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JOHN C. LIU  
COMPTROLLER

## MEMORANDUM

TO: Trustees  
New York City Police Pension Fund

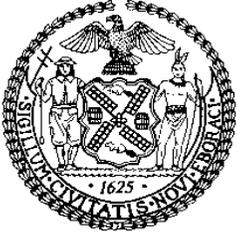
FROM: Larry Schloss

DATE: October 26, 2012

RE: New York City Police Pension Fund Investment Meeting –  
November 2, 2012

Enclosed is a copy of the **public agenda** for the Friday, November 2, 2012 Investment Meeting. This meeting will be held at the Police Pension Fund, 233 Broadway – 25<sup>th</sup> Floor; beginning at 10:00am.

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



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

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John C. Liu  
COMPTROLLER

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

### **INVESTMENT MEETING**

**NOVEMBER 2, 2012**

INVESTMENT MEETING

NOVEMBER 2, 2012

PUBLIC AGENDA

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I. September Monthly Performance Review: (30 Minutes)	4
II. Private Equity IPS: (30 Minutes)	67

APPENDICES:

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# PUBLIC AGENDA

I. September Monthly Performance Review:



# *Monthly Performance Review*

## *September 2012*

*Prepared for the New York City  
Police Pension Fund*

*11.2.2012*

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# **ECONOMIC INDICATORS**

*as of October 2012*

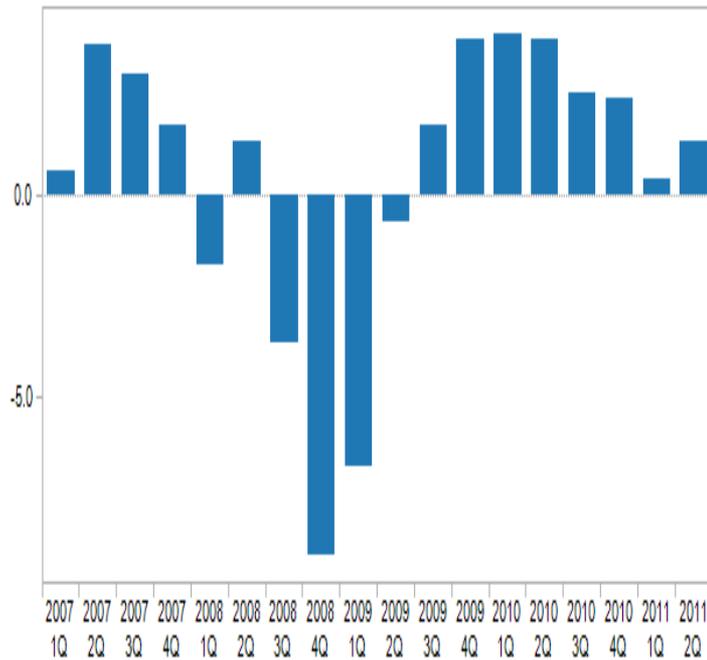


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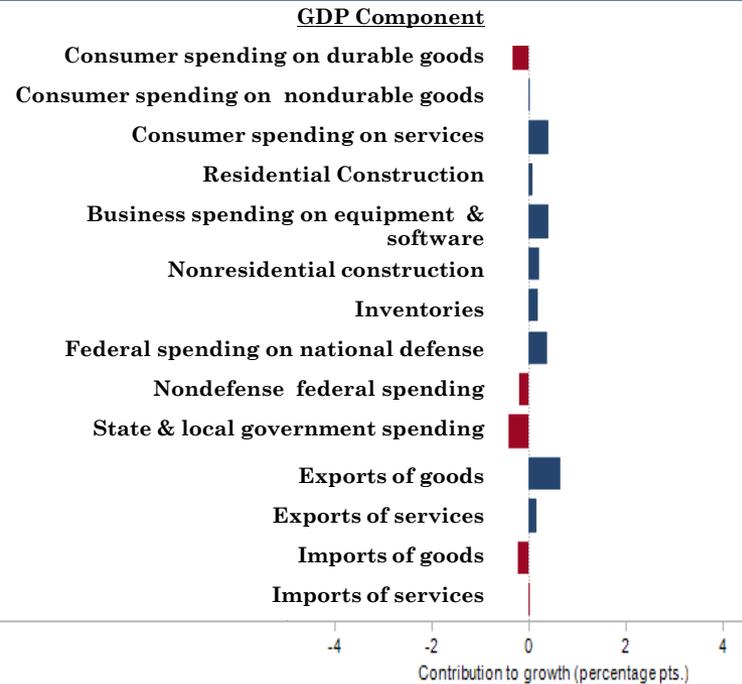
# COMPONENTS OF GDP

2

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



**COMPONENTS WHICH CONTRIBUTED TO GDP GROWTH**

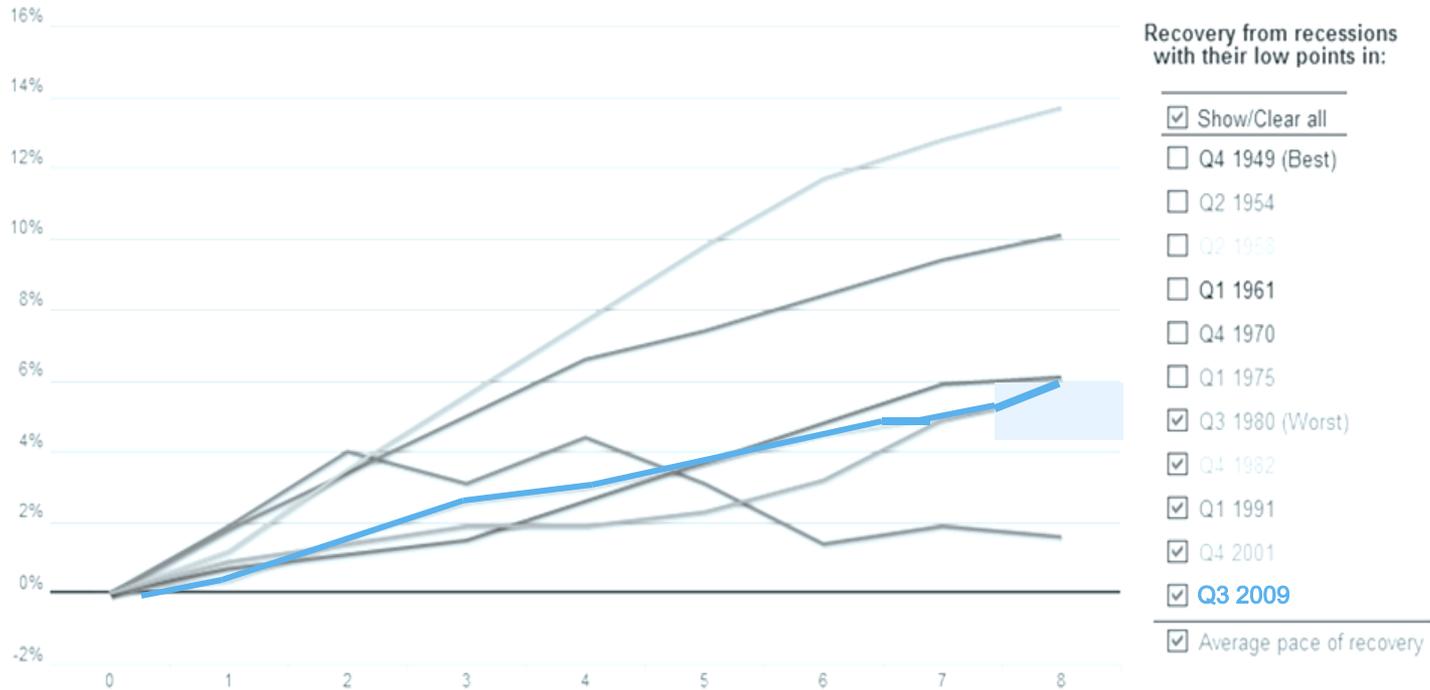


◦ **NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS RELEVANT TO FUND PERFORMANCE AND STRATEGIC PLANNING AND ARE NOT INTENDED AS THE EXCLUSIVE INDICATORS.**

# US GROSS DOMESTIC PRODUCT (INFLATION ADJUSTED)

3

US GROSS DOMESTIC PRODUCT, INFLATION ADJUSTED QUARTERLY



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

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

# CAPACITY UTILIZATION

4



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# ISM MANUFACTURING INDEX

5

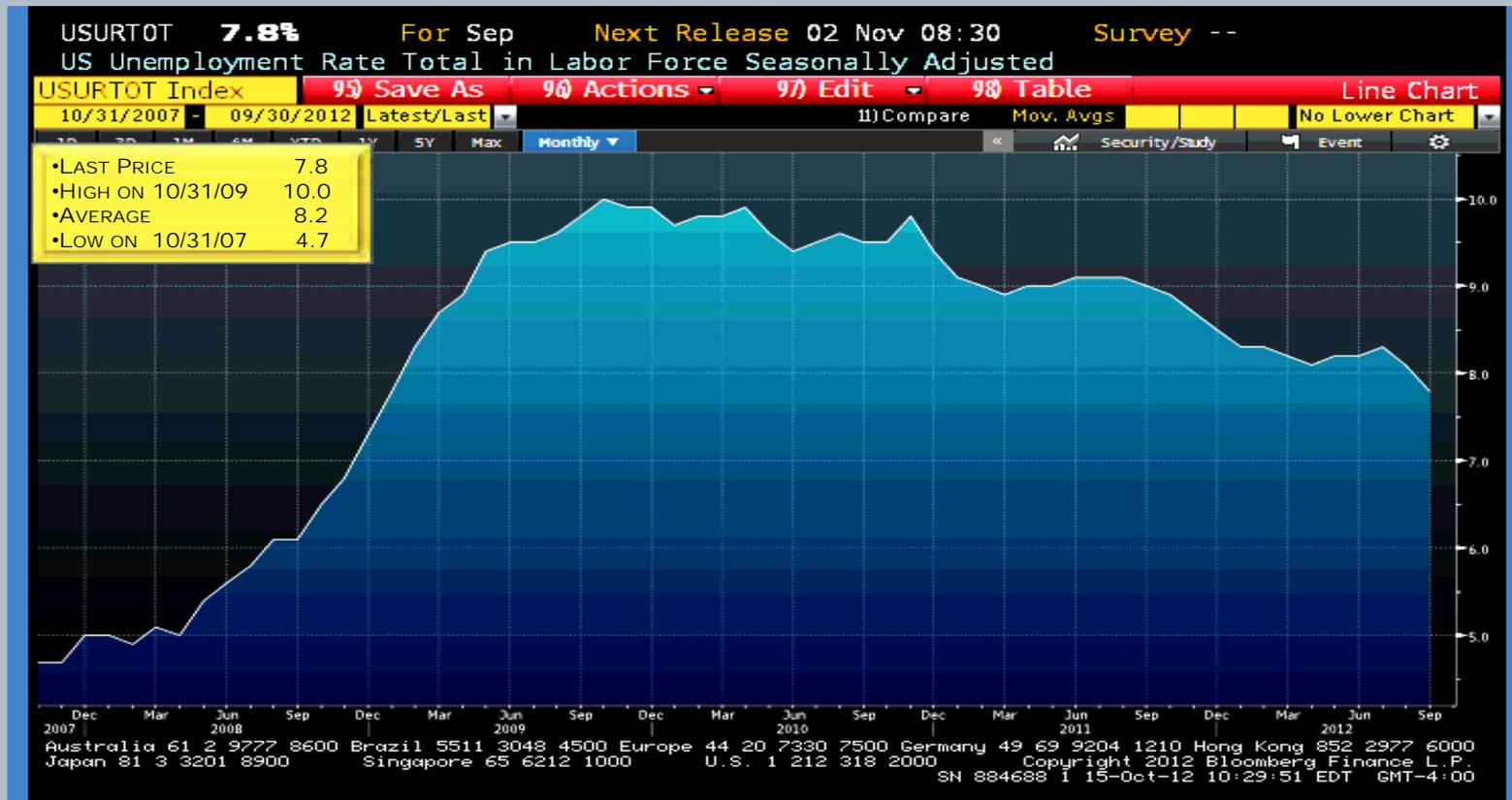


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# UNEMPLOYMENT RATE

7

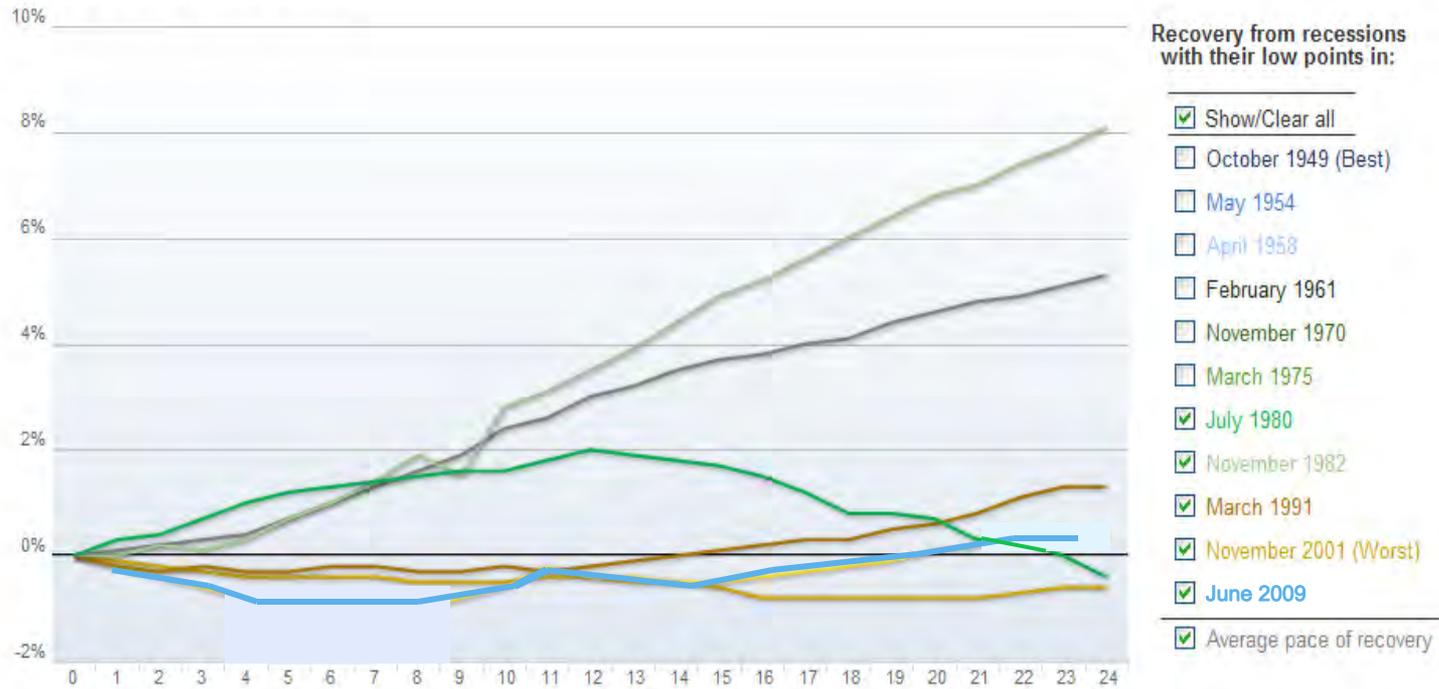


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# US JOBS (NON-AGRICULTURAL PAYROLLS)

8

U.S. non-agricultural payrolls, monthly



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

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# CONSUMER SENTIMENT

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# ARCHITECTURAL BILLINGS INDEX

10

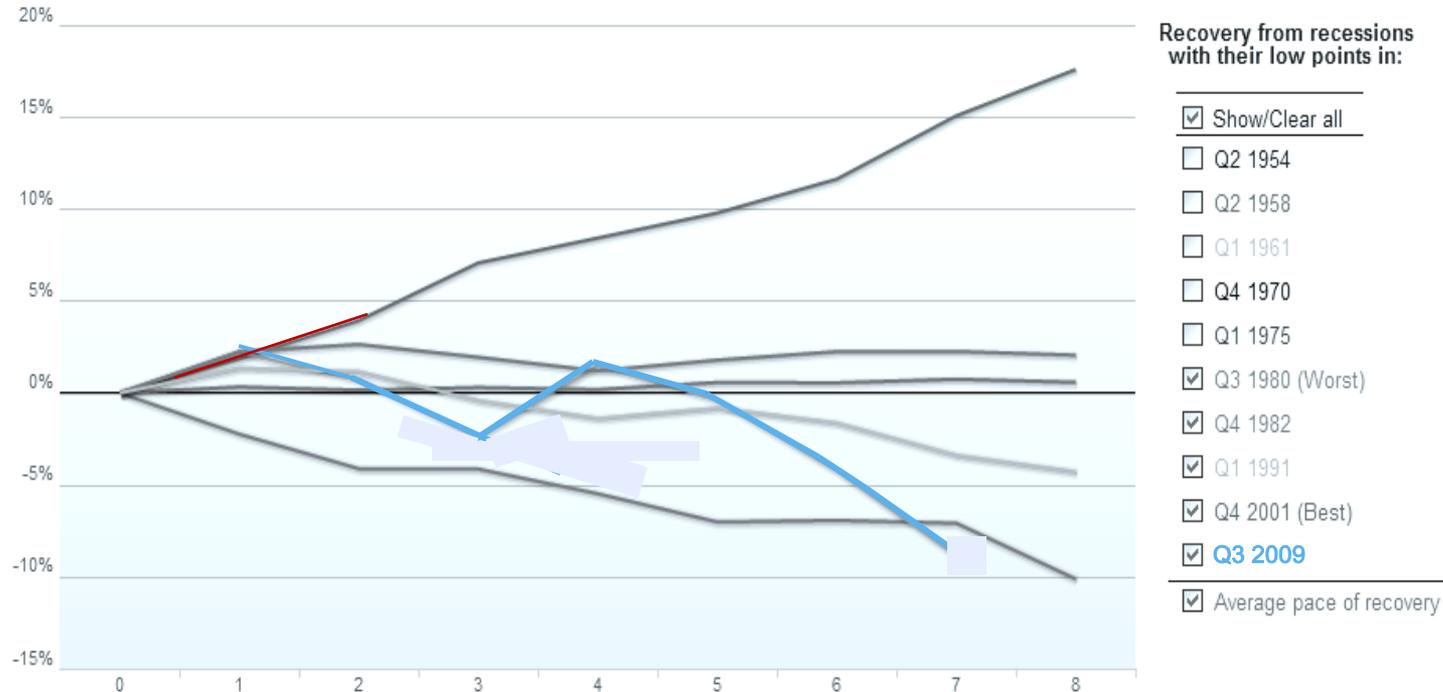


- A SCORE ABOVE 50 INDICATES AN INCREASE IN BILLINGS WHILE A READING BELOW 50 INDICATES A NEGATIVE OUTLOOK
- THIS INDEX IS CONSIDERED A LEADING INDICATOR FOR COMMERCIAL BUILDING CONSTRUCTION WITH A 6-9 MONTH LAG
- NOTE: THE MARKET INDICATORS CONTAINED IN THE BOARD MATERIALS ARE A SUBSET OF INDICATORS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

# US HOUSE PRICES (INFLATION ADJUSTED)

11

U.S. house prices, inflation adjusted, quarterly



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

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- **QUARTERLY REAL HOME PRICES DATA BEGAN IN 1953. RECOVERY DATA BEFORE 1953 ARE NOT INCLUDED IN RANKINGS OR AVERAGES**

# EXISTING HOME SALES

12



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

# NEW HOUSING STARTS

13



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# RETAIL SALES

14



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# US AUTO SALES

15



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# INDEX OF LEADING ECONOMIC INDICATORS

16



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

# INFLATION- CPI

17



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# MARKET INDICATORS

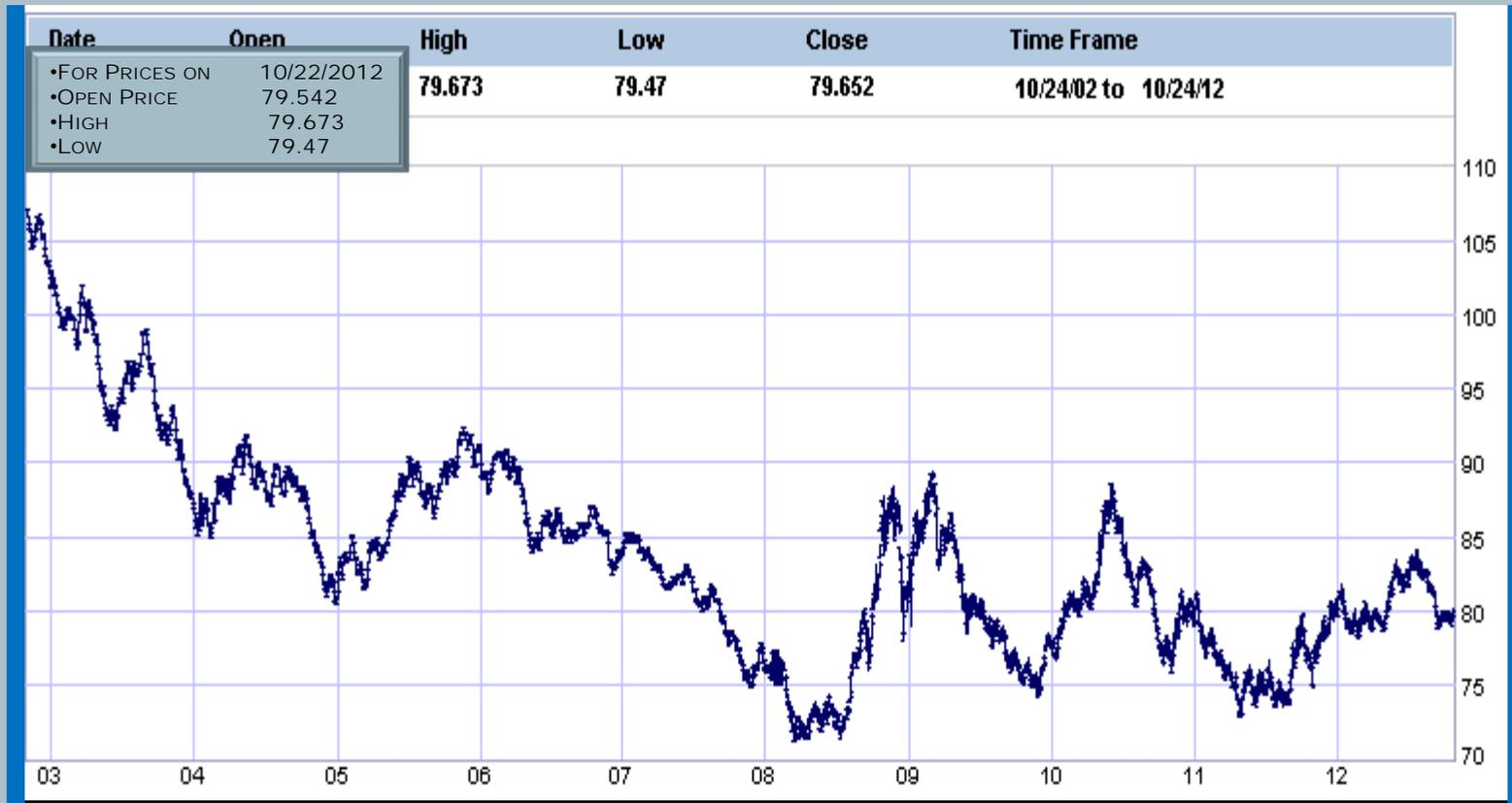
*as of October 2012*



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# TRADE WEIGHTED US DOLLAR INDEX

19



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# USD/EUR EXCHANGE RATE

20



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# 3-MONTH LIBOR RATES

21



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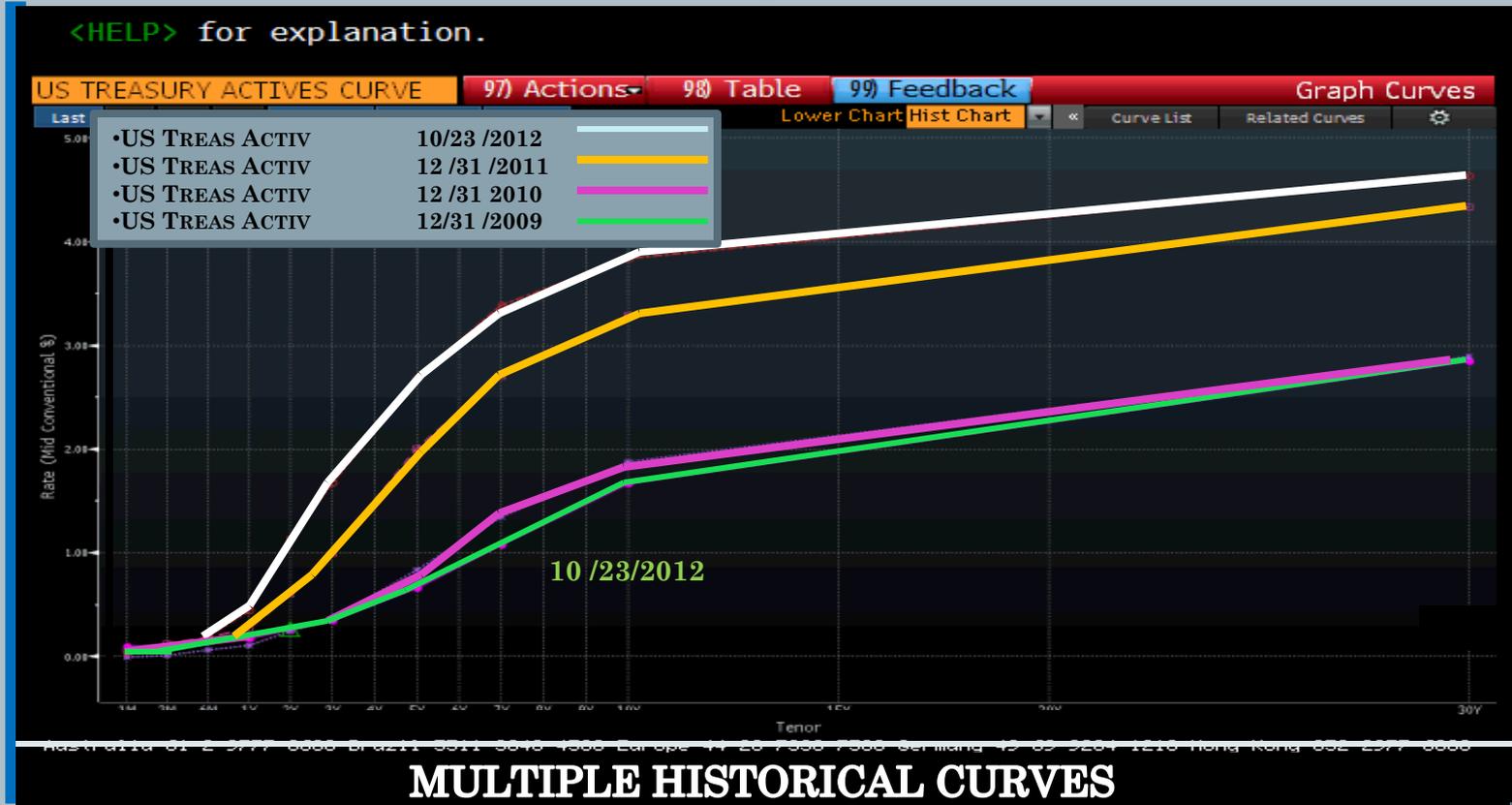
# VOLATILITY INDEX (THE "VIX")

22



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# US TREASURY YIELD CURVES



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# 10 YEAR TREASURY RATES

24

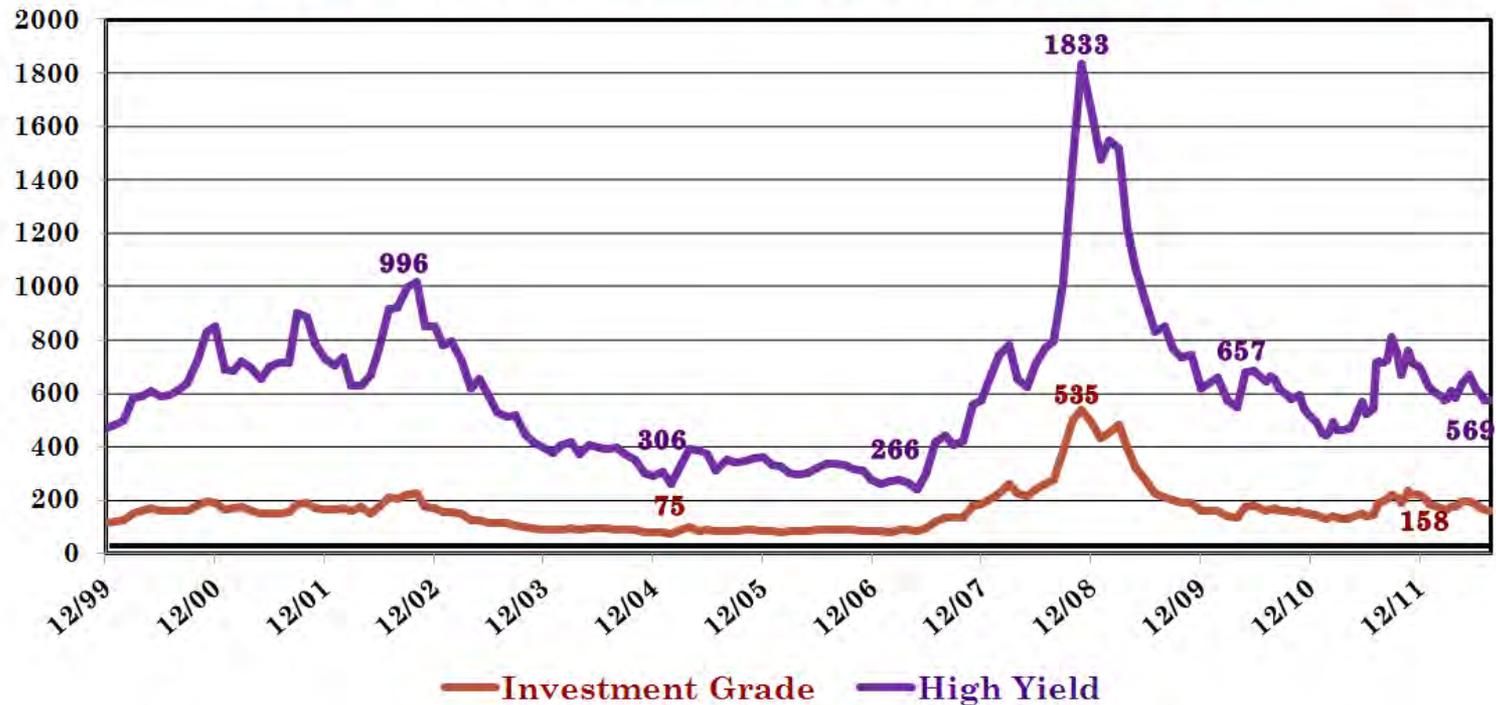


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# INVESTMENT GRADE AND HY SPREADS

25

## INVESTMENT GRADE VS. HIGH YIELD SPREADS



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# CORPORATE EARNINGS

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

26

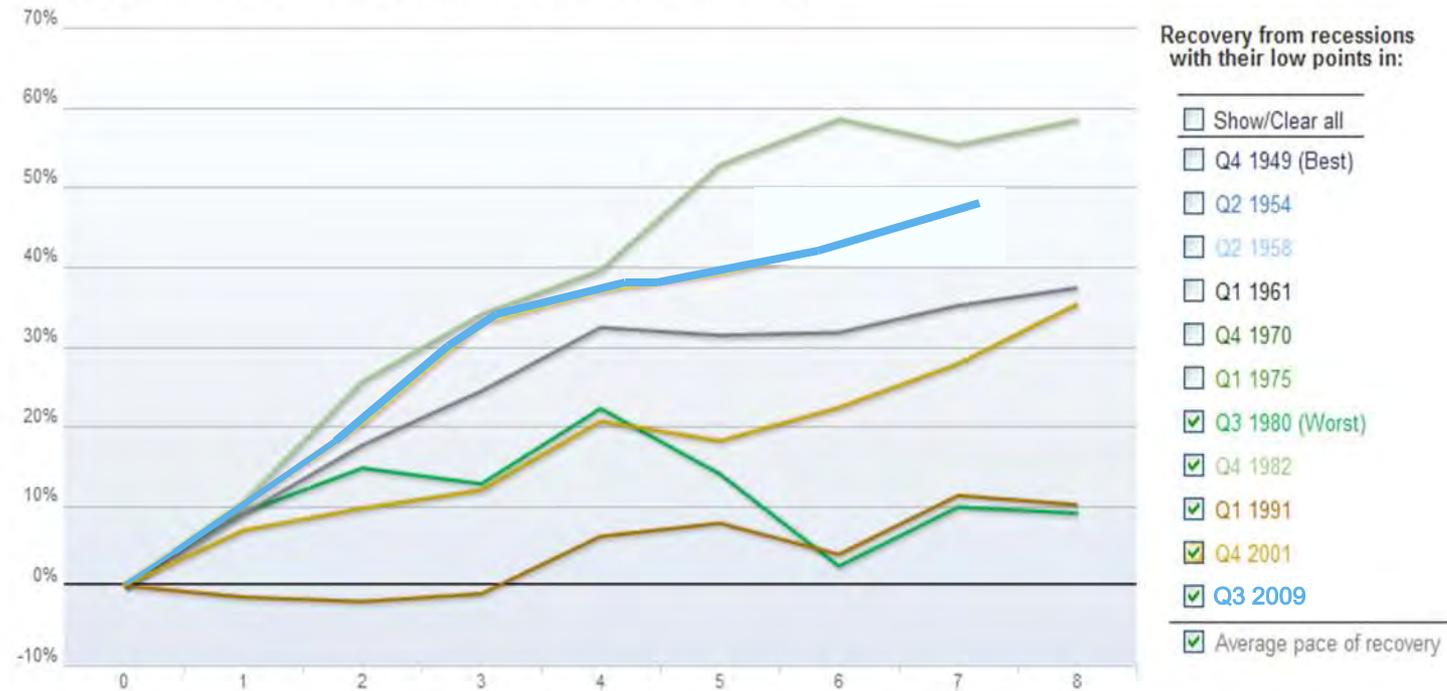


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# CORPORATE PROFITS

27

Corporate profits with inventory valuation and capital consumption adjustments, quarterly



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

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# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

28

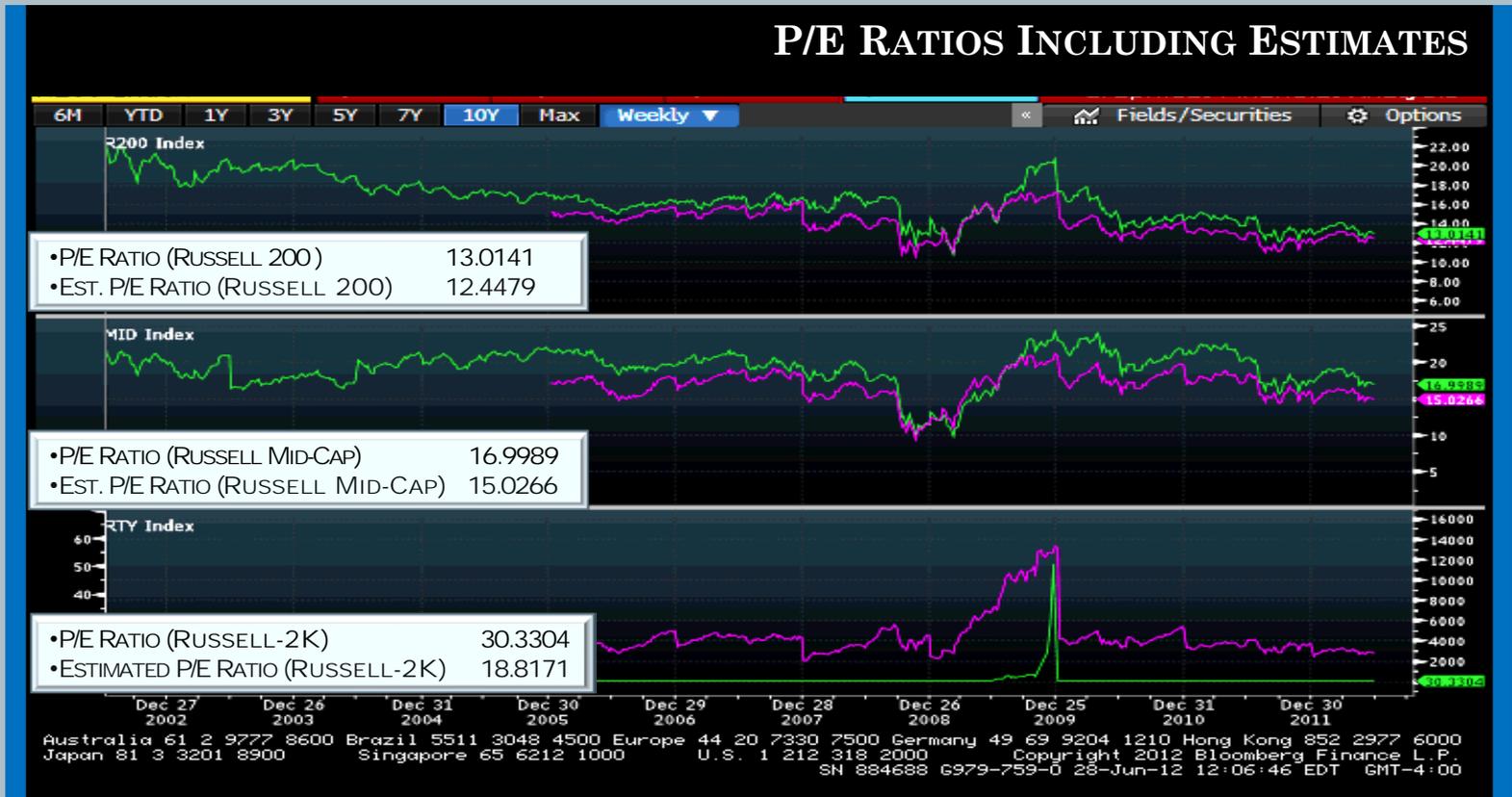
## P/E RATIOS INCLUDING ESTIMATES



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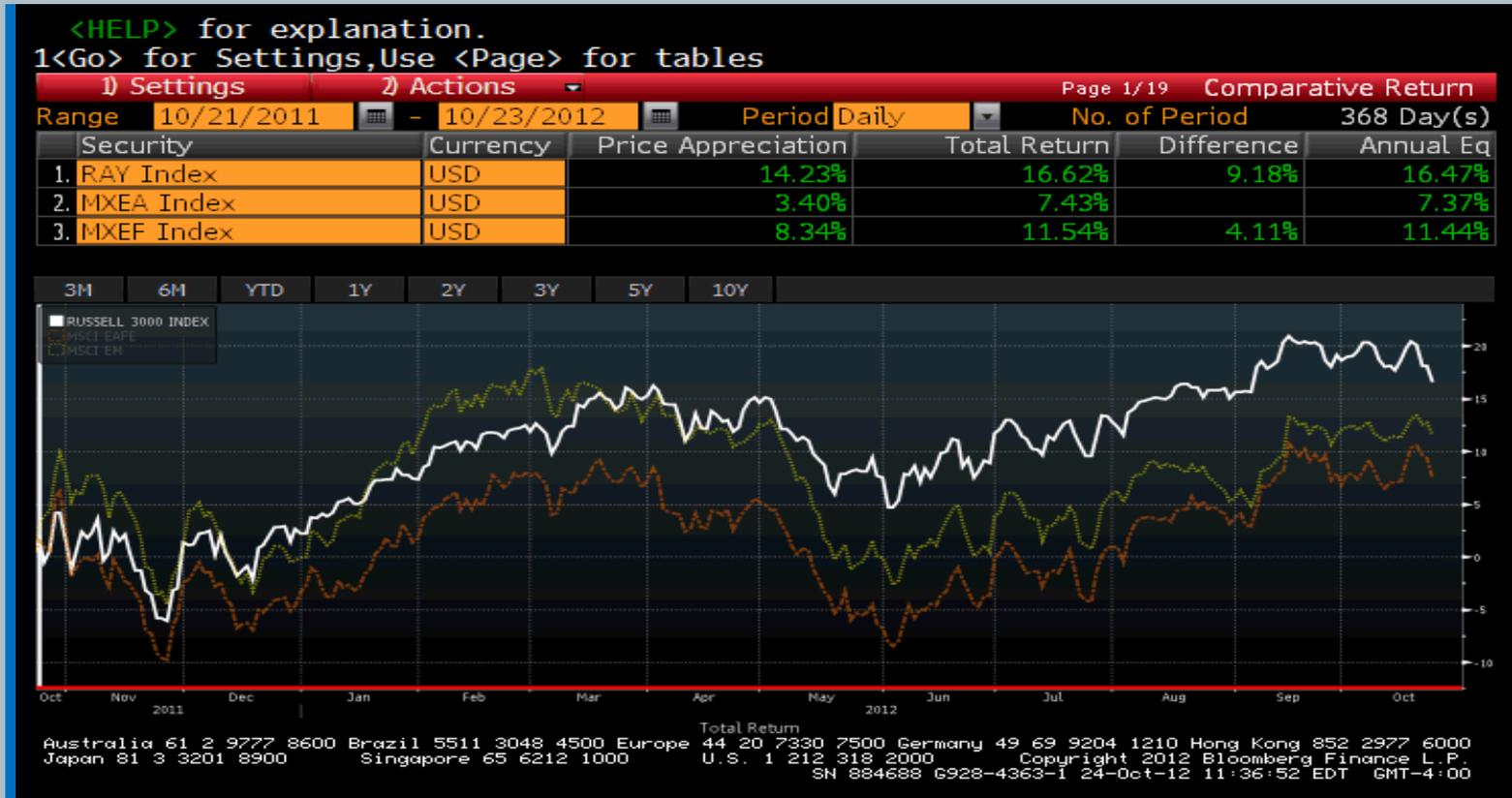
# PRICE TO EARNING RATIOS INCLUDING ESTIMATES

29



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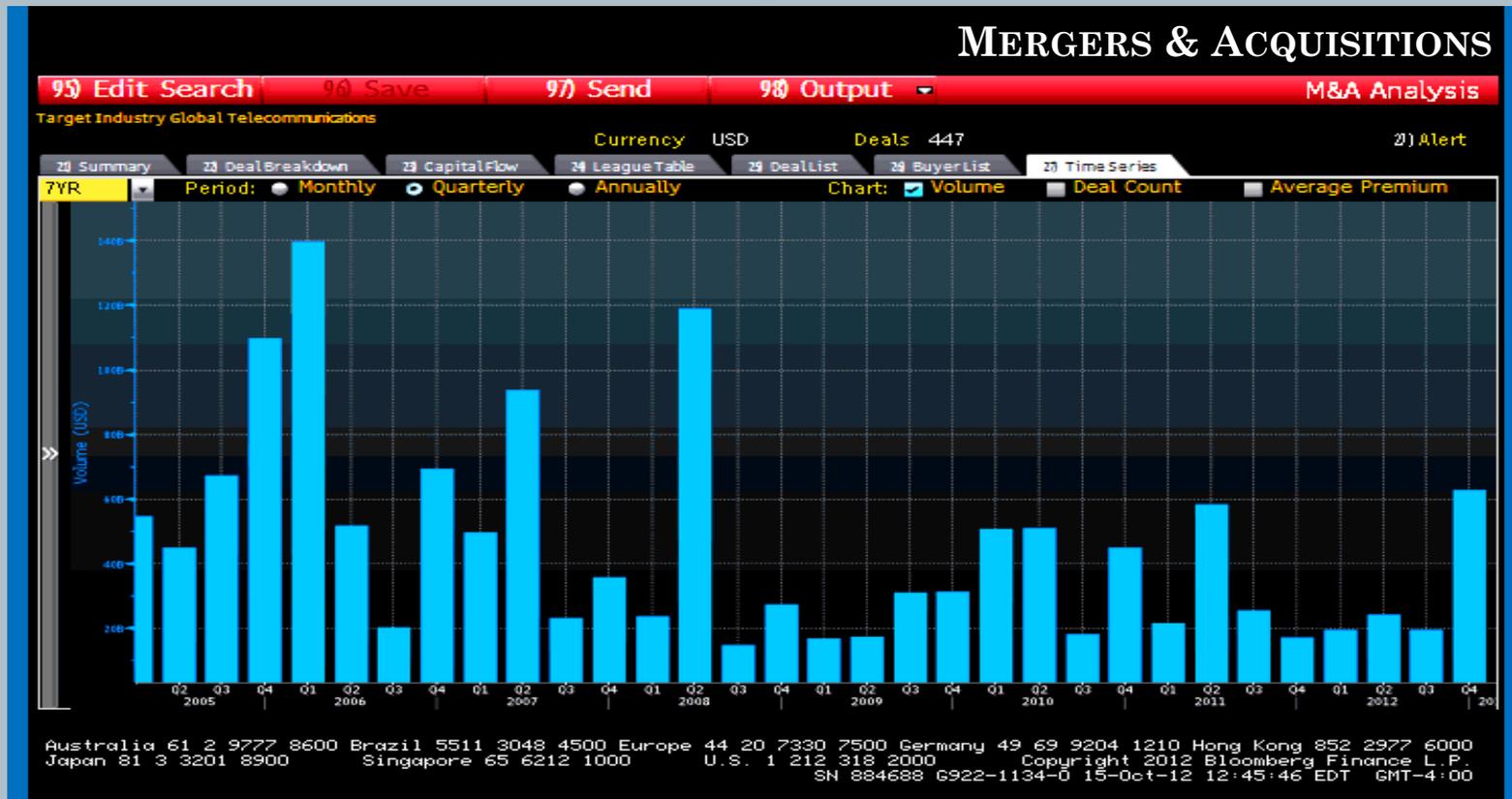
# RECENT GLOBAL EQUITY MARKET RETURNS



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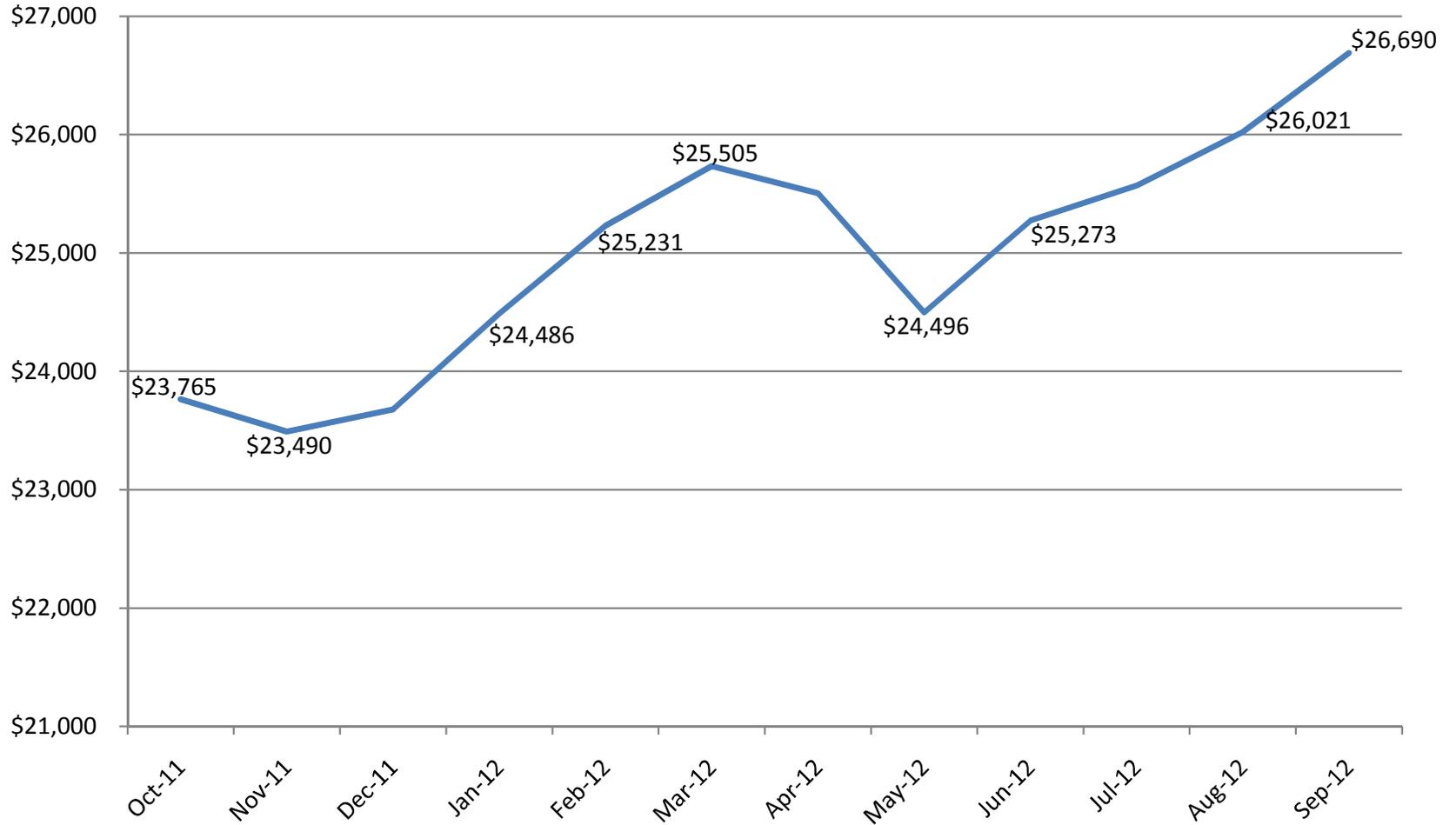
# MERGERS & ACQUISITIONS ACTIVITY

31



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## POLICE Market Values October 2011 - September 2012



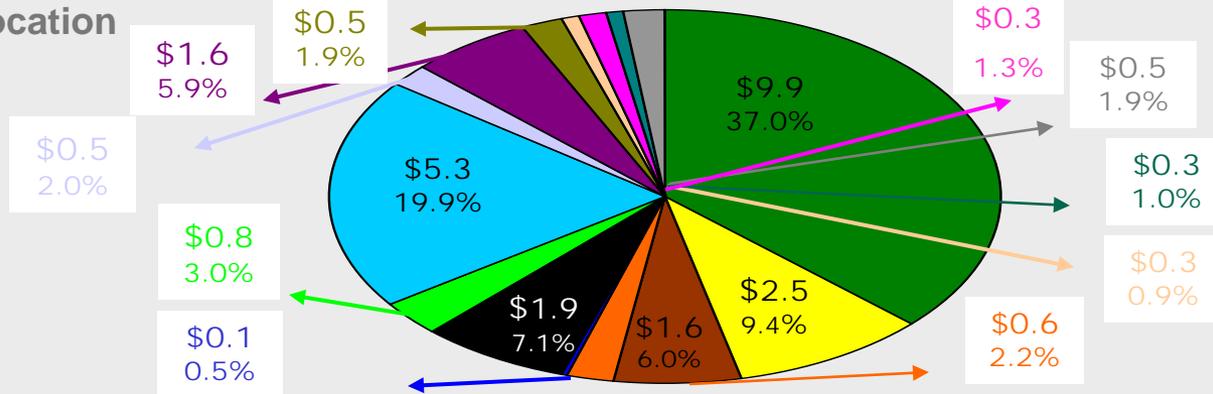
# POLICE Market Values 2003 - 2012



# Portfolio Asset Allocation: September 30, 2012

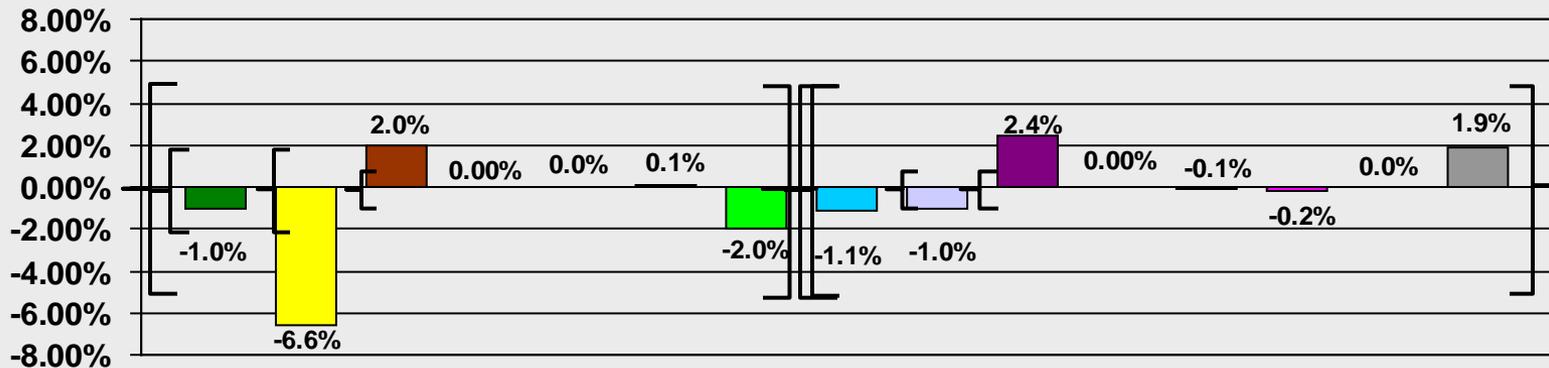
**\$26.7 B** Under Management

## Asset Allocation



- Dom Equity
- EAFE Mkts
- Emerg Mkts
- Hedge Funds
- REITS
- Private Eq
- Private RE
- Core +5
- TIPS
- Enhanced Yield
- Bank Loans
- Convertible Bonds
- Opportunistic FI
- ETI
- Cash

## Relative Mix to Old Policy Weights

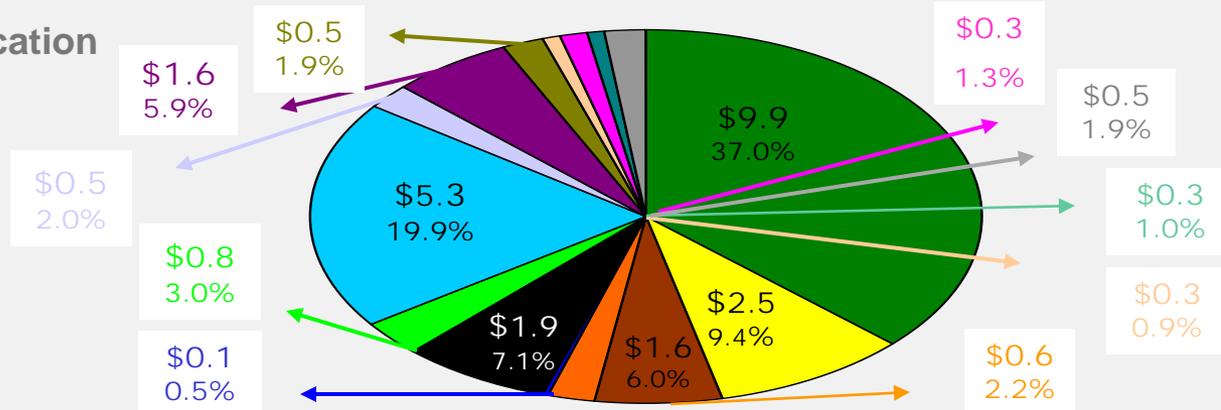


Note: Brackets represent rebalancing ranges versus Policy.

# Portfolio Asset Allocation: September 30, 2012

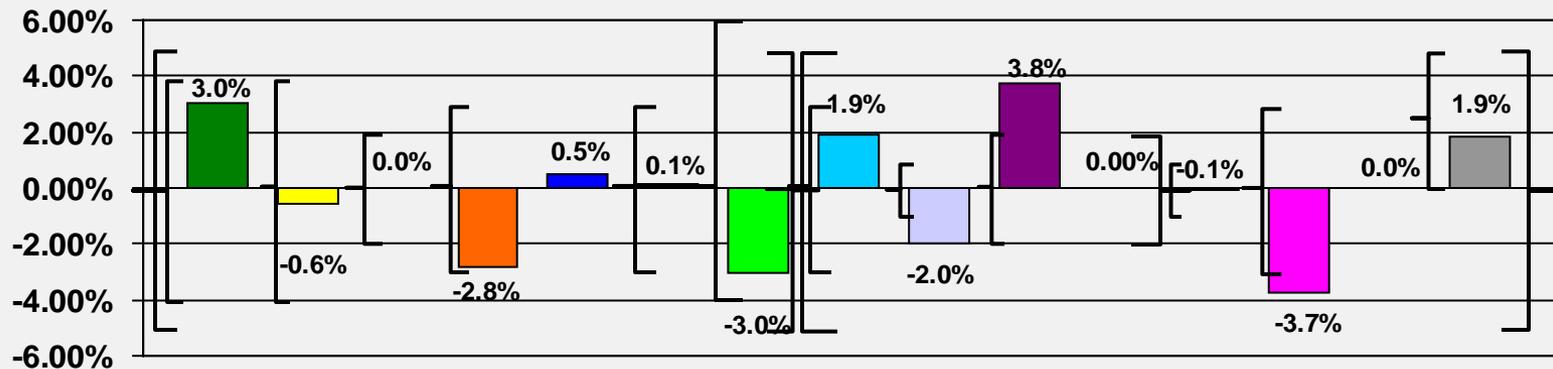
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## Relative Mix to New Policy Weights

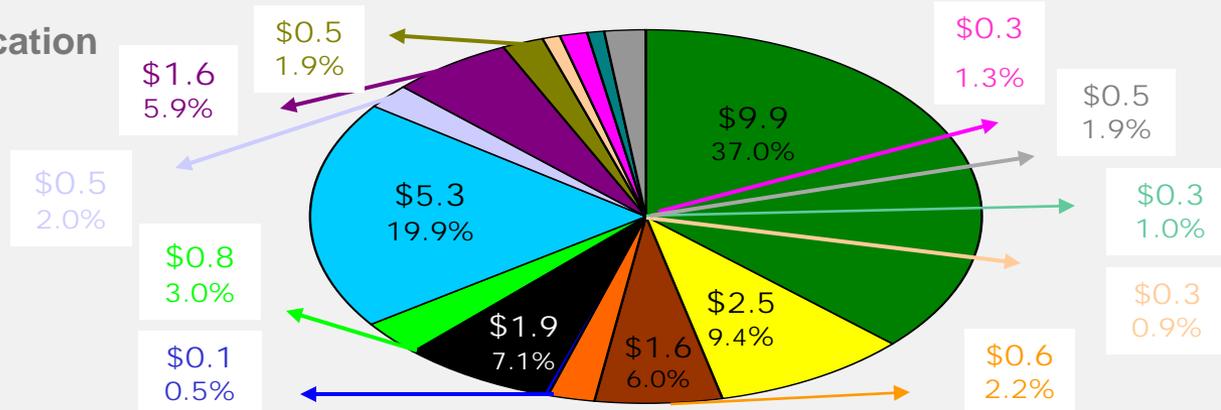


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# Portfolio Asset Allocation: September 30, 2012

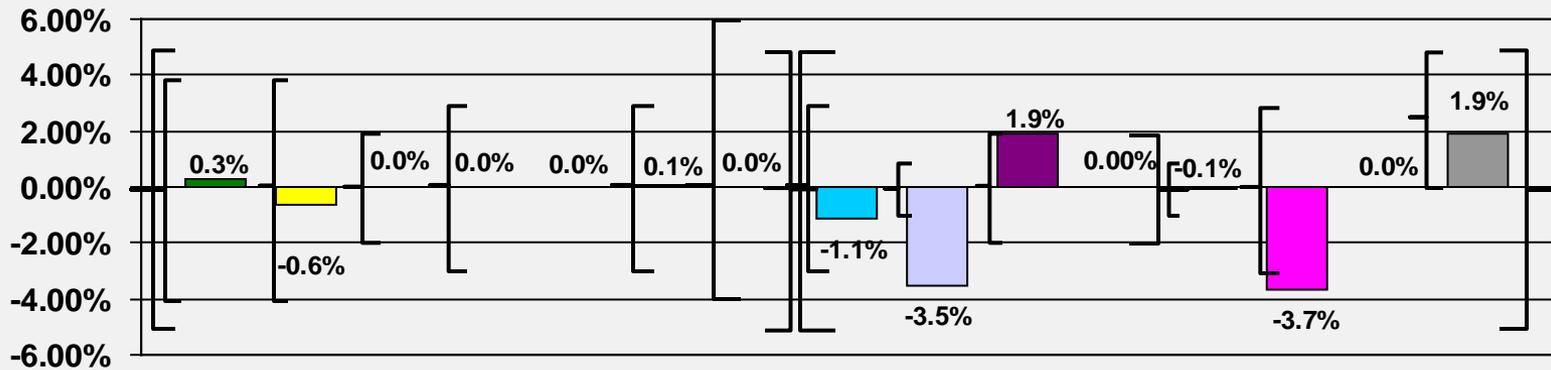
**\$26.7 B** Under Management

## Asset Allocation



- Dom Equity
  EAFE Mkts
  Emerg Mkts
  Hedge Funds
  REITS
  Private Eq
  Private RE
- Core +5
  TIPS
  Enhanced Yield
  Bank Loans
  Convertible Bonds
  Opportunistic Fixed
  ETI
  Cash

## Relative Mix to Adjusted New Policy Weights



Note: Brackets represent rebalancing ranges versus Policy.

# NYC POLICE PENSION FUND

## CLASSIFICATION OF INVESTMENTS

*(as of September 30th 2012)*

<u>ASSET CLASS ALLOCATIONS</u>		In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
<b>TOTAL EQUITIES</b>		\$17,393.8	65.2%	68.0%	NA	65.3%	60.3% - 70.3%
<b>TOTAL FIXED INCOME</b>		\$9,279.5	34.8%	32.0%	NA	34.7%	29.7% - 39.7%
<b>TOTAL ASSETS</b>		\$26,673.3	100.0%	100.0%	NA	100.0%	

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***
US Equities	\$9,872.0	37.0%	34.0%	2.7%	36.7%	32.7% - 40.7%
Non-US Equities/EAFE	\$2,508.6	9.4%	10.0%	NA	10.0%	6.0% - 14.0%
Emerging Markets	\$1,606.1	6.0%	6.0%	NA	6.0%	4.0% - 8.0%
Real Estate Investment Trusts	\$138.5	0.5%	0.0%	0.5%	0.5%	0.5%
<b>TOTAL PUBLIC EQUITY</b>	\$14,125.2	53.0%	50.0%	3.2%	53.2%	
<b>HEDGE FUNDS</b>	\$579.6	2.2%	5.0%	NA	2.2%	2.0% - 8.0%
* <b>PRIVATE REAL ESTATE</b>	\$787.9	3.0%	6.0%	NA	3.0%	2.0% - 12.0%
* <b>PRIVATE EQUITY</b>	\$1,901.1	7.1%	7.0%	NA	7.0%	4.0% - 10.0%
<b>TOTAL EQUITIES</b>	\$17,393.8	65.2%	68.0%	NA	65.3%	60.3% - 70.3%

	In \$MM	Actual	Policy Target	Adjustment	Adjusted Policy	Adjusted Target Range ***	
Core +5	US - Government	\$804.4	3.0%	18.0%	NA	21.0%	18.0% - 24.0%
	US - Mortgage	\$2,313.4	8.7%		NA		
	US - Investment Grade Credit	\$2,097.6	7.9%		NA		
	<b>TOTAL CORE + 5</b>	\$5,317.3	19.9%	18.0%	3.0%	21.0%	18.0% - 24.0%
High Yield	\$1,570.6	5.9%	4.0%	NA	5.9%	3.9% - 7.9%	
Bank Loans	\$500.3	1.9%		NA		0.0% - 2.0%	
<b>Total High Yield &amp; Bank Loans</b>	\$2,071.0	7.8%	4.0%	1.9%	5.9%	3.9% - 7.9%	
TIPS	\$541.8	2.0%	4.0%	1.5%	5.5%	4.5% - 6.5%	
Convertible Bonds	\$251.3	0.9%	1.0%	NA	1.0%	0.0% - 2.0%	
** ETI	\$267.7	1.0%	**2.0%	NA	**1.0%	**1.0%	
Cash	\$494.4	1.9%	0.0%	NA	0.0%	0.0% - 5.0%	
<b>TOTAL PUBLIC FIXED INCOME</b>	\$8,943.4	33.5%	27.0%	NA	33.4%		
* <b>OPPORTUNISTIC FIXED INCOME</b>	\$336.1	1.3%	5.0%	NA	1.3%	1.0% - 8.0%	
<b>TOTAL FIXED INCOME</b>	\$9,279.5	34.8%	32.0%	NA	34.7%	29.7% - 39.7%	

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

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

\*\*\* Adjusted Target Ranges are calculated as follows: Total Equities: +/-5%; Total Fixed Income: +/-5%; US Equities: +/-4%; Non-US Equities/EAFE: +/-4%; Emerging Markets: +/-2%; Hedge Funds: +/-3%; Real Estate: +/-4%; Private Equity: +/-3%; Core +5: +/-3%; TIPS: +/-1%; High Yield & Bank Loans: +/-2% (Bank Loans up to 1/3 of Adjusted Policy); Convertible Bonds: +/-1%; Cash: 0-5%; OFI: +/-3-4%.

# NYC POLICE PENSION FUND

## CLASSIFICATION OF INVESTMENTS

*(as of September 30th 2012)*

### Adjustments to Long-Term Asset Allocation

**1) Private Equity**

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

**2) Real Estate**

33% of uninvested commitments will be invested in Domestic Equity, 17% of uninvested commitments will be invested in REITs and 50% of uninvested commitments will be invested in TIPS.

**3) Opportunistic Fixed Income**

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

**4) Hedge Funds**

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

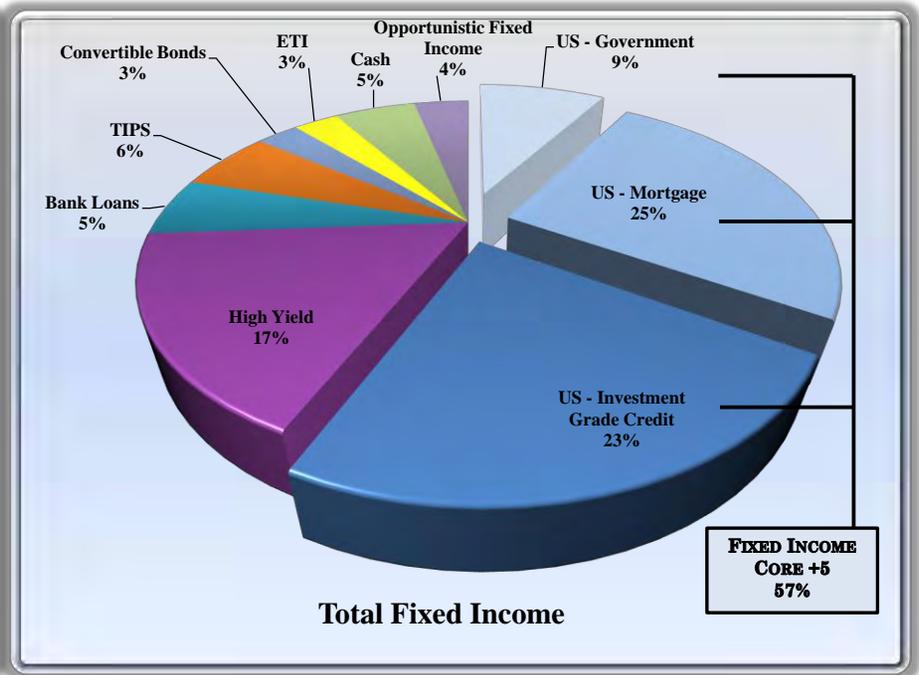
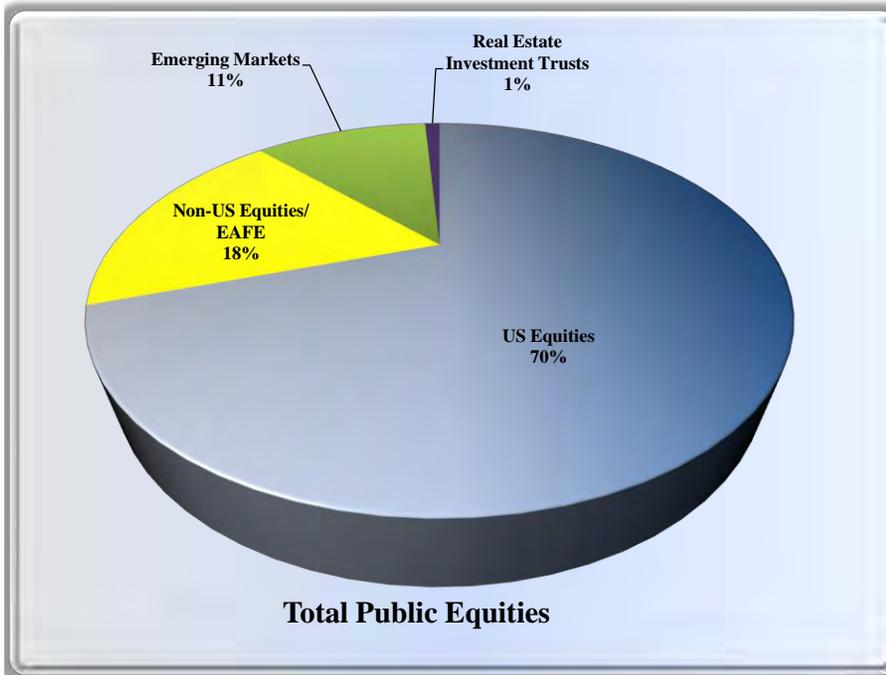
### Impact of Adjustments

<b>1) Core +5 Policy Target %</b>	<b>18.0%</b>
Adjustment: 50% of uninvested Opportunistic Fixed Income	1.9%
Adjustment: 40% of uninvested Hedge Funds	<u>1.1%</u>
<b>Adjusted Core+5 Policy Target %</b>	<b>21.0%</b>
<b>2) High Yield Policy Target %</b>	<b>4.0%</b>
Adjustment: 50% of uninvested Opportunistic Fixed Income	1.9%
<b>Adjusted High Yield Policy Target %</b>	<b>5.9%</b>
<b>3) Domestic Equity Policy Target %</b>	<b>34.0%</b>
Adjustment: 33% of uninvested Real Estate	1.0%
Adjustment: 60% of uninvested Hedge Funds	<u>1.7%</u>
<b>Adjusted Domestic Equity Policy Target %</b>	<b>36.7%</b>
<b>4) Real Estate Investment Trusts Policy Target %</b>	<b>0.0%</b>
Adjustment: 17% of uninvested Real Estate	<u>0.5%</u>
<b>Adjusted Real Estate Investment Trusts Policy Target %</b>	<b>0.5%</b>
<b>5) TIPS Policy Target %</b>	<b>4.0%</b>
Adjustment: 50% of uninvested Real Estate	<u>1.5%</u>
<b>Adjusted TIPS Policy Target %</b>	<b>5.5%</b>

# NYC POLICE PENSION FUND

## CLASSIFICATION OF INVESTMENTS

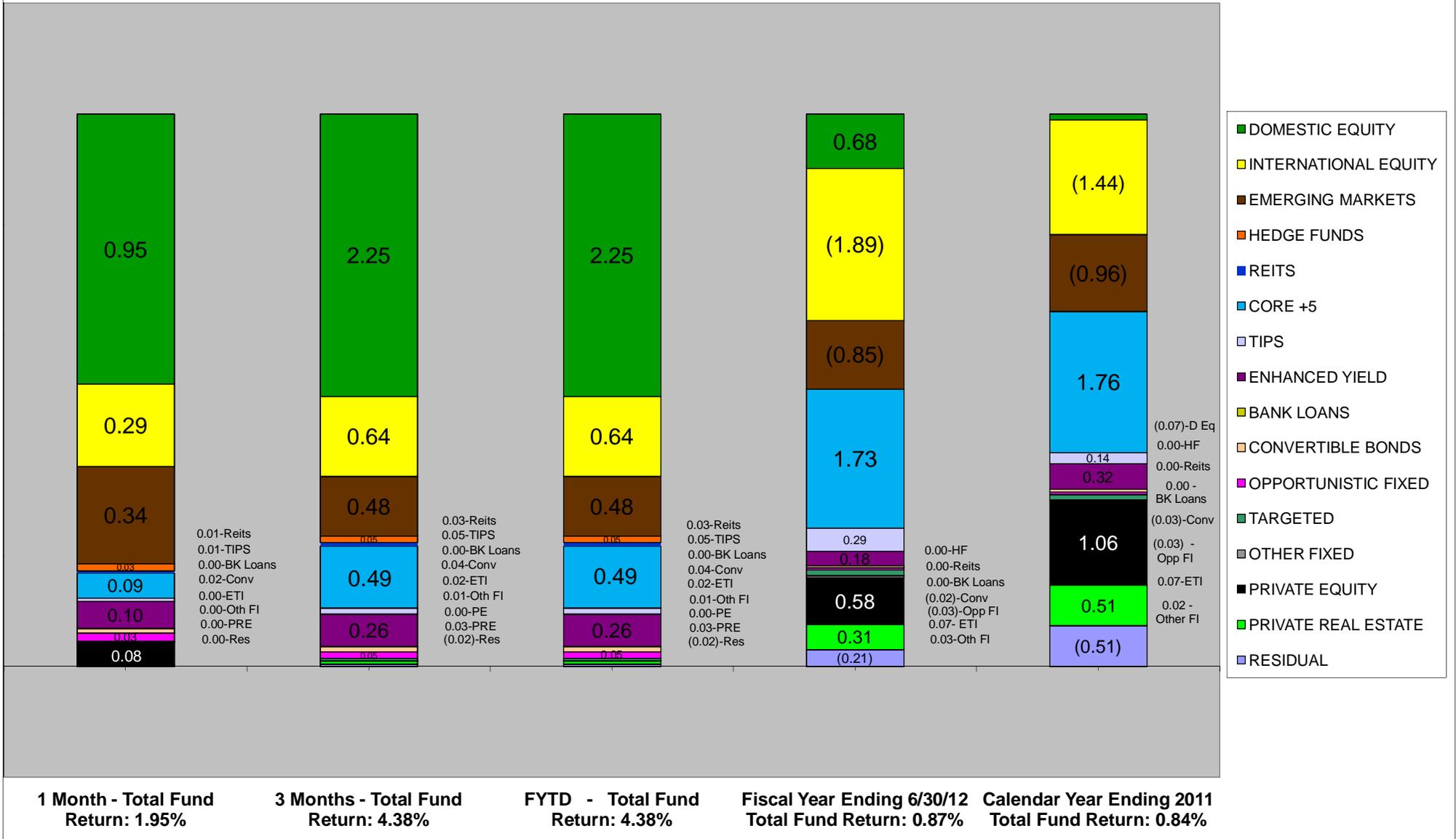
(as of September 30th 2012)



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

	Trailing 1 Month	Trailing 3 Months	06/30/12 09/30/12	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years
<b><u>MARKET INDICATORS</u></b>								
STANDARD & POORS 500	2.58	6.35	6.35	30.20	14.75	13.20	1.05	8.01
S&P MIDCAP INDEX 400	1.94	5.44	5.44	28.54	12.64	14.33	3.83	10.77
RUSSELL 1000	2.57	6.31	6.31	30.05	14.55	13.27	1.22	8.35
RUSSELL 2000	3.28	5.25	5.25	31.91	12.80	12.98	2.21	10.17
RUSSELL 3000	2.63	6.23	6.23	30.20	14.41	13.25	1.30	8.49
RUSSELL 3000 GROWTH	2.04	6.01	6.01	29.35	15.63	14.69	3.21	8.56
RUSSELL 3000 VALUE	3.20	6.44	6.44	31.05	13.19	11.83	-0.72	8.28
MSCI EAFE (NET DIVIDEND)	2.96	6.92	6.92	13.75	1.54	2.12	-5.24	8.20
MSCI EMERGING MARKETS FREE	6.05	7.89	7.89	17.33	-0.66	5.95	-0.98	17.36
FTSE CUSTOM BENCHMARK	6.06	8.82	8.82	17.06	0.18	7.65	0.75	****
MSCI WORLD INDEX	2.79	6.83	6.83	22.32	8.45	8.07	-1.57	8.61
MSCI EUROPE SMID CAP INDEX	4.49	10.17	10.17	18.99	2.07	4.18	-4.88	****
1 YEAR TREASURY BILL YIELD + 4%	0.35	1.13	1.13	****	****	****	****	****
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%	0.90	2.57	2.57	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE	-0.81	0.82	0.82	5.67	8.29	9.37	9.28	6.68
CITIGROUP MORTGAGE	0.22	1.11	1.11	3.76	4.70	5.07	6.42	5.29
NYC - INVESTMENT GRADE CREDIT INDEX	0.66	3.71	3.71	10.21	7.15	8.47	7.57	6.40
NYC - CORE PLUS FIVE	0.18	2.04	2.04	6.50	6.37	7.21	7.58	6.05
CITIGROUP BROAD INVESTMENT GRADE	0.13	1.62	1.62	5.12	5.18	6.04	6.69	5.46
BARCLAYS CAPITAL AGGREGATE	0.14	1.59	1.59	5.16	5.21	6.18	6.53	5.32
CITIGROUP BB & B	1.14	4.12	4.12	17.84	10.21	12.00	6.96	9.37
BofA MERRILL LYNCH HY MASTER II	1.42	4.61	4.61	18.94	9.77	12.61	9.06	10.78
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	0.51	2.12	2.12	9.10	9.48	9.31	7.94	6.64
BofA ML ALL CONVERTIBLES EX MANDATORY	1.71	4.52	4.52	16.47	7.54	9.91	3.74	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	-1.97	-0.42	-0.42	31.99	15.82	20.38	1.41	11.45
NCREIF NFI-ODCE NET	2.47	2.47	2.47	10.40	13.74	11.10	-2.04	****
91 DAY TREASURY BILL	0.01	0.03	0.03	0.07	0.11	0.11	0.72	1.82

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



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

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

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>ASSET CLASS SUMMARY</b>																
DOMESTIC EQUITY	\$ 9,872.0	36.99%	2.57%	6.11%	6.11%	15.56%	1.69%	-0.20%	18.02%	28.69%	-37.21%	29.73%	12.92%	1.21%	8.45%	10.59%
INTERNATIONAL EAFE	2,508.6	9.40%	3.11	6.87	6.87	10.00	-13.83	-12.12	9.65	33.28	-44.48	14.53	2.80	-4.95	****	4.64
EMERGING MARKETS	1,606.1	6.02%	5.88	8.11	8.11	11.65	-17.25	-19.93	19.76	82.60	-56.30	16.96	5.19	-2.17	18.11	8.57
HEDGE FUNDS	585.7	2.19%	1.13	2.33	2.33	3.33	-2.03	****	****	****	****	0.97	****	****	****	0.20
REAL ESTATE SECURITIES	138.5	0.52%	1.50	5.57	5.57	****	****	****	****	****	****	****	****	****	****	10.76
CORE + 5	5,215.5	19.54%	0.44	2.46	2.46	6.08	9.29	8.88	8.50	8.82	3.92	7.57	8.03	7.87	6.29	8.57
CONVERTIBLE BONDS	251.3	0.94%	1.70	4.56	4.56	10.19	-2.40	-3.62	14.57	33.18	****	14.16	8.38	****	****	5.24
TIPS MANAGERS	541.8	2.03%	0.57	2.24	2.24	6.38	12.07	13.52	6.45	10.13	-0.73	9.33	9.40	8.09	****	6.56
ENHANCED YIELD	1,570.6	5.88%	1.59	4.23	4.23	10.91	7.05	6.05	14.13	41.55	-19.09	16.99	12.07	8.99	10.27	8.41
BANK LOANS	500.3	1.87%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
OPPORTUNISTIC FIXED	335.8	1.26%	2.22	4.07	4.07	18.72	-2.53	-4.67	26.77	23.34	-8.63	9.42	22.25	****	****	****
PROGRESS FIXED INCOME	69.9	0.26%	0.27	1.83	1.83	****	****	****	****	****	****	****	****	****	****	1.88
CORE PLUS FIXED INCOME	32.0	0.12%	0.43	2.44	2.44	5.62	7.65	8.18	7.57	****	****	7.67	7.50	****	****	8.80
ECONOMICALLY TARGETED INVESTMENTS	267.7	1.00%	0.45	1.79	1.79	5.09	6.96	6.42	7.21	8.24	6.51	6.42	6.59	7.26	6.44	9.97
PRIVATE EQUITY	1,899.3	7.12%	1.10	-0.02	-0.02	6.92	8.62	14.23	18.45	-6.93	-4.53	5.96	14.77	5.83	****	13.11
PRIVATE REAL ESTATE	800.6	3.00%	0.20	0.87	0.87	10.16	14.88	20.18	7.84	-42.93	-5.29	12.12	9.30	-4.90	****	4.66
CASH	494.4	1.85%	0.04	0.09	0.09	0.35	0.49	0.41	0.66	1.30	3.82	0.45	0.54	1.57	****	2.60
<b>TOTAL POLICE</b>	<b>\$ 26,690.1</b>		<b>1.95%</b>	<b>4.38%</b>	<b>4.38%</b>	<b>10.56%</b>	<b>0.87%</b>	<b>0.84%</b>	<b>13.96%</b>	<b>21.41%</b>	<b>-27.51%</b>	<b>16.55%</b>	<b>9.67%</b>	<b>2.11%</b>	<b>8.46%</b>	<b>8.53%</b>
TOTAL EQUITY	14,125.2	52.92%	3.02	6.46	6.46	13.96	-3.81	-4.80	16.15	32.31	-40.44	24.97	9.82	-0.59	8.82	8.07
HEDGE FUNDS	585.7	2.19%	1.13	2.33	2.33	3.33	-2.03	****	****	****	****	0.97	****	****	****	0.20
TOTAL FIXED INCOME	8,784.8	32.91%	0.75	2.85	2.85	7.38	8.51	8.04	9.73	13.86	-0.84	9.16	9.07	8.12	****	6.59
TOTAL PRIVATE EQUITY	1,899.3	7.12%	1.10	-0.02	-0.02	6.92	8.62	14.23	18.45	-6.93	-4.53	5.96	14.77	5.83	****	13.11
TOTAL PRIVATE REAL ESTATE	800.6	3.00%	0.20	0.87	0.87	10.16	14.88	20.18	7.84	-42.93	-5.29	12.12	9.30	-4.90	****	4.66
TOTAL CASH	494.4	1.85%	0.04	0.09	0.09	0.35	0.49	0.41	0.66	1.30	3.82	0.45	0.54	1.57	****	2.60

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

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

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

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>EQUITY ASSET CLASS SUMMARY</b>																
<b>DOMESTIC EQUITY</b>	<b>9,872.0</b>	<b>36.99%</b>	<b>2.57%</b>	<b>6.11%</b>	<b>6.11%</b>	<b>15.56%</b>	<b>1.69%</b>	<b>-0.20%</b>	<b>18.02%</b>	<b>28.69%</b>	<b>-37.21%</b>	<b>29.73%</b>	<b>12.92%</b>	<b>1.21%</b>	<b>8.45%</b>	<b>10.59%</b>
PASSIVE DOMESTIC EQUITY	7,279.5	27.27%	2.53	6.11	6.11	15.67	2.95	0.41	17.15	28.41	-37.05	29.79	12.94	1.22	8.39	10.95
RUSSELL 3000			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	1.30	8.49	
			+/-	(0.10)	(0.12)	(0.12)	(0.46)	(0.89)	(0.62)	0.22	0.07	0.26	(0.41)	(0.31)	(0.08)	(0.10)
TOTAL RUSSELL 3000	6,430.7	24.09%	2.61	6.20	6.20	16.02	3.84	1.08	17.15	28.40	-37.06	30.07	13.31	1.42	8.52	10.83
RUSSELL 3000			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	1.30	8.49	
			+/-	(0.02)	(0.03)	(0.03)	(0.11)	(0.00)	0.05	0.22	0.06	0.25	(0.13)	0.05	0.12	0.03
TOTAL MID CAP PASSIVE	848.7	3.18%	1.93	5.43	5.43	13.65	-2.42	****	****	****	****	28.36	****	****	****	5.61
S&P MIDCAP INDEX 400			1.94	5.44	5.44	13.77	-2.33	****	****	****	****	28.54	****	****	****	
			+/-	(0.01)	(0.01)	(0.01)	(0.12)	(0.08)	****	****	****	(0.18)	****	****	****	
ACTIVE DOMESTIC EQUITY	2,592.5	9.71%	2.68	6.11	6.11	15.21	-1.90	-1.98	19.42	29.74	-37.62	29.50	12.59	1.08	8.45	9.55
RUSSELL 3000			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	1.30	8.49	
			+/-	0.06	(0.12)	(0.12)	(0.91)	(5.74)	(3.00)	2.49	1.40	(0.31)	(0.70)	(0.66)	(0.22)	(0.04)
TOTAL LARGE CAP	1,024.2	3.84%	2.84	5.95	5.95	14.43	0.17	0.19	15.93	28.96	-37.45	27.67	12.03	0.95	****	8.25
RUSSELL 1000			2.57	6.31	6.31	16.28	4.37	1.50	16.10	28.43	-37.60	30.05	13.27	1.22	****	
			+/-	0.27	(0.36)	(0.36)	(1.85)	(4.21)	(1.31)	(0.17)	0.53	0.15	(2.39)	(1.25)	(0.27)	****
TOTAL MID CAP ACTIVE	728.3	2.73%	1.99	6.21	6.21	17.17	-1.66	-3.50	23.21	27.70	-36.94	31.23	13.78	1.24	****	5.41
RUSSELL MIDCAP			2.12	5.59	5.59	14.00	-1.65	-1.55	25.47	40.46	-41.46	28.03	14.26	2.23	****	
			+/-	(0.13)	0.62	0.62	3.17	(0.01)	(1.95)	(2.26)	(12.76)	4.52	3.20	(0.48)	(1.00)	****
TOTAL SMALL CAP ACTIVE	528.7	1.98%	3.26	6.13	6.13	14.19	-6.47	-5.76	29.55	30.09	-34.22	29.39	14.27	2.47	****	5.80
RUSSELL 2000			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	2.21	****	
			+/-	(0.02)	0.88	0.88	(0.04)	(4.39)	(1.58)	2.70	2.91	(0.42)	(2.52)	1.28	0.25	****
TOTAL SMALL/MID CAP	176.4	0.66%	2.72	6.43	6.43	15.94	0.45	-0.96	****	****	****	32.90	****	****	****	13.90
RUSSELL 2500			2.61	5.57	5.57	14.33	-2.29	-2.51	****	****	****	30.93	****	****	****	
			+/-	0.11	0.86	0.86	1.61	2.74	1.54	****	****	1.97	****	****	****	
TOTAL EMERGING MGRS (Program changed 7/01/2012)	135.0	0.51%	2.96	6.41	6.41	14.23	-1.48	-0.82	22.59	28.29	-36.48	30.59	13.52	****	****	2.57
RUSSELL 2000			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	****	****	
RUSSELL 3000			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	****	****	
			+/-	(0.32)	1.16	1.16	0.00	0.60	3.36	(4.26)	1.11	(2.68)	(1.32)	0.54	****	****
			+/-	0.34	0.18	0.18	(1.89)	(5.32)	(1.85)	5.66	(0.05)	0.83	0.38	0.27	****	****
<b>INTERNATIONAL EQUITY</b>	<b>4,114.7</b>	<b>15.42%</b>	<b>4.17</b>	<b>7.35</b>	<b>7.35</b>	<b>10.29</b>	<b>-15.03</b>	<b>-14.17</b>	<b>11.77</b>	<b>41.03</b>	<b>-46.95</b>	<b>14.94</b>	<b>3.13</b>	<b>-4.53</b>	<b>9.49</b>	<b>6.52</b>
PASSIVE DEVELOPED MARKETS	1,211.6	4.54%	3.00	6.78	6.78	10.32	-13.33	-12.29	8.18	32.26	-42.86	14.08	2.28	-4.90	8.52	5.06
MSCI EAFE (NET DIVIDEND)			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	8.20	
			+/-	0.04	(0.14)	(0.14)	0.24	0.51	(0.15)	0.43	0.48	0.53	0.33	0.16	0.34	0.32
PASSIVE EMERGING MARKETS	499.7	1.87%	5.90	7.84	7.84	12.07	-16.43	****	****	****	****	16.41	****	****	****	-7.41
MSCI EMERGING MARKETS FREE			6.05	7.89	7.89	12.33	-15.67	****	****	****	****	17.33	****	****	****	
			+/-	(0.15)	(0.04)	(0.04)	(0.25)	(0.76)	****	****	****	(0.91)	****	****	****	
ACTIVE DEVELOPED MARKETS	1,164.2	4.36%	3.23	7.05	7.05	9.55	-14.03	-11.68	9.38	33.19	-44.67	14.53	2.73	-5.03	8.15	6.47
MSCI EAFE (NET DIVIDEND)			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	8.20	
			+/-	0.27	0.12	0.12	(0.53)	(0.20)	0.46	1.63	1.41	(1.28)	0.78	0.62	0.21	(0.05)
ACTIVE EMERGING MARKETS	1,106.4	4.15%	5.87	8.23	8.23	11.45	-17.54	-20.17	19.76	82.60	-56.30	16.91	5.02	-2.27	****	12.07
MSCI EMERGING MARKETS FREE			6.05	7.89	7.89	12.33	-15.67	-18.17	19.20	79.02	-53.17	17.33	5.95	-0.98	****	
			+/-	(0.18)	0.35	0.35	(0.88)	(1.86)	(2.00)	0.56	3.58	(3.13)	(0.42)	(0.94)	(1.29)	****
TOTAL NON-U.S. ENVIRONMENTAL	74.1	0.28%	2.64	6.21	6.21	14.81	-4.50	-7.77	9.13	37.25	****	22.35	6.03	****	****	-0.55
MSCI WORLD INDEX			2.79	6.83	6.83	13.56	-4.42	-5.02	12.34	30.80	****	22.32	8.07	****	****	
			+/-	(0.15)	(0.62)	(0.62)	1.26	(0.08)	(2.76)	(3.21)	6.45	****	0.03	(2.04)	****	****
TOTAL NON-U.S. ACTIVIST	58.8	0.22%	3.54	6.16	6.16	8.55	-25.49	-24.01	32.64	36.32	****	11.95	4.86	****	****	13.14
MSCI EUROPE SMID CAP INDEX			4.49	10.17	10.17	16.73	-19.00	-17.56	16.03	53.23	****	18.99	4.18	****	****	
			+/-	(0.94)	(4.01)	(4.01)	(8.18)	(6.49)	(6.45)	16.61	(16.91)	****	(7.04)	0.68	****	****

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**September 30, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>FIXED INCOME ASSET CLASS SUMMARY</b>																
<b>TOTAL FIXED INCOME</b>	<b>8,784.8</b>	<b>32.91%</b>	<b>0.75%</b>	<b>2.85%</b>	<b>2.85%</b>	<b>7.38%</b>	<b>8.51%</b>	<b>8.04%</b>	<b>9.73%</b>	<b>13.86%</b>	<b>-0.84%</b>	<b>9.16%</b>	<b>9.07%</b>	<b>8.12%</b>	<b>****</b>	<b>6.59%</b>
<b>CORE + 5</b>	5,215.5	19.54%	0.44	2.46	2.46	6.08	9.29	8.88	8.50	8.82	3.92	7.57	8.03	7.87	6.29	8.57
NYC - CORE PLUS FIVE			0.18	2.04	2.04	5.10	9.35	9.40	7.13	6.28	6.64	6.50	7.21	7.58	6.05	6.05
			+/-	0.26	0.42	0.42	0.97	(0.06)	(0.53)	1.37	2.54	(2.72)	1.07	0.83	0.29	0.24
ALL MORTGAGE	2,313.4	8.67%	0.57	1.75	1.75	4.32	5.84	6.24	7.50	8.53	4.00	5.19	6.47	6.69	5.53	7.37
CITIGROUP MORTGAGE INDEX			0.22	1.11	1.11	2.82	5.05	6.38	5.50	5.76	8.49	3.76	5.07	6.42	5.29	5.29
			+/-	0.35	0.64	0.64	1.50	0.79	(0.13)	2.00	2.77	(4.49)	1.44	1.40	0.27	0.24
ALL INVESTMENT GRADE CREDIT	2,097.6	7.86%	0.76	3.98	3.98	9.13	9.53	7.98	9.47	18.91	-4.97	11.45	9.35	8.28	6.89	7.87
NYC - INVESTMENT GRADE CREDIT			0.66	3.71	3.71	8.34	9.14	7.80	8.36	16.36	-4.06	10.21	8.47	7.57	6.40	6.40
			+/-	0.10	0.28	0.28	0.79	0.39	0.18	1.11	2.55	(0.91)	1.24	0.89	0.71	0.49
ALL TREASURY / AGENCY	804.4	3.01%	-0.77	0.82	0.82	4.24	18.60	18.28	9.42	-5.54	17.51	5.86	9.49	9.48	6.89	8.43
NYC - TREASURY AGENCY PLUS FIVE			-0.81	0.82	0.82	4.11	18.72	18.44	9.24	-7.44	18.91	5.67	9.37	9.28	6.68	6.68
			+/-	0.04	(0.01)	(0.01)	0.13	(0.12)	(0.16)	0.18	1.90	(1.40)	0.18	0.13	0.20	0.21
<b>ENHANCED YIELD</b>	1,570.6	5.88%	1.59	4.23	4.23	10.91	7.05	6.05	14.13	41.55	-19.09	16.99	12.07	8.99	10.27	8.41
CITIGROUP BB & B			1.14	4.12	4.12	11.12	8.45	6.58	13.35	40.37	-25.10	17.84	12.00	6.96	9.37	9.37
			+/-	0.46	0.11	0.11	(0.20)	(1.40)	(0.53)	0.78	1.18	6.01	(0.85)	0.06	2.03	0.90
<b>BANK LOANS</b>	500.3	1.87%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSE LEVERAGED LOAN INDEX			****	****	****	****	****	****	****	****	****	****	****	****	****	****
			+/-	****	****	****	****	****	****	****	****	****	****	****	****	****
<b>TIPS MANAGERS</b>	541.8	2.03%	0.57	2.24	2.24	6.38	12.07	13.52	6.45	10.13	-0.73	9.33	9.40	8.09	****	6.56
BARCLAYS CAPITAL US TIPS INDEX			0.51	2.12	2.12	6.25	11.66	13.56	6.37	11.41	-2.35	9.10	9.31	7.94	****	****
			+/-	0.06	0.12	0.12	0.13	0.41	(0.04)	0.08	(1.28)	1.62	0.22	0.09	0.15	****
<b>CONVERTIBLE BONDS</b>	251.3	0.94%	1.70	4.56	4.56	10.19	-2.40	-3.62	14.57	33.18	****	14.16	8.38	****	****	5.24
BofA ML ALL CONVERTIBLES EX MANDATORY			1.71	4.52	4.52	11.75	-1.68	-3.42	16.52	47.19	****	16.47	9.91	****	****	****
			+/-	(0.00)	0.04	0.04	(1.55)	(0.72)	(0.20)	(1.95)	(14.01)	****	(2.31)	(1.52)	****	****
<b>OPPORTUNISTIC FIXED</b>	335.8	1.26%	2.22	4.07	4.07	18.72	-2.53	-4.67	26.77	23.34	-8.63	9.42	22.25	****	****	****
NYC - JP MORGAN HY PLUS 3%			1.67	5.32	5.32	14.23	10.67	8.73	18.05	61.90	-23.83	22.71	16.30	****	****	****
			+/-	0.55	(1.25)	(1.25)	4.50	(13.20)	(13.39)	8.72	(38.56)	15.20	(13.29)	5.95	****	****
<b>PROGRESS FIXED INCOME</b>	69.9	0.26%	0.27	1.83	1.83	****	****	****	****	****	****	****	****	****	****	1.88
BARCLAYS CAPITAL AGGREGATE			0.14	1.59	1.59	****	****	****	****	****	****	****	****	****	****	****
			+/-	0.13	0.25	0.25	****	****	****	****	****	****	****	****	****	****
<b>CORE PLUS FIXED INCOME</b>	32.0	0.12%	0.43	2.44	2.44	5.62	7.65	8.18	7.57	****	****	7.67	7.50	****	****	8.80
BARCLAYS CAPITAL AGGREGATE			0.14	1.59	1.59	3.99	7.47	7.84	6.54	5.93	5.24	5.16	6.18	6.53	5.32	****
			+/-	0.29	0.85	0.85	1.63	0.18	0.34	1.03	****	****	2.51	1.32	****	****
<b>ECONOMICALLY TARGETED INVESTMENTS</b>	267.7	1.00%	0.45	1.79	1.79	5.09	6.96	6.42	7.21	8.24	6.51	6.42	6.59	7.26	6.44	9.97
POLICE CUSTOM BENCHMARK (NO CASH)			0.17	1.32	1.32	3.40	6.67	7.74	6.54	5.25	7.04	4.63	5.99	6.63	5.58	****
			+/-	0.28	0.47	0.47	1.69	0.29	(1.32)	0.67	2.99	(0.53)	1.79	0.60	0.63	0.86
<b>CASH ASSET CLASS SUMMARY</b>																
<b>CASH</b>	494.4	1.85%	0.04	0.09	0.09	0.35	0.49	0.41	0.66	1.30	3.82	0.45	0.54	1.57	****	2.60
ML 91 DAY TREASURY BILL INDEX			0.01	0.03	0.03	0.07	0.06	0.10	0.13	0.21	2.06	0.07	0.11	0.72	****	****
			+/-	0.02	0.05	0.05	0.28	0.43	0.31	0.53	1.09	1.76	0.38	0.43	0.85	****

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<b>US EQUITY</b>																
TOTAL RUSSELL 3000	6,430.7	24.09%	2.61	6.20	6.20	16.02	3.84	1.08	17.15	28.40	-37.06	30.07	13.31	1.42	8.52	10.83
RUSSELL 3000			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	1.30	8.49	
			+/-	(0.02)	(0.03)	(0.03)	(0.11)	(0.00)	0.05	0.22	0.06	0.25	(0.13)	0.05	0.12	0.03
BLACKROCK R3000	3,612.4	13.53%	2.62	6.21	6.21	16.10	3.85	0.95	16.96	28.35	-37.03	30.13	13.23	1.36	8.48	2.44
STATE STREET R3000	2,818.3	10.56%	2.60	6.19	6.19	15.92	3.82	1.23	****	****	****	29.99	****	****	****	14.41
RUSSELL 3000			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	1.30	8.49	
BLACKROCK R3000			+/-	(0.01)	(0.02)	(0.02)	(0.03)	0.01	(0.07)	0.03	0.01	0.28	(0.07)	(0.02)	0.06	(0.01)
STATE STREET R3000			+/-	(0.03)	(0.04)	(0.04)	(0.21)	(0.02)	0.20	****	****	****	(0.21)	****	****	****
TOTAL SMALL CAP	528.7	1.98%	3.26	6.13	6.13	13.62	-6.22	-5.65	29.55	30.09	-34.22	28.94	14.12	2.39	10.30	6.36
RUSSELL 2000			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	2.21	10.17	
			+/-	(0.02)	0.88	0.88	(0.62)	(4.14)	(1.48)	2.70	2.91	(0.42)	(2.97)	1.14	0.17	0.12
TOTAL SMALL CAP ACTIVE	528.7	1.98%	3.26	6.13	6.13	14.19	-6.47	-5.76	29.55	30.09	-34.22	29.39	14.27	2.47	****	5.80
RUSSELL 2000			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	2.21	10.17	
			+/-	(0.02)	0.88	0.88	(0.04)	(4.39)	(1.58)	2.70	2.91	(0.42)	(2.52)	1.28	0.25	****
TOTAL SMALL CAP GROWTH ACTIVE	195.5	0.73%	4.15	6.13	6.13	14.87	-6.02	-3.78	21.80	****	****	28.56	12.56	****	****	20.05
PERIMETER	61.7	0.23%	4.00	6.70	6.70	11.63	-8.14	-5.65	****	****	****	26.83	****	****	****	9.17
PIER CAPITAL	63.6	0.24%	3.45	5.93	5.93	14.47	-9.45	-6.29	****	****	****	28.77	****	****	****	9.76
BROWN AM (D)	70.2	0.26%	4.92	5.81	5.81	18.25	-0.61	0.59	29.20	****	****	29.93	17.64	****	****	24.79
RUSSELL 2000 GROWTH			3.00	4.84	4.84	14.08	-2.71	-2.91	29.09	****	****	31.18	14.19	****	****	
TOTAL SMALL CAP GROWTH			+/-	1.15	1.29	1.29	0.79	(3.31)	(0.87)	(7.29)	****	****	(2.62)	(1.63)	****	****
PERIMETER			+/-	1.00	1.87	1.87	(2.45)	(5.43)	(2.74)	****	****	****	(4.35)	****	****	****
PIER CAPITAL			+/-	0.45	1.10	1.10	0.39	(6.74)	(3.38)	****	****	****	(2.41)	****	****	****
BROWN AM (D)			+/-	1.92	0.97	0.97	4.17	2.10	3.50	0.11	****	****	(1.25)	3.45	****	****
TOTAL SMALL CAP VALUE ACTIVE	205.9	0.77%	2.61	6.15	6.15	13.77	-2.96	-5.02	30.76	21.32	-24.44	31.77	15.09	4.66	11.27	8.08
DALTON GREINER	155.1	0.58%	2.74	6.37	6.37	15.72	-1.70	-5.65	32.07	21.32	-24.44	32.48	15.87	5.09	11.50	8.32
LORD ABBETT	50.8	0.19%	2.21	5.49	5.49	8.22	-6.58	-3.19	****	****	****	29.62	****	****	****	7.87
RUSSELL 2000 VALUE			3.56	5.67	5.67	14.37	-1.44	-5.50	24.50	20.59	-28.93	32.63	11.72	1.35	9.68	
TOTAL SMALL CAP VALUE			+/-	(0.96)	0.48	0.48	(0.60)	(1.52)	0.48	6.26	0.73	4.49	(0.86)	3.37	3.31	1.59
DALTON GREINER			+/-	(0.83)	0.70	0.70	1.35	(0.26)	(0.14)	7.57	0.73	4.49	(0.15)	4.15	3.74	1.82
LORD ABBETT			+/-	(1.36)	(0.18)	(0.18)	(6.15)	(5.14)	2.31	****	****	****	(3.01)	****	****	****
RAFI ENHANCED SMALL CO.	38.7	0.15%	3.57	6.20	6.20	14.99	-3.41	-4.65	29.81	34.57	****	32.45	14.07	****	****	7.87
RUSSELL 2000 VALUE			3.56	5.67	5.67	14.37	-1.44	-5.50	24.50	20.59	****	32.63	11.72	****	****	
			+/-	0.01	0.53	0.53	0.62	(1.97)	0.85	5.31	13.98	****	(0.18)	2.36	****	****
TOTAL SMALL CAP CORE ACTIVE	88.6	0.33%	2.73	6.01	6.01	13.43	-13.23	-10.11	31.72	45.24	-37.03	25.83	12.87	3.22	10.81	7.38
DARUMA	88.6	0.33%	2.73	6.01	6.01	13.43	-13.23	-10.11	31.72	45.24	-37.03	25.83	12.87	3.22	11.61	8.04
RUSSELL 2000			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	2.21	10.17	
TOTAL SMALL CAP CORE			+/-	(0.55)	0.76	0.76	(0.81)	(11.15)	(5.93)	4.87	18.06	(3.23)	(6.08)	(0.11)	1.01	0.64
DARUMA			+/-	(0.55)	0.76	0.76	(0.81)	(11.15)	(5.93)	4.87	18.06	(3.23)	(6.08)	(0.11)	1.01	1.44
TOTAL SMALL/MID CAP	176.4	0.66%	2.72	6.43	6.43	15.94	0.45	-0.96	****	****	****	32.90	****	****	****	13.90
RUSSELL 2500			2.61	5.57	5.57	14.33	-2.29	-2.51	****	****	****	30.93	****	****	****	
			+/-	0.11	0.86	0.86	1.61	2.74	1.54	****	****	****	1.97	****	****	****
TIMESQUARE CAPITAL	95.0	0.36%	2.73	6.48	6.48	18.33	5.44	3.29	****	****	****	39.43	****	****	****	18.36
RUSSELL 2500 GROWTH			2.32	5.22	5.22	14.10	-3.19	-1.57	****	****	****	29.52	****	****	****	
			+/-	0.40	1.26	1.26	4.23	8.63	4.87	****	****	****	9.91	****	****	****

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SECURITY GLOBAL INV	81.4	0.30%	2.70	6.37	6.37	13.26	-4.82	-5.34	****	****	****	26.00	****	****	****	8.51
RUSSELL 2500 VALUE			2.83	5.85	5.85	14.47	-1.49	-3.36	****	****	****	32.15	****	****	****	
			+/-	(0.13)	0.52	0.52	(1.21)	(3.33)	(1.98)	****	****	(6.15)	****	****	****	
TOTAL MID CAP	1,577.0	5.91%	1.96	5.79	5.79	15.35	-1.97	-3.55	26.35	34.43	-40.46	29.72	14.01	1.22	8.65	7.93
RUSSELL MIDCAP			2.12	5.59	5.59	14.00	-1.65	-1.55	25.47	40.46	-41.46	28.03	14.26	2.23	11.18	
			+/-	(0.17)	0.20	0.20	(0.32)	(2.00)	0.88	(6.03)	1.00	1.69	(0.24)	(1.02)	(2.52)	
TOTAL MID CAP PASSIVE	848.7	3.18%	1.93	5.43	5.43	13.65	-2.42	****	****	****	****	28.36	****	****	****	5.61
SSGA S&P 400	848.7	3.18%	1.93	5.43	5.43	13.65	-2.42	****	****	****	****	28.36	****	****	****	5.61
S&P MIDCAP INDEX 400			1.94	5.44	5.44	13.77	-2.33	****	****	****	****	28.54	****	****	****	
TOTAL MID CAP PASSIVE	+/-		(0.01)	(0.01)	(0.01)	(0.12)	(0.08)	****	****	****	****	(0.18)	****	****	****	
SSGA S&P 400	+/-		(0.01)	(0.01)	(0.01)	(0.12)	(0.08)	****	****	****	****	(0.18)	****	****	****	
TOTAL MID CAP ACTIVE	728.3	2.73%	1.99	6.21	6.21	17.17	-1.66	-3.50	23.21	27.70	-36.94	31.23	13.78	1.24	****	5.41
RUSSELL MIDCAP			2.12	5.59	5.59	14.00	-1.65	-1.55	25.47	40.46	-41.46	28.03	14.26	2.23	****	
			+/-	(0.13)	0.62	0.62	3.17	(0.01)	(1.95)	(2.26)	(12.76)	4.52	3.20	(0.48)	(1.00)	****
TOTAL MID CAP GROWTH ACTIVE	293.1	1.10%	1.97	4.63	4.63	16.43	0.47	-3.27	****	****	****	28.17	****	****	****	12.88
FRONTIER CAPITAL	187.0	0.70%	2.07	3.84	3.84	16.55	0.25	-4.18	****	****	****	26.44	****	****	****	11.09
TIMESQUARE CAPITAL	106.0	0.40%	1.78	6.05	6.05	16.22	0.88	-1.64	****	****	****	31.33	****	****	****	11.90
RUSSELL MIDCAP GROWTH			2.00	5.35	5.35	13.88	-2.99	-1.65	****	****	****	26.69	****	****	****	
TOTAL MID CAP GROWTH	+/-		(0.03)	(0.72)	(0.72)	2.55	3.46	(1.62)	****	****	****	1.48	****	****	****	
FRONTIER CAPITAL	+/-		0.07	(1.51)	(1.51)	2.66	3.23	(2.53)	****	****	****	(0.24)	****	****	****	
TIMESQUARE CAPITAL	+/-		(0.22)	0.70	0.70	2.34	3.86	0.01	****	****	****	4.64	****	****	****	
TOTAL MID CAP VALUE ACTIVE	303.2	1.14%	1.95	8.27	8.27	17.76	-3.25	-2.21	24.42	27.70	-36.94	34.35	14.84	1.80	****	5.65
IRIDIAN ASSET	164.6	0.62%	2.87	10.11	10.11	20.69	-2.75	-0.29	****	****	****	37.71	****	****	****	15.34
SYSTEMATIC FINANCIAL	138.6	0.52%	0.87	6.17	6.17	14.45	-3.81	-4.28	****	****	****	30.56	****	****	****	10.03
RUSSELL MIDCAP VALUE			2.23	5.80	5.80	14.03	-0.37	-1.38	24.75	34.20	-38.44	29.28	13.85	1.73	****	
TOTAL MID CAP VALUE	+/-		(0.28)	2.47	2.47	3.73	(2.87)	(0.83)	(0.33)	(6.50)	1.50	5.08	0.99	0.07	****	
IRIDIAN ASSET	+/-		0.64	4.31	4.31	6.66	(2.38)	1.09	****	****	****	8.44	****	****	****	
SYSTEMATIC FINANCIAL	+/-		(1.37)	0.36	0.36	0.42	(3.43)	(2.90)	****	****	****	1.29	****	****	****	
TOTAL MID CAP CORE ACTIVE	132.1	0.49%	2.14	5.12	5.12	17.49	-2.70	-6.79	****	****	****	31.19	****	****	****	11.21
WELLINGTON MGMT	132.1	0.49%	2.14	5.12	5.12	17.49	-2.70	-6.79	****	****	****	31.19	****	****	****	11.21
S&P MIDCAP INDEX 400			1.94	5.44	5.44	13.77	-2.33	-1.73	****	****	****	28.54	****	****	****	
TOTAL MID CAP CORE	+/-		0.20	(0.32)	(0.32)	3.72	(0.37)	(5.06)	****	****	****	2.66	****	****	****	
WELLINGTON MGMT	+/-		0.20	(0.32)	(0.32)	3.72	(0.37)	(5.06)	****	****	****	2.66	****	****	****	
TOTAL LARGE CAP	1,024.2	3.84%	2.84	5.95	5.95	14.43	0.17	0.19	15.93	28.96	-37.45	27.67	12.03	0.95	****	8.25
RUSSELL 1000			2.57	6.31	6.31	16.28	4.37	1.50	16.10	28.43	-37.60	30.05	13.27	1.22	****	
			+/-	0.27	(0.36)	(0.36)	(1.85)	(4.21)	(1.31)	(0.17)	0.53	0.15	(2.39)	(1.25)	(0.27)	****
TOTAL LARGE CAP GROWTH	277.6	1.04%	2.49	4.55	4.55	11.64	-5.47	-3.81	16.37	39.51	-41.67	22.21	10.62	0.51	6.93	8.15
RUSSELL 1000 GROWTH			1.96	6.11	6.11	16.80	5.76	2.64	16.71	37.22	-38.43	29.19	14.73	3.24	8.41	
			+/-	0.53	(1.56)	(1.56)	(5.16)	(11.23)	(6.45)	(0.34)	2.29	(3.24)	(6.98)	(4.11)	(2.73)	(1.48)

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ZEVENBERGEN RUSSELL 3000 GROWTH	158.2	0.59%	2.99	3.79	3.79	8.84	-11.17	-10.02	23.05	56.77	****	17.30	9.52	****	****	6.17
			2.04	6.01	6.01	16.59	5.05	2.18	17.64	37.00	****	29.35	14.69	****	****	
			0.95	(2.22)	(2.22)	(7.75)	(16.22)	(12.20)	5.41	19.77	****	(12.05)	(5.17)	****	****	
CASTLEARK MGMT (D) PROFIT INV MGMT (D) RUSSELL 1000 GROWTH	80.6 38.7	0.30% 0.15%	1.95 1.59	4.79 7.22	4.79 7.22	14.77 17.28	1.92 6.92	1.15 2.98	21.90 9.54	**** ****	**** ****	27.97 32.37	14.08 12.30	**** ****	**** ****	18.63 17.44
			1.96	6.11	6.11	16.80	5.76	2.64	16.71	****	****	29.19	14.73	****	****	
			(0.01)	(1.32)	(1.32)	(2.03)	(3.84)	(1.49)	5.19	****	****	(1.22)	(0.65)	****	****	
			(0.37)	1.12	1.12	0.48	1.16	0.34	(7.17)	****	****	3.19	(2.43)	****	****	
TOTAL LARGE CAP VALUE RUSSELL 1000 VALUE	384.2	1.44%	3.17	6.57	6.57	15.60	2.27	2.45	14.94	20.42	-35.11	30.59	12.18	0.28	****	8.74
			3.17	6.51	6.51	15.75	3.01	0.39	15.51	19.69	-36.85	30.92	11.83	-0.90	****	
			(0.01)	0.07	0.07	(0.15)	(0.74)	2.06	(0.57)	0.73	1.74	(0.32)	0.35	1.18	****	
ARONSON JOHNSON RUSSELL 1000 VALUE	330.5	1.24%	3.35	7.11	7.11	16.48	2.74	2.70	15.72	15.67	-33.25	31.98	13.11	0.11	****	9.09
			3.17	6.51	6.51	15.75	3.01	0.39	15.51	19.69	-36.85	30.92	11.83	-0.90	****	
			0.18	0.61	0.61	0.74	(0.27)	2.31	0.21	(4.02)	3.60	1.06	1.28	1.01	****	
DENALI ADVISORS (D) RUSSELL 1000 VALUE	53.7	0.20%	2.05	3.35	3.35	10.44	-0.42	-0.36	11.14	****	****	22.69	8.87	****	****	15.21
			3.17	6.51	6.51	15.75	3.01	0.39	15.51	****	****	30.92	11.83	****	****	
			(1.12)	(3.16)	(3.16)	(5.31)	(3.43)	(0.75)	(4.37)	****	****	(8.23)	(2.96)	****	****	
TOTAL LARGE CAP CORE SEIZERT CAPITAL PTNRS (D) PIEDMONT INV ADV (D) RUSSELL 1000	111.5 57.9 53.7	0.42% 0.22% 0.20%	2.45 2.77 2.10	6.68 6.90 6.46	6.68 6.90 6.46	15.54 13.52 17.79	0.88 -0.81 2.77	-1.97 -0.07 -4.01	15.87 15.84 15.91	**** **** ****	**** **** ****	27.45 24.86 30.36	12.13 12.61 11.62	**** **** ****	**** **** ****	21.68 17.44 16.00
			2.57	6.31	6.31	16.28	4.37	1.50	16.10	****	****	30.05	13.27	****	****	
			(0.13)	0.38	0.38	(0.75)	(3.49)	(3.47)	(0.23)	****	****	(2.61)	(1.14)	****	****	
			0.19	0.59	0.59	(2.76)	(5.19)	(1.57)	(0.26)	****	****	(5.20)	(0.66)	****	****	
			(0.47)	0.15	0.15	1.51	(1.60)	(5.51)	(0.19)	****	****	0.30	(1.65)	****	****	
TOTAL FUNDAMENTAL INDEX LARGE CAP RUSSELL 1000	250.9	0.94%	2.91	6.25	6.25	15.35	3.54	1.98	17.72	25.98	****	29.73	13.23	****	****	4.92
			2.57	6.31	6.31	16.28	4.37	1.50	16.10	28.43	****	30.05	13.27	****	****	
			0.34	(0.06)	(0.06)	(0.94)	(0.84)	0.48	1.62	(2.45)	****	(0.32)	(0.04)	****	****	
RAFI ENHANCED LARGE CO. RUSSELL 1000	169.3	0.63%	2.92	6.05	6.05	14.92	3.73	2.30	19.02	27.53	****	29.37	13.40	****	****	6.94
			2.57	6.31	6.31	16.28	4.37	1.50	16.10	28.43	****	30.05	13.27	****	****	
			0.35	(0.26)	(0.26)	(1.36)	(0.64)	0.80	2.92	(0.90)	****	(0.69)	0.13	****	****	
VTL S&P 500 STANDARD & POORS 500	81.6	0.31%	2.90	6.67	6.67	16.24	3.13	0.92	17.45	30.82	****	30.50	13.33	****	****	5.87
			2.58	6.35	6.35	16.44	5.45	2.11	15.06	26.47	****	30.20	13.20	****	****	
			0.31	0.32	0.32	(0.21)	(2.31)	(1.19)	2.39	4.35	****	0.30	0.13	****	****	
<b>EMERGING MANAGERS</b>																
TOTAL EMERGING MGRS (Program changed 7/01/2012) RUSSELL 2000 RUSSELL 3000	135.0	0.51%	2.96	6.41	6.41	14.23	-1.48	-0.82	22.59	28.29	-36.48	30.59	13.52	****	****	2.57
			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	****	****	
			2.63	6.23	6.23	16.13	3.84	1.03	16.93	28.34	-37.31	30.20	13.25	****	****	
			(0.32)	1.16	1.16	0.00	0.60	3.36	(4.26)	1.11	(2.68)	(1.32)	0.54	****	****	
			0.34	0.18	0.18	(1.89)	(5.32)	(1.85)	5.66	(0.05)	0.83	0.38	0.27	****	****	

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ATTUCKS	28.0	0.10%	2.60	6.23	6.23	12.78	-3.39	-1.07	28.60	26.86	-36.36	32.00	14.33	****	****	3.14
CAPITAL PROSPECTS	32.7	0.12%	2.94	5.39	5.39	****	****	****	****	****	****	****	****	****	****	10.27
F.I.S FUND MGMT	34.0	0.13%	3.08	7.05	7.05	****	****	****	****	****	****	****	****	****	****	11.42
PROGRESS EQUITY	40.3	0.15%	3.14	6.83	6.83	11.63	-5.51	-1.55	25.67	29.35	-37.65	30.16	13.09	****	****	2.30
RUSSELL 2000			3.28	5.25	5.25	14.23	-2.08	-4.18	26.85	27.18	-33.80	31.91	12.98	****	****	
ATTUCKS +/-			(0.68)	0.98	0.98	(1.45)	(1.31)	3.10	1.75	(0.32)	(2.56)	0.09	1.34	****	****	
CAPITAL PROSPECTS +/-			(0.35)	0.14	0.14	****	****	****	****	****	****	****	****	****	****	
F.I.S FUND MGMT +/-			(0.20)	1.80	1.80	****	****	****	****	****	****	****	****	****	****	
PROGRESS EQUITY +/-			(0.15)	1.58	1.58	(2.60)	(3.43)	2.63	(1.18)	2.17	(3.85)	(1.74)	0.10	****	****	
<b>NON - US EQUITY</b>																
EAFE GROWTH	431.2	1.62%	3.60	7.56	7.56	12.26	-11.72	-11.67	11.46	35.48	-45.63	18.05	4.20	-3.27	****	7.11
MSCI EAFE (NET DIVIDEND)			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	****	8.71
MSCI EAFE GROWTH			2.61	6.40	6.40	10.86	-12.22	-11.82	12.60	29.91	-42.46	15.22	4.68	-3.87	****	
			0.64	0.64	0.64	2.18	2.11	0.47	3.71	3.70	(2.24)	4.30	2.09	1.97	****	
			1.00	1.16	1.16	1.41	0.51	0.15	(1.14)	5.57	(3.17)	2.83	(0.47)	0.61	****	
TOTAL INTL GROWTH	431.2	1.62%	3.60	7.56	7.56	12.26	-11.72	-11.67	11.46	35.48	-45.63	18.05	4.20	-3.27	****	7.11
BAILLIE	297.7	1.12%	3.73	7.39	7.39	11.65	-11.91	-10.71	17.36	45.29	-44.75	18.41	6.53	****	****	-1.31
PYRAMIS GLOBAL ADVISORS	133.2	0.50%	3.33	7.96	7.96	13.90	-11.02	-11.43	10.69	33.91	-43.34	18.64	4.79	****	****	-3.43
MSCI EAFE GROWTH			2.61	6.40	6.40	10.86	-12.22	-11.82	12.60	29.91	-42.46	15.22	4.68	-3.87	****	
TOTAL INTL GROWTH +/-			1.00	1.16	1.16	1.41	0.51	0.15	(1.14)	5.57	(3.17)	2.83	(0.47)	0.61	****	
BAILLIE +/-			1.12	0.99	0.99	0.80	0.31	1.11	4.76	15.38	(2.29)	3.19	1.85	****	****	
PYRAMIS GLOBAL ADVISORS +/-			0.72	1.56	1.56	3.04	1.21	0.40	(1.91)	4.00	(0.88)	3.41	0.12	****	****	
EAFE VALUE	158.1	0.59%	1.76	5.86	5.86	5.72	-15.69	-11.07	5.79	29.96	-44.81	9.13	0.47	-7.01	****	4.30
MSCI EAFE (NET DIVIDEND)			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	****	8.71
MSCI EAFE VALUE			3.37	7.55	7.55	10.23	-14.60	-11.65	3.81	35.06	-43.68	13.34	0.48	-5.74	****	
			(1.20)	(1.06)	(1.06)	(4.36)	(1.86)	1.08	(1.96)	(1.82)	(1.42)	(4.63)	(1.65)	(1.77)	****	
			(1.62)	(1.69)	(1.69)	(4.51)	(1.09)	0.58	1.98	(5.10)	(1.13)	(4.21)	(0.01)	(1.28)	****	
TOTAL INTL VALUE	158.1	0.59%	1.76	5.86	5.86	5.72	-15.69	-11.07	5.79	29.96	-44.81	9.13	0.47	-7.01	****	4.30
MONDRIAN INVESTMENT PARTNERS LTD	157.4	0.59%	1.76	5.89	5.89	5.77	-10.52	-3.00	3.36	25.20	-36.84	9.76	2.99	-3.39	10.27	6.49
MSCI EAFE VALUE			3.37	7.55	7.55	10.23	-14.60	-11.65	3.81	35.06	-43.68	13.34	0.48	-5.74	****	
TOTAL INTL VALUE +/-			(1.62)	(1.69)	(1.69)	(4.51)	(1.09)	0.58	1.98	(5.10)	(1.13)	(4.21)	(0.01)	(1.28)	****	
MONDRIAN INVESTMENT PARTNERS LTD +/-			(1.61)	(1.67)	(1.67)	(4.47)	4.09	8.65	(0.45)	(9.86)	6.84	(3.58)	2.51	2.35	****	
TOTAL INTL CORE	574.0	2.15%	3.36	6.99	6.99	10.27	-14.72	-12.57	11.79	35.33	-44.47	15.81	3.59	-4.23	****	4.68
THORNBURG	274.4	1.03%	3.08	6.49	6.49	11.34	-13.53	-12.15	15.67	33.68	-42.96	16.57	5.41	****	****	-3.06
CAPITAL GUARDIAN MTA	103.3	0.39%	3.51	7.82	7.82	12.15	-12.95	-12.88	12.02	29.06	****	16.95	4.11	****	****	-2.90
PHILADELPHIA	196.4	0.74%	3.68	7.27	7.27	7.59	-17.97	-12.71	7.34	44.35	-48.68	14.35	1.20	****	****	-5.96
MSCI EAFE (NET DIVIDEND)			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	****	
TOTAL INTL CORE +/-			0.40	0.07	0.07	0.18	(0.89)	(0.43)	4.04	3.55	(1.08)	2.06	1.47	1.01	****	
THORNBURG +/-			0.12	(0.43)	(0.43)	1.26	0.30	(0.01)	7.92	1.90	0.43	2.81	3.29	****	****	
CAPITAL GUARDIAN MTA +/-			0.55	0.90	0.90	2.07	0.88	(0.74)	4.27	(2.72)	****	3.19	1.99	****	****	
PHILADELPHIA +/-			0.72	0.34	0.34	(2.49)	(4.14)	(0.57)	(0.41)	12.57	(5.29)	0.60	(0.91)	****	****	
TOTAL PASSIVE DEVELOPED MARKET	1,211.6	4.54%	3.00	6.78	6.78	10.32	-13.33	-12.29	8.18	32.26	-42.86	14.08	2.28	-4.90	8.52	5.06
STATE STREET	1,211.5	4.54%	3.00	6.78	6.78	10.32	-13.33	****	****	****	****	14.08	****	****	****	-2.96
MSCI EAFE (NET DIVIDEND)			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	8.20	
TOTAL PASSIVE DEVELOPED MARKET +/-			0.04	(0.14)	(0.14)	0.24	0.51	(0.15)	0.43	0.48	0.53	0.33	0.16	0.34	0.32	
STATE STREET +/-			0.04	(0.14)	(0.14)	0.24	0.50	****	****	****	****	0.33	****	****	****	

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<b>NON-US ACTIVIST &amp; ENVIRONMENTAL EQUITY</b>																
TOTAL NON-U.S. ENVIRONMENTAL GENERATION GE	74.1	0.28%	2.64	6.21	6.21	14.81	-4.50	-7.77	9.13	37.25	****	22.35	6.03	****	****	-0.55
MSCI WORLD INDEX	74.1	0.28%	2.64	6.21	6.21	14.82	-4.49	-7.77	15.09	48.07	****	22.36	8.76	****	****	7.08
TOTAL NON-U.S. ENVIRONMENTAL GENERATION GE +/-			(0.15)	(0.62)	(0.62)	1.26	(0.08)	(2.76)	(3.21)	6.45	****	0.03	(2.04)	****	****	
			(0.15)	(0.62)	(0.62)	1.26	(0.08)	(2.76)	2.75	17.27	****	0.03	0.68	****	****	
TOTAL NON-U.S. ACTIVIST GOVERNANCE FOR OWNERS	58.8	0.22%	3.54	6.16	6.16	8.55	-25.49	-24.01	36.14	42.63	****	11.95	4.86	****	****	13.14
MSCI EUROPE SMID CAP INDEX	58.8	0.22%	3.54	6.16	6.16	8.55	-25.49	-23.39	36.14	42.63	****	11.95	6.03	****	****	15.46
TOTAL NON-U.S. ACTIVIST GOVERNANCE FOR OWNERS +/-			(0.94)	(4.01)	(4.01)	(8.18)	(6.49)	(6.45)	20.11	(10.60)	****	(7.04)	0.68	****	****	
			(0.94)	(4.00)	(4.00)	(8.18)	(6.49)	(5.84)	20.11	(10.60)	****	(7.04)	1.86	****	****	
TOTAL DEVELOPED MARKETS MSCI EAFE (NET DIVIDEND)	2,375.8	8.90%	3.11	6.91	6.91	9.96	-13.75	-11.95	9.14	32.99	-44.30	14.45	2.67	-4.99	8.23	5.86
			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	8.20	
			0.15	(0.01)	(0.01)	(0.12)	0.09	0.20	1.39	1.21	(0.91)	0.69	0.55	0.26	0.03	
TOTAL DEVELOPED-ENVIRONMENTAL-ACTIVIST MSCI EAFE (NET DIVIDEND)	2,508.6	9.40%	3.11	6.87	6.87	10.00	-13.83	-12.12	9.65	33.28	-44.48	14.53	2.80	-4.95	****	4.64
			2.96	6.92	6.92	10.08	-13.83	-12.14	7.75	31.78	-43.39	13.75	2.12	-5.24	****	
			0.15	(0.05)	(0.05)	(0.08)	(0.00)	0.02	1.90	1.50	(1.09)	0.78	0.69	0.29	****	
<b>EMERGING MARKETS</b>																
TOTAL EMERGING MARKETS	1,606.1	6.02%	5.88	8.11	8.11	11.65	-17.25	-19.93	19.76	82.60	-56.30	16.96	5.19	-2.17	18.11	8.57
ACTIVE EMERGING MARKETS	1,106.4	4.15%	5.87	8.23	8.23	11.45	-17.54	-20.17	19.76	82.60	-56.30	16.91	5.02	-2.27	****	12.07
DFA	294.4	1.10%	6.90	8.30	8.30	11.19	-21.04	-24.01	26.87	93.86	-51.31	15.02	5.55	0.51	****	6.08
BAILLIE GIFFORD	322.8	1.21%	5.17	8.23	8.23	13.03	-13.61	-19.78	19.87	99.12	-56.41	21.64	5.76	0.27	****	12.07
EATON VANCE	291.4	1.09%	6.06	7.99	7.99	****	****	****	****	****	****	****	****	****	****	13.17
ACADIAN	191.5	0.72%	5.42	8.77	8.77	13.42	-14.34	-16.65	23.72	83.09	-55.98	18.42	8.32	-0.31	****	10.40
MSCI EMERGING MARKETS FREE			6.05	7.89	7.89	12.33	-15.67	-18.17	19.20	79.02	-53.17	17.33	5.95	-0.98	****	
ACTIVE EMERGING MARKETS +/-			(0.18)	0.35	0.35	(0.88)	(1.86)	(2.00)	0.56	3.58	(3.13)	(0.42)	(0.94)	(1.29)	****	
DFA +/-			0.84	0.41	0.41	(1.14)	(5.36)	(1.00)	7.67	14.84	1.86	(2.30)	(0.40)	1.49	****	
BAILLIE GIFFORD +/-			(0.89)	0.35	0.35	0.70	2.07	(0.00)	0.67	20.10	(3.24)	4.32	(0.20)	1.25	****	
ACADIAN +/-			0.00	0.10	0.10	****	****	****	****	****	****	****	****	****	****	
EATON VANCE +/-			(0.64)	0.88	0.88	1.09	1.33	2.00	4.52	4.07	(2.81)	1.09	2.36	0.67	****	
PASSIVE EMERGING MARKETS BLACKROCK	499.7	1.87%	5.90	7.84	7.84	12.07	-16.43	****	****	****	****	16.41	****	****	****	-7.41
MSCI EMERGING MARKETS FREE	499.7	1.87%	5.90	7.84	7.84	12.07	-16.43	****	****	****	****	16.41	****	****	****	-7.41
PASSIVE EMERGING MARKETS BLACKROCK +/-			(0.15)	(0.04)	(0.04)	(0.25)	(0.76)	****	****	****	****	(0.91)	****	****	****	
			(0.15)	(0.04)	(0.04)	(0.25)	(0.76)	****	****	****	****	(0.91)	****	****	****	
INTERNATIONAL EQUITY MSCI WORLD INDEX	4,114.7	15.42%	4.17	7.35	7.35	10.29	-15.03	-14.17	11.77	41.03	-46.95	14.94	3.13	-4.53	9.49	6.52
			2.79	6.83	6.83	13.56	-4.42	-5.02	12.34	30.80	-40.33	22.32	8.07	-1.57	8.61	
			1.38	0.52	0.52	(3.27)	(10.62)	(9.16)	(0.57)	10.23	(6.62)	(7.38)	(4.94)	(2.95)	0.88	

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	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>HEDGE FUNDS</b>																
TOTAL HEDGE FUNDS	585.7	2.19%	1.13	2.33	2.33	3.33	-2.03	****	****	****	****	0.97	****	****	****	0.20
1 YEAR TREASURY BILL YIELD + 4%			0.35	1.13	1.13	3.17	4.26	****	****	****	****	4.26	****	****	****	
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.90	2.57	2.57	4.06	-3.45	****	****	****	****	3.89	****	****	****	
			+/- 0.79	+/- 1.20	+/- 1.20	+/- 0.16	+/- (6.29)	****	****	****	****	+/- (3.30)	****	****	****	
			+/- 0.23	+/- (0.24)	+/- (0.24)	+/- (0.73)	+/- 1.42	****	****	****	****	+/- (2.92)	****	****	****	
TOTAL DIRECT HEDGE FUNDS	436.8	1.64%	1.22	3.80	3.80	5.20	****	****	****	****	****	****	****	****	****	5.20
BLUE TREND FD	70.4	0.26%	****	5.87	5.87	****	****	****	****	****	****	****	****	****	****	5.87
BREVAN HOWARD LP	118.8	0.45%	****	5.36	5.36	1.53	****	****	****	****	****	****	****	****	****	1.53
D.E. SHAW COMPOSITE FD	127.6	0.48%	****	3.49	3.49	8.57	****	****	****	****	****	****	****	****	****	8.57
BRIGADE LEV CAP STR	69.0	0.26%	****	1.44	1.44	****	****	****	****	****	****	****	****	****	****	2.93
CASPIAN SELECT CF	51.1	0.19%	****	2.10	2.10	****	****	****	****	****	****	****	****	****	****	2.10
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.90	2.57	2.57	4.06	****	****	****	****	****	****	****	****	****	
MSCI AC WORLD INDEX STD NET			3.15	6.84	6.84	12.88	****	****	****	****	****	****	****	****	****	
BARCLAYS CAPITAL AGGREGATE			0.14	1.59	1.59	3.99	****	****	****	****	****	****	****	****	****	
TOTAL DIRECT HEDGE FUNDS +/-			+/- 0.32	+/- 1.23	+/- 1.23	+/- 1.14	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
BLUE TREND FD +/-			+/- ****	+/- 3.30	+/- 3.30	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
BREVAN HOWARD LP +/-			+/- ****	+/- 2.79	+/- 2.79	+/- (2.53)	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
D.E. SHAW COMPOSITE FD +/-			+/- ****	+/- 0.92	+/- 0.92	+/- 4.50	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
BRIGADE LEV CAP STR +/-			+/- ****	+/- (1.13)	+/- (1.13)	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
CASPIAN SELECT CF +/-			+/- ****	+/- (0.46)	+/- (0.46)	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
TOTAL PERMAL HEDGE FUNDS OF FUNDS	148.9	0.56%	0.89	-1.83	-1.83	-1.80	-2.95	****	****	****	****	-4.05	****	****	****	-3.79
HFRI FUND OF FUNDS COMPOSITE INDEX + 1%			0.90	2.57	2.57	4.06	-3.45	****	****	****	****	3.89	****	****	****	
			+/- (0.01)	+/- (4.40)	+/- (4.40)	+/- -5.86	+/- 0.50	+/- ****	+/- ****	+/- ****	+/- ****	+/- (7.94)	+/- ****	+/- ****	+/- ****	
<b>REITS</b>																
TOTAL REAL ESTATE EQUITY SECURITIES	138.5	0.52%	1.50	5.57	5.57	****	****	****	****	****	****	****	****	****	****	10.76
SSGA REIT MTA	138.5	0.52%	1.50	5.57	5.57	****	****	****	****	****	****	****	****	****	****	10.76
FTSE EPRA/NAREIT DEVELOPED INDEX USD			1.63	5.51	5.51	****	****	****	****	****	****	****	****	****	****	
TOTAL REAL ESTATE EQUITY SECURITIES +/-			+/- (0.13)	+/- 0.06	+/- 0.06	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	
SSGA REIT MTA +/-			+/- (0.13)	+/- 0.06	+/- 0.06	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	+/- ****	

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<b>FIXED INCOME</b>																
TOTAL STRUCTURED FIXED INCOME	5,215.5	19.54%	0.44	2.46	2.46	6.08	9.29	8.88	8.50	8.82	3.92	7.57	8.03	7.87	6.29	8.57
NYC - CORE PLUS FIVE			0.18	2.04	2.04	5.10	9.35	9.40	7.13	6.28	6.64	6.50	7.21	7.58	6.05	
			+/-	0.26	0.42	0.42	0.97	(0.06)	(0.53)	1.37	2.54	(2.72)	1.07	0.83	0.29	0.24
ALL MORTGAGE	2,313.4	8.67%	0.57	1.75	1.75	4.32	5.84	6.24	7.50	8.53	4.00	5.19	6.47	6.69	5.53	7.37
PIMCO - MORTGAGE	761.8	2.85%	0.60	1.72	1.72	3.97	5.49	6.38	7.76	9.13	4.57	4.84	6.47	7.02	5.80	7.64
BLACKROCK	777.4	2.91%	0.68	1.98	1.98	5.57	6.73	5.93	8.39	10.58	2.59	6.36	7.04	7.13	5.73	6.53
NEUBERGER BERMAN -MORT	426.0	1.60%	0.36	1.52	1.52	3.32	4.90	6.27	****	****	****	4.14	****	****	****	5.49
WELLINGTON -MORT	173.9	0.65%	0.51	1.40	1.40	3.08	5.45	7.02	5.91	****	****	4.31	5.54	****	****	5.79
GOLDMAN SACHS -MORT	174.4	0.65%	0.56	1.78	1.78	3.98	6.14	6.20	6.08	****	****	5.03	5.59	****	****	5.82
CITIGROUP MORTGAGE INDEX			0.22	1.11	1.11	2.82	5.05	6.38	5.50	5.76	8.49	3.76	5.07	6.42	5.29	
ALL MORTGAGE +/-			0.35	0.64	0.64	1.50	0.79	(0.13)	2.00	2.77	(4.49)	1.44	1.40	0.27	0.24	
PIMCO - MORTGAGE +/-			0.38	0.61	0.61	1.15	0.43	0.01	2.26	3.37	(3.92)	1.08	1.40	0.60	0.51	
BLACKROCK +/-			0.45	0.86	0.86	2.75	1.67	(0.45)	2.89	4.82	(5.90)	2.60	1.97	0.71	0.44	
NEUBERGER BERMAN -MORT +/-			0.13	0.40	0.40	0.49	(0.15)	(0.10)	****	****	****	0.38	****	****	****	
WELLINGTON -MORT +/-			0.29	0.29	0.29	0.26	0.40	0.65	0.41	****	****	0.56	0.47	****	****	
GOLDMAN SACHS -MORT +/-			0.34	0.67	0.67	1.16	1.08	(0.18)	0.58	****	****	1.28	0.52	****	****	
ALL INVESTMENT GRADE CREDIT	2,097.6	7.86%	0.76	3.98	3.98	9.13	9.53	7.98	9.47	18.91	-4.97	11.45	9.35	8.28	6.89	7.87
T. ROWE PRICE -CREDIT	679.2	2.54%	0.95	4.29	4.29	9.74	9.50	8.05	10.16	19.31	-3.64	12.29	9.91	8.95	7.25	8.14
BLACKROCK -CREDIT	531.3	1.99%	0.70	3.94	3.94	9.07	9.69	7.89	9.22	16.77	-4.88	11.40	9.13	7.87	6.65	7.36
PRUDENTIAL - CREDIT	495.9	1.86%	0.62	3.69	3.69	8.46	9.69	8.06	8.90	****	****	10.62	8.87	****	****	9.63
TAPLIN,CANIDA -CREDIT	152.0	0.57%	0.84	3.99	3.99	8.68	8.64	7.99	9.43	22.57	-11.39	10.33	9.34	7.01	****	6.54
PYRAMIS - CREDIT	151.2	0.57%	0.72	3.88	3.88	9.45	9.43	7.66	9.23	****	****	11.93	9.33	****	****	9.73
PRUDENTIAL-PRIVEST	88.0	0.33%	0.06	****	****	****	****	****	****	****	****	****	****	****	****	0.06
NYC - INVESTMENT GRADE CREDIT			0.66	3.71	3.71	8.34	9.14	7.80	8.36	16.36	-4.06	10.21	8.47	7.57	6.40	
ALL INVESTMENT GRADE CREDIT +/-			0.10	0.28	0.28	0.79	0.39	0.18	1.11	2.55	(0.91)	1.24	0.89	0.71	0.49	
T. ROWE PRICE -CREDIT +/-			0.29	0.59	0.59	1.40	0.36	0.25	1.80	2.95	0.42	2.08	1.44	1.38	0.85	
BLACKROCK -CREDIT +/-			0.04	0.24	0.24	0.73	0.55	0.10	0.86	0.41	(0.82)	1.19	0.66	0.30	0.25	
PRUDENTIAL - CREDIT +/-			(0.04)	(0.01)	(0.01)	0.12	0.55	0.27	0.54	****	****	0.41	0.41	****	****	
TAPLIN,CANIDA -CREDIT +/-			0.18	0.29	0.29	0.33	(0.50)	0.20	1.07	6.21	(7.33)	0.12	0.88	(0.57)	****	
PYRAMIS - CREDIT +/-			0.06	0.18	0.18	1.11	0.30	(0.13)	0.87	****	****	1.72	****	****	****	
PRUDENTIAL-PRIVEST +/-			(0.60)	****	****	****	****	****	****	****	****	****	****	****	****	
ALL TREASURY / AGENCY	804.4	3.01%	-0.77	0.82	0.82	4.24	18.60	18.28	9.42	-5.54	17.51	5.86	9.49	9.48	6.89	8.43
PIMCO	325.1	1.22%	-0.74	0.87	0.87	4.48	18.49	18.01	10.00	-4.67	16.59	6.07	9.74	9.63	7.03	8.30
STATE STREET -GOVT	161.2	0.60%	-0.79	0.77	0.77	4.11	18.69	18.50	8.90	****	****	5.66	9.35	****	****	9.77
BLACKROCK -GOVT	159.4	0.60%	-0.76	0.86	0.86	4.21	18.57	18.41	9.14	****	****	5.93	9.40	****	****	9.82
FISCHER,FRANCIS	158.8	0.59%	-0.81	0.72	0.72	3.91	18.79	18.47	9.01	-4.96	17.14	5.55	9.22	9.43	6.85	8.51
NYC - TREASURY AGENCY PLUS FIVE			-0.81	0.82	0.82	4.11	18.72	18.44	9.24	-7.44	18.91	5.67	9.37	9.28	6.68	
ALL TREASURY / AGENCY +/-			0.04	(0.01)	(0.01)	0.13	(0.12)	(0.16)	0.18	1.90	(1.40)	0.18	0.13	0.20	0.21	
PIMCO +/-			0.07	0.04	0.04	0.37	(0.23)	(0.43)	0.76	2.77	(2.32)	0.40	0.38	0.35	0.35	
STATE STREET -GOVT +/-			0.03	(0.05)	(0.05)	(0.01)	(0.03)	0.06	(0.34)	****	****	(0.02)	(0.02)	****	****	
BLACKROCK -GOVT +/-			0.05	0.04	0.04	0.10	(0.15)	(0.03)	(0.10)	****	****	0.26	0.04	****	****	
FISCHER,FRANCIS +/-			0.00	(0.10)	(0.10)	(0.20)	0.07	0.03	(0.23)	2.48	(1.77)	(0.12)	(0.15)	0.15	0.17	

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<b>PROGRESS FIXED</b>																
TOTAL PROGRESS FIXED	69.9	0.26%	0.27	1.83	1.83	****	****	****	****	****	****	****	****	****	****	1.88
PIM AMBASSADOR MTA	17.3	0.06%	-0.09	1.41	1.41	****	****	****	****	****	****	****	****	****	****	1.40
PIM GIA MTA	14.1	0.05%	0.58	2.29	2.29	****	****	****	****	****	****	****	****	****	****	2.59
PIM HILLSWICK MTA	7.0	0.03%	0.20	1.43	1.43	****	****	****	****	****	****	****	****	****	****	1.37
PIM NEW CENTURY MTA	17.5	0.07%	0.37	2.06	2.06	****	****	****	****	****	****	****	****	****	****	2.04
PIM PUGH CAP MTA	13.9	0.05%	0.28	1.81	1.81	****	****	****	****	****	****	****	****	****	****	1.84
BARCLAYS CAPITAL AGGREGATE			0.14	1.59	1.59	****	****	****	****	****	****	****	****	****	****	
TOTAL PROGRESS FIXED +/-			0.13	0.25	0.25	****	****	****	****	****	****	****	****	****	****	
PIM AMBASSADOR MTA +/-			(0.22)	(0.18)	(0.18)	****	****	****	****	****	****	****	****	****	****	
PIM GIA MTA +/-			0.45	0.71	0.71	****	****	****	****	****	****	****	****	****	****	
PIM HILLSWICK MTA +/-			0.06	(0.16)	(0.16)	****	****	****	****	****	****	****	****	****	****	
PIM NEW CENTURY MTA +/-			0.24	0.47	0.47	****	****	****	****	****	****	****	****	****	****	
PIM PUGH CAP MTA +/-			0.14	0.23	0.23	****	****	****	****	****	****	****	****	****	****	
<b>HIGH YIELD</b>																
TOTAL ENHANCED YIELD	1,570.6	5.88%	1.59	4.23	4.23	10.91	7.05	6.05	14.13	41.55	-19.09	16.99	12.07	8.99	10.27	8.41
CITIGROUP BB & B			1.14	4.12	4.12	11.12	8.45	6.58	13.35	40.37	-25.10	17.84	12.00	6.96	9.37	
			+/- 0.46	0.11	0.11	(0.20)	(1.40)	(0.53)	0.78	1.18	6.01	(0.85)	0.06	2.03	0.90	
LOOMIS SAYLES	298.7	1.12%	2.63	6.14	6.14	14.27	6.97	7.70	16.35	53.76	-23.36	19.46	14.75	10.99	12.59	9.60
NYC-LOOMIS (BofA ML-MST II 7-03/BB&B PRIOR)			1.42	4.61	4.61	12.02	6.51	4.38	15.19	57.51	-26.39	18.94	12.61	9.06	10.72	
			+/- 1.21	1.52	1.52	2.26	0.45	3.32	1.16	(3.75)	3.03	0.52	2.13	1.93	1.87	
T. ROWE PRICE	374.2	1.40%	1.46	4.39	4.39	10.20	5.66	4.84	14.10	43.83	-20.16	16.79	11.46	8.57	****	8.43
NEUBERGER BERMAN	331.8	1.24%	1.34	****	****	****	****	****	****	****	****	****	****	****	****	1.34
STONE HARBOR	231.5	0.87%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
FORT WASHINGTON	187.2	0.70%	1.36	****	****	****	****	****	****	****	****	****	****	****	****	1.36
SHENKMAN	147.1	0.55%	1.07	3.17	3.17	8.99	7.01	5.10	11.88	29.17	-12.72	15.74	10.06	7.63	****	7.75
CITIGROUP BB & B			1.14	4.12	4.12	11.12	8.45	6.58	13.35	40.37	-25.10	17.84	12.00	6.96	****	
T. ROWE PRICE +/-			0.32	0.27	0.27	(0.91)	(2.78)	(1.74)	0.75	3.46	4.94	(1.05)	(0.55)	1.62	****	
NEUBERGER BERMAN +/-			0.20	****	****	****	****	****	****	****	****	****	****	****	****	
STONE HARBOR +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
FORT WASHINGTON +/-			0.22	****	****	****	****	****	****	****	****	****	****	****	****	
SHENKMAN +/-			(0.07)	(0.95)	(0.95)	(2.13)	(1.43)	(1.47)	(1.47)	(11.20)	12.38	(2.10)	(1.94)	0.67	****	
<b>BANK LOANS</b>																
TOTAL BANK LOANS	500.3	1.87%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
BABSON BL MTA	200.2	0.75%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSE BL MTA	200.1	0.75%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
GUGGENHEIM BL MTA	100.0	0.37%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSE LEVERAGED LOAN INDEX			****	****	****	****	****	****	****	****	****	****	****	****	****	****
TOTAL BANK LOANS +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
BABSON BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
CREDIT SUISSE BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
GUGGENHEIM BL MTA +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****

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<b>TIPS</b>																
TOTAL TIPS MANAGERS	541.8	2.03%	0.57	2.24	2.24	6.38	12.07	13.52	6.45	10.13	-0.73	9.33	9.40	8.09	****	6.56
PIMCO-TIPS-MTA	271.2	1.02%	0.67	2.38	2.38	6.77	12.36	13.34	6.57	10.24	-0.88	9.89	9.47	8.15	****	6.54
STATE STREET-TIPS-MTA	158.7	0.59%	0.53	2.18	2.18	6.20	11.68	13.61	6.34	10.00	-0.96	8.99	9.36	7.97	****	6.79
BLACKROCK-TIPS	111.9	0.42%	0.41	2.00	2.00	5.69	11.95	13.82	6.34	10.02	-0.03	8.45	9.27	8.12	****	7.09
BARCLAYS CAPITAL US TIPS INDEX			0.51	2.12	2.12	6.25	11.66	13.56	6.37	11.41	-2.35	9.10	9.31	7.94	****	
TOTAL TIPS MANAGERS +/-			0.06	0.12	0.12	0.13	0.41	(0.04)	0.08	(1.28)	1.62	0.22	0.09	0.15	****	
PIMCO-TIPS-MTA +/-			0.16	0.26	0.26	0.52	0.70	(0.22)	0.20	(1.17)	1.47	0.79	0.17	0.21	****	
STATE STREET-TIPS-MTA +/-			0.02	0.06	0.06	(0.04)	0.02	0.05	(0.03)	(1.41)	1.39	(0.11)	0.06	0.02	****	
BLACKROCK-TIPS +/-			(0.10)	(0.12)	(0.12)	(0.56)	0.29	0.26	(0.03)	(1.39)	2.32	(0.66)	(0.03)	0.17	****	
<b>CONVERTIBLE BONDS</b>																
TOTAL CONVERTIBLE BONDS	251.3	0.94%	1.70	4.56	4.56	10.19	-2.40	-3.62	14.57	33.18	****	14.16	8.38	****	****	5.24
BofA ML ALL CONVERTIBLES EX MANDATORY			1.71	4.52	4.52	11.75	-1.68	-3.42	16.52	47.19	****	16.47	9.91	****	****	
POLICE CUSTOM CONVERTIBLES BOND INDEX			1.81	4.67	4.67	10.78	-1.59	-3.33	12.53	39.96	****	13.79	8.10	****	****	
+/-			(0.00)	0.04	0.04	(1.55)	(0.72)	(0.20)	(1.95)	(14.01)	****	(2.31)	(1.52)	****	****	
+/-			(0.11)	(0.10)	(0.10)	(0.59)	(0.81)	(0.29)	2.04	(6.78)	****	0.37	0.29	****	****	
ADVENT CONVERTIBLE BONDS	90.9	0.34%	1.45	4.28	4.28	10.23	-0.58	-2.11	14.92	36.65	****	14.44	8.87	****	****	7.61
BofA ML CONVERTIBLES YIELD ALT. INDEX			1.56	3.93	3.93	9.29	-0.41	-1.73	12.98	46.25	****	10.71	8.22	****	****	
+/-			(0.11)	0.35	0.35	0.94	(0.18)	(0.39)	1.94	(9.60)	****	3.72	0.65	****	****	
LORD ABBETT CONVERTIBLE BONDS	81.8	0.31%	1.73	4.61	4.61	10.27	-4.91	-5.76	17.06	35.43	****	14.79	8.83	****	****	4.29
BofA ML ALL CONVERTIBLES INDEX			1.84	4.92	4.92	11.83	-3.22	-5.18	16.77	49.13	****	16.63	9.48	****	****	
+/-			(0.11)	(0.31)	(0.31)	(1.56)	(1.70)	(0.58)	0.29	(13.70)	****	(1.84)	(0.65)	****	****	
VICTORY CONVERTIBLE BONDS	78.6	0.29%	1.97	4.85	4.85	10.07	-1.78	-3.05	11.64	27.40	****	13.19	7.40	****	****	3.70
BofA ML CONVERTIBLE BONDS INVST GRADE			2.04	5.15	5.15	11.20	-1.23	-3.14	7.89	25.49	****	14.02	6.52	****	****	
+/-			(0.07)	(0.31)	(0.31)	(1.13)	(0.55)	0.09	3.75	1.91	****	(0.82)	0.88	****	****	
<b>OPPORTUNISTIC FIXED</b>																
TOTAL OPPORTUNISTIC FIXED MANAGERS	335.8	1.26%	2.22	4.07	4.07	18.72	-2.53	-4.67	26.77	23.34	-8.63	9.42	22.25	****	****	****
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			1.67	5.32	5.32	14.23	10.67	8.73	18.05	61.90	-23.83	22.71	16.30	****	****	
+/-			0.55	(1.25)	(1.25)	4.50	(13.20)	(13.39)	8.72	(38.56)	15.20	(13.29)	5.95	****	****	
TOTAL DISTRESSED FIXED	335.8	1.26%	2.22	4.07	4.07	18.72	-2.53	-4.67	26.77	23.34	-8.63	9.42	22.25	****	****	****
TOTAL FUND STRATEGIES	113.8	0.43%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
AVE EURO SPECIAL SITUATION FD	3.2	0.01%	14.58	1.38	1.38	4.56	-24.82	-0.86	4.58	68.35	****	-3.40	3.77	****	****	14.58
AVE SPECIAL SITUATIONS FD V	1.7	0.01%	11.49	33.35	33.35	37.41	-25.95	-4.18	19.07	76.44	****	10.42	20.27	****	****	11.49
AVE SPECIAL SITUATIONS FD VI	40.5	0.15%	-3.00	0.00	0.00	9.57	-1.75	-14.53	33.90	63.62	****	14.08	****	****	****	-3.00
TORCHLIGHT INVESTORS	31.9	0.12%	****	****	****	****	****	****	****	****	****	****	****	****	****	18.15
3 MONTH LIBOR PLUS 750BPS			0.63	1.92	1.92	5.91	7.96	7.85	7.85	8.16	10.11	7.98	7.87	****	****	
AVE EURO SPECIAL SITUATION FD +/-			13.95	(0.54)	(0.54)	(1.35)	(32.78)	(8.71)	(3.27)	60.19	****	(11.38)	(4.10)	****	****	
AVE SPECIAL SITUATIONS FD V +/-			10.86	31.43	31.43	31.50	(33.91)	(12.03)	11.22	68.28	****	2.44	12.40	****	****	
AVE SPECIAL SITUATIONS FD VI +/-			(3.63)	(1.92)	(1.92)	3.66	(9.71)	(22.38)	26.05	55.46	****	****	****	****	****	
TORCHLIGHT INVESTORS +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	
ALLIANCE BERNSTEIN LEGACY SECS LP	13.0	0.05%	****	****	****	****	****	****	****	****	****	****	****	****	****	15.45
AG GECC LP	23.5	0.09%	****	****	****	****	****	****	****	****	****	****	****	****	****	23.57
NYC-CORE PLUS 5 + 200BPS			0.36	2.52	2.52	6.56	11.35	11.40	9.13	8.28	8.64	8.50	9.21	9.58	****	

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

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

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
TOTAL STRATEGIC MANDATES	222.0	0.83%	1.54	4.56	4.56	15.28	****	****	****	****	****	****	****	****	****	15.28
ANGELO GORDON PTNRS LP	31.5	0.12%	0.00	****	****	****	****	****	****	****	****	****	****	****	****	0.21
APOLLO PTNRS LP	33.7	0.13%	0.00	0.00	0.00	****	****	****	****	****	****	****	****	****	****	0.01
FORTRESS PTNRS LP	12.3	0.05%	0.00	-0.29	-0.29	****	****	****	****	****	****	****	****	****	****	-0.29
GOLDENTREE OD MTA	67.8	0.25%	1.35	3.97	3.97	10.78	****	****	****	****	****	****	****	****	****	10.78
MARATHON OD MTA	72.3	0.27%	3.48	10.62	10.62	24.87	****	****	****	****	****	****	****	****	****	24.87
OAK HILL PTNRS LP	4.4	0.02%	****	****	****	****	****	****	****	****	****	****	****	****	****	****
JP MORGAN GLOBAL HIGH YIELD BOND INDEX			1.43	4.71	4.71	12.47	****	****	****	****	****	****	****	****	****	****
JP MORGAN GLOBAL HIGH YIELD PLUS 3%			1.67	5.32	5.32	14.23	****	****	****	****	****	****	****	****	****	****
TOTAL STRATEGIC MANDATES +/-			(0.13)	(0.76)	(0.76)	1.06	****	****	****	****	****	****	****	****	****	****
ANGELO GORDON PTNRS LP +/-			(1.67)	****	****	****	****	****	****	****	****	****	****	****	****	****
APOLLO PTNRS LP +/-			(1.67)	(5.32)	(5.32)	****	****	****	****	****	****	****	****	****	****	****
FORTRESS PTNRS LP +/-			(1.67)	(5.61)	(5.61)	****	****	****	****	****	****	****	****	****	****	****
GOLDENTREE OD MTA +/-			(0.32)	(1.35)	(1.35)	(3.45)	****	****	****	****	****	****	****	****	****	****
MARATHON OD MTA +/-			1.81	5.30	5.30	10.64	****	****	****	****	****	****	****	****	****	****
OAK HILL PTNRS LP +/-			****	****	****	****	****	****	****	****	****	****	****	****	****	****
<b>CORE PLUS FIXED INCOME</b>																
TOTAL CORE PLUS FIXED INCOME	32.0	0.12%	0.43	2.44	2.44	5.62	7.65	8.18	7.57	****	****	7.67	7.50	****	****	8.80
LM CAPITAL-MTA	32.0	0.12%	0.43	2.44	2.44	5.62	7.65	8.18	7.57	****	****	7.67	7.50	****	****	8.80
BARCLAYS CAPITAL AGGREGATE			0.14	1.59	1.59	3.99	7.47	7.84	6.54	****	****	5.16	6.18	****	****	****
TOTAL CORE PLUS FIXED INCOME +/-			0.29	0.85	0.85	1.63	0.18	0.34	1.03	****	****	2.51	1.32	****	****	****
LM CAPITAL-MTA +/-			0.29	0.85	0.85	1.63	0.18	0.34	1.03	****	****	2.51	1.32	****	****	****
<b>OTHER FIXED INCOME</b>																
TOTAL ETI	267.7	1.00%	0.45	1.79	1.79	5.09	6.96	6.42	7.21	8.24	6.51	6.42	6.59	7.26	6.44	9.97
POLICE CUSTOM BENCHMARK (NO CASH)			0.17	1.32	1.32	3.40	6.67	7.74	6.54	5.25	7.04	4.63	5.99	6.63	5.58	****
			+/-	0.28	0.47	0.47	1.69	0.29	(1.32)	0.67	2.99	(0.53)	1.79	0.60	0.86	****
AFL-CIO HOUSING INV TRUST	116.1	0.44%	0.30	1.48	1.48	4.16	7.60	7.86	6.16	6.28	5.26	5.73	6.07	6.55	5.33	5.33
BARCLAYS CAPITAL AGGREGATE			0.14	1.59	1.59	3.99	7.47	7.84	6.54	5.93	5.24	5.16	6.18	6.53	****	****
			+/-	0.16	(0.10)	(0.10)	0.16	0.13	0.02	(0.38)	0.35	0.02	0.57	(0.11)	0.02	****
ACCESS RBC	26.4	0.10%	0.28	1.56	1.56	4.27	6.57	6.78	5.36	10.99	6.67	5.52	5.59	7.60	****	7.12
ACCESS CUSTOM BENCHMARK			0.15	0.98	0.98	2.53	5.24	6.32	5.52	****	****	3.33	4.81	6.03	****	****
			+/-	0.13	0.58	0.58	1.74	1.33	0.46	(0.16)	****	****	2.19	0.77	1.57	****
BOA-PPAR	6.2	0.02%	0.21	1.87	1.87	5.04	6.84	****	****	****	****	7.28	****	****	****	6.62
CFSB-PPAR	1.1	0.00%	-0.19	1.07	1.07	5.46	5.67	3.29	12.80	9.82	5.50	6.71	7.90	7.87	****	7.40
CCD-PPAR	2.7	0.01%	0.91	2.49	2.49	8.71	8.83	5.59	11.58	12.48	6.69	10.24	9.25	9.54	****	9.00
LIIF-PPAR	0.9	0.00%	0.65	1.41	1.41	4.46	5.72	4.96	4.34	****	****	5.64	5.38	****	****	5.55
NCBCI-PPAR	0.7	0.00%	0.67	2.85	2.85	6.85	8.88	8.50	4.10	****	****	10.32	7.27	****	****	7.04
NHS-PPAR	0.6	0.00%	0.73	2.54	2.54	6.83	5.04	3.85	9.95	14.83	5.41	8.30	8.45	8.66	****	8.36
TARGETED INVESTMENT	103.4	0.39%	0.70	2.31	2.31	6.61	6.85	5.31	9.20	10.07	8.19	7.76	7.85	8.38	7.46	10.32
CPC TERM LOAN	9.6	0.04%	0.18	0.62	0.62	1.89	2.34	2.09	2.06	2.20	4.81	2.45	2.19	2.96	****	3.43

**THE BANK OF NEW YORK MELLON**  
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**September 30, 2012**

	Assets (\$MM)	% of Total	Trailing 1 Month	Trailing 3 Months	Fiscal YTD	Calendar YTD	FY Ending 06/30/12	Calendar Yr Ending 2011	Calendar Yr Ending 2010	Calendar Yr Ending 2009	Calendar Yr Ending 2008	Trailing 1 Year	Trailing* 3 Years	Trailing* 5 Years	Trailing* 10 Years	Since Inception
<b>CASH</b>																
TOTAL CASH	494.4	1.85%	0.04	0.09	0.09	0.35	0.49	0.41	0.66	1.30	3.82	0.45	0.54	1.57	****	2.60
ML 91 DAY TREASURY BILL INDEX			0.01	0.03	0.03	0.07	0.06	0.10	0.13	0.21	2.06	0.07	0.11	0.72	1.82	
			+/-	0.02	0.05	0.05	0.28	0.43	0.31	0.53	1.09	1.76	0.38	0.43	0.85	****
<b>PRIVATE EQUITY</b>																
TOTAL PRIVATE EQUITY	1,899.3	7.12%	1.10	-0.02	-0.02	6.92	8.62	14.23	18.45	-6.93	-4.53	5.96	14.77	5.83	****	13.11
RUSSELL 3000 PLUS 5%			3.04	7.61	7.61	19.35	8.84	6.03	21.93	33.34	-32.30	35.20	18.28	6.37	13.54	****
			+/-	(1.94)	(7.63)	(7.63)	(12.43)	(0.22)	8.21	(3.48)	(40.27)	27.77	(29.24)	(3.51)	(0.54)	****
<b>PRIVATE REAL ESTATE</b>																
TOTAL PRIVATE REAL ESTATE	800.6	3.00%	0.20	0.87	0.87	10.16	14.88	20.18	7.84	-42.93	-5.29	12.12	9.30	-4.90	****	4.66
NCREIF NFI-ODCE NET			2.47	2.47	2.47	7.49	11.31	14.97	15.26	-30.40	-10.70	10.40	11.10	-2.04	****	
			+/-	(2.27)	(1.60)	(1.60)	2.67	3.57	5.22	(7.42)	(12.53)	5.41	1.71	(1.80)	(2.86)	****
TOTAL POLICE	26,690.1		1.95	4.38	4.38	10.56	0.87	0.84	13.96	21.41	-27.51	16.55	9.67	2.11	8.46	8.53
POLICE POLICY BENCHMARK			2.00	4.90	4.90	11.78	3.26	1.23	13.64	25.68	-28.61	19.81	10.51	2.81	8.72	
			+/-	(0.05)	(0.52)	(0.52)	(1.22)	(2.39)	(0.40)	0.32	(4.27)	1.10	(3.27)	(0.84)	(0.71)	(0.26)

**New York City Police Pension Fund, Subchapter 2  
Active Investments and Subsequent Commitments  
As of March 31, 2012 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Active Investments</b>								
1998	VS&A Communications Partners III, L.P.	12/15/1998	\$ 20,000,000	\$ 20,025,450	\$ 25,529,961	\$ 1,807,886	1.37x	6.3%
1999	Cypress Merchant Banking Partners II, L.P.	3/29/1999	50,000,000	49,853,018	36,663,028	5,190,348	0.84x	(3.7%)
1999	FdG Capital Partners LLC	6/2/1999	50,000,000	48,605,531	76,227,089	10,497,868	1.78x	15.2%
1999	Lincolnshire Equity Fund II, L.P.	10/20/1999	12,000,000	11,226,962	19,875,857	2,608,825	2.00x	25.1%
2000	Carlyle Partners III, L.P.	3/1/2000	25,000,000	22,774,940	51,276,751	2,822,090	2.38x	23.3%
2000	Solera Partners, L.P.	5/26/2000	10,000,000	9,155,243	658,650	17,181,450	1.95x	9.1%
2000	SCP Private Equity Partners II, L.P.	6/15/2000	25,000,000	25,427,595	5,665,781	11,381,214	0.67x	(5.6%)
2001	New Mountain Partners, L.P.	3/16/2001	15,000,000	12,224,703	16,290,814	1,705,001	1.47x	12.8%
2001	Apollo Investment Fund V, L.P.	4/13/2001	35,000,000	32,504,044	72,671,903	12,778,405	2.63x	39.2%
2001	Prism Venture Partners IV, L.P.	7/12/2001	25,000,000	25,037,757	15,281,511	4,398,173	0.79x	(5.0%)
2001	CVC European Equity Partners III, L.P.	9/4/2001	25,000,000	24,001,319	60,337,854	8,947,210	2.89x	41.4%
2002	Yucaipa American Alliance Fund I, LP	7/1/2002	20,000,000	20,030,746	12,384,623	13,905,545	1.31x	7.9%
2002	Coller International Partners IV, L.P.	7/2/2002	30,000,000	26,589,334	28,594,087	10,288,798	1.46x	15.0%
2002	Landmark Equity Partners XI, L.P.	10/23/2002	30,000,000	28,296,063	35,673,185	6,975,957	1.51x	24.8%
2003	FS Equity Partners V, L.P.	1/20/2003	15,000,000	12,008,175	10,410,626	13,581,943	2.00x	16.3%
2003	Blackstone Capital Partners IV, L.P.	2/26/2003	50,000,000	44,456,891	79,443,846	36,870,004	2.62x	38.2%
2003	Ares Corporate Opportunities Fund, L.P.	4/1/2003	35,000,000	33,763,636	37,882,684	15,143,486	1.57x	13.4%
2004	Markstone Capital Partners, LP	1/30/2004	10,000,000	9,165,576	3,160,363	5,506,544	0.95x	(1.5%)
2004	Euro Choice II (Delaware) L.P.	2/25/2004	20,008,003	18,960,732	5,999,944	17,665,403	1.25x	5.6%
2004	FdG Capital Partners II LP	8/30/2004	25,000,000	19,708,821	6,829,091	16,545,228	1.19x	3.2%
2004	Paladin Homeland Security Fund (NY City), L.P.	9/27/2004	30,000,000	30,185,554	3,454,589	11,744,465	0.50x	(12.6%)
2004	Lincolnshire Equity Fund III, L.P.	10/1/2004	15,000,000	12,385,021	16,396,421	8,282,114	1.99x	38.7%
2004	Palladium Equity Partners III, L.P.	11/12/2004	25,000,000	20,505,766	7,411,793	23,861,341	1.53x	14.6%
2004	Aurora Equity Partners III L.P.	11/16/2004	15,000,000	15,159,552	7,333,398	15,139,331	1.48x	13.8%
2004	Trilantic Capital Partners III L.P.	11/18/2004	20,000,000	16,861,321	21,950,865	6,379,715	1.68x	15.3%
2004	Medica III Investments (International) L.P.	12/1/2004	10,000,000	9,331,638	4,237,089	5,133,000	1.00x	0.2%
2004	Celtic Pharmaceutical Holdings L.P.	12/23/2004	10,000,000	10,160,838	160,838	16,808,286	1.67x	11.3%
2005	New Mountain Partners II, L.P.	1/12/2005	7,741,935	6,053,779	4,457,493	5,316,959	1.61x	10.5%
2005	VSS Communications Partners IV, L.P.	3/14/2005	12,500,000	12,493,888	1,629,261	8,481,756	0.81x	(5.1%)
2005	Carlyle Partners IV, L.P.	4/29/2005	50,000,000	46,866,959	32,796,096	52,382,024	1.82x	13.1%
2005	Levine Leichtman Capital Partners Deep Value Fund, L.P.	5/18/2005	20,000,000	22,591,554	10,416,528	14,581,090	1.11x	3.3%
2005	Prism Venture Partners III, L.P.	7/14/2005	20,000,000	19,000,000	4,690,587	9,371,601	0.74x	(9.4%)
2005	Arlington Capital Partners II, L.P.	7/29/2005	20,000,000	18,550,535	6,286,287	17,662,447	1.29x	7.8%
2005	Quadrangle Capital Partners II LP	8/29/2005	25,000,000	18,822,006	4,381,096	16,495,599	1.11x	2.8%
2005	Snow Phipps Group, L.P.	9/7/2005	10,000,000	9,103,831	3,118,648	9,276,601	1.36x	12.8%
2005	GI Partners Fund II L.P.	9/26/2005	12,500,000	12,417,309	4,616,997	11,493,878	1.30x	5.8%
2005	Blackstone Mezzanine Partners II, L.P.	10/10/2005	14,000,000	12,371,505	8,436,882	7,687,630	1.30x	8.3%
2005	Psilos Group Partners III, L.P.	10/24/2005	12,500,000	11,562,029	555,014	14,373,643	1.29x	8.3%
2005	FirstMark IV, L.P.	11/21/2005	10,000,000	9,745,444	8,195,462	12,138,993	2.09x	35.8%
2005	USPF II Institutional Fund, L.P.	11/23/2005	20,000,000	18,064,776	5,835,241	17,290,785	1.28x	5.9%
2005	Bridgepoint Europe III	12/6/2005	15,472,856	14,480,947	2,799,071	12,516,938	1.06x	1.3%
2005	JP Morgan Fleming (Tranche A)	12/21/2005	40,000,000	29,936,912	5,711,716	29,753,594	1.18x	5.9%
2006	Aisling Capital II, LP	1/12/2006	2,500,000	2,306,800	400,668	1,578,737	0.86x	(4.2%)
2006	InterMedia Partners VII, L.P.	1/20/2006	12,500,000	11,690,543	165,968	15,239,243	1.32x	6.4%
2006	Falconhead Capital Partners II, L.P.	1/24/2006	15,000,000	15,367,460	2,077,131	17,047,249	1.29x	8.4%
2006	Terra Firma Capital Partners III, L.P.	3/8/2006	15,072,696	12,323,201	330,718	5,496,891	0.47x	(21.9%)
2006	Fenway Partners Capital Fund III, L.P.	3/29/2006	15,000,000	14,966,195	495,220	11,161,938	0.78x	(7.8%)
2006	Blackstone Capital Partners V, L.P.	4/13/2006	42,875,000	40,278,466	3,637,289	39,307,802	1.07x	1.7%
2006	Avista Capital Partners, L.P.	4/27/2006	20,000,000	19,370,162	11,171,094	15,709,645	1.39x	8.3%
2006	GSC Recovery III, L.P.	5/4/2006	5,000,000	5,026,983	2,592,933	2,321,150	0.98x	(0.8%)
2006	Apollo Investment Fund VI, L.P.	5/10/2006	45,000,000	40,253,658	5,850,680	49,647,520	1.38x	7.9%
2006	Landmark Equity Partners XIII, L.P.	5/11/2006	10,000,000	9,143,691	5,238,300	5,090,808	1.13x	4.0%
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	15,000,000	12,690,342	10,431,391	11,251,040	1.71x	13.8%
2006	Atlantic Equity Partners IV, L.P.	7/12/2006	20,000,000	16,339,086	-	8,938,595	0.55x	(15.6%)
2006	CCMP Capital Investors II, L.P.	8/17/2006	20,000,000	14,120,219	3,259,043	18,064,492	1.51x	15.0%
2006	Capital Partners Private Equity Income Fund, L.P.	8/23/2006	15,000,000	13,787,360	6,629,886	13,441,529	1.46x	17.9%
2006	Perseus Partners VII, L.P.	8/31/2006	15,000,000	13,496,435	24,985	12,183,403	0.90x	(3.3%)
2006	NB Co-Investment Partners LP	9/28/2006	60,000,000	52,725,195	27,366,652	41,739,923	1.31x	8.5%
2006	Euro Choice III L.P.	11/21/2006	26,143,791	22,892,877	2,529,406	19,294,575	0.95x	(2.2%)
2006	Thomas, Mc Nerney & Partners II, L.P.	11/30/2006	10,000,000	7,875,000	1,026,453	6,523,031	0.96x	(1.7%)
2006	Catterton Partners VI, L.P.	12/14/2006	20,000,000	15,537,517	1,576,842	21,885,496	1.51x	10.8%
2006	First Reserve Fund XI, L.P.	12/14/2006	20,000,000	19,073,698	5,765,285	16,489,037	1.17x	5.1%
2006	Permira IV, L.P.	12/14/2006	15,606,242	13,888,685	1,255,354	15,599,498	1.21x	5.8%
2006	Arsenal Capital Partners II, LP	12/19/2006	10,000,000	9,730,671	697	13,999,053	1.44x	14.3%
2006	RRE Ventures IV, L.P.	12/19/2006	15,000,000	14,053,173	1,455,481	17,992,186	1.38x	12.0%
2006	Coller International Partners V, L.P.	12/21/2006	10,000,000	8,221,866	3,414,743	6,559,261	1.21x	8.1%
2006	MidOcean Partners III, L.P.	12/21/2006	40,000,000	27,719,844	377,049	24,581,754	0.90x	(3.3%)
2006	GF Capital Private Equity Fund, L.P.	12/22/2006	10,000,000	8,519,432	29,916	12,228,950	1.44x	15.8%
2006	The Fourth Cinvn Fund	1/22/2007	13,602,004	11,397,639	2,095,989	12,639,234	1.29x	7.4%
2007	Pegasus Partners IV, L.P.	1/29/2007	15,000,000	14,358,639	5,320,446	21,258,883	1.85x	21.6%
2007	Olympus Capital Asia III, L.P.	1/31/2007	20,000,000	10,845,648	2,656,446	5,544,648	0.76x	(13.1%)
2007	FTVentures III, L.P.	3/1/2007	7,500,000	4,364,482	5,103	8,512,119	1.95x	18.3%
2007	Highland Consumer Fund I LP	3/16/2007	10,000,000	7,716,060	-	5,519,123	0.72x	(11.7%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	10,000,000	8,020,000	979,586	7,526,040	1.06x	2.4%
2007	Gleacher Mezzanine Fund II, L.P.	3/30/2007	10,000,000	6,718,910	2,799,417	4,816,488	1.13x	7.5%
2007	Quaker BioVentures II, L.P.	3/30/2007	15,000,000	8,777,569	612,538	7,284,081	0.90x	(4.9%)
2007	SCP Vitalife Partners II Fund	4/13/2007	15,000,000	10,424,774	1,184	8,683,917	0.83x	(8.2%)
2007	Comvest Investment Partners III, L.P.	5/15/2007	15,000,000	13,236,421	5,584,526	10,426,602	1.21x	8.4%
2007	Constellation Venture Capital III, L.P.	5/22/2007	15,000,000	13,499,157	-	12,153,321	0.90x	(5.5%)
2007	United States Power Fund III, L.P.	6/28/2007	15,000,000	11,689,610	1,140,000	10,814,364	1.02x	0.7%
2007	Carlyle Partners V, L.P.	7/6/2007	50,000,000	30,949,806	5,603,182	33,894,569	1.28x	9.3%
2007	PCG Clean Energy & Technology Fund (East), LLC	7/6/2007	40,000,000	30,050,755	1,829,294	26,182,435	0.93x	(3.2%)
2007	GSO Capital Opportunities Fund LP	7/16/2007	17,500,000	16,751,232	7,307,434	15,713,544	1.37x	17.0%

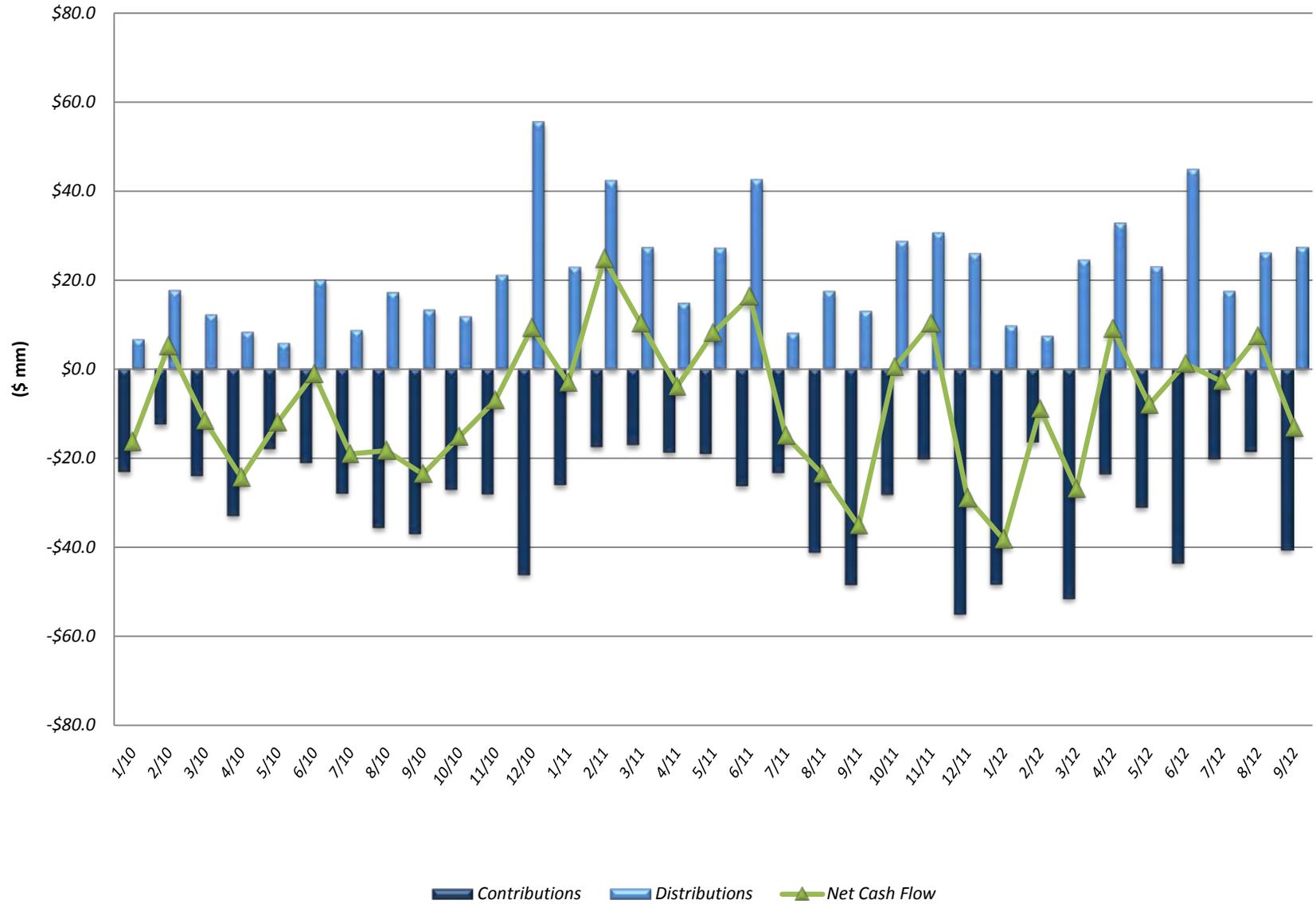
**New York City Police Pension Fund, Subchapter 2**  
**Active Investments and Subsequent Commitments**  
**As of March 31, 2012 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
2007	New Mountain Partners III, L.P.	8/9/2007	35,000,000	21,920,244	3,086,675	21,584,704	1.13x	5.6%
2007	Vista Equity Partners Fund III, L.P.	10/3/2007	20,000,000	17,507,350	9,639,379	27,406,234	2.12x	29.6%
2007	Trilantic Capital Partners IV L.P.	10/22/2007	45,856,523	40,161,993	14,428,149	37,571,916	1.29x	13.9%
2008	Paladin III (NY City), L.P.	1/8/2008	30,000,000	16,430,718	3,008,636	15,441,922	1.12x	4.2%
2008	Pine Brook Capital Partners, L.P.	1/11/2008	15,000,000	9,925,119	3,391,472	9,308,248	1.28x	14.8%
2008	Relativity Fund, L.P.	1/17/2008	15,000,000	7,278,606	60,910	3,269,752	0.46x	(32.2%)
2008	Apollo Investment Fund VII, L.P.	1/28/2008	50,000,000	31,656,021	7,571,705	39,526,732	1.49x	21.5%
2008	NGN BioMed Opportunity II, L.P.	2/11/2008	10,000,000	6,125,911	11,844	4,394,062	0.72x	(13.5%)
2008	Carpenter Community BancFund-A, L.P.	2/12/2008	15,000,000	11,854,482	65,433	13,406,616	1.14x	5.5%
2008	Riverstone/Carlyle Global Energy & Power Fund IV, L.P.	3/3/2008	15,000,000	11,512,900	3,097,737	13,932,082	1.48x	20.5%
2008	Yucaipa American Alliance Fund II, LP	3/28/2008	50,000,000	48,510,982	3,487,376	61,742,936	1.34x	16.1%
2008	Milestone Partners III, L.P.	4/7/2008	15,000,000	12,918,019	609,056	15,456,911	1.24x	10.3%
2008	Levine Leichtman Capital Partners IV, L.P.	4/8/2008	10,000,000	6,340,340	709,960	8,403,640	1.44x	26.6%
2008	Lee Equity Partners Fund, L.P.	4/23/2008	20,000,000	8,565,704	1,373,168	6,036,964	0.87x	(5.4%)
2008	Coral's 2007 Institutional Momentum Fund, L.P.	5/13/2008	10,000,000	8,492,863	-	8,554,969	1.01x	0.3%
2008	Yucaipa Corporate Initiatives Fund II, LP	6/23/2008	15,000,000	9,446,394	8,784	4,852,996	0.51x	(40.0%)
2008	CVC European Equity Partners V, L.P.	7/21/2008	33,346,672	21,777,358	1,829,433	23,526,101	1.16x	8.7%
2008	GI Partners Fund III L.P.	7/29/2008	17,500,000	13,973,411	962,621	16,511,736	1.25x	15.9%
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	25,000,000	15,724,122	5,539,397	20,220,075	1.64x	26.7%
2008	CS NYCPFF Emerging Manager Co-Investment Fund, L.P.	8/22/2008	9,090,909	5,000,871	886,087	5,756,903	1.33x	13.0%
2008	CS NYCPFF Emerging Manager Fund, L.P.	8/22/2008	59,909,091	21,008,937	1,746,117	19,083,009	0.99x	(0.6%)
2008	First Reserve Fund XII, L.P.	8/25/2008	20,000,000	14,428,342	845,265	14,707,248	1.08x	3.8%
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	27,250,000	12,685,873	3,093,109	12,125,935	1.20x	21.8%
2008	Crestview Partners II, L.P.	10/1/2008	22,500,000	12,068,984	832,402	14,873,445	1.30x	16.4%
2008	Erasmus New York City Growth Fund IA	10/17/2008	40,000,000	4,835,960	-	3,220,276	0.67x	(11.6%)
2008	Euro Choice IV L.P.	10/22/2008	20,008,003	7,717,469	56,896	6,723,740	0.88x	(11.1%)
2008	Avista Capital Partners II, L.P.	11/5/2008	35,000,000	25,878,673	1,867,498	32,803,585	1.34x	14.7%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	15,000,000	10,742,904	3,584,757	9,319,092	1.20x	16.3%
2008	Bridgepoint Europe IV	11/14/2008	13,338,669	8,597,861	-	8,771,684	1.02x	1.7%
2008	Aisling Capital III, LP	11/20/2008	7,000,000	2,224,768	53,443	1,769,154	0.82x	(16.2%)
2008	Onex Partners III LP	12/10/2008	15,000,000	7,001,617	113,387	6,513,122	0.95x	(3.9%)
2009	NorthBound Emerging Manager Custom Fund LP	1/29/2009	20,000,000	9,087,596	375,986	10,140,429	1.16x	10.7%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	22,500,000	11,484,455	-	12,726,395	1.11x	7.5%
2009	Scale Venture Partners III, LP	5/1/2009	10,000,000	6,682,553	1,160	10,757,448	1.61x	38.8%
2009	FS Equity Partners VI, L.P.	7/27/2009	20,000,000	10,805,547	91,801	10,526,421	0.98x	(1.4%)
2009	Lincolnshire Equity Fund IV, L.P.	8/5/2009	7,500,000	1,663,860	-	1,174,060	0.71x	(23.5%)
2009	Lexington Capital Partners VII, L.P.	12/3/2009	20,000,000	7,856,043	1,015,759	8,901,412	1.26x	21.0%
2010	Snow Phipps II, L.P.	1/8/2010	17,500,000	5,587,074	34,948	6,243,640	1.12x	NM
2010	Trident V, L.P.	4/29/2010	40,000,000	11,842,931	-	11,203,557	0.95x	NM
2010	Comvest Investment Partners IV, L.P.	10/21/2010	45,000,000	13,344,291	44,658	11,367,473	0.86x	NM
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	35,000,000	4,602,633	-	4,028,263	0.88x	NM
2011	Ampersand 2011	3/11/2011	12,500,000	5,000,000	-	4,681,779	0.94x	NM
2011	BDCM Opportunity Fund III, L.P.	4/8/2011	20,000,000	5,822,399	174,600	5,830,995	1.03x	NM
2011	AXA Secondary Fund V B L.P.	6/16/2011	80,000,000	12,893,989	-	16,674,497	1.29x	NM
2011	Wellspring Capital Partners V, L.P.	7/1/2011	22,500,000	4,794,210	-	4,327,905	0.90x	NM
2011	EQT VI, L.P.	8/1/2011	50,953,715	4,338,094	-	3,401,084	0.78x	NM
2011	Pegasus Partners V, L.P.	8/16/2011	10,025,478	2,349,005	-	1,912,847	0.81x	NM
2011	BC European Capital IX	9/19/2011	71,228,491	7,681,880	-	6,899,687	0.90x	NM
2011	American Securities Partners VI, L.P.	11/18/2011	50,000,000	8,580,493	-	8,230,132	0.96x	NM
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	40,000,000	9,141,857	-	8,734,738	0.96x	NM
2012	Summit Partners Growth Equity Fund VIII, L.P.	6/14/2012	75,000,000	-	-	-	N/A	N/A
2012	Green Equity Investors VI, L.P.	N/A	55,000,000	-	-	-	N/A	N/A
<b>Total Active Investments</b>			<b>\$ 3,170,530,078</b>	<b>\$ 2,106,540,667</b>	<b>\$ 973,167,957</b>	<b>\$ 1,790,893,893</b>	<b>1.31x</b>	<b>9.9%</b>

Vintage Year	Investment	First Drawdown	Committed Capital	Net Contributed Capital	Net Distributed Capital	Market Value	Multiple	IRR
<b>Commitments Closed Subsequent to as of Date</b>								
2012	Ares Corporate Opportunities Fund IV, L.P.	N/A	\$ 50,000,000	\$ -	\$ -	\$ -	N/A	N/A
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	30,000,000	-	-	-	N/A	N/A
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	80,000,000	-	-	-	N/A	N/A
2012	Palladium Equity Partners IV, L.P.	N/A	35,000,000	-	-	-	N/A	N/A
2012	Trilantic Capital Partners V L.P.	N/A	50,000,000	-	-	-	N/A	N/A
<b>Total Commitments Closed Subsequent to as of Date</b>			<b>\$ 245,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>

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

### NYC Police Monthly PE Cash Flow Summary



## New York City Police Pension Fund

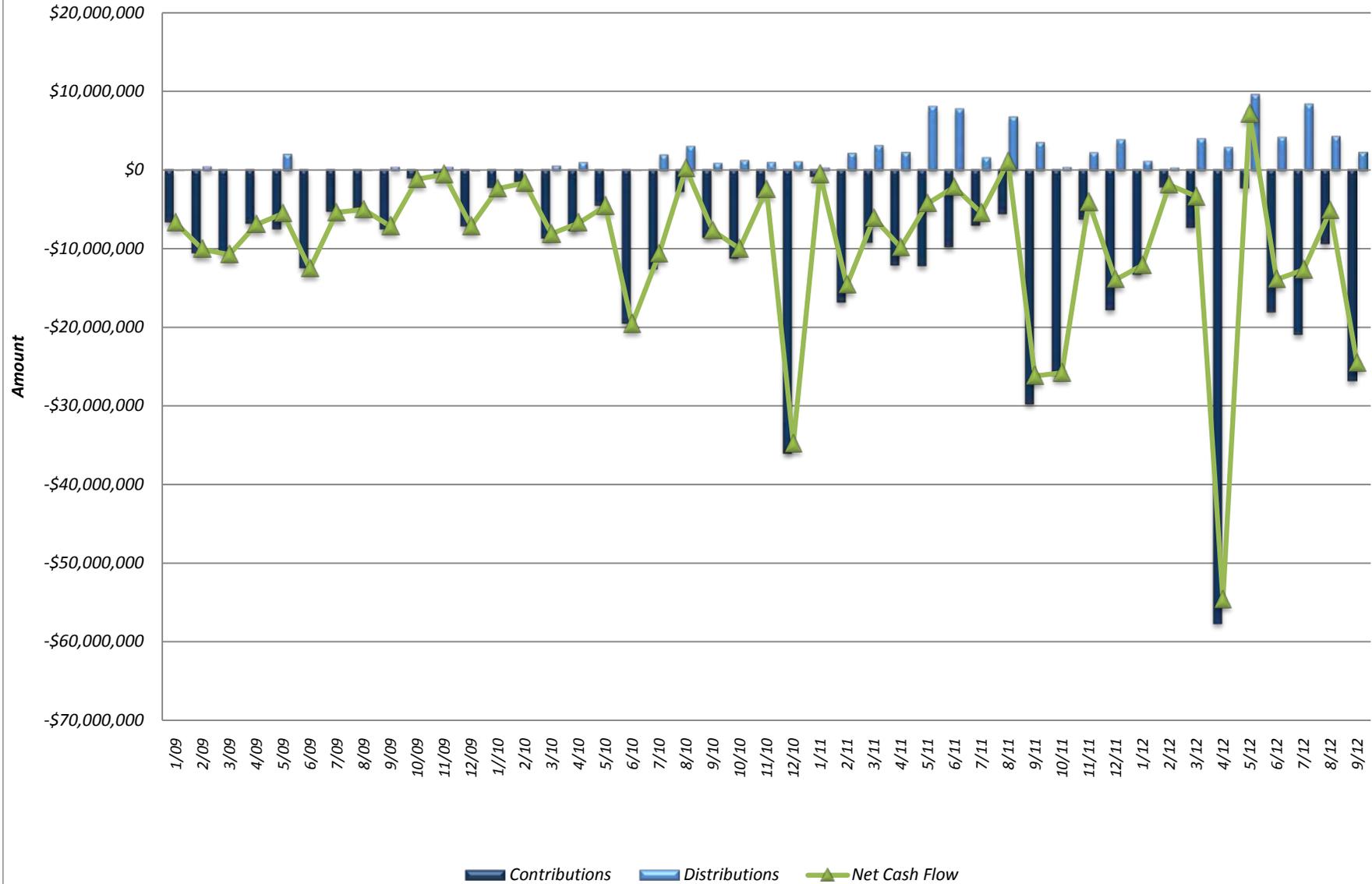
Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2003	Canyon Johnson Urban Fund	12/6/2002	\$10,000,000	\$8,970,966	(\$10,269,153)	\$210,029	1.2	10.2%
2003	OCM Real Estate Opportunities Fund III	3/5/2003	\$15,000,000	\$15,000,000	(\$16,950,000)	\$8,992,017	1.7	12.1%
2004	Blackstone Fund IV	5/10/2004	\$15,000,000	\$19,069,987	(\$16,278,273)	\$8,364,877	1.3	11.9%
2004	The City Investment Fund I	3/16/2004	\$70,000,000	\$69,030,360	(\$39,171,927)	\$29,910,534	1.0	0.0%
2005	Canyon Johnson Urban Fund II	5/11/2005	\$20,000,000	\$17,977,405	(\$12,000)	\$10,678,845	0.6	-11.3%
2006	PRISA	9/29/2006	\$21,000,000	\$21,831,885	(\$1,578,269)	\$19,474,298	1.0	-0.7%
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	\$10,000,000	\$11,357,230	(\$1,485,565)	\$6,983,993	0.7	-6.1%
2006	RREEF America REIT II	10/1/2006	\$21,000,000	\$27,724,347	(\$7,712,034)	\$19,864,825	1.0	-0.1%
2006	UBS Trumbull Property Fund ("UBS-TPF")	9/28/2006	\$61,000,000	\$45,297,341	(\$3,322,862)	\$45,598,880	1.1	2.7%
2006	AREA Real Estate Fund V	6/15/2006	\$5,000,000	\$5,000,004	(\$1,210,801)	\$2,208,885	0.7	-10.7%
2007	Colony Realty Partners II	12/20/2006	\$20,000,000	\$21,420,211	(\$666,108)	\$10,110,100	0.5	-14.3%
2007	Heitman HART	3/29/2007	\$28,000,000	\$31,752,577	(\$3,752,577)	\$31,240,365	1.1	3.2%
2007	JP Morgan Special Situation Property Fund	1/2/2007	\$15,000,000	\$16,132,719	(\$2,014,984)	\$11,384,377	0.8	-4.0%
2007	JP Morgan Strategic Property Fund	12/4/2006	\$56,000,000	\$57,389,480	\$0	\$63,447,122	1.1	3.7%
2007	PRISA II	6/30/2007	\$60,278,867	\$61,995,047	(\$3,200,860)	\$52,205,126	0.9	-3.1%
2007	RREEF America REIT III - 1410	10/1/2007	\$15,000,000	\$15,000,000	(\$100,040)	\$5,263,733	0.4	-20.6%
2007	Blackstone Real Estate Partners VI	9/27/2007	\$40,000,000	\$40,112,518	(\$3,664,566)	\$46,863,271	1.3	9.0%
2007	Carlyle Realty Partners V	8/27/2007	\$20,000,000	\$22,283,438	(\$11,030,583)	\$13,816,038	1.1	4.2%
2007	Colony Investors VIII	9/18/2007	\$20,000,000	\$19,999,679	(\$1,251,871)	\$5,962,808	0.4	-26.0%
2007	Metropolitan Workforce Housing Fund	7/13/2007	\$7,000,000	\$6,900,377	(\$152,388)	\$6,376,835	0.9	-3.9%
2008	AG Realty Fund VII	5/20/2008	\$25,000,000	\$21,062,500	(\$7,687,500)	\$16,953,344	1.2	8.4%
2008	ARA Asia Dragon Fund	7/9/2008	\$10,000,000	\$8,352,000	(\$1,328,624)	\$10,926,865	1.5	18.0%
2008	AREA European Real Estate Fund III	5/6/2008	\$30,000,000	\$25,540,000	(\$3,712,500)	\$22,687,794	1.0	1.7%
2008	Fidelity Real Estate Growth Fund III	5/19/2008	\$15,000,000	\$12,788,518	(\$1,918,512)	\$9,619,634	0.9	-6.0%
2008	PRISA III	9/30/2008	\$30,000,000	\$31,324,506	\$0	\$35,650,576	1.1	5.8%
2008	Silverpeak Legacy Partners III (Lehman)	5/28/2008	\$30,000,000	\$13,301,089	(\$299,144)	\$6,022,487	0.5	-20.2%
2008	Stockbridge Real Estate Fund III	9/9/2008	\$27,000,000	\$16,717,380	\$0	\$12,816,494	0.8	-11.2%
2008	Westbrook Real Estate Fund VII	12/3/2007	\$10,000,000	\$10,773,740	(\$1,163,637)	\$8,046,222	0.9	-5.3%
2008	American Value Partners Fund I	10/18/2007	\$15,000,000	\$10,238,614	(\$1,437,731)	\$6,480,650	0.8	-10.7%
2009	Carbon Capital III	7/2/2009	\$15,000,000	\$16,408,936	(\$3,472,237)	\$14,952,795	1.1	8.7%
2009	Thor Urban Property Fund II	10/30/2008	\$20,000,000	\$16,935,304	(\$7,279,210)	\$7,216,633	0.9	-14.5%
2009	Walton Street Real Estate Fund VI	4/27/2009	\$30,000,000	\$22,394,360	(\$2,946,254)	\$21,740,926	1.1	6.6%
2010	LaSalle Property Fund	7/1/2010	\$50,000,000	\$22,834,719	(\$770,341)	\$25,519,747	1.2	14.9%
2010	Blackstone Real Estate Partners Europe III (USD Vehicle)	10/24/2008	\$35,000,000	\$11,815,823	\$0	\$13,200,080	1.1	12.6%
2010	Canyon Johnson Urban Fund III	3/29/2010	\$15,000,000	\$8,688,099	(\$894,404)	\$7,610,195	1.0	-2.4%
2010	Westbrook Real Estate Fund VIII	12/28/2009	\$35,000,000	\$20,461,867	(\$9,223,993)	\$14,610,580	1.2	20.9%
2011	Carlyle Realty Partners VI	9/14/2011	\$40,000,000	\$5,915,298	(\$21,593)	\$5,692,414	1.0	-9.1%
2011	H/2 Special Opportunities Fund II	1/31/2011	\$25,000,000	\$4,902,634	\$0	\$5,811,910	1.2	23.7%
2012	Blackstone Real Estate Partners VII	3/31/2012	\$100,000,000	\$11,666,556	\$0	\$13,502,138	1.2	0.0%
2012	Divco West Fund III	1/6/2012	\$70,000,000	\$17,128,917	(\$115,657)	\$16,265,654	1.0	-19.7%
2012	Taconic New York City Investment Fund LP	n/a	\$40,000,000	\$0	\$0	(\$92,788)	n/a	n/a
<b>New York City Police Pension Fund</b>			<b>\$1,196,278,867</b>	<b>\$843,496,431</b>	<b>(\$166,096,198)</b>	<b>\$674,191,307</b>	<b>1.0</b>	<b>-0.1%</b>

## Funds Closed Subsequent to Quarter

Vintage	Fund Name	First Draw Down	Capital Committed	Contributions
2012	Almanac Realty Securities VI	6/6/2012	\$65,000,000	-
2012	Brookfield Strategic Real Estate Partners		\$60,000,000	-
<b>Grand Total</b>			<b>\$125,000,000</b>	

Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of March 31, 2012. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

### Police Monthly Real Estate Cash Flow Summary



## II. Private Equity IPS:

NEW YORK CITY POLICE DEPARTMENT  
PENSION FUND, SUBCHAPTER 2

PRIVATE EQUITY INVESTMENT POLICY

Proposed: September 8, 2003

Adopted: September 8, 2003

Proposed: November 2, 2012

## **I. SCOPE**

The Private Equity Program Investment Policy Statement (the “IPS”) applies to the Private Equity Program assets within the New York City Police Department Pension Fund, Subchapter 2 (“Police”, the “Fund”, or the “System”).

## **II. PURPOSE**

The IPS provides the broad strategic framework for managing the Systems’ Private Equity assets. The design of the IPS ensures that Managers, Advisors, Consultants and other participants selected by the System adhere to the investment principles and guidelines of the Fund. Additionally, the use of the IPS assures sufficient flexibility in managing investment risks and returns associated with the Private Equity Program (the “Program”). The purpose of the Program is to provide access to a portion of the global markets that are not publicly-traded as well as to access strategies which benefit from longer holding periods. The Program targets superior risk adjusted returns to what is generally available in public equity markets.

## **III. INVESTMENT PHILOSOPHY**

The System’s Board of Trustees believes that Private Equity markets are inefficient and illiquid and should therefore provide superior returns for risk taken, and that there is a return premium for investors who are willing to take an opportunistic approach to this asset class. The Board believes that risk can be managed through a combination of quantitative and qualitative constraints; including liquidity, vintage, manager, currency, industry, leverage and market value (see Section IX) and that a successful Private Equity program has the following strategy diversification: Buyout, Growth Equity, Special Situations, Energy, Secondary and Co-Investment (see Section V).

## **IV. STRATEGIC OBJECTIVE**

The System has mandated investments in Private Equity Assets<sup>1</sup> as part of its strategic asset allocation to:

- A. Increase the diversification of its assets.
- B. Take advantage of the ability to accept illiquidity in exchange for an illiquidity premium.
- C. Make investments that have less correlation to public markets.
- D. Invest with Managers who have demonstrated the ability to or have the potential to outperform the 10-year average of the Russell 3000 Index (one quarter lag) plus a 300 basis point risk premium (net of fees and expenses) or Performance Objective returns as compared to similar investments.
- E. Reduce the volatility and increase the risk-adjusted returns of the overall portfolio of the System.

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<sup>1</sup> Private Equity Assets are non-traditional investments made with the objective of achieving returns that are greater than those earned in the traditional public equity and debt markets. Alternative asset class components may be broadly categorized as (1) non-marketable, illiquid assets, and (2) marketable, liquid securities managed in a nontraditional format. Special debt, private equity, (including venture capital) real-estate-related investments, oil and gas, as well as timber, are examples of non-marketable assets. Risk arbitrage, commodities and derivatives are examples of the more liquid alternative asset types.

The System also expects that commitments to and investments in Private Equity Assets will establish, maintain and continually improve the reputation of the System as an investor, and that the System will make both continuous use of and contributions to the best practices of investors in Alternative Investments. The Fund will seek investments in which the proposer demonstrates a commitment to standards of good conduct, including compliance with all Federal, State and local laws, including, but not limited to, labor, anti-discrimination, environmental, and health and safety laws, and will reject investments that would pose reputational risk to the Fund or bring public or regulatory scrutiny other than that which is required by law or regulation to consummate an investment transaction. The Fund will not entertain investments that have the potential of eliminating public-sector jobs. The Fund encourages the submission of proposals for review from proposers that demonstrate a strong commitment to diversity in their firms.

The Fund seeks to employ Emerging Managers<sup>1</sup>. Emerging Managers are asset managers the Board believes will add significant value to the Fund through implementation of investment strategies consistent with the Board’s asset allocation and other policies, but which, because of size, length of track record, or other similar factors, have not been awarded contracts through the Board’s manager selection process<sup>2</sup>.

As part of Police’s continued commitment to drive asset class best practices and support long-term partnerships between Limited Partners and General Partners the Fund will strive to adhere to the Institutional Limited Partner Association’s (“ILPA”) guiding principles emphasizing alignment of interest, governance and transparency.

The operation of the Program is subject to the exclusive benefit rule and all other applicable laws, including requirements of prudence.

## V. ASSET ALLOCATION

Asset allocation is a critical driver for the long-term success of the private equity program. Since it is not possible to rebalance quickly in private equity, pacing and manager selection have heightened importance as tools to influence allocation. Pursuant to a 2011 asset allocation study performed by the System’s general consultant, SIS, Inc (“SIS”), the Board has adopted an allocation to Private Equity of **7.0%** of the market value of the total assets of the System **plus** or **minus 2.0%**. Long-term asset allocation targets have been developed with the assistance of the System’s Private Equity Consultant, StepStone, and the strategies are denoted below:

Strategy
Buyout
Growth Equity
Special Situations/Turnaround
Energy
Secondary
Co-Invest
Other

<sup>1</sup> Emerging Managers are sponsors targeting capital raises up to \$750 million and investing through funds I – III. Emerging Managers include Minority & Women-Owned Business Enterprise (“MWBE”)

<sup>2</sup> Per Police’s Core IPS dated December 17, 2007

## **VI. RESPONSIBILITIES AND DELEGATION**

### **A. Role of Board of Trustees**

The Board of Trustees (the “Board”) is responsible for reviewing and approving Policies, including the IPS. In addition the Board shall:

- Review the Program at least annually and approve and adopt the Annual Private Equity Plan.
- Approve the retention of strategic consultants, advisors and other external resources, as needed.
- Oversee performance, risk and execution of the Program.
- Approve investment recommendations.
- Delegate investment approval authority as appropriate.
- Approve and/or ratify exceptions to the Annual Private Equity Plan as triggering events may arise.

### **B. Role of Comptroller’s Office Staff**

The duties of the Comptroller’s Office Staff (“Staff”) include, but are not limited to:

- Reviewing and recommending changes to the IPS, developing and implementing periodic reviews of the Program, which shall occur at least annually, and managing the operations of the Program.
- Working with the System’s Consultants to develop and implement an Annual Private Equity Plan, identifying and evaluating private equity strategies, investment managers and investments appropriate for the Program, and making selection recommendations to the Board.
- As needed, identifying and evaluating strategic consultants and advisors and other external resources for the Program, and making selection recommendations to the Board.
- Overseeing the System’s portfolio of Program investments, including management of consultants and advisors and other external resources engaged on the System’s behalf in connection with the Program with the objective that the System obtains the maximum value from those relationships.
- Monitoring and reporting on the performance metrics as provided by the Managers with respect to the overall purpose and objectives of the Program; and monitoring and reporting on the performance of the consultants at least annually.
- Recommend the sale of LP interests, in the secondary market, to optimize the Program’s performance.
- In a discretionary capacity, work with the Consultant to implement the Emerging Manager component of the Program including the selection of Managers, portfolio construction and as an Investment Committee member. The Investment Committee includes the Consultant, Head of Private Equity, Executive Director of

Private Equity - Emerging Managers and the Chief Investment Officer. The Board will be apprised of the progress of this aspect of the Program periodically.

**C. Role of Private Equity Consultant**

Police retains a private equity consultant (the "PE Consultant") to assist in the implementation of its strategic allocation to the private equity asset class. The strategic allocation to the asset class is recommended to the Board by SIS. The PE Consultant is a fiduciary and advises Staff and Police on all aspects of its private equity investment program. The responsibilities of the PE Consultant(s) include, but are not limited to:

- Providing strategic advice:
  - Providing advice to the Board and Staff with respect to the development and operation of the Program, including advice on industry developments and portfolio construction.
  - Assisting the Board and Staff in developing the IPS and in periodic reviews of the IPS and the Program.

Together with Staff, provide an annual and a longer-term Private Equity plan for the Program.

- Periodic assessments of industry best practices with regard to policies and procedures.
- Analysis of Police' existing private equity portfolio.
- Periodic reports on the state of the private equity marketplace.
- Attending meetings of the Board and providing educational seminars for the Trustees.
- Such other strategic advice and services as Police or Staff may reasonably require.
- New investment identification and evaluation, including:
  - Assisting Staff in identifying, evaluating and recommending investment opportunities and terminations consistent with the IPS and believed to be appropriate for the Program, including conducting due diligence with respect to new investments, as requested.
  - The manager's ability to comply with the Board's investment policies and restrictions.
- Periodic reports on current and anticipated investment opportunities.
- Assisting Staff with the implementation, negotiation and execution of new commitments and/or investments.
- Portfolio monitoring:
  - Assisting Staff with the ongoing review of committed investments, including reports to the Board on significant manager developments, proposed amendments to fund documentation and investment performance.

- Update Board quarterly on any portfolio company opt-outs pertaining to the Board's investment policy.
- Periodic and real-time reports on developments at and performance of individual partnerships in the Police portfolio.

**D. Role of Custodian Bank/Alternatives Administrator**

The Custodian Bank and/or Alternatives Administrator shall be responsible for reviewing and certifying all Program cash flow authorizations (such as capital calls and distributions).

**VII. PERFORMANCE OBJECTIVE**

The performance of the Program shall be measured against the following benchmark:

**A. Opportunity Cost:**

The expected long-term performance objective of the Private Equity program shall be measured against the 10-year average of the Russell 3000 Index (one quarter lag) plus a 300 basis point risk premium. The performance objective is net of fees and expenses. Use of the Russell 3000 Index reflects the opportunity cost of investing in Private Equity investments versus publicly traded common stocks. The 10-year average smoothes short-term volatility and is intended to cover at least one complete market cycle, consistent with the anticipated average term of the partnership investments. The index shall be modified to reflect the Program's actual cash flows.

Staff shall report regularly to the Board on performance of individual investments and of the Program as a whole in comparison to an appropriate sector based benchmark (e.g. Thompson One, etc.).

**VIII. INVESTMENT OPERATIONS**

**A. General Approach**

The Staff shall review and manage investments using a disciplined but opportunistic management strategy. Guided by the Annual Private Equity Plan (see below), Staff shall use a "top-down" approach to making assessments as to appropriate strategic weightings within the portfolio. Staff then shall seek to identify the most attractive investment opportunities available consistent with the Annual Private Equity Plan and with the goal to be diversified prudently across strategies, industries, partnerships and geography.

**B. Annual Plan**

Investments made under the Program shall be made in accordance with the Annual Private Equity Plan (the "Annual Plan"). Staff along with the Consultant shall present the Annual Plan to the Board, no later than 90 days after the previous calendar year end, for the Board's approval, which will provide guidance to the Staff and Consultant in the management, operations and investments of the Program. The Annual Plan shall include an elaboration of a target strategic allocation within the Private Equity asset class.

**C. Pacing**

The Annual Plan shall recommend commitment ranges to be made by the System within each strategy as well as a total target commitment for the System (the “Pacing Analysis”) in order to achieve both the target strategic allocation and the overall allocation to the private equity asset class. The Pacing Analysis shall take into account the System’s overall allocation to and investments in the Private Equity asset class, within each strategy, across industries and geography, and by vintage as well as the market environment and such other considerations as are appropriate. The Program shall strive to avoid inappropriate concentrations in strategies, industries, geographic areas, funds, managers or vintage years.

**D. Investment Guidelines**

**1. Investment Types**

This IPS authorizes commitments to private equity partnerships, fund of funds partnerships and separate accounts investing in private equity partnerships. These investments may be in any type of security throughout the capital structure. This IPS also allows for structures which may not conform precisely to the previous list but whose intent is to capture private equity exposure and returns while insulating the System from liability in excess of the amounts invested.

**2. Co-Investment and Direct Secondaries**

Investment rights may include opportunities for additional capital participation through co-investment or other side-by-side direct investment opportunities. Secondary investments include the purchase of LP interests, co-investments or other pooled investment vehicles.

**3. Separate Managed Accounts**

The Program may, from time to time, use funds of funds or Managers with discretionary mandates to accomplish investment strategies and activities.

**E. Exceptions to the IPS**

From time to time, the Program may require exceptions to this IPS. In the event that an exception is required, the following procedures shall be followed:

1. Non-Urgent<sup>1</sup> matters requiring an exception to this IPS will be addressed at the next scheduled Police investment meeting. The Board shall be provided a detailed written summary and rationale warranting a potential exception to the IPS. Exceptions will only be granted with Board approval (vote, motion, etc.).
2. For urgent matters<sup>2</sup> (time-sensitive) requiring an exception to this IPS, the Staff will notify the Board, in writing or via electronic mail, as soon as practicable of the matter requiring the need for an exception to the IPS. A documented phone vote granting the exception may be obtained and the Board will ratify the decision at the next scheduled monthly investment meeting.

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<sup>1</sup> Non-Urgent matters are defined as those not requiring an affirmative decision prior to the next scheduled Police investment meeting.

<sup>2</sup> Urgent matters are defined as those requiring an affirmative decision prior to the next scheduled Police investment meeting.

## IX. RISK MANAGEMENT

Private Equity does not lend itself to traditional quantitative measures of risk such as standard deviation and benchmark tracking error. Rather, risk is managed through a combination of quantitative and qualitative constraints. The following sections identify the most significant risks with private equity investments and the method of control. The Program will only consider investment structures that provide limited liability to the System.

### A. Liquidity

Private equity investments are illiquid and typically have expected holding periods of 10-12 years. Investments are typically held until maturity and selling prior to maturity generally results in a discount to fair market value. Asset allocation exposure is controlled through the investment pacing described in the Annual Plan. The Board recognizes that lowering the private equity target allocation may result in forced sales and increased exposure to liquidity risk.

### B. Vintage Risk

Vintage refers to the year of first capital draw and vintage risk refers to the variability of private equity commitments over time. The Annual Plan controls the short and long-term investment pacing that minimizes vintage risk while achieving targeted exposure.

### C. Manager Risk

Manager risk is the impact that a general partner has on the selection of investments to put in the portfolio. It is usually manifested in two ways: the size of the Program's exposure to a particular partnership, and the number of general partners in the private equity portfolio. Partnership exposure is controlled through careful selection and by limiting the commitment size to a partnership. The maximum commitment to a partnership is limited to the lesser of **15%** of a fund-raise, or **\$200** million. The **15%** limit does not apply to a fund of funds manager or a separate account.

The optimum number of general partners in the portfolio varies with time and is controlled by the Annual Plan.

Firm risk is the exposure to a private equity manager or general partner and is controlled by limiting the total exposure (defined as unfunded commitments plus net asset value) to pooled investment vehicles operated by a general partner and/or its affiliates. The Program's maximum total exposure to a general partner and its affiliates is limited to **15%** of the total exposure of the Private Equity Program.

### D. Currency

The Private Equity program accepts the currency risks consistent with the geographic constraints. Private equity partnerships generally do not hedge currency risk and the Private Equity Program will not implement currency hedges.

### E. Industry

Typically, private equity partnerships are permitted to invest in a wide variety of industries with limited controls. Industry risk is controlled primarily through appropriate diversification across classes and subclasses.

### F. Leverage

General partners invest capital from private equity partnerships throughout the capital structure of firms. The capital markets control the maximum leverage available to the general partners and limited partners control leverage exposure through partnership selection and portfolio construction.

**G. Market Value**

Market value refers to portfolio company market value.

**X. INVESTMENT / EVALUATION CRITERIA**

Staff shall develop and maintain selection guidelines for Private Equity investments to include the following minimum requirements:

- The principals shall demonstrate relevant experience and expertise in the strategy they propose to execute and the market in which they propose to operate.
- The principals shall demonstrate requisite skills and experience necessary to execute the proposed strategy, including evidence from similar prior accomplishments.
- The principals shall demonstrate an ability to cooperate and to work well together over the long term and to manage a stable organization.
- The principals shall dedicate a sufficient proportion of their time and effort to the proposed investment vehicle.
- The principals shall make a meaningful personal financial commitment to the proposed investment.
- The principals shall be individuals of high character and solid professional reputation.
- The proposed strategy and business plan shall be set forth in sufficient detail as to permit substantive and meaningful review of the investment opportunity, verification of the investment concept and evaluation of the appropriate risk factors.
- Police will reject investments that would pose reputational risk to the Fund or bring public or regulatory scrutiny other than that which is required by law or regulation to consummate an investment transaction.
- Police will not entertain proposals that have the potential of eliminating public-sector jobs.
- The proposed strategy and business plan shall provide reasonable assurance that the investment opportunity can produce the target return.
- The risk anticipated in the strategy and market is justified by and compensated for by the proposed investment, based on reasonable assumptions.

Primary emphasis will be on the quality and experience of the general partners, sponsors or managing members (collectively for ease of reference “general partners”) and the staff of a proposed investment. Additional factors to be evaluated shall include:

- Fit within the Annual Plan and the System’s portfolio.
- Strategy: its uniqueness, the General Partner’s access to proprietary deal flow, and the flexibility and likelihood of success of the firm’s entry and exit strategy.
- Integrity and reputation of the General Partners, its employees and other investors.

- Depth and breadth of the General Partner's principals' and their employees' experience and expertise.
- Personnel turnover.
- Quality of overall partnership governance and management of the partnership including controls and reporting systems (including audited financials and reports to Limited Partners).
- Relationship with and reputation among existing investors (e.g., re-ups and declines).
- Relationship with existing portfolio companies, including terminated Managers.
- Relationship and reputation among banks and other sources of financing.
- Nature and quality of value-added involvement by General Partners.
- Demonstrated ability of General Partners and their employees.
- Past financial performance.
- Pre-existing commitments of General Partners (with particular emphasis on unrealized investments in previous funds).
- Alignment of employee interests with those of Principals.
- Alignment of General Partners interests with investors (General Partner investment relative to contemplated commitment, waterfall, treatment of transaction fees, clawbacks and lookbacks, operating budget, etc.).
- Appropriateness of terms and conditions.

**Glossary of Terms:**

**Sectors:**

**Corporate Finance/Buyout:** Funds seeking to make controlling and non-controlling investments in established companies which have the potential to achieve greater value through improved performance.

**Growth Equity:** Partnerships formed to invest and create value in emerging companies with high growth potential.

**Special Situations:** Partnerships that invest using a unique strategy. Examples include distressed and turnaround, industry focused and multi-stage partnerships.

**Energy:** Partnerships that generate long-term capital appreciation through privately negotiated equity and equity-related investments in energy and natural resources companies.

**Secondaries:** A private equity vehicle formed to purchase active partnership interests from an investor.

**Co-Investment:** A direct investment is a purchased interest of an operating company. A coinvestment is a direct investment made alongside a partnership.

**Venture Capital:** An investment strategy that provides start-up or growth capital to companies in the early stages of development. Venture investments generally involve a greater degree of risk, but have the potential for higher returns.

**Fund-of-Funds:** An investment vehicle which invests in other private equity partnerships.

**Mezzanine:** An investment strategy involving the purchase of subordinated debt. These securities exist between the senior debt and equity of a holding's capital structure. Subordinated debt carries a lower level of risk than pure equity structures because they generate current income and have a more senior position in the company's capital structure.

## APPENDICES:

Basket Clause

## POLICE- BASKET/NON BASKET SUMMARY

As of September 30th, 2012	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
<u>Equity</u>	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
<b>Domestic Equity</b>	36.70%	0.00%	36.70%	37.01%	0.00%	37.01%
<b>Non-U.S. Equity</b>	10.00%	6.00%	16.00%	10.00%	5.40%	15.40%
<b>Private Equity</b>	0.00%	7.00%	7.00%	0.00%	7.10%	7.10%
<b>Real Estate</b>	3.00%	0.00%	3.00%	3.00%	0.00%	3.00%
<b>REITS</b>	0.50%	0.00%	0.50%	0.50%	0.00%	0.50%
<b>Hedge Funds</b>	0.00%	2.20%	2.20%	0.00%	2.20%	2.20%
<b>Total Equity</b>	50.20%	15.20%	65.40%	50.51%	14.70%	65.21%
 <u>Fixed Income</u>						
<b>Core+5</b>	20.60%	0.40%	21.00%	19.15%	0.40%	19.55%
<i>U.S. Gov't Sector</i>	4.15%	0.00%	4.15%	3.02%	0.00%	3.02%
<i>Mortgage Sector</i>	8.38%	0.00%	8.38%	8.67%	0.00%	8.67%
<i>Credit Sector</i>	8.07%	0.40%	8.47%	7.46%	0.40%	7.86%
<b>High Yield</b>	5.30%	0.60%	5.90%	5.35%	0.54%	5.89%
<b>Bank Loans</b>	0.00%	0.00%	0.00%	0.00%	1.88%	1.88%
<b>TIPS</b>	5.00%	0.50%	5.50%	1.67%	0.37%	2.03%
<b>Convertibles</b>	1.00%	0.00%	1.00%	0.94%	0.00%	0.94%
<b>Opportunistic</b>	0.36%	0.94%	1.30%	0.11%	1.15%	1.26%
<b>Other Fixed Income</b>	0.00%	0.00%	0.00%	3.21%	0.03%	3.24%
<b>Total Fixed Income</b>	32.26%	2.44%	34.70%	30.43%	4.36%	34.79%
 <b>Total Fund</b>	82.46%	17.64%	100.00%	80.94%	19.06%	100.00%
 <b>Remaining Capacity</b>		7.36%			5.94%	

\* Note: Basket amounts are estimates

## Liquidity Analysis

## Police Liquidity Profile - Static Analysis

10/25/12

AUM as of September 30, 2012

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$9,872	\$9,872	\$9,872	\$9,872
International Equity	2,509	2,509	2,509	2,509
Emerging Markets	1,606	1,606	1,606	1,606
Hedge Funds	580	0	465	554
REITS	138	138	138	138
Private Equity	1,901	0	0	0
Private Real Estate	788	0	0	0
Core + 5	5,317	5,317	5,317	5,317
TIPS	542	542	542	542
Opportunistic Fixed Income	336	252	336	336
Enhanced Yield	1,571	1,571	1,571	1,571
Bank Loans	500	500	500	500
Convertible Bonds	251	251	251	251
ETI	268	26	116	268
Cash	494	494	494	494
<b>Total Assets</b>	<b>\$26,673</b>	<b>\$23,079</b>	<b>\$23,718</b>	<b>\$23,958</b>
<b>Total Illiquid \$</b>		<b>\$3,594</b>	\$2,955	\$2,715
<b>Total Illiquid %</b>		<b>13.5%</b>	11.1%	10.2%
Unfunded PE Commitments	\$1,154			
Unfunded RE Commitments	432			
Unfunded OFI Commitments	368			
<b>Total commitments \$</b>	<b>\$1,954</b>			
<b>Total commitments %</b>	<b>7.3%</b>			

## Police Liquidity Profile - Static Analysis

10/25/12

AUM as of September 30, 2012

### Denominator Effect - Decrease AUM by One-Third

<b>Total Illiquid \$</b>	\$3,594	\$2,955	\$2,715
<b>Total Illiquid %</b>	20.2%	16.6%	15.3%

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

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
<b>Total Assets</b>	<b>\$26,673</b>	<b>\$23,079</b>	<b>\$23,718</b>	<b>\$23,958</b>

### Private Equity, Real Estate and Opportunistic Fixed Income Stress Case

Unfunded PE Commitments Drawn		\$231	\$462
Unfunded RE Commitments Drawn		86	173
Unfunded OFI Commitments Drawn		184	0
<b>Total commitments \$</b>		<b>\$501</b>	<b>\$634</b>
<b>Total commitments %</b>		<b>1.9%</b>	<b>2.4%</b>

<b>Total Illiquid \$</b>		\$3,456	\$3,350
<b>Total Illiquid %</b>		13.0%	12.6%

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

### Denominator Effect - Decrease AUM by One-Third

<b>Total Illiquid \$</b>	\$3,594	\$3,456	\$3,350
<b>Total Illiquid %</b>	20.2%	19.4%	18.8%

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