



CAMBRIDGE ASSOCIATES LLC

City University of New York  
Market Review and International Equity Recommendation  
February 6, 2012

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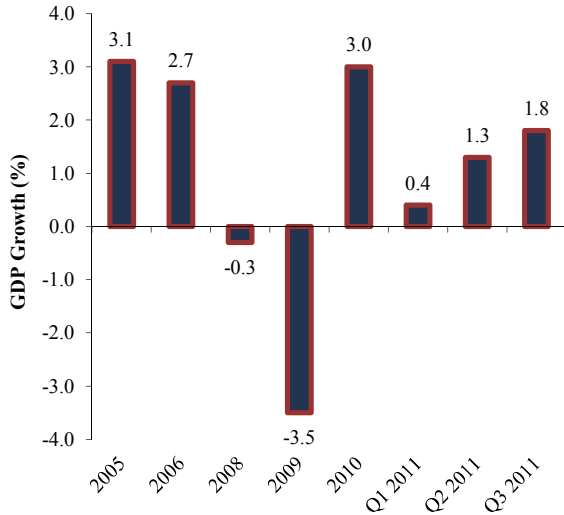
Michael Aji

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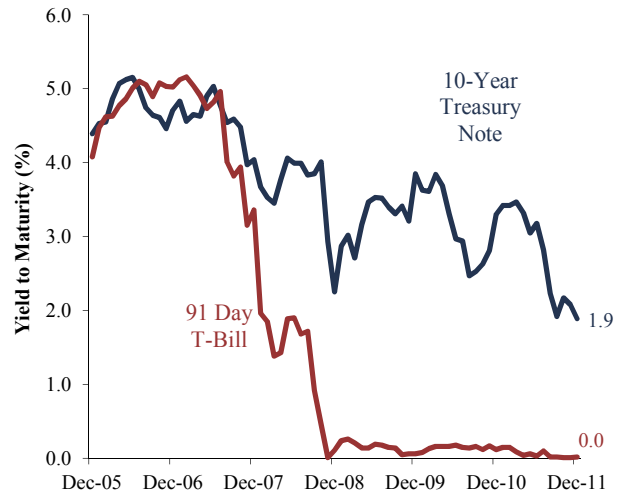
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## Capital Markets Overview As of December 31, 2011

**U.S. Gross Domestic Product\***

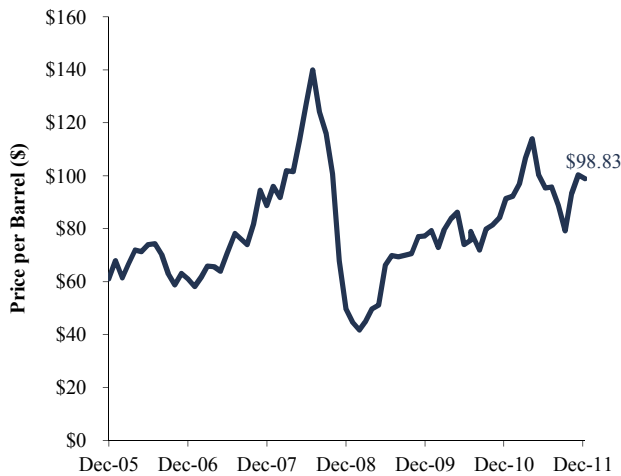


**Bond Yields**

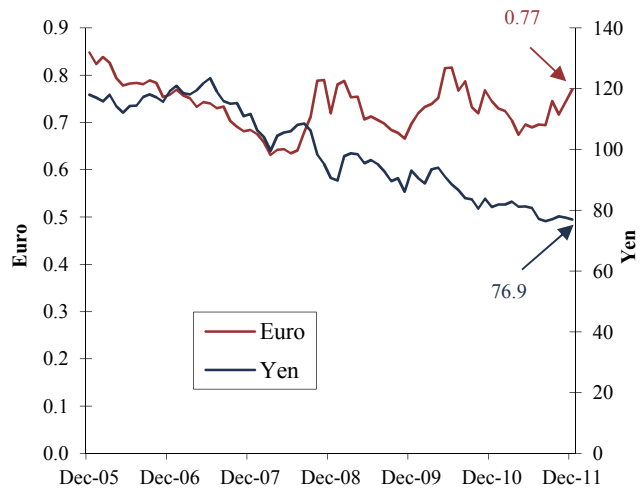


- ◆ GDP grew for the fourth consecutive quarter.
- ◆ Interest rates on 10-year Treasury near record low.
- ◆ Oil prices on the rise during the fourth quarter.
- ◆ Dollar up 3.3% vs. the Euro for trailing 1-year.
- ◆ Dollar down 5.1% vs. the Yen for trailing 1-year.

**Oil Prices**



**U.S. \$ vs. Euro and Yen**



\*US GDP Data is as of September 30, 2011.

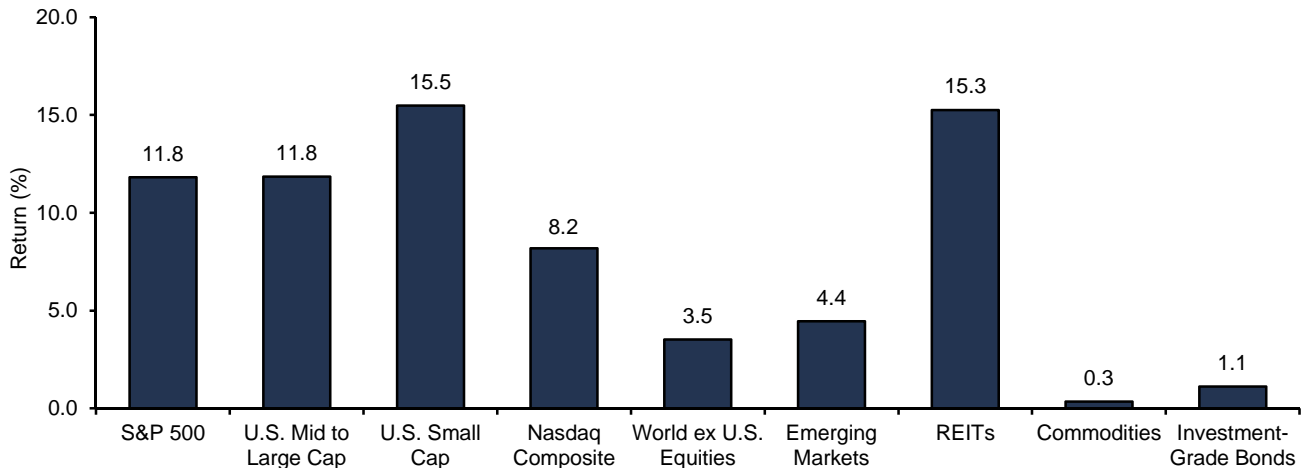
Sources: Merrill Lynch & Company, Oil & Gas Journal Energy Database, Thomson Datastream, *The Wall Street Journal*, and the U.S. Bureau of Economic Analysis - U.S. Dept. of Commerce.

Note: GDP growth in chained 2005 dollars. Quarterly GDP data are annualized growth rates. Most recent oil price as of December 31, 2011.

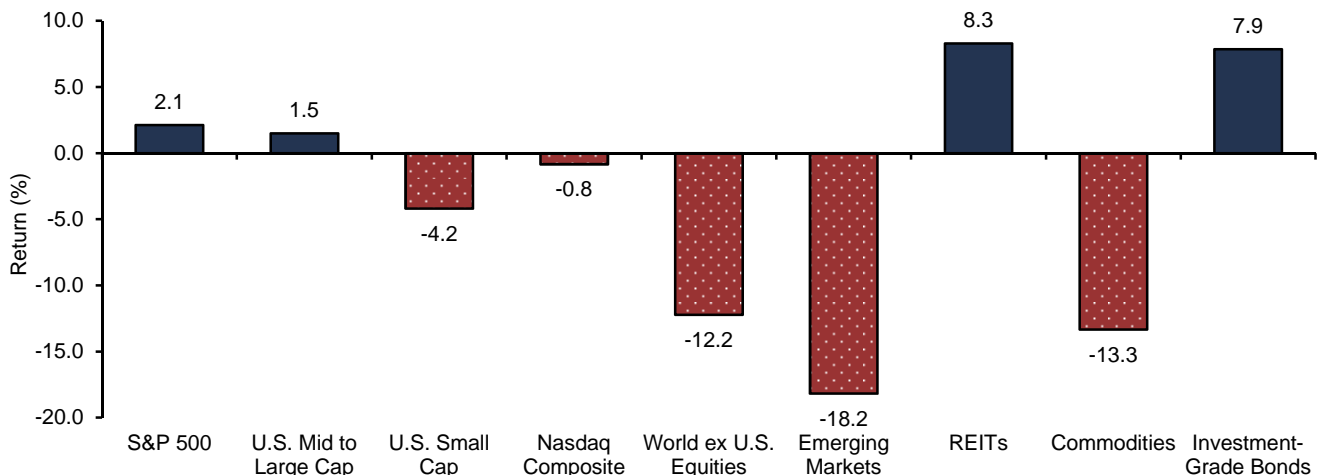
## Returns for Selected Indices

U.S. Dollar

**Trailing Three-Month Returns**  
October 1, 2011 – December 31, 2011



**Trailing Twelve-Month Returns**  
January 1, 2011 – December 31, 2011



Sources: Barclays Capital, Dow Jones & Company, Inc., Frank Russell Company, FTSE International Limited, MSCI Inc., National Association of Real Estate Investment Trusts, Standard & Poor's, and Thomson Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Full history for the Nasdaq Composite Index represents total returns. "U.S. Mid to Large Cap" represents the performance of the Russell 1000® Index. "U.S. Small Cap" represents the performance of the Russell 2000® Index. "World ex U.S. Equities" represents the performance of the MSCI World ex U.S. Index. "Emerging Markets" represents the performance of the MSCI Emerging Markets Index. "REITs" represents the performance of the FTSE® NAREIT All Equity REITs Index. "Commodities" represents the performance of the Dow Jones-UBS Commodity Total Return Index. "Investment-Grade Bonds" represents the performance of the Barclays Capital Aggregate Bond Index. Total returns for MSCI developed markets indices are net of dividend taxes. Total returns for MSCI Emerging Markets indices are gross of dividend taxes.

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# Cambridge Associates Current Valuations Summary\*

January 9, 2012

## Very Overvalued

Global Inflation-Linked Bonds  
U.S. Inflation-Linked Bonds  
U.S. Treasuries  
U.K. Gilts

## Overvalued

U.S. Small-Cap Equities  
Emerging Markets Debt\*\*\*  
**U.S. Bonds\*\***  
U.S. Corporate Bonds  
U.S. Tax-Exempt Bonds  
EMU Sovereign Bonds  
Euro-Denominated Credits  
Commodities  
U.S. REITs  
Europe ex U.K. Property Securities  
U.K. Property Securities  
*U.S. Private Equity*  
*European Private Equity*  
*Asian Private Equity*

## Fairly Valued

### **Global ex U.S. Developed Equities**

Global ex U.S. Small-Cap Equities

### **U.S. Equities**

U.S. Growth Equities  
U.S. Value Equities  
U.S. High-Quality Equities  
U.S. Mega-Cap Equities  
S&P 500  
U.K. Equities

Europe ex U.K. Equities

Pacific ex Japan Equities

### **Emerging Markets Equities**

EM Equities Asia  
EM Equities Latin America  
U.S. High-Yield Bonds  
Bank Loans  
U.K. Sterling-Denominated Credits  
Natural Resources Equities  
Energy Master Limited Partnerships  
Convertible Arbitrage  
Merger Arbitrage  
Hedge Fund Distressed Investing  
Emerging Markets Currencies  
*U.S. Private Property (all property types)*  
*Europe ex U.K. Private Property*  
*U.K. Private Property*  
*Asian Private Property*  
*U.S. Timberland*  
*Private Oil, Gas, & Other Energy*  
*U.S. Venture Capital (all stages)*  
*European Venture Capital*  
*Asian Venture Capital*  
*Latin American Private Equity*

## Undervalued

Japanese Equities  
EM Equities Europe, Middle East, & Africa  
Non-Agency Mortgages  
Asian Property Securities (developed markets)  
US\$ vs DM Currencies

## Very Undervalued

Notes: Data on fundamental valuations do not provide forecasts of expected returns; they reflect the vulnerability of a given asset class to disappointing economic and profit developments. Therefore, valuations may not necessarily correspond to short-term or even intermediate-term returns. For example, asset classes and investment strategies can be fairly valued yet still retain a negative outlook due to deteriorating fundamentals. Asset class and investment strategy valuations do not reflect currency valuations. Bold type represents the **aggregate** of asset classes for which we show valuation ratings for underlying strategies. Italic type represents *non-marketable asset classes*. Valuations of such investments are based on our views on prospects for new commitments made today, which are informed by recent transactions, as well as consideration of near-term trends and intermediate-term expectations such as supply and demand factors, exit opportunities, and expectations of conditions that will influence risk and return over the life of a fund. Private equity includes buyouts and growth equity. (<) Indicates a recent move in the direction of more overvalued. (>) Indicates a recent move in the direction of more undervalued.

\* For more detailed valuations information, read our monthly "Notes on Current Valuations" available on the Market Update page of [www.cambridgeassociates.com](http://www.cambridgeassociates.com) and our report *Monthly Resources: Capital Market Commentaries, Notes on Current Valuations and Investment Publications Highlights*.

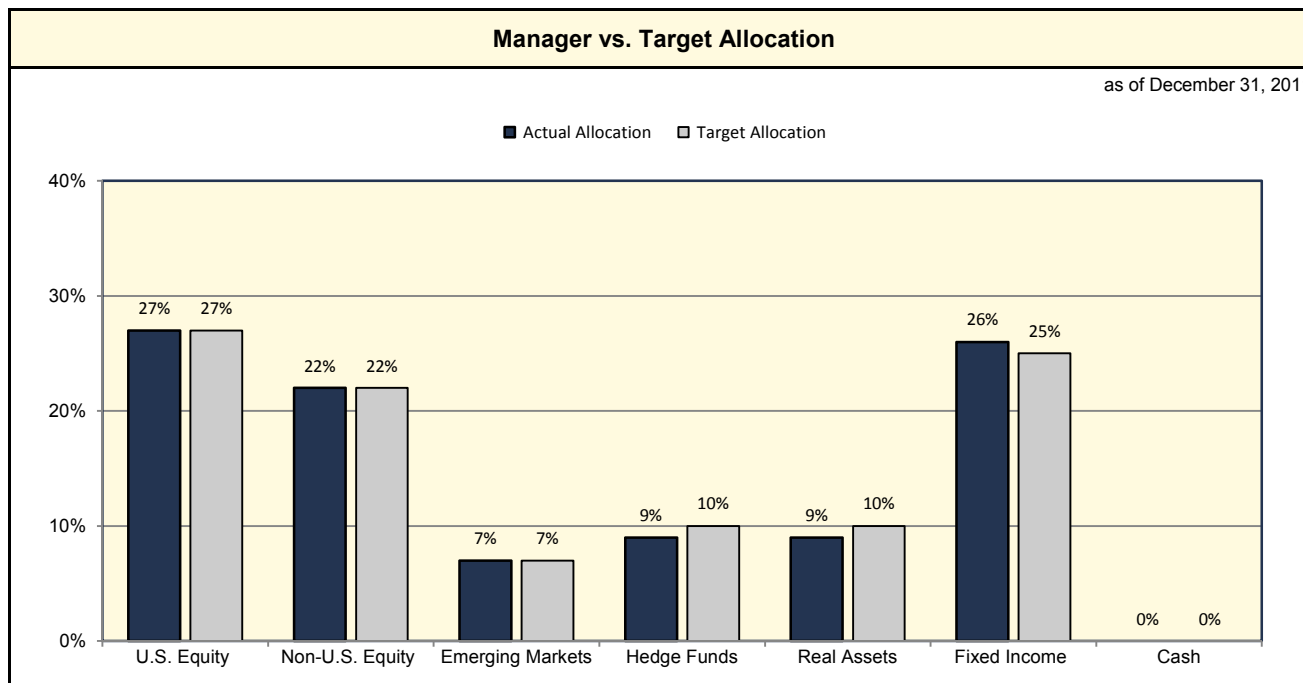
\*\* Reflects a broad-based U.S. bonds allocation similar to Barclays Capital Government/Credit Bond Index.

\*\*\* Our valuation refers specifically to US\$-denominated emerging markets debt.

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**City University of New York (CUNY)**  
**Asset Allocation Policy** as of December 31, 2011

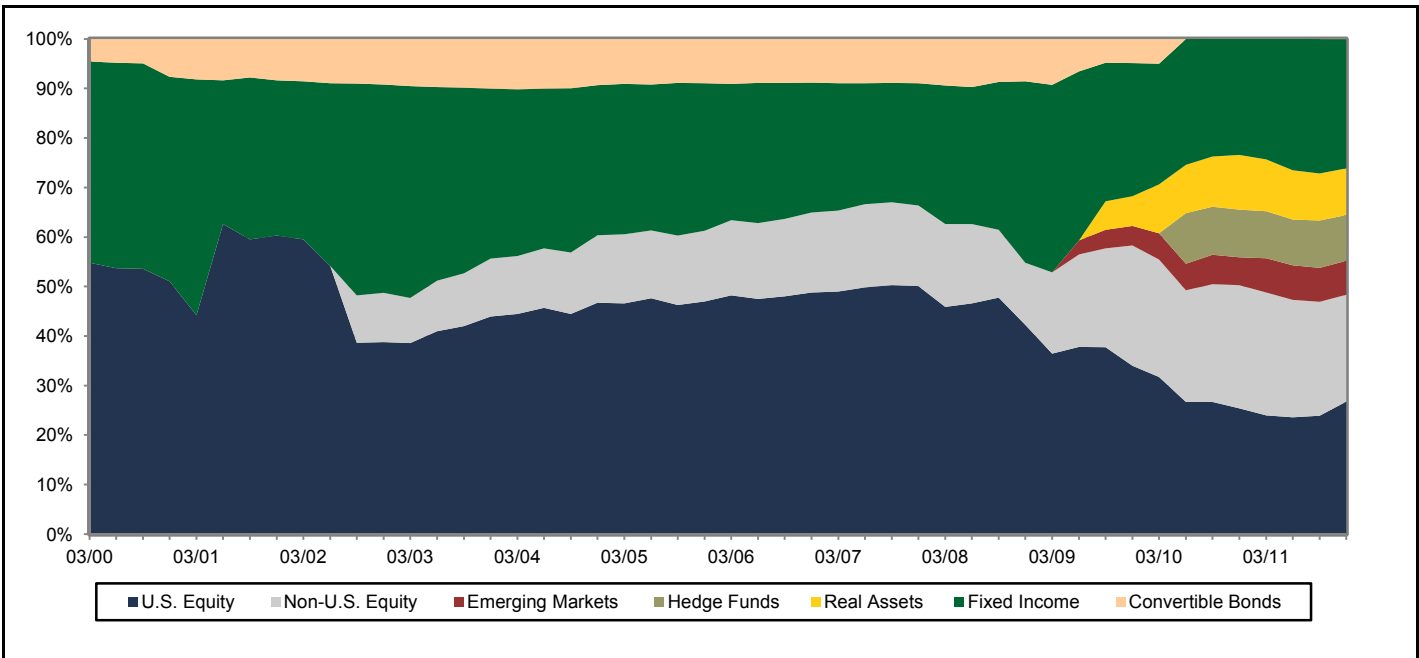
	<b>Actual Allocation</b>	<b>Target Allocation</b>	<b>Allocation Range</b>
U.S. Equity	26.7%	26.5%	17.5%-32.5%
Non-U.S. Equity	21.6%	21.5%	12.5%-30%
Emerging Markets	6.9%	7.0%	4%-11%
Hedge Funds	9.2%	10.0%	5%-15%
Real Assets	9.5%	10.0%	5%-15%
Fixed Income	26.1%	25.0%	20%-30%
Cash	0.0%	0.0%	0%-5%



Note: Actual Allocation includes discretionary cash held by managers.

**City University of New York (CUNY)**  
**Asset Allocation Over Time** as of December 31, 2011

	% of Portfolio				Market Value (\$)
	12/31/08	12/31/09	12/31/10	12/31/11	As Of 12/31/11
U.S. Equity	42.3%	34.0%	25.4%	26.7%	\$41,781,281
Non-U.S. Equity	12.5	24.3	24.9	21.6	33,731,386
Emerging Markets	---	3.9	5.6	6.9	10,712,282
Hedge Funds	---	---	9.6	9.2	14,424,716
Real Assets	---	6.0	11.0	9.5	14,803,406
Fixed Income	36.7	26.9	23.4	26.1	40,833,001
Convertible Bonds	8.5	4.8	---	---	---
Cash	---	---	---	---	---
<b>Total CUNY Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$156,286,072</b>



Note: Allocation includes discretionary cash held by managers.

**City University of New York (CUNY)**

**Investment Manager Allocation Over Time** as of December 31, 2011

Investment Manager	Market Value (\$000)					% Of Portfolio As Of 12/31/11	EQ/FI/CE
	12/31/10	03/31/11	06/30/11	09/30/11	12/31/11		
<b>U.S. Equity</b>							
Vanguard Institutional Index Fund	\$40,225	\$39,081	\$39,120	\$35,583	\$39,787	25.5%	100/0/0
Boston Trust SMID Cap Equity Fund	---	---	---	---	1,994	1.3	100/0/0
<b>Subtotal</b>	<b>40,225</b>	<b>39,081</b>	<b>39,120</b>	<b>35,583</b>	<b>41,781</b>	<b>26.7</b>	<b>100/0/0</b>
<b>International Equity</b>							
Philadelphia International	21,571	22,232	20,747	16,931	15,853	10.1	97/0/3
Walter Scott International	7,395	7,495	7,650	6,519	6,638	4.2	98/0/2
IVA Worldwide Fund	10,402	10,751	10,894	10,786	11,240	7.2	88/0/12
<b>Subtotal</b>	<b>39,367</b>	<b>40,478</b>	<b>39,290</b>	<b>34,237</b>	<b>33,731</b>	<b>21.6</b>	<b>94/0/6</b>
<b>Emerging Markets</b>							
Aberdeen Emerging Markets Fund	8,946	8,128	8,278	7,339	7,740	5.0	97/0/3
DFA Emerging Small Cap Fund	---	3,178	3,241	2,892	2,972	1.9	100/0/0
<b>Subtotal</b>	<b>8,946</b>	<b>11,306</b>	<b>11,520</b>	<b>10,231</b>	<b>10,712</b>	<b>6.9</b>	<b>98/0/2</b>
<b>Hedge Funds</b>							
Archstone	7,569	7,704	7,679	7,033	7,195	4.6	---
Evanston Weatherlow, Ltd	7,686	7,756	7,626	7,216	7,230	4.6	---
<b>Subtotal</b>	<b>15,255</b>	<b>15,460</b>	<b>15,306</b>	<b>14,249</b>	<b>14,425</b>	<b>9.2</b>	<b>---</b>
<b>Real Assets</b>							
Wellington Inflation Hedge	17,468	17,074	16,519	14,097	14,803	9.5	76/20/4
<b>Fixed Income</b>							
State Street US Gov't Credit	37,127	31,774	35,789	31,975	32,335	20.7	0/100/0
Colchester Global Bond Fund	---	7,928	8,183	8,481	8,498	5.4	0/100/0
<b>Subtotal</b>	<b>37,127</b>	<b>39,702</b>	<b>43,972</b>	<b>40,456</b>	<b>40,833</b>	<b>26.1</b>	<b>0/100/0</b>
<b>Total CUNY Assets</b>	<b>\$158,389</b>	<b>\$163,101</b>	<b>\$165,726</b>	<b>\$148,853</b>	<b>\$156,286</b>	<b>100.0%</b>	<b>67/31/2</b>

**City University of New York (CUNY)**  
**Investment Manager Allocation Over Time** as of December 31, 2011

Investment Manager	% of Portfolio					Market Value (\$000) 12/31/11	EQ/FI/CE
	12/31/10	03/31/11	06/30/11	09/30/11	12/31/11		
<b>U.S. Equity</b>							
Vanguard Institutional Index Fund	25.4%	24.0%	23.6%	23.9%	25.5%	\$39,787	100/0/0
Boston Trust SMID Cap Equity Fund	---	---	---	---	1.3	1,994	100/0/0
<b>Subtotal</b>	<b>25.4</b>	<b>24.0</b>	<b>23.6</b>	<b>23.9</b>	<b>26.7</b>	<b>41,781</b>	<b>100/0/0</b>
<b>International Equity</b>							
Philadelphia International	13.6	13.6	12.5	11.4	10.1	15,853	97/0/3
Walter Scott International	4.7	4.6	4.6	4.4	4.2	6,638	98/0/2
IVA Worldwide Fund	6.6	6.6	6.6	7.2	7.2	11,240	88/0/12
<b>Subtotal</b>	<b>24.9</b>	<b>24.8</b>	<b>23.7</b>	<b>23.0</b>	<b>21.6</b>	<b>33,731</b>	<b>94/0/6</b>
<b>Emerging Markets</b>							
Aberdeen Emerging Markets Fund	5.6	5.0	5.0	4.9	5.0	7,740	97/0/3
DFA Emerging Small Cap Fund	---	1.9	2.0	1.9	1.9	2,972	100/0/0
<b>Subtotal</b>	<b>5.6</b>	<b>6.9</b>	<b>7.0</b>	<b>6.9</b>	<b>6.9</b>	<b>10,712</b>	<b>98/0/2</b>
<b>Hedge Funds</b>							
Archstone	4.8	4.7	4.6	4.7	4.6	7,195	---
Evanston Weatherlow, Ltd	4.9	4.8	4.6	4.8	4.6	7,230	---
<b>Subtotal</b>	<b>9.6</b>	<b>9.5</b>	<b>9.2</b>	<b>9.6</b>	<b>9.2</b>	<b>14,425</b>	<b>---</b>
<b>Real Assets</b>							
Wellington Inflation Hedge	11.0	10.5	10.0	9.5	9.5	14,803	76/20/4
<b>Fixed Income</b>							
State Street US Gov't Credit	23.4	19.5	21.6	21.5	20.7	32,335	0/100/0
Colchester Global Bond Fund	---	4.9	4.9	5.7	5.4	8,498	0/100/0
<b>Subtotal</b>	<b>23.4</b>	<b>24.3</b>	<b>26.5</b>	<b>27.2</b>	<b>26.1</b>	<b>40,833</b>	<b>0/100/0</b>
<b>Total CUNY Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$156,286</b>	<b>67/31/2</b>



City University of New York (CUNY)

**Flash Investment Returns by Composite** (net of fees) as of December 31, 2011

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Latest Month	Qtr to Date	CYTD	Annualized	Annualized	Annualized
		11/30/11- 12/31/11	09/30/11- 12/31/11	12/31/10- 12/31/11	Trailing 3 Years	Trailing 5 Years	Since Inception
<b>Total U.S. Equity (01/01/00)</b>	<b>41.8</b>	<b>1.0</b>	<b>11.7</b>	<b>2.0</b>	<b>14.2</b>	<b>-1.4</b>	<b>0.5</b>
Russell 3000® Index (01/01/00)		0.8	12.1	1.0	14.9	-0.0	1.2
Value Added		0.1	-0.4	1.0	-0.6	-1.4	-0.8
<b>Total International Equity (07/02/02)</b>	<b>33.7</b>	<b>-1.4</b>	<b>4.5</b>	<b>-9.5</b>	<b>11.3</b>	<b>-5.0</b>	<b>4.8</b>
MSCI EAFE Index (07/02/02)		-0.9	3.3	-12.1	7.6	-4.7	5.3
Value Added		-0.5	1.2	2.7	3.7	-0.3	-0.5
<b>Total Emerging Markets (04/21/09)</b>	<b>10.7</b>	<b>-2.3</b>	<b>4.7</b>	<b>-13.9</b>	<b>---</b>	<b>---</b>	<b>24.5</b>
MSCI Emerging Markets Index (04/21/09)		-1.2	4.4	-18.2	---	---	18.1
Value Added		-1.1	0.3	4.2	---	---	6.4
<b>Total Hedge Funds (04/30/10)</b>	<b>14.4</b>	<b>-0.8</b>	<b>1.2</b>	<b>-5.4</b>	<b>---</b>	<b>---</b>	<b>-0.7</b>
HFRI Fund of Funds Index (04/30/10)		-0.3	-0.3	-5.5	---	---	-1.4
Value Added		-0.5	1.5	0.1	---	---	0.7
<b>Total Real Assets (07/01/09)</b>	<b>14.8</b>	<b>-4.6</b>	<b>4.9</b>	<b>-8.5</b>	<b>---</b>	<b>---</b>	<b>11.1</b>
Wellington DIH Benchmark (06/30/09) <sup>(1)</sup>		-2.9	5.9	-4.1	---	---	11.6
Value Added		-1.7	-1.1	-4.4	---	---	-0.5
CPI-U +5% (06/30/09) <sup>(2)</sup>		0.7	1.2	8.5	---	---	7.1
Value Added		-5.3	3.6	-17.0	---	---	4.0
<b>Total Fixed Income (01/01/00)</b>	<b>40.8</b>	<b>1.2</b>	<b>0.9</b>	<b>8.1</b>	<b>7.2</b>	<b>6.9</b>	<b>5.9</b>
BC Govt/Credit Bond Index (01/01/00)		1.3	1.2	8.7	6.6	6.5	6.6
Value Added		0.0	-0.3	-0.6	0.6	0.4	-0.7
<b>Total CUNY Assets (01/01/00)<sup>(3)</sup></b>	<b>156.3</b>	<b>-0.4</b>	<b>5.0</b>	<b>-1.6</b>	<b>10.9</b>	<b>0.4</b>	<b>2.3</b>
Policy Benchmark (12/31/99) <sup>(4)</sup>		-0.1	5.1	-2.2	11.5	2.1	3.4
Value Added		-0.3	-0.1	0.6	-0.6	-1.7	-1.0
Allocation Benchmark (12/31/99) <sup>(4)</sup>		-0.0	5.1	-2.0	10.5	0.9	3.0
Value Added		-0.4	0.0	0.4	0.4	-0.5	-0.6

Note: Since Inception returns are cumulative for composites with less than one full year of performance history.

(1) Benchmark returns provided by Wellington Management Company.

(2) CPI-U +5% is not available as of December 2011. The average of the last twelve months is used as a proxy.

(3) Performance on Total Assets does not include historical performance for Bond Procope, terminated at some point in 2000, as no performance records could be located.

(4) See Endnotes for benchmark composition on page 8.

City University of New York (CUNY)

**Flash Investment Returns by Manager** (net of fees) as of December 31, 2011

Manager (Inception Date)	Assets \$ mil	Total Return (%)					
		Latest Month	Qtr to Date	CYTD	Annualized	Annualized	Annualized
		11/30/11- 12/31/11	09/30/11- 12/31/11	12/31/10- 12/31/11	Trailing 3 Years	Trailing 5 Years	Since Inception
<b>U.S. Equity</b>							
Vanguard Institutional Index Fund (03/31/09)	39.8	1.0	11.8	2.1	---	---	20.5
S&P 500 Index (03/31/09)		1.0	11.8	2.1	---	---	20.5
Value Added		0.0	0.0	0.0	---	---	0.0
Boston Trust SMID Cap Equity Fund (11/30/11)	2.0	-0.3	---	---	---	---	-0.3
Russell 2000® Index (11/30/11)		0.7	---	---	---	---	0.7
Value Added		-1.0	---	---	---	---	-1.0
<b>International Equity</b>							
Philadelphia International (07/02/02)	15.9	-1.6	5.7	-13.3	9.6	-5.9	4.3
MSCI EAFE Index (07/02/02)		-0.9	3.3	-12.1	7.6	-4.7	5.3
Value Added		-0.6	2.3	-1.2	1.9	-1.2	-1.1
Walter Scott International (11/30/09)	6.6	-1.2	1.8	-10.2	---	---	1.0
MSCI EAFE Index (11/30/09)		-0.9	3.3	-12.1	---	---	-1.9
Value Added		-0.2	-1.5	1.9	---	---	2.9
IVA Worldwide Fund (10/29/10)	11.2	-1.3	4.2	-2.0	---	---	1.7
MSCI All Country World Index (10/29/10)		-0.2	7.3	-6.9	---	---	-1.9
Value Added		-1.1	-3.1	4.9	---	---	3.6
<b>Emerging Markets</b>							
Aberdeen Emerging Markets Fund (04/21/09)	7.7	-2.2	5.5	-11.0	---	---	26.1
MSCI Emerging Markets Index (04/21/09)		-1.2	4.4	-18.2	---	---	18.1
Value Added		-1.0	1.0	7.1	---	---	7.9
DFA Emerging Small Cap Fund (02/28/11)	3.0	-2.7	2.8	---	---	---	-16.7
MSCI Emerging Markets Index (02/28/11)		-1.2	4.4	---	---	---	-15.1
Value Added		-1.5	-1.7	---	---	---	-1.6

Note: Since Inception returns are cumulative for managers with less than one full year of performance history.

City University of New York (CUNY)

**Flash Investment Returns by Manager** (net of fees) as of December 31, 2011

Manager (Inception Date)	Assets \$ mil	Total Return (%)					
		Latest Month	Qtr to Date	CYTD	Annualized	Annualized	Annualized
		11/30/11- 12/31/11	09/30/11- 12/31/11	12/31/10- 12/31/11	Trailing 3 Years	Trailing 5 Years	Since Inception
<b>Hedge Funds</b>							
Archstone (04/30/10)	7.2	-0.7	2.3	-4.9	---	---	-0.9
HFRI Fund of Funds Index (04/30/10)		-0.3	-0.3	-5.5	---	---	-1.4
Value Added		-0.4	2.6	0.6	---	---	0.6
Evanston Weatherlow, Ltd (04/30/10)	7.2	-0.9	0.2	-5.9	---	---	-0.6
HFRI Fund of Funds Index (04/30/10)		-0.3	-0.3	-5.5	---	---	-1.4
Value Added		-0.6	0.5	-0.4	---	---	0.9
<b>Real Assets</b>							
Wellington Inflation Hedge (07/01/09)	14.8	-4.6	4.9	-8.5	---	---	11.1
Wellington DIH Benchmark (06/30/09) <sup>(1)</sup>		-2.9	5.9	-4.1	---	---	11.6
Value Added		-1.7	-1.1	-4.4	---	---	-0.5
CPI-U +5% (06/30/09) <sup>(2)</sup>		0.7	1.2	8.5	---	---	7.1
Value Added		-5.3	3.6	-17.0	---	---	4.0
<b>Fixed Income</b>							
State Street US Gov't Credit (04/20/10)	32.3	1.3	1.1	8.6	---	---	7.6
BC Govt/Credit Bond Index (04/20/10)		1.3	1.2	8.7	---	---	7.8
Value Added		0.0	-0.1	-0.2	---	---	-0.2
Colchester Global Bond Fund (02/28/11)	8.5	1.2	0.2	---	---	---	6.2
Citigroup WGBI Index (02/28/11)		0.9	-0.1	---	---	---	6.0
Value Added		0.3	0.3	---	---	---	0.3

Note: Since Inception returns are cumulative for managers with less than one full year of performance history.

(1) Benchmark returns provided by Wellington Management Company.

(2) CPI-U +5% is not available as of December 2011. The average of the last twelve months is used as a proxy.

## CITY UNIVERSITY OF NEW YORK

### INTERNATIONAL EQUITY RECOMMENDATION

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Since being hired by CUNY in 2002, Philadelphia International Advisors' international equity fund has returned 4.3% annualized, trailing the benchmark return of 5.3%. **Performance has failed to meet expectations so CUNY staff and Cambridge recommend terminating Philadelphia International Advisors (PIA) and distributing the proceeds between the two remaining international managers – International Value Advisers (IVA) and Walter Scott Asset Management.**

#### RATIONALE

As part of the portfolio restructuring in 2009-2010, exposure to PIA was maintained as the manager was seen as providing broadly diversified “core” international equity exposure to the portfolio. In addition, PIA provided a solid investment process, a stable team, and a reasonable chance of outperformance over a passive index.

This decision was not incorrect in itself as PIA has managed to outperform the index over the past 3 years on the back of strong 2009 performance. However, longer-term performance as well as more recent performance has been below the benchmark, and a closer analysis of the firm's track results has shown deterioration in their fundamental stock picking.

#### INVESTMENT OF PROCEEDS FROM THE TERMINATION

As a potential replacement for PIA, several new international equity managers were considered by CUNY Staff, but at the end of the day both staff and Cambridge see a redistribution of the PIA funds among the two remaining managers as a strong alternative to hiring a new manager in this space.

If adopted, the recommendation would therefore be to redistribute the PIA funds, with 70% to IVA and 30% to Walter Scott. This would change the portfolio in a more defensive direction and would also reduce the international equity portfolio's exposure to European equities and the Euro considerably as illustrated on the following pages.

As would be expected, the reconstituted international equity portfolio would protect CUNY in case of a deepening of the European debt crisis. However, it could lead to some underperformance should the crisis be resolved since European equities currently are trading at quite low valuations and could rally in relief.

Should the recommendation be approved, the termination of PIA and re-investment with the remaining managers would occur in February. The resulting structure would be as follows:

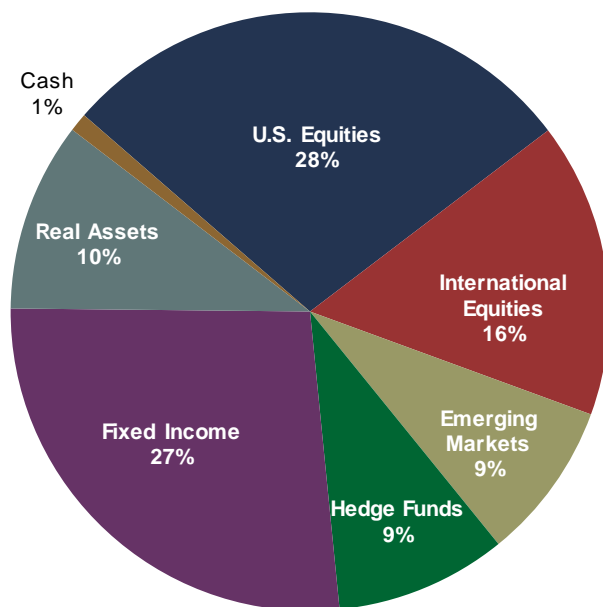
<i>Manager</i>	<i>Current Allocation</i>	<i>Proposed Allocation</i>
Philadelphia Int'l Advisors	10.1%	-
International Value Advisers	7.2%	14.3%
Walter Scott	4.2%	7.2%

# CUNY – Asset Allocation As Invested

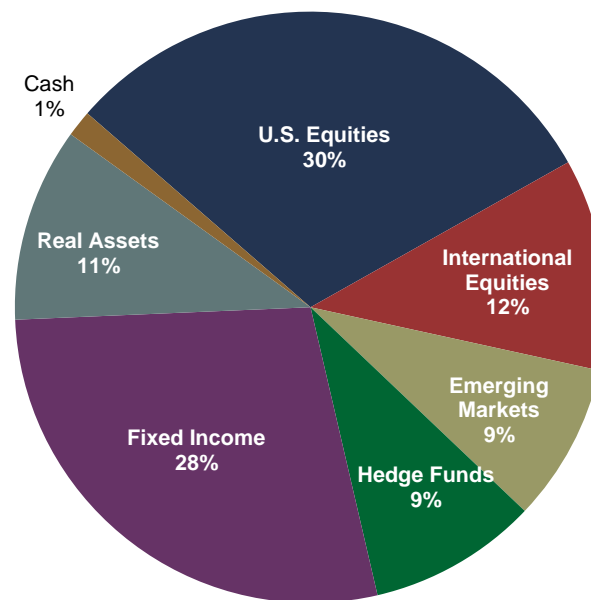
As of November 30, 2011



**Current Portfolio\***



**65% IVA – 35% Walter Scott  
(Philadelphia assets split  
70%/30% between IVA/WS)**



**CUNY Asset Allocation as Invested (%)**

**CUNY Asset Class Targets (%)**

	Current Portfolio*	65% IVA - 35% Walter Scott	Targets	Allocation Range
U.S. Equities	28.3	30.5	26.5	17.5 - 32.5
International Equities	15.9	11.6	21.5	12.5 - 30
Emerging Markets	8.6	8.7	7	4 - 11
Hedge Funds	9.3	9.3	10	5 - 15
Fixed Income	26.7	28.0	25	20 - 30
Real Assets	10.2	10.6	10	5 - 15
Cash	1.0	1.4	0	0 - 5

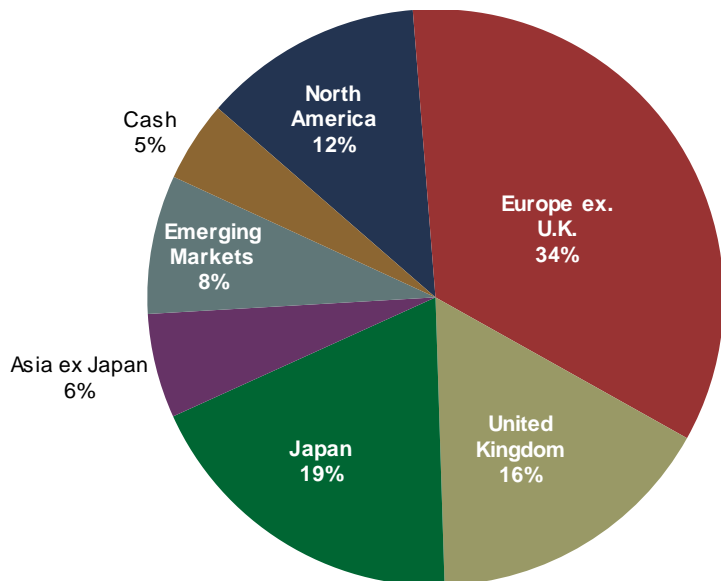
\*Exposure data for IVA and Walter Scott are through 11/30/2011, but Philadelphia International's exposure data is as of September 30, 2011 due to the managers quarterly reporting cycle. CUNY Asset Class weightings have been updated through 11/30/2011.

# CUNY – International Composite Geographic Exposures

As of November 30, 2011

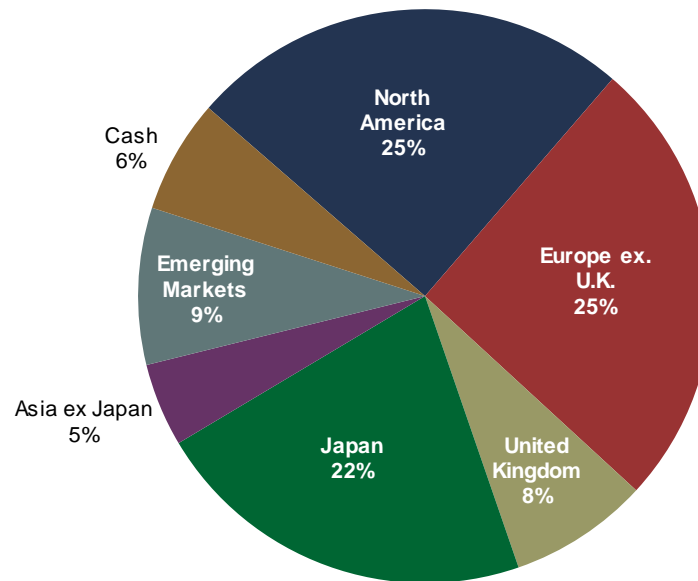


**Current Portfolio\***



**65% IVA – 35% Walter Scott**

(PIA Redemption split 70%/30% between IVA and Walter Scott)



**Geographic Exposure By Manager (%)**

	Philadelphia	IVA <sup>1</sup>	Walter Scott
North America	1.7	36.9	1.8
Europe ex. U.K.	42.9	23.2	28.7
United Kingdom	23.8	1.0	20.3
Japan	15.4	18.6	26.6
Asia ex Japan	6.5	1.1	11.1
Emerging Markets	6.8	8.9	8.3
Cash	2.9	8.0	3.2

**Geographic Exposures (%)**

	Current Portfolio*	65% IVA - 35% Walter Scott
North America	12.3	24.6
Europe ex. U.K.	34.2	25.1
United Kingdom	16.3	7.8
Japan	18.6	21.4
Asia ex Japan	5.8	4.6
Emerging Markets	7.7	8.7
Cash	4.5	6.3

\*Exposure data for IVA and Walter Scott are through 11/30/2011, but Philadelphia International's exposure data is as of September 30, 2011 due to the managers quarterly reporting cycle. CUNY Asset Class weightings have been updated through 11/30/2011.

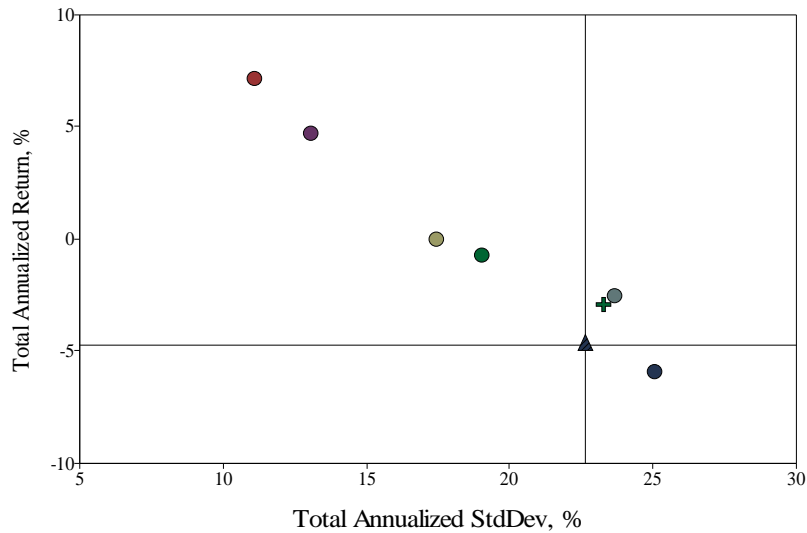
<sup>1</sup>IVA's geographic equity allocations have been scaled due to the fact that the underlying portfolio is composed of 79% Equity and the remainder amongst other non-equity asset classes.

# Risk / Return Analysis

As of December 31, 2011



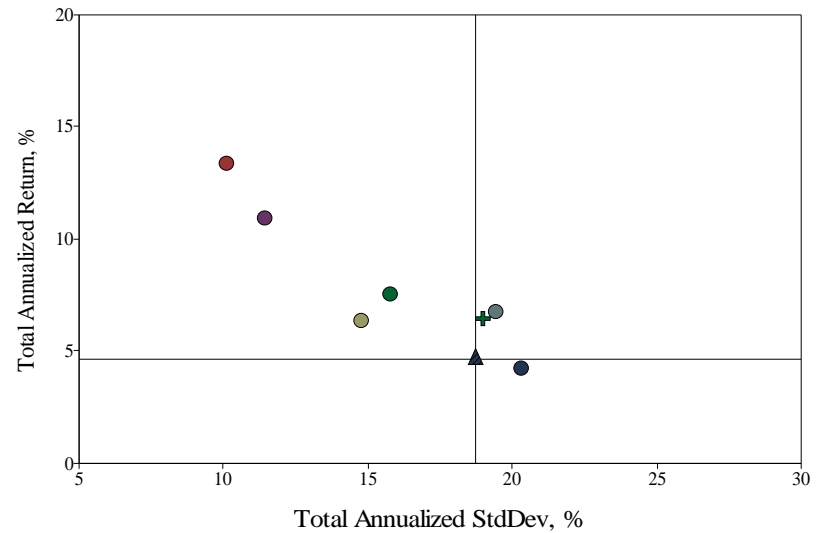
5 Year Risk/Return Relationship



- + CA Non-US Equity Universe Median
- Philadelphia International
- IVA International (Spliced)
- Walter Scott
- Current Portfolio
- 65% IVA - 35% Walter Scott
- MSCI ACWI ex. US
- ▲ MSCI EAFE

	Annualized Return, %	Annualized StdDev, %
	Total	Total
Philadelphia International	-5.9	25.1
IVA International (Spliced)	7.2	11.1
Walter Scott	0.0	17.4
Current Portfolio	-0.7	19.0
65% IVA - 35% Walter Scott	4.7	13.1
MSCI ACWI ex. US	-2.5	23.7
MSCI EAFE	-4.7	22.6
CA Non-US Equity Universe Median	-2.9	23.2

10 Year Risk/Return Relationship



- + CA Non-US Equity Universe Median
- Philadelphia International
- IVA International (Spliced)
- Walter Scott
- Current Portfolio
- 65% IVA - 35% Walter Scott
- MSCI ACWI ex. US
- ▲ MSCI EAFE

	Annualized Return, %	Annualized StdDev, %
	Total	Total
Philadelphia International	4.3	20.3
IVA International (Spliced)	13.4	10.1
Walter Scott	6.3	14.8
Current Portfolio	7.6	15.7
65% IVA - 35% Walter Scott	10.9	11.4
MSCI ACWI ex. US	6.8	19.4
MSCI EAFE	4.7	18.7
CA Non-US Equity Universe Median	6.5	19.0

\*Note: Returns and standard deviations are based on monthly data. Manager returns have been adjusted to reflect the impact of management fees.

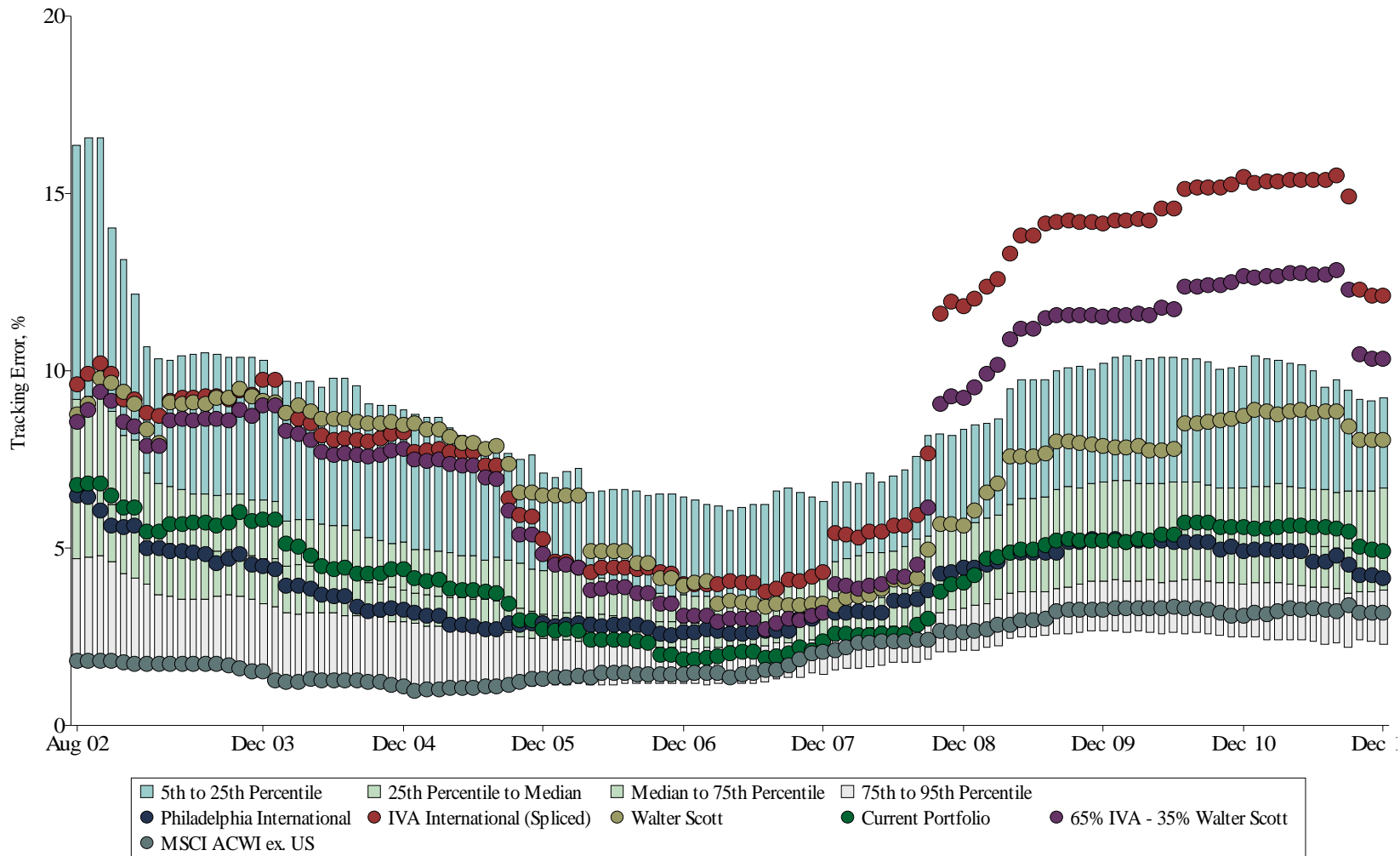
\*IVA International Spliced: IVA International commenced operations in October 2008, performance shown prior to that date is from First Eagle, Charles de Lardemelle and Chuck Vaulx' prior firm. This performance splicing is for illustrative purposes only as IVA cannot formally claim this prior performance due to firm, team and minor style differences.

# 3 Year Rolling Tracking Error

As of December 31, 2011



3 Year Rolling Tracking Error vs. MSCI EAFE



\*Note: Returns and standard deviations are based on monthly data. Manager returns have been adjusted to reflect the impact of management fees.

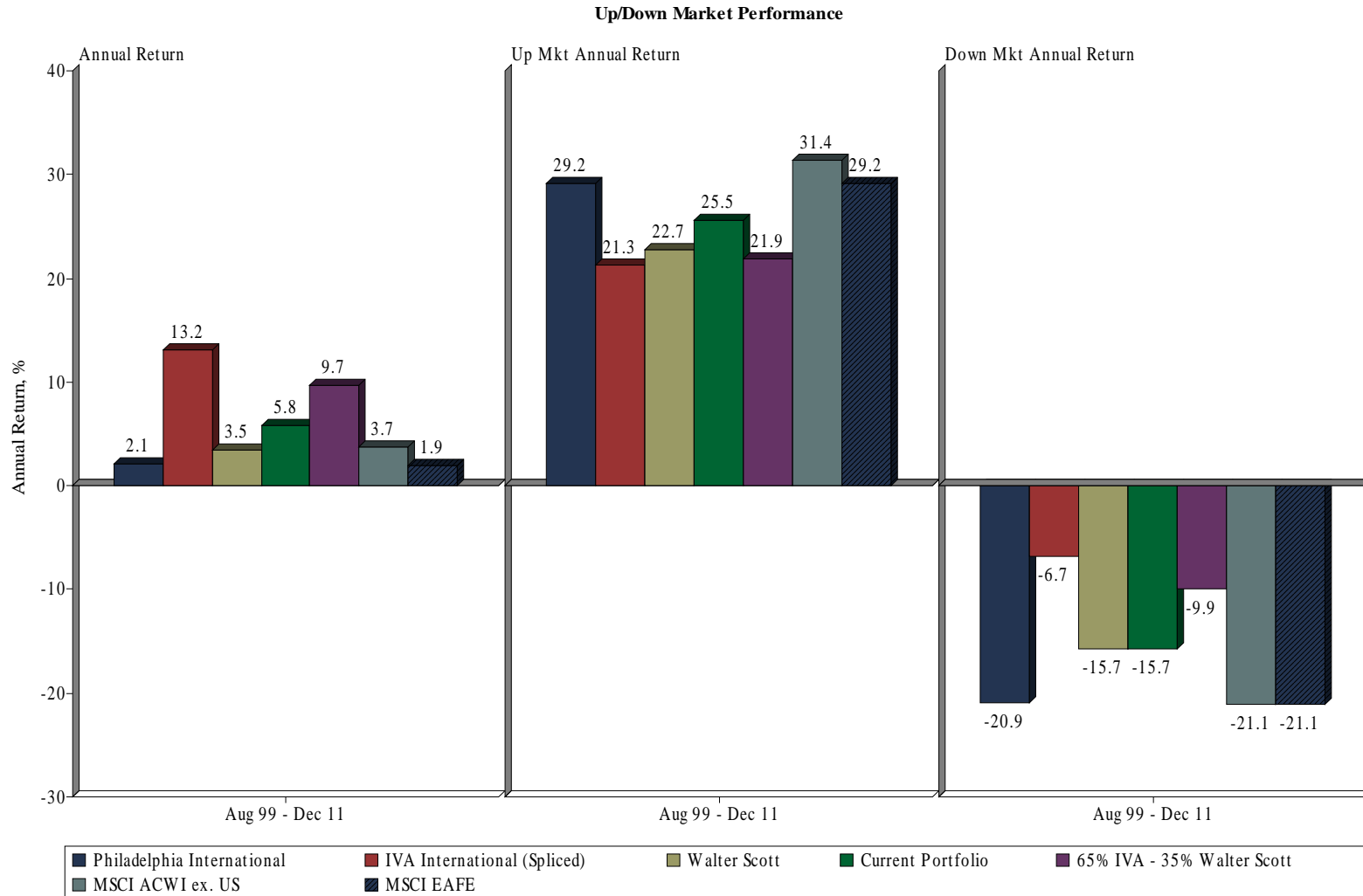
Universe Note: The floating bars represent the CA Non-US Equity Universe. Percentile rankings are based on a scale of 0 – 100 where 0 represents the highest value and 100 the lowest.

\*IVA International Spliced: IVA International commenced operations in October 2008, performance shown prior to that date is from First Eagle, Charles de Lardemelle and Chuck Vaulx' prior firm. **This performance splicing is for illustrative purposes only as IVA cannot formally claim this prior performance due to firm, team and minor style differences.**



# Up / Down Market Performance

As of December 31, 2011



\*Note: **Returns** and **standard deviations** are based on monthly data. Manager returns have been adjusted to reflect the impact of management fees.

\*IVA International Spliced: IVA International commenced operations in October 2008, performance shown prior to that date is from First Eagle, Charles de Lardemelle and Chuck Vaulx' prior firm. **This performance splicing is for illustrative purposes only as IVA cannot formally claim this prior performance due to firm, team and minor style differences.**