

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

Total Fund Overview

New York City Police Superior Officers' Variable Supplements Fund

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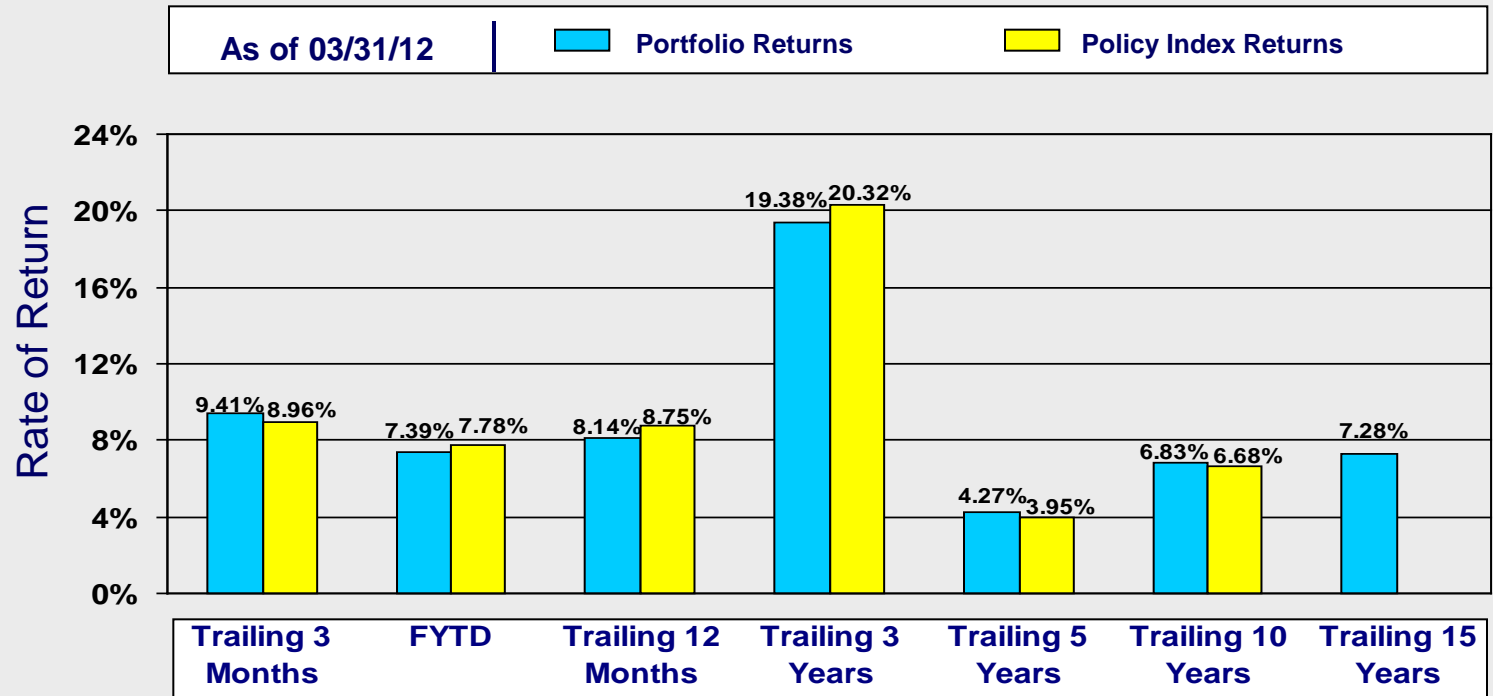


Appendix



Total Portfolio Returns: March 31, 2012

\$212M Under Management



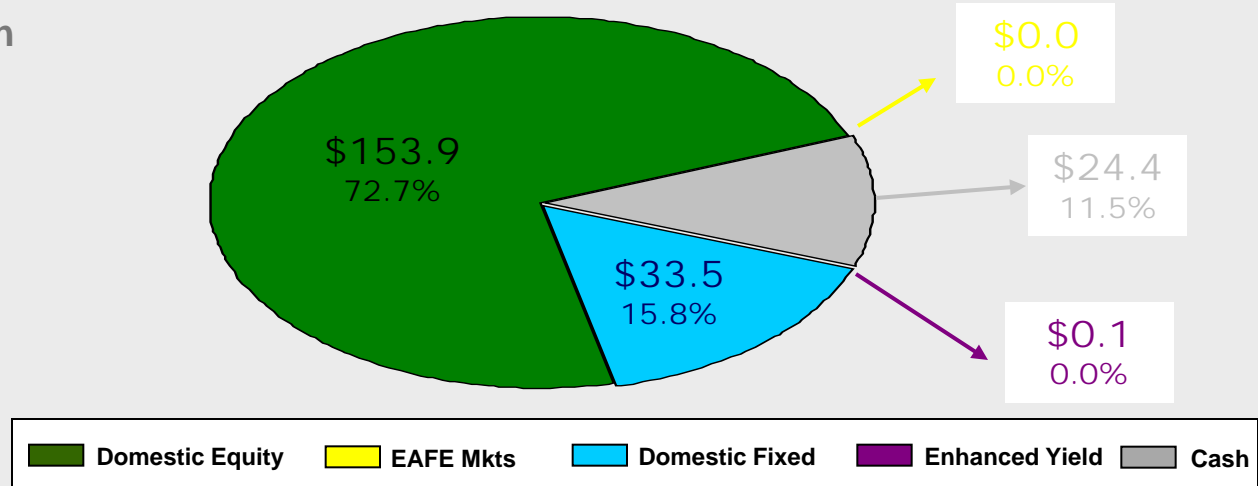
	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	11.0	13.6	11.4	11.6
Benchmark Std Dev	11.8	14.7	12.1	****

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

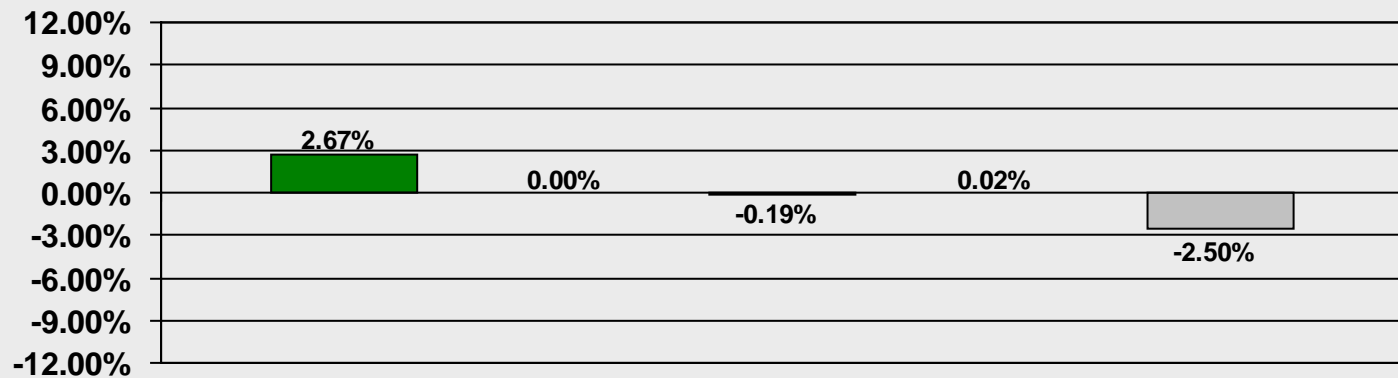
Portfolio Asset Allocation: March 31, 2012

\$212M Under Management

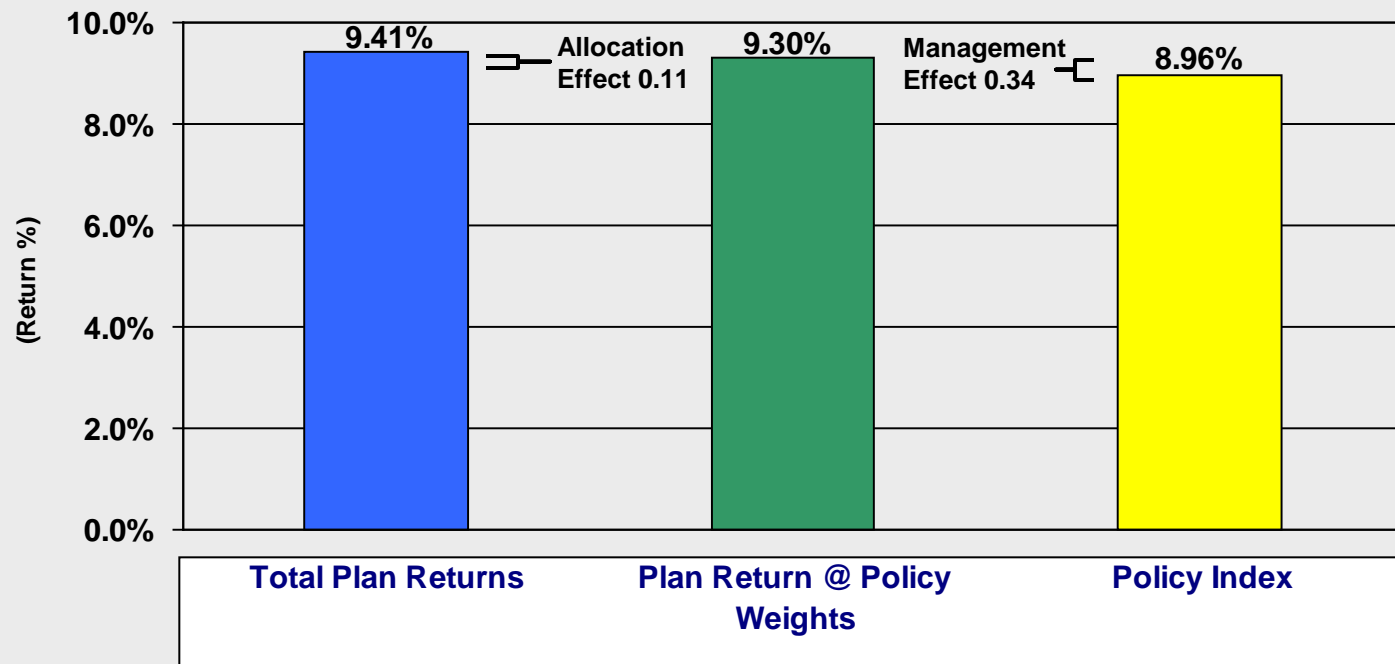
Asset Allocation



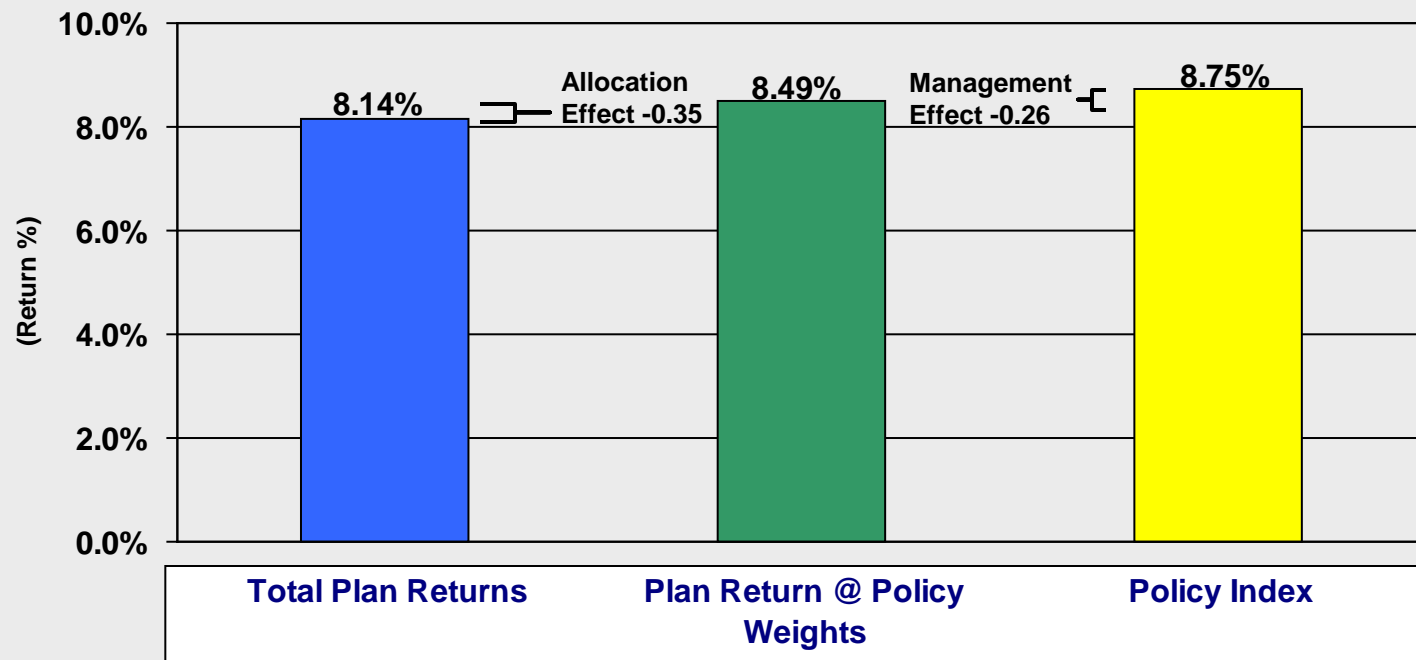
Relative Mix to Policy Weights



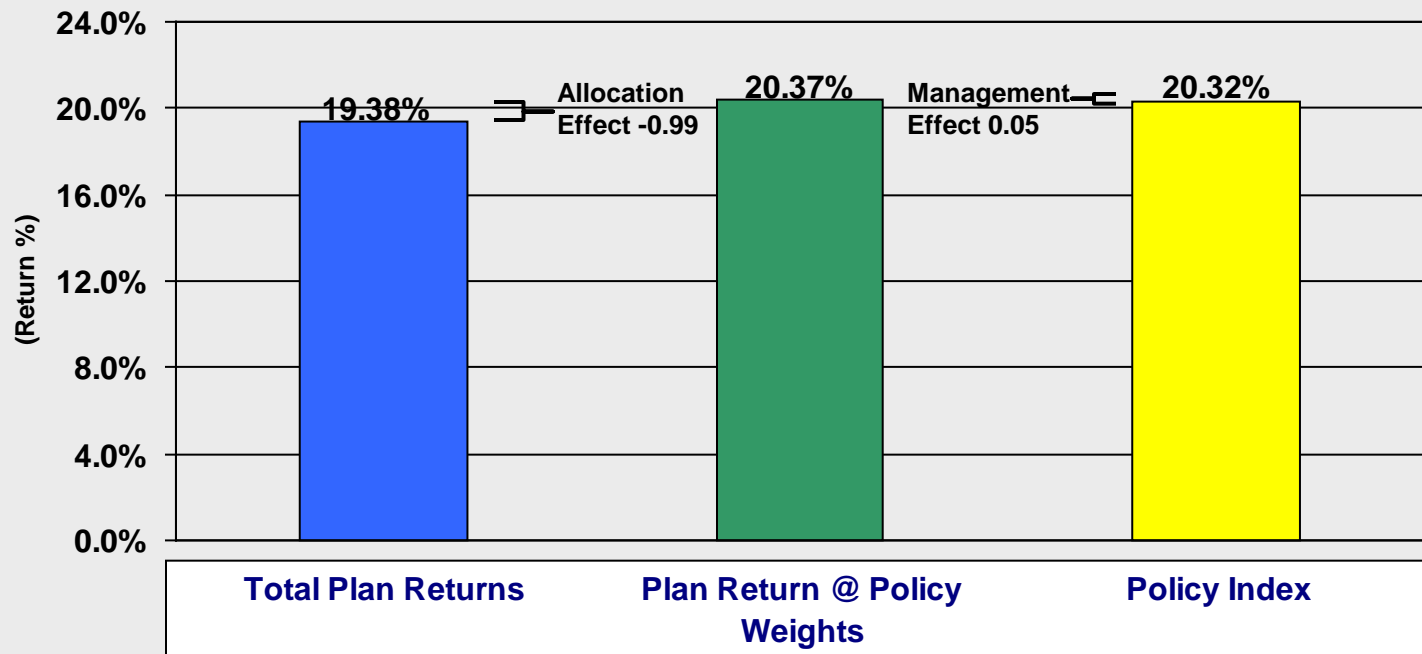
Performance Attribution: Total Plan - Quarter Ending March 31, 2012



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	-0.02	-0.05	-0.04	Russell 3000 Index
Domestic Fixed	0.35	-0.05	0.31	NYC Core +5 Index
Enhanced Yield	0.00	-0.22	0.10	Citigroup BB&B Index

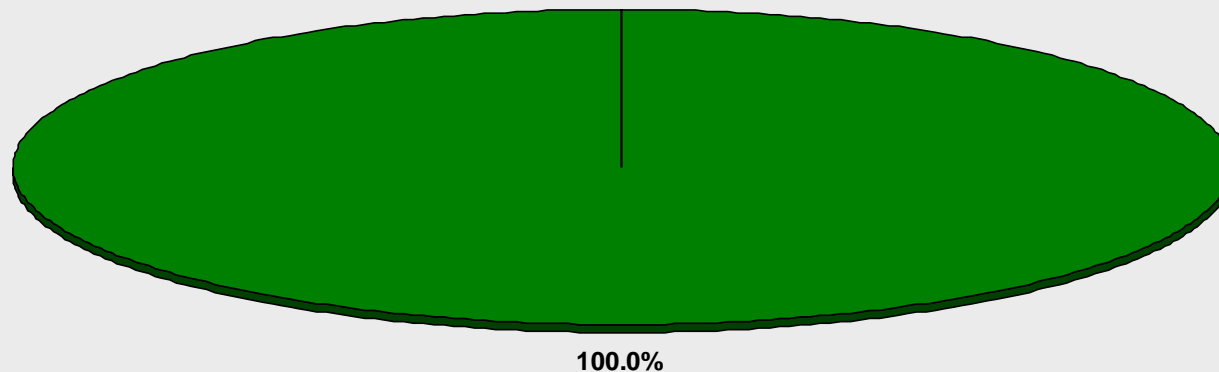
New York City
Police Superior Officers' Variable Supplements Fund

Equity Analysis

Total Equity Asset Allocation: March 31, 2012

\$154M Under Management, **73%** of Total Funds

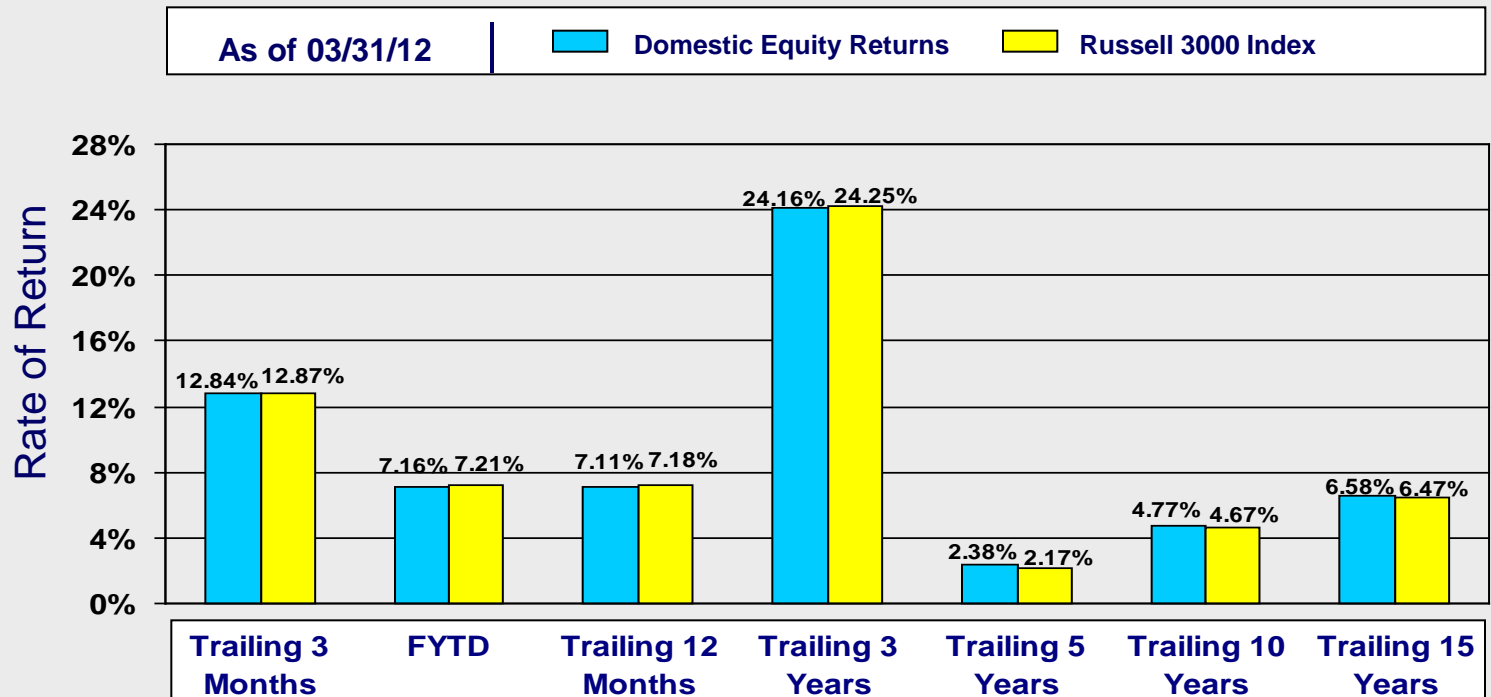
Asset Allocation by Groups



■ Domestic Equity

Total Domestic Equity Returns vs Russell 3000 Index

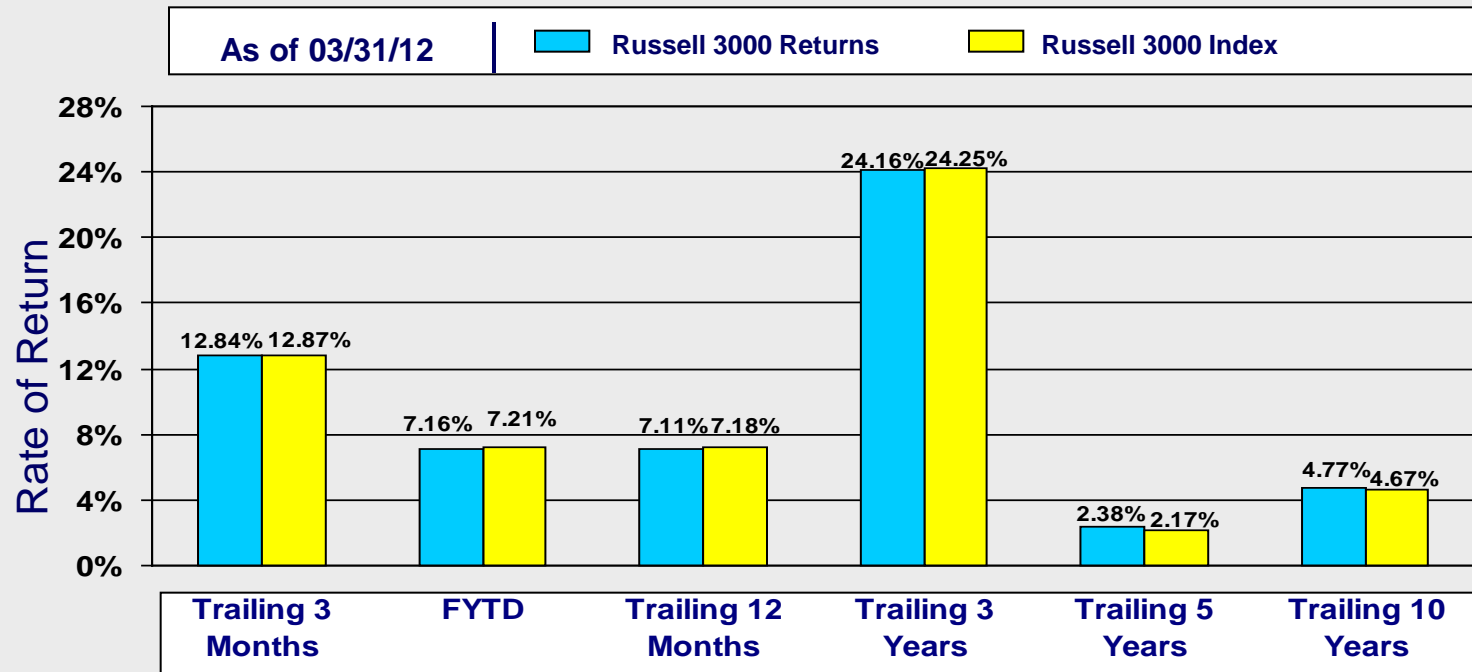
\$154M Under Management, **73%** of Total Funds



	3 Years	5 Years	10 Years	15 Years
Plan Std Dev	16.7	19.6	16.3	16.8
Benchmark Std Dev	16.8	19.7	16.4	16.9

Russell 3000 Index Fund Returns vs Russell 3000 Index

\$154M Under Management, **73%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	16.7	19.6	16.3
Benchmark Std Dev	16.8	19.7	16.4

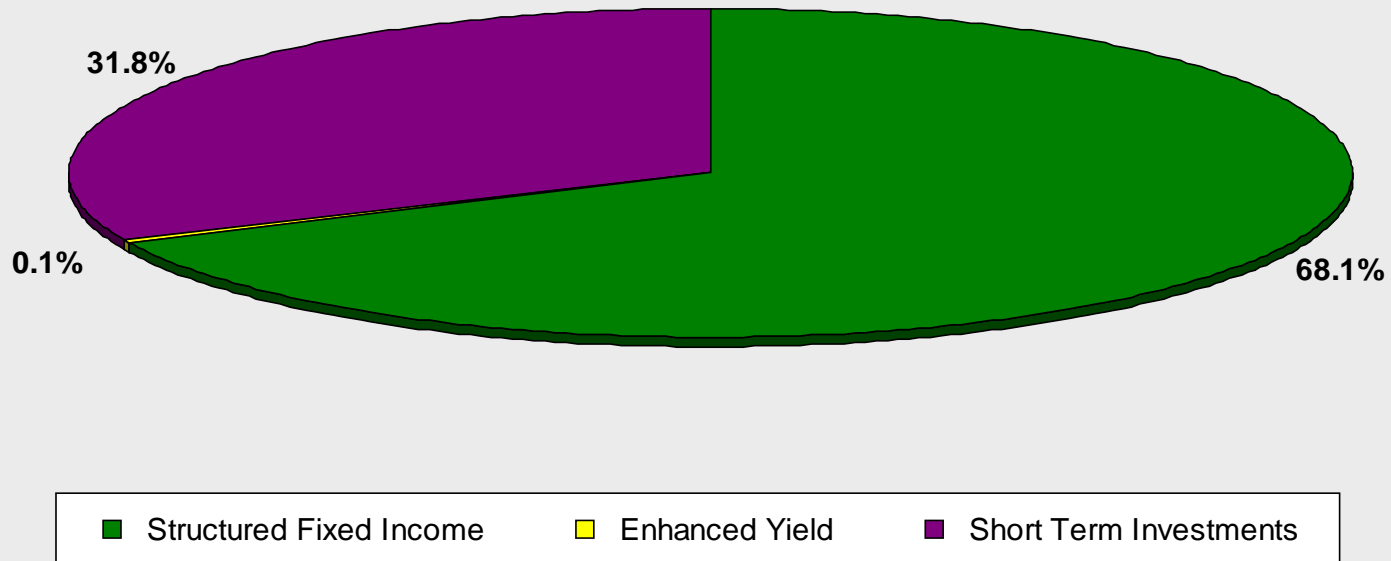
New York City
Police Superior Officers' Variable Supplements Fund

Fixed Income Analysis

Total Fixed Income Asset Allocation: March 31, 2012

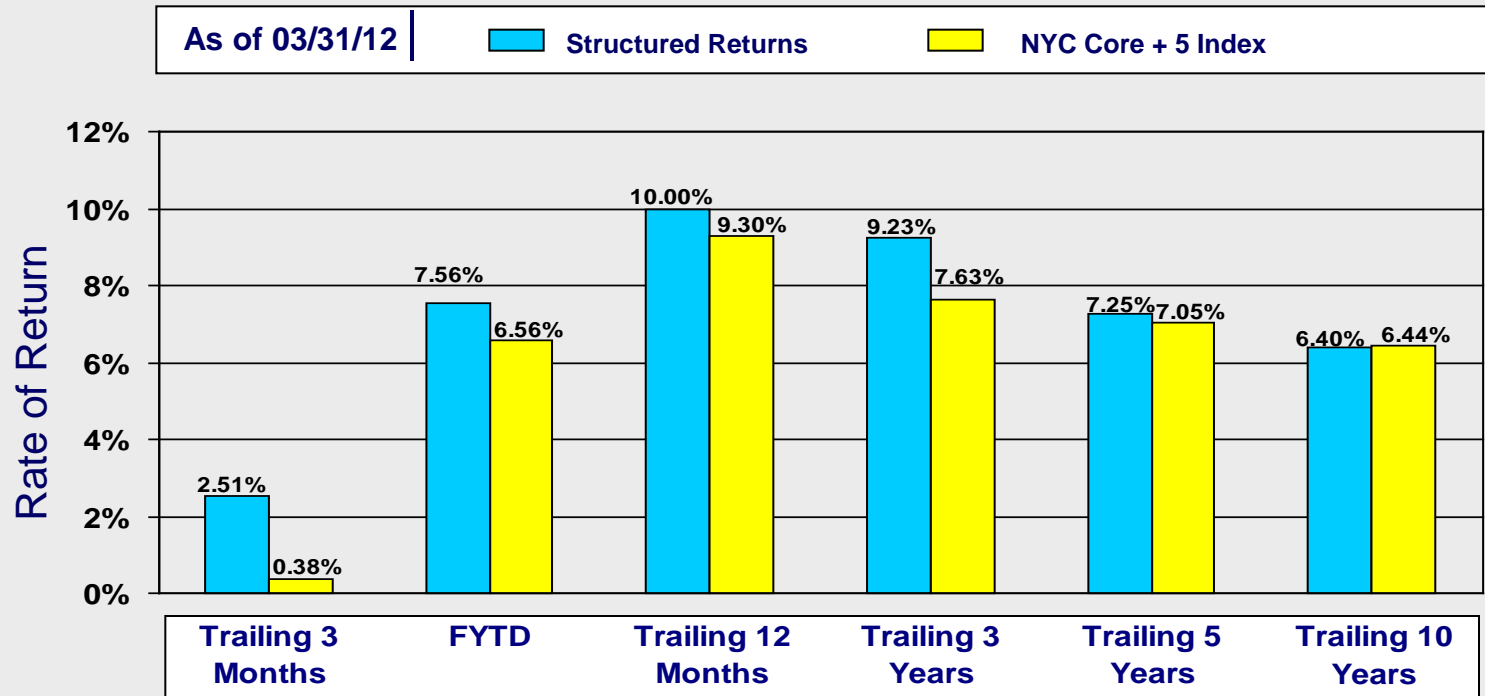
\$49M Under Management, **23%** of Total Funds

Asset Allocation by Groups



Structured Returns vs NYC Core + 5 Index

\$34M Under Management, **16%** of Total Funds



	3 Years	5 Years	10 Years
Plan Std Dev	3.0	4.1	4.1
Benchmark Std Dev	3.2	4.4	4.3

New York City Police Superior Officers' Variable Supplements Fund

Appendix

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-11 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							
153.93	72.67	BLACKROCK R3000	12.84	12.84	7.11	24.16	2.38	4.77	****
153.93	72.67	TOTAL DOMESTIC EQUITY	12.84	12.84	7.11	24.16	2.38	4.77	6.58
		RUSSELL 3000	12.87	12.87	7.18	24.25	2.17	4.67	6.47
		INTERNATIONAL EQUITY							
		DEVELOPED MARKETS							
0.01	0.00	TRANSITION - EAFE REBALANCE	****	****	****	****	****	****	****
0.01	0.00	TOTAL DEVELOPED MARKETS	****	****	****	****	****	****	****
		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
0.01	0.01	TOTAL INTERNATIONAL EQUITY	****	****	****	****	****	****	****
153.95	72.67	TOTAL EQUITY - PUBLIC & PRIVATE	12.83	12.83	7.08	24.30	2.28	6.32	****
		FIXED INCOME MANAGEMENT							
		TREASURY/AGENCY							
0.74	0.35	PIMCO -GOVT	****	****	****	****	****	****	****
0.74	0.35	ALL TREASURY/AGENCY	****	****	****	****	****	****	****
		NYC - TREASURY AGENCY PLUS FIVE	-2.74	-2.74	15.61	6.23	8.45	7.64	7.86
		MORTGAGE							
0.02	0.01	PIMCO -MORT	****	****	****	****	****	****	****
2.36	1.12	MORTGAGE TRANSITION ACCOUNT	****	****	****	****	****	****	****
2.38	1.13	ALL MORTGAGE	3.05	3.05	8.00	7.25	6.45	5.84	****
		CITIGROUP MORTGAGE INDEX	0.61	0.61	6.38	5.30	6.41	5.71	****

Note: Market values for non-U.S. transition accounts represent cash balances to be cleared out or other outstanding issues.

Consolidated Performance Report

Through March 31, 2012

Assets (\$MM)	% Total		3 Mos Jan-12 Mar-12	YTD Jan-11 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
		INVESTMENT GRADE CREDIT							
30.36	14.33	BLACKROCK-CREDIT	2.53	2.53	9.51	12.97	6.85	****	****
30.36	14.33	ALL INVESTMENT GRADE CREDIT	2.54	2.54	8.77	12.81	6.76	5.70	****
		NYC - INVESTMENT GRADE CREDIT	2.09	2.09	9.16	11.99	6.57	6.42	****
		TOTAL STRUCTURED	2.51	2.51	10.00	9.23	7.25	6.40	****
33.48	15.81	NYC - CORE PLUS FIVE	0.38	0.38	9.30	7.63	7.05	6.44	****
		ENHANCED YIELD							
0.06	0.03	LOOMIS SAYLES ENHANCED YIELD	****	****	****	****	****	****	****
		NYC-LOOMIS (BofA ML-MST II 7-03/BB&B PRIOR)	5.15	5.15	5.64	23.77	7.83	8.87	7.25
		ALL ENHANCED YIELD	****	****	****	****	****	****	****
0.06	0.03	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
		TOTAL FIXED INCOME	1.66	1.66	6.77	10.41	7.29	6.79	6.94
8.73	4.12	SECURITIES LENDING	****	****	****	****	****	****	****
15.60	7.36	STATE STREET SHORT TERM	0.09	0.09	2.09	0.85	2.18	2.53	3.66
0.01	0.01	BNY-MELLON - CD	****	****	****	****	****	****	****
		TOTAL POLICE SUPERIORS	9.41	9.41	8.14	19.38	4.27	6.83	7.28
211.83	100.00	POLICE SUPERIORS POLICY BENCHMARK	8.96	8.96	8.75	20.32	3.95	6.68	****

Securities Lending Income

Through March 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 (3 Months)	2,000	35,000	--

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 7/1/03, 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 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 * 70%
Domestic Fixed Income: NYC Core +5 * 16%
Cash: 91 Day T-Bill * 14%

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 18 – 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.*