attribution: Total Plan – 12 Months Ending December 31, 2012



Performance Attribution: Total Plan – 3 Years Ending December 31, 2012



Total Plan - Ending December 31, 2012

Allocation Effect – Asset Class Breakdown

<u>Plan</u>	<u>Qtr</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.05	0.09	-0.09	Russell 3000 Index
EAFE Markets	0.00	-0.08	-0.06	MSCI EAFE Index
Emerging Markets	-0.04	N/A	N/A	FTSE Custom Index
REITS	0.01	0.07	-0.01	Wilshire Real Estate Securities Index
Private Equity	0.00	0.00	0.00	Russell 3000 Index + 500 b.p.
Private Real Estate	0.00	0.00	0.00	NFI - ODCE NET
Domestic Fixed	0.06	0.15	-0.15	NYC Core +5 Index
Enhanced Yield	0.00	0.02	-0.05	Citigroup BB&B Index
TIPS	0.01	0.03	-0.01	Barclays Capital US TIPS Index
Convertibles	0.00	0.00	0.00	ML All Convertibles ex Mandatory (VOAO)
Opportunistic Fixed	0.00	-0.01	0.00	JPM Global High Yield + 3%
State Street Short Term	0.00	-0.31	-0.28	Total Plan

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

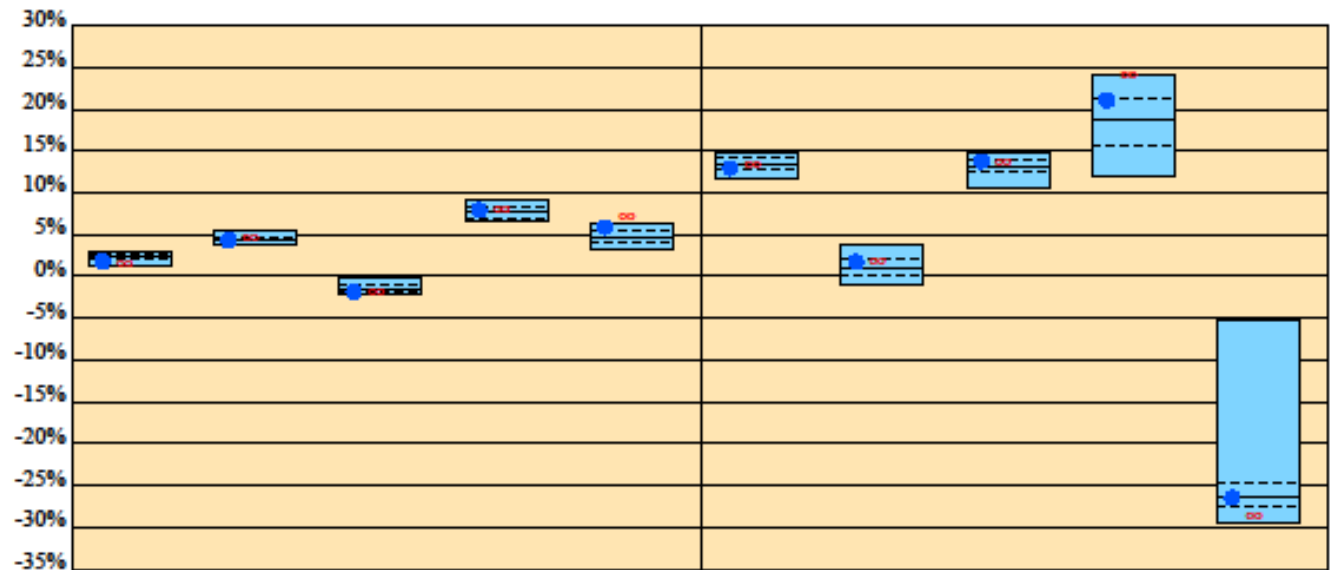
Total Plan - Ending December 31, 2012

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Qtr</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.19	0.08	0.00	Russell 3000 Index
EAFE Markets	-0.03	0.05	0.28	MSCI EAFE Index
Emerging Markets	-0.02	N/A	N/A	FTSE Custom Index
REITS	0.03	0.04	0.03	Dow Jones U.S. Select RE Securities Idx
Private Equity	0.16	-0.47	-0.21	Russell 3000 Index + 500 b.p.
Private Real Estate	0.03	0.05	0.03	NFI - ODCE NET
Domestic Fixed	0.04	0.20	0.11	NYC Core +5 Index
Enhanced Yield	0.01	0.01	-0.03	Citigroup BB&B Index
TIPS	0.00	0.01	-0.03	Barclays Capital US TIPS Index
Convertibles	-0.02	-0.04	-0.03	ML All Convertibles ex Mandatory (VOAO)
Opportunistic Fixed	-0.03	-0.03	-0.03	JPM Global High Yield + 3%

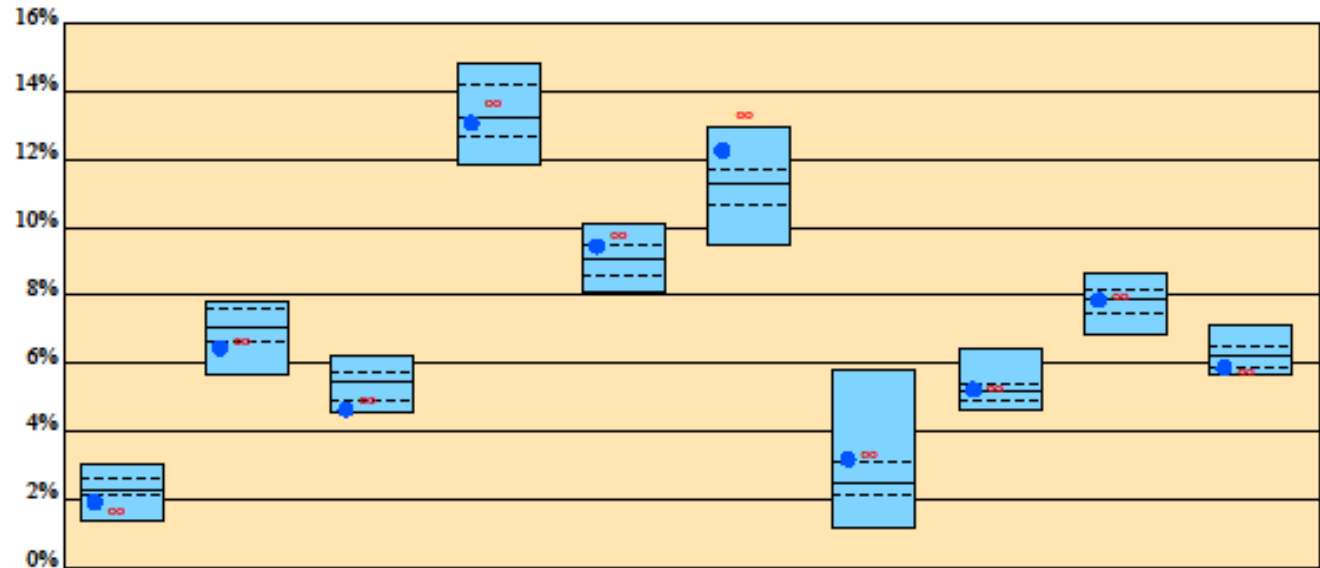
Note: Detailed effects may not add up to total due to reallocation and trading effects.

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



	Quarter Ending					Year Ending				
	Dec 12	Sep 12	Jun 12	Mar 12	Dec 11	Dec 12	Dec 11	Dec 10	Dec 09	Dec 08
5th Percentile	3.03	5.40	-0.07	9.21	6.47	14.85	3.78	14.71	24.18	-5.20
25th Percentile	2.57	4.70	-0.97	8.19	5.41	14.21	2.15	13.89	21.20	-24.58
Median	2.29	4.48	-1.58	7.75	4.54	13.25	0.86	13.12	18.76	-26.32
75th Percentile	2.10	4.32	-1.78	7.00	3.97	12.68	0.15	12.44	15.51	-27.50
95th Percentile	1.34	3.83	-2.13	6.60	3.27	11.83	-1.05	10.57	11.85	-29.44
● Total System	1.94 (81)	4.46 (53)	-1.71 (64)	8.06 (28)	6.02 (9)	13.10 (57)	1.83 (28)	13.92 (21)	21.20 (25)	-26.36 (53)
∞ Teachers Policy Benchmark	1.72 (92)	4.86 (18)	-1.59 (50)	8.33 (18)	7.32 (1)	13.72 (35)	2.23 (21)	14.04 (15)	24.47 (1)	-28.50 (87)

City of New York - Teachers
Total Returns of Public Master Trusts > \$10 Billion
Rates of Return for Periods Ending December 31, 2012



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	3.03	7.81	6.24	14.85	10.11	12.97	5.80	6.45	8.65	7.09
25th Percentile	2.57	7.62	5.73	14.21	9.46	11.73	3.07	5.38	8.16	6.49
Median	2.29	7.08	5.48	13.25	9.09	11.26	2.47	5.20	7.91	6.23
75th Percentile	2.10	6.60	4.91	12.68	8.59	10.66	2.15	4.88	7.46	5.90
95th Percentile	1.34	5.69	4.58	11.83	8.12	9.46	1.17	4.60	6.87	5.67
● Total System	1.94 (81)	6.48 (78)	4.67 (92)	13.10 (57)	9.47 (21)	12.29 (12)	3.21 (18)	5.25 (42)	7.89 (53)	5.89 (87)
∞ Teachers Policy Benchmark	1.72 (92)	6.67 (67)	4.97 (71)	13.72 (35)	9.85 (9)	13.34 (1)	3.36 (15)	5.31 (32)	7.99 (39)	5.79 (87)

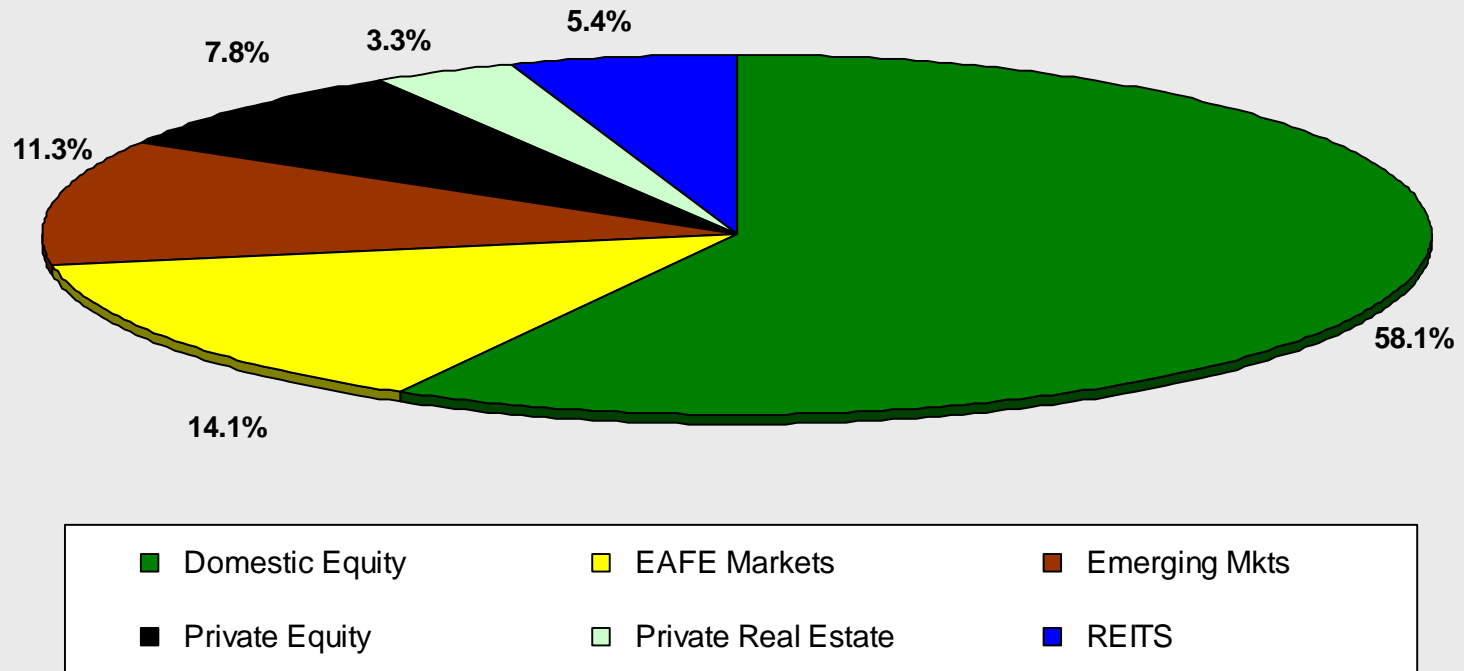
Teachers' Retirement System of the City of New York

Equity Analysis

Total Equity Asset Allocation: December 31, 2012

\$30.9B Under Management, **66%** of Total Funds

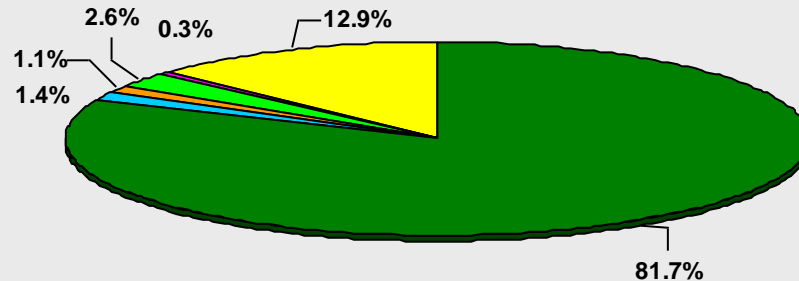
Asset Allocation by Groups



Total Domestic Equity Asset Allocation: December 31, 2012

\$18B Under Management, **38%** of Total Funds

Asset Allocation by Groups



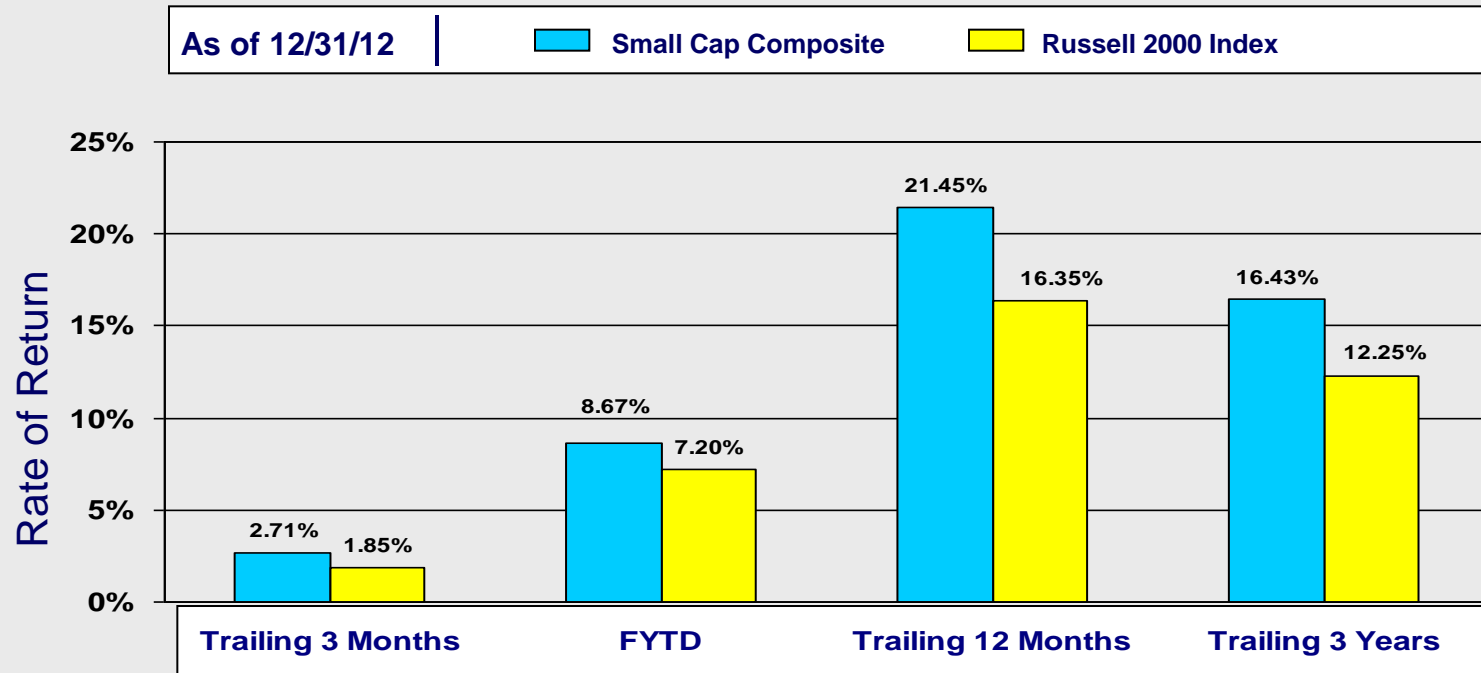
■ Russell 3000 Index Fund	■ Emerging Managers	■ Total Small Cap Active
■ Total Russell 1000 Active	■ US Activist/Environmental	■ Total Mid Cap S&P400

Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Russell 3000 Index Fund	82.00	81.73	-0.27	0.25	0.26	0.01	0.00	0.01
Emerging Managers	1.30	1.44	0.14	1.85	2.68	0.82	0.00	0.01
Small Cap Active	0.84	1.09	0.25	1.85	2.71	0.85	0.00	0.01
Mid Cap S&P 400 Index Fund	12.90	12.85	-0.05	2.88	3.60	0.72	-0.01	0.09
Russell 1000 Active	2.43	2.57	0.14	0.12	0.22	0.10	0.00	0.00
US Activist/Environmental	0.53	0.32	-0.21	1.85	2.34	0.49	0.00	0.01

Small Cap Returns vs Russell 2000 Index

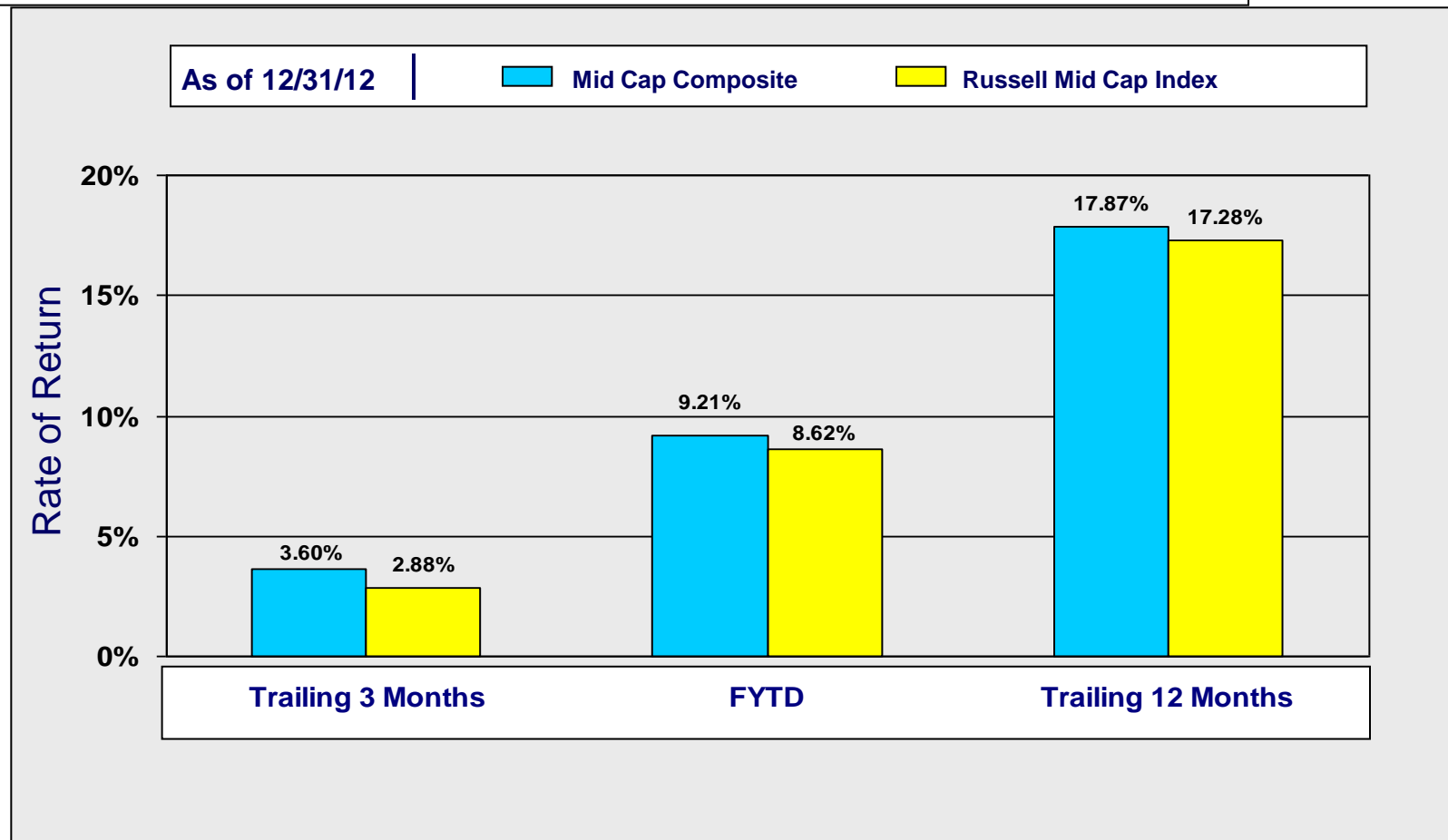
\$195.5M Under Management, **0%** of Total Funds



	3 Years
Plan Std Dev	19.1
Benchmark Std Dev	20.2

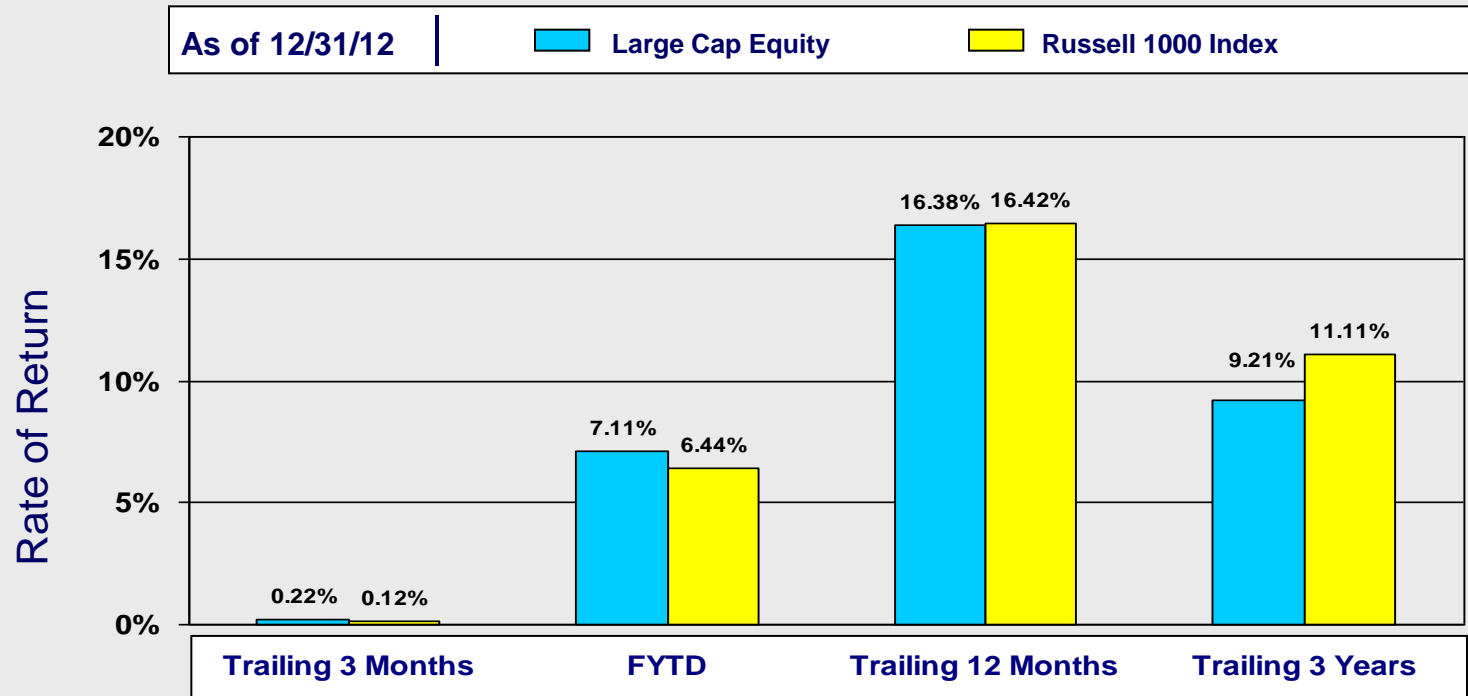
Mid Cap Returns vs Russell Mid Cap Index

\$2.3B Under Management, **5%** of Total Funds



Large Cap Returns vs Russell 1000 Index

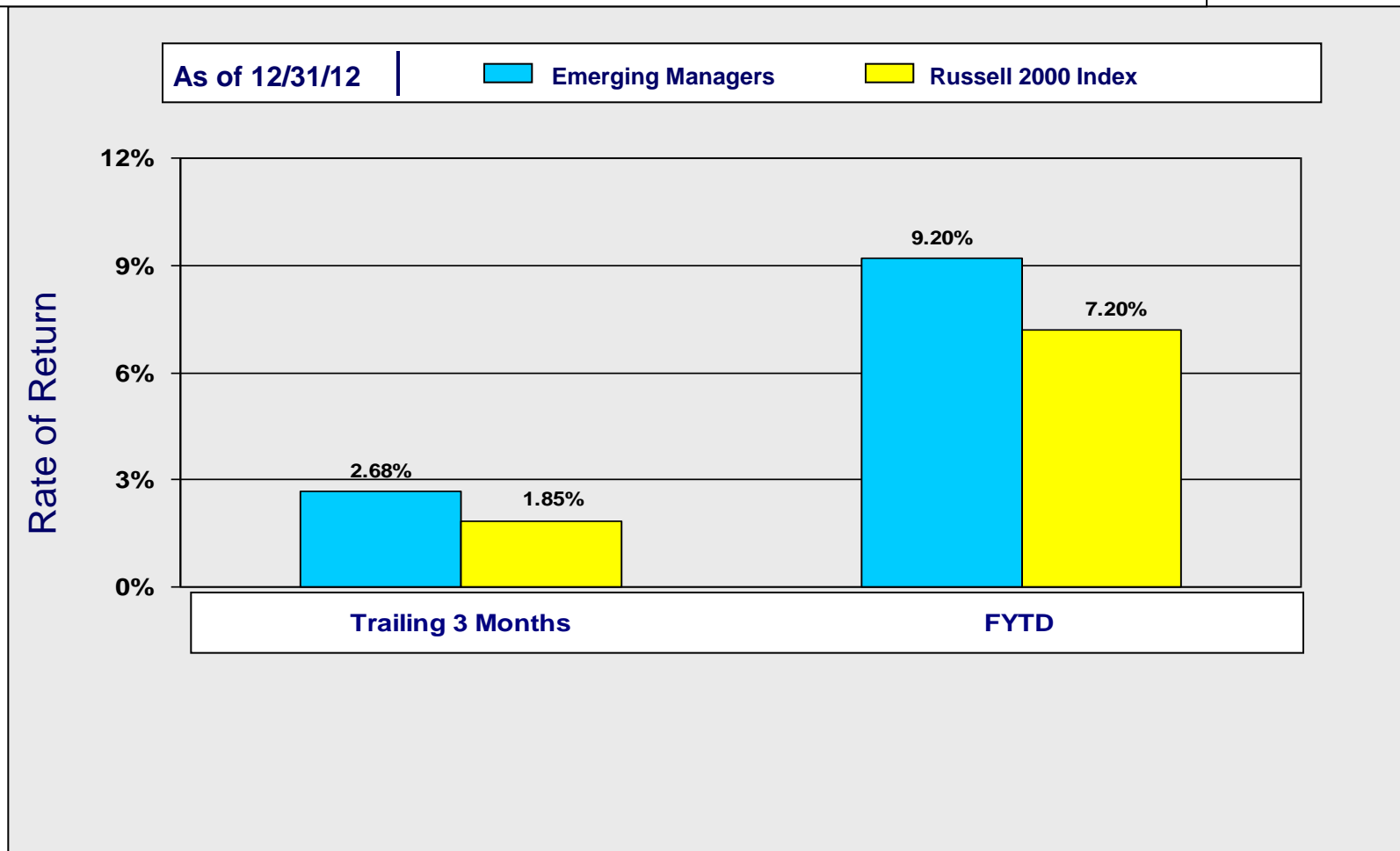
\$461.5M Under Management, **1%** of Total Funds



	3 Years
Plan Std Dev	15.6
Benchmark Std Dev	15.4

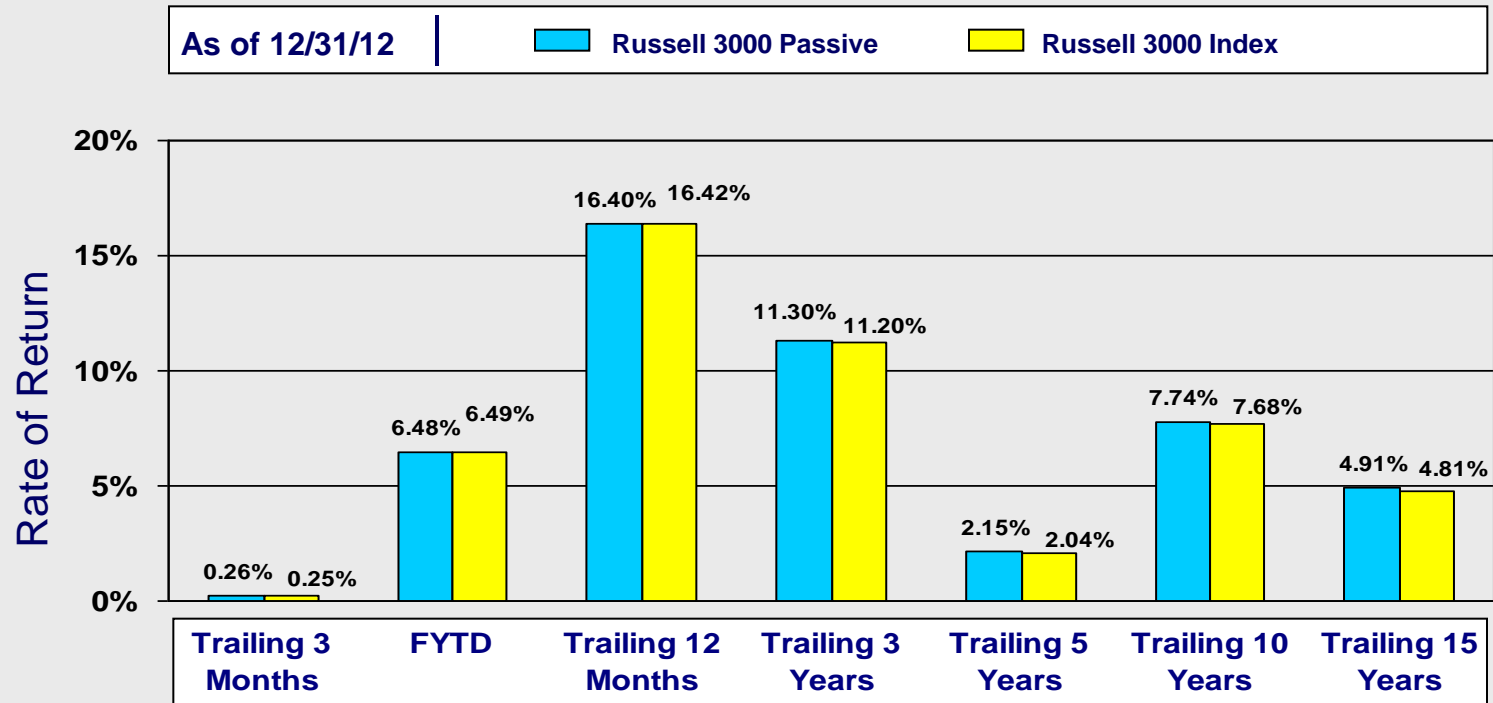
Emerging Managers Returns vs Russell 2000 Index

\$258M Under Management, **1%** of Total Funds



Russell 3000 Passive Returns vs Russell 3000 Index

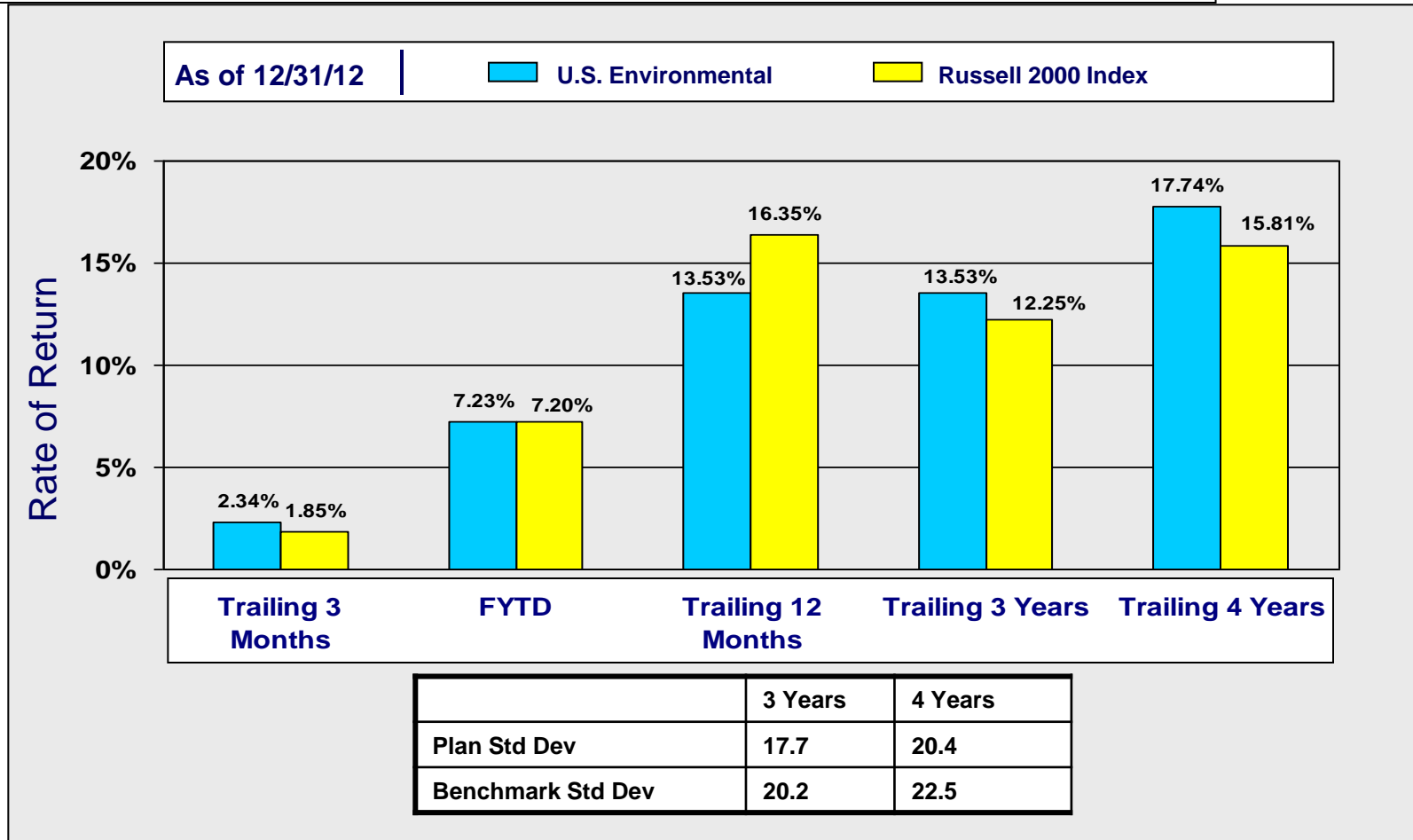
\$14.7B Under Management, **31%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	15.7	19.6	15.3	16.6
Benchmark Std Dev	15.7	19.6	15.3	16.6

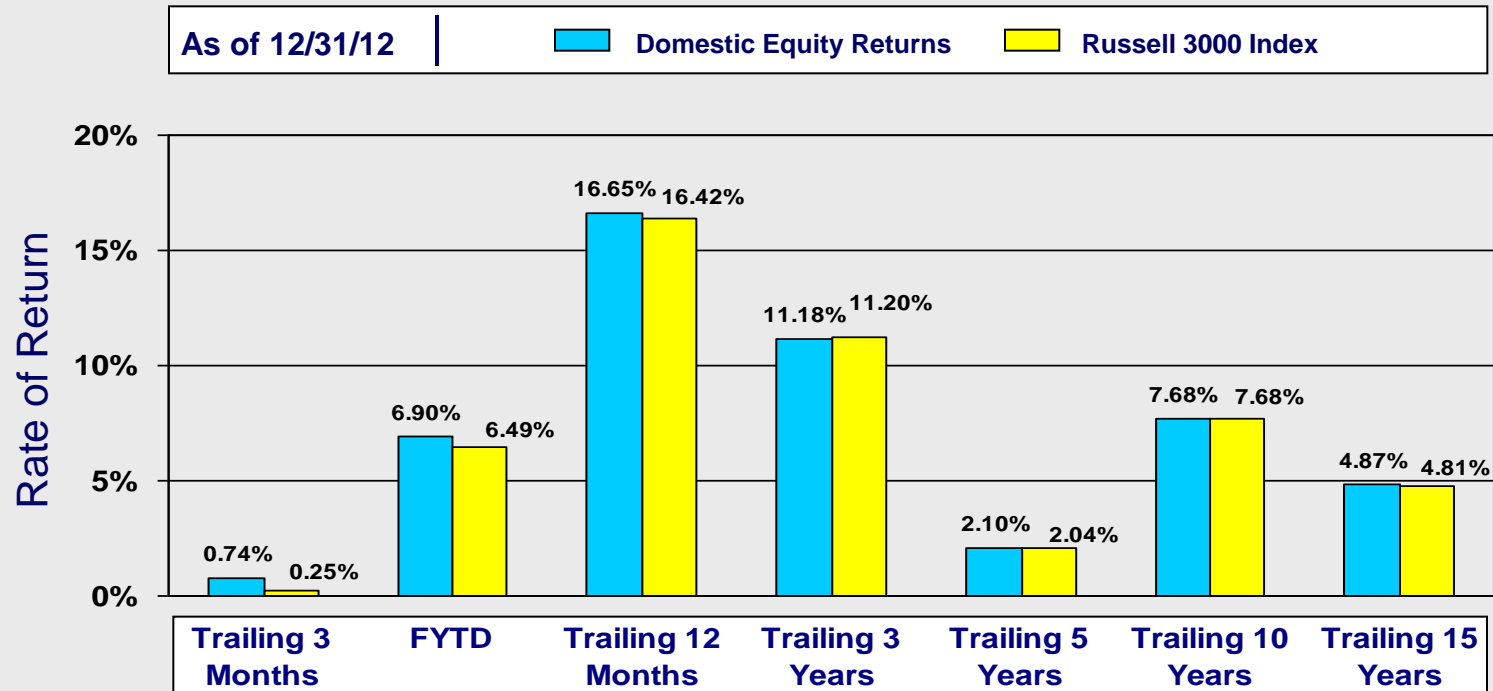
U.S. Environmental Returns vs Russell 2000 Index

\$57.8M Under Management, **0%** of Total Funds



Total Domestic Equity Returns vs Russell 3000 Index

\$18B Under Management, **38%** of Total Funds

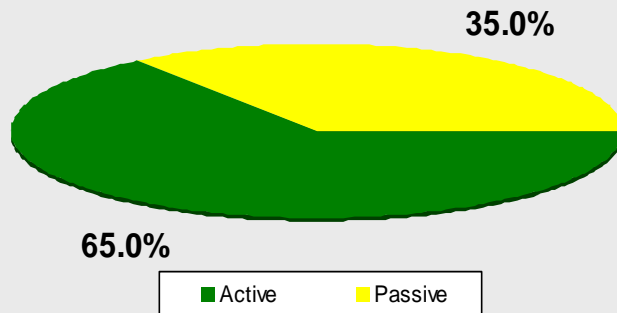


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	15.9	19.7	15.3	16.6
Benchmark Std Dev	15.7	19.6	15.3	16.6

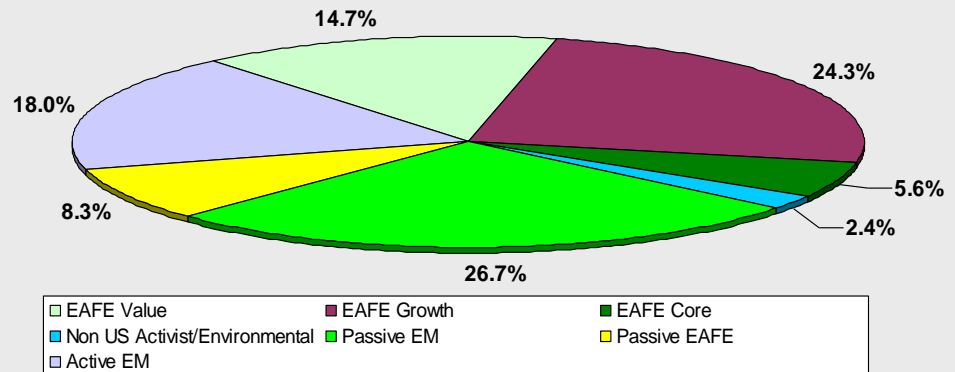
International Equity Asset Allocation: December 31, 2012

\$7.8B Under Management, **17%** of Total Funds

Asset Allocation by Groups



Asset Allocation by Style

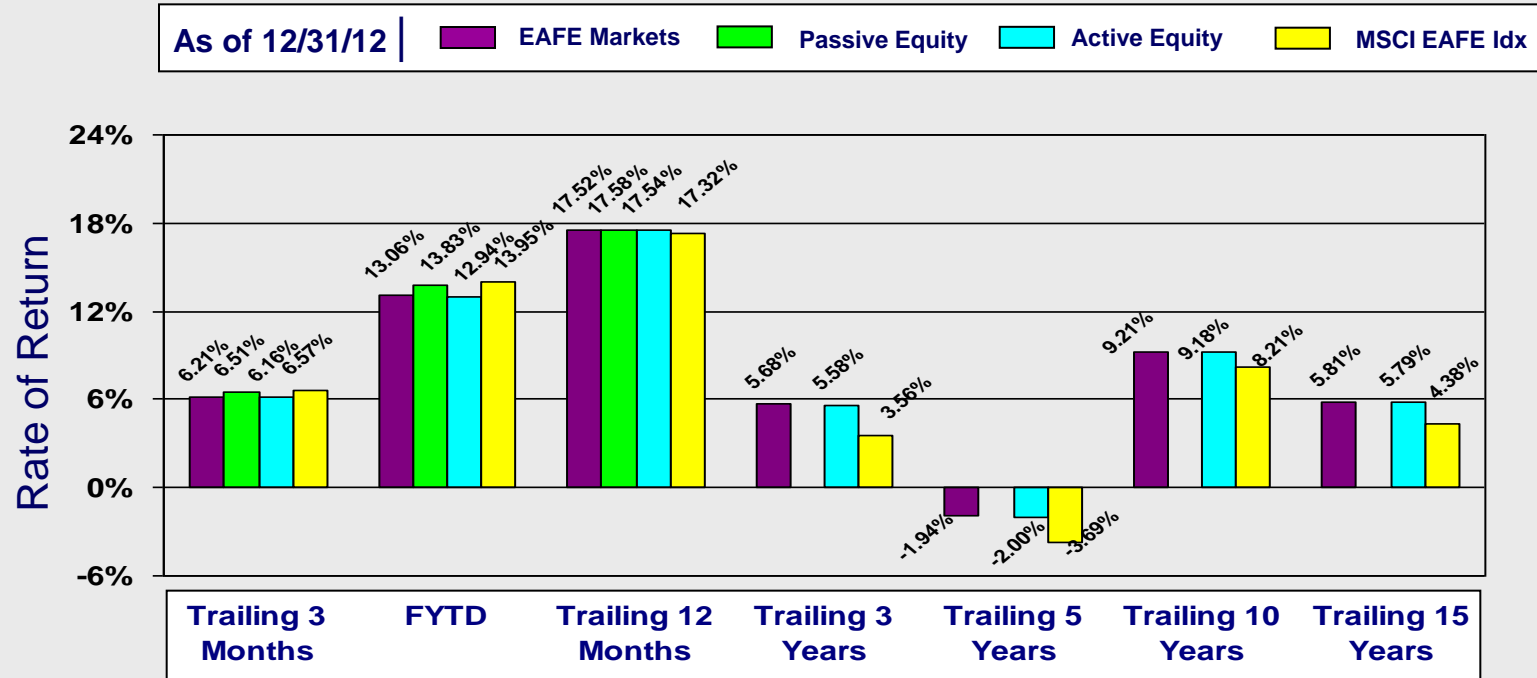


Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
EAFE Value		0.15		7.44	5.82	-1.62		-0.38
EAFE Growth		0.24		5.79	6.44	0.65		0.27
EAFE Core		0.06		6.57	5.85	-0.72		-0.07
Non-US Activist		0.01		7.78	12.48	4.70		0.10
Non-US Environmental		0.01		2.63	2.66	0.03		0.00
Passive EAFE		0.08		6.57	6.51	-0.06		-0.01
Passive EM		0.27		4.29	4.00	-0.29		-0.13
Active EM		0.18		4.29	3.98	-0.31		-0.07

EAFE Markets Returns vs MSCI EAFE Index

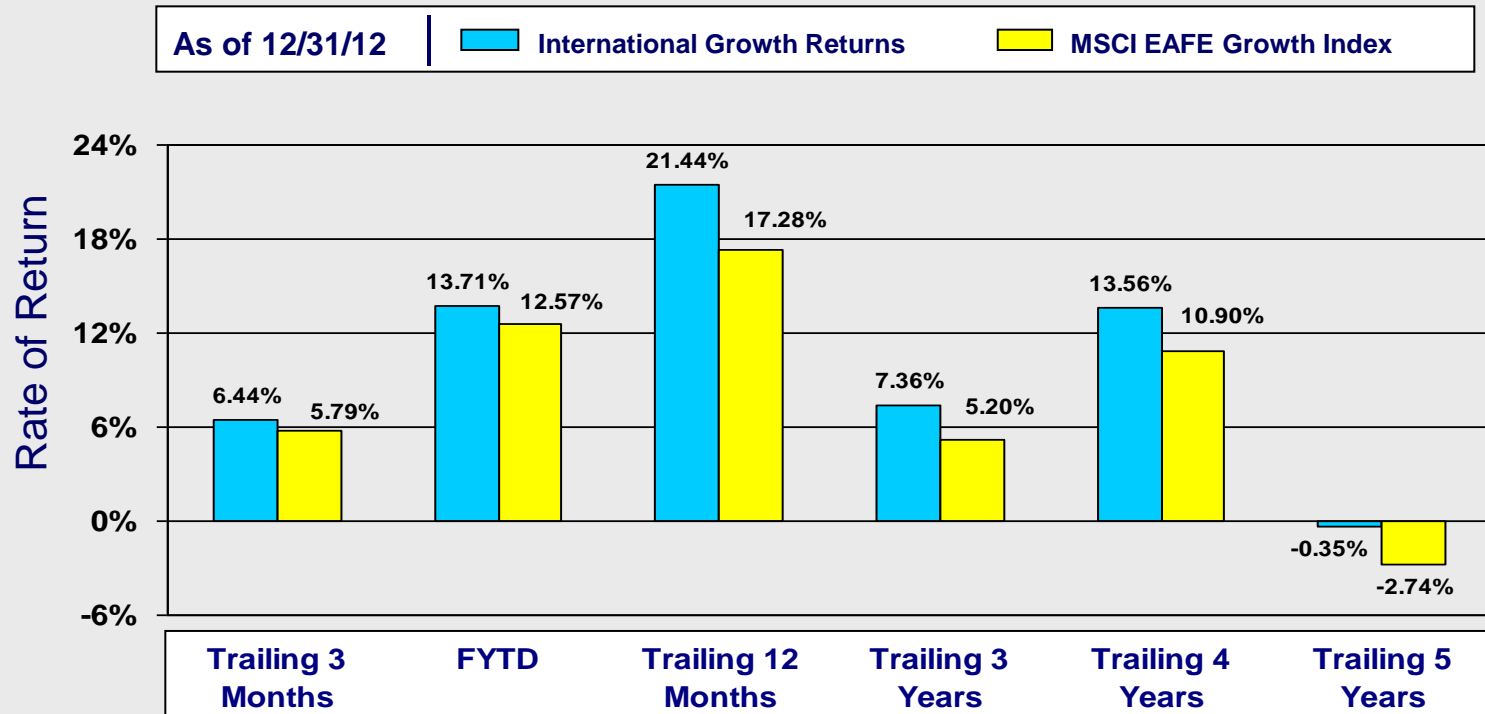
\$4.2B Under Management, **9%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	18.1	21.8	17.4	17.4
Active Plan Std Dev	17.9	21.7	17.3	17.4
Benchmark Std Dev	19.4	23.3	18.4	18.0

International Growth Returns vs MSCI EAFE Growth Index

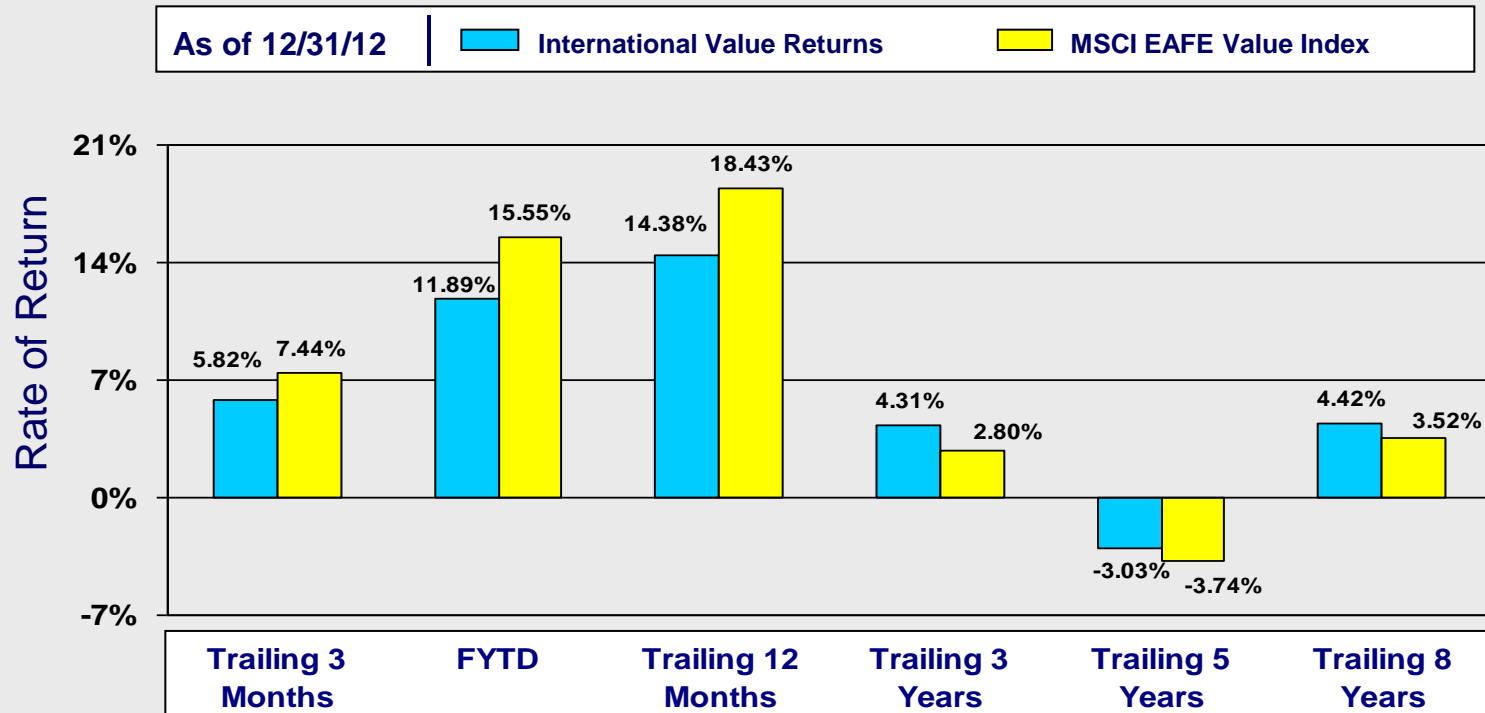
\$1.9B Under Management, **4%** of Total Funds



	3 Years	5 Years
Plan Std Dev	17.8	21.6
Benchmark Std Dev	18.8	22.4

International Value Returns vs MSCI EAFE Value Index

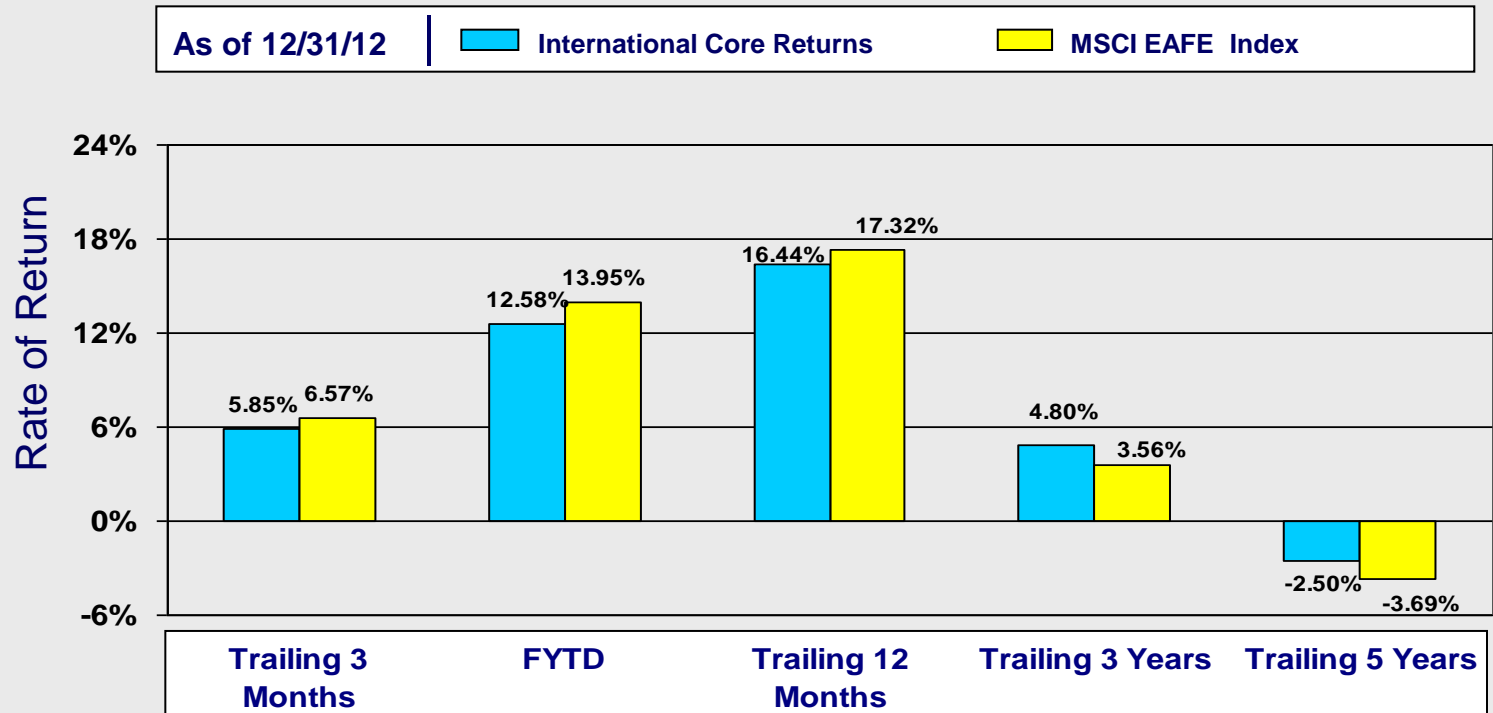
\$1.2B Under Management, **2%** of Total Funds



	3 Years	5 Years	8 Years
Plan Std Dev	17.6	21.5	18.0
Benchmark Std Dev	20.2	24.7	20.6

International Core Returns vs MSCI EAFE Index

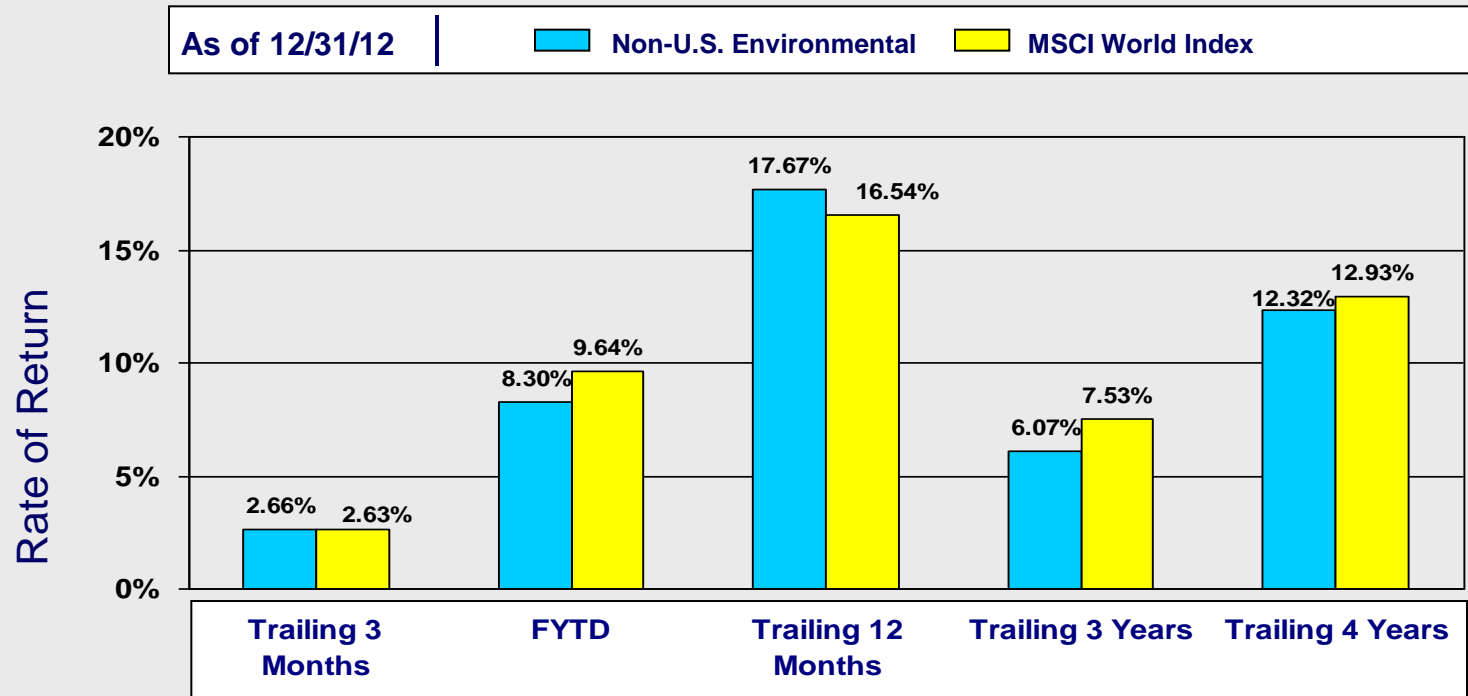
\$436.8M Under Management, **1%** of Total Funds



	3 Years	5 Years
Plan Std Dev	19.1	22.7
Benchmark Std Dev	19.4	23.3

Non-U.S. Environmental Returns vs MSCI World Index

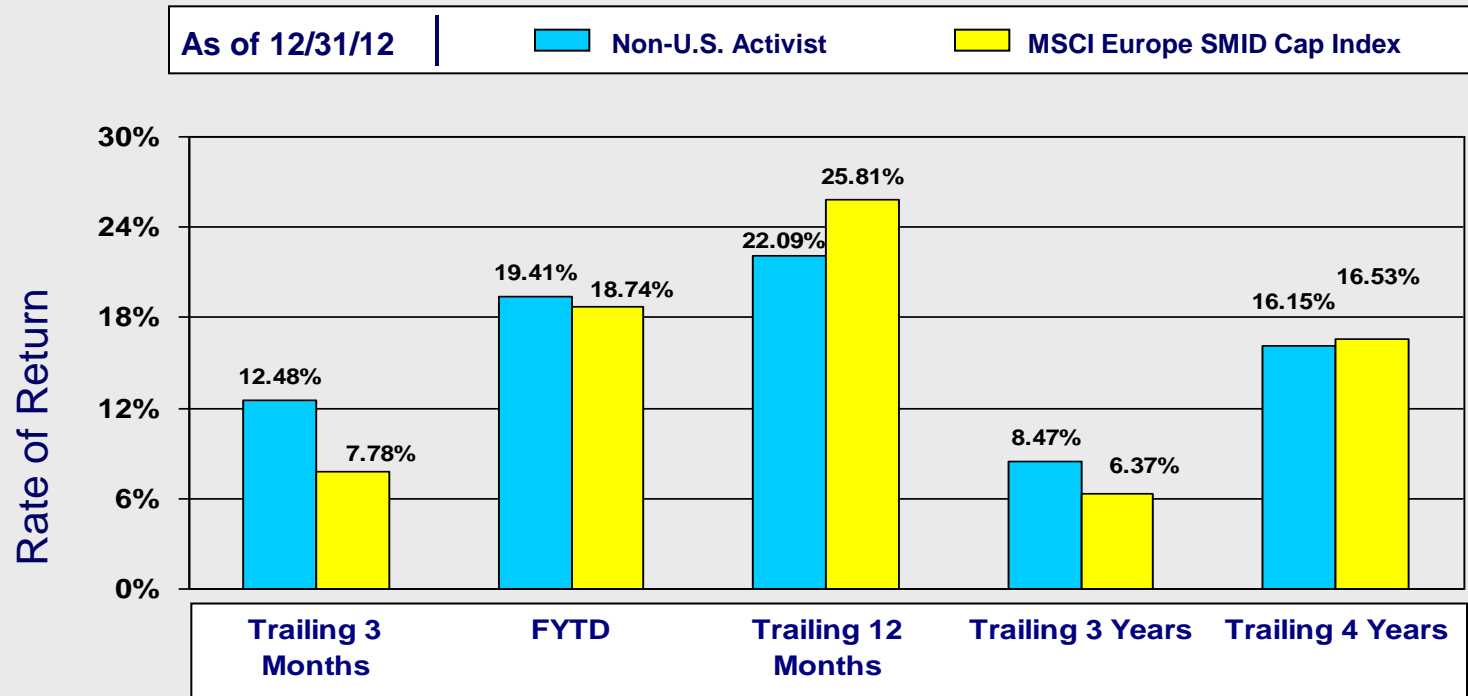
\$86.1M Under Management, **0%** of Total Funds



	3 Years	4 Years
Plan Std Dev	16.9	18.5
Benchmark Std Dev	16.7	18.5

Non-U.S. Activist Returns vs MSCI Europe SMID Cap Index

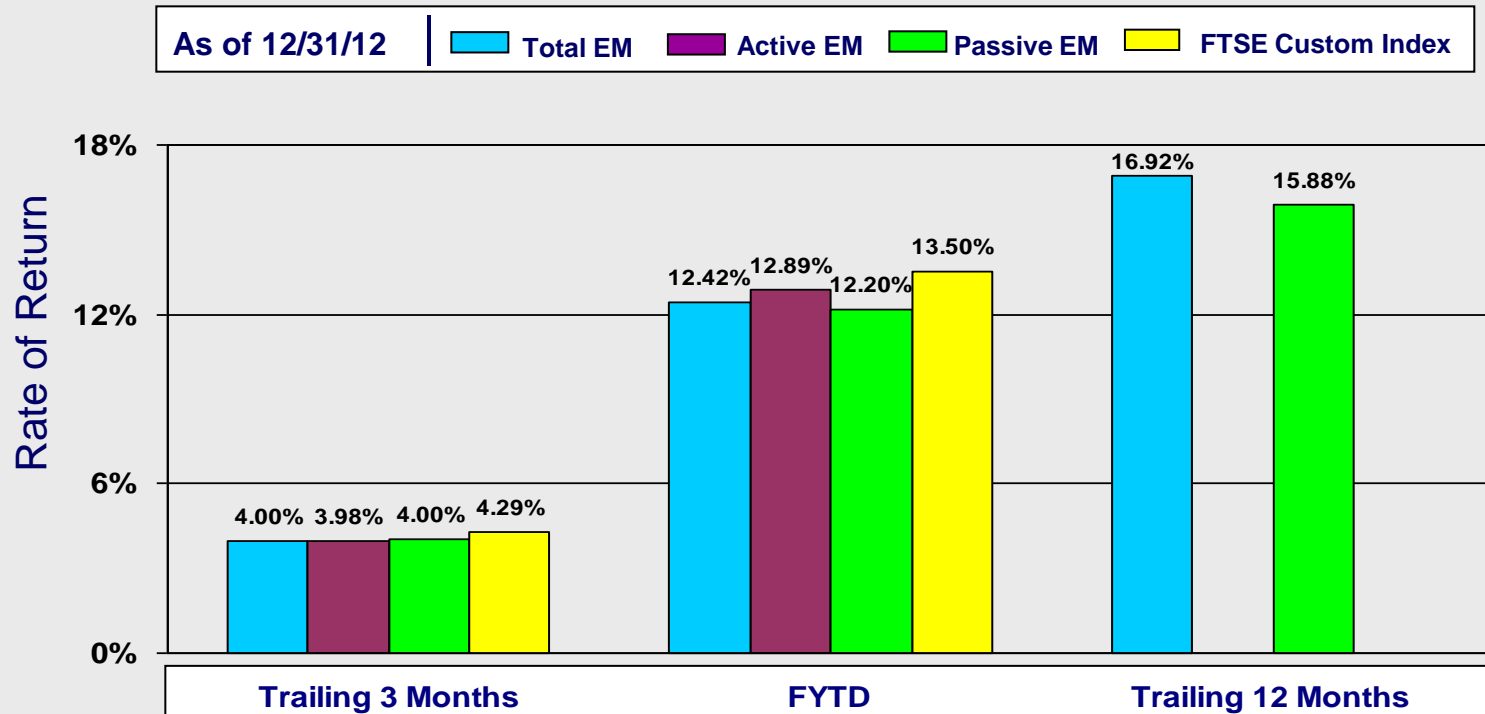
\$101.9M Under Management, **0%** of Total Funds



	3 Years	4 Years
Plan Std Dev	27.9	29.8
Benchmark Std Dev	23.8	25.1

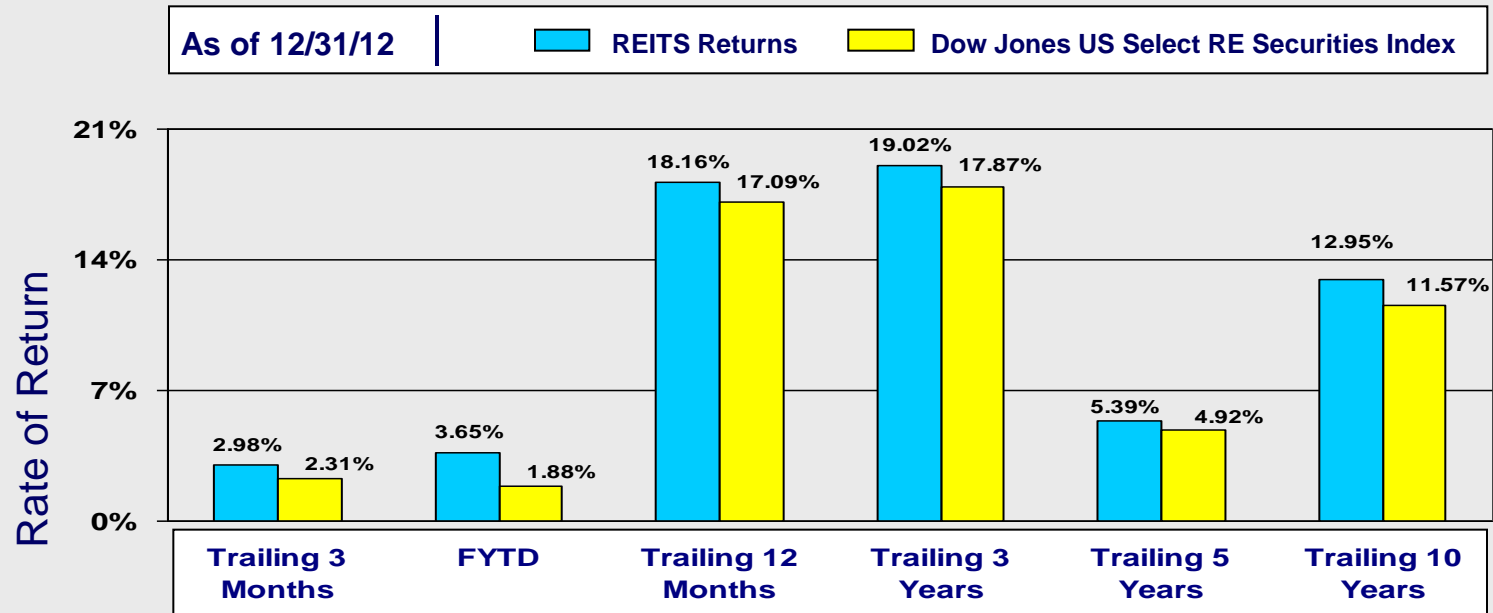
Emerging Markets Returns vs FTSE Custom Index

\$3.5B Under Management, **8%** of Total Funds



REITS Returns vs Dow Jones US Select Real Estate Securities Index

\$1.7B Under Management, **4%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	18.3	32.6	25.8
Benchmark Std Dev	18.5	33.8	26.6

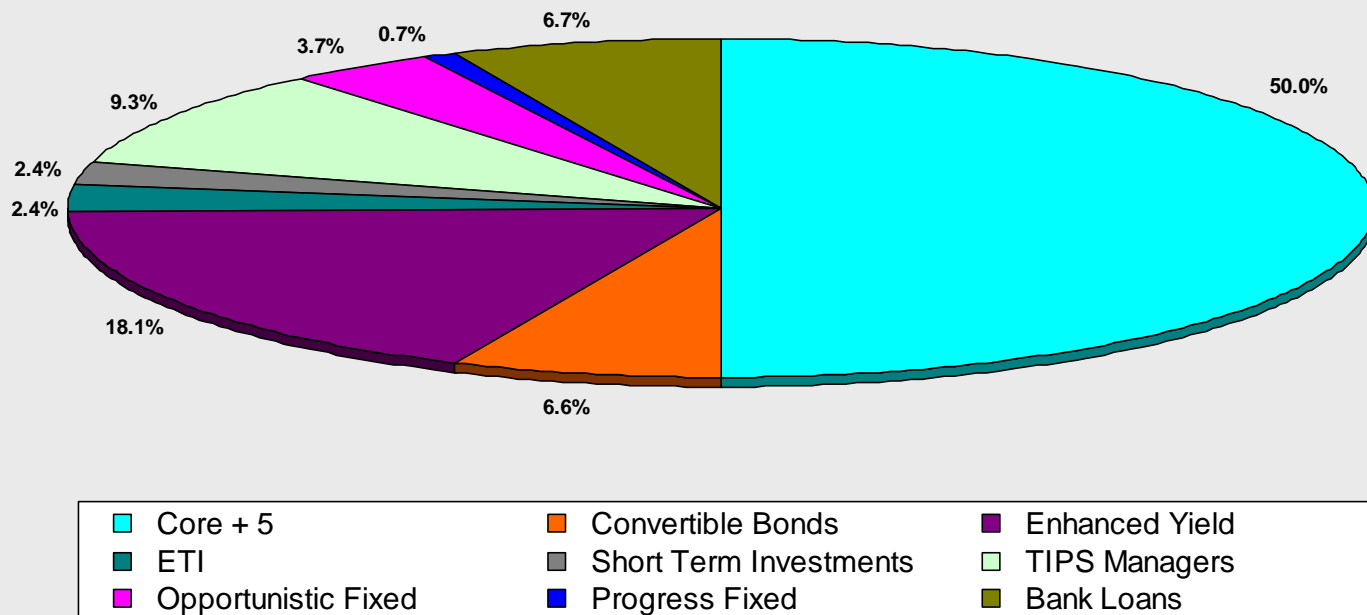
Teachers' Retirement System of the City of New York

Fixed Income Analysis

Total Fixed Income Asset Allocation: December 31, 2012

\$15.7B Under Management, **34%** of Total Funds

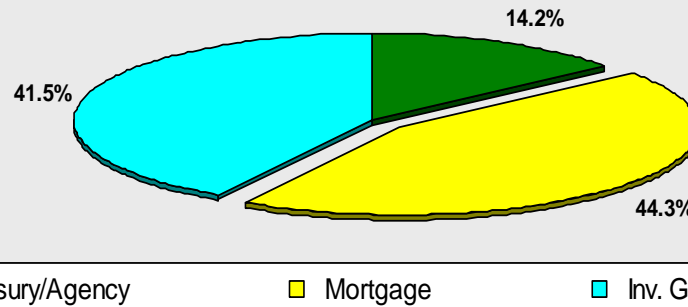
Asset Allocation by Groups



Structured Fixed Income Asset Allocation: Quarter Ending December 31, 2012

\$7.9B Under Management, **17%** of Total Funds

Asset Allocation by Groups



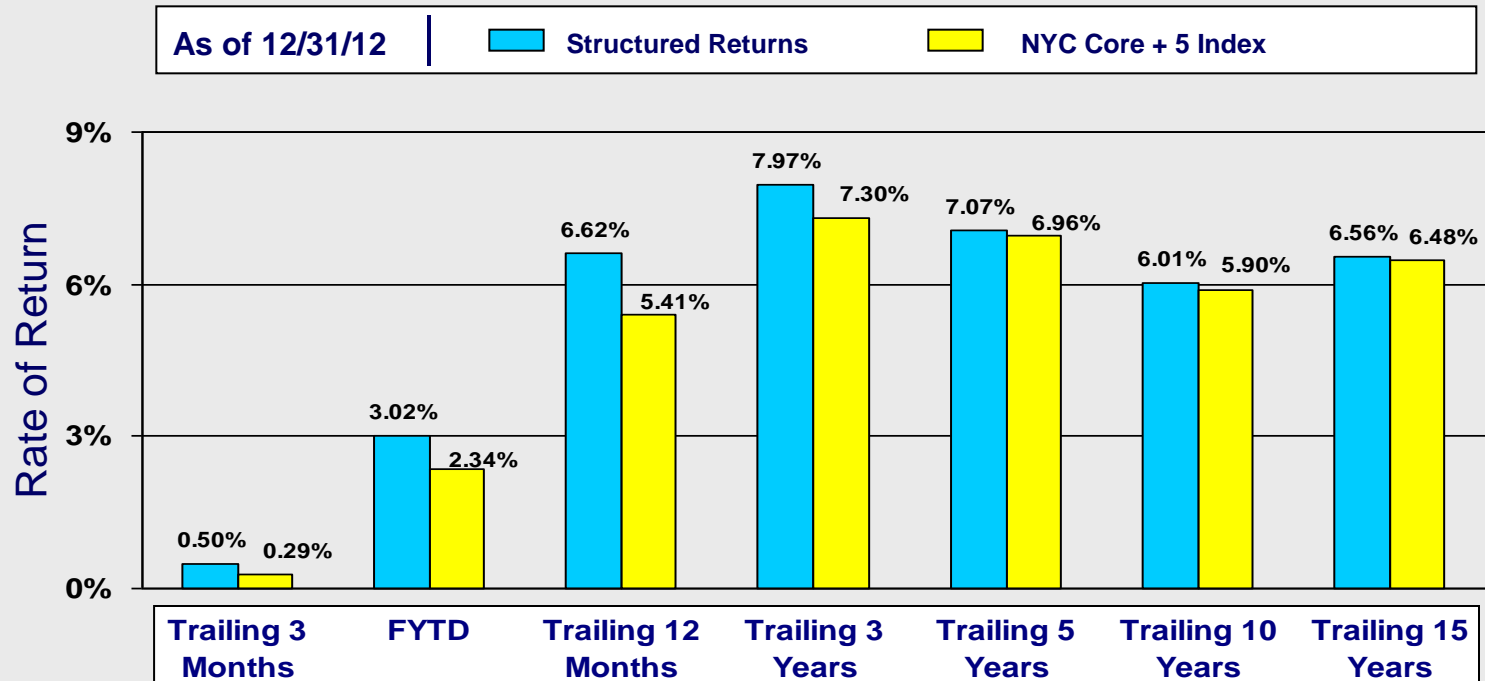
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	19.93	14.22	-5.71	-0.26	-0.19	0.07	0.02	0.01
Mortgage	40.06	44.28	4.22	-0.22	-0.07	0.15	-0.02	0.07
Inv. Grade Credit	40.01	41.50	1.49	1.09	1.38	0.29	0.01	0.12

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

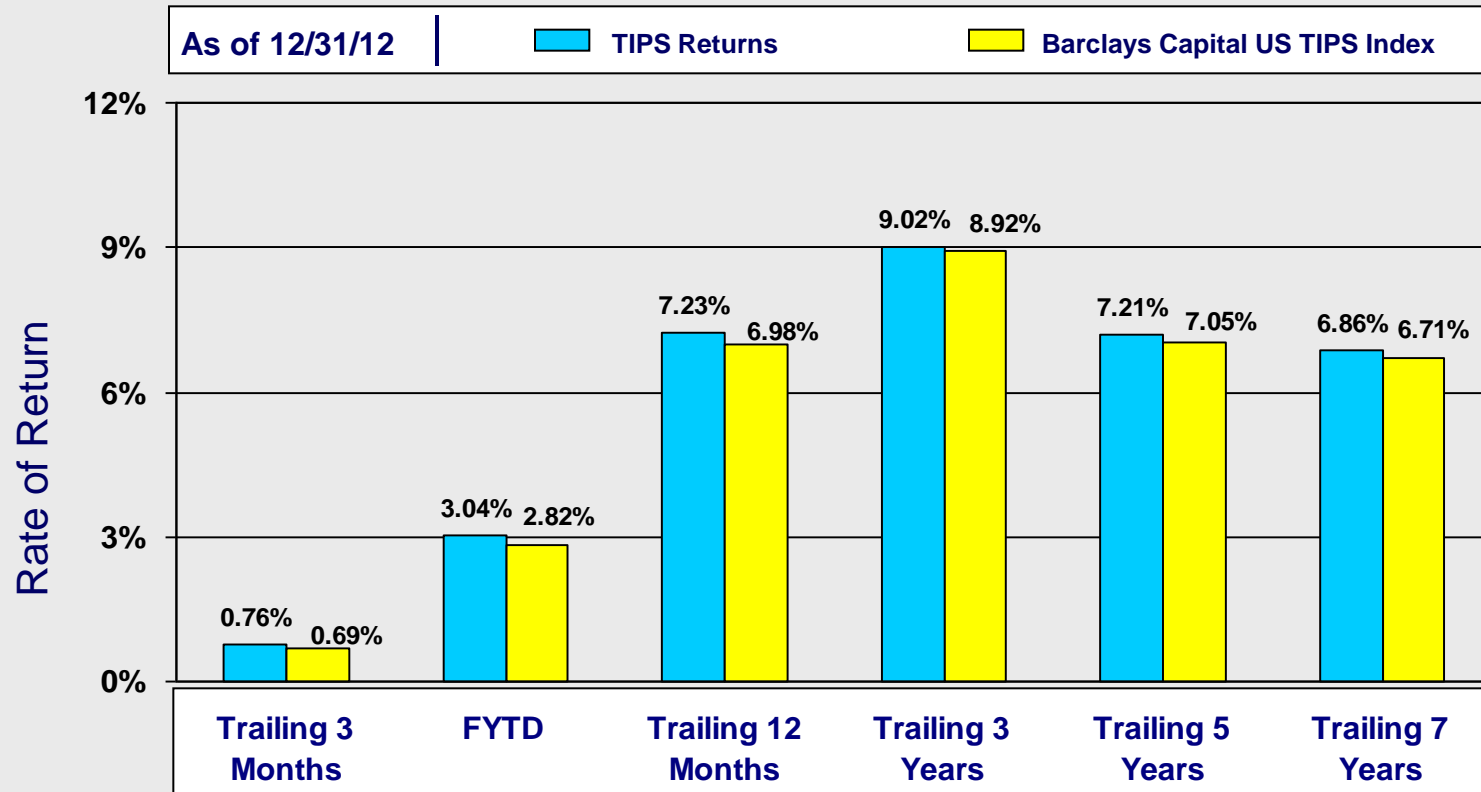
\$7.9B Under Management, **17%** of Total Funds



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

TIPS Returns vs Barclays Capital US TIPS Index

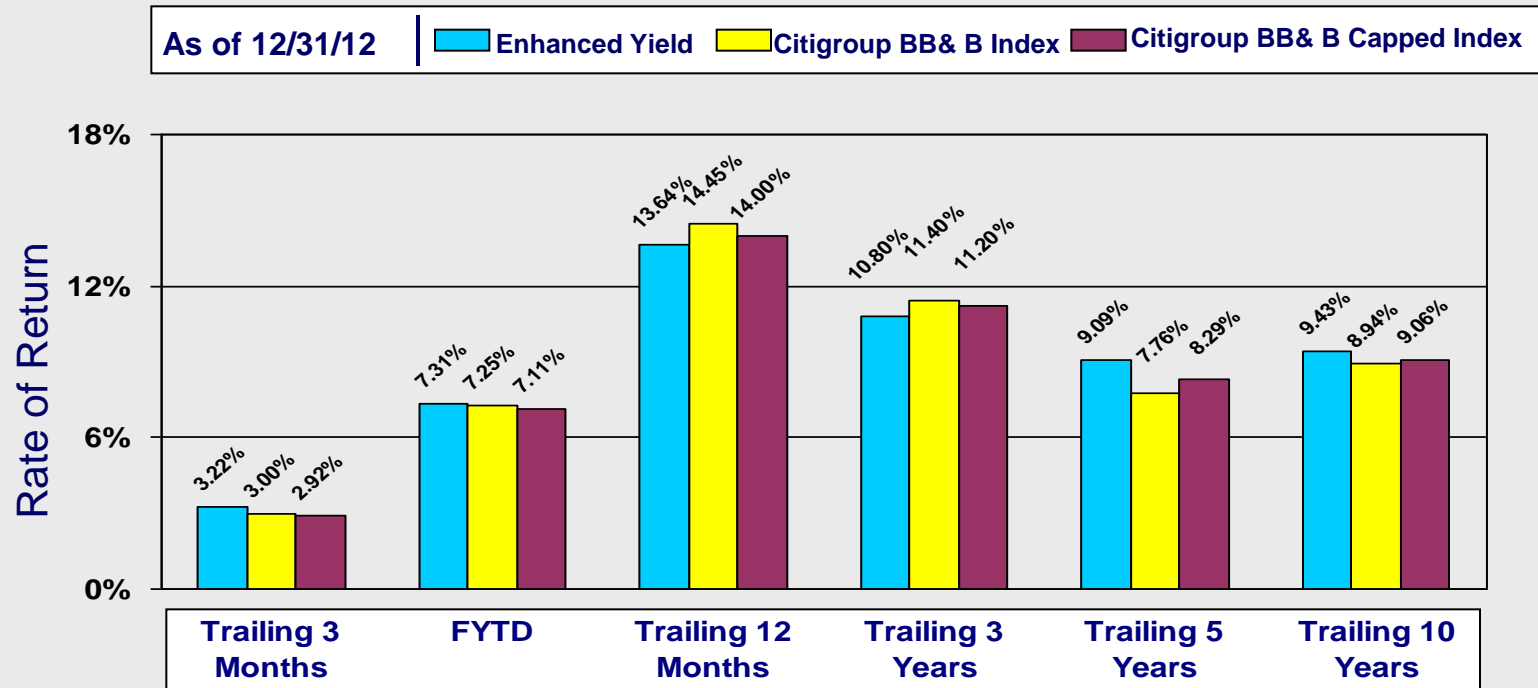
\$1.5B Under Management, **3%** of Total Funds



	3 Years	5 Years	7 Years
Plan Std Dev	4.2	7.3	6.7
Benchmark Std Dev	4.4	7.3	6.6

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

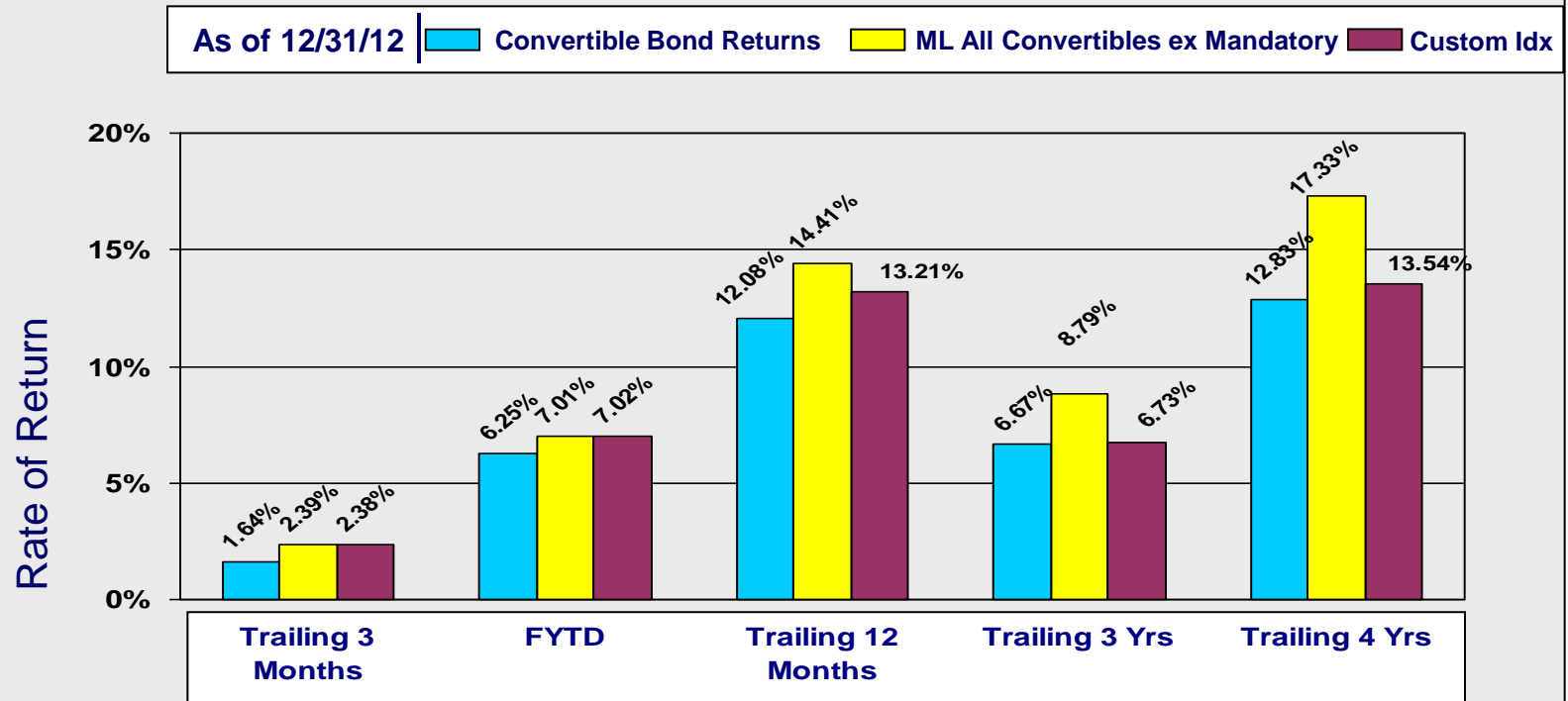
\$2.9B Under Management, **6%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	6.1	10.3	8.1
Citigroup BB&B	6.1	11.7	9.2
Citigroup BB&B Capped	5.9	11.4	9.0

Convertible Bond Returns vs Benchmarks

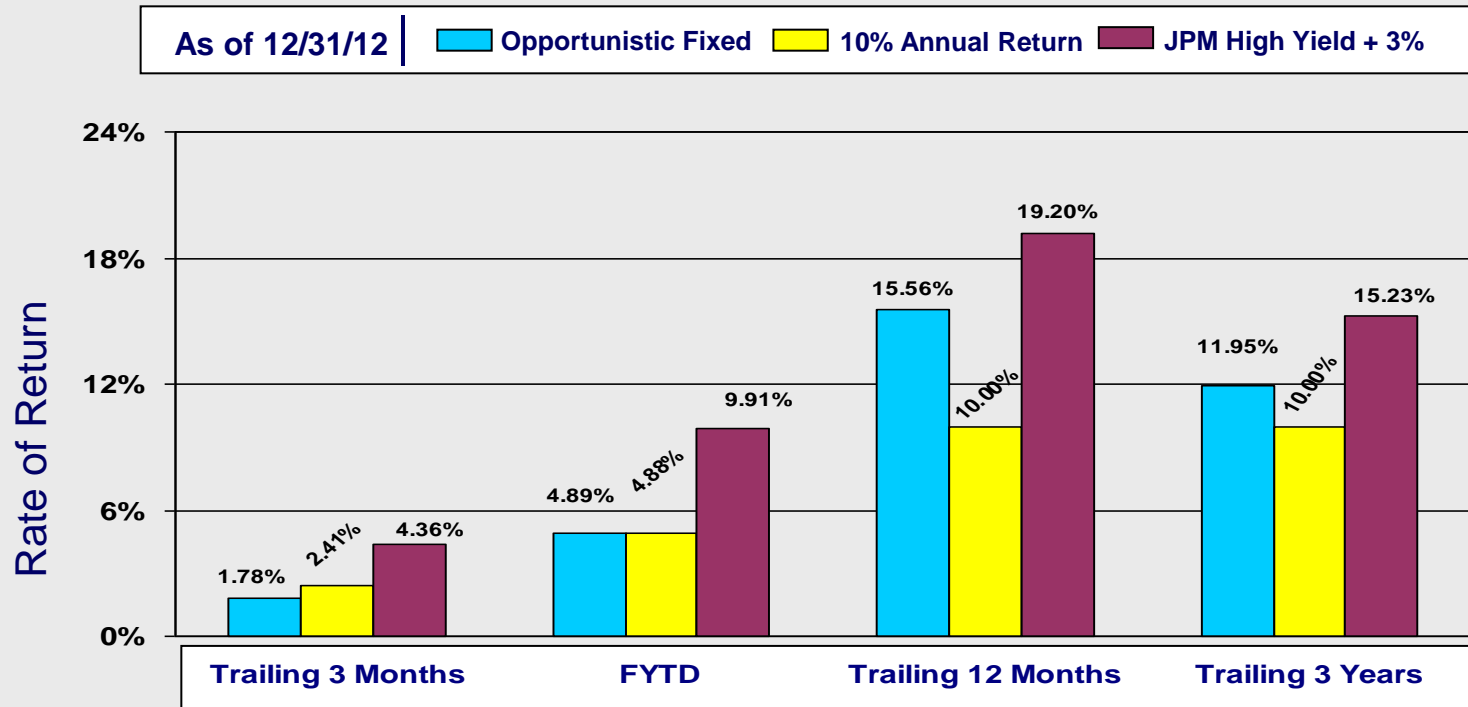
\$1B Under Management, **2%** of Total Funds



	3 Years	4 Years
Plan Std Dev	8.7	8.9
BofA All Convertibles	10.0	11.1
Custom Index	8.1	9.0

Opportunistic Fixed Income Returns vs Benchmarks

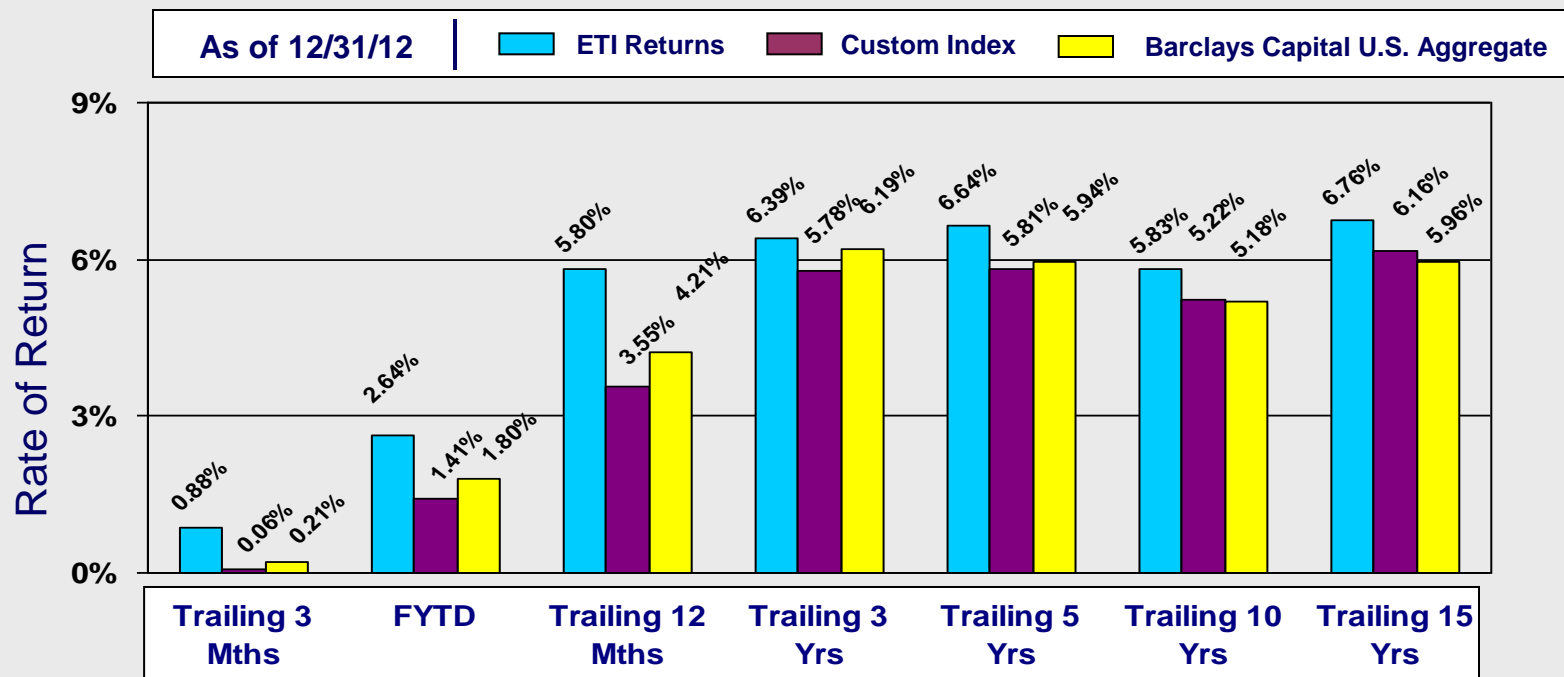
\$589.6M Under Management, **1%** of Total Funds



	3 Years
Plan Std Dev	8.4
JPM High Yield + 3% Std Dev	6.7

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

\$382.9M Under Management, **0.82%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	1.4	2.5	2.8	3.7
Custom Index Std Dev	2.0	2.8	2.9	2.8
Barclays Capital US Agg. Std Dev	2.4	3.5	3.5	3.5

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

Teachers' Retirement System of the City of New York

Appendix

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
EQUITY MANAGEMENT									
195.46	0.42	BROWN AM	2.71	21.45	21.45	16.43	****	****	****
195.46	0.42	TOTAL SMALL CAP GROWTH ACTIVE	2.71	21.45	21.45	16.43	****	****	****
		RUSSELL 2000 GROWTH	0.45	14.59	14.59	12.82	****	****	****
195.46	0.42	TOTAL SMALL CAP ACTIVE	2.71	21.45	21.45	16.43	****	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	****	****	****
195.46	0.42	TOTAL SMALL CAP	2.71	21.45	21.45	16.43	****	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	****	****	****
2,306.71	4.94	STATE STREET GA S&P 400	3.60	17.87	17.87	****	****	****	****
2,306.71	4.94	TOTAL MID CAP PASSIVE	3.60	17.87	17.87	****	****	****	****
		S&P MIDCAP 400	3.61	17.88	17.88	****	****	****	****
2,306.71	4.94	TOTAL MID CAP	3.60	17.87	17.87	****	****	****	****
		RUSSELL MID CAP	2.88	17.28	17.28	****	****	****	****
157.76	0.34	PROFIT INV MGMT	0.51	17.88	17.88	9.96	****	****	****
157.76	0.34	TOTAL LARGE CAP GROWTH	0.51	17.88	17.88	9.96	****	****	****
		RUSSELL 1000 GROWTH	-1.32	15.26	15.26	11.35	****	****	****
143.89	0.31	PIEDMONT INV ADV	-1.49	16.04	16.04	8.89	****	****	****
159.88	0.34	SEIZERT CAPITAL PTNRS	1.53	15.25	15.25	10.10	****	****	****
303.77	0.65	TOTAL LARGE CAP CORE	0.07	15.62	15.62	9.52	****	****	****
		RUSSELL 1000	0.12	16.42	16.42	11.11	****	****	****
461.53	0.99	TOTAL LARGE CAP	0.22	16.38	16.38	9.21	****	****	****
		RUSSELL 1000	0.12	16.42	16.42	11.11	****	****	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
7,416.42	15.90	BLACKROCK RUSSELL 3000	0.25	16.39	16.39	11.14	****	****	****
7,256.37	15.55	STATE STREET RUSSELL 3000	0.27	16.41	16.41	****	****	****	****
14,672.79	31.45	TOTAL RUSSELL 3000	0.26	16.40	16.40	11.30	2.15	7.74	4.91
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	7.68	4.81
		ATTUCKS							
8.70	0.02	APEX CAPITAL - SCG	1.03	20.48	20.48	19.39	5.47	****	****
8.67	0.02	GW CAPITAL -SCC	5.93	20.08	20.08	****	****	****	****
7.83	0.02	LOMBARDIA - SCV	2.09	11.74	11.74	12.34	6.78	****	****
8.94	0.02	PARADIGM - SCC	1.60	14.37	14.37	12.20	****	****	****
7.17	0.02	PHOCAS - SCV	1.81	10.72	10.72	11.23	5.23	****	****
41.31	0.09	TOTAL ATTUCKS	2.49	15.58	15.58	13.70	3.46	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	3.55	****	****
		CAPITAL PROSPECTS							
3.42	0.01	AH LISANTI SCG	-3.40	****	****	****	****	****	****
3.84	0.01	BERNZOTT CAP AD -SCV	8.10	****	****	****	****	****	****
4.02	0.01	CHANNING -SCV	8.82	****	****	****	****	****	****
3.48	0.01	CWC ADVISORS -SCC	1.30	****	****	****	****	****	****
1.50	0.00	HIGH POINTE -SC	2.89	****	****	****	****	****	****
3.99	0.01	HUBER -SCV	6.61	****	****	****	****	****	****
3.25	0.01	LOMBARDIA -SCV	2.11	****	****	****	****	****	****
3.59	0.01	PROFIT SCC	2.89	****	****	****	****	****	****
3.55	0.01	QUOTIENT SCC	0.05	****	****	****	****	****	****
3.47	0.01	STEPHENS SCG	-2.54	****	****	****	****	****	****
3.51	0.01	SUMMIT CREEK SCG	-3.23	****	****	****	****	****	****
37.61	0.08	TOTAL CAPITAL PROSPECTS	2.14	****	****	****	****	****	****
		RUSSELL 2000	1.85	****	****	****	****	****	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		PROGRESS							
14.66	0.03	APEX CAPITAL MGMT -SMID CG	2.70	****	****	****	****	****	****
9.81	0.02	CARDINAL SCV	4.23	****	****	****	****	****	****
7.88	0.02	HUBER SCV	6.59	****	****	****	****	****	****
12.67	0.03	IRONWOOD SCC	-0.87	****	****	****	****	****	****
7.44	0.02	MONARCH PARTNERS SCV	1.86	****	****	****	****	****	****
5.31	0.01	NICHOLS SC	-0.89	****	****	****	****	****	****
8.57	0.02	OMT CAP MGMT -SMIDCG	-0.87	****	****	****	****	****	****
7.17	0.02	PHOCAS SCV	1.83	****	****	****	****	****	****
13.78	0.03	SIGNIA SCV	4.53	****	****	****	****	****	****
87.29	0.19	TOTAL PROGRESS EQUITY	2.22	****	****	****	****	****	****
		RUSSELL 2000	1.85	****	****	****	****	****	****
		FIS FUND MGMT							
8.69	0.02	APEX SCG	2.70	****	****	****	****	****	****
21.24	0.05	CHANNING SCV	8.46	****	****	****	****	****	****
5.94	0.01	CUPPS SCG	-4.71	****	****	****	****	****	****
3.76	0.01	EAM MICRO CAP GROWTH	0.31	****	****	****	****	****	****
9.88	0.02	HUBER SCV	6.53	****	****	****	****	****	****
10.32	0.02	NICHOLAS INV PTNRS -SCG	-3.22	****	****	****	****	****	****
18.21	0.04	OPUS CAPITAL MGMT -SCV	4.29	****	****	****	****	****	****
13.71	0.03	PUNCH SCC	3.25	****	****	****	****	****	****
91.75	0.20	TOTAL F.I.S FUND MGMT	3.43	****	****	****	****	****	****
		RUSSELL 2000	1.85	****	****	****	****	****	****
257.96	0.55	TOTAL EMERGING MANAGERS	2.68	17.84	17.84	12.41	2.93	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	3.55	****	****
		RUSSELL 3000	0.25	16.42	16.42	11.20	2.04	****	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		OPPORTUNISTIC EQUITY STRATEGIES							
57.81	0.12	WALDEN ASSET MGMT	2.34	13.52	13.52	13.03	****	****	****
57.82	0.12	TOTAL U.S. ENVIRONMENTAL	2.34	13.53	13.53	13.53	****	****	****
		RUSSELL 2000	1.85	16.35	16.35	12.25	****	****	****
914.94	1.96	TOTAL ACTIVE	1.43	17.85	17.85	11.20	2.15	7.49	****
16,979.50	36.39	TOTAL PASSIVE	0.70	16.60	16.60	11.11	2.05	7.68	4.87
17,952.27	38.48	TOTAL DOMESTIC EQUITY	0.74	16.65	16.65	11.18	2.10	7.68	4.87
		INTERNATIONAL EQUITY							
		DEVELOPED MARKETS							
		GROWTH							
983.90	2.11	BAILLIE	6.99	20.34	20.34	8.48	0.24	****	****
921.60	1.98	WALTER SCOTT	5.86	22.66	22.66	9.44	3.63	****	****
1,905.92	4.09	TOTAL INTL GROWTH	6.44	21.44	21.44	7.36	-0.35	****	****
		MSCI EAFE GROWTH	5.79	17.28	17.28	5.20	-2.74	****	****
		VALUE							
179.57	0.38	MONDRIAN INVESTMENT PARTNERS LTD II	3.33	8.45	8.45	2.80	****	****	****
975.09	2.09	SPRUCEGROVE (NEW)	6.29	18.80	18.80	8.98	0.49	****	****
1,155.60	2.48	TOTAL INTL VALUE	5.82	14.38	14.38	4.31	-3.03	****	****
		MSCI EAFE VALUE	7.44	18.43	18.43	2.80	-3.74	****	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		CORE							
46.80	0.10	BLACKROCK	5.72	18.02	18.02	3.85	****	****	****
87.15	0.19	PHILADELPHIA	6.86	14.11	14.11	2.28	-4.87	****	****
302.81	0.65	THORNBURG	5.58	17.24	17.24	6.85	-1.93	****	****
436.76	0.94	TOTAL INTL CORE	5.85	16.44	16.44	4.80	-2.50	****	****
		MSCI EAFE (NET DIVIDEND)	6.57	17.32	17.32	3.56	-3.69	****	****
3,498.82	7.50	TOTAL ACTIVE DEVELOPED MARKETS	6.16	17.54	17.54	5.58	-2.00	9.18	5.79
		MSCI EAFE (NET DIVIDEND)	6.57	17.32	17.32	3.56	-3.69	8.21	4.38
1.60	0.00	TRANSITION - INTERNATIONAL ACCOUNT	****	****	****	****	****	****	****
3,500.42	7.50	TOTAL ACTIVE-INTL EQUITY	6.15	17.54	17.54	5.59	-1.98	9.09	6.03
651.74	1.40	SSGA	6.51	17.58	17.58	****	****	****	****
651.74	1.40	TOTAL PASSIVE-INTL EQUITY	6.51	17.58	17.58	****	****	****	****
86.07	0.18	F&C SGE	2.66	17.67	17.67	7.26	****	****	****
86.07	0.18	TOTAL NON-U.S. ENVIRONMENTAL	2.66	17.67	17.67	6.07	****	****	****
		MSCI WORLD INDEX	2.63	16.54	16.54	7.53	****	****	****
101.90	0.22	GOVERNANCE FOR OWNERS	12.48	22.09	22.09	8.47	****	****	****
101.90	0.22	TOTAL NON-U.S. ACTIVIST	12.48	22.09	22.09	8.47	****	****	****
		MSCI EUROPE SMID CAP	7.78	25.81	25.81	6.37	****	****	****

Note: Market values for terminated non-U.S. accounts represent balances to be transferred out or resolved; some of these accounts may also have outstanding tax reclaims. Market values for non-U.S. transition accounts represent cash balances to be cleared out or other outstanding issues.

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
187.97	0.40	TOTAL ENVIRONMENTAL-ACTIVIST	7.76	20.02	20.02	6.56	****	****	****
4,340.13	9.30	TOTAL DEVELOPED-ENV-ACTIVIST	6.28	17.59	17.59	5.72	-1.99	****	****
		EMERGING MARKETS							
697.26	1.49	DFA EM	3.84	****	****	****	****	****	****
711.76	1.53	EATON VANCE	4.03	****	****	****	****	****	****
1,409.02	3.02	TOTAL ACTIVE EMERGING MARKETS	3.98	****	****	****	****	****	****
		FTSE CUSTOM BENCHMARK	4.29	****	****	****	****	****	****
2,094.39	4.49	BLACKROCK EM	4.00	15.88	15.88	****	****	****	****
2,094.39	4.49	TOTAL PASSIVE EMERGING MARKETS	4.00	15.88	15.88	****	****	****	****
		FTSE CUSTOM BENCHMARK	4.29	****	****	****	****	****	****
3,503.41	7.51	TOTAL EMERGING MARKETS	4.00	16.92	16.92	****	****	****	****
7,843.54	16.81	TOTAL INTERNATIONAL EQUITY	5.36	16.67	16.67	5.17	-2.30	9.01	5.68
		REITS							
235.07	0.50	ADELANTE CAPITAL MANAGEMENT	2.28	17.46	17.46	19.20	3.77	11.57	****
193.87	0.42	COHEN & STEERS - REITS	2.17	****	****	****	****	****	****
279.67	0.60	EUROPEAN REIT MTA	6.59	****	****	****	****	****	****
568.82	1.22	MS REIT MTA	2.69	18.15	18.15	18.95	6.63	****	****
200.26	0.43	SECURITY CAPITAL	1.90	16.02	16.02	18.03	4.84	****	****
194.33	0.42	URDANG -REITS	2.08	****	****	****	****	****	****
1,672.02	3.58	TOTAL REITS	2.98	18.16	18.16	19.02	5.39	12.95	****
		DJ US SELECT REAL ESTATE SEC. INDEX	2.31	17.09	17.09	17.87	4.92	11.57	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
PRIVATE EQUITY INVESTMENTS									
2.75	0.01	AISSLING CAPITAL II	****	****	****	****	****	****	****
4.70	0.01	AISSLING CAPITAL III	****	****	****	****	****	****	****
0.04	0.00	ALLEGRA CAPITAL PTNRS IV	****	****	****	****	****	****	****
31.04	0.07	AMERICAN SEC PTNRS VI	****	****	****	****	****	****	****
15.25	0.03	AMPERSAND 2006	****	****	****	****	****	****	****
11.46	0.02	AMPERSAND 2008	****	****	****	****	****	****	****
8.37	0.02	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****
35.84	0.08	APOLLO INVESTMENT FD VI	****	****	****	****	****	****	****
41.19	0.09	APOLLO INVESTMENT FD VII	****	****	****	****	****	****	****
6.10	0.01	ARES CORP OPP	****	****	****	****	****	****	****
15.89	0.03	ARES CORP OPP FD II	****	****	****	****	****	****	****
55.89	0.12	ARES CORP OPP FD III	****	****	****	****	****	****	****
3.24	0.01	ARES CORP OPP FD IV	****	****	****	****	****	****	****
17.04	0.04	ARSENAL CAP PTNRS II	****	****	****	****	****	****	****
20.18	0.04	AURORA EQUITY CAPITAL PTNRS III	****	****	****	****	****	****	****
24.82	0.05	AVISTA CAPITAL PTNRS	****	****	****	****	****	****	****
47.38	0.10	AVISTA CAPITAL PTNRS II	****	****	****	****	****	****	****
57.38	0.12	AXA SECONDARY FD V	****	****	****	****	****	****	****
23.83	0.05	BC EUR CAP IX	****	****	****	****	****	****	****
6.87	0.01	BDCM OPPORTUNITY FD	****	****	****	****	****	****	****
29.87	0.06	BDCM OPPORTUNITY FD II	****	****	****	****	****	****	****
16.94	0.04	BLACKSTONE CAPITAL PTNRS IV	****	****	****	****	****	****	****
65.57	0.14	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****
12.56	0.03	BLACKSTONE CAPITAL PTNRS VI	****	****	****	****	****	****	****
8.97	0.02	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****
13.74	0.03	BLUE WOLF CAPITAL FUND II	****	****	****	****	****	****	****
22.50	0.05	BRIDGEPOINT EUROPE III	****	****	****	****	****	****	****
18.09	0.04	BRIDGEPOINT EUROPE IV	****	****	****	****	****	****	****

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Assets	%		3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
(\$MM)	Total		Oct-12	Jan-12	Jan-12	Jan-10	Jan-08	Jan-03	Jan-98
			Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12
0.79	0.00	CARLYLE PTNRS III	****	****	****	****	****	****	****
36.04	0.08	CARLYLE PTNRS V	****	****	****	****	****	****	****
15.71	0.03	CARPENTER COMMUNITY BANC FUND	****	****	****	****	****	****	****
38.30	0.08	CATTERTON PTNRS VI	****	****	****	****	****	****	****
19.14	0.04	CCMP CAPITAL INVESTORS II	****	****	****	****	****	****	****
13.96	0.03	CLAYTON, DUBLIER & RICE FUND VII	****	****	****	****	****	****	****
13.12	0.03	CLAYTON, DUBLIER & RICE FUND VIII	****	****	****	****	****	****	****
23.03	0.05	CELTIC PHARM HLDGS, LP	****	****	****	****	****	****	****
25.17	0.05	CO INVEST PTNRS EURO	****	****	****	****	****	****	****
9.48	0.02	COLLER INTERNATIONAL PTNRS IV	****	****	****	****	****	****	****
12.80	0.03	CONSTELLATION VENTURES III	****	****	****	****	****	****	****
7.45	0.02	CRATON EQUITY INVESTORS	****	****	****	****	****	****	****
5.93	0.01	CREDIT SUISSE CUST FD INV GR	****	****	****	****	****	****	****
23.95	0.05	CREDIT SUISSE EM DOM MGRS FD	****	****	****	****	****	****	****
4.79	0.01	CYPRESS MERCH BK PTNRS II	****	****	****	****	****	****	****
11.57	0.02	EQT VI	****	****	****	****	****	****	****
14.48	0.03	ERASMUS NYC GROWTH FD	****	****	****	****	****	****	****
33.34	0.07	FAIRVIEW EMERGING MGRS FD	****	****	****	****	****	****	****
16.42	0.04	FAIRVIEW VENTURES FD III	****	****	****	****	****	****	****
6.30	0.01	FDG CAPL PTNRS	****	****	****	****	****	****	****
22.59	0.05	FDG CAPL PTNRS II	****	****	****	****	****	****	****
25.31	0.05	FIRST RESERVE FD XI	****	****	****	****	****	****	****
21.41	0.05	FIRST RESERVE FD XII	****	****	****	****	****	****	****
42.57	0.09	FOURTH CINVEN FD	****	****	****	****	****	****	****
6.50	0.01	FS EQUITY PTNRS V	****	****	****	****	****	****	****
17.65	0.04	FT VENTURES FD III	****	****	****	****	****	****	****
11.49	0.02	GF CAPITAL	****	****	****	****	****	****	****
24.18	0.05	GI PTNRS FD II	****	****	****	****	****	****	****
29.83	0.06	GI PTNRS FD III	****	****	****	****	****	****	****
12.18	0.03	GREEN EQ INV VI	****	****	****	****	****	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
4.50	0.01	GSC RECOVERY III	****	****	****	****	****	****	****
25.00	0.05	GSO CAPITAL OPPORTUNITIES FD	****	****	****	****	****	****	****
8.75	0.02	HALYARD CAPITAL II	****	****	****	****	****	****	****
30.76	0.07	INTERMEDIA PARTNERS VII	****	****	****	****	****	****	****
28.47	0.06	JP MORGAN INVST MGMT	****	****	****	****	****	****	****
3.92	0.01	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****
25.44	0.05	LANDMARK EQUITY PTNRS XIV	****	****	****	****	****	****	****
13.01	0.03	LANDMARK FUND XIII	****	****	****	****	****	****	****
18.70	0.04	LEE EQUITY PARTNERS	****	****	****	****	****	****	****
10.01	0.02	LEEDS WELD EQUITY PTNRS IV	****	****	****	****	****	****	****
20.55	0.04	LEEDS WELD EQUITY PTNRS V	****	****	****	****	****	****	****
25.70	0.06	LEVINE LEICHTMAN CAP PTNRS IV	****	****	****	****	****	****	****
3.26	0.01	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****
17.10	0.04	LINCOLNSHIRE EQ FD III	****	****	****	****	****	****	****
5.94	0.01	LINCOLNSHIRE EQ FD IV	****	****	****	****	****	****	****
16.40	0.04	MARKSTONE CAPITAL PTNRS	****	****	****	****	****	****	****
34.07	0.07	MIDOCEAN PTNRS III	****	****	****	****	****	****	****
11.01	0.02	MONTREUX EQ PTNRS IV	****	****	****	****	****	****	****
17.37	0.04	NAUTIC PARTNERS VI	****	****	****	****	****	****	****
1.40	0.00	NEW MOUNTAIN PTNRS	****	****	****	****	****	****	****
13.75	0.03	NEW MOUNTAIN PTNRS II	****	****	****	****	****	****	****
29.25	0.06	NEW MOUNTAIN PTNRS III	****	****	****	****	****	****	****
7.16	0.02	NEWSPRING VENTURE II	****	****	****	****	****	****	****
9.18	0.02	NGN BIOMED OPPORTUNITY II	****	****	****	****	****	****	****
29.07	0.06	ONEX PTNRS III	****	****	****	****	****	****	****
5.70	0.01	PALADIN HOMELAND SECURITY	****	****	****	****	****	****	****
9.65	0.02	PALADIN HOMELAND SECURITY III	****	****	****	****	****	****	****
32.97	0.07	PALLADIUM EQ PTNRS III	****	****	****	****	****	****	****
38.93	0.08	PCGAM CLEAN ENERGY & TECH FD	****	****	****	****	****	****	****
18.39	0.04	PEGASUS PTNRS IV	****	****	****	****	****	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
7.51	0.02	PEGASUS PTNRS V	****	****	****	****	****	****	****
11.37	0.02	PERSEUS PTNRS VII	****	****	****	****	****	****	****
15.37	0.03	PINE BROOK CAPITAL PTNRS	****	****	****	****	****	****	****
9.80	0.02	PRISM VENTURE PTNRS V	****	****	****	****	****	****	****
17.54	0.04	PSILOS GROUP PTNRS III	****	****	****	****	****	****	****
19.37	0.04	QUADRANGLE CAP PTNRS II	****	****	****	****	****	****	****
7.66	0.02	QUAKER BIOVENTURES II	****	****	****	****	****	****	****
2.56	0.01	RELATIVITY FD	****	****	****	****	****	****	****
6.67	0.01	RIPPLEWOOD PTNRS II	****	****	****	****	****	****	****
24.04	0.05	RIVERSTONE/CARLYLE GLB EP IV	****	****	****	****	****	****	****
10.94	0.02	RLJ EQUITY PARTNERS I	****	****	****	****	****	****	****
27.12	0.06	RRE VENTURES III	****	****	****	****	****	****	****
33.42	0.07	RRE VENTURES IV	****	****	****	****	****	****	****
8.64	0.02	SCP PRIV EQ PTNRS II	****	****	****	****	****	****	****
9.68	0.02	SCP VITALIFE PTNRS II	****	****	****	****	****	****	****
11.42	0.02	SNOW PHIPPS & GUGGENHEIM	****	****	****	****	****	****	****
20.97	0.04	SOLERA PTNRS	****	****	****	****	****	****	****
13.18	0.03	STARVEST PTNRS II	****	****	****	****	****	****	****
1.25	0.00	TAILWIND CAPITAL PTNRS	****	****	****	****	****	****	****
15.06	0.03	TERRA FIRMA CAP III	****	****	****	****	****	****	****
7.88	0.02	THOMAS H LEE EQUITY FD VI	****	****	****	****	****	****	****
7.24	0.02	THOMAS MCNERNEY PTNRS	****	****	****	****	****	****	****
11.49	0.02	THOMAS MCNERNEY PTNRS II	****	****	****	****	****	****	****
13.91	0.03	TRIDENT V	****	****	****	****	****	****	****
0.16	0.00	TRILANTIC CAPITAL PTNRS	****	****	****	****	****	****	****
8.24	0.02	TRILANTIC CAPITAL PTNRS III	****	****	****	****	****	****	****
63.45	0.14	TRILANTIC CAPITAL PTNRS IV	****	****	****	****	****	****	****
29.21	0.06	US POWER FUND II	****	****	****	****	****	****	****
21.68	0.05	US POWER FUND III	****	****	****	****	****	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
26.52	0.06	VISTA EQUITY PTNRS III	****	****	****	****	****	****	****
33.68	0.07	VISTA EQUITY PTNRS IV	****	****	****	****	****	****	****
12.80	0.03	VITRUVIAN PTNRS	****	****	****	****	****	****	****
5.74	0.01	VSS COMM PTNRS IV	****	****	****	****	****	****	****
24.69	0.05	WARBURG PINCUS XI	****	****	****	****	****	****	****
23.56	0.05	WELSH CARSON ANDERSON & STOWE XI	****	****	****	****	****	****	****
39.76	0.09	YUCAIPA AMERICAN ALLIANCE FD	****	****	****	****	****	****	****
94.08	0.20	YUCAIPA AMERICAN ALLIANCE FD II	****	****	****	****	****	****	****
17.43	0.04	YUCAIPA CORP INITIATIVE II	****	****	****	****	****	****	****
2,393.47	5.13	TOTAL PRIVATE EQUITY	****	****	****	****	****	****	****
PRIVATE REAL ESTATE									
24.75	0.05	ALMANAC REALTY SEC VI LP	****	****	****	****	****	****	****
11.17	0.02	AMER VALUE PTNRS	****	****	****	****	****	****	****
2.15	0.00	APOLLO REAL ESTATE FD V	****	****	****	****	****	****	****
31.18	0.07	BLACKROCK CARBON III	****	****	****	****	****	****	****
35.20	0.08	BLACKSTONE REAL ESTATE PTNRS EU III	****	****	****	****	****	****	****
14.28	0.03	BLACKSTONE REAL ESTATE PTNRS IV	****	****	****	****	****	****	****
58.34	0.13	BLACKSTONE REAL ESTATE PTNRS VI	****	****	****	****	****	****	****
12.26	0.03	BROOKFIELD STRATEGIC RE PTNRS	****	****	****	****	****	****	****
0.01	0.00	CANYON-JOHNSON URBAN FD	****	****	****	****	****	****	****
14.99	0.03	CANYON-JOHNSON URBAN FD II	****	****	****	****	****	****	****
18.75	0.04	CANYON-JOHNSON URBAN FD III	****	****	****	****	****	****	****
26.25	0.06	CAPRI URBAN INVESTORS	****	****	****	****	****	****	****
10.47	0.02	CARLYLE R.P. FD V	****	****	****	****	****	****	****
22.12	0.05	CARLYLE REALTY FD VI	****	****	****	****	****	****	****
6.56	0.01	COLONY REALTY PTNRS II	****	****	****	****	****	****	****
12.56	0.03	H/2 SPEC OPPORTUNITY FD II	****	****	****	****	****	****	****
57.86	0.12	HEITMAN AMERICA	****	****	****	****	****	****	****
105.88	0.23	JPM STRATEGIC PROPERTY FD	****	****	****	****	****	****	****
12.16	0.03	JPM SPECIAL SITUATIONS FD	****	****	****	****	****	****	****

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
33.79	0.07	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
6.21	0.01	METRO WORKFORCE HOUSING FD	****	****	****	****	****	****	****
3.03	0.01	OCM REAL ESTATE OPPORTUNITIES FD III-A	****	****	****	****	****	****	****
34.76	0.07	PRISA	****	****	****	****	****	****	****
59.10	0.13	PRISA II	****	****	****	****	****	****	****
7.45	0.02	PROLOGIS TARGETED US LOGISTICS FD	****	****	****	****	****	****	****
36.12	0.08	RREEF AMER. II	****	****	****	****	****	****	****
6.26	0.01	RREEF AMER. III	****	****	****	****	****	****	****
3.26	0.01	SILVERPEAK RE PTNRS III	****	****	****	****	****	****	****
19.14	0.04	STOCKBRIDGE RE FD III	****	****	****	****	****	****	****
20.43	0.04	TACONIC NY INV FD	****	****	****	****	****	****	****
49.15	0.11	THE CITY INVESTMENT FD	****	****	****	****	****	****	****
8.31	0.02	THOR URBAN PROPERTY FD II	****	****	****	****	****	****	****
69.14	0.15	TISHMAN SPEYER/CITIGROUP	****	****	****	****	****	****	****
123.01	0.26	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
5.94	0.01	URBAN AMERICA II	****	****	****	****	****	****	****
47.77	0.10	WESTBROOK RE FD VIII	****	****	****	****	****	****	****
1,009.82	2.16	TOTAL PRIVATE REAL ESTATE	****	****	****	****	****	****	****
30,871.11	66.17	TOTAL EQUITY - PUBLIC & PRIVATE	2.33	15.98	15.98	10.24	1.17	****	****
		TEACHERS EQUITY POLICY BENCHMARK	2.08	16.85	16.85	9.99	1.31	8.32	5.10
		FIXED INCOME MANAGEMENT							
		TREASURY/AGENCY							
319.94	0.69	BLACKROCK - GOVT	-0.24	3.92	3.92	10.36	****	****	****
436.09	0.93	PIMCO - GOVT	-0.13	4.38	4.38	10.53	8.43	6.86	****
362.62	0.78	STATE STREET - GOVT	-0.20	3.86	3.86	10.30	****	****	****
1,118.65	2.40	ALL TREASURY/AGENCY	-0.19	4.08	4.08	10.40	8.27	6.74	7.44
		NYC - TREASURY AGENCY PLUS FIVE	-0.26	3.84	3.84	10.34	8.13	6.61	7.29

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		MORTGAGE							
1,122.77	2.41	BLACKROCK - MORT	0.15	5.63	5.63	6.61	6.48	5.50	****
23.36	0.05	BLACKROCK - SP PURPOSE-MTG	****	****	****	****	****	****	****
322.83	0.69	GOLDMAN SACHS - MORT	-0.06	3.83	3.83	5.41	****	****	****
403.46	0.86	NEUBERGER BERMAN -MORT	-0.34	2.95	2.95	****	****	****	****
1,127.55	2.42	PIMCO - MORT	-0.26	3.37	3.37	5.68	6.15	5.53	6.34
161.61	0.35	SMITH BREEDEN - MORT	-0.05	3.75	3.75	5.40	****	****	****
323.08	0.69	WELLINGTON - MORT	-0.20	2.79	2.79	5.24	****	****	****
3,484.66	7.47	ALL MORTGAGE	-0.07	4.26	4.26	6.08	5.91	5.25	6.06
		CITIGROUP MORTGAGE INDEX	-0.22	2.60	2.60	4.81	5.72	5.13	5.88
		INVESTMENT GRADE CREDIT							
309.14	0.66	BARROW HANLEY - CREDIT	1.51	11.52	11.52	9.41	****	****	****
797.70	1.71	BLACKROCK - CREDIT	1.18	10.42	10.42	9.26	7.78	6.51	****
433.16	0.93	PRUDENTIAL - CREDIT	1.09	9.59	9.59	8.70	****	****	****
175.52	0.38	PRUDENTIAL - PRIVEST	0.26	****	****	****	****	****	****
773.63	1.66	TAPLIN, CANIDA - CREDIT	1.70	10.47	10.47	9.17	6.63	6.03	6.47
776.98	1.67	T. ROWE PRICE - CREDIT	1.56	11.34	11.34	9.76	8.75	7.08	6.71
3,266.13	7.00	ALL INVESTMENT GRADE CREDIT	1.38	10.58	10.58	9.27	7.82	6.59	6.51
		NYC - INVESTMENT GRADE CREDIT	1.09	9.52	9.52	8.56	7.39	6.17	6.48
7,869.45	16.87	TOTAL STRUCTURED	0.50	6.62	6.62	7.97	7.07	6.01	6.56
		NYC - CORE PLUS FIVE	0.29	5.41	5.41	7.30	6.96	5.90	6.48

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Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
27.11	0.06	PIM AMBASSADOR MTA	0.40	****	****	****	****	****	****
22.16	0.05	PIM GIA MTA	1.00	****	****	****	****	****	****
10.96	0.02	PIM HILLSWICK MTA	0.12	****	****	****	****	****	****
27.40	0.06	PIM NEW CENTURY MTA	0.37	****	****	****	****	****	****
21.83	0.05	PIM PUGH CAP MTA	0.50	****	****	****	****	****	****
109.46	0.23	TOTAL PROGRESS FIXED	0.50	****	****	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	0.21	****	****	****	****	****	****
		TIPS MANAGERS							
		ACTIVE TIPS MANAGERS							
268.52	0.58	BLACKROCK-TIPS-MTA	0.69	6.42	6.42	8.80	7.21	****	****
827.09	1.77	PIMCO-TIPS-MTA	0.84	7.67	7.67	9.15	7.28	****	****
1,095.61	2.35	TOTAL ACTIVE TIPS MANAGERS	0.80	7.36	7.36	9.07	7.26	****	****
		PASSIVE TIPS MANAGERS							
367.37	0.79	STATE STREET-TIPS-MTA	0.62	6.87	6.87	8.89	7.06	****	****
367.37	0.79	TOTAL PASSIVE TIPS MANAGERS	0.62	6.87	6.87	8.89	7.06	****	****
1,462.97	3.14	TOTAL TIPS MANAGERS	0.76	7.23	7.23	9.02	7.21	****	****
		BARCLAYS CAPITAL US TIPS INDEX	0.69	6.98	6.98	8.92	7.05	****	****
		ENHANCED YIELD							
351.43	0.75	LOOMIS	3.38	****	****	****	****	****	****
		BofA MERRILL LYNCH HY MASTER II	3.18	****	****	****	****	****	****
286.80	0.61	OAKTREE	****	****	****	****	****	****	****
		BofA ML HY MASTER II CONSTRAINED	****	****	****	****	****	****	****
500.47	1.07	STONE HARBOR INVESTMENT PARTNERS	3.56	15.30	15.30	10.72	8.88	****	****
		BofA ML-MST II 10-12/BB&B PRIOR	3.18	14.65	14.65	11.47	7.80	****	****

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153.68	0.33	FORT WASHINGTON	3.28	****	****	****	****	****	****
571.94	1.23	NEUBERGER BERMAN	3.44	****	****	****	****	****	****
154.28	0.33	PENN	3.01	****	****	****	****	****	****
252.67	0.54	SHENKMAN	2.66	11.66	11.66	9.56	8.29	****	****
578.73	1.24	T. ROWE PRICE ENHANCED	2.99	13.60	13.60	10.86	9.38	****	****
0.17	0.00	HIGH YIELD TRANSITION	****	****	****	****	****	****	****
2,850.17	6.11	ALL ENHANCED YIELD	3.22	13.64	13.64	10.80	9.09	9.43	****
		CITIGROUP BB & B	3.00	14.45	14.45	11.40	7.76	8.94	****
		CITIGROUP BB & B CAPPED	2.92	14.00	14.00	11.20	8.29	9.06	****
		ENHANCED YIELD MEDIAN	2.94	14.39	14.39	11.18	9.31	9.50	****
		BANK LOANS							
267.18	0.57	BABSON BL MTA	****	****	****	****	****	****	****
264.91	0.57	CREDIT SUISSE BL MTA	****	****	****	****	****	****	****
264.90	0.57	GUGGENHEIM BL MTA	****	****	****	****	****	****	****
132.23	0.28	ING BL MTA	****	****	****	****	****	****	****
132.10	0.28	WELLS BL MTA	****	****	****	****	****	****	****
1,061.31	2.27	TOTAL BANK LOANS	****	****	****	****	****	****	****
		CREDIT SUISSE LEVERAGED LOAN INDEX	****	****	****	****	****	****	****
		CONVERTIBLE BONDS							
325.04	0.70	ADVENT CONVERTIBLE BONDS	1.34	11.16	11.16	7.91	****	****	****
		BofA ML CONVERTIBLES YIELD ALT. INDEX	2.67	12.21	12.21	7.60	****	****	****
65.61	0.14	ADVENT GLOBAL	0.78	12.86	12.86	6.79	****	****	****
		BofA ML GLOBAL CONVERTIBLES IDX (VG00)	3.08	13.44	13.44	6.14	****	****	****
124.39	0.27	F&C CONVERTIBLE BONDS	3.36	14.15	14.15	5.66	****	****	****
		UBS GLOBAL FOCUS CUSTOMISED	3.43	13.72	13.72	5.51	****	****	****
307.40	0.66	LORD ABBETT CONVERTIBLE BONDS	2.38	13.00	13.00	7.41	****	****	****
		BofA ML ALL CONVERTIBLES INDEX	2.80	14.96	14.96	8.37	****	****	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
219.41	0.47	VICTORY CONVERTIBLE BONDS	0.31	10.47	10.47	6.13	****	****	****
		BofA ML CONVERTIBLE BONDS INVST GRADE	0.63	11.89	11.89	5.35	****	****	****
1,041.84	2.23	TOTAL CONVERTIBLE BONDS	1.64	12.08	12.08	6.67	****	****	****
		ML ALL CONVERTIBLES EX MANDATORY	2.39	14.41	14.41	8.79	****	****	****
		TEACHERS CUSTOM CONVERTIBLE BOND IDX	2.38	13.21	13.21	6.73	****	****	****
		OPPORTUNISTIC FIXED							
4.08	0.01	AVE EURO SPECIAL SITUATIONS FD	****	****	****	****	****	****	****
1.40	0.00	AVE SPECIAL SITUATIONS FD V	****	****	****	****	****	****	****
66.36	0.14	AVE SPECIAL SITUATIONS FD VI	****	****	****	****	****	****	****
42.36	0.09	TORCHLIGHT INVESTORS	****	****	****	****	****	****	****
114.20	0.24	TOTAL FUND STRATEGIES	****	****	****	****	****	****	****
		3 MONTH LIBOR PLUS 750BPS	****	****	****	****	****	****	****
88.11	0.19	ANGELO GORDON PTNRS LP	0.01	****	****	****	****	****	****
73.64	0.16	APOLLO PTNRSH LP	0.00	****	****	****	****	****	****
28.54	0.06	FORTRESS PTNRS LP	0.99	****	****	****	****	****	****
117.14	0.25	GOLDENTREE OD MTA	4.42	15.67	15.67	****	****	****	****
145.84	0.31	MARATHON OD	0.46	25.44	25.44	****	****	****	****
22.09	0.05	OAK HILL PTNRS LP	****	****	****	****	****	****	****
475.35	1.02	TOTAL STRATEGIC MANDATES	1.35	16.61	16.61	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD BOND IDX	3.32	16.20	16.20	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	4.36	19.20	19.20	****	****	****	****
589.56	1.26	TOTAL DISTRESSED FIXED	****	****	****	****	****	****	****
589.56	1.26	TOTAL OPPORTUNISTIC FIXED	1.78	15.56	15.56	11.95	****	****	****
		10% ANNUAL RETURN	2.41	10.00	10.00	10.00	****	****	****
		JP MORGAN HIGH YIELD PLUS 3%	4.36	19.20	19.20	15.23	****	****	****

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		ETI							
45.87	0.10	ACCESS/RBC	0.16	4.15	4.15	5.42	6.64	****	****
101.31	0.22	TARGETED INVESTMENT	2.63	9.80	9.80	8.05	8.57	7.86	8.07
15.44	0.03	CPC TERM LOAN	0.61	2.51	2.51	2.22	2.73	****	****
208.95	0.45	AFL - CIO HOUSING INV TRUST	0.11	4.27	4.27	6.09	5.96	5.17	****
1.99	0.00	CFSB-PPAR	2.56	8.16	8.16	8.01	7.86	****	****
4.69	0.01	CCD-PPAR	2.48	11.40	11.40	9.48	9.51	****	****
2.89	0.01	LIIF-PPAR	2.27	6.84	6.84	5.37	****	****	****
1.16	0.00	NCBCI-PPAR	2.44	9.46	9.46	7.33	****	****	****
0.59	0.00	NHS-PPAR	2.67	9.68	9.68	7.79	8.67	****	****
382.88	0.82	TOTAL ETI (WITH CASH)	0.87	5.74	5.74	6.33	6.58	5.79	6.65
		TEACHERS CUSTOM BENCHMARK (NO CASH)	0.06	3.55	3.55	5.78	5.81	5.22	6.16
		BARCLAYS CAPITAL AGGREGATE	0.21	4.21	4.21	6.19	5.94	5.18	5.96
15,744.47	33.75	TOTAL FIXED INCOME	1.18	7.89	7.89	8.00	7.03	6.37	6.43
		TEACHERS FIXED POLICY BENCHMARK	1.13	8.53	8.53	8.53	7.29	6.53	6.50
36.49	0.08	SECURITIES LENDING	****	****	****	****	****	****	****
376.84	0.81	SHORT TERM INVESTMENTS	0.14	0.37	0.37	0.44	1.27	2.30	3.35
1.47	0.00	BNY-CD	****	****	****	****	****	****	****
46,653.55	100.00	TOTAL TEACHERS	1.94	13.09	13.09	9.47	3.20	7.89	5.89
		TEACHERS POLICY BENCHMARK	1.72	13.77	13.77	9.87	3.37	7.99	5.80

Note: All Targeted Returns are shown Net of Fees

Actual and Estimated Fees

NEW YORK CITY TEACHERS RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2012 AND ESTIMATED FEES FOR FY 2013 UPDATED THROUGH SEPTEMBER 2012					
		Actual 2012		Estimates 2013	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-2012 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2012 (\$MM)	BASIS POINTS
US Equities		16,866	3.53	17,896	3.61
Small Cap Active		181	94.91	191	100.00
Small Cap Growth		181	94.91	191	100.00
Small Cap Value		-	-	-	-
Small Cap core		-	-	-	-
Small Cap Fundamental Index		-	-	-	-
Small/Mid Cap Active		-	-	-	-
Small/Mid Cap Growth		-	-	-	-
Small/Mid Cap Value		-	-	-	-
Mid Cap Active		-	-	-	-
Mid Cap Growth		-	-	-	-
Mid Cap Value		-	-	-	-
Mid Cap core		-	-	-	-
Large Cap Active		431	37.42	461	39.59
Large Cap Growth		147	38.39	157	42.61
Large Cap Value		-	-	-	-
Large Cap Core		285	36.91	304	38.03
Large Cap Fundamental Index		-	-	-	-
Active Emerging Managers (U.S.)		236	65.24	251	61.39
Total US Active Equities		848	57.41	902	58.43
Total US Passive Equities		15,963	0.55	16,937	0.52
Opportunistic US Equity Strategies		54	40.01	57	53.99
International Equities		7,144	22.15	7,233	24.10
Active EAFE Equities		3,321	40.10	3,297	29.72
Growth		1,676	30.44	1,791	30.59
Value		1,098	39.45	1,094	25.31
Core		547	70.98	413	37.62
Opportunistic-Non US Equity Strategies		165	75.31	175	75.27
Active Emerging Markets		632	3.44	942	53.36

Actual and Estimated Fees

NEW YORK CITY TEACHERS RETIREMENT SYSTEMS ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2012 AND ESTIMATED FEES FOR FY 2013 UPDATED THROUGH SEPTEMBER 2012						
		Actual 2012		Estimates 2013		
INVESTMENT STYLE (FIXED INCOME)	MARKET VALUE 06-30-2012 (\$MM)	BASIS POINTS	MARKET VALUE 09-30-2012 (\$MM)	BASIS POINTS		
Fixed Income	13,279	14.44	15,709	18.87		
Structured Program	7,577	8.48	7,837	7.68		
Government Sector	1,111	6.88	1,121	7.19		
Mortgage Sector	3,536	9.00	3,528	6.55		
Investment Grade Credit Sector	2,929	8.44	3,188	9.10		
Global Fixed Income	-	-	-	-		
Progress Fixed Emerging Managers	107	5.73	109	40.00		
TIPS	1,420	7.05	1,452	7.03		
Active TIPS	1,063	9.26	1,087	9.22		
Passive TIPS	357	0.48	365	0.50		
Opportunistic Fixed Income	370	58.96	481	79.82		
Enhanced Yield	1,398	40.11	2,792	33.65		
Bank Loans	-	-	1,050	35.83		
Convertible Bonds	1,001	29.23	1,046	39.46		
Targeted - Access Voyageur	45	26.75	46	27.90		
Targeted - AFL-CIO	206	41.41	209	44.00		
Other ETI Programs	128	-	131	-		
In-House Short Term	1,027	0.00	557	0.00		
Total Public Markets	39,260	12.29	42,823	14.31		
INVESTMENT STYLE (PRIVATE)						
Hedge Funds	-	-	-	-		
Private Equity Investments *	2,188	162.47	2,315	183.43		
Private Real Estate Investments	835	116.89	929	122.77		

Securities Lending Income

Through December 31, 2012

Note: Inception 4/89	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>EQUITY</u>
1989	\$1,185,000	--	--
1990	885,000	--	--
1991	898,000	--	--
1992	1,692,000	\$193,000	\$300,000
1993	3,701,000	694,000	508,000
1994	4,314,000	1,360,000	696,000
1995	3,395,000	1,621,000	520,000
1996	2,874,000	1,738,000	879,000
1997	2,943,000	3,430,000	1,158,000
1998	4,793,000	4,549,000	1,499,000
1999	4,329,000	4,830,000	1,772,000
2000	4,282,000	4,963,000	2,300,000
2001	7,435,000	6,744,000	3,489,000
2002	4,401,000	5,578,000	2,530,000
2003	2,156,000	3,467,000	2,662,000
2004	2,949,000	4,413,000	2,550,000
2005	4,427,000	6,136,000	3,201,000
2006	4,282,000	9,789,000	2,868,000
2007	9,618,000	15,962,000	3,088,000
2008	27,299,000	27,400,000	5,129,000
2009	10,039,000	17,682,000	3,834,000
2010	4,271,000	11,122,000	3,200,000
2011	5,880,000	15,051,000	6,082,000
2012	8,113,000	18,853,000	4,915,000
Since Inception (4/89)	<u>\$126,161,000</u>	<u>\$165,575,000</u>	<u>\$53,180,000</u>

Footnotes

Through December 31, 2012

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

Glossary of Terms

Through December 31, 2012

General Notes

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

Page Specific

Pages 11 & 12 - Portfolio asset Allocation

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

Glossary of Terms

Through December 31, 2012

Page 13 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 * Target Weight) plus (Return Of Asset Class 2 * Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights.
- **Management Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**
The “policy index” is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, of for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.
The indexes and most recent policy weights are as follows:
 - U.S. Equity: Russell 3000 * 34.55%*
 - International Developed (EAFE) Markets: MSCI EAFE * 9.00%*
 - Emerging Markets: MSCI Emerging Markets * 8.00%*
 - REITs: Dow Jones Real Estate Securities * 3.00%*
 - Private Equity: Russell 3000 + 500 b.p. per annum * 5.14%*
 - Private Real Estate: NFI - ODCE Net * 2.14%*
 - Domestic Fixed Income: NYC Core +5 * 21.43%*
 - TIPS: Lehman U.S. TIPS * 4%*
 - Enhanced Yield: Citigroup BB&B * 6.25%*
 - Bank Loans: Credit Suisse Leveraged Loan * 2.31%*
 - Convertible Bonds: Merrill All US Converts * 3.00%*
 - Opportunistic Fixed: JPM Global High Yield + 3% * 1.17%*

Glossary of Terms

Through December 31, 2012

Page 17 - Management Effect - Asset Class Breakdown

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

Page 22 - Domestic Equity Asset Allocation

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

Page 41 – Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 47 – ETI Returns vs Custom Index and Barclays Capital U.S. Aggregate

- Targeted has implemented a Custom Benchmark to better track the performance of the individual Targeted programs relative to their respective benchmarks. The Custom Benchmark represents the weighted average return of the individual benchmark indexes for each program, updated monthly. The indexes are as follows:
- AFL-CIO Housing Inv Trust: Barclays Capital U.S. Aggregate Bond Index
- CPC Term Loan: 30 Day Libor + 200 bps per annum (with a floor of 250 bps)
- GNMA: Citigroup 15 yr. GNMA
- PPAR: Citigroup GNMA + 65 bps per annum
- Access/Voyageur: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index