

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

Total Fund Overview

New York City

Fire Department Pension Fund, Subchapter Two

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Equity Markets

Global stock markets continued their summer rally through the month of September as central banks flexed their muscles in the face of weakening economic growth and the continuing debt crisis in Europe. After committing earlier in the summer to “do whatever it takes” to support the Euro, Mario Draghi, President of the ECB, kicked off the month announcing an unlimited government bond buying program (albeit with conditions) and details of a proposed single supervisory mechanism for banks. In the middle of September the US Federal Reserve launched its third round of quantitative easing (QE3) with an open ended commitment to purchase \$40 billion of mortgage-backed securities per month and guidance that it will keep short term rates low into mid-2015. And at the end of the month the People's Bank of China chipped in by funneling close to \$60 billion into the Chinese banking sector in the face of slowing growth in that country. As we have seen for the last four years, central banks have been able to influence markets, at least in the short-term, and risk assets responded accordingly. US stocks rose for the month and now stand more than 16% ahead for the year. Non-US stocks also rallied in September to climb above the double-digit return level year-to-date both in developed and emerging markets.

Fixed Income Markets

Credit sectors also responded to the monetary stimulus with high yield bonds and emerging markets debt leading the way. Yields rose on US Treasury bonds during the month as bond investors chose to view the Fed's loose money policy as a predictor of higher future inflation, though this expectation subsided after the initial announcement of QE3. The 10-year Treasury ended the month yielding 1.63%, up from 1.55% at the start of the month, while the yield on the 30-year issue rose to 2.82% approaching the levels seen at the start of the year.

Spreads on high yield debt continued to tighten to end the quarter hovering near record lows. High yield bonds returned 4.5% in the third quarter, compared to 1.8% in the prior quarter. Spreads over Treasuries ended at 551 basis points, This compares to 615 basis points in the prior quarter and 807 basis points a year earlier. 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%.

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Through September 30, 2012

Commodity Markets

Higher commodity prices in the third quarter helped erase the bulk of losses from the first half of the year. During the quarter commodities recorded strong gains with returns of 9.7%, according to the DJ-UBS index, compared to losses of 4.6% in the second quarter. Agricultural and natural gas markets suffered in July and August as higher temperatures threatened corn and soy bean crops. Colder weather late in the quarter sparked a higher demand for natural gas, pushing prices up nearly 18% over the quarter. In the industrials metals market, lead and silver were ahead, aided by central bank stimulus, which lifted markets with a sharp rally in September.

Private Markets

New private equity deals declined in the third quarter amid the “bad mouthing” the sector endured in the US Presidential campaign and economic turmoil in Europe. New commitments, at \$55.2 billion, fell 14% from the second quarter and 4% compared to a year ago. Still, at year-to-date commitments of \$187.1 billion, the 2012 year is on track to set a record for volume of new commitments since 2008. For the year, buyouts, at 40%, comprise the bulk of all new commitments, followed by venture capital at 16%. The pace of mergers and acquisitions and initial public offerings is expected to remain sluggish through 2012. This slowdown comes even as cash rich buyout firms sit atop around \$200 billion of 2006/2007 commitments yet to be invested. In the near-term this capital overhang, in addition to higher equity levels banks require on new deals and relatively high transaction multiples, could hinder investment returns in buyout funds that are \$1 billion or larger. Global private equity posted returns of -1.3% in the second quarter (the most recent period for which data are available), according to the Burgiss Group, as modest gains in the US and Asia failed to offset losses in Europe. This marks negative returns for the second time in the past 13 quarters. Buyout funds posted losses of 1.9% for the second quarter, while venture capital funds generated a 0.5% return. In the 10-years through the second quarter of this year, global private equity posted gains of 11.5%, with buyout funds returning 13.2% and venture capital funds gaining 4.2%.

Hedge Funds:

Hedge funds posted modest gains through the three months ended September 30, as caution fueled relatively low net exposure. Risk taking increased following easing monetary policy announcements in September, but retreated toward the end of the month in line with expectations of weaker earnings. The Dow Jones Credit Suisse Hedge Fund Composite rose 3.3% in the third

Consultant's Commentary

Through September 30, 2012

quarter, bringing gains so far this year to 5.6%. This compares to losses of 1.8% in the second quarter. Risk weighted assets were the best performing strategies as equity and high yield indices soared. Emerging markets strategies led the pack with returns of 4.1%, while dedicated short bias strategies trailed last with losses of 8.3%. Long-short equity and event driven-distressed strategies, poor performers in the second quarter, made a comeback with gains of 3.7% each, as risky assets benefited from central bank policies. Fixed income, with returns of 3.9%, got a boost from rallying mortgagebacked securities. Credit spreads tightened spurring appetite for riskier assets in both fixed income and event driven strategies. Managed futures continued to struggle as managers following medium- and longer-term trends seesawed between caution and risk taking in a quickly changing economic environment.

Performance: For the quarter, the Fund returned 4.28% underperforming the policy index return of 4.71%. The fund ranked in the 3rd quartile of the BNY Mellon Public Master Trust Universe. Active managers detracted 0.4% from aggregate performance during the quarter versus the policy index, and allocation decisions detracted 0.04% from Total Fund return. For the year ended September 30, 2012, the Fund returned 17.07% ranking in the second quartile of the BNY Mellon Public Master Trust Universe, with active managers detracting 191 basis points over the trailing year, and deviations from policy detracted 37 basis points from overall returns.

Domestic Equity Composite

The Fund had 35% invested in domestic equity at the end of the third quarter. Within domestic equity, the Fund was underweight the Russell 3000 Index by 1.2%, Overweight the Russell 1000 Active index by 1.4%, 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 6.15%, slightly underperforming the Russell 3000 Index return of 6.23% by approximately 8 bps. Mid cap active, Small to Mid Cap Active, and Mid Cap Active outperformed their respective benchmark, while the Large Cap Active managers underperformed their benchmark.

International Equity Composite

At the end of the second quarter, the Fund had an allocation to international equity of 15.3%. Of this total, 42% was allocated to

Consultant's Commentary

Through September 30, 2012

emerging markets equity and 58% was allocated to developed international markets. The Fund also allocates across style in the developed international space, with 14.2% of the allocation invested in active value mandates, 25.5% in core mandates, 11.9% in growth mandates, and the residual invested in Non-US Activist mandates. A total of 18.6% of the total international allocation was invested passively, including 13.3% invested in Emerging Markets Passive investments and 5.3% invested in Passive developed investments.

The International Developed Markets Equity Composite (excludes the activist/environmental managers) returned 6.8% in the third quarter, underperforming the MSCI EAFE Index (6.9%). Active managers outperformed passive managers within the Fund by 8 bps during the quarter. Amongst active managers, in the growth space Pyramis (8.0%) outperformed the growth benchmark and Philadelphia (7.3%) outperformed the core benchmark.

The Emerging Markets Composite returned 8.2% in the third quarter, outperforming the MSCI EM Index by 30 basis points.

Fixed Income Composite

At the end of the third quarter, the Fund had an allocation to fixed income of 34%. Of the allocation to fixed income, 57% was invested in structured fixed income, 16.5% was allocated to high yield, 5.9% was invested in TIPS, 10.9% was allocated to cash & short term investments, 2.9% was in convertible bonds, 1.9% was allocated to economically targeted investments (ETI), 3.7% was allocated to opportunistic fixed income, 0.9% to Progress Fixed and 0.4% was allocated to global bonds.

The Structured Fixed Income Composite returned +2.5% in the third quarter, outperforming the NYC Core plus 5 Index return of +2.0%. The Barclays Capital Aggregate Index returned +1.6% in the quarter. Treasury and agency returns were flat over the quarter as investors were convinced to take on more risk.

The Enhanced Yield or high yield fixed income composite, posted a return of +4.0%, which underperformed the Citigroup BB & B Index return of 4.1%.

Consultant's Commentary

Through September 30, 2012

The TIPS Composite returned +2.2% outperforming the Barclays Capital US TIPS Index (+2.1%)

Real Estate Equity Securities Composite & Private Equity

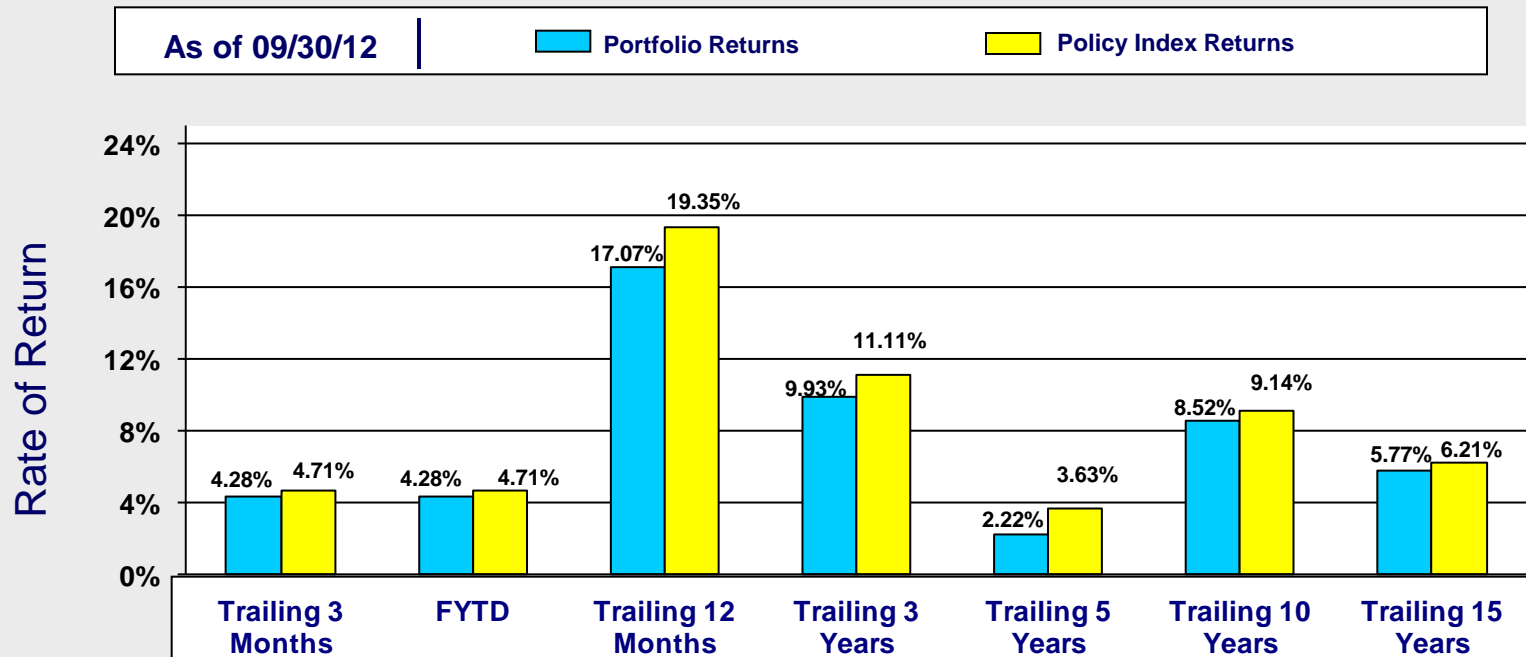
As of September 30, 2012, the Fund had \$337 million invested in REITs for a commitment of 4.0% of Total Fund assets. In the third quarter the REIT portfolio returned +1.4%, outperforming the DJ US Select Real Estate Securities Index by 182 basis points. As of September 30, the Fund had an allocation to Private Real Estate of 3.3% and 6.6% allocated to Private Equity.

Hedge Funds

The allocation to hedge funds as of September 30, 2012 was \$194 million, 2% of the total fund. The third quarter return for the hedge fund portfolio was 2.4%, underperforming the HFRI FOF Composite Index +1% return of 2.6%, but outperforming the 1 Yr TBill yield +4% return of 1.1%.

Total Portfolio Returns: September 30, 2012

\$8.6B Under Management



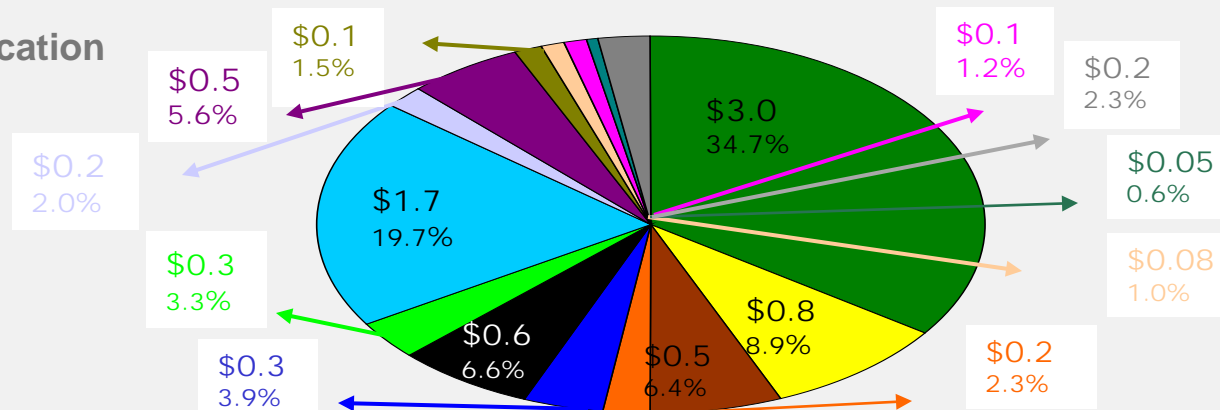
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	10.2	13.2	10.7	11.2
Benchmark Std Dev	11.4	15.2	11.9	12.2

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

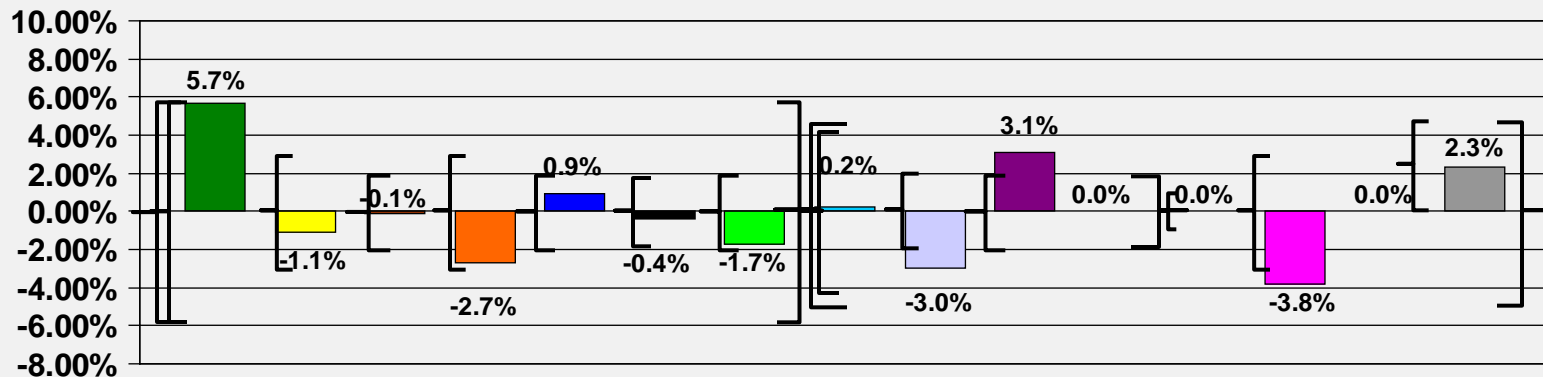
Portfolio Asset Allocation: September 30, 2012

\$8.6B Under Management

Asset Allocation



Relative Mix to New Policy Weights

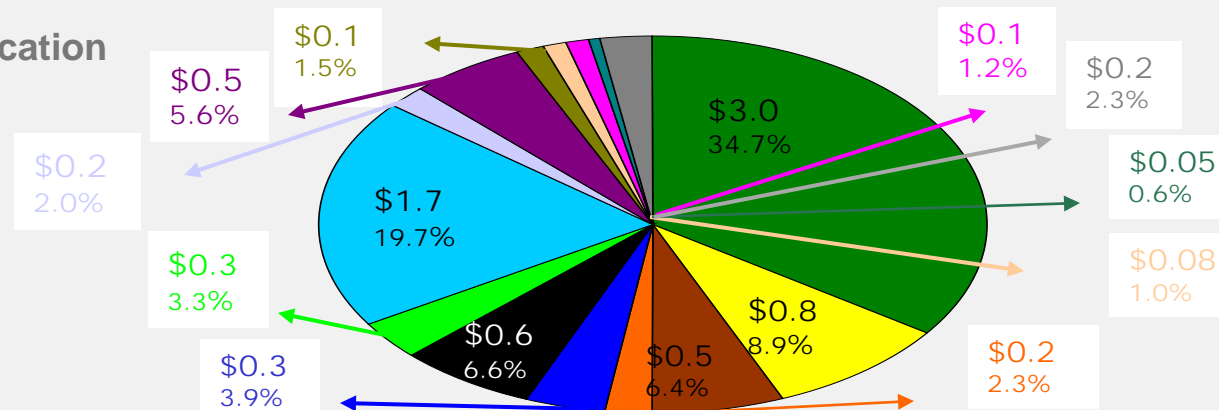


Note: Brackets represent rebalancing ranges versus Policy.

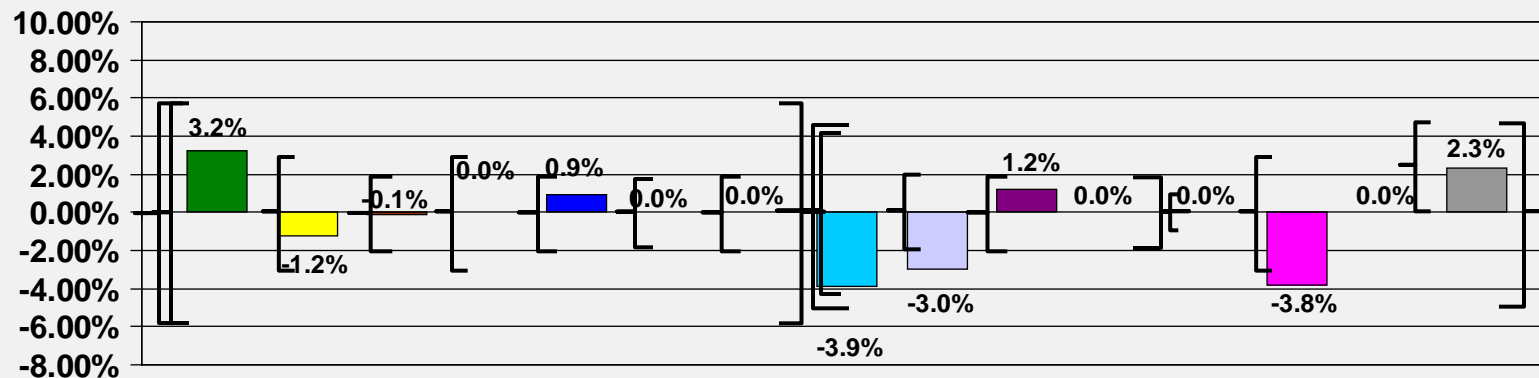
Portfolio Asset Allocation: September 30, 2012

\$8.6B Under Management

Asset Allocation

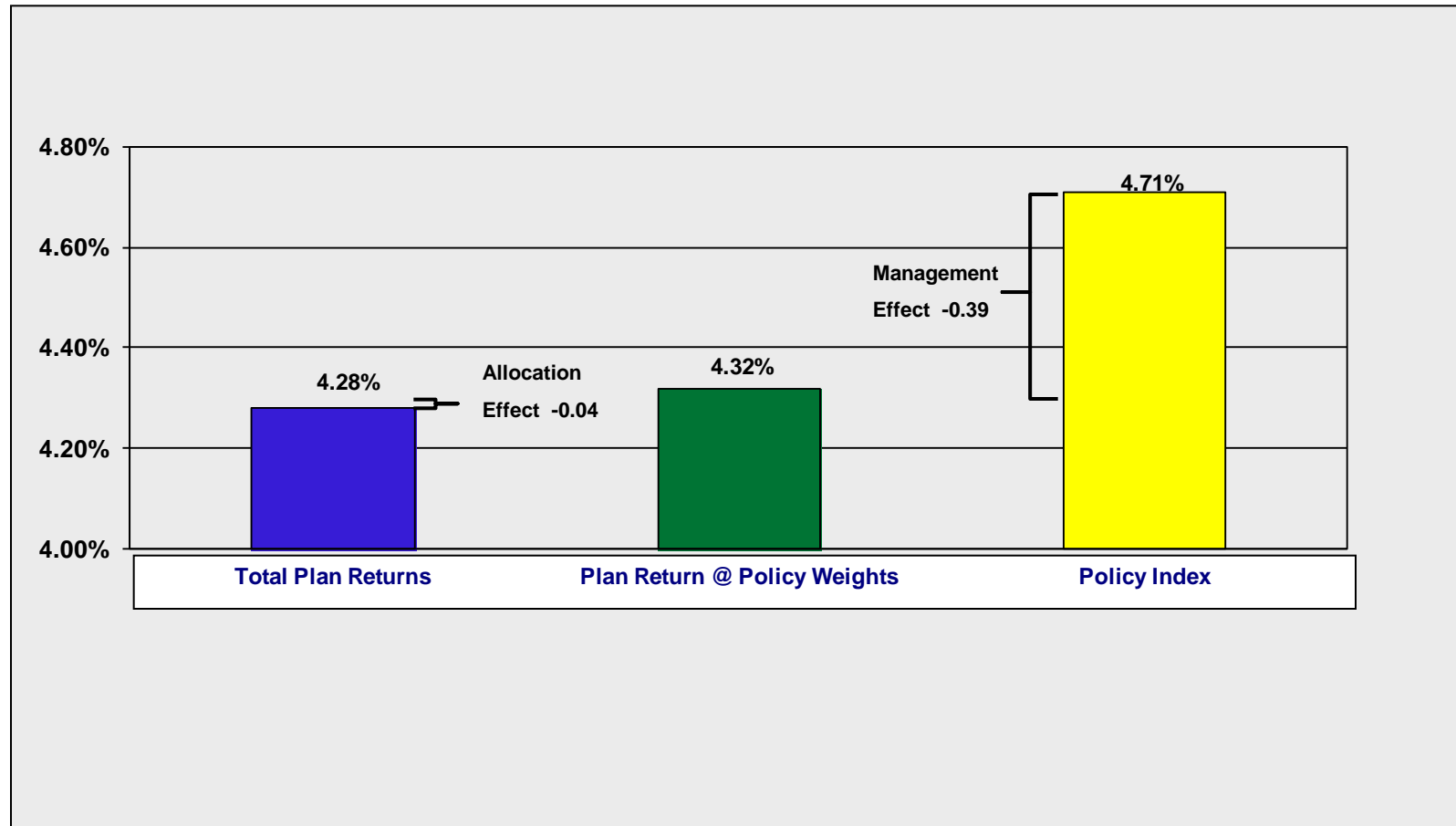


Relative Mix to Adjusted New Policy Weights

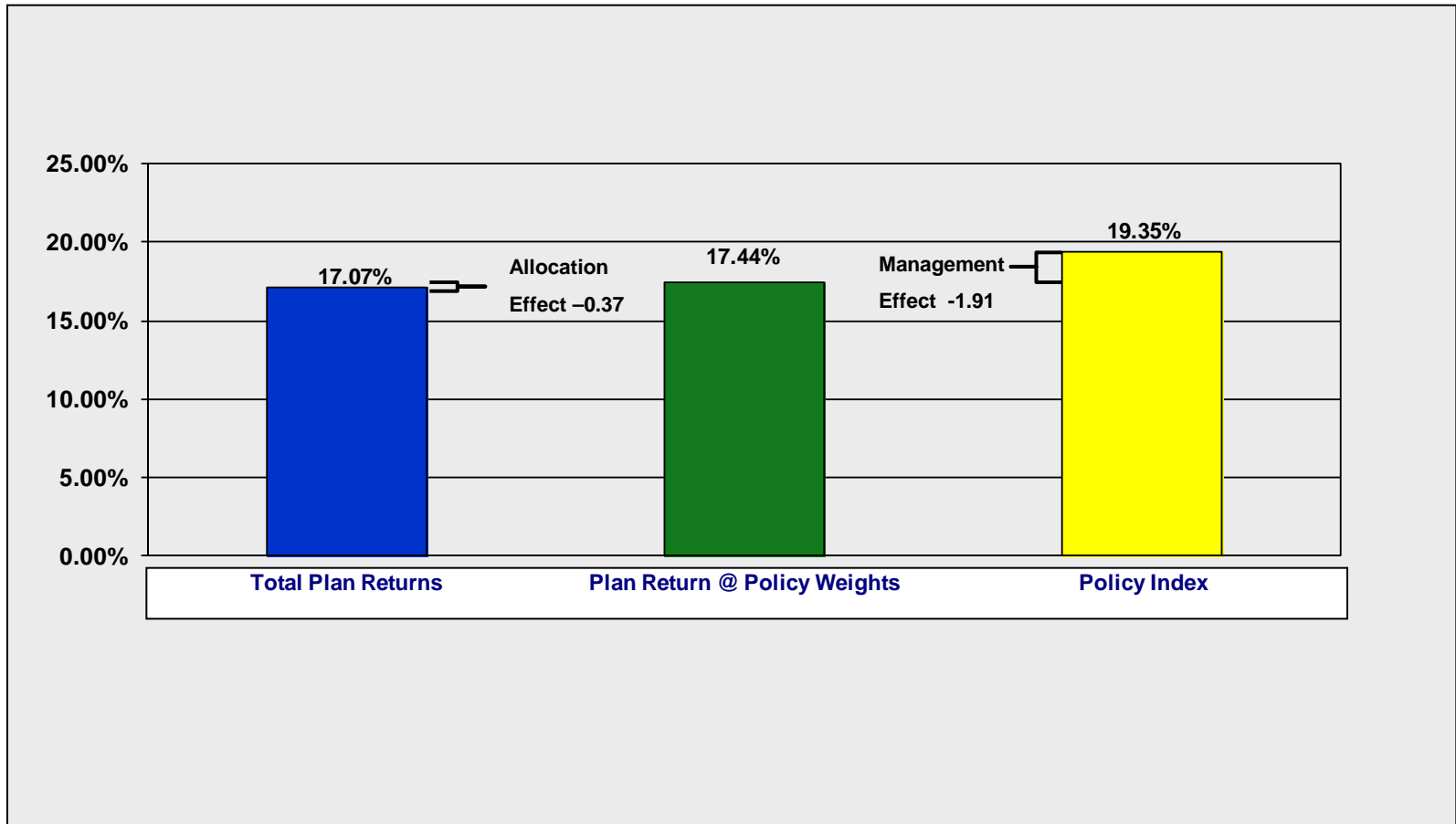


Note: Brackets represent rebalancing ranges versus Policy.

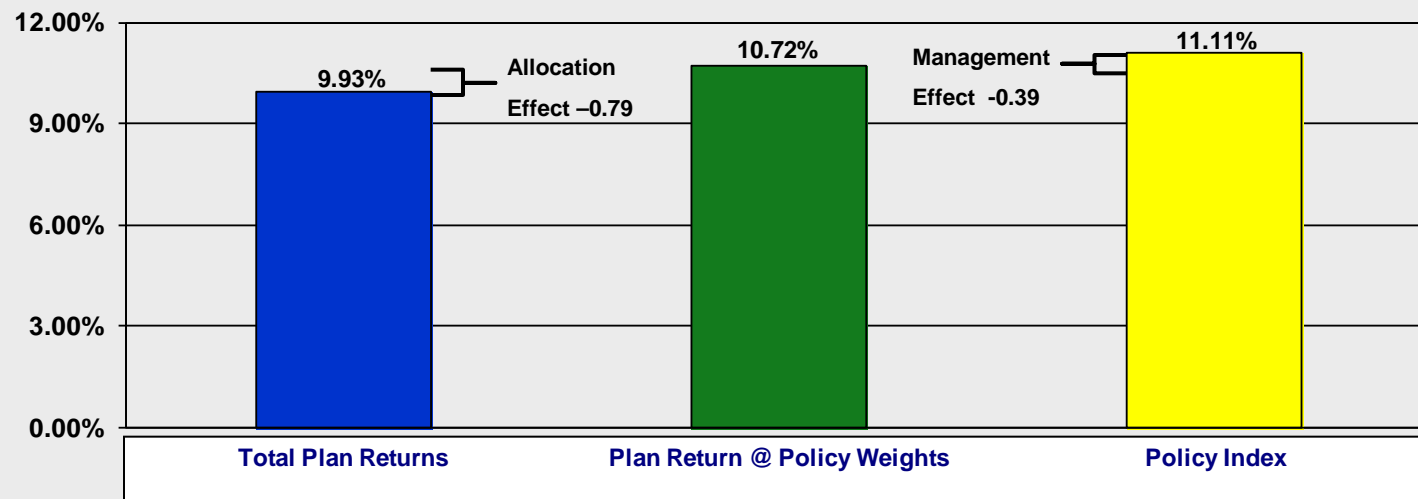
Performance Attribution: Total Plan – Quarter Ending September 30, 2012



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



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



Total Plan: September 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	0.06	0.18	-0.10	Russell 3000 Index
EAFE Markets	-0.03	-0.07	-0.10	MSCI EAFE Index
Emerging Markets	0.12	-0.05	0.01	MSCI Emerging Markets Index
REITS	0.02	0.26	0.05	DJ US Select RE Securities Index
Private Equity	-0.06	-0.07	-0.03	Russell 3000 Index + 500 b.p.
Private Real Estate	0.00	0.00	0.00	NCREIF ODCE net
Hedge Funds	0.00	0.03	0.01	HFRI Fund of Funds Composite Index + 1%
Domestic Fixed	0.06	0.26	-0.30	NYC Core +5 Index
Enhanced Yield	0.00	0.03	-0.03	Citigroup BB&B Index
TIPS	0.01	0.12	-0.06	Barclays Capital US TIPS Index
Convertible Bonds	0.00	0.00	0.00	ML All US Convertibles ex Mandatory (V0A0)
Opportunistic Fixed	0.00	0.01	-0.02	JPM Global High Yield +3%
State Street Short Term	-0.09	-0.69	-0.35	Total Plan

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

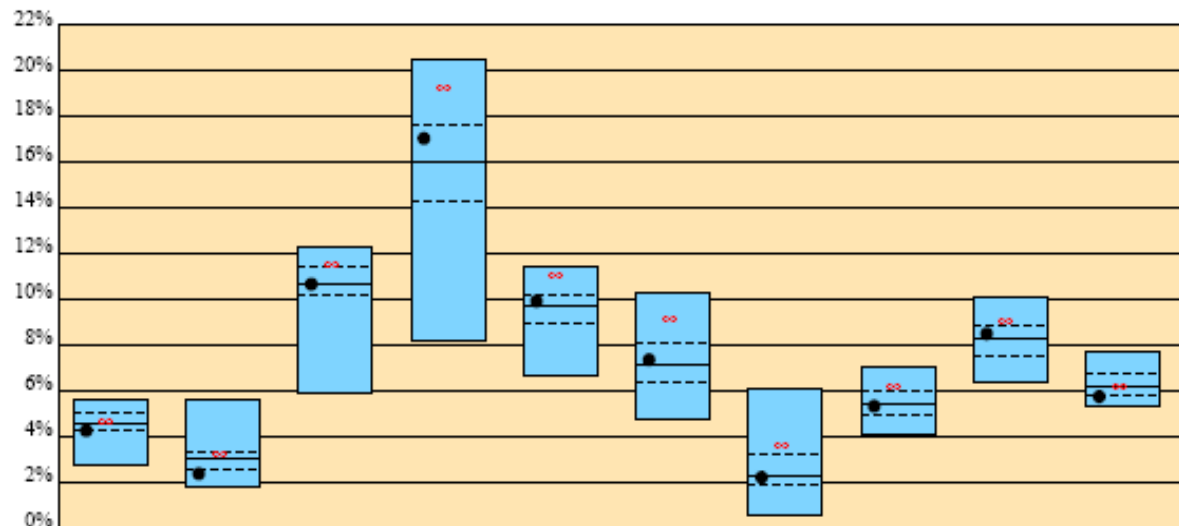
Total Plan: September 30, 2012

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.02	-0.20	-0.17	Russell 3000 Index
EAFE Markets	-0.01	0.18	0.22	MSCI EAFE Index
Emerging Markets	0.02	0.06	0.00	MSCI Emerging Markets Index
REITS	0.07	0.05	0.03	DJ US Select RE Securities Index
Private Equity	-0.52	-1.82	-0.40	Russell 3000 Index + 500 b.p.
Private Real Estate	0.01	0.01	-0.05	NCREIF ODCE net
Hedge Funds	0.02	-0.02	N/A	HFRI Fund of Funds Composite Index + 1%
Domestic Fixed	0.09	0.19	0.15	NYC Core +5 Index
Enhanced Yield	-0.01	-0.07	-0.01	Citigroup BB&B Index
TIPS	0.00	0.00	0.00	Barclays Capital US TIPS Index
Convertible Bonds	0.00	-0.02	-0.01	ML All US Convertibles ex Mandatory (V0A0)
Opportunistic Fixed	-0.02	-0.14	N/A	JPM Global High Yield +3%

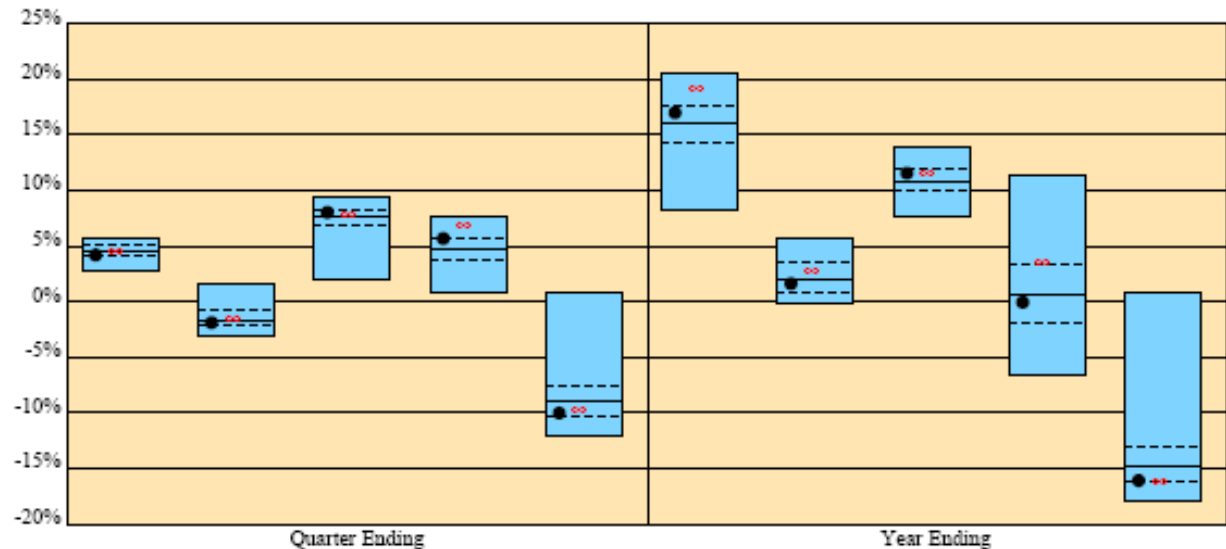
Note: Detailed effects may not add up to total due to reallocation and trading effects.

City Of New York - Fire
Total Returns of Public Master Trusts > \$1 Billion
Rates of Return for Periods Ending September 30, 2012



	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	5.63	5.59	12.27	20.45	11.40	10.25	6.10	7.02	10.06	7.64
25th Percentile	5.05	3.30	11.44	17.63	10.13	8.05	3.17	6.01	8.85	6.69
Median	4.53	2.99	10.69	16.00	9.68	7.07	2.27	5.36	8.27	6.17
75th Percentile	4.21	2.49	10.20	14.30	8.92	6.38	1.82	4.88	7.47	5.80
95th Percentile	2.72	1.78	5.86	8.18	6.63	4.73	0.52	4.05	6.34	5.29
● Total System	4.28 (72)	2.39 (80)	10.69 (52)	17.07 (31)	9.95 (35)	7.38 (40)	2.23 (54)	5.35 (52)	8.52 (31)	5.77 (76)
∞ Fire Policy Benchmark	4.71 (38)	3.31 (23)	11.58 (18)	19.35 (8)	11.12 (5)	9.22 (11)	3.63 (19)	6.24 (17)	9.14 (12)	6.21 (46)

City Of New York - Fire
Total Returns of Public Master Trusts > \$1 Billion
Recent Periods



	Sep 12	Jun 12	Mar 12	Dec 11	Sep 11	Sep 12	Sep 11	Sep 10	Sep 09	Sep 08
5th Percentile	5.63	1.58	9.42	7.73	0.78	20.45	5.78	13.85	11.38	0.86
25th Percentile	5.05	-0.85	8.31	5.74	-7.58	17.63	3.56	11.87	3.31	-12.98
Median	4.53	-1.66	7.68	4.62	-8.90	16.00	1.88	10.81	0.60	-14.78
75th Percentile	4.21	-2.09	6.80	3.77	-10.28	14.30	0.81	10.00	-1.98	-16.24
95th Percentile	2.72	-3.09	1.97	0.71	-12.07	8.18	-0.23	7.66	-6.57	-17.92
● Total System	4.28 (72)	-1.81 (64)	8.11 (30)	5.76 (23)	-9.94 (71)	17.07 (31)	1.70 (56)	11.64 (31)	0.03 (57)	-16.01 (73)
∞ Fire Policy Benchmark	4.71 (38)	-1.34 (38)	8.01 (35)	6.96 (9)	-9.64 (63)	19.35 (8)	2.87 (28)	11.74 (27)	3.71 (22)	-16.00 (72)

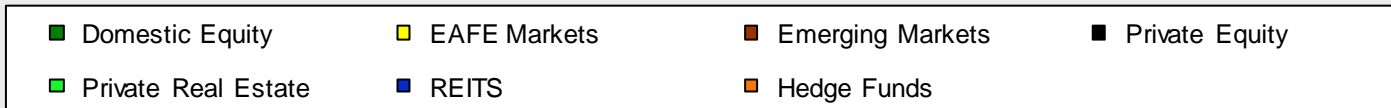
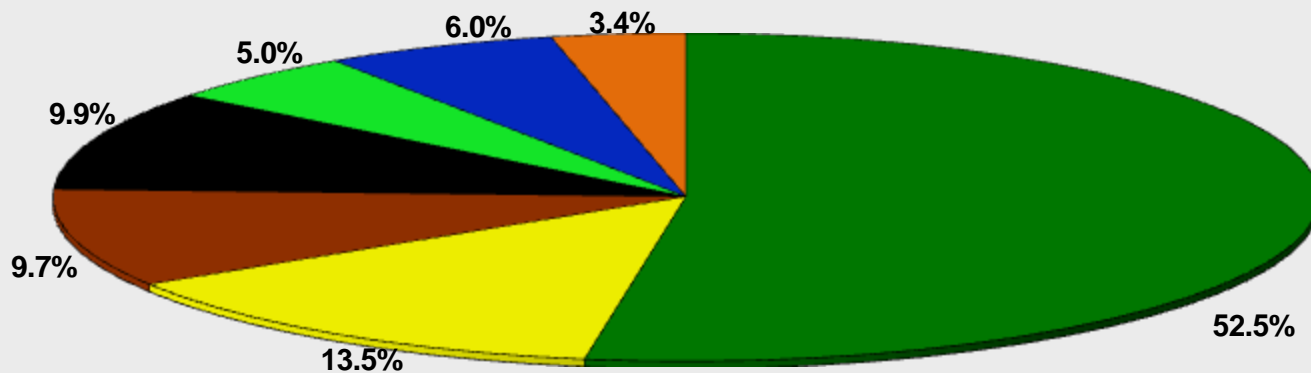
New York City
Fire Department Pension Fund, Subchapter Two

Equity Analysis

Total Equity Asset Allocation: September 30, 2012

\$5.7B Under Management, **66%** of Total Funds

Asset Allocation by Groups



Total Domestic Equity Returns vs Russell 3000 Index

\$3B Under Management, **35%** of Total Funds

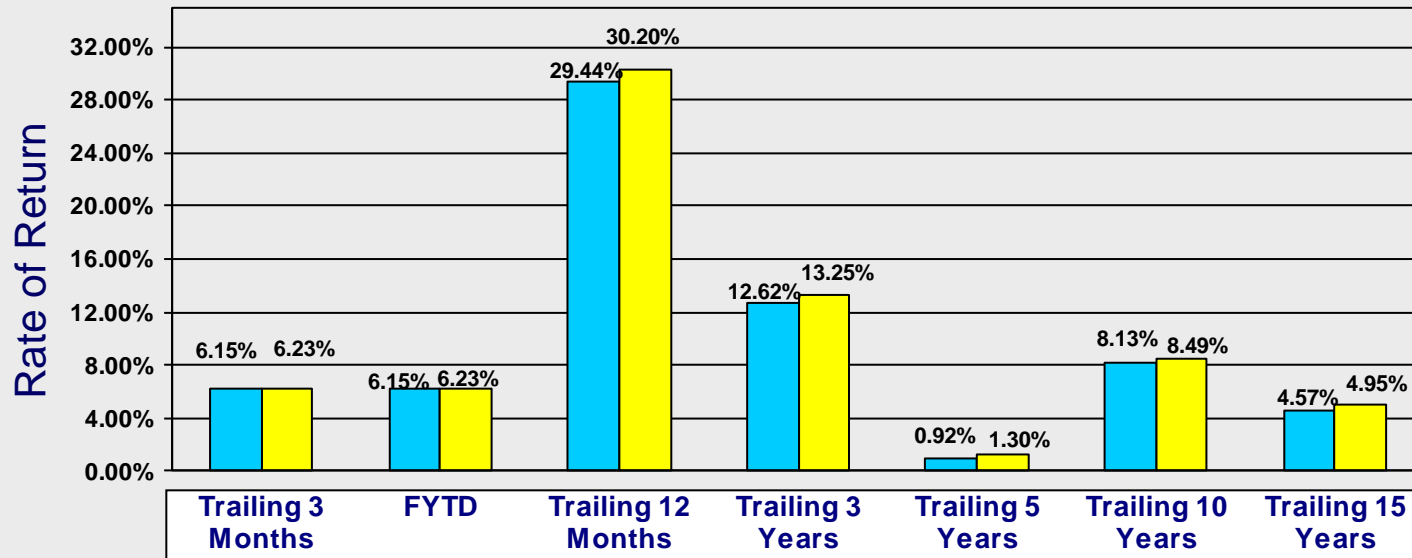
As of 09/30/12



Domestic Equity Returns



Russell 3000 Index

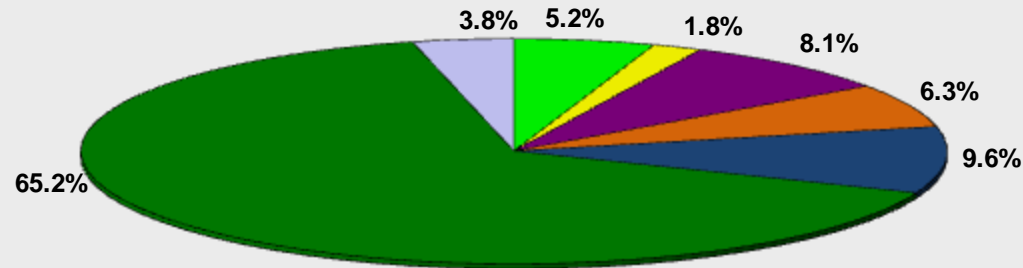


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.6	20.0	15.8	16.6
Benchmark Std Dev	16.0	19.7	15.7	16.7

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

\$3B Under Management, **35%** 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	

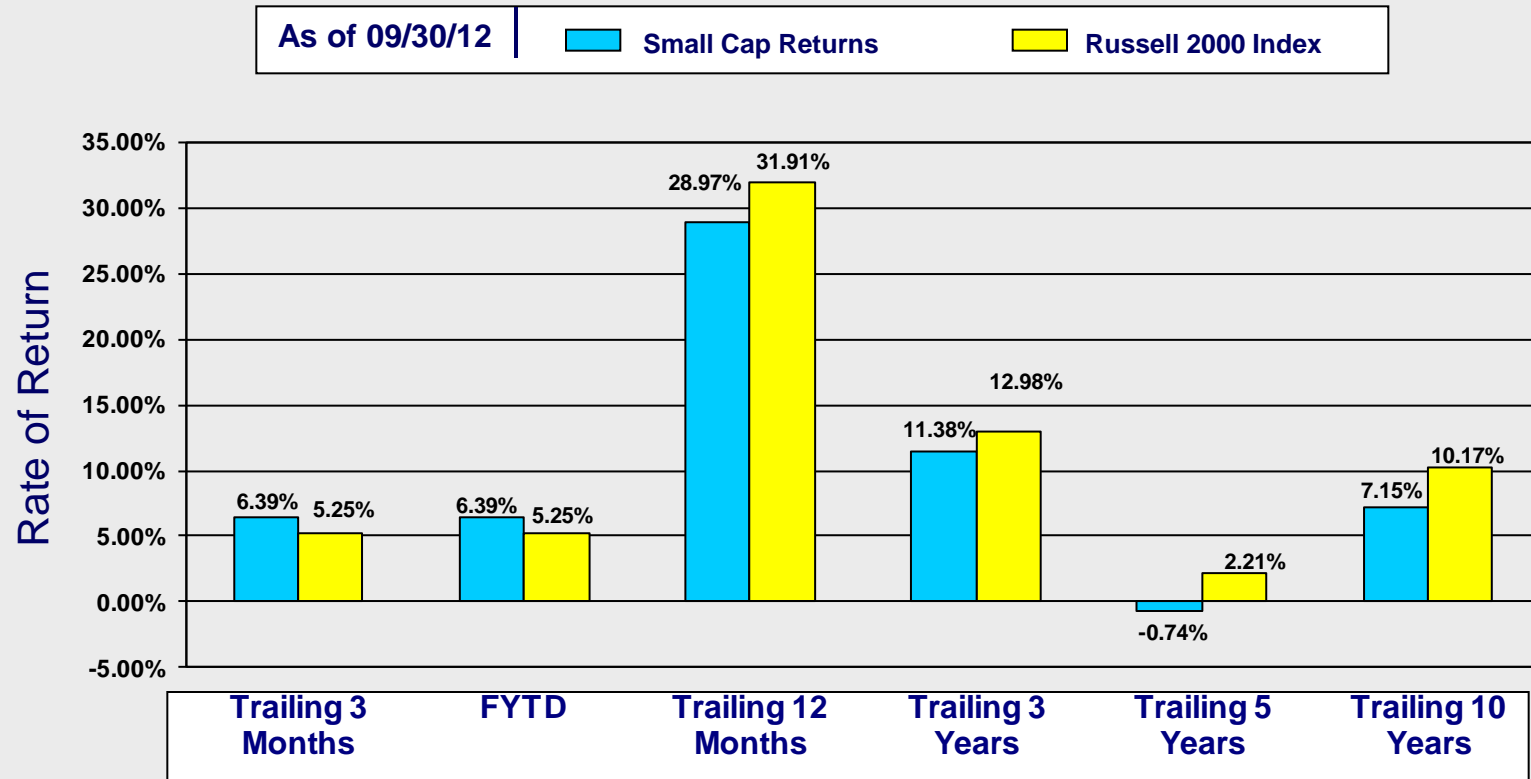
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Small Cap Active	5.30	5.26	-0.04	5.25	6.39	1.14	0.00	0.06
Small to Mid Cap Active	1.60	1.84	0.24	5.85	7.18	1.33	0.00	0.02
Mid Cap Active	6.65	8.09	1.44	5.59	6.68	1.10	-0.01	0.09
Mid Cap S&P 400 Index**	7.53	6.32	-1.21	5.44	5.42	-0.02	0.01	0.00
Russell 1000 Active	8.17	9.56	1.39	6.31	5.54	-0.77	0.00	-0.12
Russell 3000 Index Fund**	66.30	65.15	-1.15	6.23	6.21	-0.02	0.00	-0.01
Emerging Managers	4.45	3.77	-0.68	5.25	5.97	0.72	0.00	0.03

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

Small Cap Returns vs Russell 2000 Index

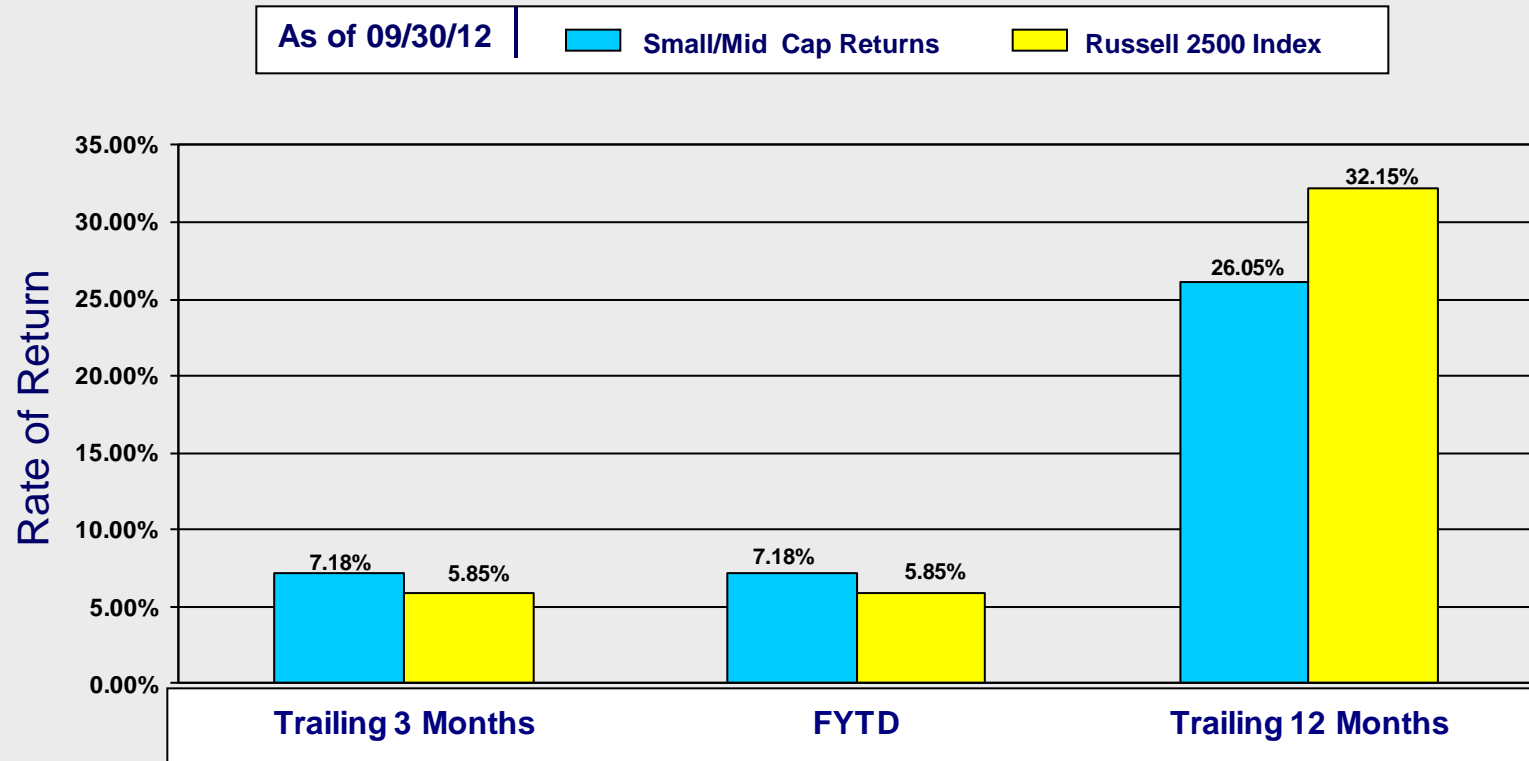
\$156M Under Management, **2%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	19.9	23.0	18.5
Benchmark Std Dev	21.0	24.5	20.3

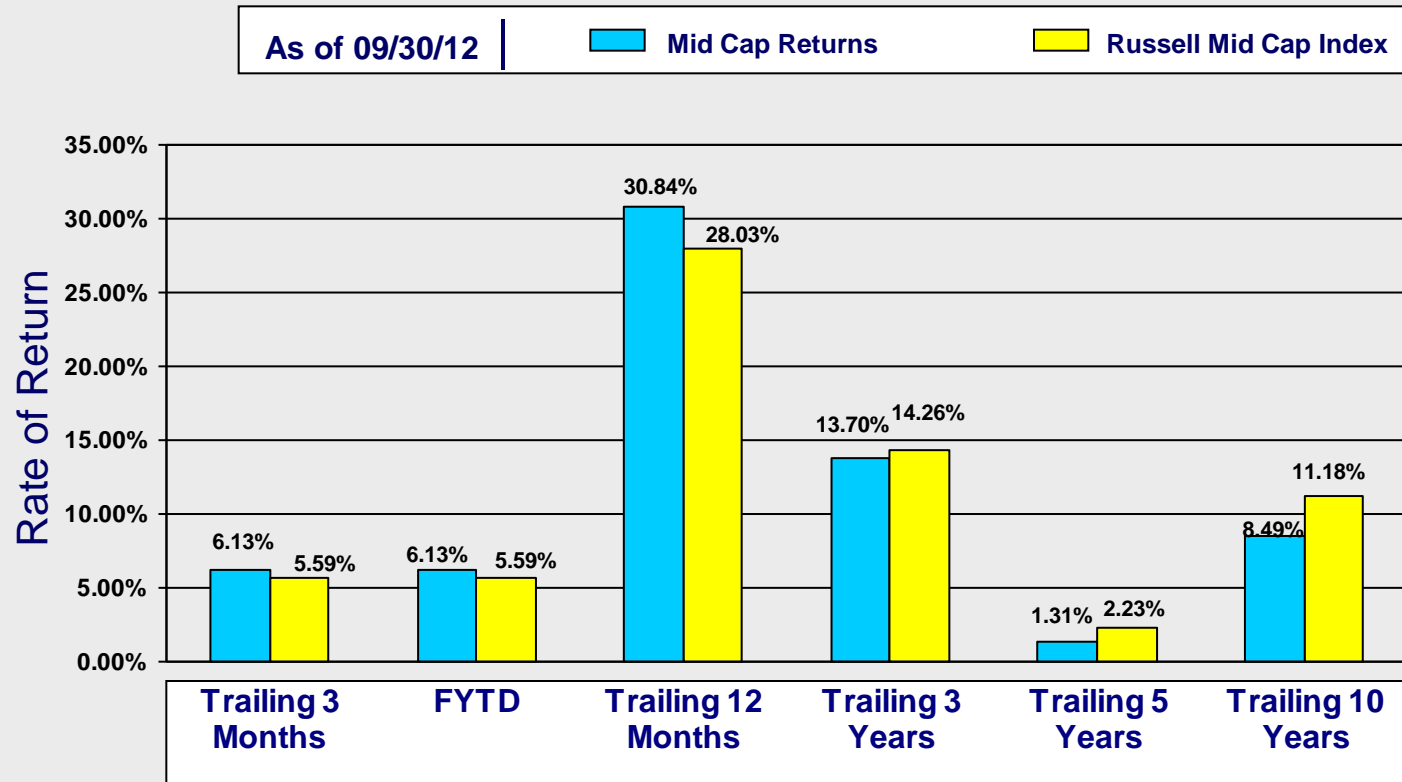
Small/Mid Cap Returns vs Russell 2500 Index

\$55M Under Management, **1%** of Total Funds



Mid Cap Returns vs Russell Mid Cap Index

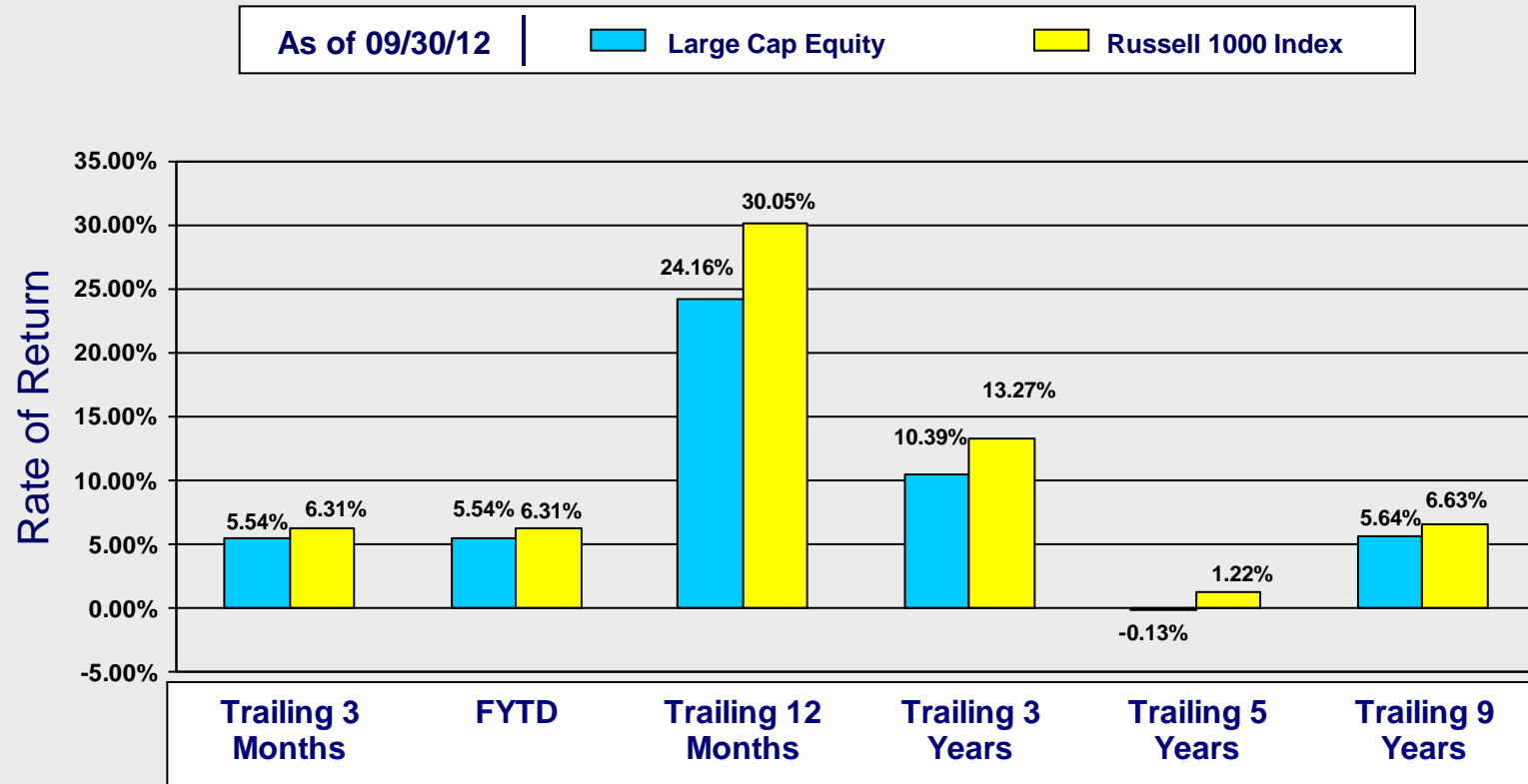
\$429M Under Management, **5%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	18.2	22.1	17.7
Benchmark Std Dev	17.8	22.8	18.0

Large Cap Returns vs Russell 1000 Index

\$285M Under Management, **3%** of Total Funds



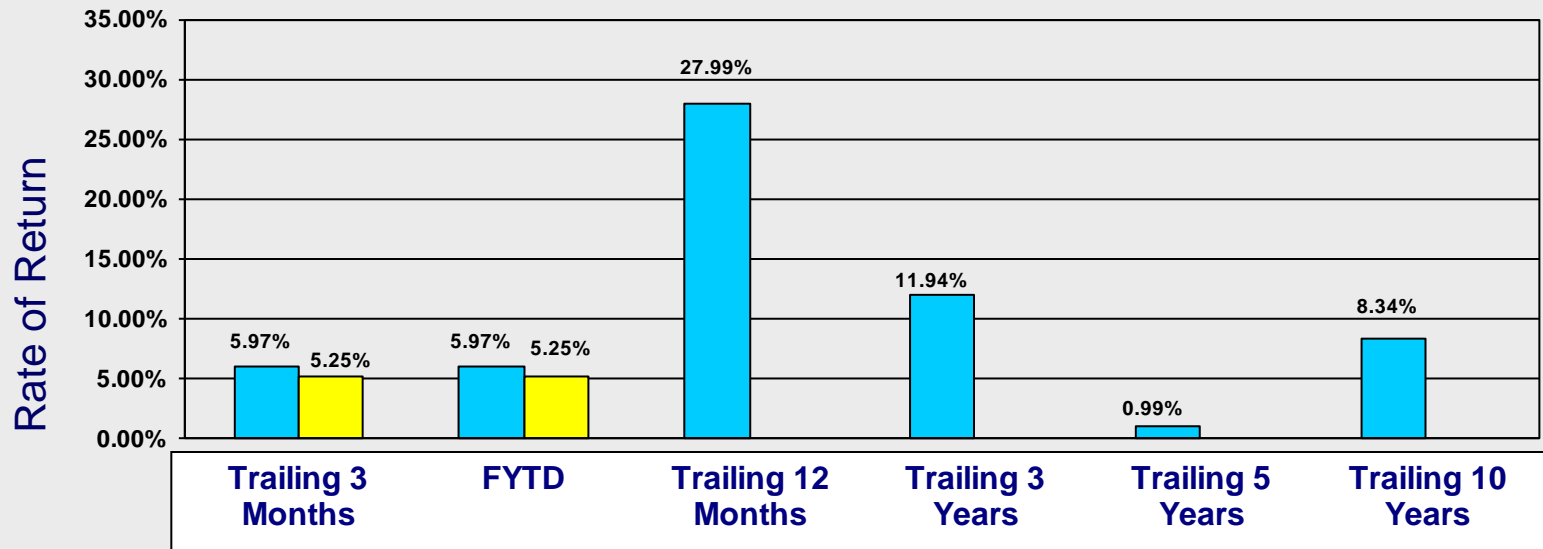
	3 Years	5 Years	9 Years
Plan Std Dev	17.7	20.2	16.1
Benchmark Std Dev	15.7	19.4	15.4

Emerging Managers Returns vs Russell 2000 Index

\$112M Under Management, **1%** of Total Funds

As of 09/30/12

Emerging Managers Returns Russell 2000 Index



	3 Years	5 Years	10 Years
Plan Std Dev	17.2	20.3	16.0
Benchmark Std Dev	N/A	N/A	N/A

Russell 3000 Index Fund Returns vs Russell 3000 Index

\$1.9B Under Management, **23%** of Total Funds

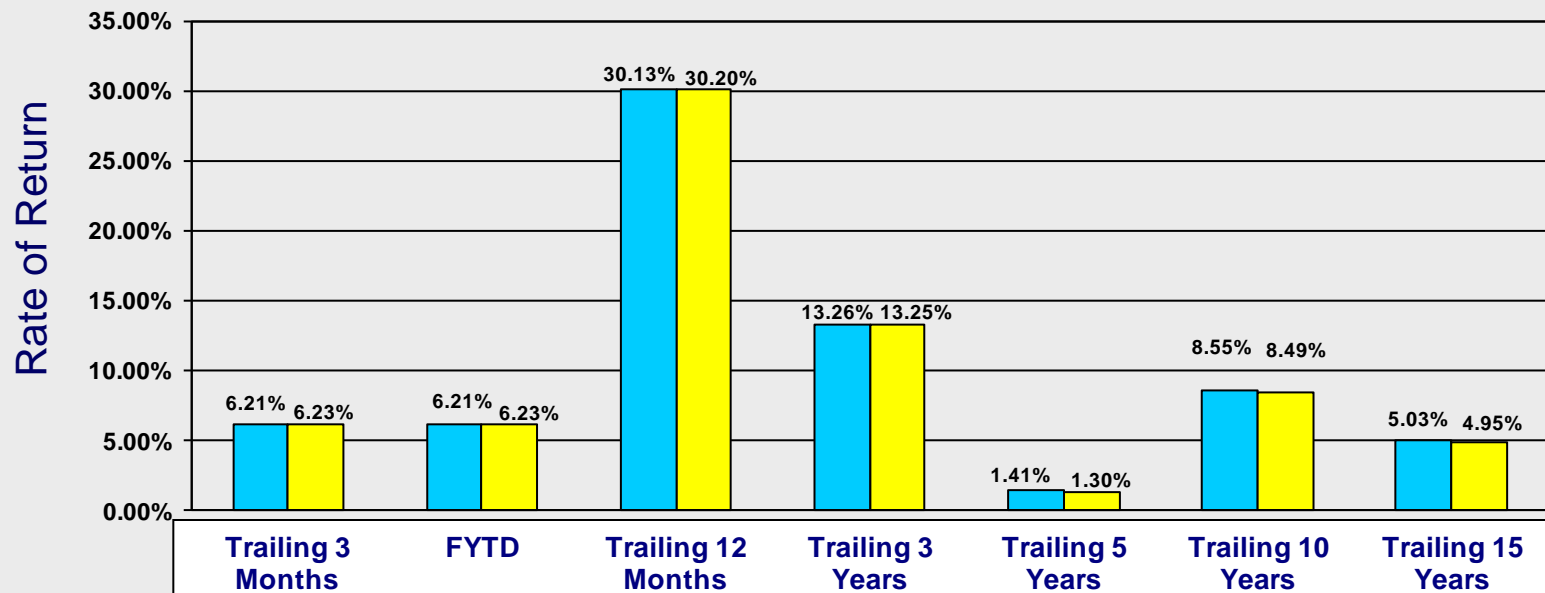
As of 09/30/12



Russell 3000 Composite



Russell 3000 Index

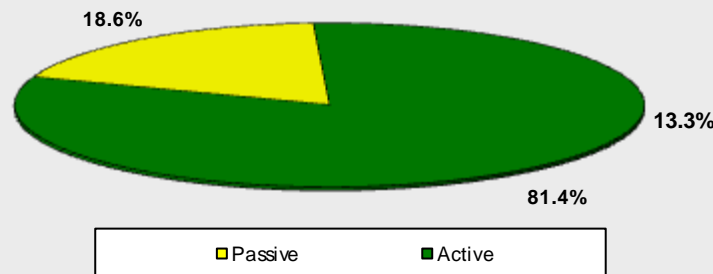


	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.0	19.6	15.6	16.6
Benchmark Std Dev	16.0	19.7	15.7	16.7

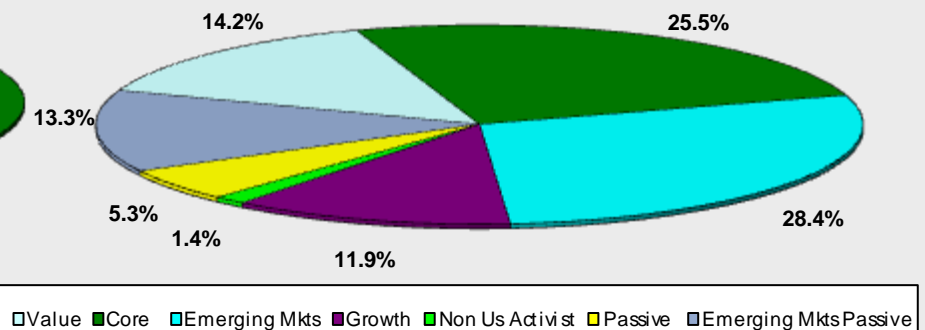
International Equity Asset Allocation: September 30, 2012

\$1.3B Under Management, **15%** 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		11.86		6.40	7.96	1.56		0.18
EAFE Value		14.24		7.55	6.05	-1.50		-0.23
EAFE Core		25.48		6.92	6.81	-0.12		-0.11
EAFE Passive		5.29		6.92	6.78	-0.14		-0.02
Non-US Activist		1.36		10.17	6.17	-4.00		-0.05
Active EM		28.44		7.89	8.35	0.47		0.09
Passive EM		13.33		7.89	7.84	-0.04		-0.01

EAFE Markets Returns vs MSCI EAFE Index

\$745M Under Management, **9%** of Total Funds

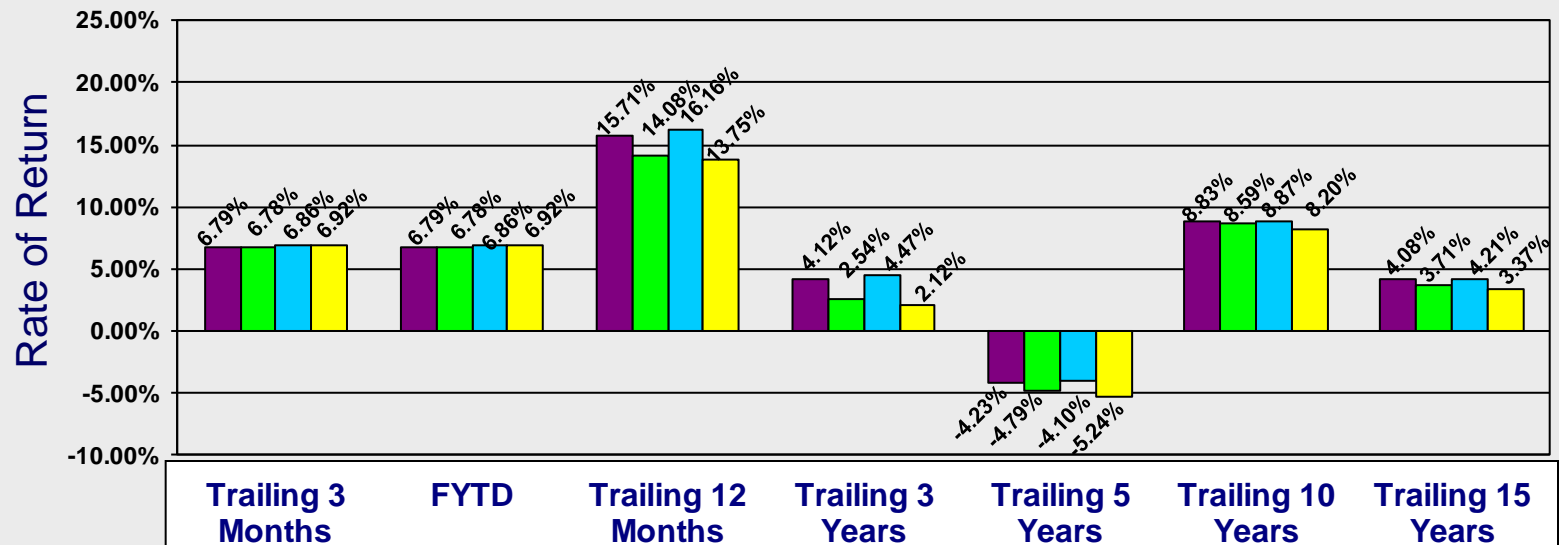
As of 09/30/12 |

EAFE Mkts

Passive Equity

Active Equity

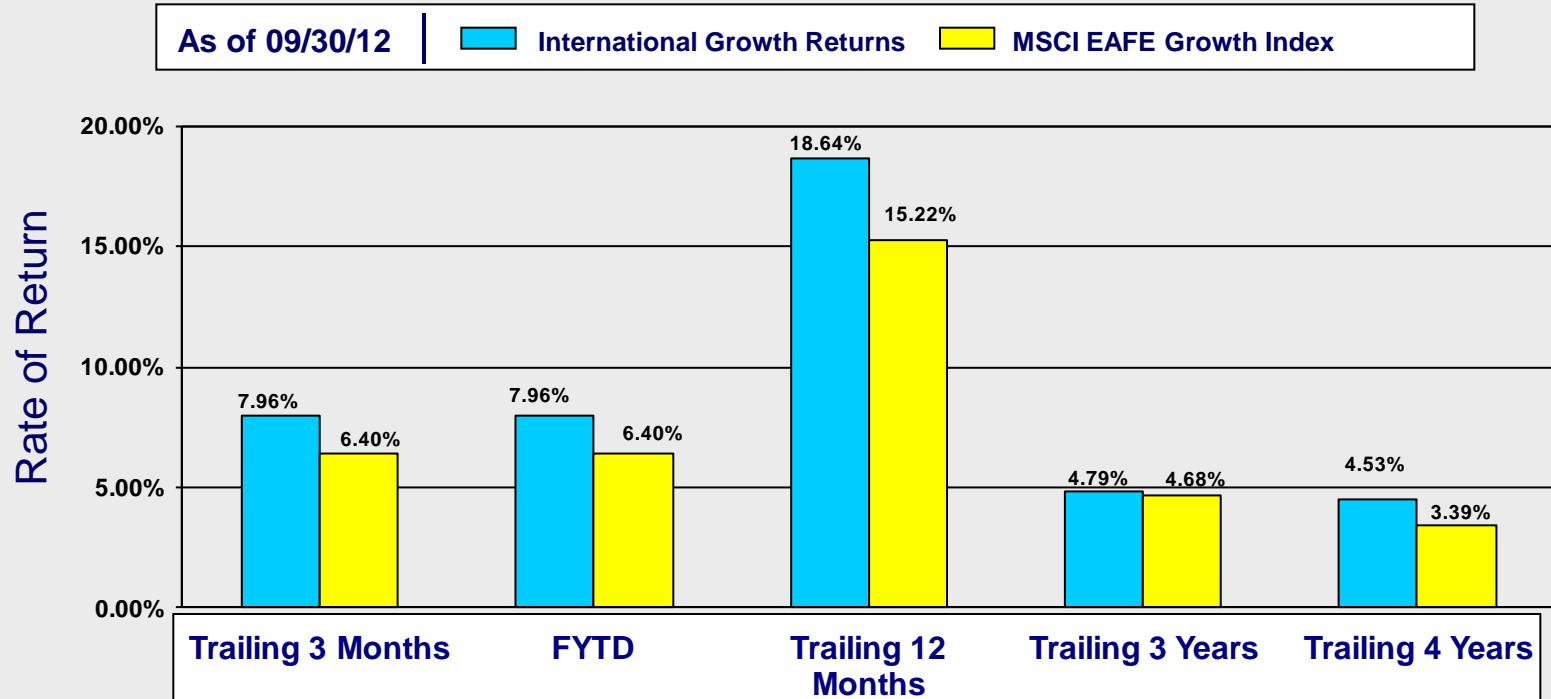
MSCI EAFE Index



	3 Years	5 Years	10 Years	15 Years
EAFE Plan Std Dev	18.9	23.0	18.3	18.2
Passive Plan Std Dev	19.2	23.3	18.4	18.0
Active Plan Std Dev	18.9	22.9	18.3	18.4
Benchmark Std Dev	19.3	23.3	18.5	18.1

International Growth Returns vs MSCI EAFE Growth Index

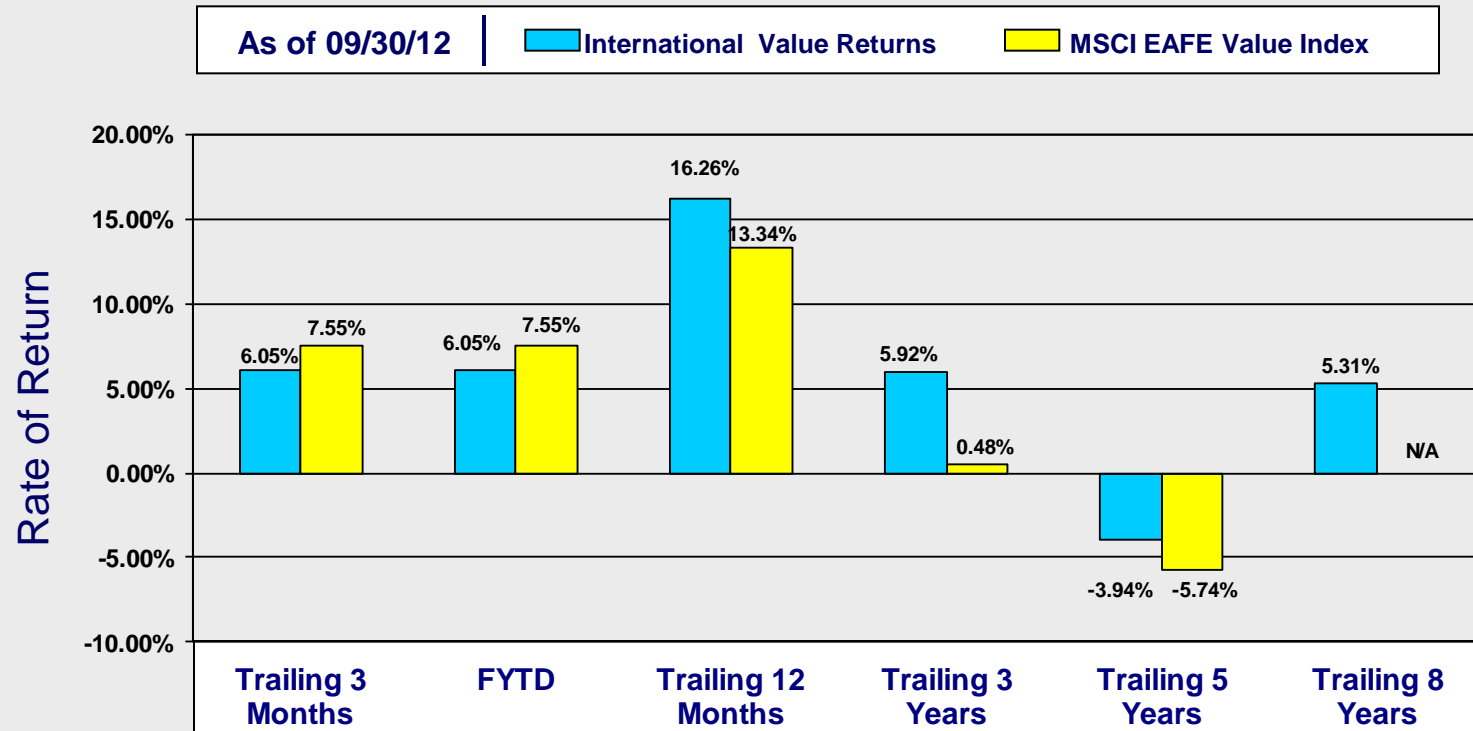
\$155M Under Management, **2%** of Total Funds



	3 Years	4 Years
Plan Std Dev	19.1	23.0
Benchmark Std Dev	18.8	22.4

International Value Returns vs MSCI EAFE Value Index

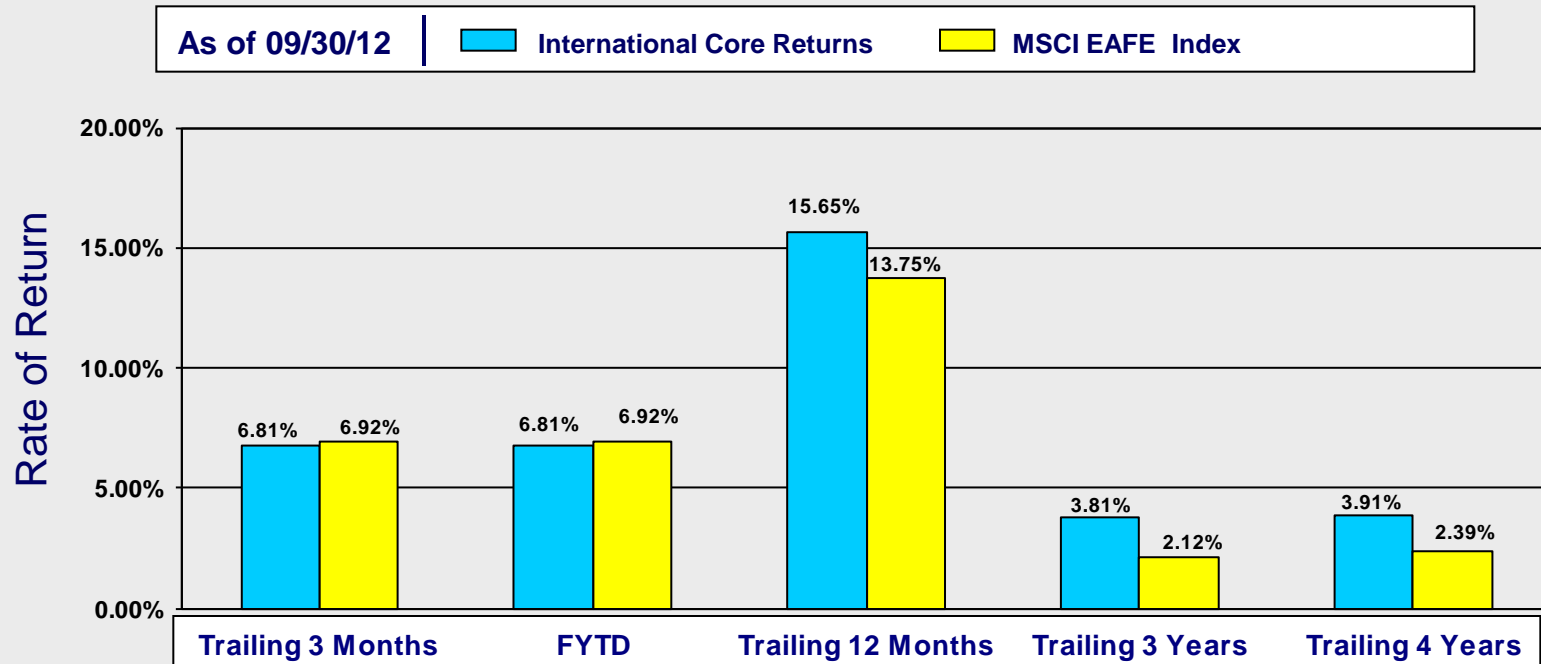
\$186M Under Management, **2%** of Total Funds



	3 Years	5 Years	8 Years
Plan Std Dev	17.8	22.4	18.8
Benchmark Std Dev	20.1	24.8	N/A

International Core Returns vs MSCI EAFE Index

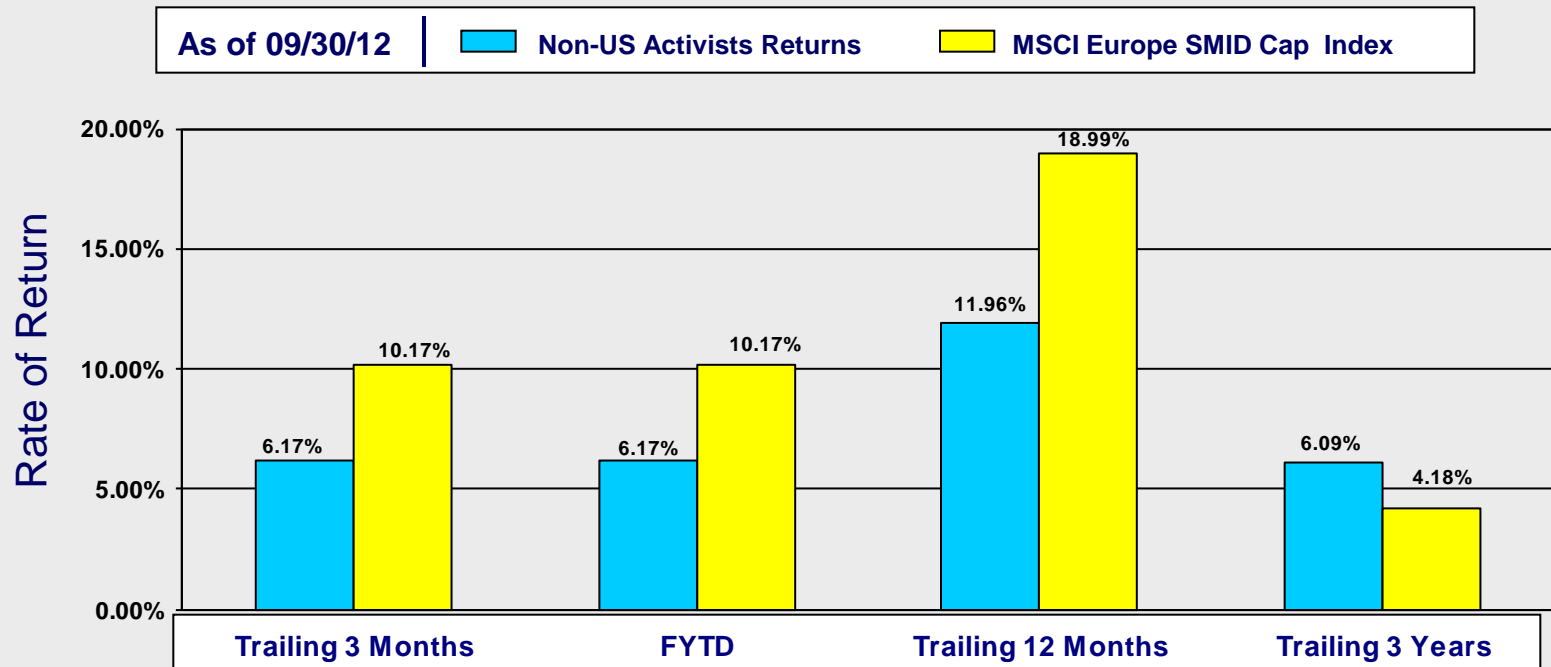
\$334M Under Management, **4%** of Total Funds



	3 Years	4 Years
Plan Std Dev	19.6	23.9
Benchmark Std Dev	19.3	23.3

Non-US Activist Returns vs MSCI Europe SMID Cap Index

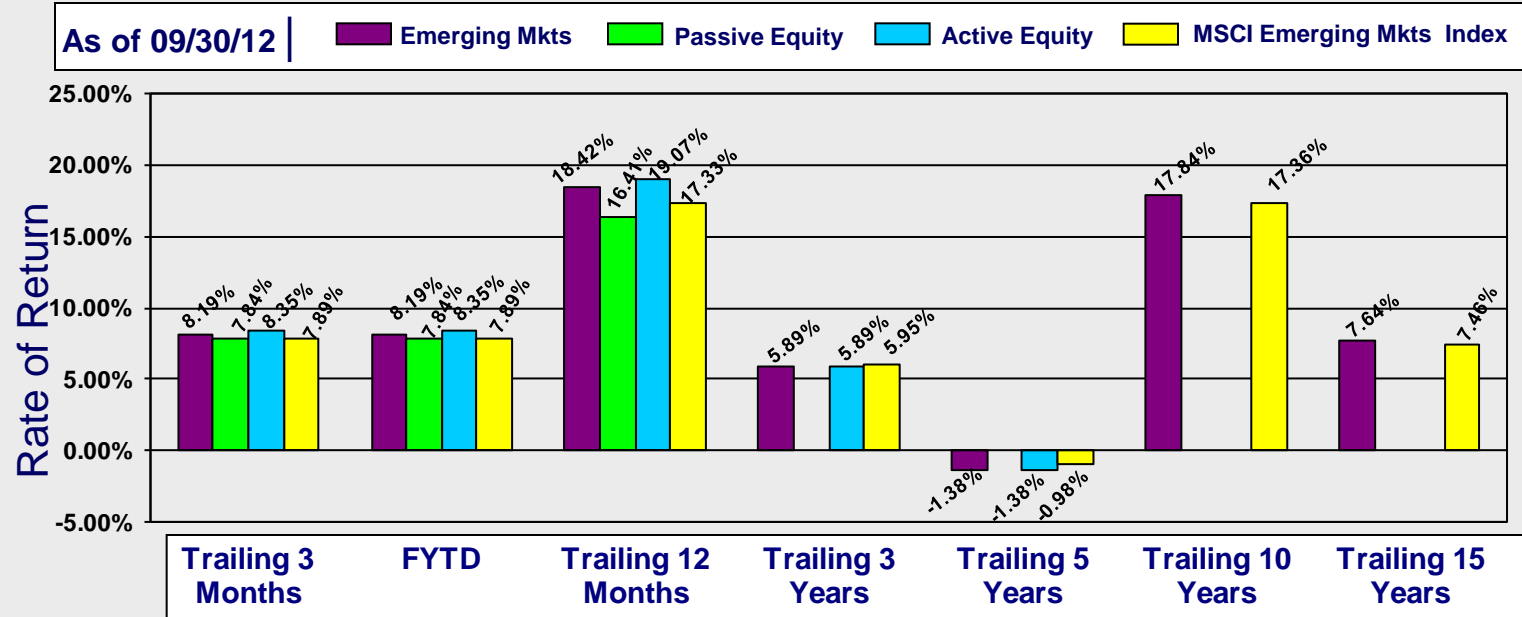
\$18M Under Management, **0%** of Total Funds



	3 Years
Plan Std Dev	26.6
Benchmark Std Dev	23.7

Emerging Markets Returns vs MSCI Emerging Markets Index

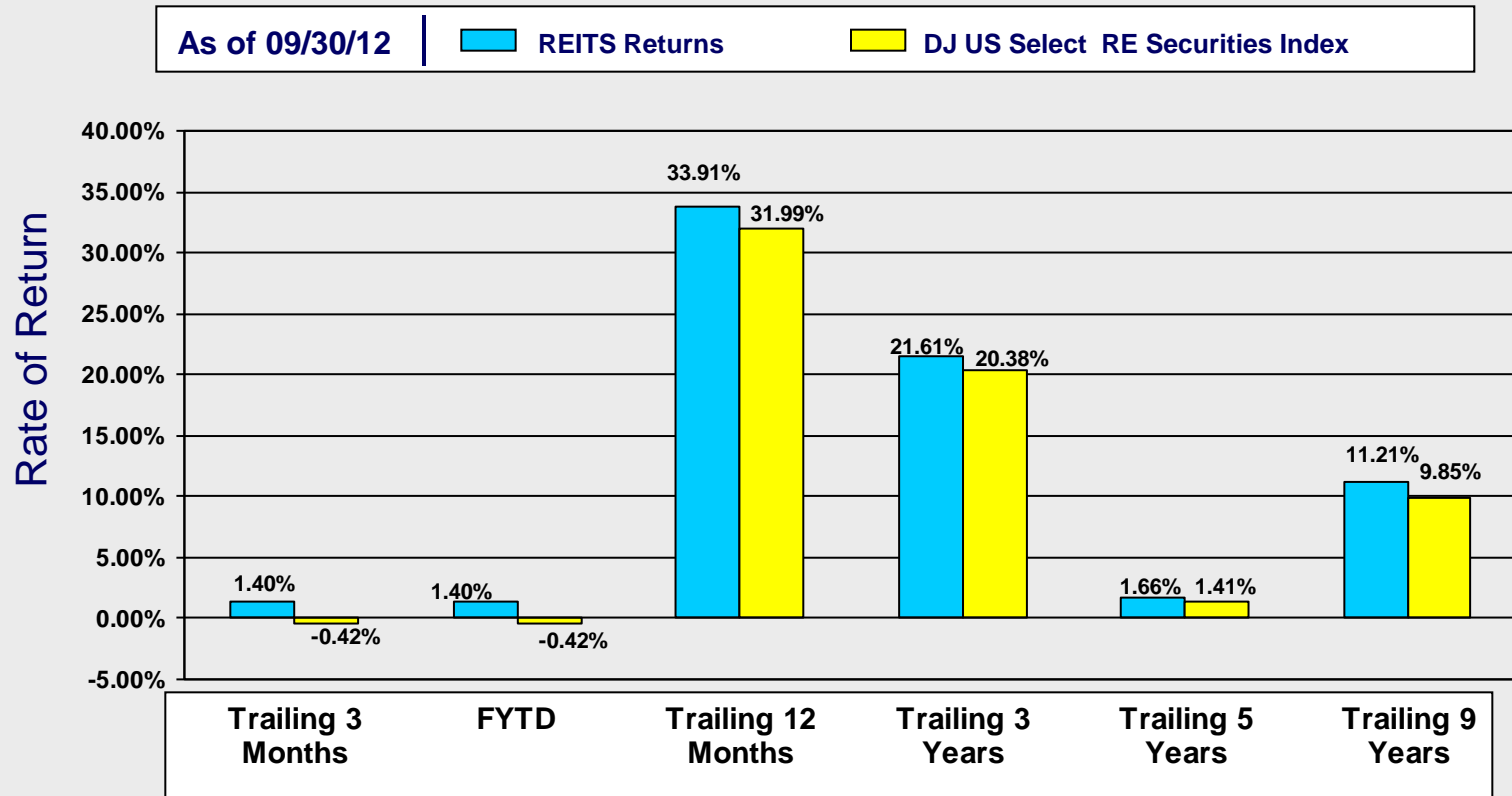
\$547M Under Management, **6%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Emerging Plan Std Dev	22.1	29.9	24.4	25.7
Passive Plan Std Dev	N/A	N/A	N/A	N/A
Active Plan Std Dev	22.3	29.9	N/A	N/A
Benchmark Std Dev	21.5	29.3	24.2	25.9

REITS Returns vs DJ US Select Real Estate Securities Index

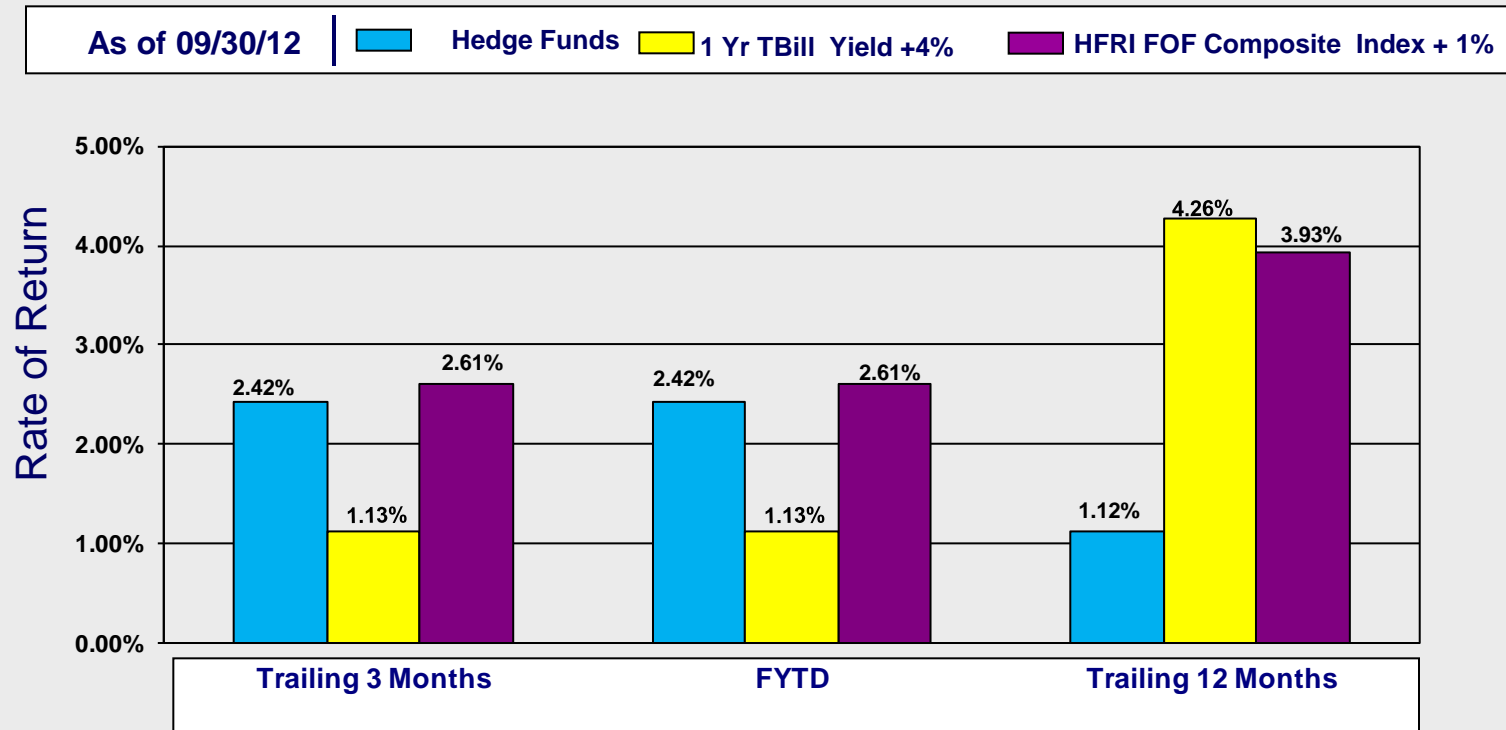
\$337M Under Management, **4%** of Total Funds



	3 Years	5 Years	9 Years
Plan Std Dev	19.2	32.6	26.7
Benchmark Std Dev	19.3	34.2	27.9

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

\$194M Under Management, **2%** of Total Funds



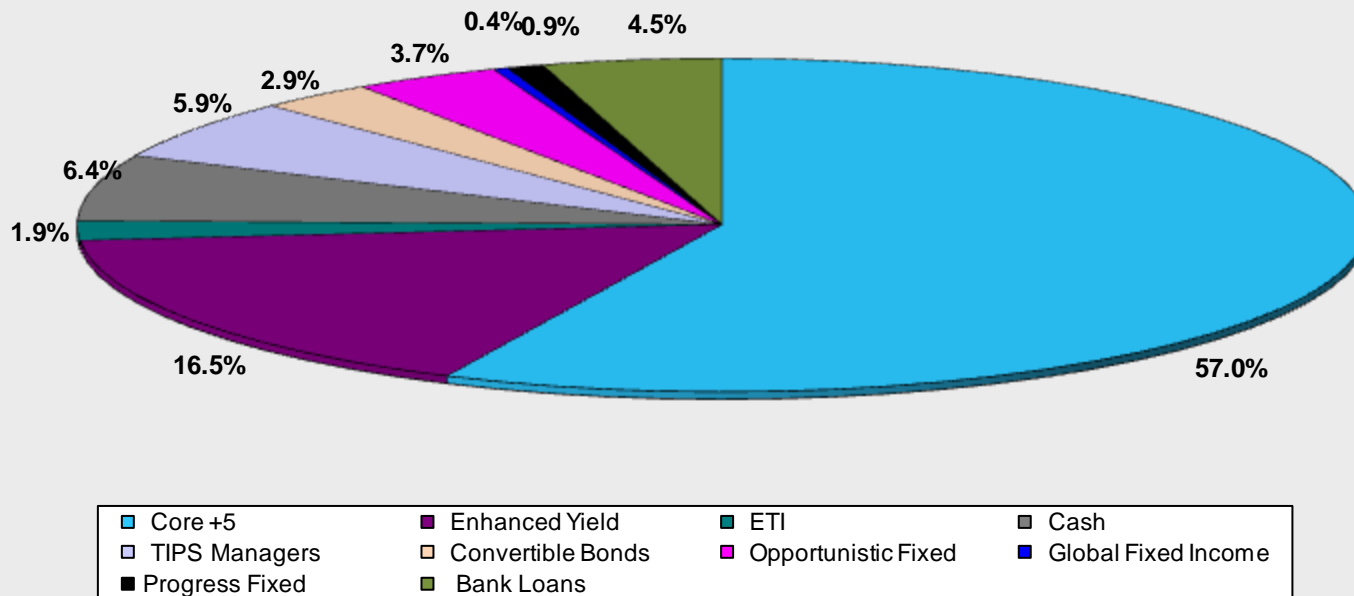
New York City
Fire Department Pension Fund, Subchapter Two

Fixed Income Analysis

Total Fixed Income Asset Allocation: September 30, 2012

\$2.9B Under Management, **34%** of Total Funds

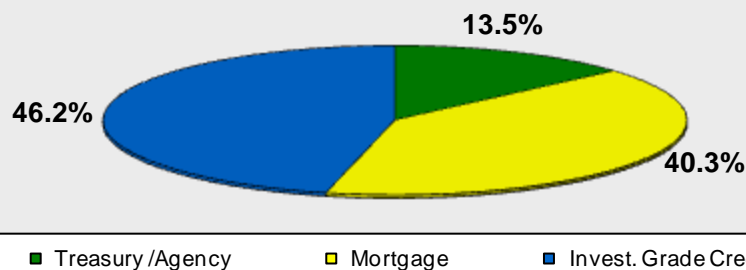
Asset Allocation by Groups



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

\$1.6B Under Management, **19%** of Total Funds

Asset Allocation by Groups



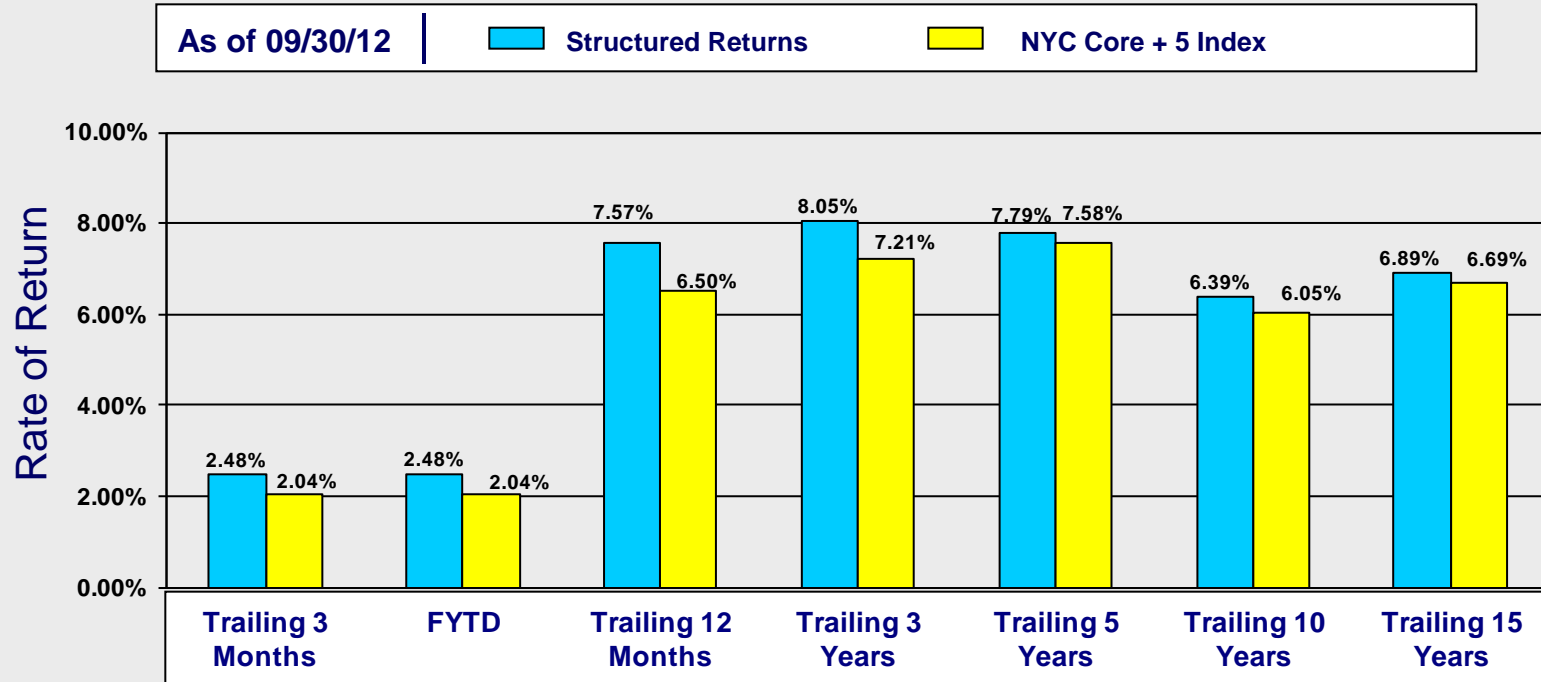
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treas/Agency	20.15	13.53	-6.62	0.82	0.80	-0.02	0.09	0.00
Mortgage	40.68	40.25	-0.43	1.11	1.55	0.44	-0.03	0.19
Invest. Grade Credit	39.17	46.22	7.05	3.71	3.99	0.28	0.08	0.13

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

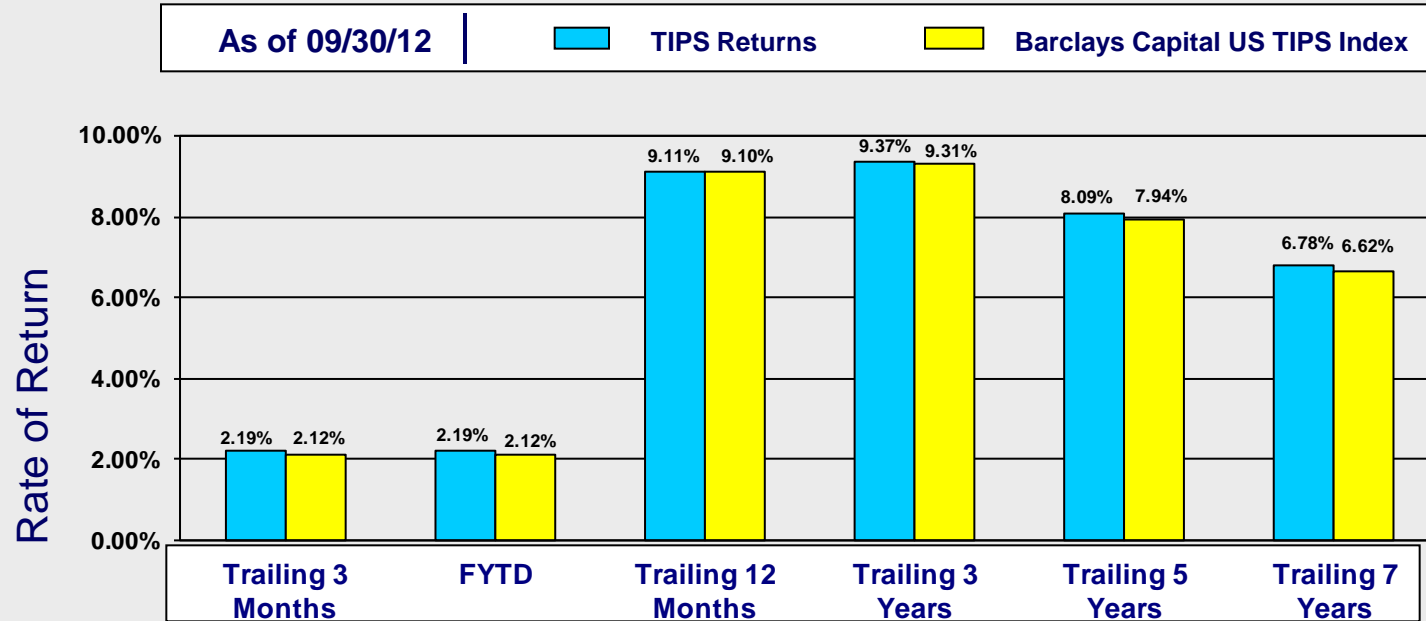
\$1.6B Under Management, **19%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	3.0	4.1	4.1	3.9
Benchmark Std Dev	3.2	4.4	4.3	4.1

TIPS Returns vs Barclays Capital US TIPS Index

\$169M Under Management, **2%** of Total Funds



	3 Years	5 Years	7 Years
Plan Std Dev	4.5	7.4	6.6
Benchmark Std Dev	4.8	7.4	6.7

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

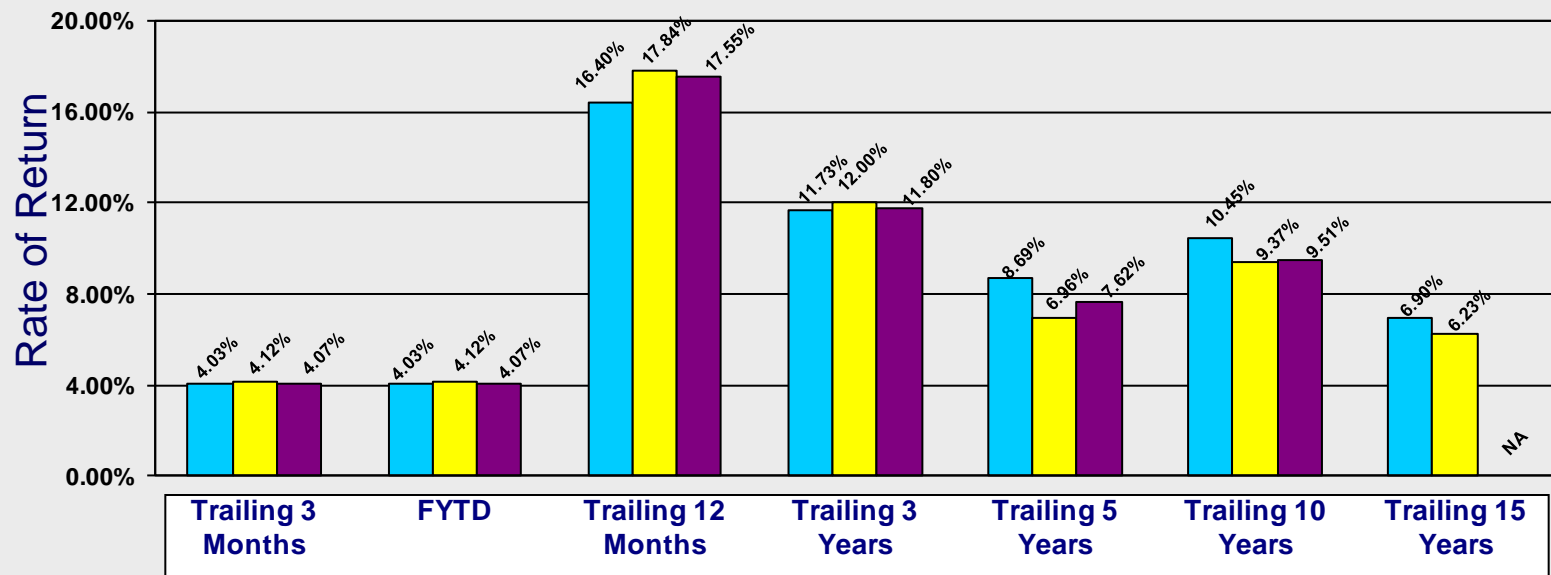
\$477M Under Management, **6%** of Total Funds

As of 09/30/12

Enhanced Yield

Citigroup BB&B Index

Citigroup BB&B Capped Index



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	6.0	10.6	8.3	9.0
Citigroup BB&B Std Dev	6.2	11.8	9.3	9.2
Citigroup BB&B Capped Std Dev	6.0	11.5	9.0	N/A

Convertible Bond Returns vs Benchmarks

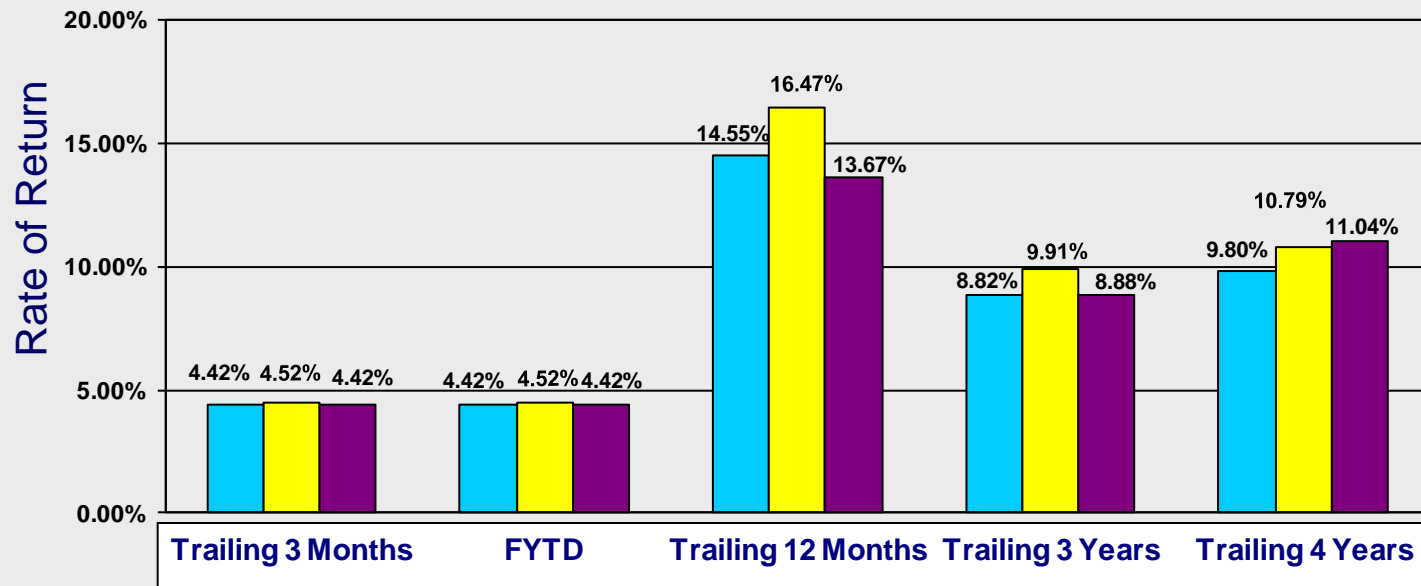
\$84M Under Management, **1%** of Total Funds

As of 09/30/12

Conv. Bond Returns

Bofa ML All Conv. Ex Mandatory Index

Custom Index



	3 Years	4 Years
Plan Std Dev	9.3	12.7
Bofa ML All Conv. Ex Mandatory Index	10.4	15.0
Custom Index	8.5	13.3

Opportunistic Fixed Income Returns vs Benchmarks

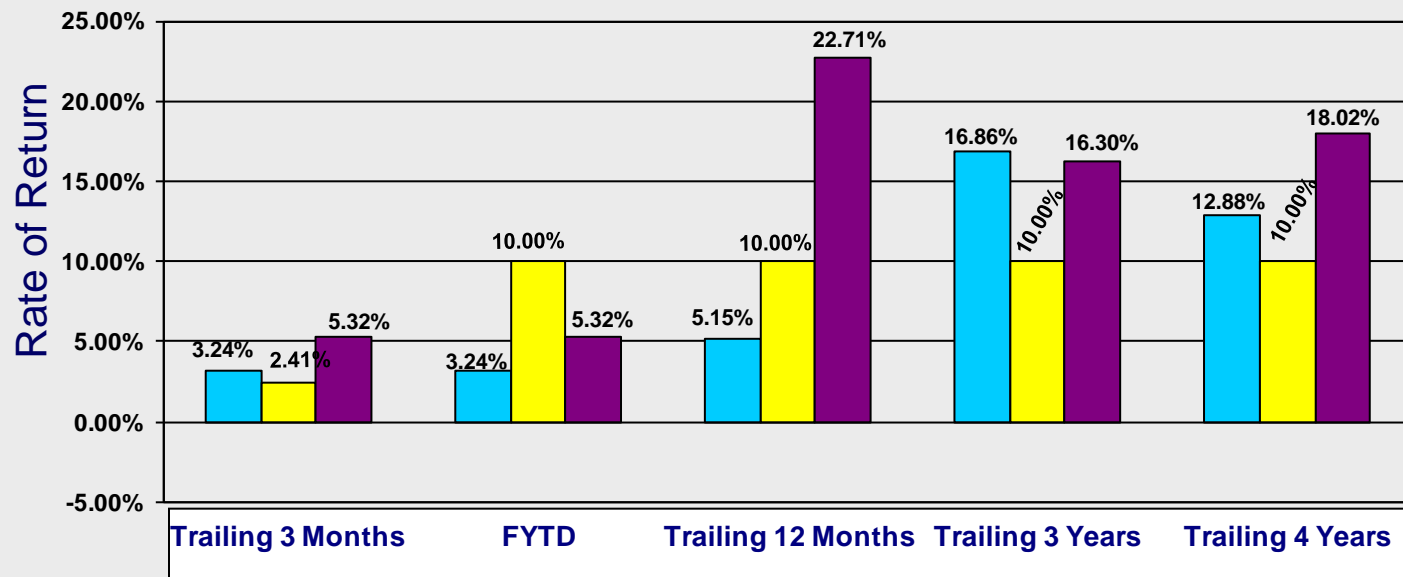
\$106M Under Management, **1%** of Total Funds

As of 09/30/12

Opportunistic Fixed

10% Annual Return

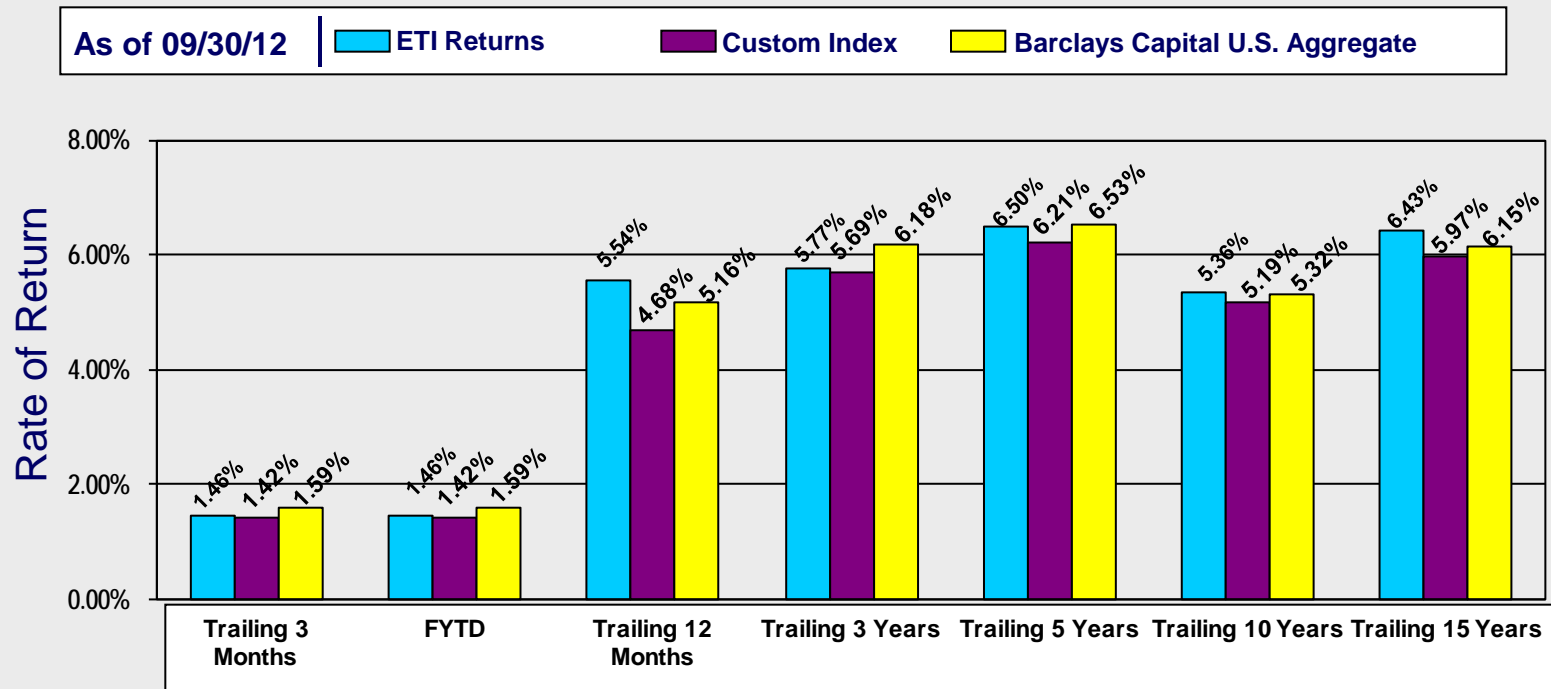
JPM Global HY +3%



	3 Years	4 Years
Plan Std Dev	9.9	11.7
JPM Global HY +3% Std Dev	6.8	0.0

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

\$54M 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	3.0
BC US Aggreg Std Dev	2.7	3.6	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 September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
EQUITY MANAGEMENT									
SMALL CAP									
23.08	0.27	BROWN AM	5.81	18.20	29.91	17.63	****	****	****
56.86	0.66	PERIMETER	6.70	11.63	26.83	****	****	****	****
79.94	0.93	TOTAL SMALL CAP GROWTH	6.44	13.45	27.70	12.54	1.24	9.12	****
		RUSSELL 2000 GROWTH	4.84	14.08	31.18	14.19	2.96	10.54	****
		SMALL CAP GROWTH MEDIAN	5.36	13.43	29.40	14.85	3.06	11.19	****
76.43	0.89	DALTON GREINER	6.33	15.65	32.34	****	****	****	****
76.43	0.89	TOTAL SMALL CAP VALUE	6.33	15.65	32.34	****	****	****	****
		RUSSELL 2000 VALUE	5.67	14.37	32.63	****	****	****	****
156.37	1.82	TOTAL SMALL CAP ACTIVE	6.39	14.52	29.93	11.92	-0.45	****	****
		RUSSELL 2000	5.25	14.23	31.91	12.98	2.21	****	****
156.37	1.82	TOTAL SMALL CAP	6.39	13.33	28.97	11.38	-0.74	7.15	****
		RUSSELL 2000	5.25	14.23	31.91	12.98	2.21	10.17	****
54.86	0.64	SECURITY GLOBAL INV	7.18	13.33	26.05	****	****	****	****
		RUSSELL 2500 VALUE	5.85	14.47	32.15	****	****	****	****
113.81	1.33	TIMESSQUARE CAPITAL	6.05	16.20	31.32	****	****	****	****
		RUSSELL MIDCAP GROWTH	5.35	13.88	26.69	****	****	****	****

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
60.52	0.71	IRIDIAN ASSET	9.75	20.30	37.28	****	****	****	****
60.52	0.71	TOTAL MID CAP VALUE	9.75	20.30	37.28	****	****	****	****
		RUSSELL MIDCAP VALUE	5.80	14.03	29.28	****	****	****	****
66.50	0.78	WELLINGTON MGMT	5.09	17.47	31.17	****	****	****	****
66.50	0.78	TOTAL MID CAP CORE	5.09	17.47	31.17	13.21	1.09	9.10	****
		S&P MIDCAP INDEX 400	5.44	13.77	28.54	14.33	3.83	10.77	****
240.83	2.81	TOTAL MID CAP ACTIVE	6.68	17.56	32.73	14.67	1.83	****	****
187.96	2.19	STATE STREET GA S&P 400	5.42	13.78	28.48	****	****	****	****
187.96	2.19	TOTAL MID CAP PASSIVE	5.42	13.78	28.48	****	****	****	****
		S&P MIDCAP INDEX 400	5.44	13.77	28.54	****	****	****	****
428.79	5.00	TOTAL MID CAP	6.13	15.88	30.84	13.70	1.31	8.49	****
		RUSSELL MIDCAP	5.59	14.00	28.03	14.26	2.23	11.18	****
		LARGE CAP							
37.68	0.44	PROFIT INV MGMT	7.22	17.28	32.37	12.33	****	****	****
125.32	1.46	ZEVENBERGEN	3.80	8.85	17.34	9.52	****	****	****
163.00	1.90	TOTAL LARGE CAP GROWTH	4.57	10.69	20.50	9.87	-0.06	5.98	3.91
		RUSSELL 1000 GROWTH	6.11	16.80	29.19	14.73	3.24	8.41	3.79
		RUSSELL 3000 GROWTH	6.01	16.59	29.35	14.69	3.21	8.56	3.72
		LARGE CAP GROWTH MEDIAN	6.28	15.98	27.34	13.28	2.63	9.06	
83.47	0.97	ARONSON JOHNSON	6.86	16.28	31.64	13.16	0.44	****	****
83.47	0.97	TOTAL LARGE CAP VALUE	6.86	16.28	31.64	11.95	0.18	****	****
		RUSSELL 1000 VALUE	6.51	15.75	30.92	11.83	-0.90	****	****
		LARGE CAP VALUE MEDIAN	6.08	12.71	27.70	11.58	0.10	8.78	6.41

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
38.07	0.44	SEIZERT CAPITAL PTNRS	6.89	13.52	24.85	12.63	****	****	****
38.07	0.44	TOTAL LARGE CAP CORE	6.89	13.52	24.85	12.63	****	****	****
		RUSSELL 1000	6.31	16.28	30.05	13.27	****	****	****
284.54	3.32	TOTAL LARGE CAP	5.54	12.65	24.16	10.39	-0.13	****	****
		RUSSELL 1000	6.31	16.28	30.05	13.27	1.22	****	****
		RUSSELL 3000							
1,097.04	12.80	BLACKROCK R3000	6.21	16.10	30.12	13.21	1.34	8.51	****
841.34	9.82	STATE STREET R3000	6.20	16.07	30.14	****	****	****	****
1,938.38	22.62	TOTAL RUSSELL 3000	6.21	16.09	30.13	13.26	1.41	8.55	5.03
		RUSSELL 3000	6.23	16.13	30.20	13.25	1.30	8.49	4.95
		ATTUCKS							
3.52	0.04	APEX	7.41	****	****	****	****	****	****
1.63	0.02	BIRD ROCK	7.21	****	****	****	****	****	****
3.59	0.04	EAM	6.81	****	****	****	****	****	****
4.40	0.05	OPUS	4.67	****	****	****	****	****	****
4.60	0.05	PARADIGM ASSET MGMT	6.35	****	****	****	****	****	****
17.73	0.21	TOTAL ATTUCKS	6.30	****	****	****	****	****	****
		RUSSELL 2000	5.25	****	****	****	****	****	****
		CAPITAL PROSPECTS							
2.55	0.03	AH LISANTI	3.36	****	****	****	****	****	****
2.58	0.03	BERNZOTT CAP AD	4.08	****	****	****	****	****	****
2.67	0.03	CHANNING	8.37	****	****	****	****	****	****
2.48	0.03	CWC	4.91	****	****	****	****	****	****

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
1.08	0.01	HIGH POINTE	3.59	****	****	****	****	****	****
2.70	0.03	HUBER	8.21	****	****	****	****	****	****
2.30	0.03	LOMBARDIA	5.55	****	****	****	****	****	****
2.51	0.03	PROFIT	4.83	****	****	****	****	****	****
2.55	0.03	QUOTIENT	9.03	****	****	****	****	****	****
2.58	0.03	STEPHENS	3.23	****	****	****	****	****	****
2.61	0.03	SUMMIT CREEK	3.25	****	****	****	****	****	****
26.59	0.31	TOTAL CAPITAL PROSPECTS	5.38	****	****	****	****	****	****
		RUSSELL 2000	5.25	****	****	****	****	****	****
		PROGRESS EQUITY							
12.03	0.14	APEX	7.64	****	****	****	****	****	****
7.33	0.09	CARDINAL	6.54	****	****	****	****	****	****
5.64	0.07	HUBER	8.26	****	****	****	****	****	****
9.15	0.11	IRONWOOD	8.34	****	****	****	****	****	****
3.99	0.05	LOMBARDIA CAPITAL	5.55	****	****	****	****	****	****
5.23	0.06	MONARCH PARTNERS	7.16	****	****	****	****	****	****
3.67	0.04	NICHOLS ASSET MGMT	7.12	****	****	****	****	****	****
6.99	0.08	OMT	3.48	****	****	****	****	****	****
6.06	0.07	PHOCAS	4.55	****	****	****	****	****	****
7.84	0.09	SIGNIA	2.27	****	****	****	****	****	****
67.95	0.79	TOTAL PROGRESS	6.11	****	****	****	****	****	****
		RUSSELL 2000	5.25	****	****	****	****	****	****
112.27	1.31	TOTAL EMERGING MANAGERS	5.97	15.20	27.99	11.94	0.99	8.34	****
		RUSSELL 2000	5.25	14.23	31.91	12.98	2.21	10.17	****
		RUSSELL 3000	6.23	16.13	30.20	13.25	1.30	8.49	****

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
848.87	9.91	TOTAL ACTIVE DOMESTIC EQUITY	6.18	14.74	28.19	11.75	0.31	7.57	3.44
2,126.34	24.81	TOTAL PASSIVE DOMESTIC EQUITY	6.14	15.75	29.90	12.89	1.21	8.43	5.25
2,975.21	34.72	TOTAL DOMESTIC EQUITY	6.15	15.49	29.44	12.62	0.92	8.13	4.57
		INTERNATIONAL EQUITIES							
		DEVELOPED MARKETS							
		GROWTH							
155.22	1.81	PYRAMIS GLOBAL ADVISORS	7.96	13.90	18.64	4.79	****	****	****
155.22	1.81	TOTAL INTL GROWTH	7.96	13.90	18.64	4.79	****	****	****
		MSCI EAFE GROWTH	6.40	10.86	15.22	4.68	****	****	****
		VALUE							
186.42	2.18	SPRUCEGROVE	6.05	11.30	16.27	6.45	-1.72	****	****
186.43	2.18	TOTAL INTL VALUE	6.05	11.30	16.26	5.92	-3.94	****	****
		MSCI EAFE VALUE	7.55	10.23	13.34	0.48	-5.74	****	****
		CORE							
136.45	1.59	PHILADELPHIA	7.27	7.59	14.35	1.20	****	****	****
197.29	2.30	THORNBURG	6.49	11.34	16.57	5.41	****	****	****
333.74	3.89	TOTAL INTL CORE	6.81	9.78	15.65	3.81	****	****	****
		MSCI EAFE (NET DIVIDEND)	6.92	10.08	13.75	2.12	****	****	****
675.50	7.88	TOTAL ACTIVE DEVELOPED MARKETS	6.86	10.80	16.16	4.47	-4.10	8.87	4.21

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.

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
69.27	0.81	SSGA	6.78	10.32	14.08	****	****	****	****
69.27	0.81	TOTAL PASSIVE DEVELOPED MARKETS	6.78	10.32	14.08	****	****	****	****
744.77	8.69	TOTAL DEVELOPED MARKETS	6.79	10.66	15.71	4.12	-4.23	8.83	4.08
		MSCI EAFE (NET DIVIDEND)	6.92	10.08	13.75	2.12	-5.24	8.20	3.37
		INTERNATIONAL EQUITY MEDIAN	7.21	11.87	16.98	4.50	-3.10	9.63	5.76
17.84	0.21	GOVERNANCE FOR OWNERS	6.17	8.55	11.96	6.09	****	****	****
		MSCI EUROPE SMID CAP	10.17	16.73	18.99	4.18	****	****	****
17.84	0.21	TOTAL NON-U.S. ACTIVIST	6.17	8.55	11.96	6.09	****	****	****
693.33	8.09	TOTAL ACTIVE DEV-ENVIRON-ACTIVIST	6.84	10.74	16.04	4.37	-4.41	****	****
762.60	8.90	TOTAL DEVELOPED ENVIRON ACTIVIST	6.79	10.62	15.64	4.06	-4.47	****	****
		EMERGING MARKETS							
103.01	1.20	ACADIAN	8.77	13.42	18.42	8.32	-0.31	****	****
156.88	1.83	BAILLIE GIFFORD	8.23	13.03	21.64	5.76	0.27	****	****
51.58	0.60	DFA	8.30	****	****	****	****	****	****
60.72	0.71	EATON VANCE	7.99	****	****	****	****	****	****
0.25	0.00	EMERGING MARKETS TRANSITION	****	****	****	****	****	****	****
372.44	4.35	TOTAL ACTIVE EMERGING MARKETS	8.35	12.12	19.07	5.89	-1.38	****	****
		MSCI EMERGING MARKETS FREE	7.89	12.33	17.33	5.95	-0.98	****	****

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
174.56	2.04	BLACKROCK	7.84	12.07	16.41	****	****	****	****
174.56	2.04	TOTAL PASSIVE EMERGING	7.84	12.07	16.41	****	****	****	****
		MSCI EMERGING MARKETS FREE	7.89	12.33	17.33	****	****	****	****
547.01	6.38	TOTAL EMERGING	8.19	12.08	18.42	5.89	-1.38	17.84	7.64
		EMERGING MARKETS MEDIAN	7.22	12.61	17.69	6.64	0.52	18.11	9.20
1,309.61	15.28	TOTAL INTERNATIONAL EQUITY	7.35	11.13	16.54	4.33	-3.85	10.36	4.80
		HEDGE FUNDS							
49.62	0.58	TOTAL PERMAL HEDGE FUND OF FUNDS	-1.85	-1.79	-4.04	****	****	****	****
		HFRI FOF COMPOSITE INDEX + 1%	2.61	4.11	3.93	****	****	****	****
		DIRECT HEDGE FUNDS							
23.13	0.27	BLUE TREND FD	5.86	****	****	****	****	****	****
39.60	0.46	BREXAN HOWARD	5.36	1.53	****	****	****	****	****
22.65	0.26	BRIGADE LEV CAP STR	1.44	****	****	****	****	****	****
16.63	0.19	CASPIAN SELECT CF	3.20	****	****	****	****	****	****
42.53	0.50	D.E. SHAW	3.49	8.57	****	****	****	****	****
144.53	1.69	TOTAL DIRECT HEDGE FUNDS	3.93	5.43	****	****	****	****	****
		HFRI FOF COMPOSITE INDEX + 1%	2.61	4.11	****	****	****	****	****
		MSCI AC WORLD INDEX STD NET	6.84	12.88	****	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	1.59	3.99	****	****	****	****	****
194.15	2.27	TOTAL HEDGE FUNDS	2.42	3.49	1.12	****	****	****	****
		1 YEAR TREASURY BILL YIELD + 4%	1.13	3.17	4.26	****	****	****	****
		HFRI FOF COMPOSITE INDEX + 1%	2.61	4.11	3.93	****	****	****	****

Consolidated Performance Report

Through September 30, 2012

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REAL ESTATE EQUITY SECURITIES									
69.32	0.81	ADELANTE CAPITAL MANAGEMENT	-0.48	14.78	32.71	21.44	0.14	****	****
98.24	1.15	EUROPEAN REIT	5.22	****	****	****	****	****	****
169.67	1.98	MORGAN STANLEY	0.07	14.94	32.92	21.21	2.80	****	****
337.23	3.94	TOTAL REAL ESTATE EQUITY SECURITIES	1.40	15.89	33.91	21.61	1.66	****	****
		DJ US SELECT RE SECURITIES INDEX	-0.42	14.44	31.99	20.38	1.41	****	****
PRIVATE EQUITY INVESTMENTS									
0.65	0.01	AISLING CAPITAL II	****	****	****	****	****	****	****
1.40	0.02	AISLING CAPITAL III	****	****	****	****	****	****	****
32.06	0.37	ALDUS NEW YORK FIRE FD	****	****	****	****	****	****	****
2.91	0.03	AMERICAN SEC PTNRS VI	****	****	****	****	****	****	****
2.95	0.03	AMPERSAND 2009	****	****	****	****	****	****	****
5.31	0.06	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****
21.05	0.25	APOLLO INVESTMENT FD VI	****	****	****	****	****	****	****
20.95	0.24	APOLLO INVESTMENT FD VII	****	****	****	****	****	****	****
2.07	0.02	ARES CORP OPP	****	****	****	****	****	****	****
3.22	0.04	ARES CORP OPP FD II	****	****	****	****	****	****	****
7.32	0.09	ARES CORP OPP FD III	****	****	****	****	****	****	****
5.25	0.06	AURORA EQUITY CAPITAL PTNRS III	****	****	****	****	****	****	****
3.89	0.05	AVISTA CAPITAL PTNRS	****	****	****	****	****	****	****
10.05	0.12	AVISTA CAPITAL PTNRS II	****	****	****	****	****	****	****
16.73	0.20	AXA SECONDARY FD V	****	****	****	****	****	****	****
3.81	0.04	BC EUR CAP IX	****	****	****	****	****	****	****
3.85	0.04	BDCM OPPORTUNITY FD III	****	****	****	****	****	****	****
10.01	0.12	BLACKSTONE CAPITAL PTNRS IV	****	****	****	****	****	****	****
8.30	0.10	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****

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1.21	0.01	BLACKSTONE CAPITAL PTNRS VI	****	****	****	****	****	****	****
1.36	0.02	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****
4.09	0.05	BRIDGEPOINT EUROPE III	****	****	****	****	****	****	****
4.67	0.05	BRIDGEPOINT EUROPE IV	****	****	****	****	****	****	****
0.30	0.00	CARLYLE PTNRS III	****	****	****	****	****	****	****
4.11	0.05	CARLYLE PTNRS IV	****	****	****	****	****	****	****
6.58	0.08	CARLYLE PTNRS V	****	****	****	****	****	****	****
5.56	0.06	CATTERTON PTNRS VI	****	****	****	****	****	****	****
4.57	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	****	****	****	****	****	****	****
4.00	0.05	CELTIC PHARM HLDGS, LP	****	****	****	****	****	****	****
3.17	0.04	COLLER INTERNATIONAL PTNRS V	****	****	****	****	****	****	****
7.54	0.09	COMVEST INVEST PTNRS IV	****	****	****	****	****	****	****
4.22	0.05	CONSTELLATION VENTURES III	****	****	****	****	****	****	****
1.09	0.01	CREDIT SUISSE EM FD	****	****	****	****	****	****	****
3.39	0.04	CREDIT SUISSE EM CO/INV FD	****	****	****	****	****	****	****
5.81	0.07	CRESTVIEW PARTNERS II	****	****	****	****	****	****	****
2.90	0.03	CVC EURO EQ PTNRS III	****	****	****	****	****	****	****
9.13	0.11	CVC EURO EQ PTNRS V	****	****	****	****	****	****	****
2.39	0.03	CYPRESS MERCH BK PTNRS II	****	****	****	****	****	****	****
4.10	0.05	EQT VI LP	****	****	****	****	****	****	****
0.99	0.01	ERASMUS NYC GROWTH FD A	****	****	****	****	****	****	****
3.57	0.04	FAIRVIEW EMERGING MGRS FD	****	****	****	****	****	****	****
5.25	0.06	FDG CAPL PTNRS	****	****	****	****	****	****	****
3.23	0.04	FDG CAPL PTNRS II	****	****	****	****	****	****	****
2.30	0.03	FENWAY PTNRS CAPITAL III	****	****	****	****	****	****	****
2.75	0.03	FIRST MARK FUND IV	****	****	****	****	****	****	****
4.07	0.05	FIRST RESERVE FD XI	****	****	****	****	****	****	****
3.48	0.04	FIRST RESERVE FD XII	****	****	****	****	****	****	****

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2.64	0.03	FOURTH CINVEN FD	****	****	****	****	****	****	****
6.27	0.07	FS EQUITY PTNRS V	****	****	****	****	****	****	****
7.43	0.09	FS EQUITY PTNRS VI	****	****	****	****	****	****	****
3.00	0.04	FT VENTURES FD III	****	****	****	****	****	****	****
2.43	0.03	GI PTNRS FD II	****	****	****	****	****	****	****
7.55	0.09	GI PTNRS FD III	****	****	****	****	****	****	****
6.25	0.07	GSO CAPITAL OPPORTUNITES FD	****	****	****	****	****	****	****
1.17	0.01	HIGHLAND CONSUMER FD I	****	****	****	****	****	****	****
3.12	0.04	INTERMEDIA PARTNERS VII	****	****	****	****	****	****	****
2.28	0.03	JP MORGAN INVST MGMT	****	****	****	****	****	****	****
1.08	0.01	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****
7.38	0.09	LANDMARK EQUITY PTNRS XIV	****	****	****	****	****	****	****
3.17	0.04	LEE EQUITY PARTNERS	****	****	****	****	****	****	****
4.95	0.06	LEVINE LEICHTMAN CAP PTNS IV	****	****	****	****	****	****	****
4.85	0.06	LEXINGTON CAPITAL PTNRS VII	****	****	****	****	****	****	****
1.63	0.02	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****
3.41	0.04	LINCOLNSHIRE EQ FD III	****	****	****	****	****	****	****
1.07	0.01	LINCOLNSHIRE EQ FD IV	****	****	****	****	****	****	****
5.11	0.06	LODH EURO CHOICE II	****	****	****	****	****	****	****
3.80	0.04	LODH EURO CHOICE III	****	****	****	****	****	****	****
2.40	0.03	LODH EURO CHOICE IV	****	****	****	****	****	****	****
2.37	0.03	MARKSTONE CAPITAL PTNRS	****	****	****	****	****	****	****
6.65	0.08	MIDOCEAN PTNRS III	****	****	****	****	****	****	****
3.32	0.04	MONTREUX EQ PTNRS IV	****	****	****	****	****	****	****
2.61	0.03	NEUBERGER BERMAN EMG MGR	****	****	****	****	****	****	****
0.95	0.01	NEW MOUNTAIN PTNRS	****	****	****	****	****	****	****
1.76	0.02	NEW MOUNTAIN PTNRS II	****	****	****	****	****	****	****
7.04	0.08	NEW MOUNTAIN PTNRS III	****	****	****	****	****	****	****

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2.39	0.03	NEWSPRING VENTURE II	****	****	****	****	****	****	****
2.45	0.03	NGN BIOMED OPPORTUNITY II	****	****	****	****	****	****	****
2.12	0.02	OLYMPUS CAPITAL ASIA III	****	****	****	****	****	****	****
2.26	0.03	ONEX PTNRS III	****	****	****	****	****	****	****
2.95	0.03	PALADIN HOMELAND SECURITY FD	****	****	****	****	****	****	****
3.93	0.05	PALADIN FUND III	****	****	****	****	****	****	****
9.63	0.11	PALLADIUM EQ PTNRS III	****	****	****	****	****	****	****
6.83	0.08	PCGAM CLEAN ENERGY & TECH FD	****	****	****	****	****	****	****
9.76	0.11	PEGASUS PTNRS IV	****	****	****	****	****	****	****
2.69	0.03	PEGASUS PTNRS V	****	****	****	****	****	****	****
5.04	0.06	PERMIRA FUND IV	****	****	****	****	****	****	****
3.21	0.04	PERSEUS PTNRS VII	****	****	****	****	****	****	****
4.79	0.06	PINE BROOK CAPITAL PTNRS	****	****	****	****	****	****	****
1.39	0.02	PRISM VENTURE PTNRS IV	****	****	****	****	****	****	****
3.54	0.04	PRISM VENTURE PTNRS V-A	****	****	****	****	****	****	****
1.75	0.02	PSILOS GROUP PTNRS III	****	****	****	****	****	****	****
5.68	0.07	RIVERSTONE/CARLYLE GLB EP IV	****	****	****	****	****	****	****
3.52	0.04	RRE VENTURES IV	****	****	****	****	****	****	****
5.56	0.06	SCALE VENTURE PTNRS III	****	****	****	****	****	****	****
6.75	0.08	SCP PRIV EQ PTNRS II	****	****	****	****	****	****	****
3.01	0.04	SCP VITALIFE PTNRS II	****	****	****	****	****	****	****
4.59	0.05	SNOW PHIPPS GROUP	****	****	****	****	****	****	****
3.03	0.04	SNOW PHIPPS II	****	****	****	****	****	****	****
1.32	0.02	SUMMIT GR EQ VIII	****	****	****	****	****	****	****
0.31	0.00	TAILWIND CAPITAL PTNRS	****	****	****	****	****	****	****
2.49	0.03	TERRA FIRMA CAP III	****	****	****	****	****	****	****
5.25	0.06	TRIDENT V	****	****	****	****	****	****	****
1.56	0.02	TRILANTIC CAPITAL PTNRS III	****	****	****	****	****	****	****
6.81	0.08	TRILANTIC CAPITAL PTNRS IV	****	****	****	****	****	****	****

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4.39	0.05	US POWER FUND II	****	****	****	****	****	****	****
3.59	0.04	US POWER FUND III	****	****	****	****	****	****	****
11.14	0.13	VISTA EQUITY PTNRS III	****	****	****	****	****	****	****
9.23	0.11	VISTA EQUITY PTNRS IV	****	****	****	****	****	****	****
2.13	0.02	VITRUVIAN PTNRS	****	****	****	****	****	****	****
0.91	0.01	VS&A COMM PTNRS III	****	****	****	****	****	****	****
1.57	0.02	VSS COMM PTNRS IV	****	****	****	****	****	****	****
5.64	0.07	WARBURG PINCUS XI	****	****	****	****	****	****	****
1.38	0.02	WELLSPRING CAP PTNRS V	****	****	****	****	****	****	****
4.92	0.06	WELSH CARSON ANDERSON & STOWE XI	****	****	****	****	****	****	****
3.54	0.04	YUCAIPA AMERICAN ALLIANCE FD	****	****	****	****	****	****	****
17.77	0.21	YUCAIPA AMERICAN ALLIANCE FD II	****	****	****	****	****	****	****
2.78	0.03	YUCAIPA CORP INITIATIVE II	****	****	****	****	****	****	****
562.10	6.56	TOTAL PRIVATE EQUITY	-0.16	7.16	5.42	13.63	5.14	****	****
PRIVATE REAL ESTATE									
11.44	0.13	AG REALTY FUND VIII	****	****	****	****	****	****	****
2.38	0.03	AMER VALUE PTNRS I	****	****	****	****	****	****	****
12.17	0.14	APOLLO EUROPE III	****	****	****	****	****	****	****
11.89	0.14	ARA ASIA DRAGON FD	****	****	****	****	****	****	****
7.81	0.09	BLACKROCK CARBON III	****	****	****	****	****	****	****
2.69	0.03	BLACKSTONE REAL ESTATE PTNRS EU III	****	****	****	****	****	****	****
2.83	0.03	BLACKSTONE REAL ESTATE PTNRS IV	****	****	****	****	****	****	****
11.84	0.14	BLACKSTONE REAL ESTATE PTNRS VI	****	****	****	****	****	****	****
10.18	0.12	BLACKSTONE REAL ESTATE PTNRS VII	****	****	****	****	****	****	****
0.99	0.01	BROOKFIELD STRATEGIC RE PTNRS	****	****	****	****	****	****	****
0.21	0.00	CANYON-JOHNSON URBAN FD	****	****	****	****	****	****	****

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5.08	0.06	CANYON-JOHNSON URBAN FD II	****	****	****	****	****	****	****
3.29	0.04	CANYON JOHNSON URBAN FD III	****	****	****	****	****	****	****
3.54	0.04	CARLYLE R. P. FD V	****	****	****	****	****	****	****
4.54	0.05	CARLYLE REALTY VI	****	****	****	****	****	****	****
6.82	0.08	COLONY INVESTORS VIII	****	****	****	****	****	****	****
2.36	0.03	COLONY REALTY PTNRS II	****	****	****	****	****	****	****
14.01	0.16	DIVCO WEST FD III	****	****	****	****	****	****	****
2.44	0.03	H/2 SP OPPORTUNITY FD II	****	****	****	****	****	****	****
10.23	0.12	HEITMAN AMERICA	****	****	****	****	****	****	****
26.52	0.31	JPM STRATEGIC PROF FD	****	****	****	****	****	****	****
3.97	0.05	JPM SPECIAL SIT FD	****	****	****	****	****	****	****
19.37	0.23	LASALLE US PROPERTY FD	****	****	****	****	****	****	****
2.13	0.02	METRO WORKFORCE HOUSING FD	****	****	****	****	****	****	****
6.59	0.08	PRISA	****	****	****	****	****	****	****
18.01	0.21	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	****	****	****	****	****	****	****
0.93	0.01	SILVERPEAK RE PTNRS III	****	****	****	****	****	****	****
10.70	0.12	STOCKBRIDGE RE FD III	****	****	****	****	****	****	****
2.07	0.02	TACONIC NY INV FD	****	****	****	****	****	****	****
14.35	0.17	THE CITY INVESTMENT FD	****	****	****	****	****	****	****
1.45	0.02	THOR URBAN PRPTY FD II	****	****	****	****	****	****	****
29.67	0.35	UBS TRUMBULL PROPERTY FD	****	****	****	****	****	****	****
4.66	0.05	WALTON ST RE FD VI	****	****	****	****	****	****	****
4.77	0.06	WESTBROOK RE FUND VIII	****	****	****	****	****	****	****
284.11	3.31	TOTAL PRIVATE REAL ESTATE	2.78	10.67	10.81	7.85	-6.09	****	****
5,662.42	66.06	TOTAL EQUITY - PUBLIC & PRIVATE	5.18	13.06	22.37	10.74	-0.35	****	****

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FIXED INCOME MANAGEMENT									
TREASURY / AGENCY									
60.81	0.71	FISCHER FRANCIS	0.71	3.93	5.58	9.30	9.43	6.85	7.89
102.74	1.20	PIMCO	0.87	4.41	6.00	9.78	9.58	6.99	****
59.41	0.69	STATE STREET	0.78	4.13	5.65	9.30	****	****	****
222.96	2.60	ALL TREASURY / AGENCY	0.80	4.20	5.79	9.52	9.39	6.78	7.75
		NYC - TREASURY AGENCY PLUS FIVE	0.82	4.11	5.67	9.37	9.28	6.68	7.67
MORTGAGE									
231.85	2.71	BLACKROCK	2.01	5.55	6.36	7.06	7.22	5.77	****
89.45	1.04	GOLDMAN SACHS	1.71	3.93	5.00	5.58	****	****	****
112.74	1.32	NEUBERGER BERMAN	1.49	3.24	4.14	****	****	****	****
229.29	2.68	PIMCO	1.07	3.45	4.24	6.25	6.89	5.74	6.59
663.33	7.74	ALL MORTGAGE	1.55	4.21	5.06	6.45	6.72	5.55	6.34
		CITIGROUP MORTGAGE INDEX	1.11	2.82	3.76	5.07	6.42	5.29	6.06
INVESTMENT GRADE CREDIT									
137.33	1.60	BLACKROCK	3.78	8.88	11.42	8.68	****	****	****
135.54	1.58	PRUDENTIAL	3.57	8.21	10.48	8.72	****	****	****
32.01	0.37	PRUDENTIAL-PRIVEST	****	****	****	****	****	****	****
236.38	2.76	TAPLIN, CANADA	4.33	9.15	10.99	9.44	7.32	7.20	****
220.33	2.57	T. ROWE PRICE	4.06	9.49	12.03	9.88	8.89	7.22	6.83
761.58	8.89	ALL INVESTMENT GRADE CREDIT	3.99	9.01	11.26	9.29	7.72	7.11	6.73
		NYC - INVESTMENT GRADE CREDIT	3.71	8.34	10.21	8.47	7.57	6.40	6.62

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		CORE PLUS FIXED INCOME							
10.65	0.12	LM CAPITAL	2.44	5.62	7.67	7.50	****	****	****
10.65	0.12	TOTAL CORE PLUS FIXED INCOME	2.44	5.62	7.67	7.50	****	****	****
		BARCLAYS CAPITAL AGGREGATE	1.59	3.99	5.16	6.18	****	****	****
1,647.86	19.23	TOTAL STRUCTURED	2.48	6.11	7.57	8.05	7.79	6.39	6.89
		NYC - CORE PLUS FIVE	2.04	5.10	6.50	7.21	7.58	6.05	6.69
1,658.52	19.35	TOTAL STRUCTURED PLUS LM CAPITAL	2.48	6.10	7.57	8.05	7.79	6.39	6.89
6.62	0.08	PIM AMBASSADOR	1.41	****	****	****	****	****	****
5.38	0.06	PIM GIA	2.29	****	****	****	****	****	****
2.68	0.03	PIM HILLSWICK	1.43	****	****	****	****	****	****
6.70	0.08	PIM NEW CENTURY	2.06	****	****	****	****	****	****
5.33	0.06	PIM PUGH CAP	1.81	****	****	****	****	****	****
26.71	0.31	TOTAL PROGRESS FIXED	1.83	****	****	****	****	****	****
		BARCLAYS CAPITAL AGGREGATE	1.59	****	****	****	****	****	****
		ACTIVE TIPS MANAGERS							
63.53	0.74	BLACKROCK	2.00	5.69	8.45	9.27	8.12	****	****
63.65	0.74	PIMCO	2.38	6.77	9.89	9.47	8.15	****	****
127.18	1.48	TOTAL ACTIVE TIPS MANAGERS	2.19	6.22	9.16	9.37	8.13	****	****
		PASSIVE TIPS MANAGERS							
42.29	0.49	STATE STREET	2.18	6.20	8.99	9.36	7.97	****	****
42.29	0.49	TOTAL PASSIVE TIPS MANAGERS	2.18	6.20	8.99	9.36	7.97	****	****

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169.47	1.98	TOTAL TIPS MANAGERS	2.19	6.22	9.11	9.37	8.09	****	****
		BARCLAYS CAPITAL US TIPS INDEX	2.12	6.25	9.10	9.31	7.94	****	****
134.20	1.57	ENHANCED YIELD							
		LOOMIS	****	****	****	****	****	****	****
		BofA MERRILL LYNCH HY MASTER II	****	****	****	****	****	****	****
134.96	1.57	PENN	****	****	****	****	****	****	****
207.72	2.42	T. ROWE PRICE	4.36	10.54	17.42	11.69	8.69	****	****
0.01	0.00	HIGH YIELD TRANSITION	****	****	****	****	****	****	****
476.89	5.56	ALL ENHANCED YIELD	4.03	10.14	16.40	11.73	8.69	10.45	6.90
		CITIGROUP BB & B	4.12	11.12	17.84	12.00	6.96	9.37	6.23
		CITIGROUP BB & B CAPPED	4.07	10.77	17.55	11.80	7.62	9.51	****
		ENHANCED YIELD MEDIAN	4.39	11.05	17.42	12.14	8.88	9.91	7.91
		BANK LOANS							
65.06	0.76	BABSON	****	****	****	****	****	****	****
65.00	0.76	GUGGENHEIM	****	****	****	****	****	****	****
130.06	1.52	TOTAL BANK LOANS	****	****	****	****	****	****	****
		CREDIT SUISSE LEVERAGED LOAN INDEX	****	****	****	****	****	****	****
		CONVERTIBLE BONDS							
44.14	0.52	ADVENT CONVERTIBLE BONDS	4.28	10.22	14.45	8.83	****	****	****
		BofA ML CONVERTIBLES YIELD ALT. INDEX	3.93	9.29	10.71	8.22	****	****	****

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
39.59	0.46	LORD ABBETT CONVERTIBLE BONDS	4.59	10.15	14.65	8.81	****	****	****
		BofA ML ALL CONVERTIBLES INDEX	4.92	11.83	16.63	9.48	****	****	****
83.73	0.98	TOTAL CONVERTIBLE BONDS	4.42	10.19	14.55	8.82	****	****	****
		BofA ML ALL CONVERTIBLES EX MANDATORY	4.52	11.75	16.47	9.91	****	****	****
		FIRE CUSTOM CONVERTIBLE BOND INDEX	4.42	10.57	13.67	8.88	****	****	****
		OPPORTUNISTIC							
1.12	0.01	AVE EURO SPECIAL SITUATIONS FD	****	****	****	****	****	****	****
0.43	0.01	AVE SPECIAL SITUATIONS FD V	****	****	****	****	****	****	****
13.50	0.16	AVE SPECIAL SITUATIONS FD VI	****	****	****	****	****	****	****
13.68	0.16	TORCHLIGHT INVESTORS	****	****	****	****	****	****	****
28.73	0.34	TOTAL FUND STRATEGIES	****	****	****	****	****	****	****
		3 MONTH LIBOR PLUS 750BPS	****	****	****	****	****	****	****
10.48	0.12	ANGELO GORDON PTNRS LP	****	****	****	****	****	****	****
12.37	0.14	APOLLO PTNRS LP	****	****	****	****	****	****	****
4.09	0.05	FORTRESS PTNRS LP	****	****	****	****	****	****	****
24.66	0.29	GOLDENTREE	3.97	10.77	****	****	****	****	****
24.12	0.28	MARATHON	10.62	24.87	****	****	****	****	****
1.46	0.02	OAK HILL PTNRS LP	****	****	****	****	****	****	****
77.18	0.90	TOTAL STRATEGIC MANDATES	4.57	15.21	****	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD BOND INDEX	4.71	12.47	****	****	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	5.32	14.23	****	****	****	****	****
105.91	1.24	TOTAL DISTRESSED FIXED	3.24	14.28	5.15	16.86	****	****	****
105.91	1.24	TOTAL OPPORTUNISTIC FIXED	3.24	14.28	5.15	16.86	****	****	****
		JP MORGAN GLOBAL HIGH YIELD PLUS 3%	5.32	14.23	22.71	16.30	****	****	****

Consolidated Performance Report

Through September 30, 2012

Assets (\$MM)	% Total		3 Mos Jul-12 Sep-12	YTD Jan-12 Sep-12	1 Yr Oct-11 Sep-12	3 Yrs Oct-09 Sep-12	5 Yrs Oct-07 Sep-12	10 Yrs Oct-02 Sep-12	15 Yrs Oct-97 Sep-12
		ETI							
8.33	0.10	ACCESS RBC	1.49	3.99	5.23	5.27	7.29	****	****
40.79	0.48	AFL - CIO HOUSING INV TRUST	1.48	4.16	5.73	6.07	6.55	5.33	****
0.36	0.00	CFSB-PPAR	1.07	5.46	6.71	7.90	7.87	****	****
0.85	0.01	CCD PPAR	2.49	8.71	10.24	9.25	9.54	****	****
0.29	0.00	LIIF-PPAR	1.41	4.46	5.64	5.38	****	****	****
0.21	0.00	NCBCI-PPAR	2.85	6.85	10.32	7.27	****	****	****
3.08	0.04	CPC - TERM LOAN	0.62	1.89	2.45	2.19	2.97	****	****
0.04	0.00	TARGETED INVESTMENT	1.50	6.57	-2.43	3.94	5.27	6.32	6.93
53.95	0.63	TOTAL ETI (with cash)	1.45	4.06	5.49	5.58	6.25	5.22	6.19
		FIRE CUSTOM ETI BENCHMARK (NO CASH)	1.42	3.62	4.68	5.69	6.21	5.19	5.97
		BARCLAYS CAPITAL AGGREGATE	1.59	3.99	5.16	6.18	6.53	5.32	6.15
2,891.69	33.74	TOTAL FIXED INCOME	2.56	6.48	8.12	8.19	7.41	6.78	6.68
16.35	0.19	SECURITIES LENDING	****	****	****	****	****	****	****
186.45	2.18	STATE STREET SHORT TERM	0.09	0.29	0.37	0.47	1.52	2.31	3.34
0.53	0.01	BNY-MELLON - CD	****	****	****	****	****	****	****
8,570.99	100.00	TOTAL FIRE DEPARTMENT PENSION FUND	4.28	10.70	17.07	9.93	2.22	8.52	5.77
		FIRE POLICY BENCHMARK	4.71	11.58	19.35	11.11	3.63	9.14	6.21

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 September 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 (9 Months)	973,000	2,401,000	656,000
Since Inception	<u>\$19,881,000</u>	<u>\$30,918,000</u>	<u>\$10,209,000</u>
*Inception 4/89			

Footnotes

Through September 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 September 30, 2012

General Notes

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

Page Specific

Page 9 - Portfolio Asset Allocation

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

Page 11 - 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 * 31.47%
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 * 6.63%
Private Real Estate: NCREIF NFI-ODCE Net * 3.32%
Hedge Funds: 1yr T- Bill yield + 4% * 2.30%
Domestic Fixed Income: NYC Core +5 * 23.57%
TIPS: Barclays Capital U.S. TIPS * 5.00%
Enhanced Yield: Citigroup BB&B * 4.32%
Bank Loans: Credit Suisse Leveraged Loan Index * 1.56%
Convertible Bonds: Bofa ML All Convertibles ex Mandatory Index * 1.00%
Opportunistic Fixed: JPM Global High Yield +3% * 1.25%

Glossary of Terms

Through September 30, 2012

Page 15 - 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 21 - 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 39- Structured Fixed Income Asset Allocation

- See Domestic Equity Asset Allocation for explanation

Page 45- 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