



Lawrence Schloss  
Deputy Comptroller /  
Chief Investment Officer

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ASSET MANAGEMENT  
1 CENTRE STREET ROOM 736  
NEW YORK, N.Y. 10007-2341

TELEPHONE: (212) 669-8318  
FAX NUMBER: (212) 669-3445  
WWW.COMPTROLLER.NYC.GOV

EMAIL: SCHLOSS@COMPTROLLER.NYC.GOV

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JOHN C. LIU  
COMPTROLLER

## MEMORANDUM

**TO:** Trustees  
New York City Police Pension Fund

**FROM:** Larry Schloss

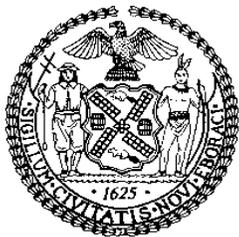
**DATE:** May 29, 2012

**RE:** New York City Police Pension Fund Investment Meeting –  
June 5, 2012

Enclosed is a copy of the **public agenda** for the Tuesday, June 5, 2012 Investment Meeting. This meeting will be held at the Police Pension Fund, 233 Broadway – 25<sup>th</sup> Floor; beginning at **10:00am**.

Please remember to bring your **Quarterly Performance Overview** book with you to the meeting; it will be mailed to you.

If you have questions about any agenda item, please give me a call at 212-669-8318.



THE CITY OF NEW YORK  
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John C. Liu  
COMPTROLLER

## **NEW YORK CITY POLICE PENSION FUND**

### **INVESTMENT MEETING**

**JUNE 5, 2012**

## INVESTMENT MEETING

JUNE 5, 2012

## PUBLIC AGENDA

	<u>Page</u>
I. Performance Reviews: (45 Minutes)	
• Quarterly Reports:	
➤ Overall Performance – March 31, 2012 (To be distributed)	---
➤ ETI Quarterly Report – March 31, 2012	6
➤ Real Estate Quarterly Report – December 31, 2011	13
➤ Private Equity Quarterly Report – December 31, 2011	22
II. April Monthly Performance Review: (30 Minutes)	44
III. SIS Capital Market Assumptions: (20 Minutes)	107
IV. Bank Loan Background: (20 Minutes)	114
V. European Real Estate Overview – (Handout): (20 Minutes)	---

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# PUBLIC AGENDA

## I. Performance Reviews:

~~Quarterly Reports~~

# ETI QUARTERLY REPORT

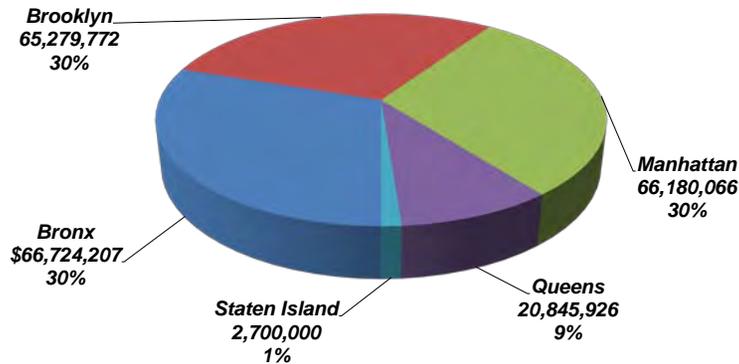
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 Police Economically Targeted Investments Quarterly Report  
 Collateral Benefits as of 03/31/2012

**Public/Private Apartment Rehabilitation Program (PPAR)**

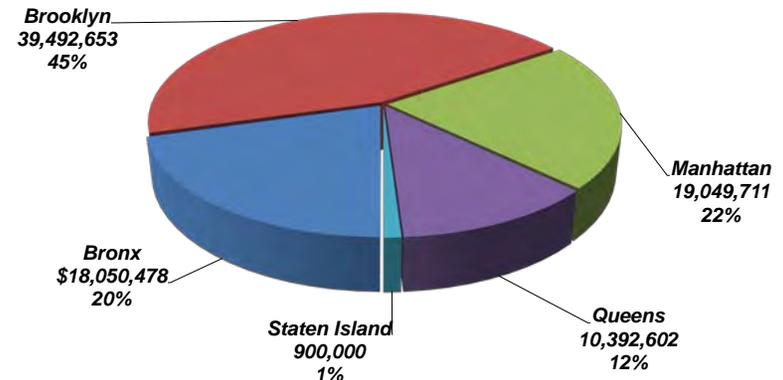
Lenders*	CPC		NHS		BOA		CCD		CFSB		NCBCI		LIIF		All Lender Totals	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Contractual Commitments	\$160,000,000	n/a	\$5,000,000	n/a	\$20,000,000	n/a	\$7,600,000	n/a	\$28,500,000	n/a	\$4,750,000	n/a	\$4,750,000	n/a	\$230,600,000	n/a
Current Market Value	\$101,389,973	n/a	\$577,311	n/a	\$771,812	n/a	\$1,750,297	n/a	\$1,131,854	n/a	\$610,271	n/a	\$941,032	n/a	\$107,172,550	n/a
<b>Commitments 1Q 12 (included in Total)</b>																
Bronx	\$333,750	70	\$0	0	\$0	0	\$1,280,030	86	\$0	0	\$0	0	\$0	0	\$1,613,780	156
Brooklyn	424,250	47	0	0	0	0	0	0	0	0	0	0	0	424,250	47	
Manhattan	2,039,851	191	0	0	0	0	0	0	0	0	0	814,397	124	2,854,248	315	
Queens	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	
<b>Total</b>	<b>\$2,797,851</b>	<b>308</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$1,280,030</b>	<b>86</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$814,397</b>	<b>124</b>	<b>\$4,892,278</b>	<b>518</b>	
<b>Delivered 1Q 12 (included in Total)</b>																
Bronx	\$1,504,830	149	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$1,504,830	149
Brooklyn	3,631,613	98	0	0	0	0	0	0	0	0	0	0	0	3,631,613	98	
Manhattan	0	0	0	0	0	0	0	0	178,115	31	0	0	0	178,115	31	
Queens	66,837	10	0	0	0	0	0	0	0	0	0	0	0	66,837	10	
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>	<b>\$5,203,281</b>	<b>257</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$178,115</b>	<b>31</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,381,396</b>	<b>288</b>	
<b>Total Commitments</b>																
Bronx	\$15,141,198	1,749	\$0	0	\$0	0	\$2,909,280	452	\$0	0	\$0	0	\$0	0	\$18,050,478	2,201
Brooklyn	34,754,735	1,503	0	0	0	0	4,219,900	182	0	0	174,106	33	343,912	71	39,492,653	1,789
Manhattan	13,834,844	1,090	0	0	417,922	48	706,848	49	389,007	31	1,486,535	206	2,214,556	246	19,049,711	1,670
Queens	4,452,500	95	0	0	5,940,103	174	0	0	0	0	0	0	0	10,392,602	269	
Staten Island	900,000	39	0	0	0	0	0	0	0	0	0	0	0	900,000	39	
<b>Total</b>	<b>\$69,083,277</b>	<b>4,476</b>	<b>\$0</b>	<b>0</b>	<b>\$6,358,025</b>	<b>222</b>	<b>\$7,836,028</b>	<b>683</b>	<b>\$389,007</b>	<b>31</b>	<b>\$1,660,641</b>	<b>239</b>	<b>\$2,558,468</b>	<b>317</b>	<b>\$87,885,445</b>	<b>5,968</b>
<b>Historical Investments</b>																
Bronx	\$66,724,207	4,612	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$66,724,207	4,612
Brooklyn	62,387,292	3,286	330,213	7	763,676	88	770,604	124	0	0	0	0	1,027,988	174	65,279,772	3,679
Manhattan	63,368,672	3,453	252,445	15	0	0	933,640	204	1,138,473	167	486,836	66	0	0	66,180,066	3,905
Queens	20,845,926	1,242	0	0	0	0	0	0	0	0	0	0	0	20,845,926	1,242	
Staten Island	2,700,000	103	0	0	0	0	0	0	0	0	0	0	0	2,700,000	103	
<b>Total</b>	<b>\$216,026,097</b>	<b>12,696</b>	<b>\$582,658</b>	<b>22</b>	<b>\$763,676</b>	<b>88</b>	<b>\$1,704,243</b>	<b>328</b>	<b>\$1,138,473</b>	<b>167</b>	<b>\$486,836</b>	<b>66</b>	<b>\$1,027,988</b>	<b>174</b>	<b>\$221,729,971</b>	<b>13,541</b>

Lenders\* The Community Preservation Corporation Neighborhood Housing Services Bank of America Citibank Community Development Caver Federal Savings Bank NCB Capital Impact Low Income Investment Fund

**Historical Investments Since Inception All PPAR Lenders**



**Current Commitments All PPAR Lenders**



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 Police Economically Targeted Investments Quarterly Report  
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AFL-CIO Housing Investment Trust (HIT)  
 Market Value \$111.7 million \*  
 NYC Community Investment Initiative (NYCCII)

**NYCCII PHASE II 2006-2012**

Multifamily Investments Detail

Borough	Dollars	Units
Bronx	\$52,827,900	802
Brooklyn	14,890,446	3,033
Manhattan	134,075,200	926
Queens	17,760,000	1,260
Staten Island	6,414,554	693
<b>Total</b>	<b>\$225,968,100</b>	<b>6,714</b>

Single Family Investments Detail

	Home Loans	Transactions	Member Loans	Total All NYC PF's
Bronx	\$166,397,133	791	13	244
Brooklyn	701,256,923	2,820	33	962
Manhattan	140,056,715	595	2	189
Queens	584,443,458	2,320	37	689
Staten Island	268,188,815	1,090	26	343
<b>Total</b>	<b>\$1,860,343,044</b>	<b>7,616</b>	<b>111</b>	<b>2,427</b>

Grand Total NYCC Phase II                    \$2,086,311,144  
 Other-NYC Metro Area\*\*                    \$100,000,000    137 Units

**NYCCII Phase I 2002 - 2005**

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

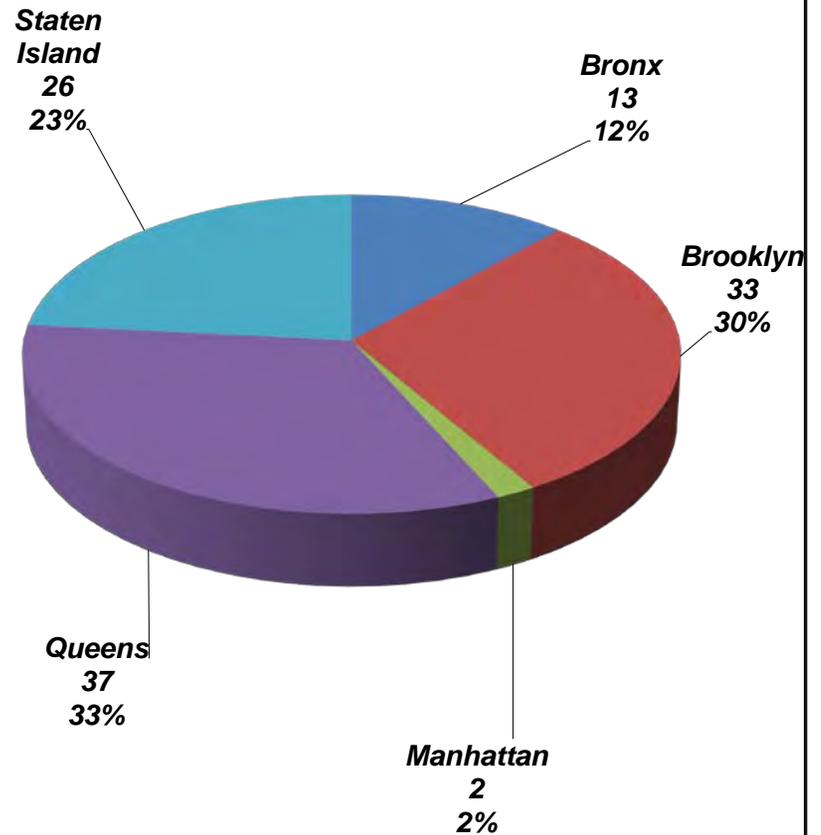
**NYCCII Phases I & II**

		Units	Member Loans	Total All NYC PF's
Multifamily Investments	\$475,091,600	19,051	n/a	na
Single Family Investments	\$2,208,643,607	n/a	242	2,873
<b>Grand Total NYCCII Phase I &amp; II</b>	<b>\$2,683,735,207</b>	<b>19,051</b>	<b>242</b>	<b>2,873</b>

\*Interest is reinvested

\*\*This investment is for a pediatric nursing facility in Yonkers, approximately 4 miles from the NYC border. It will finance a replacement facility for the Elizabeth Seton Pediatric Center, currently located in Chelsea, which is "one of only two pediatric nursing facilities in downstate New York, and the only one dedicated to long-term care." The new facility will have 137 beds and serve children from NYC, Westchester and Putnam Counties.

**HIT Home Loans To Police Members Phase II**



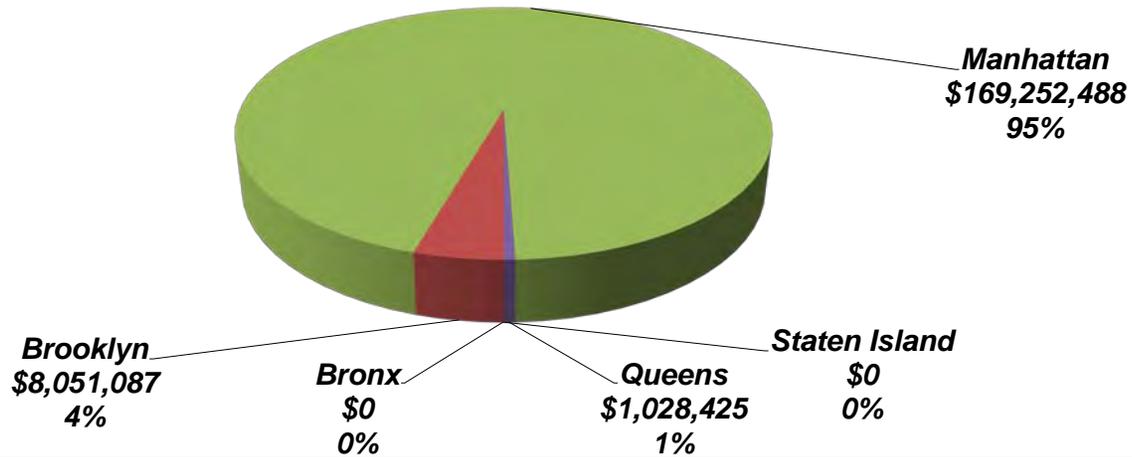
**AFL-CIO Housing Investment Trust (HIT)  
 NYC Workforce Housing Initiative 2009-2014**

**Investments Through 03/31/2012**

**Workforce Investment Detail**

<u>Borough</u>	<u>Dollars</u>	<u>Workforce Housing Units</u>
Bronx	\$0	0
Brooklyn	8,051,087	422
Manhattan	169,252,488	4,627
Queens	1,028,425	208
Staten Island	0	0
<b>Total</b>	<b>\$178,332,000</b>	<b>5,257</b>

**HIT Workforce Housing Initiative**

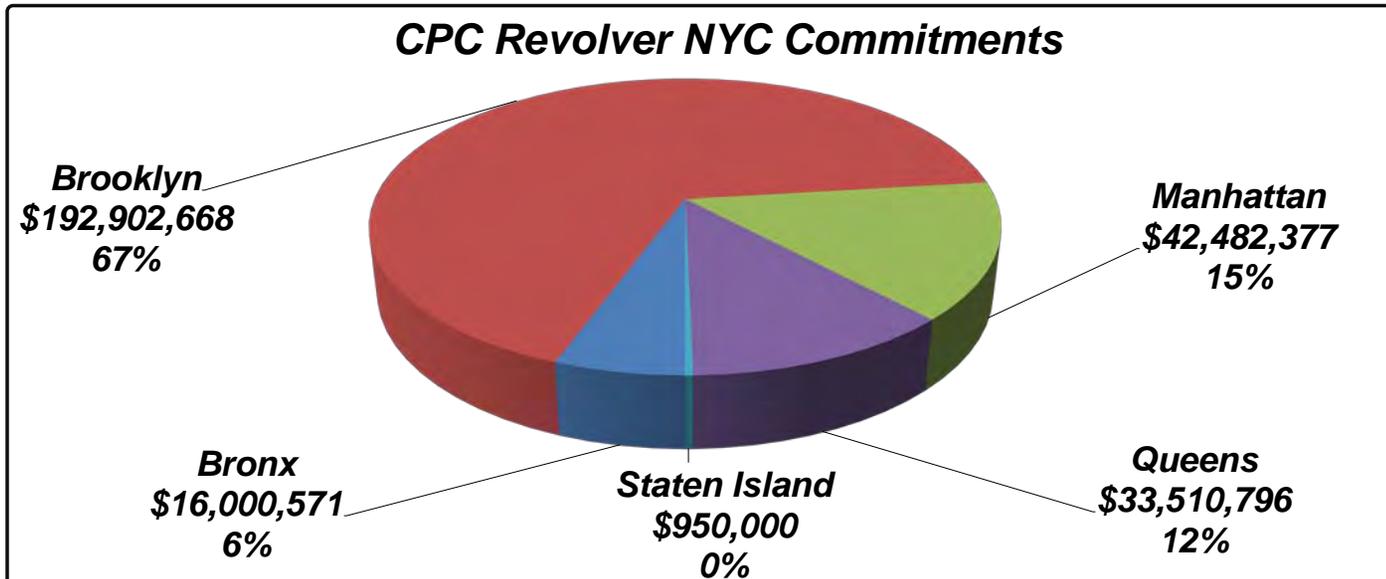


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CPC Revolver

Revolver Current Commitments	\$285,846,412			
Police Commitment Share	\$14,000,000			
Police Market Value *	\$10,751,434			
	# Loans	\$ Committed	# Units Residential	# Units Commercial
Bronx	19	\$16,000,571	562	28
Brooklyn	61	192,902,668	1,880	37
Manhattan	39	42,482,377	950	26
Queens	9	33,510,796	258	10
Staten Island	1	950,000	3	0
<b>Grand Total NYC</b>	<b>129</b>	<b>\$285,846,412</b>	<b>3,653</b>	<b>101</b>
Other NY State	44	\$133,545,656	1,514	23

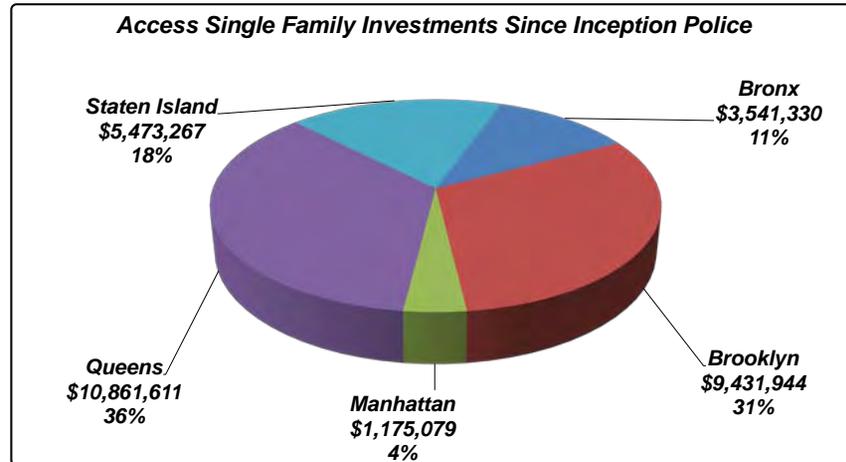
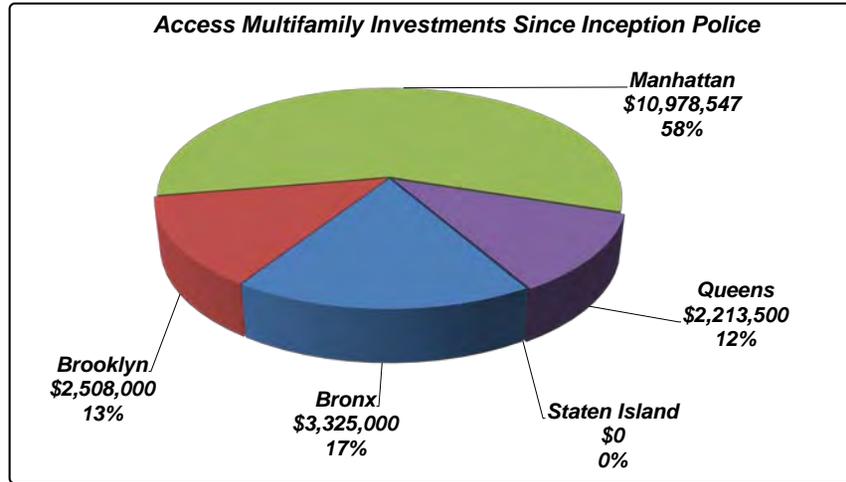
\*Equals the amount drawn down. Interest is paid monthly



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**ACCESS CAPITAL STRATEGIES (Since Inception 02/1/07)**

Allocated Amount \$19 million (19% of total account)			
Market Value \$25.6 million			
<b>Multifamily Investments Detail</b>			
	Police Investment	Total Units	# of LMI* Units
Borough			
Bronx	\$3,325,000	508	508
Brooklyn	2,508,000	404	404
Manhattan	10,978,547	2,815	1,677
Queens	2,213,500	762	762
Staten Island	0	0	0
<b>Total Police Multifamily Investments</b>	<b>\$19,025,047</b>	<b>4,489</b>	<b>3,351</b>
<b>MultifamilyTotal All Systems</b>	<b>\$100,131,826</b>	<b>4,489</b>	<b>3,351</b>
<b>Single Family Investments Detail</b>			
	Police Investment	Total Units	# of LMI* Units
Borough			
Bronx	\$3,541,330	109	109
Brooklyn	9,431,944	274	274
Manhattan	1,175,079	27	27
Queens	10,861,611	285	285
Staten Island	5,473,267	147	147
<b>Total Police Single Family Investments</b>	<b>\$30,483,230</b>	<b>842</b>	<b>842</b>
<b>Single Family Total All Systems</b>	<b>\$160,438,051</b>	<b>842</b>	<b>842</b>
<b>Other Investments Detail</b>			
	Police Investment	# of Loans	
Borough			
Bronx	\$128,250	1	
Brooklyn	1,024,176	8	
Manhattan	462,252	5	
Queens	103,252	3	
Staten Island	0	0	
<b>Total Police Other Investments</b>	<b>\$1,717,931</b>	<b>17</b>	
<b>Other InvestmentsTotal All Systems</b>	<b>\$9,041,740</b>	<b>17</b>	
<b>Grand Total All Police</b>	<b>\$51,226,207</b>		
<b>Grand Total All Systems</b>	<b>\$269,611,617</b>		
* LMI = Low or Moderate Income			



**The City of New York Office of the Comptroller  
Bureau of Asset Management  
Police Economically Targeted Investment Quarterly Report  
Collateral Benefits as of 03/31/2012**

	Assets (\$MM)	Trailing 1 Month	Trailing 3 Months	6/30/2007 3/31/2012	Year To Date	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 7 Years	Trailing* 9 Years	Trailing* 10 Years	Trailing* 11 Years	Trailing* 15 Years	Since Inception	Data Start Date
POLICE															
AFL-CIO HOUSING INV TRUST	111.74	-0.44	0.21	5.06	0.21	7.25	5.93	6.16	5.73	5.14	****	****	****	5.19	09/30/02
CPC -PPAR	101.39	0.78	1.83	4.44	1.83	5.94	7.88	8.24	8.05	7.84	7.87	7.93	7.82	10.12	11/30/84
ACCESS - RBC	25.55	0.01	0.74	4.78	0.74	7.33	5.87	6.94	****	****	****	****	****	6.85	02/28/07
CPC - REVOLVER	10.75	0.21	0.63	1.70	0.63	2.20	2.13	3.45	****	****	****	****	****	3.52	02/28/07
ERASMUS	3.96	****	****	****	****	****	****	****	****	****	****	****	****	****	10/31/08
CCD-PPAR	1.75	0.37	1.48	4.12	1.48	5.50	8.05	8.68	****	****	****	****	****	8.48	11/30/06
CCB-PPAR	1.13	0.53	1.17	2.46	1.17	3.39	7.98	7.61	****	****	****	****	****	7.28	09/30/06
LIIF-PPAR	0.94	0.66	1.41	4.08	1.41	5.27	****	****	****	****	****	****	****	5.45	07/31/09
BOA-PPAR	0.77	0.50	0.92	4.57	0.92	6.08	****	****	****	****	****	****	****	5.90	
NCBCI-PPAR	0.61	0.60	1.52	6.39	1.52	7.77	****	****	****	****	****	****	****	6.35	
NHS-PPAR	0.58	0.62	1.50	2.33	1.50	3.69	9.02	****	****	****	****	****	****	8.43	
SHORT TERM INVESTMENTS	0.00	0.01	0.02	0.05	0.02	0.07	0.18	1.43	2.31	2.15	2.26	2.53	3.47	4.82	11/30/84
GNMA	0.07	0.71	2.07	0.06	2.07	2.37	2.88	4.47	5.17	4.78	4.95	5.40	6.02	8.27	11/30/84
TOTAL POLICE ETI (w/cash)**	255.27	0.13	0.94	4.60	0.94	6.44	6.54	6.97	6.85	6.54	6.65	6.80	6.98	9.99	04/30/82
TOTAL POLICE ETI (w/o cash)**	255.27	0.14	0.96	4.64	0.96	6.50	6.60	7.03	6.90	6.69	6.84	6.98	7.17	8.91	11/30/84
POLICE CUSTOM ETI BENCHMARK (no cash)		-0.21	0.41	4.95	0.41	7.56	6.22	6.53	6.09	5.56	5.92	6.03	6.65		
BARCLAYS CAPITAL US AGGREGATE BOND INDEX		-0.55	0.30	5.30	0.30	7.71	6.83	6.24	5.72	5.16	5.80	5.76	6.39		

\*Time periods greater than one year are annualized. Historical returns prior to April 2004 provided by Citigroup.

\*\*Returns are net of fees and exclude Erasmus.

## REAL ESTATE QUARTERLY REPORT

## **The New York City Police Pension Fund**

### **Performance Measurement Report Fourth Quarter 2011**

The Townsend Group

Cleveland, OH San Francisco, CA London, UK Hong Kong

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	Glossary of Terms	Exhibit A
	Market Overview	Exhibit B

# The Townsend Group Performance Measurement Report

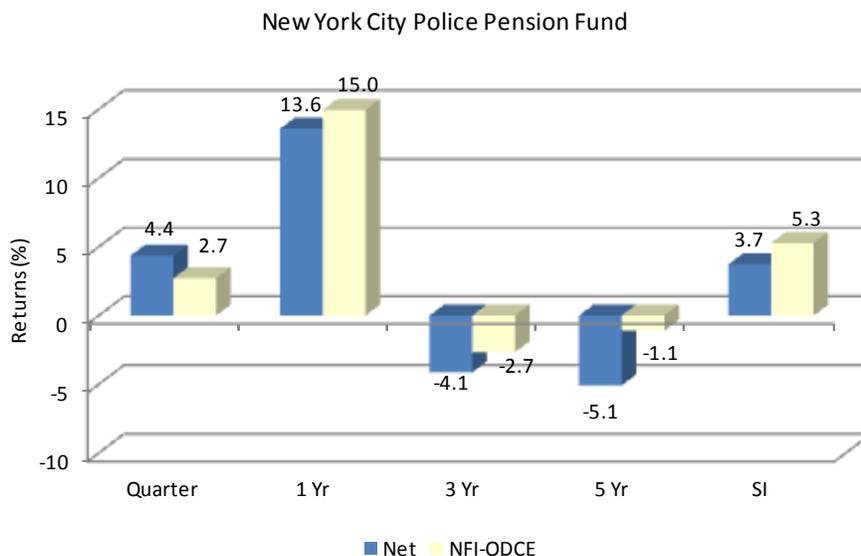
## THE NEW YORK CITY POLICE PENSION FUND

### FOURTH QUARTER 2011

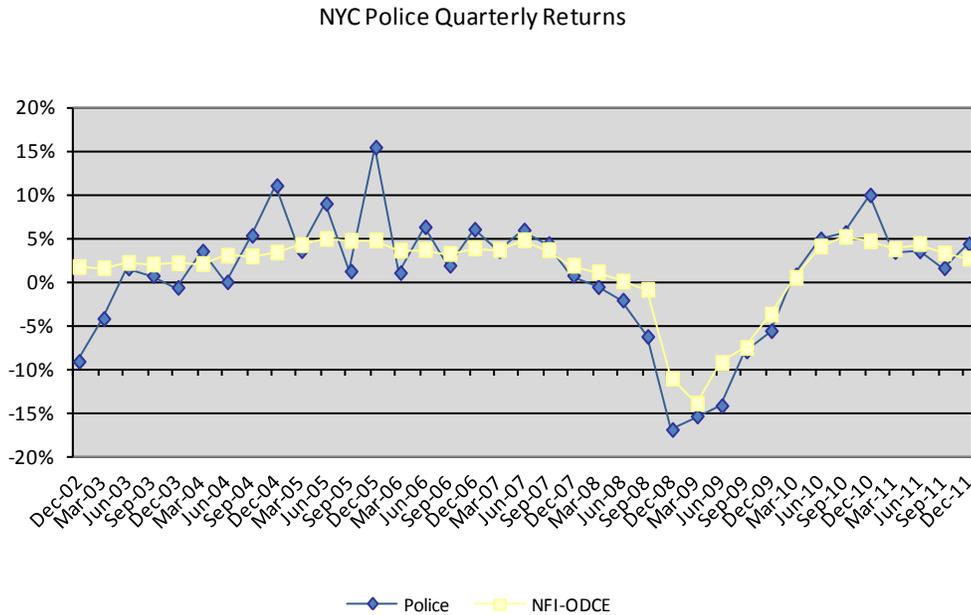
#### I. Performance Summary

At the end of the Fourth Quarter 2011, (“Quarter”) The New York City Police Pension Fund (“Police”) Real Estate Portfolio (“Portfolio”) had a cumulative market value of \$614 million. Total market value plus unfunded commitments was \$907.8 million, or 63.9% of the real estate allocation. During the Quarter, the Portfolio achieved a total gross return of 4.9% which was comprised of 1.0% income and 3.9% appreciation. The NCREIF Open-end Diversified Core Equity Index (“NFI-ODCE”) reported a total net return of 2.7%. In addition, the Portfolio achieved a total net return of 4.4%.

The following chart reflects the total net returns for the Police Portfolio compared to the NFI-ODCE. The US economic outlook has improved significantly following the equity market volatility of August and September. Fears following the US credit downgrade and possible European contagion eased considerably in December on the back of European leaders agreeing to an intergovernmental pact adopting tighter fiscal controls and a €600 billion loan from the European Central Bank. During the Global Financial Crisis, real estate values declined 32% and 44% for the de-levered NCREIF Property Index (“NPI”) and the levered NCREIF Open-End Diversified Core Equity Index (“NFI-ODCE”), respectively. Since the market trough in 2010, both indices have recovered 15% and 21%, respectively, suggesting a market recovery is underway and taking hold. Transaction volume in 2011 represented a 57% increase over 2010. Cap rates for real estate (all types and quality) continued to drift down through the year to just under 7%, but the spread between transaction cap rates and whole loan mortgage rates remained wide. We do not expect further cap rate compression in 2012 for core, across the market generally. The benchmark established for the Portfolio is the NFI-ODCE net over rolling five-year periods.



The graph below shows the total net returns for the Portfolio by quarter since inception. NFI-ODCE total net return performance is also included. It is important to note the effects of the “J-curve” whereby fees on committed capital exceed distributions to the Portfolio due to minimal invested capital and the early stages of the value-added/opportunistic process in the underlying investments.



The table below reflects the returns for the Portfolio and the NFI-ODCE during pertinent time periods and segments these returns by their components: income, appreciation, and total return. The Portfolio’s objective is to generate a total net return that exceeds the NFI-ODCE total net return measured over rolling five-year periods.

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception	
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET
New York City Police Pension Fund	1.0	3.9	4.9	4.4	4.1	11.5	16.0	13.6	3.7	-5.4	-1.9	-4.1	3.4	-6.2	-3.0	-5.1	8.4	3.7
NFI-ODCE Value Weighted Index	1.3	1.6	3.0	2.7	5.5	10.1	16.0	15.0	6.1	-7.5	-1.8	-2.7	5.7	-5.6	-0.2	-1.1	6.3	5.3

**II. Portfolio Composition**

New York City Police Pension Fund		
Total Plan Assets	12/31/2011	\$23,677
Real Estate Allocation (%)		6.0%
Real Estate Allocation (\$)		\$1,421
Style Sector Allocation		
Core / Core Plus Portfolio	40.0%	\$568
Non-Core Portfolio	55.0%	\$781
Emerging Managers Portfolio	5.0%	\$71
Uncommitted Core / Core Plus Portfolio		\$237
Uncommitted Non-Core Portfolio		\$220
Uncommitted Emerging Managers Portfolio		\$55
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		36.4%
Non-Core Portfolio		61.8%
Emerging Managers Portfolio		1.8%
\$ Committed		\$908
% Committed on Real Estate Allocation		63.9%
% Committed on Total Plan Assets		3.8%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		2.6%
% Funded (Market Value) of Total Real Estate Allocation		43.2%

Police		
Investment Cash Flow Summary		
	Quarter	To Date
Contributions	\$42.2	\$797.7
Distributions	-\$8.8	-\$107.1
Withdrawals	-\$3.3	-\$52.5

Contributions: Includes actual cash funded to the investment for acquisition and capital items during the quarter.

Distributions: Includes actual cash returned during the quarter from the investments which represents distributions of income from operations and profit.

Withdrawals: Includes cash returned from the investment as a result of return of capital.

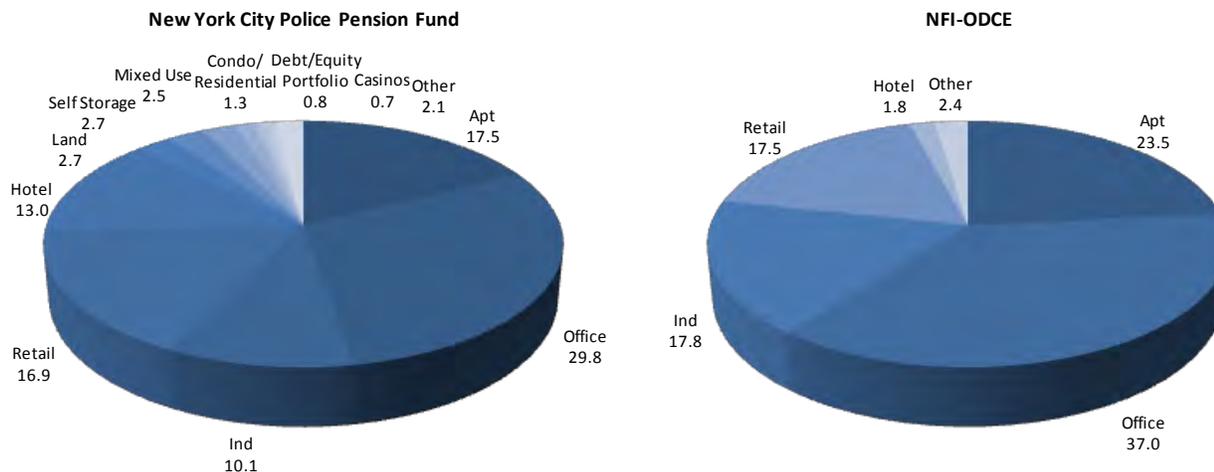
**III. Portfolio Compliance**

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) over rolling five-year periods	<i>Portfolio returns underperform benchmark.</i>
Portfolio Composition	Core/Core Plus (minimum of 40%)  Non Core (minimum of 40%)  Non Core Emerging (greater of \$53 million or 5% of the total real estate allocation)	<i>The portfolio is funded (market value) and committed at 63.9% of real estate allocation with a portfolio composition of 36.4% core, 61.8% non-core, and 1.8% emerging.</i>
Real Estate Allocation	Target of 6.0%  Currently Funded at 2.6%	<i>Funded (market value) and committed dollars place the portfolio at 3.8% of total plan assets.</i>
Diversification	± 30% of NFI-ODCE  Other property type (0%-15%)	<i>All property types and geographic locations are in compliance.</i>
LTV	50%	<i>Portfolio is in early stages of funding, but is in compliance (48.9%).</i>
Manager Exposure	0%-25% of real estate allocation	<i>Manager exposure is within compliance ranges.</i>

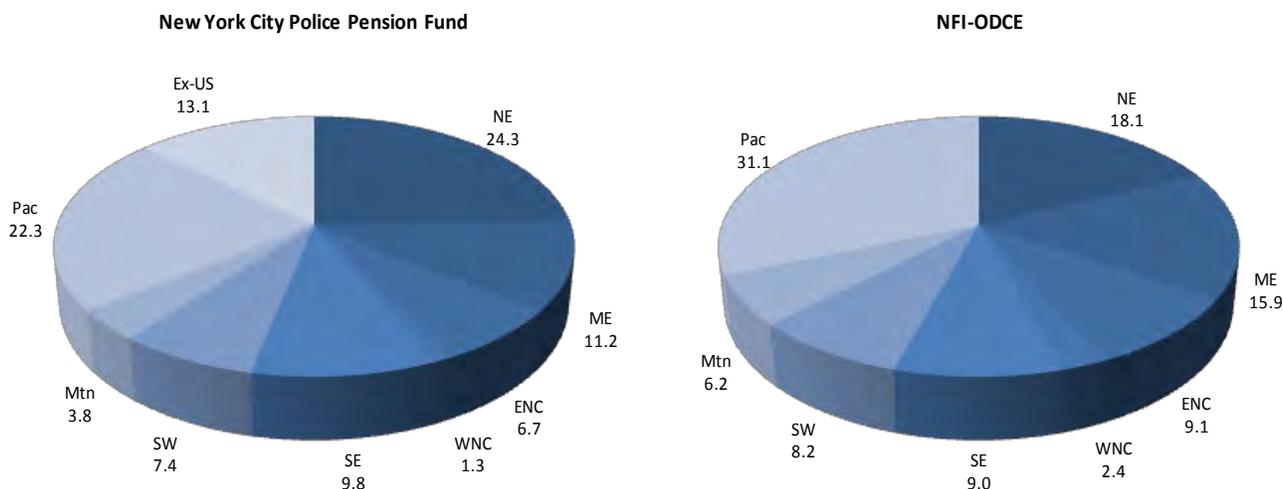
**IV. Portfolio Diversification**

The Investment Policy Statement (IPS) establishes ranges for diversification by property type and geographic region. These ranges are broad based and allow for investment in all major property types and all geographic regions. The diversification of the current portfolio by property type and geographic region is shown below and compared to diversification of the NFI-ODCE at the end of the Quarter.

**Property Type Diversification (%)**



**Geographic Diversification (%)**



# PRIVATE EQUITY QUARTERLY REPORT



## Private Equity Monitoring Report

For the period ended December 31, 2011

Report Prepared For:

New York City Police Pension Fund, Subchapter 2



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**Past performance is not necessarily indicative of future results. Actual performance may vary.**

## I. Executive Summary

The New York City Police Pension Fund, Subchapter 2 (“NYCPPF”) 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 LLC (“StepStone”) was engaged by NYCPPF 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 December 31, 2011, the Program has committed \$3.4 billion to 146 partnership investments (the “Portfolio”). Subsequent to quarter-end, NYCPPF sold interests in four partnership investments in secondary transactions (the “Secondary Sale”). This quarterly monitoring report covers the performance of the Portfolio as of December 31, 2011 Pro-Forma for the Secondary Sale as well as significant activity that occurred during the fourth quarter of 2011.

### Performance Summary

<i>US\$ in millions</i>	December 31, 2011	September 30, 2011	December 31, 2010	Quarterly Change	Yearly Change
Number of Managers	102	100	96	2	6
Number of Investments	146	142	137	4	9
Committed Capital	\$3,355.5	\$3,141.6	\$2,886.9	\$214.0	\$468.6
Net Contributed Capital <sup>1</sup>	\$2,136.3	\$2,055.0	\$1,841.9	\$81.3	\$294.4
Net Distributed Capital <sup>2</sup>	\$1,041.5	\$921.7	\$756.6	\$119.9	\$284.9
Market Value <sup>3</sup>	\$1,717.6	\$1,712.2	\$1,573.6	\$5.4	\$144.0
Total Value	\$2,759.2	\$2,633.9	\$2,330.3	\$125.3	\$428.9
Total Gain/(Loss)	\$622.8	\$578.9	\$488.4	\$44.0	\$134.4
Unfunded Commitment	\$1,160.5	\$1,028.5	\$983.7	\$132.0	\$176.8
Total Exposure <sup>4</sup>	\$2,878.1	\$2,740.7	\$2,557.3	\$137.4	\$320.8
DPI <sup>5</sup>	0.49x	0.45x	0.41x	0.04x	0.08x
<b>TVM<sup>6</sup></b>	<b>1.29x</b>	<b>1.28x</b>	<b>1.27x</b>	<b>0.01x</b>	<b>0.02x</b>
<b>IRR<sup>7</sup></b>	<b>9.5%</b>	<b>9.5%</b>	<b>9.8%</b>	<b>+ 5 bps</b>	<b>- 24 bps</b>
TVM Net of StepStone Fees <sup>8</sup>	1.29x	1.28x	N/A	0.01x	N/A
IRR Net of StepStone Fees <sup>8</sup>	9.5%	9.5%	N/A	+ 5 bps	N/A

<sup>1</sup>Net Contributed Capital represents total contributed capital net of distributions subject to recall.

<sup>2</sup>Net Distributed Capital represents total permanent (non-recallable) distributed capital. Please note that the Net Distributed Capital as of December 31, 2011 is presented Pro-Forma for the proceeds received/expected to be received from the sale of four partnership investments in secondary transactions that closed subsequent to quarter-end.

<sup>3</sup>Please note that the Market Value as of December 31, 2011 is presented Pro-Forma for the sale of four partnership investments in secondary transactions that closed subsequent to quarter-end.

<sup>4</sup>Total Exposure represents the sum of Market Value and Unfunded Commitment.

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

<sup>6</sup>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 Net Distributed Capital, divided by Net Contributed Capital.

<sup>7</sup>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.

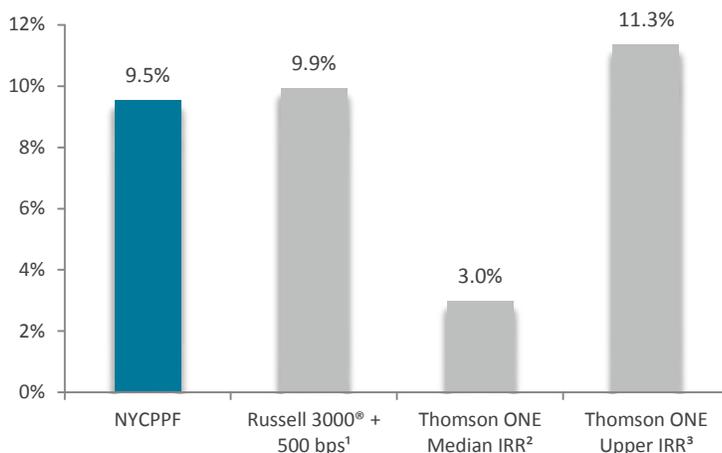
<sup>8</sup>IRR and TVM Net of StepStone fees represent IRR and TVM net of fees paid by NYCPPF to StepStone. Please note that no fees have been paid to StepStone as of December 31, 2011, as StepStone was engaged by NYCPPF effective February 1, 2012.

## Portfolio Performance vs. Benchmarks

The Portfolio's performance is measured against two benchmarks:

1. A dollar-weighted public benchmark, which produced the return that would have been earned if NYCPFF's private equity cash flows were invested in the Russell 3000® Index<sup>1</sup> plus a 500 basis point liquidity premium (*the Opportunity Cost Benchmark*).
2. The Thomson ONE (formerly Venture Economics) Median Return (*the Relative Benchmark*).

The following graph illustrates Portfolio IRR performance versus benchmarks as of December 31, 2011.



<sup>1</sup>Benchmark 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.

<sup>2</sup>Benchmark is provided by Thomson ONE and reflects U.S. All Private Equity Funds Median Quartile IRR as of December 31, 2011 for funds with vintage years 1998 to 2011. Note: Thomson ONE data is continuously updated and is therefore subject to change.

<sup>3</sup>Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE and reflects U.S. All Private Equity Funds Upper Quartile IRR as of December 31, 2011 for funds with vintage years 1998 to 2011. Note: Thomson ONE data is continuously updated and is therefore subject to change.

## Portfolio Diversification

### By Strategy

As of December 31, 2011 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
Buyout	1,102.6	64.2%	720.4	62.1%	1,823.0	63.3%
Growth Equity	77.1	4.5%	203.3	17.5%	280.4	9.7%
Special Situations	63.8	3.7%	31.9	2.8%	95.8	3.3%
Energy	94.5	5.5%	29.9	2.6%	124.4	4.3%
Secondaries	64.0	3.7%	76.3	6.6%	140.4	4.9%
Co-Investment	50.2	2.9%	12.0	1.0%	62.2	2.2%
Other	265.3	15.4%	86.6	7.5%	351.8	12.2%
<b>Total</b>	<b>1,717.6</b>	<b>100.0%</b>	<b>1,160.5</b>	<b>100.0%</b>	<b>2,878.1</b>	<b>100.0%</b>

### By Fund Geographic Focus

As of December 31, 2011 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
North America	1,112.6	64.8%	754.9	65.0%	1,867.5	64.9%
Global	455.5	26.5%	221.1	19.1%	676.6	23.5%
Western Europe	125.8	7.3%	165.8	14.3%	291.6	10.1%
Rest of World	23.7	1.4%	18.7	1.6%	42.4	1.5%
<b>Total</b>	<b>1,717.6</b>	<b>100.0%</b>	<b>1,160.5</b>	<b>100.0%</b>	<b>2,878.1</b>	<b>100.0%</b>

## II. Market Overview

### Executive Summary

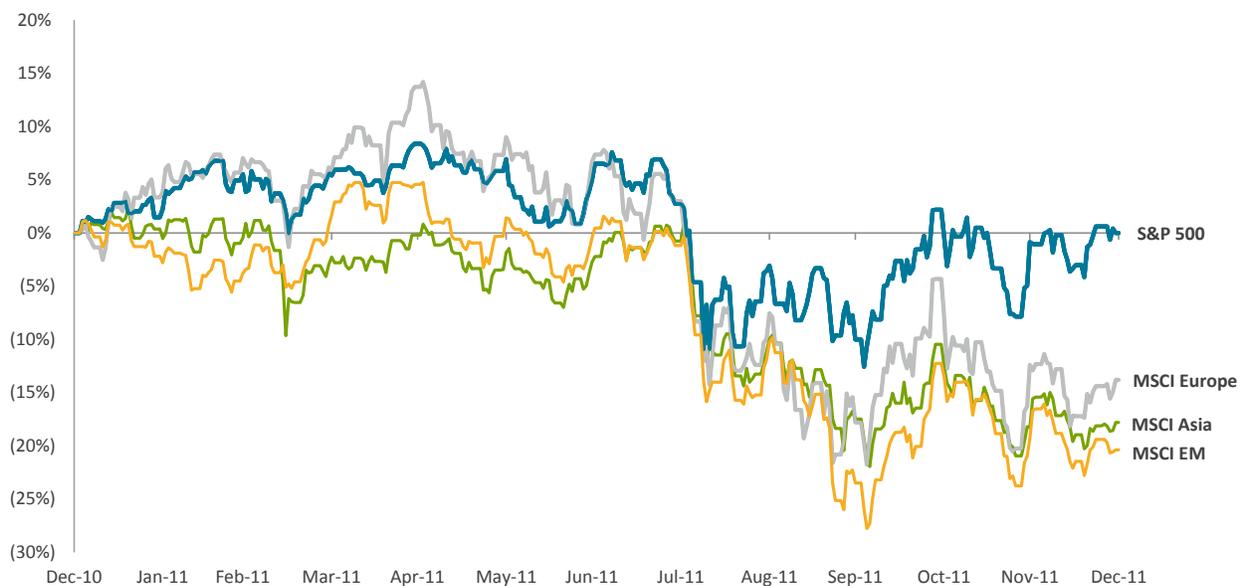
The fourth quarter of 2011 brought the rebound of most public equity markets after the stark negative trends witnessed during the previous quarter. Major U.S. public equity market indices generally posted significant gains for the quarter, and have returned to levels similar to those seen on December 31, 2010. Debt market volume totaled \$14.5 billion in the fourth quarter 2011, marking the seventh consecutive quarter of double digit volume (in \$billions), and was up 24.5% compared to the prior quarter. In connection with increased optimism regarding the macroeconomic climate and many funds nearing the end of their investment periods, private equity investment activity increased 51.0% over the quarter to \$76.6 billion. Purchase price multiples for U.S. LBOs fell from 9.7x EBITDA in the third quarter of 2011 to 9.4x EBITDA in the fourth quarter, but still remained at levels last seen in 2007. Fundraising levels also increased as private equity funds raised \$66.4 billion in the fourth quarter of 2011, an increase of 31.0% relative to the \$50.6 billion raised in the third quarter 2011.

### Capital Markets Overview

#### Public Equity Markets

After a severe drop in the value of U.S. public equity markets during the third quarter of 2011, market indices reversed course during the fourth quarter of 2011. Quarterly results for other public markets throughout the world were not nearly as strong. The MSCI Europe and the MSCI Emerging Markets were up 4.9% and 4.1%, respectively, over the quarter while the MSCI Asia was down 0.4%. For the 1-year period ending December 31, 2011, the S&P 500 was unchanged in value while the MSCI Europe, the MSCI Asia and the MSCI Emerging Markets dropped 13.8%, 17.8% and 20.4%, respectively (as seen on the chart below).

1-Year Global Public Indices



Source: Capital IQ

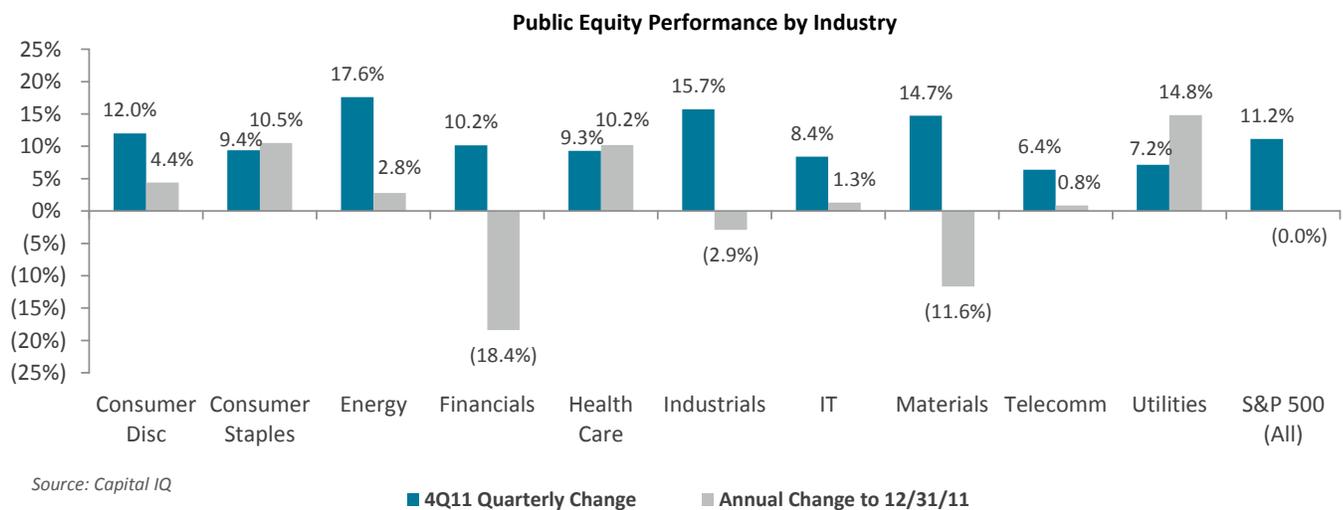
The following table shows the holding period returns of three MSCI indices and the S&P 500 over various time horizons from three months to ten years through December 31, 2011. All indices except the MSCI Asia performed positively over the quarter with the S&P 500 posting the greatest gain at 11.2%.

Regional Indices					
	Current Qtr	1 Yr	3 Yr	5 Yr	10 Yr
MSCI Asia	(0.4%)	(17.8%)	22.3%	(21.2%)	52.0%
MSCI Europe	4.9%	(13.8%)	14.3%	(34.3%)	15.6%
MSCI EM	4.1%	(20.4%)	61.6%	0.4%	188.7%
S&P 500	11.2%	(0.0%)	39.2%	(11.3%)	9.5%

For the period ended December 31, 2011

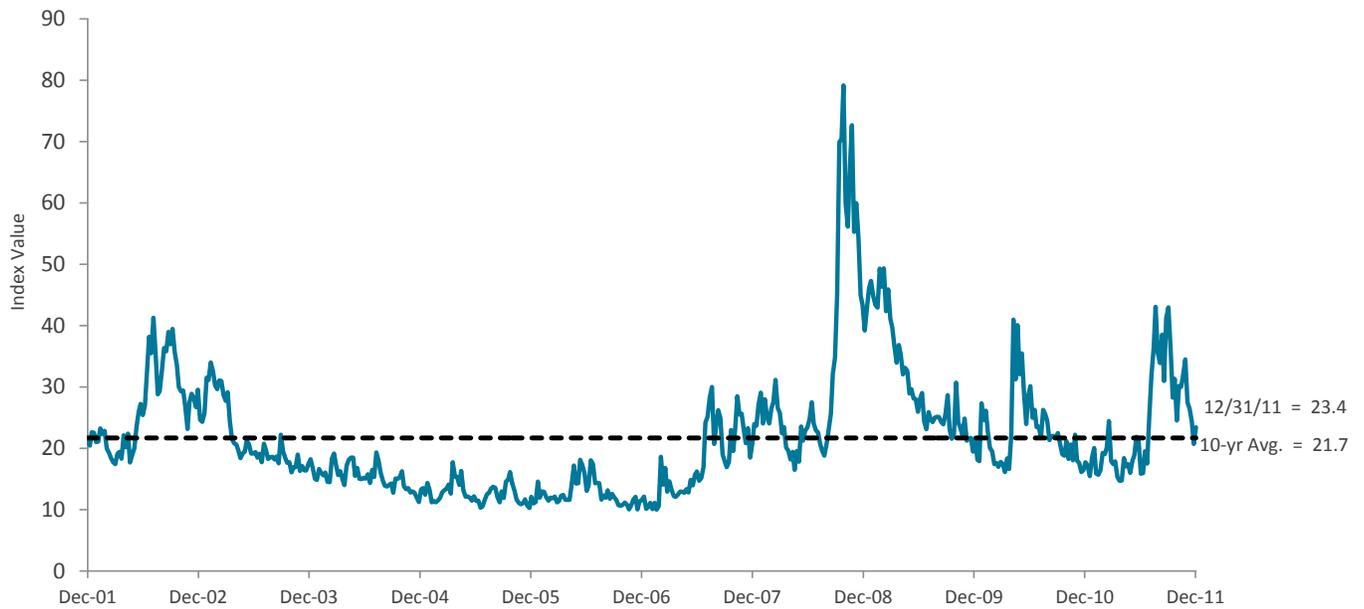
Source: Capital IQ

During the fourth quarter of 2011, weighted average stock prices increased in all ten industry sectors in the S&P 500, with the index as a whole increasing 11.2%. The best performing sector was Energy, which increased by 17.6% over the quarter. Over the past 12 months, seven of ten sectors exhibited positive performance, with the top three industries all posting double-digit gains. The financial industry has significantly underperformed the broader market, decreasing 18.4% over the last 12 months despite an increase of 10.2% over the quarter. The chart below details the capitalization-weighted average change in stock prices for the S&P 500 by industry during the fourth quarter and last 12 months ending December 31, 2011.



An indicator of stability in public equity markets is the VIX Volatility Index (“VIX”) maintained by the Chicago Board Options Exchange, which captures option market expectations of movements in the price of the S&P 500 over the next 30-day period. At the end of the fourth quarter, the VIX was trading at 23.4, slightly above the 10-year historical average of 21.7, but a significant decrease from 43.0 at the end of the third quarter of 2011. The graph below depicts the historical level of the VIX over the last ten years through December 31, 2011.

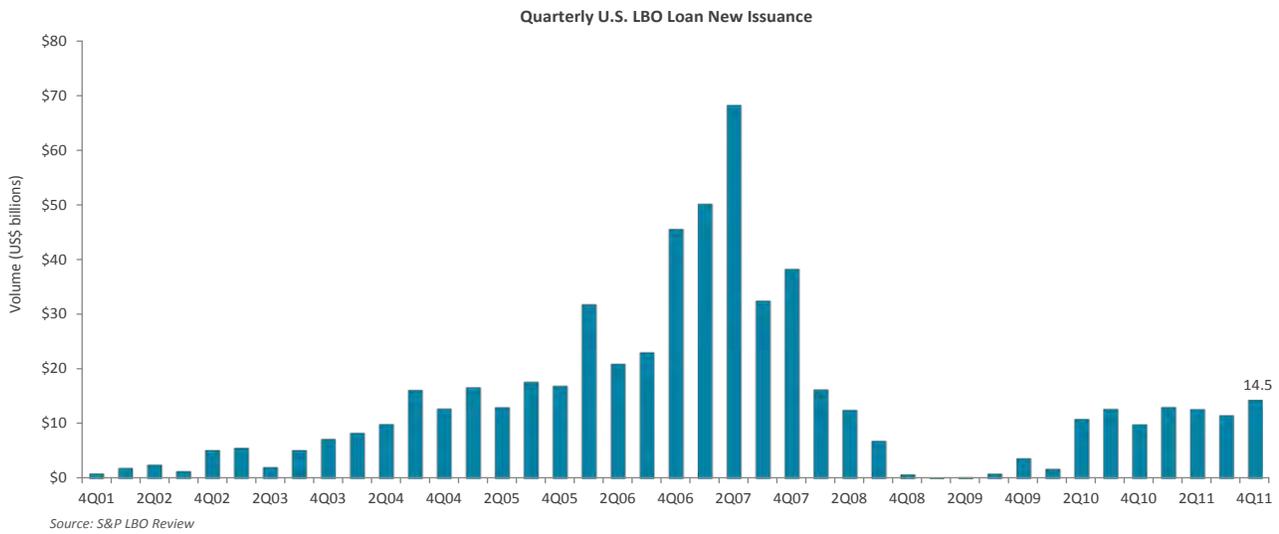
VIX Volatility Index (^VIX)



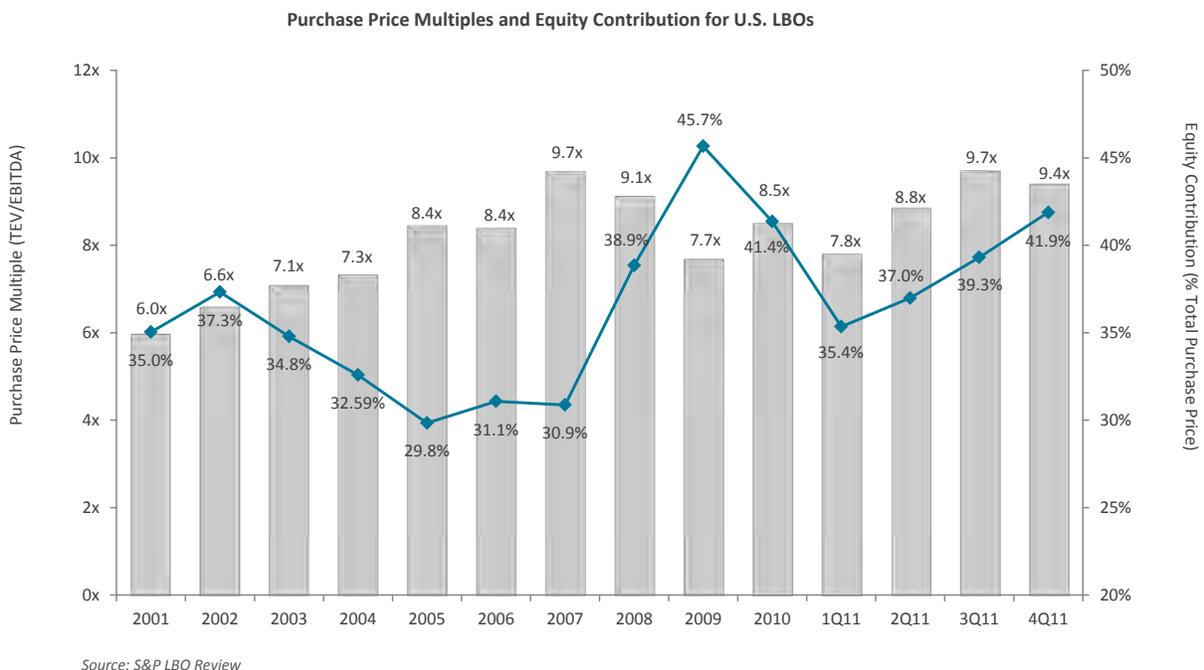
Source: Capital IQ

## Debt Markets

Debt market volume in the fourth quarter of 2011 increased slightly from the third quarter, to \$14.5 billion, marking the seventh consecutive quarter of double digit volume (in \$billions). The seven straight quarters of double digit volume have demonstrated more stability in the debt markets and levels are similar to 2004. The following chart shows the quarterly volume of leveraged loan new issuances in the U.S. between 4Q 2001 and 4Q 2011.



For the fourth quarter of 2011, the average purchase price multiple for LBO deals was 9.4x total enterprise value (“TEV”) to earnings before interest, tax, depreciation, and amortization (“EBITDA”), marginally down from 9.7x in the third quarter of 2011. Additionally, the average equity contribution for LBOs increased to 41.9% in the fourth quarter, up from 39.3% in the third quarter of 2011 and 41.4% in 2010.



## Private Equity Market Overview

### All Private Equity

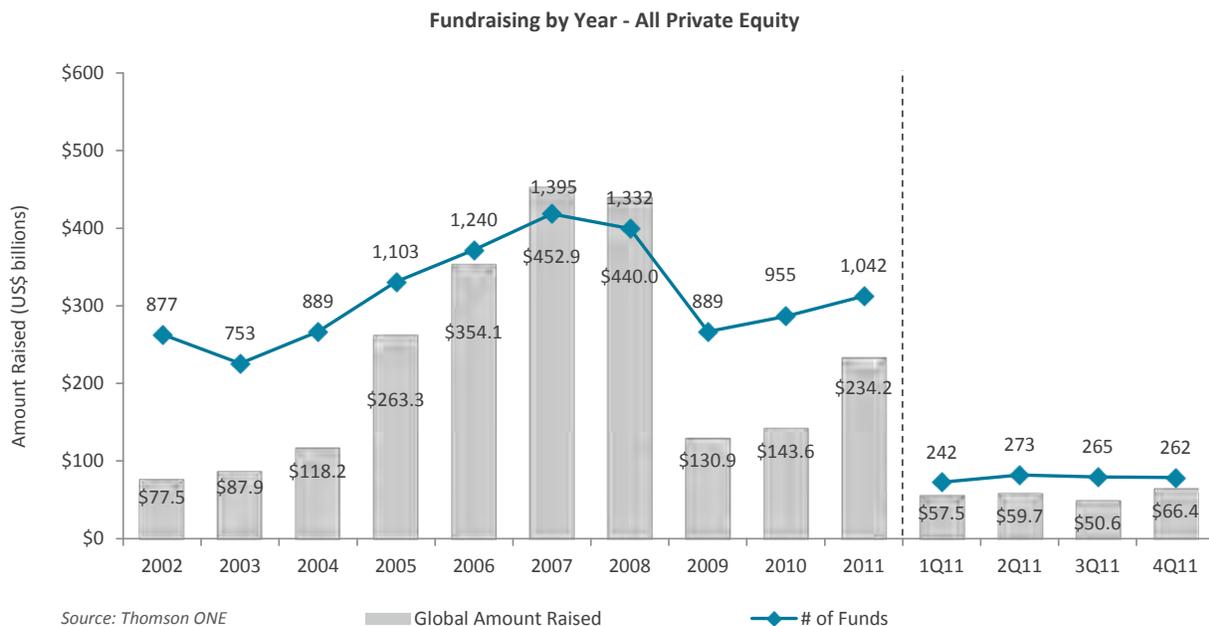
During the fourth quarter of 2011, private equity fund performance increased 4.1% compared to the S&P 500 which saw an increase of 11.2% during the same period. Of note, the Small/Middle Buyout sector increased 5.3% during the quarter, the largest single-sector increase during the fourth quarter. Below is a table which shows the pooled Internal Rate of Return (“IRR”) performance of global private equity investments by sector over various investment horizons from 3 months to 20 years through December 31, 2011.

Sector	3 Mo	6 Mo	9 Mo	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Venture Capital	1.7%	(2.4%)	1.3%	2.5%	4.6%	2.1%	2.2%	15.1%
All Buyouts	4.8%	(1.8%)	3.8%	7.5%	9.2%	3.7%	8.9%	10.1%
Small/Middle Buyouts (<\$2bn)	5.3%	(0.5%)	5.9%	7.5%	6.1%	4.5%	9.7%	11.8%
Large/Mega Buyouts (>\$2bn)	4.7%	(2.1%)	3.4%	7.5%	10.7%	3.3%	8.3%	8.2%
Mezzanine	1.5%	2.1%	5.7%	11.5%	3.6%	3.0%	4.5%	6.8%
All Private Equity	4.1%	(1.8%)	3.1%	6.6%	8.5%	3.7%	7.2%	11.0%

Source: Thomson ONE

### Fundraising

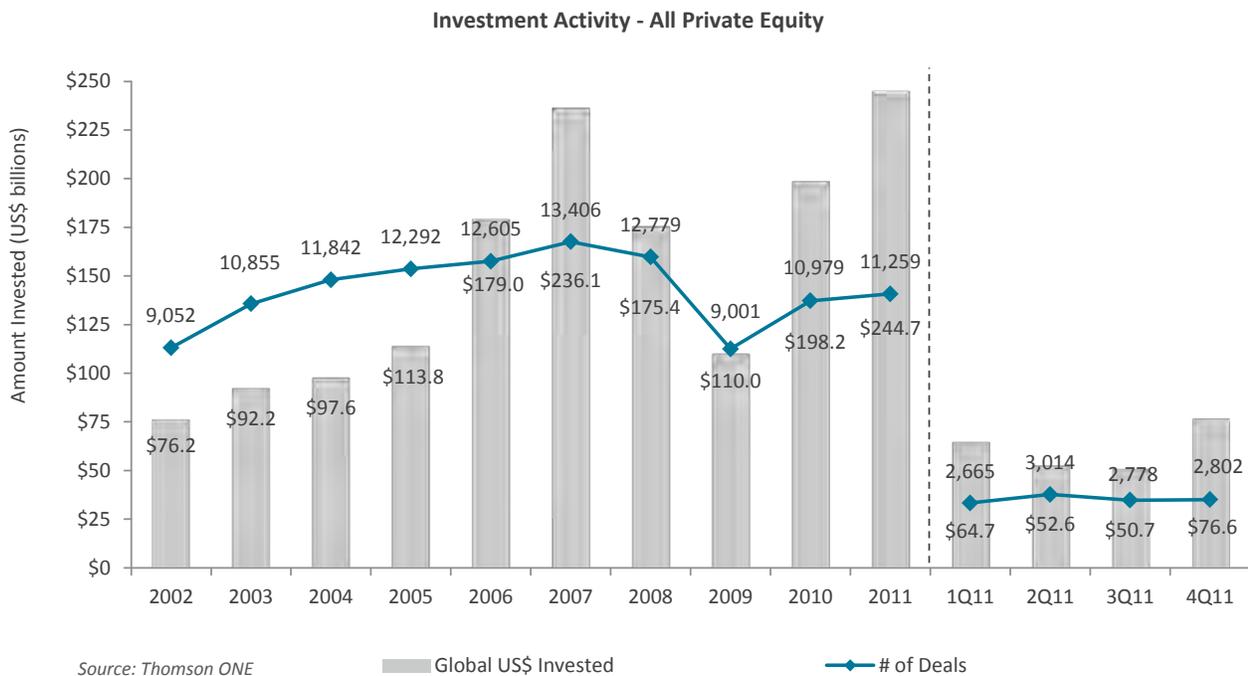
Private equity fundraising totaled \$66.4 billion in the fourth quarter of 2011, bringing annual fundraising to \$234.2 billion. The \$66.4 billion raised represents an increase of 31.0% from the prior quarter’s total of \$50.6 billion and an increase of 127.1% from the same period in the prior year. Venture capital funds accounted for 53.1% of the amount raised during the fourth quarter of 2011, significantly higher than its 10-year average of 22.1%. Notable funds that closed during the fourth quarter include: EQT VI, Onex Partners III, and Xixian Development Fund<sup>1</sup>. The chart below shows private equity fundraising activity by year over the last ten years through 4Q11.



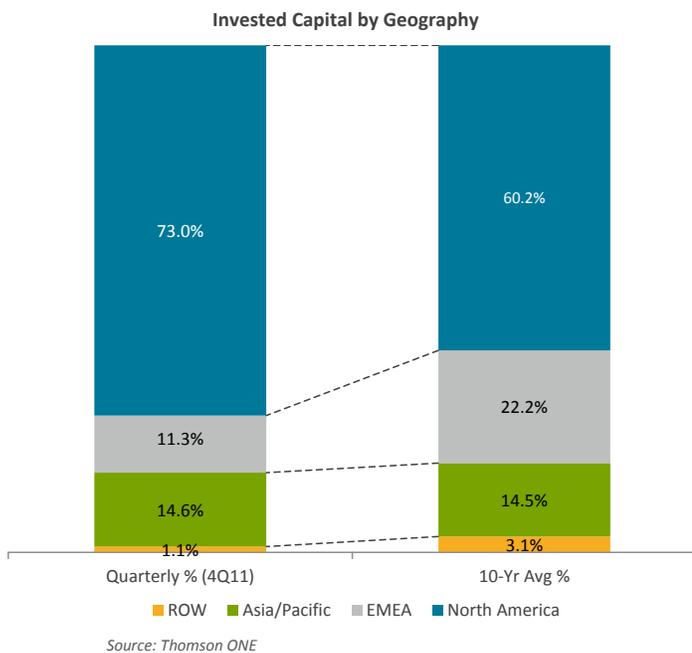
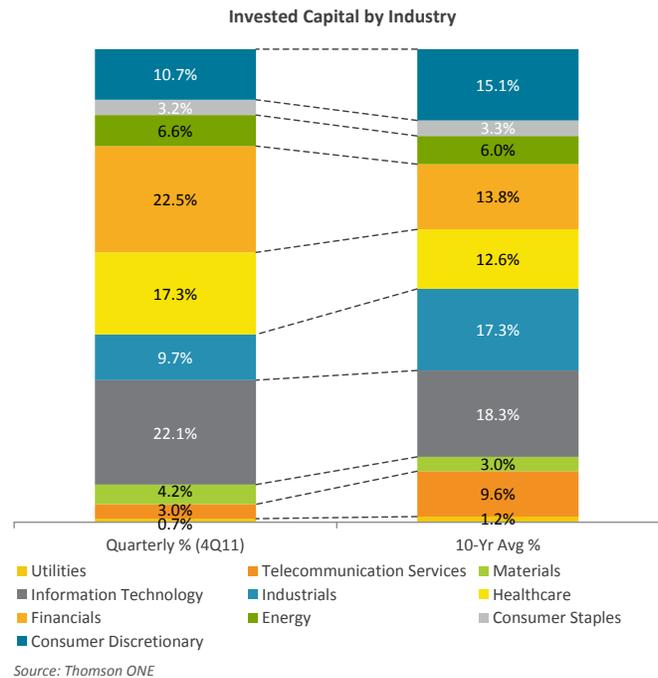
<sup>1</sup> Inclusion of fund names does not constitute an investment recommendation. For illustrative purposes only.

## Investment Activity

Private equity funds invested a total of \$76.6 billion in 2,802 investments during the fourth quarter of 2011, up 51.0% from the prior quarter and up 24.6% from a year ago, in which \$61.5 billion was invested in 2,935 deals in the fourth quarter of 2010. The \$244.7 billion invested during 2011 is the largest annual total in history. During the fourth quarter of 2011, the average investment size increased from \$18.3 million to \$27.3 million, or 49.7%, quarter-over-quarter.



When analyzed by industry, private equity funds invested \$16.7 billion or 22.5% of total invested capital in 147 financial companies, representing the most active sector during the period. This is well above the historical level of investment in the sector, which over the last ten years has represented 13.8% of total invested capital. In contrast, investments in Telecommunication Services represented 3.0% of invested capital during the quarter, significantly lower than the 9.6% of invested capital over the past ten years. The chart on the right details the percentage of invested capital by industry for the fourth quarter of 2011 and over the last ten years.



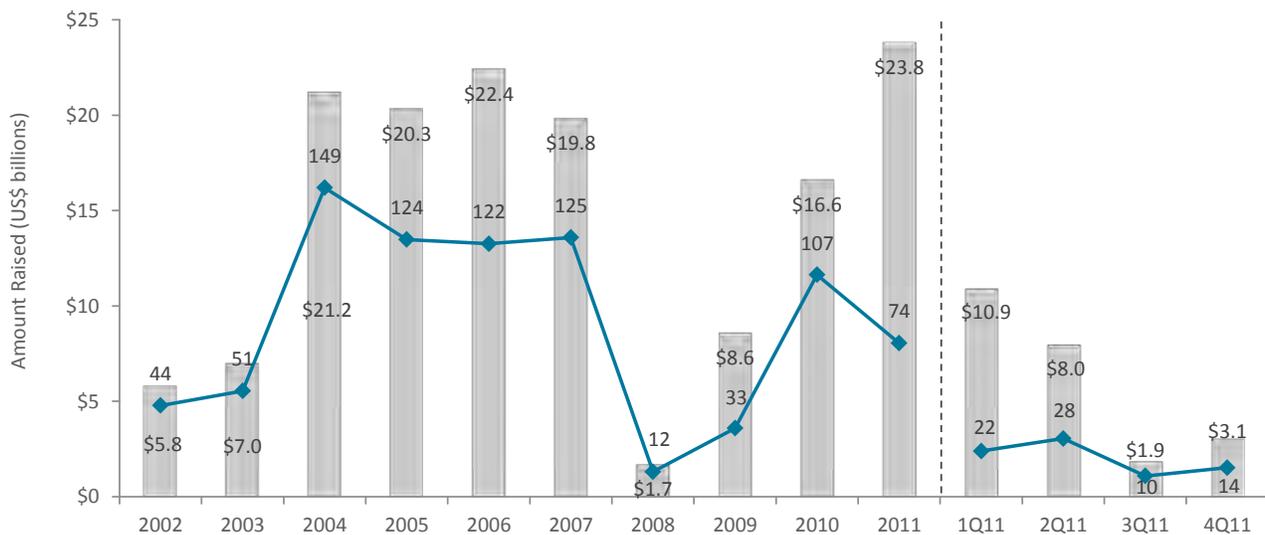
The graph to the left shows invested capital by geography based on the geographic region in which portfolio companies are located. In the fourth quarter of 2011, investment activity in North America was significantly higher than the historical average, representing 73.0% of total invested capital during the quarter compared to 60.2% over the last ten years, while investment activity in the EMEA region was just over half the amount of its 10-year historical average (11.3% vs. 22.2%).

Note: Invested Capital is for all private equity from 2002-2011.

## Deal Environment

During the fourth quarter of 2011, there were 14 private equity-backed initial public offerings (“IPOs”) which raised a total of \$3.1 billion, compared to ten IPOs which raised \$1.9 billion in the third quarter of 2011, representing a quarter-over-quarter increase of 40.0% in deal flow and an increase of 63.2% in total dollars raised. On a year-over-year basis, fourth quarter 2011 activity was substantially lower than the fourth quarter of 2010, in which there were 43 IPOs which raised \$7.7 billion. Both deal flow and total dollars were lower than the levels in the first half of 2011, but a marked increase from the third quarter of 2011. In terms of proceeds, the largest IPO of the quarter was Zynga (NASDAQ: ZNGA), a social game developer, which raised \$1.0 billion, and is backed by Kleiner, Perkins, Caufield & Byers, Avalon Ventures and Institutional Venture Partners. Since the IPO, the stock has risen 38.4% as of March 31, 2012. The second largest IPO was Groupon (NASDAQ: GRPN), an e-commerce marketplace which offers goods and services at a discount, which raised \$700.0 million, and is backed by New Enterprise Associates and Accel Partners. Since the IPO, the stock has fallen 29.6% as of March 31, 2012.

IPO Activity - All Private Equity

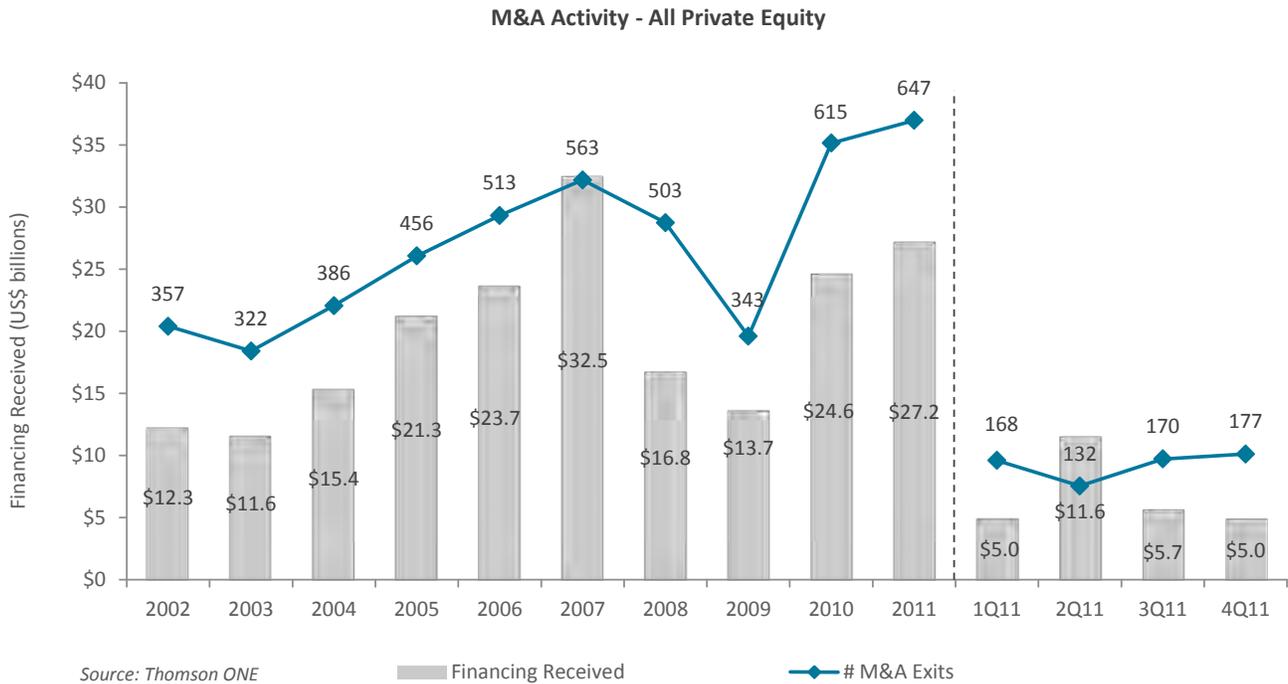


Source: Thomson ONE

Amount Raised

# IPO Exits

Private equity-backed Mergers and Acquisitions (“M&A”) deal activity<sup>2</sup> increased relative to the third quarter of 2011, in terms of deal volume. Of the 177 deals closed during the fourth quarter of 2011, 130 deals had disclosed financing and received \$5.0 billion in financing, representing a 12.3% quarter-over-quarter decrease in financing received. The sizable increase in financing received during 2Q11 was driven by the \$7.4 billion financing of TD Bank NA’s acquisition of Chrysler Financial Services.



<sup>2</sup> Private equity-backed M&A deal activity includes both strategic M&A exits as well as exits through buyouts and recapitalizations.

### III. Portfolio Review

#### Quarterly Highlights

- Cash Flow Activity** – During the fourth quarter of 2011, the Portfolio made \$81.3 million of net contributions and received \$73.1 million of net distributions, for a net cash outflow of \$8.2 million, compared to a net cash outflow of \$74.1 million during the prior quarter and a net cash outflow of \$16.1 million during the fourth quarter of 2010. Net contributions decreased 24.1% from the prior quarter and 4.7% from the fourth quarter of 2010. The most recent four quarter average of the Program’s net contributions is \$73.6 million. Net distributions increased 121.2% from the prior quarter and increased 5.8% from the fourth quarter of 2010. The most recent four quarter average of the Program’s net distributions is \$59.5 million.
- Secondary Sale** – NYCPPF sold interests in four partnership investments in secondary transactions that closed subsequent to quarter-end (the “Secondary Sale”). Excluding new investment commitments made in the fourth quarter of 2011, the Portfolio’s exposure to Large and Mega Buyout funds as of December 31, 2011 decreased by \$58.5 million, or 8.1%, from the prior quarter. The investments sold were:

<i>(US\$ in millions)</i>	Vintage Year	Sub-Strategy	Geographic Focus	Committed Capital
Clayton, Dubilier & Rice Fund VII, L.P.	2005	Large Buyout	Global	\$ 20.0
Clayton, Dubilier & Rice Fund VIII, L.P.	2009	Large Buyout	Global	22.5
Silver Lake Partners II, L.P.	2004	Large Buyout	North America	11.8
Silver Lake Partners III, L.P.	2007	Mega Buyout	North America	20.0
<b>Total</b>				<b>\$ 74.3</b>

- Recent Portfolio Activity** – During the fourth quarter of 2011, net of cash flow activity, the valuation of the Portfolio increased by \$44.0 million, or 2.6%, from the prior quarter. The increase in Portfolio value is primarily attributable to the recovery of the public equity and credit markets during the quarter, which resulted in valuation increases of publicly-traded holdings held by buyout funds and higher public comparables for valuation purposes. During 2011, net of cash flow activity, the valuation of the Portfolio increased by \$134.4 million, or 8.5%, from the prior year-end. The table below illustrates recent portfolio activity, with fourth quarter of 2011 data presented Pro-Forma for the Secondary Sale.

<i>US\$ in millions</i>	2010	2011			
	Q4	Q1	Q2	Q3	Q4
Beginning Market Value	\$1,453.2	\$1,573.6	\$1,624.9	\$1,691.2	\$1,712.2
Net Contributed Capital	\$85.3	\$48.4	\$57.6	\$107.1	\$81.3
Net Distributed Capital	(\$69.1)	(\$65.2)	(\$66.8)	(\$33.0)	(\$119.9)
Appreciation/(Depreciation)	\$104.3	\$68.0	\$75.5	(\$53.0)	\$44.0
Ending Market Value	\$1,573.6	\$1,624.9	\$1,691.2	\$1,712.2	\$1,717.6
Unfunded Commitment	\$983.7	\$940.8	\$885.4	\$1,028.5	\$1,160.5
<b>Total Exposure</b>	<b>\$2,557.3</b>	<b>\$2,565.7</b>	<b>\$2,576.5</b>	<b>\$2,740.7</b>	<b>\$2,878.1</b>
Since Inception IRR	9.8%	10.2%	10.7%	9.5%	9.5%
Weighted Avg. Age of Commitments (years)	4.4	4.7	5.0	4.8	4.7

- **New Investment Commitments** – During the fourth quarter of 2011, the Program closed on four new investment commitments totaling \$220.0 million.

*As of December 31, 2011 (US\$ in millions)*

	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital
Green Equity Investors VI, L.P.	October 2011	Large Buyout	North America	\$ 55.0
Vista Equity Partners Fund IV, L.P.	October 2011	Growth Equity	North America	40.0
Summit Partners Growth Equity Fund VIII, L.P.	December 2011	Growth Equity	North America	75.0
American Securities Partners VI, L.P.	December 2011	Large Buyout	North America	50.0
<b>Total</b>				<b>\$ 220.0</b>

- **Subsequent Investment Commitments** – Subsequent to quarter-end through May 9, 2012, the Program increased its commitments to AXA Secondary Fund V and Vista Equity Partners IV and closed on two new investment commitments, together totaling \$190.0 million.

*As of May 9, 2012 (US\$ in millions)*

	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital
AXA Secondary Fund V B L.P.	March 2012	Secondaries	Global	\$ 30.0
Ares Corporate Opportunities Fund IV, L.P.	April 2012	Special Situations	North America	50.0
Vista Equity Partners Fund IV, L.P.	May 2012	Growth Equity	North America	30.0
Warburg Pincus Private Equity XI, L.P.	May 2012	Growth Equity	Global	80.0
<b>Total</b>				<b>\$ 190.0</b>

- **Significant Valuation Changes** – During the fourth quarter of 2011, net of cash flow activity, 88 fund investments appreciated and 53 declined in value from the prior quarter. Below are the top fifteen valuation changes (in terms of the absolute value of impact) that occurred in the Portfolio during the quarter. These valuation changes account for 36.0% of the valuation change during the quarter.

*US\$ in millions*

Rank	Fund	Valuation Change \$	Valuation Change %	Comments
1	Carlyle Partners IV, L.P.	\$5.0	11.7%	The increase in valuation primarily reflects the appreciation of publicly-traded investments (Kinder Morgan, Nielsen Company, Wesco Aircraft, Hertz, Freescale and SS&C).
2	Apollo Investment Fund VII, L.P.	\$5.0	17.0%	The increase in valuation primarily reflects the appreciation of publicly-traded investments, most significantly LyondellBasell Industries and Charter Communications, and appreciation of the fund's investments in various debt securities.
3	Pegasus Partners IV, L.P.	(\$4.0)	(16.8%)	The decline in valuation primarily reflects the write-downs of Lighting Science Group Corp. and Molycorp, Inc.
4	Yucaipa American Alliance Fund II, LP	\$3.8	8.6%	The increase in valuation primarily reflects the write-ups of New Market Impressions and YCCM Finance as well as the appreciation of the Barnes & Noble share price.

Rank	Fund	Valuation Change \$	Valuation Change %	Comments
5	AXA Secondary Fund V B L.P.	(\$3.1)	(16.1%)	The decline in valuation reflects the J-curve effect and the valuations of the underlying secondary investments.
6	Clayton, Dubilier & Rice Fund VII, L.P.	(\$3.1)	NM	The decline in valuation reflects the sale of the interest in the partnership at a discount to net asset value.
7	FS Equity Partners V, L.P.	\$2.8	30.1%	The increase in valuation primarily reflects the write-up of NEW Asurion and appreciation of hhgregg, Inc. share price.
8	New Mountain Partners III, L.P.	\$2.4	12.7%	The increase in valuation primarily reflects the write-ups of Symphony IRI Group, Camber Corp., and RedPrairie.
9	NewSpring Growth Capital II, L.P.	\$2.4	19.0%	The increase in valuation primarily reflects the write-ups of Exegy, Internet Pipeline, Raritan Americas and Smart Destinations.
10	NB Co-Investment Partners LP	\$2.3	5.8%	The increase in valuation primarily reflects the write-ups of SonicWall, TPF Genco, Kyobo Life Insurance, Transplace and the publicly traded investment in Mattress Firm.
11	Vista Equity Partners Fund III, L.P.	\$2.2	9.8%	The increase in valuation primarily reflects the realization of the public toehold investment in DemandTex and the write-up of SumTotal Systems.
12	Palladium Equity Partners III, L.P.	\$2.2	11.3%	The increase in valuation primarily reflects the write-ups of American Gilsonite Company and Teasdale.
13	FdG Capital Partners LLC	(\$2.1)	(16.7%)	The decline in valuation reflects the write-off of Colorbök.
14	CVC European Equity Partners III, L.P.	(\$2.1)	(19.7%)	The decline in valuation primarily reflects the write-downs of Betafence, Flint and Grupo Cortefiel.
15	First Reserve Fund XI, L.P.	\$2.1	17.9%	The increase in valuation primarily reflects the appreciation of the Cobalt International Energy share price and the write-up of FR Midstream.

## Investment Performance

### Since Inception Performance

US\$ in millions	December 31, 2011	September 30, 2011	December 31, 2010	Quarterly Change	Yearly Change
<b>Active Investments</b>					
Number of Managers	98	98	94	-	4
Number of Investments	140	140	135	-	5
Committed Capital	\$3,246.2	\$3,106.6	\$2,851.9	\$139.7	\$394.3
Net Contributed Capital <sup>1</sup>	\$2,069.0	\$2,042.2	\$1,829.1	\$26.7	\$239.9
Net Distributed Capital <sup>2</sup>	\$955.5	\$905.5	\$740.5	\$49.9	\$215.0
Market Value	\$1,717.6	\$1,712.2	\$1,573.6	\$5.4	\$144.0
Total Value	\$2,673.1	\$2,617.7	\$2,314.1	\$55.3	\$359.0
Total Gain/(Loss)	\$604.1	\$575.5	\$485.1	\$28.6	\$119.1
Unfunded Commitment	\$1,160.4	\$1,028.5	\$983.7	\$131.8	\$176.7
Total Exposure <sup>3</sup>	\$2,878.0	\$2,740.7	\$2,557.3	\$137.2	\$320.6
DPI <sup>4</sup>	0.46x	0.44x	0.40x	0.02x	0.06x
TVM <sup>5</sup>	1.29x	1.28x	1.27x	0.01x	0.02x
IRR <sup>6</sup>	9.5%	9.5%	9.7%	+ 9 bps	- 19 bps
<b>Exited Investments</b>					
Number of Managers	4	2	2	2	2
Number of Investments	6	2	2	4	4
Committed Capital	\$109.3	\$35.0	\$35.0	\$74.3	\$74.3
Net Contributed Capital <sup>1</sup>	\$67.3	\$12.8	\$12.8	\$54.6	\$54.6
Net Distributed Capital <sup>2</sup>	\$86.1	\$16.2	\$16.2	\$69.9	\$69.9
Total Value	\$86.1	\$16.2	\$16.2	\$69.9	\$69.9
Total Gain/(Loss)	\$18.7	\$3.4	\$3.4	\$15.4	\$15.4
Unfunded Commitment	\$0.1	\$0.0	\$0.0	\$0.1	\$0.1
DPI <sup>5</sup>	1.28x	1.26x	1.26x	0.02x	0.02x
TVM <sup>6</sup>	1.28x	1.26x	1.26x	0.02x	0.02x
IRR <sup>7</sup>	9.3%	34.2%	34.2%	- 2,488 bps	- 2,488 bps
<b>Total Portfolio</b>					
Number of Managers	102	100	96	2	6
Number of Investments	146	142	137	4	9
Committed Capital	\$3,355.5	\$3,141.6	\$2,886.9	\$214.0	\$468.6
Net Contributed Capital <sup>1</sup>	\$2,136.3	\$2,055.0	\$1,841.9	\$81.3	\$294.4
Net Distributed Capital <sup>2</sup>	\$1,041.5	\$921.7	\$756.6	\$119.9	\$284.9
Market Value <sup>3</sup>	\$1,717.6	\$1,712.2	\$1,573.6	\$5.4	\$144.0
Total Value	\$2,759.2	\$2,633.9	\$2,330.3	\$125.3	\$428.9
Total Gain/(Loss)	\$622.8	\$578.9	\$488.4	\$44.0	\$134.4
Unfunded Commitment	\$1,160.5	\$1,028.5	\$983.7	\$132.0	\$176.8
Total Exposure <sup>4</sup>	\$2,878.1	\$2,740.7	\$2,557.3	\$137.4	\$320.8
DPI <sup>5</sup>	0.49x	0.45x	0.41x	0.04x	0.08x
TVM <sup>6</sup>	1.29x	1.28x	1.27x	0.01x	0.02x
IRR <sup>7</sup>	9.5%	9.5%	9.8%	+ 5 bps	- 24 bps

<sup>1</sup>Net Contributed Capital represents total contributed capital net of distributions subject to recall.

<sup>2</sup>Net Distributed Capital represents total permanent (non-recallable) distributed capital. Please note that the Net Distributed Capital as of December 31, 2011 is presented Pro-Forma for the proceeds received/expected to be received from the sale of four partnership investments in secondary transactions that closed subsequent to quarter-end.

<sup>3</sup>Please note that the Market Value as of December 31, 2011 is presented Pro-Forma for the sale of four partnership investments in secondary transactions that closed subsequent to quarter-end.

<sup>4</sup>Total Exposure represents the sum of Market Value and Unfunded Commitment.

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

<sup>6</sup>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 Net Distributed Capital, divided by Net Contributed Capital.

<sup>7</sup>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 December 31, 2011 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. Performance of funds that are less than two years old is not meaningful. Note that Thomson ONE data is continuously updated and is therefore subject to change.

As of December 31, 2011 (US\$ in millions)

Vintage Year	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR	Thomson ONE U.S. All PE Median Quartile TVM	Thomson ONE U.S. All PE Median Quartile IRR
1998	\$20.0	\$20.0	\$25.4	\$1.9	\$0.0	\$1.9	1.36x	6.3%	1.26x	3.5%
1999	112.0	109.7	132.7	18.4	2.4	20.7	1.38x	8.1%	0.86x	(2.7%)
2000	60.0	57.3	57.5	28.7	3.6	32.2	1.50x	8.2%	1.00x	0.0%
2001	100.0	93.8	164.6	27.4	4.4	31.8	2.05x	25.5%	1.17x	3.7%
2002	80.0	74.7	75.6	31.5	6.0	37.5	1.43x	15.5%	1.15x	2.3%
2003	100.0	90.0	126.4	63.5	6.9	70.4	2.11x	25.9%	1.27x	5.5%
2004	192.1	172.7	91.3	128.5	21.1	149.6	1.27x	6.6%	1.17x	3.8%
2005	310.1	278.0	118.3	228.9	35.9	264.8	1.25x	6.3%	1.21x	6.3%
2006	550.3	465.1	93.9	445.6	92.8	538.4	1.16x	4.8%	1.11x	3.7%
2007	426.3	308.4	82.2	282.2	111.9	394.1	1.18x	7.7%	1.17x	6.9%
2008	665.3	345.5	56.8	351.0	265.8	616.8	1.18x	9.3%	1.16x	8.8%
2009	122.5	59.7	16.7	50.7	53.5	104.2	1.13x	10.7%	1.13x	8.5%
2010	102.5	20.8	0.0	18.7	82.2	100.8	0.90x	NM	1.04x	NM
2011	439.4	40.7	0.2	40.5	399.1	439.6	1.00x	NM	0.93x	NM
2012	75.0	-	-	0.0	75.0	75.0	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$3,355.5</b>	<b>\$2,136.3</b>	<b>\$1,041.5</b>	<b>\$1,717.6</b>	<b>\$1,160.5</b>	<b>\$2,878.1</b>	<b>1.29x</b>	<b>9.5%</b>	<b>1.11x</b>	<b>3.0%</b>

As of December 31, 2011



## Portfolio Periodic Returns vs. Russell 3000® Index

As of December 31, 2011	1 Year	3 Year	5 Year	10 Year	Since Inception
NYCPPF IRR	8.5%	12.4%	7.2%	10.1%	9.5%
Russell 3000® <sup>1</sup>	2.0%	15.0%	3.9%	5.1%	4.9%
Russell 3000® + 500 bps <sup>1</sup>	7.0%	20.0%	8.9%	10.1%	9.9%
<b>NYCPPF Outperformance/(Underperformance)</b>	<b>1.5%</b>	<b>(7.6%)</b>	<b>(1.8%)</b>	<b>(0.1%)</b>	<b>(0.4%)</b>

<sup>1</sup>Benchmark 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

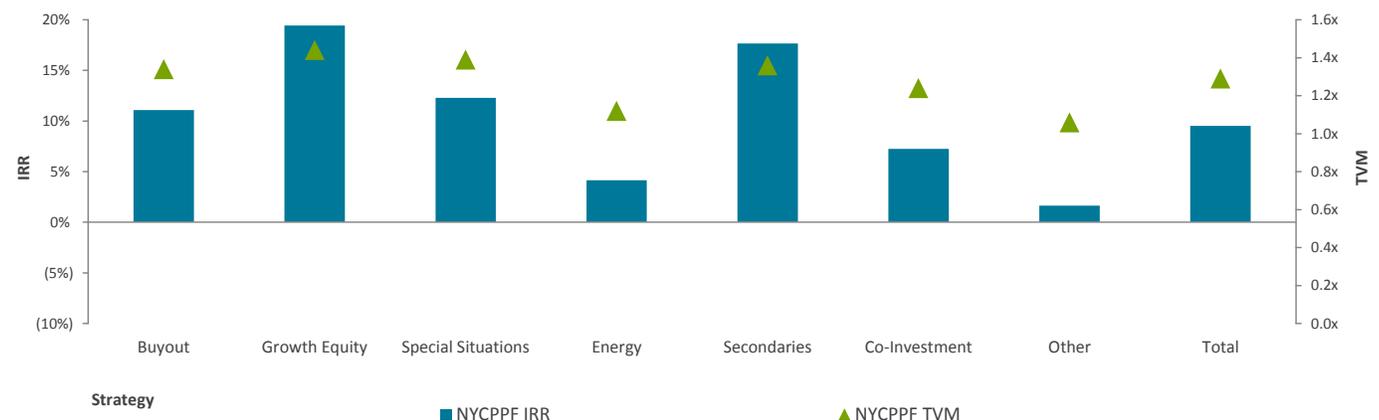
The following table and charts illustrate the Portfolio's since inception investment performance by strategy and sub-strategy as of December 31, 2011 Pro-Forma for the Secondary Sale.

As of December 31, 2011 (US\$ in millions)

Strategy / Sub-Strategy	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR
<b>Buyout</b>	<b>\$2,100.7</b>	<b>\$1,368.2</b>	<b>\$735.9</b>	<b>\$1,102.6</b>	<b>\$720.4</b>	<b>\$1,823.0</b>	<b>1.34x</b>	<b>11.1%</b>
Mega Buyout	555.1	320.6	152.1	299.9	226.6	526.4	1.41x	13.0%
Large Buyout	352.6	189.1	243.9	93.7	151.8	245.5	1.79x	26.4%
Middle-Market Buyout	624.0	446.7	165.1	371.3	179.7	550.9	1.20x	5.9%
Small Buyout	568.9	411.8	174.8	337.8	162.3	500.1	1.24x	8.4%
<b>Growth Equity</b>	<b>272.5</b>	<b>70.1</b>	<b>23.9</b>	<b>77.1</b>	<b>203.3</b>	<b>280.4</b>	<b>1.44x</b>	<b>19.4%</b>
<b>Special Situations</b>	<b>155.0</b>	<b>103.7</b>	<b>79.8</b>	<b>63.8</b>	<b>31.9</b>	<b>95.8</b>	<b>1.39x</b>	<b>12.3%</b>
<b>Energy</b>	<b>130.0</b>	<b>100.3</b>	<b>17.3</b>	<b>94.5</b>	<b>29.9</b>	<b>124.4</b>	<b>1.12x</b>	<b>4.2%</b>
<b>Secondaries</b>	<b>177.3</b>	<b>102.2</b>	<b>74.5</b>	<b>64.0</b>	<b>76.3</b>	<b>140.4</b>	<b>1.36x</b>	<b>17.7%</b>
<b>Co-Investment</b>	<b>109.1</b>	<b>62.4</b>	<b>27.0</b>	<b>50.2</b>	<b>12.0</b>	<b>62.2</b>	<b>1.24x</b>	<b>7.2%</b>
<b>Other</b>	<b>411.0</b>	<b>329.5</b>	<b>83.0</b>	<b>265.3</b>	<b>86.6</b>	<b>351.8</b>	<b>1.06x</b>	<b>1.7%</b>
Mezzanine	56.5	49.6	24.3	41.3	8.3	49.6	1.32x	13.2%
Venture Capital	354.5	279.9	58.7	224.0	78.3	302.3	1.01x	0.3%
<b>Total</b>	<b>\$3,355.5</b>	<b>\$2,136.3</b>	<b>\$1,041.5</b>	<b>\$1,717.6</b>	<b>\$1,160.5</b>	<b>\$2,878.1</b>	<b>1.29x</b>	<b>9.5%</b>

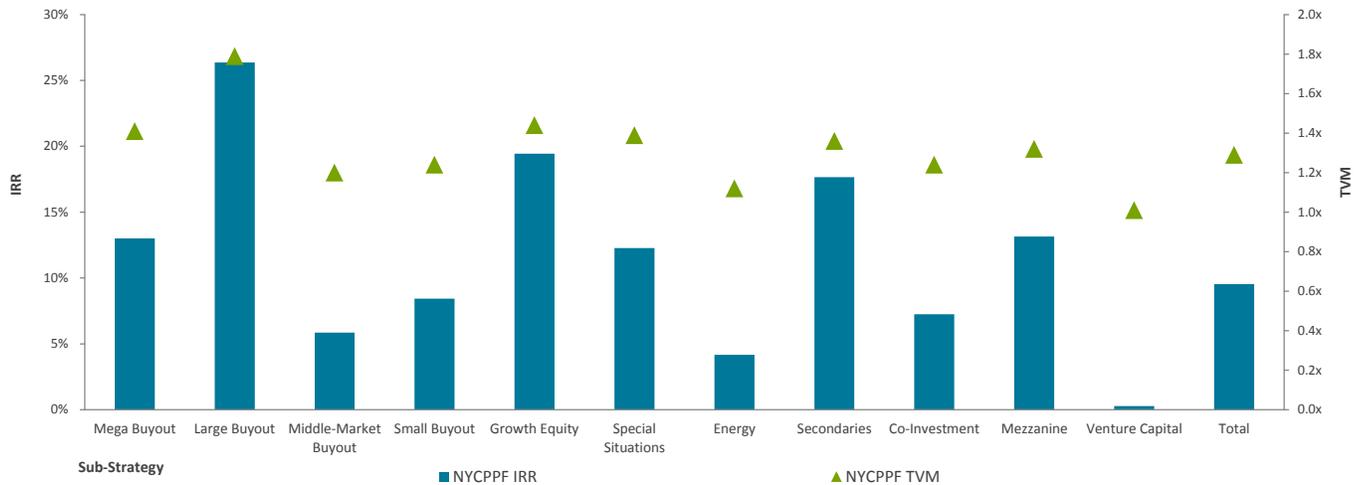
## Performance by Strategy

As of December 31, 2011



## Performance by Sub-Strategy

As of December 31, 2011



## Portfolio Diversification

The following tables illustrate the Portfolio's diversification by strategy and fund geographic focus as of December 31, 2011 Pro-Forma for the Secondary Sale.

### By Strategy/Sub-Strategy

	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<b>Buyout</b>	<b>1,102.6</b>	<b>64.2%</b>	<b>720.4</b>	<b>62.1%</b>	<b>1,823.0</b>	<b>63.3%</b>
Mega Buyout	299.9	17.5%	226.6	19.5%	526.4	18.3%
Large Buyout	93.7	5.5%	151.8	13.1%	245.5	8.5%
Middle-Market Buyout	371.3	21.6%	179.7	15.5%	550.9	19.1%
Small Buyout	337.8	19.7%	162.3	14.0%	500.1	17.4%
<b>Growth Equity</b>	<b>77.1</b>	<b>4.5%</b>	<b>203.3</b>	<b>17.5%</b>	<b>280.4</b>	<b>9.7%</b>
<b>Special Situations</b>	<b>63.8</b>	<b>3.7%</b>	<b>31.9</b>	<b>2.8%</b>	<b>95.8</b>	<b>3.3%</b>
<b>Energy</b>	<b>94.5</b>	<b>5.5%</b>	<b>29.9</b>	<b>2.6%</b>	<b>124.4</b>	<b>4.3%</b>
<b>Secondaries</b>	<b>64.0</b>	<b>3.7%</b>	<b>76.3</b>	<b>6.6%</b>	<b>140.4</b>	<b>4.9%</b>
<b>Co-Investment</b>	<b>50.2</b>	<b>2.9%</b>	<b>12.0</b>	<b>1.0%</b>	<b>62.2</b>	<b>2.2%</b>
<b>Other</b>	<b>265.3</b>	<b>15.4%</b>	<b>86.6</b>	<b>7.5%</b>	<b>351.8</b>	<b>12.2%</b>
Mezzanine	41.3	2.4%	8.3	0.7%	49.6	1.7%
Venture Capital	224.0	13.0%	78.3	6.7%	302.3	10.5%
<b>Total</b>	<b>1,717.6</b>	<b>100.0%</b>	<b>1,160.5</b>	<b>100.0%</b>	<b>2,878.1</b>	<b>100.0%</b>

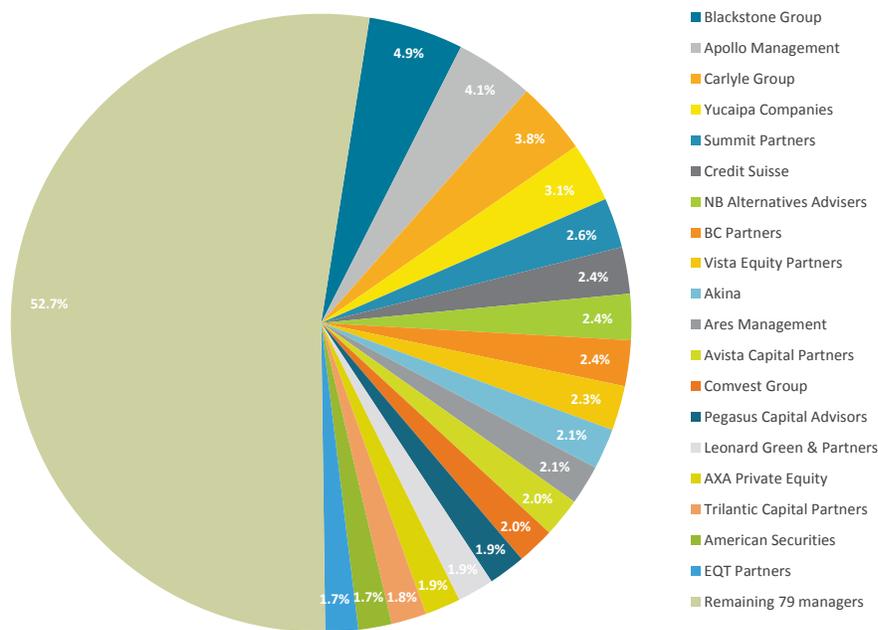
### By Fund Geographic Focus

As of December 31, 2011 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
North America	1,112.6	64.8%	754.9	65.0%	1,867.5	64.9%
Global	455.5	26.5%	221.1	19.1%	676.6	23.5%
Western Europe	125.8	7.3%	165.8	14.3%	291.6	10.1%
Rest of World	23.7	1.4%	18.7	1.6%	42.4	1.5%
<b>Total</b>	<b>1,717.6</b>	<b>100.0%</b>	<b>1,160.5</b>	<b>100.0%</b>	<b>2,878.1</b>	<b>100.0%</b>

### By Investment Manager

As of December 31, 2011 and Pro Forma for the Secondary Sale, the Portfolio was highly diversified by investment manager, with 19 managers comprising \$1,517.0 million, or 47.3% of total exposure. The remaining 79 managers comprised 52.7% of total exposure as of quarter-end.

**Portfolio Total Exposure by Investment Manager**  
As of December 31, 2011



## II. April Monthly Performance Review:



# *Monthly Performance Review*

## *April 2012*

*Prepared for the New York City  
Police Pension Fund*

*6/5/2012*

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# **ECONOMIC INDICATORS**

*as of May 2012*

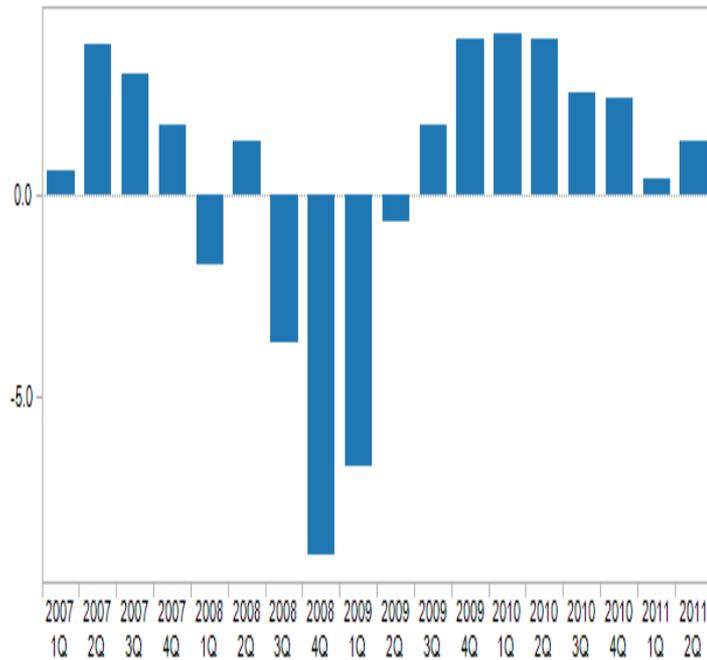


**NYC OFFICE OF THE COMPTROLLER  
BUREAU OF ASSET MANAGEMENT**

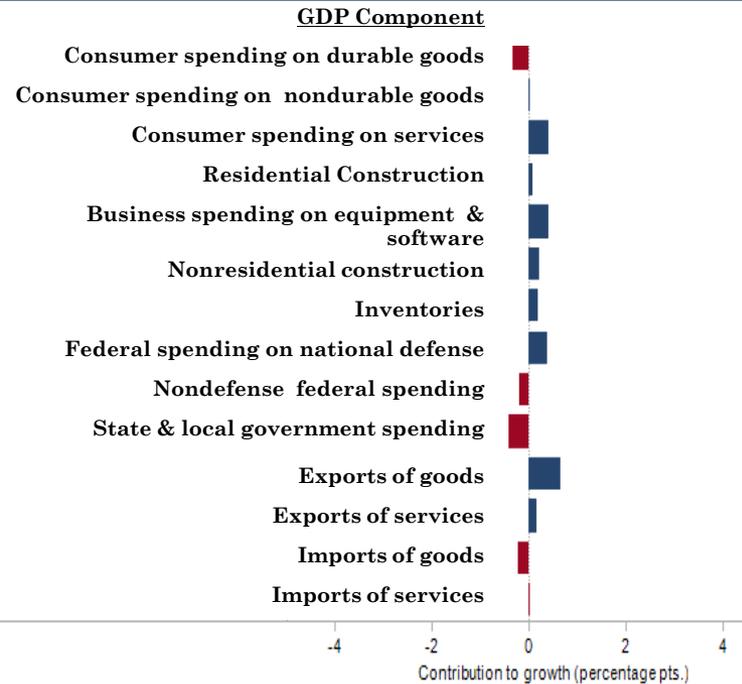
# COMPONENTS OF GDP

2

**ALL SHOW OVERALL % CHANGE FROM PRECEDING QUARTER AT SEASONAL ADJUSTED ANNUAL RATE**



**COMPONENTS WHICH CONTRIBUTED TO GDP GROWTH**

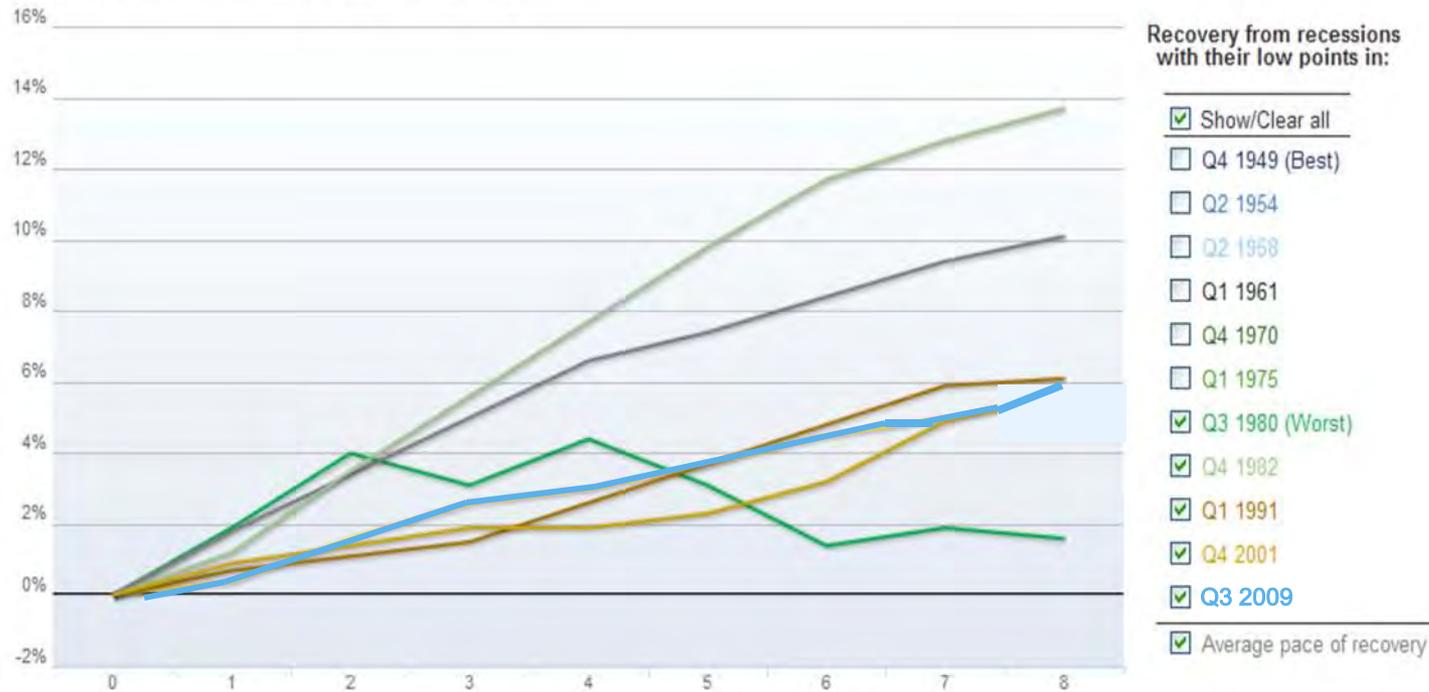


◦ **NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**

# US GROSS DOMESTIC PRODUCT (INFLATION ADJUSTED)

3

U.S. gross domestic product, inflation adjusted, quarterly



Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

- **NOTES: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**
- **GDP GROWTH DURING THE CURRENT RECOVERY INCLUDES SECOND-QUARTER FORECAST CALCULATED USING CONSENSUS FORECAST OF 2 % ANNUAL GROWTH.**

# CAPACITY UTILIZATION

4



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# ISM MANUFACTURING INDEX

5



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# WEEKLY UNEMPLOYMENT CLAIMS

6



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# UNEMPLOYMENT RATE

7

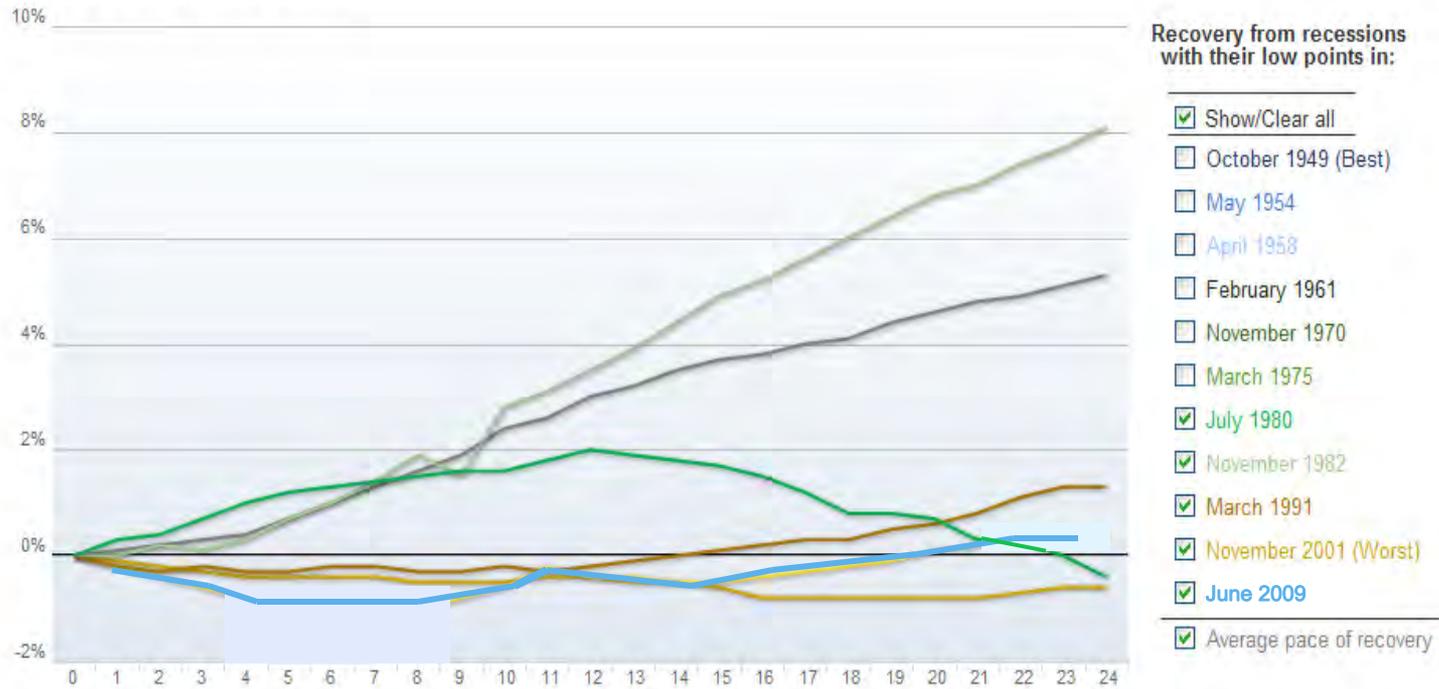


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# US JOBS (NON-AGRICULTURAL PAYROLLS)

8

U.S. non-agricultural payrolls, monthly

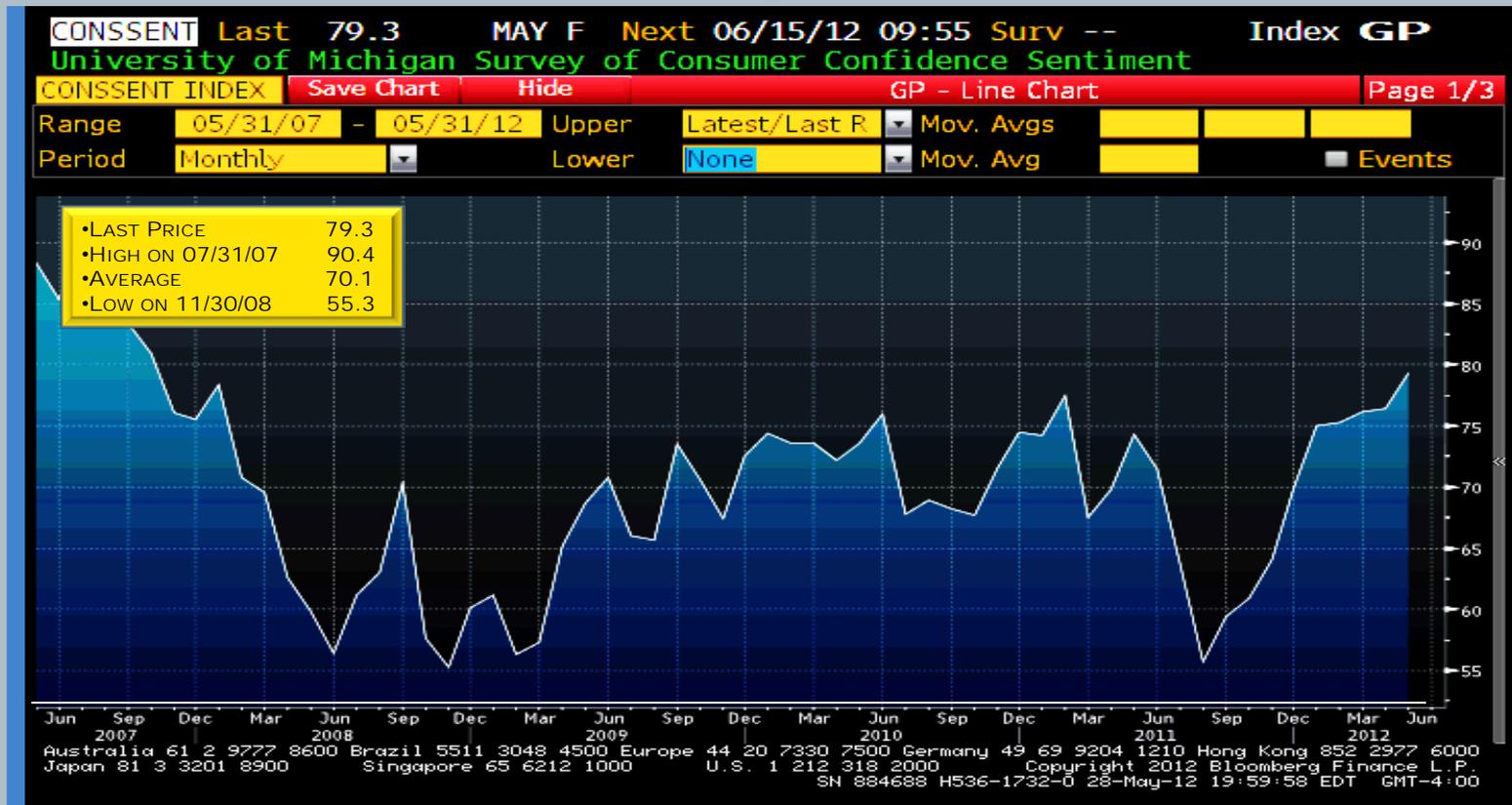


Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

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# CONSUMER SENTIMENT

9



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# ARCHITECTURAL BILLINGS INDEX

10

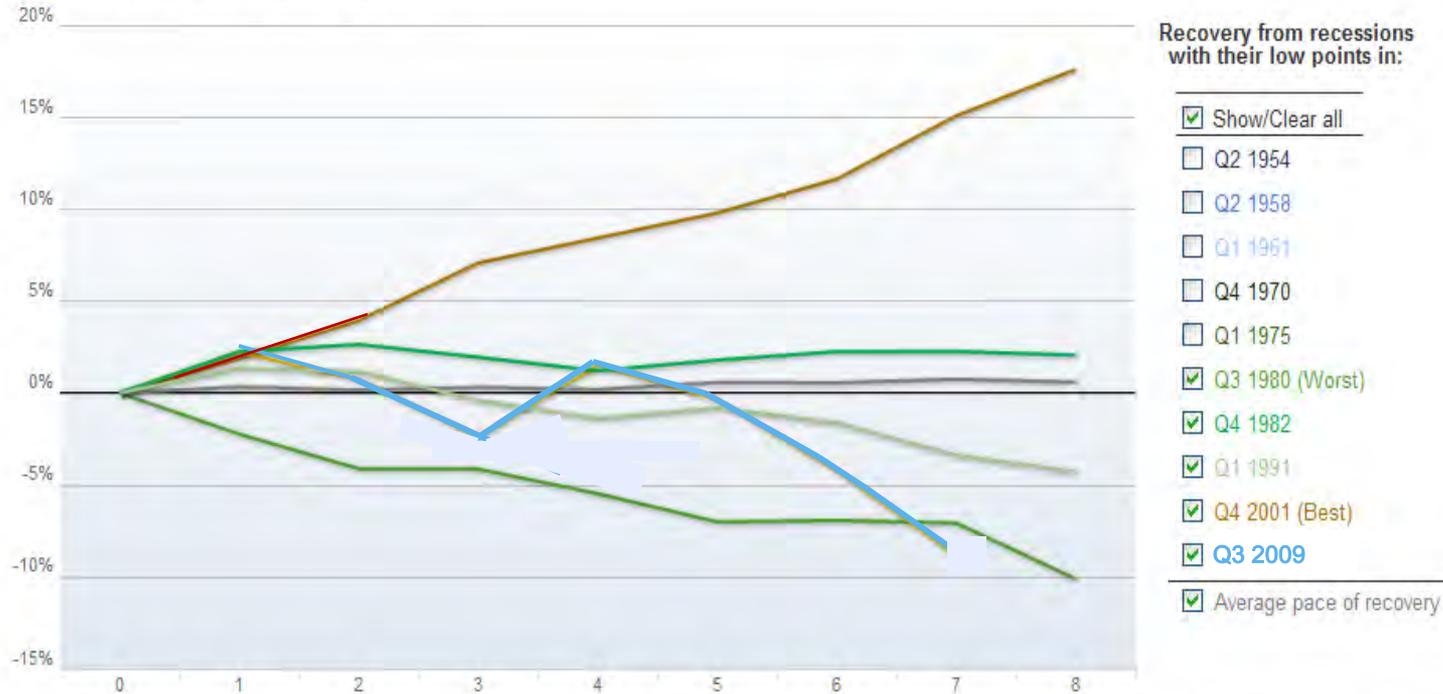


- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# US HOUSE PRICES (INFLATION ADJUSTED)

11

U.S. house prices, inflation adjusted, quarterly



Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

- **NOTES: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**
- **QUARTERLY REAL HOME PRICES DATA BEGAN IN 1953. RECOVERY DATA BEFORE 1953 ARE NOT INCLUDED IN RANKINGS OR AVERAGES**

# EXISTING HOME SALES

12



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# NEW HOUSING STARTS

13



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# RETAIL SALES

14



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# US AUTO SALES

15



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# INDEX OF LEADING ECONOMIC INDICATORS

16



- THE INDEX OF LEI IS COMPOSED OF: AVE. WEEKLY MANUFACTURING HRS, AVE. WEEKLY JOBLESS CLAIMS, MANUFACTURERS' NEW ORDERS-CONSUMER & CAPITAL, VENDOR PERFORMANCE, NEW BUILDING PERMITS, STOCK PRICES, MONEY SUPPLY-M2, INT. RATE SPREADS & CONSUMER EXPECTATIONS
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.

# INFLATION- CPI

17



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# MARKET INDICATORS

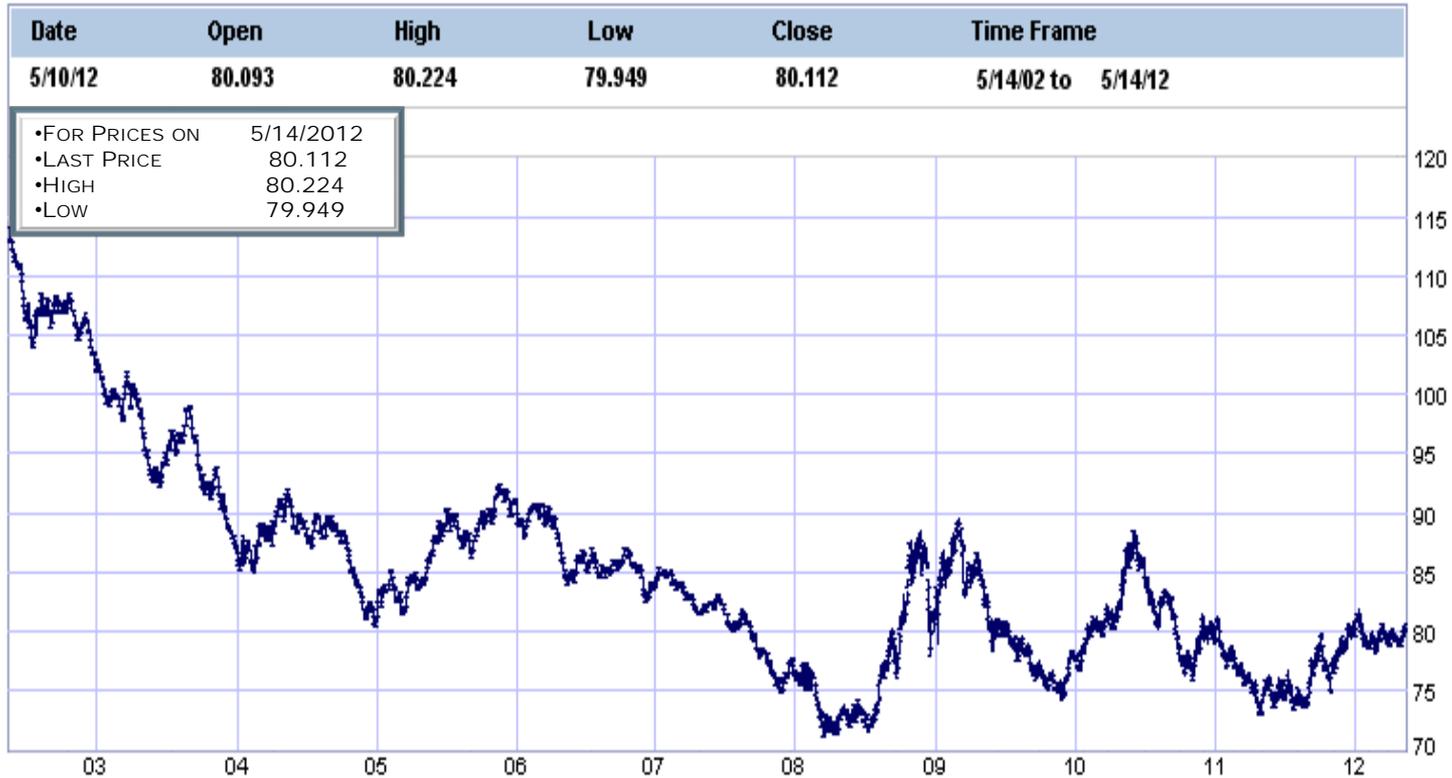
*as of May 2012*



NYC OFFICE OF THE COMPTROLLER  
BUREAU OF ASSET MANAGEMENT

# TRADE WEIGHTED US DOLLAR INDEX

19



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# USD/EUR EXCHANGE RATE

20



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# 3-MONTH LIBOR RATES

21



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# VOLATILITY INDEX (THE "VIX")

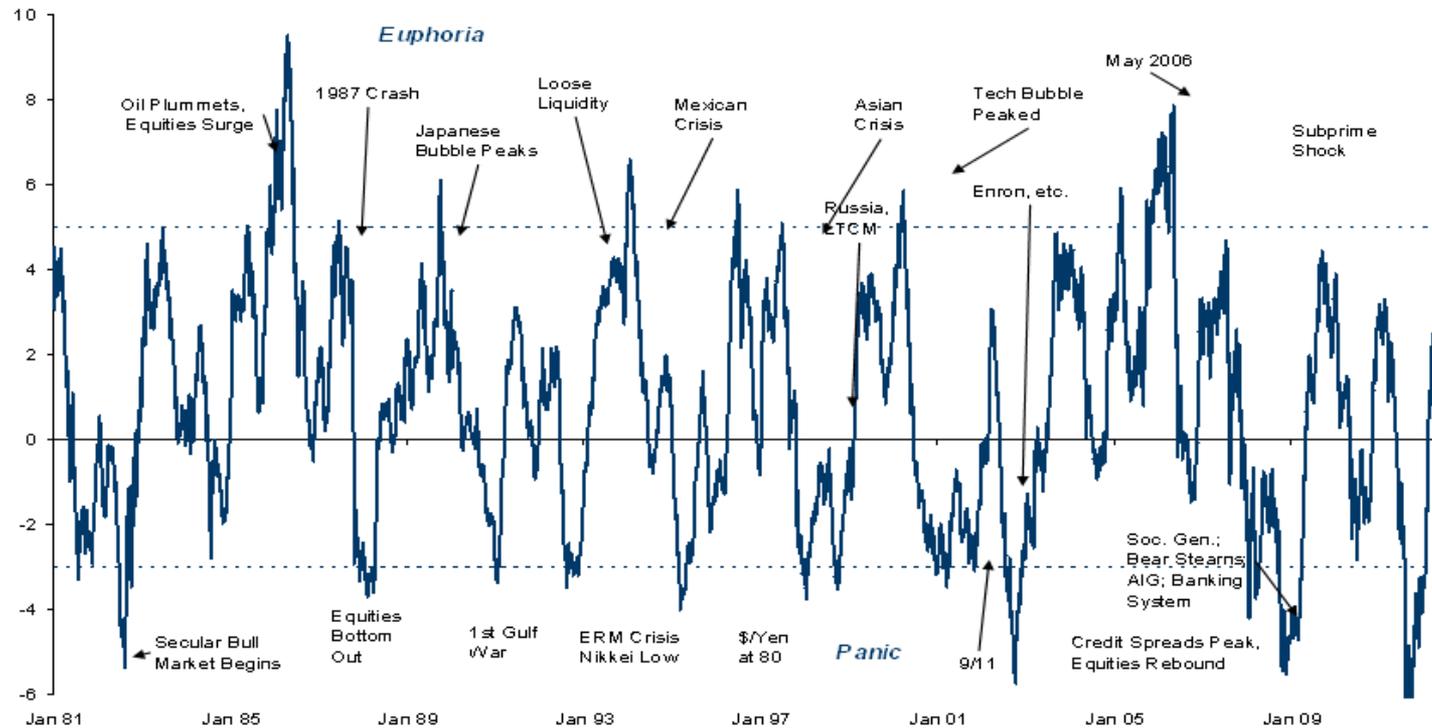
22



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# GLOBAL RISK APPETITE

23

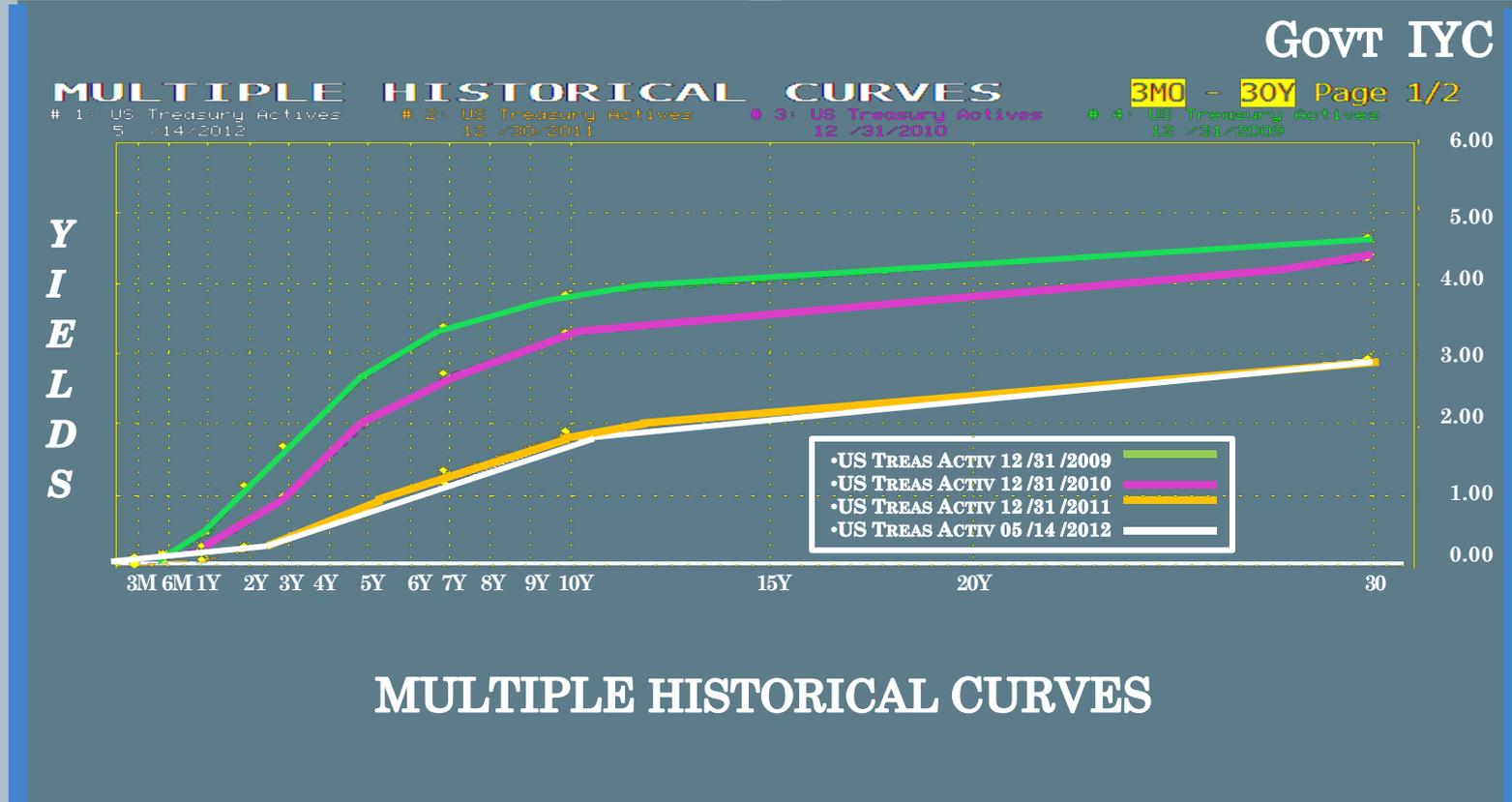


Last Data Point: 05/10/2012

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# US TREASURY YIELD CURVES

24



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# 10 YEAR TREASURY RATES

25



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# INVESTMENT GRADE AND HY SPREADS

26



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# CORPORATE EARNINGS

## S & P 500 EARNINGS PER SHARE & P/E RATIO

27

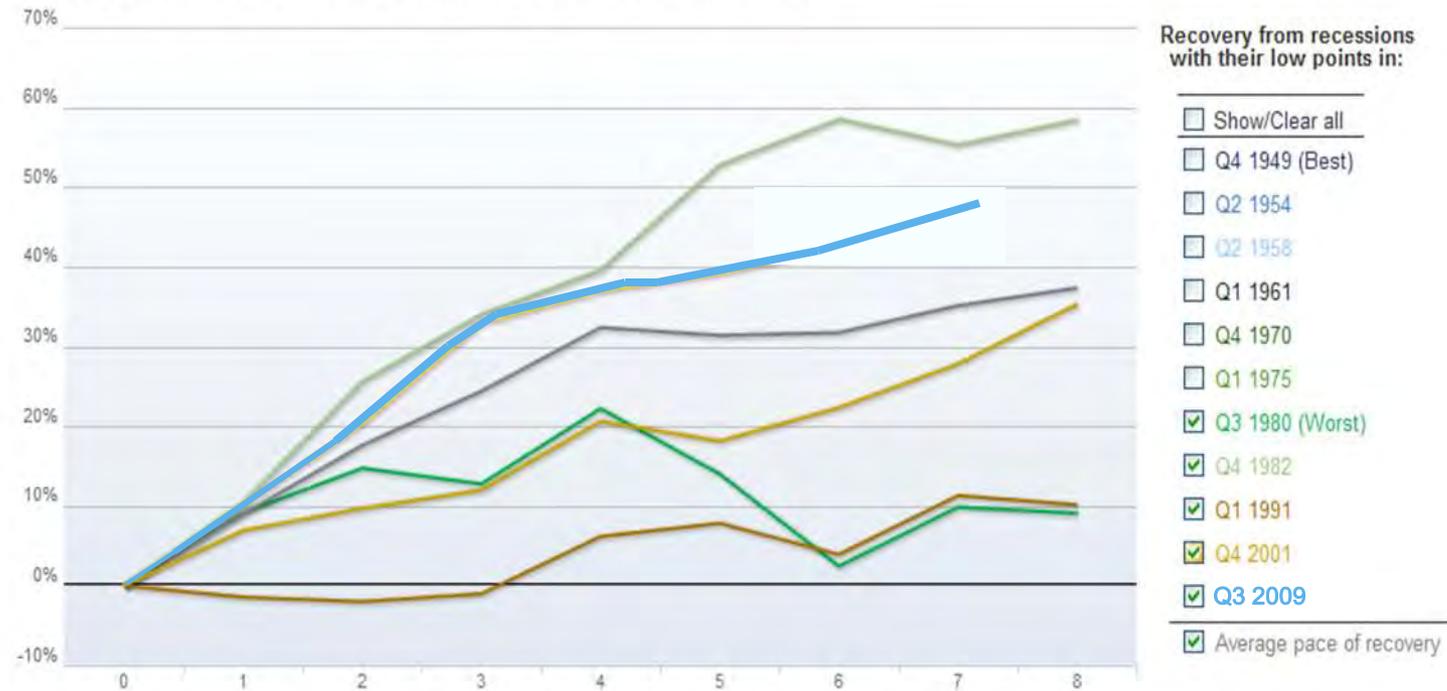


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# CORPORATE PROFITS

28

Corporate profits with inventory valuation and capital consumption adjustments, quarterly

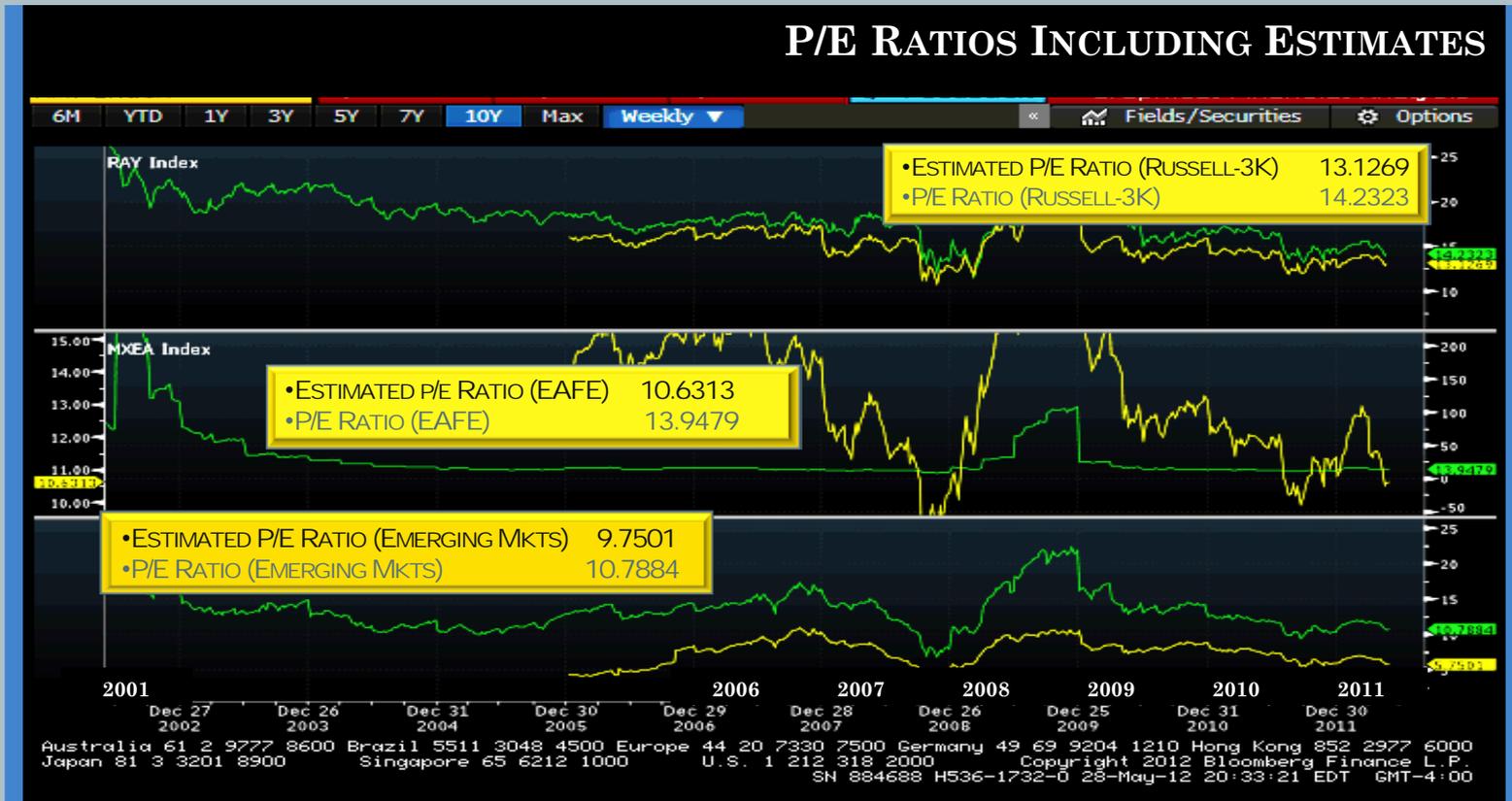


Sources: Commerce Department (corporate profits, income, GDP); Federal Reserve (bank lending); Robert J. Shiller (real home prices); Labor Department (jobs); Federal Reserve Bank of St. Louis (inflation-adjusted exports and consumer spending)

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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

29



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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

30



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# RECENT GLOBAL EQUITY MARKET RETURNS

<HELP> for explanation. Index COMP  
 Hit 1<Go> for Options, Hit <Page> for table. Page 1/19

### COMPARATIVE RETURNS

Securities	Range	Crcny	Prc	Appr	Daily Total Ret	364 Day Difference	Period Annual Eq
1 RAY Index	5/27/11 - 5/25/12	USD	-2.22 %		-.24 %	17.69 %	-.24 %
2 MXEA Index		USD	-20.96 %		-17.93 %		-17.97 %
3 MXEF Index		USD	-21.40 %		-19.18 %	-1.25 %	-19.23 %

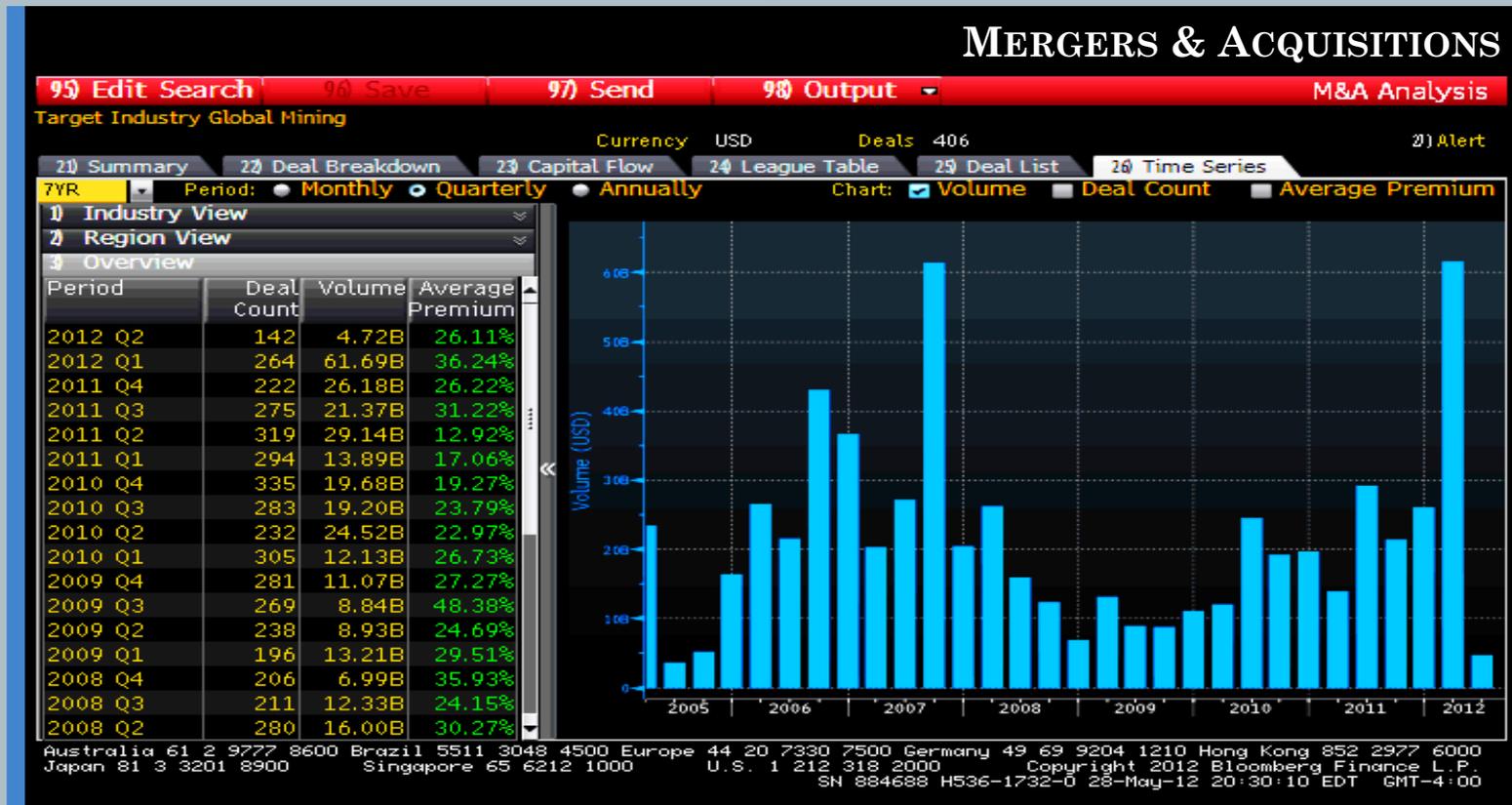
(\* = No dividends or coupons)



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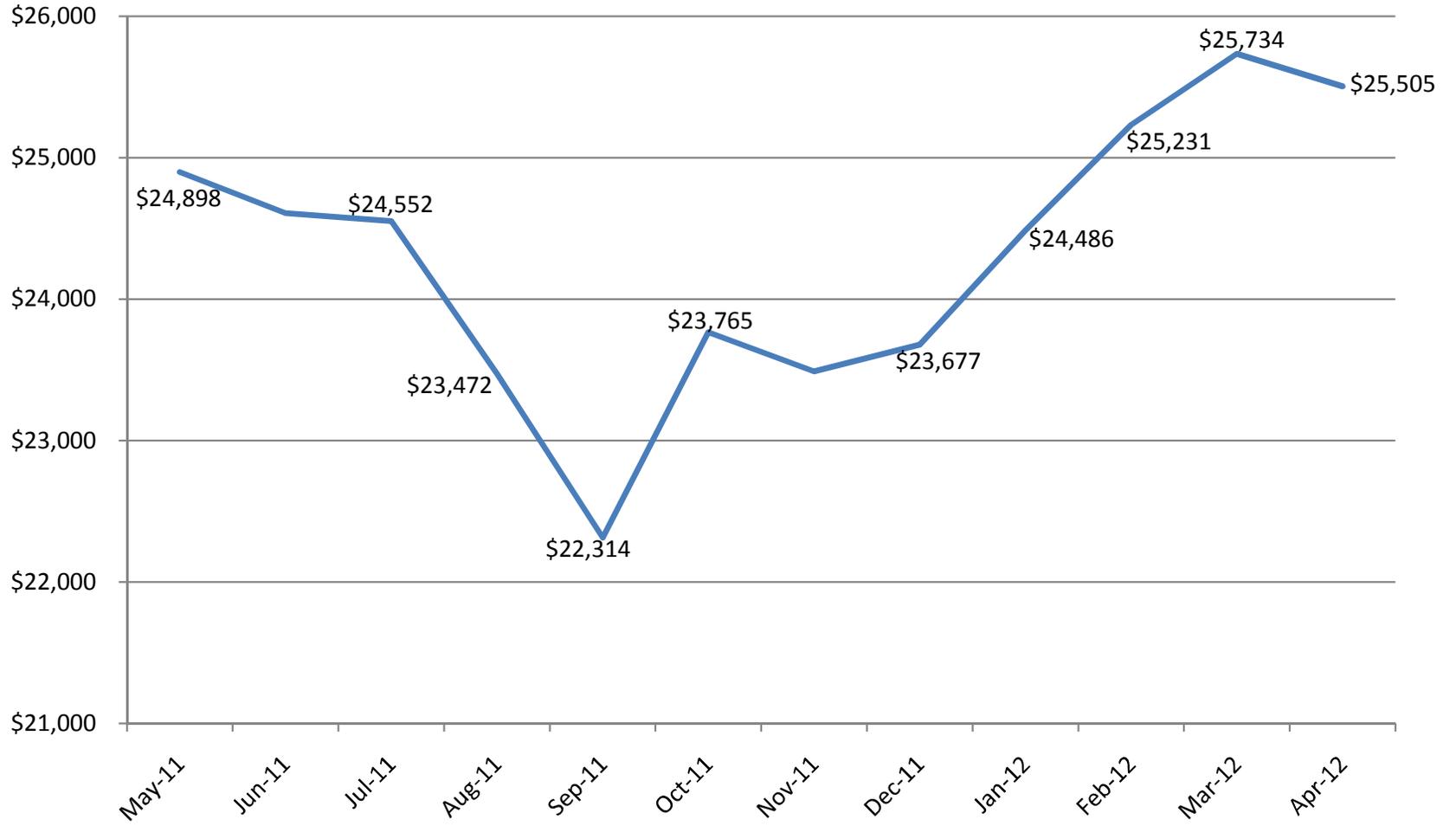
# MERGERS & ACQUISITIONS ACTIVITY

32

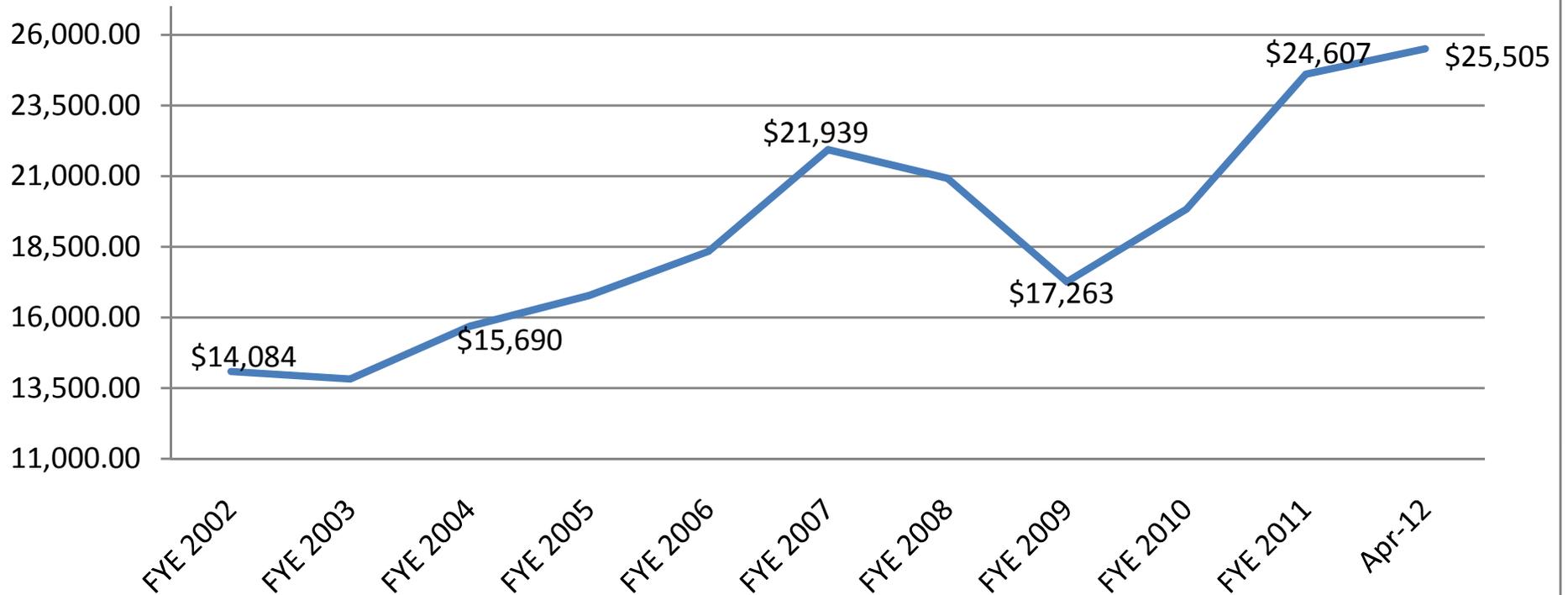


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### POLICE Market Values May 2011 - April 2012



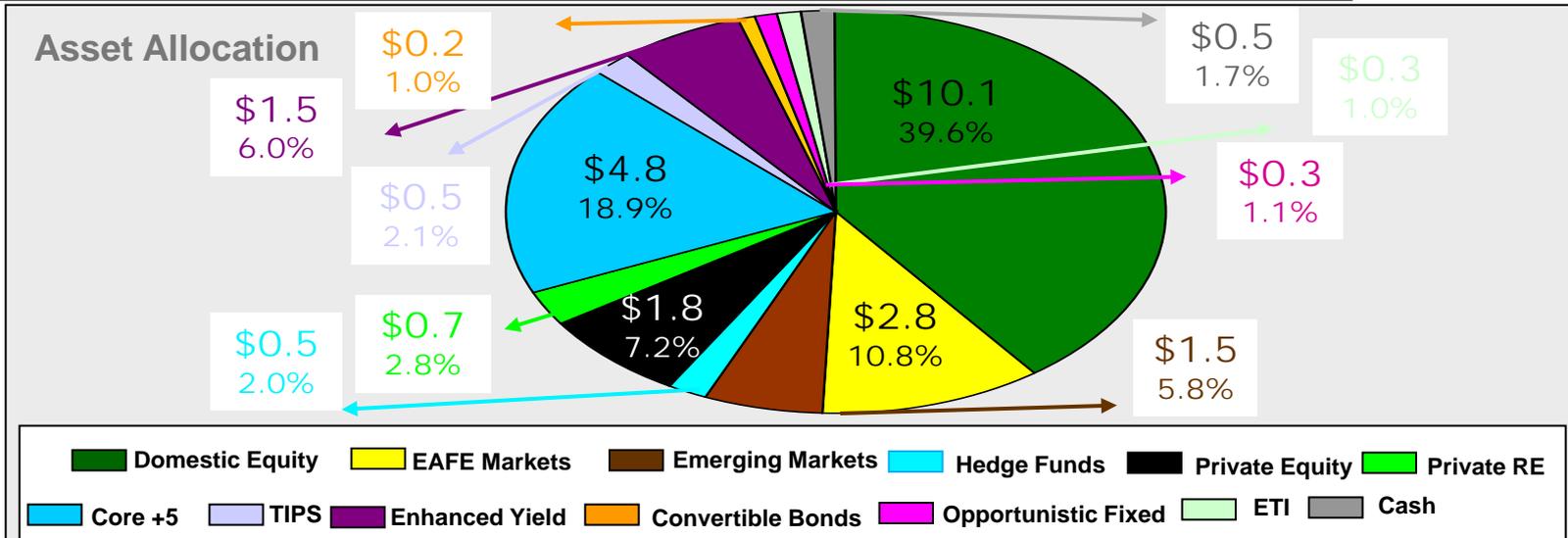
## POLICE Market Values 2002 - 2012



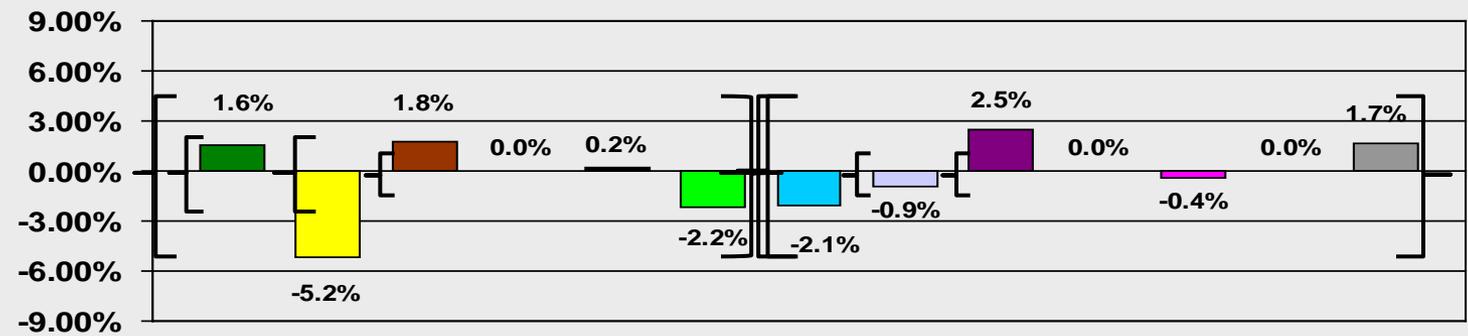
The April 2012 market value of \$25.505 billion is up 2.50% from the June 2011 market value of \$24.607.

# Portfolio Asset Allocation: April 30, 2012

**\$25.5B** Under Management



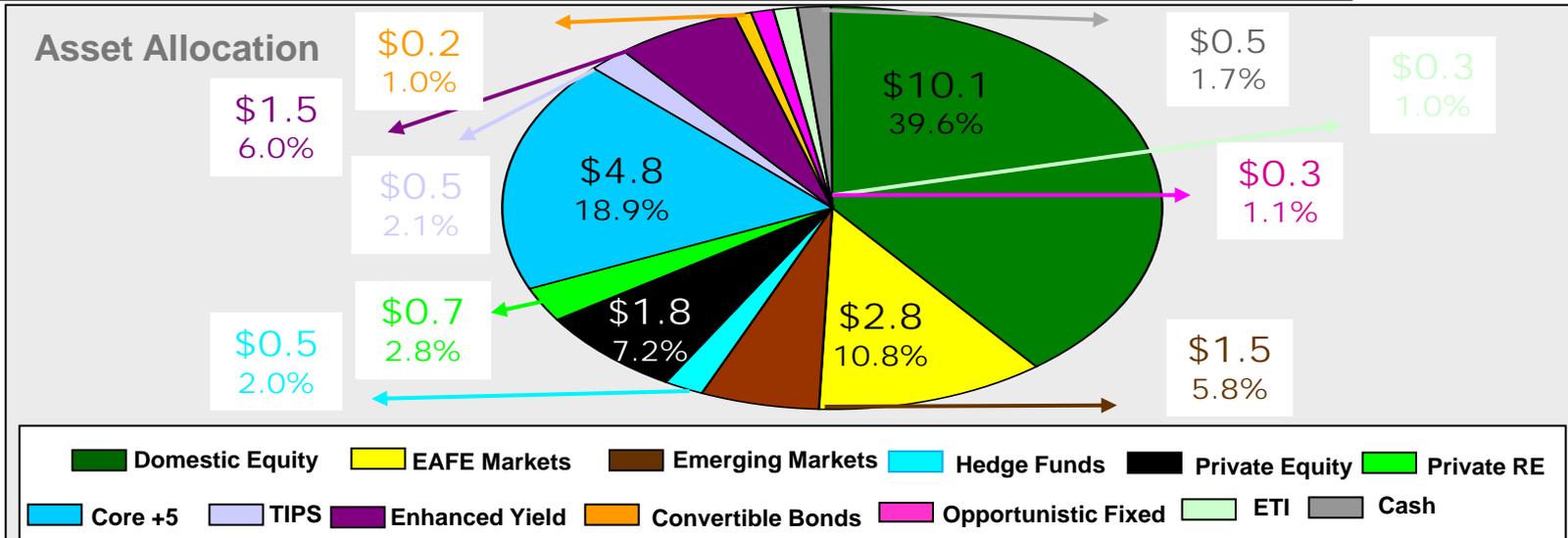
## Relative Mix to Old Policy Weights



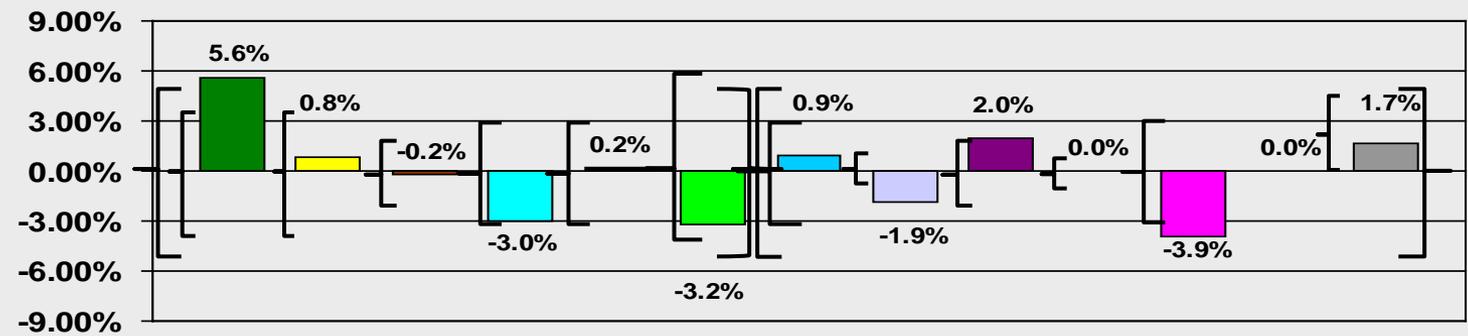
Note: Brackets represent rebalancing ranges versus Policy.

# Portfolio Asset Allocation: April 30, 2012

**\$25.5B** Under Management



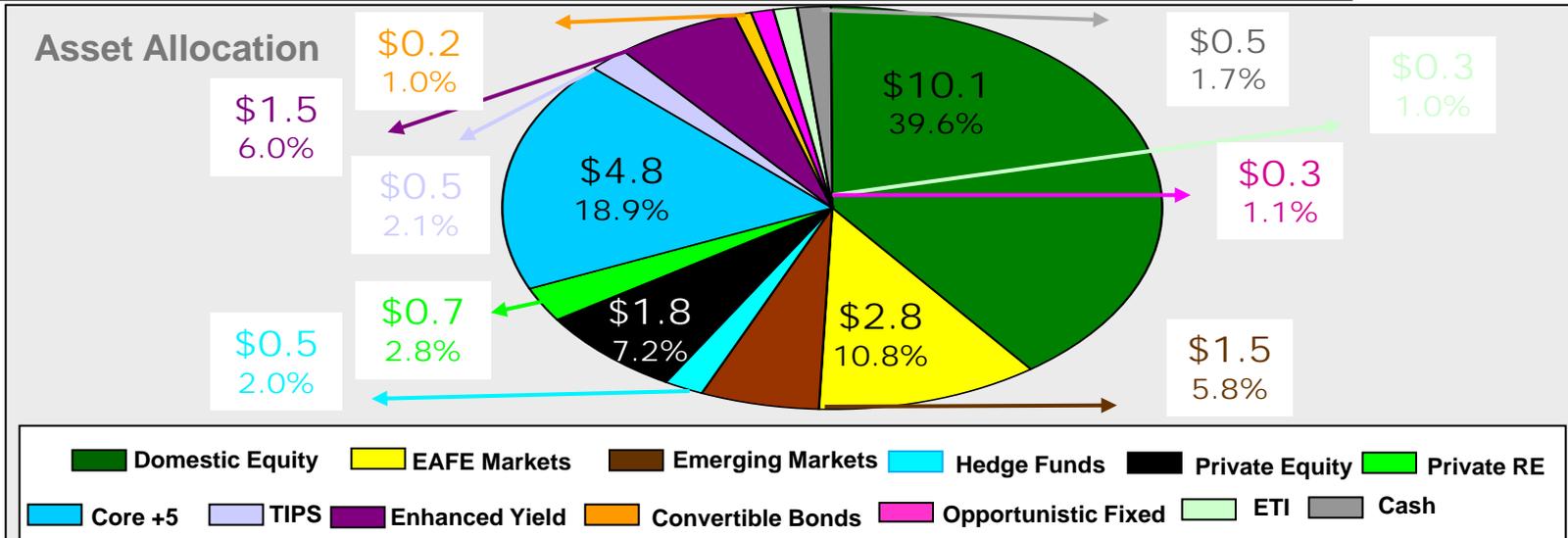
## Relative Mix to New Policy Weights



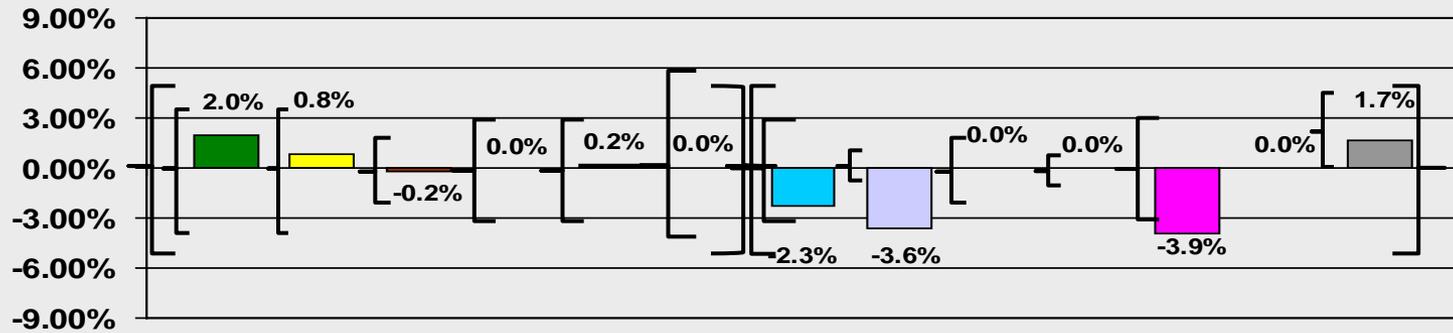
Note: Brackets represent rebalancing ranges versus Policy.

# Portfolio Asset Allocation: April 30, 2012

**\$25.5B** Under Management



## Relative Mix to Adjusted New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

# NYC POLICE RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of April 30th 2012)*

### ASSET CLASS ALLOCATIONS

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
<b>TOTAL EQUITIES</b>	\$17,379.3	68.1%	68.0%	NA	65.2%	60.2% - 70.2%
<b>TOTAL FIXED INCOME</b>	\$8,125.8	31.9%	32.0%	NA	34.8%	29.8% - 39.8%
<b>TOTAL ASSETS</b>	\$25,505.1	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
US Equities	\$10,106.2	39.6%	34.0%	3.4%	37.4%	33.4% - 41.4%
Non-US Equities/EAFE	\$2,762.2	10.8%	10.0%	NA	10.0%	6.0% - 14.0%
Emerging Markets	\$1,479.6	5.8%	6.0%	NA	6.0%	4.0% - 8.0%
<b>TOTAL PUBLIC EQUITY</b>	\$14,348.0	56.3%	50.0%	3.4%	53.4%	
<b>HEDGE FUNDS</b>	\$504.9	2.0%	5.0%	NA	2.0%	2.0% - 8.0%
* <b>PRIVATE REAL ESTATE</b>	\$705.3	2.8%	6.0%	NA	2.8%	2.0% - 12.0%
* <b>PRIVATE EQUITY</b>	\$1,821.2	7.1%	7.0%	NA	7.0%	4.0% - 10.0%
<b>TOTAL EQUITIES</b>	\$17,379.3	68.1%	68.0%	NA	65.2%	60.2% - 70.2%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***	
Core +5	US - Government	\$773.1	3.0%	22.3%	NA	21.2%	18.2% - 24.2%
	US - Mortgage	\$2,306.2	9.0%	42.7%	NA		
	US - Investment Grade Credit	\$1,714.0	6.7%	35.0%	NA		
	<b>TOTAL CORE + 5</b>	\$4,824.2	18.9%	18.0%	3.2%	21.2%	18.2% - 24.2%
TIPS	\$523.8	2.1%	4.0%	1.6%	5.6%	4.6% - 6.6%	
High Yield	\$1,540.7	6.0%	4.0%	2.0%	6.0%	4.0% - 8.0%	
Convertible Bonds	\$244.3	1.0%	1.0%	NA	1.0%	0.0% - 2.0%	
** ETI	\$257.4	1.0%	**2.0%	NA	**1.0%	**1.0%	
Cash	\$464.4	1.8%	0.0%	NA	0.0%	0.0% - 5.0%	
<b>TOTAL PUBLIC FIXED INCOME</b>	\$7,854.7	30.8%	27.0%	NA	33.8%		
* <b>OPPORTUNISTIC FIXED INCOME</b>	\$271.1	1.1%	5.0%	NA	1.1%	1.0% - 8.0%	
<b>TOTAL FIXED INCOME</b>	\$8,125.8	31.9%	32.0%	NA	34.8%	29.8% - 39.8%	

\* Ranges for illiquid asset classes represent minimums and maximums which will be monitored and will influence pacing analysis but will not necessarily result in purchases or sales.

\*\* ETIs have a policy of 2% of the total Fund. The ETI adjusted policy % is shown for illustrative purposes only and is not included in the sub-totals. The ETI policy % is included within the policy % of the other asset classes.

\*\*\* Adjusted Target Ranges are calculated as follows: Total Equities: +/-5%; Total Fixed Income: +/-5%; US Equities: +/-4%; Non-US Equities/EAFE: +/-4%; Emerging Markets: +/-2%; Hedge Funds: +/-3%; Real Estate: +6/-4%; Private Equity: +/-3%; Core +5: +/-3%; TIPS: +/-1%; High Yield: +/-2%; Convertible Bonds: +/-1%; Cash: 0-5%; Opportunistic Fixed Income: +3%/-4%.

# NYC POLICE RETIREMENT SYSTEM

## CLASSIFICATION OF INVESTMENTS

*(as of April 30th 2012)*

### Adjustments to Long-Term Asset Allocation

**1) Private Equity**

80% of uninvested commitments will be invested in Domestic Equity and 20% of uninvested commitments will be invested in International Equity.

**2) Real Estate**

50% of uninvested commitments will be invested in Domestic Equity and 50% of uninvested commitments will be invested in TIPS.

**3) Opportunistic Fixed Income**

50% of uninvested commitments will be invested in Fixed Income Core +5 and 50% of uninvested commitments will be invested in High Yield.

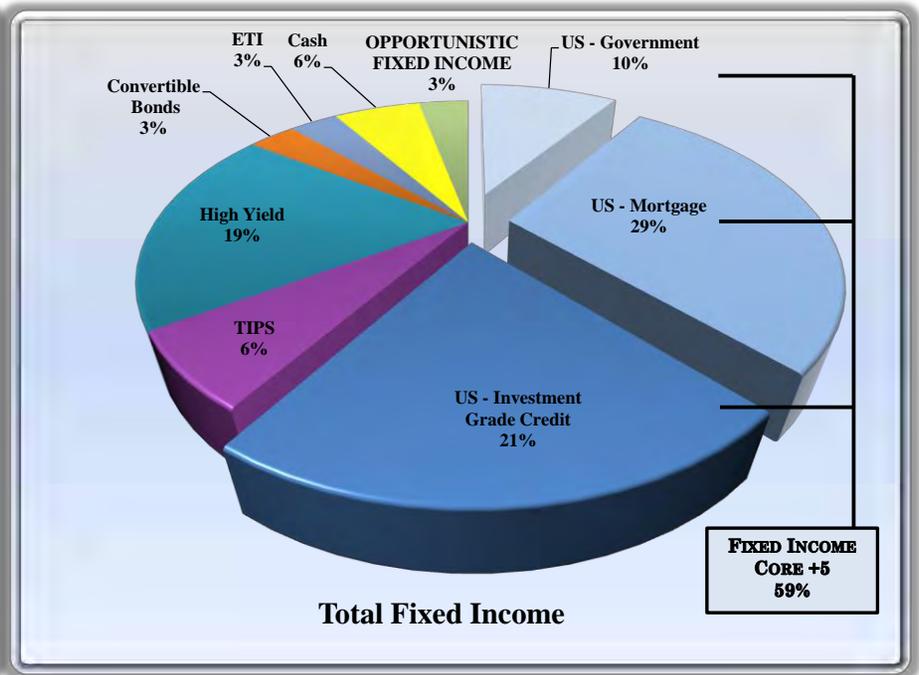
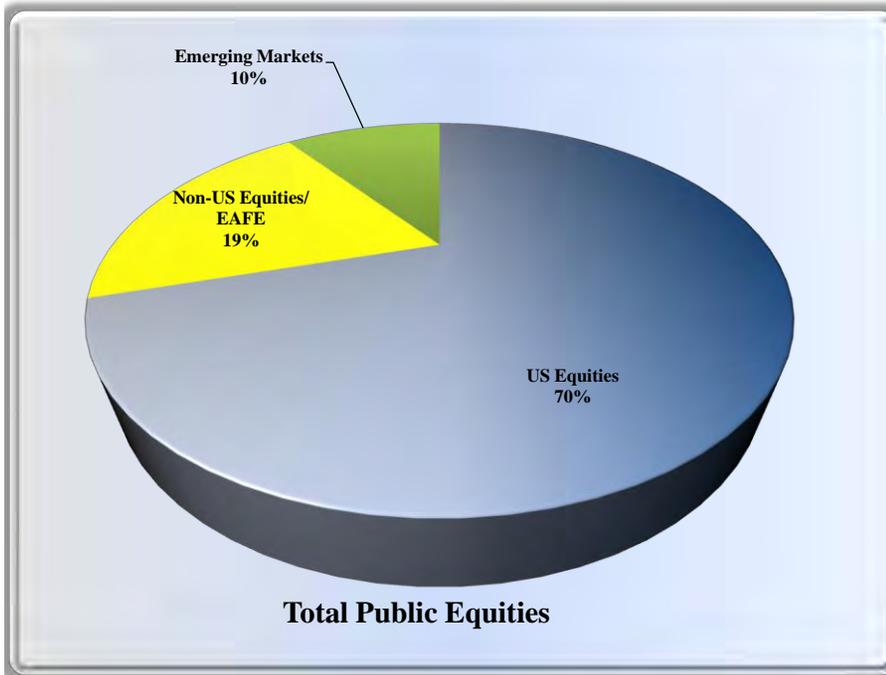
**4) Hedge Funds**

60% of uninvested commitments will be invested in Domestic Equity and 40% of uninvested commitments will be invested in Fixed Income Core +5.

### Impact of Adjustments

<b>1) Core +5 Policy Target %</b>	<b>18.0%</b>
Adjustment: 50% of uninvested Opportunistic Fixed Income	2.0%
Adjustment: 40% of uninvested Hedge Funds	<u>1.2%</u>
<b>Adjusted Core+5 Policy Target %</b>	<b>21.2%</b>
<b>2) High Yield Policy Target %</b>	<b>4.0%</b>
Adjustment: 50% of uninvested Opportunistic Fixed Income	<u>2.0%</u>
<b>Adjusted High Yield Policy Target %</b>	<b>6.0%</b>
<b>3) Domestic Equity Policy Target %</b>	<b>34.0%</b>
Adjustment: 50% of uninvested Real Estate	1.6%
Adjustment: 60% of uninvested Hedge Funds	<u>1.8%</u>
<b>Adjusted Domestic Equity Policy Target %</b>	<b>37.4%</b>
<b>4) TIPS Policy Target %</b>	<b>4.0%</b>
Adjustment: 50% of uninvested Real Estate	<u>1.6%</u>
<b>Adjusted TIPS Policy Target %</b>	<b>5.6%</b>

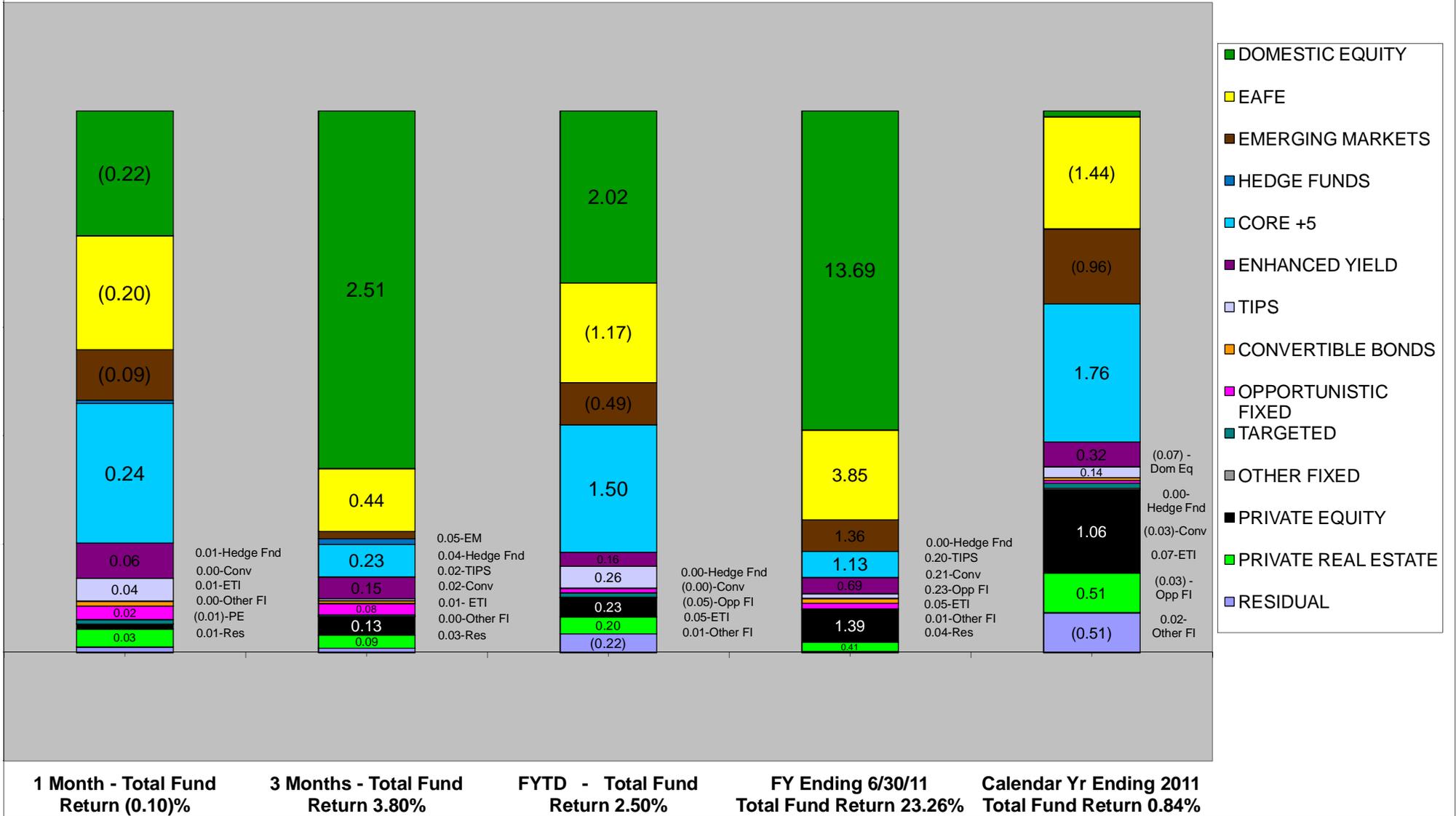
# NYC POLICE RETIREMENT SYSTEM CLASSIFICATION OF INVESTMENTS *(as of April 30th 2012)*



**THE BANK OF NEW YORK MELLON**  
**CITY OF NEW YORK**  
**Market Indicator Page \*NYC Police Pension Fund**  
**April 30, 2012**

	Trailing 1 Month	Trailing 3 Months	06/30/11 04/30/12	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<b><u>MARKET INDICATORS</u></b>								
STANDARD & POORS 500	-0.63	7.08	7.75	4.76	10.80	19.46	1.00	4.70
S&P MIDCAP INDEX 400	-0.23	6.22	2.50	-0.94	11.30	22.65	4.10	7.73
RUSSELL 1000	-0.58	7.03	7.11	4.11	10.84	19.87	1.23	5.08
RUSSELL 2000	-1.54	3.39	-0.12	-4.25	8.16	20.33	1.45	6.19
RUSSELL 3000	-0.66	6.74	6.51	3.40	10.62	19.91	1.25	5.17
RUSSELL 3000 GROWTH	-0.27	7.72	9.15	6.26	13.67	21.47	4.03	5.23
RUSSELL 3000 VALUE	-1.05	5.75	3.91	0.61	7.64	18.36	-1.63	4.92
MSCI EAFE (NET DIVIDEND)	-1.96	3.19	-9.03	-12.82	1.93	11.78	-4.72	5.42
MSCI EMERGING MARKETS FREE	-1.17	1.29	-8.65	-12.34	2.99	18.66	3.77	14.26
FTSE CUSTOM BENCHMARK	-2.11	0.77	-8.21	-11.88	3.77	20.74	4.54	****
MSCI WORLD INDEX	-1.07	5.21	-0.61	-4.07	6.78	16.24	-1.21	5.52
MSCI EUROPE SMID CAP INDEX	-1.51	6.36	-12.29	-17.39	3.71	15.85	****	****
1 YEAR TREASURY BILL YIELD + 4%	0.37	1.00	3.57	****	****	****	****	****
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	-0.18	1.57	-1.62	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE	2.87	-0.54	15.03	17.03	11.96	8.43	8.92	7.58
CITIGROUP MORTGAGE	0.66	0.86	4.63	5.90	5.49	5.47	6.45	5.58
NYC - INVESTMENT GRADE CREDIT INDEX	1.23	1.30	7.97	8.75	7.85	11.53	6.68	6.42
NYC - CORE PLUS FIVE	1.34	0.69	7.99	9.24	7.63	8.06	7.21	6.37
CITIGROUP BROAD INVESTMENT GRADE	1.11	0.51	6.49	7.61	6.45	6.78	6.54	5.83
BARCLAYS CAPITAL AGGREGATE	1.11	0.53	6.47	7.54	6.44	7.06	6.36	5.71
CITIGROUP BB & B	1.04	2.96	7.34	7.05	10.03	15.88	5.79	7.53
BofA MERRILL LYNCH HY MASTER II	1.02	3.23	5.67	5.12	9.16	19.78	7.77	8.89
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	2.02	0.60	10.44	11.67	9.88	10.17	7.89	7.43
BofA ML ALL CONVERTIBLES EX MANDATORY	-0.95	3.24	0.07	-2.17	6.65	17.07	3.75	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	3.01	7.24	12.08	10.00	16.40	32.79	-0.33	10.55
NCREIF NFI-ODCE NET	0.00	2.55	8.82	13.59	16.26	3.18	-1.33	****
91 DAY TREASURY BILL	0.00	0.02	0.03	0.05	0.11	0.13	1.14	1.89

### NYC Police Pension Fund Contribution to Return - April 2012



**THE BANK OF NEW YORK MELLON**  
**CITY OF NEW YORK**  
**Manager / Benchmark Comparison Report \*NYC Police Pension Fund**  
**April 30, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/11	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>ASSET CLASS SUMMARY</b>																
DOMESTIC EQUITY	\$ 10,106.2	39.62%	-0.57%	6.66%	5.03%	12.49%	33.77%	-0.20%	18.02%	28.69%	-37.21%	1.89%	19.70%	1.34%	5.25%	10.65%
INTERNATIONAL EAFE	2,762.2	10.83%	-1.65	3.66	-8.60	9.19	30.47	-12.12	9.65	33.28	-44.48	-12.51	12.46	-4.03	****	4.79
EMERGING MARKETS	1,479.6	5.80%	-1.64	0.98	-10.00	12.33	28.23	-19.93	19.76	82.60	-56.30	-14.26	19.18	2.77	15.34	8.85
HEDGE FUNDS	504.9	1.98%	0.34	2.46	-0.37	2.69	****	****	****	****	****	****	****	****	****	-0.37
CORE + 5	4,793.3	18.79%	1.33	1.18	8.05	2.36	5.12	8.88	8.50	8.82	3.92	9.12	9.35	7.40	6.52	8.57
CONVERTIBLE BONDS	244.3	0.96%	-0.91	2.01	-0.87	7.03	19.96	-3.62	14.57	33.18	****	-3.03	13.49	****	****	5.03
TIPS MANAGERS	523.8	2.05%	2.03	0.70	10.77	2.84	7.21	13.52	6.45	10.13	-0.73	12.00	10.16	8.01	****	6.44
ENHANCED YIELD	1,540.7	6.04%	1.05	2.89	6.36	5.72	15.48	6.05	14.13	41.55	-19.09	5.90	16.58	7.89	8.73	8.32
OPPORTUNISTIC FIXED***	271.1	1.06%	****	10.97	****	****	****	10.97	****	****	****	-0.85	28.15	****	****	21.19
CORE PLUS FIXED INCOME	30.9	0.12%	1.05	0.90	6.78	2.28	5.97	8.18	7.57	****	****	7.64	8.91	****	****	8.91
ECONOMICALLY TARGETED INVESTMENTS	257.4	1.01%	0.80	1.16	5.43	1.75	4.73	6.42	7.21	8.24	6.51	6.36	6.72	7.02	6.42	10.00
PRIVATE EQUITY	1,838.9	7.21%	-0.12	1.80	3.35	1.76	20.87	14.23	18.45	-6.93	-4.53	7.49	12.86	7.15	****	13.14
PRIVATE REAL ESTATE	705.3	2.77%	1.27	3.57	9.59	4.19	25.98	20.18	7.84	-42.93	-5.29	12.04	0.00	-4.01	****	4.19
CASH	446.7	1.75%	0.08	0.14	0.41	0.19	0.85	0.41	0.66	1.30	3.82	0.46	0.67	2.00	****	2.72
<b>TOTAL POLICE</b>	<b>\$ 25,505.1</b>		<b>-0.10%</b>	<b>3.80%</b>	<b>2.50%</b>	<b>7.64%</b>	<b>23.26%</b>	<b>0.84%</b>	<b>13.96%</b>	<b>21.41%</b>	<b>-27.51%</b>	<b>0.85%</b>	<b>14.61%</b>	<b>2.51%</b>	<b>6.38%</b>	<b>8.56%</b>
TOTAL EQUITY	14,348.0	56.26%	-0.90	5.46	0.40	11.74	32.66	-4.80	16.15	32.31	-40.44	-3.04	17.80	0.12	5.71	8.15
HEDGE FUNDS	504.9	1.98%	0.34	2.46	-0.37	2.69	****	****	****	****	****	****	****	****	****	-0.37
TOTAL FIXED INCOME	7,661.4	30.04%	1.27	1.75	7.46	3.40	7.74	8.04	9.73	13.86	-0.84	8.26	10.83	7.59	****	6.44
TOTAL PRIVATE EQUITY	1,838.9	7.21%	-0.12	1.80	3.35	1.76	20.87	14.23	18.45	-6.93	-4.53	7.49	12.86	7.15	****	13.14
TOTAL PRIVATE REAL ESTATE	705.3	2.77%	1.27	3.57	9.59	4.19	25.98	20.18	7.84	-42.93	-5.29	12.04	0.00	-4.01	****	4.19
TOTAL CASH	446.7	1.75%	0.08	0.14	0.41	0.19	0.85	0.41	0.66	1.30	3.82	0.46	0.67	2.00	****	2.72

\*\*\* AS OF 3/31/2012 FROM BURGESS PRIVATE I

\* Returns data throughout the various reports are shown Gross of Fees with the exception of PE, RE, Opp FI, and Hedge Funds.

**THE BANK OF NEW YORK MELLON**  
**CITY OF NEW YORK**  
**Manager / Benchmark Comparison Report \*NYC Police Pension Fund**  
**April 30, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/11	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>EQUITY ASSET CLASS SUMMARY</b>																
<b>DOMESTIC EQUITY</b>	<b>10,106.2</b>	<b>39.62%</b>	<b>-0.57%</b>	<b>6.66%</b>	<b>5.03%</b>	<b>12.49%</b>	<b>33.77%</b>	<b>-0.20%</b>	<b>18.02%</b>	<b>28.69%</b>	<b>-37.21%</b>	<b>1.89%</b>	<b>19.70%</b>	<b>1.34%</b>	<b>5.25%</b>	<b>10.65%</b>
PASSIVE DOMESTIC EQUITY	7,532.4	29.53%	-0.60	6.68	5.95	12.21	32.49	0.41	17.15	28.41	-37.05	2.80	19.75	1.25	5.16	11.00
RUSSELL 3000			-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17	
			+/-	0.05	(0.06)	(0.56)	0.08	0.12	(0.62)	0.22	0.07	0.26	(0.60)	(0.16)	0.01	(0.01)
TOTAL RUSSELL 3000	6,500.4	25.49%	-0.65	6.73	6.55	12.10	32.49	1.08	17.15	28.40	-37.06	3.47	19.98	1.36	5.23	10.86
RUSSELL 3000			-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17	
			+/-	0.00	(0.01)	0.04	(0.03)	0.12	0.05	0.22	0.06	0.25	0.06	0.07	0.12	0.06
TOTAL MID CAP PASSIVE	981.7	3.85%	-0.23	6.24	2.50	13.23	****	****	****	****	****	-0.92	****	****	****	7.24
S&P MIDCAP INDEX 400			-0.23	6.22	2.50	13.24	39.38	-1.73	26.64	37.38	-36.23	-0.94	22.65	4.10	7.73	
			+/-	(0.00)	0.01	(0.00)	(0.01)	****	****	****	****	0.02	****	****	****	
TOTAL SMALL CAP PASSIVE	50.4	0.20%	-1.56	3.38	-0.35	10.69	****	****	****	****	****	-4.50	****	****	****	0.47
RUSSELL 2000			-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19	
			+/-	(0.01)	(0.01)	(0.23)	(0.01)	****	****	****	****	(0.25)	****	****	****	
ACTIVE DOMESTIC EQUITY	2,573.8	10.09%	-0.49	6.63	2.36	13.29	36.94	-1.98	19.42	29.74	-37.62	-0.77	19.52	1.55	5.21	9.62
RUSSELL 3000			-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17	
			+/-	0.17	(0.11)	(4.15)	1.16	4.57	(3.00)	2.49	1.40	(0.31)	(4.17)	(0.39)	0.30	0.04
TOTAL LARGE CAP	1,006.1	3.94%	-1.07	6.77	4.10	12.25	34.59	0.19	15.93	28.96	-37.45	0.99	18.61	1.61	****	8.42
RUSSELL 1000			-0.58	7.03	7.11	12.25	31.93	1.50	16.10	28.43	-37.60	4.11	19.87	1.23	5.08	
			+/-	(0.49)	(0.26)	(3.01)	0.00	2.66	(1.31)	(0.17)	0.53	0.15	(3.12)	(1.26)	0.38	****
TOTAL MID CAP ACTIVE	727.0	2.85%	0.88	8.33	3.99	16.66	36.10	-3.50	23.21	27.70	-36.94	1.19	21.77	0.76	****	5.65
RUSSELL MIDCAP			-0.33	6.13	2.53	12.56	38.47	-1.55	25.47	40.46	-41.46	-0.03	22.98	2.19	8.03	
			+/-	1.21	2.20	1.46	4.10	(2.37)	(1.95)	(2.26)	(12.76)	4.52	1.21	(2.21)	(1.43)	****
TOTAL SMALL CAP ACTIVE	536.7	2.10%	-1.05	4.72	-2.94	11.65	41.35	-5.76	29.55	30.09	-34.22	-6.04	21.33	3.17	****	5.81
RUSSELL 2000			-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19	
			+/-	0.49	1.33	(2.82)	0.95	3.94	(1.58)	2.70	2.91	(0.42)	(1.78)	1.00	1.72	****
TOTAL SMALL/MID CAP	171.8	0.67%	-0.61	6.14	3.73	12.49	****	-0.96	****	****	****	-0.67	****	****	****	15.67
RUSSELL 2500			-0.73	5.17	1.19	12.16	39.28	-2.51	26.71	34.40	-36.78	-2.23	22.13	2.36	7.44	
			+/-	0.12	0.97	2.54	0.33	****	1.54	****	****	1.56	****	****	****	
TOTAL EMERGING MGRS	132.2	0.52%	-1.01	5.04	2.13	11.28	37.02	-0.82	22.59	28.29	-36.48	-1.31	20.87	****	****	2.20
RUSSELL 3000			-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17	
			+/-	(0.35)	(1.70)	(4.38)	(0.85)	4.65	(1.85)	5.66	(0.05)	0.83	(4.71)	0.96	****	****
<b>INTERNATIONAL EQUITY</b>	<b>4,241.8</b>	<b>16.63%</b>	<b>-1.65</b>	<b>2.84</b>	<b>-8.97</b>	<b>10.07</b>	<b>29.96</b>	<b>-14.17</b>	<b>11.77</b>	<b>41.03</b>	<b>-46.95</b>	<b>-12.98</b>	<b>13.66</b>	<b>-2.67</b>	<b>6.63</b>	<b>6.65</b>
PASSIVE DEVELOPED MARKETS	1,196.0	4.69%	-1.82	3.40	-8.64	8.91	29.83	-12.29	8.18	32.26	-42.86	-12.29	11.99	-4.36	5.77	5.10
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	
			+/-	0.14	0.21	0.39	0.22	(0.53)	(0.15)	0.43	0.48	0.53	0.54	0.21	0.36	0.35
PASSIVE EMERGING MARKETS	450.7	1.77%	-1.13	1.32	-9.33	12.76	****	****	****	****	****	-13.10	****	****	****	-9.61
MSCI EMERGING MARKETS FREE			-1.17	1.29	-8.65	12.79	28.17	-18.17	19.20	79.02	-53.17	-12.34	18.66	3.77	14.26	
			+/-	0.04	0.03	(0.68)	(0.03)	****	****	****	****	(0.76)	****	****	****	
ACTIVE DEVELOPED MARKETS	1,429.1	5.60%	-1.63	3.62	-8.50	8.92	30.44	-11.68	9.38	33.19	-44.67	-12.44	12.43	-4.00	5.21	6.58
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	
			+/-	0.33	0.44	0.53	0.23	0.08	0.46	1.63	1.41	(1.28)	0.39	0.66	0.72	(0.21)
ACTIVE EMERGING MARKETS	1,028.8	4.03%	-1.89	0.80	-10.22	12.10	27.90	-20.17	19.76	82.60	-56.30	-14.55	18.98	2.67	****	12.81
MSCI EMERGING MARKETS FREE			-1.17	1.29	-8.65	12.79	28.17	-18.17	19.20	79.02	-53.17	-12.34	18.66	3.77	14.26	
			+/-	(0.72)	(0.48)	(1.58)	(0.69)	(0.27)	(2.00)	0.56	3.58	(3.13)	(2.22)	0.32	(1.10)	****
TOTAL NON-U.S. ENVIRONMENTAL	72.6	0.28%	0.92	5.86	-0.55	12.57	28.17	-7.77	9.13	37.25	****	-3.13	13.93	****	****	-1.15
MSCI WORLD INDEX			-1.07	5.21	-0.61	10.52	31.19	-5.02	12.34	30.80	-40.33	-4.07	16.24	-1.21	5.52	
			+/-	1.99	0.65	0.06	2.04	(3.02)	(2.76)	(3.21)	6.45	****	0.94	(2.31)	****	****
TOTAL NON-U.S. ACTIVIST	64.5	0.25%	-2.06	7.39	-13.55	18.63	39.40	-24.01	32.64	36.32	****	-20.41	19.52	****	****	17.78
MSCI EUROPE SMID CAP INDEX			-1.51	6.36	-12.29	14.73	42.09	-17.56	16.03	53.23	-52.13	-17.39	15.85	****	****	
			+/-	(0.54)	1.03	(1.26)	3.90	(2.69)	(6.45)	16.61	(16.91)	****	(3.01)	3.67	****	****

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<b>FIXED INCOME ASSET CLASS SUMMARY</b>																
<b>TOTAL FIXED INCOME</b>	<b>7,661.4</b>	<b>30.04%</b>	<b>1.27%</b>	<b>1.75%</b>	<b>7.46%</b>	<b>3.40%</b>	<b>7.74%</b>	<b>8.04%</b>	<b>9.73%</b>	<b>13.86%</b>	<b>-0.84%</b>	<b>8.26%</b>	<b>10.83%</b>	<b>7.59%</b>	<b>****</b>	<b>6.44%</b>
<b>CORE + 5</b>	4,793.3	18.79%	1.33	1.18	8.05	2.36	5.12	8.88	8.50	8.82	3.92	9.12	9.35	7.40	6.52	8.57
<i>NYC - CORE PLUS FIVE</i>			1.34	0.69	7.99	1.72	4.15	9.40	7.13	6.28	6.64	9.24	8.06	7.21	6.37	
			+/-	(0.01)	0.48	0.06	0.63	0.97	(0.53)	1.37	2.54	(2.72)	(0.12)	1.29	0.19	0.15
ALL MORTGAGE	2,306.2	9.04%	0.82	1.39	5.34	2.04	4.83	6.24	7.50	8.53	4.00	6.41	7.28	6.53	5.78	7.40
<i>CITIGROUP MORTGAGE INDEX</i>			0.66	0.86	4.63	1.28	3.74	6.38	5.50	5.76	8.49	5.90	5.47	6.45	5.58	
			+/-	0.16	0.53	0.71	0.76	1.09	(0.13)	2.00	2.77	(4.49)	0.51	1.81	0.07	0.20
ALL INVESTMENT GRADE CREDIT	1,714.0	6.72%	1.34	1.63	8.35	3.82	6.92	7.98	9.47	18.91	-4.97	9.02	12.84	7.30	6.55	7.79
<i>NYC - INVESTMENT GRADE CREDIT</i>			1.23	1.30	7.97	3.35	5.94	7.80	8.36	16.36	-4.06	8.75	11.53	6.68	6.42	
			+/-	0.11	0.33	0.38	0.47	0.98	0.18	1.11	2.55	(0.91)	0.28	1.30	0.62	0.13
ALL TREASURY / AGENCY	773.1	3.03%	2.86	-0.44	14.89	0.16	2.41	18.28	9.42	-5.54	17.51	16.79	8.94	9.15	7.78	8.41
<i>NYC - TREASURY AGENCY PLUS FIVE</i>			2.87	-0.54	15.03	0.05	2.44	18.44	9.24	-7.44	18.91	17.03	8.43	8.92	7.58	
			+/-	(0.01)	0.10	(0.13)	0.11	(0.03)	(0.16)	0.18	1.90	(1.40)	(0.24)	0.51	0.23	0.19
<b>ENHANCED YIELD</b>	1,540.7	6.04%	1.05	2.89	6.36	5.72	15.48	6.05	14.13	41.55	-19.09	5.90	16.58	7.89	8.73	8.32
<i>CITIGROUP BB &amp; B</i>			1.04	2.96	7.34	5.63	14.60	6.58	13.35	40.37	-25.10	7.05	15.88	5.79	7.53	
			+/-	0.01	(0.06)	(0.98)	0.09	0.88	(0.53)	0.78	1.18	6.01	(1.15)	0.69	2.10	1.20
<b>TIPS MANAGERS</b>	523.8	2.05%	2.03	0.70	10.77	2.84	7.21	13.52	6.45	10.13	-0.73	12.00	10.16	8.01	****	6.44
<i>BARCLAYS CAPITAL US TIPS INDEX</i>			2.02	0.60	10.44	2.90	7.74	13.56	6.37	11.41	-2.35	11.67	10.17	7.89	7.43	
			+/-	0.00	0.11	0.33	(0.07)	(0.53)	(0.04)	0.08	(1.28)	1.62	0.33	(0.01)	0.12	****
<b>CONVERTIBLE BONDS</b>	244.3	0.96%	-0.91	2.01	-0.87	7.03	19.96	-3.62	14.57	33.18	****	-3.03	13.49	****	****	5.03
<i>BofA ML ALL CONVERTIBLES EX MANDATORY</i>			-0.95	3.24	0.07	8.82	22.79	-3.42	16.52	47.19	-33.02	-2.17	17.07	3.75	****	
			+/-	0.04	(1.23)	(0.94)	(1.78)	(2.83)	(0.20)	(1.95)	(14.01)	****	(0.85)	(3.58)	****	****
<b>OPPORTUNISTIC FIXED</b>	271.1	1.06%	2.42	10.16	-4.61	11.63	23.93	-4.67	26.77	23.34	-8.63	-3.29	23.16	****	****	7.40
<i>NYC - JP MORGAN HY PLUS 3%</i>			1.07	4.24	9.76	7.57	18.79	8.73	18.05	61.90	-23.83	9.94	23.69	****	****	
			+/-	1.34	5.92	(14.38)	4.07	5.14	(13.39)	8.72	(38.56)	15.20	(13.23)	(0.53)	****	****
<b>CORE PLUS FIXED INCOME</b>	30.9	0.12%	1.05	0.90	6.78	2.28	5.97	8.18	7.57	****	****	7.64	8.91	****	****	8.91
<i>BARCLAYS CAPITAL AGGREGATE</i>			1.11	0.53	6.47	1.41	3.90	7.84	6.54	5.93	5.24	7.54	7.06	6.36	5.71	
			+/-	(0.06)	0.37	0.31	0.86	2.07	0.34	1.03	****	****	0.10	1.85	****	****
<b>ECONOMICALLY TARGETED INVESTMENTS</b>	257.4	1.01%	0.80	1.16	5.43	1.75	4.73	6.42	7.21	8.24	6.51	6.36	6.72	7.02	6.42	10.00
<i>POLICE CUSTOM BENCHMARK (NO CASH)</i>			0.88	0.71	5.87	1.29	4.41	7.74	6.54	5.25	7.04	7.20	6.47	6.60	5.83	
			+/-	(0.08)	0.45	(0.44)	0.46	0.32	(1.32)	0.67	2.99	(0.53)	(0.84)	0.26	0.42	0.59
<b>CASH ASSET CLASS SUMMARY</b>																
<b>CASH</b>	446.7	1.75%	0.08	0.14	0.41	0.19	0.85	0.41	0.66	1.30	3.82	0.46	0.67	2.00	****	2.72
<i>ML 91 DAY TREASURY BILL INDEX</i>			0.00	0.02	0.03	0.01	0.16	0.10	0.13	0.21	2.06	0.05	0.13	1.14	1.89	
			+/-	0.07	0.12	0.37	0.18	0.69	0.31	0.53	1.09	1.76	0.41	0.54	0.86	****

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<b>US EQUITY</b>																
TOTAL RUSSELL 3000	6,500.4	25.49%	-0.65	6.73	6.55	12.10	32.49	1.08	17.15	28.40	-37.06	3.47	19.98	1.36	5.23	10.86
RUSSELL 3000			-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17	
			+/-	0.00	(0.01)	0.04	(0.03)	0.12	0.05	0.22	0.06	0.25	0.06	0.07	0.12	0.06
BLACKROCK R3000	3,488.1	13.68%	-0.65	6.73	6.50	12.10	32.21	0.95	16.96	28.35	-37.03	3.40	19.85	1.29	5.19	2.23
STATE STREET R3000	3,012.2	11.81%	-0.66	6.73	6.61	12.09	****	1.23	****	****	****	3.55	****	****	****	16.07
				-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17
			BLACKROCK R3000 +/-	0.01	(0.01)	(0.01)	(0.03)	(0.16)	(0.07)	0.03	0.01	0.28	(0.01)	(0.06)	0.05	0.02
			STATE STREET R3000 +/-	(0.00)	(0.01)	0.10	(0.03)	****	0.20	****	****	****	0.14	****	****	****
TOTAL SMALL CAP RUSSELL 2000	587.1	2.30%	-1.10	4.61	-2.56	11.57	40.85	-5.65	29.55	30.09	-34.22	-5.85	21.35	3.18	6.82	6.44
			+/-	-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19
				0.45	1.21	(2.44)	0.87	3.44	(1.48)	2.70	2.91	(0.42)	(1.59)	1.01	1.73	0.63
TOTAL SMALL CAP PASSIVE BLACKROCK R2000	50.4	0.20%	-1.56	3.38	-0.35	10.69	****	****	****	****	****	-4.50	****	****	****	0.47
RUSSELL 2000	50.4	0.20%	-1.56	3.38	-0.35	10.69	****	****	****	****	****	-4.50	****	****	****	0.47
				-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19
			TOTAL SMALL CAP PASSIVE +/-	(0.01)	(0.01)	(0.23)	(0.01)	****	****	****	****	****	(0.25)	****	****	****
			BLACKROCK R2000 +/-	(0.01)	(0.01)	(0.23)	(0.01)	****	****	****	****	****	(0.25)	****	****	****
TOTAL SMALL CAP ACTIVE RUSSELL 2000	536.7	2.10%	-1.05	4.72	-2.94	11.65	41.35	-5.76	29.55	30.09	-34.22	-6.04	21.33	3.17	****	5.81
			+/-	-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19
				0.49	1.33	(2.82)	0.95	3.94	(1.58)	2.70	2.91	(0.42)	(1.78)	1.00	1.72	****
TOTAL SMALL CAP GROWTH ACTIVE PERIMETER	192.3	0.75%	-0.81	6.46	-2.26	12.56	46.36	-3.78	21.80	****	****	-4.52	22.32	****	****	22.32
PIER CAPITAL	61.1	0.24%	-2.47	4.51	-3.21	10.23	39.42	-5.65	****	****	****	-6.06	****	****	****	10.44
BROWN AM (D)	63.6	0.25%	0.03	8.39	-4.56	13.89	47.17	-6.29	****	****	****	-8.60	****	****	****	11.56
RUSSELL 2000 GROWTH	67.7	0.27%	-0.05	6.49	0.93	13.49	52.68	0.59	29.20	****	****	1.25	26.96	****	****	26.96
				-1.64	3.66	-0.39	11.42	43.50	-2.91	29.09	34.47	-38.53	-4.42	21.82	3.27	6.05
			TOTAL SMALL CAP GROWTH +/-	0.84	2.80	(1.87)	1.15	2.86	(0.87)	(7.29)	****	****	(0.10)	****	****	****
			PERIMETER +/-	(0.82)	0.84	(2.82)	(1.19)	(4.08)	(2.74)	****	****	****	(1.65)	****	****	****
			PIER CAPITAL +/-	1.67	4.73	(4.17)	2.48	3.67	(3.38)	****	****	****	(4.19)	****	****	****
			BROWN AM (D) +/-	1.59	2.82	1.31	2.07	9.18	3.50	0.11	****	****	5.66	5.14	****	****
TOTAL SMALL CAP VALUE ACTIVE DALTON GREINER	202.8	0.80%	-0.37	4.23	1.12	11.68	33.76	-5.02	30.76	21.32	-24.44	-1.94	19.55	5.49	8.21	8.23
LORD ABBETT	150.2	0.59%	-0.27	4.36	0.97	11.75	32.52	-5.65	32.07	21.32	-24.44	-1.44	19.71	5.57	8.25	8.30
RUSSELL 2000 VALUE	52.6	0.21%	-0.63	3.86	1.54	11.50	37.45	-3.19	****	****	****	-3.34	****	****	****	11.10
				-1.45	3.12	0.15	9.98	31.35	-5.50	24.50	20.59	-28.93	-4.06	18.77	-0.48	6.07
			TOTAL SMALL CAP VALUE +/-	1.08	1.11	0.97	1.71	2.41	0.48	6.26	0.73	4.49	2.13	0.78	5.98	2.14
			DALTON GREINER +/-	1.17	1.24	0.82	1.77	1.17	(0.14)	7.57	0.73	4.49	2.63	0.94	6.06	2.18
			LORD ABBETT +/-	0.82	0.74	1.39	1.52	6.10	2.31	****	****	****	0.73	****	****	****
RAFI ENHANCED SMALL CO. RUSSELL 2000 VALUE	37.6	0.15%	-1.88	3.91	-0.53	11.51	37.95	-4.65	29.81	34.57	****	-3.83	22.79	****	****	7.90
			+/-	-1.45	3.12	0.15	9.98	31.35	-5.50	24.50	20.59	-28.93	-4.06	18.77	-0.48	6.07
				(0.43)	0.79	(0.67)	1.54	6.60	0.85	5.31	13.98	****	0.23	4.02	****	****
TOTAL SMALL CAP CORE ACTIVE DARUMA	104.0	0.41%	-2.50	2.89	-10.78	10.01	47.36	-10.11	31.72	45.24	-37.03	-14.92	22.22	3.94	7.25	7.38
RUSSELL 2000	104.0	0.41%	-2.50	2.89	-10.78	10.01	47.36	-10.11	31.72	45.24	-37.03	-14.92	22.22	3.94	8.07	8.06
				-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19
			TOTAL SMALL CAP CORE +/-	(0.96)	(0.50)	(10.66)	(0.69)	9.95	(5.93)	4.87	18.06	(3.23)	(10.67)	1.89	2.49	1.06
			DARUMA +/-	(0.96)	(0.50)	(10.66)	(0.69)	9.95	(5.93)	4.87	18.06	(3.23)	(10.67)	1.89	2.49	1.89

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TOTAL SMALL/MID CAP RUSSELL 2500	171.8	0.67%	-0.61	6.14	3.73	12.49	****	-0.96	****	****	****	-0.67	****	****	****	15.67
			-0.73	5.17	1.19	12.16	39.28	-2.51	26.71	34.40	-36.78	-2.23	22.13	2.36	7.44	
			0.12	0.97	2.54	0.33	****	1.54	****	****	****	1.56	****	****	****	
TIMESQUARE CAPITAL RUSSELL 2500 GROWTH	93.0	0.36%	1.47	8.63	9.37	15.27	****	3.29	****	****	****	6.01	****	****	****	21.72
			-0.86	5.49	1.44	13.62	44.71	-1.57	28.86	41.64	-41.50	-1.61	23.63	4.08	7.26	
			2.33	3.14	7.93	1.65	****	4.87	****	****	****	7.63	****	****	****	
SECURITY GLOBAL INV RUSSELL 2500 VALUE	78.8	0.31%	-2.96	3.35	-2.23	9.38	****	-5.34	****	****	****	-7.54	****	****	****	8.46
			-0.61	4.88	0.96	10.84	34.54	-3.36	24.82	27.68	-31.98	-2.78	20.72	0.46	7.21	
			(2.35)	(1.53)	(3.19)	(1.46)	****	(1.98)	****	****	****	(4.76)	****	****	****	
TOTAL MID CAP RUSSELL MIDCAP	1,708.7	6.70%	0.24	7.20	3.27	14.86	38.22	-3.55	26.35	34.43	-40.46	0.11	22.50	0.73	****	8.24
			-0.33	6.13	2.53	12.56	38.47	-1.55	25.47	40.46	-41.46	-0.03	22.98	2.19	8.03	
			0.57	1.07	0.73	2.30	(0.25)	(2.00)	0.88	(6.03)	1.00	0.13	(0.47)	(1.46)	****	
TOTAL MID CAP PASSIVE SSGA S&P 400	981.7	3.85%	-0.23	6.24	2.50	13.23	****	****	****	****	****	-0.92	****	****	****	7.24
S&P MIDCAP INDEX 400	981.7	3.85%	-0.23	6.24	2.50	13.23	****	****	****	****	****	-0.92	****	****	****	7.24
			-0.23	6.22	2.50	13.24	39.38	-1.73	26.64	37.38	-36.23	-0.94	22.65	4.10	7.73	
TOTAL MID CAP PASSIVE +/- SSGA S&P 400 +/-			(0.00)	0.01	(0.00)	(0.01)	****	****	****	****	****	0.02	****	****	****	
			(0.00)	0.01	(0.00)	(0.01)	****	****	****	****	****	0.02	****	****	****	
TOTAL MID CAP ACTIVE RUSSELL MIDCAP	727.0	2.85%	0.88	8.33	3.99	16.66	36.10	-3.50	23.21	27.70	-36.94	1.19	21.77	0.76	****	5.65
			-0.33	6.13	2.53	12.56	38.47	-1.55	25.47	40.46	-41.46	-0.03	22.98	2.19	8.03	
			1.21	2.20	1.46	4.10	(2.37)	(1.95)	(2.26)	(12.76)	4.52	1.21	(1.21)	(1.43)	****	
TOTAL MID CAP GROWTH ACTIVE FRONTIER CAPITAL	295.3	1.16%	1.62	8.82	5.71	17.09	****	-3.27	****	****	****	2.81	****	****	****	16.97
TIMESQUARE CAPITAL	189.7	0.74%	2.44	9.41	5.46	18.07	****	-4.18	****	****	****	2.42	****	****	****	15.40
RUSSELL MIDCAP GROWTH	105.6	0.41%	0.19	7.78	6.17	15.35	****	-1.64	****	****	****	3.51	****	****	****	14.73
			0.00	6.77	2.77	14.52	43.25	-1.65	26.38	46.30	-44.32	0.78	23.56	3.55	7.49	
TOTAL MID CAP GROWTH +/- FRONTIER CAPITAL +/- TIMESQUARE CAPITAL +/-			1.62	2.04	2.94	2.57	****	(1.62)	****	****	****	2.03	****	****	****	
			2.44	2.63	2.68	3.56	****	(2.53)	****	****	****	1.64	****	****	****	
			0.19	1.00	3.40	0.83	****	0.01	****	****	****	2.73	****	****	****	
TOTAL MID CAP VALUE ACTIVE IRIDIAN ASSET	301.2	1.18%	0.72	8.25	3.77	16.65	39.55	-2.21	24.42	27.70	-36.94	1.26	22.71	1.22	****	5.83
SYSTEMATIC FINANCIAL	163.3	0.64%	1.38	8.74	5.85	19.31	****	-0.29	****	****	****	3.41	****	****	****	19.12
RUSSELL MIDCAP VALUE	138.0	0.54%	-0.05	7.69	1.41	13.66	****	-4.28	****	****	****	-1.18	****	****	****	12.49
			-0.66	5.49	2.30	10.67	34.28	-1.38	24.75	34.20	-38.44	-0.81	22.43	0.50	7.94	
TOTAL MID CAP VALUE +/- IRIDIAN ASSET +/- SYSTEMATIC FINANCIAL +/-			1.38	2.77	1.47	5.98	5.27	(0.83)	(0.33)	(6.50)	1.50	2.07	0.28	0.72	****	
			2.05	3.25	3.55	8.63	****	1.09	****	****	****	4.22	****	****	****	
			0.61	2.20	(0.89)	2.98	****	(2.90)	****	****	****	(0.37)	****	****	****	
TOTAL MID CAP CORE ACTIVE WELLINGTON MGMT	130.5	0.51%	-0.39	7.44	0.78	15.76	****	-6.79	****	****	****	-2.47	****	****	****	13.32
S&P MIDCAP INDEX 400	130.5	0.51%	-0.39	7.44	0.78	15.76	****	-6.79	****	****	****	-2.47	****	****	****	13.32
			-0.23	6.22	2.50	13.24	39.38	-1.73	26.64	37.38	-36.23	-0.94	22.65	4.10	7.73	
TOTAL MID CAP CORE +/- WELLINGTON MGMT +/-			(0.16)	1.21	(1.73)	2.52	****	(5.06)	****	****	****	(1.53)	****	****	****	
			(0.16)	1.21	(1.73)	2.52	****	(5.06)	****	****	****	(1.53)	****	****	****	
TOTAL LARGE CAP RUSSELL 1000	1,006.1	3.94%	-1.07	6.77	4.10	12.25	34.59	0.19	15.93	28.96	-37.45	0.99	18.61	1.61	****	8.42
			-0.58	7.03	7.11	12.25	31.93	1.50	16.10	28.43	-37.60	4.11	19.87	1.23	5.08	
			(0.49)	(0.26)	(3.01)	0.00	2.66	(1.31)	(0.17)	0.53	0.15	(3.12)	(1.26)	0.38	****	

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TOTAL LARGE CAP GROWTH RUSSELL 1000 GROWTH	287.3	1.13%	-1.16	6.95	2.15	15.39	37.36	-3.81	16.37	39.51	-41.67	-2.48	18.59	2.81	4.31	8.49
			-0.15	8.06	10.02	14.51	35.01	2.64	16.71	37.22	-38.43	7.26	21.44	4.11	5.16	
			(1.00)	(1.11)	(7.87)	0.88	2.35	(6.45)	(0.34)	2.29	(3.24)	(9.74)	(2.85)	(1.30)	(0.85)	
ZEVENBERGEN RUSSELL 3000 GROWTH	168.3	0.66%	-1.72	6.10	-2.06	15.62	41.20	-10.02	23.05	56.77	****	-7.58	20.89	****	****	8.42
			-0.27	7.72	9.15	14.27	35.68	2.18	17.64	37.00	-38.45	6.26	21.47	4.03	5.23	
			(1.45)	(1.62)	(11.20)	1.35	5.52	(12.20)	5.41	19.77	****	(13.84)	(0.58)	****	****	
CASTLEARK MGMT (D) PROFIT INV MGMT (D) RUSSELL 1000 GROWTH	81.2 37.9	0.32% 0.15%	-0.14 -0.76	8.02 8.55	7.32 11.93	15.33 14.50	43.09 27.44	1.15 2.98	21.90 9.54	**** ****	**** ****	4.33 8.94	21.69 19.15	**** ****	**** ****	21.69 19.15
			-0.15	8.06	10.02	14.51	35.01	2.64	16.71	37.22	-38.43	7.26	21.44	4.11	5.16	
			0.01	(0.04)	(2.70)	0.82	8.08	(1.49)	5.19	****	****	(2.93)	0.25	****	****	
			(0.61)	0.49	1.91	(0.01)	(7.57)	0.34	(7.17)	****	****	1.68	(2.29)	****	****	
TOTAL LARGE CAP VALUE RUSSELL 1000 VALUE	370.2	1.45%	-1.14	6.98	4.87	11.23	33.97	2.45	14.94	20.42	-35.11	2.85	18.22	0.12	****	8.70
			-1.02	5.98	4.25	9.99	28.94	0.39	15.51	19.69	-36.85	1.03	18.31	-1.73	4.83	
			(0.12)	1.01	0.62	1.24	5.03	2.06	(0.57)	0.73	1.74	1.82	(0.09)	1.85	****	
ARONSON JOHNSON RUSSELL 1000 VALUE	317.1	1.24%	-1.08	7.18	5.47	11.64	32.81	2.70	15.72	15.67	-33.25	3.60	18.45	-0.72	****	9.02
			-1.02	5.98	4.25	9.99	28.94	0.39	15.51	19.69	-36.85	1.03	18.31	-1.73	4.83	
			(0.06)	1.21	1.22	1.65	3.87	2.31	0.21	(4.02)	3.60	2.57	0.13	1.01	****	
DENALI ADVISORS (D) RUSSELL 1000 VALUE	53.2	0.21%	-1.53	5.80	1.43	8.84	28.39	-0.36	11.14	****	****	-1.40	16.94	****	****	16.94
			-1.02	5.98	4.25	9.99	28.94	0.39	15.51	19.69	-36.85	1.03	18.31	-1.73	4.83	
			(0.51)	(0.18)	(2.82)	(1.14)	(0.55)	(0.75)	(4.37)	****	****	(2.43)	(1.38)	****	****	
TOTAL LARGE CAP CORE SEIZERT CAPITAL PTNRS (D) PIEDMONT INV ADV (D) RUSSELL 1000	108.1 56.3 51.8	0.42% 0.22% 0.20%	-1.35 -1.80 -0.87	6.82 5.10 8.74	4.10 2.96 5.37	11.75 10.23 13.44	29.23 30.63 27.72	-1.97 -0.07 -4.01	15.87 15.84 15.91	**** **** ****	**** **** ****	1.22 0.09 2.47	17.97 18.94 16.95	**** **** ****	**** **** ****	23.62 18.94 16.95
			-0.58	7.03	7.11	12.25	31.93	1.50	16.10	28.43	-37.60	4.11	19.87	1.23	5.08	
			(0.77)	(0.21)	(3.01)	(0.50)	(2.70)	(3.47)	(0.23)	****	****	(2.89)	(1.90)	****	****	
			(1.22)	(1.93)	(4.15)	(2.01)	(1.30)	(1.57)	(0.26)	****	****	(4.01)	(0.93)	****	****	
			(0.29)	1.71	(1.74)	1.20	(4.21)	(5.51)	(0.19)	****	****	(1.63)	(2.92)	****	****	
TOTAL FUNDAMENTAL INDEX LARGE CAP RUSSELL 1000	240.4	0.94%	-0.73	6.19	5.32	10.43	32.04	1.98	17.72	25.98	****	2.39	20.19	****	****	4.29
			-0.58	7.03	7.11	12.25	31.93	1.50	16.10	28.43	-37.60	4.11	19.87	1.23	5.08	
			(0.15)	(0.84)	(1.79)	(1.81)	0.11	0.48	1.62	(2.45)	****	(1.71)	0.32	****	****	
RAFI ENHANCED LARGE CO. RUSSELL 1000	162.4	0.64%	-0.46	6.38	5.44	10.15	32.58	2.30	19.02	27.53	****	2.57	21.05	****	****	6.54
			-0.58	7.03	7.11	12.25	31.93	1.50	16.10	28.43	-37.60	4.11	19.87	1.23	5.08	
			0.12	(0.65)	(1.67)	(2.09)	0.65	0.80	2.92	(0.90)	****	(1.53)	1.18	****	****	
VTL S&P 500 STANDARD & POORS 500	77.9	0.31%	-1.28	5.79	5.07	11.01	31.50	0.92	17.45	30.82	****	2.02	19.48	****	****	5.26
			-0.63	7.08	7.75	11.88	30.69	2.11	15.06	26.47	-37.00	4.76	19.46	1.00	4.70	
			(0.66)	(1.29)	(2.68)	(0.87)	0.81	(1.19)	2.39	4.35	****	(2.73)	0.02	****	****	

**THE BANK OF NEW YORK MELLON**  
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<b>EMERGING MANAGERS</b>																
PROGRESS EQUITY	39.5	0.16%	-1.84	2.88	-1.44	9.00	38.41	-1.55	25.67	29.35	-37.65	-5.84	20.56	****	****	1.96
ATTUCKS	27.5	0.11%	-0.86	4.07	0.91	10.89	41.37	-1.07	28.60	26.86	-36.36	-2.13	22.06	****	****	3.05
RUSSELL 2000			-1.54	3.39	-0.12	10.70	37.41	-4.18	26.85	27.18	-33.80	-4.25	20.33	1.45	6.19	
<b>PROGRESS EQUITY +/-</b>			<b>(0.29)</b>	<b>(0.51)</b>	<b>(1.31)</b>	<b>(1.70)</b>	<b>1.00</b>	<b>2.63</b>	<b>(1.18)</b>	<b>2.17</b>	<b>(3.85)</b>	<b>(1.59)</b>	<b>0.23</b>	****	****	
<b>ATTUCKS +/-</b>			<b>0.69</b>	<b>0.68</b>	<b>1.03</b>	<b>0.19</b>	<b>3.96</b>	<b>3.10</b>	<b>1.75</b>	<b>(0.32)</b>	<b>(2.56)</b>	<b>2.12</b>	<b>1.72</b>	****	****	
F.I.S FUND MGMT	33.1	0.13%	-0.87	7.08	6.14	13.27	33.55	0.52	16.54	26.47	-35.45	3.59	20.18	****	****	1.86
CAPITAL PROSPECTS	32.0	0.13%	-0.25	6.57	3.77	12.47	33.83	-0.99	18.62	27.00	-37.70	0.50	19.61	****	****	0.88
<b>F.I.S FUND MGMT +/-</b>			<b>(0.21)</b>	<b>0.34</b>	<b>(0.37)</b>	<b>1.14</b>	<b>1.18</b>	<b>(0.51)</b>	<b>(0.39)</b>	<b>(1.87)</b>	<b>1.86</b>	<b>0.18</b>	<b>0.27</b>	****	****	
<b>CAPITAL PROSPECTS +/-</b>			<b>0.41</b>	<b>(0.18)</b>	<b>(2.74)</b>	<b>0.34</b>	<b>1.46</b>	<b>(2.02)</b>	<b>1.69</b>	<b>(1.34)</b>	<b>(0.39)</b>	<b>(2.90)</b>	<b>(0.30)</b>	****	****	
TOTAL EMERGING MGRS	132.2	0.52%	-1.01	5.04	2.13	11.28	37.02	-0.82	22.59	28.29	-36.48	-1.31	20.87	****	****	2.20
RUSSELL 3000			-0.66	6.74	6.51	12.13	32.37	1.03	16.93	28.34	-37.31	3.40	19.91	1.25	5.17	
<b>+/-</b>			<b>(0.35)</b>	<b>(1.70)</b>	<b>(4.38)</b>	<b>(0.85)</b>	<b>4.65</b>	<b>(1.85)</b>	<b>5.66</b>	<b>(0.05)</b>	<b>0.83</b>	<b>(4.71)</b>	<b>0.96</b>	****	****	
<b>NON - US EQUITY</b>																
EAFE GROWTH	483.7	1.90%	-0.69	5.05	-5.35	11.90	31.40	-11.67	11.46	35.48	-45.63	-10.36	14.28	-1.20	****	7.45
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	8.77
MSCI EAFE GROWTH			-0.77	5.46	-6.28	11.24	31.65	-11.82	12.60	29.91	-42.46	-9.73	14.57	-2.52	****	
<b>+/-</b>			<b>1.27</b>	<b>1.87</b>	<b>3.69</b>	<b>3.21</b>	<b>1.04</b>	<b>0.47</b>	<b>3.71</b>	<b>3.70</b>	<b>(2.24)</b>	<b>2.46</b>	<b>2.51</b>	<b>3.53</b>	****	
<b>+/-</b>			<b>0.09</b>	<b>(0.41)</b>	<b>0.94</b>	<b>0.67</b>	<b>(0.25)</b>	<b>0.15</b>	<b>(1.14)</b>	<b>5.57</b>	<b>(3.17)</b>	<b>(0.63)</b>	<b>(0.29)</b>	<b>1.32</b>	****	
TOTAL INTL GROWTH	483.7	1.90%	-0.69	5.05	-5.35	11.90	31.40	-11.67	11.46	35.48	-45.63	-10.36	14.28	-1.20	****	7.45
BAILLIE	299.3	1.17%	-0.35	5.05	-4.90	12.25	34.48	-10.71	17.36	45.29	-44.75	-8.53	17.86	****	****	-1.31
PYRAMIS GLOBAL ADVISORS	184.2	0.72%	-1.07	5.05	-5.95	11.51	31.60	-11.43	10.69	33.91	-43.34	-9.60	14.18	****	****	-4.22
MSCI EAFE GROWTH			-0.77	5.46	-6.28	11.24	31.65	-11.82	12.60	29.91	-42.46	-9.73	14.57	-2.52	****	
<b>TOTAL INTL GROWTH +/-</b>			<b>0.09</b>	<b>(0.41)</b>	<b>0.94</b>	<b>0.67</b>	<b>(0.25)</b>	<b>0.15</b>	<b>(1.14)</b>	<b>5.57</b>	<b>(3.17)</b>	<b>(0.63)</b>	<b>(0.29)</b>	<b>1.32</b>	****	
<b>BAILLIE +/-</b>			<b>0.42</b>	<b>(0.41)</b>	<b>1.39</b>	<b>1.02</b>	<b>2.83</b>	<b>1.11</b>	<b>4.76</b>	<b>15.38</b>	<b>(2.29)</b>	<b>1.20</b>	<b>3.29</b>	****	****	
<b>PYRAMIS GLOBAL ADVISORS +/-</b>			<b>(0.29)</b>	<b>(0.41)</b>	<b>0.33</b>	<b>0.27</b>	<b>(0.05)</b>	<b>0.40</b>	<b>(1.91)</b>	<b>4.00</b>	<b>(0.88)</b>	<b>0.13</b>	<b>(0.39)</b>	****	****	
EAFE VALUE	288.7	1.13%	-3.48	1.31	-13.21	2.81	28.59	-11.07	5.79	29.96	-44.81	-16.22	9.21	-6.59	****	4.17
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	8.77
MSCI EAFE VALUE			-2.94	1.32	-11.16	6.62	30.10	-11.65	3.81	35.06	-43.68	-15.02	9.97	-6.04	****	
<b>+/-</b>			<b>(1.53)</b>	<b>(1.88)</b>	<b>(4.18)</b>	<b>(5.88)</b>	<b>(1.77)</b>	<b>1.08</b>	<b>(1.96)</b>	<b>(1.82)</b>	<b>(1.42)</b>	<b>(3.39)</b>	<b>(2.56)</b>	<b>(1.87)</b>	****	
<b>+/-</b>			<b>(0.54)</b>	<b>(0.02)</b>	<b>(2.05)</b>	<b>(3.82)</b>	<b>(1.51)</b>	<b>0.58</b>	<b>1.98</b>	<b>(5.10)</b>	<b>(1.13)</b>	<b>(1.20)</b>	<b>(0.76)</b>	<b>(0.55)</b>	****	
TOTAL INTL VALUE	288.7	1.13%	-3.48	1.31	-13.21	2.81	28.59	-11.07	5.79	29.96	-44.81	-16.22	9.21	-6.59	****	4.17
MONDRIAN INVESTMENT PARTNERS LTD	288.0	1.13%	-3.49	1.31	-7.90	2.81	29.83	-3.00	3.36	25.20	-36.84	-10.15	11.58	-3.21	7.64	6.47
MSCI EAFE VALUE			-2.94	1.32	-11.16	6.62	30.10	-11.65	3.81	35.06	-43.68	-15.02	9.97	-6.04	****	
<b>TOTAL INTL VALUE +/-</b>			<b>(0.54)</b>	<b>(0.02)</b>	<b>(2.05)</b>	<b>(3.82)</b>	<b>(1.51)</b>	<b>0.58</b>	<b>1.98</b>	<b>(5.10)</b>	<b>(1.13)</b>	<b>(1.20)</b>	<b>(0.76)</b>	<b>(0.55)</b>	****	
<b>MONDRIAN INVESTMENT PARTNERS LTD +/-</b>			<b>(0.55)</b>	<b>(0.01)</b>	<b>3.27</b>	<b>(3.81)</b>	<b>(0.27)</b>	<b>8.65</b>	<b>(0.45)</b>	<b>(9.86)</b>	<b>6.84</b>	<b>4.87</b>	<b>1.60</b>	<b>2.83</b>	****	

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TOTAL INTL CORE	656.1	2.57%	-1.30	3.86	-8.73	10.29	31.80	-12.57	11.79	35.33	-44.47	-12.52	13.40	-3.07	****	4.93
THORNBURG	274.3	1.08%	-0.38	5.03	-7.93	11.33	33.10	-12.15	15.67	33.68	-42.96	-11.53	14.45	****	****	-3.35
CAPITAL GUARDIAN MTA PHILADELPHIA	184.0	0.72%	-1.21	4.16	-7.16	10.94	30.11	-12.88	12.02	29.06	****	-11.05	13.26	****	****	-3.44
MSCI EAFE (NET DIVIDEND)	197.7	0.78%	-2.47	2.16	-11.38	8.36	32.15	-12.71	7.34	44.35	-48.68	-15.25	12.33	****	****	-6.36
TOTAL INTL CORE +/-			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	
THORNBURG +/-			0.66	0.68	0.30	1.60	1.44	(0.43)	4.04	3.55	(1.08)	0.31	1.62	1.65	****	
CAPITAL GUARDIAN MTA +/-			1.58	1.84	1.10	2.64	2.74	(0.01)	7.92	1.90	0.43	1.29	2.68	****	****	
PHILADELPHIA +/-			0.75	0.97	1.87	2.25	(0.25)	(0.74)	4.27	(2.72)	****	1.78	1.48	****	****	
			(0.51)	(1.02)	(2.35)	(0.33)	1.79	(0.57)	(0.41)	12.57	(5.29)	(2.42)	0.55	****	****	
TOTAL PASSIVE DEVELOPED MARKET	1,196.0	4.69%	-1.82	3.40	-8.64	8.91	29.83	-12.29	8.18	32.26	-42.86	-12.29	11.99	-4.36	5.77	5.10
STATE STREET	1,196.0	4.69%	-1.82	3.40	-8.64	8.91	****	****	****	****	****	-12.29	****	****	****	-4.92
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	
TOTAL PASSIVE DEVELOPED MARKET +/-			0.14	0.21	0.39	0.22	(0.53)	(0.15)	0.43	0.48	0.53	0.54	0.21	0.36	0.35	
STATE STREET +/-			0.14	0.21	0.39	0.22	****	****	****	****	****	0.53	****	****	****	
<b>NON-US ACTIVIST &amp; ENVIRONMENTAL EQUITY</b>																
TOTAL NON-U.S. ENVIRONMENTAL	72.6	0.28%	0.92	5.86	-0.55	12.57	28.17	-7.77	9.13	37.25	****	-3.13	13.93	****	****	-1.15
GENERATION GE	72.6	0.28%	0.92	5.86	-0.54	12.57	26.09	-7.77	15.09	48.07	****	-3.13	17.54	****	****	7.34
MSCI WORLD INDEX			-1.07	5.21	-0.61	10.52	31.19	-5.02	12.34	30.80	-40.33	-4.07	16.24	-1.21	5.52	
TOTAL NON-U.S. ENVIRONMENTAL +/-			1.99	0.65	0.06	2.04	(3.02)	(2.76)	(3.21)	6.45	****	0.94	(2.31)	****	****	
GENERATION GE +/-			1.99	0.65	0.06	2.05	(5.10)	(2.76)	2.75	17.27	****	0.94	1.30	****	****	
TOTAL NON-U.S. ACTIVIST	64.5	0.25%	-2.06	7.39	-13.55	18.63	39.40	-24.01	36.14	42.63	****	-20.41	19.52	****	****	17.78
GOVERNANCE FOR OWNERS	64.5	0.25%	-2.06	7.39	-13.55	18.63	47.03	-23.39	36.14	42.63	****	-20.41	22.72	****	****	20.48
MSCI EUROPE SMID CAP INDEX			-1.51	6.36	-12.29	14.73	42.09	-17.56	16.03	53.23	-52.13	-17.39	15.85	****	****	
TOTAL NON-U.S. ACTIVIST +/-			(0.54)	1.03	(1.26)	3.90	(2.69)	(6.45)	20.11	(10.60)	****	(3.01)	3.67	****	****	
GOVERNANCE FOR OWNERS +/-			(0.54)	1.03	(1.26)	3.90	4.94	(5.84)	20.11	(10.60)	****	(3.01)	6.87	****	****	
TOTAL DEVELOPED MARKETS	2,625.1	10.29%	-1.71	3.53	-8.66	8.91	30.30	-11.95	9.14	32.99	-44.30	-12.53	12.28	-4.11	5.31	5.93
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	
			0.25	0.34	0.37	0.22	(0.06)	0.20	1.39	1.21	(0.91)	0.29	0.51	0.61	(0.10)	
TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST	2,762.2	10.83%	-1.65	3.66	-8.60	9.19	30.47	-12.12	9.65	33.28	-44.48	-12.51	12.46	-4.03	****	4.79
MSCI EAFE (NET DIVIDEND)			-1.96	3.19	-9.03	8.69	30.36	-12.14	7.75	31.78	-43.39	-12.82	11.78	-4.72	5.42	
			0.31	0.48	0.44	0.50	0.11	0.02	1.90	1.50	(1.09)	0.31	0.68	0.69	****	
<b>EMERGING MARKETS</b>																
TOTAL EMERGING MARKETS	1,479.6	5.80%	-1.64	0.98	-10.00	12.33	28.23	-19.93	19.76	82.60	-56.30	-14.26	19.18	2.77	15.34	8.85
ACTIVE EMERGING MARKETS	1,028.8	4.03%	-1.89	0.80	-10.22	12.10	27.90	-20.17	19.76	82.60	-56.30	-14.55	18.98	2.67	****	12.81
DFA	183.6	0.72%	-2.46	-0.97	-13.66	12.26	28.15	-24.01	26.87	93.86	-51.31	-18.56	21.91	4.46	****	6.79
STATE STREET	162.8	0.64%	-0.56	1.59	-8.75	12.30	29.43	-17.86	19.87	71.83	-55.90	-13.03	18.54	2.18	****	10.17
BAILLIE GIFFORD	193.1	0.76%	-0.79	4.65	-3.71	16.40	22.50	-19.78	19.87	99.12	-56.41	-7.31	22.45	5.87	****	13.41
ACADIAN	193.4	0.76%	-0.82	2.64	-5.90	14.54	31.83	-16.65	23.72	83.09	-55.98	-10.23	22.32	4.79	****	11.27
MARVIN & PALMER	5.6	0.02%	0.18	3.40	-12.23	12.10	32.12	-20.64	17.05	69.19	-61.49	-16.52	16.29	-0.30	****	7.88
EATON VANCE	289.7	1.14%	0.42	****	****	****	****	****	****	****	****	****	****	****	****	-1.62
MSCI EMERGING MARKETS FREE			-1.17	1.29	-8.65	12.79	28.17	-18.17	19.20	79.02	-53.17	-12.34	18.66	3.77	14.26	
ACTIVE EMERGING MARKETS +/-			(0.72)	(0.48)	(1.58)	(0.69)	(0.27)	(2.00)	0.56	3.58	(3.13)	(2.22)	0.32	(1.10)	****	
DFA +/-			(1.29)	(2.26)	(5.01)	(0.53)	(0.02)	(5.84)	7.67	14.84	1.86	(6.22)	3.25	0.69	****	
STATE STREET +/-			0.61	0.31	(0.10)	(0.49)	1.26	0.32	0.67	(7.19)	(2.73)	(0.69)	(0.13)	(1.59)	****	
BAILLIE GIFFORD +/-			0.38	3.36	4.94	3.61	(5.67)	(1.61)	0.67	20.10	(3.24)	5.02	3.79	2.09	****	
ACADIAN +/-			0.34	1.35	2.75	1.75	3.66	1.52	4.52	4.07	(2.81)	2.11	3.66	1.02	****	
MARVIN & PALMER +/-			1.35	2.12	(3.59)	(0.69)	3.95	(2.47)	(2.15)	(9.83)	(8.32)	(4.18)	(2.37)	(4.07)	****	
EATON VANCE +/-			1.35	****	****	****	****	****	****	****	****	****	****	****	****	

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PASSIVE EMERGING MARKETS	450.7	1.77%	-1.13	1.32	-9.33	12.76	****	****	****	****	****	-13.10	****	****	****	-9.61
BLACKROCK	450.7	1.77%	-1.13	1.32	-9.33	12.76	****	****	****	****	****	-13.10	****	****	****	-9.61
MSCI EMERGING MARKETS FREE			-1.17	1.29	-8.65	12.79	28.17	-18.17	19.20	79.02	-53.17	-12.34	18.66	3.77	14.26	
PASSIVE EMERGING MARKETS +/-			0.04	0.03	(0.68)	(0.03)	****	****	****	****	****	(0.76)	****	****	****	
BLACKROCK +/-			0.04	0.03	(0.68)	(0.03)	****	****	****	****	****	(0.76)	****	****	****	
INTERNATIONAL EQUITY	4,241.8	16.63%	-1.65	2.84	-8.97	10.07	29.96	-14.17	11.77	41.03	-46.95	-12.98	13.66	-2.67	6.63	6.65
MSCI WORLD INDEX			-1.07	5.21	-0.61	10.52	31.19	-5.02	12.34	30.80	-40.33	-4.07	16.24	-1.21	5.52	
+/-			(0.58)	(2.38)	(8.36)	(0.45)	(1.23)	(9.16)	(0.57)	10.23	(6.62)	(8.90)	(2.58)	(1.46)	1.12	
HEDGE FUNDS																
TOTAL HEDGE FUNDS	504.9	1.98%	0.34	2.46	-0.37	2.69	****	****	****	****	****	****	****	****	****	-0.37
1 YEAR TREASURY BILL YIELD + 4%			0.37	1.00	3.57	1.35	****	****	****	****	****	****	****	****	****	
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			-0.18	1.57	-1.62	3.44	****	****	****	****	****	****	****	****	****	
+/-			(0.03)	1.46	(3.94)	1.35	****	****	****	****	****	****	****	****	****	
+/-			0.52	0.89	1.25	(0.75)	****	****	****	****	****	****	****	****	****	
TOTAL DIRECT HEDGE FUNDS	357.5	1.40%	0.57	3.09	****	3.09	****	****	****	****	****	****	****	****	****	3.09
BREXAN HOWARD LP	117.4	0.46%	****	0.31	****	0.31	****	****	****	****	****	****	****	****	****	0.31
D.E. SHAW COMPOSITE FD	122.1	0.48%	****	5.84	****	5.84	****	****	****	****	****	****	****	****	****	5.84
BRIGADE LEV CAP STR	68.1	0.27%	****	****	****	****	****	****	****	****	****	****	****	****	****	1.58
CASPIAN SELECT CF	50.0	0.20%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			-0.18	1.57	-1.62	3.44	****	****	****	****	****	-3.80	5.14	-0.09	4.40	5.95
MSCI AC WORLD INDEX STD NET			-1.14	4.52	-2.11	10.60	****	****	****	****	****	****	****	****	****	
BARCLAYS CAPITAL AGGREGATE			1.11	0.53	6.47	1.41	****	****	****	****	****	****	****	****	****	
TOTAL DIRECT HEDGE FUNDS +/-			0.75	1.51	****	(0.35)	****	****	****	****	****	****	****	****	****	
BREXAN HOWARD LP +/-			****	(1.27)	****	(3.13)	****	****	****	****	****	****	****	****	****	
D.E. SHAW COMPOSITE FD +/-			****	4.26	****	2.40	****	****	****	****	****	****	****	****	****	
BRIGADE LEV CAP STR +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
CASPIAN SELECT CF +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
TOTAL PERMAL HEDGE FUNDS OF FUNDS	147.4	0.58%	-0.14	1.16	-1.28	1.76	****	****	****	****	****	****	****	****	****	-1.28
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			-0.18	1.57	-1.62	3.44	****	****	****	****	****	****	****	****	****	
+/-			0.04	(0.41)	0.35	-1.68	****	****	****	****	****	****	****	****	****	
FIXED INCOME																
TOTAL STRUCTURED FIXED INCOME	4,793.3	18.79%	1.33	1.18	8.05	2.36	5.12	8.88	8.50	8.82	3.92	9.12	9.35	7.40	6.52	8.57
NYC - CORE PLUS FIVE			1.34	0.69	7.99	1.72	4.15	9.40	7.13	6.28	6.64	9.24	8.06	7.21	6.37	
+/-			(0.01)	0.48	0.06	0.63	0.97	(0.53)	1.37	2.54	(2.72)	(0.12)	1.29	0.19	0.15	
ALL MORTGAGE	2,306.2	9.04%	0.82	1.39	5.34	2.04	4.83	6.24	7.50	8.53	4.00	6.41	7.28	6.53	5.78	7.40
PIMCO - MORTGAGE	767.2	3.01%	0.71	1.22	5.02	1.75	4.96	6.38	7.76	9.13	4.57	6.11	7.50	6.88	6.08	7.68
BLACKROCK	779.4	3.06%	0.95	1.94	6.10	2.91	5.32	5.93	8.39	10.58	2.59	7.05	8.12	6.94	5.92	6.54
NEUBERGER BERMAN -MORT	418.4	1.64%	0.78	0.98	4.57	1.45	4.43	6.27	****	****	****	5.66	****	****	****	5.68
WELLINGTON -MORT	170.7	0.67%	0.70	0.93	4.96	1.18	4.18	7.02	5.91	****	****	6.39	****	****	****	5.98
GOLDMAN SACHS -MORT	170.5	0.67%	0.91	1.12	5.60	1.65	3.67	6.20	6.08	****	****	6.75	****	****	****	5.85
CITIGROUP MORTGAGE INDEX			0.66	0.86	4.63	1.28	3.74	6.38	5.50	5.76	8.49	5.90	5.47	6.45	5.58	
ALL MORTGAGE +/-			0.16	0.53	0.71	0.76	1.09	(0.13)	2.00	2.77	(4.49)	0.51	1.81	0.07	0.20	
PIMCO - MORTGAGE +/-			0.05	0.37	0.39	0.48	1.22	0.01	2.26	3.37	(3.92)	0.21	2.04	0.43	0.50	
BLACKROCK +/-			0.29	1.08	1.47	1.63	1.58	(0.45)	2.89	4.82	(5.90)	1.15	2.65	0.48	0.34	
NEUBERGER BERMAN -MORT +/-			0.11	0.12	(0.06)	0.17	0.69	(0.10)	****	****	****	(0.24)	****	****	****	
WELLINGTON -MORT +/-			0.04	0.07	0.33	(0.10)	0.44	0.65	0.41	****	****	0.49	****	****	****	
GOLDMAN SACHS -MORT +/-			0.25	0.26	0.97	0.37	(0.07)	(0.18)	0.58	****	****	0.85	****	****	****	

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ALL INVESTMENT GRADE CREDIT	1,714.0	6.72%	1.34	1.63	8.35	3.82	6.92	7.98	9.47	18.91	-4.97	9.02	12.84	7.30	6.55	7.79
T. ROWE PRICE -CREDIT	586.1	2.30%	1.48	1.95	8.53	4.30	7.77	8.05	10.16	19.31	-3.64	9.16	13.45	7.90	6.93	8.06
BLACKROCK -CREDIT	455.5	1.79%	1.33	1.48	8.34	3.64	6.57	7.89	9.22	16.77	-4.88	9.09	11.97	6.94	6.78	7.17
PRUDENTIAL - CREDIT	423.4	1.66%	1.19	1.33	8.42	3.39	5.99	8.06	8.90	****	****	9.11	****	****	****	9.26
TAPLIN,CANIDA -CREDIT	124.7	0.49%	1.19	1.69	7.43	3.34	7.16	7.99	9.43	22.57	-11.39	7.98	13.55	5.93	****	6.27
PYRAMIS - CREDIT	124.2	0.49%	1.38	1.68	8.24	4.22	7.23	7.66	9.23	****	****	8.90	****	****	****	9.31
NYC - INVESTMENT GRADE CREDIT			1.23	1.30	7.97	3.35	5.94	7.80	8.36	16.36	-4.06	8.75	11.53	6.68	6.42	
ALL INVESTMENT GRADE CREDIT +/-			0.11	0.33	0.38	0.47	0.98	0.18	1.11	2.55	(0.91)	0.28	1.30	0.62	0.13	
T. ROWE PRICE -CREDIT +/-			0.24	0.64	0.56	0.95	1.83	0.25	1.80	2.95	0.42	0.41	1.92	1.22	0.51	
BLACKROCK -CREDIT +/-			0.10	0.18	0.37	0.29	0.63	0.10	0.86	0.41	(0.82)	0.34	0.44	0.26	0.36	
PRUDENTIAL - CREDIT +/-			(0.04)	0.03	0.45	0.03	0.05	0.27	0.54	****	****	0.36	****	****	****	
TAPLIN,CANIDA -CREDIT +/-			(0.05)	0.39	(0.54)	(0.01)	1.22	0.20	1.07	6.21	(7.33)	(0.76)	2.02	(0.75)	****	
PYRAMIS - CREDIT +/-			0.15	0.38	0.27	0.87	1.29	(0.13)	0.87	****	****	0.15	****	****	****	
ALL TREASURY / AGENCY	773.1	3.03%	2.86	-0.44	14.89	0.16	2.41	18.28	9.42	-5.54	17.51	16.79	8.94	9.15	7.78	8.41
PIMCO	312.1	1.22%	2.95	-0.37	14.74	0.30	2.57	18.01	10.00	-4.67	16.59	16.62	9.38	9.28	7.93	8.23
STATE STREET -GOVT	155.0	0.61%	2.84	-0.48	14.98	0.09	2.42	18.50	8.90	****	****	16.97	****	****	****	9.76
BLACKROCK -GOVT	153.0	0.60%	2.75	-0.55	14.77	0.01	2.50	18.41	9.14	****	****	16.69	****	****	****	9.74
FISCHER,FRANCIS	153.0	0.60%	2.81	-0.42	15.25	0.09	2.00	18.47	9.01	-4.96	17.14	17.06	8.72	9.16	7.80	8.50
NYC - TREASURY AGENCY PLUS FIVE			2.87	-0.54	15.03	0.05	2.44	18.44	9.24	-7.44	18.91	17.03	8.43	8.92	7.58	
ALL TREASURY / AGENCY +/-			(0.01)	0.10	(0.13)	0.11	(0.03)	(0.16)	0.18	1.90	(1.40)	(0.24)	0.51	0.23	0.19	
PIMCO +/-			0.08	0.17	(0.29)	0.25	0.13	(0.43)	0.76	2.77	(2.32)	(0.41)	0.95	0.35	0.35	
STATE STREET -GOVT +/-			(0.03)	0.06	(0.04)	0.04	(0.02)	0.06	(0.34)	****	****	(0.05)	****	****	****	
BLACKROCK -GOVT +/-			(0.12)	(0.01)	(0.25)	(0.04)	0.06	(0.03)	(0.10)	****	****	(0.34)	****	****	****	
FISCHER,FRANCIS +/-			(0.06)	0.12	0.22	0.04	(0.44)	0.03	(0.23)	2.48	(1.77)	0.03	0.29	0.24	0.22	
HIGH YIELD																
TOTAL ENHANCED YIELD	1,540.7	6.04%	1.05	2.89	6.36	5.72	15.48	6.05	14.13	41.55	-19.09	5.90	16.58	7.89	8.73	8.32
CITIGROUP BB & B			1.04	2.96	7.34	5.63	14.60	6.58	13.35	40.37	-25.10	7.05	15.88	5.79	7.53	
			+/-	0.01	(0.06)	(0.98)	0.09	0.88	(0.53)	0.78	1.18	6.01	(1.15)	0.69	2.10	1.20
LOOMIS SAYLES	518.3	2.03%	1.16	3.46	6.38	7.07	19.70	7.70	16.35	53.76	-23.36	6.06	21.14	9.23	10.83	9.43
NYC-LOOMIS (BoFA ML-MST II 7-03/BB&B PRIOR)			1.02	3.23	5.67	6.22	15.40	4.38	15.19	57.51	-26.39	5.12	19.78	7.77	8.83	
			+/-	0.14	0.23	0.71	0.85	4.30	3.32	1.16	(3.75)	3.03	0.94	1.37	1.46	2.01
MACKAY SHIELDS	220.3	0.86%	1.00	3.01	7.96	5.35	13.62	7.27	13.59	44.93	-20.45	8.03	17.35	8.29	****	8.90
BoFA MERRILL LYNCH HY MASTER II			1.02	3.23	5.67	6.22	15.40	4.38	15.19	57.51	-26.39	5.12	19.78	7.77	8.89	
			+/-	(0.03)	(0.22)	2.29	(0.87)	(1.78)	2.89	(1.60)	(12.58)	5.94	2.91	(2.42)	0.52	****
SEIX	218.8	0.86%	0.87	2.67	5.00	5.48	16.18	4.76	14.47	36.19	-17.97	4.43	14.81	7.07	****	7.32
T. ROWE PRICE	481.3	1.89%	1.05	2.45	4.95	4.85	15.18	4.84	14.10	43.83	-20.16	4.21	16.39	7.54	****	8.23
SHENKMAN	102.0	0.40%	0.98	2.40	6.12	4.77	12.52	5.10	11.88	29.17	-12.72	5.24	12.38	6.85	****	7.65
CITIGROUP BB & B			1.04	2.96	7.34	5.63	14.60	6.58	13.35	40.37	-25.10	7.05	15.88	5.79	7.53	
			+/-	(0.17)	(0.29)	(2.34)	(0.15)	1.58	(1.81)	1.12	(4.18)	7.13	(2.62)	(1.07)	1.27	****
SEIX +/-			0.01	(0.50)	(2.39)	(0.78)	0.58	(1.74)	0.75	3.46	4.94	(2.84)	0.50	1.75	****	
T. ROWE PRICE +/-			(0.06)	(0.56)	(1.22)	(0.87)	(2.08)	(1.47)	(1.47)	(11.20)	12.38	(1.81)	(3.51)	1.05	****	
SHENKMAN +/-																

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<b>TIPS</b>																
TOTAL TIPS MANAGERS	523.8	2.05%	2.03	0.70	10.77	2.84	7.21	13.52	6.45	10.13	-0.73	12.00	10.16	8.01	****	6.44
PIMCO-TIPS-MTA	261.6	1.03%	2.11	0.80	10.94	2.97	6.98	13.34	6.57	10.24	-0.88	12.14	10.22	8.04	****	6.39
STATE STREET-TIPS-MTA	153.6	0.60%	2.01	0.67	10.49	2.84	7.64	13.61	6.34	10.00	-0.96	11.84	10.09	7.91	****	6.71
BLACKROCK-TIPS	108.5	0.43%	1.85	0.51	10.75	2.51	7.13	13.82	6.34	10.02	-0.03	11.91	10.11	8.10	****	7.06
BARCLAYS CAPITAL US TIPS INDEX			2.02	0.60	10.44	2.90	7.74	13.56	6.37	11.41	-2.35	11.67	10.17	7.89	7.43	
TOTAL TIPS MANAGERS +/-			0.00	0.11	0.33	(0.07)	(0.53)	(0.04)	0.08	(1.28)	1.62	0.33	(0.01)	0.12	****	
PIMCO-TIPS-MTA +/-			0.08	0.21	0.50	0.07	(0.76)	(0.22)	0.20	(1.17)	1.47	0.47	0.05	0.15	****	
STATE STREET-TIPS-MTA +/-			(0.01)	0.07	0.06	(0.07)	(0.10)	0.05	(0.03)	(1.41)	1.39	0.17	(0.08)	0.01	****	
BLACKROCK-TIPS +/-			(0.17)	(0.09)	0.31	(0.39)	(0.61)	0.26	(0.03)	(1.39)	2.32	0.24	(0.06)	0.21	****	
<b>CONVERTIBLE BONDS</b>																
TOTAL CONVERTIBLE BONDS	244.3	0.96%	-0.91	2.01	-0.87	7.03	19.96	-3.62	14.57	33.18	****	-3.03	13.49	****	****	5.03
BofA ML ALL CONVERTIBLES EX MANDATORY			-0.95	3.24	0.07	8.82	22.79	-3.42	16.52	47.19	-33.02	-2.17	17.07	3.75	****	
POLICE CUSTOM CONVERTIBLES BOND INDEX			-0.83	2.60	0.14	7.69	17.43	-3.33	12.53	39.96	****	-1.77	14.50	****	****	
+/-			0.04	(1.23)	(0.94)	(1.78)	(2.83)	(0.20)	(1.95)	(14.01)	****	(0.85)	(3.58)	****	****	
+/-			(0.07)	(0.59)	(1.00)	(0.66)	2.53	(0.29)	2.04	(6.78)	****	(1.26)	(1.01)	****	****	
ADVENT CONVERTIBLE BONDS	88.0	0.35%	-0.83	1.73	0.26	6.59	18.31	-2.11	14.92	36.65	****	-1.12	13.78	****	****	7.54
BofA ML CONVERTIBLES YIELD ALT. INDEX			-1.00	1.85	0.07	5.66	14.93	-1.73	12.98	46.25	****	-1.18	14.97	****	****	
+/-			0.17	(0.12)	0.18	0.93	3.38	(0.39)	1.94	(9.60)	****	0.06	(1.19)	****	****	
LORD ABBETT CONVERTIBLE BONDS	79.8	0.31%	-0.98	2.76	-2.93	7.61	24.54	-5.76	17.06	35.43	****	-5.62	14.55	****	****	4.10
BofA ML ALL CONVERTIBLES INDEX			-1.19	3.02	-1.11	8.91	22.54	-5.18	16.77	49.13	-35.73	-3.53	16.96	2.86	6.04	
+/-			0.22	(0.26)	(1.82)	(1.30)	2.00	(0.58)	0.29	(13.70)	****	(2.09)	(2.41)	****	****	
VICTORY CONVERTIBLE BONDS	76.4	0.30%	-0.92	1.54	0.06	6.95	17.21	-3.05	11.64	27.40	****	-2.40	12.11	****	****	3.34
BofA ML CONVERTIBLE BONDS INVST GRADE			-0.30	2.92	1.36	8.52	14.90	-3.14	7.89	25.49	****	-0.67	11.52	****	****	
+/-			(0.62)	(1.38)	(1.30)	(1.57)	2.31	0.09	3.75	1.91	****	(1.73)	0.59	****	****	
<b>OPPORTUNISTIC FIXED</b>																
TOTAL OPPORTUNISTIC FIXED ***	271.1	1.06%	****	10.97	****	****	****	10.97	****	****	****	-0.85	28.15	****	****	21.19
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			1.07	4.24	9.76	7.57	18.79	8.73	18.05	61.90	-23.83	9.94	23.69	****	****	
*** AS OF 3/31/2012 FROM BURGESS PRIVATE I			****	6.73	****	****	****	2.24	****	****	****	(10.79)	4.46	****	****	
+/-																
TOTAL DISTRESSED FIXED	211.5	0.83%	****	****	****	****	****	****	****	****	****	****	****	****	****	6.53
AVE EURO SPECIAL SITUATION FD	7.4	0.03%	19.30	46.51	-0.66	45.90	34.81	-0.86	4.58	68.35	****	-5.25	24.49	****	****	19.30
AVE SPECIAL SITUATIONS FD V	1.8	0.01%	10.95	6.05	-25.49	6.00	24.47	-4.18	19.07	76.44	****	-56.22	40.80	****	****	10.95
AVE SPECIAL SITUATIONS FD VI	37.0	0.15%	-13.52	0.00	-11.48	0.00	-2.86	-14.53	33.90	63.62	****	****	****	****	****	-13.52
TORCHLIGHT INVESTORS **	36.3	0.14%	2.58	5.95	4.55	5.95	****	0.72	5.43	14.94	****	5.52	****	****	****	7.70
3 MONTH LIBOR PLUS 750BPS			0.64	1.93	6.59	2.60	7.81	7.85	7.85	8.16	10.11	7.92	7.88	****	****	
AVE EURO SPECIAL SITUATION FD +/-			18.66	44.58	(7.25)	43.30	27.00	(8.71)	(3.27)	60.19	****	(13.17)	16.61	****	****	
AVE SPECIAL SITUATIONS FD V +/-			10.31	4.12	(32.08)	3.40	16.66	(12.03)	11.22	68.28	****	(64.14)	32.92	****	****	
AVE SPECIAL SITUATIONS FD VI +/-			(14.16)	(1.93)	(18.07)	(2.60)	(10.67)	(22.38)	26.05	55.46	****	****	****	****	****	
TORCHLIGHT INVESTORS +/-			1.94	4.01	(2.04)	3.35	****	(7.13)	(2.42)	6.78	****	(2.40)	****	****	****	

\*\* GP REPORTED NUMBERS AS OF 3/31/2012

**THE BANK OF NEW YORK MELLON  
CITY OF NEW YORK**

**Manager / Benchmark Comparison Report \*NYC Police Pension Fund  
April 30, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/11	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
TOTAL STRATEGIC MANDATES	129.0	0.51%	1.05	7.06	****	10.52	****	****	****	****	****	****	****	****	****	10.52
APOLLO CENTRE ST PTNRS LP	21.7	0.08%	0.00	****	****	****	****	****	****	****	****	****	****	****	****	0.00
FORTRESS CTR PTNRS LP	6.3	0.02%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
GOLDENTREE OD MTA	51.6	0.20%	1.47	6.98	****	6.96	****	****	****	****	****	****	****	****	****	6.96
MARATHON OD MTA	49.4	0.19%	1.14	7.80	****	12.72	****	****	****	****	****	****	****	****	****	12.72
JP MORGAN GLOBAL HIGH YIELD BOND INDEX			0.97	3.67	7.15	6.90	15.79	5.73	15.05	58.90	-26.83	6.94	20.66	8.29	****	****
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			1.07	4.24	9.76	7.57	18.79	8.73	18.05	61.90	-23.83	9.94	23.69	11.33	****	****
TOTAL STRATEGIC MANDATES +/-			(0.02)	2.82	****	2.96	****	****	****	****	****	****	****	****	****	****
APOLLO CENTRE ST PTNRS LP +/-			(1.07)	****	****	****	****	****	****	****	****	****	****	****	****	****
FORTRESS CTR PTNRS LP +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
GOLDENTREE OD MTA +/-			0.40	2.74	****	(0.61)	****	****	****	****	****	****	****	****	****	****
MARATHON OD MTA +/-			0.06	3.55	****	5.16	****	****	****	****	****	****	****	****	****	****
TOTAL PPIP	59.6	0.23%	****	****	****	****	****	****	****	****	****	****	****	****	****	16.72
ALLIANCE BERNSTEIN LEGACY SECS LP	31.6	0.12%	****	****	****	****	****	****	****	****	****	****	****	****	****	14.16
AG GECC LP	28.0	0.11%	****	****	****	****	****	****	****	****	****	****	****	****	****	20.91
NYC-CORE PLUS 5 + 200BPS			1.48	1.18	9.65	2.36	6.15	11.40	9.13	8.28	8.64	11.24	10.06	9.21	****	****
<b>CORE PLUS FIXED INCOME</b>																
TOTAL CORE PLUS FIXED INCOME	30.9	0.12%	1.05	0.90	6.78	2.28	5.97	8.18	7.57	****	****	7.64	8.91	****	****	8.91
LM CAPITAL-MTA	30.9	0.12%	1.05	0.90	6.78	2.28	5.97	8.18	7.57	****	****	7.64	8.91	****	****	8.91
BARCLAYS CAPITAL AGGREGATE			1.11	0.53	6.47	1.41	3.90	7.84	6.54	5.93	5.24	7.54	7.06	6.36	5.71	****
TOTAL CORE PLUS FIXED INCOME +/-			(0.06)	0.37	0.31	0.86	2.07	0.34	1.03	****	****	0.10	1.85	****	****	****
LM CAPITAL-MTA +/-			(0.06)	0.37	0.31	0.86	2.07	0.34	1.03	****	****	0.10	1.85	****	****	****
<b>OTHER FIXED INCOME</b>																
TOTAL ETI	257.4	1.01%	0.80	1.16	5.43	1.75	4.73	6.42	7.21	8.24	6.51	6.36	6.72	7.02	6.42	10.00
POLICE CUSTOM BENCHMARK (NO CASH)			0.88	0.71	5.87	1.29	4.41	7.74	6.54	5.25	7.04	7.20	6.47	6.60	5.83	****
			(0.08)	0.45	(0.44)	0.46	0.32	(1.32)	0.67	2.99	(0.53)	(0.84)	0.26	0.42	0.59	****
AFL-CIO HOUSING INV TRUST	113.0	0.44%	1.15	0.58	6.26	1.36	4.25	7.86	6.16	6.28	5.26	7.13	6.29	6.31	****	5.27
BARCLAYS CAPITAL AGGREGATE			1.11	0.53	6.47	1.41	3.90	7.84	6.54	5.93	5.24	7.54	7.06	6.36	5.71	****
			0.04	0.05	(0.21)	(0.06)	0.35	0.02	(0.38)	0.35	0.02	(0.41)	(0.76)	(0.05)	****	****
ACCESS RBC	25.8	0.10%	0.84	1.28	5.66	1.58	3.56	6.78	5.36	10.99	6.67	6.85	6.05	7.01	****	6.91
ACCESS CUSTOM BENCHMARK			0.86	0.55	4.72	1.03	3.39	6.32	5.52	****	****	5.98	4.93	6.19	****	****
			(0.02)	0.73	0.94	0.55	0.17	0.46	(0.16)	****	****	0.87	1.12	0.82	****	****
BOA-PPAR	0.8	0.00%	0.42	1.35	5.01	1.34	****	****	****	****	****	6.63	****	****	****	5.86
CFSB-PPAR	1.1	0.00%	0.64	1.32	3.12	1.82	9.32	3.29	12.80	9.82	5.50	4.22	7.99	7.61	****	7.29
CCD-PPAR	1.7	0.01%	0.55	1.46	4.70	2.04	8.53	5.59	11.58	12.48	6.69	5.58	8.11	8.66	****	8.45
LIIF-PPAR	0.9	0.00%	0.32	1.35	4.41	1.73	0.62	4.96	4.34	****	****	5.21	****	****	****	5.40
NCBCI-PPAR	0.5	0.00%	0.26	1.33	6.67	1.78	2.93	8.50	4.10	****	****	8.04	****	****	****	6.26
NHS-PPAR	0.6	0.00%	0.40	1.41	2.74	1.91	4.22	3.85	9.95	14.83	5.41	3.66	9.04	****	****	8.05
TARGETED INVESTMENT	102.6	0.40%	0.49	1.81	4.91	2.31	5.71	5.31	9.20	10.07	8.19	5.92	7.84	8.12	7.37	10.32
CPC REVOLVING	10.4	0.04%	0.20	0.61	1.90	0.83	2.09	2.09	2.06	2.20	4.81	2.24	2.14	3.37	****	3.50

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<b>CASH</b>																
TOTAL CASH	446.7	1.75%	0.08	0.14	0.41	0.19	0.85	0.41	0.66	1.30	3.82	0.46	0.67	2.00	****	2.72
ML 91 DAY TREASURY BILL INDEX			0.00	0.02	0.03	0.01	0.16	0.10	0.13	0.21	2.06	0.05	0.13	1.14	1.89	
			+/-	0.07	0.12	0.37	0.18	0.69	0.31	0.53	1.09	1.76	0.41	0.54	0.86	****
<b>PRIVATE EQUITY</b>																
TOTAL PRIVATE EQUITY	1,838.9	7.21%	-0.12	1.80	3.35	1.76	20.87	14.23	18.45	-6.93	-4.53	7.49	12.86	7.15	****	13.14
RUSSELL 3000 PLUS 5%			-0.86	7.39	11.16	13.28	37.37	6.03	21.93	33.34	-32.30	8.40	24.95	6.41	10.28	
			+/-	0.74	(5.59)	(7.81)	(11.52)	(16.50)	8.21	(3.48)	(40.27)	27.77	(0.92)	(12.09)	0.73	****
<b>PRIVATE REAL ESTATE</b>																
TOTAL PRIVATE REAL ESTATE	705.3	2.77%	1.27	3.57	9.59	4.19	25.98	20.18	7.84	-42.93	-5.29	12.04	0.00	-4.01	****	4.19
NCREIF NFI-ODCE NET			0.00	2.55	8.82	2.55	19.58	14.97	15.26	-30.40	-10.70	13.59	3.18	-1.33	****	
			+/-	1.27	1.02	0.78	1.64	6.40	5.22	(7.42)	(12.53)	5.41	(1.55)	(3.17)	(2.68)	****
TOTAL POLICE	25,505.1		-0.10	3.80	2.50	7.64	23.26	0.84	13.96	21.41	-27.51	0.85	14.61	2.51	6.38	8.56
POLICE POLICY BENCHMARK			-0.10	3.98	4.80	8.24	24.09	1.23	13.64	25.68	-28.61	2.84	16.01	2.91	6.49	
			+/-	0.00	(0.18)	(2.30)	(0.60)	(0.83)	(0.40)	0.32	(4.27)	1.10	(1.99)	(1.40)	(0.40)	(0.11)

**New York City Police Pension Fund, Subchapter 2  
Active Investments and Subsequent Commitments  
As of December 31, 2011 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Active Investments</b>								
1998	VS&A Communications Partners III, L.P.	12/15/1998	\$ 20,000,000	\$ 20,025,450	\$ 25,379,361	\$ 1,929,707	1.36x	6.3%
1999	Cypress Merchant Banking Partners II, L.P.	3/29/1999	50,000,000	49,853,018	36,598,808	5,262,130	0.84x	(3.7%)
1999	FdG Capital Partners LLC	6/2/1999	50,000,000	48,605,531	76,227,089	10,497,868	1.78x	15.3%
1999	Lincolnshire Equity Fund II, L.P.	10/20/1999	12,000,000	11,226,962	19,875,857	2,610,109	2.00x	25.1%
2000	Carlyle Partners III, L.P.	3/1/2000	25,000,000	22,774,940	51,276,751	2,652,552	2.37x	23.3%
2000	Solera Partners, L.P.	5/26/2000	10,000,000	9,129,085	515,578	14,822,776	1.68x	7.3%
2000	SCP Private Equity Partners II, L.P.	6/15/2000	25,000,000	25,427,595	5,665,781	11,205,014	0.66x	(5.9%)
2001	New Mountain Partners, L.P.	3/16/2001	15,000,000	12,224,703	16,290,814	1,710,198	1.47x	12.9%
2001	Apollo Investment Fund V, L.P.	4/13/2001	35,000,000	32,504,044	72,671,903	12,342,052	2.62x	39.2%
2001	Prism Venture Partners IV, L.P.	7/12/2001	25,000,000	25,037,757	15,281,511	4,806,213	0.80x	(4.6%)
2001	CVC European Equity Partners III, L.P.	9/4/2001	25,000,000	24,001,319	60,337,854	8,571,166	2.87x	41.4%
2002	Yucaipa American Alliance Fund I, LP	7/1/2002	20,000,000	20,030,746	12,384,623	13,642,680	1.30x	7.9%
2002	Coller International Partners IV, L.P.	7/2/2002	30,000,000	26,488,756	28,043,509	10,662,331	1.46x	15.2%
2002	Landmark Equity Partners XI, L.P.	10/23/2002	30,000,000	28,186,378	35,127,944	7,185,220	1.50x	24.9%
2003	FS Equity Partners V, L.P.	1/20/2003	15,000,000	12,006,270	10,410,626	12,288,663	1.89x	15.6%
2003	Blackstone Capital Partners IV, L.P.	2/26/2003	50,000,000	44,222,085	78,109,056	36,572,015	2.59x	38.4%
2003	Ares Corporate Opportunities Fund, L.P.	4/1/2003	35,000,000	33,740,915	37,882,684	14,685,046	1.56x	13.5%
2004	Markstone Capital Partners, LP	1/30/2004	10,000,000	9,165,576	3,160,363	5,638,278	0.96x	(1.2%)
2004	Euro Choice II (Delaware) L.P.	2/25/2004	20,302,612	18,960,732	5,306,733	17,724,205	1.21x	5.2%
2004	FdG Capital Partners II LP	8/30/2004	25,000,000	19,708,821	6,829,091	17,418,019	1.23x	4.0%
2004	Paladin Homeland Security Fund (NY City), L.P.	9/27/2004	30,000,000	30,185,554	3,454,589	11,838,624	0.51x	(13.0%)
2004	Lincolnshire Equity Fund III, L.P.	10/1/2004	15,000,000	12,364,795	16,396,421	8,282,585	2.00x	39.5%
2004	Palladium Equity Partners III, L.P.	11/12/2004	25,000,000	20,365,027	7,411,793	21,851,362	1.44x	13.3%
2004	Aurora Equity Partners III L.P.	11/16/2004	15,000,000	15,153,980	7,333,398	15,139,822	1.48x	14.6%
2004	Trilantic Capital Partners III L.P.	11/18/2004	20,000,000	16,916,177	21,585,882	6,746,903	1.67x	15.4%
2004	Medica III Investments (International) L.P.	12/1/2004	10,000,000	9,331,638	4,237,089	5,306,000	1.02x	0.9%
2004	Celtic Pharmaceutical Holdings L.P.	12/23/2004	10,000,000	10,160,838	160,838	18,566,742	1.84x	14.3%
2005	New Mountain Partners II, L.P.	1/12/2005	7,741,935	6,053,779	4,409,685	5,197,989	1.59x	10.4%
2005	VSS Communications Partners IV, L.P.	3/14/2005	12,500,000	12,493,889	1,044,374	9,211,342	0.82x	(5.1%)
2005	Carlyle Partners IV, L.P.	4/29/2005	50,000,000	46,866,959	29,691,487	48,255,514	1.66x	11.5%
2005	Levine Leichtman Capital Partners Deep Value Fund, L.P.	5/18/2005	20,000,000	22,543,902	10,076,625	14,329,317	1.08x	2.7%
2005	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	18,600,000	4,690,587	9,234,353	0.75x	(9.4%)
2005	Arlington Capital Partners II, L.P.	7/29/2005	20,000,000	17,892,950	6,286,287	16,613,314	1.28x	7.7%
2005	Quadrangle Capital Partners II LP	8/29/2005	25,000,000	18,703,708	4,015,781	16,687,575	1.11x	2.9%
2005	Snow Phipps Group, L.P.	9/7/2005	10,000,000	9,818,648	2,626,685	10,199,054	1.31x	12.8%
2005	GI Partners Fund II L.P.	9/26/2005	12,500,000	12,294,270	4,601,474	11,707,941	1.33x	6.5%
2005	Blackstone Mezzanine Partners II, L.P.	10/10/2005	14,000,000	12,352,577	8,436,882	7,599,290	1.00x	8.5%
2005	Psilos Group Partners III, L.P.	10/24/2005	12,500,000	10,687,029	555,014	10,384,909	1.02x	0.8%
2005	FirstMark IV, L.P.	11/21/2005	10,000,000	9,745,444	8,195,462	12,057,970	2.08x	37.6%
2005	USPF II Institutional Fund, L.P.	11/23/2005	20,000,000	18,064,776	5,669,801	17,403,481	1.28x	6.1%
2005	Bridgepoint Europe III	12/6/2005	15,845,740	14,480,947	2,799,071	12,225,865	1.04x	0.9%
2005	JP Morgan Fleming (Tranche A)	12/21/2005	40,000,000	28,958,811	4,249,573	27,818,796	1.11x	3.7%
2006	Aisling Capital II, LP	1/12/2006	2,500,000	2,186,652	400,668	1,409,211	0.83x	(5.2%)
2006	InterMedia Partners VII, L.P.	1/20/2006	12,500,000	11,494,507	234,395	15,162,018	1.34x	7.1%
2006	Falconhead Capital Partners II, L.P.	1/24/2006	15,000,000	14,933,110	2,224,017	17,100,968	1.29x	8.9%
2006	Terra Firma Capital Partners III, L.P.	3/8/2006	15,516,136	12,063,313	330,718	5,198,639	0.46x	(23.8%)
2006	Fenway Partners Capital Fund III, L.P.	3/29/2006	15,000,000	14,800,889	495,220	10,734,723	0.76x	(9.2%)
2006	Blackstone Capital Partners V, L.P.	4/13/2006	42,875,000	39,908,194	3,566,600	37,072,731	1.02x	0.5%
2006	Avista Capital Partners, L.P.	4/27/2006	20,000,000	19,258,060	9,409,676	18,098,527	1.43x	9.3%
2006	GSC Recovery III, L.P.	5/4/2006	5,000,000	5,026,983	2,592,933	1,970,671	0.91x	(3.3%)
2006	Apollo Investment Fund VI, L.P.	5/10/2006	45,000,000	40,253,658	5,850,680	42,286,601	1.20x	4.6%
2006	Landmark Equity Partners XIII, L.P.	5/11/2006	10,000,000	9,109,528	5,030,665	4,893,489	1.09x	3.0%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	15,000,000	12,664,528	7,787,973	12,876,009	1.63x	13.1%
2006	Atlantic Equity Partners IV, L.P.	7/12/2006	20,000,000	16,248,971	-	8,500,003	0.52x	(17.8%)
2006	CCMP Capital Investors II, L.P.	8/17/2006	20,000,000	13,286,536	1,926,717	17,568,198	1.47x	14.3%
2006	Capital Partners Private Equity Income Fund, L.P.	8/23/2006	15,000,000	13,783,110	6,104,507	13,526,389	1.42x	18.3%
2006	Perseus Partners VII, L.P.	8/31/2006	15,000,000	13,144,609	24,985	14,990,957	1.14x	4.8%
2006	NB Co-Investment Partners LP	9/28/2006	60,000,000	52,610,020	26,098,636	41,191,087	1.28x	8.1%
2006	NewSpring Growth Capital II, L.P.	11/15/2006	15,000,000	10,875,288	3,575,267	14,965,383	1.70x	23.4%
2006	Euro Choice III L.P.	11/21/2006	26,892,748	21,723,546	1,895,426	18,269,681	0.93x	(3.5%)
2006	Thomas, Mc Nerney & Partners II, L.P.	11/30/2006	10,000,000	7,275,000	1,026,453	5,820,467	0.94x	(2.5%)
2006	Catterton Partners VI, L.P.	12/14/2006	20,000,000	15,712,220	968,872	21,474,940	1.43x	10.0%
2006	First Reserve Fund XI, L.P.	12/14/2006	20,000,000	16,475,914	4,836,568	13,638,000	1.12x	3.5%
2006	Permira IV, L.P.	12/14/2006	16,088,904	13,263,870	1,255,354	12,411,996	1.03x	0.9%
2006	Arsenal Capital Partners II, LP	12/19/2006	10,000,000	8,847,277	697	12,674,696	1.43x	14.3%
2006	RRE Ventures IV, L.P.	12/19/2006	15,000,000	13,623,239	1,455,481	17,891,173	1.42x	13.7%
2006	Coller International Partners V, L.P.	12/21/2006	10,000,000	7,909,779	3,220,794	6,048,201	1.17x	6.9%
2006	MidOcean Partners III, L.P.	12/21/2006	40,000,000	30,077,677	47,530	26,710,395	0.89x	(4.3%)
2006	GF Capital Private Equity Fund, L.P.	12/22/2006	10,000,000	8,234,389	29,916	10,158,962	1.24x	9.9%
2006	AEA Investors 2006 Fund L.P.	12/29/2006	15,000,000	10,313,639	1,444,870	12,662,449	1.37x	14.0%
2006	The Fourth Civen Fund	1/22/2007	13,957,803	10,017,307	2,095,989	10,340,283	1.24x	5.8%
2007	Pegasus Partners IV, L.P.	1/29/2007	15,000,000	14,311,205	5,320,446	20,006,591	1.77x	21.3%
2007	Olympus Capital Asia III, L.P.	1/31/2007	20,000,000	9,110,175	2,656,446	3,932,880	0.72x	(13.5%)
2007	Tailwind Capital Partners, L.P.	2/2/2007	15,000,000	13,042,831	2,806,684	12,655,989	1.19x	8.1%
2007	FTVentures III, L.P.	3/1/2007	7,500,000	4,760,139	5,025	8,182,112	1.72x	16.8%
2007	Vitruvian Investment Partnership I	3/15/2007	18,366,210	12,582,992	253	10,441,852	0.83x	(12.6%)
2007	Vitruvian Investment Partnership I (Side Car)	3/15/2007	2,040,226	1,397,646	28	1,160,115	0.83x	(12.6%)
2007	Highland Consumer Fund I LP	3/16/2007	10,000,000	7,216,060	-	5,080,835	0.70x	(12.3%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	10,000,000	7,720,000	2,305,437	6,695,401	1.17x	6.6%
2007	Gleacher Mezzanine Fund II, L.P.	3/30/2007	10,000,000	6,725,414	2,724,085	4,700,407	1.10x	6.5%
2007	Quaker BioVentures II, L.P.	3/30/2007	15,000,000	7,131,574	447,793	5,222,529	0.80x	(9.4%)
2007	SCP Vitalife Partners II Fund	4/13/2007	15,000,000	10,424,774	1,184	8,783,922	0.84x	(8.7%)
2007	Comvest Investment Partners III, L.P.	5/15/2007	15,000,000	13,236,421	5,584,526	10,560,989	1.22x	9.4%

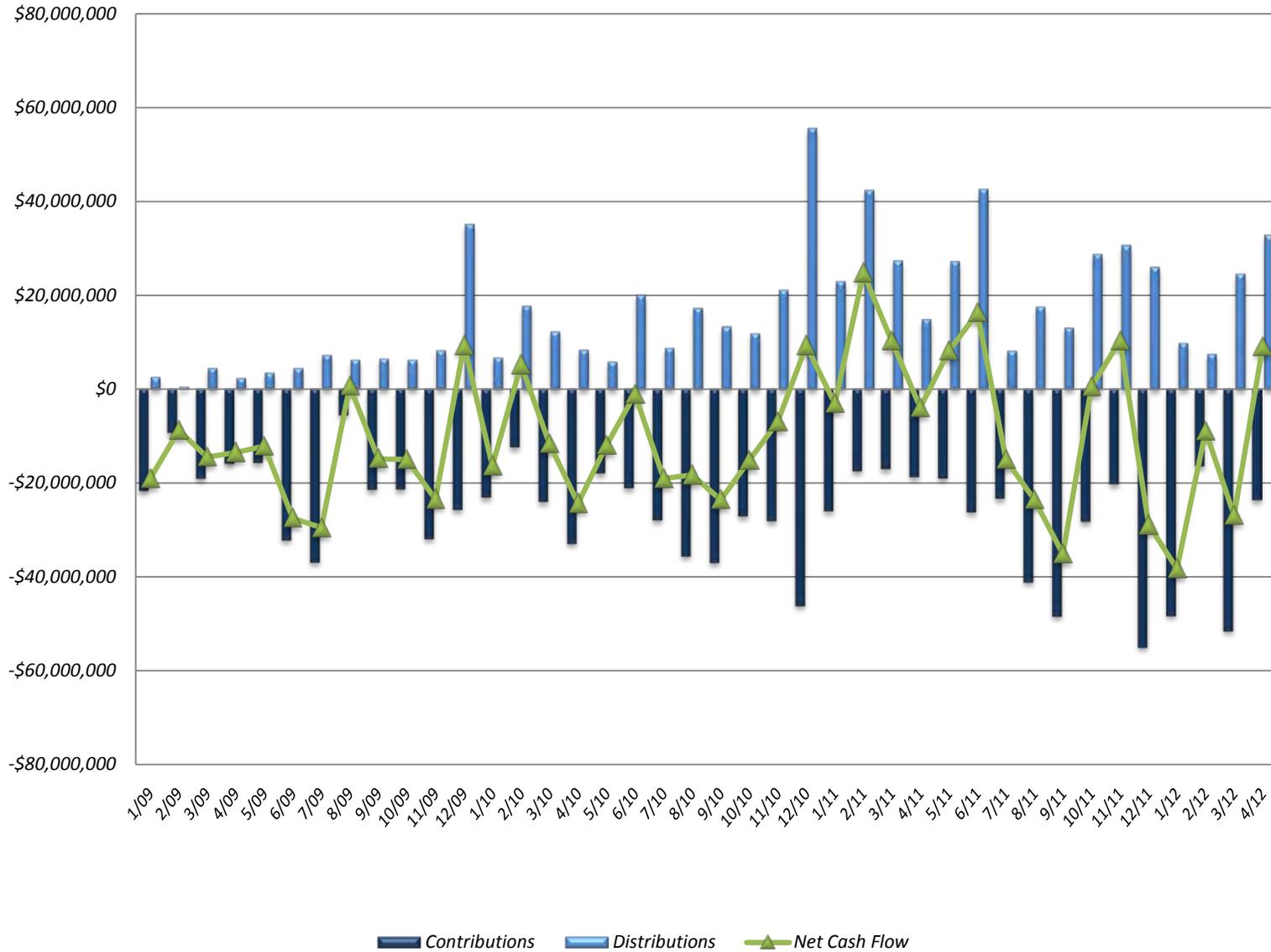
**New York City Police Pension Fund, Subchapter 2  
Active Investments and Subsequent Commitments  
As of December 31, 2011 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
2007	Constellation Venture Capital III, L.P.	5/22/2007	15,000,000	11,012,154	-	9,855,930	0.90x	(5.4%)
2007	United States Power Fund III, L.P.	6/28/2007	15,000,000	11,689,610	1,051,111	10,867,306	1.02x	0.7%
2007	Carlyle Partners V, L.P.	7/6/2007	50,000,000	31,518,452	5,506,976	33,753,714	1.25x	9.2%
2007	PCG Clean Energy & Technology Fund (East), LLC	7/6/2007	40,000,000	28,450,243	1,829,294	25,277,888	0.95x	(2.4%)
2007	GSO Capital Opportunities Fund LP	7/16/2007	17,500,000	16,724,559	7,007,217	15,450,321	1.34x	17.2%
2007	HM 2006 Sector Performance Fund	7/20/2007	15,000,000	13,410,988	179,392	9,883,169	0.75x	(9.4%)
2007	New Mountain Partners III, L.P.	8/9/2007	35,000,000	21,710,116	3,086,675	21,711,470	1.14x	7.0%
2007	Vista Equity Partners Fund III, L.P.	10/3/2007	20,000,000	17,339,941	9,639,379	24,862,842	1.99x	28.8%
2007	Trilantic Capital Partners IV L.P.	10/22/2007	45,856,523	36,185,770	13,901,348	33,077,008	1.30x	13.9%
2008	Paladin III (NY City), L.P.	1/8/2008	30,000,000	14,801,005	2,998,301	13,751,708	1.13x	4.4%
2008	Pine Brook Capital Partners, L.P.	1/11/2008	15,000,000	9,925,119	3,391,472	8,903,092	1.24x	14.3%
2008	Relativity Fund, L.P.	1/17/2008	15,000,000	7,181,423	60,910	3,688,850	0.52x	(29.8%)
2008	Apollo Investment Fund VII, L.P.	1/28/2008	50,000,000	28,870,666	5,657,135	34,306,161	1.38x	18.1%
2008	NGN BioMed Opportunity II, L.P.	2/11/2008	10,000,000	6,125,911	11,844	4,055,919	0.66x	(18.5%)
2008	Carpenter Community BancFund-A, L.P.	2/12/2008	15,000,000	11,854,482	65,433	12,903,712	1.09x	4.3%
2008	Riverstone/Carlyle Global Energy & Power Fund IV, L.P.	3/3/2008	15,000,000	11,512,900	3,097,737	13,892,569	1.48x	22.7%
2008	Yucaipa American Alliance Fund II, LP	3/28/2008	50,000,000	33,215,219	3,487,376	48,682,940	1.57x	19.9%
2008	Milestone Partners III, L.P.	4/7/2008	15,000,000	12,918,019	609,056	14,357,231	1.16x	7.8%
2008	Levine Leichtman Capital Partners IV, L.P.	4/8/2008	10,000,000	4,519,148	679,668	6,020,331	1.48x	24.6%
2008	Lee Equity Partners Fund, L.P.	4/23/2008	20,000,000	8,520,714	1,373,168	5,830,845	0.85x	(6.8%)
2008	Coral's 2007 Institutional Momentum Fund, L.P.	5/13/2008	10,000,000	7,742,863	-	6,816,128	0.88x	(4.5%)
2008	Yucaipa Corporate Initiatives Fund II, LP	6/23/2008	15,000,000	7,680,115	8,784	3,252,160	0.42x	(45.7%)
2008	CVC European Equity Partners V, L.P.	7/21/2008	33,865,991	20,242,840	1,829,433	21,109,245	1.13x	7.6%
2008	GI Partners Fund III L.P.	7/29/2008	17,500,000	12,453,078	869,423	14,266,120	1.22x	14.7%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	25,000,000	12,619,606	5,178,672	15,819,451	1.66x	25.5%
2008	CS NYCPPF Emerging Manager Co-Investment Fund, L.P.	8/22/2008	9,090,909	4,992,372	886,087	5,809,064	1.34x	14.8%
2008	CS NYCPPF Emerging Manager Fund, L.P.	8/22/2008	59,909,091	18,526,155	1,802,981	16,311,432	0.98x	(1.5%)
2008	First Reserve Fund XII, L.P.	8/25/2008	20,000,000	14,117,210	845,265	13,466,000	1.01x	0.8%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	27,250,000	10,541,344	2,252,097	11,043,220	1.26x	28.6%
2008	Crestview Partners II, L.P.	10/1/2008	22,500,000	14,010,667	1,739	17,168,623	1.23x	17.1%
2008	Erasmus New York City Growth Fund IA	10/17/2008	40,000,000	4,835,960	-	3,220,276	0.67x	(12.5%)
2008	Euro Choice IV L.P.	10/22/2008	19,837,338	6,457,757	7,708	5,409,353	0.84x	(15.4%)
2008	Avista Capital Partners II, L.P.	11/5/2008	35,000,000	24,493,996	1,830,280	28,449,651	1.24x	11.3%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	15,000,000	8,013,323	3,584,757	6,736,435	1.29x	19.2%
2008	Bridgepoint Europe IV	11/14/2008	13,360,179	7,504,537	-	7,548,399	1.01x	0.5%
2008	Aisling Capital III, LP	11/20/2008	7,000,000	2,012,271	-	1,848,161	0.92x	(7.9%)
2008	Onex Partners III LP	12/10/2008	15,000,000	7,001,617	113,387	6,373,475	0.93x	(6.5%)
2009	NorthBound Emerging Manager Custom Fund LP	1/29/2009	20,000,000	8,888,596	375,986	9,558,609	1.12x	9.5%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	22,500,000	11,484,455	-	12,242,207	1.07x	5.6%
2009	Scale Venture Partners III, LP	5/1/2009	10,000,000	6,566,867	1,160	9,204,584	1.40x	32.1%
2009	FS Equity Partners VI, L.P.	7/27/2009	20,000,000	11,041,195	85,510	10,658,654	0.97x	(2.9%)
2009	Lincolnshire Equity Fund IV, L.P.	8/5/2009	7,500,000	1,627,438	-	1,150,642	0.71x	(27.7%)
2009	Lexington Capital Partners VII, L.P.	12/3/2009	20,000,000	7,029,519	868,844	7,894,000	1.25x	22.0%
2010	Snow Phipps II, L.P.	1/8/2010	17,500,000	3,658,743	21,741	3,831,968	1.05x	NM
2010	Trident V, L.P.	4/29/2010	40,000,000	10,396,197	-	9,673,816	0.93x	NM
2010	Comvest Investment Partners IV, L.P.	10/21/2010	45,000,000	6,702,852	-	5,149,216	0.77x	NM
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	35,000,000	3,830,836	-	3,223,397	0.84x	NM
2011	Ampersand 2011	3/11/2011	12,500,000	4,750,000	-	4,433,626	0.93x	NM
2011	BDCM Opportunity Fund III, L.P.	4/8/2011	20,000,000	4,302,324	174,600	4,133,302	1.00x	NM
2011	AXA Secondary Fund V B L.P.	6/16/2011	50,000,000	12,893,989	-	16,314,581	1.27x	NM
2011	Wellspring Capital Partners V, L.P.	7/1/2011	22,500,000	1,772,077	-	1,402,989	0.79x	NM
2011	EQT VI, L.P.	8/1/2011	49,737,197	2,328,794	-	1,713,747	0.74x	NM
2011	Pegasus Partners V, L.P.	8/16/2011	35,000,000	1,104,937	-	791,043	0.72x	NM
2011	BC European Capital IX	9/19/2011	69,699,608	6,997,274	-	6,089,879	0.87x	NM
2011	American Securities Partners VI, L.P.	11/18/2011	50,000,000	-	-	-	N/A	N/A
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	40,000,000	2,710,447	-	2,412,200	0.89x	NM
2011	Green Equity Investors VI, L.P.	N/A	55,000,000	-	-	-	N/A	N/A
2012	Summit Partners Growth Equity Fund VIII, L.P.	N/A	75,000,000	-	-	-	N/A	N/A
<b>Total Active Investments</b>			<b>\$ 3,246,234,149</b>	<b>\$ 2,068,956,114</b>	<b>\$ 955,460,194</b>	<b>\$ 1,717,613,758</b>	<b>1.29x</b>	<b>9.5%</b>

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Commitments Closed Subsequent to as of Date</b>								
2011	AXA Secondary Fund V B L.P.	6/16/2011	\$ 30,000,000	\$ -	\$ -	\$ -	N/A	N/A
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	30,000,000	-	-	-	N/A	N/A
2012	Ares Corporate Opportunities Fund IV, L.P.	N/A	50,000,000	-	-	-	N/A	N/A
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	80,000,000	-	-	-	N/A	N/A
<b>Total Commitments Closed Subsequent to as of Date</b>			<b>\$ 190,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>NM</b>

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 LLC ("StepStone"), a consultant to the New York City Police 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.

### NYC Police Monthly PE Cash Flow Summary



## New York City Police Pension Fund

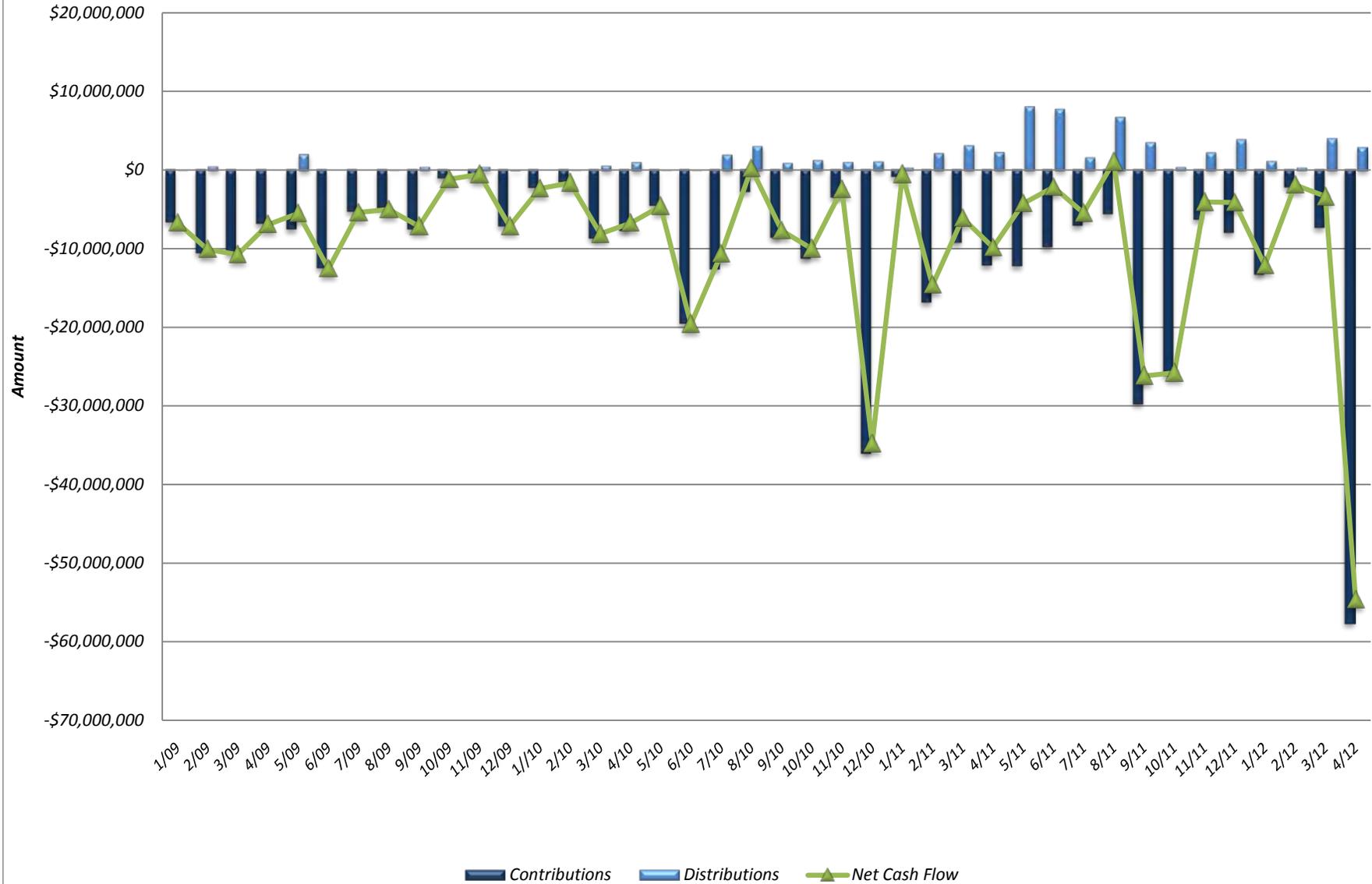
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2003	Canyon Johnson Urban Fund	12/6/2002	\$10,000,000	\$8,970,966	(\$10,269,153)	\$205,706	1.2	10.2%
2003	OCM Real Estate Opportunities Fund III	3/5/2003	\$15,000,000	\$15,000,000	(\$16,950,000)	\$7,982,233	1.7	11.6%
2004	Blackstone Fund IV	5/10/2004	\$15,000,000	\$19,030,411	(\$16,278,273)	\$8,351,480	1.3	12.3%
2004	The City Investment Fund I	3/16/2004	\$70,000,000	\$69,030,360	(\$39,171,927)	\$29,985,584	1.0	0.1%
2005	Canyon Johnson Urban Fund II	5/11/2005	\$20,000,000	\$17,977,405	(\$12,000)	\$10,627,447	0.6	-12.1%
2006	PRISA	9/29/2006	\$21,000,000	\$21,790,383	(\$1,400,354)	\$19,027,043	0.9	-1.3%
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	\$10,000,000	\$11,357,230	(\$1,417,228)	\$6,766,854	0.7	-7.1%
2006	RREEF America REIT II	10/1/2006	\$21,000,000	\$27,724,347	(\$7,454,400)	\$19,648,058	1.0	-0.6%
2006	UBS Trumbull Property Fund ("UBS-TPF")	9/28/2006	\$61,000,000	\$44,750,604	(\$2,882,356)	\$44,265,384	1.1	2.0%
2006	AREA Real Estate Fund V	6/15/2006	\$5,000,000	\$5,000,004	(\$1,210,801)	\$2,200,817	0.7	-11.3%
2007	Colony Realty Partners II	12/20/2006	\$20,000,000	\$21,420,211	(\$666,108)	\$10,968,300	0.5	-13.5%
2007	Heitman HART	3/29/2007	\$28,000,000	\$31,425,284	(\$3,425,284)	\$30,280,037	1.1	2.5%
2007	JP Morgan Special Situation Property Fund	1/2/2007	\$15,000,000	\$16,084,736	(\$1,962,496)	\$11,023,215	0.8	-4.8%
2007	JP Morgan Strategic Property Fund	12/4/2006	\$56,000,000	\$57,230,862	\$0	\$61,766,308	1.1	3.1%
2007	PRISA II	6/30/2007	\$60,278,867	\$61,872,411	(\$2,789,907)	\$50,312,774	0.9	-4.5%
2007	RREEF America REIT III - 1410	10/1/2007	\$15,000,000	\$15,000,000	(\$100,040)	\$5,093,071	0.3	-22.3%
2007	Blackstone Real Estate Partners VI	9/27/2007	\$40,000,000	\$39,543,470	(\$2,984,661)	\$45,704,162	1.2	8.8%
2007	Carlyle Realty Partners V	8/27/2007	\$20,000,000	\$22,047,239	(\$10,362,464)	\$13,152,711	1.1	2.6%
2007	Colony Investors VIII	9/18/2007	\$20,000,000	\$19,721,179	(\$688,685)	\$5,635,294	0.3	-29.9%
2007	Metropolitan Workforce Housing Fund	7/13/2007	\$7,000,000	\$6,685,571	(\$357,181)	\$4,103,730	0.7	-38.2%
2008	AG Realty Fund VII	5/20/2008	\$25,000,000	\$21,062,500	(\$7,687,500)	\$16,805,522	1.2	8.9%
2008	ARA Asia Dragon Fund	7/9/2008	\$10,000,000	\$8,053,000	(\$1,267,415)	\$10,460,766	1.5	18.9%
2008	AREA European Real Estate Fund III	5/6/2008	\$30,000,000	\$25,540,000	(\$3,712,500)	\$22,237,518	1.0	0.9%
2008	Fidelity Real Estate Growth Fund III	5/19/2008	\$15,000,000	\$12,788,518	(\$1,918,512)	\$9,560,690	0.9	-7.3%
2008	PRISA III	9/30/2008	\$30,000,000	\$31,168,760	\$0	\$34,136,834	1.1	4.6%
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	\$30,000,000	\$13,301,089	(\$238,949)	\$6,081,411	0.5	-21.7%
2008	Stockbridge Real Estate Fund III	9/9/2008	\$27,000,000	\$16,551,060	\$0	\$12,523,376	0.8	-13.0%
2008	Westbrook Real Estate Fund VII	12/3/2007	\$10,000,000	\$10,742,001	(\$406,061)	\$8,525,152	0.8	-6.8%
2008	American Value Partners Fund I	10/18/2007	\$15,000,000	\$10,238,614	(\$1,393,740)	\$6,457,884	0.8	-12.1%
2009	Carbon Capital III	7/2/2009	\$15,000,000	\$16,408,936	(\$3,293,216)	\$14,962,857	1.1	9.4%
2009	Thor Urban Property Fund II	10/30/2008	\$20,000,000	\$15,449,751	(\$5,793,657)	\$7,476,445	0.9	-14.7%
2009	Walton Street Real Estate Fund VI	4/27/2009	\$30,000,000	\$17,894,360	(\$2,946,254)	\$16,873,496	1.1	6.3%
2010	LaSalle Property Fund	7/1/2010	\$50,000,000	\$21,791,635	(\$532,003)	\$23,460,354	1.1	12.6%
2010	Blackstone Real Estate Partners Europe III (USD Vehicle)	10/24/2008	\$35,000,000	\$9,353,867	\$0	\$10,429,980	1.1	13.1%
2010	Canyon Johnson Urban Fund III	3/29/2010	\$15,000,000	\$8,582,708	(\$856,934)	\$7,307,764	1.0	-7.3%
2010	Westbrook Real Estate Fund VIII	12/28/2009	\$35,000,000	\$20,331,334	(\$9,223,993)	\$14,213,260	1.2	24.0%
2011	Carlyle Realty Partners VI	9/14/2011	\$40,000,000	\$2,444,202	\$0	\$2,020,609	0.8	-47.4%
2011	H/2 Special Opportunities Fund II	1/31/2011	\$25,000,000	\$4,359,101	\$0	\$4,578,814	1.1	8.1%
2012	Taconic New York City Investment Fund LP	n/a	\$40,000,000	\$0	\$0	(\$69,167)	n/a	n/a
<b>New York City Police Pension Fund</b>			<b>\$1,026,278,867</b>	<b>\$797,724,106</b>	<b>(\$159,654,051)</b>	<b>\$615,143,773</b>	<b>1.0</b>	<b>-1.1%</b>

## Funds Closed Subsequent to Quarter

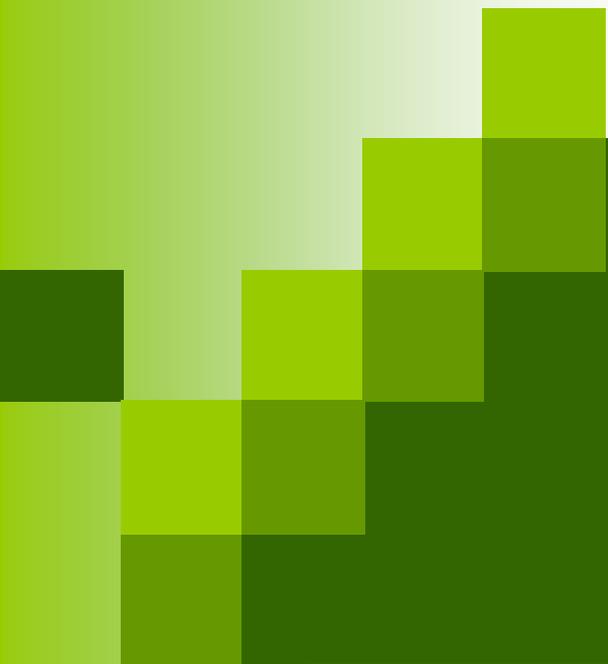
Vintage	Fund Name	First Draw Down	Capital Committed	Contributions				
2012	Almanac Realty Securities VI	6/6/2012	\$65,000,000	-	-	-	-	-
2012	Blackstone Real Estate Partners Fund VII	4/13/2012	\$100,000,000	-	-	-	-	-
2012	Brookfield Strategic Real Estate Partners		\$60,000,000	-	-	-	-	-
<b>Grand Total</b>			<b>\$225,000,000</b>					

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 December 31, 2011. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

### Police Monthly Real Estate Cash Flow Summary



### III. SIS Capital Market Assumptions:



New York City Police Pension Fund  
**Review of SIS Capital Market  
Expectations**

June 5, 2012

STRATEGIC INVESTMENT SOLUTIONS, INC.

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333 Bush Street, Suite 2000  
San Francisco, CA 94104  
(415) 362-3484

Barry Dennis  
Managing Director

- Every six months (May and November), SIS revises its long term Capital Market Expectations (returns, risks and correlations) to reflect current market conditions.
- Returns are based on current yield to maturity for Fixed Income, Dividend Discount Modeling for Public Equities and Capital Asset Pricing Theory for most others.
- Risks and Conditions are historical, employing various smoothing techniques.
- Changes tend to be marginal, with notable expectations – Dot Com bubble and its bursting, Financial crisis and recent rush to Quality and Federal Reserve intervention.
- SIS adjustment process has added value (35 to 70 bps / year, depending on risk level) versus static allocations.
- Assumptions are customized to NYCPPF's policies for Fixed Income, HFs and Real Estate.

# “Base” Expectations

	November 2010		May 2011		November 2011		May 2012	
	<u>Return</u>	<u>Risk</u>	<u>Return</u>	<u>Risk</u>	<u>Return</u>	<u>Risk</u>	<u>Return</u>	<u>Risk</u>
US LARGE CAP	8.1	17.0	8.1	17.0	8.2	18.0	8.0	18.0
US SMALL CAP	8.5	20.5	8.5	20.5	8.5	21.0	8.3	21.0
NON US EQUITY	8.1	18.0	8.1	17.0	8.2	18.5	8.0	18.5
EMERGING EQUITY	8.6	29.0	8.6	27.0	8.7	28.0	8.5	27.5
FIXED INCOME	3.2	4.5	3.5	4.5	3.3	4.5	2.8	4.5
TIPS	2.9	4.5	3.5	4.5	2.9	4.5	2.7	4.5
PRIVATE EQUITY	10.6	35.0	10.6	35.0	10.7	35.0	10.5	33.0
REAL ESTATE	6.6	18.0	6.6	17.5	6.7	18.5	6.6	18.5
HEDGE FUNDS	5.5	9.5	5.5	9.5	5.5	10.0	5.3	10.0
INTERNATIONAL	2.2	-	2.4	-	2.3	-	2.4	-

## Observations

- Lower Fixed Income and TIPS due sharp decline in sovereign yields.
- “Equity” returns slightly lower due to strong recent markets, but Equity Risk Premium (LC – FI) at 5.2%, an all-time high.
- Risks fairly consistent with November 2010
- Real Estate becomes more attractive as diversifying asset
- DDM components for US vs. Non US very different but “same” result

# NYCPPF Expectations

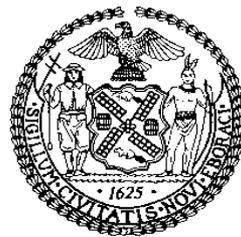
	(Used in Study)		Current	
	November 2010		May 2012	
US EQUITY	8.3	17.2	8.1	18.0
INTERNATIONAL EQUITY	8.1	18.0	8.0	18.0
EMERGING EQUITY	8.6	29.0	8.5	27.5
FIXED INCOME CORE + 5	3.8	6.4	2.9	6.4
PRIVATE EQUITY	10.6	35.0	10.5	33.0
HEDGE FUNDS	6.5	7.5	6.5	7.5
HIGH YIELD OPP FI	6.0	9.0	5.8	10.0
	6.7	10.9	6.3	10.4
TIPS/RR	5.0	15.2	4.4	16.1
CORE RE	6.6	18.0	6.6	18.5
OPP RE	8.6	26.0	8.6	26.0
TOTAL FUND	7.8	12.7	7.6	13.1

## Observations

- Total Fund expected return is 20 basis points lower, primarily due to sharp drop in Core +5 and TIPs expectations .
- Moving toward lower boundaries in TIPs and Treasury sector of Core +5 represent suitable tactics in current environment.

#### IV. Bank Loan Background:

# High Yield Bank Loans Prepared for New York City Police Pension Fund



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER

June 5, 2012

# High Yield Bank Loans (aka Leveraged Loans) Basic Characteristics

- Bank Loans are Floating-rate loans to corporations (generally with ratings below BBB)
  - If interest rates rise, Bank Loans benefit by resetting at a higher rate; as such, Bank Loans have “pure” credit risk and have little or no interest rate duration
- Senior in the capital structure and may be secured by the assets of the borrower
- Typically include financial covenants that protect the lender
- The High Yield bond market contains many of the same corporate issuers as the Bank Loan market
- Size of the market, at its peak, was over \$1.6 trillion in issuance, on par with the High Yield bond market; size is presently less than that, as some Bank Loan issuers have reissued in the High Yield (fixed rate) market, often to loosen or eliminate covenants and to extend their maturities
- Bank Loans go in the Basket



# High Yield Bank Loans

## Capital Structure Protection

- Bank loans are generally the senior-most debt of the issuer
- Secured by collateral and other protective features
- Default less frequently than high yield bonds; when they do default, they recover at a higher rate than bonds (70% for loans vs. 40% for bonds)



Liabilities and Equity	
<b>Loans</b>	Senior, typically secured, fixed principal return, floating-rate interest
<b>Bonds</b>	Typically unsecured or subordinated, fixed principal return, fixed-rate interest
<b>Equity</b>	Lowest claim on assets, no fixed return, unlimited upside potential

} "Fixed Income"

- Interest rates are variable or floating, defined as a spread over a base rate (usually LIBOR)
- Recent loan contracts have included a LIBOR floor, a minimum base rate that is above the actual LIBOR rate, which provides investors with a higher minimum return during abnormally-low interest rate periods (typical floors have been in the 1.5% to 1.75% range)



# Bank Loans vs. High Yield

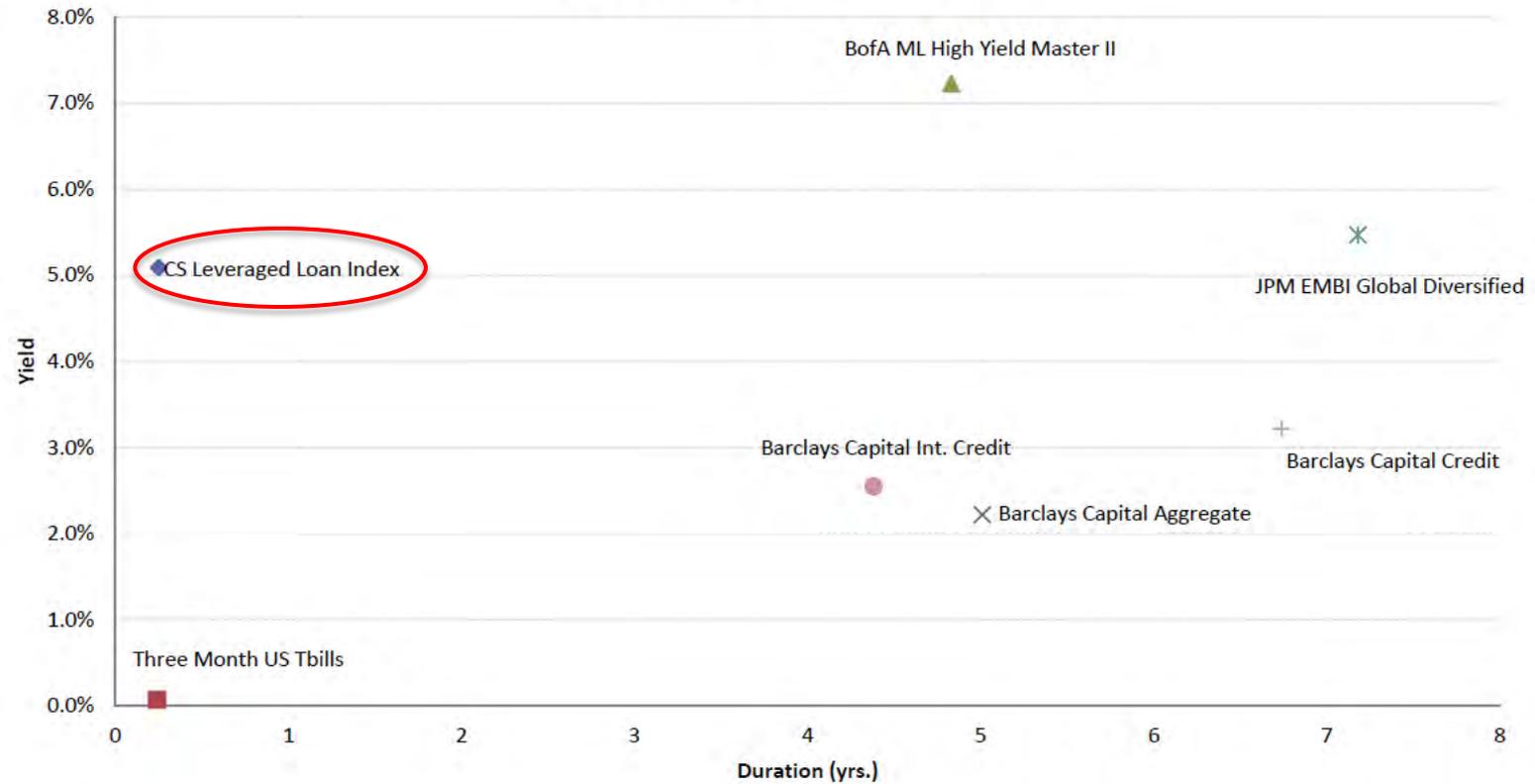
	<b>Bank Loans</b>	<b>High Yield Bonds</b>
<b>Interest Rate/Coupon</b>	Floating Rate	Fixed Rate
<b>Security</b>	Senior	Generally unsecured
<b>Priority</b>	Senior	Generally subordinate, but sometimes senior
<b>Amortization</b>	Required quarterly principal payments	Bullet payment at maturity, but may have small sinking fund
<b>Callability</b>	Prepayable at par without penalty	Call protected

Slide: Rocaton; data: Wells Capital Management



# Bank Loan Duration

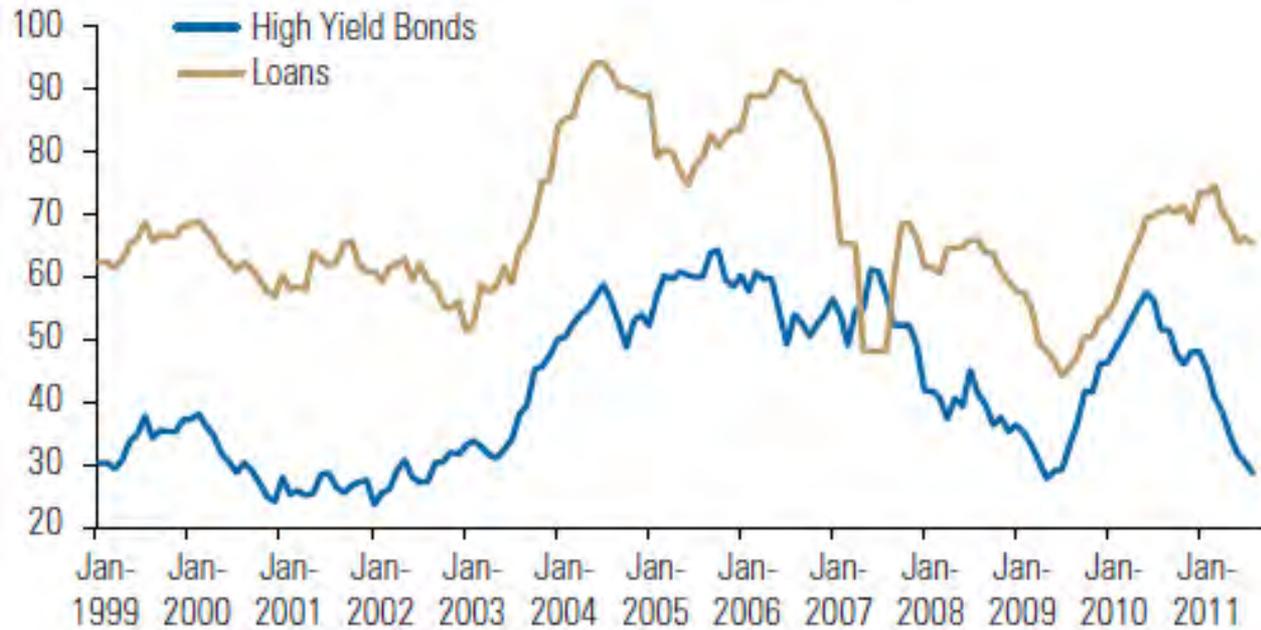
**Yield to Duration Chart  
As of March 31, 2012**



Slide source: Rocaton; data source: BofA ML, Credit Suisse, Barclays Live, JPMorgan



# Historical Recovery Rates



Source: Moody's, Wells Capital Management

Slide: Rocaton



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# Historical Default Rates



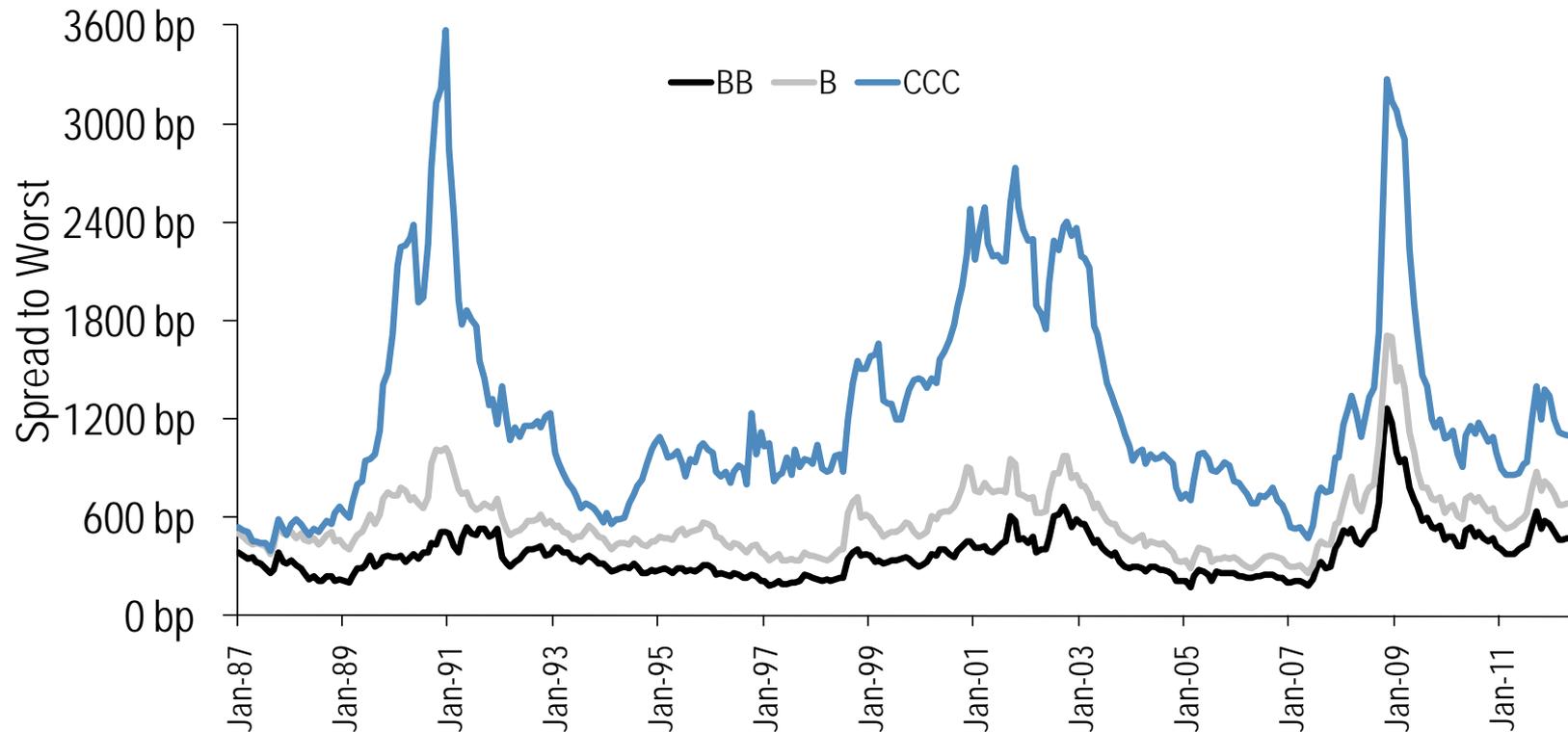
Source: Wells Capital



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# High Yield Quality Spreads



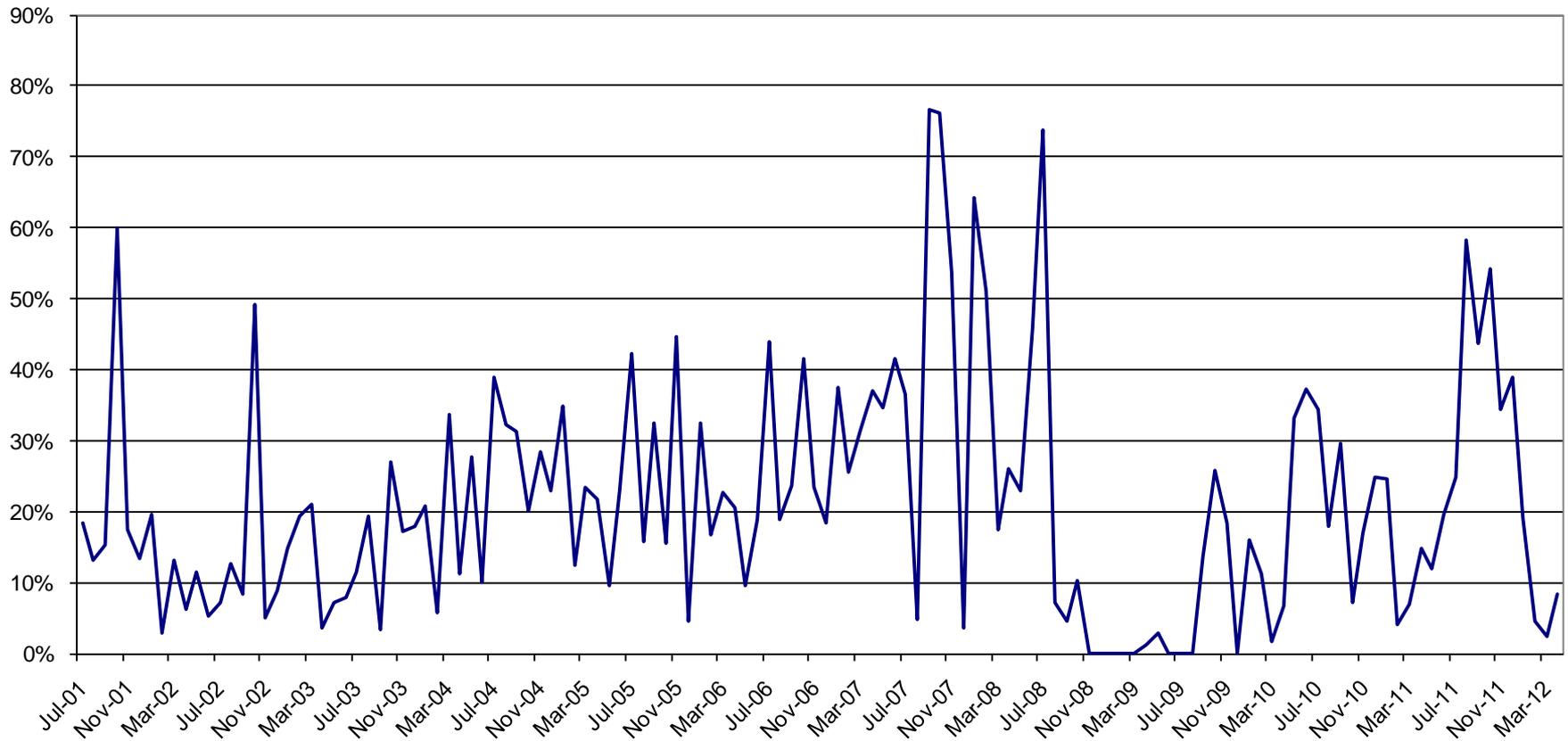
Source: Shenkman Capital



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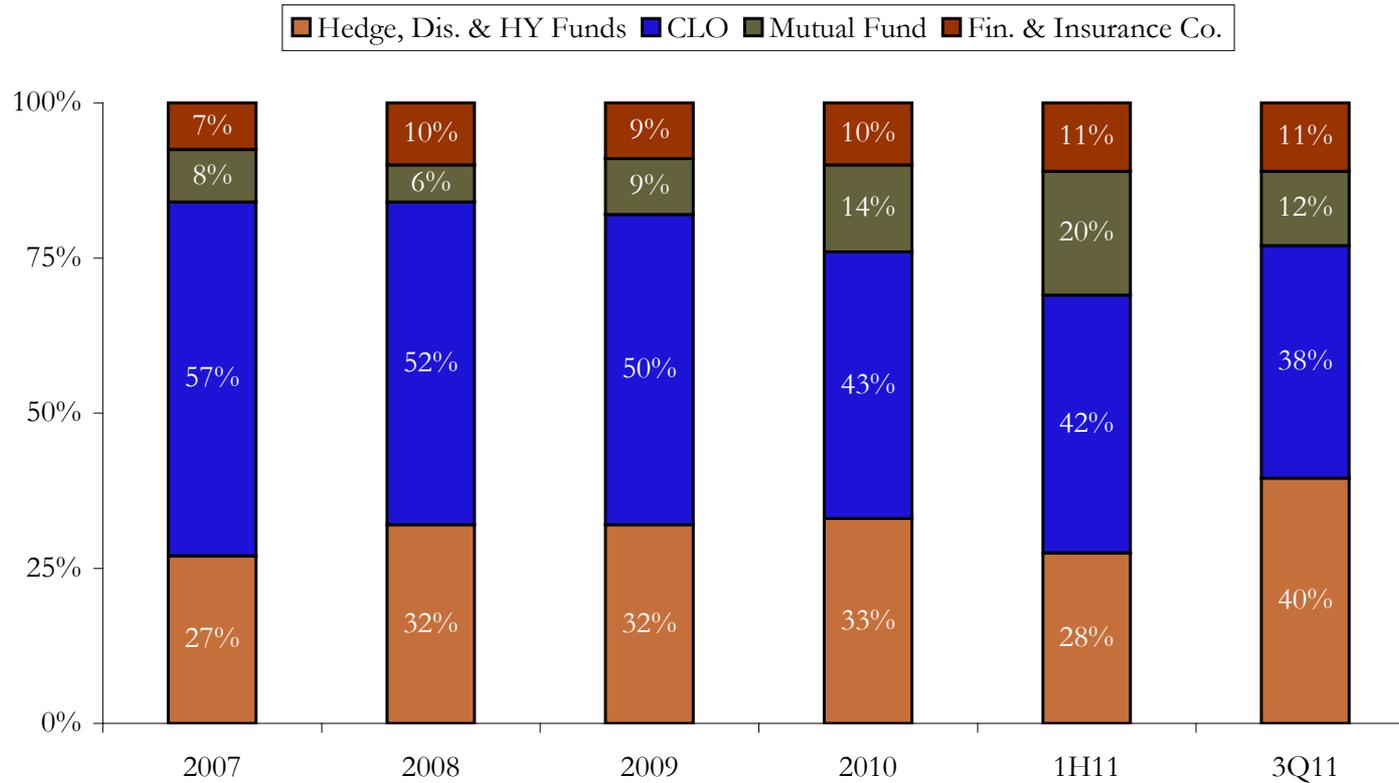
# LBO Issuance as a Percentage of Total New Issue Volume



Source: T Rowe Price



# Primary Market for Institutional Loans (Excluding Banks)



Source: Wells Capital Management, LSTA

Slide: Rocaton



# High Yield vs. Bank Loans: Risk and Return

## Merrill Lynch High Yield Index

	<u>Return</u>	<u>Standard Deviation</u>	<u>Sharpe Ratio</u>
<b>1yr</b>	6.35%	8.13%	0.78%
<b>3yr</b>	22.72%	9.64%	2.35%
<b>5yr</b>	6.76%	12.29%	0.46%
<b>7yr</b>	6.86%	10.57%	0.45%
<b>10yr</b>	7.59%	9.83%	0.58%

## Credit Suisse Loan Index

	<u>Return</u>	<u>Standard Deviation</u>	<u>Sharpe Ratio</u>
<b>1yr</b>	2.91%	5.48%	0.53%
<b>3yr</b>	15.53%	8.08%	1.91%
<b>5yr</b>	3.42%	10.47%	0.23%
<b>7yr</b>	4.23%	8.68%	0.25%
<b>10yr</b>	4.77%	7.56%	0.39%

Source: Shenkman Capital; as of December 31, 2011



# High Yield vs. Bank Loans: Quality Allocation

## Merrill Lynch High Yield Index

<b>BB and above</b>	<b>44.4%</b>
<b>B</b>	<b>39.9%</b>
<b>CCC, NR or Lower</b>	<b>15.7%</b>

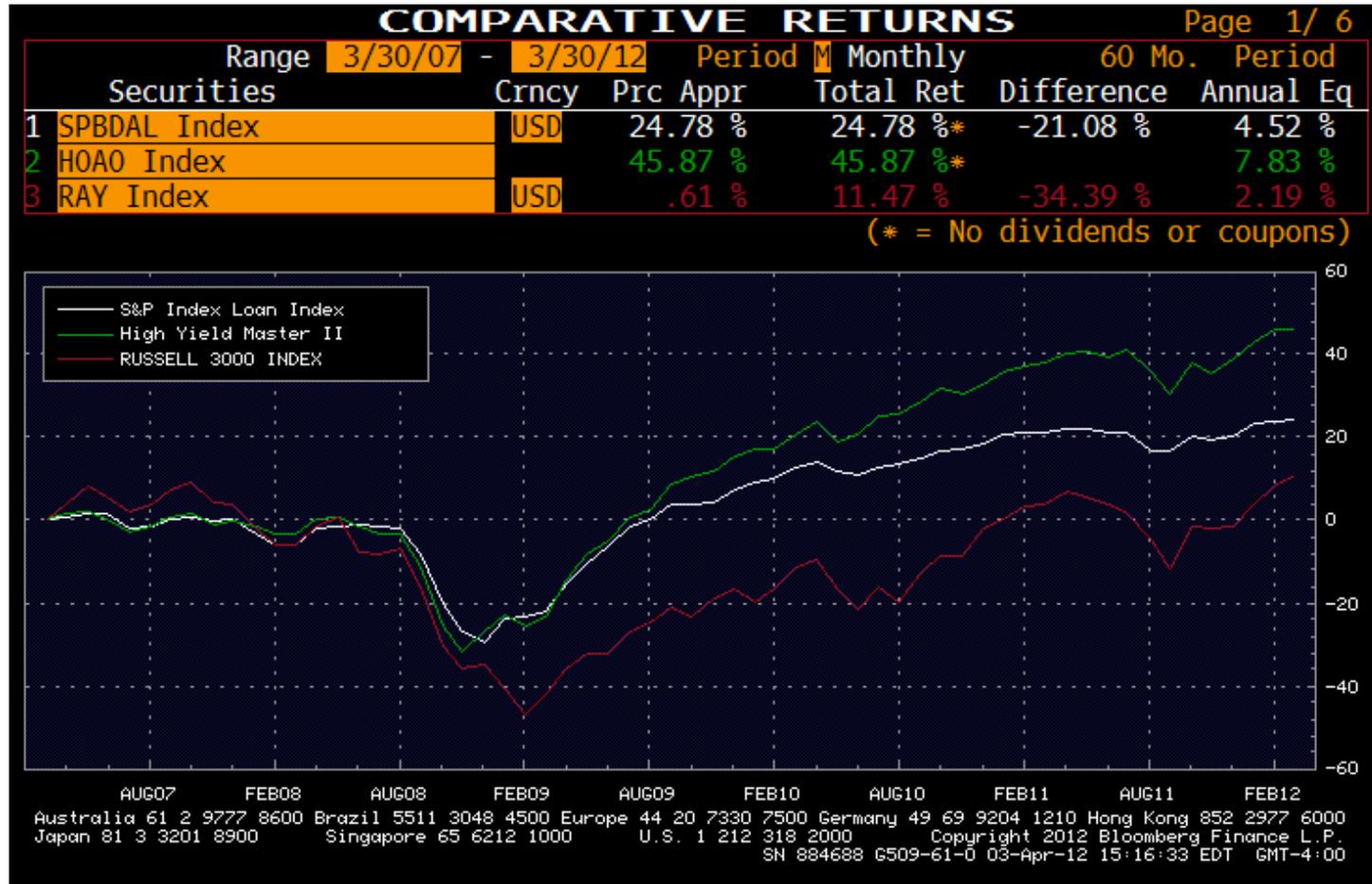
## Credit Suisse Loan Index

<b>BB and above</b>	<b>45.1%</b>
<b>B</b>	<b>37.3%</b>
<b>CCC, NR or Lower</b>	<b>17.6%</b>

Source: Shenkman Capital; as of April 30, 2012



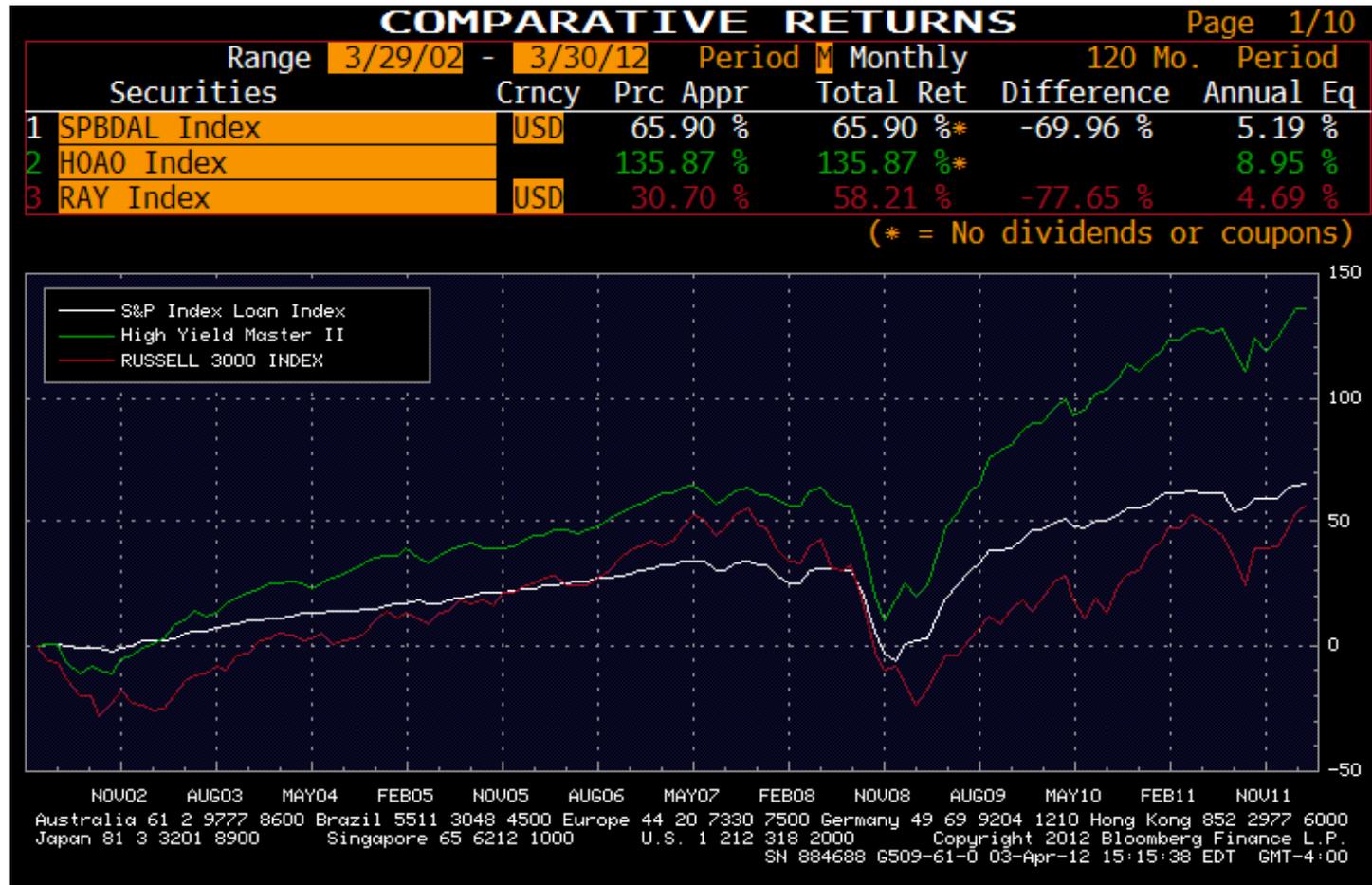
# Comparative Returns, 5 Years



Source: Bloomberg



# Comparative Returns, 10 Years



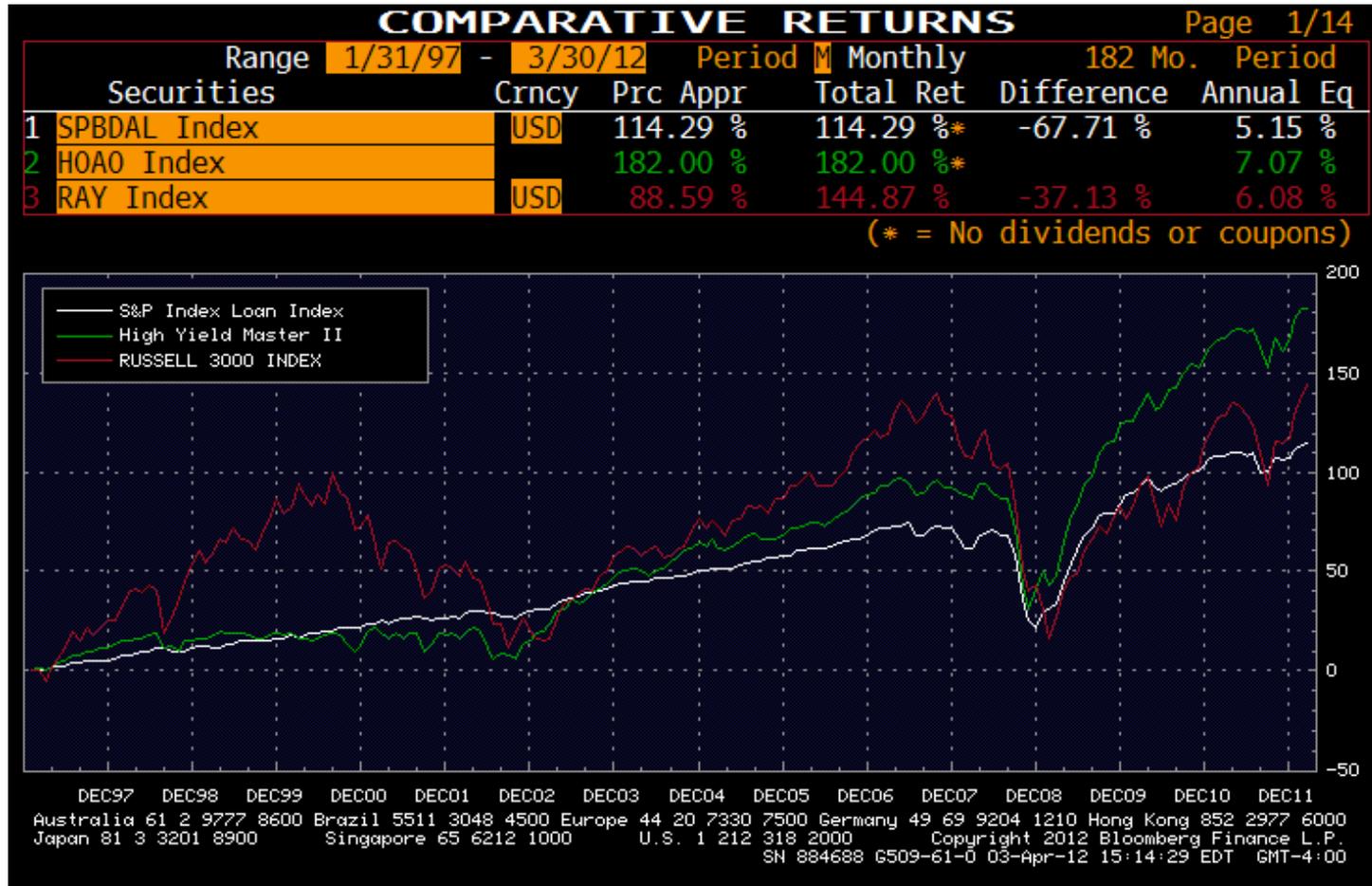
Source: Bloomberg



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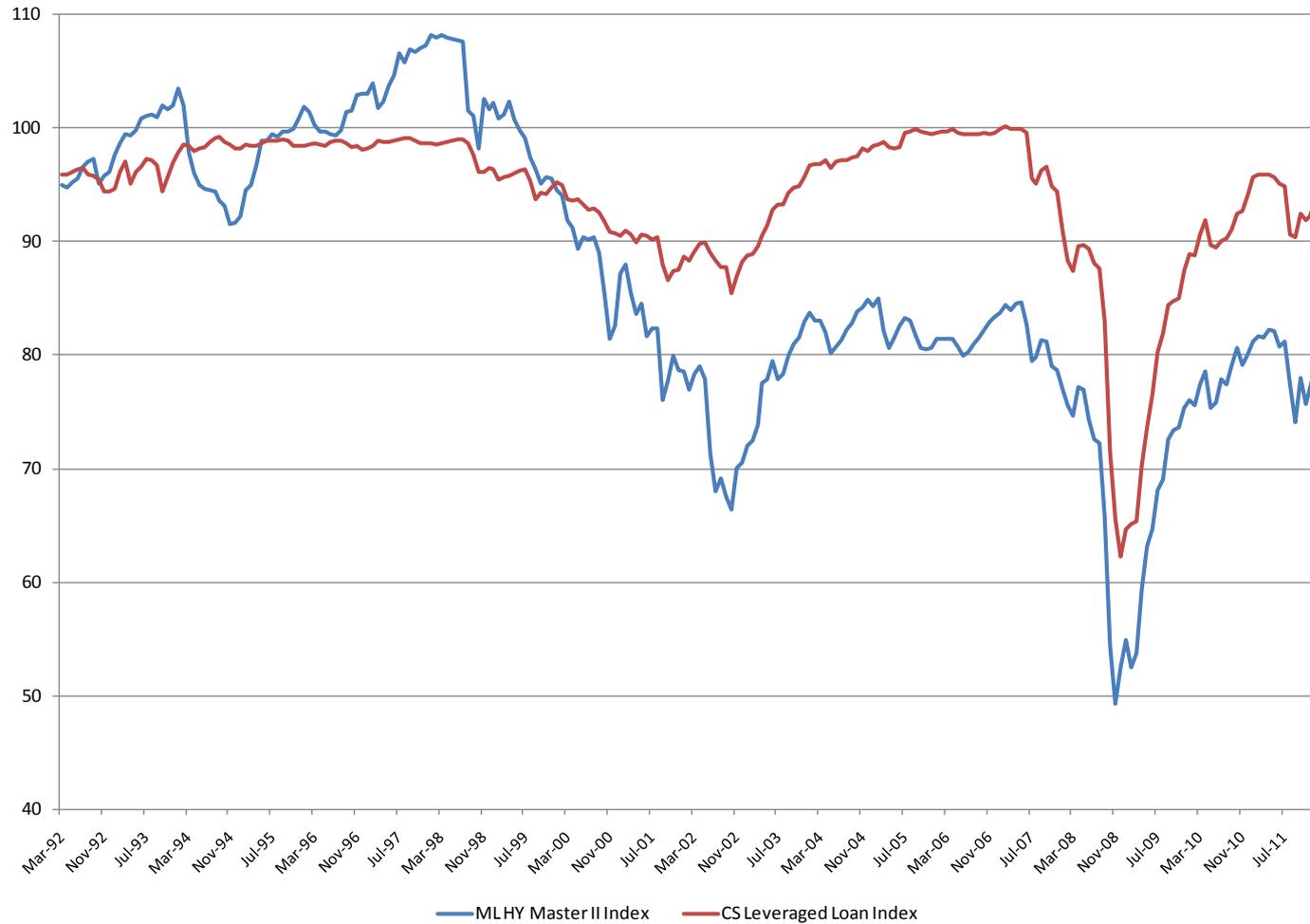
# Comparative Returns, 15 Years



Source: Bloomberg



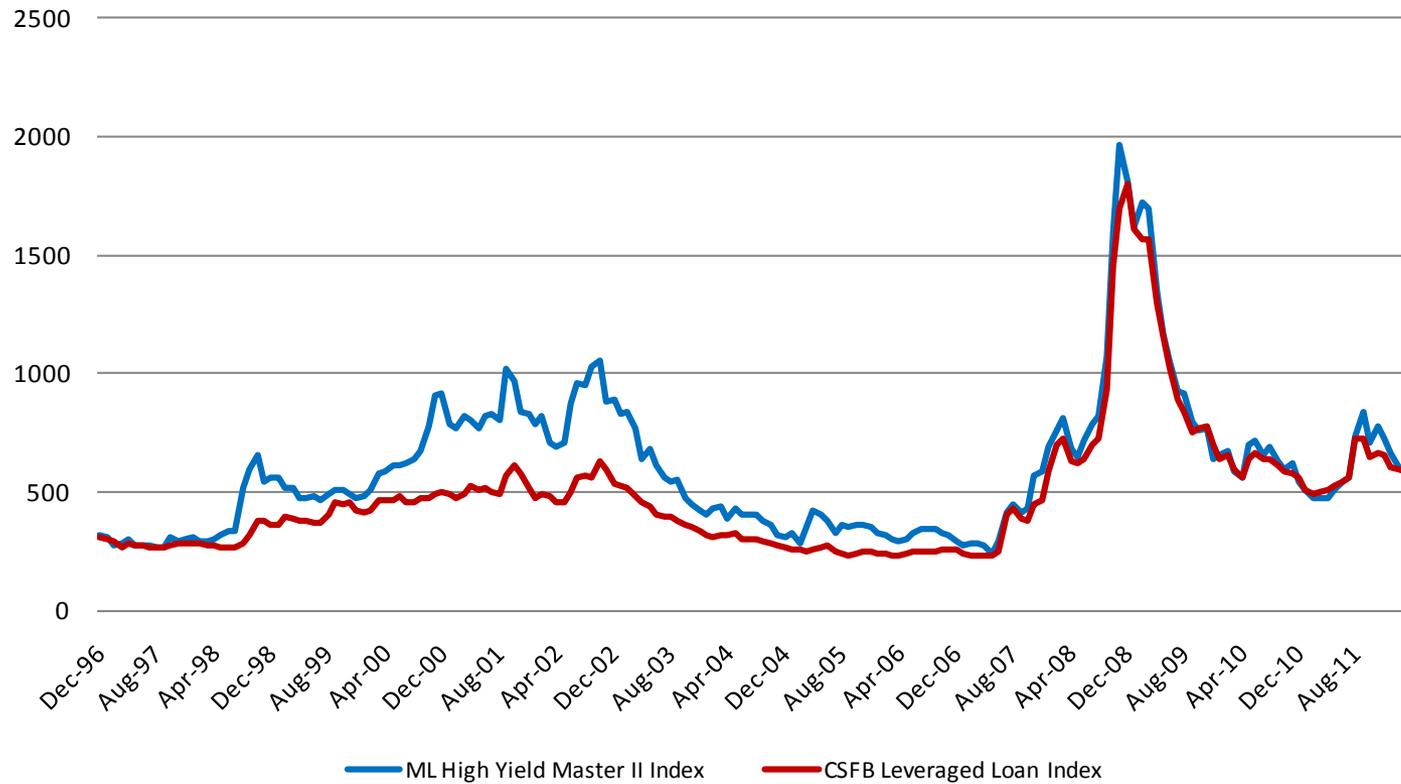
# High Yield vs. Bank Loans: Prices



Source: Bloomberg



# High Yield vs. Bank Loans: Spreads



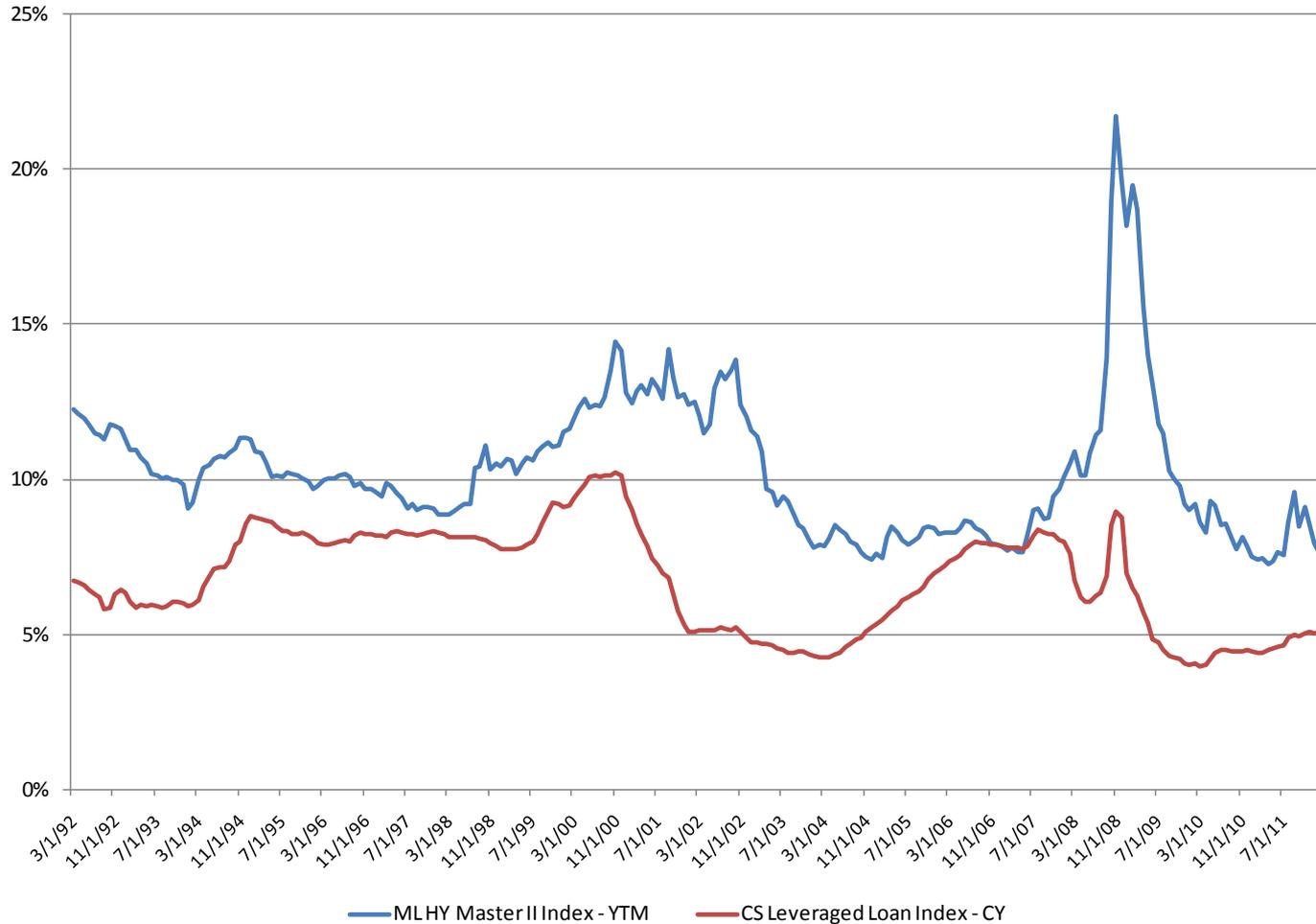
Source: Rocaton



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# High Yield vs. Bank Loans: Yield



Source: Taplin, Canida & Habacht, Bloomberg



# Bank Loans

## Current Exposure

- High Yield Managers
  - Most NYC High Yield managers are allowed to invest up to 10% in Bank Loans, but managers are generally reluctant to do so in most cases because Bank Loans are not in their benchmarks and will increase tracking error
- Opportunistic Fixed Income Managers
  - NYC Opportunistic Fixed Income managers are opportunistically investing in Bank Loans, but this too is dependent on market conditions and will result in variable weights over time; will tend to invest in times of market or issuer stress



V. European Real Estate Overview – (Handout):

**APPENDICES:**

BASKET CLAUSE

## POLICE- BASKET/NON BASKET SUMMARY

As of April 30, 2012	Fund Policy			Fund Actual (PE & RE on an invested basis)		
<u>Equity</u>	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
Domestic Equity	34.00%	0.00%	34.00%	39.54%	0.00%	39.54%
Non-U.S. Equity	10.00%	6.00%	16.00%	10.00%	6.79%	16.79%
Private Equity	0.00%	7.00%	7.00%	0.00%	7.19%	7.19%
Real Estate	6.00%	0.00%	6.00%	2.76%	0.00%	2.76%
Hedge Funds	0.00%	5.00%	5.00%	0.00%	1.99%	1.99%
<b>Total Equity</b>	<b>50.00%</b>	<b>18.00%</b>	<b>68.00%</b>	<b>52.30%</b>	<b>15.97%</b>	<b>68.28%</b>
<b><u>Fixed Income</u></b>						
Core+5	18.00%	0.00%	18.00%	18.75%	0.00%	18.75%
<i>U.S. Gov't Sector</i>	3.86%	0.00%	3.86%	3.02%	0.00%	3.02%
<i>Mortgage Sector</i>	7.57%	0.00%	7.57%	9.02%	0.00%	9.02%
<i>Credit Sector</i>	6.57%	0.00%	6.57%	6.71%	0.00%	6.71%
High Yield	3.75%	0.25%	4.00%	5.53%	0.50%	6.03%
TIPS	3.75%	0.25%	4.00%	1.69%	0.36%	2.05%
Convertibles	1.00%	0.00%	1.00%	0.96%	0.00%	0.96%
Opportunistic	2.00%	3.00%	5.00%	0.14%	0.92%	1.06%
<b>Other Fixed Income</b>	0.00%	0.00%	0.00%	2.85%	0.03%	2.88%
<b>Total Fixed Income</b>	<b>28.50%</b>	<b>3.50%</b>	<b>32.00%</b>	<b>29.91%</b>	<b>1.82%</b>	<b>31.72%</b>
<b>Total Fund</b>	<b>78.50%</b>	<b>21.50%</b>	<b>100.00%</b>	<b>82.21%</b>	<b>17.79%</b>	<b>100.00%</b>
<b>Remaining Capacity</b>		3.50%			7.21%	

\* Note: Basket amounts are estimates