

New York City
Fire Department Pension Fund, Subchapter Two
Performance Overview as of June 30, 2012

Total Fund Overview

New York City

Fire Department Pension Fund, Subchapter Two

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Through June 30, 2012

Equity Markets

Strong returns over the first three months of the year did not carry over to the second quarter. While a “risk on” environment dominated the first quarter, most equity markets reversed course in the second quarter as global economic fears came back in to focus for investors. While markets rallied at the end of June, losses from the majority of the quarter could not be erased. Investors in the U.S. favored the more defensive sectors like telecommunications, utilities, consumer staples and health care during this “risk off” market.

Globally, political concerns in Europe and slowing GDP in China hurt investor sentiment. The election of the Socialist party in France and continued fears related to Greek austerity measures triggered a sell off. All international markets posted negative returns for the quarter, with Greece performing the worst down 27%. Developed international markets as measured by the MSCI EAFE index were down 7.1%, underperforming U.S. markets as measured by the S&P 500 return of -2.8% for the quarter. The MSCI Emerging Markets index declined 8.8% in dollar terms, with Brazil being especially hard hit falling 13.2%. While indices both domestically and globally were negative over the quarter, most remain in positive territory year to date.

Fixed Income Markets

While most equity indices were down during the second quarter, the majority of fixed income markets provided positive results. Perceived safety of longer term U.S. treasuries drove yields to reach all-time lows. Reports of slowing growth in U.S. and China, weakness in Europe, and concerns regarding the continent's banking and sovereign debt crisis helped fuel the strong treasury returns.

The treasury yield curve shifted lower over the quarter with rates at the long end declining the most. The BC Government performed well returning 2.6% for the quarter and the BC TIPS index returned 3.2%.

Emerging market debt performed weaker during the second quarter as measured by the JP Morgan GBI-EM GD, which tracks the performance of local currency emerging markets sovereign bonds. This index fell 1.2% with weakness in currency markets, such as the Brazilian real driving these results. Hard-currency emerging market bonds performed better during the quarter returning 2.8%.

Consultant's Commentary

Through June 30, 2012

Commodity Markets

Weather concerns including a US drought & extreme temperatures lead to a sharp rise in grain prices, while fears about the European debt crisis and a global slowdown lead to selling pressure in industrial commodities, petroleum and base metals. Crude oil prices fell as slowing growth prospects affected prices, while natural gas rallied as low prices lead some power producers to switch from coal.

Private Markets

Facebook's IPO in May 2012 raised \$16.0 billion and set record first-day trading but the excitement soon faded when the stock traded down by as much as 33% below its offering price in the days following. This outcome effectively closed the window for IPOs for the rest of the quarter. Only 10 other US venture-backed companies went public during the quarter raising a combined \$1.1 billion.

With Eurozone economic uncertainty remaining high, European mergers and acquisition activity fell to new lows, while US activity was relatively flat. More than \$65 billion of new private equity commitments were made globally, bringing the 2012 total raised to \$129.8 billion. This amount represents 60% of the total private equity capital that was raised in 2011, putting 2012 on pace to be the largest year for new commitments since 2008. Approximately 50% of 2012 commitments, or \$64.2 billion were made to buyout related funds, which include distressed & turnarounds. Venture capital accounted for 20% of all new capital commitments in the first half of 2012, while fund of funds comprised 15%. First quarter returns for all strategies in the private equity space had positive returns, with the 10-year return for global PE at 11.2%.

Core property valuations continued to rebound, as US real estate property fundamentals continue to improve. Vacancy rates are decreasing and rental rates are increasing while new development is still very low. Spreads between income yields and 5-Year US Treasury yields are at almost 350 basis points. The positive trends are most pronounced in high demand core markets (Washington, D.C., New York, Boston and San Francisco) and far less pronounced in secondary and tertiary markets. Core returns continue to be above long-term averages. For the first quarter (the most recent period available), the benchmark NCREIF ODCE total return was 2.8% (11.7% on an annualized basis). Quarterly transaction volumes are slightly above the long-term average, and close to pre-bubble levels, an indication that the core real estate markets are functioning.

Consultant's Commentary

Through June 30, 2012

Non-core real estate valuations continue to lag. In this segment properties remain priced 30%–40% below peak values as many owners struggle to recapitalize. Fundraising remains difficult, with volumes still well below peak levels, and limited debt capital available from traditional sources to help restructure over-levered balance sheets. We believe that the distress in the non-core market will continue through the remainder of 2012, presenting an opportunity for investors who are able to take on illiquidity. We view two broad strategies to be attractive: recapitalization (loan-to-loan) and control (loan-to-own). The recapitalization strategy provides gap financing to restructure properties, with generally a value add type risk/return profile. The control strategy represents an opportunistic risk/return profile that requires expertise in foreclosure, bankruptcy, restructuring, and repositioning.

Hedge Funds: Hedge funds generally outperformed the -2.8% return of the S&P 500 during the quarter, with the DJCS Hedge Fund Composite losing 1.8%. Short-biased equity (3.4%) was the best performing strategy, while long/short equity (-4.6%) and emerging markets (-3.8%) underperformed the S&P500, but led global and emerging market equity benchmarks. As correlations increased in May and June, fundamentally-oriented long/short equity managers suffered in an environment where price moves were driven by macroeconomic news rather than underlying company fundamentals. Increased equity and currency volatility, perceived fears of a China slowdown, and a sharp sell-off in commodity related investments drove emerging markets lower.

Macro and managed futures strategies returned -1.4% and -0.8%, respectively, with medium-and longer-term trend-following strategies hindered by sharp market reversals. Managed futures performed particularly well during the market downturn of May, returning 2.4% (compared to -6.0% for the S&P 500). June saw a reversal, however, with managed futures losing 3.6% and the S&P 500 rallying 4.1% at the end of the month. Relative value strategies returned 1.7%, with high coupons on asset-backed securities and other fixed-income instruments providing a positive buffer as price moved mostly sideways during the quarter. Event-driven strategies ended the quarter down 1.7%, with equity volatility negatively affecting performance-particularly in cyclical sectors. An uncertain macro environment, European elections, and the looming fiscal cliff at the yearend weighed on this space.

Gross and net exposures were generally down during the quarter. Recent prime brokerage data suggest that managers continue to decrease their exposures even in the face of declining volatility-a trend that is interesting given that, historically, the VIX and manager net exposure have moved inversely. This provides statistical evidence that some hedge funds remain risk averse in light of the technical and macro drivers at play in the market.

Consultant's Commentary

Through June 30, 2012

Performance: For the quarter, the Fund returned -1.81% and ranked in the 3rd quartile of the BNY Mellon Public Master Trust universe. Active managers added 0.2% to aggregate performance during the quarter, and allocation decisions detracted 0.6% from Total Fund return. For the year, the Fund returned 1.10%, ranking at the median in the BNY Mellon Public Master Trust universe. Active managers detracted 83 basis points over the trailing year, and deviations from policy detracted 107 basis points from overall returns.

Domestic Equity Composite

The Fund had 34% invested in domestic equity at the end of the second quarter. Within domestic equity, the Fund was underweight the Russell 3000 Index by 1.2%, Overweight the Russell 1000 Active index by 1.5%, underweight Small Cap Active by approximately 1.2%, overweight Mid Cap Active by 1.4% and underweight S&P 400 Index by 1.2%.

For the quarter, the Total Domestic Equity Portfolio returned -4.1%, underperforming the Russell 3000 Index (-3.15%) by 93 bps. Active management underperformed their respective benchmarks across the domestic equity portfolio over the quarter.

International Equity Composite

At the end of the second quarter, the Fund had an allocation to international equity of 16.0%. Of this total, 39% was allocated to emerging markets equity and 61% was allocated to developed international markets. The Fund also allocates across style in the developed international space, with 13.5% of the allocation invested in active value mandates, 24.1% in core mandates, 11.1% in growth mandates, and the residual invested in Non-US Activist mandates. A total of 23.6% of the total international allocation was invested passively, including 12.5% invested in Emerging Markets Passive investments and 11.1% invested in Passive developed investments.

The International Developed Markets Equity Composite (excludes the activist/environmental managers) returned -6.8% in the second quarter, outperforming by not falling as much as the MSCI EAFE Index (-7.13%). Active managers outperformed passive managers within the Fund by 8 bps during the quarter. Amongst active managers, SpruceGrove (-5.22%) protected value best over a very difficult quarter in the international markets.

Consultant's Commentary

Through June 30, 2012

The Emerging Markets Composite returned -10.1% in the second quarter, underperforming the MSCI EM Index by 128 basis points

Fixed Income Composite

At the end of the second quarter, the Fund had an allocation to fixed income of 33%. Of the allocation to fixed income, 57% was invested in structured fixed income, 17.8% was allocated to high yield, 6.2% was invested in TIPS, 9.2% was allocated to cash & short term investments, 3.0% was in convertible bonds, 2.0% was allocated to targeted investments, 3.4% was allocated to opportunistic fixed income, 1.0% to Progress Fixed and 0.4% was allocated to global bonds.

The Structured Fixed Income Composite returned +2.48% in the second quarter, underperforming the NYC Core plus 5 Index return of +2.61%. The Barclays Capital Aggregate Index returned +2.06% in the quarter. Long-term US Treasury bonds led fixed-income returns over the quarter.

The Enhanced Yield or high yield fixed income composite, posted a return of +1.49%, which underperformed the Citigroup BB & B Index return of 2.08%. Seix was the best performing high yield bond manager again this quarter, returning +1.78% in the second quarter.

The TIPS Composite returned +3.16% in line with the Barclays Capital US TIPS Index (+3.15%)

Real Estate Equity Securities Composite & Private Equity

As of June 30, 2012, the Fund had \$332.6 million invested in REITs for a commitment of 4.1% of Total Fund assets. In the second quarter the REIT portfolio returned +2.6%, underperforming the DJ US Select Real Estate Securities Index by 106 basis points. As of June 30, the Fund had an allocation to Private Real Estate of 3.3% and 7.2% allocated to Private Equity.

Consultant's Commentary

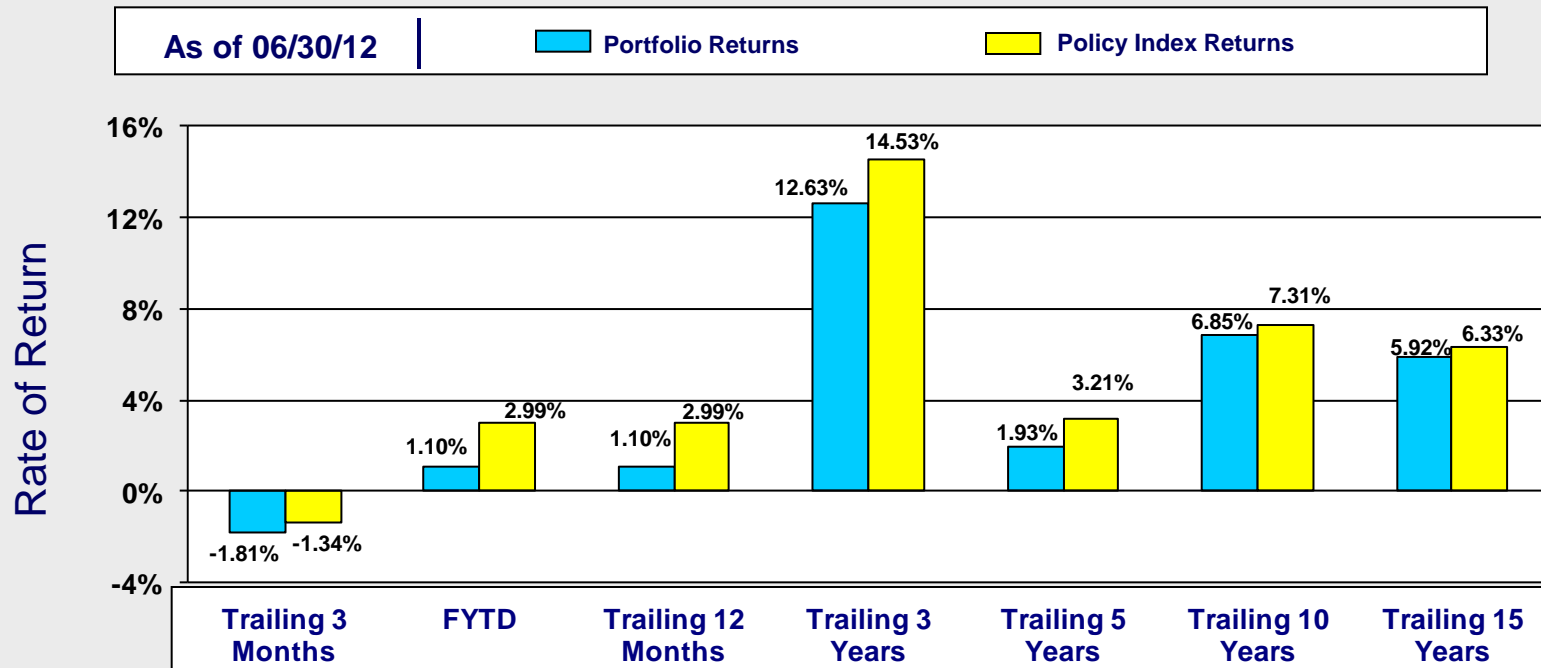
Through June 30, 2012

Hedge Funds

The allocation to hedge funds as of June 30, 2012 was \$185 million, 2% of the total fund. The second quarter return for the hedge fund portfolio was -1.27%, outperforming the HFRI FOF Composite Index +1% return of -2.08%, but underperforming the 1 Yr TBill yield +4% return of 1.03%.

Total Portfolio Returns: June 30, 2012

\$8.1B Under Management



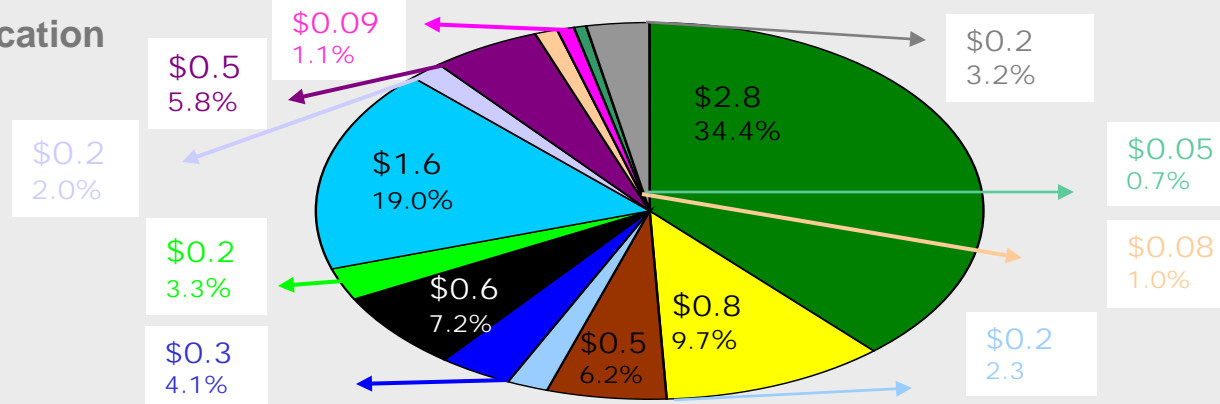
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	10.7	13.3	11.1	11.4
Benchmark Std Dev	12.1	15.3	12.3	12.3

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

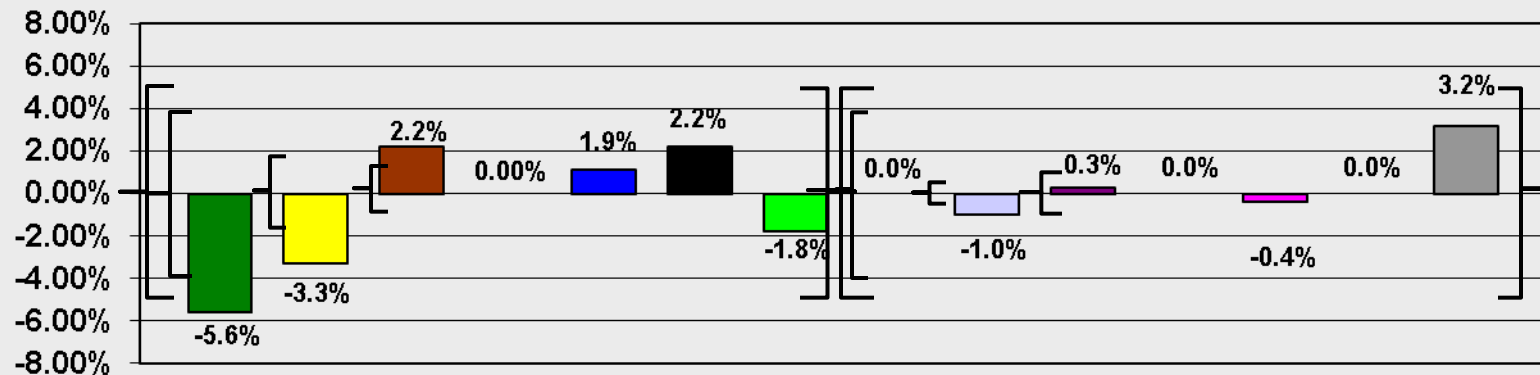
Portfolio Asset Allocation: June 30, 2012

\$8.1B Under Management

Asset Allocation



Relative Mix to Old Policy Weights

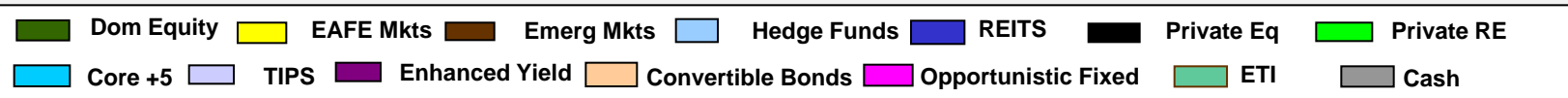
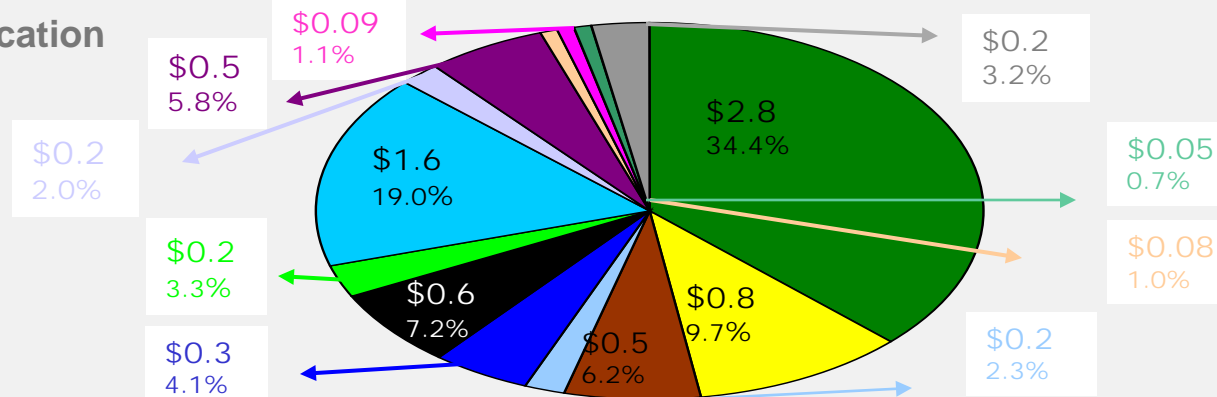


Note: Brackets represent rebalancing ranges versus Policy.

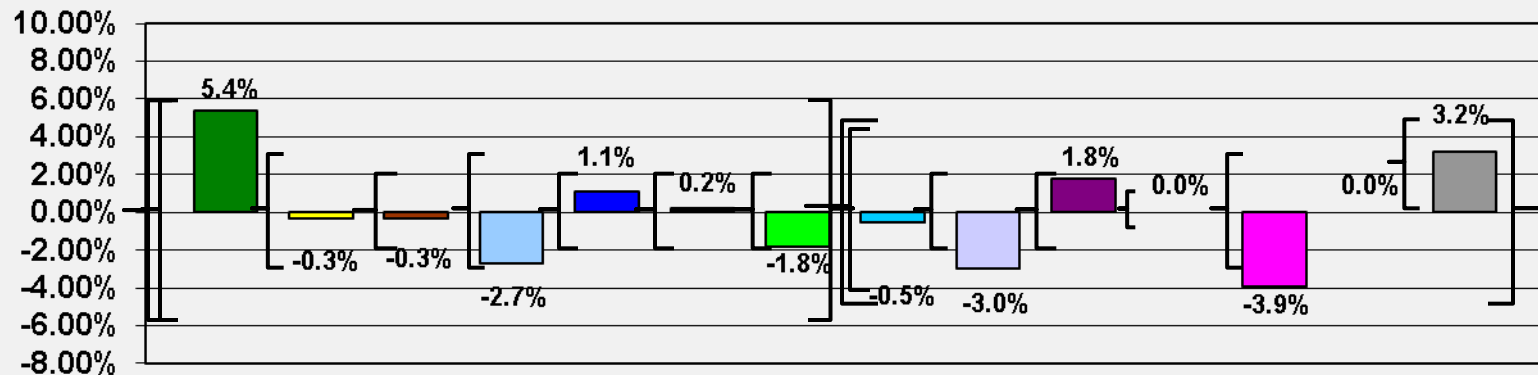
Portfolio Asset Allocation: June 30, 2012

\$8.1B Under Management

Asset Allocation



Relative Mix to New Policy Weights

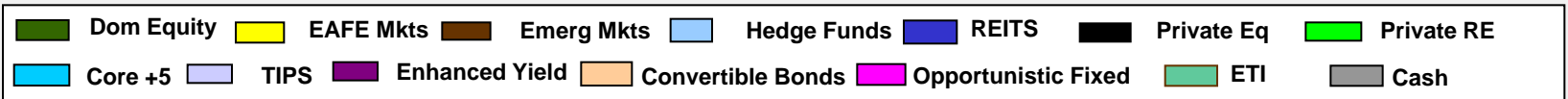
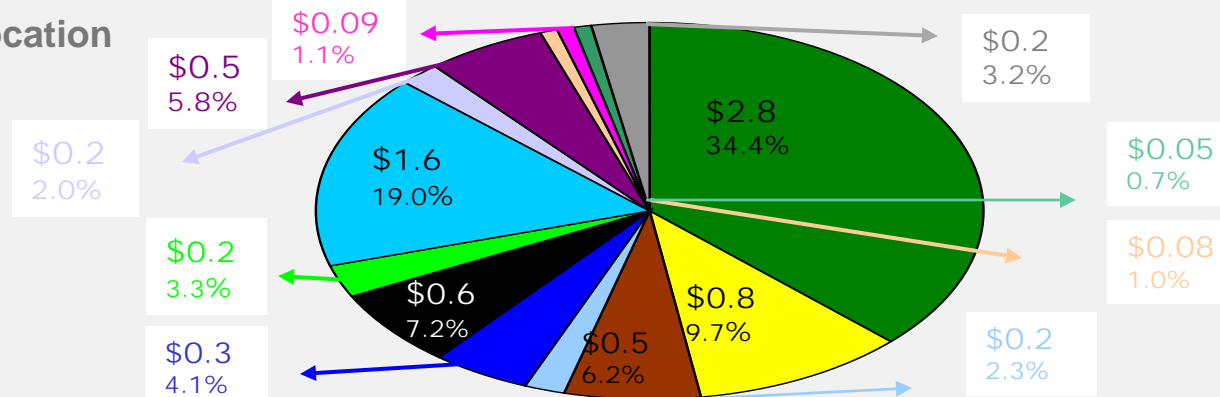


Note: Brackets represent rebalancing ranges versus Policy.

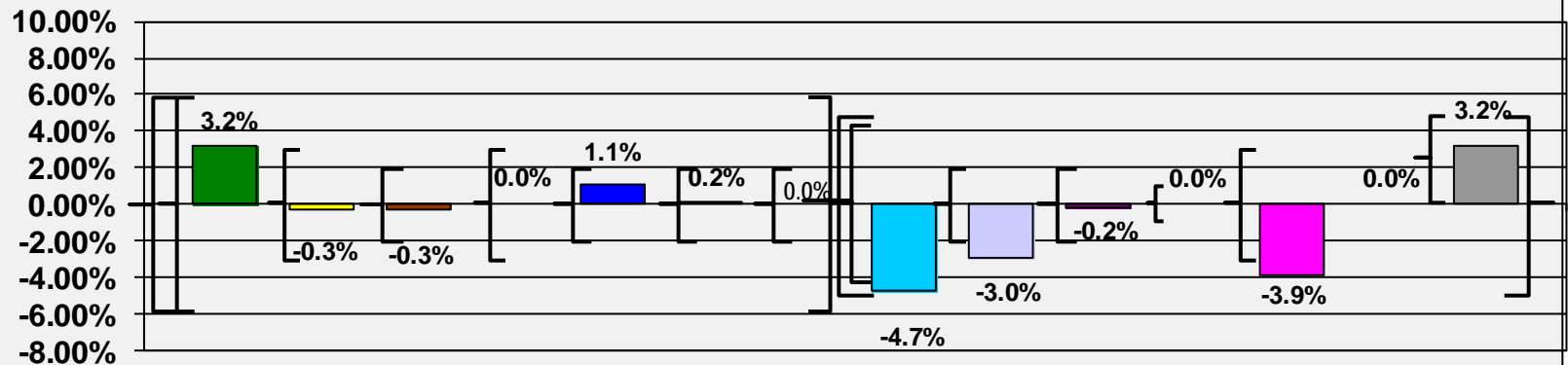
Portfolio Asset Allocation: June 30, 2012

\$8.1B Under Management

Asset Allocation

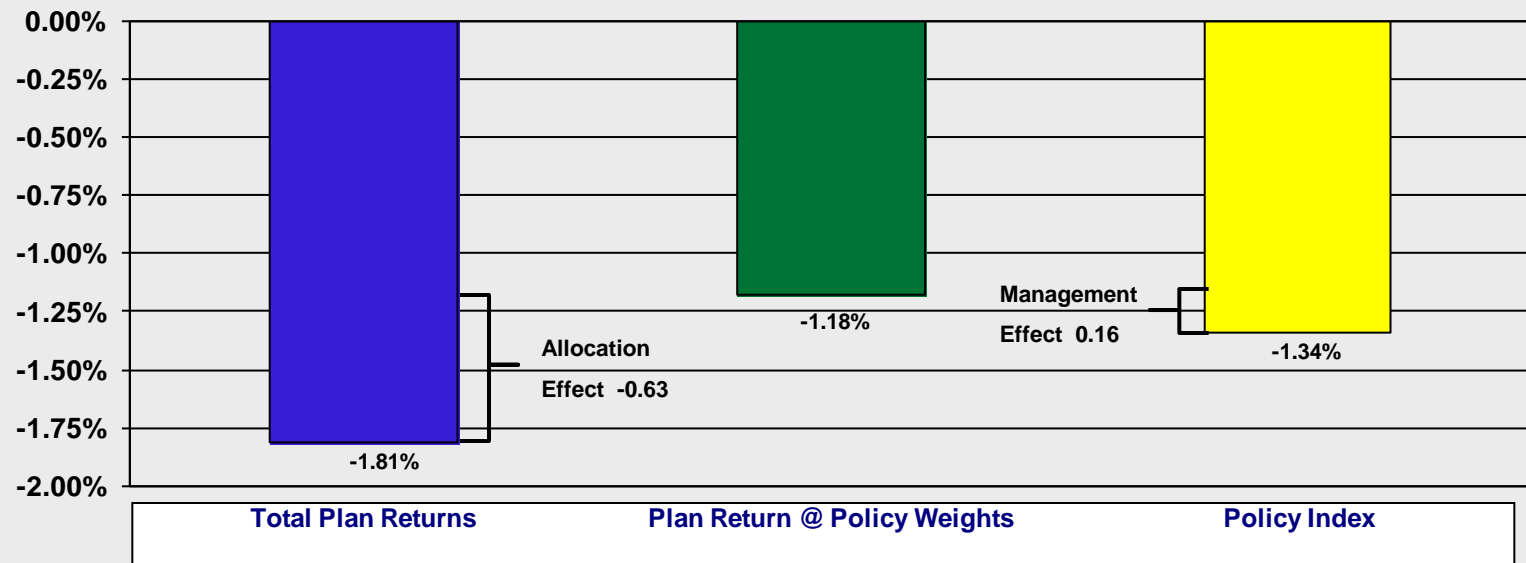


Relative Mix to Adjusted New Policy Weights

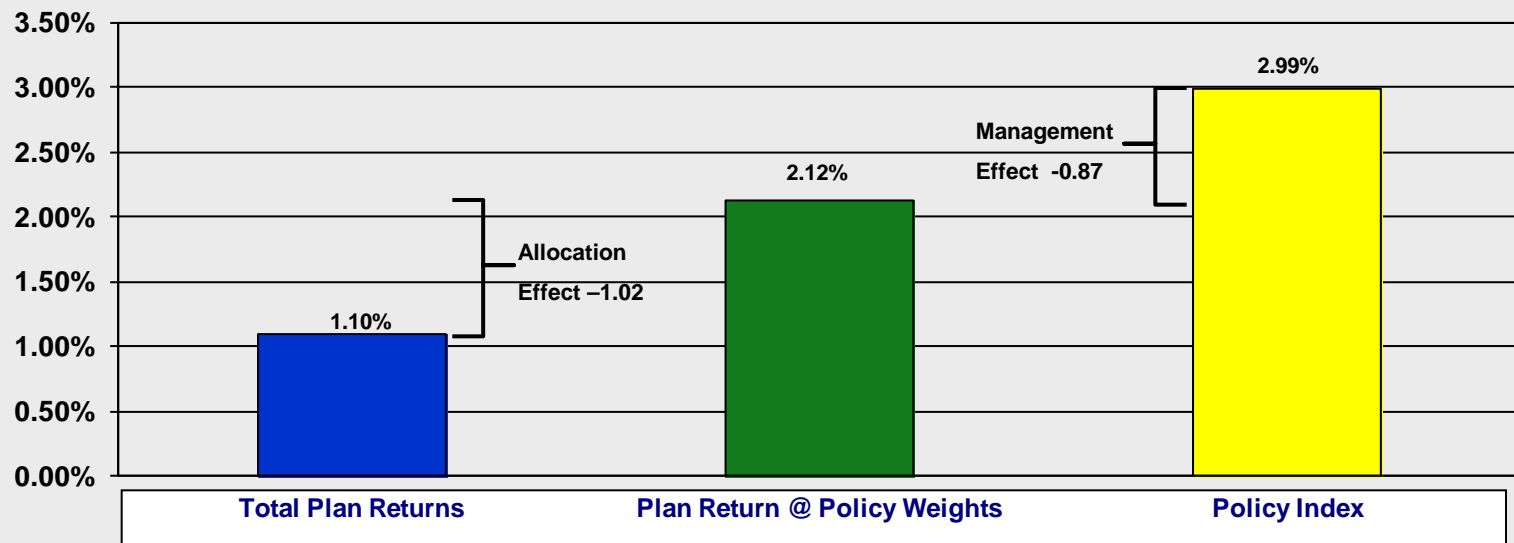


Note: Brackets represent rebalancing ranges versus Policy.

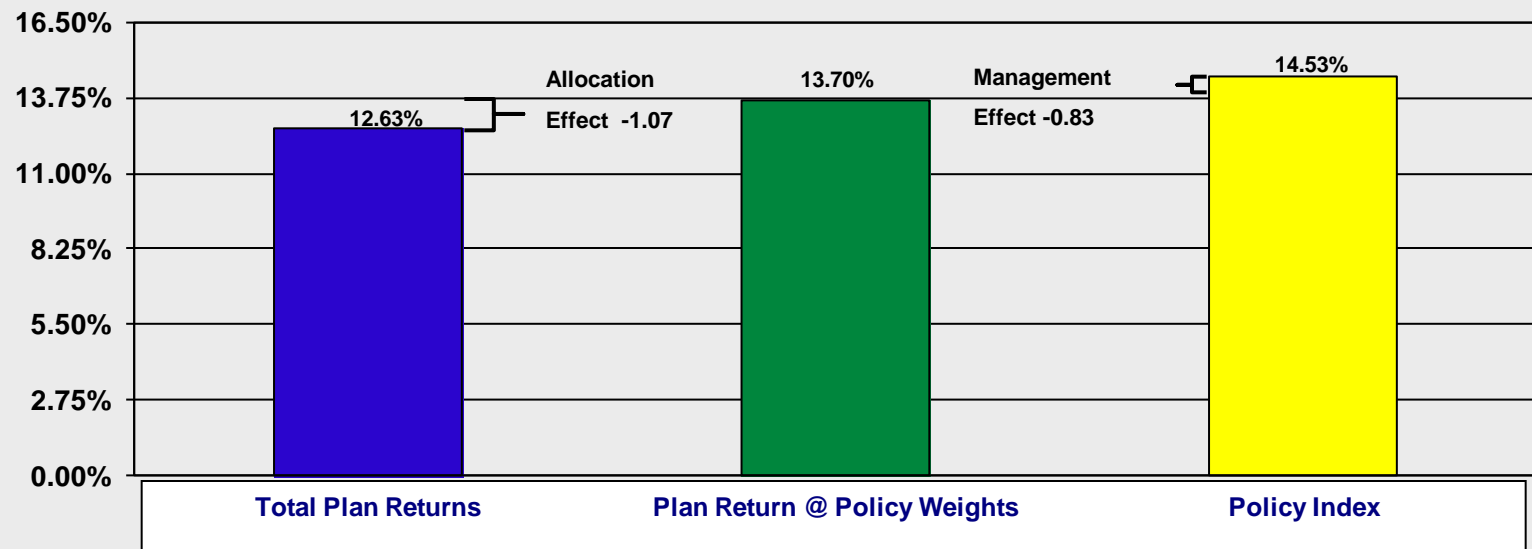
Performance Attribution: Total Plan – Quarter Ending June 30, 2012



Performance Attribution: Total Plan – 12 Month Ending June 30, 2012



Performance Attribution: Total Plan – 3 Years Ending June 30, 2012



Total Plan: June 30, 2012

Allocation Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.13	-0.01	-0.15	Russell 3000 Index
EAFE Markets	-0.02	-0.08	-0.10	MSCI EAFE Index
Emerging Markets	-0.02	-0.06	-0.04	MSCI Emerging Markets Index
REITS	0.09	0.16	-0.01	DJ US Select RE Securities Index
Private Equity	0.00	0.00	-0.01	Russell 3000 Index + 500 b.p.
Private Real Estate	0.00	0.00	0.00	NCREIF ODCE net
Hedge Funds	0.00	0.04	0.01	HFRI Fund of Funds Composite Index + 1%
Domestic Fixed	-0.37	-0.67	-0.32	NYC Core +5 Index
Enhanced Yield	0.00	-0.11	-0.03	Citigroup BB&B Index
TIPS	-0.16	-0.19	-0.05	Barclays Capital US TIPS Index
Convertible Bonds	0.00	0.00	0.00	ML All US Convertibles ex Mandatory (V0A0)
Opportunistic Fixed	0.00	0.00	N/A	JPM Global High Yield +3%
State Street Short Term	0.02	-0.38	-0.40	Total Plan

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

Total Plan: June 30, 2012

Management Effect – Asset Class Breakdown

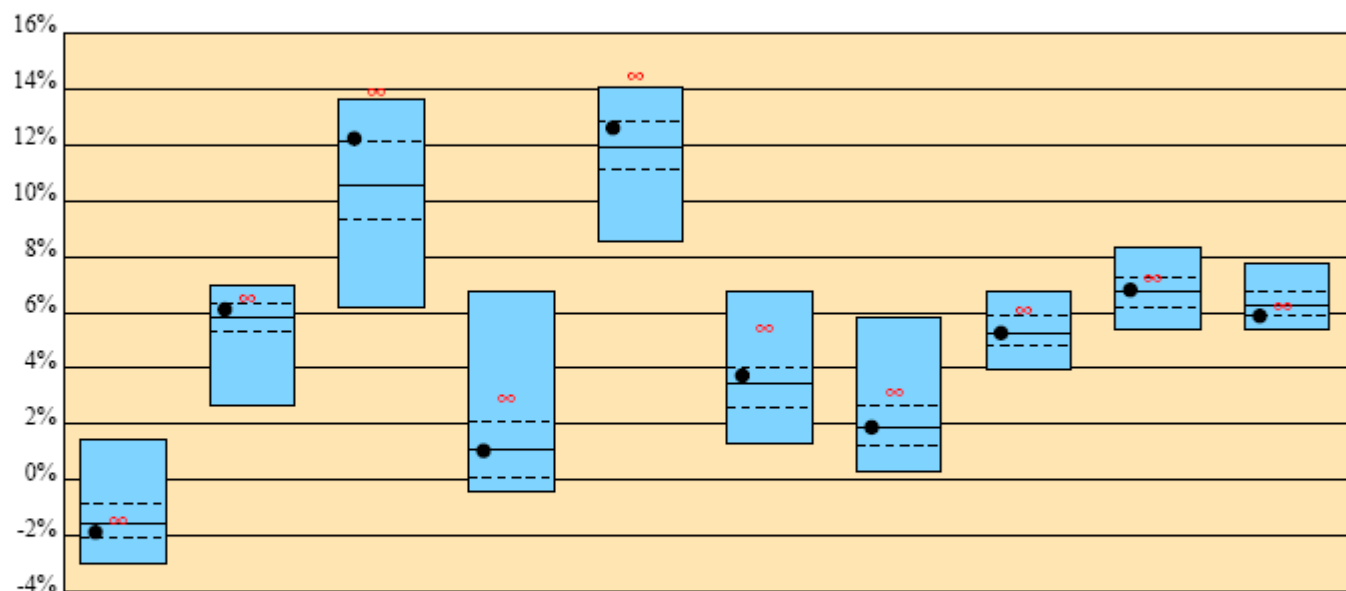
<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.34	-0.84	-0.20	Russell 3000 Index
EAFE Markets	0.03	0.10	0.21	MSCI EAFE Index
Emerging Markets	-0.08	0.04	0.02	MSCI Emerging Markets Index
REITS	-0.05	-0.04	-0.02	DJ US Select RE Securities Index
Private Equity	0.53	-0.32	-0.47	Russell 3000 Index + 500 b.p.
Private Real Estate	0.05	-0.02	-0.06	NCREIF ODCE net
Hedge Funds	0.02	N/A	N/A	HFRI Fund of Funds Composite Index + 1%
Domestic Fixed	0.11	-0.01	0.17	NYC Core +5 Index
Enhanced Yield	-0.01	-0.08	0.00	Citigroup BB&B Index
TIPS	0.00	0.01	0.00	Barclays Capital US TIPS Index
Convertible Bonds	-0.02	-0.01	-0.02	ML All US Convertibles ex Mandatory (V0A0)
Opportunistic Fixed	0.00	-0.11	N/A	JPM Global High Yield +3%

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

City Of New York - Fire

Total Returns of Public Master Trusts > \$1 Billion

Rates of Return for Periods Ending June 30, 2012



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
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5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

5th Percentile	1.46	6.95	13.65	6.73	14.05	6.78	5.84	6.77	8.31	7.77
25th Percentile	-0.83	6.32	12.13	2.13	12.80	4.00	2.71	5.91	7.25	6.75
Median	-1.58	5.85	10.58	1.10	11.91	3.45	1.87	5.22	6.72	6.25
75th Percentile	-2.07	5.35	9.33	0.12	11.15	2.61	1.24	4.82	6.19	5.92
95th Percentile	-2.99	2.68	6.17	-0.43	8.52	1.34	0.31	3.99	5.39	5.37

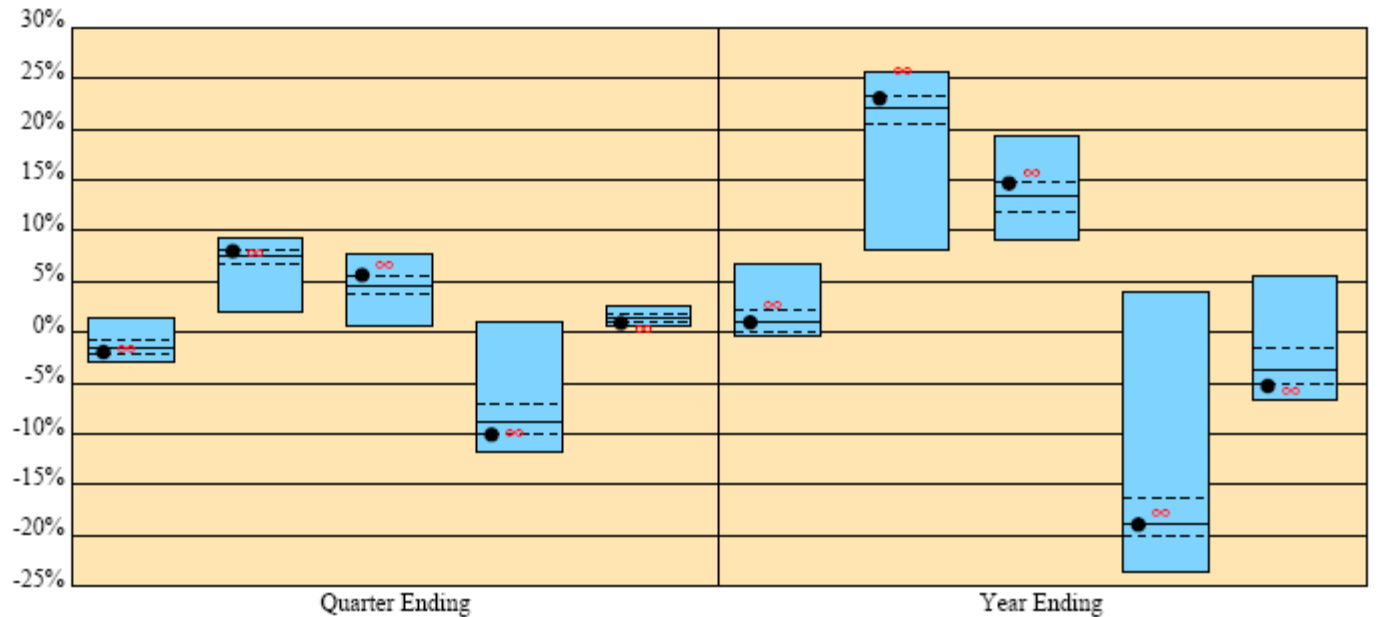
● Total System
oo Fire Policy Benchmark

Total System	-1.81 (65)	6.15 (34)	12.26 (23)	1.10 (50)	12.64 (29)	3.79 (33)	1.94 (48)	5.31 (47)	6.85 (42)	5.92 (75)
Fire Policy Benchmark	-1.34 (39)	6.56 (13)	13.98 (3)	2.99 (11)	14.54 (3)	5.51 (10)	3.21 (17)	6.13 (13)	7.31 (20)	6.33 (38)

City Of New York - Fire

Total Returns of Public Master Trusts > \$1 Billion

Recent Periods



	Jun 12	Mar 12	Dec 11	Sep 11	Jun 11	Jun 12	Jun 11	Jun 10	Jun 09	Jun 08
5th Percentile	1.46	9.21	7.73	0.94	2.61	6.73	25.68	19.28	3.89	5.53
25th Percentile	-0.83	8.17	5.55	-7.06	1.76	2.13	23.26	14.86	-16.34	-1.43
Median	-1.58	7.50	4.51	-8.83	1.45	1.10	22.18	13.42	-18.79	-3.76
75th Percentile	-2.07	6.80	3.77	-9.94	1.08	0.12	20.57	11.78	-20.09	-5.03
95th Percentile	-2.99	1.97	0.71	-11.76	0.67	-0.43	8.09	9.03	-23.60	-6.58
● Total System	-1.81 (65)	8.11 (26)	5.76 (19)	-9.94 (75)	1.04 (77)	1.10 (50)	23.15 (30)	14.79 (27)	-18.79 (50)	-5.15 (76)
∞ Fire Policy Benchmark	-1.34 (39)	8.01 (31)	6.96 (6)	-9.64 (67)	0.61 (99)	2.99 (11)	25.92 (2)	15.87 (14)	-17.53 (34)	-5.48 (83)

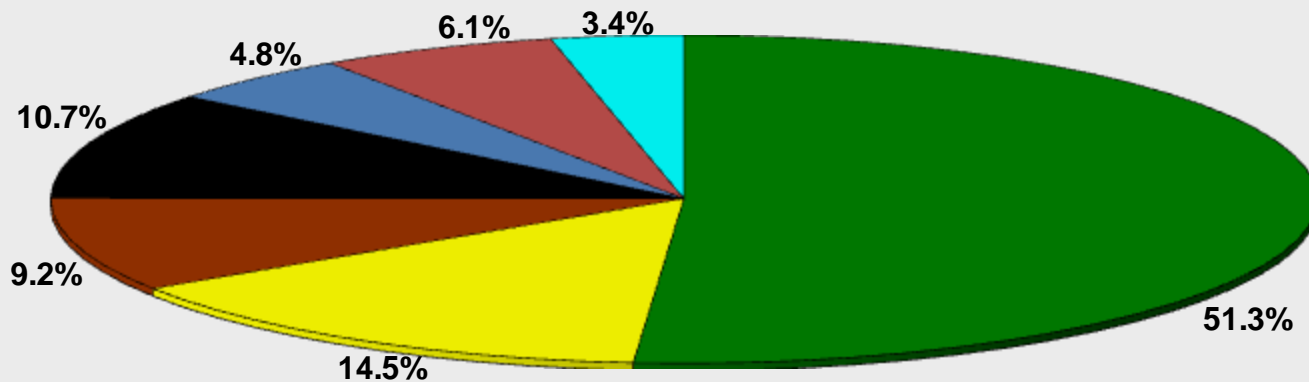
New York City
Fire Department Pension Fund, Subchapter Two

Equity Analysis

Total Equity Asset Allocation: June 30, 2012

\$5.5B Under Management, **67%** of Total Funds

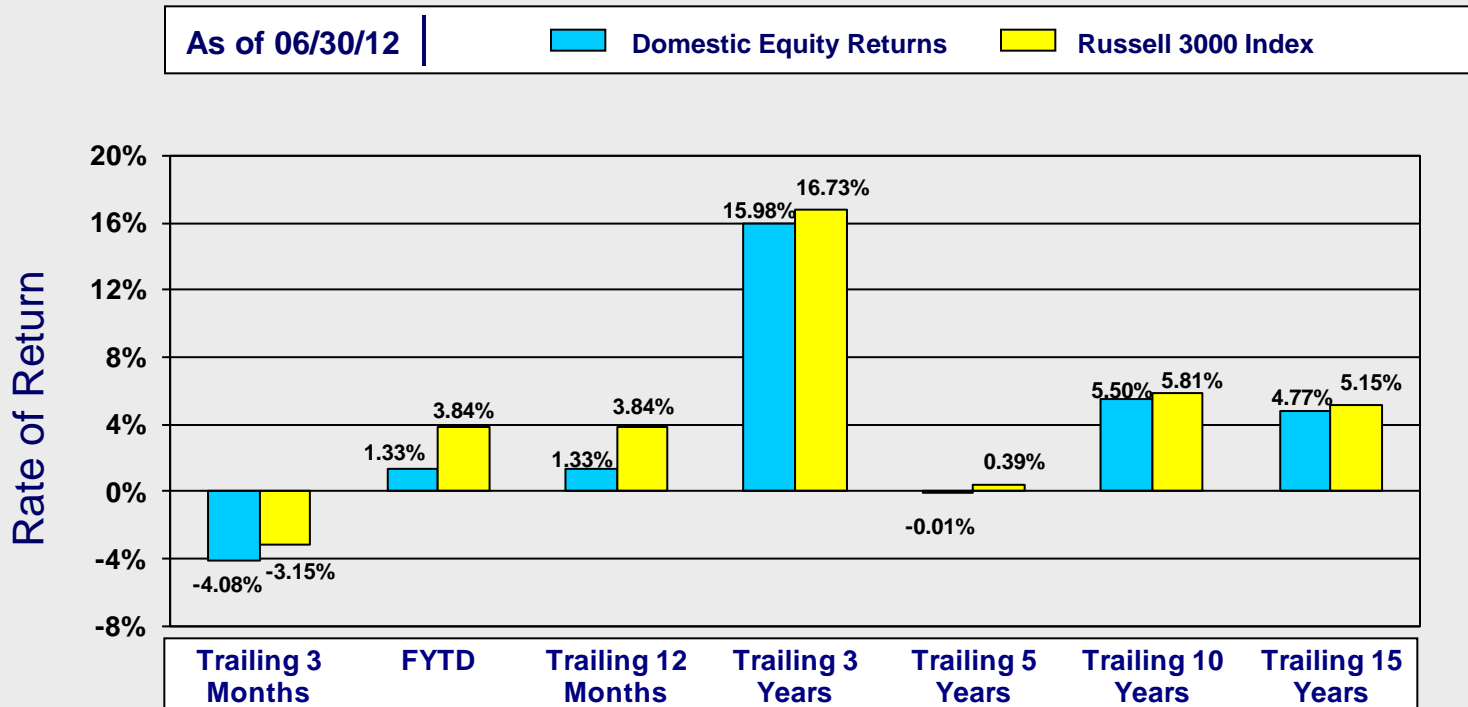
Asset Allocation by Groups



■ Domestic Equity	■ EAFE Mkts	■ Emerging Mkts	■ Private Equity
■ Private Real Estate	■ REITS	■ Hedge Funds	

Total Domestic Equity Returns vs Russell 3000 Index

\$2.8B Under Management, **34%** of Total Funds

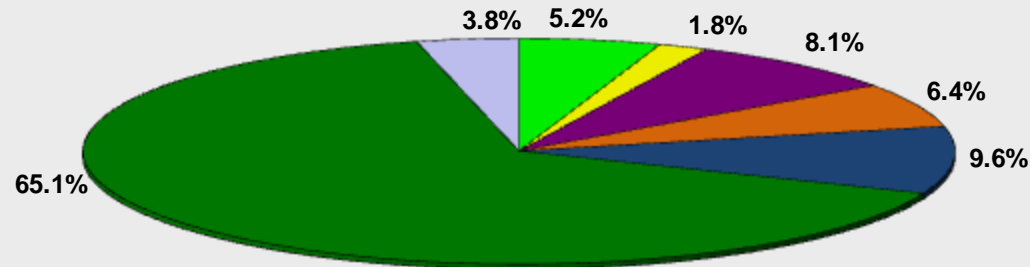


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	17.1	20.0	16.4	16.8
Benchmark Std Dev	16.6	19.8	16.3	16.8

Total Domestic Equity Asset Allocation: Quarter Ending June 30, 2012

\$2.8B Under Management, **34%** of Total Funds

Asset Allocation by Groups



Small Cap Active	Small to Mid Cap Active	Mid Cap Active	Mid Cap S&P 400 Index
Russell 1000 Active	Russell 3000 Index Fund	Emerging Managers	

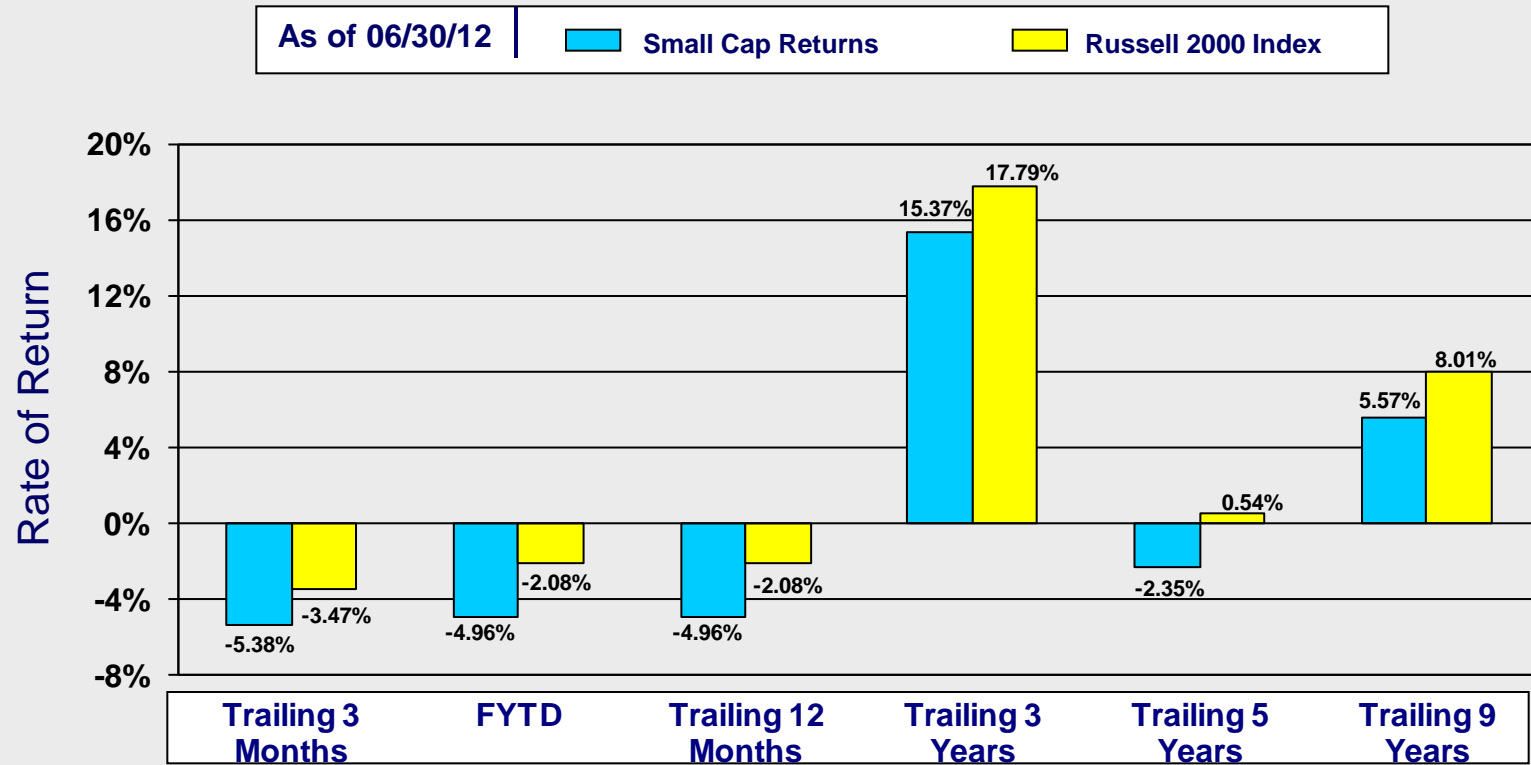
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Small Cap Active	6.45	5.25	-1.20	-3.47	-4.42	-0.95	0.00	-0.06
Small to Mid Cap Active	1.60	1.83	0.23	-3.02	-6.23	-3.21	0.00	-0.06
Mid Cap Active	6.65	8.06	1.41	-4.40	-5.04	-0.64	-0.01	-0.05
Mid Cap S&P 400 Index**	7.53	6.36	-1.17	-4.93	-4.90	0.03	0.02	0.00
Russell 1000 Active	8.17	9.62	1.45	-3.12	-7.43	-4.31	0.00	-0.37
Russell 3000 Index Fund**	66.30	65.09	-1.21	-3.15	-3.14	0.01	0.00	0.01
Emerging Managers	3.30	3.78	0.48	-3.15	-5.22	-2.07	0.00	-0.07

**Index Fund Managers also used to meet capitalization size policy not met through Active managers.

Small Cap Returns vs Russell 2000 Index

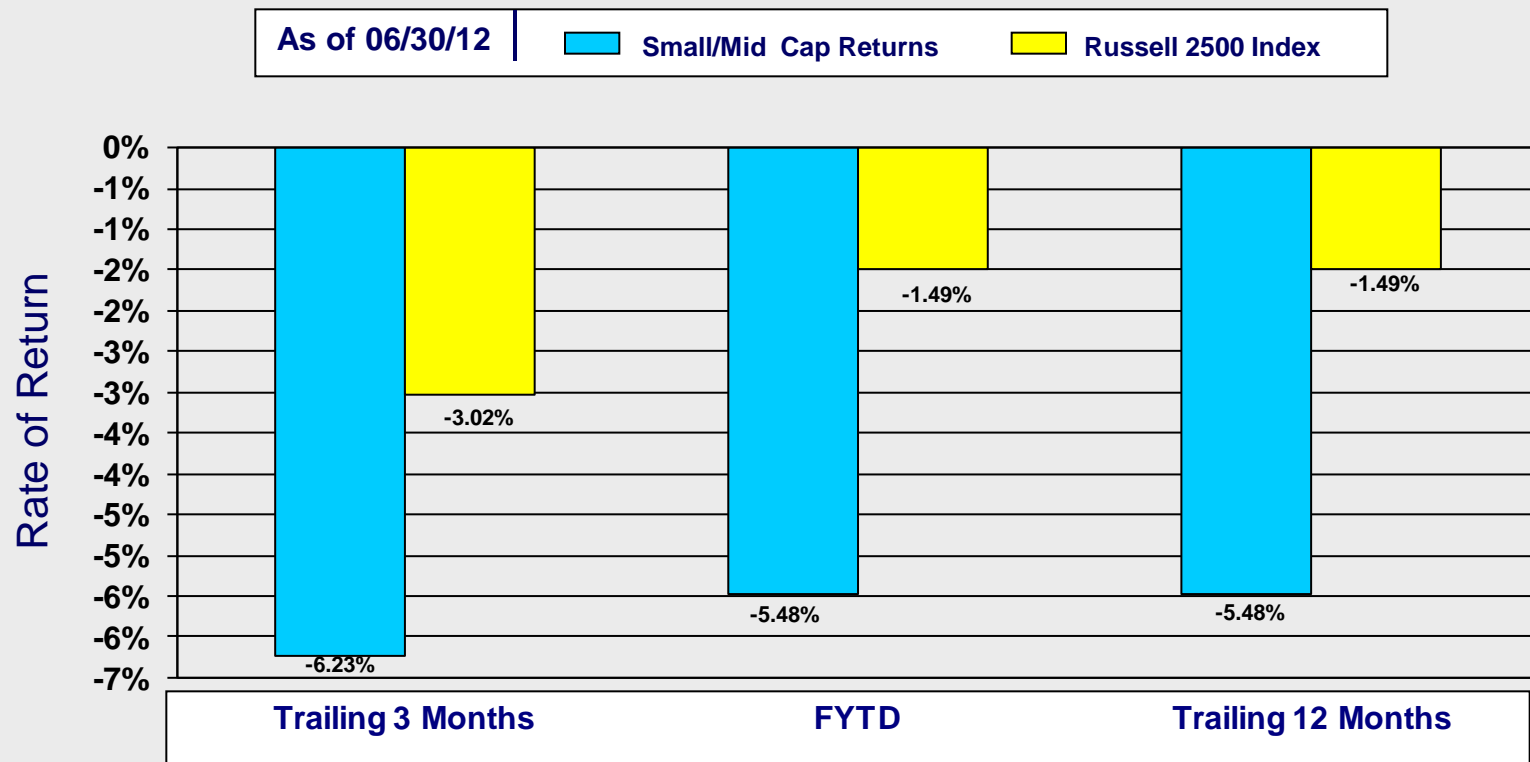
\$147M Under Management, **2%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	20.4	23.0	18.8
Benchmark Std Dev	21.6	24.7	20.5

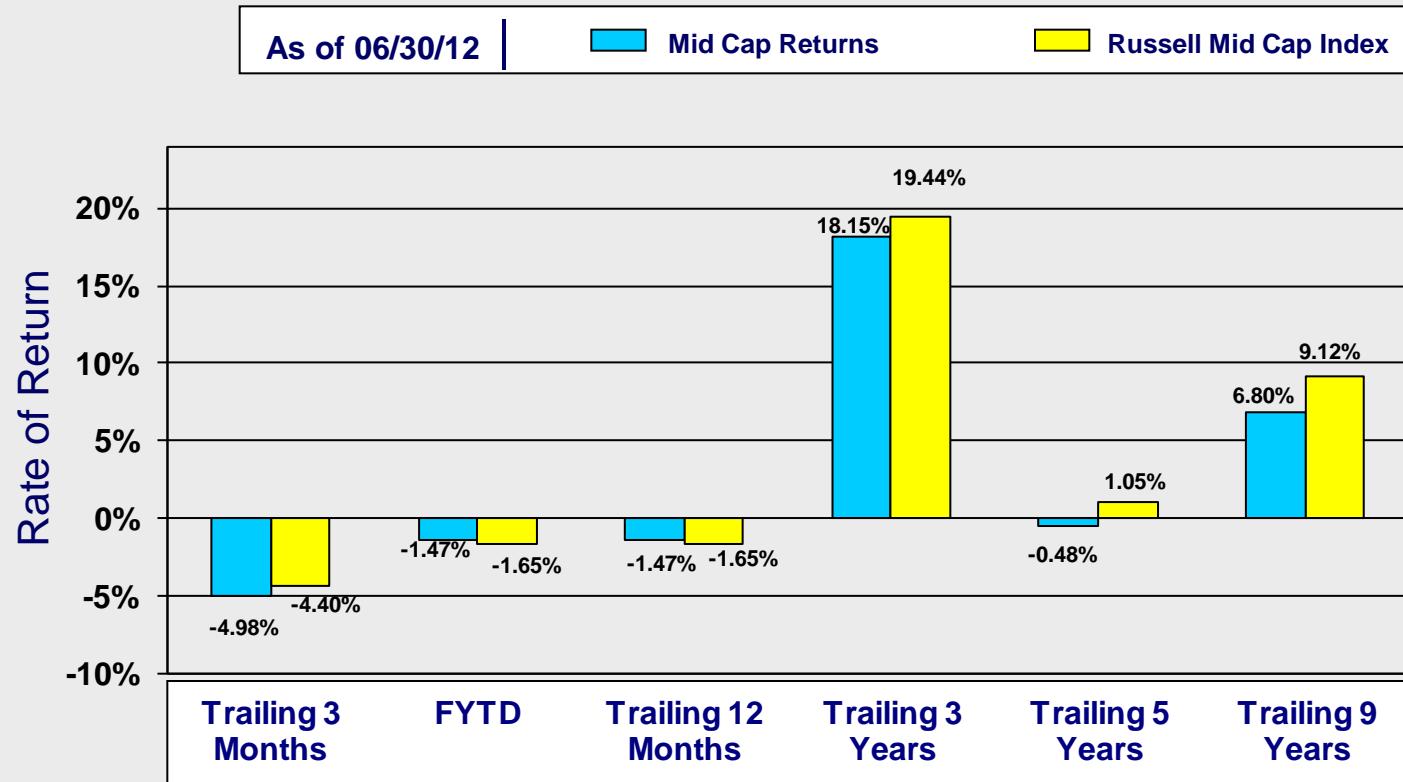
Small/Mid Cap Returns vs Russell 2500 Index

\$51M Under Management, **1%** of Total Funds



Mid Cap Returns vs Russell Mid Cap Index

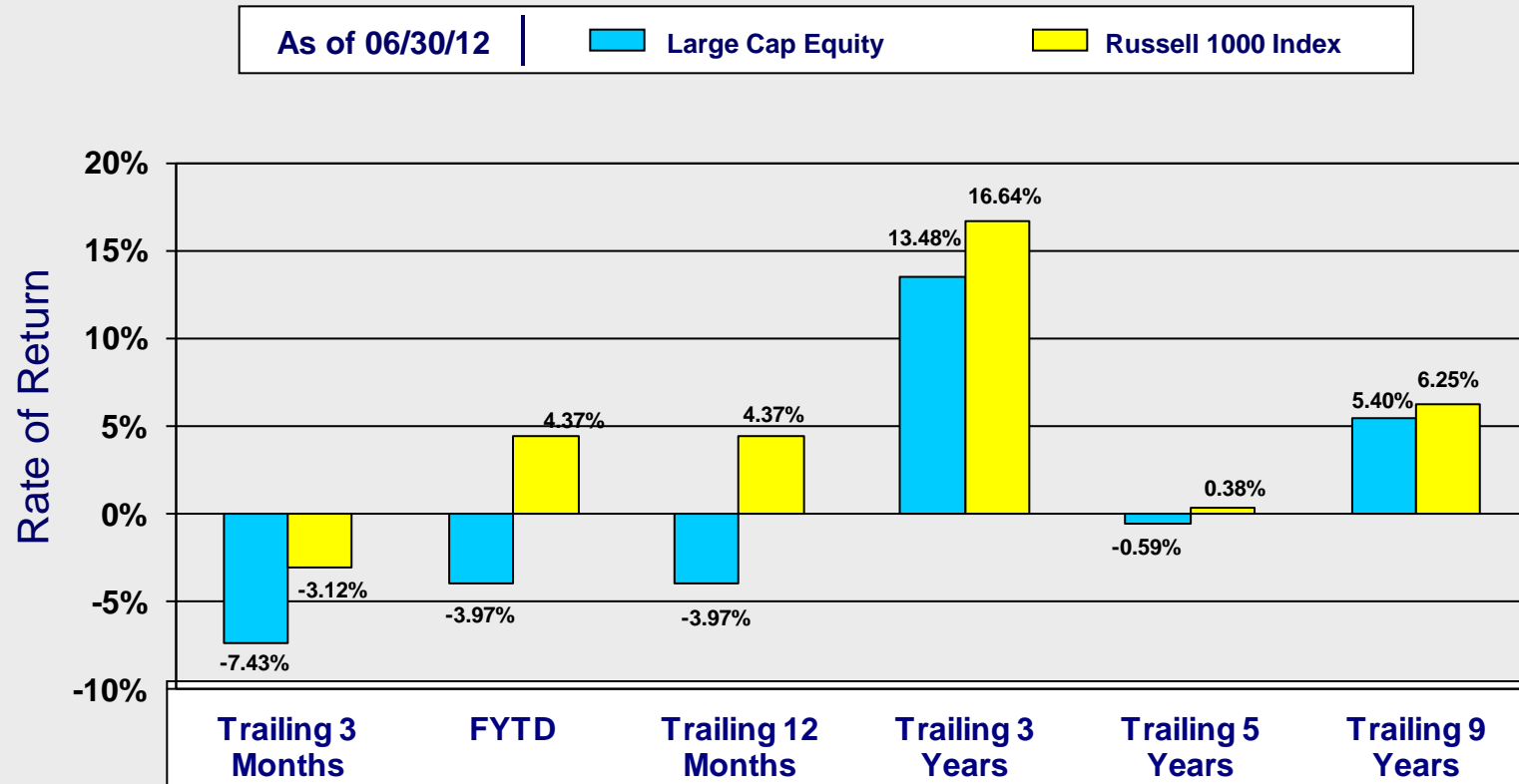
\$404M Under Management, **5%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	18.9	22.1	18.0
Benchmark Std Dev	18.5	22.9	18.4

Large Cap Returns vs Russell 1000 Index

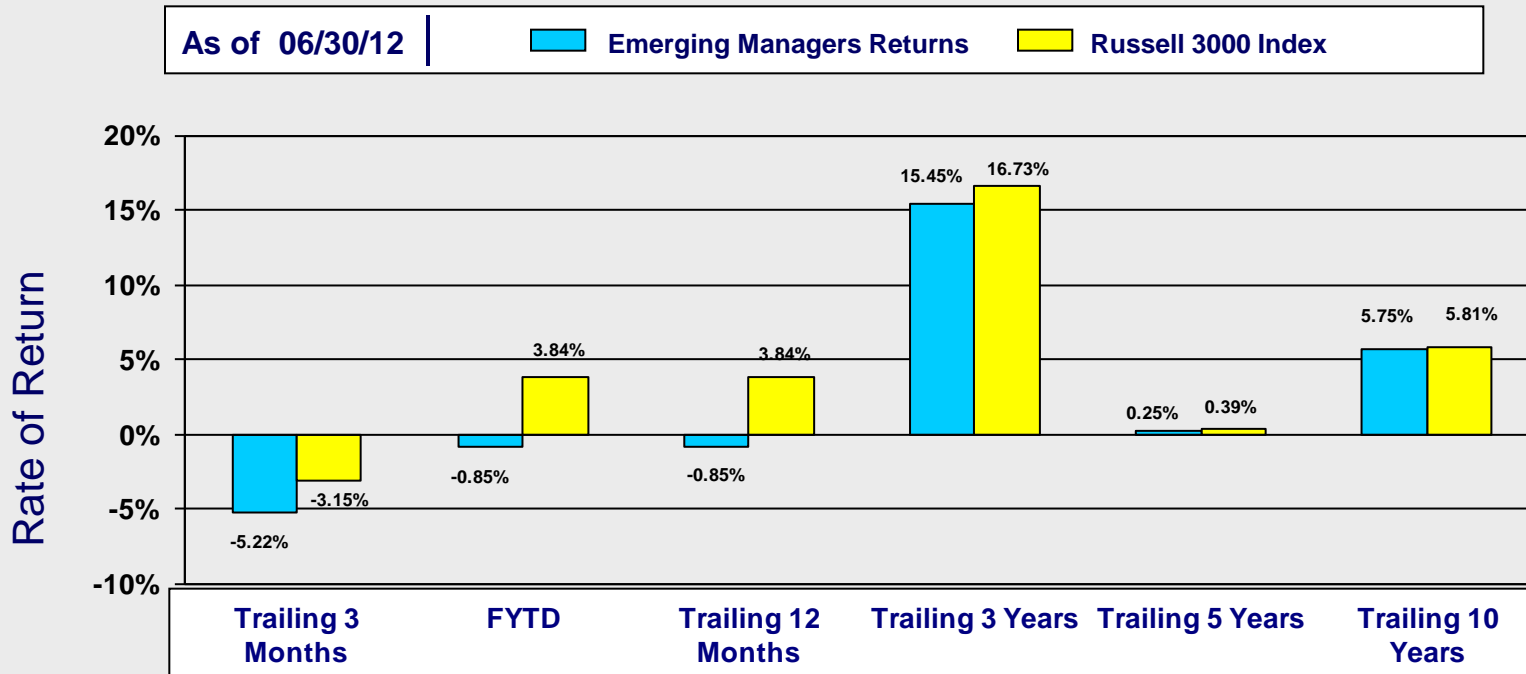
\$270M Under Management, **3%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	17.9	20.2	16.1
Benchmark Std Dev	16.2	19.5	15.4

Emerging Managers Returns vs Russell 3000 Index

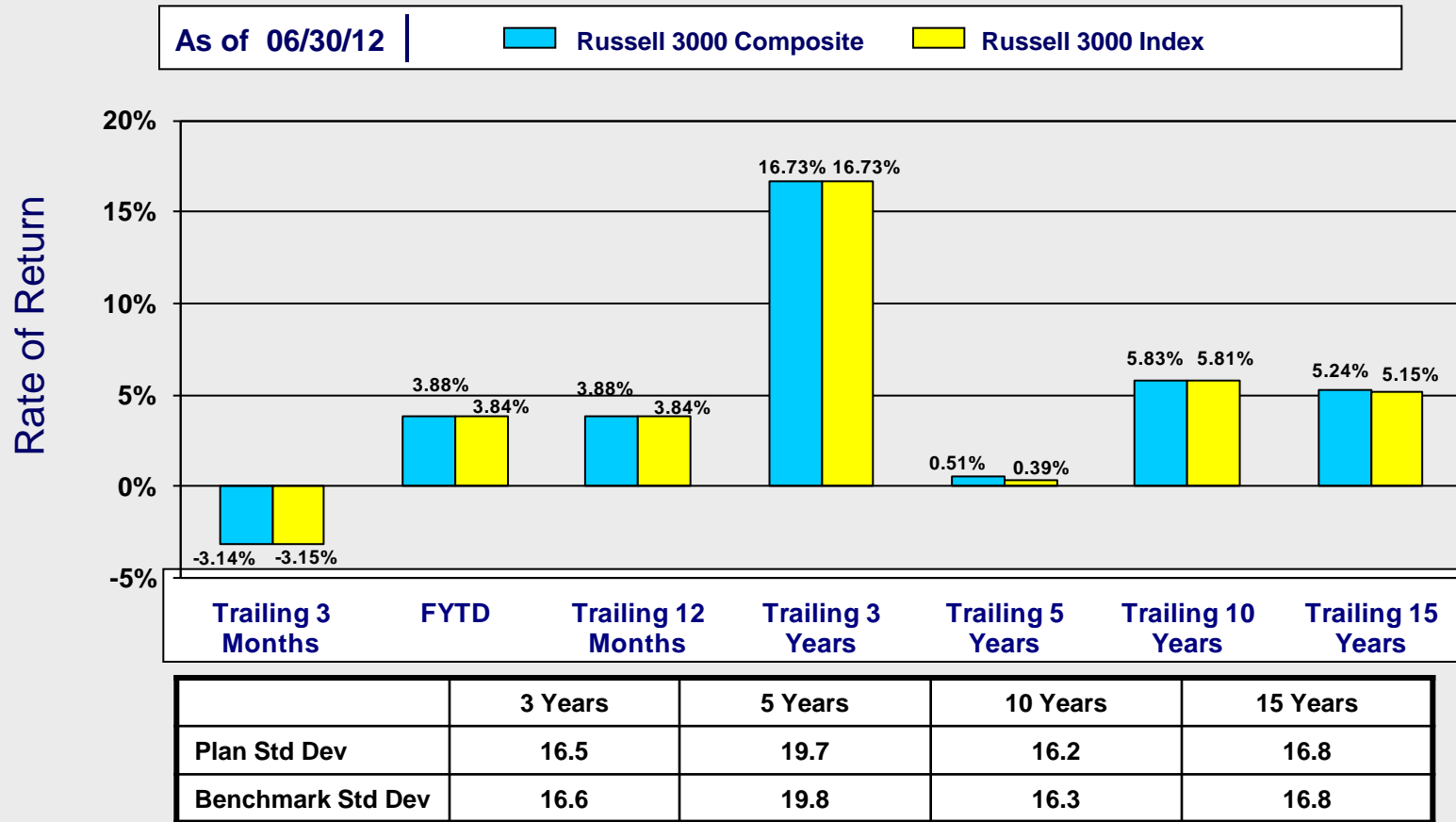
\$106M Under Management, **1%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	17.6	20.3	16.3
Benchmark Std Dev	16.6	19.8	15.7

Russell 3000 Index Fund Returns vs Russell 3000 Index

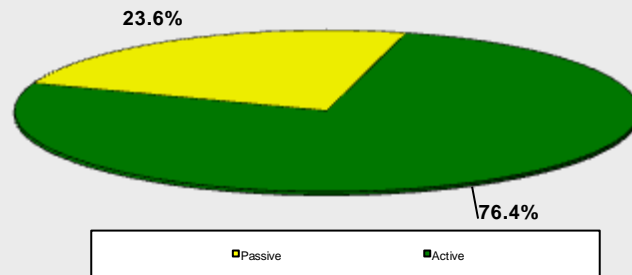
\$1.8B Under Management, **22%** of Total Funds



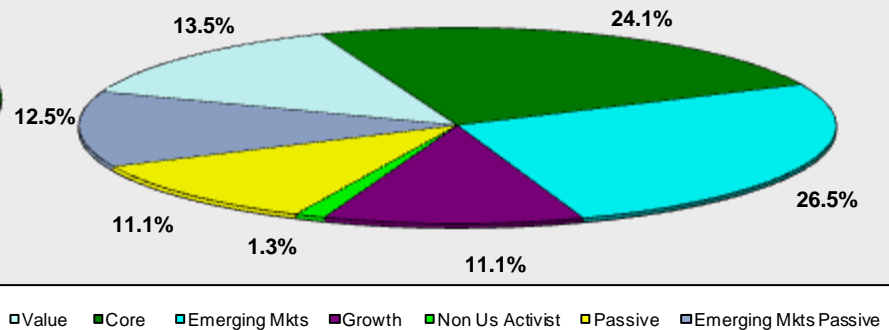
International Equity Asset Allocation: June 30, 2012

\$1.3B Under Management, **16%** of Total Funds

Asset Allocation by Groups



Asset Allocation by Style



Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
EAFE Growth		11.07		-7.06	-6.40	0.67		0.08
EAFE Value		13.54		-6.70	-5.22	1.48		-0.02
EAFE Core		24.06		-7.13	-7.80	-0.68		-0.28
EAFE Passive		11.10		-7.13	-6.86	0.27		0.03
Non-US Activist		1.30		-9.05	-15.59	-6.54		-0.09
Active EM		26.47		-8.77	-10.57	-1.80		-0.47
Passive EM		12.47		-8.77	-8.88	-0.11		-0.01

EAFE Markets Returns vs MSCI EAFE Index

\$776M Under Management, **10%** of Total Funds

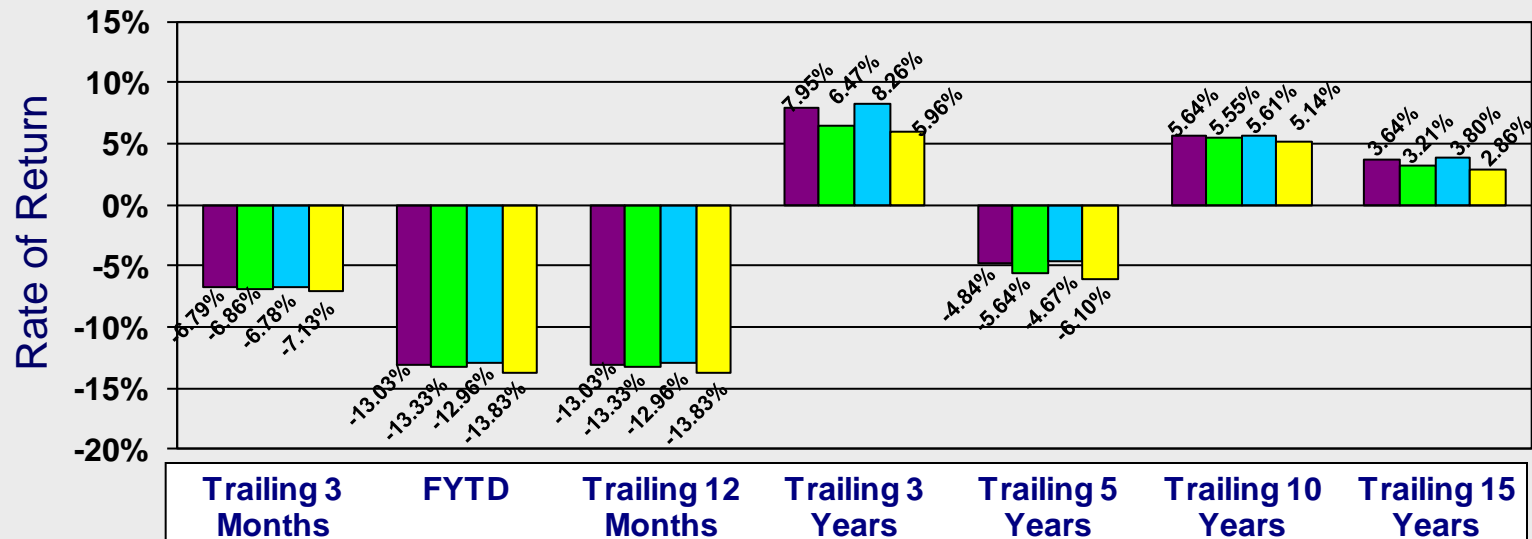
As of 06/30/12 |

EAFE Mkts

Passive Equity

Active Equity

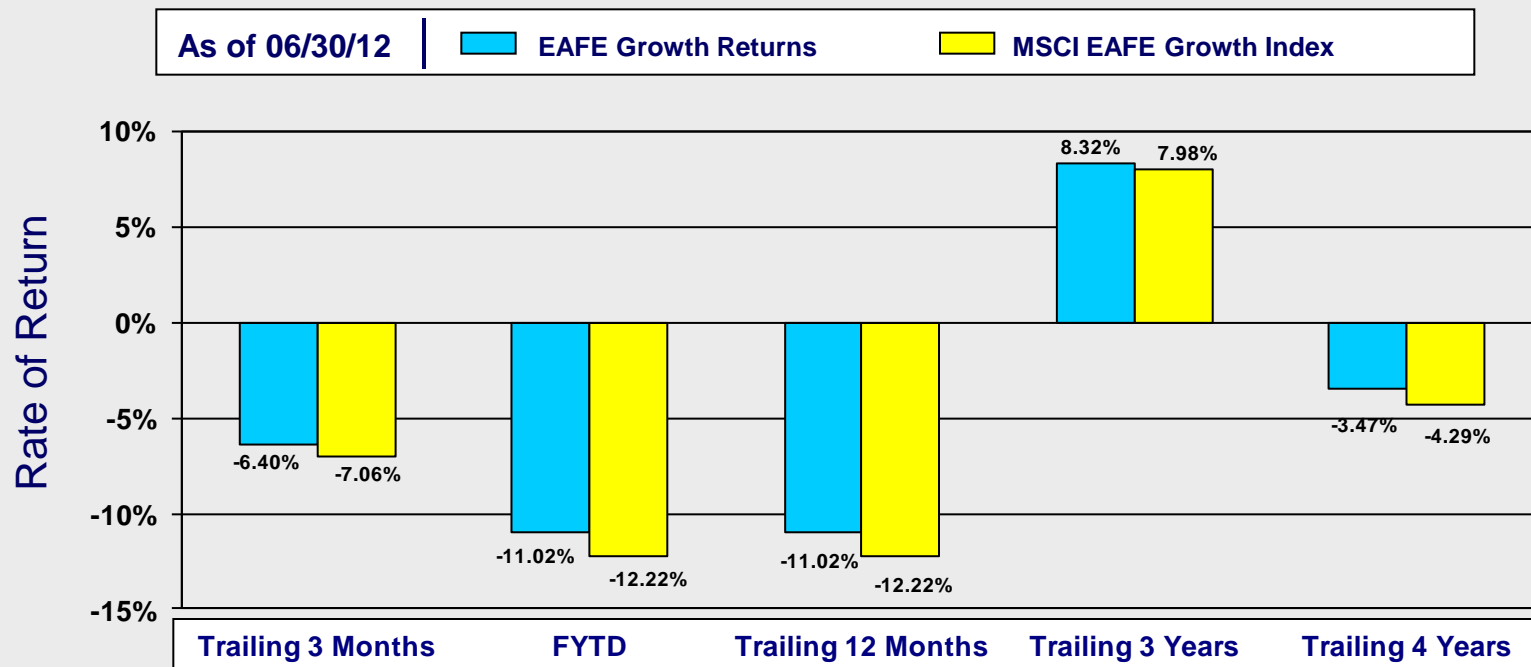
MSCI EAFE Index



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	19.7	23.1	19.2	18.4
Passive Plan Std Dev	20.1	23.4	19.1	18.2
Active Plan Std Dev	19.6	23.0	19.0	18.6
Benchmark Std Dev	20.2	23.4	19.1	18.2

EAFE Growth Returns vs MSCI EAFE Growth Index

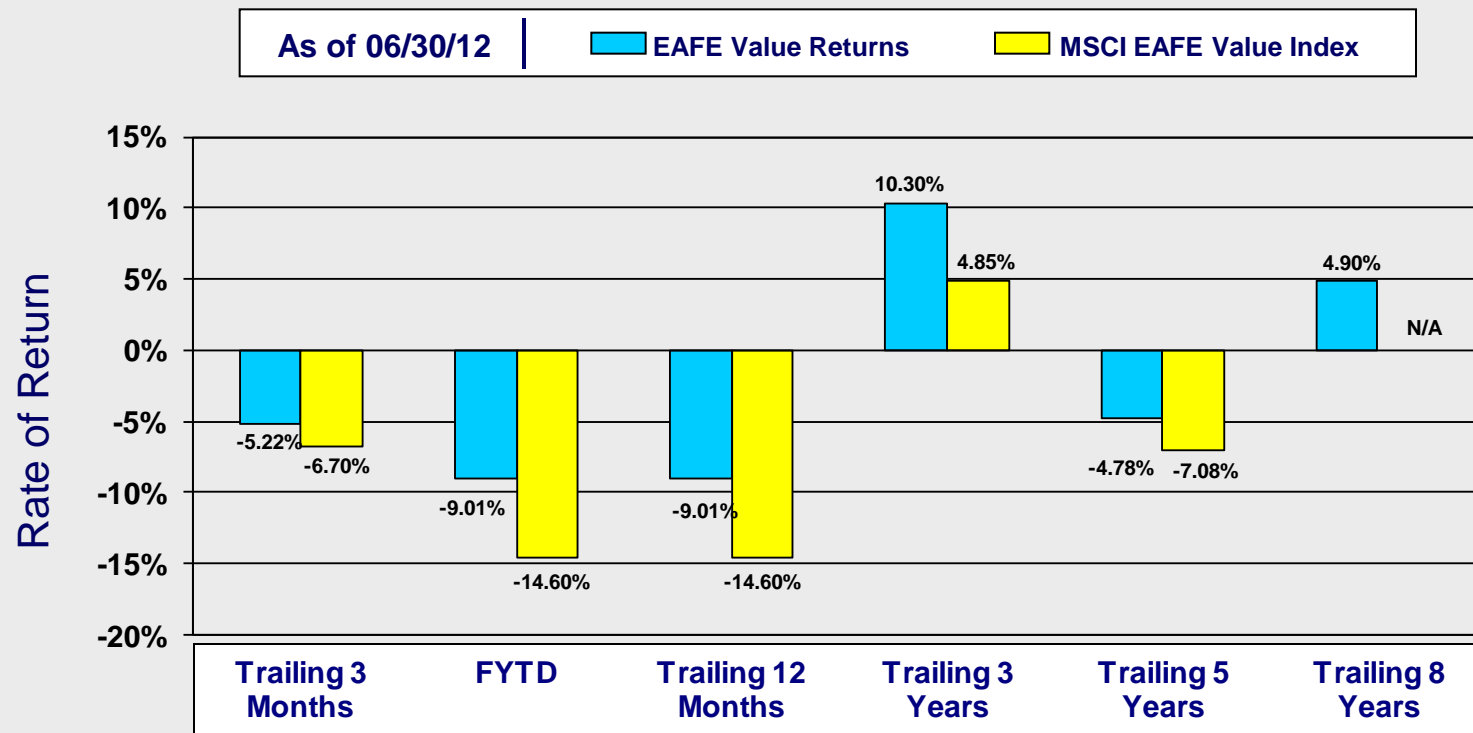
\$144M Under Management, **2%** of Total Funds



	3 Years	4 Years
Plan Std Dev	19.8	24.4
Benchmark Std Dev	19.5	22.5

EAFE Value Returns vs MSCI EAFE Value Index

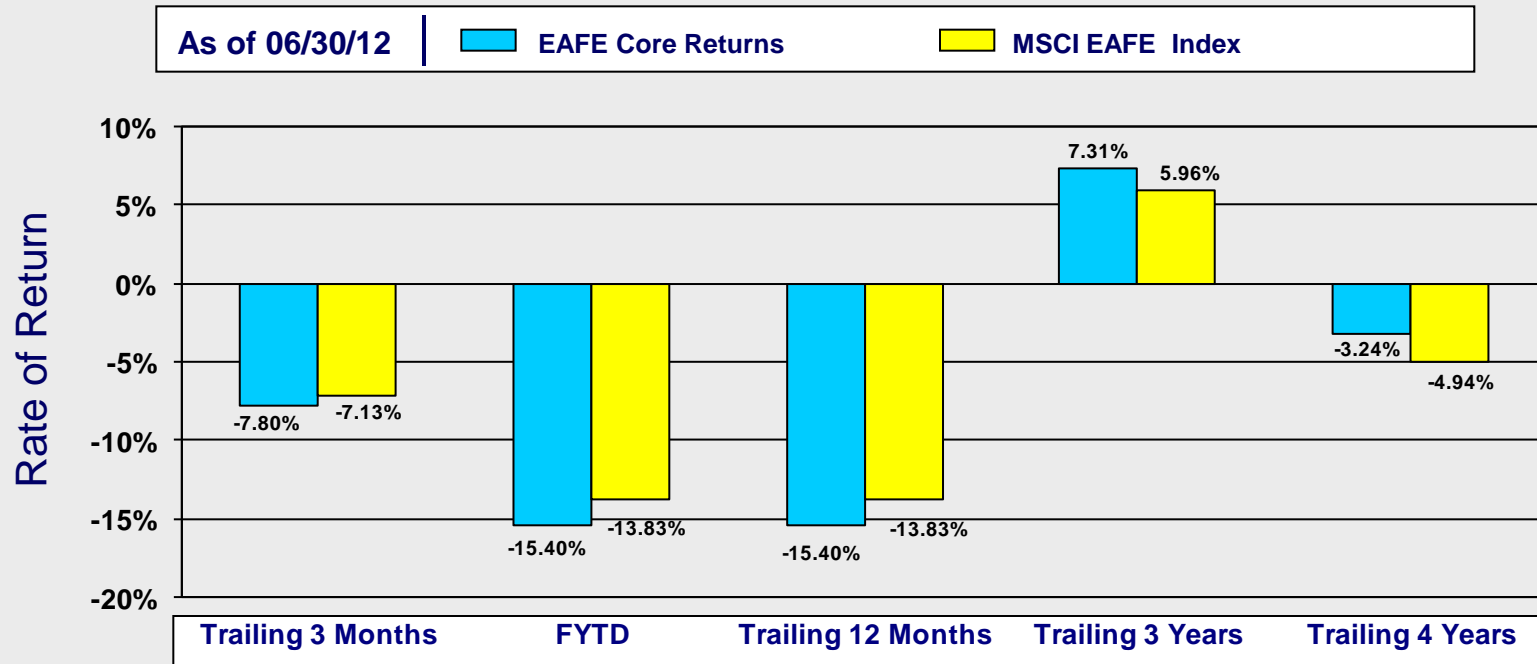
\$176M Under Management, **2%** of Total Funds



	3 Years	5 Years	8 Years
Plan Std Dev	18.6	22.4	18.8
Benchmark Std Dev	21.2	24.8	N/A

EAFE Core Returns vs MSCI EAFE Index

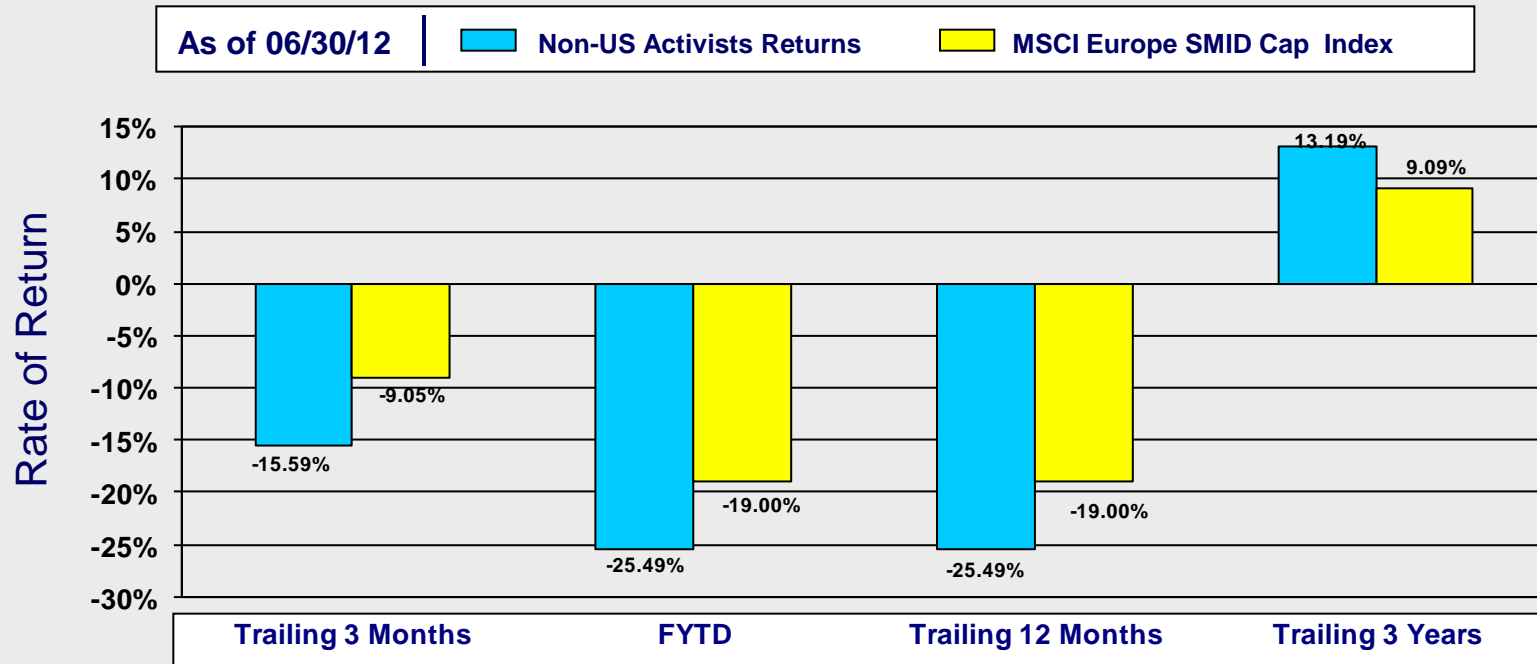
\$312M Under Management, **4%** of Total Funds



	3 Years	4 Years
Plan Std Dev	20.3	25.0
Benchmark Std Dev	20.2	23.4

Non-US Activist Returns vs MSCI Europe SMID Cap Index

\$17M Under Management, **0%** of Total Funds



	3 Years
Plan Std Dev	27.7
Benchmark Std Dev	24.7

Emerging Markets Returns vs MSCI Emerging Markets Index

\$506M Under Management, **6%** of Total Funds

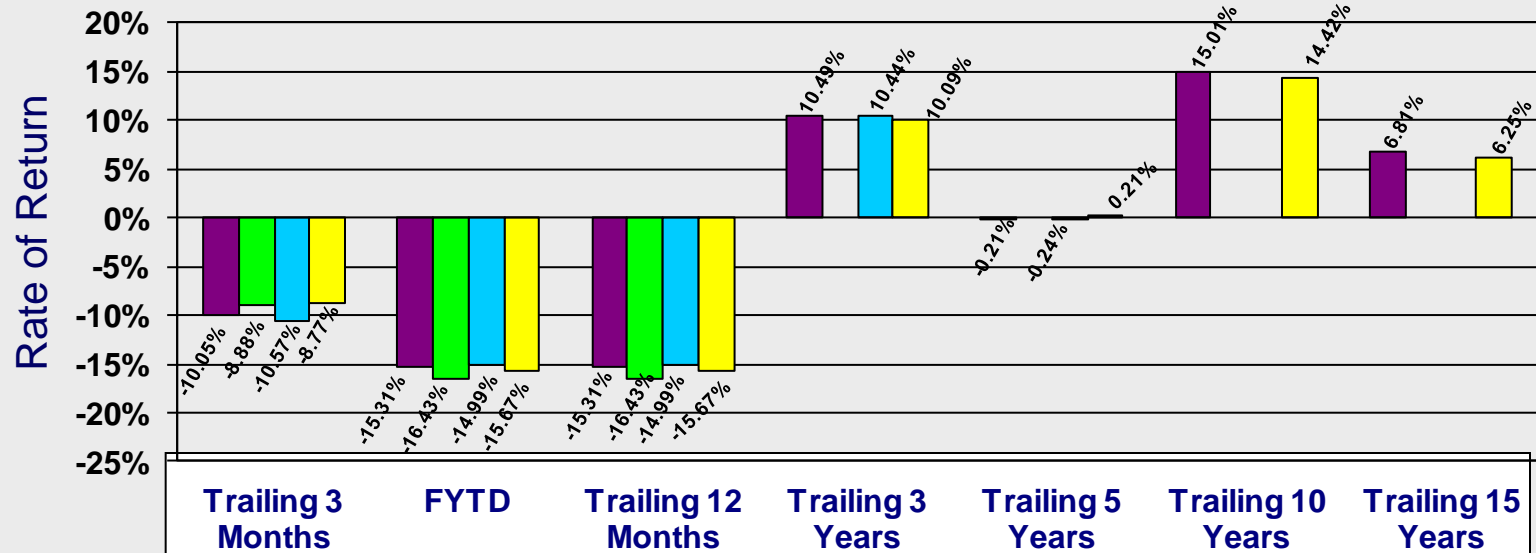
As of 06/30/12 |

Emerging Mkts

Passive Equity

Active Equity

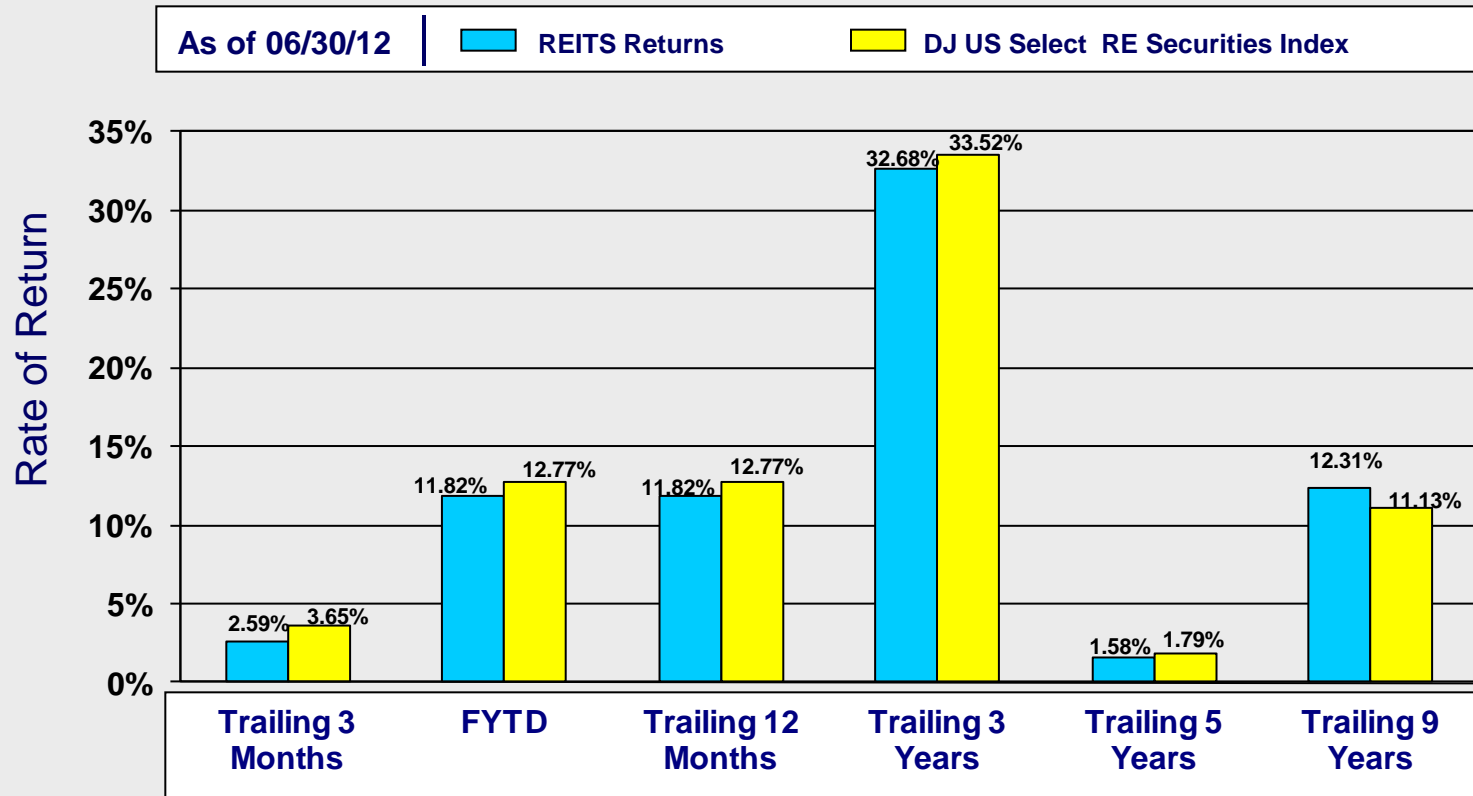
MSCI Emerging Mkts Index



	3 Years	5 Years	10 Years	15 Years
Emerging Plan Std Dev	23.4	30.2	24.8	25.8
Passive Plan Std Dev	N/A	N/A	N/A	N/A
Active Plan Std Dev	23.6	30.3	N/A	N/A
Benchmark Std Dev	22.7	29.7	24.6	26.1

REITS Returns vs DJ US Select Real Estate Securities Index

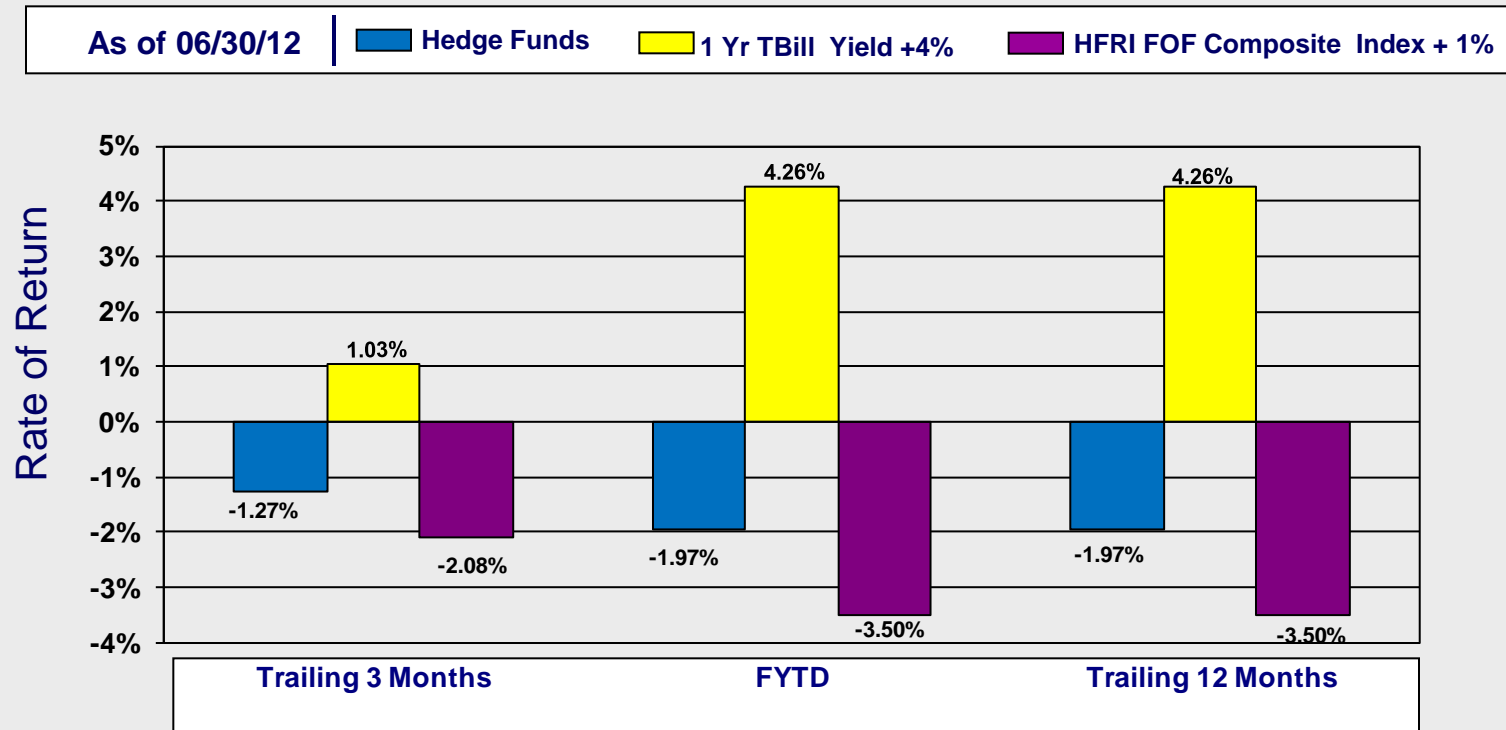
\$333M Under Management, **4%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	20.5	32.9	26.7
Benchmark Std Dev	21.2	34.5	27.9

Hedge Fund Returns vs 1 Yr TBill Yield + 4% & HFRI Fund of Funds Composite Index + 1%

\$185M Under Management, **2%** of Total Funds



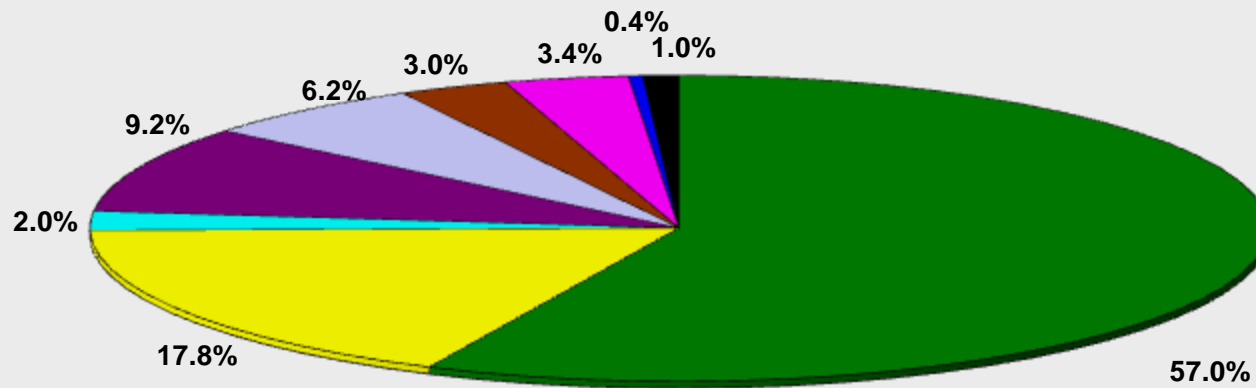
New York City
Fire Department Pension Fund, Subchapter Two

Fixed Income Analysis

Total Fixed Income Asset Allocation: June 30, 2012

\$2.7B Under Management, **33%** of Total Funds

Asset Allocation by Groups

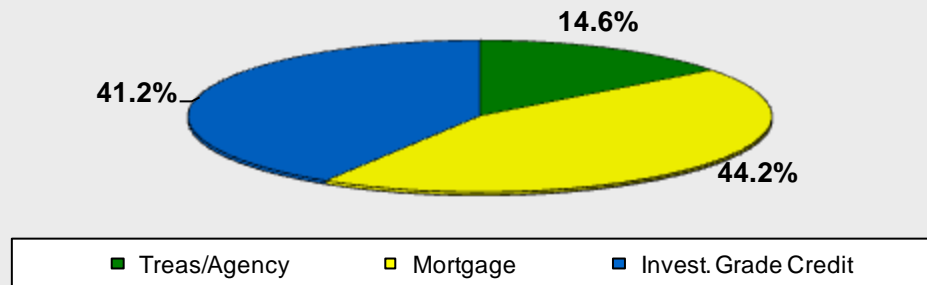


Structured Fixed Income	Enhanced Yield	ETI
Cash	TIPS Managers	Convertible Bonds
Opportunistic Fixed	Global Fixed Income	Progress Fixed

Structured Fixed Income Asset Allocation: Quarter Ending June 30, 2012

\$1.5B Under Management, **19%** of Total Funds

Asset Allocation by Groups



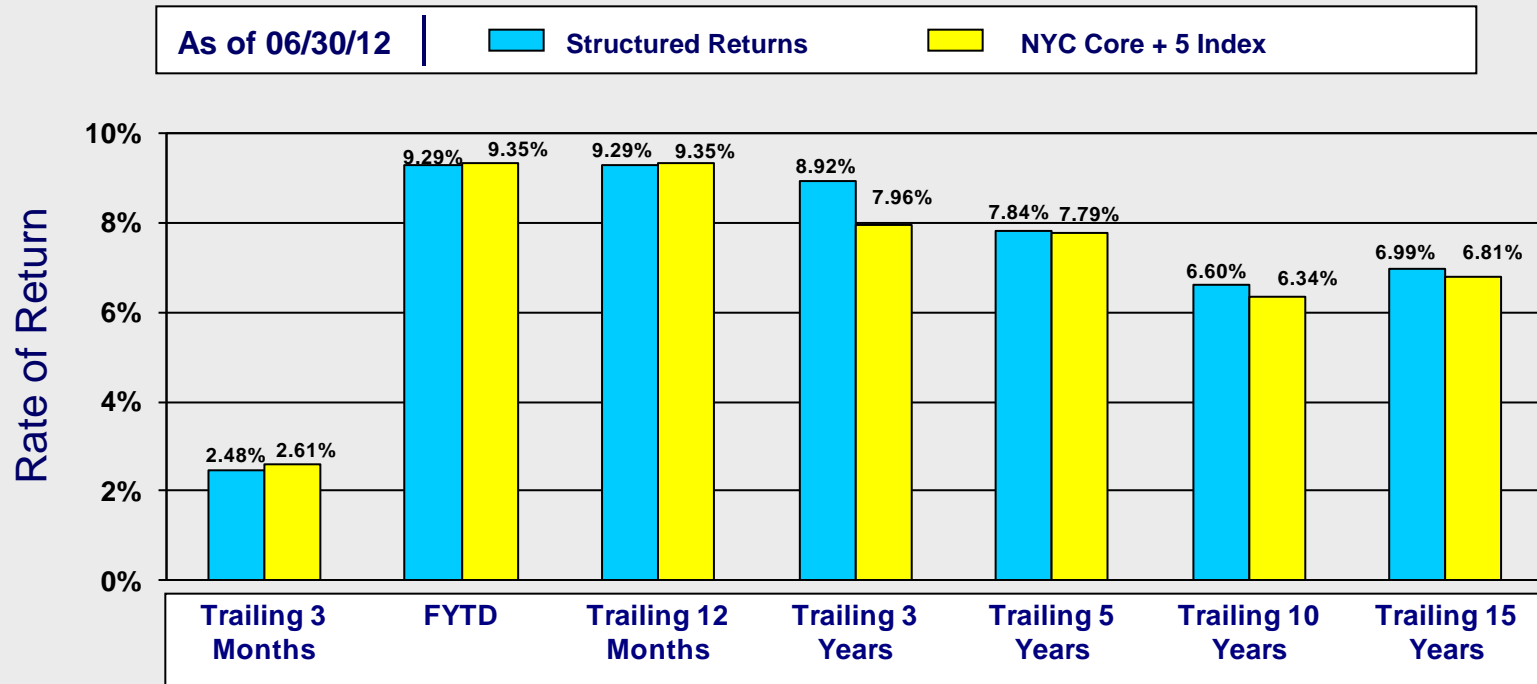
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treas/Agency	21.25	14.61	-6.64	6.17	6.20	0.03	-0.20	0.00
Mortgage	42.15	44.20	2.05	1.07	1.31	0.23	-0.09	0.11
Invest. Grade Credit	36.60	41.19	4.59	2.33	2.44	0.11	0.01	0.04

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

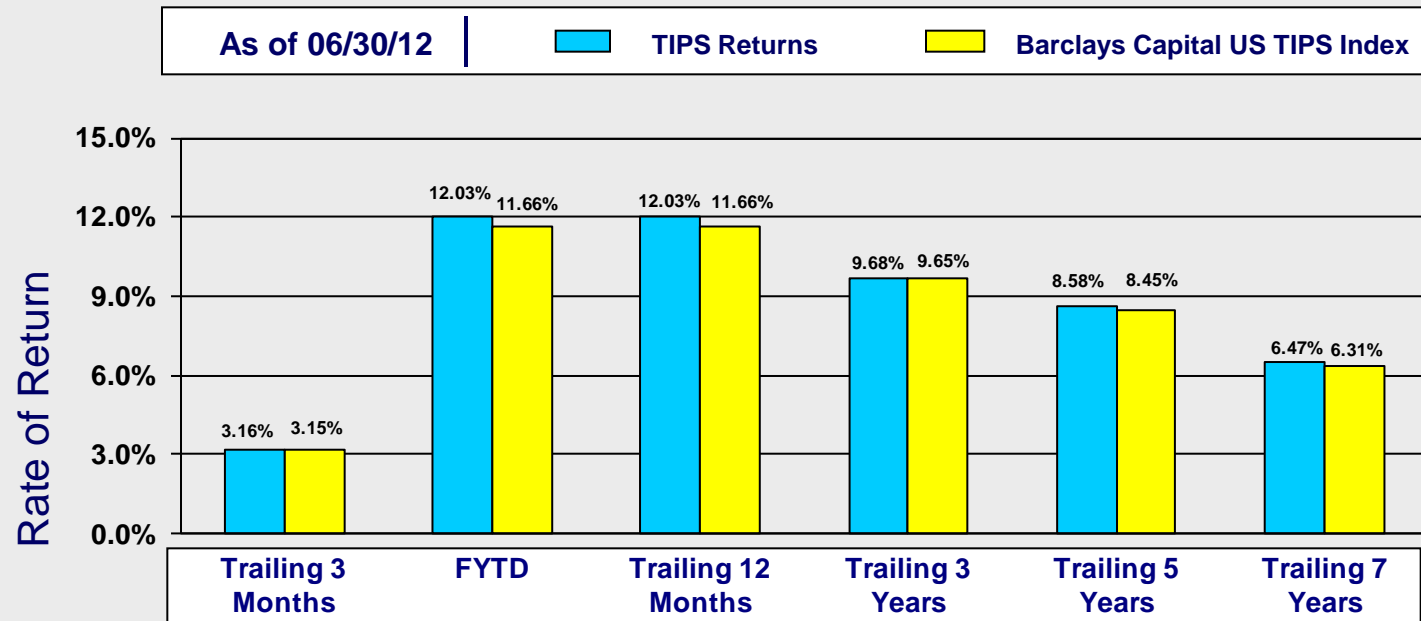
\$1.5B Under Management, **19%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	3.1	4.1	4.1	4.0
Benchmark Std Dev	3.2	4.4	4.3	4.1

TIPS Returns vs Barclays Capital US TIPS Index

\$166M Under Management, **2%** of Total Funds



	3 Years	5 Years	7 Years
Plan Std Dev	4.5	7.4	6.7
Benchmark Std Dev	4.7	7.4	6.7

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

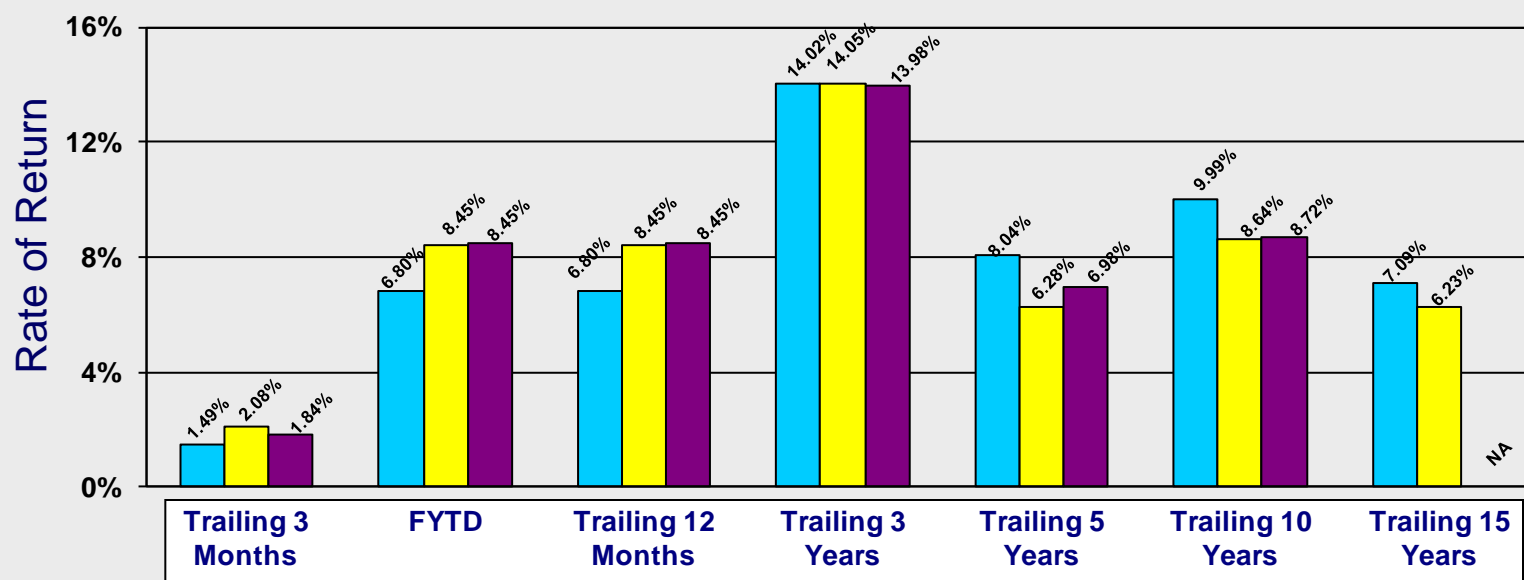
\$474M Under Management, **6%** of Total Funds

As of 06/30/12

Enhanced Yield

Citigroup BB&B Index

Citigroup BB&B Capped Index



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	6.7	10.7	8.5	9.0
Citigroup BB&B Std Dev	6.8	11.9	9.5	9.2
Citigroup BB&B Capped Std Dev	6.7	11.6	9.2	N/A

Convertible Bond Returns vs Benchmarks

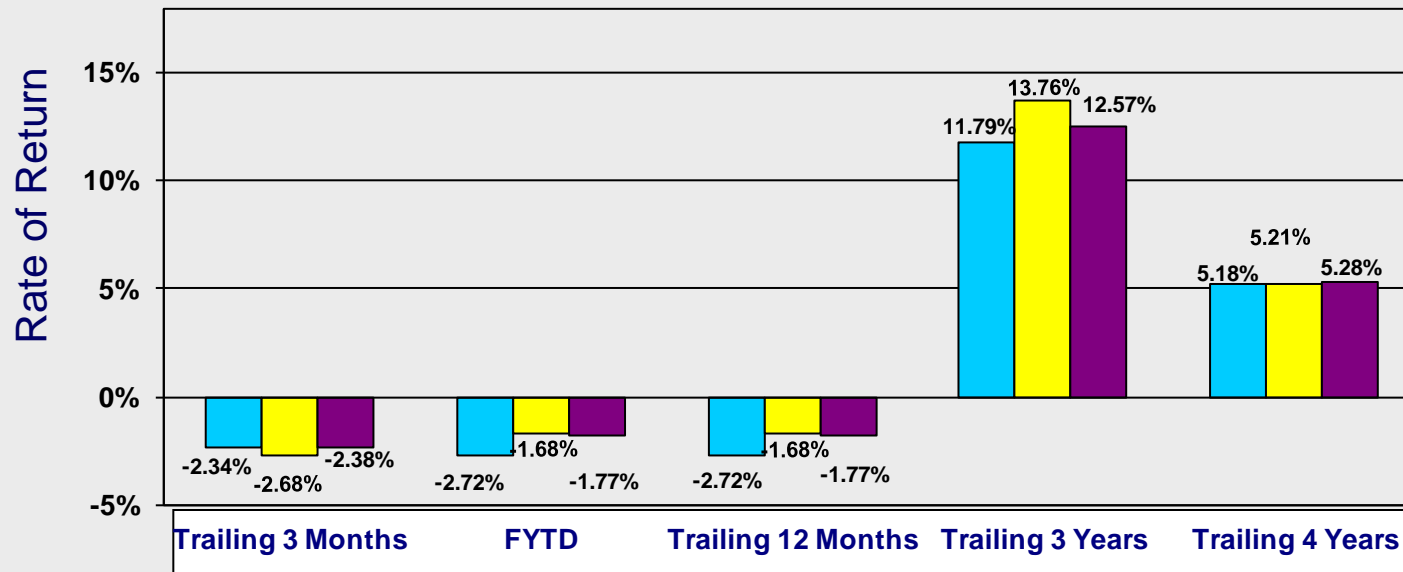
\$80M Under Management, **1%** of Total Funds

As of 06/30/12

Conv. Bond Returns

Bofa ML All Conv. Ex Mandatory Index

Custom Index



	3 Years	4 Years
Plan Std Dev	10.0	13.9
Bofa ML All Conv. Ex Mandatory Index	11.2	16.6
Custom Index	9.5	15.1

Opportunistic Fixed Income Returns vs Benchmarks

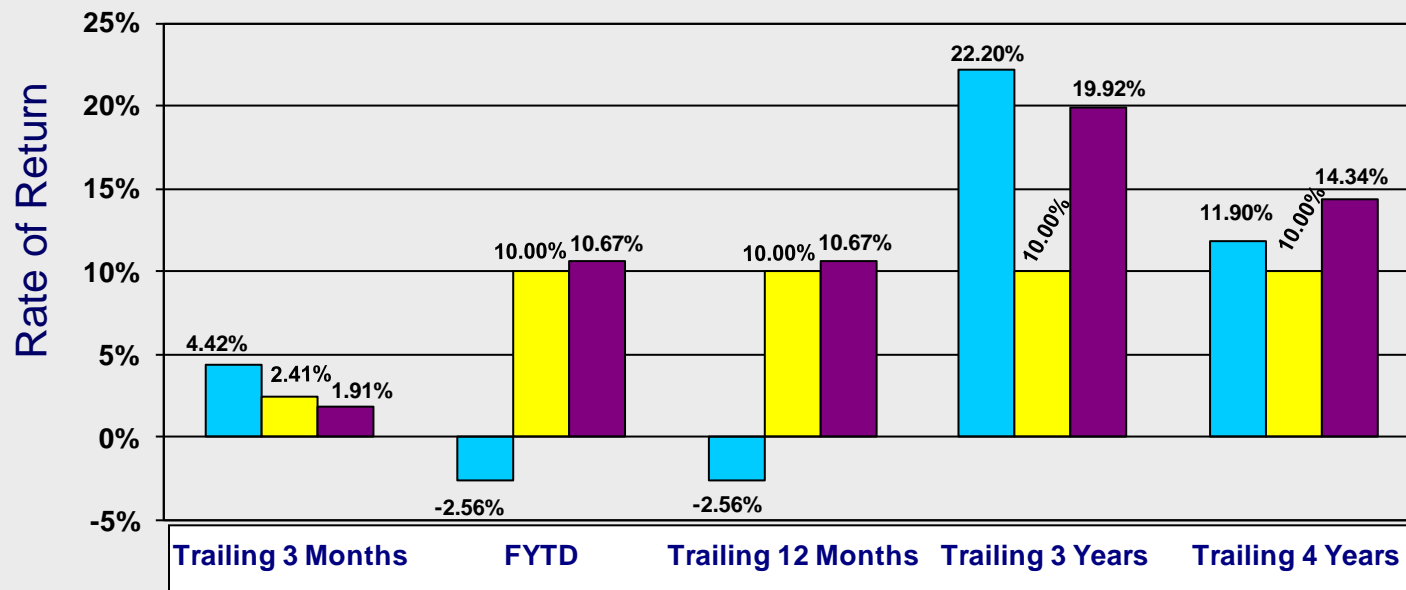
\$91M Under Management, **1%** of Total Funds

As of 06/30/12

Opportunistic Fixed

10% Annual Return

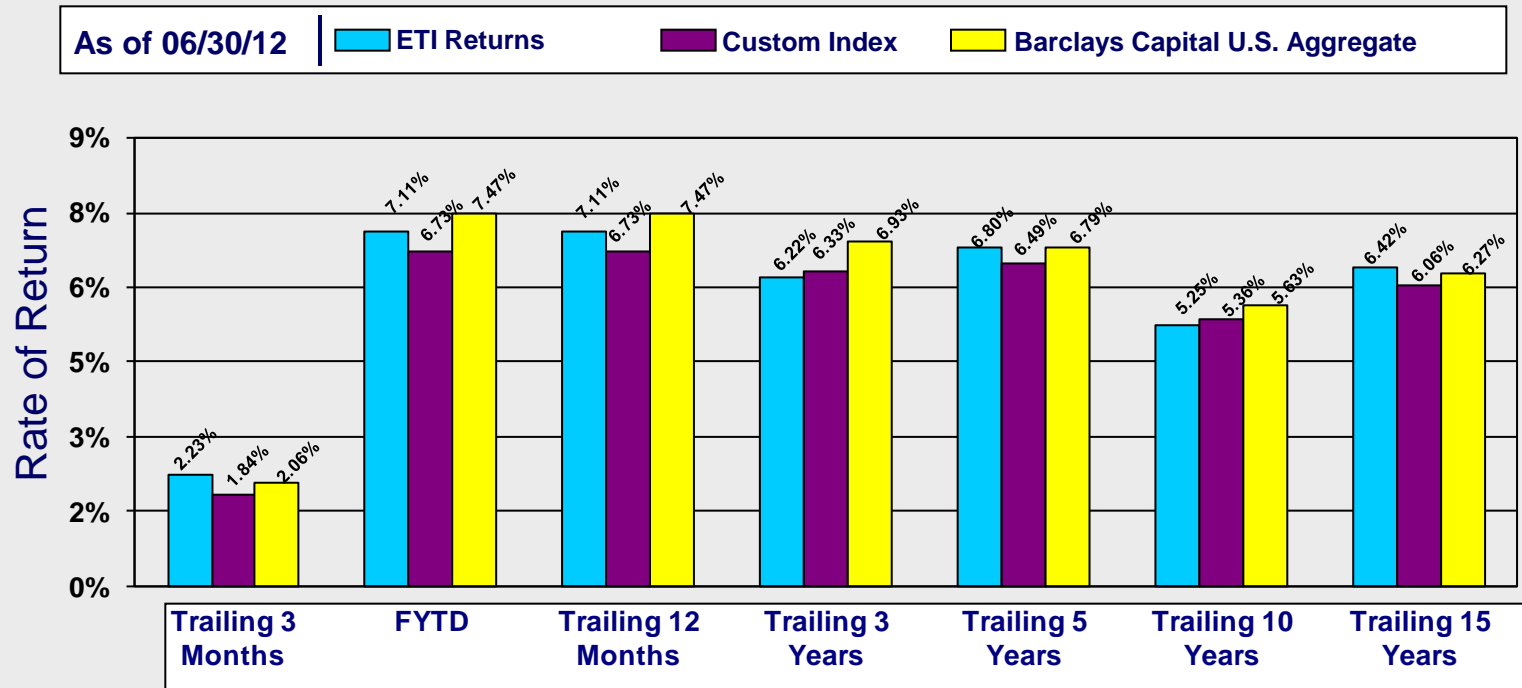
JPM Global HY +3%



	3 Years	4 Years
Plan Std Dev	11.5	11.7
JPM Global HY +3% Std Dev	9.7	0.0

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

\$52M Under Management, **1%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	2.1	2.7	3.3	2.9
Custom Index Std Dev	2.4	3.1	3.3	3.1
BC US Aggreg Std Dev	2.7	3.5	3.6	3.5

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

New York City
Fire Department Pension Fund, Subchapter Two

Appendix

Consolidated Performance Report

Through June 30, 2012

Assets%			3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
(\$MM)	Total		Apr-12	Jan-12	Jul-11	Jul-09	Jul-07	Jul-02	Jul-97
			Jun-12	Jun-12	Jun-12	Jun-12	Jun-12	Jun-12	Jun-12
		EQUITY MANAGEMENT							
		SMALL CAP							
21.87	0.27	BROWN AM	-1.60	11.72	-0.64	22.27	****	****	****
53.37	0.66	PERIMETER	-7.43	4.61	-8.14	****	****	****	****
75.24	0.92	TOTAL SMALL CAP GROWTH	-5.81	6.58	-6.08	16.56	0.32	****	****
		RUSSELL 2000 GROWTH	-3.94	8.81	-2.71	18.09	1.99	****	****
		SMALL CAP GROWTH MEDIAN	-5.27	8.11	-3.92	18.90	1.94	****	****
71.98	0.88	DALTON GREINER	-2.92	8.76	-1.85	****	****	****	****
71.98	0.88	TOTAL SMALL CAP VALUE	-2.92	8.76	-1.85	****	****	****	****
		RUSSELL 2000 VALUE	-3.01	8.23	-1.44	****	****	****	****
147.22	1.81	TOTAL SMALL CAP ACTIVE	-4.42	7.64	-4.06	15.93	-2.07	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	17.79	0.54	****	****
0.09	0.00	BLACKROCK R2000	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****
0.09	0.00	TOTAL SMALL CAP PASSIVE	****	****	****	****	****	****	****
147.31	1.81	TOTAL SMALL CAP	-5.38	6.52	-4.96	15.37	-2.35	****	****
		RUSSELL 2000	-3.47	8.53	-2.08	17.79	0.54	****	****
51.26	0.63	SECURITY GLOBAL INV	-6.23	5.74	-5.48	****	****	****	****
		RUSSELL 2500 VALUE	-3.02	8.15	-1.49	****	****	****	****
107.49	1.32	TIMESQUARE CAPITAL	-4.81	9.57	0.88	****	****	****	****
		RUSSELL MIDCAP GROWTH	-5.60	8.10	-2.99	****	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
55.22	0.68	IRIDIAN ASSET	-6.86	9.61	-2.79	****	****	****	****
55.22	0.68	TOTAL MID CAP VALUE	-6.86	9.61	-2.79	20.24	0.26	****	****
		RUSSELL MIDCAP VALUE	-3.26	7.78	-0.37	19.91	-0.13	****	****
63.36	0.78	WELLINGTON MGMT	-3.80	11.78	-2.72	****	****	****	****
63.36	0.78	TOTAL MID CAP CORE	-3.80	11.78	-2.72	18.00	-0.43	****	****
		S&P MIDCAP INDEX 400	-4.93	7.90	-2.33	19.36	2.55	****	****
226.08	2.78	TOTAL MID CAP ACTIVE	-5.04	10.19	-1.05	18.96	-0.07	****	****
178.29	2.19	STATE STREET GA S&P 400	-4.90	7.93	-2.26	****	****	****	****
178.29	2.19	TOTAL MID CAP PASSIVE	-4.90	7.93	-2.26	****	****	****	****
		S&P MIDCAP INDEX 400	-4.93	7.90	-2.33	****	****	****	****
404.37	4.96	TOTAL MID CAP	-4.98	9.19	-1.47	18.15	-0.48	****	****
		RUSSELL MIDCAP	-4.40	7.97	-1.65	19.44	1.05	****	****
		LARGE CAP							
35.18	0.43	PROFIT INV MGMT	-5.20	9.38	6.92	15.23	****	****	****
120.80	1.48	ZEVENBERGEN	-10.87	4.87	-11.15	14.72	****	****	****
155.98	1.91	TOTAL LARGE CAP GROWTH	-9.65	5.85	-7.63	13.35	0.12	3.91	4.24
		RUSSELL 1000 GROWTH	-4.02	10.08	5.76	17.50	2.87	6.03	3.88
		RUSSELL 3000 GROWTH	-4.02	9.98	5.05	17.54	2.79	6.13	3.87
		LARGE CAP GROWTH MEDIAN	-5.33	9.57	3.10	16.24	2.25	6.34	6.26
78.15	0.96	ARONSON JOHNSON	-3.64	8.81	2.63	15.87	-1.22	****	****
78.15	0.96	TOTAL LARGE CAP VALUE	-3.64	8.81	2.63	14.52	-0.94	****	****
		RUSSELL 1000 VALUE	-2.20	8.68	3.01	15.80	-2.19	****	****
		LARGE CAP VALUE MEDIAN	-4.03	7.86	0.99	15.23	-1.24	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
35.64	0.44	SEIZERT CAPITAL PTNRS	-5.39	6.20	-0.77	15.66	****	****	****
35.64	0.44	TOTAL LARGE CAP CORE	-5.39	6.20	-0.77	15.66	****	****	****
		RUSSELL 1000	-3.12	9.38	4.37	16.64	****	****	***
269.78	3.31	TOTAL LARGE CAP	-7.43	6.74	-3.97	13.48	-0.59	****	****
		RUSSELL 1000	-3.12	9.38	4.37	16.64	0.38	****	****
		RUSSELL 3000							
1,032.89	12.68	BLACKROCK R3000	-3.13	9.31	3.85	16.67	0.44	5.86	****
792.19	9.73	STATE STREET R3000	-3.15	9.29	3.91	****	****	****	****
1,825.08	22.41	TOTAL RUSSELL 3000	-3.14	9.30	3.88	16.73	0.51	5.83	5.24
		RUSSELL 3000	-3.15	9.32	3.84	16.73	0.39	5.81	5.15
		ATTUCKS							
3.27	0.04	APEX	****	****	****	****	****	****	****
1.52	0.02	BIRD ROCK	****	****	****	****	****	****	****
3.37	0.04	EAM	****	****	****	****	****	****	****
4.20	0.05	OPUS	****	****	****	****	****	****	****
4.31	0.05	PARADIGM ASSET MGMT	****	****	****	****	****	****	****
16.67	0.20	TOTAL ATTUCKS	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****
		CAPITAL PROSPECTS							
2.47	0.03	AH LISANTI	****	****	****	****	****	****	****
2.47	0.03	BERNZOTT CAP AD	****	****	****	****	****	****	****
2.46	0.03	CHANNING	****	****	****	****	****	****	****
2.36	0.03	CWC	****	****	****	****	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
1.04	0.01	HIGH POINTE	****	****	****	****	****	****	****
2.49	0.03	HUBER	****	****	****	****	****	****	****
2.18	0.03	LOMBARDIA	****	****	****	****	****	****	****
2.37	0.03	PROFIT	****	****	****	****	****	****	****
2.34	0.03	QUOTIENT	****	****	****	****	****	****	****
2.50	0.03	STEPHENS	****	****	****	****	****	****	****
2.53	0.03	SUMMIT CREEK	****	****	****	****	****	****	****
25.22	0.31	TOTAL CAPITAL PROSPECTS	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****
		PROGRESS EQUITY							
11.18	0.14	APEX	****	****	****	****	****	****	****
6.88	0.08	CARDINAL	****	****	****	****	****	****	****
5.21	0.06	HUBER	****	****	****	****	****	****	****
8.40	0.10	IRONWOOD	****	****	****	****	****	****	****
3.78	0.05	LOMBARDIA CAPITAL	****	****	****	****	****	****	****
4.88	0.06	MONARCH PARTNERS	****	****	****	****	****	****	****
3.43	0.04	NICHOLS ASSET MGMT	****	****	****	****	****	****	****
6.76	0.08	OMT	****	****	****	****	****	****	****
5.79	0.07	PHOCAS	****	****	****	****	****	****	****
7.67	0.09	SIGNIA	****	****	****	****	****	****	****
63.99	0.79	TOTAL PROGRESS	****	****	****	****	****	****	****
		RUSSELL 2000	****	****	****	****	****	****	****
0.07	0.00	EMOM TRANSITION	****	****	****	****	****	****	****
105.95	1.30	TOTAL EMERGING MANAGERS	-5.22	8.70	-0.85	15.45	0.25	5.75	****
		RUSSELL 2000	****	****	****	****	****	****	****
		RUSSELL 3000	-3.15	9.32	3.84	16.73	0.39	5.81	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
800.28	9.82	TOTAL ACTIVE DOMESTIC EQUITY	-5.85	8.05	-2.87	14.97	-0.64	5.22	3.63
2,003.46	24.60	TOTAL PASSIVE DOMESTIC EQUITY	-3.40	9.06	2.94	16.37	0.32	5.70	5.46
2,803.75	34.42	TOTAL DOMESTIC EQUITY	-4.08	8.79	1.33	15.98	-0.01	5.50	4.77
		INTERNATIONAL EQUITIES							
		DEVELOPED MARKETS							
		GROWTH							
143.77	1.77	PYRAMIS GLOBAL ADVISORS	-6.40	5.50	-11.02	8.32	****	****	****
143.77	1.77	TOTAL INTL GROWTH	-6.40	5.50	-11.02	8.32	****	****	****
		MSCI EAFE GROWTH	-7.06	4.19	-12.22	7.98	****	****	****
		VALUE							
175.79	2.16	SPRUCEGROVE	-5.22	4.95	-9.00	11.26	-3.00	****	****
175.80	2.16	TOTAL INTL VALUE	-5.22	4.95	-9.01	10.30	-4.78	****	****
		MSCI EAFE VALUE	-6.70	2.49	-14.60	4.85	-7.08	****	****
		CORE							
127.20	1.56	PHILADELPHIA	-9.72	0.30	-17.97	5.64	****	****	****
185.27	2.27	THORNBURG	-6.44	4.56	-13.53	8.45	****	****	****
312.48	3.84	TOTAL INTL CORE	-7.80	2.78	-15.40	7.31	****	****	****
		MSCI EAFE (NET DIVIDEND)	-7.13	2.96	-13.83	5.96	****	****	****
632.16	7.76	TOTAL ACTIVE DEVELOPED MARKETS	-6.78	3.69	-12.96	8.26	-4.67	5.61	3.80

Market values for terminated non-U.S. accounts represent balances to be transferred out or resolved; some of these accounts may also have outstanding tax reclaims. Market values for non-U.S. transition accounts represent cash balances to be cleared out or other outstanding issues.

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
144.15	1.77	SSGA	-6.86	3.32	-13.33	****	****	****	****
144.15	1.77	TOTAL PASSIVE DEVELOPED MARKETS	-6.86	3.32	-13.33	****	****	****	****
776.31	9.53	TOTAL DEVELOPED MARKETS	-6.79	3.62	-13.03	7.95	-4.84	5.64	3.64
		MSCI EAFE (NET DIVIDEND)	-7.13	2.96	-13.83	5.96	-6.10	5.14	2.86
		INTERNATIONAL EQUITY MEDIAN	-6.75	4.82	-12.70	8.22	-3.92	6.80	5.44
16.83	0.21	GOVERNANCE FOR OWNERS	-15.59	2.24	-25.49	13.19	****	****	****
		MSCI EUROPE SMID CAP	-9.05	5.95	-19.00	9.09	****	****	****
16.83	0.21	TOTAL NON-U.S. ACTIVIST	-15.59	2.24	-25.49	13.19	****	****	****
648.99	7.97	TOTAL ACTIVE DEV-ENVIRON-ACTIVIST	-7.03	3.65	-13.35	8.12	-4.98	****	****
793.14	9.74	TOTAL DEVELOPED ENVIRON ACTIVIST	-7.00	3.59	-13.35	7.85	-5.08	****	****
		EMERGING MARKETS							
94.73	1.16	ACADIAN	-9.72	4.27	-14.34	12.69	0.71	****	****
144.96	1.78	BAILLIE GIFFORD	-10.99	4.43	-13.61	11.09	1.43	****	****
47.63	0.58	DFA	3.42	****	****	****	****	****	****
56.25	0.69	EATON VANCE	****	****	****	****	****	****	****
0.22	0.00	EMERGING MARKETS TRANSITION	****	****	****	****	****	****	****
343.79	4.22	TOTAL ACTIVE EMERGING	-10.57	3.47	-14.99	10.44	-0.24	****	****
		MSCI EMERGING MARKETS FREE	-8.77	4.12	-15.67	10.09	0.21	****	****

Market values for terminated non-U.S. accounts represent balances to be transferred out or resolved; some of these accounts may also have outstanding tax reclaims. Market values for non-U.S. transition accounts represent cash balances to be cleared out or other outstanding issues.

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161.92	1.99	BLACKROCK	-8.88	3.92	-16.43	****	****	****	****
161.92	1.99	TOTAL PASSIVE EMERGING	-8.88	3.92	-16.43	****	****	****	****
		MSCI EMERGING MARKETS FREE	-8.77	4.12	-15.67	****	****	****	****
505.71	6.21	TOTAL EMERGING	-10.05	3.59	-15.31	10.49	-0.21	15.01	6.81
		EMERGING MARKETS MEDIAN	-8.14	4.54	-15.43	10.67	0.88	14.91	8.32
1,298.84	15.94	TOTAL INTERNATIONAL EQUITY	-8.21	3.52	-14.14	8.21	-4.01	7.14	4.27
		HEDGE FUNDS							
48.49	0.60	TOTAL PERMAL HEDGE FUND OF FUNDS	-1.83	0.05	-2.93	****	****	****	****
		HFRI FOF COMPOSITE INDEX + 1%	-2.08	1.47	-3.50	****	****	****	****
		DIRECT HEDGE FUNDS							
19.70	0.24	BLUE TREND FD	****	****	****	****	****	****	****
37.59	0.46	BREXAN HOWARD	-4.31	-3.63	****	****	****	****	****
22.32	0.27	BRIGADE LEV CAP STR	0.92	****	****	****	****	****	****
16.11	0.20	CASPIAN SELECT CF	****	****	****	****	****	****	****
41.10	0.50	D.E. SHAW	0.40	4.90	****	****	****	****	****
136.82	1.68	TOTAL DIRECT HEDGE FUNDS	-1.04	1.44	****	****	****	****	****
		HFRI FOF COMPOSITE INDEX + 1%	-2.08	1.47	****	****	****	****	****
		MSCI AC WORLD INDEX STD NET	-5.56	5.65	****	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	2.06	2.37	****	****	****	****	****
185.31	2.27	TOTAL HEDGE FUNDS	-1.27	1.05	-1.97	****	****	****	****
		1 YEAR TREASURY BILL YIELD + 4%	1.03	2.02	4.26	****	****	****	****
		HFRI FOF COMPOSITE INDEX + 1%	-2.08	1.47	-3.50	****	****	****	****

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REAL ESTATE EQUITY SECURITIES									
69.65	0.86	ADELANTE CAPITAL MANAGEMENT	4.06	15.34	14.65	33.06	0.60	****	****
93.38	1.15	EUROPEAN REIT	0.88	****	****	****	****	****	****
169.55	2.08	MORGAN STANLEY	2.94	14.86	11.21	33.07	2.83	****	****
332.58	4.08	TOTAL REAL ESTATE EQUITY SECURITIES	2.59	14.29	11.82	32.68	1.58	****	****
		DJ US SELECT REAL SECURITIES INDEX	3.65	14.93	12.77	33.52	1.79	****	****
PRIVATE EQUITY INVESTMENTS									
9.12	0.11	AEA INVESTORS 2006 FD	****	****	****	****	****	****	****
0.63	0.01	AISLING CAPITAL II	****	****	****	****	****	****	****
0.98	0.01	AISLING CAPITAL III	****	****	****	****	****	****	****
31.48	0.39	ALDUS NEW YORK FIRE FD	****	****	****	****	****	****	****
3.29	0.04	AMERICAN SEC PTNRS VI	****	****	****	****	****	****	****
2.27	0.03	AMPERSAND 2009	****	****	****	****	****	****	****
5.89	0.07	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****
21.11	0.26	APOLLO INVESTMENT FD VI	****	****	****	****	****	****	****
21.74	0.27	APOLLO INVESTMENT FD VII	****	****	****	****	****	****	****
2.06	0.03	ARES CORP OPP	****	****	****	****	****	****	****
3.32	0.04	ARES CORP OPP FD II	****	****	****	****	****	****	****
7.91	0.10	ARES CORP OPP FD III	****	****	****	****	****	****	****
5.25	0.06	AURORA EQUITY CAPITAL PTNRS III	****	****	****	****	****	****	****
3.88	0.05	AVISTA CAPITAL PTNRS	****	****	****	****	****	****	****
9.75	0.12	AVISTA CAPITAL PTNRS II	****	****	****	****	****	****	****
9.77	0.12	AXA SECONDARY FD V	****	****	****	****	****	****	****
2.19	0.03	BC EUR CAP IX	****	****	****	****	****	****	****
3.60	0.04	BDCM OPPORTUNITY FD III	****	****	****	****	****	****	****
10.78	0.13	BLACKSTONE CAPITAL PTNRS IV	****	****	****	****	****	****	****

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8.69	0.11	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****
1.14	0.01	BLACKSTONE CAPITAL PTNRS VI	****	****	****	****	****	****	****
1.49	0.02	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****
4.11	0.05	BRIDGEPOINT EUROPE III	****	****	****	****	****	****	****
4.18	0.05	BRIDGEPOINT EUROPE IV	****	****	****	****	****	****	****
2.30	0.03	CARLYLE PTNRS III	****	****	****	****	****	****	****
5.08	0.06	CARLYLE PTNRS IV	****	****	****	****	****	****	****
6.59	0.08	CARLYLE PTNRS V	****	****	****	****	****	****	****
7.04	0.09	CATTERTON PTNRS VI	****	****	****	****	****	****	****
4.44	0.05	CCMP CAPITAL INVESTORS II	****	****	****	****	****	****	****
2.33	0.03	CLAYTON, DUBILIER AND RICE FUND VII	****	****	****	****	****	****	****
2.81	0.03	CLAYTON, DUBILIER AND RICE FUND VIII	****	****	****	****	****	****	****
4.64	0.06	CELTIC PHARM HLDGS, LP	****	****	****	****	****	****	****
3.22	0.04	COLLER INTERNATIONAL PTNRS V	****	****	****	****	****	****	****
6.10	0.07	COMVEST INVEST PTNRS IV	****	****	****	****	****	****	****
4.24	0.05	CONSTELLATION VENTURES III	****	****	****	****	****	****	****
1.27	0.02	CREDIT SUISSE EM FD	****	****	****	****	****	****	****
2.89	0.04	CREDIT SUISSE EM CO/INV FD	****	****	****	****	****	****	****
5.54	0.07	CRESTVIEW PARTNERS II	****	****	****	****	****	****	****
3.21	0.04	CVC EURO EQ PTNRS III	****	****	****	****	****	****	****
9.94	0.12	CVC EURO EQ PTNRS V	****	****	****	****	****	****	****
2.52	0.03	CYPRESS MERCH BK PTNRS II	****	****	****	****	****	****	****
1.18	0.01	EQT VI LP	****	****	****	****	****	****	****
0.99	0.01	ERASMUS NYC GROWTH FD A	****	****	****	****	****	****	****
3.61	0.04	FAIRVIEW EMERGING MGRS FD	****	****	****	****	****	****	****
5.25	0.06	FDG CAPL PTNRS	****	****	****	****	****	****	****
3.31	0.04	FDG CAPL PTNRS II	****	****	****	****	****	****	****
5.25	0.06	FENWAY PTNRS CAPITAL III	****	****	****	****	****	****	****
1.85	0.02	FIRST MARK FUND IV	****	****	****	****	****	****	****

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3.75	0.05	FIRST RESERVE FD XI	****	****	****	****	****	****	****
3.56	0.04	FIRST RESERVE FD XII	****	****	****	****	****	****	****
2.55	0.03	FOURTH CINVEN FD	****	****	****	****	****	****	****
8.91	0.11	FS EQUITY PTNRS V	****	****	****	****	****	****	****
6.58	0.08	FS EQUITY PTNRS VI	****	****	****	****	****	****	****
3.02	0.04	FT VENTURES FD III	****	****	****	****	****	****	****
2.28	0.03	GI PTNRS FD II	****	****	****	****	****	****	****
7.41	0.09	GI PTNRS FD III	****	****	****	****	****	****	****
6.89	0.08	GSO CAPITAL OPPORTUNITES FD	****	****	****	****	****	****	****
1.18	0.01	HIGHLAND CONSUMER FD I	****	****	****	****	****	****	****
3.60	0.04	HM 2006 SECTOR PERFORM FD	****	****	****	****	****	****	****
3.07	0.04	INTERMEDIA PARTNERS VII	****	****	****	****	****	****	****
2.28	0.03	JP MORGAN INVST MGMT	****	****	****	****	****	****	****
1.10	0.01	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****
6.40	0.08	LANDMARK EQUITY PTNRS XIV	****	****	****	****	****	****	****
2.53	0.03	LEE EQUITY PARTNERS	****	****	****	****	****	****	****
4.38	0.05	LEVINE LEICHTMAN CAP PTNS IV	****	****	****	****	****	****	****
4.91	0.06	LEXINGTON CAPITAL PTNRS VII	****	****	****	****	****	****	****
1.63	0.02	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****
3.30	0.04	LINCOLNSHIRE EQ FD III	****	****	****	****	****	****	****
0.41	0.00	LINCOLNSHIRE EQ FD IV	****	****	****	****	****	****	****
5.26	0.06	LODH EURO CHOICE II	****	****	****	****	****	****	****
3.58	0.04	LODH EURO CHOICE III	****	****	****	****	****	****	****
2.14	0.03	LODH EURO CHOICE IV	****	****	****	****	****	****	****
2.54	0.03	MARKSTONE CAPITAL PTNRS	****	****	****	****	****	****	****
6.72	0.08	MIDOCEAN PTNRS III	****	****	****	****	****	****	****
3.54	0.04	MONTREUX EQ PTNRS IV	****	****	****	****	****	****	****
3.08	0.04	NEUBERGER BERMAN EMG MGR	****	****	****	****	****	****	****

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1.14	0.01	NEW MOUNTAIN PTNRS	****	****	****	****	****	****	****
1.90	0.02	NEW MOUNTAIN PTNRS II	****	****	****	****	****	****	****
6.65	0.08	NEW MOUNTAIN PTNRS III	****	****	****	****	****	****	****
4.46	0.05	NEWSPRING VENTURE II	****	****	****	****	****	****	****
2.50	0.03	NGN BIOMED OPPORTUNITY II	****	****	****	****	****	****	****
1.53	0.02	OLYMPUS CAPITAL ASIA III	****	****	****	****	****	****	****
2.16	0.03	ONEX PTNRS III	****	****	****	****	****	****	****
2.94	0.04	PALADIN HOMELAND SECURITY FD	****	****	****	****	****	****	****
3.86	0.05	PALADIN FUND III	****	****	****	****	****	****	****
10.03	0.12	PALLADIUM EQ PTNRS III	****	****	****	****	****	****	****
6.86	0.08	PCGAM CLEAN ENERGY & TECH FD	****	****	****	****	****	****	****
9.76	0.12	PEGASUS PTNRS IV	****	****	****	****	****	****	****
2.68	0.03	PEGASUS PTNRS V	****	****	****	****	****	****	****
5.13	0.06	PERMIRA FUND IV	****	****	****	****	****	****	****
4.15	0.05	PERSEUS PTNRS VII	****	****	****	****	****	****	****
4.89	0.06	PINE BROOK CAPITAL PTNRS	****	****	****	****	****	****	****
3.29	0.04	PRISM VENTURE PTNRS IV	****	****	****	****	****	****	****
3.59	0.04	PRISM VENTURE PTNRS V-A	****	****	****	****	****	****	****
1.56	0.02	PSILOS GROUP PTNRS III	****	****	****	****	****	****	****
7.35	0.09	RIVERSTONE/CARLYLE GLB EP IV	****	****	****	****	****	****	****
3.01	0.04	RRE VENTURES IV	****	****	****	****	****	****	****
5.62	0.07	SCALE VENTURE PTNRS III	****	****	****	****	****	****	****
6.83	0.08	SCP PRIV EQ PTNRS II	****	****	****	****	****	****	****
3.04	0.04	SCP VITALIFE PTNRS II	****	****	****	****	****	****	****
4.72	0.06	SNOW PHIPPS GROUP	****	****	****	****	****	****	****
2.46	0.03	SNOW PHIPPS II	****	****	****	****	****	****	****
1.35	0.02	SUMMIT GR EQ VIII	****	****	****	****	****	****	****
4.13	0.05	TAILWIND CAPITAL PTNRS	****	****	****	****	****	****	****

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2.45	0.03	TERRA FIRMA CAP III	****	****	****	****	****	****	****
5.02	0.06	TRIDENT V	****	****	****	****	****	****	****
1.66	0.02	TRILANTIC CAPITAL PTNRS III	****	****	****	****	****	****	****
6.21	0.08	TRILANTIC CAPITAL PTNRS IV	****	****	****	****	****	****	****
4.32	0.05	US POWER FUND II	****	****	****	****	****	****	****
3.60	0.04	US POWER FUND III	****	****	****	****	****	****	****
11.38	0.14	VISTA EQUITY PTNRS III	****	****	****	****	****	****	****
10.02	0.12	VISTA EQUITY PTNRS IV	****	****	****	****	****	****	****
4.87	0.06	VITRUVIAN PTNRS	****	****	****	****	****	****	****
0.90	0.01	VS&A COMM PTNRS III	****	****	****	****	****	****	****
1.71	0.02	VSS COMM PTNRS IV	****	****	****	****	****	****	****
2.21	0.03	WARBURG PINCUS XI	****	****	****	****	****	****	****
1.40	0.02	WELLSPRING CAP PTNRS V	****	****	****	****	****	****	****
4.92	0.06	WELSH CARSON ANDERSON & STOWE XI	****	****	****	****	****	****	****
3.55	0.04	YUCAIPA AMERICAN ALLIANCE FD	****	****	****	****	****	****	****
22.22	0.27	YUCAIPA AMERICAN ALLIANCE FD II	****	****	****	****	****	****	****
2.72	0.03	YUCAIPA CORP INITIATIVE II	****	****	****	****	****	****	****
583.57	7.16	TOTAL PRIVATE EQUITY	5.51	7.34	7.57	14.55	6.67	****	****
		PRIVATE REAL ESTATE							
10.66	0.13	AG REALTY FUND VIII	****	****	****	****	****	****	****
2.19	0.03	AMER VALUE PTNRS I	****	****	****	****	****	****	****
12.13	0.15	APOLLO EUROPE III	****	****	****	****	****	****	****
12.41	0.15	ARA ASIA DRAGON FD	****	****	****	****	****	****	****
8.39	0.10	BLACKROCK CARBON III	****	****	****	****	****	****	****
2.07	0.03	BLACKSTONE REAL ESTATE PTNRS EU III	****	****	****	****	****	****	****

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2.78	0.03	BLACKSTONE REAL ESTATE PTNRS IV	****	****	****	****	****	****	****
11.66	0.14	BLACKSTONE REAL ESTATE PTNRS VI	****	****	****	****	****	****	****
6.01	0.07	BLACKSTONE REAL ESTATE PTNRS VII	****	****	****	****	****	****	****
0.21	0.00	CANYON-JOHNSON URBAN FD	****	****	****	****	****	****	****
5.34	0.07	CANYON-JOHNSON URBAN FD II	****	****	****	****	****	****	****
2.81	0.03	CANYON JOHNSON URBAN FD III	****	****	****	****	****	****	****
3.49	0.04	CARLYLE R. P. FD V	****	****	****	****	****	****	****
3.65	0.04	CARLYLE REALTY VI	****	****	****	****	****	****	****
5.76	0.07	COLONY INVESTORS VIII	****	****	****	****	****	****	****
2.53	0.03	COLONY REALTY PTNRS II	****	****	****	****	****	****	****
12.04	0.15	DIVCO WEST FD III	****	****	****	****	****	****	****
2.32	0.03	H/2 SP OPPORTUNITY FD II	****	****	****	****	****	****	****
10.23	0.13	HEITMAN AMERICA	****	****	****	****	****	****	****
25.60	0.31	JPM STRATEGIC PROF FD	****	****	****	****	****	****	****
3.84	0.05	JPM SPECIAL SIT FD	****	****	****	****	****	****	****
17.32	0.21	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
2.20	0.03	METRO WORKFORCE HOUSING FD	****	****	****	****	****	****	****
6.66	0.08	PRISA	****	****	****	****	****	****	****
18.15	0.22	PRISA II	****	****	****	****	****	****	****
3.63	0.04	PROLOGIS TARGETED US LOGISTICS FD	****	****	****	****	****	****	****
6.66	0.08	RREEF AMER. II	****	****	****	****	****	****	****
1.90	0.02	RREEF AMER. III	****	****	****	****	****	****	****
1.00	0.01	SILVERPEAK RE PTNRS III	****	****	****	****	****	****	****
8.40	0.10	STOCKBRIDGE RE FD III	****	****	****	****	****	****	****
14.01	0.17	THE CITY INVESTMENT FD	****	****	****	****	****	****	****
1.41	0.02	THOR URBAN PRPTY FD II	****	****	****	****	****	****	****
29.67	0.36	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****

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4.11	0.05	WALTON ST RE FD VI	****	****	****	****	****	****	****
3.19	0.04	WESTBROOK RE FUND VIII	****	****	****	****	****	****	****
264.43	3.25	TOTAL PRIVATE REAL ESTATE	4.19	7.67	10.78	3.78	-5.28	****	****
5,468.48	67.13	TOTAL EQUITY - PUBLIC & PRIVATE	-3.30	7.49	-1.53	14.27	-0.77	****	****
		FIXED INCOME MANAGEMENT							
		TREASURY / AGENCY							
60.38	0.74	FISCHER FRANCIS	5.99	3.20	18.88	10.32	10.28	7.87	8.19
101.85	1.25	PIMCO	6.35	3.51	18.59	10.94	10.41	7.92	****
58.96	0.72	STATE STREET	6.13	3.32	18.46	****	****	****	****
221.18	2.72	ALL TREASURY / AGENCY	6.20	3.37	18.64	10.53	10.23	7.74	8.04
		NYC - TREASURY AGENCY PLUS FIVE	6.17	3.26	18.72	10.31	10.10	7.66	7.95
		MORTGAGE							
235.14	2.89	BLACKROCK	1.52	3.48	6.67	7.73	7.34	5.87	****
87.94	1.08	GOLDMAN SACHS	1.49	2.18	6.20	****	****	****	****
111.08	1.36	NEUBERGER BERMAN	1.11	1.72	4.91	****	****	****	****
234.78	2.88	PIMCO	1.12	2.36	5.66	7.30	7.28	5.94	6.74
668.94	8.21	ALL MORTGAGE	1.31	2.62	5.96	7.14	6.95	5.69	6.46
		CITIGROUP MORTGAGE INDEX	1.07	1.69	5.05	5.53	6.79	5.46	6.18
		INVESTMENT GRADE CREDIT							
117.68	1.44	BLACKROCK	2.61	4.91	9.49	****	****	****	****
116.19	1.43	PRUDENTIAL	2.33	4.48	9.75	****	****	****	****

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202.13	2.48	TAPLIN, CANIDA	2.48	4.62	8.97	10.86	6.63	7.09	****
187.40	2.30	T. ROWE PRICE	2.37	5.21	9.51	11.40	8.40	6.98	6.84
623.40	7.65	ALL INVESTMENT GRADE CREDIT	2.44	4.83	9.37	10.77	7.16	6.87	6.74
		NYC - INVESTMENT GRADE CREDIT	2.33	4.47	9.14	9.69	7.23	6.41	6.63
		CORE PLUS FIXED INCOME							
10.40	0.13	LM CAPITAL	1.88	3.11	7.65	8.25	****	****	****
10.40	0.13	TOTAL CORE PLUS FIXED INCOME	1.88	3.11	7.65	8.25	****	****	****
		BARCLAYS CAPITAL AGGREGATE	2.06	2.37	7.47	6.93	****	****	****
1,513.52	18.58	TOTAL STRUCTURED	2.48	3.54	9.29	8.92	7.84	6.60	6.99
		NYC - CORE PLUS FIVE	2.61	3.00	9.35	7.96	7.79	6.34	6.81
1,523.92	18.71	TOTAL STRUCTURED PLUS LM CAPITAL	2.47	3.53	9.27	8.92	7.83	6.59	6.99
6.53	0.08	PIM AMBASSADOR	****	****	****	****	****	****	****
5.26	0.06	PIM GIA	****	****	****	****	****	****	****
2.65	0.03	PIM HILLSWICK	****	****	****	****	****	****	****
6.56	0.08	PIM NEW CENTURY	****	****	****	****	****	****	****
5.23	0.06	PIM PUGH CAP	****	****	****	****	****	****	****
26.23	0.32	TOTAL PROGRESS FIXED INCOME	****	****	****	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	****	****	****	****	****	****	****
		ACTIVE TIPS MANAGERS							
62.28	0.76	BLACKROCK	2.95	3.62	11.95	9.62	8.63	****	****
62.17	0.76	PIMCO	3.41	4.29	12.36	9.78	8.62	****	****
124.46	1.53	TOTAL ACTIVE TIPS MANAGERS	3.18	3.95	12.15	9.70	8.62	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
		PASSIVE TIPS MANAGERS							
41.38	0.51	STATE STREET	3.10	3.93	11.68	9.63	8.45	****	****
41.38	0.51	TOTAL PASSIVE TIPS MANAGERS	3.10	3.93	11.68	9.63	8.45	****	****
165.84	2.04	TOTAL TIPS MANAGERS	3.16	3.94	12.03	9.68	8.58	****	****
		BARCLAYS CAPITAL US TIPS INDEX	3.15	4.04	11.66	9.65	8.45	****	****
		ENHANCED YIELD							
129.19	1.59	MACKAY SHIELDS	1.76	6.26	8.87	14.74	8.70	****	****
		BofA MERRILL LYNCH HY MASTER II	1.83	7.08	6.51	16.16	8.16	****	****
1.45	0.02	SEIX	****	****	****	****	****	****	****
213.99	2.63	T. ROWE PRICE	1.78	5.91	6.22	13.98	7.99	****	****
129.31	1.59	HIGH YIELD TRANSITION	****	****	****	****	****	****	****
473.95	5.82	ALL ENHANCED YIELD	1.49	5.88	6.80	14.02	8.04	9.99	7.09
		CITIGROUP BB & B	2.08	6.72	8.45	14.05	6.28	8.64	6.23
		CITIGROUP BB & B CAPPED	1.84	6.43	8.45	13.98	6.98	8.72	****
		ENHANCED YIELD MEDIAN	1.72	6.38	7.41	14.74	8.04	10.74	****
		CONVERTIBLE BONDS							
42.38	0.52	ADVENT CONVERTIBLE BONDS	-1.67	5.70	-0.57	11.91	****	****	****
		BofA ML CONVERTIBLES YIELD ALT. INDEX	-1.48	5.16	-0.41	11.76	****	****	****
37.85	0.46	LORD ABBETT CONVERTIBLE BONDS	-3.09	5.31	-5.03	11.66	****	****	****
		BofA ML ALL CONVERTIBLES INDEX	-3.29	6.59	-3.22	13.30	****	****	****
80.24	0.98	TOTAL CONVERTIBLE BONDS	-2.34	5.52	-2.72	11.79	****	****	****
		BofA ML ALL CONVERTIBLES EX MANDATORY	-2.68	6.91	-1.68	13.76	****	****	****
		FIRE CUSTOM CONVERTIBLE BOND INDEX	-2.38	5.88	-1.77	12.57	****	****	****

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
		OPPORTUNISTIC							
2.32	0.03	AVE EURO SPECIAL SITUATIONS FD	****	****	****	****	****	****	****
0.34	0.00	AVE SPECIAL SITUATIONS FD V	****	****	****	****	****	****	****
13.53	0.17	AVE SPECIAL SITUATIONS FD VI	****	****	****	****	****	****	****
15.75	0.19	TORCHLIGHT INVESTORS	****	****	****	****	****	****	****
		3 MONTH LIBOR PLUS 750BPS	****	****	****	****	****	****	****
6.98	0.09	ANGELO GORDON PTNRS LP	-0.24	****	****	****	****	****	****
11.67	0.14	APOLLO PTNRS LP	0.01	****	****	****	****	****	****
2.10	0.03	FORTRESS PTNRS LP	0.00	****	****	****	****	****	****
19.78	0.24	GOLDENTREE	1.08	6.54	****	****	****	****	****
18.22	0.22	MARATHON	1.28	12.88	****	****	****	****	****
58.76	0.72	TOTAL STRATEGIC MANDATES	0.83	10.17	****	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD BOND INDEX	1.46	7.42	****	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	1.91	8.45	****	****	****	****	****
90.71	1.11	TOTAL DISTRESSED FIXED	4.42	10.69	-2.56	22.20	****	****	****
90.71	1.11	TOTAL OPPORTUNISTIC FIXED	4.42	10.69	-2.56	22.20	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	1.91	8.45	10.67	19.92	****	****	****
		ETI							
8.20	0.10	ACCESS RBC	1.71	2.46	6.57	6.18	7.37	****	****
40.20	0.49	AFL - CIO HOUSING INV TRUST	2.42	2.64	7.60	6.48	6.87	****	****
0.36	0.00	CFSB-PPAR	3.13	4.34	5.67	8.29	8.17	****	****
0.84	0.01	CCD PPAR	4.52	6.07	8.83	9.36	9.54	****	****

Note: All ETI Returns are shown Net of Fees

Consolidated Performance Report

Through June 30, 2012

Assets (\$MM)	% Total		3 Mos Apr-12 Jun-12	YTD Jan-12 Jun-12	1 Yr Jul-11 Jun-12	3 Yrs Jul-09 Jun-12	5 Yrs Jul-07 Jun-12	10 Yrs Jul-02 Jun-12	15 Yrs Jul-97 Jun-12
0.30	0.00	LIIF-PPAR	1.58	3.01	5.72	****	****	****	****
0.15	0.00	NCBCI-PPAR	2.34	3.89	8.88	****	****	****	****
3.33	0.04	CPC TERM LOAN	0.63	1.26	2.34	2.16	3.21	****	****
0.06	0.00	TARGETED INVESTMENT	2.46	5.00	-2.81	4.29	5.71	6.21	6.93
53.44	0.66	TOTAL ETI (with cash)	2.22	2.58	7.05	6.15	6.75	5.21	6.26
		FIRE CUSTOM ETI BENCHMARK (NO CASH)	1.84	2.16	6.73	6.33	6.49	5.36	6.06
		BARCLAYS CAPITAL AGGREGATE	2.06	2.37	7.47	6.93	6.79	5.63	6.27
2,660.10	32.66	TOTAL FIXED INCOME	2.04	3.82	7.09	9.35	7.38	6.87	6.80
16.95	0.21	SECURITIES LENDING	****	****	****	****	****	****	****
245.77	3.02	STATE STREET SHORT TERM	0.11	0.20	0.41	0.55	1.80	2.36	3.45
0.27	0.00	BNY-MELLON – CD	****	****	****	****	****	****	****
8,145.80	100.00	TOTAL FIRE DEPARTMENT PENSION FUND	-1.81	6.15	1.10	12.63	1.93	6.85	5.92
		FIRE POLICY BENCHMARK	-1.34	6.56	2.99	14.53	3.21	7.31	6.33

Note: All ETI Returns are shown Net of Fees

Actual and Estimated Fees

NEW YORK CITY FIRE RETIREMENT SYSTEM			
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2011 AND ESTIMATED FEES FOR FY 2012 UPDATED THROUGH DECEMBER 2011			
	Actual 2011		Estimated 2012
INVESTMENT STYLE (EQUITIES)	BASIS POINTS		BASIS POINTS
Small Cap	43.15		55.29
Small Cap Growth	66.18		74.72
Small Cap Value	54.40		59.08
Small/Mid Cap	42.18		62.42
Small/Mid Cap Value	42.18		62.42
Mid Cap	20.74		35.76
Mid Cap Growth	45.64		67.89
Mid Cap Value	53.12		61.73
Mid Cap Core	30.51		58.09
Large Cap	22.50		28.30
Large Cap Growth	23.10		27.85
Large Cap Value	19.22		25.64
Large Cap Core	26.62		35.97
Emerging Managers (U.S. Equities)	45.01		63.88
Passive U.S. Equities	0.39		0.57
Int'l Active Equities (EAFE)	28.66		34.05
Growth	25.06		27.68
Value	20.70		31.36
Core	34.40		38.40
Int'l Passive Equities (EAFE)	1.31		1.52
Emerging Markets	35.03		39.14
Real Estate Equity Securities	23.39		32.68

Actual and Estimated Fees

NEW YORK CITY FIRE RETIREMENT SYSTEM			
ACTUAL FEES FOR FISCAL YEAR ENDING JUNE 30, 2011 AND ESTIMATED FEES FOR FY 2012 UPDATED THROUGH DECEMBER 2011			
	Actual 2011		Estimated 2012
INVESTMENT STYLE (FIXED)	BASIS POINTS		BASIS POINTS
Structured Program	8.14		8.43
Government Sector	8.00		8.75
Mortgage Sector	7.91		7.25
Investment Grade Credit Sector	8.51		9.88
TIPS	4.84		6.42
Active TIPS	6.46		8.43
Passive TIPS	0.12		0.50
Enhanced Yield	35.85		30.54
Convertible Bonds	35.88		39.59
Targeted - Access Voyageur	26.29		28.75
Targeted - AFL-CIO	43.17		44.00
In-House Short Term	0.00		0.00
Total Overall*	14.76		17.92

*Only Public Markets fees are
calculated in the overall total

Securities Lending Income

Through June 30, 2012

	U.S. <u>FIXED INCOME</u>	U.S INTERNATIONAL <u>EQUITY</u>	<u>EQUITY</u>
1989*	\$109,000	--	--
1990	104,000	--	--
1991	157,000	--	--
1992	429,000	\$47,000	\$48,000
1993	762,000	146,000	102,000
1994	693,000	267,000	102,000
1995	495,000	306,000	96,000
1996	455,000	228,000	179,000
1997	473,000	512,000	257,000
1998	789,000	552,000	356,000
1999	716,000	690,000	408,000
2000	734,000	897,000	408,000
2001	1,176,000	1,286,000	561,000
2002	671,000	1,162,000	506,000
2003	349,000	644,000	452,000
2004	505,000	670,000	462,000
2005	740,000	1,070,000	574,000
2006	599,000	1,753,000	713,000
2007	1,437,000	3,180,000	786,000
2008	4,172,000	6,798,000	1,236,000
2009	1,606,000	3,588,000	817,000
2010	760,000	2,047,000	563,000
2011	977,000	2,674,000	927,000
2012 (6 Months)	647,000	1,620,000	473,000
Since Inception	<u>\$19,555,000</u>	<u>\$30,137,000</u>	<u>\$10,026,000</u>
*Inception 4/89			

Footnotes

Through June 30, 2012

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

Glossary of Terms

Through June 30, 2012

General Notes

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

Page Specific

Page 10 - Portfolio Asset Allocation

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

Page 13 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 * Target Weight) plus (Return Of Asset Class 2 * Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return at Adjusted Policy Weights.
- **Management Effect** = Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights
This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**
The "policy index" is a custom benchmark representing the weighted average return of the benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, or for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month. The indexes and most recent adjusted policy weights are as follows:
U.S. Equity: Russell 3000 * 31.71%
International Developed (EAFE) Markets: MSCI EAFE * 10.09%
International Emerging Markets: MSCI Emerging Markets * 6.50%
REITs: DJ US Select Real Estate Securities * 3.00%
Private Equity: Russell 3000 + 500 b.p. per annum * 6.64%
Private Real Estate: NCREIF NFI-ODCE Net * 3.09%
Hedge Funds: 1yr T- Bill yield + 4% * 2.04%
Domestic Fixed Income: NYC Core +5 * 23.94%
TIPS: Barclays Capital U.S. TIPS * 5.00%
Enhanced Yield: Citigroup BB&B * 6.01%
Convertible Bonds: Bofa ML All Convertibles ex Mandatory Index * 1.00%
Opportunistic Fixed: JPM Global High Yield +3% * .99%

Glossary of Terms

Through June 30, 2012

Page 16 - Management Effect - Asset Class Breakdown

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

Page 23 - Domestic Equity Asset Allocation

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

Page 41– Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 47– ETI Returns vs Custom Index and Barclays Capital U.S. Aggregate Bond Index

ETI has implemented a Custom Benchmark to better track the performance of the individual ETI programs relative to their respective benchmarks. The Custom Benchmark represents the weighted average return of the individual benchmark indexes for each program, updated monthly. The indexes are as follows:

AFL-CIO Housing Inv Trust: Barclays Capital U.S. Aggregate Bond Index

CPC Term Loan: 30 Day Libor + 200 bps, with a floor of 250 bps

GNMA: Citigroup 15 yr. GNMA

PPAR: Citigroup GNMA +65bp per annum

Access/RBC: 60% Bofa Merrill Lynch 30 yr Mortgage Index plus 40% Bofa Merrill Lynch US Treasury 1-10yr Index