

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

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Scott M. Stringer  
COMPTROLLER

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

### **COMMON INVESTMENT MEETING**

**JUNE 15, 2016**

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LOCATION:

Office of the New York City Comptroller  
1 Centre Street, 10<sup>th</sup> Floor - Northside  
New York, NY 10007

**NEW YORK CITY POLICE PENSION FUND**  
**(CIM) COMMON INVESTMENT MEETING**

**JUNE 15, 2016**

**PUBLIC AGENDA MATERIALS**

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**PUBLIC AGENDA MATERIALS:**

Performance Reporting:

- ETI Quarterly Report:

# Police Pension Fund - Economically Targeted Investments Quarterly Report

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## Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	BOA		CCD		CFSB		CPC		JPM		LIIF		NCBCI		NHS		WF		LISC		BE	
Contractual Commitment	\$25.00 MM		\$10.00 MM		\$4.00 MM		\$160.00 MM		\$40.00 MM		\$15.00 MM		\$4.00 MM		\$2.00 MM		\$5.00 MM		\$5.00 MM		\$5.00 MM	
Current Market Value	\$12.98 MM		\$5.83 MM		\$1.38 MM		\$112.34 MM		\$9.76 MM		\$4.18 MM		\$0.99 MM		\$0.64 MM		\$0.00 MM		\$0.00 MM		\$0.00 MM	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
<b>Commitments 1Q 16</b> (included in total)																						
Bronx	\$0	0	\$0	0	\$0	0	\$2,801,250	333	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	415,999	74	0	0
Manhattan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	527,000	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>0</b>	<b>\$527,000</b>	<b>41</b>	<b>\$0</b>	<b>0</b>	<b>\$2,801,250</b>	<b>333</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$415,999</b>	<b>74</b>	<b>\$0</b>	<b>0</b>
<b>Delivered 1Q 16</b> (included in total)																						
Bronx	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	0	0	0	0	0	0	915,489	63	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Manhattan	0	0	0	0	0	0	41,237	4	0	0	857,260	124	0	0	0	0	0	0	0	0	0	0
Queens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	748,125	97	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$1,704,851</b>	<b>164</b>	<b>\$0</b>	<b>0</b>	<b>\$857,260</b>	<b>124</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>
<b>Total Commitments</b>																						
Bronx	\$320,000	90	\$1,222,040	193	\$0	0	\$15,348,519	1,409	\$11,083,518	1,116	\$598,000	74	\$0	0	\$0	0	\$0	0	\$524,641	48	\$0	0
Brooklyn	3,987,608	400	1,442,029	161	0	0	10,440,924	870	744,800	127	2,535,993	251	0	0	0	0	0	0	415,999	74	1,020,681	359
Manhattan	1,792,000	100	0	0	0	0	16,268,780	1,252	1,923,420	214	3,626,058	306	0	0	0	0	1,206,604	203	927,637	90	0	0
Queens	480,000	54	0	0	0	0	5,971,050	406	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90,000	67	0	0	0	0
Outside of NYC	476,000	39	527,000	41	0	0	1,750,500	62	1,541,356	122	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$7,055,608</b>	<b>683</b>	<b>\$3,191,069</b>	<b>395</b>	<b>\$0</b>	<b>0</b>	<b>\$49,779,773</b>	<b>3,999</b>	<b>\$15,293,094</b>	<b>1,579</b>	<b>\$6,760,051</b>	<b>631</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$1,296,604</b>	<b>270</b>	<b>#####</b>	<b>212</b>	<b>\$1,020,681</b>	<b>359</b>
<b>Historical Investments</b>																						
Bronx	\$6,835,177	1,276	\$1,771,950	452	\$0	0	\$79,369,553	6,376	\$7,412,999	725	\$319,394	43	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Brooklyn	763,705	88	1,355,604	252	0	0	84,010,398	4,565	1,170,520	90	1,343,101	245	0	0	330,213	7	0	0	0	0	0	0
Manhattan	475,691	48	1,525,075	283	1,531,217	197	74,028,317	4,619	256,800	119	2,329,722	246	869,556	123	252,445	15	0	0	0	0	0	0
Queens	4,015,744	239	380,000	54	0	0	21,191,301	1,258	360,000	96	0	0	0	0	0	0	0	0	0	0	0	0
Staten Island	0	0	0	0	0	0	2,862,500	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside of NYC	0	0	0	0	0	0	7,017,075	385	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$12,090,316</b>	<b>1,651</b>	<b>\$5,032,629</b>	<b>1,041</b>	<b>\$1,531,217</b>	<b>197</b>	<b>\$268,479,144</b>	<b>17,314</b>	<b>\$9,200,318</b>	<b>1,030</b>	<b>\$3,992,217</b>	<b>534</b>	<b>\$869,556</b>	<b>123</b>	<b>\$582,658</b>	<b>22</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>

\*Lenders : Bank of America Citibank Community Development Carver Federal Savings Bank The Community Preservation Corp JP Morgan Chase Low Income Investment Fund NCB Capital Impact Neighborhood Housing Service Wells Fargo Local Initiatives Support Corp Bellwether Enterprise

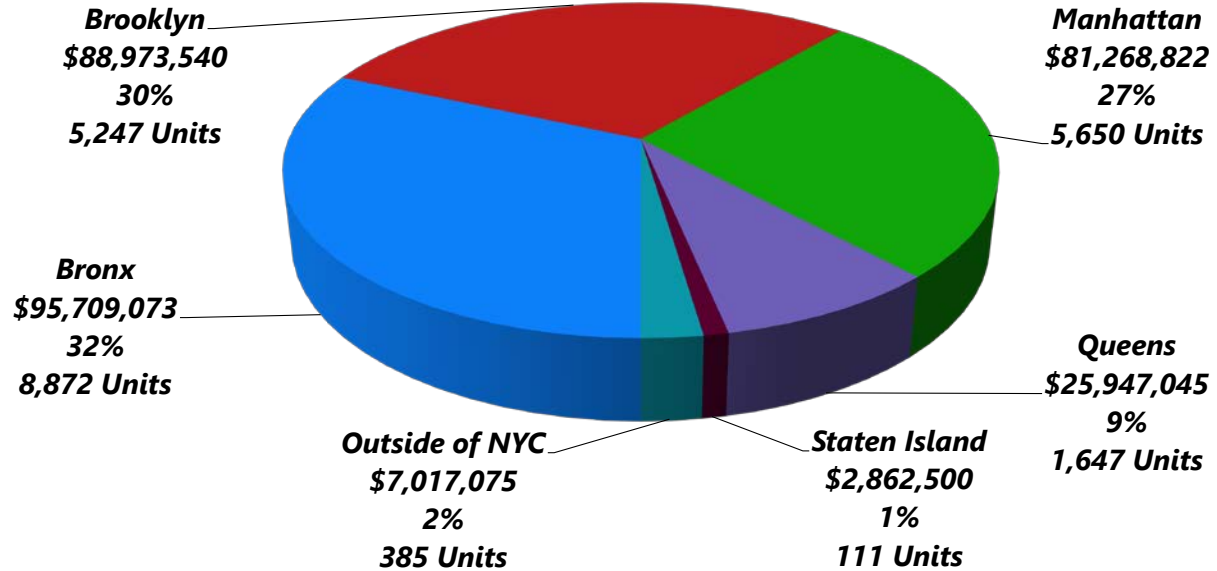
# Police Pension Fund - Economically Targeted Investments Quarterly Report

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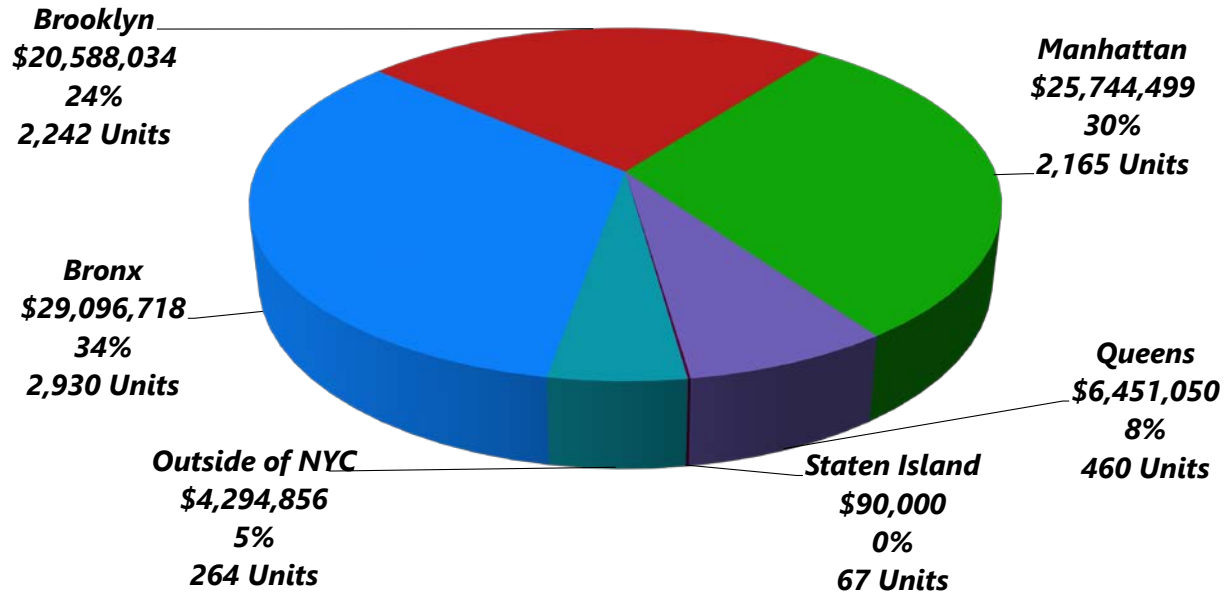
## Public/Private Apartment Rehabilitation Program (PPAR)

Lenders*	All Lender Totals	
Contractual Commitment	\$275.00 MM	
Current Market Value	\$148.10 MM	
	Dollars	Units
<b>Commitments 1Q 16</b> (included in total)		
Bronx	\$2,801,250	333
Brooklyn	415,999	74
Manhattan	0	0
Queens	0	0
Staten Island	0	0
Outside of NYC	527,000	41
<b>Total</b>	<b>\$3,744,249</b>	<b>448</b>
<b>Delivered 1Q 16</b> (included in total)		
Bronx	\$0	0
Brooklyn	915,489	63
Manhattan	898,497	128
Queens	0	0
Staten Island	0	0
Outside of NYC	748,125	97
<b>Total</b>	<b>\$2,562,111</b>	<b>288</b>
<b>Total Commitments</b>		
Bronx	\$29,096,718	2,930
Brooklyn	20,588,034	2,242
Manhattan	25,744,499	2,165
Queens	6,451,050	460
Staten Island	90,000	67
Outside of NYC	4,294,856	264
<b>Total</b>	<b>\$86,265,156</b>	<b>8,128</b>
<b>Historical Investments</b>		
Bronx	\$95,709,073	8,872
Brooklyn	88,973,540	5,247
Manhattan	81,268,822	5,650
Queens	25,947,045	1,647
Staten Island	2,862,500	111
Outside of NYC	7,017,075	385
<b>Total</b>	<b>\$301,778,055</b>	<b>21,912</b>

### Historical Investments Since Inception All PPAR Lenders



### Current Commitments All PPAR Lenders



# Police Pension Fund - Economically Targeted Investments Quarterly Report

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AFL-CIO Housing Investment Trust (HIT)

Market Value \$154.77 million\*

NYC Community Investment Initiative (NYCCII)

NYCCII Phase II 2006-2013

Multifamily Investments Detail

<u>Borough</u>	<u>1Q Investments</u>	<u>Investments</u>	<u>1Q Housing Units</u>	<u>Housing Units</u>
		<u>Since Inception</u>		<u>Since Inception</u>
Bronx	\$0	\$52,827,900	0	802
Brooklyn	0	103,890,446	0	5,616
Manhattan	0	174,075,200	0	926
Queens	0	17,760,000	0	1,260
Staten Island	0	6,414,554	0	693
Outside NYC	0	100,000,000	0	137
<b>Total</b>	<b>\$0</b>	<b>\$454,968,100</b>	<b>0</b>	<b>9,434</b>

**Grand Total NYCCII Phase II** **\$454,968,100** **9,434**

NYCCII Phase I 2002-2005

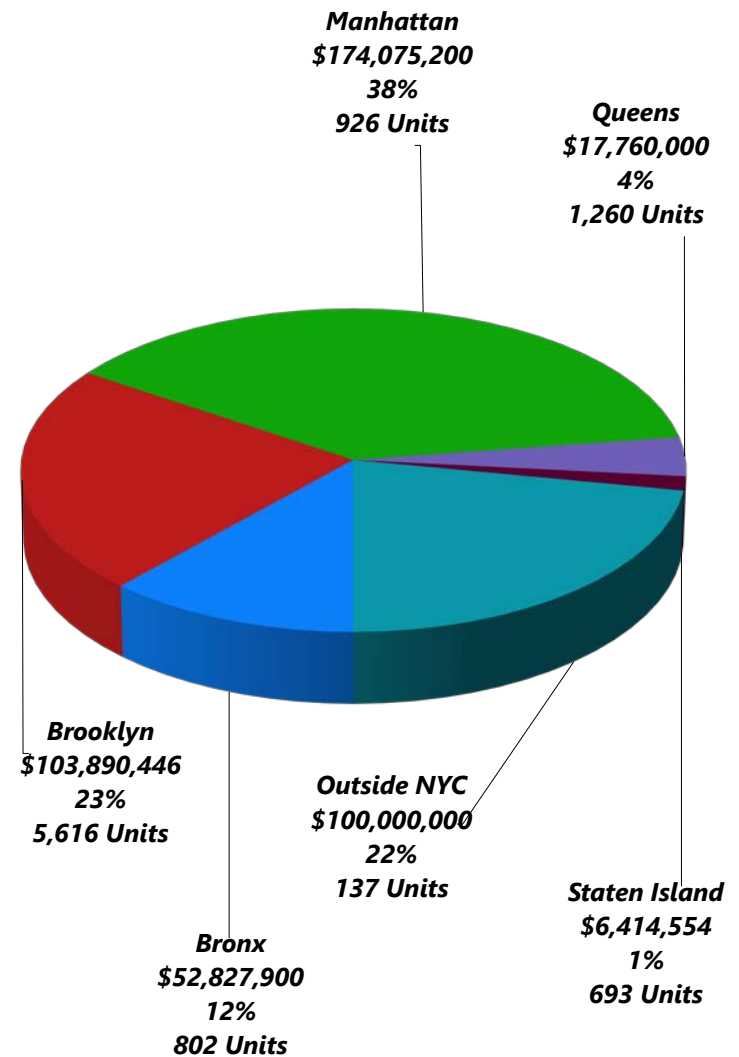
	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$249,123,500	12,337	n/a	n/a
HIT Home Investments	348,300,563	n/a	131	446
<b>Total NYCCII Phase I</b>	<b>\$597,424,063</b>	<b>12,337</b>	<b>131</b>	<b>446</b>

NYCCII Phases I & II

	<u>Dollars</u>	<u>Units</u>	<u>Member Loans</u>	<u>Total All NYC PF's</u>
Multifamily Investments	\$704,091,600	21,771	n/a	n/a
HIT Home Investments	2,899,899,500	n/a	131	446
<b>Grand Total NYCCII Phases I &amp; II</b>	<b>\$3,603,991,100</b>	<b>21,771</b>	<b>131</b>	<b>446</b>

\*Interest is reinvested

## HIT Multifamily Investments

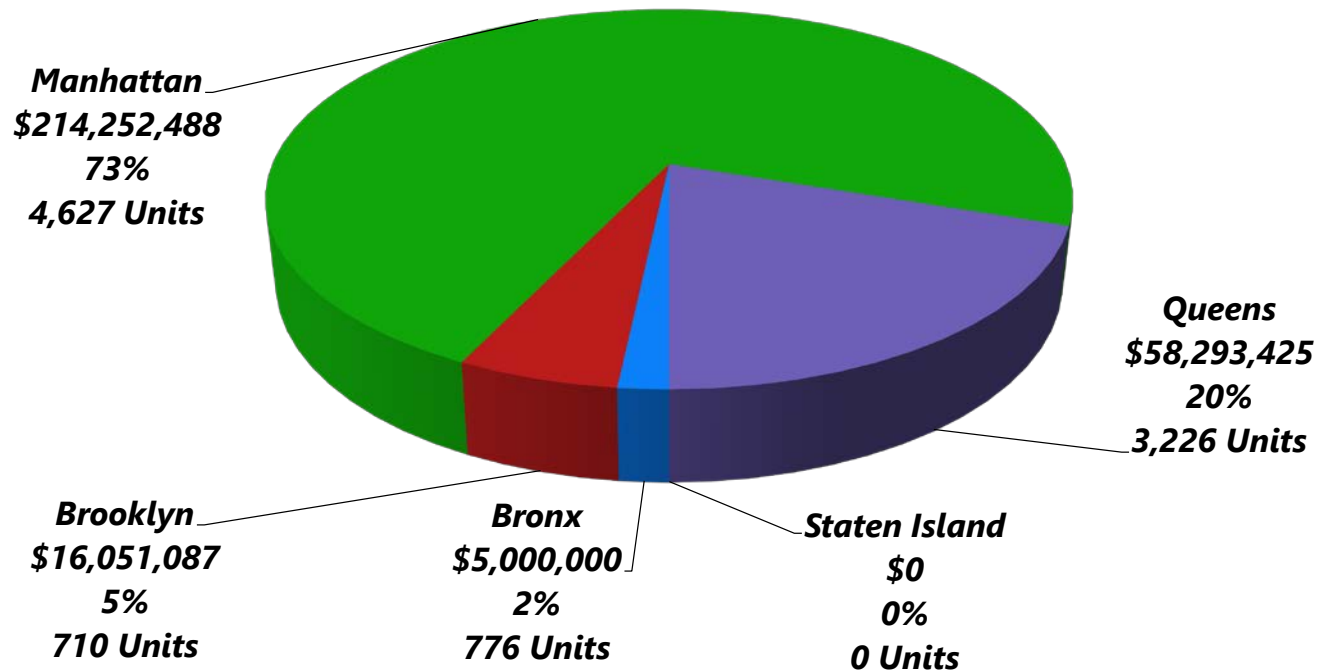




# Police Pension Fund - Economically Targeted Investments Quarterly Report

AFL-CIO Housing Investment Trust (HIT)				
NYC Workforce Housing Initiative				
Investments From 2009 Through Q1 2016				
Workforce Investments Detail				
<u>Borough</u>	<u>1Q Investments</u>	<u>Investments Since Inception</u>	<u>1Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$5,000,000	0	776
Brooklyn	0	16,051,087	0	710
Manhattan	0	214,252,488	0	4,627
Queens	0	58,293,425	0	3,226
Staten Island	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$293,597,000</b>	<b>0</b>	<b>9,339</b>

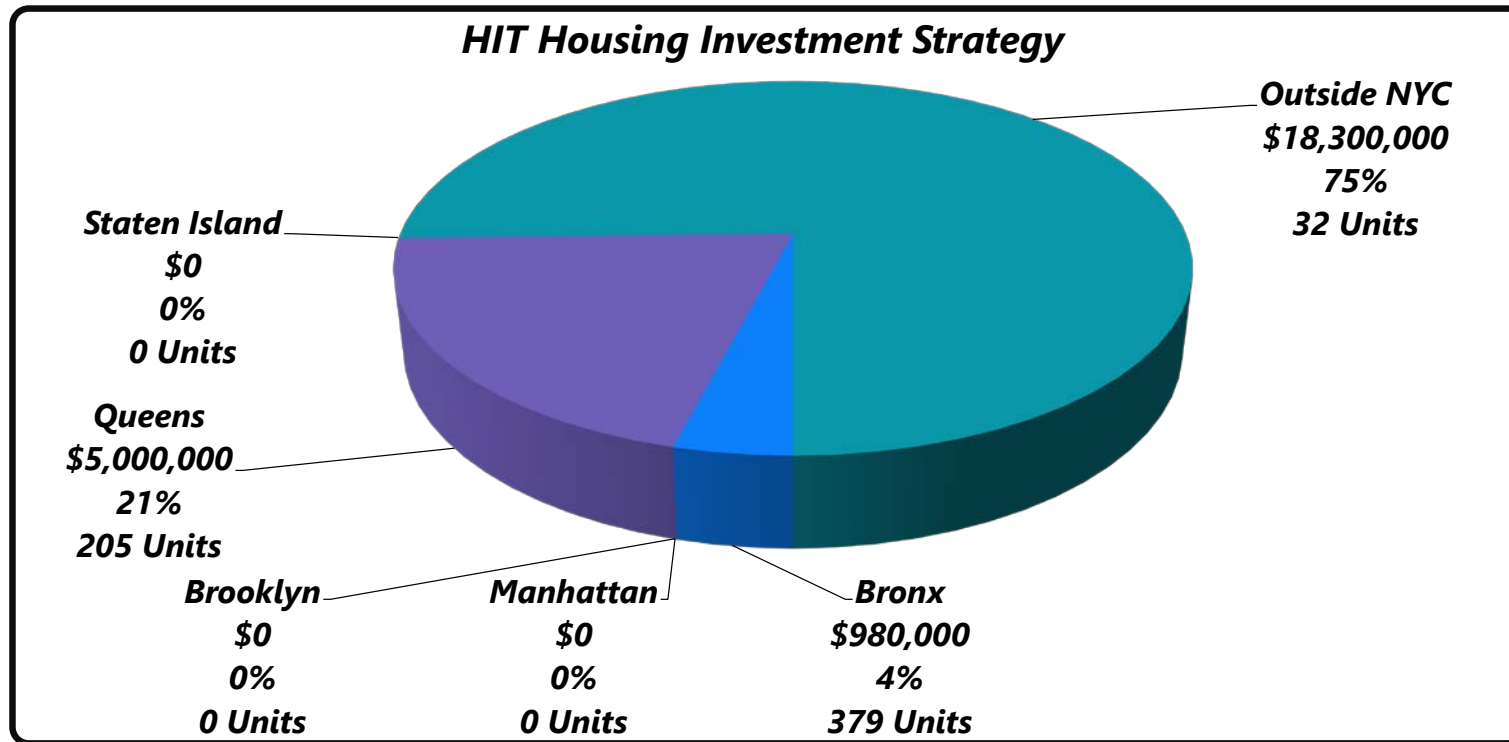
**HIT Workforce Housing Initiative**



# Police Pension Fund - Economically Targeted Investments Quarterly Report

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AFL-CIO Housing Investment Trust (HIT)				
HIT Housing Investment Strategy				
Investments From Q4 2015 Through Q1 2016				
Housing Investment Strategy Detail				
<u>Borough</u>	<u>1Q Investments</u>	<u>Investments Since Inception</u>	<u>1Q Housing Units</u>	<u>Housing Units Since Inception</u>
Bronx	\$0	\$980,000	0	379
Brooklyn	0	0	0	0
Manhattan	0	0	0	0
Queens	0	5,000,000	0	205
Staten Island	0	0	0	0
Outside NYC	18,300,000	18,300,000	32	32
<b>Total</b>	<b>\$18,300,000</b>	<b>\$5,980,000</b>	<b>32</b>	<b>616</b>



# Police Pension Fund - Economically Targeted Investments Quarterly Report

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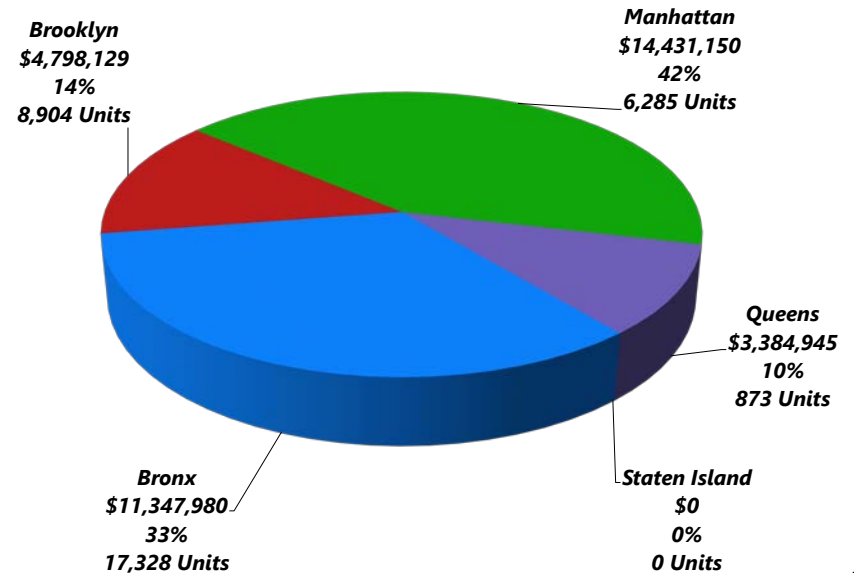
ACCESS CAPITAL STRATEGIES (Since Inception 2/1/07)

\$61 million Allocated (20.33% of total account)					
Market Value \$58.33 million					
<b>Multifamily Investments Detail</b>					
	<b>\$ Invested<sup>1</sup></b>		<b>Units<sup>2</sup></b>		
	<b>1Q</b>	<b>Total</b>	<b>1Q</b>	<b>Total</b>	
Bronx	\$0	\$11,347,980	0	17,328	
Brooklyn	0	\$4,798,129	0	8,904	
Manhattan	0	\$14,431,150	0	6,285	
Queens	0	\$3,384,945	0	873	
Staten Island	0	\$0	0	0	
Total Police Multifamily Investments	0	\$33,962,204	0	33,390	
Multifamily Total All Systems	0	\$167,054,619	0	33,390	
<b>Single Family Investments Detail</b>					
	<b>\$ Invested</b>		<b>Units</b>		
	<b>1Q</b>	<b>Total</b>	<b>1Q</b>	<b>Total</b>	
Bronx	0	\$6,974,846	0	200	
Brooklyn	0	\$19,874,579	0	501	
Manhattan	0	\$1,736,021	0	39	
Queens	0	\$28,646,910	0	654	
Staten Island	0	\$16,017,877	0	371	
Total Police Single Family Investments	0	\$73,250,232	0	1,765	
Single Family Total All Systems	0	\$360,306,111	0	1,765	
<b>Other Investments Detail</b>					
	<b>\$ Invested</b>		<b>Units</b>		
	<b>1Q</b>	<b>Total</b>	<b>1Q</b>	<b>Total</b>	
Bronx	0	\$137,228	0	1	
Brooklyn	0	\$1,095,869	0	8	
Manhattan	0	\$494,610	0	5	
Queens	0	\$110,480	0	3	
Staten Island	0	\$0	0	0	
Total Police Other Investments	0	\$1,838,186	0	17	
Other Investments Total All Systems	0	\$9,041,740	0	17	
Grand Total Police	\$0	\$109,050,622			
Grand Total All Systems	\$0	\$536,402,470			

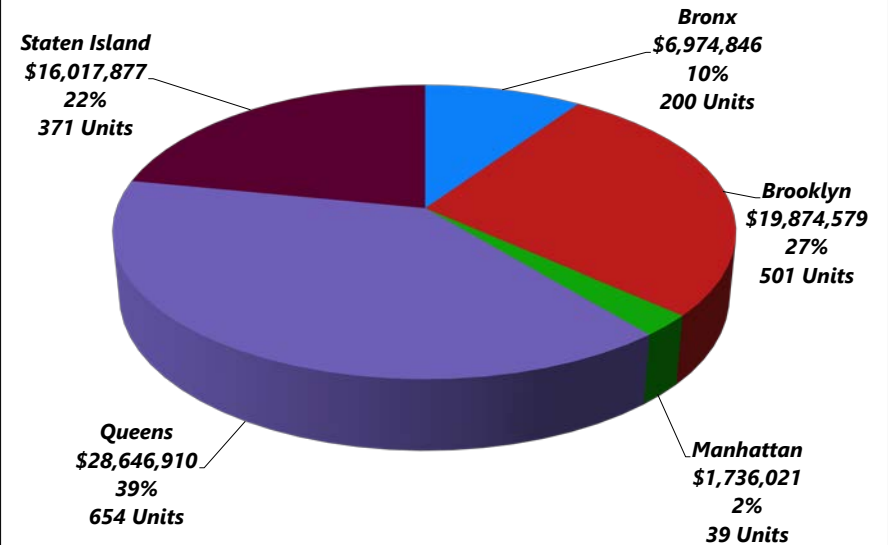
<sup>1</sup> Certain bond investment amounts are allocated pro rata across boroughs based upon unit count.

<sup>2</sup> If not indicated otherwise, superintendent units are allocated based on building size.

**Access Multifamily Investments Since Inception Police**



**Access Single Family Investment Since Inception Police**



- Private Equity Quarterly Report:



## Private Equity Monitoring Report

For the period ended December 31, 2015

Report Prepared For:

New York City Police Pension Fund, Subchapter 2



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## I. Executive Summary

The New York City Police Pension Fund, Subchapter 2 (“NYCPPF”) established the Alternative Investment Program (the “Program”) on January 1, 1997 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

StepStone Group LP (“StepStone”) was engaged by NYCPPF on February 1, 2012 to provide private equity advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through December 31, 2015, the Program has committed US\$4.7 billion to 190 partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of December 31, 2015 as well as significant activity that occurred during the fourth quarter of 2015.

### Performance Summary

US\$ in millions	December 31, 2015	September 30, 2015	December 31, 2014	Quarterly Change	Yearly Change
Number of Managers	114	114	111	-	3
Number of Investments	190	186	178	4	12
Committed Capital <sup>1</sup>	\$4,738.7	\$4,536.7	\$4,336.1	\$202.0	\$402.7
Contributed Capital	\$3,904.7	\$3,785.1	\$3,526.0	\$119.7	\$378.8
Distributed Capital	\$3,081.3	\$2,958.6	\$2,600.3	\$122.6	\$480.9
Market Value	\$2,301.9	\$2,280.2	\$2,238.5	\$21.7	\$63.5
Total Value	\$5,383.2	\$5,238.8	\$4,838.8	\$144.4	\$544.4
Total Gain/(Loss)	\$1,478.4	\$1,453.7	\$1,312.8	\$24.7	\$165.6
Unfunded Commitment <sup>2</sup>	\$1,315.6	\$1,226.2	\$1,254.3	\$89.3	\$61.2
Total Exposure <sup>3</sup>	\$3,617.5	\$3,506.5	\$3,492.8	\$111.0	\$124.7
DPI <sup>4</sup>	0.79x	0.78x	0.74x	0.01x	0.05x
TVM <sup>5</sup>	1.38x	1.38x	1.37x	-0.01x	0.01x
IRR <sup>6</sup>	10.2%	10.3%	10.4%	-14 bps	-27 bps
TVM Net of StepStone Fees <sup>7</sup>	1.38x	1.38x	1.37x	-0.01x	0.01x
IRR Net of StepStone Fees <sup>7</sup>	10.2%	10.3%	10.4%	-15 bps	-28 bps

<sup>1</sup> Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations.

<sup>2</sup> Unfunded Commitment represents the aggregate remaining commitments to partnership investments.

<sup>3</sup> Total Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>4</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

<sup>5</sup> TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

<sup>6</sup> IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund manager's fees, expenses and carried interest.

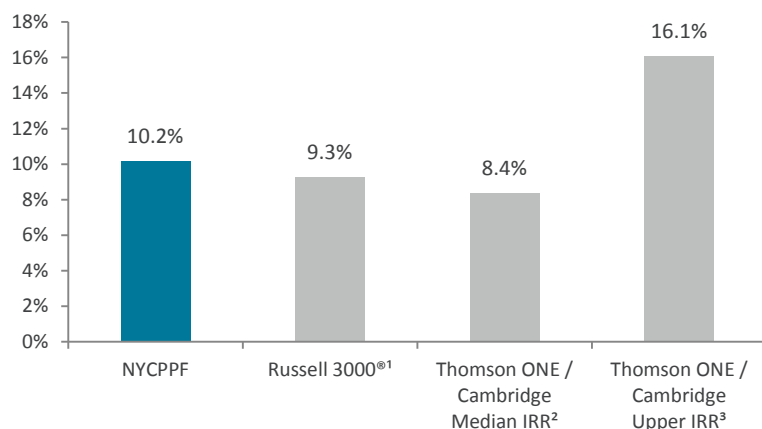
<sup>7</sup> TVM and IRR Net of StepStone fees represent TVM and IRR net of fees paid by NYCPPF to StepStone.



## Portfolio Performance vs. Benchmarks

The Portfolio's performance is measured against a dollar-weighted public benchmark, which produced the return that would have been earned if NYCPPF's private equity cash flows were invested in the Russell 3000® Index<sup>1</sup>.

The following graph illustrates Portfolio IRR performance versus benchmarks as of December 31, 2015.



<sup>1</sup>Benchmark is a dollar-weighted PME+ calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

<sup>2</sup> Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE/Cambridge and reflects U.S. All Private Equity Funds Median Quartile IRR as of December 31, 2015 for funds with vintage years 1998 to 2015. Note: Thomson ONE/Cambridge data is continuously updated and is therefore subject to change.

<sup>3</sup>Benchmark is for informational purposes only and is NOT part of the Program's Policy Benchmarks. Benchmark is provided by Thomson ONE/Cambridge and reflects U.S. All Private Equity Funds Upper Quartile IRR as of December 31, 2015 for funds with vintage years 1998 to 2015. Note: Thomson ONE/Cambridge data is continuously updated and is therefore subject to change.

## Portfolio Diversification

### By Strategy

As of December 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
Buyout	\$1,375.1	59.7%	\$727.4	55.3%	\$2,102.5	58.1%
Growth Equity	249.5	10.8%	158.2	12.0%	407.7	11.3%
Special Situations	118.8	5.2%	101.8	7.7%	220.6	6.1%
Energy	67.3	2.9%	8.1	0.6%	75.4	2.1%
Secondaries	156.5	6.8%	223.2	17.0%	379.6	10.5%
Co-Investment	100.4	4.4%	80.6	6.1%	181.0	5.0%
Other	234.3	10.2%	16.3	1.2%	250.6	6.9%
<b>Total</b>	<b>\$2,301.9</b>	<b>100.0%</b>	<b>\$1,315.6</b>	<b>100.0%</b>	<b>\$3,617.5</b>	<b>100.0%</b>

### By Fund Geographic Focus

As of December 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
North America	\$1,685.8	73.2%	\$699.8	53.2%	\$2,385.6	65.9%
Global	457.1	19.9%	479.0	36.4%	936.1	25.9%
Western Europe	126.5	5.5%	135.0	10.3%	261.5	7.2%
Rest of World	32.5	1.4%	1.7	0.1%	34.2	0.9%
<b>Total</b>	<b>\$2,301.9</b>	<b>100.0%</b>	<b>\$1,315.6</b>	<b>100.0%</b>	<b>\$3,617.5</b>	<b>100.0%</b>

Prior to a fund being 75% drawn, fund geographic focus is based on the GP-stated geographic strategy. Subsequent to a fund being 75% drawn, fund geographic focus is based on actual portfolio company exposure by total invested capital. Funds with less than 75% of total invested capital allocated to one geographic region are classified as Global.

## II. Market Overview

### Executive Summary

Global equities delivered positive returns in the fourth quarter. Following the third quarter's stock market sell-off, central banks in Europe, Japan, and China reiterated their commitments to economic stimulus programs, triggering a strong rally in October. In December, the Fed raised its short-term interest rate target by 25 basis points, reflecting the diverging global monetary policy environment. The S&P 500 Index generated a total return of 7.0% for the quarter and 1.4% for the year, its lowest annual gain since 2008. U.S. equities outperformed international and emerging markets, which increased in value during the fourth quarter but ended the year in negative territory. The MSCI Europe, MSCI Asia, and MSCI Emerging Markets indices increased 2.2%, 6.2%, and 0.3% during the fourth quarter, but decreased 5.3%, 2.7%, and 17.0% during 2015, respectively.

In private markets, U.S. LBO debt volume totaled US\$9.5 billion in the fourth quarter, a 58% decrease from the prior quarter, and below the 10-year quarterly average of US\$18.5 billion. According to data from S&P, purchase price multiples for U.S. LBOs fell to 10.1x EBITDA in the fourth quarter, compared to the third quarter's multiple of 11.2x. On an annual basis, however, purchase price multiples rose from 9.7x in 2014 to 10.3x in 2015. Average debt multiples of large corporate U.S. LBO loans fell from 6.3x to 5.2x EBITDA quarter-over-quarter. Equity contributions for U.S. LBOs increased from 42.8% in the third quarter to 46.0% in the fourth quarter.

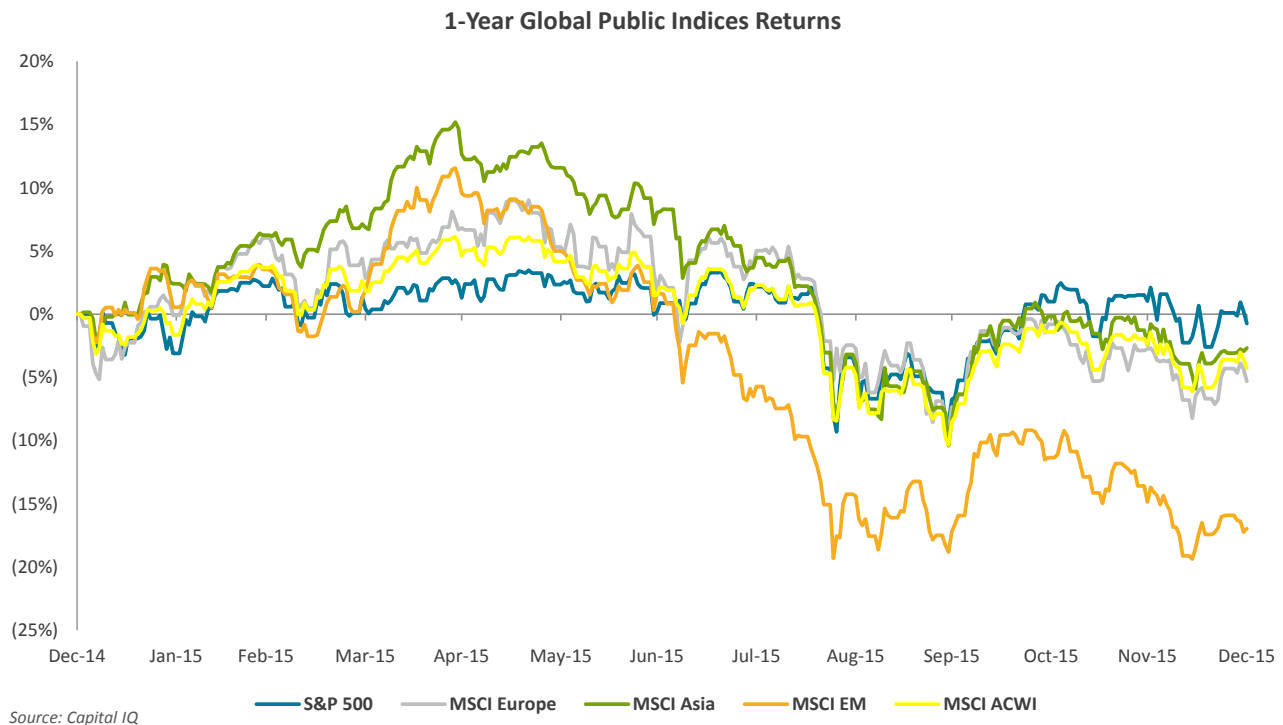
Private equity fundraising activity fell 3% quarter-over-quarter and fell 11% year-over-year. Buyout fundraising rose 23% quarter-over-quarter, while Venture Capital fundraising fell 23%. Geographically, U.S. fundraising represented 75% of the total amount raised in the fourth quarter, while Europe, Asia, and the rest of the world accounted for 13%, 8%, and 3% of the total capital raised, respectively. Private equity investment activity fell 22% quarter-over-quarter, but rose 1% year-over-year.

NYSE and NASDAQ IPO transaction volume reached US\$5.8 billion for 20 private equity-backed companies in the fourth quarter, representing a 96% increase in value compared to the prior quarter. The largest IPO of the quarter was First Data Corp, which raised US\$2.8 billion. On an annual basis, IPO proceeds decreased 70% in 2015 compared to the prior year (down 53% year-over-year when excluding the \$25 billion Alibaba IPO in 2014). M&A volume totaled US\$142.8 billion in deals closed during the fourth quarter, down 13% from the prior quarter. The largest deal that closed during the quarter was NXP Semiconductors' US\$17.3 billion acquisition of Freescale, representing 12% of the quarter's aggregate M&A volume. On an annual basis, M&A deal value increased 31% year-over-year.

## Capital Markets Overview

### Public Equity Markets

Public equity markets delivered positive returns in the fourth quarter. The S&P 500 Total Return Index increased 7.0%, helping reverse the previous quarter's losses. International developed and emerging market stocks advanced to a lesser extent, with the MSCI Asia, MSCI Europe, and MSCI Emerging Markets indices posting gains of 6.2%, 2.2%, and 0.3% in USD terms during the quarter, respectively.



The following table shows the returns of four major MSCI indices, as well as the S&P 500 and the S&P 500 Total Return Index, over various time horizons through December 31, 2015. Returns for time periods greater than one year are annualized. The U.S. market outperformed the Asian, European, and emerging markets across all periods.

Regional Indices					
	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
MSCI Asia	6.2%	(2.7%)	2.1%	(0.2%)	0.7%
MSCI Europe	2.2%	(5.3%)	1.7%	0.9%	0.4%
MSCI EM	0.3%	(17.0%)	(9.0%)	(7.2%)	1.2%
MSCI ACWI	4.6%	(4.3%)	5.5%	3.8%	2.6%
S&P 500	6.5%	(0.7%)	12.7%	10.2%	5.1%
S&P 500 Total Return*	7.0%	1.4%	15.1%	12.6%	7.3%

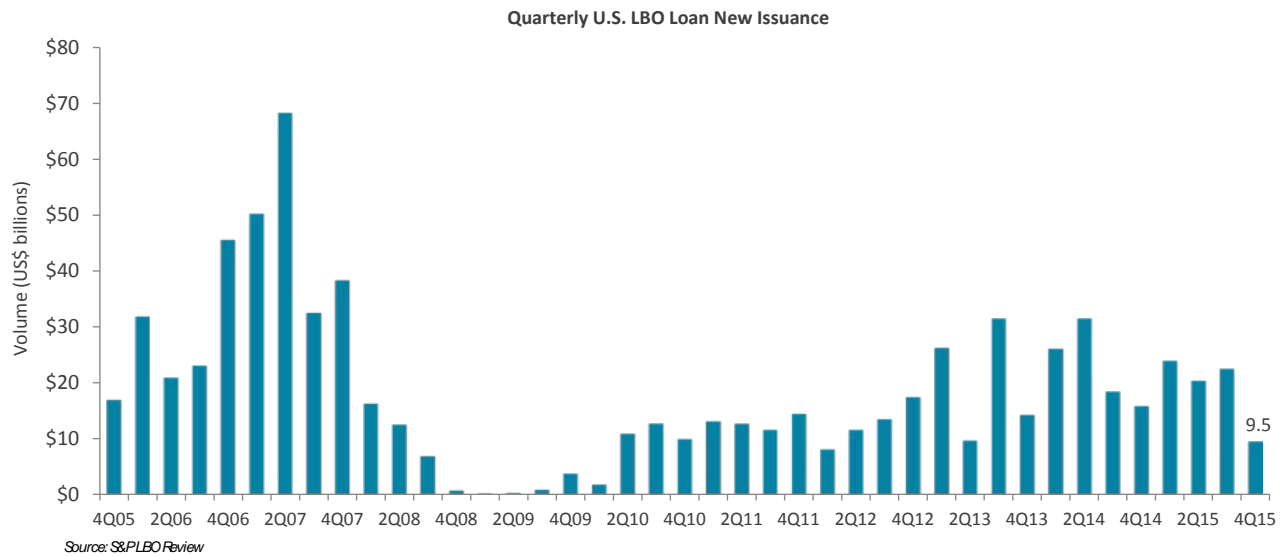
For the period ended December 31, 2015

\*Includes reinvestment of dividends.

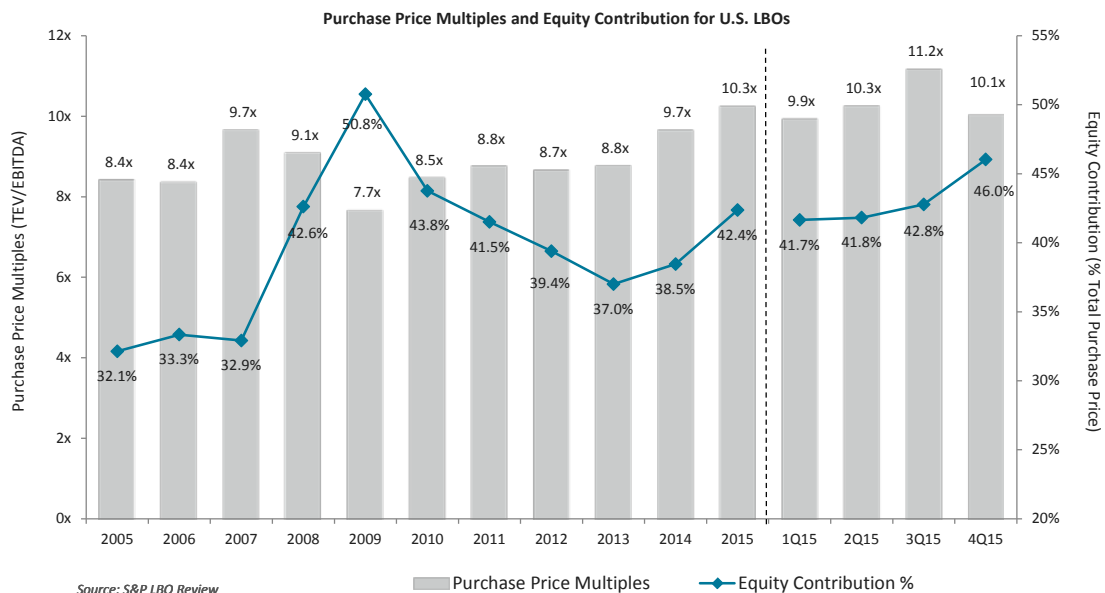
Source: Capital IQ

## Debt Markets

During the fourth quarter of 2015, U.S. LBO new loan issuance totaled US\$9.5 billion, representing a decrease of 58% from the prior quarter, and 49% lower than the 10-year quarterly average of US\$18.5 billion. The following chart shows the quarterly volume of U.S. LBO new loan issuance for the past ten years.



In the fourth quarter, weighted average purchase price multiples for U.S. LBO deals decreased to 10.1x total enterprise value ("TEV") to EBITDA, notably lower than the previous quarter's multiple of 11.2x. Year-over-year, annual weighted purchase price multiples increased from 9.7x in 2014 to 10.3x in 2015. Average debt multiples of large corporate U.S. LBO loans fell from 6.3x to 5.2x EBITDA quarter-over-quarter. Equity contributions for U.S. LBOs increased from 42.8% in the third quarter to 46.0% in the fourth quarter. The following chart compares purchase price multiples and equity contribution percentages for U.S. LBO deals.



## Private Equity Market Overview

### All Private Equity

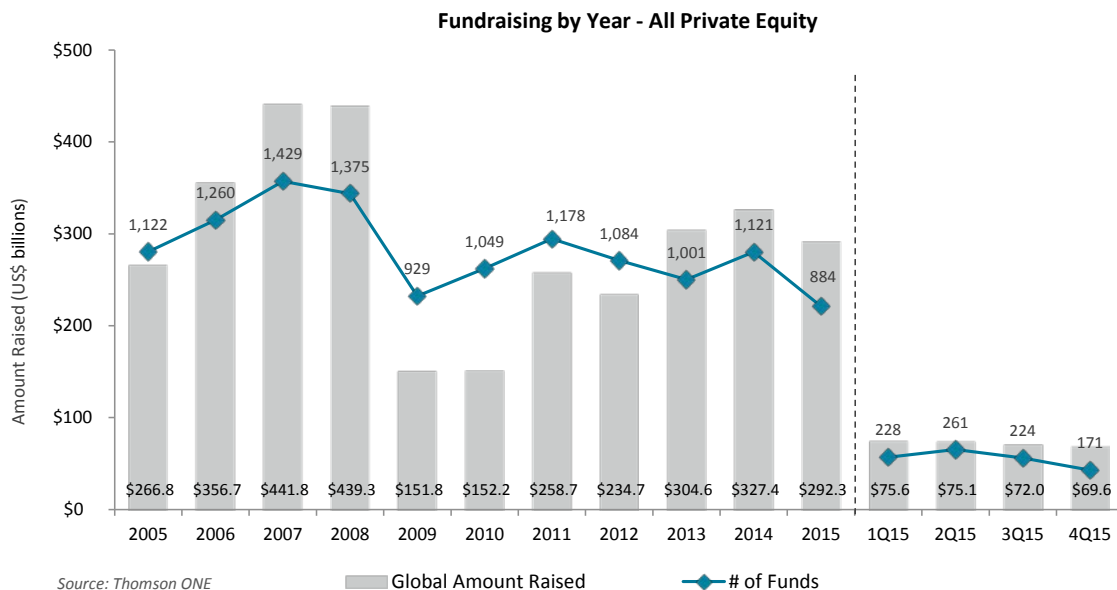
The All Private Equity benchmark posted a gain of 0.9% during the fourth quarter, as shown in the table below. Buyout, Mezzanine, Venture Capital funds generated positive returns while the Energy sector continued its decline, with a quarterly loss of 7.9%. The table below shows the pooled Internal Rate of Return (“IRR”) performance of global private equity investments by sector over various investment horizons through December 31, 2015.

Sector	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Small/Middle Buyouts (<\$3bn)	2.1%	6.2%	10.7%	10.3%	11.4%
Large Buyouts (>\$3bn)	2.2%	9.9%	15.3%	13.3%	10.4%
Mezzanine	1.2%	5.8%	8.3%	9.3%	8.2%
Energy	(7.9%)	(17.2%)	(4.6%)	0.7%	5.2%
Venture Capital	1.7%	12.9%	20.1%	15.7%	11.2%
<b>All Private Equity</b>	<b>0.9%</b>	<b>6.1%</b>	<b>12.3%</b>	<b>11.3%</b>	<b>10.2%</b>

Source: Burgiss PrivateIQ

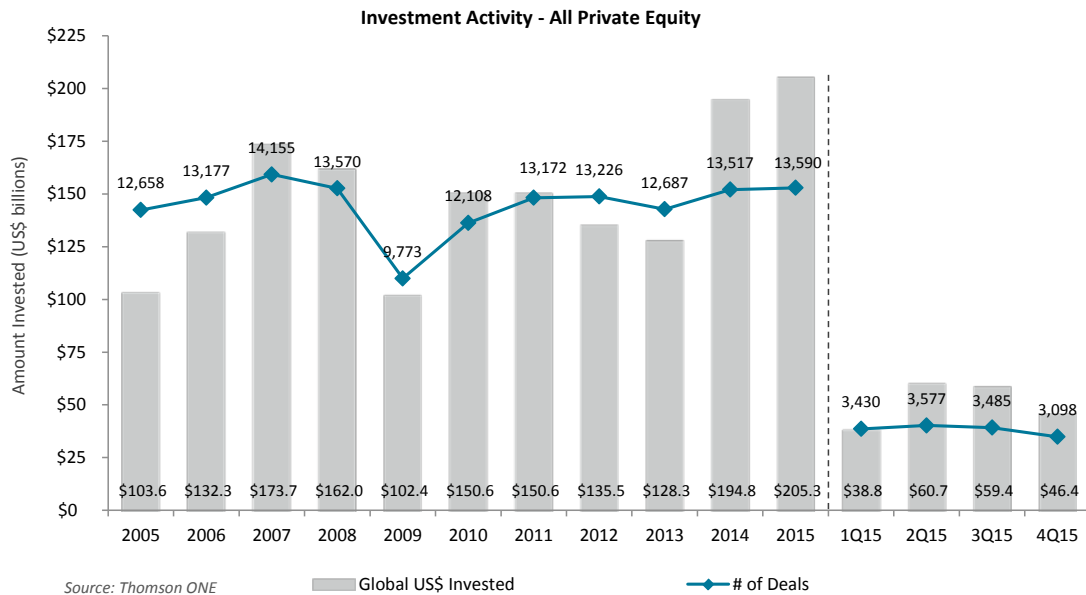
### Fundraising

Global private equity fundraising totaled US\$69.6 billion in the fourth quarter of 2015, representing a 3% decrease from the prior quarter. Buyout fundraising rose 23% quarter-over-quarter, raising US\$57.4 billion, while Venture Capital fundraising fell 23%, raising US\$8.7 billion. Geographically, U.S. fundraising represented 75% of the total amount raised in the fourth quarter, while Europe, Asia, and the rest of the world accounted for 13%, 8%, and 3% of the total capital raised, respectively. The chart below shows private equity fundraising activity over the past ten years.

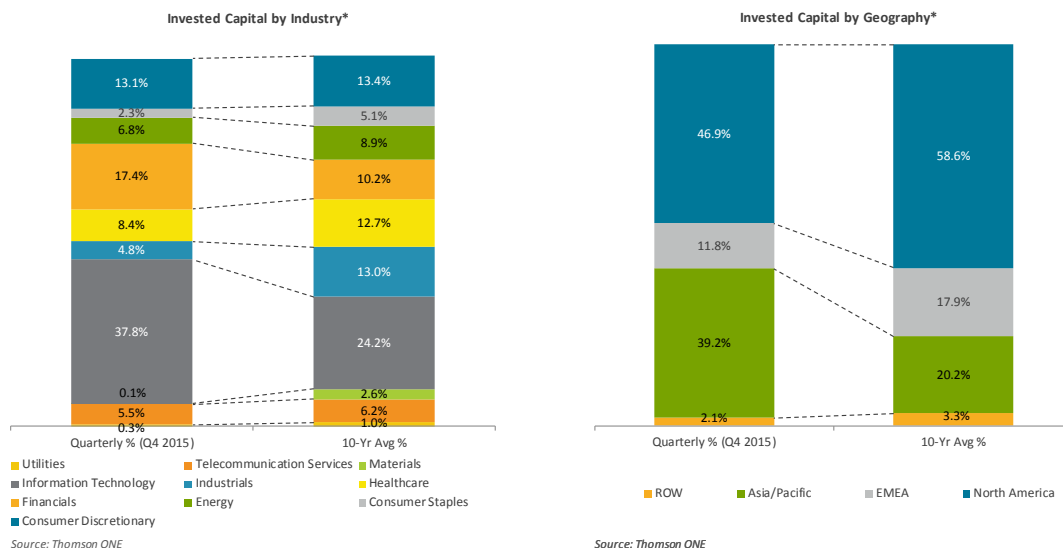


## Investment Activity

Private equity funds invested US\$46.4 billion globally during the fourth quarter, representing a quarter-over-quarter decrease of 22%. The largest transaction during the fourth quarter was the sale of a 17 percent stake of Postal Savings Bank of China for US\$7.0 billion. The average investment size during the quarter was US\$15.0 million, down 12% quarter-over-quarter.



The graphs below depict the percentage of invested capital by industry and geography for the fourth quarter of 2015 and over the last ten years. The Information Technology sector attracted the most capital, accounting for US\$17.6 billion of transactions, or 38% of total capital invested during the fourth quarter by private equity firms, compared to a 10-year pro rata average of 24%. In the fourth quarter of 2015, investment activity in the Asia/Pacific region was above the historical average, representing 39% of total invested capital during the quarter compared to 20% over the last ten years.



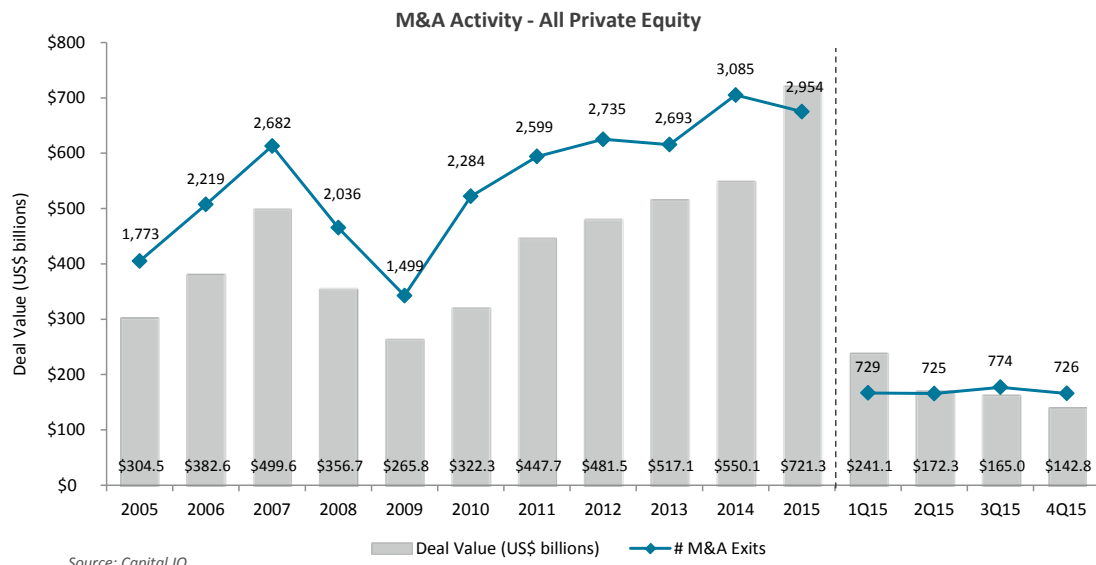
\*Note: Invested Capital is for all private equity from Q1 2006 – Q4 2015.

## Deal Environment

During the fourth quarter, there were 20 private equity-backed IPOs on the NYSE and NASDAQ which raised a total of US\$5.8 billion, compared to 20 IPOs which raised US\$3.0 billion in the previous quarter. The largest IPO of the quarter was First Data Corp, which raised US\$2.8 billion. On an annual basis, IPO proceeds decreased 70% in 2015 compared to the prior year. The following graph shows the amount raised and the number of Buyout and Venture Capital IPOs on the NYSE and NASDAQ over the past ten years.



Private equity-backed Mergers and Acquisitions (“M&A”) activity fell 13% quarter-over-quarter, with deal value totaling US\$142.8 billion. The largest deal that closed during the quarter was NXP Semiconductors NV’s US\$17.3 billion acquisition of Freescale, representing 12% of the quarter’s aggregate M&A volume. On an annual basis, M&A deal value increased 31% year-over-year.



### III. Portfolio Review

#### Quarterly Highlights

- Cash Flow Activity** – During the fourth quarter of 2015, the Portfolio made US\$119.7 million of contributions and received US\$122.6 million of distributions, for a net cash inflow of US\$3.0 million, compared to a net cash inflow of US\$4.0 million during the prior quarter and a net cash inflow of US\$36.3 million during the fourth quarter of 2014. Contributions increased 27.8% from the prior quarter and 24.6% from the fourth quarter of 2014. The most recent four quarter average of the Program's contributions is US\$94.7 million. Distributions increased 25.6% from the prior quarter and decreased 7.3% from the fourth quarter of 2014. The most recent four quarter average of the Program's distributions is US\$120.2 million.
- Recent Portfolio Activity** – During the fourth quarter of 2015, net of cash flow activity, the valuation of the Portfolio increased by US\$24.7 million, or 1.1%, from the prior quarter. The increase in Portfolio value is primarily attributable to strong performance of large buyout funds during the quarter, which generated a \$15.9 million decrease in valuation from the prior quarter-end. During the last twelve months, net of cash flow activity, the valuation of the Portfolio increased by US\$165.6 million, or 7.8%, from the quarter ended December 31, 2014.
- New Investment Commitment** – During the fourth quarter of 2015, the Program closed on four new investment commitments, totaling US\$207.5 million.

<i>As of December 31, 2015 (US\$ in millions)</i>	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital
Warburg Pincus Private Equity XII, L.P.	November 2015	Growth Equity	Global	\$ 97.0
ASF VII B L.P.	December 2015	Secondaries	Global	44.5
ASF VII B NYC Co-Invest L.P.	December 2015	Co/Direct Investment	Global	22.0
Ares Corporate Opportunities Fund V, L.P.	December 2015	Special Situations	North America	44.0
<b>Total</b>				<b>\$ 207.5</b>

- Subsequent Investment Commitments** – Subsequent to quarter-end through May 31, 2016, the Program closed on two new investment commitments, totaling US\$52.5 million.

<i>As of May 31, 2016 (US\$ in millions)</i>	Month Closed	Sub-Strategy	Geographic Focus	Committed Capital
Stelllex Capital Partners LP	January 2016	Special Situations	Global	\$ 8.5
Green Equity Investors VII, L.P.	April 2016	Mega Buyout	North America	44.0
<b>Total</b>				<b>\$ 52.5</b>



## Investment Performance

### Since Inception Performance

US\$ in millions	December 31, 2015	September 30, 2015	December 31, 2014	Quarterly Change	Yearly Change
<b>Active Investments</b>					
Number of Managers	105	105	102	-	3
Number of Investments	176	172	165	4	11
Committed Capital <sup>1</sup>	\$4,537.7	\$4,335.7	\$4,155.1	\$202.0	\$382.7
Contributed Capital	\$3,683.7	\$3,564.1	\$3,325.0	\$119.7	\$358.7
Distributed Capital	\$2,809.0	\$2,686.3	\$2,355.7	\$122.6	\$453.3
Market Value	\$2,301.9	\$2,280.2	\$2,238.5	\$21.7	\$63.5
Total Value	\$5,110.9	\$4,966.5	\$4,594.1	\$144.4	\$516.8
Total Gain/(Loss)	\$1,427.2	\$1,402.5	\$1,269.1	\$24.7	\$158.1
Unfunded Commitment <sup>2</sup>	\$1,315.6	\$1,226.2	\$1,254.3	\$89.3	\$61.2
Total Exposure <sup>3</sup>	\$3,617.5	\$3,506.5	\$3,492.8	\$111.0	\$124.7
DPI <sup>4</sup>	0.76x	0.75x	0.71x	0.01x	0.05x
TVM <sup>5</sup>	1.39x	1.39x	1.38x	-0.01x	0.01x
IRR <sup>6</sup>	10.4%	10.6%	10.6%	-16 bps	-24 bps
<b>Exited Investments</b>					
Number of Managers	12	12	11	-	1
Number of Investments	14	14	13	-	1
Committed Capital <sup>1</sup>	\$201.0	\$201.0	\$181.0	\$0.0	\$20.0
Contributed Capital	\$221.0	\$221.0	\$200.9	\$0.0	\$20.1
Distributed Capital	\$272.3	\$272.3	\$244.7	\$0.0	\$27.6
Total Value	\$272.3	\$272.3	\$244.7	\$0.0	\$27.6
Total Gain/(Loss)	\$51.3	\$51.3	\$43.8	\$0.0	\$7.5
Unfunded Commitment <sup>2</sup>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
DPI <sup>4</sup>	1.23x	1.23x	1.22x	0.00x	0.01x
TVM <sup>5</sup>	1.23x	1.23x	1.22x	0.00x	0.01x
IRR <sup>6</sup>	7.1%	7.1%	7.4%	+ 0 bps	- 22 bps
<b>Total Portfolio</b>					
Number of Managers	114	114	111	-	3
Number of Investments	190	186	178	4	12
Committed Capital <sup>1</sup>	\$4,738.7	\$4,536.7	\$4,336.1	\$202.0	\$402.7
Contributed Capital	\$3,904.7	\$3,785.1	\$3,526.0	\$119.7	\$378.8
Distributed Capital	\$3,081.3	\$2,958.6	\$2,600.3	\$122.6	\$480.9
Market Value	\$2,301.9	\$2,280.2	\$2,238.5	\$21.7	\$63.5
Total Value	\$5,383.2	\$5,238.8	\$4,838.8	\$144.4	\$544.4
Total Gain/(Loss)	\$1,478.4	\$1,453.7	\$1,312.8	\$24.7	\$165.6
Unfunded Commitment <sup>2</sup>	\$1,315.6	\$1,226.2	\$1,254.3	\$89.3	\$61.2
Total Exposure <sup>3</sup>	\$3,617.5	\$3,506.5	\$3,492.8	\$111.0	\$124.7
DPI <sup>4</sup>	0.79x	0.78x	0.74x	0.01x	0.05x
TVM <sup>5</sup>	1.38x	1.38x	1.37x	-0.01x	0.01x
IRR <sup>6</sup>	10.2%	10.3%	10.4%	-14 bps	-27 bps

<sup>1</sup> Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations.

<sup>2</sup> Unfunded Commitment represents the aggregate remaining commitments to partnership investments.

<sup>3</sup> Total Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>4</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

<sup>5</sup> TVM, or Total Value Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVM is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

<sup>6</sup> IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund manager's fees, expenses and carried interest.

## Performance by Vintage Year

The following table and chart illustrate the Portfolio's since inception investment performance by vintage year as of December 31, 2015 relative to the median quartile U.S. All Private Equity TVM and IRR benchmarks as provided by Thomson ONE/Cambridge. Performance of funds that are less than two years old is not meaningful. Note that Thomson ONE/Cambridge data is continuously updated and is therefore subject to change.

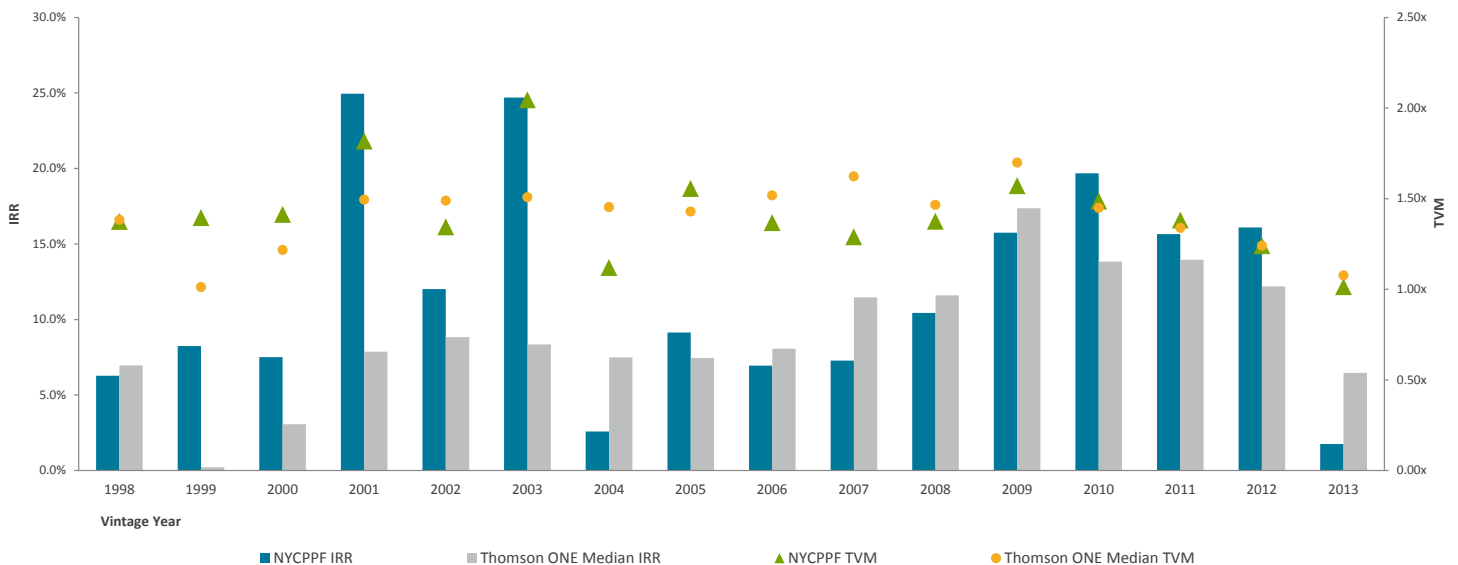
As of December 31, 2015 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR	PME Benchmark <sup>1</sup>	PME Spread <sup>2</sup>	Thomson ONE / Cambridge U.S. All PE Median Quartile TVM	Thomson ONE / Cambridge U.S. All PE Median Quartile IRR
1998	\$20.0	\$20.1	\$27.6	\$0.0	\$0.0	\$0.0	1.37x	6.3%	3.4%	2.9%	1.38x	7.0%
1999	106.2	122.9	151.2	20.3	1.3	21.6	1.40x	8.2%	6.4%	1.9%	1.01x	0.2%
2000	58.0	69.6	89.4	8.9	3.8	12.7	1.41x	7.5%	6.2%	1.3%	1.22x	3.1%
2001	98.6	121.4	218.5	2.1	4.3	6.4	1.82x	25.0%	8.6%	16.4%	1.50x	7.9%
2002	76.1	85.2	102.7	11.8	1.8	13.7	1.34x	12.0%	8.0%	4.0%	1.49x	8.8%
2003	96.3	111.9	209.5	19.4	5.6	25.0	2.04x	24.7%	7.5%	17.2%	1.51x	8.4%
2004	165.6	171.9	164.4	28.2	10.5	38.7	1.12x	2.6%	6.0%	(3.4%)	1.45x	7.5%
2005	331.4	349.5	381.0	163.0	19.1	182.2	1.56x	9.1%	6.9%	2.2%	1.43x	7.5%
2006	546.9	591.3	552.1	256.4	33.7	290.1	1.37x	6.9%	8.3%	(1.3%)	1.52x	8.1%
2007	427.0	448.3	358.3	220.0	39.7	259.8	1.29x	7.3%	10.8%	(3.6%)	1.62x	11.5%
2008	580.4	631.0	478.0	389.8	65.2	455.0	1.38x	10.4%	13.6%	(3.2%)	1.47x	11.6%
2009	113.2	106.3	87.8	79.3	11.9	91.1	1.57x	15.8%	14.7%	1.0%	1.70x	17.4%
2010	102.5	98.2	52.4	93.6	23.8	117.4	1.49x	19.7%	12.9%	6.8%	1.45x	13.8%
2011	418.6	365.4	118.0	387.0	90.0	477.0	1.38x	15.7%	13.0%	2.7%	1.34x	14.0%
2012	462.0	323.4	72.1	329.1	151.4	480.5	1.24x	16.1%	9.5%	6.6%	1.24x	12.2%
2013	411.4	148.1	11.3	139.0	266.4	405.4	1.01x	1.8%	4.6%	(2.8%)	1.08x	6.5%
2014	313.1	123.1	7.1	137.6	192.6	330.2	NM	NM	NM	N/A	NM	NM
2015	367.5	17.2	-	16.3	350.4	366.7	NM	NM	NM	N/A	NM	NM
2016	44.0	-	-	-	44.0	44.0	NM	NM	NM	N/A	NM	NM
<b>Total</b>	<b>\$4,738.7</b>	<b>\$3,904.7</b>	<b>\$3,081.3</b>	<b>\$2,301.9</b>	<b>\$1,315.6</b>	<b>\$3,617.5</b>	<b>1.38x</b>	<b>10.2%</b>	<b>9.3%</b>	<b>0.9%</b>	<b>1.33x</b>	<b>8.4%</b>

<sup>1</sup> Russell 3000 PME+

<sup>2</sup> PME Spread is calculated as IRR minus PME Benchmark.

As of December 31, 2015



## Portfolio Periodic Returns vs. Russell 3000® Index

<i>As of December 31, 2015</i>	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
NYCPPF IRR	1.1%	7.6%	11.1%	10.5%	9.7%	10.2%
Russell 3000® <sup>1</sup>	6.4%	0.5%	15.7%	12.5%	9.4%	9.3%
Russell 3000® + 300 bps <sup>2</sup>	9.4%	3.5%	18.7%	15.5%	12.4%	12.3%
<b>NYCPPF Outperformance/(Underperformance)</b>						
vs. Russell 3000® + 300 bps <sup>2</sup>	(8.3%)	4.1%	(7.6%)	(5.0%)	(2.7%)	(2.1%)

<sup>1</sup>Benchmark is a dollar-weighted PME+ calculation of quarterly changes in the Russell 3000® Index. Russell Investment Group is the source and owner of the trademark, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

<sup>2</sup>Benchmark is a dollar-weighted PME+ calculation of quarterly changes in the Russell 3000® Index plus a 300 basis point illiquidity premium (the Opportunity Cost Benchmark).

## Performance by Strategy / Sub-Strategy

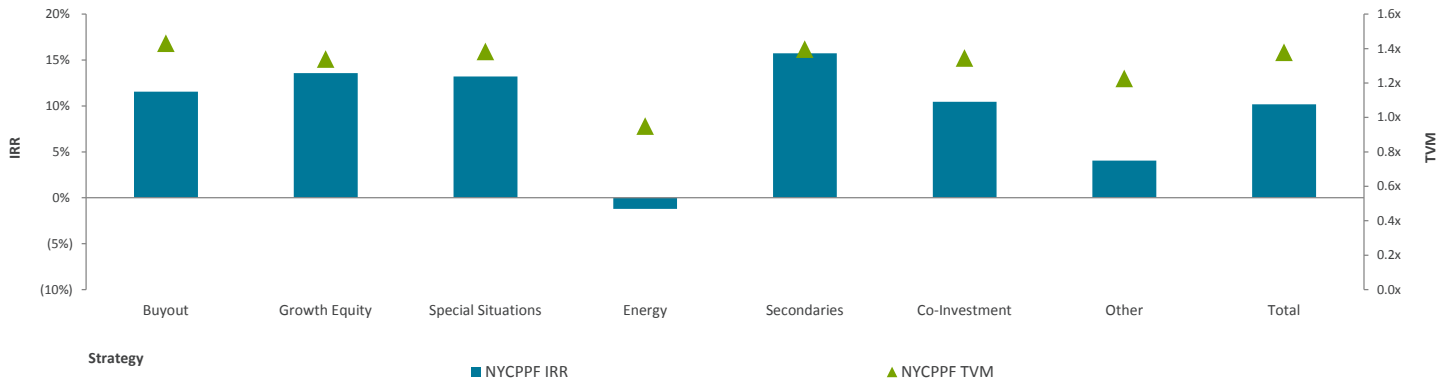
The following table and charts illustrate the Portfolio's since inception investment performance by strategy and sub-strategy as of December 31, 2015.

*As of December 31, 2015 (US\$ in millions)*

Strategy / Sub-Strategy	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Unfunded Commitment	Total Exposure	TVM	IRR
<b>Buyout</b>	<b>\$2,870.6</b>	<b>\$2,493.6</b>	<b>\$2,192.9</b>	<b>\$1,375.1</b>	<b>\$727.4</b>	<b>\$2,102.5</b>	<b>1.43x</b>	<b>11.6%</b>
Mega Buyout	580.9	452.8	440.4	225.0	194.7	419.6	1.47x	11.8%
Large Buyout	896.0	702.2	595.1	487.0	283.2	770.2	1.54x	24.1%
Middle-Market Buyout	703.1	629.0	563.3	320.1	173.6	493.7	1.40x	8.6%
Small Buyout	690.6	709.6	594.1	343.1	75.9	418.9	1.32x	7.9%
<b>Growth Equity</b>	<b>390.6</b>	<b>264.5</b>	<b>104.7</b>	<b>249.5</b>	<b>158.2</b>	<b>407.7</b>	<b>1.34x</b>	<b>13.6%</b>
<b>Special Situations</b>	<b>287.9</b>	<b>221.8</b>	<b>188.0</b>	<b>118.8</b>	<b>101.8</b>	<b>220.6</b>	<b>1.38x</b>	<b>13.2%</b>
<b>Energy</b>	<b>130.0</b>	<b>136.5</b>	<b>62.3</b>	<b>67.3</b>	<b>8.1</b>	<b>75.4</b>	<b>0.95x</b>	<b>-1.2%</b>
<b>Secondaries</b>	<b>454.9</b>	<b>235.8</b>	<b>172.8</b>	<b>156.5</b>	<b>223.2</b>	<b>379.6</b>	<b>1.40x</b>	<b>15.7%</b>
<b>Co-Investment</b>	<b>220.5</b>	<b>148.9</b>	<b>99.8</b>	<b>100.4</b>	<b>80.6</b>	<b>181.0</b>	<b>1.34x</b>	<b>10.5%</b>
<b>Other</b>	<b>384.3</b>	<b>403.6</b>	<b>260.8</b>	<b>234.3</b>	<b>16.3</b>	<b>250.6</b>	<b>1.23x</b>	<b>4.1%</b>
Venture Capital	342.8	355.0	196.6	230.8	12.0	242.8	1.20x	3.5%
Mezzanine	41.5	48.7	64.2	3.5	4.3	7.8	1.39x	12.4%
<b>Total</b>	<b>\$4,738.7</b>	<b>\$3,904.7</b>	<b>\$3,081.3</b>	<b>\$2,301.9</b>	<b>\$1,315.6</b>	<b>\$3,617.5</b>	<b>1.38x</b>	<b>10.2%</b>

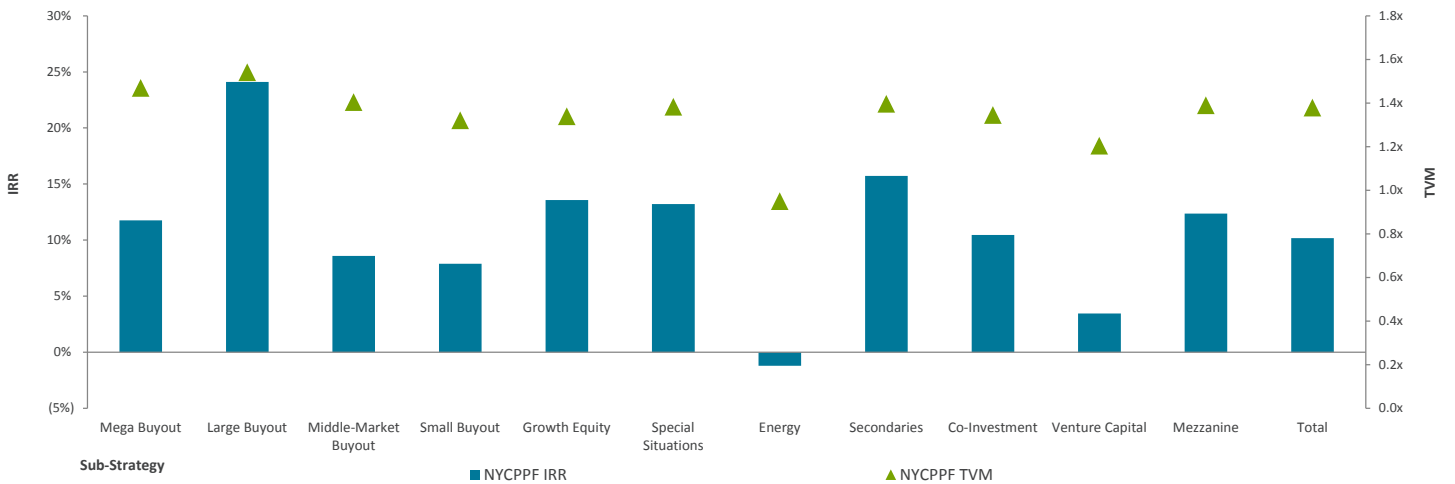
## Performance by Strategy

As of December 31, 2015



## Performance by Sub-Strategy

As of December 31, 2015



## Portfolio Diversification

The following tables illustrate the Portfolio's diversification by strategy and fund geographic focus as of December 31, 2015.

### By Strategy/Sub-Strategy

As of December 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<b>Buyout</b>	<b>\$1,375.1</b>	<b>59.7%</b>	<b>\$727.4</b>	<b>55.3%</b>	<b>\$2,102.5</b>	<b>58.1%</b>
Mega Buyout	225.0	9.8%	194.7	14.8%	419.6	11.6%
Large Buyout	487.0	21.2%	283.2	21.5%	770.2	21.3%
Middle-Market Buyout	320.1	13.9%	173.6	13.2%	493.7	13.6%
Small Buyout	343.1	14.9%	75.9	5.8%	418.9	11.6%
<b>Growth Equity</b>	<b>249.5</b>	<b>10.8%</b>	<b>158.2</b>	<b>12.0%</b>	<b>407.7</b>	<b>11.3%</b>
<b>Special Situations</b>	<b>118.8</b>	<b>5.2%</b>	<b>101.8</b>	<b>7.7%</b>	<b>220.6</b>	<b>6.1%</b>
<b>Energy</b>	<b>67.3</b>	<b>2.9%</b>	<b>8.1</b>	<b>0.6%</b>	<b>75.4</b>	<b>2.1%</b>
<b>Secondaries</b>	<b>156.5</b>	<b>6.8%</b>	<b>223.2</b>	<b>17.0%</b>	<b>379.6</b>	<b>10.5%</b>
<b>Co-Investment</b>	<b>100.4</b>	<b>4.4%</b>	<b>80.6</b>	<b>6.1%</b>	<b>181.0</b>	<b>5.0%</b>
<b>Other</b>	<b>234.3</b>	<b>10.2%</b>	<b>16.3</b>	<b>1.2%</b>	<b>250.6</b>	<b>6.9%</b>
Venture Capital	230.8	10.0%	12.0	0.9%	242.8	6.7%
Mezzanine	3.5	0.2%	4.3	0.3%	7.8	0.2%
<b>Total</b>	<b>\$2,301.9</b>	<b>100.0%</b>	<b>\$1,315.6</b>	<b>100.0%</b>	<b>\$3,617.5</b>	<b>100.0%</b>

### By Fund Geographic Focus

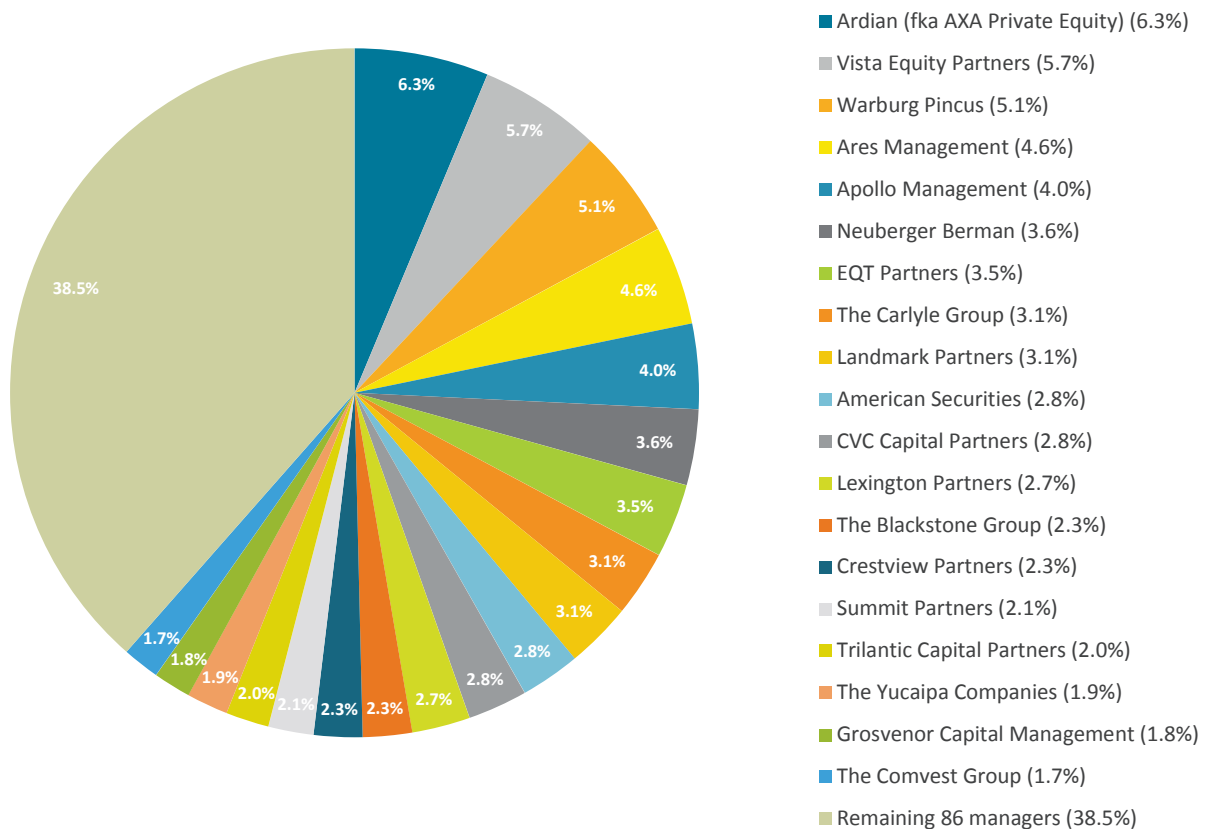
As of December 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Total Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
North America	\$1,685.8	73.2%	\$699.8	53.2%	\$2,385.6	65.9%
Global	457.1	19.9%	479.0	36.4%	936.1	25.9%
Western Europe	126.5	5.5%	135.0	10.3%	261.5	7.2%
Rest of World	32.5	1.4%	1.7	0.1%	34.2	0.9%
<b>Total</b>	<b>\$2,301.9</b>	<b>100.0%</b>	<b>\$1,315.6</b>	<b>100.0%</b>	<b>\$3,617.5</b>	<b>100.0%</b>

Prior to a fund being 75% drawn, fund geographic focus is based on the GP-stated geographic strategy. Subsequent to a fund being 75% drawn, fund geographic focus is based on actual portfolio company exposure by total invested capital. Funds with less than 75% of total invested capital allocated to one geographic region are classified as Global.

## By Investment Manager

As of December 31, 2015, the Portfolio was highly diversified by investment manager, with 19 managers comprising US\$2.2 billion, or 61.5% of total exposure. The remaining 86 managers comprised 38.5% of total exposure as of quarter-end.

**Portfolio Total Exposure by Investment Manager**  
As of December 31, 2015

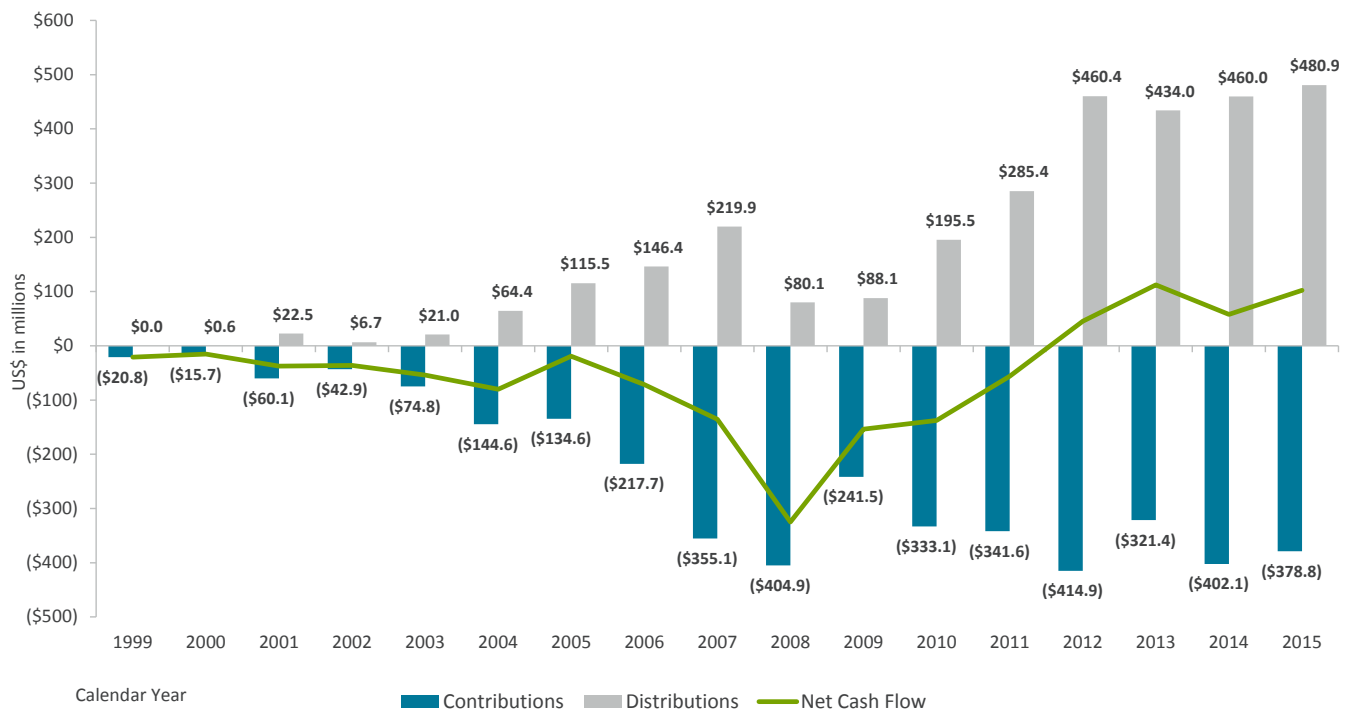


## Portfolio Cash Flow Analysis

The following yearly and quarterly cash flow analysis is based on actual Portfolio cash flows during those time periods.

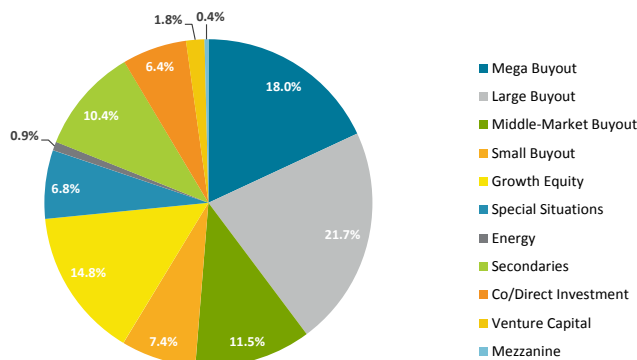
### Yearly Cash Flow Activity

During the year ended December 31, 2015, the Portfolio made US\$378.8 million of contributions and received US\$480.9 million of distributions, for a net cash inflow of US\$102.2 million, compared to a net cash inflow of US\$57.8 million during the same period in the prior year. The graph below illustrates cash flow activity since inception by calendar year.

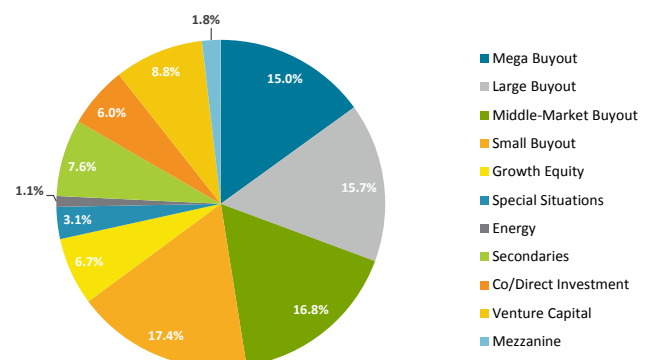


Buyout funds were the most active in terms of cash flow activity during 2015. Buyout funds drew down US\$222.2 million, or 58.7% of total contributions during 2015, and distributed US\$312.0 million, or 64.9% of total distributions during 2015.

2015 Total Contributed by Sub-Strategy

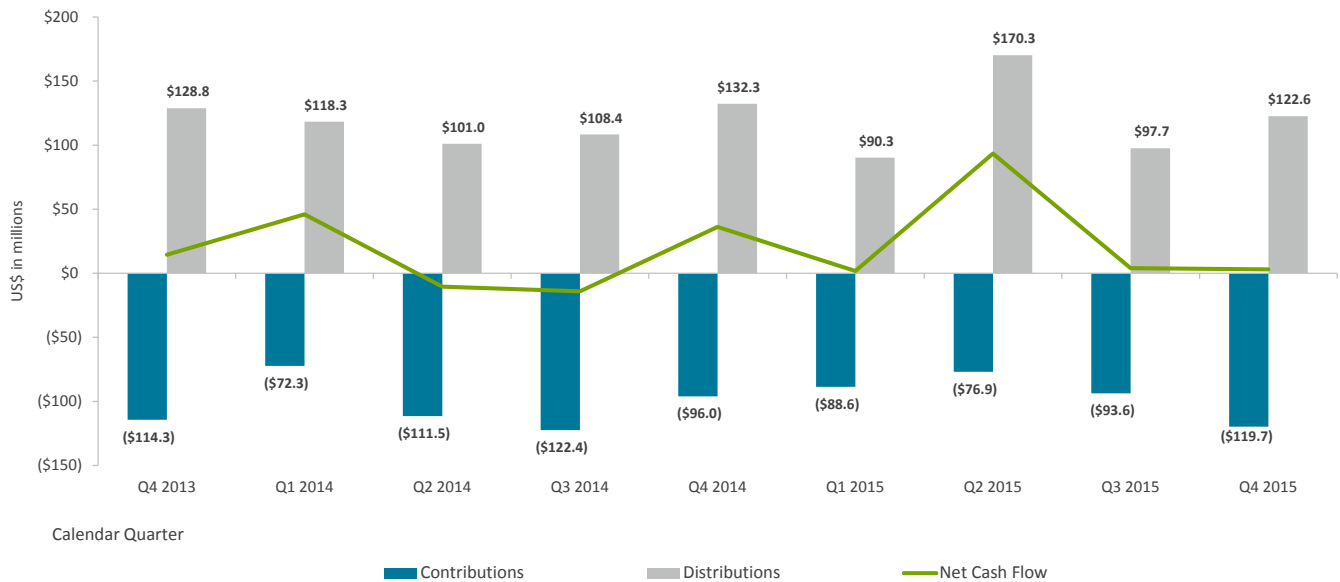


2015 Total Distributed by Sub-Strategy



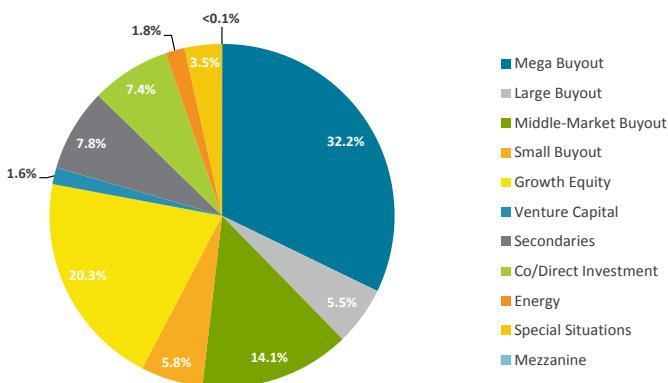
## Quarterly Cash Flow Activity

During the fourth quarter of 2015, the Portfolio made US\$119.7 million of contributions and received US\$122.6 million of distributions, for a net cash inflow of US\$3.0 million. The graph below illustrates recent cash flow activity by quarter.

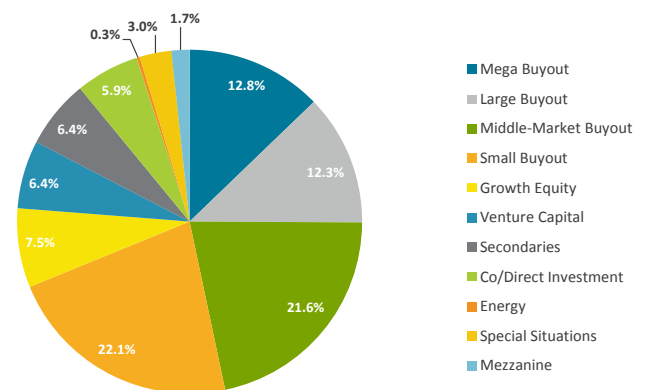


Buyout funds were the most active in terms of cash flow activity during the fourth quarter of 2015. Buyout funds drew down US\$69.0 million, or 57.6% of total contributions during the quarter, and distributed US\$84.4 million, or 68.8% of total distributions during the quarter.

### Q4 2015 Contributed by Sub-Strategy



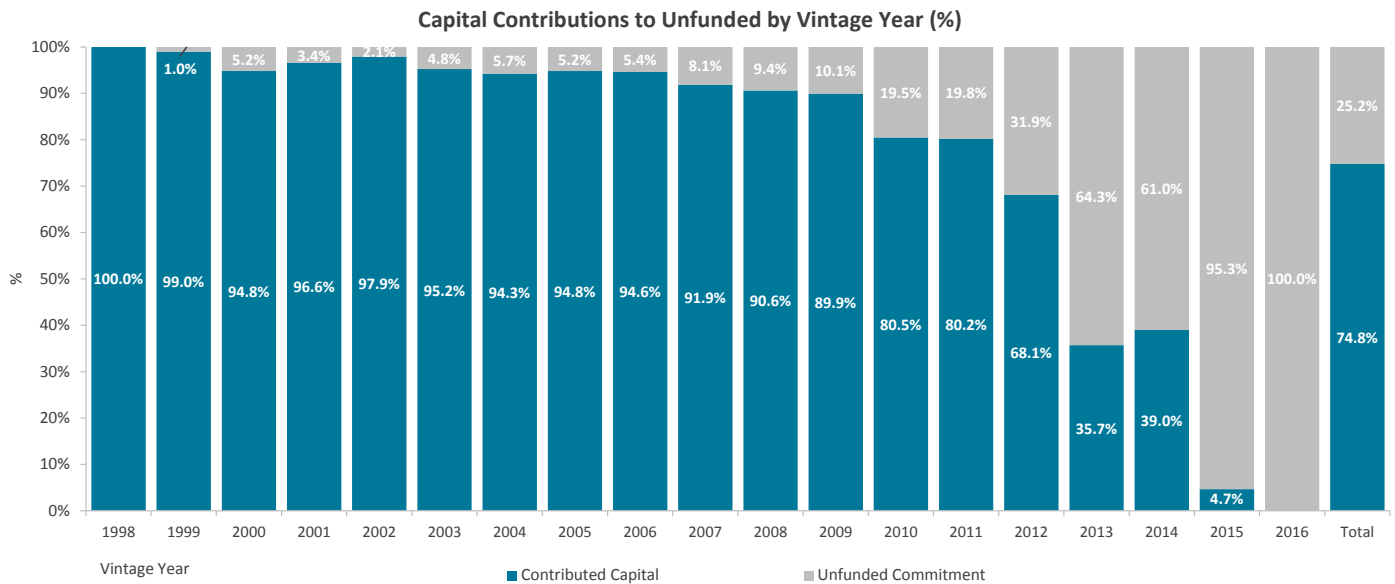
### Q4 2015 Distributed by Sub-Strategy



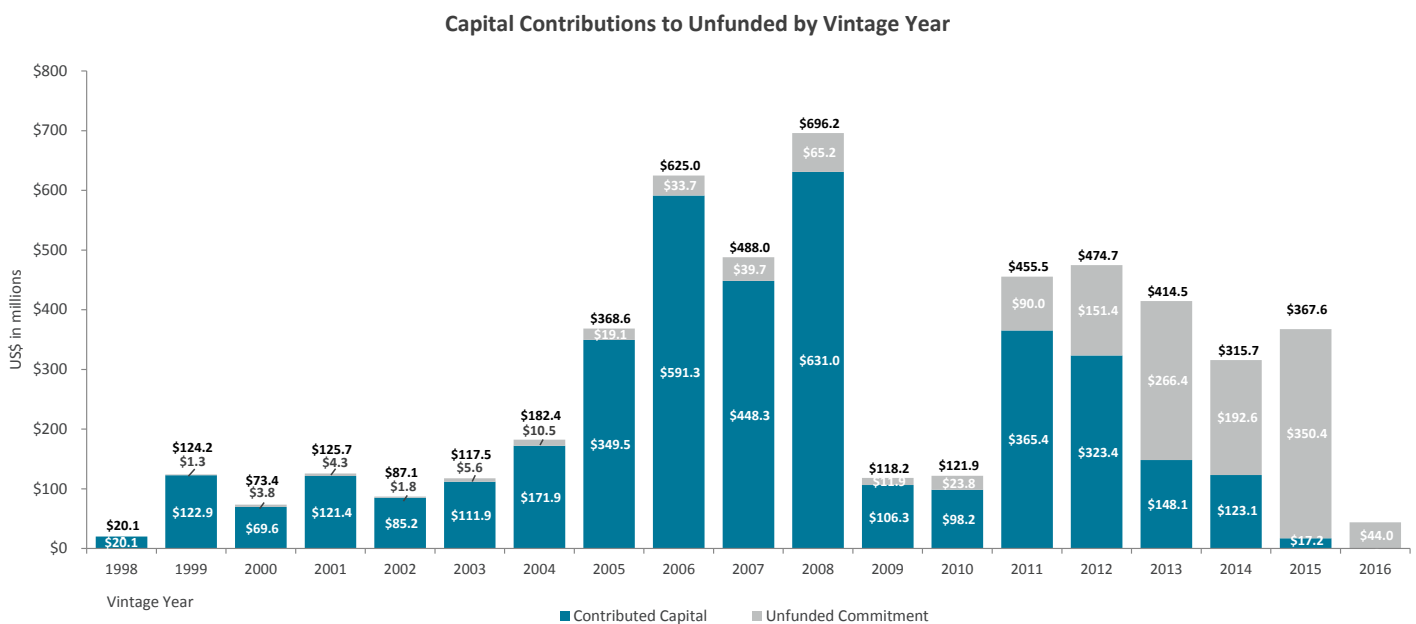


## Invested Capital by Vintage Year

The following chart illustrates cumulative capital contributions as a percentage of total capital commitments, by fund vintage year, as of December 31, 2015.



The following chart illustrates cumulative capital contributions relative to unfunded commitment, by fund vintage year, as of December 31, 2015.



## Portfolio Company-Level Analysis

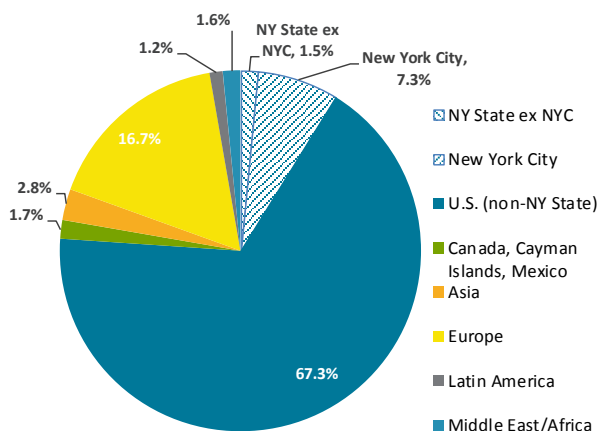
### Geographic Exposure

The following charts illustrate the Portfolio's current exposure by geography at the portfolio company level as of December 31, 2015. Please note that the geography is based upon the corporate headquarters of each portfolio company.

#### Geographic Exposure by Current Cost

As of December 31, 2015 (US\$ in millions)

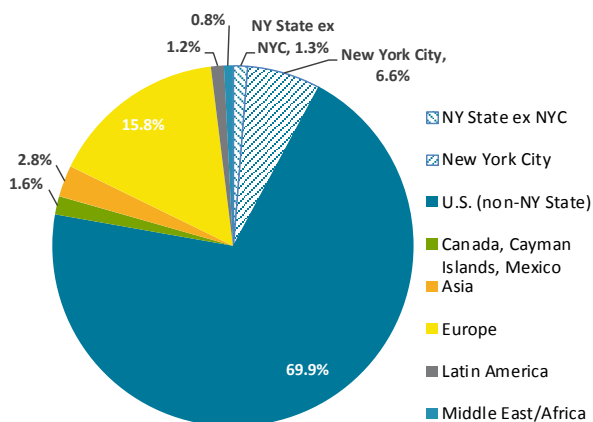
	Sum of Current Cost	% of Total
<b>North America</b>	<b>\$1,402.0</b>	<b>77.7%</b>
<b>New York</b>	<b>\$159.0</b>	<b>8.8%</b>
NY State ex NYC	27.3	1.5%
New York City	131.7	7.3%
<b>U.S. (non-NY State)</b>	<b>1,212.9</b>	<b>67.3%</b>
Canada, Cayman Islands, Mexico	30.2	1.7%
Asia	50.2	2.8%
Europe	301.9	16.7%
Latin America	21.2	1.2%
Middle East/Africa	28.2	1.6%
<b>Total</b>	<b>\$1,803.4</b>	<b>100.0%</b>



#### Geographic Exposure by Current Market Value

As of December 31, 2015 (US\$ in millions)

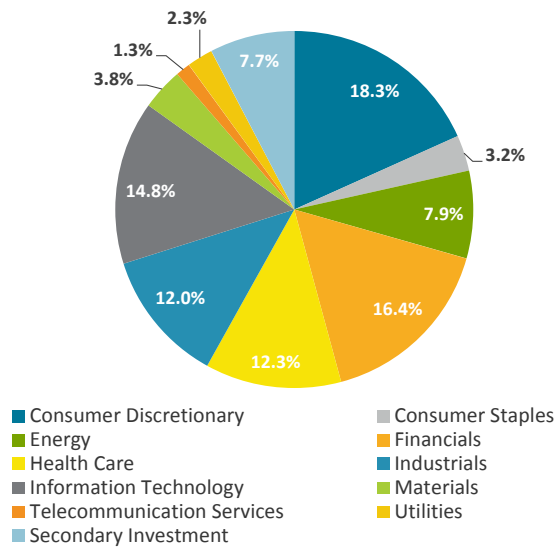
	Sum of Current Market Value	% of Total
<b>North America</b>	<b>\$1,945.8</b>	<b>79.4%</b>
<b>New York</b>	<b>\$192.2</b>	<b>7.8%</b>
NY State ex NYC	30.7	1.3%
New York City	161.5	6.6%
<b>U.S. (non-NY State)</b>	<b>1,713.3</b>	<b>69.9%</b>
Canada, Cayman Islands, Mexico	40.3	1.6%
Asia	68.9	2.8%
Europe	387.4	15.8%
Latin America	28.2	1.2%
Middle East/Africa	19.5	0.8%
<b>Total</b>	<b>\$2,449.7</b>	<b>100.0%</b>



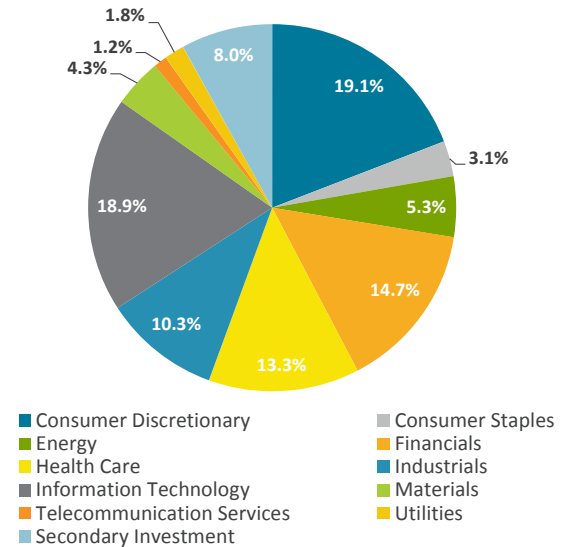
## Industry Exposure

The following charts illustrate the Portfolio's current exposure by industry at the portfolio company level as of December 31, 2015. Please note that the Financials category includes investments in various debt securities.

**Industry Exposure by Current Cost**



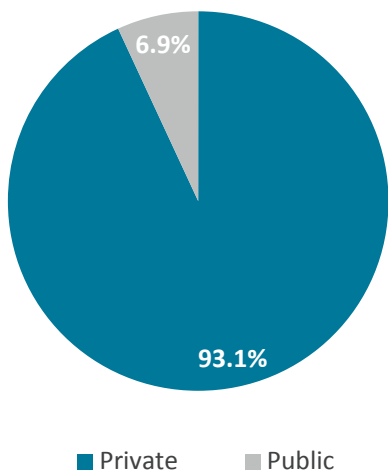
**Industry Exposure by Current Market Value**



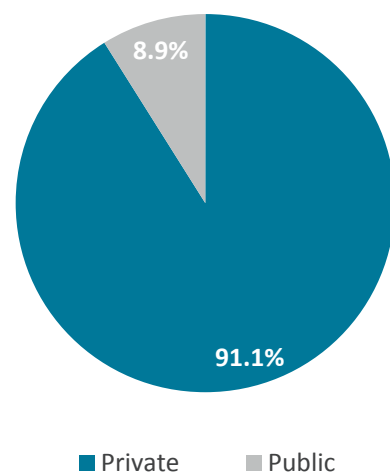
## Public Market Exposure

As of quarter-end, publicly traded investments comprised 6.9% of the Portfolio's exposed cost and 8.9% of the Portfolio's exposed market value. The following charts illustrate the current public market exposure at the portfolio company level.

**Public Market Exposure by Current Cost**



**Public Market Exposure Current Market Value**



## IV. Appendix

**New York City Police Pension Fund, Subchapter 2**  
**Private Equity Portfolio**  
**As of December 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR <sup>1</sup>	PME Benchmark <sup>2</sup>	PME Spread <sup>3</sup>
<b>Active Investments</b>										
1999	Cypress Merchant Banking Partners II, L.P.	3/29/1999	\$ 45,172,972	\$ 53,861,600	\$ 43,440,706	\$ 6,924,387	0.94x	(1.3%)	5.5%	(6.7%)
1999	FdG Capital Partners LLC	6/2/1999	50,000,000	57,513,671	85,895,768	12,730,780	1.71x	14.9%	6.6%	8.3%
1999	Lincolnshire Equity Fund II, L.P.	10/20/1999	11,038,409	11,556,880	21,877,852	624,444	1.95x	24.6%	6.9%	17.7%
2000	Solera Partners, L.P.	5/26/2000	9,999,888	13,212,013	20,817,577	2,051,985	1.73x	8.6%	6.3%	2.3%
2000	SCP Private Equity Partners II, L.P.	6/15/2000	25,000,000	28,057,160	8,542,740	6,877,344	0.55x	(7.4%)	5.3%	(12.7%)
2001	New Mountain Partners, L.P.	3/16/2001	13,606,449	12,837,351	18,323,621	331,923	1.45x	12.4%	6.2%	6.2%
2001	Apollo Investment Fund V, L.P.	4/13/2001	35,000,000	54,534,624	107,300,827	1,151,673	1.99x	38.8%	8.4%	30.4%
2001	CVC European Equity Partners III, L.P.	9/4/2001	25,000,000	28,947,553	74,439,614	650,641	2.59x	41.1%	10.8%	30.2%
2002	Yucaipa American Alliance Fund I, LP	7/1/2002	20,000,000	29,967,488	25,901,853	8,093,770	1.13x	3.8%	10.2%	(6.4%)
2002	Collier International Partners IV, L.P.	7/2/2002	26,100,000	26,761,761	34,984,296	1,408,787	1.36x	11.7%	7.1%	4.6%
2002	Landmark Equity Partners XI, L.P.	10/23/2002	30,000,000	28,518,970	41,817,511	2,347,303	1.55x	23.6%	7.3%	16.2%
2003	FS Equity Partners V, L.P.	1/20/2003	15,000,000	12,831,778	23,026,051	3,690,569	2.08x	15.9%	5.2%	10.6%
2003	Blackstone Capital Partners IV, L.P.	2/26/2003	46,253,267	57,099,182	125,093,511	12,352,402	2.41x	36.5%	8.3%	28.2%
2003	Ares Corporate Opportunities Fund, L.P.	4/1/2003	35,000,000	42,006,955	61,414,834	3,330,400	1.54x	13.6%	7.4%	6.2%
2004	Markstone Capital Partners, LP	1/30/2004	10,000,000	11,724,772	4,955,651	488,982	0.46x	(40.5%)	18.0%	(58.5%)
2004	Euro Choice II (Delaware) L.P.	2/25/2004	20,250,818	20,142,503	23,900,962	6,491,580	1.51x	7.8%	6.1%	1.6%
2004	FdG Capital Partners II LP	8/30/2004	25,000,000	26,874,461	30,356,466	1,388,617	1.18x	3.4%	6.5%	(3.2%)
2004	Paladin Homeland Security Fund (NY City), L.P.	9/27/2004	30,000,000	32,473,843	9,839,320	5,165,061	0.46x	(10.8%)	6.1%	(16.9%)
2004	Lincolnshire Equity Fund III, L.P.	10/1/2004	15,000,000	14,555,111	18,920,113	7,146,041	1.79x	30.4%	10.3%	20.1%
2004	Aurora Equity Partners III L.P.	11/16/2004	15,000,000	16,235,965	25,871,159	1,710,570	1.70x	14.4%	9.8%	4.6%
2004	Trilantic Capital Partners III L.P.	11/18/2004	20,000,000	18,079,250	29,208,586	435,299	1.64x	14.6%	3.9%	10.8%
2004	Medica III Investments (International) L.P.	12/1/2004	10,000,000	9,816,293	4,237,089	3,788,000	0.82x	(4.9%)	(3.6%)	(1.3%)
2004	Celtic Pharmaceutical Holdings L.P.	12/23/2004	10,000,000	10,160,838	160,838	1,590,407	0.17x	(19.8%)	9.5%	(29.3%)
2005	Palladium Equity Partners III, L.P.	11/12/2004	25,000,000	26,603,480	36,830,727	13,071,238	1.88x	16.0%	10.6%	5.4%
2005	New Mountain Partners II, L.P.	1/12/2005	7,741,935	6,963,466	13,477,943	144,383	1.96x	13.7%	4.5%	9.3%
2005	VSS Communications Partners IV, L.P.	3/14/2005	12,500,000	14,103,331	7,679,997	3,310,197	0.78x	(4.3%)	7.4%	(11.7%)
2005	Carlyle Partners IV, L.P.	4/29/2005	50,000,000	51,531,593	96,629,182	5,496,560	1.98x	13.1%	4.1%	9.0%
2005	Levine Leichtman Capital Partners Deep Value Fund, L.P.	5/18/2005	20,000,000	24,978,381	22,959,631	3,120,901	1.04x	1.1%	5.4%	(4.2%)
2005	Prism Venture Partners V-A, L.P.	7/14/2005	20,000,000	20,508,481	10,189,474	5,104,908	0.75x	(5.8%)	8.0%	(13.8%)
2005	Arlington Capital Partners II, L.P.	7/29/2005	20,000,000	20,223,414	30,910,262	3,908,605	1.72x	11.4%	6.4%	5.0%
2005	Quadrangle Capital Partners II LP	8/29/2005	23,276,501	22,970,373	22,144,388	5,776,476	1.22x	4.0%	7.3%	(3.3%)
2005	Snow Phipps Group, L.P.	9/7/2005	10,000,000	11,495,520	8,912,998	5,878,334	1.29x	7.0%	10.4%	(3.4%)
2005	GI Partners Fund II L.P.	9/26/2005	12,500,000	12,644,414	14,937,153	3,793,460	1.48x	6.7%	5.4%	1.3%
2005	Blackstone Mezzanine Partners II, L.P.	10/10/2005	14,000,000	13,353,934	17,625,636	356,694	1.35x	8.0%	3.7%	4.3%
2005	Psilos Group Partners III, L.P.	10/24/2005	12,500,000	13,287,792	6,410,270	10,258,049	1.25x	4.7%	7.3%	(2.7%)
2005	FirstMark Capital I, L.P. (fka FirstMark IV)	11/21/2005	10,000,000	10,872,817	14,994,181	50,815,753	6.05x	42.2%	9.2%	33.0%
2005	USPF II Institutional Fund, L.P.	11/23/2005	20,000,000	26,379,750	17,961,014	18,418,856	1.38x	6.5%	7.0%	(0.6%)
2005	Bridgepoint Europe III	12/6/2005	15,622,773	14,480,947	8,494,493	7,923,471	1.13x	1.9%	5.5%	(3.5%)
2005	JP Morgan Fleming (Tranche A)	12/21/2005	40,000,000	38,410,580	27,521,513	25,670,254	1.38x	7.3%	10.3%	(3.1%)
2006	Aisling Capital II, LP	1/12/2006	2,500,000	2,930,445	1,813,862	1,188,773	1.02x	0.5%	7.3%	(6.8%)
2006	InterMedia Partners VII, L.P.	1/20/2006	12,500,000	14,485,101	8,937,074	12,364,251	1.47x	6.0%	9.8%	(3.8%)
2006	Falconhead Capital Partners II, L.P.	1/24/2006	15,000,000	16,709,927	13,797,972	5,469,220	1.15x	3.2%	8.4%	(5.2%)
2006	Terra Firma Capital Partners III, L.P.	3/8/2006	15,527,380	15,656,769	1,117,085	6,902,675	0.51x	(11.0%)	7.9%	(18.9%)
2006	Fenway Partners Capital Fund III, L.P.	3/29/2006	15,000,000	16,976,091	12,860,435	6,008,606	1.11x	2.3%	7.0%	(4.7%)
2006	Blackstone Capital Partners V, L.P.	4/13/2006	42,235,747	44,647,279	51,165,444	20,056,006	1.60x	8.1%	8.2%	(0.1%)
2006	Avista Capital Partners, L.P.	4/27/2006	20,000,000	26,114,594	22,392,701	10,695,412	1.27x	5.4%	5.9%	(0.6%)
2006	GSC Recovery III, L.P.	5/4/2006	5,000,000	5,625,136	5,918,491	567,846	1.15x	3.8%	6.5%	(2.7%)
2006	Apollo Investment Fund VI, L.P.	5/10/2006	45,000,000	57,919,123	72,616,368	15,616,227	1.52x	9.5%	7.4%	2.2%
2006	Landmark Equity Partners XII, L.P.	5/11/2006	10,000,000	9,566,089	8,692,462	3,767,458	1.30x	6.0%	6.0%	(0.0%)
2006	Ares Corporate Opportunities Fund II, L.P.	5/23/2006	15,000,000	16,433,336	24,822,637	2,807,108	1.68x	13.5%	3.9%	9.6%
2006	Atlantic Equity Partners IV, L.P.	7/12/2006	25,124,928	21,894,132	-	14,248,852	0.65x	(6.9%)	13.5%	(20.4%)
2006	CCMP Capital Investors II, L.P.	8/17/2006	20,000,000	21,957,057	24,169,341	11,032,288	1.60x	13.0%	10.2%	2.8%
2006	Capital Partners Private Equity Income Fund, L.P.	8/23/2006	15,000,000	14,382,706	20,747,826	9,746,407	2.12x	20.8%	11.2%	9.7%
2006	CLP 2014 (fka Perseus Partners VII)	8/31/2006	15,000,000	17,507,724	5,036,060	444,461	0.31x	(32.6%)	12.9%	(45.6%)
2006	NB Co-Investment Partners LP	9/28/2006	60,000,000	60,308,329	68,895,149	18,677,473	1.45x	8.9%	5.7%	3.2%
2006	Euro Choice III L.P.	11/21/2006	26,722,794	25,966,018	17,392,118	11,920,770	1.13x	2.7%	12.0%	(9.3%)
2006	Thomas, McInerney & Partners II, L.P.	11/30/2006	10,000,000	9,707,667	16,146,663	4,876,157	2.17x	16.8%	11.3%	5.5%
2006	Catterton Partners VI, L.P.	12/14/2006	20,000,000	22,080,691	27,154,437	14,536,215	1.89x	13.4%	8.3%	5.1%
2006	First Reserve Fund XI, L.P.	12/14/2006	20,000,000	21,253,053	12,260,947	2,425,920	0.69x	(9.3%)	5.6%	(14.9%)
2006	Permira IV, L.P.	12/14/2006	16,153,098	17,056,520	17,798,173	6,959,345	1.45x	7.9%	9.1%	(1.2%)
2006	Arsenal Capital Partners II, LP	12/19/2006	10,000,000	11,951,344	11,250,628	7,454,753	1.57x	10.0%	11.6%	(1.6%)
2006	RRE Ventures IV, L.P.	12/19/2006	15,000,000	18,378,972	8,555,814	20,412,853	1.58x	9.1%	10.4%	(1.4%)
2006	Collier International Partners V, L.P.	12/21/2006	10,000,000	8,607,475	9,202,829	3,261,934	1.45x	9.3%	10.5%	(1.3%)
2006	MidOcean Partners III, L.P.	12/21/2006	40,000,000	44,747,170	34,253,139	30,633,787	1.45x	8.4%	9.1%	(0.6%)
2006	GF Capital Private Equity Fund, L.P.	12/22/2006	10,000,000	10,437,343	8,793,694	9,510,359	1.75x	14.7%	11.7%	2.9%
2006	The Fourth Civen Fund	1/22/2007	13,936,470	14,129,082	14,718,528	4,860,023	1.39x	6.8%	7.6%	(0.8%)
2007	Pegasus Partners IV, L.P.	1/29/2007	15,000,000	17,439,311	7,938,539	9,468,221	1.00x	(0.0%)	10.8%	(10.9%)
2007	Olympus Capital Asia III, L.P.	1/31/2007	20,000,000	22,720,567	8,142,661	19,425,807	1.21x	5.7%	11.1%	(5.5%)
2007	FTVentures III, LP	3/1/2007	7,500,000	7,635,000	9,104,509	6,994,378	2.11x	16.8%	9.9%	6.9%
2007	Highland Consumer Fund I LP	3/16/2007	10,000,000	9,716,060	2,943,522	4,676,440	0.78x	(4.3%)	10.0%	(14.3%)
2007	Montreux Equity Partners IV, L.P.	3/27/2007	10,000,000	10,000,000	3,421,889	9,764,016	1.32x	6.1%	9.9%	(3.8%)
2007	Gleacher Mezzanine Fund II, L.P.	3/30/2007	10,000,000	9,190,269	11,089,819	721,132	1.29x	9.7%	11.7%	(2.0%)
2007	Quaker BioVentures II, L.P.	3/30/2007	15,000,000	13,244,055	8,106,660	9,929,988	1.36x	8.2%	12.3%	(4.1%)

**New York City Police Pension Fund, Subchapter 2**  
**Private Equity Portfolio**  
**As of December 31, 2015 (in USD)**

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR <sup>1</sup>	PME Benchmark <sup>2</sup>	PME Spread <sup>3</sup>
2007	SCP Vitalife Partners II Fund	4/13/2007	15,000,000	15,074,774	1,184	10,973,772	0.73x	(6.6%)	10.1%	(16.7%)
2007	Comvest Investment Partners III, L.P.	5/15/2007	15,000,000	19,009,285	11,293,544	9,193,402	1.08x	2.4%	10.7%	(8.4%)
2007	Constellation Venture Capital III, L.P.	5/22/2007	15,000,000	16,296,009	3,405,627	9,392,115	0.79x	(5.2%)	16.3%	(21.5%)
2007	United States Power Fund III, L.P.	6/28/2007	15,000,000	16,547,716	7,298,105	14,490,854	1.32x	6.0%	8.0%	(2.1%)
2007	Carlyle Partners V, L.P.	7/6/2007	50,000,000	50,735,283	53,070,470	29,697,706	1.63x	13.4%	10.6%	2.8%
2007	PCG Clean Energy & Technology Fund (East), LLC	7/6/2007	40,000,000	35,280,037	4,153,638	18,164,911	0.63x	(9.0%)	13.1%	(22.1%)
2007	GSO Capital Opportunities Fund LP	7/16/2007	17,500,000	26,120,546	35,457,606	2,394,777	1.45x	18.0%	10.2%	7.8%
2007	New Mountain Partners III, L.P.	8/9/2007	35,000,000	34,371,738	22,024,930	31,883,693	1.57x	11.4%	12.4%	(1.0%)
2007	Vista Equity Partners Fund III, L.P.	10/3/2007	20,000,000	21,240,126	45,207,593	9,084,992	2.56x	28.6%	9.9%	18.7%
2007	Trilantic Capital Partners IV L.P.	10/22/2007	45,856,523	46,015,479	56,460,059	15,082,221	1.55x	14.0%	10.8%	3.2%
2007	Pine Brook Capital Partners, L.P.	1/11/2008	15,000,000	15,145,365	8,917,908	8,674,070	1.16x	5.2%	10.9%	(5.7%)
2008	Paladin III (NY City), L.P.	1/8/2008	30,000,000	33,715,844	17,391,950	27,837,059	1.34x	8.4%	11.3%	(2.9%)
2008	Relativity Fund, L.P.	1/17/2008	8,158,371	8,080,212	1,726,554	2,713,539	0.55x	(11.1%)	10.3%	(21.4%)
2008	Apollo Investment Fund VII, L.P.	1/28/2008	50,000,000	59,013,843	87,521,960	15,723,580	1.75x	24.8%	13.4%	11.3%
2008	NGN BioMed Opportunity II, L.P.	2/11/2008	10,000,000	9,325,911	1,973,105	4,823,974	0.73x	(7.4%)	15.9%	(23.3%)
2008	Carpenter Community BancFund-A, L.P.	2/12/2008	15,000,000	14,639,741	8,743,840	13,557,369	1.52x	8.1%	15.2%	(7.1%)
2008	Riverstone/Carlyle Global Energy & Power Fund IV, L.P.	3/3/2008	15,000,000	16,003,700	11,260,230	7,367,712	1.16x	5.3%	13.7%	(8.5%)
2008	Yucaipa American Alliance Fund II, LP	3/28/2008	50,000,000	67,549,907	40,355,278	53,221,738	1.39x	9.4%	12.0%	(2.7%)
2008	Milestone Partners III, L.P.	4/7/2008	15,000,000	15,886,192	7,283,360	8,204,112	0.97x	(0.6%)	12.4%	(13.0%)
2008	Levine Leichtman Capital Partners IV, L.P.	4/8/2008	10,000,000	10,009,096	11,683,152	5,671,166	1.73x	20.8%	14.5%	6.3%
2008	Lee Equity Partners Fund, L.P.	4/23/2008	20,000,000	23,538,841	18,188,362	13,741,904	1.36x	9.7%	13.7%	(4.0%)
2008	Coral's 2007 Institutional Momentum Fund, L.P.	5/13/2008	10,000,000	9,492,863	2,951,671	2,299,885	0.55x	(9.9%)	10.3%	(20.2%)
2008	Yucaipa Corporate Initiatives Fund II, LP	6/23/2008	14,030,930	13,614,240	3,899,519	8,034,058	0.88x	(3.1%)	10.7%	(13.8%)
2008	CVC European Equity Partners V, L.P.	7/21/2008	34,282,630	35,770,590	33,358,065	16,105,174	1.48x	10.9%	12.5%	(1.6%)
2008	GI Partners Fund III L.P.	7/29/2008	17,500,000	18,679,346	18,875,924	8,574,713	1.37x	13.3%	15.4%	(2.1%)
2008	Ares Corporate Opportunities Fund III, L.P.	7/30/2008	25,000,000	29,442,194	26,282,513	24,594,208	1.73x	20.9%	11.9%	9.0%
2008	GCM Grosvenor NYCPFF Emerging Manager Co-Investment Fund, L.P.	8/22/2008	4,457,094	5,168,385	6,882,039	1,926,833	1.70x	13.3%	11.6%	1.8%
2008	GCM Grosvenor NYCPFF Emerging Manager Fund, L.P.	8/22/2008	59,909,091	62,320,314	35,032,785	45,841,659	1.30x	10.8%	13.4%	(2.7%)
2008	First Reserve Fund XII, L.P.	8/25/2008	20,000,000	21,043,397	9,396,190	6,433,351	0.75x	(8.1%)	16.8%	(24.8%)
2008	Landmark Equity Partners XIV, L.P.	9/19/2008	27,250,000	25,158,940	19,765,679	14,074,307	1.35x	13.6%	14.5%	(0.9%)
2008	Crestview Partners II, L.P.	10/1/2008	22,500,000	24,270,498	18,001,548	17,203,530	1.45x	12.7%	14.9%	(2.2%)
2008	NB New York City Growth Fund IA	10/17/2008	4,835,960	4,835,960	1,670,495	1,549,781	0.67x	(7.0%)	16.9%	(23.9%)
2008	Euro Choice IV L.P.	10/22/2008	19,322,339	16,544,188	3,284,978	16,308,508	1.18x	5.4%	13.5%	(8.1%)
2008	Avista Capital Partners II, L.P.	11/5/2008	35,000,000	42,047,175	44,826,739	33,187,139	1.86x	18.8%	14.6%	4.2%
2008	Blue Wolf Capital Fund II, L.P.	11/14/2008	15,000,000	16,300,742	5,988,120	12,912,601	1.16x	5.3%	16.6%	(11.3%)
2008	Bridgepoint Europe IV	11/14/2008	13,346,154	12,227,092	9,251,038	8,187,048	1.43x	10.5%	15.4%	(4.9%)
2008	Aising Capital III, LP	11/20/2008	7,000,000	7,304,896	6,626,007	5,283,268	1.63x	22.9%	14.6%	8.3%
2008	Onex Partners III LP	12/10/2008	15,000,000	16,181,381	9,583,473	14,381,723	1.48x	13.3%	15.3%	(2.0%)
2009	NorthBound Emerging Manager Custom Fund LP	1/29/2009	20,000,000	16,212,592	11,523,170	14,504,480	1.61x	15.9%	14.6%	1.3%
2009	Welsh, Carson, Anderson & Stowe XI, L.P.	2/10/2009	22,500,000	21,696,118	17,205,158	15,992,455	1.53x	14.2%	14.6%	(0.5%)
2009	Scale Venture Partners III, LP	5/1/2009	10,000,000	9,787,455	9,759,166	12,370,864	2.26x	24.8%	13.5%	11.3%
2009	FS Equity Partners VI, L.P.	7/27/2009	20,000,000	18,980,954	14,924,551	19,210,566	1.80x	18.9%	15.5%	3.4%
2009	Lincolnshire Equity Fund IV, L.P.	8/5/2009	7,500,000	7,322,068	2,628,781	6,333,930	1.22x	8.1%	13.5%	(5.4%)
2009	Lexington Capital Partners VII, L.P.	12/3/2009	20,000,000	16,455,199	13,667,799	10,856,079	1.49x	16.1%	14.5%	1.7%
2010	Snow Phipps II, L.P.	1/8/2010	17,500,000	15,680,357	7,906,331	15,164,603	1.47x	17.6%	13.0%	4.6%
2010	Trident V, L.P.	4/29/2010	40,000,000	41,832,166	8,526,995	43,317,415	1.24x	8.4%	11.7%	(3.2%)
2010	Comvest Investment Partners IV, L.P.	10/21/2010	45,000,000	40,656,402	35,959,008	35,099,392	1.75x	36.8%	14.1%	22.7%
2011	Blackstone Capital Partners VI, L.P.	1/24/2011	35,000,000	30,447,634	5,328,643	31,623,962	1.21x	11.7%	11.5%	0.2%
2011	Ampersand 2011	3/11/2011	12,500,000	12,062,500	705,463	19,887,657	1.71x	17.8%	12.5%	5.3%
2011	BDCM Opportunity Fund III, L.P.	4/8/2011	20,000,000	25,387,645	9,212,561	20,736,651	1.18x	9.9%	11.7%	(1.9%)
2011	AXA Secondary Fund V B L.P.	6/16/2011	80,000,000	62,348,327	35,965,888	58,244,319	1.51x	18.9%	14.9%	4.0%
2011	Wellspring Capital Partners V, L.P.	7/1/2011	22,500,000	18,833,148	2,660,035	22,009,135	1.31x	15.0%	11.4%	3.6%
2011	EQT VI, L.P.	8/1/2011	48,386,021	40,658,187	1,188,396	43,856,438	1.11x	4.6%	11.3%	(6.6%)
2011	Pegasus Partners V, L.P.	8/16/2011	14,552,940	10,826,153	2,590,619	12,374,611	1.38x	12.5%	15.1%	(2.6%)
2011	BC European Capital IX	9/19/2011	65,709,841	53,866,379	17,455,958	44,158,133	1.14x	6.6%	13.4%	(6.8%)
2011	American Securities Partners VI, L.P.	11/18/2011	50,000,000	46,187,309	14,757,271	49,532,431	1.39x	20.0%	11.4%	8.6%
2011	Vista Equity Partners Fund IV, L.P.	11/30/2011	70,000,000	64,829,798	28,184,807	84,594,887	1.74x	24.0%	12.8%	11.3%
2012	Warburg Pincus Private Equity XI, L.P.	5/24/2012	80,000,000	72,515,264	12,810,880	76,807,283	1.24x	15.1%	10.6%	4.5%
2012	Summit Partners Growth Equity Fund VIII-A, L.P.	6/14/2012	75,000,000	60,936,514	15,343,105	61,860,153	1.27x	17.5%	8.8%	8.8%
2012	NYCPFF - 2012 Emerging Manager Program <sup>4</sup>	6/21/2012	50,000,000	24,645,642	1,585,373	25,294,972	1.09x	8.7%	5.1%	3.6%
2012	Trilantic Capital Partners V L.P.	9/20/2012	50,000,000	22,620,592	302,973	20,450,885	0.92x	(6.0%)	8.6%	(14.6%)
2012	Palladium Equity Partners IV, L.P.	10/10/2012	35,000,000	15,702,220	1,321,019	15,529,127	1.07x	4.5%	12.5%	(8.1%)
2012	Ares Corporate Opportunities Fund IV, L.P.	11/5/2012	50,000,000	37,369,314	3,483,118	38,442,164	1.12x	8.7%	7.1%	1.6%
2012	Green Equity Investors VI, L.P.	11/30/2012	55,000,000	36,175,875	1,695,448	41,718,186	1.20x	12.3%	8.8%	3.5%
2012	Platinum Equity Capital Partners III, L.P.	1/14/2013	50,000,000	25,319,018	17,733,182	22,586,241	1.59x	48.0%	11.6%	36.5%
2012	Neuberger Berman Strategic Co-Investment II LP	3/20/2013	60,000,000	48,550,346	18,801,423	47,368,069	1.36x	24.0%	8.4%	15.6%
2013	Carlyle Partners VI, L.P.	7/3/2013	60,000,000	27,753,924	998,674	26,376,079	0.99x	(1.3%)	5.5%	(6.7%)
2014	Carlyle Partners VI, L.P. (Side Car)	9/23/2014	3,654,000	3,659,673	-	3,547,704	0.97x	NM	NM	N/A
2013	Landmark Equity Partners XV, L.P.	10/30/2013	67,000,000	21,917,401	6,187,600	19,070,865	1.15x	12.9%	7.5%	5.4%
2013	Landmark - NYC Fund I, L.P.	12/24/2013	23,000,000	9,643,998	1,670,213	9,768,101	1.19x	15.6%	2.6%	13.0%
2013	Apollo Investment Fund VIII, L.P.	12/11/2013	100,000,000	30,114,055	635,592	28,658,608	0.97x	(3.5%)	1.8%	(5.3%)
2013	CVC Capital Partners VI, L.P.	2/18/2014	58,479,562	32,593,091	592,149	28,647,800	0.90x	NM	NM	N/A
2013	Crestview Partners III, L.P.	3/3/2015	45,000,000	10,303,737	170,137	10,008,759	0.99x	NM	NM	N/A
2013	Crestview Partners III (Co-Investment B), L.P.	12/17/2015	15,000,000	5,028,324	210,699	4,997,081	1.04x	NM	NM	N/A

New York City Police Pension Fund, Subchapter 2  
Private Equity Portfolio  
As of December 31, 2015 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR <sup>1</sup>	PME Benchmark <sup>2</sup>	PME Spread <sup>3</sup>
2014	Olympus Growth Fund VI, L.P.	1/21/2014	35,000,000	7,261,778	2,699,285	6,252,787	1.23x	NM	NM	N/A
2014	ASF VI B L.P.	5/9/2014	60,000,000	23,408,629	770,805	27,965,296	1.23x	NM	NM	N/A
2014	ASF VI B NYC Co-Invest L.P.	5/9/2014	20,000,000	11,680,652	1,692,000	12,576,808	1.22x	NM	NM	N/A
2014	Vista Equity Partners Fund V, L.P.	9/8/2014	85,000,000	57,343,347	6,627	65,334,567	1.14x	NM	NM	N/A
2014	Lexington Capital Partners VIII, L.P.	1/8/2015	80,000,000	10,481,171	1,749,933	13,140,520	1.42x	NM	NM	N/A
2014	Centerbridge Capital Partners III, L.P.	5/21/2015	11,100,000	2,450,178	-	2,624,783	1.07x	NM	NM	N/A
2015	Siris Partners III, L.P.	5/4/2015	15,000,000	2,404,547	-	2,214,198	0.92x	NM	NM	N/A
2015	Welsh, Carson, Anderson & Stowe XII, L.P.	8/26/2015	37,000,000	7,763,726	-	7,078,869	0.91x	NM	NM	N/A
2015	Warburg Pincus Private Equity XII, L.P.	12/21/2015	97,000,000	1,495,262	-	1,326,182	0.89x	NM	NM	N/A
2015	ASF VII B L.P.	12/29/2015	44,500,000	2,561,302	-	2,345,104	0.92x	NM	NM	N/A
2015	ASF VII B NYC Co-Invest L.P.	12/29/2015	22,000,000	2,200	-	2,200	1.00x	NM	NM	N/A
2015	EQT VII, L.P.	1/8/2016	73,309,725	-	-	-	-	N/A	N/A	N/A
2015	American Securities Partners VII, L.P.	1/19/2016	37,000,000	-	-	-	-	N/A	N/A	N/A
2015	Bridgepoint Europe V L.P.	2/8/2016	28,237,820	-	-	26,115	-	NM	NM	N/A
2015	Bridgepoint Europe V Co-Invest	N/A	7,602,490	-	-	-	-	N/A	N/A	N/A
2015	NYCPFF - 2015 Emerging Manager Program <sup>5</sup>	2/22/2016	60,000,000	-	-	-	-	N/A	N/A	N/A
2016	Ares Corporate Opportunities Fund V, L.P.	N/A	44,000,000	-	-	-	-	N/A	N/A	N/A
<b>Total Portfolio<sup>6</sup></b>			<b>\$ 4,801,720,134</b>	<b>\$ 3,904,738,191</b>	<b>\$ 3,081,260,527</b>	<b>\$ 2,301,924,232</b>	<b>1.38x</b>	<b>10.2%</b>	<b>9.3%</b>	<b>0.9%</b>

<sup>1</sup> Performance for funds with less than eight (8) quarters of activity is not meaningful.

<sup>2</sup> Russell 3000 PME+

<sup>3</sup> PME Spread is calculated as IRR minus PME Benchmark.

<sup>4</sup> NYCPFF - 2012 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$47.0 million has been committed as of May 31, 2016.

<sup>5</sup> NYCPFF - 2015 Emerging Manager Program total commitment amount includes the full amount allocated to the Program, of which \$8.5 million has been committed as of May 31, 2016.

<sup>6</sup> Total Portfolio includes liquidated investments.

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

New York City Police Pension Fund, Subchapter 2  
Subsequent Commitments  
As of December 31, 2015 (in USD)

Vintage Year	Investment	First Drawdown	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Multiple	IRR <sup>1</sup>	PME Benchmark <sup>2</sup>	PME Spread <sup>3</sup>
<b>Commitments Closed Subsequent to as of Date</b>										
2016	Stellex Capital Partners LP	2/22/2016	\$ 8,500,000	-	-	-	N/A	N/A	N/A	N/A
2016	Green Equity Investors VII, L.P.	N/A	44,000,000	-	-	-	N/A	N/A	N/A	N/A
<b>Total Commitments Closed Subsequent to as of Date</b>			<b>\$ 52,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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



- Real Assets Quarterly Report:

# The New York City Police Pension Fund

## Executive Summary: Fourth Quarter 2015 Performance Measurement Report

### Real Estate

#### Portfolio Profile

The New York City Police Pension Fund has allocated 6.0% (+/- 2%) of the total plan to Real Assets. Real Estate investments are categorized under Real Assets. The Real Estate Portfolio's objective is to generate a total net return that exceeds the NFI-ODCE+100 bps total net return measured over full market cycles.

#### Portfolio Statistics (December 31, 2015)

Total Plan Assets	\$32.4 billion
Target Real Assets Allocation (%)	6%
Target Real Assets Allocation (\$)	\$1.9 billion
Total Real Estate Market Value	\$1.5 billion
Real Estate Unfunded Commitments	\$531.6 million
Total Real Estate Exposure	\$2.0 billion
Number of Investments	58
Number of Managers	39

#### Net Returns (as of December 31, 2015)

4Q15 Time-Weighted Net Return:	3.5%
1 Year Time Weighted Net Return:	14.1%
3 Year Time Weighted Net Return:	15.4%
Inception-to-Date (ITD) Time-Weighted:	7.0%
ITD Net IRR:	8.1%
ITD Net Equity Multiple:	1.3x

#### Investment Guidelines

Style Sector:	Target •40-60% Core/Core Plus •40-60% Non-Core
Benchmark	NFI-ODCE Index +100 bps net over full market cycles
Region Diversification	Maximum 25% Int'l
Investment Diversification	Limit 15% to a single investment
Manager Diversification	Limit 15% to a single manager
Leverage	65%

#### Fourth Quarter Investment Activity

During the Quarter, the Board made a \$31.9 million commitment to an European opportunistic closed-end fund.

#### OVERVIEW

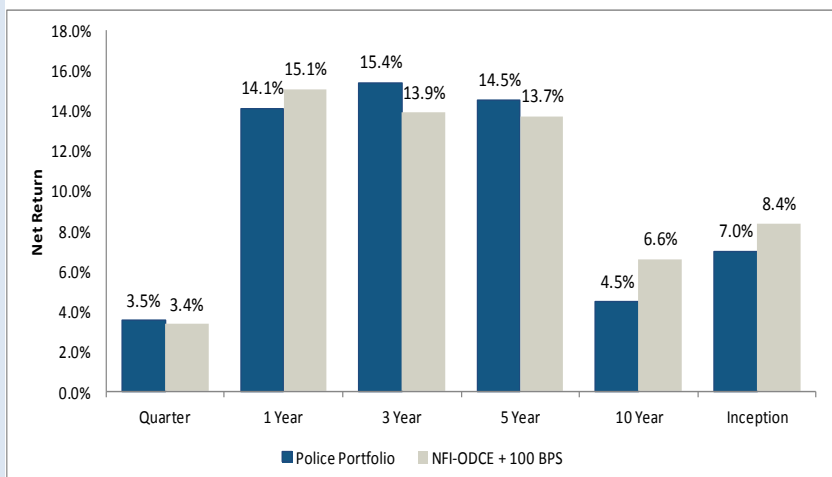
Real Estate transactional volume declined by -0.9% for year-end 2015 in comparison to year-end 2014. In 2015, New York City, which saw a record \$53.4 billion in transaction volume – a 20% year-over-year growth rate – and replaced London as the top target market for global real estate investment. Secondary U.S. markets such as Seattle and Atlanta also benefited from increased investment interest with U.S. cities making up 10 out of the top 20 commercial real estate investment targets. Commercial real estate transactional volume in Europe was at €80.8 billion. There was a decline in foreign investment capital especially from the U.S. The largest investment markets in Europe were London, Berlin and Paris. Real estate investment picked up in the Asia Pacific region in the Fourth Quarter by 49% year-over-year.

Direct Commercial Real Estate Investment - Regional Volumes, 2014-2015

\$ US Billions	Q2 15	Q3 15	Q4 15	% Change		% Change		YTD 2014	YTD 2015	% Change YTD 2014 - YTD 2015
				Q3 15 - Q4 15	Q5 14	Q4 14 - Q4 15	Q4 14 - Q4 15			
Americas		76	85	12%	94	-10%		302	314	4%
EMEA		65	89	37%	91	-2%		278	267	-4%
Asia Pacific		32	36	13%	44	-18%		131	124	-5%
Total		173	210	2%	229	-8%		711	705	-1%

Source: Jones Lang LaSalle, February 2016

The New York City Police Pension Fund ("Police") Real Estate Portfolio is, and has been, well positioned to take advantage of conditions in the real estate market place. Post economic downturn, in the period reflected in the rolling five-year returns, Police performance exceeds the benchmark by 82 basis points. At the end of the Fourth Quarter 2015, the Portfolio achieved a total gross return of 4.3% which was comprised of 1.6% in income and 2.7% in appreciation. The net return for the Quarter was 3.5%. The Portfolio exceeds the benchmark over the Quarter, three-year and five-year time periods. A detailed analysis of the Portfolio's real estate performance is found later in this Executive Summary.



#### FUNDING AND COMPOSITION

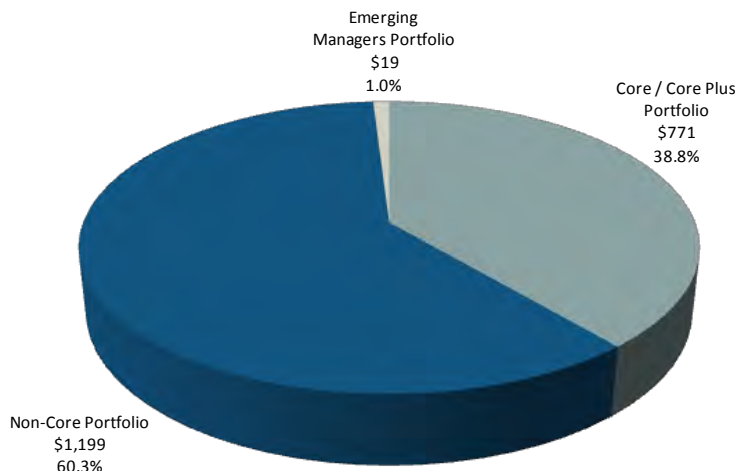
At the end of the Fourth Quarter, the Portfolio was funded at \$1.4 billion, or 4.5% of total plan assets. A total of \$531.6 million in unfunded commitments are still outstanding. Unfunded commitments are up from \$520.9 million as of third quarter 2015. New commitment activity has accelerated over the past several months and the trend will continue throughout 2016.

New contributions for the Quarter totaled \$96.3 million, offset by approximately \$61.3 million in distributions and withdrawals. Distributions were weighted to the non-core sector.

Shown in the pie chart to the right is the current risk sector exposure calculated by Market Value + Unfunded Commitments. The Core/ Core Plus component accounts for 38.8% of the Portfolio exposure during the Quarter. The Non-Core component accounts for 60.3% of the Portfolio exposure. The Emerging Manager component accounts for 1.0% of the Portfolio exposure.

A more detailed break-down of the Portfolio Composition is shown in the table below. Attached as Exhibit A is a matrix which demonstrates compliance with various Investment Policy Statement guidelines.

#### Real Estate Exposure



New York City Police Pension Fund		
Total Plan Assets	12/31/2015	32,447
Real Assets Allocation (%)		6.0
Real Assets Allocation (\$)		1,947
Style Sector Statistics		
Funded (Market Value) Core / Core Plus Portfolio		\$635
Funded (Market Value) Non-Core Portfolio		\$808
Funded (Market Value) Emerging Managers Portfolio		\$15
Unfunded Core / Core Plus Portfolio		\$136
Unfunded Non-Core Portfolio		\$391
Unfunded Emerging Managers Portfolio		\$5
Funded (Market Value) and Committed Statistics		
Core / Core Plus Portfolio		38.8%
Non-Core Portfolio		60.3%
Emerging Managers Portfolio		1.0%
\$ Committed		1,990
% Committed on Real Asset Allocation		102.2%
% Committed on Total Plan Assets		6.1%
Funded (Market Value) Statistics		
% Funded (Market Value) of Total Plan Assets		4.5%
% Funded (Market Value) of Total Real Assets Allocation		74.9%

## PERFORMANCE

During the Quarter under review, the Police Real Estate Portfolio produced a 4.3% total gross return. The total net return for the Quarter was 3.5%. On a rolling one-year basis the total gross return of 17.2% was recorded. On a net basis the total return was 14.1%. On a gross basis the Police Portfolio exceeds the NFI-ODCE in all relevant time periods. The benchmark return contemplates a 100 bps premium over the ODCE net return over full market cycles (10-year). This benchmark is exceeded over all relevant time periods with the exception of the one-year, 10-year and since inception time periods. The various components of the Portfolio returns are depicted in the chart below.

### Core/Core Plus

As of December 31, 2015 the market value of the Core/ Core Plus Portfolio was \$635 million, or 43.6% on an invested basis. On a funded and committed basis, the Core/ Core Plus Portfolio totaled \$771 million, or 38.8% of the total Portfolio. The Core/ Core plus Portfolio generated a 4.2% total gross return for the Quarter comprised of 0.9% in income and 3.3% in appreciation. The total net return for the Quarter was 3.9%.

The most significant contribution to the Quarterly return in this sector was Almanac Realty Securities VI, adding 0.42% to the total net return. The largest detractor from the Core/Core Plus Portfolio was Colony Realty Partners II, which detracted (0.42%) from the total net return.

The Core/Core Plus Portfolio achieved a 13.2% net return over the three-year period ending December 31, 2015. Of the 18 Core/Core Plus Funds, PRISA II was the largest contributor, adding 0.28% to the overall performance of the Portfolio. UBS Trumbull Property Fund was the largest detractor, taking away (0.57%) from the overall performance of the Core/Core Plus Portfolio.

### Non-Core

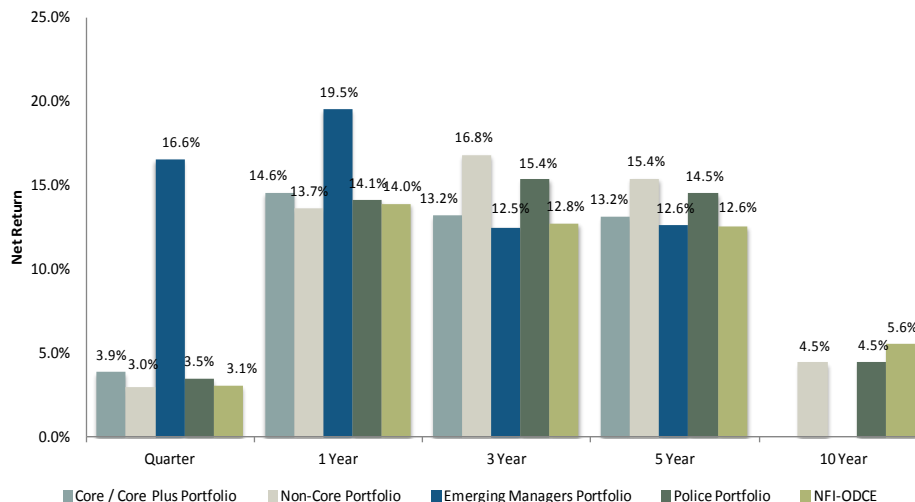
As of December 31, 2015 the market value of the Non-Core Portfolio was \$808 million, or 55.4% on an invested basis. On a funded and committed basis, the Non-Core Portfolio totaled \$1.2 billion, or 60.3% of the total Portfolio. The Non-Core Portfolio generated a 4.1% total gross return for the Quarter comprised of 1.9% in income and 2.2% in appreciation. The total net return for the Quarter was 3.0%.

Of the 37 Funds contributing to the Quarterly return of the Non-Core Portfolio, Taconic New York City Investment Fund was the largest contributor, adding 0.52%. Blackstone Real Estate Partners Europe IV was the largest detractor for the Quarter, taking away (0.47%) from the overall performance of the Non-Core Portfolio.

The Non-Core Portfolio generated a three-year net return of 13.2%. Of the 37 non-core Funds contributing to the three-year performance of the Portfolio, Blackstone Real Estate Partners VII was the largest contributor, adding 0.69%. The largest detractor among these Funds was The City Investment Fund, which took away (0.84%) from overall Non-Core performance.

### Emerging Managers

As of December 31, 2015 the market value of the Emerging Managers Portfolio was \$14.7 million, or 1.0% on an invested basis. On a funded and committed basis, the Emerging Managers Portfolio totaled \$19.5 million, or 1.0% of the total Portfolio. The Emerging Managers Portfolio generated a 16.6% total gross return for the Quarter comprised of 12.6% in income and 4.0% in appreciation. The total net return for the Quarter was 16.6%. The Emerging Managers Portfolio has underperformed for a number of reasons including the fact that performance has been adversely impacted by virtue of the difficult vintage years these funds were invested in.



# The New York City Police Pension Fund

## Executive Summary: Fourth Quarter 2015 Performance Measurement Report

### Real Estate

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## PERFORMANCE

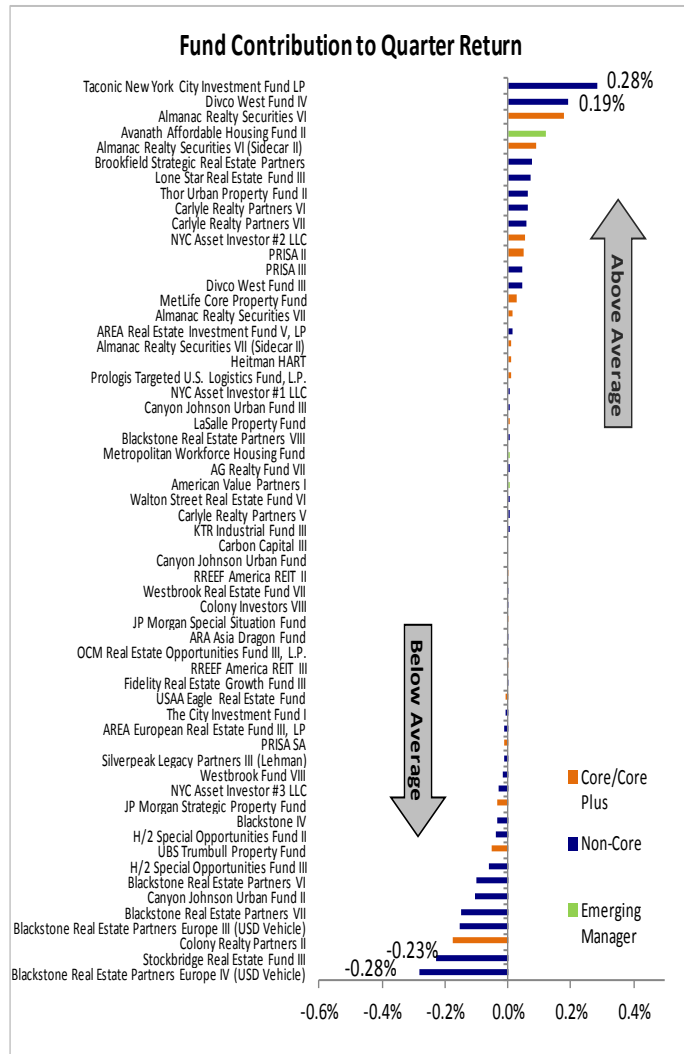
### Portfolio Performance

At the end of the Fourth Quarter 2015, the Portfolio had a cumulative market value of \$1.5 billion. Total market value plus unfunded commitments was \$2.0 billion, or 102.2% of the real asset allocation. During the Quarter, the Portfolio achieved a total gross return of 4.3% which was comprised of 1.6% in income and 2.7% in appreciation. The Portfolio achieved a total net return of 3.5%. Since inception, the Portfolio has a net IRR of 8.1% and an equity multiple of 1.3x. Note, attached as Exhibit B are performance metrics relating to each investment within the Portfolio.

The Quarterly return was driven by Taconic New York City Investment Fund, which contributed 0.28% to the overall performance. The primary laggards in the Portfolio were Stockbridge Real Estate Fund III and Blackstone Real Estate Partners Europe VI detracting (0.23%) and (0.28%), respectively. Brief reviews of Funds making positive contributions to performance during the Quarter are found below. Note, that attached as Exhibit C are charts relating to fund contributions to returns during different relevant periods.

**Taconic New York City Investment Fund LP (Taconic).** The Fund produced a total gross return of 32.8% comprised solely of income. The net return after fees was 23.7%. As of December 30, 2015, \$91.0 million (59% of total commitments) has been contributed to the Fund. \$45.0 million in distributions have been made since inception, and \$22 million of which had been made during the Quarter. During the Quarter, the tenant lease on the third floor of a class A office and retail building was finalized at a rent above pro forma. Fair value for the residential development condominium in Tribeca was valued at \$36.9 million. Fair value for an office and retail building in Manhattan was \$89.4 million as of December 31, 2015. Since inception, the Fund has produced a net IRR of 18.9% and 1.7x multiple.

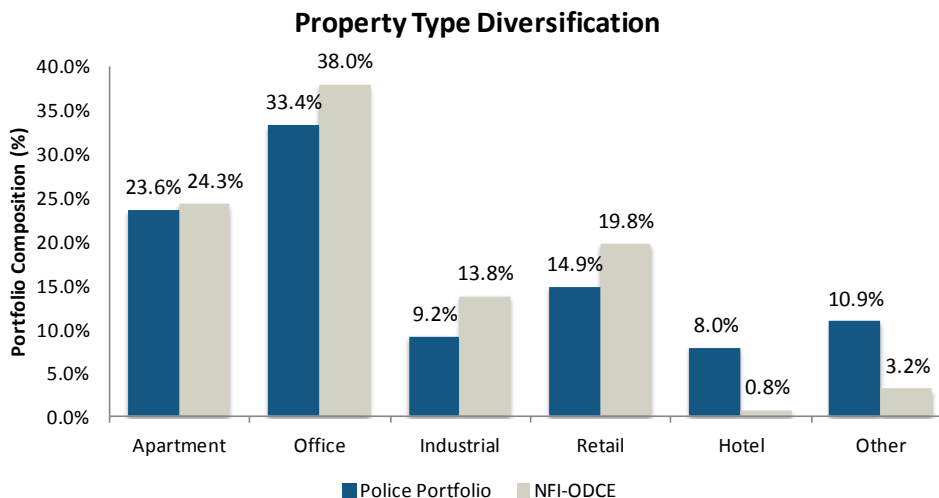
**DivcoWest Fund IV (DWF IV).** During the Quarter, the Fund recorded a total gross return of 8.9% comprised of 1.1% in income and 7.7% in appreciation. The net return after fees was 7.3%. As of December 31, 2015, the Fund has 17 unrealized investments with an acquisition cost of \$2.2 billion. An office building located in San Mateo, California was acquired for \$43.9 million. The property is 99.9% occupied. Rents are approximately 27% below achievable market rents for the area. The business plan is to renew tenants whose leases are due to expire with higher rental rates. In December 2015, Fund acquired a 50% interest in a 337,319 square foot office building located in San Jose, California for a purchase price of \$165.5 million. The Fund's investment in an office building located in London was sold in November 2015 for proceeds of \$371.1 million.



**Almanac Realty Securities VI (ARS VI).** The Fund produced a total gross return during the Quarter of 18.7%, comprised of 2.1% in income and 16.6% in appreciation. The net return after fees was 18.5%. For 2015 ARS VI earned \$11.9 million in net investment income while recording a \$53.2 million increase in unrealized appreciation. As of Fourth Quarter 2015, ARS VI has distributed \$88.0 million in income and returned \$193.4 million of invested capital. Since inception, ARS VI has committed \$593.3 million across six investments, two of which have been fully realized. The Fair Market Value of the Fund was \$348.3 million and \$140.0 million remains unfunded as of the end of the year. Net Fund performance as of December 31, 2015 was 18.2% IRR and 1.3x equity multiple.

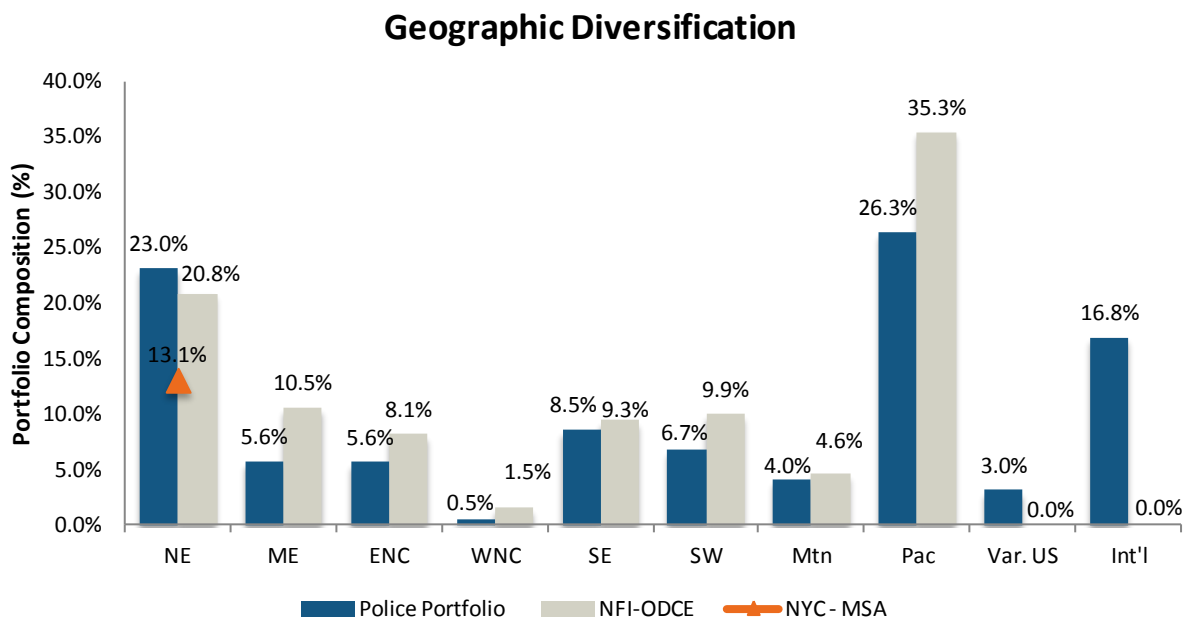
### PROPERTY TYPE DIVERSIFICATION

The diversification of the current Portfolio by property type is shown below and compared to the diversification of the NCREIF-ODCE at the end of the Quarter. Relative to the ODCE, the Portfolio is underweight to multifamily office, industrial and retail. The Portfolio is overweight to hotel and other property types which includes debt-related investments and can include other investments within diversified funds in for sale residential, self storage, land, data centers, senior living, healthcare, medical office and student housing.



### GEOGRAPHIC DIVERSIFICATION

The diversification of the current funded Portfolio by geographic region is shown below and compared to the diversification of the NFI-ODCE at the end of the Quarter. The ODCE is a US-only index. The domestic portion of the Portfolio is well diversified relative to the ODCE with a slight underweight to the Pacific region. The 16.8% international exposure is appropriate for the risk and return profile of Police and consistent with our long-term target. Exposure to the NYC MSA is also included, which stands at 13.1% as of December 31, 2015.



## MARKET UPDATE

### General

•4Q15 real GDP decelerated to a 1.4% annual rate, 40 bps above initial expectations, however 110 bps below 3Q15. Growth was stimulated by positive contributions from decelerating household consumption coupled with strong residential fixed investments and federal government spending. Growth was partially offset by lower private inventory investment, non-residential fixed investment, state and local government spending, as well as lower net export volume due to weak global demand. Real GDP increased by 2.4% over the twelve month period ending December 31, 2015.

•In 4Q15, consumer spending, which represents two-thirds of the GDP, grew at a decelerating pace of 2.4%, 20 bps above predictions. While deceleration was driven by high personal saving rates during the quarter (5%+), growth was mainly driven by a 3.8% rise in real consumption of durable goods resulting from a 0.8% rise in real disposable income due to the declining oil prices since 2H14. As jobs grew by 2.7 million over the year, 2014-2015 represented the strongest two-year period of job growth since 1999.

•In 2015, a decline in energy prices contributed 0.2% to GDP, through a 0.5% contribution to household consumption and a 0.3% detracting from business investment due to a steep decrease in oil drilling and exploration investments.

•During the year, real exports decreased by 0.8% due to lower global growth and a stronger U.S. dollar. The trade deficit of -0.5% partially offset the 4Q15 GDP growth of 30 bps.

•In 2015, CMBS issuance rose to \$172.1 billion, 5.6% above 2014; subsequent to quarter-end, new issue spreads on AAA- and BBB- widened by 30 bps and 240 bps, respectively. Given spreads and yields remain below prior corrections, investors expect spreads to continue widening.

### Commercial Real Estate

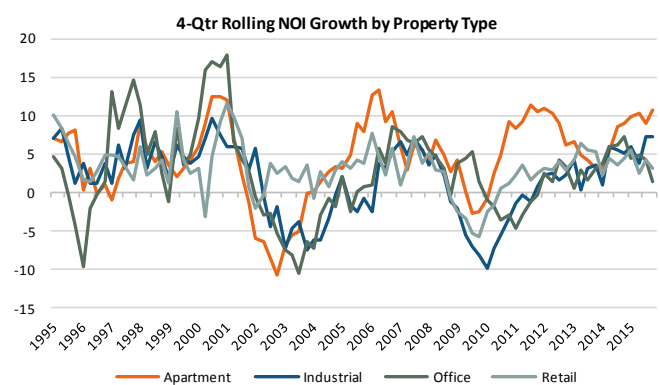
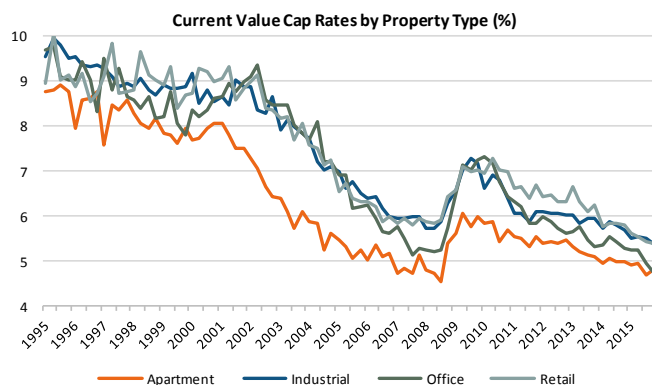
•Activity in the U.S. commercial real estate sector remained strong in 2015, with major cities leading the way. Over \$463 billion of annual transaction volume, or 65.9% of global activity, took place in New York, Los Angeles, and Chicago. During the year, transactions grew by 25.1% and current economic indicators suggest slower annual sales growth of 10% in 2016.

•In 2015, foreign capital represented 15.4% of total transaction activity, exceeding 2007 peak levels by 9.0%. Industrial outclassed office as the largest recipient of FDI, with foreign investors representing 40.5% of industrial buyers in 2015. In addition to office, foreign investors have shown growing interests in large-scale, well located, multimarket industrial portfolios and iconic hotel assets.

•In 2015, the office and multifamily sectors recorded the highest transaction volumes across property types in the U.S., each representing approximately 30% of total transaction activities.

•In 2015, transaction cap rates from all traditional property sectors declined by more than 10 bps, with retail recording the largest cap rate compression (-50 bps), with an average cap rate of 4.8%. Multifamily recorded the lowest primary cap rate (4.3%), with apartments trading only 20 bps above 2007 peak levels.

•With core property pricing surpassing peak levels after 2015, concerns have shifted from a fed tightening to a tightening in financial conditions, implying a tightening in lending standards by loan suppliers. Consequently, some investors reduced their 2016 projected C.R.E. price appreciation to 0%.



# The New York City Police Pension Fund

## Executive Summary: Fourth Quarter 2015 Performance Measurement Report Real Estate

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### EXHIBIT A: COMPLIANCE MATRIX

Category	Requirement	Portfolio Status
Benchmark	NFI-ODCE (net) +100 bps over full market cycles	<i>Portfolio returns outperform the benchmark over the Quarter, three and five year time periods.</i>
Portfolio Composition	Core/Core Plus (minimum of 40%)	<i>The portfolio is funded (market value) and committed at 102.2% of real asset allocation with a portfolio composition of 38.8% core, 60.3% non-core, and 1.0% emerging.</i>
	Non Core (minimum of 40%)	
	Non Core Emerging	
Real Asset Allocation	Target of 6.0%	<i>Funded (market value) and committed dollars place the portfolio at 6.1% of total plan assets.</i>
	Currently Funded at 4.5%	
Property Type Diversification	Up to 40% Multifamily Up to 35% Industrial Up to 45% Office Up to 35% Retail Up to 25% Hotel Up to 20% Other	<i>All property type locations are in compliance.</i>
Geographic Diversification	Diversified geographically Max 25% Ex-US	<i>All geographic type locations are in compliance</i>
LTV	65%	<i>Portfolio is in compliance (45.4 %).</i>
Manager Exposure	15% of real estate allocation	<i>Manager exposure is in compliance based on market value.</i>



# The New York City Police Pension Fund

## Executive Summary: Fourth Quarter 2015 Performance Measurement Report

### Real Estate

#### EXHIBIT B: FOURTH QUARTER 2015 FOIL



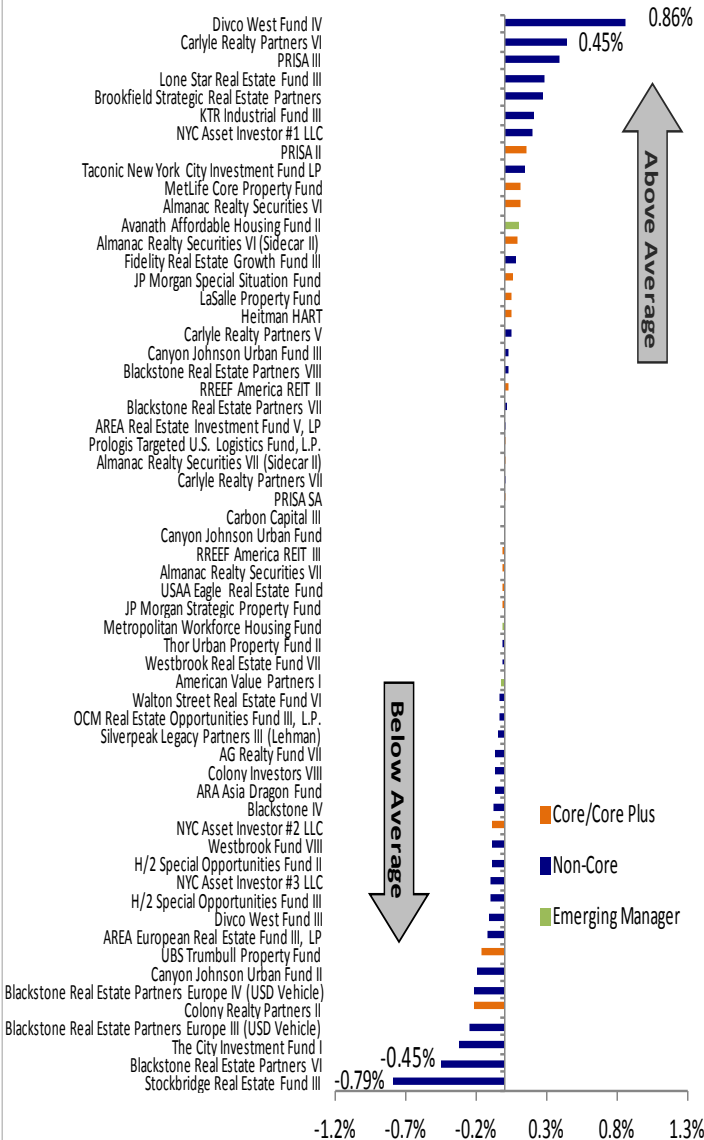
#### New York City Police Pension Fund

Vintage Year	Fund Name	First Draw Down	Capital Committed	Contributions	Distributions	Market Value	Equity Multiple	Net IRR
2012	Almanac Realty Securities VI	6/6/2012	50,000,000	30,163,679	-19,018,632	20,399,131	1.3	18.1
2012	Almanac Realty Securities VI (Sidecar II)	7/31/2012	15,000,000	4,790,600	-2,535,671	4,540,896	1.5	34.4
2015	Almanac Realty Securities VII	4/24/2015	50,000,000	11,009,512	0	11,587,855	1.1	12.9
2016	Almanac Realty Securities VII (Sidecar II)	12/9/2015	20,000,000	2,731,636	0	2,881,745	n/a	n/a
2007	Colony Realty Partners II	12/20/2006	20,000,000	21,420,211	-666,108	5,983,500	0.3	-13.8
2007	Heitman HART	3/29/2007	28,000,000	37,919,698	-9,919,698	49,476,403	1.6	8.1
2007	JP Morgan Special Situation Property Fund	1/2/2007	15,000,000	16,994,243	-4,012,898	18,094,030	1.3	3.5
2007	JP Morgan Strategic Property Fund	12/4/2006	56,000,000	60,480,516	0	102,792,888	1.7	8.6
2010	LaSalle Property Fund	7/1/2010	50,000,000	50,000,000	-8,889,495	66,395,457	1.5	12.9
2014	MetLife Core Property Fund	7/1/2014	40,000,000	40,000,000	-1,879,236	44,772,345	1.2	19.8
2013	NYC Asset Investor #2 LLC	7/9/2013	60,000,000	49,636,858	-7,503,558	49,784,241	1.2	13.9
2007	PRISA II	6/30/2007	60,278,867	63,592,782	-11,083,046	78,214,959	1.4	5.0
2006	PRISA SA	9/29/2006	21,000,000	22,503,943	-4,961,179	26,792,162	1.4	4.1
2006	Prologis Targeted U.S. Logistics Fund	10/1/2006	10,000,000	12,714,790	-2,831,536	11,897,951	1.2	2.0
2006	RREEF America REIT II	10/1/2006	21,000,000	27,724,347	-11,512,717	26,773,696	1.4	4.7
2007	RREEF America REIT III - 1410	10/1/2007	15,000,000	15,000,000	-7,707,424	954,158	0.6	-7.4
2006	UBS Trumbull Property Fund	9/28/2006	61,000,000	79,351,136	-14,653,232	97,716,126	1.4	7.3
2016	USAA Eagle Real Estate Fund	12/1/2015	40,000,000	15,869,149	0	15,966,789	1.0	7.7
<b>Core / Core Plus Portfolio</b>			<b>632,278,867</b>	<b>561,903,098</b>	<b>-107,174,429</b>	<b>635,024,333</b>	<b>1.3</b>	<b>5.8</b>
2008	AG Realty Fund VII	5/20/2008	25,000,000	23,500,000	-30,704,572	5,737,596	1.6	13.9
2008	ARA Asia Dragon Fund	7/9/2008	10,000,000	9,284,000	-11,441,344	483,578	1.3	7.2
2008	AREA European Real Estate Fund III, LP	5/6/2008	30,000,000	30,487,500	-29,905,000	6,405,886	1.2	4.6
2006	AREA Real Estate Investment Fund V, LP	6/15/2006	5,000,000	5,000,004	-1,853,705	2,889,398	0.9	-0.9
2004	Blackstone Fund IV	5/10/2004	15,000,000	19,220,353	-22,680,550	4,664,585	1.4	11.1
2010	Blackstone Real Estate Partners Europe III (USD V)	10/24/2008	35,000,000	35,679,167	-23,583,640	26,781,194	1.4	13.2
2014	Blackstone Real Estate Partners Europe IV (USD V)	12/23/2013	97,500,000	73,640,927	-7,131,467	70,697,762	1.1	6.1
2007	Blackstone Real Estate Partners VI	9/27/2007	40,000,000	44,242,629	-57,340,950	24,593,115	1.9	13.0
2012	Blackstone Real Estate Partners VII	3/31/2012	100,000,000	115,627,403	-64,609,547	106,946,323	1.5	24.1
2015	Blackstone Real Estate Partners VIII	8/18/2015	101,000,000	19,302,895	0	20,098,249	1.0	31.6
2012	Brookfield Strategic Real Estate Partners	9/20/2012	60,000,000	62,227,575	-14,948,335	66,490,519	1.3	18.2
2003	Canyon Johnson Urban Fund	12/6/2002	10,000,000	9,060,242	-10,582,954	0	1.2	10.2
2005	Canyon Johnson Urban Fund II	5/11/2005	20,000,000	17,977,405	-6,597,297	1,003,596	0.4	-11.4
2010	Canyon Johnson Urban Fund III	3/29/2010	15,000,000	14,793,490	-18,993,921	1,415,182	1.4	12.8
2009	Carbon Capital III	7/2/2009	15,000,000	16,408,936	-19,925,471	0	1.2	8.5
2007	Carlyle Realty Partners V	8/27/2007	20,000,000	24,960,219	-26,605,869	7,353,140	1.4	8.4
2011	Carlyle Realty Partners VI	9/14/2011	40,000,000	36,466,197	-35,976,682	23,671,095	1.6	29.7
2014	Carlyle Realty Partners VII	6/30/2014	60,000,000	18,582,937	-59,472	19,200,810	1.0	7.3
2007	Colony Investors VIII	9/18/2007	20,000,000	21,249,679	-5,553,393	4,500,380	0.5	-12.0
2012	Divco West Fund III	12/30/2011	70,000,000	68,667,971	-95,187,791	21,541,004	1.7	26.3
2014	Divco West Fund IV	1/15/2014	70,000,000	63,656,537	-19,721,323	65,487,562	1.3	28.1
2016	European Property Investors Special Opportunities	12/18/2015	32,413,099	1,637,143	0	1,630,016	1.0	-11.5
2008	Fidelity Real Estate Growth Fund III	5/19/2008	15,000,000	13,388,046	-15,236,597	2,607,223	1.3	7.8
2011	H/2 Special Opportunities Fund II	1/31/2011	25,000,000	25,000,000	-14,603,176	19,252,986	1.4	15.4
2015	H/2 Special Opportunities Fund III	12/29/2014	40,000,000	11,501,893	0	11,287,379	1.0	-3.4
2013	KTR Industrial Fund III	6/28/2013	30,000,000	13,109,606	-20,690,514	56,632	1.6	40.6
2014	Lone Star Real Estate Fund III	5/20/2014	75,000,000	64,164,450	-11,117,653	63,831,529	1.2	20.5
2013	NYC Asset Investor #1 LLC	6/25/2013	30,000,000	31,778,041	-3,377,378	36,556,983	1.3	24.2
2013	NYC Asset Investor #3 LLC	9/20/2013	40,000,000	10,121,813	-156,538	10,246,243	1.0	2.3
2003	OCM Real Estate Opportunities Fund III	3/5/2003	15,000,000	15,000,000	-24,887,239	901,869	1.7	11.5
2008	PRISA III	9/30/2008	30,000,000	34,311,263	0	68,561,796	2.0	12.8
2008	Silverpeak Legacy Partners III	5/28/2008	30,000,000	13,301,089	-1,202,295	4,369,527	0.4	-12.2
2008	Stockbridge Real Estate Fund III	9/9/2008	27,000,000	26,998,145	0	35,183,818	1.3	5.4
2012	Taconic New York City Investment Fund LP	7/5/2012	40,000,000	16,545,454	-7,272,727	20,216,646	1.7	18.9
2004	The City Investment Fund I	3/16/2004	70,000,000	69,030,360	-68,991,937	868,529	1.0	0.3
2009	Thor Urban Property Fund II	10/30/2008	20,000,000	25,878,333	-16,400,525	19,968,257	1.4	11.4
2009	Walton Street Real Estate Fund VI	4/27/2009	30,000,000	26,594,360	-21,704,303	18,858,534	1.5	10.8
2008	Westbrook Real Estate Fund VII	12/3/2007	10,000,000	11,076,142	-8,406,061	4,594,680	1.2	3.1
2010	Westbrook Real Estate Fund VIII	12/28/2009	35,000,000	41,444,635	-45,001,447	9,239,165	1.3	12.7
2008	American Value Partners Fund I	10/18/2007	15,000,000	11,340,442	-7,542,196	4,222,017	1.0	0.8
2015	Avanath Affordable Housing Fund II	7/14/2015	5,000,000	4,076,494	0	5,635,250	n/a	n/a
2007	Metropolitan Workforce Housing Fund	7/13/2007	7,000,000	7,006,513	-3,146,002	4,824,858	1.1	2.9
<b>Non Core and Emerging Manager Portfolio</b>			<b>1,479,913,099</b>	<b>1,203,340,288</b>	<b>-773,139,869</b>	<b>822,874,909</b>	<b>1.3</b>	<b>10.0</b>
<b>New York City Police Pension Fund</b>			<b>2,112,191,966</b>	<b>1,765,243,386</b>	<b>-880,314,299</b>	<b>1,457,899,243</b>	<b>1.3</b>	<b>8.1</b>

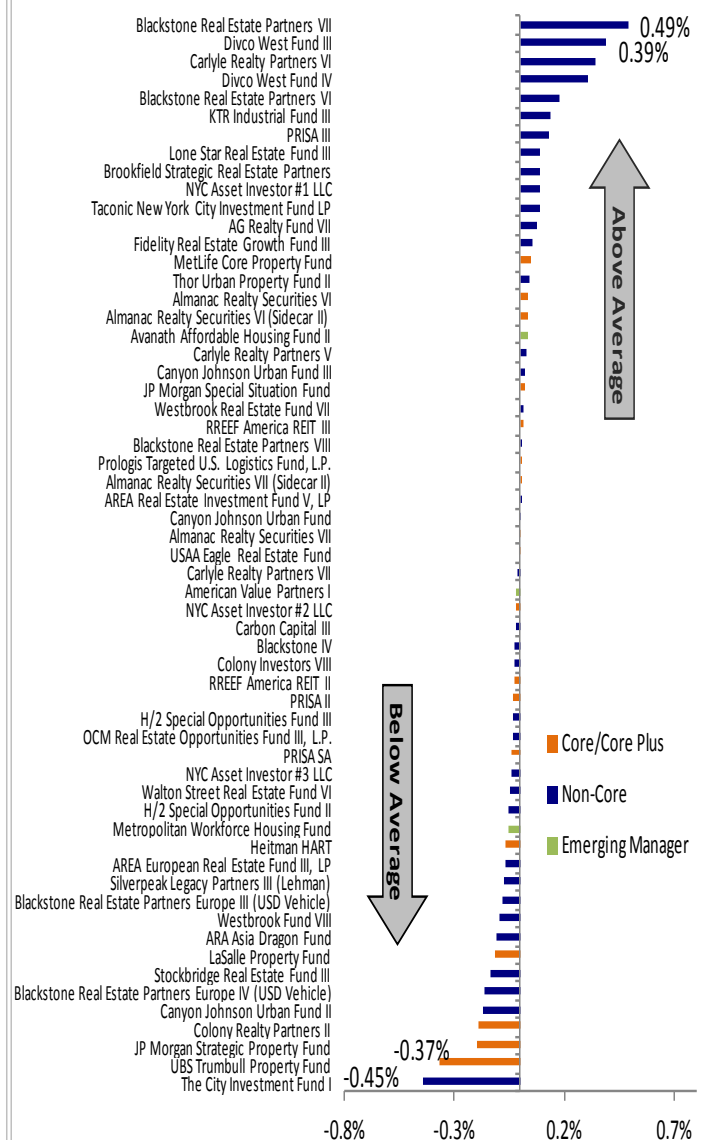
Source: PCG historical cash flow data. TTG cash flow data from Fund Managers, effective 2005. Note: The equity multiples and IRRs contained in this report are interim calculations based upon information provided by the investment managers of the New York City Retirement Systems, including cash flows and quarterly unaudited, or audited, valuations. The IRR calculated in early years of a fund life is not meaningful given the J-curve effect and can be significantly impacted by the timing of cash flows, investment strategy, investment pacing, and fund life. The calculations are not necessarily indicative of total fund performance, which can only be determined after the fund is liquidated and all capital contributed and earnings have been distributed to the investor. All data supplied is as of December 31, 2015. Note: The General Partner of the JPMorgan Urban Renaissance Fund terminated the Fund on February 23, 2010 and all capital contributed, including management fees, was returned to investors.

## EXHIBIT C : ATTRIBUTION

### Fund Contribution to 1 Year Return



### Fund Contribution to 3 Year Return





## Infrastructure Monitoring Report

For the period ended December 31, 2015

Report Prepared For:

New York City Police Pension Fund, Subchapter 2



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# I. Executive Summary

New York City Police Pension Fund, Subchapter 2 (“NYC PPF”) established the Infrastructure Program (the “Program”) in December of 2012 on behalf of its beneficiaries to participate in attractive long-term investment opportunities and to provide diversification to its overall pension investment portfolio.

The inclusion of infrastructure in the NYC PPF pension portfolio allows for global investments in facilities or assets that provide core essential services critical to the operation and development of economies. Typically infrastructure investments have high barriers to entry due to significant capital expenditure requirements, exclusive long term contracts or regulatory requirements. Infrastructure investments are comprised of long useful-life assets with high tangible value and relatively low value erosion over time.

The Program seeks to invest in opportunities in a variety of infrastructure sectors, including but not limited to, transportation, energy, power, utilities, water, wastewater, communications and social infrastructure.

StepStone Group LP (“StepStone”) was engaged by NYC PPF on October 20, 2014 to provide infrastructure advisory services for prospective investment opportunities and monitoring and reporting services for existing and new investments.

Since inception through December 31, 2015, the Program has committed US\$160.0 million to three partnership investments (the “Portfolio”). This quarterly monitoring report covers the performance of the Portfolio as of December 31, 2015 as well as significant activity that occurred during the fourth quarter of 2015.

## Allocation Summary

NYC PPF has a Real Assets allocation target of 6% (plus or minus 2%) of total pension assets. Infrastructure is a component asset class within the NYC PPF Real Assets investment program.

As of December 31, 2015, the market value of NYC PPF Real Assets Program represented approximately 4.7% of total pension assets. The market value of NYC PPF Infrastructure Program represented approximately 0.3% of total pension assets, a two basis point increase from the prior quarter.

As the Program matures, the percentage of its market value relative to the total NYC PPF pension assets as well as total Real Assets will continue to increase.

US\$ in millions *	December 31, 2015	September 30, 2015	December 31, 2014	Quarterly Change	Yearly Change
Total Pension Assets *	\$32,447.0	\$31,672.0	\$32,220.0	\$775.0	\$227.0
Total Real Assets *	\$1,532.0	\$1,454.0	\$1,282.0	\$78.0	\$250.0
% Allocation to Real Assets (Target of 6% +/- 2%)	4.7%	4.6%	4.0%	+ 13 bps	+ 74 bps
Total Infrastructure Assets	\$101.5	\$93.7	\$18.3	\$7.8	\$83.2
% Allocation to Infrastructure vs. Total Pension Assets	0.3%	0.3%	0.1%	+ 2 bps	+ 26 bps
% Allocation to Infrastructure vs. Total Real Assets	6.6%	6.4%	1.4%	+ 18 bps	+ 519 bps

\* NYC PPF total Pension Assets and total Real Assets are as of quarter-end (or, if not yet available, the most recent month-end prior to quarter-end) as reported by The New York City Comptroller's Office on [www.comptroller.nyc.gov](http://www.comptroller.nyc.gov)

## Performance Summary

As of December 31, 2015, the Infrastructure Program has achieved a Total Value to Paid-In multiple of 1.1x invested capital and an IRR of 10.8%. Note that, given the relative immaturity of the Portfolio and underlying fund investments, the current performance to-date is not meaningful.

US\$ in millions *	December 31, 2015	September 30, 2015	December 31, 2014	Quarterly Change	Yearly Change
Number of Managers	3	3	3	0	0
Number of Investments	3	3	3	0	0
Committed Capital <sup>1</sup>	\$160.0	\$160.0	\$160.0	\$0.0	\$0.0
Contributed Capital	\$97.1	\$90.1	\$18.1	\$7.0	\$79.0
Distributed Capital	\$3.8	\$3.4	\$1.4	\$0.5	\$2.4
Market Value	\$101.5	\$93.7	\$18.3	\$7.8	\$83.2
Total Value	\$105.3	\$97.1	\$19.8	\$8.3	\$85.6
Total Gain/(Loss)	\$8.2	\$7.0	\$1.6	\$1.3	\$6.6
Unfunded Commitment	\$63.2	\$70.1	\$141.9	(\$6.9)	(\$78.7)
Exposure <sup>2</sup>	\$164.7	\$163.8	\$160.2	\$0.9	\$4.5
DPI <sup>3</sup>	0.0x	0.0x	0.1x	0.0x	0.0x
TVPI <sup>4</sup>	1.08x	1.08x	1.09x	0.00x	-0.01x
IRR <sup>5</sup>	10.8%	13.1%	13.7%	-2.3%	-2.8%
TVPI Net of StepStone Fees <sup>6</sup>	1.08x	1.08x	1.09x	0.01x	-0.01x
IRR Net of StepStone Fees <sup>6</sup>	10.8%	13.0%	13.7%	-2.3%	-2.9%

\* Note that amounts may not total due to rounding. **Past performance is not necessarily indicative of future results.**

<sup>1</sup> Committed Capital is presented net of any commitment releases or expirations and reflects foreign currency exchange rate fluctuations. Note that the Base/(US\$) committed capital for foreign currency-denominated investments as of respective quarter-end dates is calculated as follows: (total net amount funded in Base currency) + (unfunded commitment in Local currency \* quarter-end exchange rate). StepStone utilizes S&P Capital IQ as the source for quarter-end exchange rates to calculate committed capital.

<sup>2</sup> Exposure represents the sum of Market Value and Unfunded Commitment.

<sup>3</sup> DPI, or Distributed to Paid-In Multiple, is a performance metric that measures distributions received relative to capital invested. DPI is calculated as Distributed Capital divided by Contributed Capital.

<sup>4</sup> TVPI, or Total Value to Paid-In Multiple, is a performance metric that measures total value created by the Portfolio relative to capital invested, without consideration for time. TVPI is calculated as Total Value, which is comprised of Market Value plus Distributed Capital, divided by Contributed Capital.

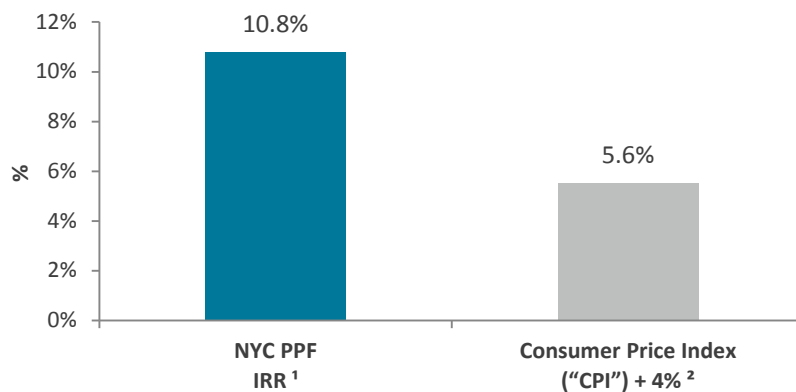
<sup>5</sup> IRR, or Internal Rate of Return, is a performance metric that is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest.

<sup>6</sup> TVPI and IRR Net of StepStone fees represent TVPI and IRR net of fees paid by NYC PPF to StepStone through the quarter-end date.

## Portfolio Performance vs. Benchmarks

The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period. The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.

As of December 31, 2015, the Program outperformed the benchmark by 5.3%. However, as noted previously, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful. The following graph illustrates Portfolio IRR performance versus the benchmark as of December 31, 2015.



<sup>1</sup>NYC PPF since inception Internal Rate of Return ("IRR") is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of fund managers' fees, expenses and carried interest. **Past performance is not necessarily indicative of future results.**

<sup>2</sup>Consumer Price Index ("CPI") benchmark represents the compound annual growth rate of the Consumer Price Index for All Urban Consumers and All Items, as provided by the U.S. Department of Labor: Bureau of Labor Statistics, calculated over a five-year rolling period plus a 4.0% premium.

## Portfolio Diversification

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

- Core Infrastructure Investments: 60% to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of December 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<b>By Strategy:</b>						
Core	101.5	100.0%	63.2	100.0%	164.7	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
<b>Total</b>	<b>101.5</b>	<b>100.0%</b>	<b>63.2</b>	<b>100.0%</b>	<b>164.7</b>	<b>100.0%</b>
<b>By Geographic Focus:</b>						
Global	34.9	34.4%	28.1	44.5%	63.0	38.3%
OECD	66.6	65.6%	35.1	55.5%	101.7	61.7%
<b>Total</b>	<b>101.5</b>	<b>100.0%</b>	<b>63.2</b>	<b>100.0%</b>	<b>164.7</b>	<b>100.0%</b>
<b>By Industry Focus:</b>						
Diversified	97.2	95.8%	28.1	44.5%	125.3	76.1%
Energy	4.3	4.2%	35.1	55.5%	39.3	23.9%
<b>Total</b>	<b>101.5</b>	<b>100.0%</b>	<b>63.2</b>	<b>100.0%</b>	<b>164.7</b>	<b>100.0%</b>



## II. Infrastructure Market Overview

### Market Overview

Global growth concerns continued to dominate financial markets during the fourth quarter. The Fed's decision to begin interest rate normalization at the December 16 meeting reflected the belief that economic conditions in the US have significantly improved. Meanwhile, other major advanced economies remain highly accommodative. Following the third quarter's stock market sell-off, central banks in Europe, Japan, and China reiterated their commitments to economic stimulus programs. Diverging monetary policies, a strengthening US dollar, and sharp declines in commodity prices were the main drivers of capital market volatility and performance in 2015.

Infrastructure investment in the US and Canada has been concentrated in the energy sector, driven by the shale boom and growth in renewable energy projects. Low energy prices are creating opportunities to invest in midstream infrastructure, as oil and gas businesses divest assets in response to slowing cash flows. Interest in public-private partnerships ("P3s") in the transport and social infrastructure sectors continues to grow. In the US, fiscal constraints on public-sector funding for these projects has been a significant factor in the increase in recent activity levels. Deal count is expected to increase as a growing number of states are entertaining legislation to allow private investment in infrastructure.

European markets remain competitive, with a significant amount of capital targeting infrastructure investment in the region. The resulting upward pricing pressure, combined with uncertain medium-term economic growth in the Eurozone, ongoing financial sector reforms, concerns surrounding bank capital adequacy, and geopolitical risks in Eastern Europe, present an uncertain outlook for investors. Notwithstanding this, activity levels are being sustained by the ongoing unbundling of integrated utilities, commitments to renewable energy targets, balance sheet deleveraging by existing asset owners, and security of energy supply priorities.

Investment activity in Latin America remains strong. In Mexico, recent changes in government policy are driving growth in infrastructure investment opportunities. Policy initiatives include allowing foreign investment in the energy sector and a National Infrastructure Plan that contains 743 projects requiring investment of approximately US\$600 billion from 2014 to 2018. StepStone is aware of several infrastructure fund managers reviewing opportunities in Mexico. Infrastructure is a political and economic priority in many other parts of Latin America, including Brazil, Chile, Peru and Columbia, each of which continues to provide a range of potential investment opportunities. Recent economic volatility in Brazil has created rare opportunities to buy large-scale, core infrastructure assets from state-owned companies.

While infrastructure investment in Japan has traditionally been dominated by government-related entities and infrastructure companies with limited private participation by institutional investors, the country recently announced the privatization act for infrastructure assets. In Australia, fiscal constraints placed on the federal and state governments have increased the reliance on private sector capital in meeting the country's infrastructure deficit. Government initiatives have encouraged a number of high profile opportunities including ports, energy and airport privatizations.

## Infrastructure Fundraising

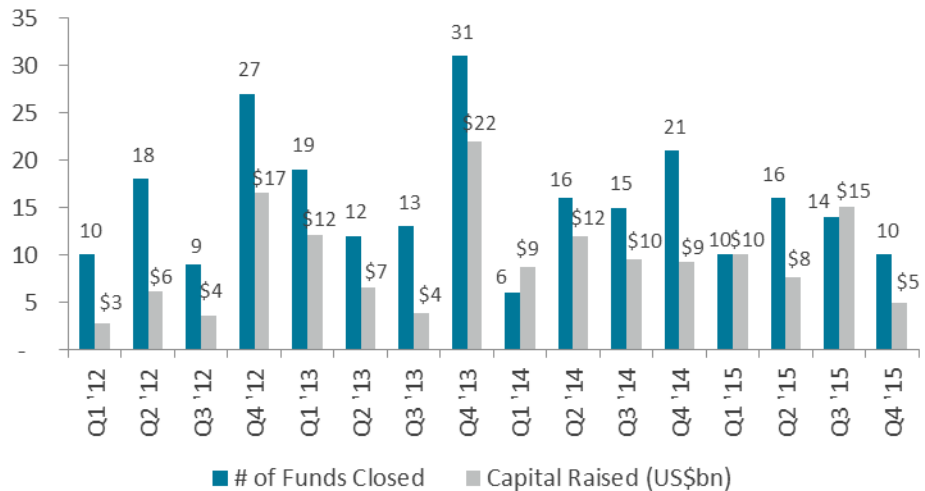
Fundraising for infrastructure strategies continues to be robust with a large number of funds in market. Nearly two-thirds of infrastructure funds closed in 2015 either met or surpassed their initial target, compared to half in 2014.

During the fourth quarter, ten funds held final closings. Aggregate capital raised was US\$4.9 billion. The amount represented a year over year decrease of 47% compared to Q4 2014, when 21 funds held a final close raising US\$9.2 billion.

The largest fund to reach a final closing during Q4 was CCCC First Phase Equity Investment Fund, which raised ¥15.0 billion of commitments. The fund will focus primarily on build-operate-transfer (BOT) or build-transfer (BT) projects, general development projects involving urban complexes and assets with positive incomes in China. Additionally, Guangdong Environmental Protection Fund raised ¥6.3 billion. The fund will invest in environmental protection infrastructure projects including waste water treatment plants and sewage treatment facilities.

### Unlisted Infrastructure Fundraising

Source: Preqin

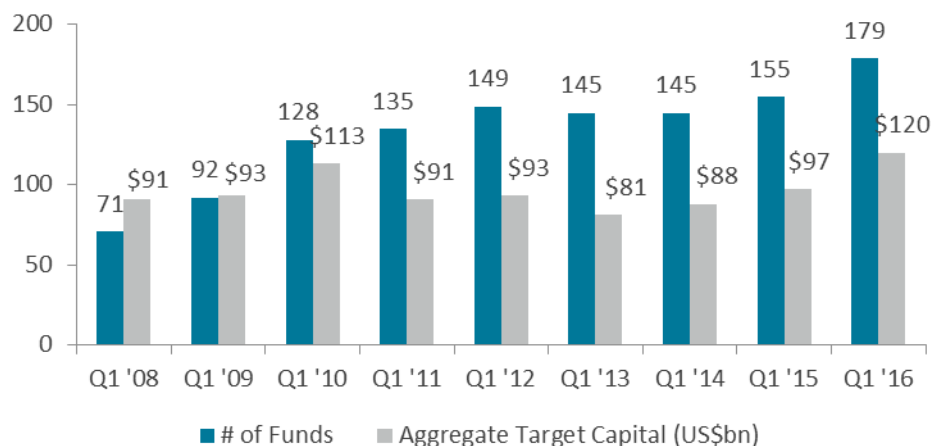


Fund	General Partner	Size	Final Close Date	Location Focus
CCCC First Phase Equity Investment Fund	CCCC Fund Management	¥ 15,000	Nov-15	Asia
Guangdong Environmental Protection Fund	Guangdong Technology Financial Group	¥ 6,300	Dec-15	Asia
Allianz UK Infrastructure Debt Fund	Allianz Global Investors Infrastructure Debt	£ 267	Nov-15	Europe
Meridiam Infrastructure Africa Fund	Meridiam	€ 300	Oct-15	Africa
NOY Infrastructure and Energy Investment Fund II	NOY Infrastructure	₪ 1,250	Nov-15	Middle East & Israel

At the end of the fourth quarter, Preqin observed 179 funds in market targeting aggregate capital commitments of US\$120 billion. The largest funds in market include: Brookfield Infrastructure Fund III, targeting US\$12.5 billion; Global Infrastructure Partners III, targeting US\$12.5 billion; Alinda Infrastructure Fund III, targeting US\$5.0 billion; North Haven Infrastructure Partners II, targeting US\$4.0 billion; and West Street Infrastructure Partners III, targeting US\$3.0 billion.

### Unlisted Infrastructure Fundraising

Source: Preqin



## Major Transactions

During the fourth quarter, 223 infrastructure deals were completed with an estimated aggregate deal value of US\$89.9 billion, representing a 10% decrease compared to the prior quarter. Several significant infrastructure transactions completed in the fourth quarter are presented below.

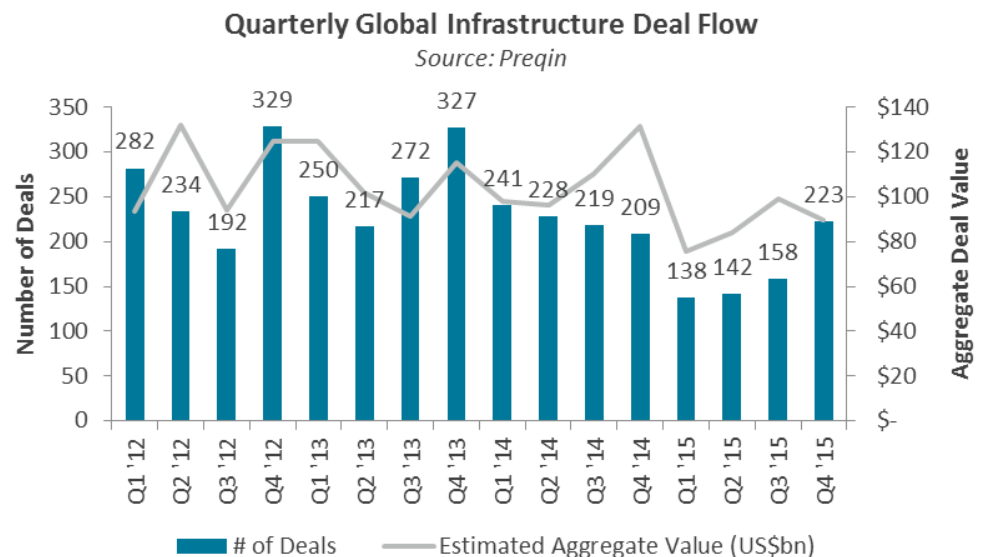
In October 2015, a partnership comprising Areva, China General Nuclear Power Group and EDF Group closed an £18.0 billion deal to construct Hinkley Point C Nuclear Power Station in the UK.

In November 2015, Australian high voltage electricity company TransGrid was privatized by the NSW government for AUD\$10.3 billion, via a 99-year lease to a consortium comprised of a Canadian pension fund, the Abu Dhabi Investment Authority and local infrastructure funds.

In November 2015, a consortium comprising Borealis, Ontario Teachers' Pension Plan, and the Canada Pension Plan Investment Board signed an agreement to acquire the Chicago Skyway Toll Bridge for US\$2.8 billion.

In October 2015, the 340MW Galloper offshore wind farm developed by RWE and co-sponsored by Macquarie, Siemens and the Green Investment Bank reached financial close. The deal is valued at £1.6 billion.

In November 2015, China General Nuclear Power Corp. agreed to purchase all of the energy assets of 1Malaysia Development Bhd. for US\$2.3 billion. Those assets, known as Edra, consist of 13 power plants across five countries from Malaysia to Egypt and Bangladesh.



### III. Portfolio Review

#### Quarterly Highlights

- **No New Investment Commitments** – There were no new investment commitments made during the fourth quarter of 2015.
- **Subsequent Investment Commitments** – Subsequent to quarter-end through May 13, 2016, the Program closed on two new investment commitments totaling US\$132.0 million. These are shown in the table below.

US\$ in millions

Investment	Month and Year Closed	Vintage Year	Strategy	Geographic Focus	Industry Focus	Committed Capital
Global Infrastructure Partners III-A/B, L.P.	January 2016	2015	Infrastructure	OECD	Diversified	\$71.0
Brookfield Infrastructure Fund III, L.P.	April 2016	2016	Infrastructure	Global	Diversified	61.0
<b>Total</b>						<b>\$132.0</b>

- **Cash Outflow Increased** – During the fourth quarter of 2015, the Program made US\$7.0 million of contributions and received US\$0.5 million of distributions, for a net cash outflow of US\$6.5 million. This compared to a net cash inflow of US\$0.5 million during the prior quarter. Net cash flow is expected to remain negative for the next several years as the Program's committed capital is drawn down for investments, fees and expenses by fund managers.
- **Valuation Increased** – During the fourth quarter of 2015, net of cash flow activity, the valuation of the Portfolio increased by approximately US\$1.3 million, or 1.3%, from the prior quarter. The valuation increase reflects the increase in value of underlying investments in Brookfield Infrastructure Fund II and IFM Global Infrastructure Fund.
- **Two New Underlying Fund Investments** – During the fourth quarter of 2015, two new investment positions were added to the portfolio.

US\$ in millions

Company	Fund(s)	Investment Date	Stage	Industry	Country	Exposed Invested Capital	Exposed Market Value	TVM
La Bufa Wind	First Reserve Energy Infrastructure Fund II, L.P.	Dec-15	Private	Renewables	Mexico	0.6	0.6	1.0x
Los Ramones II	First Reserve Energy Infrastructure Fund II, L.P.	Dec-15	Private	Energy	Mexico	1.6	1.6	1.0x

- **No Exits** – There were no exits of investment positions during the quarter.

### Performance by Vintage Year

The following table illustrates the Portfolio's since-inception investment performance by vintage year as of December 31, 2015. Note that the performance of funds that are less than one year old is not meaningful.

As of December 31, 2015 (US\$ in millions)

Vintage Year	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
2013	\$60.0	\$32.1	\$3.7	\$34.9	\$38.6	\$6.5	\$28.1	\$63.0	0.1x	1.2x	17.5%
2014	100.0	65.0	0.1	66.6	66.7	1.7	35.1	101.7	NM	NM	NM
<b>Total</b>	<b>\$160.0</b>	<b>\$97.1</b>	<b>\$3.8</b>	<b>\$101.5</b>	<b>\$105.3</b>	<b>\$8.2</b>	<b>\$63.2</b>	<b>\$164.7</b>	<b>0.0x</b>	<b>1.1x</b>	<b>10.8%</b>

### Performance by Strategy and Industry Focus

The following table illustrates the Portfolio's since-inception investment performance by strategy and industry focus as of December 31, 2015.

As of December 31, 2015 (US\$ in millions)

Strategy/Industry	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
<b>Core</b>	<b>\$160.0</b>	<b>\$97.1</b>	<b>\$3.8</b>	<b>\$101.5</b>	<b>\$105.3</b>	<b>\$8.2</b>	<b>\$63.2</b>	<b>\$164.7</b>	<b>0.0x</b>	<b>1.1x</b>	<b>10.8%</b>
Diversified	120.0	92.2	3.8	97.2	101.1	8.9	28.1	125.3	0.0x	1.1x	12.0%
Energy	40.0	4.9	-	4.3	4.3	(0.7)	35.1	39.3	NM	NM	NM
<b>Total</b>	<b>\$160.0</b>	<b>\$97.1</b>	<b>\$3.8</b>	<b>\$101.5</b>	<b>\$105.3</b>	<b>\$8.2</b>	<b>\$63.2</b>	<b>\$164.7</b>	<b>0.0x</b>	<b>1.1x</b>	<b>10.8%</b>

### Performance by Geographic Focus

The following table and charts illustrate the Portfolio's since-inception investment performance by geographic focus as of December 31, 2015.

As of December 31, 2015 (US\$ in millions)

Geographic Focus	Committed Capital	Contributed Capital	Distributed Capital	Market Value	Total Value	Total Gain/ (Loss)	Unfunded Commitment	Exposure	DPI	TVPI	IRR
Global	\$60.0	\$32.1	\$3.7	\$34.9	\$38.6	\$6.5	\$28.1	\$63.0	0.1x	1.2x	17.5%
OECD	100.0	65.0	0.1	66.6	66.7	1.7	35.1	101.7	NM	NM	NM
<b>Total</b>	<b>\$160.0</b>	<b>\$97.1</b>	<b>\$3.8</b>	<b>\$101.5</b>	<b>\$105.3</b>	<b>\$8.2</b>	<b>\$63.2</b>	<b>\$164.7</b>	<b>0.0x</b>	<b>1.1x</b>	<b>10.8%</b>

## Portfolio Diversification

### By Strategy, Geography and Industry Focus

The Program's objective is to build a Portfolio that is diversified by investment strategy, asset type, and geography. The target investment strategy ranges are as follows:

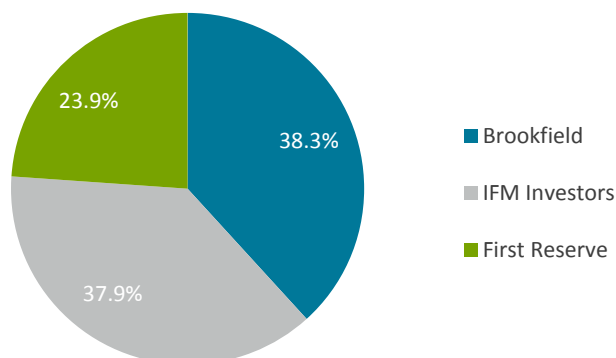
- Core Infrastructure Investments: 60% to 100%; and
- Non-Core Infrastructure Investments: 0% to 40%.

Actual percentages may differ substantially from these targets during the initial years of the Program. The following table illustrates the current diversification of the Portfolio by fund strategy, geography and industry focus.

As of December 31, 2015 (US\$ in millions)	Market Value		Unfunded Commitment		Exposure	
	\$	% of Total	\$	% of Total	\$	% of Total
<b>By Strategy:</b>						
Core	101.5	100.0%	63.2	100.0%	164.7	100.0%
Non-Core	-	0.0%	-	0.0%	-	0.0%
<b>Total</b>	<b>101.5</b>	<b>100.0%</b>	<b>63.2</b>	<b>100.0%</b>	<b>164.7</b>	<b>100.0%</b>
<b>By Geographic Focus:</b>						
Global	34.9	34.4%	28.1	44.5%	63.0	38.3%
OECD	66.6	65.6%	35.1	55.5%	101.7	61.7%
<b>Total</b>	<b>101.5</b>	<b>100.0%</b>	<b>63.2</b>	<b>100.0%</b>	<b>164.7</b>	<b>100.0%</b>
<b>By Industry Focus:</b>						
Diversified	97.2	95.8%	28.1	44.5%	125.3	76.1%
Energy	4.3	4.2%	35.1	55.5%	39.3	23.9%
<b>Total</b>	<b>101.5</b>	<b>100.0%</b>	<b>63.2</b>	<b>100.0%</b>	<b>164.7</b>	<b>100.0%</b>

### By Investment Manager

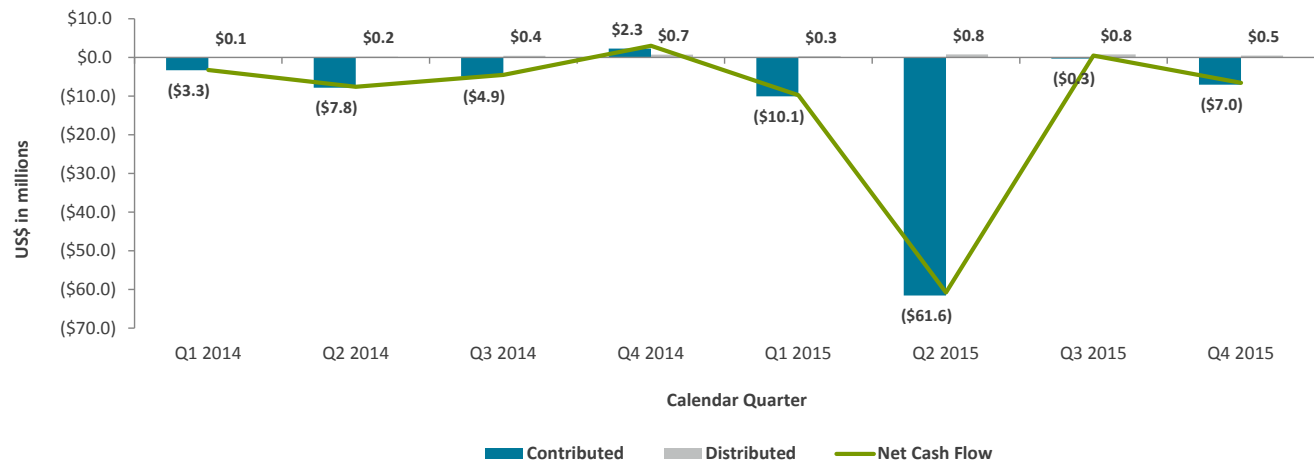
As of December 31, 2015, the Program had made three investment commitments to three managers. NYC PPF seeks to limit its exposure to any single manager to no more than 10% of the total Real Assets Program when fully invested. As the Program matures and closes on additional commitments, the single manager exposure is expected to decline significantly. Below is the Portfolio's current exposure by manager.



## Portfolio Cash Flow Analysis

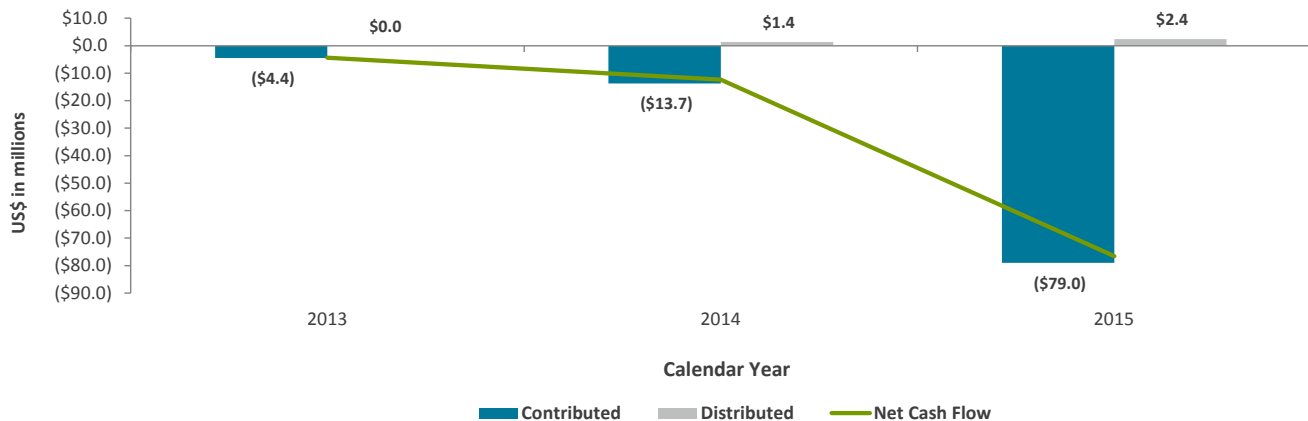
### Quarterly Cash Flow Activity

During the fourth quarter of 2015, the Program made US\$7.0 million of contributions and received US\$0.5 million of distributions, for a net cash outflow of US\$6.5 million. As of December 31, 2015, three fund investments in the Portfolio had cash flow activity. As the Program's commitment and investment activity increases, net cash outflow is expected to increase. The graph below illustrates cash flow activity since inception by calendar quarter.



### Annual Cash Flow Activity

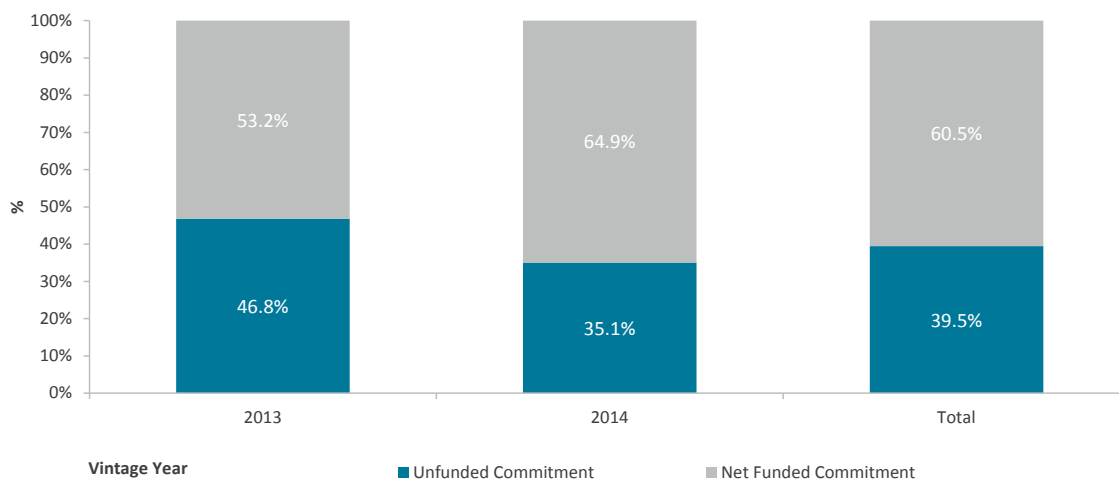
During the calendar year of 2015, the Program made US\$79.0 million of contributions and received US\$2.4 million of distributions, for a net cash outflow of US\$76.6 million. The graph below illustrates cash flow activity since inception by calendar year.



### Net Funded and Unfunded Commitments by Vintage Year

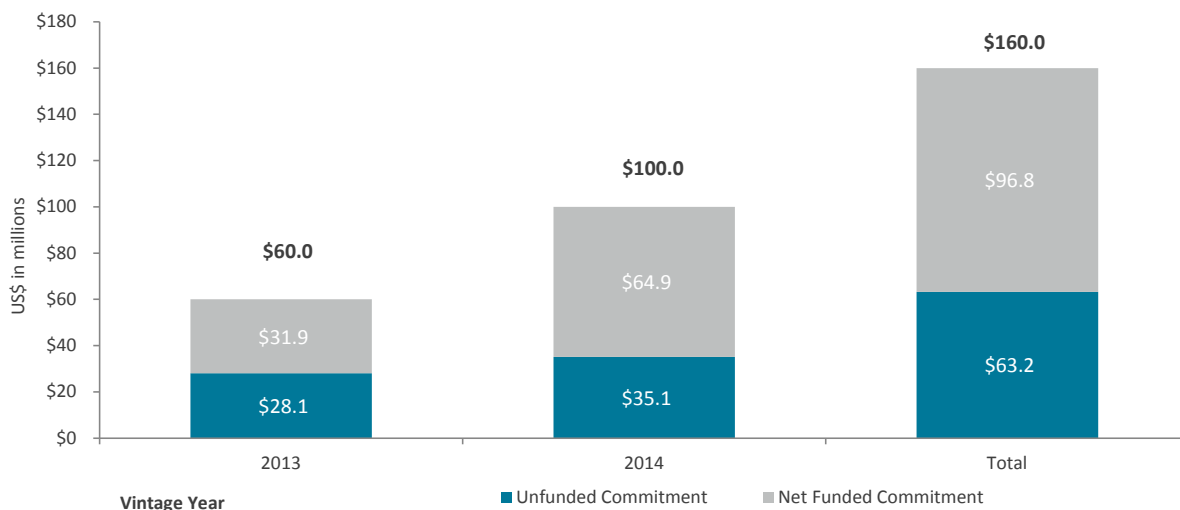
The following chart illustrates the Portfolio's net funded commitments (defined as total contributions inside commitment less any returns of excess capital and recallable distributions) as a percentage of total capital commitments, by fund vintage year, as of December 31, 2015. Overall, the Portfolio was 39.5% unfunded as of quarter-end.

**Net Funded and Unfunded Commitment by Vintage Year (%)**



The following chart illustrates the Portfolio's net funded commitments relative to total capital commitments, by fund vintage year, as of December 31, 2015. Overall, the Portfolio had US\$63.2 million of unfunded commitments as of quarter-end.

**Net Funded and Unfunded Commitment by Vintage Year (US\$ millions)**



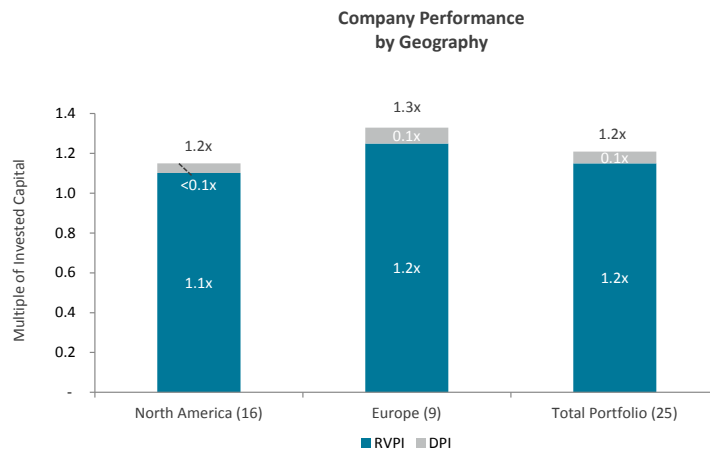
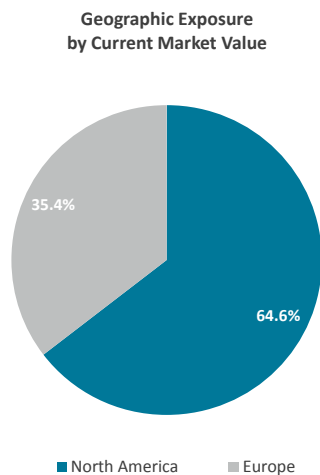


## Portfolio Company-Level Analysis

As of quarter-end, the Portfolio had exposure to 25 unique portfolio companies/investment positions. As the Portfolio matures, the number of unique portfolio companies/investment positions is expected to increase significantly. On the individual fund level, all current investments are within the single investment limitation of 15% of total fund size. The Program's individual portfolio investment exposure is relatively concentrated as a result of the relative immaturity of the Program.

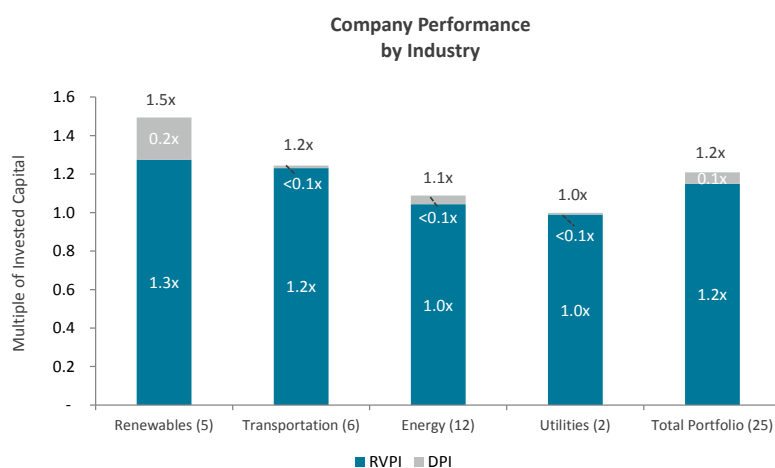
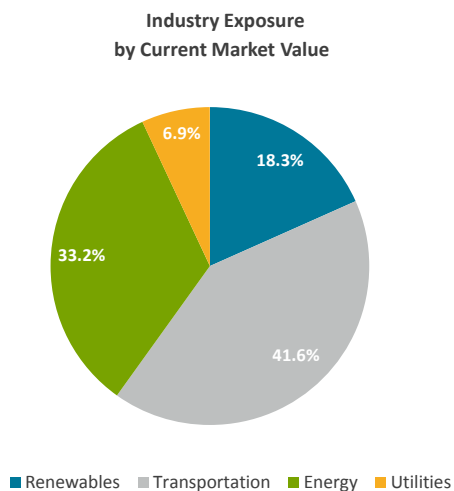
### Geographic Exposure and Performance

The following charts illustrate the Portfolio's current exposure and performance by geographic region at the portfolio company level.



### Industry Exposure and Performance

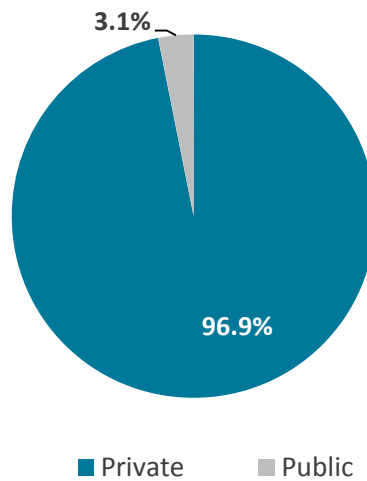
The following charts illustrate the Portfolio's current exposure and performance by industry at the portfolio company level.



## Public Market Exposure

As of quarter-end, publicly traded investments comprised 3.1% of the Portfolio's exposed market value. The following chart illustrates the current public market exposure at the portfolio company level.

**Public Market Exposure Current Market Value**



## IV. Risk Management Matrix

Category	Requirement	Status	Status Notes
<b>Allocation</b>	<p>NYC PPF has a Real Assets allocation target of 6% (plus or minus 2%) of total pension assets.</p> <p>Infrastructure is a component asset class within the NYC PPF Real Assets investment program.</p>	✓	<p>The market value of NYC PPF Real Assets Program currently represents approximately 4.7% of total pension assets and the market value of NYC PPF Infrastructure Program represents approximately 0.3% of total pension assets.</p> <p>As the Program matures, its market value as a percentage of the total NYC PPF pension assets and the total Real Assets Program is expected to increase.</p>
<b>Performance vs. Benchmarks</b>	<p>The performance benchmark for the Infrastructure Portfolio is to meet or exceed the Consumer Price Index ("CPI") plus 4% net of fees over a rolling 5-year period.</p> <p>The Infrastructure Portfolio is expected to generate a total return, net of investment management fees, of at least 6.5%.</p>	✓	<p>As of December 31, 2015, the Portfolio outperformed the benchmark by 5.3%.</p> <p>However, given the relative immaturity of the Portfolio, the current performance to-date versus benchmarks is not meaningful.</p>
<b>Strategy Diversification</b>	<p>Core Infrastructure Investments: 60-100% Non-Core Infrastructure Investments: 0-40%</p> <p>Actual percentages may differ substantially from these targets during the initial years of the Program.</p>	✓	<p>The Program is in compliance with the Core/Non-Core allocation ranges. Currently the Program only has exposure to Core investments.</p>
<b>Asset Type &amp; Location Diversification</b>	<p>The Program will seek diversification by asset type, revenue drivers, and geography. The portfolio may include a variety of assets including but not limited to electricity transmission, pipelines, airports, toll roads, communication towers and electric generators, windmills etc. to vary the sources of revenue to the portfolio.</p>	✓	<p>Given the relative immaturity of the Portfolio, it is not yet diversified by asset type.</p> <p>The asset types and geographic location of current Portfolio investments are in compliance with the Program's Investment Policy Statement and Permissible Markets.</p>
<b>Leverage</b>	<p>The average leverage of all investments in the Program is to be no higher than 65%.</p>	✓	<p>The Program is in compliance with the average leverage limitation. The current leverage level is 37.9%*.</p>
<b>Single Investment Size &amp; Manager Diversification</b>	<p>The maximum commitment to a single investment is limited to no more than 15% of the aggregate committed capital of each fund.</p> <p>The maximum commitment to a single manager is limited to 10% of the total Real Assets Program allocation when fully invested.</p>	✓	<p>On the individual fund level, all current investments are in compliance with the single investment limitation of 15% of total fund size.</p> <p>The Program is in compliance with the single manager limitation of 10% of the total Real Assets Program.</p> <p>The Program's manager exposure is currently relatively concentrated as a result of the relative immaturity of the Program. Manager diversification is expected to increase as the Program closes on new investment commitments.</p>

\*The Program's leverage level is calculated by using a weighted average of each underlying investment's leverage and Net Asset Value as of December 31, 2015.

APPENDICES:

- Basket Clause

## Police - BASKET/NON BASKET SUMMARY

As of April 30th, 2016

<u>Equity</u>	Adjusted Fund Policy			Fund Actual (PE & RE on an invested basis)		
	Non Basket*	Basket*	Total	Non Basket*	Basket*	Total
<b>Domestic Equity</b>	35.0%	0.0%	35.0%	35.2%	0.0%	35.2%
<b>Non-U.S. Equity</b>	10.0%	6.0%	16.0%	10.0%	5.8%	15.8%
<b>Private Equity</b>	0.0%	6.9%	6.9%	0.0%	6.9%	6.9%
<b>Real Assets</b>	4.9%	0.0%	4.9%	4.9%	0.0%	4.9%
<b>REITS</b>	0.3%	0.3%	0.5%	0.3%	0.3%	0.5%
<b>Hedge Funds</b>	0.0%	3.6%	3.6%	0.0%	3.6%	3.6%
<b>Total Equity</b>	<b>50.1%</b>	<b>16.8%</b>	<b>66.9%</b>	<b>50.4%</b>	<b>16.5%</b>	<b>66.9%</b>
<b>Fixed Income</b>						
<b>Core+5</b>	19.2%	0.5%	19.7%	16.3%	0.5%	16.8%
<i>U.S. Gov't Sector</i>	4.2%	0.0%	4.2%	2.6%	0.0%	2.6%
<i>Mortgage Sector</i>	6.9%	0.0%	6.9%	5.4%	0.0%	5.4%
<i>Credit Sector</i>	8.1%	0.5%	8.6%	7.8%	0.5%	8.3%
<b>High Yield</b>	2.7%	0.8%	3.4%	3.2%	0.8%	4.0%
<b>Bank Loans</b>	0.0%	1.7%	1.7%	0.0%	1.7%	1.7%
<b>TIPS</b>	4.1%	0.5%	4.6%	4.0%	0.4%	4.4%
<b>Convertibles</b>	1.0%	0.0%	1.0%	0.6%	0.0%	0.6%
<b>Opportunistic</b>	0.0%	2.7%	2.7%	0.0%	2.7%	2.7%
<b>Other Fixed Income</b>	0.0%	0.0%	0.0%	2.9%	0.0%	2.9%
<b>Total Fixed Income</b>	<b>27.0%</b>	<b>6.1%</b>	<b>33.1%</b>	<b>27.0%</b>	<b>6.1%</b>	<b>33.1%</b>
<b>Total Fund</b>	<b>77.1%</b>	<b>22.9%</b>	<b>100.0%</b>	<b>77.3%</b>	<b>22.7%</b>	<b>100.0%</b>

**Remaining Capacity**

2.1%

2.3%

\* Note: Basket amounts are estimates

- Liquidity Analysis

## Police Liquidity Profile - Static Analysis

5/25/16

AUM as of March 31, 2016

	Current MV	Liquid Assets		
		Today	1 Year	2 Years
Domestic Equity	\$11,694	\$11,694	\$11,694	\$11,694
International Equity	3,204	3,204	3,204	3,204
Emerging Markets	1,979	1,979	1,979	1,979
Hedge Funds	1,237	7	1,205	1,221
REITS	184	184	184	184
Private Equity	2,319	0	0	0
Private Real Estate	1,609	0	0	0
Core + 5	6,072	6,072	6,072	6,072
TIPS	978	978	978	978
Opportunistic Fixed Income	877	658	877	877
Enhanced Yield	1,280	1,280	1,280	1,280
Bank Loans	564	564	564	564
Convertible Bonds	214	214	214	214
ETI	368	58	213	220
Cash	400	400	400	400
<b>Total Assets</b>	<b>\$32,981</b>	<b>\$27,294</b>	<b>\$28,866</b>	<b>\$28,888</b>
<b>Total Illiquid \$</b>		<b>\$5,687</b>	<b>\$4,115</b>	<b>\$4,092</b>
<b>Total Illiquid %</b>		<b>17.2%</b>	<b>12.5%</b>	<b>12.4%</b>
Unfunded PE Commitments	\$1,224			
Unfunded RE Commitments	810			
Unfunded OFI Commitments	244			
<b>Total commitments \$</b>	<b>\$2,278</b>			
<b>Total commitments %</b>	<b>6.9%</b>			





## Police Liquidity Profile - Static Analysis

5/25/16

AUM as of March 31, 2016

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

<b>Total Illiquid \$</b>	\$5,687	\$4,115	\$4,092
<b>Total Illiquid %</b>	25.9%	18.7%	18.6%

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

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	<b>Current MV</b>	<b>Liquid Assets</b>		
		<b>Today</b>	<b>1 Year</b>	<b>2 Years</b>
<b>Total Assets</b>	<b>\$32,981</b>	<b>\$27,294</b>	<b>\$28,866</b>	<b>\$28,888</b>

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

Unfunded PE Commitments Drawn	\$245	\$490
Unfunded RE Commitments Drawn	162	324
Unfunded OFI Commitments Drawn	122	0
<b>Total commitments \$</b>	<b>\$529</b>	<b>\$814</b>
<b>Total commitments %</b>	1.6%	2.5%

<b>Total Illiquid \$</b>	\$4,644	\$4,906
<b>Total Illiquid %</b>	14.1%	14.9%

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

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

<b>Total Illiquid \$</b>	\$5,687	\$4,644	\$4,906
<b>Total Illiquid %</b>	25.9%	21.1%	22.3%

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

