

New York State Teachers Retirement System (Leading Edge)

Monthly Reports

As of August 31, 2015

HERNDON CAPITAL[®]
Management

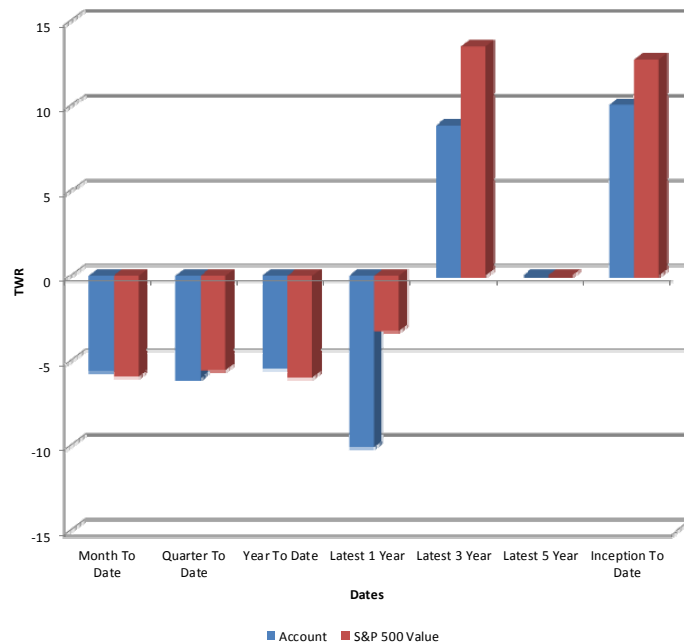
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Herndon Capital Management
TWR FOR SELECTED PERIODS
ANNUALIZED
GROSS OF FEES
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
August 31, 2015

	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year	Inception To Date
Account	-5.68	-6.09	-5.53	-10.11	8.84	-	10.03
S&P 500 Value	-5.98	-5.62	-6.04	-3.27	13.46	?	12.72

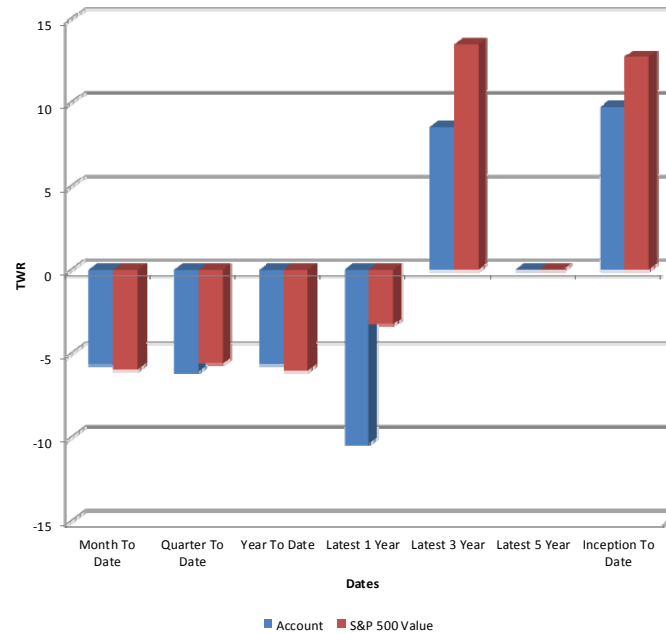
PERFORMANCE HISTORY SUMMARY



Herndon Capital Management
TWR FOR SELECTED PERIODS
ANNUALIZED
NET OF FEES
New York State Teachers' Retirement System
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
August 31, 2015

	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year	Inception To Date
Account	-5.68	-6.09	-5.67	-10.37	8.53	-	9.73
S&P 500 Value	-5.98	-5.62	-6.04	-3.27	13.46	?	12.72

PERFORMANCE HISTORY SUMMARY



Herndon Capital Management
PORTFOLIO APPRAISAL
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
August 31, 2015

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
COMMON STOCK							
CONSUMER DISCRETIONARY							
2,847.00	ROSS STORES	36.42	103,682.69	48.62	138,421.14	0.6	1.0
11,747.00	TJX COMPANIES INC	23.66	277,956.00	70.32	826,049.04	3.7	1.2
2,917.00	YUM! BRANDS INC	65.68	191,595.91	79.77	232,689.09	1.0	2.1
			573,234.59		1,197,159.27	5.3	1.3
CONSUMER STAPLES							
14,110.00	ALTRIA GROUP INC	24.46	345,138.13	53.58	756,013.80	3.4	4.2
14,870.00	CAMPBELL SOUP	45.52	676,816.15	47.99	713,611.30	3.2	2.6
1,780.00	COLGATE-PALMOLIVE CO	65.47	116,529.34	62.81	111,801.80	0.5	2.4
8,182.00	PHILIP MORRIS INTL	67.55	552,723.43	79.80	652,923.60	2.9	5.0
			1,691,207.06		2,234,350.50	9.9	3.8
ENERGY							
8,430.00	APACHE CORP	81.85	689,976.82	45.24	381,373.20	1.7	2.2
23,787.00	CHESAPEAKE ENERGY	11.62	276,398.29	7.81	185,776.47	0.8	0.0
13,348.00	CONTINENTAL RSCS	47.63	635,772.70	32.10	428,470.80	1.9	0.0
8,002.00	EXXON MOBIL CORP	76.44	611,638.50	75.24	602,070.48	2.7	3.9
16,409.00	HALLIBURTON CO	45.10	740,030.73	39.35	645,694.15	2.9	1.8
15,266.00	MARATHON PETR CORP COM	23.77	362,900.86	47.31	722,234.46	3.2	2.7
19,073.00	NOBLE CORP PLC SHS USD	14.76	281,585.34	13.02	248,330.46	1.1	11.5
11,778.00	SM ENERGY	75.76	892,256.58	36.70	432,252.60	1.9	0.3
5,064.00	TESORO	97.36	493,054.41	92.01	465,938.64	2.1	2.2
10,172.00	VALERO ENERGY CORP	48.09	489,203.28	59.34	603,606.48	2.7	2.7
			5,472,817.51		4,715,747.74	20.9	2.5

Herndon Capital Management
PORTFOLIO APPRAISAL
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
August 31, 2015

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
FINANCIALS							
6,135.00	AMERICAN EXPRESS	79.57	488,165.76	76.72	470,677.20	2.1	1.5
15,935.00	APARTMENT INVST/MGMT	27.08	431,574.56	36.03	574,138.05	2.5	3.3
12,697.00	CBOE HOLDINGS	29.52	374,856.93	63.26	803,212.22	3.6	1.5
1,051.00	CREDIT ACCEPTANCE CORP	229.86	241,585.92	203.81	214,204.31	0.9	0.0
10,565.00	DISCOVER FINANCIAL SERVICES	32.91	347,733.55	53.73	567,657.45	2.5	2.1
14,588.00	EATON VANCE	32.46	473,480.12	34.67	505,765.96	2.2	2.9
6,369.00	MCGRAW HILL FINL INC COM	46.60	296,824.49	96.99	617,729.31	2.7	1.4
5,623.00	MOODY'S	88.36	496,846.15	102.31	575,289.13	2.5	1.3
12,511.00	WADDELL & REED FINANCIAL	39.18	490,239.40	39.07	488,804.77	2.2	4.4
			3,641,306.88			21.4	2.1
HEALTH CARE							
7,339.00	ABBVIE INC. COM	66.41	487,363.84	62.41	458,026.99	2.0	3.3
4,730.00	GILEAD SCIENCES	85.08	402,437.98	105.07	496,981.10	2.2	1.6
1,291.00	JAZZ PHARMACEUTICALS P SHS USD	184.14	237,727.83	168.82	217,946.62	1.0	0.0
4,305.00	MYLAN N V SHS EURO	55.17	237,524.90	49.59	213,484.95	0.9	0.0
			1,365,054.55			6.1	1.7
INDUSTRIALS							
3,541.00	COPA HOLDINGS SA	105.55	373,750.33	51.27	181,547.07	0.8	6.6
4,246.00	LOCKHEED MARTIN	78.28	332,371.28	201.18	854,210.28	3.8	3.0

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August 31, 2015

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
5,703.00	ROCKWELL COLLINS INC	74.85	426,841.68	81.85	466,790.55	2.1	1.6
7,190.00	UNITED PARCEL SERVICES CL B	88.98	639,793.70	97.65	702,103.50	3.1	3.0
7,656.00	VERISK ANALYTICS INC.	65.05	498,038.07	73.08	559,500.48	2.5	0.0
			2,270,795.06		2,764,151.88	12.3	2.4
INFORMATION TECHNOLOGY							
2,460.00	ACCENTURE PLC CL A	97.67	240,259.84	94.27	231,904.20	1.0	2.2
811.00	ALLIANCE DATA SYSTEM	294.44	238,791.89	257.19	208,581.09	0.9	0.0
6,469.00	APPLE INC	54.18	350,465.84	112.76	729,444.44	3.2	1.8
3,124.00	HARRIS CORP	79.83	249,397.43	76.82	239,985.68	1.1	2.6
7,879.00	HEWLETT-PACKARD	30.49	240,267.78	28.06	221,084.74	1.0	2.5
4,203.00	MASTERCARD INC CL A	92.66	389,451.45	92.37	388,231.11	1.7	0.7
9,168.00	MICROSOFT CORP	34.54	316,646.69	43.52	398,991.36	1.8	2.8
7,324.00	WESTERN DIGITAL	34.58	253,243.96	81.96	600,275.04	2.7	2.4
30,196.00	WESTERN UNION	16.41	495,522.07	18.44	556,814.24	2.5	3.4
			2,774,046.95		3,575,311.90	15.8	2.2
MATERIALS							
9,070.00	CF INDUSTRIES HOLDINGS INC	40.62	368,437.35	57.38	520,436.60	2.3	2.1
5,802.00	LYONDELLBASELL INDUSTRIES SHS - A	80.14	464,989.84	85.38	495,374.76	2.2	3.7
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Herndon Capital Management
PORTFOLIO APPRAISAL
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
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August 31, 2015

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
1,363.00	NEWMARKET CORP COM	248.88	339,223.28	383.24	522,356.12	2.3	1.5
			1,172,650.48		1,538,167.48	6.8	2.4
	COMMON STOCK Total		18,961,113.07		22,228,806.83	98.5	2.4
CASH AND EQUIVALENTS							
	Dividend Accrual Account		50,909.07		50,909.07	0.2	0.0
	Interest Receivable		69.08		69.08	0.0	0.0
	State Street Bank - US Cash		282,307.84		282,307.84	1.3	0.0
			333,285.99		333,285.99	1.5	0.0
TOTAL PORTFOLIO			19,294,399.06		22,562,092.82	100.0	2.3

Herndon Capital Management
PURCHASE AND SALE
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
From 08-01-15 To 08-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
08-10-15	08-13-15	2,596.00	ABBVIE INC. COM	69.23	179,726.79
08-11-15	08-14-15	826.00	ABBVIE INC. COM	68.89	56,904.38
08-10-15	08-13-15	2,119.00	CF INDUSTRIES HOLDINGS INC	61.06	129,386.56
08-11-15	08-14-15	1,901.00	CF INDUSTRIES HOLDINGS INC	58.95	112,064.90
08-11-15	08-14-15	5,873.00	HALLIBURTON CO	41.04	241,041.43
08-19-15	08-24-15	11.00	JAZZ PHARMACEUTICALS P SHS USD	185.14	2,036.53
08-19-15	08-24-15	11.00	JAZZ PHARMACEUTICALS P SHS USD	185.76	2,043.34
08-19-15	08-24-15	107.00	JAZZ PHARMACEUTICALS P SHS USD	186.08	19,910.27
08-19-15	08-24-15	126.00	JAZZ PHARMACEUTICALS P SHS USD	186.12	23,451.13
08-20-15	08-25-15	27.00	JAZZ PHARMACEUTICALS P SHS USD	184.12	4,971.23
08-20-15	08-25-15	27.00	JAZZ PHARMACEUTICALS P SHS USD	184.12	4,971.31
08-20-15	08-25-15	27.00	JAZZ PHARMACEUTICALS P SHS USD	183.98	4,967.53
08-20-15	08-25-15	27.00	JAZZ PHARMACEUTICALS P SHS USD	183.50	4,954.39
08-20-15	08-25-15	928.00	JAZZ PHARMACEUTICALS P SHS USD	183.64	170,422.10
08-31-15	09-03-15	1,637.00	MASTERCARD INC CL A	92.37	151,207.07
08-18-15	08-21-15	463.00	MYLAN N V SHS EURO	55.78	25,824.47
08-18-15	08-21-15	7.00	MYLAN N V SHS EURO	55.76	390.32
08-19-15	08-24-15	1,799.00	MYLAN N V SHS EURO	55.04	99,015.34
08-19-15	08-24-15	2,036.00	MYLAN N V SHS EURO	55.15	112,294.77
08-31-15	09-03-15	2,257.00	NOBLE CORP PLC SHS USD	13.06	29,467.39

Herndon Capital Management
PURCHASE AND SALE
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
From 08-01-15 To 08-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
08-31-15	09-03-15	159.00	NOBLE CORP PLC SHS USD	13.03	2,071.23
					1,377,122.48
SALES					
08-10-15	08-13-15	60.00	BAXTER INTERNATIONAL	41.94	2,516.65
08-10-15	08-13-15	152.00	BAXTER INTERNATIONAL	41.95	6,376.31
08-10-15	08-13-15	2,741.00	BAXTER INTERNATIONAL	42.00	115,129.75
08-10-15	08-13-15	548.00	BAXTER INTERNATIONAL	41.98	23,006.42
08-11-15	08-14-15	2,642.00	BAXTER INTERNATIONAL	41.72	110,235.95
08-11-15	08-14-15	762.00	BAXTER INTERNATIONAL	41.68	31,762.24
08-10-15	08-13-15	1,475.00	COLGATE-PALMOLIVE CO	68.72	101,367.95
08-11-15	08-14-15	1,967.00	COLGATE-PALMOLIVE CO	68.29	134,335.76
08-31-15	09-03-15	745.00	COPA HOLDINGS SA	51.47	38,348.31
08-31-15	09-03-15	53.00	COPA HOLDINGS SA	51.31	2,719.46
08-10-15	08-13-15	78.00	EOG RESOURCES	75.70	5,904.65
08-10-15	08-13-15	78.00	EOG RESOURCES	75.71	5,905.67
08-10-15	08-13-15	78.00	EOG RESOURCES	75.79	5,911.83
08-10-15	08-13-15	78.00	EOG RESOURCES	75.79	5,911.88
08-10-15	08-13-15	157.00	EOG RESOURCES	75.82	11,904.31
08-10-15	08-13-15	157.00	EOG RESOURCES	75.84	11,907.66
08-10-15	08-13-15	118.00	EOG RESOURCES	75.83	8,947.52
08-10-15	08-13-15	157.00	EOG RESOURCES	76.19	11,961.60
08-10-15	08-13-15	1,649.00	EOG RESOURCES	76.10	125,496.80
08-10-15	08-13-15	2,740.00	EOG RESOURCES	75.84	207,788.45
08-10-15	08-13-15	2,676.00	MICROSOFT CORP	47.28	126,515.74
08-10-15	08-13-15	2,336.00	MICROSOFT CORP	47.29	110,466.71
					1,204,421.62

Herndon Capital Management
INCOME AND EXPENSES - SETTLED TRADES
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
From 08-01-15 Through 08-31-15

<u>Ex-Date</u>	<u>Pay-Date</u>	<u>Security</u>	<u>Amount</u>
COMMON STOCK			
07-09-2015	08-03-2015	CAMPBELL SOUP	4,639.44
07-09-2015	08-03-2015	WADDELL & REED FINANCIAL	5,379.73
07-15-2015	08-07-2015	YUM! BRANDS INC	1,195.97
06-30-2015	08-10-2015	AMERICAN EXPRESS	1,779.15
07-30-2015	08-10-2015	NOBLE CORP PLC SHS USD	6,246.38
07-29-2015	08-12-2015	EATON VANCE	3,647.00
08-06-2015	08-13-2015	APPLE INC	3,363.88
07-13-2015	08-14-2015	ABBVIE INC. COM	1,997.67
07-21-2015	08-14-2015	COLGATE-PALMOLIVE CO	3,351.60
08-04-2015	08-20-2015	DISCOVER FINANCIAL SERVICES	2,958.20
07-20-2015	08-21-2015	APACHE CORP	2,107.50
08-12-2015	08-31-2015	APARTMENT INVST/MGMT	4,780.50
08-12-2015	08-31-2015	CF INDUSTRIES HOLDINGS INC	2,721.00
			<hr/>
			44,168.02
CASH AND EQUIVALENTS			
07-31-2015	08-01-2015	State Street Bank - US Cash	60.59
			<hr/>
			60.59
NET INCOME			<hr/>
			44,228.61

Report run at 10:31:20 AM on Friday, September 11, 2015

Herndon Capital Management
COMMISSION PURPOSE
New York State Teachers' Retirement System - Leading Edge
Large Cap Value Portfolio, Inception 12-02-2010
Account # X44X
From 08-01-15 to 08-31-15

	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
Hard Dollar			
Barclays Capital	49.47	0.030	4.1%
Bloomberg Tradebook	39.57	0.030	3.3%
Deutsche Bank	70.08	0.030	5.8%
ISI GROUP INC	39.30	0.030	3.3%
Jones Trading	348.87	0.030	28.9%
Liquidnet	10.31	0.010	0.9%
Merrill Lynch, Pierce, Fenner Smith	161.49	0.030	13.4%
Morgan Stanley Dean Witter	230.19	0.030	19.1%
Sanford Bernstein	6.53	0.024	0.5%
Subtotal	955.81	0.029	79.1%
Encourage WMBE			
Cheevers and Company	162.70	0.020	13.5%
Sturdivant and Co Inc	49.11	0.030	4.1%
Williams Capital	40.72	0.020	3.4%
Subtotal	252.53	0.021	20.9%
TOTAL	1,208.34	0.027	100%

Report run at 10:31:30 AM on Friday, September 11, 2015

Herndon Capital Management

New York State Teachers Retirement System - Leading Edge vs. S&P 500 Value

Performance Attribution by GICS Sectors

07/31/2015 - 08/31/2015

SectorName	Avg Port Wt	Avg Bmrk Wt	Port Return	Bmrk Return	Port Contrib	Bmrk Contribt	Alloc Effect	Select Effect	Total Effect
Portfolio	100.00	100.00	-5.68	-5.98	-5.68	-5.98	0.02	0.28	0.30
Consumer Discretionary	5.26	8.03	-2.28	-6.99	-0.13	-0.56	0.03	0.24	0.27
Consumer Staples	10.20	10.23	-3.83	-6.10	-0.36	-0.62	0.00	0.23	0.24
Energy	20.77	11.95	-5.94	-4.28	-1.24	-0.49	0.09	-0.29	-0.20
Financials	21.52	25.90	-5.48	-7.04	-1.17	-1.82	0.05	0.33	0.38
Health Care	5.20	10.91	-9.59	-7.06	-0.60	-0.78	0.03	-0.16	-0.13
Industrials	12.65	12.40	-6.68	-5.45	-0.84	-0.67	0.00	-0.15	-0.15
Materials	6.45	3.60	-5.11	-6.22	-0.32	-0.22	-0.00	0.09	0.09
Information Technology	15.45	6.50	-6.74	-6.67	-1.01	-0.43	-0.06	-0.01	-0.07
Telecommunication Services	0.00	4.98	0.00	-3.14	0.00	-0.16	-0.14	0.00	-0.14
Utilities	0.00	5.51	0.00	-3.49	0.00	-0.21	-0.13	0.00	-0.13
Cash	2.49	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.15

August 2015

Herndon Capital Management Large Cap Value Commentary

All of the major U.S. equity indices took a substantial hit during the month of August and posted negative returns for the month. Global markets fell on worries about slower economic growth in China, the continued decline in commodity prices and the uncertainty regarding a US interest rate hike by the Federal Reserve. Also during the month of August, the CBOE VIX reached an intraday peak of 50 and a closing peak of 40, levels the market has not seen since 2011. These issues continue to test the mettle of the global financial recovery. The S&P 500 Value Index fell 5.98% during the month of August. Performance was mixed as four of ten GICS sectors in the benchmark outperformed. The leading sectors in the benchmark were Telecom (down approximately 3% for the month of August), Utilities (down 3%) and Energy (down 4%). The laggards for the month included Health Care (down 7%), Financials (down 7%) and Consumer Discretionary (down 7%).

The Herndon Large Cap Value portfolio outperformed the S&P 500 Value over the month, falling approximately 5.68%. Six of ten GICS sectors in the portfolio outperformed their respective benchmark sector and/or the S&P 500 Value benchmark. For the month, both stock selection and sector allocation were positive; however, stock selection was the primary driver of relative performance.

The portfolio's most pronounced relative overweight sectors continued to be Technology, Energy and Materials. The portfolio's largest relative underweights continued to be in the Health Care, Utilities and Telecom sectors.

The portfolio sectors with the greatest relative contribution for the month of August were Financials, Consumer Discretionary and Consumer Staples. The portfolio sectors with the lowest level of relative contribution for August were Energy, Industrials and Telecom.

The top five positive individual stock contributors during the month were Noble Corp (+9.0% return), CBOE Holdings (+2.1% return), Baxter International (+4.2% return), TJX Companies (+1.0% return) and American Express (+0.9% return). These stocks represent holdings from the Energy, Financials, Health Care, Consumer Discretionary and Financials sectors respectively. Noble Corp (NE), a global oil and gas drilling company specializing in ultra-deepwater drilling opportunities, experienced improved investor sentiment as competitors increase rig retirements and delay newly built rigs. CBOE (CBOE), the operator of an exchange focused on ETFs, options and derivatives trading, had increased volume driven from volatility in the equity and futures market. Baxter International (BAX), a health care equipment company, is benefitting from increased investor sentiment after Third Point hedge fund made a \$2B investment in the company.

The five stocks that detracted from performance the most during the month were Marathon Petroleum (-13.0% return), COPA Holdings (-31.0% return), Waddell & Reed (-13.0%), Valero Energy (-9.5% return) and Gilead Sciences (-10.9% return). These stocks represent holdings from the Energy, Industrials, Financials, Energy and Health Care sectors respectively. Marathon (MPC), an oil and gas refinery company, has experienced a recent pull back despite outperforming the sector earlier this year. COPA Holdings (CPA), an airlines company based in Panama, had a significant earnings downgrade which caused the performance to lag. Waddell & Reed (WDR), an investment advisor and exclusive underwriter and distributor of mutual funds, has experienced a decline in assets in turn is generating less revenue from fees.

During the month of August, the portfolio's positions in Abbvie (ABBV), CF Industries (CF) and Halliburton (HAL) increased while positions in Colgate-Palmolive (CL) and Microsoft (MSFT) decreased. Positions were initiated in Jazz Pharmaceuticals (JAZZ) and Mylan (MYL). The portfolio's positions in Baxter International (BAX) and EOG Resources (EOG) were eliminated. The net impact of the trades had just minor impacts on the overall relative sector exposure. Exposure to Health Care and Materials increased, while exposure to Consumer Staples, Energy and Technology declined. All other sectors essentially remained the same, with the exception of market appreciation or depreciation.