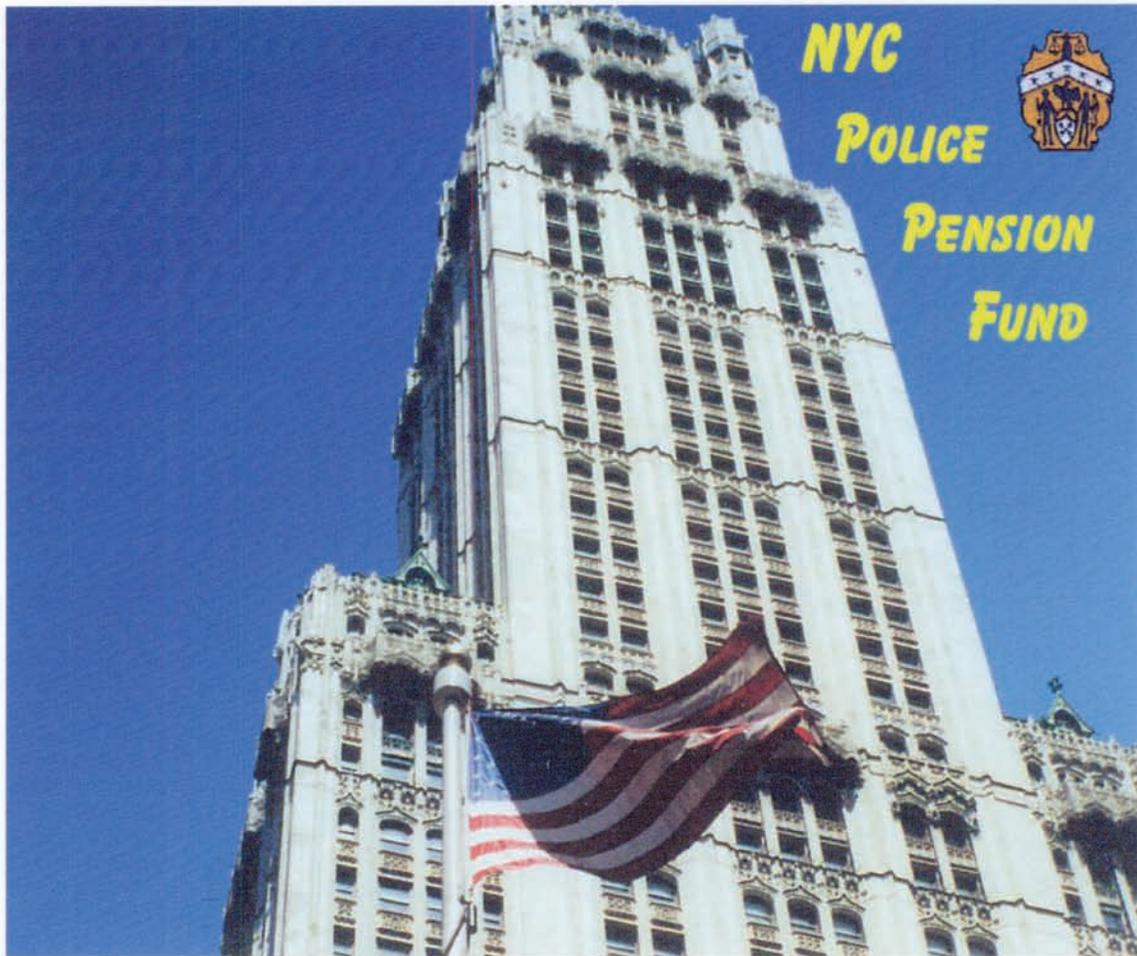


NEW YORK CITY POLICE PENSION FUND

SUBCHAPTER TWO

A PENSION TRUST FUND OF THE CITY OF NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

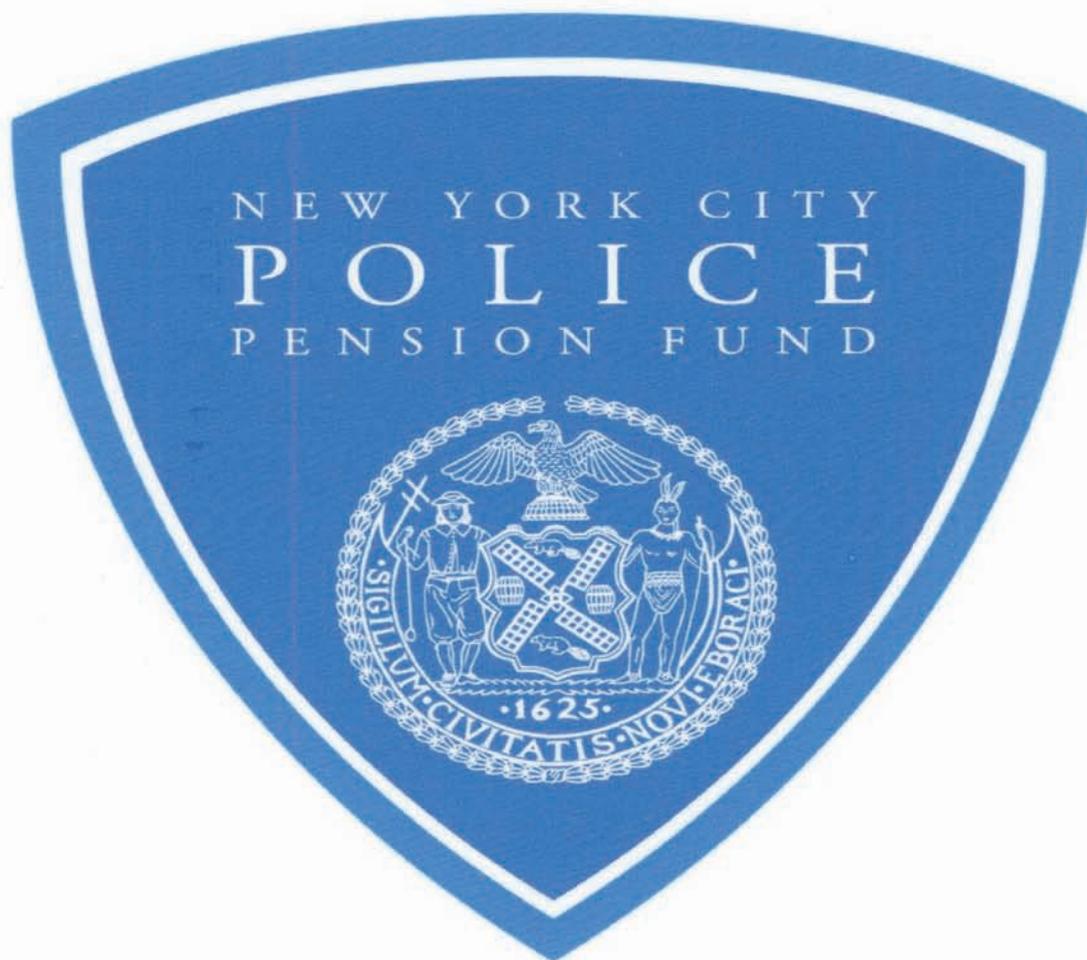
FISCAL YEAR ENDED

June 30, 2006

NEW YORK, NEW YORK

NEW YORK CITY POLICE PENSION FUND

A PENSION TRUST FUND OF THE CITY OF NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED

June 30, 2006

**NEW YORK CITY
POLICE PENSION FUND**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
A PENSION TRUST FUND OF THE CITY OF NEW YORK
FOR THE
FISCAL YEAR ENDED JUNE 30, 2006**

**Prepared By : Accounting Unit under the direction of:
MICHAEL WELSOME - Executive Director
New York City Police Pension Fund**

Actuary

ROBERT C. NORTH JR. Chief Actuary

Custodian of the Fund

WILLIAM C. THOMPSON Jr.- Comptroller of the City of New York

Headquarters Address

**New York City Police Pension Fund
233 Broadway, 25th Floor
New York, N.Y. 10279**

Board of Trustees

**Hon. MICHAEL R. BLOOMBERG, Mayor
Hon. RAYMOND W. KELLY, Police Commissioner, Chairman
Hon. WILLIAM C. THOMPSON Jr., Comptroller, Treasurer
Hon. MARTHA E. STARK, Finance Commissioner of the City of New York
P.O. PATRICK J. LYNCH, President of the Patrolmen's Benevolent Association**

**P.O. JOHN PUGLISI, First Vice-President of the Patrolmen's Benevolent Association
P.O. MUBARAK ABDUL-JABBAR, Second Vice-President of the Patrolmen's Benevolent Assoc.
P.O. ROBERT IOBONE, Board of Trustees, Patrolmen's Benevolent Association**

**Capt. JOHN DRISCOLL, President of the Captains' Endowment Association
Lt. ANTHONY GARVEY, President of the Lieutenants' Benevolent Association
Sgt. EDWARD MULLINS, President of the Sergeants' Benevolent Association
Det. MICHAEL J. PALLADINO, President of the Detectives' Endowment Association**

**NEW YORK CITY POLICE PENSION FUND
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 A PENSION TRUST FUND OF THE CITY OF NEW YORK
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NEW YORK CITY POLICE PENSION FUND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



INTRODUCTORY SECTION

PART I

FISCAL YEAR ENDED

June 30, 2006

Certificate of Achievement for Excellence in Financial Reporting

Presented to

New York City
Police Pension Fund,
Subchapter 2

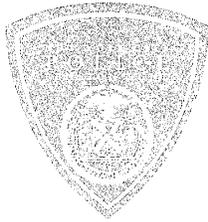
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



New York City Police Pension Fund

233 BROADWAY
NEW YORK, NEW YORK 10279
(212) 693-5100

Executive Director-Michael D. Welsome

December 15, 2006.

To: Members of the Board of Trustees, New York City Police Pension Fund.

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the New York City Police Pension Fund (the Fund or the Plan); a Pension Trust Fund of the City of New York, for the fiscal year ended June 30, 2006. Responsibility for accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the management of the Plan. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of the operation of the Pension System. All disclosures necessary to enable the reader to gain an understanding of the Pension System's Financial Activities have been included.

Our independent auditors Deloitte & Touche LLP; have audited our financial statements for fiscal year ended June 2006 and a copy of the audit report is included in this CAFR. The audit was conducted in accordance with generally accepted auditing standards.

This report complies with the principles of Governmental Accounting and Reporting Standards, promulgated by the Governmental Accounting Standards Board. It will be forwarded for the annual review by the Government Finance Officers Association who awards the Certificate of Achievement for Excellence in Financial Reporting.

Background of the Fund

The New York City Police Pension Fund (Subchapter 2) was incorporated on March 1, 1940 and commenced business on March 29, 1940. On January 30, 1940 the Fund operated on an actuarial basis covering persons appointed to the police force after June 1, 1940. The Fund succeeded the Subchapter 1 (Article 1) Pension Fund established for New York City Police prior to 1940.

In 1995 legislation was enacted merging Subchapter 1 with Subchapter 2. In the same year legislation was passed allowing the New York City Transit Authority and Housing Authority Police Officers to transfer out of New York City Employees Retirement System (NYCERS) and merge with the Fund. Three police departments then became one force under direct control of the Police Commissioner. Chapter 292 of the laws of 2001 provided Corpus Funding for the administrative expenses of the Plan, effective July 1, 2001. The Executive

Director was named as administrator of the Fund. The New York City Police Pension Fund is organized primarily to provide retirement and disability benefits for all uniform service members of the City's Police Department. Additionally, death benefits are provided for dependents of slain police officers. These obligations are sustained through member and employer contributions as well as income realized from investment of those contributions.

The Board of Trustees comprises twelve members with voting rights as follows; the Police Commissioner, the Mayor, the Comptroller and the Commissioner of Finance with one and one-half votes each; four specified officers of the Patrolmen's Benevolent Association with one vote each, and the presidents of the following police unions: the Detectives Endowment Association, the Sergeants Benevolent Association, the Lieutenants Benevolent Association and the Captains Endowment Association, with one half votes each. Meetings are held every month but special meetings may be called by the Board Chairman or requested by a quorum of members with at least five votes combined.

The Comptroller of the City of New York is the custodian of the Fund's assets and provides investment services through independent advisors. The City's Chief Actuary provides actuarial services and Corporation Counsel provides legal services to the Fund.

The New York City Police Pension Fund and New York City Police Department Subchapter Two Pension Fund are synonymous.

Economic Conditions

Economic conditions at both the National and City levels have a dominant impact on the activities of the financial markets and the investment industry. Positive investment results, measured in profit and loss, stimulate growth of the Pension Fund assets. The level of taxpayers' money required to fund the Pension Plan benefits is also influenced by prevailing economic conditions.

A look at conditions in fiscal year 2006 shows that National economic growth continued at a slower pace driven by: a decline in the housing market, higher energy prices, wider budget and trade deficits and rising short term interest rates. The fiscal year ended with the Gross Domestic Product (GDP), the total dollar amount of goods and services produced in the United States, growing at an annual rate of 2.9%. As economic growth slowed inflation remained low. The unemployment rate moved from 5.2% at the end of fiscal year 2005 to 4.8 % at the end of fiscal year 2006.

The City's economy, as measured by the changes in the Gross City Product (GCP), grew 3.3 %, below the 3.5% rise experienced in the previous fiscal year. Higher energy costs and housing prices pushed the City's metro area inflation rate to 4 % in fiscal year 2006. Advances in payroll jobs were mainly in the private sector and accounted for a 1.5% growth during the same period. This contributed to a .5% decline in the unemployment rate of the City, from 5.4% in June 2005 to 4.9% in June 2006.

The federal funds target rate was increased by the Federal Reserve from 3% to 5.25% and yields on 10 year treasury securities increased by 1% from June 2005 to the end of fiscal year 2006. These two factors may contribute to further slowing of national and regional economic growth in years ahead. The rate increases could also adversely impact profitability of banks and securities firms in the City. Media reports have indicated that the City will benefit from a busy real estate market and record Wall Street profits which increased 53.6% over last year. The City is projecting a budget surplus of \$1.9 billion from revenues in fiscal year 2007.

The New York City Police Pension Fund remains in sound financial and actuarial condition. Given past performance trends, we believe that Fiscal Year 2007 will be another good year for the Fund.

Major Initiatives

The New York City Police Pension Fund (NYCPPF) was given corpus funding in 2001 to improve service to our active and retired members. Corpus funding has enabled NYCPPF to establish a new headquarters and initiate a major upgrade to its computer infrastructure and capabilities. Over the past four years, NYCPPF has implemented many Information Technology enhancements. Here are some recent accomplishments:

Desktop Computer Replacement – All desktop computers at our main site were replaced with new Vista ready machines. While we run Windows XP today, in 2007 PPF will test Microsoft Vista desktop operating software for implementation in the near future.

Member Annual Statements – Using our new Comprehensive Officer Pension System (COPS) we distributed the 2005 member statements with a new format containing additional member data such as; the member beneficiaries, required amount, shortage and estimated pension. Using our new COPS system, 2006 member statements will be ready in the first quarter of 2007.

Biometrics Desktop Security – We are in the process of implementing biometric fingerprinting verification software to replace the current NT logon passwords. (Other security benefits are; single sign-on and encrypted virtual disks. PPF continues to protect member's data by constantly striving to improve

overall system security).

Disaster Recovery Site in Staten Island – Our disaster recovery (DR) site is situated as an alternate office location within the New York City area. This year we outfitted the DR site with the recently replaced desktop computers and printers from our main site. Quarterly testing and monthly visits are performed on the DR. site to ensure its ready when needed.

Spyware Protection – We implemented proactive Spyware protection software on all desktop computers in addition to our existing virus protection software.

Docushare Document Image Management System – Since April 2003 we have continued to upgrade and expand our usage of our Document Image Management system within the PPF. Since last year, documents imaged have grown by 18 percent. Today we maintain over 283,260 documents within 86,679 member folders. The current growth rate is 82, 000 documents per year. Besides our primary Docushare server, we implemented a secondary Docushare server at our main site and a tertiary Docushare server at the disaster recovery site using real-time data synchronization software. In addition, we store daily copies of the information on off- site back-up tapes.

Computer Room Expansion– Last year we increased the computer room infrastructure (power, UPS, racks and electrical outlets) to help support additional servers. This year we increased the redundant air conditioning capability from 5 to 13 tons to meet the heat demands of the newer, more powerful servers.

DoITT / FISA Direct Connection - We created a standalone network link between PPF and FISA to establish a secondary method to receive PCEF files and transmit bi-weekly loan data. This ensures that PPF can meet its weekly production schedule.

Comprehensive Officer Pension System (COPS) – The last phase of this multi- year project is currently in quality control review prior to user acceptance testing. Besides the team of 10 Vitech staff members, PPF has 4 IT staff members dedicated to this project. The COPS system is scheduled to be completed by the second quarter of 2007.

Funding

The Police Pension Fund was established to provide our members and their beneficiaries with retirement, disability and death benefits, primarily based on salary and length of service. The primary financial objective of the Fund is to ensure a level of funding through contributions and increased investment income that will support payment of these benefits. Consequently, the assets section of the financial statement is especially important to members. A review of the

assets gives an indication of the Fund's fiscal health and the income potential from investments. It also gives the participants a high degree of assurance that benefits will continue into the future. A more detailed discussion of assets is in our Management Discussion and Analysis, in the financial section, under the caption Plan Net Assets.

Comparing the Actuarial Accrued Liability to the Actuarial Value of Assets, calculated using the current Actuarial Asset Valuation method established on June 30, 2004, gives an effective indication of the funding progress of the pension plan (see schedule 1 in the financial section). An analysis of the percentage growth over time shows whether the system is becoming stronger or weaker, financially. The greater the percentage of funding is; the stronger the Fund.

Financial and Budgetary Controls

As previously mentioned, the Fund is administered by the City Comptroller who is also the treasurer and custodian. The management of the Plan is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and that preparation of financial statements is done in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The Plan also maintains budgetary controls. An annual examination of existing Internal Controls is performed in compliance with Directive #1 of the City Manager Financial Integrity Directives. The latest study and evaluation disclosed no material weakness. As a further quality control, the Audit Committee of the City of New York, which includes experts in Accounting and Municipal Finance from the private sector, oversees the independent audit process. This process involves the independent auditors' reports and the Auditors' Management letter, as well as the Retirement System's response. The Audit Committee operates independently and issues an annual report.

Investment Policy

The Comptroller of the City of New York is the treasurer, chief custodian and investment manager of the assets of the Fund, subject to the direction and control of the Board of Trustees. The capacity to meet benefit payments to members is strengthened with increasing rates of return on the assets of the Fund. The investment policy adopted by the Board of Trustees is one that promotes growth, maintains a competitive rate of return and minimizes risk. The strategy used in implementing this policy is allocation of the assets of the Fund in a diversified group of securities. Diversification of the investment portfolio helps to minimize risk. No investment in any one security represents 5% or more of

Plan Net Assets Held in Trust for Benefits. The Fund's investment portfolio consists of a variety of securities, which include domestic and international stocks, bonds, and short-term investments. At the end of the fiscal year 2006, the asset allocation followed by the Pension Fund produced a combined rate of return of 10.7%, which outperformed the policy index benchmark of 10%. For the three- year period the rate of return was 12.6%, which exceeded the policy index benchmark of 12.2%. The Fund's investment portfolio continued to outperform the policy index benchmark with risks maintained at an acceptable level.

The following table reflects selected items from the audited financial statements for fiscal Years 2006 and 2005. The positive changes noted, in investment income and net appreciation in fair value of investments, underscore the success of the Investment Policy adopted. Based on the overall results of the Fund's financial activities, net assets available for pension benefits increased 8%; from \$17,240,134 thousand in fiscal year 2005 to \$18,555,484 thousand in fiscal year 2006

Description	2006	2005	% change
	*	*	
Member Contributions	\$ 144,574	\$119,575	21.0%
Employer Contributions	1,337,715	1,033,285	29.0%
Interest Income	292,308	270,041	8.0%
Dividend Income	179,533	183,614	-2.0%
Net appreciation in Fair Value of investments	1,322,843	1,148,299	15.0%
Investment Expenses	42,269	38,285	10.0%
Net Investment Income (Loss)	1,761,568	1,572,983	12.0%
Benefit Payments & Withdrawals	\$1,919,088	\$1,611,199	19.0%

* The amounts are presented in thousands.

The financial statements are discussed further in the Financial Section, while discussion on investment policy is also in the Investment Section of this CAFR.

Other Information

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded its prestigious annual Certificate of Achievement for Excellence in Financial Reporting to the New York City Police Pension Fund Subchapter 2, since fiscal year 1986. In order to be awarded a Certificate of

Achievement a government unit must publish an easily readable and efficiently organized financial report, which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current report satisfies the Certificate of Achievement Program requirements. If awarded it would be the nineteenth consecutive honor bestowed upon the Police Pension Fund; a record for which we are quite proud.

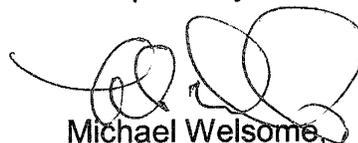
Acknowledgements

The compilation of this CAFR is a reflection of the hard work and dedication of the management and staff of the Police Pension Fund. I commend them for their efforts and cooperation in this endeavor. I also thank the office of the City Actuary, the Comptroller's Office and the investment advisors of the Fund for the data and other information provided during the preparation of this report.

A special thanks to our Accounting Unit, Chief Accountant Abraham Papilsky and Deputy Chief Accountant Bavakutty Sunny for their consistent hard work, above and beyond the call of duty, in preparing accounting and statistical data for this report, in an accurate and expeditious manner. To the Board of Trustees, I express my sincere gratitude for outstanding leadership and support during fiscal year 2006.

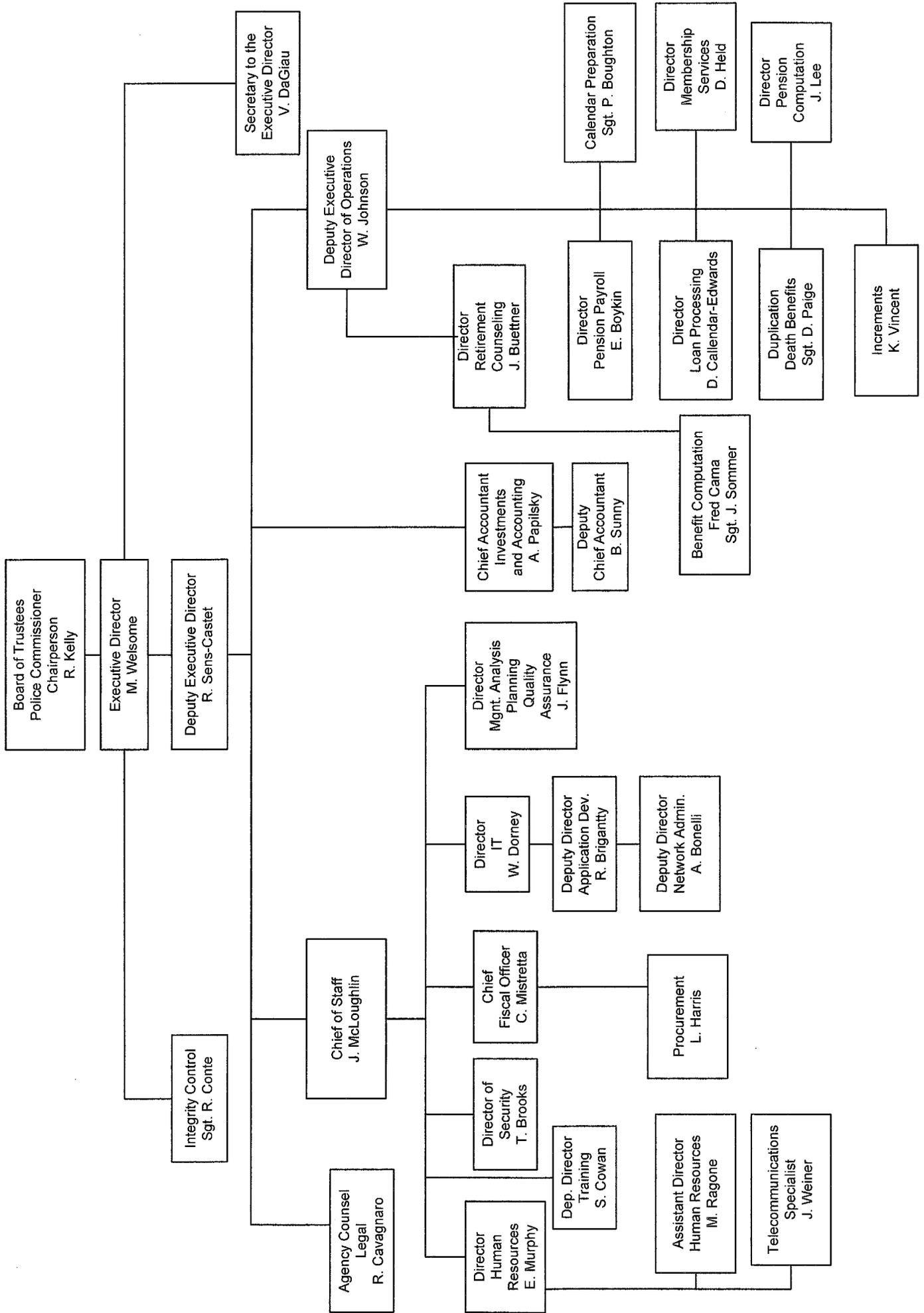
This CAFR is intended to provide sufficient and reliable information that will help serve; as a basis for management decision making, in determining compliance with legal requirements and as a means of indicating stewardship of the assets of the Plan. I am confident that this goal has been achieved.

Respectfully,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the left.

Michael Welsome,
Executive Director,
New York City Police Pension Fund.

NYC POLICE PENSION FUND



NEW YORK CITY POLICE PENSION FUND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



FINANCIAL SECTION

PART II

FISCAL YEAR ENDED

June 30, 2006



Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281
USA
Tel: 212.4326.2000
Fax: 973.683.8181
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
New York City Police Pension Fund

We have audited the accompanying statements of Plan net assets of New York City Police Pension Fund (the "Plan") as of June 30, 2006 and 2005, and the related statements of changes in Plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2006 and 2005, and the changes in its net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental schedules listed in the table of contents are required by the GASB. The required supplemental information is the responsibility of the management of the Plan. Such 2006, 2005, 2004, 2003 and 2002 information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The required supplemental information for the years ended June 30, 2001 and 2000 was not subjected to auditing procedures applied in the audit of the basic 2001 financial statements by other auditors whose report dated October 30, 2001, stated that they expressed no opinion on it.

The supplemental information included in the Introductory, Investment, Actuarial, and Statistical sections is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Plan. Such additional information has not been subjected to the auditing procedures applied in our audits of the basic financial statements and, accordingly, we express no opinion on it.

As discussed in Note 5 to the financial statements, in 2006, the Plan changed the actuarial valuation methodology to be used in calculating employer contributions.

Deloitte + Touche LLP

October 26, 2006

NEW YORK CITY POLICE PENSION FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2006 AND 2005

This narrative discussion and analysis of New York City Police Pension Fund ("Police" or the "Plan"), also known as the New York City Police Department Subchapter Two Pension Fund, financial performance provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2006 and 2005. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the years and the effects of significant changes, as well as a comparison with the prior years' activity and results. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements, which begin on page 6.

Overview of Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. The basic financial statements are:

- **The Statement of Plan Net Assets** - presents the financial position of the Plan at fiscal year-end. It indicates the assets available for payment of future benefits and any current liabilities that are owed as of the statement date. Investments are shown at fair value. All assets and liabilities are determined on an accrual basis.
- **The Statement of Changes in Plan Net Assets** - presents the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies and subsequent events, if any.

Required Supplementary information - as required by the Governmental Accounting Standards Board (GASB) is presented after the Notes to the financial statements. The financial statements are prepared in accordance with GASB Pronouncements.

Financial Highlights

The Plan's net assets held in trust for pension benefits increased by \$1.3 billion, or 8% to \$18.6 billion in fiscal year 2006 compared to fiscal year 2005 and increased by \$1.1 billion, or 7% to \$17.2 billion in fiscal year 2005 compared to 2004. The increase in the Plan's net assets in fiscal years 2006 and 2005 was primarily due to the rising values of total investments.

Changes in Plan Net AssetsYears ended June 30, 2006, 2005 and 2004
(in thousands)

Additions:	2006	2005	2004
Member Contributions	\$144,574	\$119,575	\$118,565
Employer Contributions	1,337,715	1,033,285	811,978
Net Investment Income	438,725	424,684	351,117
Net appreciation in fair value of investments	1,322,843	1,148,299	1,982,626
Net receipts from other retirement systems	3,860	2,442	6,190
Total additions	<u>3,247,717</u>	<u>2,728,285</u>	<u>3,270,476</u>
Deductions:			
Benefit payments and withdrawals	1,919,088	1,611,199	1,393,776
Administrative expenses	13,279	13,671	11,612
Total deductions	<u>1,932,367</u>	<u>1,624,870</u>	<u>1,405,388</u>
Net Increase in Plan Net Assets	<u>\$1,315,350</u>	<u>\$1,103,415</u>	<u>\$1,865,088</u>

During fiscal year 2006 member contributions were \$144.6 million, which is an increase of 21% over the fiscal year 2005 member contributions of \$119.6 million. The later fiscal year represented an increase of 1% over fiscal year 2004 member contributions of \$118.6 million. The increase in member contributions in the above fiscal years is primarily due to active members paying optional pension deductions in addition to regular payments.

Employer contributions received in fiscal year 2006 were \$1.34 billion, an increase of 29% over fiscal year 2005 contributions of \$1.03 billion. The later fiscal year contributions represented a 27% increase over fiscal year 2004. Employer contributions are statutory, based on the actuarial valuation performed as of June 30, 2005, 2004 and 2003 respectively.

Plan benefits and withdrawals increased from \$1.40 billion to \$1.61 billion to \$1.92 billion for the fiscal years ended June 30, 2004, 2005 and 2006 respectively. The increases are primarily due to the increase in the number of retirees and beneficiaries receiving benefits and to a legislatively enacted cost of living increase for certain retirees and beneficiaries.

In fiscal year 2002, Chapter 292 of the New York State Laws of 2001 provided the Plan with Corpus Funding for administrative expenses. In fiscal year 2006, the Plan incurred \$13.3 million, in fiscal year 2005, \$13.7 million and in fiscal year 2004, \$11.6 million in administrative expenses.

PLAN NET ASSETS

In fiscal years 2006, 2005 and 2004 the Plan experienced an 8%, 7% and 13% upward movement respectively, in net assets held in trust for pension benefits. This was due to an increase in fair value of investments.

Plan Net Assets

June 30, 2006, 2005 and 2004	2006	2005	2004
(in thousands)			
Cash	\$48,607	\$871	\$460
Receivables	1,085,712	1,165,623	896,833
Investments, at fair value	22,318,890	20,171,022	19,146,283
Other Assets	3,177	10,538	10,222
Total Assets	<u>23,456,386</u>	<u>21,348,054</u>	<u>20,053,798</u>
Accounts Payable	1,534,488	1,244,468	1,030,386
Payables for Securities Lending Transactions	3,366,414	2,863,453	2,886,693
Total Liabilities	<u>4,900,902</u>	<u>4,107,921</u>	<u>3,917,079</u>
Plan Net Assets Held In Trust for Benefits	<u>\$18,555,484</u>	<u>\$17,240,134</u>	<u>\$16,136,719</u>

The Plan's receivables and payables related to investment securities are primarily generated through the timing of difference between the trade and settlement dates for investment securities purchased or sold.

Investment Summary

(in thousands)

Fair Value

Type of Investment	June 30, 2006	June 30, 2005	June 30, 2004
Short-term investments	\$415,527	\$495,524	\$515,400
U.S. debt securities	4,716,958	4,628,696	4,283,805
Yankee Bonds	91,420	96,875	86,241
U.S. Equity Securities	8,552,893	7,863,547	7,771,167
Mutual Funds-Mortgage	22,261	22,436	20,968
Treasury inflation-protected securities	491,842	176,106	--
International Equity	4,171,645	3,672,722	3,385,387
Security Lending Transactions	3,356,790	2,852,959	2,872,785
Private Equity	499,554	362,157	210,530
Total	<u>\$22,318,890</u>	<u>\$20,171,022</u>	<u>\$19,146,283</u>

Due to the long-term nature of the Plan's liabilities, the assets are invested with a long-term investment horizon. Assets are invested in a diversified portfolio of capital market securities. Investments in these assets are expected to produce higher returns, but are also subject to greater volatility and may produce negative returns. For example, the Russell 3000 Index, a broad measure of the United States Stock market, gained 9.6% in fiscal year 2006, 8.1% in 2005 and 20% in 2004. Also in 2006, the EAFE international index gained 26.6%; less-developed international market gained 35.9%. The returns of the Fund have been consistent with the broad market trend. For the three year period ended June 30, 2006, the overall rate of return on investments was a gain of 12.6%.

Contact information

This financial report is designed to provide a general overview of the New York City Police Pension Fund's finances. Questions concerning any data provided in this report or requests for additional information should be directed to Chief Accountant, New York City Police Pension Fund, 233 Broadway, 25th Floor, New York, N.Y.10279.

NEW YORK CITY POLICE PENSION FUND

STATEMENTS OF PLAN NET ASSETS

JUNE 30, 2006 AND 2005

(In thousands)

	2006	2005
ASSETS:		
Cash	\$ 48,607	\$ 871
Receivables:		
Investment securities sold	776,172	569,967
Member loans (Note 6)	250,682	537,759
Accrued interest and dividends	58,858	57,897
Total receivables	<u>1,085,712</u>	<u>1,165,623</u>
INVESTMENTS— At fair value (Notes 2 and 3):		
Short-term investments:		
Commercial paper	90,266	114,349
Short-term investment fund	293,649	338,519
U.S. Treasury bills	11,677	13,872
U.S. Government agency discount notes	19,935	28,784
Debt securities:		
U.S. Government	2,563,155	2,480,617
Corporate	2,153,803	2,148,079
Yankee bonds	91,420	96,875
Equities:		
Domestic	8,446,725	7,863,547
Private equity	499,554	362,157
Mutual funds— international equity	4,171,645	3,672,722
Mortgages:		
Mutual fund-Mortgage	22,261	22,436
Treasury inflation-protected securities	491,842	176,106
Domestic Equity	106,168	
Collateral from securities lending	<u>3,356,790</u>	<u>2,852,959</u>
Total investments	22,318,890	20,171,022
OTHER ASSETS	<u>3,177</u>	<u>10,538</u>
Total assets	<u>23,456,386</u>	<u>21,348,054</u>
LIABILITIES:		
Accounts payable	33,375	27,172
Payable for investment securities purchased	1,451,752	1,168,715
Accrued benefits payable	49,361	48,580
Securities lending (Note 2)	<u>3,366,414</u>	<u>2,863,453</u>
Total liabilities	<u>4,900,902</u>	<u>4,107,920</u>
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS (A schedule of funding progress for the Plan is presented on Schedule 1)	<u>\$ 18,555,484</u>	<u>\$ 17,240,134</u>

See notes to financial statements.

NEW YORK CITY POLICE PENSION FUND

STATEMENTS OF CHANGES IN PLAN NET ASSETS YEARS ENDED JUNE 30, 2006 AND 2005

(In thousands)

	2006	2005
ADDITIONS:		
Contributions:		
Member contributions	\$ 144,574	\$ 119,575
Employer contributions	<u>1,337,715</u>	<u>1,033,285</u>
Total contributions	<u>1,482,289</u>	<u>1,152,860</u>
Investment income (Note 2):		
Interest income	292,308	270,041
Dividend income	179,533	183,614
Net appreciation in fair value of investments	<u>1,322,843</u>	<u>1,148,299</u>
Total investment income	<u>1,794,684</u>	<u>1,601,954</u>
Less investment expenses	<u>42,269</u>	<u>38,285</u>
Net income	<u>1,752,415</u>	<u>1,563,669</u>
Securities lending transactions:		
Securities lending income	129,232	74,128
Securities lending fees	<u>(120,079)</u>	<u>(64,814)</u>
Net securities lending income	<u>9,153</u>	<u>9,314</u>
Net investment income	<u>1,761,568</u>	<u>1,572,983</u>
Other—net receipts from other retirement systems	<u>3,860</u>	<u>2,442</u>
Total additions	<u>3,247,717</u>	<u>2,728,285</u>
DEDUCTIONS:		
Benefit payments and withdrawals (Note 1)	1,919,088	1,611,199
Administrative expenses	<u>13,279</u>	<u>13,671</u>
Total deductions	<u>1,932,367</u>	<u>1,624,870</u>
INCREASE IN PLAN NET ASSETS	<u>1,315,350</u>	<u>1,103,415</u>
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS:		
Beginning of year	<u>17,240,134</u>	<u>16,136,719</u>
End of year	<u>\$ 18,555,484</u>	<u>\$ 17,240,134</u>

See notes to financial statements.

NEW YORK CITY POLICE PENSION FUND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2006 AND 2005

1. PLAN DESCRIPTION

The City of New York (the “City”) maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State (“State”) statutes and City laws). The City’s five major actuarially-funded pension systems are the New York City Police Pension Fund (the “Plan”), the New York City Employees’ Retirement System (“NYCERS”), the Teachers’ Retirement System of the City of New York—Qualified Pension Plan (“TRS”), the New York City Board of Education Retirement System—Qualified Pension Plan (“BERS”) and the New York City Fire Pension Fund (“FIRE”). Each pension system is a separate Public Employee Retirement System (“PERS”) with a separate oversight body and is financially independent of the others.

In conjunction with the establishment of an administrative staff separate from the New York City Police Department in accordance with Chapter 292 of the Laws of 2001, the New York City Police Department, Subchapter Two Pension Fund is generally being referred to herein as the New York City Police Pension Fund as set forth in Administrative Code of the City of New York Section 13-214.1.

The Plan is a single-employer PERS. The Plan provides pension benefits for full-time uniformed employees of the New York City Police Department (the “Employer”). All full-time uniformed employees of the New York City Police Department become members of the Plan upon employment.

The Plan functions in accordance with existing State statutes and City laws. It combines features of a defined benefit pension plan with those of a defined contribution pension plan. Contributions are made by the Employer and the members.

In June 1991, the Governmental Accounting Standards Board (the “GASB”) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Plan.

The Plan is included in the Pension and Other Employee Benefit Trust Funds section of the City’s Comprehensive Annual Financial Report (“CAFR”).

At June 30, 2004 (Lag) and June 30, 2004, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	<u>2004 (Lag)</u>	<u>2004</u>
Retirees and beneficiaries receiving benefits	39,452	39,452
Terminated vested members not yet receiving benefits	597	597
Active members receiving salary	<u>35,049</u>	<u>35,049</u>
 Total	 <u>75,098</u>	 <u>75,098</u>

June 30, 2004 is the date used for calculating Fiscal Year 2005 and 2006 Employer Contributions. Under the One-Year Lag Methodology, the actuarial valuation determines the Employer Contribution for the second following Fiscal Year.

The Plan provides three main types of retirement benefits: service retirements, ordinary disability retirements (non job-related disabilities) and accident disability retirements (job-related disabilities):

- A service retirement benefit provides an allowance of one-half of final salary after 20 years or 25 years of service (as elected), with additional benefits equal to a specified percentage per year of service (currently approximately 1.67%) of average salary times the number of years of service in excess of the 20-year or 25-year minimum. These additional benefits are increased, where applicable, by an annuity attributable to member contributions with respect to service over the 20-year or 25-year minimum and by any benefits attributable to the Increased-Take-Home-Pay ("ITHP") contributions accumulated after such qualifying service. ITHP represents amounts contributed by the City in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the Plan during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with greater benefits upon retirement.
- An ordinary disability retirement benefit generally provides a pension equal to 1/40 of final salary times the number of years of service but not less than one-half of final salary if ten or more years of service were completed, or one-third of final salary if less than ten years of service were completed.
- An accident disability retirement benefit provides a pension of three-fourths of final salary plus an increment as described above based on years of service in excess of the 20-year or 25-year minimum plus an annuity based on the member's contributions with accumulated interest and the amount accumulated under the ITHP program.

Annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

Chapter 659 of the Laws of 1999 reduced the amount of service credit needed for vesting purposes to five years, subject to certain conditions. Previously, members became fully vested as to benefits upon the completion of 15 years of service. In addition, the Plan includes provisions for death benefits.

During the Spring 2000 session, the State Legislature approved and the State Governor (“Governor”) signed laws that provide automatic Cost-of-Living Adjustments (“COLA”) for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000), an increase of the ITHP contribution rate to 5.0% from 2.5% for certain Tier 1 and Tier 2 members (Chapter 373 of the Laws of 2000) and a revised definition of salary to be used in the computations of certain Tier 2 benefits (Chapter 372 of the Laws of 2000).

Finally, certain service retirees also receive supplemental benefits under the New York City Police Department Variable Supplements Funds, which are not included in these financial statements.

The New York State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, amendments were made to the State Retirement and Social Security Law (“RSSL”) to modify certain benefits for employees joining the Plan on or after the effective date of such amendments. These amendments, which affect employees who joined the Plan on and after July 1, 1973, established certain benefit limitations relating to eligibility for retirement, the salary base for benefits and maximum benefits. Recent laws, including but not limited to Chapter 372 of the Laws of 2000 which provides a revised definition of salary base to be used in the computation of certain benefits for Tier 2 members of the Plan and Chapter 589 of the Laws of 2001 which eliminated the Tier 2 maximum 30 years of service limitation, have lessened these limitations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting— The Plan uses the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Contributions from members are recognized when the employer makes payroll deductions from Plan members. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investment Valuation— Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the Short-Term Investment Fund (the “STIF”) (a money market fund), the International Investment funds (the “IIF”) and Private Equity (the “PE”). The IIF and PE are private funds which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers.

Purchases and sales of securities are reflected on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

No investment in any one security represents 5% or more of the Plan net assets held in trust for benefits.

Income Taxes— Income earned by the Plan is not subject to Federal income tax.

Accounts Payable— Accounts payable is principally comprised of amounts owed to the Plan’s banks for overdrawn bank balances. The Plan’s practice is to fully invest cash balances in most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding benefit checks that are presented to the banks for payment on a daily basis and these balances are routinely settled each day.

Securities Lending Transactions— State statutes and Board policies permit the Plan to lend its investments to broker-dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, treasury and U.S. Government securities. The Plan's custodian lends the following types of securities: short-term securities, common stock, long-term corporate bonds, U.S. Government and U.S. Government agency bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, it receives collateral in the form of cash, U.S. Treasury and U.S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At June 30, 2006, management believes, the Plan had no credit risk exposure to borrowers because the amounts the Plan owed the borrowers equaled or exceeded the amounts the borrowers owed the Plan. The contracts with the Plan's custodian require borrowers to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand within a period specified in each agreement by either the Plan or the borrowers. Cash collateral is invested in the lending agents' short-term investment pools, which have a weighted average maturity of 90 days. The underlying fixed income securities which comprise these pools have an average maturity of 10 years.

During Fiscal Year 2003, the value of certain underlying securities became impaired because of the credit failure of the issuer. Accordingly, the carrying amount of the collateral reported in the Plan's statements of plan net assets for FY 2003 was reduced by \$15 million to reflect this impairment and reflect the net realizable value of the securities purchased with collateral from securities lending transactions. In May 2004, the Plan received \$1.1 million from a distribution in bankruptcy proceedings from the defaulted issuer. In August 2004, the Plan received \$2.8 million as partial settlement from parties involved in the initial purchase of the impaired security. In fiscal years ended June 30, 2006 and 2005, the Plan also received a partial settlement of \$871 thousand and \$3.4 million, respectively, from the parties involved in the initial purchase of the impaired security.

The securities lending program in which the Plan participates only allows pledging or selling securities in the case of borrower default.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the statement of plan net assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them without a borrower default. Accordingly, the Plan recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending.

New Accounting Standards Adopted – In fiscal year 2006 The City adopted three new statements issued by the Governmental Account Standards Board (GASB):

- Statement No. 43, *Financial Reporting for Post Employment Benefit Plans other than Pension Plans*.
- Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pension*. The liability required by this standard is reflected in The City's June 30, 2006 financial statements and has no impact on the Plan's financial statements.
- Statement No. 47, *Accounting for Termination Benefits*.

Statement No. 43 prescribes uniform financial reporting standards for Other Postemployment Benefits (OPEB) plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes: (i) postemployment healthcare benefits and (ii) other types of postemployment benefits (e.g., life insurance) if provided separately from a pension plan. 'Plans' refer to trust or other funds through which assets are accumulated to finance OPEB, and benefits are paid as they become due. The Statement provides standards for measurement, recognition, and display of the assets, liabilities, and, where applicable, net assets and changes in net assets of such funds and for related disclosures. The requirements of Statement No. 43 apply whether an OPEB plan is reported as a trust or agency fund or a fiduciary component unit of a participating employer or plan sponsor, or the plan is separately reported by a public employee retirement system or other entity that administers the plan. The Plan will not be required to create an OPEB trust.

Statement No. 45 establishes standards for the measurement, recognition, and display of Other Postemployment Benefits (OPEB) expense and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan. The approach followed in the Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 45 improves the relevance and usefulness of financial reporting by: (i) recognizing the cost of benefits in periods when the related services are received by the employer; (ii) providing information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded; and (iii) providing information useful in assessing potential demands on the employer's future cash flows. All OPEB liabilities for the Plan are part of the New York City OPEB liability which can be found in the New York City Comprehensive Annual Financial Report, a copy of which can be obtained from the New York City Comptroller's Office, Bureau of Accountancy, 1 Centre Street, Room 808, New York, New York 10007.

Statement No. 47 provides guidance for measuring, recognizing, and reporting liabilities and expense related to all termination benefits, including voluntary termination benefits (e.g., early-retirement incentives), without limitation as to the period of time during which the benefits are offered, and involuntary termination benefits (e.g., severance benefits). Statement No. 47 excludes postemployment benefits (pensions and other postemployment benefits (OPEB) which are part of the compensation that is offered in exchange for services received because they differ in nature from termination benefits. Accounting and reporting requirements for pensions and OPEB are addressed in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, respectively. The Statement requires the Plan to disclose a description of the termination benefit arrangement, the cost of the termination benefits (required in the period in which the Plan becomes obligated if that information is not otherwise identifiable from information displayed on the face of the financial statements), and significant methods and assumptions used to determine termination benefit liabilities. There was no impact on the Plan's financial statements as a result of the implementation of Statement No. 47.

3. INVESTMENTS AND DEPOSITS

The Comptroller of The City of New York (the "Comptroller") acts as an investment advisor to the Plan. In addition, the Plan employs an independent investment consultant as an investment advisor. The Plan utilizes several investment managers to manage the long-term debt and equity portfolios. The managers

are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

Concentration of Credit Risk:

The Plan does not have any investments in any one entity that represent 5% or more of plan net assets.

The legal requirements for Plan investments are as follows:

- a. Fixed income, equity and other investments may be made as permitted by New York State RSSL §§ 176-178(a) and Banking Law § 235, the New York City Administrative Code, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department, subject to Note 3(b).
- b. Investments up to 15% of total pension fund assets may be made in instruments not expressly permitted by the State RSSL.

Bank of New York (“BONY”) is the primary custodian for substantially all of the securities of the Plan.

Cash deposits are insured by the Federal Deposit Insurance Corporation for up to \$100,000 per Plan member and are, therefore, fully insured.

Credit Risk— Portfolios other than U.S. Government and related portfolios have credit rating limitations. Investment Grade portfolios are limited to mostly ratings of BBB and above except that they are also permitted a 10% maximum exposure to BB & B rated securities. While Non Investment grade managers are primarily invested in BB & B rated securities, they can also invest up to 7% of their portfolio in securities rated CCC. Non rated securities are considered to be non-investment grade. The quality ratings of investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, are as follows:

Investment Type*	S&P Quality Ratings							Short term	Not Rated	Total
	AAA	AA	A	BBB	BB	B	CCC & Below			
June 30, 2006										
U.S Government	21.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.96%
Corporate Bonds	11.93%	4.64%	13.65%	11.45%	7.28%	11.24%	1.47%	0.00%	1.88%	63.54%
Yankee Bonds	0.17%	0.57%	0.64%	0.89%	0.30%	0.03%	0.00%	0.00%	0.01%	2.61%
Short Term	0.34%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	2.94%	8.58%	11.89%
Total	34.40%	5.24%	14.29%	12.34%	7.58%	11.27%	1.47%	2.94%	10.47%	100.00%
June 30, 2005										
U.S Government	13.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.73%
Corporate Bonds	21.72%	3.83%	11.23%	13.19%	8.41%	11.91%	1.27%	0.00%	0.87%	72.43%
Yankee Bonds	1.29%	1.39%	3.58%	2.74%	1.40%	1.62%	0.07%	0.00%	0.09%	12.18%
Short Term	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.66%	0.00%	1.66%
Percent of Rated Portfolio	36.74%	5.22%	14.81%	15.93%	9.81%	13.53%	1.34%	1.66%	0.96%	100.00%

* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have credit risk and are not included above.

Custodial Credit Risk—Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodian and registered in the Plan's name.

All of the Plan's deposits are insured and or collateralized by securities held by a financial institution separate from the Plan's depository financial institution.

All of the Plan's securities are held by the Plan's custodial bank in the Plan's name.

Interest Rate Risk—Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to interest rate changes. Duration is limited to a range of -1 to .75 years. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

Years to Maturity
Investment Type

	Investment Maturities				
	Fair Value	Less than one year	One to five years	Six to ten years	More than ten years
June 30, 2006					
U.S Government	48.89 %	1.24 %	2.53 %	4.92 %	40.20 %
Corporate Bonds	41.43 %	1.30 %	18.20 %	11.50 %	10.43 %
Yankee Bonds	1.77 %	0.06 %	0.74 %	0.34 %	0.63 %
Short Term	<u>7.91 %</u>	<u>7.91 %</u>	<u>.00 %</u>	<u>.00 %</u>	<u>.00 %</u>
 Percent of Rated Portfolio	<u>100.00 %</u>	<u>10.51 %</u>	<u>21.47 %</u>	<u>16.76 %</u>	<u>51.26 %</u>

	Investment Maturities				
	Fair Value	Less than one year	One to five years	Six to ten years	More than ten years
June 30, 2005					
U.S Government	47.51 %	0.89 %	7.07 %	11.81 %	27.74 %
Corporate Bonds	41.14 %	0.37 %	9.88 %	7.07 %	23.82 %
Yankee Bonds	1.86 %	0.13 %	0.82 %	0.47 %	0.44 %
Short Term	<u>9.49 %</u>	<u>9.49 %</u>	<u>.00 %</u>	<u>.00 %</u>	<u>.00 %</u>
 Percent of Rated Portfolio	<u>100.00 %</u>	<u>10.88 %</u>	<u>17.77 %</u>	<u>19.35 %</u>	<u>52.00 %</u>

Securities Lending Transactions

Credit Risk—The quality ratings of investments held as collateral for Securities Lending are as follows:

Investment Type and Fair Value of Securities Lending Transactions (In thousands)	S&P Quality Ratings									
	AAA	AA	A	BBB	BB	B	CCC & Below	Short Term	Not Rated	Total
June 30, 2006										
U.S. Government Corporate Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,474	\$ -	\$ 1,474
Yankee Bonds	229,454	81,153	426,017					325,352	10,445	1,072,421
Short Term	410,021	731,183	323,738					17,946	578,899	17,946
Total	\$ 639,475	\$ 812,336	\$ 749,755	\$ -	\$ -	\$ -	\$ -	\$ 565,880	\$ 589,344	\$ 3,356,790
Percent of Securities Lending Portfolio	19.05 %	24.20 %	22.34 %	%	%	%	%	16.86 %	17.56 %	100.00 %
June 30, 2005										
U.S. Government Corporate Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402	\$ -	\$ 1,402
Yankee Bonds	373,071	433,493	274,226					390,216	3,445	1,474,451
Short Term	370,091	544,762	134,825					35,699	173,096	35,699
Total	\$ 743,162	\$ 978,255	\$ 409,051	\$ -	\$ -	\$ -	\$ -	\$ 545,950	\$ 176,541	\$ 2,852,959
Percent of Securities Lending Portfolio	26.05 %	34.29 %	14.34 %	%	%	%	%	19.14 %	6.19 %	100.00 %

Interest Rate Risk— The lengths of investment maturities (in years) of the collateral for Securities Lending are as follows:

**Years to Maturity
Investment Type
(In thousands)
June 30, 2006**

	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More than Ten Years
U.S Government	\$ 1,474	\$ 1,474	\$ -	\$ -	\$ -
Corporate Bonds	1,072,421	123,954	948,467		
Yankee Bonds	17,946	9,295	8,651		
Short Term	<u>2,264,949</u>	<u>1,271,776</u>	<u>993,173</u>		
Total	<u>\$3,356,790</u>	<u>\$1,406,499</u>	<u>\$1,950,291</u>	<u>\$ -</u>	<u>\$ -</u>
Percent of Securities Lending Portfolio	100.00 %	41.90 %	58.10 %	- %	- %

June 30, 2005

	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More than Ten Years
U.S Government	\$ 1,402	\$ 1,402	\$ -	\$ -	\$ -
Corporate Bonds	1,474,451	610,784	863,667		
Yankee Bonds	35,699	19,312	16,387		
Short Term	<u>1,341,407</u>	<u>618,244</u>	<u>723,163</u>		
Total	<u>\$2,852,959</u>	<u>\$1,249,742</u>	<u>\$1,603,217</u>	<u>\$ -</u>	<u>\$ -</u>
Percent of Securities Lending Portfolio	100.00 %	43.81 %	56.19 %	- %	- %

4. DUE TO VARIABLE SUPPLEMENTS FUNDS (VSFS)

The ACNY provides that the Plan transfer to the Police Officers' Variable Supplements Fund ("POVSF") and the Police Superior Officers' Variable Supplements Fund ("PSOVSF") amounts equal to certain excess earnings on equity investments of the Plan, if any. These excess earnings are defined as the amount by which earnings on equity investments of the Plan exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed income securities, less any cumulative deficiencies of prior years' excess earnings that fell below the yield of fixed income investments. In addition, such transfers from the Plan to the POVSF and PSOVSF are limited to the unfunded Accumulated Benefit Obligation ("ABO") of these VSFs.

For Fiscal Year 2006, the excess earnings of the Plan, inclusive of prior years' cumulative deficiencies, are estimated to be equal to zero and therefore, no transfers will be due from the Plan to the VSFs as of June 30, 2006.

For Fiscal Year 2005, the excess earnings of the Plan, inclusive of prior years' cumulative deficiencies, are estimated to be equal to zero and therefore, no transfers will be due from the Plan to the VSFs as of June 30, 2005.

5. CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the Plan is to fund members' retirement benefits during their active service and to establish Employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. Under current law, the Employer contributes statutorily-required contributions ("Statutory Contributions") that together with Member Contributions and investment income would ultimately be sufficient to accumulate assets to pay benefits when due.

Actuarial Change—The changes in actuarial assumptions and methods effective Fiscal Year 2006 resulted in approximately a \$33 million increase in Employer Contributions for Fiscal Year 2006 and an increase in Employer Contributions for future Fiscal Years.

Member Contributions—Members contribute by salary deductions on the basis of a normal rate of contribution which is assigned by the Plan at membership. This member normal rate, which is dependent upon age and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-third of the service retirement allowance at the earliest age for service retirement. For Tier 1, the average member normal rate is approximately 7.8%. For Tier 2, the average member normal rate is approximately 7.1%.

Prior to October 1, 2000, these member contribution rates were reduced by 2.5% under the ITHP program. Effective as of October 1, 2000, ITHP contribution rates increased to 5.0% from 2.5% and, in general, their member contribution rates were reduced in a similar manner.

Members may voluntarily increase their rates of contribution by 50% for the purpose of purchasing an additional annuity. Members are permitted to borrow up to 90% (increased from 75% with the passage of Chapter 588 of the laws of 2001) of their own contributions including accumulated interest.

Employer Contributions—Statutory Contributions to the Plan, determined by the Plan's Chief Actuary of the Office of the Actuary (the "Actuary") in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year.

The June 30, 2004 (Lag) actuarial valuation used to determine the Fiscal Year 2006 Employer Contribution was based on revised actuarial assumptions and methods proposed by the Actuary. Where required, the Board of Trustees of the Plan adopted those changes to the actuarial assumptions that required Board approval and the State Legislature and Governor enacted Chapter 152 of the Laws of 2006 ("Chapter 152/06") to provide for those changes in actuarial assumptions and methods that required legislation, including the continuation of the Actuarial Interest Rate ("AIR") assumption of 8.0% per annum.

Chapter 152/06 established the One-Year Lag Methodology to determine the Fiscal Year 2006 Employer Contribution using a June 30, 2004, valuation date. This methodology requires technical adjustments to certain components used to determine the Fiscal Year 2006 Employer Contribution.

Chapter 152/06 also eliminates the use of the ten-year phase-in of Chapter 278 of the Laws of 2002 ("Chapter 278/02") for funding the additional actuarial liabilities created by the benefits provided by Chapter 125 of the Laws of 2000 ("Chapter 125/00").

The June 30, 2004 actuarial valuation used to determine the Fiscal Year 2005 Employer Contribution, was based on previous actuarial assumptions and methods proposed by the Actuary. Where required, the Board of Trustees of the Plan adopted those changes to the actuarial assumptions that required Board approval and the New York State Legislature and the Governor enacted Chapter 85 of the Laws of 2000 ("Chapter 85/00") to provide for those changes to the actuarial assumptions and methods that required legislation, including the AIR assumption of 8.0% per annum.

The Frozen Initial Liability Actuarial Cost Method is utilized by the Actuary to calculate the contributions from the Employer. Under this actuarial cost method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999, but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than zero. The excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and the APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on the payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

Chapter 85/00 reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999. The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

The obligation of the Plan to the POVSF and the PSOVSF are recognized through the Liability Valuation Method.

Under this method the APV of Future SKIM from the Plan to the POVSF and PSOVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the POVSF and PSOVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the POVSF and PSOVSF offset by the AAV of the POVSF and PSOVSF, respectively.

For the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method which reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

The revised AAV was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contribution in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions.

For Fiscal Years 2000 through 2005 inclusive, the AAVM was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan. This AAVM recognized expected investment returns immediately and phased in UIR.

Under this AAVM, any UIR for Fiscal Years 2000 through 2005 inclusive were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

Chapter 125/00 provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with automatic Cost-of-Living Adjustments (“COLA”) beginning September 2001. Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278/02 required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

Specifically, in accordance with Chapter 125/00 the Actuary in calculating the Statutory Contributions for Fiscal Years 2001 and 2002 included the following percentages of the increase in actuarial liabilities attributable to Chapter 125/00 COLA benefits:

Fiscal Year	Phase-In Percent
2001	20 %
2002	40

Chapter 278/02 revised the phase-in schedule of Chapter 125/00 for Fiscal Years 2003 and later.

Chapter 278/02 provided that, for the June 30, 2000, actuarial valuation, the Actuary was required to recognize, on a theoretical basis, only 10% of the additional actuarial liabilities created by the benefits provided by Chapter 125/00 for determining the Fiscal Year 2001 Employer Contribution.

For each of the next eight June 30 actuarial valuations (i.e., June 30, 2001 to June 30, 2008), the Actuary was required to recognize progressively increasing percentages (i.e., 20% to 90%) of the additional actuarial liabilities attributable to Chapter 125/00 for determining the Fiscal Year 2002 to Fiscal Year 2009 Employer Contributions.

For the June 30, 2009, and later actuarial valuations, the Actuary was required to recognize the full amount of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Years 2010 and later Employer Contributions.

Because the Fiscal Year 2002 and 2001 accounting periods were closed, Chapter 278/02 had a retroactive effect. The interest-adjusted difference between Employer Contributions actually paid for Fiscal Years 2002 and 2001 under Chapter 125/00 and the amounts that would have been payable under the ten-year phase-in schedule for such fiscal years was deducted from the otherwise required Employer Contribution for Fiscal Year 2003.

The impact of the ten-year phase-in of Chapter 278/02 was to postpone funding of the additional actuarial liabilities attributable to Chapter 125/00 resulting in greater Employer Contributions in later years.

Statutory Contributions for Fiscal Years 2006 and 2005 were equal to the amounts calculated by the Actuary. For Fiscal Year 2005, the Statutory Contribution reflects the impact of Chapter 125/00 and Chapter 278/02 and was less than the Annual Required Contribution computed in accordance with GASB Statement No. 25, due to the phase-in schedule for funding provided by Chapter 125/00 and Chapter 278/02.

6. MEMBER LOANS

Members are permitted to borrow up to 90% of their own contributions, including accumulated interest. The balance of member loans receivable at June 30, 2006 and 2005, is \$250.7 million and \$537.7 million, respectively. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any loans outstanding. As a result of a review of all member accounts, certain loans due from retired or inactive employees were deemed uncollectible and, as a result, were appropriately written off in 2006.

7. RELATED PARTIES

The Comptroller has been appointed by law as custodian for the assets of the Plan. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller also provides cash receipt and cash disbursement services to the Plan. Actuarial services are provided to the Plan by the Office of the Actuary employed by the Boards of Trustees of the City's main pension systems. The City's Corporation Counsel provides legal services to the Plan. Other administrative services are also provided by the City. The aforementioned services may be provided by employees or officers of the City who may also be participants in the Plan. The cost of providing such services amounted to \$4,685,755 and \$2,561,344 in Fiscal Years 2006 and 2005, respectively.

8. ADMINISTRATIVE AND INVESTMENT EXPENSES

Chapter 292 of the Laws of 2001 provides Corpus Funding of administrative expenses for the Plan commencing July 1, 2001, and allows for the appointment of an executive director for the Plan. In Fiscal Year 2006, total non-investment expenses attributable to the Plan were approximately \$18 million, of which \$13.3 million were paid from the assets of the Plan and \$4.7 million were paid by the City on behalf of the Plan. In Fiscal Year 2005, total non-investment expenses attributable to the Plan were approximately \$16.3 million, of which \$13.7 million were paid from the assets of the Plan and \$2.6 million were paid by the City on behalf of the Plan. Investment expenses charged to the investment earnings of the Plan, exclusive of expenses relating to securities-lending transactions, amounted to approximately \$42.3 million in 2006 and \$38.3 million in 2005.

During Fiscal Year 2002, the Plan entered into a lease agreement to rent office space. The agreement will expire in Fiscal Year 2012 with an option to renew through Fiscal Year 2017. The future minimum rental payments required under this operating lease are as follows:

<u>Fiscal Years Ending</u>	<u>Amount</u>
2007	\$ 2,065,203
2008	2,191,644
2009	2,191,644
2010	2,191,644
2011	2,191,644
2012-2016	11,674,715
To April 2017	1,770,174

9. CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities—The Plan has claims pending against it and has been named as defendant in lawsuits and also has certain other contingent liabilities. Management of the Plan, on the advice of legal counsel, believes that such proceedings and contingencies will not have a material effect on the Plan's net assets or changes in the Plan's net assets. Under the State statutes and City laws that govern the

functioning of the Plan, increases in the obligations of the Plan to members and beneficiaries ordinarily result in increases in the obligations of the City to the Plan.

Other Matters—During Fiscal Years 2006 and 2005, certain events described below took place which, in the opinion of Plan management, could have the effect of increasing benefits to members and/or their beneficiaries and therefore would increase the obligations of the Plan. The effect of such events has not been fully quantified. However, it is the opinion of Plan management that such developments would not have a material effect on the Plan net assets held in trust for pension benefits or cause changes in Plan net assets held in trust for pension benefits.

Actuarial Audit—Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems (“NYCRS”) are conducted every two years. The most recent study was published by The Segal Company (“Segal”) dated May 2006 and analyzed experience for Fiscal Years 2002 through 2003. Segal intends to make recommendations to the actuarial assumptions and methods after the completion of the analysis of the experience for Fiscal Years 2004 and 2005 which should be completed in the Winter 2006.

Revised Actuarial Assumptions and Methods—In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Based upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company (“GRS”), the Actuary issued an August 24, 2005, Report entitled “Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005, for the New York City Police Pension Fund” (“August 2005 Report”). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152/06 to provide for those changes to the actuarial assumptions and methods that required legislation, including the AIR assumption of 8.0% per annum.

The changes in actuarial assumptions and methods effective Fiscal Year 2006 results in somewhat lesser Employer Contributions for Fiscal Years 2006 and 2007 and increased employer Contribution for future Fiscal Years.

New York State Legislation—Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, creates a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

Chapter 152/06 provides for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability (“FIL”) Actuarial Cost Method and the existing Unfunded Actuarial (Accrued) Liability (“UAL”). In addition, Chapter 152/06 provides for elimination of the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00.

Chapter 445 of the Laws of 2006 creates a presumptive eligibility for accidental death benefits in connection with the World Trade Center attack on September 11, 2001.

* * * * *

NEW YORK CITY POLICE PENSION FUND

Schedule 1

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
(IN CONFORMITY WITH THE PLAN'S FUNDING METHOD)
(In thousands)**

Actuarial Valuation Date June 30	(1) Actuarial Asset Value (AAV)	(2) Actuarial Accrued Liability (AAL)*	(3) Unfunded AAL (UAAL)	(4) Funded Ratio	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
	(A)	(A) & (B)	(C)-(2)-(1)	(1)÷(2)		(3)÷(5)
2004 (Lag)	\$ 18,735,134	\$ 18,735,134	\$ -	100.0 %	\$ 2,757,662	** 0.0 %
2004	18,510,638	18,510,638		100.0	2,460,750	
2003	18,781,359	18,781,359		100.0	2,433,897	
2002	18,913,634	18,913,634		100.0	2,496,249	
2001	18,141,670	18,141,670		100.0	2,500,130	
2000	17,601,913	17,601,913		100.0	2,465,682	

* Based on the Frozen Initial Liability Actuarial Cost Method.

** The annualized covered payroll under the One-Year Lag Methodology used for the Fiscal Year 2006 Employer Contribution differs from that as of June 30, 2004 to compute Fiscal Year 2005 Employer Contribution due to changes in actuarial assumptions and more recent information on labor contract settlements.

Notes:

- A. The AAVM in use for the June 30, 2004 (Lag) and later actuarial valuations resets the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM used for the Fiscal Year 2006 Employer Contribution, actual UIR for Fiscal Years 2000, 2001, etc., are phased into the AAV beginning June 30, 2000, 2001, etc., at rates of 15%, 15%, 15%, 15%, 20%, and 20% per year (i.e., cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

The revised AAV was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contribution in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions in accordance with the August 2005 Report.

As of June 30, 1999, the economic and noneconomic assumptions were revised due to experience review. The AAVM was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan and was made as one component of an overall revision of actuarial assumptions and methods as of June 30, 1999.

Schedule 1

(Schedule of Funding Progress continued from the previous page)

Under the AAVM used for the June 30, 1999 to June 30, 2004 actuarial valuations, any UIR for Fiscal Years 2000 and later were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

- B. To effectively assess the funding progress of the Plan, it is necessary to compare the AAV and the AAL calculated in a manner consistent with the Plan's funding method over a period of time. The AAL is the portion of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Employer normal costs and future Member Contributions.
- C. The UAAL is the excess of the AAL over the AAV. This is the same as the unfunded frozen AAL, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.

(Schedule of Funding Progress concluded)

NEW YORK CITY POLICE PENSION FUND

Schedule 2

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
(In thousands)**

Fiscal Years Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2006	\$ 1,337,715	100.0 %
2005	1,123,939	91.9
2004	917,731	88.5
2003	821,387	76.1
2002	636,481	84.0
2001	543,758	76.0
2000	250,021	100.0

Under the requirements of Governmental Accounting Standards Board Statement Number 25 (“GASB 25”), the Annual Required Contribution (“ARC”) is determined through an actuarial valuation reflecting all liabilities of the Plan. The Employer Contribution to the Plan is determined in accordance with statute (i.e., Statutory Contribution). For Fiscal Years 2005, 2004 and 2003, the difference between the ARC and the Statutory Contribution is the consequence of Chapter 278/02 which phased-in over 10 years the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00 (i.e., automatic COLA). For Fiscal Years 2002 and 2001, the difference between the ARC and the Statutory Contribution is the consequence of Chapter 125/00 which phased-in over 5 years the additional actuarial liabilities attributable to this law.

The Statutory Contributions of \$1.0 billion, \$812.0 million, \$625.4 million, \$534.5 million and \$413.2 million for Fiscal Years 2005, 2004, 2003, 2002 and 2001, respectively, were computed in accordance with Chapter 125/00, which provides for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00 and Chapter 278/02 which extended the phase-in period for funding these liabilities from five years to ten years.

Chapter 152/06 eliminates the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00. For Fiscal Year 2006, the Statutory Contribution equals the ARC.

NEW YORK CITY POLICE PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of June 30, 2004 (Lag) and June 30, 2004. These actuarial valuations were used to determine Employer Contributions for Fiscal Years 2006 and 2005, respectively. Additional information as of the last two actuarial valuations follows:

	June 30, 2004 (Lag) ¹	June 30, 2004
Actuarial cost method	Frozen Initial Liability ² .	Frozen Initial Liability ² .
Amortization method for Unfunded Actuarial Accrued Liabilities	Not applicable. ³	Not applicable. ³
Remaining amortization period	Not applicable. ³	Not applicable. ³
Actuarial asset valuation method	Modified six-year moving average of market values with "market value restart" as of June 30, 1999.	Modified five-year moving average of market values with "market value restart" as of June 30, 1999.
Actuarial assumptions:		
Assumed rate of return	8.0% per annum. ⁴	8.0% per annum. ⁴
Post-retirement mortality	Tables adopted by Board of Trustees during Fiscal Year 2006.	Tables adopted by Board of Trustees during Fiscal Year 2000.
Active service: withdrawal, death, disability, service retirement	Tables adopted by Board of Trustees during Fiscal Year 2006.	Tables adopted by Board of Trustees during Fiscal Year 2000.
Salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per year. ⁴	In general, merit and promotion increases plus assumed general wage increases of 3.0% per year. ⁴
Cost-of-Living Adjustments	1.3% per annum. ⁴	1.3% per annum. ⁴

¹ Under the One-Year Lag Methodology, the actuarial valuation determines the Employer Contribution for the second following Fiscal Year.

² Under this Actuarial Cost Method, the Initial Liability was reestablished as of June 30, 1999 by the Entry Age Actuarial Cost Method but with the UAAL not less than \$0.

³ In conjunction with Chapter 85/00, there is an amortization method. However, the June 30, 1999 UAAL for the Plan equaled \$0 and no amortization period was required. There is an amortization period used if there is a UAAL.

⁴ Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

NEW YORK CITY
POLICE PENSION FUND

SCHEDULE OF ADMINISTRATIVE EXPENSES

YEAR ENDED JUNE 30, 2006

<u>Salaries Paid to Plan Personnel</u>		\$8,527,296
<u>Professional Services:</u>		
Administration	429,405	
Trading and Investments	1,785,380	
Management Division	32,054	
Legal	<u>563,910</u>	
Total Professional Services		2,810,749
<u>Communication and General Services:</u>		
Printing and Computer Services	10,600	
	<u> </u>	
Total Communication and General Services		10,600
<u>Miscellaneous Expenses:</u>		
F I S A	1,546,880	
O P A	130,923	
Office Management and Budget	188,603	
Pension overhead expenses	<u>4,752,187</u>	
Total Miscellaneous Expenses		6,618,593
Total Administrative Expenses		<u>\$17,967,238</u> *

* This amount represents expenses incurred by the Fund and also by other City agencies. From these expenses, \$ 13,279,484 are incurred and paid by NYCPPF and the balance is incurred by other city agencies and paid by the City of New York on behalf of the Fund.

SCHEDULE 5

Broker Commission Report
NEW YORK CITY POLICE PENSION FUND

Investment Type: Fixed

Fiscal Year beginning 7/1/2005

Report includes the following period(s): Jun-06

	Number of Shares Traded	Year-to-Date Commissions Paid	cents per share
ABN AMRO BOND TRADING	6,455,000.00	0.00	0.0000
ABN AMRO BOND TRADING/AASI	5,000.00	0.00	0.0000
ABN AMRO DEBT CAPT MKTS	395,000.00	0.00	0.0000
ABN AMRO INC	450,000.00	0.00	0.0000
ABN AMRO INC OMNIBUS ACCOUNT	11,955,000.00	0.00	0.0000
ABNFINSER	4,840,000.00	0.00	0.0000
ADP CLEARING AND OUTSOURCING	766,438,461.00	0.00	0.0000
ADVEST, INC.	100,000.00	0.00	0.0000
AMHERST SECURITIES	8,240,000.00	0.00	0.0000
BANC AMERICA SECUR LLC	2,267,285.00	0.00	0.0000
BANC OF AMERICA/FIXED INCOME	2,301,887,009.92	0.00	0.0000
BANC/AMERICA MONTGOMERY DIV	1,749,079,844.00	0.00	0.0000
BANC/AMERICA SECUR.LLC,MONTGOM	468,248,127.00	0.00	0.0000
BANK OF NEW YORK/BARCLAYS CAP-	885,000.00	0.00	0.0000
BANKERS TRUST/DB AG LONDON GLB	1,245,000.00	0.00	0.0000
BARCLAYS BK PLC NY (PTC ONLY)	1,100,000.00	0.00	0.0000
BARCLAYS BZWSIFED	503,250,000.00	0.00	0.0000
BARCLAYS CAPITAL BBPLC	521,000.00	0.00	0.0000
BARCLAYS CAPITAL INC FIXED	3,345,738,311.42	0.00	0.0000
BEAR STEARNS & CO	92,381,382.00	0.00	0.0000
BEAR STEARNS & CO INC	836,100,765.00	13,036.25	0.0000
BEAR STEARNS CORRESPONDING CO	12,330,000.00	0.00	0.0000
BEAR STEARNS SECURITIES CORP	883,187,676.00	0.00	0.0000
BK OF AMERICA NA	16,437,105.00	0.00	0.0000
BK OF NEW YORK/BARCLAYS LONDON	655,000.00	0.00	0.0000
BLAYLOCK PARTNERS L.P	20,400,000.00	0.00	0.0000
BNP PARIBAS SEC CORP/BONDS	35,840,000.00	0.00	0.0000
BNP PARIBAS SECURITIES CORP/	400,000.00	0.00	0.0000
BNY CAPITAL MARKETS INC	20,362,000.00	0.00	0.0000
BNY/STANDARD BANK LONDON LTD	1,275,000.00	0.00	0.0000
BONY/COUNTRYWIDE SEC CORP	400,267,421.00	0.00	0.0000
CANTOR, FITZGERALD & CO., INC	26,850,000.00	0.00	0.0000
CASH ELECTION	630,000.00	0.00	0.0000
CHASE MANHATTAN BK/CHEMICAL/CP	294,600,000.00	0.00	0.0000
CHASE SECURITIES, INC.	92,176,000.00	0.00	0.0000
CIBC WORLD MARKETS CORP	8,000,300.00	465.00	0.0001
CIBC WORLD MARKETS INC	315,000.00	0.00	0.0000
CITIBANK N.A.	2,414,000.00	0.00	0.0000
CITIBANK/CP/IPA	1,700,000.00	0.00	0.0000
CITIGROUP GLOBAL MARKETS INC	25,638,687.00	408.10	0.0000

SCHEDULE 5

Broker Commission Report
NEW YORK CITY POLICE PENSION FUND

Investment Type: Fixed

Fiscal Year beginning 7/1/2005

Report includes the following period(s): Jun-06

	Number of Shares Traded	Year-to-Date Commissions Paid	cents per share
CITIGROUP GLOBAL MKTS/SALOMON	5,756,792,642.21	0.00	0.0000
CMO TRADE ADJUSTMENT	83,550,000.00	0.00	0.0000
COUNTRYWIDE SECURITIES/BKNY	1,070,228.00	0.00	0.0000
CREDIT RESEARCH TRADING L.L.C	1,210,000.00	0.00	0.0000
CREDIT SUISSE FIRST BOSTON	3,199,630,996.57	301.75	0.0000
CREDIT SUISSE FST BOSTON INTL	3,765,000.00	0.00	0.0000
D E SHAW SECURITIES L P	1,035,000.00	0.00	0.0000
DEUTSCHE BANC ALEX BROWN INC	2,060,000.00	0.00	0.0000
DEUTSCHE BANC/ALEX BROWN	2,151,462,469.85	557.50	0.0000
DEUTSCHE BANK	195,655,000.00	0.00	0.0000
DEUTSCHE BANK ALEX BROWN	1,000,000.00	0.00	0.0000
DEUTSCHE BANK LONDON(DBLDN)	775,000.00	0.00	0.0000
DEUTSCHE MORGAN GRENFELL INC	317,237,757.00	0.00	0.0000
DRESDNER KLEINWORTH WASSERSTEI	450,000.00	0.00	0.0000
DRESDNER SECS TRI-PARTY REPO	355,000.00	0.00	0.0000
EXCHANGE OFFER	1,250,000.00	0.00	0.0000
EXCHANGE UNDER REORGANIZATION	790,000.00	0.00	0.0000
FIRST ALBANY CORPORATION	2,965,000.00	0.00	0.0000
FIRST TENNESSEE BK NA-BD DIVI	7,800,000.00	0.00	0.0000
FIRST TENNESSEE SECURITIES	590,000.00	0.00	0.0000
FORTIS INVESTMENT SERVICES	38,350,000.00	0.00	0.0000
FTN FINANCIAL SECURITIES	8,361,000.00	0.00	0.0000
GARBAN CORPORATES INC	32,450,000.00	0.00	0.0000
GOLDMAN SACHS & CO	12,365,345,519.74	146.05	0.0000
GOLDMAN, SACHS & CO	374,230,669.00	0.00	0.0000
GREENWICH CAPITAL MARKETS INC	1,157,104,886.00	0.00	0.0000
GREENWICH CAPITALMKT	664,568,364.00	0.00	0.0000
HARRIS NESBITT CORP. BONDS	905,000.00	0.00	0.0000
HSBC BK USA-SECURIITES LENDING	1,825,920.00	0.00	0.0000
HSBC SECURITIES (USA)INC	5,215,000.00	0.00	0.0000
HSBC SECURITIES INC.	780,290,271.00	0.00	0.0000
IMPERIAL CAPITAL LLC	165,000.00	0.00	0.0000
J P MORGAN SECURITIES INC	190,939.00	22.17	0.0001
JEFFERIES & COMPANY, INC.	3,303,102.00	93.06	0.0000
JP MORGAN CHASE BANK/HSBCSI	297,279,542.00	0.00	0.0000
JP MORGAN CHASE/JP MORGAN INTL	5,150,000.00	0.00	0.0000
JP MORGAN SEC LTD LONDON	590,000.00	0.00	0.0000
JP MORGAN SECURITIES	550,341,931.00	0.00	0.0000

SCHEDULE 5

Broker Commission Report
NEW YORK CITY POLICE PENSION FUND

Investment Type: Fixed

Fiscal Year beginning 7/1/2005

Report includes the following period(s): Jun-06

	Number of Shares Traded	Year-to-Date Commissions Paid	cents per share
JPM SECURITIES	3,184,116,692.00	0.00	0.0000
JPMCHASE/BIDL	17,276,113.00	0.00	0.0000
KBC FINANCIAL PRODUCTS (INC)	37,176,195.00	0.00	0.0000
KNIGHT SECURITIES	3,021.00	90.63	0.0300
LEHMAN BROS INTL (EUROPE)	3,884,000.00	0.00	0.0000
LEHMAN BROS INTL (EUROPE)-EQ	5,858,000.00	0.00	0.0000
LEHMAN BROTHERS	5,951,000.00	0.00	0.0000
LEHMAN BROTHERS INC, USA	212,182,373.00	869.15	0.0000
LEHMAN-LBI	4,729,480,317.92	0.00	0.0000
LIBERTAS PARTNERS LLC	1,345,000.00	0.00	0.0000
MERRILL LYNCH FIXED INCOME OPS	353,786,428.00	0.00	0.0000
MERRILL LYNCH GOVT SECS (CMO)	4,920,000.00	0.00	0.0000
MERRILL LYNCH GOVT SECS/M.MKTS	23,100,000.00	0.00	0.0000
MERRILL LYNCH PIERCE FENNER &	2,203,650,711.00	385.00	0.0000
MILLER TABAK ROBERTS SEC LLC	710,000.00	0.00	0.0000
MILLER,TABAK, HIRSCH & CO	50,000.00	0.00	0.0000
MIZUHO SECURITIES USA INC	7,400,000.00	0.00	0.0000
MIZUHO TRUST	14,100,000.00	0.00	0.0000
MORGAN STANLEY & CO	6,154,465,741.01	375.00	0.0000
MORGAN STANLEY & CO INC LDN	5,380,000.00	0.00	0.0000
NESBITT BURNS SECURITIES INC.	920,000.00	0.00	0.0000
NOMURA SECURITIES INTL INC	19,547,977.00	0.00	0.0000
OLD KENT BANK AND TRUST CO	1,600,000.00	0.00	0.0000
PARIBAS (BKNY) FED	830,000.00	0.00	0.0000
PENSON FINANCIAL SERVICES INC	75,000.00	0.00	0.0000
PERSHING & COMPANY	8,890,000.00	0.00	0.0000
PURCHASE OFFER	66,469,914.00	0.00	0.0000
QUICK & REILLY (FED)	1,139,672,224.00	0.00	0.0000
R.W. PRESSPRICH & CO., INC	470,000.00	0.00	0.0000
RAYMOND, JAMES & ASSOC., INC.	1,566,000.00	0.00	0.0000
RBC DOMINION SECURITIES,CORP.	765,000.00	0.00	0.0000
RBC/DAIN RAUSCHER INC BK NYC	28,638,000.00	0.00	0.0000
RECEIPTS FROM FISCAL AGENTS	300,000.00	0.00	0.0000
REDEMPTION	838,000.00	0.00	0.0000
SALOMON BROTHERS INC	37,575.00	1,436.45	0.0382
SBLONDON	1,290,000.00	0.00	0.0000
SCOTIA CAP MARKETS USA INC NY	3,915,000.00	0.00	0.0000
SCOTT & STRINGFELLOW, INC	6,465,000.00	0.00	0.0000
SG AMERICAS SECURITIES LLC	985,000.00	0.00	0.0000

SCHEDULE 5

**Broker Commission Report
NEW YORK CITY POLICE PENSION FUND**

Investment Type: Fixed

Fiscal Year beginning 7/1/2005

Report includes the following period(s): Jun-06

	Number of Shares Traded	Year-to-Date Commissions Paid	cents per share
SMITH BARNEY HARRIS UPHAMD	5,360,000.00	0.00	0.0000
STATE STREET BANK & TRUST CO.	10,000,000.00	0.00	0.0000
UBS FINANCIAL SERVICES INC	7,850,000.00	0.00	0.0000
UBS LONDON	6,144,000.00	0.00	0.0000
UBS SECURITIES LLC	8,214,828,623.13	0.00	0.0000
UBS SECURITIES LLC/CMO	577,354,169.00	0.00	0.0000
US BANCORP PIPER JAFFRAY INC	560,000.00	0.00	0.0000
WACHOVIA SECS CAPITAL MARKET	11,300,000.00	0.00	0.0000
WACHOVIA SECURITIES,LLC	21,533,000.00	0.00	0.0000
WAMU CAPITAL CORP	7,410,000.00	0.00	0.0000
WASHINGTON MUTUAL CLEARING	3,505,058.00	0.00	0.0000
WOOD GUNDY (FED) CHASE	908,000.00	0.00	0.0000
Grand Total	67,075,034,743.77	18,186.11	0.0000

SCHEDULE 6

NEW YORK CITY
POLICE PENSION FUND
REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006

U.S. Equities	Estimated Fees 2006	Performance Fee Max	Total Fee
Active			
Small Cap			
Small Cap Growth			
Mazama Capital	\$729,963		\$729,963
Total Small Cap Growth	\$729,963		\$729,963
Small Cap Value			
Dalton greiner	\$963,184		\$963,184
Total Small Cap Value	\$963,184		\$963,184
Small Cap Core			
Daruma Asset Mgmt Small Cap	\$539,651		\$539,651
Total Small Cap Core	\$539,651		\$539,651
Total Small Cap	\$2,232,798		\$2,232,798
Small/Mid Cap Growth			
J & W Seligman	\$259,762		\$259,762
Mackay Shields	271,315		271,315
	<u>\$531,077</u>		<u>\$531,077</u>
Mid Cap Growth			
Forstmann - Lef Associates	\$182,427		\$182,427
Total Mid Cap Growth	\$182,247		\$182,247
Mid Cap Value			
Ariel Capital Mid Cap	337,602		337,602
Lord Abbett Mid Cap	426,279		426,279
Total Mid Cap Value	\$763,881		\$763,881
Mid Cap Core			
Chicago Equity Partners	\$447,530		\$447,530
Total Mid Cap Core	\$447,530		\$447,530
Total Mid Cap	<u>\$1,393,839</u>		<u>\$1,393,839</u>

NEW YORK CITY
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006

	Estimated Fees	Performance Fee Max	Total Fee
Large Cap Growth			
Ark Asset Management	\$458,805		\$458,805
Fidelity	882,541		882,541
Goldman Sachs	435,000		435,000
Loomis Sayles	645,565		645,565
Total Large Cap Growth	\$2,421,912		\$2,421,912
Large Cap Value			
Aronson Johnson	\$696,338		\$696,338
Iridian Asset	1,023,527		1,023,527
Lord Abbett Large Cap	1,010,693		1,010,693
Total Large Cap Value	\$2,730,559		\$2,730,559
Total Large Cap	\$5,152,472		\$5,152,472
Other Domestic Equity			
Relational Investors X, L.P.	\$837,240		\$837,240
Total Active	\$10,147,426		\$10,147,426
Passive			
Russell 3000			
Northern Trust	\$51,089		\$51,089
Merill Lynch	39,030		39,030
Total Passive Equities	\$90,119		\$90,119
Total U.S. Equities	\$10,237,546		\$10,237,546
EAFE Markets Equities			
Active			
Growth			
GE Asset Management	\$685,973		\$685,973
Oechsle	1,484,354		1,484,354
T. Rowe Price	1,292,949		1,292,949
Total EAFE Growth	\$3,463,277		\$3,463,277

**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total Fee
Value			
Bank of Ireland	\$1,304,644		\$1,304,644
Invista (terminated)			
Mondrian Investment Partners Ltd	1,932,884		1,932,884
Total EAFE Value	\$3,237,528		\$3,237,528
CORE			
Capital Guardian	1,281,936		1,281,936
Putnam - terminated	-		-
Total EAFE Core	\$1,281,936		\$1,281,936
Total Active	\$7,982,742		\$7,982,742
Passive			
Barclays Global	64,279		64,279
Total Passive	\$64,729		\$64,729
Total EAFE Markets Equities	\$8,047,472		\$8,047,472
Emerging Markets			
Acadian	\$833,403		\$833,403
Baillie Gifford	575,788		575,788
Genesis Asset Mgrs	1,193,413		1,193,413
Marvin & Palmer	553,156		553,156
Pictet Int'l	848,331		848,331
State Street	758,371		758,371
Transition- Emerging Markets	-		-
Total Emerging Markets	\$5,285,720		\$5,285,720
TOTAL INTERNATIONAL EQUITIES	\$13,333,192		\$13,333,192
Private Equity Investments			
Aisling Capital II	\$23,088.00		\$23,088.00
Apollo Investment Fd V	-		-
Apollo Investment Fund VI	213,579		213,579
Ares Corp Opp	286,388		286,388
Ares Corp OPP Fd II	128,913		128,913
Arlington Capital Partners III			
Aurora Equity Capital Partners III	145,431		145,431
Blackstone Capital Ptnres IV	7,911		7,911
Blackstone Capital Ptnres V	192,480		192,480
Blackstone Mezz Ptnrs II	207,667		207,667
Bridgepoint Europe Iii	96,568		96,568
Carlyle Ptnrs Iv	-		-
Carlyle Ptnrs Iv	638,452		638,452
CD & R Fund VII	209,778		209,778
Coller International Ptnrs IV	243,393		243,393
CVC Euro RQ Ptnrs III	-		-
Cypress Merch BK Ptnrs II	145,791		145,791
Fdg Capl Ptnrs	317,248		317,248
FS Equity Ptnrs II	60,063		60,063

**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total fees
GI Ptnrs Fd II			
GSC Recovery III	37,449		37,449
InterMedia Partners VII	121,006		121,006
JP Morgan Investment Mgmt	\$11,143		\$11,143
Landmark Equity Ptnrs XI	181,250		181,250
Landmark Fd XIII	\$29,774		\$29,774
Lehman Brothers MB Fd III	148,767		148,767
Lincolnshire Eq Fd II	0		0
Lincolnshire Eq Fd III	300,000		300,000
LODH Euro Choice II	133,587		133,587
Mrkstone Capital Ptnrs	200,000		200,000
New Mountain Ptnrs	33,518		33,518
New Mountain Ptnrs II	100,223		100,223
Paladin Homeland Security	597,750		597,750
Palladium Eq Ptnrs III	300,000		300,000
Prism Venture Ptnrs IV	562,500		562,500
Prism Venture Ptnrs V	438,009		438,009
Quadrangle Cap Ptnrs II	173,020		173,020
Scp Priv Ptnrs II	495,562		495,562
Silver Lake Partners II	53,342		53,342
Solera Ptnrs	218,493		218,493
US Power Fund II	295,497		295,497
VS & A Comm Ptnrs III	90,745		90,745
VSS Comm Ptnrws IV	143,129		143,129
Yucaipa American Alliance Fd	258,153		258,153
Total Private Equity Investments	\$8,081,265		\$8,081,265
Private Real Estate			
Apollo Real Estate Fd V	-		
Blackstone Real Estate Ptnrs IV	\$3,976		\$3,976
Canyon Johnson Urban Fd	80,757		80,757
Canyon Johnson Urban Fd II	300,000		300,000
OCM Real Estate Opportunities Fd III- A	182,136		182,136
The City Investment Fd	875,000		875,000
Total Private Real Estate	\$1,441,869		\$1,441,869
Total Equity - Public & Private	\$33,093,873		\$33,093,873

**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total Fee
Structured Program			
Government Sector	\$142,062		\$142,062
Fischer Francis	39,027		39,027
Lehman Brothers (formerly Lincoln Capital)	140,507		140,507
PIMCO	<u>\$321,596</u>		<u>\$321,596</u>
Total Sector			
Mortgage Sector			
Blackrock	\$247,418		\$247,418
Lehman Brothers (formerly Lincoln Capital)	181,555		181,555
PIMCO	<u>\$346,696</u>		<u>\$346,696</u>
Total Sector	<u>\$775,669</u>		<u>\$775,669</u>
Corporate Sector	\$1,902,670		\$1,902,670
Blackrock	\$208,408		\$208,408
T.Rowe Price	262,812		262,812
Taplin Canida	80,207		80,207
Total Sector	<u>\$551,427</u>		<u>\$551,427</u>
Yankee Sector			
Fischer Francis	\$94,943		\$94,943
Prudential	82,578		109,606
Total Sector	<u>204,549</u>		<u>204,549</u>
Total Structured Program	1,853,241		1,853,241

**NEW YORK CITY
POLICE PENSION FUND**

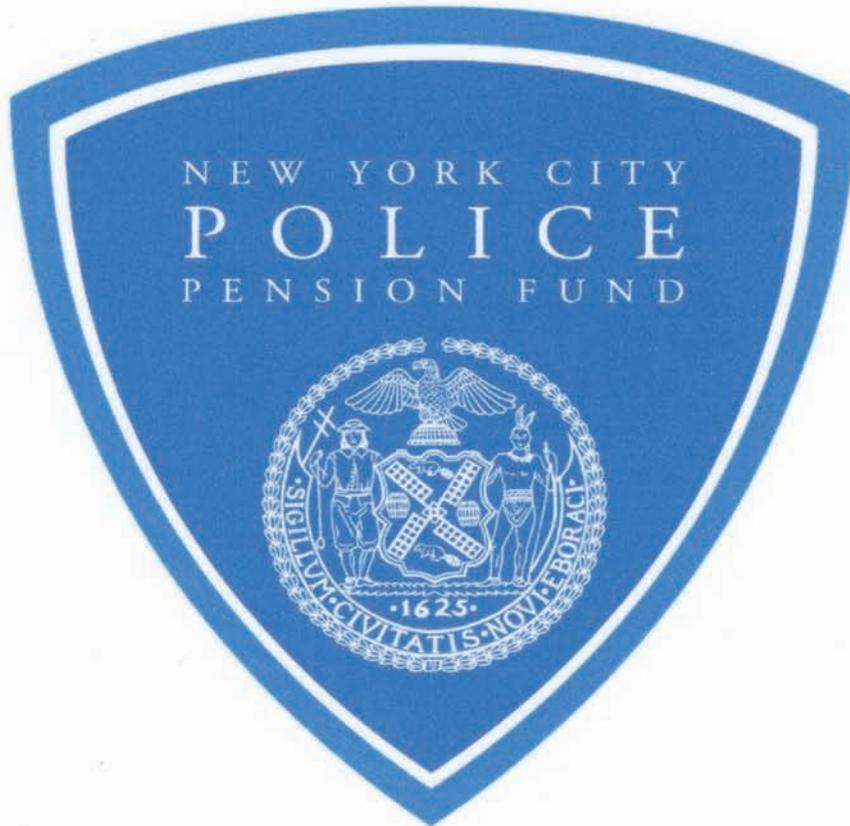
**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total Fee
Total Active Tips Managers	\$283,557		\$283,557
Passive TIPS Managers			
State Street	\$7,364.00		\$7,364.00
Total Passive TIPS Managers	7,364		7,364
Total Tips Manager	\$290,921		\$290,921
Enhanced Yield			
Loomis Sayles	\$537,775		\$537,775
Mackay shield	677,808		677,808
Seix	241,689		241,689
Shenkman	438,525		438,525
T.Rowe Price	362,570		362,570
High Yield Transition			
Total Enhanced Yield	\$2,258,367		\$2,258,367
Internal Management			
Targeted Investments			
Short Term			
Total Internal			
Total U.S. Fixed Income	\$4,402,529		\$4,402,529
<u>CONSULTANTS</u>			
BUCK CONSULTANT		\$54,350	\$54,350
PCG		622,391	622,391
SIS		242,917	242,917
Renaissance Private Equity Partners, LP(ALDUS)		375,000	375,000
THE TOWNSEND GROUP		\$104,000	\$104,000
Total Cost By System For Fy 2006	\$38,895,060		\$38,895,060
Net Changes Due to Accrued Expenses		3,373,493	3,373,493
Total Investment Expenses Incurred By System	\$38,895,060	\$3,373,493	\$42,268,553

NEW YORK CITY POLICE PENSION FUND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



INVESTMENT SECTION

PART III

FISCAL YEAR ENDED

June 30, 2006

Investment Section

This section is prepared from data provided by the investment advisors of the Police Pension Fund and the Comptroller of the City of New York. We wish to express our thanks to Horatio Sparkes, Deputy Comptroller for Pension and his staff for providing assistance in the preparation of this section. We also wish to thank David Jeter, Assistant Comptroller for Asset Management, for providing the investment data reflected in this section. The Comptroller administers the Fund's investments subject to the management and control of the Board of Trustees. The investment advisors seek to increase investment returns and provide greater safety for the assets of the Fund. The Board of Trustees have the ultimate responsibility of ensuring that all the assets of the Fund are managed prudently, in compliance with the administrative code of the City of New York and the State Retirement Social Security Laws. The Board monitors and measures market and various other risk factors associated with investments. The performance of investment advisors is reviewed frequently to insure that their activities in securities are consistent with the best practices in the industry.

Investment Policy

Investment Policy is approved by the Board of Trustees. The New York City Comptroller is the Treasurer, Chief Custodian and Investment Advisor to the Board. The primary objective of the Board is to provide retirement and other benefits for its members.

The Board realizes that increasing investment returns will strengthen the Fund, and significantly enhance benefits enjoyed by the members. Increased returns will further assure the safety of assets held in trust for pension benefits. The Investment Policy adopted by the Board of Trustees is one that minimizes credit and market risks while maintaining a competitive yield on the Fund's portfolio. All returns are time weighted rates of return. For periods greater than one year, returns are analyzed.

Investment Philosophy

The investment philosophy of the Board is influenced by key factors that affect investment and strategy, i.e. Risk Tolerance, Returns, Diversification and Liquidity.

1-Risk Tolerance

The Board shall always act to assure that the level of investment risk in the portfolio will be prudent and not exceed levels that may jeopardize the primary objective.

2>Returns

The Board believes that over the long term there is a relationship between the level of investment risk taken and the rate of investment return realized. In order to enhance the level of returns, the assumption of a moderate level of risks is therefore reasonable and justified.

3-Diversification

The Board seeks diversification through investing in a broad array of instruments in order to reduce overall portfolio risks.

4-Liquidity

The system anticipates positive cash flow over the near and intermediate term. Liquidity requirements for payment of current and intermediate benefits will therefore not be an issue for the future.

Investment Objectives

The Board has adopted the following general investment objectives in order to enhance returns, providing greater benefits and ensuring the safety of assets held in trust for benefits.

1. In recognition that obligations of the Fund will increase as a result of inflation, the Board seeks to maximize the total return on assets held in trust for pension benefits, while operating within the bounds of regulatory restrictions and prudent parameters of risk.
2. The Board also aims to protect the system from depreciation of assets during adverse market conditions and to attain a level of return that is competitive, not only with similar funds but also with the wider market. These results are attained through broad diversification, careful review of risks and emphasis on long term results.
3. The Board of Trustees, where possible and not in conflict with other provisions, is interested in increased economic activity in local communities. The Comptroller's Office has made substantial efforts to broaden the Pension Fund's activity in economically targeted investments in the City of New York. This will promote growth in communities while increasing returns. All existing targeted investments are guaranteed by government agencies and earn a rate of return commensurate with risk.

Asset Allocation

The Board's investment policy is implemented using a strategic allocation of assets that meet its objectives, while working within the confines of the Administrative Code of New York City and the State Retirement and Social Security Laws. The code authorizes the investment of Plan Assets, except equities, subject to the terms, conditions, limitations and restrictions imposed by law for investment by Savings Banks. The code imposes specific criteria for Plan investments. Fixed income investments may be made mostly in U.S. Government securities or agencies backed by the U.S. Government, companies rated BBB or better by the Standard and Poor's Corporation or Moody's

Investor's Services or in companies on the Legal Investments lists published by the New York State Banking Department.

Equity investments may be made only in stocks that meet the qualifications of the New York State Retirement and Social Security Laws. Short Term Investments may be made in U.S. Government Securities or other securities fully guaranteed by the Government, commercial paper rated A1 or P1 or fully collateralized repurchase agreements. Investments are made in a broad array of financial instruments; including domestic stocks, bonds and international securities, through a collective fund investment vehicle. Diversification of investments provides greater security for the assets held in trust, enabling the Fund to become stronger and to meet its obligation. The policy mix targeted for the Fund in fiscal year 2006 included securities from the following categories: U.S. Equities 47%, U.S. Fixed Income (core) 20.9%, International Equities 17.8%, Emerging Markets 4.9%, Enhanced Yield (Fixed Income) 4%, Private Real Estate 0.3%, Private Equities 2.4%, Treasury Inflation - Protected Securities 2.7%.

Investment current activities and results for Fiscal Year 2006.

During the year several initiatives were taken to increase investment returns and provide greater safety for the Fund's assets. The Pension Fund continued to diversify assets across different security classes. Exposure to International Equities increased over the previous year. All security on loans is fully collateralized with Cash or Treasury Securities.

Results

Fiscal year 2006 was a good year for the securities industry and also for the Pension system. The overall investment return on assets was 10.7%. The Russell 3000 returned 9.6% and Citigroup Core +5 returned -4.6%, International Equity 26.6%, International Emerging markets at 35.9%. The total investments during the year increased from \$20,171,022 thousand to 22,318,890 thousand.

Total assets increased during fiscal year 2006 from \$21,348,054 thousand to \$23,456,386 thousand and net investment income increased from \$1,572,983 thousand to \$1,761,568 thousand.

The investment section includes a list of the portfolio's largest holdings. The complete list of the portfolio's holdings can be obtained by writing to Michael Welsome, Executive Director of the Police Pension Fund at 233 Broadway, New York, NY 10279.

The following are consultants for the various types of investments.

U.S. EQUITIES

- Ariel Capital Mid Cap
- Ark Asset Management
- Aronson Johnson
- Chicago Equity Partners
- Dalton Greiner
- Daruma Asset Mgmt Small Cap
- Fidelity
- Forstmann-Leff Associates
- Goldman Sachs
- Iridian Asset
- J&W Seligman
- Loomis Sayles
- Lord Abbett Large Cap
- Lord Abbett Mid Cap
- Mackay Shields
- Mazama Capital
- Merrill Lynch
- Northern Trust
- Relational Investors X, L.P.

PRIVATE EQUITY INVESTMENTS

- Aisling Capital II
- Apollo Investment Fd V
- Apollo Investment Fund VI
- Ares Corp Opp
- Ares Corp Opp Fd II
- Arlington Capital Partners III
- Aurora Equity Capital Partners III
- Blackstone Capital Ptnrs IV
- Blackstone Capital Ptnrs V
- Blackstone Mezz Ptnrs II
- Bridgepoint Europe III
- Carlyle Ptnrs III
- Carlyle Ptnrs IV
- CD&R Fund VII
- Collier International Ptnrs IV
- CVC Euro Eq Ptnrs III
- Cypress Merch Bk Ptnrs II
- FdG Capl Ptnrs
- FdG Capl Ptnrs II
- FS Equity Ptnrs V
- GI Ptnrs Fd II
- GSC Recovery III

U.S. FIXED INCOME

Government Sector

- Fischer Francis
- Lehman Brothers
(formerly Lincoln Capital)
- PIMCO

Mortgage Sector

- Blackrock
- Lehman Brothers
(formerly Lincoln Capital)
- PIMCO

Corporate Sector

- Blackrock
- T. Rowe Price
- Taplin Canida

Yankee Sector

- Fischer Francis
- Prudential

INTERNATIONAL EQUITIES

- Acadian
- Baillie Gifford
- Bank of Ireland
- Barclays Global
- Capital Guardian
- GE Asset Management
- Genesis Asset Mgrs.
- Marvin & Palmer
- Mondrian Investment Partners Ltd
- Oechsle
- Pictet Int'l
- State Street
- T.Rowe Price

PRIVATE REAL ESTATE

- Apollo Real Estate Fd V
- Blackstone Real Estate Ptnrs IV
- Canyon Johnson Urban Fd
- Canyon Johnson Urban Fd II
- OCM Real Estate Opportunities Fd III-A
- The City Investment Fd

PRIVATE EQUITY

INVESTMENTS CONT.

- InterMedia Partners VII
- JP Morgan Investment Mgmt
- Landmark Equity Ptnrs XI
- Landmark Fd XIII
- Lehman Brothers MB Fd III
- Lincolnshire Eq Fd II
- Lincolnshire Eq Fd III
- LODH Euro Choice II
- Markstone Capital Ptnrs
- New Mountain Ptnrs
- New Mountain Ptnrs II
- Paladin Homeland Security
- Palladium Eq Ptnrs III
- Prism Venture Ptnrs IV
- Prism Venture Ptnrs V
- Quadrangle Cap Ptnrs II
- SCP Priv Eq Ptnrs II
- Silver Lake Partners II
- Solera Ptnrs
- US Power Fund II
- VS&A Comm Ptnrs III
- VSS Comm Ptnrs IV
- Yucaipa American Alliance Fd

Active Tips Managers

- Blackrock
- PIMCO

Passive Tips Managers

- State Street

Enhanced Yield

- Loomis Sayles
- Mackay Shields
- Seix
- Shenkman
- T. Rowe Price

Internal Management

- Targeted Investments
- Short Term

CONSULTANTS

- Buck Consultants
- PCG
- SIS
- Renaissance Private Equity Ptnrs, LP (ALDUS)
- The Townsend Group

Consolidated Performance Report

Through June 30, 2006

Assets (\$MM)	% Total		3 Mos		YTD	1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
			Apr-06 Jun-06	Jun-06		Jan-06 Jun-06	Jul-05 Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-96 Jun-06	Jul-91 Jun-06				
		EQUITY MANAGEMENT													
		SMALL CAP													
101.65	0.55	MAZAMA CAPITAL	-12.49	0.52	0.52	10.65	11.86	11.86	11.86	11.86	11.86	11.86	11.86	11.86	11.86
101.65	0.55	TOTAL SMALL CAP GROWTH	-12.49	0.52	0.52	10.65	11.86	11.86	11.86	11.86	11.86	11.86	11.86	11.86	11.86
		RUSSELL 2000 GROWTH	-7.25	6.07	6.07	14.57	16.26	16.26	16.26	16.26	16.26	16.26	16.26	16.26	16.26
		SMALL CAP GROWTH MEDIAN	-5.98	6.05	6.05	14.77	17.44	17.44	17.44	17.44	17.44	17.44	17.44	17.44	17.44
		DALTON GREINER	-7.60	2.44	2.44	8.27	19.07	19.07	19.07	19.07	19.07	19.07	19.07	19.07	19.07
142.96	0.78	TOTAL SMALL CAP VALUE	-7.60	2.44	2.44	8.27	19.07	19.07	19.07	19.07	19.07	19.07	19.07	19.07	19.07
142.96	0.78	RUSSELL 2000 VALUE	-2.70	10.44	10.44	14.60	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
		SMALL CAP VALUE MEDIAN	-2.75	7.91	7.91	13.07	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78
		DARUMA	-5.10	7.19	7.19	14.99	21.37	21.37	21.37	21.37	21.37	21.37	21.37	21.37	21.37
88.36	0.48	TOTAL SMALL CAP CORE	-5.10	7.19	7.19	14.99	18.88	18.88	18.88	18.88	18.88	18.88	18.88	18.88	18.88
88.36	0.48	RUSSELL 2000	-5.04	8.20	8.20	14.56	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69
		SMALL CAP CORE MEDIAN	-4.65	7.58	7.58	14.82	20.45	20.45	20.45	20.45	20.45	20.45	20.45	20.45	20.45
		TOTAL SMALL CAP	-8.52	3.05	3.05	10.71	16.82	16.82	16.82	16.82	16.82	16.82	16.82	16.82	16.82
332.97	1.82	RUSSELL 2000	-5.04	8.20	8.20	14.56	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69
		SMALL/MID CAP													
58.87	0.32	J&W SELIGMAN	-5.63	5.58	5.58	12.50	14.53	14.53	14.53	14.53	14.53	14.53	14.53	14.53	14.53
63.51	0.35	MACKAY SHIELD	-4.42	8.11	8.11	19.17	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37
122.38	0.67	TOTAL SMALL/MID CAP	-5.00	6.88	6.88	15.86	15.96	15.96	15.96	15.96	15.96	15.96	15.96	15.96	15.96
		RUSSELL 2500 GROWTH	-6.12	4.98	4.98	14.61	17.02	17.02	17.02	17.02	17.02	17.02	17.02	17.02	17.02

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Assets (\$MM)	% Total		3 Mos		YTD	1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
			Apr-06 Jun-06	Jun-06		Jul-05 Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-01 Jun-06	Jul-06 Jun-06	Jul-91 Jun-06				
		MID CAP													
112.38	0.61	ARIEL CAP MGMT	-2.71	0.01	3.60	11.35	11.35	11.35	11.35	11.35	11.35	11.35	11.35	11.35	11.35
141.74	0.77	LORD ABBETT	-1.76	1.45	7.34	18.22	18.22	18.22	18.22	18.22	18.22	18.22	18.22	18.22	18.22
254.12	1.39	TOTAL MID CAP VALUE	-2.18	0.81	5.65	14.98	14.98	14.98	14.98	14.98	14.98	14.98	14.98	14.98	14.98
		RUSSELL MIDCAP VALUE	-0.56	7.03	14.27	22.10	22.10	22.10	22.10	22.10	22.10	22.10	22.10	22.10	22.10
		MID CAP VALUE MEDIAN	-1.09	6.92	13.28	20.35	20.35	20.35	20.35	20.35	20.35	20.35	20.35	20.35	20.35
		CHICAGO EQUITY	-2.14	3.98	11.52	18.70	18.70	18.70	18.70	18.70	18.70	18.70	18.70	18.70	18.70
279.05	1.52	TOTAL MID CAP CORE	-2.14	3.98	11.52	18.70	18.70	18.70	18.70	18.70	18.70	18.70	18.70	18.70	18.70
279.05	1.52	S&P MIDCAP INDEX 400	-3.14	4.24	12.98	18.14	18.14	18.14	18.14	18.14	18.14	18.14	18.14	18.14	18.14
		MID CAP CORE MEDIAN	-2.03	5.31	11.69	18.71	18.71	18.71	18.71	18.71	18.71	18.71	18.71	18.71	18.71
		TOTAL MIDCAP	-2.16	2.44	9.35	15.94	15.94	15.94	15.94	15.94	15.94	15.94	15.94	15.94	15.94
533.17	2.91	RUSSELL MIDCAP	-2.58	4.85	13.67	19.87	19.87	19.87	19.87	19.87	19.87	19.87	19.87	19.87	19.87
		LARGE CAP													
117.94	0.64	ARK ASSET MANAGEMENT	-5.92	-4.45	2.72	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45
260.65	1.42	FIDELITY MGMT	-3.77	-1.35	3.15	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84
116.90	0.64	GOLDMAN SACHS	-5.53	-0.62	6.84	11.66	11.66	11.66	11.66	11.66	11.66	11.66	11.66	11.66	11.66
232.13	1.27	LOOMIS SAYLES - GROWTH	-10.36	-8.78	1.47	8.81	8.81	8.81	8.81	8.81	8.81	8.81	8.81	8.81	8.81
727.63	3.97	TOTAL LARGE CAP GROWTH	-6.59	-4.23	3.10	8.36	8.36	8.36	8.36	8.36	8.36	8.36	8.36	8.36	8.36
		RUSSELL 1000 GROWTH	-3.90	-0.92	6.12	10.89	10.89	10.89	10.89	10.89	10.89	10.89	10.89	10.89	10.89
		LARGE CAP GROWTH MEDIAN	-4.27	-1.14	7.24	9.64	9.64	9.64	9.64	9.64	9.64	9.64	9.64	9.64	9.64

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Assets (\$MM)	% Total	3 Mos		YTD		1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
		Apr-06 Jun-06	Jun-06	Jan-06 Jun-06	Jun-06	Jul-05 Jun-06	Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-96 Jun-06	Jul-91 Jun-06				
ARONSON JOHNSON															
278.18	1.52	0.03	6.06	13.28	18.07	8.88	17.05	17.05	17.05	17.05	17.05	17.05	17.05	17.05	17.05
IRIDIAN ASSET															
261.54	1.43	-4.33	-0.07	8.88	17.05	12.48	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72
LORD ABBETT															
398.89	2.17	-0.24	5.67	12.48	13.72	11.69	15.94	15.94	15.94	15.94	15.94	15.94	15.94	15.94	15.94
TOTAL LARGE CAP VALUE															
938.61	5.12	-1.34	4.12	11.69	15.94	12.08	15.68	15.68	15.68	15.68	15.68	15.68	15.68	15.68	15.68
RUSSELL 1000 VALUE															
		0.59	6.54	12.08	15.68	11.72	15.74	15.74	15.74	15.74	15.74	15.74	15.74	15.74	15.74
LARGE CAP VALUE MEDIAN															
		0.15	4.80	11.72	15.74										
TOTAL LARGE CAP															
1666.24	9.08	-3.70	0.30	7.77	12.66	9.08	12.04	12.04	12.04	12.04	12.04	12.04	12.04	12.04	12.04
RUSSELL 1000															
OTHER DOMESTIC EQUITY															
RELATIONAL INVESTORS X, L.P.															
106.17	0.58	-3.75	-1.65	4.16	4.16	4.16	4.16	4.16	4.16	4.16	4.16	4.16	4.16	4.16	4.16
S&P 500 + 8% PER ANNUM															
106.17	0.58	0.57	6.54	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64
TOTAL OTHER DOMESTIC EQUITY															
RUSSELL 3000															
2966.04	16.17	-1.95	3.25	9.62	12.52	9.62	12.52	12.52	12.52	12.52	12.52	12.52	12.52	12.52	12.52
MERRILL QUANT RUSSELL 3000															
2891.20	15.76	-2.05	3.17	9.54	12.57	9.54	12.57	12.57	12.57	12.57	12.57	12.57	12.57	12.57	12.57
NORTHERN TRUST RUSSELL 3000															
5857.25	31.93	-2.00	3.21	9.58	12.54	9.58	12.54	12.54	12.54	12.54	12.54	12.54	12.54	12.54	12.54
TOTAL RUSSELL 3000															
		-1.98	3.23	9.57	12.56	9.57	12.56	12.56	12.56	12.56	12.56	12.56	12.56	12.56	12.56
RUSSELL 3000															
TOTAL ACTIVE															
2760.92	15.05	-4.08	1.23	8.62	13.88	8.62	13.88	13.88	13.88	13.88	13.88	13.88	13.88	13.88	13.88
TOTAL PASSIVE															
5857.30	31.93	-2.00	3.21	9.58	12.53	9.58	12.53	12.53	12.53	12.53	12.53	12.53	12.53	12.53	12.53
TOTAL DOMESTIC EQUITY															
8618.22	46.98	-2.68	2.57	9.27	12.96	9.27	12.96	12.96	12.96	12.96	12.96	12.96	12.96	12.96	12.96

Note: Large Cap Composites effective with program inception of 3/31/03.

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Assets (\$MM)	% Total	3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
		Apr-06 Jun-06	Jan-06 Jun-06	Jul-05 Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-96 Jun-06	Jul-91 Jun-06
INTERNATIONAL EQUITY								
DEVELOPED MARKETS								
BANK OF IRELAND	2.94	-0.47	9.85	24.56	20.92	7.81	8.22	****
BARCLAYS GLOBAL	3.70	0.93	10.45	26.94	24.19	10.58	6.78	7.81
CAPITAL GUARDIAN	2.20	-1.02	6.69	29.39	23.56	9.93	9.69	****
GE INVESTMENT	1.62	-1.05	9.71	31.81	25.03	9.86	8.75	****
MONDRIAN INVESTMENT PTNRS LTD	3.29	3.26	12.10	25.20	24.62	14.58	****	****
OECHSLE	2.18	-1.32	7.21	26.07	20.58	6.70	****	****
PUTNAM (TERMINATED)	0.00	****	****	****	****	****	****	****
T. ROWE PRICE INTERNATIONAL	1.90	-2.38	5.11	23.97	19.69	7.78	****	****
INVISTA (TERMINATED)	0.00	****	****	****	****	****	****	****
TRANSITION-EAFE	0.01	****	****	****	****	****	****	****
TOTAL ACTIVE	14.15	-0.19	8.71	26.82	22.62	9.17	7.97	9.74
TOTAL PASSIVE	3.70	0.93	10.45	26.94	24.19	10.33	6.69	7.77
TOTAL DEVELOPED MARKETS	17.85	0.03	9.06	26.87	22.91	9.41	7.56	8.96
MSCI EAFE (NET DIVIDEND)		0.70	10.16	26.56	23.94	10.02	6.39	7.58
INTERNATIONAL EQUITY MEDIAN		-0.02	9.95	27.22	24.58	11.27	9.10	10.58

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

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Assets (\$MM)	% Total		3 Mos		YTD	1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
			Apr-06 Jun-06	Jun-06		Jul-05 Jun-06	Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-96 Jun-06	Jul-91 Jun-06				
		EMERGING MARKETS													
125.87	0.69	ACADIAN	-0.67	10.66	****	****	****	****	****	****	****	****	****	****	****
137.77	0.75	BAILLIE GIFFORD	-1.39	9.95	****	****	****	****	****	****	****	****	****	****	****
179.21	0.98	GENESIS ASSET MGRS	-6.79	4.60	31.52	37.87	25.16	25.16	25.16	25.16	25.16	25.16	25.16	25.16	25.16
138.25	0.75	MARVIN & PALMER	-3.98	10.46	****	****	****	****	****	****	****	****	****	****	****
157.99	0.86	PICTET INTL	-4.94	5.98	36.88	37.28	25.66	25.66	25.66	25.66	25.66	25.66	25.66	25.66	25.66
152.29	0.83	STATE STREET	-4.70	8.90	****	****	****	****	****	****	****	****	****	****	****
5.94	0.03	TRANSITION-EMERGING MARKETS	****	****	****	****	****	****	****	****	****	****	****	****	****
897.33	4.89	TOTAL EMERGING MARKETS	-3.97	8.14	38.67	39.06	26.23	26.23	26.23	26.23	26.23	26.23	26.23	26.23	26.23
		MSCI EMERGING MARKETS	-4.27	7.33	35.91	34.76	21.54	21.54	21.54	21.54	21.54	21.54	21.54	21.54	21.54
		EMERGING MARKET MEDIAN	-4.58	7.06	35.64	35.44	22.91	22.91	22.91	22.91	22.91	22.91	22.91	22.91	22.91
4171.65	22.74	TOTAL INTERNATIONAL EQUITY	-0.85	8.82	28.38	24.12	10.41	10.41	10.41	10.41	10.41	10.41	10.41	10.41	10.41

Note: Market values for non-U.S. transition accounts represent cash balances to be cleared out or other outstanding issues.

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Assets (\$MM)	% Total		3 Mos		YTD		1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
			Apr-06	Jun-06	Jan-06	Jun-06	Jul-05	Jun-06	Jul-03	Jun-06	Jul-01	Jun-06	Jul-96	Jun-06	Jul-91	Jun-06
		PRIVATE EQUITY INVESTMENTS	****	****	****	****	****	****	****	****	****	****	****	****	****	****
0.09	0.00	AISLING CAPITAL II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
27.68	0.15	APOLLO INVESTMENT FD V	****	****	****	****	****	****	****	****	****	****	****	****	****	****
37.86	0.21	ARES CORP OPP	****	****	****	****	****	****	****	****	****	****	****	****	****	****
0.93	0.01	ARES CORP OPP FD II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
3.62	0.02	ARLINGTON CAPITAL PRTNRS III	****	****	****	****	****	****	****	****	****	****	****	****	****	****
4.28	0.02	AURORA EQUITY CAPITAL PTNRS IV	****	****	****	****	****	****	****	****	****	****	****	****	****	****
56.24	0.31	BLACKSTONE CAPITAL PTNRS V	****	****	****	****	****	****	****	****	****	****	****	****	****	****
3.07	0.02	BLACKSTONE CAPITAL PTNRS II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
0.99	0.01	BLACKSTONE MEZZ PTNRS II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
0.85	0.00	BRIDGEPOINT EUROPE III	****	****	****	****	****	****	****	****	****	****	****	****	****	****
24.30	0.13	CARLYLE PTNRS III	****	****	****	****	****	****	****	****	****	****	****	****	****	****
20.73	0.11	CARLYLE PTNRS IV	****	****	****	****	****	****	****	****	****	****	****	****	****	****
3.34	0.02	CD&R FUND VII	****	****	****	****	****	****	****	****	****	****	****	****	****	****
13.51	0.07	COLLER INTERNATIONAL PTNRS IV	****	****	****	****	****	****	****	****	****	****	****	****	****	****
17.61	0.10	CVC EURO EQ PTNRS III	****	****	****	****	****	****	****	****	****	****	****	****	****	****
43.06	0.23	CYPRESS MERCH BK PTNRS II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
21.34	0.12	FDG CAPL PTNRS	****	****	****	****	****	****	****	****	****	****	****	****	****	****
8.03	0.04	FDG CAPL PTNRS II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
4.28	0.02	FS EQUITY PTNRS V	****	****	****	****	****	****	****	****	****	****	****	****	****	****
4.78	0.03	GI PTNRS FD II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
4.12	0.02	INTERMEDIA PARTNERS VII	****	****	****	****	****	****	****	****	****	****	****	****	****	****
1.42	0.01	JP MORGAN INVST MGMT	****	****	****	****	****	****	****	****	****	****	****	****	****	****
7.87	0.04	LANDMARK EQUITY PTNRS XI	****	****	****	****	****	****	****	****	****	****	****	****	****	****
0.40	0.00	LANDMARK FD XIII	****	****	****	****	****	****	****	****	****	****	****	****	****	****
12.02	0.07	LEHMAN BROS MB FD III	****	****	****	****	****	****	****	****	****	****	****	****	****	****
5.84	0.03	LINCOLNSHIRE EQ FD II	****	****	****	****	****	****	****	****	****	****	****	****	****	****
5.25	0.03	LINCOLNSHIRE EQ FD III	****	****	****	****	****	****	****	****	****	****	****	****	****	****
4.56	0.02	LODH EURO CHOICE II	****	****	****	****	****	****	****	****	****	****	****	****	****	****

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			Apr-06 Jun-06	Jun-06	Jul-05 Jun-06	Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-96 Jun-06	Jul-91 Jun-06				
			****	****	****	****	****	****	****	****	****	****	****	****
MARKSTONE CAPITAL PTNRS	0.02	****	****	****	****	****	****	****	****	****	****	****	****	****
NEW MOUNTAIN PTNRS	0.05	****	****	****	****	****	****	****	****	****	****	****	****	****
NEW MOUNTAIN PTNRS II	0.01	****	****	****	****	****	****	****	****	****	****	****	****	****
PALADIN HOMELAND SECURITY	0.07	****	****	****	****	****	****	****	****	****	****	****	****	****
PALLADIUM EQ PTNRS III	0.01	****	****	****	****	****	****	****	****	****	****	****	****	****
PRISM VENTURE PTNRS IV	0.05	****	****	****	****	****	****	****	****	****	****	****	****	****
PRISM VENTURE PTNRS V	0.02	****	****	****	****	****	****	****	****	****	****	****	****	****
QUADRANGLE CAP PTNRS II	0.01	****	****	****	****	****	****	****	****	****	****	****	****	****
SCP PRIV EQ PTNRS II	0.07	****	****	****	****	****	****	****	****	****	****	****	****	****
SILVER LAKE PTNRS II	0.03	****	****	****	****	****	****	****	****	****	****	****	****	****
SOLERA PTNRS	0.03	****	****	****	****	****	****	****	****	****	****	****	****	****
US POWER FUND II	0.04	****	****	****	****	****	****	****	****	****	****	****	****	****
VS&A COMM PTNRS III	0.04	****	****	****	****	****	****	****	****	****	****	****	****	****
VSS COMM PTNRS IV	0.01	****	****	****	****	****	****	****	****	****	****	****	****	****
YUCAIPA AMERICAN ALLIANCE FD	0.09	****	****	****	****	****	****	****	****	****	****	****	****	****
TOTAL PRIVATE EQUITY	2.39	****	****	****	****	****	****	****	****	****	****	****	****	****
PRIVATE REAL ESTATE	0.54	****	****	****	****	****	****	****	****	****	****	****	****	****
APOLLO REAL ESTATE FD V	0.00	****	****	****	****	****	****	****	****	****	****	****	****	****
BLACKSTONE REAL ESTATE PTNRS IV	0.07	****	****	****	****	****	****	****	****	****	****	****	****	****
CANYON-JOHNSON URBAN FD	0.01	****	****	****	****	****	****	****	****	****	****	****	****	****
CANYON-JOHNSON URBAN FD II	0.02	****	****	****	****	****	****	****	****	****	****	****	****	****
OCM REAL ESTATE OPPORTUNITIES FD III	0.09	****	****	****	****	****	****	****	****	****	****	****	****	****
THE CITY INVESTMENT FD	0.15	****	****	****	****	****	****	****	****	****	****	****	****	****
TOTAL PRIVATE REAL ESTATE	0.33	****	****	****	****	****	****	****	****	****	****	****	****	****
TOTAL EQUITY - PUBLIC & PRIVATE	72.44	4.69	15.17	1.95	4.69	15.17	1.95	4.69	15.17	1.95	4.69	15.17	1.95	4.69

Consolidated Performance Report

Through June 30, 2006

Assets (\$MM)	% Total		3 Mos Apr-06 Jun-06	YTD Jan-06 Jun-06	1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
					Jul-05 Jun-06	Jul-06 Jun-06	Jul-03 Jun-06	Jul-01 Jun-06	Jul-96 Jun-06	Jul-91 Jun-06				
		FIXED INCOME MANAGEMENT												
		GOVERNMENT												
224.29	1.22	FISCHER,FRANCIS	-0.83	-3.27	-3.93	1.52	6.31	7.40	8.20					
292.24	1.59	LEHMAN BROTHERS (formerly Lincoln Capital)	-0.84	-3.30	-4.67	1.51	6.00	6.00	****					
209.54	1.14	PIMCO	-0.86	-3.00	-4.56	1.77	6.39	6.39	****					
726.06	3.96	TOTAL GOVERNMENT	-0.84	-3.20	-4.41	1.59	6.20	7.30	8.16					
		CITIGROUP GOVT PLUS FIVE	-0.79	-3.30	-4.61	1.33	6.04	7.14	8.04					
		MORTGAGE												
520.33	2.84	BLACKROCK	-0.21	-0.16	1.06	3.06	5.07	5.07	****					
556.97	3.04	LEHMAN BROTHERS (formerly Lincoln Capital)	0.02	0.01	0.42	3.04	5.01	5.01	****					
521.87	2.84	PIMCO	-0.02	0.16	0.58	3.32	5.37	5.37	6.78					
1599.17	8.72	TOTAL MORTGAGE	-0.07	0.01	0.68	3.14	5.15	5.15	6.50					
		CITIGROUP MORTGAGE INDEX	0.02	-0.12	0.44	2.95	4.72	4.72	6.15					
		CORPORATE												
438.48	2.39	BLACKROCK	-0.16	-0.96	-1.25	2.46	6.27	6.27	****					
92.24	0.50	TAPLIN,CANIDA	-0.22	-0.58	-0.95	2.71	****	****	****					
439.64	2.40	T. ROWE PRICE	-0.40	-1.43	-1.36	2.65	5.23	5.23	6.48					
970.36	5.29	TOTAL CORPORATE	-0.27	-1.14	-1.27	2.57	4.99	4.99	6.35					
		NYC - CITIGROUP DOMESTIC CORP	-0.42	-1.26	-1.81	2.15	5.70	5.70	6.56					

Consolidated Performance Report

Through June 30, 2006

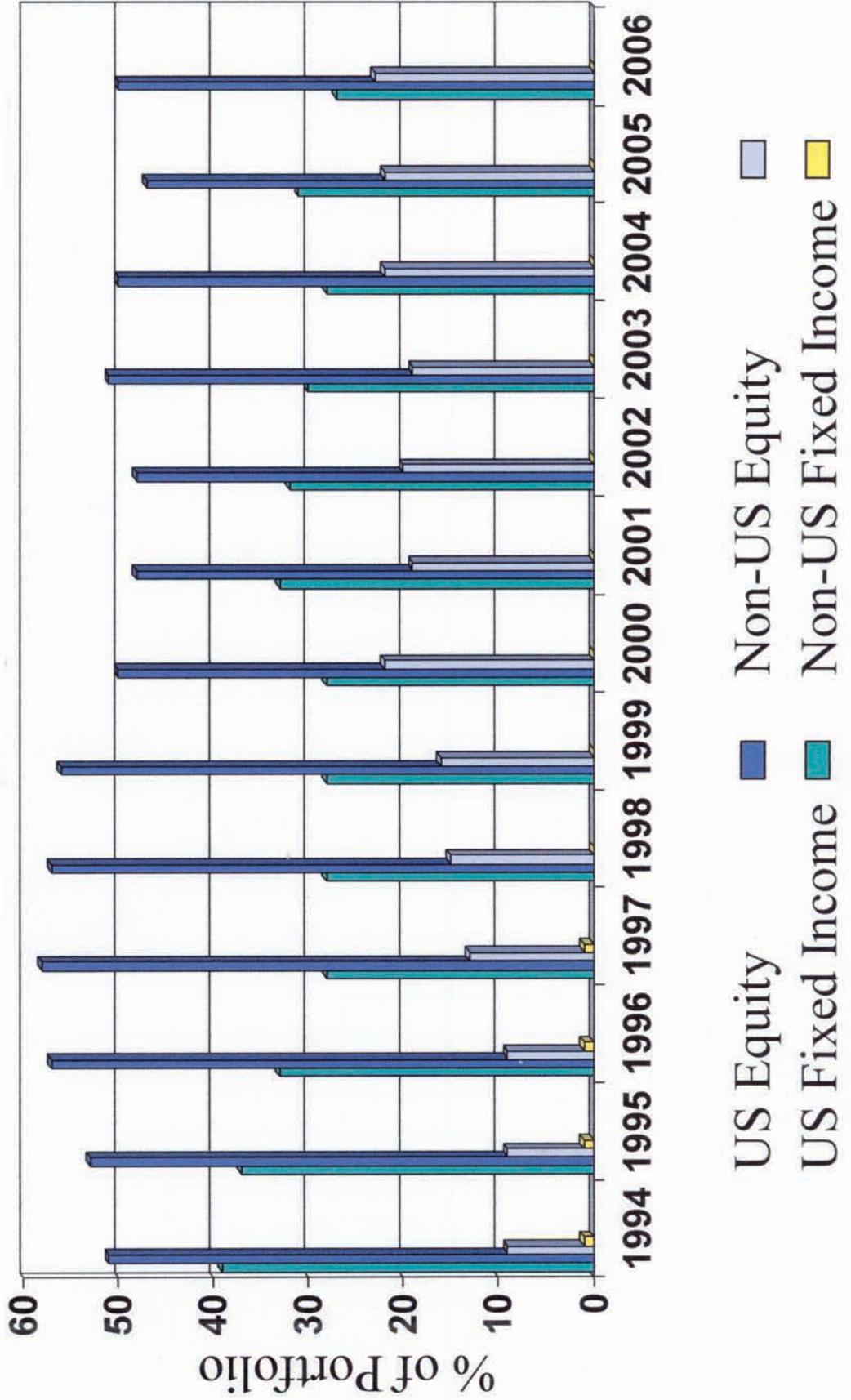
Assets (\$MM)	% Total	3 Mos	YTD	1 Yr		3 Yrs		5 Yrs		10 Yrs		15 Yrs	
				Apr-06	Jan-06	Jun-06							
SEIX	0.83	-0.74	0.27	1.96	****	****	****	****	****	****	****	****	****
SHENKMAN	0.70	-0.42	1.85	4.45	****	****	****	****	****	****	****	****	****
T. ROWE PRICE	0.71	-0.07	2.40	5.23	****	****	****	****	****	****	****	****	****
ENHANCED TRANSITION ACCOUNT	0.00	****	****	****	****	****	****	****	****	****	****	****	****
TOTAL ENHANCED YIELD	3.98	-0.41	2.00	4.52	7.84	7.63	7.63	6.68	6.68	6.68	6.68	6.68	6.68
CITIGROUP BB & B		-0.23	2.42	3.95	7.72	8.00	8.00	6.60	6.60	6.60	6.60	6.60	6.60
ENHANCED YIELD MEDIAN		-0.37	2.34	4.80	8.10	8.55	8.55	6.22	6.22	6.22	6.22	6.22	6.22
TARGETED													
AFL-CIO HOUSING INV TRUST	22.26	-0.12	-0.55	-0.78	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01
TARGETED INVESTMENT	46.11	0.68	1.89	5.83	6.81	6.81	6.81	6.90	6.90	6.90	6.90	6.90	6.90
TOTAL TARGETED WITH CASH	68.37	0.42	1.10	3.65	5.29	5.29	5.29	6.11	6.11	6.11	6.11	6.11	6.11
POLICE CUSTOM BENCHMARK (NO CASH)		-0.29	-0.53	0.44	3.06	3.06	3.06	5.05	5.05	5.05	5.05	5.05	5.05
LEHMAN U.S. AGGREGATE BOND INDEX		-0.08	-0.72	-0.81	2.05	2.05	2.05	4.98	4.98	4.98	4.98	4.98	4.98
SHORT TERM INVESTMENTS	159.93	1.26	2.40	4.36	2.54	2.54	2.54	****	****	****	****	****	****
TOTAL DOMESTIC FIXED	5054.50	-0.17	-0.55	-0.02	3.46	3.46	3.46	5.68	5.68	5.68	5.68	5.68	5.68
SECURITIES LENDING	0.19	1.17	2.47	6.80	****	****	****	****	****	****	****	****	****
BNY - CD	0.72	3.24	4.36	6.36	****	****	****	****	****	****	****	****	****
TOTAL POLICE	18345.10	-1.46	3.21	10.65	12.62	12.62	12.62	6.27	6.27	6.27	6.27	6.27	6.27
POLICE POLICY BENCHMARK		-1.04	3.39	10.01	12.20	12.20	12.20	5.98	5.98	5.98	5.98	5.98	5.98

Note: AFL-CIO Housing Inv Trust Returns are shown Net of Fees

NYC POLICE DEPARTMENT PENSION FUND

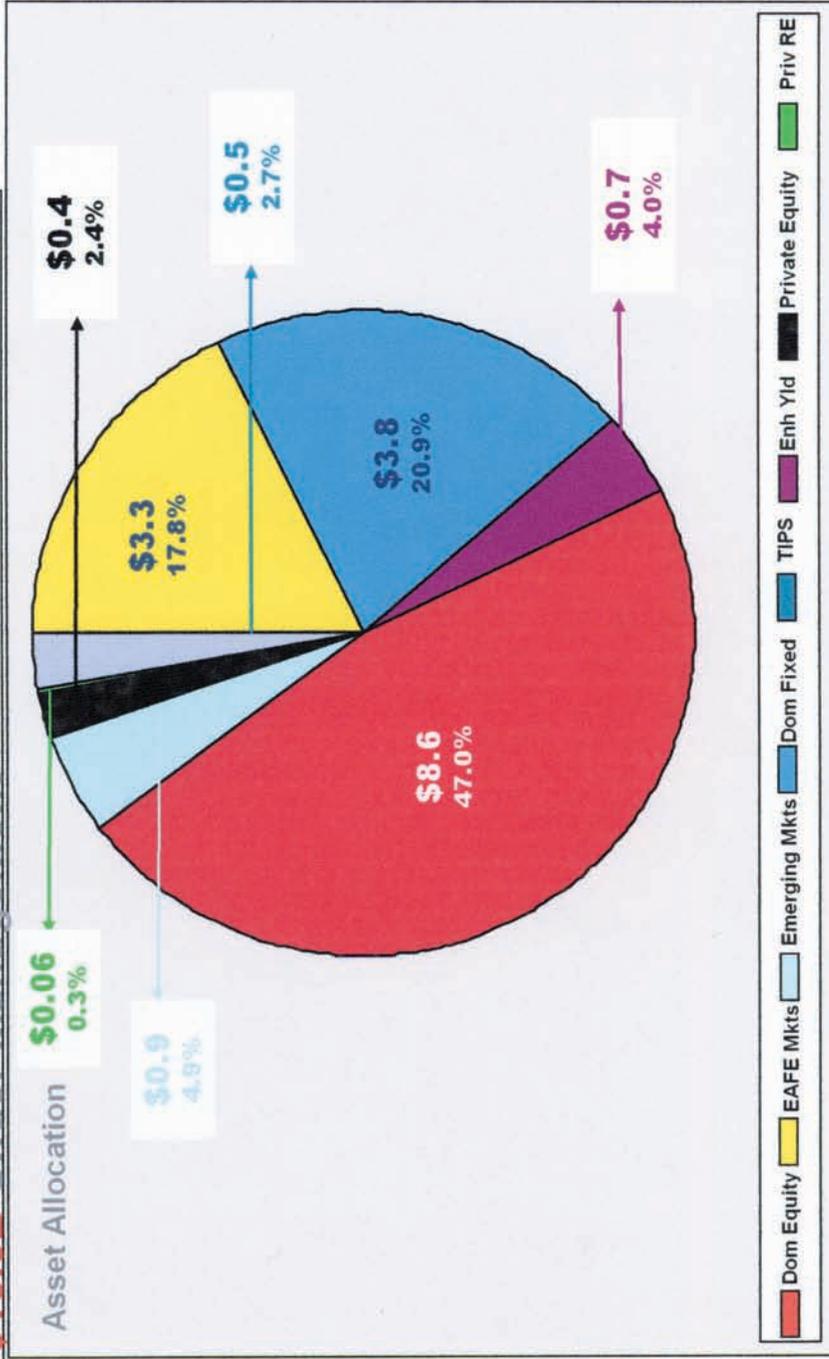
ASSET ALLOCATION

June 30, 1994 - June 30, 2006



Portfolio Asset Allocation: June 30, 2006

\$18.3B Under Management

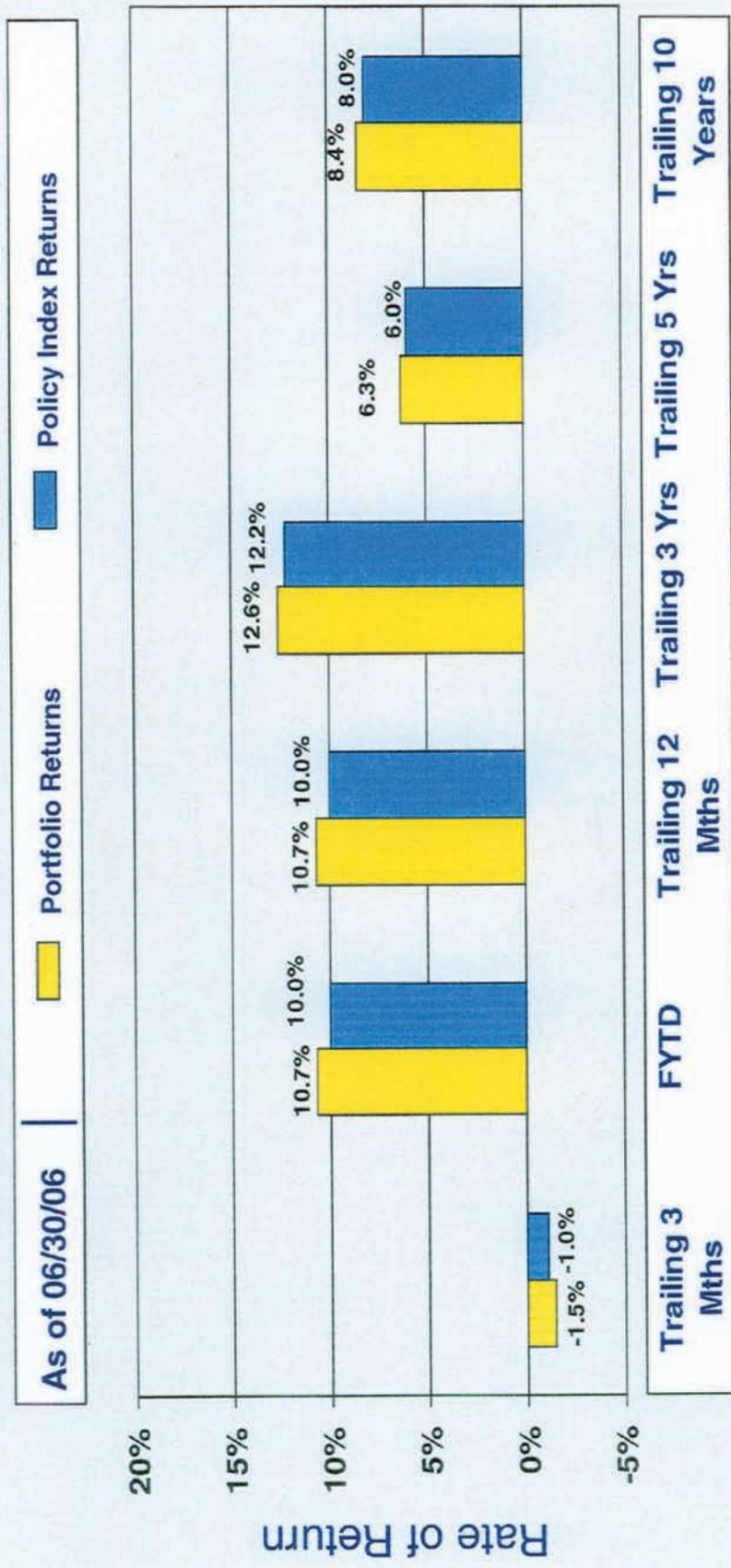


POLICE

New York City Police Pension Fund, Subchapter 2
Performance Overview as of June 2006

Total Portfolio Returns: June 30, 2006

\$18.3B Under Management



	3 Years	5 Years	10 Years
Plan Std Dev	6.3	9.2	10.6
Benchmark Std Dev	6.1	9.5	10.6

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

**NEW YORK CITY
POLICE PENSION FUND**

ASSET ALLOCATION 06/30/97 TO 06/30/06

	<u>U.S Equity</u>	<u>Int'l Equity</u>	<u>Domestic Fixed</u>	<u>Int'l Fixed</u>	<u>Cash</u>	<u>Total</u>
6/30/1997	57.40%	13.32%	27.82%	0.93%	2.84%	100.00%
6/30/1998	57.24%	15.13%	27.08%	0.00%	0.53%	100.00%
6/30/1999	56.00%	16.00%	27.00%	0.00%	0.55%	100.00%
6/30/2000	61.63%	11.80%	26.57%	0.00%	1.00%	100.00%
6/30/2001	48.30%	18.80%	32.90%	0.00%	0.00%	100.00%
6/30/2002	47.00%	20.00%	31.00%	2.00%	0.00%	100.00%
6/30/2003	46.00%	19.00%	33.00%	2.00%	0.00%	100.00%
6/30/2004	50.65%	21.48%	27.32%	0.55%	0.00%	100.00%
6/30/2005	48.80%	21.84%	28.78%	0.58%	0.00%	100.00%
6/30/2006	48.21%	22.48%	28.56%	0.49%	0.26%	100.00%

NEW YORK CITY POLICE PENSION FUND
FIXED ASSETS HOLDINGS
AS OF JUNE 30, 2006

Cusip	Security Description	Quantity	Market Value	Book Value	Gain/Loss	Accrued Income
0556N1HN6	BNP PARIBAS FIN INC DISC C/P	13900000	\$13,845,677.41	\$13,719,582.63	\$47,652.46	\$78,442.32
161571AD6	CHASE ISSUANCE TR	13095000	13,127,299.08	13,103,695.87	(6,082.11)	29,685.32
161571AF1	CHASE ISSUANCE TR	12745000	12,775,819.96	12,750,934.96	(4,619.68)	29,504.68
16151RBU6	CHASE CR CARD OWNER TR	10300000	10,332,751.84	10,320,117.67	(11,081.48)	23,715.65
06423RAC0	BANK ONE ISSUANCE TR	9000000	9,028,702.08	9,018,984.33	(11,044.53)	20,762.28
06423RBH8	BANK ONE ISSUANCE TR	7060000	7,077,768.39	7,065,370.34	(3,637.82)	16,035.87
084664AK7	BERKSHIRE HATHAWAY FIN CORP	7035000	7,005,773.44	7,043,579.20	(156,736.30)	118,930.54
111021AD3	BRITISH TELECOM	6310000	6,951,046.91	6,903,318.42	24,241.28	23,487.21
16151RDD2	CHASE CR CARD OWNER TR	6225000	6,229,344.74	6,231,079.10	(4,888.26)	3,153.90
20825UAB0	CONOCO FUNDING CO 6.35 15OCT2011	5850000	6,097,019.47	6,267,397.50	(248,800.50)	78,422.47
007036QK5	ADJUSTABLE RATE MTG TR *PP*	6515000	5,981,814.03	6,108,523.76	(154,576.47)	27,866.74
06423EPM1	BANK ONE N A CHICAGO ILL M/T/N	6050000	5,983,214.72	6,068,063.75	(188,068.75)	103,219.72
02582JBW9	AMERICAN EXPRESS CR ACCOUNT TR	5775000	5,784,529.15	5,784,148.83	(2,725.30)	3,105.62
17305EBN4	CITIBANK CR CARD ISSUANCE TR V/R	5450000	5,455,658.63	5,458,302.73	(5,268.71)	2,624.61
02635PRT2	AMERICAN GEN FIN CORP M/T/N	5046000	4,977,260.87	5,017,087.14	(107,631.90)	67,805.63
05518F209	BAC CAP TR VI GTD CAP SECS 5.625% PFD	4440000	3,883,260.63	4,400,149.40	(595,282.52)	78,393.75
209111EA7	CONSOLIDATED EDISON CO N Y INC	4170000	4,037,779.73	4,114,080.30	(161,003.70)	84,703.13
13170SHE8	CALYON N A INC DISC C/P	4100000	4,086,580.70	4,063,978.65	12,563.33	10,038.72
131347BC9	CALPINE CORP *PP* DFLT	4667000	4,386,980.00	4,047,676.62	339,303.38	0.00
15189TAJ6	CENTERPOINT ENERGY INC	3455000	3,680,669.06	3,811,365.10	(214,191.85)	83,495.81
20030NAG6	COMCAST CORP NEW	3890000	3,475,287.10	3,645,803.50	(179,074.40)	8,558.00
007036ER3	ADJUSTABLE RATE MTG TR *PP*	4900000	3,701,618.48	3,628,948.29	56,255.29	16,414.90
06605WAC9	BANKBOSTON CAP TR I CAP SECS SER B	3250000	3,423,929.15	3,624,719.58	(212,707.08)	11,916.65
139732FQ9	CAPITAL AUTO RECEIVABLES ASSET	3275000	3,231,803.41	3,274,831.73	(48,923.32)	5,895.00
06423RAT3	BANK ONE ISSUANCE TR V/R	3235000	3,248,393.94	3,242,708.39	(1,777.34)	7,462.89
136375BG6	CANADIAN NATL RY CO	3070000	3,579,618.28	3,196,736.50	335,083.60	47,798.18
00130HBB0	AES CORPORATON	2965000	3,221,472.50	3,139,649.11	47,725.89	34,097.50
20825CAF1	CONOCOPHILLIPS	2820000	2,738,743.25	3,081,385.80	(377,767.20)	35,124.65
060505AG9	BANK AMER CORP	2625000	2,882,623.33	3,037,046.25	(243,993.75)	89,570.83
078167AZ6	BELL TEL CO PA DEB	2350000	2,581,101.61	2,976,115.00	(403,734.50)	8,721.11
060505BU7	BANK AMER CORP	2910000	2,845,019.70	2,905,722.30	(115,265.10)	54,562.50
07384MR20	BEAR STEARNS ARM TR	3685000	2,726,743.33	2,781,326.32	(66,313.05)	11,730.06
161443AA4	CHASE AUTO OWNER TR	5000000	2,739,272.48	2,731,878.49	2,854.29	4,539.70
060505BM5	BANK AMER CORP M/T/N	2670000	2,590,884.91	2,632,433.10	(47,926.50)	6,378.31
14040KAX6	CAPITAL ONE MASTER TR	2595000	2,601,328.03	2,602,298.44	(7,118.35)	6,147.94
13645RAD6	CANADIAN PAC RY CO NEW	2430000	2,734,944.73	2,581,312.60	117,080.90	36,551.23
048825AV5	ATLANTIC RICHFIELD CO DEB	2150000	2,520,846.32	2,539,290.05	(83,839.55)	65,395.82
17453BAB7	CITIZENS COMMUNICATIONS CO	2095000	2,276,886.73	2,370,356.25	(118,231.25)	24,761.73
001957BD0	AT&T CORP	1885000	2,187,652.45	2,311,308.95	(147,140.45)	23,483.95
097751AL5	BOMBARDIER INC	2665000	2,258,365.40	2,256,137.50	(30,862.50)	33,090.40
092113AE9	BLACK HILLS CORP	2210000	2,195,647.27	2,218,194.10	(40,902.10)	18,355.27
057224AJ6	BAKER HUGHES INC	2130000	2,219,863.51	2,216,456.70	(57,978.60)	61,385.41
060505AR5	BANK AMER CORP	2240000	2,166,335.72	2,202,300.80	(68,118.40)	32,153.32
097014AG9	BOEING CAP CORP	2000000	2,117,811.10	2,163,296.50	(94,596.50)	49,111.10
058498AF3	BALL CORP	2105000	2,069,331.93	2,133,135.94	(70,235.94)	6,431.93
05348EAJ8	AVALONBAY CMNTYS INC M/T/N	2090000	1,994,392.95	2,083,291.10	(119,359.90)	30,461.75
134429AR0	CAMPBELL SOUP CO	2000000	1,917,017.76	1,996,420.00	(87,180.00)	7,777.76
139732FW6	CAPITAL AUTO RECEIVABLES ASSET	2000000	1,975,781.48	1,977,414.02	(6,053.22)	4,420.68
19767QAS4	COLUMBIA/HCA HEALTHCARE CORP M/T/N	2350000	2,267,670.36	1,977,172.56	206,517.94	83,979.86
196522AK2	COLORADO INTST GAS CO	1855000	\$1,804,059.62	\$1,903,141.85	-\$115,200.10	\$16,117.87

NEW YORK CITY POLICE PENSION FUND
FIXED ASSETS HOLDINGS
AS OF JUNE 30, 2006

Cusip	Security Description	Quantity	Market Value	Book Value	Gain/Loss	Accrued Income
147446AB4	CASE NEW HOLLAND INC	1775000	\$1,936,598.94	\$1,867,897.25	\$290.25	\$68,411.44
040114GL8	ARGENTINA REP	988863	959,763.37	1,857,568.11	(898,052.42)	247.68
00209TAA3	AT&T BROADBAND CORP	1817000	2,062,839.59	1,855,779.88	162,253.00	44,806.71
031652AT7	AMKOR TECHNOLOGY INC	2040000	1,894,097.48	1,820,793.88	30,506.12	42,797.48
00817YAF5	AETNA U S HEALTHCARE INC	1815000	1,802,655.48	1,807,093.10	(11,785.85)	7,348.23
20029PAN9	COMCAST CABLE COMMUNICATIONS INC	1575000	1,654,847.24	1,786,443.75	(136,584.00)	4,987.49
14040EHK1	CAPITAL ONE BK MEDIUM TERM SR	1750000	1,679,371.94	1,752,712.50	(107,222.50)	33,881.94
079867AW7	BELL SOUTH TELECOMMUNICATIONS	1600000	1,507,500.00	1,714,304.00	(215,304.00)	8,500.00
00130HBA2	AES CORP *PP*	1605000	1,735,294.78	1,695,758.59	21,591.41	17,944.78
0556N1HG1	BNP PARIBAS FIN INC DISC C/P	1700000	1,694,168.83	1,678,060.56	5,138.56	10,969.71
152312AS3	CENTEX CORP	1570000	1,519,224.44	1,569,105.10	(82,205.20)	32,324.54
05530AAA3	BB&T CAP TR II	1575000	1,576,149.75	1,568,778.75	283.50	7,087.50
14041NAC5	CAPITAL ONE MULTI-ASSET	1550000	1,558,562.57	1,559,869.14	(4,992.53)	3,685.96
066050CV5	BANKAMERICA CORP DEB	1425000	1,466,687.58	1,553,492.25	(118,431.75)	31,627.08
079860AF9	BELLSOUTH CORP	1500000	1,448,589.99	1,497,390.00	(67,350.00)	18,549.99
204755AB8	COMPTON PETE FIN CORP	1500000	1,442,031.24	1,496,089.75	(63,589.75)	9,531.24
103304BB6	BOYD GAMING CORP	1455000	1,472,742.91	1,494,033.04	(26,301.79)	5,011.66
053773AB3	AVIS BUDGET CAR RENT LLC *PP*	1405000	1,374,090.00	1,415,275.00	(62,962.50)	21,777.50
00130HAU9	AES CORP	1400000	1,516,938.88	1,412,883.93	57,116.07	46,938.88
097014AD6	BOEING CAP CORP	1300000	1,346,948.96	1,326,468.00	(5,952.37)	26,433.33
06606H8D2	BANKBOSTON N A M/T/N	1225000	1,259,728.75	1,318,724.75	(79,821.00)	20,825.00
00440EAG2	ACE INA HLDG INC	1275000	1,235,144.92	1,273,546.50	(41,730.75)	3,329.17
00130HBC8	AES CORP	1280000	1,319,466.66	1,271,757.40	14,642.60	33,066.66
144141CW6	CAROLINA PWR & LT	1230000	1,173,918.15	1,228,831.50	(70,749.60)	15,836.25
141781AS3	CARGILL INC *PP*	1245000	1,196,197.56	1,218,817.65	(37,287.75)	14,667.66
133131AN2	CAMDEN PPTY TR	1215000	1,185,215.63	1,215,899.55	(55,194.86)	24,510.94
007903AJ6	ADVANCED MICRO DEVICES INC	1182000	1,220,907.49	1,214,340.91	(8,700.91)	15,267.49
096629AA8	BOARDWALK PIPELINES LLC	1190000	1,149,797.83	1,184,113.25	(61,586.25)	27,270.83
15640PAA6	CENTURA BK ROCKY MOUNT N C	1150000	1,188,040.71	1,177,381.50	(11,350.50)	22,009.71
12489LAC2	CB RICHARD ELLIS SVCS INC	1093000	1,183,126.95	1,173,818.83	(4,308.83)	13,616.95
12686CAU3	CABLEVISION SYS CORP	1120000	1,214,136.00	1,158,337.50	28,862.50	26,936.00
055395AA5	BCP CRYSTAL HLDGS CORP	1025000	1,116,509.71	1,128,703.46	(16,578.46)	4,384.71
885797AB6	CANWEST MEDIA INC	1187088	1,203,179.63	1,127,657.69	47,559.43	27,962.51
00758RAM6	ADVANSTAR COMMUNICATIONS INC	1025000	1,113,392.01	1,125,367.19	(26,054.69)	14,079.51
147448AB0	CASELLA WASTE SYS INC	1000000	1,090,625.00	1,044,214.43	5,785.57	40,625.00
15135EAB1	CENTENNIAL COMMUNICATIONS CORP	955000	1,009,435.00	1,043,856.25	(38,718.75)	4,297.50
186108CA2	CLEVELAND ELEC ILLUM CO	1000000	1,037,680.00	1,017,260.56	3,269.44	17,150.00
055381AK3	BE AEROSPACE INC	1110000	1,165,268.75	989,490.62	159,359.38	16,418.75
194832AE1	COLLINS & AIKMAN PRODS CO *PP* DFLT	1190000	83,300.00	982,841.68	(899,541.68)	0.00
073902KD9	BEAR STEARNS COS INC	970000	931,271.41	954,111.40	(23,820.77)	980.78
097023AD7	BOEING CO	775000	1,003,714.55	950,126.75	27,969.75	25,618.05
00081TAB4	ACCO BRANDS CORP	965000	922,834.86	947,143.75	(52,106.25)	27,797.36
127210AA0	CADBURY SCHWEPPE'S US FINANCE *PP*	945000	915,220.69	942,231.15	(36,165.15)	9,154.69
06849VAB9	BARRICK GOLD FIN CO	905000	841,459.19	894,981.65	(59,159.85)	5,637.39
097395AG2	BOISE CASCADE L L C / BOISE	860000	870,121.41	880,950.00	(25,250.00)	14,421.41
055381AP2	BE AEROSPACE INC	800000	861,000.00	807,875.00	36,125.00	17,000.00
06738CAD1	BARCLAYS BK PLC	785000	829,178.92	795,186.32	31,410.83	2,581.77
079860AE2	BELLSOUTH CORP	600000	573,078.67	675,186.00	(103,854.00)	1,746.67
00104BAC4	AES EASTN ENERGY L P	615000	639,967.70	645,435.47	(30,761.26)	25,293.49
097395AH0	BOISE CASCADE L L C / BOISE	580000	\$522,024.16	\$576,822.40	-\$63,522.40	\$8,724.16

NEW YORK CITY POLICE PENSION FUND

INTERNATIONAL HOLDINGS

Emerging Market
Holdings as of June 30,2006

cusip	asset short description	Sum of Quantity	Sum of Mkt base	Asset class I	Asset class II	Asset class III	Asset class IV
464286731	ISHARES TAIWAN WEBS INDEX	1,540.295	19,746,578.99	EQUITY	COMMON	FINANCIA	Total-
X9USDCUS	NYC CUSTOM STIF	12,416.418	12,416,417.76	SHORT-	POOLED	POOLED	Total-
Y74718100	SAMSUNG ELECTRONICS CO	15.350	9,759,442.18	EQUITY	COMMON	TECHNOL	Total-
71654V408	PETROLEO BRASILEIRO SA	84.788	7,572,424.78	EQUITY	COMMON	FINANCIA	Total-
874039100	TAIWAN SEMICONDUCT ADS EACH	694.194	6,372,703.51	EQUITY	COMMON	TECHNOL	Total-
438090201	HON HAI PRECISION IND REGS GDR	477.657	5,789,208.10	EQUITY	COMMON	FINANCIA	Total-
Y7470N116	SAMSUNG CO KSWN5000	195.273	5,363,629.62	EQUITY	COMMON	TECHNOL	Total-
Y4822W100	KOOKMIN BANK KRW 5000.0	63.612	5,231,729.84	EQUITY	COMMON	FINANCIA	Total-
204412209	CIA VALE DO RIO DOCE ADR NPV	213.320	5,128,203.80	EQUITY	COMMON	FINANCIA	Total-
456788108	INFOSYS TECHNOL SPNR	65.349	4,993,301.60	EQUITY	COMMON	MATERIAL	Total-
Y70334100	POSCO KRW 5000.0	18.535	4,973,693.05	EQUITY	COMMON	FINANCIA	Total-
677862104	LUKOIL-SPON ADR	59.398	4,941,915.94	EQUITY	COMMON	ENERGY	Total-OIL &
803866102	SASOL NPV	122.586	4,730,273.73	EQUITY	COMMON	MATERIAL	Total-
P49538146	GPO MEXICO SA SER B	1,610.696	4,615,040.69	EQUITY	COMMON	FINANCIA	Total-
02364W105	AMERICA MOVIL SA SER L NPV ADR	128.854	4,285,678.46	EQUITY	COMMON	FINANCIA	Total-
Y7473H108	SAMSUNG FIRE +MAR KSW 500.0	31.266	4,203,328.06	EQUITY	COMMON	FINANCIA	Total-
14915V205	CATHAY FINANCIAL H	188.232	4,046,993.29	EQUITY	COMMON	FINANCIA	Total-
P78331108	PETROL BRASILEIROS PREF BRL0.12	200.246	3,997,516.20	EQUITY	PREFERRE	PREFERRE	Total-
P58711105	ITAUSA INV ITAU SA PREF	970.768	3,913,592.49	EQUITY	PREFERRE	PREFERRE	Total-
759470107	RELIANCE INDUSTRI	80.298	3,725,844.96	EQUITY	COMMON	FINANCIA	Total-
P00169121	AMERICA MOVIL SA SER L	2,201.563	3,683,743.35	EQUITY	COMMON	UTILITIES	Total-
Y7749X101	SHINHAN FIN GROUP KRW 5000	78.123	3,665,596.55	EQUITY	COMMON	FINANCIA	Total-
71654V101	PETROL BRASILEIROS SPONS ADR-	44.567	3,558,213.17	EQUITY	COMMON	FINANCIA	Total-
Y48406105	KOREA ELEC POWER KRW5000	86.011	3,187,779.71	EQUITY	COMMON	UTILITIES	Total-
P2605D109	CIA VALE RIO DOCE-PREF A SHS	156.227	3,183,760.97	EQUITY	COMMON	FINANCIA	Total-
P1808G117	BANCO BRADESCO SA PREF NPV	95.153	2,978,191.88	EQUITY	PREFERRE	PREFERRE	Total-
M1586M11	POALIM BANK ILS 1.0	686.179	2,923,074.32	EQUITY	COMMON	FINANCIA	Total-
Y71474137	TELEKOMUNIKASI INDONESIA IDR 250	3,634.699	2,884,370.22	EQUITY	COMMON	FINANCIA	Total-
X2337V121	CEZ CZK 100.0	83.135	2,799,971.03	EQUITY	COMMON	UTILITIES	Total-
88031M109	TENARIS S A USD 1.0 ADR	68.339	2,767,032.74	EQUITY	COMMON	FINANCIA	Total-
71646E977	PETROCHINA CO HKD 0.1	2,581.534	2,758,795.40	EQUITY	COMMON	ENERGY	Total-OIL &
Y14965100	CHINA MOBILE LTD HKD 0.1	481.892	2,754,840.76	EQUITY	COMMON	FINANCIA	Total-
X6536R104	POLSKI KONCERN NAF PLN1.25	160.843	2,676,509.34	EQUITY	COMMON	FINANCIA	Total-
P9632E117	NOVA USIMINAS	74.027	2,657,514.53	EQUITY	PREFERRE	PREFERRE	Total-
Y3065M100	HANWHA CORP KRW 5000.0	104.512	2,501,495.08	EQUITY	COMMON	FINANCIA	Total-
Y38397108	HYUNDAI DEV CY ENGINEERING +	57.673	2,493,228.05	EQUITY	COMMON	FINANCIA	Total-
Y7474M106	SAMSUNG HEAVY KSWN5000	107.830	2,489,953.63	EQUITY	COMMON	FINANCIA	Total-
Y7118G127	BANK RAKYAT INDONESIA	5,546.666	2,455,336.93	EQUITY	COMMON	FINANCIA	Total-
48245W954	KGHM POLSKA MIEDZ PLN10 BR	71.498	2,424,419.95	EQUITY	COMMON	CAPITAL	Total-MISC.
059602201	BANCO ITAU HLDG F ADR NPV	82.470	2,404,825.75	EQUITY	COMMON	FINANCIA	Total-
Y1916Y117	DAEWOO SHIP BUILDI KRW5000	78.385	2,305,916.54	EQUITY	COMMON	FINANCIA	Total-
S37840105	IMPALA PLATINUM HLDGS ORD	12.349	2,286,976.59	EQUITY	COMMON	FINANCIA	Total-
03485K970	ANGLO AMERICAN PLC 0.50 ZAR	55.117	2,267,742.52	EQUITY	COMMON	MATERIAL	Total-
368287207	GAZPROM OAO SPON ADR	53.041	2,230,361.61	EQUITY	COMMON	FINANCIA	Total-
42980M206	HIGH TECH COMPUTER CORP REGS	22.289	2,190,747.16	EQUITY	COMMON	FINANCIA	Total-
P98180105	WAL MART DE MEXICO SER V NPV	792.142	2,188,948.37	EQUITY	COMMON	FINANCIA	Total-
G56350112	LONMIN ORD PLC USD	41.904	2,180,452.92	EQUITY	COMMON	FINANCIA	Total-
S5340H118	NASPERS ZAR 0.02 SER N	127.181	2,174,856.79	EQUITY	COMMON	MATERIAL	Total-
Y2901P103	GS HOLDINGS	68.925	2,165,719.04	EQUITY	COMMON	FINANCIA	Total-
S8039R108	MTN GROUP LTD ZAR 0.0001	287.684	2,135,417.69	EQUITY	COMMON	FINANCIA	Total-
Y5276R125	LG TELECOM LTD KRW 5000.0	159.872	2,090,272.65	EQUITY	COMMON	FINANCIA	Total-
Y6883U113	PTT PCL THB 10.0 (FOREIGN)	323.951	1,919,333.07	EQUITY	COMMON	FINANCIA	Total-
881624209	TEVA PHARMA IND ADR EACH CNV	58.581	1,850,577.87	EQUITY	COMMON	MATERIAL	Total-
S80605132	STANDARD BANK OF SOUTH AFRI	170.628	1,843,537.71	EQUITY	COMMON	FINANCIA	Total-

NEW YORK CITY POLICE PENSION FUND

INTERNATIONAL HOLDINGS

Emerging Market

Holdings as of June 30,2006

cusip	asset short description	Sum of Quantitv	Sum of Mkt base	Asset class I	Asset class II	Asset class III	Asset class IV
Y6347M103	NHN CORP KRW 500.0	5.048	1,756,416.24	EQUNITY	COMMON	FINANCIA	Total-
Y9694W104	WOONGJIN COWAY CO LTD KRW	79.572	1,745,156.49	EQUNITY	COMMON	FINANCIA	Total-
Y3994L108	INDL BANK OF KOREA KSWN5000	102.829	1,734,778.05	EQUNITY	COMMON	FINANCIA	Total-
Y3842K104	HYUNDAI FIRE +MARIN KSWN5000	123.480	1,731,632.02	EQUNITY	COMMON	FINANCIA	Total-
Y41763106	IOI CORP MYR0.50	435.051	1,694,233.58	EQUNITY	COMMON	FINANCIA	Total-
90458E107	UNIBANCO-UNIAO DE BANCOS BR	24.986	1,658,832.94	EQUNITY	COMMON	FINANCIA	Total-
Y85859109	TENAGA NASIONAL BERHAD MYR1	651.580	1,632,498.96	EQUNITY	COMMON	UTILITIES	Total-
Y29975102	HANA FINANCIAL HOLDINGS	34.533	1,623,983.51	EQUNITY	COMMON	FINANCIA	Total-
P49501201	GPO FIN BANORTE COM SER O	692.454	1,610,928.88	EQUNITY	COMMON	FINANCIA	Total-
Y16902101	BUMIPUTRA-COMMERCE HLDS BHD	972.723	1,576,171.09	EQUNITY	COMMON	FINANCIA	Total-
002255107	AU OPTRONICS CORP ADS EACH	107.721	1,533,940.71	EQUNITY	COMMON	FINANCIA	Total-
Y4935N104	SK TELECOM CO LTD KRW 500.0	7.036	1,513,443.81	EQUNITY	COMMON	FINANCIA	Total-
Y7145P140	PTT EXPLOR +PROD THB 5.0 (NVDR)	542.519	1,507,589.80	EQUNITY	COMMON	FINANCIA	Total-
S84197102	TELKOM SOUTH AFRICA LTD	79.194	1,466,715.21	EQUNITY	COMMON	FINANCIA	Total-
Y9695X119	WOORI FINANCE KRW 5000	77.210	1,453,178.38	EQUNITY	COMMON	FINANCIA	Total-
S5202Z131	FIRSTRAND LTD ZAR 0.01	606.237	1,437,608.87	EQUNITY	COMMON	FINANCIA	Total-
P22561321	CEMEX S.A.B. DE C.V. CHINA LIFE INSURANCE CO.	247.030 900.483	1,420,636.28 1,420,284.33	EQUNITY EQUNITY	COMMON COMMON	FINANCIA FINANCIA	Total- Total-
Y26926116	GENTING BHD MYR0.50	216.272	1,395,873.54	EQUNITY	COMMON	MATERIAL	Total-
Y7117N149	ASTRA INTL IDR500 GAZPROM O A O USD	1,305.399 32.252	1,374,177.91 1,356,216.12	EQUNITY EQUNITY	COMMON COMMON	FINANCIA FINANCIA	Total- Total-
P9036X109	TELE NORTE LESTE PAR PFD RFD	103.578	1,331,236.81	EQUNITY	COMMON	FINANCIA	Total-
P90413132	TELEFONOS DE MEXIC	1,254.213	1,318,293.59	EQUNITY	COMMON	TECHNOL	Total-
P37186106	ENERSIS SA/CHILE	5,827.078	1,312,307.57	EQUNITY	COMMON	UTILITIES	Total-
Y98790101	SK CORPORATION ORD KRW 5000 SO. AFRICAN RAND	20.341 9,313.918	1,308,288.75 1,306,904.74	EQUNITY CASH	COMMON CASH	FINANCIA CASH	Total- Total-CASH
088893987	BIG BANK GDANSKI S.A. PLN1	692.059	1,303,722.20	EQUNITY	COMMON	FINANCIA	Total-
X5461M106	MOL MAGYAR OLAJ ES GAZIPARI	12.259	1,259,798.99	EQUNITY	COMMON	FINANCIA	Total-
Y1662W117	CNOOC LTD HKD 0.02	1,524.581	1,217,042.18	EQUNITY	COMMON	FINANCIA	Total-
Y9873D109	YUHAN CORP KRW 5000.0	7.801	1,196,833.85	EQUNITY	COMMON	FINANCIA	Total-
40049J206	GRUPO TELEVISA SA USD 1000.0 ADR	59.839	1,155,497.93	EQUNITY	COMMON	UTILITIES	Total-
Y4989M101	KT CORP KRW 5000.0	27.772	1,146,443.44	EQUNITY	COMMON	UTILITIES	Total-
X60746181	OTP BANK HUF 100.0	40.121	1,136,311.00	EQUNITY	COMMON	FINANCIA	Total-
344419106	FOMENTO ECONOMICO MEXICANO	13.307	1,114,051.32	EQUNITY	COMMON	CONSUME	Total-
Y8620B119	THAI OIL PCL THB 10.0 (FOREIGN)	662.145	1,102,273.26	EQUNITY	COMMON	FINANCIA	Total-
Y0606R101	BANGKOK BANK PCL THB 10.0	410.406	1,097,427.44	EQUNITY	COMMON	FINANCIA	Total-
40415F101	HDFC BANK LTD ADR REPSTG 3 SHS	19.904	1,085,776.87	EQUNITY	COMMON	FINANCIA	Total-
S3228H136	GOLD FIELDS LTD ZAR 0.5	46.809	1,064,037.04	EQUNITY	COMMON	MATERIAL	Total-
151290889	CEMEX SAB DE CV ADR NPV	18.566	1,057,692.74	EQUNITY	COMMON	MATERIAL	Total-
P4833F104	GPO MODELO SA DE C MXP	276.609	1,054,121.75	EQUNITY	COMMON	FINANCIA	Total-
P47194116	ALFA SA DE CV SER'A NPV	208.850	1,034,855.28	EQUNITY	COMMON	FINANCIA	Total-
M22465104	CHECK POINT SOFTWARE TECH	58.843	1,034,468.26	EQUNITY	COMMON	MATERIAL	Total-
M16043107	BANK LEUMI LE-ISRAEL ILS 1.0	285.792	1,014,972.89	EQUNITY	COMMON	FINANCIA	Total-
38045R107	GOL LINHAS AEREAS PREF SHS ADR	28.396	1,008,073.39	EQUNITY	COMMON	FINANCIA	Total-
P46118108	GPO CARSO SA DE CV SER'A1 COM	422.074	997,999.54	EQUNITY	COMMON	FINANCIA	Total-
S7081O109	ANGLO PLATINUM LTD ZAR 0.1	9.385	994,276.43	EQUNITY	COMMON	FINANCIA	Total-
G46714104	HUTCHISON TELECOMMUNICATIO	614.067	988,301.50	EQUNITY	COMMON	FINANCIA	Total-

NEW YORK CITY POLICE PENSION FUND

INTERNATIONAL HOLDINGS

Active Europe Australasia Far East Accounts

Holdings as of June 30, 2006

cusip	asset short description	Sum of Quantity	Sum of market value	Asset class-I	Asset class II	Asset class III	Asset class IV
F92124100	TOTAL SA EUR 2.5	537.378	35,356,393.31	EQUITY	COMMON	FINANCIA	Total-
J81281115	TAKEDA CHEM INDS	377.739	23,530,200.78	EQUITY	COMMON	FINANCIA	Total-
T95132105	UNICREDITO ITALIANO SPA EUR	2,881.407	22,550,634.97	EQUITY	COMMON	FINANCIA	Total-
FCB230719	FORWARD USD/GBP	22,422.279	22,422,278.77	FORWARD	FORWARD	FORWARD	Total-
G5542W106	LLOYDS TSB GROUP PLC GBP 0.25	2,172.746	21,361,754.97	EQUITY	COMMON	FINANCIA	Total-
E90183182	TELEFONICA SA EUR 1.0	1,202.264	20,017,668.89	EQUITY	COMMON	TECHNOL	Total-
G3910J112	GLAXOSMITHKLINE PLC GBP 0.25	687.617	19,219,214.29	EQUITY	COMMON	CAPITAL	Total-MISC.
J92676113	TOYOTA MOTOR CORP NPV	366,079	19,184,693.75	EQUITY	COMMON	FINANCIA	Total-
O65336119	NATIONAL AUSTRALIA BANK LTD	717.331	18,744,499.89	EQUITY	COMMON	FINANCIA	Total-
H5820Q150	NOVARTIS AG CHF 0.50 REG D	333.465	18,025,121.25	EQUITY	COMMON	FINANCIA	Total-
J05124144	CANON INC	361.542	17,744,964.88	EQUITY	COMMON	TECHNOL	Total-
G12793181	BP PLC USD 0.25	1,495.804	17,445,547.02	EQUITY	COMMON	ENERGY	Total-OIL &
G76891111	ROYAL BK SCOT GRP ORD GBP 0.25	519.295	17,079,308.31	EQUITY	COMMON	FINANCIA	Total-
F43638141	SOCIETE GENERALE EUR 1.25	114.108	16,780,909.04	EQUITY	COMMON	FINANCIA	Total-
T1700N109	BANCA INTESA SPA EUR 0.52	2,857.628	16,736,856.15	EQUITY	COMMON	FINANCIA	Total-
G4364D106	HBOS PLC ORD GBP 0.25	879.402	15,291,141.85	EQUITY	COMMON	FINANCIA	Total-
G7690A100	ROYAL DUTCH SHELL A PLC EUR	441.283	14,856,404.91	EQUITY	COMMON	FINANCIA	Total-
N4578E413	ING GROEP NV CVA EUR 0.24	377.688	14,842,222.59	EQUITY	COMMON	FINANCIA	Total-
D07112119	BAYER AG ORD NPV	319.493	14,683,909.46	EQUITY	COMMON	FINANCIA	Total-
E6164R104	IBERDROLA SA EUR 3.0	423.261	14,576,292.89	EQUITY	COMMON	UTILITIES	Total-
G1245Z108	BG GROUP PLC ORD 10P	1,069.424	14,292,642.17	EQUITY	COMMON	ENERGY	Total-OIL &
D6629K109	RWE AG (NEU) NPV 'A'	170.680	14,198,155.24	EQUITY	COMMON	UTILITIES	Total-
G03764100	ANGLO AMERICAN PLC USD 0.50	333.323	13,675,780.40	EQUITY	COMMON	FINANCIA	Total-
T3643A145	ENI SPA EUR 1.00	458.748	13,510,488.47	EQUITY	COMMON	FINANCIA	Total-
X9USD9073	BNY COLLECTIVE FUND	13,420.522	13,420,522.37	SHORT-	POOLED	POOLED	Total-
X9USDCUS	NYC CUSTOM STIF	13,217.455	13,217,455.16	SHORT-	POOLED	POOLED	Total-
J31843105	KDDI CORP NPV	1.972	12,126,480.27	EQUITY	COMMON	UTILITIES	Total-
H57312466	NESTLE SA CHF 1.0 REG D	37.656	11,807,003.79	EQUITY	COMMON	CONSUME	Total-
H8920M855	UBS AG CHF 0.10 REG D	106.740	11,678,961.31	EQUITY	COMMON	FINANCIA	Total-
O3944W187	FOSTERS GROUP LIMITED	2,632.368	10,701,376.43	EQUITY	COMMON	CONSUME	Total-
01888M940	ALLIED IRISH BANKS PLC EUR 0.32	444.653	10,667,349.17	EQUITY	COMMON	FINANCIA	Total-
G7690A118	ROYAL DUTCH SHELL 'B' SHS EUR	301.534	10,547,561.33	EQUITY	COMMON	FINANCIA	Total-
G92087165	UNILEVER ORD GBP 0.31111	457.943	10,300,772.86	EQUITY	COMMON	CONSUME	Total-
F80343100	CIE DE SAINT-GOBAIN EUR 4.0	141.709	10,130,072.62	EQUITY	COMMON	FINANCIA	Total-
B4399L102	FORTIS NPV	297.146	10,115,344.12	EQUITY	COMMON	FINANCIA	Total-
N29370132	REED ELSEVIER NV EUR 0.06	670.070	10,076,972.52	EQUITY	COMMON	CONSUME	Total-MISC.
G92806101	UNITED UTILITIES ORD GBP1	835.294	9,911,991.11	EQUITY	COMMON	UTILITIES	Total-
E19790109	BANCO SANTANDER CENT HISP	635.145	9,275,590.67	EQUITY	COMMON	FINANCIA	Total-
F13923119	CARREFOUR EUR2.50	156.141	9,153,006.27	EQUITY	COMMON	FINANCIA	Total-
G97278108	WOLSELEY PLC GBP 0.25	400.644	8,841,448.97	EQUITY	COMMON	MATERIAL	Total-
	CRH PLC EUR0.32	267.711	8,702,501.80	EQUITY	COMMON	MATERIAL	Total-
J4276P103	MILLEA HOLDINGS INC TOKYO	446	8,308,972.92	EQUITY	COMMON	FINANCIA	Total-
151290889	CEMEX SAB DE CV ADR NPV	142.264	8,104,751.97	EQUITY	COMMON	MATERIAL	Total-
X9518S108	UPM-KYMMENE CORP NPV	369.172	7,954,832.03	EQUITY	COMMON	FINANCIA	Total-
G82401103	SMITHS GROUP PLC 25P	479.339	7,900,323.82	EQUITY	COMMON	FINANCIA	Total-
G27806101	DSG INTERNATIONAL LTD 2.5P	2,206.387	7,795,426.97	EQUITY	COMMON	FINANCIA	Total-
F58485115	LVMH MOET-HENNESSY LOUI EUR	77.695	7,710,056.26	EQUITY	COMMON	FINANCIA	Total-
71654V408	PETROLEO BRASILEIRO SA	85.575	7,642,726.39	EQUITY	COMMON	FINANCIA	Total-
40428K980	HSBC HOLDINGS HONGKONG REG	431.777	7,566,259.62	EQUITY	COMMON	FINANCIA	Total-
O8975N105	TELSTRA CORPORATION NPV	2,755.888	7,537,287.62	EQUITY	COMMON	UTILITIES	Total-
O26203101	COLES MYER LIMITED ORD NPV	885.930	7,479,688.42	EQUITY	COMMON	CONSUME	Total-

NEW YORK CITY POLICE PENSION FUND

INTERNATIONAL HOLDINGS

Active Europe Australasia Far East Accounts
Holdings as of June 30, 2006

cusip	asset short description	Sum of Quantity	Sum of market value	Asset class-I	Asset class II	Asset class III	Asset class IV
Y16600104	CLP HLDGS HKD5	1,261,829	7,384,103.30	EQUITY	COMMON	UTILITIES	Total-
V80178110	SINGAPORE AIRLINES SGD 0.5	911,154	7,319,201.91	EQUITY	COMMON	TRANSPOR	Total-
693483109	POSCO KRW 5000.0	107,457	7,188,862.98	EQUITY	COMMON	FINANCIA	Total-
H83949141	THE SWATCH GROUP AG 2.25 CHF	42,220	7,118,847.30	EQUITY	COMMON	FINANCIA	Total-
Y33549117	HONG KONG ELECTRIC HKD1	1,570,077	7,105,745.14	EQUITY	COMMON	UTILITIES	Total-
G06830109	AVIVA PLC ORD GBP 0.25	501,572	7,102,368.15	EQUITY	COMMON	FINANCIA	Total-
G12068113	BOC GROUP PLC GBP 0.25	241,130	7,051,922.95	EQUITY	COMMON	FINANCIA	Total-
J22302111	HONDA MOTOR CO	217,954	6,921,904.07	EQUITY	COMMON	CONSUME	Total-
D0065L101	ADIDAS AG	140,477	6,763,528.99	EQUITY	COMMON	FINANCIA	Total-
K7314N145	NOVO-NORDISK AS - SERIES 'B'	105,701	6,732,114.73	EQUITY	COMMON	FINANCIA	Total-
879403780	TELEFONOS DE MEXICO S A ADR	320,610	6,678,311.31	EQUITY	COMMON	TECHNOL	Total-
G89158136	TOMKINS PLC GBP 5.0	1,243,108	6,616,815.52	EQUITY	COMMON	FINANCIA	Total-
X3258B102	OTE(HELLENIC TLCM) EUR 2.2	298,990	6,584,036.76	EQUITY	COMMON	UTILITIES	Total-
803866102	SASOL NPV	169,824	6,553,036.70	EQUITY	COMMON	MATERIAL	Total-
J44497105	MITSUBISHI UFJ FINL GROUP INC	466	6,526,396.07	EQUITY	COMMON	FINANCIA	Total-
G19081101	CARNIVAL PLC USD 1	158,004	6,438,844.54	EQUITY	COMMON	FINANCIA	Total-
D69671218	SIEMENS AG NPV (REG D)	73,579	6,401,121.84	EQUITY	COMMON	TECHNOL	Total-
H32380102	GIVAUDAN SA COM CHF10	7,901	6,209,285.06	EQUITY	COMMON	FINANCIA	Total-
N0030P459	ABN AMRO HOLDINGS NV EUR 0.56	226,567	6,197,412.51	EQUITY	COMMON	CONSUME	Total-
J61933123	ORIX CORP JPY 50.0	24,546	6,002,280.67	EQUITY	COMMON	FINANCIA	Total-
	U.S. DOLLARS	5,901,087	5,901,087.45	CASH	CASH	CASH	Total-CASH
O09504137	AUSTRALIA +NEW ZEALAND NPV	294,582	5,821,445.28	EQUITY	COMMON	FINANCIA	Total-
E19550206	BANCO POPULAR ESPANOL SA	390,128	5,812,136.63	EQUITY	COMMON	FINANCIA	Total-
N56369239	ROYAL NUMICO NV EUR 0.25	129,065	5,791,558.84	EQUITY	COMMON	FINANCIA	Total-
Y64248209	OVERSEA-CHINESE BANKING COR	1,329,410	5,549,719.61	EQUITY	COMMON	CONSUME	Total-
G4627D9Z0	IRISH LIFE +PERMANE EUR 0.32	232,868	5,538,928.90	EQUITY	COMMON	FINANCIA	Total-
D12096109	BAYER MOTOREN WERK EUR 1.0	109,539	5,471,465.67	EQUITY	COMMON	FINANCIA	Total-
J43916113	MITSUBISHI ESTATE CO LTD NPV	256,987	5,463,510.17	EQUITY	COMMON	FINANCIA	Total-
O03080100	AMCOR ORD NPV	1,095,046	5,436,440.45	EQUITY	COMMON	FINANCIA	Total-
J7771X109	SUMITOMO MITSUI FINANCIAL	499	5,277,916.61	EQUITY	COMMON	FINANCIA	Total-
G51604109	JOHNSON MATTHEY PLC GBP 1.0	208,698	5,122,883.65	EQUITY	COMMON	FINANCIA	Total-
J37221116	KURITA WATER INDS Y50	248,732	5,113,907.96	EQUITY	COMMON	CAPITAL	Total-
064149107	BANK OF NOVA SCOTIA	128,177	5,098,032.99	EQUITY	COMMON	FINANCIA	Total-
J20454120	HITACHI LTD	764,685	5,057,757.25	EQUITY	COMMON	TECHNOL	Total-
G6456Q119	GKN PLC 50P	972,316	4,910,153.00	EQUITY	COMMON	FINANCIA	Total-
O95870103	WESFARMERS ORD NPV	186,421	4,894,898.47	EQUITY	COMMON	FINANCIA	Total-
A19494102	ERSTE BANK DER	86,674	4,876,891.61	EQUITY	COMMON	FINANCIA	Total-
J30642169	KAO CORP	185,084	4,849,755.00	EQUITY	COMMON	FINANCIA	Total-
F77098105	RENAULT SA EUR 3.81	44,765	4,808,627.87	EQUITY	COMMON	MATERIAL	Total-
O89499109	TELECOM CORP OF NEW ZEALAND	1,923,666	4,743,791.59	EQUITY	COMMON	TECHNOL	Total-
N39427211	HEINEKEN NV EUR 1.6	111,559	4,729,239.93	EQUITY	COMMON	CONSUME	Total-
17133Q205	CHUNGWA TELECOM CO LTD	252,631	4,666,099.93	EQUITY	COMMON	FINANCIA	Total-
Y9551M108	WHARF(HLDGS) HKD1	1,310,807	4,658,125.28	EQUITY	COMMON	MATERIAL	Total-
	JARDINE MATHESON C	259,841	4,573,195.11	EQUITY	COMMON	MATERIAL	Total-
G42089113	DIAGEO PLC GBP 0.2893518	271,362	4,565,376.62	EQUITY	COMMON	FINANCIA	Total-
G50764102	JARDINE STRATEGIC HL USD 0.05	420,577	4,542,227.28	EQUITY	COMMON	FINANCIA	Total-
Y74718100	SAMSUNG ELECTRONICS CO	7,091	4,508,769.50	EQUITY	COMMON	TECHNOL	Total-
Y9360Y103	VENTURE CORP LTD SGD 0.25	666,379	4,467,816.12	EQUITY	COMMON	FINANCIA	Total-
J61546115	ONO PHARMACEUTICAL CO LTD	90,431	4,406,811.82	EQUITY	COMMON	CONSUME	Total-
J51699106	NINTENDO CO LTD JPY 50.0	26,231	4,406,315.88	EQUITY	COMMON	FINANCIA	Total-
J86796109	T+D HOLDINGS INC	52,910	4,281,844.88	EQUITY	COMMON	FINANCIA	Total-

NEW YORK CITY POLICE PENSION FUND

**Treasury Inflation Protected Securities
Holdings as of June 30, 2006**

cusip	asset short description	maturity date	quantity	interest	total market value
912828CP3	US TREAS 2.0 15JUL	7/15/2014	39,108,967	2.00	40,632,394.12
912828EA4	UNITED STATES TREAS 1.875	7/15/2015	36,618,810	1.88	36,311,326.11
912810FD5	UNITED STATES TR 3.625	4/15/2028	24,222,996	3.63	36,043,513.28
912828AF7	US TREAS N 3.0	7/15/2012	24,486,778	3.00	28,628,457.39
912828CZ1	US TREAS 0.875	4/15/2010	26,038,633	0.88	26,169,014.86
912810FR4	US TREAS 2.375	1/15/2025	23,828,561	2.38	25,062,179.21
912810FH6	US TREAS 3.875 15APR2029	4/15/2029	13,445,869	3.88	20,520,272.62
9128276R8	UNITED STATES TREAS N 3.5	1/15/2011	15,656,898	3.50	19,245,775.33
912828BD1	US TREAS 1.875	7/15/2013	18,035,813	1.88	19,173,717.02
9128275W8	US TREAS 4.25 15JAN2010 INFL	1/15/2010	10,668,969	4.25	13,819,641.28
912810FS2	UNITED STATES TREAS BDS	1/15/2026	13,453,711	2.00	12,626,821.82
912828CZ1	U S TREAS INFL IDX N/B	4/15/2010	12,367,347	0.88	12,429,273.28
9128274Y5	UNITED STATES TR 3.875	1/15/2009	9,245,545	3.88	11,951,608.74
912810FR4	US TREASURY BOND INFL	1/15/2025	11,102,041	2.38	11,676,800.00
912810FH6	U S TREASURY BONDS INFL	4/15/2029	7,591,837	3.88	11,586,202.20
912828AF7	U S TREAS INFL IDX N/B	7/15/2012	9,285,714	3.00	10,856,294.53
9128273T7	US TREAS 3.625 15JAN2008	1/15/2008	8,336,030	3.63	10,745,718.70
912828BW9	U S TREAS INFL IDX	1/15/2014	9,326,531	2.00	9,907,679.18
912828BW9	US TREAS 2.0 15JAN2014 INFL	1/15/2014	9,097,610	2.00	9,664,494.55
912810FD5	U S TREAS INFL IDX N/B TII3	4/15/2028	6,367,347	3.63	9,474,532.22
912828BD1	U S TREAS INFL IDX	7/15/2013	8,775,510	1.88	9,329,169.30
912828CP3	U S TREAS INFL IDX N/B	7/15/2014	8,469,388	2.00	8,799,299.28
9128273T7	U S TREASURY NOTES TRSY	1/15/2008	6,673,469	3.63	8,602,563.43
912828DH0	U S TREASURY NOTES INFL	1/15/2015	8,571,429	1.63	8,497,252.23
9128274Y5	U S TREASURY NOTES INFL	1/15/2009	6,102,041	3.88	7,888,037.42
912828ET3	U S TREAS INFL IDX N/B	1/15/2016	7,714,286	2.00	7,549,642.62
912828EA4	UNITED STATES TREAS NTS	7/15/2015	7,612,245	1.88	7,548,325.77
912828DJ6	UNITED STATES TREAS 3.125	1/31/2007	7,037,120	3.13	7,041,731.25
9128276R8	U S TREAS NTS TSY INFL IX	1/15/2011	4,755,102	3.50	5,845,067.45
9128275W8	U S TREASURY NOTES TRSY	1/15/2010	4,510,204	4.25	5,842,120.63
912828FB1	US TREAS INFL IDX N/B	4/15/2011	5,040,816	2.38	5,121,165.39
912828FB1	UNITED STATES TREAS 2.375	4/15/2011	4,591,073	2.38	4,664,253.60
912828ET3	UNITED ST TSY 2.0	1/15/2016	4,430,470	2.00	4,335,912.61
912810FS2	US TREASURY BOND INFL	1/15/2026	4,428,571	2.00	4,156,383.38
912828EX4	UNITED STATES TREAS 0.00	2/28/2011	3,137,383	4.50	3,107,436.52
9128277J5	UNITED STATES TREAS NTS	1/15/2012	2,571,429	3.38	3,100,973.96
912810FO6	US TREASURY BOND INFL	4/15/2032	2,142,857	3.38	2,887,964.69
9128277J5	US TREAS NTS INFL IDX 3.375	1/15/2012	2,021,787	3.38	2,438,142.50
90262DH81	UBS AG 0.0 08AUG2002	8/8/2006	2,037,833	0.00	2,027,073.02
912828DK3	UNITED STATES TREAS 3.375	2/15/2008	2,052,493	3.38	2,020,945.71
912828DH0	US TREAS 1.625	1/15/2015	1,830,059	1.63	1,814,221.35
83365SG56	SOCIETE GEN NO	7/5/2006	879,640	0.00	879,382.93
F4040SYS9	FRANCE GOVERNMENT BO	7/25/2032	400,730	3.15	697,155.07
313385ZN9	FHLB DISC CORP 0.0	7/19/2006	375,684	0.00	374,820.42
313385ZH2	FEDERAL HOME LN BK C 0.00	7/14/2006	362,730	0.00	362,149.49
X9USDCUST	NYC CUSTOM STIF		331,064	0.00	333,407.75
9128272M3	US TREAS 3.375 15JAN2007	1/15/2007	29,321	3.38	37,955.44
S99993000	NYC CUSTOM STIF		13,799	0.00	13,854.99
	EURO		53	0.00	68.24
	POUNDS STERLING		0	0.00	0.49
					<u>491,842,193.38</u>

NEW YORK CITY POLICE PENSION FUND
EQUITY ASSETS HOLDINGS
AS OF JUNE 30, 2006

Cusip	Security Description	Quantity	Market Value	Book Value	Gain/Loss	Accrued Income
060505104	BANK AMER CORP	2239117	\$107,701,527.70	\$39,589,487.26	\$68,112,040.44	\$0.00
101137107	BOSTON SCIENTIFIC CORP COM	1193737	20,102,531.08	23,171,567.57	(3,069,036.49)	0.00
071813109	BAXTER INTL INC COM	765776	28,149,925.76	21,010,384.90	7,139,540.86	0.00
097023105	BOEING COMPANY	497564	40,755,467.24	17,985,211.66	22,770,255.58	0.00
079860102	BELLSOUTH CORPORATION	1010453	36,578,398.60	16,267,912.29	20,310,486.31	0.00
02209S103	ALTRIA GROUP INC	860056	63,851,156.88	14,390,775.40	48,763,136.68	697,244.80
020039103	ALLTEL CORP COM	297724	19,117,076.17	13,111,442.32	5,892,280.60	113,353.25
00846U101	AGILENT TECHNOLOGIES INC	439335	13,865,412.60	12,395,560.56	1,469,852.04	0.00
09062X103	BIOGEN IDEC INC	334355	15,490,667.15	12,186,941.17	3,303,725.98	0.00
110122108	BRISTOL MYERS SQUIBB CO COM	817860	21,149,859.60	11,881,510.13	9,268,349.47	0.00
88579Y101	3M CO	378100	30,539,137.00	11,431,055.06	19,108,081.94	0.00
064057102	BANK OF NEW YORK COMPANY INC COM	504548	16,246,445.60	9,911,234.47	6,335,211.13	0.00
002824100	ABBOTT LABORATORIES	694700	30,295,867.00	9,647,192.81	20,648,674.19	0.00
134429109	CAMPBELL SOUP COMPANY	330100	12,250,011.00	8,930,715.16	3,319,295.84	0.00
020002101	ALLSTATE CORP COM	383919	21,142,018.62	8,914,723.11	12,097,163.76	130,131.75
001055102	AFLAC INC	359418	16,659,024.30	8,800,598.63	7,858,425.67	0.00
021441100	ALTERA CORP	505500	8,871,525.00	8,131,043.47	740,481.53	0.00
023139108	AMBAC FINANCIAL GROUP INC	128200	10,397,020.00	7,491,819.55	2,905,200.45	0.00
14149Y108	CARDINAL HEALTH INC COM	217887	14,036,541.54	7,405,140.72	6,611,529.99	19,870.83
086516101	BEST BUY INC COM	281024	15,433,830.08	7,394,010.68	8,017,345.48	22,473.92
111621108	BROCADE COMMUNICATIONS SYS INC	101400	622,596.00	7,193,218.67	(6,570,622.67)	0.00
111320107	BROADCOM CORP CL A	183000	5,499,150.00	7,165,429.33	(1,666,279.33)	0.00
013817101	ALCOA INC	450324	14,572,484.64	7,147,023.73	7,425,460.91	0.00
057224107	BAKER HUGHES INC	211971	17,349,826.35	5,971,312.08	11,378,514.27	0.00
14040H105	CAPITAL ONE FINL CORP COM	124775	10,662,023.75	5,872,779.76	4,789,243.99	0.00
109641100	BRINKER INTL INC	186866	6,783,235.80	5,852,294.98	930,940.82	0.00
000886309	ADC TELECOMMUNICATIONS INC	176745	2,979,920.70	5,760,982.88	(2,781,062.18)	0.00
067901108	BARRICK GOLD CORP COM	231692	6,858,083.20	5,556,627.57	1,301,455.63	0.00
018802108	ALLIANT ENERGY CORP	178858	6,134,829.40	5,466,362.31	668,467.09	0.00
017361106	ALLEGHENY ENERGY INC	181800	6,739,326.00	5,461,675.21	1,277,650.79	0.00
023135106	AMAZON COM INC	177700	6,873,436.00	5,420,183.57	1,453,252.43	0.00
00130H105	AES CORPORATION	282005	5,202,992.25	5,062,368.26	140,623.99	0.00
00971T101	AKAMAI TECHNOLOGIES INC	169525	6,135,109.75	5,055,268.67	1,079,841.08	0.00
054937107	BB&T CORP COM	239492	9,960,472.28	4,867,080.35	5,093,391.93	0.00
00724F101	ADOBE SYS INC COM	289326	8,783,937.36	4,743,214.75	4,040,722.61	0.00
054303102	AVON PRODUCTS INC COM	260600	8,078,600.00	4,512,981.36	3,565,618.64	0.00
067383109	BARD C R INCORPORATED	103300	7,567,758.00	4,260,479.40	3,307,278.60	0.00
00845V308	AGERE SYS INC	124160	1,825,152.00	4,131,775.09	(2,306,623.09)	0.00
G1150G111	ACCENTURE LTD CLASS A	210600	5,964,192.00	3,970,932.22	1,993,259.78	0.00
084423102	BERKLEY W R CORP	226142	7,718,226.46	3,961,217.70	3,757,008.76	0.00
00817Y108	AETNA INC	299952	11,977,083.36	3,949,424.32	8,027,659.04	0.00
114340102	BROOKS AUTOMATION INC NEW	184082	2,172,167.60	3,763,841.80	(1,591,674.20)	0.00
143658300	CARNIVAL CORP	90500	3,777,470.00	3,689,778.81	87,691.19	0.00
007903107	ADVANCED MICRO DEVICES INC	195300	4,769,226.00	3,673,851.04	1,095,374.96	0.00
066821109	BANTA CORPORATION	94850	4,394,400.50	3,604,651.86	789,748.64	0.00
085789105	BERRY PETE CO CL A	109232	3,621,040.80	3,469,082.17	151,958.63	0.00
007585102	ADVO INC	120413	2,963,363.93	3,360,272.82	(396,908.89)	0.00
11373M107	BROOKLINE BANCORP INC DEL	260078	3,581,274.06	3,357,327.10	223,946.96	0.00
053807103	AVNET INC	148781	2,978,595.62	3,338,827.45	(360,231.83)	0.00
09247X101	BLACKROCK INC	30225	\$4,206,413.25	\$3,176,399.92	\$1,030,013.33	\$0.00

NEW YORK CITY POLICE PENSION FUND
EQUITY ASSETS HOLDINGS
AS OF JUNE 30, 2006

Cusip	Security Description	Quantity	Market Value	Book Value	Gain/Loss	Accrued Income
102183100	BOWATER INC COM	95301	\$2,186,837.95	\$3,154,227.88	-\$986,130.13	\$18,740.20
091797100	BLACK & DECKER CORP	75200	6,351,392.00	3,070,613.71	3,280,778.29	0.00
075887109	BECTON DICKINSON AND COMPANY	133600	8,166,968.00	3,055,606.10	5,111,361.90	0.00
08160H101	BENCHMARK ELECTRS INC	136375	3,289,365.00	2,798,424.06	490,940.94	0.00
089302103	BIG LOTS INC	209001	3,569,737.08	2,769,871.62	799,865.46	0.00
141705103	CAREMARK RX INC	187630	9,376,471.10	2,747,160.60	6,609,947.50	19,363.00
12189T104	CORP	153009	12,157,565.05	2,691,778.03	9,434,185.22	31,601.80
109043109	BRIGGS & STRATTON CORPORATION	102920	3,201,841.20	2,630,322.23	571,518.97	0.00
002896207	ABERCROMBIE & FITCH CO CL A	71286	3,951,382.98	2,564,204.63	1,387,178.35	0.00
058498106	BALL CORP	123800	4,585,552.00	2,554,315.79	2,031,236.21	0.00
101121101	BOSTON PPTYS INC	43100	3,926,772.00	2,412,476.48	1,483,763.52	30,532.00
008318107	AFTERMARKET TECHNOLOGY CORP	148800	3,697,680.00	2,400,434.28	1,297,245.72	0.00
007973100	ADVANCED ENERGY INDS INC COM	171108	2,265,469.92	2,382,178.99	(116,709.07)	0.00
073325102	BEA SYS INC	191100	2,501,499.00	2,303,478.91	198,020.09	0.00
075896100	BED BATH & BEYOND INC	120300	3,990,351.00	2,205,672.80	1,784,678.20	0.00
071707103	COMMON	55410	2,725,406.70	2,166,316.41	550,989.99	8,100.30
G0070K103	ACE LTD	43971	2,235,485.64	2,077,525.85	146,967.04	10,992.75
12673P105	CA INC	186911	3,841,021.05	2,069,853.33	1,771,167.72	0.00
081437105	BEMIS COMPANY INC COM	92700	2,838,474.00	2,057,085.09	781,388.91	0.00
007974108	ADVENT SOFTWARE INC COM	55800	2,012,706.00	1,940,992.47	71,713.53	0.00
01642T108	ALKERMES INC	83300	1,576,036.00	1,781,574.75	(205,538.75)	0.00
00826T108	AFFYMETRIX INC	55600	1,423,360.00	1,748,963.45	(325,603.45)	0.00
090572207	BIO RAD LABS INC CL A	34500	2,240,430.00	1,735,103.52	505,326.48	0.00
053893103	AVOCENT CORP USD 0.01	57706	1,514,782.50	1,722,215.03	(207,432.53)	0.00
008190100	AFFILIATED COMPUTER SVCS INC CL A	61200	3,158,532.00	1,690,602.53	1,467,929.47	0.00
055482103	BJ SVCS CO	145600	5,432,331.00	1,600,575.92	3,824,480.08	7,275.00
00437P107	ACCREDITED HOME LENDERS HLDG	35900	1,716,379.00	1,593,693.83	122,685.17	0.00
018581108	ALLIANCE DATA SYS CORP	41000	2,411,620.00	1,413,050.61	998,569.39	0.00
12512N105	C D W CORP	40300	2,202,395.00	1,413,032.89	789,362.11	0.00
009363102	AIRGAS INC	50600	1,884,850.00	1,410,585.58	474,264.42	0.00
001084102	AGCO CORP	60800	1,600,256.00	1,407,168.46	193,087.54	0.00
88554D205	3D SYS CORP DEL COM NEW	105700	2,123,513.00	1,391,999.57	731,513.43	0.00
008252108	AFFILIATED MANAGERS GROUP INC	29607	2,572,552.23	1,379,866.59	1,192,685.64	0.00
090613100	BIOMET INC	102125	3,195,491.25	1,379,418.55	1,816,072.70	0.00
12541W209	C H ROBINSON WORLDWIDE INC	62300	3,328,416.00	1,304,754.29	2,015,835.71	7,826.00
055921100	BMC SOFTWARE INC	125421	2,997,561.90	1,293,422.47	1,704,139.43	0.00
01903Q108	ALLIED CAPITAL CORP NEW	57530	1,655,138.10	1,279,632.26	375,505.84	0.00
073902108	BEAR STEARNS COS INC COM	47042	6,589,643.36	1,279,596.75	5,310,046.61	0.00
068306109	BARR PHARMACEUTICALS INC	35550	1,695,379.50	1,279,573.06	415,806.44	0.00
075811109	BECKMAN COULTER INC	41393	2,299,381.15	1,203,038.72	1,096,342.43	0.00
018490102	ALLERGAN INC COM	61691	6,616,976.66	1,184,017.55	5,432,959.11	0.00
004930202	ACTIVISION INC NEW	124676	1,418,812.88	1,144,716.33	274,096.55	0.00
13342B105	CAMERON INTL CORP	40800	1,949,016.00	1,088,498.51	860,517.49	0.00
00508Y102	ACUITY BRANDS INC	56750	2,208,142.50	1,072,708.28	1,135,434.22	0.00
112585104	BROOKFIELD ASSET MGMT INC	26300	1,068,306.00	1,071,175.74	(2,869.74)	0.00
14055X102	CAPITALSOURCE INC	49480	1,160,800.80	1,049,215.40	111,585.40	0.00
018606202	ALLIANCE IMAGING INC	156600	1,002,240.00	1,042,249.04	(40,009.04)	0.00
00751Y106	ADVANCE AUTO PARTS INC	35050	1,015,006.00	1,022,324.27	(9,379.27)	2,061.00
015271109	ALEXANDRIA REAL ESTATE	12800	1,137,624.00	1,016,904.65	118,199.35	2,520.00
09578R103	BLUE NILE INC	33000	\$1,061,280.00	\$1,002,752.36	\$58,527.64	\$0.00

NEW YORK CITY POLICE PENSION FUND
ALTERNATIVE ASSETS HOLDINGS
AS OF JUNE 30, 2006

Cusip	Security Description	Quantity	Market Value	Book Value	Gain/Loss	Accrued Income
S86989950	RELATIONAL INVESTORS X, L.P.	10	\$106,167,614.00	\$102,634,238.00	\$3,533,376.00	\$0.00
S86921170	FDG CAPITAL PARTNERS ,LP	1	21,340,774.00	39,384,686.23	(18,043,912.23)	0.00
S86921160	CYPRESS MERCHANT BANKING PARTNERS II,LP	1	43,035,706.00	38,668,421.28	4,367,284.72	0.00
S86921110	BLACKSTONE CAPITAL PARTNERS IV LP	1	56,242,021.00	34,718,954.00	21,523,067.00	0.00
S86954050	ARES MANAGEMENT LLC	1	37,858,473.00	28,157,473.37	9,700,999.63	0.00
S86926040	THE CITY INVESTMENT FUND, L.P.	1	26,724,335.00	24,222,259.00	2,502,076.00	0.00
S86241960	CARLYLE PARTNERS IV, L.P.	1	20,725,286.00	21,199,487.00	(474,201.00)	0.00
S86921090	APOLLO INVESTMENT FUND V, L.P	1	27,677,944.00	19,699,132.32	7,978,811.68	0.00
S86921130	CARLYLE PARTNERS III, LP	1	24,297,303.00	17,832,793.96	6,464,509.04	0.00
S86921220	OCM REAL ESTATE OPPORTUNITIES FD III LP	1	17,186,033.00	14,498,470.00	2,687,563.00	0.00
S86921230	PRISM VENTURE PARTNERS IV LP	1	9,924,114.00	14,034,747.12	(4,110,633.12)	0.00
S86921260	SCP PRIVATE EQUITY PARTNERS II LP	1	13,281,680.00	13,563,247.00	(281,567.00)	0.00
S86921150	CVC EUROPEAN EQUITY PARTNERS III,LP	1	17,603,594.00	13,387,360.91	4,216,233.09	0.00
S86987130	YUCAIPA AMERICAN ALLIANCE FUND	1	15,916,684.00	13,383,036.00	2,533,648.00	0.00
S86921290	VS&A COMMUNICATION PARTNERS III LP	1	7,084,967.00	13,056,532.00	(5,971,565.00)	0.00
S86992500	PALADIN HOMELAND SECURITY FUND, LP	1	12,151,164.00	13,055,788.00	(904,624.00)	0.00
S86298600	LEHMAN BROTHERS MERCHANT BKNG FD III, LP	1	12,022,460.00	12,580,243.03	(557,783.03)	0.00
S86898710	BLACKSTONE REAL ESTATE PARTNERS IV	1	12,796,432.00	10,932,703.50	1,863,728.50	0.00
S86979260	FDG CAPITAL PARTNERS II ,LP	1	8,030,111.00	9,853,178.21	(1,823,067.21)	0.00
S86921140	COLLER INTERNATIONAL PARTNERS IV LP	1	13,509,475.00	8,520,002.35	4,989,472.65	0.00
S86847420	USPF II INST. FUND, L.P.	1	6,508,134.00	6,429,549.00	78,585.00	0.00
S86875770	LANDMARK EQUITY PARTNERS XI LP	1	7,864,979.00	6,113,902.00	1,751,077.00	0.00
S86971650	SILVER LAKE PARTNERS II, LP	1	6,035,800.00	5,698,233.15	337,566.85	0.00
S86993310	LINCOLNSHIRE EQUITY PARTNERS III	1	5,252,285.00	5,554,917.33	(302,632.33)	0.00
S86921270	SOLERA PARTNERS LP	1	4,985,860.00	5,336,236.00	(350,376.00)	0.00
S86921210	NEW MOUNTAIN PARTNERS LP	1	8,803,389.00	5,179,060.00	3,624,329.00	0.00
S86791100	GI PARTNERS FUND II LP	1	4,776,264.00	4,898,318.00	(122,054.00)	0.00
S86954070	MARKSTONE CAPITAL PARTNERS	1	4,053,479.00	4,482,931.00	(429,452.00)	0.00
S86789380	INTERMEDIA PARTNERS VII	1	4,122,491.00	4,259,034.00	(136,543.00)	0.00
S86298610	PRISM VENTURE PARTNERS V-A, L.P.	1	3,712,911.00	4,200,000.00	(487,089.00)	0.00
S86921180	FS EQUITY PARTNERS V LP	1	4,280,459.00	4,183,903.00	96,556.00	0.00
S86272160	CD&R FUND VII, LP	1	3,339,547.00	3,339,547.00	0.00	0.00
S86271380	BLACKSTONE CAPITAL PARTNERS V	1	3,073,857.00	3,233,273.00	(159,416.00)	0.00
S86306840	VSS COMMUNICATIONS PARTNERS IV, L.P.	1	2,339,573.00	2,720,823.00	(381,250.00)	0.00
S86255730	AURORA EQUITY PARTNERS III, L.P.	1	4,282,311.00	2,602,771.00	1,679,540.00	0.00
S86300940	QUADRANGLE CAPITAL PARTNERS II	1	1,825,616.00	2,055,773.00	(230,157.00)	0.00
S86272400	ARLINGTON CAPITAL PARTNERS II	1	3,617,800.00	2,049,914.00	1,567,886.00	0.00
S86285430	PALLADIUM EQUITY PARTNERS III, L.P.	1	2,391,223.00	1,884,547.99	506,675.01	0.00
S86216770	NEW MOUNTAIN PARTNERS II, LP	1	1,630,059.00	1,752,873.00	(122,814.00)	0.00
S86490400	J.P. MORGAN INVESTMENT MANAGEMENT INC.	1	1,417,030.00	1,459,478.53	(42,448.53)	0.00
S86802530	BLACKSTONE MEZZANINE PARTNERS II, L.P.	1	993,980.00	1,191,056.00	(197,076.00)	0.00
S86271830	ARES CORPORATE OPPORTUNITIES FUND II LP	1	929,782.00	1,117,217.25	(187,435.25)	0.00
S86921190	LINCOLNSHIRE EQUITY FUND II	1	5,841,702.00	879,761.38	4,961,940.62	0.00
S86921120	CANYON JOHNSON URBAN FUND LP	1	876,268.00	692,525.83	183,742.17	0.00
S86254800	BLACKSTONE REAL ESTATE PARTNERS V LP	1	535,753.00	535,753.00	0.00	0.00
S86300930	LANDMARK FUND XIII	1	400,000.00	400,000.00	0.00	0.00
S99993000	NYC CUSTOM STIF	221583.94	267,304.66	221,583.94	0.00	45,720.72
S86823560	APOLLO INVESTMENT FUND VI, L.P.	1	0.00	213,579.00	(213,579.00)	0.00
S86300900	AISLING CAPITAL II, L.P.	1	88,881.00	119,814.08	(30,933.08)	0.00
S86300920	GSC RECOVERY III	1	\$0.00	\$62,449.00	(\$62,449.00)	\$0.00

**NEW YORK CITY
POLICE PENSION FUND**

**INVESTMENT SUMMARY
YEAR ENDED JUNE 30, 2006**

(In Thousands)

Type of Investments:	Market Value	<u>Percentage of Total Market Value</u>
Fixed Income:		
Corporate Bonds	\$ 2,153,803,138	11%
U.S Government Securities	2,563,154,934	14%
Yankee Bonds	91,419,988	0%
Mortgages	620,270,698	3%
Total Fixed Income	<u>5,428,648,758</u>	<u>29%</u>
Domestic Equities:	8,446,725,278	45%
International Equities:	4,171,645,353	22%
Private Equity-Other	499,554,280	3%
Short-term Investments:		
Short-term Investments	293,648,645	2%
Commercial Paper	90,266,486	0.48%
Discount Notes	19,934,537	0.11%
Treasury Bills	11,676,910	0.06%
Total Short-term	<u>415,526,578</u>	<u>2%</u>
Total Market Value*	<u>\$ 18,962,100,247</u>	<u>100%</u>

*Security lending transactions of \$ 3,356,790,388 not included in total.

All returns are Time weighted rates of return.

For periods greater than one year, returns are analyzed.

SCHEDULE 6

NEW YORK CITY
POLICE PENSION FUND
REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006

U.S. Equities	Estimated Fees 2006	Performance Fee Max	Total Fee
Active			
Small Cap			
Small Cap Growth			
Mazama Capital	\$729,963		\$729,963
Total Small Cap Growth	\$729,963		\$729,963
Small Cap Value			
Dalton greiner	\$963,184		\$963,184
Total Small Cap Value	\$963,184		\$963,184
Small Cap Core			
Daruma Asset Mgmt Small Cap	\$539,651		\$539,651
Total Small Cap Core	\$539,651		\$539,651
Total Small Cap	\$2,232,798		\$2,232,798
Small/Mid Cap Growth			
J & W Seligman	\$259,762		\$259,762
Mackay Shields	271,315		271,315
	<u>\$531,077</u>		<u>\$531,077</u>
Mid Cap Growth			
Forstmann - Leff Associates	\$182,427		\$182,427
Total Mid Cap Growth	\$182,247		\$182,247
Mid Cap Value			
Ariel Capital Mid Cap	337,602		337,602
Lord Abbett Mid Cap	426,279		426,279
Total Mid Cap Value	\$763,881		\$763,881
Mid Cap Core			
Chicago Equity Partners	\$447,530		\$447,530
Total Mid Cap Core	\$447,530		\$447,530
Total Mid Cap	<u>\$1,393,839</u>		<u>\$1,393,839</u>

NEW YORK CITY
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006

	Estimated Fees	Performance Fee Max	Total Fee
Large Cap Growth			
Ark Asset Management	\$458,805		\$458,805
Fidelity	882,541		882,541
Goldman Sachs	435,000		435,000
Loomis Sayles	645,565		645,565
Total Large Cap Growth	\$2,421,912		\$2,421,912
Large Cap Value			
Aronson Johnson	\$696,338		\$696,338
Iridian Asset	1,023,527		1,023,527
Lord Abbett Large Cap	1,010,693		1,010,693
Total Large Cap Value	\$2,730,559		\$2,730,559
Total Large Cap	\$5,152,472		\$5,152,472
Other Domestic Equity			
Relational Investors X, L.P.	\$837,240		\$837,240
Total Active	\$10,147,426		\$10,147,426
Passive			
Russell 3000			
Northern Trust	\$51,089		\$51,089
Merill Lynch	39,030		39,030
Total Passive Equities	\$90,119		\$90,119
Total U.S. Equities	\$10,237,546		\$10,237,546
EAFE Markets Equities			
Active			
Growth			
GE Asset Management	\$685,973		\$685,973
Oechsle	1,484,354		1,484,354
T. Rowe Price	1,292,949		1,292,949
Total EAFE Growth	\$3,463,277		\$3,463,277

**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

Value	Estimated Fees	Performance Fee Max	Total Fee
Bank of Ireland	\$1,304,644		\$1,304,644
Invista (terminated)			
Mondrian Investment Partners Ltd	1,932,884		1,932,884
Total EAFE Value	\$3,237,528		\$3,237,528
CORE			
Capital Guardian	1,281,936		1,281,936
Putnam - terminated	-		-
Total EAFE Core	\$1,281,936		\$1,281,936
Total Active	\$7,982,742		\$7,982,742
Passive			
Barclays Global	64,279		64,279
Total Passive	\$64,729		\$64,729
Total EAFE Markets Equities	\$8,047,472		\$8,047,472
Emerging Markets			
Acadian	\$833,403		\$833,403
Baillie Gifford	575,788		575,788
Genesis Asset Mgrs	1,193,413		1,193,413
Marvin & Palmer	553,156		553,156
Pictet Int'l	848,331		848,331
State Street	758,371		758,371
Transition- Emerging Markets	-		-
Total Emerging Markets	\$5,285,720		\$5,285,720
TOTAL INTERNATIONAL EQUITIES	\$13,333,192		\$13,333,192
Private Equity Investments			
Aisling Capital II	\$23,088.00		\$23,088.00
Apollo Investment Fd V	-		-
Apollo Investment Fund VI	213,579		213,579
Ares Corp Opp	286,388		286,388
Ares Corp OPP Fd II	128,913		128,913
Arlington Capital Partners III			
Aurora Equity Capital Partners III	145,431		145,431
Blackstone Capital Ptnres IV	7,911		7,911
Blackstone Capital Ptnres V	192,480		192,480
Blackstone Mezz Ptnrs II	207,667		207,667
Bridgepoint Europe Iii	96,568		96,568
Carlyle Ptnrs Iv	-		-
Carlyle Ptnrs Iv	638,452		638,452
CD & R Fund VII	209,778		209,778
Coller International Ptnrs IV	243,393		243,393
CVC Euro RQ Ptnrs III	-		-
Cypress Merch BK Ptnrs II	145,791		145,791
Fdg Capl Ptnrs	317,248		317,248
FS Equity Ptnrs II	60,063		60,063

**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total fees
GI Ptnrs Fd II			
GSC Recovery III	37,449		37,449
InterMedia Partners VII	121,006		121,006
JP Morgan Investment Mgmt	\$11,143		\$11,143
Landmark Equity Ptnrs XI	181,250		181,250
Landmark Fd XIII	\$29,774		\$29,774
Lehman Brothers MB Fd III	148,767		148,767
Lincolnshire Eq Fd II	0		0
Lincolnshire Eq Fd III	300,000		300,000
LODH Euro Choice II	133,587		133,587
Mrkstone Capital Ptnrs	200,000		200,000
New Mountain Ptnrs	33,518		33,518
New Mountain Ptnrs II	100,223		100,223
Paladin Homeland Security	597,750		597,750
Palladium Eq Ptnrs III	300,000		300,000
Prism Venture Ptnrs IV	562,500		562,500
Prism Venture Ptnrs V	438,009		438,009
Quadrangle Cap Ptnrs II	173,020		173,020
Scp Priv Ptnrs II	495,562		495,562
Silver Lake Partners II	53,342		53,342
Solera Ptnrs	218,493		218,493
US Power Fund II	295,497		295,497
VS & A Comm Ptnrs III	90,745		90,745
VSS Comm Ptnrws IV	143,129		143,129
Yucaipa American Alliance Fd	258,153		258,153
Total Private Equity Investments	\$8,081,265		\$8,081,265
Private Real Estate			
Apollo Real Estate Fd V	-		
Blackstone Real Estate Ptnrs IV	\$3,976		\$3,976
Canyon Johnson Urban Fd	80,757		80,757
Canyon Johnson Urban Fd II	300,000		300,000
OCM Real Estate Opportunities Fd III- A	182,136		182,136
The City Investment Fd	875,000		875,000
Total Private Real Estate	\$1,441,869		\$1,441,869
Total Equity - Public & Private	\$33,093,873		\$33,093,873

**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total Fee
Structured Program			
Government Sector	\$142,062		\$142,062
Fischer Francis	39,027		39,027
Lehman Brothers (formerly Lincoln Capital)	140,507		140,507
PIMCO	<u>\$321,596</u>		<u>\$321,596</u>
Total Sector			
Mortgage Sector			
Blackrock	\$247,418		\$247,418
Lehman Brothers (formerly Lincoln Capital)	181,555		181,555
PIMCO	<u>\$346,696</u>		<u>\$346,696</u>
Total Sector	<u>\$775,669</u>		<u>\$775,669</u>
Corporate Sector	\$1,902,870		\$1,902,870
Blackrock	\$208,408		\$208,408
T.Rowe Price	262,812		262,812
Taplin Canida	80,207		80,207
Total Sector	<u>\$551,427</u>		<u>\$551,427</u>
Yankee Sector			
Fischer Francis	\$94,943		\$94,943
Prudential	82,578		109,606
Total Sector	<u>204,549</u>		<u>204,549</u>
Total Structured Program	1,853,241		1,853,241

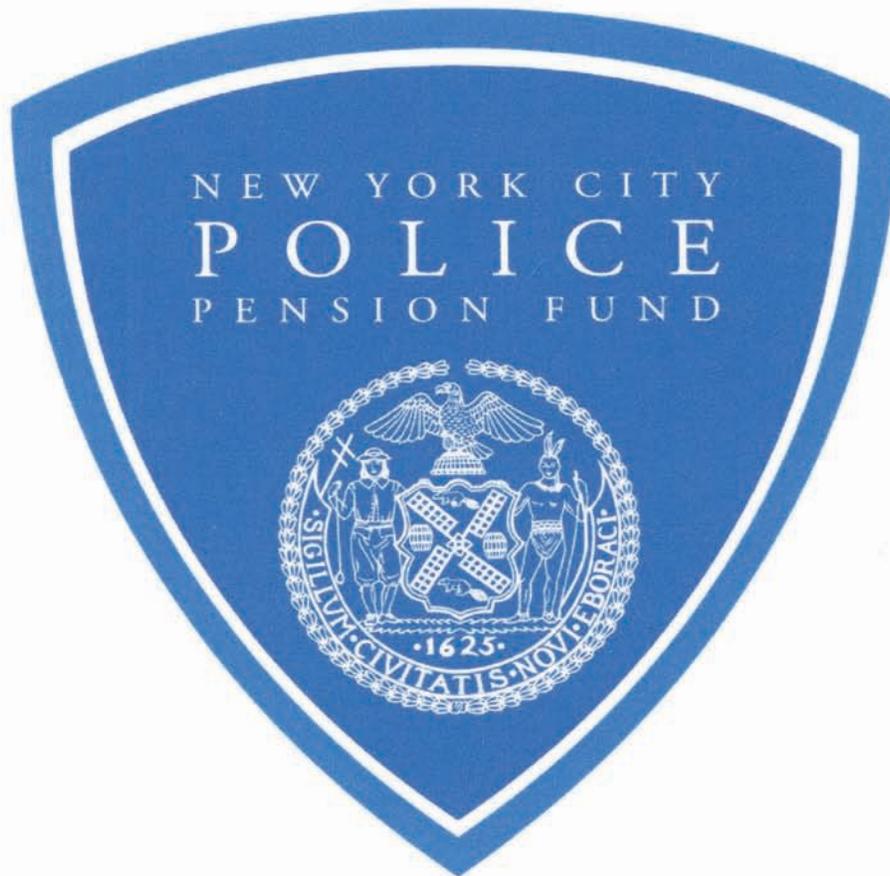
**NEW YORK CITY
POLICE PENSION FUND**

**REPORT ON INVESTMENT MANAGEMENT FEES
YEAR ENDED JUNE 30, 2006**

	Estimated Fees	Performance Fee Max	Total Fee
Total Active Tips Managers	\$283,557		\$283,557
Passive TIPS Managers			
State Street	\$7,364.00		\$7,364.00
Total Passive TIPS Managers	7,364		7,364
Total Tips Manager	\$290,921		\$290,921
Enhanced Yield			
Loomis Sayles	\$537,775		\$537,775
Mackay shield	677,808		677,808
Seix	241,689		241,689
Shenkman	438,525		438,525
T.Rowe Price	362,570		362,570
High Yield Transition			
Total Enhanced Yield	\$2,258,367		\$2,258,367
Internal Management			
Targeted Investments			
Short Term			
Total Internal			
Total U.S. Fixed Income	\$4,402,529		\$4,402,529
CONSULTANTS			
BUCK CONSULTANT		\$54,350	\$54,350
PCG		622,391	622,391
SIS		242,917	242,917
Renissance Private Equity Partners, LP(ALDUS)		375,000	375,000
THE TOWNSEND GROUP		\$104,000	\$104,000
Total Cost By System For Fy 2006	\$38,895,060		\$38,895,060
Net Changes Due to Accrued Expenses		3,373,493	3,373,493
Total Investment Expenses Incurred By System	\$38,895,060	\$3,373,493	\$42,268,553

NEW YORK CITY POLICE PENSION FUND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



ACTUARIAL SECTION

PART IV

FISCAL YEAR ENDED

June 30, 2006



OFFICE OF THE ACTUARY

75 PARK PLACE • 9TH FLOOR
NEW YORK, NY 10007
(212) 442-5775 • FAX: (212) 442-5777

ROBERT C. NORTH, JR.
CHIEF ACTUARY

December 14, 2006

Board of Trustees
New York City Police Pension Fund
233 Broadway
New York, NY 10279

Re: Actuarial Information for the Comprehensive Annual Financial
Report ("CAFR") for the Fiscal Year ended June 30, 2006

Dear Members:

The financial objective of the New York City Police Pension Fund (the "Plan") is to fund members' retirement benefits during their active service and to establish employer normal contribution rates that, expressed as a percentage of active member annualized covered payroll, would remain approximately level over the future working lifetimes of those active members and, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

An actuarial valuation of the Plan is performed annually as of the second June 30 preceding each fiscal year to determine the Employer Contributions to be paid for that fiscal year (i.e., June 30, 2004 (Lag) actuarial valuation to determine Fiscal Year 2006 Employer Contributions).

Under current law, the City of New York is required to contribute statutorily-required contributions ("Statutory Contributions") and these contributions are generally funded by the City of New York within the appropriate fiscal year.

Statutory Contributions for Fiscal Year 2006 were equal to the Annual Required Contributions as defined under Governmental Accounting Standards Board Statement Number 25 ("GASB 25"). This relationship occurs because Chapter 152 of the Laws of 2006 ("Chapter 152/06") eliminated the use of the ten-year phase-in of Chapter 278 of the Laws of 2002 ("Chapter 278/02") for funding the additional actuarial liabilities created by the benefits provided by Chapter 125 of the Laws of 2000 ("Chapter 125/00"). Chapter 125/00 provided eligible retirees and eligible beneficiaries with Supplementation benefits effective September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001. Chapter 125/00 also provided for a phase-in schedule, later modified by Chapter 278/02, for funding the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00.

The Annual Required Contributions were computed in accordance with GASB 25 and are consistent with generally accepted actuarial principles.

Actuarial Assumptions and Methods

Provided in this Actuarial Section of the CAFR is a "Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2004 (Lag) Actuarial Valuation." These actuarial assumptions and methods were employed in the June 30, 2004 (Lag) actuarial valuation that was used to determine Fiscal Year 2006 Employer Contributions to the Plan.

These actuarial assumptions and methods differ from those employed in the June 30, 2004 actuarial valuation that was used to determine Fiscal Year 2005 Employer Contributions to the Plan.

Board of Trustees
New York City Police Pension Fund
December 14, 2006
Page 3

After reviewing the results of an independent actuarial study dated October 2003 prepared by Gabriel, Roeder, Smith & Company ("GRS") in accordance with Section 96 of the New York City Charter, the Actuary issued an August 24, 2005 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Police Pension Fund" ("August 2005 Report").

Where required, the Board of Trustees of the Plan adopted those changes in actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152/06 to provide for those changes to the actuarial assumptions and methods that required legislation, including the Actuarial Interest Rate ("AIR") of 8.0% per annum.

Benefits and Census Data

A summary of the benefits available under the Plan is shown later in this Actuarial Section of the CAFR.

Census data are submitted by the Plan's administrative staff, by the employer's payroll facilities and by the Comptroller of the City of New York, and are reviewed by the Office of the Actuary ("OA") for consistency and reasonability.

A summary of the census data used in the June 30, 2004 (Lag) actuarial valuation is included in this CAFR. A summary of the census data used in the June 30, 2004 actuarial valuation of the Plan is available in the June 30, 2005 CAFR.

Funded Status

The Funded Status of the Plan is usually expressed in various relationships of Assets to Liabilities.

With respect to the Funded Status of the Plan, included in the Financial Section of the CAFR is a Schedule of Funding Progress (Schedule 1).

Included in the Actuarial Section of the CAFR is a Solvency Test (i.e., Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets) as prescribed by the Government Finance Officers Association ("GFOA"). This Solvency Test represents an alternative approach to describing progress toward funding objectives.

In addition to the Schedule of Funding Progress and the Solvency Test, included for informational purposes in the Actuarial Section of the CAFR (following the Solvency Test) is an Additional Discussion of Plan Funding and Other Measures of Funded Status that provides different comparisons between the Assets and Liabilities of the Plan.

Presentation Style and Sources of Information

The actuarial information herein is being presented in a manner believed to be consistent with the requirements of the GFOA and, where applicable, with GASB 25 which was adopted for financial reporting purposes beginning Fiscal Year 1995.

The Additional Discussion of Plan Funding and Other Measures of Funded Status represents additional information provided by the Actuary to assist those users who desire alternative analyses.

As prescribed by GASB 25, included in the Financial Section of the CAFR are the following schedules prepared by the OA:

- Schedule of Funding Progress.
- Schedule of Employer Contributions.
- Schedule of Actuarial Assumptions and Methods.

Board of Trustees
New York City Police Pension Fund
December 14, 2006
Page 5

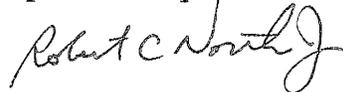
The following schedules in the Actuarial Section of the CAFR were prepared by the OA:

- Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2004 (Lag) Actuarial Valuation.
- Active Member Valuation Data.
- Retirants and Beneficiaries Added to and Removed from Rolls.
- Statutory vs. Annual Required Contributions.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets - Solvency Test.
- Additional Discussion of Plan Funding and Other Measures of Funded Status.
- Summary of Plan Provisions.

The Summary of Plan Membership in the Financial Section of the CAFR was prepared by the OA.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information elsewhere in this CAFR, please do not hesitate to contact Mr. Martin A. Einhorn or me.

Respectfully submitted,



Robert C. North, Jr., F.S.A.
Chief Actuary

cc: Mr. M.A. Einhorn
Mr. J.R. Gibney
Mr. M.D. Welsome

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION

- (1) Based upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company ("GRS"), the Actuary issued an August 24, 2005 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Police Pension Fund" ("August 2005 Report"). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152 of the Laws of 2006 ("Chapter 152/06") to provide for those changes to the actuarial assumptions and methods that required legislation, including the Actuarial Interest Rate ("AIR") assumption of 8.0% per annum.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial Accrued Liability ("UAAL"). In addition, Chapter 152/06 provided for elimination of the use of the ten-year phase-in of Chapter 278 of the Laws of 2002 ("Chapter 278/02") for funding the additional actuarial liabilities created by the benefits provided by Chapter 125 of the Laws of 2000 ("Chapter 125/00").

- (2) The investment rate of return assumption is 8.0% per annum.
- (3) The mortality tables for service and disability pensioners were developed from an experience study of the Plan's and the predecessor Plan's pensioners. Sample probabilities are shown in Table 1.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION (Cont'd)

- (4) Active service tables are used to estimate various withdrawals from active service. Sample probabilities are shown in Table 2 for members retiring and dying after eligible for Service Benefits, in Table 3 for members withdrawing from active service due to Death or Disability, and in Table 4 withdrawing from active Service Decrements without employer-provided benefits or with Vested Benefits.
- (5) A Salary Scale is used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 5. The Salary Scale includes a General Wage Increase ("GWI") assumption of 3.0% per annum.
- (6) The economic assumptions (i.e., the assumed investment return rate, GWI rate and Cost-of-Living Adjustments ("COLA") rate) were developed assuming a long-term Consumer Price Inflation ("CPI") assumption of 2.5% per annum. The COLA assumption is 1.3% per annum.
- (7) The valuation method assumes a closed group. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scale.
- (8) The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the contribution from the employer. Under this Actuarial Cost Method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999 but with the UAAL not less than \$0.

Under this method, the excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION (Cont'd)

All outstanding components of the UAAL are being amortized over closed periods.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999.

The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first annual payment equals 103% of its preceding annual payment.

However, the initial UAAL as of June 30, 1999 equaled \$0 and no amortization period was required.

- (9) One-Year Lag Methodology uses a June 30, 2004 (Lag) valuation date to determine Fiscal Year 2006 Employer Contributions.

This methodology requires technical adjustments to certain components used to determine Fiscal Year 2006 Employer Contributions as follows:

- Present Value of Future Salary ("PVFS")

The PVFS at June 30, 2004 is reduced by the value of salary projected to be paid during Fiscal Year 2005.

- Salary for Determining Employer Contributions

Salary used to determine the employer Normal Cost is the salary projected to be paid during Fiscal Year 2006 to members on payroll at June 30, 2004.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION (Cont'd)

- Present Value of Future Normal Costs ("PVFNC")

The PVFNC at June 30, 2004 is reduced by the discounted value of the Fiscal Year 2005 Employer Contribution.

- (10) For the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method that reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

The revised AAV was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contribution in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions.

- (11) The obligations of the Plan to the Police Officers' Variable Supplements Fund ("POVSF") and the Police Superior Officers' Variable Supplements Fund ("PSOVSF") are recognized through the Liability Valuation Method.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION (Cont'd)

Under this method the APV of Future SKIM from the Plan to the POVSF and PSOVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the POVSF and PSOVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the POVSF and PSOVSF offset by the AAV of the POVSF and PSOVSF, respectively.

- (12) Chapter 125/00 provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001.

Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278/02 required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

Specifically, in accordance with Chapter 125/00 the Actuary, in calculating the Statutory Contributions for Fiscal Years 2001 and 2002, included the following percentages of the increase in additional actuarial liabilities attributable to Chapter 125/00 COLA benefits:

<u>Fiscal Year</u>	<u>Phase-In Percent</u>
2001	20%
2002	40%

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION (Cont'd)

Chapter 278/02 revised the phase-in schedule for Fiscal Years 2003 and later.

Chapter 278/02 provided that, for the June 30, 2000 actuarial valuation, the Actuary was required to recognize, on a theoretical basis, only 10% of the additional actuarial liabilities created by the benefits provided by Chapter 125/00 for determining the Fiscal Year 2001 Employer Contribution.

For each of the next eight June 30 actuarial valuations (i.e., June 30, 2001 to June 30, 2008), the Actuary was required to recognize progressively increasing percentages (i.e., 20% to 90%) of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Year 2002 to Fiscal Year 2009 Employer Contributions.

For the June 30, 2009 and later actuarial valuations, the Actuary was required to recognize the full amount of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Years 2010 and later Employer Contributions.

Chapter 152/06 eliminated the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by Chapter 125/00.

- (13) Distinct male and female probabilities for mortality are used effective June 30, 1995.
- (14) A Dual Overtime assumption (i.e., a Baseline Overtime assumption for most years and a separate overtime assumption for the years included in the calculation of Final Salary or Final Average Salary) was introduced as of June 30, 1995. Baseline Overtime of 12% is assumed.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION (Cont'd)

- (15) Additionally, a separate overtime assumption of 16% is utilized when calculating the Final Salary or Final Average Salary for Service Retirements, 6% for Disability Retirements, except that 10% is used for Tier 2 Ordinary Disability Retirements with over 20 years of service, and 12% for all other benefits.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 1

Deaths among Service and Disability Pensioners

Percentage of Pensioners Dying within Next Year

<u>Age</u>	<u>Service Pensioners</u>		<u>Disability Pensioners</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	.1151%	.0677%	.1477%	.0817%
50	.2781	.2205	.4574	.2788
60	1.0416	.7143	1.2209	.8895
70	2.2892	1.7416	2.7024	2.1653
80	5.1995	4.6138	6.0431	5.6527
90	13.7899	12.2729	16.4676	15.1220
100	30.1977	28.6331	36.7152	34.8130
110*	100.0000	100.0000	100.0000	100.0000

* Tables end at age 108 for Disability Pensioners.

Table 2

Retirements and Deaths after Eligibility for Service Benefits

Percentage of Eligible Active Members Retiring
Or Dying within Next Year

<u>Age</u>	<u>Service Retirement Years of Service Since First Eligible</u>			<u>Accident Disability Retirement</u>	<u>Ordinary Disability Retirement</u>	<u>Ordinary Death</u>		<u>Accidental Death</u>
	<u>1</u>	<u>2</u>	<u>Ultimate</u>			<u>Males</u>	<u>Females</u>	
40	50.00%	25.00%	15.00%	1.20%	.30%	.080%	.040%	.01%
45	50.00	25.00	15.00	1.50	.40	.150	.075	.01
50	50.00	25.00	15.00	2.00	.50	.250	.125	.01
55	50.00	25.00	15.00	3.00	1.00	.400	.200	.01
60	50.00	25.00	15.00	5.00	6.00	.600	.300	.01
63	100.00	100.00	100.00	NA	NA	NA	NA	NA

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 3

Withdrawals from Active Service (Due to Death or Disability)

Percentage of Active Members Separating within Next Year

<u>Age</u>	<u>Accidental Disability</u>	<u>Ordinary Disability</u>	<u>Ordinary Death</u>		<u>Accidental Death</u>
			<u>Males</u>	<u>Females</u>	
20	.10%	.01%	.030%	.015%	.01%
25	.30	.05	.040	.020	.01
30	.60	.10	.050	.025	.01
35	.90	.20	.060	.030	.01
40	1.20	.30	.080	.040	.01
45	1.50	.40	.150	.075	.01
50	2.00	.50	.250	.125	.01
55	3.00	1.00	.400	.200	.01
60	5.00	6.00	.600	.300	.01

Table 4

Withdrawals from Active Service

Percentage of Active Members Withdrawing within Next Year

<u>Years of Service</u>	<u>Probability of Withdrawal</u>
0	10.00%
1	8.00
2	6.00
3	4.00
4	3.00
5	2.00
10	1.00
15	.50

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2004 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 5

Salary Scale

<u>Years of Service</u>	<u>Assumed Annual Percentage Increases Within Next Year*</u>
0	9.00%
5	3.50
10	4.00
15	4.50
20	5.00
25	4.50
30	4.00
35	4.00
40	4.00

* Salary Scale includes a General Wage Increase assumption of 3.0% per annum.

NEW YORK CITY POLICE PENSION FUND

ACTIVE MEMBER VALUATION DATA

<u>Valuation Date</u>	<u>Number</u>	<u>Annual Payroll*</u>	<u>Annual Average Pay</u>	<u>Percentage Increase (Decrease) in Average Pay</u>
6/30/00	40,451	\$2,465,681,677	\$60,955	2.2%
6/30/01	38,827	2,500,130,264	64,392	5.6
6/30/02	36,536	2,496,249,037	68,323	6.1
6/30/03	35,841	2,433,897,222	67,908	(0.6)
6/30/04	35,049	2,460,750,037	70,209	3.4
6/30/04 (Lag)	35,049	2,757,661,899**	78,680	15.9***

* Annual Payroll was increased by a percentage to reflect overtime earnings, and, where applicable, adjusted to be consistent with collective bargaining agreements estimated to be achieved.

** The annualized covered payroll under the One-Year Lag Methodology used for the Fiscal Year 2006 Employer Contributions differs from that as of June 30, 2004 to compute Fiscal Year 2005 Employer Contributions due to changes in actuarial assumptions and more recent information on labor contract settlements.

*** Increase from June 30, 2003.

NEW YORK CITY POLICE PENSION FUND

RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

Fiscal Year Ended	Added to Rolls		Removed from Rolls		Rolls end of Year		% Increase In Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/00	832	\$ 41,398,525	935	\$15,698,156	34,636	\$ 882,280,100	3.0%	\$25,473
6/30/01	1,582	169,140,021	973	16,481,363	35,245	1,034,938,758	17.3	29,364
6/30/02	2,916	108,830,413	898	19,684,195	37,263	1,124,084,976	8.6	30,166
6/30/03	1,942	86,819,507	945	21,085,545	38,260	1,189,818,938	5.8	31,098
6/30/04*	2,058	103,277,524	866	19,894,055	39,452	1,273,202,407	7.0	32,272

* Same amounts apply for June 30, 2004 (Lag) actuarial valuation.

NEW YORK CITY POLICE PENSION FUND

STATUTORY VS. ANNUAL REQUIRED CONTRIBUTIONS

(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	<u>Statutory Contribution*</u>	<u>Annual Required Contribution</u>	<u>Employer Rate of Contribution**</u>
6/30/01	\$ 413,156 ⁽¹⁾	\$ 543,758	16.756%
6/30/02	534,476 ⁽²⁾	636,481	21.378
6/30/03	625,379 ⁽³⁾	821,387	25.053
6/30/04	811,978 ⁽⁴⁾	917,731	33.361
6/30/05	1,033,285 ⁽⁵⁾	1,123,939	41.991
6/30/06***	1,337,715 ⁽⁶⁾	1,337,715	48.848

* Represents total employer contributions accrued for fiscal year.

** The employer rates of contribution equal the Statutory Contributions as percentages of the salaries of members who were on payroll as of the preceding June 30th increased to reflect overtime earnings and adjusted, where applicable, to be consistent with collective bargaining agreements estimated to be achieved.

*** Based on June 30, 2004 (Lag) Actuarial Valuation.

⁽¹⁾ The Statutory Contribution of \$413,156 thousand for Fiscal Year 2001 was computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

⁽²⁾ The Statutory Contribution of \$534,476 thousand for Fiscal Year 2002 was computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

⁽³⁾ The Statutory Contribution of \$625,379 thousand for Fiscal Year 2003 was computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00 and Chapter 278/02 which extends the phase-in period for funding these liabilities from five years to ten years.

⁽⁴⁾ The Statutory Contribution of \$811,978 thousand for Fiscal Year 2004 was computed in accordance with Chapter 278/02 which provided for a ten-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

⁽⁵⁾ The Statutory Contribution of \$1,033,285 thousand for Fiscal Year 2005 was computed in accordance with Chapter 278/02 which provided for a ten-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

⁽⁶⁾ The Statutory Contribution of \$1,337,715 thousand for Fiscal Year 2006 was computed in accordance with Chapter 152/06 which eliminated the use of ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities attributed to Chapter 125/00.

NEW YORK CITY POLICE PENSION FUND

COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES
COVERED BY ACTUARIAL VALUE OF ASSETS

SOLVENCY TEST

(Dollar Amounts in Thousands)

<u>As of June 30</u>	<u>Aggregate Accrued Liabilities for</u>					<u>Percentage of Actuarial Values Covered by</u>	
	<u>Accumulated Member Contributions</u> (A)	<u>Current Retirees and Beneficiaries</u> (B)	<u>Active Members' Employer Financed Portion</u> (C)	<u>Actuarial Value of Assets</u> (D)	<u>Actuarial Value of Assets</u> (A)	<u>Actuarial Value of Assets</u> (B)	<u>(C)</u>
2000	\$1,051,312	\$ 9,733,708	\$6,290,250	\$17,601,913	100%	100%	100%
2001	1,163,665	10,245,495	6,688,974	18,141,670	100	100	100
2002	1,715,036	11,294,438	6,645,998	18,913,634	100	100	89
2003	1,805,279	12,020,762	6,512,726	18,781,359	100	100	76
2004	1,819,074	12,856,032	6,686,486	18,510,638	100	100	57
2004 (Lag)	1,819,074	12,934,032	7,691,232	18,735,134	100	100	52

Also, see following "SOLVENCY TEST - NOTES."

NEW YORK CITY POLICE PENSION FUND

COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES COVERED BY ACTUARIAL VALUE OF ASSETS

SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the Actuarial Value of Assets of the retirement system with the Aggregate Accrued Liabilities for:

- (A) Accumulated Member Contributions;
- (B) Current Retirants and Beneficiaries; and
- (C) Active Members' Employer Financed Portion.

The Aggregate Accrued Liabilities are the APV of projected benefits produced by the projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5 ("GASB 5").

This comparative summary allocated assets as if they were priority groups, somewhat similar to (but not identical to) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The values in the table are dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. The economic assumptions used in the actuarial calculations include the following:

<u>Valuation Date (June 30)</u>	<u>Assumed Annual Rate of Return On Investments</u>	<u>Assumed General Wage Increase</u>
1999	8.00%	3.0%
2000	8.00%	3.0%
2001	8.00%	3.0%
2002	8.00%	3.0%
2003	8.00%	3.0%
2004	8.00%	3.0%
2004 (Lag)	8.00%	3.0%

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

On-Going Funding of the Plan

Under the basic equation of pension funding, Contributions plus Investment Earnings pay for Benefits plus Expenses.

There are three major sources for financing those Benefits and Expenses paid from the Plan.

First, Member Contributions are established by statute and paid as percentages of member salaries.

Second, Investment Earnings reflect the rates of return achieved on the amounts of assets held in different asset classes in the Trust.

Third, Employer Contributions are determined by actuarial methodology to finance the Benefits payable by the Plan that are not provided by either Member Contributions or Investment Earnings and for the Administrative and Investment Expenses of the Plan.

This actuarial methodology includes demographic and certain tabular assumptions recommended by the Actuary and adopted by the Board of Trustees, and certain economic assumptions and financing methods recommended by the Actuary, supported by the Board of Trustees and, where required, enacted into law by the New York State Legislature and Governor.

Employer Contributions are particularly responsive to Investment Earnings and increase (decrease) on a smoothed basis whenever Investment Earnings are less (more) than expected.

For example, during Fiscal Years 2001 to 2003, the Assets of the Plan decreased because they earned less than expected. Consequently, over the following several years, the actuarial methodology responds by increasing Employer Contributions in order to bring the overall financial status of the Plan back into balance.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

Due to Investment Earnings between Fiscal Years 2001 and 2003 being substantially less than anticipated, the increases in Employer Contributions to the Plan over the following few Fiscal Years are significant.

The New York City Charter requires an independent actuary to conduct an experience review of the Plan every two years. The Actuary utilizes this information and regularly proposes changes in actuarial assumptions and methods, most recently during Fiscal Year 2006.

These most recent changes, approved by the Board of Trustees and implemented during Fiscal Year 2006, include (1) updated demographic assumptions, (2) full recognition of all Obligations of the Plan (i.e., removing the statutory phase-in of certain liabilities) and (3) revised methodologies for smoothing changes in Employer Contributions due to Plan experience. Together, these changes further enhance the long-term financial integrity of the Plan.

The ongoing process of actuarial rebalancing and periodic reviews of actuarial assumptions and methods by the Actuary and the Board of Trustees, coupled with a financially responsible, long-duration employer like the City of New York (the "City") that can afford some variability of Employer Contributions, help provide financial security for the Plan and its participants and reasonable intergenerational budget equity for taxpayers.

With the City that has always paid and is expected to continue to pay the statutorily-required Employer Contributions as calculated by the Actuary and approved by the Board of Trustees, changes in Employer Contributions represent the source for rebalancing the basic equation of pension funding.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

Other Measures of Funded Status

Measures of Funded Status of the Plan are determined at specific points in time and are usually expressed in various relationships of Assets to Obligations. Assets as percentages of Obligations are referred to as Funded Ratios.

Comparisons of Funded Ratios over time can provide insight into the long-term financial trend of the Plan.

The Other Measures of Funded Status presented herein provide somewhat different insights into the financial condition of the Plan and comparisons amongst these other Measures of Funded Status can provide even more.

As noted, there are multiple, possible definitions of the Plan's Assets and Obligations. Some of these definitions of and comments on Assets and Obligations are set forth immediately hereafter. Additional observations about the meanings and usefulness of and the relationships amongst certain of the Funded Ratios are provided following the table of Funded Ratios.

Definition of and Comments on Assets

With respect to Assets, both Market Value of Assets ("MVA") and the Actuarial Value of Assets (or Actuarial Asset Value ("AAV")) are used to determine Funded Ratios.

In the case of the Plan, the AAV currently in use provides for smoothing of the MVA by phasing any Unexpected Investment Returns (i.e., Investment Earnings greater or less than those expected under the actuarial assumption of 8.0% of AAV each year) into the AAV over a period of six years.

The advantage of using MVA is that it represents the tradable value of the Assets of the Plan at any point in time.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

The advantage of using AAV is that it is smoothed to remove the volatility of MVA. The disadvantage of AAV is that it is not the tradable value of Assets in the marketplace and, therefore, does not show the volatility of the Assets.

Definition of and Comments on Obligations

With respect to Obligations, the Actuarial Accrued Liability ("AAL") under any particular Actuarial Cost Method ("ACM") is that portion of the APV of projected benefits which is not provided by normal costs (employer and employee).

With respect to the Plan, where the ACM is the Frozen Initial Liability ("FIL") ACM, the AAL mathematically can be recast as the Unfunded AAL ("UAAL") plus the AAV. To the extent that the UAAL does not change much year to year, then the related AAL remains relatively consistent in value with the AAV each year.

With respect to the ongoing funding of the Plan, the use of the FIL ACM provides for amortizing actuarial gains and losses over the future working lifetimes of active employees. As used by the Plan, the FIL ACM generally results in funding that is more conservative (i.e., greater Employer Contributions) than that of most other Public Pension Plans.

The Entry Age Accrued Liability ("EAAL") is defined as the APV of projected benefits less the sum of the APV of future employee contributions and the APV of future employer entry age normal costs.

The EAAL is a required disclosure in accordance with Governmental Accounting Standards Board ("GASB") Statement Number 43 ("GASB 43") and GASB Statement Number 45 ("GASB 45") for Other Post-Employment Benefits ("OPEB") under certain ACM. EAAL also has been mentioned by GASB as a possible disclosure item for certain Public Pension Plans.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

The Entry Age ACM is the most-commonly utilized ACM for funding Public Pension Plans.

The Projected Benefit Obligation ("PBO") is defined as the APV of all benefits attributed by the Plan's benefit formula to employee service rendered prior to the valuation date. The PBO was required reporting under GASB 5 prior to its replacement by GASB 25 and GASB 27.

The Accumulated Benefit Obligation ("ABO") is determined in the same manner as the PBO but without assuming future salary increases.

The Market Value Accumulated Benefit Obligation ("MVABO") is determined in the same manner as an ABO using the same actuarial assumptions except that projected benefit payments are discounted using the expected yields on U.S. Treasury securities of like duration. The MVABO is sometimes described as a Mark-to-Market measure of Obligations.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

Table of Asset and Obligation Values

The following table presents the values of Assets and Obligations used to calculate alternative Funded Ratios.

Component Measures of Funded Status							
(Dollar Amounts in Millions)							
Valuation Date	Market Value of Assets (MVA)	Actuarial Asset Value (AAV)*	Actuarial Accrued Liability (AAL)*	Entry Age Accrued Liability (EAAL)**	Projected Benefit Obligation (PBO)**	Accumulated Benefit Obligation (ABO)**	Market Value Accumulated Benefit Obligation (MVABO)***
6/30/99	\$16,877.8	\$16,877.8	\$16,877.8	\$13,633.7	\$14,490.3	\$12,565.9	\$15,614.2
6/30/00	17,813.4	17,601.9	17,601.9	16,102.9	17,075.3	15,229.3	18,967.9
6/30/01	15,765.3	18,141.7	18,141.7	17,353.9	18,098.1	16,131.6	20,664.5
6/30/02	14,504.9	18,913.6	18,913.6	19,566.3	19,655.5	17,679.5	22,300.3
6/30/03	14,271.6	18,781.4	18,781.4	20,525.1	20,338.8	18,762.0	27,228.6
6/30/04	16,136.7	18,510.6	18,510.6	21,856.2	21,361.6	19,595.3	25,437.8
6/30/04 (Lag)	16,136.7	18,735.1	18,735.1	23,378.4	22,444.3	19,828.0	25,633.2

* The AAV used for the June 30, 1999 to June 30, 2004 actuarial valuations assumes the AAV was reset to MVA as of June 30, 1999. As of each June 30 thereafter, the AAV recognizes Investment Returns greater or less than expected over a period of five years (six years beginning with the June 30, 2004 (Lag) actuarial valuation).

* Calculated in accordance with the Actuarial Cost Method (i.e., Frozen Initial Liability) and actuarial assumptions used for determining Employer Contributions.

** Calculated based on actuarial assumptions used for determining Employer Contributions.

*** Calculated based on actuarial assumptions used for determining Employer Contributions except that projected benefit payments are discounted using U.S. Treasury Spot Rates as published by the Department of the Treasury Office of Thrift Supervision in its Selected Asset and Liability Price Tables. The Obligations shown here are more precisely determined and differ modestly from the amounts shown in prior years. The average, annual discount yields as of June 30, 1999, 2000, 2001, 2002, 2003, 2004 and 2004 (Lag) equal approximately 6.0%, 6.0%, 5.7%, 5.8%, 4.7%, 5.6% and 5.5%, respectively and the durations of the Obligations as of June 30, 1999, 2000, 2001, 2002, 2003, 2004 and 2004 (Lag) equal approximately 11.8 years, 12.4 years, 11.9 years, 11.1 years, 12.4 years, 11.6 years and 11.5 years, respectively.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS

(Cont'd)

Table of Funded Ratios

The following table presents alternative Funded Ratios comparing Assets to Obligations, including: (1) AAV divided by AAL, (2) AAV divided by EAAL, (3) MVA divided by EAAL, (4) AAV divided by PBO, (5) MVA divided by PBO, (6) AAV divided by ABO, (7) MVA divided by ABO and (8) MVA divided by MVABO.

Funded Ratios								
Valuation Date	AAV/AAL	AAV/EAAL	MVA/EAAL	AAV/PBO	MVA/PBO	AAV/ABO	MVA/ABO	MVA/MVABO
6/30/99	100%	124%	124%	116%	116%	134%	134%	108%
6/30/00	100	109	111	103	104	116	117	94
6/30/01	100	105	91	100	87	112	98	76
6/30/02	100	97	74	96	74	107	82	65
6/30/03	100	92	70	92	70	100	76	52
6/30/04	100	85	74	87	76	94	82	63
6/30/04 (Lag)	100	80	69	83	72	94	81	63

Comments on Funded Ratios and Funding Methodology

With respect to the different Funded Ratios shown in the preceding table, the ratio of AAV/AAL is from the Schedule of Funding Progress (Schedule 1) presented in the Financial Section of this CAFR.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Due to the mathematics of the FIL ACM where AAL equals AAV plus UAAL, the AAV/AAL Funded Ratios tend to remain relatively constant from year to year and provide limited insight into the ongoing financial performance of the Plan.

The Other Measures of Funded Status shown in the preceding table provide different relationships between the Assets and Obligations of the Plan and are designed to offer additional insight into the Funded Status of the Plan that the Actuary believes useful to some users.

For example, on August 31, 2006, GASB announced a short-term project to Enhance Disclosure Requirements for Governmental Pension Plans. GASB indicated that it would likely suggest additional disclosure of Funded Status in certain situations in order to provide more transparency to users of Governmental Financial Statements.

The ratios of AAV/EAAL reflect information that GASB has indicated it may request from certain Public Pension Plans, as it currently does from certain OPEB plans under GASB 43 and GASB 45, once GASB finishes its short-term project.

The ratios of AAV/PBO present information that was previously required under GASB 5 and is a comparable but somewhat different representation of the information shown in the Solvency Test presented earlier in this Section of the CAFR.

The ratios of MVA/MVABO provide information on Funded Status that is (1) independent of the asset allocation of the Plan, (2) exclusive of any advance recognition of expected asset risk premia (e.g., equity risk premium) and (3) absent any smoothing of asset values.

NEW YORK CITY POLICE PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Inherent in its design, the MVA/MVABO Funded Ratio is expected to be volatile due to the impact of asset gains and losses without smoothing and the impact of changes in interest rates in the economy. Such volatility is a reflection of markets and can provide useful disclosure information. However, such volatility is not consistent with the needs of budgeting. Those budgeting needs are met by the actuarial assumptions and FIL ACM currently in use to determine Employer Contributions.

Comparing the MVA/EAAL to AAV/EAAL, MVA/PBO to AAV/PBO or MVA/ABO to AAV/ABO provides an opportunity to evaluate the degree of smoothing provided by the Actuarial Asset Valuation Method.

Comparing Funded Ratios based on the same Assets (i.e., MVA or AAV) but different definitions of Obligations (e.g., EAAL versus PBO versus ABO) provides an opportunity to evaluate the differences in those different definitions of Obligations.

Comparing MVA/ABO with MVA/MVABO provides an opportunity to compare the impact of alternative interest rates on discounting the ABO.

It should also be noted that Measures of Funded Status are best examined with more consideration of their trends over time than their values at any given point in time.

Finally, over time, it should be noted that as the City pays into the Plan the actuarially-determined Employer Contributions, all Funded Ratios can be expected to increase from their current levels.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS

DEFINITIONS

Accumulated Deductions - The total contributions made by a member to his/her annuity savings account, with regular and special interest thereon.

Reserve for Increased Take Home Pay ("ITHP") - A reserve consisting of 2.5% or 5.0% of the member's salary, pursuant to the provisions of Section 13-226 of the Administrative Code of the City of New York ("Code"), accumulated with regular and additional interest.

Chapter 373 of the Laws of 2000 increased the ITHP contribution rate to 5.0% from 2.5% for certain members.

Minimum Accumulation - The amount of required contributions accumulated with interest to the earliest date for service retirement less the amount of the reserve for ITHP on such date.

Final Salary - For a member who joined prior to July 1, 1973, Final Salary equals the annual rate of salary earnable on the date of retirement. However, for members appointed on or after June 17, 1971 and on or before June 30, 1973, if the salary earned during the one-year period prior to retirement exceeds the previous one-year period prior to retirement by more than twenty percent, the amount in excess of twenty percent is excluded from the computation. For a member who joined after June 30, 1973, Final Salary equals the salary earned during the one-year period prior to retirement or final three-year average salary immediately preceding the date of retirement. The salary cannot exceed 120% of the previous twelve months or the three consecutive calendar years used. The final year cannot exceed 120% of the average of the previous two years.

Variable Supplements Funds - The New York City Police Department maintains the Police Officers' Variable Supplements Fund ("POVSF") and the Police Superior Officers' Variable Supplements Fund ("PSOVSF"). These funds operate pursuant to the provisions of Title 13, Chapter 2 of the Administrative Code of the City of New York.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS (Cont'd)

MEMBER CONTRIBUTIONS

Member contributions are made on the basis of a normal rate of contribution that is assigned by the Plan at the time of membership. The normal rate, which is dependent upon the member's age and the Plan at the time of membership, as well as the tables in effect for such purpose, is determined so as to provide an annuity of approximately one-quarter of the service retirement allowance at the earliest date for service retirement. Members may voluntarily increase their rates of contribution by 50% for the purpose of purchasing an additional annuity.

Contributions from members are recorded when the employer makes payroll deductions from Plan members. Members are permitted to borrow up to 90% of their own contributions including accumulated interest. These loans are accounted for as reductions in such member's contribution accounts.

BENEFITS

Briefly stated, the benefit provisions and the contribution provisions, of which account was taken in the valuation, are as follows:

I. SERVICE RETIREMENT

The service retirement allowance consists of two parts, a pension payable from City contributions and an annuity from member's contributions.

According to his election when he joined the Pension Fund, a member may retire from service after having completed 20 years of police service, or after having completed 25 years of police service, or at the attainment of age 55 regardless of years of service.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS (Cont'd)

Upon retirement after having become eligible for service retirement the member receives an annual allowance which is the sum of (a) 50% of Final Salary, reduced by an annuity which is the actuarial equivalent of the Minimum Accumulation, (b) an annuity which is the actuarial equivalent of the Accumulated Deductions and (c) for all years of service other than the minimum required service:

- (i) $1/60$ of average salary for the period of service after the completion of his minimum required service for each year of such service and
- (ii) an annual pension for ITHP which is the actuarial equivalent of the reserve for ITHP less the reserve for ITHP at the minimum service date with interest to the date of retirement.

II. ORDINARY DISABILITY RETIREMENT

An annual ordinary disability retirement allowance is paid upon the disablement of a member from causes other than accident in the actual performance of duty.

For a member who elected the 20 year plan, the annual ordinary disability retirement allowance is equal to $1/40$ ($1/50$ for members who elected the 25 year plan; $1/60$ for members who elected to retire at the attainment of age 55) of Final Salary multiplied by the number of years of service, but not less than $1/2$ of his Final Salary if he completed 10 or more years of City service, or $1/3$ of his Final Salary if less than 10 years of City service.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS (Cont'd)

III. ACCIDENT DISABILITY RETIREMENT

Upon the occurrence of disability caused by an accident in the actual performance of duty, a member is granted a retirement allowance. The allowance consists of a pension equal to three-fourths of his Final Salary and, if he is eligible for service retirement, an additional increment of 1/60 of average salary from date of eligibility for service retirement to date of retirement for each year of service. An additional pension is paid which is the actuarial equivalent of the reserve for ITHP, as well as an annuity which is the amount which can be purchased with the member's Accumulated Deductions.

IV. ORDINARY DEATH BENEFIT

Upon the death of a member in active service from causes other than accident in the actual performance of duty, a benefit is paid to his estate or to such person as he shall have nominated.

With respect to a member who joined before July 1, 1973, the benefit is equal to the compensation earnable by the member in the six months immediately preceding his death and, if the total number of years of allowable service exceeds ten, then the benefit is equal to the compensation earnable by him during the twelve months immediately preceding death. In addition, the member's accumulated deductions, the reserve for ITHP, and the City's obligation on account of military service, if any, are paid to his estate or to his designated beneficiary.

A member who joins after June 30, 1973 is covered for a death benefit upon completion of 90 days of service. The amount of the death benefit is equal to three times member's salary raised to the next higher multiple of \$1,000. In addition, the member's accumulated deductions are payable.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS (Cont'd)

The benefit payable on account of a member who at the time of his death, would have been eligible for service retirement is either the benefit described above or an amount equal to the reserve on the retirement allowance which would have been payable if he had retired on the day before his death, whichever is larger.

The Rules and Regulations adopted by the Board of Trustees in accordance with Chapter 581 of the Laws of 1970 provide that the first \$50,000 of each benefit on account of death in active service is payable from the group term life insurance plan. Only the amount in excess of \$50,000, if any, is payable by the Pension Fund.

V. ACCIDENTAL DEATH BENEFIT

The benefit is payable upon the death of a member which occurs as the result of an accident sustained in the performance of duty.

The accidental death benefit is a lump sum payment of the member's accumulated deductions and ITHP reserve plus an annual pension equal to one-half of the average salary in the five years immediately preceding death but not less than one-half the full salary of a first grade patrolman, payable to the widow for life, or if there is no widow, to a child, or children until the attainment of age 18 or age 23 if a full-time student, or if there is no widow or child, to the dependent parents.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS (Cont'd)

VI. TERMINATION OF EMPLOYMENT

A member who either resigns or is dismissed receives a benefit equal to his Accumulated Deductions. At resignation with at least 5 years of service, the member may elect, in lieu of a return of his Accumulated Deductions, to receive a service retirement allowance reduced in proportion to his years of service. The allowance is deferred to the earliest date on which the member would have been eligible for service retirement had the member not resigned. Should a member with less than 10 years of service who elected to receive a vested retirement allowance die during the period of deferment, the benefit is the Accumulated Deductions. For a member who at resignation with at least 10 years of service, who elected to receive a deferred retirement allowance and dies before the attainment of his service retirement date, the benefit is one-half of the ordinary death benefit.

VII. DEPENDENT BENEFIT

Upon the death of a member during active service or after retirement, a pension of \$600 per annum is payable to the widow until remarriage, to a child, or to the dependent parents provided that upon becoming a member, he had elected to make the additional contributions required for this benefit.

VIII. AUTOMATIC COST-OF-LIVING ADJUSTMENTS ("COLA")

COLA benefits are payable to members who are either (1) at least age 62 and have been retired for at least 5 years or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA benefits are payable to members who retired for disability after being retired for 5 or more years and to beneficiaries receiving accidental death benefits who have been receiving them for at least 5 years.

NEW YORK CITY POLICE PENSION FUND

SUMMARY OF PLAN PROVISIONS (Cont'd)

Beginning September 2001, COLA benefits equal 50% of the increase in the CPI-U based on the year ending March 31, rounded to the next higher .1%, not less than 1% nor greater than 3% of the first \$18,000 of the maximum pension allowance.

The COLA benefit is payable during the life of the retired member. One half of the amount is also payable after the member's death and during the life of the spouse beneficiary if such retired member had elected one of the options under the Code which provides that benefits are to be continued for the life of such spouse after the death of the retired member, and where the death of such retired member occurred or occurs more than thirty days after the effective date of the retirement of such member.

IX. OPTIONS ON RETIREMENT

Upon retirement a member may elect to receive his basic retirement allowance payable in monthly installments throughout life with all payments ending at death. Alternatively, the member may elect to receive the actuarial equivalent in any one of the following optional forms:

- (a) With respect to members who joined prior to July 1, 1973, a cash refund allowance under which reduced payments will be made for the life of the member with a provision that, in case of death before such payments have equaled the present value of the retirement allowance at date of retirement, the balance shall be paid to the designated beneficiary or estate in a lump sum. With respect to members who joined after June 30, 1973, this option is only available with respect to the annuity benefit derived from the member's Accumulated Deductions.

NEW YORK CITY POLICE PENSION FUND

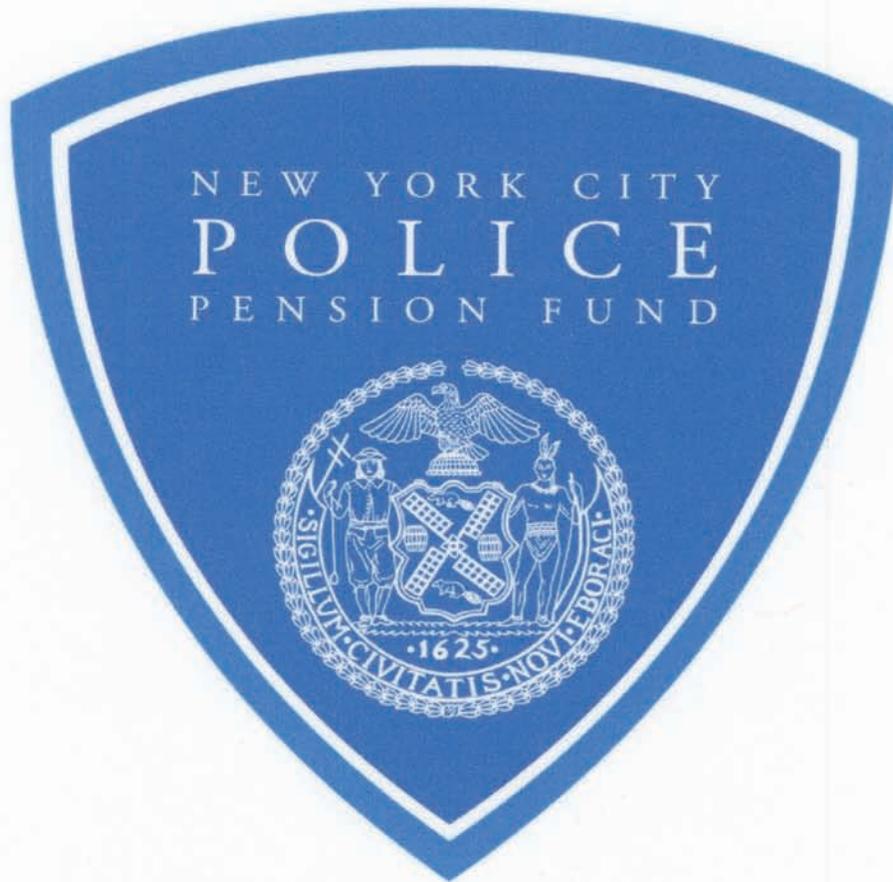
SUMMARY OF PLAN PROVISIONS (Cont'd)

- (b) With respect to members who join or joined after June 30, 1973, a five-year or ten-year certain and life thereafter allowance under which reduced payments will be made for the life of the member with a provision that, in case of death within the guarantee period, the benefit that would have been payable had the member survived shall continue to the designated beneficiary or estate for the balance of the guarantee period.
- (c) A joint and survivor allowance under which reduced payments will be made for the life of the member with a provision that at the death of the member the same payments or one-half of such payments shall be continued for the life of such other person as the member shall have designated.
- (d) Such other form of benefit which is the actuarial equivalent of the basic benefit as may be certified by the Actuary and approved by the Board of Trustees. By resolution, the Board of Trustees has approved an option under which reduced payments will be made for the life of the member with a provision that upon his death, a sum specified by the member at the time of retirement shall be paid to his designated beneficiary or estate.

NEW YORK CITY POLICE PENSION FUND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



STATISTICAL SECTION

PART V

FISCAL YEAR ENDED

June 30, 2006

NEW YORK CITY POLICE PENSION FUND

AVERAGE ANNUAL BENEFIT PAYMENT AMOUNTS

Valuation Date	Service Retirement Benefits		Ordinary (Non-Duty) Disability Benefits		Accidental (Duty) Disability Benefits	
	Number	Average Annual Allowance	Number	Average Annual Allowance	Number	Average Annual Allowance
6/30/96*	19,011	\$19,148	4,200	\$21,696	8,969	\$29,559
6/30/97	18,929	20,832	4,178	22,833	9,175	31,050
6/30/98	18,793	21,446	4,141	23,110	9,322	31,835
6/30/99	18,622	22,971	4,109	24,159	9,403	33,365
6/30/00	18,689	23,821	4,056	24,249	9,478	34,069
6/30/01	19,423	27,489	4,021	28,155	9,611	38,308
6/30/02	21,394	28,346	3,986	28,466	9,837	39,019
6/30/03	22,416	29,324	3,943	28,571	10,021	39,852
6/30/04	23,504	30,556	3,923	28,856	10,282	40,941
6/30/04 Lag	23,504	30,556	3,923	28,856	10,282	40,941

* Prior to June 30, 1996, Number and Average Annual Allowance exclude former members of the Police Department, Subchapter One Pension Fund. Beginning June 30, 1996, Number and Average Annual Allowance include former members of the Police Department, Subchapter One Pension Fund.

**NEW YORK CITY
POLICE PENSION FUND**

SCHEDULE OF BENEFIT EXPENSES BY TYPE

(In Thousands)

June 30, 2006

BENEFIT PAYMENTS

<u>Fiscal Year 6/30</u>	<u>Service & Disability Retirement</u>	<u>Ordinary Death</u>	<u>Death Gamble Payments</u>	<u>Line of Duty Deaths</u>	<u>Total</u>
1997	\$777,973	\$8,313	\$992	\$3,650	\$790,928
1998	827,670	5,901	1,319	3,913	838,803
1999	871,621	2,491	7,867	8,609	890,588
2000	883,069	3,537	4,137	5,586	896,329
2001	1,017,966	1,831	7,001	4,365	1,031,163
2002	1,101,569	5,143	1,574	8,449	1,116,735
2003	1,303,153	4,374	4,265	7,360	1,319,152
2004	1,386,332	5,317	5,771	7,968	1,405,388
2005	1,591,677	2,768	8,739	8,015	1,611,199
2006	\$1,902,400	\$3,220	\$4,940	\$8,528	\$1,919,088

NEW YORK CITY
POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004 (LAG)

SERVICE RETIREMENT

MALE

FEMALE

BOTH MALE & FEMALE

AGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
30 To 34	0	0	0	0	0	0	0	0	0
35 To 39	4	137,040	34,260	1	33,120	33,120	5	170,160	34,032
40 To 44	1,551	53,375,991	34,414	245	7,272,880	29,685	1,796	60,648,871	33,769
45 To 49	2,578	89,418,440	34,685	459	14,223,308	30,988	3,037	103,641,748	34,126
50 To 54	2,006	70,669,383	35,229	251	8,043,710	32,047	2,257	78,713,093	34,875
55 To 59	3,055	108,719,192	35,587	75	2,611,932	34,826	3,130	111,331,124	35,569
60 To 64	4,127	133,652,254	32,385	82	2,691,302	32,821	4,209	136,343,556	32,393
65 To 69	2,788	78,524,057	28,165	46	1,452,971	31,586	2,834	79,977,028	28,221
70 To 74	1,890	47,628,148	25,200	24	660,500	27,521	1,914	48,288,648	25,229
75 To 79	1,954	47,063,795	24,086	35	692,715	19,792	1,989	47,756,510	24,010
80 To 84	1,405	30,686,787	21,841	22	476,962	21,680	1,427	31,163,749	21,839
85 To 89	726	15,823,391	21,795	8	142,011	17,751	734	15,965,402	21,751
90 & UP	168	\$4,097,766	\$24,391	4	\$81,759	\$20,440	172	\$4,179,525	\$24,300
	22,252	\$679,796,244	\$30,550	1,252	\$38,383,170	\$30,657	23,504	\$718,179,414	\$30,556

NEW YORK CITY

POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004 (LAG)

ORDINARY DISABILITY (NON-DUTY) RETIREMENT

AGE	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE & FEMALE</u>		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$20,520	\$10,260	2	\$25,560	\$12,780	4	\$46,080	\$11,520
30 to 34	34	651,112	19,150	13	266,209	20,478	47	917,321	19,517
35 to 39	109	2,520,795	23,127	66	1,419,740	21,511	175	3,940,535	22,517
40 to 44	159	3,525,527	22,173	96	2,028,176	21,127	255	5,553,703	21,779
45 to 49	144	3,178,247	22,071	58	1,316,688	22,702	202	4,494,935	22,252
50 to 54	116	2,408,563	20,763	24	515,311	21,471	140	2,923,874	20,885
55 to 59	407	7,818,445	19,210	18	354,371	19,687	425	8,172,816	19,230
60 to 64	608	14,014,311	23,050	15	278,753	18,584	623	14,293,064	22,942
65 to 69	388	12,130,969	31,265	12	215,247	17,937	400	12,346,216	30,866
70 to 74	455	17,112,351	37,610	12	298,955	24,913	467	17,411,306	37,283
75 to 79	636	23,967,714	37,685	7	220,487	31,498	643	24,188,201	37,618
80 to 84	367	12,863,542	35,051	9	228,126	25,347	376	13,091,668	34,818
85 to 89	140	4,994,109	35,672	8	240,994	30,124	148	5,235,103	35,372
90 & up	18	\$588,411	\$32,690	\$0	\$0	\$0	18	\$588,411	\$32,690
	3,583	\$105,794,616	\$29,527	340	\$7,408,617	\$21,790	3,923	\$113,203,233	\$28,856

NEW YORK CITY
POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004 (LAG)

ACCIDENT DISABILITY RETIREMENT

AGE	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE & FEMALE</u>		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$82,440	\$41,220	2	\$69,240	\$34,620	4	\$151,680	\$37,920
30 to 34	139	5,826,302	41,916	20	789,475	39,474	159	6,615,777	41,609
35 to 39	530	23,074,385	43,537	105	4,249,661	40,473	635	27,324,046	43,030
40 to 44	1,141	50,907,480	44,617	196	8,205,233	41,863	1,337	59,112,713	44,213
45 to 49	948	43,500,878	45,887	123	5,100,833	41,470	1,071	48,601,711	45,380
50 to 54	732	30,809,390	42,089	57	2,276,008	39,930	789	33,085,398	41,933
55 to 59	1,694	66,349,929	39,168	44	1,477,206	33,573	1,738	67,827,135	39,026
60 to 64	1,910	74,094,098	38,793	30	1,177,887	39,263	1,940	75,271,985	38,800
65 to 69	950	38,076,573	40,081	12	467,637	38,970	962	38,544,210	40,067
70 to 74	617	25,621,081	41,525	2	52,394	26,197	619	25,673,475	41,476
75 to 79	599	23,873,073	39,855	9	347,634	38,626	608	24,220,707	39,837
80 to 84	286	10,046,455	35,127	1	25,328	25,328	287	10,071,783	35,093
85 to 89	104	3,474,263	33,406	2	56,111	28,056	106	3,530,374	33,305
90 & up	27	\$922,107	\$34,152	0	\$0	\$0	27	\$922,107	\$34,152
	9,679	\$396,658,454	\$40,981	603	\$24,294,647	\$40,290	10,282	\$420,953,101	\$40,941

NEW YORK CITY
POLICE PENSION FUND

SERVICE OR DISABILITY
SURVIVORS OF DECEASED PENSIONERS UNDER SELECTED OPTIONS

June 30, 2004 (LAG)

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$39,168	\$19,584	6	\$100,764	\$16,794	8	\$139,932	\$17,492
30 to 34	0	0	0	2	56,256	28,128	2	56,256	28,128
35 to 39	0	0	0	12	227,082	18,924	12	227,082	18,924
40 to 44	0	0	0	18	460,465	25,581	18	460,465	25,581
45 to 49	0	0	0	7	177,459	25,351	7	177,459	25,351
50 to 54	2	50,880	25,440	17	408,262	24,015	19	459,142	24,165
55 to 59	0	0	0	22	491,096	22,323	22	491,096	22,323
60 to 64	2	38,641	19,321	48	1,134,595	23,637	50	1,173,236	23,465
65 to 69	0	0	0	44	834,721	18,971	44	834,721	18,971
70 to 74	0	0	0	89	1,572,387	17,667	89	1,572,387	17,667
75 to 79	0	0	0	108	1,466,636	13,580	108	1,466,636	13,580
80 to 84	0	0	0	176	1,575,793	8,953	176	1,575,793	8,953
85 to 89	1	14,528	14,528	297	1,787,987	6,020	298	1,802,515	6,049
90 & up	19	\$660,655	\$34,771	552	\$2,274,289	\$4,120	571	\$2,934,944	\$5,140
Total	26	\$803,872	\$30,918	\$1,398	\$12,567,792	\$8,990	1,424	\$13,371,664	\$9,390

NEW YORK CITY
POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004 (LAG)

BENEFICIARIES OF PENSIONERS KILLED IN
ACTUAL PERFORMANCE OF DUTY

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$79,503	\$39,752	11	\$306,465	\$27,860	13	\$385,968	\$29,690
30 to 34	0	0	0	3	105,269	35,090	3	105,269	35,090
35 to 39	0	0	0	8	241,514	30,189	8	241,514	30,189
40 to 44	0	0	0	24	719,598	29,983	24	719,598	29,983
45 to 49	0	0	0	21	654,367	31,160	21	654,367	31,160
50 to 54	0	0	0	26	635,265	24,433	26	635,265	24,433
55 to 59	0	0	0	46	1,046,107	22,741	46	1,046,107	22,741
60 to 64	1	35,002	35,002	58	1,264,076	21,794	59	1,299,078	22,018
65 to 69	2	55,052	27,526	25	493,157	19,726	27	548,209	20,304
70 to 74	2	48,188	24,094	39	773,006	19,821	41	821,194	20,029
75 to 79	1	27,062	27,062	25	486,475	19,459	26	513,537	19,751
80 to 84	1	26,331	26,331	15	323,188	21,546	16	349,519	21,845
85 to 89	0	0	0	7	142,913	20,416	7	142,913	20,416
90 & up	0	\$0	\$0	2	\$32,457	\$16,229	2	\$32,457	\$16,229
Total	9	\$271,138	\$30,126	310	\$7,223,857	\$23,303	319	\$7,494,995	\$23,495

NEW YORK CITY
POLICE PENSION FUND
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT
June 30,2004 (LAG)

ALL PENSIONERS AND BENEFICIARIES

AGE	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE & FEMALE</u>		
	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>
UNDER 30	8	\$221,631	\$27,704	21	\$502,029	\$23,906	29	\$723,660	\$24,954
30 to 34	173	6,477,414	37,442	38	1,217,209	32,032	211	7,694,623	36,467
35 to 39	643	25,732,220	40,019	192	6,171,117	32,141	835	31,903,337	38,208
40 to 44	2,851	107,808,998	37,814	579	18,686,352	32,273	3,430	126,495,350	36,879
45 to 49	3,670	136,097,565	37,084	668	21,472,655	32,145	4,338	157,570,220	36,323
50 to 54	2,856	103,938,216	36,393	375	11,878,556	31,676	3,231	115,816,772	35,845
55 to 59	5,156	182,887,566	35,471	205	5,980,712	29,174	5,361	188,868,278	35,230
60 to 64	6,648	221,834,306	33,369	233	6,546,613	28,097	6,881	228,380,919	33,190
65 to 69	4,128	128,786,651	31,198	139	3,463,733	24,919	4,267	132,250,384	30,994
70 to 74	2,964	90,409,768	30,503	166	3,357,242	20,224	3,130	93,767,010	29,958
75 to 79	3,190	94,931,644	29,759	184	3,213,947	17,467	3,374	98,145,591	29,089
80 to 84	2,059	53,623,115	26,043	223	2,629,397	11,791	2,282	56,252,512	24,651
85 to 89	971	24,306,291	25,032	322	2,370,016	7,360	1,293	26,676,307	20,631
90 & up	232	\$6,268,939	\$27,021	558	\$2,388,505	\$4,280	790	\$8,657,444	\$10,959
Total	35,549	\$1,183,324,324	\$33,287	3,903	\$89,878,083	\$23,028	39,452	\$1,273,202,407	\$32,272

**NEW YORK CITY
POLICE PENSION FUND**

June 30, 2006

EXPENSE BY TYPE

(In Thousands)

<u>Fiscal Year Ended 6/30</u>	<u>Benefit Payments (1)</u>	<u>Administrative Expense</u>	<u>Refund</u>	<u>Total</u>	<u>Employer Contributions as a Percentage of Annual Covered Payroll</u>
1997	\$790,230	—	\$698	\$790,928	27.6
1998	837,802	—	1,001	838,803	26.1
1999	889,961	—	627	890,588	23.3
2000	895,853	—	476	896,329 *	10.7
2001	1,030,239	—	924	1,031,163	16.8
2002	1,116,411	—	324	1,116,735	21.4
2003	1,306,299	11,395	1,458	1,319,152	25.1
2004	1,393,470	11,612 **	306	1,405,388	33.3
2005	1,610,795	13,670 **	405	1,624,870	41.9
2006	\$1,918,477	\$13,279	\$612	\$1,932,368	48.8

**** This amount represents expenses incurred and paid by the Fund for its overhead expenses. The schedule of Administrative expenses also includes certain expenses incurred by other City agencies but paid by the City on behalf of the Fund.**

NEW YORK CITY
POLICE PENSION FUND
June 30, 2006
REVENUE BY SOURCE
(In Thousands)

Fiscal Year Ended 6/30	Member Contributions	Employer Contributions	Net Investment Income/Loss	Other	Total	Employer Contributions as A Percentage of Annual Covered Payroll
1997	\$31,954	\$529,777	\$2,691,569	-	\$3,253,300	27.6
1998	36,945	531,657	2,623,086	-	3,191,688	26.1
1999	43,091	486,780	1,868,386	-	2,398,257	23.3
2000	40,761	250,021	1,537,845	3,355	1,831,982	10.7
2001	37,862	413,156	(1,473,957)	5,983	(1,016,956)	16.8
2002	127,044	534,476	(1,233,996)	5,105	(567,371)	21.4
2003	110,839	625,379	345,690	4,007	1,085,915	25.0
2004	118,565	811,978	2,333,744	6,190	3,270,477	33.3
2005	119,575	1,033,285	1,572,983	2,442	2,728,285	41.9
2006	\$144,574	\$1,337,715	\$1,761,568	\$3,860	\$3,247,717	48.8

NEW YORK CITY POLICE PENSION FUND
 PENSIONER VALUATION AS OF JUNE 30, 2004 (LAG)

PAGE: 1

SUMMARY BY CAUSE AND SEX

ALL FILES

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
ACCIDENTAL DISABILITY:									
UNDER 30	2	82,440	41,220	2	69,240	34,620	4	151,680	37,920
30 TO 34	139	5,826,302	41,916	20	789,475	39,474	159	6,615,777	41,609
35 TO 39	530	23,074,385	43,537	105	4,249,661	40,473	635	27,324,046	43,030
40 TO 44	1,141	50,907,480	44,617	196	8,205,233	41,863	1,337	59,112,713	44,213
45 TO 49	948	43,500,878	45,887	123	5,100,833	41,470	1,071	48,601,711	45,380
50 TO 54	732	30,809,390	42,089	57	2,276,008	39,930	789	33,085,398	41,933
55 TO 59	1,694	66,349,929	39,168	44	1,477,206	33,573	1,738	67,827,135	39,026
60 TO 64	1,910	74,094,098	38,793	30	1,177,887	39,263	1,940	75,271,985	38,800
65 TO 69	950	38,076,573	40,081	12	467,637	38,970	962	38,544,210	40,067
70 TO 74	617	25,621,081	41,525	2	52,394	26,197	619	25,673,475	41,476
75 TO 79	599	23,873,073	39,855	9	347,634	38,626	608	24,220,707	39,837
80 TO 84	286	10,046,455	35,127	1	25,328	25,328	287	10,071,783	35,093
85 TO 89	104	3,474,263	33,406	2	56,111	28,056	106	3,530,374	33,305
90 & UP	27	922,107	34,152	0	0	0	27	922,107	34,152
TOTAL	9,679	396,658,454	40,981	603	24,294,647	40,290	10,282	420,953,101	40,941
ORDINARY DISABILITY:									
UNDER 30	2	20,520	10,260	2	25,560	12,780	4	46,080	11,520
30 TO 34	34	651,112	19,150	13	266,209	20,478	47	917,321	19,517
35 TO 39	109	2,520,795	23,127	66	1,419,740	21,511	175	3,940,535	22,517
40 TO 44	159	3,525,527	22,173	96	2,028,176	21,127	255	5,553,703	21,779
45 TO 49	144	3,178,247	22,071	58	1,316,688	22,702	202	4,494,935	22,252
50 TO 54	116	2,408,563	20,763	24	515,311	21,471	140	2,923,874	20,885
55 TO 59	407	7,818,445	19,210	18	354,371	19,687	425	8,172,816	19,230
60 TO 64	608	14,014,311	23,050	15	278,753	18,584	623	14,293,064	22,942
65 TO 69	388	12,130,969	31,265	12	215,247	17,937	400	12,346,216	30,866
70 TO 74	455	17,112,351	37,610	12	298,955	24,913	467	17,411,306	37,283
75 TO 79	636	23,967,714	37,685	7	220,487	31,498	643	24,188,201	37,618
80 TO 84	367	12,863,542	35,051	9	228,126	25,347	376	13,091,668	34,818
85 TO 89	140	4,994,109	35,672	8	240,994	30,124	148	5,235,103	35,372
90 & UP	18	588,411	32,690	0	0	0	18	588,411	32,690
TOTAL	3,583	105,794,616	29,527	340	7,408,617	21,790	3,923	113,203,233	28,856
SERVICE RETIREMENT:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	0	0	0	0	0	0	0	0	0
35 TO 39	4	137,040	34,260	1	33,120	33,120	5	170,160	34,032
40 TO 44	1,551	53,375,991	34,414	245	7,272,880	29,685	1,796	60,648,871	33,769
45 TO 49	2,578	89,418,440	34,685	459	14,223,308	30,988	3,037	103,641,748	34,126
50 TO 54	2,006	70,669,383	35,229	251	8,043,710	32,047	2,257	78,713,093	34,875
55 TO 59	3,055	108,719,192	35,587	75	2,611,932	34,826	3,130	111,331,124	35,569
60 TO 64	4,127	133,652,254	32,385	82	2,691,302	32,821	4,209	136,343,556	32,393
65 TO 69	2,788	78,524,057	28,165	46	1,452,971	31,586	2,834	79,977,028	28,221
70 TO 74	1,890	47,628,148	25,200	24	660,500	27,521	1,914	48,288,648	25,229
75 TO 79	1,954	47,063,795	24,086	35	692,715	19,792	1,989	47,756,510	24,010
80 TO 84	1,405	30,686,787	21,841	22	476,962	21,680	1,427	31,163,749	21,839
85 TO 89	726	15,823,391	21,795	8	142,011	17,751	734	15,965,402	21,751
90 & UP	168	4,097,766	24,391	4	81,759	20,440	172	4,179,525	24,300
TOTAL	22,252	679,796,244	30,550	1,252	38,383,170	30,657	23,504	718,179,414	30,556

NEW YORK CITY POLICE PENSION FUND
PENSIONER VALUATION AS OF JUNE 30, 2004 (LAG)

SUMMARY BY CAUSE, FUND AND GENDER

CAUSE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
TOTAL BENEFITS (PENSIONER FILE) :									
ACC DIS	8,932	356,292,847	39,889	496	19,383,647	39,080	9,428	375,676,494	39,847
ORD DIS	3,434	101,662,833	29,605	265	5,738,817	21,656	3,699	107,401,650	29,035
SERVICE	18,346	540,029,760	29,436	640	19,787,370	30,918	18,986	559,817,130	29,486
ACC DTH	7	191,635	27,376	293	6,708,389	22,896	300	6,900,024	23,000
BENEFY	26	803,872	30,918	463	8,907,845	19,239	489	9,711,717	19,860
TOTAL	30,745	998,980,947	32,492	2,157	60,526,068	28,060	32,902	1,059,507,015	32,202
TOTAL BENEFITS (UNPROCESSED FILE) :									
ACC DIS	743	40,262,334	54,189	107	4,911,000	45,897	850	45,173,334	53,145
ORD DIS	142	4,025,832	28,351	75	1,669,800	22,264	217	5,695,632	26,247
SERVICE	3,810	137,399,066	36,063	612	18,595,800	30,385	4,422	155,994,866	35,277
ACC DTH	2	79,503	39,752	16	510,336	31,896	18	589,839	32,769
BENEFY	0	0	0	6	148,327	24,721	6	148,327	24,721
TOTAL	4,697	181,766,735	38,698	816	25,835,263	31,661	5,513	207,601,998	37,657
TOTAL BENEFITS (CLOSED FILE) :									
ACC DIS	4	103,273	25,818	0	0	0	4	103,273	25,818
ORD DIS	7	105,951	15,136	0	0	0	7	105,951	15,136
SERVICE	96	2,367,418	24,661	0	0	0	96	2,367,418	24,661
ACC DTH	0	0	0	1	5,132	5,132	1	5,132	5,132
BENEFY	0	0	0	929	3,511,620	3,780	929	3,511,620	3,780
TOTAL	107	2,576,642	24,081	930	3,516,752	3,781	1,037	6,093,394	5,876
TOTAL BENEFITS (ALL FILES) :									
ACC DIS	9,679	396,658,454	40,981	603	24,294,647	40,290	10,282	420,953,101	40,941
ORD DIS	3,583	105,794,616	29,527	340	7,408,617	21,790	3,923	113,203,233	28,856
SERVICE	22,252	679,796,244	30,550	1,252	38,383,170	30,657	23,504	718,179,414	30,556
ACC DTH	9	271,138	30,126	310	7,223,857	23,303	319	7,494,995	23,495
BENEFY	26	803,872	30,918	1,398	12,567,792	8,990	1,424	13,371,664	9,390
TOTAL	35,549	1,183,324,324	33,287	3,903	89,878,083	23,028	39,452	1,273,202,407	32,272

NEW YORK CITY POLICE PENSION FUND
 PENSIONER VALUATION AS OF JUNE 30, 2004 (LAG)

PAGE: 2

SUMMARY BY CAUSE AND SEX

ALL FILES

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
ACCIDENTAL DEATH:									
UNDER 30	2	79,503	39,752	11	306,465	27,860	13	385,968	29,690
30 TO 34	0	0	0	3	105,269	35,090	3	105,269	35,090
35 TO 39	0	0	0	8	241,514	30,189	8	241,514	30,189
40 TO 44	0	0	0	24	719,598	29,983	24	719,598	29,983
45 TO 49	0	0	0	21	654,367	31,160	21	654,367	31,160
50 TO 54	0	0	0	26	635,265	24,433	26	635,265	24,433
55 TO 59	0	0	0	46	1,046,107	22,741	46	1,046,107	22,741
60 TO 64	1	35,002	35,002	58	1,264,076	21,794	59	1,299,078	22,018
65 TO 69	2	55,052	27,526	25	493,157	19,726	27	548,209	20,304
70 TO 74	2	48,188	24,094	39	773,006	19,821	41	821,194	20,029
75 TO 79	1	27,062	27,062	25	486,475	19,459	26	513,537	19,751
80 TO 84	1	26,331	26,331	15	323,188	21,546	16	349,519	21,845
85 TO 89	0	0	0	7	142,913	20,416	7	142,913	20,416
90 & UP	0	0	0	2	32,457	16,229	2	32,457	16,229
TOTAL	9	271,138	30,126	310	7,223,857	23,303	319	7,494,995	23,495
OTHER BENEFICIARIES:									
UNDER 30	2	39,168	19,584	6	100,764	16,794	8	139,932	17,492
30 TO 34	0	0	0	2	56,256	28,128	2	56,256	28,128
35 TO 39	0	0	0	12	227,082	18,924	12	227,082	18,924
40 TO 44	0	0	0	18	460,465	25,581	18	460,465	25,581
45 TO 49	0	0	0	7	177,459	25,351	7	177,459	25,351
50 TO 54	2	50,880	25,440	17	408,262	24,015	19	459,142	24,165
55 TO 59	0	0	0	22	491,096	22,323	22	491,096	22,323
60 TO 64	2	38,641	19,321	48	1,134,595	23,637	50	1,173,236	23,465
65 TO 69	0	0	0	44	834,721	18,971	44	834,721	18,971
70 TO 74	0	0	0	89	1,572,387	17,667	89	1,572,387	17,667
75 TO 79	0	0	0	108	1,466,636	13,580	108	1,466,636	13,580
80 TO 84	0	0	0	176	1,575,793	8,953	176	1,575,793	8,953
85 TO 89	1	14,528	14,528	297	1,787,987	6,020	298	1,802,515	6,049
90 & UP	19	660,655	34,771	552	2,274,289	4,120	571	2,934,944	5,140
TOTAL	26	803,872	30,918	1,398	12,567,792	8,990	1,424	13,371,664	9,390
ALL PENSIONERS AND BENEFICIARIES:									
UNDER 30	8	221,631	27,704	21	502,029	23,906	29	723,660	24,954
30 TO 34	173	6,477,414	37,442	38	1,217,209	32,032	211	7,694,623	36,467
35 TO 39	643	25,732,220	40,019	192	6,171,117	32,141	835	31,903,337	38,208
40 TO 44	2,851	107,808,998	37,814	579	18,686,352	32,273	3,430	126,495,350	36,879
45 TO 49	3,670	136,097,565	37,084	668	21,472,655	32,145	4,338	157,570,220	36,323
50 TO 54	2,856	103,938,216	36,393	375	11,878,556	31,676	3,231	115,816,772	35,845
55 TO 59	5,156	182,887,566	35,471	205	5,980,712	29,174	5,361	188,868,278	35,230
60 TO 64	6,648	221,834,306	33,369	233	6,546,613	28,097	6,881	228,380,919	33,190
65 TO 69	4,128	128,786,651	31,198	139	3,463,733	24,919	4,267	132,250,384	30,994
70 TO 74	2,964	90,409,768	30,503	166	3,357,242	20,224	3,130	93,767,010	29,958
75 TO 79	3,190	94,931,644	29,759	184	3,213,947	17,467	3,374	98,145,591	29,089
80 TO 84	2,059	53,623,115	26,043	223	2,629,397	11,791	2,282	56,252,512	24,651
85 TO 89	971	24,306,291	25,032	322	2,370,016	7,360	1,293	26,676,307	20,631
90 & UP	232	6,268,939	27,021	558	2,388,505	4,280	790	8,657,444	10,959
TOTAL	35,549	1,183,324,324	33,287	3,903	89,878,083	23,028	39,452	1,273,202,407	32,272

NEW YORK CITY POLICE PENSION FUND
ACTIVE VALUATION AS OF JUNE 30, 2004 (LAG)

TIER: ALL GENDER: M

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
NUMBERS:											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	842	0	0	0	0	0	0	0	0	0	842
25 TO 29	2,799	811	0	0	0	0	0	0	0	0	3,610
30 TO 34	1,585	2,713	2,264	3	0	0	0	0	0	0	6,565
35 TO 39	722	1,561	4,350	2,311	6	0	0	0	0	0	8,950
40 TO 44	89	527	1,517	3,383	897	0	0	0	0	0	6,413
45 TO 49	6	89	111	1,163	764	51	1	0	0	0	2,185
50 TO 54	2	10	2	99	221	44	62	7	0	0	447
55 TO 59	2	1	0	2	8	9	61	67	0	0	150
60 TO 64	0	0	1	2	0	0	14	41	5	0	63
65 TO 69	0	0	0	0	1	0	0	0	0	0	1
70 & UP	0	1	1	0	2	0	0	0	1	0	5
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	6,047	5,713	8,246	6,963	1,899	104	138	115	6	0	29,231
SALARIES (IN THOUSANDS):											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	41,927	0	0	0	0	0	0	0	0	0	41,927
25 TO 29	148,656	58,151	0	0	0	0	0	0	0	0	206,808
30 TO 34	85,805	210,864	193,676	239	0	0	0	0	0	0	490,585
35 TO 39	39,268	122,116	369,580	211,088	607	0	0	0	0	0	742,661
40 TO 44	4,920	41,165	125,686	305,061	91,163	0	0	0	0	0	567,997
45 TO 49	447	6,759	9,188	101,894	78,115	6,266	96	0	0	0	202,768
50 TO 54	151	789	179	8,694	22,043	4,993	7,407	931	0	0	45,191
55 TO 59	173	97	0	179	744	886	7,219	8,252	0	0	17,553
60 TO 64	0	0	99	189	0	0	1,526	4,575	600	0	6,991
65 TO 69	0	0	0	0	106	0	0	0	0	0	106
70 & UP	0	98	99	0	213	0	0	0	114	0	525
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	321,350	440,043	698,510	627,347	192,993	12,147	16,249	13,759	714	0	2,323,117
AVERAGE SALARIES:											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	49,796	0	0	0	0	0	0	0	0	0	49,796
25 TO 29	53,111	71,704	0	0	0	0	0	0	0	0	57,288
30 TO 34	54,136	77,724	85,546	79,674	0	0	0	0	0	0	74,727
35 TO 39	54,388	78,230	84,961	91,341	101,203	0	0	0	0	0	82,979
40 TO 44	55,283	78,113	82,852	90,175	101,631	0	0	0	0	0	88,570
45 TO 49	74,567	75,944	82,781	87,613	102,245	122,878	96,394	0	0	0	92,800
50 TO 54	75,608	78,980	89,823	87,825	99,746	113,497	119,473	133,016	0	0	101,100
55 TO 59	86,918	97,273	0	89,931	93,061	98,548	118,352	123,164	0	0	117,026
60 TO 64	0	0	99,357	94,726	0	0	109,024	111,609	120,054	0	110,974
65 TO 69	0	0	0	0	106,490	0	0	0	0	0	106,490
70 & UP	0	98,315	99,357	0	106,514	0	0	0	114,386	0	105,017
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	53,142	77,025	84,709	90,097	101,629	116,804	117,750	119,644	119,109	0	79,474
INCL MISSING AGE AND SERVICE											

NEW YORK CITY POLICE PENSION FUND
ACTIVE VALUATION AS OF JUNE 30, 2004 (LAG)

TIER: ALL GENDER: F

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
NUMBERS:											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	161	0	0	0	0	0	0	0	0	0	161
25 TO 29	640	149	0	0	0	0	0	0	0	0	789
30 TO 34	422	507	352	0	0	0	0	0	0	0	1,281
35 TO 39	232	288	803	311	0	0	0	0	0	0	1,634
40 TO 44	11	116	524	731	80	0	0	0	0	0	1,462
45 TO 49	1	20	40	281	89	7	0	0	0	0	438
50 TO 54	0	0	0	17	33	3	0	0	0	0	53
55 TO 59	0	0	0	0	0	0	0	0	0	0	0
60 TO 64	0	0	0	0	0	0	0	0	0	0	0
65 TO 69	0	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1,467	1,080	1,719	1,340	202	10	0	0	0	0	5,818
SALARIES (IN THOUSANDS):											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	7,947	0	0	0	0	0	0	0	0	0	7,947
25 TO 29	33,735	10,508	0	0	0	0	0	0	0	0	44,244
30 TO 34	22,682	38,504	28,643	0	0	0	0	0	0	0	89,830
35 TO 39	12,546	21,722	65,600	26,797	0	0	0	0	0	0	126,666
40 TO 44	602	8,993	41,887	63,238	7,891	0	0	0	0	0	122,613
45 TO 49	55	1,492	3,247	23,998	8,670	750	0	0	0	0	38,214
50 TO 54	0	0	0	1,472	3,242	312	0	0	0	0	5,027
55 TO 59	0	0	0	0	0	0	0	0	0	0	0
60 TO 64	0	0	0	0	0	0	0	0	0	0	0
65 TO 69	0	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	77,569	81,220	139,380	115,506	19,804	1,063	0	0	0	0	434,544
AVERAGE SALARIES:											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	49,366	0	0	0	0	0	0	0	0	0	49,366
25 TO 29	52,712	70,529	0	0	0	0	0	0	0	0	56,077
30 TO 34	53,750	75,945	81,374	0	0	0	0	0	0	0	70,125
35 TO 39	54,078	75,424	81,695	86,164	0	0	0	0	0	0	77,519
40 TO 44	54,742	77,528	79,938	86,509	98,649	0	0	0	0	0	83,867
45 TO 49	55,099	74,617	81,198	85,406	97,419	107,171	0	0	0	0	87,248
50 TO 54	0	0	0	86,609	98,260	104,321	0	0	0	0	94,866
55 TO 59	0	0	0	0	0	0	0	0	0	0	0
60 TO 64	0	0	0	0	0	0	0	0	0	0	0
65 TO 69	0	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	52,876	75,204	81,082	86,199	98,044	106,316	0	0	0	0	74,690
INCL MISSING AGE AND SERVICE											

NEW YORK CITY POLICE PENSION FUND
ACTIVE VALUATION AS OF JUNE 30, 2004 (LAG)

TIER: ALL GENDER: M&F

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
NUMBERS:											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	1,003	0	0	0	0	0	0	0	0	0	1,003
25 TO 29	3,439	960	0	0	0	0	0	0	0	0	4,399
30 TO 34	2,007	3,220	2,616	3	0	0	0	0	0	0	7,846
35 TO 39	954	1,849	5,153	2,622	6	0	0	0	0	0	10,584
40 TO 44	100	643	2,041	4,114	977	0	0	0	0	0	7,875
45 TO 49	7	109	151	1,444	853	58	1	0	0	0	2,623
50 TO 54	2	10	2	116	254	47	62	7	0	0	500
55 TO 59	2	1	0	2	8	9	61	67	0	0	150
60 TO 64	0	0	1	2	0	0	14	41	5	0	63
65 TO 69	0	0	0	0	1	0	0	0	0	0	1
70 & UP	0	1	1	0	2	0	0	0	1	0	5
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	7,514	6,793	9,965	8,303	2,101	114	138	115	6	0	35,049
SALARIES (IN THOUSANDS):											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	49,875	0	0	0	0	0	0	0	0	0	49,875
25 TO 29	182,392	68,660	0	0	0	0	0	0	0	0	251,053
30 TO 34	108,487	249,368	222,319	239	0	0	0	0	0	0	580,415
35 TO 39	51,814	143,838	435,181	237,886	607	0	0	0	0	0	869,327
40 TO 44	5,522	50,158	167,574	368,299	99,054	0	0	0	0	0	690,610
45 TO 49	502	8,251	12,436	125,893	86,785	7,016	96	0	0	0	240,982
50 TO 54	151	789	179	10,167	25,286	5,306	7,407	931	0	0	50,219
55 TO 59	173	97	0	179	744	886	7,219	8,252	0	0	17,553
60 TO 64	0	0	99	189	0	0	1,526	4,575	600	0	6,991
65 TO 69	0	0	0	0	106	0	0	0	0	0	106
70 & UP	0	98	99	0	213	0	0	0	114	0	525
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	398,920	521,264	837,890	742,854	212,798	13,210	16,249	13,759	714	0	2,757,661
AVERAGE SALARIES:											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 TO 24	49,727	0	0	0	0	0	0	0	0	0	49,727
25 TO 29	53,036	71,522	0	0	0	0	0	0	0	0	57,071
30 TO 34	54,055	77,444	84,985	79,674	0	0	0	0	0	0	73,976
35 TO 39	54,313	77,793	84,452	90,727	101,203	0	0	0	0	0	82,136
40 TO 44	55,224	78,008	82,104	89,524	101,387	0	0	0	0	0	87,697
45 TO 49	71,785	75,701	82,362	87,184	101,742	120,982	96,394	0	0	0	91,873
50 TO 54	75,608	78,980	89,823	87,647	99,553	112,911	119,473	133,016	0	0	100,439
55 TO 59	86,918	97,273	0	89,931	93,061	98,548	118,352	123,164	0	0	117,026
60 TO 64	0	0	99,357	94,726	0	0	109,024	111,609	120,054	0	110,974
65 TO 69	0	0	0	0	106,490	0	0	0	0	0	106,490
70 & UP	0	98,315	99,357	0	106,514	0	0	0	114,386	0	105,017
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	53,090	76,735	84,083	89,468	101,284	115,884	117,750	119,644	119,109	0	78,680
INCL MISSING AGE AND SERVICE											