



New York City
Firefighters' Variable Supplements Fund
Performance Overview as of December 31, 2014

Total Fund Overview



New York City Firefighters' Variable Supplements Fund

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Total Portfolio Returns: December 31, 2014

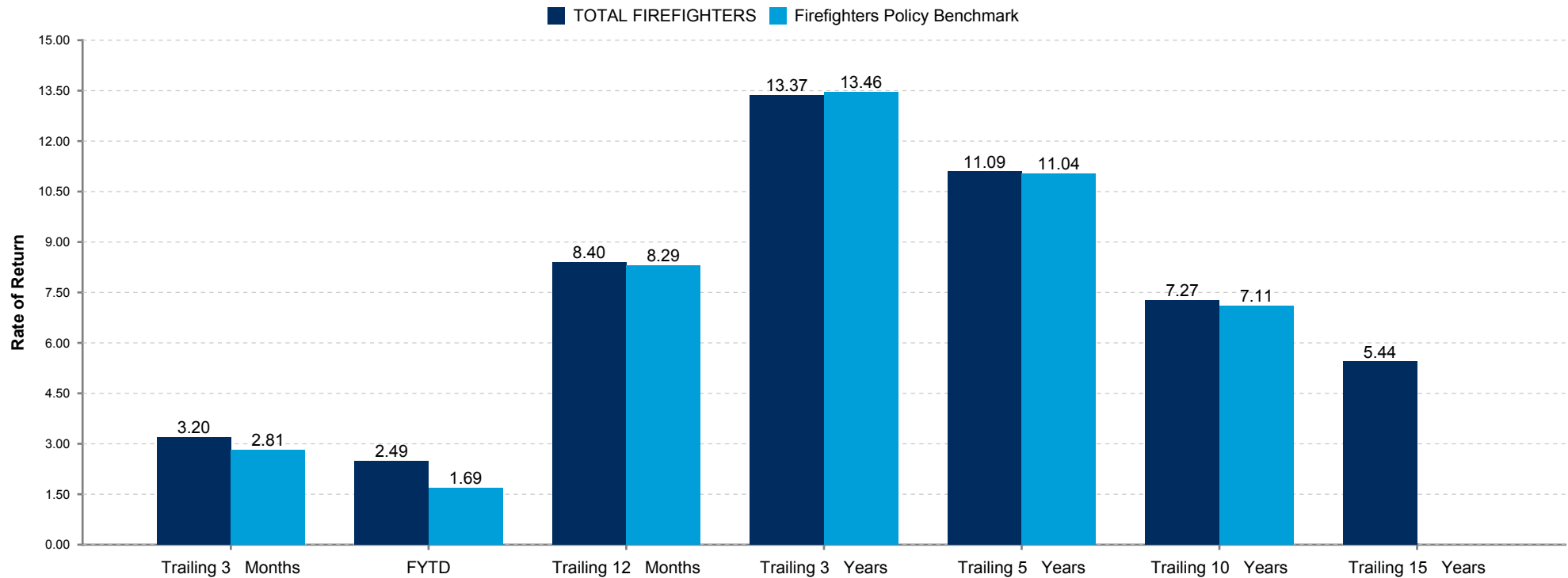


STATE STREET

TOTAL FIREFIGHTERS

Market Value (Millions)

\$488.3



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years
Standard Deviation							
TOTAL FIREFIGHTERS	7.0	7.1	11.1	9.9	12.7	13.5	11.1

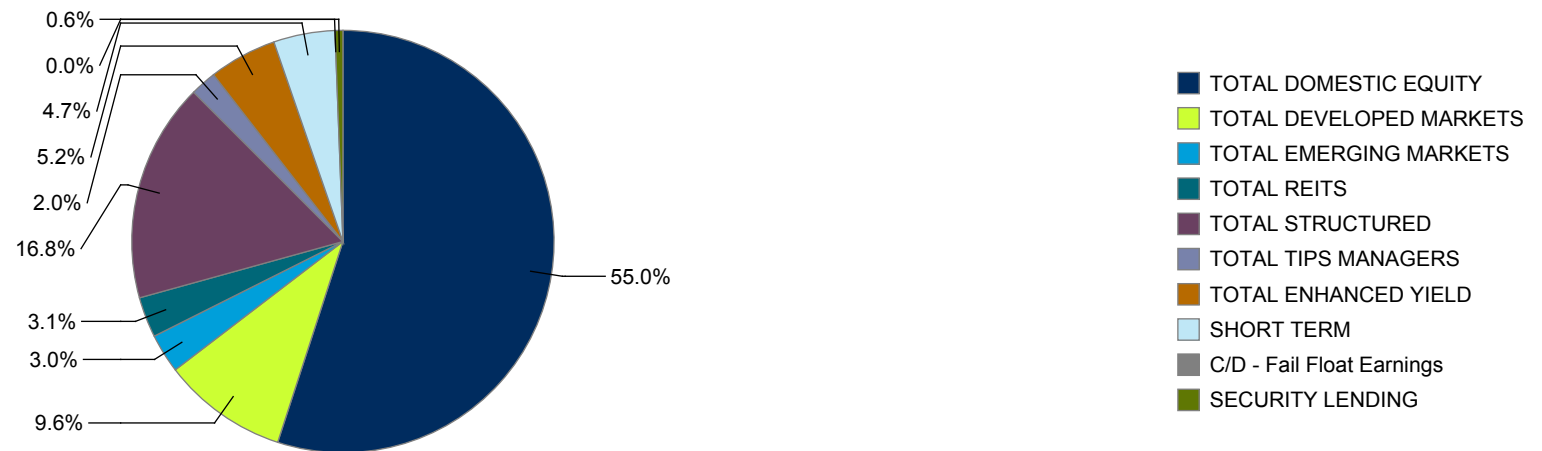


Market Value (Millions)

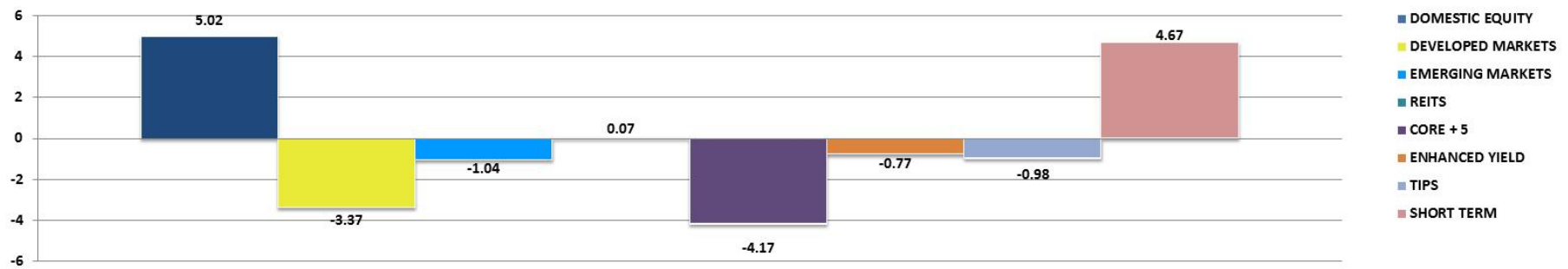
TOTAL FIREFIGHTERS

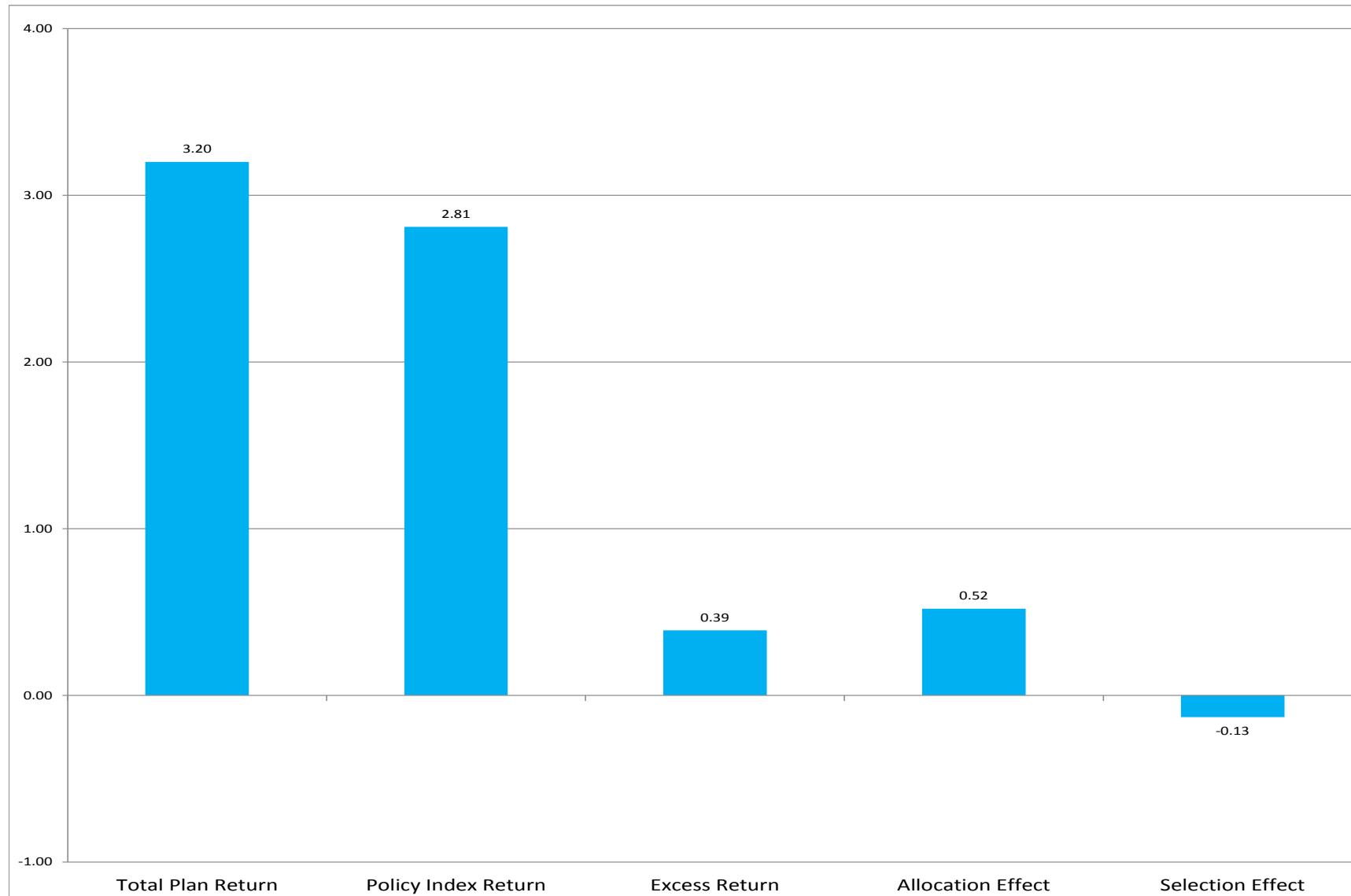
\$488.3

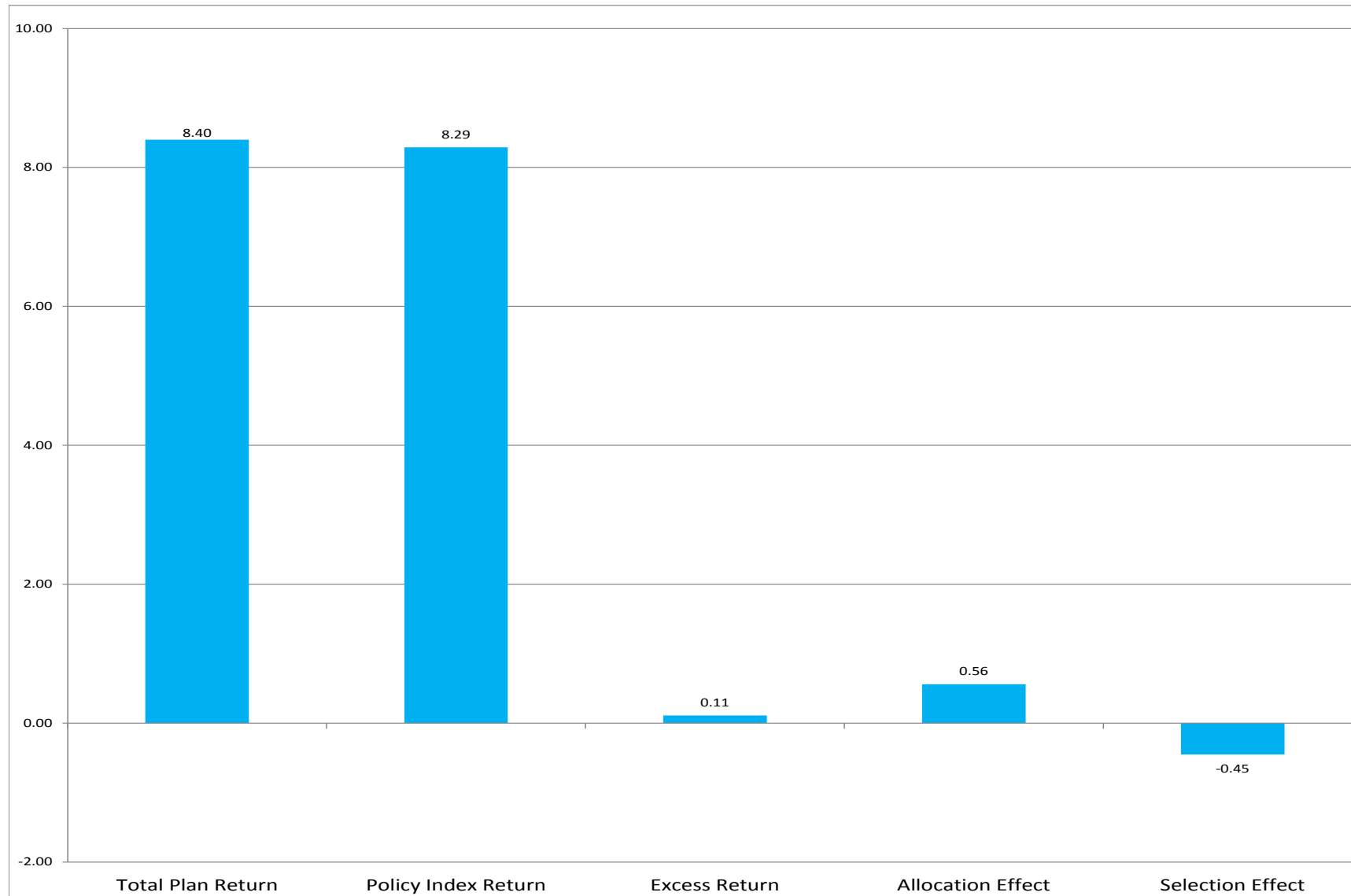
Asset Allocation

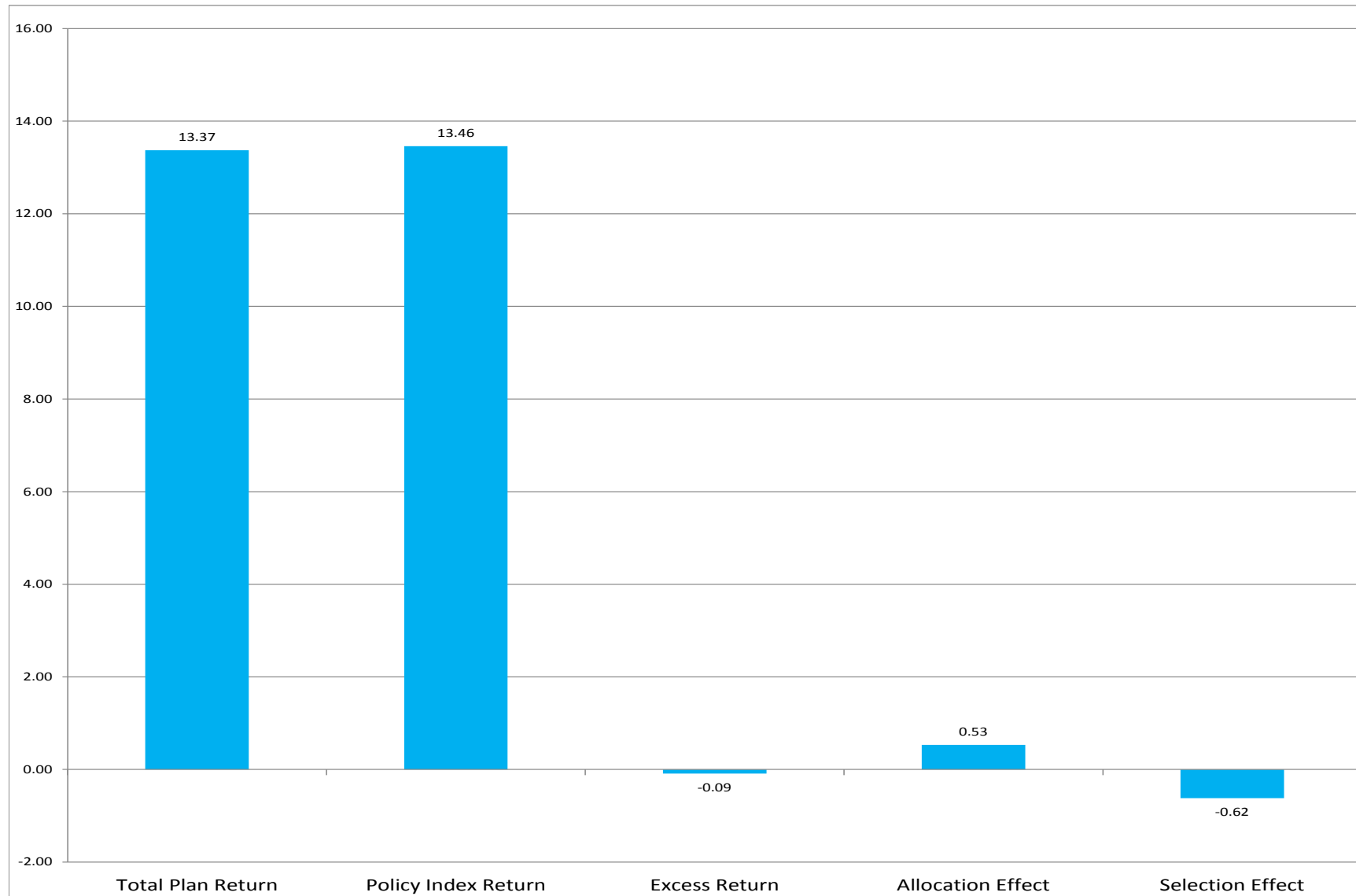


Relative Mix to Asset Weights











Allocation Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIREFIGHTERS	0.52	0.56	0.53	Firefighters Policy Benchmark
TOTAL DOMESTIC EQUITY	0.10	0.14	-0.05	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.32	0.38	0.19	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.05	0.04	-0.59	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	0.03	0.02	-0.01	DJ U.S. Select REIT
TOTAL STRUCTURED	-0.03	-0.07	0.98	NYC - CORE PLUS FIVE
TOTAL ACTIVE TIPS MANAGERS	0.01	0.02	-0.05	BARCLAYS U.S TIPS INDEX
TOTAL ENHANCED YIELD	0.00	-0.01	0.11	CITIGROUP BB & B
TOTAL CASH	0.05	0.04	-0.02	

Selection Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIREFIGHTERS	-0.13	-0.45	-0.62	Firefighters Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.02	-0.07	-0.04	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.00	-0.42	-0.33	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.01	-0.03	-0.30	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	-0.05	-0.04	-0.01	DJ U.S. Select REIT
TOTAL STRUCTURED	-0.10	0.09	0.03	NYC - CORE PLUS FIVE
TOTAL ACTIVE TIPS MANAGERS	0.00	-0.01	0.02	BARCLAYS U.S TIPS INDEX
TOTAL ENHANCED YIELD	0.03	0.02	0.01	CITIGROUP BB & B
TOTAL CASH	0.00	0.00	0.00	



**New York City
Firefighters' Variable Supplements Fund**

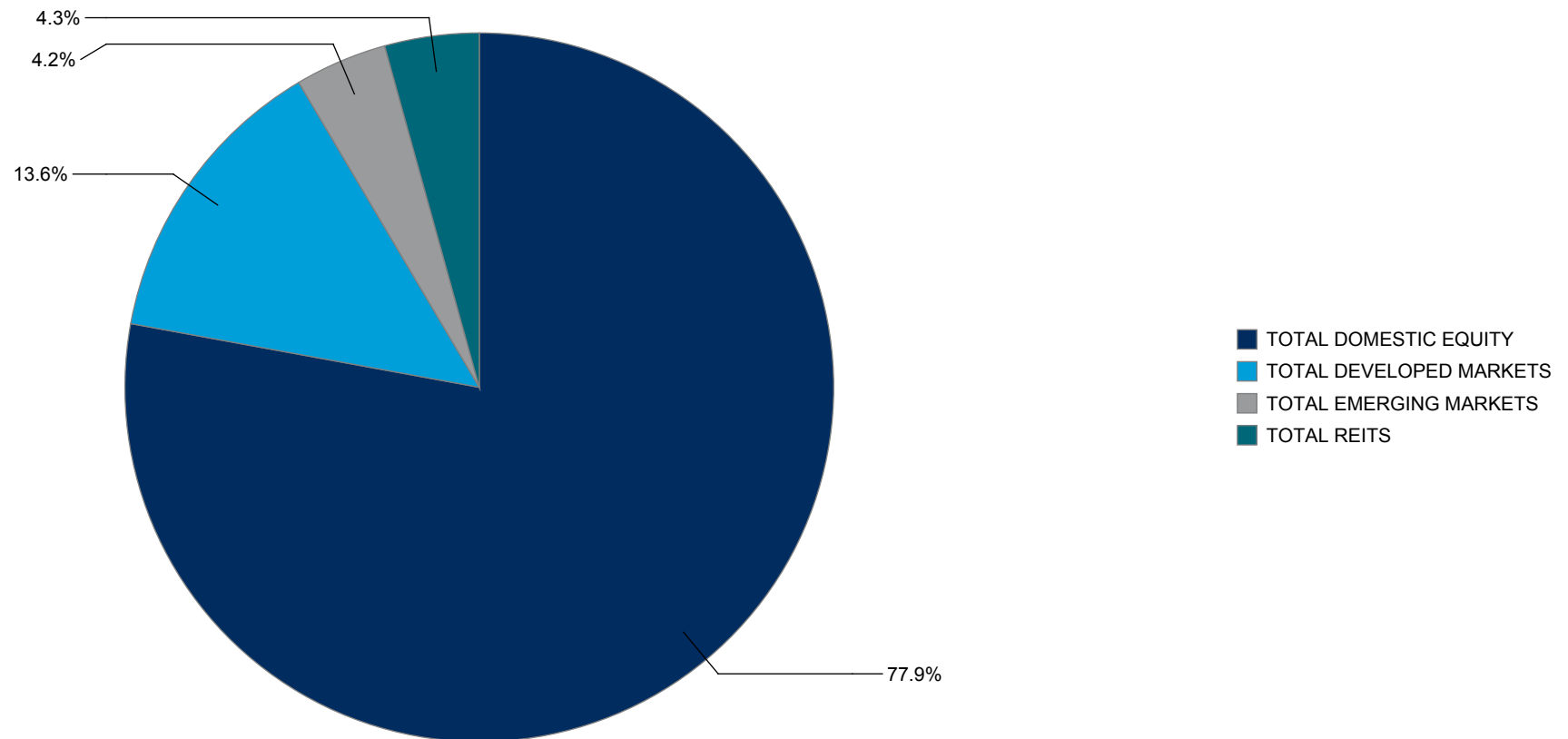
Equity Analysis

Total Equity Asset Allocation: December 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL EQUITY	\$345.1	70.7

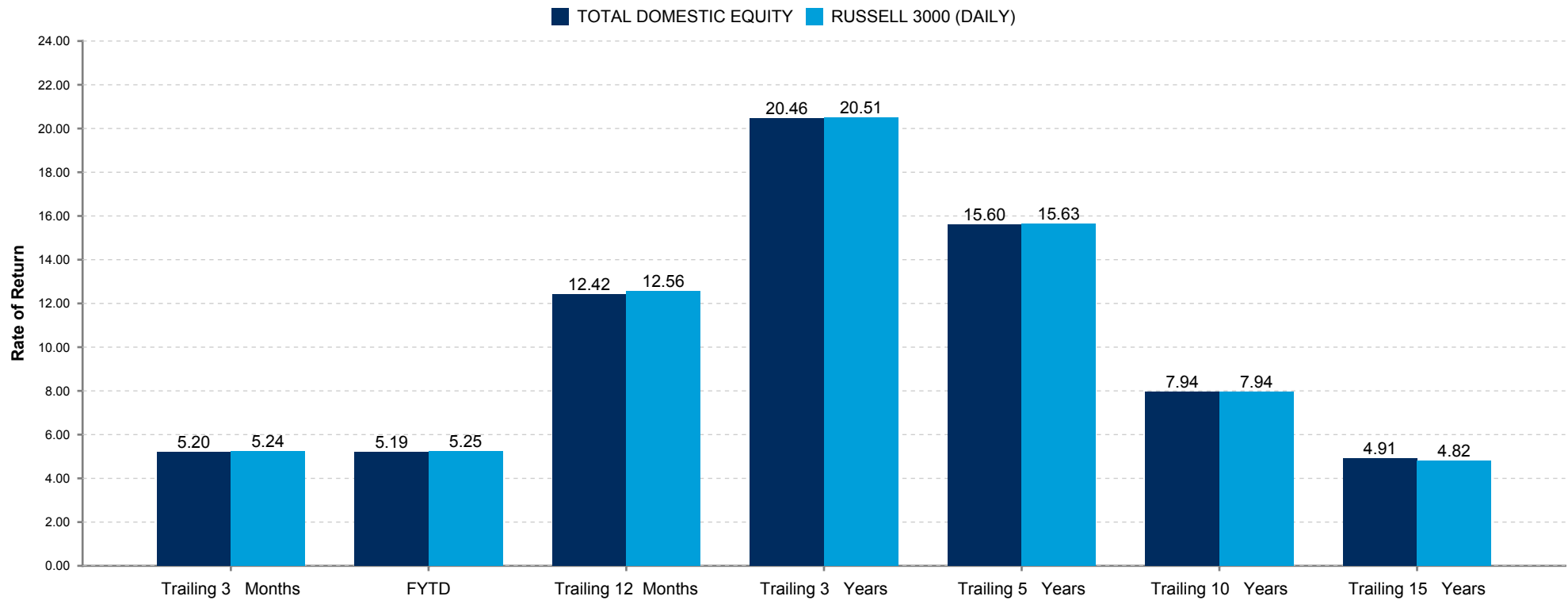


Total Domestic Equity Returns vs Russell 3000 Index: December 31, 2014



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL DOMESTIC EQUITY	\$268.7	55.0



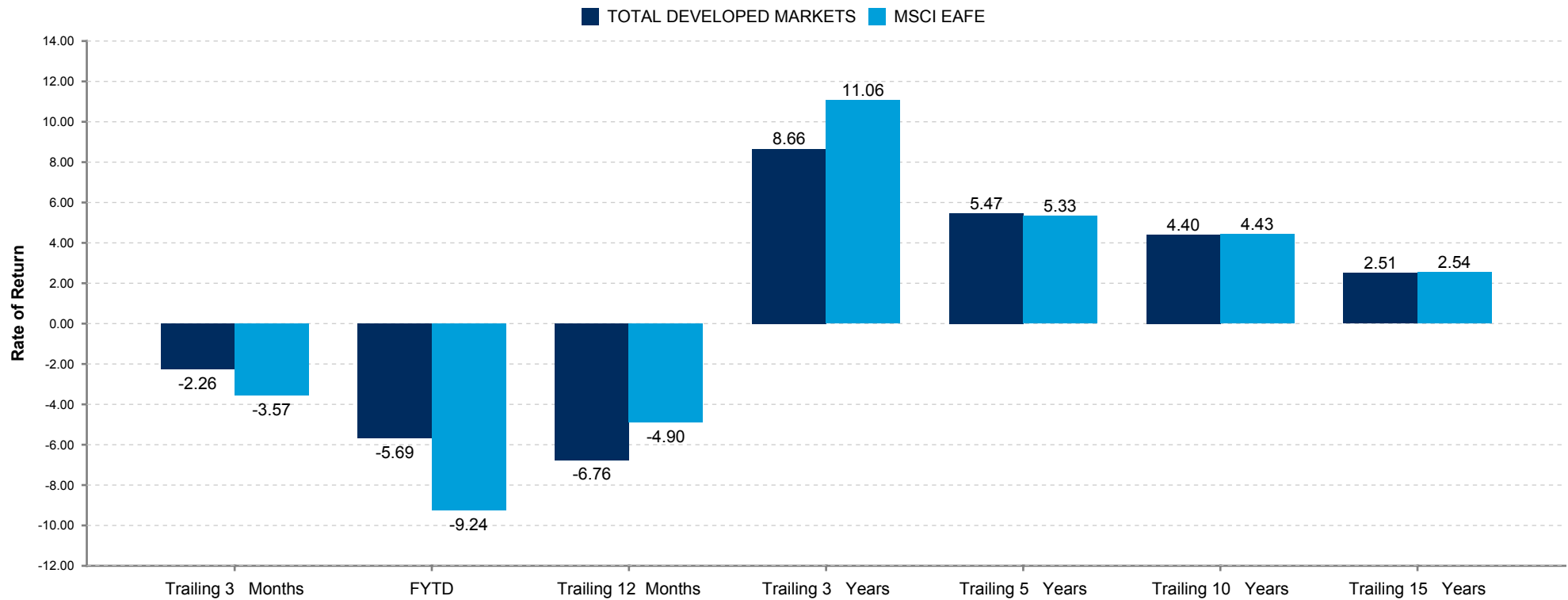
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DOMESTIC EQUITY	9.4	9.4	13.5	13.6	15.2	15.3

Developed Markets Returns vs MSCI EAFE Index: December 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL DEVELOPED MARKETS	\$47.0	9.6



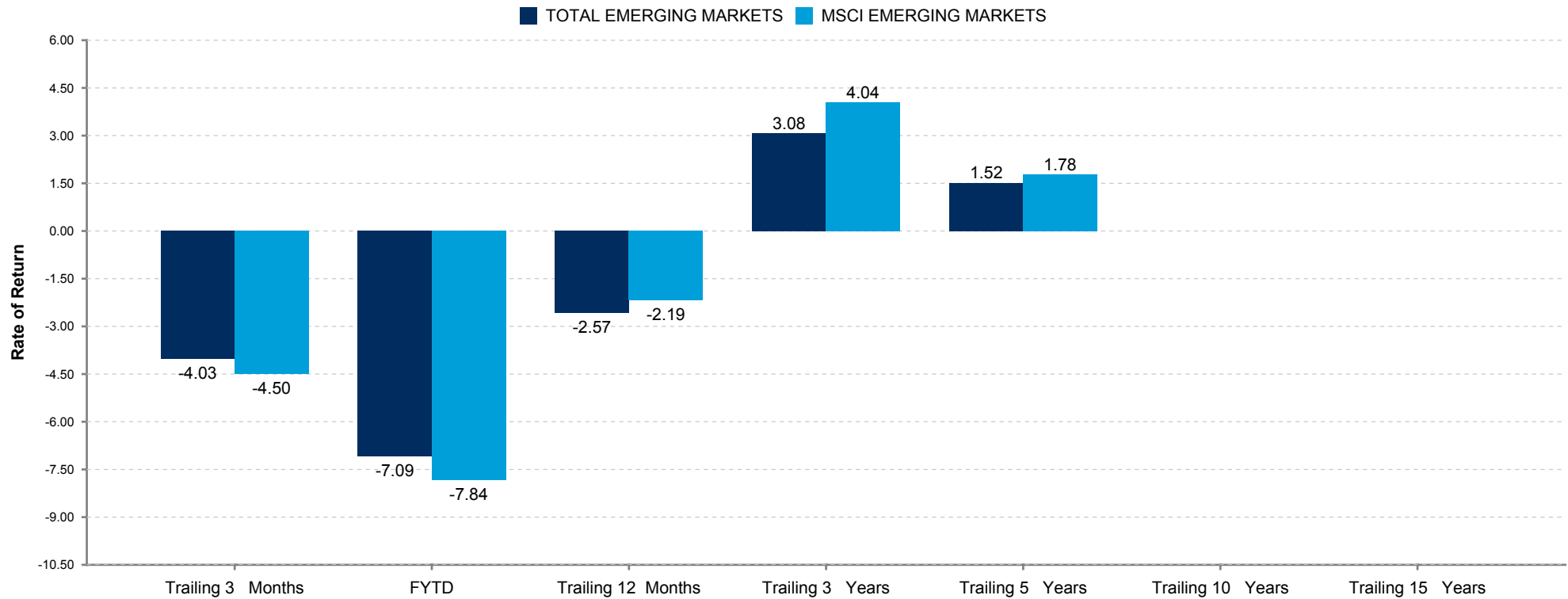
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED MARKETS	12.0	13.2	16.0	16.7	17.2	18.2

Emerging Markets Returns vs MSCI Emerging Markets Index: December 31, 2014



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL EMERGING MARKETS	\$14.4	3.0



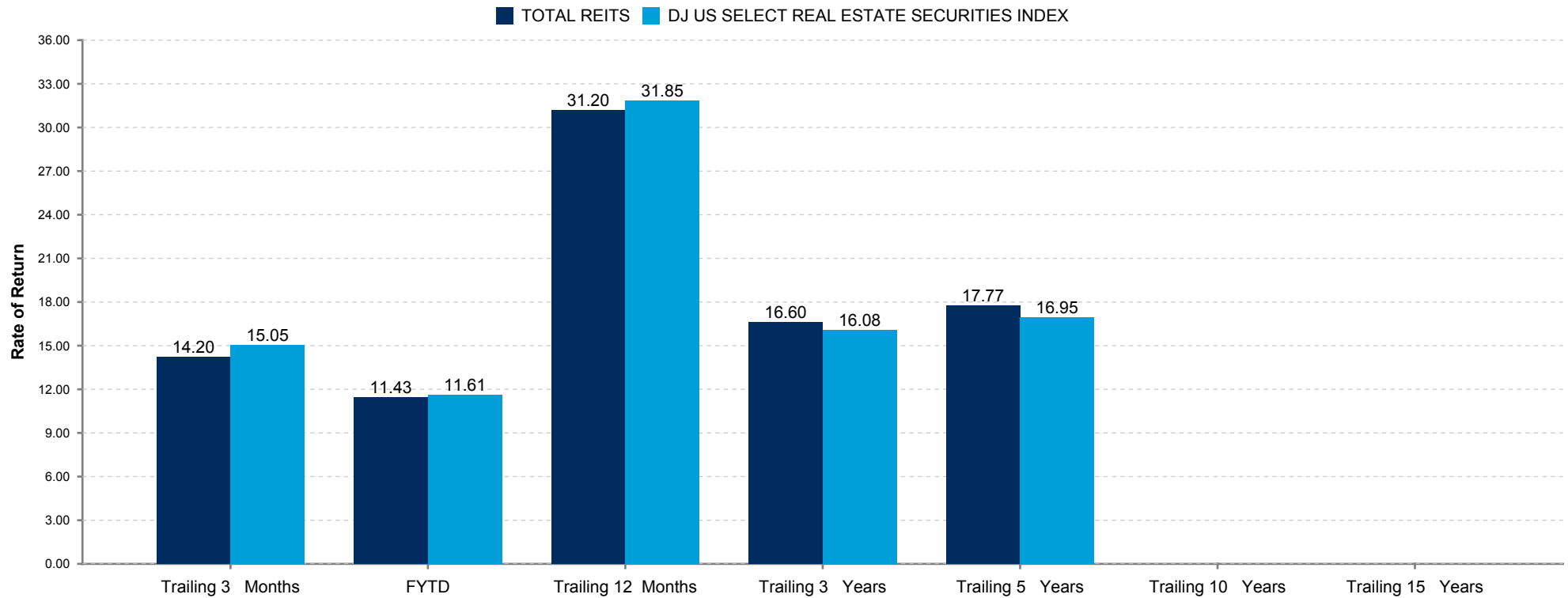
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MARKETS	15.4	15.2	19.3	18.5		

REITS Returns vs DJ US Select Real Estate Securities Index: December 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL REITS	\$15.0	3.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL REITS	12.5	13.5	16.9	17.0		



**New York City
Firefighters' Variable Supplements Fund**

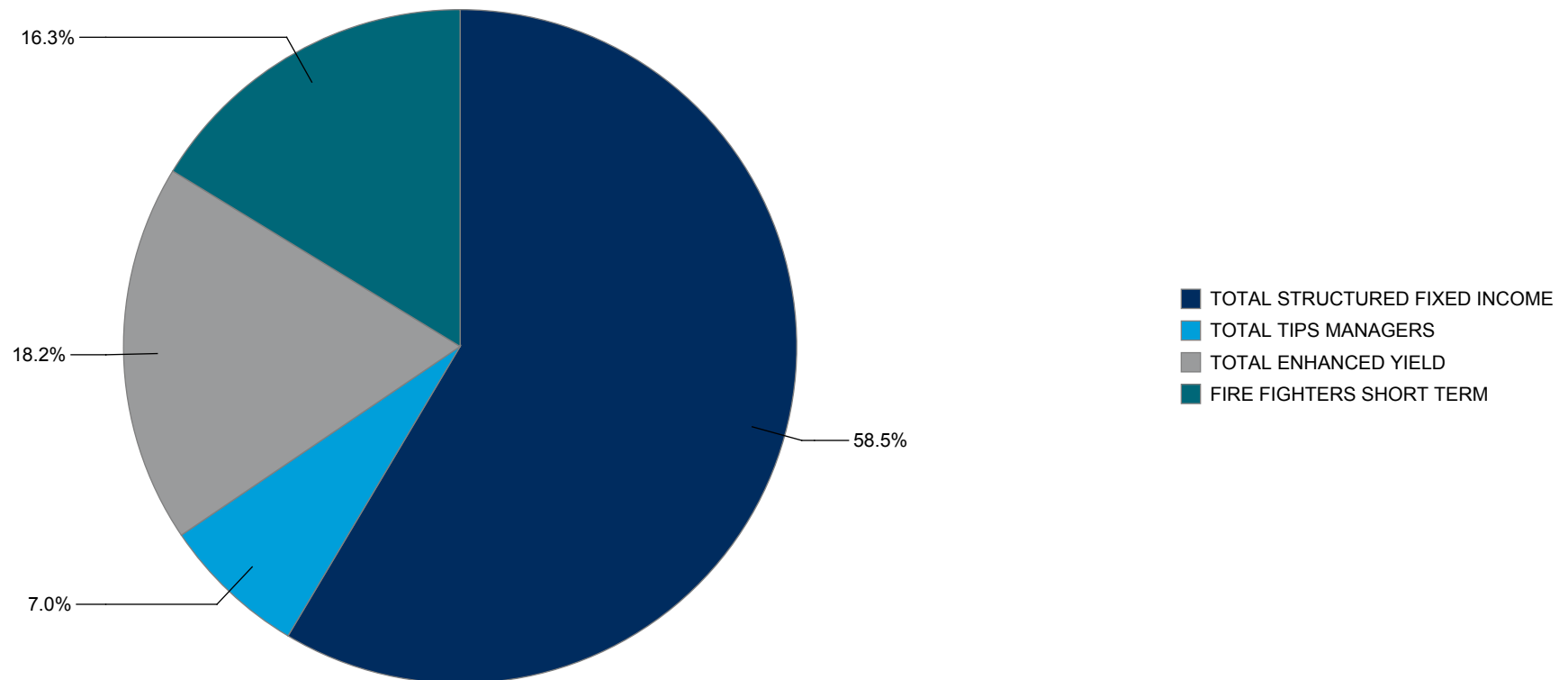
Fixed Income Analysis

Total Fixed Income Asset Allocation: December 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL FIXED INCOME	\$140.4	28.7

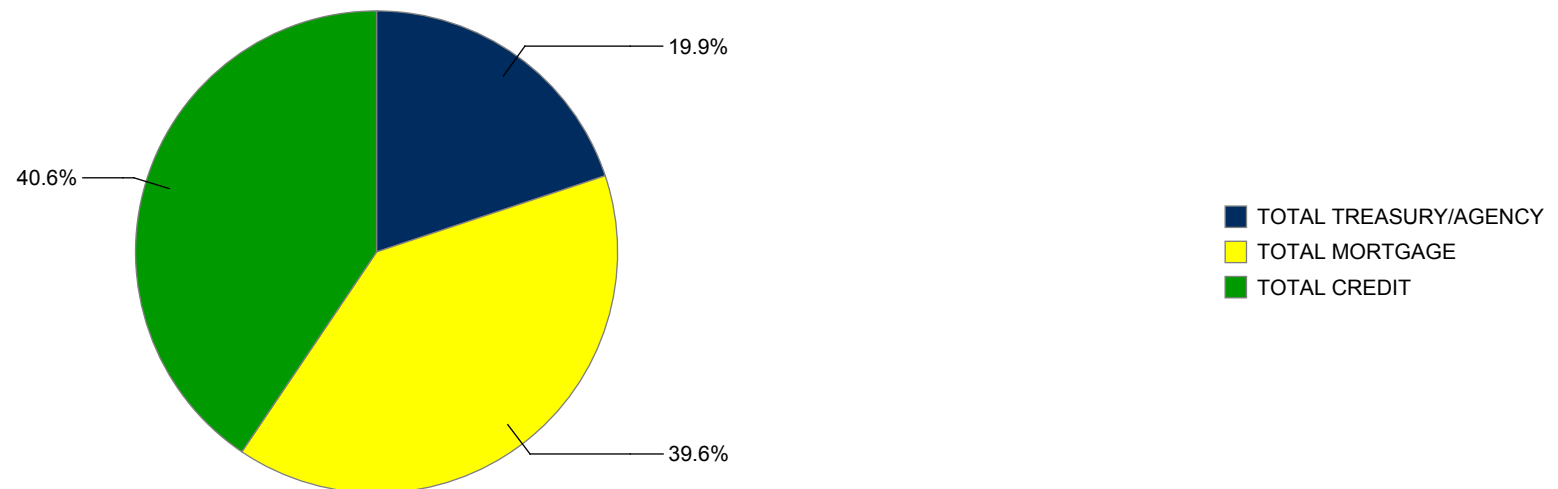


Structured Fixed Income Asset Allocation: December 31, 2014



STATE STREET

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$82.2	16.8



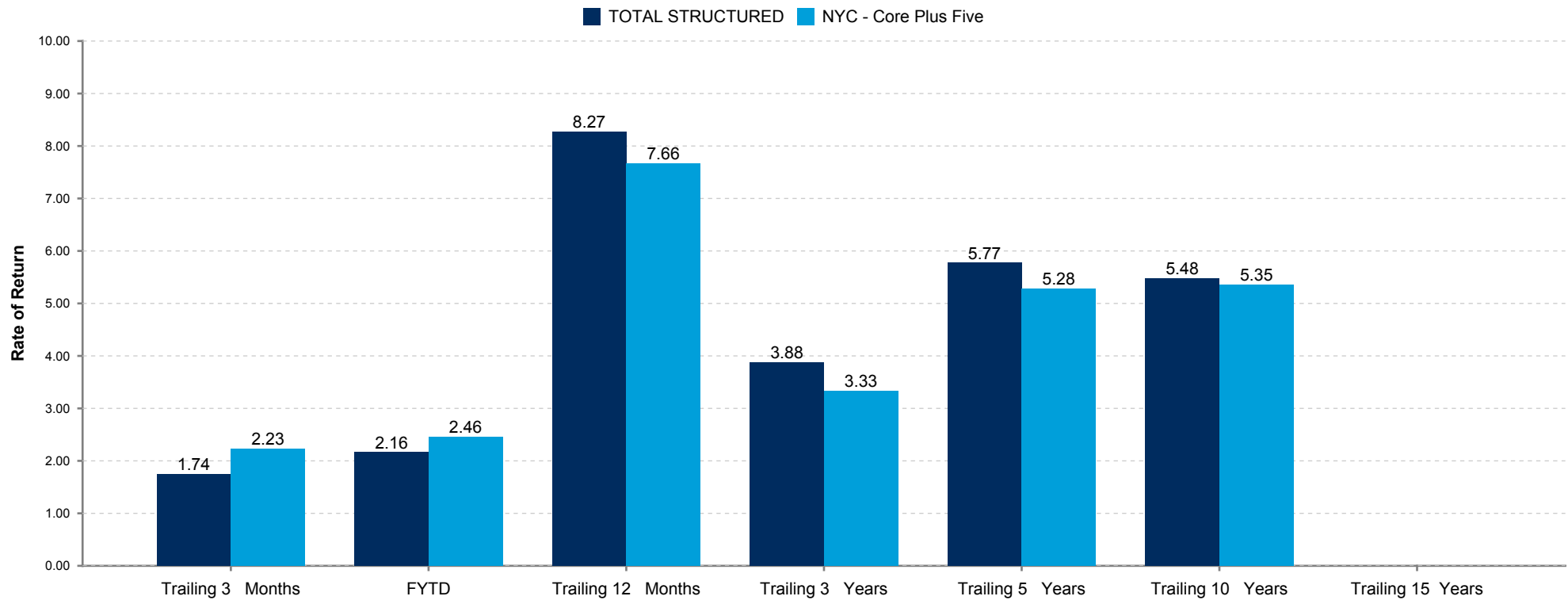
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
Total Treasury/Agency	19.55	19.88	0.33	4.45	3.97	-0.48
Total Mortgage	37.27	39.57	2.30	1.80	1.25	-0.55
Total Inv Grade Credit	43.19	40.56	-2.63	1.63	1.17	-0.46

Structured Returns vs NYC Core + 5 Index: December 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL STRUCTURED	\$82.2	16.8



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL STRUCTURED	3.4	3.3	3.2	3.3	3.8	4.0

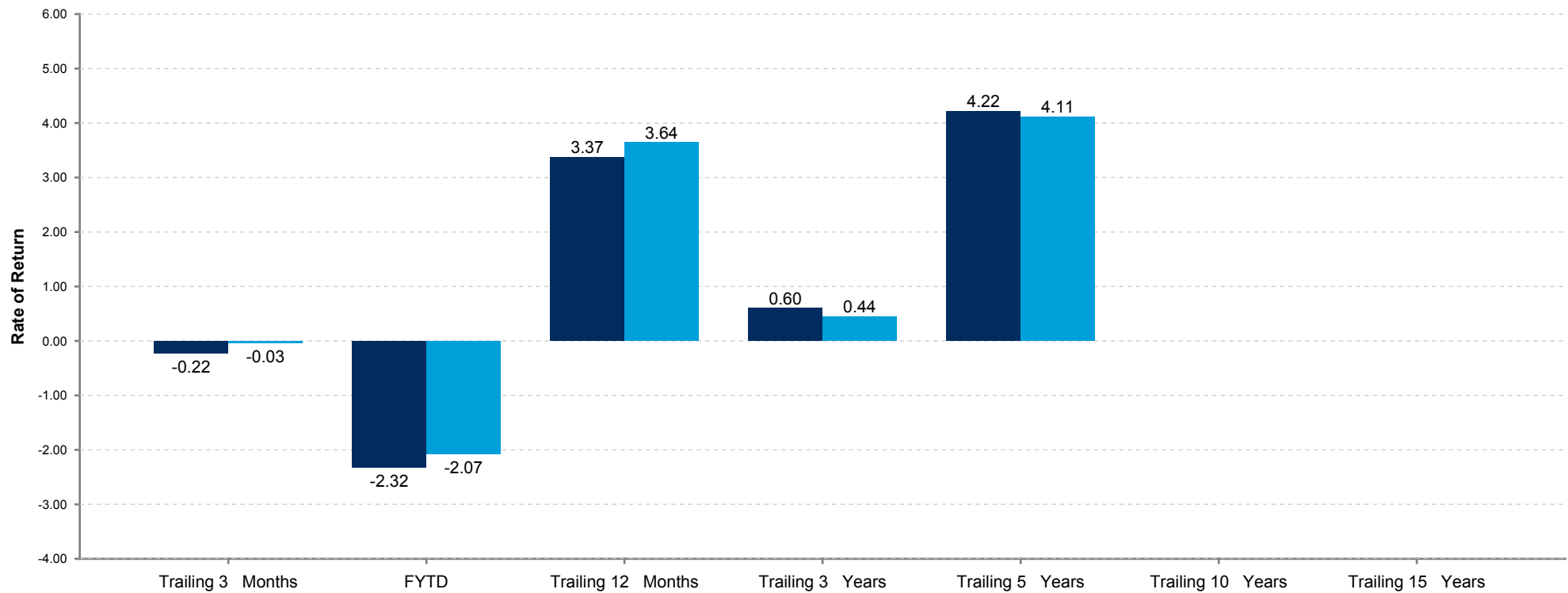
TIPS Returns vs Barclays Global Inflation Linked US TIPS Index: December 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL TIPS MANAGERS	\$9.8	2.0

■ TOTAL TIPS MANAGERS ■ Barclays Global Inflation Linked: US TIPS (Daily)



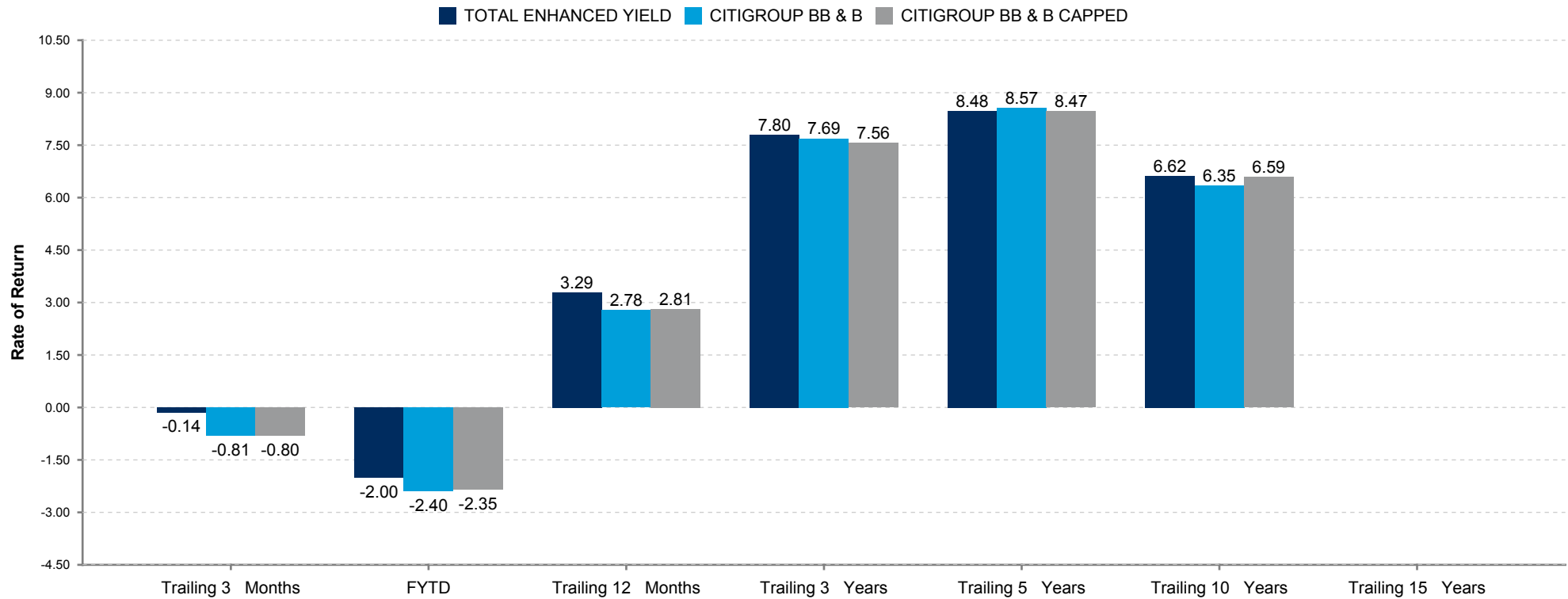
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL TIPS MANAGERS	5.4	5.2	5.1	5.1		

Enhanced Yield Returns vs Benchmarks: December 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL ENHANCED YIELD	\$25.5	5.2



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ENHANCED YIELD	4.6	4.4	6.1	5.6	8.3	8.9



**New York City
Firefighters' Variable Supplements Fund**

Appendix

Consolidated Performance Report

Through December 31, 2014



STATE STREET

	Account ID	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
EQUITY MANAGEMENT										
Blackrock R2000 Growth	N7AX	9.9	2.02	9.93	5.50	5.50				
RUSSELL 2000 GROWTH	XFAD			10.06	5.60	5.60	20.14	16.80	8.54	4.34
Blackrock R2000 Value	N7AY	11.6	2.37	9.25	4.12	4.12				
RUSSELL 2000 VALUE	XFCD			9.40	4.22	4.22	18.29	14.26	6.89	10.23
Blackrock R1000 Growth	N7AV	123.8	25.36	4.72	12.92	12.92				
RUSSELL 1000 GROWTH	X6XD			4.78	13.05	13.05	20.26	15.81	8.49	2.21
Blackrock R1000 Value	N7AW	123.4	25.27	4.95	13.39	13.39				
RUSSELL 1000 VALUE	X6YD			4.98	13.45	13.45	20.89	15.42	7.30	6.62
TOTAL DOMESTIC EQUITY	FFVSFA08	268.7	55.02	5.20	12.42	12.42	20.46	15.60	7.94	4.91
RUSSELL 3000	XF3D			5.24	12.56	12.56	20.51	15.63	7.94	4.82
INTERNATIONAL EQUITY										
DEVELOPED MARKETS										
Causeway	N7AZ	46.9	9.60							
TOTAL DEVELOPED MARKETS	FFVSFA16	47.0	9.63	(2.26)	(6.76)	(6.76)	8.66	5.47	4.40	2.51
MSCI EAFE	XCBD			(3.57)	(4.90)	(4.90)	11.06	5.33	4.43	2.54
MSCI EAFE VALUE NET (DAILY)	MSBTNUS			(4.85)	(5.39)	(5.39)	11.04	4.42	3.89	3.82
EMERGING MARKETS										
State Street - Emerg Mkt.	N7AI	14.4	2.96	(4.03)	(2.57)	(2.57)	3.08	1.52		
TOTAL EMERGING MARKETS	FFVSFA04	14.4	2.96	(4.03)	(2.57)	(2.57)	3.08	1.52		
MSCI EMERGING MARKETS	MS37NUS			(4.50)	(2.19)	(2.19)	4.04	1.78	8.43	

Consolidated Performance Report



STATE STREET

Through December 31, 2014

	Account ID	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL INTERNATIONAL	FFVSFA09	61.5	12.59	(2.68)	(5.81)	(5.81)	7.25	4.46	5.13	
MSCI AC WORLD ex US	MS39NUS			(3.87)	(3.87)	(3.87)	8.99	4.43	5.13	
REITS										
Morgan Stanley REITS	FFVSFA02	15.0	3.07	14.20	31.20	31.20	16.60	17.77		
TOTAL REITS	FFVSFA06	15.0	3.07	14.20	31.20	31.20	16.60	17.77		
DJ US SELECT REAL ESTATE SECURITIES INDEX	DJ011TUS			15.05	31.85	31.85	16.08	16.95	8.00	12.58
TOTAL EQUITY	FFVSFA15	345.1	70.68	3.98	9.08	9.08	17.27	13.21	7.55	
FIXED INCOME MANAGEMENT										
GOVERNMENT										
Blackrock Government	N7B0	16.3	3.35							
TOTAL GOVERNMENT	FFVSFA11	16.3	3.35	3.97	12.39	12.39	2.84	7.11	6.20	
NYC - Treasury Agency Plus Five	NYCC15			4.45	12.38	12.38	2.59	6.92	6.11	7.22
MORTGAGE										
Blackrock Mortgages	N7B1	32.4	6.63							
Pimco - MORTGAGE	N7AD	0.1	0.03							
TOTAL MORTGAGE	FFVSFA05	32.5	6.66	1.25	6.00	6.00	2.24	3.88	4.48	
CITIGROUP MORTGAGE INDEX	CG045TUS			1.80	6.12	6.12	2.35	3.77	4.78	5.58
INVESTMENT GRADE CREDIT										
Taplin Canida Habacht Credit	N7A6	33.3	6.83	1.17	8.59	8.59	6.34	7.42	5.79	
TOTAL INVESTMENT GRADE CREDIT	FFVSFA10	33.3	6.83	1.17	8.59	8.59	6.34	7.42	5.86	
NYC - INVESTMENT GRADE	NYCC16			1.63	7.04	7.04	4.79	6.09	5.28	6.37

Consolidated Performance Report



STATE STREET

Through December 31, 2014

	Account ID	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL STRUCTURED	FFVSFA13	82.2	16.83	1.74	8.27	8.27	3.88	5.77	5.48	
NYC - Core Plus Five	NYCC17			2.23	7.66	7.66	3.33	5.28	5.35	6.30
ACTIVE TIPS MANAGERS										
Pimco TIPS	N7AG	9.8	2.02	(0.22)	3.37	3.37	0.60	4.22		
TOTAL ACTIVE TIPS MANAGERS	FFVSFA03	9.8	2.02	(0.22)	3.37	3.37	0.60	4.22		
BARCLAYS US TIPS INDEX	Z51D			(0.03)	3.64	3.64	0.44	4.11	4.37	6.49
ENHANCED YIELD										
T Rowe MGD and MTA	FFVSFA14	25.5	5.23	(0.14)	3.29	3.29				
TOTAL ENHANCED YIELD	FFVSFA12	25.5	5.23	(0.14)	3.29	3.29	7.80	8.48	6.62	
CITIGROUP BB & B	CG043TUS			(0.81)	2.78	2.78	7.69	8.57	6.35	6.43
CITIGROUP BB & B CAPPED	CG044TUS			(0.80)	2.81	2.81	7.56	8.47	6.59	
FIRE FIGHTERS SHORT TERM	N026	22.8	4.67							
TOTAL FIXED INCOME	FFVSFA07	140.4	28.75	1.25	6.77	6.77	4.31	5.99	5.64	6.26
Security Lending	N7AE	2.8	0.56							
TOTAL FIREFIGHTERS	FFVSFA01	488.3	100.00	3.20	8.40	8.40	13.37	11.09	7.27	5.44
FIREFIGHTERS POLICY BENCHMARK	NYCC26			2.81	8.29	8.29	13.46	11.04	7.11	



NYC FIREFIGHTERS' VARIABLE SUPPLEMENTS FUND

SECURITIES LENDING INCOME

December 31, 2014

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>
2001	73,000	57,000	- 0 -
2002	34,000	36,000	- 0 -
2003	22,000	48,000	59,000
2004	45,000	93,000	45,000
2005	76,000	147,000	61,000
2006	79,000	192,000	63,000
2007	164,000	293,000	51,000
2008	451,000	492,000	65,000
2009	123,000	231,000	45,000
2010	49,000	204,000	31,000
2011	62,000	211,000	51,000
2012	60,000	201,000	36,000
2013	25,000	174,000	37,000
2014	6,800	18,000	133,000

Through December 31, 2014



- Effective 4/1/03 the name of the Core +5 benchmark index provider was changed from Salomon to Citigroup.

- Effective 7/1/09, the Core+5 program was restructured.
 - The U.S. Gov't sector benchmark Index was changed from the Citigroup Core+5 Treasury/Gov't Sponsored Index to the Citigroup Core+5 Treasury/Agency Index.

 - The Corporate and Yankee sectors were combined to form the new Investment Grade Credit sector. The benchmark for the new combined sector is the customized Citigroup Credit Index. For historical performance purposes, the old Corporate sector Index is linked to the new Credit sector Index.

 - There were no changes to the Mortgage sector Index.

 - The total Core+5 results and benchmark returns combine the three sectors. Historical total Core+5 returns continue to include the old Corporate and Yankee sector returns.



General Notes

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

Page Specific

Page 4 - Portfolio Asset Allocation

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

Pages 5 - 7 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. *Figure = (Return of Asset Class 1 * Target Weight) plus (Return Of Asset Class 2 * Target Weight) plus (.....)*
- **Allocation Effect** = Total Plan Return minus Plan Return At Adjusted Policy Weights. Allocation is the Contribution to Performance resulting from an overweight or underweight to an asset class. E.g. an underweight to an Asset Class that under-performs results in a positive Allocation Effect and vice versa.
- **Selection Effect** = Equal to the Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights. This illustrates how the Managers have added or removed value based on their Security Selection decisions, e.g., *If the manager's Actual Returns are higher than the Implied Return there will be a positive Selection Effect.*

- **Policy Index = Custom Benchmark**

The "policy index" is a custom benchmark representing the weighted average return of the weighted benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, or for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month.

The indexes and most recent policy weights are as follows:

*U.S. Equity: Russell 3000 * 50.00%*

*International Developed (EAFE) Markets: MSCI EAFE * 13.00%*

Through December 31, 2014



*International Emerging Markets: MSCI Emerging Markets * 4.00%*

*REITs: Dow Jones Select Real Estate Securities * 3.00%*

*Domestic Fixed Income: NYC Core +5 * 21.00%*

*TIPS: Lehman U.S. TIPS * 3.00%*

*Enhanced Yield: Citigroup BB&B * 6.00%*

Page 8 – Allocation and Selection Effects - Asset Class Breakdown

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