

Teachers' Retirement System  
of New York City  
Performance Overview as of December 31, 2013

# Total Fund Overview



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## **Teachers' Retirement System of New York City**

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Through December 31, 2013



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**Total Fund Performance:** The Teachers' Total Fund had a return of 5.16% for the quarter ending December 31, 2013 versus the policy benchmark's return of 4.84%. During the quarter, the Fund benefitted from deviations from target allocations, specifically, an overweight to US equities and an underweight to investment grade fixed income. The Total Fund experienced strong absolute returns for the trailing one-year, gaining 15.89%, and outperforming the benchmark by 78 basis points. However, for the three year period ending December 31, 2013, the Fund lagged its benchmark by 12 basis points with a return of 10.10%. Please note that all composite and manager performance data is reported gross of fees. Total Fund fees of the public markets managers have been estimated at approximately 14 basis points

- **Total Fund Asset Allocation** - \$54.5 Billion: As of December 31, 2013, the Fund had total assets of \$54.5 billion, up from \$51.8 billion at the end of the third quarter of 2013. Although all composites, with the exception of the US equity composite and the investment grade fixed income composite, are within rebalancing ranges, the overweight to US equities of approximately 7.2% and the 4.8% underweight to investment grade bonds had a meaningfully positive impact on the Fund, given the 10.3% difference in return between these two asset classes during the fourth quarter. The Fund is in the process of shifting its asset allocation to its new strategic targets. As of December 31, 2013, the private equity and private real estate invested allocation was 6.8% versus their new aggregate long-term target allocation of 12.0%.

- **U.S. Equity** - \$23.1 Billion, 42% of Fund: The U.S. equity composite returned 9.80% during the fourth quarter of 2013, underperforming the broad U.S. equity market, as measured by the Russell 3000 Index, by 30 basis points. Approximately 95% of the U.S. equity composite is allocated to passively managed mandates with the remainder invested in actively managed U.S. equity portfolios. Despite its overwhelmingly indexed orientation, for the one year period ending December 31, 2013 the U.S. equity composite has returned 33.80% versus the Russell 3000 Index's return of 33.55%. This 25 basis point outperformance for the one year is due to outperformance by many of the Fund's emerging and developing managers as well as the fact that the emerging managers are focused on smaller cap strategies, a sector which performed particularly well over the past year as small cap equity outperformed the broad market with a return of 38.82%. Over the three year period ending December 31, 2013, the U.S. equity composite slightly underperformed the 16.24% return of the Russell 3000 Index with a return of 16.16%.

- **Developed International Equity** - \$5.1 Billion, 9% of Fund: Non-U.S. developed equity markets, as measured by the MSCI EAFE Net Dividends Index, returned 5.71% in U.S. dollar terms during the fourth quarter of 2013. For the same time period, the Fund's total developed international equity composite (including the environmental and activist strategies) returned 5.55% as some of the larger mandates such as Sprucegrove and Walter Scott lagged their benchmarks modestly. In contrast with the US equity composite, the developed international equity composite is more than 90% actively managed. For the 12 month period ending December 31, 2013, this composite returned 23.92%, outperforming the MSCI EAFE Net Index, which returned 22.78% over the same period. In addition, over the three year period ending December 31, 2013, the total developed international composite has outperformed the index by 136 basis points with an annualized return of 9.53%.

- **Emerging Markets Equity** - \$4.4 Billion, 8% of Fund: Emerging market equities, as measured by the MSCI EM Index, returned 1.86% during the fourth quarter (3.0% in local currency terms). Over the trailing one-year, the MSCI EM Index was in negative territory with a return of -2.27%. For the fourth quarter of 2013, the emerging markets equity composite, consisting of two actively strategies managed by DFA and Eaton Vance and one passive mandate, returned 1.38% versus its Custom FTSE Benchmark's return of 1.35% over the same period. For the one year period ended December 31, 2013, the emerging markets equity composite returned -5.07% versus the benchmark return of -4.65%, as DFA and BlackRock lagged the benchmark during this time period.

Through December 31, 2013



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- **REITs** - \$1.7 Billion, 3% of Fund: Concerns about the Fed tapering its bond purchasing program and the possibility of rising rates continued to impact REITs and this sector continued to underperform the broad US equity market in the fourth quarter, returning -1.08% while the Russell 3000 gained 10.10%. Slightly mitigating the general underperformance of this sector was the fact that the REIT composite outperformed its benchmark, the Dow Jones U.S. Select Real Estate Securities Index, by 112 basis points. Security Capital was the weakest performing manager within the REIT composite during the quarter returning -0.95%. Over past year, this composite has had added about 155 basis points to the benchmark return, and the longer term record of three years shows the composite outperforming the benchmark return gross of fees by 60 basis points.
- **Structured Fixed Income** – \$8.2 Billion, 15% of Fund: Though credit spreads narrowed during the fourth quarter, the rise in interest rates resulted in a -0.19% return by investment grade fixed income markets for the quarter. The structured fixed income composite returned 0.14% over the same time period. For the 12 month period ending December 31, 2013, the structured fixed income composite outperformed its benchmark by 101 basis points with a return of -1.78%. Over the longer five year period ending December 31, 2013, the structured fixed income composite outperformed its benchmark by 106 basis points with an annualized return of 6.06%.
- **Enhanced Yield** - \$2.6 Billion, 5% of Fund: During the fourth quarter of 2013, the broad high yield market posted positive returns as spreads over Treasuries tightened. This asset class, as measured by the BofA Merrill Lynch High Yield Master II Index, returned 3.50%. Over the same period, the higher quality enhanced yield composite benchmark, the Citigroup BB & B Capped Index, returned 3.38% and the Fund's composite returned 3.83%. Over longer periods, this composite has generated strong absolute returns and the active managers in this composite have, in aggregate, added value. For the one year period ending December 31, 2013, this composite returned 7.37% while the Citigroup BB & B Capped Index returned 6.20%. Over the five year period ending December 31, 2013, the enhanced yield composite returned 15.18% and underperformed the higher quality capped benchmark by an annualized 0.27%.
- **Bank Loans** - \$1.4 Billion, 3% 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. These loans are more defensive than Enhanced Yield debt as the floating rate nature of the securities provides protection when rates rise and these securities tend to be more senior in the capital structure than the companies' publicly traded bonds. Bank loans were positive during the fourth quarter, adding to modest gains achieved in the third quarter. The benchmark gained 1.82% for the fourth quarter and the five active managers' performance added 22 basis points to the index return for the fourth quarter as the composite gained 2.04%.
- **TIPS** - \$1.3 Billion, 2% of Fund: With inflation continuing to remain at modest levels and government bonds generally performing poorly, the broad U.S. TIPS returned -2.16% for the fourth quarter of 2013. The composite of TIPS managers (75% active/25% passive) tracked the benchmark with an aggregate return of -2.14% for the quarter. For the one year period ending December 31, 2013, the TIPS composite returned -8.53%, leading its benchmark by 73 basis points. For the three year period ending December 31, 2013, the composite outperformed the benchmark by 12 basis points with a return of 3.64%.

Through December 31, 2013



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- **Convertibles** - \$0.8 Billion, 2% of Fund: The BofA ML All Convertibles Index, a measure of the broad convertibles market, returned 6.06% during the fourth quarter of 2013, outperforming most fixed income markets. The Fund's entirely actively managed convertibles composite gained 2.45% over the quarter, while the Custom Convertibles benchmark returned 2.97% over the same period. For the one year period ending December 31, 2013, the Fund's convertibles composite returned 15.07%, leading the custom benchmark by 133 basis points. For the three years and five years ending December 31, 2013, this composite has generated relatively high absolute returns of over 7.26% and 13.28%, respectively, despite having lagged the Custom Benchmark by approximately 30 and 20 basis points, respectively.
- **Opportunistic Fixed Income** - \$1.0 Billion, 2.0% of Fund: The opportunistic fixed income composite is comprised of investments in seven funds (two of which are in liquidation), representing about 20% of this composite's assets, and six strategic separate account mandates, representing 80% of composite assets. 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, the returns have been striking, particularly during a period of time in which fixed income returns have been challenged. For the year ending December 31, 2013, this composite gained 17.03%, outperforming the J.P Morgan Global High Yield Index +3% by about 672 basis points. During the fourth quarter of 2013, the overall composite returned 4.67% versus the J.P Morgan Global High Yield Index +3% which returned 4.58% over the same period.
- **Private Equity** - \$2.5 Billion, 5% of Fund: At the end of the fourth quarter of 2013, the private equity portfolio had \$2.5 billion in invested capital, up slightly from the \$2.4 billion at the end of the third quarter of 2013. The Fund currently has investments in 130 partnerships. Performance is reported separately by Teachers' Private Equity consultant.
- **Private Real Estate** - \$1.2 Billion, 2% of Fund: At the end of the fourth quarter of 2013, the private real estate portfolio had \$1.2 billion in invested capital, up slightly from its allocation at the end of the third quarter of 2013. The composite has investments in 39 partnerships. Performance is reported separately by Teachers' Private Real Estate consultant.

## Total Portfolio Returns: December 31, 2013

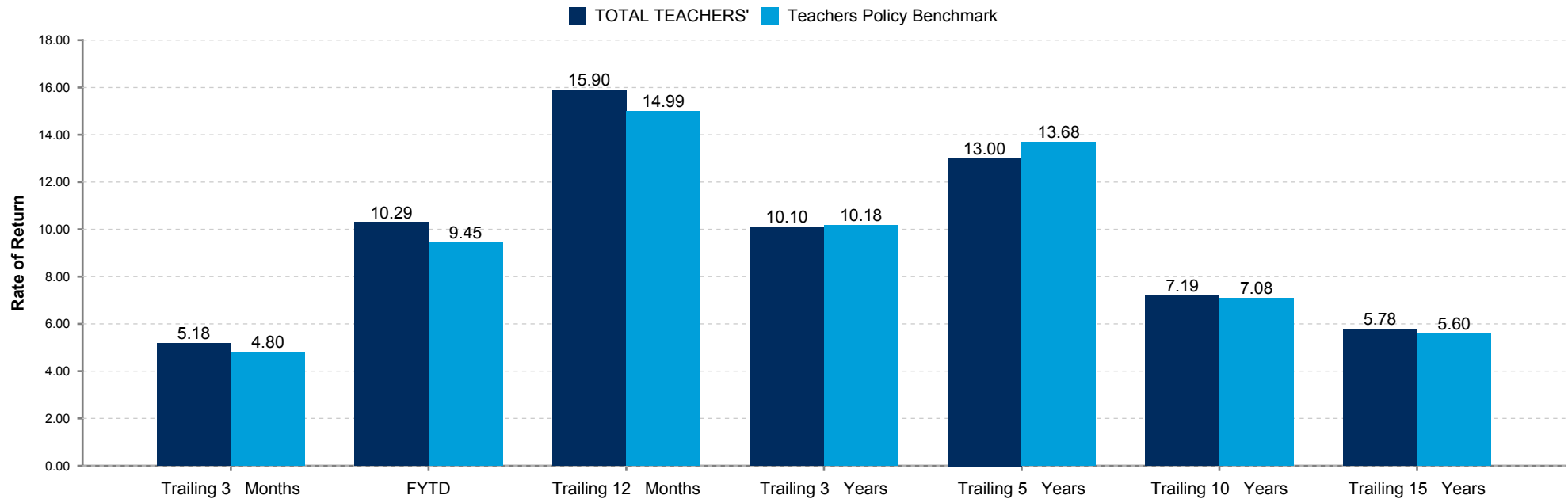


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### Market Value (Billions)

\$54.5

TOTAL TEACHERS'



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years
<b>Standard Deviation</b>							
TOTAL TEACHERS'	8.5	8.7	13.0	11.7	11.6	13.0	10.2



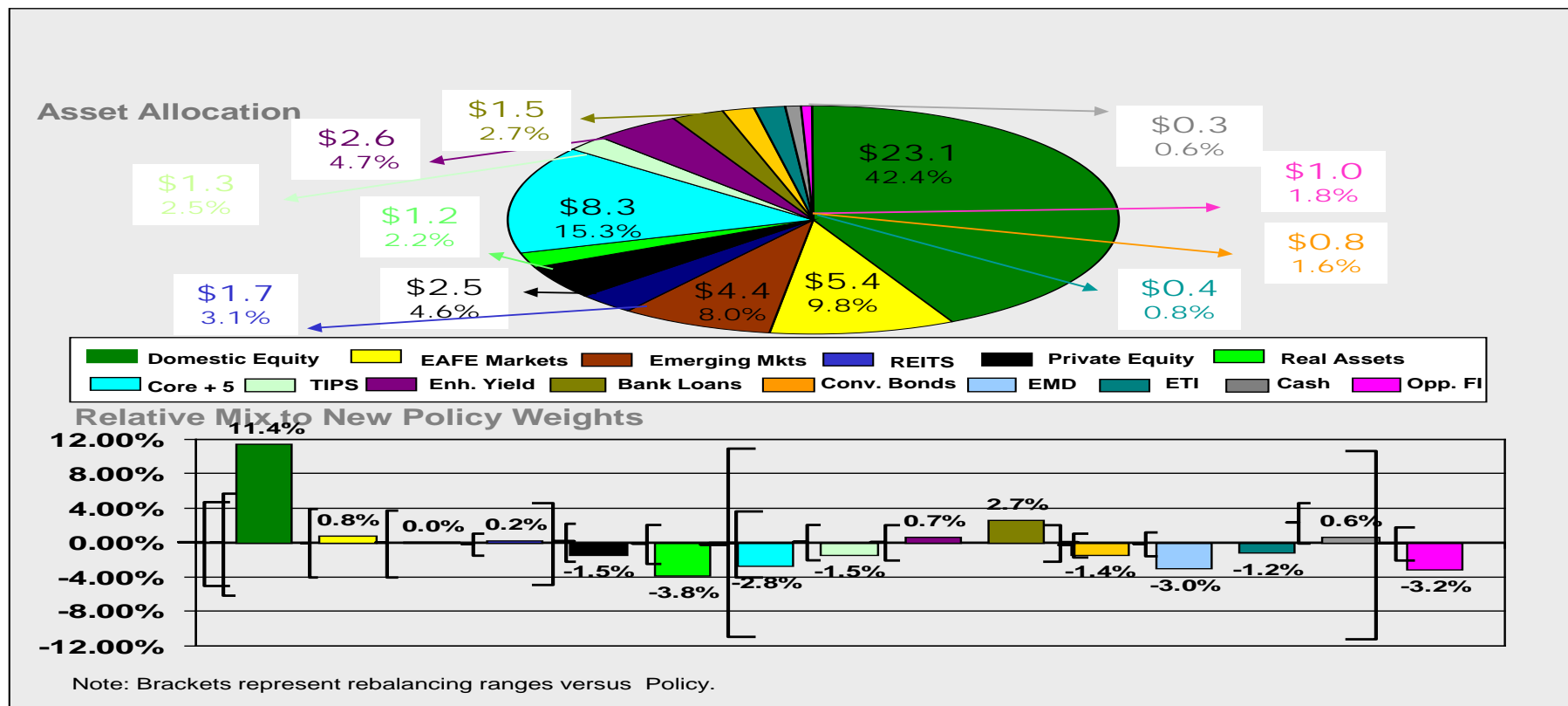
TOTAL TEACHERS'

Market Value (Billions)

\$54.5

**Portfolio Asset Allocation: December 31, 2013**

**\$54.5B** Under Management



Teachers' Retirement System of the City of New York  
 Performance Overview as of December 31, 2013  
 Prepared by State Street Investment Analytics



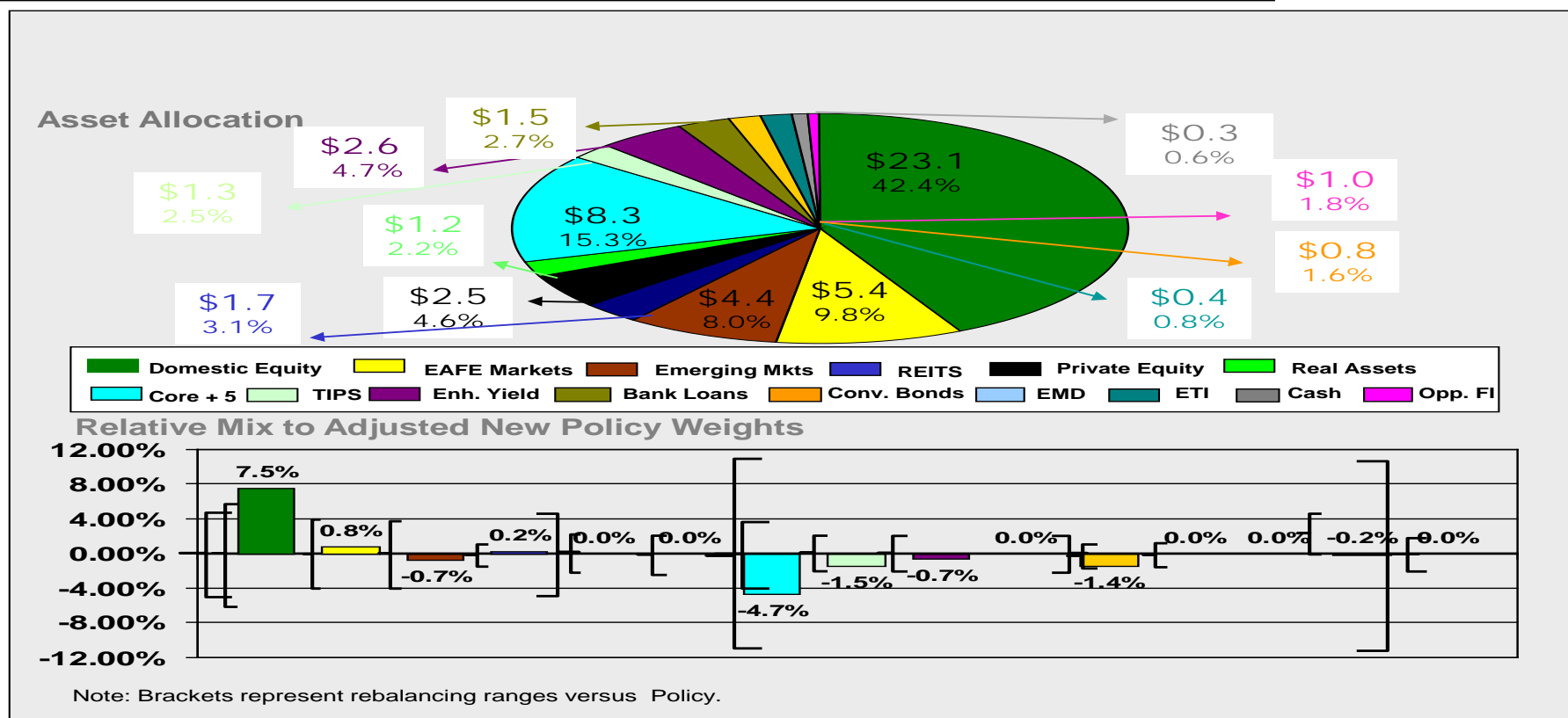
TOTAL TEACHERS'

Market Value (Billions)

\$54.5

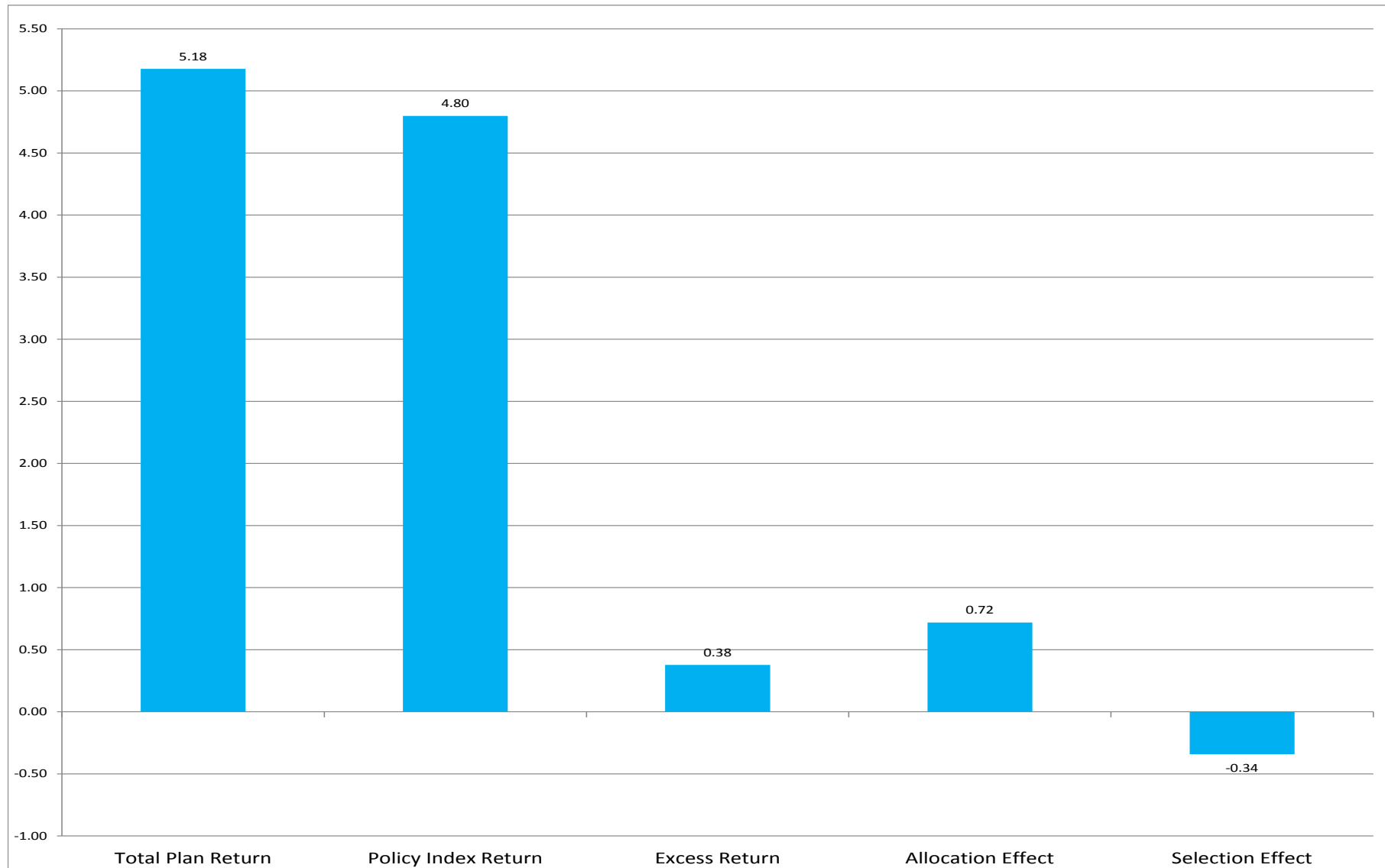
**Portfolio Asset Allocation: December 31, 2013**

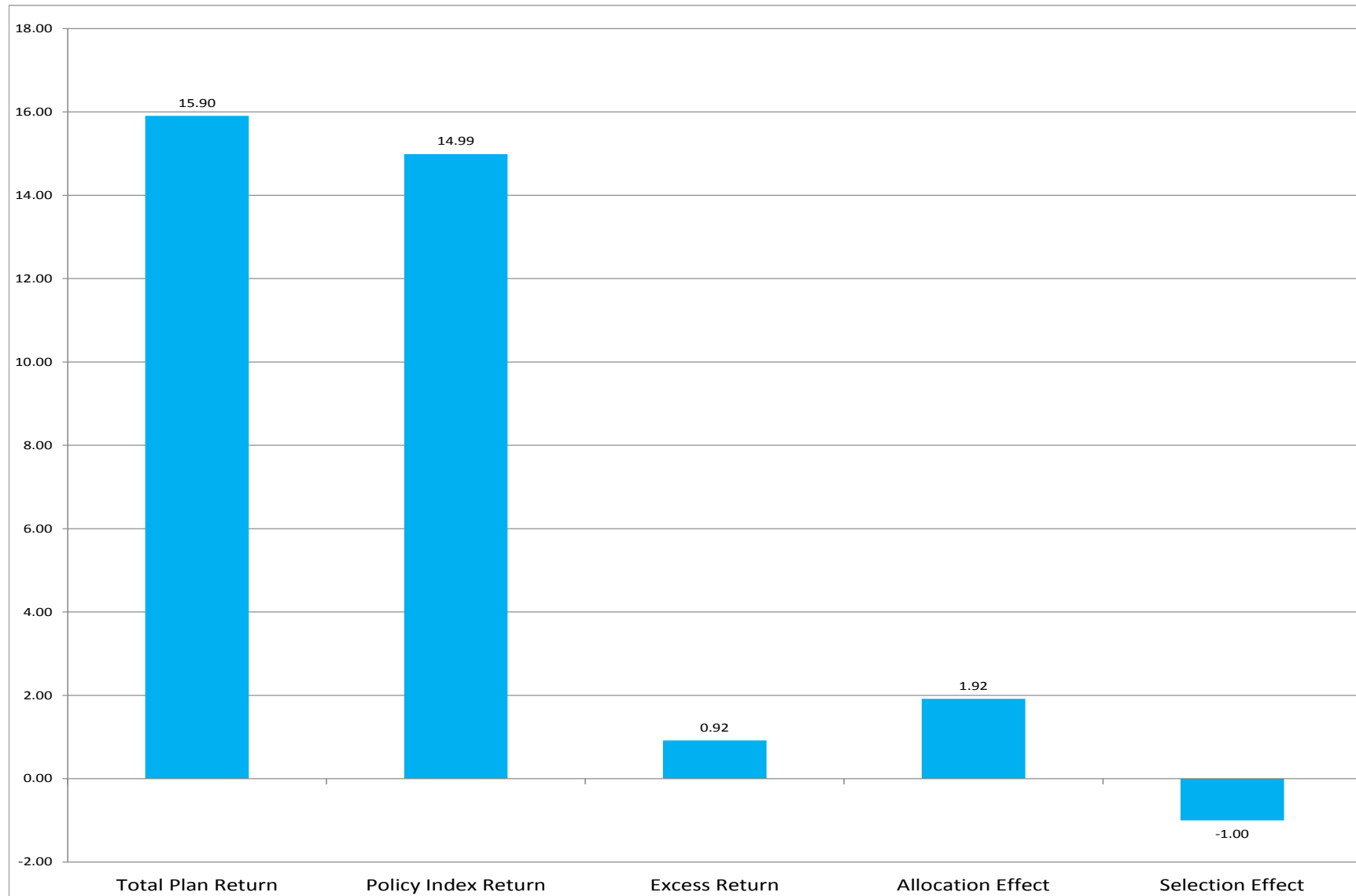
**\$54.5B** Under Management

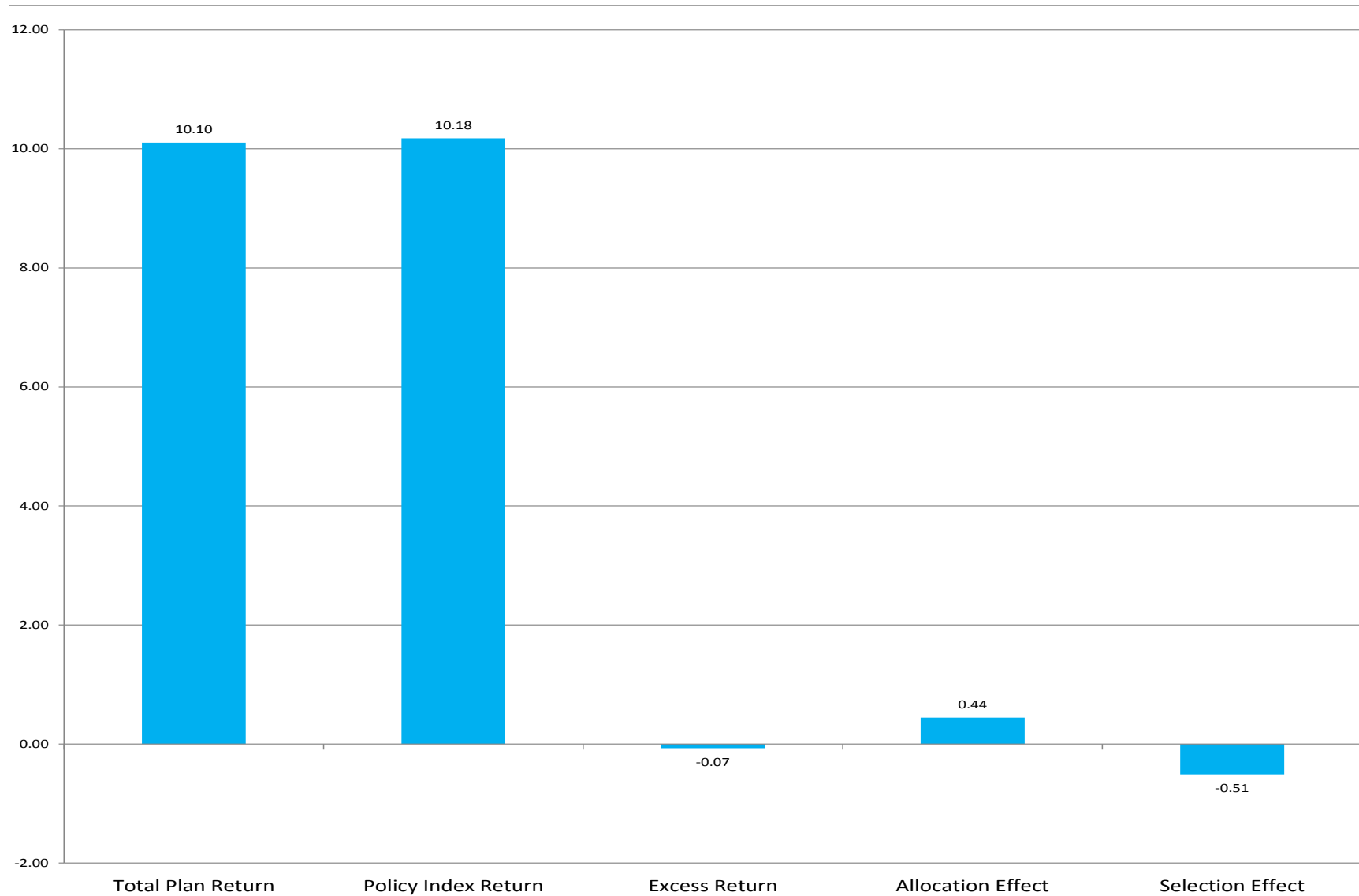


Teachers' Retirement System of the City of New York  
 Performance Overview as of December 31, 2013  
 Prepared by State Street Investment Analytics











Allocation Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TRS-TOTAL TEACHERS	0.72	1.92	0.44	Teachers Policy Benchmark
TRS-TOTAL DOMESTIC EQUITY	0.39	1.09	0.48	RUSSELL 3000
TRS-TOTAL DEVELOPED MARKETS	0.00	0.00	-0.08	MSCI World Index
TRS-TOTAL EMERGING MARKETS	0.01	0.06	-0.06	FTSE Custom NYC Teachers
TRS-TOTAL PRIVATE EQUITY	0.00	0.01	0.01	NYC R3000 +3% Lagged
TRS-TOTAL REAL ASSETS	0.00	0.00	0.00	NCREIF NFI-ODCE NET + 1%
TRS-TOTAL REAL ESTATE SECURITIES	-0.02	-0.07	-0.02	DJ US SELECT REAL ESTATE
TRS-TOTAL STRUCTURED	0.23	0.80	0.22	NYC - Core Plus Five
TRS-TOTAL ENHANCED YIELD	0.01	0.03	-0.07	CITIGROUP BB & B
TRS-TOTAL TIPS MANAGERS	0.09	0.29	0.11	Barclays U.S. TIPS
TRS-TOTAL CONVERTIBLE BONDS	-0.02	-0.12	-0.07	Teachers Custom Convertible
TRS-TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return
TRS-TOTAL BANK LOANS	0.01	0.02	0.01	CSFB LEVERAGED LOAN INDEX
TRS-TOTAL CASH	0.00	-0.04	-0.02	91 DAY TREASURY BILL

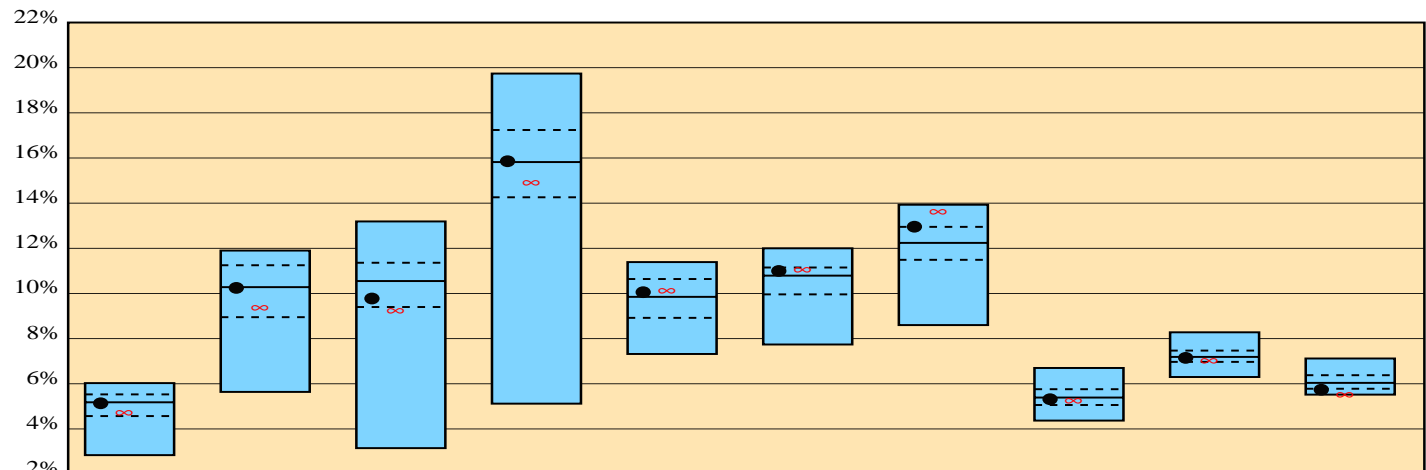
Selection Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TRS-TOTAL TEACHERS	-0.34	-1.00	-0.51	Teachers Policy Benchmark
TRS-TOTAL DOMESTIC EQUITY	-0.12	0.07	-0.07	RUSSELL 3000
TRS-TOTAL DEVELOPED MARKETS	-0.03	0.04	0.25	MSCI World Index
TRS-TOTAL EMERGING MARKETS	0.00	-0.05	-0.06	FTSE Custom NYC Teachers
TRS-TOTAL PRIVATE EQUITY	-0.25	-0.89	-0.38	NYC R3000 +3% Lagged
TRS-TOTAL REAL ASSETS	-0.05	-0.08	-0.03	NCREIF NFI-ODCE NET + 1%
TRS-TOTAL REAL ESTATE SECURITIES	0.04	0.05	0.00	DJ US SELECT REAL ESTATE
TRS-TOTAL STRUCTURED	0.05	0.18	0.10	NYC - Core Plus Five
TRS-TOTAL ENHANCED YIELD	0.02	0.07	-0.01	CITIGROUP BB & B
TRS-TOTAL TIPS MANAGERS	0.00	0.00	0.01	Barclays U.S. TIPS
TRS-TOTAL CONVERTIBLE BONDS	-0.05	-0.14	-0.09	Teachers Custom Convertible
TRS-TOTAL OPPORTUNISTIC FIXED	0.04	0.06	0.03	10% Annual Return
TRS-TOTAL BANK LOANS	0.01	0.01	0.00	CSFB LEVERAGED LOAN INDEX
TRS-TOTAL CASH	0.00	0.00	0.00	91 DAY TREASURY BILL

Through December 31, 2013



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### City of New York - Teachers' Total Returns of Public Master Trusts > \$10 Billion Rates of Return for Periods Ending December 31, 2013



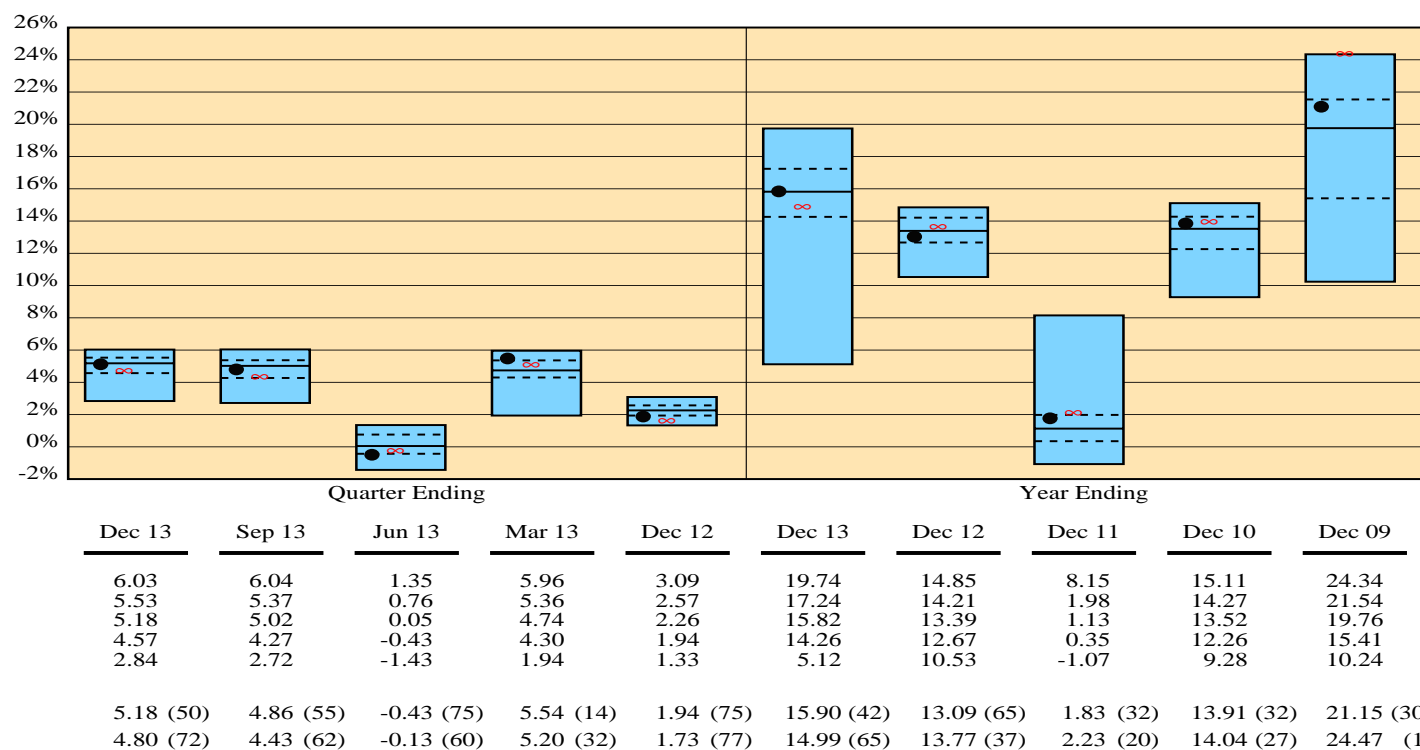
	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	6.03	11.90	13.19	19.74	11.39	12.00	13.93	6.70	8.28	7.12
25th Percentile	5.53	11.25	11.36	17.24	10.64	11.15	12.95	5.76	7.47	6.38
Median	5.18	10.28	10.55	15.82	9.85	10.79	12.24	5.39	7.19	6.04
75th Percentile	4.57	8.95	9.40	14.26	8.92	9.96	11.49	5.06	6.97	5.78
95th Percentile	2.84	5.64	3.15	5.12	7.32	7.74	8.60	4.37	6.30	5.52
● Total System	5.18 (50)	10.29 (47)	9.82 (62)	15.90 (42)	10.10 (40)	11.04 (32)	13.00 (22)	5.36 (52)	7.19 (50)	5.78 (78)
∞ Teachers' Policy Benchmark	4.80 (72)	9.45 (70)	9.30 (75)	14.99 (65)	10.18 (37)	11.13 (25)	13.68 (8)	5.32 (55)	7.08 (63)	5.60 (92)

Returns for periods greater than one year are annualized.



Through December 31, 2013

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



Returns for periods greater than one year are annualized.



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**Teachers' Retirement System  
of New York City**

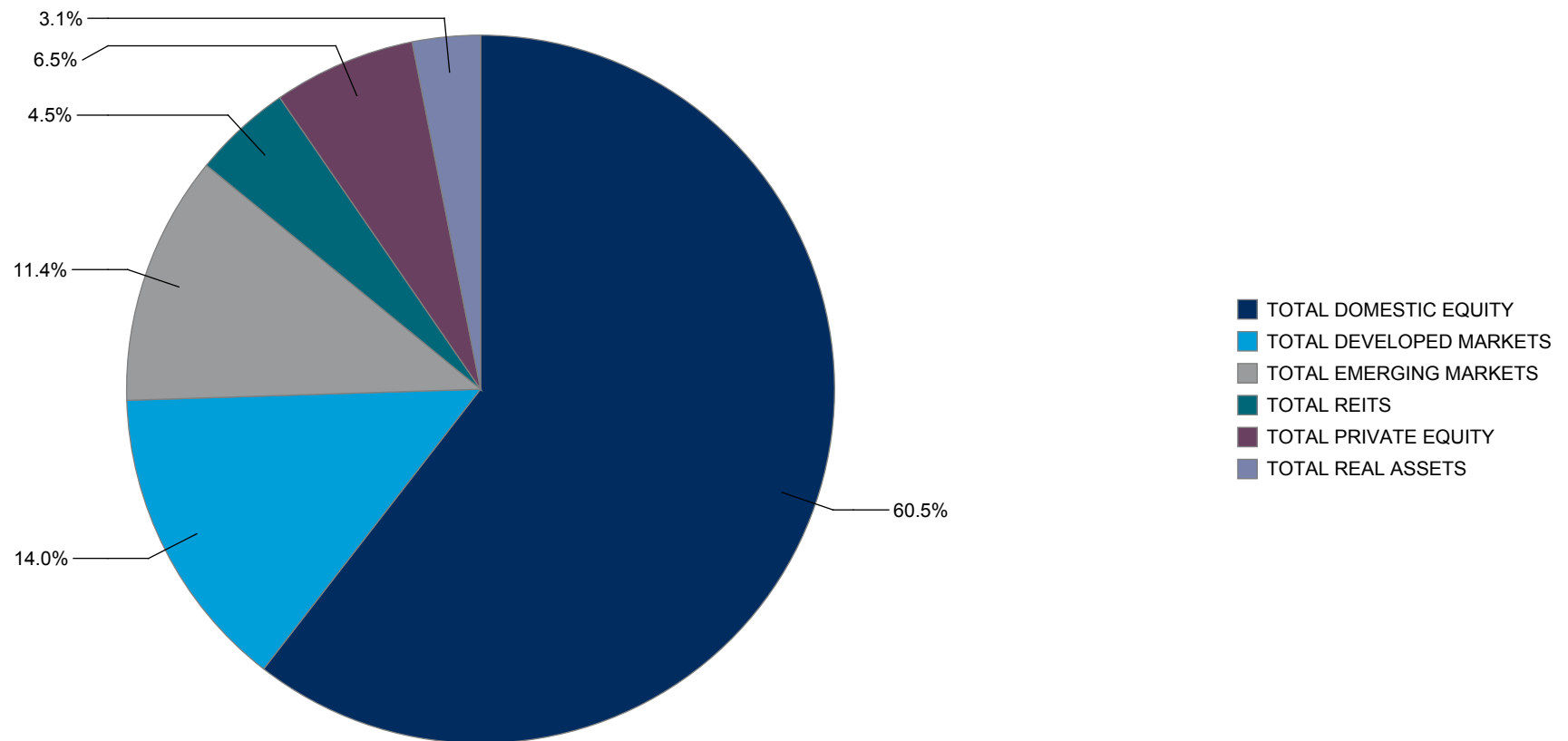
# **Equity Analysis**

## Total Equity Asset Allocation: December 31, 2013



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL EQUITY	\$38.2	70.2



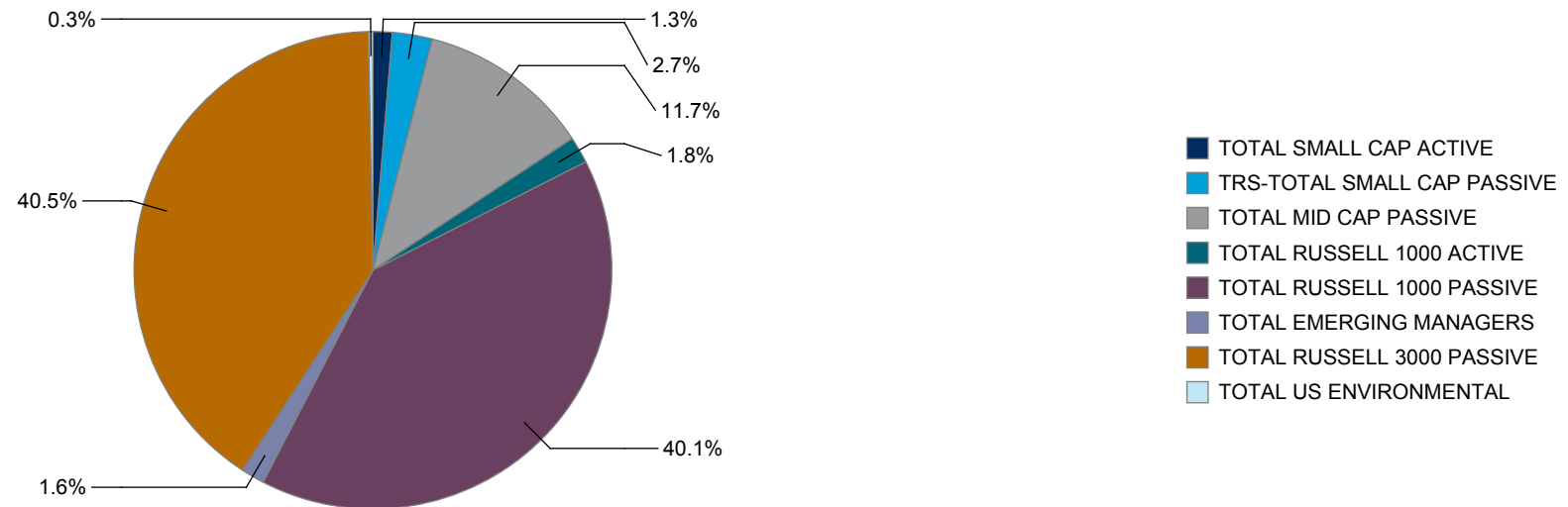


## Total Domestic Equity Asset Allocations: Quarter Ending December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL DOMESTIC EQUITY	\$23.1	42.4



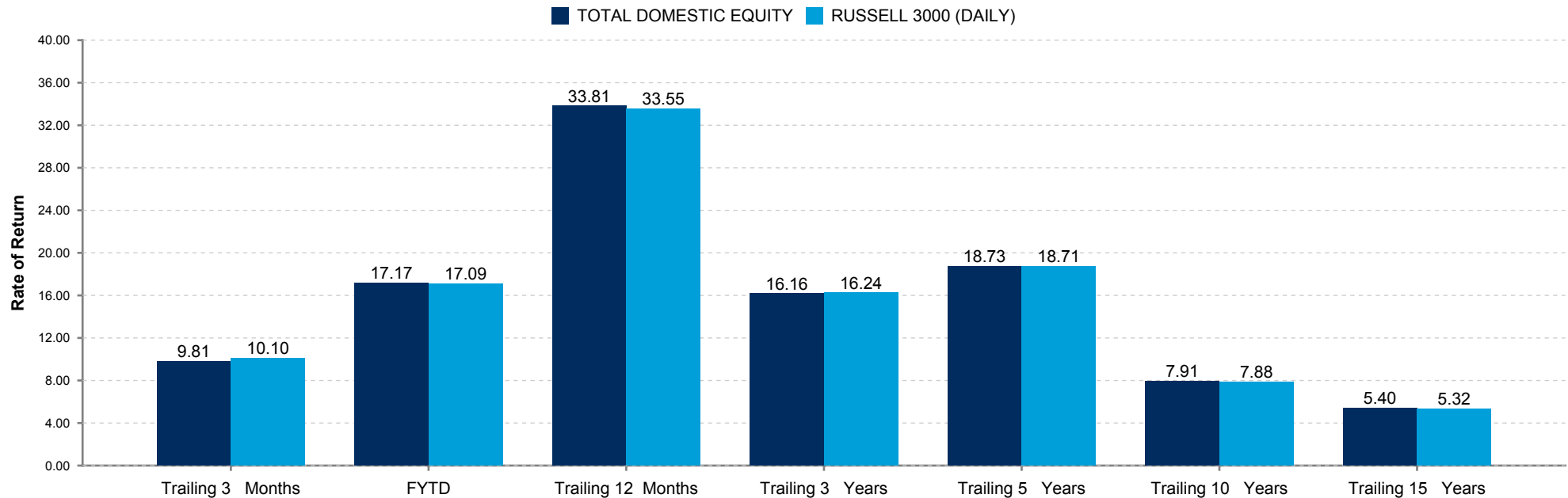
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	0.84	1.29	0.45	8.72	8.60	-0.12
TOTAL SMALL CAP PASSIVE	3.42	2.69	-0.73	8.72	8.62	-0.10
TOTAL MID CAP PASSIVE	12.90	11.71	-1.19	8.33	8.16	-0.17
TOTAL RUSSELL 1000 ACTIVE	1.62	1.85	0.23	10.23	9.96	-0.27
TOTAL RUSSELL 1000 PASSIVE	39.39	40.10	0.71	10.23	10.20	-0.03
TOTAL RUSSELL 3000 PASSIVE	40.00	40.46	0.46	10.10	10.10	0.00
TOTAL EMERGING MANAGERS	1.30	1.57	0.27	8.72	8.86	0.14
TOTAL US ENVIRONMENTAL	0.53	0.33	-0.20	8.72	9.94	1.22

# Total Domestic Equity Returns vs Russell 3000 Index: December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL DOMESTIC EQUITY	\$23.1	42.4



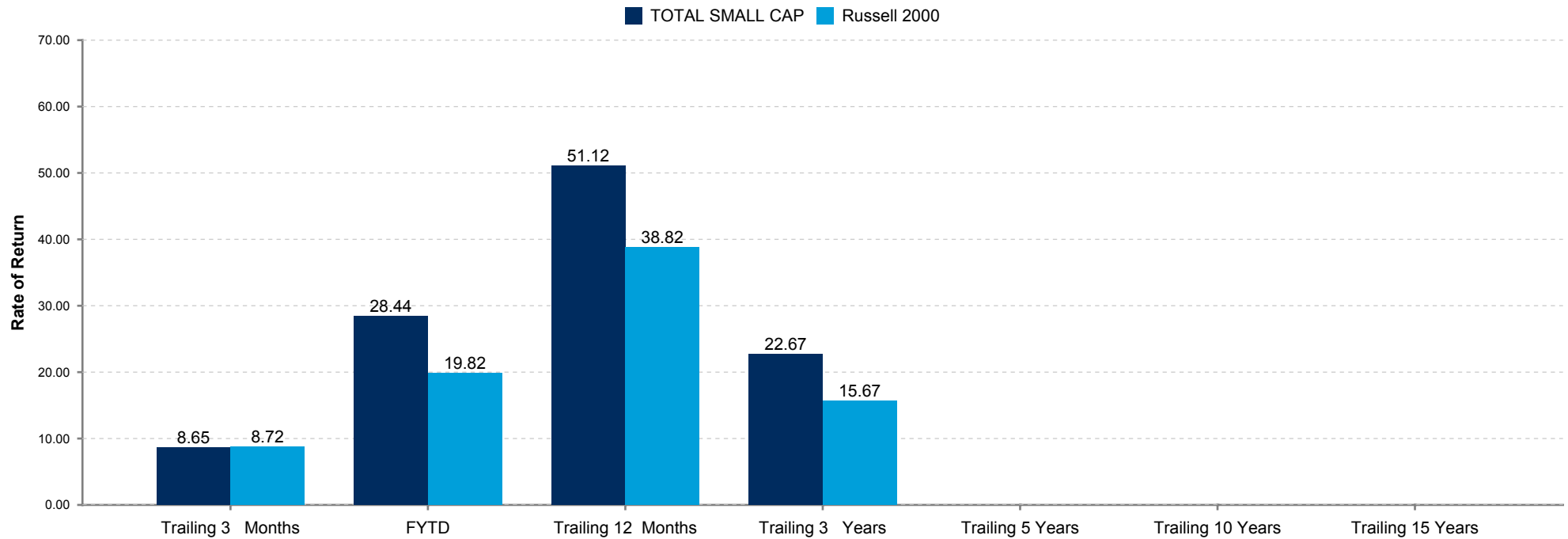
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DOMESTIC EQUITY	13.0	12.7	16.4	16.3	15.3	15.2

## Small Cap Returns vs Russell 2000 Index: December 31, 2013



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	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL SMALL CAP	\$920.8	1.7



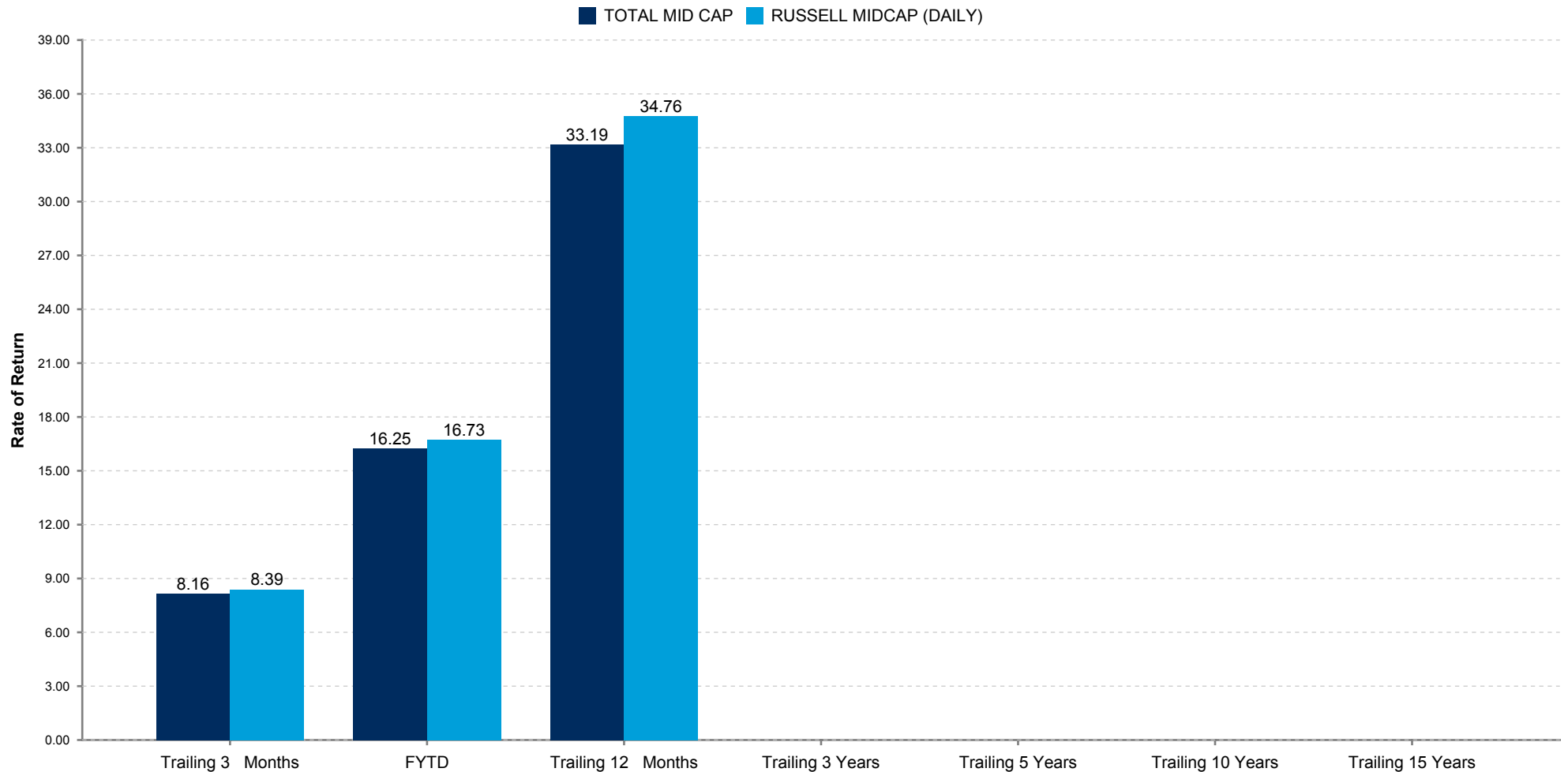
	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL SMALL CAP	16.5	16.7				

## Mid Cap Returns vs Russell MidCap Index: December 31, 2013



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	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL MID CAP	\$2.7	5.0

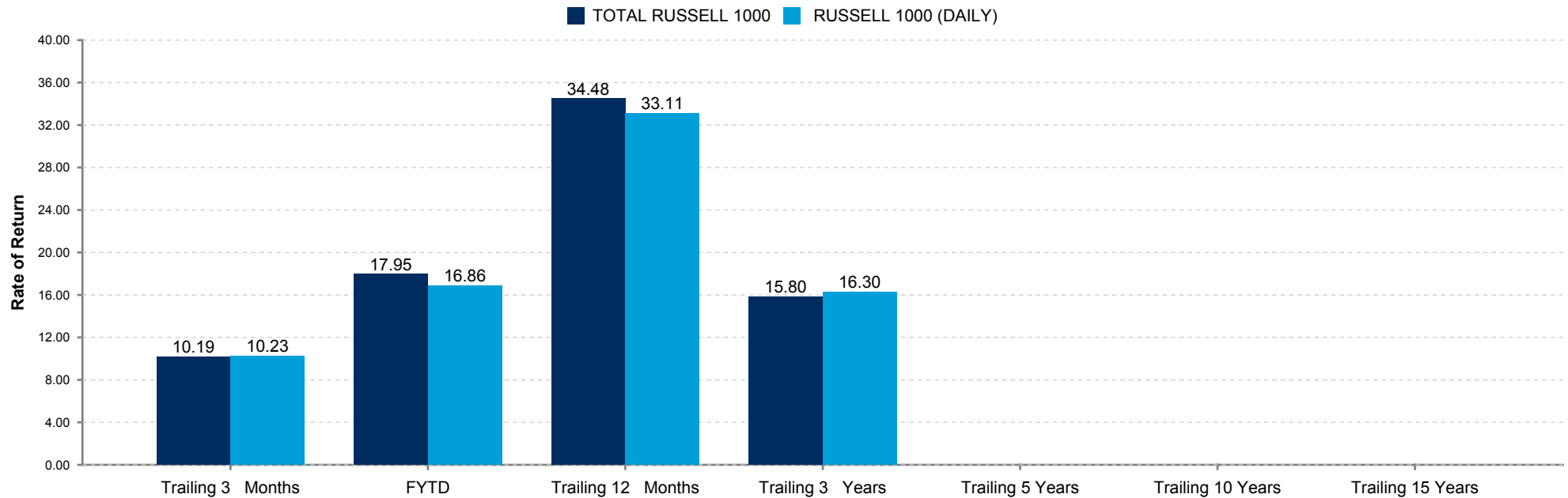


## Russell 1000 Returns vs Russell 1000 Index: December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL RUSSELL 1000	\$9.7	17.8



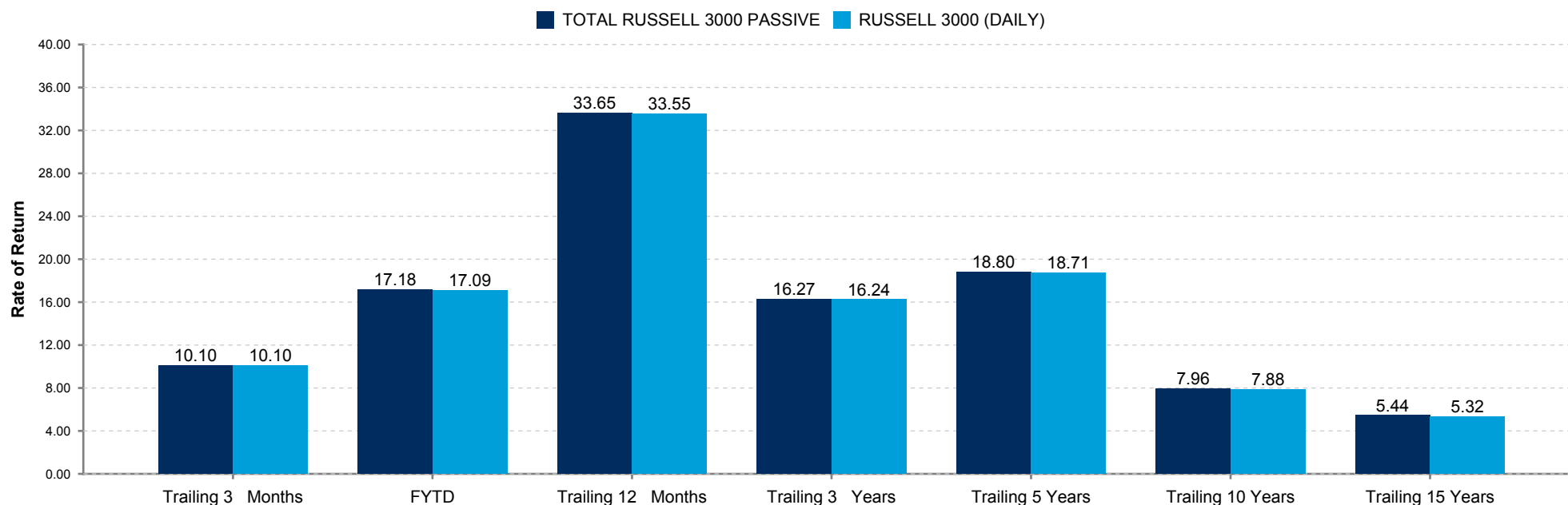
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 1000	12.9	12.4				

# Russell 3000 Returns vs Russell 3000 Index: December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL RUSSELL 3000 PASSIVE	\$9.4	17.2



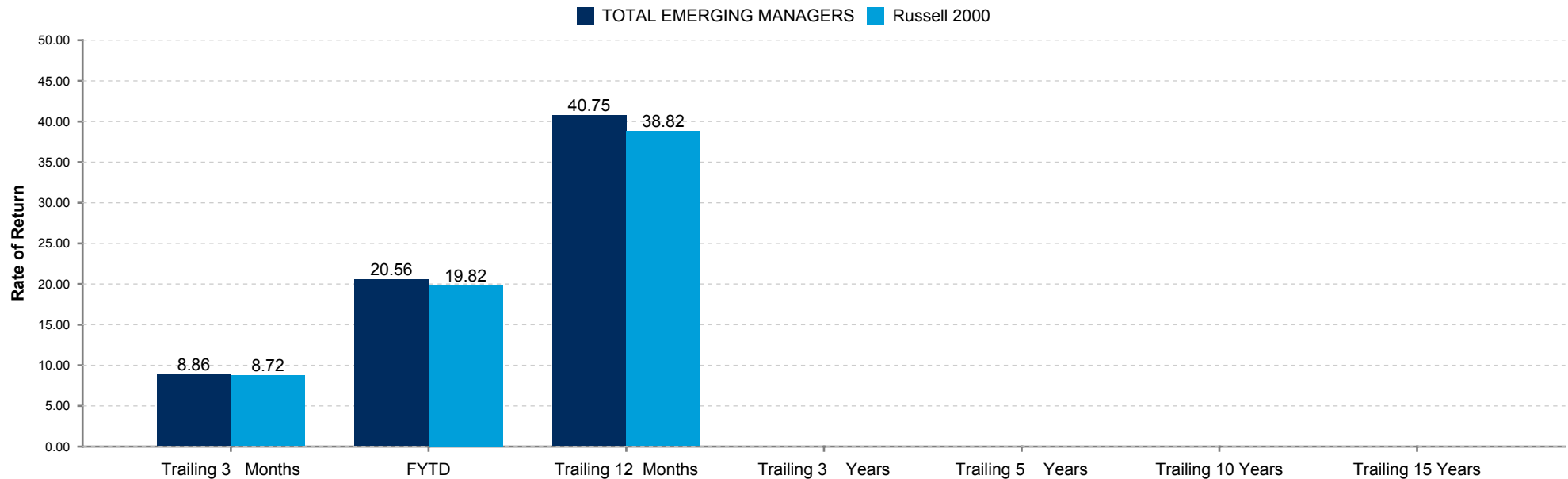
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL RUSSELL 3000 PASSIVE	12.7	12.7	16.3	16.3	15.2	15.2

## Emerging Managers Returns vs Russell 2000 Index: December 31, 2013



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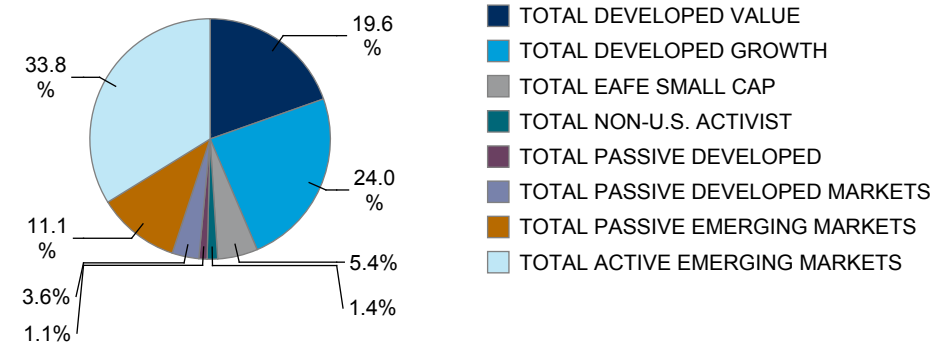
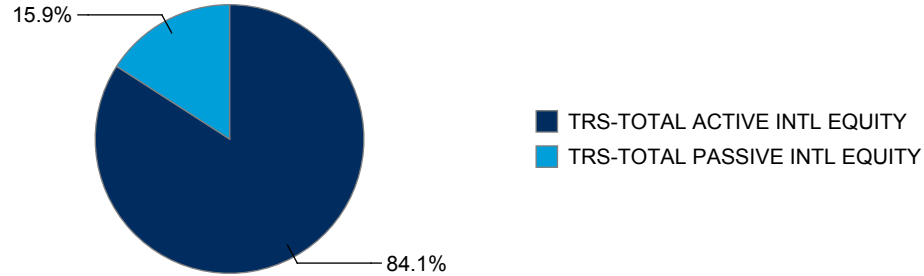
	Market Value (Millions)	% of plan
TOTAL EMERGING MANAGERS	\$363.2	0.7



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL EMERGING MANAGERS	15.3	16.7	17.6	20.9		



	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL INTERNATIONAL EQUITY	\$9.7	17.8



	<u>Asset Class Weight</u>	<u>Quarterly Returns - Fund and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH		4.62	5.15	(0.54)
TOTAL DEVELOPED VALUE	19.56	5.83	6.26	(0.43)
TOTAL EAFE SMALL CAP	5.36	7.76	5.92	1.83
TOTAL NON-U.S. ACTIVIST	1.39	7.08	9.23	(2.15)
TOTAL PASSIVE DEVELOPED	1.14	8.04	8.00	0.04
TOTAL PASSIVE DEVELOPED MARKETS	3.61	5.71	5.71	0.00
TOTAL ACTIVE EMERGING MARKETS	33.82	1.77	1.35	0.41
TOTAL PASSIVE EMERGING MARKETS	11.11	1.06	1.48	(0.42)
TOTAL INTERNATIONAL EQUITY	100.00	3.63	4.77	(1.13)

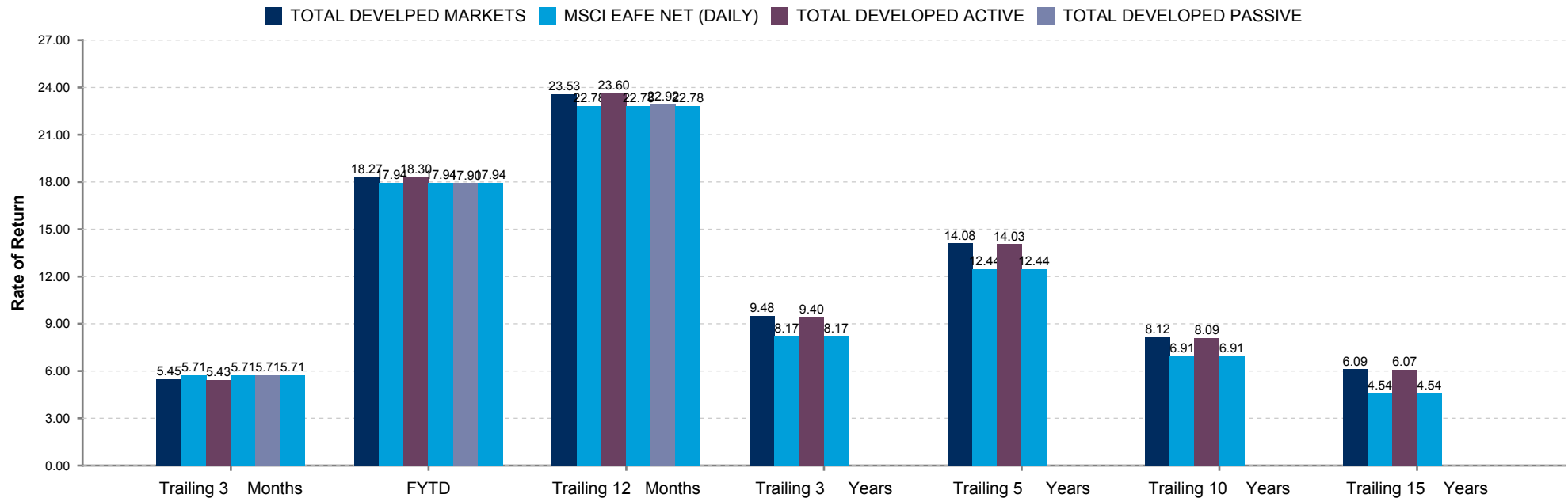


# EAFE Markets Returns vs MSCI EAFE INDEX: December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL DEVELOPED MARKETS	\$5.1	9.4



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED MARKETS	15.2	16.5	18.1	19.7	17.1	18.2
TOTAL DEVELOPED ACTIVE	15.1	16.5	18.0	19.7	17.0	18.2
TOTAL DEVELOPED PASSIVE						

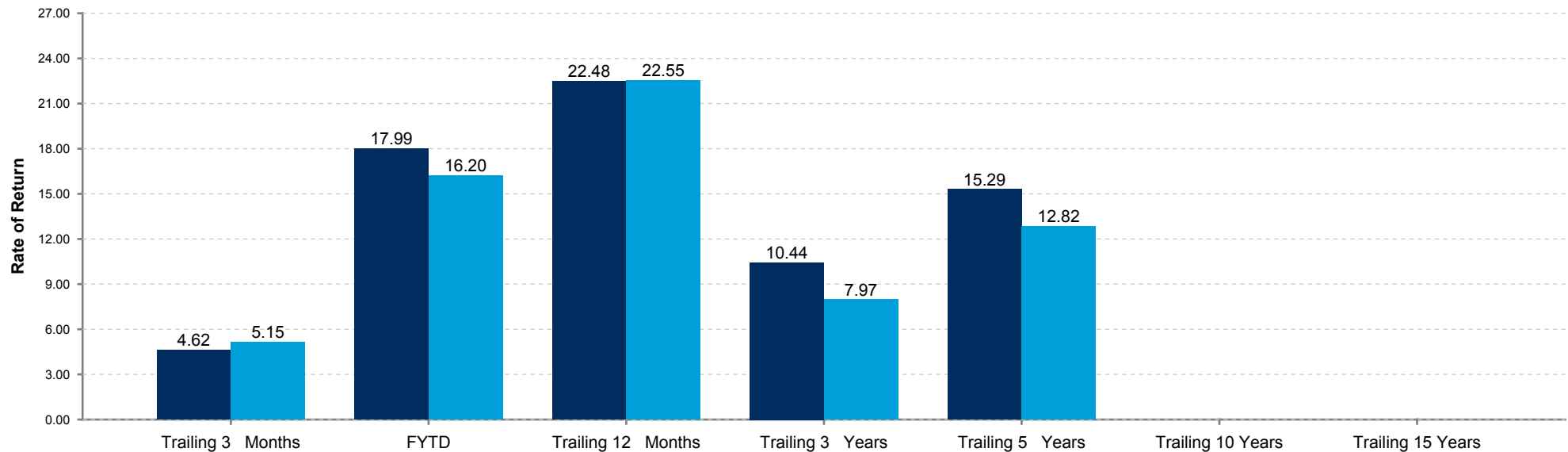
## Developed Growth Returns vs MSCI EAFE Growth Index: December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL DEVELOPED GROWTH	\$2.3	4.3

■ TOTAL DEVELOPED GROWTH ■ MSCI EAFE GROWTH NET (DAILY)



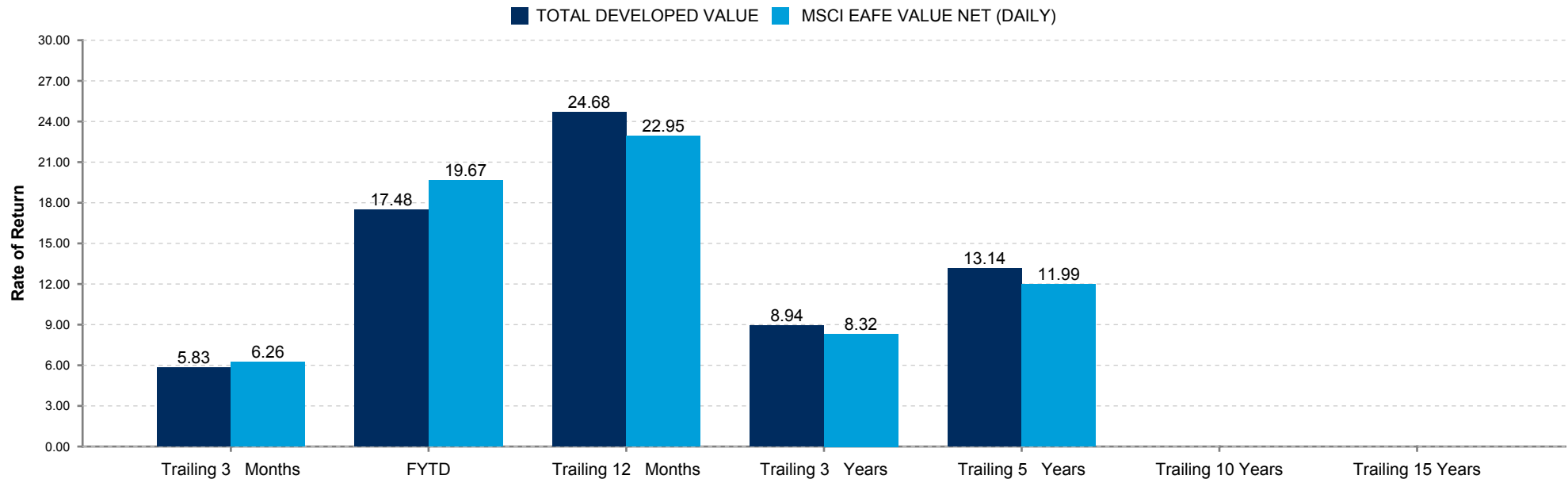
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED GROWTH	15.3	15.9	17.7	18.4		

## Developed Value Returns vs MSCI EAFE Value Index: December 31, 2013



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	Market Value (Billions)	% of plan
TOTAL DEVELOPED VALUE	\$1.9	3.5



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL DEVELOPED VALUE	14.3	17.4	18.0	21.6		

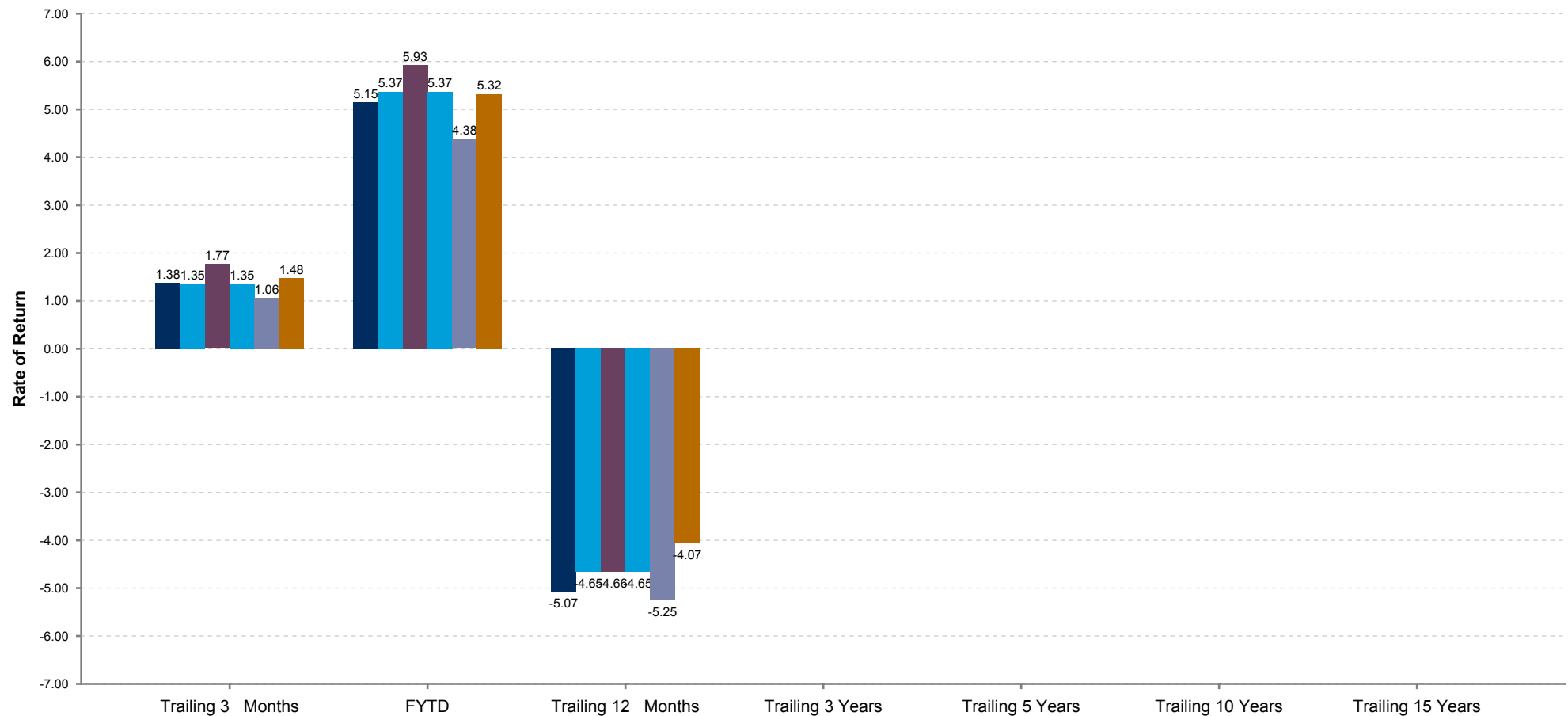
# Emerging Markets Returns vs TRS Custom Indices: December 31, 2013



STATE STREET

	Market Value (Billions)	% of plan
TOTAL EMERGING MARKETS	\$4.4	8.0

■ TOTAL EMERGING MARKETS 
 ■ FTSE Custom NYC Teachers Emerging Index 
 ■ TOTAL ACTIVE EMERGING MARKETS 
 ■ TOTAL PASSIVE EMERGING MARKETS 
 ■ TRS MSCI Custom Emerging Markets Index

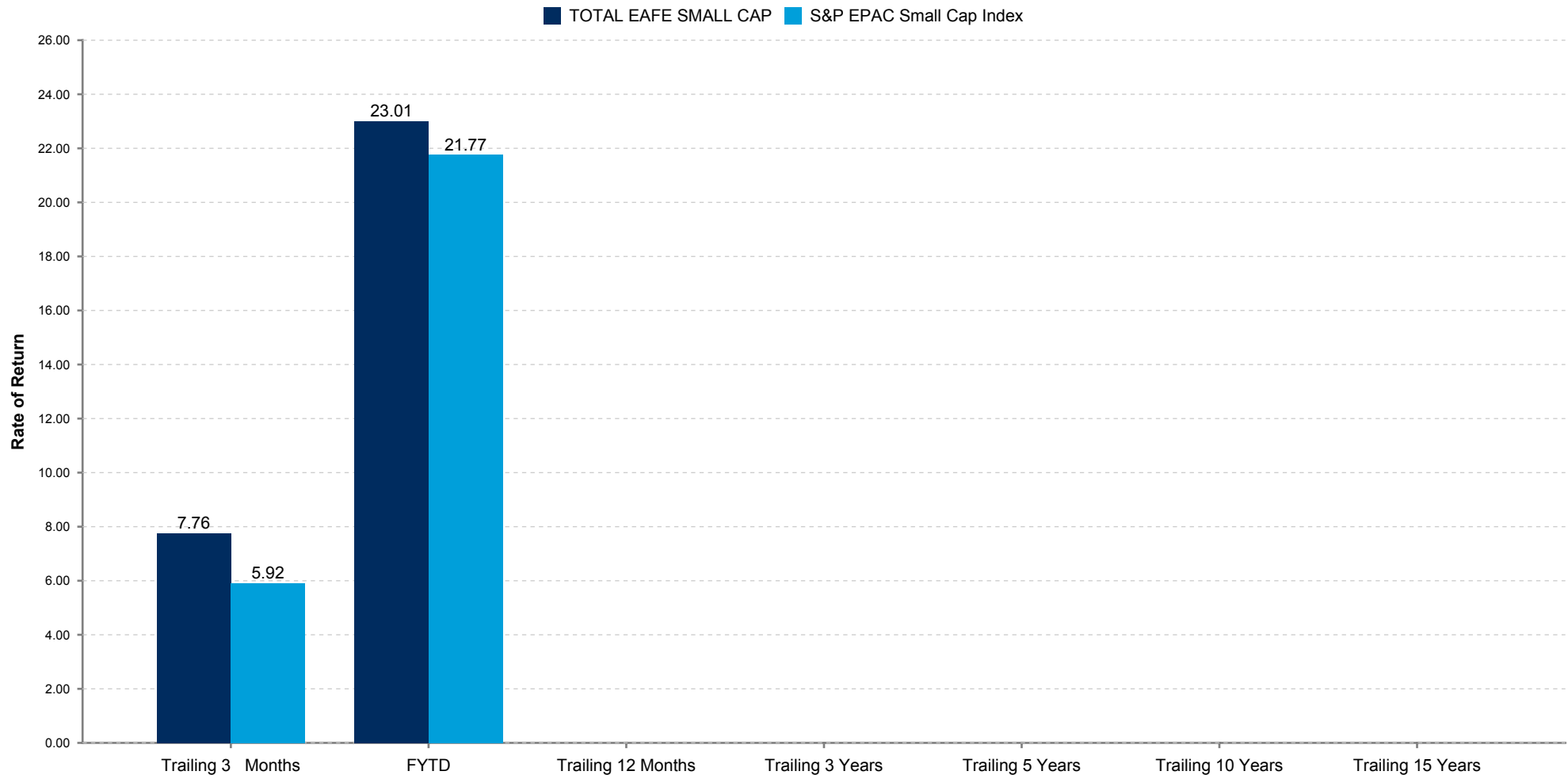


## EAFE SMALL CAP vs S&P SMALL CAP INDEX: December 31, 2013



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL EAFE SMALL CAP	\$521.1	1.0

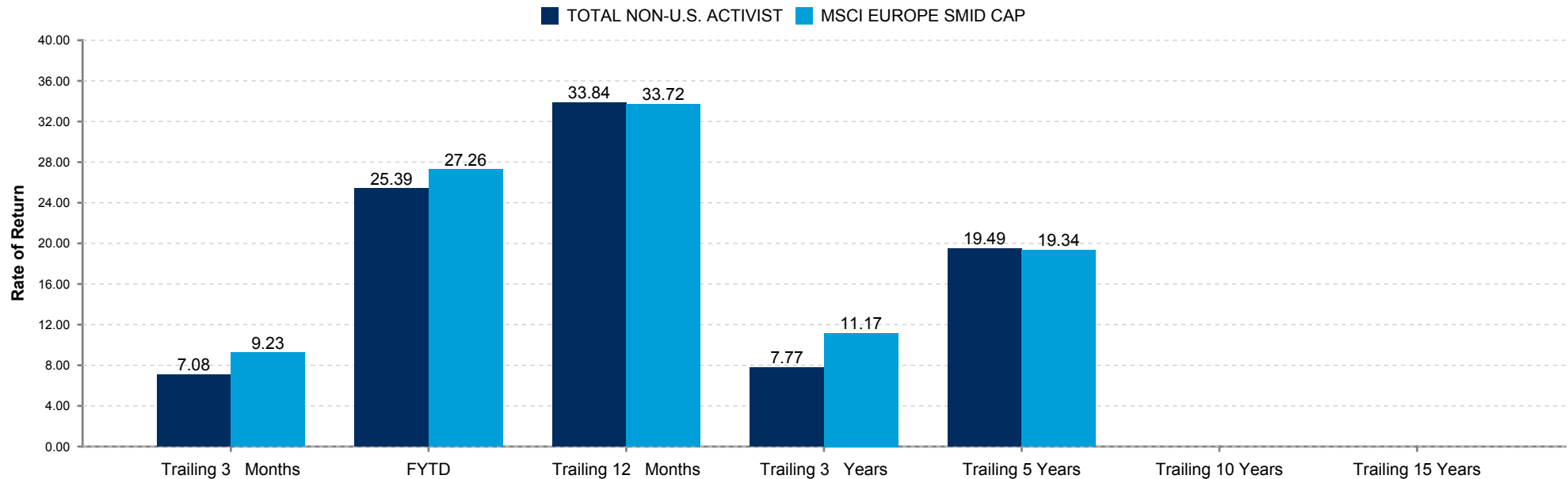


## Non-U.S. Activist Returns vs MSCI Europe SMID Cap Index: December 31, 2013



STATE STREET

	Market Value (Millions)	% of plan
TOTAL NON-U.S. ACTIVIST	\$135.4	0.2



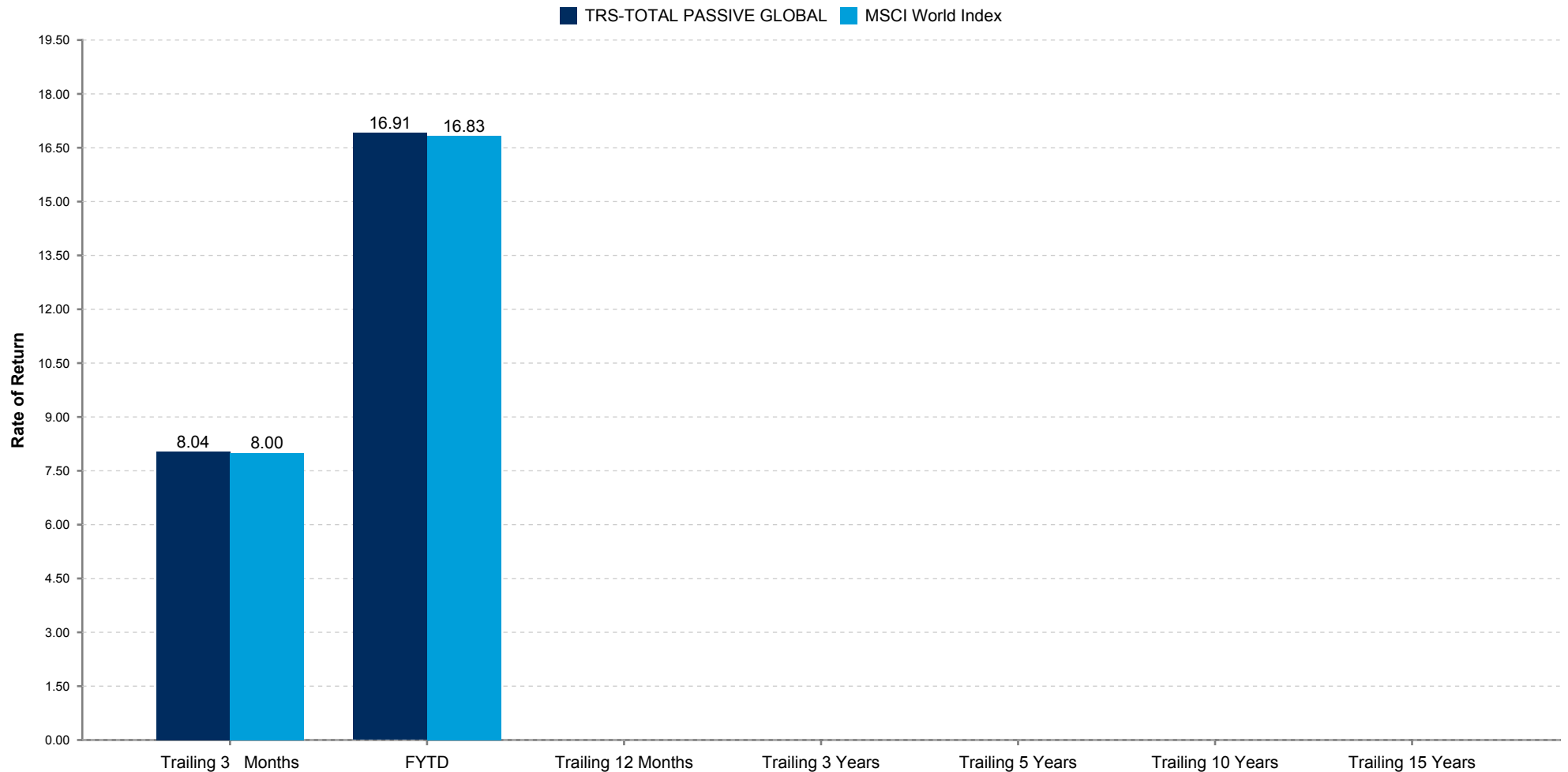
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL NON-U.S. ACTIVIST	22.4	19.6	27.5	23.3		

# GLOBAL PASSIVE vs MSCI WORLD INDEX: December 31, 2013



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TRS-TOTAL PASSIVE GLOBAL	\$111.0	0.2

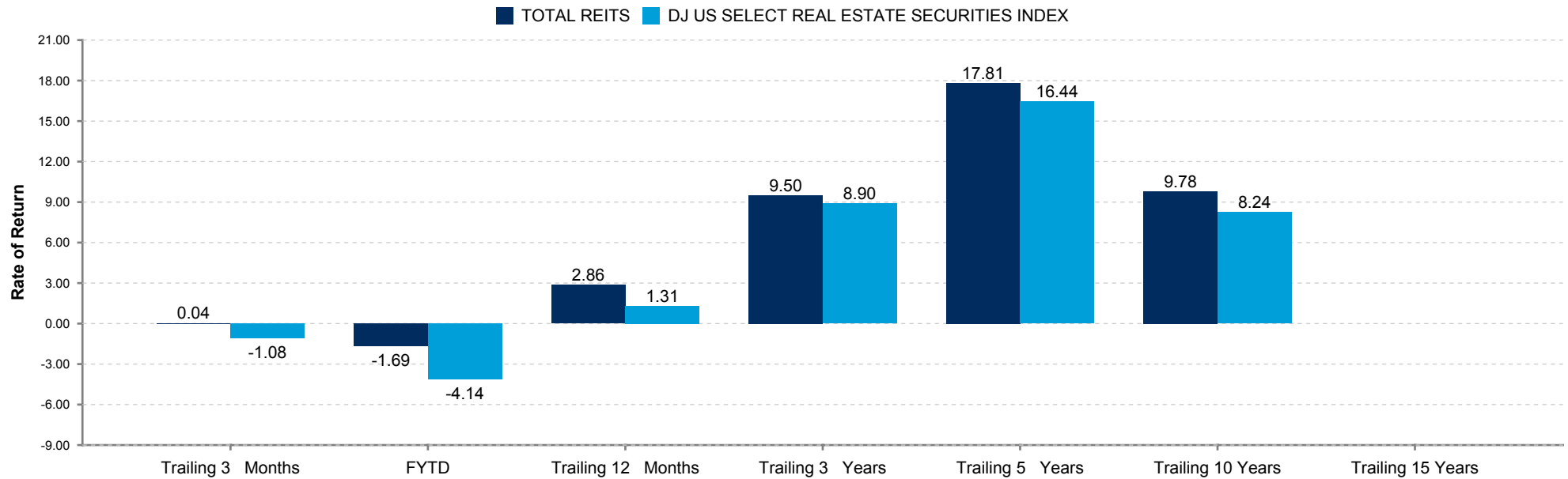


# REITS Returns vs DJ US Select Real Estate Securities Index: December 31, 2013



STATE STREET

	Market Value (Billions)	% of plan
TOTAL REITS	\$1.7	3.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL REITS	16.6	17.0	26.4	27.0	26.1	26.9





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**Teachers' Retirement System  
of New York City**

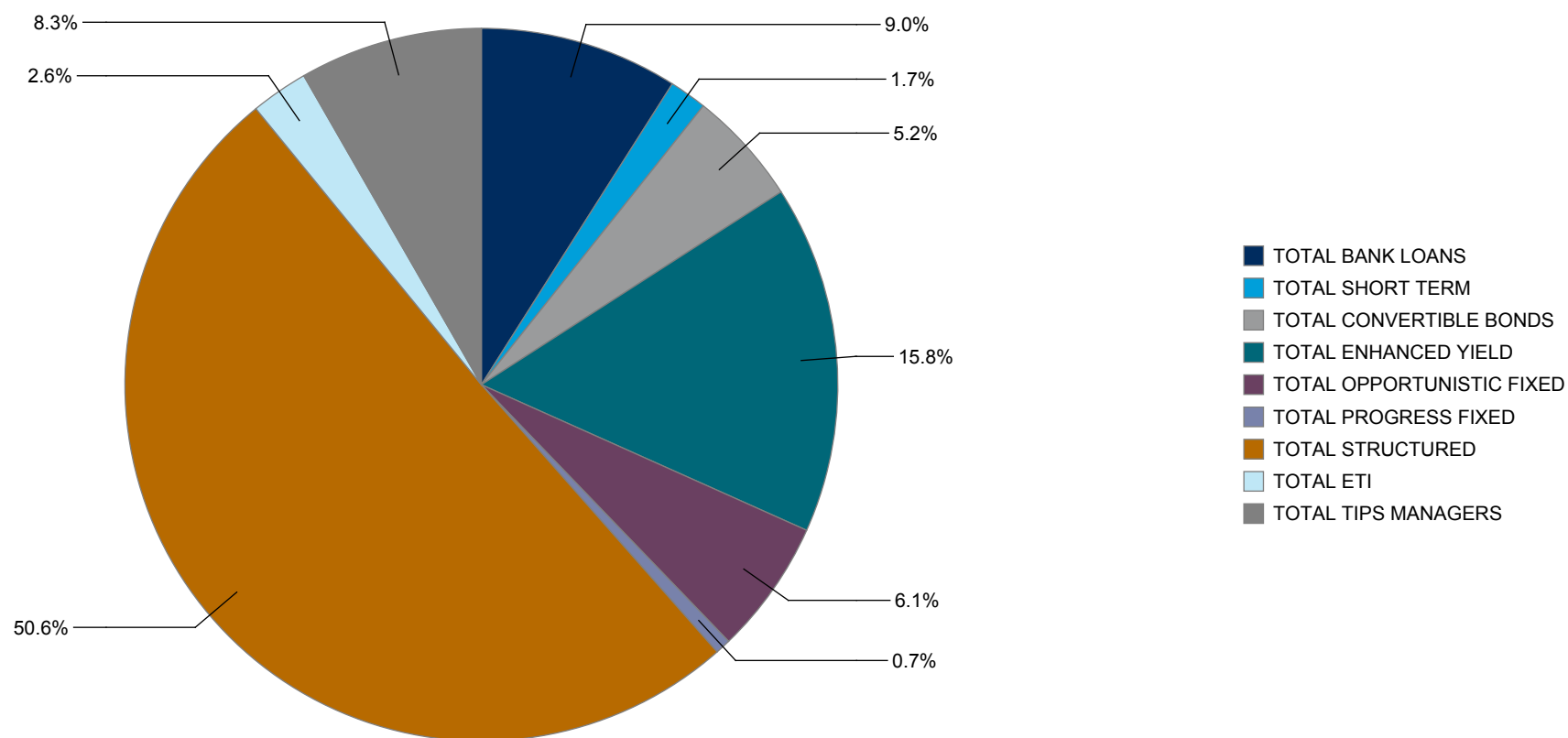
# **Fixed Income Analysis**

## Total Fixed Income Asset Allocation: December 31, 2013



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL FIXED INCOME	\$16.2	29.7

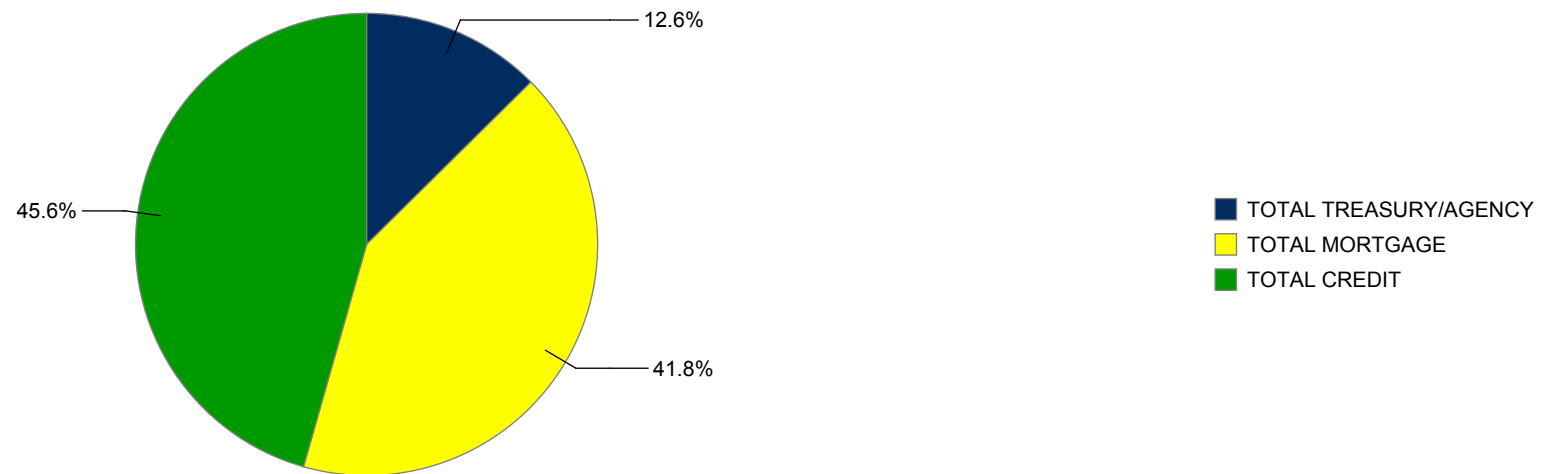


## Structured Fixed Income Asset Allocation: Quarter Ending: December 31, 2013



STATE STREET.

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$8.2	15.1



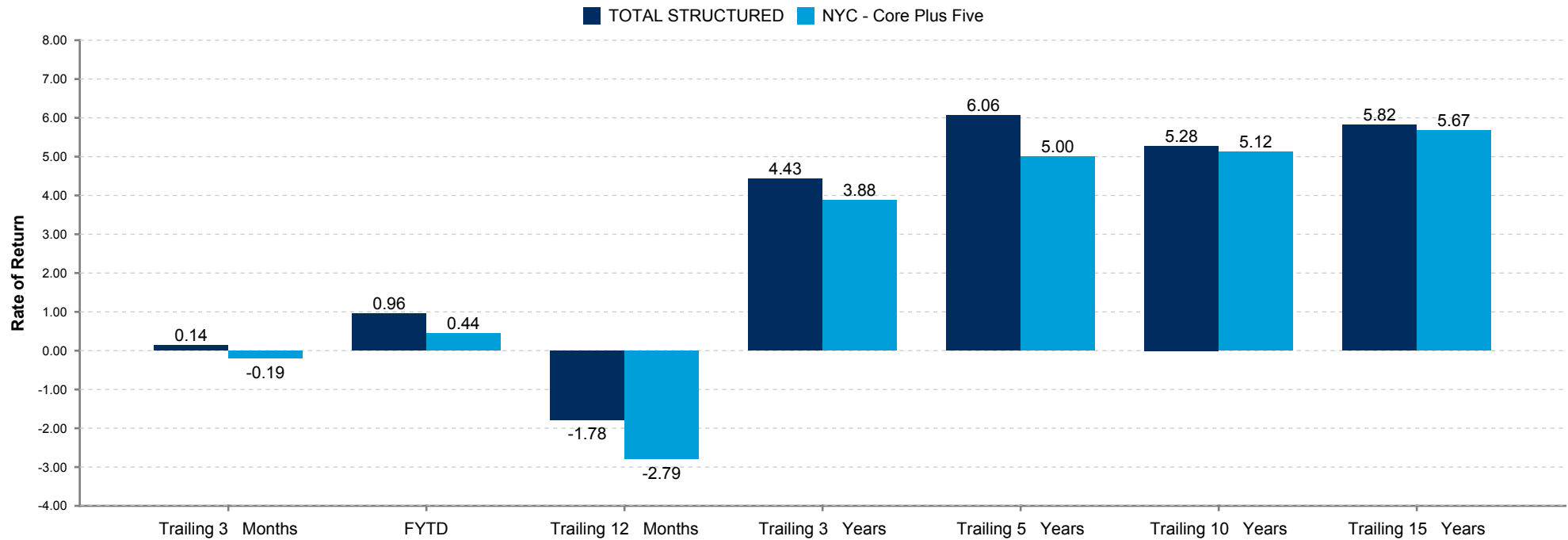
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
Total Treasury/Agency	18.21	12.63	-5.58	-1.98	-1.88	0.10
Total Mortgage	39.05	41.75	2.70	-0.55	-0.41	0.14
Total Inv Grade Credit	42.74	45.62	2.88	0.92	1.30	0.38

## Structured Returns vs NYC Core + 5 Index: December 31, 2013



STATE STREET

	<u>Market Value (Billions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$8.2	15.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL STRUCTURED	3.2	3.4	3.4	3.5	3.9	4.1

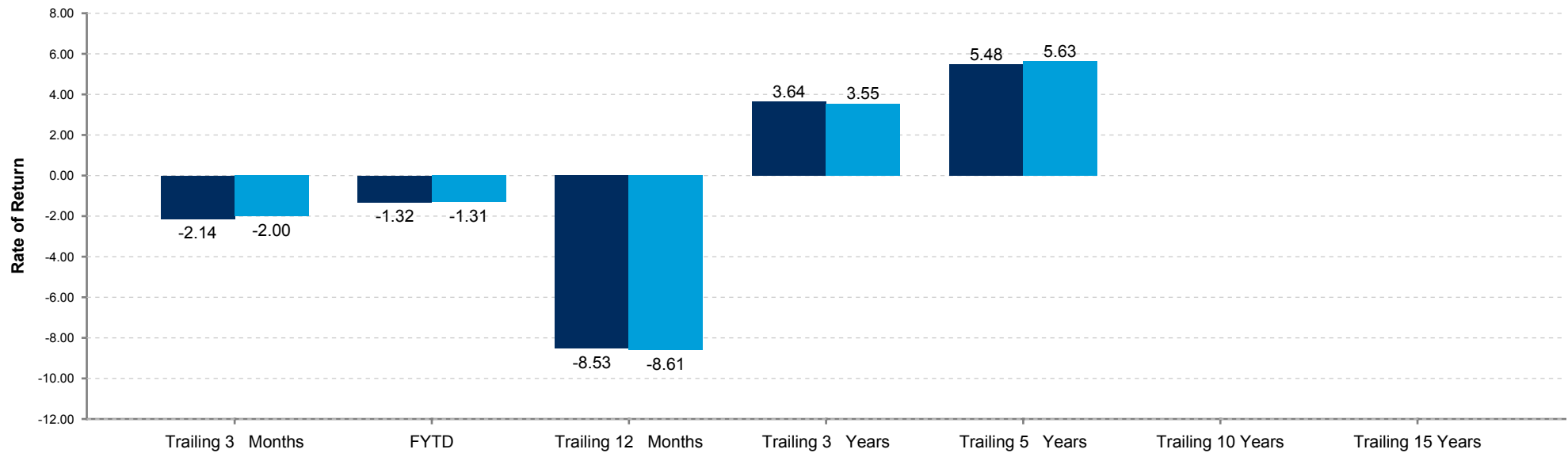
## TIPS Returns vs Barclays US TIPS Index: December 31, 2013



STATE STREET

	Market Value (Billions)	% of plan
TOTAL TIPS MANAGERS	\$1.3	2.5

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



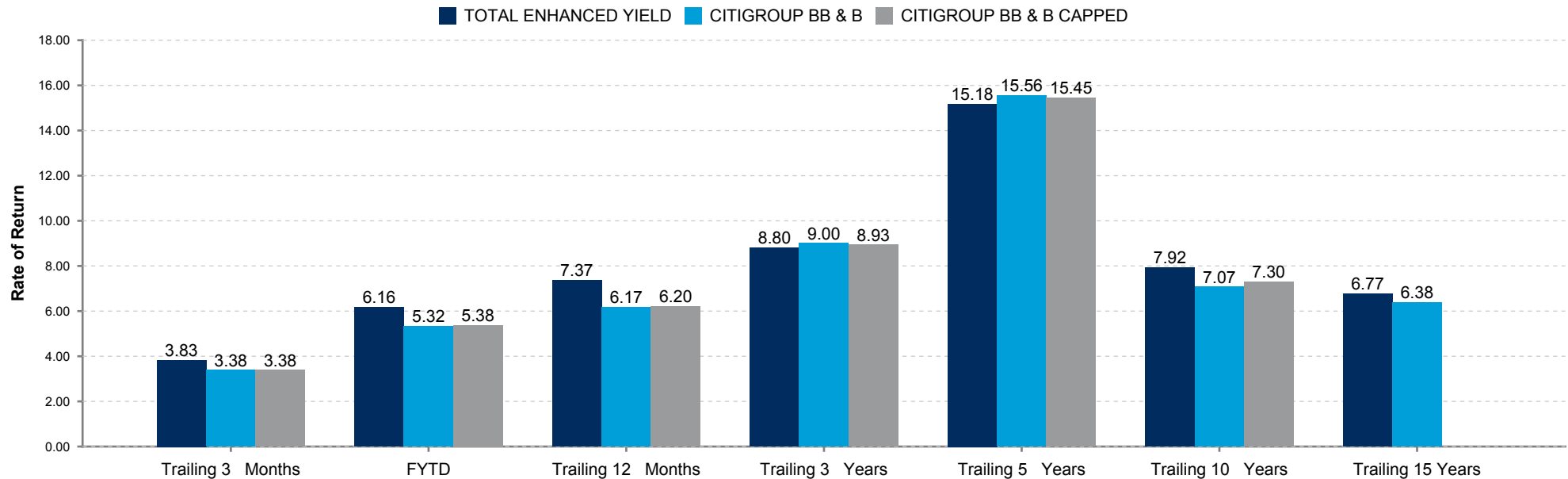
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL TIPS MANAGERS	5.3	5.4	5.8	5.9		

# Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index: December 31, 2013



STATE STREET.

	Market Value (Billions)	% of plan
TOTAL ENHANCED YIELD	\$2.6	4.7



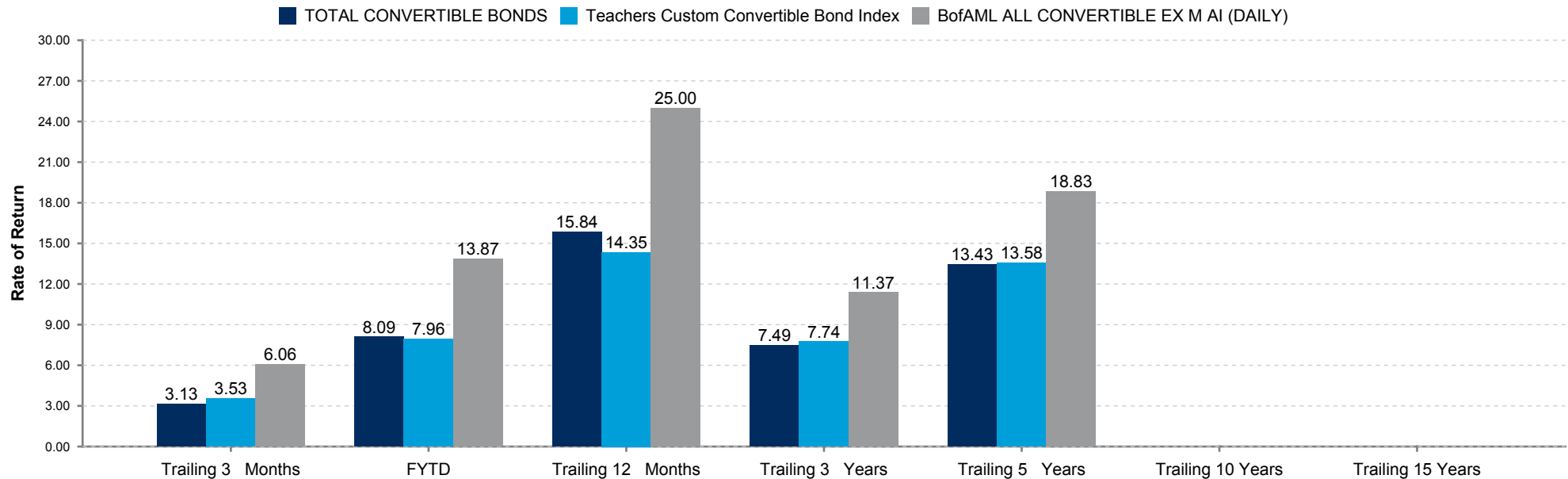
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ENHANCED YIELD	8.8	5.8	8.8	7.4	8.8	8.9

## Convertible Bond Returns vs Benchmarks: December 31, 2013



STATE STREET

	Market Value (Millions)	% of plan
TOTAL CONVERTIBLE BONDS	\$849.0	1.6



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL CONVERTIBLE BONDS	7.4	6.5	8.4	7.6		

## Opportunistic Fixed Income Returns vs Benchmarks: December 31, 2013



STATE STREET

	Market Value (Millions)	% of plan
TOTAL OPPORTUNISTIC FIXED	\$994.6	1.8



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL OPPORTUNISTIC FIXED	9.5	0.0	11.4	0.0		

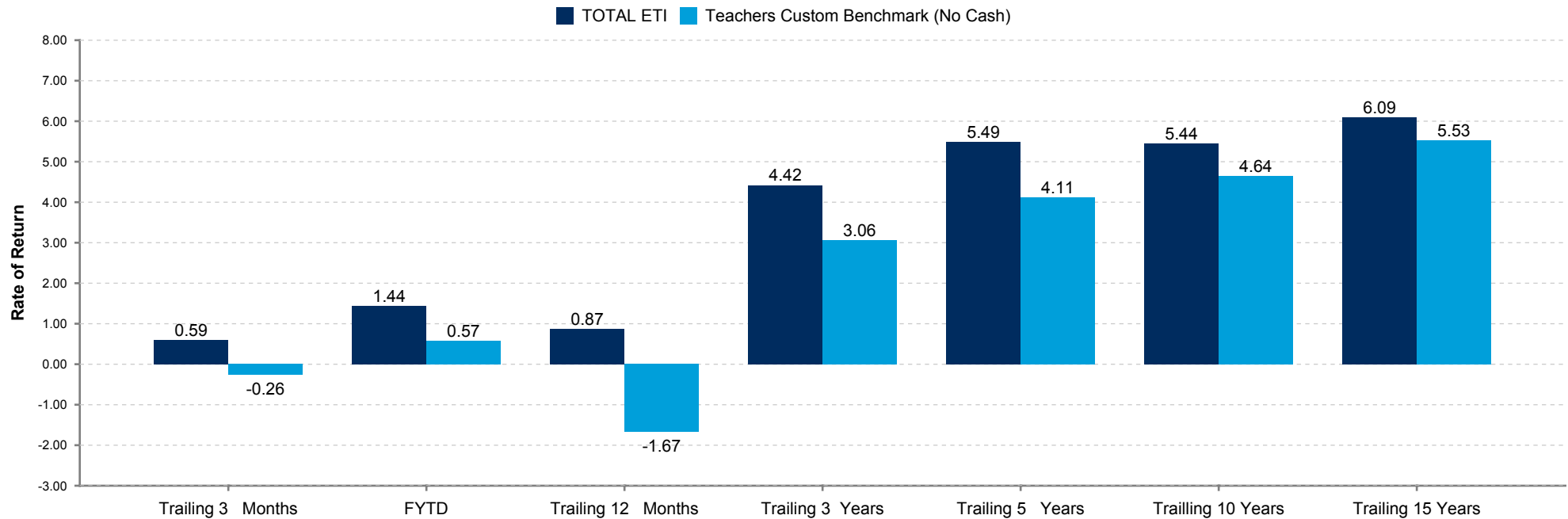


## ETI Returns vs Custom Index: December 31, 2013



STATE STREET

	Market Value (Millions)	% of plan
TOTAL ETI	\$420.6	0.8



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
<b>Standard Deviation</b>						
TOTAL ETI	1.7	2.5	1.9	2.5	2.5	2.8



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**Teachers' Retirement System  
of New York City**

# Appendix

# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
Brown AM - SCG	297.7	0.55	8.60	53.59	53.59	23.34			
TRS-TOTAL SMALL CAP GROWTH ACTIVE	297.7	0.55	8.60	53.59	53.59	23.34			
RUSSELL 2000 GROWTH			8.17	43.30	43.30	16.82	22.58	9.41	6.48
TOTAL SMALL CAP ACTIVE	297.7	0.55	8.60	53.59	53.59	23.34			
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
BLACKROCK INST R 2000 GROWTH	309.9	0.57	9.06						
RUSSELL 2000 GROWTH DA			8.17	43.30	43.30	16.82	22.58	9.41	6.48
BLACKROCK INST R 2000 VALUE	313.2	0.57	9.51						
RUSSELL 2000 VALUE DAI			9.30	34.52	34.52	14.49	17.64	8.61	9.82
TRS-TOTAL SMALL CAP PASSIVE	623.1	1.14	8.62						
Russell 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
TOTAL SMALL CAP	920.8	1.69	8.65	51.12	51.12	22.67			
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
STATE STREET GA S&P 400	2,708.1	4.97	8.16	33.19	33.19				
TOTAL MID CAP PASSIVE	2,708.1	4.97	8.16	33.19	33.19				
S&P MIDCAP 400			8.33	33.50	33.50	15.64	21.89	10.36	9.97
TOTAL MID CAP	2,708.1	4.97	8.16	33.19	33.19				
RUSSELL MIDCAP			8.39	34.76	34.76	15.88	22.36	10.22	9.22
BLACKROCK INST R 1000 GROWTH	4,718.6	8.66	10.41						
RUSSELL 1000 GROWTH - D			10.44	33.48	33.48	16.45	20.39	7.83	3.33
Blackrock Inst R 1000 Value	4,553.1	8.36	9.98						
RUSSELL 1000 VALUE (DAI)			10.01	32.53	32.53	16.06	16.67	7.58	6.23
TRS-TOTAL RUSSELL 1000 PASSIVE	9,271.6	17.02	10.20						
RUSSELL 1000 (DAILY)			10.23	33.11	33.11	16.30	18.59	7.78	5.08

# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
PROFIT INV MGMT	210.9	0.39	9.68	34.26	34.26	17.68			
TOTAL RUSSELL 1000 GROWTH	210.9	0.39	9.68	34.26	34.26	17.68			
RUSSELL 1000 GROWTH			10.44	33.48	33.48	16.45	20.39	7.83	3.33
SEIZERT CAPITAL PTNRS	216.0	0.40	10.24	35.53	35.53	16.02			
TOTAL RUSSELL 1000 CORE	216.0	0.40	10.24	34.16	34.16	15.00			
RUSSELL 1000			10.23	33.11	33.11	16.30	18.59	7.78	5.08
TOTAL RUSSELL 1000	9,698.5	17.80	10.19	34.48	34.48	15.80			
RUSSELL 1000			10.23	33.11	33.11	16.30	18.59	7.78	5.08
STATE STREET RUSSELL 3000	9,356.5	17.17	10.11	33.58	33.58	16.32			
RUSSELL 3000			10.10	33.55	33.55	16.24	18.71	7.88	5.32
TRS-TOTAL RUSSELL 3000 PASSIVE	9,356.5	17.17	10.10	33.65	33.65	16.27	18.80	7.96	5.44
RUSSELL 3000			10.10	33.55	33.55	16.24	18.71	7.88	5.32
<b>ATTUCKS</b>									
APEX CAPITAL - SCG	12.2	0.02	10.25	39.87	39.87				
GW CAPITAL -SCC	11.5	0.02	8.51	32.93	32.93	15.01			
LOMBARDIA - SCV	11.0	0.02	8.74	40.17	40.17	16.79	21.68		
PARADIGM - SCC	12.2	0.02	7.58	36.28	36.28	14.92	19.49		
PHOCAS - SCV	14.6	0.03	11.57	47.33	47.33				
TOTAL ATTUCKS	57.5	0.11	9.31	39.32	39.32	16.78	21.04		
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
<b>CAPITAL PROSPECTS</b>									
AH LISANTI SCG	5.4	0.01	7.18	57.16	57.16				
BERNZOTT CAP AD -SCV	5.2	0.01	11.66	35.10	35.10				
CHANNING -SCV	5.6	0.01	8.73	39.58	39.58				
CWC ADVISORS -SCC	4.6	0.01	5.55	33.10	33.10				
HIGH POINTE -SC	2.0	0.00	6.95	34.35	34.35				

# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
HUBER -SCV	5.6	0.01	10.31	41.34	41.34				
LOMBARDIA -SCV	4.6	0.01	8.74	40.18	40.18				
PROFIT SCC	4.9	0.01	10.61	37.88	37.88				
QUOTIENT SCC	5.1	0.01	9.68	43.26	43.26				
STEPHENS SCG	5.0	0.01	5.92	45.25	45.25				
SUMMIT CREEK SCG	5.1	0.01	7.52	43.94	43.94				
TOTAL CAPITAL PROSPECTS	53.1	0.10	8.53	41.27	41.27				
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
<b>PROGRESS</b>									
APEX CAPITAL MGMT -SMID CG	20.5	0.04	10.23	39.86	39.86				
CARDINAL SCV	13.3	0.02	8.01	35.40	35.40				
HUBER SCV	20.0	0.04	10.12	41.41	41.41				
MONARCH PARTNERS SCV	18.6	0.03	7.56	37.06	37.06				
NICHOLS SC	20.3	0.04	11.60	46.50	46.50				
OMT CAP MGMT -SMIDCG	15.3	0.03	8.67	49.79	49.79				
PHOCAS SCV	14.6	0.03	11.57	47.33	47.33				
TOTAL PROGRESS EQUITY	122.6	0.22	9.74	40.30	40.30				
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
<b>FIS FUND MGMT</b>									
APEX SCG	12.2	0.02	10.25	39.87	39.87				
CHANNING SCV	29.6	0.05	8.73	39.57	39.57				
CUPPS SCG	8.6	0.02	(0.75)	45.49	45.49				
EAM MICRO CAP GROWTH	5.9	0.01	8.91	57.48	57.48				
HUBER SCV	13.9	0.03	10.09	40.95	40.95				
NICHOLAS INV PTNRS -SCG	16.4	0.03	7.48	59.14	59.14				
OPUS CAPITAL MGMT -SCV	23.6	0.04	6.55	29.66	29.66				
PUNCH SCC	19.6	0.04	10.14	42.87	42.87				
TOTAL F.I.S FUND MGMT	129.9	0.24	7.99	41.60	41.60				
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42

# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL EMERGING MANAGERS	363.2	0.67	8.86	40.75	40.75				
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
RUSSELL 3000			10.10	33.55	33.55	16.24	18.71	7.88	5.32
<b>ENVIRONMENTAL STRATEGIES</b>									
WALDEN ASSET MGMT	76.6	0.14	9.94	33.06	33.06	15.20	20.07		
TOTAL U.S. ENVIRONMENTAL	76.6	0.14	9.94	33.06	33.06	15.20	20.65		
RUSSELL 2000			8.72	38.82	38.82	15.67	20.08	9.07	8.42
TOTAL ACTIVE DOMESTIC EQUITY	1,087.8	2.00	9.22	41.31	41.31	18.24	20.64	8.32	
TOTAL PASSIVE DOMESTIC EQUITY	21,959.4	40.31	9.83	33.47	33.47	16.02	18.64	7.89	5.39
TOTAL DOMESTIC EQUITY	23,123.7	42.44	9.81	33.81	33.81	16.16	18.73	7.91	5.40
<b>DEVELOPED GROWTH</b>									
Baillie Gifford EAFE MTA	1,268.8	2.33	6.02	28.96	28.96	11.67	18.47		
Walter Scott	1,065.2	1.96	2.99	15.58	15.58	9.84	15.26		
TRS-TOTAL DEVELOPED GROWTH	2,334.0	4.28	4.62	22.48	22.48	10.44	15.29		
MSCI EAFE GROWTH NET			5.15	22.55	22.55	7.97	12.82	6.97	
<b>DEVELOPED VALUE</b>									
Causeway	726.9	1.33	6.80						
Mondrian II MTA	0.1	0.00							
Sprucegrove MTA	1,174.7	2.16	5.23	20.47	20.47	9.15	16.16		
TRS-TOTAL DEVELOPED VALUE	1,901.7	3.49	5.83	24.68	24.68	8.94	13.14		
MSCI EAFE VALUE			6.26	22.95	22.95	8.32	11.99	6.77	5.72
Acadian	262.9	0.48	9.13						
Pyramis	258.2	0.47	6.39						
TOTAL EAFE SMALL CAP	521.1	0.96	7.76						
S&P EPAC SMALL CAP			5.92	28.40	28.40	9.81	17.47	10.01	8.39

# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TRANSITION - EAFE REBALANCE	0.4	0.00							
TOTAL ACTIVE DEVELOPED MARKETS	4,757.9	8.73	5.43	23.60	23.60	9.40	14.03	8.09	6.07
MSCI EAFE NET			5.71	22.78	22.78	8.17	12.44	6.91	4.54
TRS-TOTAL PASSIVE DEVELOPED EQUITY	351.2	0.64	5.71	22.92	22.92				
SSGA MTA	351.2	0.64	5.71	22.92	22.92				
SSGA MSCI World Index	111.0	0.20	8.04						
TOTAL PASSIVE GLOBAL	111.0	0.20	8.04						
MSCI World Index			8.00	26.68	26.68	11.49	15.02	6.98	4.33
GOVERNANCE FOR OWNERS	135.4	0.25	7.08	33.84	33.84	7.77	19.49		
TOTAL NON-U.S. ACTIVIST	135.4	0.25	7.08	33.84	33.84	7.77	19.49		
MSCI EUROPE SMID CAP			9.23	33.72	33.72	11.17	19.34	10.18	
TRS-TOTAL EAFE ENVIRONMENTAL ACTIVIST	135.4	0.25	7.08	37.25	37.25	11.24	17.72		
TRS-TOTAL EAFE ENV ACT EX PASSIVE	4,893.3	8.98	5.48	24.01	24.01	9.45	14.17		
TOTAL DEVELOPED-ENV-ACTIVIST	5,355.5	9.83	5.55	23.92	23.92	9.53	14.22		
<b>EMERGING MARKETS</b>									
DFA EM	1,173.8	2.15	0.57	(6.17)	(6.17)				
EATON VANCE	1,198.4	2.20	1.49	(4.54)	(4.54)				
TOTAL ACTIVE EMERGING MARKETS	3,289.2	6.04	1.77	(4.66)	(4.66)				
FTSE CUSTOM NYC TRS INDEX			1.35	(4.65)	(4.65)				
TRS Blackrock-MSCI EM INDEX MTA	1,080.0	1.98	1.06	(5.25)	(5.25)				
TOTAL PASSIVE EMERGING MARKETS	1,080.0	1.98	1.06	(5.25)	(5.25)				
TRS MSCI CUSTOM EMERGING			1.48	(4.07)	(4.07)				

# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL EMERGING MARKETS	4,369.2	8.02	1.38	(5.07)	(5.07)				
TOTAL INTERNATIONAL EQUITY	9,724.6	17.85	3.63	9.75	9.75	4.64	11.13	6.65	5.13
<b>REITS</b>									
ADELANTE CAPITAL MANAGEMENT	242.4	0.44	0.13	3.46	3.46	10.22	17.72	8.66	
Center Square Investment Mgt	200.1	0.37	(0.31)	3.38	3.38				
COHEN & STEERS - REITS	201.3	0.37	0.20	4.31	4.31				
European	287.9	0.53	0.71	2.95	2.95				
FTSE EPRA/NAREIT DEVELOPED INDEX USD			(0.49)	4.39	4.39	8.15	16.06	8.78	
MS REIT MTA	581.8	1.07	0.09	2.28	2.28				
SECURITY CAPITAL	202.3	0.37	(0.95)	1.71	1.71	8.27	16.36		
TOTAL REITS	1,715.8	3.15	0.04	2.86	2.86	9.50	17.81	9.78	
DJ US SELECT REAL ESTATE SEC. INDEX			(1.08)	1.31	1.31	8.90	16.44	8.24	10.29
<b>PRIVATE EQUITY INVESTMENTS</b>									
ACON EQUITY PTNRS III	2.0	0.00							
AISLING CAPITAL II	3.2	0.01							
AISLING CAPITAL III	6.5	0.01							
ALLEGRA CAPITAL PTNRS IV	0.0	0.00							
AMERICAN SEC PTNRS VI	37.8	0.07							
Ampersand 2006	13.7	0.03							
APOLLO INVESTMENT FD V	28.7	0.05							
APOLLO INVESTMENT FD VI	28.7	0.05							
ARES CORP OPP	2.4	0.00							
ARES CORP OPP FD II	12.4	0.02							
ARES CORP OPP FD III	49.3	0.09							
ARES CORP OPP FD IV	21.1	0.04							
ARSENAL CAP PTNRS II	14.6	0.03							
AURORA EQUITY CAPITAL PTNRS III	0.6	0.00							
AVISTA CAPITAL PTNRS	22.4	0.04							
AVISTA CAPITAL PTNRS II	22.4	0.04							



# Consolidated Performance Report

Through December 31, 2013



STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
AXA SECONDARY FD V	74.7	0.14							
BC EUR CAP IX	35.9	0.07							
BDCM OPPORTUNITY FD	45.2	0.08							
BDCM OPPORTUNITY FD	1.9	0.00							
BDCM Opportunity Fund II LP	45.2	0.08							
BLACKSTONE CAPITAL PTNRS IV	9.6	0.02							
BLACKSTONE CAPITAL PTNRS VI	16.0	0.03							
BLACKSTONE MEZZ PTNRS II	4.8	0.01							
BLUE WOLF CAPITAL FUND II	16.4	0.03							
BRIDGEPOINT EUROPE III	16.2	0.03							
BRIDGEPOINT EUROPE IV	25.1	0.05							
CARLYLE PTNRS III	0.0	0.00							
CARLYLE PTNRS V	45.5	0.08							
CARPENTER COMMUNITY BANCFUND	18.1	0.03							
CATTERTON PTNRS VI	35.0	0.06							
CCMP CAPITAL INVESTORS II	19.2	0.04							
CELTIC PHARM HLDGS, LP	23.0	0.04							
CO INVEST PTNRS EURO	27.2	0.05							
CONSTELLATION VENTURES III	13.2	0.02							
CRATON EQUITY INVESTORS	6.6	0.01							
CYPRESS MERCH BK PTNRS II	4.3	0.01							
EQT VI	16.6	0.03							
ERASMUS NYC GROWTH FD	2.1	0.00							
FAIRVIEW EMERGING MGRS FD	36.3	0.07							
FAIRVIEW VENTURES FD III	18.1	0.03							
FDG CAPL PTNRS	6.1	0.01							
FDG CAPL PTNRS II	10.3	0.02							
FIRST RESERVE FD XI	23.4	0.04							
FIRST RESERVE FD XII	23.7	0.04							
FOURTH CINVEN FD	38.8	0.07							
FT VENTURES FD III	16.3	0.03							
GF CAPITAL	12.6	0.02							

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
GI PTNRS FD II	13.4	0.02							
GI PTNRS FD III	22.8	0.04							
GREEN EQ INV VI	17.2	0.03							
GSC RECOVERY III	3.9	0.01							
GSO CAPITAL OPPORTUNITIES FD	13.4	0.02							
HALYARD CAPITAL II	6.6	0.01							
ICV PTNRS III	3.1	0.01							
INTERMEDIA PARTNERS VII	32.8	0.06							
JP MORGAN INVST MGMT	28.4	0.05							
LANDMARK EQUITY PTNRS XI	3.2	0.01							
LANDMARK EQUITY PTNRS XIV	33.2	0.06							
LANDMARK FUND XIII	12.7	0.02							
LEE EQUITY PARTNERS	22.7	0.04							
LEEDS WELD EQUITY PTNRS IV	7.4	0.01							
LEEDS WELD EQUITY PTNRS V	26.4	0.05							
LEVINE LEICHTMAN CAP PTNRS IV	23.0	0.04							
LINCOLNSHIRE EQ FD II	2.9	0.01							
LINCOLNSHIRE EQ FD III	14.0	0.03							
LINCOLNSHIRE EQ FD IV	6.7	0.01							
MARKSTONE CAPITAL PTNRS	14.3	0.03							
MIDOCEAN PTNRS III	35.8	0.07							
MONTREUX EQ PTNRS IV	13.1	0.02							
NAUTIC PARTNERS VI	15.6	0.03							
NEW MOUNTAIN PTNRS	1.4	0.00							
NEW MOUNTAIN PTNRS II	9.1	0.02							
NEW MOUNTAIN PTNRS III	30.8	0.06							
NEWSPRING VENTURE II	7.2	0.01							
NGN BIOMED OPPORTUNITY II	8.4	0.02							
ONEX PTNRS III	35.3	0.06							
PALADIN HOMELAND SECURITY	6.4	0.01							
PALADIN HOMELAND SECURITY III	13.8	0.03							
PALLADIUM EQ PTNRS III	35.6	0.07							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
PCGAM CLEAN ENERGY & TECH FD	31.2	0.06							
PEGASUS PTNRS IV	18.2	0.03							
PEGASUS PTNRS V	9.2	0.02							
PERSEUS PTNRS VII	4.8	0.01							
PINE BROOK CAPITAL PTNRS	18.0	0.03							
PLATINUM EQ CAP PTRNS III	25.3	0.05							
PRISM VENTURE PTNRS V	8.9	0.02							
PSILOS GROUP PTNRS III	21.0	0.04							
QUADRANGLE CAP PTNRS II	16.5	0.03							
QUAKER BIOVENTURES II	7.4	0.01							
RELATIVITY FD	2.4	0.00							
RIPPLEWOOD PTNRS II	10.0	0.02							
RIVERSTONE/CARLYLE GLB EP IV	22.9	0.04							
RLJ EQUITY PARTNERS I	10.6	0.02							
RRE Ventures III	7.7	0.01							
RRE VENTURES IV	34.6	0.06							
SCP PRIV EQ PTNRS II	10.6	0.02							
SCP VITALIFE PTNRS II	10.6	0.02							
SNOW PHIPPS & GUGGENHEIM	9.9	0.02							
SOLERA PTNRS	6.4	0.01							
STARVEST PTNRS II	11.1	0.02							
TAILWIND CAPITAL PTNRS	1.3	0.00							
TERRA FIRMA CAP III	17.3	0.03							
THOMAS H LEE EQUITY FD VI	7.9	0.01							
THOMAS MCNERNEY PTNRS	6.3	0.01							
THOMAS MCNERNEY PTNRS II	10.3	0.02							
TRIDENT V	23.2	0.04							
TRILANTIC CAPITAL PTNRS	10.7	0.02							
TRILANTIC CAPITAL PTNRS III	1.5	0.00							
TRILANTIC CAPITAL PTNRS IV	44.7	0.08							
TRILANTIC CAPITAL PTNRS IV	44.7	0.08							
VISTA EQUITY PTNRS III	20.5	0.04							

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
VISTA EQUITY PTNRS IV	83.6	0.15							
VITRUVIAN PTNRS	12.8	0.02							
VSS COMM PTNRS IV	5.8	0.01							
WARBURG PINCUS XI	35.0	0.06							
WELSH CARSON ANDERSON & STOWE XI	26.1	0.05							
YUCAIPA AMERICAN ALLIANCE FD	42.9	0.08							
YUCAIPA AMERICAN ALLIANCE FD II	100.5	0.18							
YUCAIPA CORP INITIATIVE II	21.0	0.04							
TOTAL PRIVATE EQUITY	2,481.3	4.55							
NYC R3000 +3% Lagged									
<b>REAL ASSETS</b>									
<b>PRIVATE REAL ESTATE</b>									
ALMANAC REALTY SEC VI LP	33.2	0.06							
AMER VALUE PTNRS	12.1	0.02							
APOLLO REAL ESTATE FD V	110.1	0.20							
BLACKROCK CARBON III	14.1	0.03							
BLACKSTONE REAL ESTATE PTNRS EU III	49.1	0.09							
BLACKSTONE REAL ESTATE PTNRS IV	14.1	0.03							
BLACKSTONE REAL ESTATE PTNRS VI	64.0	0.12							
BROOKFIELD STRATEGIC RE PTNRS	50.5	0.09							
CANYON-JOHNSON URBAN FD	0.0	0.00							
CANYON-JOHNSON URBAN FD II	11.2	0.02							
CANYON-JOHNSON URBAN FD III	18.1	0.03							
CAPRI URBAN INVESTORS	28.7	0.05							
CARLYLE R.P. FD V	6.7	0.01							
CARLYLE REALTY FD VI	38.0	0.07							
COLONY REALTY PTNRS II	6.1	0.01							
EMMES ASSET MGMT CO	9.8	0.02							
H/2 SPEC OPPORTUNITY FD II	28.4	0.05							
HEITMAN AMERICA	64.3	0.12							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
HUDSON SEP AC	2.6	0.00							
JPM STRATEGIC PROPERTY FD	118.4	0.22							
JPM SPECIAL SITUATIONS FD	13.7	0.03							
LASALLE US PROPERTY FD	48.8	0.09							
METRO WORKFORCE HOUSING FD	5.6	0.01							
OCM REAL ESTATE OPPORTUNITIES FD III-A	1.9	0.00							
PRISA	37.4	0.07							
PRISA II	63.6	0.12							
PROLOGIS TARGETED US LOGISTICS FD	8.6	0.02							
Related Sep Acct	9.9	0.02							
RREEF AMER. II	38.4	0.07							
RREEF AMER. III	5.2	0.01							
SILVERPEAK RE PTNRS III	3.0	0.01							
STOCKBRIDGE RE FD III	23.8	0.04							
TACONIC NY INV FD	26.3	0.05							
THE CITY INVESTMENT FD	52.2	0.10							
THOR URBAN PROPERTY FD II	10.4	0.02							
TISHMAN SPEYER/CITIGROUP	65.8	0.12							
UBS TRUMBULL PROPERTY FD	131.5	0.24							
URBAN AMERICA II	4.6	0.01							
WESTBROOK RE FD VIII	47.0	0.09							
TOTAL PRIVATE REAL ESTATE	1,189.7	2.18							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infr Fd II	9.2	0.02							
TRS-TOTAL INFRASTRUCTURE	9.2	0.02							
CPI + 4%									
TRS-TOTAL REAL ASSETS	1,198.9	2.20							

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL EQUITY - PUBLIC & PRIVATE	38,244.4	70.20	6.92	23.03	23.03	12.33	15.46		
TEACHERS EQUITY POLICY BENCHMARK			7.13	24.28	24.28	12.63	16.35	7.59	5.24
FIXED INCOME MANAGEMENT TREASURY/AGENCY									
BLACKROCK - GOVT	296.7	0.54	(2.02)	(7.19)	(7.19)	4.54			
PIMCO - GOVT	403.7	0.74	(1.95)	(7.35)	(7.35)	4.41	3.63	5.69	
STATE STREET - GOVT	335.4	0.62	(1.69)	(7.44)	(7.44)	4.47			
TOTAL TREASURY/AGENCY	1,035.8	1.90	(1.88)	(7.33)	(7.33)	4.47	3.26	5.65	6.05
NYC - TREASURY AGENCY PLUS FIVE			(1.98)	(7.48)	(7.48)	4.40	2.85	5.51	5.90
MORTGAGE									
BLACKROCK - MORT	1,113.4	2.04	(0.33)	(0.75)	(0.75)	3.58	5.65	5.09	
BLACKROCK - SP PURPOSE-MTG	11.5	0.02							
GOLDMAN SACHS - MORT	317.3	0.58	(0.23)	(1.55)	(1.55)	2.90			
NEUBERGER BERMAN -MORT	397.5	0.73	(0.51)	(1.41)	(1.41)	2.59			
PIMCO - MORT	1,107.9	2.03	(0.47)	(1.62)	(1.62)	2.68	4.72	4.94	5.72
SMITH BREEDEN - MORT	160.4	0.29	(0.21)	(0.58)	(0.58)	3.07			
Wellington - Mortgage	316.4	0.58	(0.94)	(1.98)	(1.98)	2.57			
TOTAL MORTGAGE	3,424.5	6.29	(0.41)	(1.15)	(1.15)	3.09	5.03	4.78	5.49
CITIGROUP MORTGAGE INDEX			(0.55)	(1.52)	(1.52)	2.43	3.70	4.65	5.29
INVESTMENT GRADE CREDIT									
BARROW HANLEY - CREDIT	356.8	0.65	1.46	(0.57)	(0.57)	5.79			
BLACKROCK - CREDIT	910.7	1.67	1.14	(0.77)	(0.77)	5.75	8.68	5.59	
PRUDENTIAL - CREDIT	508.4	0.93	1.11	(1.00)	(1.00)	5.39			
PRUDENTIAL - PRIVEST - CREDIT	175.6	0.32	(0.13)	0.00	0.00				
TAPLIN, CANIDA - CREDIT	893.1	1.64	1.64	(0.71)	(0.71)	5.74	9.40	4.62	5.84
T. ROWE PRICE - CREDIT	897.2	1.65	1.31	(0.57)	(0.57)	6.12	9.35	6.03	6.10
TOTAL INVESTMENT GRADE CREDIT	3,741.8	6.87	1.30	(0.63)	(0.63)	5.80	9.24	5.46	5.89
NYC - INVESTMENT GRADE CREDIT			0.92	(1.85)	(1.85)	5.03	7.88	5.12	5.76
TOTAL STRUCTURED									
	8,202.1	15.05	0.14	(1.78)	(1.78)	4.43	6.06	5.28	5.82

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
NYC - CORE PLUS FIVE			(0.19)	(2.79)	(2.79)	3.88	5.00	5.12	5.67
PIM - AMBASSADOR MTA	26.6	0.05	(0.28)	(2.03)	(2.03)				
PIM - GIA MTA	22.1	0.04	1.13	(0.21)	(0.21)				
PIM HILLSWICK MTA	10.6	0.02	(0.74)	(3.60)	(3.60)				
PIM NEW CENTURY MTA	27.0	0.05	0.27	(1.35)	(1.35)				
PIM PUGH CAP MTA	21.5	0.04	0.21	(1.67)	(1.67)				
TOTAL PROGRESS FIXED	107.7	0.20	0.20	(1.58)	(1.58)				
BARCLAYS CAPITAL AGGREGATE			(0.14)	(2.02)	(2.02)	3.26	4.44	4.55	5.23
<b>TIPS MANAGERS ACTIVE TIPS MANAGERS</b>									
BLACKROCK-TIPS-MTA	246.0	0.45	(2.07)	(8.38)	(8.38)	3.53	5.36		
PIMCO-TIPS-MTA	756.6	1.39	(2.21)	(8.52)	(8.52)	3.74	5.57		
TOTAL ACTIVE TIPS MANAGERS	1,002.6	1.84	(2.17)	(8.48)	(8.48)	3.69	5.52		
Barclays US TIPS Index			(2.00)	(8.61)	(8.61)	3.55	5.63	4.85	6.40
<b>PASSIVE TIPS MANAGERS</b>									
STATE STREET-TIPS-MTA	335.5	0.62	(2.05)	(8.67)	(8.67)	3.51	5.34		
TOTAL PASSIVE TIPS MANAGERS	335.5	0.62	(2.05)	(8.67)	(8.67)	3.51	5.34		
TOTAL TIPS MANAGERS	1,338.2	2.46	(2.14)	(8.53)	(8.53)	3.64	5.48		
Barclays US TIPS Index			(2.00)	(8.61)	(8.61)	3.55	5.63	4.85	6.40
<b>ENHANCED YIELD</b>									
LOOMIS	310.2	0.57	4.24	8.81	8.81				
NEUBERGER BERMAN	508.1	0.93	3.88	7.97	7.97				
BofA MERRILL LYNCH HY MASTER II			3.50	7.42	7.42	9.03	18.65	8.46	7.30
OAKTREE	294.9	0.54	4.33						
BofA ML HY MASTER II CONSTRAINED			3.49	7.41	7.41	9.01	18.70	8.46	
STONE HARBOR INVESTMENT PARTNERS	443.3	0.81	3.84	8.11	8.11	9.16	15.60	8.08	

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
BofA ML-MST II 7-12/BB&B PRIOR			3.50	7.42	7.42	9.66	15.98	7.26	6.51
FORT WASHINGTON	133.1	0.24	3.51	5.54	5.54				
PENN	134.2	0.25	3.67	6.46	6.46				
SHENKMAN	218.1	0.40	3.51	5.54	5.54	7.48	12.49	7.23	
T. ROWE PRICE ENHANCED	515.8	0.95	3.50	7.15	7.15	8.60	15.94	8.16	
HIGH YIELD TRANSITION	0.0	0.00							
TOTAL ENHANCED YIELD	2,557.7	4.69	3.83	7.37	7.37	8.80	15.18	7.92	6.77
CITIGROUP BB & B			3.38	6.17	6.17	9.00	15.56	7.07	6.38
CITIGROUP BB & B CAPPED			3.38	6.20	6.20	8.93	15.45	7.30	
<b>BANK LOANS</b>									
BABSON BL MTA	363.6	0.67	2.33	6.33	6.33				
CREDIT SUISSE BL MTA	361.9	0.66	2.34						
GUGGENHEIM BL MTA	366.1	0.67	2.52						
ING BL	181.8	0.33	2.29	6.71	6.71				
WELLS BL MTA	177.9	0.33	1.83	3.93	3.93				
TOTAL BANK LOANS	1,451.3	2.66	2.31	6.38	6.38				
CREDIT SUISSE LEVERAGED LOAN INDEX			1.82	6.15	6.15	5.76	13.51	5.06	
<b>CONVERTIBLE BONDS</b>									
Advent - Conv Bonds	368.6	0.68	3.23	13.96	13.96	7.60	14.32		
BofA ML CONVERTIBLES YIELD ALT. INDEX			2.37	10.33	10.33	6.75	14.99	5.11	4.29
ADVENT GLOBAL	76.7	0.14	1.33	16.91	16.91	7.87			
BofA ML GLOBAL CONVERTIBLES IDX (VG00)			6.53						
F&C CONVERTIBLE BONDS	139.9	0.26	0.62	11.64	11.64	6.24	12.54		
UBS GLOBAL FOCUS CUSTOMISED			2.43	12.35	12.35	6.69	10.89		
VICTORY CONVERTIBLE BONDS	263.9	0.48	4.92	20.60	20.60	8.90	12.92		
BofA ML CONVERTIBLE BONDS INVST GRADE			4.92	21.40	21.40	9.58	12.24	4.33	4.06
TOTAL CONVERTIBLE BONDS	849.0	1.56	3.13	15.84	15.84	7.49	13.43		
ML ALL CONVERTIBLES EX MANDATORY			6.06	25.00	25.00	11.37	18.83	7.25	7.47
TEACHERS CUSTOM CONVERTIBLE BOND IDX			3.53	14.35	14.35	7.74	13.58		



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<b>OPPORTUNISTIC FIXED</b>									
AVE EURO SPECIAL SITUATIONS FD	0.4	0.00							
AVE SPECIAL SITUATIONS FD V	0.6	0.00							
AVE SPECIAL SITUATIONS FD VI	79.9	0.15							
FORTRESS PTNRS LP	59.3	0.11							
LONE STAR FD VIII	9.7	0.02							
OAKTREE OPP FD IX LP	35.2	0.06							
TORCHLIGHT INVESTORS	39.9	0.07							
TOTAL FUND STRATEGIES	224.9	0.41							
10% ANNUAL RETURN									
JP MORGAN GLOBAL HIGH YIELD PLUS 3%									
ANGELO GORDON PTNRS LP	146.7	0.27	4.51	26.25	26.25				
APOLLO PTNRSH LP	110.1	0.20	14.39	17.58	17.58				
Contrarian Partnership, L.P.	27.7	0.05	2.98						
GOLDENTREE OD MTA	137.8	0.25	2.41	9.92	9.92				
Marathon Centre Street Partnership, L.P.	207.8	0.38	3.99	21.96	21.96				
OAK HILL PTNRS LP	139.6	0.26	4.02	16.94	16.94				
TOTAL STRATEGIC MANDATES	769.7	1.41	5.20	18.62	18.62				
10% Annual Return			2.41	10.00	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			4.58	10.31	10.31	12.66	22.27		
TOTAL OPPORTUNISTIC FIXED	994.6	1.83	4.67	17.03	17.03	9.51	14.70		
10% Annual Return			2.41	10.00	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			4.58	10.31	10.31	12.66	22.27		
<b>ETI</b>									
ACCESS/RBC	78.9	0.14	(0.84)	(2.04)	(2.04)	3.06	5.13		
GNMA	0.0	0.00	2.25	9.13	9.13	6.08	5.43	6.56	
TARGETED INVESTMENT	103.7	0.19	2.65	8.80	8.80	7.98	8.59	8.20	8.04
CPC TERM LOAN	9.2	0.02	0.62	2.45	2.45	2.35	2.26		

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STATE STREET.

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
AFL - CIO HOUSING INV TRUST	204.0	0.37	0.10	(2.37)	(2.37)	3.17	4.38	4.53	
CFSB-PPAR	2.1	0.00	0.55	4.28	4.28	5.22	7.61		
CCD-PPAR	5.4	0.01	1.07	8.64	8.64	8.52	9.91		
NYC TRS CCD-PPAR ETI MTA 2013	2.4	0.00							
CPC-PPAR	9.1	0.02	7.58						
LIIF-PPAR	2.9	0.01	(15.66)	(10.21)	(10.21)	0.23			
LIIF-PPAR ETI	0.6	0.00							
NCBCI-PPAR	1.4	0.00	3.50	11.66	11.66	9.86			
NCB-CI PPAR ETI	0.2	0.00							
NHS-PPAR	0.6	0.00	1.13	8.83	8.83	7.42	9.37		
TOTAL ETI (WITH CASH)	420.6	0.77	0.59	0.87	0.87	4.42	5.49	5.44	6.09
Teachers Custom Benchmark			(0.26)	(1.67)	(1.67)	3.06	4.11	4.64	5.53
TRS-TOTAL FIXED INCOME	16,197.1	29.73	1.14	1.57	1.57	5.44	7.79	5.74	5.95
TEACHERS FIXED POLICY BENCHMARK			0.99	2.12	2.12	6.39	8.35	5.93	6.14
SECURITIES LENDING	39.9	0.07							
State Street Short Term	278.3	0.51	0.07	0.25	0.25	0.37	0.57		
C/D - Fail Float Earnings	2.0	0.00							
<b>TOTAL TEACHERS</b>	<b>54,482.1</b>	<b>100.00</b>	<b>5.18</b>	<b>15.90</b>	<b>15.90</b>	<b>10.10</b>	<b>13.00</b>	<b>7.19</b>	<b>5.78</b>
TEACHERS POLICY BENCHMARK			4.80	14.99	14.99	10.18	13.68	7.08	5.60



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
<b>US Equities</b>		<b>16,866</b>	<b>3.53</b>		<b>17,896</b>	<b>3.61</b>
Small Cap Active		<b>181</b>	<b>94.91</b>		<b>191</b>	<b>100.00</b>
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		<b>431</b>	<b>37.42</b>		<b>461</b>	<b>39.59</b>
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. Equities)		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



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
<b>International Equities</b>		<b>7,144</b>	<b>22.15</b>	<b>7,233</b>	<b>24.10</b>
Active EAFE Equities		<b>3,321</b>	<b>40.10</b>	<b>3,297</b>	<b>29.72</b>
	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
Total Int'l Active Equities		4,118	35.88	4,414	36.57
Total Int'l Passive Equities		3,026	3.47	2,818	4.56
REITS Passive Index		1,972	36.95	1,984	38.98
<b>Fixed Income</b>		<b>13,279</b>	<b>14.44</b>	<b>15,709</b>	<b>18.87</b>
Structured Program		<b>7,577</b>	<b>8.48</b>	<b>7,837</b>	<b>7.68</b>
	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
<b>TIPS</b>		<b>1,420</b>	<b>7.05</b>	<b>1,452</b>	<b>7.03</b>
	Active TIPS	1,063	9.26	1,087	9.22
	Passive TIPS	357	0.48	365	0.50



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
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
<b>Total Public Markets</b>		<b>39,260</b>	<b>12.29</b>	<b>42,823</b>	<b>14.31</b>
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
<b>Total Private Markets</b>		<b>3,024</b>	<b>149.88</b>	<b>3,244</b>	<b>166.06</b>
<b>Total Overall</b>		<b>42,284</b>	<b>22.13</b>	<b>46,066</b>	<b>24.99</b>
* Private Equity Investments exclude GP CARRY					



**TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK  
SECURITIES LENDING INCOME  
September 30, 2013**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL 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	
2012	8,113,000	18,853,000	4,915,000	
2013 (9 Months)	4,808,000	17,398,000	3,325,000	
Since Inception	<u>\$130,969,000</u>	<u>\$182,973,000</u>	<u>\$56,505,000</u>	*Inception 4/89



Through December 31, 2013

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



## General Notes

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

## Page Specific

### Pages 7 & 8 - Portfolio Asset Allocation

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

### Pages 9 - 11 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 \* Target Weight) plus (Return Of Asset Class 2 \* Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights. Allocation is the Contribution to Performance resulting from an overweight or underweight to an asset class. E.g. an underweight to an Asset Class that under-performs results in a positive Allocation Effect and vice versa.
- **Selection Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions, e.g., *If the manager's Actual Returns are higher than the Implied Return there will be a positive Selection Effect.*

- **Policy Index = Custom Benchmark**

*The "policy index" is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, or for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.*

*The indexes and most recent policy weights are as follows:*

*U.S. Equity: Russell 3000 \* 34.94%*

*International Developed (EAFE) Markets: MSCI EAFE \* 9.00%*





*Emerging Markets: MSCI Emerging Markets \* 8.75%*

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

*Private Equity: Russell 3000 + 300 b.p. per annum \* 4.61%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 2.17%*

*Domestic Fixed Income: NYC Core +5 \* 19.92%*

*TIPS: Lehman U.S. TIPS \* 4.00%*

*Enhanced Yield: Citigroup BB&B \* 5.35%*

*Bank Loans: Credit Suisse Leveraged Loan \* 2.67%*

*Convertible Bonds: Merrill All US Converts \* 3.00%*

*Opportunistic Fixed: 10% Annualized Return \* 1.85%*

*Cash: BofA ML 91 Day T-Bill \* 0.75%*

### **Page 12 – Allocation and Selection Effects - Asset Class Breakdown**

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

### **Page 41 – 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/RBC: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index