



New York City  
Fire Department Pension Fund, Subchapter Two  
Performance Overview as of March 31, 2015

# Total Fund Overview

## **New York City Fire Department Pension Fund, Subchapter Two**

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Through March 31, 2015



### **Equity Markets**

US equities were affected by the uncertainty surrounding Fed action and bounced around during the first quarter of 2015. The S&P 500 was up 1% in the quarter while small cap stocks gained 4%, bolstering already high valuations. Growth trumped value in each benchmark, helped by a strong showing by biotech. Small-cap equities benefitted from their largely domestic focus while a stronger dollar took a bite out of large-cap stocks. Ultimately, the transition to a tighter monetary policy may expose vulnerabilities within US stocks. As a result, any deviation from a clearly visible Fed policy path is likely to push volatility higher for US equity markets largely priced for perfection.

Despite the strong recent equity performance in Europe and Japan and valuations hovering around long-term P/E averages, catalysts remain. In Japan, the central bank's bond purchases have pushed its assets above 60% of total GDP with no end in sight to the quantitative easing program. This unwavering support, coupled with a broad local investor shift into Japanese equities and improvements in corporate governance, promote a favorable outlook. Meanwhile, the ECB's €1 trillion bond-purchase program has pushed European government bond yields into negative territory, forcing investors further out on the risk spectrum. In addition, earnings in this region remain subdued on a cyclical basis and are well below the highs reached before the financial crisis, creating grounds for a rebound in earnings growth spurred by a weakened euro and incremental employment gains. To be sure, risks remain in these markets, including the unprecedented nature of Japan's bond-buying program or a potential exit of Greece from the Eurozone.

Monetary accommodation and increasing optimism in Japan led to gains of 5% for the EAFE Index during the quarter, outpacing domestic and emerging markets. Japan was the top performer, returning close to 10%, while New Zealand and Singapore trailed the pack, selling off roughly 1%. Emerging markets returned 2.2% in the first quarter, bolstered by gains in India and Russia. Russia was the top performer, with quarterly returns of 18%. Other commodity-driven markets, such as Brazil, lagged on the back of continued pressure on energy prices.

### **Fixed Income Markets**

Global sovereign debt gained in the first quarter as yields fell amid declining inflation and accommodative monetary policies. The ECB's €1 trillion government bond-buying program pushed yields in the Eurozone to record lows, while US Treasury yields also declined on renewed expectations of a delayed Fed rate hike. The yield on the 10-year US Treasury dropped 23 basis points to 1.94% at the end of March. The spread between two- and 10-year rates fell 12 basis points to 1.38%. Treasury Inflation-Protected Securities, or TIPS, returned 1.4% during the quarter, as measured by the Barclays US TIPS Index. The 10-year breakeven inflation rate increased 10 basis points to 1.78% as inflationary expectations inched up with the stabilization of oil prices. US investment-grade corporate bonds returned 2.3% during the quarter. The Barclays Long Duration Credit Index

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gained 3.1%, bolstered by falling Treasury yields. Agency mortgage-backed securities benefitted from a decrease in mortgage rates in January and March, and posted quarterly gains of 1.1%. High-yield bonds bounced back after two quarters of losses, returning 2.5%.

A strong US dollar affected local-currency emerging market debt. Local-currency bonds were down 4.0% in the first quarter, as measured by the JPMorgan GBI-EM Global Diversified Index. Hard-currency emerging market debt market trumped local currency debt, with the JPMorgan EMBI Global Diversified Index returning 2.0%. After plunging at year-end, Russian debt outperformed as oil prices stabilized and geopolitical tensions cooled. Brazilian debt underperformed amid disappointing growth, high inflation, and concerns around the mismanagement of the state-run oil giant Petrobras.

### **Commodity Markets**

Commodities continued their losing streak for the third straight quarter. The Bloomberg Commodity Index lost 5.9% in the three months ended March 31<sup>st</sup> as a stronger US dollar, anemic growth beyond the US, and excess supply extracted a toll. Lean hogs led the decline, posting losses of 23.7%; precious metals were the only group in the black at 1.3%. Volatility in the commodity sector trumped other asset classes, including equities, bonds and the US dollar; for instance, Brent crude dropped 9.9% in January, then sharply recovered, gaining 14.8% in February, and slipped again in March, losing 12.3% and posting losses of 9.3% for the quarter.

### **Hedge Funds**

Hedge funds outperformed most major indices in the first quarter, benefiting from the reemergence of market volatility. The Credit Suisse Hedge Fund Composite returned 2.5%, compared to 1.0% for the S&P 500 and 1.6% for the Barclays Aggregate Bond Index over the same period. The volatility was triggered by economic growth and policy divergence, currency pressures, a potential Greek default, and supply/ demand factors pressuring oil prices.

Tactical trading strategies led performance for the quarter, continuing their winning streak dating back to the second half of 2014. The Credit Suisse Global Macro and Credit Suisse Managed Futures indices closed the quarter up 4.5% and 7.3%, respectively, as managers were able to profit from trends in currencies, commodities and equities. The US dollar strengthened relative to other major currencies, benefiting managers with long US dollar positions. Short oil positions were profitable through January amid depressed energy prices.

Event-driven strategies were positive for the quarter, with the Credit Suisse Event Driven Multi-Strategy Index up 2.1%, a modest rebound from the end of last year. The first quarter saw strong merger and acquisition activity, continuing the high volume and valuation levels seen through 2014. However, risk arbitrage managers have not been able to fully capitalize given the relatively tight deal spreads.

Through March 31, 2015



Equity strategies were mixed. Short-biased and market-neutral strategies were negative as global equity markets generally performed well. The Credit Suisse Long-Short Equity Index ended the first quarter up 1.8%. Merger and acquisition activity in the healthcare space continued to be a strong contributor. Additionally, managers with European exposure outperformed, capturing gains in European equities fueled by the ECB's debt-purchase plan.

### **Private Markets**

Private equity fundraising remained strong during the first quarter with \$83 billion of capital raised globally. On an annualized basis, the amount raised during the quarter suggests that fundraising in 2015 could equal or exceed the \$350 billion raised in 2014, the most prolific year since 2007. Geographically, North American and European funds garnered the lion's share—92%—of the total capital raised. Energy funds shrugged off the falloff in oil prices, attracting 16% of total capital as investors seek to benefit from a potential price dislocation.

In the US, buyout activity fell significantly. The widening capital overhang—\$534 billion—coupled with cheap and widely available debt has created a highly competitive environment, making it increasingly difficult to close deals. Conversely, exit activity continued to be strong. Even at this healthy pace, distributions for 2015 may fall shy of the record set in 2014 of 1,000 exits totaling \$248 billion in transaction value.

In Europe, the deleveraging of the banking sector is still making headway. To this end, non-performing loans, or NPLs, present one of the largest, most actionable opportunities. This year could set a record for trading in NPLs totaling €100 billion in transaction value, according to PricewaterhouseCoopers; €40 billion of announced transactions are already in the works. This activity is being partly fueled by the ECB's Asset Quality Review in 2014 that brought to light €136 billion of troubled loans. As competition intensifies for these securities in the UK, Ireland, and Spain, investors are starting to look in Italy and the Netherlands, which have nearly €9 billion of deals in progress.

Moving to real estate, NEPC remains neutral on US core real estate for private strategies and real estate investment trusts. US core real estate continued to generate robust returns in the first quarter. Real estate fundamentals remain strong and core real estate is priced at attractive income yields relative to interest rates, though absolute yields are low based on historical averages. Our main longer-term concerns for US core real estate are large inflows of capital that have driven up pricing (especially in major markets and now spreading to secondary markets), low relative absolute yields (or capitalization rates), the market's expectation for higher interest rates and the impact this would have on capitalization rates (and asset values), and some new construction in certain locations. US REITs have traded up and are now trading at slight premiums to NAV. We

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remain neutral on real estate debt. Yields have generally remained low and lenders continue to loosen credit standards. NEPC remains positive on value-add and opportunistic real estate. We still view Europe as the best candidate for a marginal dollar of real estate investment. However, the opportunity—focused on asset mispricing (and not future expected growth)—is limited in duration. For non-core real estate in the US, we still favor niche-focused and historically conservative managers with a proven ability to understand local markets and avoid overheated markets.

In real assets, we are positive on energy and neutral on agriculture, infrastructure, metals and mining, and timber. NEPC continues to evaluate the spectrum of liquid and illiquid energy-related investment opportunities given the dislocation in oil prices. The investment community generally expects that supply and demand forces will likely see oil prices settle in the \$70-\$75 range in 2016. NEPC shares this view. Under this scenario, NEPC believes that public exploration and production companies and energy services firms will experience varying degrees of distress and capital needs. As oil prices remain low, hedges roll off, revolvers get resized and cash flows decrease. As a result, many companies will require capital, generating a variety of investment opportunities. This process has already started to occur with a handful of companies and is expected to grow this year and into 2016.

Determining the best energy investment strategy today is complex and requires consideration of the future price and volatility of oil. We have thought through this while using three different scenarios to evaluate the opportunity set: (a) oil remains volatile for the first half of 2015 but rebounds to \$70-\$75 by year end, (b) oil remains volatile in the current range but rebounds to \$70-\$75 in 2016, and (c) oil remains volatile around the current range well past 2016-2017. NEPC views scenario (b) as the most likely outcome. Given this as a baseline, we view long/ short equity strategies and stressed/ dislocated credit approaches as attractive in the near term; long/ short commodity strategies are also interesting assuming volatility persists. The long/ short commodity play, using commodity derivatives, is less a bet on the path of oil but the interim volatility of oil and the manager's ability to gauge price movements. As the stress starts to build towards the end of the year and into 2016, distressed credit, rescue financing and private equity strategies should become appealing.

### **Performance:**

For the first quarter of 2015, the Fund returned 2.39%, which ranked in the 40<sup>th</sup> percentile of the Public Master Trust Universe, underperforming the policy index return of 2.67%. Deviations from the policy detracted 28 basis points from aggregate performance during the quarter. For the year ended March 31, 2015, the Fund returned 7.77%, which ranked in the 31<sup>st</sup> percentile in the Public Master Trust Universe, with deviations from the policy detracting 63 basis points over the trailing year. Over the trailing 3-year and 5-year periods, the Fund returned 10.12% and 9.87%, respectively.

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### **Domestic Equity Composite**

The Fund had 31.2% invested in domestic equity at the end of the first quarter. Within domestic equity, the Fund was overweight Small Cap Active Managers by 1.10%, underweight Russell 2000 Index Funds by 2.44%, overweight Small to Mid Cap Active Managers by 0.69%, overweight Mid Cap Active Managers by 4.98%, underweight Mid Cap S&P 400 Index Managers by 4.50%, underweight Russell 1000 Active Managers by 8.17%, overweight Russell 1000 Index Funds by 6.52%, underweight Russell 3000 Index Fund managers by 2.19% and overweight to Manager of Managers by 0.60% and Domestic Equity Transition by 3.41%.

For the quarter, the Total Domestic Equity Portfolio returned 2.28%, outperforming the Russell 3000 Index return of 1.80% by 48 bps.

### **International Equity Composite**

At the end of the first quarter, the Fund had an allocation to international equity of 16.8%. Of this total, 37.50% was allocated to emerging markets equity and 62.50% was allocated to developed international markets. The Fund also allocates across style in the developed international space, with 23.31% of the allocation invested in active value mandates, 5.68% in developed large cap passive, 24.78% in growth mandates. A total of 16.94% of the total international allocation was invested passively, including 9.84% invested in Emerging Markets Passive investments and 7.10% invested in Passive developed investments; remainder includes the actively managed strategies.

The International Developed Equity Composite returned 4.14% in the first quarter, underperforming the MSCI EAFE Index which returned 4.88%. The Emerging Markets Composite returned 1.55% in the first quarter, underperforming the MSCI EM Index which returned 2.24%.

### **Fixed Income Composite**

At the end of the first quarter, the Fund had an allocation to fixed income of 34.2%. Of the allocation to fixed income, 51.9% was invested in structured fixed income, 10.9% was allocated to high yield, 8.1% was invested in TIPS, 12.5% was allocated to cash and short term investments, 4.8% allocated to bank loans, 1.5% was in convertible bonds, 2.0% was allocated to economically targeted investments (ETI), 7.2% was allocated to opportunistic fixed income, 0.8% to Progress Fixed and 0.3% allocated to core plus.

The Structured Fixed Income Composite returned 1.90% in the first quarter, outperforming the NYC Core plus 5 Index return of 1.88% by 2 bps. The Barclays Capital Aggregate Index returned 1.61% for the quarter.

The Enhanced Yield or high yield fixed income composite, posted a return of 2.61%, which outperformed the Citigroup BB&B Capped Index return of 2.44% by 17 bps.

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The TIPS Composite returned 1.54%, which outperformed the Barclays Global Inflation Linked: US TIPS Index return of 1.42% by 12 bps for the quarter.

### **Real Estate Equity Securities Composite & Private Equity**

As of March 31, 2015 the Fund had \$375 million invested in REITs for a commitment of 3.4% of Total Fund assets. In the first quarter, the REIT portfolio returned 5.33%, outperforming the DJ US Select Real Estate Securities Index return of 4.81%. As of March 31<sup>st</sup>, the Fund had an allocation to Private Real Estate of 3.92% and 6.68% allocated to Private Equity.

### **Hedge Funds**

The allocation to hedge funds as of March 31, 2015 was \$391 million, 3.6% of the total fund. The first quarter return for the hedge fund portfolio was 3.28%, outperforming the HFRI FOF Composite Index return of 2.79%, and outperforming the 1 Yr. T-bill yield + 4% return of 1.07%.



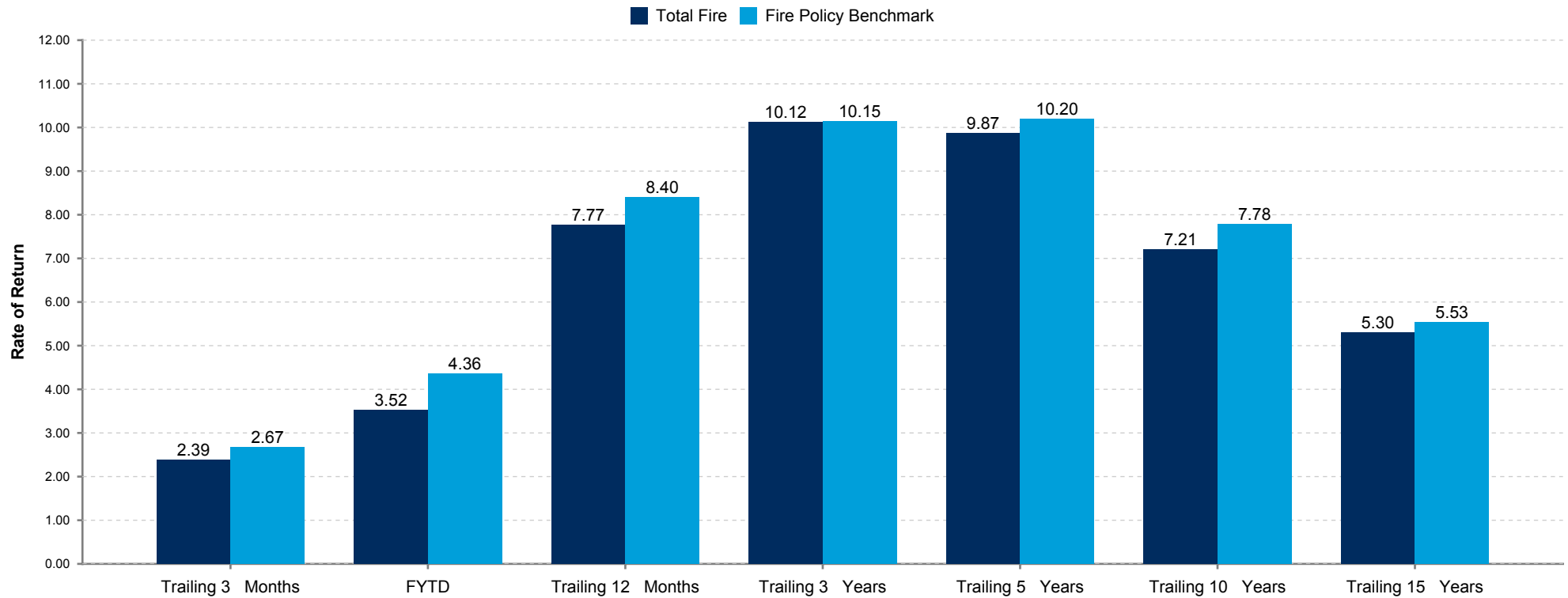
## Total Portfolio Returns: March 31, 2015



### Market Value (Billions)

\$10.9

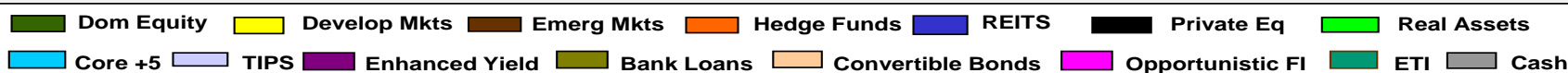
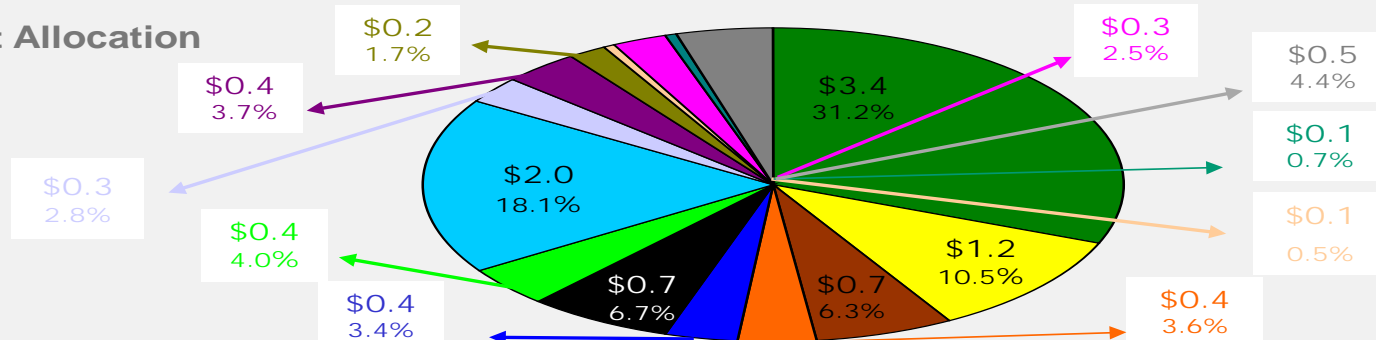
TOTAL FIRE



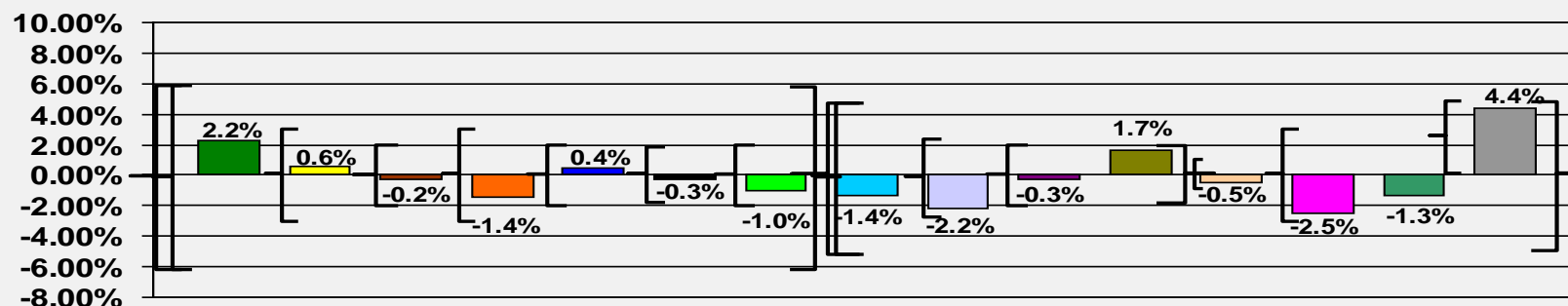
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL FIRE	5.9	5.5	9.9	9.0	10.2	11.4

**\$10.9B Under Management**

**Asset Allocation**

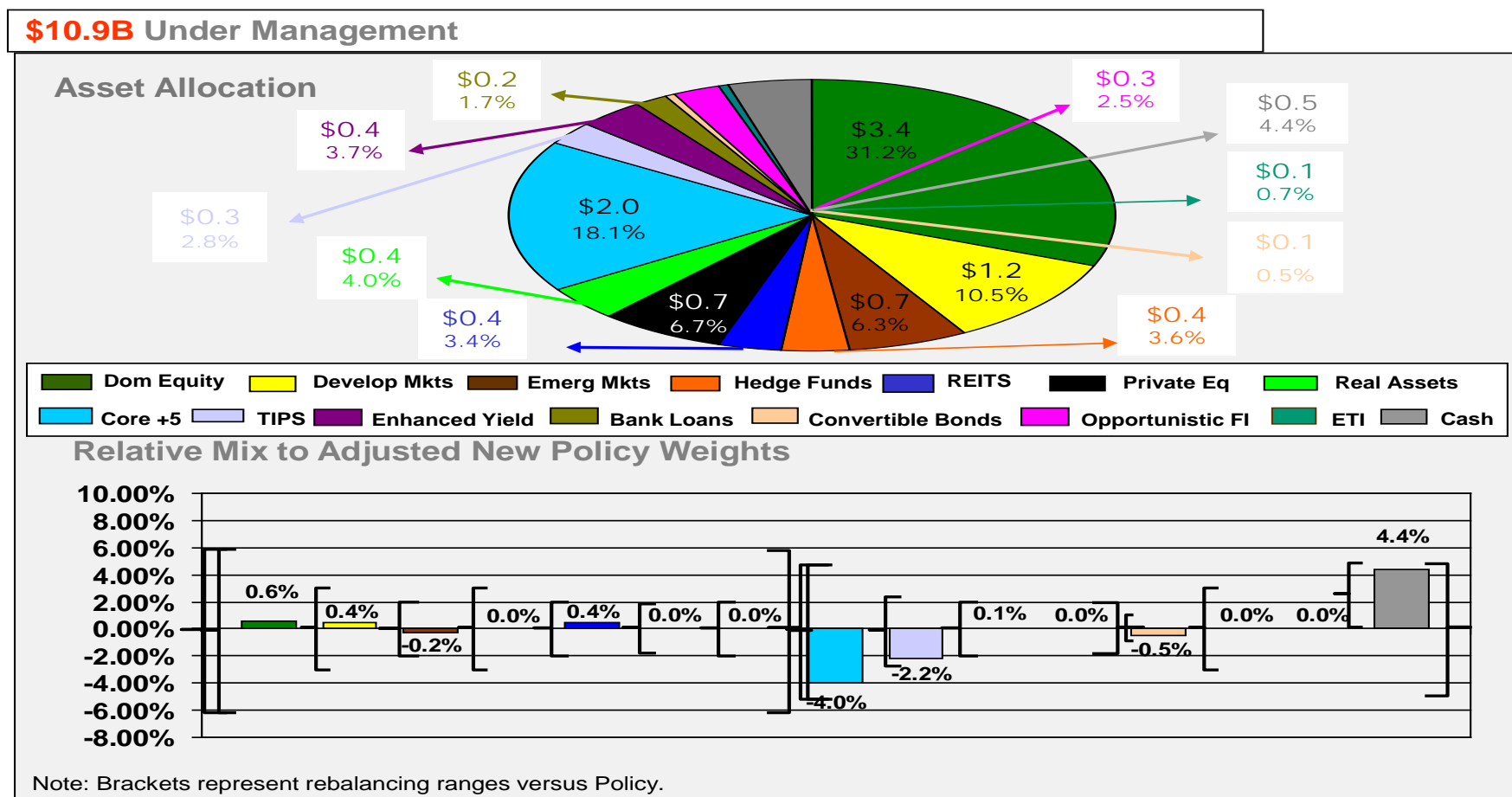


**Relative Mix to New Policy Weights**

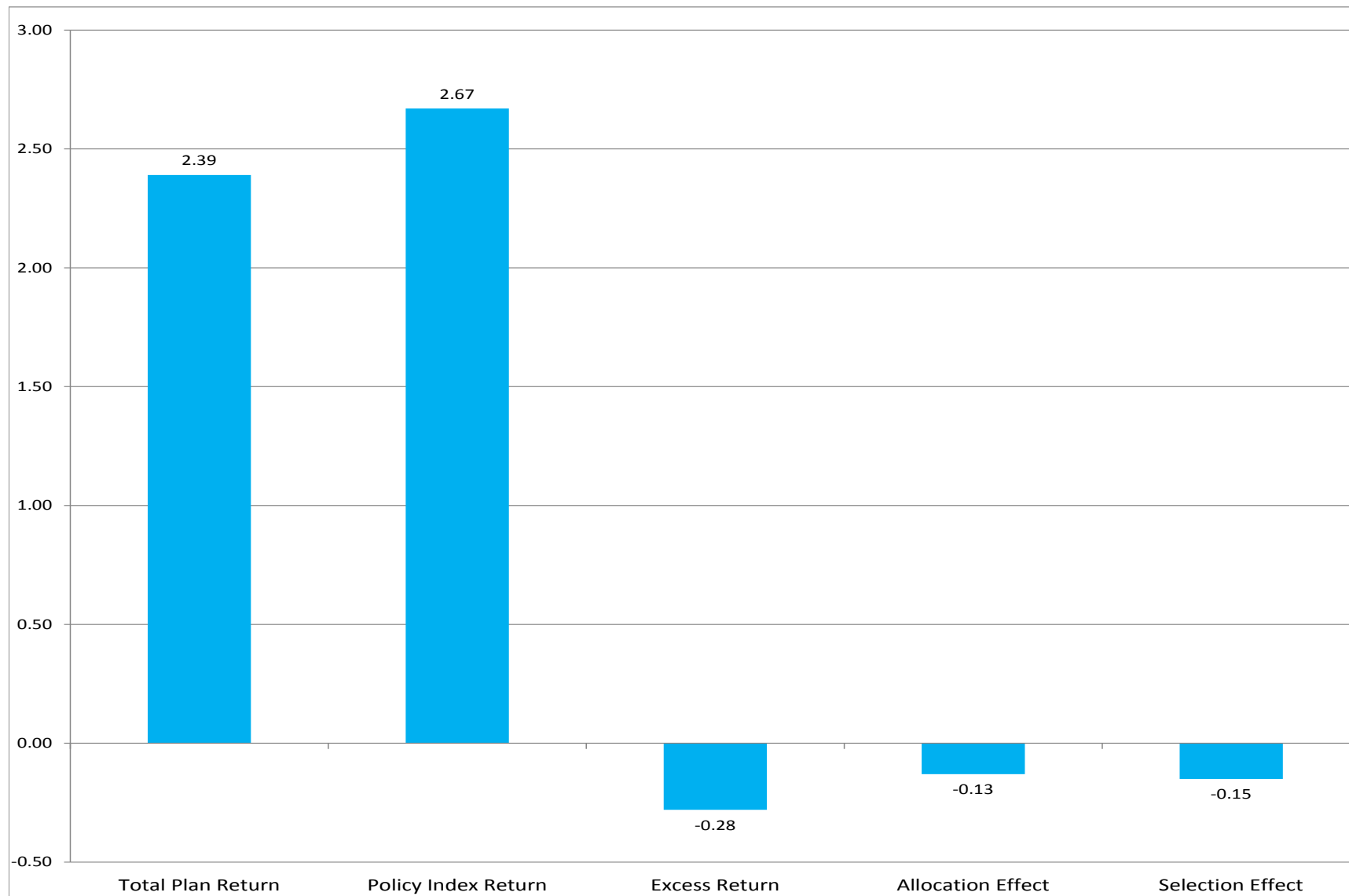


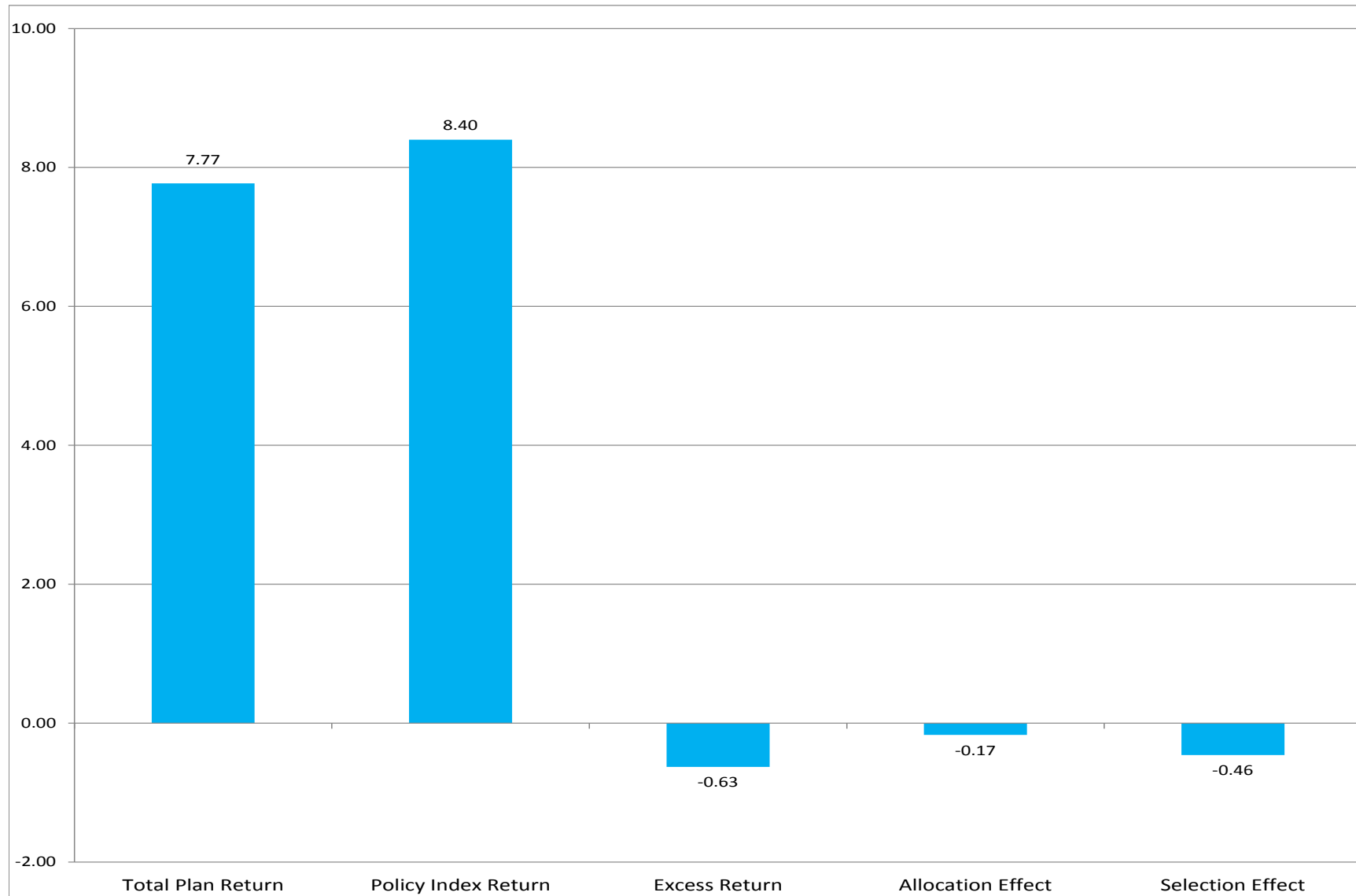
Note: Brackets represent rebalancing ranges versus Policy.

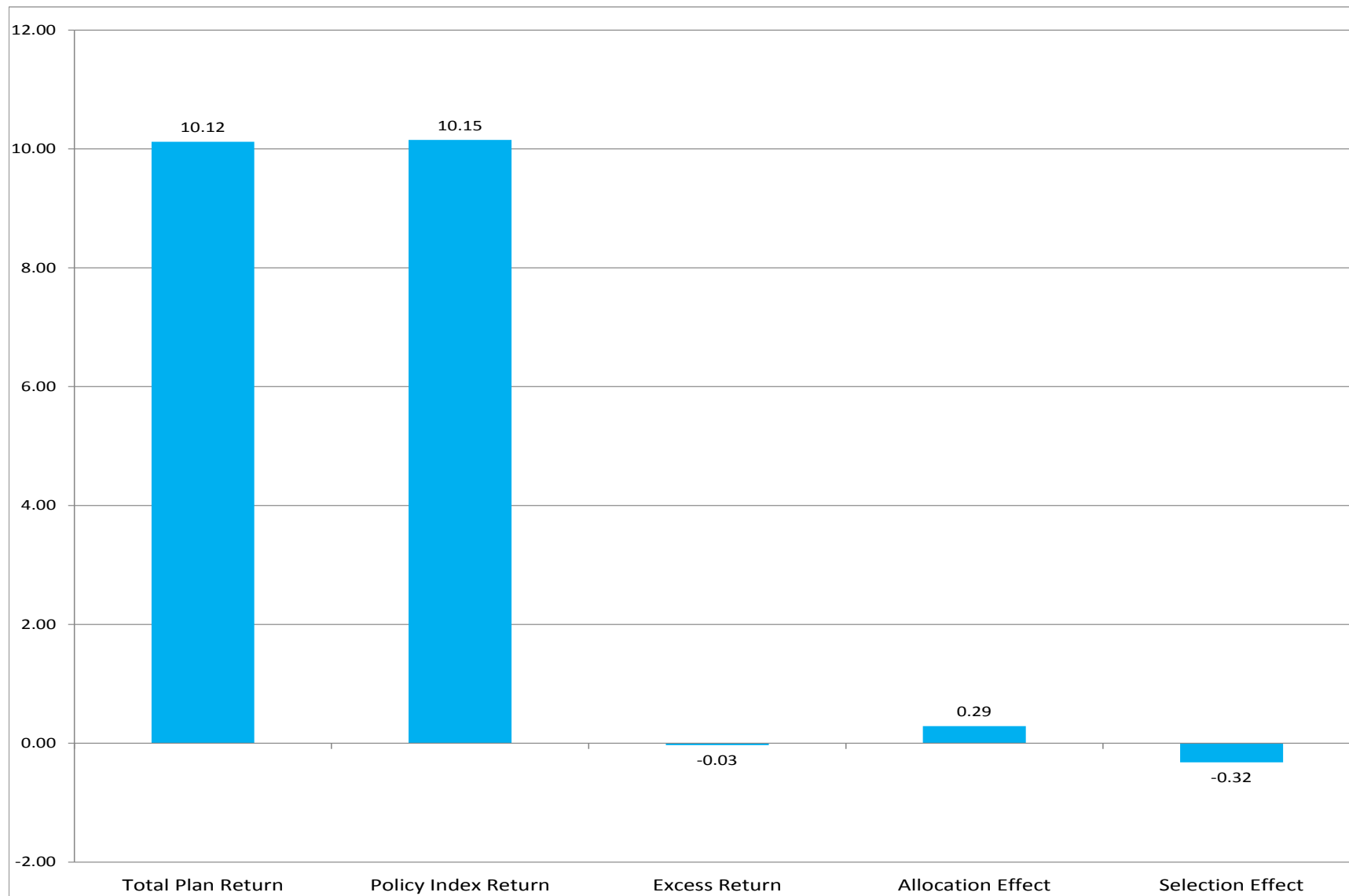
Prepared by State Street Investment Analytics



Prepared by State Street Investment Analytics







Allocation Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE	-0.13	-0.17	0.29	Fire Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.04	0.07	0.24	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.01	-0.01	-0.06	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.00	-0.05	-0.03	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	0.00	0.01	0.01	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.00	0.01	0.00	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.00	0.00	CPI + 4%
TOTAL HEDGE FUNDS	0.00	0.00	-0.01	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	0.00	0.01	0.00	DJ U.S. Select REIT
TOTAL STRUCTURED	0.01	0.03	0.20	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	0.00	-0.01	-0.02	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.00	0.01	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.02	0.10	0.17	BARCLAYS U.S TIPS INDEX
TOTAL CONVERTIBLE BONDS	0.00	0.00	-0.01	BofAML ALL CONVERTIBLE - Ex Mandatory
TOTAL OPPORTUNISTIC FIXED	0.00	0.00	0.00	10% Annual Return
TOTAL CASH	-0.12	-0.28	-0.23	

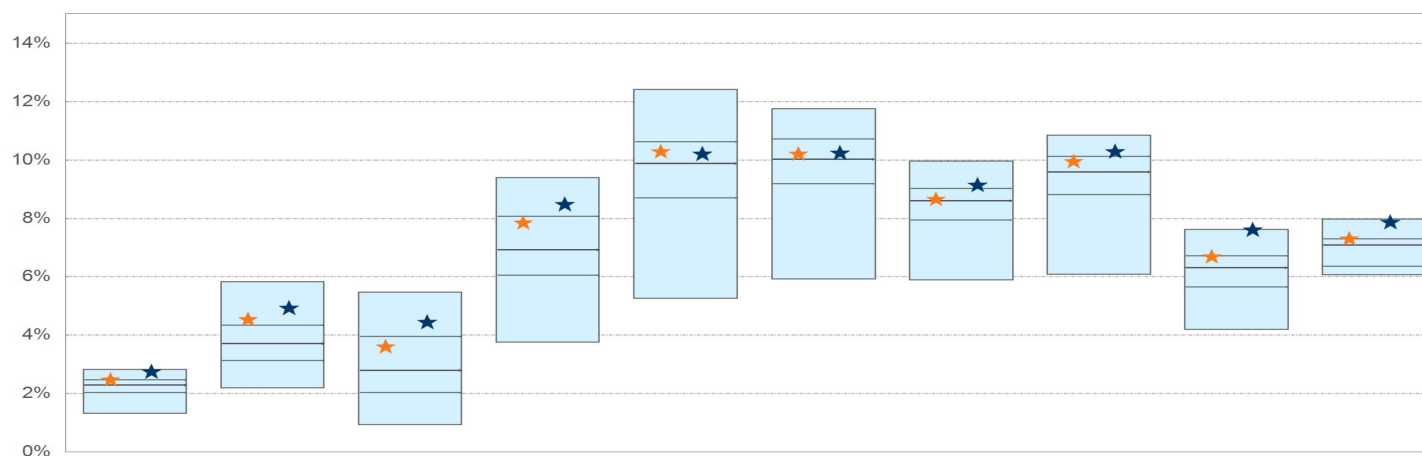
Selection Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE	-0.15	-0.46	-0.32	Fire Policy Benchmark
TOTAL DOMESTIC EQUITY	0.15	-0.29	0.05	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.08	-0.03	-0.08	MSCI EAFE NET
TOTAL EMERGING MARKETS	-0.04	0.02	0.03	MSCI EMERGING MARKETS
TOTAL PRIVATE EQUITY	-0.30	-0.20	-0.46	NYC R3000 +3% Lagged
TOTAL PRIVATE REAL ESTATE	0.03	0.05	0.02	NCREIF NFI-ODCE NET + 1%
TOTAL INFRASTRUCTURE	0.00	0.01	0.00	CPI + 4%
TOTAL HEDGE FUNDS	0.08	0.11	0.05	1 Year Treasury Bill Yield + 4%
TOTAL REAL ESTATE SECURITIES	0.02	0.00	0.01	DJ U.S. Select REIT
TOTAL STRUCTURED	0.00	-0.04	0.10	NYC - CORE PLUS FIVE
TOTAL ENHANCED YIELD	0.01	-0.01	0.00	CITIGROUP BB & B
TOTAL BANK LOANS	0.00	0.02	0.01	CSFB LEVERAGED LOAN INDEX
TOTAL TIPS MANAGERS	0.00	0.00	0.00	BARCLAYS U.S TIPS INDEX
TOTAL CONVERTIBLE BONDS	0.00	-0.02	-0.03	BofAML ALL CONVERTIBLE - Ex Mandatory
TOTAL OPPORTUNISTIC FIXED	-0.03	-0.10	-0.02	10% Annual Return
TOTAL CASH	0.01	0.01	0.01	

Through March 31, 2015



## City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$1 Billion  
Cumulative Periods Ending : March 31, 2015



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	2.82	5.83	5.48	9.39	12.42	11.75	9.96	10.85	7.62	7.97
25th	2.47	4.35	3.95	8.07	10.62	10.72	9.02	10.12	6.72	7.30
50th	2.30	3.71	2.80	6.92	9.88	10.02	8.61	9.59	6.31	7.09
75th	2.03	3.14	2.03	6.05	8.71	9.18	7.95	8.82	5.65	6.36
95th	1.33	2.20	0.93	3.76	5.26	5.93	5.90	6.08	4.20	6.07
No. Of Obs	73	73	73	73	73	72	71	69	67	61
★ Total System - Fire	2.39 (40)	4.46 (23)	3.52 (33)	7.77 (31)	10.21 (38)	10.12 (47)	8.57 (51)	9.87 (42)	6.61 (30)	7.21 (36)
★ Fire Policy Benchmark	2.67 (14)	4.84 (10)	4.36 (14)	8.40 (15)	10.13 (38)	10.15 (44)	9.06 (22)	10.20 (19)	7.53 (7)	7.78 (9)

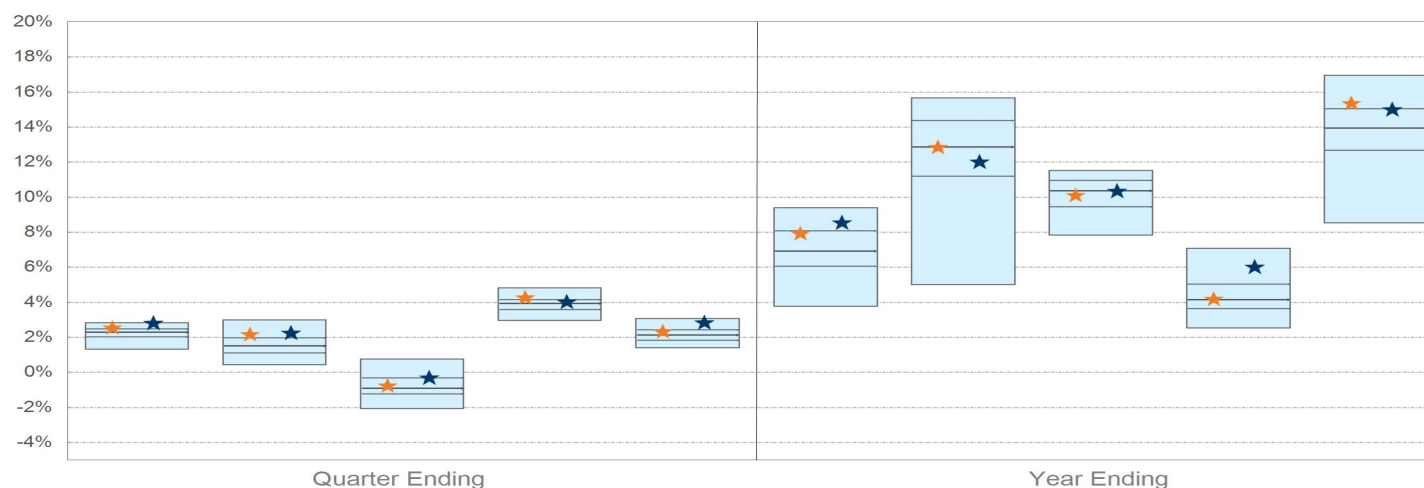


Through March 31, 2015



## City of New York Performance Comparison

Total Returns of Master Trusts - Public : Plans > \$1 Billion  
Consecutive Time Periods: March 31, 2015



Percentile Rankings	Mar 15	Dec 14	Sep 14	Jun 14	Mar 14	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11
5th	2.82	2.99	0.76	4.83	3.08	9.39	15.68	11.52	7.07	16.95
25th	2.47	1.97	-0.32	4.14	2.42	8.07	14.38	10.95	5.03	15.05
50th	2.30	1.51	-0.90	3.94	2.14	6.92	12.87	10.36	4.16	13.94
75th	2.03	1.12	-1.24	3.58	1.83	6.05	11.19	9.44	3.64	12.69
95th	1.33	0.44	-2.06	2.97	1.41	3.76	5.02	7.84	2.53	8.54
No. Of Obs	73	73	73	73	73	73	73	72	71	69
★ Total System - Fire	2.39 (40)	2.02 (23)	-0.90 (50)	4.11 (31)	2.19 (45)	7.77 (31)	12.70 (52)	9.95 (61)	4.04 (58)	15.22 (22)
★ Fire Policy Benchmark	2.67 (14)	2.11 (21)	-0.46 (29)	3.88 (55)	2.69 (11)	8.40 (15)	11.88 (66)	10.20 (52)	5.86 (15)	14.85 (27)

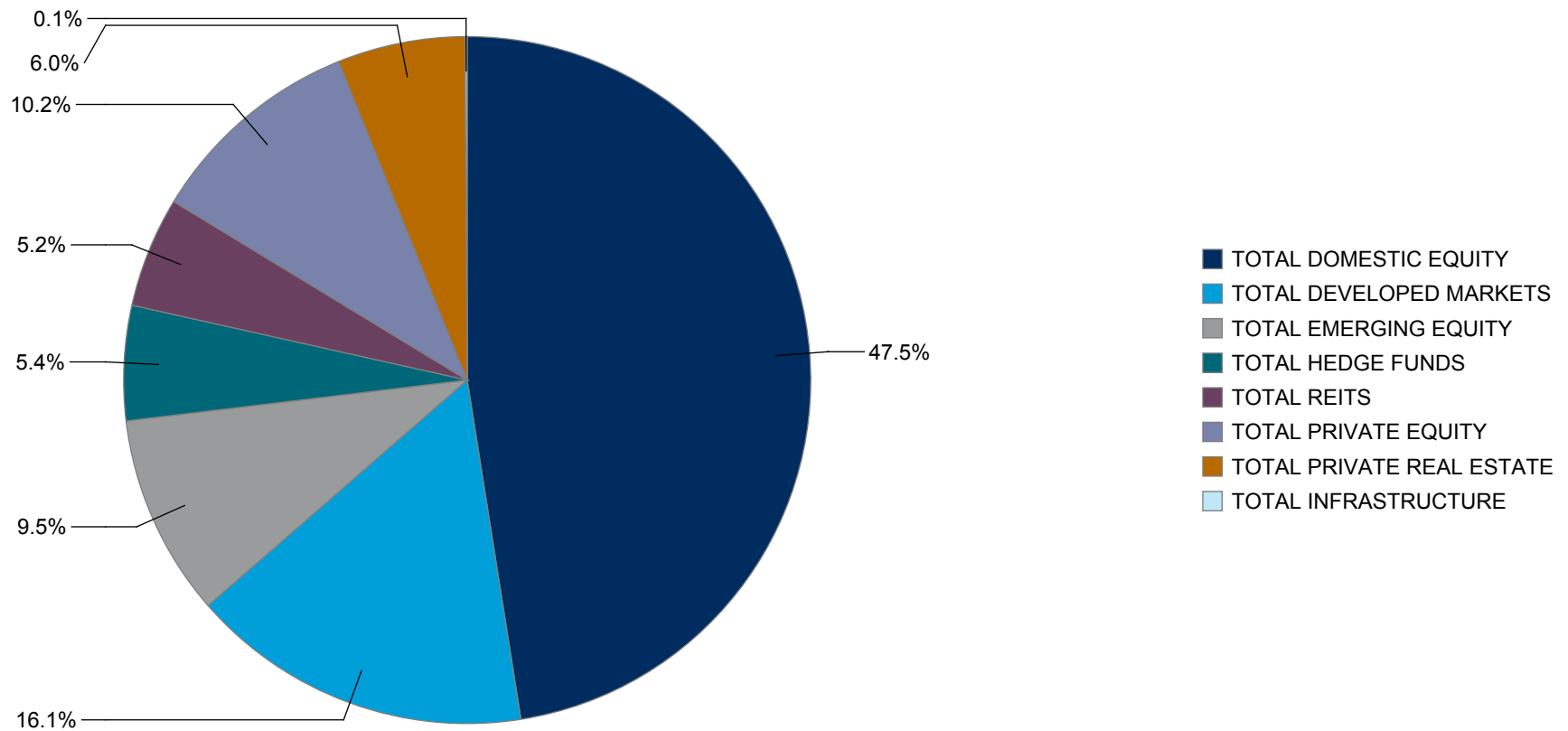
**New York City  
Fire Department Pension Fund, Subchapter Two**

# **Equity Analysis**

## Total Equity Asset Allocation: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL EQUITY	\$7.2	65.7



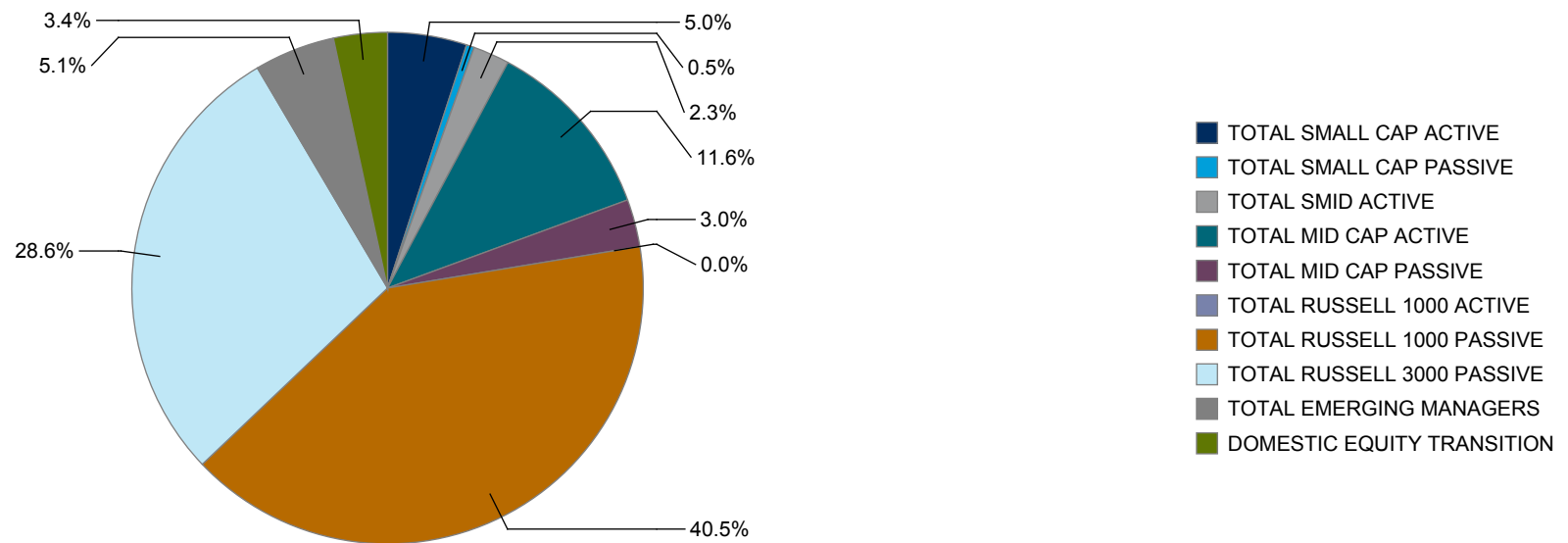
## Total Domestic Equity Asset Allocations: March 31, 2015



TOTAL DOMESTIC EQUITY

Market Value (Billions)

\$3.4

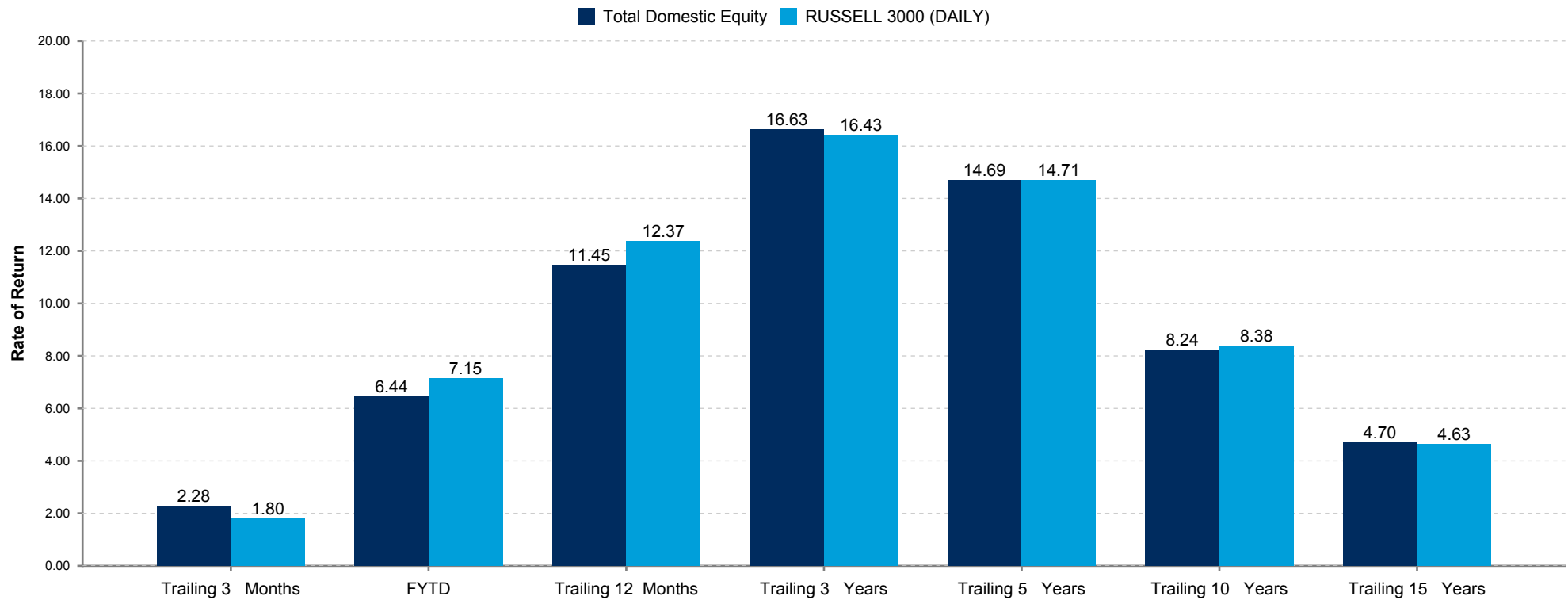


Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
TOTAL SMALL CAP ACTIVE	3.90	5.00	1.10	4.32	3.39	-0.93
TOTAL SMALL CAP PASSIVE	2.95	0.51	-2.44	4.32	5.74	1.42
TOTAL SMID ACTIVE	1.60	2.29	0.69	3.02	1.78	-1.24
TOTAL MID CAP ACTIVE	6.65	11.63	4.98	3.95	5.29	1.34
TOTAL MID CAP PASSIVE	7.53	3.03	-4.50	5.31	5.31	0.00
TOTAL RUSSELL 1000 ACTIVE	8.17	0.00	-8.17	1.59	-0.04	-1.63
TOTAL RUSSELL 1000 PASSIVE	33.95	40.47	6.52	1.59	1.45	-0.14
TOTAL RUSSELL 3000 PASSIVE	30.80	28.61	-2.19	1.80	1.78	-0.02
TOTAL EMERGING MANAGERS	4.45	5.05	0.60	4.32	3.99	-0.33
DOMESTIC EQUITY TRANSITION	0.00	3.41	3.41			

## Total Domestic Equity Returns vs Russell 3000 Index: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL DOMESTIC EQUITY	\$3.4	31.2

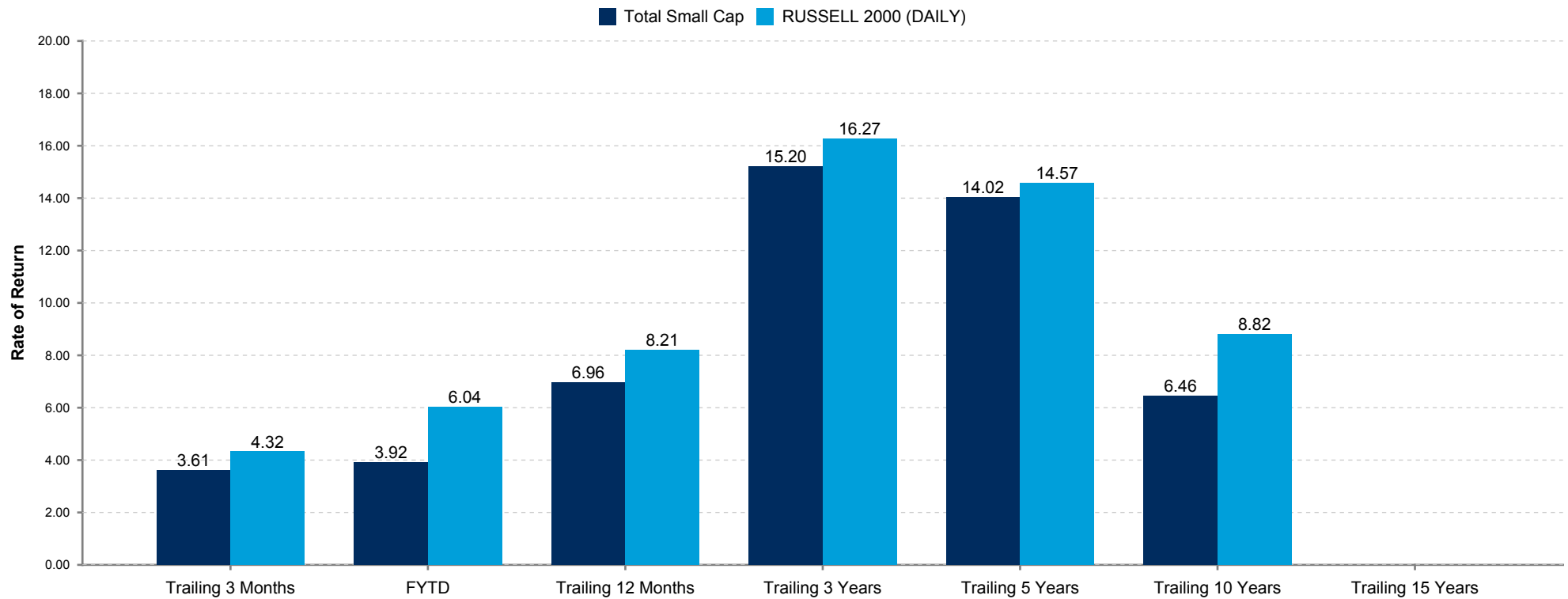


	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
Standard Deviation						
TOTAL DOMESTIC EQUITY	10.2	9.8	14.0	13.5	15.6	15.3

## Small Cap Returns vs Russell 2000 Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL SMALL CAP	\$188.0	1.7

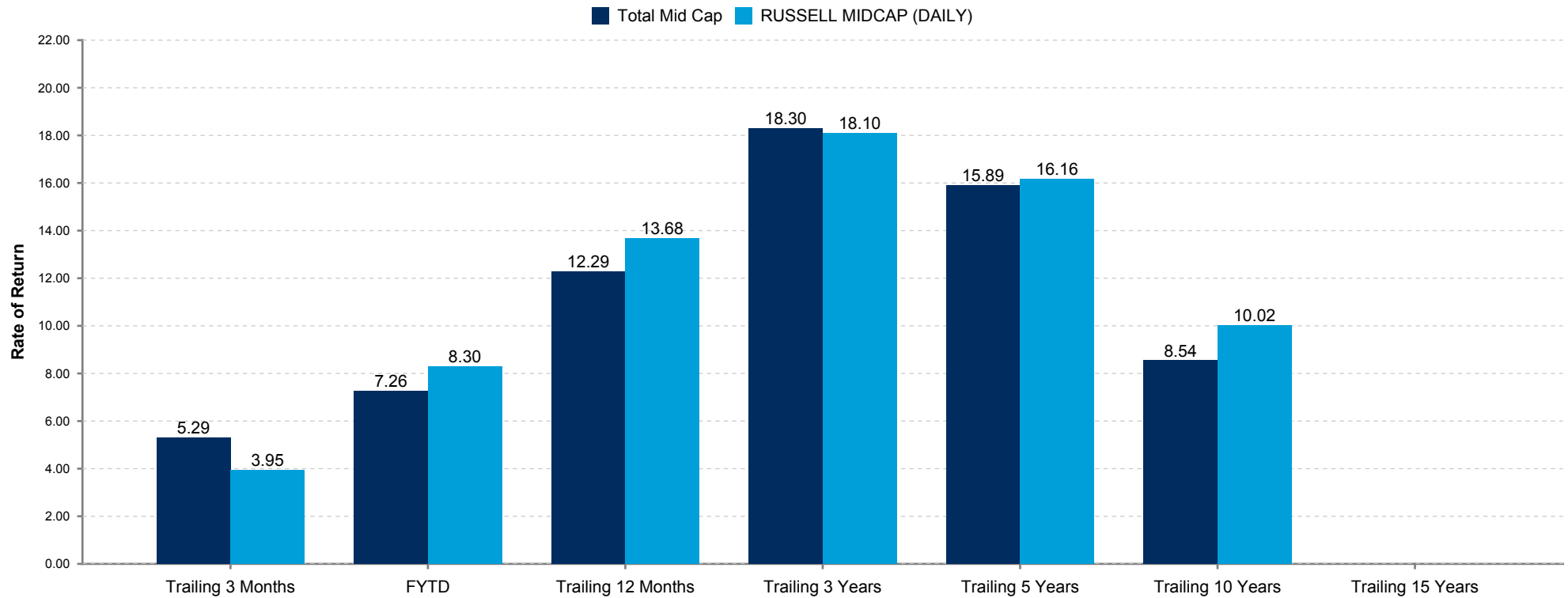


	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Portfolio 5 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL SMALL CAP	12.8	13.4	16.7	17.8	18.4	19.8

## Mid Cap Returns vs Russell MidCap Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL MID CAP	\$500.2	4.6

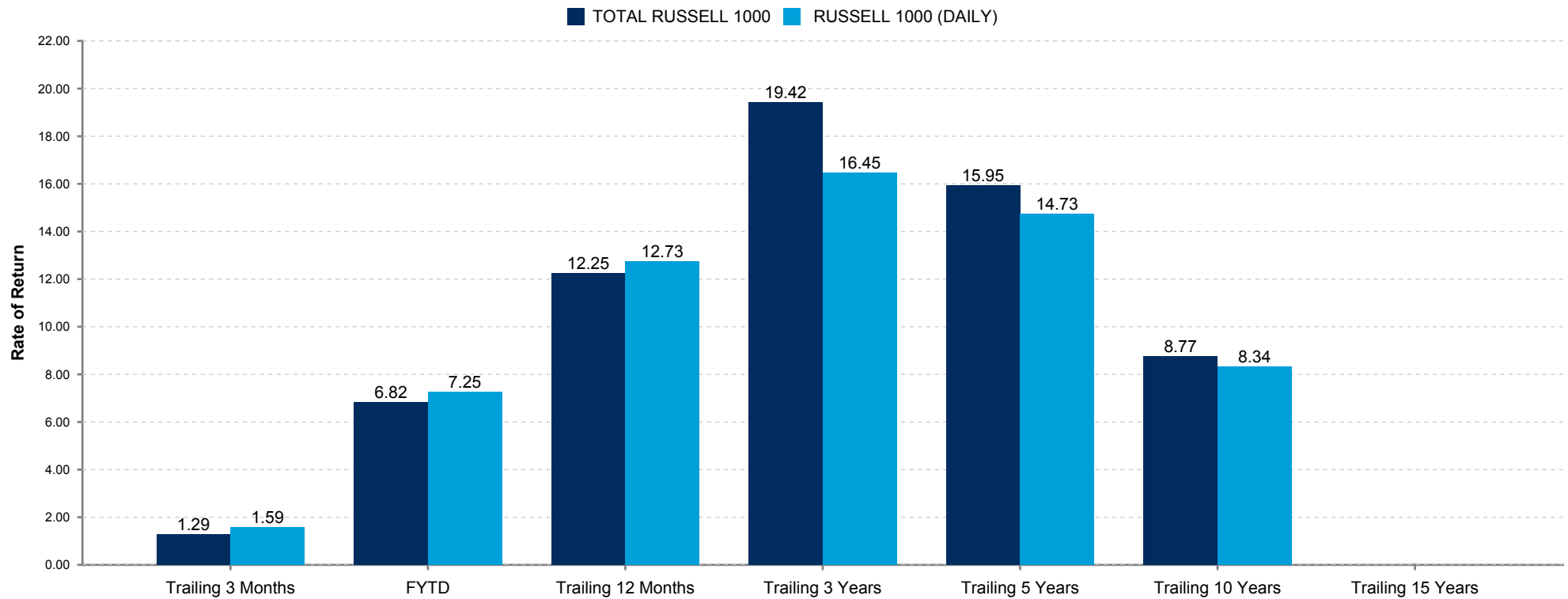


	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Portfolio 10 Years</b>	<b>Benchmark 10 Years</b>
Standard Deviation						
TOTAL MID CAP	11.1	10.3	15.3	14.6	17.4	17.6

## Russell 1000 Returns vs Russell 1000 Index: March 31, 2015



	Market Value (Billions)	% of Plan
TOTAL RUSSELL 1000	\$1.4	12.6



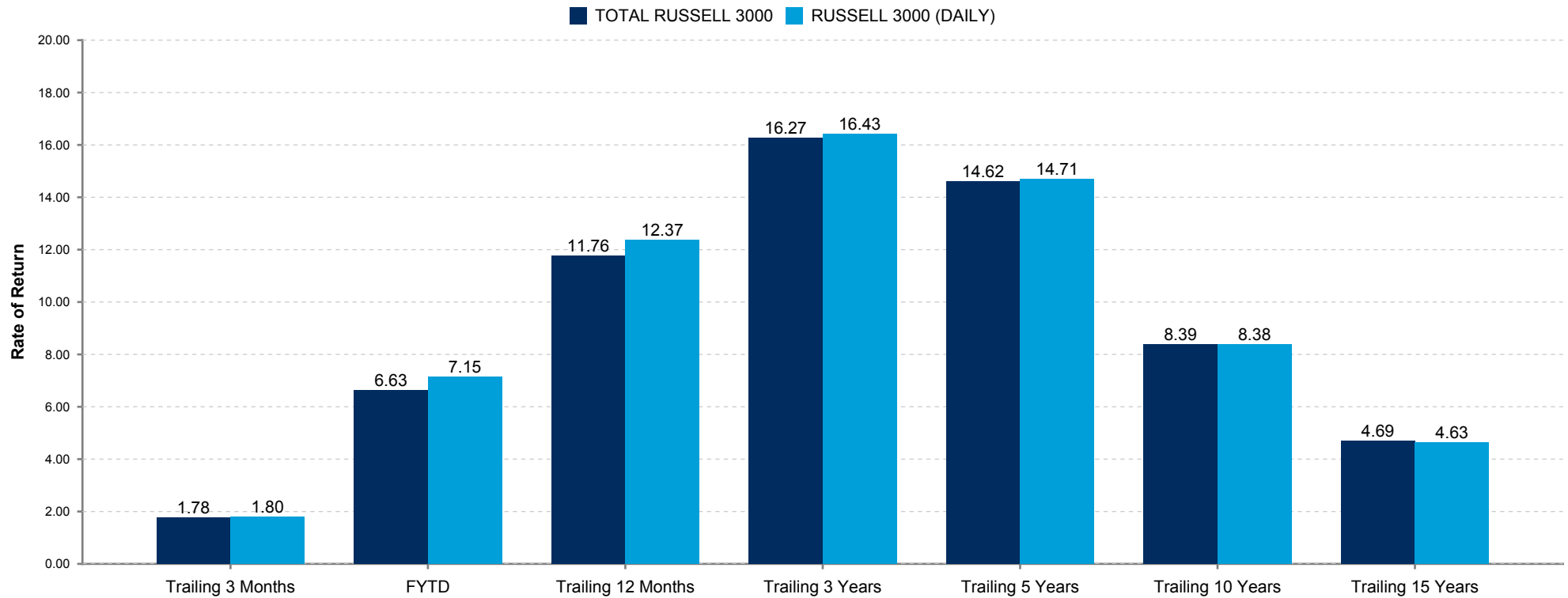
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL RUSSELL 1000	11.8	9.6	15.1	13.2	15.9	15.0



## Russell 3000 Fund Returns vs Russell 3000 Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL RUSSELL 3000	\$975.9	8.9

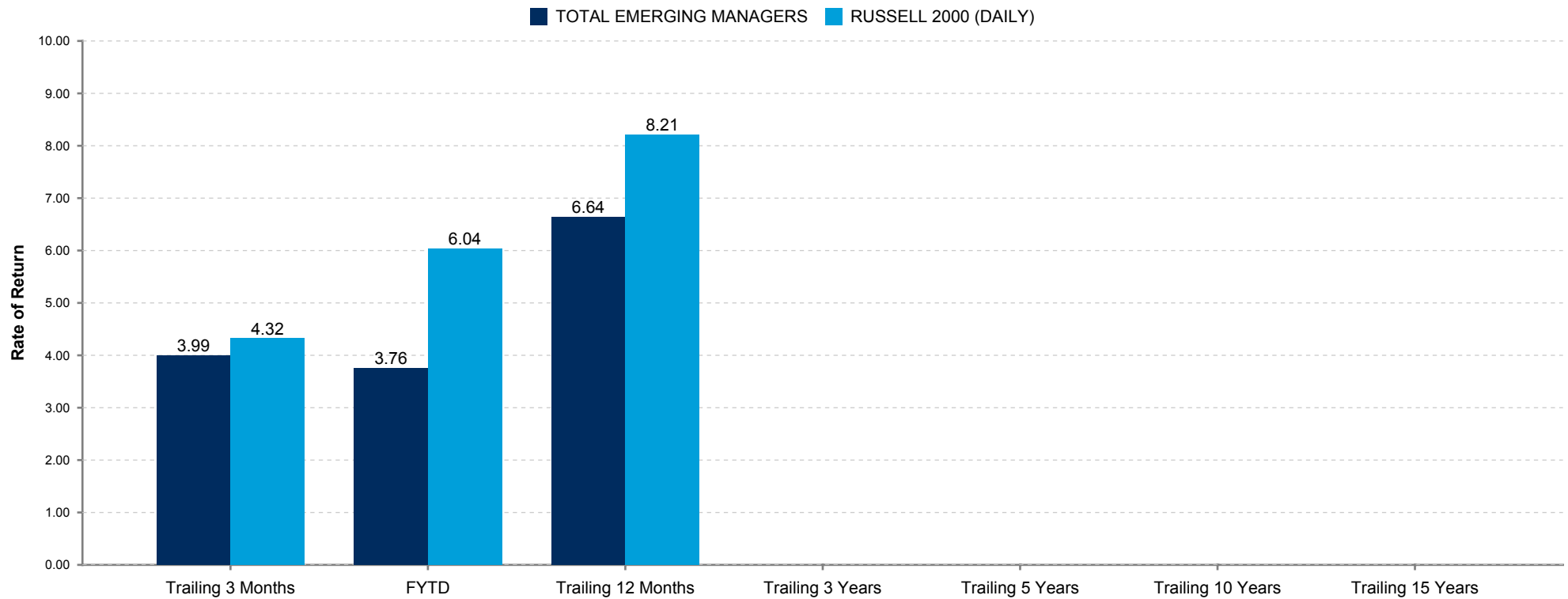


	<b>Plan 3 Years</b>	<b>Benchmark 3 Years</b>	<b>Plan 5 Years</b>	<b>Benchmark 5 Years</b>	<b>Plan 10 Years</b>	<b>Benchmark 10 Years</b>
<b>Standard Deviation</b>						
TOTAL RUSSELL 3000	9.8	9.8	13.4	13.5	15.3	15.3

## Emerging Managers Returns vs Russell 2000 Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL EMERGING MANAGERS	\$172.4	1.6

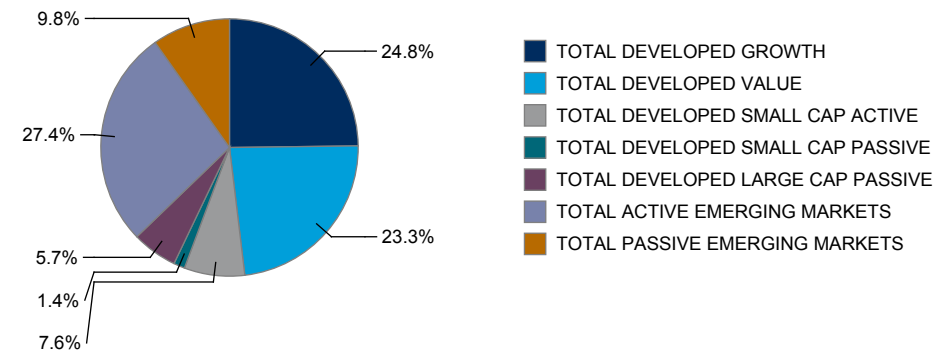
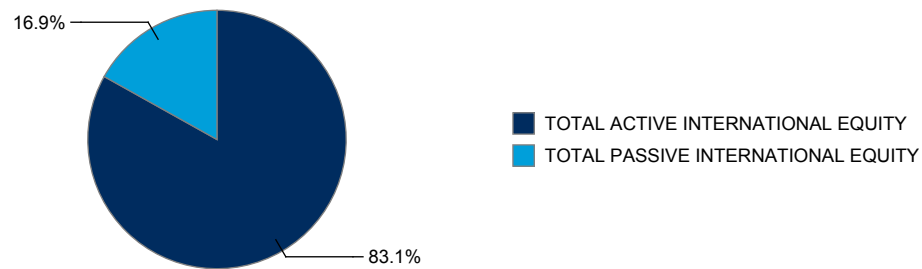


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MANAGERS						

## International Equity Asset Allocation: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL INTERNATIONAL EQUITY	\$1.8	16.8

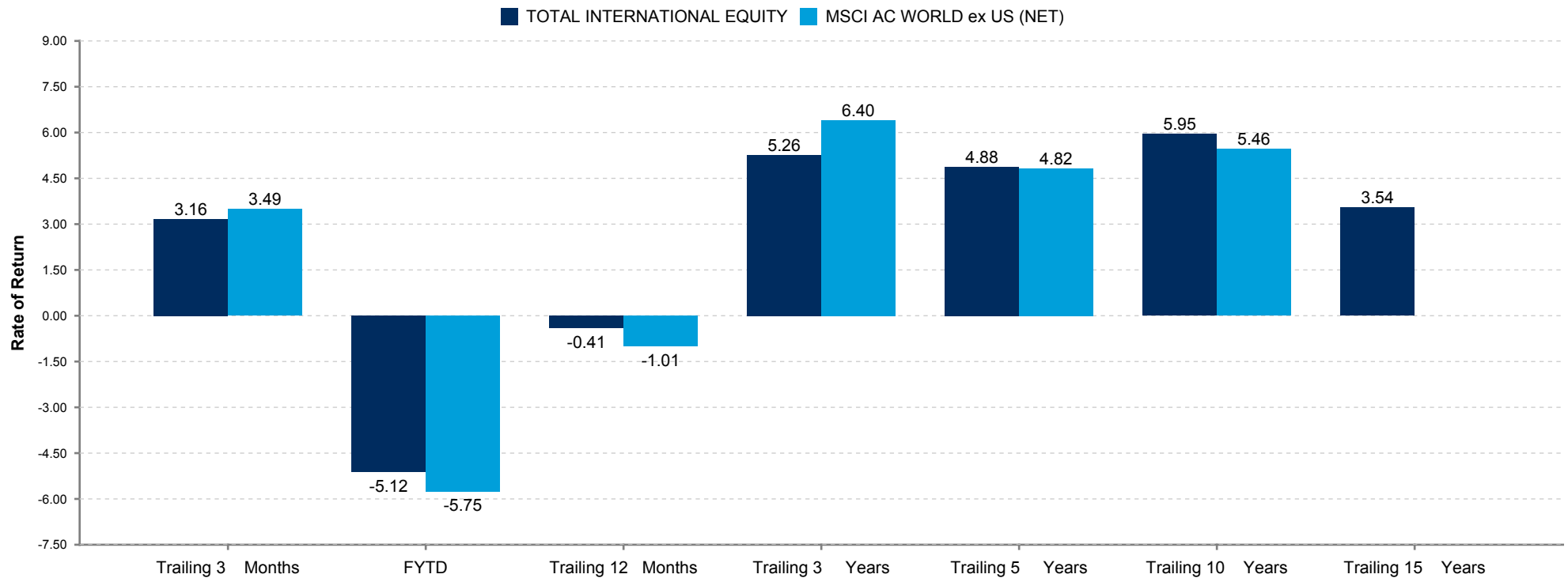


	<u>Asset Class Weight</u>	<u>Quarterly Returns - Fund and Benchmarks</u>		
		<u>Fund</u>	<u>Benchmark</u>	<u>Excess</u>
TOTAL DEVELOPED GROWTH	24.78	4.50	5.85	(1.35)
TOTAL DEVELOPED VALUE	23.31	3.11	3.89	(0.78)
TOTAL DEVELOPED SMALL CAP ACTIVE	7.56	5.36	5.56	(0.21)
TOTAL DEVELOPED SMALL CAP PASSIVE	1.42	5.73	5.56	0.17
TOTAL DEVELOPED LARGE CAP PASSIVE	5.68	4.99	4.88	0.11
TOTAL ACTIVE EMERGING MARKETS	27.41	1.30	2.24	(0.94)
TOTAL PASSIVE EMERGING MARKETS	9.84	2.26	2.24	0.02
TOTAL INTERNATIONAL EQUITY	100.00	3.16	3.49	(0.33)

# Total International Returns vs MSCI AC World ex US Net Index: March 31, 2015



	Market Value (Billions)	% of Plan
TOTAL INTERNATIONAL EQUITY	\$1.8	16.8

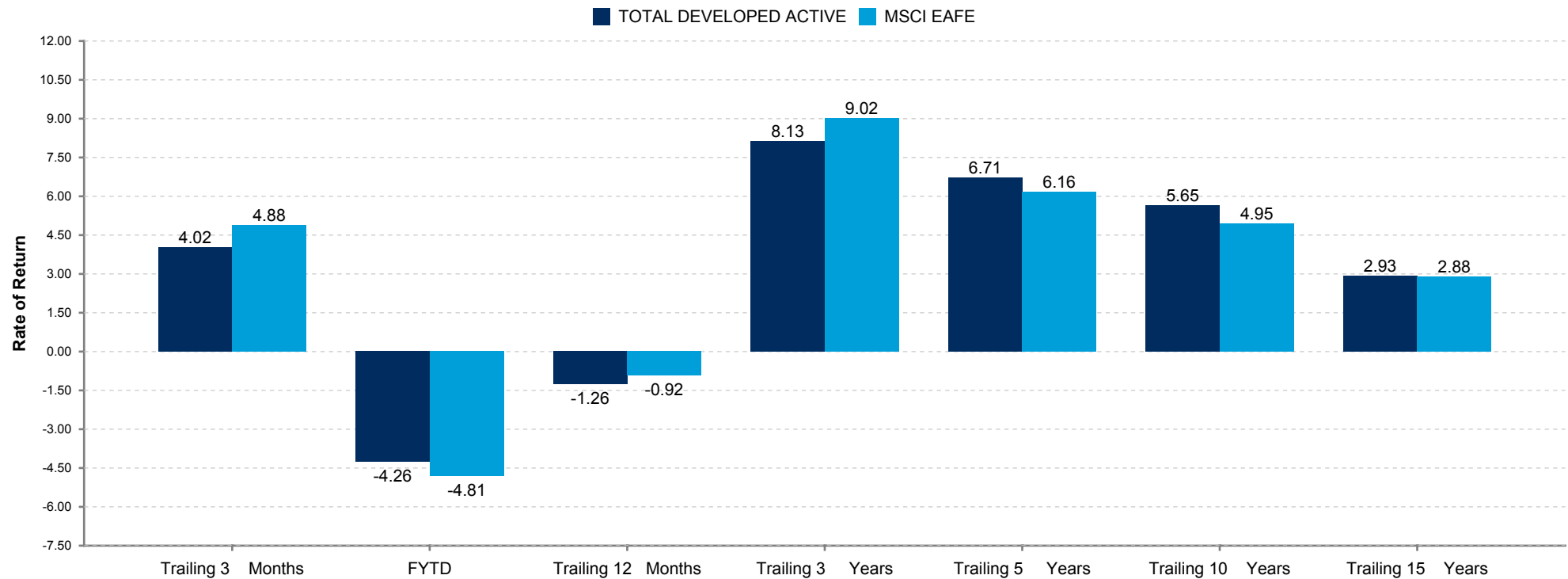


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL INTERNATIONAL EQUITY	12.2	12.5	16.5	16.3	19.2	18.8

## Developed Active Returns vs MSCI EAFE Index: March 31, 2015



	Market Value (Billions)	% of Plan
TOTAL DEVELOPED ACTIVE	\$1.0	9.4

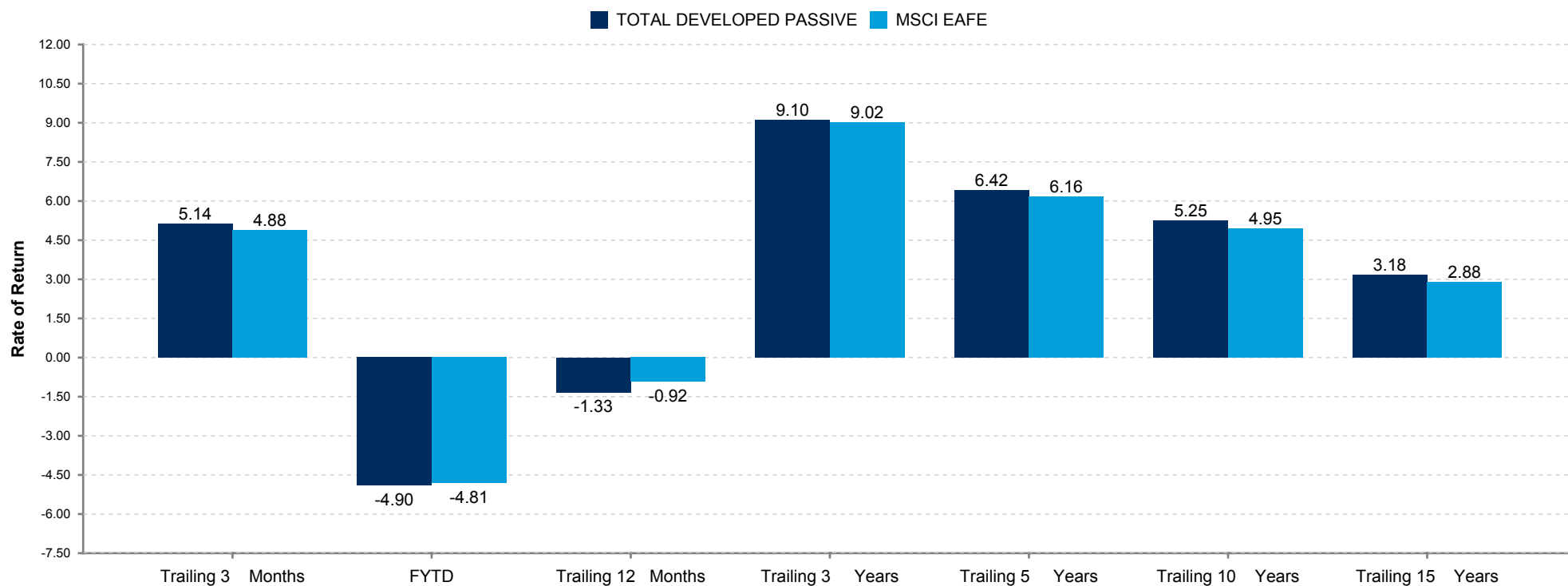


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED ACTIVE	12.2	13.0	16.0	16.6	17.9	18.2

## Developed Passive Returns vs MSCI EAFE Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL DEVELOPED PASSIVE	\$130.3	1.2

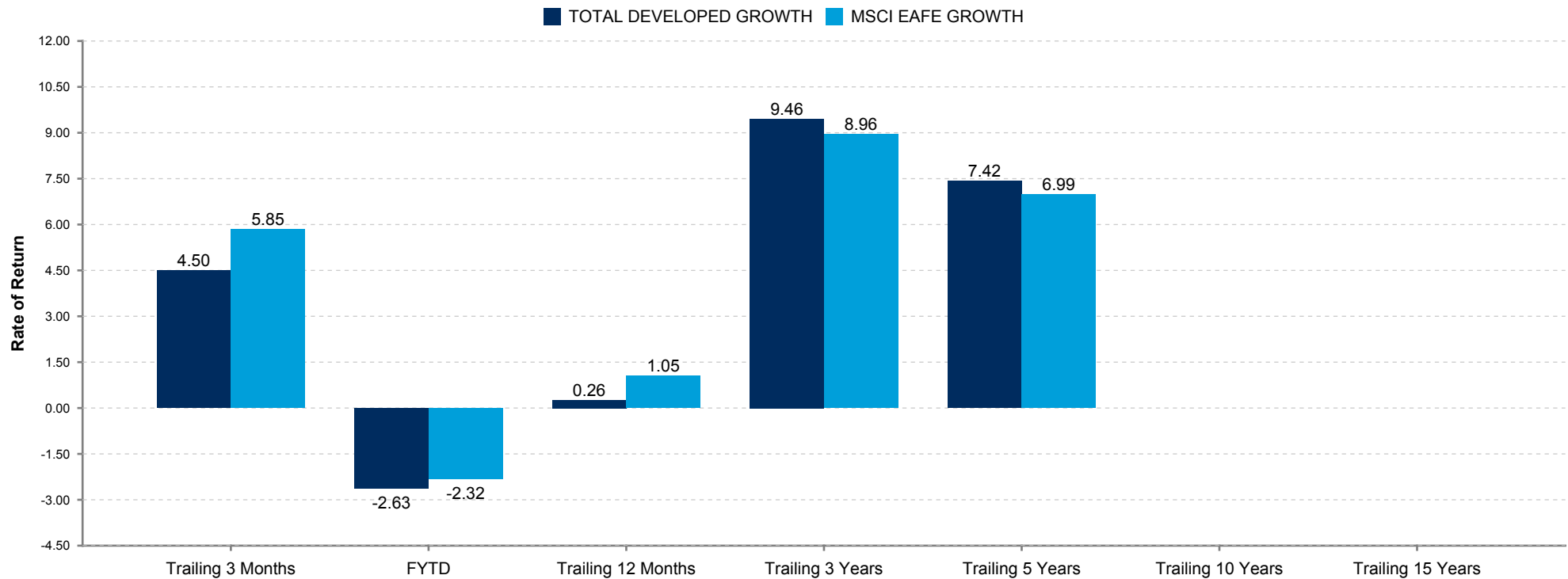


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED PASSIVE	13.0	13.0	16.5	16.6	18.1	18.2

## Developed Growth Returns vs MSCI EAFE Growth Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL DEVELOPED GROWTH	\$454.5	4.2

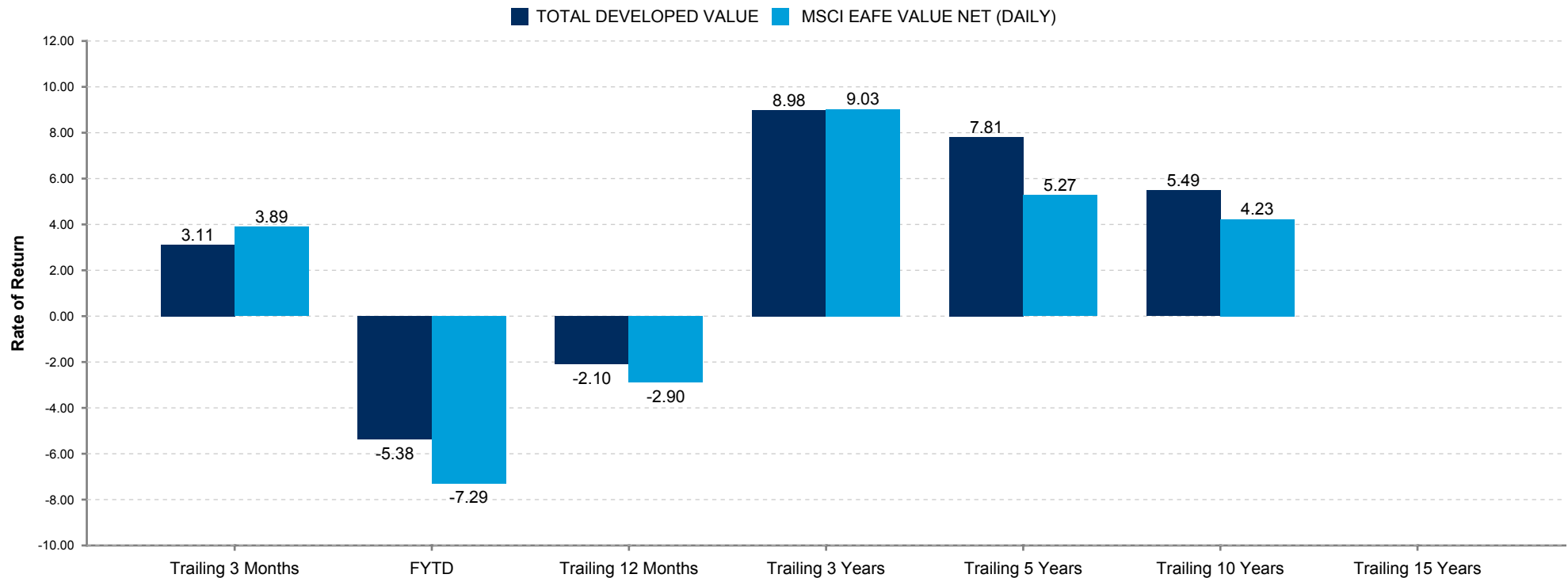


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED GROWTH	13.2	12.1	16.6	16.0		

## Developed Value Returns vs MSCI EAFE Value Net Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL DEVELOPED VALUE	\$427.8	3.9



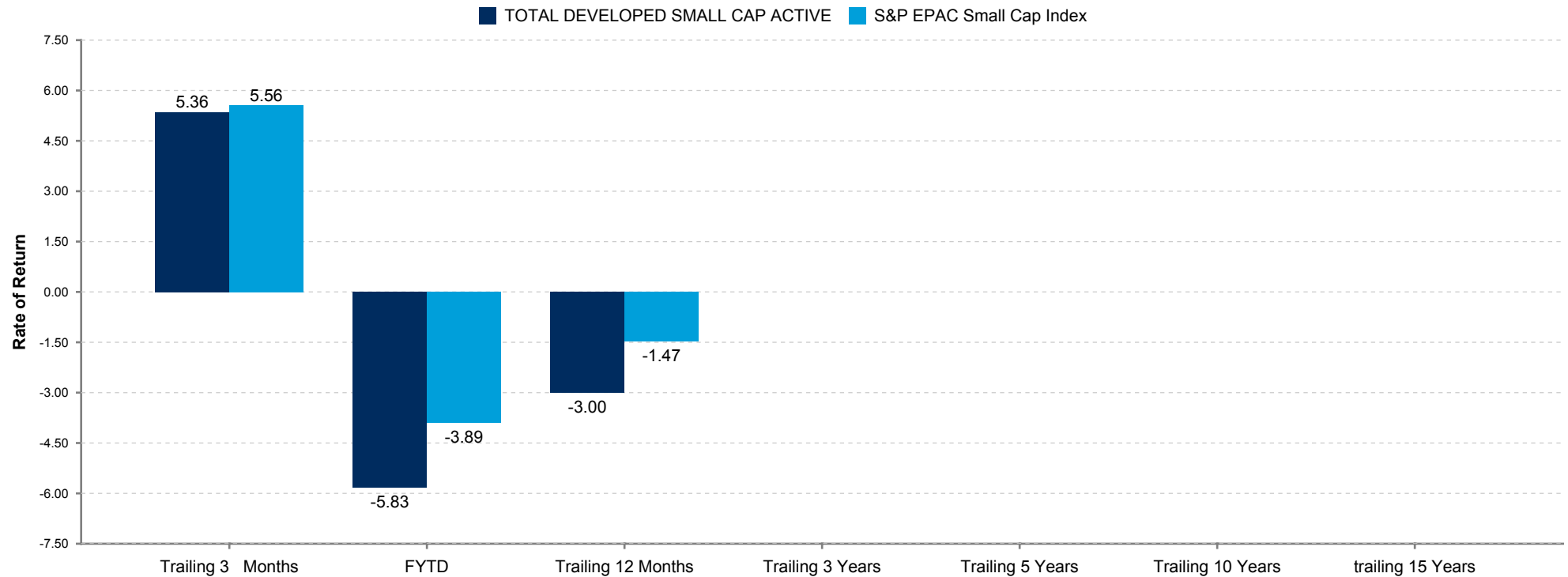
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED VALUE	11.6	14.3	15.1	17.5	17.4	19.3



## Developed Small Cap Active Returns vs S&P EPAC Small Cap Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP ACTIVE	\$138.7	1.3



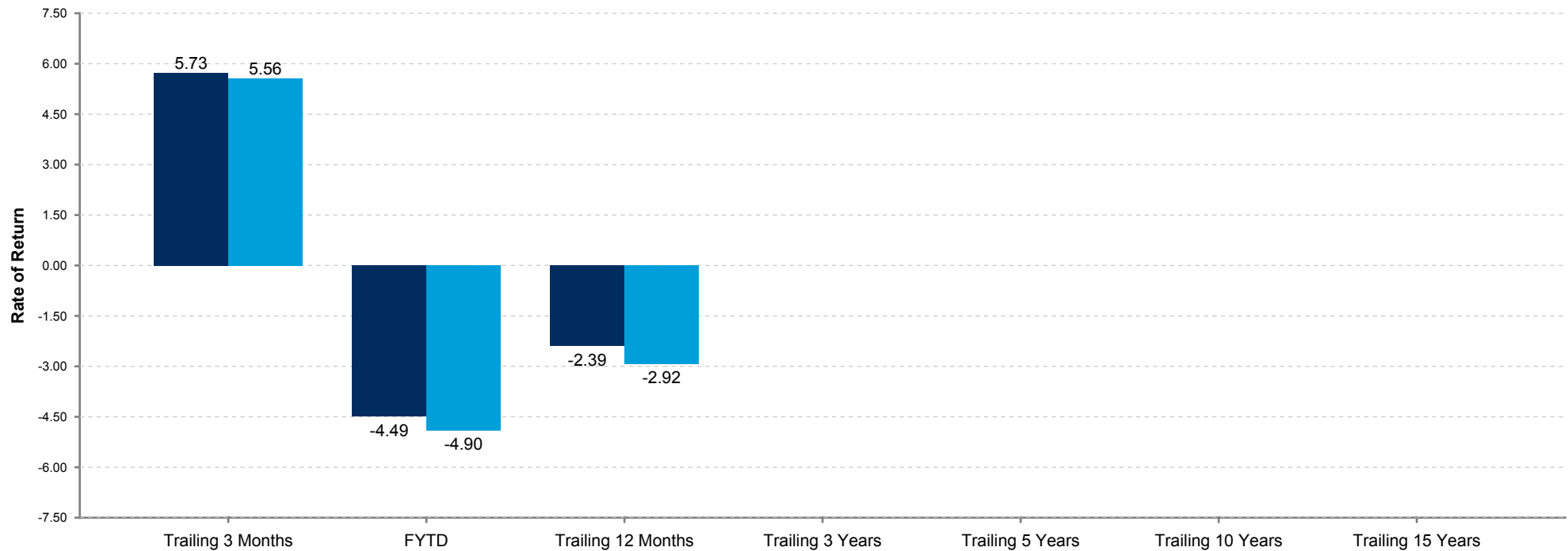
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED SMALL CAP ACTIVE						

## Developed Small Cap Passive Returns vs MSCI EAFE Small Cap Net Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL DEVELOPED SMALL CAP PASSIVE	\$26.1	0.2

■ TOTAL EAFE SMALL CAP PASSIVE ■ MSCI EAFE SMALL CAP NET (DAILY)

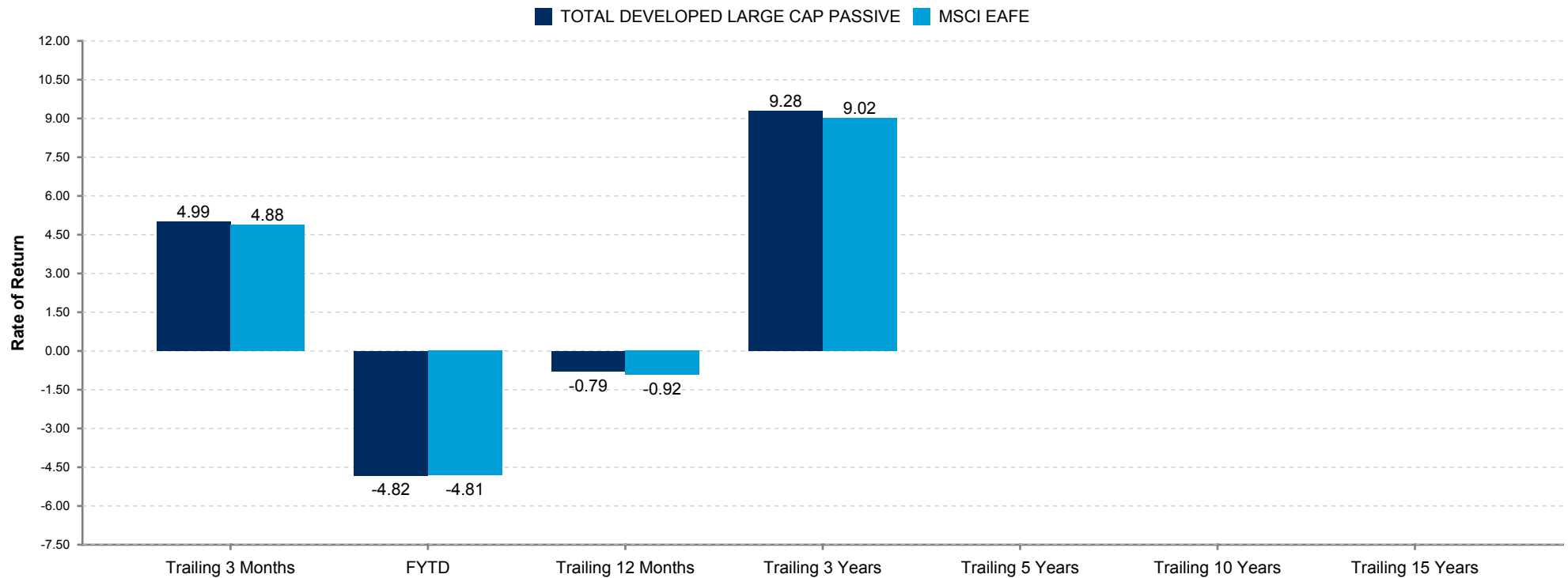


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED SMALL CAP PASSIVE						

## Developed Large Cap Passive Returns vs MSCI EAFE Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL DEVELOPED LARGE CAP PASSIVE	\$104.3	1.0

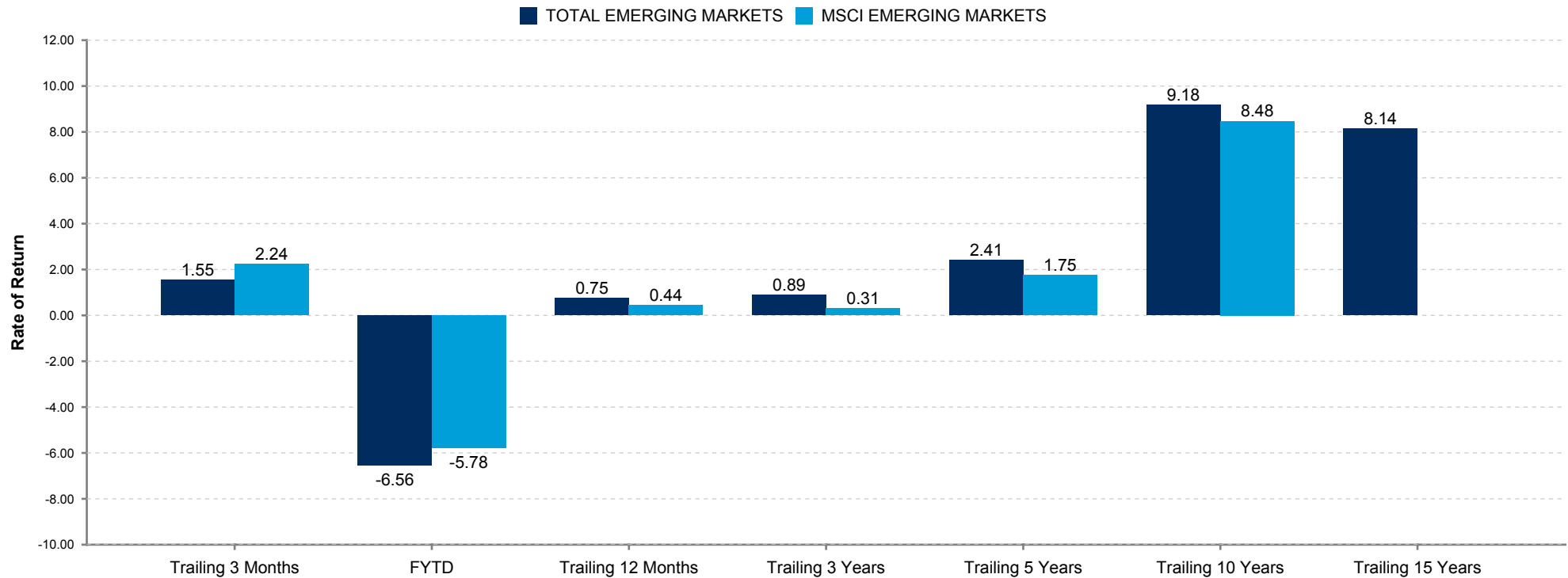


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Portfolio 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED LARGE CAP PASSIVE	13.0	13.0				

## Emerging Markets Returns vs MSCI Emerging Markets Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL EMERGING MARKETS	\$683.1	6.3

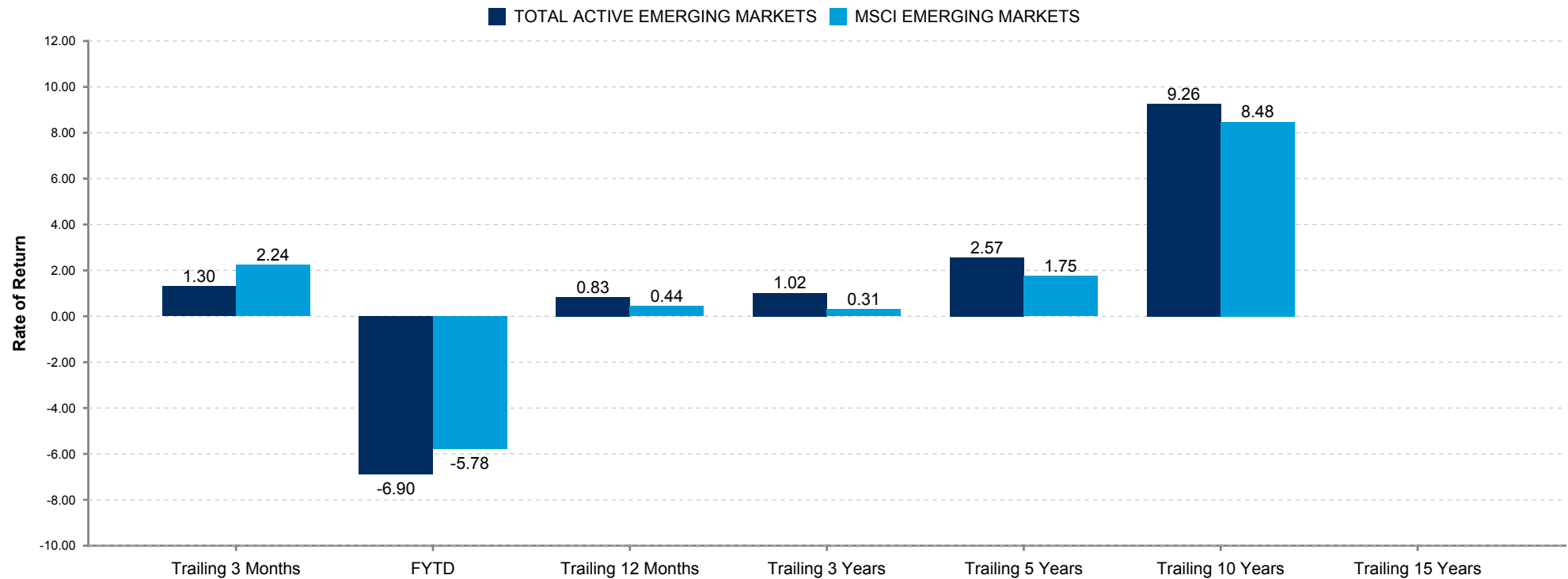


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MARKETS	13.1	13.3	18.2	18.1	23.8	23.5

## Emerging Markets Active Returns vs MSCI Emerging Markets Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL ACTIVE EMERGING MARKETS	\$502.7	4.6

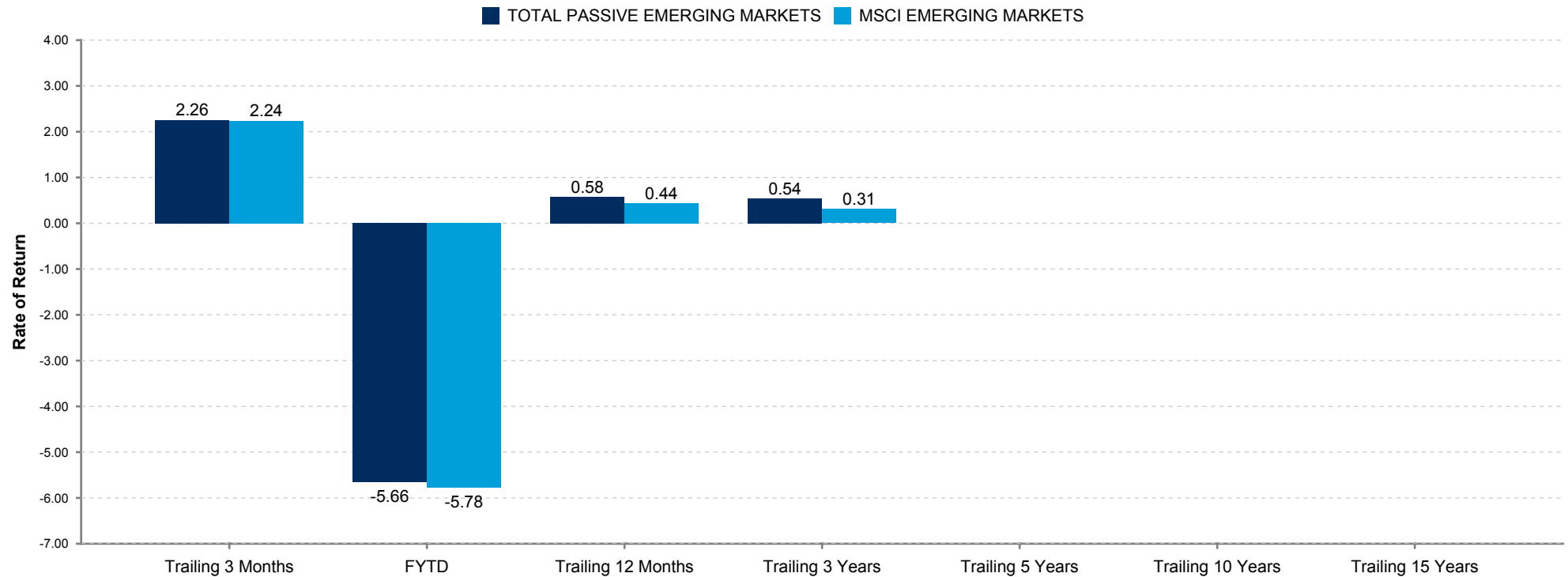


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ACTIVE EMERGING MARKETS	13.2	13.3	18.3	18.1	23.8	23.5

## Emerging Markets Passive Returns vs MSCI Emerging Markets Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL PASSIVE EMERGING MARKETS	\$180.4	1.7

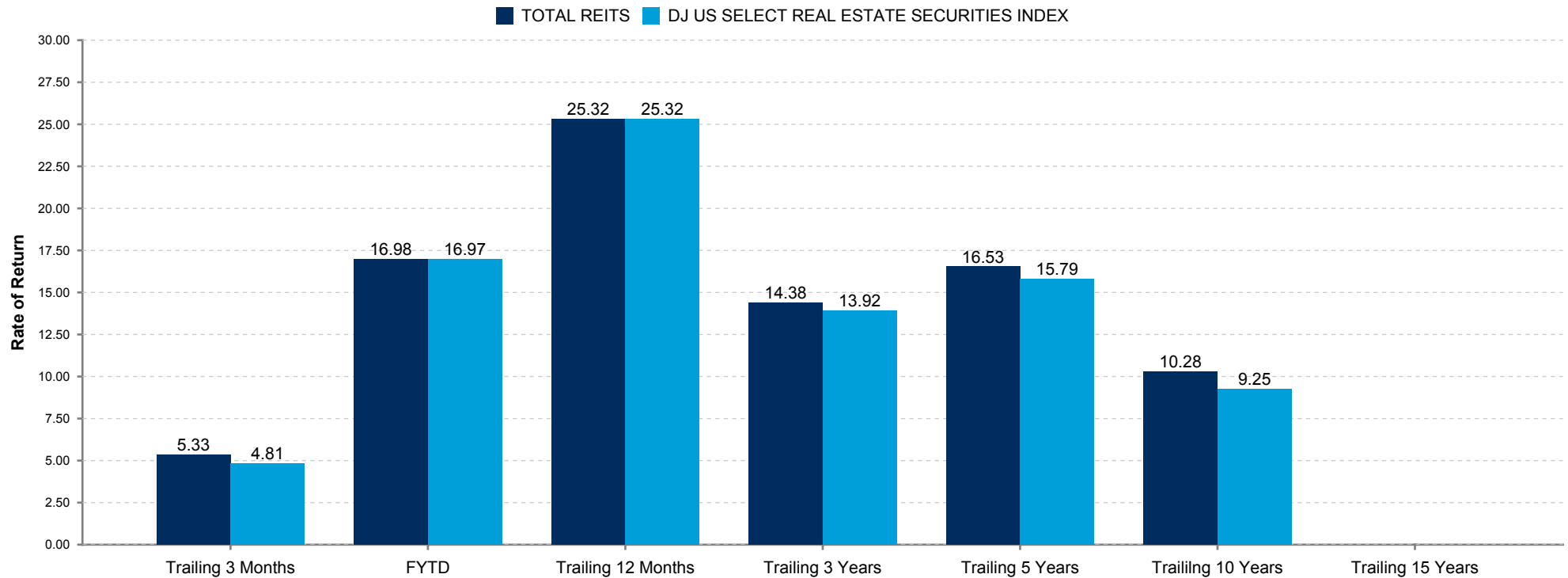


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL PASSIVE EMERGING MARKETS	13.2	13.3				

## REITS Returns vs DJ US Select Real Estate Securities Index: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL REITS	\$374.6	3.4

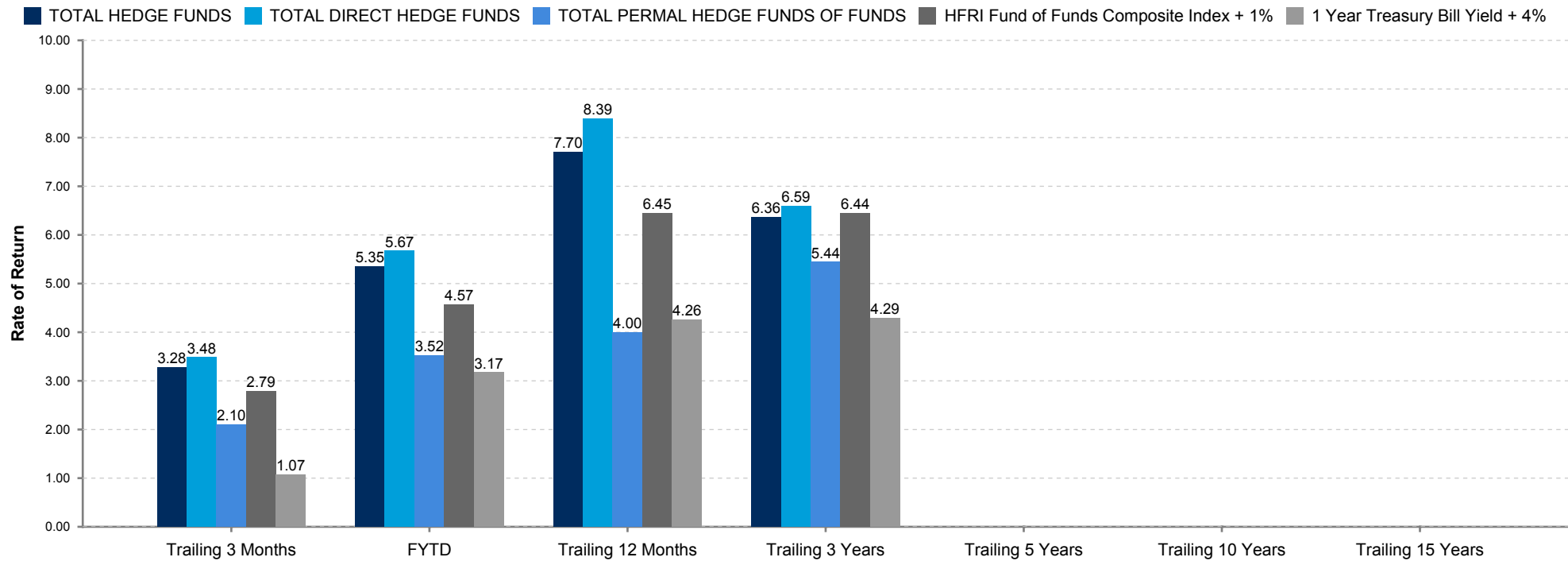


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL REITS	11.9	13.5	15.6	16.4	25.1	26.4

## Hedge Fund Returns vs Benchmarks: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL HEDGE FUNDS	\$390.8	3.6



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL HEDGE FUNDS	3.6	3.1				
TOTAL DIRECT HEDGE FUNDS	4.0	3.1				
TOTAL PERMAL HEDGE FUNDS OF FUNDS	3.2	3.1				



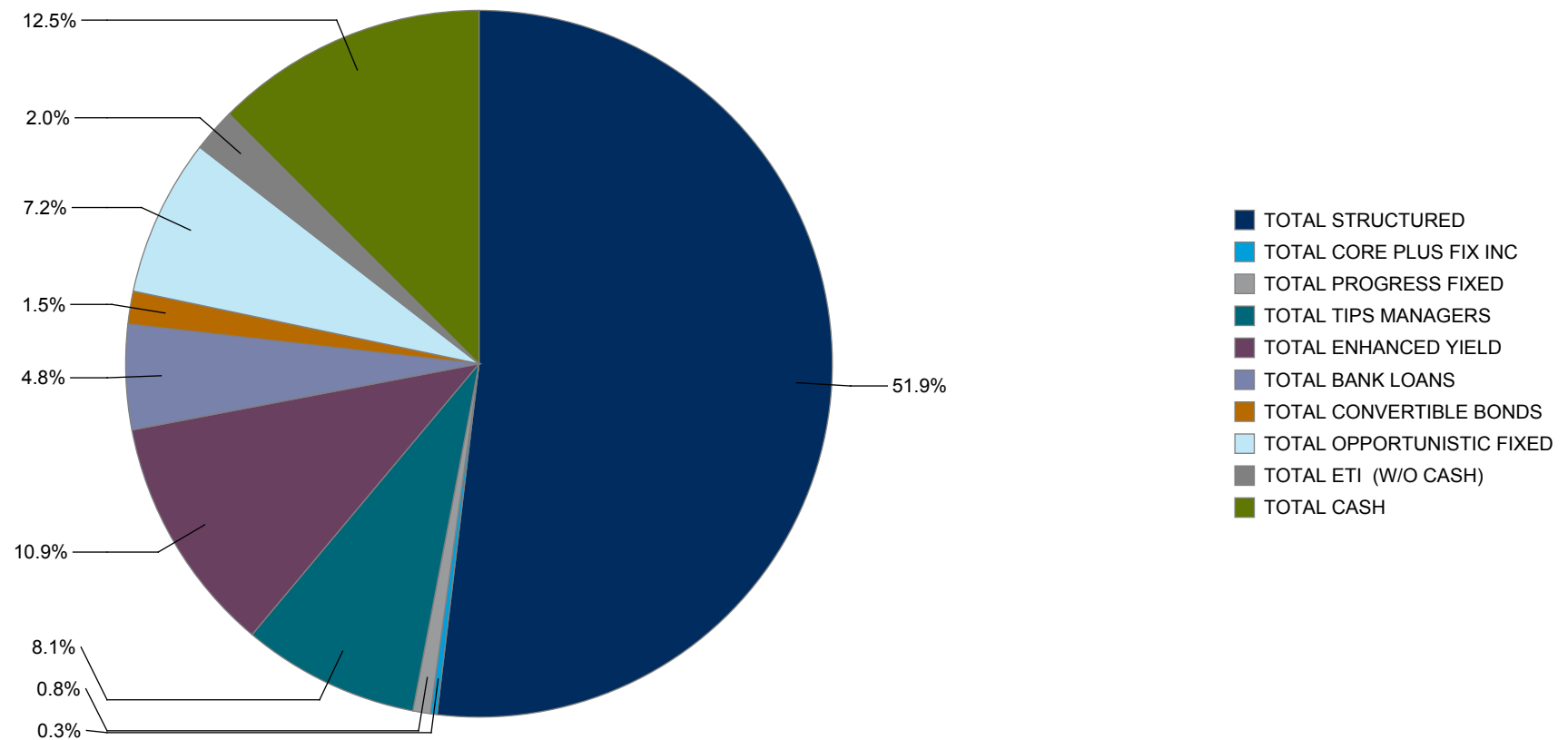
**New York City  
Fire Department Pension Fund, Subchapter Two**

# **Fixed Income Analysis**

## Total Fixed Income Asset Allocation: March 31, 2015



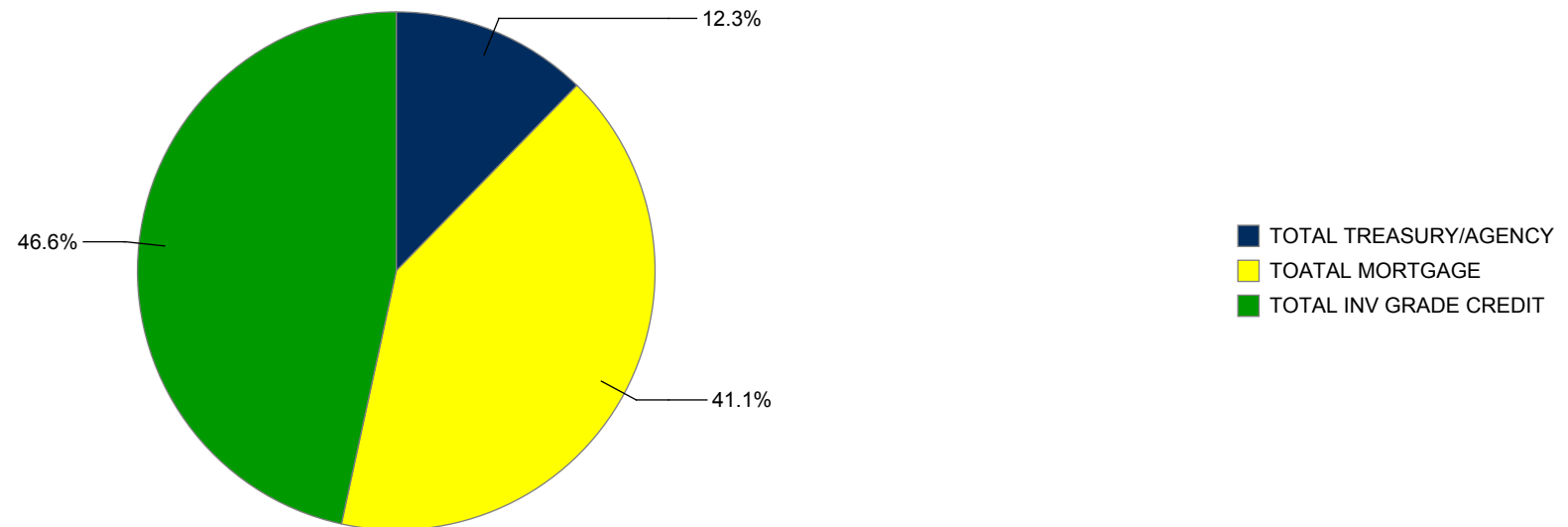
	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL FIXED INCOME	\$3.7	34.2



## Structured Fixed Income Asset Allocation: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$1.9	17.8

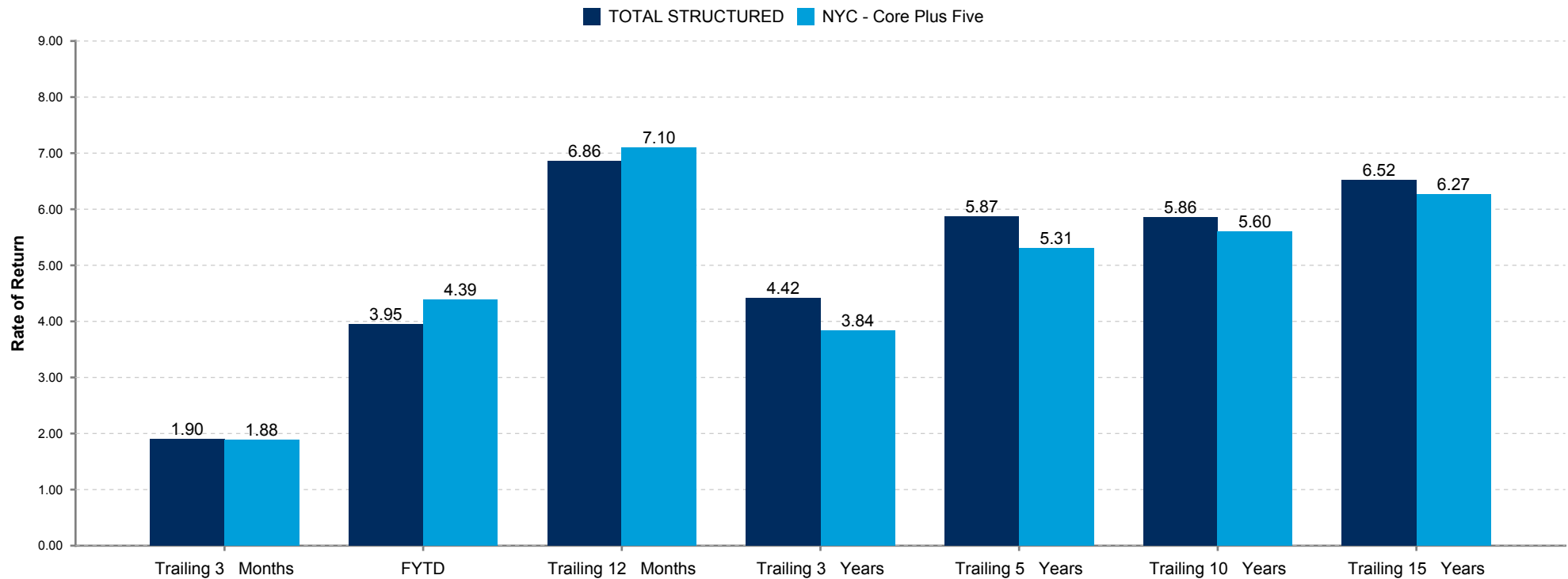


Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
Total Treasury/Agency	20.34	12.26	-8.08	2.84	2.84	0.00
Total Mortgage	36.34	41.13	4.79	1.15	1.21	0.06
Total Inv Grade Credit	43.32	46.61	3.29	2.09	2.28	0.19

## Structured Returns vs NYC Core + 5 Index: March 31, 2015



	<u>Market Value (Billions)</u>	<u>% of Plan</u>
TOTAL STRUCTURED	\$1.9	17.8

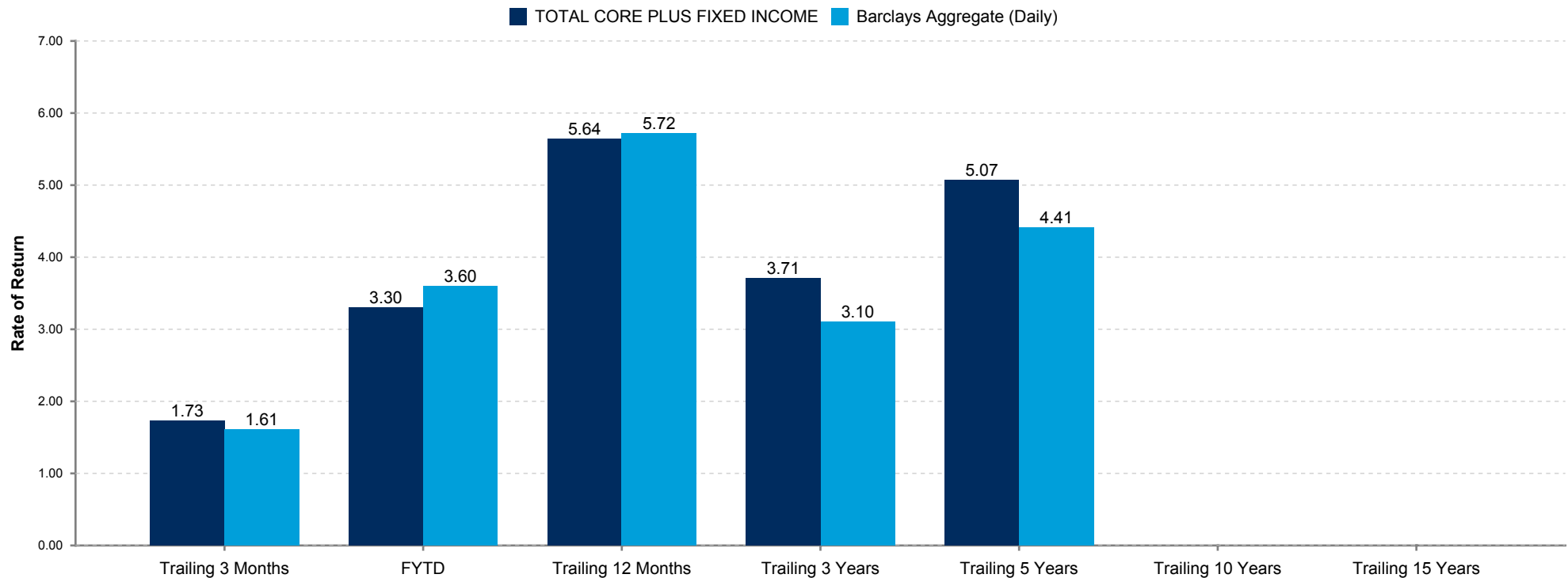


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL STRUCTURED	3.4	3.6	3.3	3.4	3.8	4.0

## Core Plus Fixed Income Returns vs Barclays Aggregate Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL CORE PLUS FIXED INCOME	\$11.4	0.1

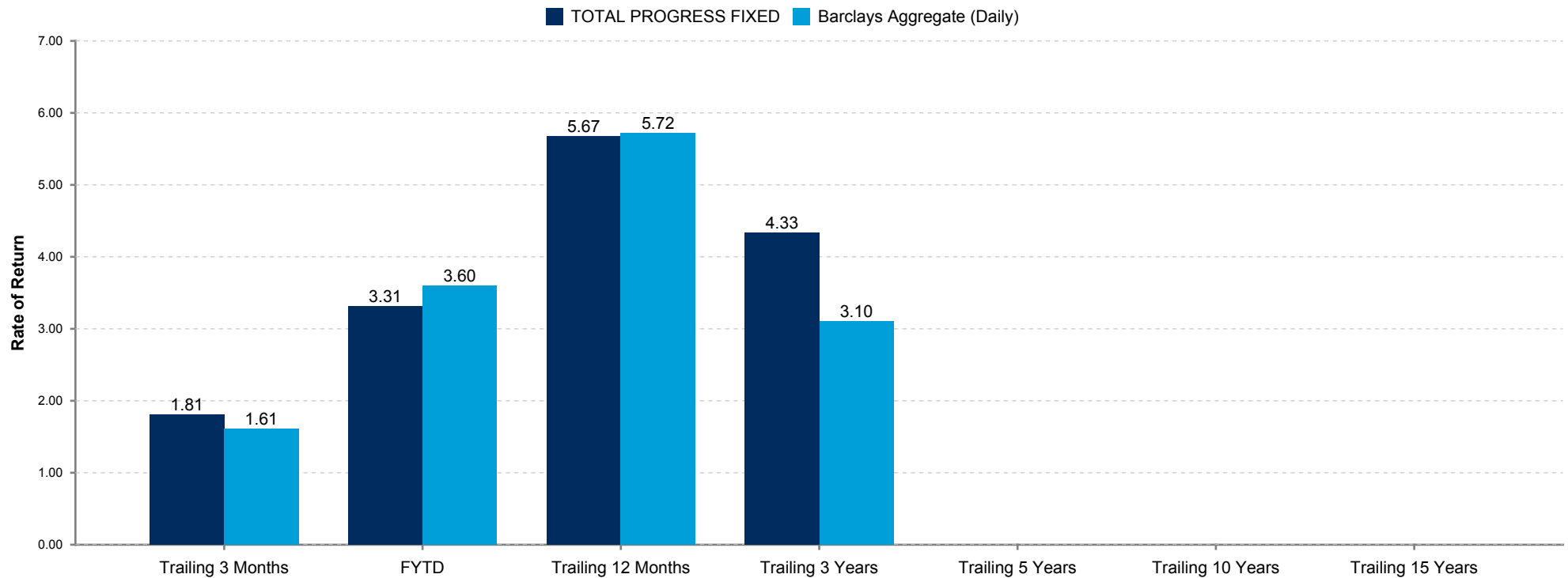


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL CORE PLUS FIXED INCOME	3.7	2.9	3.0	2.8		

## Progress Fixed Income Returns vs Barclays Aggregate Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL PROGRESS FIXED	\$28.6	0.3



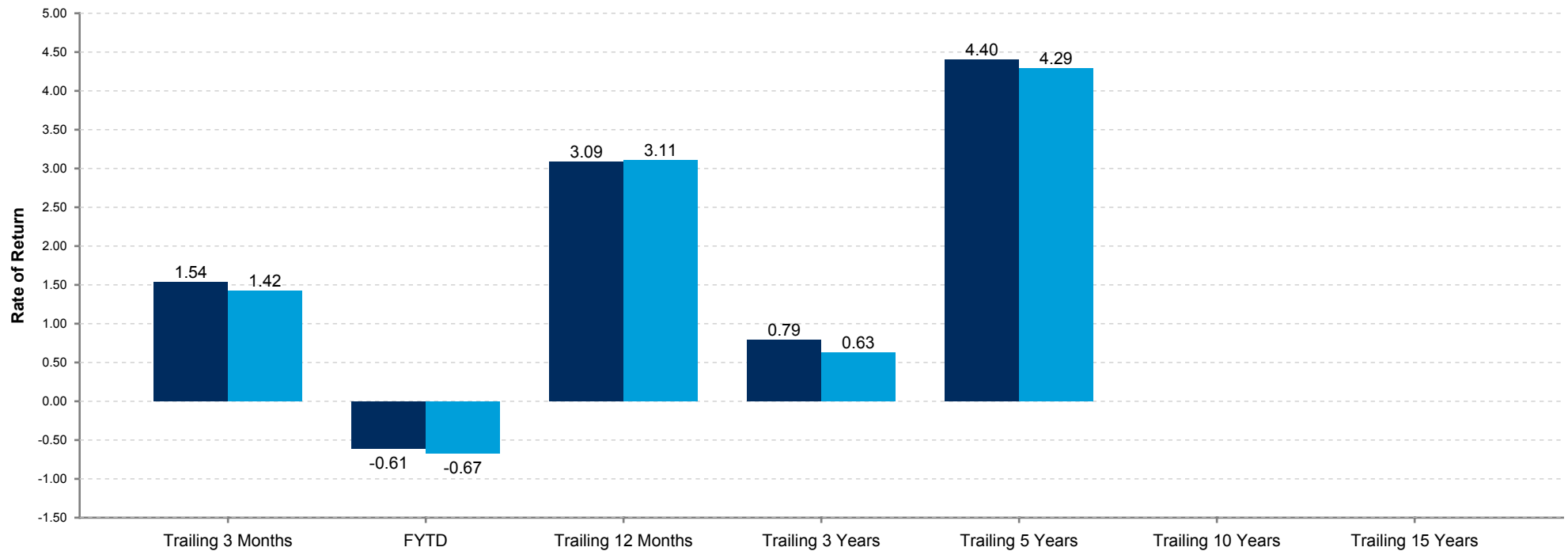
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL PROGRESS FIXED	4.3	2.9				

# TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL TIPS MANAGERS	\$303.5	2.8

■ TOTAL TIPS MANAGERS ■ Barclays Global Inflation Linked: US TIPS (Daily)

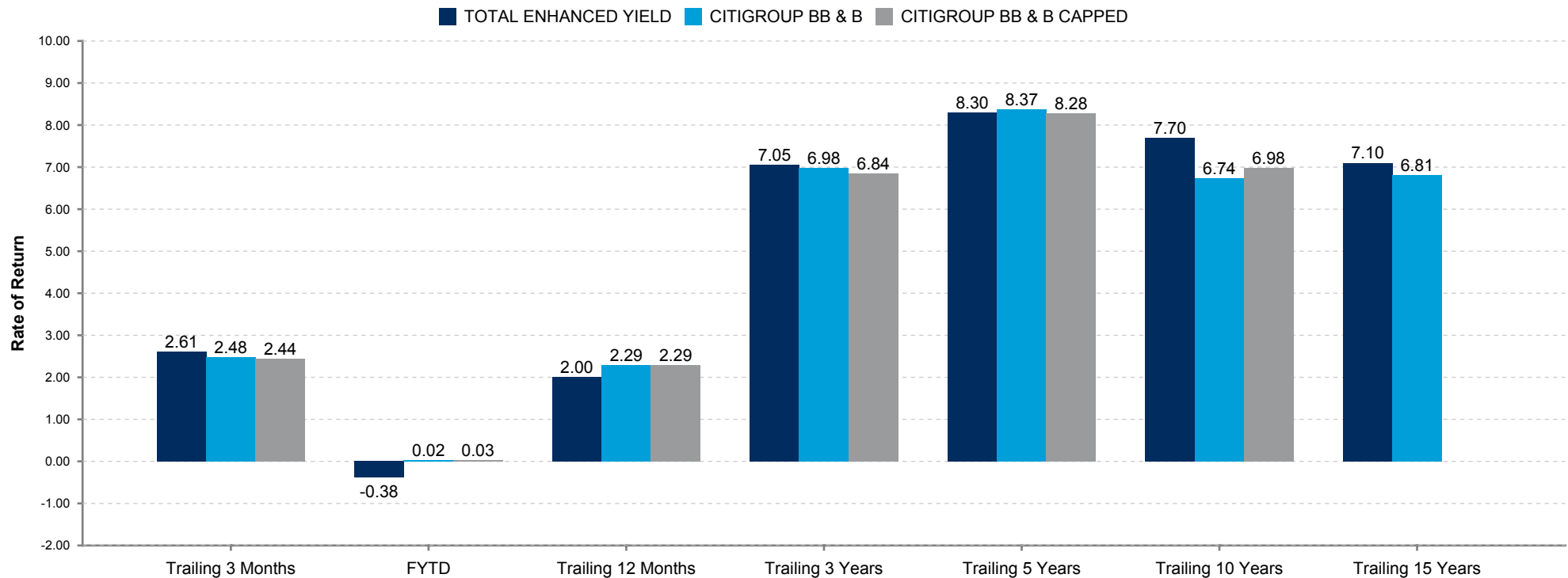


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL TIPS MANAGERS	5.4	5.4	5.2	5.3		

## Enhanced Yield Returns vs Benchmarks: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL ENHANCED YIELD	\$408.6	3.7



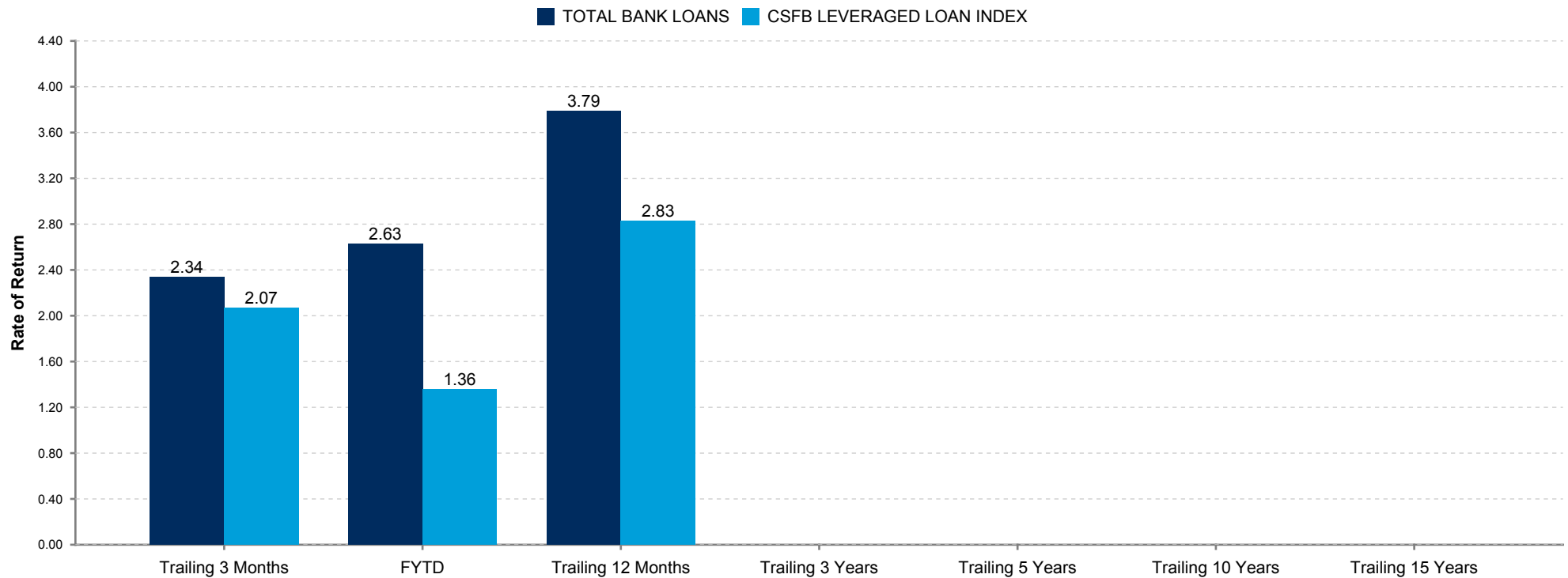
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ENHANCED YIELD	7.0	4.3	5.6	5.6	8.1	8.9



## Bank Loan Returns vs CSFB Leveraged Loan Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL BANK LOANS	\$180.6	1.7

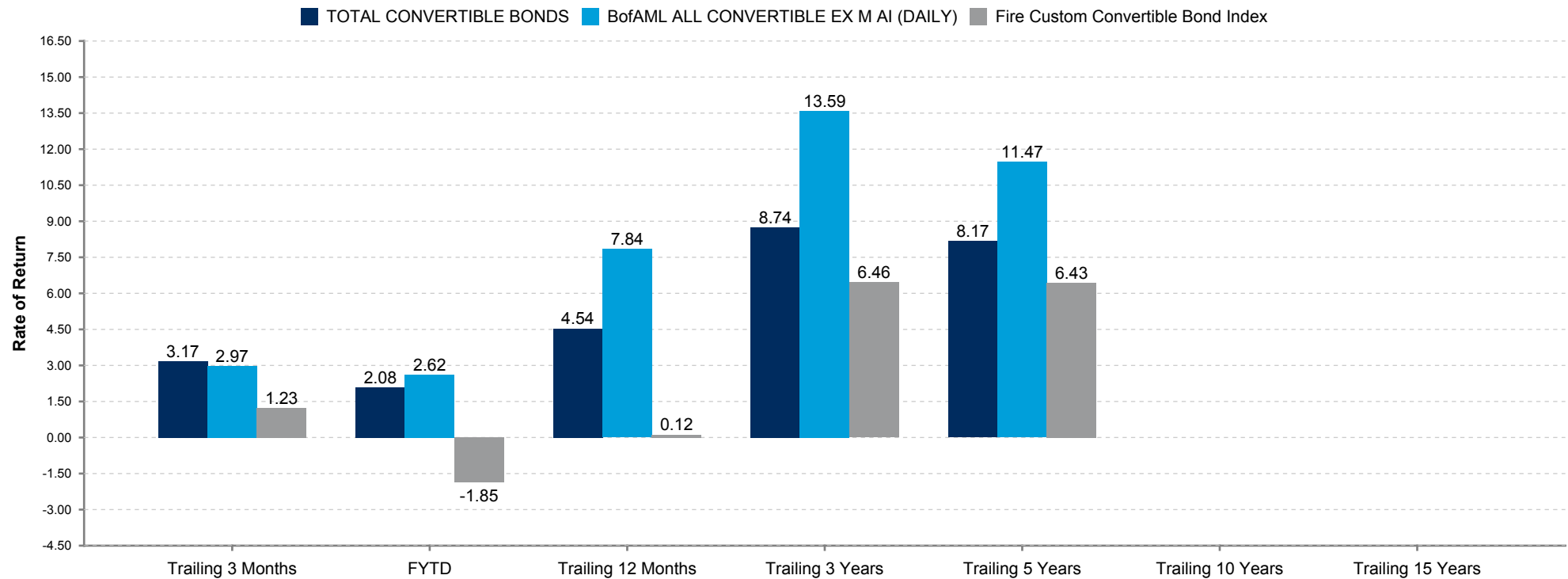


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL BANK LOANS						

## Convertible Bond Returns vs Benchmarks: March 31, 2015



	Market Value (Millions)	% of Plan
TOTAL CONVERTIBLE BONDS	\$54.4	0.5



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL CONVERTIBLE BONDS	8.7	7.5	7.6	9.2		

## Opportunistic Fixed Income Returns vs Benchmarks: March 31, 2015



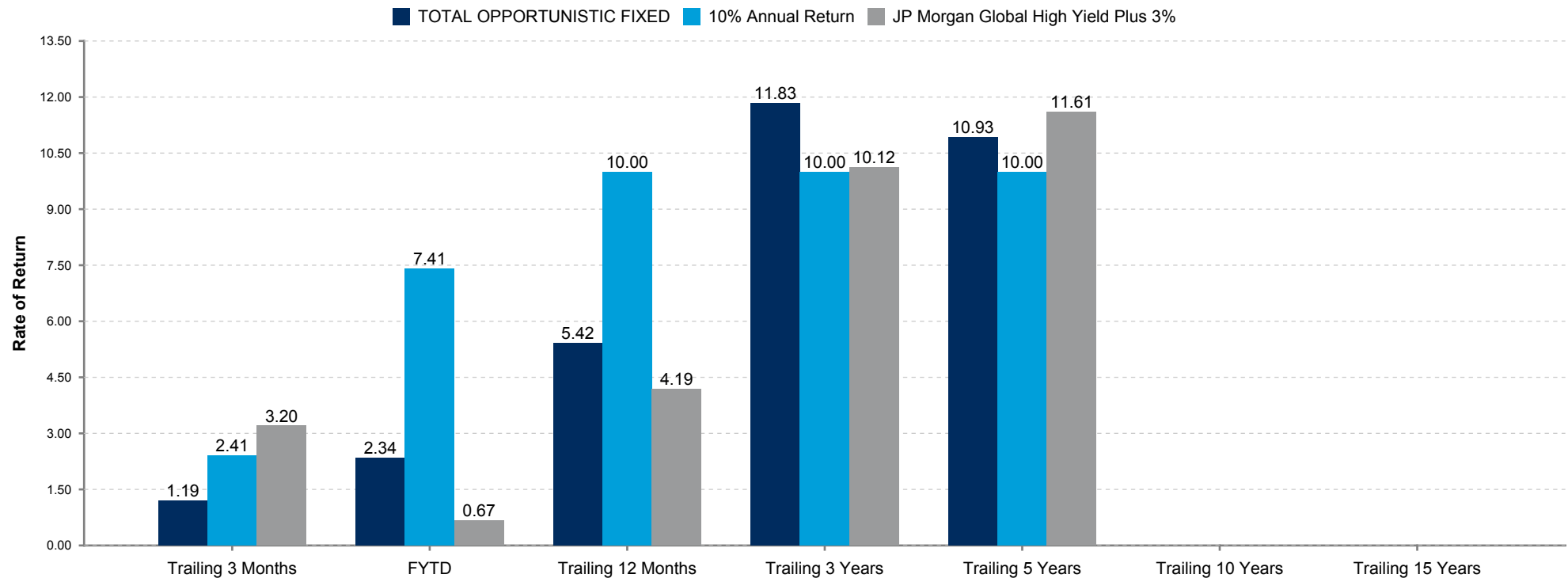
TOTAL OPPORTUNISTIC FIXED

Market Value (Millions)

\$269.4

% of Plan

2.5

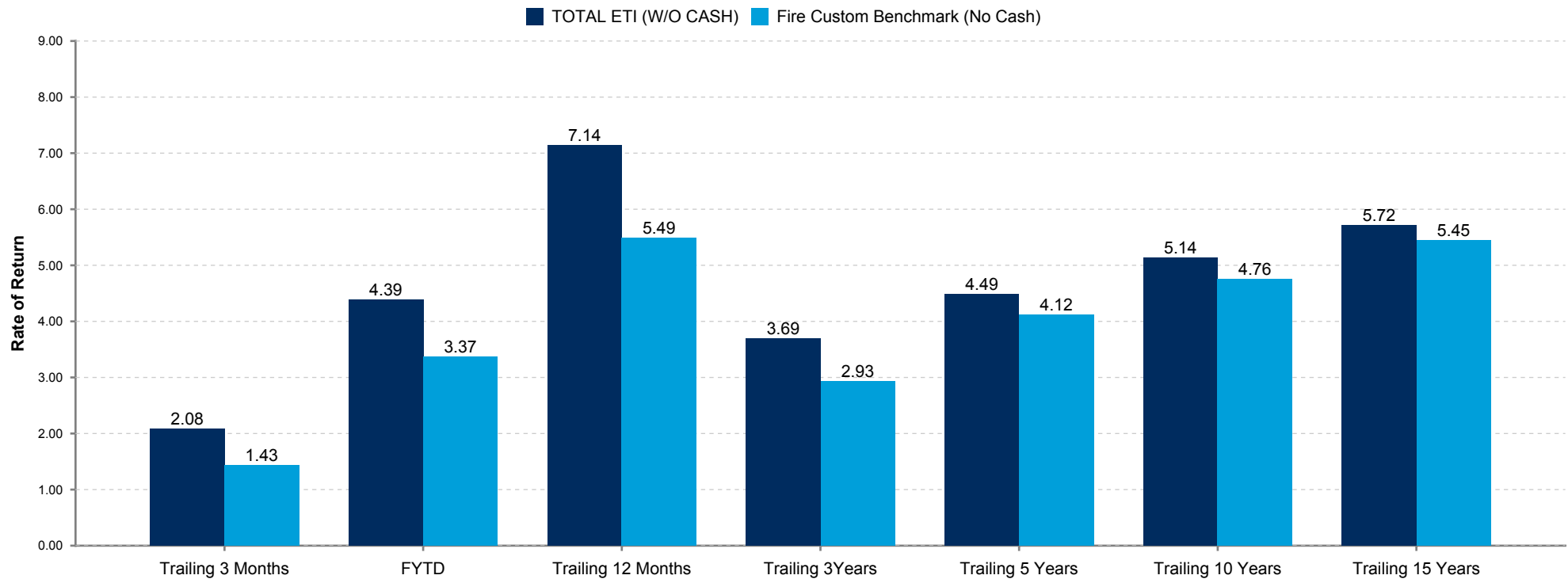


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL OPPORTUNISTIC FIXED	11.8	0.0	6.3	0.0		

## ETI Returns vs Custom Index: March 31, 2015



	<u>Market Value (Millions)</u>	<u>% of Plan</u>
TOTAL ETI (W/O CASH)	\$73.4	0.7



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ETI (W/O CASH)	2.7	2.6	2.4	2.5	2.8	2.9

**New York City  
Fire Department Pension Fund, Subchapter Two**

# Appendix

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EQUITY MANAGEMENT</b>									
<b>SMALL CAP</b>									
Brown AM - SCG	38.8	0.36	4.85	4.85	11.12	21.42	20.59		
TOTAL SMALL CAP GROWTH	38.8	0.36	4.85	4.85	11.12	18.69	16.85	10.03	
RUSSELL 2000 GROWTH			6.63	6.63	12.06	17.74	16.58	10.02	4.17
Ceredex SCV	79.3	0.73	2.62	2.62	5.03				
Dalton Greiner (Value) - Small Cap	52.4	0.48	3.50	3.50	6.01	16.37	14.13		
TOTAL SMALL CAP VALUE	131.8	1.21	2.97	2.97	5.41	15.42	13.57		
RUSSELL 2000 VALUE			1.98	1.98	4.43	14.79	12.54	7.53	10.10
TOTAL ACTIVE SMALL CAP	170.6	1.56	3.39	3.39	6.66	15.51	14.31	6.60	
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
Blackrock R2000 Growth	14.3	0.13	6.61	6.61	11.92				
TOTAL SMALL CAP GROWTH PASSIVE	14.3	0.13	6.60	6.60	11.90				
RUSSELL 2000 GROWTH			6.63	6.63	12.06	17.74	16.58	10.02	4.17
Blackrock R2000 Value	3.1	0.03	1.99	1.99	4.01				
TOTAL SMALL CAP VALUE PASSIVE	3.1	0.03	1.98	1.98	3.92				
RUSSELL 2000 VALUE			1.98	1.98	4.43	14.79	12.54	7.53	10.10
TOTAL SMALL CAP PASSIVE	17.4	0.16	5.74	5.74	10.18				
TOTAL SMALL CAP	188.0	1.72	3.61	3.61	6.96	15.20	14.02	6.46	
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
<b>SMALL/MID CAP</b>									
Security Global Investors SMID	78.1	0.72	1.78	1.78	0.79	13.17			
RUSSELL 2500 VALUE			3.02	3.02	6.58	16.29	14.06	8.46	10.44

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>MID CAP</b>									
Times Square Capital MCG	179.6	1.64	6.86	6.86	11.46	17.34			
RUSSELL MIDCAP GROWTH			5.38	5.38	15.56	17.41	16.43	10.19	4.02
Iridian Asset Mgmt. MCV	106.5	0.98	2.01	2.01	11.80	22.10			
TOTAL MID CAP VALUE	106.5	0.98	2.01	2.01	11.80	22.10	20.18	10.52	
RUSSELL MIDCAP VALUE			2.42	2.42	11.70	18.60	15.84	9.61	10.87
Wellington Mgmt. MCC	110.8	1.01	6.04	6.04	13.92	19.55			
TOTAL MID CAP CORE	110.8	1.01	6.04	6.04	13.92	19.55	16.09	8.88	
S&P 400 MIDCAP INDEX			5.31	5.31	12.19	17.03	15.72	10.32	9.16
TOTAL MID CAP ACTIVE	396.9	3.63	5.29	5.29	12.23	19.17	16.89	9.01	
RUSSELL MIDCAP			3.95	3.95	13.68	18.10	16.16	10.02	8.49
State St GA S&P 400	103.3	0.95	5.31	5.31	12.78	17.21			
S&P 400 MIDCAP INDEX			5.31	5.31	12.19	17.03	15.72	10.32	9.16
TOTAL MID CAP	500.2	4.58	5.29	5.29	12.29	18.30	15.89	8.54	
RUSSELL MIDCAP			3.95	3.95	13.68	18.10	16.16	10.02	8.49
<b>RUSSELL 1000</b>									
Profit Inv Mgmt - LCG	0.0	0.00							
TOTAL RUSSELL 1000 GROWTH	0.0	0.00	(1.62)	(1.62)	12.24	17.83	15.21	8.47	
RUSSELL 1000 GROWTH			3.84	3.84	16.09	16.34	15.63	9.36	1.99
RUSSELL 3000 GROWTH			4.05	4.05	15.76	16.45	15.71	9.41	2.16

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Seizert Capital Ptnrs - LCC	0.1	0.00							
TOTAL RUSSELL 1000 CORE	0.1	0.00	1.57	1.57	9.58	16.26	13.97		
RUSSELL 1000			1.59	1.59	12.73	16.45	14.73	8.34	4.43
TOTAL RUSSELL 1000 ACTIVE	0.1	0.00	(0.04)	(0.04)	10.74	18.11	15.18	8.41	
RUSSELL 1000			1.59	1.59	12.73	16.45	14.73	8.34	4.43
Blackrock R1000 Growth	671.9	6.15	3.83	3.83	15.98				
RUSSELL 1000 GROWTH			3.84	3.84	16.09	16.34	15.63	9.36	1.99
Blackrock R1000 Value	708.6	6.49	(0.71)	(0.71)	9.30				
RUSSELL 1000 VALUE			(0.72)	(0.72)	9.33	16.44	13.75	7.21	6.53
TOTAL RUSSELL 1000 PASSIVE	1,380.6	12.64	1.45	1.45	12.45				
TOTAL RUSSELL 1000	1,380.7	12.64	1.29	1.29	12.25	19.42	15.95	8.77	
RUSSELL 1000			1.59	1.59	12.73	16.45	14.73	8.34	4.43
DOMESTIC EQUITY TRANSITION	116.2	1.06							
<b>RUSSELL 3000</b>									
State Street Global Advisors R3000	975.9	8.94	1.78	1.78	11.76	16.24			
TOTAL RUSSELL 3000 PASSIVE	975.9	8.94	1.78	1.78	11.76	16.27	14.62	8.39	4.69
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
<b>ATTUCKS MANAGERS</b>									
Apex Capital Mgmt - SCG	5.8	0.05	9.09	9.09	13.10				
Bird Rock Asset Mgmt - SCV	2.5	0.02	3.75	3.75	7.27				
EAM Investors - MCG	6.1	0.06	6.79	6.79	7.49				
Opus Capital Mgmt - SCV	6.5	0.06	4.12	4.12	9.53				



# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Paradigm Asset Mgt - SCC	6.6	0.06	3.38	3.38	3.33				
TOTAL ATTUCKS MANAGERS	27.4	0.25	5.50	5.50	8.03				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
<b>CAPITAL PROSPECTS MANAGERS</b>									
AH Lisanti Capital Growth - SCG	4.2	0.04	6.16	6.16	9.44				
Bernzott Capital Advisors - SCV	4.1	0.04	2.57	2.57	12.24				
Channing Cap Mgmt - SCV	4.5	0.04	5.51	5.51	8.15				
CWC Advisors - SCC	3.5	0.03	1.99	1.99	5.31				
High Pointe R-2000	1.5	0.01	(1.90)	(1.90)	0.46				
Huber Cap Mgmt - SCV	3.6	0.03	(1.09)	(1.09)	(7.77)				
Lombardia R-2000 Value	3.4	0.03	0.21	0.21	3.01				
Profit Inv Mgmt - SCC	3.9	0.04	5.43	5.43	10.83				
Quotient Investors - SCC	4.1	0.04	3.10	3.10	8.46				
Stephens Inv Mgmt - SCG	3.7	0.03	4.12	4.12	3.33				
Summit Creek Advisors - SCG	3.9	0.04	5.07	5.07	7.39				
TOTAL CAPITAL PROSPECTS MANAGERS	40.5	0.37	3.18	3.18	5.79				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
<b>PROGRESS MANAGERS</b>									
Apex Cap Mgmt - SMDG	19.7	0.18	4.31	4.31	11.09				
Cardinal Cap Mgmt - SCV	12.0	0.11	7.83	7.83	12.58				
Huber Cap Mgmt - SCV	15.1	0.14	(0.97)	(0.97)	(7.37)				
Lombardia Cap Ptnrs LLC Small Value	6.2	0.06	1.12	1.12	7.91				
Monarch Partners Asset Mgmt - SCV	14.7	0.13	5.85	5.85	9.63				
Nichols Asset Mgmt - SCG	15.7	0.14	6.73	6.73	7.47				
OMT Cap Mgmt - SMDG	10.8	0.10	1.11	1.11	5.31				
Phocas Financial - SCV	10.2	0.09	4.13	4.13	10.65				

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL PROGRESS MANAGERS	104.5	0.96	3.92	3.92	6.61				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
EMERGING MANAGER PROGRAM	172.4	1.58	3.99	3.99	6.64				
RUSSELL 2000			4.32	4.32	8.21	16.27	14.57	8.82	7.19
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
TOTAL ACTIVE DOMESTIC EQUITY	934.3	8.56	3.67	3.67	9.04	17.14	14.86	8.15	4.07
TOTAL PASSIVE DOMESTIC EQUITY	2,477.3	22.68	1.76	1.76	12.06	16.37	14.53	8.34	4.95
TOTAL DOMESTIC EQUITY	3,411.6	31.24	2.28	2.28	11.45	16.63	14.69	8.24	4.70
RUSSELL 3000			1.80	1.80	12.37	16.43	14.71	8.38	4.63
<b>INTERNATIONAL EQUITY</b>									
<b>DEVELOPED MARKETS</b>									
<b>GROWTH</b>									
Baillie Gifford	202.8	1.86	5.82	5.82	(0.14)				
Walter Scott	251.7	2.31	3.45	3.45	2.42				
TOTAL DEVELOPED GROWTH	454.5	4.16	4.50	4.50	0.26	9.46	7.42		
MSCI EAFE GROWTH			5.85	5.85	1.05	8.96	6.99	5.60	1.41
<b>VALUE</b>									
Causeway	226.9	2.08	4.15	4.15	(1.21)				
Sprucegrove	200.9	1.84	1.96	1.96	(3.23)	7.13	6.78	5.93	
TOTAL DEVELOPED VALUE	427.8	3.92	3.11	3.11	(2.10)	8.98	7.81	5.49	
MSCI EAFE VALUE NET			3.89	3.89	(2.90)	9.03	5.27	4.23	4.22

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>SMALL CAP</b>									
Acadian	71.0	0.65	5.01	5.01	(4.43)				
Pyramis	67.7	0.62	5.73	5.73	(1.45)				
TOTAL DEVELOPED SMALL CAP ACTIVE	138.7	1.27	5.36	5.36	(3.00)				
S&P EPAC SMALL CAP INDEX			5.56	5.56	(1.47)	11.35	9.24	7.10	6.95
TOTAL ACTIVE DEVELOPED EQUITY	1,021.6	9.36	4.02	4.02	(1.26)	8.13	6.71	5.65	2.93
MSCI EAFE FREE NET			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
SSGA MSCI EAFE Small Cap Index	26.1	0.24	5.73	5.73	(2.39)				
TOTAL DEVELOPED SMALL CAP PASSIVE	26.1	0.24	5.73	5.73	(2.39)				
MSCI EAFE SMALLCAP NET			5.56	5.56	(2.92)	10.67	8.80	6.17	7.18
SSGA	104.3	0.95	4.99	4.99	(0.79)	9.28			
TOTAL DEVELOPED LARGE CAP PASSIVE	104.3	0.95	4.99	4.99	(0.79)	9.28			
MSCI EAFE			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
TOTAL PASSIVE DEVELOPED	130.3	1.19	5.14	5.14	(1.33)	9.10	6.42	5.25	3.18
MSCI EAFE			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
MSCI EAFE IMI NET			4.96	4.96	(1.17)	9.22	6.47	5.17	2.95
TOTAL DEVELOPED EQUITY	1,151.9	10.55	4.14	4.14	(1.26)	8.20	6.60	5.55	3.00
MSCI EAFE			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88
MSCI EAFE IMI NET			4.96	4.96	(1.17)	9.22	6.47	5.17	2.95
TOTAL DEVELOPED ENVIRONMENTAL ACTIVIST EX PASSIVE	1,021.7	9.36	4.02	4.02	(1.26)	8.18	6.76	5.53	
TOTAL DEVELOPED ENVIRONMENTAL ACTIVIST	1,152.0	10.55	4.14	4.14	(1.26)	8.26	6.66	5.46	
MSCI EAFE			4.88	4.88	(0.92)	9.02	6.16	4.95	2.88

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>EMERGING MARKETS</b>									
Acadian	116.1	1.06	2.14	2.14	5.32	3.42	5.00		
Baillie Gifford	172.6	1.58	2.70	2.70	4.31	2.07	3.33		
DFA	102.9	0.94	(0.52)	(0.52)	(4.21)				
Eaton Vance EM	111.2	1.02	0.02	0.02	(3.83)				
TOTAL ACTIVE EMERGING MARKETS	502.7	4.60	1.30	1.30	0.83	1.02	2.57	9.26	
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
CONY GT FIRE Blackrock-MSCI EM MK	180.4	1.65	2.26	2.26	0.58	0.54			
TOTAL PASSIVE EMERGING MARKETS	180.4	1.65	2.26	2.26	0.58	0.54			
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
TOTAL EMERGING MARKETS	683.1	6.26	1.55	1.55	0.75	0.89	2.41	9.18	8.14
MSCI EMERGING MARKETS			2.24	2.24	0.44	0.31	1.75	8.48	
TOTAL ACTIVE INTERNATIONAL EQUITY	1,524.4	13.96	3.11	3.11	(0.53)				
TOTAL PASSIVE INTERNATIONAL EQUITY	310.7	2.84	3.41	3.41	0.13				
TOTAL INTERNATIONAL EQUITY	1,835.1	16.80	3.16	3.16	(0.41)	5.26	4.88	5.95	3.54
MSCI AC WORLD ex US			3.49	3.49	(1.01)	6.40	4.82	5.46	
<b>REITS</b>									
Adelante (Lend Lease Rosen) (REIT)	158.0	1.45	6.08	6.08	28.60	15.71	17.53	9.96	
FTSE EPRA/NAREIT Devel			4.17	4.17	16.06	12.82	12.08	7.88	
MS REIT	216.5	1.98	4.83	4.83	25.35	14.17	16.23	10.88	
TOTAL REITS	374.6	3.43	5.33	5.33	25.32	14.38	16.53	10.28	
DJ US SELECT REAL ESTATE			4.81	4.81	25.32	13.92	15.79	9.25	12.72

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>HEDGE FUNDS</b>									
<b>DIRECT HEDGE FUNDS</b>									
BLUE TREND FD	25.2	0.23	10.80	10.80	29.43				
BREVAN HOWARD LP	21.1	0.19	3.11	3.11	5.35	2.59			
BREVAN HOWARD OPP	21.7	0.20	3.27	3.27	6.72				
BRIGADE LEV CAP STR FD	25.4	0.23	3.27	3.27	2.17	4.72			
CARLSON DOUBLE BLK DIA FD	30.1	0.28	0.72	0.72	3.35				
CASPIAN SELECT CF	22.5	0.21	(0.22)	(0.22)	(0.40)				
CCP QUANT FD	25.5	0.23	15.66	15.66	73.43				
D.E. SHAW COMPOSITE FD	42.3	0.39	6.53	6.53	18.39	16.53			
FIR TREE VAL FD	29.6	0.27	2.09	2.09	0.76				
Gotham Asset Management	11.9	0.11							
LUXOR CAPITAL	25.0	0.23	0.21	0.21					
PERRY CAPITAL LP	22.3	0.20	(0.57)	(0.57)	(5.95)				
PHARO MACRO FD	20.0	0.18	4.89	4.89	7.66				
SRS Investment Management	11.8	0.11	(3.82)	(3.82)					
STANDARD GENERAL	6.2	0.06	(0.19)	(0.19)					
TOTAL DIRECT HEDGE FUNDS	340.5	3.12	3.48	3.48	8.39	6.59			
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			2.79	2.79	6.45	6.44	4.55	4.24	4.49
PERMAL ASSET MANAGEMENT	50.3	0.46	2.10	2.10	4.00	5.40			
TOTAL PERMAL HEDGE FUNDS OF FUNDS	50.3	0.46	2.10	2.10	4.00	5.44			
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			2.79	2.79	6.45	6.44	4.55	4.24	4.49
TOTAL HEDGE FUNDS	390.8	3.58	3.28	3.28	7.70	6.36			
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			2.79	2.79	6.45	6.44	4.55	4.24	4.49
1 YEAR TREASURY BILL YIELD + 4%			1.07	1.07	4.26	4.29	4.40	6.00	6.59

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>PRIVATE EQUITY INVESTMENTS</b>									
ACON Equity Partners III LP	0.7	0.01							
Aisling Capital II, LP	0.8	0.01							
Aisling Capital III, L.P.	2.8	0.03							
Altaris Health Partners III, L.P.	0.3	0.00							
American Securities Partners VI, L.P.	14.5	0.13							
Ampersand 2011 L.P.	7.0	0.06							
Apollo Investment Fund V, L.P.	0.8	0.01							
Apollo Investment Fund VI, L.P.	9.8	0.09							
Apollo Investment Fund VII, L.P.	10.5	0.10							
Apollo Investment Fund VIII	5.1	0.05							
Ardian Secondary VI	16.9	0.15							
Ares Corp. Opportunities Fund I, L.P.	0.5	0.00							
Ares Corp. Opportunities Fund II, L.P.	1.3	0.01							
Ares Corp. Opportunities Fund III, L.P.	9.4	0.09							
Ares Corp. Opportunities Fund IV, L.P.	13.4	0.12							
ARLINGTON CAPITAL II	2.3	0.02							
ARSENAL CAPITAL II	4.1	0.04							
ATLANTIC EQUITY IV	2.1	0.02							
Aurora Equity Partners III, L.P.	0.4	0.00							
Avista Capital Partners II, L.P.	13.0	0.12							
Avista Capital Partners, L.P.	3.3	0.03							
AXA Secondary Fund V B L.P.	30.5	0.28							
BC European Capital IX	12.9	0.12							
BDCM Opportunity Fund III, L.P.	8.5	0.08							
Blackstone Capital Partners IV, L.P.	4.1	0.04							
Blackstone Capital Partners V, L.P.	6.7	0.06							
Blackstone Capital Partners VI, L.P.	6.9	0.06							
Blackstone Mezzanine Partners II L.P.	0.3	0.00							

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
BLUE WOLF CAPITAL II	2.6	0.02							
Bridgepoint Europe III	2.5	0.02							
Bridgepoint Europe IV	4.5	0.04							
CAPITAL PARTNERS I	1.3	0.01							
Capital Partners PE Income Fund II, L.P.	0.3	0.00							
Capital Point Partner, L.P.	2.0	0.02							
Carlyle Partners IV, L.P.	0.4	0.00							
Carlyle Partners V, L.P.	7.6	0.07							
Carlyle Partners VI, L.P.	6.4	0.06							
CARPENTER BANC FUND-A	4.0	0.04							
Catterton Partners VI, L.P.	3.6	0.03							
CCMP Capital Investors II, L.P.	3.3	0.03							
Celtic Pharmaceutical Holdings, L.P.	1.5	0.01							
Coller International Partners V, L.P.	1.8	0.02							
ComVest Investment Partners IV, L.P.	18.8	0.17							
Constellation Venture Capital III, L.P.	2.6	0.02							
Crestview Partners II, L.P.	6.6	0.06							
CRESTVIEW PRTNR III	1.8	0.02							
CS Emerging Manager Co-Inv, L.P.	0.4	0.00							
CS Emerging Manager Fund, L.P.	6.3	0.06							
CVC Capital Partners VI	2.0	0.02							
CVC European Equity Partners III, L.P.	0.3	0.00							
CVC European Equity Partners V, L.P.	7.6	0.07							
Cypress Merchant Banking Ptnrs II, L.P.	3.8	0.03							
EQT VI, L.P.	13.0	0.12							
ERASMUS	0.4	0.00							
Euro Choice II (Delaware) L.P.	2.2	0.02							
Euro Choice III L.P.	3.0	0.03							
Euro Choice IV L.P.	4.4	0.04							

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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
FALCONHEAD CAPITAL II	1.4	0.01							
FdG Capital Partners II LP	0.9	0.01							
FdG Capital Partners, L.P.	5.7	0.05							
Fenway Partners Capital Fund III, L.P.	1.9	0.02							
Fire Medal Fund	0.2	0.00							
First Reserve Fund XI, L.P.	1.7	0.02							
First Reserve Fund XII, L.P.	3.2	0.03							
FirstMark IV, L.P.	4.6	0.04							
The Fourth Cinven Fund	1.1	0.01							
FS Equity Partners V, L.P.	3.3	0.03							
FS Equity Partners VI, L.P.	13.1	0.12							
FTV IV, LP	1.2	0.01							
FTVentures III, L.P.	3.0	0.03							
GI Partners Fund II	0.9	0.01							
GI Partners Fund III	4.5	0.04							
GF CAPITAL	3.0	0.03							
GLEACHER MEZZANINE II	0.8	0.01							
Green Equity Investors VI	13.0	0.12							
Grey Mountain Partners Fund III, LP	0.2	0.00							
GSO Capital Opportunities Fund, L.P.	2.1	0.02							
Highland Consumer Fund I	1.5	0.01							
ICV Partners III, L.P.	1.0	0.01							
Incline Equity Partners III, L.P.	0.6	0.01							
Intermedia Partners VII, L.P.	2.9	0.03							
JP Morgan Fleming, L.P.	2.1	0.02							
Landmark Equity Partners XI, L.P.	0.6	0.01							
Landmark Equity Partners XIV, L.P.	8.6	0.08							
Landmark Equity Partners XV	9.9	0.09							
Lee Equity Partners, L.P.	6.8	0.06							



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	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Levine Leichtman Capital Deep Value	1.1	0.01							
Levine Leichtman Capital Partners IV LP	2.4	0.02							
Lexington Capital Partners VII, L.P.	6.3	0.06							
LEXINGTON CAP VIII	2.8	0.03							
Lincolnshire Equity Fund II, L.P.	0.5	0.00							
Lincolnshire Equity Fund III, L.P.	2.7	0.02							
Lincolnshire Equity Fund IV, L.P.	1.7	0.02							
Markstone Capital Partners, L.P.	1.5	0.01							
Medica III Investments (Intl) L.P.	1.2	0.01							
MidOcean Partners III, L.P.	7.5	0.07							
Milestone Partners III, LP	2.2	0.02							
Mill City Capital II	0.6	0.01							
Montreux Equity Partners IV L.P.	5.1	0.05							
New Mainstream Capital II	0.2	0.00							
New Mountain Partners I, L.P.	0.2	0.00							
New Mountain Partners II, L.P.	0.4	0.00							
New Mountain Partners III, L.P.	9.0	0.08							
New York Fairview Emerging Mgrs Fund (A)	5.1	0.05							
NGN BioMed Opportunity II, L.P.	2.6	0.02							
NorthBound Emerging Manager Custom Fd LP	3.0	0.03							
Olympus Capital Asia III	4.7	0.04							
Olympus Growth Fund VI, L.P.	1.7	0.02							
Onex Partners III LP	4.7	0.04							
Paladin Homeland Security Fund L.P.	2.5	0.02							
Paladin III, L.P.	7.3	0.07							
Palladium Equity Partners III, L.P.	7.5	0.07							
Palladium Equity Partners IV	3.2	0.03							
PCG Clean Energy Tech Fund East, L.P.	5.0	0.05							
Pegasus Partners IV, L.P.	4.6	0.04							

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Pegasus Partners V, L.P.	3.9	0.04							
Permira IV	2.6	0.02							
Perseus Partners VII, L.P.	0.8	0.01							
Pine Brook Capital Partners	5.8	0.05							
Platinum Equity Capital Partners III, LP	8.2	0.07							
POST CAPITAL II	2.0	0.02							
Prism Venture Partners V, L.P.	2.7	0.02							
Psilos Group Partners III, L.P.	2.1	0.02							
Raine Partners II	0.4	0.00							
Relativity Fund, L.P.	0.5	0.00							
RiverstoneCarlyle Gbl Engy-Pwr Fd IV LP	4.2	0.04							
RRE Ventures IV, L.P.	4.1	0.04							
Scale Venture Partners III, LP	7.3	0.07							
SCP Private Equity Partners II, L.P.	5.1	0.05							
SCP Vitalife Partners II, L.P.	4.1	0.04							
Snow Phipps Group, L.P.	3.6	0.03							
Snow Phipps II, L.P.	6.9	0.06							
Summit Partners Growth Equity VIII-A	16.6	0.15							
Terra Firma Capital Partners III, L.P.	2.7	0.02							
TM&P II	3.6	0.03							
Trident V, L.P.	15.2	0.14							
Trilantic Capital Partners III, L.P.	0.2	0.00							
Trilantic Capital Partners IV L.P.	4.7	0.04							
Trilantic Capital Partners V L.P.	3.0	0.03							
United States Power Fund III, L.P.	3.4	0.03							
US Power Fund II	3.9	0.04							
Vista Equity Partners Fund III, L.P.	3.5	0.03							
Vista Equity Partners Fund IV, L.P.	30.5	0.28							
VISTA EQUITY V	15.3	0.14							

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Vista Foundation Fund II, L.P.	0.9	0.01							
VS&A Communications Partners III, L.P.	0.1	0.00							
VSS Communications Partners IV, L.P.	0.7	0.01							
Warburg Pincus Private Equity XI, LP	23.9	0.22							
Webster Capital III	0.3	0.00							
Wellspring Capital Partners V, L.P.	4.4	0.04							
Welsh, Carson, Anderson & Stowe XI, L.P.	5.6	0.05							
Yucaipa American Alliance Fund I, L.P.	3.0	0.03							
Yucaipa American Alliance Fund II, LP	19.9	0.18							
Yucaipa Corporate Initiatives Fund II LP	2.5	0.02							
TOTAL PRIVATE EQUITY	729.1	6.68							
NYC R3000 + 3% LAGGED									

## REAL ASSETS

### PRIVATE REAL ESTATE

AG Realty Fund VII (Global)	5.0	0.05							
Amer Value Ptnrs I LP	2.1	0.02							
Ares European RE Fund III	6.5	0.06							
ARA Asia Dragon Fd (Global)	2.8	0.03							
Blackstone Europe IV	10.5	0.10							
Blackstone REP EUR III	4.7	0.04							
Blackstone REP IV	2.4	0.02							
Blackstone REP VI	8.9	0.08							
Blackstone REP VII	27.9	0.26							
Brookfield Strat RE Partners	14.6	0.13							
Canyon-Jonhson Urban Fund II	2.8	0.03							
Canyon-Jonhson Urban Fund III	3.3	0.03							
Carlyle Realty V	1.7	0.02							

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Carlyle Realty VI	13.9	0.13							
CARLYLE REALTY FUND VII	2.1	0.02							
City Investment Fund	3.6	0.03							
Colony Investors VIII	5.6	0.05							
Colony Realty Partners II	1.9	0.02							
DIVCO WEST FD III	15.8	0.14							
DIVCO WEST FD IV	26.0	0.24							
EMMES	4.0	0.04							
Heitman America RE Trust	13.8	0.13							
HUDSON SEP AC	0.9	0.01							
H/2 Special Opportunities Fund II	9.3	0.09							
H/2 Special Opp Fund III	1.8	0.02							
JPMC Strategic Property Fund	36.5	0.33							
JPMC Special Situations Fund	5.4	0.05							
KTR Industrial Fd III	5.7	0.05							
LaSalle US Property Fund	35.2	0.32							
LONE STAR RE FD III	11.8	0.11							
METLIFE CORE PROPERTY	10.7	0.10							
Metro Wkforce Housing FD	2.4	0.02							
PRISA	8.1	0.07							
PRISA II	23.4	0.21							
PROLOGIS Inc	5.2	0.05							
Related Sep Acct	4.6	0.04							
RREEF America II Inc	8.0	0.07							
RREEF America III Inc	1.0	0.01							
Silverpeak Legacy Partners III (Global)	0.7	0.01							
Stockbridge Real Estate Fund III	19.3	0.18							
Taconic NYC Investmt Fd	9.7	0.09							
Thor Urban Property Fd II	4.0	0.04							

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
UBS Trumbull Property Fd	37.8	0.35							
Walton ST REF VI (Global)	3.8	0.03							
Westbrook Fund VIII	2.3	0.02							
TOTAL PRIVATE REAL ESTATE	427.6	3.92							
NCREIF NFI-ODCE NET + 1%									
<b>INFRASTRUCTURE</b>									
Brookfield Infr Fd II	7.2	0.07							
FIRST RESERVE EIF II	0.1	0.00							
TOTAL INFRASTRUCTURE	7.3	0.07							
CPI + 4%									
TOTAL REAL ASSETS	434.9	3.98							
TOTAL EQUITY (INCLUDES PRIVATE EQUITY & REAL ASSETS)	7,176.0	65.71	2.75	2.75	9.05	12.80	11.71	7.55	
<b>FIXED INCOME MANAGEMENT</b>									
<b>GOVERNMENT</b>									
Fischer Francis - Govt	118.7	1.09	2.90	2.90	11.04	4.20	7.04	6.50	7.18
State Street - Gov't	119.1	1.09	2.78	2.78	11.57	4.45	7.10		
TOTAL GOVERNMENT	237.7	2.18	2.84	2.84	10.93	4.40	7.14	6.48	7.10
NYC - TREASURY AGENCY PLUS FIVE			2.84	2.84	11.70	4.51	7.22	6.43	7.05
<b>MORTGAGE</b>									
Blackrock - Mortgage	306.3	2.80	1.32	1.32	6.16	3.62	4.95	5.54	
Goldman Sachs - Mortgage	177.3	1.62	1.20	1.20	5.72	2.97	4.03		
Neuberger Berman - Mortgage	314.0	2.87	1.09	1.09	6.05	2.82	4.04		
TOTAL MORTGAGE	797.5	7.30	1.21	1.21	5.78	3.10	4.43	5.20	5.83
CITIGROUP MORTGAGE INDEX			1.15	1.15	5.64	2.53	3.69	4.93	5.56

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>INVESTMENT GRADE CREDIT</b>									
Blackrock - Credit	165.0	1.51	2.25	2.25	6.76	5.44	6.51		
Prudential - Credit	162.0	1.48	2.14	2.14	6.63	5.05	6.34		
Prudential-Privest - Credit	44.0	0.40	2.17	2.17	6.88				
Taplin Canida Habacht - Credit	274.7	2.52	2.02	2.02	6.13	5.90	6.95	5.72	6.99
T Rowe Price - Credit	258.0	2.36	2.68	2.68	7.50	6.04	7.26	6.61	6.87
TOTAL INVESTMENT GRADE CREDIT	903.7	8.28	2.28	2.28	6.76	5.68	6.84	5.90	6.65
NYC - INVESTMENT GRADE CREDIT			2.09	2.09	6.41	4.79	6.07	5.63	6.44
<b>TOTAL STRUCTURED</b>									
TOTAL STRUCTURED	1,939.0	17.76	1.90	1.90	6.86	4.42	5.87	5.86	6.52
NYC - CORE PLUS FIVE			1.88	1.88	7.10	3.84	5.31	5.60	6.27
<b>CORE PLUS FIXED INCOME</b>									
LM Capital	11.4	0.10	1.73	1.73	5.64	3.71	5.07		
TOTAL CORE PLUS FIX INC	11.4	0.10	1.73	1.73	5.64	3.71	5.07		
BARCLAYS AGGREGATE			1.61	1.61	5.72	3.10	4.41	4.93	5.66
<b>TOTAL STRUCTURED PLUS LM CAPITAL</b>									
TOTAL STRUCTURED PLUS LM CAPITAL	1,950.4	17.86	1.90	1.90	6.85	4.42	5.87	5.86	6.52
NYC - CORE PLUS FIVE			1.88	1.88	7.10	3.84	5.31	5.60	6.27
<b>PROGRESS MANAGERS</b>									
GIA	5.8	0.05	2.29	2.29	5.03	3.84			
Hillswick	2.8	0.03	1.96	1.96	7.28	2.97			
NEW CENTURY	7.2	0.07	1.37	1.37	5.42	3.40			
PUGH CAP	5.7	0.05	1.89	1.89	6.09	3.10			
Ramirez Asset	7.0	0.06	1.68	1.68					
TOTAL PROGRESS FIXED	28.6	0.26	1.81	1.81	5.67	4.33			
BARCLAYS AGGREGATE			1.61	1.61	5.72	3.10	4.41	4.93	5.66

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>TIPS MANAGERS</b>									
<b>ACTIVE TIPS MANAGERS</b>									
Blackrock TIPS	114.6	1.05	1.59	1.59	3.38	0.79	4.40		
TOTAL ACTIVE TIPS MANAGERS	114.6	1.05	1.34	1.34	2.86	0.76	4.38		
<b>PASSIVE TIPS MANAGERS</b>									
State Street TIPS Passive	188.8	1.73	1.53	1.53	3.15	0.67	4.35		
TOTAL PASSIVE TIPS MANAGERS	188.8	1.73	1.53	1.53	3.15	0.67	4.35		
TOTAL TIPS MANAGERS	303.5	2.78	1.54	1.54	3.09	0.79	4.40		
BARCLAYS GLOBAL INFLATION LINKED: US TIP			1.42	1.42	3.11	0.63	4.29	4.55	6.29
<b>ENHANCED YIELD</b>									
Loomis Sayles - High Yield	112.0	1.03	2.28	2.28	1.64				
BofA ML HIGH YIELD MASTER II			2.54	2.54	2.05	7.47	8.40	8.04	7.60
Penn Capital Mgt	113.5	1.04	2.67	2.67	0.69				
T ROWE EH	183.2	1.68	2.78	2.78	3.06	7.48	8.35	7.91	
TOTAL ENHANCED YIELD	408.6	3.74	2.61	2.61	2.00	7.05	8.30	7.70	7.10
CITIGROUP BB & B			2.48	2.48	2.29	6.98	8.37	6.74	6.81
CITIGROUP BB & B CAPPED			2.44	2.44	2.29	6.84	8.28	6.98	
<b>BANK LOANS</b>									
Babson BL	89.6	0.82	2.28	2.28	3.31				
Guggenheim BL	90.9	0.83	2.40	2.40	4.27				
TOTAL BANK LOANS	180.6	1.65	2.34	2.34	3.79				
CSFB LEVERAGED LOAN INDEX			2.07	2.07	2.83	5.36	5.36	4.75	

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>CONVERTIBLE BONDS</b>									
Advent Conv Bonds	54.4	0.50	3.17	3.17	4.54	8.74	8.22		
BofA ML U.S. CONVERTIBLE			1.23	1.23	0.12	6.46	6.43	5.28	5.28
TOTAL CONVERTIBLE BONDS	54.4	0.50	3.17	3.17	4.54	8.74	8.17		
BofA ML ALL CONVERTIBLE EX MANDATORY			2.97	2.97	7.84	13.59	11.47	8.23	5.24
FIRE CUSTOM CONVERTIBLE BOND INDEX			1.23	1.23	0.12	6.46	6.43		
<b>OPPORTUNISTIC FIXED</b>									
Avenue Europe Special Sit. Fund L.P.	0.2	0.00							
Avenue Special Situations Fund VI L.P.	12.1	0.11							
Brightwood Capital Advisors III, LP	2.5	0.02							
Fortress Ctr St Ptnrs	23.8	0.22							
Oaktree Opp Fd IX	27.8	0.25							
Torchlight Debt Oppy Fund III LLC	2.0	0.02							
TOTAL FUND STRATEGIES	68.4	0.63							
10% ANNUAL RETURN									
JP MORGAN GLOBAL HIGH YIELD + 3%									
Angelo Gordon Ct St Ptnrs	28.4	0.26	(1.00)	(1.00)	0.33				
Apollo Centre Street Partnership, L.P	30.0	0.28	(3.98)	(3.98)	(2.62)				
Ares Centre Street	7.2	0.07	2.38	2.38					
Contrarian Partnership, L.P	7.5	0.07	(0.71)	(0.71)	(4.77)				
Golden Tree OD	38.9	0.36	3.33	3.33	6.81	10.12			
MARATHON-OD-FI	54.4	0.50	(0.36)	(0.36)	1.92	13.09			
Oak Hill Ctr St Ptnrs	34.5	0.32	0.08	0.08	3.68				
TOTAL STRATEGIC MANDATES	200.9	1.84	(0.27)	(0.27)	1.90	10.29			
10% ANNUAL RETURN			2.41	2.41	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD + 3%			3.20	3.20	4.19	10.12	11.61		



# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL OPPORTUNISTIC FIXED	269.4	2.47	1.19	1.19	5.42	11.83	10.93		
10% ANNUAL RETURN			2.41	2.41	10.00	10.00	10.00	10.00	10.00
JP MORGAN GLOBAL HIGH YIELD + 3%			3.20	3.20	4.19	10.12	11.61		
<b>ETI</b>									
BOA-PPAR ETI (FNMA)	1.9	0.02	35.41	35.41	45.88				
CCD-PPAR (GNMA)	1.1	0.01	1.85	1.85	12.58	11.91	10.34		
CCD-PPAR ETI (FNMA)	0.9	0.01	1.31	1.31	21.61				
CFSB-PPAR (GNMA)	0.4	0.00	1.72	1.72	11.56	9.36	8.62		
CPC-PPAR (FNMA)	1.3	0.01	1.50	1.50	8.65				
JPMC-PPAR (FNMA)	1.1	0.01	0.16	0.16	3.50				
LIIF-PPAR (GNMA)	0.5	0.00	2.31	2.31	8.55	8.32	6.69		
LIIF-PPAR ETI (FNMA)	0.6	0.01	1.34	1.34	33.38				
NCBCI-PPAR (GNMA)	0.3	0.00	2.07	2.07	13.11	12.61	10.03		
NCB-CI PPAR ETI (FNMA)	0.0	0.00	1.94	1.94	11.26				
TOTAL FIRE PPAR	8.2	0.08	6.33	6.33	17.87	13.19	10.39		
GNMA PLUS 65BPS			0.87	0.87	5.50	2.71	4.50	5.55	6.15
FNMA PLUS 85BPS			1.51	1.51	6.89	3.57	4.56	5.83	6.49
ACCESS RBC	20.9	0.19	1.62	1.62	6.95	3.28	4.24		
ACCESS RBC BENCHMARK			1.12	1.12	4.88	2.27	3.45		
CPC CONST FACILITY	1.3	0.01	0.68	0.68					
CPC CONST BENCHMARK			0.71	0.71					
AFL-CIO HOUSING INV TRUST	43.0	0.39	1.60	1.60	5.95	3.08	4.24	4.92	
BARCLAYS AGGREGATE			1.61	1.61	5.72	3.10	4.41	4.93	5.66

# Consolidated Performance Report

Through March 31, 2015



	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL ETI (W/O CASH)	73.4	0.67	2.08	2.08	7.14	3.69	4.49	5.14	5.72
FIRE CUSTOM BENCHMARK			1.43	1.43	5.49	2.93	4.12	4.76	5.45
FIRE SHORT TERM	467.4	4.28	0.19	0.19	0.37	0.31	0.36	2.02	2.47
TOTAL FIXED INCOME (DOMESTIC & GLOBAL)	3,736.3	34.21	1.72	1.72	5.15	4.73	5.91	5.93	6.40
C/D - Fail Float Earnings	0.7	0.01							
Security Lending	7.4	0.07							
<b>TOTAL FIRE</b>	<b>10,920.4</b>	<b>100.00</b>	<b>2.39</b>	<b>2.39</b>	<b>7.77</b>	<b>10.12</b>	<b>9.87</b>	<b>7.21</b>	<b>5.30</b>
<i>FIRE POLICY BENCHMARK</i>			<i>2.67</i>	<i>2.67</i>	<i>8.40</i>	<i>10.15</i>	<i>10.20</i>	<i>7.78</i>	<i>5.53</i>

NEW YORK CITY FIRE RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (EQUITIES)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>US Equities</b>		<b>3,891</b>	<b>12.75</b>	<b>3,595</b>	<b>14.78</b>
Small Cap Active		166	59.05	152	62.72
Small Cap Growth		35	89.93	34	100.00
Small Cap Value		130	50.62	118	51.90
Small Cap core		-	-	-	-
Small Cap Fundamental Index		-	-	-	-
Small/Mid Cap Active		81	47.95	75	58.09
Small/Mid Cap Growth		-	-	-	-
Small/Mid Cap Value		81	47.95	75	58.09
Mid Cap Active		373	46.44	363	58.74
Mid Cap Growth		166	51.94	163	61.68
Mid Cap Value		102	41.47	100	55.92
Mid Cap core		105	42.52	100	56.76
Russell 1000 Active		319	21.28	114	38.61
Russell 1000 Growth		263	19.72	56	41.76
Russell 1000Core		57	28.56	58	35.56
Russell 1000 Fundamental Index		-	-	-	-
Active Emerging Managers (U.S. Equities)		166	63.45	156	78.05
Total US Active Equities		1,104	43.73	859	60.23
Total US Passive Equities		2,786	0.47	2,736	0.51
Opportunistic / Environmental US E. Strategies		-	-	-	-
<b>International Equities</b>		<b>1,736</b>	<b>29.27</b>	<b>1,638</b>	<b>33.96</b>
Active EAFE Equities		937	30.61	819	34.98
Growth		322	25.76	329	28.22
Value		347	25.48	354	28.43
Core		120	43.17	-	-
Small Cap		147	43.08	135	49.63
Environmental-Non US E. Strategies		-	-	-	-
Active Emerging Markets		491	41.58	525	48.74
Total Int'l Active Equities		1,428	34.38	1,344	40.35
Total Int'l Passive Equities		308	5.62	294	4.74
<b>REITS Passive Index</b>		<b>372</b>	<b>35.63</b>	<b>362</b>	<b>23.40</b>

NEW YORK CITY FIRE RETIREMENT SYSTEMS					
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND					
ESTIMATED FEES FOR FY 2015 UPDATED THROUGH SEPTEMBER 2014					
		Actual 2014		Estimates 2015	
INVESTMENT STYLE (FIXED INCOME)		MARKET VALUE 06-30-14 (\$MM)	FEES IN BASIS POINTS	MARKET VALUE 09-30-14 (\$MM)	FEES IN BASIS POINTS
<b>Fixed Income</b>		<b>3,235</b>	<b>17.60</b>	<b>2,908</b>	<b>19.21</b>
Structured Program		1,767	7.85	1,431	8.32
Government Sector		220	4.07	119	8.53
Mortgage Sector		675	5.21	440	6.12
Investment Grade Credit Sector		872	10.85	872	9.41
Global Fixed Income		11	15.40	11	16.02
Progress Fixed Emerging Managers		28	32.36	28	37.50
TIPS		305	5.36	188	6.82
Active TIPS		229	7.00	113	6.32
Passive TIPS		76	0.44	75	0.50
Opportunistic Fixed Income		230	69.12	213	72.99
Enhanced Yield		412	33.19	403	36.25
Bank Loans		176	34.30	176	37.61
Convertible Bonds		54	48.98	52	56.73
ETI - Access - RBC		19	18.66	20	22.92
ETI - AFL-CIO HIT		42	42.82	42	44.00
Other ETI Programs		4	-	6	-
In-House Short Term		188	-	340	-
<b>Total Public Markets</b>		<b>9,234</b>	<b>18.48</b>	<b>8,503</b>	<b>20.36</b>
<b>INVESTMENT STYLE (PRIVATE)</b>					
<b>Hedge Funds</b>		<b>341</b>	<b>135.67</b>	<b>345</b>	<b>124.70</b>
<b>Private Equities *</b>		<b>588</b>	<b>165.15</b>	<b>566</b>	<b>175.10</b>
<b>Real Assets*</b>		<b>386</b>	<b>105.72</b>	<b>386</b>	<b>107.16</b>
Private Real Estate *		382	102.63	380	104.78
Infrastructure*		4	402.57	5	284.13
<b>Total Private Markets</b>		<b>1,315</b>	<b>140.06</b>	<b>1,296</b>	<b>141.49</b>
<b>Total Overall</b>		<b>10,549</b>	<b>33.63</b>	<b>9,799</b>	<b>36.38</b>
* Private Equity & Real Assets Investments exclude GP CARRY & Incentive Fees					

**NYC FIRE DEPARTMENT PENSION FUND  
SECURITIES LENDING INCOME  
March 31, 2015**

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>	
1989*	\$109,000	--	--	
1990	104,000	--	--	
1991	157,000	--	--	
1992	429,000	\$47,000	\$48,000	
1993	762,000	146,000	102,000	
1994	693,000	267,000	102,000	
1995	495,000	306,000	96,000	
1996	455,000	228,000	179,000	
1997	473,000	512,000	257,000	
1998	789,000	552,000	356,000	
1999	716,000	690,000	408,000	
2000	734,000	897,000	408,000	
2001	1,176,000	1,286,000	561,000	
2002	671,000	1,162,000	506,000	
2003	349,000	644,000	452,000	
2004	505,000	670,000	462,000	
2005	740,000	1,070,000	574,000	
2006	599,000	1,753,000	713,000	
2007	1,437,000	3,180,000	786,000	
2008	4,172,000	6,798,000	1,236,000	
2009	1,606,000	3,588,000	817,000	
2010	760,000	2,047,000	563,000	
2011	977,000	2,674,000	927,000	
2012	1,229,000	3,324,000	832,000	
2013	893,000	3,467,000	704,000	
2014	756,000	2,028,000	1,739,000	
2015 (3 Months)	205,000	533,000	449,000	
Since Inception	<u>\$21,991,000</u>	<u>\$37,869,000</u>	<u>\$13,277,000</u>	*Inception 4/89

Through March 31, 2015



- The Barclays Capital Aggregate (then known as the Lehman Brothers Aggregate) was used prior to 1/1/89. Effective 1/1/89, in the Government Sector, maturities of less than 5 years were dropped from the Salomon and Lehman indices. From that date until 7/1/99 the benchmark was the NYC Core + 5, from Lehman.
- Effective 7/1/94, the NYC Core + 5 Index includes BBB rated securities.
- Effective 7/1/99, the basis of the NYC Index was changed from Lehman Brothers to Salomon. Also effective 7/1/99, only Salomon indices have been used to compare all fixed income managers.
- Effective 4/1/03, the name of the benchmark provider was changed from Salomon to Citigroup.
- Effective 7/1/09, the Core+5 program was restructured.
  - The U.S. Gov't sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov't Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.
  - The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.
  - There were no changes to the Mortgage sector Index.
  - The total Core+5 results and benchmark returns combine the three sectors. Historical total Core+5 returns continue to include the old Corporate and Yankee sector returns.

## General Notes

- All Returns are Gross of investment advisory fees unless otherwise indicated.

## Page Specific

### Pages 10 & 11 - Portfolio Asset Allocation

- Rebalancing Ranges: the minimum and maximum weights that actual Asset Allocation may reach before rebalancing between Asset Classes is necessary.

### Pages 12 - 14 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 \* Target Weight) plus (Return Of Asset Class 2 \* Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights. Allocation is the Contribution to Performance resulting from an overweight or underweight to an asset class. E.g. an underweight to an Asset Class that under-performs results in a positive Allocation Effect and vice versa.
- **Selection Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions, e.g., *If the manager's Actual Returns are higher than the Implied Return there will be a positive Selection Effect.*

- **Policy Index = Custom Benchmark**

*The "policy index" is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, or for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.*

*The indexes and most recent policy weights are as follows:*

*U.S. Equity: Russell 3000 \* 30.68%*

*International Developed (EAFE) Markets: MSCI EAFE \* 10.12%*

*Emerging Markets: MSCI Emerging Markets \* 6.50%*

*REITs: Dow Jones Real Estate Securities \* 3.00%*

*Private Equity: Russell 3000 + 300 b.p. per annum \* 6.51%*

*Private Real Estate: NFI - ODCE Net+100BPS \* 3.80%*

*Infrastructure: CPI + 4% \* 0.05%*

*Hedge Funds: 1yr T- Bill yield + 4% \* 3.53%*

*Domestic Fixed Income: NYC Core +5 \* 22.10%*

*TIPS: Lehman U.S. TIPS \* 5.00%*

*Enhanced Yield: Citigroup BB&B \* 3.66%*

*Bank Loans: Credit Suisse Leveraged Loan \* 1.63%*

*Convertible Bonds: BofAML All Convertibles Ex Mandatory \* 1.00%*

*Opportunistic Fixed: 10% Annualized Return \* 2.43%*

### **Page 15 – Allocation and Selection Effects - Asset Class Breakdown**

- This chart aims to break down the Allocation and Selection Effects shown on the Performance Attribution pages. The aim of the Page is to show the asset classes where Managers are either out performing or under performing their benchmark and to show the basis point effect that this is having on Plan performance.

### **Page 52 – ETI Returns vs Custom Index**

- Targeted has implemented a Custom Benchmark to better track the performance of the individual Targeted programs relative to their respective benchmarks. The Custom Benchmark represents the weighted average return of the individual benchmark indexes for each program, updated monthly. The indexes are as follows:
- AFL-CIO Housing Inv Trust: Barclays Capital U.S. Aggregate Bond Index
- CPC Const Benchmark: 30 Day Libor + 275 bps per annum
- GNMA: Citigroup 15 yr. GNMA



## Glossary of Terms

Through March 31, 2015



- PPAR: Citigroup GNMA + 65 bps per annum
- Access/RBC: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10 yr Index