

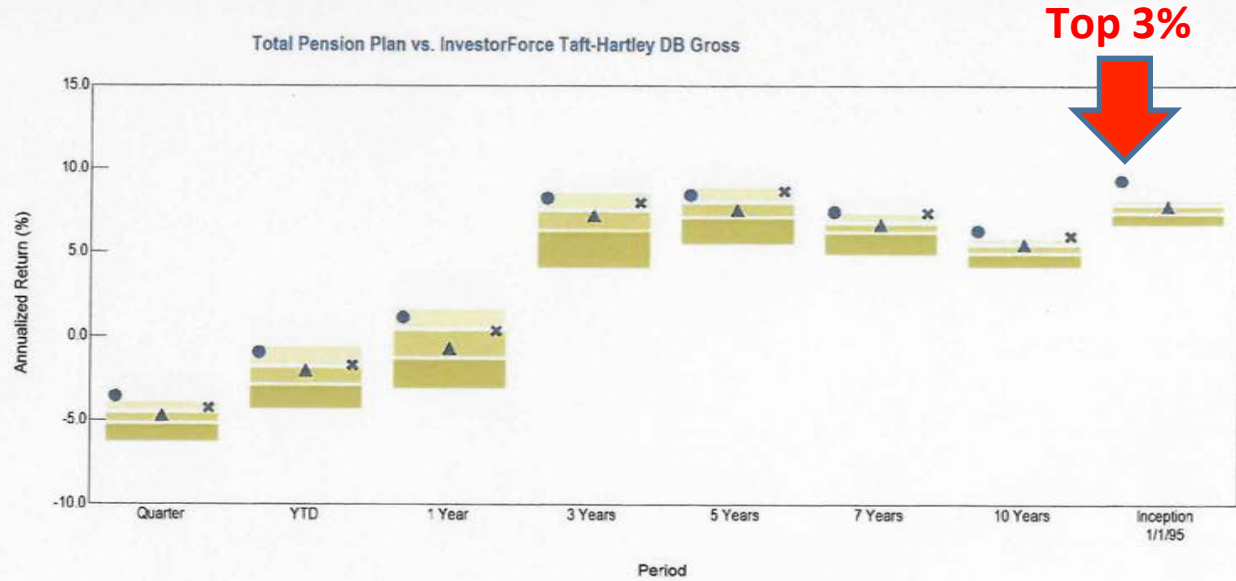
Russell Niemie
CIO New York State Nurses Association

CORPaTH 2015



CORPATH 2015

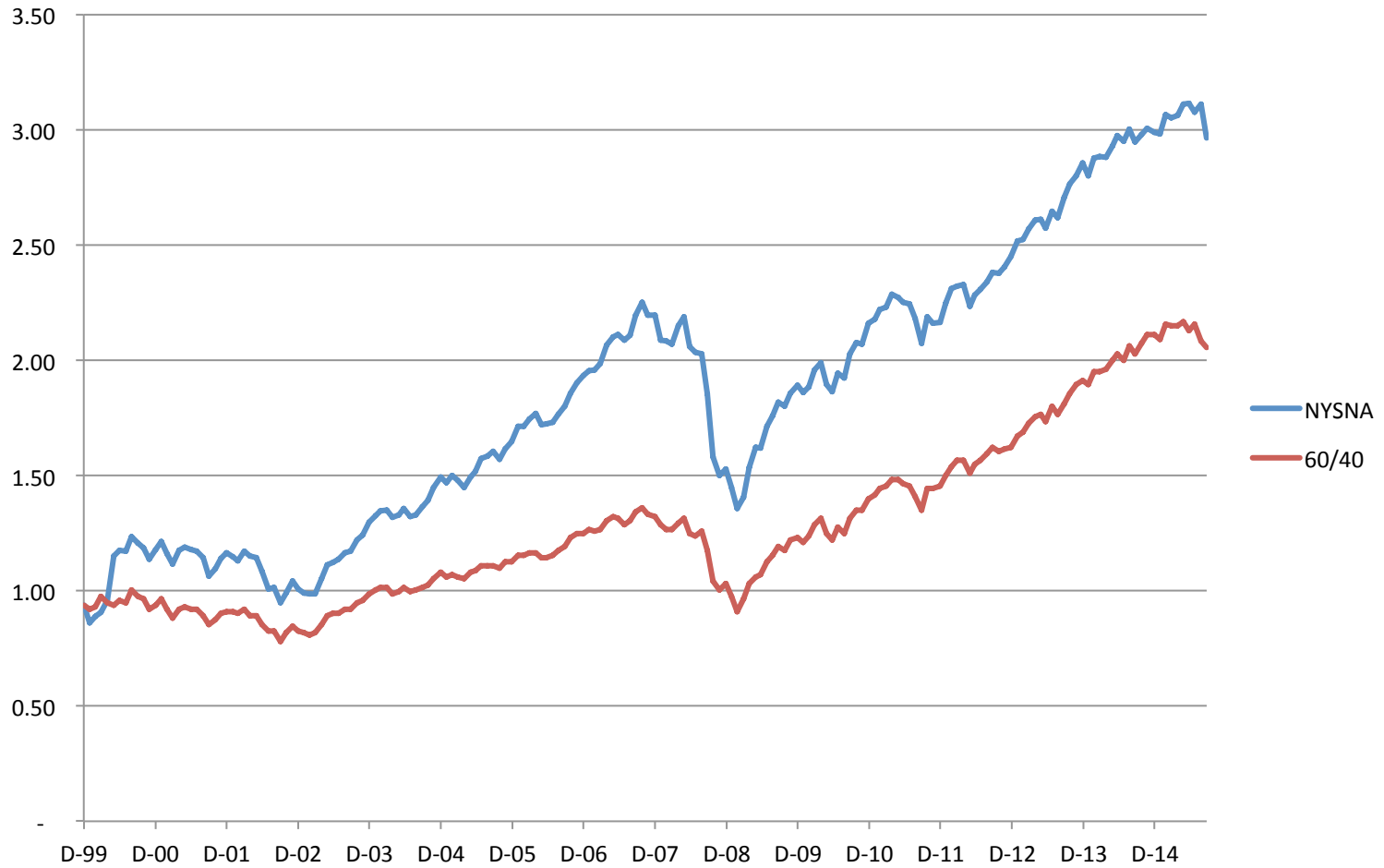
New York State Nurses Association Pension Plan
 Total Fund Return Summary vs. Peer Universe



| | Return (Rank) | | | | | | | | | | | |
|-------------------------------|---------------|-----------|-----------|----------|----------|----------|----------|------------------|--|--|--|--|
| | Quarter | YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 1/1/95 | | | | |
| 5th Percentile | -2.1 | 1.0 | 3.9 | 10.2 | 10.3 | 8.5 | 6.7 | 9.2 | | | | |
| 25th Percentile | -3.8 | -0.5 | 1.7 | 8.6 | 9.0 | 7.4 | 5.9 | 8.2 | | | | |
| Median | -4.5 | -1.8 | 0.4 | 7.5 | 8.0 | 6.8 | 5.5 | 7.8 | | | | |
| 75th Percentile | -5.2 | -2.9 | -1.3 | 6.3 | 7.1 | 6.2 | 4.9 | 7.3 | | | | |
| 95th Percentile | -6.3 | -4.4 | -3.1 | 4.0 | 5.4 | 4.8 | 4.1 | 6.6 | | | | |
| # of Portfolios | 245 | 245 | 245 | 227 | 223 | 219 | 205 | 83 | | | | |
| ● Total Pension Plan | -3.6 (20) | -1.0 (32) | 1.1 (36) | 8.2 (32) | 8.4 (38) | 7.4 (26) | 6.3 (14) | 9.3 (3) | | | | |
| ▲ Total Fund Policy Index | -4.7 (59) | -2.0 (56) | -0.7 (70) | 7.2 (56) | 7.5 (63) | 6.6 (55) | 5.5 (50) | 7.7 (58) | | | | |
| × Total Fund Allocation Index | -4.3 (43) | -1.7 (46) | 0.3 (54) | 8.0 (38) | 8.6 (30) | 7.3 (26) | 6.0 (24) | -- (-) | | | | |

NYSNA vs. 60/40 Benchmark

\$Billions



New York State Nurses Association Pension Plan

ANNUAL FUNDING NOTICE

Plan Year 2014

Introduction

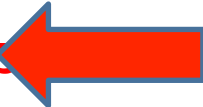
This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice, required by federal law, is for the Plan Year beginning January 1, 2014, and ending December 31, 2014 (referred to hereafter as "Plan Year").

How Well Funded is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage

| | <u>Plan Year 2014</u> | <u>Plan Year 2013</u> | <u>Plan Year 2012</u> |
|--------------------------|-----------------------|-----------------------|-----------------------|
| Valuation Date | January 1,2014 | January 1,2013 | January 1,2012 |
| Funded Percentage | 116.6% | 118.4% | 115.1% |
| Value of Assets | \$3,042,124,116 | \$2,833,939,210 | \$2,614,153,539 |
| Value of Liabilities* | \$2,678,469,114 | \$2,394,273,220 | \$2,260,079,740 |







Decision Attribution Analysis

YTD as of October 31, 2015

Strategic Decision

Tactical Decisions

Manager Selection

Implementation Decisions

Decision Attribution Analysis
YTD as of October 31, 2015

Benchmark Decision: 60/40 **1.67%**

Russell 3000
Barclays Aggregate

Decision Attribution Analysis

YTD as of October 31, 2015

Benchmark Decision: 60/40

1.67%

Strategic Decisions

Global Equities
Core Plus Bonds
Hedge Funds
Opportunistic Income
Private Equity
Real Estate
Infrastructure
Cash

Decision Attribution Analysis

YTD as of October 31, 2015

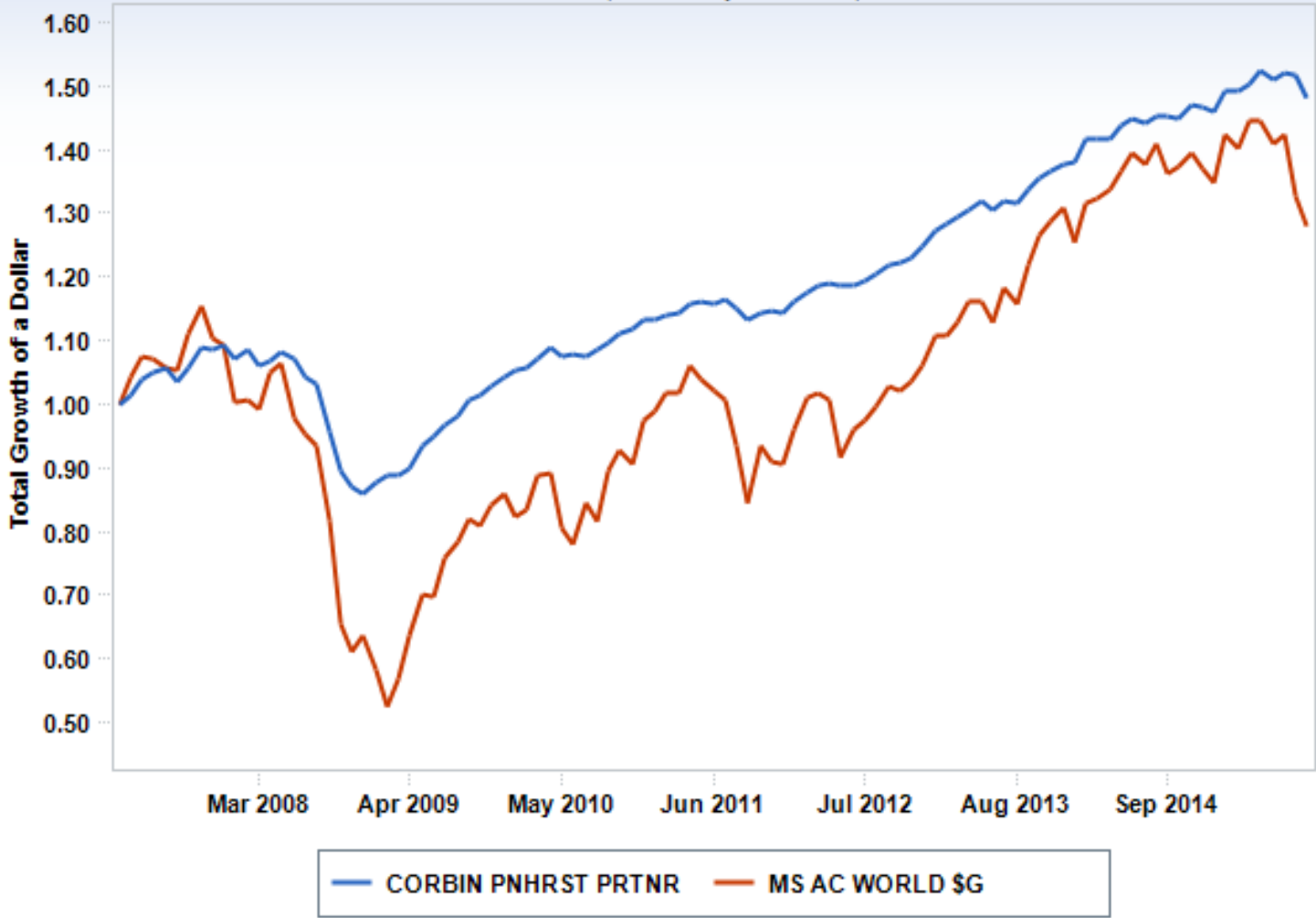
Benchmark Decision: 60/40

1.67%

Strategic Decisions

1.73 .06

Growth of a Dollar
March 31, 2007 - September 30, 2015



Decision Attribution Analysis

YTD as of October 31, 2015

| | | |
|---------------------------|-------|-----|
| Benchmark Decision: 60/40 | 1.67% | |
| Strategic Decision | 1.73 | .06 |

Tactical Decisions

Mid-Cap Bias

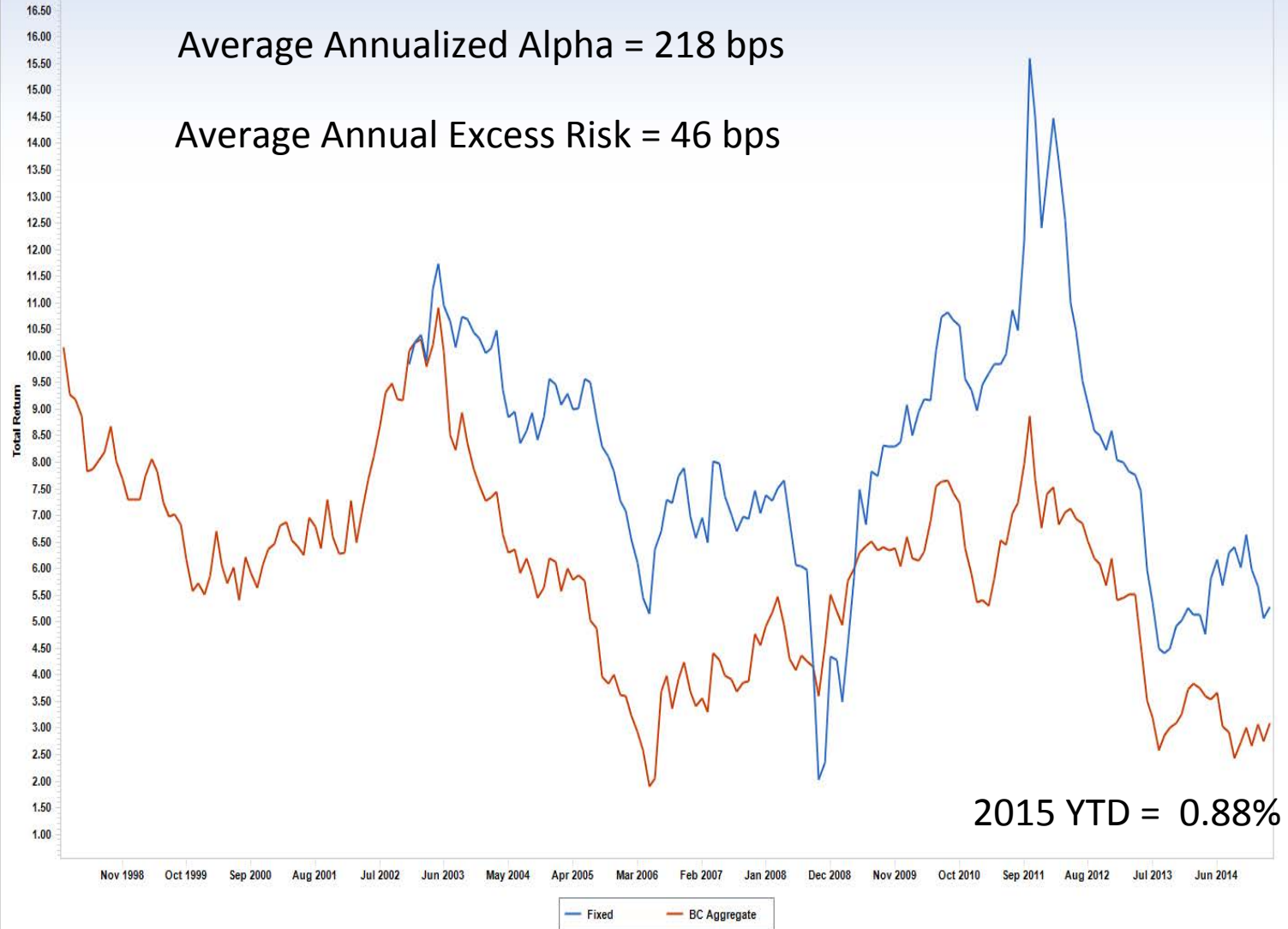
Empower Managers

OTB Implementation

36-Month Rolling Return
December 31, 1997 - March 31, 2015

Average Annualized Alpha = 218 bps

Average Annual Excess Risk = 46 bps



Decision Attribution Analysis

YTD as of October 31, 2015

| | | |
|---------------------------|-------------|------------|
| Benchmark Decision: 60/40 | 1.67% | |
| Strategic Decision | 1.73 | .06 |
| Tactical Decisions | 2.05 | .33 |

Decision Attribution Analysis YTD as of October 31, 2015

| | | |
|---------------------------|------|-----|
| Benchmark Decision: 60/40 | 1.67 | |
| Strategic Decision | 1.73 | .06 |
| Tactical Decisions | 2.05 | .33 |

Manager Selection

Active not Passive
Internal Staff ... One Client
Daily Monitoring of Managers

Decision Attribution Analysis

YTD as of October 31, 2015

| | | |
|---------------------------|-------------|-------------|
| Benchmark Decision: 60/40 | 1.67 | |
| Strategic Decision | 1.73 | .06 |
| Tactical Decisions | 2.05 | .33 |
| Manager Selection | 3.34 | 1.28 |

167 bps of Alpha

Decision Attribution Analysis

As of October 31, 2015

| | | |
|---------------------------|------|------|
| Benchmark Decision: 60/40 | 1.67 | |
| Strategic Decision | 1.73 | .06 |
| Tactical Decisions | 2.05 | .33 |
| Manager Selection | 3.34 | 1.28 |

Implementation Decisions

Implementation Decisions

Research Reveals this is the Most Costly to Plans

Focused Group Averaged over -100 bps per Year

Decision Attribution Analysis

As of October 31, 2015

| | | |
|---------------------------------|-------------|-------------|
| Benchmark Decision: 60/40 | 1.67 | |
| Strategic Decision | 1.73 | .06 |
| Tactical Decisions | 2.05 | .33 |
| Manager Selection | 3.34 | 1.28 |
| Implementation Decisions | 2.79 | -.55 |

Decision Attribution Analysis

As of October 31, 2015

| | | |
|---------------------------|-------------|-------------|
| Benchmark Decision: 60/40 | 1.67 | |
| Strategic Decision | 1.73 | .06 |
| Tactical Decisions | 2.05 | .33 |
| Manager Selection | 3.34 | 1.28 |
| Implementation Decisions | 2.79 | -.55 |
| Total Portfolio | 2.79 | 1.12 |

The Cost of Inefficiencies YTD

55 bps

OR

\$16.5 million

Closing Thoughts

Your Level of Success Will Equal Your Level of Discipline

Closing Thoughts

Discipline

Investment Advocacy



Closing Thoughts

Discipline

Investment Advocacy

Coalitions/ Investment Alliances

Closing Thoughts

Discipline

Investment Advocacy

Coalitions/ Investment Alliances

Consultant Improvement