

New York City
Fire Officers' Variable Supplements Fund
Performance Overview as of March 31, 2014

Total Fund Overview



New York City
Fire Officers' Variable Supplements Fund

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Total Portfolio Returns: March 31, 2014

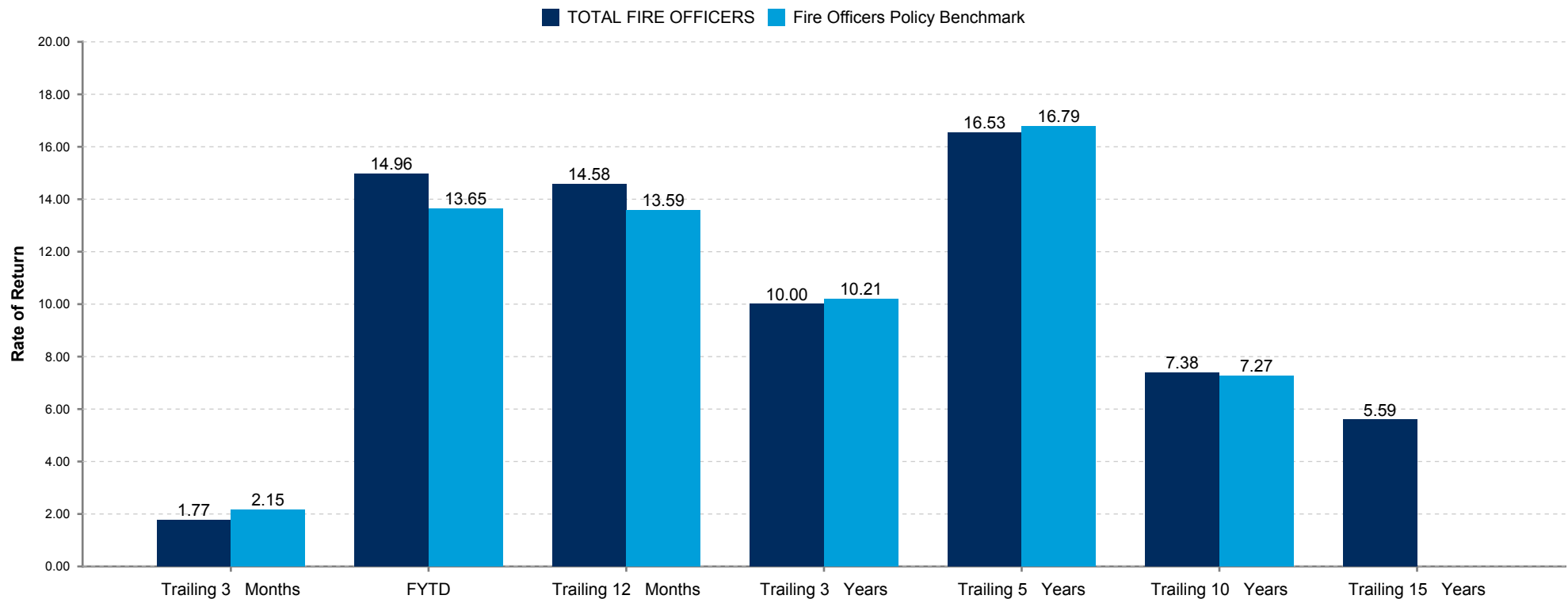


STATE STREET

TOTAL FIRE OFFICERS

Market Value (Millions)

\$294.1



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation								
TOTAL FIRE OFFICERS	10.2	9.7	16.5	10.9	13.1	13.4	11.4	11.6

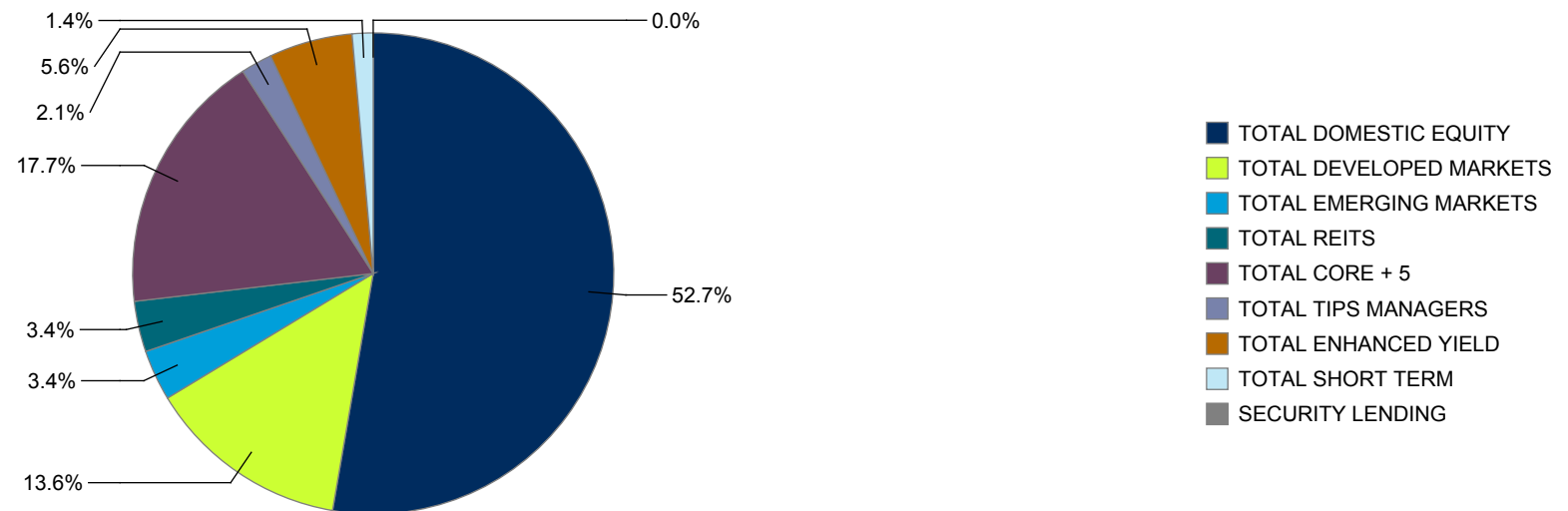


Market Value (Millions)

\$294.1

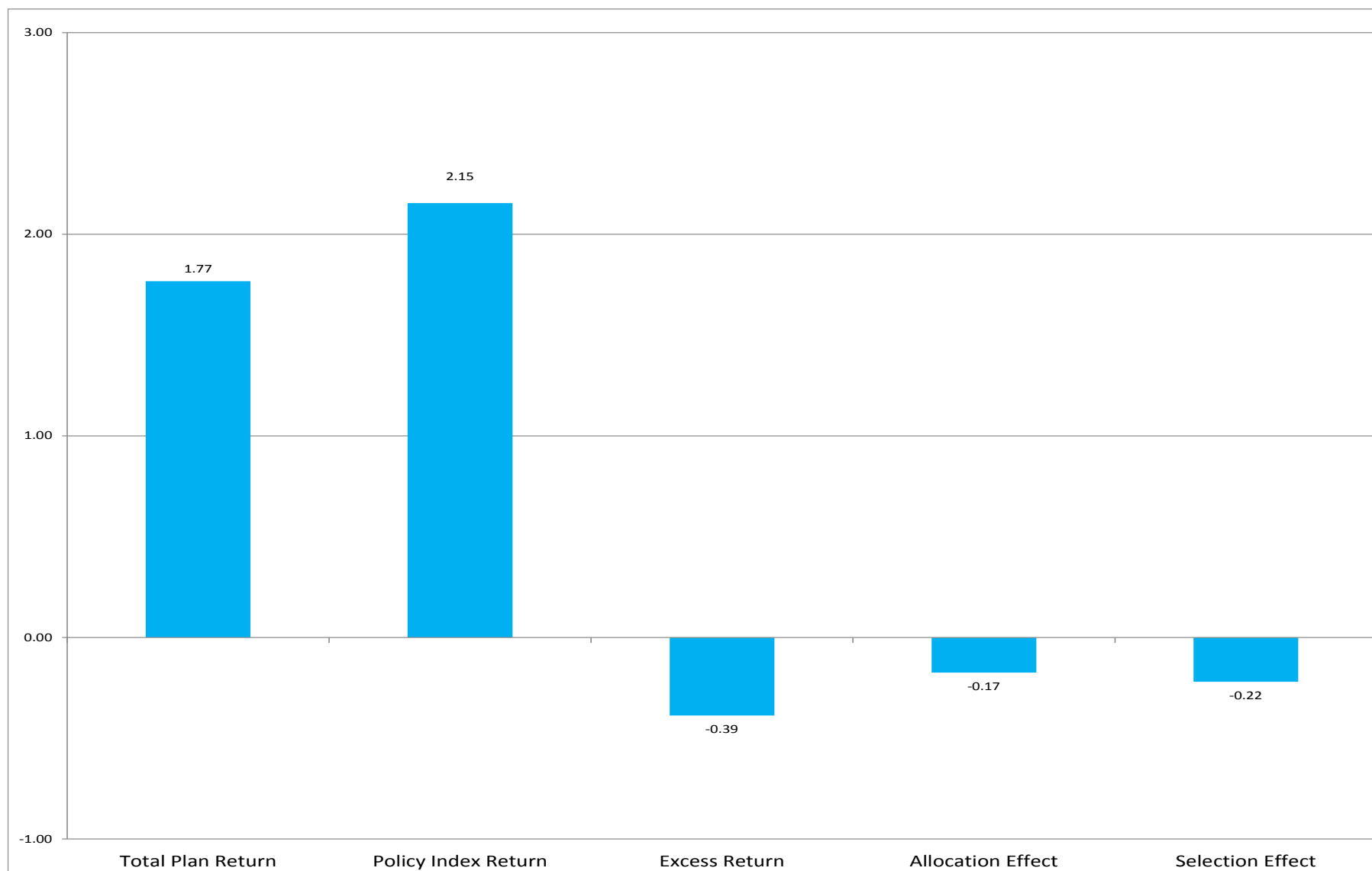
TOTAL FIRE OFFICERS

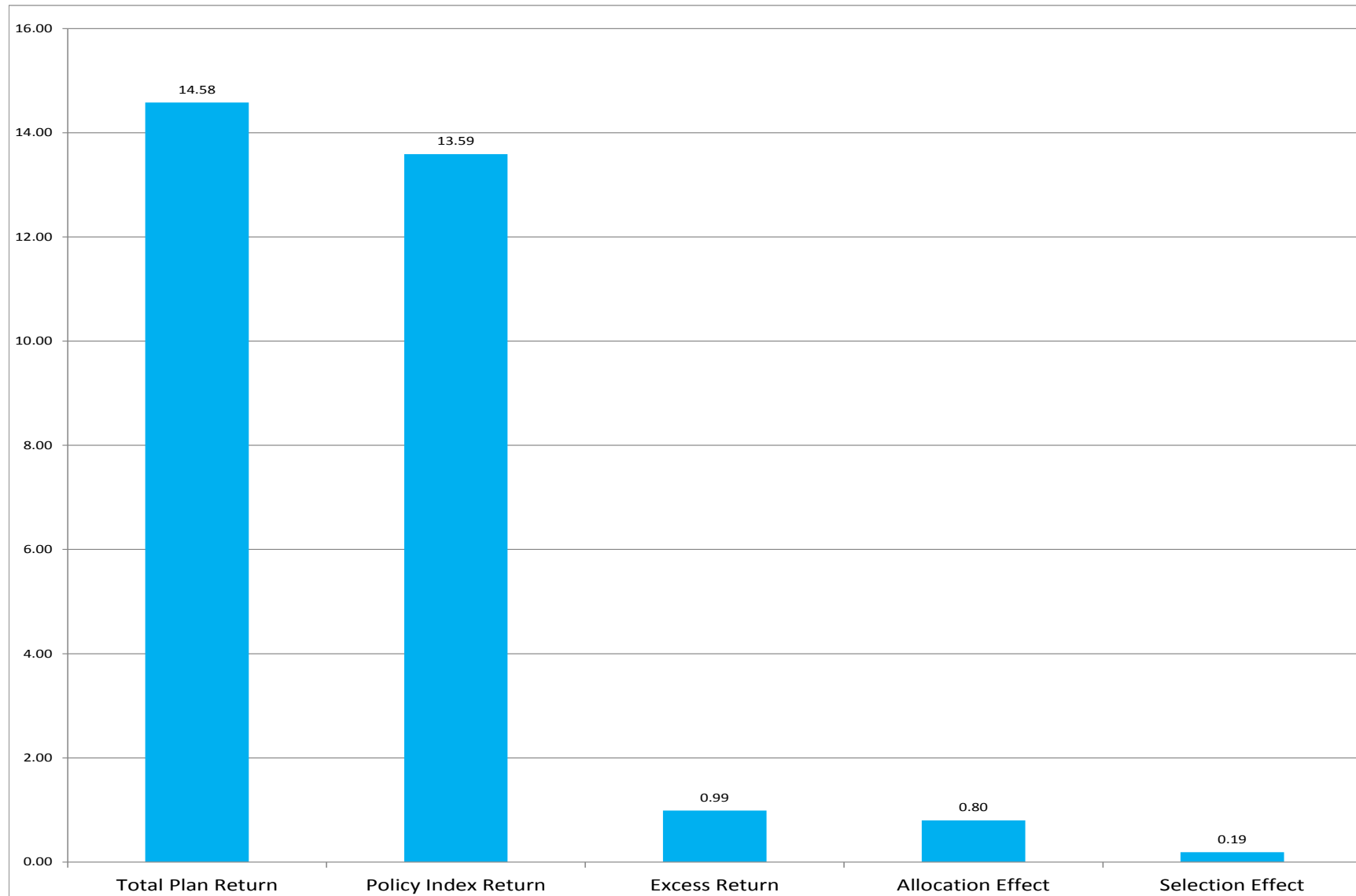
Asset Allocation

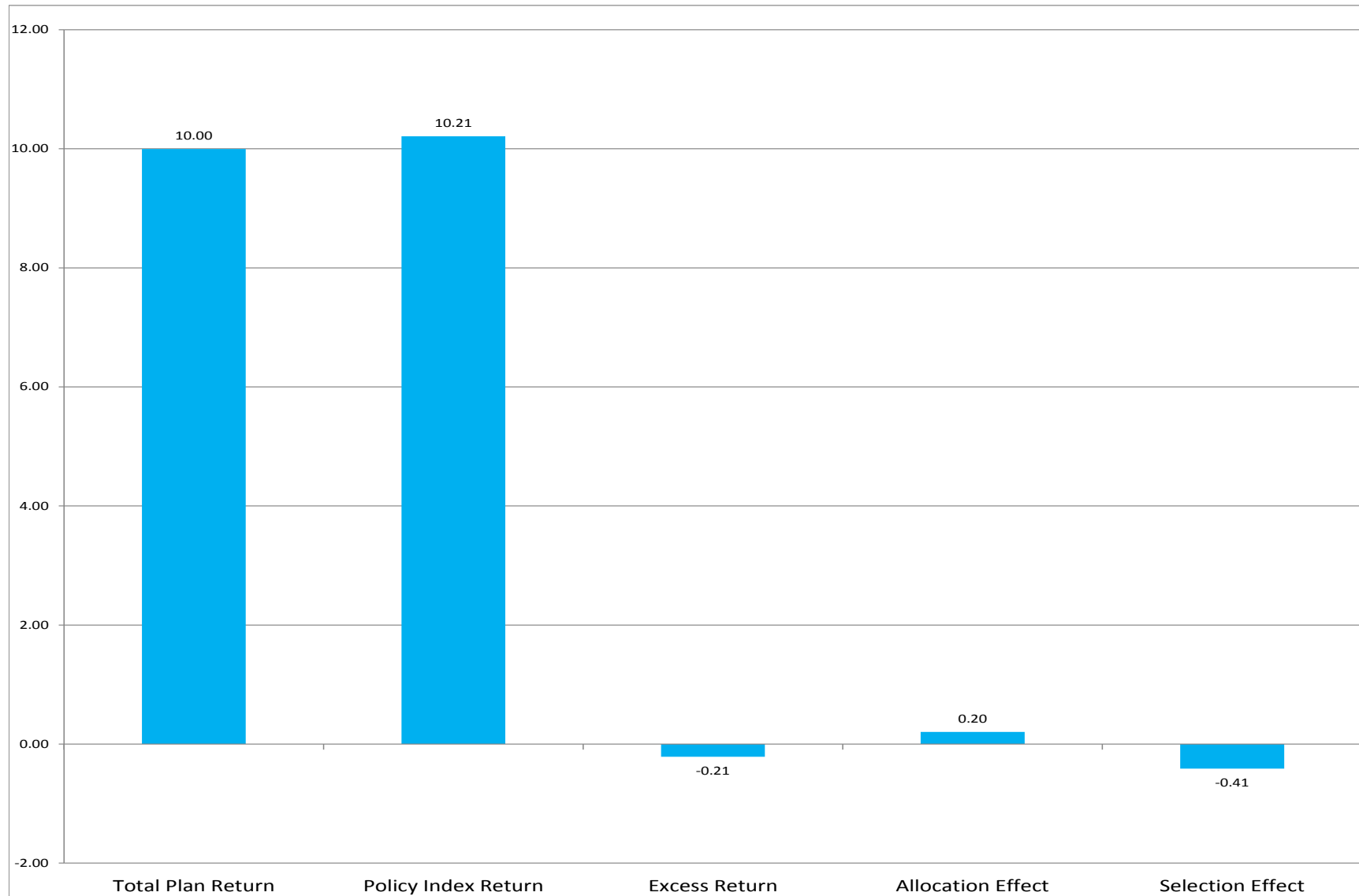


Relative Mix to Asset Weights









**Allocation Effect - Asset Class Breakdown**

	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE OFFICERS	-0.17	0.80	0.20	Fire Officers Policy Benchmark
TOTAL US EQUITY	-0.07	0.36	0.15	RUSSELL 3000 (DAILY)
TOTAL DEVELOPED MARKETS	0.00	-0.05	-0.04	MSCI EAFE NET (DAILY)
TOTAL EMERGING MARKETS	0.02	0.07	-0.01	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	0.00	-0.05	0.00	DJ U.S. Select REIT TR
TOTAL STRUCTURED	-0.09	0.30	0.01	NYC - CORE PLUS FIVE
TOTAL ACTIVE TIPS MANAGERS	-0.02	0.04	0.02	BARCLAYS US TIPS INDEX
TOTAL ENHANCED YIELD	-0.02	0.02	-0.02	CITIGROUP BB & B

Selection Effect - Asset Class Breakdown

	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
TOTAL FIRE OFFICERS	-0.22	0.19	-0.41	Fire Officers Policy Benchmark
TOTAL US EQUITY	0.01	0.03	0.00	RUSSELL 3000 (DAILY)
TOTAL DEVELOPED MARKETS	-0.24	0.07	-0.45	MSCI EAFE NET (DAILY)
TOTAL EMERGING MARKETS	-0.03	-0.10	-0.05	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	-0.02	0.06	-0.04	DJ U.S. Select REIT TR
TOTAL STRUCTURED	0.06	0.11	0.16	NYC - CORE PLUS FIVE
TOTAL ACTIVE TIPS MANAGERS	0.00	0.00	0.00	BARCLAYS US TIPS INDEX
TOTAL ENHANCED YIELD	0.00	0.02	-0.05	CITIGROUP BB & B



**New York City
Fire Officers' Variable Supplements Fund**

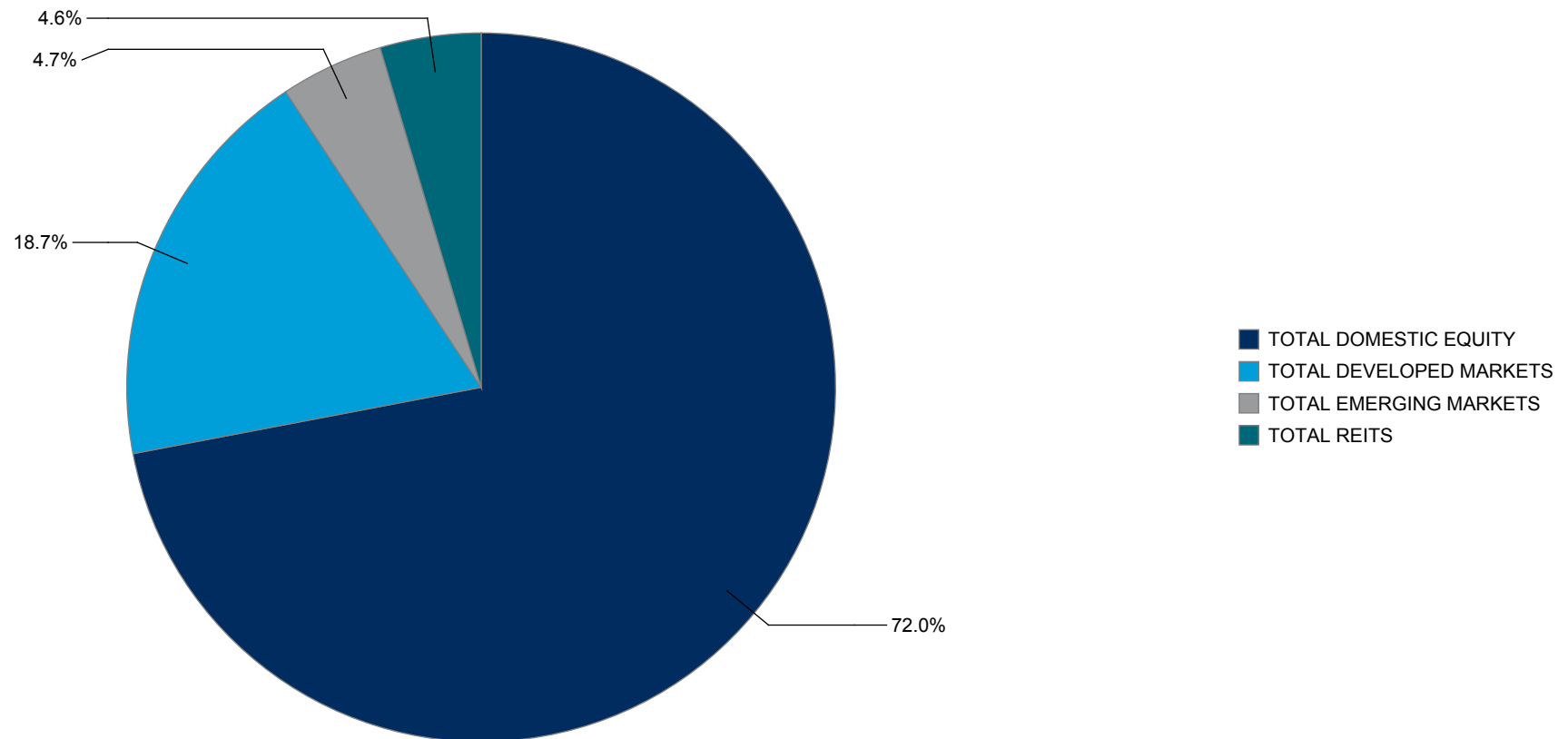
Equity Analysis

Total Equity Asset Allocation: March 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL EQUITY	\$215.0	73.1

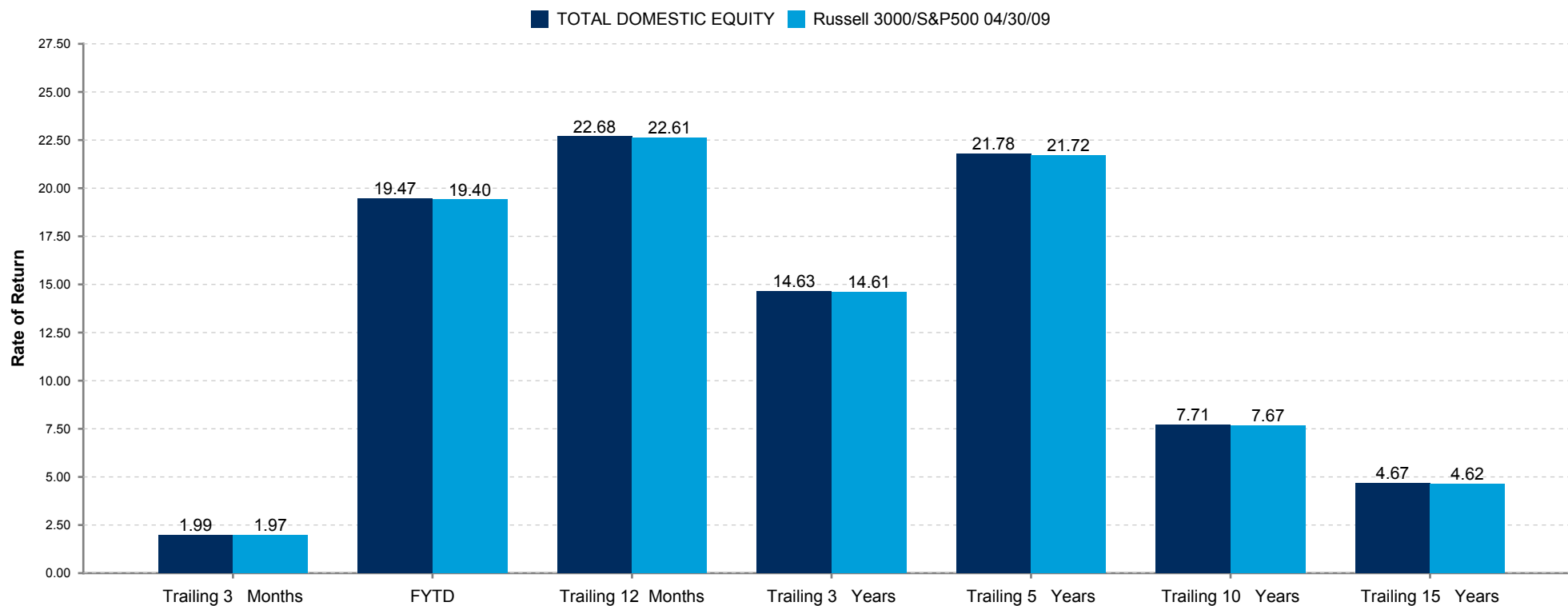


Total Domestic Equity Returns vs Russell 3000 Index / S&P 500 (Prior To 4/30/09): March 31, 2014



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL DOMESTIC EQUITY	\$154.8	52.6



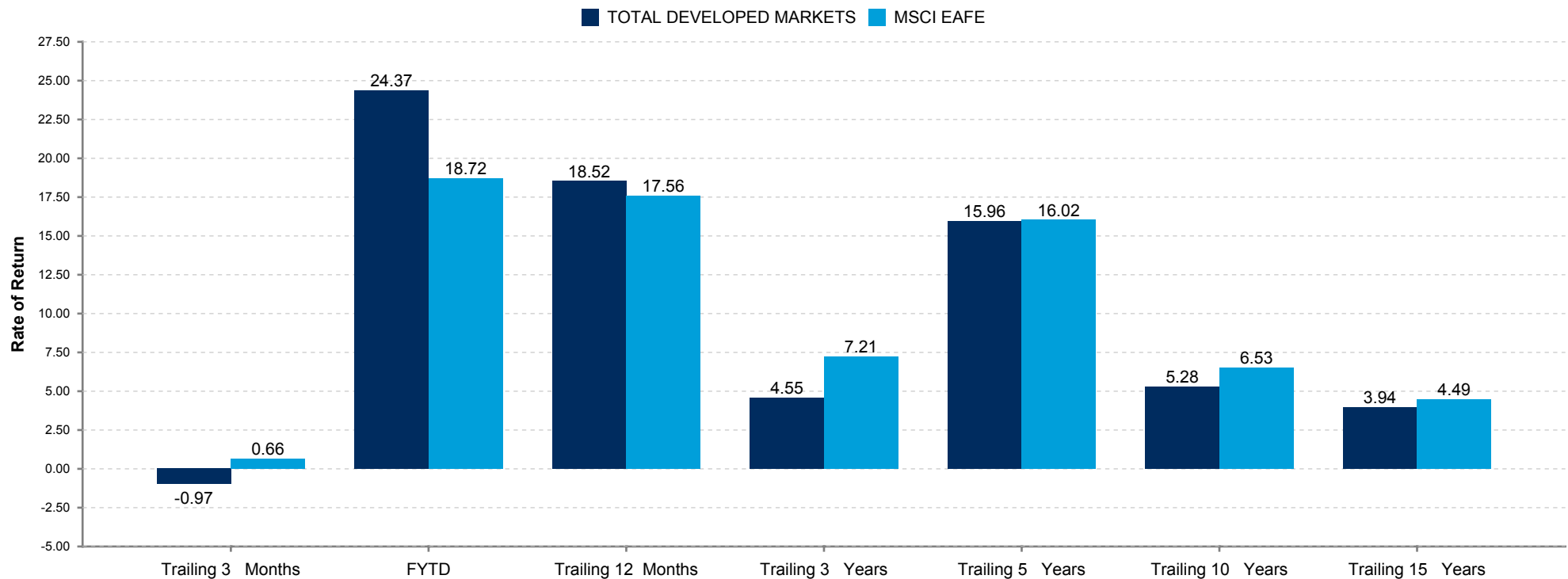
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DOMESTIC EQUITY	13.0	13.0	14.4	14.5	14.9	15.0

Developed Markets Returns vs MSCI EAFE Net Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL DEVELOPED MARKETS	\$40.1	13.6



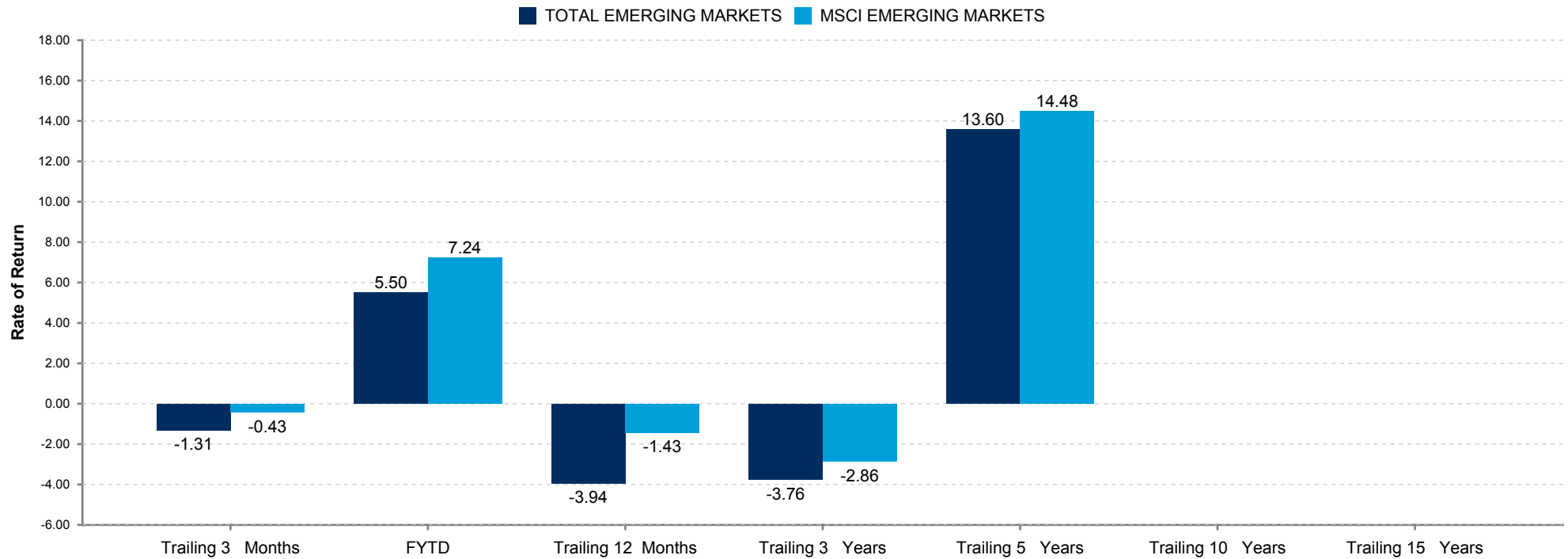
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL DEVELOPED MARKETS	19.7	16.8	20.8	18.5	20.3	18.3

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



STATE STREET

	Market Value (Millions)	% of plan
TOTAL EMERGING MARKETS	\$10.1	3.4



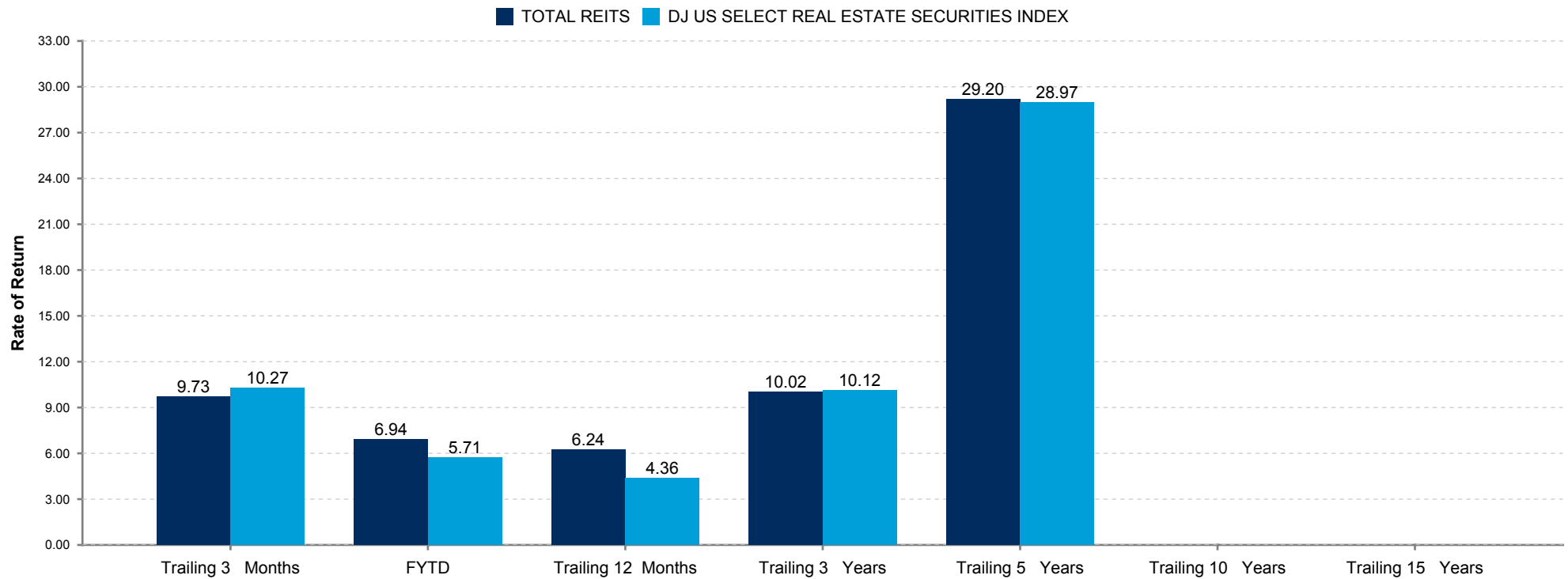
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL EMERGING MARKETS	20.1	19.5	21.9	21.6		

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



STATE STREET.

	Market Value (Millions)	% of plan
TOTAL REITS	\$10.0	3.4



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL REITS	17.0	17.0	22.9	23.2		



**New York City
Fire Officers' Variable Supplements Fund**

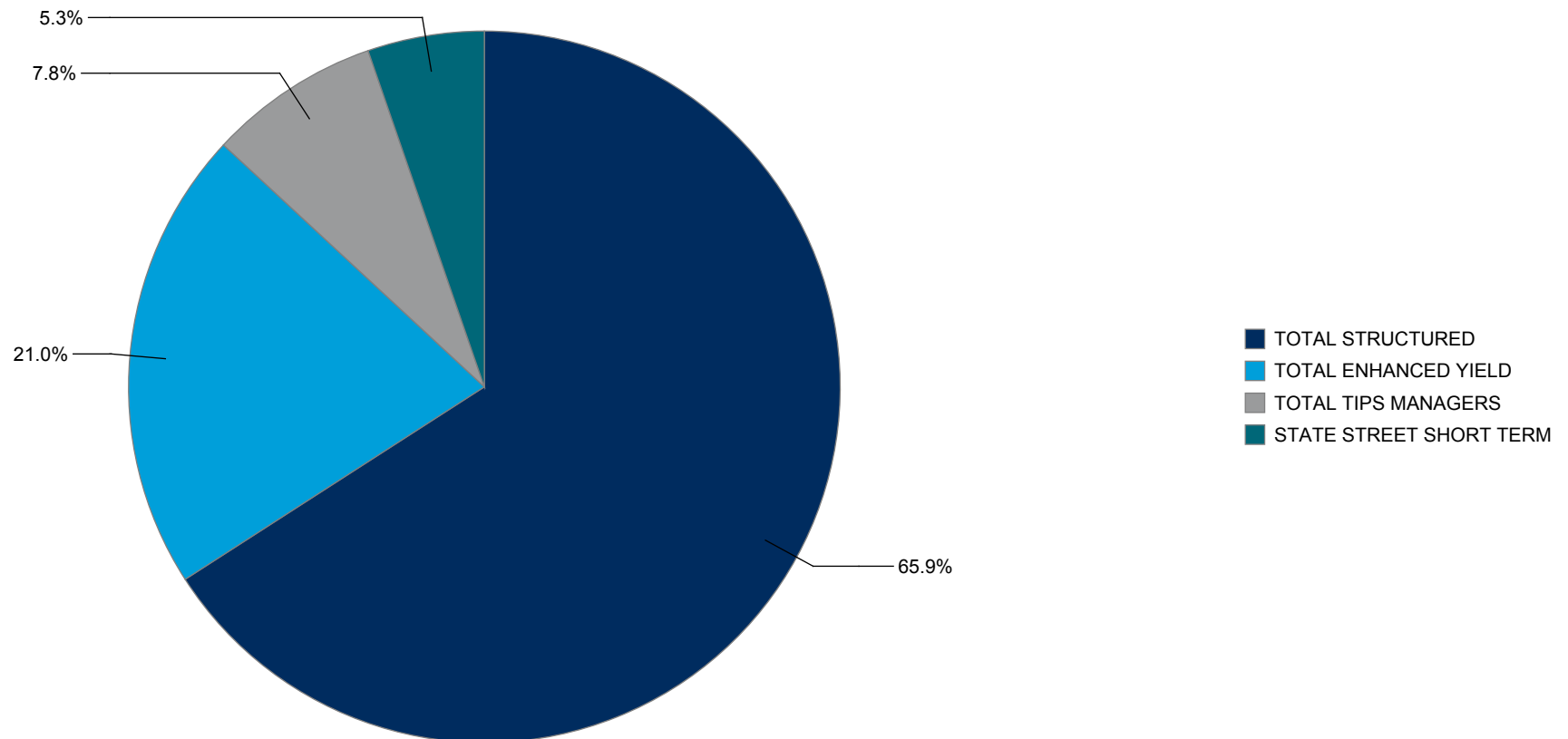
Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL FIXED INCOME	\$79.0	26.9

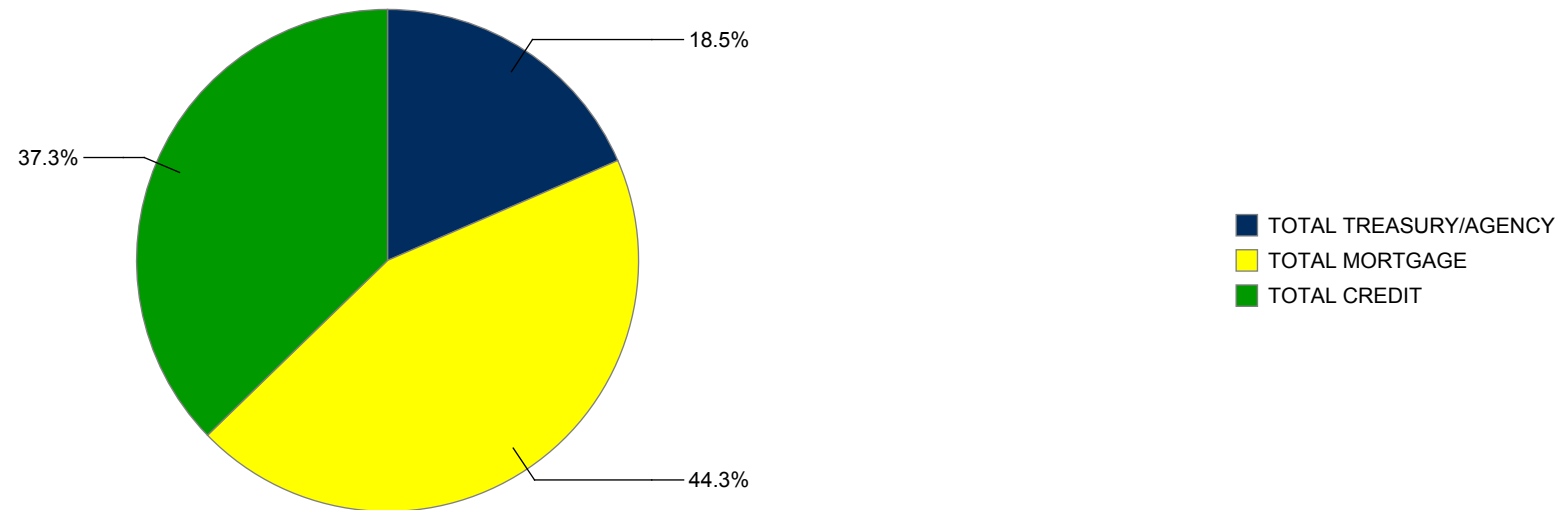


Structured Fixed Income Asset Allocation: Quarter Ending March 31, 2014



STATE STREET.

	<u>Market Value (Millions)</u>	<u>% of plan</u>
TOTAL STRUCTURED	\$52.0	17.7



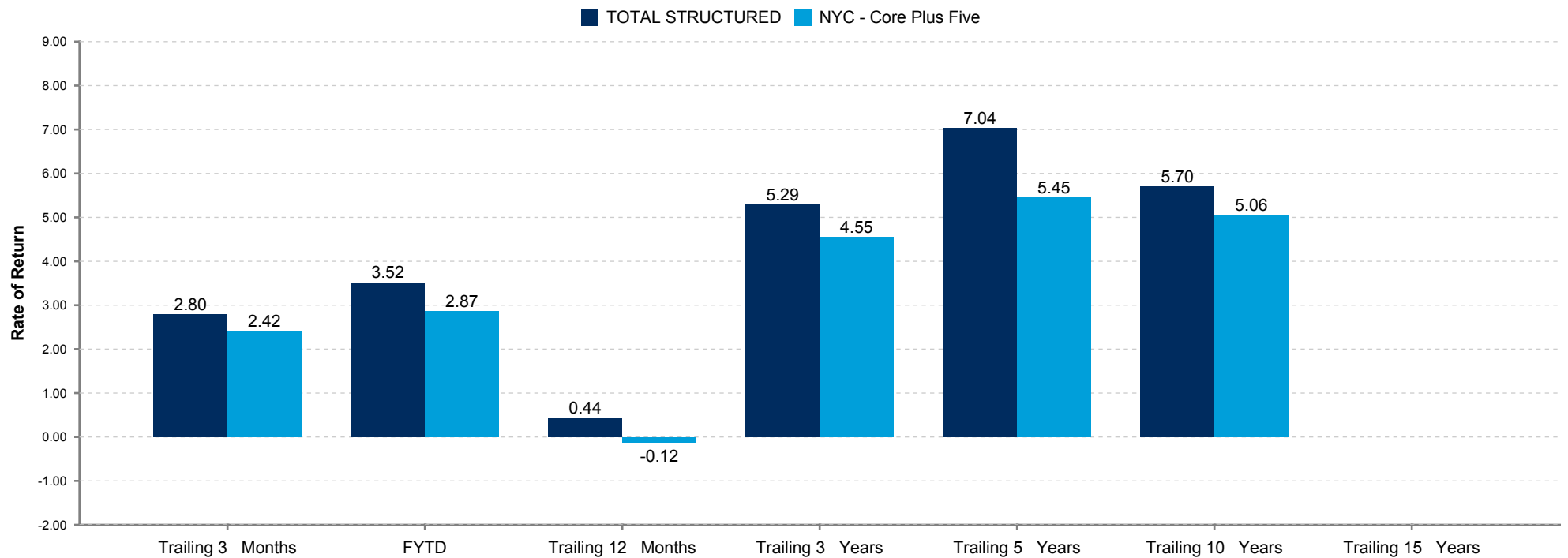
Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference
Treasury/Agency	17.88	18.46	0.58	3.47	3.86	0.39
Mortgage	38.65	44.23	5.58	1.61	1.95	0.34
Inv Grade Credit	43.47	37.31	-6.16	2.70	3.31	0.61

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



STATE STREET

	Market Value (Millions)	% of plan
TOTAL STRUCTURED	\$52.0	17.7



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL STRUCTURED	3.5	3.5	3.5	3.4	4.0	4.1

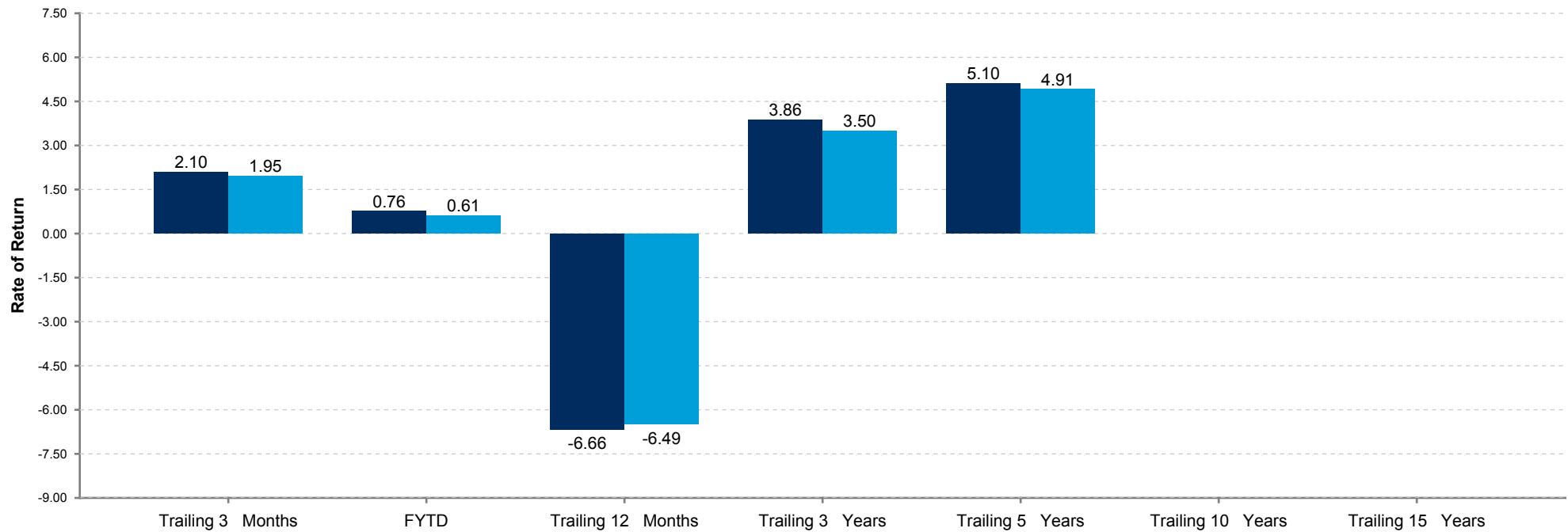
TIPS Returns vs Barclays Capital US TIPS Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL TIPS MANAGERS	\$6.2	2.1

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



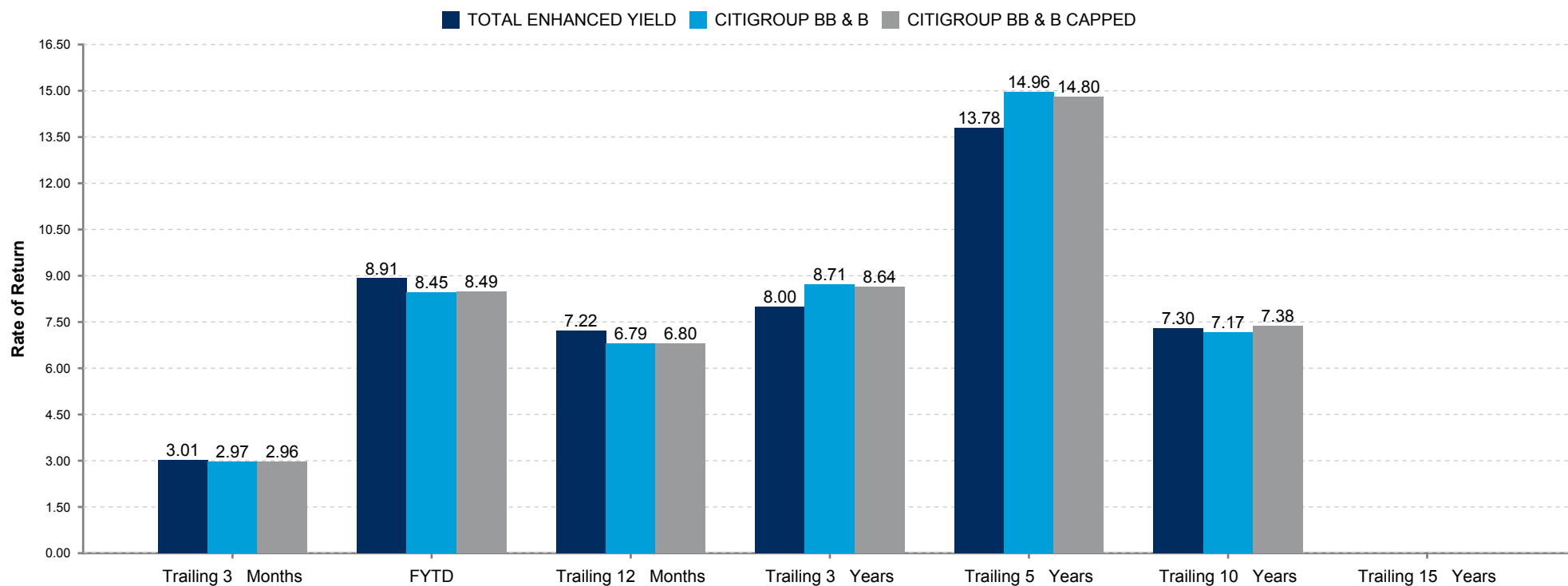
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL TIPS MANAGERS	5.5	5.5	5.3	5.3		

Enhanced Yield Returns vs Citigroup BB & B Index & Citigroup BB & B Capped Index: March 31, 2014



STATE STREET

	Market Value (Millions)	% of plan
TOTAL ENHANCED YIELD	\$16.6	5.6



	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation						
TOTAL ENHANCED YIELD	6.1	5.7	6.7	6.9	8.2	8.9



**New York City
Fire Officers' Variable Supplements Fund**

Appendix

Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
EQUITY MANAGEMENT									
BLACKROCK R2000 GROWTH	3.8	1.29	0.47	0.47					
RUSSELL 2000 GROWTH			0.48	0.48	27.19	13.61	25.24	8.87	6.63
BLACKROCK R2000 VALUE	3.4	1.15	1.79	1.79					
RUSSELL 2000 VALUE			1.78	1.78	22.65	12.74	23.33	8.07	10.70
BLACKROCK R1000 GROWTH	73.6	25.02	1.08	1.08					
RUSSELL 1000 GROWTH			1.12	1.12	23.22	14.62	21.68	7.86	2.98
BLACKROCK R1000 VALUE	74.0	25.18	3.00	3.00					
RUSSELL 1000 VALUE			3.02	3.02	21.57	14.80	21.75	7.58	6.34
TOTAL US EQUITY	154.8	52.64	1.99	1.99	22.68	14.63	21.78	7.71	4.67
Russell 3000/S&P500 04/30/09			1.97	1.97	22.61	14.61	21.72	7.67	4.62
INTERNATIONAL EQUITY									
DEVELOPED MARKETS									
Baillie Gifford	40.1	13.62	(0.94)	(0.94)					
TRANSITION-EAFE REBALANCE	0.0	0.01							
TOTAL DEVELOPED MARKETS	40.1	13.63	(0.97)	(0.97)	18.52	4.55	15.96	5.28	3.94
MSCI EAFE NET			0.66	0.66	17.56	7.21	16.02	6.53	4.49
EMERGING MARKETS									
STATE STREET	10.1	3.43	(1.31)	(1.31)	(3.94)	(3.76)	13.60		
TOTAL EMERGING MARKETS	10.1	3.43	(1.31)	(1.31)	(3.94)	(3.76)	13.60		
MSCI EMERGING MARKETS			(0.43)	(0.43)	(1.43)	(2.86)	14.48	10.11	

Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
TOTAL INTERNATIONAL EQUITY	50.2	17.06	(1.04)	(1.04)	13.20	2.65	15.47	6.22	
REAL ESTATE EQUITY SECURITIES									
MORGAN STANLEY REIT MTA	10.0	3.40	9.73	9.73	6.24	10.02	29.20		
TOTAL REAL ESTATE EQUITY SECURITIES	10.0	3.40	9.73	9.73	6.24	10.02	29.20		
DJ US SELECT RE SECURITIES INDEX			10.27	10.27	4.36	10.12	28.97	8.06	11.27
TOTAL EQUITY-PUBLIC & PRIVATE	215.0	73.09	1.63	1.63	19.81	11.68	20.64	7.48	
FIXED INCOME MANAGEMENT									
GOVERNMENT									
Pimco - Govt	9.6	3.27	3.86	3.86	(3.29)	5.75			
TOTAL GOVT - FIRE OFFICERS	9.6	3.27	3.86	3.86	(3.29)	5.75	4.42	5.56	
NYC - TREASURY AGENCY PLUS FIVE			3.47	3.47	(3.54)	5.72	4.15	5.40	6.38
MORTGAGE									
BLACKROCK	23.0	7.83	1.95	1.95	0.59	4.18	5.91	5.30	
TOTAL MORT - FIRE OFFICERS	23.0	7.83	1.95	1.95	0.59	4.18	5.91	5.30	
CITIGROUP MORTGAGE INDEX			1.61	1.61	0.11	2.77	3.57	4.62	5.34
CREDIT									
T Rowe Price - Credit	19.4	6.60	3.31	3.31	2.15	6.72	10.12	5.99	
TOTAL CREDIT - FIRE OFFICERS	19.4	6.60	3.31	3.31	2.15	6.72	9.54	6.04	
NYC - INVESTMENT GRADE CREDIT			2.70	2.70	1.17	5.69	8.72	5.06	5.98
TOTAL STRUCTURED	52.0	17.70	2.80	2.80	0.44	5.29	7.04	5.70	
NYC CORE PLUS FIVE			2.42	2.42	(0.12)	4.55	5.45	5.06	5.89

Consolidated Performance Report

Through March 31, 2014



STATE STREET

	Assets (\$MM)	% of Total	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
ACTIVE TIPS MANAGERS									
PIMCO-TIPS-MTA	6.2	2.10	2.10	2.10	(6.65)	3.87	5.10		
TOTAL ACTIVE TIPS MANAGERS	6.2	2.10	2.10	2.10	(6.66)	3.86	5.10		
BARCLAYS GLOBAL US TIPS INDEX			1.95	1.95	(6.49)	3.50	4.91	4.53	6.51
ENHANCED YIELD									
T ROWE PRICE EH	16.6	5.65	3.01	3.01	5.61				
ALL ENHANCED YIELD	16.6	5.65	3.01	3.01	7.22	8.00	13.78	7.30	
CITIGROUP BB & B			2.97	2.97	6.79	8.71	14.96	7.17	6.48
CITIGROUP BB & B CAPPED			2.96	2.96	6.80	8.64	14.80	7.38	
STATE STREET SHORT TERM	4.2	1.43	0.04	0.04					
TOTAL FIRE OFFICERS FIXED	79.0	26.87	2.73	2.73	1.16	5.52	8.02	5.83	6.45
SECURITIES LENDING	0.1	0.03							
TOTAL FIRE OFFICERS	294.1	100.00	1.77	1.77	14.58	10.00	16.53	7.38	5.59
FIRE OFFICERS POLICY BENCHMARK			2.15	2.15	13.59	10.21	16.79	7.27	



NYC FIRE OFFICERS' VARIABLE SUPPLEMENTS FUND

SECURITIES LENDING INCOME

March 31, 2014

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>
2001	32,000	6,000	- 0 -
2002	20,000	6,200	- 0 -
2003	14,000	11,000	31,000
2004	24,000	24,000	24,000
2005	42,000	42,000	32,000
2006	44,000	98,000	32,000
2007	91,000	137,000	28,000
2008	240,000	195,000	37,000
2009	67,000	101,000	25,000
2010	32,000	101,000	20,000
2011	48,000	116,000	34,000
2012	37,000	129,000	25,000
2013	17,000	113,000	25,000
2014 (3 Months)	3,000	3,000	18,000

Through March 31, 2014



- Effective 4/1/03, the name of the Core +5 benchmark index provider was changed from Salomon to Citigroup.
- Effective 5/31/09, the US Passive Equity sector S&P 500 Index was replaced with the Russell 3000 benchmark index.
- 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 March 31, 2014



STATE STREET.

*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.