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

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

EMAIL: SCHLOSS@COMPTROLLER.NYC.GOV

Lawrence Schloss
Deputy Comptroller /
Chief Investment Officer

JOHN C. LIU
COMPTROLLER

MEMORANDUM

TO: Trustees
New York City Fire Department Pension Fund

FROM: Larry Schloss

DATE: July 14, 2010

RE: **New York City Fire Department Pension Fund Investment Meeting – July 21, 2010**

Enclosed is a copy of the agenda for the Fire Department Pension Fund Investment Meeting scheduled on Wednesday, July 21, 2010. This meeting will be held at the **NYC Comptroller's Office, 1 Centre Street, 5th Floor, Room 530** beginning at 9:30 a.m.

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

John C. Liu
COMPTROLLER

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

INVESTMENT MEETING

JULY 21, 2010

NYC COMPTROLLER'S OFFICE, 1 CENTRE STREET
5TH FLOOR, ROOM 530

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

INVESTMENT MEETING

JULY 21, 2010

PUBLIC AGENDA

		Page
I.	Performance Review: (5 Minutes)	
	• Flash Report (Handout)	---

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

INVESTMENT MEETING

JULY 21, 2010

EXECUTIVE AGENDA

PUBLIC AGENDA

I. Performance Review:

FLASH REPORT
(Handout)

EXECUTIVE AGENDA

I. Monthly Performance Review:

Monthly Performance Review
May 2010

Prepared for the New York City Fire Department Pension Fund

7/21/2010

TABLE OF CONTENTS

Economic Indicators
as of July 2010

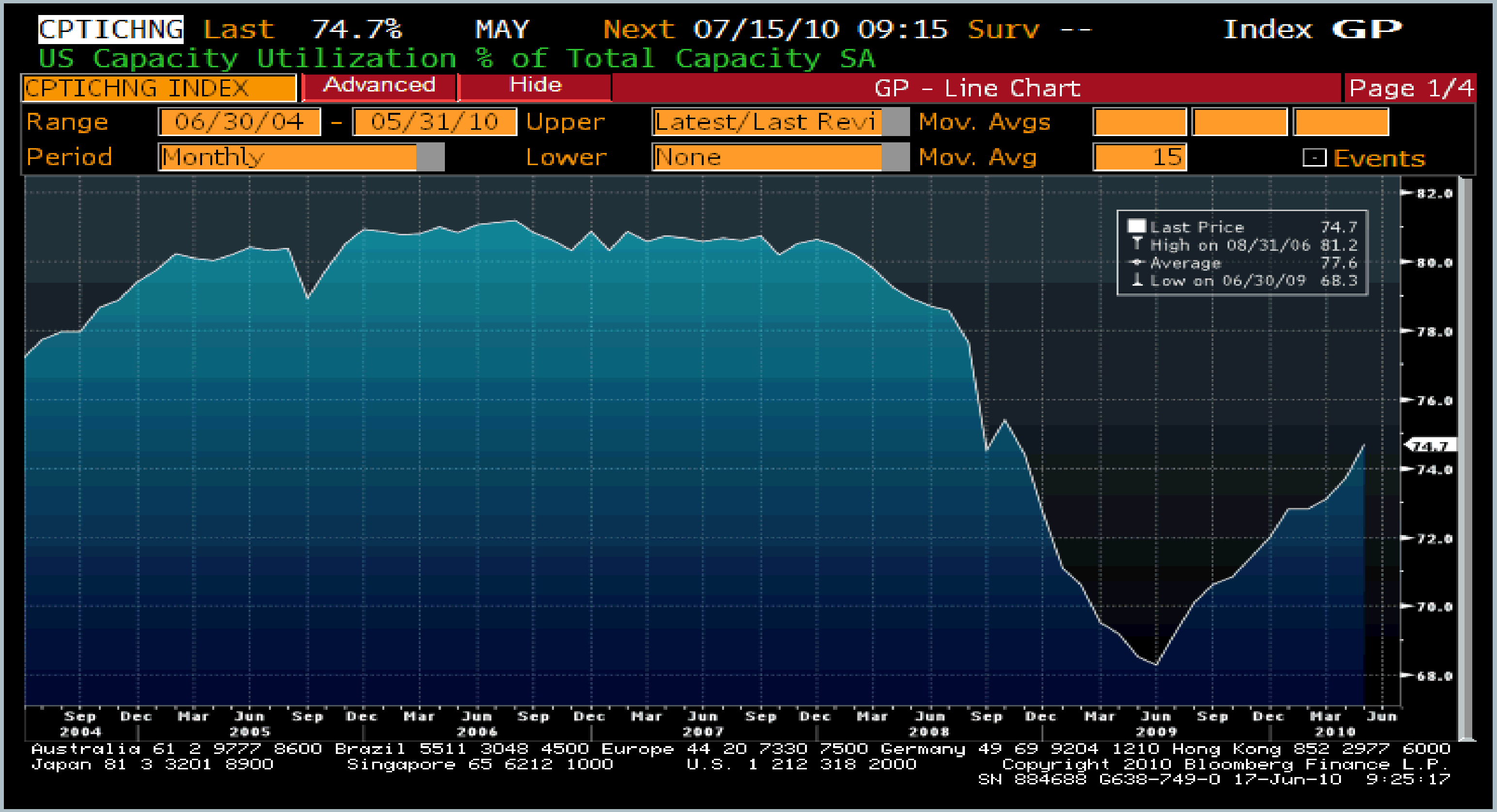
NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

Gross Domestic Product

- **The economic environment appears to have lifted from recession**

Capacity Utilization

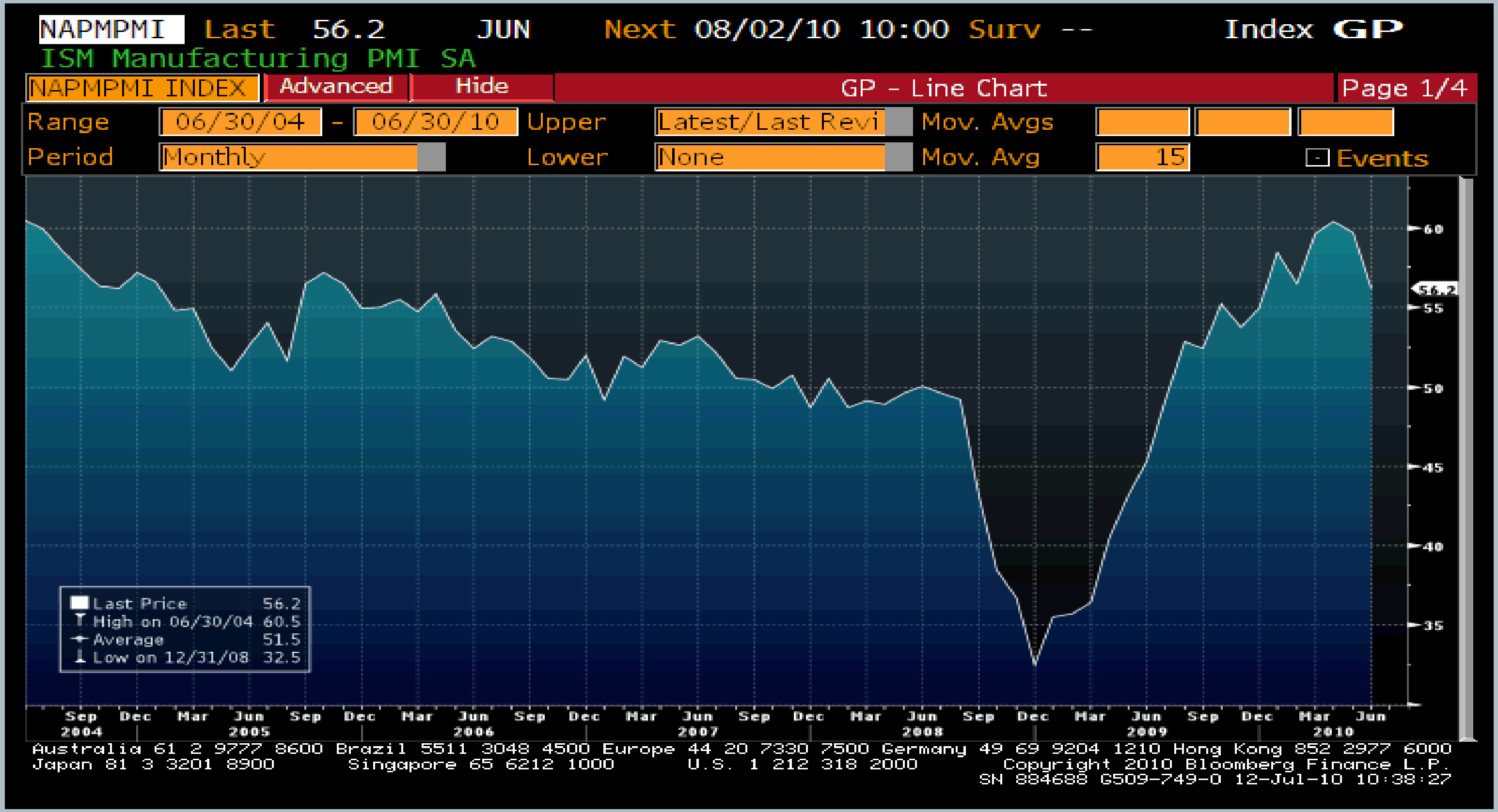
3



- **Inventory rebuild helping this statistic (also longer hours / fewer job hiring)**

Source: Bloomberg

ISM Manufacturing Index



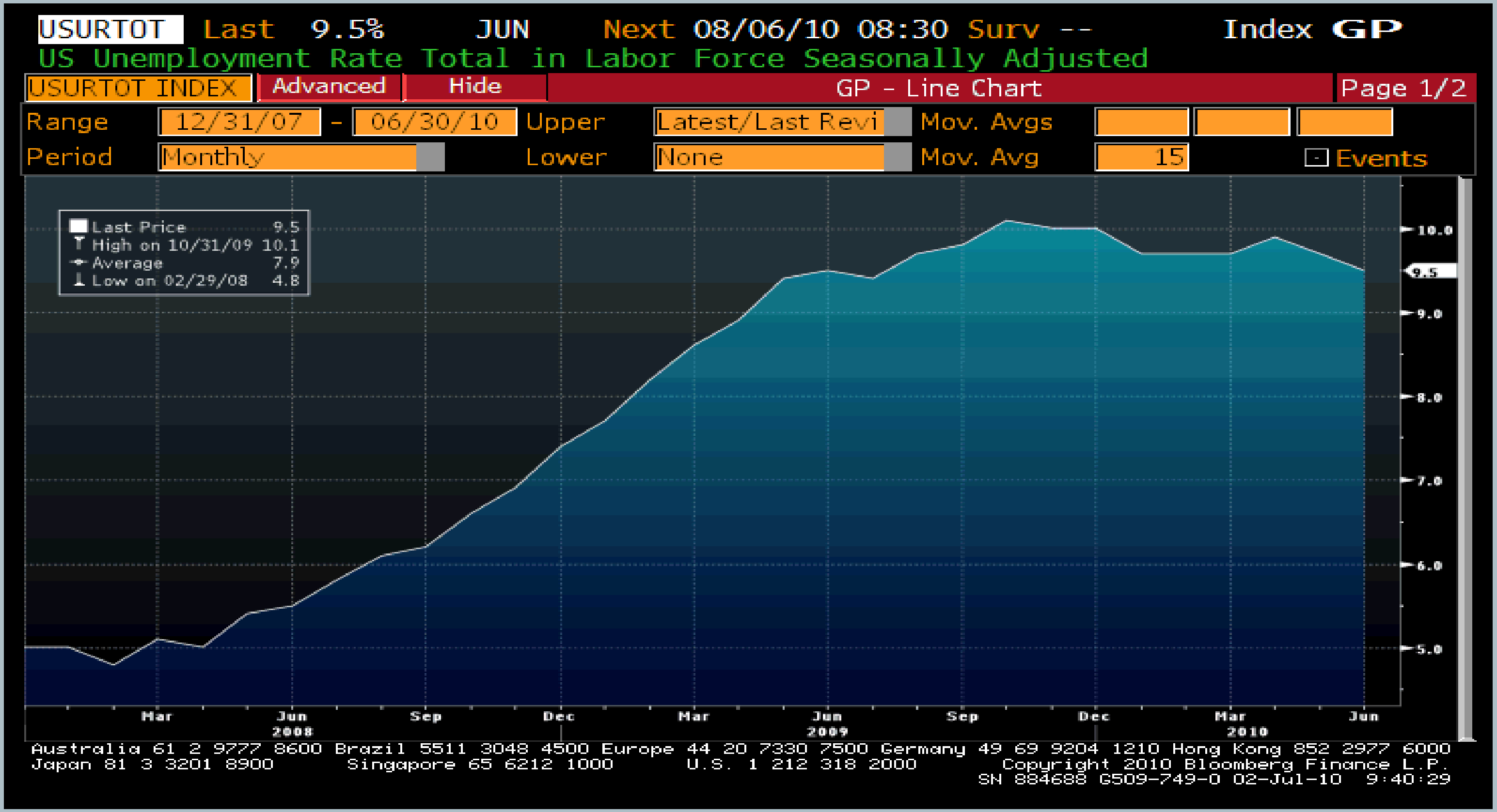
Source: Bloomberg

Weekly Unemployment Claims

- **Improved, but remains stubbornly above 400K new claims per week**

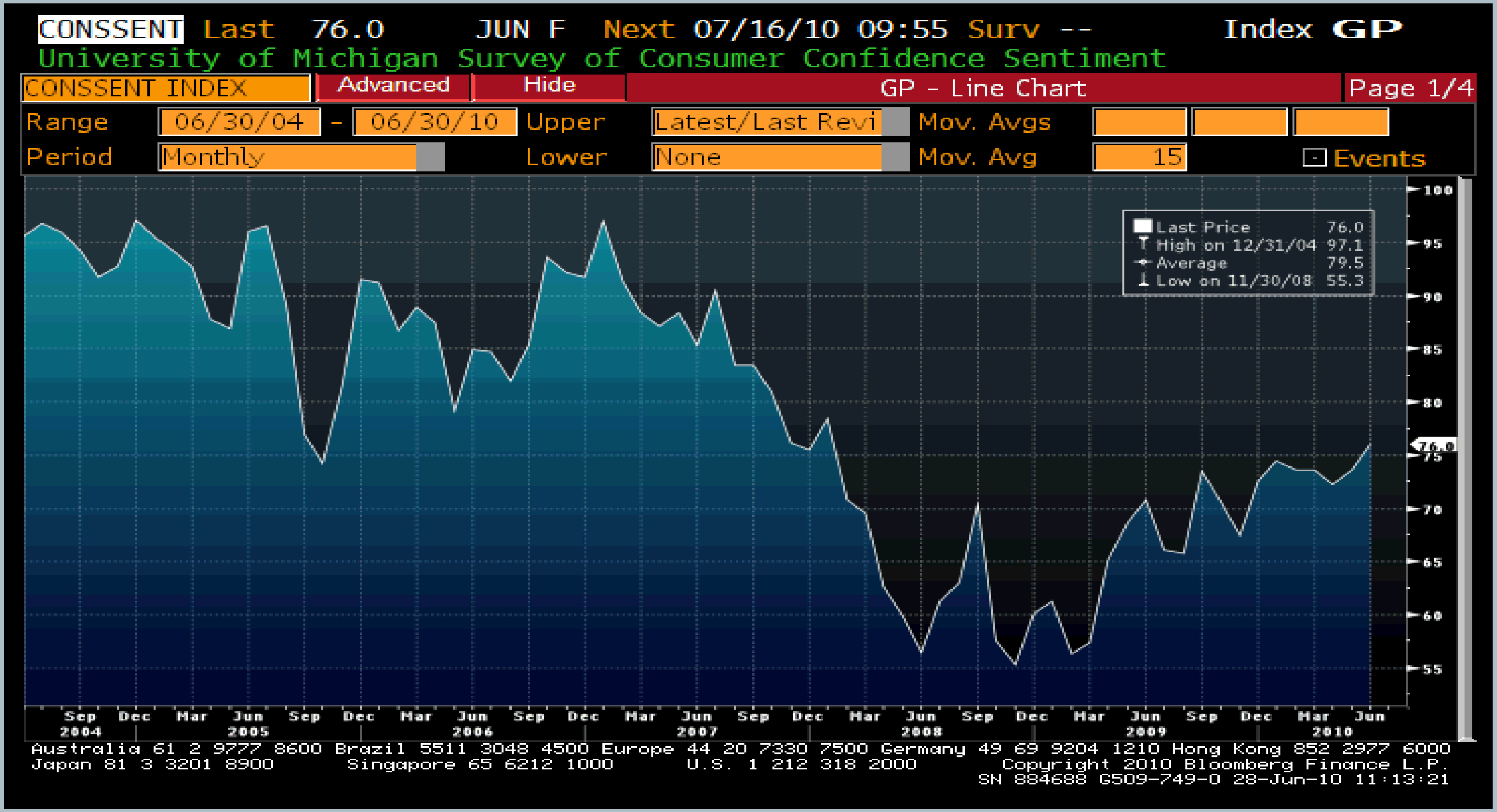
Unemployment Rate

6



- **Remains high at 9.5%- continuing drag on economy**

Consumer Sentiment

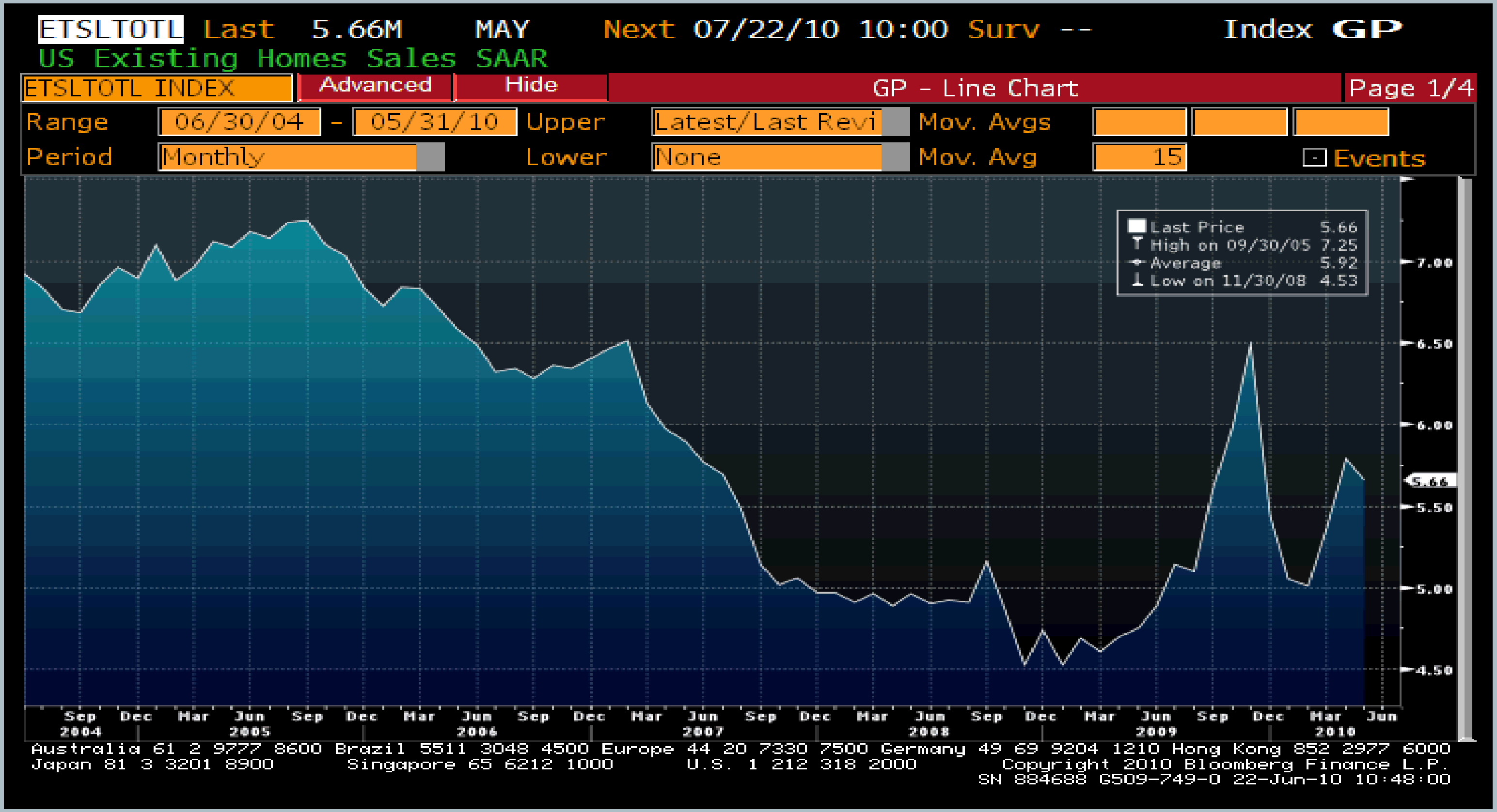


- **Continuing to rise off the lows, but far from peak**

Source: Bloomberg

Existing Home Sales

8

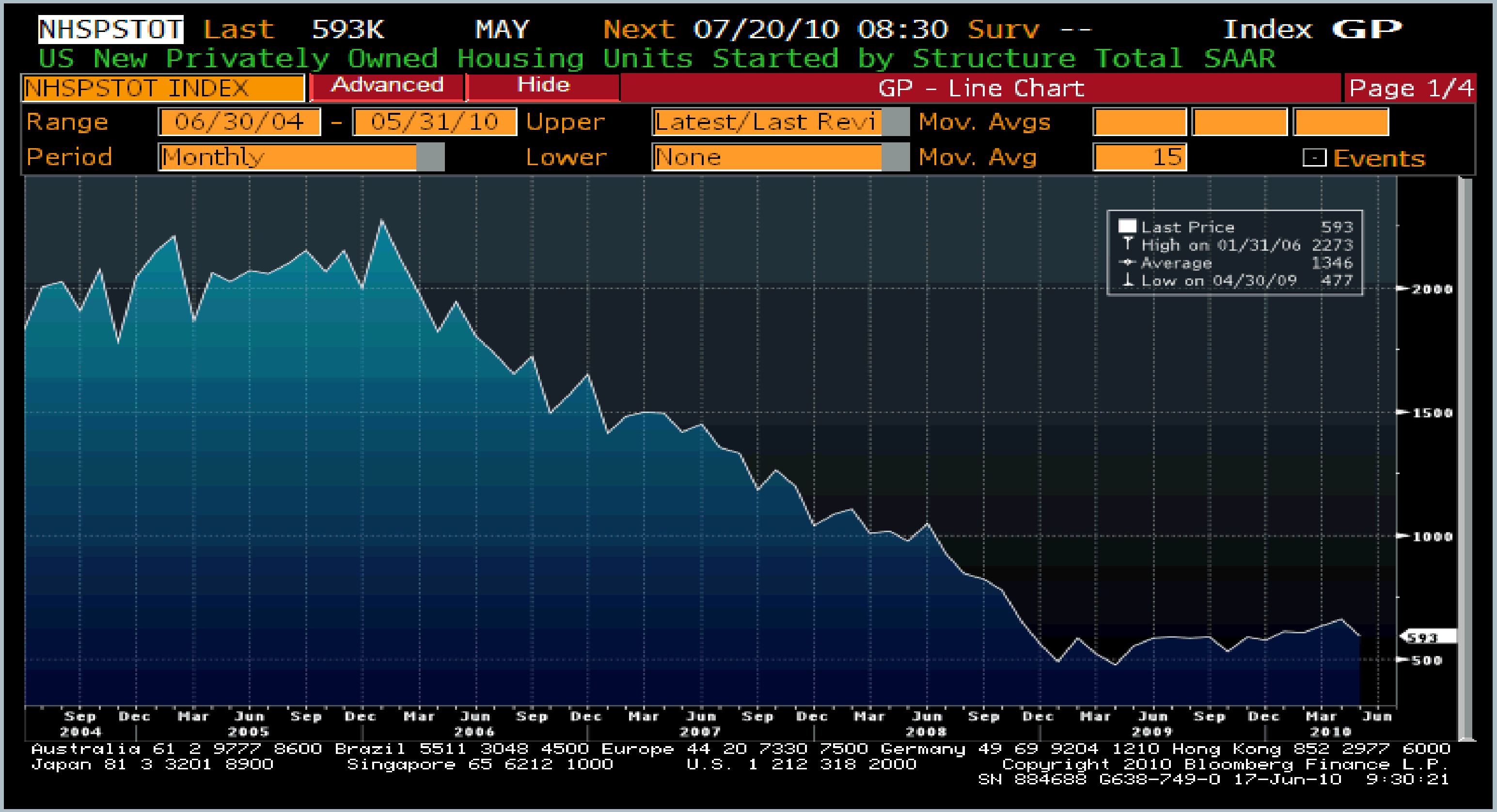


- **Rebound spurred by lower prices and foreclosures**

Source: Bloomberg

New Housing Starts

9



- **Still near the bottom - a long way to go**

Retail Sales

10

- **Strong numbers continue**

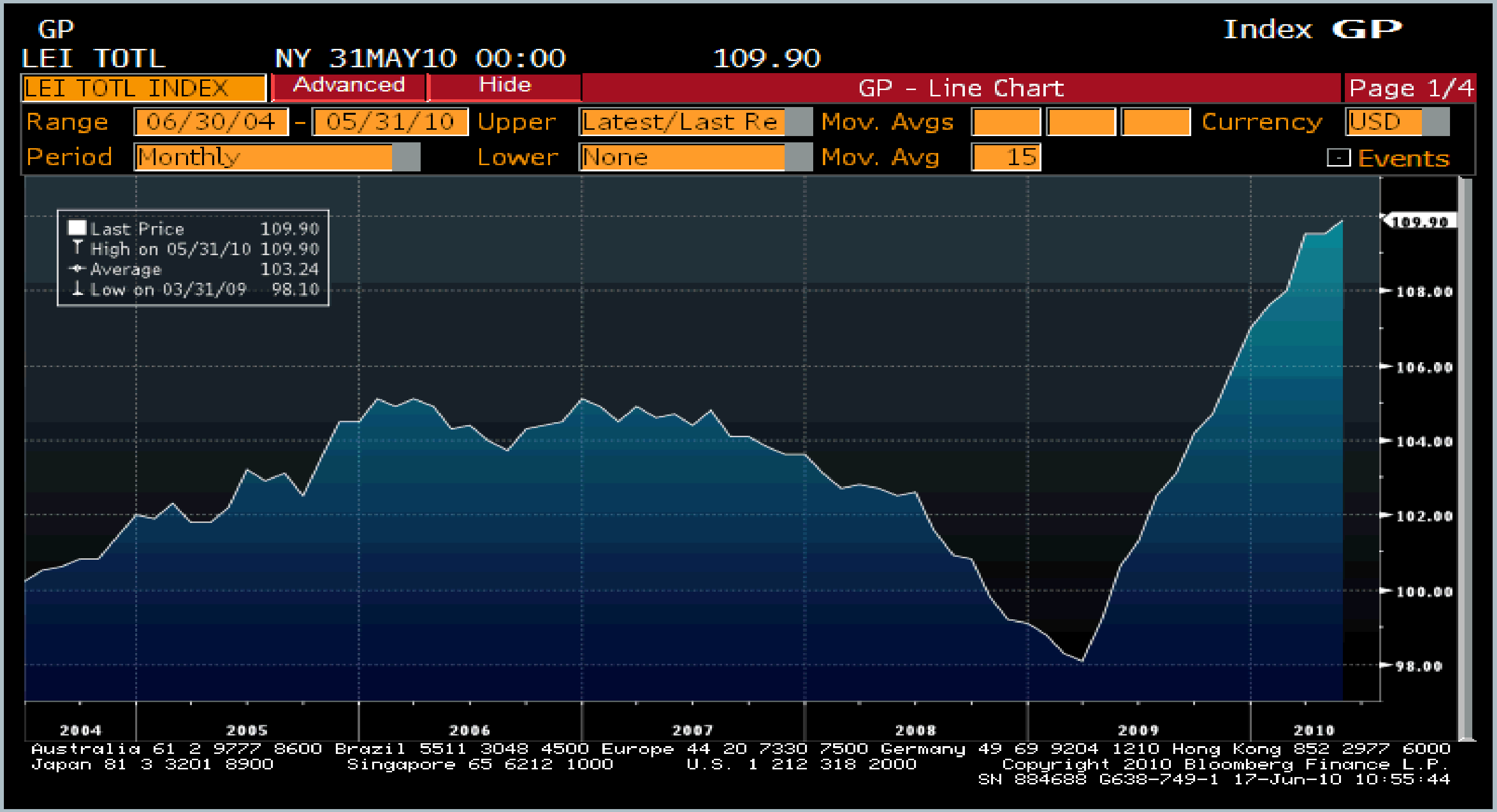
US Auto Sales

- **Improving, but still well below the peak run rate of 16 million vehicles**

Source: Bloomberg

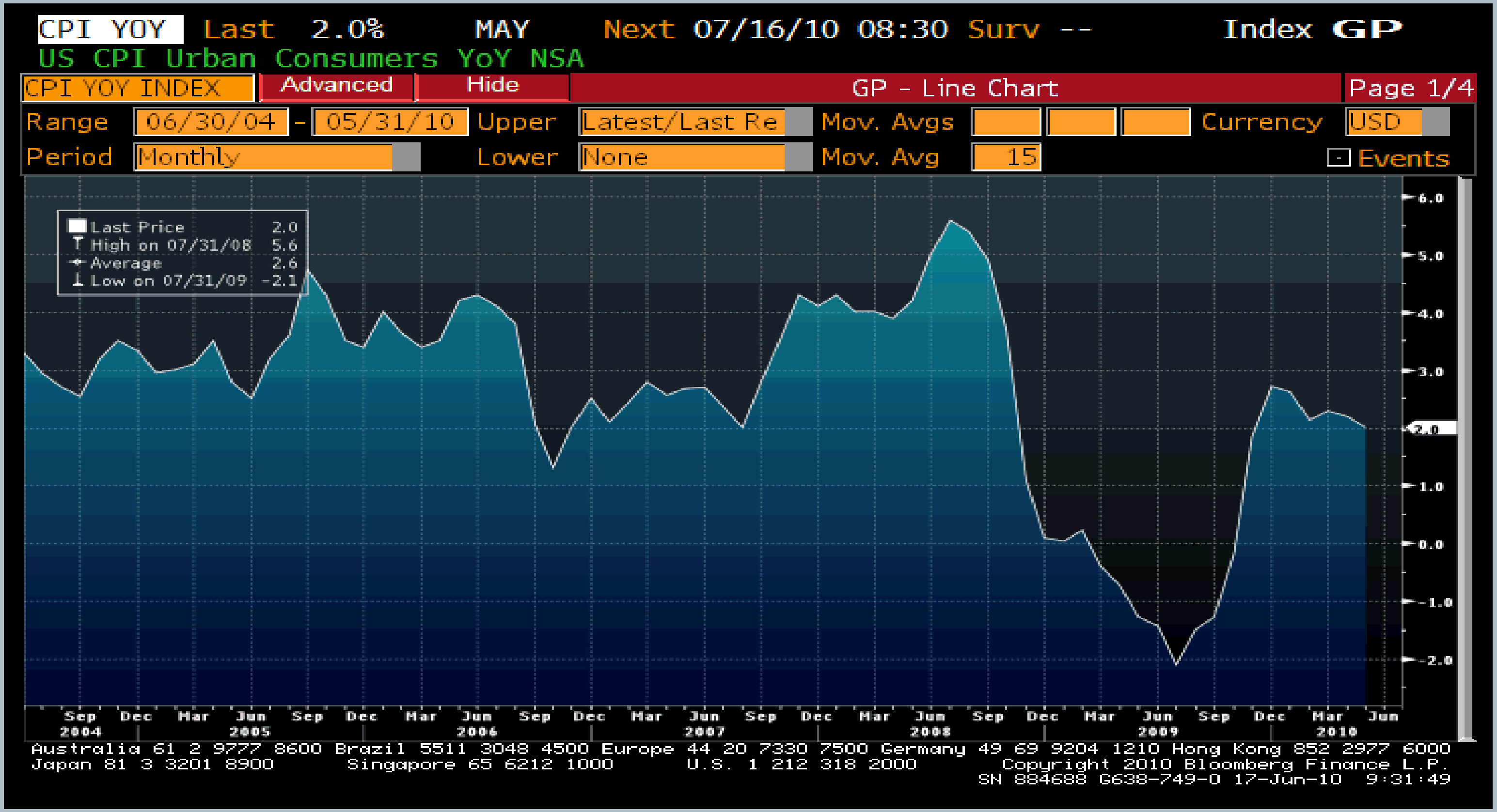
Index of Leading Economic Indicators

12



- **LEI has begun to plateau after the past year's sharp rebound**

Inflation- CPI



- **High unemployment and low capacity utilization**

Euro-zone GDP

Source: Bloomberg

'For the first time the pound reached parity with a chocolate coin covered in foil'

Source: Telegraph Media Group Limited 2010

Market Indicators
as of July 2010

16

NYC OFFICE OF THE COMPTROLLER
BUREAU OF ASSET MANAGEMENT

USD/EUR Exchange Rate

- **PIIGS borrowing / fiscal crisis has lead to significant Euro weakness**

Source: Bloomberg

Strength of the US Dollar

- **The weakness in the Euro has benefited the US Dollar**

Source: Bloomberg

3-Month LIBOR

- **Recent Euro crisis has hit bank confidence resulting in a tick up in short rates**

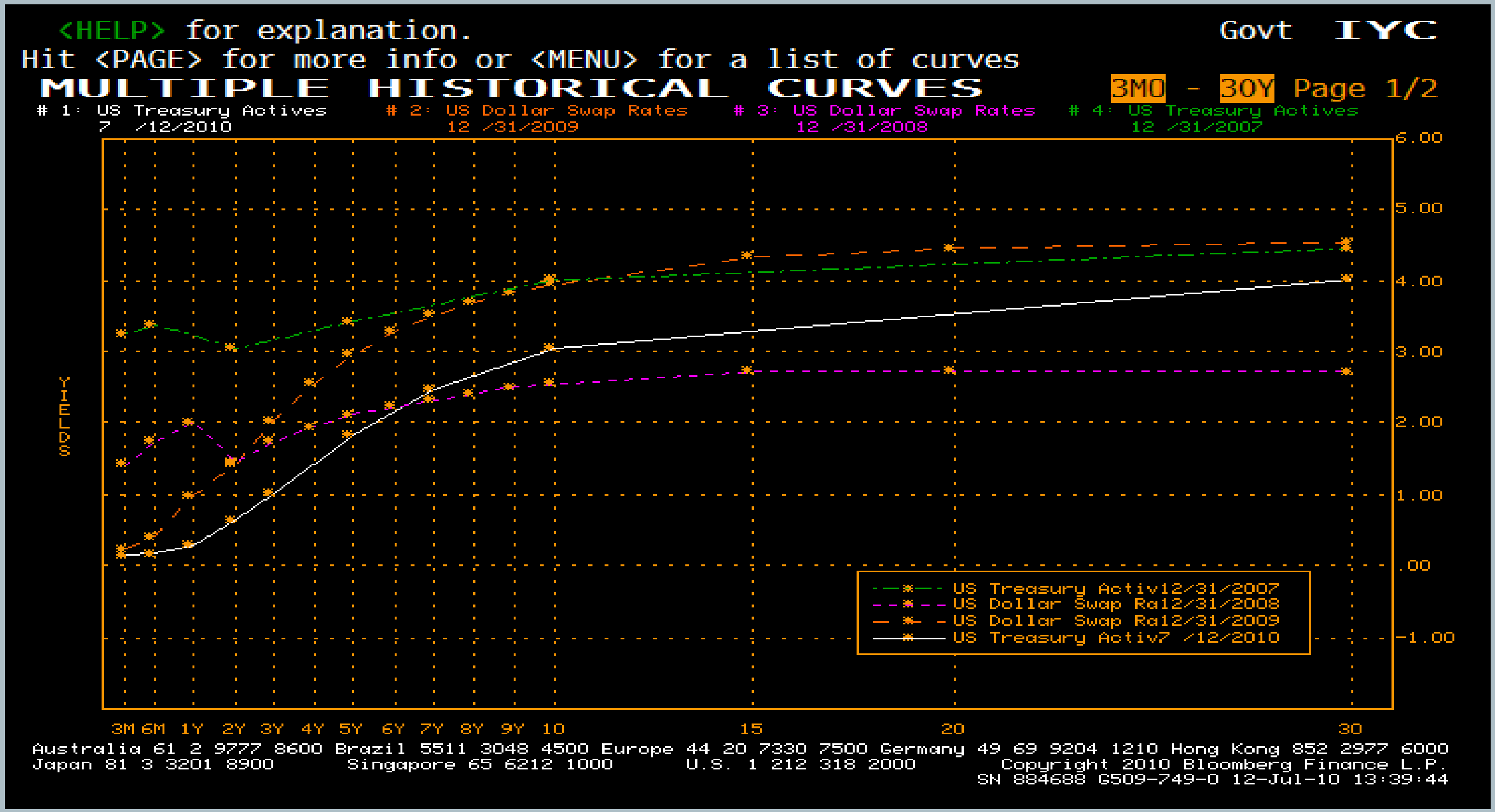
Source: Bloomberg

Volatility Index (VIX)

- **Market volatility has increased in the wake of the Greece/Euro crisis**

Source: Bloomberg

US Treasury Yield Curves



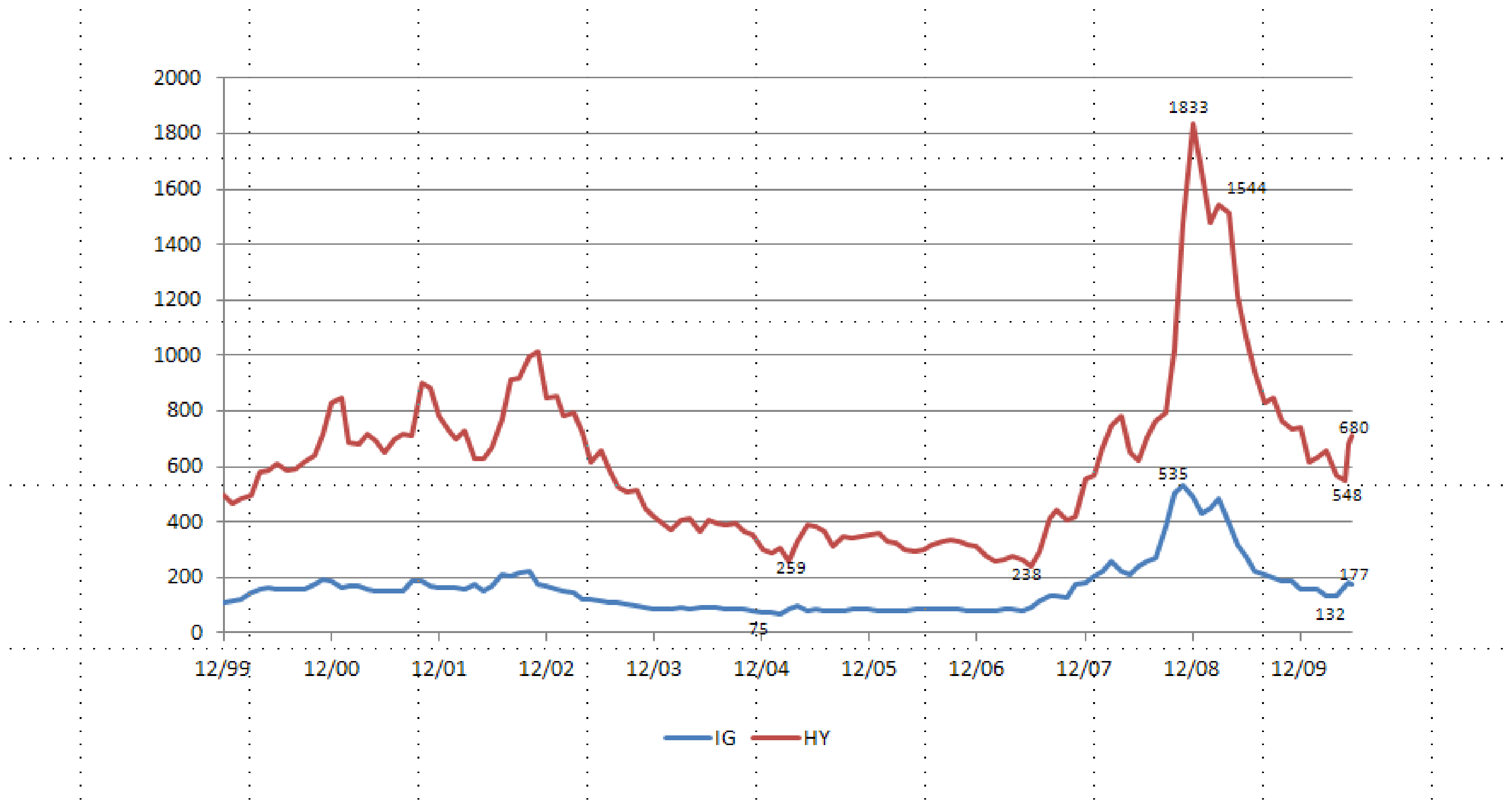
- **10 Year Yields have dropped to just above 3 percent**

10 Year Treasury Rates

- **Rates declined from near 4% to just above 3% in recent flight-to-quality trade**

Source: Bloomberg

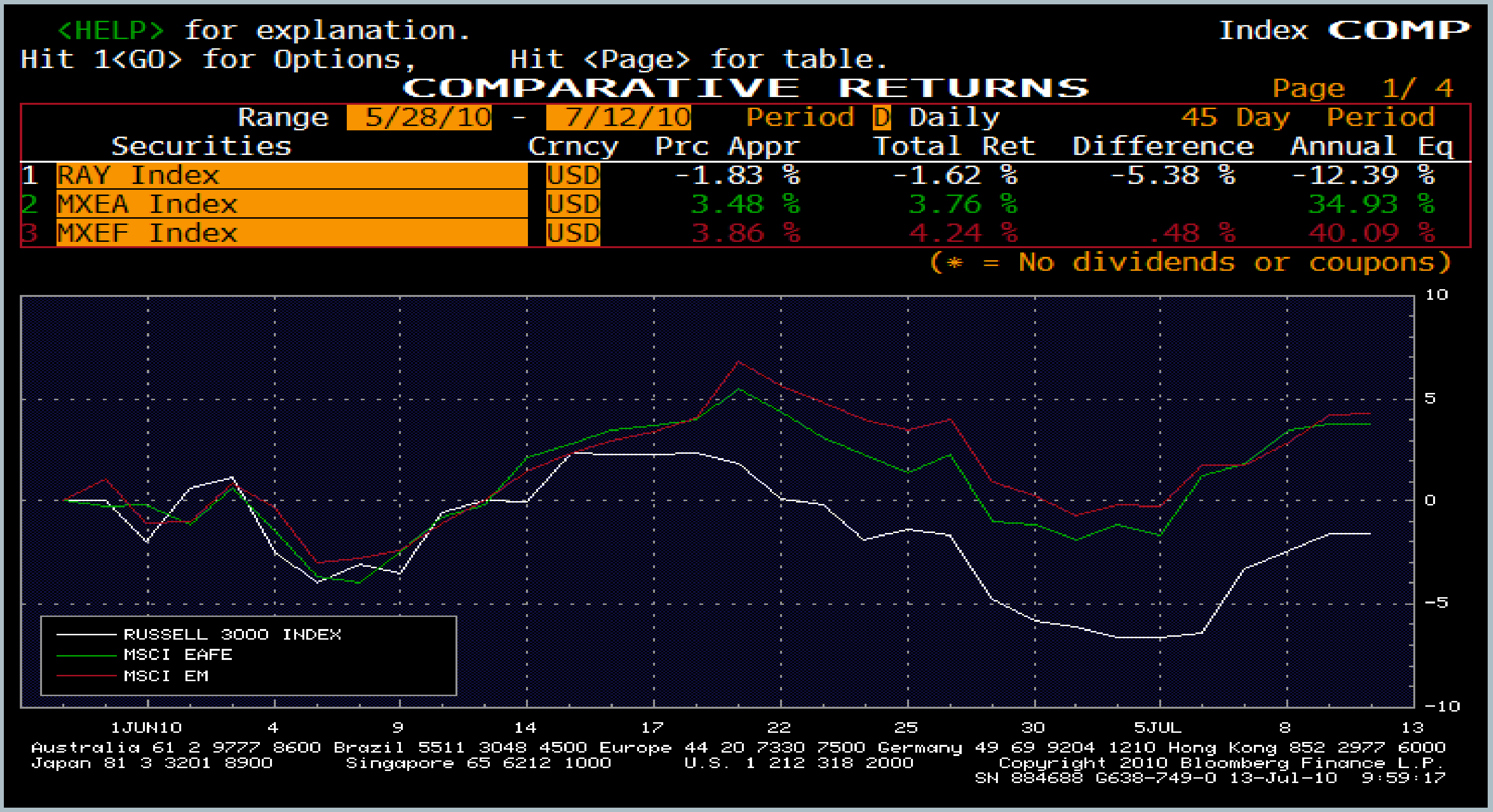
Investment Grade and HY Spreads



- **HY spreads are up to 680bps, near the highest since November 2009**

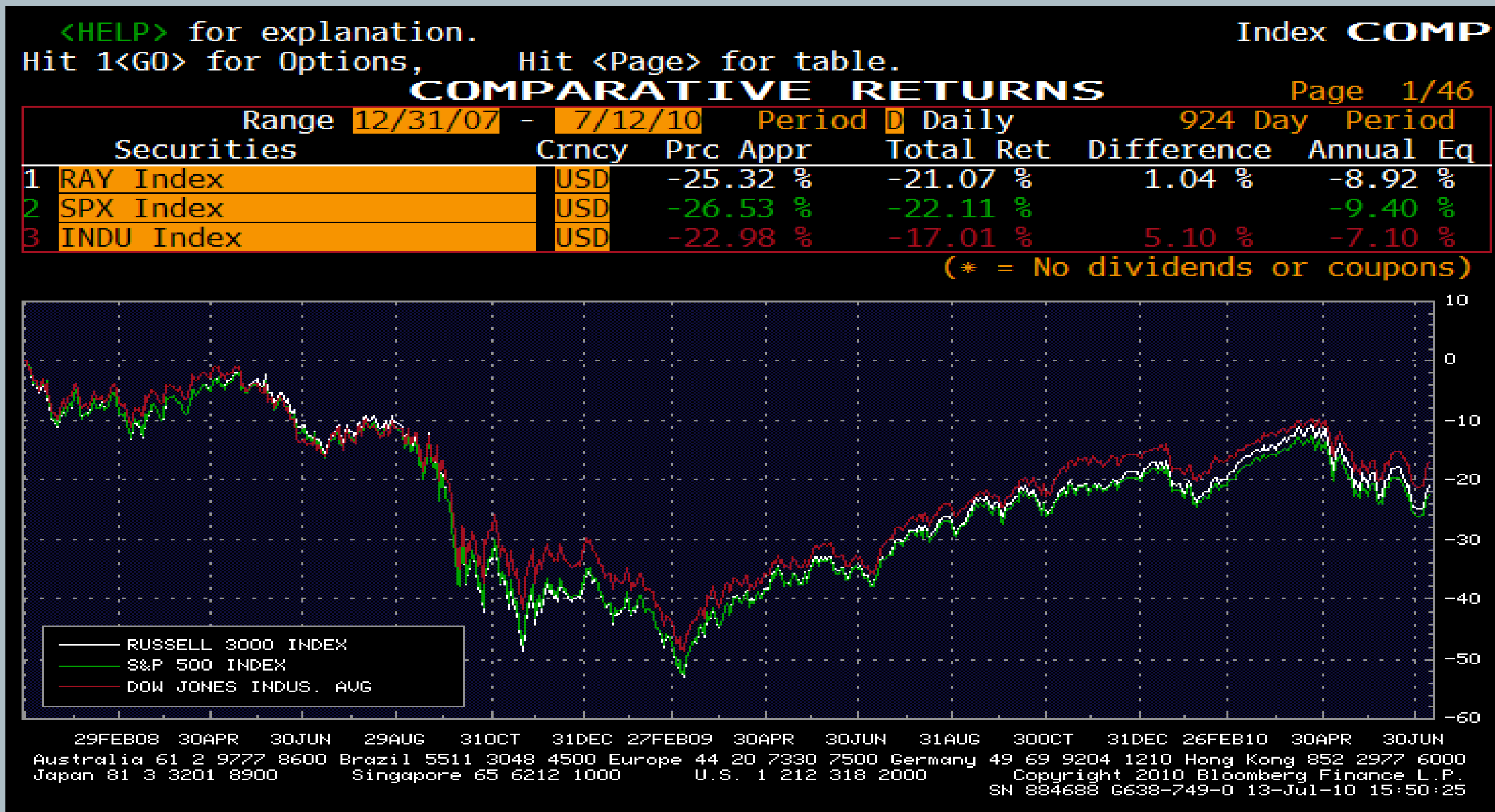
Source: Barclays Capital and Taplin, Canida & Habacht, Inc.

Recent Global Equity Market Returns



Source: Bloomberg

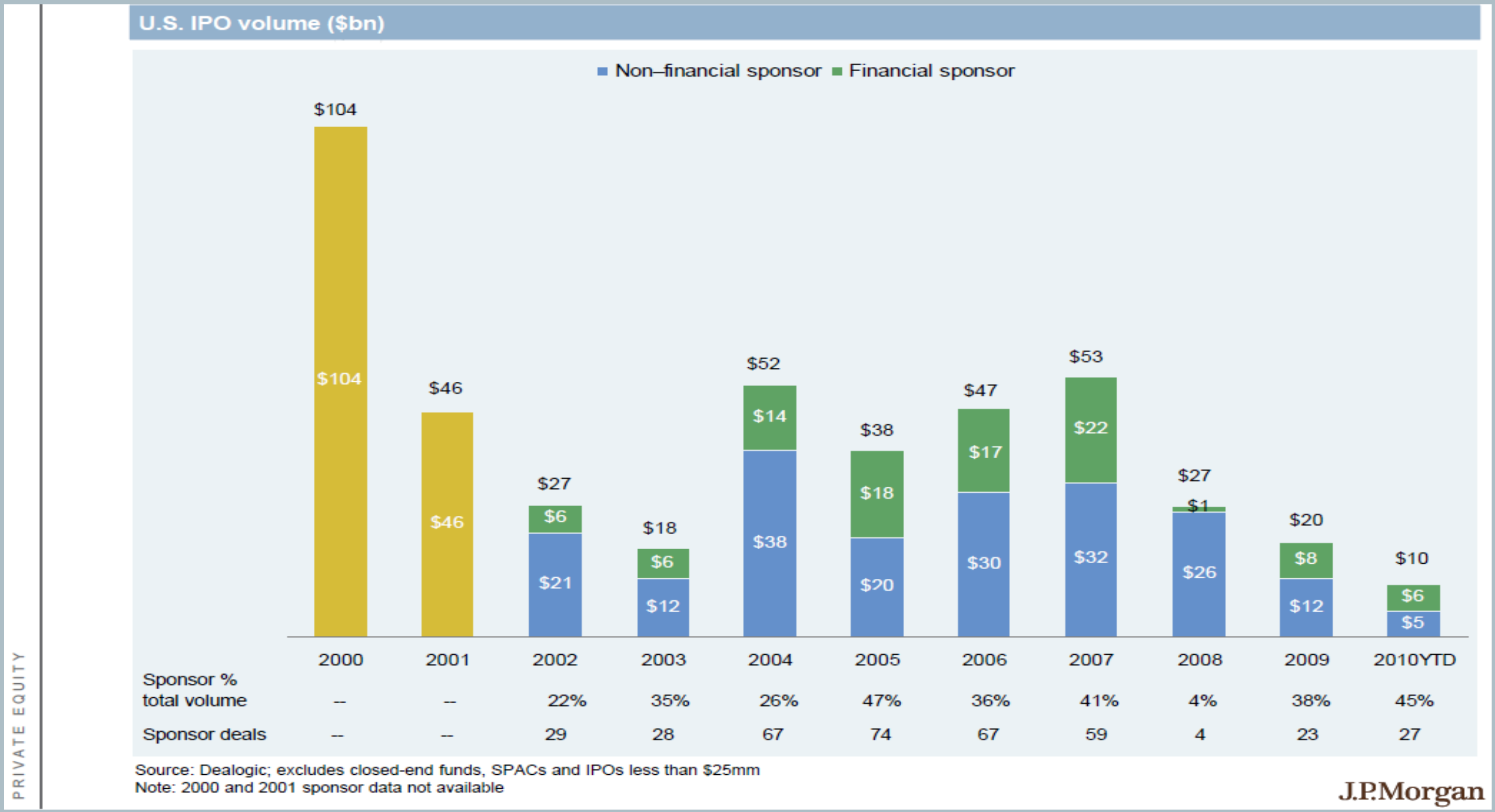
US Equity Market Performance



- **Returns for the Russell 3K, S & P 500 and DJIA are from January 2008**

Source: Bloomberg

IPO Markets and Sponsor Activity



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010YTD
Sponsor % total volume	--	--	22%	35%	26%	47%	36%	41%	4%	38%	45%
Sponsor deals	--	--	29	28	67	74	67	59	4	23	27

Source: Dealogic; excludes closed-end funds, SPACs and IPOs less than $25mm
Note: 2000 and 2001 sponsor data not available

M & A Activity

<HELP> for explanation. Index MA
<MENU> to Return

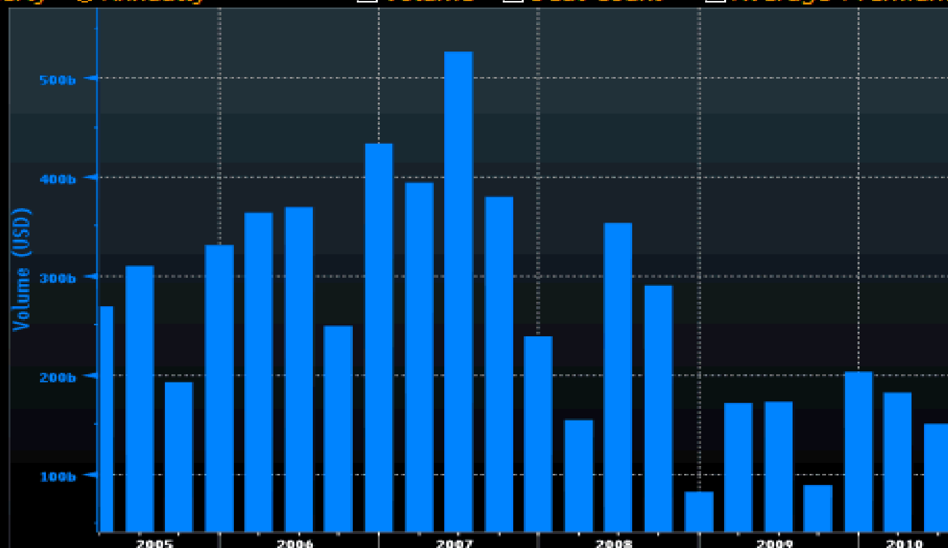
95) Edit | 96) Save | 97) Send | 97) Output | M&A Results

Activity Trend United States
Date Range 1/1/2010 - 6/15/2010 Currency USD 27) Alert

5YR Period ○ Monthly ◉ Quarterly ○ Annually Chart ☒ Volume ☐ Deal Count ☐ Average Premium

1) Industry View
2) Region View
3) Overview

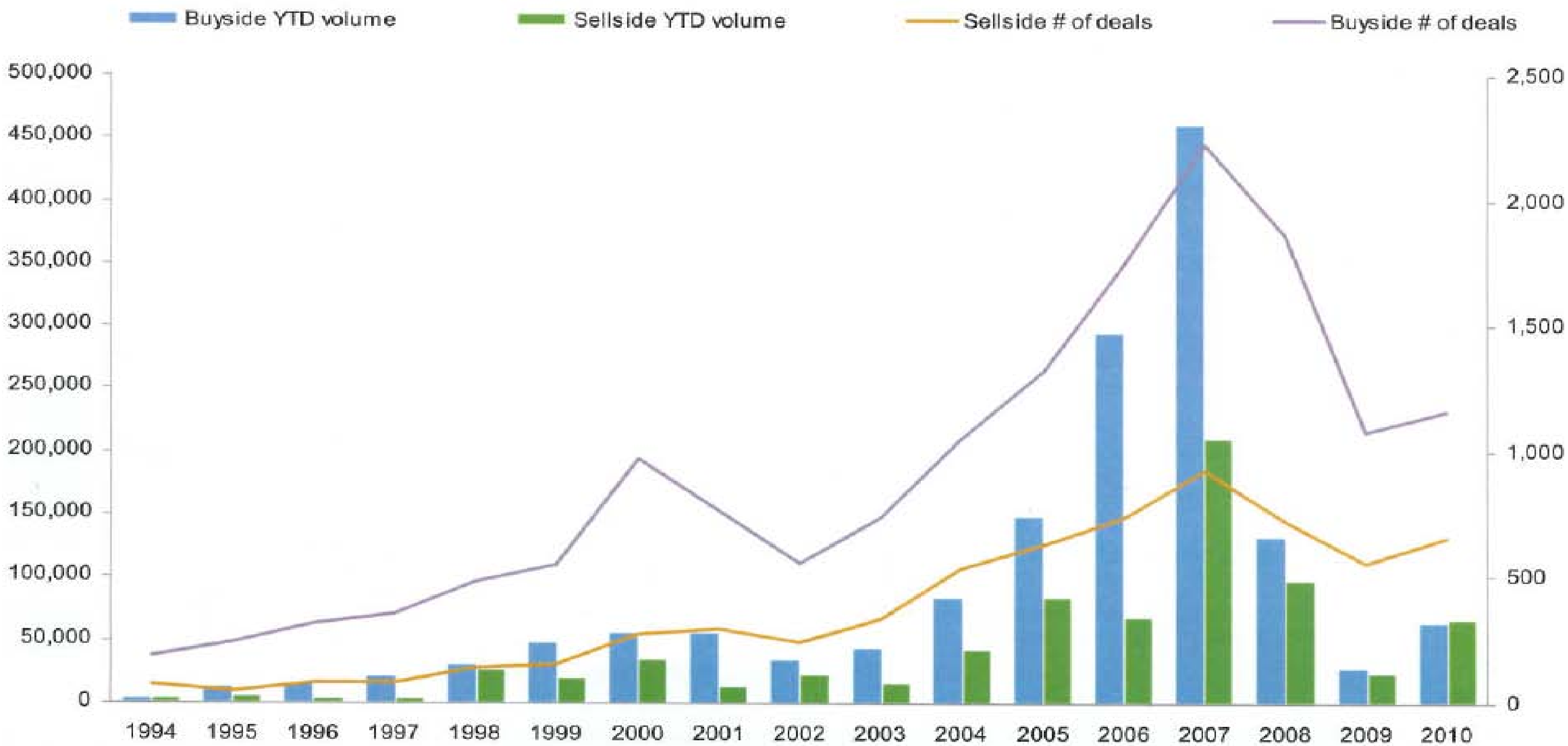
Period	Deal Count	Volume	Average Premium
2010 Q2	1,346	150.27B	49.54%
2010 Q1	1,909	181.56B	26.90%
2009 Q4	1,699	203.22B	28.11%
2009 Q3	1,553	88.84B	32.97%
2009 Q2	1,351	172.95B	46.35%
2009 Q1	1,230	171.19B	59.40%
2008 Q4	1,300	82.42B	55.13%
2008 Q3	1,879	290.19B	27.46%
2008 Q2	2,012	353.24B	35.06%
2008 Q1	2,000	154.05B	24.52%
2007 Q4	2,096	239.07B	48.34%
2007 Q3	2,255	379.87B	22.34%
2007 Q2	2,443	526.45B	17.45%
2007 Q1	2,406	394.61B	15.59%
2006 Q4	2,102	433.98B	22.29%
2006 Q3	2,264	249.49B	22.69%



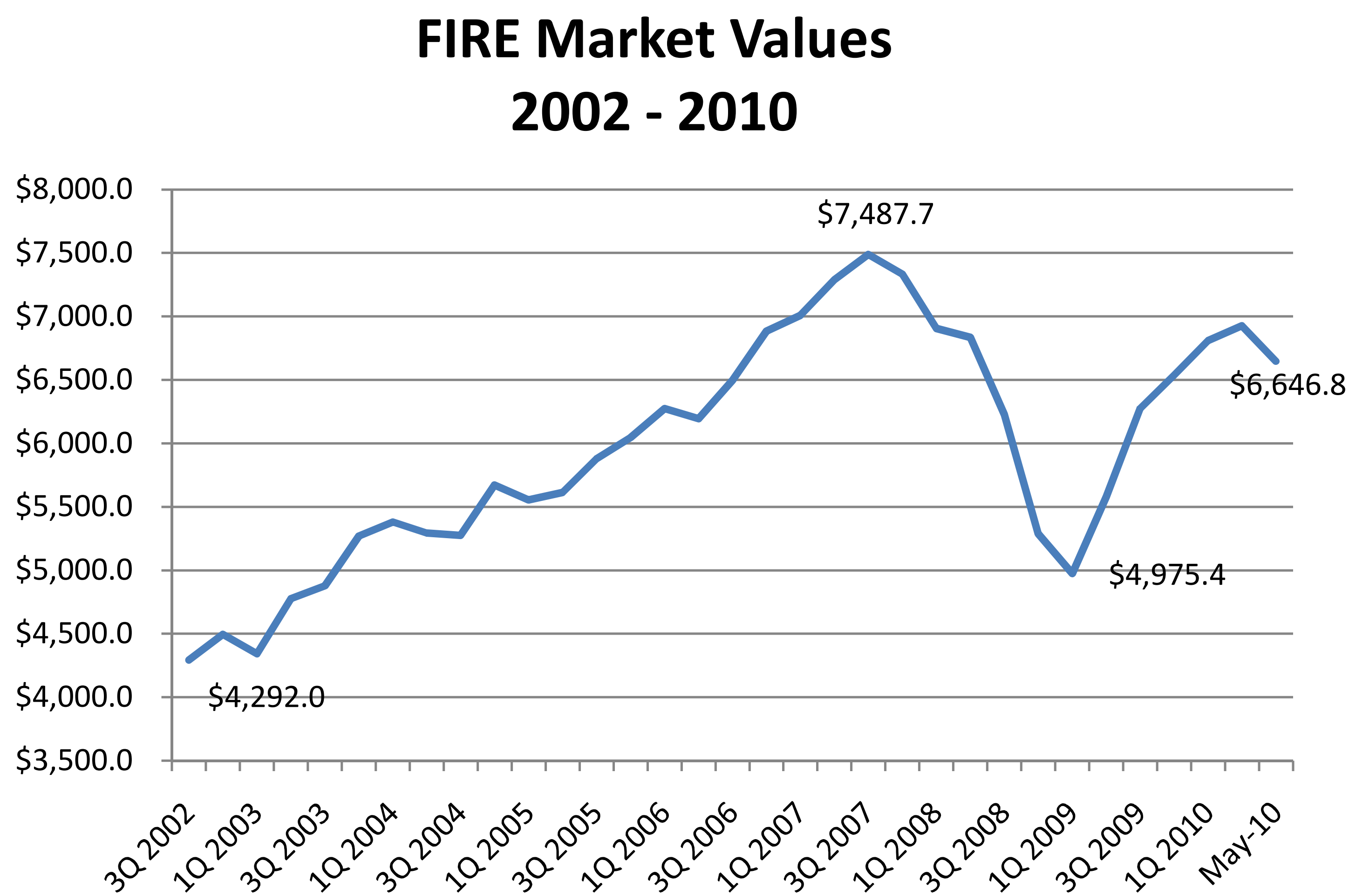
21) Summary | 22) Deal Breakdown | 23) Capital Flow | 24) League Table | 25) Deal List | 26) Time Series

Private equity sellers outweigh buyers for first time since 1994

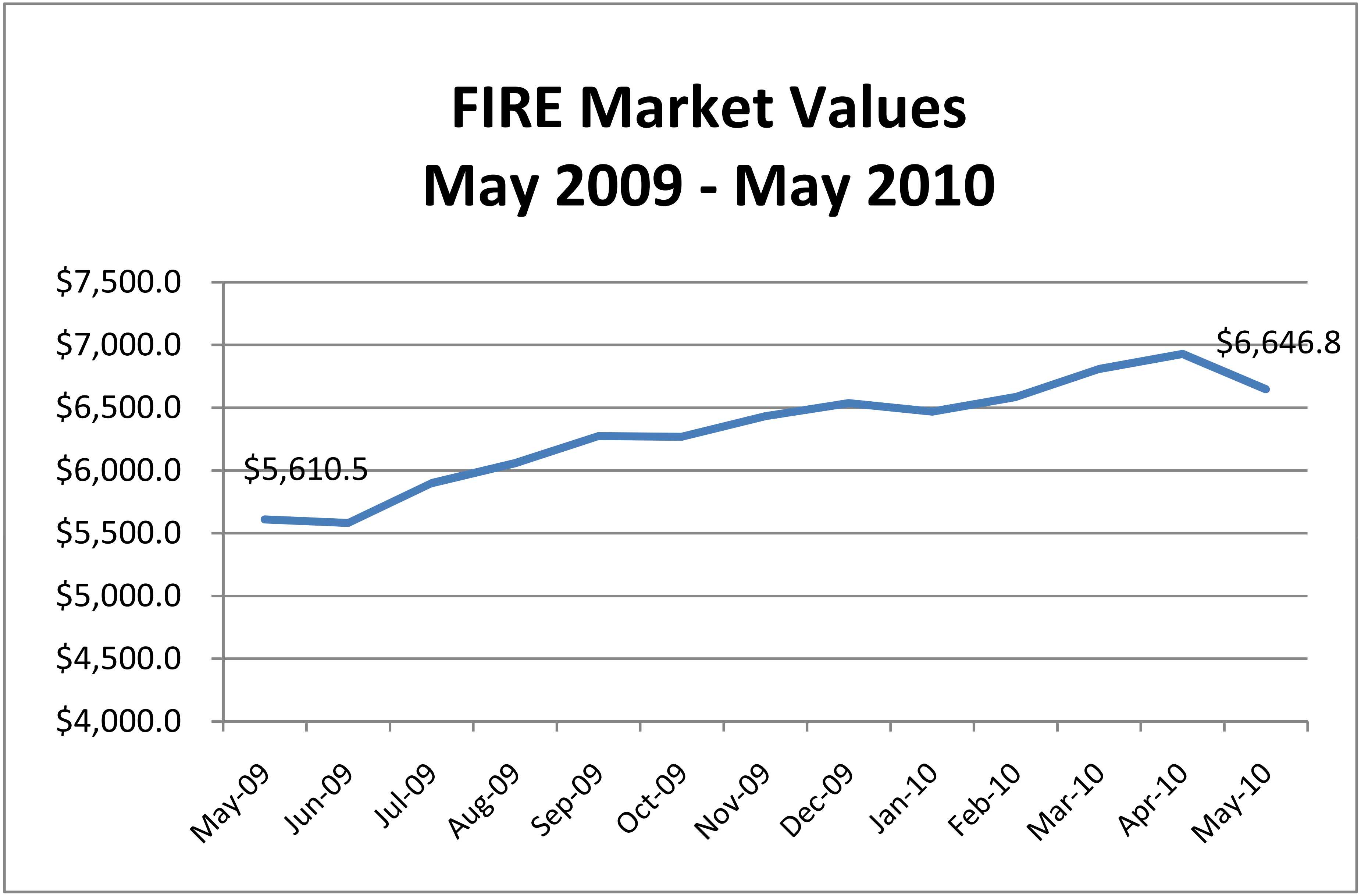
Global financial sponsor M&A activity ($mm)



Note: Chart represents a YTD comparison, i.e. data spans from Jan 1–June 7 each year
Source: Thomson Reuters as of June 7, 2010

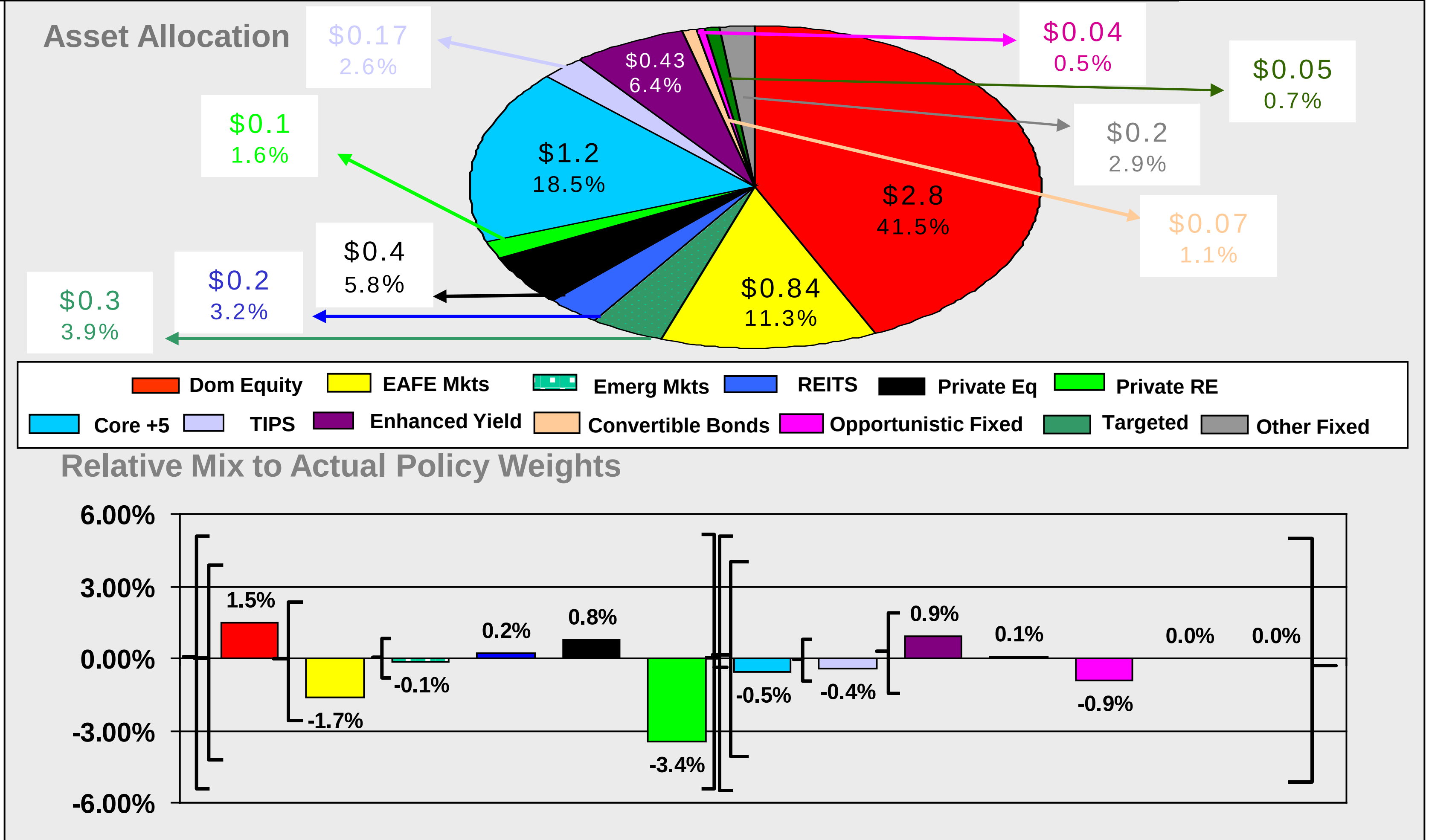


The May 2010 market value of $6.646 billion is down 11% from its high in September 2007 of $7.487 billion.


FIRE Market Values
May 2009 - May 2010
$7,500.0
$7,000.0
$6,500.0
$6,000.0
$5,500.0
$5,000.0
$4,500.0
$4,000.0
$5,610.5
$6,646.8
May-09
Jun-09
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10

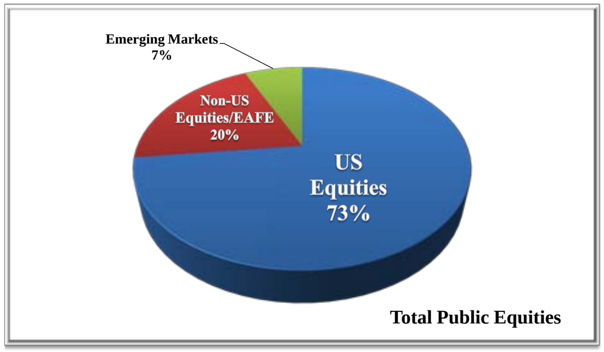
Portfolio Asset Allocation: May 31, 2010

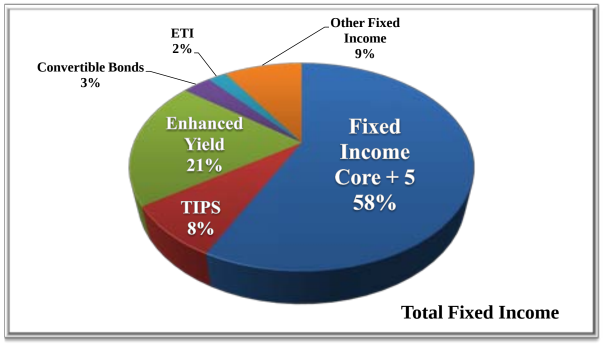
$6.6B Under Management

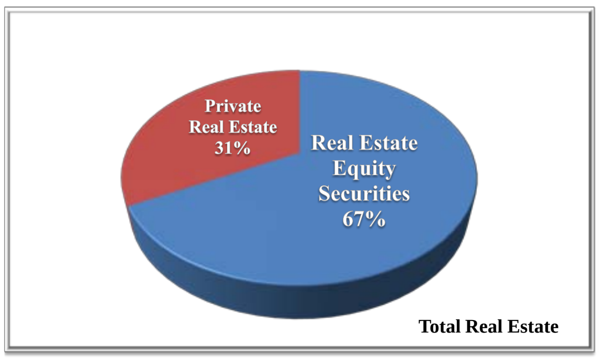


Note: Brackets represent rebalancing ranges versus Actual Policy.

NYC FIRE DEPT. PENSION FUND
Classification of Investments
(*as of May 31st 2010*)







	In $MM	Actual %	Policy %	*Adjusted Policy %	Rebalancing Range %
US Equities	$2,755.6	41.5%	40.0%	43.4%	39.4%-47.4%
Non-US Equities/EAFE	$754.1	11.3%	13.0%	13.0%	11.0%-15.0%
Emerging Markets	$258.2	3.9%	4.0%	4.0%	3.0%-5.0%
Total Public Equities	$3,767.9	56.7%	57.0%	60.4%	

	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
US - Government	$209.9	17.1%	20.3%	20.3%	*Neutral to the Core + 5 Index Weights*
US - Mortgage	$595.9	48.5%	46.1%	46.1%	
US - Investment Grade Credit	$421.7	34.4%	33.6%	33.6%	
Fixed Income Core + 5	$1,227.5	18.5%	19.0%	19.4%	15.4%-23.4%
TIPS	$170.9	2.6%	3.0%	3.0%	2.5%-3.5%
Enhanced Yield	$425.4	6.4%	5.5%	6.0%	5.0%-7.0%
Convertible Bonds	$70.3	1.1%	1.0%	1.0%	1.0%
ETI	$46.3	0.7%	2.0%	**0.7%	0.7%
Other Fixed Income	$195.5	2.9%	0.0%	0.0%	0.0%
Sub-total Fixed Income	$2,135.9	32.1%	28.5%	29.4%	

	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Real Estate Equity Securities	214.5	3.2%	3.0%	3.0%	3.0%
Private Real Estate	$104.7	1.6%	5.0%	1.6%	1.6%
Total Real Estate	$319.2	4.8%	8.0%	4.6%	

	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Private Equity	$385.9	5.8%	5.0%	5.0%	5.0%

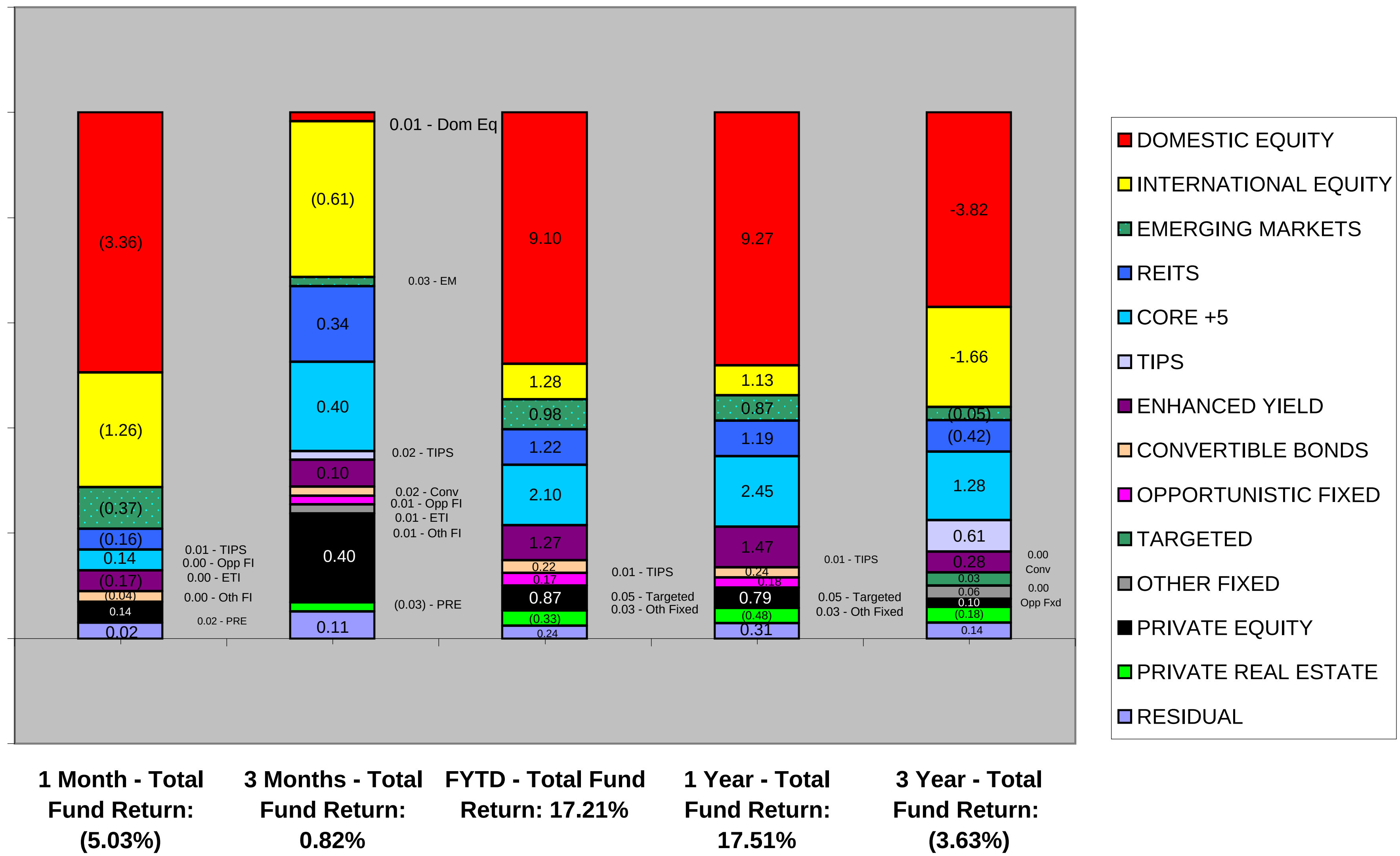
	In $MM	Actual %	Policy %	Adjusted Policy %	Rebalancing Range %
Opportunistic Fixed Income	$37.9	0.6%	1.5%	0.6%	0.6%
Hedge Funds	$0.0	0.0%	0.0%	0.0%	0.0%
Absolute Return	$37.9	0.6%	1.5%	0.6%	

Total Equities	$4,473.0	67.3%	70.0%	70.0%	65.0%-75.0%
Total Fixed Income	$2,173.8	32.7%	30.0%	30.0%	25.0%-35.0%
TOTAL	$6,646.8	100.0%	100.0%	100.0%	

* If PE, RE, or Opportunistic FI actual weights are below the policy weights, the shortfall will be invested in US Equity, non-US Equity, Core + 5, or High Yield as appropriate.

** ETI's 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.

NYC Fire Dept. Pension Fund Contribution to Return - May 2010



THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page * NYC Fire Department Pension Fund
May 31, 2010

	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
MARKET INDICATORS							
STANDARD & POORS 500	-7.99	-0.89	20.75	20.99	-9.68	-8.69	0.31
S&P MIDCAP INDEX 400	-7.20	3.66	33.69	34.52	-5.42	-4.45	4.08
RUSSELL 1000	-7.93	-0.46	22.03	22.33	-9.44	-8.39	0.67
RUSSELL 2000	-7.59	5.59	31.69	33.62	-4.53	-6.57	2.78
RUSSELL 3000	-7.90	0.02	22.78	23.20	-9.06	-8.24	0.85
RUSSELL 3000 GROWTH	-7.55	-0.73	20.72	22.26	-8.01	-5.62	1.59
RUSSELL 3000 VALUE	-8.24	0.77	24.93	24.05	-10.28	-11.03	-0.08
MSCI EAFE (NET DIVIDEND)	-11.51	-7.68	6.99	6.38	-17.89	-13.05	1.35
MSCI EMERGING MARKETS FREE	-8.75	-0.16	24.37	22.72	-10.10	-0.46	14.01
FTSE CUSTOM BENCHMARK	-9.47	0.39	29.02	25.92	-9.14	-0.41	****
MSCI WORLD INDEX	-9.48	-3.76	14.66	14.19	-13.44	-10.13	1.49
MSCI EUROPE SMID CAP INDEX	-13.28	-6.29	13.34	11.42	-18.73	****	****
NYC - TREASURY AGENCY PLUS FIVE	3.00	3.47	6.86	6.94	7.73	8.58	5.63
CITIGROUP MORTGAGE	1.26	1.79	6.49	6.59	7.92	7.78	6.14
NYC - INVESTMENT GRADE CREDIT INDEX	-0.21	1.51	12.02	15.14	7.55	6.17	4.90
NYC - CORE PLUS FIVE	1.10	2.04	8.44	9.41	7.96	7.64	5.78
CITIGROUP BROAD INVESTMENT GRADE	1.06	1.78	7.33	8.02	7.26	7.25	5.56
BARCLAYS CAPITAL AGGREGATE	0.84	1.77	7.81	8.42	6.89	6.88	5.33
CITIGROUP BB & B	-2.87	1.54	17.80	20.87	2.79	1.85	4.69
BofA MERRILL LYNCH HY MASTER II	-3.52	1.69	25.89	29.89	8.72	5.34	7.23
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	-0.01	2.50	7.98	8.47	4.13	7.06	4.77
BofA ML ALL CONVERTIBLES EX MANDATORY	-4.55	1.80	25.73	28.09	0.16	-0.40	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	-5.48	11.56	65.03	59.38	-10.78	-11.79	1.66
NCREIF PROPERTY INDEX	0.00	0.76	-4.64	-9.60	-12.18	-4.32	4.19
91 DAY TREASURY BILL	0.02	0.03	0.14	0.16	0.64	1.70	2.81

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Market Indicator Page * NYC Fire Department Pension Fund
June 30, 2010

	Trailing 1 Month	Trailing 3 Months	06/30/09 06/30/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
MARKET INDICATORS							
STANDARD & POORS 500	-5.23	-11.43	14.43	14.43	-8.12	-9.81	-0.79
S&P MIDCAP INDEX 400	-6.55	-9.59	24.93	24.93	-5.18	-5.90	2.21
RUSSELL 1000	-5.57	-11.44	15.24	15.24	-8.09	-9.54	-0.56
RUSSELL 2000	-7.75	-9.92	21.48	21.48	-4.56	-8.60	0.37
RUSSELL 3000	-5.75	-11.32	15.72	15.72	-7.82	-9.47	-0.48
RUSSELL 3000 GROWTH	-5.61	-11.55	13.95	13.95	-7.27	-6.97	0.44
RUSSELL 3000 VALUE	-5.89	-11.09	17.57	17.57	-8.47	-12.12	-1.56
MSCI EAFE (NET DIVIDEND)	-1.00	-13.97	5.92	5.92	-14.74	-13.38	0.88
MSCI EMERGING MARKETS FREE	-0.72	-8.29	23.48	23.48	-5.59	-2.22	13.07
FTSE CUSTOM BENCHMARK	-0.58	-8.35	28.27	28.27	-4.57	-1.56	****
MSCI WORLD INDEX	-3.39	-12.49	10.77	10.77	-11.33	-10.93	0.61
MSCI EUROPE SMID CAP INDEX	****	****	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE	3.29	8.33	10.37	10.37	8.90	9.99	6.09
CITIGROUP MORTGAGE	1.25	3.13	7.83	7.83	8.61	8.42	6.33
NYC - INVESTMENT GRADE CREDIT INDEX	1.91	3.27	14.16	14.16	8.80	7.03	5.12
NYC - CORE PLUS FIVE	1.89	4.19	10.49	10.49	8.94	8.51	6.03
CITIGROUP BROAD INVESTMENT GRADE	1.63	3.66	9.03	9.03	8.04	7.94	5.77
BARCLAYS CAPITAL AGGREGATE	1.57	3.49	9.50	9.50	7.76	7.54	5.54
CITIGROUP BB & B	1.34	0.27	19.38	19.38	5.04	2.95	4.66
BofA MERRILL LYNCH HY MASTER II	1.30	-0.07	27.53	27.53	10.92	6.39	7.10
BARCLAYS CAPITAL GLOBAL US TIPS (INFLATION NOTES)	1.48	3.88	9.58	9.58	4.10	7.64	4.99
BofA ML ALL CONVERTIBLES EX MANDATORY	-3.01	-5.35	21.95	21.95	0.74	-1.33	****
DJ WILSHIRE REAL ESTATE SECURITIES INDEX	-5.40	-4.31	56.11	56.11	-7.97	-10.52	-0.50
NCREIF PROPERTY INDEX	****	****	****	****	****	****	****
91 DAY TREASURY BILL	0.01	0.04	0.16	0.16	0.55	1.57	2.77

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund
May 31, 2010

		Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
US EQUITY									
BARCLAYS GLOBAL R-3000		**870.5**	**-7.90**	**0.05**	**22.83**	**23.25**	********	********	********
RUSSELL 3000			-7.90	0.02	22.78	23.20	-9.06	-8.24	0.85
	+/-		0.00	0.03	0.05	0.05	****	****	****
BLACKROCK R3000		**804.9**	**-7.89**	**-0.01**	**22.72**	**23.12**	**-8.88**	**-8.15**	**0.90**
RUSSELL 3000			-7.90	0.02	22.78	23.20	-9.06	-8.24	0.85
	+/-		0.01	(0.03)	(0.06)	(0.08)	0.18	0.09	0.05
PERIMETER (SMALL CAP GROWTH)		45.4	-6.32	****	****	****	****	****	****
RUSSELL 2000 GROWTH			-6.61	5.04	26.45	30.54	-5.47	-5.55	3.21
	+/-		0.29	****	****	****	****	****	****
DALTON GREINER		**59.9**	**-7.87**	********	********	********	********	********	********
RUSSELL 2000 VALUE			-8.45	6.10	37.03	36.60	-3.77	-7.79	2.20
	+/-		(0.07)	****	****	****	****	****	****
LORD ABBETT (MIDCAP VALUE)		**54.4**	**-7.54**	**1.65**	**31.01**	**31.03**	**-7.28**	**-8.97**	**1.09**
RUSSELL MIDCAP VALUE			-7.80	3.36	37.35	37.62	-6.77	-8.39	2.65
	+/-		0.26	(1.71)	(6.34)	(6.59)	(0.51)	(0.58)	(1.56)
FRANKLIN (MIDCAP CORE)		**61.3**	**-6.68**	**2.63**	**33.82**	**33.95**	**-7.25**	**-7.32**	**1.17**
CHICAGO EQUITY		**59.2**	**-6.40**	**3.05**	**32.82**	**32.89**	**-8.05**	**-9.11**	**1.00**
S&P MIDCAP INDEX 400			-7.20	3.66	33.69	34.52	-5.42	-4.45	4.08
	FRANKLIN +/-		0.52	(1.03)	0.13	(0.57)	(1.83)	(2.87)	(2.91)
	CHICAGO EQUITY +/-		0.80	(0.61)	(0.87)	(1.63)	(2.63)	(4.66)	(3.08)
ZEVENBERGEN		102.4	-6.71	1.74	27.41	30.67	-3.64	****	****
RUSSELL 3000 GROWTH			-7.55	-0.73	20.72	22.26	-8.01	-5.62	1.59
	+/-		0.84	2.47	6.69	8.41	4.37	****	****
PYRAMIS GLOBAL ADVISORS (LARGE CAP GROWTH)		99.3	-7.38	-0.93	17.54	18.43	-4.46	-4.33	1.55
LOOMIS GROWTH		**83.3**	**-7.94**	**0.46**	**21.89**	**20.34**	**-14.82**	**-9.50**	**-2.01**
RUSSELL 1000 GROWTH			-7.63	-1.20	20.24	21.59	-8.21	-5.60	1.45
	PYRAMIS GLOBAL ADVISORS +/-		0.25	0.27	(2.70)	(3.16)	3.75	1.27	0.10
	LOOMIS GROWTH +/-		(0.31)	1.66	1.65	(1.25)	(6.61)	(3.90)	(3.46)

Managers highlighted in bold are currently on the "Watch List."

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund

May 31, 2010

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
IRIDIAN ASSET (LARGE CAP VALUE)	87.8	-8.98	-3.67	13.65	12.84	-11.79	-9.27	0.31
LORD ABBETT	88.0	-8.51	0.09	22.44	21.87	-9.45	-8.69	0.77
ARONSON JOHNSON	60.7	-6.99	0.33	20.35	20.57	-9.40	-10.92	0.65
ALLIANCE CAPITAL	**57.0**	**-6.90**	**-2.47**	**13.85**	**15.19**	**-10.26**	**-10.44**	**-0.78**
RUSSELL 1000 VALUE		-8.22	0.28	23.89	22.98	-10.84	-11.32	-0.29
IRIDIAN ASSET +/-		(0.76)	(3.95)	(10.24)	(10.14)	(0.95)	2.05	0.60
LORD ABBETT +/-		(0.29)	(0.19)	(1.45)	(1.11)	1.39	2.63	1.06
ARONSON JOHNSON +/-		1.23	0.05	(3.54)	(2.41)	1.44	0.40	0.94
ALLIANCE CAPITAL +/-		1.32	(2.75)	(10.04)	(7.79)	0.58	0.88	(0.49)

DEVELOPING MANAGERS

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
BROWN AM	15.2	-5.90	0.58	24.69	31.96	****	****	****
RUSSELL 2000 GROWTH		-6.61	5.04	26.45	30.54	-5.47	-5.55	3.21
+/-		0.71	(4.46)	(1.76)	1.42	****	****	****
PROFIT INV MGMT	27.7	-8.33	-2.49	19.30	20.73	****	****	****
RUSSELL 1000 GROWTH		-7.63	-1.20	20.24	21.59	-8.21	-5.60	1.45
+/-		(0.70)	(1.29)	(0.94)	(0.86)	****	****	****
LOMBARDIA CAP PTNRS	26.8	-9.53	-3.19	16.37	15.11	****	****	****
RUSSELL 1000 VALUE		-8.22	0.28	23.89	22.98	-10.84	-11.32	-0.29
+/-		(1.31)	(3.47)	(7.52)	(7.87)	****	****	****
SEIZERT CAPITAL PTNRS (LARGE CAP CORE)	28.7	-8.19	-3.10	23.86	22.98	****	****	****
RUSSELL 1000		-7.93	-0.46	22.03	22.33	-9.44	-8.39	0.67
+/-		(0.26)	(2.64)	1.83	0.65	****	****	****

Managers highlighted in bold are currently on the "Watch List."

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund

May 31, 2010

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
EMERGING MANAGERS								
TOTAL PROGRESS	51.1	-8.07	-1.51	21.31	20.99	-9.31	-7.21	1.91
TOTAL CAPITAL PROSPECTS	19.8	-7.26	0.93	23.87	23.85	-8.90	****	****
TOTAL ATTUCKS	13.3	-7.61	0.80	22.76	22.83	-10.59	****	****
RUSSELL 3000		-7.90	0.02	22.78	23.20	-9.06	-8.24	0.85
TOTAL PROGRESS +/-		(0.17)	(1.53)	(1.47)	(2.21)	(0.25)	1.03	1.06
TOTAL CAPITAL PROSPECTS +/-		0.64	0.91	1.09	0.65	0.16	****	****
TOTAL ATTUCKS +/-		0.29	0.78	(0.02)	(0.37)	(1.53)	****	****
OPPORTUNISTIC EQUITY								
KBC WATER	**20.1**	**-9.51**	**-3.72**	**13.30**	**17.75**	****	****	****
KBC AE	**12.5**	**-15.29**	**-9.10**	**-16.89**	**-19.61**	****	****	****
MSCI WORLD INDEX		-9.48	-3.76	14.66	14.19	-13.44	-10.13	1.49
KBC WATER +/-		(0.03)	0.04	(1.36)	3.56	****	****	****
KBC AE +/-		(5.81)	(5.34)	(31.55)	(33.80)	****	****	****
GOVERNANCE FOR OWNERS	**16.6**	**-8.35**	**5.47**	**37.51**	**51.33**	****	****	****
MSCI EUROPE SMID CAP INDEX		-13.28	-6.29	13.34	11.42	-18.73	****	****
+/-		4.93	11.76	24.17	39.91	****	****	****
RELATIONAL INVESTORS X, L.P.	**16.0**	**-6.81**	**-0.86**	**23.29**	**22.32**	**-9.93**	**-14.03**	****
STANDARD & POORS 500		-7.99	-0.89	20.75	20.99	-9.68	-8.69	0.31
+/-		1.18	0.03	2.54	1.33	(0.25)	(5.34)	****
SHAMROCK CAPITAL	**6.6**	****	****	****	****	****	****	****
RUSSELL 2000 + 200BP PER YEAR		****	****	****	****	****	****	****
+/-		****	****	****	****	****	****	****

Managers highlighted in bold are currently on the "Watch List."

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund

May 31, 2010

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
NON - US EQUITY								
PYRAMIS GLOBAL ADVISORS	123.3	-10.66	-6.62	9.55	8.93	-16.45	****	****
MSCI EAFE GROWTH		-10.89	-6.52	8.95	8.83	-17.76	-11.27	2.21
+/-		0.23	(0.10)	0.60	0.10	1.31	****	****
SPRUCEGROVE	148.2	-10.85	-2.83	16.11	16.24	-12.64	-10.48	3.25
ACADIAN	**86.7**	**-10.99**	**-5.17**	**8.25**	**7.00**	**-22.09**	****	****
MSCI EAFE VALUE		-11.86	-8.31	5.84	4.82	-17.22	-14.00	1.37
SPRUCEGROVE +/-		1.01	5.48	10.27	11.42	4.58	3.52	1.88
ACADIAN +/-		0.87	3.14	2.41	2.18	(4.87)	****	****
THORNBURG	160.9	-9.38	-3.48	10.76	9.73	-13.72	****	****
STATE STREET	123.4	-11.20	-7.25	7.62	7.04	-17.38	-12.58	1.77
PHILADELPHIA	**78.4**	**-10.44**	**-7.07**	**9.28**	**8.18**	**-18.27**	****	****
MSCI EAFE (NET DIVIDEND)		-11.51	-7.68	6.99	6.38	-17.89	-13.05	1.35
THORNBURG +/-		2.13	4.20	3.77	3.35	4.17	****	****
STATE STREET +/-		0.31	0.43	0.63	0.66	0.51	0.47	0.42
PHILADELPHIA +/-		1.07	0.61	2.29	1.80	(0.38)	****	****
EMERGING MARKETS								
BAILLIE GIFFORD	91.3	-8.50	1.22	29.32	30.53	-7.90	1.77	****
ACADIAN	**84.7**	**-9.12**	**0.96**	**28.08**	**27.62**	**-12.27**	**-1.21**	****
STATE STREET	**79.8**	**-9.81**	**-0.31**	**23.49**	**21.91**	**-14.70**	**-3.89**	****
MSCI EMERGING MARKETS FREE		-8.75	-0.16	24.37	22.72	-10.10	-0.46	14.01
BAILLIE GIFFORD +/-		0.25	1.38	4.95	7.81	2.20	2.23	****
ACADIAN +/-		(0.37)	1.12	3.71	4.90	(2.17)	(0.75)	****
STATE STREET +/-		(1.06)	(0.15)	(0.88)	(0.81)	(4.60)	(3.43)	****
REITS								
MORGAN STANLEY	107.5	-5.08	13.44	64.48	58.99	-7.32	-9.77	4.62
ADELANTE CAPITAL MANAGEMENT	107.0	-4.68	13.00	60.38	57.10	-14.12	-13.76	1.21
DJ WILSHIRE REAL ESTATE SECURITIES INDEX		-5.48	11.56	65.03	59.38	-10.78	-11.79	1.66
MORGAN STANLEY +/-		0.40	1.88	(0.55)	(0.39)	3.46	2.02	2.96
ADELANTE CAPITAL MANAGEMENT +/-		0.80	1.44	(4.65)	(2.28)	(3.34)	(1.97)	(0.45)

Managers highlighted in bold are currently on the "Watch List."

THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund
May 31, 2010

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
FIXED INCOME								
PIMCO	209.7	0.98	2.23	9.97	10.52	8.29	7.93	6.38
BLACKROCK	207.1	1.09	2.45	10.00	10.73	8.45	7.68	6.22
NEUBERGER BERMAN -MORT	100.0	1.14	2.08	****	****	****	****	****
GOLDMAN SACHS -MORT	**79.1**	**1.14**	**1.75**	****	****	****	****	****
CITIGROUP MORTGAGE INDEX		1.26	1.79	6.49	6.59	7.92	7.78	6.14
PIMCO +/-		(0.28)	0.44	3.48	3.93	0.37	0.15	0.24
BLACKROCK +/-		(0.17)	0.66	3.51	4.14	0.53	(0.10)	0.08
NEUBERGER BERMAN -MORT +/-		(0.12)	0.29	****	****	****	****	****
GOLDMAN SACHS -MORT +/-		(0.12)	(0.04)	****	****	****	****	****
TAPLIN,CANIDA -CREDIT	140.0	-0.85	1.65	14.02	17.41	7.04	4.69	4.30
T.ROWE PRICE -CREDIT	126.7	-0.66	1.47	14.65	18.03	9.09	7.31	5.71
BLACKROCK - CREDIT	78.1	-0.57	1.44	****	****	****	****	****
PRUDENTIAL - CREDIT	77.0	-0.19	1.53	****	****	****	****	****
NYC - INVESTMENT GRADE CREDIT		-0.21	1.51	12.02	15.14	7.55	6.17	4.90
TAPLIN,CANIDA -CREDIT +/-		(0.64)	0.14	2.00	2.27	(0.51)	(1.48)	(0.60)
T.ROWE PRICE -CREDIT +/-		(0.45)	(0.04)	2.63	2.89	1.54	1.14	0.81
BLACKROCK - CREDIT +/-		(0.36)	(0.07)	****	****	****	****	****
PRUDENTIAL - CREDIT +/-		0.02	0.02	****	****	****	****	****
PIMCO	97.8	3.00	3.76	8.45	9.16	8.18	9.01	6.01
FISCHER,FRANCIS	56.5	3.02	3.63	7.09	7.59	8.31	8.98	6.09
STATE STREET -GOVT	55.5	2.89	3.39	****	****	****	****	****
NYC - TREASURY AGENCY PLUS FIVE		3.00	3.47	6.86	6.94	7.73	8.58	5.63
PIMCO +/-		0.00	0.29	1.59	2.22	0.45	0.43	0.38
FISCHER,FRANCIS +/-		0.02	0.16	0.23	0.65	0.58	0.40	0.46
STATE STREET -GOVT +/-		(0.11)	(0.08)	****	****	****	****	****

Managers highlighted in bold are currently on the "Watch List."

THE BANK OF NEW YORK MELLON

CITY OF NEW YORK

Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund

May 31, 2010

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
HIGH YIELD								
MACKAY SHIELDS	**153.8**	**-1.73**	**1.70**	**20.53**	**24.18**	**8.30**	**6.19**	**7.65**
BofA MERRILL LYNCH HY MASTER II		-3.52	1.69	25.89	29.89	8.72	5.34	7.23
+/-		1.79	0.01	(5.36)	(5.71)	(0.42)	0.85	0.42
T. ROWE PRICE	137.8	-3.06	1.63	19.67	24.01	7.87	5.35	7.14
SEIX	133.9	-3.32	1.57	17.22	19.25	6.01	4.12	5.51
CITIGROUP BB & B		-2.87	1.54	17.80	20.87	2.79	1.85	4.69
T. ROWE PRICE +/-		(0.19)	0.09	1.87	3.14	5.08	3.50	2.45
SEIX +/-		(0.45)	0.03	(0.58)	(1.62)	3.22	2.27	0.82
TIPS								
BLACKROCK-TIPS-MTA	65.2	-0.28	2.46	8.25	8.94	4.84	7.50	5.19
PIMCO-TIPS-MTA	62.3	0.11	2.36	8.25	8.95	4.51	7.32	4.93
STATE STREET-TIPS-MTA	43.4	0.10	2.41	8.01	8.59	4.13	7.08	****
BARCLAYS CAPITAL US TIPS INDEX		-0.01	2.50	7.98	8.47	4.13	7.06	4.77
BLACKROCK-TIPS-MTA +/-		(0.27)	(0.04)	0.27	0.47	0.71	0.44	****
PIMCO-TIPS-MTA +/-		0.12	(0.14)	0.27	0.48	0.38	0.26	****
STATE STREET-TIPS-MTA +/-		0.11	(0.09)	0.03	0.12	0.00	0.02	****
CONVERTIBLE BONDS								
ADVENT CONVERTIBLE BONDS	**37.2**	**-3.50**	**2.07**	**21.70**	**22.68**	****	****	****
BofA ML CONVERTIBLES YIELD ALT. INDEX		-2.76	1.98	23.67	27.11	4.56	****	****
+/-		(0.74)	0.09	(1.97)	(4.43)	****	****	****
LORD ABBETT CONVERTIBLE BONDS	**33.1**	**-4.88**	**1.12**	**21.13**	**23.11**	****	****	****
BofA ML ALL CONVERTIBLES INDEX		-4.80	1.68	26.57	29.05	-1.11	-1.38	4.40
+/-		(0.08)	(0.56)	(5.44)	(5.94)	****	****	****
TOTAL OPPORTUNISTIC FIXED	37.9	0.42	2.43	48.55	48.55	****	****	****
NYC-CORE PLUS 5 + 200BPS		1.24	2.48	10.27	11.41	9.97	9.64	****
+/-		(0.82)	(0.05)	38.28	37.14	****	****	****
GLOBAL FIXED INCOME								
LM CAPITAL-MTA	8.9	-0.38	0.92	9.06	9.70	****	****	****
BARCLAYS CAPITAL AGGREGATE		0.84	1.77	7.81	8.42	6.89	6.88	5.33
+/-		(1.22)	(0.85)	1.25	1.28	****	****	****

Managers highlighted in bold are currently on the "Watch List."

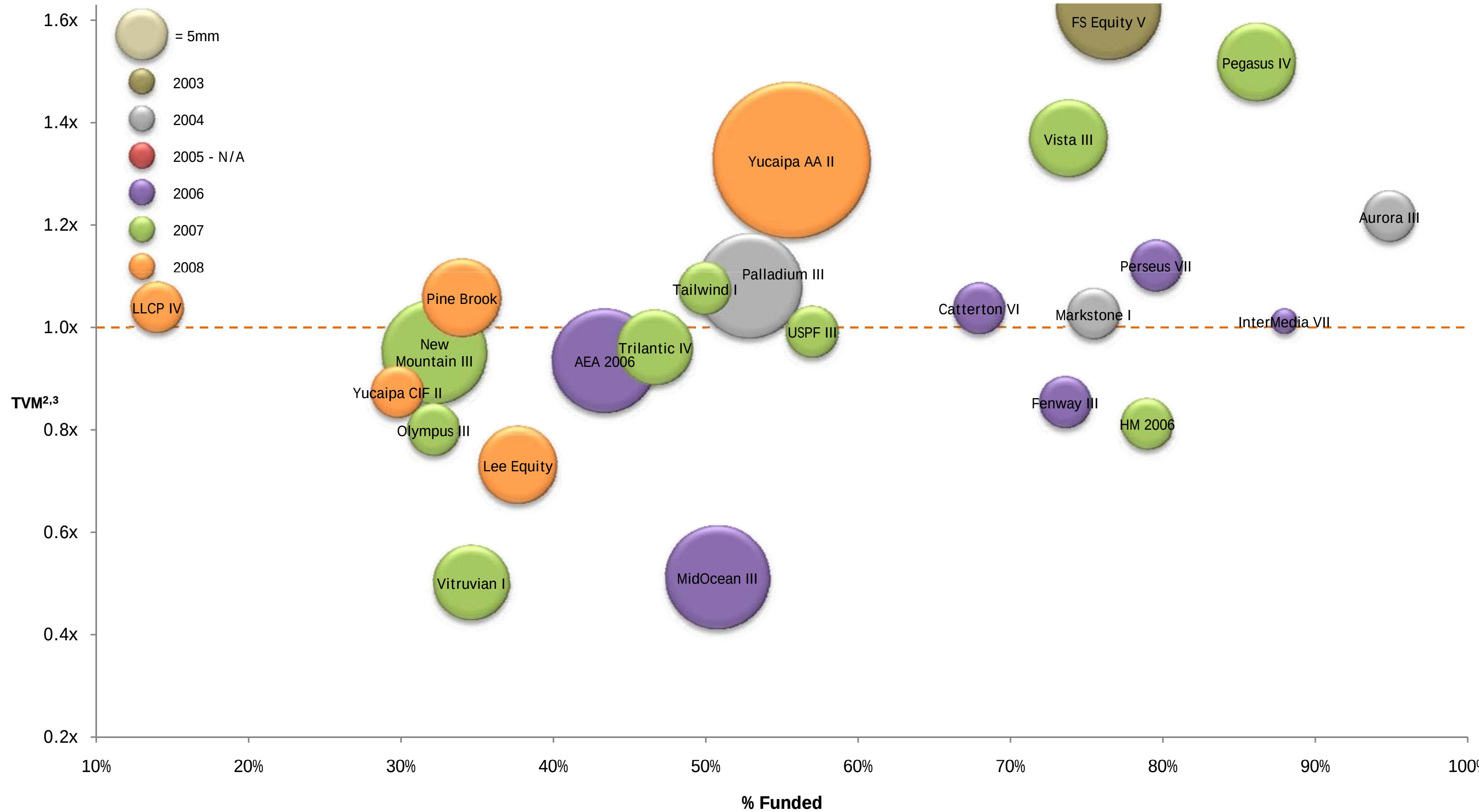
THE BANK OF NEW YORK MELLON
CITY OF NEW YORK
Manager / Benchmark Comparison Report * NYC Fire Department Pension Fund
May 31, 2010

	Assets ($MM)	Trailing 1 Month	Trailing 3 Months	06/30/09 05/31/10	Trailing 1 Year	Trailing* 2 Years	Trailing* 3 Years	Trailing* 5 Years
OTHER FIXED INCOME								
AFL-CIO HOUSING INV TRUST	35.4	0.63	1.41	6.37	6.53	7.27	6.94	5.35
ACCESS RBC	**7.0**	**1.05**	**1.87**	**8.07**	**8.23**	**10.49**	**8.64**	********
FIRE CUSTOM BENCHMARK (NO CASH)		0.88	1.69	7.08	7.51	6.64	6.77	5.28
AFL-CIO HOUSING INV TRUST +/-		(0.25)	(0.28)	(0.71)	(0.98)	0.63	0.17	0.07
ACCESS RBC +/-		0.17	0.18	0.99	0.72	3.85	1.87	****
STATE STREET SHORT TERM	175.4	0.11	0.19	0.86	0.95	1.89	2.89	3.64
ML 91 DAY TREASURY BILL INDEX		0.02	0.03	0.14	0.16	0.64	1.70	2.81
+/-		0.09	0.16	0.72	0.79	1.25	1.19	0.83
PRIVATE EQUITY								
TOTAL PRIVATE EQUITY	385.9	2.68	7.76	16.83	14.71	-1.13	4.30	9.49
RUSSELL 3000 PLUS 5%		-7.53	0.12	27.48	28.20	-3.83	-3.09	5.98
+/-		10.21	7.64	(10.65)	(13.49)	2.70	7.39	3.51
PRIVATE REAL ESTATE								
TOTAL PRIVATE REAL ESTATE	104.7	1.20	-1.78	-17.42	-22.57	-28.75	-17.00	-4.47
NCREIF NPI + 100 B.P.		0.08	1.02	-3.75	-8.60	-11.18	-3.31	5.20
+/-		1.12	(2.80)	(13.67)	(13.97)	(17.57)	(13.69)	(9.67)

Managers highlighted in bold are currently on the "Watch List."

NYCFDPF Fund Maps
As of June 30, 2010

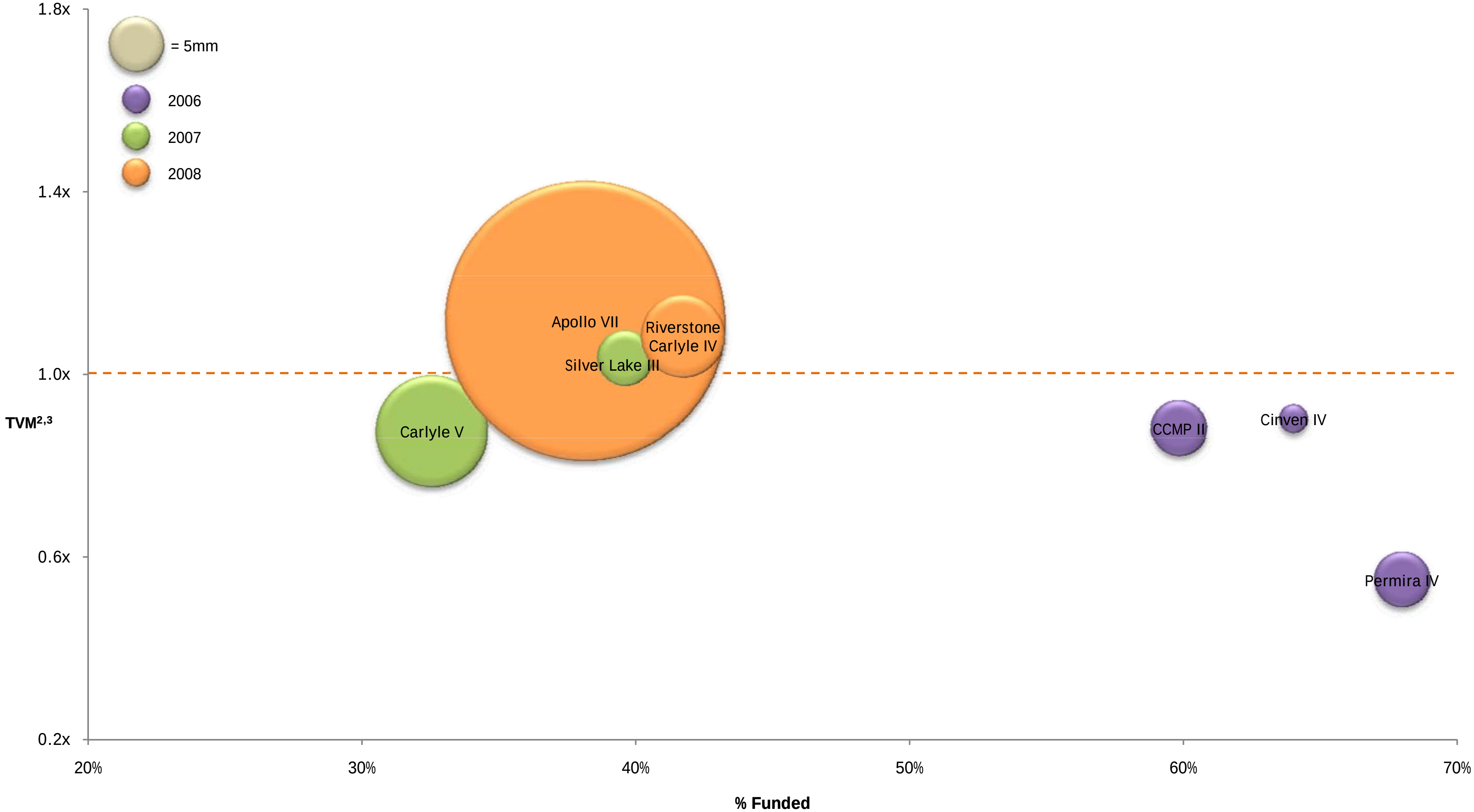
Small and Medium Corporate Finance[1]



1. The commitment size is illustrated by the diameter of the bubble.
2. Map excludes (1) funds that are less than 2 years old based on first fund level drawdown date, (2) any prior funds raised by managers shown, or (3) funds raised by managers that are not likely candidates for a re-up.
3. The center of the circles are the TVM points. TVM = Total Value Multiple, which is equivalent to (Distributions + Estimated Market Value) / Contributions.

NYCFDPF Fund Maps
As of June 30, 2010

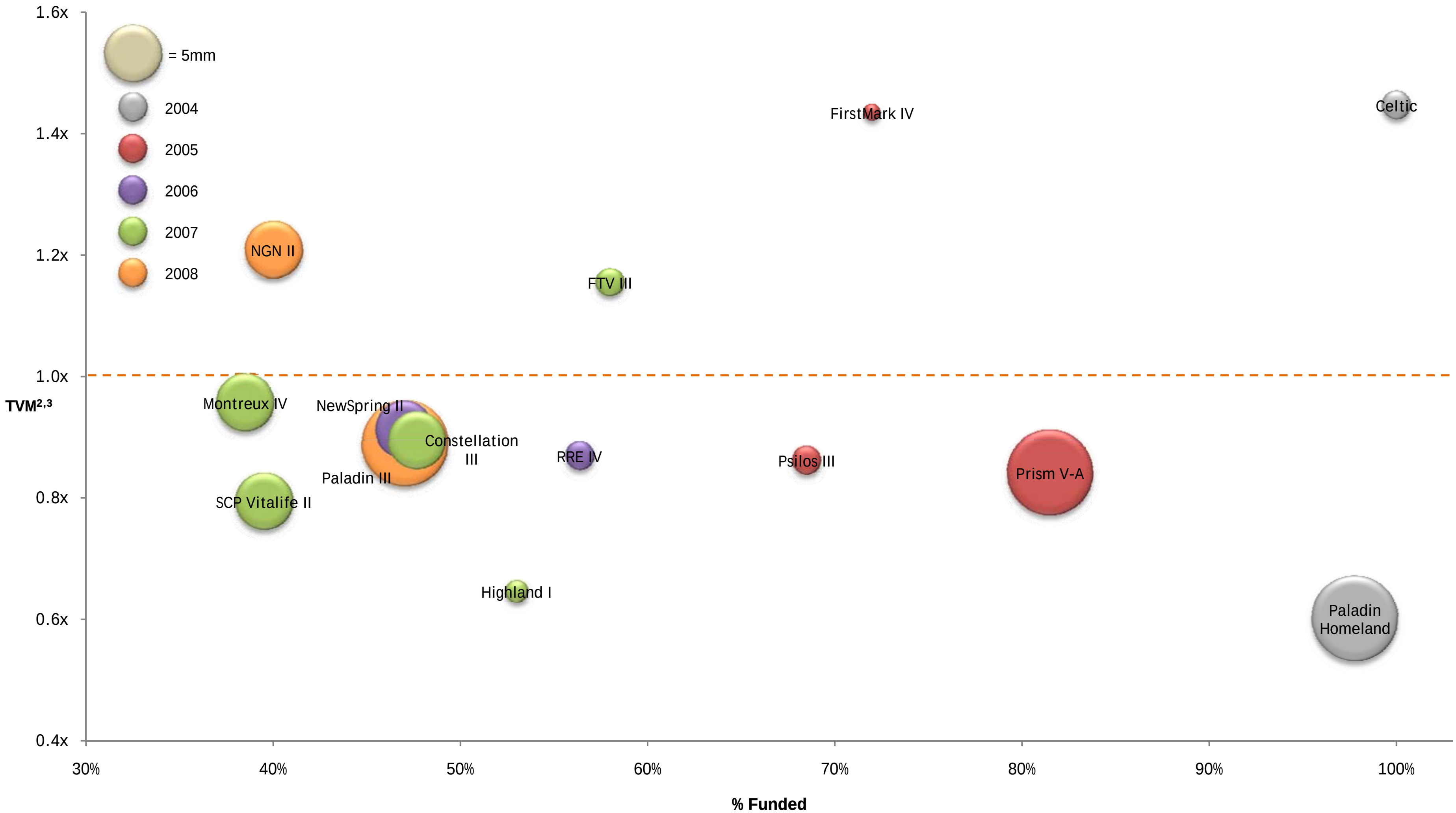
Large Corporate Finance[1]



1. The commitment size is illustrated by the diameter of the bubble.
2. Map excludes (1) funds that are less than 2 years old based on first fund level drawdown date, (2) any prior funds raised by managers shown, or (3) funds raised by managers that are not likely candidates for a re-up.
3. The center of the circles are the TVM points. TVM = Total Value Multiple, which is equivalent to (Distributions + Estimated Market Value) / Contributions.

NYCFDPF Fund Maps
As of June 30, 2010

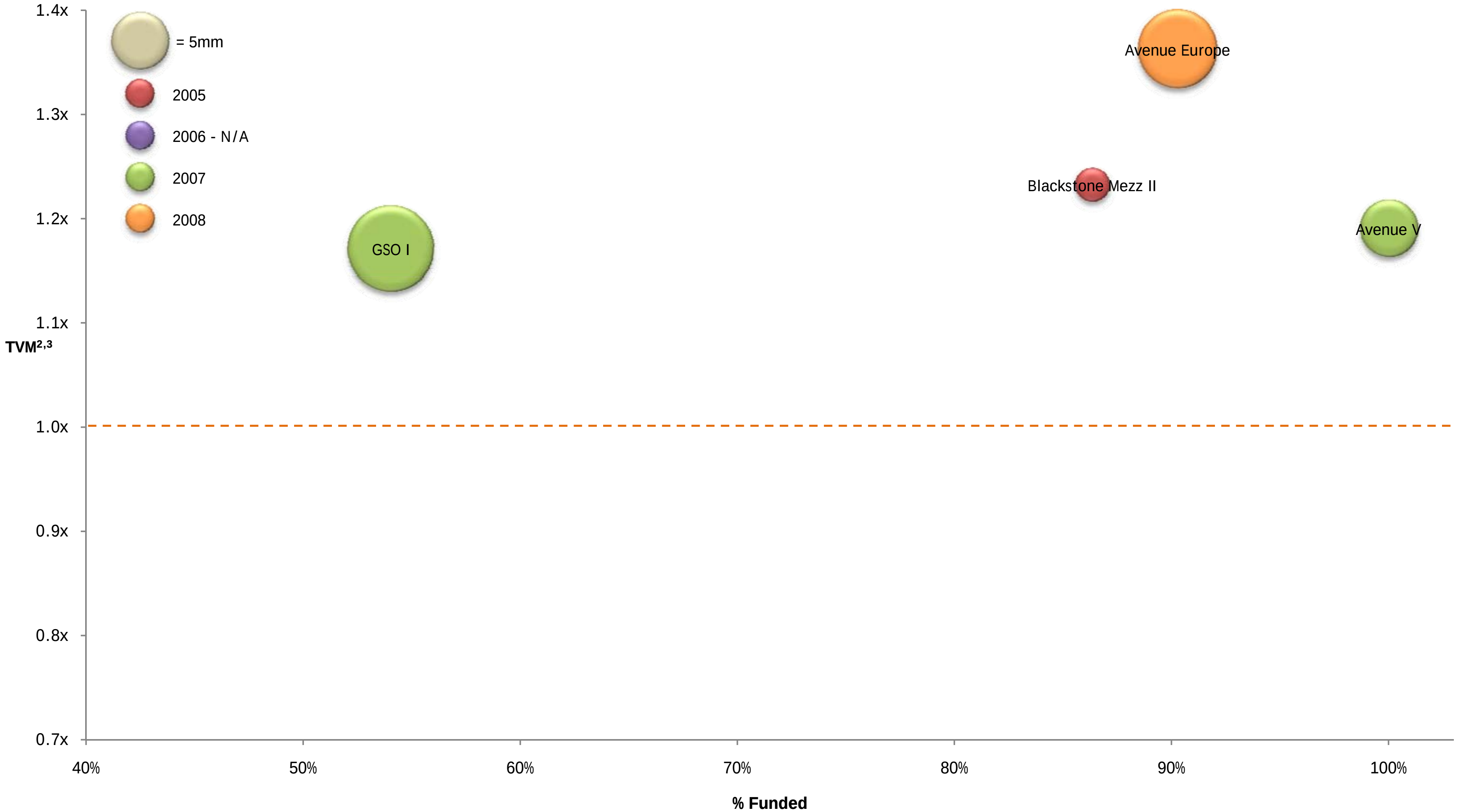
Venture Capital[1]



1. The commitment size is illustrated by the diameter of the bubble.
2. Map excludes (1) funds that are less than 2 years old based on first fund level drawdown date, (2) any prior funds raised by managers shown, or (3) funds raised by managers that are not likely candidates for a re-up.
3. The center of the circles are the TVM points. TVM = Total Value Multiple, which is equivalent to (Distributions + Estimated Market Value) / Contributions.

NYCFDPF Fund Maps
As of June 30, 2010

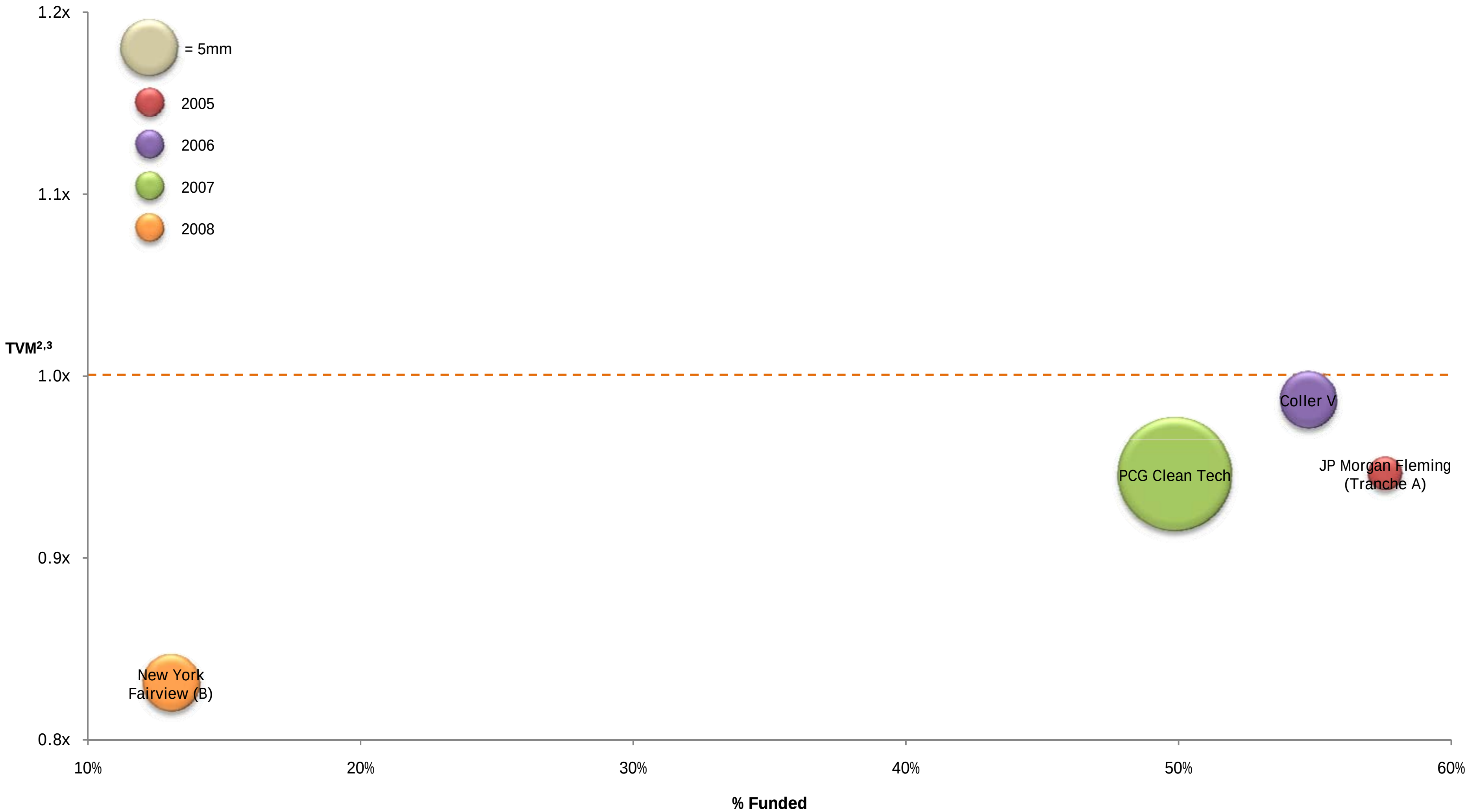
Distressed Debt and Mezzanine[1]



1. The commitment size is illustrated by the diameter of the bubble.
2. Map excludes (1) funds that are less than 2 years old based on first fund level drawdown date, (2) any prior funds raised by managers shown, or (3) funds raised by managers that are not likely candidates for a re-up.
3. The center of the circles are the TVM points. TVM = Total Value Multiple, which is equivalent to (Distributions + Estimated Market Value) / Contributions.

NYCFDPF Fund Maps
As of June 30, 2010

Secondary, Fund-of-Fund and Co-Investment Funds[1]



1. The commitment size is illustrated by the diameter of the bubble.
2. Map excludes (1) funds that are less than 2 years old based on first fund level drawdown date, (2) any prior funds raised by managers shown, or (3) funds raised by managers that are not likely candidates for a re-up.
3. The center of the circles are the TVM points. TVM = Total Value Multiple, which is equivalent to (Distributions + Estimated Market Value) / Contributions.

New York City Fire Department Pension Fund, Subchapter 2

(As of December 31, 2009)

Vintage Year	Deal Name	First Drawdown	Capital Committed	Cash In	Cash Out	Market Value	Multiple	IRR
1998	VS&A Communications Partners III	12/15/1998	$ 10,000,000	$ 10,042,210	$ 9,382,685	$ 3,920,293	1.32x	6.3%
	Cypress Merchant Banking Partners II	3/29/1999	25,000,000	26,829,230	17,979,510	4,215,854	0.83x	(4.9%)
1999	FdG Capital Partners	6/2/1999	25,000,000	28,605,977	41,347,909	7,440,380	1.71x	16.3%
	Lincolnshire Equity Fund II	10/20/1999	7,500,000	7,223,050	12,593,418	2,233,501	2.05x	26.5%
2000	Carlyle Partners III	3/1/2000	15,000,000	16,968,036	29,454,516	2,898,068	1.91x	22.2%
	SCP Private Equity Partners II	6/15/2000	15,000,000	16,207,186	4,955,624	8,508,688	0.83x	(3.4%)
	Apollo Investment Fund V	4/13/2001	15,000,000	23,329,420	35,918,996	9,702,886	1.96x	40.7%
2001	CVC European Equity Partners III	9/4/2001	10,000,000	11,579,021	24,381,154	5,738,732	2.60x	43.2%
	New Mountain Partners	3/16/2001	10,000,000	8,483,815	9,232,508	2,902,207	1.43x	13.7%
	Prism Venture Partners IV	7/12/2001	15,000,000	13,972,654	4,586,233	4,227,056	0.63x	(11.8%)
2002	Landmark Equity Partners XI	10/23/2002	5,000,000	5,174,570	5,772,685	1,440,536	1.39x	26.6%
	Yucaipa American Alliance Fund I	7/1/2002	5,000,000	7,239,394	5,465,703	3,081,153	1.18x	9.7%
	Ares Corporate Opportunities Fund	4/1/2003	5,000,000	5,817,349	5,151,534	3,352,854	1.46x	16.1%
2003	Blackstone Capital Partners IV	2/26/2003	15,000,000	16,060,809	22,508,397	10,942,394	2.08x	40.5%
	FS Equity Partners V	1/20/2003	10,000,000	8,246,684	2,876,419	9,919,344	1.55x	16.0%
	Aurora Equity Partners III	11/16/2004	5,000,000	5,356,471	1,898,447	4,552,574	1.20x	14.5%
	Celtic Pharmaceutical Holdings	12/23/2004	2,500,000	2,415,209	40,209	3,301,143	1.38x	12.7%
	FdG Capital Partners II	8/30/2004	5,000,000	5,135,268	1,252,432	2,385,245	0.71x	(13.6%)
	Lincolnshire Equity Fund III	10/1/2004	5,000,000	3,787,243	3,420,150	3,312,851	1.78x	42.9%
	LODH Private Equity - Euro Choice II (Delaware)	2/25/2004	6,014,500	5,791,971	785,184	4,627,149	0.93x	(2.9%)
2004	Markstone Capital Partners	1/30/2004	5,000,000	4,678,066	1,675,460	3,122,794	1.03x	1.1%
	New York/Fairview Emerging Managers (Tranche A)	10/21/2004	2,000,000	1,209,230	57,428	904,703	0.80x	(9.3%)
	Paladin Homeland Security Fund (NY City)	9/27/2004	7,500,000	7,777,236	751,572	3,910,856	0.60x	(15.6%)
	Palladium Equity Partners III	11/12/2004	10,000,000	5,606,376	793,590	5,202,026	1.07x	3.8%
	Silver Lake Partners II	7/28/2004	2,900,000	2,904,809	1,191,538	2,316,551	1.21x	6.9%
	Trilantic Capital Partners III (fka LBMB III)	11/18/2004	5,000,000	4,333,857	2,371,997	3,341,658	1.32x	11.3%
	Aldus New York Fire Fund	8/19/2005	95,000,000	33,325,047	5,784,031	21,821,950	0.83x	(11.8%)
	Blackstone Mezzanine Partners II	10/10/2005	3,000,000	2,786,508	751,507	2,381,036	1.12x	6.8%
	Bridgepoint Europe III	12/6/2005	5,042,000	4,921,684	122,980	4,224,407	0.88x	(5.2%)
	Carlyle Partners IV	4/29/2005	5,000,000	5,012,782	755,727	4,447,383	1.04x	1.3%
	Clayton, Dubilier & Rice Fund VII	3/31/2005	5,000,000	5,164,943	532,548	4,614,208	1.00x	(0.2%)
	FirstMark IV	11/21/2005	1,500,000	1,035,745	494,040	981,478	1.42x	28.6%
2005	GI Partners Fund II	9/26/2005	2,500,000	2,344,768	63,480	2,692,465	1.18x	6.1%
	JP Morgan Fleming (Tranche A)	12/21/2005	3,000,000	1,623,170	170,288	1,326,243	0.92x	(4.9%)
	New Mountain Partners II	1/12/2005	2,580,650	2,304,663	511,378	2,497,688	1.31x	10.1%
	Prism Venture Partners V-A	7/14/2005	7,500,000	5,775,000	859,622	4,086,758	0.86x	(7.2%)
	Psilos Group Partners III	10/24/2005	2,500,000	1,812,406	14,131	1,575,331	0.88x	(8.4%)
	Snow Phipps Group	9/7/2005	5,000,000	3,740,325	1,107,356	3,590,617	1.26x	22.5%
	USPF II Institutional Fund	11/23/2005	5,000,000	5,285,610	1,495,677	4,836,493	1.20x	8.3%
	VSS Communications Partners IV	3/14/2005	2,500,000	2,328,573	250,264	1,432,351	0.72x	(14.0%)
	AEA Investors 2006 Fund	12/29/2006	10,000,000	3,810,436	-	3,599,872	0.94x	(4.3%)
	Aisling Capital II	1/12/2006	1,000,000	755,316	22,305	624,202	0.86x	(6.7%)
	Apollo Investment Fund VI	5/10/2006	20,000,000	22,314,290	5,747,953	17,789,153	1.05x	3.1%
	Ares Corporate Opportunities Fund II	5/23/2006	5,000,000	5,129,996	1,274,524	4,655,453	1.16x	7.5%
	Avista Capital Partners	4/27/2006	5,000,000	5,704,578	1,571,292	5,420,450	1.23x	10.4%
	Blackstone Capital Partners V	4/13/2006	9,625,000	8,109,471	793,003	5,109,686	0.73x	(14.7%)
	Catterton Partners VI	11/30/2006	5,000,000	3,484,485	161,725	3,199,110	0.96x	(1.7%)
	CCMP Capital Investors II	8/17/2006	5,000,000	1,565,860	9,776	1,175,682	0.76x	(11.9%)
	Cinven Fourth Fund	1/22/2007	2,630,506	1,765,498	-	1,577,905	0.89x	(5.0%)
2006	Coller International Partners V	12/21/2006	5,000,000	2,812,500	313,007	2,426,087	0.97x	(2.0%)
	Fenway Partners Capital Fund III	3/29/2006	5,000,000	4,019,016	469,596	3,034,454	0.87x	(8.4%)
	First Reserve Fund XI	12/14/2006	5,000,000	4,169,226	354,880	4,063,000	1.06x	3.5%
	InterMedia Partners VII	1/20/2006	2,500,000	2,079,625	33,194	1,844,853	0.90x	(4.0%)
	LODH Private Equity - Euro Choice III (Scotland)	11/21/2006	5,000,000	2,138,939	113,719	1,673,409	0.84x	(11.8%)
	MidOcean Partners III	12/21/2006	10,000,000	4,218,196	37,498	1,536,195	0.37x	(40.0%)
	NewSpring Ventures II	11/15/2006	5,000,000	2,125,096	-	1,901,786	0.89x	(7.8%)
	Permira Europe IV	12/14/2006	5,029,600	3,680,926	-	2,153,966	0.59x	(26.4%)
	Perseus Partners VII	8/31/2006	5,000,000	4,067,370	431,512	3,987,830	1.09x	8.0%
	RRE Ventures IV	12/19/2006	2,500,000	1,388,970	-	1,203,706	0.87x	(8.4%)
	Terra Firma Capital Partners III	3/8/2006	5,000,000	3,188,241	104	936,147	0.29x	(52.8%)
	Avenue Special Situations Fund V	6/4/2007	5,000,000	5,036,463	2,213	5,559,192	1.10x	7.4%
	Carlyle Partners V	7/6/2007	10,000,000	3,463,078	383,875	2,504,988	0.83x	(10.1%)
	Constellation Ventures III	5/22/2007	5,000,000	2,239,400	-	1,848,300	0.83x	(22.0%)
	FTVentures III	3/1/2007	2,500,000	1,450,000	1,606	1,513,958	1.05x	2.9%
	GSO Capital Opportunities Fund I	7/16/2007	7,500,000	4,669,102	834,813	4,402,718	1.12x	12.5%
	Highland Consumer Fund I	3/16/2007	2,000,000	1,023,212	-	657,021	0.64x	(23.3%)
	HM 2006 Sector Performance Fund	7/20/2007	5,000,000	3,733,499	183,922	2,400,046	0.69x	(21.7%)
	Montreux Equity Partners IV	3/27/2007	5,000,000	1,802,500	-	1,613,200	0.89x	(5.5%)
	New Mountain Partners III	8/9/2007	10,000,000	2,899,585	503,235	2,152,695	0.92x	(6.8%)
2007	Olympus Capital Asia III	1/31/2007	5,000,000	1,587,914	227	1,233,671	0.78x	(18.4%)
	PCG Clean Energy & Technology Fund East	7/6/2007	10,000,000	3,726,843	3	3,359,054	0.90x	(9.1%)
	Pegasus Partners IV	1/29/2007	7,500,000	5,701,329	48,884	9,275,903	1.64x	38.6%
	SCP Vitalife Partners II Fund	4/13/2007	5,000,000	1,799,924	395	1,420,161	0.79x	(19.2%)
	Silver Lake Partners III	8/13/2007	5,000,000	1,867,687	52,084	1,793,480	0.99x	(1.1%)
	Tailwind Capital Partners	2/2/2007	5,000,000	3,041,122	456,111	2,659,884	1.02x	2.3%
	Trilantic Capital Partners IV (fka LBMB IV)	10/22/2007	7,236,332	2,781,597	9,074	2,707,931	0.98x	(1.7%)
	USPF III Institutional Fund	6/28/2007	5,000,000	2,804,869	401,220	2,405,177	1.00x	0.0%
	Vista Equity Partners Fund III	10/3/2007	7,500,000	4,788,559	61,539	6,134,651	1.29x	18.8%
	Vitruvian Investment Partnership I	3/15/2007	6,598,800	853,900	84	266,090	0.31x	(56.7%)

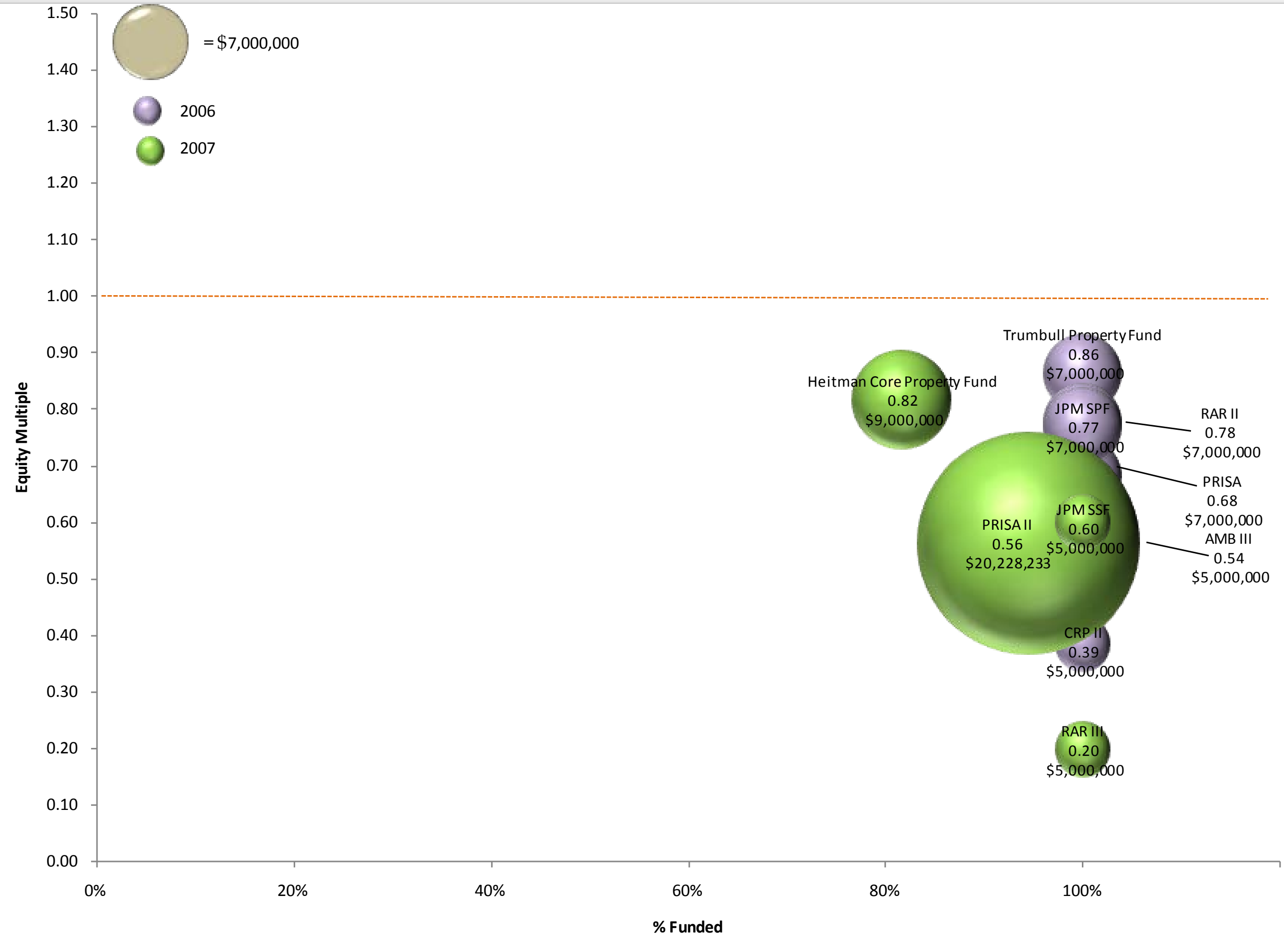
New York City Fire Department Pension Fund, Subchapter 2

(As of December 31, 2009)

Vintage Year	Deal Name	First Drawdown	Capital Committed	Cash In	Cash Out	Market Value	Multiple	IRR
2007	Vitruvian Investment Partnership I (Side Car)	3/15/2007	$ 733,200	$ 94,880	$ 9	$ 29,557	0.31x	(56.7%)
2008	Aisling Capital III	11/20/2008	3,500,000	215,863	-	129,792	0.60x	NM
	Apollo Investment Fund VII	1/28/2008	25,000,000	9,213,821	3,519,943	7,130,720	1.16x	NM
	Ares Corporate Opportunities Fund III	7/30/2008	10,000,000	2,925,240	259,448	3,119,655	1.16x	NM
	Avenue Europe Special Situations Fund	6/17/2008	6,829,000	6,066,610	-	8,235,987	1.36x	NM
	Avista Capital Partners II	11/5/2008	10,000,000	3,053,274	51,727	3,998,512	1.33x	NM
	Bridgepoint Europe IV	11/14/2008	7,733,500	564,748	-	376,963	0.67x	NM
	Crestview Partners II	10/1/2008	7,500,000	996,285	-	1,000,035	1.00x	NM
	CS NYCFDPF Emerging Manager Co-Investment Fund	8/22/2008	4,000,000	648,232	4,649	526,715	0.82x	NM
	CS NYCFDPF Emerging Manager Fund	8/22/2008	7,000,000	1,311,078	-	1,142,783	0.87x	NM
	CVC European Equity Partners V	7/21/2008	15,370,000	2,932,197	50,892	2,855,724	0.99x	NM
	Emerald Infrastructure Development Fund	12/2/2008	10,000,000	398,721	-	(139,114)	-0.35x	NM
	Erasmus New York City Growth Fund IA	10/17/2008	10,000,000	1,208,990	-	1,021,551	0.84x	NM
	First Reserve Fund XII	8/25/2008	5,000,000	1,860,750	529	1,417,000	0.76x	NM
	GI Partners Fund III	7/29/2008	7,500,000	975,438	5,004	866,014	0.89x	NM
	Landmark Equity Partners XIV	9/19/2008	7,500,000	825,000	4,148	841,404	1.02x	NM
	Lee Equity Partners Fund	4/23/2008	7,500,000	2,316,669	-	1,602,331	0.69x	NM
	Levine Leichtman Capital Partners IV	4/8/2008	5,000,000	805,732	119,509	667,004	0.98x	NM
	LODH Euro Choice IV (Scotland)	10/22/2008	7,949,000	477,331	2,569	290,476	0.61x	NM
	New York/Fairview Emerging Managers (Tranche B)	5/28/2008	5,000,000	552,000	-	441,853	0.80x	NM
	NGN BioMed Opportunity II	2/11/2008	5,000,000	1,662,955	1,224	1,494,512	0.90x	NM
	Onex Partners III	12/10/2008	5,000,000	368,621	-	209,918	0.57x	NM
	Paladin III (NY City)	1/8/2008	7,500,000	2,935,459	35,574	2,470,383	0.85x	NM
	Pine Brook Capital Partners	1/11/2008	7,500,000	2,339,058	21,431	2,344,186	1.01x	NM
	Riverstone/Carlyle Global Energy and Power Fund IV	3/3/2008	7,500,000	2,522,775	25,716	2,738,797	1.10x	NM
	Yucaipa American Alliance Fund II	3/28/2008	15,000,000	8,235,063	2,411,882	8,959,835	1.38x	NM
	Yucaipa Corporate Initiatives Fund II	6/23/2008	5,000,000	675,784	4,632	486,835	0.73x	NM
2009	Clayton, Dubilier & Rice Fund VIII	1/12/2009	7,500,000	1,406,741	39	1,386,522	0.99x	NM
	Lincolnshire Equity Fund IV	8/5/2009	2,500,000	118,068	-	94,524	0.80x	NM
	NB Emerging Manager Custom Fund (fka LB Emerging Fund A)	1/29/2009	5,000,000	700,000	-	633,293	0.90x	NM
	Welsh, Carson, Anderson & Stowe XI	2/10/2009	7,500,000	457,024	-	268,095	0.59x	NM
2010	Ampersand 2009	N/A	5,000,000	-	-	-	N/A	NM
	BDCM Opportunity Fund III	N/A	10,000,000	-	-	-	N/A	NM
	Blackstone Capital Partners VI	N/A	10,000,000	-	-	-	N/A	NM
	Snow Phipps II	1/8/2010	7,500,000	-	-	(33,148)	N/A	NM
Grand Total(s):			**$ 893,272,088**	**$ 532,899,390**	**$ 279,550,625**	**$ 356,439,684**	**1.19x**	**8.9%**

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 PCG Asset Management, LLC ("PCG"), a consultant to the New York City Pension Funds and Retirement Systems, 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.

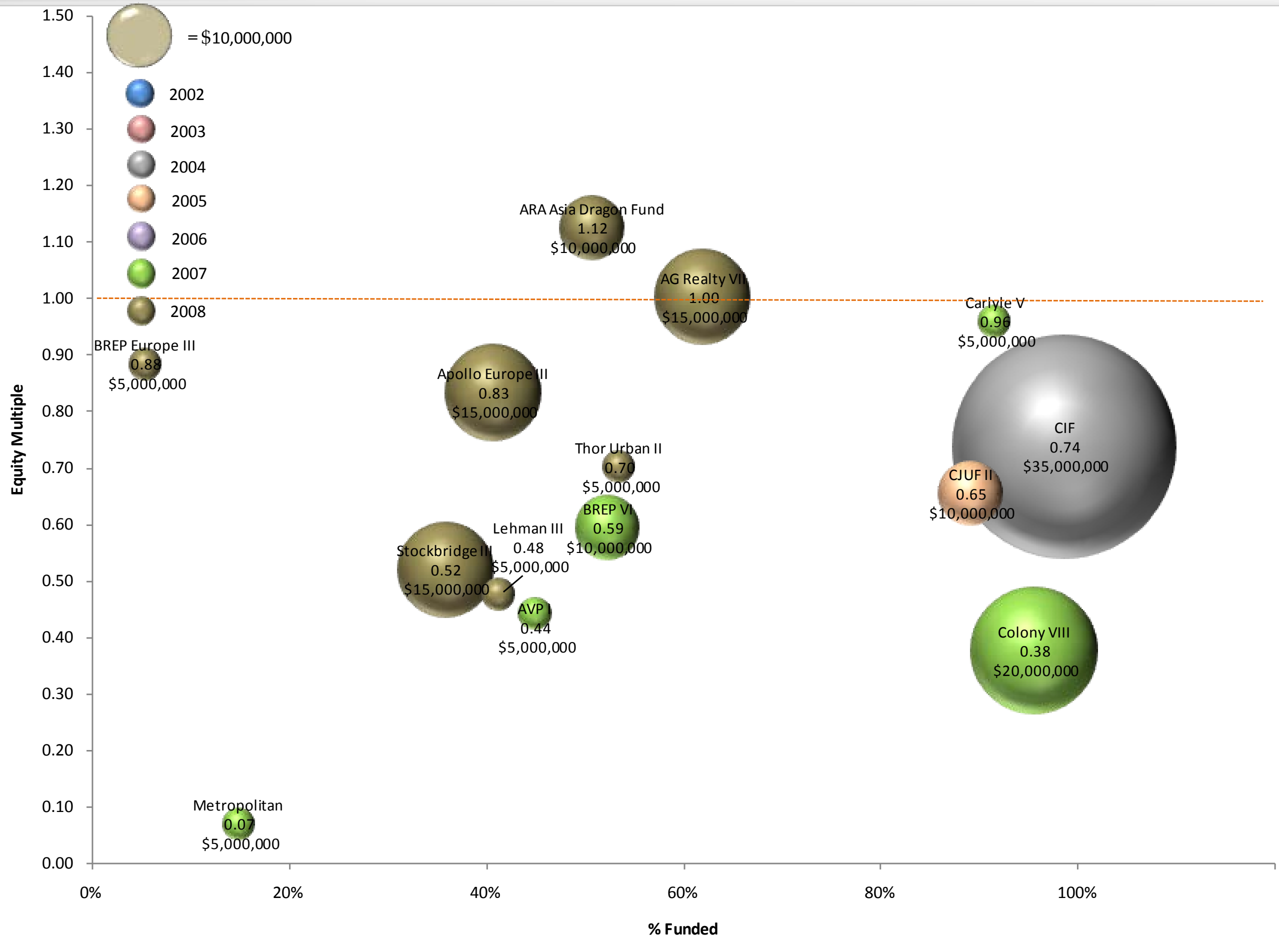
Core/Core Plus
As of June 28, 2010



1. The commitment size is illustrated by the diameter of the bubble.
2. Performance maps exclude funds of the 2009 vintage as meaningful cash flow activity has not yet occurred. Performance maps exclude CJUF and BREP IV due to their vintage and life cycle.
3. As of June 28, 2010, full investment performance for the period ending March 31, 2010 regarding the Fire real estate Program has not been issued.
4. We have utilized a roll forward of cash flows calculated as follows; estimated first quarter market values plus contributions less distributions, withdrawals and fees. It is important to note that such methods of determining estimated market values can over/under state equity multiples.

Non Core

As of June 28, 2010



1. The commitment size is illustrated by the diameter of the bubble.
2. Performance maps exclude funds of the 2009 vintage as meaningful cash flow activity has not yet occurred. Performance maps exclude CJUF and BREP IV due to their vintage and life cycle.
3. As of June 28, 2010, full investment performance for the period ending March 31, 2010 regarding the Fire real estate Program has not been issued.
4. We have utilized a roll forward of cash flows calculated as follows; estimated first quarter market values plus contributions less distributions, withdrawals and fees. It is important to note that such methods of determining estimated market values can over/under state equity multiples.

The Townsend Group

The New York City Fire Department Pension Fund

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2002	Canyon Johnson Urban Fund	2/6/2002	$ 10,000,000	$ 8,936,181	$ (10,583,815)	$ 479,590	1.24	-4.2%
2003	OCM Opportunity Fund III							
2003	OCM Opportunity Fund IIIA							
2003	Tishman Speyer Separate Account (ERS)							
2003	Tishman Speyer Separate Account (TRS)							
2004	Blackstone IV	5/14/2004	$ 5,000,000	$ 6,248,108	$ (5,047,297)	$ 2,128,902	1.15	9.4%
2004	Canyon Johnson Urban Fund II	5/11/2005	$ 10,000,000	$ 8,829,399	$ (6,000)	$ 5,743,828	0.65	-16.8%
2004	City Investment Fund I	3/16/2004	$ 35,000,000	$ 34,515,181	$ (16,232,049)	$ 9,366,691	0.74	-15.9%
2005	AMB U.S. Logistics Fund	10/4/2006	$ 5,000,000	$ 5,492,811	$ (516,810)	$ 2,434,896	0.54	-18.9%
2005	Apollo Real Estate Fund V							
2005	JP Morgan Strategic Property Fund	12/5/2006	$ 7,000,000	$ 7,348,474	$ -	$ 5,642,661	0.77	-7.8%
2005	PRISA	9/26/2006	$ 7,000,000	$ 7,195,254	$ -	$ 4,877,139	0.68	-10.7%
2005	RREEF America REIT II	10/2/2006	$ 7,000,000	$ 8,644,002	$ (1,702,078)	$ 5,009,013	0.78	-8.8%
2005	Trumbull Property Fund (UBS - RESA)	9/28/2006	$ 7,000,000	$ 7,607,544	$ (449,066)	$ 6,111,925	0.86	-4.5%
2005	JP Morgan Special Situations Fund	10/3/2007	$ 5,000,000	$ 5,264,866	$ (552,272)	$ 2,593,914	0.60	-16.4%
2005	RREEF America REIT III	10/1/2007	$ 5,000,000	$ 5,000,000	$ (33,347)	$ 949,993	0.20	-48.4%
2006	Colony Realty Partners II	12/20/2006	$ 5,000,000	$ 5,355,052	$ (166,526)	$ 1,945,826	0.39	-31.6%
2006	Heitman Core Property Fund	3/29/2007	$ 9,000,000	$ 7,351,309	$ (521,209)	$ 5,474,986	0.82	-10.2%
2006	Urban America II							
2006	Westbrook VII							
2007	American Value Partners I	10/18/2007	$ 5,000,000	$ 2,158,822	$ (38,993)	$ 864,574	0.42	n/a
2007	Blackstone Real Estate Partners VI	9/27/2007	$ 10,000,000	$ 4,861,838	$ (9,040)	$ 2,727,394	0.56	-23.9%
2007	Carlyle V	8/27/2007	$ 5,000,000	$ 4,273,919	$ (431,171)	$ 3,655,303	0.96	-2.6%
2007	Colony VIII	9/18/2007	$ 20,000,000	$ 17,583,343	$ -	$ 5,653,443	0.32	-47.3%
2007	Thor Urban Property Fund II	10/30/2008	$ 5,000,000	$ 817,054	$ -	$ 18,215	0.02	n/a
2007	Metropolitan Workforce Housing Fund	7/13/2007	$ 5,000,000	$ 745,155	$ -	$ 52,070	0.07	n/a
2007	PRISA II	6/29/2007	$ 20,228,233	$ 19,111,917	$ -	$ 10,742,858	0.56	-28.5%
2007	Capri Urban							
2007	Stockbridge III	9/9/2008	$ 15,000,000	$ 5,378,527	$ -	$ 2,796,737	0.52	-43.4%
2007	Apollo European Real Estate Fund III	5/20/2008	$ 15,000,000	$ 6,107,500	$ -	$ 5,087,709	0.83	-14.3%
2007	ARA Asia Dragon Fund	7/9/2008	$ 10,000,000	$ 4,764,000	$ -	$ 5,394,432	1.13	12.4%
2007	Angelo Gordon VII	5/20/2008	$ 15,000,000	$ 6,225,000	$ (1,650,000)	$ 4,587,550	1.00	0.2%
2007	Walton VI	4/27/2009	$ 5,000,000	$ 1,300,000	$ -	$ 368,087	0.28	-83.3%
2007	Canyon Johnson III	n/a	$ 5,000,000	$ 152,987	$ -	$ (82,901)		n/a
2007	PRISA III							
2007	Lehman Real Estate Fund III	6/4/2008	$ 5,000,000	$ 2,061,137	$ -	$ 980,411	0.48	-39.3%
2007	Fidelity Real Estate Fund III							
2008	JPMorgan Urban Renaissance Fund							
2008	Blackstone Europe III	10/24/2008	$ 5,000,000	$ 272,182	$ -	$ 240,529	0.88	-21.6%
2008	Westbrook VIII	n/a	$ 5,000,000	$ 27,866		$ (20,969)	n/a	n/a
2009	BlackRock Carbon Capital III	7/2/2009	$ 10,000,000	$ 4,066,789	$ (1,050,000)	$ 3,305,562	1.07	14.7%
2009	LaSalle U.S. Core Property Fund	n/a	$ 30,000,000	n/a	n/a	n/a	n/a	n/a
	New York City Fire Department Pension Fund		$ 307,228,233	$ 197,696,217	$ (38,989,673)	$ 99,130,368	0.70	n/a

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, 2010.

II. Non U.S. Equity:

KBC WATER FUND

KBC Asset Management

Background

KBC Asset Management (KBC AM), with $5 billion AUM, was originally selected by the New York City Fire Department Pension Fund in the first quarter of 2008 as a Global Equity manager specifically focused on Environmental & Sustainable investments. As illustrated below, KBC was selected to manage two strategies: an Alternative Energy portfolio and a Water portfolio. Both KBC mandates were funded in August 2008. The Alternative Energy account was terminated at the beginning of the second quarter of 2010.

SYSTEM	KBC AE (Terminated)	KBC Water	Total Fire fund
Fire	$12.5M	$20.1M	$32.6M

Change in Control at KBC AM

On June 21, 2010 KBC AM informed BAM of its pending sale to RHJI International, a Belgium industrial holding company that is using this acquisition to grow its business in financial services. The purchase price was roughly $30 million in cash. The sale is expected to be finalized in the fourth quarter of 2010.

After speaking with KBC's CEO on the phone the day after the deal was announced, we learned that the reason for the sale of the business was that KBC Bank (its parent company) was forced to sell assets due to money-losing CDOs on the Bank's Balance Sheet. RHJI's offer was not the highest offer actually (and at a relatively low multiple of revenue), yet was viewed as the best of the options presented. RHJI also bought Kleinwort Benson in late 2009, a UK wealth management unit, whose name KBC will be branded under.

BAM discussed with the KBC CEO possible changes at KBC AM under this new ownership structure, and we learned of a few troubling changes. First, compensation for the top 12 people at the firm including investment professionals will be paid a significant amount of their total compensation in stock (starting from 30% in 2010, to 50% in 2012). Before now, all investment professionals were paid in all cash. Second, a retention package will be put in place for these 12 key employees and the $3 million value of this package is very small, is in all stock, and is locked-up for 5 years. Also, the retention package has 3 to 6 month notices of termination and non-competes for 6 months to 1 year (very short time frames).

Based on these facts and the fact that the CEO didn't even know the value of the retention package when we asked him on the phone (he said he would get back to us which his colleague did), leads us to believe that he along with other senior KBC AM professionals will leave the firm once the deal is closed or shortly thereafter.

Performance

NYC FIRE	Trailing 1 Month	Trailing 3 Month	FYTD	Year to Date	Trailing 1 Year	Since Inception
KBC WATER	-9.51	-3.72	13.30	-4.87	17.75	-12.26
MSCI WORLD INDEX	-9.48	-3.76	14.66	-6.38	14.19	-9.15
Difference	-0.03	0.04	-1.36	1.51	3.56	-3.11

Conclusion/Recommendation

BAM recommends terminating our relationship with KBC AM. BAM believes that the potential for significant disruption inside the organization is a very serious concern and while performance since inception has been poor, future performance is now even more at risk.

III. Private Equity:

LANDMARK AMENDMENT

Landmark Equity Partners XIV, L.P.
Amendment

Background:
On August of 2008, NYCRS closed on an aggregate commitment of $132.5M in Landmark Equity Partners XIV, L.P. ("Landmark XIV"). Landmark is a secondary fund with a mandate to acquire a diversified portfolio of secondary private equity interests at a discount of a fund's fair market value. To date, Landmark closed on $1.9 billion, committing $228 million, and contributing capital of $158.7 billion. No distributions have been made yet.

To take advantage of the current secondary opportunities on the market, this memo is a proposal to increase the NYCRS commitment size of Landmark XIV from $132.5 million to $200 million.

Amendment Rationale:
Estimated secondary deal volume is expected to grow this year to up to $40 billion. The number of deals due to come back to market have spiked given the uptick in secondary pricing which was depressed last year, discouraging LPs from selling their positions at steep discounts. Mega buyouts, as an example, are now trading at a much more attractive price than seen in 2009, allowing LPs who became over allocated in those funds to sell down pieces of their interest.[1]

To date, Fire has about 1.3% exposure (based on fair market value) to secondary investments through the following four (4) secondary funds:

Fund Name (Vintage)	Fund Size	Fire Commitment	IRR	Multiple
Coller Int'l Partners V (2006)	$4.7BN	$5M	-2.0%	1.0x
Landmark XI (2002)	$424M	$5M	26.6%	1.1x
Landmark XIV (2008)	$1.9 BN	$7.5M	NM	NM
Lexington VII (2010)[2]	$3.8 BN	$10M	NM	NM

Given its size, years of relationship with NYCRS, and outstanding performance in its more mature fund, Landmark is considered the best fund with which NYCRS can increase its exposure to into the secondary sector.

Recommended Action:
Increase Fire commitment in Landmark XIV by $3.82 million, representing a total amended Fire commitment size from $7.5 million to $11.32 million.

($ in millions)

System	Pro Rata Share of NYCRS Commitment	Current Commitment	Amount of Increase	New Commitment Size
Employees	45%	$60.00	$30.75	$90.57
Teachers	38%	$50.00	$25.47	$75.47
Police	11%	$15.00	$7.64	$22.64
Fire	**6%**	**$7.50**	**$3.82**	**$11.32**
Total	100%	$132.50	$67.50	$200.00

[1] Dow Jones Guide to Secondary Market Buyers, April 2010.
[2] Lexington VII, L.P., is expected to close this week.

MEMORANDUM

TO: New York City Fire Department Pension Fund, Subchapter 2 (“NYCFDPF”)

FROM: PCG Asset Management LLC (“PCG AM”)

DATE: June 29, 2010

RE: Investment Recommendation for Landmark Equity Partners XIV, L.P. – Follow On Commitment

---

Overview:

In May 2008, PCG AM concluded its examination of Landmark Partners (“Landmark” the “Firm” or the “General Partner”) and Landmark Equity Partners XIV, L.P. (the “Fund” or “LEP XIV”), which was formed to acquire interests in established private equity funds through secondary market transactions. Having developed a positive assessment of Landmark and the Fund, PCG AM recommended the investment to the New York City Retirement Systems (“NYCRS”). NYCRS closed its initial investment in the Fund during August 2008 as part of the first closing. The Fund held a final closing on $1.9 billion in March 2010 following two extensions to the fundraising period.

PCG AM believes that the investment environment and outlook for secondary private equity investing has improved substantially since NYCRS closed its commitment to LEP XIV. We further believe that NYCRS should consider increasing its allocation to secondary investments by increasing its commitment to LEP XIV. Following discussions with PCG AM and the Bureau of Asset Management (“BAM”), Landmark issued an amendment to the partnership agreement to permit such an increase by NYCRS. Accordingly, PCG AM recommends that NYCRS increase its aggregate commitment from $132.5 million to $200.0 million, representing an increase of $67.5 million across the Systems

Please see the attached Investment Memorandum for detailed information on the opportunity.

Allocation:

A commitment to the Fund would be allocated 100% to the Secondaries, Fund of Funds, and Co-Investment investment category. As of December 31, 2009, NYCFDPF’s investments in this category have a fair market value (“FMV”) allocation of 11.9%. It is important to note that since allocation is based on fair market value, an investment in the Fund would not have an immediate impact on NYCFDPF’s current portfolio allocation.

PCG AM has analyzed the existing NYCFDPF private equity portfolio against prospective 2010 investment pacing. In addition, PCG AM has reviewed the 2010 Annual Private Equity Plan in the context of the proposed investment. A commitment of $3.82 million to the Fund would represent a prudent step toward NYCFDPF's strategic asset allocation and would enhance the portfolio by providing exposure to an attractive secondaries investment environment.

Sub-sector ($ in millions)	Target Allocation	Commitments Approved YTD	Proposed Commitment	Approved + Proposed	% of Allocation *(Upper End)*	Remaining Allocation
Secondaries, FoF, Co-Inv	$10 - $20	$0.00	$3.82	$3.82	19.10%	$16.18
All Private Equity	$100	$12.50	$3.82	$16.32	16.32%	$83.68

Conclusion:

PCG AM’s review of the General Partner and the proposed Fund indicates that the potential returns justify the risks associated with an investment in the Fund. PCG AM recommends that NYCFDPF make a commitment within policy of up to $3.82 million to the Fund, contingent upon the following:

(1) Satisfactory negotiation or clarification of certain terms of the investment;

(2) Satisfactory completion of legal documents;

(3) Satisfactory continuation and finalization of due diligence;

(4) No material changes to the investment opportunity as presented; and

(5) Confidentiality maintained regarding the commitment of NYCFDPF to the Partnership until such time as all the preceding conditions are met.

Landmark Equity Partners XIV, L.P.

Fund Update

June 28, 2010

OVERVIEW & RECOMMENDATION

In May 2008, PCG AM concluded its examination of Landmark Partners ("Landmark" the "Firm" or the "General Partner") and Landmark Equity Partners XIV, L.P. (the "Fund" or "LEP XIV"), which was formed to acquire interests in established private equity funds through secondary market transactions. Having developed a positive assessment of Landmark and the Fund, PCG AM recommended the investment to the New York City Retirement Systems ("NYCRS"). NYCRS closed its initial investment in the Fund during August 2008 as part of the first closing. The Fund held a final closing on $1.9 billion in March 2010 following two extensions to the fundraising period.

PCG AM believes that the investment environment and outlook for secondary private equity investing has improved substantially since NYCRS closed its commitment to LEP XIV. We further believe that NYCRS should consider increasing its allocation to secondary investments by increasing its commitment to LEP XIV. Following discussions with PCG AM and the Bureau of Asset Management ("BAM"), Landmark issued an amendment to the partnership agreement to permit such an increase by NYCRS. Accordingly, PCG AM recommends that NYCRS increase its aggregate commitment from $132.5 million to $200.0 million, representing an increase of $67.5 million, allocated among the Systems on a pro-rata basis as follows:

New York City Retirement System	Current Commitment ($mm)	Pro – Rata Allocation of Increase ($mm)	Final Commitment ($mm)
Employees	$ 60.0	$ 30.6	$ 90.6
Fire	7.5	3.8	11.3
Police	15.0	7.6	22.6
Teachers	50.0	25.5	75.5
Total	**$ 132.5**	$ 67.5	$ 200.0

Given the amount of time elapsed since PCG AM's due diligence process was completed, certain subsequent events have occurred that affect PCG AM's overall investment analysis. In particular, there have been (i) fundraising developments, (ii) minor developments within the organization, (iii) changes to prior fund performance, and (iii) investments executed by LEP XIV. It is important to note that PCG AM, after revisiting the opportunity, believes that these subsequent events generally serve to reinforce our original investment thesis delivered in the investment recommendations dated May 2008.

FUNDRAISING

The Fund held an initial closing in August 2008. Prior to the expiration of the fundraising period in August 2009, the General Partner sought and received an extension through February 2010. Subsequently, the final closing was extended to March 2010 to permit incoming limited partners to finalize legal documentation. The Fund ultimately closed with $1.93 billion of commitments.

During the fundraising for LEP XIV, Landmark also sought to raise $400 million for the Landmark Hybrid Secondary Fund, L.P. ("Hybrid Fund"), which was intended to target early secondary opportunities, or those that are less than 50% funded at the time of acquisition. Ultimately, the General Partner suspended fundraising for the Hybrid Fund due to limited investor demand. Please see the attached original Investment Memorandum for additional details on the Hybrid Fund.

In addition, Landmark launched fundraising for the Landmark Market Opportunities Fund in late 2009. The Fund targets $500 million for co-investments, with a particular focus on deleveraging, recapitalizing, and restructuring transactions of existing private equity-sponsored companies. Similarly, Landmark recently launched fundraising for Landmark Real Estate Partners VII, which is latest fund by Landmark's real estate secondaries platform. Importantly, PCG AM notes that both the Market Opportunities Fund and the Real Estate funds are managed by separate investment teams with dedicated investment professionals, though some overlap exits at the investment committee level.

MANAGEMENT

The management of the Fund and the leadership of Landmark generally remain as presented in the attached Investment Memorandum. Subsequent to the issuance of the Investment Memorandum, Tarra Mitchell departed Landmark to pursue other opportunities. Ms. Mitchell was a director of Investor Relations at the Firm. Her duties have been absorbed by Chad Alfeld, a Partner in charge of Investor Relations, and Tina St. Pierre, a Partner in charge of financial reporting at Landmark.

TRACK RECORD

Currently, PCG AM examined the performance of Landmark's secondary funds as presented by the General Partner as of March 31, 2010. Given the timing, we note that PCG AM has not independently verified Landmark's track record as of the track record date. Please see the attached Investment Memorandum for additional details on the track record, which was previously independently verified through September 30, 2007.

Landmark Equity Partners
Track Record Summary as of March 31, 2010

Fund	Vintage	Fund Size	Invested Capital	Distributions	Remaining Value	Total Value	Gross IRR	Net IRR
Landmark Venture Partners	1990	$92.3	$92.3	$208.1	$0.0	$208.1	35%	29%
Landmark Equity Partners II	1992	97.8	97.8	219.1	0.8	219.9	40%	35%
Landmark Direct Partners	1992	6.3	6.3	9.1	0.0	9.1	70%	54%
Landmark Equity Partners III	1993	393.1	393.1	985.8	18.3	1,004.1	37%	34%
Landmark Equity Partners IV	1994	217.1	211.1	340.8	2.5	343.3	21%	17%
Landmark Mezzanine Partners	1995	75.8	66.6	126.8	1.4	128.2	36%	30%
Landmark Equity Partners V	1995	297.6	294.1	381.2	16.1	397.3	13%	8%
Landmark Secondary Partners	1998	228.7	226.9	225.2	62.0	287.2	6%	4%
Landmark Secondary Partners IX	1999	357.4	343.0	303.7	18.3	322.0	-1%	-4%
Landmark Equity Partners X	2000	583.1	551.8	584.5	130.8	715.3	7%	5%
Landmark Equity Partners XI	2002	626.0	579.5	720.1	202.9	923.0	32%	26%
Landmark Equity Partners XII	2004	427.3	402.8	517.8	140.8	658.6	33%	28%
Landmark Equity Partners XIII	2006	1,194.5	1,024.9	393.1	727.9	1,121.0	4%	2%
Landmark Equity Partners XIII-A	2007	155.2	146.7	104.8	57.3	162.1	7%	5%
Landmark Equity Partners XIV	2008	1,929.1	150.6	23.2	165.6	188.8	NM	NM
		$6,681.3	**$4,587.5**	**$5,143.3**	**$1,544.7**	**$6,688.0**	**26%**	**19%**

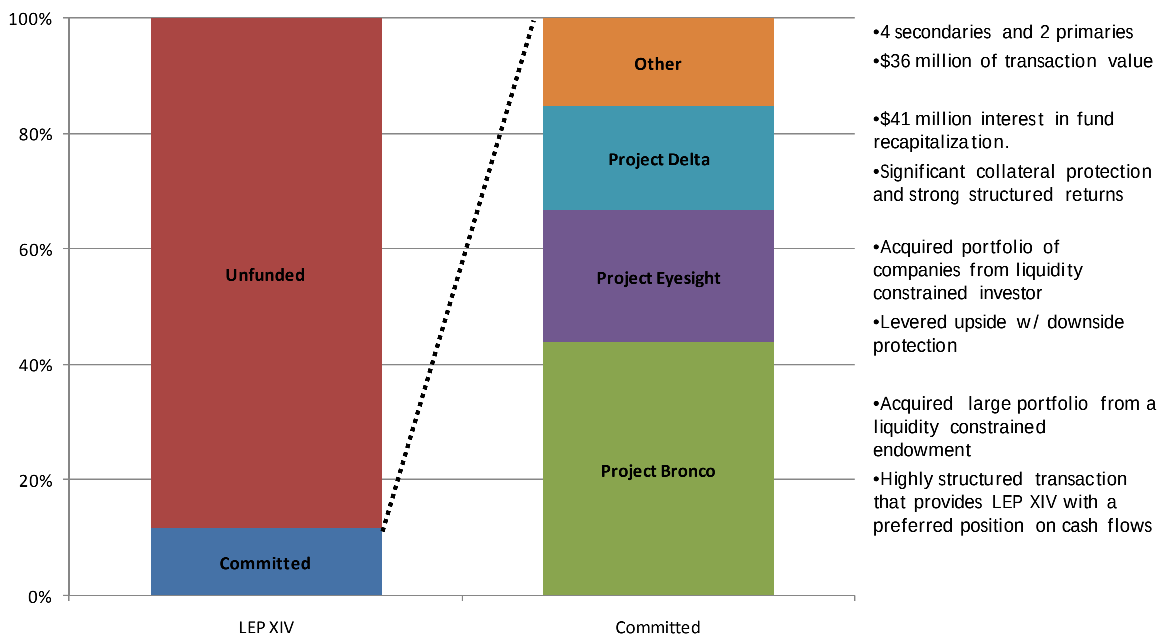
Source: Landmark Partners

Investment Activity - LEP XIV

As of March 31, 2010 the Fund had completed seven secondary investments in 64 partnership interests while committing to two primary partnerships. In total, the Fund had invested or committed to invest $228.5 million or 11.8% of commitments as of March 31, 2010. PCG AM generally believes that each of the major transactions completed by LEP XIV was executed on relatively attractive terms with significant downside protection during. For example, the Fund's investment in MP II Preferred Partners is a strong example of Landmark's ability to creatively structure transactions during the attractive but challenging secondary investment environment that characterized 2009. With MP II Preferred Partners, Landmark led a $165 million recapitalization of private equity fund that lacked sufficient reserves to support its portfolio companies. The Fund committed $41.0 million of the $165.0 million, which has a first lien on portfolio cash flows with 6.0x collateral on the investment, according to the General Partner. The preferred position is structured to provide a minimum IRR and TVM of 26% and 1.8x, respectively.

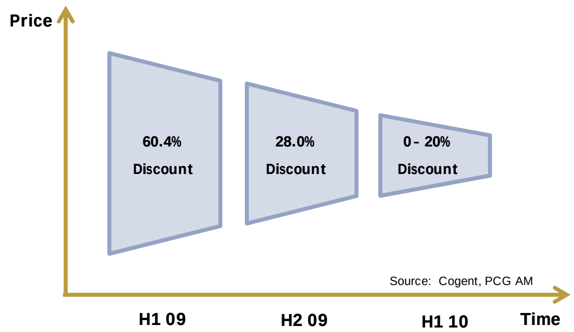
With 11.8% of capital committed to transactions such as MP II Preferred Partners (aka Project Delta), PCG AM believes that an investment in the Fund provides NYCRS with the opportunity to allocate additional capital to attractive existing secondary investments, while increasing its unfunded exposure to a robust investment opportunity in the secondary market. Summary details on the existing LEP XIV portfolio are provided below:

LEP XIV Portfolio Status
March 31, 2010



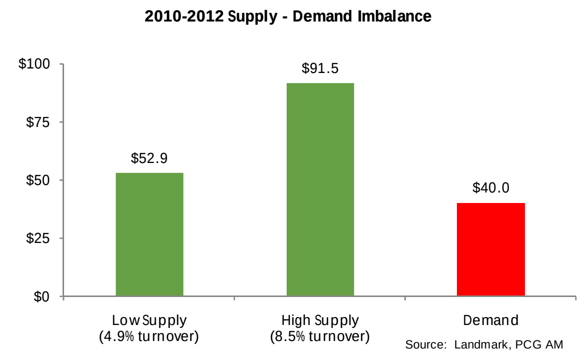
MARKET OPPORTUNITY

Current Environment



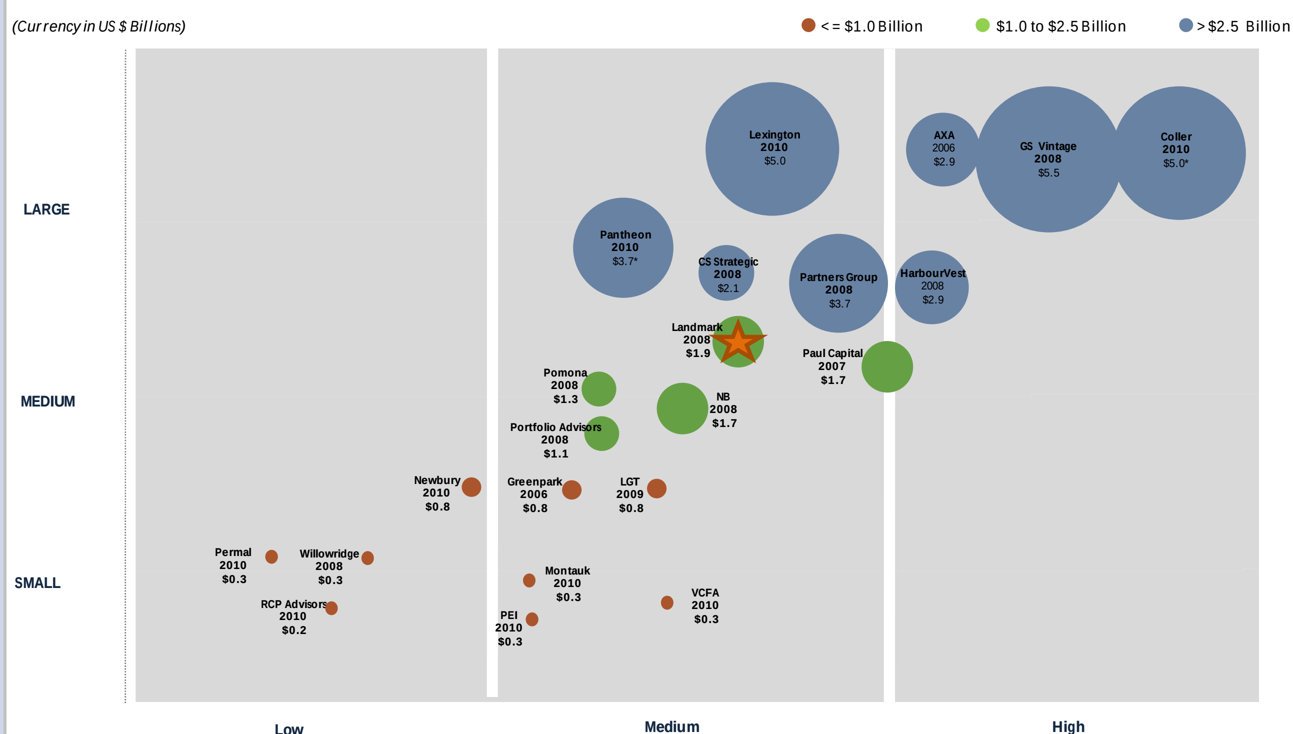
- → Stabilized asset values & rising confidence
- → Return of the dedicated secondary investor
- → Narrowed bid-ask and increasing deal volume
- → Big momentum bets on US economy
- → Strong demand and pricing for large buyouts
- → No more "steals"
- → Entering normalized pricing environment
- → $30B - $40B dry powder = competitive market
- → Interesting "window" for sellers

Market Outlook



- → Supply expected to outpace demand
- → 2010-2012 huge supply of seasoned primaries
- → LP universe has a need to rebalance
- → Turnover rates likely to increase with active portfolio management
- → Return of $ billion transaction, several in works
- → US & European regulatory environment may contribute to portfolio sales from institutions
- → Increasing intermediation
- → Increasing market segmentation

Competitive Environment



Landmark Equity Partners XIV, L.P.

Investment Analysis

May 6, 2008

OVERVIEW

General

Landmark Partners Inc. ("Landmark" or the "Firm") is forming Landmark Equity Partners XIV, L.P. (the "Fund" or "LEP XIV") to acquire interests in established private equity funds through secondary market transactions. Landmark Partners XIV, LLC (the "General Partner") will serve as the General Partner for the Fund.

Since its formation in 1989, Landmark has raised approximately $6.4 billion of capital across 20 alternative investment funds. The Firm has deployed the majority of this capital through secondary private equity investments. In addition to the Fund, Landmark's secondary private equity business will include the Landmark Hybrid Secondary Fund, L.P. (the "Hybrid Fund"), which will acquire interests in private equity investments that are less mature than those targeted by the Fund. Other active or near-term investment strategies pursued by the Firm include secondary real estate funds, real estate funds-of-funds, and private equity co-investment funds. Historically, Landmark has also raised private equity funds-of-funds, a direct private equity investment fund, and a direct real estate investment fund.

LEP XIV will pursue a traditional secondary private equity investment strategy that focuses on maximizing investment returns by acquiring a diversified portfolio of seasoned private equity interests, generally at a discount to reported fair market value. The General Partner expects to acquire positions in mature venture capital, buyout, and mezzanine partnerships that are diversified by geography, manager, vintage year, and sector focus.

The Fund has a target capitalization of $2.0 billion, which represents an increase over the $1.4 billion combined fund size of its predecessors, Landmark Equity Partners XIII, L.P. ("LEP XIII") and Landmark Equity Partners XIII-A ("LEP XIII-A"). The General Partner will commit 1% of aggregate limited partner commitments to the Fund. Landmark expects to hold a first close in the second quarter of 2008, followed by rolling closes thereafter.

MANAGEMENT / ORGANIZATION

General

In 1990, Landmark formed Landmark Venture Partners ("LVP"), a $92.3 million fund, to acquire a portfolio of 60 venture capital partnership interests from CIGNA. The CIGNA transaction, widely considered the first institutional secondary transaction for limited partnership interests in private equity funds, launched the secondary private equity business of Landmark, which has grown to encompass 13 funds and $4.7 billion of committed capital since inception. In addition to its secondary private equity funds, the Firm manages real estate secondary funds, private equity direct and co-investment funds, private equity fund-of-funds, and is raising its first real estate fund-of-funds. In aggregate, Landmark has raised approximately $6.4 billion across 20 funds, with 73% of the capital under management focused on private equity secondary investments.

Landmark presently employs 48 professionals, 17 of which will manage the investment activities of the Fund. The Firm has generally organized its investment professionals according to investment focus by establishing discrete teams for real estate, direct private equity, and secondary private equity investments. Landmark operates from its headquarters in Simsbury, Connecticut and maintains offices in Boston, Massachusetts and London, England.

Fund Management

Of Landmark's ten total partners, six spend at least half of their business time on secondary private equity investments. Specifically, Managing Partners Francisco Borges and Timothy Haviland, along with Partners Chad Alfeld, Scott Conners, James McConnell, and Robert Shanfield (collectively the "Secondary Partners") compose the Firm's senior secondary private equity investment professionals and are voting members of the Fund's Investment Committee. With the exception of Chad Alfeld, each of the Secondary Partners is a Key Person of the Fund. The Secondary Partners have a minimum of nine years and an average of fourteen years of experience at Landmark.

Francisco Borges, a nine-year veteran of the Firm, is also the Chairman and CEO of Landmark. Prior to joining Landmark, Mr. Borges served as a Managing Director at GE Capital's Financial Guaranty Insurance Corporation and Capital Markets and was previously the Treasurer of the State of Connecticut. Timothy Haviland, with 22 years of service at Landmark, serves as President and Chief Operating Officer of the Firm. Mr. Haviland, like Messrs. Alfeld and McConnell, joined Landmark following a career in accounting. Scott Conners, the youngest of the Secondary Partners at the age of 39, joined Landmark shortly after graduating in 1993. Robert Shanfield joined Landmark in 1999, following a career that included positions at GE Capital, EF Hutton, and State Street Bank and Trust Company.

Other secondary team members include James Holdcroft, a Partner with the Firm that focuses on corporate strategy and new product development, Lance Whitehead, a London-based Managing Director that focuses on investor relations, business development and transaction origination, and Tarra Mitchell, a Boston-based Director that focuses on investor relations, business development and transaction origination. PCG expects that these professionals, though contributing members of the secondary team, will be less involved in the investment activities of the Fund than the Secondary Partners, Principals and Vice Presidents.

The table below includes summary biographies on the Fund's senior investment professionals:

Senior Secondary Investment Professionals

Name, Position	Age	Yrs. w/ Firm	Prior Experience	Education
Francisco L. Borges, *Chairman, CEO, & Managing Partner*	56	9	• Managing Director, GE Capital's Financial Guaranty Insurance Corporation and Capital Markets • Treasurer, State of Connecticut • Deputy Mayor, City of Hartford, CT • Legal Counsel, Travelers Insurance Companies	• J.D., University of Connecticut Law School • B.A., Trinity College
Timothy L. Haviland, *President, COO, & Managing Partner*	47	22	• Senior Accountant, Rusconi, Cahill & Larkin	• C.P.A. • M.B.A., Rensselaer Polytechnic Institute • B.S., University of Connecticut
Chad S. Alfeld, *Partner*	40	12	• Controller, Health Plans Capital Services Corporation • Senior Consultant, Arthur Andersen	• C.P.A. • M.B.A., University of Chicago, • M.S., DePaul University • B.A., Middlebury College
Scott P. Conners, *Partner*	39	14	• Not Disclosed	• C.F.A. • M.B.A., Pennsylvania State

Name, Position	Age	Yrs. w/ Firm	Prior Experience	Education
				University • B.A., University of Maine
James P. McConnell, *Partner*	45	17	• Senior Accountant, Arthur Andersen	• C.P.A. • B.S., Merrimack College
Robert J. Shanfield, *Partner*	47	9	• Senior Vice President, GE Capital's Equity Capital Group • EF Hutton • State Street Bank and Trust Company	• M.B.A., Colgate Darden School at the University of Virginia • A.B., Boston College
James P. Holdcroft, *Partner*	53	1	• Strategy and Investor Relations, Greywolf Capital Management • Managing Director, General Atlantic Partners • Managing Director, Lehman Brothers Strategy & M&A • Partner, Lehman Brothers Private Equity • Executive Vice President, Republic New York Corporation • Director of Investment Banking, The First Boston Group • Associate, Sidley & Austin • Associate, Skadden, Arps, Slate Meagher & Flom	• M.B.A., Yale School of Management • J.D., Duke University School of Law • B.A., Amherst College
Lance J. Whitehead, *Managing Director, Europe*	51	5	• Cygnus Capital • Assistant Director, Dresdner Kleinwort Capital • Banque Indosuez Bahrain • Royal Airforce Regiment	• M.B.A., Henley Management College, UK
Tarra Marie Mitchell, *Director*	36	6	• Management Consultant, J.P. Morgan • Management Consultant, The Hartford • European Equity Analyst, Deutsche Bank, Frankfurt	• I.M.B.A., Moore School of Business at the University of South Carolina • B.S., Pennsylvania State University.

Source: Landmark

The Secondary Partners are supported by an experienced group of Principals and Vice Presidents, several of which have been with the Firm for over six years. Of the mid-level professionals, PCG was particularly impressed with Ian Charles, a Principal of the Firm with two years of tenure. Prior to Landmark, Mr. Charles was a Partner and Co-Founder of Cogent Partners, a sell-side secondary intermediary, and as a former secondary banker, Mr. Charles has a unique approach to sourcing secondary transactions, which PCG has detailed in the Strategy section.

The table below includes summary biographies on the Fund's mid-level investment professionals:

Mid-Level Secondary Investment Professionals

Name, Position	Age	Yrs. w/ Firm	Prior Experience	Education
Ian H. Charles, *Principal*	30	2	• Co-Founder & Partner, Cogent Partners • The Crossroads Group	• C.F.A. • M.B.A., Wharton School of Business at the University of Pennsylvania • B.B.A., Texas Christian University
Michael A. Carrano, *Vice President*	33	3	• Senior Analyst, Conning Capital Partners	• M.B.A., Tuck School of Business at Dartmouth • B.S., University of Connecticut
Kathryn M. Feeney, *Vice President*	31	8	• Not Disclosed	• M.B.A., Stern School of Business at New York University • B.A., Villanova University
Julie A. Gionfriddo, *Vice President*	33	11	• Not Disclosed	• M.A. & B.A., Trinity College
Darren L. Schluter, *Senior Associate*	28	<1	• Finance Associate, ABN AMRO North America/LaSalle Bank Corporation	• M.B.A., Kellogg School of Management at Northwestern University • B.A., Williams College

Source: Landmark

In aggregate, Landmark's private equity secondary team consists of 17 investment professionals, including the six Secondary Partners. A team of 10 professionals, led by Landmark's Principal of Finance, Tina St. Pierre, executes the portfolio monitoring and reporting duties of the Firm. Antoinette Lazarus, Landmark's Chief Compliance Officer, was hired in 2006 to design and enforce the Firm's compliance program.

Succession & Stability

Landmark's succession plan is complete and includes the reallocation of Firm ownership to coincide with the reorganization of the Firm. The current ownership agreement includes provisions for valuation and buy-sell provisions in the event of death, disability, retirement, and voluntary or involuntary termination. Stanley Alfeld, former Chairman and Managing Partner of Landmark, retired as of January 1, 2004 and does not retain any ownership interest in the General Partner or receive carried interest in the Fund or its predecessor. Landmark planned Mr. Alfeld's transition to retirement prior to the formation of LEP XIII, and Mr. Borges succeeded him as Chairman. John Griner, a former Managing Partner of Landmark, retired in 2002.

PCG believes that Landmark managed the transition of leadership appropriately and that the current team of Secondary Partners represents a strong and stable group of investment professionals. In particular, PCG notes that many of the current senior and mid-level professionals of the Firm have had long careers at Landmark, which signifies a certain degree of cohesion among the secondary professionals.

Departures

A moderate number of senior professionals have left the Firm during the last five years. Partner Anthony Roscigno, who prior to Landmark was a member of the private equity group at AT&T, left the Firm in April 2004 under a mutual agreement and rejoined his former team at J.P. Morgan, which had absorbed the fund investment division of AT&T. Director Jason Gull left the Firm in

January 2004 to become a Partner at Adams Street and lead its secondary investment program. Simon Thornton, Vice President, retired as of October 2004 due to health reasons. Additional departures include two senior investment professionals focused on real estate, Managing Director Richard Maine and Partner Robert Harvey, who left Landmark to start their own real estate firm.

PCG believes that these departures do not significantly influence the stability of the Firm or the General Partner's ability to carry out the investment strategy for the Fund. The table below describes the departures experienced by Landmark during the last five years:

Landmark Secondary Investment Professional Departures Since 2003

Name	Title at Departure	Departure Date	Departure Rationale
Mark E. Dendinger	Manager	Feb-08	To pursue other opportunities.
Nikunj Shah	Senior Associate	Mar-07	To pursue other opportunities.
Shaun F. Fitzgibbon	Associate	Jul-06	To pursue a graduate degree.
Maura E. Reilly	Associate	Jul-06	To pursue a graduate degree.
Simon Thornton	Vice President	Oct-04	Retired.
Michael W. Farrell	Analyst	Apr-04	To pursue other opportunities.
Anthony J. Roscigno	Partner	Apr-04	To pursue other opportunities.
Stanley F. Alfeld	Chairman	Jan-04	Retired.
Jason S. Gull	Director	Jan-04	To pursue other opportunities.
Brendan T. Ryan	Analyst	Mar-03	To pursue a graduate degree.

Source: Landmark

Time and Attention

The General Partner expects that Messrs. Conners, McConnell, and Shanfield will contribute approximately 80% to 95% of their business time to secondary private equity investments, while Messrs. Borges, Haviland, and Alfeld will spend approximately 50% to 65% of their business time on these activities. Chairman and CEO Francisco Borges and President and COO Timothy Haviland will commit a significant portion of their business time to managing the administrative affairs of the Firm and overseeing the investment activities across each of Landmark's products. The time that Messrs. Borges and Haviland commit to the Fund will be focused primarily on sourcing investment opportunities. Mr. Alfeld, in addition to his duties to the Fund, will be active in the real estate investment activities of the Firm, committing roughly 40% of his business time to such investments. The following table estimates the expected allocation of time to the Firm's activities by the Secondary Partners:

Secondary Partners' Time Allocation for the Firm

Name	Co-Investments	Private Equity FoF	Private Equity Secondary	Real Estate FoF	Real Estate Secondary	Administrative / Internal	Total
Borges	10.0%	2.5%	55.0%	2.5%	5.0%	25.0%	**100%**
Haviland	10.0%	2.5%	65.0%	2.5%	5.0%	15.0%	**100%**
Alfeld	5.0%	2.5%	50.0%	12.5%	30.0%	0.0%	**100%**
Conners	2.5%	2.5%	95.0%	0.0%	0.0%	0.0%	**100%**
McConnell	2.5%	2.5%	95.0%	0.0%	0.0%	0.0%	**100%**
Shanfield	10.0%	10.0%	80.0%	0.0%	0.0%	0.0%	**100%**

Source: Landmark

The General Partner estimates that the portion of business time that each Secondary Partner dedicates to private equity secondary investments is allocated as follows:

Landmark Partner Time Allocation for the Fund

Name	Deal Sourcing	Review Opportunities	Due Diligence	Negotiating/ Structure	Monitoring Investments	Administration	Total
Borges	20%	10%	10%	5%	10%	45%	**100%**
Haviland	20%	10%	10%	15%	10%	35%	**100%**
Alfeld	15%	5%	10%	5%	10%	55%	**100%**
Conners	25%	20%	20%	20%	15%	0%	**100%**
McConnell	25%	20%	20%	20%	15%	0%	**100%**
Shanfield	25%	20%	20%	20%	15%	0%	**100%**

Source: Landmark

PCG generally believes that the Secondary Partners will commit sufficient time and attention to the Fund; however, PCG notes that the range and sheer number of investment products managed by the Firm may create a conflict of interest with respect to the allocation of time and attention of certain senior professionals. The risk related to such conflicts is partially mitigated by the presence of dedicated support teams for each of Landmark's other investment strategies. Specifically, the real estate group consists of five dedicated investment professionals, including three Partners, and the direct/co-investment group consists of three dedicated investment professionals.

Firm Ownership

Messrs. Borges and Haviland collectively own approximately 75% of Landmark's management company, while Messrs. Alfeld, Conners, McConnell, and Shanfield collectively own the remaining 25% ownership stake in the management company.

Compensation

Investment professionals of the Firm receive salary, performance-based bonus, and carried interest. According to the General Partner, salary is commensurate with each professional's experience and is competitive with the market.

Messrs. Borges and Haviland determine the allocation of carried interest on a fund-by-fund basis upon the Fund's final close, with amounts held in reserve for future allocation to new hires and/or a professional's subsequent contribution and performance. Landmark extends carried interest to the Vice President level and approximately 5% of the Fund's carry will be allocated to the real estate and direct investment professionals of the Firm. Similarly, the Secondary Partners receive a share of the carry in Landmark's real estate and direct investment vehicles. The General Partner believes that the shared carry will encourage professionals from each group to opportunistically source potential transactions for one another. Vesting will occur within four to seven years of the final close of the Fund. The General Partner expects that the carried interest of the Fund will be allocated as follows:

Expected Allocation of Carried Interest

Position	Carried Interest Range
Managing Partners	8% - 12%
Partners	8% - 10%
Principals & Vice Presidents	2% - 7%
Reserve	~ 10%
Total	100%

Source: Landmark

PCG believes that the proposed compensation for the investment professionals is in line with current market standards and that the Firm allocates carried interest appropriately across the investment professionals and personnel to provide proper incentives and encourage a long-term commitment to the Fund.

Investment Committee and Decision-Making Process

The Fund's Investment Committee ("IC") will be comprised of Messrs. Borges, Haviland, Alfeld, Conners, McConnell, and Shanfield. The IC meets weekly, or on an ad-hoc basis when necessary, to consider investments. Early in the process, after identifying an investment opportunity, the deal team advises the Investment Committee on the key elements of the investment opportunity and invites early reaction, advice, and input from other Landmark professionals. According to the General Partner, from the time Landmark sources the opportunity to its final close, the deal team continually communicates with the Investment Committee through weekly and ad-hoc meetings at critical junctures. The IC makes a final investment decision once the deal team completes due diligence, financial analysis, return projections, and is in final negotiation on terms, conditions, and price. Consensus of the Investment Committee is required for the approval of a transaction.

The Hybrid Fund & Investment Allocation

The Hybrid Fund has as target fund size of $400 million. Landmark is forming the Hybrid Fund to acquire interests in private equity portfolios that are less mature than those generally targeted by LEP XIV. Specifically, the Hybrid Fund will seek to make secondary investments in private equity portfolios that are less than 50% funded at the time of acquisition. Landmark will allocate investment opportunities between the Fund and the Hybrid Fund on a transactional basis and not at the underlying partnership level. Accordingly, the entire transaction, which will often consist of many partnership interests with varying maturities, must be less than or equal to 50% funded in order to qualify for the Hybrid Fund. Given the transactional allocation policy, the Hybrid Fund may include a limited number of seasoned partnerships that would otherwise qualify for investment by the Fund. Conversely, LEP XIV may acquire a limited number of individual partnership interests that are less than 50% funded at the time of acquisition.

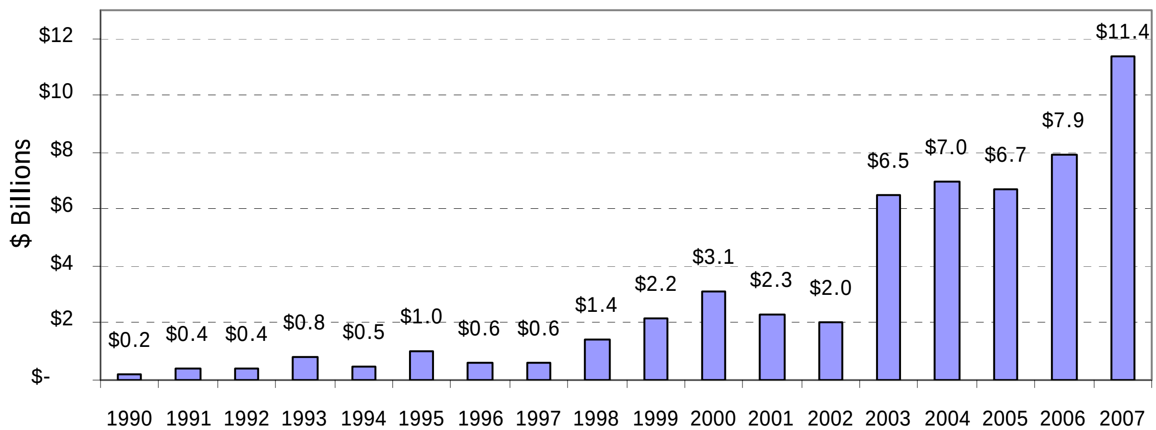
By selecting to allocate investment opportunities at the transaction level, Landmark has chosen to sacrifice certain efficiencies related to the distribution of underlying partnerships between the funds in order to eliminate the potential for conflicts of interest with respect to pricing and subsequently partitioning transactions. In general, PCG believes that allocating investment opportunities between the Fund and the Hybrid Fund at the transaction level is appropriate, as it reduces the potential for such conflicts of interest.

MARKET OVERVIEW

General

The market for secondary partnership interests has undergone significant changes since its inception in the late 1980s. Supply, demand, and the general sophistication of the secondary market have steadily increased since the 1990s. Annual secondary transaction volume, which grew modestly from 1990 through 2002, spiked in 2003 and reached an estimated all-time high of approximately $11.4 billion (equal to aggregate purchases + unfunded commitments) in 2007. As activity increased, the composition of the secondary market has evolved to include a growing number of buyers, educated sellers, sell-side secondary intermediaries, accommodating general partners, and a widening array of complex transaction types.

Global Private Equity Secondary Transactions



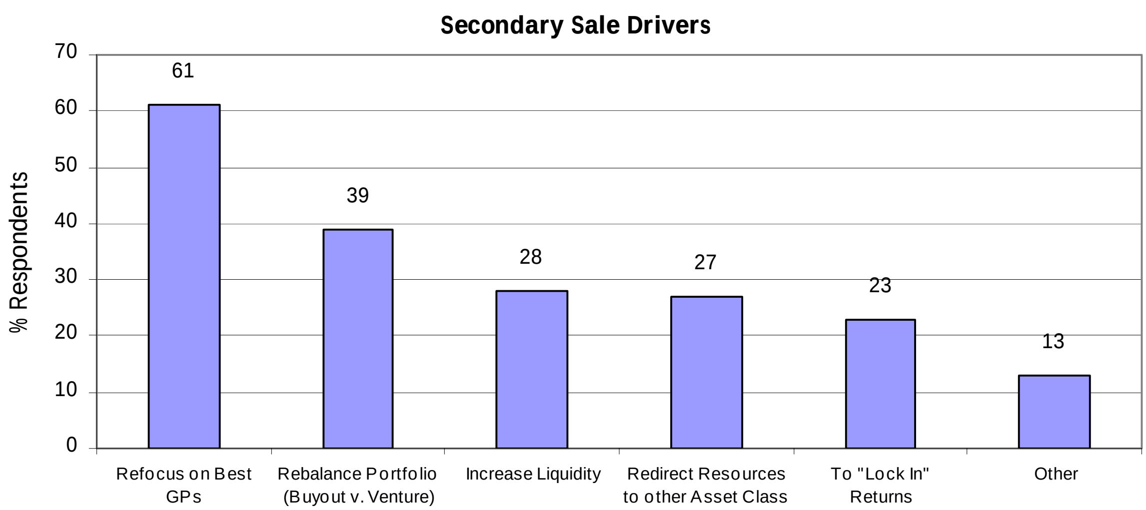
Source: Lexington Capital Partners

Supply

The increase in the global supply of secondary opportunities is largely the result of the growth in primary capital committed to private equity partnerships. Secondary market deal activity has historically been correlated to the amount of primary private equity dollars raised four to seven years prior and PCG research indicates that secondary market deal activity has averaged approximately 6% of the funds raised seven years prior from 2000 through 2007. However, the amount of primary capital raised does not tell the whole story. Early in the development of the secondary market, secondary supply was primarily event driven, where secondary sellers were motivated by factors including changes in corporate strategy, mergers and acquisitions, earnings volatility, government regulation, and general liquidity needs. However, over the last several years a new type of seller, driven by long-term portfolio management goals, has emerged. These sophisticated limited partners are using the secondary market as a portfolio management tool for maximizing returns through portfolio rebalancing, pruning of unwanted general partner relationships, and reducing portfolio administrative costs.

During the fourth quarter of 2007 and into 2008, event driven liquidity concerns have resulted in an increase in near-term transaction volume as the turmoil in the credit markets and balance sheet pressures from losses in the sub-prime and property markets are forcing financial institutions to shed their private equity interests in order to create or maintain liquidity. Secondary buyers also expect that hedge funds that have experienced a decline in value in the wake of the credit crisis will also serve as a source of deal flow, as many were active private equity investors during the recent boom. Additionally, pension funds, endowments and foundations are beginning to surpass their target private equity allocations due to the *denominator effect*. Since large institutional investors allocate a relatively small fixed percentage of their portfolios to private equity, a decline in the overall size of their portfolios (the denominator) will reduce allocations to all alternative investments (the numerator). Therefore, stock market declines will result in a reduction of available capital for investment in private equity. As such, this denominator effect may lead limited partners to trim or liquidate their existing private equity portfolios in order to create room for new investments or reduce their relative exposure to private equity.

While liquidity issues among financial institutions and the denominator effect among traditional limited partners will likely create a near-term swell of secondary transactions, and event-driven secondary sales will continue to be a major feature of the market, PCG believes that active portfolio management will represent a primary source of secondary sales over the long-term. In the past, limited partners were stigmatized as unreliable investors for using the secondary market; however, as the market has developed, general partners have adapted and become more accommodating of limited partners' transfer needs. In fact, many sophisticated general partners now view a secondary transaction as an extension of their marketing and fundraising efforts. The most notable "portfolio management" transaction may have been the $1.5 billion secondary sale by the California Public Employees' Retirement System ("CalPERS"). In many respects, the CalPERS sale opened the door for traditionally conservative public pension funds to consider the secondary market as a portfolio management tool and a recent poll of limited partners by UBS indicates that this trend is likely to continue in the near future. The results of the poll, which asked limited partners how they expect to use the secondary market in the future, are shown below:



Note: Survey based on a sample size of 110 limited partners and respondents could select more than one option.
Source: Coller Capital's Global Private Equity Barometer, Summer 2007 Edition

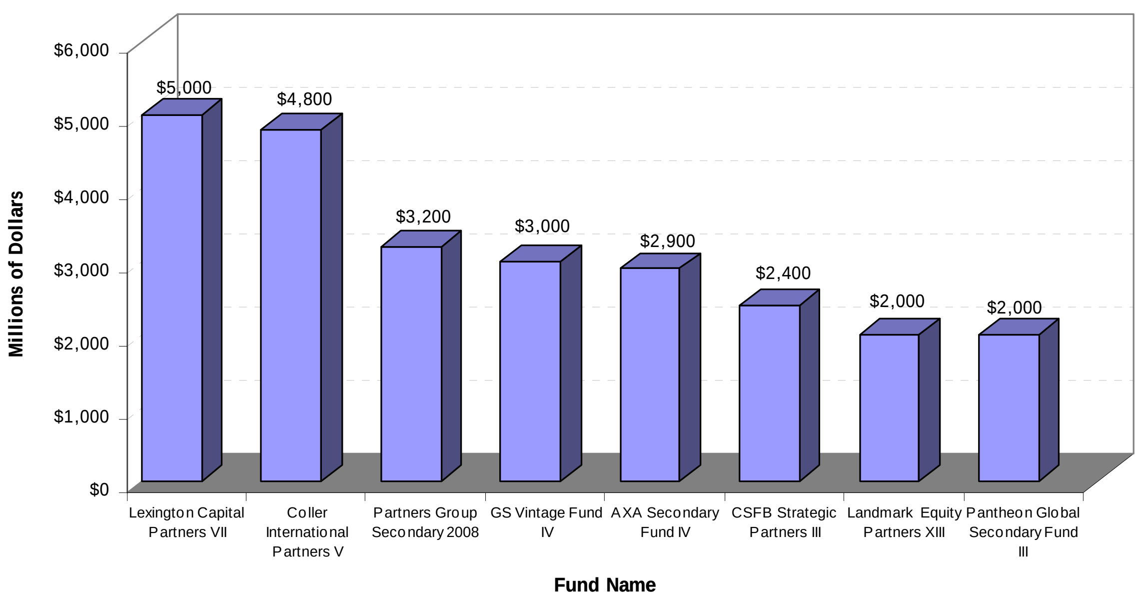
Demand & Pricing

The demand for secondary investments has remained strong since the 1990s, as secondary investments have provided many benefits for investors including attractive risk-adjusted returns. These returns are generally supported by the following four characteristics of secondary investments, which enhance their position with investors: reduced J-curve, diversification, lower blind pool risk, and discounted pricing.

As demand for secondary investments has increased, the number of buyers, degree of competition, and sophistication of sellers has followed suit. These factors and the strength of the buyout market in recent years led to a general compression of discounts, which had been a mainstay of the market since its formation. Cogent Partners, a sell-side secondary intermediary, reports that the average winning bid for auctioned transactions exceeded the net asset value ("NAV") of the underlying assets for the first time in 2006 (108% of NAV) and again in 2007 (104% of NAV). Other factors such as the increasing use of auctions by sellers and the fair market valuation requirements of FASB 157 will continue to place upward pricing pressure on secondary sales. Despite these pressures, secondary buyers benefited from increasing discounts during the fourth quarter of 2007 and expect to see deeper discounts in the upcoming cycle as the credit crisis is expected to increase the supply of secondary opportunities. A depressed private equity exit environment will likely force sellers to adjust their valuation expectations downward.

Fundraising

Given the robust demand for secondary investments, fund managers have been increasingly successful at fundraising in recent years. The following chart details the recent or expected fundraising targets of several major secondary firms:



Source: PCG Research, UBS, Private Equity Analyst, Probitas

Conclusion

Based on our analysis, PCG believes that the secondary market will remain highly competitive as the amount of dedicated capital increases and new players enter the market. Additionally, the market may continue its move towards auctioned processes, which, in combination with FASB 157, will continue to create upward pricing pressure and lower discounts compared to historical averages. However, PCG believes that the combination of the recent credit crisis and the resulting need for liquidity, the greater acceptance of secondary sales for portfolio management purposes, and the increasing sophistication of transaction structures have created a strong market opportunity for experienced secondary investors with proprietary access to deal flow to generate attractive returns.

STRATEGY

General

The General Partner will continue its strategy of acquiring a diversified portfolio of interests in established private equity funds from institutional holders seeking liquidity through secondary market transactions. Landmark's investment strategy is to focus principally on negotiated transactions in the secondary middle market, as opposed to participating in large portfolio auctions where price is generally the determining factor. Landmark will target investments that generally require between $50 million and $150 million of equity capital.

While the Firm will focus on the secondary middle market, Landmark has the experience and size to opportunistically participate in both large portfolio restructurings and small, but profitable, one-off sales. When Landmark considers larger, auctioned transactions above $150 million in size, the General Partner may seek co-investors for purposes of maintaining proper diversification. The General Partner may also invest up to 10% of aggregate commitments in primary fund investments.

Investment Approach

As the secondary market has evolved over the past decade, more capital has entered the market and the dedicated capital sources for secondary transactions have stratified. Landmark cites the development of secondary mega-funds, which rely on large competitive auctions for the deployment of capital, and smaller, niche-focused funds as evidence of this stratification. Landmark reviews and bids on all major opportunities, however, the General Partner typically focuses on completing acquisitions on a privately negotiated basis. Over time, Landmark has sized its funds in accordance with market opportunity and within the context of its stated investment strategy. LEP XIV has a $2.0 billion fundraising target, which represents a 47% increase over the $1.4 billion combined size of LEP XIII and LEP XIII-A. Landmark believes that the secondary market during the investment period of the Fund will be strong enough to support the increased fund size, but the General Partner has also created additional flexibility by extending the investment period to four years, rather than the Firm's historical standard of three years.

The Fund, like its predecessors, will target mature secondary investments, while the Hybrid Fund will target the developing market for young secondary investment opportunities. Targeted transactions will be at least 50% funded at acquisition, though generally more in the range of 70% to 80% funded and approximately five to six years old. The following table details the age and investment dispersion of the three most recent funds raised by Landmark:

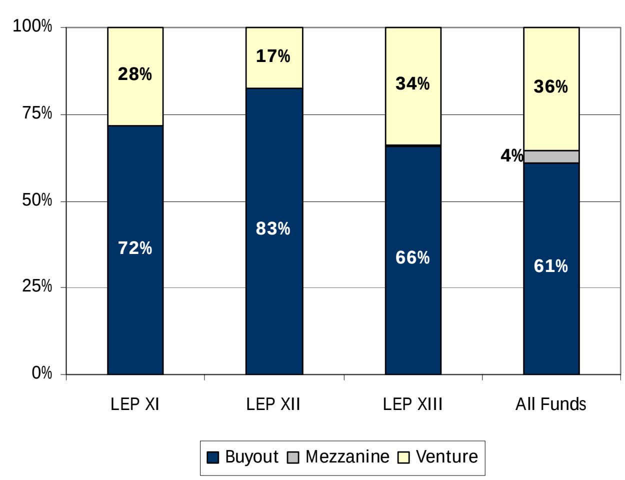
Investment Dispersion and Age at Acquisition

(As of September 30, 2007)	LEP XI	LEP XII	LEP XIII
Transactions	13	1	32
Partnerships	129	89	130
Sponsors	90	53	89
Underlying Companies	1,200+	1,000+	1,400+
% Funded at Time of Purchase	81.6%	79.4%	78.8%
Average Age at Time of Purchase (years)	6.1	5.1	6.3

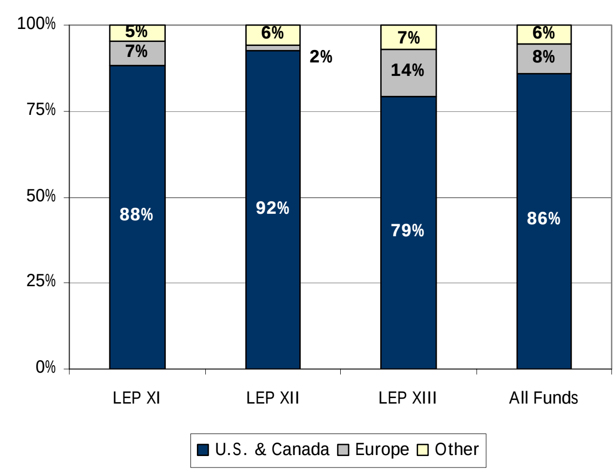
Source: Landmark

Landmark will seek to construct a portfolio that is diversified by vintage year, investment strategy, manager, sector focus, and geography in order to provide protection of principal while maximizing investment returns. The following charts demonstrate Landmark's diversification by asset type, geography and sector within its three most recent funds, as of September 30, 2007:

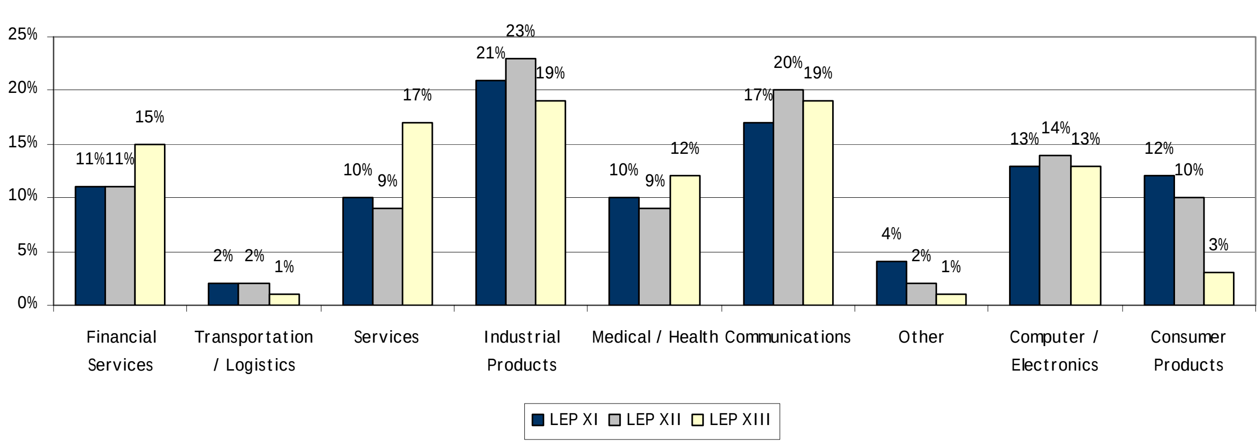
Fund Type by Invested Capital



Geography by Invested Capital



Sector Diversification by Invested Capital



Source: Landmark & PCG Research

Competition

Several established secondary investors have recently raised funds or will be fundraising soon, including Lexington, Coller, Lehman Brothers, Partners Group and Montauk Triguard. In addition, a variety of new participants are expected to enter the market including investment banks, fund-of-funds, traditional private equity firms and corporations. This influx of capital has led to an increasingly competitive environment for attractive transactions and deep discounts. From the perspective of sourcing transactions, Landmark considers its competitors to be large brokers including Cogent and UBS. Secondary buyers that may be direct competitors based upon fund size include Pomona Capital, Paul Capital, and Pantheon Ventures among others. The Firm believes it has a competitive advantage due to its focus on the secondary middle market, strong sourcing capabilities, willingness to execute unique transactions, and tenure and reputation in the secondary market.

Deal Flow

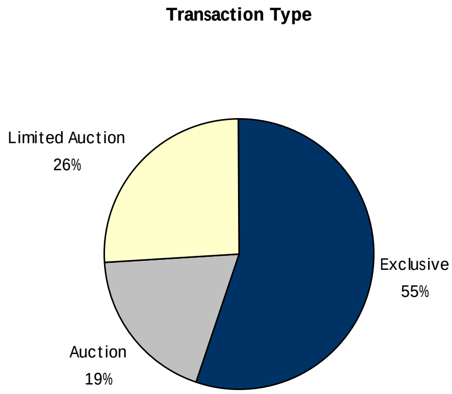
All members of the private equity team share the responsibility for sourcing deals. According to the General Partner, deals are generally sourced through interaction at annual meetings, through fundraising efforts while communicating with prospective investors, during periodic general partner discussions, and through communications after learning of a news event such as a merger. Over the last 19 years, the Firm has acquired a majority of transactions on a negotiated or limited auction basis. The Firm believes that its advantage in non-competitive situations lies primarily in the speed and efficiency with which it is able to conduct due diligence.

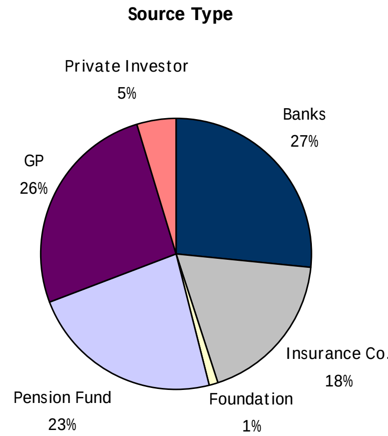
As the market has become more competitive, Landmark's network has become increasingly important over time. The Firm maintains an extensive database as a result of owning interests in over 800 partnerships with over 10,000 underlying companies or properties, as well as its co-investment and fund-of-funds investing programs. Landmark communicates proactively within its network to identify prospective sellers and to receive deal leads. Landmark's deal origination efforts are global and are supported by the Firm's London office.

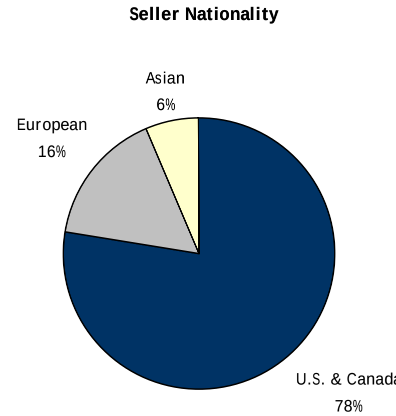
Additionally, Landmark has developed a suite of proprietary tools to assist limited partners in the evaluation of their private equity portfolio, which the General Partner offers, at no charge, to establish relationships with prospective sellers. Led by Mr. Charles, Landmark developed these tools to help address institutional limited partners' need to be more proactive in portfolio management. By offering its analytical services to prospective sellers of private equity assets, Landmark seeks to establish deep relationships with limited partners that are founded on advice, which may result in proprietary deal flow for the Fund. Landmark implemented this system approximately 18 months ago, and the General Partner reports that it has generated several strong leads.

Aside from these proactive deal sourcing efforts, the General Partner indicates that deals come to Landmark directly from sellers or from general partners who consider Landmark to be a good substitute limited partner for existing limited partners that are interested in selling. Landmark believes it generates proprietary deal flow in large part due to the Firm's history in the secondary market. According to the General Partner, sellers can be confident that Landmark will be acceptable to general partners that must approve the sale, and they also can perform due diligence on Landmark's reputation as a counterparty, providing greater certainty of close.

The following tables detail the transaction types and sources of the LEP XIII as of September 30, 2007:







Source: Landmark

Due Diligence

At least one Partner leads each due diligence effort with support from professional staff, which may include a Principal and/or Senior Associate and Associate. Total staffing and additional Partner level support depends on transaction size, complexity, and time requirements for due diligence and closings. Landmark's due diligence review includes: (i) the general partner's historical investment record; (ii) the general partner's investment return expectations compared to those specified when the fund was marketed; (iii) the basis for each current investment valuation; (iv) liquidity expectations by investment and year; (v) underperforming investments and strategies for recovery; (vi) portfolio company compliance with loan covenants; (vii) an estimated timetable for future capital calls; (viii) confirmation that there are no impediments to an orderly transfer of partnership interests; and (ix) future funding requirements for the companies.

Landmark reviews the general partner's projected exit timeline and reported value for each investment within the context of (i) current value; (ii) comparable public values; (iii) projected growth in cash flow; (iv) industry reports; and (v) the partnership's prior performance. Concurrently, the team evaluates the general partner's projections for returns on unfunded commitments, principally within the context of prior performance and future return expectations in the industry. Landmark prepares a cash flow model, which projects the net internal rate of return to limited partners over the life of the investment. The principal components of the model are: (i) the cash required to purchase the portfolio; (ii) projected distributions by year from existing and future investments; (iii) the leverage, if any, incurred in funding future capital calls; (iv) interest on borrowed funds; and (v) partnership working capital and organizational and operational expenses.

Additionally, Landmark will not acquire interests in partnerships if they have not had the opportunity to conduct due diligence calls directly with the underlying general partners or if all of the partnership information that they need to fully complete their due diligence and analysis is not available. The Fund will not acquire portfolios of direct investments if there is not an experienced manager in place to assist in the evaluation of the direct assets and manage them post-acquisition.

PCG has reviewed the due diligence findings and investment memoranda generated by Landmark and is generally satisfied with the quality and depth of the General Partner's analysis.

Monitoring & Exit Strategy

Landmark has a separate team of ten professionals that monitor and report on the underlying investments of each Fund. In addition, the deal team will continue to monitor a transaction throughout its life. To aid in the monitoring and progress of its investments, Landmark consistently attends annual meetings and maintains regular discussions with the general partners of its portfolio investments. In terms of selling existing holdings as a secondary investor, the General Partner typically holds its investments until the general partners of the funds distribute final proceeds.

TRACK RECORD

PCG has examined the investments presented as the General Partner's track record in order to confirm (i) performance representations, (ii) investment discipline, (iii) circumstances of these investments and subsequent events, and (iv) investment successes, disappointments and failures. The investments included in the track record are generally representative of the types of investments that will be pursued by the proposed Fund.

Landmark Partners

30-Sep-07

($ in millions)	LVP	LEP II	LEP III	LEP IV	LMP	LEP V	LSP	LSP IX	LEP X	LEP XI	LEP XII	LEP XIII	LEP XIII-A	OVERALL	Realized	Unrealized
Date of Initial Investment	Jun-90	Mar-92	Mar-93	Dec-94	Mar-95	Dec-95	Dec-98	Mar-00	Mar-01	Mar-04	Dec-04	Jun-06	Mar-07	Mar-00	Jan-00	Jan-00
Number of Investments	2	12	7	18	9	31	19	20	54	13	1	32	1	219	52	167
Fund Size[1]	$92	$98	$393	$217	$76	$298	$229	$357	$583	$626	$427	$1,200	$155	----	----	----
Amount Invested	$84	$93	$383	$211	$75	$292	$227	$350	$548	$543	$392	$601	$136	$3,934	$316	$3,619
Amount Realized	$208	$219	$990	$341	$126	$377	$219	$280	$518	$596	$434	$133	$64	$4,505	$399	$4,106
Remaining Value (PCG)	$0	$1	$18	$6	$3	$17	$43	$47	$217	$350	$237	$592	$103	$1,634	$0	$1,634
RETURNS																
Gross IRR (PCG)	27.1%	50.4%	36.0%	23.5%	31.5%	13.7%	4.6%	-1.7%	9.0%	51.6%	49.4%	44.2%	75.6%	28.1%	14.0%	29.4%
Net IRR Ranking	First	First	First	Second	Second	Third	Third	Third	First	First	First	First	First	----	----	----
Net IRR (PCG)[2]	23.9%	44.0%	31.6%	17.8%	25.9%	8.8%	0.9%	-3.9%	6.4%	43.5%	43.0%	31.9%	62.5%	22.4%	----	----
V.E. IRR - Upper Quartile[3]	19.5%	37.0%	26.0%	28.8%	34.5%	34.5%	11.0%	6.2%	5.2%	16.0%	20.7%	9.8%	-23.8%	----	----	----
V.E. IRR - Median[3]	10.4%	15.8%	12.9%	15.6%	11.3%	11.3%	3.8%	-1.9%	-1.4%	3.2%	4.5%	3.5%	-52.5%	----	----	----
Gross Total Value Multiple (PCG)	2.5x	2.4x	2.6x	1.6x	1.7x	1.4x	1.2x	0.9x	1.3x	1.7x	1.7x	1.2x	1.2x	1.6x	1.3x	1.6x
Net TVM Ranking	Second	Second	Second	Third	Third	Third	Third	Third	Second	First	First	First	First	----	----	----
Net Total Value Multiple (PCG)[2]	2.1x	2.0x	2.2x	1.4x	1.5x	1.2x	1.0x	0.9x	1.2x	1.6x	1.6x	1.2x	1.2x	1.4x	----	----
V.E. TVM - Upper Quartile[3]	2.2x	2.6x	2.5x	2.7x	2.9x	2.9x	1.6x	1.3x	1.2x	1.4x	1.4x	1.1x	0.9x	----	----	----
V.E. TVM - Median[3]	1.6x	1.9x	1.7x	1.8x	1.8x	1.8x	1.2x	0.9x	0.9x	1.1x	1.1x	1.0x	0.7x	----	----	----
Net Distributed to Paid in Capital	2.1x	2.0x	2.2x	1.4x	1.5x	1.2x	0.9x	0.7x	0.9x	1.0x	1.1x	0.2x	0.5x	1.1x	----	----
Loss Ratio	0.0%	0.0%	0.0%	5.4%	2.0%	18.0%	0.0%	14.9%	4.2%	0.0%	0.0%	0.5%	0.0%	4.5%	18.1%	3.3%

1. The fund size of $228.7 million for Landmark Secondary Partners is the total capitalization of the secondary acquisition partnership, not that of the umbrella vehicle, Landmark Private Equity Fund VIII, which had a cumulative capitalization of $421 million. The fund size of $357.4 million for Landmark Secondary Partners IX is the total capitalization of the secondary acquisition partnership, not that of the umbrella vehicle, Landmark Private Equity Fund IX, which had a cumulative capitalization of $410.3 million.
2. As the General Partner did not provide PCG with the net cash flows for its track record, PCG estimated the net figures with the assumption of a 1% management fee and 10% carry across all of the funds.
3. Venture Economics data for All U.S. Private Equity as of September 30, 2007.

Overall Performance

Since inception, Landmark has managed 13 secondary private equity partnerships representing approximately $4.7 billion of total capital. As of September 30, 2007, Landmark had invested $3.9 billion in 219 transactions that had generated an aggregate gross IRR and gross TVM of 28.1%

and 1.6x, respectively, and an estimated net IRR and net TVM of 22.4% and 1.4x, respectively. The 52 realized transactions in the track record generated a gross IRR and gross TVM of 14.0% and 1.3x, respectively. Landmark acquired the historical portfolios at an aggregate discount of 20.4% to the general partners' reported values.

Co-Management with Lexington Partners

Six of the early Landmark secondary funds were co-managed by Landmark and Lexington Partners ("Lexington"). According to Landmark, the respective firms amicably decided to pursue independent initiatives in 1995 due to differing philosophies regarding fund sizes and investment strategies. PCG has spoken extensively with Lexington regarding the decision to pursue independent initiatives. Lexington's account of the decision is in agreement with the account provided by Landmark. While maintaining co-management of the historic funds, each firm has pursued their own strategy successfully and maintained a cordial professional relationship. PCG notes that Landmark has raised and invested seven secondary private equity funds subsequent to the split with Lexington. Today, both Landmark and Lexington review and bid on all major opportunities; however, Landmark generally focuses on smaller secondary transactions. This strategic difference is evidenced by the fact that Landmark is currently targeting a $2.0 billion fund, while Lexington will seek to raise a $5.0 billion fund later this year. The table below describes PCG's view of the roles played by Landmark and Lexington in the co-managed Landmark secondary funds:

Capital Deployment of Co-Managed Funds

Landmark Secondary Fund	Vintage	Capital Deployment	Investment Focus	Landmark % of GP Carry
Landmark Venture Partners	1990	Landmark	Venture Capital	70%
Landmark Equity Partners II	1992	Landmark	Venture Capital	70%
Landmark Equity Partners III	1993	Lexington	Buyout	70%
Landmark Equity Partners IV	1994	Lexington	Buyout	60%
Landmark Mezzanine Partners	1995	Lexington	Mezzanine	70%
Landmark Equity Partners V	1995	Landmark	Venture Capital	70%

Source: PCG Research

Prior Funds

Landmark Venture Partners ("LVP"): In 1990, Landmark formed LVP to acquire a portfolio of 60 venture capital limited partnership interests from CIGNA and a smaller portfolio of venture interests from Merrill Lynch & Co. Landmark invested $84 million in the two transactions, acquiring the assets of LVP at a cumulative discount of 27.5% from reported net asset value. LVP generated a gross IRR and gross TVM of 27.1% and 2.5x, respectively, and a net IRR and net TVM of 23.9% and 2.1x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR basis and in the second quartile on a net TVM basis.

Landmark Equity Partners II ("LEP II"): Landmark formed LEP II with $98 million of equity capital in 1992 to continue the strategy of acquiring portfolios of limited partnership interests in venture capital funds. Landmark invested $93 million in 12 transactions, acquiring the assets of LEP II at a cumulative discount of 34.4% from reported net asset value. LEP II generated a gross IRR and gross TVM of 50.4% and 2.4x, respectively, and a net IRR and net TVM of 44.0% and 2.0x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR basis and in the second quartile on a net TVM basis.

Landmark Equity Partners III ("LEP III"): Landmark formed LEP III in 1993 to acquire a portfolio of eight buyout limited partnership interests from Westinghouse Credit Corporation. The fund was capitalized with $281 million of equity and a $112 million credit facility from Westinghouse to finance unfunded capital commitments of the Westinghouse portfolio. Landmark acquired the assets of LEP III at a cumulative discount of 36.4% from reported net asset value. LEP III generated a gross IRR and gross TVM of 36.0% and 2.6x, respectively, and a net IRR and net TVM of 31.6% and 2.2x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR basis and in the second quartile on a net TVM basis.

Landmark Equity Partners IV ("LEP IV"): Landmark formed LEP IV in 1994 to continue the strategy of acquiring portfolios of limited partnership interests in buyout funds. With a capitalization of $217 million, the fund completed 18 transactions, acquiring interests in 18 partnerships. Landmark acquired the assets of LEP IV at a cumulative discount of 31.5% from reported net asset value. LEP IV generated a gross IRR and gross TVM of 23.5% and 1.6x, respectively, and a net IRR and net TVM of 17.8% and 1.4x, respectively, placing the fund in the second quartile of comparable U.S. vintage year funds on a net IRR basis and in the third quartile on a net TVM basis.

Landmark Mezzanine Partners ("LMP"): LMP was formed in early 1995 to acquire a portfolio of mezzanine limited partnership interests and direct equity investments from a trust account managed by Morgan Guaranty Trust Company. Landmark invested $75 million in nine transactions, acquiring the assets of LMP at a cumulative discount of 23.8% from reported net asset value. LMP generated a gross IRR and gross TVM of 31.5% and 1.7x, respectively, and a net IRR and net TVM of 25.9% and 1.5x, respectively, placing the fund in the second quartile of comparable U.S. vintage year funds on a net IRR basis and in the third quartile on a net TVM basis.

Landmark Equity Partners V ("LEP V"): Landmark formed LEP V with $298 million of commitments in late 1995 to continue the Firm's secondary venture program and acquire direct investments on a secondary basis. Landmark invested $292 million in 31 transactions, acquiring the assets of LEP V at a cumulative discount of 18.6% from reported net asset value. LEP V generated a gross IRR and gross TVM of 13.7% and 1.4x, respectively, and a net IRR and net TVM of 8.8% and 1.2x, respectively, placing the fund in the third quartile of comparable U.S. vintage year funds on a net IRR basis and net TVM basis.

Landmark Secondary Partners ("LSP"): LSP was the secondary acquisition partnership of Landmark Private Equity Fund VIII ("LEF VII"), which was formed in 1998. LEF VII had an umbrella structure consisting of secondary, fund-of-funds, and co-investment partnerships. LSP was capitalized with $229 million and completed 19 transactions, acquiring the assets at a cumulative discount of 17.7% from reported net asset value. As of September 30, 2007, LSP had generated a gross IRR and gross TVM of 4.6% and 1.2x, respectively, and a net IRR and net TVM of 0.9% and 1.0x, respectively, placing the fund in the third quartile of comparable U.S. vintage year funds on a net IRR and net TVM basis.

Landmark Secondary Partners IX ("LSP IX"): LSP IX was the secondary acquisition partnership of Landmark Private Equity Fund IX ("LEF IX"). Landmark formed LSP IX in 2000 with $357 million of capital to acquire a diversified portfolio of secondary interests. The fund invested $350 million in 20 transactions, which it acquired at a cumulative discount of 24.8% from reported net asset value. As of September 30, 2007, LSP IX had generated a gross IRR and gross TVM of -1.7% and 0.9x, respectively, and a net IRR and net TVM of -3.9% and 0.9x, respectively, placing the fund in the third quartile of comparable U.S. vintage year funds on a net IRR and net TVM basis. LSP IX had substantial exposure to poor performing venture capital, direct secondary, and South American investments that contributed to the negative performance of the fund.

Landmark Equity Partners X ("LEP X"): Landmark formed LEP X in 2001 with $583 million of commitments. Landmark invested $548 million in 54 transactions, acquiring the assets of LEP X at a cumulative discount of 28.2% from reported net asset value. As of September 30, 2007, LEP X had generated a gross IRR and gross TVM of 9.0% and 1.3x, respectively, and a net IRR and net TVM of 6.4% and 1.2x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR basis and in the second quartile on a net TVM basis.

Landmark Equity Partners XI ("LEP XI"): Landmark formed LEP XI in 2004 with $626 million of commitments. The fund invested $543 million in 13 transactions, which Landmark acquired at a cumulative discount of 11.5% from reported net asset value. As of September 30, 2007, LEP XI had generated a gross IRR and gross TVM of 51.6% and 1.7x, respectively, and a net IRR and net TVM of 43.5% and 1.6x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR and net TVM basis.

Landmark Equity Partners XII ("LEP XII"): Landmark formed LEP XII in 2004 to acquire a portfolio of 89 leveraged buyout and venture capital partnership interests from a large bank. Landmark invested $392 million in the transaction, acquiring the assets of LEP XII at a cumulative discount of 10.0% from reported net asset value. As of September 30, 2007, LEP XII had generated a gross IRR and gross TVM of 49.4% and 1.7x, respectively, and a net IRR and net TVM of 43.0% and 1.6x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR and net TVM basis.

Landmark Equity Partners XIII ("LEP XIII"): Landmark formed LEP XIII in 2006 with a total capitalization of $1.2 billion. To date, the fund has invested in 32 funds comprised of 143 interests in 130 partnerships managed by 89 sponsors. Landmark invested $601 million in the transactions, acquiring the assets of LEP XIII at a cumulative discount of 5.1% from reported net asset value. As of September 30, 2007, LEP XIII had generated a gross IRR and gross TVM of 44.2% and 1.2x, respectively, and a net IRR and net TVM of 31.9% and 1.2x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR and net TVM basis.

Landmark Equity Partners XIII-A ("LEP XIII-A"): LEP XIII-A was formed in 2007 to acquire a portfolio of seven buyout partnership interests managed by the same sponsor from a limited partner that was seeking to reduce its aggregate exposure to said sponsor. According to the General Partner, the transaction was too large and the potential manager concentration would have been too great to include the investments of LEP XIII-A in LEP XIII. Landmark raised LEP XIII-A with $155 million of commitments and acquired the partnership interests at a 10.3% discount to the reported net asset value. As of September 30, 2007, LEP XIII-A had generated a gross IRR and gross TVM of 75.6% and 1.2x, respectively, and a net IRR and net TVM of 62.5% and 1.2x, respectively, placing the fund in the first quartile of comparable U.S. vintage year funds on a net IRR and net TVM basis.

INSTITUTIONAL INVESTORS

The General Partner is targeting $2.0 billion of capital commitments to LEP XIV. Landmark anticipates holding a first close in the second quarter of 2008. Due to confidentiality agreements, the Firm has chosen not to disclose the list of prospective commitments to LEP XIV prior to the Fund's closing. The following table includes the largest investors that committed capital to LEP XIII:

Investor	Amount Committed ($ millions)
IAM Private Equity	$100
Pennsylvania Public School Employees' Retirement System	100
New York City Retirement Systems	100
Western Conference of Teamsters Pension Trust	50
Graphic Arts Industry Joint Pension Trust	40
GOC/IBT – SRDF	30
Montgomery County Employees' Retirement System	30
Teachers' Retirement System of the City of New York	25
Trinity Health Pension Plan	25
Connecticut General Life Insurance Company	20
Houston Firefighters' Relief and Retirement Fund	20
National Football League Reciprocal Trust Fund	20
Newport Triguard Fund II	20
Trustees of the Carpenters' Pension Fund of Illinois	20

PCG is currently performing due diligence on behalf of the New York City Retirement Systems.

TERMS

Note: The summary of terms below is based on information provided in the March 10, 2008 draft version of the Limited Partnership agreement, preliminary legal documents, and oral discussions. These terms are subject to negotiation and may change prior to the final close of the Fund.

Placement Agent:	Merrill Lynch & Co.
Fund Size:	$2.0 billion target.
General Partner Commitment:	The General Partner will commit at least 1% of the limited partners' aggregate capital commitments to the Fund.
Commitment Period:	Four years from the final closing.
Term:	Ten years from the termination of the investment period.
Interests:	Limited Partners of the Partnership may commit capital in the form of Class A interests or Class B interests which bear differing management fees and carried interests. The General Partner may, in its sole discretion, limit the aggregate amount of subscriptions it accepts for any class of interest, and the equivalent class of interest in any parallel funds, at any time from the initial closing date through the final closing date.

Management Fee:	The General Partner will receive a management fee that is calculated separately for each Class A limited partner and Class B limited partner as follows: Class A – (i) During the investment period, 1.0% per annum of the capital commitment of a Class A limited partner; (ii) thereafter and until the eighth anniversary of the final closing, 1.0% per annum of capital contributions plus amounts subject to call for the Fund's obligations of a Class A limited partner; (iii) beginning on the eighth anniversary and until the tenth anniversary of the final closing, for each successive twelve month period, 90% of the aggregate fee for the prior twelve month period; (iv) thereafter and until the end of the life of the Fund, 1.0% per annum of the partnership's reported value.
Management Fee (con't):	Class B – (i) During the investment period, 0.85% per annum of the capital commitment of a Class B limited partner; (ii) thereafter and until the eighth anniversary of the final closing, 0.85% per annum of capital contributions plus amounts subject to call for the Fund's obligations of a Class B limited partner; (iii) beginning on the eighth anniversary and until the tenth anniversary of the final closing, for each successive twelve month period, 90% of the aggregate fee for the prior twelve month period; (iv) thereafter and until the end of the life of the Fund, 1.0% per annum of the partnership's reported value.
Management Fee Offsets:	All fee income received by Landmark in connection with each Fund's investments, including transaction fees, directors' fees, advisory board fees, and equivalent compensation (net of all related costs and expenses) will be used to offset investment advisory fees of such Fund. Additionally 100% of placement agent fees and excess organizational fees (over an amount equal to 0.1% of total capital commitments) will be used to offset the advisory fees of such Fund.
Carried Interest:	If such limited partner is a Class A limited partner, 10% of cash distributed. If such limited partner is a Class B limited partner, 15% of cash distributed.
Preferred Return:	8%.
Organizational Expenses:	Up to an aggregate amount of 0.1% of total capital commitments to the Fund ($2 million assuming a fund size of $2 billion).
Distributions:	Distributions shall be preliminarily allocated between the partners pro rata in proportion to their respective capital contributions for investments and shall thereafter be distributed in the following order of priority: (i) First, to each limited partner until such limited partner has received cumulative distributions equal to the total amount of capital contributions; (ii) Second, to each limited partner in an amount equal to the preferred return (8%); (iii) Third, to the General Partner in an amount equal to: (a) if such limited partner is a Class A limited partner, 10% of the cash distributed to such limited partner and the General Partner; (b) if such limited partner is a Class B limited partner, 15% of cash distributed to such limited partner and General Partner; (iv) Thereafter, (a) if such limited partner is a Class A limited partner, 90% to such limited partner and 10% to the General Partner; (b) if such limited partner is a Class B limited partner, 85% to such limited partner and 15% to such limited partner and General Partner.
Key Person Provision:	If, during the investment period of a Fund, any three of Francisco Borges, Timothy Haviland, James McConnell, Robert Shanfield or Scott Conners (each a "Key Man"), cease to be actively involved in the management of such Fund, the Investment Advisor and its affiliates (each a "Key Man Event"), such Fund will enter into a suspension mode and the General Partner shall be prohibited from making or committing to make any investment in a new portfolio entity as to which no letter of intent had been entered into as of the time of such occurrence. If within 150 days after entering into a suspension mode, the General

	Partner nominates, and a majority of the Advisory Board members approves, one or more replacements for the departed Key Man, the suspension mode will end and that Fund will resume its investment activities. If no replacement is nominated and approved within such 150-day period, the Investment Period for such Fund will terminate. Two-thirds in interest of the limited partners of a Fund may also elect to terminate the investment period of such Fund following the occurrence of a Key Man Event.
No-Fault Provision:	Limited partners with an interest of four-fifths of capital commitments may remove the General Partner at any time during the Investment Period.
Investment Restrictions:	The General Partner shall not have the authority to: (i) invest in uncovered options or derivatives or short sales of uncovered positions in violation of Section 16(c) of the Exchange Act; commitments; (ii) to the extent that any of the partnership's assets are considered "plan assets," will not make any portfolio investment unless the General Partner determines that the underlying assets of a portfolio investment will not be treated as "plan assets" under the Plan Asset Regulations; or (iii) make an investment in any primary investment that exceeds 10% of the aggregate capital commitments.
Use of Leverage:	The General Partner, without the approval of the Advisory Board, shall not incur indebtedness on behalf of the Partnership, provided, however, that the General Partner, in advance of drawing down capital may cause the Partnership to borrow under any credit facility so long as such borrowing is repaid or otherwise disposed of within one-hundred and twenty (120) days of the date such borrowing is made; provided, further, that any such borrowing from an Affiliate of Landmark Partners, Inc. shall require the approval of the Advisory Board.

Per the above, limited partners may choose between receiving Class A or Class B interests in the Fund. Class A limited partners will generally pay management fees of 1% of commitments per annum and carried interest of 10%, while Class B limited partners will generally pay management fees of 0.85% of commitments per annum and carried interest of 15%. The track record analysis above estimates the net performance of Landmark's prior investments assuming Class A interests, which results in an estimated net IRR of 22.4%. PCG notes that Class B interests would have generated a slightly lower estimated net IRR of 21.8%.

LITIGATION

According to the General Partner, there are no present or pending claims against the General Partner or any affiliated entities other than the items described in Appendix E. PCG searched public and private databases and did not find any information that contradicts the General Partner's assertion with respect to litigation. The General Partner stated that no past litigation, investigations or proceedings have been material to the Firm or its funds and they do not expect any pending claims to have a material effect on the General Partner or its funds. PCG has conducted independent research and is comfortable with the General Partner's assertion. We note that any matters resolved through an alternative dispute resolution mechanism are not likely to be included in any databases available at this time.

ATTRIBUTES/ISSUES

MANAGEMENT

(+) Experienced and Stable General Partner Group: Landmark's Secondary Partners have worked together for a minimum of nine years and an average of fourteen years. During this time, the Secondary Partners have invested as a cohesive team across multiple cycles in the secondary market. Moreover, Landmark has supplemented its senior team with the addition and retention of several experienced mid-level secondary professionals that will aid the sourcing, analysis and structuring of Fund investments. Lastly, the Firm successfully completed a transition of leadership leading up to and following the 2004 departure of Chairman and Managing Partner Stanley Alfeld, which indicates that the Firm is unlikely to encounter succession issues in the near future.

(+) Reputation & Network: Landmark is a pioneer of the private equity secondary market. During its 19-year history, the Firm has established a strong reputation and deep networks among limited partners, general partners, and other strategic entities within the secondary market and private equity in general. The Firm's reputation should enhance the Fund's position among sellers of private equity assets and the Secondary Partners' network may generate proprietary deal flow for the Fund.

(+) Firm and Fund Economics: PCG believes that ownership of the management company, while concentrated towards Messrs. Borges and Haviland, is distributed appropriately among the Secondary Partners. Additionally, Landmark allocates carried interest broadly among the members of the team, providing proper incentives and encouraging a long-term commitment to the Fund.

(+/-) Time and Attention of the General Partner: During the investment period of the Fund, Landmark will also invest and manage the Hybrid Fund, a private equity co-investment fund, a secondary real estate fund, and a real estate fund-of-funds. Additionally, the Firm has oversight responsibilities for a myriad of legacy vehicles that include direct private equity and real estate investments. PCG generally believes that the Secondary Partners will commit sufficient time and attention to the Fund; however, PCG notes that the range and sheer number of investment products managed by the Firm may create a conflict of interest with respect to the allocation of time and attention for certain senior secondary professionals.

(+/-) Historical SEC & Connecticut State Ethics Commission Investigations: In 2000, the SEC filed a complaint naming, as defendants, Landmark and former Landmark Chairman and Managing Partner Stanley Alfeld. Landmark and Mr. Alfeld agreed to pay $100,000 and $50,000, respectively, in civil penalties without admitting or denying the allegations. Mr. Alfeld retired from Landmark as of January 1, 2004. In 2001, Landmark received a notice from the State of Connecticut State Ethics Commission (the "Commission") stating that a preliminary investigation would be conducted to determine whether there was probable cause to believe that the Firm had violated any provision of the Code of Ethics for lobbyists. The Commission postponed a hearing on the matter indefinitely, and the General Partner believes that the likelihood of the Commission taking further action concerning the investigation is very low. PCG notes that each of these alleged violations are at least seven years old and that Landmark completed a transition of leadership following the occurrences. Additionally, Landmark hired a Chief Compliance Officer in 2006 to design and enforce the Firm's compliance program to ensure the Firm does not violate any laws in the future.

STRATEGY

(+) Risk/Reward Profile of Secondary Investments & Market Opportunity: Secondary market investments provide broad diversification and an attractive risk/reward profile, particularly in the current market cycle, where the supply of secondary investment opportunities is expected to increase. The highest level of risk in private equity investing commonly occurs during the early years of a fund's life. The Fund's secondary acquisitions will often take place after this period, thereby reducing general risk without significantly reducing potential returns. Furthermore, PCG believes that the Fund may experience a relatively rapid return on capital due to the maturity of its investments, offsetting some of the "J-Curve risk" typically associated with a primary investment in a fund.

(+) Fund Size & Middle Market Focus: While Landmark targets a fund size that is approximately 47% larger than the combined size of LEP XIII and LEP XIII-A, PCG believes that Landmark's target is consistent with its investment strategy and the current market opportunity. Landmark will seek to invest in non-auctioned transactions in the secondary middle market, with typical transaction sizes ranging from $50 million to $150 million. By targeting the secondary middle market, Lexington believes it can largely avoid competitive bidding situations where price is generally the determining factor. Additionally, PCG notes that Landmark maintains the flexibility and experience to complete transactions below or above the targeted range, and the General Partner has extended the investment period of the Fund to four years, compared to three years for LEP XIII, in order to compensate for the increased fund size.

(+) Deal Flow and Creative Sourcing: Landmark has sourced 55% of its historical transactions through proprietary channels and 26% through limited auctions. Additionally, the General Partner has recently implemented a creative sourcing and relationship building process whereby Landmark provides free portfolio analysis and consultation to large institutional limited partners that represent prospective secondary sellers. The General Partner notes that this system has already produced several constructive leads and may allow the Fund to preempt potential auction situations in the future.

(-) Increased Competition: With the increase in secondary market activity, the number of participants has expanded. Several established secondary investors have recently closed funds and a variety of new participants are expected to enter the market, including investment banks, funds-of-funds, traditional private equity firms and corporations. This influx of capital may lead to an increasingly competitive environment for attractive transactions.

TRACK RECORD

(+) Attractive Overall Returns: As of September 30, 2007, the Firm had invested $3.9 billion across its secondary transactions, resulting in a realized and total value of $4.5 billion and $6.1 billion respectively. Overall, the Firm's funds had generated a gross IRR of 28.1% and a gross TVM of 1.6x and a net IRR and net TVM of 22.4% and 1.4x, respectively.

(+) Recent Positive Returns: Landmark's four most recent private equity secondary funds have generated high positive returns. LEP XI and XII, both of which have made distributions that exceed the amount of invested capital, have generated estimated net IRRs of 43.5% and 43.0%, respectively, as of September 30, 2007. LEP XIII and LEP XIII-A have generated net IRRs of 31.9% and 62.5%, respectively. PCG notes that both LEP XIII and LEP XIII-A are relatively immature and as such, the future performance of these funds may change considerably from the performance represented in the track record as of September 30, 2007.

(-) Track Record Volatility: Landmark's performance across funds has varied considerably over time. Although Landmark's exhaustive track record, which includes all funds invested since 1990, has generated a gross IRR of 28.1%, Landmark's private equity secondary funds from vintage year 1998 through vintage year 2007 have generated a gross IRR of 14.2%. The depressed recent performance is attributed to LSP and LSP IX, which were 1998 and 2000 vintage year funds, respectively. LSP and LSP IX suffered as a result of exposure to a number of poor performing venture capital, direct secondary, and South American investments. The General Partner notes that Landmark refocused its process around detailed, bottom-up portfolio company analysis following LSP and LSP IX, which the General Partner believes has contributed to the success of its most recent funds.

TERMS & CONDITIONS

(+) Additive Fees: 100% of additive fees will offset management fees due from the limited partners. PCG believes this level of offset aids in the alignment of interests between the General Partner and limited partners; however, PCG recognizes that as a secondary fund the portfolio investments of the Fund will generate minimal additive fees, if any.

(+) 8% Preferred Return: The distribution waterfall will include an 8% preferred return, which PCG notes is not necessarily a market standard feature of secondary funds as it is with primary funds.

(+/-) Multiple Layers of Fees: As with any secondary fund, an investment in the Fund is subject to fees charged by each of the underlying investment partnerships, including management fees, organizational expenses and carried interest, that are additive to the fees charged by the Partnership. This duplication of costs will reduce net returns.

(+/-) Class A or Class B Interests: Limited partners may choose between Class A or Class B interests in the Fund. Class A limited partners will generally pay management fees equal to 1.0% of capital commitments per annum and receive a 90/10 carried interest spilt, while Class B limited partners will pay management fees of 0.85% per annum and receive an 85/15 carried interest split. PCG acknowledges that limited partners may appreciate the options provided by the Fund structure; however, PCG also notes that both fee/carry combinations appear undesirable relative to the fee/carry structure of LEP XIII (please see Appendix D).

(-) General Partner Commitment: The General Partner will commit 1% of aggregate commitments to the Fund. PCG would prefer to see an increase in commitment by the General Partner to help better align the interests of the General Partner with those of the limited partners.

(-) Organizational Expenses: The amount of organizational expenses chargeable to the Fund is calculated as 0.1% of total capital commitments. Assuming a fund size of $2.0 billion, the limited partners' burden of organizational expenses would be $2.0 million. PCG believes that this amount may be high relative to funds of comparable sizes and strategies.

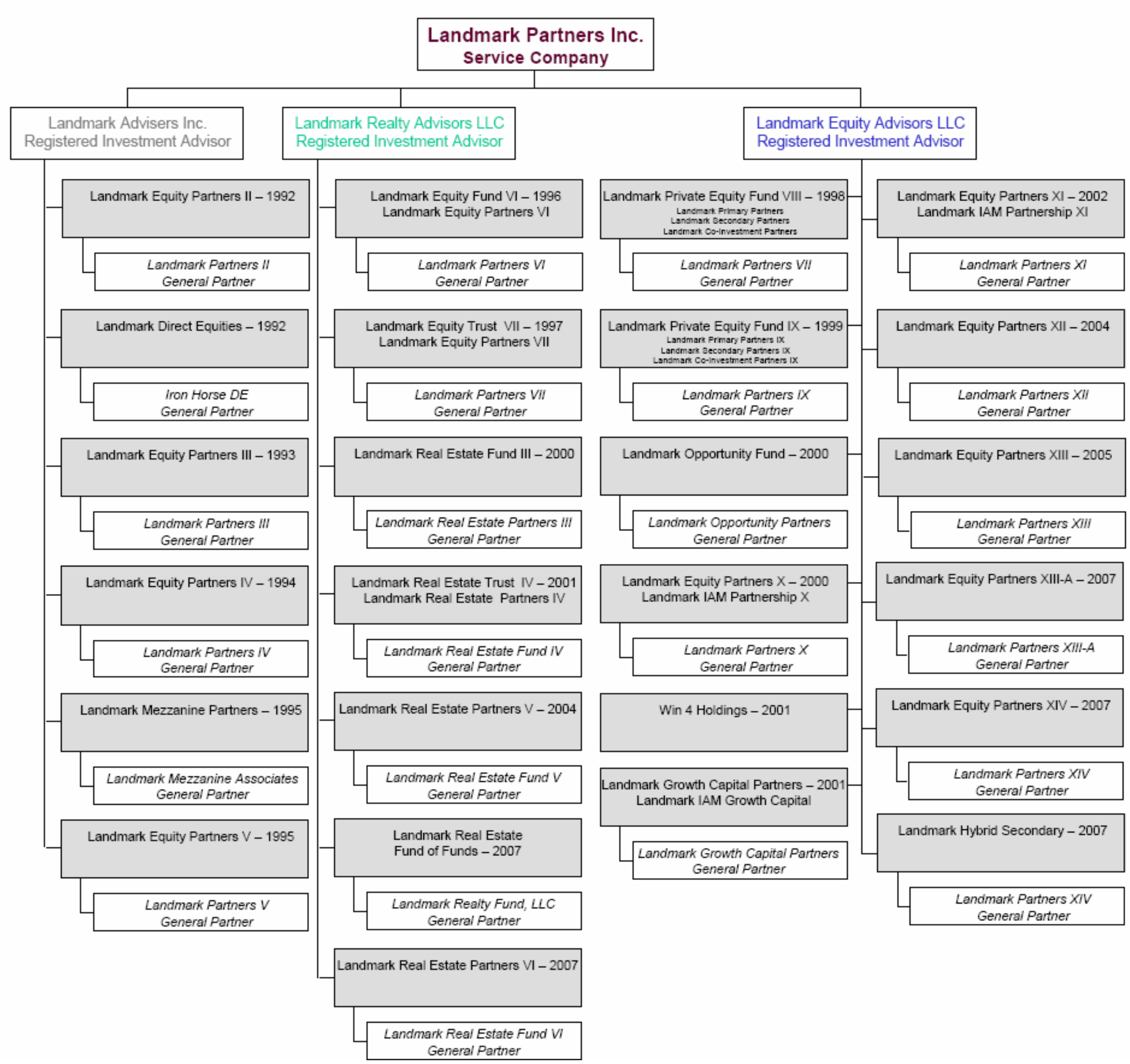
Appendix A: Due Diligence

In examining this opportunity, PCG's work included the following:

- Review of due diligence materials furnished by the General Partner.
- Requested and reviewed written responses to a set of questions specifically tailored to concerns with this opportunity.
- Conducted numerous reference checks.
- Conducted a news search for articles covering the Fund, the General Partner and the Principals.
- Met with Partners and staff at the General Partner's office in Simsbury, CT on March 25, 2008. Conducted detailed interviews of the individual professionals and reviewed relevant materials.
- Met with members of the Firm's investment staff in PCG's offices in La Jolla, CA in September and November of 2007.
- Confirmed performance representations (including the context and methodology of calculation) of track record. Independently calculated the overall and interim IRR of each investment.
- Compared the proposed investment opportunity against other, similar opportunities.
- Performed other work as deemed appropriate.

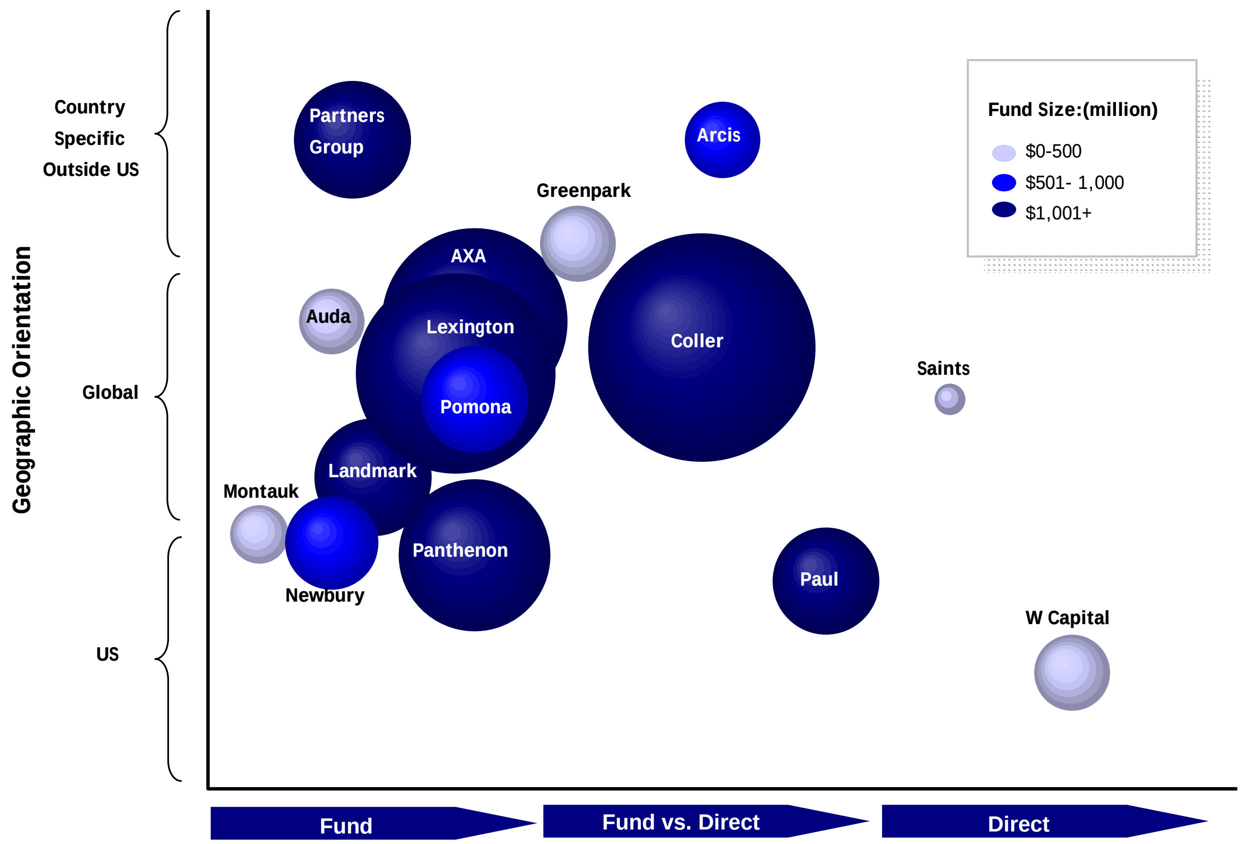
Through the aforementioned activities, PCG believes that the pertinent investment attributes and risks were identified and considered.

Appendix B: Landmark Funds



Source: Landmark

Appendix C: Secondary Market Competitive Landscape



`

Appendix D: Changes in Terms from LEP XIII to LEP XIV

Summary changes of substantive Terms from Landmark Equity Partners XIII (LEP XIII) to Landmark Equity Partners XIV (LEP XIV):

This summary is for reference purposes only and is not a substitute for full review of the Terms in the partnership agreement. Please refer to the Terms section of the Investment Memo for further detail.

	LEP XIII	LEP XIV
Investment Period	3 years from final close	4 years from final close
Investment Advisory Fee	Yr 1: 0.5% on committed Yr 2: 0.75% on committed Yrs 3-7: 1.0% on committed Yrs 8-life: 1.0% on RV	Class A shares: Yrs 1-4: 1.0% on committed Yrs 5-8: 1.0% on invested & committed Yrs 9-10: 90% of prior years fee Thereafter, 1.0% of the Reported Value of investments Class B shares: Yrs 1-4: 0.85% on committed Yrs 5-8: 0.85% on invested & committed Yrs 9-10: 90% of prior years fee Thereafter, 1.0% of the Reported Value of investments
Distributions	a) 8% preferred return b) Return of 100% of contributed capital c) 100% catch up to the General Partner d) Carried interest - 10%	a) Return of 100% of contributed capital b) 8% preferred return c) 100% catch up to the General Partner d) Carried interest: Class A – 10%, Class B – 15%
Minimum Commitment	$5 million	$10 million
Organizational Expenses	Maximum: $1 million	Maximum: 0.1% of commitments

Source: Landmark

Appendix E: Litigation

A civil complaint filed on October 10, 2000, by the Securities and Exchange Commission, naming Landmark Partners Inc. for alleged violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10(b)-5 thereunder; Section 17(a) of the Securities Act of 1933; and Section 206(1) and 206(2) of the Investment Advisers Act of 1940, was settled on December 18, 2000, without admission or denial of the allegations contained in the complaint.

On or around January 8, 2001, a notice from the State of Connecticut State Ethics Commission was received stating that a preliminary investigation would be conducted to determine whether there was probable cause to believe that Landmark Partners Inc. (an advisory affiliate of Landmark Equity Advisors) had violated any provision of the Code of Ethics for lobbyists, Connecticut General Statute 1-91et Seq. and with respect to Landmark Partners Inc. ("Landmark"). The Commission alleges violations of the following sections of the Code of Ethics for lobbyists, Chapter 10 Part II Connecticut General Statutes: Connecticut General Statutes 1-94(2), Connecticut General Statutes 1-96(A) and Connecticut General Statutes 1-97(B). The Commission has not determined whether there is probable cause to believe that Landmark has violated any provision of the Code of Ethics for lobbyists. Hearings scheduled for June 2002 were postponed and have not been rescheduled.

On August 31, 2001, the Banking Commissioner for the State of Connecticut, Department of Banking executed a Stipulation and Agreement with respect to Landmark Equity Advisors, LLC, (the "Companies") registered investment advisors with the SEC. The Stipulation and Agreement alleged that from October 1997 through March 2001, when appropriate notice filings were made, the Companies failed to make the investment advisor notice filing required by Section 36b-6(e) of the Connecticut Uniform Securities Act (the "Act") and pay the annual fees.

Without admitting or denying the Commissioner's allegations, Landmark Equity Advisors LLC agreed to (i) refrain from violating the notice filing and fee payment provisions of Section 36b-6(e) of the Act; (ii) implement such supervisory and compliance procedures as were necessary to ensure compliance with state investment advisory notice filing requirements; and (iii) remit $5,000 to the Department of Banking constituting past due notice filing fees, an administrative fine, and the Department of Banking's investigation cost reimbursement.

Appendix F: Biographies

Francisco L. Borges, 56, Chairman, CEO, & Managing Partner. Mr. Borges directs Landmark's strategic planning and investment activities. Prior to joining Landmark in 1999, Mr. Borges was a Managing Director at GE Capital's Financial Guaranty Insurance Corporation and Capital Markets subsidiaries, before which he was Treasurer for the State of Connecticut, Deputy Mayor of the City of Hartford and legal counsel for Travelers Insurance Companies. Mr. Borges serves on the board of directors and investment committee of the Hartford Foundation for Public Giving and is a member of the University of Hartford Board of Regents. He graduated from Trinity College with a B.A. in Political Science and the University of Connecticut Law School.

Timothy L. Haviland, 47, President, COO, & Managing Partner. Mr. Haviland directs Landmark's strategic planning and investment activities. Mr. Haviland has been with the Firm since 1985 and played a key role in Landmark's first acquisition of a private equity portfolio and the subsequent expansion into additional investment classes. Prior to joining Landmark, Mr. Haviland was a Senior Accountant with Rusconi, Cahill & Larkin, a regional public accounting firm, where his emphasis was on financial services companies. He serves on the advisory board of Western Property Advisors, and is involved in a number of local community activities. Mr. Haviland is a Certified Public Accountant who received a B.S. from the University of Connecticut and an M.B.A. from Rensselaer Polytechnic Institute.

Chad S. Alfeld, 40, Partner. Mr. Alfeld is involved in investor relations, marketing and transaction origination of alternative investments at Landmark. Mr. Alfeld was part of the team that completed Landmark's initial real estate secondary acquisition and, subsequently, worked on the investment activities of the Firm's private equity and real estate programs. Prior to joining Landmark in 1995, he was Controller of Health Plans Capital Services Corporation and was a Senior Consultant with Arthur Andersen LLP. Mr. Alfeld serves on the board of the Connecticut Venture Group and the board of its Hartford Chapter. Mr. Alfeld is a Certified Public Accountant who received a B.A. in Economics from Middlebury College, an M.S. in Accounting from DePaul University, and an M.B.A. from the University of Chicago.

Scott P. Conners, 39, Partner. Mr. Conners is engaged in transaction origination, underwriting, and negotiation of private equity investments at Landmark. Mr. Conners joined Landmark in 1993. He serves on the advisory board of Pacific Venture Group, Massey Burch, Century Park Capital, Edison Venture, Caltius Equity Partners, Kinetic Ventures, Utech Climate Challenge Fund, Hampshire Equity Partners II & III, Cedar Creek Partners, and Apple Tree Partners. Mr. Conners is a Chartered Financial Analyst (CFA) who received a B.A. in Business and Economics from the University of Maine and an M.B.A. from Pennsylvania State University.

James P. Holdcroft, 53, Partner. Mr. Holdcroft works on corporate strategy and new product development at Landmark. Prior to joining Landmark in 2007, Mr. Holdcroft was responsible for strategy and investor relations at Greywolf Capital Management, a leading hedge fund management firm. Prior to that, Mr. Holfcroft held several senior positions in the financial services industry including Managing Director at General Atlantic Partners; Managing Director at Lehman Brothers Inc., where he was an advisor to the Executive Committee on strategy and M&A and was a Partner in the private equity group; Executive Vice President at Republic New York Corporation; and Director – Investment Banking at the First Boston Group. Prior to working in the financial service industry, Mr. Holdcroft practiced law with Skadden, Arps, Slate Meagher & Flom and Sidley & Austin (Brown & Wood). Mr. Holdcroft is a member of the bar associations of New York, California, and the District of Columbia. He received a B.A. from Amherst College, a J.D. from Duke University School of Law, and attended Yale University School of Management.

James P. McConnell, 45, Partner. Mr. McConnell is engaged in transaction origination, underwriting, and negotiation of private equity investments at Landmark. Prior to joining Landmark in 1990, Mr. McConnell was a Senior Accountant with Arthur Andersen. He serves on the advisory boards of Ascent Ventures, Apple Tress Partners, Verdane Capital, and Vision Capital Partners. Mr. McConnell is a Certified Public Accounting who received a B.S. from Merrimack College.

Robert J. Shanfield, 47, Partner. Mr. Shanfield is engaged in transaction origination, underwriting, and negotiation of private equity investments at Landmark. Prior to joining Landmark in 1998, Mr. Shanfield served as Senior Vice President in GE Capital's Equity Capital Group where he was responsible for originating and managing direct private equity investments in the U.S. and Europe. At GE Capital, Mr. Shanfield was integral in leading the firm's first initiative in non-U.S. private equity investing as the European lead in GE Capital's joint investment program with Advent International. He also held positions at EF Hutton and State Street Bank and Trust Company. Mr. Shanfield serves on the advisory boards of American Capital Equity II, Catalyst Investors, Friedman Fleisher & Lowe, Great Hill Partners I, Invest Industrial, and Sterling Investment Partners. He received an A.B. from Boston College and an M.B.A. from the Colgate Darden School at the University of Virginia.

Lance Whitehead, 51, Managing Director, Landmark Partners Europe. Mr. Whitehead is responsible for investor relations, business development, and transaction origination in Europe and the Middle East. Prior to joining Landmark in 2003, Mr. Whitehead participated in the spin-off of a private equity placement boutique, Cygnus Capital Ltd. He was an Assistant Director in Dresdner Keinwort Capital's fundraising group, working with investors in Europe and the Middle East. Prior to that, he was at Banque Indosuez Bahrain, where he was responsible for raising capital for U.S., European, and Asian private equity teams. Mr. Whitehead spent 20 years in the Royal Air Force Regiment, partly in the Middle East. Mr. Whitehead received an M.B.A. from Henley Management College, U.K.

Ian H. Charles, 30, Principal. Mr. Charles is responsible for sourcing private equity and real estate secondary transactions developing new structural solutions for institutional investors, and negotiating private equity investments. Prior to joining Landmark in 2006, Mr. Charles was a co-founder of Cogent Partners where he was responsible for originating private equity secondary transactions, managing client engagements and creating the firm's research subsidiary. He was also part of the investment team at The Crossroads Group where he focused on primary, secondary, and equity co-investments opportunities. Mr. Charles is a Chartered Financial Analyst (CFA) who received a B.B.A. in Finance & Accounting from Texas Christian University and an M.B.A. from the Wharton School of Business.

Tarra Marie Mitchell, 36, Director. Ms. Mitchell is responsible for investor relations, business development, and transaction origination for the Firm's private equity and real estate funds. Prior to joining Landmark in 2002, Ms. Mitchell consulted on e-business and customer relationship management for J.P. Morgan and The Hartford. She additionally evaluated prospective venture capital deals for a placement agent and served as a European equity analyst for Deutsche Bank in Frankfurt. Ms. Mitchell serves on the Board of Directors of the Women's Association of Venture and Equity (WAVE) and on the Advisory Board of Netage Solutions. Ms. Mitchell received a B.S. from the Pennsylvania State University and an International M.B.A. from the Moore School of Business at the University of South Carolina.

Julie A. Gionfriddo, 33, Vice President. Ms. Gionfriddo is engaged in transaction origination, underwriting, and negotiation of private equity investments. Ms. Gionfriddo joined Landmark in 1997 and has participated in the investment management of Landmark's last seven private equity funds. Ms. Gionfriddo received a B.A. and an M.A. in Economics from Trinity College.

Michael A. Carrano, 33, Vice President. Mr. Carrano is engaged in transaction origination, underwriting, and negotiation of private equity investments. Mr. Carrano joined Landmark in 2004 and has participated in the investment management of Landmark's last three private equity funds. Prior to attending graduate school, he was a Senior Analyst with Conning Capital Partners. Mr. Carrano graduated from the University of Connecticut with a B.S. in Finance, and from Tuck School of Business at Dartmouth with an M.B.A.

Kathryn M. Feeney, 31, Vice President. Ms. Feeney is engaged in transaction origination, underwriting, and negotiation of private equity investments. Ms. Feeney joined Landmark in 1999 and has participated in the investment management of Landmark's last six private equity funds. Ms. Feeney received a B.A. in Economics from Villanova University and an M.B.A. from New York University – Leonard N. Stern School of Business.

Darren L. Schluter, 28, Senior Associate. Mr. Schluter is engaged in transaction origination, underwriting, and negotiation of private equity investments. Prior to joining Landmark in 2007, Mr. Schluter was a finance associate at ABN AMRO North America/LaSalle Bank Corporation. Mr. Schluter received a B.A. from Williams College and an M.B.A. from Kellogg School of Management.

CREDIT SUISSE EMERGING MANAGER AMENDMENT

Credit Suisse Emerging Manager Funds
Amendment

Background

In June of 2008, NYCRS closed on an aggregate commitment of $295M for the Credit Suisse Emerging Manager Fund of Funds ($196M) and the Credit Suisse Emerging Manager Co-Investment Fund ($99M). To date, the Fund of Fund vehicle has made investments into eight (8) underlying emerging manager funds, while the co-investment vehicle has only made two (2) investments over the past two years.

Proposed Amendment

This memo is a proposal to amend the fund sizes for both the **CS Emerging Manager Fund, L.P.,** (“CS EM Fund”) and the **CS Emerging Manager Co-Investment Fund, L.P.** (“CS Co-Invest Fund”) by $50 million.

The proposal will reduce the current NYCRS CS Co-Invest Fund of $101 million by $50 million, and transfer that amount of dry powder into the CS EM Fund, which is currently $200 million, but will increase to $250 million. NYCRS represents 98% of both CS Funds and CS represents 2% of both funds.

Amendment Rationale

The CS Co-Invest Fund has been slow in committing capital due to the lack of quality co-investment deals in the market. To date the CS EM Funds has invested in eight (8) different funds with more in the pipeline for the coming years. Meanwhile, the CS Co-Invest Fund has only invested in two (2) deals.

A transfers of dry powder capital from the CS Co-Invest Fund to the CS EM Fund, presents itself as more opportunistic allowing the Systems to increase its diversification into more emerging manager funds, and further strengthen the already active commitment pace of the CS EM Fund.

Proposed Fire Amended Fund Commitments

NYCFDPF (Fire)	CS EM Fund	CS Co-Invest Fund	Total
Original	$7,000,000	$4,000,000	$11,000,000
Amended	$8,979,798	$2,020,202	$11,000,000

Action Recommendation:

- Amend/increase CS NYCFDPF Emerging Manager Fund size to $8.97M
- Amend/decrease CS NYCFDPF Emerging Manager Co-Investment Fund size to $2.02M

MEMORANDUM

TO: New York City Employees' Retirement Systems
New York City Fire Department Pension Fund
New York City Police Pension Fund
New York City Teachers' Retirement System

FROM: PCG Asset Management, LLC

DATE: June 22, 2010

RE: CS Emerging Manager Fund, L.P. & CS Emerging Manager Co-Investment Fund, L.P.

We have reviewed the amendment from CS Emerging Manager Fund, L.O. (the "Funds") and CS Emerging Manager Co-Investment Fund, L.P. (the "Co-Investment Funds") from June 16, 2010 from a business/investment point of view. The proposal requests an amendment to Schedule I of the partnership agreement to reduce the aggregate commitments of the Co-Investment Funds by $50 million and concurrently increase the aggregate commitments of the Funds by $50 million.

Transfers from the Co-Investment Funds to the Funds would be pro-rata based on the original commitment.

We believe that, from a business/investment perspective, it is reasonable to consent to this Amendment. For the avoidance of doubt, PCG AM notes that the proposed amendment does not involve potential conflicts of interest. We formed our opinion based on the following:

- Additional capital to invest in funds where more opportunity currently exists
- Provides more diversification for the Funds

We note that the proposed amendment will have no affect on the management fees as they are the same for both the Funds and Co-Investment Funds; however, the Funds have a 5% carry while the Co-Investment Funds have a 10% carry.

If you have any questions, please do not hesitate to call Michelle Davidson or Kara King at (858) 456-6000.

CREDIT SUISSE

CONFIDENTIAL

NYC Emerging Domestic Manager Program

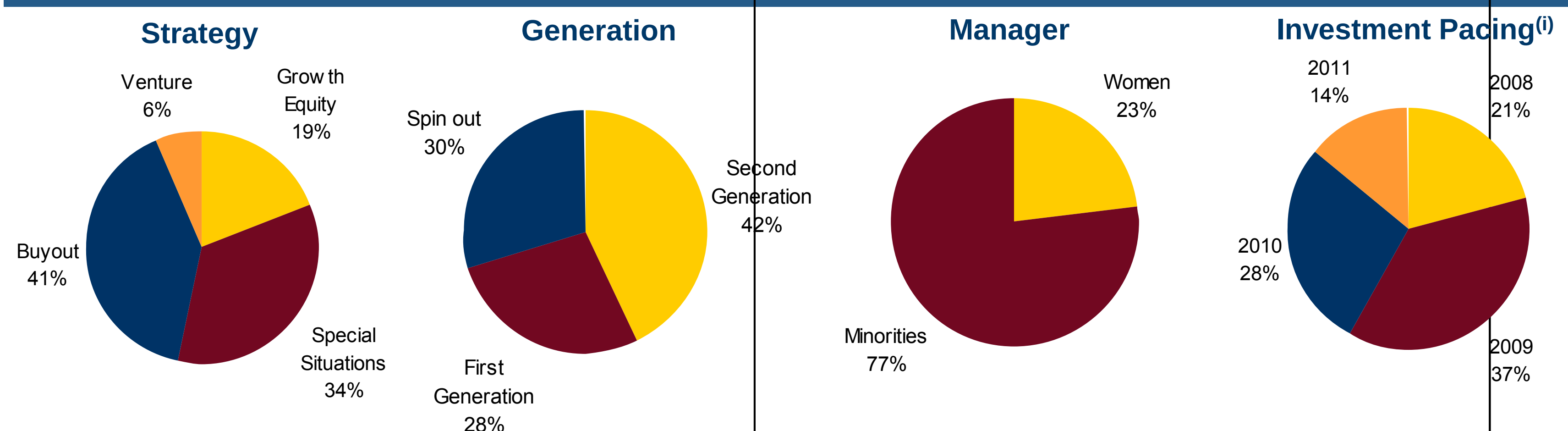
June 23, 2010

NYC Fund Program Overview

$ in millions

Funds	Amount	Asset Class	Generation	Year
Commitments				
Pharos Capital Partners II-A, L.P.	$15.0	Growth Equity	Second	2008
Clearlake Capital Partners II, L.P.	19.5	Special Situations	Spin out	2008
KH Growth Equity Fund, L.P.	7.5	Growth Equity	Second	2008
Uni-World Capital, L.P.	12.5	Buyout	First	2009
Vista Foundation Fund, L.P.	19.5	Buyout	Second	2009
Grey Mountain Partners Fund II, L.P.	15.0	Buyout	Spin out	2009
DBL Equity Fund, BAEF II, L.P.	7.5	Venture	Second	2009
Avante Mezzanine Partners I, L.P.	7.7	Special Situations	First	2009
Total	**$104.2**			
Pending Avenate Mezzanine Commitment:	11.8			
Program Size	**$200.0**			
Total Dry Powder Available	**$84.0**			

Current Fund Allocation



(i) 2010 and 2011 represent expected investment pacing for the Program's remaining dry powder

New York City Mandates for Funds & Co-Investments

Funds		Amount Committed
Program Size		
CS NYCERS Emerging Manager Fund, L.P.		92,857,143
CS NYCFDPF Emerging Manager Fund, L.P.		7,142,858
CS NYCPPF Emerging Manager Fund, L.P.		52,040,817
CS TRSCNY Emerging Manager Fund, L.P.		47,959,184
Total		**200,000,002**
Fund Commitments	**Fund Size**	
Pharos Capital Partners II-A, L.P.	150,000,000	15,000,000
Clearlake Capital Partners II, L.P.	500,000,000	19,500,000
KH Growth Equity Fund, L.P.	150,000,000	7,500,000
Uni-World Capital, L.P.	150,000,000	12,500,000
Grey Mountain Partners Fund II, L.P.	250,000,000	15,000,000
DBL Equity Fund, BAEF II, L.P.	150,000,000	7,500,000
Vista Foundation Fund I, L.P.	400,000,000	19,500,000
Avante Mezzanine Partners Fund I, L.P.	200,000,000	7,690,828
Total		**104,190,828**
Pending Avante Mezzanine Commitment:		11,809,172
Total Dry Powder Available		**84,000,002**

Co-Investments	
Program Size	
CS NYCERS Emerging Manager Co-Investment Fund, L.P.	53,061,225
CS NYCFDPF Emerging Manager Co-Investment Fund, L.P.	4,081,634
CS NYCPPF Emerging Manager Co-Investment Fund, L.P.	18,367,347
CS TRSCNY Emerging Manager Co-Investment Fund, L.P.	25,510,205
Total	**101,020,411**
Co-Investment Commitments	
Marshall Retail Group	9,000,000
Bolttech-Mannings	4,957,636
Total	**13,957,636**
Total Dry Powder Available	**87,062,775**

ERASMUS NEW YORK CITY GROWTH FUND IA

Erasmus New York City Growth Fund IA

Background

In July 2008, NYC Fire and Police closed on $50.5M in the Erasmus New York City Growth Fund IA ("Erasmus IA"), with a special mandate to make specific NY-based co-investments. NYC Fire has a $10M commitment in the fund, of which $1.2M has been drawn down. **Erasmus IA, in which NYC Fire and Police are sole LPs, holds only one investment in Herald National Bank, ($3M) as of the fourth quarter of 2009**.

Erasmus New York City Growth Fund IA

Vintage: 2008			Fund Size: $50.5M		Police ($40M) / Fire ($10M)		
List of Investments:							
Name	**Date**	**Location**	**Industry**	**Invested**	**Realized**	**FMV**	**TMV**
Herald National Bank	10/08	NY	Financial	$3.0M	-	$2.6M	0.8x

Erasmus GP Replacement

Given Aldus' involvement in the SEC and NY Attorney General indictment in a fraudulent kick-back scheme with the New York State Common Retirement Fund, the Comptroller's Office has been working to legally replace the Erasmus fund with a new General Partner. To date, BAM has identified four potential GP replacements, all of which have existing relationships across the NYC Retirement System Pension funds. (See Appendix A)

Erasmus GP Replacement Short List:

- Co-Investment Partners (Lexington)
- Credit Suisse Co-Investment Fund
- Mesirow Financial Capital Partners
- NB Co-Investment Partners

Co-Investment Partners Europe (Lexington):

Total Fund Size: $287.9M — Total NYCRS Commitment: $63.6M

Currently NYC Employees and NYC Teachers have an existing relationship with Co-Investment Partners Europe (Lexington)—a $287.9M fund. Across both systems the NYC commitment is $63.6M. The fund was formed to make equity and equity-related co-investments alongside European private equity funds. As of the 4th Quarter of 2009, the fund has made €119M investments in fourteen (14) different co-investment deals. As of year-end, those deals were held at €86M fair market value and a total value multiple of 0.7x.

Credit Suisse Co-Investment Fund:

Total Fund Size: $99M	Total NYCRS Commitment: $99M

The Credit Suisse Co-Investment Fund, managed by the Credit Suisse Customized Fund Investment Group, currently manages a special Emerging Manager mandate for the New York City Systems. Across all four NYC Systems, the total commitment is $99M. The fund targets investments alongside small and emerging manager funds. As of the 4th Quarter of 2009, the fund has made $7.3M investments in two (2) different co-investment deals. As of year-end, those deals were held at cost, reflecting a total value multiple of 1,0x.

Mesirow Financial Private Equity Partnership Funds III and IV:

Total Fund Size III: $505.5M	Total NYCBERS Commitment: $57M
Total Fund Size IV: $909.6M	Total NYCBERS Commitment: $25M

Mesirow Financial Private Equity Partnership Fund (MPF) currently manages two fund-of-fund vehicles in which the NYC Board of Education Retirement Systems is an existing LP. MPF III (2005 vintage) has invested $328.2M into 42 private equity partnerships, generating a -0.3% IRR since-inception. MPF IV (2006 vintage) has invested $238M into 45 private equity partnerships, and is currently 30% committed. Performance is still too early to be meaningful according to the fund.

Mesirow Capital Partners (MCP), has three Direct/Co-Investment Funds designed to invest in companies alongside private equity funds in which the Mesirow fund-of-fund vehicles have an existing relationship. Currently, none of the NYC Retirement Systems have any exposure to the Mesirow Direct/co-Investment Funds, however below is a table with details of the three Direct/Co-Investment Funds:

Fund	Fund Size	Invested Capital	Portfolio Value	Net IRR Since Inception	Return Multiple
MCP VIII (2001)	$60.4M	$61M	$148M	24.7%	2.2x
MCP IX (2005)	$146M	$118.2M	$99.6M	NM	0.8x
MCP X (2009)	$125-$150M*	$17.5M	$17.5M	NM	1.0x

**Still in fund-raise mode.*

NB Co-Investment Partners (fka LB Co-Investment Partners):

Total Fund Size: $1.5BN	Total NYC Police Commitment: $60M

Currently, only NYC Police has an existing relationship with NB Co-Investment Partners. To date the fund has invested $1.2BN across 33 deals, generating a -0.7% IRR and a 1.1x total value multiple.

Appendix A

Existing Relationships of Potential Replacement GPs across all NYC Retirement Systems

Fund Name	System	Vintage Year-Close Date	Capital Committed	Total Contribution	Total Distribution	Market Value	IRR @ 7/1/2010
Co-Investment Partners Europe (Lexington)	NYCERS	2007	38,157,000	20,564,239	126,978	15,429,670	-18.50%
	NYCT	2007	25,438,000	13,709,494	84,651	10,286,446	-18.50%
Subtotal: Co-Investment Partners Europe			63,595,000	34,273,733	211,629	25,716,116	-18.50%
CS Emerging Manager Co-Investment Fund	NYCERS	2008	52,000,000	8,330,660	60,440	7,177,315	-10.02%
	NYCF	2008	4,000,000	668,232	4,649	526,829	-16.24%
	NYCP	2008	18,000,000	2,903,864	20,922	2,467,367	-11.00%
	NYCT	2008	25,000,000	4,021,609	29,058	3,437,549	-10.58%
Subtotal: CS Emerging Manager Co-Investment Fund			99,000,000	15,924,365	115,069	13,609,060	-11.96%
CS Emerging Manager Fund	NYCERS	2008	91,000,000	21,019,842	2,597,444	16,338,463	-11.14%
	NYCF	2008	7,000,000	1,645,492	199,804	1,220,446	-15.53%
	NYCP	2008	51,000,000	11,795,694	1,455,659	9,140,596	-11.43%
	NYCT	2008	47,000,000	10,872,950	1,341,527	8,420,552	-11.48%
Subtotal: CS TRSCNY Emerging Manager Fund			196,000,000	45,333,978	5,594,434	35,120,057	-12.40%
Mesirow Financial Private Equity Fund III	NYCBERS	2005	57,000,000	40,273,273	211,092	37,641,178	-2.41%
Subtotal: Mesirow Financial Private Equity Fund III			57,000,000	40,273,273	211,092	37,641,178	-2.41%
Mesirow Financial Private Equity Fund IV	NYCBERS	2006	25,000,000	8,467,233	128,759	6,803,875	-12.35%
Subtotal: Mesirow Financial Private Equity Fund IV			25,000,000	8,467,233	128,759	6,803,875	-12.35%
NB Co-Investment Partners	NYCP	2006	60,000,000	50,043,666	16,718,713	32,780,220	-0.50%
Subtotal: NB Co-Investment Partners			60,000,000	50,043,666	16,718,713	32,780,220	-0.50%
NB Emerging Manager Custom Fund	NYCF	2009	5,000,000	700,000	0	630,284	-13.12%
	NYCP	2009	20,000,000	2,800,000	0	2,521,136	-13.12%
Subtotal: NB Emerging Manager Custom Fund			25,000,000	3,500,000	0	3,151,420	-13.12%
Grand Total(s)			**525,595,000**	**197,816,248**	**22,979,696**	**154,821,926**	

APPENDICES

INVESTMENT ADVISOR WATCH LIST

New York City Fire Department Pension Fund
Investment Manager Watch List

U.S. FIXED INCOME

Date On	Manager	Reason	Sector	Assets ($MM) as of May '10
Oct. 2009	Lord Abbett	Organizational Changes & Performance	Convertibles	33.1

	1-mth	3-mths	6-mths	9-mths	1-yr	Since Inception (7/1/08)
Lord Abbett - Convertibles	-4.88	1.12	5.15	11.41	23.11	-0.45
BofA ML All Convertibles Index	-4.80	1.68	6.89	13.99	29.05	1.06
Difference	-8 bps	-56 bps	-174 bps	-258 bps	-594 bps	-151 bps
All Convertibles Mgrs	-4.15	1.62	5.93	11.19	22.89	3.28

Date On	Manager	Reason	Sector	Assets ($MM) as of May '10
Nov. 2009	ING Clarion Capital*	Organizational Changes	Opportunistic Fixed Income CMBS	4.52
March 2010	MacKay Shields	Organizational Changes & Performance	High Yield	153.8

	1-mths	3-mths	6-mths	9-mths	1-yr	2-yr
MacKay - HY	-1.73	1.70	5.49	12.65	24.18	8.30
Merrill HY Master II Index	-3.52	1.69	6.64	16.19	29.89	8.72
Difference	+179 bps	+1 bps	-115 bps	-354 bps	-571 bps	-42 bps
All HY Managers	-2.67	1.64	5.32	12.14	22.55	7.43

Date On	Manager	Reason	Sector	Assets ($MM) as of May '10
April 2010	Goldman Sachs	SEC Civil Suit	Mortgage	79.1
May 2010	Advent	Performance	Convertibles	37.2

	1-mth	3-mths	6-mths	9-mths	1-yr	Since Inception (7/1/08)
Advent - Convertibles	-3.50	2.07	6.63	11.00	22.68	6.94
BofA ML Yield Alt. Index	-2.76	1.98	6.06	12.75	27.11	6.51
Difference	-74 bps	+9 bps	+57 bps	-175 bps	-443 bps	+43 bps
All Convertibles Mgrs	-4.15	1.62	5.93	11.19	22.89	3.28

Date On	Manager	Reason	Sector	Assets ($MM) as of May '10
May 2010	Access Capital Strategies	Organizational Changes	ETI/Mortgage	7.2

U.S. EQUITY

Date On	Manager	Reason	Sector	Assets ($MM) as of May '10
June 2009	BGI (R3000)	Acquisition by BlackRock	Passive R3K Index	870.5
June 2009	BlackRock (R3000)	Acquisition of BGI	Passive R3K Index	804.9

NON- U.S. EQUITY			Sector	Assets ($MM)
Date On	Manager	Reason		as of May '10
Nov. 2007	State Street (Emerging Markets)	Performance	Emerging Mkts	79.8

	1-mth	3-mths	6-mths	9-mths	1-yr	2-yr
State Street (Emerging Markets)	-9.81	-0.31	-2.11	11.40	21.91	-14.70
MSCI Emerging Markets Free Index	-8.75	-0.16	-1.61	12.10	22.72	-10.10
Difference	-106 bps	-15 bps	-50 bps	-70 bps	-81 bps	-460 bps
Total Emerging	-9.04	0.65	-1.27	13.06	26.48	-11.50

June 2010	Acadian (Emerging Markets)	Performance	Emerging Mkts	84.7

	1-mth	3-mths	6-mths	9-mths	1-yr	2-yr
Acadian (Emerging Markets)	-9.12	0.96	0.32	13.98	27.62	-12.27
MSCI Emerging Markets Free Index	-8.75	-0.16	-1.61	12.10	22.72	-10.10
Difference	-37 bps	112 bps	193 bps	188 bps	490 bps	-217 bps
Total Emerging	-9.04	0.65	-1.27	13.06	26.48	-11.50

June 2010	Governance For Owners (Activist)	Process	Activist	16.6

	1-mth	3-mths	6-mths	9-mths	1-yr	2-yr
Governance For Owners	-8.35	5.47	4.44	11.72	51.33	NA
MSCI Europe Smid Cap	-13.28	-6.29	-10.22	-4.62	11.42	NA
Difference	493 bps	1,176 bps	1,466 bps	1,634 bps	3,991 bps	NA
Total Activist	-5.29	5.81	11.51	11.22	29.89	NA

July 2010	Philadelphia	Organizational Changes	Developed Markets	78.4

* Limited opportunities to withdraw from fund. On Watch List to indicate it is closely monitored.

I:\Investment Strategy\Watch List\Watch - Fire.xls

BASKET CLAUSE

FIRE - BASKET/NON BASKET SUMMARY

As of May 31, 2010	Fund Policy			Fund Actual (PE & RE on an invested basis)		
Equity	**Non Basket**	**Basket**	**Total**	**Non Basket**	**Basket**	**Total**
Domestic Equity	36.50%	0.00%	36.50%	40.87%	0.00%	40.87%
REITS	3.00%	0.00%	3.00%	3.23%	0.00%	3.23%
Non-U.S. Equity	10.00%	5.60%	15.60%	10.00%	4.73%	14.73%
Private Equity	0.00%	5.00%	5.00%	0.00%	5.81%	5.81%
Real Estate	2.00%	3.00%	5.00%	0.70%	0.88%	1.58%
Opportunistic						
Equity - US	3.50%			0.71%		
Equity - Non-US		1.40%	4.90%		0.37%	1.08%
Total Equity	55.00%	15.00%	70.00%	55.51%	11.79%	67.30%
Fixed Income						
Core+5	19.00%	0.00%	19.00%	18.47%	0.00%	18.47%
U.S. Gov't Sector	*3.86%*	*0.00%*	*3.86%*	*3.16%*	*0.00%*	*3.16%*
Mortgage Sector	*8.77%*	*0.00%*	*8.77%*	*8.97%*	*0.00%*	*8.97%*
Credit Sector	*6.37%*	*0.00%*	*6.37%*	*6.34%*	*0.00%*	*6.34%*
High Yield	5.00%	0.50%	5.50%	5.76%	0.64%	6.40%
TIPS	2.50%	0.50%	3.00%	2.09%	0.48%	2.57%
Convertibles	1.00%	0.00%	1.00%	1.06%	0.00%	1.06%
Opportunistic	1.00%	0.50%	1.50%	0.07%	0.50%	0.57%
Other Fixed Income	0.00%	0.00%	0.00%	3.60%	0.03%	3.64%
Total Fixed Income	28.50%	1.50%	30.00%	31.05%	1.65%	32.70%
Total Fund	83.50%	16.50%	100.00%	86.56%	13.44%	100.00%
Remaining Capacity		8.50%			11.56%	

CONTRACT UPDATE

July 2010
Fire Contract Update

As of 7/12/10

New Contracts

Firm	Contract Status	System	Selection Date	Allocation Date	Funding
State Street Global Advisors (U.S. Equity Passive Index)	Draft contract to be sent to manager	Fire	July 2010	July 2010	NA
BlackRock Institutional Trust Corporation, N.A. (U.S. Equity Passive Index)	Draft contract to be sent to manager	Fire	July 2010	July 2010	NA
Iridian Asset Management (U.S. Equity Active Mid/Smid Cap: Mid Cap Value)	Contract under review by manager	Fire	July 2010	July 2010	0%
TimesSquare Capital Management, LLC (U.S. Equity Active Mid/Smid Cap: Mid Cap Growth)	Manager comments under review	Fire	July 2010	July 2010	0%

New Contracts

Firm	Contract Status	System	Selection Date	Allocation Date	Funding
Wellington Management Company LLC (U.S. Equity Active Mid/Smid Cap: Mid Cap Core)	Contract under review by manager	Fire	July 2010	July 2010	0%
Security Investors LLC (U.S. Equity Active Mid/Smid Cap: Smid Cap Value).	Contract under review by manager	Fire	July 2010	July 2010	0%

Renewals

Asset Class	Managers	Expiration/ Renewal Term
U.S. Equity Large Cap Growth- 1st Renewal	Pyramis Global Advisors Trust Company	Expires 6/30/10 Awaiting final signatures
U.S. Equity Large Cap Growth- 1st Renewal	Zevenbergen Capital Inc.	Expires 6/30/10 Awaiting final signatures

Extensions

Asset Class	Managers	Expiration/ Renewal Term
International Equity Index	State Street Bank and Trust Co.	Expires 6/30/10 Awaiting final signatures

Private Equity Funds

Fund	Date of Commitment	Status
FS Equity Partners VI, LP	June 16, 2010	In negotiation

12-MONTH PLAN

New York City Fire Department Pension Fund
Work Plan Year Ending
July, 2011

Rev.7/12/2010	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
DOMESTIC EQUITY						Large Cap RFP Scope
	2 U.S. Equity Passive Index Contract Negotiations (1)	U.S. Equity Passive Index RFP Funding				
	4 U.S. Equity Mid/Smid Cap RFP Contract Negotiations (2)	U.S. Equity Mid/Smid Cap RFP Contract - Law Dept. Review	U.S. Equity Mid/Smid Cap Final Contracts Executed	U.S. Equity Mid/Smid Cap RFP Funding		
	2 U.S Equity Large Cap Growth Manager Renewals (3)					
INTERNATIONAL EQUITY			EAFE Passive RFP Manager Selections & Contract Negotiations	Law Department for Review & Contracts Executed	EAFE Passive Funding	
	1 International Equity Index Manager Renewal (4)					
OTHER			June 30 Quarterly Reports for Pension Fund and VSF Funds			September 30 Quarterly Reports for Pension Fund and VSF Funds

New York City Fire Department Pension Fund
Work Plan Year Ending
July, 2011

Rev.7/12/2010	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
DOMESTIC EQUITY							
INTERNATIONAL EQUITY							
OTHER			December 31 Quarterly Reports for Pension Fund and VSF Funds			March 31 Quarterly Reports for Pension Fund and VSF Funds	

New York City Fire Department Pension Fund
Work Plan Year Ending
July, 2011

Rev.7/12/2010	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
REAL ESTATE			March 31 Quarterly Report			June 30 Quarterly Report
PRIVATE EQUITY	**1 Fund Commitment (5)**					
			March 31 Quarterly Report			June 30 Quarterly Report
ETI			June 30 Quarterly Report			September 30 Quarterly Report

New York City Fire Department Pension Fund
Work Plan Year Ending
July, 2011

Rev.7/12/2010	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
REAL ESTATE			September 30 Quarterly Report			December 31 Quarterly Report	
PRIVATE EQUITY							
			September 30 Quarterly Report			December 31 Quarterly Report	
ETI			December 31 Quarterly Report			March 31 Quarterly Report	

New York City Fire Department Pension Fund
Work Plan Year Ending
July, 2011

FOOTNOTES:

1. U.S Equity Passive Index Contract Negotiations (draft contracts to be sent to managers) - State Street Global Advisors and BlackRock Institutional Trust Corporation, N.A.

2. U.S. Equity Active Mid/Smid Cap Contract Negotiations (contracts under review by managers and/or manager comments under review) - Iridian Asset Management (Mid Cap Value), TimesSquare Capital Management (Mid Cap Growth), Wellington Management Company LLC (Mid Cap Core) and Security Investors LLC (Smid Cap Value).

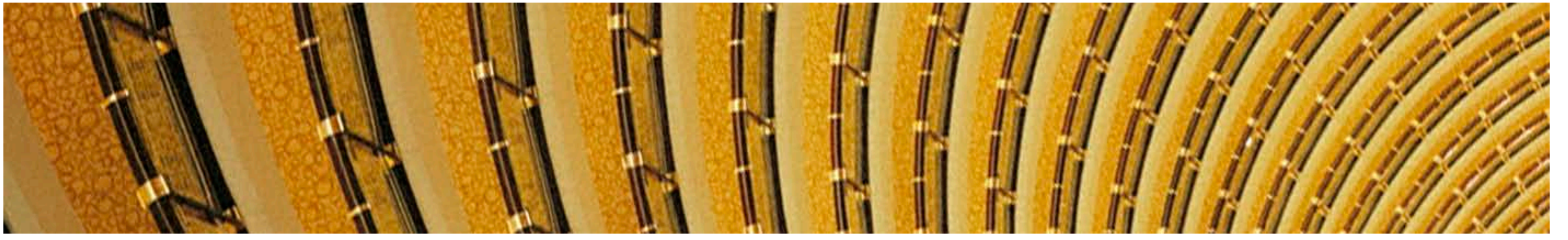
3. U.S. Equity Large Cap Growth Manager (1st renewals awaiting final signatures) - Pyramis Global Advisors Trust Company and Zevenbergen Capital Inc.

4. International Equity Index Manager (extension awaiting final signatures) - State Street Bank and Trust Co.

5. Private Equity Fund Commitment (in negotiation) - FS Equity Partners VI, LP.

SECURITIES LENDING UPDATE

BNY MELLON
ASSET SERVICING



July, 2010

Securities Lending Update

New York City Fire Department Pension Fund

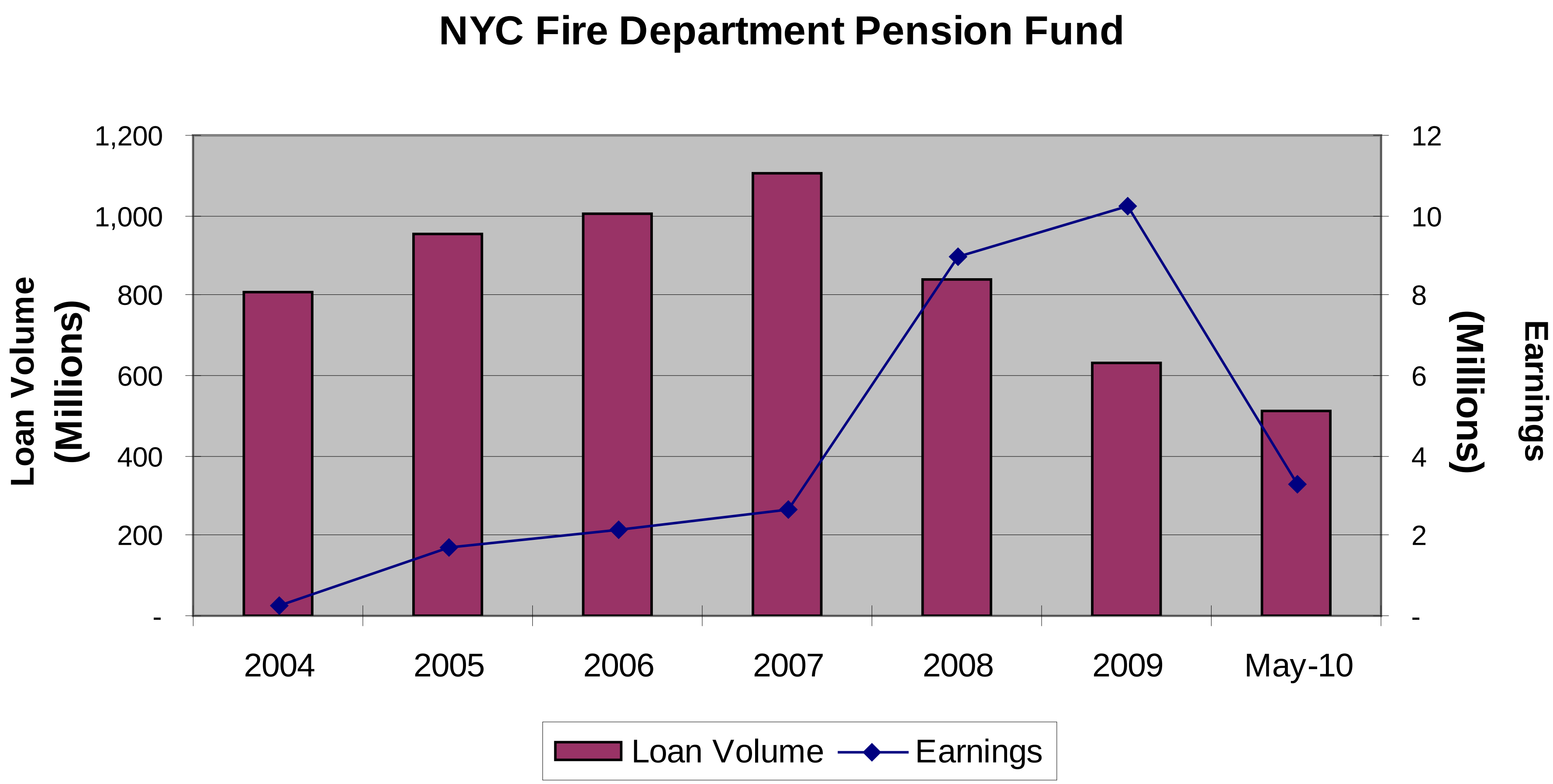
Contents

Securities Lending Summary *(as of May, 2010)*

NYC Fire Department Pension Fund

Lendable Assets	$3,495,635,399
Amount on Loan	$512,695,820
Utilization Rate	14.67%
Collateral Held	$529,176,668
Cash	$491,653,356
Non Cash	$37,523,312
Collateral Level	103.21%
Avg. Investment Rate	0.46%
Avg. Rebate (Cash Loans)	0.11%
Avg. Premium (Non-Cash)	0.01%
Avg. Spread	36 bps
Daily Earnings	$10,425
May '10 Earnings	$323,177
FYTD 2010	$3,288,754

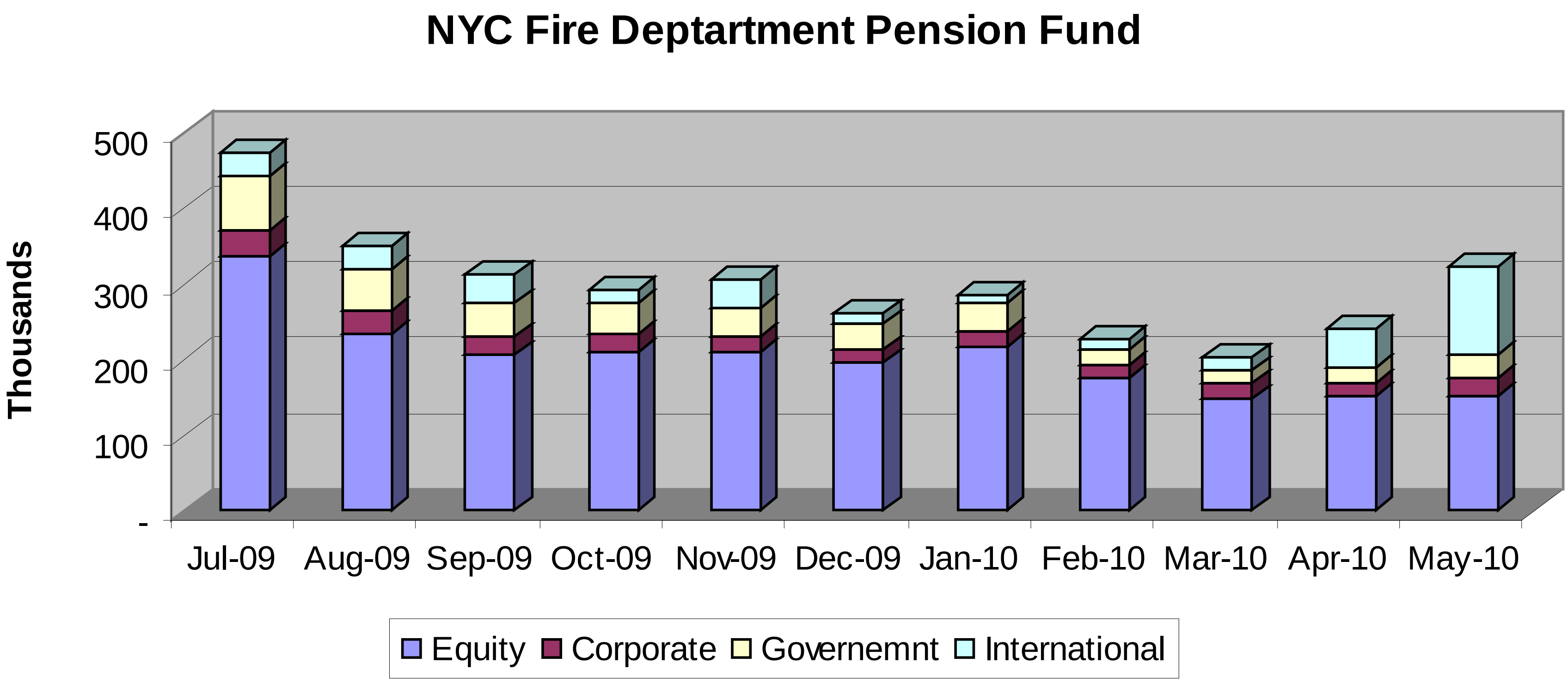
Historical Fiscal Year Earnings Since 4/1/04*
$29,217,296



•*4/1/04 represents inception date of BNY M Lending program.

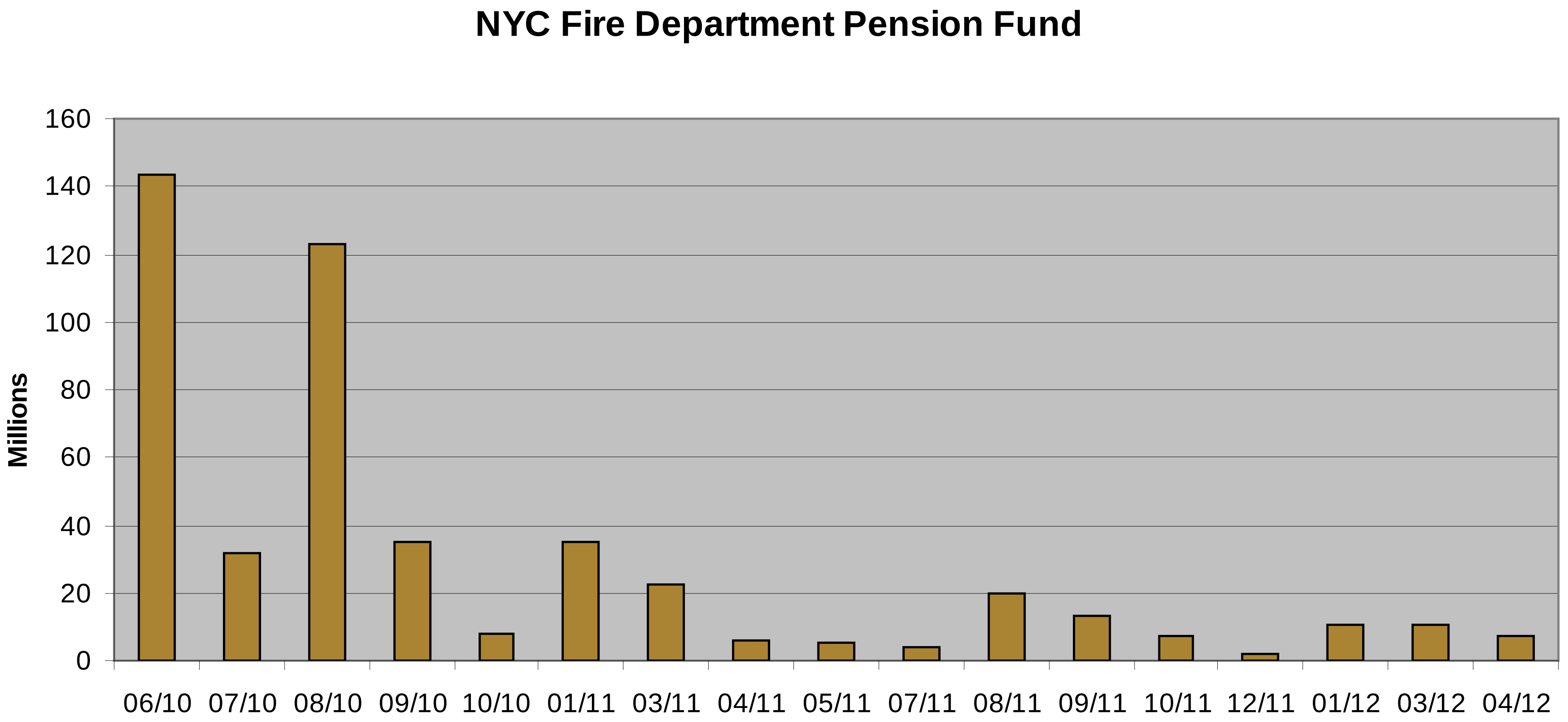
• Loan volume for FY2004 through 2009 is representative of June 30 volume. 2010 represents current FY average loan volume.

FY Earnings Attribution by Asset Class

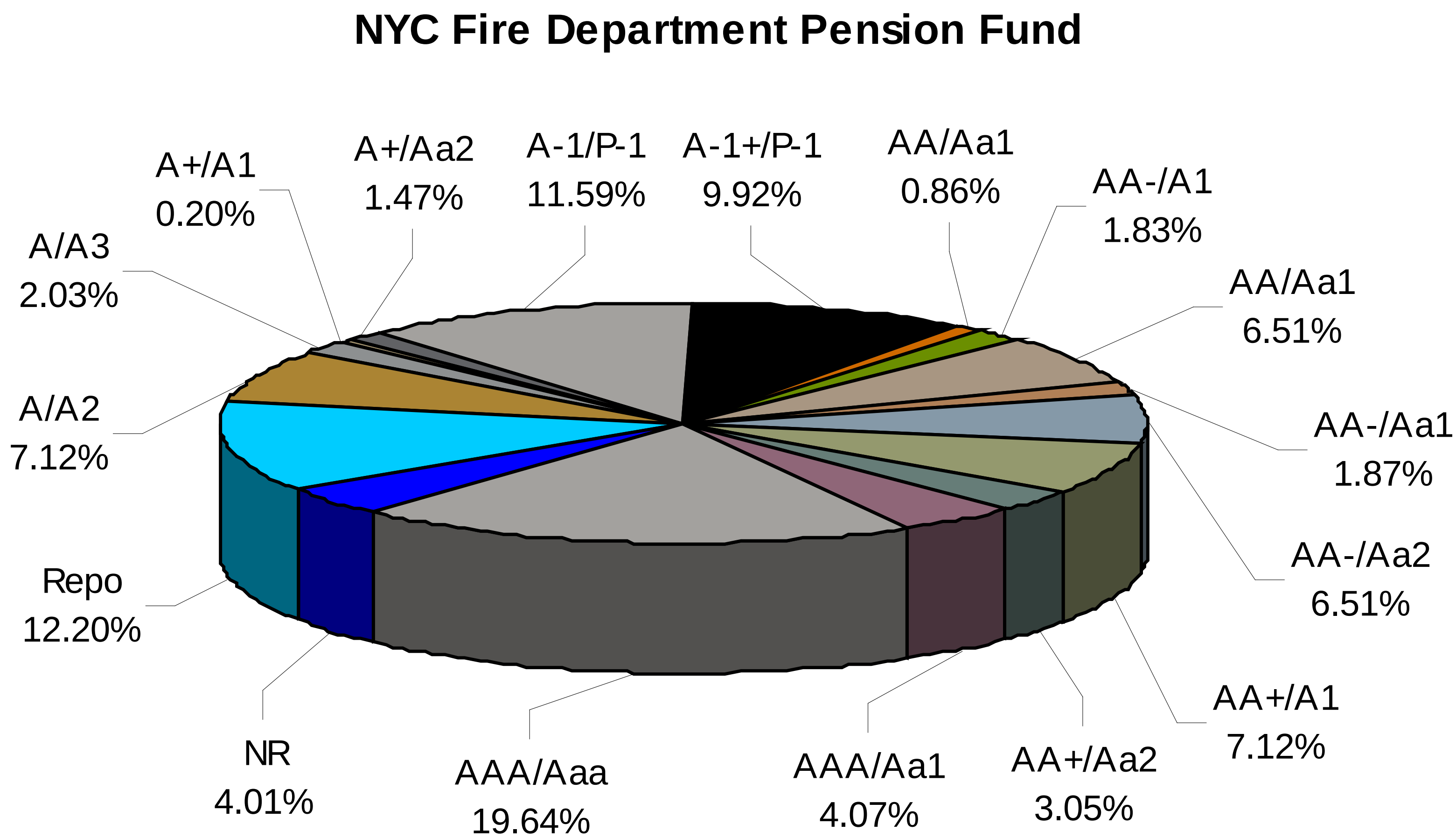


Asset Class	FY Total
Equity	$ 2,091,984
Corporate	$ 225,351
Governemnt	$ 384,018
International	$ 264,224
Total	$ 2,965,577

Collateral Maturity Schedule *(as of May 2010)*

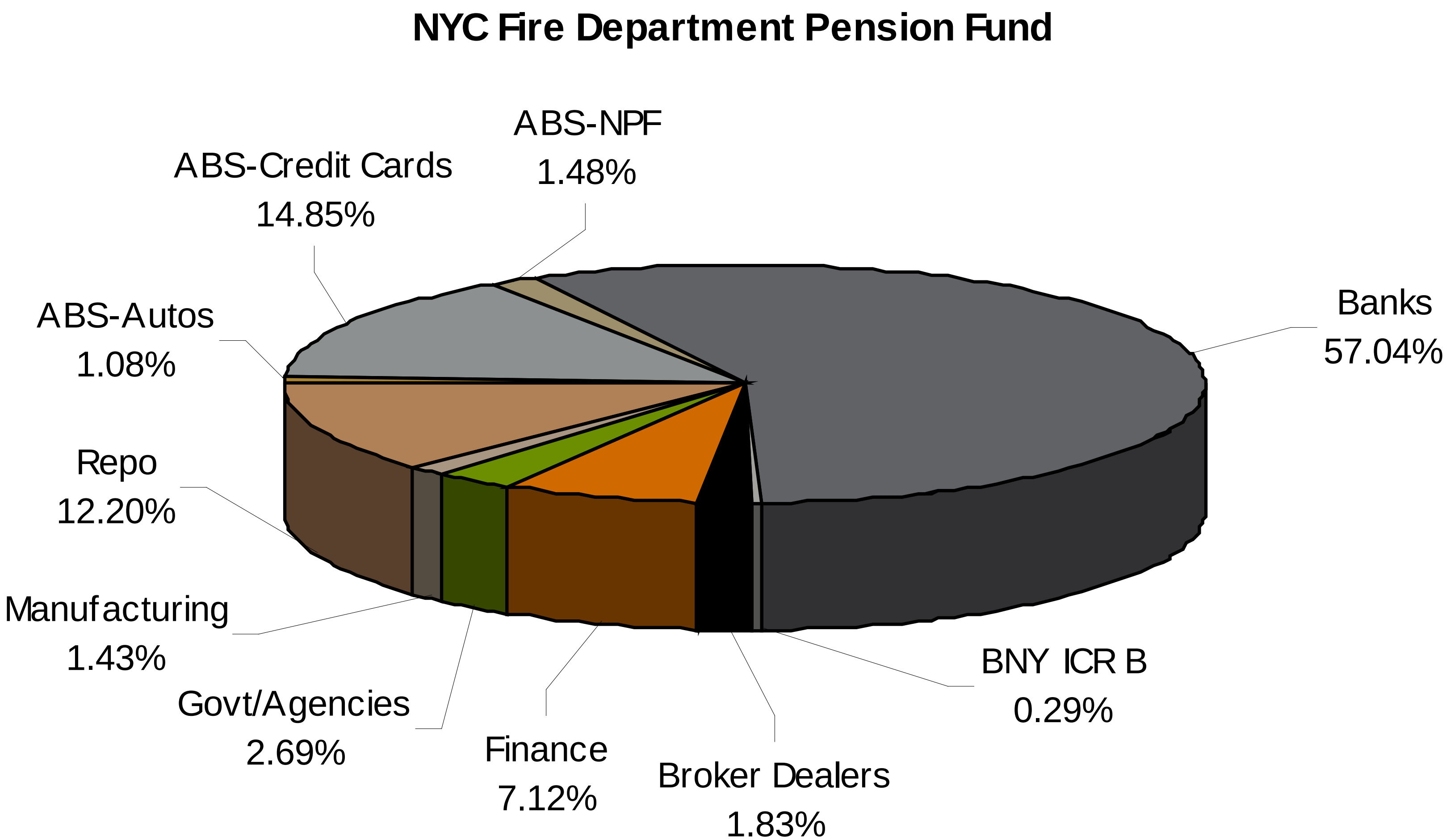


Collateral Profile – Credit Quality *(as of May 31, 2010)*



Amount Invested: $491,666,541
Yield: 0.46%

Collateral Profile – Sector *(as of May 31, 2010)*



Amount Invested: $491,666,541
Yield: 0.46%

BNY MELLON
ASSET SERVICING