

New York City
Police Pension Fund, Subchapter 2

Performance Overview as of March 31, 2011

Total Fund Overview

New York City

Police Pension Fund, Subchapter 2

Table of Contents:

Equity Analysis



Fixed Income Analysis



Appendix



Consultant's Commentary

Through March 31, 2011

Total Fund Performance

During the first quarter of 2011, The New York City Police Plan returned 4.8%, and exceeded the Plan's policy benchmark return of 4.3%. Over the longer term ten-year period, the Plan has outperformed its policy index by over 10 basis points, annually. On an absolute basis, each of the Plan's asset classes posted a positive return and most performed in line with their respective benchmarks. Most sector and allocation effects were relatively minor. An overweighting to domestic equity added significant value and was, in fact, the primary driver of the Plan's relative outperformance. Performance among the Plan's international emerging markets managers detracted from returns slightly as did an underweighting to enhanced yield fixed income.

Asset Allocation

Relative to asset allocation targets, domestic equity was overweight by 4.8%. Among the international managers, developed market equity was underweight by 2.4% and emerging market equity was overweight by 1.1%. On the fixed income side, the Plan's structured allocation was underweight by 2.6%, TIPS were underweight by 0.7% and enhanced yield was also underweight by 0.7%. It should be noted that this report does not yet reflect the full implementation of all approved asset allocation targets. Target allocations adopted in 2003 that remain outstanding are the lower allocation to U.S. equity and higher allocations to private equity and real estate which are expected to move toward their new targets over time.

US Equity

Equity style returns were uniformly higher during the first quarter of 2011. The broad market Russell 3000 carried a return of 6.4%. The style indices fell within the range of 9.2% (Small Cap Growth) to 6.0% (Large Cap Growth) with growth outperforming value at the smaller end of the market cap spectrum. Of the ten sectors that comprise the S&P 500 (5.9%), each posted a positive return. Energy led the way for the second consecutive quarter with a return of 16.8% while Industrials gained 8.8% over the quarter. On a relative basis, Financials and Consumer Staples lagged, returning 2.9% and 2.5%, respectively.

The Plan's total domestic equity position returned 7.1%, exceeding the Russell 3000 Index return of 6.4%. The Plan's combined large cap managers gained 8.2% and surpassed the Russell 1000 Large Cap Index (6.2%) by 200 basis points.

Consultant's Commentary

Through March 31, 2011

Large Cap Growth returned 10.0%, exceeding the return of the Russell Large Cap Growth Index. Among individual managers within the composite, Profit Investment Management was again the chief laggard with a return of 4.9%. Zevenbergen and Castleark Management both outperformed the index, returning 8.9% and 7.7%, respectively. Goldman Sachs and Pyramis were both terminated over the quarter as part of a significant restructuring of the Plan's large cap equity managers. Over the longer one-year period, the combined large cap growth managers gained 23.2%, and beat the Russell 1000 Growth Index by 490 basis points. For the quarter, the Plan's large cap value managers significantly outperformed on a relative basis. The combined portfolio gained 8.2% while the Russell 1000 Value Index rose 6.5%. Of the two remaining large cap value managers, Aronson Johnson led the way (8.0%) and Denali Advisors followed closely with a return of 7.8%. Lord Abbett, Iridian and Lombardia were terminated over the quarter. The Plan's large cap core portfolio returned 5.3% and trailed the Russell 1000 Index (6.2%). The underperformance of the composite was due entirely to Piedmont's 3.2% quarterly return. Seizert Capital Partners gained 7.3%, beating the index by 110 basis points. The composite has also struggled over the one-year period, trailing the Russell 1000 Index by 220 basis points. Combined, the fundamental index large cap managers returned 6.8%, and outperformed the Russell 1000 Index by 60 basis points. Research Affiliates (RAFI) gained 6.7%, exceeding both the Russell 1000 Value (6.5%) and the Russell 1000 (6.2%) Indices. VTL, a revenue weighted index manager, also posted a respectable quarter, returning 6.6%. Dividend index manager WisdomTree was terminated over the first quarter of 2011.

Over the past several quarters, the Plan has supplemented its mid cap offerings by adding a variety of new managers. In its first full quarter with the Plan, Frontier Capital (mid cap growth) returned 7.9%, matching the return of the Russell Mid Cap Growth Index. TimeSquare, added during the third quarter of 2010, lagged with a return of 6.6%. Iridian and Systematic were added as mid cap value managers and returned 11.1% and 7.5%, respectively. Their combined return of 9.4% beat the Russell Mid Cap Value Index by 200 basis points. Mid cap core manager Wellington gained 7.9% and trailed the S&P MidCap 400 Index by 150 basis points.

The Plan also reconstituted its SMID portfolio with the addition of TimesSquare (SMID Growth) and Security Global Investors (SMID Value) over the third quarter of 2010. TimesSquare (9.3%) trailed the Russell 2500 Growth Index (9.8%) while Security Global Investors (10.8%) significantly outperformed the Russell 2500 Value Index (7.7%)

Consultant's Commentary

Through March 31, 2011

Overall, small cap stocks performed very well over the first quarter with the Russell 2000 Index returning 7.9%. The Plan's combined small cap managers exceeded that return, gaining 9.1%, representing 120 basis points of relative outperformance. Core manager Daruma beat the Russell 2000 Index (7.9%) significantly with a return of 12.8%. Small cap growth managers also met with success, returning a combined 10.2% and achieving almost 100 basis points of outperformance relative to the Russell 2000 Growth Index. Pier Capital led the way with a return of 13.5%. Brown Asset Management also outperformed, returning 9.9%. For the second consecutive quarter, Perimeter lagged, returning only 7.2%. The Plan's combined Small Cap Value managers lagged due to Dalton Greiner's 5.2% return and 140 basis points of underperformance relative to the Russell 2000 Value Index. Lord Abbett actually beat the index, gaining 9.6% over the quarter. Enhanced Index manager Research Affiliates (RAFI) returned 8.4%, beating both the Russell 2000 and Russell 2000 Value Indices. Over the first quarter of 2011, the Plan added BlackRock as a Russell 2000 Small Cap Index manager.

The four fund-of-funds (emerging managers) enjoyed another successful quarter, overall. The combined emerging managers returned 8.7% and surpassed the broad market Russell 3000 Index (6.4%) by 230 basis points. Much of the relative outperformance was again due to the strength of the small cap market as a whole. Progress (10.5%) beat the Russell 2000 Index return of 7.9%. Attucks (9.1%) also exceeded the small cap index. Among all cap emerging managers, Capital Prospects led the way, returning 7.9% and surpassing the Russell 3000 Index by 150 basis points. F.I.S. also beat the index with a return of 6.7% and 30 basis points of relative outperformance.

Non-US Environmental

The Environmental Portfolio (3.4%) trailed the MSCI World Index return of 4.9%. This underperformance was due entirely to the Generation Global Equity Strategy. KBC's Alternative Energy and Water portfolios were terminated, leaving Generation as the sole Environmental manager in the New York City Police Plan.

Non-US Activist

Governance for Owners remains as the Plan's lone activist equity manager as Investec was terminated over the first quarter and Relational Investors was terminated during the fourth quarter. Governance for Owners returned 5.9% and exceeded the FTSE Index by 160 basis points.

Consultant's Commentary

Through March 31, 2011

International Equity

The rally in the international developed markets began to taper off in the first quarter of 2011, with the MSCI EAFE Index gaining only 3.4%. In fact, the index actually posted a negative return (-2.2%) for the month of March. The European Central Bank continued to hold interest rates at historic lows (1.0%) although the President, during their March meeting in Frankfurt, warned of an impending rise in inflation. As concerns over the European debt crisis began to subside, the Pound Sterling and the Euro both surged against the US Dollar, gaining 3.6% and 6.3%, respectively. Over the rolling one-year period, the Pound Sterling has gained 6.1% while the Euro has gained 5.4%. Although the Yen lost 1.8% against the dollar during the first quarter of 2011, it has proven to be one of the strongest currencies on a one-year basis, returning 12.9% against the US Dollar. Within the index, the United Kingdom was the top performing country, returning 6.5% over the quarter. Europe ex-UK followed with a return of 3.7% thanks to a rebound in the regions previously hardest hit by the sovereign debt crisis such as Greece (15.2%), Italy (13.8%) and Spain (12.9%). Pacific ex-Japan (2.8%) logged a positive absolute return although it trailed the index by 60 basis points. Japanese markets lagged significantly over the quarter, losing 4.9%. Over the one year period, Scandinavian markets such as Denmark (29.4%) and Sweden (28.3%) were the top performers.

The emerging markets maintained their upward momentum throughout the first quarter, gaining 2.1%, bringing its rolling one-year gain to 18.5%. Europe and the Middle East (11.8%) led the way helped by top performers such as Hungary (20.2%) and the Czech Republic (16.3%). EMEA was actually the only region to outperform the index itself, and since it comprises a relatively small portion of the index, its overall contribution was minor. Asia followed with a return of 1.4%. Latin America returned only 0.8% while South Africa (after leading the way for two consecutive quarters) turned negative (-1.9%). Over the longer term one-year period, Asia was a key contributor helped chiefly by Thailand (38.6%) and South Korea (29.8%). Chinese and Brazilian markets began to cool.

The Plan's combined international developed market managers returned 3.5%, and just barely beat the MSCI EAFE (net dividend) return of 3.4%. Each manager performed in line with the index, with no major over or underperformance. Philadelphia led the way with a return of 5.4% with Martin Currie following closely, returning 5.3%. Thornburg's return of 4.5% represented 110 basis points of outperformance. Mondrian returned 4.2% while Capital Guardian also beat the index, but by fewer than 10 basis points. Pyramis appreciated 3.0% over the quarter, lagging the index by 40 basis points. Baillie

Consultant's Commentary

Through March 31, 2011

Gifford followed closely with a return of 2.9% while Alliance Bernstein was the laggard of the group, returning only 2.3% over the quarter. International developed passive equity manager BlackRock was terminated over the quarter and was replaced by State Street Global Advisors (SSgA).

Emerging markets as a whole posted another positive quarter as the MSCI EM Index gained 2.1%. The Plan's Emerging Markets managers were unable to capitalize however, and underperformed the index overall, returning just 1.6% combined. Marvin and Palmer and Acadian both led the way, returning 2.4%. State Street Global Advisors (SSgA) followed with a return of 2.2%. Pictet (1.5%) lagged the index by just over ten basis points while DFA (1.2%) also underperformed. Baillie Gifford (-0.4%) was the Plan's only public equity manager to actually lose money over the quarter.

Fixed Income

The Federal Reserve maintained the short term interest rate at the historically low range of 0-0.25% over the first quarter hoping to allow for increased lending and economic activity. The Federal Open Market Committee indicated that it will maintain the target range for the federal funds rate and anticipates "subdued inflation trends and stable inflation expectations." The 10 Year UST Yield rose slightly over the quarter, from 3.30% to 3.47%. The Treasury Yield curve has flattened somewhat at the short end with 91 day T-bills yielding 0.09% at the end of the quarter, down from 0.12%. The yield curve then steepened as 30 year yields rose to 4.51% from 4.34%. US Treasuries continued to decline, falling 0.2% over the quarter. Over the longer term one-year period however, Treasuries rose 4.5%. Collateralized mortgage backed securities (CMBS) continued to lead the way over both the one quarter (2.1%) and one-year (12.6%) periods. Intermediate duration instruments performed less poorly over the first quarter, with 5-7 year issues returning 0.7% while 10+ year issues lost 0.8%. Returns were uniformly positive (albeit just barely) across the quality spectrum during the first quarter. Over the one-year period, however, lower quality issuers dominated, with BAA issues returning 9.0%.

The Plan's total structured fixed income portfolio gained 0.70% and beat the Core Plus Fixed Index return by 30 basis points. The Plan's Corporate (Credit) portfolio was successful on both a relative and absolute basis, returning 1.08% and surpassing the Investment Grade Credit Index by 27 basis points. On an individual basis, Taplin Candida led the way with a return of 1.62% while T. Rowe Price (1.32%) also performed strongly. Pyramis' return of 1.18% outperformed the index as did

Consultant's Commentary

Through March 31, 2011

BlackRock (0.90%). Prudential lagged the index with a return of 0.76%. Combined, the Plan's mortgage managers returned 0.75% and outperformed the Citigroup Mortgage Index by 14 basis points. PIMCO and Neuberger Berman both contributed to the success of the composite, gaining 0.92% and 0.90%, respectively. BlackRock also outperformed, with a return of 0.70%. Wellington (0.60%) lagged the index by a single basis point, while Goldman Sachs languished over the quarter, losing 0.03%. Although the Plan's Treasury/Agency portfolio lost 0.20% over the quarter, it still beat the Treasury Agency Plus Five Index (-0.36%) by 16 basis points. In fact, each Treasury/Agency manager surpassed the index while also posting a negative absolute return. PIMCO led the way with a return of -0.12%, with BlackRock following at -0.21%. SSgA and Fischer Francis both exceeded the index, returning -0.27% and -0.29%, respectively.

In the first quarter of 2011, the plan's lone global fixed income manager, LM Capital returned 1.08% and exceeded the Barclays Global Aggregate Index by 66 basis points.

The Plan's combined high yield managers gained 4.26% during the first quarter, surpassing the Citigroup BB&B Index (3.80%). Two of the three managers pegged to the Citigroup BB&B Index surpassed the index. For the third consecutive quarter Seix (4.22%) and T. Rowe Price (3.88%) both beat the index while Shenkman lagged, returning only 3.23%. Loomis Sayles gained 6.43% and trounced the Merrill Lynch High Yield Master II Index by 253 basis points. MacKay Shields (3.41%) however, trailed both the Citigroup BB&B and ML HY II Indices.

The total TIPS portfolio returned 1.89%, lagging the return of the Barclays US TIPS Index by 19 basis points. For the second consecutive quarter, PIMCO detracted most significantly from the performance of the composite with a return of 1.72%. BlackRock (2.09%) actually beat the index, but only by a single basis point. SSgA (2.05%), the passive TIPS manager actually trailed the index slightly.

Relative to its specific index, the Plan's convertible managers composite experienced another difficult quarter, returning 4.86% but lagging the Merrill Lynch All Convertibles Index (ex Mandatory) by 80 basis points. Despite the underperformance relative to this particular benchmark, each constituent manager was again able to beat its respective index. Lord Abnett gained 5.59% and led the BofA ML All Convertibles Index by 52 basis points. Victory appreciated 4.68% over the quarter and surpassed the BofA ML Convertible Bonds (Investment Grade) Index by 40 basis points. Advent returned 4.33% and logged 14 basis points of outperformance relative to the BofA ML Yield Alt. Index.

Consultant's Commentary

Through March 31, 2011

Performance Highlights

First Quarter results were enhanced by the following factors:

1. The Large Cap Growth Composite gained 10.0% over the quarter, matching the return of the Russell 1000 Growth Index. Zevenbergen (8.9%), the group's leader, benefitted from very strong stock selection in the Consumer Discretionary and Information Technology sectors. IT networking firm Aruba (62.1%) rose during the quarter as investors were impressed with the company's plan to replace their chief financial officer. Online restaurant reservation firm OpenTable Inc. gained over 50% after reporting strong earnings that exceeded Wall Street's expectations due to a 60% increase in its installed restaurant base. Entertainment distribution company Netflix (35.1%) rose over the first quarter after reporting much better-than expected fourth quarter earnings. Subscriptions increased 63% from the prior year period with the company adding more than three million new subscribers in the fourth quarter alone. Netflix remains locked in a battle with cable giants such Comcast over the future of content distribution, leading many to speculate that Netflix shares are highly over-valued. Castleark Management appreciated 7.7%, also beating the Russell 1000 Growth Index. Castleark's holdings in the Health Care sector contributed chiefly to the manager's outperformance. Intuitive Surgical (29.4%) rose after announcing a 16%-20% increase in revenue during Fiscal Year 2011. Furthermore, investors cheered the company's announcement that it will buy back \$400 million of its outstanding common stock. Over-the-counter (OTC) and generic prescription pharmaceutical manufacturer Perrigo (25.7%) enjoyed a successful quarter as investors signaled their approval of the company's plan to purchase generic drug manufacturer Paddock Laboratories. Profit Investment Management gained only 4.9% over the quarter and lagged the index by 110 basis points. Unlike the other managers in the Plan's Large Cap Growth Composite, Profit's holdings in the Consumer Discretionary sector actually subtracted value. Popular retailer Target lost 16.4% after issuing disappointing Q4 2010 same store guidance. Target competitor Wal-Mart also performed poorly, shedding 2.4% of its value over the quarter. The retailing giant reported disappointing earnings and sales of its non-food items such as household items and furnishings actually declined from the same period in the prior year.
2. The Plan's combined Large Cap Value managers returned 8.2% and outperformed the Russell 1000 Value Index (6.5%) by 170 basis points. Both of the Plan's remaining large cap value managers beat the index over the first

Consultant's Commentary

Through March 31, 2011

quarter of 2011. Aronson Johnson (AJO) led the way with a return of 8.0%. Strong stock selection was widespread but AJO's holdings in the Energy and Health Care sectors were especially beneficial to overall performance. Marathon Oil (the portfolio's top performing stock) gained 44.7% over the quarter amid the steadily rising price of crude oil. Additionally, investors signaled their approval of the company's plan to spin off its refinery and pipeline operations into a standalone entity. This move will take effect on June 30, 2011 and the new company will operate its refining, marketing and pipeline operations as well as the Speedway chain of gas stations and convenience stores. Land-based oil drilling firm Patterson-UTI (36.6%) rose steadily over the quarter as investors cheered its plan to sell off its electric wireline business. Health and supplemental benefits company Humana, Inc. (27.8%) gained value over the quarter after raising their FY 2011 EPS guidance and issuing FY 2011 revenue guidance above analysts' expectations. Much of this success was due to the awarding of the South Region TRICARE contract to a Humana subsidiary which guarantees that Humana will continue to provide health care services to over 3 million active and retired military personnel throughout a number of southern states. Denali's (7.8%) managers found value in the Consumer Staples and Energy sectors as the portfolio outperformed the index by 130 basis points. Agricultural giant Archer Daniels-Midland rose 20.2% over the quarter after completing its acquisition of Alimenta (USA), a company engaged primarily in the handling of peanut related operations in the United States and Argentina. ADM also benefitted from rising volumes of grain exports as well as a 6.7% increase in its quarterly dividend. Petroleum and Chemical company Chevron (18.6%) posted most of its quarterly gain in mid-February after shareholders finally approved its planned merger with Atlas Energy.

3. Combined, the Fundamental Index Large Cap managers returned 6.8% over the quarter, and beat the Russell 1000 Index by 60 basis points. Research Affiliates (RAFI) Enhanced Large Company (6.7%) was the group's leader for the second consecutive quarter as strong picks in the Energy and Health Care sectors boosted returns. Frontier Oil Company (64.8%) ran up steadily over the quarter in advance of its anticipated merger with Holly Corporation. After news of the merger finally broke, the firm was immediately hit with a litany of lawsuits alleging a breach of fiduciary duty based the plaintiffs' beliefs that Frontier's board of directors undervalued their own shares. Multi-stage managed care organization Molina Healthcare, Inc. (43.6%) benefitted from upgrades by a number of prominent investment banks such as UBS and Goldman Sachs. These upgrades were based on analysts' optimism that Q4 2010 earnings would outperform Wall Street's overall expectations. Revenue weighted index manager VTL

Consultant's Commentary

Through March 31, 2011

gained 6.6% and surpassed the S&P 500 Index (5.9%) by 70 basis points. Although selection effects in the Information Technology sector were relatively minor, there were some conspicuous bright spots. Communications test and measurement solutions provider JDS Uniphase led the pack, gaining 43.9% over the quarter. JDSU returned to profitability over the first quarter thanks to a huge increase in sales during the second quarter of fiscal 2011. Shares of JDSU also benefitted from a Citigroup upgrade to "buy". The analyst cited increased demand for its products, especially among telecommunications companies looking to meet rising internet traffic as well as the use of JDSU products in the very popular Microsoft Kinect gaming system. Rockwell Automation (32.5%) appreciated steadily over the quarter due, in part, to an increase in its FY 2011 guidance. The industrial automation solutions provider also benefitted from the sustained growth in global manufacturing. These gains were offset by weakness among many other Info. Tech. holdings such as F5 Networks (-21.2%) and Akami Technologies (-19.2%).

4. In their first full quarter with the Plan, the combined Mid Cap Value managers performed well, returning 9.4% and beating the Russell Mid Cap Value Index by 200 basis points. Iridian led the way with a strong 11.1% quarterly return. Iridian benefitted from very strong stock selection in the Health Care sector as well as a significant underweighting to the Financials sector. Valeant Pharmaceuticals (76.1%) enjoyed two specific periods of strong performance during the first quarter of 2011. In January, Valeant got a boost after issuing FY 2011 guidance and Q4 2010 guidance above analysts' expectations as well as raising its Q4 2010 revenue guidance. Then, in the end of March, shares popped again amid investor anticipation of an acquisition of Cephalon, Inc. the announcement of which was accompanied by the full support of Goldman Sachs as the debt financier. Genetic testing firm Celera, Inc. gained 28.7% over the quarter. This gain was due entirely to the announcement that Quest Diagnostics will acquire the firm at \$8 per share, representing a 27.6% premium over the previous day's closing price. Systematic Financial also beat the index, but by fewer than 10 basis points. Strong stock selection in the Financials sector was the chief contributor to the manager's outperformance. Discover Financial (30.2%) reported record 4Q net earnings of \$465 million and as a result, was upgraded by a variety of prominent investment banks such as Citigroup, Barclays Capital, and Credit Suisse. Discount brokerage firm Raymond James (17.3%) hit a 52-week high over the quarter due to, according to analysts, robust revenue growth and moderate debt levels as well as impressive growth in both earnings per share and net income.

Consultant's Commentary

Through March 31, 2011

5. The New York City Police Plan added two new SMid Cap managers over the third quarter of 2010. In the first quarter of 2011, the combined SMid Cap portfolio returned 10.0%, surpassing the Russell 2500 Index by 130 basis points. SMid Value manager Security Global rose 10.8%, far exceeding both the Russell 2500 Index and the Russell 2500 Value Index (7.7%). SGI enjoyed strong stock selection widespread among a variety of sectors but holdings in the Energy and Consumer Discretionary sectors were particularly beneficial. Gulfport Energy (67.0%) gained over the quarter amid steadily rising crude oil prices. Investors also signaled their approval of the company's plan for a secondary offering of common stock which, due to high demand, was upsized throughout March. Women's apparel manufacturer Chicos FAS gained 24.3% over the quarter after reporting a significant increase in fourth quarter earnings as well as raising its quarterly dividend payment by 25%. On the growth side, TimeSquare returned 9.3% and although it beat the broad Russell 2500 Index, the manager trailed the Russell 2500 Growth Index (9.8%) by 50 basis points. TimeSquare was harmed by its holdings in the Consumer Discretionary sector. Dolby Laboratories (-26.2%), provider of technology used by the entertainment industry fell after lowering its FY 2011 guidance. Venerable video game manufacturer Bally Technologies (-10.3%) languished over the quarter amid investor concern regarding a possible acquisition of Las Vegas based payment solutions provider Sightline.
6. The Plan's combined small cap growth managers returned 10.2% and beat the Russell 2000 Growth Index by 100 basis points. Among its individual managers, Pier led the way, returning 13.5% thanks to very strong stock selection in the Consumer Discretionary and Information Technology sectors. Body Central (62.8%), a specialty retailer of women's apparel and accessories, rose over the first quarter of 2011 after the company reported a 26.1% increase in fourth quarter revenue. Additionally, Body Central was the beneficiary of a number of analyst upgrades based on the news. Technology and software company BroadSoft (99.7%) soared over the quarter after a significant increase in fourth quarter profit thanks to higher licensing sales and operating margins which increased to 33.6% from 6%. Brown Asset Management also contributed to the outperformance of the composite, returning 9.9%. Strength among Brown's Consumer Staples holdings offset relatively weak stock selection in the Information Technology and Health Care sectors. Green Mountain Coffee (96.6%) continued its upward march as the stock has gained over 600% over the past two years. Green Mountain's quarterly gain happened after a significant earnings beat as well the announcement that Starbucks would produce and sell its coffee. Drug discovery firm Albany Molecular plunged 24.2% over the quarter, hitting a 52-week low. Albany announced that it would have to

Consultant's Commentary

Through March 31, 2011

undergo layoffs amid slumping customer demand for its products. IT software and services provider MedAssets shed 24.4% of its value over the quarter after reporting a significant decrease in its fourth quarter EPS. Furthermore, its 2011 forecast also failed to meet analysts' expectations. Perimeter was the laggard of the group, returning only 7.2% and trailing the Russell 2000 Growth Index by 200 basis points. Perimeter suffered almost exclusively from poor stock selection in the Information Technology sector as allocation effects in other sectors were minor or even slightly positive. Smith Micro Software (-40.5%) plunged after suspending its 2011 revenue guidance on news core component orders from a significant customer would fall well below expectations. MIPS Technologies (-30.8%) slid throughout the quarter despite a number of analyst upgrades.

7. Daruma, the Plan's lone Small Cap Core manager returned 12.8% and trounced the Russell 2000 Index (7.9%) over the first quarter of 2011. Daruma's managers found significant value in the Consumer Discretionary and Health Care sectors. Internet-based photo publishing firm Shutterfly gained 50.1% over the quarter after raising their Q1 2011 revenue guidance. Shutterfly investors also expressed their approval of the planned acquisition of Tiny Prints, a privately-held ecommerce company offering stylish cards, invitations, personalized stationery and photo books which Shutterfly management believes will offer significant opportunities for vertical integration. Technical athletic apparel maker Lululemon (30.1%) appreciated over the quarter after raising its Q4 2010 guidance above analysts' expectations. HealthSouth Corporation (20.6%), a provider of inpatient rehabilitative healthcare services rose due to an upgrade from analysts at Barclays Capital. Multi-state managed care company AmeriGroup (46.3%) also added positive alpha to the portfolio.
8. Enhanced Small Cap Core manager Research Affiliates (RAFI) returned 8.4% over the quarter, beating both the Russell 2000 (7.9%) and Russell 2000 Value (6.6%) Indices. On a sector basis, allocation effects were widespread and relatively minor. RAFI derived the most value from its microcap holdings. The manager's top holding, First Regional Bancorp gained 340.0% over the quarter while bank holding company UCBH returned 192.7% with a market cap of just over \$3 million. Among its true small cap stocks, high performance computer manufacturer Silicon Graphics (137.0%), soared after raising its FY 2011 guidance.

Consultant's Commentary

Through March 31, 2011

9. During the first quarter of 2011, the Plan's combined Emerging Managers (fund-of-funds) returned 8.7% and surpassed the broad market Russell 3000 Index (6.4%) by 230 basis points. The composite's small cap managers contributed chiefly to this outperformance. Progress Equity gained 10.5%, beating the small cap Russell 2000 Index (7.9%). Attucks rose 9.1%, also surpassing the index. The all cap managers also outperformed their benchmark, the Russell 3000 Index (6.4%). Capital Prospects gained 7.9% over the quarter, while F.I.S. appreciated 6.7%, contributing to the relative outperformance of the composite.
10. Combined, the Plan's International Developed managers returned 3.5% and beat the MSCI EAFE Index (net dividend) by almost 20 basis points. Most managers within the composite performed in-line with the index so individual manager effects on the composite were relatively minor. Philadelphia Investment Advisors (PIA) led the way with a return of 5.4%, representing 190 basis points of relative outperformance. Stock selection in the Energy sector, which benefitted from the continuing rise in crude oil prices, was the primary driver of performance. The manager also found value in the Financials sector, and especially in well-capitalized European banks, as sovereign debt fears began to subside. An underweighting to consumer related stocks also boosted returns as the sector lagged over the first quarter. Martin Currie followed closely with a return of 5.3%. On a country basis, Martin Currie benefitted primarily from its European holdings and specifically those in the Consumer Discretionary sector. Luxury goods company Bulgari appreciated significantly over the quarter on news of a takeover bid by LVMH. Dutch Financial services firm ING added value to the portfolio as did Germany-based technology company Aixtron. Thornburg also beat the index, returning 4.5%. On a sector basis, Information Technology holdings contributed chiefly to the portfolio's outperformance. Smartphone manufacturers HTC and ARM Holdings both benefitted from continued consumer growth in the space, especially among those handsets running the Android operating system. Mondrian's quarterly return of 4.2% exceeded the index by 80 basis points. Stock selection was actually slightly negative but was more than offset by country and sector allocations. Within Europe, returns were boosted by overweightings to Spain, France, Italy and the Netherlands. An underweighting to Japan was the most significant driver of performance. Japan fell 2.8% and was the worst performing market within the MSCI EAFE Index. The market slide was due primarily to investor concern over the tragic earthquake and resulting tsunamis that struck the island nation in March of 2011. On a sector basis, the overweight position in the Telecommunications and Energy sectors, as well as an underweight position in the Consumer Discretionary sector

Consultant's Commentary

Through March 31, 2011

impacted returns favorably. Capital Guardian matched the index with a return of 3.4%. Like many other international developed managers, Capital Guardian benefitted from the rebound among European Financials with holdings such as BNP Paribas and UBS AG. An underweighting to Japan also boosted returns although much of the success was offset by poor stock selection among Energy holdings such as Total SA. Pyramis (3.0%) lagged the index as weak stock selection in Europe hampered returns. Within Europe, performance among Consumer Discretionary stocks was particularly harmful. Food and personal products manufacturer Unilever NV shed almost 5% of its value over the quarter while British household products company Reckitt Benckiser fell nearly 10%. Stock selection within the Pacific (ex-Japan) markets was also negative, especially among Hong Kong based companies. Telecommunications company Foxconn International shed 14% of its value over the quarter and Hong-Kong based global exporter Li & Fung slid 12%. Baillie Gifford's (developed) return of 2.9% trailed the index by 40 basis points. Although nominally a developed markets strategy, the Baillie Giffords EAFE strategy does maintain a 15% weighting to emerging markets. Financial services companies in these emerging markets were the chief detractors from performance. Itau Unibanco (Brazil), Garanti Bankasi (Turkey) and BM&F Bovespa (Brazil) all fell during the first quarter. AllianceBernstein (2.3%) was the group's laggard and trailed the index by 110 basis points. Like most other international developed managers, AllianceBernstein outperformed solidly during January and February, only to swing to a loss in March. As a result of the Japanese earthquake and resulting nuclear crisis, Tokyo Electric Power (TEPCO) was the portfolio's biggest detractor. In response to the ensuing fears regarding nuclear power around the world, Germany took all of their power plants off line and German power company E.ON suffered as a result.

11. Governance for Owners, the Plan's lone Activist Equity manager, gained 5.9% and beat the FTSE all World Developed Europe Index (4.3%) by 160 basis points.
12. The combined Treasury/Agency (Government) managers lost 0.20% over the first quarter but led the NYC Treasury Agency plus Five Index by 16 basis points. Each of the four constituent managers beat the index. PIMCO returned -0.12% as the best performing manager in the composite. BlackRock followed, losing 0.21%. State Street (SSgA) and Fishcer Francis also surpassed the index, returning -0.27% and -0.29%, respectively.

Consultant's Commentary

Through March 31, 2011

13. Although the Plan's mortgage managers returned only 0.75% combined, they outperformed the Citigroup Mortgage Index (0.61%) by 14 basis points. PIMCO led the way over the quarter with a return of 0.92% with Neuberger Berman following closely at 0.90%. BlackRock also beat the index, returning 0.70%. Wellington and Goldman Sachs lagged, returning 0.60% and -0.03%, respectively.
14. The Corporate (Credit) portfolio returned 1.08% and beat out the NYC Investment Grade Credit Index by 27 basis points. All but one of the composite's managers were able to beat the index. Taplin Candida outperformed solidly for the second consecutive quarter with a return of 1.62%, followed closely by T. Rowe Price (1.32%). Pyramis and BlackRock also logged relatively successful quarters, returning 1.18% and 0.90%, respectively. Prudential was again the group's laggard, gaining only 0.76% and trailing the index by 5 basis points.
15. During the first quarter of 2011, LM Capital, the plan's lone global fixed income manager, returned 1.08% and exceeded the Barclays Capital Aggregate Index by 66 basis points.
16. Overall, the combined Enhanced Yield managers (4.26%) surpassed the return of the primary index, the Citigroup BB&B (3.80%). Seix returned 4.22% while T. Rowe Price also beat the index, gaining 3.88%. Shenkman lagged for the third consecutive quarter, with a return of only 3.23%. Of the managers pegged to the Merrill Lynch High Yield Master II Index (3.90%), Loomis Sayles (6.43%) trounced the index while MacKay Shields (3.41%) underperformed.

First quarter results were hindered by the following factors:

1. The Plan's Large Cap Core Portfolio rose only 5.3% and trailed the Russell 1000 Index by 90 basis points. The relative underperformance was due entirely to Piedmont Investment Advisor's quarterly return of 3.2%. Piedmont suffered from poor stock selection on a widespread basis but the manager's holdings in the Consumer Discretionary and Financials sectors were particularly damaging to performance. Within the Consumer Discretionary sector, retailers such as Macy's (-3.9%) and Wal-Mart (-2.8%) were especially weak. Financial services company Comerica fell 12.8% over the quarter as investors declared their disapproval of the company's plan to acquire Sterling Bancshares, Inc. Bank of America was flat over the quarter on concerns that the financial services giant may not be

Consultant's Commentary

Through March 31, 2011

adequately capitalized to cover losses it may face under a variety of scenarios. Seizert Capital Partners gained 7.3% and actually beat the index by 110 basis points. Unlike Piedmont, Seizert's Consumer Discretionary and Financials holdings contributed positively to performance. Entertainment and media company Liberty Media (Starz) gained 16.7% over the quarter. Investors applauded its vertical integrations strategy as the company creates and distributes its own content. Diversified financial services holding company Capital One (22.2%) appreciated steadily over the quarter as the company reported declining charge-offs and delinquencies, especially among its international customers.

2. The New York City Police Plan added a midcap growth portfolio throughout the end of 2010. In its second full quarter with the Plan, TimeSquare (6.6%) lagged the Russell Mid Cap Growth Index return of 7.9%. TimeSquare suffered primarily from an overweighting to the struggling Telecommunications sector. Within the Russell Mid Cap Growth Index, Telecommunications returned -1.3%. The negative effect of the sector overweight was exacerbated by the manager's relatively poor stock selection. Wireless communication tower provider SBA Communications, Inc. (-3.1%) tumbled following a downgrade by brokerage firm Raymond James. Frontier Capital was hired in the middle of the fourth quarter of 2010 and in its first full quarter with the Plan, the manager matched the return of the index, returning 7.9%. Overall stock selection effects were positive but generally minor. This success, however, was offset by weakness among Frontier's Consumer Discretionary holdings. Hotel and leisure company Starwood Hotels (-4.4%) as investors expressed concerns that Q1 2011 earnings would not meet expectations.
3. Wellington, now the Plan's sole mid cap core manager after the termination of Chicago Equity, returned 7.9% and trailed the S&P MidCap 400 Index by 150 basis points. Wellington's performance was hampered significantly by very poor stock selection in the Industrials sector. For-profit school Strayer Education (-13.7%) plunged as new enrollment fell over the fourth quarter of 2010. Global aviation company AerCap Holdings (-11.0%) also languished over the quarter.
4. The Plan's combined small cap value managers returned 6.3% but lagged the Russell 2000 Value Index by 30 basis points. For the second consecutive quarter, Dalton Greiner (5.2%) was entirely responsible for the group's relative

Consultant's Commentary

Through March 31, 2011

underperformance. Weak stock selection in the Consumer Discretionary and Financials sectors detracted from overall returns. Hospitality company Gaylord Entertainment lost 3.3% of its value over the quarter while insurance firm Platinum Underwriters shed 15.1%. The firm's slide was attributable primarily to losses stemming from an earthquake in New Zealand and Cyclone Yasi which hit Australia in February of 2011, leading to massive flooding. Lord Abbett's strong return of 9.6% mitigated the overall damage to the composite. Success among the manager's Information Technology holdings contributed chiefly to the portfolio's outperformance. Commercial and scientific laser manufacturer Coherent, Inc. (28.7%) rose after beating analysts' Q4 EPS estimates. Investors also signaled their approval of Coherent's plan to repurchase over one million shares of common stock. Automatic test equipment provider Teradyne (26.8%) also appreciated over the quarter. Much of the gain came after the firm raised its Q1 2011 guidance. Investors also cheered the firm's plan to sell its Automotive Diagnostic Solutions unit to SPX Corporation.

5. The Plan's combined passive equity managers returned 6.3%, over the first quarter of 2011 and actually trailed the Russell 3000 Index by 10 basis points. BlackRock and newly hired State Street Global Advisors (SSgA) both returned 6.3%. The Plan also hired BlackRock as a small cap (Russell 2000) index manager during the first quarter. Q2 2011 will represent the strategy's first full quarter in the Plan.
6. The Plan's Non- US Environmental portfolio (3.4%) trailed the MSCI World Index by 150 basis points over first quarter of 2011. KBC was fired over the third quarter of 2010 with both Alternative Energy and Water Strategies defunded, leaving Generation's Global Equity Strategy as the only Non-US Environmental Strategy in the New York City Police Plan.
7. The upward trend in the value of emerging markets stocks abated somewhat during the first quarter of 2011, with the MSCI EM Index gaining just 2.1%. Combined, the Plan's emerging markets managers fared even worse, returning only 1.6%, trailing the index by 50 basis points. Baillie Gifford (-0.4%) was the Plan's only public equity manager to actually lose money over the first quarter. Baillie Gifford suffered from an underweighting to, and poor stock selection in, Russian stocks. The manager carried a zero weighting to Gazprom, which appreciated significantly over the quarter thanks to the steadily rising price of crude oil. Indian holdings such as IVRCL

Consultant's Commentary

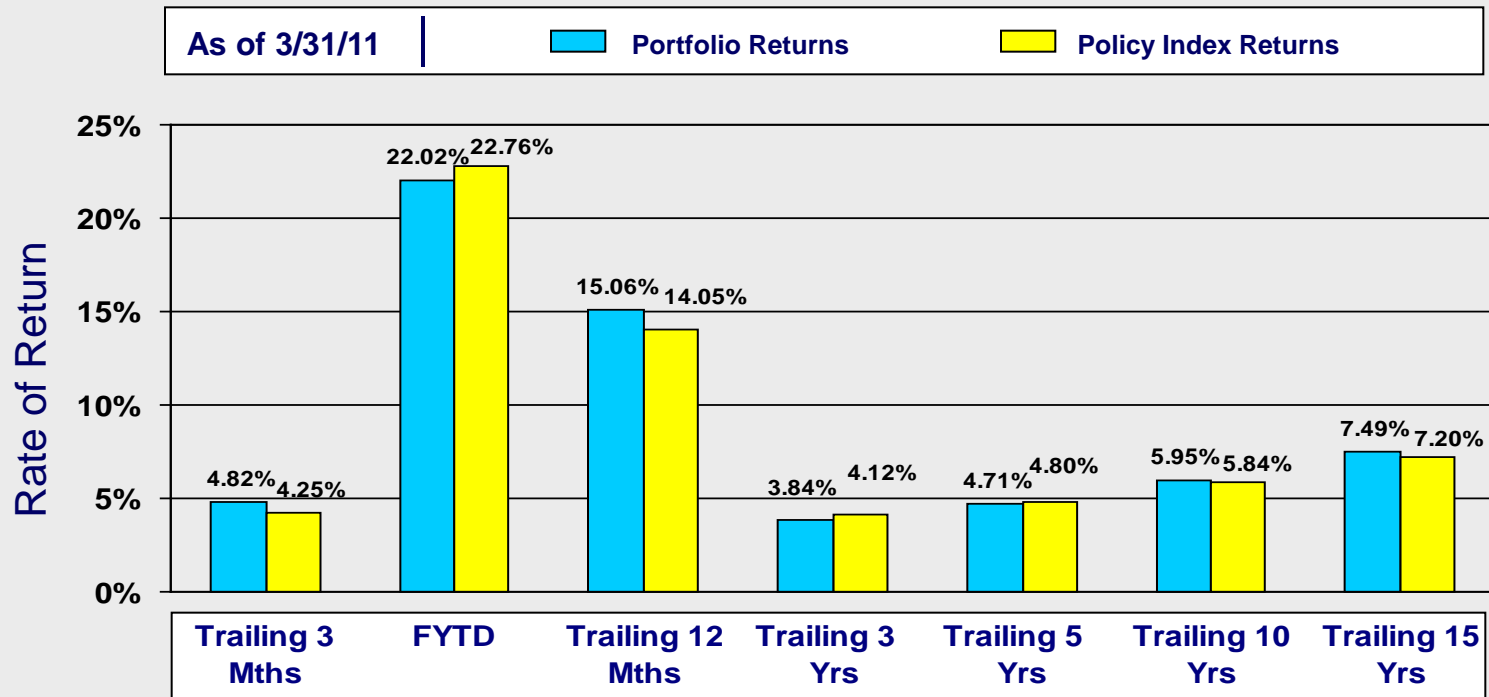
Through March 31, 2011

Infrastructure (engineer) to Mahindra & Mahindra (auto and tractor manufacturer) also detracted from relative returns. Dimensional Fund Advisors' (DFA) return of 1.2% also lagged the index. DFA suffered primarily from an overweighting to smaller cap stocks, which under-performed over the quarter. DFA was also harmed by an underweighting to Russia, one of the best-performing emerging markets over the quarter. Pictet gained 1.5% over the quarter but trailed the MSCI EM Index by 60 basis points. Stock selection among Asian, and especially Information Technology companies, detracted from overall performance. Strength among South African Materials stocks such as Kumba and Sasol mitigated the damage somewhat. State Street Global Advisors' (SSgA) gain of 2.2% beat the index by 10 basis points. SSgA actually maintained an overweighting to Russia which impacted returns favorably. In addition to the run-up in the price of crude oil, the Russian stock market also benefitted from a recent increase in the number of IPOs. Stock selection among Technology stocks in Taiwan markets and as well as an underweighting to the country as a whole also added value over the quarter. An overweighting to Korea helped Acadian (2.4%) beat the index by 30 basis points. Investors were impressed by Kia Motors' plan to boost sales by 10% by introducing new models and improving the quality of existing offerings. Industrial conglomerate SK Holdings rose over the quarter in response to an upgrade from Hyundai Securities. Marvin & Palmer led the way over the quarter with a return of 2.4% and 30 basis points of relative outperformance. Strong stock selection in Asia and especially in China, Korea and Taiwan contributed positively.

8. The Plan's combined TIPS managers gained 1.89% and lagged the Barclays US TIPS Index by 19 basis points. PIMCO was the chief laggard for the second consecutive quarter, rising 1.72%. BlackRock performed better with a return of 2.09%, and managed to beat the index, if only by a single basis point. State Street (2.05%), the Plan's passive TIPS manager actually underperformed slightly, trailing the benchmark by 3 basis points.
9. Combined, The Plan's combined convertible managers returned 4.86% but lagged the Merrill Lynch All Convertibles Index (ex Mandatory) by 80 basis points. Individually, however, each constituent manager was able to beat its respective index. Lord Abbett again led the way, returning 5.59% and leading the BofA ML All Convertibles Index by 52 basis points. Advent gained 4.33%, exceeding the BofA ML Convertibles Yield Alt. Index return of 4.19%. Victory also outperformed, returning 4.68%, surpassing the BofA ML Convertible Bonds (Investment Grade) by 40 basis points.

Total Portfolio Returns: March 31, 2011

\$24.3B Under Management



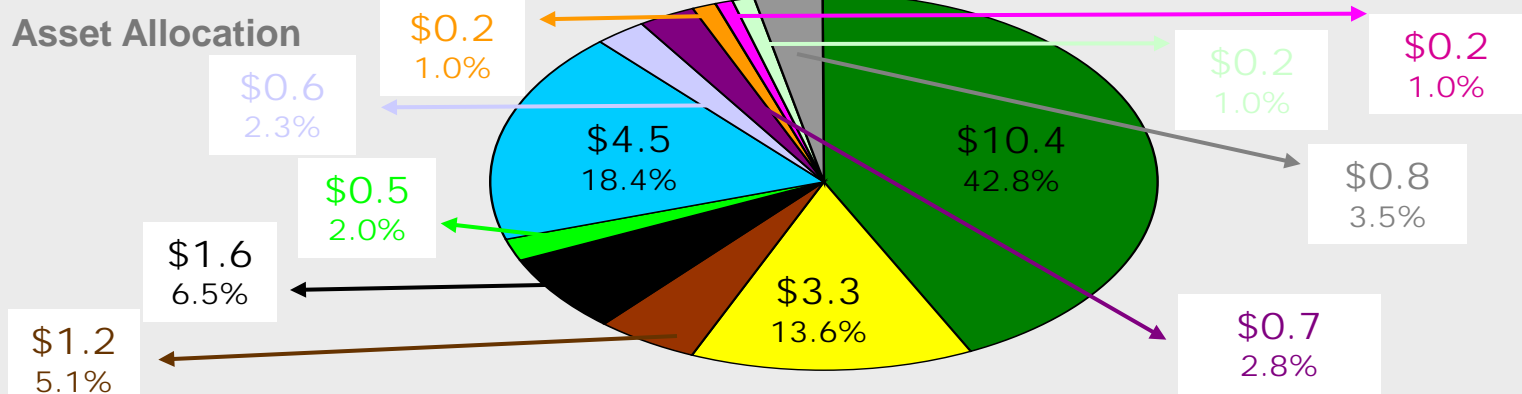
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	14.7	12.2	10.9	11.1
Benchmark Std Dev	16.7	13.6	11.8	11.7

All returns are Gross. An estimate of fees for major investment programs is provided in the Appendix.

Portfolio Asset Allocation: March 31, 2011

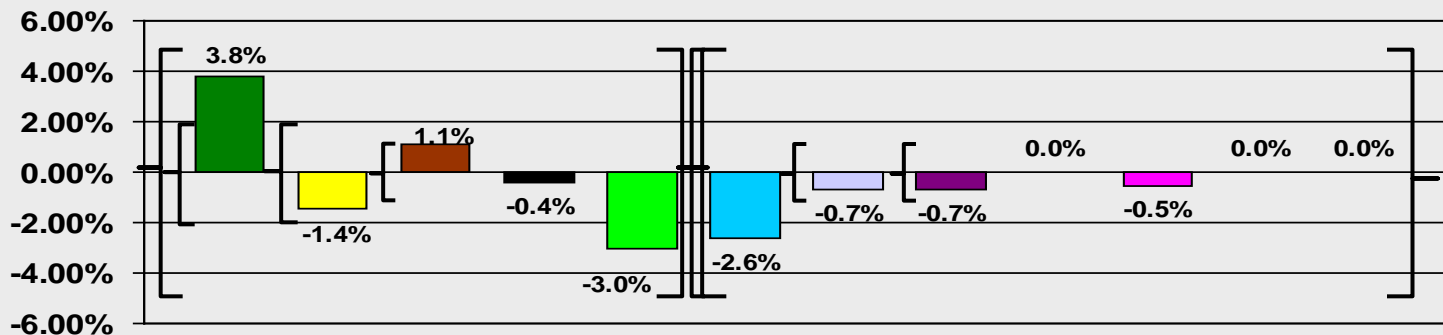
\$24.3B Under Management

Asset Allocation



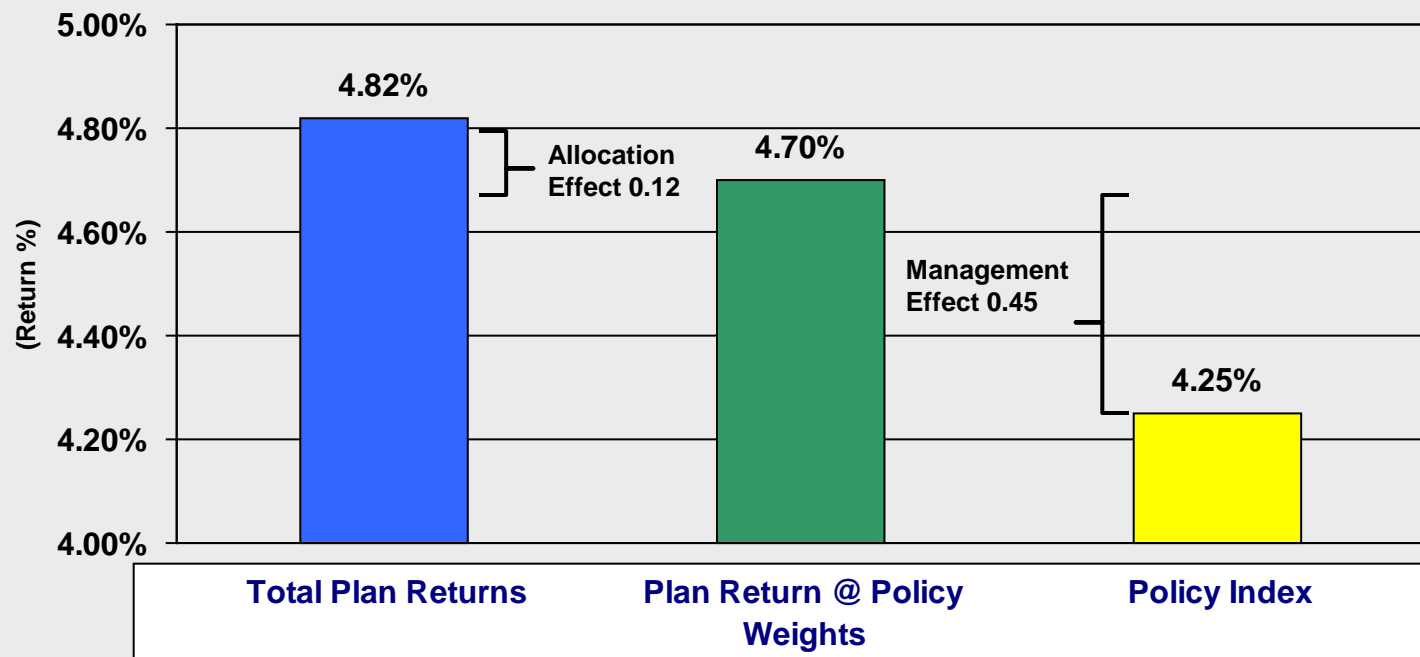
■ Domestic Equity
 ■ EAFE Markets
 ■ Emerging Markets
 ■ Private Equity
 ■ Private Real Estate
■ Core +5
■ TIPS
■ Enhanced Yield
■ Convertible Bonds
■ Opportunistic Fixed
■ ETI
■ Cash

Relative Mix to Actual Policy Weights

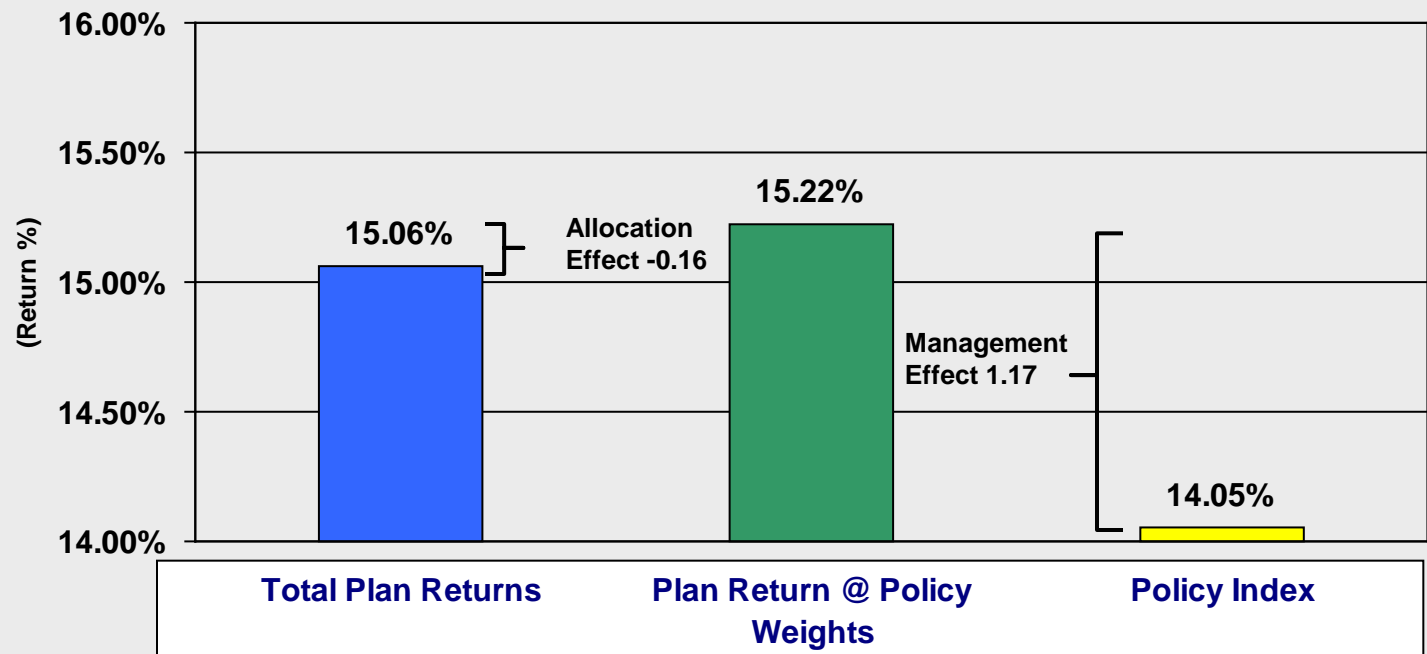


Note: Brackets represent rebalancing ranges versus Actual Policy.

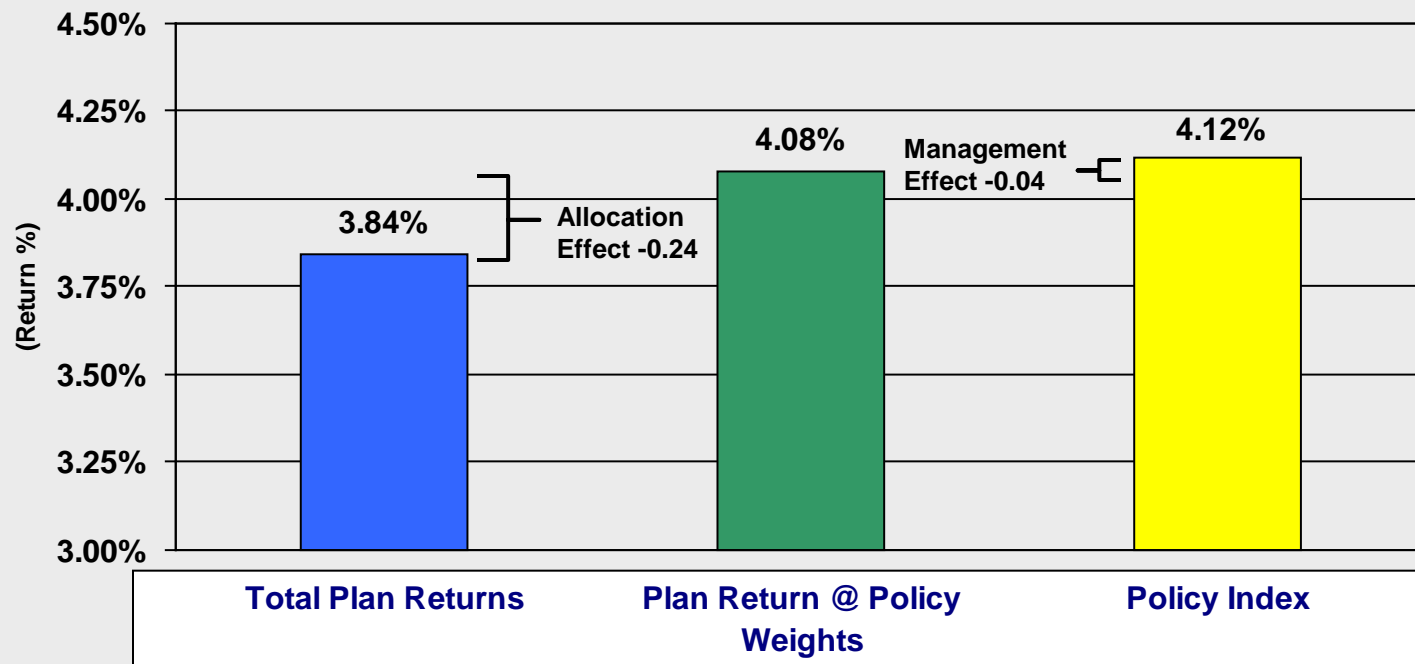
Performance Attribution: Total Plan – Quarter Ending March 31, 2011



Performance Attribution: Total Plan – 12 Month Ending March 31, 2011



Performance Attribution: Total Plan – 3 Years Ending March 31, 2011



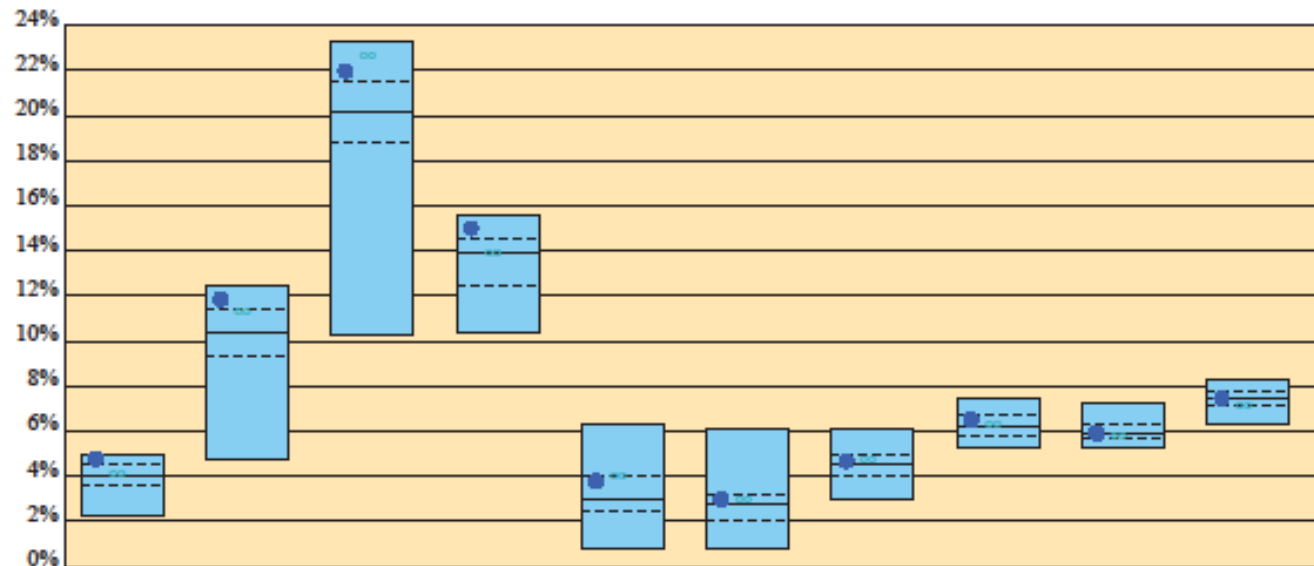
Total Plan: March 31, 2011

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.32	0.61	0.34	Russell 3000 Index
EAFE Markets	0.02	0.19	0.02	MSCI EAFE Index
Emerging Markets	-0.02	0.01	-0.04	MSCI Emerging Markets Index
Private Equity	-0.04	-0.27	-0.53	Russell 3000 Index + 500 b.p.
Private Real Estate	0.11	0.06	-0.09	NCREIF ODCE
Domestic Fixed	0.04	0.21	0.11	NYC Core +5 Index
Enhanced Yield	0.02	0.03	0.12	Citigroup BB&B Index
TIPS	0.00	0.00	0.00	Barclays Capital US TIPS
Convertible Bonds	-0.01	-0.02	N/A	Merrill All Converts ex Mandatory (VOAO)
Opportunistic Fixed	0.06	0.17	0.07	NYC Core +5 Index plus 200 b.p.

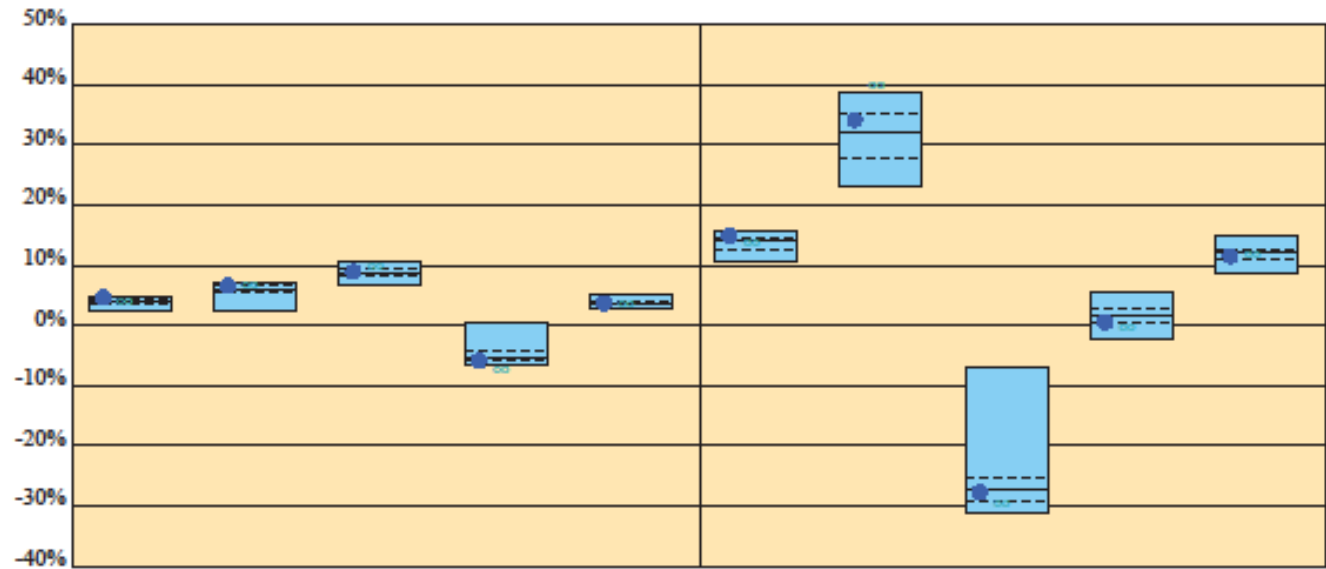
Note: Detailed effects may not add up to total due to reallocation and trading effects.

City of New York - Police Total Returns of Public Master Trusts > \$10 Billion Rates of Return for Periods Ending March 31, 2011



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	4.91	12.41	23.31	15.56	6.28	6.11	6.11	7.49	7.28	8.23
25th Percentile	4.51	11.44	21.49	14.48	3.99	3.14	4.95	6.69	6.29	7.75
Median	4.05	10.39	20.20	13.93	3.02	2.74	4.49	6.21	5.90	7.48
75th Percentile	3.62	9.35	18.79	12.48	2.49	2.07	3.99	5.78	5.64	7.11
95th Percentile	2.23	4.74	10.21	10.40	0.82	0.80	2.98	5.26	5.31	6.32
■ Total System	4.82 (10)	11.90 (8)	22.02 (10)	15.05 (10)	3.83 (25)	3.03 (25)	4.72 (33)	6.55 (25)	5.95 (44)	7.49 (45)
--- Police Policy Benchmark	4.25 (37)	11.43 (25)	22.76 (8)	14.05 (36)	4.12 (15)	3.06 (25)	4.80 (30)	6.38 (36)	5.84 (53)	7.20 (62)

City of New York - Police Total Returns of Public Master Trusts > \$10 Billion Recent Periods



	Quarter Ending					Year Ending				
	Mar 11	Dec 10	Sep 10	Jun 10	Mar 10	Mar 11	Mar 10	Mar 09	Mar 08	Mar 07
5th Percentile	4.91	7.19	10.72	0.30	5.12	15.56	38.61	-6.85	5.61	14.90
25th Percentile	4.51	6.57	9.25	-4.32	3.81	14.48	35.12	-25.35	2.62	12.60
Median	4.05	6.01	8.72	-5.38	3.50	13.93	32.23	-27.35	1.46	11.96
75th Percentile	3.62	5.38	8.21	-5.82	2.96	12.48	27.81	-29.10	0.52	11.04
95th Percentile	2.23	2.48	6.59	-6.42	2.64	10.40	23.13	-31.26	-2.32	8.57
● Total System	4.82 (10)	6.75 (17)	9.05 (33)	-5.71 (66)	3.81 (25)	15.05 (10)	34.34 (35)	-27.58 (52)	0.69 (66)	11.74 (61)
∞ Police Policy Benchmark	4.25 (37)	6.88 (13)	10.17 (8)	-7.09 (96)	3.88 (20)	14.05 (36)	40.24 (1)	-29.44 (83)	-0.05 (83)	12.07 (47)

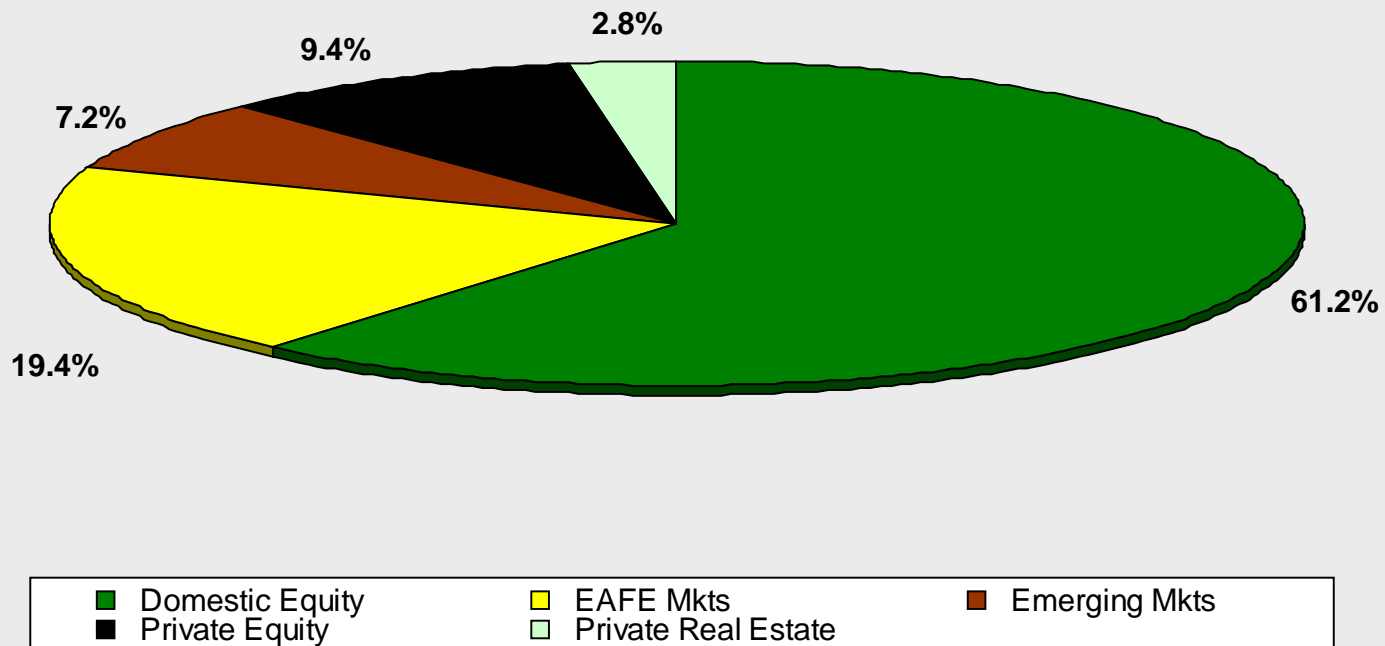
New York City
Police Pension Fund, Subchapter 2

Equity Analysis

Total Equity Asset Allocation: March 31, 2011

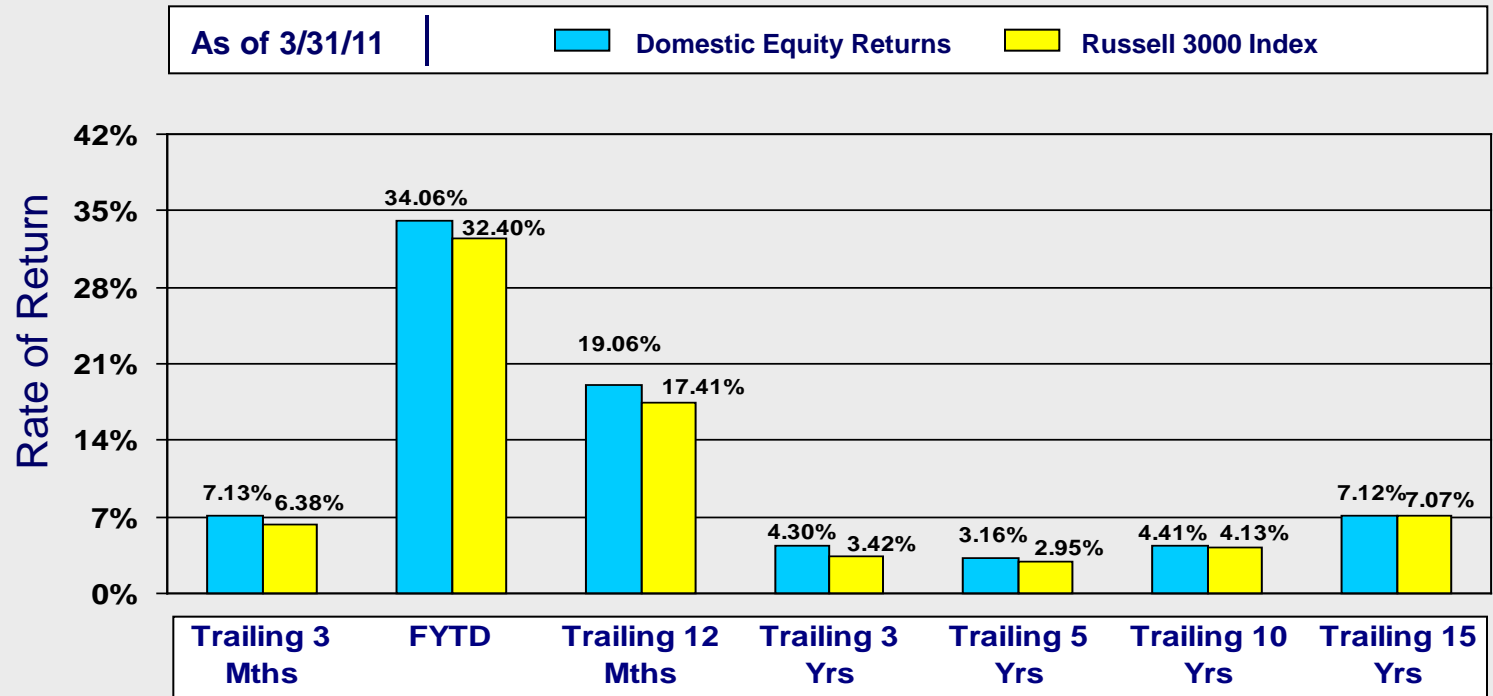
\$17B Under Management, **70%** of Total Funds

Asset Allocation by Groups



Total Domestic Equity Returns vs Russell 3000 Index

\$10.4B Under Management, **43%** of Total Funds

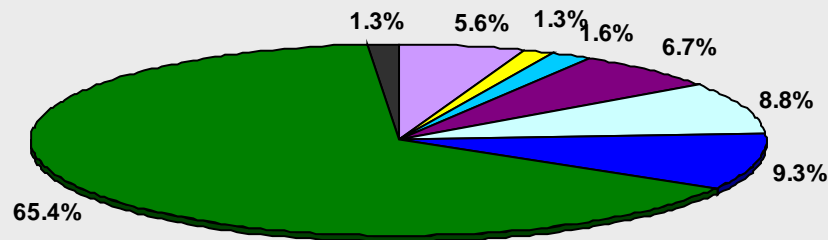


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	22.3	18.3	16.3	16.5
Benchmark Std Dev	22.4	18.3	16.3	16.6

Total Domestic Equity Asset Allocation: Quarter Ending March 31, 2011

\$10.4B Under Management, **43%** of Total Funds

Asset Allocation by Groups



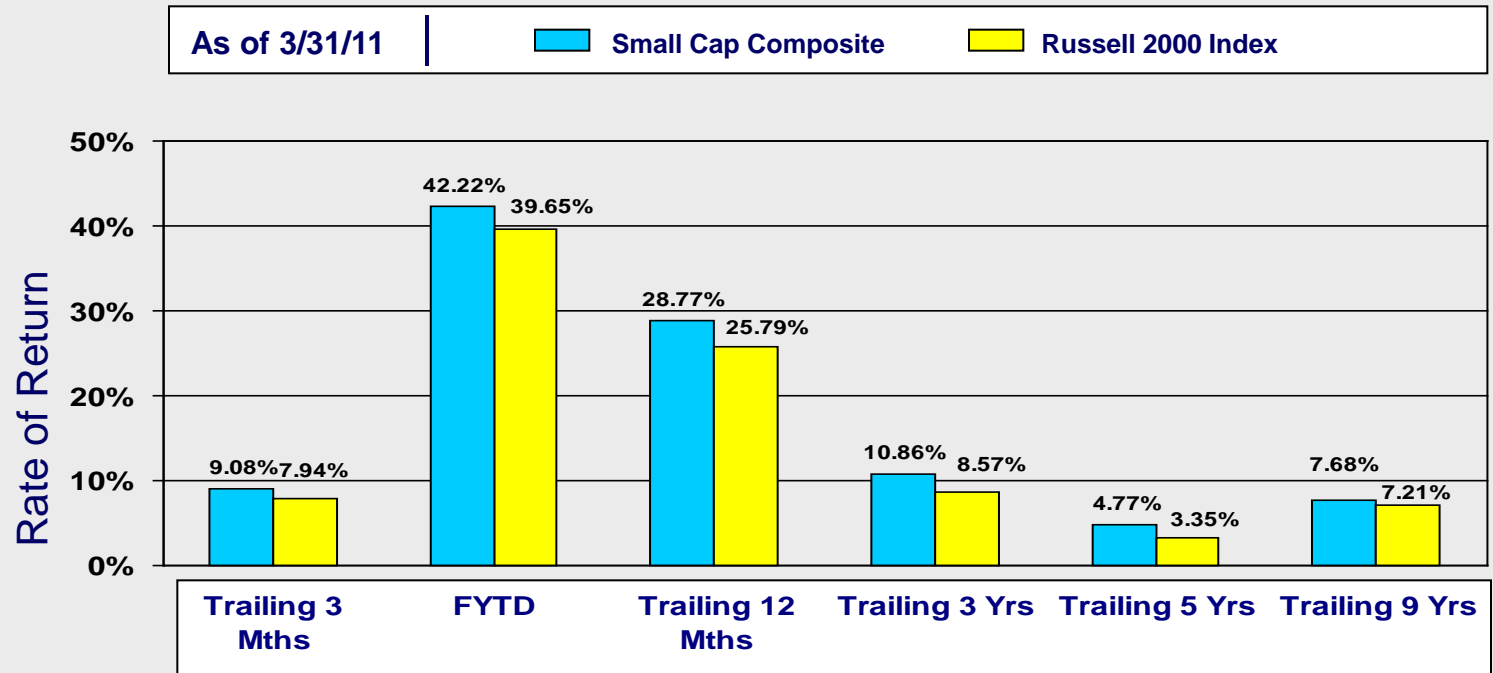
Small Cap Active	Small Russell 2000	Small to Mid Cap Active	Mid Cap Active
Mid Cap S&P400	Russell 1000 Active	Russell 3000 Index Fund	Emerging Managers

Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Small Cap Active	5.80	5.56	-0.24	7.94	9.30	1.36	-0.01	0.06
Small Russell 2000 Index	0.40	1.28	0.88	7.94	****	****	****	****
Small to Mid Cap Active	1.56	1.64	0.08	8.70	10.03	1.33	0.00	0.02
Mid Cap Active	6.58	6.75	0.17	7.63	8.30	0.67	0.00	0.04
Mid Cap S&P400 Index	8.00	8.75	0.75	9.36	****	****	****	****
Russell 1000 Active	9.96	9.32	-0.64	6.24	8.21	1.97	0.04	0.29
Russell 3000 Index Fund	66.10	65.32	-0.78	6.38	6.37	-0.01	-0.01	-0.27
Emerging Managers	1.60	1.25	-0.35	6.38	8.66	2.28	0.00	0.03

Small Cap Returns vs Russell 2000 Index

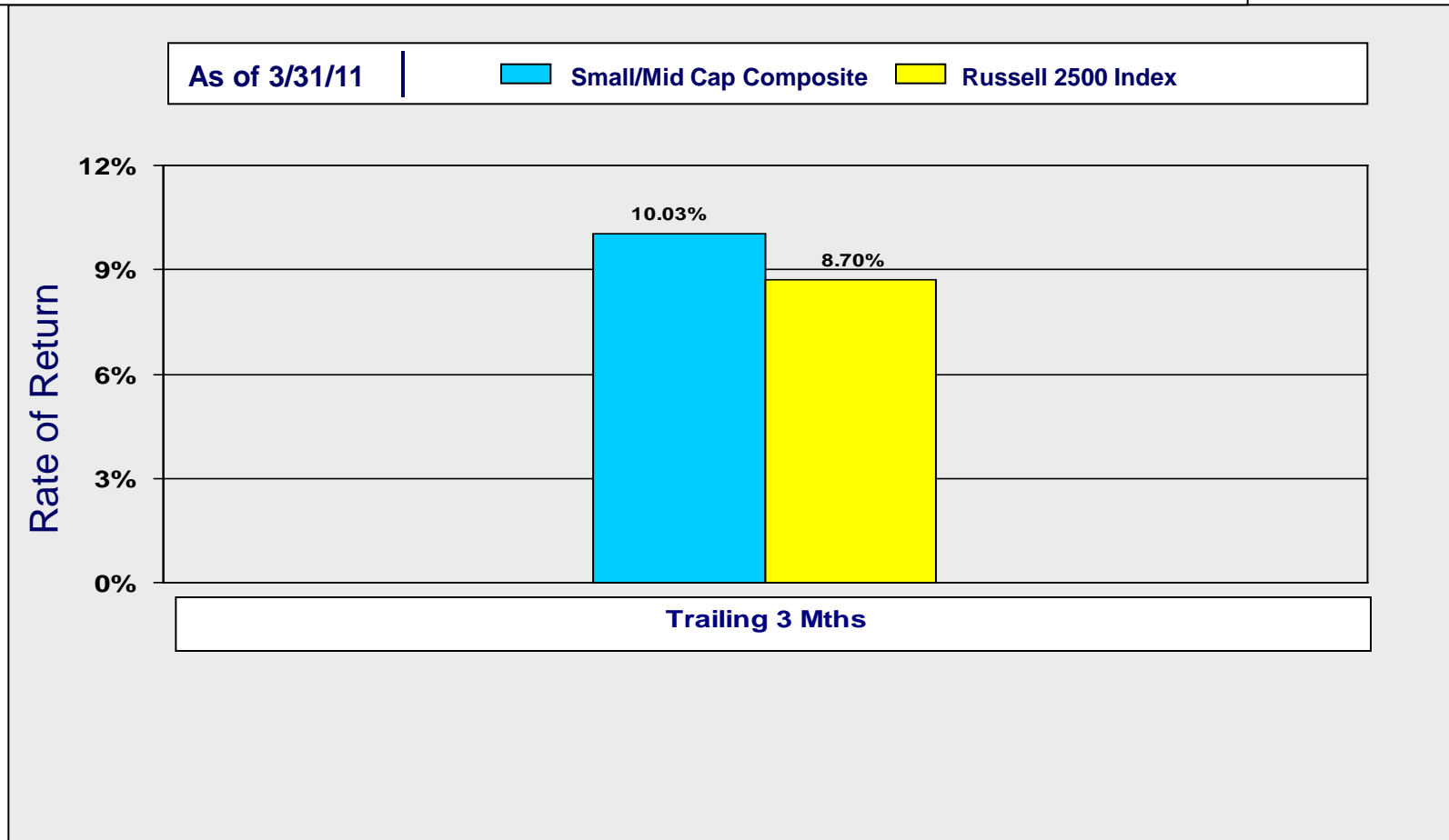
\$712M Under Management, **3%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	24.8	20.9	19.8
Benchmark Std Dev	27.4	22.7	20.7

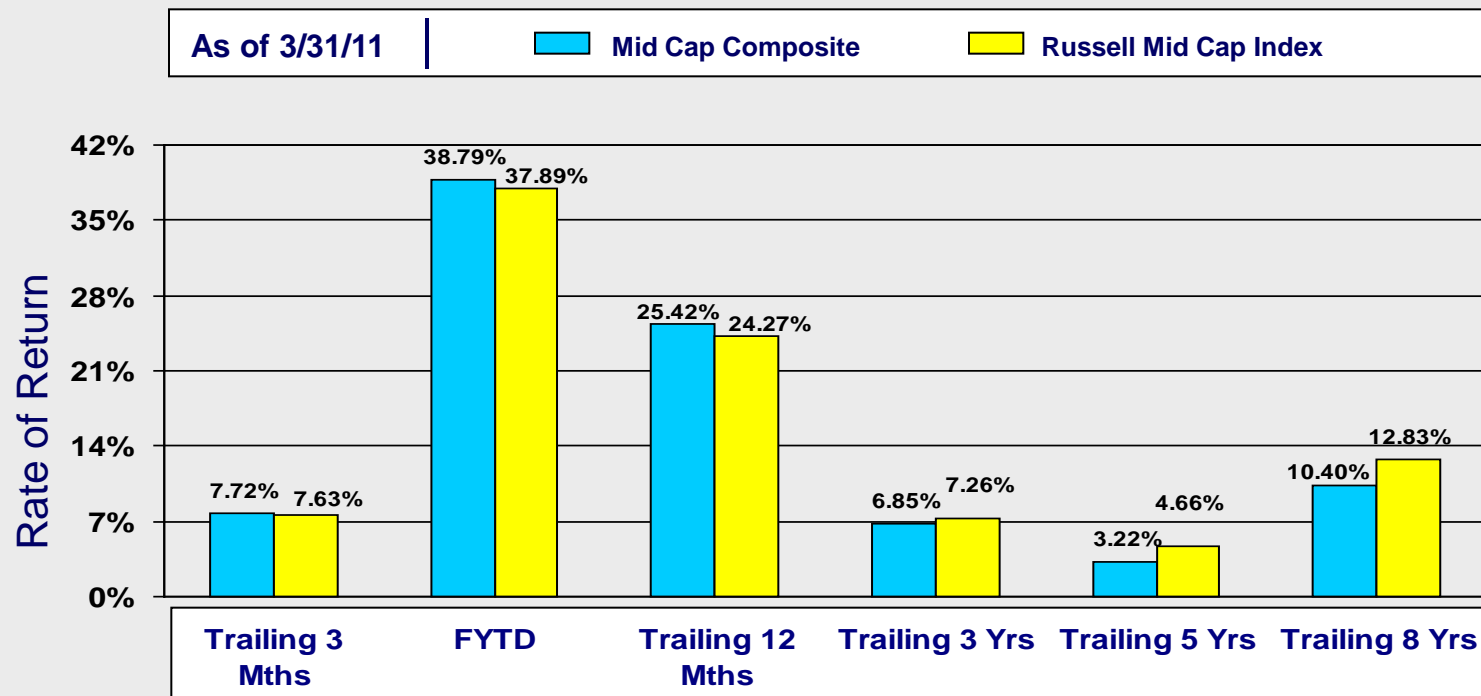
Small/Mid Cap Returns vs Russell 2500 Index

\$171M Under Management, **1%** of Total Funds



Mid Cap Returns vs Russell Mid Cap Index

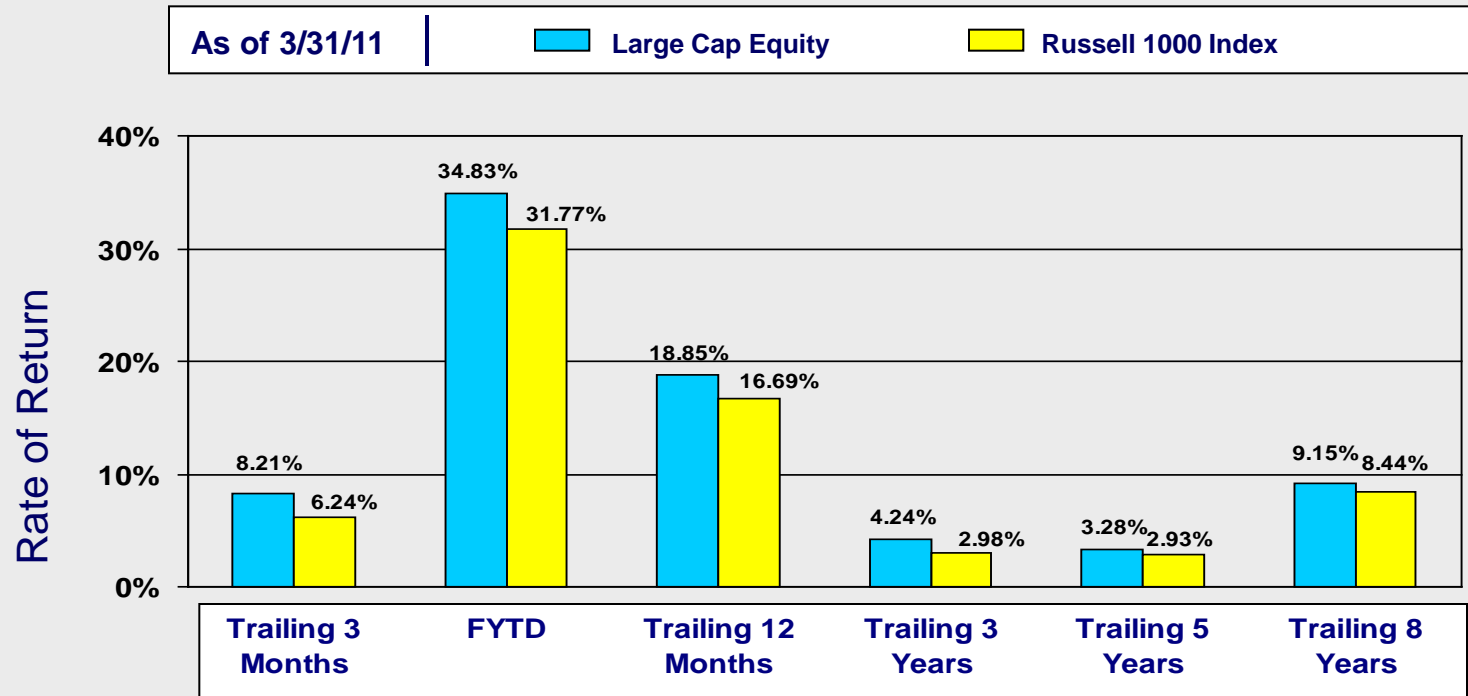
\$1.6B Under Management, **7%** of Total Funds



	3 Years	5 Years	8 Years
Plan Std Dev	24.2	19.9	17.3
Benchmark Std Dev	26.1	21.3	18.3

Large Cap Returns vs Russell 1000 Index

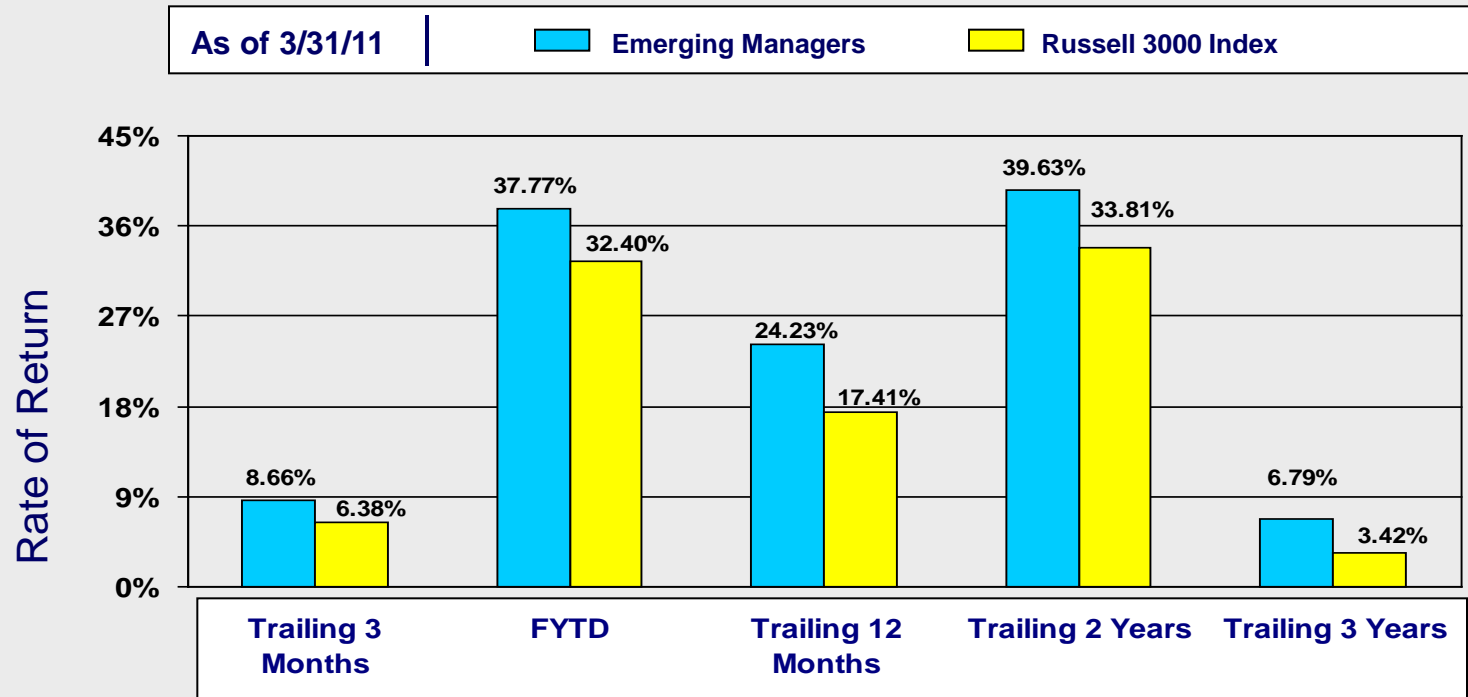
\$1B Under Management, **4%** of Total Funds



	3 Yrs	5 Yrs	7 Yrs
Plan Std Dev	21.9	18.1	16.0
Benchmark Std Dev	22.0	18.1	15.8

Emerging Managers Returns vs Russell 3000 Index

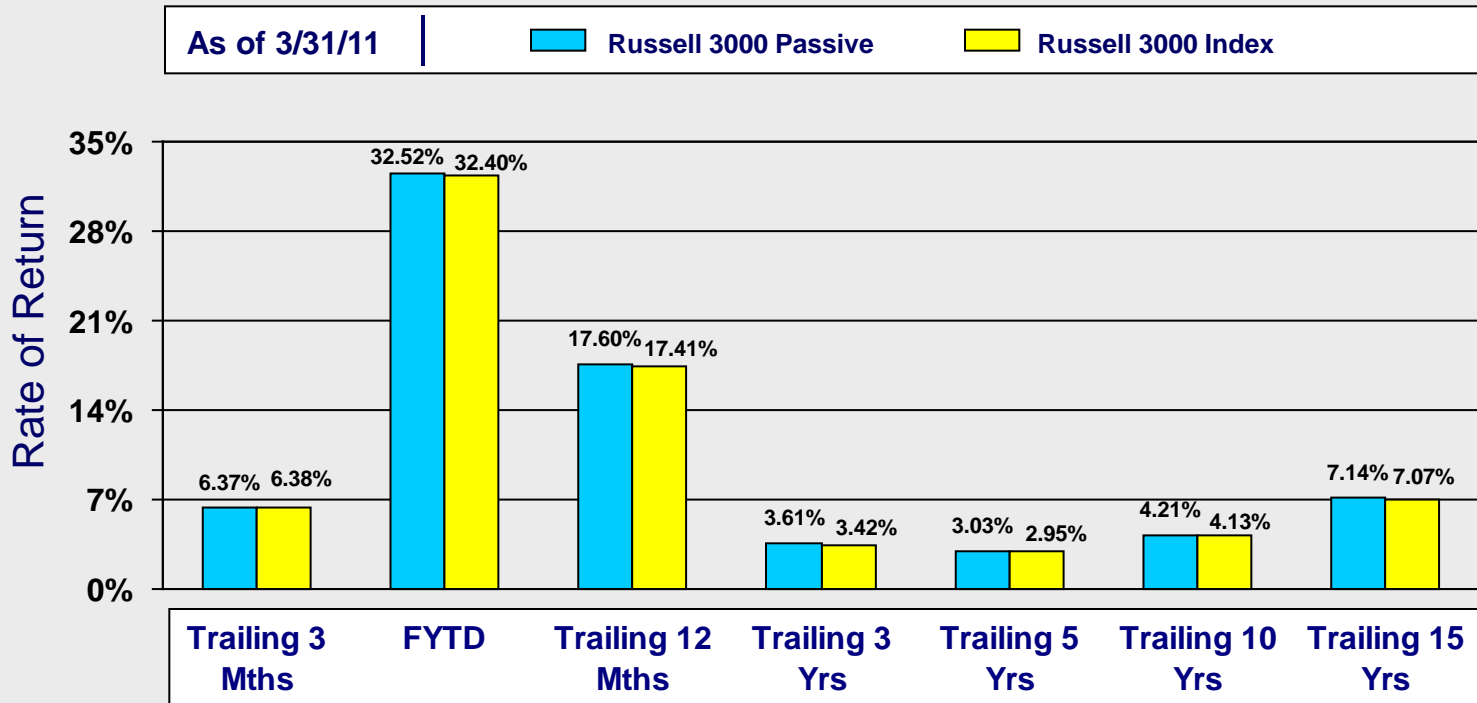
\$130M Under Management, **1%** of Total Funds



	3 Yrs
Plan Std Dev	23.9
Benchmark Std Dev	22.4

Russell 3000 Composite Returns vs Russell 3000 Index

\$6.8B Under Management, **28%** of Total Funds

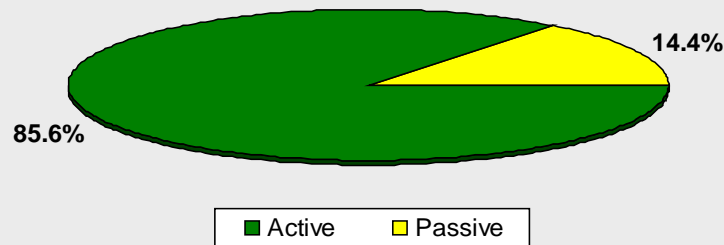


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	22.2	18.2	16.3	16.5
Benchmark Std Dev	22.4	18.3	16.3	16.6

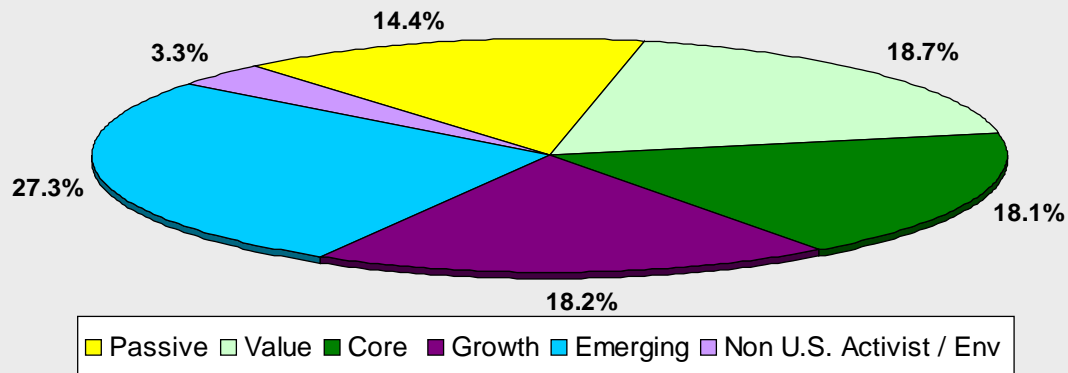
International Equity Asset Allocation: March 31, 2011

\$4.5B Under Management, **19%** of Total Funds

Asset Allocation by Groups



Asset Allocation by Style



EAFE Markets Returns vs MSCI EAFE Index

\$3.2B Under Management, **13%** of Total Funds

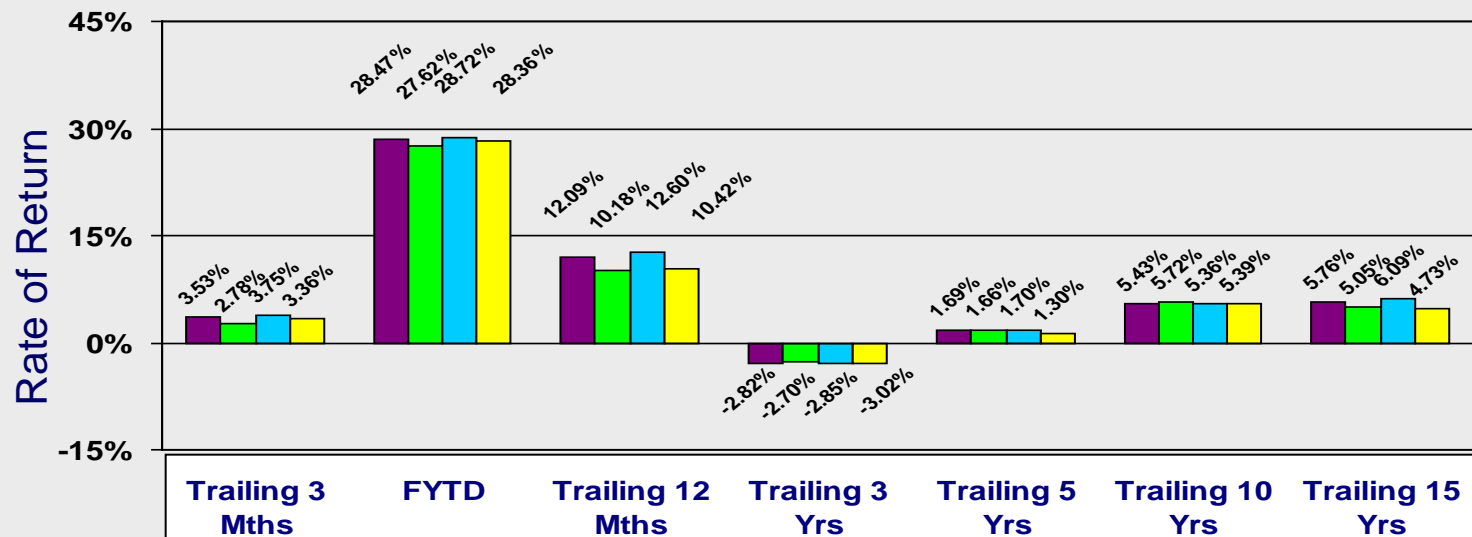
As of 3/31/11

EAFE Mkts

Passive Equity

Active Equity

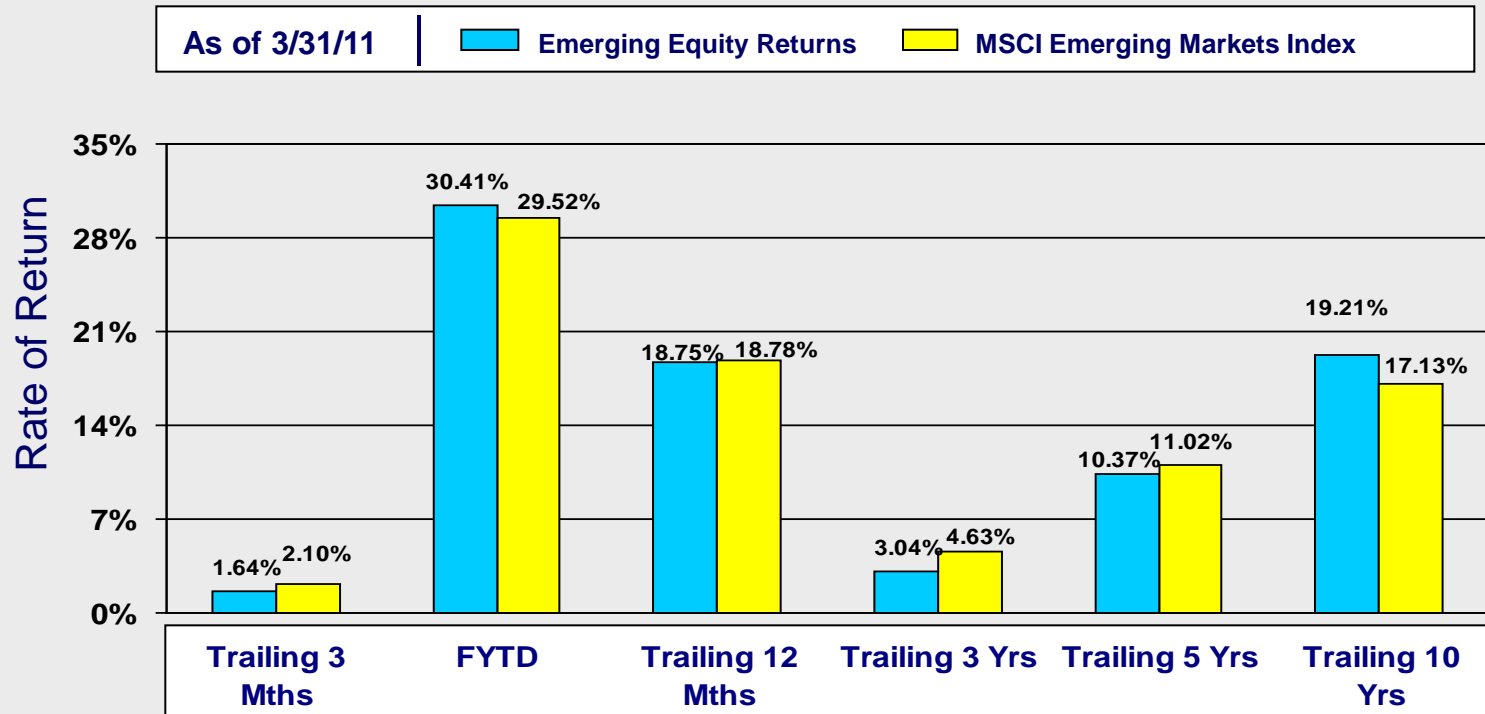
MSCI EAFE Index



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	25.7	21.2	18.4	17.5
Passive Plan Std Dev	25.7	21.1	18.2	17.2
Active Plan Std Dev	25.7	21.2	18.5	17.7
Benchmark Std Dev	25.8	21.3	18.3	17.3

Emerging Equity Returns vs MSCI Emerging Markets Index

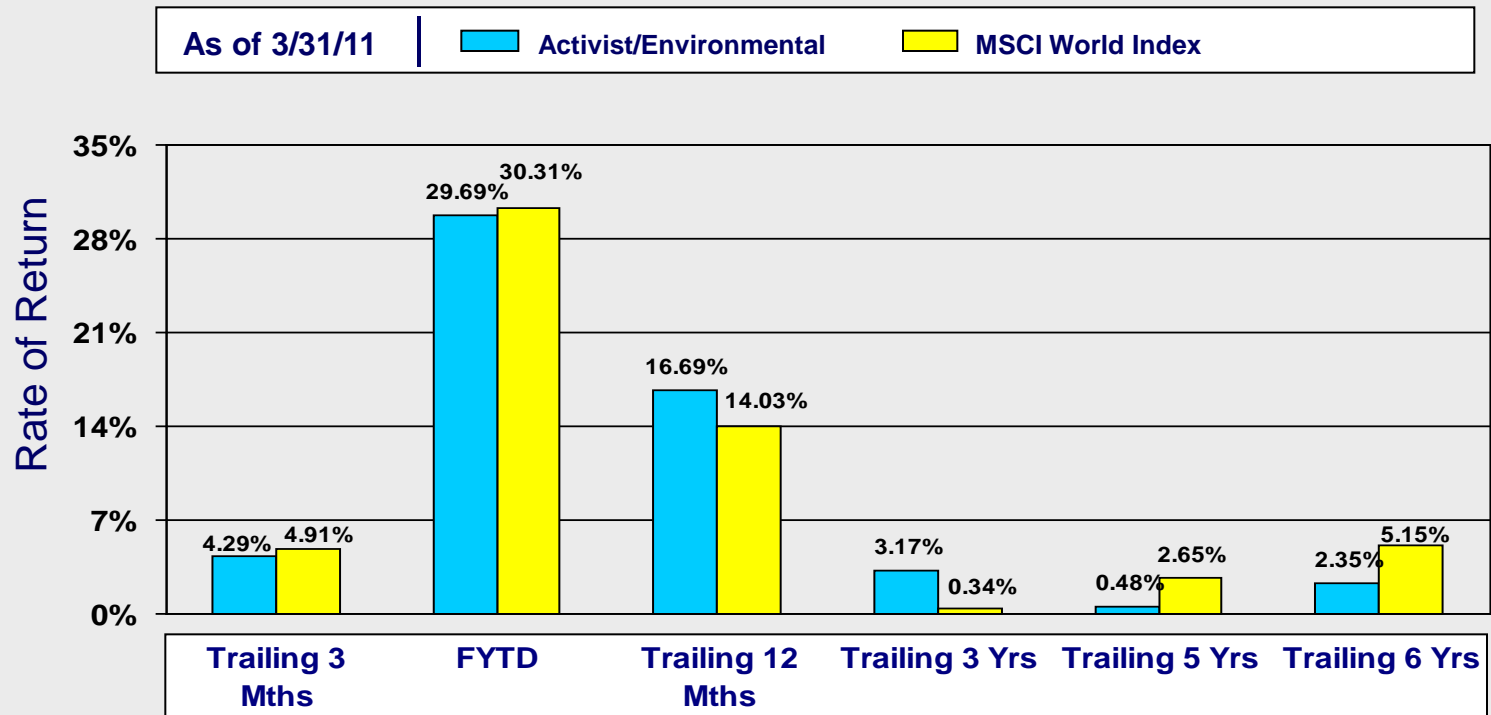
\$1.2B Under Management, **5%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	32.8	28.6	24.3
Benchmark Std Dev	31.5	27.7	24.0

Activist & Environmental/Sustainable Strategies vs MSCI World Index

\$161M Under Management, **1%** of Total Funds



	3 Years	5 Years	6 Years
Plan Std Dev	24.8	20.4	19.0
Benchmark Std Dev	23.4	19.2	17.8

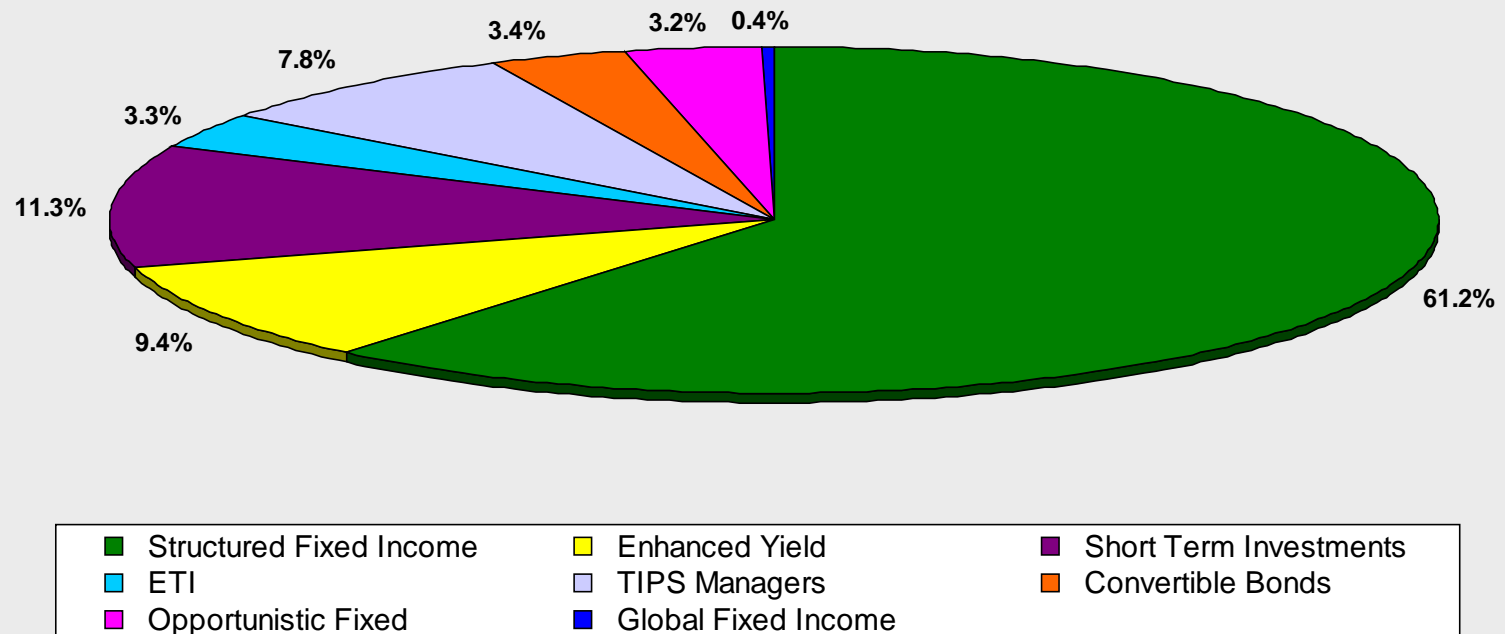
New York City
Police Pension Fund, Subchapter 2

Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2011

\$7.3B Under Management, **30%** of Total Funds

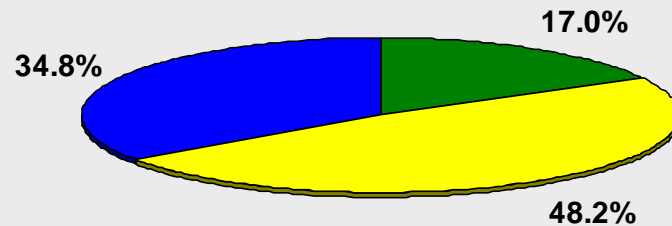
Asset Allocation by Groups



Structured Fixed Income Asset Allocation: Quarter Ending March 31, 2011

\$4.4B Under Management, **18%** of Total Funds

Asset Allocation by Groups



■ Treasury/Agency ■ Mortgage ■ Inv. Grade Credit

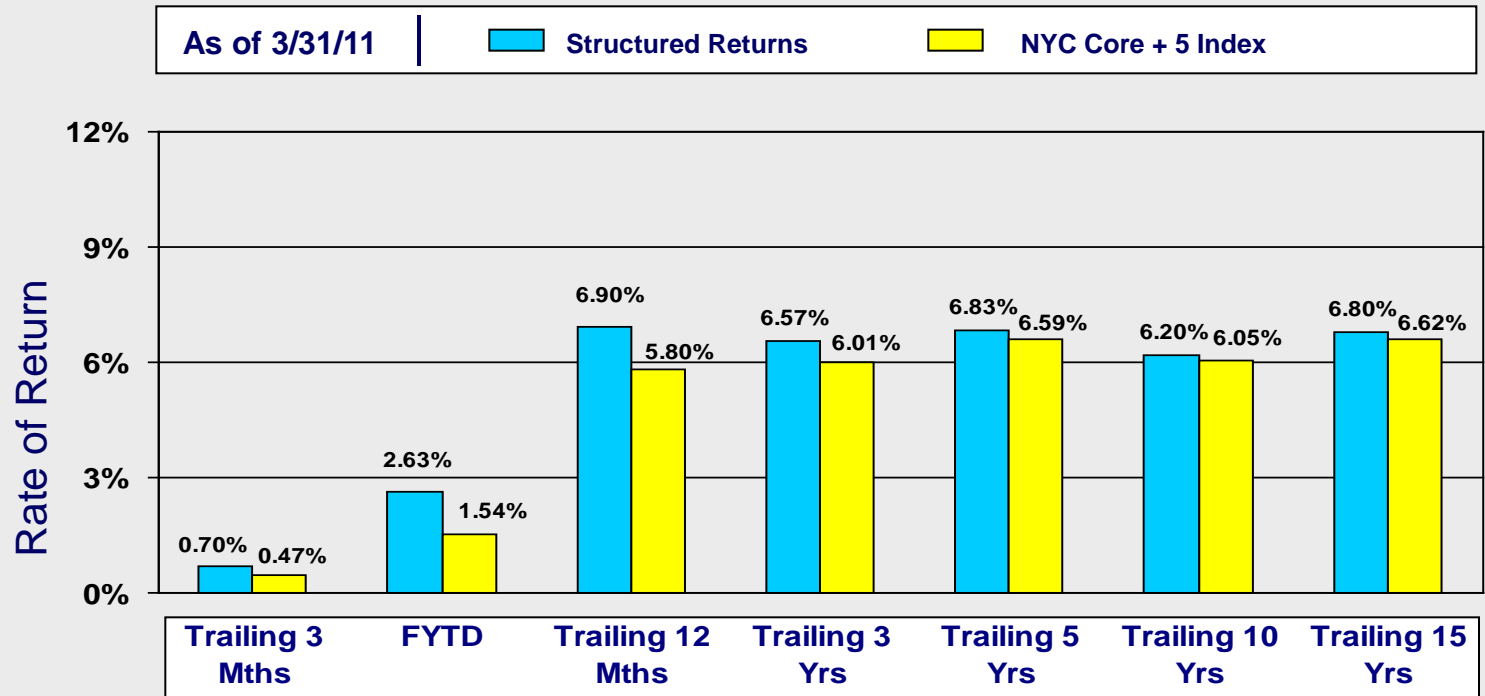
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	21.24	16.97	-4.27	-0.36	-0.20	0.16	0.04	0.03
Mortgage	43.79	48.24	4.45	0.61	0.75	0.14	0.01	0.06
Inv. Grade Credit	34.97	34.79	-0.18	0.81	1.08	0.27	0.00	0.10

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

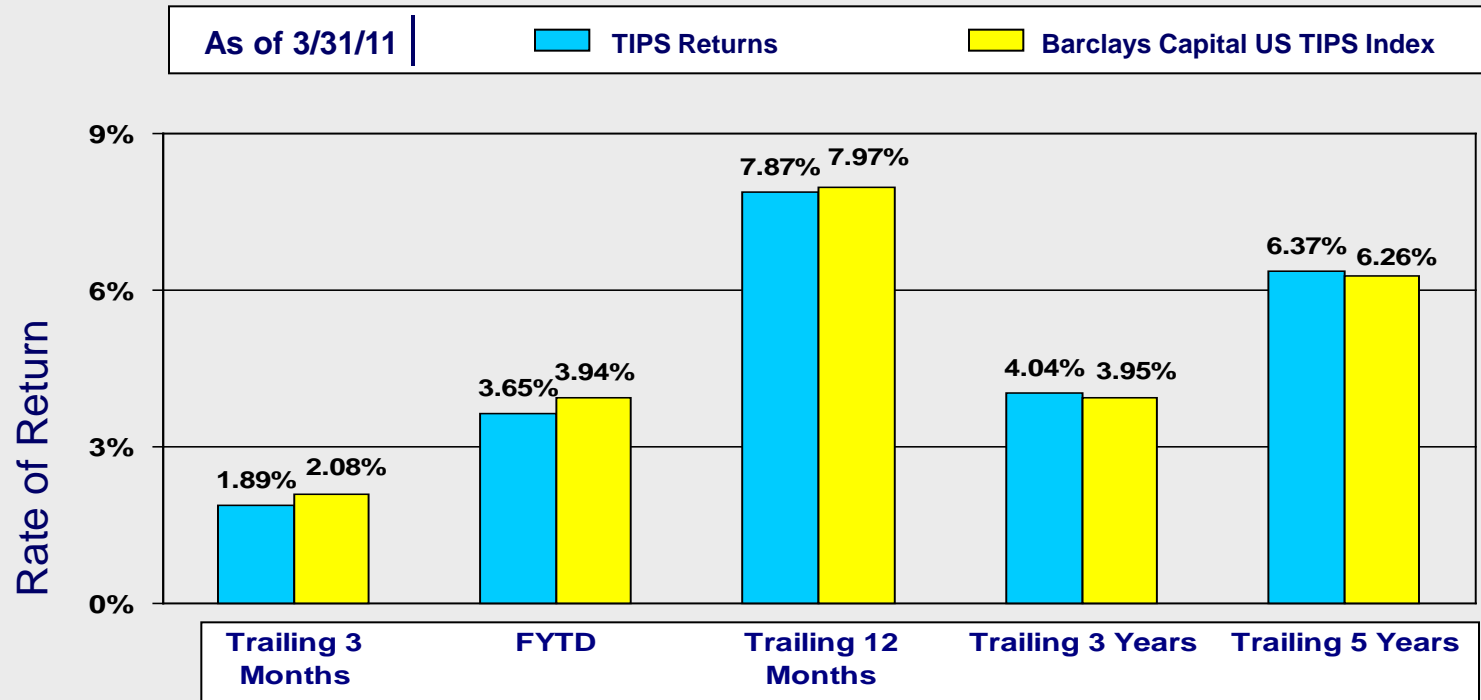
\$4.4B Under Management, **18%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	4.9	4.2	4.3	4.2
Benchmark Std Dev	5.1	4.4	4.4	4.2

TIPS Returns vs Barclays Capital US TIPS Index

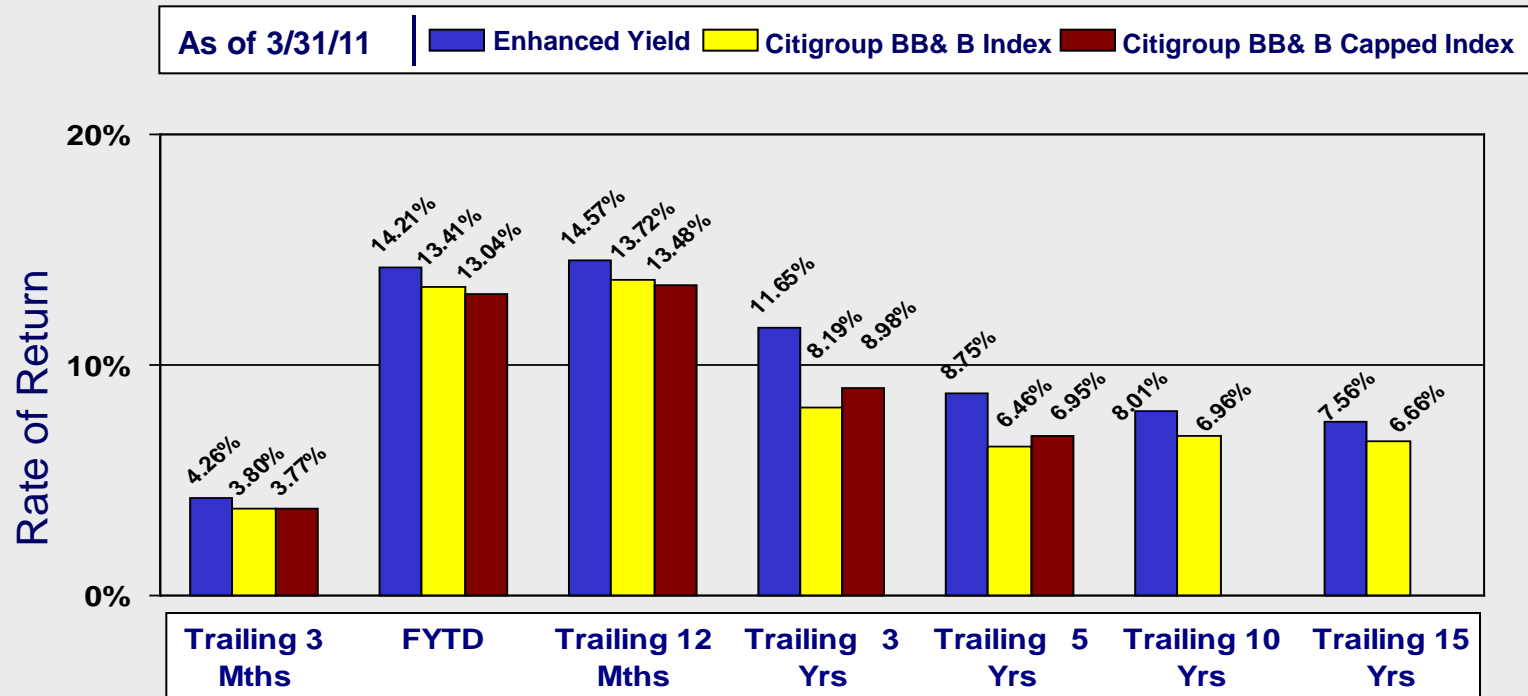
\$567M Under Management, **2%** of Total Funds



	3 Years	5 Years
Plan Std Dev	8.6	7.4
Benchmark Std Dev	8.5	7.3

Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index

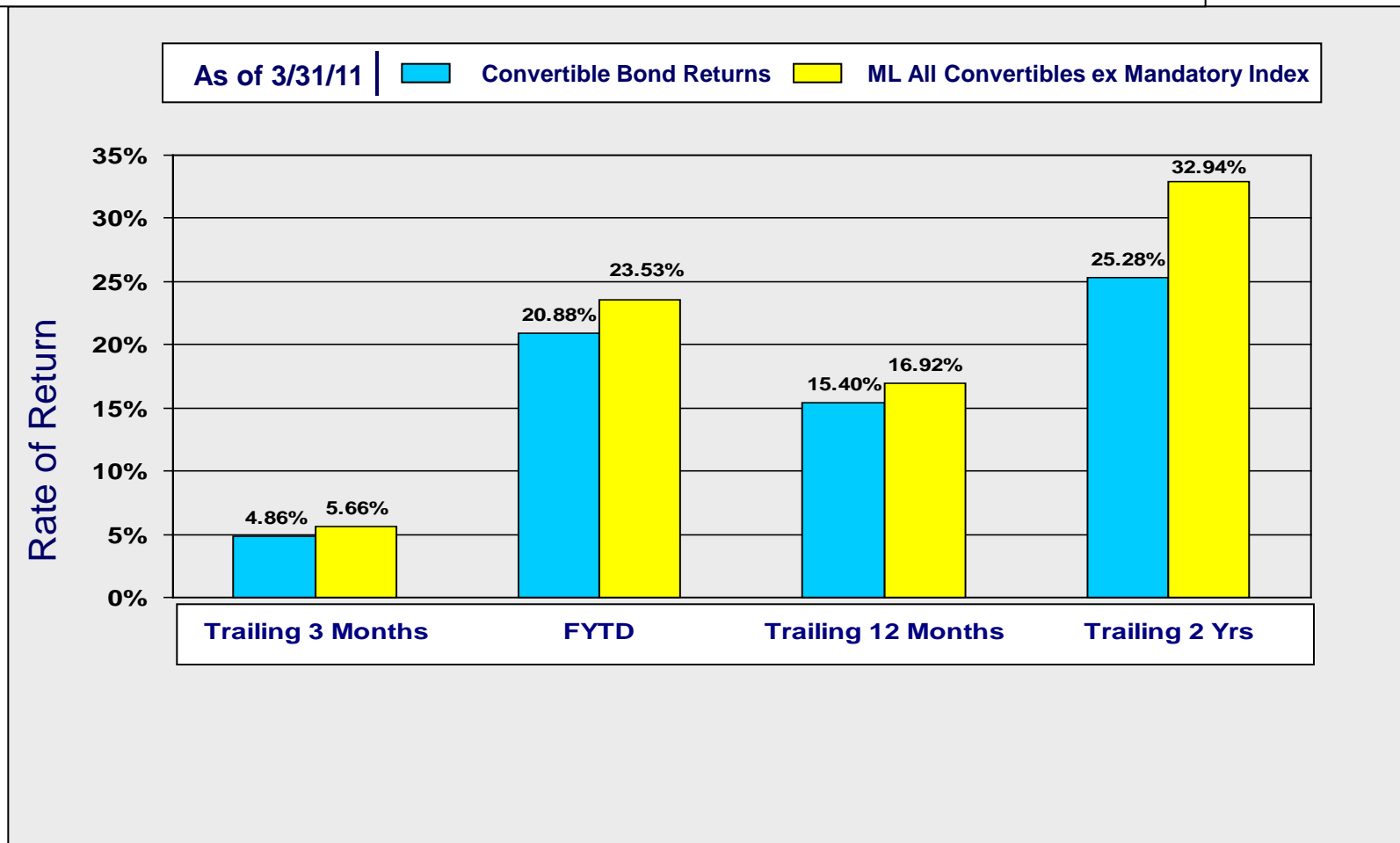
\$687M Under Management, **3%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	12.6	10.2	8.7	8.3
Citigroup BB&B	14.2	11.4	10.1	9.0
Citigroup BB&B Capped	13.9	11.1	N/A	N/A

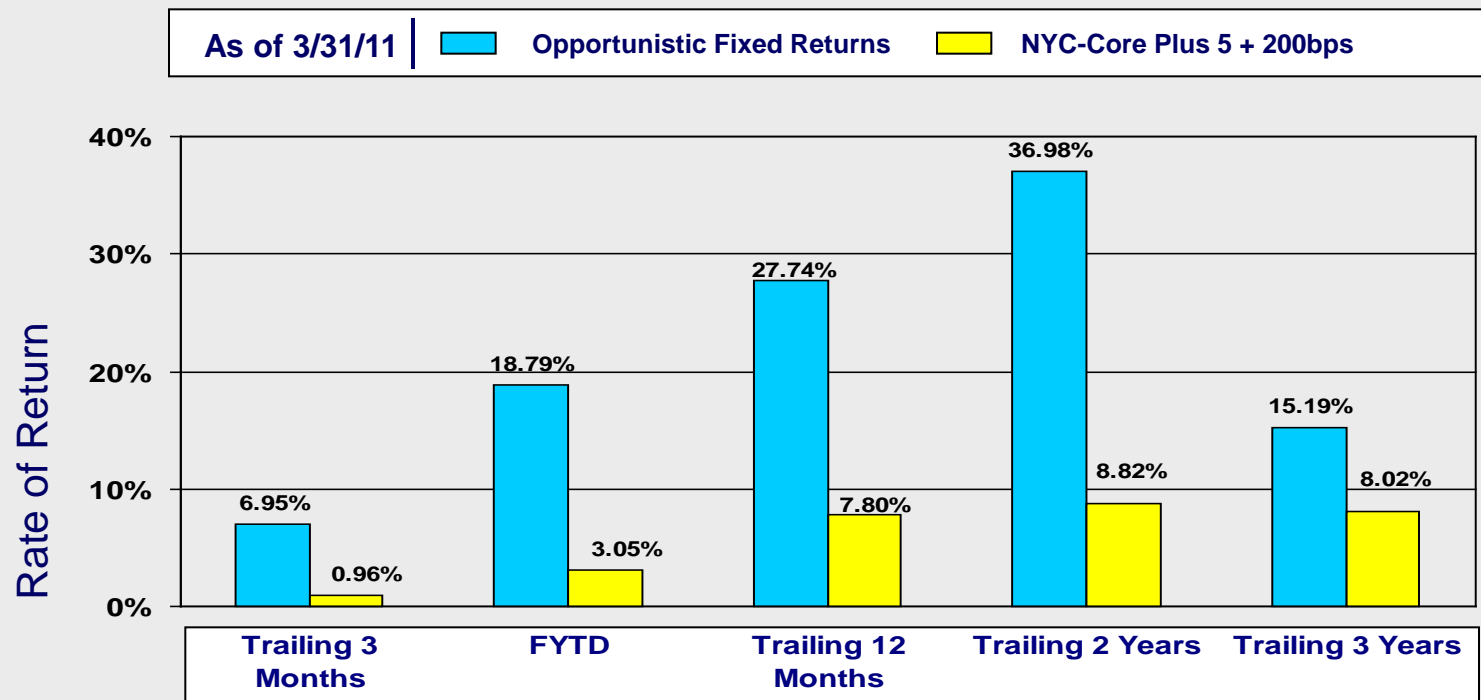
Convertible Bond Returns vs BofA All Convertibles ex Mandatory Index

\$249M Under Management, **1%** of Total Funds



Opportunistic Fixed Income Returns vs NYC-Core Plus 5 + 200bps

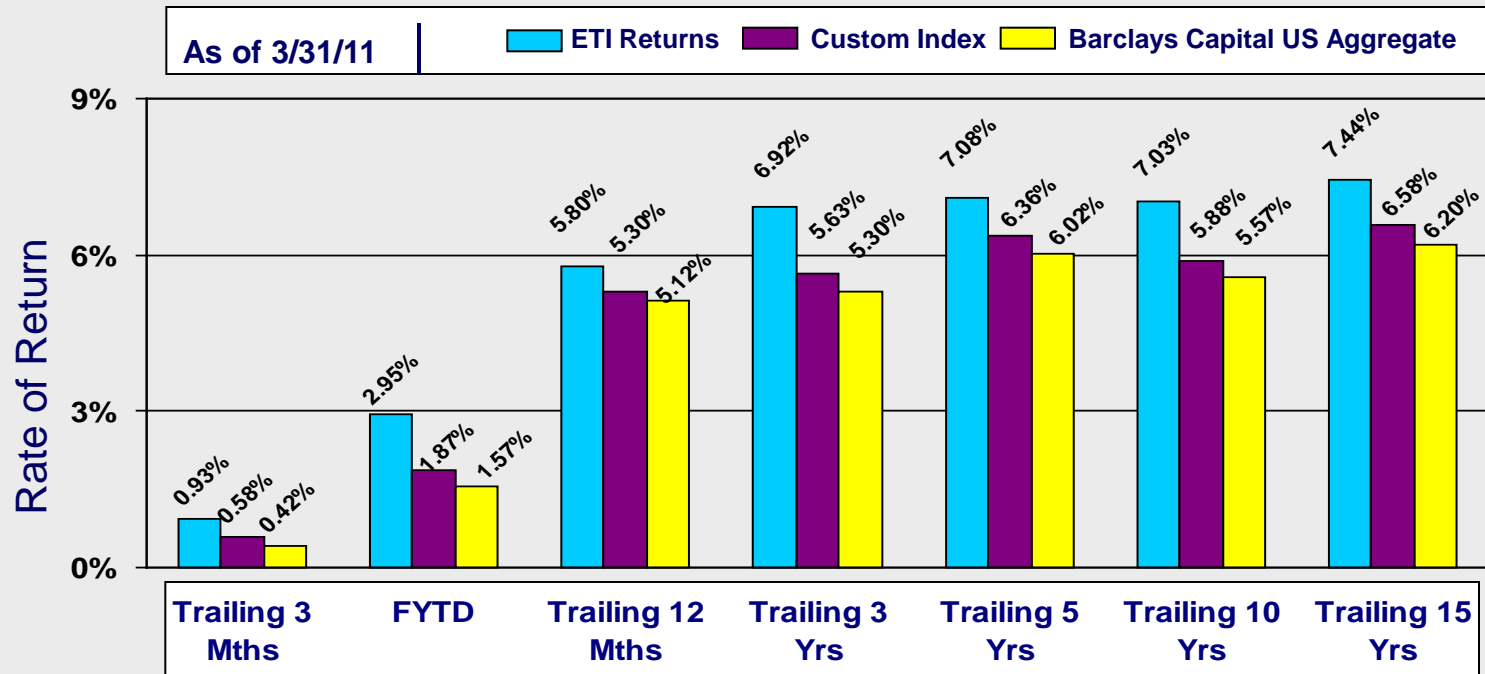
\$234M Under Management, **1%** of Total Funds



	3 Years
Plan Std Dev	15.8
Benchmark Std Dev	5.1

ETI Returns vs Custom Index & Barclays Capital U.S. Aggregate

\$235M Under Management, **1%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	2.5	2.2	3.4	3.2
Custom Index Std Dev	3.2	2.9	2.9	2.7
Barclays Capital US Agg. Std Dev	4.1	3.6	3.8	3.6

Note: Returns (shown net of fees) and Market Value do not include cash

New York City
Police Pension Fund, Subchapter 2

Appendix

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
EQUITY MANAGEMENT									
SMALL CAP									
65.63	0.27	BROWN AM	9.91	9.91	37.10	****	****	****	****
63.36	0.26	PERIMETER	7.16	7.16	26.73	****	****	****	****
68.17	0.28	PIER CAPITAL	13.53	13.53	33.61	****	****	****	****
197.16	0.81	TOTAL SMALL CAP GROWTH	10.21	10.21	32.42	****	****	****	****
		RUSSELL 2000 GROWTH	9.24	9.24	31.04	****	****	****	****
150.80	0.62	DALTON GREINER	5.24	5.24	22.46	10.51	6.23	****	****
53.77	0.22	LORD ABBETT	9.55	9.55	26.39	****	****	****	****
204.57	0.84	TOTAL SMALL CAP VALUE	6.34	6.34	23.47	10.52	6.24	****	****
		RUSSELL 2000 VALUE	6.60	6.60	20.63	6.76	2.23	****	****
		SMALL CAP VALUE MEDIAN	6.09	6.09	23.67	11.66	5.48	****	****
139.12	0.57	DARUMA	12.84	12.84	33.67	14.93	9.00	****	****
139.12	0.57	TOTAL SMALL CAP CORE	12.84	12.84	33.67	14.93	9.00	****	****
		RUSSELL 2000	7.94	7.94	25.79	8.57	3.35	****	****
		SMALL CAP CORE MEDIAN	8.58	8.58	25.69	11.42	5.04	****	****
38.39	0.16	RAFI ENHANCED SMALL CO.	8.37	8.37	26.79	****	****	****	****
		RUSSELL 2000	7.94	7.94	25.79	****	****	****	****
		RUSSELL 2000 VALUE	6.60	6.60	20.63	****	****	****	****
579.24	2.38	TOTAL SMALL CAP ACTIVE	9.30	9.30	29.03	10.94	4.81	****	****
		RUSSELL 2000	7.94	7.94	25.79	8.57	3.35	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
133.06	0.55	BLACKROCK R2000	****	****	****	****	****	****	****
133.06	0.55	TOTAL SMALL CAP PASSIVE RUSSELL 2000	****	****	****	****	****	****	****
712.30	2.93	TOTAL SMALL CAP RUSSELL 2000	9.08 7.94	9.08 7.94	28.77 25.79	10.86 8.57	4.77 3.35	**** ****	**** ****
		SMALL/MID CAP							
86.21	0.35	TIMESQUARE CAPITAL SMDG	9.34	9.34	****	****	****	****	****
		RUSSELL 2500 GROWTH	9.83	9.83	****	****	****	****	****
85.00	0.35	SECURITY GLOBAL INV SMDV	10.75	10.75	****	****	****	****	****
		RUSSELL 2500 VALUE	7.68	7.68	****	****	****	****	****
171.21	0.70	TOTAL SMALL/MID CAP RUSSELL 2500	10.03 8.70	10.03 8.70	**** ****	**** ****	**** ****	**** ****	**** ****
		MID CAP							
181.75	0.75	FRONTIER CAPITAL MCG	7.85	7.85	****	****	****	****	****
99.93	0.41	TIMESQUARE CAPITAL	6.63	6.63	****	****	****	****	****
281.68	1.16	TOTAL MID CAP GROWTH	7.41	7.41	****	****	****	****	****
		RUSSELL MIDCAP GROWTH	7.85	7.85	****	****	****	****	****
		MID CAP GROWTH MEDIAN	8.61	8.61	****	****	****	****	****
153.38	0.63	IRIDIAN ASSET MCV	11.07	11.07	****	****	****	****	****
137.10	0.56	SYSTEMATIC FINANCIAL MCV	7.49	7.49	****	****	****	****	****
290.48	1.19	TOTAL MID CAP VALUE	9.35	9.35	26.60	7.11	3.95	****	****
		RUSSELL MIDCAP VALUE	7.42	7.42	22.26	6.62	4.04	****	****
		MID CAP VALUE MEDIAN	7.78	7.78	23.29	7.90	6.32	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
131.02	0.54	WELLINGTON MGMT	7.91	7.91	****	****	****	****	****
131.02	0.54	TOTAL MID CAP CORE	10.30	10.30	29.29	8.34	3.53	****	****
		S&P MIDCAP INDEX 400	9.36	9.36	26.95	10.01	6.07	****	****
		MID CAP CORE MEDIAN	7.62	7.62	23.65	9.73	6.16	****	****
703.18	2.89	TOTAL MID CAP ACTIVE	8.30	8.30	24.16	6.42	3.55	****	****
		RUSSELL MIDCAP	7.63	7.63	24.27	7.26	4.66	****	****
911.43	3.75	STATE STREET GA S&P 400	****	****	****	****	****	****	****
911.43	3.75	TOTAL MID CAP PASSIVE	****	****	****	****	****	****	****
		S&P MIDCAP INDEX 400	****	****	****	****	****	****	****
1,614.61	6.64	TOTAL MID CAP	7.72	7.72	25.42	6.85	3.22	****	****
		RUSSELL MIDCAP	7.63	7.63	24.27	7.26	4.66	****	****
		LARGE CAP							
75.14	0.31	CASTLEARK MGMT	7.66	7.66	25.59	****	****	****	****
33.86	0.14	PROFIT INV MGMT	4.90	4.90	9.23	****	****	****	****
176.51	0.73	ZEVENBERGEN	8.88	8.88	28.90	13.34	****	****	****
285.57	1.17	TOTAL LARGE CAP GROWTH	9.97	9.97	23.16	6.19	4.16	3.32	6.09
		RUSSELL 1000 GROWTH	6.03	6.03	18.26	5.20	4.34	3.00	5.78
		LARGE CAP GROWTH MEDIAN	6.00	6.00	18.34	4.69	3.80	3.73	7.84
299.49	1.23	ARONSON JOHNSON	8.02	8.02	18.55	2.54	1.73	****	****
52.89	0.22	DENALI ADVISORS	7.79	7.79	11.30	****	****	****	****
352.43	1.45	TOTAL LARGE CAP VALUE	8.21	8.21	16.73	2.10	2.22	****	****
		RUSSELL 1000 VALUE	6.46	6.46	15.15	0.60	1.37	****	****
		LARGE CAP VALUE MEDIAN	6.57	6.57	14.82	2.23	2.42	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
49.24	0.20	PIEDMONT INV ADV	3.17	3.17	11.82	****	****	****	****
55.00	0.23	SEIZERT CAPITAL PTNRS	7.33	7.33	17.02	****	****	****	****
104.24	0.43	TOTAL LARGE CAP CORE	5.32	5.32	14.50	****	****	****	****
		RUSSELL 1000	6.24	6.24	16.69	****	****	****	****
153.93	0.63	RAFI ENHANCED LARGE CO.	6.65	6.65	17.48	****	****	****	****
		RUSSELL 1000	6.24	6.24	16.69	****	****	****	****
		RUSSELL 1000 VALUE	6.46	6.46	15.15	****	****	****	****
74.26	0.31	VTL S&P 500	6.62	6.62	15.98	****	****	****	****
		STANDARD & POORS 500	5.92	5.92	15.65	****	****	****	****
228.20	0.94	TOTAL FUNDAMENTAL INDEX LARGE CAP	6.77	6.77	17.45	****	****	****	****
		RUSSELL 1000	6.24	6.24	16.69	****	****	****	****
970.44	3.99	TOTAL LARGE CAP	8.21	8.21	18.85	4.24	3.28	****	****
		RUSSELL 1000	6.24	6.24	16.69	2.98	2.93	****	****
		ATTUCKS							
5.24	0.02	APEX CAPITAL - SCG	10.56	10.56	38.45	10.96	****	****	****
5.89	0.02	GW CAPITAL -SCC	12.54	12.54	32.15	****	****	****	****
5.19	0.02	LOMBARDIA - SCV	8.56	8.56	24.81	12.20	****	****	****
6.02	0.02	PARADIGM - SCC	8.25	8.25	29.23	****	****	****	****
5.04	0.02	PHOCAS - SCV	5.55	5.55	24.20	11.88	****	****	****
27.39	0.11	TOTAL ATTUCKS	9.13	9.13	29.66	8.24	****	****	****
		RUSSELL 2000	7.94	7.94	25.79	8.57	****	****	****
		CAPITAL PROSPECTS							
3.23	0.01	APEX CAPITAL - LCG	7.70	7.70	22.84	5.51	****	****	****
2.76	0.01	HIGH POINTE - SC	8.57	8.57	20.98	13.17	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
3.10	0.01	KEEL - MCV	4.64	4.64	17.47	4.85	****	****	****
2.76	0.01	LOMBARDIA - SCV	8.58	8.58	24.84	12.91	****	****	****
1.85	0.01	MONTROSE - SCG	11.61	11.61	29.09	1.70	****	****	****
2.00	0.01	PARADIGM - AC	6.68	6.68	23.77	1.89	****	****	****
2.87	0.01	REDWOOD - MCG	11.32	11.32	36.23	4.37	****	****	****
3.10	0.01	RUNNYMEDE - LCG	9.60	9.60	19.01	2.72	****	****	****
3.24	0.01	SEIZERT - LCV	7.73	7.73	17.71	3.66	****	****	****
2.77	0.01	TEN - LCV	7.35	7.35	12.96	-1.04	****	****	****
3.34	0.01	TWIN - TOP 50	4.81	4.81	11.97	1.41	****	****	****
31.01	0.13	TOTAL CAPITAL PROSPECTS	7.86	7.86	20.66	4.40	****	****	****
		RUSSELL 3000	6.38	6.38	17.41	3.42	****	****	****
		PROGRESS EQUITY							
6.84	0.03	FORTALEZA - SCG	12.54	12.54	37.68	8.62	****	****	****
8.39	0.03	GW CAPITAL - SCV	13.21	13.21	26.01	8.16	****	****	****
6.15	0.03	HIGH POINTE - SCC	8.59	8.59	20.99	13.22	****	****	****
4.59	0.02	IRONWOOD - SCC	10.65	10.65	29.08	****	****	****	****
8.37	0.03	LOMBARDIA CAPITAL PTNR - SCV	8.58	8.58	24.85	12.91	****	****	****
6.34	0.03	PARADIGM ASSET MGMT - SCG	9.33	9.33	30.87	3.58	****	****	****
40.69	0.17	TOTAL PROGRESS EQUITY	10.52	10.52	27.87	8.41	****	****	****
		RUSSELL 2000	7.94	7.94	25.79	8.57	****	****	****
		F.I.S. FUND MGMT							
3.43	0.01	BRC INV MGMTM MEGA CC	8.33	8.33	14.96	0.73	****	****	****
0.75	0.00	CREDO CAPITAL MGMT MCG	8.59	8.59	30.71	5.65	****	****	****
1.47	0.01	DSM CAPITAL MGMT LCG	3.52	3.52	20.29	2.36	****	****	****
3.05	0.01	FORTALEZA ASSET MGMT LCG	7.16	7.16	20.41	4.44	****	****	****
0.94	0.00	FORTALEZA ASSET MGMT SCG	12.49	12.49	37.42	8.45	****	****	****
4.93	0.02	HERNDON CAPITAL MGMT INV ADV -LCV	7.66	7.66	19.72	8.28	****	****	****
2.33	0.01	HILLMAN CAPITAL MGMT LCC	4.81	4.81	10.42	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
1.88	0.01	MAR VISTA LCG	3.03	3.03	8.63	****	****	****	****
2.82	0.01	OAKBROOK LCV	6.39	6.39	14.45	0.82	****	****	****
4.16	0.02	OAKBROOK LCG	6.43	6.43	19.70	5.30	****	****	****
2.07	0.01	OPUS CAPITAL MGMT SCV	7.71	7.71	23.82	9.35	****	****	****
3.20	0.01	PARADIGM ASSET MGMT LCV	6.22	6.22	13.79	-1.38	****	****	****
31.02	0.13	TOTAL F.I.S FUND MGMT	6.70	6.70	17.63	3.82	****	****	****
		RUSSELL 3000	6.38	6.38	17.41	3.42	****	****	****
130.12	0.54	TOTAL EMERGING MGRS	8.66	8.66	24.23	6.79	****	****	****
		RUSSELL 3000	6.38	6.38	17.41	3.42	****	****	****
		RUSSELL 3000							
3,760.42	15.46	BLACKROCK R3000	6.31	6.31	17.38	3.52	2.99	4.16	****
3,042.59	12.51	STATE STREET R3000	6.44	6.44	****	****	****	****	****
6,803.02	27.98	TOTAL RUSSELL 3000	6.37	6.37	17.60	3.61	3.03	4.21	7.14
		RUSSELL 3000	6.38	6.38	17.41	3.42	2.95	4.13	7.07
12.47	0.05	ACTIVIST EQUITY TRANSITION	****	****	****	****	****	****	****
		S&P 500	****	****	****	****	****	****	****
12.47	0.05	TOTAL US ACTIVIST	****	****	****	****	****	****	****
0.07	0.00	BR TRANSITION ACCOUNT	****	****	****	****	****	****	****
2,554.18	10.50	TOTAL ACTIVE	8.98	8.98	22.22	5.74	3.52	4.16	5.40
7,847.52	32.27	TOTAL PASSIVE	6.49	6.49	17.73	3.65	3.06	4.31	7.48
10,414.17	42.82	TOTAL DOMESTIC EQUITY	7.13	7.13	19.06	4.30	3.16	4.41	7.12

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
		INTERNATIONAL EQUITY							
		DEVELOPED MARKETS							
		GROWTH							
307.27	1.26	BAILLIE	2.89	2.89	16.27	1.48	****	****	****
270.22	1.11	FIDELITY	2.97	2.97	12.49	-1.21	****	****	****
0.06	0.00	GE INVESTMENT	****	****	****	****	****	****	****
248.68	1.02	MARTIN CURRIE	5.31	5.31	11.17	-5.18	****	****	****
826.22	3.40	TOTAL INTL GROWTH	3.63	3.63	13.46	-1.53	4.11	****	****
		MSCI EAFE GROWTH	2.30	2.30	12.88	-2.16	2.50	****	****
		VALUE							
421.85	1.73	ALLIANCE	2.29	2.29	4.96	-6.29	****	****	****
426.54	1.75	MONDRIAN INVESTMENT PARTNERS LTD	4.23	4.23	9.59	-2.47	3.22	8.70	****
848.68	3.49	TOTAL INTL VALUE	3.26	3.26	9.12	-4.99	1.17	****	****
		MSCI EAFE VALUE	4.64	4.64	8.82	-2.96	0.97	****	****
		CORE							
277.19	1.14	CAPITAL GUARDIAN MTA	3.44	3.44	14.69	-1.97	****	****	****
253.67	1.04	PHILADELPHIA	5.35	5.35	14.86	-2.89	****	****	****
292.99	1.20	THORNBURG	4.46	4.46	18.25	0.70	****	****	****
823.85	3.39	TOTAL INTL CORE	4.38	4.38	15.99	-1.33	2.18	****	****
		MSCI EAFE (NET DIVIDEND)	3.36	3.36	10.42	-3.02	1.30	****	****
0.55	0.00	BARCLAYS GLOBAL	****	****	****	****	****	****	****
0.55	0.00	BANK OF IRELAND	****	****	****	****	****	****	****
0.09	0.00	TRANSITION-EAFE REBALANCE	****	****	****	****	****	****	****
2,499.43	10.28	TOTAL ACTIVE DEVELOPED MKTS	3.75	3.75	12.60	-2.85	1.70	5.36	6.09
654.36	2.69	TOTAL PASSIVE DEVELOPED MKT	2.78	2.78	10.18	-2.70	1.66	5.72	5.05
3,153.80	12.97	TOTAL DEVELOPED MARKETS	3.53	3.53	12.09	-2.82	1.69	5.43	5.76
		MSCI EAFE (NET DIVIDEND)	3.36	3.36	10.42	-3.02	1.30	5.39	4.73

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
72.34	0.30	GENERATION GE	3.37	3.37	13.08	****	****	****	****
0.02	0.00	KBC WATER	****	****	****	****	****	****	****
72.35	0.30	TOTAL NON-US ENV/SUSTAINABLE	3.37	3.37	11.67	****	****	****	****
		MSCI WORLD INDEX	4.91	4.91	14.03	****	****	****	****
75.84	0.31	GOVERNANCE FOR OWNERS	5.93	5.93	34.59	****	****	****	****
		FTSE ALL WORLD DEV EUROPE	4.25	4.25	7.37	****	****	****	****
75.84	0.31	TOTAL NON-US ACTIVIST	5.08	5.08	28.95	****	****	****	****
3,301.99	13.58	TOTAL DEVELOPED - ENV & ACT EQ STRAT	3.57	3.57	12.48	-2.69	1.77	****	****
		MSCI WORLD INDEX	4.91	4.91	14.03	0.34	2.65	****	****
		EMERGING MARKETS							
207.41	0.85	ACADIAN	2.35	2.35	22.67	4.19	11.41	****	****
206.10	0.85	BAILLIE GIFFORD	-0.37	-0.37	17.23	4.91	13.39	****	****
168.45	0.69	BLACKROCK	****	****	****	****	****	****	****
217.91	0.90	DFA	1.24	1.24	21.78	9.61	****	****	****
119.32	0.49	MARVIN & PALMER	2.40	2.40	19.84	-2.25	7.28	****	****
138.54	0.57	PICTET INTL	1.46	1.46	18.07	0.79	8.24	17.48	****
180.39	0.74	STATE STREET	2.22	2.22	19.75	1.95	9.19	****	****
0.02	0.00	EMERGING MARKETS TRANSITION	****	****	****	****	****	****	****
1,238.38	5.09	TOTAL EMERGING MARKETS	1.64	1.64	18.75	3.04	10.37	19.21	****
		MSCI EMERGING MARKETS	2.10	2.10	18.78	4.63	11.02	17.13	****
		EMERGING MARKET MEDIAN	0.97	0.97	17.70	5.81	11.99	17.51	****
4,540.37	18.67	TOTAL INTERNATIONAL EQUITY	3.22	3.22	13.92	-1.61	3.55	7.00	6.65

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
PRIVATE EQUITY INVESTMENTS									
10.03	0.04	AEA INVESTORS 2006 FD	****	****	****	****	****	****	****
1.42	0.01	AISLING CAPITAL II	****	****	****	****	****	****	****
0.69	0.00	AISLING CAPITAL III	****	****	****	****	****	****	****
0.63	0.00	AMPERSAND 2008	****	****	****	****	****	****	****
14.45	0.06	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****
47.90	0.20	APOLLO INVESTMENT FD VI	****	****	****	****	****	****	****
30.60	0.13	APOLLO INVESTMENT FD VII	****	****	****	****	****	****	****
19.72	0.08	ARES CORP OPP	****	****	****	****	****	****	****
12.81	0.05	ARES CORP OPP FD II	****	****	****	****	****	****	****
16.69	0.07	ARES CORP OPP FD III	****	****	****	****	****	****	****
17.71	0.07	ARLINGTON CAPITAL PTNRS III	****	****	****	****	****	****	****
8.85	0.04	ARSENAL CAP PTNRS II	****	****	****	****	****	****	****
14.40	0.06	AURORA EQUITY CAPITAL PTNRS III	****	****	****	****	****	****	****
20.14	0.08	AVISTA CAPITAL PTNRS	****	****	****	****	****	****	****
20.68	0.09	AVISTA CAPITAL PTNRS II	****	****	****	****	****	****	****
35.96	0.15	BLACKSTONE CAPITAL PTNRS IV	****	****	****	****	****	****	****
35.30	0.15	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****
10.82	0.04	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****
3.56	0.01	BLUE WOLF CAPITAL FUND II	****	****	****	****	****	****	****
15.45	0.06	BRIDGEPOINT EUROPE III	****	****	****	****	****	****	****
3.71	0.02	BRIDGEPOINT EUROPE IV	****	****	****	****	****	****	****
11.17	0.05	CAPITAL PTNRS	****	****	****	****	****	****	****
5.51	0.02	CARLYLE PTNRS III	****	****	****	****	****	****	****
45.49	0.19	CARLYLE PTNRS IV	****	****	****	****	****	****	****
34.20	0.14	CARLYLE PTNRS V	****	****	****	****	****	****	****
10.86	0.04	CARPENTER COMMUNITY BANC FUND	****	****	****	****	****	****	****
17.78	0.07	CATTERTON PTNRS VI	****	****	****	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
12.74	0.05	CCMP CAPITAL INVESTORS II	****	****	****	****	****	****	****
23.24	0.10	CLAYTON, DUBLIER AND RICE FUND VII	****	****	****	****	****	****	****
12.35	0.05	CLAYTON, DUBLIER AND RICE FUND VIII	****	****	****	****	****	****	****
16.47	0.07	CELTIC PHARM HLDGS, LP	****	****	****	****	****	****	****
13.52	0.06	COLLER INTERNATIONAL PTNRS IV	****	****	****	****	****	****	****
6.17	0.03	COLLER INTERNATIONAL PTNRS V	****	****	****	****	****	****	****
14.33	0.06	COMVEST INVST PTNRS III	****	****	****	****	****	****	****
6.05	0.02	CONSTELLATION VENTURES III	****	****	****	****	****	****	****
5.61	0.02	CORALS 2007 MOMENTUM FUND	****	****	****	****	****	****	****
4.77	0.02	CREDIT SUISSE CUST FD INV GR	****	****	****	****	****	****	****
10.92	0.04	CREDIT SUISSE EM DOM MGRS FD	****	****	****	****	****	****	****
9.36	0.04	CRESTVIEW PTNRS II	****	****	****	****	****	****	****
13.24	0.05	CVC EURO EQ PTNRS III	****	****	****	****	****	****	****
20.53	0.08	CVC EURO EQ PTNRS V	****	****	****	****	****	****	****
8.03	0.03	CYPRESS MERCH BK PTNRS II	****	****	****	****	****	****	****
0.01	0.00	DMR MORTGAGE OPP FD	****	****	****	****	****	****	****
3.96	0.02	ERASMUS NYC GROWTH FD A	****	****	****	****	****	****	****
13.99	0.06	FALCONHEAD CAPITAL PTNRS II	****	****	****	****	****	****	****
14.75	0.06	FDG CAPL PTNRS	****	****	****	****	****	****	****
10.04	0.04	FDG CAPL PTNRS II	****	****	****	****	****	****	****
11.16	0.05	FENWAY PTNRS CAPITAL III	****	****	****	****	****	****	****
9.59	0.04	FIRST MARK FUND IV	****	****	****	****	****	****	****
14.30	0.06	FIRST RESERVE FD XI	****	****	****	****	****	****	****
7.96	0.03	FIRST RESERVE FD XII	****	****	****	****	****	****	****
11.31	0.05	FOURTH CINVEN FD	****	****	****	****	****	****	****
14.50	0.06	FS EQUITY PTNRS V	****	****	****	****	****	****	****
7.99	0.03	FS EQUITY PTNRS VI	****	****	****	****	****	****	****
7.42	0.03	FST ATLANTIC EQUITY PTNRS IV	****	****	****	****	****	****	****
6.24	0.03	FT VENTURES FD III	****	****	****	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
15.30	0.06	GI PTNRS FD II	****	****	****	****	****	****	****
11.65	0.05	GI PTNRS FD III	****	****	****	****	****	****	****
8.51	0.03	GF CAPITAL	****	****	****	****	****	****	****
3.24	0.01	GLEACHER MEZZANINE FD II	****	****	****	****	****	****	****
3.05	0.01	GSC RECOVERY III	****	****	****	****	****	****	****
9.57	0.04	GSO CAPITAL OPP FD	****	****	****	****	****	****	****
3.98	0.02	HIGHLAND CONSUMER FD I	****	****	****	****	****	****	****
7.81	0.03	HM 2006 SECTOR PERFORM FD	****	****	****	****	****	****	****
14.93	0.06	INTERMEDIA PARTNERS VII	****	****	****	****	****	****	****
24.66	0.10	JP MORGAN INVST MGMT	****	****	****	****	****	****	****
8.33	0.03	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****
3.69	0.02	LANDMARK EQUITY PTNRS XIV	****	****	****	****	****	****	****
5.79	0.02	LANDMARK FD XIII	****	****	****	****	****	****	****
5.85	0.02	LEE EQUITY PARTNERS	****	****	****	****	****	****	****
14.07	0.06	LEVINE LEICHTMAN DEEP VALUE FUND	****	****	****	****	****	****	****
4.57	0.02	LEVINE LEICHTMAN DEEP VALUE FUND IV	****	****	****	****	****	****	****
6.72	0.03	LEXINGTON CAP PTNRS VII	****	****	****	****	****	****	****
3.32	0.01	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****
8.60	0.04	LINCOLNSHIRE EQ FD III	****	****	****	****	****	****	****
0.82	0.00	LINCOLNSHIRE EQ FD IV	****	****	****	****	****	****	****
17.50	0.07	LODH EURO CHOICE II	****	****	****	****	****	****	****
2.67	0.01	LODH EURO IV	****	****	****	****	****	****	****
14.62	0.06	LOMBARD ODIER DH III	****	****	****	****	****	****	****
5.99	0.02	MARKSTONE CAPITAL PTNRS	****	****	****	****	****	****	****
5.86	0.02	MEDICA MGMT III LP	****	****	****	****	****	****	****
16.64	0.07	MIDOCEAN PARTNERS III	****	****	****	****	****	****	****
12.42	0.05	MILESTONE PTNRS III	****	****	****	****	****	****	****
6.08	0.03	MONTREUX EQ PTNRS IV	****	****	****	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
39.42	0.16	NEUBERGER BERMAN CO-INV PART	****	****	****	****	****	****	****
5.37	0.02	NEUBERGER BERMAN EMG MGR	****	****	****	****	****	****	****
4.02	0.02	NEW MOUNTAIN PTNRS	****	****	****	****	****	****	****
6.12	0.03	NEW MOUNTAIN PTNRS II	****	****	****	****	****	****	****
14.23	0.06	NEW MOUNTAIN PTNRS III	****	****	****	****	****	****	****
10.51	0.04	NEWSPRING VENTURE II	****	****	****	****	****	****	****
5.02	0.02	NGN BIOMED OPPORTUNITY II	****	****	****	****	****	****	****
5.58	0.02	OLYMPUS CAPITAL ASIA III	****	****	****	****	****	****	****
3.44	0.01	ONEX PTNRS III	****	****	****	****	****	****	****
13.53	0.06	PALADIN HOMELAND SECURITY	****	****	****	****	****	****	****
13.07	0.05	PALADIN HOMELAND SECURITY III	****	****	****	****	****	****	****
21.79	0.09	PALLADIUM EQ PTNRS III	****	****	****	****	****	****	****
20.45	0.08	PCGAM CLEAN ENERGY & TECH FD	****	****	****	****	****	****	****
36.46	0.15	PEGASUS PTNRS IV	****	****	****	****	****	****	****
11.35	0.05	PERMIRA FUND IV	****	****	****	****	****	****	****
14.07	0.06	PERSEUS PTNRS VII	****	****	****	****	****	****	****
4.96	0.02	PINE BROOK CAPITAL PTNRS	****	****	****	****	****	****	****
9.19	0.04	PRISM VENTURE PTNRS IV	****	****	****	****	****	****	****
10.24	0.04	PRISM VENTURE PTNRS V	****	****	****	****	****	****	****
8.59	0.04	PSILOS GROUP PTNRS III	****	****	****	****	****	****	****
17.42	0.07	QUADRANGLE CAP PTNRS II	****	****	****	****	****	****	****
6.48	0.03	QUAKER BIOVENTURES II	****	****	****	****	****	****	****
2.59	0.01	RELATIVITY FD	****	****	****	****	****	****	****
10.79	0.04	RIVERSTONE/CARLYLE GLOBAL EP IV	****	****	****	****	****	****	****
14.15	0.06	RRE VENTURES IV	****	****	****	****	****	****	****
5.49	0.02	SCALE VENTURE PTNRS III	****	****	****	****	****	****	****
14.76	0.06	SCP PRIV EQ PTNRS II	****	****	****	****	****	****	****
5.16	0.02	SCP VITALIFE PTNRS II	****	****	****	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
9.87	0.04	SILVER LAKE PTNRS II	****	****	****	****	****	****	****
12.81	0.05	SILVER LAKE PTNRS III	****	****	****	****	****	****	****
9.94	0.04	SNOW PHIPPS GROUP	****	****	****	****	****	****	****
2.13	0.01	SNOW PHIPPS II	****	****	****	****	****	****	****
12.51	0.05	SOLERA PTNRS	****	****	****	****	****	****	****
12.06	0.05	TAILWIND CAPITAL PTNRS	****	****	****	****	****	****	****
4.46	0.02	TERRA FIRMA CAP III	****	****	****	****	****	****	****
4.48	0.02	THOMAS MCNERNEY PTNRS II	****	****	****	****	****	****	****
3.33	0.01	TRIDENT V	****	****	****	****	****	****	****
9.12	0.04	TRILANTIC CAPITAL PTNRS III	****	****	****	****	****	****	****
30.14	0.12	TRILANTIC CAPITAL PTNRS IV	****	****	****	****	****	****	****
18.50	0.08	US POWER FUND II	****	****	****	****	****	****	****
9.71	0.04	US POWER FUND III	****	****	****	****	****	****	****
16.89	0.07	VISTA EQUITY PTNRS III	****	****	****	****	****	****	****
7.59	0.03	VITRUVIAN PTNRS	****	****	****	****	****	****	****
5.82	0.02	VS&A COMM PTNRS III	****	****	****	****	****	****	****
7.69	0.03	VSS COMM PTNRS IV	****	****	****	****	****	****	****
7.42	0.03	WELSH CARSON ANDERSON & STOWE XI	****	****	****	****	****	****	****
13.44	0.06	YUCAIPA AMERICAN ALLIANCE FD	****	****	****	****	****	****	****
38.67	0.16	YUCAIPA AMERICAN ALLIANCE FD II	****	****	****	****	****	****	****
3.05	0.01	YUCAIPA CORP INITIATIVE II	****	****	****	****	****	****	****
1,597.18	6.57	TOTAL PRIVATE EQUITY	****	****	****	****	****	****	****
		PRIVATE REAL ESTATE							
18.66	0.08	AG REALTY FUND VII	****	****	****	****	****	****	****
5.83	0.02	AMB ALLIANCE FD III	****	****	****	****	****	****	****
5.32	0.02	AMER VALUE PTNRS	****	****	****	****	****	****	****
17.88	0.07	APOLLO EUROPE III	****	****	****	****	****	****	****
1.99	0.01	APOLLO REAL ESTATE FD V	****	****	****	****	****	****	****
8.36	0.03	ARA ASIA DRAGON FD	****	****	****	****	****	****	****
9.34	0.04	BLACKROCK CARBON III	****	****	****	****	****	****	****
2.78	0.01	BLACKSTONE REAL ESTATE PTNRS EU III	****	****	****	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
8.47	0.03	BLACKSTONE REAL ESTATE PTNRS IV	****	****	****	****	****	****	****
34.13	0.14	BLACKSTONE REAL ESTATE PTNRS VI	****	****	****	****	****	****	****
0.36	0.00	CANYON-JOHNSON URBAN FD	****	****	****	****	****	****	****
10.96	0.05	CANYON-JOHNSON URBAN FD II	****	****	****	****	****	****	****
2.56	0.01	CANYON-JOHNSON URBAN FD III	****	****	****	****	****	****	****
17.35	0.07	CARLYLE R.P. FD V	****	****	****	****	****	****	****
8.64	0.04	COLONY INVESTORS VIII	****	****	****	****	****	****	****
9.83	0.04	COLONY REALTY PTNRS II	****	****	****	****	****	****	****
4.82	0.02	FIDELITY RE GTH FD III	****	****	****	****	****	****	****
26.66	0.11	HEITMAN AMERICA	****	****	****	****	****	****	****
2.01	0.01	H/2 SPEC OPPORTUNITY FD II	****	****	****	****	****	****	****
44.90	0.18	JPM STRATEGIC PROP FUND	****	****	****	****	****	****	****
9.42	0.04	JPM SPECIAL SIT FUND	****	****	****	****	****	****	****
9.44	0.04	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
1.15	0.00	METRO WORKFORCE HOUSING FD	****	****	****	****	****	****	****
9.34	0.04	OCM REAL ESTATE OPPORTUNITIES FD III	****	****	****	****	****	****	****
16.71	0.07	PRUDENTIAL PRISA	****	****	****	****	****	****	****
43.18	0.18	PRUDENTIAL PRISA II	****	****	****	****	****	****	****
27.36	0.11	PRUDENTIAL PRISA III	****	****	****	****	****	****	****
17.90	0.07	RREEF AMER. II	****	****	****	****	****	****	****
3.31	0.01	RREEF AMER. III	****	****	****	****	****	****	****
6.41	0.03	SILVERPEAK RE PTNRS III	****	****	****	****	****	****	****
8.15	0.03	STOCKBRIDGE RE FD III	****	****	****	****	****	****	****
27.79	0.11	THE CITY INVESTMENT FD	****	****	****	****	****	****	****
4.93	0.02	THOR URBAN PROPERTY FD II	****	****	****	****	****	****	****
21.03	0.09	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
13.49	0.06	WALTON ST RE FD VI	****	****	****	****	****	****	****
7.23	0.03	WESTBROOK RE FD VII	****	****	****	****	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
9.29	0.04	WESTBROOK RE FD VIII	****	****	****	****	****	****	****
476.96	1.96	TOTAL PRIVATE REAL ESTATE	****	****	****	****	****	****	****
17,028.69	70.02	TOTAL EQUITY - PUBLIC & PRIVATE	6.17	6.17	17.88	1.93	3.35	****	****
		FIXED INCOME MANAGEMENT							
		TREASURY/AGENCY							
150.64	0.62	BLACKROCK - GOVT	-0.21	-0.21	7.31	****	****	****	****
145.71	0.60	FISCHER FRANCIS - GOVT	-0.29	-0.29	7.19	4.97	6.99	6.59	7.32
306.49	1.26	PIMCO - GOVT	-0.12	-0.12	7.83	5.24	7.20	6.76	****
152.03	0.63	STATE STREET - GOVT	-0.27	-0.27	7.08	****	****	****	****
754.87	3.10	ALL TREASURY/AGENCY	-0.20	-0.20	7.45	5.01	7.01	6.57	7.26
		NYC - TREASURY AGENCY PLUS FIVE	-0.36	-0.36	7.34	4.53	6.73	6.33	7.06
		MORTGAGE							
720.25	2.96	BLACKROCK - MORT	0.70	0.70	6.73	6.72	6.74	5.99	****
158.10	0.65	GOLDMAN SACHS - MORT	-0.03	-0.03	4.31	****	****	****	****
391.77	1.61	NEUBERGER BERMAN -MORT	0.90	0.90	5.67	****	****	****	****
716.54	2.95	PIMCO - MORT	0.92	0.92	6.25	6.61	7.01	6.31	6.92
158.84	0.65	WELLINGTON - MORT	0.60	0.60	4.79	****	****	****	****
2,145.50	8.82	ALL MORTGAGE	0.75	0.75	6.05	6.24	6.53	5.93	6.56
		CITIGROUP MORTGAGE INDEX	0.61	0.61	4.53	5.93	6.53	5.71	6.33
		INVESTMENT GRADE CREDIT							
411.18	1.69	BLACKROCK - CREDIT	0.90	0.90	7.48	6.86	6.42	6.42	****
382.07	1.57	PRUDENTIAL - CREDIT	0.76	0.76	7.17	****	****	****	****
112.30	0.46	PYRAMIS - CREDIT	1.18	1.18	7.78	****	****	****	****
113.70	0.47	TAPLIN,CANADA - CREDIT	1.62	1.62	8.26	7.76	5.57	****	****

Consolidated Performance Report

Through March 31, 2011

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527.75	2.17	T. ROWE PRICE	1.32	1.32	8.53	8.25	7.24	6.39	6.79
1,547.00	6.36	ALL INVESTMENT GRADE CREDIT	1.08	1.08	7.84	7.62	6.73	5.99	6.53
		NYC - INVESTMENT GRADE CREDIT	0.81	0.81	6.89	6.73	6.14	6.09	6.47
4,447.36	18.29	TOTAL STRUCTURED	0.70	0.70	6.90	6.57	6.83	6.20	6.80
		NYC - CORE PLUS FIVE	0.47	0.47	5.80	6.01	6.59	6.05	6.62
		GLOBAL FIXED INCOME							
28.28	0.12	LM CAPITAL-MTA	1.08	1.08	5.98	****	****	****	****
28.28	0.12	TOTAL GLOBAL FIXED INCOME	1.08	1.08	5.98	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	0.42	0.42	5.12	****	****	****	****
		TIPS MANAGERS							
		ACTIVE TIPS MANAGERS							
113.38	0.47	BLACKROCK-TIPS-MTA	2.09	2.09	7.97	4.34	6.56	****	****
283.39	1.17	PIMCO-TIPS-MTA	1.72	1.72	7.72	4.00	6.35	****	****
396.77	1.63	TOTAL ACTIVE TIPS MANAGERS	1.82	1.82	7.79	4.10	6.41	****	****
		PASSIVE TIPS MANAGERS							
170.63	0.70	STATE STREET-TIPS-MTA	2.05	2.05	8.06	3.89	6.26	****	****
170.63	0.70	TOTAL PASSIVE TIPS MANAGERS	2.05	2.05	8.06	3.89	6.26	****	****
567.40	2.33	TOTAL TIPS MANAGERS	1.89	1.89	7.87	4.04	6.37	****	****
		BARCLAYS US TIPS (INFLATION NOTES)	2.08	2.08	7.97	3.95	6.26	****	****

Consolidated Performance Report

Through March 31, 2011

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ENHANCED YIELD									
140.16	0.58	LOOMIS SAYLES	6.43	6.43	18.19	14.59	10.09	9.53	8.56
		NYC-LOOMIS (BOFA-MST II 7-03/BB&B PRIOR)	3.90	3.90	14.18	12.70	9.03	8.43	7.63
159.80	0.66	MACKAY SHIELDS	3.41	3.41	13.40	11.18	8.96	****	****
		MERRILL LYNCH HY MASTER II	3.90	3.90	14.18	12.70	9.03	****	****
149.18	0.61	SEIX	4.22	4.22	14.77	10.61	7.98	****	****
116.15	0.48	SHENKMAN	3.23	3.23	11.90	9.91	7.73	****	****
121.23	0.50	T. ROWE PRICE	3.88	3.88	14.27	11.82	8.78	****	****
686.53	2.82	ALL ENHANCED YIELD	4.26	4.26	14.57	11.65	8.75	8.01	7.56
		CITIGROUP BB & B	3.80	3.80	13.72	8.19	6.46	6.96	6.66
		CITIGROUP BB & B CAPPED	3.77	3.77	13.48	8.98	6.95	****	****
		ENHANCED YIELD MEDIAN	3.88	3.88	14.27	10.88	8.39	10.15	****
CONVERTIBLE BONDS									
88.54	0.36	ADVENT CONVERTIBLE BONDS	4.33	4.33	14.55	****	****	****	****
		BofA ML CONVERTIBLES YIELD ALT. INDEX	4.19	4.19	12.42	****	****	****	****
83.34	0.34	LORD ABBETT CONVERTIBLE BONDS	5.59	5.59	18.39	****	****	****	****
		BofA ML ALL CONVERTIBLES INDEX	5.07	5.07	16.15	****	****	****	****
77.50	0.32	VICTORY CONVERTIBLE BONDS	4.68	4.68	13.27	****	****	****	****
		BofA ML CONVERTIBLE BONDS INVST GRADE	4.28	4.28	10.27	****	****	****	****
249.38	1.03	TOTAL CONVERTIBLE BONDS	4.86	4.86	15.40	****	****	****	****
		ML ALL CONVERTIBLES EX MANDATORY	5.66	5.66	16.92	****	****	****	****
OPPORTUNISTIC FIXED									
25.17	0.10	AVE EURO SPECIAL SITUATIONS FD	8.06	8.06	17.36	****	****	****	****
7.12	0.03	AVE SPECIAL SITUATIONS FD V	34.05	34.05	48.99	12.53	****	****	****

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
102.14	0.42	PIMCO-DISCO	3.94	3.94	25.30	****	****	****	****
32.79	0.13	TORCHLIGHT INVESTORS	2.71	2.71	10.09	****	****	****	****
		3 MONTH LIBOR PLUS 750BPS	1.90	1.90	7.86	****	****	****	****
167.22	0.69	TOTAL DISTRESSED FIXED	5.49	5.49	22.32	13.60	****	****	****
35.26	0.15	AG GECC LP	14.16	14.16	57.11	****	****	****	****
31.07	0.13	ALLIANCE BERNSTEIN LEGACY SECS LP	7.41	7.41	32.53	****	****	****	****
66.33	0.27	TOTAL PPIP	10.87	10.87	43.95	****	****	****	****
233.55	0.96	TOTAL OPPORTUNISTIC FIXED	6.95	6.95	27.74	15.19	****	****	****
		NYC CORE PLUS 5 + 200BPS	0.96	0.96	7.80	8.02	****	****	****
		ETI							
23.80	0.10	ACCESS/RBC	0.21	0.21	3.50	6.82	****	****	****
104.19	0.43	AFL-CIO HOUSING INV TRUST	0.79	0.79	4.81	5.56	6.06	****	****
0.80	0.00	BOA-PPAR	****	****	****	****	****	****	****
0.99	0.00	CCB-PPAR	1.07	1.07	11.79	8.93	****	****	****
1.27	0.01	CCD-PPAR	1.56	1.56	10.64	10.30	****	****	****
0.60	0.00	NHS-PPAR	1.67	1.67	7.53	10.05	****	****	****
0.98	0.00	LIIF-PPAR	1.10	1.10	3.30	****	****	****	****
0.22	0.00	NCBCI-PPAR	2.21	2.21	4.82	****	****	****	****
90.11	0.37	TARGETED INVESTMENT	1.27	1.27	7.54	8.62	8.38	7.89	7.77
13.45	0.06	ETI CPC REVOLVING	0.52	0.52	2.11	2.72	****	****	****
236.40	0.97	TOTAL ETI (WITH CASH)	0.92	0.92	5.73	6.85	7.04	6.85	7.07
		POLICE CUSTOM BENCHMARK (NO CASH)	0.58	0.58	5.30	5.63	6.36	5.88	6.58
		BARCLAYS U.S. AGGREGATE BOND INDEX	0.42	0.42	5.12	5.30	6.02	5.57	6.20

Note: All ETI Returns are shown Net of Fees

Consolidated Performance Report

Through March 31, 2011

Assets (\$MM)	% Total		3 Mos Jan-11 Mar-11	YTD Jan-11 Mar-11	1 Yr Apr-10 Mar-11	3 Yrs Apr-08 Mar-11	5 Yrs Apr-06 Mar-11	10 Yrs Apr-01 Mar-11	15 Yrs Apr-96 Mar-11
818.37	3.37	SHORT TERM INVESTMENTS	0.08	0.08	0.53	1.54	3.08	2.84	3.89
7,267.26	29.88	TOTAL FIXED INCOME	1.55	1.55	8.41	7.05	7.05	6.38	6.79
12.72	0.05	SECURITIES LENDING	****	****	****	****	****	****	****
9.41	0.04	BNY - CD	****	****	****	****	****	****	****
24,318.08	100.00	TOTAL POLICE PENSION FUND	4.82	4.82	15.06	3.84	4.71	5.95	7.49
		POLICE POLICY BENCHMARK	4.25	4.25	14.05	4.12	4.80	5.84	7.20

Actual and Estimated Fees

NEW YORK CITY POLICE PENSION FUND SUBCHAPTER 2				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2009 AND ESTIMATED FEES FOR FY 2010 UPDATED THROUGH DECEMBER 2009				
	Actual			Estimated
	2009			2010
INVESTMENT STYLE (EQUITIES)	BASIS POINTS			BASIS POINTS
Small Cap	47.89			66.81
Small Cap Core	55.64			64.04
Small Cap Value	22.58			64.86
Small Cap Growth	51.94			100.00
Small Cap Fundamental	24.76			30.19
Small/Mid Cap Growth	37.17			45.00
Mid Cap	23.03			35.21
Mid Cap Core	29.02			24.24
Mid Cap Value	19.85			55.52
Large Cap	22.15			28.87
Large Cap Growth	23.44			29.77
Large Cap Value	24.92			31.46
Large Cap Core	-			26.73
Large Cap Fundamental	13.50			16.53
Emerging Managers (U.S. Equities)	68.97			70.94
Emerging Managers (Fixed)	-			40.00
Passive Equities	0.14			0.17
Activist	93.41			76.65
Environmental	32.11			52.26
Fixed Income	-			85.02
Int'l Active Equities (EAFE)	27.68			30.78
Int'l Passive Equities (EAFE)	1.15			1.14
Emerging Markets	45.13			59.21

Actual and Estimated Fees

NEW YORK CITY POLICE PENSION FUND SUBCHAPTER 2				
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2009 AND ESTIMATED FEES FOR FY 2010 UPDATED THROUGH DECEMBER 2009				
	Actual			Estimated
	2009			2010
INVESTMENT STYLE (Fixed Income)	BASIS POINTS			BASIS POINTS
Core +5 Fixed Income	5.40			-
Government Sector	4.84			-
Mortgage Sector	5.12			-
Corporate Sector	5.79			-
Yankee Sector	7.31			-
Investment Grade – Fixed Income	-			8.89
Government Sector	-			8.46
Mortgage Sector	-			7.42
Credit Sector	-			11.18
TIPS	6.77			6.52
Active TIPS	9.52			9.11
Passive TIPS	0.47			0.50
Enhanced Yield	30.66			32.59
Convertible Bonds	41.58			40.43
Global Fixed Income	-			23.04
ETI - AFL-CIO	40.00			40.00
ETI - Access / RBC	38.00			39.01
In-House Short Term	0.00			0.00
Total Overall*	13.74			18.44
*Only Public Markets fees are calculated in the overall total				

Securities Lending Income

Through March 31, 2011

	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>EQUITY</u>
1989*	\$254,000	--	--
1990	288,000	--	--
1991	464,000	--	--
1992	996,000	\$138,000	\$126,000
1993	1,852,000	434,000	203,000
1994	1,846,000	815,000	317,000
1995	1,465,000	888,000	224,000
1996	1,465,000	1,051,000	379,000
1997	1,632,000	1,793,000	599,000
1998	2,770,000	2,517,000	1,006,000
1999	2,681,000	2,713,000	1,184,000
2000	2,697,000	2,899,000	1,520,000
2001	3,947,000	3,595,000	1,980,000
2002	2,646,000	3,401,000	1,725,000
2003	1,238,000	2,257,000	1,859,000
2004	1,515,000	2,306,000	2,097,000
2005	2,333,000	3,172,000	2,503,000
2006	2,104,000	5,043,000	2,243,000
2007	4,582,000	8,425,000	2,727,000
2008	13,856,000	16,383,000	3,872,000
2009	5,163,000	9,110,000	2,695,000
2010	2,405,000	5,813,000	1,979,000
2011 (3 Months)	637,000	1,957,000	409,000
Since Inception (4/89)	<u>\$58,836,000</u>	<u>\$74,710,000</u>	<u>\$29,647,000</u>

Footnotes

Through March 31, 2011

- 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 7/1/03, the “NYC-Loomis” benchmark index for the Loomis Sayles Enhanced Yield portfolio reflects a change from the Citigroup BB&B Index to the more appropriate Merrill Lynch High Yield Master II Index.
- 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.

Glossary of Terms

Through March 31, 2011

General Notes

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

Page Specific

Page 21 - Portfolio asset Allocation

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

Glossary of Terms

Through March 31, 2011

Page 22 - 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.
- **Management 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.
- **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, of 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 * 41.89%*
*International Developed (EAFE) Markets: MSCI EAFE * 16.00%*
*International Emerging Markets: MSCI Emerging Markets * 4%*
*Private Equity: Russell 3000 + 500 b.p. per annum * 6.32%*
*Private Real Estate: NCREIF Property Index +100 b.p. per annum *1.79%*
*Domestic Fixed Income: NYC Core +5 * 21.08%*
*TIPS: Lehman U.S. TIPS * 3%*
*Enhanced Yield: Citigroup BB&B * 4%*
*Convertible Bonds: Merrill All US Converts * 1%*
*Opportunistic Fixed: NYC Core + 5 plus 200 b.p. * 0.92%*

Glossary of Terms

Through March 31, 2011

Page 25 - Management Effect - Asset Class Breakdown

- This chart aims to break down the Management Effect 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 31 - Domestic Equity Asset Allocation

- **Value Added By Sectors:** This disaggregates out-performance or under-performance by Asset Allocation and Management Effect.
- **Implied Policy** = Retirement's System Asset Allocation.
- **Implied Return** = Benchmark Return
- **Allocation** = 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 rests in a positive Allocation Effect and vice versa.*
- **Management** = Contribution to Performance from security selection versus the Benchmark, e.g., *If the managers Actual Returns are higher than the Implied Return there will be a positive Management Effect.*

Page 44 – Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 50 – ETI Returns vs Custom Index and Barclays Capital U.S. Aggregate

- 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
- GNMA: Citigroup 15 yr. GNMA
- PPAR: Citigroup GNMA + 65 bps per annum
- Access/Voyageur: 60% Merrill Lynch 30 yr Mortgage Index and 40% Merrill Lynch US Treasury 1-10yr Index
- CPC Revolving: 30 Day Libor + 180 bps per annum