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MEMORANDUM

TO: Trustees
New York City Fire Department Pension Fund

FROM: Scott C. Evans

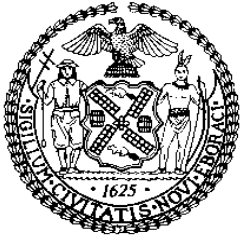
DATE: December 10, 2014

RE: New York City Fire Department Pension Fund Investment Meeting –
December 17, 2014

Enclosed is a copy of the **public agenda** for the Wednesday, December 17, 2014 Investment Meeting. The meeting will be held at our location – **NYC Comptroller's Office, 1 Centre Street, Executive Board Room, 5th Floor – Rm. 530** (beginning @ 9:30am).

Please remember to bring all (3) Quarterly Performance Overview books with you to the meeting, they will be mailed.

If you have questions about any agenda item, please contact me at 212-669-8318



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

Scott M. Stringer
COMPTROLLER

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

INVESTMENT MEETING

DECEMBER 17, 2014

LOCATION:

One Centre Street -
Executive Board Room, 5th Floor (Rm. 530)
New York, NY

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

INVESTMENT MEETING

DECEMBER 17, 2014

PUBLIC AGENDA

	<u>Page</u>
I. Performance Reviews: (30 Minutes)	
• Quarterly Review/Annual Review – September 30, 2014 (To be distributed)	---
• ETI Quarterly Report – September 30, 2014	6
• Private Equity Quarterly Report – June 30, 2014	12
• Real Assets Quarterly Report – June 30, 2014	43
II. October Monthly Performance Review: (30 Minutes) (Material to be sent under separate cover)	---

NEW YORK CITY VARIABLE SUPPLEMENTS FUND PUBLIC AGENDA

FFVSF:

I. Performance Review: (5 Minutes)	
• Quarterly Report – September 30, 2014 (To be distributed)	---

FOVSE:

II. Performance Review: (5 Minutes)	
• Quarterly Report – September 30, 2014 (To be distributed)	---

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PUBLIC AGENDA

I. Performance Reviews:

Quarterly Review/Annual Review
(To be distributed)

ETI Quarterly Report

FIRE Economically Targeted Investments Quarterly Report

7

Public/Private Apartment Rehabilitation Program (PPAR)

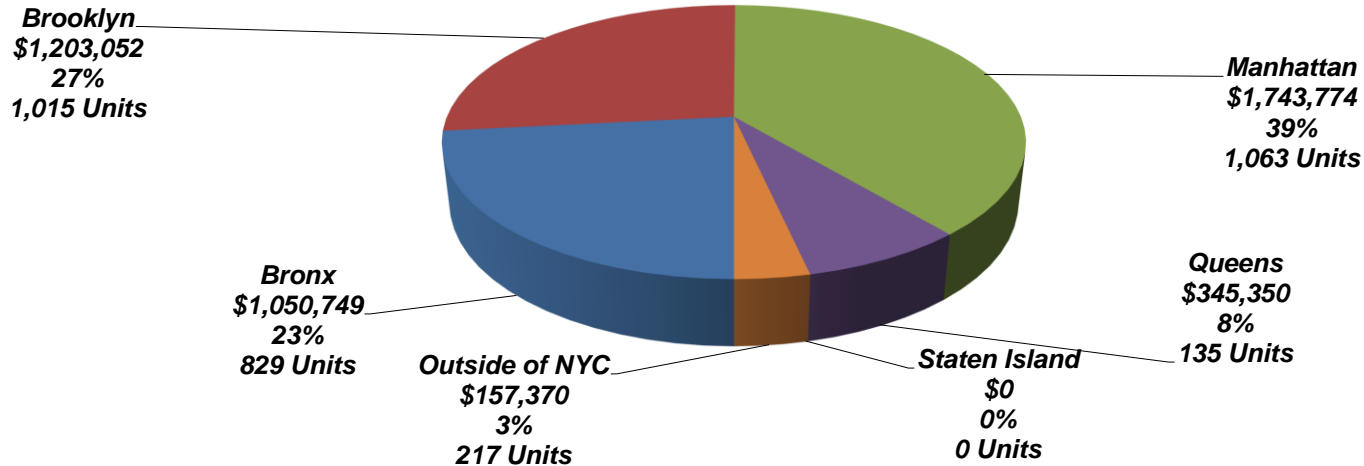
Lenders*	BOA		CCD		CFSB		CPC		JPMS		LIIF		NCBCI		NHS		All Lender Totals	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Contractual Commitments	\$11.00 MM	n/a	\$6.00 MM	n/a	\$1.00 MM	n/a	\$6.00 MM	n/a	\$10.00 MM	n/a	\$6.00 MM	n/a	\$1.00 MM	n/a	\$1.00 MM	n/a	\$42.00 MM	n/a
Current Market Value	\$0.24 MM		\$1.56 MM		\$0.41 MM		\$0.93 MM		\$0.40 MM		\$1.01 MM		\$0.29 MM		\$0.00 MM		\$4.84 MM	
Commitments 3Q 14 (included in total)																		
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	23,100	35	0	0	0	0	0	0	0	0	23,100	35
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	78,000	62	55,839	66	0	0	0	0	0	0	133,839	128
Total	\$0	0	\$0	0	\$0	0	\$101,100	97	\$55,839	66	\$0	0	\$0	0	\$0	0	\$156,939	163
Delivered 3Q 14 (included in total)																		
Bronx	\$0	0	\$52,200	30	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$52,200	30
Brooklyn	0	0	0	0	0	0	388,533	426	0	0	144,805	71	0	0	0	0	533,338	497
Manhattan	0	0	103,275	0	0	0	37,222	74	0	0	0	0	0	0	0	0	140,497	74
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	32,830	34	0	0	0	0	0	0	0	0	32,830	34
Total	\$0	0	\$155,475	30	\$0	0	\$458,584	534	\$0	0	\$144,805	71	\$0	0	\$0	0	\$758,864	635
Total Commitments																		
Bronx	\$612,500	60	\$352,020	56	\$0	0	\$454,559	934	\$3,350,795	955	\$383,200	117	\$0	0	\$0	0	\$5,153,073	2,122
Brooklyn	649,915	54	351,000	128	0	0	509,095	817	654,530	268	940,397	212	57,190	54	0	0	3,162,127	1,533
Manhattan	784,000	100	52,200	30	0	0	658,929	1,185	449,005	232	1,556,308	338	90,817	82	0	0	3,591,259	1,967
Queens	1,546,888	174	0	0	0	0	265,380	406	90,000	96	0	0	0	0	0	0	1,902,268	676
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	216,510	207	385,339	122	0	0	0	0	0	0	601,849	329
Total	\$3,593,303	388	\$755,220	214	\$0	0	\$2,104,472	3,549	\$4,929,669	1,673	\$2,879,905	667	\$148,007	136	\$0	0	\$14,410,577	6,627
Historical Investments																		
Bronx	\$0	0	\$566,200	396	\$0	0	\$91,049	270	\$393,500	163	\$0	0	\$0	0	\$0	0	\$1,050,749	829
Brooklyn	0	0	243,348	124	0	0	490,271	646	0	0	469,433	245	0	0	0	0	1,203,052	1,015
Manhattan	0	0	503,049	253	483,542	197	108,977	342	13,500	47	363,140	101	271,566	123	0	0	1,743,774	1,063
Queens	210,000	65	120,000	54	0	0	15,350	16	0	0	0	0	0	0	0	0	345,350	135
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0
Outside of NYC	0	0	0	0	0	0	157,370	217	0	0	0	0	0	0	0	0	157,370	217
Total	\$210,000	65	\$1,432,597	827	\$483,542	197	\$863,016	1,491	\$407,000	210	\$832,573	346	\$271,566	123	\$0	0	\$4,500,294	3,259

*Lenders : Bank of America Citibank Community Development Carver Federal Savings Bank The Community Preservation Corporation JP Morgan Chase Low Income Investment Fund NCB Capital Impact Neighborhood Housing Service

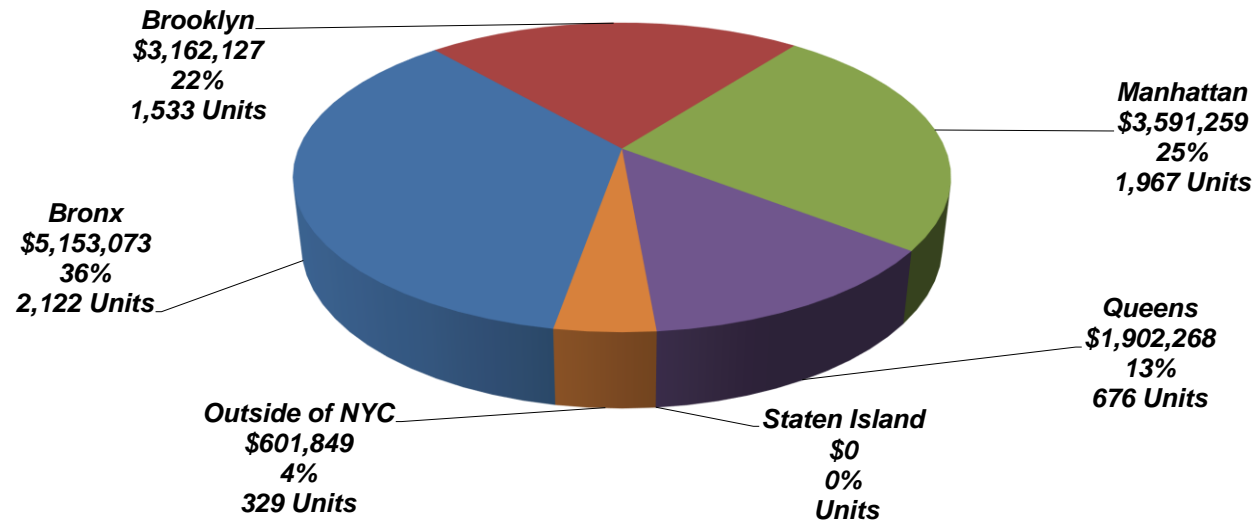
FIRE Economically Targeted Investments Quarterly Report

Public/Private Apartment Rehabilitation Program (PPAR)

Historical Investments Since Inception All PPAR Lenders



Current Commitments All PPAR Lenders



FIRE Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)
Market Value \$41.59 million*
NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013 Multifamily Investments Detail

<u>Borough</u>	<u>3Q Investments</u>	<u>Investments Since Inception</u>	<u>3Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$52,827,900	0	802
Brooklyn	0	103,890,446	0	5,616
Manhattan	0	174,075,200	0	926
Queens	0	17,760,000	0	1,260
Staten Island	0	6,414,554	0	693
Outside NYC	0	100,000,000	0	137
Total	\$0	\$454,968,100	0	9,434
Grand Total NYCCII Phase II		\$454,968,100		9,434

NYCCII Phase I 2002 - 2005

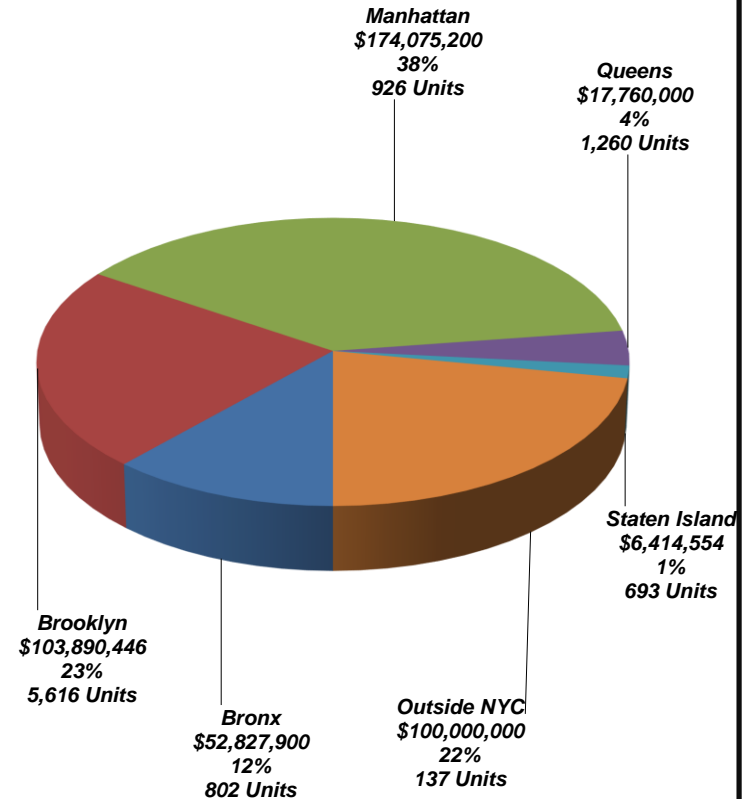
	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
Total NYCCII Phase I	\$597,424,063	12,337	131	446

NYCCII Phases I & II

	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$704,091,600	21,771	n/a	n/a
HIT Home Investments	2,899,899,500	n/a	131	446
Grand Total NYCCII Phases I & II	\$3,603,991,100	21,771	131	446

*Interest is reinvested

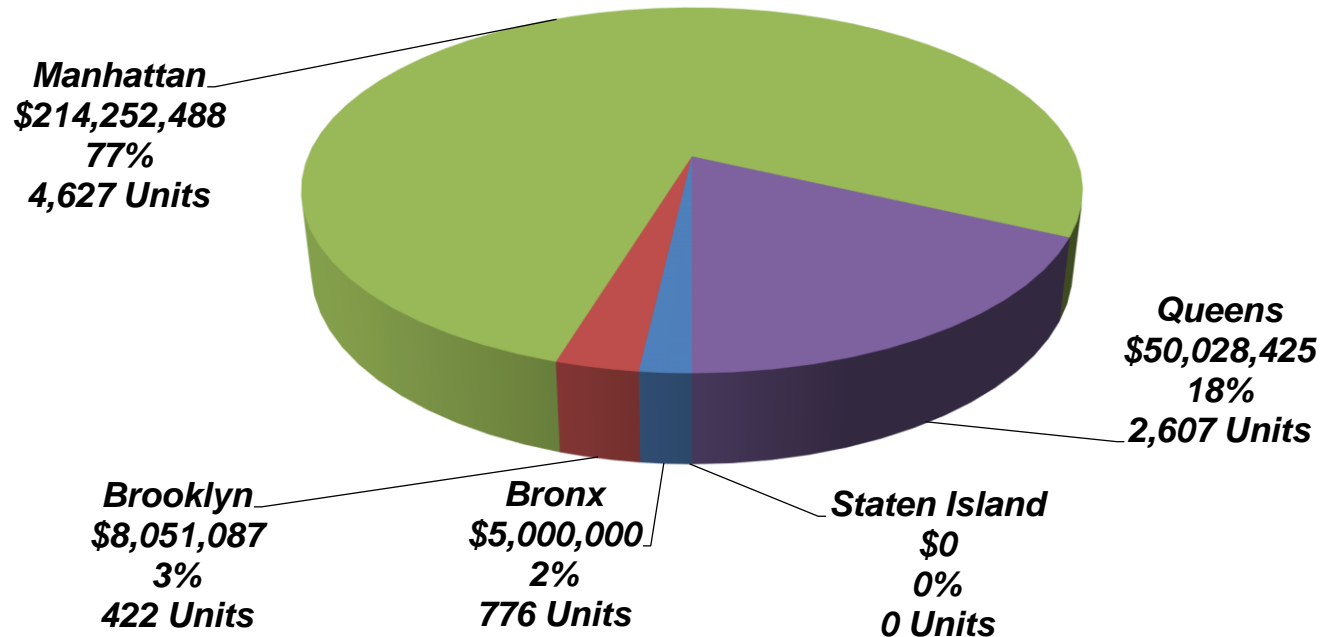
HIT Multifamily Investments



FIRE Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)				
NYC Workforce Housing Initiative 2009-2013				
Investments Through 09/30/2014				
Workforce Investments Detail				
<u>Borough</u>	<u>3Q Investments</u>	<u>Investments Since Inception</u>	<u>3Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$5,000,000	\$5,000,000	776	776
Brooklyn	0	8,051,087	0	422
Manhattan	0	214,252,488	0	4,627
Queens	0	50,028,425	0	2,607
Staten Island	0	0	0	0
Total	\$5,000,000	\$277,332,000	0	8,432

HIT Workforce Housing Initiative

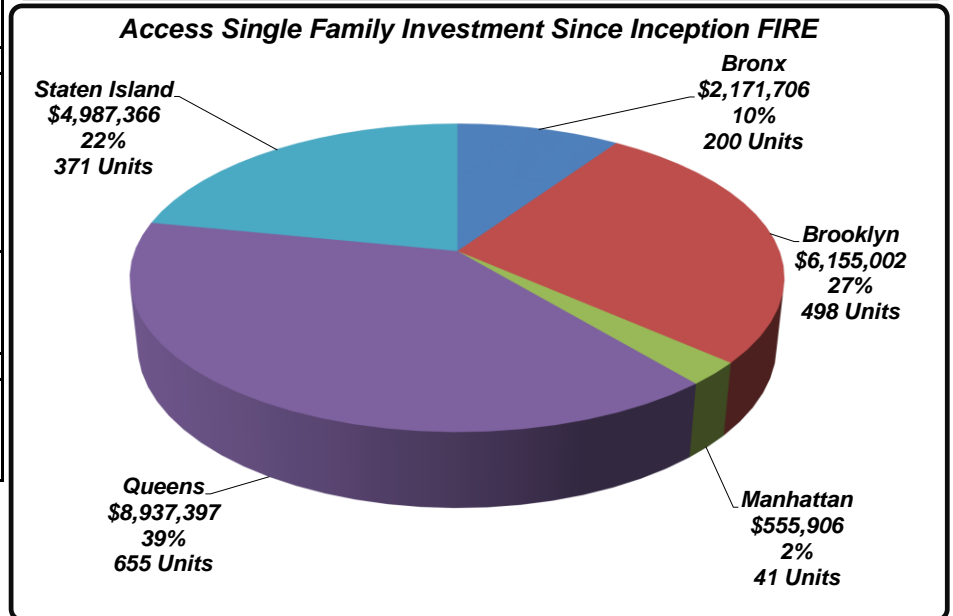
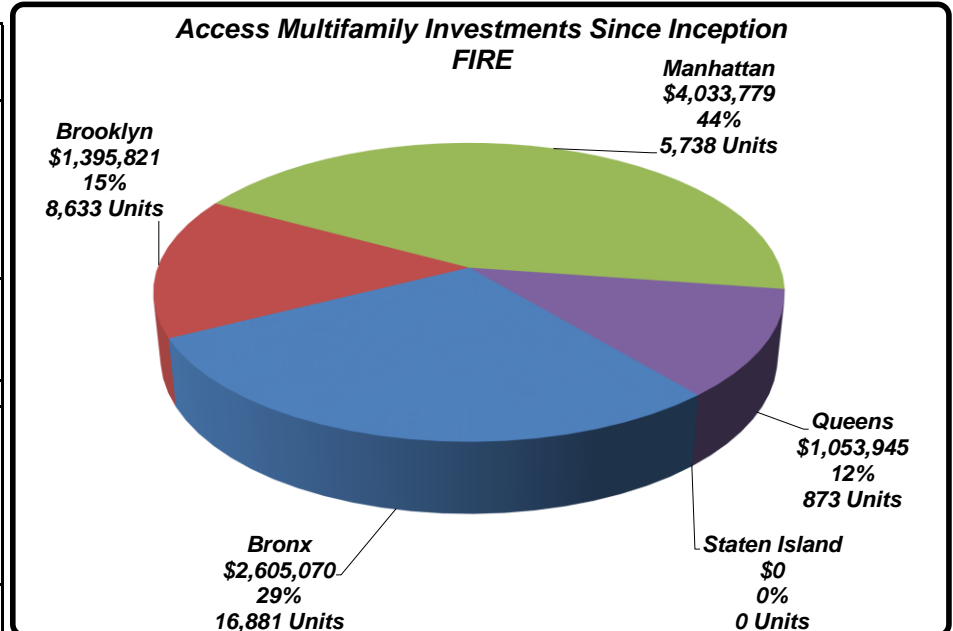


FIRE Economically Targeted Investments Quarterly Report

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ACCESS CAPITAL STRATEGIES (Since Inception 2/1/07)

\$19 million Allocated (6.33% of total account) Market Value \$19.90 million				
Multifamily Investments Detail	\$ Invested		Units	
	3Q	Total	3Q	Total
Bronx	\$0	\$2,605,070	0	16,881
Brooklyn	0	\$1,395,821	0	8,633
Manhattan	0	\$4,033,779	0	5,738
Queens	0	\$1,053,945	0	873
Staten Island	0	\$0	0	0
Total FIRE Multifamily Investments	0	\$9,088,615	0	32,125
Multifamily Total All Systems	0	\$143,580,014	0	32,125
Single Family Investments Detail	\$ Invested		Units	
	3Q	Total	3Q	Total
Bronx	0	\$2,171,706	0	200
Brooklyn	0	\$6,155,002	0	498
Manhattan	0	\$555,906	0	41
Queens	56,527	\$8,937,397	5	655
Staten Island	30,257	\$4,987,366	3	371
Total FIRE Single Family Investments	86,784	\$22,807,377	8	1,765
Single Family Total All Systems	1,371,000	\$360,306,110	8	1,765
Other Investments Detail	\$ Invested		Units	
	3Q	Total	3Q	Total
Bronx	0	\$42,728	0	1
Brooklyn	0	\$341,212	0	8
Manhattan	0	\$154,003	0	5
Queens	0	\$34,399	0	3
Staten Island	0	\$0	0	0
Total FIRE Other Investments	0	\$572,342	0	17
Other Investments Total All Systems	0	\$9,041,740	0	17
Grand Total FIRE	86,784	\$32,468,334		
Grand Total All Systems	1,371,000	\$512,927,864		



Private Equity Quarterly Report



Private Equity Monitoring Report

For the period ended June 30, 2014

Report Prepared For:

New York City Fire Department Pension Fund, Subchapter 2



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I. Executive Summary

The New York City Fire Department Pension Fund, Subchapter 2 (“NYCFDPF”) established the Alternative Investment Program (the “Program”) on January 1, 1997 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

StepStone Group LP (“StepStone”) was engaged by NYCFDPF on February 1, 2012 to provide private equity advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through June 30, 2014, the Program has committed US\$1.5 billion to 167 partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of June 30, 2014 as well as significant activity that occurred during the second quarter of 2014.

Performance Summary

US\$ in millions	June 30, 2014	March 31, 2014	June 30, 2013	Quarterly Change	Yearly Change
Number of Managers	108	108	108	-	-
Number of Investments	167	163	160	4	7
Committed Capital ¹	\$1,450.5	\$1,379.0	\$1,329.8	\$71.5	\$120.7
Contributed Capital	\$1,068.7	\$1,027.2	\$934.9	\$41.5	\$133.7
Distributed Capital ²	\$771.2	\$742.4	\$640.9	\$28.8	\$130.3
Market Value ²	\$696.4	\$663.6	\$589.7	\$32.8	\$106.8
Total Value	\$1,467.6	\$1,406.1	\$1,230.6	\$61.6	\$237.0
Total Gain/(Loss)	\$399.0	\$378.9	\$295.7	\$20.1	\$103.3
Unfunded Commitment ³	\$522.9	\$490.1	\$521.5	\$32.7	\$1.4
Total Exposure ⁴	\$1,219.3	\$1,153.8	\$1,111.2	\$65.5	\$108.1
DPI ⁵	0.72x	0.72x	0.69x	0.00x	0.04x
TVM ⁶	1.37x	1.37x	1.32x	0.00x	0.06x
IRR ⁷	11.1%	11.0%	10.3%	+ 4 bps	+ 80 bps
TVM Net of StepStone Fees ⁸	1.37x	1.37x	1.32x	0.00x	0.05x
IRR Net of StepStone Fees ⁸	11.0%	11.0%	10.3%	+ 0 bps	+ 70 bps

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations.

² Please note that the Distributions and Market Value are presented Pro-Forma for the sale of nine partnership investments in secondary transactions that closed during the first half of 2012.

³ Unfunded Commitment represents the aggregate remaining commitments to partnership investments. Please note that the Unfunded Commitment is presented Pro-Forma for the sale of nine partnership investments in secondary transactions that closed during the first half of 2012.

⁴ Total Exposure represents the sum of Market Value and Unfunded Commitment.

⁵ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁶ TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

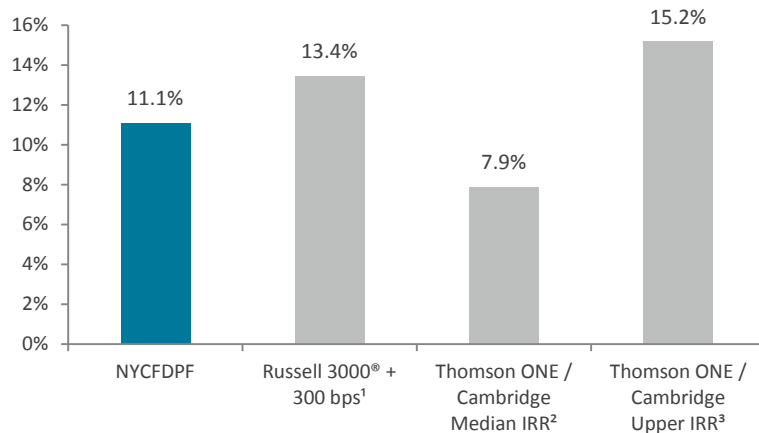
⁷ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund manager's fees, expenses and carried interest.

⁸ TVM and IRR Net of StepStone fees represent TVM and IRR net of fees paid by NYCFDPF to StepStone.

Portfolio Performance vs. Benchmarks

The Portfolio's performance is measured against a dollar-weighted public benchmark, which produced the return that would have been earned if NYCFDPF's private equity cash flows were invested in the Russell 3000® Index¹ plus a 300 basis point illiquidity premium (*the Opportunity Cost Benchmark*).

The following graph illustrates Portfolio IRR performance versus benchmarks as of June 30, 2014.



¹Benchmark is a dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

² Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE/Cambridge and reflects U.S. All Private Equity Funds Median Quartile IRR as of June 30, 2014 for funds with vintage years 1998 to 2014. Note: Thomson ONE/Cambridge data is continuously updated and is therefore subject to change.

³Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE/Cambridge and reflects U.S. All Private Equity Funds Upper Quartile IRR as of June 30, 2014 for funds with vintage years 1998 to 2014. Note: Thomson ONE/Cambridge data is continuously updated and is therefore subject to change.

Portfolio Diversification

By Strategy

	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<i>As of June 30, 2014 (US\$ in millions)</i>						
Buyout	399.5	57.4%	274.4	52.5%	674.0	55.3%
Growth Equity	107.3	15.4%	58.0	11.1%	165.3	13.6%
Special Situations	31.3	4.5%	38.4	7.3%	69.7	5.7%
Energy	25.4	3.6%	3.7	0.7%	29.1	2.4%
Secondaries	57.9	8.3%	110.7	21.2%	168.6	13.8%
Co-Investment	1.9	0.3%	28.7	5.5%	30.6	2.5%
Other	73.1	10.5%	8.9	1.7%	82.1	6.7%
Total	696.4	100.0%	522.9	100.0%	1,219.3	100.0%

By Fund Geographic Focus

	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<i>As of June 30, 2014 (US\$ in millions)</i>						
North America	444.4	63.8%	255.8	48.9%	700.2	57.4%
Global	177.9	25.5%	237.5	45.4%	415.4	34.1%
Western Europe	62.6	9.0%	28.1	5.4%	90.6	7.4%
Rest of World	11.5	1.7%	1.6	0.3%	13.1	1.1%
Total	696.4	100.0%	522.9	100.0%	1,219.3	100.0%

II. Market Overview

Executive Summary

The prevailing low volatility in capital markets helped growth assets continue their climb in the second quarter of 2014. A rebound in the pace of U.S. economic activity during the second quarter helped support solid returns across most equity categories. The S&P 500 climbed 5.2%, notching its sixth consecutive quarterly rise – the longest streak since 1998. All 10 S&P sectors rose, led by a double-digit gain in the energy sector. Markets proved resilient to stressors including a large downward revision to first-quarter GDP, geopolitical tensions in the Middle East, and continued tapering of the US Federal Reserve's bond purchases. European stocks advanced amid rising M&A activity and another round of stimulus measures by the European Central Bank to boost economic growth. Developed Asian markets posted strong results as sentiment increased and risk aversion declined. In emerging markets, elections had a significant impact in several countries. India's stock market hit record highs following the election of a new, reform-minded government, while Brazil's stock market rallied as polls showed growing support for opposition candidates ahead of presidential elections in October.

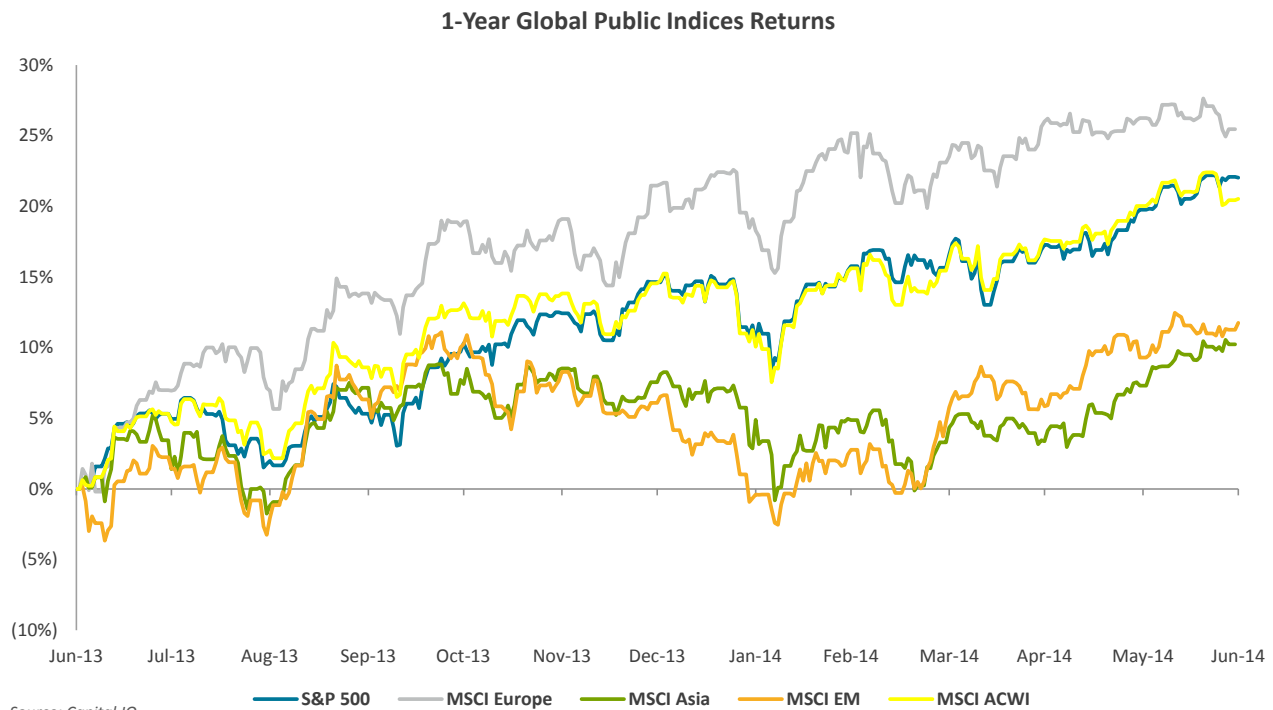
In private markets, U.S. LBO debt activity totaled US\$27.0 billion in the second quarter, up 5% from the prior quarter's total, and above the 10-year quarterly average of US\$18.0 billion. Purchase price multiples for U.S. LBOs increased to 9.6x EBITDA in the second quarter of 2014, compared to 9.1x a quarter ago and 8.4x a year ago, fueled by the public equity market's valuation gain over the last 12 months. Equity contributions for U.S. LBOs also rose, from 35.7% in the first quarter of 2014 to 36.7% in the second quarter. Private equity fundraising activity increased from \$69.4 billion to \$82.8 billion quarter-over-quarter, while private equity investment activity picked up by 23% over the quarter.

NYSE and NASDAQ IPO transaction volume reached US\$18.6 billion for 54 private equity-backed companies, representing a 40% increase in value compared to the second quarter of 2013. M&A volume totaled US\$69.9 billion for the quarter, down 35% from the US\$107.0 billion in deals completed in the first quarter of 2014, and down 53% from the US\$149.4 billion in deals completed during the second quarter of 2013.

Capital Markets Overview

Public Equity Markets

Alongside accommodative monetary policies and low inflation, market volatility plummeted and most asset prices rose in the second quarter of 2014. All major asset classes posted solid gains during the quarter, even shrugging off a severe downward revision of first quarter GDP growth in the US. The Federal Reserve continued to pare its bond purchases by \$10 billion monthly, remaining on track to wind down its asset buying programs by the end of the year. US stocks touched multiple new highs in the second quarter, with the S&P 500 Total Return Index climbing 5.2%, taking its year-to-date return to 7.1%. European stocks advanced amid rising M&A activity and another round of stimulus measures by the European Central Bank to boost economic growth. The largest Asian stock markets generated strong second-quarter results, following first-quarter weakness. Emerging markets rallied to a 12-month high, with returns bolstered by improving conditions in Ukraine, positive election results in India, and better economic conditions in China.



The following table shows the returns of three MSCI indices and the S&P 500, as well as the S&P 500 total return, over various time horizons from three months to ten years through June 30, 2014. Returns for time periods over one year are annualized. Over the last three years, the U.S. and European markets have significantly outperformed the Asian and emerging markets.

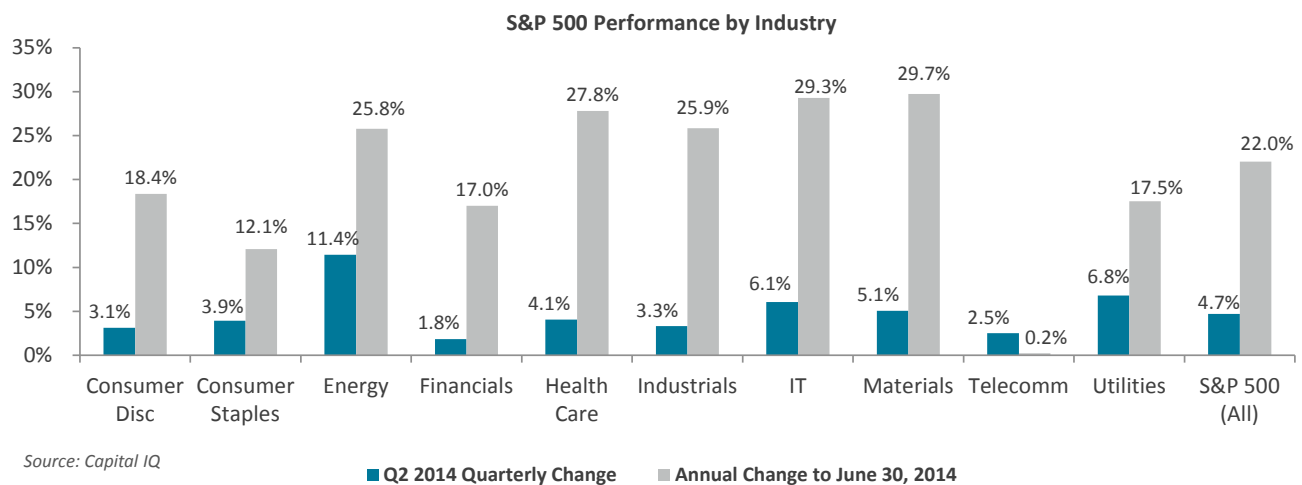
Regional Indices					
	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
MSCI Asia	6.3%	10.9%	2.8%	6.7%	4.2%
MSCI Europe	1.9%	25.9%	5.4%	9.7%	4.4%
MSCI EM	5.6%	11.7%	(2.9%)	6.7%	9.3%
S&P 500	4.7%	22.0%	14.1%	16.4%	5.6%
S&P 500 Total Return*	5.2%	24.6%	16.6%	18.8%	7.8%

For the period ended June 30, 2014

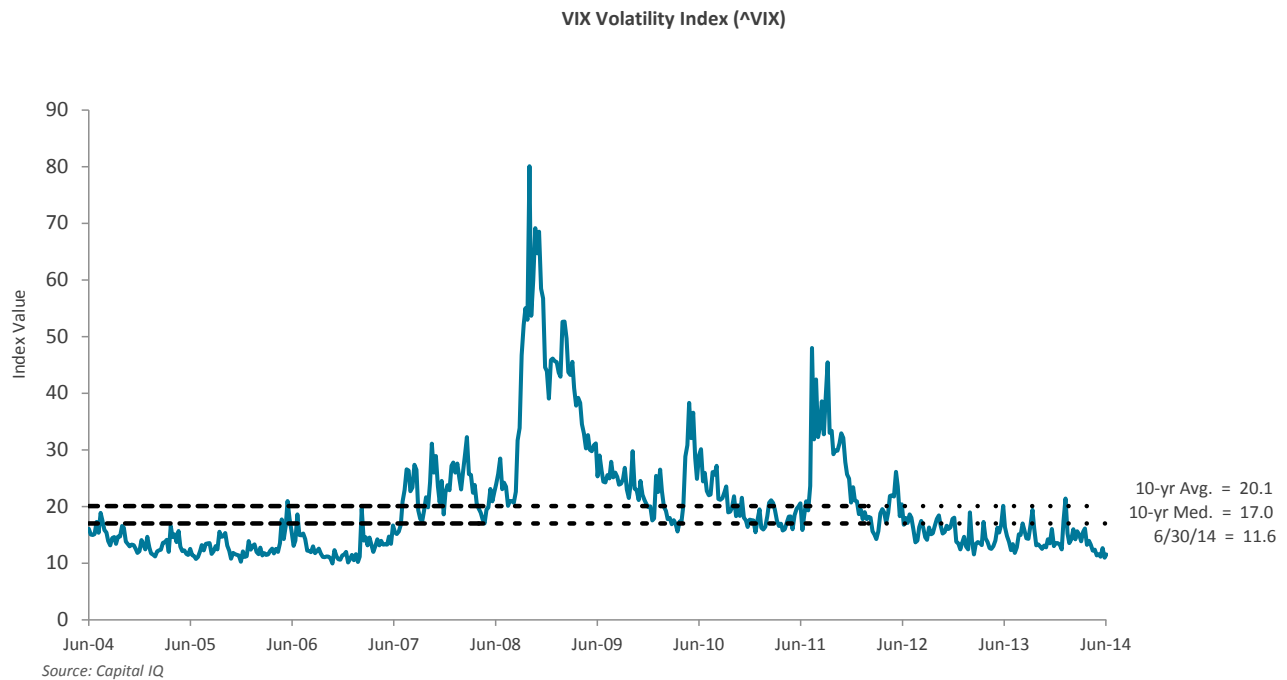
*Includes reinvestment of dividends.

Source: Capital IQ

Weighted average stock prices increased in all ten industry sectors in the S&P 500 during the second quarter, led by Energy and Utilities, which posted quarterly gains of 11.4% and 6.8%, respectively. A rise in oil prices drove a strong outperformance by the energy sector, while utilities outperformed as lower long-term interest rates made dividends more attractive. Over the last 12 months, all sectors posted gains, of which the Materials sector experienced the largest one-year return at 29.7%, benefiting from the rise in commodity prices in 2014. The chart below details the capitalization-weighted average change in stock prices for the S&P 500 by industry during the second quarter and last 12 months ended June 30, 2014.

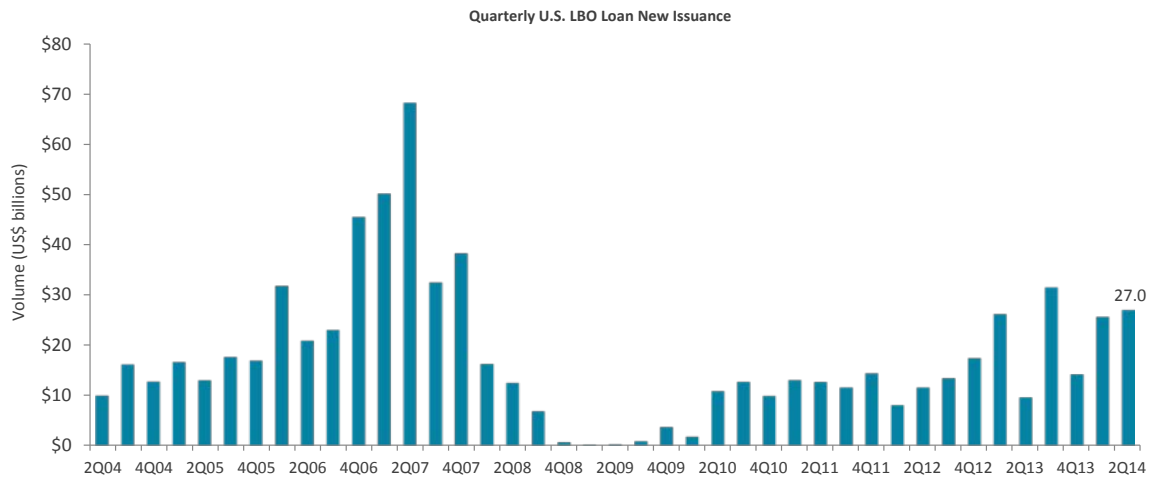


The CBOE Volatility Index ("VIX"), maintained by the Chicago Board Options Exchange, is a popular indicator of investor sentiment and public market volatility. VIX measures the market's expectation of 30-day volatility based on S&P 500 index option prices. The VIX ended the second quarter of 2014 at 11.6, well below its 10-year average of 20.1. The graph below depicts the historical level of the VIX over the last ten years through June 30, 2014.

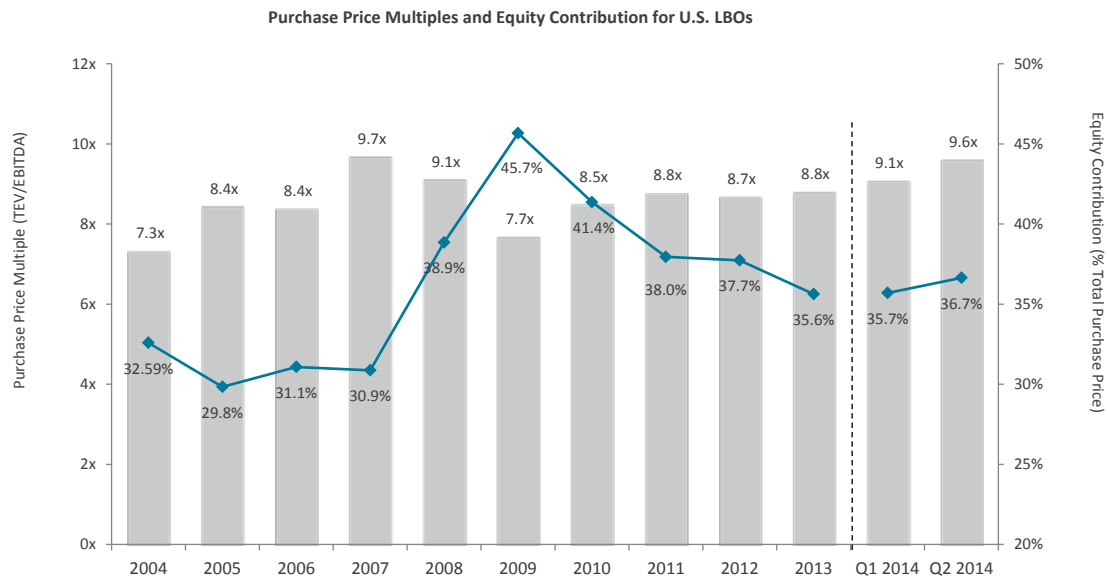


Debt Markets

U.S. LBO new loan issuance totaled US\$27.0 billion during the second quarter of 2014, representing an increase of 5% from the prior quarter, and 50% higher than the 10-year quarterly average of US\$18.0 billion. The following chart shows the quarterly volume of U.S. LBO new loan issuance for the past ten years.



EBITDA multiples and equity contributions for LBO deals rose during the quarter. The EBITDA multiple of 9.6x total enterprise value ("TEV") to EBITDA is notably higher than the previous quarter multiple of 9.1x, and also remains above the ten-year average of 8.5x. The average equity contribution for LBOs rose to 36.7% in the second quarter of 2014, up from 35.7% in the first quarter of 2014.



Source: S&P LBO Review

Private Equity Market Overview

All Private Equity

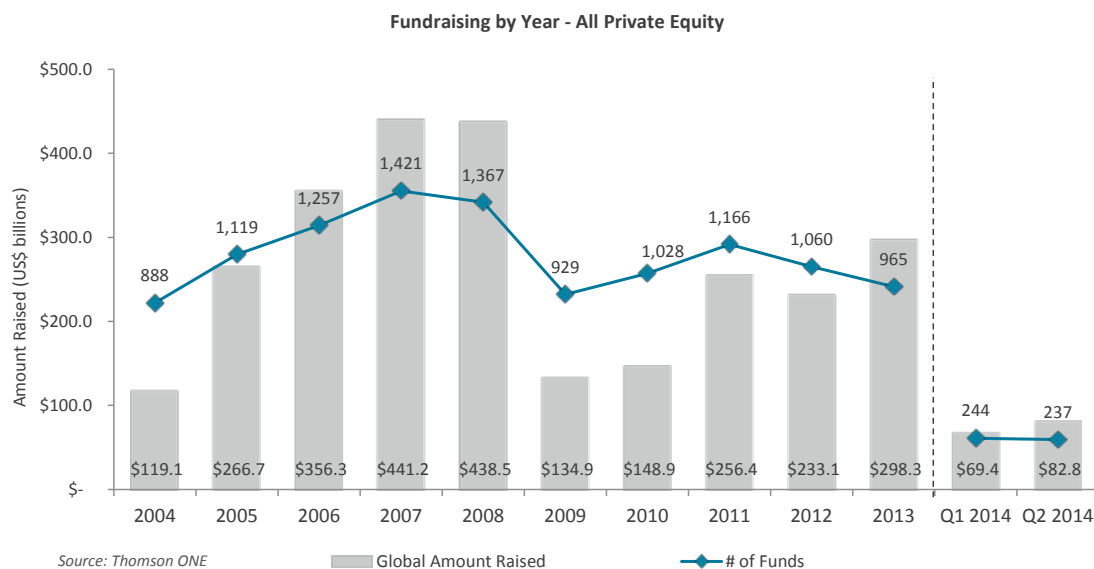
During the second quarter of 2014, private equity fund performance increased 3.8%. This compares to the S&P 500, which saw an increase of 4.7% (5.2% total return) during the same period. Of note, the Venture sector increased 4.7% during the quarter, representing the largest quarterly increase amongst sectors. For the year, aggregate private equity investments, especially in the Venture sector, have yielded significant returns for investors, and have caught up with public markets. The table below shows the pooled Internal Rate of Return ("IRR") performance of global private equity investments by sector over various investment horizons from 3 months to 10 years through June 30, 2014.

Sector	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Small/Middle Buyouts (<\$3bn)	2.4%	17.7%	10.2%	14.7%	13.9%
Large Buyouts (>\$3bn)	3.8%	24.1%	12.8%	17.9%	12.5%
Mezzanine	2.0%	11.8%	9.6%	10.0%	9.6%
Venture Capital	4.7%	28.1%	13.3%	14.8%	10.5%
All Private Equity	3.8%	20.8%	11.7%	15.6%	12.4%

Source: Burgiss

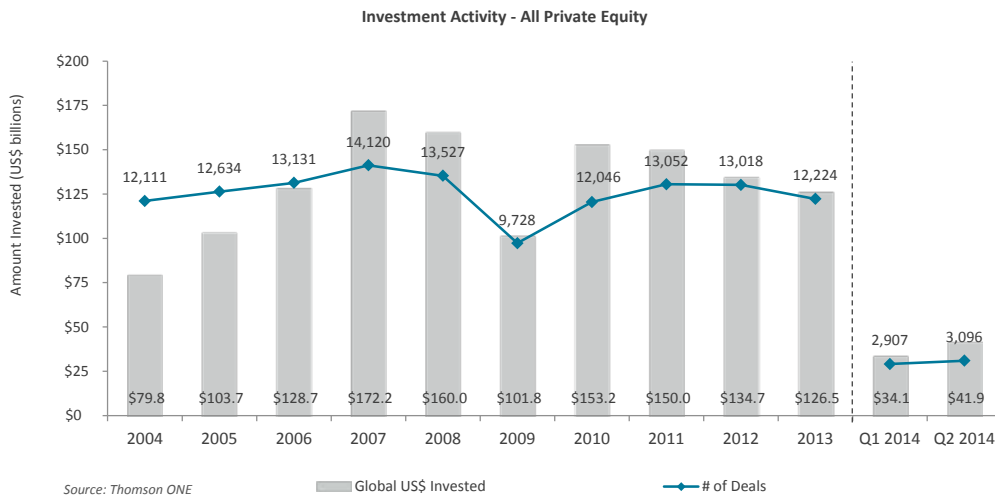
Fundraising

Private equity fundraising totaled US\$82.8 billion in the second quarter, representing a 19% increase from the prior quarter's total and a 9% increase from the same period in the prior year. Buyout fundraising was up for the quarter, raising US\$56.3 billion, an increase from US\$39.6 billion last quarter. Venture Capital fundraising was effectively flat, raising US\$13.9 billion compared to US\$14.3 billion last quarter. Geographically, U.S. fundraising activity was up for the quarter, raising US\$49.1 billion, representing 59% of all activity, while Europe, Asia, and the rest of the world each accounted for approximately 23%, 12%, and 6% of the total capital raised, respectively. The chart below shows private equity fundraising activity by calendar year over the last 10 years and the first two quarters of 2014.

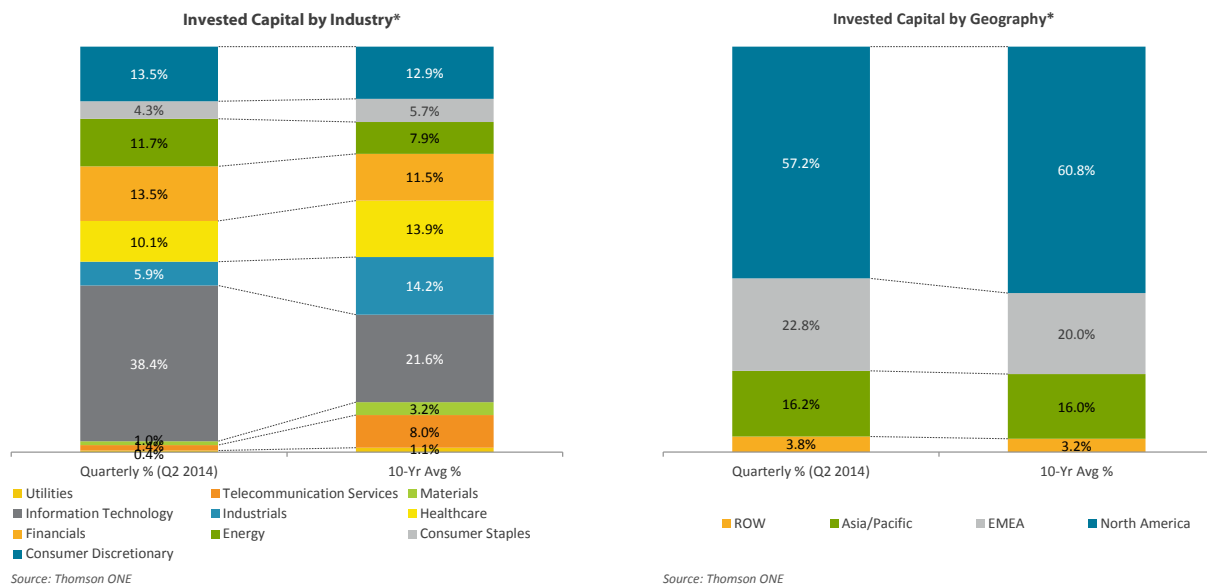


Investment Activity

Private equity funds invested US\$41.9 billion during the second quarter, an increase of 23% from the prior quarter. The large quarter-over-quarter increase is attributable primarily to three large deals: 1) the US\$2.1 billion acquisition of 4,350,000 shares of Gecina S.A. by Blackstone and Ivanhoé Cambridge, 2) the US\$1.7 billion investment in NN Group ahead of its IPO by three Asia-based investment firms, and 3) the \$1.2 billion expansion round in Uber. The average investment size during the quarter increased to US\$13.5 million, or up 15%, quarter-over-quarter.



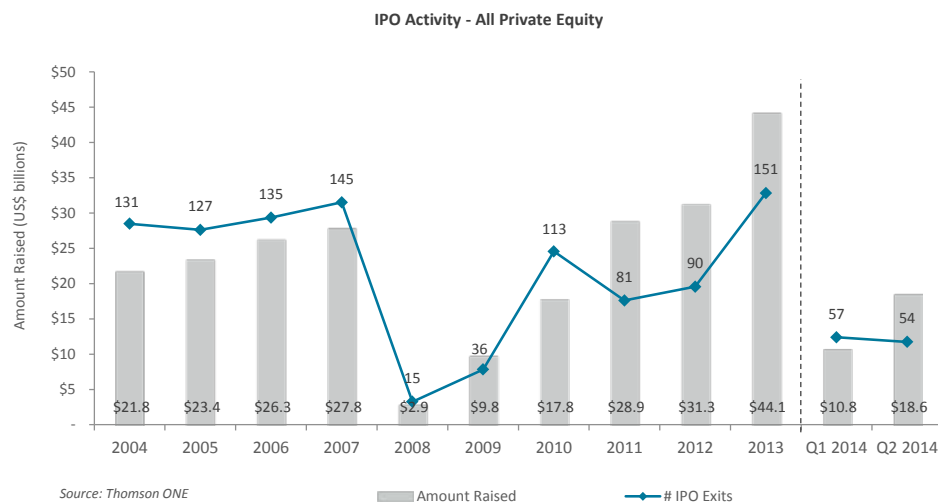
The graphs below depict the percentage of invested capital by industry and geography for the second quarter of 2014 and over the last ten years. The Information Technology sector attracted the most capital, accounting for US\$15.9 billion, or 38% of total capital invested, in more than 1,400 transactions during the second quarter of 2014. Investment activity by geography during the second quarter was in line with ten-year averages, with North America comprising 57% of invested capital.



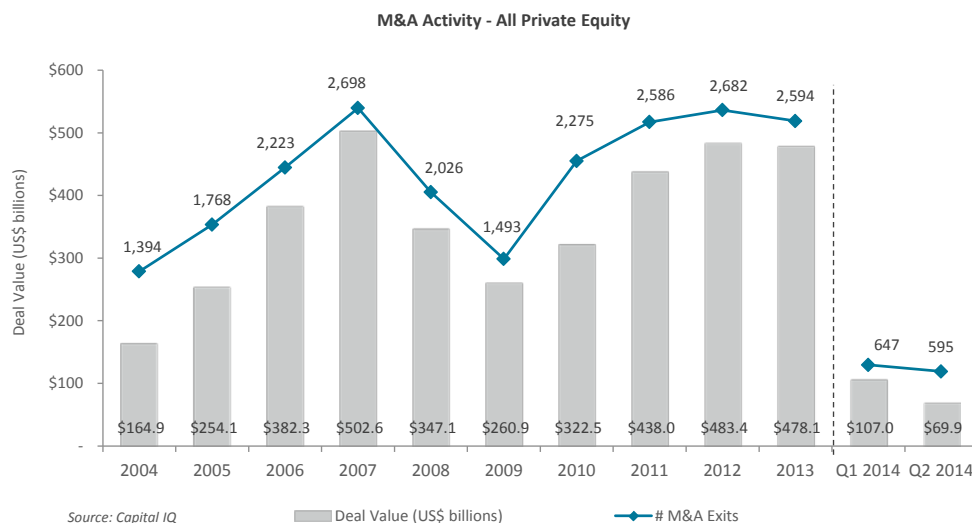
*Note: Invested Capital is for all private equity from Q3 2004 – Q2 2014.

Deal Environment

Following a record year in 2013 and a promising first quarter, IPO market activity continued its torrid pace in the second quarter of 2014. There were 54 IPOs on the New York Stock Exchange and the NASDAQ that raised a total of \$18.6 billion in proceeds during the second quarter of 2014, reflecting a 40% increase over the proceeds raised during the same period a year ago. The largest IPO of the quarter was Ally Financial Inc. ("Ally"; NYSE: ALLY), a bank holding company, which raised over \$2.5 billion in its debut. The second-largest IPO was JD.com, Inc. (NASDAQ: JD), a Chinese online retailer, which raised US\$2.0 billion.



Private equity-backed Mergers and Acquisitions ("M&A") deal activity fell in the second quarter of 2014 to US\$69.9 billion, representing a decrease of 35% from last quarter and a decrease of 53% from the second quarter of 2013. The largest deal during the second quarter of 2014 was the purchase of Metaldyne Performance Group Inc., an auto parts manufacturing company, by American Securities, for US\$2.8 billion. Exit opportunities decreased as well, with 595 deals closing during the second quarter of 2014, compared to 647 exits in the prior quarter.



III. Portfolio Review

Quarterly Highlights

- Cash Flow Activity** – During the second quarter of 2014, the Portfolio made US\$41.5 million of contributions and received US\$28.8 million of distributions, for a net cash outflow of US\$12.7 million, compared to a net cash inflow of US\$7.7 million during the prior quarter and a net cash inflow of US\$19.6 million during the second quarter of 2013. Contributions increased 57.7% from the prior quarter and increased 73.5% from the second quarter of 2013. The most recent four quarter average of the Program's contributions is US\$33.4 million. Distributions decreased 15.3% from the prior quarter and decreased 33.8% from the second quarter of 2013. The most recent four quarter average of the Program's distributions is US\$33.9 million.
- Recent Portfolio Activity** – During the second quarter of 2014, net of cash flow activity and Pro-Forma for the Secondary Sale, the valuation of the Portfolio increased by US\$20.1 million, or 3.0%, from the prior quarter. The increase in Portfolio value is primarily attributable to strong performance of middle-market buyout funds during the quarter, which generated a US\$4.7 million increase in valuation from the prior quarter-end. During the last twelve months, net of cash flow activity and Pro-Forma for the Secondary Sale, the valuation of the Portfolio increased by US\$103.3 million, or 17.4%, from the quarter ended June 30, 2013.
- New Investment Commitments** – During the second quarter of 2014, the Program closed on two new investment commitments, including two co-investment vehicles, totaling US\$72.0 million.

As of June 30, 2014 (US\$ in millions)

	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital
ASF VI B L.P.	April 2014	Secondaries	Global	\$ 30.0
ASF VI B NYC Co-Invest L.P.	April 2014	Co/Direct Investment	Global	10.0
Crestview Partners III, L.P.	June 2014	Middle-Market Buyout	North America	24.0
Crestview Partners III, L.P. (NYC Co-Invest)	June 2014	Co/Direct Investment	North America	8.0
Total				\$ 72.0

- Subsequent Investment Commitments** – Subsequent to quarter-end through November 10, 2014, the Program closed on three new investment commitments, totaling US\$45.4 million.

As of November 10, 2014 (US\$ in millions)

	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital
Vista Equity Partners Fund V, L.P.	July 2014	Growth Equity	North America	40.0
NMS Fund II, L.P.	October 2014	Small Buyout	North America	1.2
Centerbridge Capital Partners III, L.P.	October 2014	Special Situations	North America	4.2
Total				\$ 45.4

Investment Performance

Since Inception Performance

<i>US\$ in millions</i>	June 30, 2014	March 31, 2014	June 30, 2013	Quarterly Change	Yearly Change
Active Investments					
Number of Managers	99	99	99	-	-
Number of Investments	154	150	147	4	7
Committed Capital ¹	\$1,392.3	\$1,320.9	\$1,271.6	\$71.5	\$120.7
Contributed Capital	\$1,003.4	\$961.9	\$869.7	\$41.5	\$133.7
Distributed Capital ²	\$707.1	\$678.3	\$576.8	\$28.8	\$130.3
Market Value ²	\$696.4	\$663.6	\$589.7	\$32.8	\$106.8
Total Value	\$1,403.5	\$1,341.9	\$1,166.4	\$61.6	\$237.1
Total Gain/(Loss)	\$400.1	\$380.0	\$296.7	\$20.1	\$103.3
Unfunded Commitment ³	\$522.9	\$490.1	\$521.5	\$32.7	\$1.4
Total Exposure ⁴	\$1,219.3	\$1,153.8	\$1,111.2	\$65.5	\$108.1
DPI ⁵	0.70x	0.71x	0.66x	0.00x	0.04x
TVM ⁶	1.40x	1.40x	1.34x	0.00x	0.06x
IRR ⁷	11.9%	11.9%	11.1%	+ 3 bps	+ 75 bps
Exited Investments					
Number of Managers	11	11	11	-	-
Number of Investments	13	13	13	-	-
Committed Capital ¹	\$58.2	\$58.2	\$58.2	\$0.0	\$0.0
Contributed Capital	\$65.2	\$65.2	\$65.2	\$0.0	\$0.0
Distributed Capital ²	\$64.1	\$64.1	\$64.1	\$0.0	(\$0.0)
Total Value	\$64.1	\$64.1	\$64.1	\$0.0	(\$0.0)
Total Gain/(Loss)	(\$1.1)	(\$1.1)	(\$1.1)	\$0.0	(\$0.0)
Unfunded Commitment ³	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
DPI ⁵	0.98x	0.98x	0.98x	0.00x	0.00x
TVM ⁶	0.98x	0.98x	0.98x	0.00x	0.00x
IRR ⁷	-0.5%	-0.5%	-0.5%	+ 0 bps	+ 2 bps
Total Portfolio					
Number of Managers	108	108	108	-	-
Number of Investments	167	163	160	4	7
Committed Capital ¹	\$1,450.5	\$1,379.0	\$1,329.8	\$71.5	\$120.7
Contributed Capital	\$1,068.7	\$1,027.2	\$934.9	\$41.5	\$133.7
Distributed Capital ²	\$771.2	\$742.4	\$640.9	\$28.8	\$130.3
Market Value ²	\$696.4	\$663.6	\$589.7	\$32.8	\$106.8
Total Value	\$1,467.6	\$1,406.1	\$1,230.6	\$61.6	\$237.0
Total Gain/(Loss)	\$399.0	\$378.9	\$295.7	\$20.1	\$103.3
Unfunded Commitment ³	\$522.9	\$490.1	\$521.5	\$32.7	\$1.4
Total Exposure ⁴	\$1,219.3	\$1,153.8	\$1,111.2	\$65.5	\$108.1
DPI ⁵	0.72x	0.72x	0.69x	0.00x	0.04x
TVM ⁶	1.37x	1.37x	1.32x	0.00x	0.06x
IRR ⁷	11.1%	11.0%	10.3%	+ 4 bps	+ 80 bps

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations.

² Please note that the Distributions and Market Value are presented Pro-Forma for the sale of nine partnership investments in secondary transactions that closed during the first half of 2012.

³ Unfunded Commitment represents the aggregate remaining commitments to partnership investments. Please note that the Unfunded Commitment is presented Pro-Forma for the sale of nine partnership investments in secondary transactions that closed during the first half of 2012.

⁴ Total Exposure represents the sum of Market Value and Unfunded Commitment.

⁵ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁶ TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

⁷ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund manager's fees, expenses and carried interest.

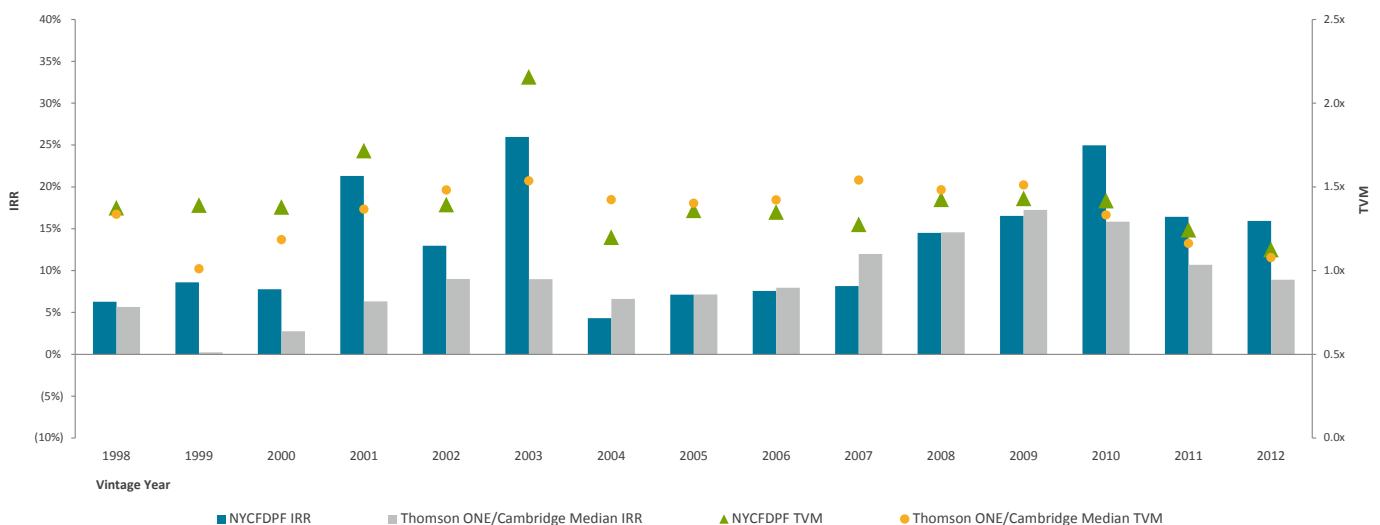
Performance by Vintage Year

The following table and chart illustrate the Portfolio's since inception investment performance by vintage year as of June 30, 2014 Pro-Forma for the Secondary Sale relative to the median quartile U.S. All Private Equity TVM and IRR benchmarks as provided by Thomson ONE/Cambridge. Performance of funds that are less than two years old are not meaningful. Note that Thomson ONE/Cambridge data is continuously updated and is therefore subject to change.

As of June 30, 2014 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR	Thomson ONE / Cambridge U.S. All PE Median Quartile TVM	Thomson ONE / Cambridge U.S. All PE Median Quartile IRR
1998	\$10.0	\$10.0	\$13.5	\$0.3	\$0.0	\$0.3	1.38x	6.3%	1.34x	5.7%
1999	54.5	62.9	78.3	9.2	0.6	9.8	1.39x	8.6%	1.01x	0.2%
2000	28.8	33.8	40.9	5.7	0.3	6.0	1.38x	7.8%	1.18x	2.7%
2001	49.1	58.5	97.6	2.9	2.0	4.9	1.72x	21.3%	1.37x	6.3%
2002	10.0	12.2	12.2	4.9	0.3	5.1	1.39x	13.0%	1.48x	9.0%
2003	28.9	32.3	58.5	11.1	2.6	13.7	2.16x	26.0%	1.54x	9.0%
2004	49.3	50.7	45.0	15.8	3.4	19.2	1.20x	4.3%	1.42x	6.6%
2005	69.1	74.8	60.1	41.6	4.5	46.2	1.36x	7.1%	1.40x	7.1%
2006	134.8	147.6	106.0	93.2	7.9	101.0	1.35x	7.6%	1.42x	8.0%
2007	123.4	126.3	81.9	79.3	12.7	92.0	1.28x	8.2%	1.54x	12.0%
2008	197.6	196.6	116.7	163.6	34.0	197.6	1.43x	14.5%	1.48x	14.6%
2009	46.9	42.4	19.1	41.6	6.9	48.5	1.43x	16.5%	1.51x	17.3%
2010	42.5	31.2	12.8	31.5	17.5	49.0	1.42x	25.0%	1.33x	15.8%
2011	171.4	113.4	17.2	123.7	67.9	191.6	1.24x	16.4%	1.16x	10.7%
2012	158.8	59.2	11.0	55.7	102.9	158.6	1.13x	15.9%	1.08x	0.1%
2013	194.1	12.7	0.3	11.9	181.8	193.7	NM	NM	NM	NM
2014	81.5	3.8	-	4.5	77.7	82.2	NM	NM	NM	NM
Total	\$1,450.5	\$1,068.7	\$771.2	\$696.4	\$522.9	\$1,219.3	1.37x	11.1%	1.32x	7.9%

As of June 30, 2014



Portfolio Periodic Returns vs. Russell 3000® Index

<i>As of June 30, 2014</i>	1 Year	3 Year	5 Year	10 Year	Since Inception
NYCFDPF IRR	17.4%	10.9%	14.2%	12.1%	11.1%
Russell 3000® ¹	25.3%	16.6%	19.1%	11.3%	10.4%
Russell 3000® + 300 bps ¹	28.3%	19.6%	22.1%	14.3%	13.4%
NYCFDPF Outperformance/(Underperformance)					
vs. Russell 3000® + 300 bps ¹	(10.9%)	(8.7%)	(7.9%)	(2.2%)	(2.4%)

¹Benchmark is a dollar-weighted Long-Nickels calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Performance by Strategy / Sub-Strategy

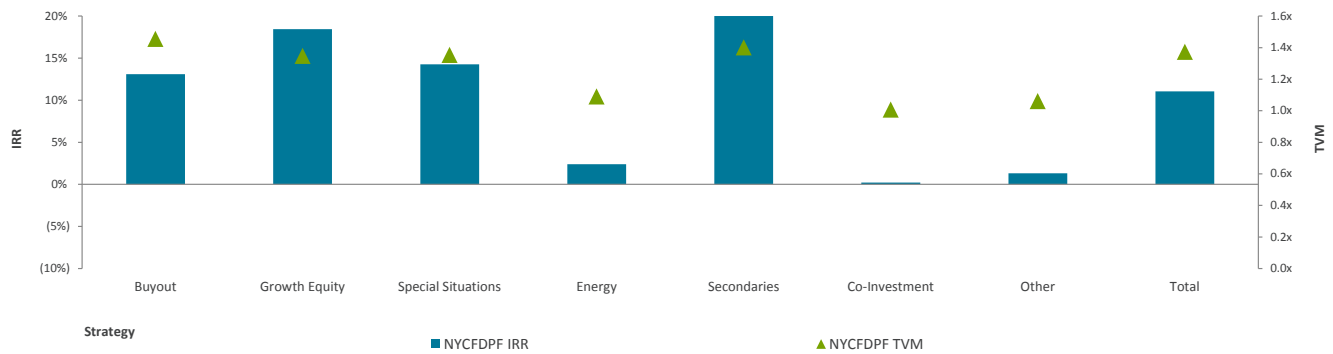
The following table and charts illustrate the Portfolio's since inception investment performance by strategy and sub-strategy as of June 30, 2014 Pro-Forma for the Secondary Sale.

As of June 30, 2014 (US\$ in millions)

Strategy / Sub-Strategy	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR
Buyout	\$843.9	\$672.3	\$578.5	\$399.5	\$274.4	\$674.0	1.45x	13.1%
Mega Buyout	310.3	183.9	140.4	136.6	154.3	290.9	1.51x	15.9%
Large Buyout	108.3	113.3	143.2	48.0	17.6	65.7	1.69x	26.9%
Middle-Market Buyout	214.5	168.1	137.0	96.9	73.1	170.0	1.39x	8.4%
Small Buyout	210.8	207.0	158.0	118.0	29.4	147.3	1.33x	9.8%
Growth Equity	156.2	111.1	42.4	107.3	58.0	165.3	1.35x	18.4%
Special Situations	82.8	53.7	41.4	31.3	38.4	69.7	1.35x	14.3%
Energy	37.5	37.7	15.7	25.4	3.7	29.1	1.09x	2.4%
Secondaries	169.6	60.0	26.3	57.9	110.7	168.6	1.40x	20.2%
Co-Investment	31.4	2.9	1.0	1.9	28.7	30.6	1.01x	0.2%
Other	129.1	130.9	65.8	73.1	8.9	82.1	1.06x	1.3%
Venture Capital	112.6	111.5	45.3	67.2	7.6	74.8	1.01x	0.2%
Mezzanine	16.5	19.5	20.5	5.9	1.3	7.2	1.36x	12.2%
Total	\$1,450.5	\$1,068.7	\$771.2	\$696.4	\$522.9	\$1,219.3	1.37x	11.1%

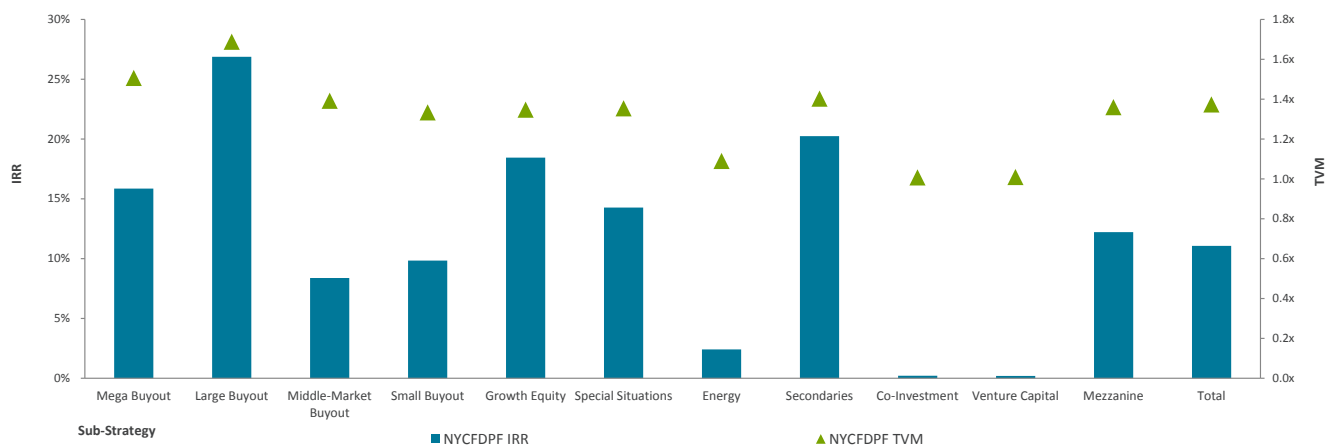
Performance by Strategy

As of June 30, 2014



Performance by Sub-Strategy

As of June 30, 2014



Portfolio Diversification

The following tables illustrate the Portfolio's diversification by strategy and fund geographic focus as of June 30, 2014 Pro-Forma for the Secondary Sale.

By Strategy/Sub-Strategy

As of June 30, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
Buyout	399.5	57.4%	274.4	52.5%	674.0	55.3%
Mega Buyout	136.6	19.6%	154.3	29.5%	290.9	23.9%
Large Buyout	48.0	6.9%	17.6	3.4%	65.7	5.4%
Middle-Market Buyout	96.9	13.9%	73.1	14.0%	170.0	13.9%
Small Buyout	118.0	16.9%	29.4	5.6%	147.3	12.1%
Growth Equity	107.3	15.4%	58.0	11.1%	165.3	13.6%
Special Situations	31.3	4.5%	38.4	7.3%	69.7	5.7%
Energy	25.4	3.6%	3.7	0.7%	29.1	2.4%
Secondaries	57.9	8.3%	110.7	21.2%	168.6	13.8%
Co-Investment	1.9	0.3%	28.7	5.5%	30.6	2.5%
Other	73.1	10.5%	8.9	1.7%	82.1	6.7%
Venture Capital	67.2	9.6%	7.6	1.5%	74.8	6.1%
Mezzanine	5.9	0.9%	1.3	0.2%	7.2	0.6%
Total	696.4	100.0%	522.9	100.0%	1,219.3	100.0%

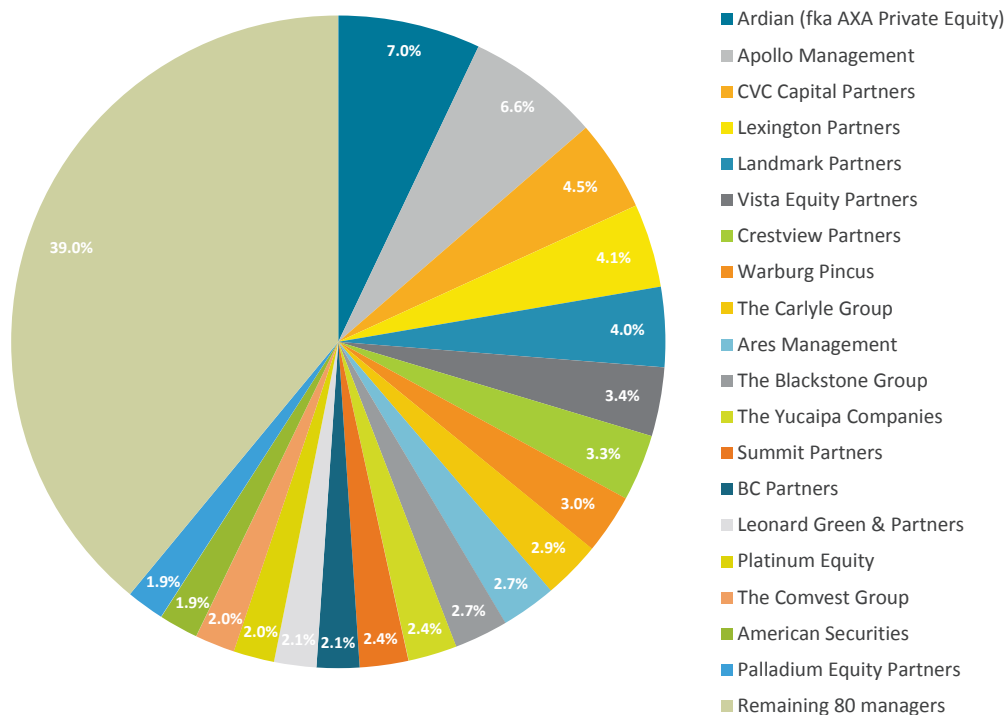
By Fund Geographic Focus

As of June 30, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
North America	444.4	63.8%	255.8	48.9%	700.2	57.4%
Global	177.9	25.5%	237.5	45.4%	415.4	34.1%
Western Europe	62.6	9.0%	28.1	5.4%	90.6	7.4%
Rest of World	11.5	1.7%	1.6	0.3%	13.1	1.1%
Total	696.4	100.0%	522.9	100.0%	1,219.3	100.0%

By Investment Manager

As of June 30, 2014 and Pro Forma for the Secondary Sale, the Portfolio was highly diversified by investment manager, with 19 managers comprising US\$743.2 million, or 61.0% of total exposure. The remaining 80 managers comprised 39.0% of total exposure as of quarter-end.

Portfolio Total Exposure by Investment Manager
As of June 30, 2014

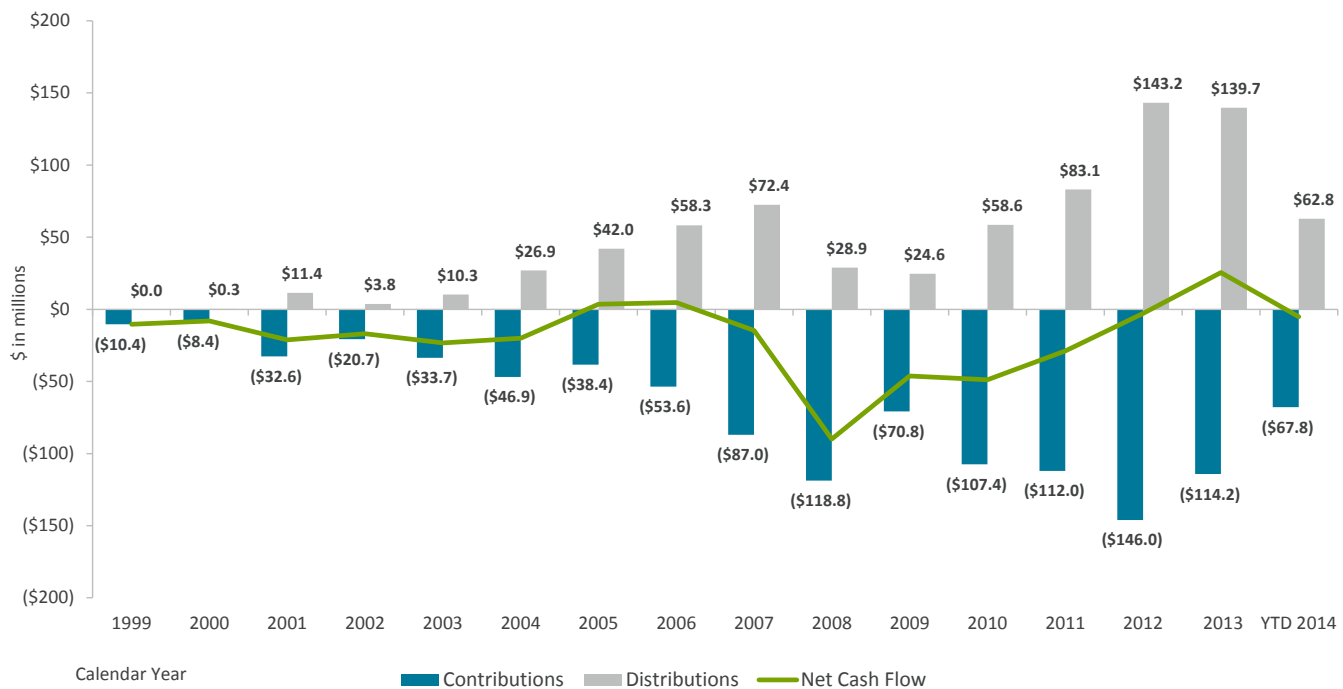


Portfolio Cash Flow Analysis

The following yearly and quarterly cash flow analysis is based on actual Portfolio cash flows during those time periods, excluding the proceeds expected to be received from the Secondary Sale that closed in the first half of 2012.

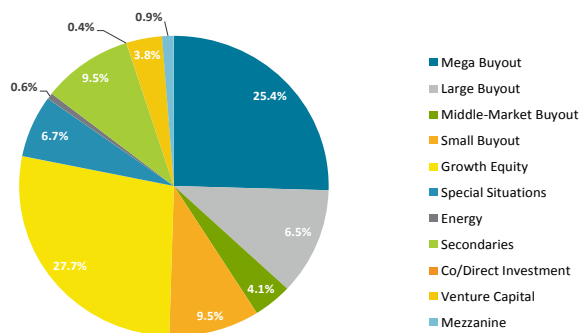
Year to Date Cash Flow Activity

During the six months ended June 30, 2014, the Portfolio made US\$67.8 million of contributions and received US\$62.8 million of distributions, for a net cash outflow of US\$5.1 million, compared to a net cash inflow of US\$18.8 million during the same period in the prior year. The graph below illustrates cash flow activity since inception by calendar year.

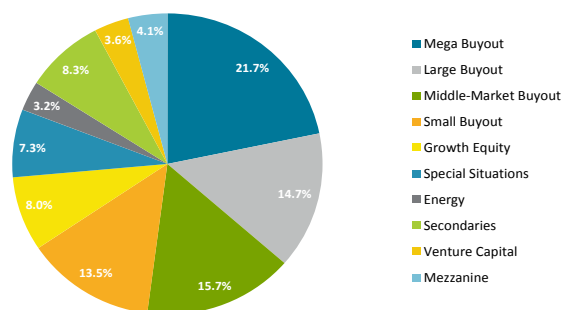


Buyout funds were the most active in terms of cash flow activity during the first six months of 2014. Buyout funds drew down US\$34.2 million, or 50.5% of total contributions during first six months of 2014, and distributed US\$41.2 million, or 65.6% of total distributions during the first six months of 2014.

YTD 2014 Total Contributed by Sub-Strategy

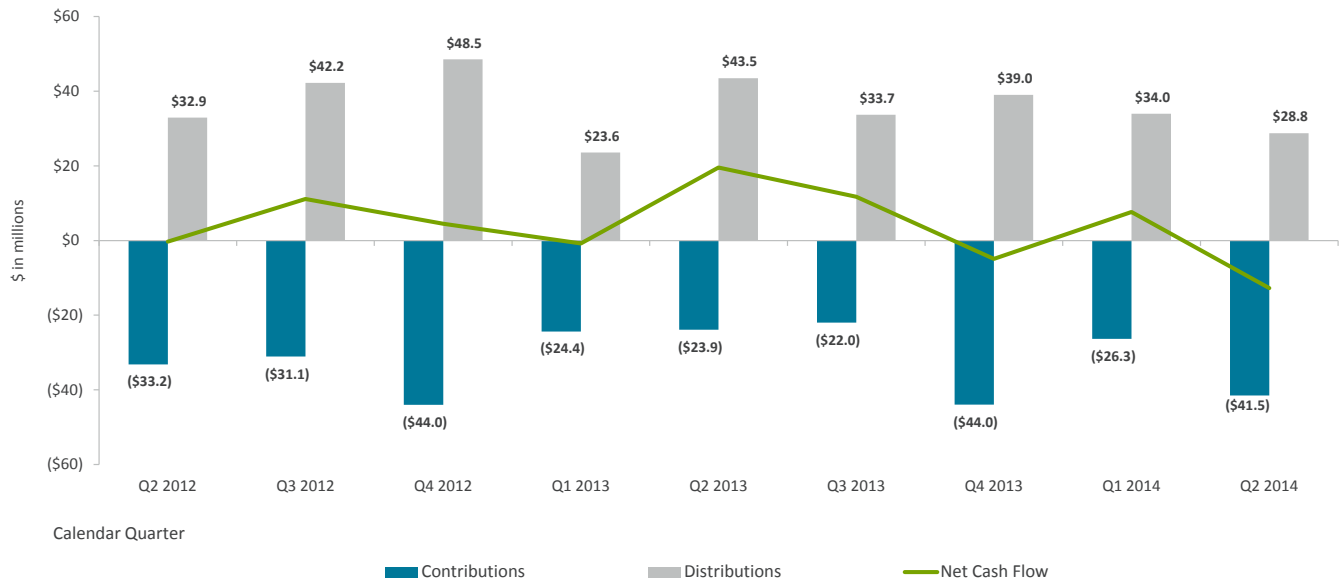


YTD 2014 Total Distributed by Sub-Strategy



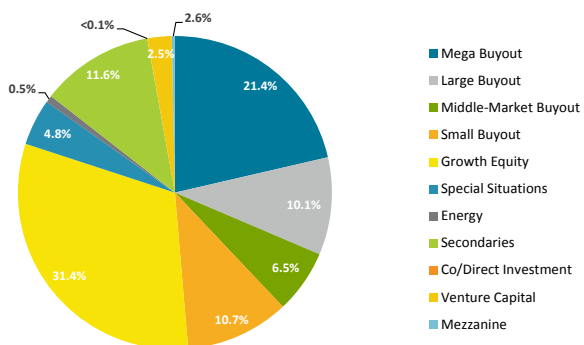
Quarterly Cash Flow Activity

During the second quarter of 2014, the Portfolio made US\$41.5 million of contributions and received US\$28.8 million of distributions, for a net cash outflow of US\$12.7 million. The graph below illustrates recent cash flow activity by quarter.

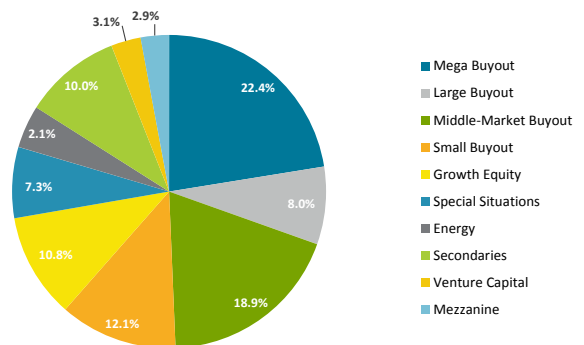


Buyout funds were the most active in terms of cash flow activity during the second quarter of 2014. Buyout funds drew down US\$20.2 million, or 48.7% of total contributions during the quarter, and distributed US\$17.7 million, or 61.5% of total distributions during the quarter.

Q2 2014 Total Contributed by Sub-Strategy



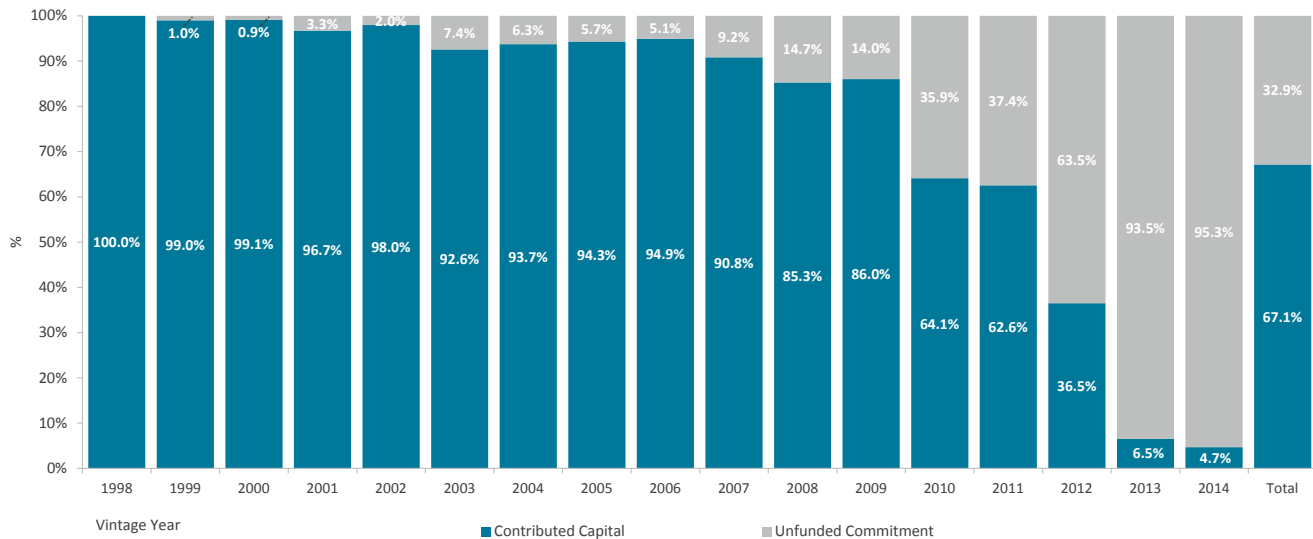
Q2 2014 Total Distributed by Sub-Strategy



Invested Capital by Vintage Year

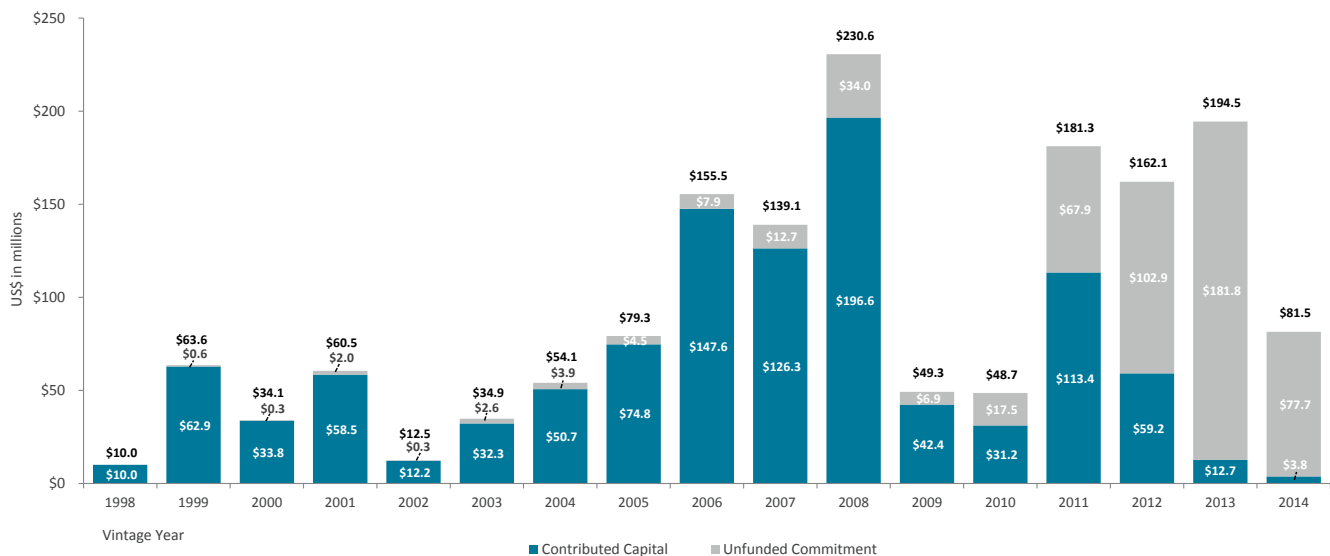
The following chart illustrates cumulative net capital contributions as a percentage of total capital commitments, by fund vintage year, as of June 30, 2014 Pro-Forma for the Secondary Sale.

Capital Contributions to Unfunded by Vintage Year (%)



The following chart illustrates cumulative net capital contributions relative to unfunded commitment, by fund vintage year, as of June 30, 2014 Pro-Forma for the Secondary Sale.

Capital Contributions to Unfunded by Vintage Year

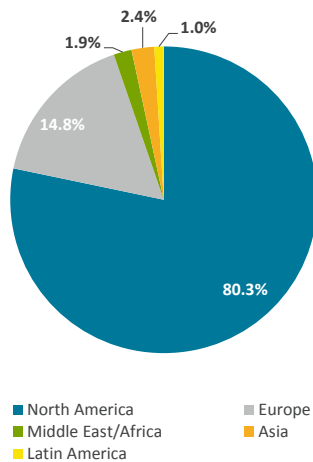


Portfolio Company-Level Analysis

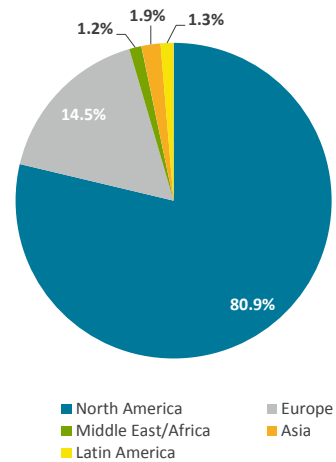
Geographic Exposure

The following charts illustrate the Portfolio's current exposure by geography at the portfolio company level as of June 30, 2014.

Geographic Exposure by Current Cost



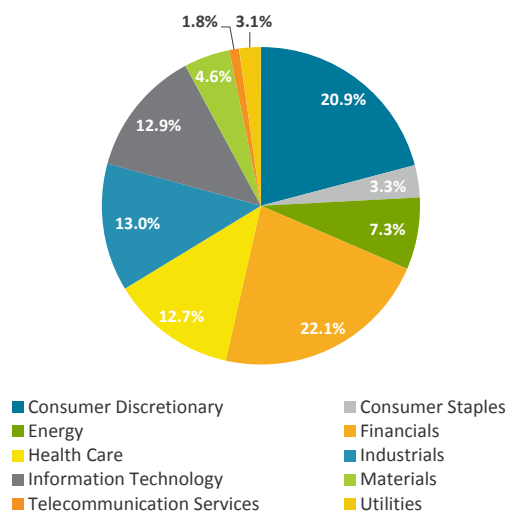
Geographic Exposure by Current Market Value



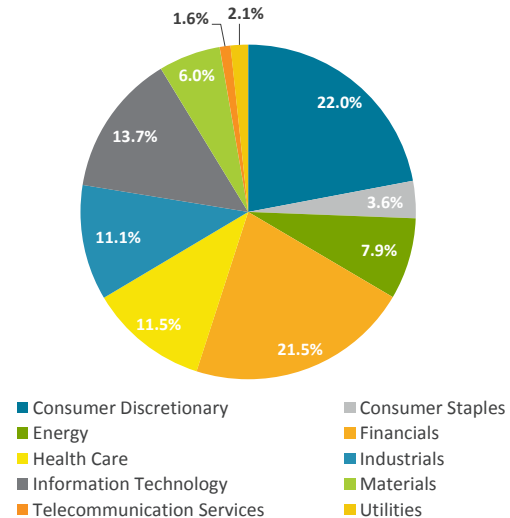
Industry Exposure

The following charts illustrate the Portfolio's current exposure by industry at the portfolio company level as of June 30, 2014. Please note that the Financials category includes investments in various debt securities as well as certain undisclosed fund of funds investments.

Industry Exposure by Current Cost



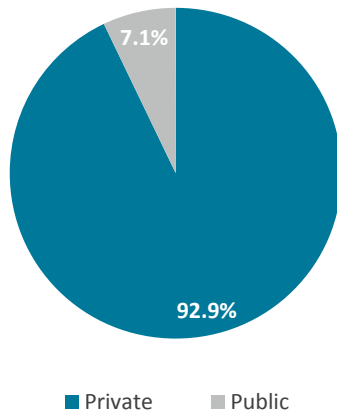
Industry Exposure by Current Market Value



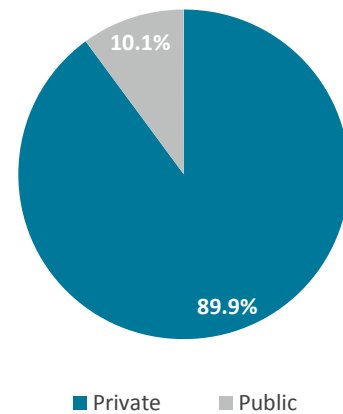
Public Market Exposure

As of quarter-end, publicly traded investments comprised 7.1% of the Portfolio's exposed cost and 10.1% of the Portfolio's exposed market value. The following charts illustrate the current public market exposure at the portfolio company level.

Public Market Exposure by Current Cost



Public Market Exposure Current Market Value



IV. Appendix

New York City Fire Department Pension Fund, Subchapter 2
Private Equity Portfolio
As of June 30, 2014 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR
Active Investments								
1998	VS&A Communications Partners III, L.P.	12/15/1998	\$ 10,000,000	\$ 10,049,682	\$ 13,497,525	\$ 323,354	1.38x	6.3%
1999	Cypress Merchant Banking Partners II, L.P.	3/29/1999	22,586,486	26,930,800	21,720,353	3,048,761	0.92x	(1.7%)
1999	FdG Capital Partners LLC	6/2/1999	25,000,000	28,756,836	42,947,884	5,674,155	1.69x	15.0%
1999	Lincolnshire Equity Fund II, L.P.	10/20/1999	6,899,005	7,223,050	13,673,658	473,880	1.96x	24.7%
2000	Carlyle Partners III, L.P.	3/1/2000	13,793,931	16,977,941	35,986,762	24,447	2.12x	23.3%
2000	SCP Private Equity Partners II, L.P.	6/15/2000	15,000,000	16,812,706	4,955,624	5,657,167	0.63x	(6.0%)
2001	New Mountain Partners, L.P.	3/16/2001	9,070,967	8,553,824	11,454,301	923,433	1.45x	12.4%
2001	Apollo Investment Fund V, L.P.	4/13/2001	15,000,000	23,371,979	45,487,068	1,562,441	2.01x	38.9%
2001	CVC European Equity Partners III, L.P.	9/4/2001	10,000,000	11,579,021	29,573,425	447,775	2.59x	41.1%
2002	Yucaipa American Alliance Fund I, LP	7/1/2002	5,000,000	7,491,869	5,580,336	4,103,979	1.29x	7.9%
2002	Landmark Equity Partners XI, L.P.	10/23/2002	5,000,000	4,753,167	6,622,586	760,366	1.55x	24.0%
2003	FS Equity Partners V, L.P.	1/20/2003	10,000,000	9,149,908	15,159,104	3,355,342	2.02x	16.5%
2003	Blackstone Capital Partners IV, L.P.	2/26/2003	13,875,989	17,111,129	34,992,500	6,956,204	2.45x	37.1%
2003	Ares Corporate Opportunities Fund, L.P.	4/1/2003	5,000,000	6,000,993	8,362,314	771,224	1.52x	13.7%
2004	Markstone Capital Partners, LP	1/30/2004	5,000,000	5,862,384	2,446,015	1,471,305	0.86x	(3.9%)
2004	Euro Choice II (Delaware) L.P.	2/25/2004	6,760,303	6,714,168	6,839,362	3,282,124	1.51x	8.3%
2004	FdG Capital Partners II LP	8/30/2004	5,000,000	5,261,438	5,952,155	715,281	1.27x	4.6%
2004	Paladin Homeland Security Fund (NY City), L.P.	9/27/2004	7,500,000	8,063,739	1,884,266	2,699,181	0.57x	(8.5%)
2004	Lincolnshire Equity Fund III, L.P.	10/1/2004	5,000,000	4,745,202	5,866,880	3,006,836	1.87x	33.1%
2004	New York/Fairview Emerging Managers Fund, L.P.-Tranche 1	10/21/2004	2,000,000	1,885,000	790,129	1,332,416	1.13x	2.5%
2004	Aurora Equity Partners III L.P.	11/16/2004	5,000,000	5,410,834	8,609,589	372,644	1.66x	14.2%
2004	Trilantic Capital Partners III L.P.	11/18/2004	5,000,000	4,454,879	7,187,924	207,314	1.66x	14.8%
2004	Celtic Pharmaceutical Holdings L.P.	12/23/2004	2,500,000	2,540,209	40,209	1,519,573	0.61x	(6.9%)
2004	Medica III Investments (International) L.P.	8/21/2006	3,000,000	2,858,417	1,267,948	1,177,000	0.86x	(4.5%)
2005	Palladium Equity Partners III, L.P.	11/12/2004	10,000,000	10,061,924	8,834,945	11,482,276	2.02x	19.6%
2005	New Mountain Partners II, L.P.	1/12/2005	2,580,650	2,298,863	3,956,146	371,218	1.88x	13.3%
2005	VSS Communications Partners IV, L.P.	3/14/2005	2,500,000	2,793,635	714,735	1,482,950	0.79x	(4.6%)
2005	Carlyle Partners IV, L.P.	4/29/2005	5,000,000	5,082,981	8,577,880	1,451,045	1.97x	13.2%
2005	Prism Venture Partners V-A, L.P.	7/14/2005	7,500,000	7,574,945	2,956,169	2,803,665	0.76x	(6.2%)
2005	Snow Phipps Group, L.P.	9/7/2005	5,000,000	5,379,182	3,626,671	3,268,671	1.28x	7.8%
2005	GI Partners Fund II L.P.	9/26/2005	2,500,000	2,522,154	2,781,743	989,885	1.50x	7.2%
2005	Blackstone Mezzanine Partners II, L.P.	10/10/2005	3,000,000	2,860,175	3,373,502	303,545	1.29x	7.1%
2005	Psilos Group Partners III, L.P.	10/24/2005	2,500,000	2,657,559	1,282,054	1,964,366	1.22x	5.1%
2005	FirstMark Capital I, L.P. (fka FirstMark IV)	11/21/2005	1,500,000	1,622,375	1,563,523	4,650,958	3.83x	41.0%
2005	USPF II Institutional Fund, L.P.	11/23/2005	5,000,000	6,594,940	3,863,493	4,267,396	1.23x	5.1%
2005	Bridgepoint Europe III	12/6/2005	5,488,082	4,993,430	2,768,949	3,251,941	1.21x	3.2%
2005	JP Morgan Fleming (Tranche A)	12/21/2005	3,000,000	2,792,212	1,416,447	2,116,498	1.27x	6.2%
2005	Arlington Capital Partners II, L.P.	4/20/2006	4,000,000	3,970,322	3,260,625	2,279,491	1.40x	8.0%
2005	Levine Leichtman Capital Partners Deep Value Fund, L.P.	1/16/2007	5,000,000	6,225,933	5,261,347	953,590	1.00x	(0.1%)
2006	Aisling Capital II, LP	1/12/2006	1,000,000	1,099,900	470,516	691,881	1.06x	1.2%
2006	InterMedia Partners VII, L.P.	1/20/2006	2,500,000	2,802,769	373,214	3,942,634	1.54x	7.7%
2006	Terra Firma Capital Partners III, L.P.	3/8/2006	5,229,276	5,185,246	111,319	3,232,187	0.64x	(9.3%)
2006	Fenway Partners Capital Fund III, L.P.	3/29/2006	5,000,000	5,610,941	2,966,432	2,711,842	1.01x	0.3%
2006	Blackstone Capital Partners V, L.P.	4/13/2006	9,625,000	9,908,296	6,046,600	8,869,387	1.51x	7.9%
2006	Avista Capital Partners, L.P.	4/27/2006	5,000,000	6,349,640	5,114,752	3,722,920	1.39x	8.0%
2006	Apollo Investment Fund VI, L.P.	5/10/2006	20,000,000	25,741,832	25,303,492	14,314,379	1.54x	10.5%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	5,000,000	5,461,186	7,827,412	1,455,590	1.70x	14.2%
2006	CCMP Capital Investors II, L.P.	8/17/2006	5,000,000	5,445,456	4,899,717	3,745,479	1.59x	14.6%
2006	Perseus Partners VII, L.P.	8/31/2006	5,000,000	5,671,408	1,411,194	1,189,907	0.46x	(20.3%)
2006	Euro Choice III L.P.	11/21/2006	5,374,169	5,031,479	1,702,712	4,345,452	1.20x	4.9%
2006	Thomas, McInerney & Partners II, L.P.	11/29/2006	3,000,000	2,640,994	812,413	2,887,512	1.40x	8.3%
2006	Catterton Partners VI, L.P.	12/14/2006	5,000,000	5,425,243	6,046,919	3,944,806	1.84x	14.2%
2006	First Reserve Fund XI, L.P.	12/14/2006	5,000,000	5,305,574	2,830,985	3,032,171	1.11x	2.4%
2006	Permira IV, L.P.	12/14/2006	5,480,476	5,722,624	4,000,690	4,283,666	1.45x	8.7%
2006	Arsenal Capital Partners II, LP	12/18/2006	4,000,000	4,794,522	1,843,300	5,281,603	1.49x	10.8%
2006	GF Capital Private Equity Fund, L.P.	12/18/2006	3,000,000	2,991,772	2,161,108	2,739,570	1.64x	15.4%
2006	RRE Ventures IV, L.P.	12/19/2006	2,500,000	2,911,730	707,186	3,896,951	1.58x	11.4%
2006	Coller International Partners V, L.P.	12/21/2006	5,000,000	4,243,320	3,457,737	2,547,876	1.42x	9.7%
2006	MidOcean Partners III, L.P.	12/21/2006	10,000,000	10,759,014	5,019,416	9,390,678	1.34x	7.9%
2006	The Fourth Civen Fund	1/22/2007	2,818,893	2,777,678	1,660,843	2,217,559	1.40x	7.6%
2006	Falconhead Capital Partners II, L.P.	3/23/2007	4,000,000	4,429,699	3,571,022	1,505,352	1.15x	3.3%
2006	Atlantic Equity Partners IV, L.P.	10/30/2007	3,000,000	3,093,099	-	1,990,148	0.64x	(8.6%)
2006	Capital Partners Private Equity Income Fund, L.P.	11/29/2007	2,000,000	1,909,119	2,013,110	1,229,692	1.70x	17.7%
2007	Pegasus Partners IV, L.P.	1/29/2007	7,500,000	8,145,785	3,507,133	5,626,124	1.12x	3.0%
2007	Olympus Capital Asia III, L.P.	1/31/2007	5,000,000	4,998,707	964,486	4,775,439	1.15x	5.2%
2007	FTVentures III, LP	3/1/2007	2,500,000	2,545,000	1,974,268	2,942,862	1.93x	17.8%
2007	Highland Consumer Fund I LP	3/16/2007	2,000,000	1,863,212	-	1,509,286	0.81x	(4.7%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	5,000,000	5,000,000	1,648,176	4,878,525	1.31x	7.7%
2007	Gleacher Mezzanine Fund II, L.P.	3/30/2007	3,000,000	2,734,975	2,399,742	901,013	1.21x	8.3%
2007	SCP Vitalife Partners II Fund	4/13/2007	5,000,000	4,724,924	395	4,115,103	0.87x	(3.8%)

New York City Fire Department Pension Fund, Subchapter 2
Private Equity Portfolio
As of June 30, 2014 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR
2007	Constellation Venture Capital III, L.P.	5/22/2007	5,000,000	5,174,026	1,019,741	2,624,887	0.70x	(9.3%)
2007	United States Power Fund III, L.P.	6/28/2007	5,000,000	4,997,389	1,666,035	3,832,808	1.10x	2.4%
2007	Carlyle Partners V, L.P.	7/6/2007	10,000,000	9,956,895	6,190,297	9,138,267	1.54x	14.0%
2007	PCG Clean Energy & Technology Fund (East), LLC	7/6/2007	10,000,000	8,666,664	558,793	5,091,801	0.65x	(11.1%)
2007	GSO Capital Opportunities Fund LP	7/16/2007	7,500,000	10,573,749	12,587,555	2,768,481	1.45x	18.6%
2007	New Mountain Partners III, L.P.	8/9/2007	10,000,000	9,679,163	3,422,053	9,570,505	1.34x	9.9%
2007	Vista Equity Partners Fund III, L.P.	10/3/2007	7,500,000	7,951,015	14,499,522	4,438,352	2.38x	28.6%
2007	Trilantic Capital Partners IV L.P.	10/22/2007	7,236,332	7,190,714	6,414,164	6,733,765	1.83x	20.5%
2007	Pine Brook Capital Partners, L.P.	1/11/2008	7,500,000	7,260,525	3,765,912	6,497,675	1.41x	14.6%
2007	Capital Point Partners, L.P.	10/17/2008	3,000,000	3,305,071	2,182,562	1,951,559	1.25x	6.7%
2007	Post Capital Equity Partners II LP	2/10/2009	3,000,000	2,000,721	934,449	1,866,205	1.40x	11.6%
2008	Relativity Fund, L.P.	1/8/2008	3,000,000	1,594,044	109,019	550,441	0.41x	(20.6%)
2008	Paladin III (NY City), L.P.	1/8/2008	7,500,000	7,248,147	2,825,626	5,978,627	1.21x	6.6%
2008	Apollo Investment Fund VII, L.P.	1/28/2008	25,000,000	28,071,440	33,333,435	17,346,628	1.81x	27.6%
2008	NGN BioMed Opportunity II, L.P.	2/11/2008	5,000,000	4,362,955	857,371	2,636,364	0.80x	(6.4%)
2008	Riverstone/Carlyle Global Energy & Power Fund IV, L.P.	3/3/2008	7,500,000	7,158,248	5,071,846	5,129,451	1.43x	12.8%
2008	Yucaipa American Alliance Fund II, LP	3/28/2008	15,000,000	19,476,008	9,444,092	21,552,869	1.59x	16.4%
2008	Levine Leichtman Capital Partners IV, L.P.	4/8/2008	5,000,000	4,894,793	4,425,556	3,647,125	1.65x	22.4%
2008	Lee Equity Partners Fund, L.P.	4/23/2008	7,500,000	7,412,685	2,797,594	5,708,437	1.15x	5.3%
2008	New York/Fairview Emerging Managers Fund, L.P.-Tranche 2	5/28/2008	5,000,000	3,402,000	999,881	3,602,246	1.35x	12.8%
2008	Yucaipa Corporate Initiatives Fund II, LP	6/23/2008	4,676,976	4,503,756	798,456	2,922,557	0.83x	(6.0%)
2008	CVC European Equity Partners V, L.P.	7/21/2008	13,726,518	13,368,240	6,787,040	10,933,721	1.33x	11.5%
2008	GI Partners Fund III L.P.	7/29/2008	7,500,000	7,892,415	6,659,569	5,119,291	1.49x	16.3%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	10,000,000	11,437,380	9,544,090	8,777,670	1.60x	22.8%
2008	GCM Grosvenor NYCFDPF Emerging Manager Co-Investment Fund, L.P	8/22/2008	990,607	1,216,363	619,922	1,017,197	1.35x	8.5%
2008	GCM Grosvenor NYCFDPF Emerging Manager Fund, L.P.	8/22/2008	8,979,798	7,573,556	2,778,376	5,635,533	1.11x	5.8%
2008	First Reserve Fund XII, L.P.	8/25/2008	5,000,000	4,963,744	1,670,666	4,058,322	1.15x	4.7%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	13,630,000	11,661,060	6,070,749	9,399,428	1.33x	17.3%
2008	Crestview Partners II, L.P.	10/1/2008	7,500,000	7,539,573	3,834,851	7,220,487	1.47x	16.6%
2008	Milestone Partners III, L.P.	10/17/2008	3,000,000	3,027,479	781,297	2,381,093	1.04x	1.2%
2008	Erasmus New York City Growth Fund IA	10/17/2008	1,208,990	1,208,990	417,624	387,445	0.67x	(8.1%)
2008	Euro Choice IV L.P.	10/22/2008	6,772,684	4,673,604	425,182	5,202,630	1.20x	8.4%
2008	Avista Capital Partners II, L.P.	11/5/2008	10,000,000	11,371,561	7,043,248	14,208,033	1.87x	22.9%
2008	Bridgepoint Europe IV	11/14/2008	6,783,646	6,056,714	2,368,241	6,082,958	1.40x	13.0%
2008	Carpenter Community BancFund-A, L.P.	11/17/2008	3,000,000	2,872,610	124,964	3,853,508	1.38x	8.1%
2008	Blue Wolf Capital Fund II, L.P.	11/19/2008	3,000,000	3,024,046	1,194,630	2,447,262	1.20x	9.2%
2008	Aisling Capital III, LP	11/20/2008	3,500,000	2,865,758	1,404,163	2,809,296	1.47x	21.5%
2008	Onex Partners III LP	12/10/2008	5,000,000	4,962,302	1,088,101	4,989,314	1.22x	9.4%
2009	NorthBound Emerging Manager Custom Fund LP	1/29/2009	5,000,000	3,522,614	1,491,374	3,449,712	1.40x	14.1%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	7,500,000	6,502,861	2,295,021	6,856,102	1.41x	14.1%
2009	Scale Venture Partners III, LP	5/1/2009	5,000,000	4,705,492	1,972,570	7,639,056	2.04x	29.1%
2009	FS Equity Partners VI, L.P.	7/27/2009	12,500,000	12,553,391	3,018,025	14,853,718	1.42x	17.3%
2009	Lincolnshire Equity Fund IV, L.P.	8/5/2009	2,500,000	2,119,957	284,315	1,816,986	0.99x	(0.5%)
2009	Lexington Capital Partners VII, L.P.	12/3/2009	10,000,000	7,714,303	3,994,130	6,952,692	1.42x	18.8%
2010	Snow Phipps II, L.P.	1/8/2010	7,500,000	4,257,401	805,212	4,627,831	1.28x	12.5%
2010	Trident V, L.P.	4/29/2010	15,000,000	13,430,890	1,589,759	13,716,268	1.14x	8.5%
2010	Comvest Investment Partners IV, L.P.	10/21/2010	20,000,000	13,552,989	10,366,465	13,182,204	1.74x	48.7%
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	10,000,000	5,400,427	968,303	5,651,080	1.23x	18.6%
2011	Ampersand 2011	3/11/2011	5,000,000	4,300,000	-	5,978,939	1.39x	17.3%
2011	BDCM Opportunity Fund III, L.P.	4/8/2011	10,000,000	8,970,817	2,672,909	7,720,850	1.16x	12.9%
2011	AXA Secondary Fund V B L.P.	6/16/2011	40,000,000	24,740,587	6,141,456	29,786,954	1.45x	24.1%
2011	Wellspring Capital Partners V, L.P.	7/1/2011	7,500,000	3,260,598	431,184	2,378,457	0.86x	(10.0%)
2011	EQT VI, L.P.	8/1/2011	18,729,805	9,202,385	140,016	9,452,344	1.04x	3.0%
2011	Pegasus Partners V, L.P.	8/16/2011	6,236,975	3,708,468	31,728	5,049,932	1.37x	17.3%
2011	BC European Capital IX	9/19/2011	23,896,724	13,153,260	1,203,702	14,101,944	1.16x	11.5%
2011	American Securities Partners VI, L.P.	11/18/2011	20,000,000	12,651,987	3,479,492	13,453,640	1.34x	29.2%
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	30,000,000	27,990,661	2,162,572	30,166,315	1.15x	12.2%
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	35,000,000	17,775,027	3,153,395	16,525,241	1.11x	12.2%
2012	Summit Partners Growth Equity Fund VIII-A, L.P.	6/14/2012	30,000,000	16,622,255	2,932,690	15,530,229	1.11x	18.4%
2012	Trilantic Capital Partners V L.P.	9/20/2012	10,000,000	1,794,852	21,740	1,690,110	0.95x	NM
2012	Palladium Equity Partners IV, L.P.	10/10/2012	10,000,000	1,520,015	161,832	1,283,941	0.95x	NM
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	20,000,000	4,918,617	-	4,808,989	0.98x	NM
2012	Green Equity Investors VI, L.P.	11/30/2012	25,000,000	7,517,139	82,293	7,993,434	1.07x	NM
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	25,000,000	7,922,741	4,545,540	6,824,761	1.44x	NM

New York City Fire Department Pension Fund, Subchapter 2
Private Equity Portfolio
As of June 30, 2014 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR
2012	NYCFDPF - 2012 Emerging Manager Program*	2/7/2013	25,000,000	3,290,264	357,658	2,919,535	1.00x	NM
2013	Carlyle Partners VI, L.P.	7/3/2013	20,000,000	4,087,262	-	3,692,107	0.90x	NM
2013	Landmark Equity Partners XV, L.P.	10/30/2013	26,000,000	3,193,747	-	4,113,423	1.29x	NM
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	40,000,000	1,757,498	58,153	1,311,783	0.78x	NM
2013	Landmark - NYC Fund I, L.P.	12/24/2013	9,000,000	460,789	-	465,531	1.01x	NM
2013	Olympus Growth Fund VI, L.P.	1/24/2014	15,000,000	880,830	-	801,840	0.91x	NM
2013	CVC Capital Partners VI, L.P.	2/18/2014	41,927,874	289,865	-	4,687	0.02x	NM
2014	ASF VI B L.P.	5/9/2014	30,000,000	3,743,631	-	4,337,298	1.16x	NM
2013	Carlyle Partners VI, L.P. (Side Car)	9/23/2014	2,200,000	-	-	-	-	NM
2013	Crestview Partners III (Co-Investment B), L.P.	N/A	8,000,000	-	-	-	-	N/A
2013	Crestview Partners III, L.P.	N/A	24,000,000	-	-	(254,765)	-	N/A
2014	ASF VI B NYC Co-Invest L.P.	N/A	10,000,000	1,000	-	1,000	1.00x	N/A
2014	Lexington Capital Partners VIII, L.P.	N/A	40,000,000	-	-	-	-	N/A
Total Portfolio¹			\$ 1,484,391,965	\$ 1,068,661,083	\$ 771,198,339	\$ 696,417,699	1.37x	11.1%

*Please note that the NYCFDPF - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$13.3 million has been committed as of November 10, 2014.

¹ Total Portfolio includes liquidated investments and is presented Pro-Forma for the proceeds received and expected to be received from the sale of nine partnership investments in secondary transactions that closed during the first half of 2012.

Note: IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated by StepStone Group LP ("StepStone"), a consultant to the New York City Fire Department Pension Fund, Subchapter 2, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

New York City Fire Department Pension Fund, Subchapter 2
Subsequent Commitments
As of June 30, 2014 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR
Commitments Closed Subsequent to as of Date								
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	\$ 40,000,000	\$ -	\$ -	-	N/A	N/A
2014	NMS Fund II LP	10/31/2014	1,200,000	-	-	-	N/A	N/A
2014	Centerbridge Capital Partners III, L.P.	N/A	4,200,000	-	-	-	N/A	N/A
Total Commitments Closed Subsequent to as of Date			\$ 45,400,000	\$ -	\$ -	-	N/A	N/A

Note: IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in early years of a fund is not meaningful given the J-curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated by StepStone Group LP ("StepStone"), a consultant to the New York City Fire Department Pension Fund, Subchapter 2, based on information provided by the general partners (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

Real Assets Quarterly Report

The New York City Fire Department Pension Fund

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Real Estate

Portfolio Profile

The New York City Fire Department Pension Fund has allocated 5.0% (+/- 2%) of the total plan to Real Assets. Real Estate investments are categorized under Real Assets. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE +100 bps total net return measured over full market cycles.

Portfolio Statistics (June 30, 2014)

Total Plan Assets	\$10.7 billion
Target Real Assets Allocation (%)	5%
Target Real Assets Allocation (\$)	\$535.1 million
Total Real Estate Market Value	\$417.8 million
Real Estate Unfunded Commitments	\$157.1 million
Total Real Estate Exposure	\$547.9 million
Number of Investments	45
Number of Managers	34

Net Returns (as of June 30, 2014)

2Q14 Time-Weighted Net Return:	4.5%
1 Year Time Weighted Net Return:	16.7%
3 Year Time Weighted Net Return:	13.8%
Inception-to-Date (ITD) Time-Weighted:	6.0%
ITD Net IRR:	5.6%
ITD Net Equity Multiple:	1.2x

Investment Guidelines

Style Sector:	Target •40-60% Core/Core Plus •40-60% Non-Core
Benchmark	NFI-ODCE Index +100 bps net over full market cycles
Region Diversification	Maximum 25% Int'l
Investment Diversification	Limit 15% to a single investment
Manager Diversification	Limit 15% to a single manager
Leverage	65%

Second Quarter Investment Activity

No new investment activity occurred during the Quarter

OVERVIEW

Direct commercial real estate transaction volumes is expected to reach \$700 billion worldwide in 2014, representing a 20% improvement over 2013. First half 2014 investment volumes are 28% above first half 2013 as exhibited in the chart below.

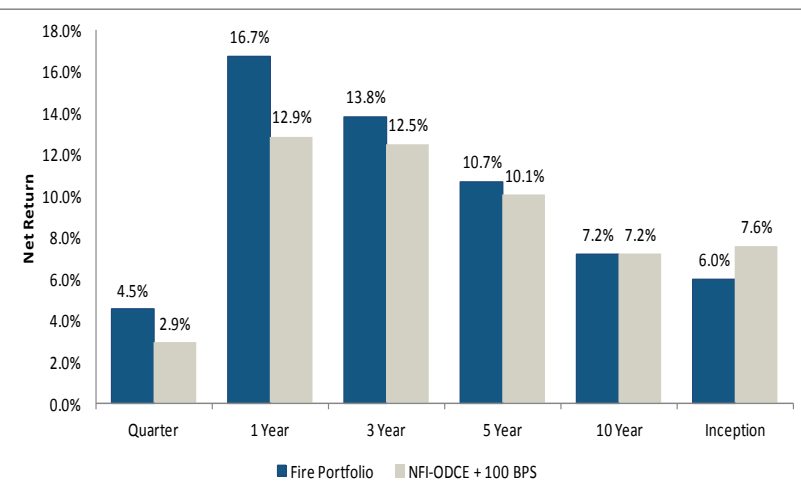
During 2Q14, the global real estate market experienced prime yield compression in core markets due to abundant demand. During the first half of 2014, the office sector recorded the strongest transaction volume followed by the retail sector, appreciating over 29% and 28%, respectively, compared to first half of 2013. Across property types, shortages of high-quality space is boosting developer confidence implying an uptick in new construction.

Direct Commercial Real Estate Volumes, H1 2014

\$ US Billions	Q1 14	Q2 14	% Change Q1 14 - Q2 14	Q2 13	% Change Q2 13 - Q2 14	H1 2013	H1 2014	% Change H1 2013 - H1 2014
Americas	62	67	8%	52	29%	90	129	43%
EMEA	54	59	9%	40	48%	83	113	36%
Asia Pacific	23	32	39%	32	0%	59	55	-7%
Total	139	158	14%	124	27%	232	297	28%

Source: Jones Lang LaSalle

The New York City Fire Department Pension Fund ("Fire") Real Estate Portfolio is, and has been, well positioned to take advantage of conditions in the real estate marketplace. Post economic downturn, in the period reflected in the rolling three-year returns, Fire performance exceeds benchmark by 130 basis points. At the end of the Second Quarter 2014, the Portfolio achieved a total gross return of 5.6% which was comprised of 1.4% income and 4.3% appreciation. The net return for the Quarter was 4.5%. A detailed analysis of the Portfolio's real estate performance is found later in this Executive Summary.



The New York City Fire Department Pension Fund

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FUNDING AND COMPOSITION

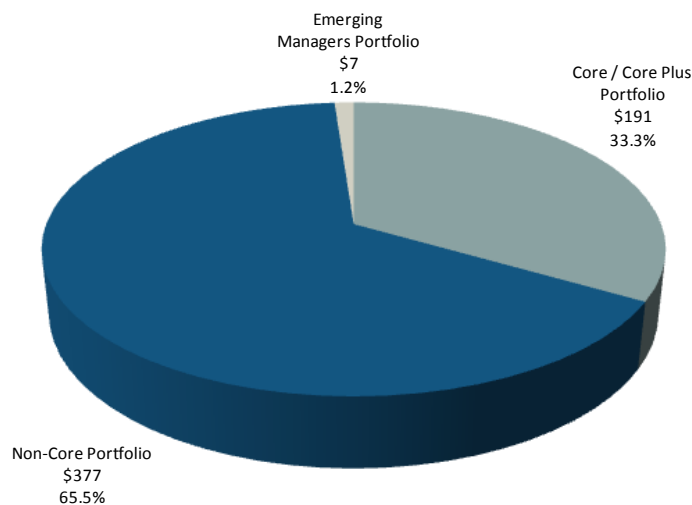
At the end of the Second Quarter, the Portfolio was funded at \$417.8 million, or 3.9% of total plan assets. A total of \$157.1 million in unfunded commitments are still outstanding. New commitment activity has accelerated over the past several months and the trend will continue throughout 2014.

New contributions for the Quarter totaled \$18.3 million, offset by just over \$13.7 million in distributions and withdrawals. Distributions were weighted to the non-core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Value + Unfunded Commitments. The Core/ Core Plus component accounts for 33.3% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 65.5% of the Portfolio exposure. The Emerging Manager component accounts for 1.2% of the Portfolio exposure.

A more detailed break-down of the Portfolio Composition is shown in the table below. Attached as Exhibit A is a matrix which demonstrates compliance with various Investment Policy Statement guidelines.

Real Estate Exposure



New York City Fire Department Pension Fund		
Total Plan Assets	6/30/2014	\$10,702
Real Estate Allocation (%)		5.0%
Real Estate Allocation (\$)		\$535
Style Sector Allocation		
Core / Core Plus Portfolio	40.0	\$214
Non-Core Portfolio	55.0	\$294
Emerging Managers Portfolio	5.0	\$27
Uncommitted Core / Core Plus Portfolio		\$23
Uncommitted Non-Core Portfolio		(\$83)
Uncommitted Emerging Managers Portfolio		\$20
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		33.3%
Non-Core Portfolio		65.5%
Emerging Managers Portfolio		1.2%
\$ Committed		\$575
% Committed on Real Estate Allocation		107.5%
% Committed on Total Plan Assets		5.4%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		3.9%
% Funded (Market Value) of Total Real Estate Allocation		78.1%

The New York City Fire Department Pension Fund

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Real Estate

PERFORMANCE

During the Quarter under review, the Fire Real Estate Portfolio produced a 5.6% total gross return. The total net return for the Quarter was 4.5%. On a rolling one-year basis the total gross return of 20.1% was recorded. On a net basis the total return was 16.7%. On a gross basis the Fire Portfolio exceeds the NFI-ODCE in all relevant time periods. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles. This benchmark is exceeded over the one-year, three-year, five-year and ten-year time periods. The various components of the Portfolio returns are depicted in the chart below.

Core/Core Plus

As of June 30, 2014 the market value of the Core/ Core Plus Portfolio was \$167 million, or 40.1% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$191.5 million, or 33.3% of the total Portfolio. The Core/ Core plus Portfolio generated a 3.0% total gross return for the Quarter comprised of 1.3% in income and 1.8% in appreciation. The total net return for the Quarter was 2.8%.

The most significant contribution to the Quarterly return in the Core/Core Plus sector was RREEF America REIT III which added 0.10% to the overall performance of the Core/Core Plus sector. The largest detractor from the Core/Core Plus Portfolio was UBS Trumbull Property Fund, which took away (0.16)% from the total net return.

The Core/Core Plus Portfolio achieved a 11.6% net return over the three-year period ending June 30, 2014. Of the 12 Core/Core Plus Funds, PRISA II was the largest contributor, adding 0.48% to the overall performance of the Portfolio. UBS Trumbull Property Fund was the largest detractor, taking away (0.56)% from the overall performance of the Core/Core Plus Portfolio, however, with its low leverage target, UBS historically outperforms during down cycles.

Non-Core

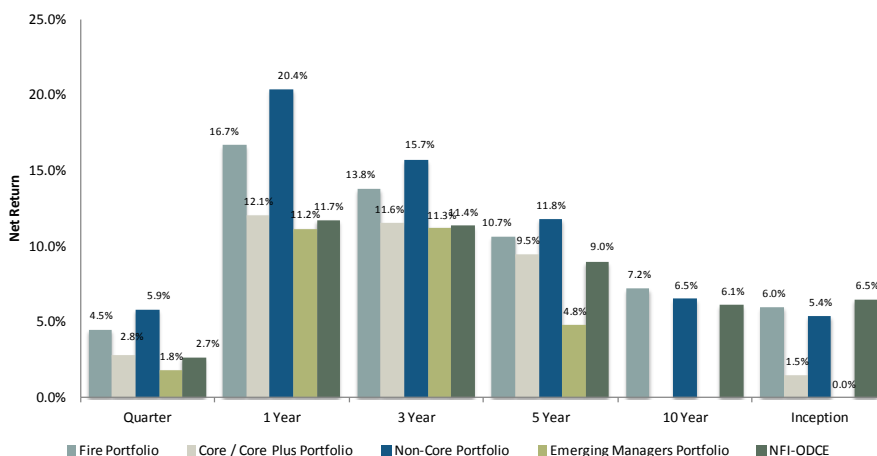
As of June 30, 2014 the market value of the Non-Core Portfolio was \$245 million, or 58.6% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$377 million, or 65.5% of the total Portfolio. The Non-Core Portfolio generated a 7.6% total gross return for the Quarter comprised of 1.4% in income and 6.2% in appreciation. The total net return for the Quarter was 5.9%.

Of the 29 Funds contributing to the Quarterly return of the Non-Core Portfolio, Divco West Fund III was the largest contributor, adding 0.90%. The City Investment Fund I was the largest detractor for the Quarter, taking away (0.41)% from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio generated a three-year net return of 15.7%. Of the 29 Non-Core Funds that contributed to the three-year performance of the Portfolio, Divco West Fund III was the largest contributor, adding 1.3%. The largest detractor among these Funds was Colony Investors VIII, which took away (1.0)% from overall Non-Core performance.

Emerging Managers

As of June 30, 2014 the market value of the Emerging Managers Portfolio was \$5.5 million, or 1.3% on an invested basis. On a funded and committed basis, the Emerging Managers Portfolio totaled \$6.7 million, or 1.2% of the total Portfolio. The Emerging Managers Portfolio generated a 2.2% total gross return for the Quarter comprised of 1.4% in income and 0.7% in appreciation. The total net return for the Quarter was 1.8%. The Emerging Managers Portfolio has underperformed for a number of reasons including the fact that performance has been adversely impacted by virtue of the vintage years of these funds.



The New York City Fire Department Pension Fund

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PERFORMANCE

Portfolio Performance

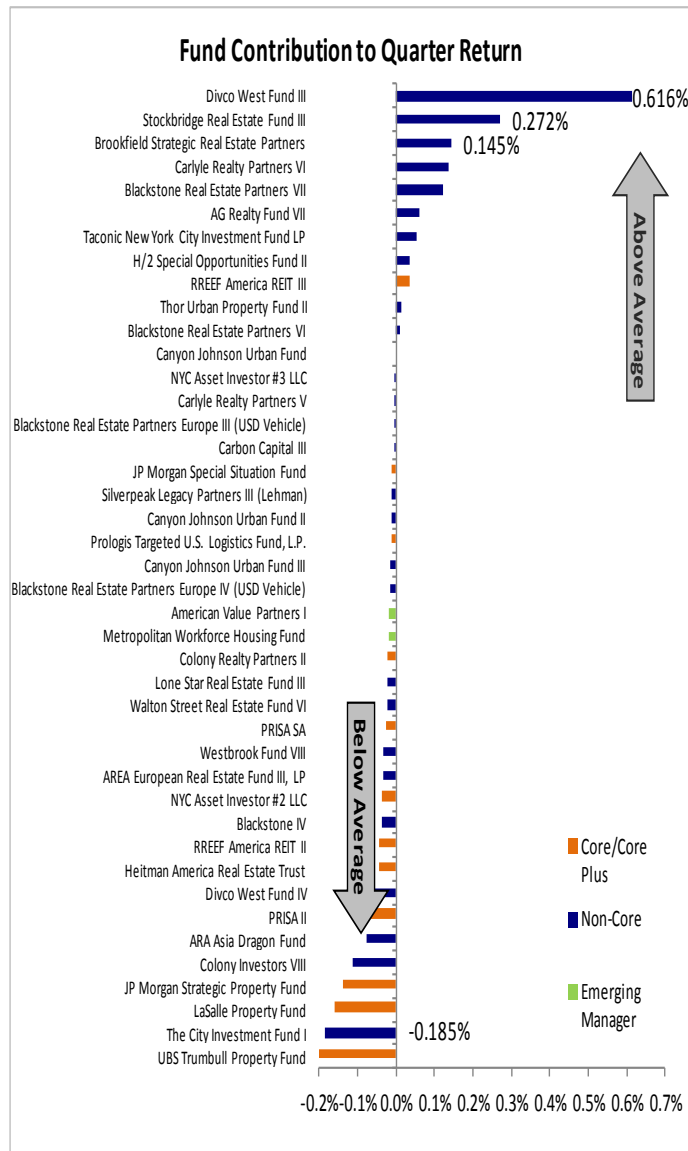
At the end of the Second Quarter 2014, the Portfolio had a cumulative market value of \$417.8 million. Total market value plus unfunded commitments was \$574.9 million, or 107.5% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 5.6% which was comprised of 1.4% income and 4.3% appreciation. The Portfolio achieved a total net return of 4.5%. Since inception, the Portfolio has a net IRR of 5.6% and an equity multiple of 1.2x as of June 30, 2014. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven DivcoWest Fund III, which contributed 0.62% to the overall performance. The primary laggards in the Portfolio were The City Investment Fund and UBS Trumbull Property Fund detracting (0.19)% and (0.22)%, respectively. Brief reviews of Funds making positive contributions to performance during the Quarter are found below. Note, that attached as Exhibit C are charts relating to fund contributions to returns during different relevant periods.

DivcoWest Fund III (DWFIII). During the Quarter, the Fund recorded a total gross return of 15.2% comprised of 1.2% in income and 13.9% in appreciation. The net return after fees was 10.5%. As of June 30, 2014, the Fund has 13 unrealized investments and six realized investments. One realized investment was part of a Boston office Portfolio whose initial acquisition cost was \$153.6 million. The six realized investments have generated a gross IRR of 80.3% and a 2.1x gross equity multiple.

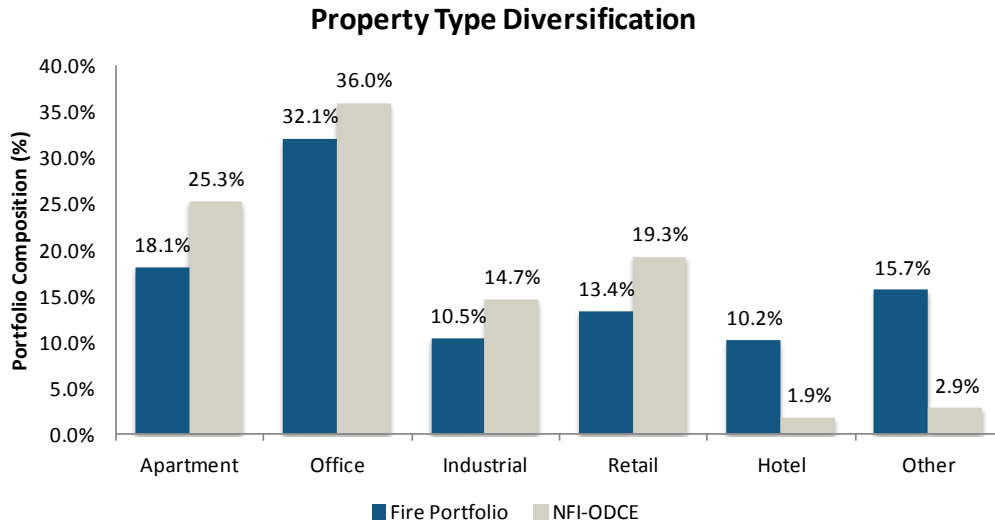
Stockbridge Real Estate Fund III (Stockbridge III). Stockbridge III produced a total gross return of 11.0% comprised of 0.4% in income and 10.7% in appreciation. The net return after fees was 10.8%. One San Francisco asset is now fully leased as the Fund signed a significant lease with a tenant. San Francisco properties have experienced benefits from the technology industry as 60% of 2014 Second Quarter leasing activity was driven by these types of companies.

Brookfield Strategic Real Estate Partners (BSREP). BSREP produced a total gross return of 14.4% comprised of 0.8% in income and 13.6% in appreciation. The net return after fees was 11.4%. The Fund held its final close in July 2013 with \$4.4 billion in commitments, including \$1.3 billion in commitments from Brookfield. As of August 2014, 76% of the Fund's capital was committed to 19 investments. During Second Quarter five new deals were secured including a \$364 million investment into an Indian office park portfolio. These office parks are either under construction or in operation, with high-quality international tenants. Other investments made throughout the Quarter include a \$350 million investment in a New York apartment portfolio and \$211 million investment in a Florida hotel.



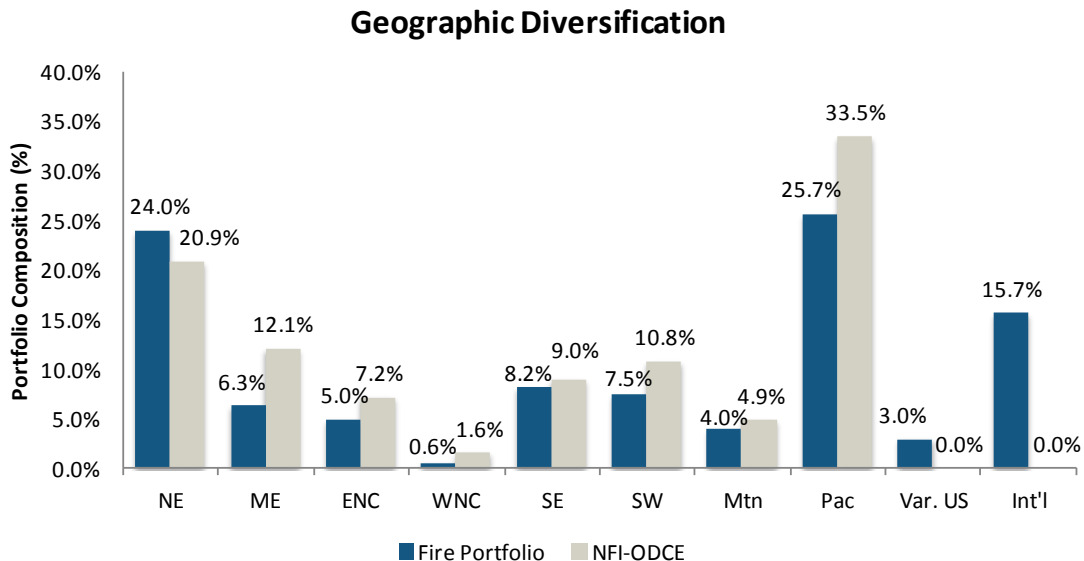
PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. Relative to the ODCE, the Portfolio is still underweight to all property sectors (excluding hotels) due to its allocation to other property types such as For Sale Residential, Self Storage, Land, Health Care, Medical Office, Data Centers, Senior Living and Student Housing.



GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight overweight to the Northeast and Pacific and a slight underweight to all other geographic sectors. The 15.7% international exposure is appropriate for the risk and return profile of Fire and consistent with our long-term target.



The New York City Fire Department Pension Fund

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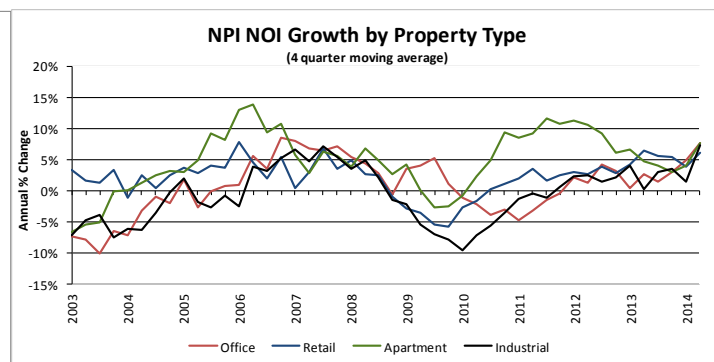
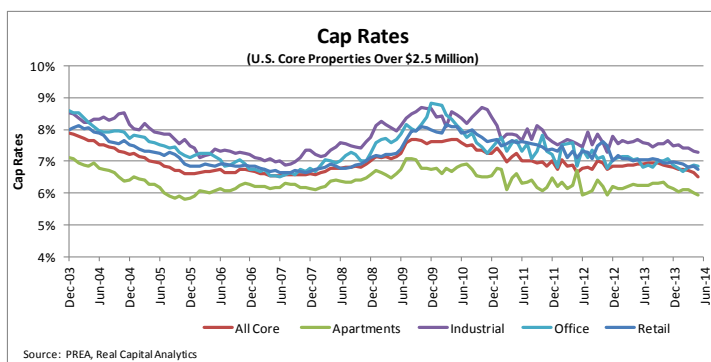
MARKET UPDATE

General

- As of 2Q14, real GDP climbed to a seasonally adjusted annual rate of 4.6%, a large improvement from the first quarter's -2.1%. Exiting a harsh winter across the U.S., 2Q14 data has revealed large rebounds in vehicle sales, retail sales, manufacturing output and employment gains.
- Employment gains continued during the second quarter with 288,000 nonfarm jobs created in June 2014 and the unemployment rate falling slightly from 6.3% to 6.1%.
- Consumer credit continued to expand during 2Q14 (up 6.8% year-over-year) suggesting renewed consumer optimism, although revolving credit has been slower to recover (up 2.7% year-over-year).
- During 2Q14, the homeownership rate declined to 64.7%, the lowest rate in nearly 20 years. Future apartment demand is expected to remain healthy as many new households are likely to prefer renting.
- During 2Q14, lending in the securitized market remained stable with a national CMBS issuance of \$20.2 billion. Expectations are that the CMBS market will continue to improve through 2016 and that debt market liquidity will continue to rise with support from both alternative and balance sheet lenders.

Commercial Real Estate

- Demand continues for commercial real estate with total sales up 18% in 2014 through May over the same period last year, totaling \$135 billion.
- Property prices in secondary markets is accelerating as financing is becoming more accessible and investors search for higher returns. Values of non-gateway properties have risen to 5.7% year-to-date compared to 4.1% for gateway markets.
- The vacancy rate fell by 70 bps from last year to 16.3%, with a decreasing supply of urban Grade-A assets and a slow and steady recovery of the suburban market. The lowest vacancy rates were recorded in New York, San Francisco and Portland at approximately 10.5%, while the highest vacancy rate, 26%, was in Detroit.
- Overall, most real estate markets are experiencing an economic expansion with superior demand relative to supply.



The New York City Fire Department Pension Fund

Executive Summary: Second Quarter 2014 Performance Measurement Report
Real Estate

EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles (10-year)	<i>Portfolio returns are equal to the benchmark.</i>
Portfolio Composition	Core/Core Plus (minimum of 40%)	<i>The portfolio is funded (market value) and committed at 107.5% of real asset allocation with a portfolio composition of 33.3% core, 65.5% non-core, and 1.2% emerging.</i>
	Non Core (minimum of 40%)	
	Non Core Emerging	
Real Asset Allocation	Target of 5.0%	<i>Funded (market value) and committed dollars place the portfolio at 5.4% of total plan assets.</i>
	Currently Funded at 3.9%	
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	<i>All property type locations are in compliance.</i>
Geographic Diversification	Diversified geographically Max 25% Ex-US	<i>All geographic type locations are in compliance</i>
LTV	65%	<i>Portfolio is in early stages of funding, but is in compliance (42.6 %).</i>
Manager Exposure	15% of real estate allocation	<i>Manager exposure is within compliance ranges.</i>

The New York City Fire Department Pension Fund

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EXHIBIT B: FOIL



New York City Fire Department Pension Fund

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2007	Colony Realty Partners II	12/20/2006	5,000,000	5,355,052	-166,526	1,985,500	0.4	-13.0
2007	Heitman HART	3/29/2007	9,000,000	11,321,722	-2,321,722	13,132,116	1.4	6.8
2007	JP Morgan Special Situation Property Fund	1/2/2007	5,000,000	5,532,144	-1,024,896	4,919,910	1.1	1.1
2007	JP Morgan Strategic Property Fund	12/5/2006	22,000,000	23,151,164	0	33,391,139	1.4	8.0
2010	LaSalle Property Fund	7/1/2010	30,000,000	26,308,583	-2,909,412	31,242,539	1.3	12.0
2014	MetLife Core Property Fund	n/a	15,000,000	0	0	0	n/a	n/a
2013	NYC Asset Investor #2 LLC	7/9/2013	9,000,000	3,705,465	-109,655	3,584,662	1.0	-0.9
2007	PRISA II	6/30/2007	20,228,233	21,118,851	-2,434,945	22,021,742	1.2	2.6
2006	PRISA SA	9/29/2006	7,000,000	7,412,859	-1,161,561	7,661,527	1.2	2.4
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	5,000,000	6,068,904	-1,115,198	4,744,784	1.0	-0.6
2006	RREEF America REIT II	10/1/2006	7,000,000	9,178,399	-3,305,182	7,657,647	1.2	3.1
2007	RREEF America REIT III - 1410	10/1/2007	5,000,000	5,000,000	-1,263,153	1,409,932	0.5	-9.3
2006	UBS Trumbull Property Fund	9/28/2006	27,000,000	31,850,266	-3,849,788	35,619,558	1.2	6.2
Core / Core Plus Portfolio			166,228,233	156,003,409	-19,662,036	167,371,056	1.2	4.0
2008	AG Realty Fund VII	5/20/2008	15,000,000	14,100,000	-13,201,627	7,440,147	1.5	13.6
2008	American Value Partners Fund I	10/18/2007	5,000,000	3,763,712	-1,265,465	2,257,553	0.9	-1.7
2008	ARA Asia Dragon Fund	7/9/2008	10,000,000	9,284,000	-8,167,744	4,648,489	1.4	9.8
2008	AREA European Real Estate Fund III, LP	5/6/2008	15,000,000	15,243,750	-6,665,000	12,037,201	1.2	6.2
2004	Blackstone Fund IV	5/10/2004	5,000,000	6,406,782	-5,969,692	2,988,180	1.4	11.7
2010	Blackstone Real Estate Partners Europe III (USD Vc)	10/24/2008	5,000,000	4,949,436	-1,631,469	5,172,115	1.4	18.3
2014	Blackstone Real Estate Partners Europe IV (USD Vc)	12/23/2013	20,000,000	6,178,837	-154,934	6,303,613	1.0	16.1
2007	Blackstone Real Estate Partners VI	9/27/2007	10,000,000	10,907,175	-4,234,073	15,070,537	1.8	13.8
2012	Blackstone Real Estate Partners VII	3/31/2012	30,000,000	24,223,076	-6,510,638	26,826,808	1.4	29.5
2012	Brookfield Strategic Real Estate Partners	9/20/2012	15,000,000	8,168,548	-1,865,108	7,821,968	1.2	20.5
2003	Canyon Johnson Urban Fund	12/6/2002	10,000,000	9,060,242	-10,582,954	0	1.2	10.2
2005	Canyon Johnson Urban Fund II	5/11/2005	10,000,000	8,988,710	-1,598,648	3,095,681	0.5	-9.6
2010	Canyon Johnson Urban Fund III	3/29/2010	5,000,000	4,590,824	-2,284,286	3,453,726	1.2	10.9
2009	Carbon Capital III	7/2/2009	10,000,000	10,939,291	-12,253,836	1,111,524	1.2	8.8
2007	Carlyle Realty Partners V	8/27/2007	5,000,000	6,162,058	-6,096,058	1,732,657	1.3	7.3
2011	Carlyle Realty Partners VI	9/14/2011	20,000,000	14,463,879	-5,293,561	13,824,054	1.3	25.2
2014	Carlyle Realty Partners VII	n/a	0	0	0	0	n/a	n/a
2007	Colony Investors VIII	9/18/2007	20,000,000	21,249,679	-3,513,007	7,477,172	0.5	-12.3
2012	Divco West Fund III	12/30/2011	30,000,000	29,429,127	-3,888,215	40,530,822	1.5	27.8
2014	Divco West Fund IV	1/15/2014	30,000,000	7,051,995	0	7,034,360	1.0	-0.5
2011	H/2 Special Opportunities Fund II	1/31/2011	10,000,000	8,657,389	-2,087,164	9,341,382	1.3	23.6
2013	KTR Industrial Fund III	6/28/2013	10,000,000	3,369,869	0	3,935,661	1.2	25.8
2014	Lone Star Real Estate Fund III	5/20/2014	25,000,000	6,299,808	-49,367	6,065,585	n/a	n/a
2007	Metropolitan Workforce Housing Fund	7/13/2007	3,500,000	3,503,257	-639,403	3,227,558	1.1	2.8
2013	NYC Asset Investor #1 LLC	6/25/2013	5,000,000	1,894,784	-142,220	1,880,191	1.1	19.4
2013	NYC Asset Investor #3 LLC	9/20/2013	6,000,000	477,344	0	456,488	1.0	-9.6
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	5,000,000	2,216,844	-86,338	892,489	0.4	-14.0
2008	Stockbridge Real Estate Fund III	9/9/2008	13,500,000	13,142,674	0	17,967,546	1.4	8.7
2012	Taconic New York City Investment Fund LP	7/5/2012	20,000,000	8,045,455	-181,818	8,875,326	1.1	8.1
2004	The City Investment Fund I	3/16/2004	35,000,000	34,515,181	-22,226,751	15,404,145	1.1	2.1
2009	Thor Urban Property Fund II	10/30/2008	5,000,000	6,469,583	-2,391,740	4,893,775	1.1	5.9
2009	Walton Street Real Estate Fund VI	4/27/2009	5,000,000	4,432,393	-1,162,625	4,939,340	1.4	10.7
2010	Westbrook Real Estate Fund VIII	12/28/2009	5,000,000	5,871,970	-3,746,586	3,691,427	1.3	14.0
Non Core and Emerging Manager Portfolio			418,000,000	314,057,672	-127,890,327	250,397,519	1.2	6.9
New York City Fire Department Pension Fund			584,228,233	470,061,080	-147,552,363	417,768,575	1.2	5.6

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of June 30, 2014.

The New York City Fire Department Pension Fund

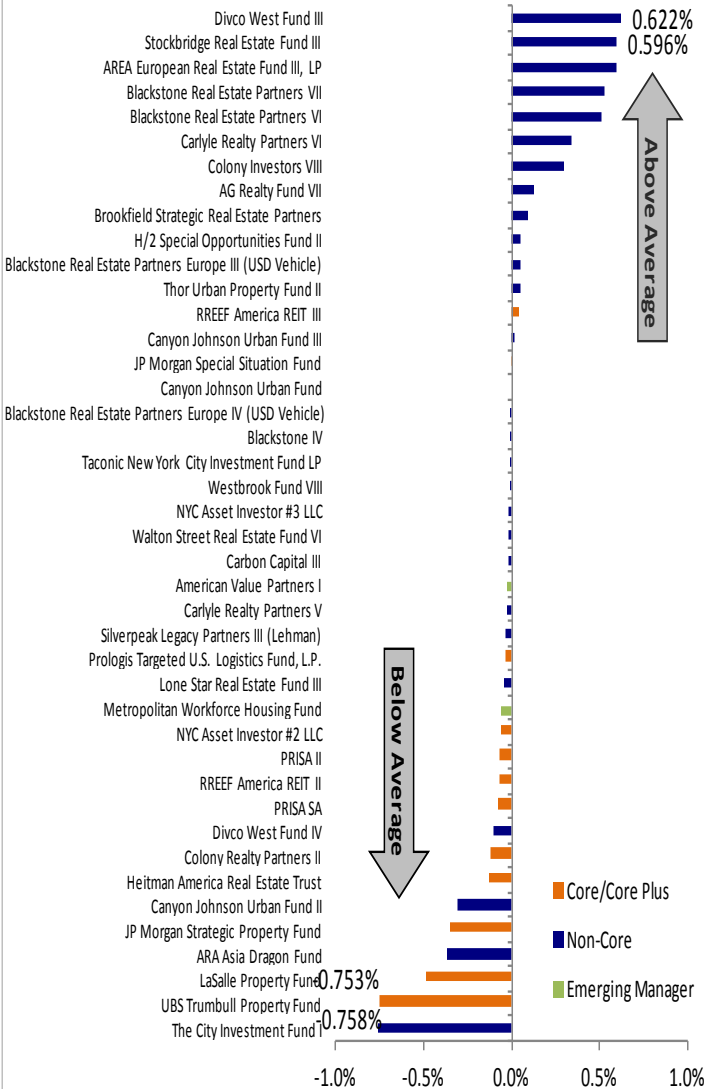
Executive Summary: Second Quarter 2014 Performance Measurement Report

Real Estate

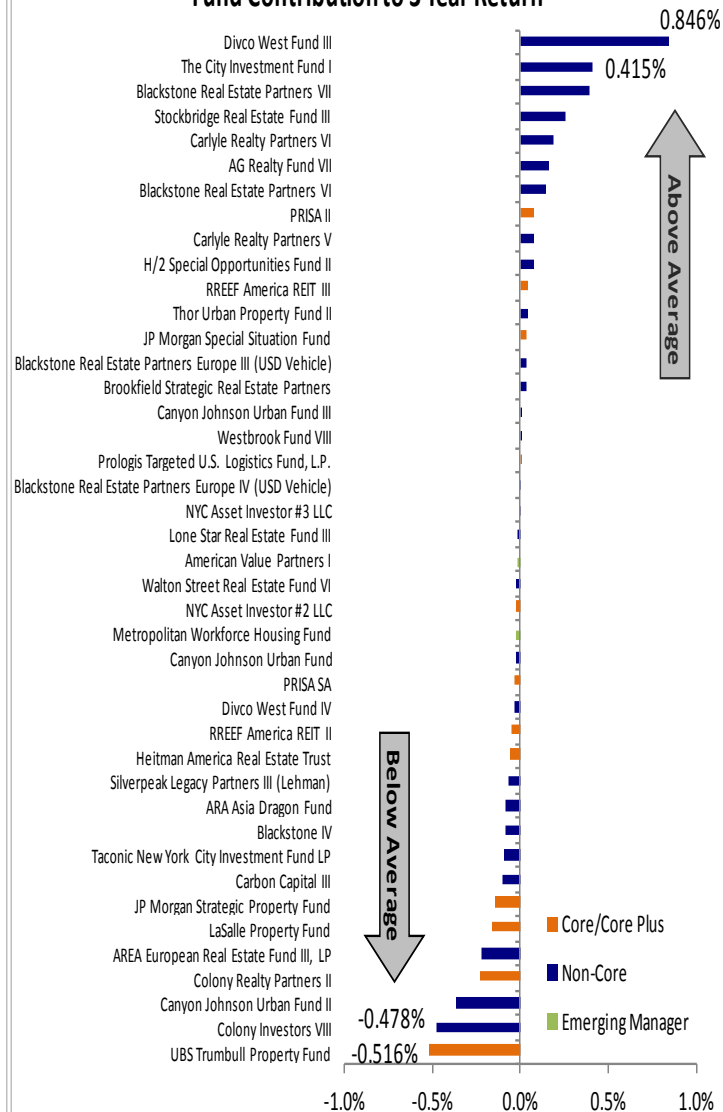
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EXHIBIT C : ATTRIBUTION

Fund Contribution to 1 Year Return



Fund Contribution to 3 Year Return





Infrastructure Monitoring Report

For the period ended June 30, 2014

Report Prepared For:

New York City Fire Department Pension Fund, Subchapter 2



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I. Executive Summary

The New York City Fire Department Pension Fund, Subchapter 2 (“NYCFDPF”) established the Infrastructure Program (the “Program”) in December of 2012 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

The inclusion of infrastructure in the NYCFDPF pension portfolio allows for global investments in facilities or assets that provide core essential services critical to the operation and development of economies. Typically infrastructure investments have high barriers to entry due to significant capital expenditure requirements, exclusive long term contracts or regulatory requirements. Infrastructure investments are comprised of long useful-life assets with high tangible value and relatively low value erosion over time.

The Program seeks to invest in opportunities in a variety of infrastructure sectors, including but not limited to, transportation, energy, power, utilities, water, wastewater, communications and social infrastructure.

StepStone Group LP (“StepStone”) was engaged by NYCFDPF on October 20, 2014 to provide infrastructure advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through June 30, 2014, the Program has committed US\$35.0 million to three partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of June 30, 2014 as well as significant activity that occurred during the second quarter of 2014.

Allocation Summary

NYCFDPF has a Real Assets allocation target of 5% (plus or minus 2%) of total pension assets. Infrastructure is a component asset class within the NYCFDPF Real Assets investment program.

As of June 30, 2014, the market value of NYCFDPF Real Assets Program represented approximately 3.8% of total pension assets. The market value of NYCFDPF Infrastructure Program represented approximately 0.04% of total pension assets, a two basis point increase from the prior quarter.

As the Program matures, the percentage of its market value relative to the total NYCFDPF pension assets as well as total Real Assets will continue to increase.

<i>US\$ in millions</i>	June 30, 2014	March 31, 2014	Quarterly Change
Total Pension Assets*	\$10,702.0	\$10,287.0	\$415.0
Total Real Assets*	\$409.0	\$382.0	\$27.0
% Allocation to Real Assets (Target of 5% +/- 2%)	3.8%	3.7%	+ 11 bps
Total Infrastructure Assets	\$3.9	\$2.0	\$1.9
% Allocation to Infrastructure vs. Total Pension Assets	0.04%	0.0%	+ 2 bps
% Allocation to Infrastructure vs. Total Real Assets	1.0%	0.5%	+ 42 bps

*NYCFDPF total Pension Assets and total Real Assets are as of quarter-end (or, if not yet available, the most recent month-end prior to quarter-end) as reported by The New York City Comptroller's Office on www.comptroller.nyc.gov

Performance Summary

As of June 30, 2014, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.0x invested capital and an IRR of 10.4%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions *	June 30, 2014	March 31, 2014	Quarterly Change
Number of Managers	3	2	1
Number of Investments	3	2	1
Committed Capital ¹	\$35.0	\$25.0	\$10.0
Contributed Capital	\$3.9	\$1.9	\$1.9
Distributed Capital	\$0.1	\$0.0	\$0.0
Market Value	\$3.9	\$2.0	\$1.9
Total Value	\$4.0	\$2.1	\$1.9
Total Gain/(Loss)	\$0.1	\$0.1	(\$0.0)
Unfunded Commitment	\$31.1	\$23.1	\$8.1
Exposure ²	\$35.0	\$25.1	\$9.9
DPI ³	0.0x	0.0x	0.0x
TVPI ⁴	1.03x	1.06x	-0.03x
IRR ⁵	10.4%	30.5%	-20.1%
TVPI Net of StepStone Fees ⁶	1.03x	1.06x	-0.03x
IRR Net of StepStone Fees ⁶	10.4%	30.5%	-20.1%

* Note that amounts may not total due to rounding.

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations. Note that the Base/(US\$) committed capital for foreign currency-denominated investments as of respective quarter-end dates is calculated as follows: (total net amount funded in Base currency) + (unfunded commitment in Local currency * quarter-end exchange rate). StepStone utilizes OANDA as the source for quarter-end exchange rates to calculate committed capital.

² Exposure represents the sum of Market Value and Unfunded Commitment.

³ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁴ TVPI, or Total Value to Paid-In Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVPI is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

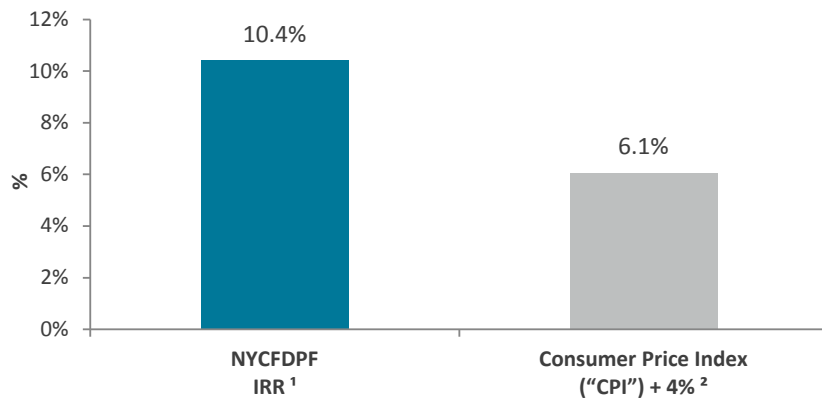
⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYCFDPF to StepStone through the quarter-end date. Note that no fees have been paid by NYCFDPF to StepStone as of June 30, 2014.

Portfolio Performance vs. Benchmarks

The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period. The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.

As of June 30, 2014, the Program outperformed the benchmark by 4.3%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of June 30, 2014.



¹NYCFDPF since inception Internal Rate of Return ("IRR") is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

²Consumer Price Index ("CPI") benchmark represents the compound annual growth rate of the Consumer Price Index for All Urban Consumers and All Items, as provided by the U.S. Department of Labor: Bureau of Labor Statistics, calculated over a five-year rolling period plus a 4.0% premium.

Portfolio Diversification

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

- Core Infrastructure Investments: 60 to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<i>As of June 30, 2014 (US\$ in millions)</i>						
By Strategy:						
Core	3.9	100.0%	31.1	100.0%	35.0	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	3.9	100.0%	31.1	100.0%	35.0	100.0%
By Geographic Focus:						
Global	3.9	100.0%	11.1	35.8%	15.0	42.9%
OECD	-	0.0%	20.0	64.2%	20.0	57.1%
Total	3.9	100.0%	31.1	100.0%	35.0	100.0%
By Industry Focus:						
Diversified	3.9	100.0%	21.1	67.9%	25.0	71.5%
Energy	-	0.0%	10.0	32.1%	10.0	28.5%
Total	3.9	100.0%	31.1	100.0%	35.0	100.0%

II. Infrastructure Market Overview

Market Overview

Demand for infrastructure investments from institutional investors remained very strong during the second quarter of 2014 ("2Q14"). This demand is primarily a result of expansionary monetary policies in most markets, which has kept interest rates at very low levels and caused investors to seek alternatives to traditional sources of investment income (e.g. fixed income). This demand continued to drive a high valuation environment for the infrastructure asset class, particularly in mature markets with a wide range of opportunities, such as Western Europe, the Nordic region and Australia.

Global economic growth was mixed during 2Q14. Among OECD countries, annualized gross domestic product ("GDP") was 1.9% higher than the prior corresponding period ("pcp"). Of the seven major economies – the United States, Canada, the United Kingdom, Germany, France, Italy and Japan – the UK experienced the highest GDP growth rate of 3.2%, while Japan's GDP contracted by 7.1% mainly due to an increase in the rate of consumption tax. The US economy continued its recovery, with GDP increasing 2.6% compared to pcp and the unemployment rate continued its downward trend. The outlook for the Eurozone remained uncertain, with lower-than-expected growth in Germany giving rise to concerns about deflation. In major emerging markets, economic activity was generally subdued during the quarter. China's economy expanded by 7.5%, which was lower than forecast, and Brazil contracted by 0.9% compared to pcp.

Infrastructure investment in the US and Canada have been concentrated in the energy sector, although public-private partnerships ("P3s") in the transport and social infrastructure sectors continue to grow in the US, Canada and Mexico. In the US, fiscal constraints on public-sector funding for these projects has been a significant factor in the increase in recent activity levels.

European markets remain very competitive, with a significant amount of capital targeting infrastructure investment in that region. The resulting upward pricing pressure, combined with uncertain medium-term economic growth in the Eurozone, ongoing financial sector reforms, concerns surrounding bank capital adequacy, and geopolitical risks in Eastern Europe, present an uncertain outlook for investors. Notwithstanding this, activity levels are being sustained by the ongoing unbundling of integrated utilities, commitments to renewable energy targets, balance sheet deleveraging by existing asset owners, and security of energy supply priorities.

Investment activity in Latin America remains strong. In Mexico, recent changes in government policy are driving significant growth in infrastructure investment opportunities. Policy initiatives include allowing more foreign investment in the energy sector and a National Infrastructure Plan that contains 743 projects requiring investment of approximately US\$600 billion from 2014 to 2018. Infrastructure is a political and economic priority in many other parts of Latin America, including Brazil, Chile, Peru and Columbia, each of which continues to provide a range of potential investment opportunities.

While infrastructure investment in Japan has traditionally been dominated by government-related entities and infrastructure companies with limited private participation by institutional investors, the government continues to face high debt levels. The country recently announced the privatization act for infrastructure assets including airports, and opened bidding processes for Sendai Airport and New Kansai airport. Australia's economy grew increasing 0.5% in the second quarter despite a decline in terms of trade. The continued slow growth and fiscal constraints placed on the federal and state governments has increased the reliance on private sector capital in meeting Australia's infrastructure deficit. Government initiatives have encouraged a number of high profile asset sales/P3 transactions that expect to be continued into 2015.

Infrastructure Fundraising

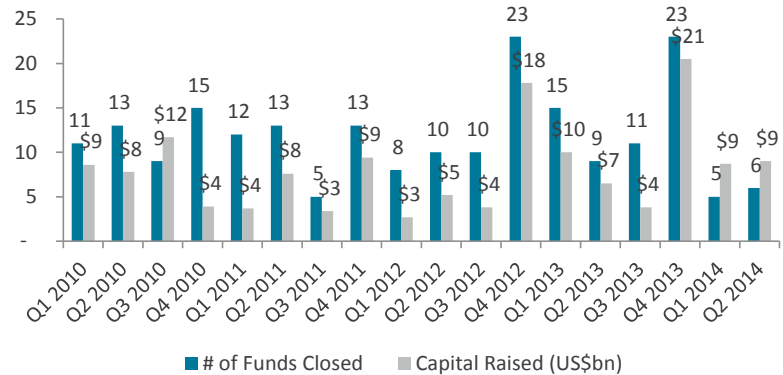
Fundraising for infrastructure strategies continues to be robust with a large number of funds in market and several managers having closed new funds at or in excess of targeted fund sizes during the second quarter.

During the second quarter, six infrastructure funds held final closings. Aggregate capital raised was US\$9.0 billion. The amount represented a year over year increase of 38% compared to Q2 2013 and was slightly above the average quarterly capital raised over the past four years. The capital was raised by a relatively smaller number of large managers with several GPs reaching or exceeding their target sizes. 80% of funds closed in H1 2014 reached or exceeded the targeted fund size, compared to 52% in 2013.

Five of the larger funds closed during H1 2014 include: Energy Capital Partners III, EnCap Flatrock Midstream Fund III, Antin Infrastructure Fund II, First Reserve Energy Infrastructure Fund II, and LS Power Equity Partners III. ECP targets private equity returns on investments across the energy industry value stream, excluding oil and gas exploration and production. EnCap Flatrock is exclusively focused on midstream energy opportunities in North America and targets private equity returns. First Reserve invests in contracted midstream, contracted power, and regulated transmission & distribution. The firm targets a gross IRR of 14%-16%. LS Power invests in power generation assets in North America, particularly seeking to buy and actively manage portfolios of merchant generation facilities.

Unlisted Infrastructure Fundraising

Source: Preqin

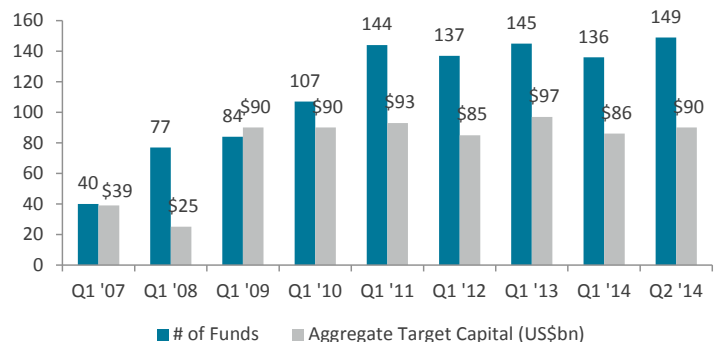


Fund	General Partner	Size	Final Close Date	Location Focus
Energy Capital Partners III	Energy Capital Partners	\$ 5,095	Mar-14	North America
EnCap Flatrock Midstream Fund III	EnCap Flatrock Midstream	\$ 3,000	Apr-14	North America
Antin Infrastructure Fund II	Antin Infrastructure Partners	€ 2,000	Jun-14	Europe
First Reserve Energy Infrastructure Fund II	First Reserve	\$ 2,500	Jun-14	North America, Western Europe
LS Power Equity Partners III	LS Power Group	\$ 2,075	Feb-14	US

Through Q2 2014, Preqin observed 149 funds in market targeting aggregate capital commitments of US\$90 billion. The largest fund in market is Morgan Stanley Infrastructure Partners II, which is targeting \$4bn in investor capital for global infrastructure investments. Additionally, Deutsche Asset & Wealth Management is targeting €2bn for its Pan- European Infrastructure Fund II.

Unlisted Infrastructure Fundraising

Source: Preqin

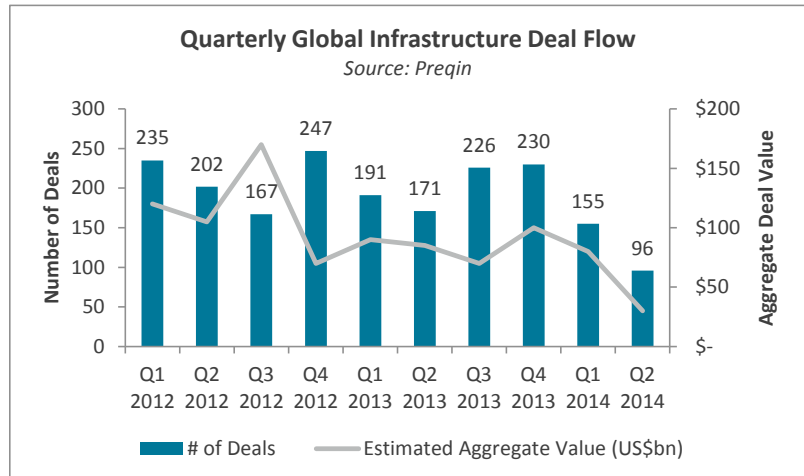


Major Transactions

Several significant infrastructure transactions occurred on a global basis during the second quarter, with notable activity in Australia and North America.

In April 2014, a consortium led by **Transurban Group** agreed to buy Australia's **Queensland Motorways** for A\$7.1 billion (\$6.6 billion) to gain control of toll roads in the state. The syndicate included **Abu Dhabi Investment Authority** and **Australian Super**. Queensland Motorways manages a 70-kilometer network of toll roads, bridges and other infrastructure in Queensland state, including the Gateway, Gateway Extension and Logan motorways.

In May 2014, a consortium made up of **Hastings Funds Management** and **China Merchants** made a successful bid for a 98-year lease on the **Port of Newcastle** from the New South Wales Government. The deal was valued at A\$1.75 billion.



Also in May 2014, **Berkshire Hathaway's** subsidiary **MidAmerican** agreed to buy **AltaLink** from **SNC-Lavalin Group** for about \$C3.2 billion (\$2.9 billion) in cash to expand its electric transmission portfolio in western Canada. The assets include 280 substations and 12,000 kilometers (7,500 miles) of transmission lines. AltaLink owns more than half the transmission grid in the province of Alberta and serves 85% of the population.

In June 2014, **Williams Partners** (NYSE:WMB) announced an agreement to acquire **Global Infrastructure Partner's** remaining stake in **Access Midstream Partners**, including the private general partner interest and shares of the publicly traded master limited partnership, for a total consideration of US\$6.0 billion. GIP sold an initial stake to Williams during 2012.

Also in June 2014, **Starwood Energy** sold its 25% stake in the **Neptune Regional Transmission System** to an affiliate of **Northwestern Mutual**. Neptune is a 65-mile high-voltage, direct-current underwater transmission cable that connects Sayreville, New Jersey to Long Island, New York. The system has been operational since 2007 and its 660 Megawatts of capacity are fully contracted to the Long Island Power Authority under a 20-year agreement. Terms of the transaction were not disclosed.

Significant transactions since the second quarter include an agreement by **Global Infrastructure Partners** to buy 25% of **Freeport LNG Development LP** for \$850 million in July. During 2013, the Freeport joint venture received approval from the U.S. Department of Energy to export LNG ahead of a final decision by the country's Federal Energy Regulatory Commission. Freeport was the second LNG project in the U.S. to receive approval from the Energy Department. The first, known as Sabine Pass, is being built by a joint venture led by Cheniere Energy Partners.

And, in September 2014, **Ontario Teachers' Pension Plan** announced it will acquire the remaining 50% share of **Bristol International Airport** in England from **Macquarie Group**. Terms were not disclosed.

III. Portfolio Review

Quarterly Highlights

- **New Investment Commitments** – During the second quarter of 2014, the Program closed on one new investment commitment totaling US\$10.0 million. This is shown in the table below.

US\$ in millions

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
First Reserve Energy Infrastructure Fund II, L.P.	April 2014	2014	Core	OECD	Energy	\$10.0
Total						\$10.0

- **Subsequent Investment Commitments** – Subsequent to quarter-end through November 14, 2014, the Program has not closed on any additional investment commitments.
- **Cash Outflow Increased** – During the second quarter of 2014, the Program made US\$1.9 million of contributions and received US\$0.05 million of distributions, for a net cash outflow of US\$1.9 million. This compared to a net cash outflow of US\$0.8 million during the prior quarter. Net cash flow is expected to remain negative for the next several years as the Program's committed capital is drawn down for investments, fees and expenses by fund managers.
- **Valuation Decreased** – During the second quarter of 2014, net of cash flow activity, the valuation of the Portfolio decreased by approximately US\$0.03 million, or 0.6%, from the prior quarter. The valuation decrease reflects the J-Curve effect – i.e. the effect of fees and expenses on performance in the early years of a fund investment.
- **One New Investment** – one new investment position was added to the Portfolio during the second quarter of 2014. The investment was in an entity that owns a portfolio of seventeen wind projects with 321 MW of generation in Ireland.
- **No Exits** – There were no exits of investment positions during the quarter.

Investment Performance

Since-Inception Performance

As of June 30, 2014, the Program achieved a Total Value to Paid-In multiple of 1.0x and an IRR of 10.4%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

<i>US\$ in millions *</i>	June 30, 2014	March 31, 2014	Quarterly Change
Number of Managers	3	2	1
Number of Investments	3	2	1
Committed Capital ¹	\$35.0	\$25.0	\$10.0
Contributed Capital	\$3.9	\$1.9	\$1.9
Distributed Capital	\$0.1	\$0.0	\$0.0
Market Value	\$3.9	\$2.0	\$1.9
Total Value	\$4.0	\$2.1	\$1.9
Total Gain/(Loss)	\$0.1	\$0.1	(\$0.0)
Unfunded Commitment	\$31.1	\$23.1	\$8.1
Exposure ²	\$35.0	\$25.1	\$9.9
DPI ³	0.0x	0.0x	0.0x
TVPI ⁴	1.03x	1.06x	-0.03x
IRR ⁵	10.4%	30.5%	-20.1%
TVPI Net of StepStone Fees ⁶	1.03x	1.06x	-0.03x
IRR Net of StepStone Fees ⁶	10.4%	30.5%	-20.1%

* Note that amounts may not total due to rounding.

¹ Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations. Note that the Base/(US\$) committed capital for foreign currency-denominated investments as of respective quarter-end dates is calculated as follows: (total net amount funded in Base currency) + (unfunded commitment in Local currency * quarter-end exchange rate). StepStone utilizes OANDA as the source for quarter-end exchange rates to calculate committed capital.

² Exposure represents the sum of Market Value and Unfunded Commitment.

³ DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

⁴ TVPI, or Total Value to Paid-In Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVPI is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

⁵ IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

⁶ TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYCDFPF to StepStone through the quarter-end date. Note that no fees have been paid by NYCDFPF to StepStone as of June 30, 2014.

Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of June 30, 2014. Note that the performance of funds that are less than one year old is not meaningful.

As of June 30, 2014 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$15.0	\$3.9	\$0.1	\$3.9	\$4.0	\$0.1	\$11.1	\$15.0	0.0x	1.0x	10.4%
2014	20.0	-	-	-	-	-	20.0	20.0	NM	NM	NM
Total	\$35.0	\$3.9	\$0.1	\$3.9	\$4.0	\$0.1	\$31.1	\$35.0	0.0x	1.0x	10.4%

Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of June 30, 2014.

As of June 30, 2014 (US\$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Core	\$35.0	\$3.9	\$0.1	\$3.9	\$4.0	\$0.1	\$31.1	\$35.0	0.0x	1.0x	10.4%
Diversified	25.0	3.9	0.1	3.9	4.0	0.1	21.1	25.0	0.0x	1.0x	10.4%
Energy	10.0	-	-	-	-	-	10.0	10.0	NM	NM	NM
Total	\$35.0	\$3.9	\$0.1	\$3.9	\$4.0	\$0.1	\$31.1	\$35.0	0.0x	1.0x	10.4%

Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of June 30, 2014.

As of June 30, 2014 (US\$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$15.0	\$3.9	\$0.1	\$3.9	\$4.0	\$0.1	\$11.1	\$15.0	0.0x	1.0x	10.4%
OECD	20.0	-	-	-	-	-	20.0	20.0	NM	NM	NM
Total	\$35.0	\$3.9	\$0.1	\$3.9	\$4.0	\$0.1	\$31.1	\$35.0	0.0x	1.0x	10.4%

Portfolio Diversification

By Strategy, Geography and Industry Focus

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

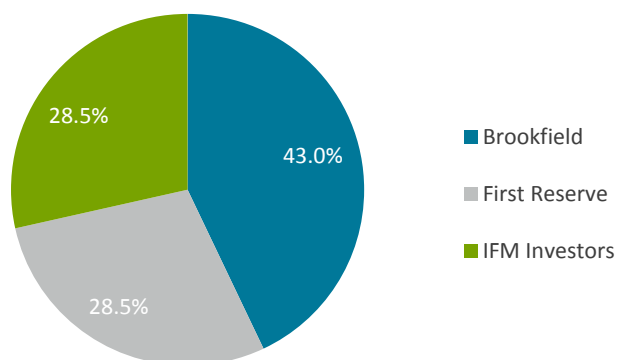
- Core Infrastructure Investments: 60 to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of June 30, 2014 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
By Strategy:						
Core	3.9	100.0%	31.1	100.0%	35.0	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
Total	3.9	100.0%	31.1	100.0%	35.0	100.0%
By Geographic Focus:						
Global	3.9	100.0%	11.1	35.8%	15.0	42.9%
OECD	-	0.0%	20.0	64.2%	20.0	57.1%
Total	3.9	100.0%	31.1	100.0%	35.0	100.0%
By Industry Focus:						
Diversified	3.9	100.0%	21.1	67.9%	25.0	71.5%
Energy	-	0.0%	10.0	32.1%	10.0	28.5%
Total	3.9	100.0%	31.1	100.0%	35.0	100.0%

By Investment Manager

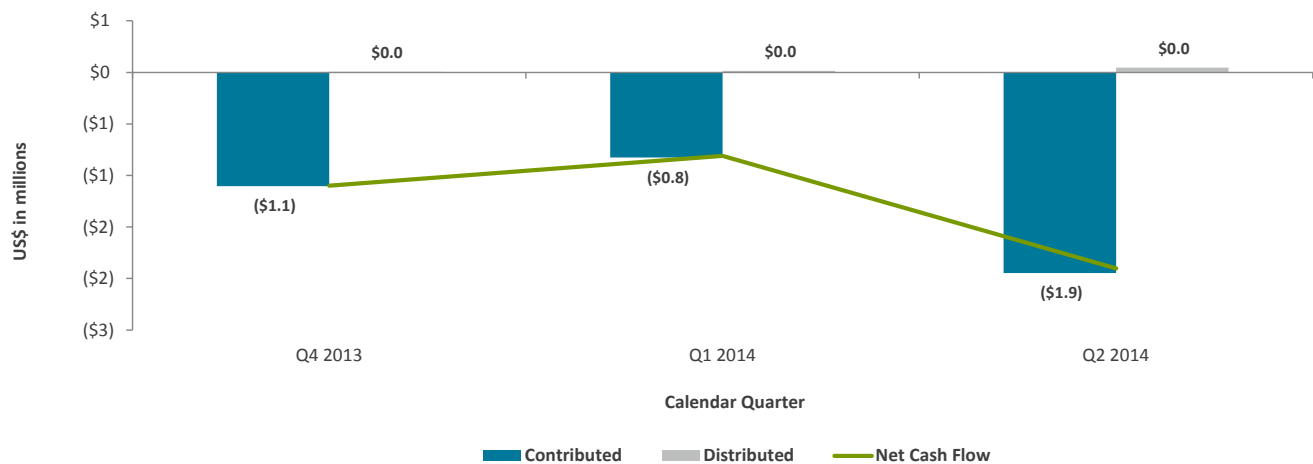
As of June 30, 2014, the Program had made three investment commitments to three managers. NYCFDPF seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



Portfolio Cash Flow Analysis

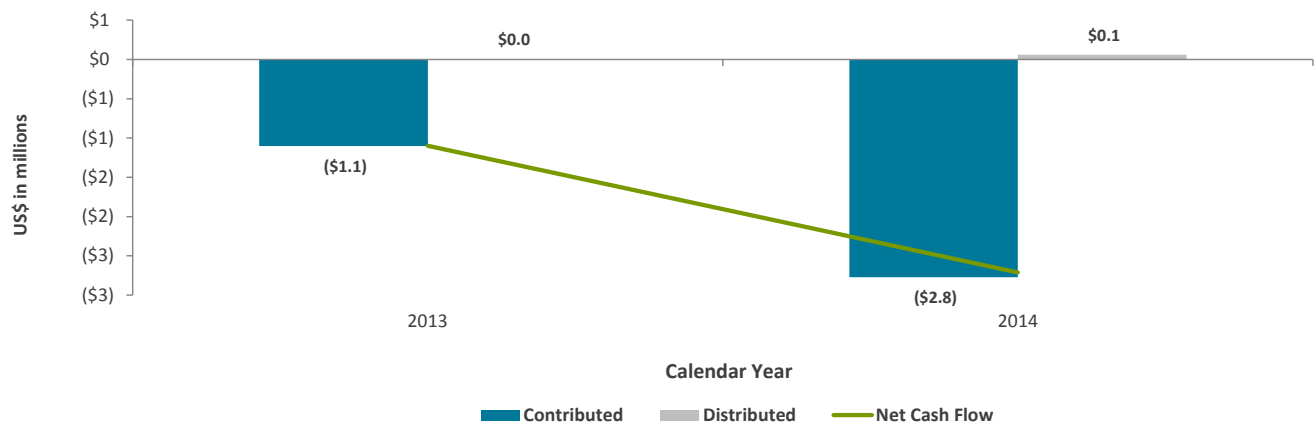
Quarterly Cash Flow Activity

During the second quarter of 2014, the Program made US\$1.9 million of contributions and received US\$0.05 million of distributions, for a net cash outflow of US\$1.9 million. As of June 30, 2014, only one fund investment in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



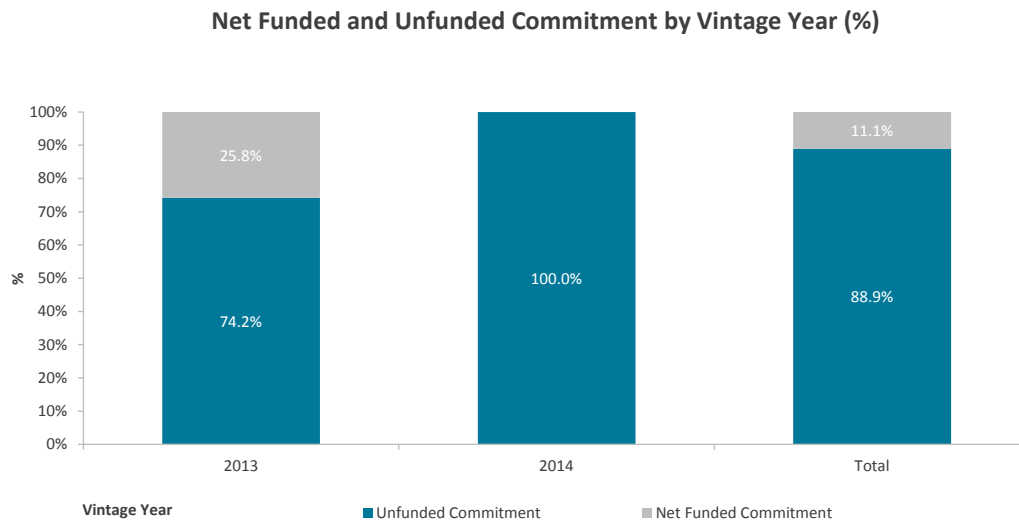
Annual Cash Flow Activity

During the first six months of 2014, the Program made US\$2.8 million of contributions and received US\$0.1 million of distributions, for a net cash outflow of US\$2.7 million. The graph below illustrates cash flow activity since inception by calendar year.

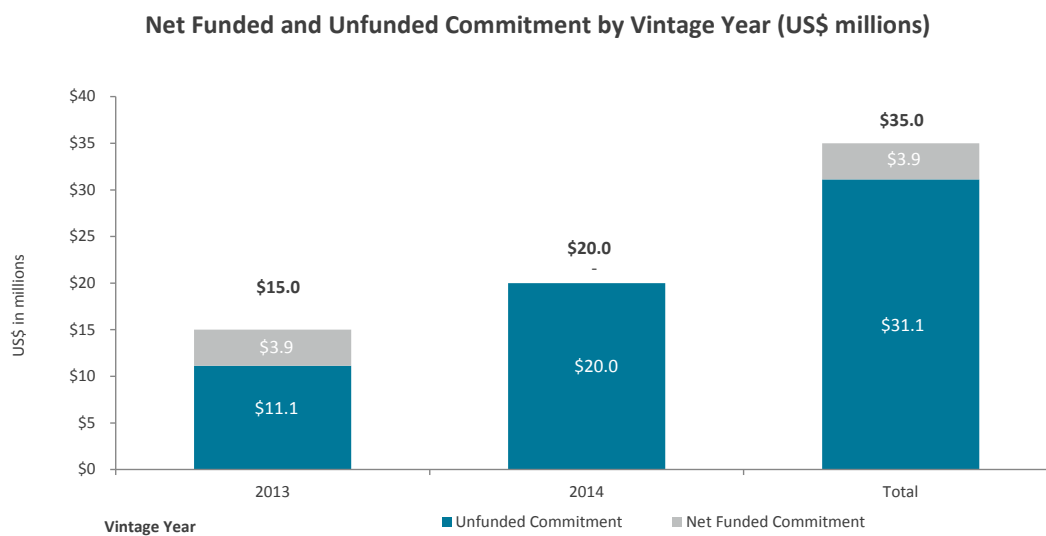


Net Funded and Unfunded Commitments by Vintage Year

The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and callable distributions) as a percentage of total capital commitments, by fund vintage year, as of June 30, 2014. Overall, the Portfolio was 88.9% unfunded as of quarter-end.



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of June 30, 2014. Overall, the Portfolio had US\$31.1 million of unfunded commitments as of quarter-end.



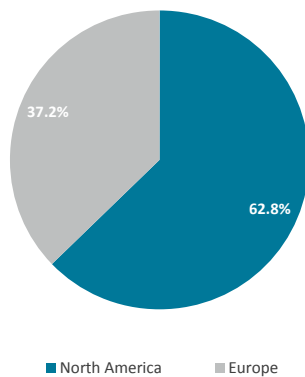
Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to four unique portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size.

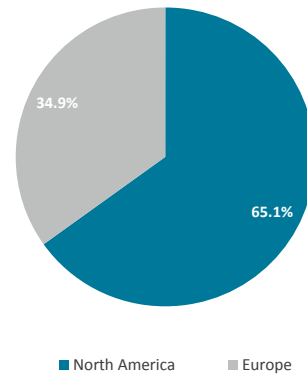
Geographic Exposure

The following charts illustrate the Portfolio's current exposure by geographic region at the portfolio company level.

Geographic Exposure by Current Cost



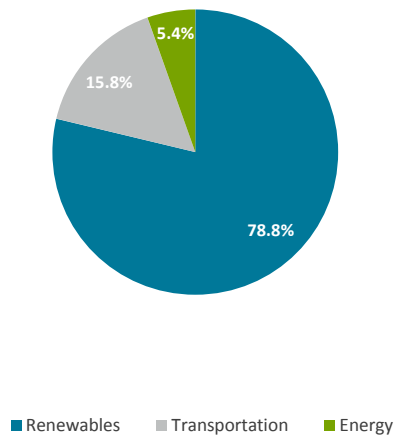
Geographic Exposure by Current Market Value



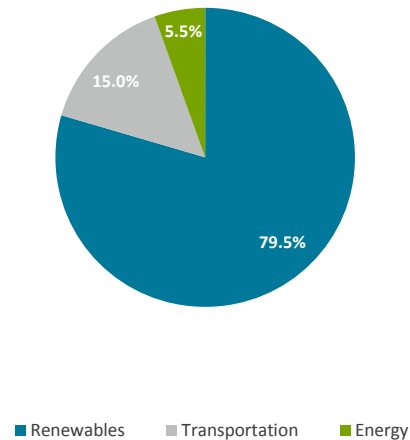
Industry Exposure

The following charts illustrate the Portfolio's current exposure by industry at the portfolio company level.

Industry Exposure by Current Cost



Industry Exposure by Current Market Value



Public Market Exposure

The Portfolio had no exposure to publicly-traded investments as of the quarter-end.

IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
Allocation	<p>NYCFDPF has a Real Assets allocation target of 5% (plus or minus 2%) of total pension assets.</p> <p>Infrastructure is a component asset class within the NYCFDPF Real Assets investment program.</p>	✓	<p>The market value of NYCFDPF Real Assets Program currently represents approximately 3.8% of total pension assets and the market value of NYCFDPF Infrastructure Program represents approximately 0.04% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYCFDPF pension assets and the total Real Assets Program is expected to increase.</p>
Performance vs. Benchmarks	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of June 30, 2014, the Portfolio outperformed the benchmark by 4.3%.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
Strategy Diversification	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.</p>
Asset Type & Location Diversification	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
Leverage	<p>The average leverage of all investments in the Program is to be no higher than 65%.</p>	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 27%.</p>
Single Investment Size & Manager Diversification	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

New York City Fire Department Pension Fund, Subchapter 2
Infrastructure Portfolio
As of June 30, 2014

Vintage Year	Investment	Closing Date	Committed Capital	Contributed Capital	Distributed Capital	Market Value	TVPI	IRR
Active Investments:								
2013	Brookfield Infrastructure Fund II	7/8/2013	\$15,000,000	\$3,875,792	\$65,857	\$3,909,000	NM	NM
2014	IFM Global Infrastructure Fund	1/2/2014	10,000,000	-	-	-	N/A	N/A
2014	First Reserve Energy Infrastructure Fund II, L.P.	4/16/2014	10,000,000	-	-	-	N/A	N/A
Total			\$35,000,000	\$3,875,792	\$65,857	\$3,909,000	1.03x	10.4%

Note: IRRs presented are interim estimates and may not be indicative of the ultimate performance of fund investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. The IRR calculated in the early years of a fund is usually not meaningful given the J-Curve effect. The actual IRR performance of any fund is not known until all capital contributed and earnings have been distributed to the investor. The IRRs contained in this report are calculated by StepStone Group LP, a consultant to the New York City Retirement Systems, based on information provided by the general partners of each investment (e.g. cash flows and valuations). The IRR calculations and other information contained in this report have not been reviewed or confirmed by the general partners. The result of the IRR calculation may differ from that generated by the general partner or other limited partners. Differences in IRR calculations can be affected by cash-flow timing, the accounting treatment of carried interest, fund management fees, advisory fees, organizational fees, other fund expenses, sale of distributed stock, and valuations.

- II. October Monthly Performance Review:
(Material to be sent under separate cover)

APPENDICES:

Basket Clause

FIRE - BASKET/NON BASKET SUMMARY

As of October 31st, 2014

	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
<u>Equity</u>	<u>Non Basket*</u>	<u>Basket*</u>	<u>Total</u>	<u>Non Basket*</u>	<u>Basket*</u>	<u>Total</u>
Domestic Equity	30.6%	0.0%	30.6%	33.3%	0.0%	33.3%
Non-U.S. Equity	10.0%	6.6%	16.6%	10.0%	6.2%	16.2%
Private Equity	0.0%	6.5%	6.5%	0.0%	6.5%	6.5%
Real Assets	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%
REITS	2.8%	0.2%	3.0%	3.0%	0.2%	3.2%
Hedge Funds	0.0%	3.5%	3.5%	0.0%	3.5%	3.5%
Total Equity	47.4%	16.8%	64.2%	50.3%	16.4%	66.7%
<u>Fixed Income</u>						
Core+5	21.6%	0.5%	22.1%	16.2%	0.5%	17.0%
<i>U.S. Gov't Sector</i>	<i>4.2%</i>	<i>0.0%</i>	<i>4.2%</i>	<i>2.1%</i>	<i>0.0%</i>	<i>2.1%</i>
<i>Mortgage Sector</i>	<i>8.4%</i>	<i>0.0%</i>	<i>8.4%</i>	<i>6.4%</i>	<i>0.0%</i>	<i>6.4%</i>
<i>Credit Sector</i>	<i>9.0%</i>	<i>0.5%</i>	<i>9.5%</i>	<i>7.7%</i>	<i>0.5%</i>	<i>8.2%</i>
High Yield	2.9%	0.8%	3.7%	3.0%	0.8%	3.8%
Bank Loans	0.0%	1.6%	1.6%	0.0%	1.6%	1.6%
TIPS	4.5%	0.5%	5.0%	2.5%	0.3%	2.8%
Convertibles	1.0%	0.0%	1.0%	0.5%	0.0%	0.5%
Opportunistic	0.0%	2.3%	2.3%	0.0%	2.3%	2.3%
Other Fixed Income	0.0%	0.0%	0.0%	5.2%	0.0%	5.2%
Total Fixed Income	30.0%	5.7%	35.8%	27.5%	5.5%	33.3%
Total Fund	77.4%	22.6%	100.0%	77.8%	21.9%	100.0%
Remaining Capacity		2.4%			3.1%	

Liquidity Analysis

FIRE Liquidity Profile - Static Analysis

12/8/14

AUM as of October 31, 2014

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$3,580	\$3,580	\$3,580	\$3,580
International Equity	1,029	1,029	1,029	1,029
Emerging Markets	710	710	710	710
Hedge Funds	375	0	253	325
REITS	342	342	342	342
Private Equity	699	0	0	0
Private Real Estate	426	0	0	0
Core + 5	1,829	1,829	1,829	1,829
TIPS	302	302	302	302
Opportunistic Fixed Income	251	189	251	251
Enhanced Yield	408	408	408	408
Bank Loans	177	177	177	177
Convertible Bonds	52	52	52	52
ETI	68	20	62	62
Cash	487	487	487	487
Total Assets	\$10,736	\$9,125	\$9,482	\$9,554
Total Illiquid \$		\$1,611	\$1,254	\$1,182
Total Illiquid %		15.0%	11.7%	11.0%
Unfunded PE Commitments	\$573			
Unfunded RE Commitments	211			
Unfunded OFI Commitments	75			
Total commitments \$	\$859			
Total commitments %	8.0%			

FIRE Liquidity Profile - Static Analysis

12/8/14

AUM as of October 31, 2014

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$1,611	\$1,254	\$1,182
Total Illiquid %	22.5%	17.5%	16.5%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Total Assets	\$10,736	\$9,125	\$9,482	\$9,554

Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn	\$115	\$229
Unfunded RE Commitments Drawn	42	84
Unfunded OFI Commitments Drawn	37	0
Total commitments \$	\$194	\$314
Total commitments %	1.8%	2.9%

Total Illiquid \$	\$1,448	\$1,495
Total Illiquid %	13.5%	13.9%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids

Denominator Effect - Decrease AUM by One-Third

Total Illiquid \$	\$1,611	\$1,448	\$1,495
Total Illiquid %	22.5%	20.2%	20.9%

Note: Assumes zero realizations, no new commitments and a five-year investment period; funded out of liquids