



New York City
Firefighters' Variable Supplements Fund
Performance Overview as of December 31, 2015

Total Fund Overview

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

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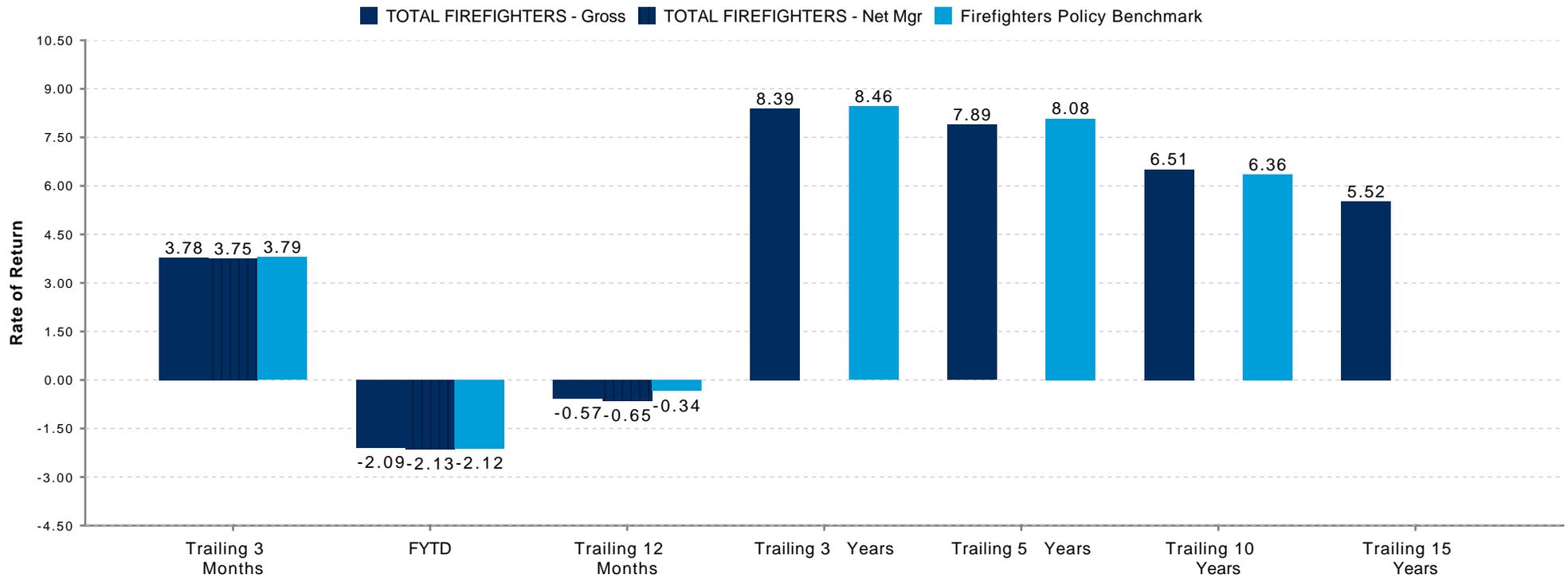
Total Portfolio Returns: December 31, 2015



Market Value (Millions)

\$439.0

TOTAL FIREFIGHTERS



	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	7.7	7.8	7.9	8.9	10.7	11.2	11.4

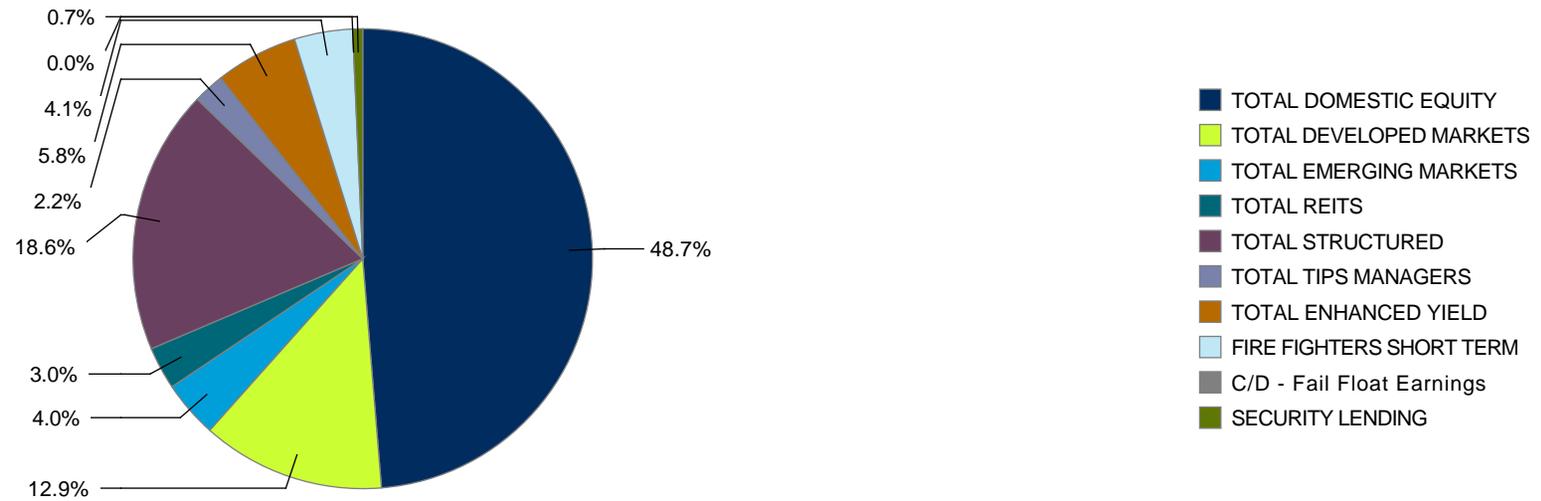


Market Value (Millions)

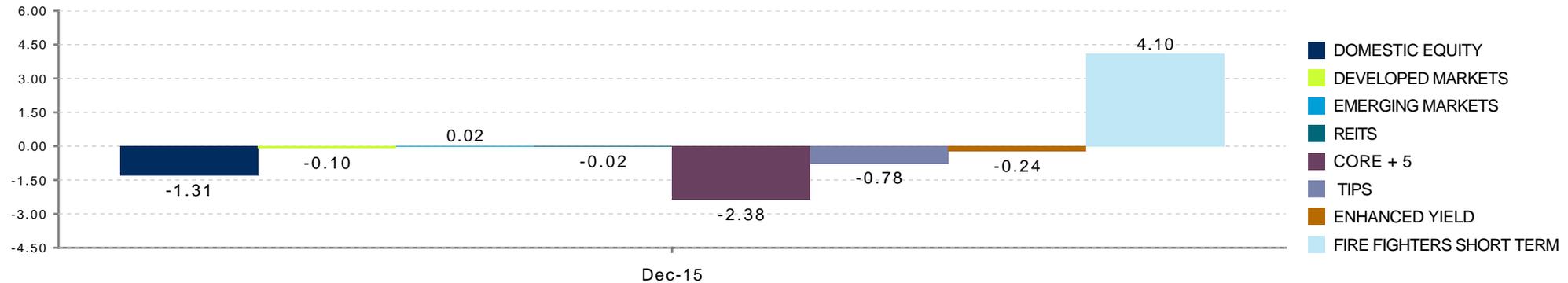
TOTAL FIREFIGHTERS

\$439.0

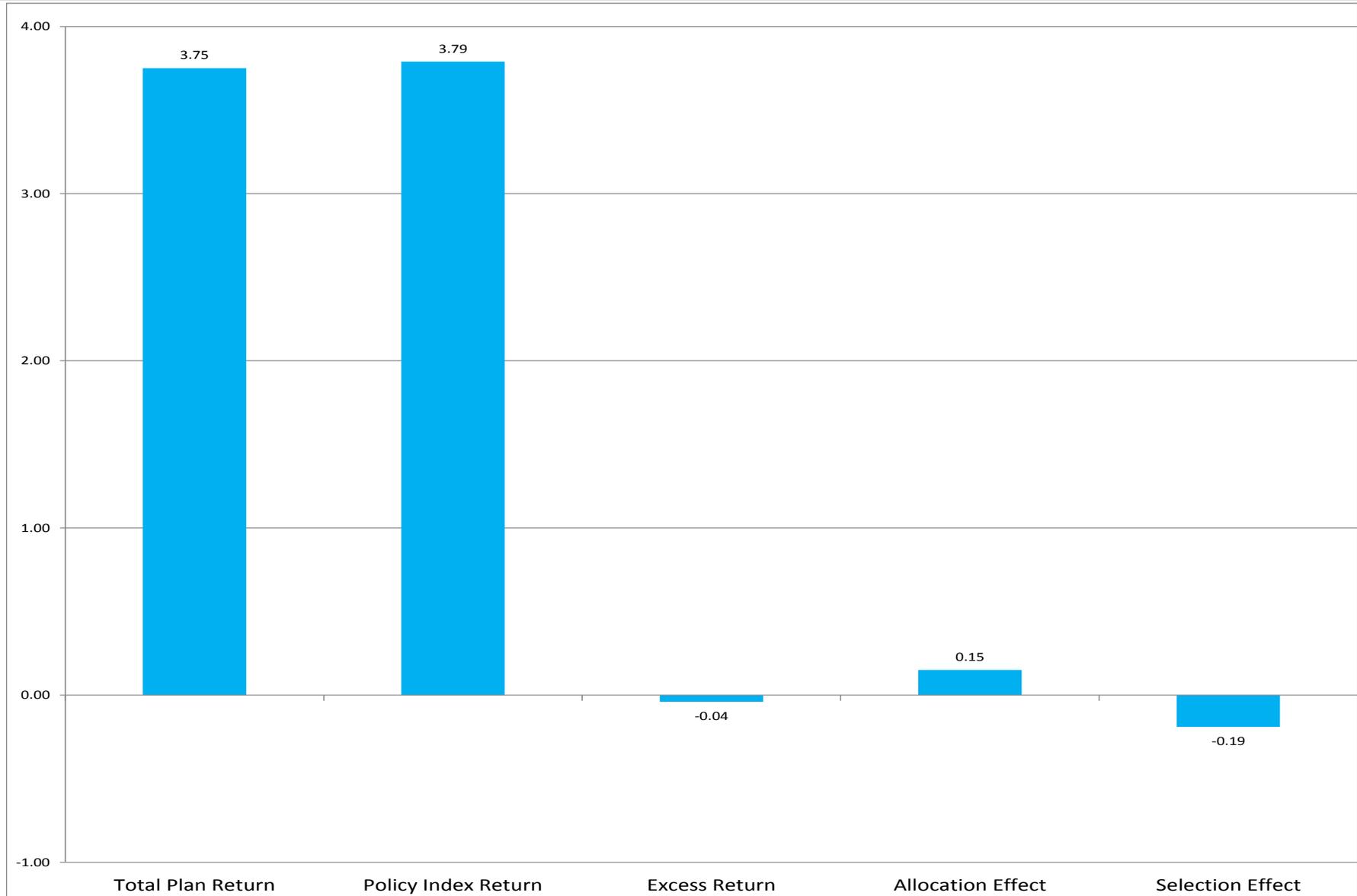
Asset Allocation



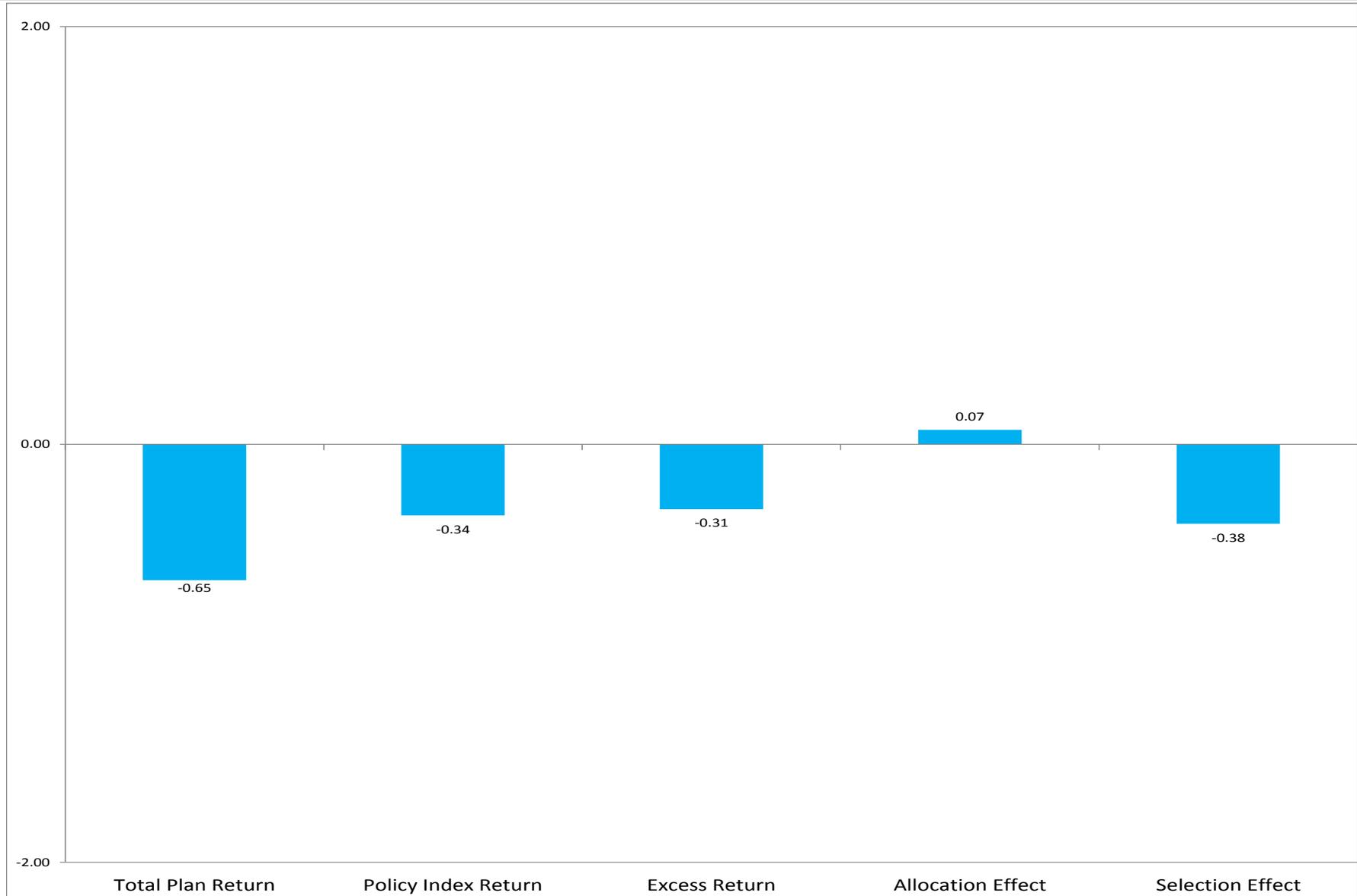
Relative Mix to Asset Weights



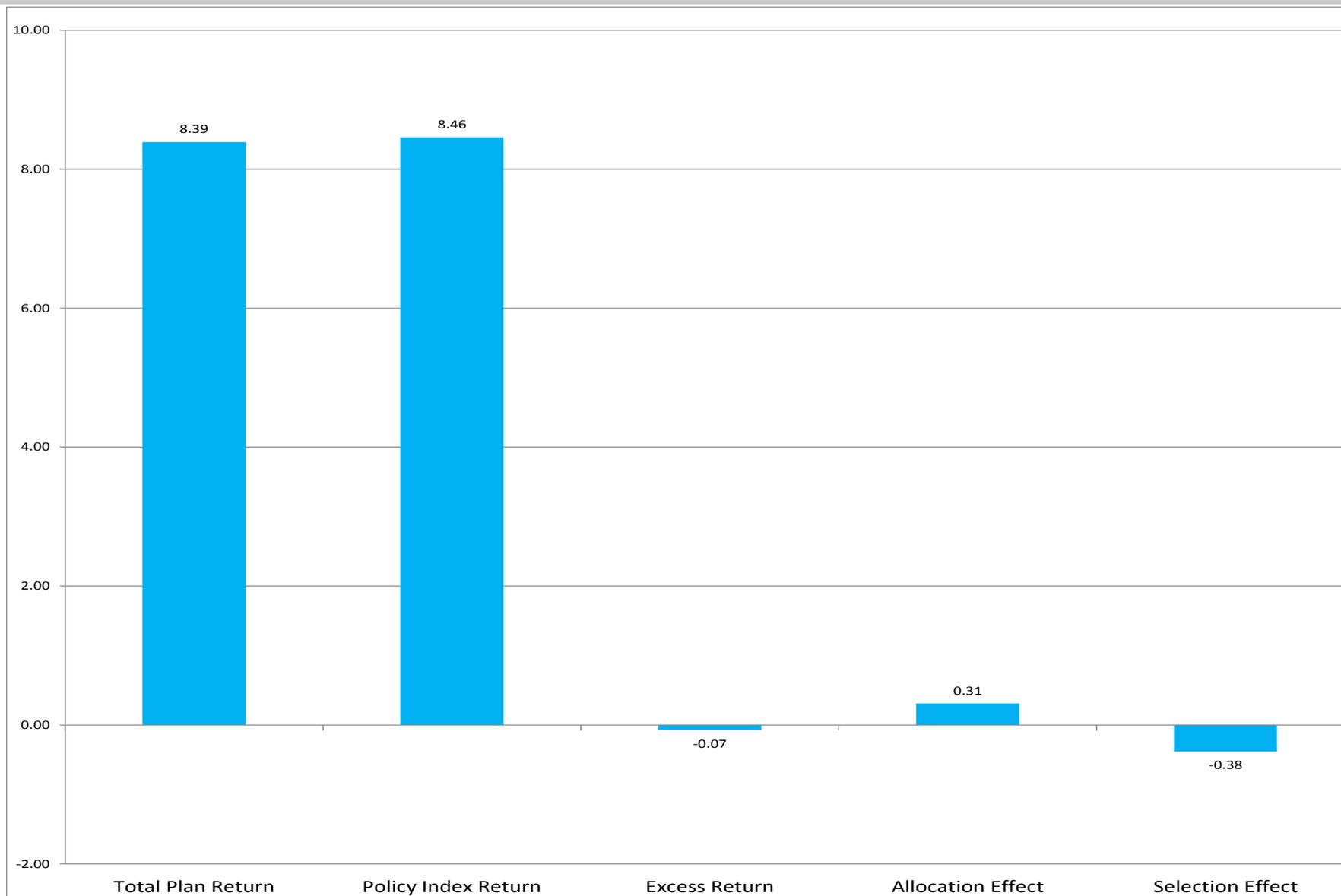
Performance Attribution: Total Plan - Quarter Ending: December 31, 2015



Performance Attribution: Total Plan - 12 Month Ending: December 31, 2015



Performance Attribution: Total Plan Gross of Investment Advisory Fees- 3 Years Ending: December 31, 2015





Allocation Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years*</u>	<u>Benchmark</u>
TOTAL FIREFIGHTERS	0.15	0.07	0.31	Firefighters Policy Benchmark
TOTAL DOMESTIC EQUITY	0.14	0.03	0.00	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.03	-0.01	0.05	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.04	0.18	-0.47	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	0.00	-0.03	0.00	DJ U.S. Select REIT
TOTAL STRUCTURED	0.13	-0.12	0.65	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.04	0.00	-0.04	BARCLAYS U.S TIPS INDEX
TOTAL ENHANCED YIELD	0.03	0.02	0.11	CITIGROUP BB & B
TOTAL CASH	-0.19	0.01	0.00	

Selection Effect - Asset Class Breakdown				
	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years*</u>	<u>Benchmark</u>
TOTAL FIREFIGHTERS	-0.19	-0.38	-0.38	Firefighters Policy Benchmark
TOTAL DOMESTIC EQUITY	0.03	0.07	-0.01	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.10	-0.15	-0.29	MSCI EAFE NET
TOTAL EMERGING MARKETS	-0.01	-0.18	-0.11	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	-0.11	-0.18	-0.05	DJ U.S. Select REIT
TOTAL STRUCTURED	-0.06	-0.15	-0.02	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.00	0.03	0.01	BARCLAYS U.S TIPS INDEX
TOTAL ENHANCED YIELD	0.07	0.16	0.08	CITIGROUP BB & B
TOTAL CASH	-0.01	0.02	0.01	

*Returns are Gross of Investment Advisory Fees

NYC FIREFIGHTERS' VARIABLE SUPPLEMENTS FUND

SECURITIES LENDING INCOME

December 31, 2015

	<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
2015	4,300	9,300	272,000

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

Appendix A

Consolidated Performance Report

Consolidated Performance Report

Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014	2013	2012	2011	2010	5 Year	10 Year	ITD	Inception Date	
SYSTEM RETURN SUMMARY															
5	FIREFIGHTERS-TOTAL PORTFOLIO - GROSS	439	100.00	3.78	(2.09)	(0.57)	8.40	18.14	13.80	0.89	15.07	7.89	6.51	8.51	01/01/1988
	FIREFIGHTERS- ESTIMATED INVESTMENT FEES			(0.02)	(0.04)	(0.08)	(0.13)								
	EST MANAGEMENT FEES			(0.02)	(0.04)	(0.08)	(0.13)								
	EST INCENTIVE FEES														
	EST OTHER FEES														
	EST FEE OFFSETS														
	FIREFIGHTERS-TOTAL PORTFOLIO - NET MGR			3.75	(2.13)	(0.65)	8.27								
	FIREFIGHTERS POLICY BENCHMARK			3.79	(2.12)	(0.34)	8.29	18.23	14.09	1.33	14.04	8.08	6.36		
	EXCESS RETURN			(0.03)	(0.01)	(0.31)	(0.02)	(0.10)	(0.30)	(0.44)	1.03	(0.20)	0.15		
EQUITY RETURN DETAIL															
17	FFVSF-TOTAL EQUITY - GROSS	301	68.58	5.69	(2.48)	(0.62)	9.08	26.65	16.76	(2.01)	17.69	9.45	6.58	6.02	08/01/2001
	ESTIMATED INVESTMENT FEES			(0.02)	(0.04)	(0.08)	(0.12)								
	EST MANAGEMENT FEES			(0.02)	(0.04)	(0.08)	(0.12)								
	EST INCENTIVE FEES														
	EST OTHER FEES														
	EST FEE OFFSETS														
	FFVSF-TOTAL EQUITY - NET MGR			5.67	(2.51)	(0.70)	8.96								
25	FFVSF-TOTAL DOMESTIC EQUITY - GROSS	214	48.69	6.33	(1.28)	0.62	12.42	33.57	16.40	0.98	16.97	12.17	7.36	9.83	06/01/1988
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.00)								
	FFVSF-TOTAL DOMESTIC EQUITY - NET MGR			6.33	(1.28)	0.62	12.42								
	RUSSELL 3000 (DAILY)			6.27	(1.43)	0.48	12.56	33.55	16.42	1.03	16.93	12.18	7.35	10.18	
	EXCESS RETURN			0.06	0.15	0.14	(0.14)	0.02	(0.02)	(0.05)	0.04	(0.01)	0.00	(0.35)	

Consolidated Performance Report

Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014	2013	2012	2011	2010	5 Year	10 Year	ITD	Inception Date	
EQUITY RETURN DETAIL															
37	FFVSF-TOTAL INTERNATIONAL EQUITY - GROSS	74	16.86	3.11	(9.30)	(6.17)	(5.81)	11.21	17.76	(13.69)	16.80	(0.02)	2.92	4.40	08/01/2001
	ESTIMATED INVESTMENT FEES			(0.07)	(0.13)	(0.30)	(0.40)								
	FFVSF-TOTAL INTERNATIONAL EQUITY - NET MGR			3.04	(9.43)	(6.47)	(6.22)								
	MSCI AC WORLD EX US (NET)			3.24	(9.32)	(5.66)	(3.87)	15.29	16.83	(13.71)	11.15	1.06	2.92	5.41	
	EXCESS RETURN			(0.21)	(0.11)	(0.81)	(2.35)	(4.08)	0.93	0.02	5.65	(1.08)	(0.00)	(1.01)	
47	FFVSF-TOTAL DEVELOPED MARKETS - GROSS	57	12.90	3.82	(6.93)	(2.05)	(6.76)	16.96	17.65	(12.14)	15.79	2.00	2.91	6.00	07/01/1994
	ESTIMATED INVESTMENT FEES			(0.09)	(0.16)	(0.34)	(0.37)								
	FFVSF-TOTAL DEVELOPED MARKETS - NET MGR			3.73	(7.10)	(2.39)	(7.13)								
	MSCI EAFE			4.71	(6.01)	(0.81)	(4.90)	22.78	17.32	(12.14)	7.75	3.60	3.03	4.58	
	EXCESS RETURN			(0.98)	(1.09)	(1.58)	(2.23)	(5.82)	0.33	0.00	8.04	(1.60)	(0.12)	1.42	
57	FFVSF-TOTAL EMERGING MARKETS - GROSS	18	4.02	0.52	(17.50)	(19.53)	(2.57)	(4.84)	18.12	(17.85)	19.87	(6.26)	2.22	3.94	08/01/2005
	ESTIMATED INVESTMENT FEES			(0.01)	(0.02)	(0.15)	(0.54)								
	FFVSF-TOTAL EMERGING MARKETS - NET MGR			0.50	(17.53)	(19.67)	(3.11)								
	MSCI EMERGING MARKETS			0.66	(17.35)	(14.92)	(2.19)	(2.60)	18.22	(18.42)	18.88	(4.81)	3.61	5.14	
	EXCESS RETURN			(0.16)	(0.17)	(4.75)	(0.92)	(2.24)	(0.11)	0.57	1.00	(1.45)	(1.40)	(1.20)	

Consolidated Performance Report

Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014	2013	2012	2011	2010	5 Year	10 Year	ITD	Inception Date	
EQUITY RETURN DETAIL															
69	FFVSF-TOTAL REAL ESTATE SECURITIES - GROSS	13	2.98	3.94	3.67	(1.25)	31.20	2.28	18.11	7.17	33.36	10.90	7.82	8.14	10/01/2005
	ESTIMATED INVESTMENT FEES			(0.10)	(0.20)	(0.37)	(0.48)								
	FFVSF-TOTAL REAL ESTATE SECURITIES - NET MGR			3.84	3.47	(1.63)	30.72								
	DJ US SELECT REAL ESTATE SECURITIES INDEX			7.55	10.77	4.46	31.85	1.31	17.09	8.87	28.47	12.21	7.08	7.21	
	EXCESS RETURN			(3.71)	(7.30)	(6.09)	(1.13)	0.97	1.03	(1.71)	4.89	(1.31)	0.74	0.93	

Consolidated Performance Report

Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014	2013	2012	2011	2010	5 Year	10 Year	ITD	Inception Date	
FIXED INCOME RETURN DETAIL															
81	FFVSF-TOTAL FIXED INCOME - GROSS	135	30.71	(0.60)	(1.11)	(0.41)	6.77	(1.22)	7.63	8.06	9.03	4.08	5.31	6.86	05/01/1988
	ESTIMATED INVESTMENT FEES			(0.03)	(0.05)	(0.10)	(0.15)								
	EST MANAGEMENT FEES			(0.03)	(0.05)	(0.10)	(0.15)								
	EST INCENTIVE FEES														
	EST OTHER FEES														
	EST FEE OFFSETS														
	FFVSF-TOTAL FIXED INCOME - NET MGR			(0.62)	(1.16)	(0.52)	6.61								
89	FFVSF-TOTAL STRUCTURED - GROSS	82	18.62	(0.79)	(0.31)	(0.39)	8.27	(2.73)	6.45	8.96	8.36	4.00	5.14	5.78	09/01/2000
	ESTIMATED INVESTMENT FEES			(0.01)	(0.03)	(0.06)	(0.09)								
	FFVSF-TOTAL STRUCTURED - NET MGR			(0.81)	(0.34)	(0.45)	8.18								
	NYC - CORE PLUS FIVE			(0.49)	0.78	0.41	7.66	(2.79)	5.41	9.40	7.13	3.92	5.10	5.74	
	EXCESS RETURN			(0.32)	(1.12)	(0.86)	0.52	0.05	1.04	(0.45)	1.22	0.08	0.04	0.05	
99	FFVSF-TOTAL TIPS MANAGERS - GROSS	10	2.22	(0.67)	(1.84)	(0.85)	3.37	(8.52)	7.67	13.34	6.57	2.73	4.10	3.94	06/01/2005
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.02)	(0.10)								
	FFVSF-TOTAL TIPS MANAGERS - NET MGR			(0.67)	(1.84)	(0.87)	3.27								
	BARCLAYS GLOBAL INFLATION LINKED: US TIPS (DAILY)			(0.64)	(1.78)	(1.44)	3.64	(8.61)	6.98	13.56	6.31	2.55	3.93	3.76	
	EXCESS RETURN			(0.03)	(0.06)	0.57	(0.37)	0.09	0.69	(0.22)	0.26	0.18	0.17	0.17	
109	FFVSF-TOTAL ENHANCED YIELD - GROSS	25	5.76	(0.28)	(4.18)	(0.92)	3.29	7.09	13.26	4.74	14.50	5.39	6.23	5.97	02/01/2001
	ESTIMATED INVESTMENT FEES			(0.09)	(0.17)	(0.36)	(0.37)								
	FFVSF-TOTAL ENHANCED YIELD - NET MGR			(0.37)	(4.36)	(1.27)	2.91								
	CITIGROUP BB & B			(1.70)	(6.77)	(4.21)	2.78	6.17	14.45	6.58	13.35	4.98	5.60	6.02	
	EXCESS RETURN			1.33	2.41	2.94	0.13	0.92	(1.19)	(1.84)	1.15	0.41	0.63	(0.05)	
CASH SUMMARY															
121	FIRE FIGHTERS SHORT TERM - GROSS	18	4.10	(0.15)	0.01	0.45		0.12	0.28	1.56	0.37				01/01/1988
	ESTIMATED INVESTMENT FEES			0.00	0.00	0.00		0.00	0.00	0.00	0.00				
	FIRE FIGHTERS SHORT TERM - NET MGR			(0.15)	0.01	0.45		0.12	0.28	1.56	0.37				
125	C/D - FAIL FLOAT EARNINGS	0	0.01												
127	SECURITY LENDING	3	0.71												

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

Appendix B

Public Markets Manager Performance Detail

Public Markets Manager Performance Detail

Net Returns Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014
EQUITY SUMMARY						
US EQUITY						
BLACKROCK R2000 GROWTH	8	1.76	4.41	(9.21)	(1.30)	5.50
RUSSELL 2000 GROWTH DAILY			4.32	(9.31)	(1.38)	5.60
Excess			0.09	0.09	0.08	(0.11)
BLACKROCK R2000 VALUE	8	1.76	2.99	(8.24)	(7.38)	4.11
RUSSELL 2000 VALUE DAILY			2.88	(8.17)	(7.47)	4.22
Excess			0.11	(0.07)	0.09	(0.11)
BLACKROCK R1000 GROWTH	99	22.65	7.37	1.74	5.77	12.91
RUSSELL 1000 GROWTH - DAILY			7.32	1.64	5.67	13.05
Excess			0.06	0.10	0.10	(0.14)
BLACKROCK R1000 VALUE	99	22.52	5.67	(3.09)	(3.66)	13.39
RUSSELL 1000 VALUE (DAILY)			5.64	(3.23)	(3.83)	13.45
Excess			0.03	0.14	0.17	(0.06)
NON - US EQUITY						
Causeway	57	12.88	3.74	(7.10)	(2.39)	
MSCI EAFE VALUE NET (DAILY)			2.68	(9.41)	(5.68)	
Excess			1.06	2.31	3.30	
EMERGING MARKETS						
BLACKROCK MSCI EMERGING MARKETS	18	4.02	0.50	(17.53)		
MSCI EMERGING MARKETS			0.66	(17.35)		
Excess			(0.16)	(0.17)		

Public Markets Manager Performance Detail

Net Returns Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014
REAL ESTATE SECURITIES						
MORGAN STANLEY REITS	13	2.98	3.89	3.52	(1.58)	30.72
Morgan Stanley Custom RESI Index			3.90	4.47	(1.53)	31.85
Excess			(0.01)	(0.96)	(0.06)	(1.13)
FIXED INCOME SUMMARY						
STRUCTURED FIXED INCOME						
Blackrock Government	16	3.75	(1.41)	1.66	0.66	
NYC - Treasury Agency Plus Five			(1.29)	2.06	0.72	
Excess			(0.11)	(0.40)	(0.07)	
Blackrock Mortgages	33	7.51	(0.14)	1.05	1.82	
CITIGROUP MORTGAGE INDEX			(0.07)	1.20	1.56	
Excess			(0.07)	(0.15)	0.26	
Taplin Canida Habacht Credit	32	7.36	(1.18)	(2.68)	(3.10)	8.51
NYC - Investment Grade Credit			(0.44)	(0.13)	(0.65)	7.04
Excess			(0.74)	(2.55)	(2.45)	1.47
ENHANCED YIELD						
T ROWE MGD AND MTA	25	5.76	(0.37)	(4.36)	(1.27)	2.91
CITIGROUP BB & B			(1.70)	(6.77)	(4.21)	2.78
Excess			1.33	2.41	2.94	0.13
TIPS						
SSGA TIPS	10	2.22	(0.67)	(1.84)		
Barclays Global Inflation Linked: US TIPS (Daily)			(0.64)	(1.78)		
Excess			(0.03)	(0.07)		

Public Markets Manager Performance Detail

Net Returns Through December 31, 2015



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2014
CASH						
FIRE FIGHTERS SHORT TERM	18	4.10	(0.15)	0.01	0.45	
91 DAY TREASURY BILL (DAILY)			0.03	0.04	0.05	
Excess			(0.18)	(0.04)	0.40	
C/D - Fail Float Earnings	0	0.01				
SECURITY LENDING	3	0.71				

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

Appendix C

Footnotes

Footnotes

Through December 31, 2015



- 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

- Returns are Net of Manager Fees for periods after January 2014 and Gross of investment advisory fees for other periods 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%*

*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.