Russell Niemie
CIO New York State Nurses Association

CORPaTH 2015
New York State Nurses Association Pension Plan
Total Fund Return Summary vs. Peer Universe

Top 3%

September 30, 2015
NYSNA vs. 60/40 Benchmark
$Billions

CORPaTH 2015
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.

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Plan Year 2014</th>
<th>Plan Year 2013</th>
<th>Plan Year 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded Percentage</td>
<td>116.6%</td>
<td>118.4%</td>
<td>115%</td>
</tr>
<tr>
<td>Value of Assets</td>
<td>$3,042,124,116</td>
<td>$2,833,939,210</td>
<td>$2,614,153,539</td>
</tr>
<tr>
<td>Value of Liabilities*</td>
<td>$2,678,469,114</td>
<td>$2,394,273,220</td>
<td>$2,260,079,740</td>
</tr>
</tbody>
</table>
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
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
Average Annualized Alpha = 218 bps
Average Annual Excess Risk = 46 bps

2015 YTD = 0.88%
Decision Attribution Analysis
YTD as of October 31, 2015

Benchmark Decision: 60/40 1.67%

Strategic Decision 1.73 0.06

Tactical Decisions 2.05 0.33
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

Strategic Decision

Tactical Decisions

Manager Selection

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**

<table>
<thead>
<tr>
<th>Decision Type</th>
<th>Value 1</th>
<th>Value 2</th>
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</thead>
<tbody>
<tr>
<td>Benchmark Decision: 60/40</td>
<td>1.67</td>
<td></td>
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<tr>
<td>Strategic Decision</td>
<td>1.73</td>
<td>.06</td>
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<tr>
<td>Tactical Decisions</td>
<td>2.05</td>
<td>.33</td>
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<tr>
<td>Manager Selection</td>
<td>3.34</td>
<td>1.28</td>
</tr>
<tr>
<td>Implementation Decisions</td>
<td>2.79</td>
<td>-.55</td>
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## Decision Attribution Analysis
### As of October 31, 2015

<table>
<thead>
<tr>
<th>决策类型</th>
<th>理论值</th>
<th>实际值</th>
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<td><strong>Total Portfolio</strong></td>
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<td></td>
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<td>1.12</td>
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</tbody>
</table>
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