FOI #15779

Torres Rojas, Genara

From: genaro@finnews.com
Sent: Wednesday, February 11, 2015 11:55 AM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree; Ng, Danny
Subject: Freedom of Information Online Request Form

Information:

First Name: Gan
Last Name: Chung
Company: Financial Investment News
Mailing Address 1: 267 fifth avenue
Mailing Address 2: suite 1016
City: New York
State: NY
Zip Code: 10016
Email Address: gchung@finnews.com
Phone: 6468101075
Required copies of the records: Yes

List of specific record(s):
A copy of the latest quarterly investment report of the Port Authority's Pension Funds and OPEB Trusts.

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

April 7, 2015

Mr. Gui Chang
Financial Investment News
267 Fifth Avenue Suite 1019
New York, NY 10016

Re: Freedom of Information Reference No. 15-779

Dear Mr. Chang:

This is in response to your February 11, 2015 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code"), copy enclosed, for a copy of the latest quarterly investment report of the Port Authority's Pension Funds and OPEB Trusts."

Material responsive to your request and available under the Code, can be found on the Port Authority's website at http://www.panynj.gov/corporate-information.html. Paper copies of the available records are available upon request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Danny Ng
FOI Administrator

Enclosure

THE PORT AUTHORITY OF NY & NJ

Investment Advisors
John Sosinola, Managing Director
Tesh Gebremedhin, Senior Analyst
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[illegible] fax

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Financial Markets

Quarterly Commentary

Third Quarter 2014

The Economy

- While the U.S. economy continued its recovery, [illegible] and uncertainty about future central bank policy—including actions of the Federal Reserve Bank—resulted in increased volatility in the bond and equity markets.

- Second-quarter gross domestic product (GDP) rose at a revised annual rate of 4.6%, driven by increased consumption, inventories, exports, residential and nonresidential investment, and local government spending.

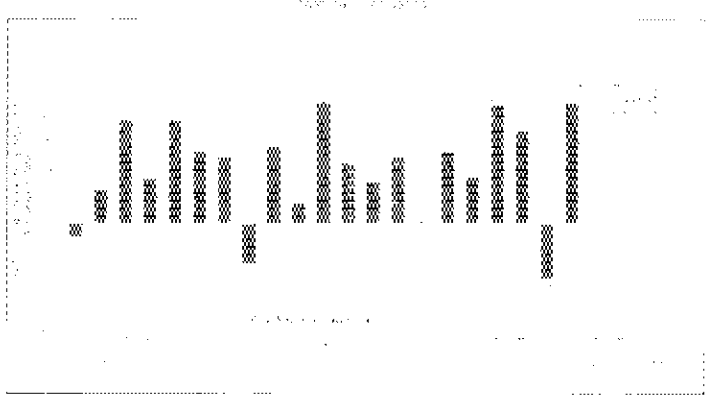
- The Federal Open Market Committee (FOMC) reaffirmed that its quantitative easing bond purchase program will end in October. At the same time, the FOMC released updated assessments of where individual participants judge the appropriate level for the federal funds rate at the end of the next few calendar years. These assessments showed a surprisingly fast upward trajectory for short-term rates that were inconsistent with both Fed Chair Janet Yellen's public comments and persistently low current market rates.

- Inflation has measured by the Consumer Price Index, [illegible] month over month in August. This marked the first decline in interest [illegible] a half. Inflation continues to run below the Fed's 2% target rate.

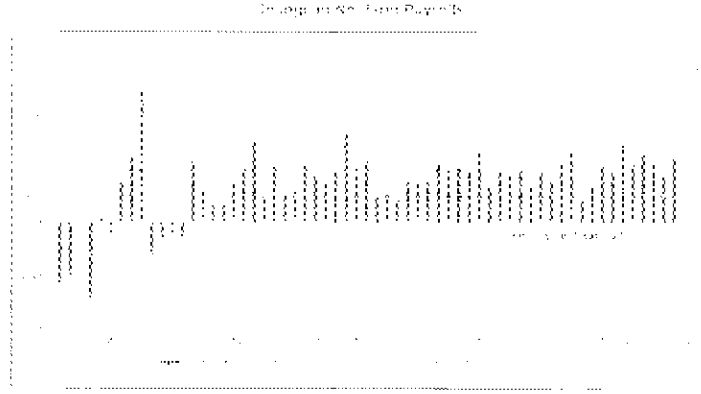
- U.S. housing market [illegible] housing related indicators [illegible] the quarter. Most recently, new home sales reached the highest level since 2008, while existing home sales [illegible] expected decline.

- Geopolitical uncertainty continued to move the market [illegible] Ukraine and the Middle East, political protests in Hong Kong, and weaker economic data in China and the euro zone have factored significantly in investor sentiment.

U.S. Real GDP Growth



Change in Non-Farm Payroll



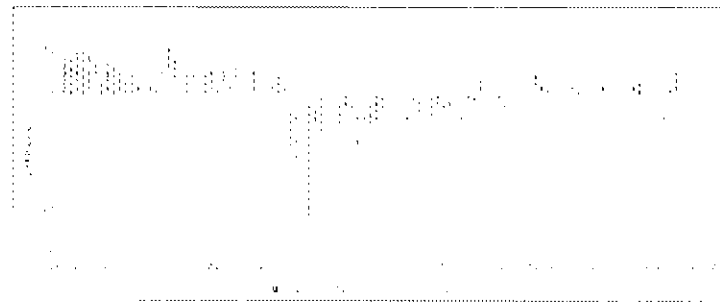
Quarterly Commentary

Third Quarter 2014

What We're Watching

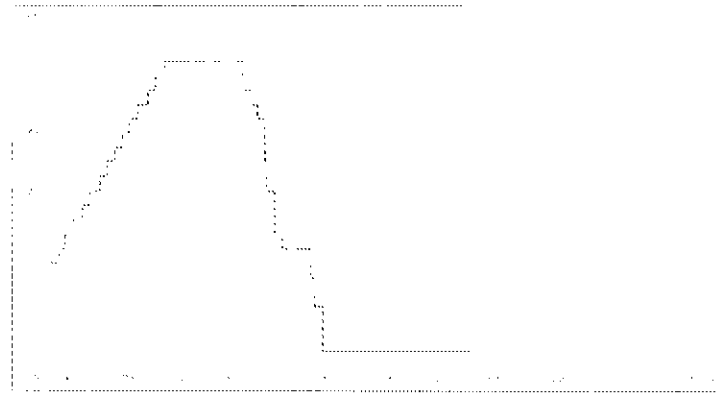
- After a solid second quarter, the U.S. equity market [illegible] quarter as investors became [illegible] about global [illegible] a slowdown in euro zone economic growth. Non-U.S. developed market weakened in the quarter, while emerging markets [illegible] to strengthen but [illegible] gains in the month of September.
- Economic data from China has continued to be soft, [illegible] a production, fixed investments, and retail sales. The Chinese government has [illegible] a number of small-scale stimulus programs, including relaxed lending rules for second-home buyers in an effort to stimulate the housing market.
- After rising in 2013, interest rates have continued to [illegible] in the third quarter. Despite the general consensus that the Fed will raise rates at some point next year, the yield on 10-year [illegible] down from [illegible] at the beginning of the year.
- Shortly the Fed [illegible] some members of the FOMC would like to could derail the equity market [illegible] and cause extreme turmoil in the bond market as it did in 1994.
- At PFM Asset Management LLC (PFM Asset Management), we have been optimistic about the performance of U.S. equity markets and the economy [illegible] the fourth quarter [illegible] from the financial crisis.
- After a weak August employment number, the September new jobs report was better than expected and the [illegible] employment rate dropped below 6%. We expect the [illegible] market to continue to make progress for the rest of 2014 [illegible] external [illegible] and fiscal policy errors.
- Recent economic data and leading economic indicators continue to suggest that the U.S. economy should continue to grow. At this time [illegible] signs of a pending recession [illegible] has [illegible] for the U.S. Outside of the U.S., economic data [illegible] the euro zone and Japan have been mixed, and we continue to monitor this closely.
- In response to the slowdown in the euro zone economy and continuing [illegible] the European Central Bank (ECB) [illegible] to launching its own version of QE later in 2014 or early 2015.

Weekly Mutual Fund Flows



Source: [illegible]

Fed Funds Target Rate



Source: [illegible]

Quarterly Commentary

Third Quarter 2014

Market Index Performance

As of September 30, 2014

	1 Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
DOMESTIC EQUITY								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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INTERNATIONAL EQUITY								
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ALTERNATIVES								
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FIXED INCOME								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CASH EQUIVALENT								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Quarterly Commentary

Third Quarter 2014

Equity

- U.S. equity markets experienced mid-volatility during the quarter but managed to finish in positive territory for the quarter, with the S&P 500 Index up 1.1% for the quarter and 8.3% for the year.

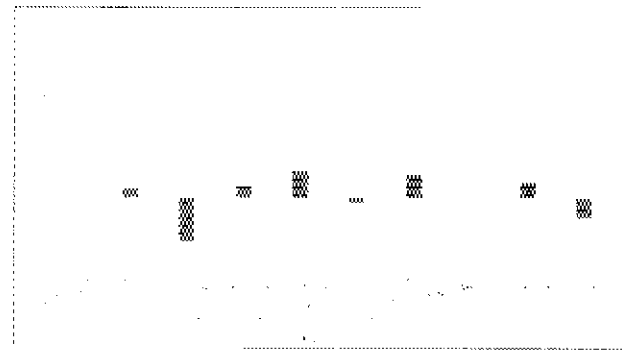
- Small-cap equities, as measured by the Russell 2000 Index, continued to struggle year-to-date, losing 7.4% for the quarter, and 4.4% for the year, while the large-cap counterparts returned a positive 0.6% for the quarter and are up nearly 8% for the year (as measured by the Russell 1000 Index).

- Growth-oriented stocks outpaced value-oriented stocks across all marks from sheer in a, especially in offices vanishing, which fell 8.6%, posting the biggest loss for the quarter.

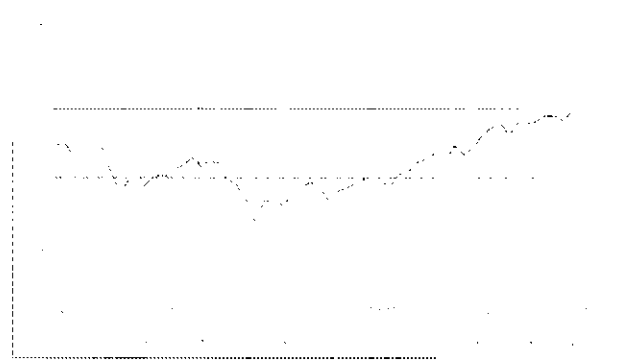
- Healthcare and Information Technology continued to exhibit strong performance for the year and trailing 12 months. Healthcare was up 3.5% for the quarter and 21.1% over the trailing 12 months period, while Information Technology was up 4.8% for the quarter and 23.5% over the trailing 12 month period.

- Despite the mild correction in small-cap equities, valuations continued to test long-term historical averages. The disconnected monthly and subsequent pullback in small-cap equities may be due to a revaluation of stocks that were previously priced for high growth expectations.

S&P 500 Index Performance by Sector



P.E. Ratios of Major Stock Indices*



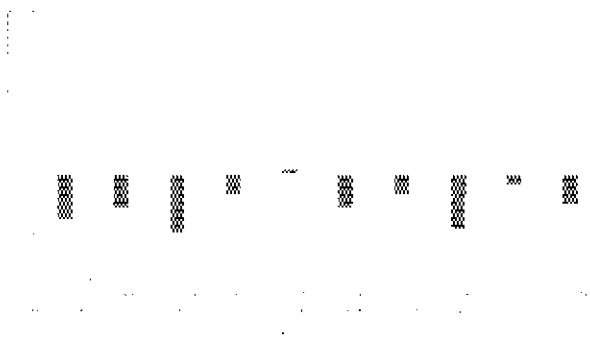
Quarterly Commentary

Third Quarter 2014

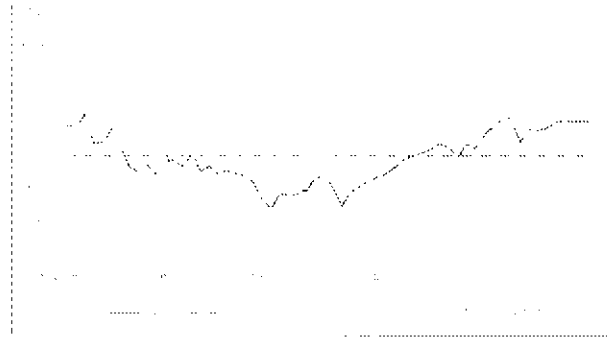
Non-U.S. Equity

- Developed markets outside of Norway [illegible] measured by the MSCI EAFE Index (net).
- [illegible]
- [illegible]
- Japan fell 2.3% while the U.K. fell even [illegible]
- Emerging markets equity, as measured by the MSCI Emerging Markets (EM) index, fell 3.5% for the quarter. Of the large, weighted countries in the index, China rose 1.4%, while Brazil had a sharp shift in [illegible] leading to a -8.6% return for the quarter. Russia continued to decline due to economic sanctions, falling 16.4%. By contrast, the smaller Middle Eastern markets of Egypt, United Arab Emirates, and Qatar were up 26.1%, 22.9% and 17.7% respectively.
- The Healthcare sector posted a positive return and was up over 30% for the trailing year as measured by the MSCI All Country World Index (ACWI) ex-US, which includes stocks in developed and emerging markets. Energy stocks had a [illegible] of the previous quarter's double-digit [illegible]. Materials also were weak on U.S. [illegible]

MSCI ACWI ex-US Sectors



P/E Ratios of MSCI Equity Indices[1]



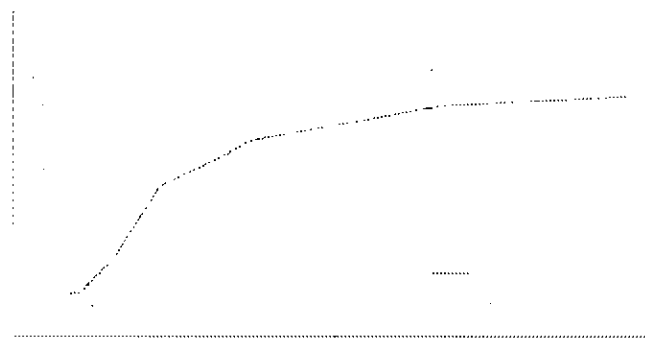
Quarterly Commentary

Third Quarter 2014

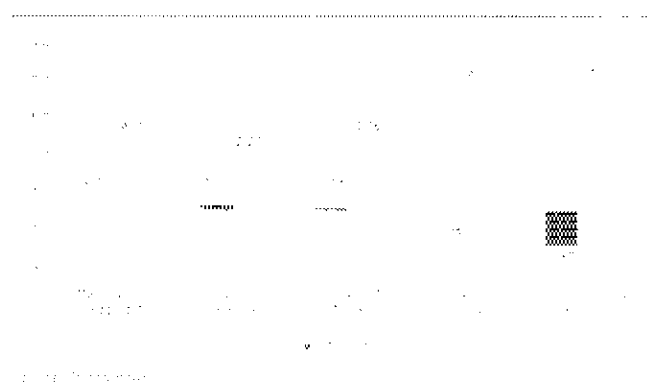
Fixed Income

- A twist in the yield curve caused long-term rates to go with the short end rose. The 10-year U.S. Treasury remained where it was at the prior quarter end.
- The Fed commenced its expenditure as a purchase program with September purchases down to $[illegible] billion of Treasuries and $5 billion of Agency mortgages.
- During the quarter, the Barclays Global U.S. Aggregate Bond Index posted a 0.2% return, led by gains in Treasuries.
- Long-term Treasuries, as measured by the Barclays Capital Long U.S. Treasury Index, [illegible] 2.7% and are up a [illegible] 12.2% year to date.
- Investment grade corporates sold off [illegible] while high-yield [illegible] sell off in [illegible] leading to a decline of [illegible] for the quarter.
- The Barclays Multiverse Index, which includes the Global Aggregate Index and Global High Yield Index, fell [illegible].
- The ECB introduced a negative deposit rate of [illegible] on excess reserves to encourage lending.

U.S. Treasury Yield Curve



Returns for Fixed-Income Segments



Quarterly Commentary

Third Quarter 2014

Alternative Asset Classes

- **U.S. real estate investment trusts (REITs)** fell 3.1% in the third quarter as measured by the FTSE NAREIT Equity REIT Index, as high valuations and the prospect of rising rates spurred a moderate selloff. A slight 0.0% return in July was followed by a larger gain of 2.0% in August and a sizeable 5.0% loss in September. Industrial and office properties (which had shown strong performance in the first two quarters of 2014) led the selloff, while Regional Malls was the best relative performer. All sectors were in negative territory for the quarter.

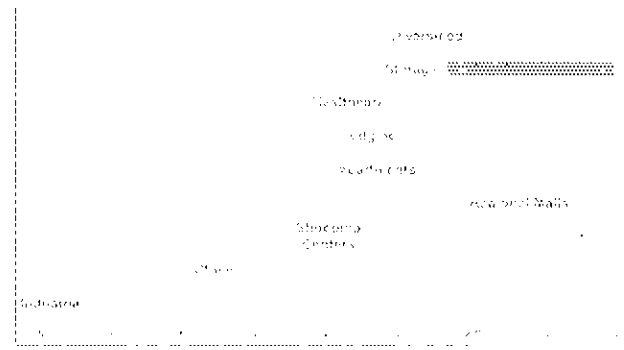
- **Private real estate**, as measured by the NCREIF Index of 7,300 properties, nationwide, increased 2.0% during the second quarter of 2014 (third-quarter data not yet available). A 1.6% value appreciation supplemented a 1.3% income gain.

- **Commodities** fell approximately 11.8% as measured by the Bloomberg Commodity Index of 19 raw materials futures. Over the trailing 12 months period the Bloomberg Commodity Index was down 0.6%. Commodity related equities, as measured by the S&P North American Natural Resources Sector Index, fell 10% during the quarter, attributable primarily to falling energy and oil prices.

- **Hedge funds** were essentially flat for the third quarter, as the HFRI Fund Weighted Composite Index returned just 0.3%, slightly outpacing core fixed income but trailing large cap equities. Hedge funds marked by outperformed small cap equities, however, as high valuations triggered a selloff in the sector.

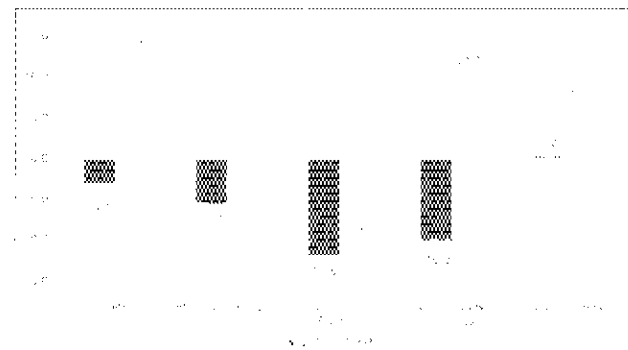
- **Private equity** fundraising was down relative to the second quarter of 2014. According to Preqin, private equity funds raised $73 billion in aggregate in the second quarter, with 127 funds reaching a time close. Venture and Buyout were the two most active sectors, with 38 and 37 funds closing within each sector respectively, while Real Estate followed with 28 fund closings. North American-focused private equity funds led the way, closing 91 funds representing capital commitments of $33 billion. Europe followed, with 45 funds closing on $20 billion of capital. Uncommitted capital, known as "dry powder," remains at an all-time high of $1.2 trillion.

FTSE NAREIT Sectors



Source: Bloomberg

Returns for Alternative Assets



Source: Bloomberg, Hedge Fund Research

Quarterly Commentary

Third Quarter 2014

PFMAM Investment Strategy Overview

Asset Class	PFMAM Investment Posture	Comments
U.S. Equities		
Large Caps		
Small Caps		
Non-U.S. Equities		
Developed Markets		
Emerging Markets		
Fixed Income		
Long Duration, Interest-Rate Sensitive Sectors		
Credit-Sensitive Sectors		
Core Real Estate		
Alternatives		
Hedge Funds		
Private Equity		

Quarterly Commentary

Third Quarter 2014

[illegible]

[illegible]

[illegible]

Plan Performance Summary

Asset Allocation & Performance

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014

	Allocation		Performance(%)									
	Market Value ($)	%	1 Month	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
TOTAL FUND	$15,179,911	100.00	-2.19	-1.34	4.64	8.72	16.31	12.48	9.31	9.19	6.25	07/01/2005
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Domestic Equity												
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International Equity												
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Real Estate												
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Fixed Income												
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[illegible]

Comparative Performance

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014

	Year To Date	2013	2012	2011	2010	2009
TOTAL FUND	4.64	14.55	11.94	1.22	10.91	18.92
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Domestic Equity						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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International Equity						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Real Estate						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Income						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Summary Financial Reconciliation

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014

QTR

	Market Value As of 07/01/2014	Net Transfers	Contributions	Distributions	Return On Investment	Market Value As of 09/30/2014
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

YTD

	Market Value As of 01/01/2014	Net Transfers	Contributions	Distributions	Return On Investment	Market Value As of 09/30/2014
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

1 Year

	Market Value As of 10/01/2013	Net Transfers	Contributions	Distributions	Return On Investment	Market Value As of 09/30/2014
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

Financial Reconciliation

Port Authority of New York & New Jersey Retiree Health Benefits Trust

3 Quarter Ending September 30, 2014

[illegible]	Market Value As of 07/01/2014	Net Transfers	Contributions	Distributions	Return On Investment	Market Value As of 09/30/2014
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]						

Financial Reconciliation

Port Authority of New York & New Jersey Retiree Health Benefits Trust

1 Year Ending September 30, 2014

[illegible]	Market Value As of 10/01/2013	Net Transfers	Contributions	Distributions	Return On Investment	Market Value As of 09/30/2014
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]						[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]						
[illegible]						

Financial Reconciliation

Port Authority of New York & New Jersey Retiree Health Benefits Trust

June 1, 2008 To September 30, 2014

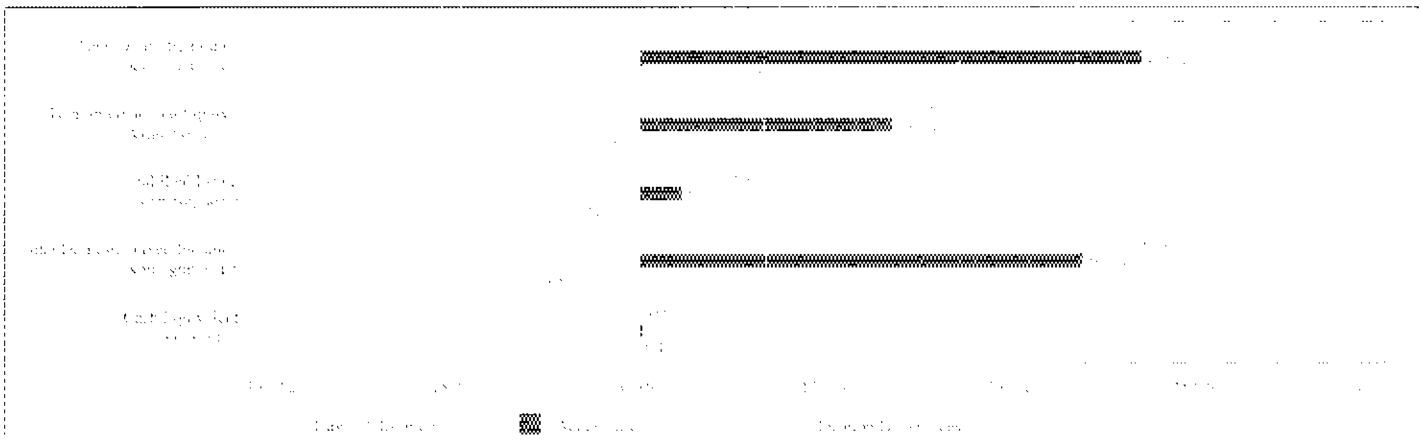
	Market Value As of 06/01/2008	Net Transfers	Contributions	Distributions	Return On Investment	Market Value As of 09/30/2014
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]

Asset Allocation Summary

Port Authority of NY/NJ - Investment Assets

As of September 30, 2014

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
[illegible]	[illegible]	[illegible]	N/A	N/A	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



Historical Hybrid Composition

Blended Benchmark

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014

[illegible]	[illegible]
Jul 2008	
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Oct 2008	
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Jan 2009	
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Jan 2014	
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Flash Report - Preliminary Asset Allocation And Performance
Port Authority of New York & New Jersey Retiree Health Benefits Trust
As of October 31, 2011

	Allocation		Performance(%)									
	Market Value ($)	%	1 Month	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
TOTAL FUND	[illegible]	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]												
Domestic Equity												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]												
International Equity												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]												
Real Estate												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]												
Fixed Income												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]												
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Asset Allocation and Fees

Port Authority of New York and New Jersey Retiree Health Benefits Trust

As of October 31, 2014

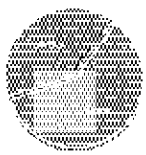
	Market Value ($)	% of Portfolio	Fee
TOTAL FUND	[illegible]	100.00%	[illegible]
Domestic Equity			
[illegible]	[illegible]	[illegible]	[illegible]
International Equity			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Real Estate			
[illegible]	[illegible]	[illegible]	[illegible]
Fixed Income			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

[illegible] SUMMARY

Security Holdings as of: 12/31/2014 | Security Performance: [illegible] | Supercharge for [illegible] as of [illegible]

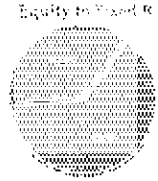
	Cost	Market	Gain	Price	Market Value	Allocation	Yield	YTD	[illegible]
Common Equity									
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Preferred Equity									
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Income									
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Equivalent									
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other									
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Target Equity-Fixed Ratio



[illegible] | [illegible]

Actual Portfolio Equity to Fixed Ratio



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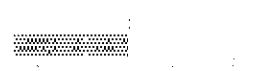
Portfolio Goal [illegible] | [illegible] | [illegible] | [illegible]

[illegible]



[illegible]

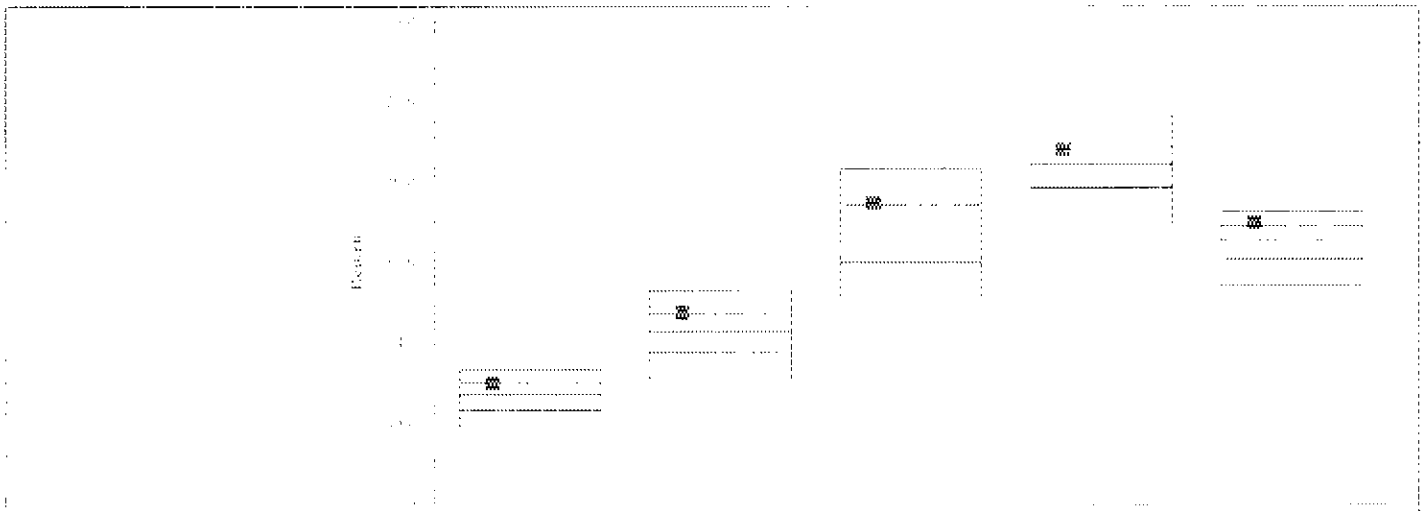
Peer Group Analysis

Peer Group Analysis - Trailing

IM U.S. All Cap Core Equity (SA+CF+MF)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	1 Quarter	Year To Date	1 Year	3 Years	5 Years
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]
[illegible]
[illegible]
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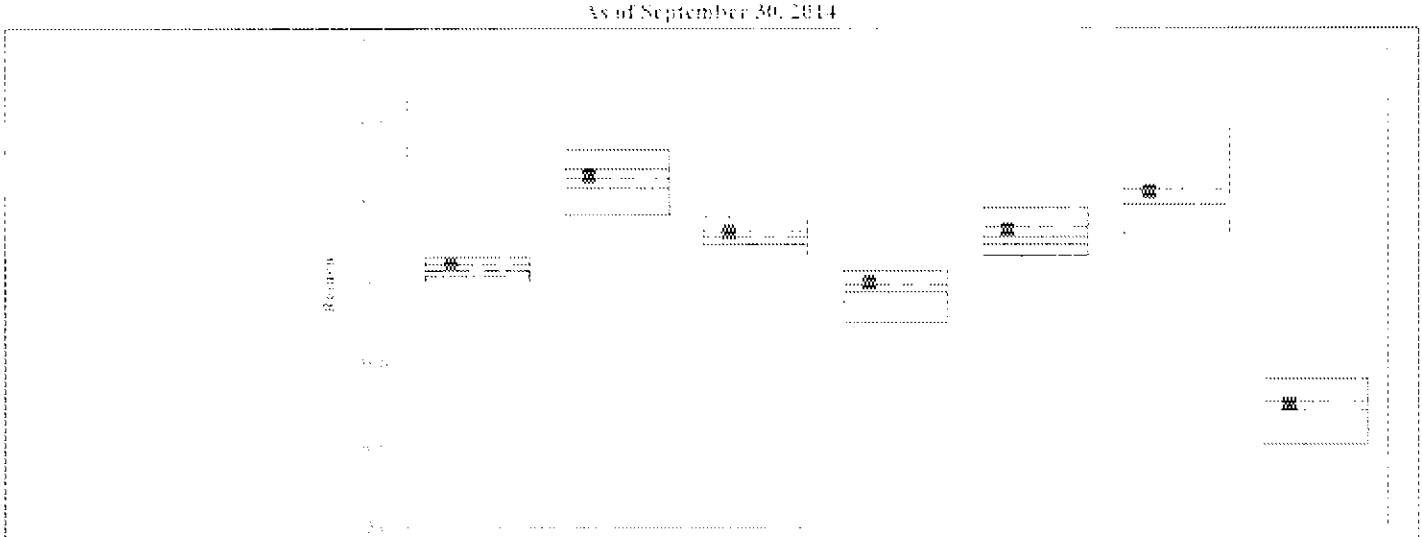
Peer Group Analysis - Calendar

IM U.S. All Cap Core Equity (SA+CE+MF)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	Year to Date	2013	2012	2011	2010	2009	2008
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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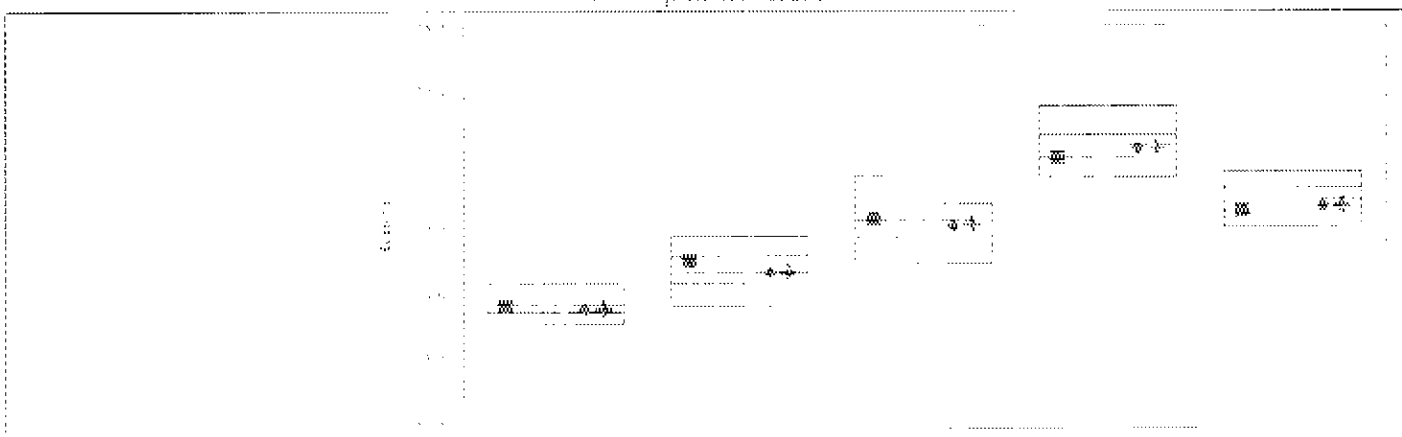
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Peer Group Analysis - Trailing

IM International Large Cap Equity (SA+CF+MF)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	1 Quarter	Year To Date	1 Year	3 Years	5 Years
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
◆ [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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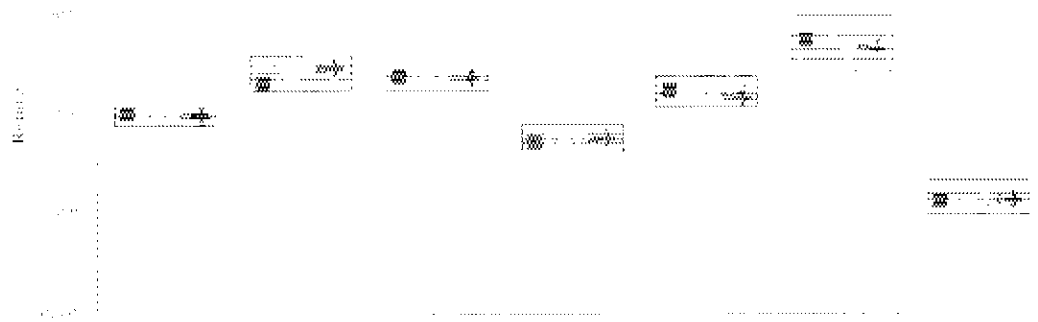
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Peer Group Analysis - Calendar

EM International Large Cap Equity (NA+CE+ME)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	Year to Date	2013	2012	2011	2010	2009	2008
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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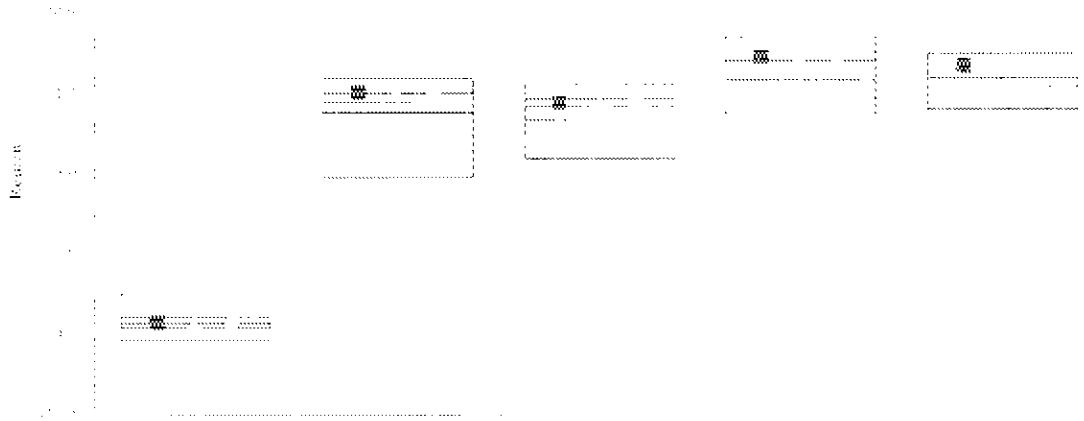
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Peer Group Analysis - Trailing

IM Real Estate Sector (MF)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	1 Quarter	Year to Date	1 Year	3 Years	5 Years
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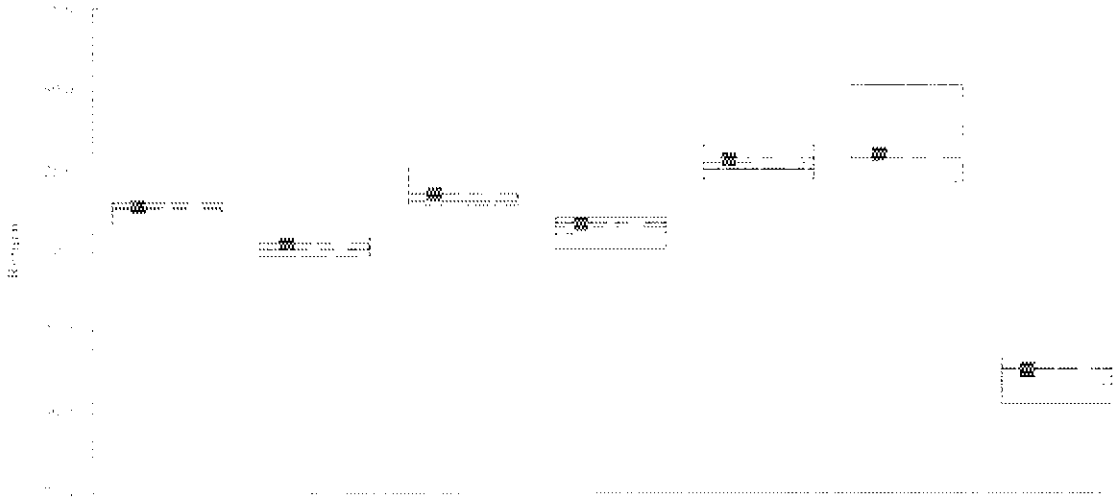
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Peer Group Analysis - Calendar

IM Real Estate Sector (Mkt)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	Year To Date	2013	2012	2011	2010	2009	2008
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
75th Percentile	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
50th Percentile	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Median	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25th Percentile	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

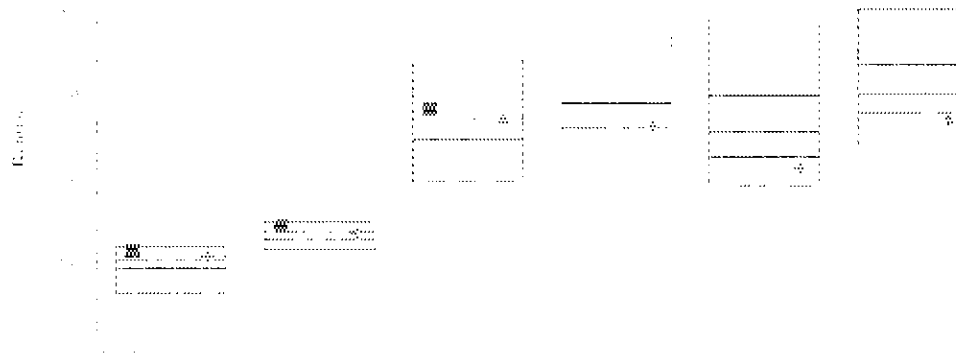
[illegible]

Peer Group Analysis - Trailing

IM U.S. Broad Market Fixed Income (SA+CF+MF)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



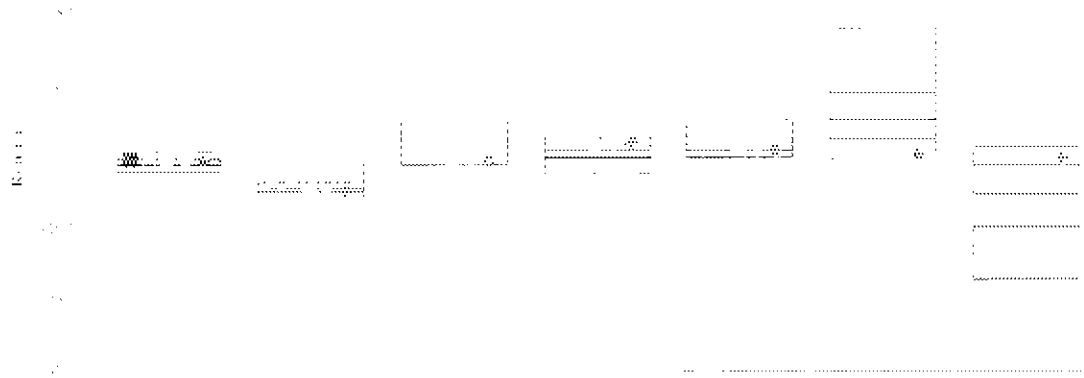
	1 Month Ending Sep 2014	3 Quarters	Year To Date	1 Year	3 Years	5 Years
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Peer Group Analysis - Calendar

[illegible] U.S. Broad Market Fixed Income (SA+CF+MF)

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014



	Year To Date	2013	2012	2011	2010	2009	2008
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
* [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Investment Manager Review

- **Vanguard Total Stock Market Index**

  Management: [illegible]

  Objective: [illegible]

  Strategy: [illegible]

- **Vanguard Total International Stock Index**

  Management: [illegible]

  Objective: [illegible]

  Strategy: [illegible]

- **Vanguard Developed Market Index**

  Management: [illegible]

  Objective: [illegible]

  Strategy: [illegible]

Portfolio Characteristics

Vanguard Total Stock Market Index vs. Russell 3000 Index

As of September 30, 2014

Portfolio Characteristics

	Portfolio	Benchmark
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Sector Weightings (%)

Top Ten Equity Holdings

[illegible]	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Ten Best Performers

[illegible]	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Portfolio Characteristics

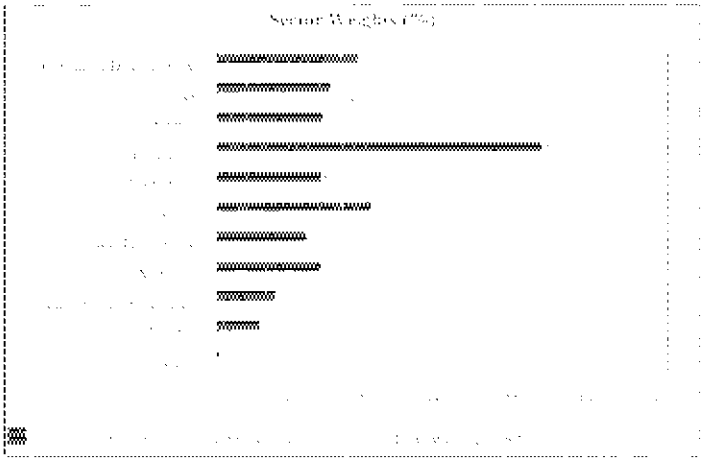
Vanguard Total International Stock Index vs. MSCI ACWI ex USA

As of September 30, 2014

Portfolio Characteristics

	Portfolio	Benchmark
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

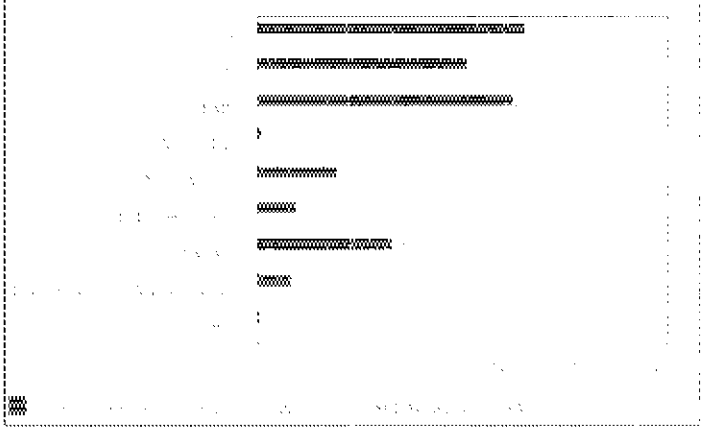
Sector Weights (%)



Top Ten Equity Holdings

	Portfolio Weight (%)	Market Weight (%)	Active Weight (%)	Quarterly Return (%)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Region Weights (%)



Portfolio Characteristics

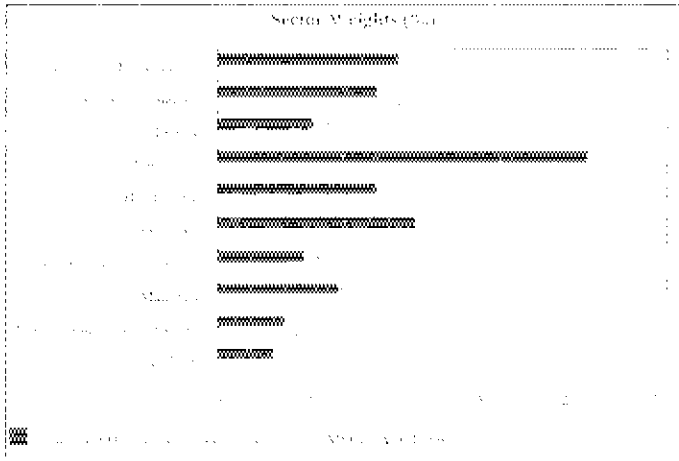
Vanguard Developed Markets Index vs. MSCI EAFE Index

As of September 30, 2014

Portfolio Characteristics

	Portfolio	Benchmark
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

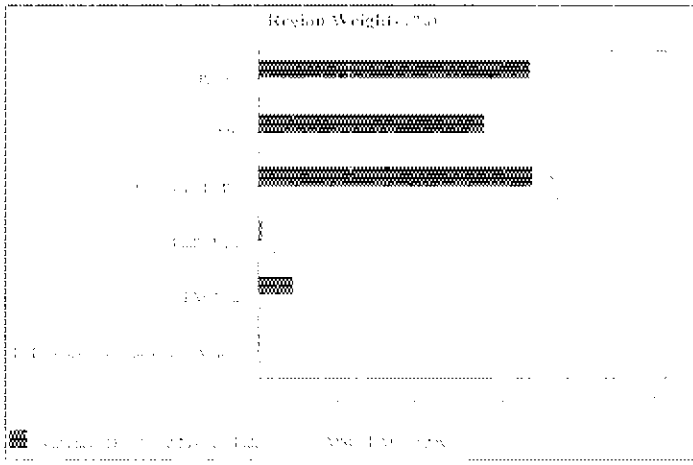
Sector Weights (%)



Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Region Weights (%)



- **Vanguard REIT Index**

  Management: [illegible]

  Objective: [illegible]

  - **Strategy:** [illegible]

Portfolio Characteristics

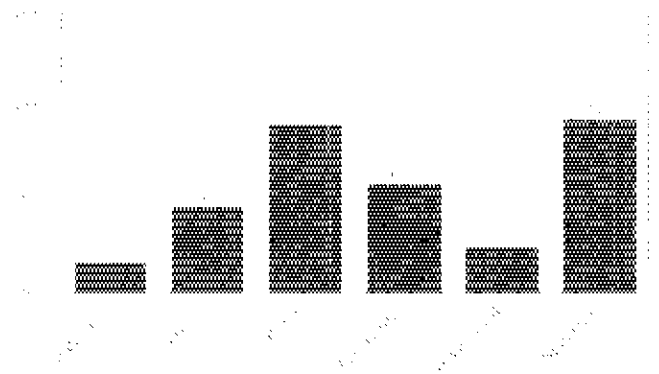
Managed REIT

As of September 30, 2014

Portfolio Characteristics

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Property Type



Top Ten Equity Holdings

[illegible]	Portfolio Weight (%)
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Ten Best Performers

[illegible]	Quarter Return (%)
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

- **Wells Capital Management – Custom Core Plus**

  Management: [illegible]

  Objective: [illegible]

  Strategy: [illegible]

- **TCW Asset Management – Core Plus**

  Management: [illegible]

  Objective: [illegible]

  Strategy: [illegible]

Portfolio Characteristics

H.W. Asset Management Company vs. Barclays Aggregate

Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014

Portfolio Characteristics

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
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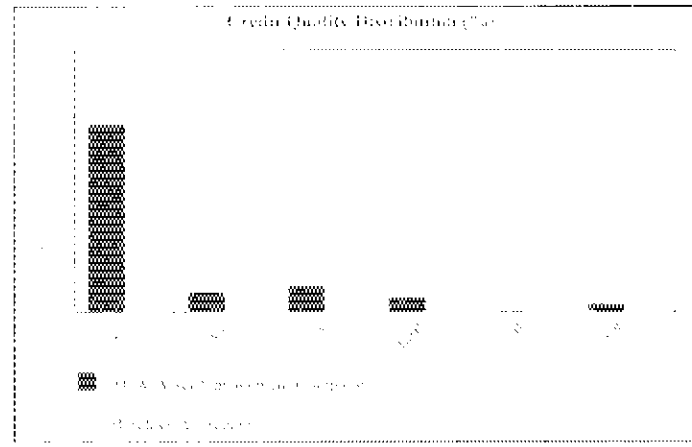
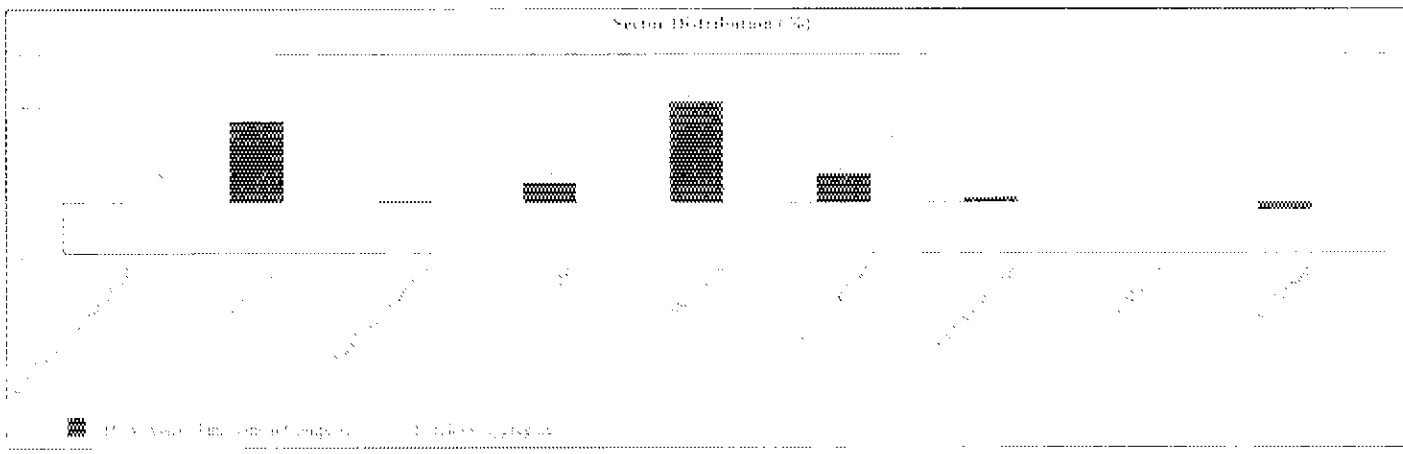




Portfolio Characteristics

Wells Capital Management Inc. vs. Barclays Aggregate

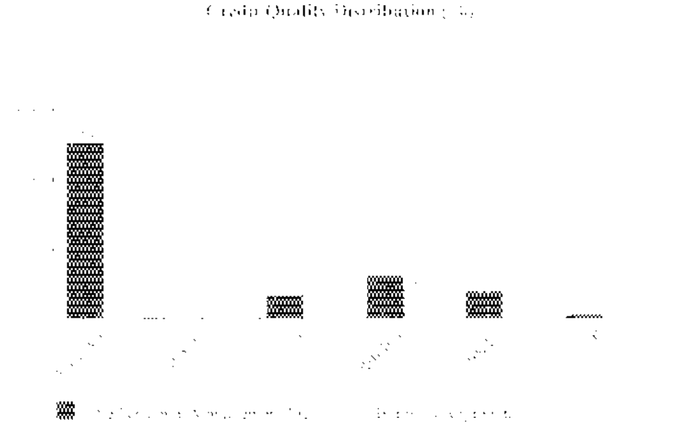
Port Authority of New York & New Jersey Retiree Health Benefits Trust

As of September 30, 2014

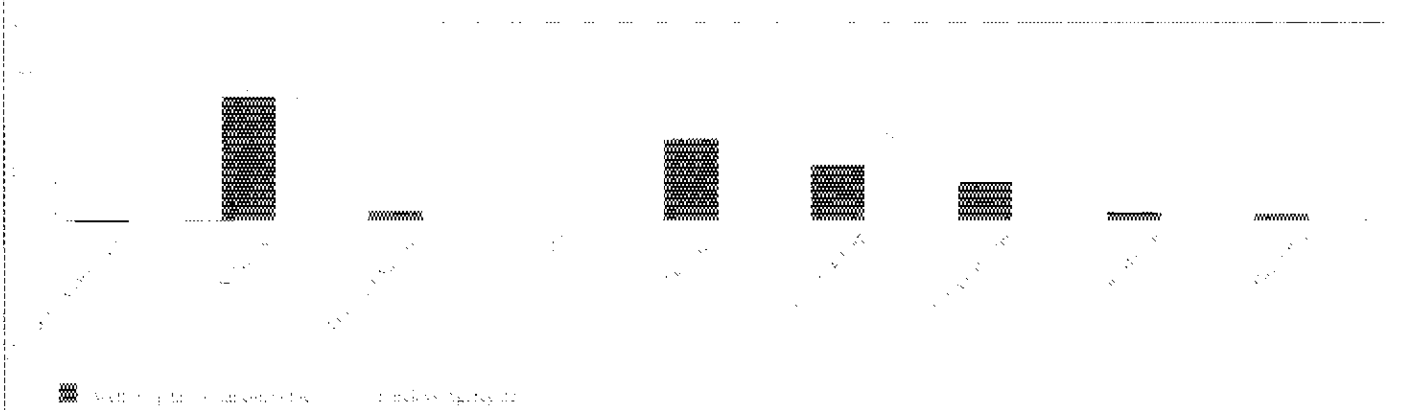
Portfolio Characteristics

	Portfolio	Benchmark
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Credit Quality Distribution (%)



Sector Distribution (%)



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