New York City
Fire Officers' Variable Supplements Fund
Performance Overview as of December 31, 2016

Total Fund Overview

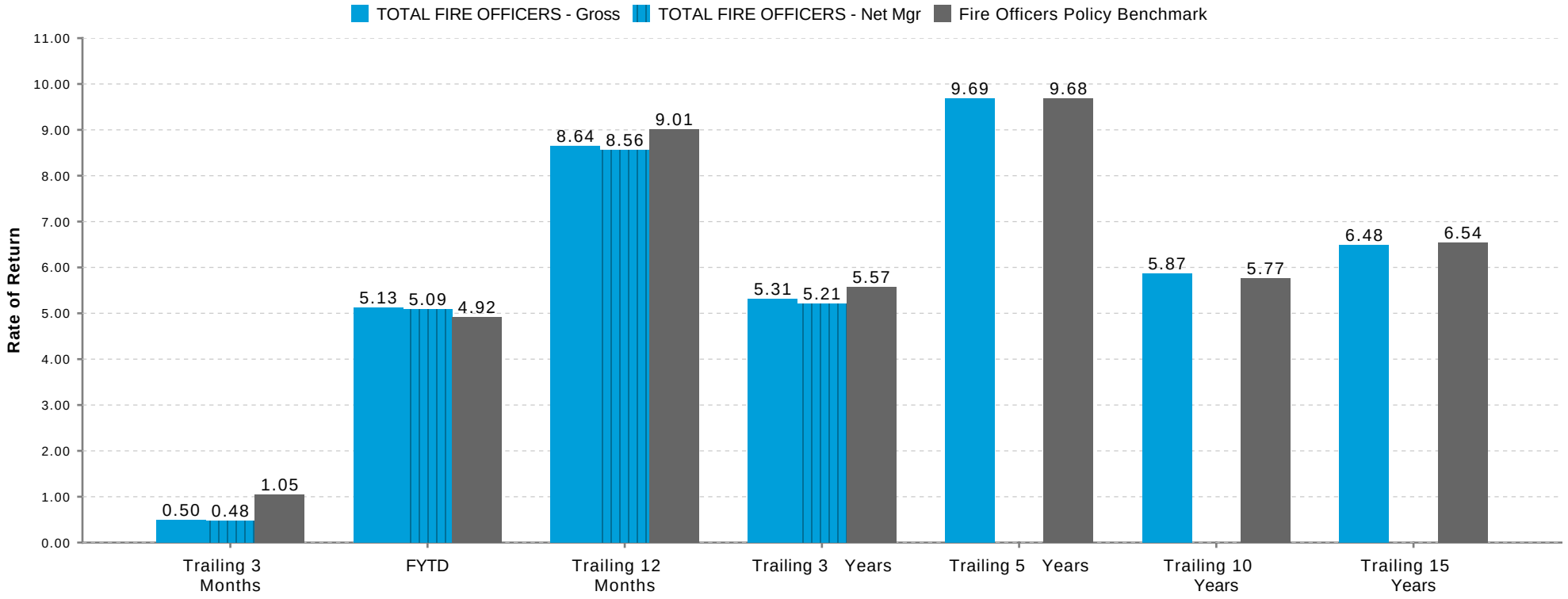
New York City
Fire Officers' Variable Supplements Fund

Table of Contents:

Performance Charts	p.3
Appendix A - Consolidated Performance Report	p.10
Appendix B - Public Markets Manager Performance Detail	p.14
Appendix C - Footnotes	p.18

Total Portfolio Returns: December 31, 2016

	Market Value (Millions)
TOTAL FIRE OFFICERS	$298.2

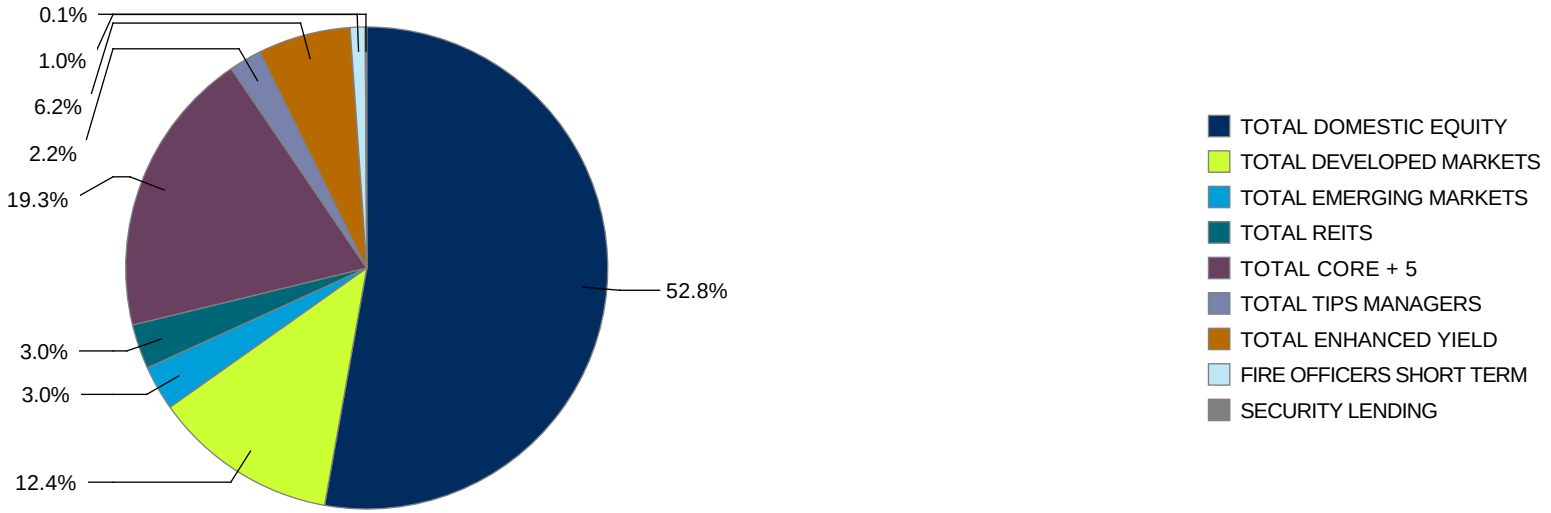


	Plan 3 Years	Benchmark 3 Years	Plan 5 Years	Benchmark 5 Years	Plan 7 Years	Benchmark 7 Years	Plan 10 Years	Benchmark 10 Years
Standard Deviation								
TOTAL FIRE OFFICERS	8.3	7.9	9.7	7.8	9.9	9.5	11.8	11.9

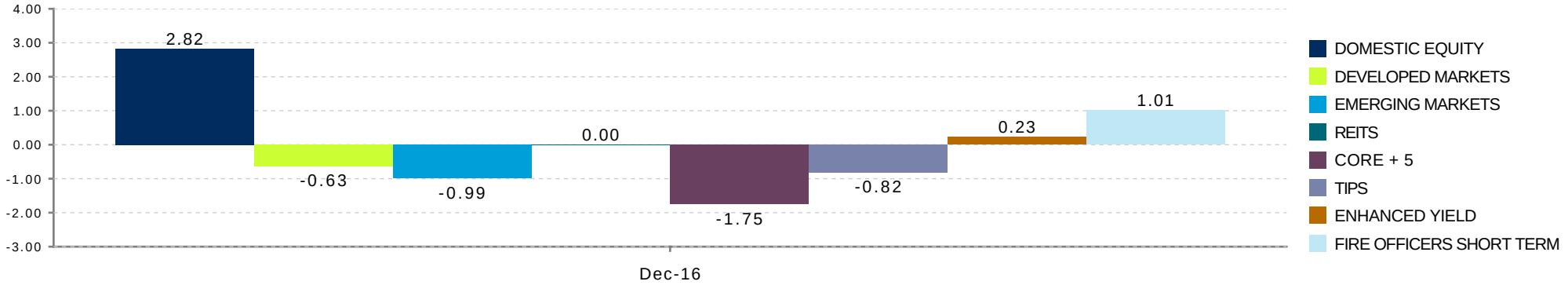
Portfolio Asset Allocation: December 31, 2016

	Market Value (Millions)
TOTAL FIRE OFFICERS	$298.2

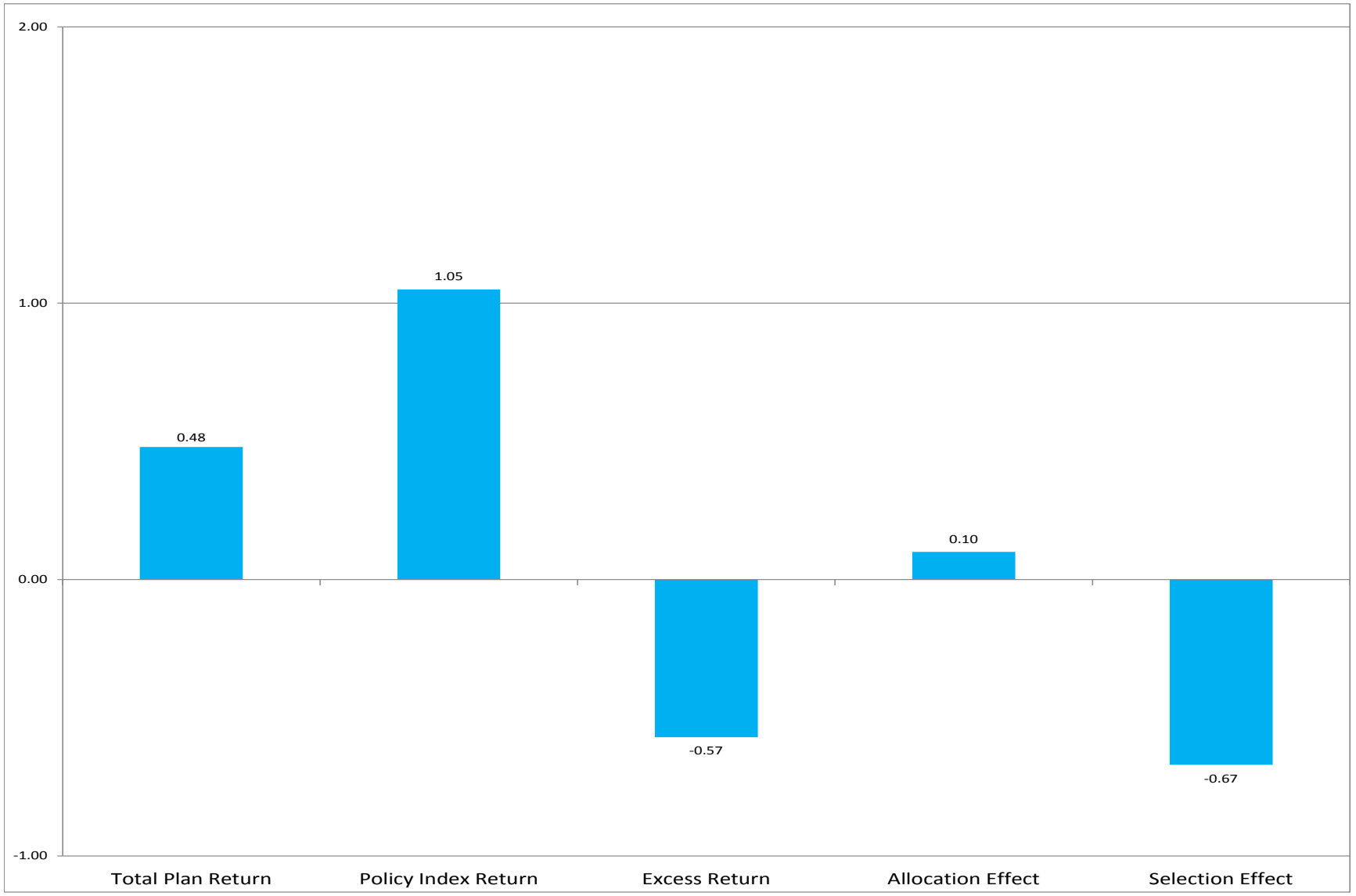
Asset Allocation



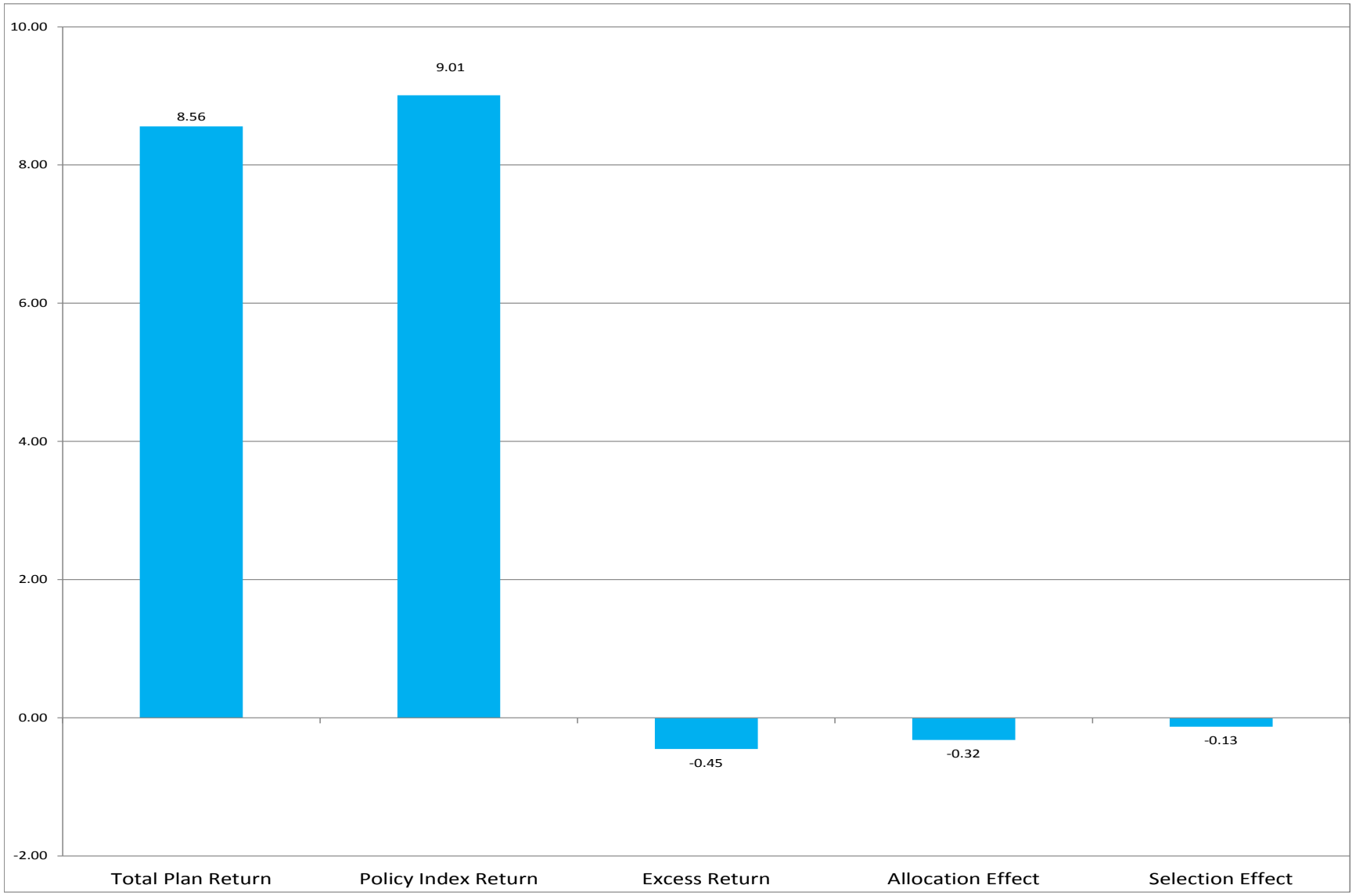
Relative Mix to Asset Weights



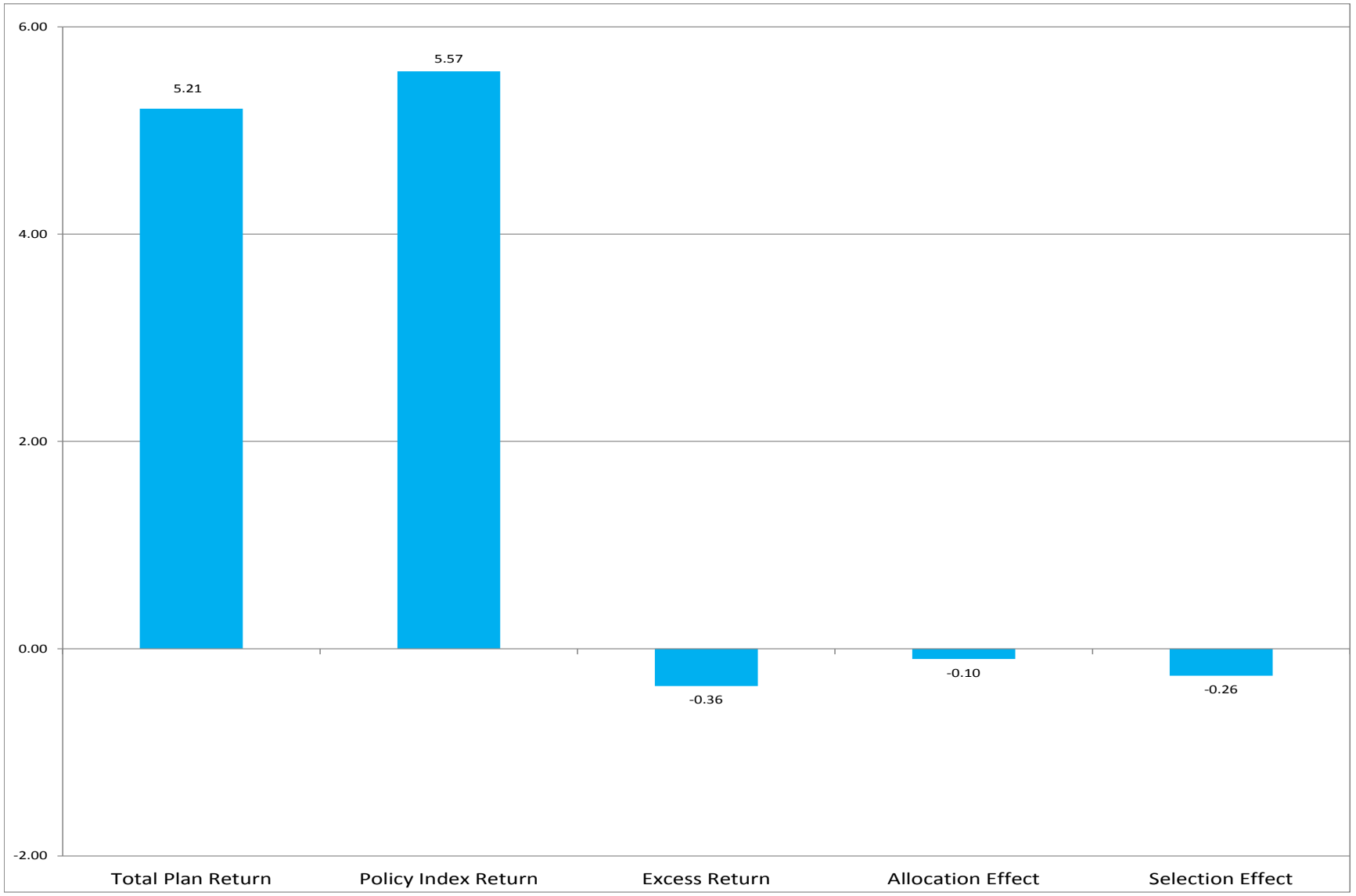
Performance Attribution: Total Plan - Quarter Ending December 31, 2016



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



Performance Attribution: Total Plan - 3 Years Ending December 31, 2016



Allocation Effect - Asset Class Breakdown				
	Quarter	12 Months	3 Years	Benchmark
TOTAL FIRE OFFICERS	0.10	-0.32	-0.10	Fire Officers Policy Benchmark
TOTAL DOMESTIC EQUITY	0.03	-0.04	0.00	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.01	0.01	0.01	MSCI EAFE NET
TOTAL EMERGING MARKETS	0.04	-0.05	0.06	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	-0.01	-0.01	0.02	DJ U.S. Select REIT
TOTAL STRUCTURED	0.05	-0.10	-0.10	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.03	0.01	0.01	BARCLAYS U.S TIPS INDEX
TOTAL ENHANCED YIELD	0.00	-0.01	0.00	CITIGROUP BB & B
TOTAL CASH	-0.01	-0.13	-0.09	

Selection Effect - Asset Class Breakdown				
	Quarter	12 Months	3 Years	Benchmark
TOTAL FIRE OFFICERS	-0.67	-0.13	-0.26	Fire Officers Policy Benchmark
TOTAL DOMESTIC EQUITY	0.06	0.11	0.09	RUSSELL 3000
TOTAL DEVELOPED EQUITY	-0.71	0.02	-0.23	MSCI EAFE NET
TOTAL EMERGING MARKETS	-0.01	0.00	-0.08	MSCI EMERGING MARKETS
TOTAL REAL ESTATE SECURITIES	-0.05	-0.12	-0.13	DJ U.S. Select REIT
TOTAL STRUCTURED	0.06	0.04	0.09	NYC - CORE PLUS FIVE
TOTAL TIPS MANAGERS	0.00	0.00	0.01	BARCLAYS U.S TIPS INDEX
TOTAL ENHANCED YIELD	-0.02	-0.19	0.00	CITIGROUP BB & B
TOTAL CASH	0.00	0.00	0.00	

Securities Lending Income

NYC FIRE OFFICERS' VARIABLE SUPPLEMENTS FUND
SECURITIES LENDING INCOME
December 31, 2016

	U. S. FIXED INCOME	U. S. EQUITY	INTERNATIONAL EQUITY	TOTAL
2001	32,000	6,000	-	38,000
2002	20,000	6,200	-	26,200
2003	14,000	11,000	31,000	56,000
2004	24,000	24,000	24,000	72,000
2005	42,000	42,000	32,000	116,000
2006	44,000	98,000	32,000	174,000
2007	91,000	137,000	28,000	256,000
2008	240,000	195,000	37,000	472,000
2009	67,000	101,000	25,000	193,000
2010	32,000	101,000	20,000	153,000
2011	48,000	116,000	34,000	198,000
2012	37,000	129,000	25,000	191,000
2013	17,000	113,000	25,000	155,000
2014	7,900	11,000	131,000	149,900
2015	2,000	8,400	209,000	219,400
2016	7,000	131,000	170,000	308,000
Since Inception	724,900	1,229,600	823,000	2,777,500

Appendix A

Consolidated Performance Report

Consolidated Performance Report

Through December 31, 2016

		Market Value ($MM)	% of Total	3 Month	FYTD	CYTD	2015	2014	2013	2012	2011	3 Year	5 Year	10 Year	ITD	Inception Date
	SYSTEM RETURN SUMMARY															
5	FIRE OFFICERS-TOTAL PORTFOLIO - GROSS	298	100.00	0.50	5.13	8.64	(0.74)	8.30	19.49	13.79	0.70	5.31	9.69	5.87	8.33	01/01/1988
	FIRE OFFICERS- ESTIMATED INVESTMENT FEES			(0.02)	(0.04)	(0.08)	(0.09)	(0.11)				(0.09)				
	EST MANAGEMENT FEES			(0.02)	(0.04)	(0.08)	(0.09)	(0.11)				(0.09)				
	EST INCENTIVE FEES															
	EST OTHER FEES															
	EST FEE OFFSETS															
	FIRE OFFICERS-TOTAL PORTFOLIO - NET MGR			0.48	5.09	8.56	(0.83)	8.19				5.21				
	FIRE OFFICERS POLICY BENCHMARK			1.05	4.92	9.01	(0.34)	8.29	18.23	14.09	1.33	5.57	9.68	5.77		
	EXCESS RETURN			(0.56)	0.17	(0.45)	(0.49)	(0.10)	1.26	(0.30)	(0.63)	(0.35)	0.01	0.10		
	EQUITY RETURN DETAIL															
17	FOVSF-TOTAL EQUITY - GROSS	212	71.20	1.60	7.61	10.41	(1.18)	9.13	27.60	16.30	(2.13)	5.99	12.06	5.39	5.81	08/01/2001
	ESTIMATED INVESTMENT FEES			(0.02)	(0.03)	(0.07)	(0.08)	(0.10)				(0.08)				
	EST MANAGEMENT FEES			(0.02)	(0.03)	(0.07)	(0.08)	(0.10)								
	EST INCENTIVE FEES															
	EST OTHER FEES															
	EST FEE OFFSETS															
	FOVSF-TOTAL EQUITY - NET MGR			1.59	7.58	10.34	(1.25)	9.03				5.91				
25	FOVSF-TOTAL DOMESTIC EQUITY - GROSS	157	52.82	4.32	8.92	12.96	0.62	12.73	33.59	16.43	1.02	8.61	14.79	7.14	10.00	01/01/1991
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)				(0.00)				
	FOVSF-TOTAL DOMESTIC EQUITY - NET MGR			4.32	8.92	12.95	0.61	12.73				8.61				
	RUSSELL 3000/S&P500 04/30/09			4.21	8.79	12.74	0.48	12.56	33.55	16.42	1.03	8.43	14.67	7.05	9.94	
	EXCESS RETURN			0.11	0.13	0.22	0.14	0.17	0.04	0.02	(0.01)	0.17	0.12	0.09	0.06	

Consolidated Performance Report

Through December 31, 2016

		Market Value ($MM)	% of Total	3 Month	FYTD	CYTD	2015	2014	2013	2012	2011	3 Year	5 Year	10 Year	ITD	Inception Date
	EQUITY RETURN DETAIL															
37	**FOVSF-TOTAL INTERNATIONAL EQUITY - GROSS**	**46**	**15.44**	**(5.76)**	**5.35**	**3.17**	**(6.89)**	**(5.75)**	**15.03**	**15.50**	**(14.06)**	**(3.26)**	**3.76**	**(0.16)**	**3.75**	**08/01/2001**
	ESTIMATED INVESTMENT FEES			**(0.05)**	**(0.12)**	**(0.23)**	**(0.23)**	**(0.30)**				**(0.25)**				
	EST MANAGEMENT FEES			**(0.05)**	**(0.12)**	**(0.23)**	**(0.23)**	**(0.30)**								
	EST INCENTIVE FEES															
	EST OTHER FEES															
	EST FEE OFFSETS															
	FOVSF-TOTAL INTERNATIONAL EQUITY - NET MGR			**(5.81)**	**5.24**	**2.94**	**(7.12)**	**(6.05)**				**(3.52)**				
	MSCI AC WORLD EX US (NET)			**(1.25)**	**5.57**	**4.50**	**(5.66)**	**(3.87)**	**15.29**	**16.83**	**(13.71)**	**(1.78)**	**5.00**	**0.96**	**5.35**	
	EXCESS RETURN			**(4.55)**	**(0.33)**	**(1.56)**	**(1.46)**	**(2.19)**	**(0.26)**	**(1.33)**	**(0.35)**	**(1.74)**	**(1.24)**	**(1.12)**	**(1.60)**	
47	FOVSF-DEVELOPED MARKETS - GROSS	37	12.37	(6.09)	5.62	1.38	(3.56)	(6.55)	21.44	14.68	(12.70)	(2.97)	4.94	(0.52)	5.20	07/01/1994
	ESTIMATED INVESTMENT FEES			(0.06)	(0.14)	(0.26)	(0.25)	(0.24)				(0.25)				
	FOVSF- DEVELOPED MARKETS - NET MGR			(6.15)	5.48	1.11	(3.81)	(6.79)				(3.22)				
	MSCI EAFE			(0.71)	5.67	1.00	(0.81)	(4.90)	22.78	17.32	(12.14)	(1.60)	6.53	0.75	4.42	
	EXCESS RETURN			**(5.44)**	**(0.19)**	**0.11**	**(2.99)**	**(1.89)**	**(1.34)**	**(2.63)**	**(0.56)**	**(1.61)**	**(1.60)**	**(1.27)**	**0.78**	
57	FOVSF-EMERGING MARKETS - GROSS	9	3.01	(4.34)	4.30	11.25	(19.53)	(2.57)	(4.84)	18.12	(17.86)	(4.45)	(0.39)	0.42	4.63	08/01/2005
	ESTIMATED INVESTMENT FEES			(0.01)	(0.03)	(0.06)	(0.15)	(0.54)				(0.25)				
	FOVSF-EMERGING MARKETS - NET MGR			(4.36)	4.28	11.19	(19.68)	(3.11)				(4.70)				
	MSCI EMERGING MARKETS			(4.16)	4.49	11.19	(14.92)	(2.19)	(2.60)	18.22	(18.42)	(2.55)	1.28	1.84	5.65	
	EXCESS RETURN			**(0.19)**	**(0.21)**	**0.01**	**(4.76)**	**(0.92)**	**(2.24)**	**(0.11)**	**0.57**	**(2.15)**	**(1.67)**	**(1.42)**	**(1.03)**	
	EQUITY RETURN DETAIL															
69	**FOVSF-TOTAL REAL ESTATE SECURITIES - GROSS**	**9**	**3.00**	**(4.02)**	**(2.36)**	**3.81**	**(1.26)**	**31.20**	**2.28**	**18.19**	**6.78**	**10.38**	**10.21**	**4.57**	**7.68**	**10/01/2005**
	ESTIMATED INVESTMENT FEES			**(0.04)**	**(0.07)**	**(0.28)**	**(0.37)**	**(0.48)**				**(0.37)**				
	FOVSF-TOTAL REAL ESTATE SECURITIES - NET MGR			**(4.05)**	**(2.43)**	**3.52**	**(1.63)**	**30.72**				**10.01**				
	DJ US SELECT REAL ESTATE SECURITIES INDEX			**(2.53)**	**(3.74)**	**6.65**	**4.46**	**31.85**	**1.31**	**17.09**	**8.87**	**13.67**	**11.75**	**4.53**	**7.16**	
	EXCESS RETURN			**(1.52)**	**1.31**	**(3.13)**	**(6.09)**	**(1.13)**	**0.97**	**1.10**	**(2.09)**	**(3.67)**	**(1.54)**	**0.04**	**0.53**	

Consolidated Performance Report

Through December 31, 2016

		Market Value ($MM)	% of Total	3 Month	FYTD	CYTD	2015	2014	2013	2012	2011	3 Year	5 Year	10 Year	ITD	Inception Date
	FIXED INCOME RETURN DETAIL															
81	**FOVSF-TOTAL FIXED INCOME - GROSS**	**85**	**28.66**	**(2.16)**	**(0.55)**	**5.33**	**0.27**	**6.59**	**(0.76)**	**8.19**	**8.14**	**4.03**	**3.86**	**5.69**	**6.19**	**08/01/1993**
	ESTIMATED INVESTMENT FEES			**(0.02)**	**(0.05)**	**(0.11)**	**(0.12)**	**(0.14)**				**(0.13)**				
	EST MANAGEMENT FEES			**(0.02)**	**(0.05)**	**(0.11)**	**(0.12)**	**(0.14)**								
	EST INCENTIVE FEES															
	EST OTHER FEES															
	EST FEE OFFSETS															
	FOVSF-TOTAL FIXED INCOME - NET MGR			**(2.19)**	**(0.60)**	**5.22**	**0.14**	**6.45**				**3.90**				
89	FOVSF-TOTAL STRUCTURED - GROSS	57	19.25	(3.31)	(2.44)	3.50	1.13	8.37	(2.02)	7.50	8.76	4.29	3.62	5.71	6.05	09/01/2000
	ESTIMATED INVESTMENT FEES			(0.02)	(0.03)	(0.07)	(0.08)	(0.08)				(0.08)				
	FOVSF-TOTAL STRUCTURED - NET MGR			(3.33)	(2.47)	3.43	1.05	8.29				4.22				
	NYC - CORE PLUS FIVE			(3.61)	(2.95)	3.20	0.41	7.66	(2.79)	5.41	9.40	3.71	2.71	4.98	5.58	
	EXCESS RETURN			**0.28**	**0.48**	**0.23**	**0.65**	**0.63**	**0.76**	**2.09**	**(0.64)**	**0.50**	**0.91**	**0.73**	**0.47**	
99	FOVSF-TOTAL TIPS MANAGERS - GROSS	6	2.18	(2.47)	(1.51)	4.85	(0.85)	3.37	(8.52)	7.67	13.34	2.43	1.14	4.58	4.03	06/01/2005
	ESTIMATED INVESTMENT FEES			(0.00)	(0.00)	(0.01)	(0.02)	(0.10)				(0.04)				
	FOVSF-TOTAL TIPS MANAGERS - NET MGR			(2.47)	(1.52)	4.84	(0.87)	3.27				2.39				
	BBG BARC GBL INF-LK: US TIPS (DLY)			(2.41)	(1.47)	4.68	(1.44)	3.64	(8.61)	6.98	13.56	2.26	0.89	4.36	3.84	
	EXCESS RETURN			**(0.06)**	**(0.05)**	**0.16**	**0.57**	**(0.37)**	**0.09**	**0.69**	**(0.22)**	**0.13**	**0.25**	**0.21**	**0.19**	
109	FOVSF-TOTAL ENHANCED YIELD - GROSS	19	6.23	1.27	6.01	12.79	(0.92)	3.29	7.09	13.27	5.12	4.90	6.96	6.78	7.14	02/01/2001
	ESTIMATED INVESTMENT FEES			(0.06)	(0.15)	(0.33)	(0.36)	(0.37)				(0.35)				
	FOVSF-TOTAL ENHANCED YIELD - NET MGR			1.20	5.86	12.47	(1.27)	2.91				4.55				
	CITIGROUP BB & B			1.56	6.77	15.48	(4.21)	2.78	6.17	14.45	6.58	4.37	6.68	6.02	6.59	
	EXCESS RETURN			**(0.35)**	**(0.91)**	**(3.01)**	**2.94**	**0.13**	**0.92**	**(1.18)**	**(1.46)**	**0.18**	**0.29**	**0.76**	**0.55**	
	CASH SUMMARY															
121	FIRE OFFICERS SHORT TERM - GROSS	3	1.01	0.14	0.27	0.48	0.18	0.15	0.14	0.27	0.31	0.27	0.24	1.10		01/01/1988
	ESTIMATED INVESTMENT FEES			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	FIRE OFFICERS SHORT TERM - NET MGR			0.14	0.27	0.48	0.18	0.15	0.14	0.27	0.31	0.27	0.24	1.10		
125	C/D - FAIL FLOAT EARNINGS	0	0.00													
127	SECURITY LENDING	0	0.13													

Appendix B

Public Markets Manager Performance Detail

Public Markets Manager Performance Detail

Net Returns Through December 31, 2016

	Market Value ($MM)	% of Total	3 Month	FYTD	CYTD	2015	2014
EQUITY SUMMARY							
US EQUITY							
BLACKROCK R2000 GROWTH	6	2.08	3.53	13.08	11.29	(1.30)	5.47
RUSSELL 2000 GROWTH DAILY			3.57	13.12	11.32	(1.38)	5.60
Excess			(0.05)	(0.04)	(0.02)	0.08	(0.14)
BLACKROCK R2000 VALUE	7	2.46	14.13	24.10	31.71	(7.38)	4.11
RUSSELL 2000 VALUE DAILY			14.07	24.19	31.74	(7.47)	4.22
Excess			0.06	(0.08)	(0.03)	0.09	(0.11)
BLACKROCK R1000 GROWTH	68	22.92	1.00	5.62	7.06	5.77	12.90
RUSSELL 1000 GROWTH - DAILY			1.01	5.64	7.08	5.67	13.05
Excess			(0.02)	(0.02)	(0.02)	0.11	(0.15)
BLACKROCK R1000 VALUE	76	25.36	6.66	10.38	17.31	(3.66)	13.38
RUSSELL 1000 VALUE (DAILY)			6.68	10.39	17.34	(3.83)	13.45
Excess			(0.01)	(0.01)	(0.03)	0.17	(0.08)
NON - US EQUITY							
Baillie Gifford	37	12.36	(6.16)	5.49	1.12	(3.81)	(6.77)
MSCI EAFE GROWTH			(5.53)	(0.84)	(3.04)	4.09	(4.43)
Excess			(0.63)	6.33	4.16	(7.90)	(2.34)
EMERGING MARKETS							
BLACKROCK MSCI EMERGING MARKETS	9	3.01	(4.36)	4.28	11.19		
MSCI EMERGING MARKETS			(4.16)	4.49	11.19		
Excess			(0.19)	(0.21)	0.01		

Public Markets Manager Performance Detail

Net Returns Through December 31, 2016

	Market Value ($MM)	% of Total	3 Month	FYTD	CYTD	2015	2014
REAL ESTATE SECURITIES							
FOVSF-MORGAN STANLEY REITS	9	3.00	(4.05)	(2.43)	3.52	(1.63)	30.72
Morgan Stanley Custom RESI Index			(5.99)	(5.23)	2.37	(1.53)	31.85
Excess			1.94	2.80	1.15	(0.10)	(1.13)
FIXED INCOME SUMMARY							
STRUCTURED FIXED INCOME							
Blackrock Government	11	3.56	(7.33)	(7.59)	1.34	0.62	
NYC - Treasury Agency Plus Five			(7.32)	(7.76)	1.21	0.72	
Excess			(0.01)	0.16	0.13	(0.11)	
Blackrock - Mortgage	25	8.44	(1.79)	(1.07)	2.24	1.94	6.80
CITIGROUP MORTGAGE INDEX			(1.98)	(1.43)	1.59	1.56	6.12
Excess			0.19	0.36	0.65	0.38	0.68
T Rowe Price - Credit	22	7.25	(3.04)	(1.41)	5.94	0.23	8.06
NYC - Investment Grade Credit			(3.05)	(1.72)	5.56	(0.65)	7.04
Excess			0.01	0.31	0.39	0.88	1.02
ENHANCED YIELD							
FOVSF T ROWE MANAGED	19	6.23	1.20	5.86	12.47	(1.27)	2.91
CITIGROUP BB & B			1.56	6.77	15.48	(4.21)	2.78
Excess			(0.35)	(0.91)	(3.01)	2.94	0.13
TIPS							
SSGA TIPS	6	2.18	(2.47)	(1.52)	4.84		
BBG BARC Gbl Inf-Lk: US TIPS (Dly)			(2.41)	(1.47)	4.68		
Excess			(0.06)	(0.05)	0.16		

Public Markets Manager Performance Detail

Net Returns Through December 31, 2016

	Market Value ($MM)	% of Total	3 Month	FYTD	CYTD	2015	2014
CASH							
FIRE OFFICERS SHORT TERM	3	1.01	0.14	0.27	0.48	0.18	0.15
91 DAY TREASURY BILL (DAILY)			0.09	0.18	0.33	0.05	0.03
Excess			0.06	0.08	0.16	0.13	0.11
C/D - Fail Float Earnings	0	0.00					
SECURITY LENDING	0	0.13					

Appendix C

Footnotes

Footnotes

Through December 31, 2016

- 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.

Glossary of Terms

Through December 31, 2016

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.