



New York City
Police Officers' Variable Supplements Fund
Performance Overview as of March 31, 2016

Total Fund Overview

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

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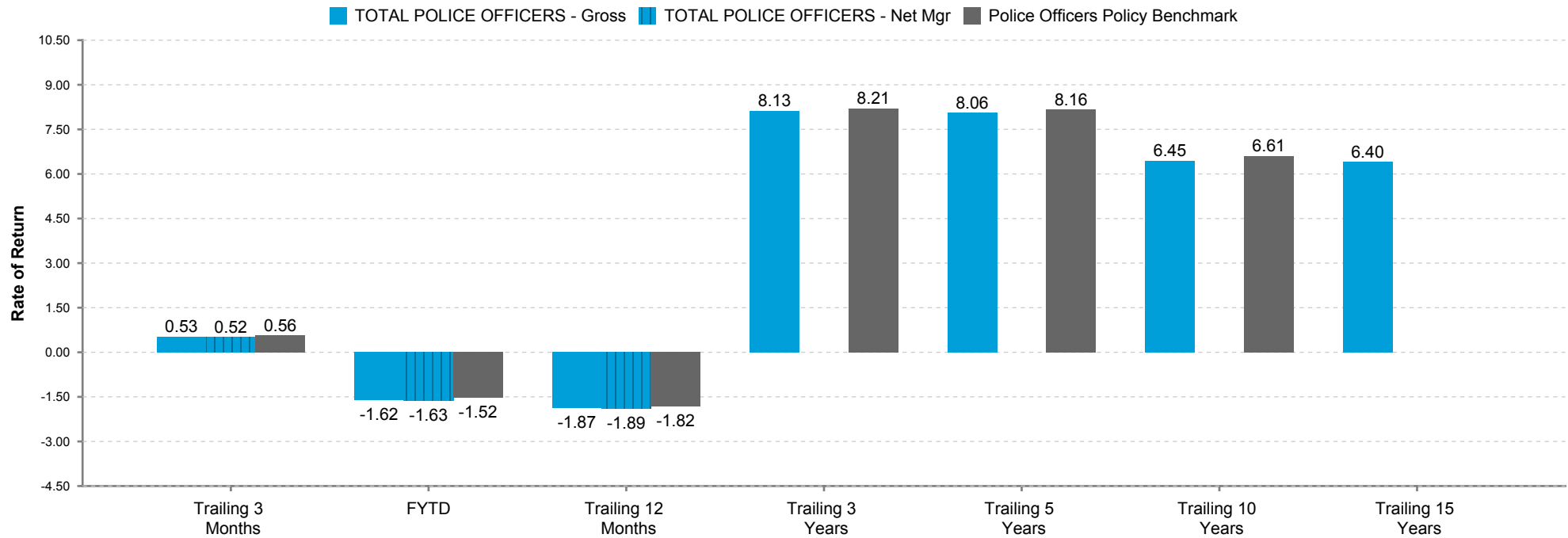
Total Portfolio Returns: March 31, 2016



TOTAL POLICE OFFICERS

Market Value (Billions)

\$1.3



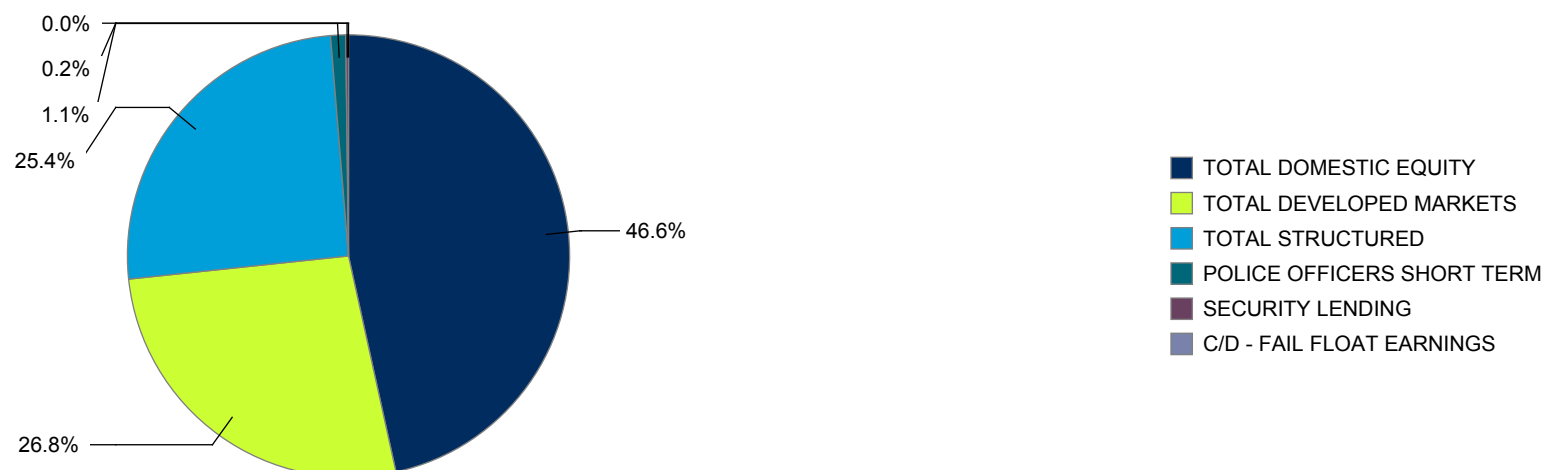
	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years
Standard Deviation							
TOTAL POLICE OFFICERS	8.5	8.8	8.1	9.5	10.0	10.5	11.4

TOTAL POLICE OFFICERS

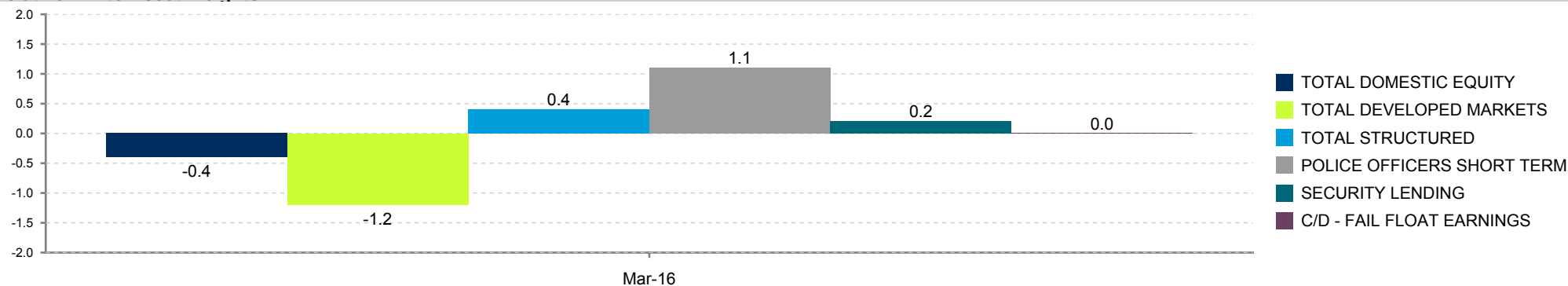
Market Value (Billions)

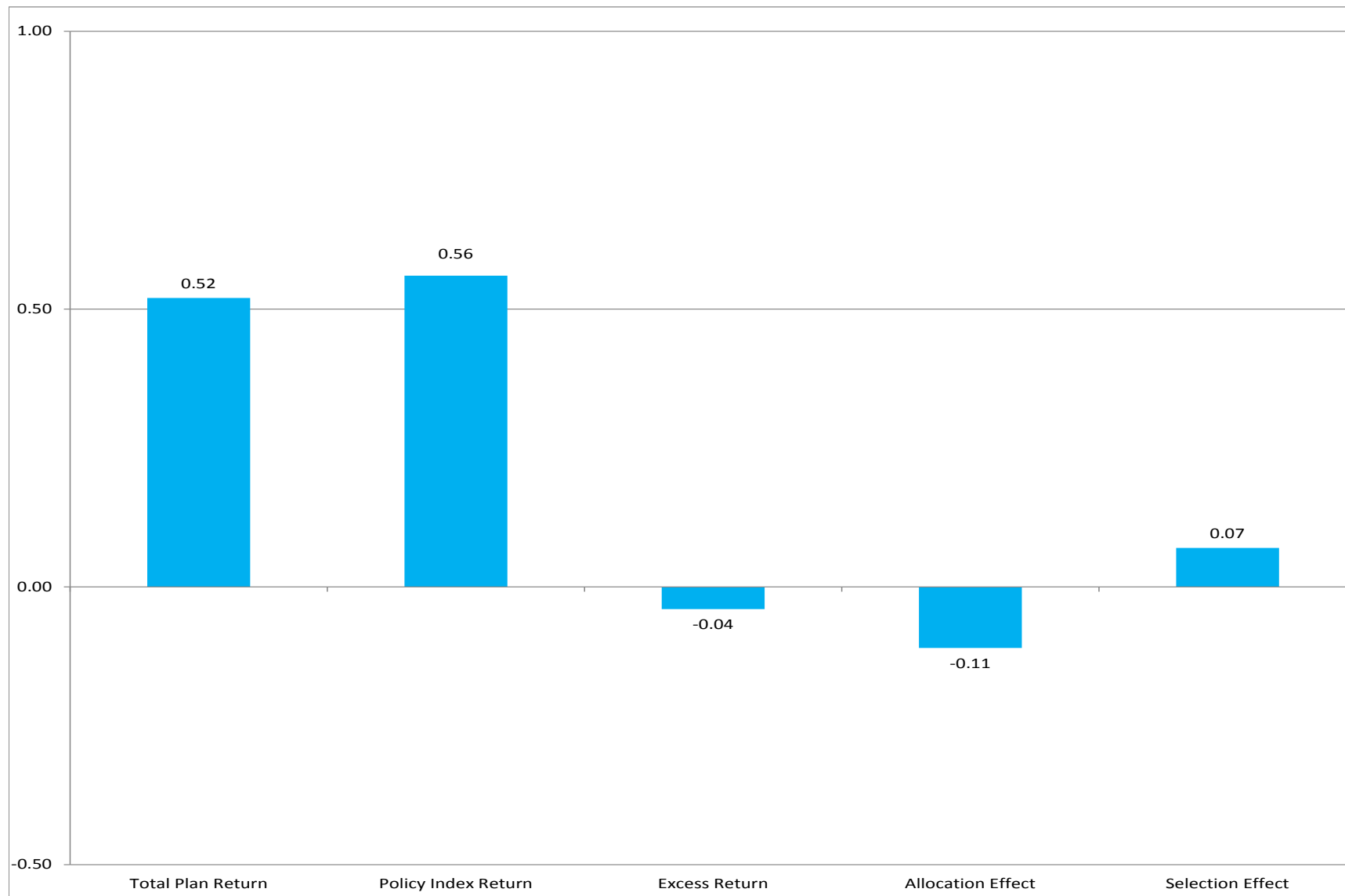
\$1.3

Asset Allocation

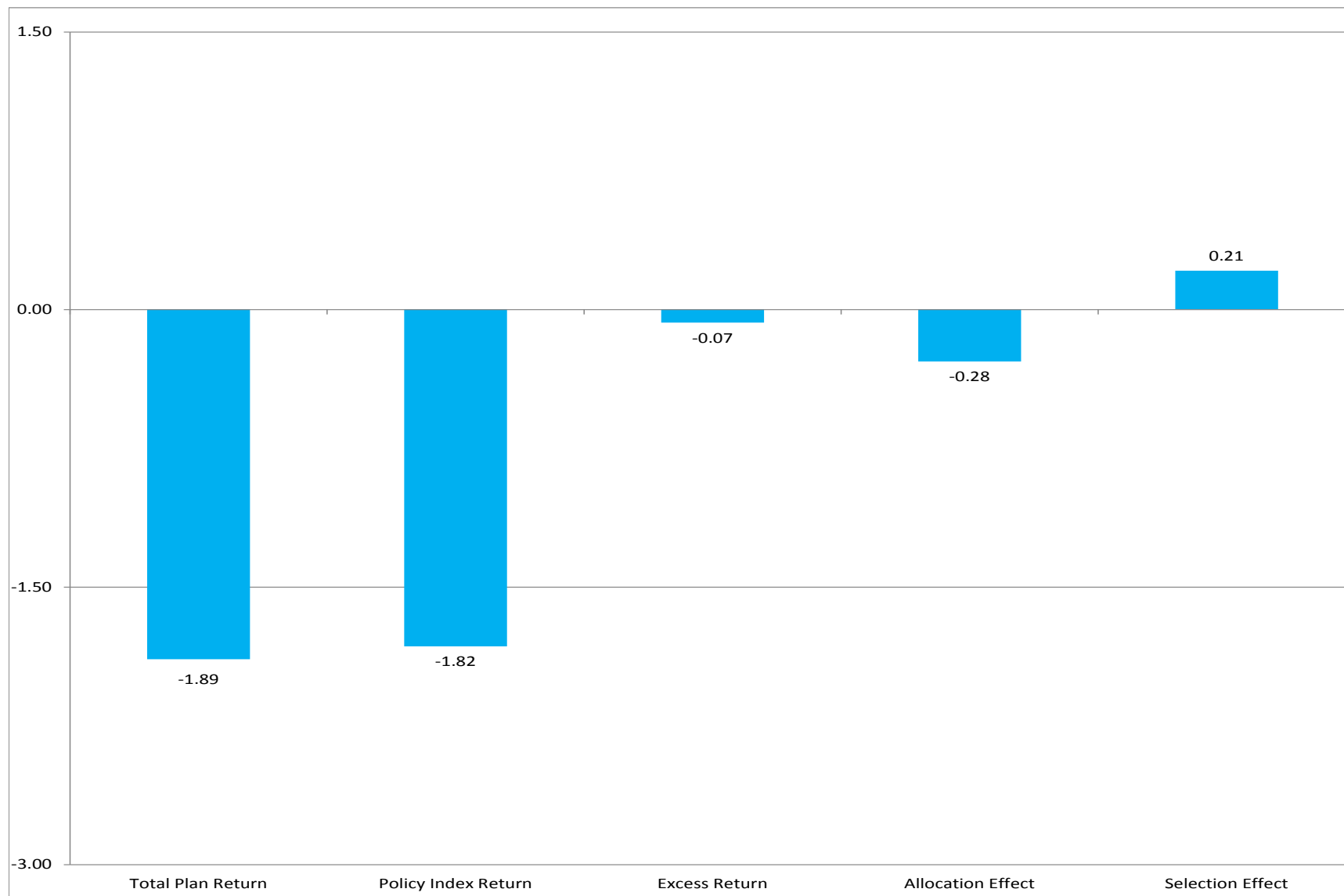


Relative Mix to Asset Weights





Performance Attribution: Total Plan - 12 Month Ending March 31, 2016



Allocation Effect - Asset Class Breakdown			
	<u>Quarter</u>	<u>12 Months</u>	<u>Benchmark</u>
TOTAL POLICE OFFICERS	-0.11	-0.28	Police Officers Policy Benchmark
TOTAL DOMESTIC EQUITY	-0.01	-0.07	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.00	-0.05	MSCI EAFE
TOTAL STRUCTURED	-0.09	-0.16	NYC - CORE PLUS FIVE

Selection Effect - Asset Class Breakdown			
	<u>Quarter</u>	<u>12 Months</u>	<u>Benchmark</u>
TOTAL POLICE OFFICERS	0.07	0.21	Police Officers Policy Benchmark
TOTAL DOMESTIC EQUITY	0.04	0.15	RUSSELL 3000
TOTAL DEVELOPED EQUITY	0.04	0.10	MSCI EAFE
TOTAL STRUCTURED	-0.01	-0.03	NYC - CORE PLUS FIVE

Securities Lending Income

Through March 31, 2016



NYC POLICE OFFICERS' VARIABLE SUPPLEMENTS FUND

SECURITIES LENDING INCOME

March 31, 2016

	<u>U.S. FIXED INCOME</u>	<u>U.S. EQUITY</u>	<u>INTERNATIONAL EQUITY</u>
2001	252,000	116,000	81,000
2002	139,000	72,000	82,000
2003	51,000	77,000	131,000
2004	91,000	115,000	126,000
2005	198,000	228,000	179,000
2006	169,000	305,000	180,000
2007	333,000	495,000	165,000
2008	873,000	881,000	201,000
2009	276,000	581,000	125,000
2010	85,000	243,000	80,000
2011	80,000	255,000	91,000
2012	38,000	271,000	47,000
2013	160,000	247,000	14,000
2014	20,000	33,000	140,000
2015	28,000	51,000	662,000
2016 (3 Months)	5,000	11,000	245,000

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

Appendix A

Consolidated Performance Report

Consolidated Performance Report

Through March 31, 2016



		Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2015	2014	2013	2012	2011	5 Year	10 Year	ITD	Inception Date
SYSTEM RETURN SUMMARY															
5	POVSF-TOTAL PORTFOLIO - GROSS	1,281	100.00	0.53	(1.62)	0.53	0.80	10.76	20.92	12.09	1.04	8.06	6.45	8.44	01/01/1988
	POVSF - ESTIMATED INVESTMENT FEES			(0.00)	(0.01)	(0.00)	(0.02)	(0.03)							
	EST MANAGEMENT FEES			(0.00)	(0.01)	(0.00)	(0.02)	(0.03)							
	EST INCENTIVE FEES														
	EST OTHER FEES														
	EST FEE OFFSETS														
	POVSF-TOTAL PORTFOLIO - NET MGR			0.52	(1.63)	0.52	0.78	10.74							
	POLICE OFFICERS POLICY BENCHMARK			0.56	(1.52)	0.56	0.31	11.14	21.60	12.32	0.65	8.16	6.61		
	EXCESS RETURN			(0.04)	(0.11)	(0.04)	0.47	(0.40)	(0.68)	(0.23)	0.39	(0.10)	(0.16)		
EQUITY RETURN SUMMARY															
17	POVSF-TOTAL EQUITY - GROSS	940	73.34	(0.47)	(3.62)	(0.47)	0.67	12.47	31.96	15.57	(2.04)	9.78	6.46	9.29	08/01/1993
	ESTIMATED INVESTMENT FEES			(0.00)	(0.01)	(0.00)	(0.01)	(0.00)							
	EST MANAGEMENT FEES			(0.00)	(0.01)	(0.00)	(0.01)	(0.00)							
	EST INCENTIVE FEES														
	EST OTHER FEES														
	EST FEE OFFSETS														
	POVSF-TOTAL EQUITY - NET MGR			(0.47)	(3.63)	(0.47)	0.67	12.46							
25	POVSF-TOTAL DOMESTIC EQUITY - GROSS	597	46.56	0.99	(0.27)	0.99	0.68	12.47	33.49	16.40	0.99	11.03	6.98	9.44	07/01/1991
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)							
	POVSF-TOTAL DOMESTIC EQUITY - NET MGR			0.99	(0.27)	0.99	0.68	12.46							
	RUSSELL 3000 (DAILY)			0.97	(0.48)	0.97	0.48	12.56	33.55	16.42	1.03	11.01	6.90	9.54	
	EXCESS RETURN			0.02	0.21	0.02	0.20	(0.09)	(0.06)	(0.01)	(0.03)	0.01	0.08	(0.10)	
35	POVSF-TOTAL SMALL CAP PASSIVE - GROSS	44	3.42	(1.44)	(10.06)	(1.44)	(4.36)	4.80						3.06	10/01/2013
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)							
	POVSF-TOTAL SMALL CAP PASSIVE - NET MGR			(1.44)	(10.06)	(1.44)	(4.36)	4.80							
	RUSSELL 2000 (DAILY)			(1.52)	(10.14)	(1.52)	(4.41)	4.89						2.88	
	EXCESS RETURN			0.08	0.08	0.08	0.05	(0.10)						0.18	
45	POVSF-TOTAL RUSSELL 1000 - GROSS	553	43.17	1.19	0.57	1.19	1.09	13.16						10.78	09/01/2013
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)							
	POVSF-TOTAL RUSSELL 1000 - NET MGR			1.18	0.56	1.18	1.08	13.15							
	RUSSELL 1000 (DAILY)			1.17	0.39	1.17	0.92	13.24						11.32	
	EXCESS RETURN			0.01	0.17	0.01	0.17	(0.09)						(0.55)	

Consolidated Performance Report

Through March 31, 2016



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2015	2014	2013	2012	2011	5 Year	10 Year	ITD	Inception Date
EQUITY RETURN SUMMARY														
57 POVSF-TOTAL INTERNATIONAL - GROSS	343	26.78	(2.90)	(8.74)	(2.90)								(3.40)	02/01/2015
ESTIMATED INVESTMENT FEES			(0.00)	(0.01)	(0.00)								(0.02)	
POVSF-TOTAL INTERNATIONAL - NET MGR			(2.91)	(8.76)	(2.91)								(3.42)	
MSCI EAFE			(3.01)	(8.83)	(3.01)								(3.68)	
EXCESS RETURN			0.10	0.08	0.10								0.26	

Consolidated Performance Report

Through March 31, 2016



	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2015	2014	2013	2012	2011	5 Year	10 Year	ITD	Inception Date
FIXED INCOME RETURN SUMMARY														
69 POVSF-TOTAL FIXED INCOME - GROSS	339	26.48	3.37	3.94	3.37	(0.34)	7.43	(2.36)	4.87	7.76	3.74	5.45	6.50	04/01/1991
ESTIMATED INVESTMENT FEES			(0.01)	(0.03)	(0.01)	(0.04)	(0.07)							
EST MANAGEMENT FEES			(0.01)	(0.03)	(0.01)	(0.04)	(0.07)							
EST INCENTIVE FEES														
EST OTHER FEES														
EST FEE OFFSETS														
POVSF-TOTAL FIXED INCOME - NET MGR			3.36	3.91	3.36	(0.38)	7.36							
77 POVSF-TOTAL STRUCTURED FIXED INCOME - GROSS	325	25.38	3.51	4.09	3.51	0.45	7.63	(2.52)	5.95	8.46	4.44	5.52	5.59	08/01/2000
ESTIMATED INVESTMENT FEES			(0.01)	(0.03)	(0.01)	(0.04)	(0.07)							
POVSF-TOTAL STRUCTURED FIXED INCOME - NET MGR			3.50	4.05	3.50	0.41	7.55							
NYC - CORE PLUS FIVE			3.53	4.34	3.53	0.41	7.66	(2.79)	5.41	9.40	4.54	5.56	5.95	
EXCESS RETURN			(0.02)	(0.28)	(0.02)	(0.00)	(0.11)	0.27	0.54	(0.94)	(0.11)	(0.04)	(0.36)	
CASH SUMMARY														
89 POLICE SUPERIOR OFFICERS SHORT TERM - GROSS	14	1.09	0.20	0.21	0.20	0.12					0.52			01/01/1988
ESTIMATED INVESTMENT FEES			0.00	0.00	0.00	0.00					0.00			
POLICE SUPERIOR OFFICERS SHORT TERM - NET MGR			0.20	0.21	0.20	0.12					0.52			
93 C/D - FAIL FLOAT EARNINGS	0	0.00												
95 SECURITY LENDING	2	0.18												

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

Appendix B

Public Markets Manager Performance Detail

Public Markets Manager Performance Detail



Net Returns Through March 31, 2016

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2015	2014
EQUITY SUMMARY							
US EQUITY							
BLACKROCK R2000 GROWTH MTA	21	1.63	(4.65)	(13.44)	(4.65)	(1.30)	5.50
RUSSELL 2000 GROWTH DAILY			(4.68)	(13.55)	(4.68)	(1.38)	5.60
Excess			0.03	0.12	0.03	0.08	(0.11)
BLACKROCK R2000 VALUE MTA	23	1.79	1.70	(6.68)	1.70	(7.38)	4.11
RUSSELL 2000 VALUE DAILY			1.70	(6.60)	1.70	(7.47)	4.22
Excess			(0.00)	(0.08)	(0.00)	0.09	(0.11)
BLACKROCK R1000 GROWTH MTA	276	21.51	0.74	2.50	0.74	5.77	12.91
RUSSELL 1000 GROWTH - DAILY			0.74	2.39	0.74	5.67	13.05
Excess			0.00	0.10	0.00	0.10	(0.14)
BLACKROCK R1000 VALUE MTA	277	21.62	1.64	(1.50)	1.64	(3.66)	13.39
RUSSELL 1000 VALUE (DAILY)			1.64	(1.65)	1.64	(3.83)	13.45
Excess			0.00	0.15	0.00	0.17	(0.06)
NON - US EQUITY							
SSGA MTA 126	343	26.78	(2.91)	(8.76)	(2.91)		
MSCI EAFE			(3.01)	(8.83)	(3.01)		
Excess			0.10	0.08	0.10		
FIXED INCOME SUMMARY							
STRUCTURED FIXED INCOME							
Blackrock Government	63	4.91	5.49	7.20	5.49	0.51	
NYC - Treasury Agency Plus Five			5.55	7.72	5.55	0.72	
Excess			(0.06)	(0.52)	(0.06)	(0.22)	

Public Markets Manager Performance Detail



Net Returns Through March 31, 2016

	Market Value (\$MM)	% of Total	3 Month	FYTD	CYTD	2015	2014
Blackrock Mortgages	119	9.26	2.06	3.12	2.06	1.74	
CITIGROUP MORTGAGE INDEX			1.97	3.18	1.97	1.56	
Excess			0.09	(0.07)	0.09	0.18	
Blackrock - Credit	144	11.21	3.86	3.48	3.86	(0.74)	7.44
NYC - Investment Grade Credit			3.85	3.72	3.85	(0.65)	7.04
Excess			0.01	(0.23)	0.01	(0.10)	0.40
CASH							
POLICE OFFICERS SHORT TERM	14	1.10	0.20	0.21	0.20	0.12	
91 DAY T-BILL			0.07	0.12	0.07	0.05	
Excess			0.12	0.09	0.12	0.07	
C/D - Fail Float Earnings	0	0.00					
SECURITY LENDING	2	0.18					

**New York City
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Appendix C

Footnotes

Through March 31, 2016



- Effective 4/1/03, the name of the Core +5 benchmark index provider was changed from Salomon to Citigroup.
- Effective 7/1/03, the “NYC-Loomis” benchmark index for the Loomis Sayles Enhanced Yield portfolio reflects a change from the Citigroup BB&B Index to the more appropriate Merrill Lynch High Yield Master II 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

- 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 - 6 - 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.

Through March 31, 2016



The indexes and most recent policy weights are as follows:

*U.S. Equity: Russell 3000 * 47.00%*

*International Developed (EAFE) Markets: MSCI EAFE * 28.00%*

*Domestic Fixed Income: NYC Core +5 * 25.00%*

Page 7 – 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.