



New York City Firefighters' Variable Supplements Fund

Performance Overview as of March 31, 2012

Total Fund Overview

New York City Firefighters' Variable Supplements Fund

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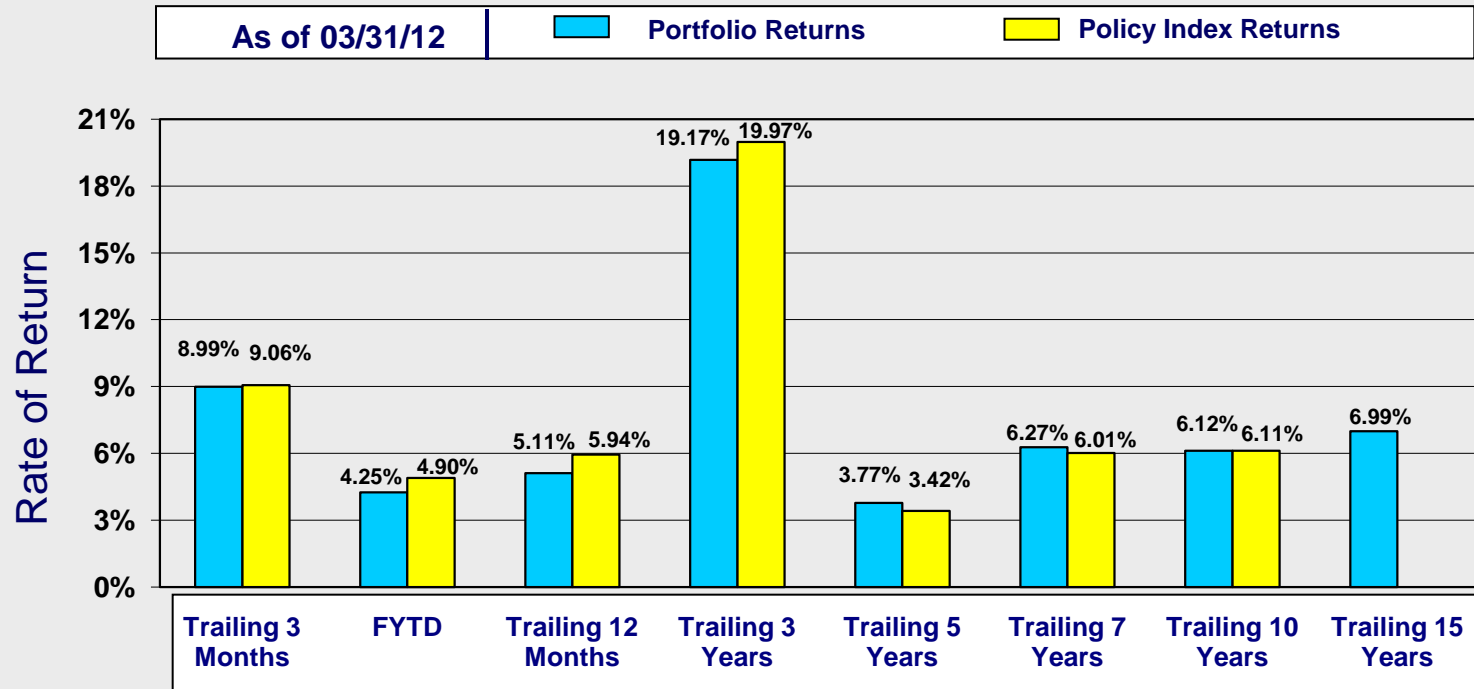


Appendix



Total Portfolio Returns: March 31, 2012

\$418M Under Management



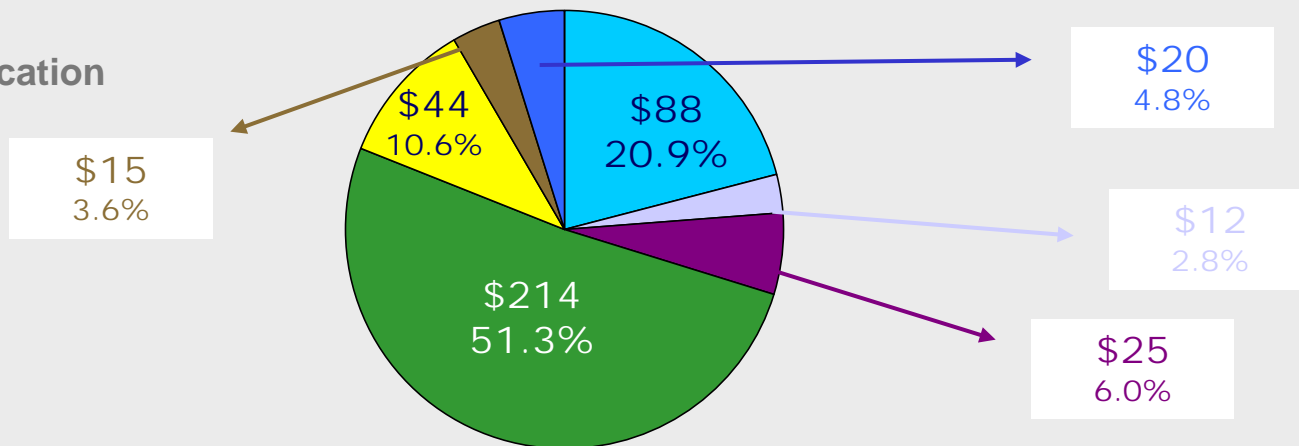
	3 Years	5 Years	7 Years	10 Years	15 Years
Plan Std Dev	12.2	14.3	12.5	11.8	11.8
Benchmark Std Dev	12.6	15.2	13.2	12.4	****

All returns in the report are Gross, unless stated otherwise.

Portfolio Asset Allocation: March 31, 2012

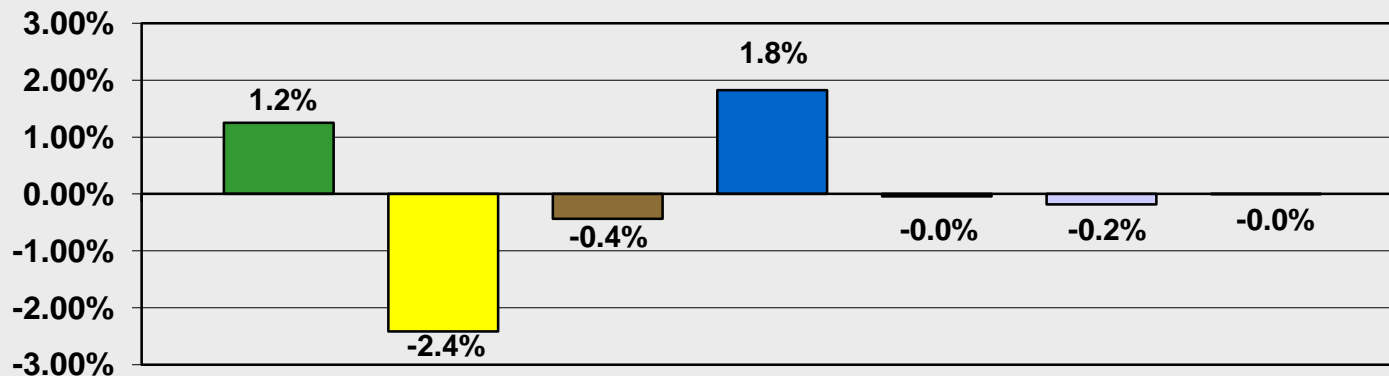
\$418M Under Management

Asset Allocation

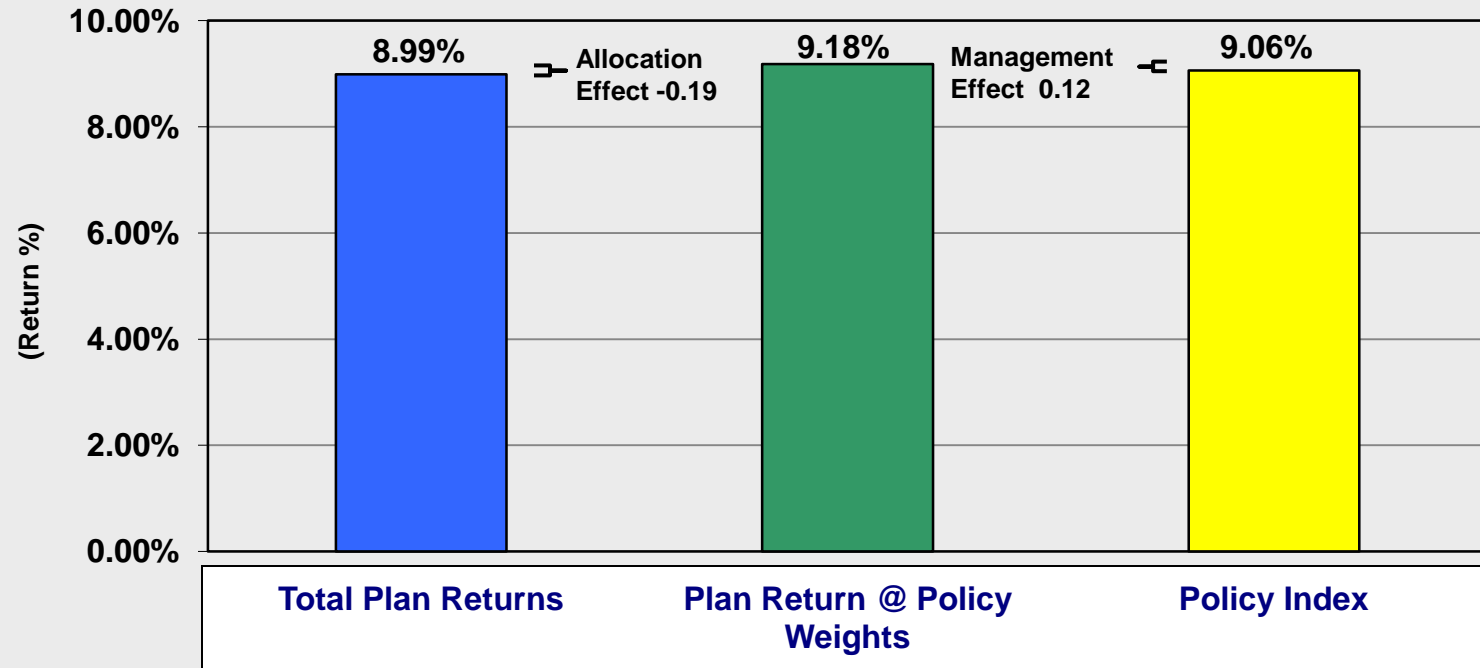


Domestic Equity EAFE Mkts Emerg Mkts REITS Domestic Fixed TIPS Enhanced Yield

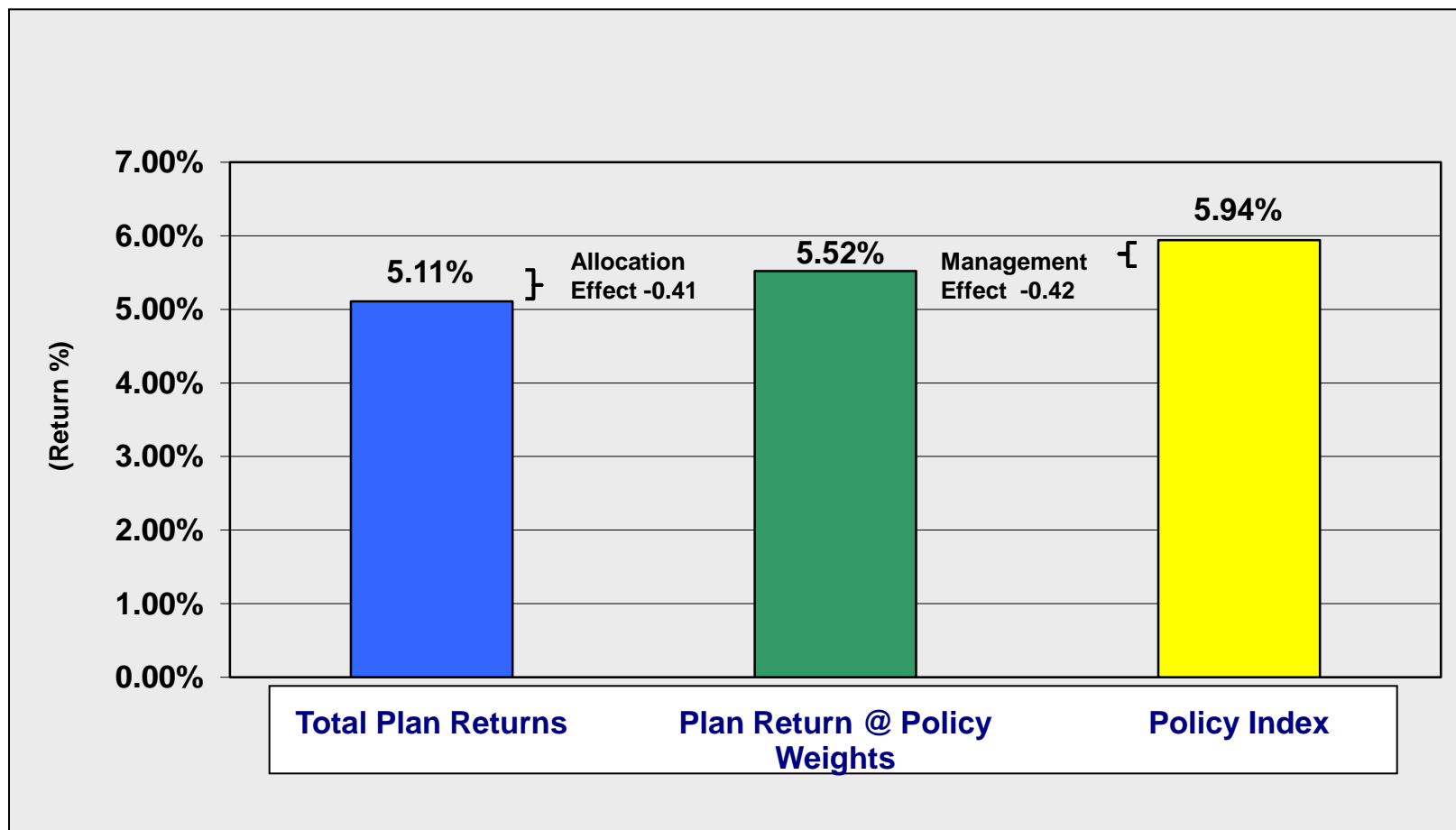
Relative Mix to Policy Weights



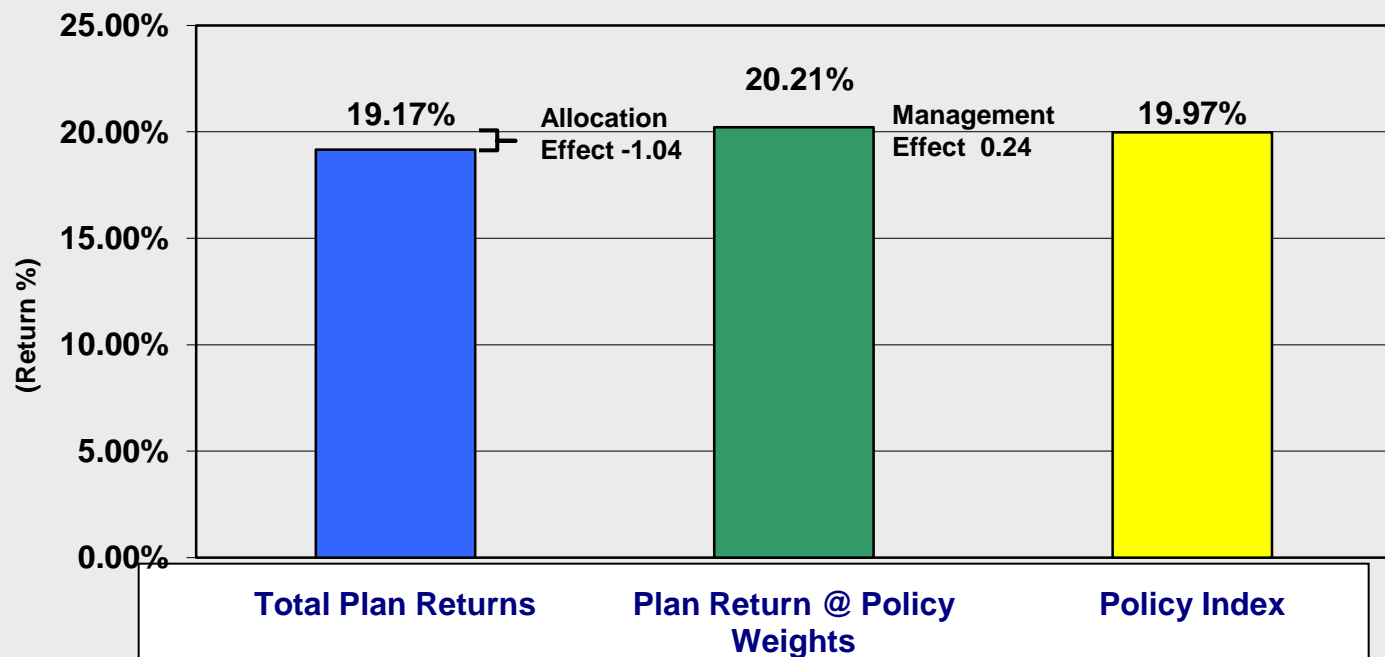
Performance Attribution: Total Plan – Quarter Ending March 31, 2012



Performance Attribution: Total Plan – 12 Months Ending March 31, 2012



Performance Attribution: Total Plan – 3 Years Ending March 31, 2012



Total Plan: March 31, 2012

Management Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	-0.01	-0.04	-0.05	Russell 3000 Index
EAFE Markets	0.09	-0.01	0.16	MSCI EAFE Index
Emerging Markets	-0.04	-0.03	-0.02	MSCI Emerging Markets Index
REITS	0.00	0.00	0.00	DJ US Real Estate Securities Index
Domestic Fixed	0.04	-0.15	0.21	NYC Core +5 Index
Enhanced Yield	0.01	-0.10	-0.14	Citigroup BB&B Index
TIPS	0.03	-0.02	0.02	Barclays Capital US TIPS Index

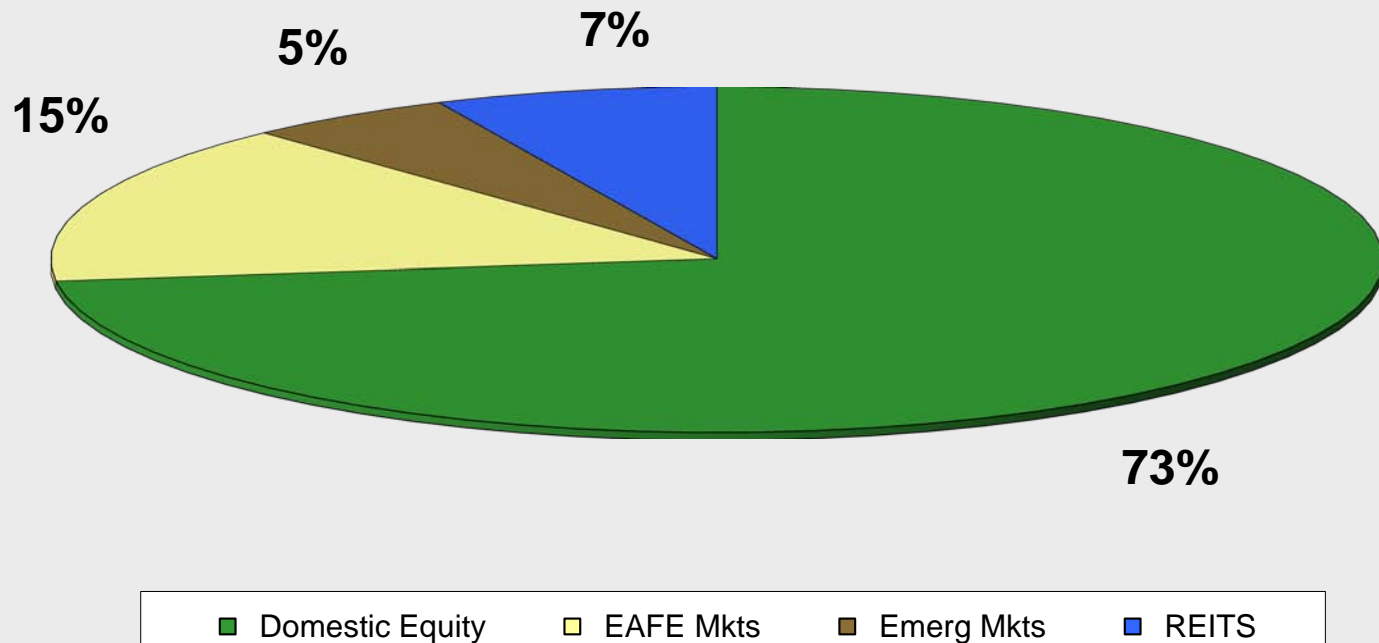
New York City Firefighters' Variable Supplements Fund

Equity Analysis

Total Equity Asset Allocation: March 31, 2012

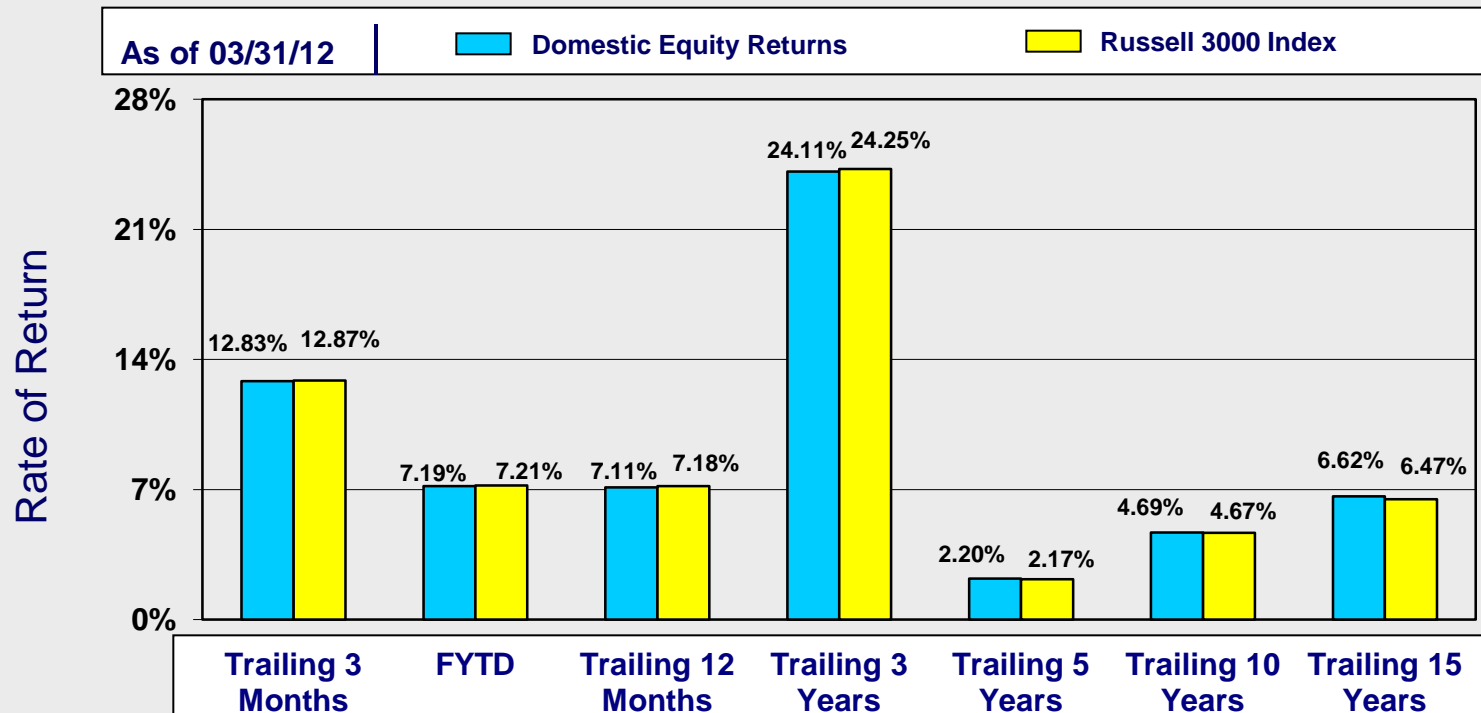
\$293M Under Management, **70%** of Total Funds

Asset Allocation by Groups



Total Domestic Equity Returns vs Russell 3000 Index

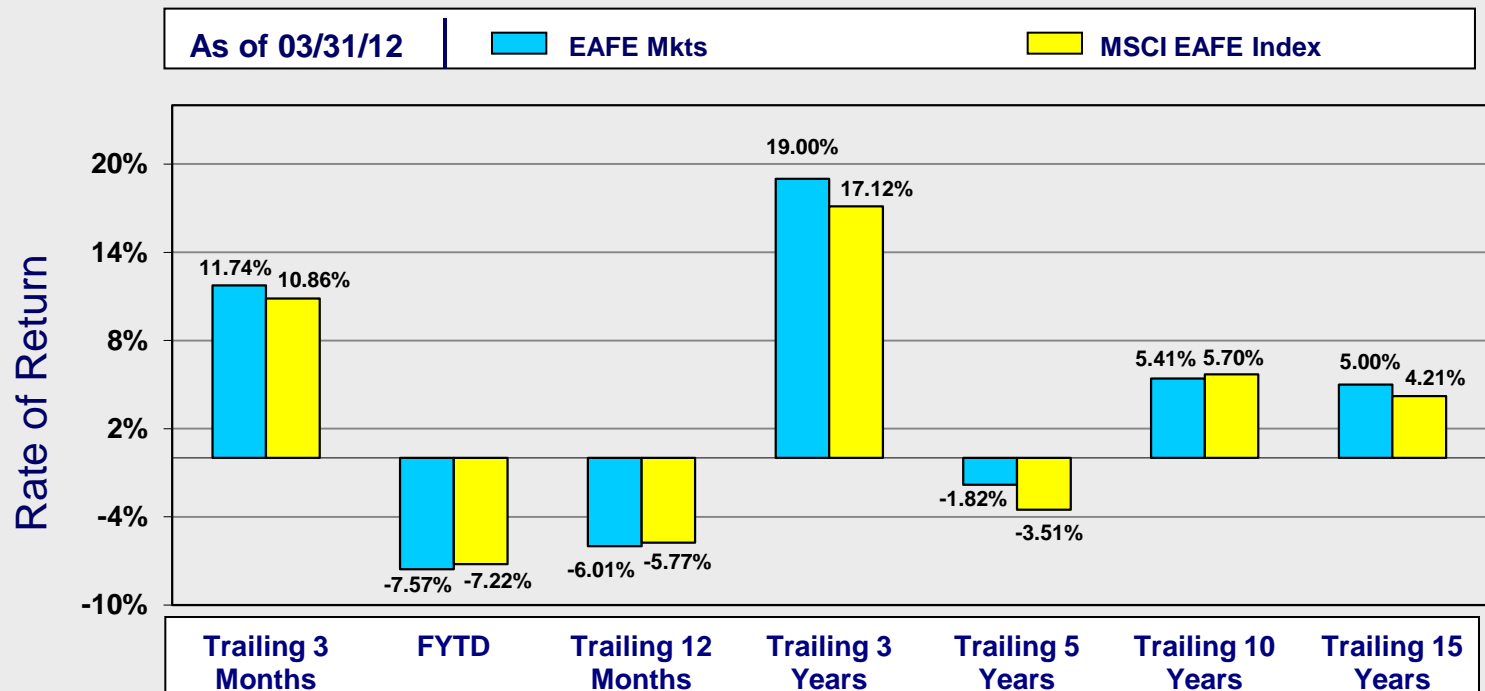
\$214M Under Management, **51%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.7	19.5	16.3	16.9
Benchmark Std Dev	16.8	19.7	16.4	16.9

EAFE Markets Returns vs MSCI EAFE Index

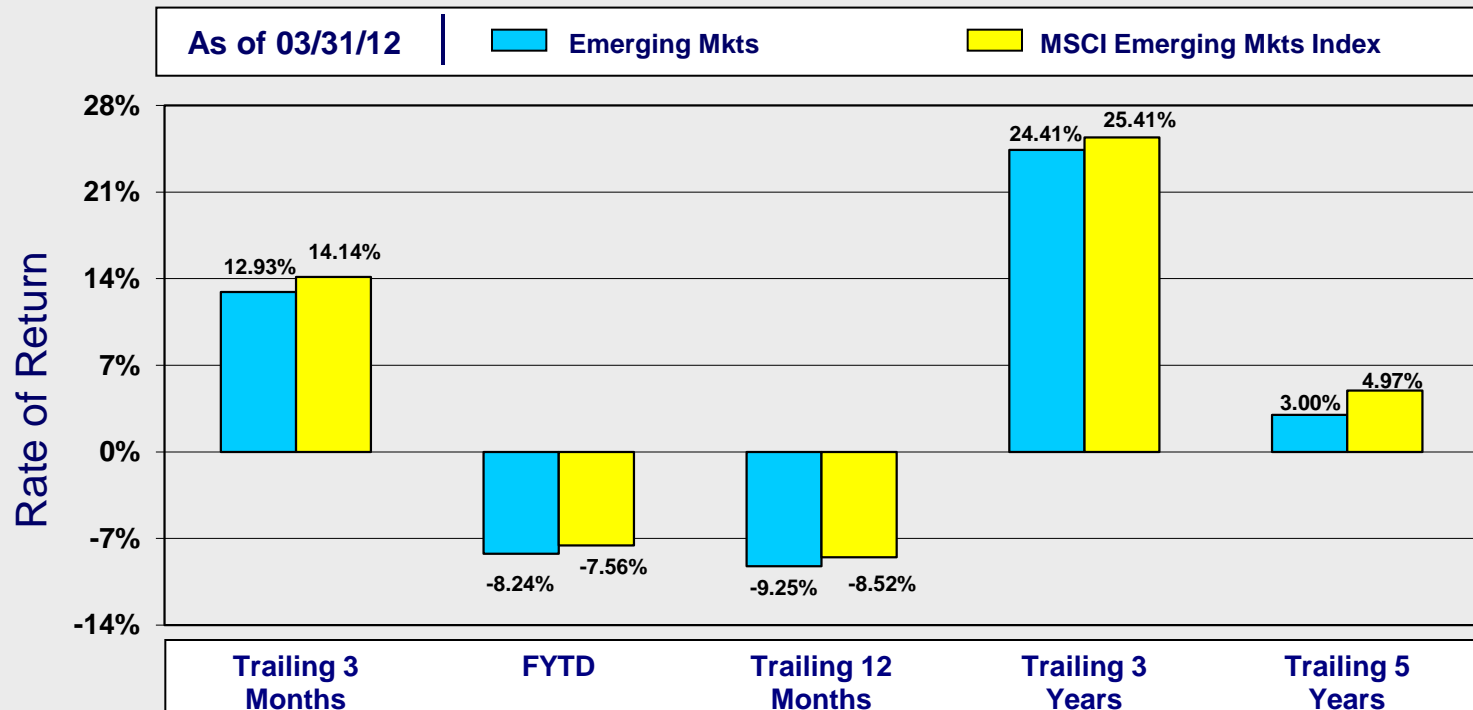
\$44M Under Management, **11%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	20.0	21.6	18.2	17.7
Benchmark Std Dev	20.6	22.7	18.6	18.0

Emerging Markets' Returns vs MSCI Emerging Markets Index

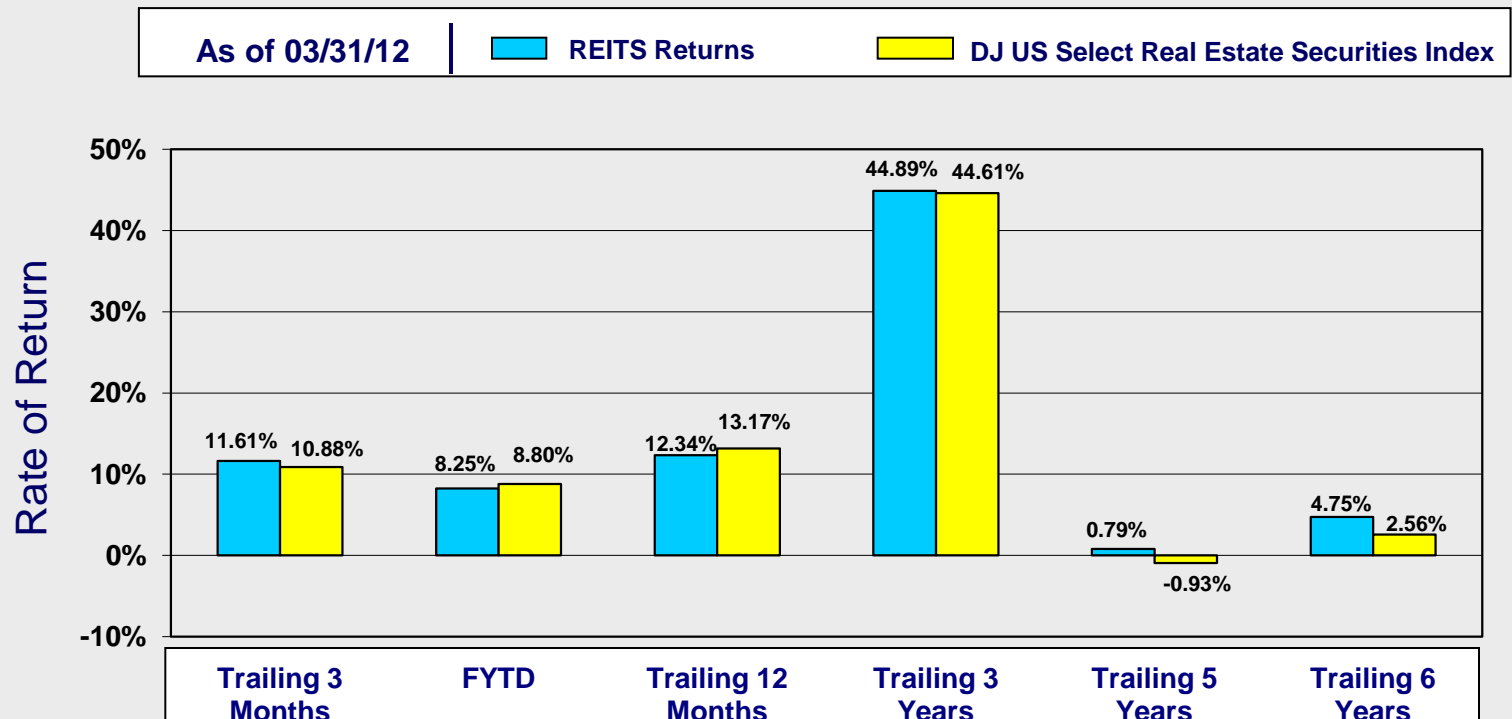
\$15M Under Management, **4%** of Total Funds



	3 Years	4 Years	5 Years
Plan Std Dev	25.0	30.6	29.8
Benchmark Std Dev	24.8	30.4	29.3

REITS Returns vs DJ US Select Real Estate Securities Index

\$20M Under Management, **5%** of Total Funds



	3 Years	4 Years	5 Years	6 Years
Plan Std Dev	27.1	35.6	33.1	30.8
Benchmark Std Dev	27.2	37.3	34.6	32.2

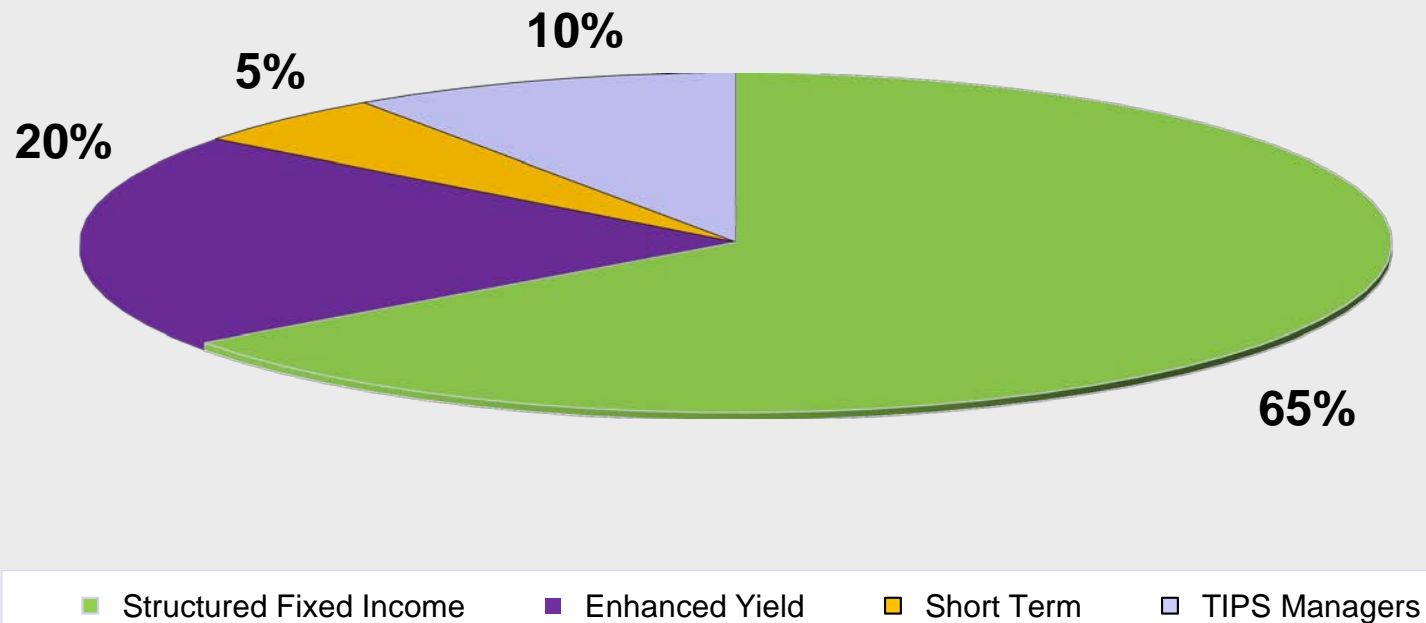
New York City
Firefighters' Variable Supplements Fund

Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2012

\$123M Under Management, **29%** of Total Funds

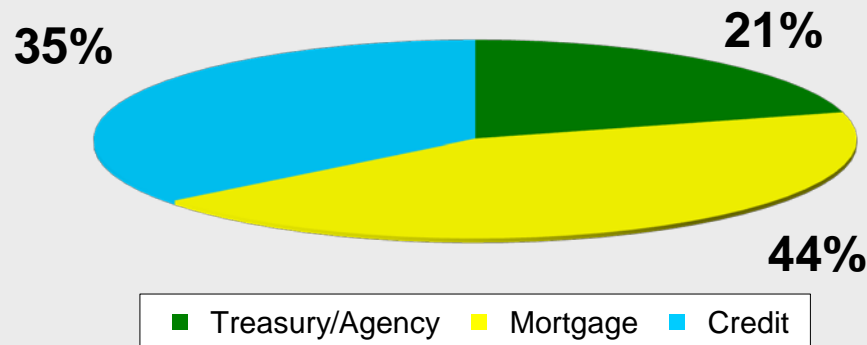
Asset Allocation by Groups



Structured Fixed Income Asset Allocation: Quarter Ending March 31, 2012

\$80M Under Management , **19%** of Total Funds

Asset Allocation by Groups



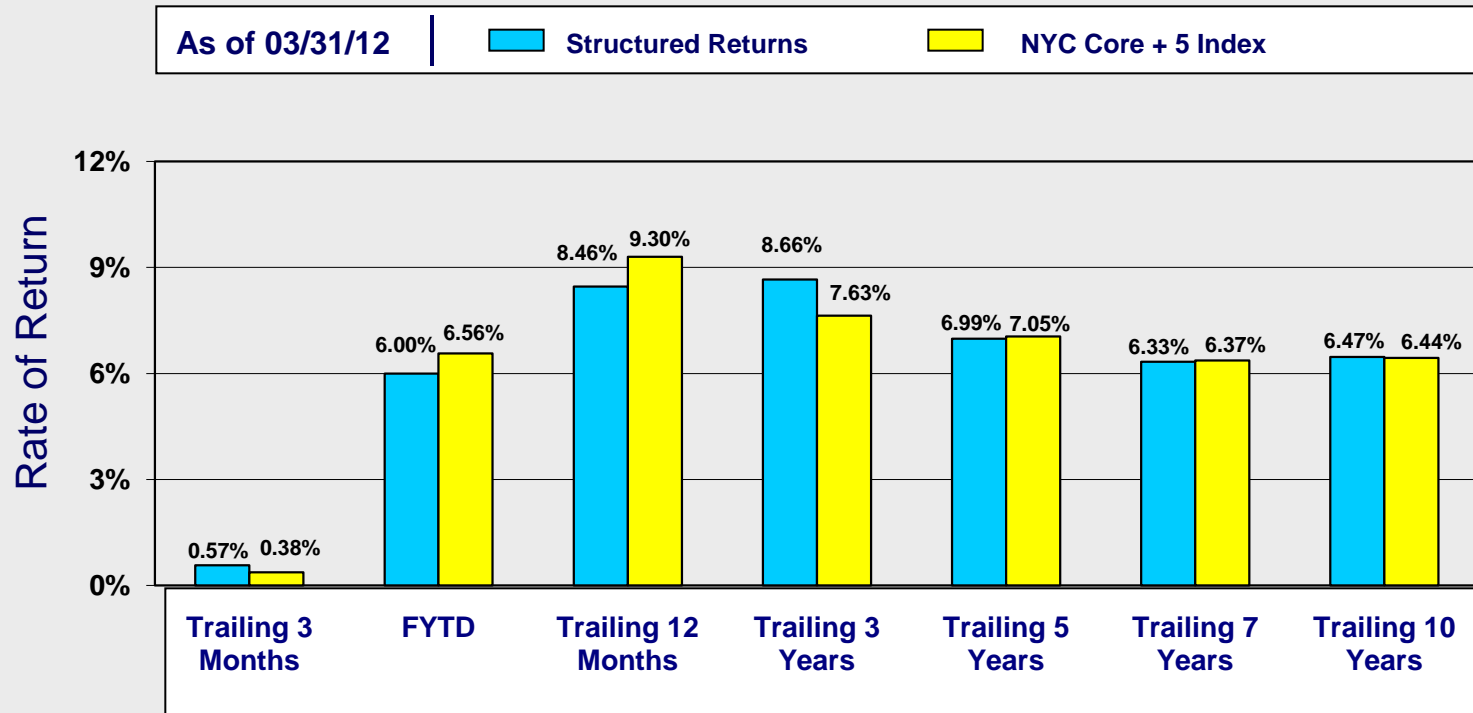
Value Added by Sectors

Sub Sector	Policy Weight	Actual Weight	Under/Over Weight	Index Return	Actual Return	Difference	Contribution to Out/Under Performance	
							Allocation	Management
Treasury/Agency	21.25	20.72	-1.62	-2.74	-2.65	0.09	0.03	0.02
Mortgage	42.15	43.67	1.15	0.61	0.82	0.21	0.01	0.09
Credit	36.60	35.61	0.47	2.09	2.23	0.14	0.00	0.02

*NYC Core +5 Breakdown

Structured Returns vs NYC Core + 5 Index

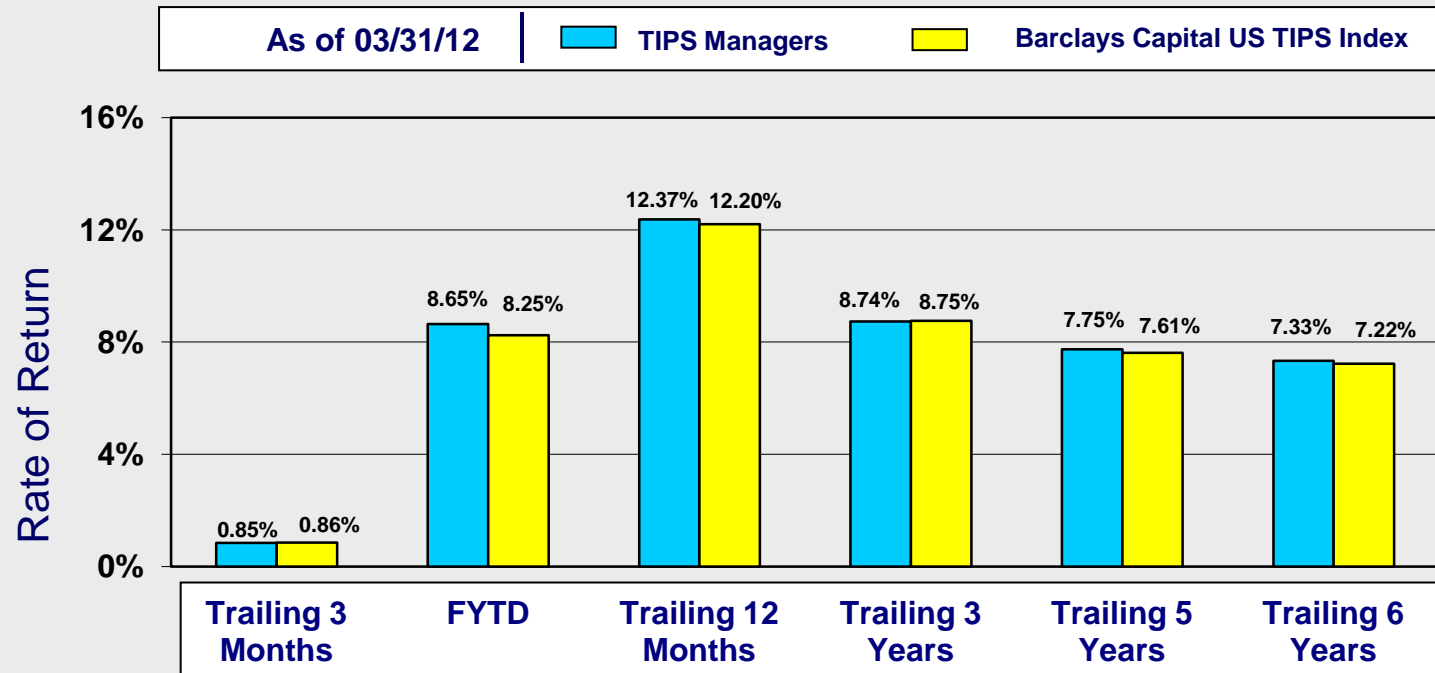
\$80M Under Management, **19%** of Total Funds



	3 Years	5 Years	7 Years	10 Years
Plan Std Dev	2.8	4.2	3.9	4.1
Benchmark Std Dev	3.2	4.4	4.1	4.3

TIPS Returns vs Barclays Capital US TIPS Index

\$12M Under Management, **3%** of Total Funds



	3 Years	5 Years	6 Years
Plan Std Dev	4.7	7.6	7.1
Benchmark Std Dev	4.9	7.4	7.0

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

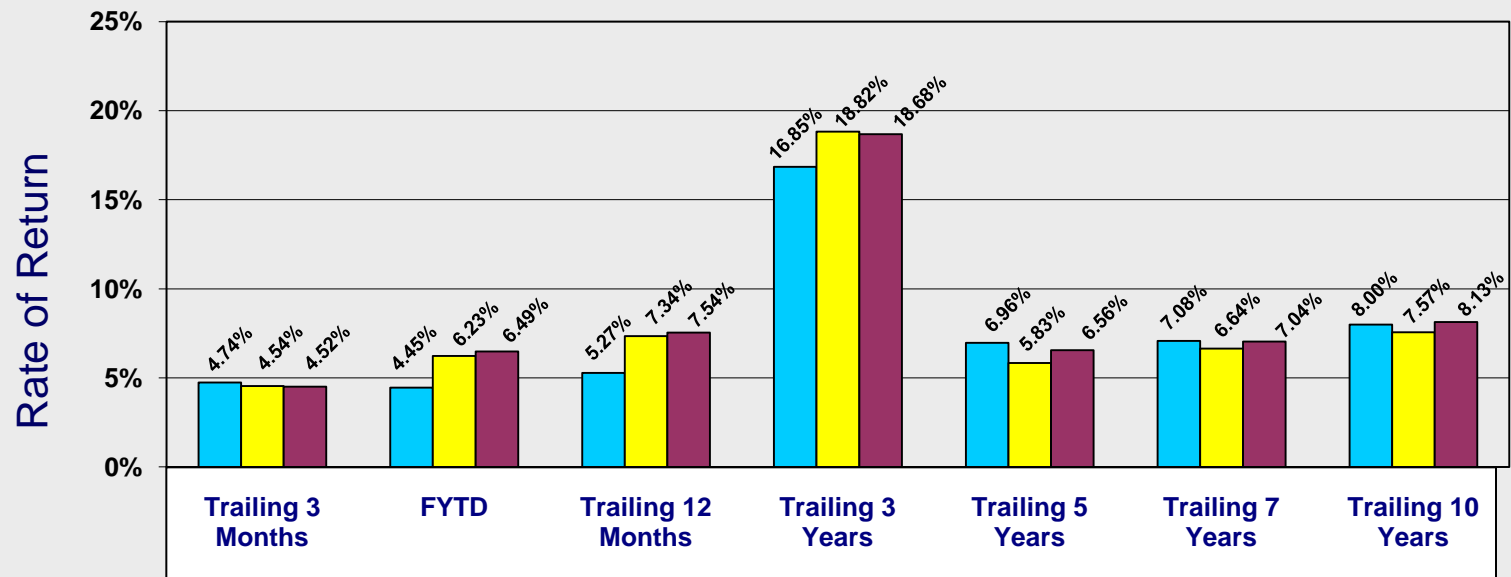
\$25M Under Management, **6%** of Total Funds

As of 03/31/12

Enhanced Yield

Citigroup BB& B Index

Citigroup BB& B Capped Index



	3 Years	5 Year	7 Years	10 Years
Plan Std Dev	7.8	10.9	9.3	8.9
Citigroup BB & B Std Dev	8.1	11.9	10.2	9.9
Citigroup BB & B Capped Std Dev	7.9	11.6	9.9	9.3

New York City Firefighters' Variable Supplements Fund

Appendix

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
EQUITY MANAGEMENT									
213.99	51.25	BLACKROCK R3000	12.83	12.83	7.11	****	****	****	****
213.99	51.25	TOTAL DOMESTIC EQUITY	12.83	12.83	7.11	24.11	2.20	4.69	6.62
		RUSSELL 3000	12.87	12.87	7.18	24.25	2.17	4.67	6.47
INTERNATIONAL EQUITY									
DEVELOPED MARKETS									
44.15	10.57	THORNBURG	11.76	11.76	-6.01	19.01	****	****	****
0.04	0.01	BANK OF IRELAND	****	****	****	****	****	****	****
44.20	10.59	TOTAL DEVELOPED MARKETS	11.74	11.74	-6.01	19.00	-1.82	5.41	5.00
		MSCI EAFE (NET DIVIDEND)	10.86	10.86	-5.77	17.12	-3.51	5.70	4.21
		INTERNATIONAL EQUITY MEDIAN	12.26	12.26	-4.56	19.39	-0.97	7.42	6.77
EMERGING MARKETS									
14.88	3.56	STATE STREET	12.93	12.93	-9.25	24.41	3.00	****	****
14.88	3.56	TOTAL EMERGING MARKETS	12.93	12.93	-9.25	24.41	3.00	****	****
		MSCI EMERGING MARKETS	14.14	14.14	-8.52	25.41	4.97	14.47	7.49
		EMERGING MARKETS MEDIAN	13.55	13.55	-8.03	25.50	5.52	14.61	9.57
59.08	14.15	TOTAL INTERNATIONAL EQUITY	12.04	12.04	-6.88	20.11	-0.42	6.60	****
REAL ESTATE EQUITY SECURITIES									
20.15	4.83	MORGAN STANLEY	11.61	11.61	12.34	44.89	0.79	****	****
20.15	4.83	TOTAL REAL ESTATE EQUITY SECURITIES	11.61	11.61	12.34	44.89	0.79	****	****
		DJ US SELECT REAL ESTATE SECURITIES	10.88	10.88	13.17	44.61	-0.93	10.29	9.56
293.22	70.23	TOTAL EQUITY-PUBLIC & PRIVATE	12.59	12.59	4.27	24.17	1.68	5.39	****

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
FIXED INCOME MANAGEMENT									
GOVERNMENT									
16.49	3.95	PIMCO -GOVT	-2.65	-2.65	14.97	****	****	****	****
16.49	3.95	ALL GOVT-FIRE FIGHTERS	-2.65	-2.65	14.97	6.36	8.47	7.66	7.66
		NYC - TREASURY AGENCY PLUS FIVE	-2.74	-2.74	15.61	6.23	8.45	7.64	7.64
MORTGAGE									
33.59	8.04	PIMCO -MORT	0.75	0.75	6.34	****	****	****	****
1.15	0.28	MORTGAGE TRANSITION ACCOUNT	****	****	****	****	****	****	****
34.74	8.32	ALL MORTGAGE-FIRE FIGHTERS	0.82	0.82	5.92	6.06	5.85	5.56	****
		CITIGROUP MORTGAGE INDEX	0.61	0.61	6.38	5.30	6.41	5.71	5.71
CREDIT									
28.33	6.79	TAPLIN, CANADA -CREDIT	2.23	2.23	8.71	14.87	6.69	****	****
28.33	6.79	ALL INVESTMENT GRADE CREDIT-FIREFIGHTER	2.23	2.23	8.71	12.99	6.79	6.31	****
		NYC - INVESTMENT GRADE CREDIT	2.09	2.09	9.16	11.99	6.57	6.42	6.75
TOTAL STRUCTURED									
79.56	19.05	NYC - CORE PLUS FIVE	0.57	0.57	8.46	8.66	6.99	6.47	****
			0.38	0.38	9.30	7.63	7.05	6.44	6.92
ACTIVE TIPS MANAGERS									
11.77	2.82	PIMCO-TIPS-MTA	0.85	0.85	12.37	8.74	7.75	****	****
11.77	2.82	TOTAL ACTIVE TIPS MANAGERS	0.85	0.85	12.37	8.74	7.75	****	****
		BARCLAYS GLOBAL US TIPS INDEX	0.86	0.86	12.20	8.75	7.61	7.51	***
ENHANCED YIELD									
25.03	5.99	SEIX	4.74	4.74	5.27	16.85	6.96	****	****
25.03	5.99	ALL ENHANCED YIELD	4.74	4.74	5.27	16.85	6.96	8.00	****
		CITIGROUP BB & B	4.54	4.54	7.34	18.82	5.83	7.57	6.39
		CITIGROUP BB & B CAPPED	4.52	4.52	7.54	18.68	6.56	8.13	****
		ENHANCED YIELD MEDIAN	4.52	4.52	6.63	19.37	7.75	10.34	8.40

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-12 Mar-12	1 Yr Apr-11 Mar-12	3 Yrs Apr-09 Mar-12	5 Yrs Apr-07 Mar-12	10 Yrs Apr-02 Mar-12	15 Yrs Apr-97 Mar-12
122.46	29.33	TOTAL FIXED INCOME	1.39	1.39	7.76	10.20	7.13	6.74	6.73
6.10	1.46	STATE STREET SHORT TERM	0.09	0.09	1.56	0.68	0.81	2.00	3.41
0.01	0.00	BNY - CD	****	****	****	****	****	****	****
1.84	0.44	SECURITIES LENDING	****	****	****	****	****	****	****
417.53	100.00	TOTAL FIREFIGHTERS	8.99	8.99	5.11	19.17	3.77	6.12	6.99
		FIREFIGHTERS POLICY BENCHMARK	9.06	9.06	5.94	19.97	3.42	6.11	****

Securities Lending Income

Through March 31, 2012

	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>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 (3Months)	17,000	53,000	6,000

Footnotes

Through March 31, 2012

- 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.

Glossary of Terms

Through March 31, 2012

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.

Page 5 - Performance Attribution: Total Plan

- Plan Return at Policy Weights: the return of the Total Plan assuming actual Asset Class results were maintained at target (Adjusted Policy) weights. Figure = (Return of Asset Class 1* Target Weight) plus (Return Of Asset Class 2* Target Weight) plus (.....)
- **Allocation Effect** = Total Plan Return minus Plan Return at Adjusted Policy Weights.
- **Management Effect** = Custom Benchmark (Adjusted Policy Index) Return minus Plan Return at Adjusted Policy Weights
This illustrates how the Managers have added or removed value based on their Security Selection decisions.
- **Policy Index = Custom Benchmark**
The "policy index" is a custom benchmark representing the weighted average return of the benchmark indexes for each major investment program. Weights may reflect an adjustment of actual policy for outstanding commitments for new or revised programs, such as for private market programs, which are invested gradually, or for any new or updated program requiring the completion of RFPs and contracts. The policy index/custom benchmark is calculated monthly based on adjusted policy weights at the beginning of each month. The indexes and most recent adjusted policy weights are as follows:
U.S. Equity: Russell 3000 * 50%
International Developed (EAFE) Markets: MSCI EAFE * 13%
International Emerging Markets: MSCI Emerging Markets * 4%
REITs: DJ US Select Real Estate Securities Index * 3%
Domestic Fixed Income: NYC Core +5 * 21%
TIPS: Barclays Capital U.S. TIPS * 3%
Enhanced Yield: Citigroup BB&B * 6%

Glossary of Terms

Through March 31, 2012

Page 8 - Management Effect - Asset Class Breakdown

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

Page 17 – Structured Fixed Income Asset Allocation

- **Value Added By Sectors:** This disaggregates out-performance or under-performance by Asset Allocation and Management Effect.
- **Implied Policy** = Retirement's System Asset Allocation.
- **Implied Return** = Benchmark Return
- **Allocation** = the Contribution to Performance resulting from an overweight or underweight to an asset class. *E.g. an underweight to an Asset Class that under-performs rests in a positive Allocation Effect and vice versa.*
- **Management** = Contribution to Performance from security selection versus the Benchmark, e.g., *If the managers Actual Returns are higher than the Implied Return there will be a positive Management Effect.*