

New York City
Police Superior Officers' Variable Supplements Fund
Performance Overview as of December 31, 2012

Total Fund Overview

New York City Police Superior Officers' Variable Supplements Fund

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Equity Analysis



Fixed Income Analysis

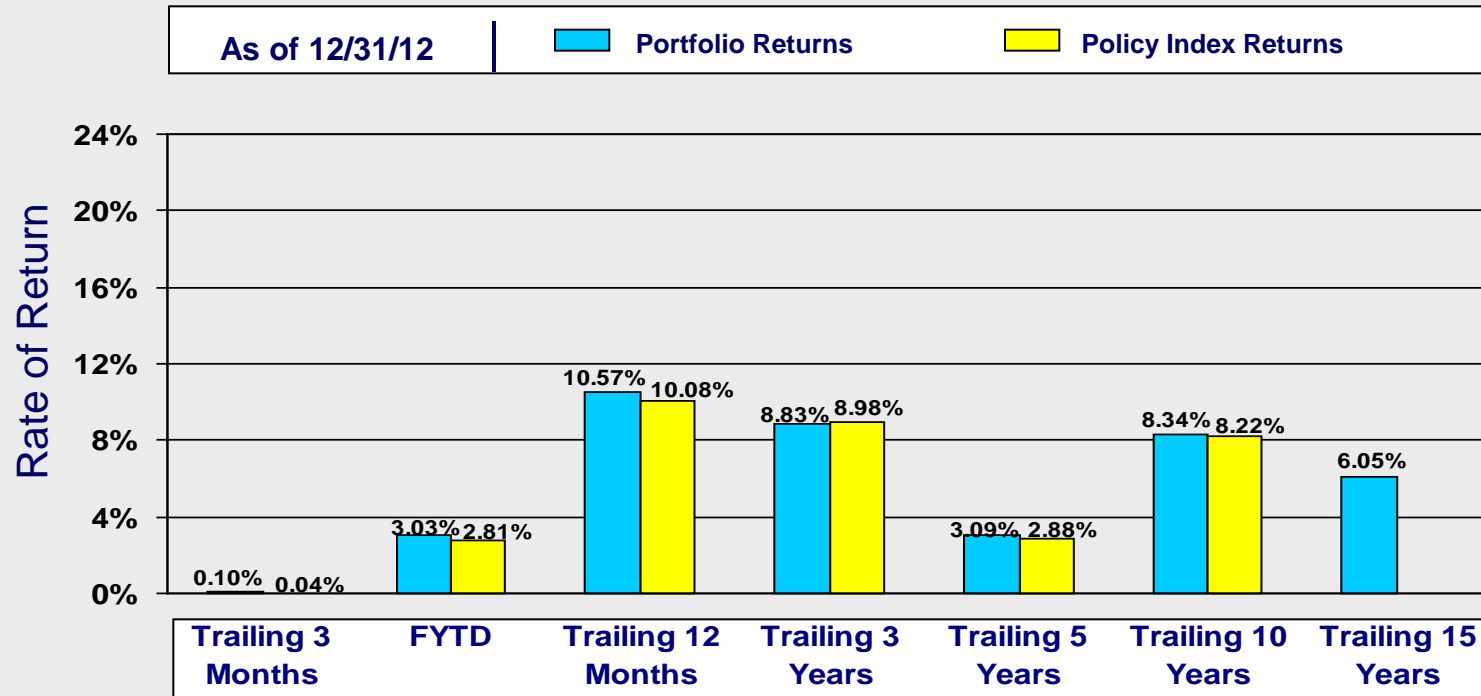


Appendix



Total Portfolio Returns: December 31, 2012

\$17M Under Management



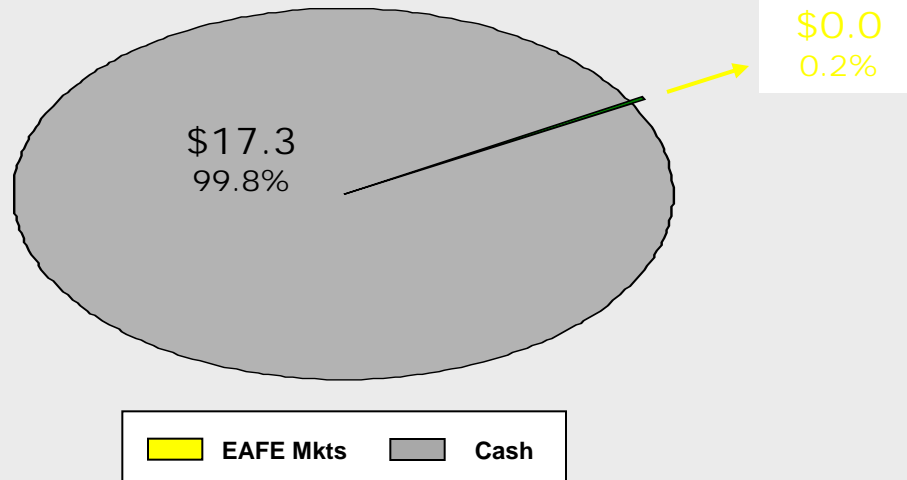
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	10.1	13.6	10.8	11.4
Benchmark Std Dev	10.5	14.6	11.4	****

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

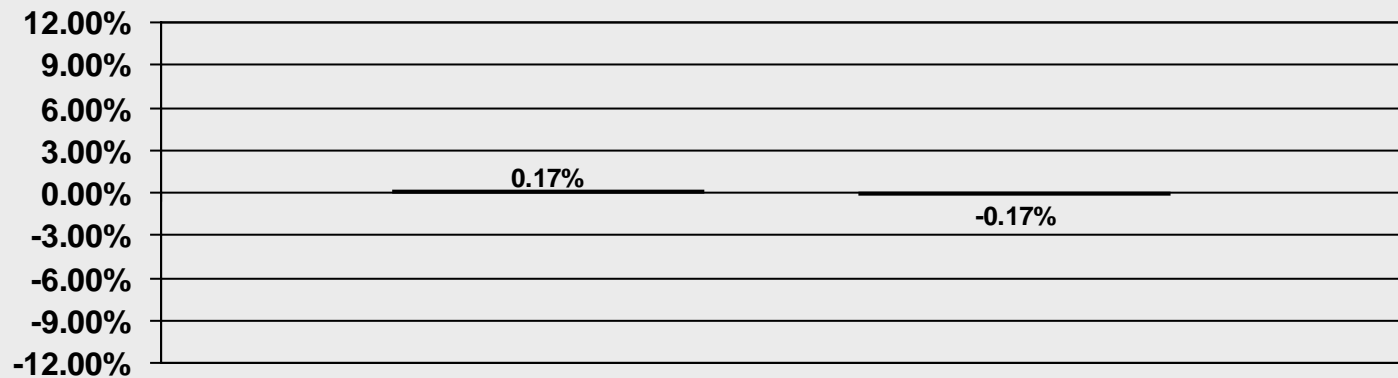
Portfolio Asset Allocation: December 31, 2012

\$17M Under Management

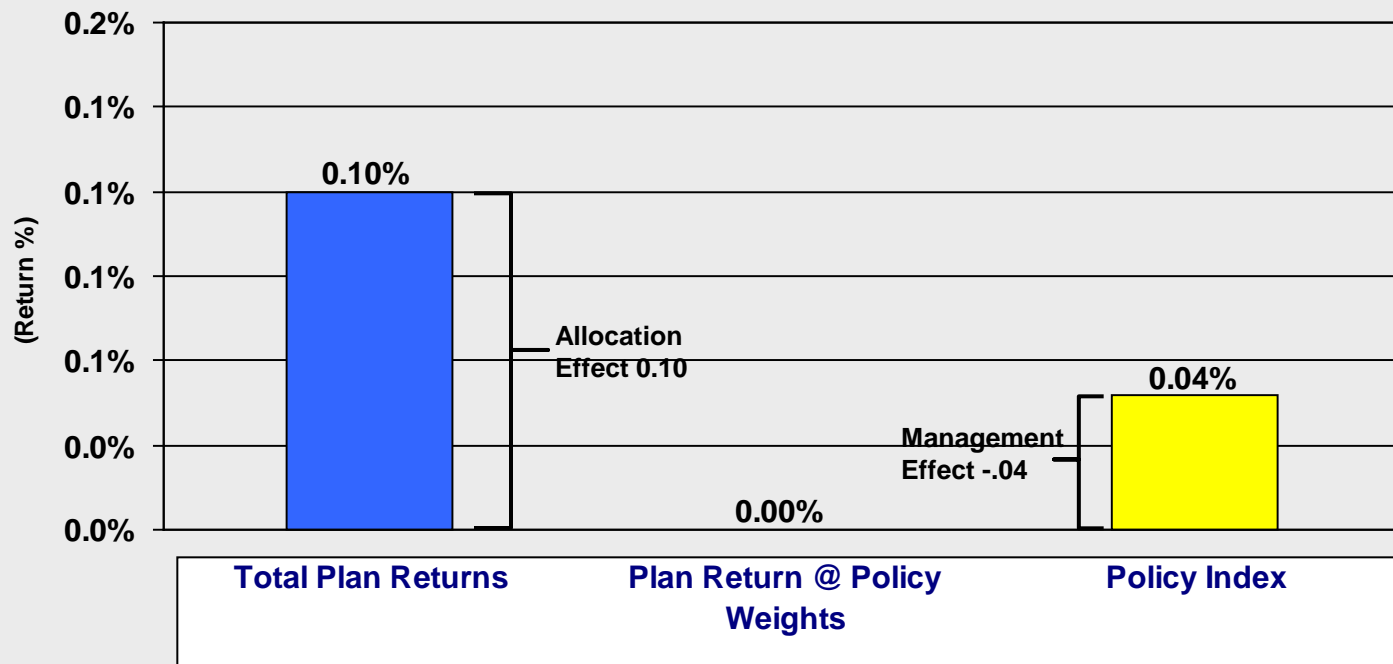
Asset Allocation



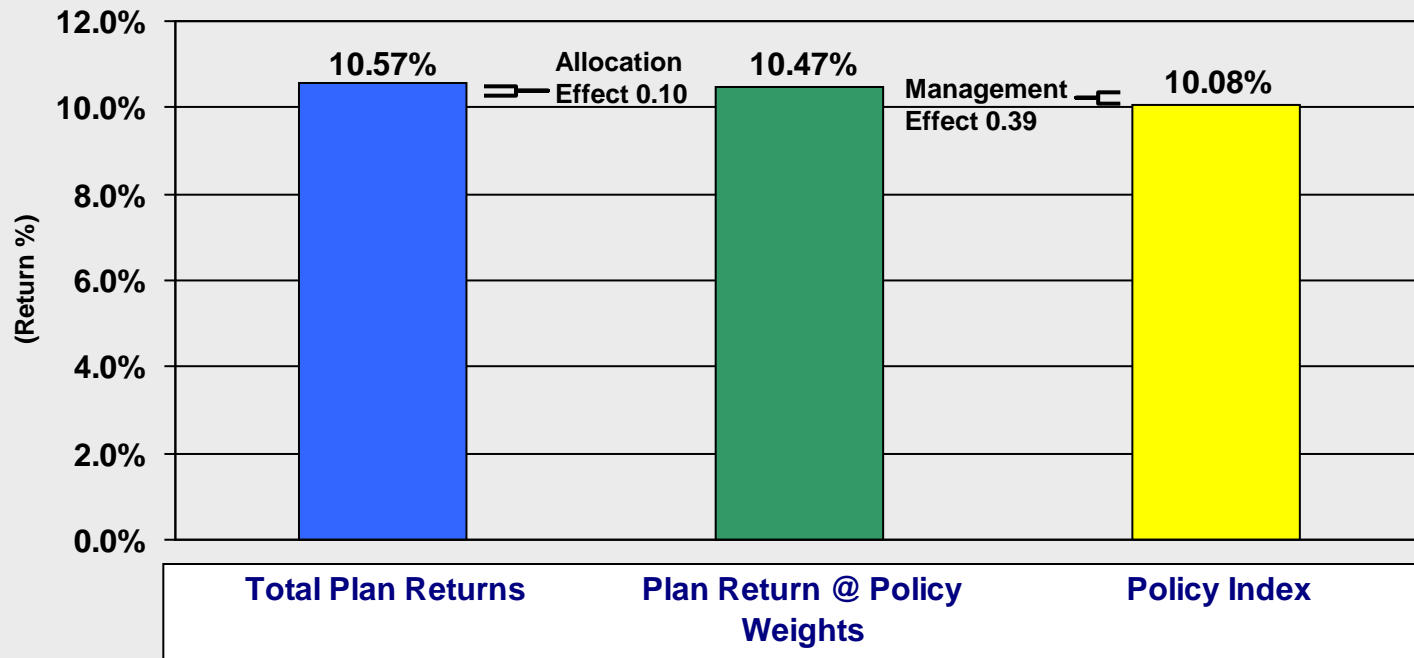
Relative Mix to Policy Weights



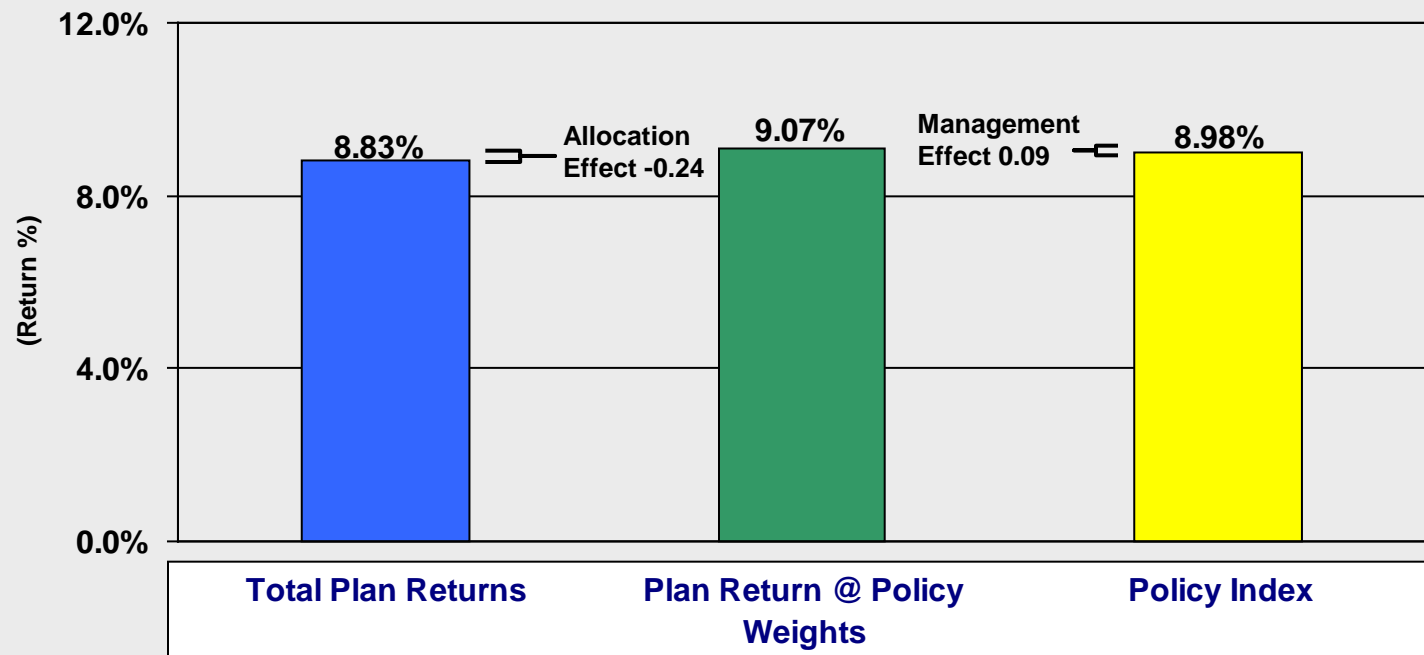
Performance Attribution: Total Plan - Quarter Ending December 31, 2012



Performance Attribution: Total Plan - 12 Months Ending December 31, 2012



Performance Attribution: Total Plan - 3 Years Ending December 31, 2012



Total Plan: December 31, 2012

Allocation Effect – Asset Class Breakdown

<u>Plan</u>	<u>Quarter</u>	<u>12 Months</u>	<u>3 Years</u>	<u>Benchmark</u>
Domestic Equity	0.00	0.00	-0.09	Russell 3000 Index
Domestic Fixed	0.00	-0.10	-0.22	NYC Core +5 Index
State Street Short Term	0.00	0.01	****	Total Plan

Total Plan: December 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	-1.90	-0.65	Russell 3000 Index
Domestic Fixed	-0.05	0.34	0.13	NYC Core +5 Index
State Street Short Term	0.05	0.06	****	Total Plan

New York City Police Superior Officers' Variable Supplements Fund

Appendix

Consolidated Performance Report

Through December 31, 2012

Assets (\$MM)	% Total		3 Mos Oct-12 Dec-12	YTD Jan-12 Dec-12	1 Yr Jan-12 Dec-12	3 Yrs Jan-10 Dec-12	5 Yrs Jan-08 Dec-12	10 Yrs Jan-03 Dec-12	15 Yrs Jan-98 Dec-12
		INTERNATIONAL EQUITY							
		DEVELOPED MARKETS							
0.01	0.03	TRANSITION - EAFE REBALANCE	****	****	****	****	****	****	****
0.03	0.15	TOTAL DEVELOPED MARKETS	****	****	****	****	****	****	****
		MSCI EAFE (NET DIVIDEND)	6.57	17.32	17.32	3.56	-3.69	8.21	****
0.03	0.15	TOTAL INTERNATIONAL EQUITY	****	****	****	****	****	****	****
0.03	0.15	TOTAL EQUITY - PUBLIC & PRIVATE	3.08	16.62	16.62	10.44	1.43	9.13	****
17.01	98.32	TOTAL FIXED INCOME	0.09	5.28	5.28	7.24	7.00	6.44	6.48
0.26	1.52	SECURITIES LENDING	****	****	****	****	****	****	****
17.01	98.32	STATE STREET SHORT TERM	0.09	0.32	0.32	0.86	1.43	2.30	3.37
17.30	100.00	TOTAL POLICE SUPERIORS	0.10	10.57	10.57	8.83	3.09	8.34	6.05
		POLICE SUPERIORS POLICY BENCHMARK	0.04	10.08	10.08	8.98	2.88	8.22	****

Securities Lending Income

Through December 31, 2012

	U.S. <u>FIXED INCOME</u>	U.S. <u>EQUITY</u>	INTERNATIONAL <u>EQUITY</u>
2001	54,000	119,000	11,000
2002	36,000	68,000	39,000
2003	32,000	87,000	120,000
2004	74,000	120,000	122,000
2005	204,000	244,000	126,000
2006	184,000	319,000	159,000
2007	358,000	503,000	138,000
2008	961,000	852,000	199,000
2009	271,000	515,000	96,000
2010	62,000	179,000	55,000
2011	46,000	178,000	8,000
2012	5,000	90,000	--

Footnotes

Through December 31, 2012

- 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.

Glossary of Terms

Through December 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:
Cash: 91 Day T-Bill * 100%

Page 9 - 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.