
New York City Fire Pension Funds

**Also Known as
New York Fire Department Pension Funds**



**Comprehensive Annual Financial Report
A Pension Trust Fund of The City of New York
For The Fiscal Years Ended
June 30, 2014 and June 30, 2013**

**Daniel A. Nigro
Fire Commissioner
and Chairperson of the Board of Trustees
City of New York**

New York City Fire Pension Funds

9 MetroTech Center, Brooklyn, N.Y. 11201 - 3857
(718) 999 - 1190



Comprehensive Annual Financial Report A Pension Trust Fund of The City of New York For Fiscal Years Ended

June 30, 2014 and June 30, 2013

Prepared under the
Direction of:

Mary E. Basso
Pension Director

Prepared By:

Angel G. Garcia
Assistant Deputy Director

Maureen V. Dale
Administrative Staff Analyst

Agnes S. Chan
Associate Accountant

Actuary:

Robert C. North, Jr.
Chief Actuary
255 GREENWICH ST, 9th FLOOR
NEW YORK, NY 10013

Custodian of the Fund:

Scott Stringer
Comptroller of The City of New York
1 CENTRE STREET
NEW YORK, NY 10007

New York City Fire Pension Fund

Annual Report for the year ending 1998



The Board of Fire Pension Fund Trustees
has the honor to acknowledge the assistance
of the City of New York Office of the
Comptroller in the preparation of this
Annual Report for the year ending 1998.

Respectfully,
The Board of Fire Pension Fund Trustees
The City of New York Office of the
Comptroller
The City of New York Office of the
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Comptroller

TABLE OF CONTENTS

INTRODUCTORY SECTION

| | <u>Page</u> |
|---|-------------|
| Certificate of Achievement for Excellence In Financial Reporting | 9 |
| Chairperson Report | 11 |
| Letter of Transmittal | 13 |
| Administrative Organization | 19 |
| Members of the Board of Trustees | 21 |
| Pension Fund Administration and Reporting | 22 |
| Summary Plan and Options Benefits Tiers I and II | 23 |
| Summary Plan Benefits Tier III | 39 |

FINANCIAL SECTION

| | |
|---|----|
| Report of Independent Auditors | 45 |
| Management's Discussion and Analysis (Unaudited) | 47 |
| <u>Financial Statements</u> | |
| Combined Statement of Fiduciary Net Position Fiscal Year 2014 | 54 |
| Combined Statement of Changes in Fiduciary Net Position 2014 | 55 |
| Combined Statement of Fiduciary Net Position Fiscal Year 2013 | 56 |
| Combined Statement of Changes in Fiduciary Net Position 2013 | 57 |
| Notes to Combined Financial Statements Years Ended 2014 and 2013 | 58 |
| <u>Required Supplementary Information (Unaudited):</u> | |
| Schedule -1 Schedule of Changes in the Employer's Net Pension Liability and Related Ratios | 82 |
| Schedule -2 Schedule of Employer Contributions | 83 |
| Schedule -3 Schedule of Investment returns | 85 |
| <u>Additional Supplementary Information:</u> | |
| Schedule -4 Schedule of Investment Expenses | 87 |

(Continued)

INVESTMENT SECTION

Page

| | |
|---|-----|
| Investment Report..... | 99 |
| Summary of Investment Results for fiscal year 2014..... | 101 |
| Asset Allocation QPP..... | 103 |
| Graphic representation of Asset Mix and Allocation..... | 103 |
| Asset Allocation FFVSF and FOVSF..... | 104 |
| Investment Results:.. | |
| Graphic representation of Total multi-year Investments at Market Value..... | 105 |
| Graphic representation of Total multi-year Investment Income..... | 106 |
| Schedule of Portfolio returns QPP..... | 107 |
| Schedule of Portfolio returns FFVSF..... | 108 |
| Schedule of Portfolio returns FOVSF..... | 109 |
| Schedule of Largest Bond Holdings..... | 110 |
| Schedule of Largest Stock Holdings..... | 111 |
| Schedule of Broker's Commissions..... | 112 |
| Investment Summary Schedule 5A..... | 123 |

ACTUARIAL SECTION

| | |
|---|-----|
| Actuary's Certification Letter..... | 127 |
| Summary of Actuarial Assumptions and Methods..... | 133 |
| Table 1a - Deaths among Service and Disability Pensioners..... | 138 |
| Table 1b - Death among Beneficiaries..... | 139 |
| Table 2a - Withdrawals from Active Serv. Due to Death or Dis. Tier I and tier II | 140 |
| Table 2b - Withdrawals from Active Serv. Due to Death or Dis eligible for WTC..... | 141 |
| Table 2c - Withdrawals from Active Service Due to death or Dis. Tier III Member.. | 142 |
| Table 3 - Withdrawal from Active service..... | 143 |
| Table 4a - Withdrawal from Active service Tier I and Tier II Members..... | 144 |
| Table 4b - Withdrawal from Active Service tier III Unreduced with Full COLA.... | 144 |
| Table 5 - Salary scale..... | 145 |
| Salary Scale Graph..... | 146 |
| Table 6 - Overtime..... | 147 |
| Active member Valuation Data..... | 148 |
| Summary of Plan Membership..... | 149 |
| Schedule of Retirants and Beneficiaries Added to and Removed from Rolls..... | 150 |
| Schedule of Statutory vs. Annual Required Contributions..... | 151 |
| Funded Status Based on Entry Age Actuarial Cost Method..... | 152 |
| Schedule of Solvency Test..... | 153 |
| Solvency Test Notes..... | 154 |
| Other Measures of Funded Status..... | 155 |
| Table of Asset and Obligation Values..... | 159 |
| Table of Funded Ratios..... | 161 |
| Comments on Funded Ratios and Funding Methodology..... | 162 |
| Acknowledgement of qualification..... | 164 |
| Appendix A Census Data for Active Members..... | 165 |
| Appendix B Census Data for Pensioners..... | 171 |

(Continued)

STATISTICAL SECTION

Page

| | |
|---|------------|
| Statistical Section Narrative..... | 177 |
| Table of Benefit Expenses by Type | 178 |
| Table of Retired Members and Beneficiaries by Type of Benefit | 179 |
| Table of Retired Members and Beneficiaries by Type of Option Selected | 180 |
| Exhibit 4 Retired Members by Type of Benefit | 181 |
| Exhibit 5 Average Benefit Payments..... | 182 |
| Exhibit 6 Benefit and Deductions from Net Position by Type | 183 |
| Schedule of Average Annual Benefit Payment Amounts..... | 184 |
| Graphic Representation of Total Current Investments at Market Value..... | 185 |
| Schedule of Changes in Net Position..... | 186 |
| Schedule of Revenues by Source..... | 187 |
| Graphic Representation of Sources of Current Investment Income..... | 188 |
| Schedule of Expenses by Type..... | 189 |
| Table of Compensation to Administrative Officials and Commissions and Payments to Brokers and Consultants..... | 190 |

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New York City Fire Pension Funds

Comprehensive Annual Financial Report

A Pension Trust Fund of The City of New York



Introductory Section

Part I

Fiscal Year Ended June 30, 2014

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

New York City

Fire Department SubChapter Two

Pension Fund, New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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F I R E D E P A R T M E N T
9 METRO TECH CENTER
BROOKLYN, N. Y. 11201-3857

DANIEL A. NIGRO
Fire Commissioner

Suite 8W-6

December 8, 2014

TO: ALL MEMBERS OF THE NEW YORK FIRE DEPARTMENT PENSION FUNDS
RÈ: PENSION FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR 2014

I am pleased to present the New York Fire Department Pension Funds Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2014. Within this report you will find financial, investment, actuarial and statistical information disclosing the results of operations and the financial position of the Pension Funds.

Our goal is to manage the assets of the Funds efficiently and prudently, in full compliance with established Regulations and Laws, so as to promote growth and provide secure retirement benefits for our members and their beneficiaries. The external auditors, Deloitte & Touche LLP, confirm in their Independent Auditors' Report on the financial condition of the Funds for Fiscal Year 2014 that we have presented the financial statements in conformity with accounting principles generally accepted in the United States of America.

Fiscal Year 2014 represented another consecutive year of strong growth in the net assets of our Pension Funds. The growth was due mainly to favorable returns on our investment portfolio. Continued growth in Net assets assures the financial soundness of the Funds and gives members and their beneficiaries the assurance that their retirement benefits will be available now and in the future.

As Fire Commissioner and Chairperson of the Board of Trustees, I wish to express our sincere appreciation to all active and retired uniformed members for their valuable contributions to the Fire Department and The City of New York.

Sincerely,

Daniel A. Nigro
Chairperson of the Board of Trustees

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F I R E D E P A R T M E N T
9 METROTECH CENTER, 6TH FLOOR BROOKLYN N. Y. 11201-3857

Mary E. Basso
Director
Bureau of Pension

December 8, 2014

**TO: The Board of Trustees
New York Fire Department Pension Funds**

I hereby submit the Comprehensive Annual Financial Report (CAFR) of the New York Fire Department Pension Funds ("Fire" or the "Funds"), for the fiscal year ended June 30, 2014. Beginning in fiscal year 2014, our CAFR, now referred to as the New York Fire Department Pension Funds' CAFR, reports combined financial statements and disclosures for the New York Fire Department Pension Fund qualified pension plan (QPP) and two additional funds administered by Fire: the New York City Fire Department Firefighters' Variable Supplements Fund (FFVSF) and the New York City Fire Department Fire Officers' Variable Supplements Fund (FOVSF). Management is responsible for the preparation, accuracy and completeness of this presentation. We believe that the data in this report is a fair representation of the financial position and results of operations of the Funds and to the best of our knowledge; the information is accurate and includes all required disclosures. Our report is organized into the Introductory, Financial, Investment, Actuarial and Statistical sections. Users of the financial statements are encouraged to review the Management's Discussion and Analysis (MD&A) presented in the financial section.

Profile of the Funds

The New York Fire Department Pension Fund, also known as The New York Fire Department Subchapter Two Pension Fund (formerly Article 1-B), was established pursuant to Local Law No. 53, enacted July 14, 1941. On that date, all participants covered under Article 1-A and subsequent appointees to the Fire Department were granted the option of membership in either Article 1-A or Subchapter Two, in accordance with the legislation. At that time, all members of the Article 1-A Fund became participants in the Fund established under Subchapter Two and, with one exception, all new appointees elected membership in the Subchapter Two Pension Fund.

Effective July 1, 1980, the Article 1-A Fund was terminated and its assets transferred to the Subchapter Two Pension Fund. Prior to July 1, 1980, each member contributed by salary deduction an amount determined to provide approximately 25% of the cost of their benefits, while the City contributed the remaining 75%. The total contributions under this arrangement proved inadequate to fund the benefits, and the Pension Fund became actuarially unsound.

Pursuant to an Increased-Take-Home-Pay (ITHP) provision established under Section 13-326 of the New York City Administrative Code, members' contributions were reduced by 2½ % of their earnings. The ITHP rate has since been increased from 2½ % to 5%, under the provisions of Chapter 373 of the Laws of 2000. Additional City funding made up the reduction in the amount of member contributions.

New state laws, effective July 1, 1980, July 1, 1981, and July 1, 1982, amended the benefit provisions of the Fund by establishing a new Plan known as the Improved Benefits Plan (IBP). The IBP provides increased benefits along with higher member and City contributions. The Original Plan (OP) was closed to new entrants on July 1, 1981. Membership in the IBP is mandatory for employees hired on or after that date. Members of the OP have the option, during specified time periods each year, to transfer to the IBP. The new laws were expected to correct the previous under-funding of the Pension Fund. The provisions of these laws increased City contributions each year to provide an amount deemed sufficient to cover benefits, excluding annuities and refunds from member contribution accounts. These contributions cover the normal cost of operation each year.

The Firefighters' Variable Supplements Fund (FFVVSF) and the Fire Officers' Variable Supplements Fund (FOVSF) (collectively, the VSFs) operate pursuant to the provisions of Title 13, Chapter 3 of the ACNY and provide supplemental benefits to retired Firefighters and Wipers and Fire Officers, respectively. To be eligible to receive benefits from the VSFs, Firefighters and Wipers or Fire Officers must retire, on or after October 1, 1968, and be receiving a service retirement benefit from the QPP. The VSFs' are not considered pension plans; they provide defined supplemental payments, other than pension or retirement system benefits.

Current Initiatives

Management's goal is to administer the Funds in a manner that will ensure accurate and timely payment of benefits and supplemental payments to retirees and beneficiaries and provide members with the best information available to plan for retirement. The highlights of our accomplishments during the past year evidence our commitment to deliver exemplary member services.

An increasing number of members continue to make use of our pension information system's (e-UPS) self-service portal. The portal is available from the Fire Department intranet and may be accessed from computers at the firehouses. Members can download manuals and forms, view updated account details and get current estimates of their retirement benefits. The Annual Pension Statements are also distributed electronically and are now available months earlier than in prior years.

The pension managers and key personnel of our unit successfully completed the challenging task of processing over 630 membership applications for the two new classes of probationary firefighters hired by the Fire Department during fiscal year 2014. These firefighters are now members of the pension system under the new Tier 3 legislation or Tier 2 if they had prior service credits and bought back their time.

The Retirement Counseling Unit advised many prospective retirees and processed new retirement applications for over 380 members during fiscal year 2014. These applicants are now receiving 90% of their expected retirement benefit, pending finalization.

In addition, the Pension Payroll and Calculations Units finalized approximately 210 retirees and beneficiaries who were previously receiving 90% of their benefits. These retirees and beneficiaries are now receiving the full amount of their benefits.

Financial Information

Economic Conditions in Fiscal Year 2014 and Outlook for Fiscal Year 2015

Our Funds' current obligations and future commitments are financed by employer and employee contributions and investment revenues. Economic conditions significantly impact investment markets and ultimately the earnings of the Funds' portfolio. The state of the economy is therefore always of great concern. The U.S. economy, as measured by the change in real Gross Domestic Product (GDP) grew overall by 2.5% during fiscal year 2014. However, in a significant upward trend during the final quarter of fiscal year 2014, GDP had increased at an annual rate of 4.6%. The unemployment rate continued to improve, moving from a high of 7.3% in July 2013 to 6.1% in June 2014. During the period, the Federal Reserve also continued its attempts to boost aggregate demand and promote growth in the economy by pursuing highly accommodative monetary policy actions. These actions included purchasing longer-term Treasuries and Agency mortgage-backed securities and also holding the Federal Funds short term interest rate at the target range between 0% and 0.25%.

The City's economy, as measured by change in real Gross City Product (GCP), grew by approximately 3.8% during fiscal year 2014. This pace of growth in GCP not only exceeded the 1.8% rate achieved in fiscal year 2013, it also exceeded overall growth in the national economy for the period. The City's economy continued to strengthen in fiscal year 2014, job creation remained strong and the unemployment rate trended downwards: Overall, the City added 95,000 private sector jobs. The City's unemployment rate also fell to 7.7%, a significant change from the 8.4% reported in fiscal year 2013.

The Comptroller's Office remains hopeful that the national economy will continue to experience steady growth and provide a favorable environment for growth in the City's economy. The actions by the Federal Reserve to end its quantitative easing program and to announce its expectations to raise U.S. interest rates by mid- 2015 are hopeful signals for economic growth. Optimism on the outlook for the economy in 2015 is supported by the current Bureau of Economic Analysis report indicating that GDP had increased at the rate of 3.5% in the third quarter of calendar year 2014. The Bureau of Labor Statistics also reported that the unemployment rate had fallen to 5.8% by October 2014.

Investments

The Comptroller of The City of New York is the designated custodian of the Funds' investment portfolio, subject to the direction, control and approval of the Boards of Trustees. The investment policy adopted by the Funds' Boards of Trustees is one that promotes growth through increasing returns. The strategy used to implement this policy is the allocation of assets, which are diversified into a broad array of instruments to minimize overall risk, maintain liquidity and generate competitive returns.

The Funds' portfolio is comprised largely of holdings in domestic, international, private equities and fixed income securities. Equity investments, although historically volatile, provide superior performance and growth over time, while fixed income investments provide predictable cash flows to meet the System's current obligations. For fiscal year 2014, Fire's investment portfolio of approximately \$ 10.7 billion under management posted gains of 17.4 %, while the corresponding Policy Index posted gains of 16.2%. The FFVSF's investment portfolio of approximately \$ 424.2 million under management posted gains of 17.7 %, while the corresponding Policy Index posted gains of 18.5%. The FOVSF's investment portfolio of approximately \$306.2 million under management posted gains of 19.6 %, while the corresponding Policy Index posted gains of 18.5%. A detailed discussion of investment policy, activities and results is presented in the Investment Section of our report.

Funding

Adequate funding is essential for the financial soundness of a pension plan. If funding levels are adequate, the total amount of accumulated assets will be comparable to the total amount of benefit obligations of the Funds. The City's funding policy is to contribute statutorily-required contributions which, along with member contributions and investment income, will be ultimately sufficient to pay benefits when due. A well-funded plan gives members the assurance that the pension benefits promised are secure.

Fire's funded ratio, or 'Fiduciary Net Position as a Percentage of Total Pension Liability', is calculated in accordance with newly adopted Governmental Accounting Standards Board Statements Numbers 67 and 68. This funded ratio stands at 63.7% for fiscal year 2014, an increase from 56.0% in the previous period. (Net Pension Liability - Note 6 of Notes to Financial Statements). Funding is further addressed in the actuarial section of our report.

Accounting and Reporting

This report was prepared to conform to principles of governmental accounting and reporting as promulgated by the Governmental Accounting Standards Board (GASB) and according to guidelines adopted and published by the Government Finance Officer's Association of the United States and Canada (GFOA). The requirements of GASB Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," have been adhered to in determining the information in the financial statements.

The accrual basis of accounting is used to record all transactions executed by the Pension Funds. Under this method, revenue is recognized when earned and expenses are recognized when the funds incur an unconditional obligation to pay. The accrual basis of accounting provides a realistic picture of the financial activity and performance of the Pension Funds for each period.

Internal Control

The management of the Fire Pension Funds is responsible for establishing and maintaining an internal control structure, designed to ensure that the assets of the system are adequately safeguarded. Additionally, the control structure should ensure that all transactions are properly recorded to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The objective of internal control is to provide reasonable rather than absolute assurance that the financial statements are free of material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and also that the evaluation of costs and benefits requires estimates and judgments to be made by management.

Procedures that reinforce established controls are periodically reviewed and evaluated by management, the Internal Audit unit of the Fire Department and the New York City Comptroller's Office through its assessment of the Funds' Financial Integrity Compliance statement. In addition, Independent Certified Public Accountants audit the financial statements each year.

Independent Audit

The Fire Pension Funds are required to undergo an annual audit by independent certified public accountants in accordance with generally accepted auditing standards. The accounting firm of Deloitte & Touche was selected to perform the annual audits for the fiscal years ended June 30, 2010 through June 30, 2014. The Independent Auditor's Report on the general-purpose financial statements and schedules of historical information required by the Governmental Accounting Standard Board (GASB) is presented in the financial section of this report. As required under GASB pronouncement 34, adopted in fiscal year 2001, the financial section also contains Management's Discussion and Analysis (MD&A) with comparative data for fiscal years 2012, 2013 and 2014. The contents of this letter should be considered along with additional information contained in the MD&A.

Professional Services

The Comptroller of The City of New York provides investment services through independent advisors. The Chief Actuary of the City's pension systems provides actuarial services to the System, while the Corporation Counsel provides legal services to the System. The City of New York defrays the expenses associated with these services.

Other Information**Awards**

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the New York City Fire Department Subchapter Two Pension Fund, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

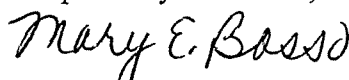
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for fiscal year 2014.

Acknowledgements

The compilation of this annual report reflects the efforts of the management and staff of the Pension Accounting Unit, whom we commend for their hard work and dedication. The report is intended to provide complete and reliable information as a basis for making management decisions, as a means for determining compliance with legal provisions and as a means of determining responsible stewardship of the assets of the Funds.

I take this opportunity to express my gratitude to the Boards of Trustees for their leadership and guidance during this period. I am also grateful to the Office of the Actuary and the Office of the Comptroller for the wide range of valuable information and support they provide for our unit. Finally, I wish to thank the managers and staff of the Pension Bureau, who have worked so diligently to enhance the delivery of member services and to assure the success of our daily operations.

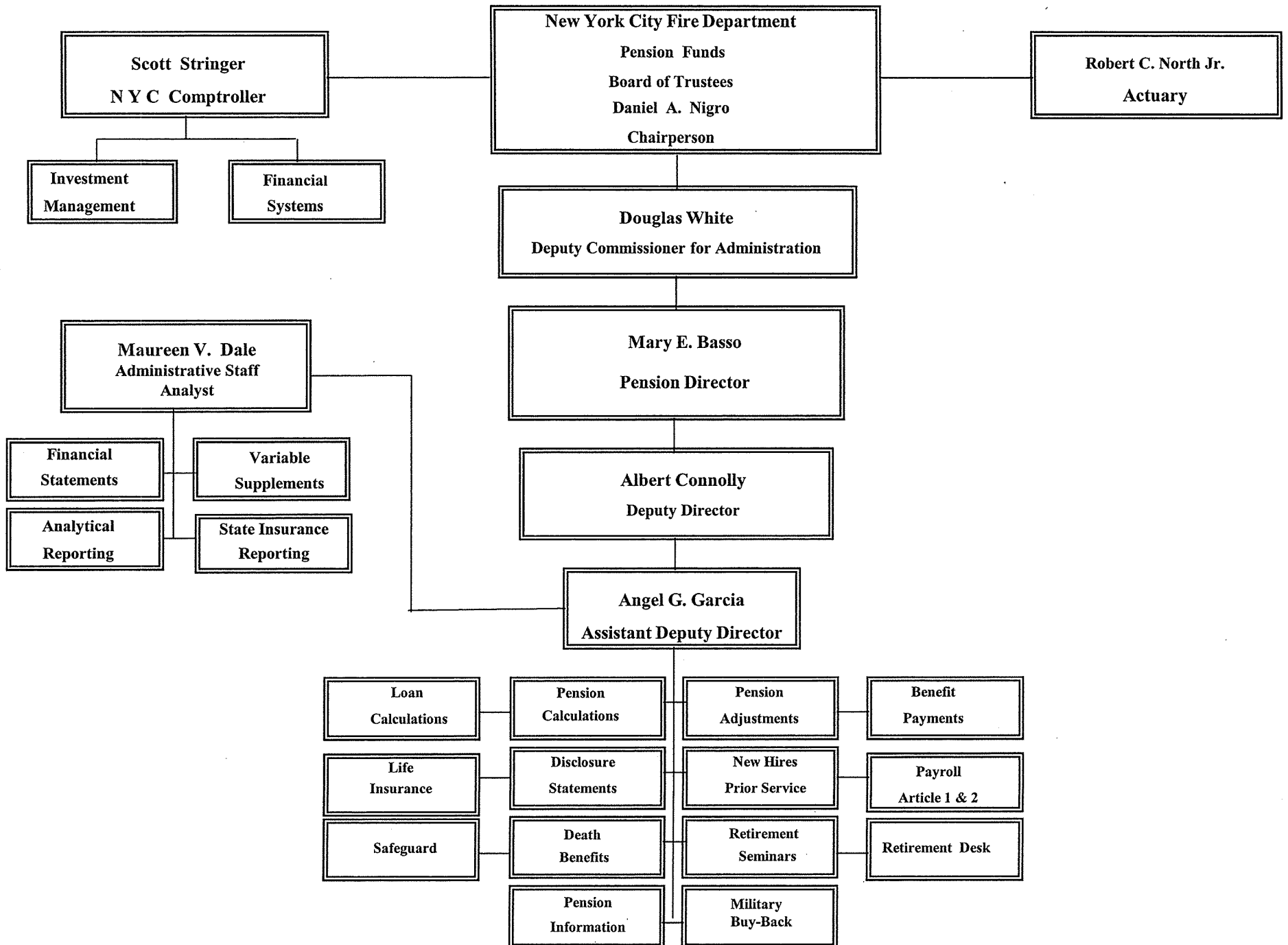
Respectfully submitted,



Mary E. Basso
Director of Pensions

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ADMINISTRATIVE ORGANIZATION



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MEMBERS OF THE BOARD OF TRUSTEES

As of June 30, 2014

| | |
|---------------------------|--|
| Bill de Blassio | Mayor, City of New York. |
| Daniel A. Nigro | Fire Commissioner and Chairperson. |
| Scott Stringer | Comptroller, City of New York. |
| Jacques Jiha | Commissioner, of Finance. |
| Stephen J. Cassidy | President of the Uniformed Firefighters Association of Greater New York. |
| James M. Slevin | Vice-President of the Uniformed Firefighters Association of Greater New York. |
| Robert Straub | Treasurer of the Uniformed Firefighters Association of Greater New York. |
| John Kelly | Chairperson of the Board of Trustees Uniformed Firefighters Association of Greater New York. |
| Al Hagan | President of the Uniformed Fire Officers' Association of Greater New York. |
| James A. Lemonda | Chiefs' Representative of the Uniformed Fire Officers' Association of Greater New York. |
| John Farina | Captains' Representative of the Uniformed Fire Officers' Association of Greater New York. |
| James McGowan | Lieutenants' Representative of the Uniformed Fire Officers' Association of Greater New York. |
| Sean O'Connor | Representative of the Uniformed Pilots' and MarineEngineers' Association of Greater New York. |

PENSION SYSTEM ADMINISTRATION AND REPORTING

Douglas White
Deputy Commissioner for Administration

Mary E. Basso
Pension Director

Albert Connolly
Deputy Director

Angel G. Garcia
Chief Accountant / Assistant Deputy Director

Maureen V. Dale
Deputy Chief Accountant

Summary Funds and Options Benefits

TIERS I & II

The Fire Department Pension Fund, Subchapter II, (the "Fund") is a corporation, separate from the Fire Department of The City of New York, your employer. All uniformed employees of the Department become members of the Fund upon appointment.

MEMBERSHIP

TIERS

Firefighters who became members of the Fund before July 1, 1973 are Tier 1 members. Firefighters who became members of the Fund on or after July 1, 1973 are Tier II members.

ORIGINAL PLAN – PRE-JULY 1, 1981 MEMBERS

Prior to July 1, 1981, all members of the Fund were enrolled in the "Original Plan". After the Fund was financially restructured in 1981, the "Original Plan" was closed to new entrants, and the "Improved Benefits Plan," which covers all firefighters hired on or after July 1, 1981, was adopted. It provides some increases in benefits, along with somewhat higher member and City contributions.

Although closed to new entrants, the "Original Plan" covered pre-7/1/81 members who had not elected to transfer to the "Improved Benefits Plan." Legislation enacted in 1986 permitted such transfers in June, July, and August of every year.

IMPROVED BENEFITS PLAN (IBP) – POST-JUNE 30, 1981 MEMBERS

All firefighters who become members of the Fire Department Pension Fund on or after July 1, 1981 are covered only by the "Improved Benefits Plan." Unless specifically stated otherwise, all information in this Summary Plan Description refers to members of the IBP only.

SUMMARY

| <u>Date of Membership</u> | <u>Tier</u> | <u>Applicable Plan</u> |
|----------------------------------|--------------------|------------------------------------|
| Pre-7/1/73 | 1 | Original of Improved Benefits Plan |
| 7/1/73-6/30/81 | 2 | Original of Improved Benefits Plan |
| Post-6/30/81 | 2 | Improved Benefits Plan |

If your membership date or equated date is between June 17, 1971 and June 30, 1973, you are subject to the limitations on final salary imposed by the Kingston Law.

KINGSTON LAW LIMITATIONS

For all members of the Fund appointed between June 17, 1971 and June 30, 1973, the pensionable compensation for the final year of service is limited to 120% of the pensionable compensation for the year immediately preceding the final year. For example, a member's final year of service is July 6, 2009 through July 5, 2010. If between July 6, 2008 and July 5, 2009 the member earned \$90,000.00 in pensionable salary, holiday pay, night-shift differential, and overtime, the final year pensionable compensation cannot exceed \$108,000 (\$90,000 X 120%).

CONTRIBUTIONS**REQUIRED EMPLOYEE CONTRIBUTIONS**

Tier I and Tier II members contribute a percentage of all earnings through payroll deductions to a 20-year plan. Contribution rate is based on age at appointment. Member contributions earn interest, currently 8 ¼% per year. Contributions are required for the first twenty (20) years of allowable fire service. After 20 years, contributions will continue unless the member submits a written request to the Pension Bureau to discontinue the contributions.

Contributions and any interest earned are referred to as "accumulated deductions". The amount of accumulated deductions required to be in the member's account at any given time is referred to as the "minimum required contribution." The total minimum required contribution is determined on the member's 20th anniversary. Contributions made above the minimum required are referred to as "excess" contributions.

TAXATION

Contributions made before December 1989 were federally taxed. Regular contributions made since December 1989 are federally tax-deferred as per section 414(h) of the Internal Revenue Code, but are subject to state and local income taxation. Thus, upon retirement or termination, withdrawal of these contributions and interest earnings will be subject to federal taxation only. Members who are under the age 50 may be subject to an additional 10% Federal tax penalty and should consult a tax advisor before withdrawing excess contributions at retirement. Minimum required contributions may not be withdrawn except upon separation from service before retirement (i.e. resignation or termination).

VOLUNTARY EMPLOYEE CONTRIBUTIONS 50% INDICATOR

Members may make additional contributions equal to 50% of their required employee contributions on a voluntary basis. Since these contributions are not covered by section 414(h) of the Internal Revenue Code, they are subject to immediate federal, state and city income taxation. These additional contributions will also increase a member's excess contributions, which will provide an additional annuity, or may be withdrawn as a lump sum, at retirement.

ITHP WAIVER

The City of New York makes employer contributions to the Fund. The City of New York also pays a portion of employee contributions. These contributions are called "Increased-Take-Home-Pay" (ITHP) and currently equal 5% of gross salary. For example, assume an employee contribution rate of 7.3% of pay. With ITHP, the member contributes 2.3% (the "minimum required contribution") and the City contributes 5%.

Members may waive the ITHP and contribute at the full employee rate. These additional contributions are covered by section 414(h) of the Internal Revenue Code, and are therefore federally tax-deferred. Although this lowers take-home pay during employment, it results in either a greater annuity at retirement or a lump-sum return of any excess. For example, assume a contribution rate of 7.3% of pay, and the employee waives the ITHP. While the employee contributes 7.3% of pay, the City of New York continues to make ITHP contributions equal to 5%. Excess tax-deferred 414(h) contributions are taxable in the year withdrawn.

NOTE: From March 27, 1976 through September 30, 2000, the ITHP rate was 2.5%.

HOW TO REDUCE PAYROLL DEDUCTIONS (138-b REGULATIONS)

To increase take-home pay, required employee contributions may be reduced up to the amount of Social Security (FICA) contributions. If required contributions are less than FICA contributions, the member will not be making any pension contributions, thereby creating a deficit in his/her retirement account. For example, assume a member has a pension contribution rate of 7.5%. The required contribution rate is 2.5%, and the ITHP is 5%. Under the 138-B election, the member will not be making any pension contributions since his/her required contribution rate of 2.5% is less than the current Social Security rate of 6.2%. If the percentages change and the required contribution rate becomes greater than the FICA rate, the member would contribute the difference into the retirement account.

If the 138-B option is elected, Social Security benefits will not be affected. However, the value of the retirement allowance will be reduced because it is based in part on required employee contributions and the interest earned thereon. After maximum Social Security contributions have been reached during any calendar year, pension contributions will resume.

EXCESS CONTRIBUTIONS

At retirement, Service and Accidental Disability retirees can choose to take any excess contributions as either a lump-sum payment or as an additional annuity. Members retiring for Ordinary Disability are required to take a lump-sum payment of any excess. Members considering requesting a refund of excess contributions are reminded that withdrawal of 414(h) contributions and interest is subject to federal tax in the year withdrawn. In addition, members who are under age 50 at retirement may also be subject to an additional 10% Federal tax penalty and should consult a tax advisor prior to withdrawal. Retiring members may request a direct rollover of any taxable excess into a qualified plan such as the NYC Deferred Compensation/401K plans, or an IRA in order to defer payment of federal tax.

CREDITED SERVICE

Credited service is classified as uniformed service or non-uniformed service.

ALLOWABLE FIRE SERVICE

Twenty (20) years of allowable fire service are required for Service Retirement. Such service includes:

All member service rendered as a uniformed member of The New York City Fire Department in the competitive class of the civil service.

Credit for service rendered in the uniformed force of The New York City Police Department immediately preceding service in the uniformed force of the New York City Fire Department, provided application for such credited service is made within prescribed time limits and such credited service is transferred to the Fund.

New York City Employees' Retirement System (NYCERS) uniformed force service rendered immediately before appointment as a uniformed member of The New York City Fire Department, provided application for such credited service is made within prescribed time limits and such credited service is transferred to the Fund. Uniformed service from NYCERS includes uniformed service in the Department of Correction, Sanitation as well as service as an Emergency Medical Technician (EMT) or Fire Alarm Dispatcher. It also includes all allowable Peace Officer service (as defined in Section 2.10 of the Criminal Procedure Law), service as Sheriff, Marshal, or D.A. Investigator, and any position specified in Appendix A of the agreement dated October 27, 2005 among The City of New York, the Uniformed Firefighters' Association and the Uniformed Fire Officers' Association.

Credit for any service rendered while a member of The New York State Policemen's and Firemen's Retirement System or the New York State & Local Retirement System, provided application for such credited service is made within prescribed time limits and such credited service is transferred to the Fund.

Credit for up to five (5) years of military service provided you were a member of a City retirement system at the time you entered military service and you immediately returned to City service upon discharge from the military.

Uniformed Services Employment & Reemployment Rights Act (USERRA) credit for members called off a Military Preferred List.

BUYBACK CREDIT

Chapter 548 of the Laws of 2000 allows members to purchase pension credit for up to three (3) years of certain wartime military service rendered prior to the commencement of the public employment. A member must have at least five (5) years of credited service to be eligible to receive credit under this law.

Chapter 646 of the Laws of 1999 – Tier Reinstatement: This law amends §645 of the RSSL and permits a member, who was previously a member of any New York public retirement system, to be deemed to have become a member of the current retirement system as of the original date of such previous ceased membership. If membership in the prior retirement system is based on certain designated law enforcement service, such service will be credited as “allowable” up-front service, towards the required 20-year period. For this purpose, such service shall include:

- a) Uniformed service in the police department, fire department or sanitation department of The City of New York or the State of New York or any agency or political subdivision thereof;
- b) Service as a peace officer as specified in §2.10 of the Criminal Procedure law (CPL); or
- c) Service in the title of sheriff, deputy sheriff, marshal district attorney investigator, or other State law enforcement positions. This benefit is available only where the member restores his or her refunded contribution balance with interest. In some cases, this may provide for a reinstatement of Tier status.

- * Chapter 552 of the Laws of 2000 – Prior Service Credit: This law allows members who were eligible for membership in any of the New York State or New York City retirement systems, but did not become members of such system, to buy pension credit for the time that was eligible for membership. If membership in the prior retirement system is based on certain designated law enforcement service, such service will be credited as “allowable” up-front service. For this purpose, such service shall include:
- a) Uniformed service in the police department, fire department or sanitation department of the City of New York or the State of New York or any agency or political subdivision thereof;
 - b) Service as a peace officer as specified in §2.10 of the Criminal Procedure Law (CPL); or
 - c) Service in the title of sheriff, deputy sheriff, marshal, district attorney investigator, or other State law enforcement positions. Except for the service indicated above, all other service will be “Other Credited Service,” which counts as additional service credit after the completion of twenty (20) years in the fire pension system.

OTHER CREDITED SERVICE

Other Credited Service is any New York City service (except Teachers’ Retirement System service) which is not considered allowable credited service. It counts as additional service credit after completing the required twenty (20) years and includes service rendered while a member in a non-uniformed position with the New York City Employees’ Retirement System and membership in the Board of Education Retirement System. However, there is no credit for prior non-uniformed service for members who are granted an accidental disability pension. Uniformed service credit that does not immediately precede uniformed service in the New York City Fire Department is Other Credited Service. Time not transferred can be purchased as a buyback under Chapter 646 or Chapter 552. All such Other Credited Service must be applied for within the time limits prescribed by law and transferred to the Fire Department Pension Fund.

RETIREMENT PROCESS

SERVICE RETIREMENT

Members may retire for service (non-disability) after completing 20 years of uniformed service. To initiate Service Retirement, Form BP-165 must be submitted through the chain of command. The Retirement Counseling Unit must receive the form at least (30) days before the date on which the member wishes to retire and at least ten (10) days before the date on which usage of accrued and terminal leave begins.

WITHDRAWAL OF SERVICE RETIREMENT APPLICATION

If a member has begun to utilize terminal leave and decides to withdraw the application for retirement, the FDNY Medical Board must evaluate the member for a duty determination before he/she can return to full duty.

DISABILITY RETIREMENT

A member may apply either for ordinary disability (non-service connected) retirement or accidental disability (service connected) retirement, or both. Applications for service or non-service incurred disability retirement shall be submitted to the Fire Commissioner on Form BP-409 (2 copies). The following steps are necessary before disability retirement is considered.

STEP I: SUBMISSION OF APPLICATION***Member's Application for Disability Retirement:***

A member may initiate the disability retirement process by submitting Form BP-409, whether or not there has been an examination by a Bureau of Health Services (BHS) physician or by the BHS Medical Board. However, the BHS Medical Board is required to make a determination of the member's fitness for duty status prior to or during the disability pension application process. When any officer submits an application for disability retirement, vacation leaves, accrued and terminal leaves must begin immediately.

Depending upon the results of an initial examination by a medical officer at the Fire Department's Bureau of Health Services, the member will be referred to the BHS Medical Board, which is comprised of three or more FDNY medical officers. The BHS Medical Board makes fitness for duty determinations. The BHS Medical Board examines the member and may make one of the following determinations:

- a) Temporarily unfit for full duty. In this case, the member is placed on light duty or medical leave with an exception of being returned to full duty.
- b) Permanently unfit for full duty. This category is also known as REC/LSS (Recommended Limited Service Squad or Long Term Light Duty). Pursuant to Mayoral Directive 78-14, the member may remain on Light Duty for up to one year.
- c) Undetermined. This requires examination by the full BHS Medical Board at the monthly meeting of all medical officers.
- d) Full Duty.

Fire Commissioner's Application for Disability Retirement:

Pursuant to Mayoral Executive Order No. 78-14, the Fire Commissioner must apply for the disability retirement of any member found permanently unfit for full firefighting duty by the BHS Medical Board. Within thirty days of the BHS Medical Board's determination that a member is permanently unfit for full firefighting duty (REC/LSS), the transcript or minutes from the BHS Medical Board are forwarded to the Pension Bureau Retirement Desk. The Pension Bureau Retirement Desk is then required to file a Fire Commissioner's Application for Disability Retirement with the 1-B Medical Board.

STEP II: REVIEW OF APPLICATION BY THE 1-B MEDICAL BOARD

The 1-B Medical Board is composed of three physicians and is independent of both the Fire Department and the Pension Board of Trustees. The 1-B Medical Board meets weekly and is the sole authority in determining whether a member is disabled for retirement/pension purposes. In reviewing an application, the 1-B Medical Board addresses the following questions:

- a) Is the member disabled for retirement purposes?
- b) If the member is disabled for retirement purposes, is the disability due to a line-of-duty accident? (a.k.a. the *Causation* question). Please note that while the 1-B Medical Board's disability determination is binding upon the Pension Board of Trustees, it may only make recommendations with respect to the causation component.

The applicant has the right to submit any and all evidence in support of a disability retirement and the 1-B Medical Board must evaluate all of the evidence and report its conclusions and recommendations to the Pension Board of Trustees.

The 1-B Medical Board's recommendation on the cause of a disability for retirement purposes is based on a review of the relevant medical records contained in the member's medical chart (from the Bureau of Health Services) and any additional documents submitted by the member, including relevant CD-72s. Often, during its initial review of a case, the 1-B Medical Board may request that one of its impartial medical consultants evaluate the member. The medical consultant will be a specialist that deals with the member's specific medical condition. After its initial review, the 1-B Medical Board reaches one of the following conclusions:

- a) Disabled due to line-of-duty accident (Accidental Disability)
- b) Disabled due to non-line-of-duty condition (Ordinary Disability)
- c) Not Disabled for retirement purposes (Denied)
- d) Decision deferred until the 1-B Medical Board has evaluated the consultant's report or other additional evidence.

The 1-B Medical Board's certification of each is forwarded to the Board of Trustees for a final determination of the disability application.

STEP III: REVIEW BY THE BOARD OF TRUSTEES

The Board of Trustees consists of City and Union representatives, each with an equal number of votes. During its monthly meetings, the Board reviews the reports of the 1-B Medical Board, the relevant medical records and the relevant CD-72s. Although the Board of Trustees cannot change the 1-B Medical Board's decision on whether a member is permanently disabled from full duty, it can overrule the 1-B Medical Board's recommendation on causation. When the Board of Trustees cannot reach the vote necessary to pass a motion (7/12 or 14 votes) on the cause of the disability, the member will be retired for ordinary disability. This is based on a court case known as the "Schoeck Decision."

WITHDRAWAL OF DISABILITY RETIREMENT APPLICATION

If the Fire Commissioner applied for a member's disability retirement, only the Fire Commissioner can stop the process. If a member has applied for disability retirement, the member may stop the process by withdrawing the application. If the 1-B Medical Board's doctors have found the member disabled for retirement purposes, the member may not return to full duty. However, members found to be disabled by the 1-B Medical Board will be afforded the opportunity to request a reasonable accommodation as outlined in PAID 1/2000.

A request to withdraw a disability retirement application by the member shall be made on a letter-head report to the Fire Commissioner and processed through the chain of command. The report shall include:

NAME, RANK, UNIT, SOCIAL SECURITY NUMBER, REASON MEMBER SUBMITTED RETIREMENT APPLICATION, REASON FOR REQUESTING WITHDRAWAL, DATE(S) OF PREVIOUS RETIREMENT APPLICATIONS AND WITHDRAWAL REQUEST

Upon receipt of the request, the Bureau of Human Resources shall direct the member to the Bureau of Health Services for examination. The Fire Commissioner may elect to either withdraw or keep in effect the Fire Commissioner's application for retirement. An application to withdraw shall be denied for either of the following reasons:

The member is found unfit for any duty by the Fire Department BHS Medical Board or the member has had disability certified by the Board of Trustees prior to receipt of his/her withdrawal application.

If the application to withdraw is approved, member will be notified to report to the Bureau of Human Resources for clarification of duty status and suitable assignment.

RETIREMENT PROCEDURES FOR ALL RETIREES

During the retirement process, retirees will be advised regarding health insurance, pension options, post-retirement employment restrictions, withholding tax, and related issues. At this time, the member's projected retirement date will be determined, and an estimate of the final pension allowable, as well as the amount of the partial allowance, will be determined. NOTE: Health insurance is not provided for members with less than ten (10) years of service, retiring on an ordinary disability.

Members are generally entitled to take all vacation leave, accrued and terminal leave (normally one (1) day per four (4) completed months of service) after their last day on duty, and remain on the active payroll during this time. Terminal leave is not granted for vested separations. Under limited circumstances, service retirees and vested separations may submit a request for withdrawal of their retirement application before going off the payroll. To do so, the Retirement Counseling Unit must be notified at least ten (10) business days before the date on which the member is requesting a return to active status. (Note: Service retirees who have begun to utilize terminal leave must be evaluated by the FDNY Medical Board prior to return to full duty).

Upon retirement, a member must return all Department property and obtain a Property Release Form (BP-71) from the Bureau of Personnel. The retiree must forward a copy of the Property Release Form to the Pension Bureau before any pension checks are issued. In addition, a copy of the Property Release Form must also be forwarded to Uniformed Payroll for release of the final active paycheck.

TIERS I and II: SERVICE RETIREMENT ALLOWANCE

Members will be eligible to receive a retirement allowance after completing 20 years of allowable fire service.

The Service retirement allowance is calculated as follows:

50% of final salary
plus
 $1/60^{\text{th}}$ x total earnings after your 20th anniversary
plus
 $1/80^{\text{th}}$ x average annual earnings of the last 5 years x the years and days of other credited
service, if applicable
plus
a pension based on the actuarial value of the ITHP contributions made after completion
of 20 years of allowable fire service, together with the interest earned on those
contributions
plus
an annuity based on any accumulations in excess of minimum required contributions
remaining in the member's account at retirement, including interest earned on those
contributions
less
the annuity value of any shortage in the member's account (shortages result from a
contribution rate deficiency, prior loans, unpaid loans, and/or nonpayment of
contributions).

TIERS I and II: DISABILITY RETIREMENT ALLOWANCE**ORDINARY DISABILITY RETIREMENT**

A member is eligible to receive an ordinary disability retirement allowance, regardless of age or years of credited service, provided the 1-B Medical Board and the Board of Trustees have found the member physically or mentally unable to perform his/her regular job duties.

An Ordinary Disability retirement allowance is calculated as follows:

years and days of all service, (uniformed and other credited service)
divided by 40 and multiplied by final salary
less
the annuity value of any shortages in the member's account (shortages result from prior loans, unpaid loans, and/or nonpayment of contributions)
plus
a lump-sum return of any accumulated deductions in excess of the minimum required contributions remaining in the account at retirement, including interest earned on these contributions.

ACCIDENTAL DISABILITY RETIREMENT

There is no minimum service requirement for accidental disability retirement. The 1-B Medical Board must find a member physically (includes the presumptive Lung Law and the Heart/Cancer/Infectious Diseases/WTC Bills) or mentally unable to perform his/her regular job duties because of an accidental injury received in the line-of-duty. Such disability must not be the result of a member's own negligence.

An Accidental Disability retirement allowance is calculated as follows:

a pension equal to 75% of final salary
plus
 $1/60^{\text{th}}$ x total earnings after the member's 20th anniversary
plus
an additional pension based on the actuarial value of the ITHP reserve account as of the effective date or retirement
plus
an annuity based on the actuarial value of accumulated deductions as of the effective date of retirement
less
a deduction for the annuity value of any loan outstanding at time of retirement.

Notes:

For members retiring on or after January 1, 2009, accidental disability pensions are federally taxed on the 1/60th portion, ITHP over 20 years, and the annuity based on contributions attributed to 414H and interest. The balance of an accidental disability pension is Federally tax-free. However, the entire accidental disability is exempt from New York State and New York City Income Tax.

There is no credit for prior non-uniformed City service for IBP members granted an accidental disability pension.

TIERS I and II: OPTIONS**TIER I: OPTIONS****MAXIMUM RETIREMENT ALLOWANCE (NO OPTION)**

At retirement, a member may elect to receive the maximum retirement allowance. The maximum retirement allowance is the largest benefit that can be received. Payments are made throughout the retiree's lifetime and cease upon death. There are no survivor benefits under the maximum retirement allowance.

OPTIONS

An option is an election that provides a continued pension benefit or lump-sum payment to a beneficiary. When electing an option, the member accepts a reduced retirement allowance during his/her lifetime. The reduction is based on the option selected, age, and sometimes the age of the beneficiary. After certification by the Office of the Actuary, the pension is finalized. Once the member receives his/her full pension check, the option selected cannot be changed. There are four options available to Tier I members.

OPTION 1

Option 1 is available only to Tier 1 members appointed prior to July 1, 1973.

This option sets up an initial pension reserve. If the retiree dies before receiving payments equal to this total pension reserve (the reserve set aside to pay benefits over a retiree's lifetime), the difference between the total pension reserve and all payments received will be awarded to the beneficiary. This option may be selected for the annuity reserve, the pension reserve, or both. More than one beneficiary may be named, and the beneficiary (ies) may be changed at any time.

OPTION 2

Joint and 100% Survivor: The retiree receives a reduced monthly lifetime allowance. Upon the death of the retiree, this option allows the named beneficiary to receive 100% of the reduced pension allowance for life. Only one beneficiary may be named, and the designated beneficiary may not be changed once the option is in effect.

OPTION 3

Joint and 50% Survivor: The retiree receives a reduced monthly lifetime allowance. Upon the death of the retiree, this option allows the named beneficiary to receive 50% of the reduced pension allowance for life. Only one beneficiary may be named, and the designated beneficiary may not be changed once this option is in effect.

OPTION 4

Lump Sum: The retiree receives a reduced annual pension allowance for life with the provision that upon the death of the retiree, the beneficiary(ies) will receive a limited lump-sum payment specified by the retiree at the time the option is chosen. More than one beneficiary may be named and the beneficiary(ies) may be changed at any time;

Annuity: The retiree receives a reduced annual pension allowance for life with the provision that upon the death of the retiree, the beneficiary will receive a specified annual annuity, as pre-determined by the retiree. Only one beneficiary may be named, and the designated beneficiary may not be changed once the option is in effect.

“POP-UP” OPTION MODIFICATION

Under this option modification, if the named beneficiary predeceases the retiree, the retirement allowance reverts back to the maximum retirement allowance. The “Pop-up” may ONLY be applied to Option 2, Option 3, and Option 4 annuities. There is an extra cost for this option.

FIVE YEAR OR TEN-YEAR CERTAIN

The Five-Year or Ten-Year Certain Options are available only to Tier 2 members appointed after July 1, 1973.

FIVE-YEAR CERTAIN: The Retiree receives a reduced monthly lifetime allowance. If the retiree dies within five years of his /her retirement, the benefit is paid to the retiree’s beneficiary either in a lump sum or in monthly payments for the remainder of the five years.

TEN-YEAR CERTAIN: The Retiree receives a reduced monthly lifetime allowance. If the retiree dies within ten years of his /her retirement, the benefit is paid to the retiree’s beneficiary either in a lump sum or in monthly payments for the remainder of the ten years.

Should the beneficiary predecease the retiree, upon the death of the retiree, a lump sum will be paid to the estate of said retiree. The beneficiary may be changed at any time with this option.

Notes:

Fifty percent (50%) of any cost-of-living adjustments (COLAs) are paid to a spouse under Options 2 and 3, under Option 4 Annuity, and any "Pop-up" option, whose deceased spouse, if alive, would be eligible for a COLA benefit increase.

Under current tax laws, for the beneficiary(ies) of line-of-duty (accidental) disability retirees, all options are federally taxed on a portion of the pension that was taxable to the retiree, however, the total pension received under an option is exempt from New York State and New York City taxation.

TIERS I and II: SURVIVOR BENEFITS

Tier I survivor benefits are paid if a member dies before retirement, whether death occurs on or off the job.

There are two types of death benefits:

Death Gamble Benefit – for ordinary (non-line-of-duty) deaths.
Accidental Death Benefit (Line-of-Duty)

DEATH GAMBLE BENEFIT

For non-line-of-duty deaths, the benefit is computed as though the member had retired the day before his/her death. The designated beneficiary(ies) will be eligible to receive an amount equal to the reserve for the service retirement allowance that would have been payable had the member retired on the day before his/her death. If the beneficiary predeceases the member, this death benefit is paid to the member's estate.

ACCIDENTAL (LINE –OF-DUTY) DEATH BENEFIT

If the 1-B Medical Board determines that death is the result of an accidental injury received in the line of duty, an accidental death benefit will be paid as follows:

a pension equal to 50% of final compensation will be paid to a surviving spouse, to continue for life;
or
if there is no surviving spouse or if a surviving spouse dies before any eligible child attains 18 years of age (or, if a student, 23 years of age), then to such child or children under such age, until every such child dies or attains such age;
or
if there is no surviving spouse or eligible child under the age of 18 years (or 23 years, if a student), then to the member's dependent parent(s) to continue for life;
plus
a lump sum equal to the balance of the member's ITHP reserve account
plus
a lump sum equal to the member's accumulated deductions/contributions will be paid to the designated beneficiary(ies)
plus
a Special Accidental Death benefit under Section 208-f of the General Municipal Law (State portion)

This Special Accidental Death benefit, when added to the 50% of final compensation pension paid by the City, and any Social Security Death benefits payable to a surviving spouse, equal to 100% of the member's final salary (final salary is defined as the last 12 months of earnings, and is never less than the full salary of a first-grade Firefighter). The Special Accidental Death benefit is increased from time to time by act of the New York State Legislature and is not payable to dependent parents. Effective September 1, 2000, any COLA (Cost of Living Adjustment) received on the 50% pension payable from the Fund shall be subtracted from the Special Accidental Death Benefit (State's portion).

BENEFICIARY DESIGNATION

Upon membership in the Fund, a beneficiary(ies) for the Life Insurance benefit and for Death Benefits is (are) elected. A member may change beneficiary(ies) at any time by filing the appropriate form(s) with the Pension Bureau. Please note that the beneficiary(ies) designated on the Death Benefits beneficiary form will receive this benefit in the event of the member's non-line-of-duty death. In the event of Accidental Death (Line-of-Duty), benefits will be paid to the appropriate beneficiary(ies) in accordance with the Administrative Code of the City of New York and other applicable sections of the law.

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Summary Funds Benefits

TIER III

This Summary Plan Description (SPD) summarizes the benefits provided by the New York City Fire Department Pension Fund, Subchapter II (the "Fire Pension Fund"), for Tier 3 members. Anyone who became a member of the Fire Pension Fund between July 1, 2009 and March 31, 2012 is a Tier 3 member. Those who become members of the Fire Pension Fund on or after April 1, 2012 are "modified Tier 3" members, also known as Tier 6. The main difference is that "Modified Tier 3" members have 5 year Final Average Salary (FAS) calculation upon retirement. Unless otherwise noted, the information presented in this SPD is applicable to both Tier 3 and Modified Tier 3 members, and will be collectively referred to as "Tier 3." This summary and any applicable laws, including, but not limited to, the Administrative Code of the City of New York (ACNY), the Retirement and Social Security Law (RSSL), and the rules of the Fire Pension Fund, the applicable Law or Rule will govern.

The Fire Pension Fund is a separate entity from the Fire Department of the City of New York (FDNY), your employer. All Uniformed employees of the Fire Department become members of the Fire Pension Fund upon appointment.

MEMBERSHIP

Uniformed members of the FDNY appointed on or after July 1, 2009 are subject to Article 14 of the RSSL, also known as Tier 3.

CONTRIBUTIONS

Members are required to contribute 3% of pensionable salary for the first 25 years of credited service (RSSL 517). Member contributions are federally tax-deferred as per section 414(h) of the Internal Revenue Code, but are subject to state and local income taxation.

MINIMUM REQUIRED AND INTEREST

Member contributions and any interest earned are referred to as accumulated contributions." The Tier 3 rate of interest on member contributions is currently 5%. The amount of accumulated contributions required to be in a member's account at any given time is referred to as the "minimum required." In order to be eligible for a benefit at retirement, a member must have the "minimum required" of accumulated contributions, which is equal to the 3% contribution rate plus the statutory interest earned.

DEFICITS

A deficit occurs when a member's pension account balance falls below the minimum required. Deficits may occur because of delays in contract settlements. Pension contributions on retroactive pay from a contract settlement do not include the interest that would have been earned on those contributions. Since interest earned on contributions is apart of a member's minimum required, a deficit can occur.

Members are not permitted to retire with a deficit, and are responsible for any account shortages. Members may opt to make a lump sum payment or bi-weekly payroll deductions to reduce and eliminate any deficit.

REFUNDS

Upon separation from the Fire Pension Fund for reasons other than retirement, such as resignation or termination, a written request for a refund of accumulated contributions plus interest may be made. If contributions are not withdrawn, the money will continue to earn interest for a maximum of five years from the date of separation.

WITHDRAWAL OF CONTRIBUTIONS

In the event of a resignation or termination, a member who is not vested or entitled to any other benefit under Tier 3 may withdraw accumulated contributions, and thereby terminate his or her Fire Pension Fund membership. A member, who separates from service as a vested member, but with less than 10 years of credited service, may also withdraw his or her accumulated contributions. A withdraw of contributions by such a vested member, however, will terminate all membership rights, include the right to receive a vested retirement benefit in the future. After 10 years of service, contributions may not be withdrawn and members will receive a vested retirement benefit.

LOANS

There is no provision in Tier 3 that allows a member to take loans.

CREDITED SERVICE

Unless otherwise stated, "credited service" is defined as allowable Uniformed service. Participation in the Fire Pension Fund is mandatory for Uniformed employees hired on or after July 1, 2009. Members receive credit for all Uniformed service time while on active payroll, up to a maximum, of 22 years.

ALLOWABLE UNIFORMED SERVICE

Twenty-two (22) years of allowable Uniformed service are required for Normal Service Retirement, or twenty (20) years for Early Service Retirement. Such service includes:

All member service rendered as a Uniformed member of the New York City Fire Department in the competitive class of the civil service.

Credit for service rendered in the Uniformed force of the New York City Police Department acquired pursuant to applicable law.

Credit for any service rendered while a member of the New York State and Local Police and Fire Retirement System as a Police Officer or Firefighter.

Credit for military service acquired pursuant to applicable law.

PRIOR SERVICE CREDIT

A member may obtain prior credited service for any New York State Police or Fire Time, or for Uniformed service with the New York City Police Department, by filing for transfer or buy-back. This prior credit service counts toward the requirements for vesting and retirement.

MILITARY SERVICE CREDIT

Military service with the federal government may be credited pursuant to New York State Military Law 243, the federal Uniformed Services Employment and Reemployment Right Act (USERRA), and RSSL 1000. Members who join the Fire Pension Fund on or after April 1, 2012, and who wish to purchase credit for military service under RSSL 1000, pay an amount for such credit equal to the number of years of military credit being purchased multiplied by 6% of the compensation earned by the member during the 12 months of credited service immediately preceding the member's application to purchase such credit. Members who joined the Fire Pension Fund prior to April 1, 2012 and who wish to purchase credit for military service under RSSL 1000, pay an amount for such credit equal to the number of years of military credit being purchased multiplied by 3% of the compensation earned by the member during the 12 months of credited service immediately preceding the member's application to purchase such credit.

TRANSFER TO THE FIRE PENSION FUND

A member may transfer to the Fire Pension Fund from another public retirement system within the State of New York. In Tier 3, transferring prior City or State service, other than Uniformed Police or Fire service, does not provide any additional monetary benefit, nor does it change your Service Retirement eligibility date. However, members with a membership in a New York public pension fund that began prior to July 1, 2009 will become Tier 2 members of the Fire Pension Fund upon completion of a proper transfer. Before deciding whether to transfer service from another pension system, eligible members should contact the Fire Pension Fund Administration Office at (718) 999-2300.

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New York City Fire Pension Funds

Comprehensive Annual Financial Report

A Pension Trust Fund of The City of New York



Financial Section

Part II

Fiscal Years Ended June 30, 2014 and June 30, 2013

New York City Fire Department

Department of Fire and Safety

Fire Station 104



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Fire Station 104

104

Fire Station 104

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
New York Fire Department Pension Funds:

Report on the Financial Statements

We have audited the accompanying combined statements of fiduciary net position of the New York Fire Department Pension Funds, which are comprised of the New York Fire Department Pension Fund, New York City Fire Department Firefighters' Variable Supplements Fund, and New York City Fire Department Fire Officers' Variable Supplements Fund (collectively, the "Funds") as of June 30, 2014 and 2013, and the related combined statements of changes in fiduciary net position for the years then ended, and the related notes to the combined financial statements, which collectively comprise the Funds' basic financial statements as listed in the table of contents.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined fiduciary net position as of June 30, 2014 and 2013, and the combined changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the combined financial statements, in 2014, the Funds adopted Governmental Accounting Standards Board ("GASB") Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

As discussed in Note 2, in 2014, as a result of an analysis performed by management, management determined that it was preferable to present the Fire Pension Funds' financial statements on a combined basis for presentation purposes. Therefore, the Funds will no longer report on an individual plan basis and will report the Funds on a combined basis. As a result, the Funds 2013 financial statements were restated to conform to this change. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule 1, Schedule 2 and Schedule 3, as listed in the table of contents, be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined financial statements, is required by the GASB who considers it to be an essential part of the financial reporting for placing the basic combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements, and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements. The Introductory Section, Additional Supplementary Information, Investment Section, Actuarial Section, and Statistical Section, as listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements.

The Additional Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion the Additional Supplementary Information is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

The Introductory Section, Investment Section, Actuarial Section, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Deloitte & Touche LLP

October 29, 2014

NEW YORK FIRE DEPARTMENT PENSION FUNDS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2014 AND 2013

This narrative discussion and analysis of the New York Fire Department Pension Funds' ("FIRE" or the "Funds") financial performance provides an overview of the Funds' financial activities for the Fiscal Years ended June 30, 2014 and 2013. It is meant to assist the reader in understanding the Funds' combined financial statements by providing an overall review of the combined financial activities during the years and the effects of significant changes, as well as a comparison with the prior years' activity and results. This discussion and analysis is intended to be read in conjunction with the Funds' combined financial statements.

FIRE administers the New York Fire Department, Subchapter Two Pension Fund, which is generally referred to as the New York Fire Department Pension Fund ("QPP") as set forth in the Administrative Code of The City of New York ("ACNY") Section 13-313.1. FIRE also administers the New York City Fire Department Firefighters' Variable Supplements Fund ("FFVSF") and the New York City Fire Department Fire Officers' Variable Supplements Fund ("FOVSF").

OVERVIEW OF BASIC COMBINED FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the Funds' basic combined financial statements. The basic combined financial statements, which are prepared in accordance with Governmental Accounting Standards Board ("GASB") pronouncements and include the financial statements of each of the Funds, are:

- **The Combined Statements of Fiduciary Net Position** — presents the financial position of the Funds at each fiscal year end. It provides information about the nature and amounts of resources with present service capacity that the Funds presently control (assets), consumption of net assets by the Funds that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Funds have little or no discretion to avoid (liabilities), and acquisition of net assets by the Funds that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Combined Statements of Changes in Fiduciary Net Position** — presents the results of activities during the fiscal year. All changes affecting the assets/deferred outflow and liabilities/deferred inflow of the Funds are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Combined Financial Statements** — provide additional information that is essential to a full understanding of the data provided in the combined financial statements. The notes present information about the Funds' accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information** — as required by the GASB is presented after the Notes to the Combined Financial Statements.

In 2014, the Funds adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Implementation of GASB Statement No. 67 did not impact the fiduciary net position of the Funds; however, certain changes to note disclosures and required supplementary information have been incorporated to comply with the new standard.

FINANCIAL HIGHLIGHTS

For Fiscal Year ended June 30, 2014, the Funds' net position restricted for benefits increased by \$1.6 billion (16.7%) to approximately \$11.4 billion, compared to the Funds' net position restricted for benefits in Fiscal Year 2013. The growth for Fiscal Year 2014 can be attributed to the excess of total contributions and net investment income over pension benefits paid. In addition, a net appreciation in the fair value of the Funds' investment portfolio resulted in a significant increase in the amount of net investment income reported for the period.

For Fiscal Year ended June 30, 2013, the Funds' net position restricted for benefits increased by \$1.0 billion (11.5%) to approximately \$9.8 billion, compared to the Funds' net position restricted for benefits in Fiscal Year 2012. The growth for Fiscal Year 2013 can be attributed to the excess of total contributions and net investment income over pension benefits paid. Additionally, due to a net appreciation in the fair value of the Funds' investment portfolio, there was a significant increase in the amount of net investment income reported for the period.

Changes in Combined Fiduciary Net Position Years Ended June 30, 2014, 2013 and 2012 (In thousands)

| | 2014 | 2013 | 2012 |
|--------------------------------------|----------------------|---------------------|---------------------|
| Additions: | | | |
| Member contributions | \$ 108,859 | \$ 104,816 | \$ 98,494 |
| Employer contributions | 969,956 | 962,173 | 976,895 |
| Net investment income | 1,689,485 | 1,042,431 | 105,739 |
| Other | 39,980 | 38,965 | 37,661 |
| Total | <u>2,808,280</u> | <u>2,148,385</u> | <u>1,218,789</u> |
| Deductions: | | | |
| Benefit payments and withdrawals | <u>1,171,329</u> | <u>1,136,004</u> | <u>1,108,188</u> |
| Net increase in net position | 1,636,951 | 1,012,381 | 110,601 |
| Net position restricted for benefits | | | |
| Beginning of year | <u>9,789,984</u> | <u>8,777,603</u> | <u>8,667,002</u> |
| End of year | <u>\$ 11,426,935</u> | <u>\$ 9,789,984</u> | <u>\$ 8,777,603</u> |

For Fiscal Year ended June 30, 2014, member contributions were approximately \$108.9 million or an increase of \$4.1 million (3.9%) compared to member contributions for Fiscal Year 2013.

For Fiscal Year ended June 30, 2013, member contributions were approximately \$104.8 million or an increase of \$6.3 million (6.4%) compared to member contributions for Fiscal Year 2012. The increases in member contributions are primarily due to a greater number of active Plan members making voluntary contributions in addition to their required contributions and increases in the average annual pay of Plan members.

Employer contributions are made on a statutory basis determined by the actuarial valuations performed as of June 30, 2012, 2011 and 2010. Employer contributions for Fiscal Year 2014 totaled approximately \$970.0 million, an increase of \$7.8 million (.8%) compared to employer contributions for Fiscal Year 2013 primarily due to the net result of an actuarial gain. Employer contributions for Fiscal Year 2013 totaled \$962.2 million, a reduction of \$14.7 million (1.5%) over employer contributions for Fiscal Year 2012 primarily due to the net result of an actuarial loss.

For Fiscal Year ended June 30, 2014, the Funds had a net investment gain of \$1,689.5 million; this amount was an increase of 62.1% compared to the net investment gain of \$1,042.4 million recorded for Fiscal Year 2013. The gain for Fiscal Year 2014 can be attributed to the overall net appreciation in fair value of the Funds' investment portfolio.

For Fiscal Year ended June 30, 2013, the Funds had a net investment gain of \$1,042.4 million; this amount was an increase of 885.9% compared to the net investment gain of \$105.7 million recorded for Fiscal Year 2012. The gain for Fiscal Year 2013 can be attributed to the net appreciation in fair value of the Funds' investment portfolio, primarily the equity investments.

Benefit payments and withdrawals recorded were \$1,171.3 million for the Fiscal Year ended June 30, 2014; this was an increase of 3.1% over benefit payments and withdrawals recorded for Fiscal Year 2013. Benefit payments and withdrawals recorded were \$1,136.0 million for the Fiscal Year ended June 30, 2013; this was an increase of 2.5% over benefit payments and withdrawals recorded in Fiscal Year 2012. Increases in benefit payments and withdrawals are primarily due to changes in the number of new retirees and the amount of payments made to beneficiaries. In addition, legislatively enacted cost of living increase for certain retirees and beneficiaries also serves to increase benefit payments each year.

For Fiscal Year 2014, Fire QPP, in accordance with regulations of the ACNY transferred an amount to the VSF's equal to certain excess earnings on equity investments limited to the unfunded Accumulated Benefit Obligation ("ABO") of the Fund. The amounts paid were \$110 million to the FFVSF Fund and \$10 million to the FOVSF Fund. Such amounts have been eliminated in the systemwide presentation above. For Fiscal Year 2013 there were no transfers.

COMBINED FIDUCIARY NET POSITION

For Fiscal Year 2014, the Funds' net position restricted for benefits increased by 16.7% to \$11.4 billion, compared to the net position restricted for benefits of \$9.8 billion in Fiscal Year 2013. The growth for Fiscal Year 2014 can be attributed to the excess of total contributions and net investment income over pension benefits paid. In addition, a net appreciation in the fair value of the Funds' investment portfolio resulted in a significant increase in the amount of net investment income reported for the year.

For Fiscal Year 2013, the Funds' net position restricted for benefits increased by 11.5% to \$9.8 billion, compared to the Funds' net position restricted for benefits of \$8.8 billion in Fiscal Year 2012. The growth for Fiscal Year 2013 can be attributed to the excess of total contributions and net investment income over pension benefits paid. Additionally, due to a net appreciation in the fair value of the Funds' investment portfolio, there was a significant increase in the amount of net investment income reported for the year.

Outstanding member loans for Fiscal Year 2014 totaled \$28.4 million; this amount was a decrease from member loans reported in Fiscal Year 2013. Outstanding member loans for Fiscal Year 2013 totaled \$29.7 million; this amount was a decrease from member loans reported in Fiscal Year 2012. Changes in member loans can be attributed to changes in the number and amounts of new loans disbursed and the amount of repayments received. Members are permitted to borrow up to 75% (for certain members up to 90%) of their required contributions, including accumulated interest.

Combined Fiduciary Net Position
June 30, 2014, 2013 and 2012
(In thousands)

| | 2014 | 2013 | 2012 |
|---|----------------------|---------------------|---------------------|
| Cash | \$ 21,918 | \$ 12,724 | \$ 21,115 |
| Receivables | 285,111 | 426,095 | 271,396 |
| Investments — at fair value | 11,710,528 | 10,218,164 | 9,084,580 |
| Collateral from securities lending | 1,049,736 | 1,011,064 | 798,926 |
| Other assets | <u>5,246</u> | <u>4,807</u> | <u>57,929</u> |
| Total assets | <u>13,072,539</u> | <u>11,672,854</u> | <u>10,233,946</u> |
| Accounts payable | 45,805 | 115,261 | 108,620 |
| Payables for investments purchased | 502,688 | 705,244 | 498,229 |
| Accrued benefits payable | 46,669 | 47,872 | 47,139 |
| Payables for securities lending transactions | <u>1,050,442</u> | <u>1,014,493</u> | <u>802,355</u> |
| Total liabilities | <u>1,645,604</u> | <u>1,882,870</u> | <u>1,456,343</u> |
| Net position restricted for benefits | <u>\$ 11,426,935</u> | <u>\$ 9,789,984</u> | <u>\$ 8,777,603</u> |

The Funds' receivables and payables are primarily generated through the timing difference between the trade and settlement dates for investment securities purchased or sold.

INVESTMENT SUMMARY

Investment Summary
June 30, 2014
(In thousands)

| Investments - At fair value: | QPP | FFVSF | FOVSF | Combined |
|---|----------------------|-------------------|-------------------|----------------------|
| Short term investments: | | | | |
| U.S. treasury bills and agency | \$ 168,060 | \$ 13,100 | \$ 1,000 | \$ 182,160 |
| Commercial paper | 168,171 | 500 | 4,423 | 173,094 |
| Short-term investment fund | 161,633 | 3,903 | 1,297 | 166,833 |
| Discount notes | - | - | - | - |
| Debt securities: | | | | |
| U.S. government and agency | 859,362 | 42,211 | 31,539 | 933,112 |
| Corporate and other | 1,114,610 | 34,508 | 26,997 | 1,176,115 |
| Promissory notes | - | - | - | - |
| Equity securities | 2,403,634 | - | - | 2,403,634 |
| Alternative investments | 1,761,800 | - | - | 1,761,800 |
| Mutual funds - International equity | - | 15,535 | 10,719 | 26,254 |
| Collective trust funds: | | | | |
| International equity | 2,051,440 | 63,353 | 51,416 | 2,166,209 |
| Domestic equity | 1,516,964 | 226,046 | 162,466 | 1,905,476 |
| Mortgage debt security | 64,999 | - | - | 64,999 |
| Treasury inflation protected securities | 305,321 | 10,081 | 6,395 | 321,797 |
| Fixed income | 386,024 | 26,035 | 16,986 | 429,045 |
| Collateral from securities lending | 990,167 | 33,011 | 26,558 | 1,049,736 |
| | <u>\$ 11,952,185</u> | <u>\$ 468,283</u> | <u>\$ 339,796</u> | <u>\$ 12,760,264</u> |

Investment Summary
June 30, 2013
(In thousands)

| Investments - At fair value: | QPP | FFVSF | FOVSF | Combined |
|---|----------------------|-------------------|-------------------|----------------------|
| Short term investments: | | | | |
| U.S. treasury bills | \$ 46,566 | \$ 7,301 | \$ 1,999 | \$ 55,866 |
| Commercial paper | 134,308 | - | 281 | 134,589 |
| Short-term investment fund | 184,694 | 6,022 | 2,993 | 193,709 |
| Discount notes | 27,287 | - | - | 27,287 |
| Debt securities: | | | | |
| U.S. government and agency | 984,390 | 53,922 | 34,105 | 1,072,417 |
| Corporate and other | 918,104 | 27,780 | 19,616 | 965,500 |
| Promissory notes | 1,788 | - | - | 1,788 |
| Equity securities | 3,440,857 | 225,196 | 150,983 | 3,817,036 |
| Alternative investments | 1,455,653 | - | - | 1,455,653 |
| Mutual funds - International equity | - | 13,854 | 9,562 | 23,416 |
| Collective trust funds: | | | | |
| International equity | 1,698,801 | 55,429 | 41,658 | 1,795,888 |
| Domestic equity | - | - | - | - |
| Mortgage debt security | 50,067 | - | - | 50,067 |
| Treasury inflation protected securities | 232,465 | 9,652 | 6,123 | 248,240 |
| Fixed income | 337,426 | 23,765 | 15,517 | 376,708 |
| Collateral from securities lending | 936,985 | 44,784 | 29,295 | 1,011,064 |
| | <u>\$ 10,449,391</u> | <u>\$ 467,705</u> | <u>\$ 312,132</u> | <u>\$ 11,229,228</u> |

The tables above summarize the Funds' investment portfolio including collateralized securities lending. Due to the long-term nature of the Funds' benefit obligations, the Funds' assets are invested with a long-term investment horizon. Assets are invested in a diversified portfolio of capital market securities. Investments in these assets are expected to produce higher returns, but are also subject to greater volatility and may produce negative returns. For example, the Russell 3000 index, a broad measure of the United States stock market posted gains of 25.2% in Fiscal Year 2014, compared to gains posted of 21.5% in Fiscal Year 2013. The investment results for Fiscal Year 2014 were generally consistent with related benchmarks, within asset classes. Overall, the most significant gains were posted within the equity asset classes during the fiscal year. FIRE QPP's investment portfolio posted gains of 17.4% for Fiscal Year 2014 compared to the gain of 11.9% for Fiscal Year 2013. For the three-year period ended June 30, 2014, the overall rate of return on the QPP's investment portfolio was 9.9%.

The FFVSF's investment portfolio posted gains of 17.7% for Fiscal Year 2014 compared to the gain of 12.8% for Fiscal Year 2013. For the three-year period ended June 30, 2014, the overall rate of return on the Plan's investment portfolio was 10.8%.

Similarly, the FOVSF's investment portfolio posted gains of 19.6% for Fiscal Year 2014 compared to the gain of 12.7% for Fiscal Year 2013. For the three-year period ended June 30, 2014, the overall rate of return on the Plan's investment portfolio was 11.2%.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the New York Fire Department Pension Funds' finances. Questions concerning any data provided in this report or requests for additional information should be directed to Chief Accountant, New York Fire Department Pension Funds, 9 Metrotech Center, 6W-07-K, Brooklyn, NY 11201-3751.

* * * * *

NEW YORK FIRE DEPARTMENT PENSION FUNDS

COMBINED STATEMENT OF FIDUCIARY NET POSITION

June 30, 2014

(In thousands)

| | QPP | FFVSF | FOVSF | Eliminations | Combined Funds |
|---|----------------------|-------------------|-------------------|------------------|----------------------|
| ASSETS: | | | | | |
| Cash | \$ 9,801 | \$ 11,591 | \$ 526 | \$ - | \$ 21,918 |
| Receivables: | | | | | |
| Investment securities sold | 225,735 | 7,769 | 2,979 | - | 236,483 |
| Member loans (Note 6) | 28,434 | - | - | - | 28,434 |
| Accrued interest and dividends | 18,907 | 755 | 532 | - | 20,194 |
| Transferrable earnings due from QPP to | | | | | |
| Variable Supplements Funds | - | 110,000 | 10,000 | (120,000) | - |
| Accounts receivable | - | - | - | - | - |
| Total receivables | <u>273,076</u> | <u>118,524</u> | <u>13,511</u> | <u>(120,000)</u> | <u>285,111</u> |
| INVESTMENTS — At fair value (Notes 2 and 3): | | | | | |
| Short-term investments: | | | | | |
| Commercial paper | 168,171 | 500 | 4,423 | - | 173,094 |
| Short-term investment fund | 161,633 | 3,903 | 1,297 | - | 166,833 |
| U.S. treasury bills and agencies | 168,060 | 13,100 | 1,000 | - | 182,160 |
| Discount notes | - | - | - | - | - |
| Debt securities: | | | | | |
| U.S. government and agency | 859,362 | 42,211 | 31,539 | - | 933,112 |
| Corporate and other | 1,114,610 | 34,508 | 26,997 | - | 1,176,115 |
| Promissory notes | - | - | - | - | - |
| Equity securities | 2,403,634 | - | - | - | 2,403,634 |
| Alternative investments | 1,761,800 | - | - | - | 1,761,800 |
| Mutual funds - international equity | - | 15,535 | 10,719 | - | 26,254 |
| Collective trust funds: | | | | | |
| International equity | 2,051,440 | 63,353 | 51,416 | - | 2,166,209 |
| Fixed income | 386,024 | 26,035 | 16,986 | - | 429,045 |
| Domestic equity | 1,516,964 | 226,046 | 162,466 | - | 1,905,476 |
| Mortgage debt security | 64,999 | - | - | - | 64,999 |
| Treasury inflation protected securities | 305,321 | 10,081 | 6,395 | - | 321,797 |
| Collateral from securities lending | <u>990,167</u> | <u>33,011</u> | <u>26,558</u> | <u>-</u> | <u>1,049,736</u> |
| Total investments | <u>11,952,185</u> | <u>468,283</u> | <u>339,796</u> | <u>-</u> | <u>12,760,264</u> |
| OTHER ASSETS | | | | | |
| | <u>5,246</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,246</u> |
| Total assets | <u>12,240,308</u> | <u>598,398</u> | <u>353,833</u> | <u>(120,000)</u> | <u>13,072,539</u> |
| LIABILITIES: | | | | | |
| Accounts payable | 45,749 | - | 56 | - | 45,805 |
| Payable for investment securities purchased | 472,882 | 19,382 | 10,424 | - | 502,688 |
| Accrued benefits payable (Note 1) | 14,966 | 22,034 | 9,669 | - | 46,669 |
| Transferrable earnings due from QPP to | | | | | |
| Variable Supplements Funds | 120,000 | - | - | (120,000) | - |
| Securities lending (Note 2) | <u>990,873</u> | <u>33,011</u> | <u>26,558</u> | <u>-</u> | <u>1,050,442</u> |
| Total liabilities | <u>1,644,470</u> | <u>74,427</u> | <u>46,707</u> | <u>(120,000)</u> | <u>1,645,604</u> |
| NET POSITION RESTRICTED FOR BENEFITS: | | | | | |
| Benefits to be provided by QPP | 10,595,838 | - | - | - | 10,595,838 |
| Benefits to be provided by VSF | - | 523,971 | 307,126 | - | 831,097 |
| Total net position restricted for benefits | <u>\$ 10,595,838</u> | <u>\$ 523,971</u> | <u>\$ 307,126</u> | <u>\$ -</u> | <u>\$ 11,426,935</u> |

See notes to combined financial statements.

NEW YORK FIRE DEPARTMENT PENSION FUNDS

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2014

(In thousands)

| | QPP | FFVSF | FOVSF | Eliminations | Combined Funds |
|---|----------------------|-------------------|-------------------|------------------|----------------------|
| ADDITIONS: | | | | | |
| Contributions: | | | | | |
| Member contributions | \$ 108,859 | \$ - | \$ - | \$ - | \$ 108,859 |
| Employer contributions | 969,956 | - | - | - | 969,956 |
| Total contributions | <u>1,078,815</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,078,815</u> |
| Investment income (Note 3): | | | | | |
| Interest income | 118,699 | 4,701 | 3,038 | - | 126,438 |
| Dividend income | 141,157 | 6,025 | 4,320 | - | 151,502 |
| Net appreciation in fair value of investments | <u>1,352,930</u> | <u>58,245</u> | <u>43,907</u> | <u>-</u> | <u>1,455,082</u> |
| Total investment income | 1,612,786 | 68,971 | 51,265 | - | 1,733,022 |
| Less investment expenses | <u>42,803</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>42,803</u> |
| Net income | <u>1,569,983</u> | <u>68,971</u> | <u>51,265</u> | <u>-</u> | <u>1,690,219</u> |
| Securities lending transactions: | | | | | |
| Securities lending income | 4,171 | 149 | 121 | - | 4,441 |
| Securities lending loss | (4,896) | (81) | 68 | - | (4,909) |
| Securities lending fees | <u>(245)</u> | <u>(12)</u> | <u>(9)</u> | <u>-</u> | <u>(266)</u> |
| Net securities lending income (loss) | <u>(970)</u> | <u>56</u> | <u>180</u> | <u>-</u> | <u>(734)</u> |
| Net investment income | 1,569,013 | 69,027 | 51,445 | - | 1,689,485 |
| Net receipts from other retirement systems | 39,581 | - | - | - | 39,581 |
| Transferrable earnings from QPP to Variable Supplements Funds | - | 110,000 | 10,000 | (120,000) | - |
| Litigation income | <u>399</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>399</u> |
| Total additions | <u>2,687,808</u> | <u>179,027</u> | <u>61,445</u> | <u>(120,000)</u> | <u>2,808,280</u> |
| DEDUCTIONS: | | | | | |
| Benefit payments and withdrawals (Note 1) | 1,099,162 | 50,425 | 21,742 | - | 1,171,329 |
| Transferrable earnings from QPP to Variable Supplements Funds | <u>120,000</u> | <u>-</u> | <u>-</u> | <u>(120,000)</u> | <u>-</u> |
| Total deductions | <u>1,219,162</u> | <u>50,425</u> | <u>21,742</u> | <u>(120,000)</u> | <u>1,171,329</u> |
| NET INCREASE IN NET POSITION | 1,468,646 | 128,602 | 39,703 | - | 1,636,951 |
| NET POSITION RESTRICTED FOR BENEFITS | | | | | |
| Beginning of year | <u>9,127,192</u> | <u>395,369</u> | <u>267,423</u> | <u>-</u> | <u>9,789,984</u> |
| End of year | <u>\$ 10,595,838</u> | <u>\$ 523,971</u> | <u>\$ 307,126</u> | <u>\$ -</u> | <u>\$ 11,426,935</u> |

See notes to combined financial statements.

NEW YORK FIRE DEPARTMENT PENSION FUNDS

COMBINED STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

(In thousands)

| | QPP | FFVSF | FOVSF | Combined Funds |
|--|---------------------|-------------------|-------------------|---------------------|
| ASSETS: | | | | |
| Cash | \$ 2,155 | \$ 10,490 | 79 | 12,724 |
| Receivables: | | | | |
| Investment securities sold | 335,643 | 12,867 | 25,973 | 374,483 |
| Member loans (Note 7) | 29,707 | - | - | 29,707 |
| Accrued interest and dividends | 20,277 | 978 | 650 | 21,905 |
| Accounts receivable | - | - | - | - |
| Total receivables | <u>385,627</u> | <u>13,845</u> | <u>26,623</u> | <u>426,095</u> |
| INVESTMENTS — At fair value (Notes 2 and 3): | | | | |
| Short-term investments: | | | | |
| Commercial paper | 134,308 | - | 281 | 134,589 |
| Short-term investment fund | 184,694 | 6,022 | 2,993 | 193,709 |
| U.S. treasury bills | 46,566 | 7,301 | 1,999 | 55,866 |
| Discount notes | 27,287 | - | - | 27,287 |
| Debt securities: | | | | |
| U.S. government and agency | 984,390 | 53,922 | 34,105 | 1,072,417 |
| Corporate and other | 918,104 | 27,780 | 19,616 | 965,500 |
| Promissory notes | 1,788 | - | - | 1,788 |
| Equity securities | 3,440,857 | 225,196 | 150,983 | 3,817,036 |
| Alternative investments | 1,455,653 | - | - | 1,455,653 |
| Mutual funds - international equity | - | 13,854 | 9,562 | 23,416 |
| Collective trust funds: | | | | |
| International equity | 1,698,801 | 55,429 | 41,658 | 1,795,888 |
| Fixed income | 337,426 | 23,765 | 15,517 | 376,708 |
| Domestic equity | - | - | - | - |
| Mortgage debt security | 50,067 | - | - | 50,067 |
| Treasury inflation protected securities | 232,465 | 9,652 | 6,123 | 248,240 |
| Collateral from securities lending | <u>936,985</u> | <u>44,784</u> | <u>29,295</u> | <u>1,011,064</u> |
| Total investments | <u>10,449,391</u> | <u>467,705</u> | <u>312,132</u> | <u>11,229,228</u> |
| OTHER ASSETS | <u>4,807</u> | <u>-</u> | <u>0</u> | <u>4,807</u> |
| Total assets | <u>10,841,980</u> | <u>492,040</u> | <u>338,834</u> | <u>11,672,854</u> |
| LIABILITIES: | | | | |
| Accounts payable | 115,178 | - | 83 | 115,261 |
| Payable for investment securities purchased | 643,697 | 29,455 | 32,092 | 705,244 |
| Accrued benefits payable (Note 2) | 15,499 | 22,432 | 9,941 | 47,872 |
| Securities lending (Note 2) | <u>940,414</u> | <u>44,784</u> | <u>29,295</u> | <u>1,014,493</u> |
| Total liabilities | <u>1,714,788</u> | <u>96,671</u> | <u>71,411</u> | <u>1,882,870</u> |
| NET POSITION RESTRICTED FOR BENEFITS: | | | | |
| Benefits to be provided by QPP | 9,127,192 | - | - | 9,127,192 |
| Benefits to be provided by VSF | - | 395,369 | 267,423 | 662,792 |
| Total net position restricted for benefits | <u>\$ 9,127,192</u> | <u>\$ 395,369</u> | <u>\$ 267,423</u> | <u>\$ 9,789,984</u> |

See notes to combined financial statements.

NEW YORK FIRE DEPARTMENT PENSION FUNDS

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2013

(In thousands)

| | QPP | FFVSF | FOVSF | Combined Funds |
|---|--------------|------------|---------|----------------|
| ADDITIONS: | | | | |
| Contributions: | | | | |
| Member contributions | \$ 104,816 | - | - | \$ 104,816 |
| Employer contributions | 962,173 | - | - | 962,173 |
| Total contributions | 1,066,989 | - | - | 1,066,989 |
| Investment income (Note 2): | | | | |
| Interest income | 109,000 | 4,690 | 3,178 | 116,868 |
| Dividend income | 128,031 | 6,397 | 4,509 | 138,937 |
| Net appreciation in fair value of investments | 757,136 | 35,181 | 26,805 | 819,122 |
| Total investment income | 994,167 | 46,268 | 34,492 | 1,074,927 |
| Less investment expenses | 38,482 | - | - | 38,482 |
| Net income | 955,685 | 46,268 | 34,492 | 1,036,445 |
| Securities lending transactions: | | | | |
| Securities lending income | 6,298 | 345 | 225 | 6,868 |
| Securities lending fees | (791) | (56) | (35) | (882) |
| Net securities lending income | 5,507 | 289 | 190 | 5,986 |
| Net investment income | 961,192 | 46,557 | 34,682 | 1,042,431 |
| Net receipts from other retirement systems | 37,976 | - | - | 37,976 |
| Litigation income | 989 | - | - | 989 |
| Total additions | 2,067,146 | 46,557 | 34,682 | 2,148,385 |
| DEDUCTIONS: | | | | |
| Benefit payments and withdrawals (Note 1) | 1,064,631 | 48,539 | 22,834 | 1,136,004 |
| Total deductions | 1,064,631 | 48,539 | 22,834 | 1,136,004 |
| NET INCREASE (DECREASE) IN NET POSITION | 1,002,515 | (1,982) | 11,848 | 1,012,381 |
| NET POSITION RESTRICTED FOR BENEFITS | | | | |
| Beginning of year | 8,124,677 | 397,351 | 255,575 | 8,777,603 |
| End of year | \$ 9,127,192 | \$ 395,369 | 267,423 | \$ 9,789,984 |

See notes to combined financial statements.

NEW YORK FIRE DEPARTMENT PENSION FUNDS

NOTES TO COMBINED FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

1. PLAN DESCRIPTION

The City of New York (“The City”) maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State (“State”) statutes and City laws). The City’s five major actuarially-funded pension systems are the New York Fire Department Pension Funds (“FIRE”), the New York City Employees’ Retirement System (“NYCERS”), the Teachers’ Retirement System of the City of New York (“TRS”), the New York City Board of Education Retirement System (“BERS”) and the New York City Police Pension Funds (“POLICE”). Each pension system is a separate Public Employee Retirement System (“PERS”) with a separate oversight body and is financially independent of the others.

FIRE administers the New York Fire Department, Subchapter Two Pension Fund, which is generally referred to as the New York Fire Department Pension Fund (“QPP”) as set forth in the Administrative Code of The City of New York (“ACNY”) Section 13-313.1. FIRE also administers the New York City Fire Department Firefighters’ Variable Supplements Fund (“FFVSF”) and the New York City Fire Department Fire Officers’ Variable Supplements Fund (“FOVSF”).

The QPP is a single-employer pension plan. The QPP provides pension benefits for full-time uniformed employees of the New York City Fire Department (the “Employer”). All full-time uniformed employees of the New York City Fire Department become members of the QPP upon appointment. The QPP functions in accordance with existing State statutes and City laws, which are the basis by which benefit terms and Employer and member contribution requirements are established and amended. The QPP combines features of a defined benefit pension plan with those of a defined contribution pension plan, but is considered a defined benefit pension plan for financial reporting purposes.

The FFVSF and the FOVSF (collectively, the “VSFs”) operate pursuant to the provisions of Title 13, Chapter 3 of the ACNY and provide supplemental benefits to retired Firefighters and Wipers, and Fire Officers, respectively. To be eligible to receive benefits from the VSFs, Firefighters and Wipers, and Fire Officers must retire, on or after October 1, 1968, with 20 or more years of uniformed services and be receiving a service retirement benefit from the QPP. Under current law, the VSFs are not to be construed as constituting a pension or retirement system. Instead, they provide defined supplemental payments, other than pension or retirement system allowances, in accordance with applicable statutory provisions. While The City guarantees these payments, the New York State Legislature has reserved to itself and the State the right and power to amend, modify, or repeal the VSFs and the payments they provide. For financial reporting purposes, however, the VSFs are considered single-employer defined benefit pension plans.

FIRE is a fiduciary fund of The City and is included in the Pension and Other Employee Benefit Trust Funds section of The City’s Comprehensive Annual Financial Report (“CAFR”).

Boards of Trustees

The QPP’s Board of Trustees consists of twelve members. The Trustees and their voting rights are as follows: the City Fire Commissioner, Mayor, Comptroller, and Commissioner of Finance (three votes each); the President, the Vice President, Treasurer, and Chairperson of the Board of Trustees of the

Uniformed Firefighters Association of Greater New York (“UFA”) (two votes each); the President of the Uniformed Fire Officers’ Association of Greater New York (“UFOA”) and three elected members of the Executive Board of the UFOA, one of whom shall be an officer with rank above that of captain (one vote), one of whom shall be a captain (one vote) and one of whom shall be a lieutenant (one and one-half votes); and a representative of the Uniformed Pilots’ and Marine Engineers’ Association of Greater New York (one-half vote).

The FFVSF’s Board of Trustees consists of five members. The Trustees are as follows: the City Mayor, Comptroller, Commissioner of Finance, and two representatives of the UFA who are members of the QPP Board of Trustees with one vote each.

The FOVSF’s Board of Trustees consists of five members. The Trustees are as follows: the City Mayor, Comptroller, Commissioner of Finance, and two of the representatives of the UFOA who are members of the QPP Board of Trustees with one vote each.

Membership Data

At June 30, 2012 and June 30, 2011, the dates of the QPP’s most recent actuarial valuations, the QPP’s membership consisted of:

| | 2012 | 2011 |
|--|---------------|---------------|
| Retirees and beneficiaries receiving benefits | 16,917 | 17,017 |
| Terminated vested members not yet receiving benefits | 30 | 30 |
| Other inactives * | 12 | 16 |
| Active members receiving salary | <u>10,267</u> | <u>10,650</u> |
| Total | <u>27,226</u> | <u>27,713</u> |

* Represents members who are no longer on payroll but otherwise classified.

At June 30, 2013 and 2012, the dates of the VSFs’ most recent actuarial valuations, the FFVSF and FOVSF membership consist of:

| | FFVSF | | FOVSF | |
|---------------------------------------|---------------|---------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| Retirees currently receiving payments | 3,720 | 3,816 | 1,653 | 1,694 |
| Active members** | <u>7,697</u> | <u>7,804</u> | <u>2,485</u> | <u>2,463</u> |
| Total | <u>11,417</u> | <u>11,620</u> | <u>4,138</u> | <u>4,157</u> |

** Represents the number of actively employed firefighters and fire officers, respectively, as of the June 30 valuation dates.

Summary of Benefits

QPP

The New York State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, amendments were made to the New York State Retirement and Social Security Law (“RSSL”) to modify certain benefits for employees joining the QPP on or after the effective date of such amendments. These amendments, which affect employees who joined the QPP on and after July 1, 1973, established certain benefit limitations relating to eligibility for retirement, the salary base for benefits and maximum benefits. Recent laws, including but not limited to Chapter 372 of the Laws of 2000 which provides a revised definition of salary base to be used in the computation of certain benefits for Tier 2 members of the QPP and Chapter 589 of the Laws of 2001 which eliminated the Tier 2 maximum 30 years of service limitation, have lessened these limitations.

The QPP currently administers the following pension tiers: Tier 1, Tier 2, Tier 3 and Tier 3 Modified. All participants are members of the Improved Benefits Plan, established on July 1, 1981.

The QPP provides four main types of retirement benefits for all tiers: Vested Retirement benefits, Service Retirements, Ordinary Disability Retirements (non job-related disabilities) and Accident Disability Retirements (job-related disabilities). Additionally, the QPP provides death benefits for all tiers.

Tier 1 is applicable to members appointed to the FDNY prior to July 1, 1973. Tier 2 is applicable to members appointed between July 1, 1973 and June 30, 2009. Benefits are generally the same for Tier 1 and Tier 2.

For Tier 1 and Tier 2 members, the QPP generally provides the following:

- A Vested retirement benefit is payable to Tier 1 and 2 members with at least five years of uniformed service. Tier 1 and 2 members who commenced their membership with the QPP prior to February 4, 2000 must have 15 years of uniformed service to be eligible for a vested retirement benefit. This benefit is generally comprised of a pension equal to 1/40 of their final average salary for every year of uniformed service and is reduced or increased based on the actuarial value of an account shortage or excess. The benefit can also be increased for any purchased non-uniformed service.
- A Service retirement benefit, in both tiers, provides an allowance of one-half of “final salary” after 20 years or 25 years of uniformed service (as elected), with additional benefits equal to a specified percentage per year of service (currently approximately 1.67%) of “average salary” times the number of years of credited service in excess of the 20-year or 25-year minimum. Under the new program, these additional benefits are increased, where applicable, by an annuity attributable to employee contributions accumulated with interest with respect to service over the 20-year or 25-year minimum and an annuity attributable to the Increased-Take-Home-Pay (“ITHP”) contributions accumulated after required member qualifying service. ITHP represents amounts contributed by The City in lieu of members’ own contributions. These amounts reduce the contributions that the members would have to make to the QPP during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay and increase pension contributions made to the plan.
- An Ordinary Disability Retirement (“ODR”) benefit generally provides a pension equal to 1/40 of “final salary” times the number of years of service but not less than one-half of “final salary” if 10 or more years of service were completed, or one-third of “final salary” if less than 10 years of

service were completed. Members of the Improved Benefits Plan with years of service in excess of 20 years receive the actuarial equivalent of their Annuity Savings Fund balance.

- An Accident Disability Retirement (“ADR”) benefit provides a pension of three-fourths of “final salary” plus an increment, as described above based on years of credited service in excess of the 20-years or 25-years minimum plus: (i) under the Original Plan, accumulated employee contributions without interest as a lump sum or an actuarially equivalent annuity, (ii) under the Improved Benefits Plan, an annuity based on the member’s contributions and ITHP contributions both of which are accumulated with interest.
- Tier 1 and Tier 2 members have the right to make voluntary member contributions (“Voluntary Contributions”) in excess of their required member contributions (“Required Contributions”). Both the Voluntary Contributions and the Required Contributions are credited with interest at a statutory rate (currently 8.25% APR). At the time of retirement or refund of contributions, a member’s aggregate balance of actual Required Contributions and Voluntary Contributions, including statutory interest (“Actual Balance”), less the outstanding balance of any member loans (“Net Actual Contributions”), may exceed (“Excess of Contributions”) or fall short of (“Deficiency of Contributions”) the member’s Required Amount. The Required Amount is the sum of the Required Contributions which a member should have made during his or her first 20 years of credited service, plus statutory interest earnings thereon. The amount of the member’s retirement annuity or the refund of contributions that he or she is entitled to is increased by the actuarial value of any Excess of Contributions or reduced by any Deficiency of Contributions. The collective value of Required Amount, Actual Balance, and outstanding member loans, as of June 30, 2014, is as follows:

| | | Tier 1 | | Tier 2 | | Total |
|-------------------|----|---------------|----|---------------|----|---------------|
| Required Amount | \$ | 272,418 | \$ | 462,264,037 | \$ | 462,536,455 |
| Actual Balance | \$ | 2,382,795 | \$ | 1,400,159,396 | \$ | 1,402,542,191 |
| Outstanding Loans | \$ | 7,082 | \$ | 28,427,287 | \$ | 28,434,369 |

Annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

Cost of living adjustments (“COLA”) are automatically payable to members who are either: (1) at least age 62 and have been retired for at least 5 years or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA benefits are payable to members who retired for disability after being retired for 5 or more years and to beneficiaries receiving accidental death benefits who have been receiving them for at least 5 years. Beginning September 2001, COLA benefits equal 50% of the increase in the CPI-U based on the year ending March 31, rounded to the next higher .1% not less than 1% nor greater than 3% of the first \$18,000 of the sum of maximum pension allowance and prior COLA.

In June of 2009, the Governor vetoed legislation that would have extended Tier 2 to members hired after June 30, 2009. As a result of the Governor’s veto, QPP members hired on and after July 1, 2009 are covered under Tier 3, as governed by Article 14 of the New York State Retirement and Social Security Law (“RSSL”). As a result of Chapter 18 of the Laws of 2012 there are certain limitations on Tier 3 benefits available to participants hired on and after April 1, 2012. In most New York State PERS, including the QPP, these changes are sometimes referred to as Tier 3 Modified.

For Tier 3 members, the QPP generally provides the following:

- A Normal Service Retirement is payable after completion of 22 years of uniformed service.
- An Early Service Retirement is payable upon completion of 20 years of uniformed service and is payable as a pension equal to 2.1% of final average salary plus 1/3% of final average salary for each month in excess of 20 years of uniformed service, such benefit not to exceed 50% of final average salary.
- A Vested benefit is payable to members with at least five years of uniformed service are entitled to a benefit equal to 2.1% of final average salary for every year of uniformed service payable upon attainment of eligibility for early age, or 55.
- An ODR allowance is payable to a member who has at least 5 years of service and is in receipt of Social Security Disability Benefits. An ODR benefit is 1/3 of final average salary or 2% of final average salary for each year of credited service, whichever is greater and does not exceed 50% of final average salary.
- An ADR allowance is payable to a member who was disabled as the result of a line-of-duty accident not attributable to his own willful negligence. An ADR pension is 50% of a member's final average salary.

All of the above retirement allowances are reduced by one-half of the member's Social Security Benefit attributable to New York State public earnings at age 62, regardless of eligibility for Social Security, except for ODR retirees, in which case the Social Security Offset occurs immediately.

Tier 3 members are also eligible for annual escalation on the retirement allowance: (1) in full, if they have retired for Service after completing 25 or more years of uniformed service (or elected to defer commencement of their benefit to that 25-year date) or on a reduced basis, by 1/36 for each month that their retirement precedes 25 years or (2) in full, if they have retired for disability or (3) in full, to their beneficiary for accidental death benefits. Escalation is determined from the change in the CPI-U based on the prior year ending December 31, not less than 3%. Tier 3 members, when eligible, receive the greater of the applicable increase from COLA or escalation.

VSFs

The FFVSF provides a guaranteed schedule of supplemental benefits for Firefighters who retire (or have retired) as Firefighters on Service retirement with at least 20 years of credited service as follows:

- a. For those Firefighters who retired from service as Firefighters before July 1, 1988, the annual supplemental benefit was \$2,500 in Calendar Year 1988. For those who retired during Calendar Year 1988, the annual \$2,500 benefit payment was prorated. The annual benefit increases \$500 each year thereafter to a maximum of \$12,000 in Calendar Year 2007. The 1988 benefits included any payments made under the prior program.

For those Firefighters hired before July 1, 1988 and who retire after Calendar Year 1988, the annual benefit payment is the scheduled amount as described above, prorated in the year of retirement and the full amount thereafter.

- b. For those who become members of QPP on or after July 1, 1988, the annual supplemental benefit is \$2,500 for the first 12 months of retirement, which increases by \$500 each year until a maximum of

\$12,000 is payable in the twentieth and later years of retirement. This was later modified by Chapter 500 of the Laws of 1995 ("Chapter 500/95") such that these members will receive the maximum \$12,000 benefit beginning Calendar Year 2008 and thereafter.

The FOVSF provides a guaranteed schedule of supplemental benefits for Fire Officers who retire (or have retired) as Fire Officers on Service retirement with at least 20 years of credited uniformed service as follows:

- a. A Fire Officer hired before July 1, 1988, who retired from service as a Fire Officer on or after October 1, 1988, and prior to Calendar Year 1993 receives a defined schedule of benefits starting at \$5,000 payable in January 1994 for the Calendar Year 1993 payment. For those who retired during Calendar Year 1993, the annual \$5,000 benefit payment was prorated. The annual benefit increases \$500 each year thereafter to a maximum of \$12,000 for Calendar Year 2007 (payable by January 31, 2008) and thereafter.

For those who were members of QPP prior to July 1, 1988, and who retire after Calendar Year 1993, the annual benefit payment is the scheduled amount as described above, prorated in the year of retirement and the full amount thereafter.

- b. For those who become members of QPP on or after July 1, 1988, the annual supplemental benefit is \$2,500 for the first twelve months of retirement, which increases by \$500 each year until a maximum of \$12,000 is payable in the twentieth and later years of retirement. This was later modified by Chapter 500 of the Laws of 1998 ("Chapter 500/98") such that these members will receive the maximum \$12,000 benefit beginning Calendar Year 2008 and thereafter.

Chapter 500/95 permitted certain active employees with prior service credit before entering the QPP to utilize their original dates of hire for determining eligibility for benefits from the FFVSF and the FOVSF. In addition, this law permitted certain active employees with prior service credit before entering the QPP to utilize their original dates of hire for determining eligibility for benefits from the FFVSF and the FOVSF.

Additionally, Chapter 216 of the Laws of 2002 ("Chapter 216/02") provides that participants of the VSFs who retire from the QPP on and after January 1, 2002 with more than 20 years of credited service are entitled to an additional one-time special lump sum payment, the Deferred Retirement Option Plan ("DROP"). The DROP also known as "Banked Variable" represents the amount the member would have received had he retired for Service upon reaching eligibility. The DROP payment is an eligible distribution that may be rolled over pursuant to IRS regulations. Members who retired for a disability or die in active service are not eligible for the VSF DROP. Accumulated VSF DROP balances for Fiscal Year 2014 were \$59.6 million for FFVSF and \$101.8 million for FOVSF. Similarly, for Fiscal Year 2013 the balances were \$48.9 million for FFVSF and \$86.6 million for FOVSF.

Any increase in the amount of ad hoc cost-of-living increases ("Supplementation") or automatic Cost-of-Living Adjustments ("COLA") payable from the QPP to a retiree of the FFVSF under legislation enacted on or after July 1, 1988 or to a retiree of the FOVSF under legislation enacted on or after January 1, 1993, will reduce benefits payable from the FFVSF or FOVSF to such retiree by an amount equal to such increase until the following date:

- For a retiree with a date of membership before July 1, 1988, the later of: (a) the first day of the month following the month such retiree attains age 62 and (b) January 1, 2007.

- For a retiree with a date of membership on or after July 1, 1988, the later of: (a) the first day of the month following the month such retiree attains age 62 and (b) the earlier of: (1) the first day of the month following the 19th anniversary of such retiree's date of retirement and (2) January 1, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — In 2014, as a result of an analysis performed by management, management has determined that it is more preferable to present the FIRE pension funds financial statements on a combined basis for presentation purposes. As a result, the Funds 2013 financial statements were restated to conform to this change.

The Funds use the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Contributions from members are recognized by the QPP when the Employer makes payroll deductions from QPP members. Employer contributions are recognized when due and the Employer has a legal obligation to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Funds.

Investment Valuation — Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the Short-Term Investment Fund ("STIF") (a money market fund), International Investment funds ("IIF") and Alternative Investment funds ("ALTINVF"). The IIF are private funds of publicly traded securities which are managed by various investment managers on behalf of the Funds. Fair value is determined by FIRE management based on information provided by the various investment managers. The investment managers determine fair value using the last available quoted price for each security owned adjusted by any contributions to or withdrawals from the fund during the period. The ALTINVF are investments for which exchange quotations are not readily available and are valued at estimated fair value as determined in good faith by the General Partner ("GP"). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results and other factors deemed relevant by the GP. Fair value is determined by FIRE management based on information provided by the various GP's after review by an independent consultant and the custodian bank for the fund.

Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Income Taxes — Income earned by the Funds is not subject to Federal income tax.

Accounts Payable — Accounts payable is principally comprised of amounts owed to the Funds' banks for overdrawn bank balances. The Funds' practice is to fully invest cash balances in most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding benefit checks that are presented to the banks for payment on a daily basis, and these balances are routinely settled each day.

Accrued Benefits Payable — Accrued benefits payable represent either: (1) benefits due and unpaid by the Funds as of year end or (2) related to the VSFs, benefits deemed incurred and unpaid (an accrual for a portion of the current calendar year benefit) for the fiscal year end of June 30.

Securities Lending Transactions — State statutes and Board policies permit the Funds to lend its investments to broker-dealers and other entities for collateral, with a simultaneous agreement to return the collateral for the same securities in the future. The Funds' custodian lends the following types of

securities: short-term securities, common stock, long-term corporate bonds, U.S. Government and U.S. Government agencies' bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, it receives collateral in the form of cash and U.S. Treasury and U.S. Government agency securities at 100 percent to 105 percent of the principal plus accrued interest for reinvestment. At June 30, 2014, management believes the Funds had no credit risk exposure to borrowers because the amounts the Funds owed the borrowers equaled or exceeded the amounts the borrowers owed the Funds. The contracts with the Funds' custodian require borrowers to indemnify the Funds if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Funds for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. Cash collateral is invested in the lending agents' short-term investment pools, which have a weighted-average maturity of 90 days. The underlying fixed income securities in these pools have an average maturity of ten years. The securities lending program in which the Funds participate only allows pledging or selling securities in the case of borrower default.

During Fiscal Year 2003, the value of certain underlying securities became impaired because of the credit failure of the issuer. Accordingly, the carrying amount of the collateral reported in the QPP's statements of fiduciary net position for Fiscal Year 2003 was reduced by \$10 million to reflect this impairment and reflect the net realizable value of the securities purchased with collateral from securities lending transactions. In Fiscal Years 2004 through 2007, the QPP received \$2.6 million from distribution in bankruptcy proceedings from the defaulted issuers. During the same period, the QPP also received \$3.9 million from litigation settlements. For Fiscal Years 2008 and 2009, the QPP received securities totaling \$102.4 thousand from distributions in bankruptcy proceedings. There were no recoveries for the defaulted security in Fiscal Years 2013, 2012 and 2011. In Fiscal Year 2014, the QPP received \$2.7 million from litigation settlements.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the statements of fiduciary net position. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them without a borrower default. Accordingly, the Funds recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending.

Securities on loan are carried at fair value and the value as of June 30, 2014 and 2013 was \$961.6 million and \$1.03 billion, respectively for the QPP, \$31.8 million and \$47.7 million, respectively for the FFVSF, and \$24.4 million and \$33.2 million, respectively for the FOVSF. Cash collateral received related to securities lending as of June 30, 2014 and 2013 was \$990.1 million and \$937.0 million, respectively for the QPP, \$33.0 million and \$44.8 million, respectively for the FFVSF, and \$26.5 million and \$29.3 million, respectively for the FOVSF. As of the date of the statements of fiduciary net position, the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 30 days.

New Accounting Standards Adopted — In 2014, FIRE adopted Governmental Accounting Standards Board ("GASB") Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. This Statement establishes financial reporting standards for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements in which: (1) contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable (2) pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms and (3) pension plan assets are legally protected from the creditors of employers, nonemployer

contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets are also legally protected from creditors of the plan members. For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. Distinctions are made regarding the particular requirements depending upon the type of pension plan administered. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet the above criteria. The requirements of Statement No. 25 and Statement No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of GASB Statement No. 67 did not impact the fiduciary net position of the Funds; however, certain changes to note disclosures and required supplementary information have been incorporated to comply with the new standards.

3. INVESTMENTS AND DEPOSITS

The City Comptroller (the “Comptroller”) acts as an investment advisor to the Funds. In addition, the Funds employ an independent investment consultant as an investment advisor. The Funds utilize several investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

The Boards of Trustees of the respective Funds set investment objectives to assure adequate accumulation of reserves and to protect the long term value of the assets. The Boards’ investment policy is implemented using a strategic allocation of assets that meet the objectives of the Funds, while working within the confines of the legislative guidelines. The guidelines dictate that fixed income, equity and other investments may be made permitted by the New York State Retirement and Social Security Laws (“RSSL”) and State Banking Law, the ACNY, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department. The Funds’ asset allocation policy is constructed to meet both short-term funding requirements and long-term pension obligations. Investments up to 25% of assets of the Funds may be made in instruments not expressly permitted by the State RSSL.

The Funds do not possess an investment risk policy statement nor does it actively manage assets to specific risk targets. Rather, investment risk management is an inherent function of our asset allocation process. Assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk. The asset allocation targeted for the Funds in fiscal year 2014 and 2013 included securities in the following categories:

| | 2014 | 2013 |
|-------------------------|---------------|---------------|
| U.S. Equity | 36% | 37% |
| Core U.S. Fixed | 17% | 17% |
| EAFE Markets | 10% | 9% |
| Private Equities | 6% | 7% |
| Emerging Markets | 6% | 7% |
| Enhanced Yield Bonds | 4% | 4% |
| Private Real Estate | 4% | 4% |
| Hedge Funds | 3.5% | 4% |
| REITS | 3.5% | 4% |
| TIPS | 3% | 2% |
| Opportunistic Fixed | 2% | 2% |
| Cash | 2% | 0% |
| Bank Loans | 2% | 2% |
| ETI | .5% | .5% |
| Convertible Bonds | <u>.5%</u> | <u>.5%</u> |
| Total | <u>100.0%</u> | <u>100.0%</u> |

State Street Bank is the primary custodian for substantially all of the securities of the Funds.

Concentrations—None of the Funds have any investments in any one entity that represent 5% or more of their fiduciary net position.

Credit Risk— Portfolios other than U.S. Government and related portfolios have credit rating limitations. Investment Grade portfolios are limited to mostly ratings of BBB and above except that they are also permitted a 10% maximum exposure to BB & B rated securities. While non-investment grade managers are primarily invested in BB & B rated securities, they can also invest up to 7% of their portfolio in securities rated CCC. Non-rated securities are considered to be non-investment grade. The quality ratings of Funds' investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2014 and 2013 are as follows:

| Investment Type* | Moody's Quality Ratings | | | | | | | | | |
|----------------------------|-------------------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|-----------------|
| | AAA | AA | A | BBB | BB | B | CCC & Below | Short term | Not Rated | Total |
| June 30, 2014 | | | | | | | | | | |
| U.S. Government | - % | - % | - % | - % | - % | - % | - % | - % | - % | - % |
| Corporate bonds | 1.96 | 3.20 | 10.95 | 27.97 | 6.58 | 7.90 | 1.92 | - | 10.74 | 71.22 |
| Yankee bonds | - | - | - | - | - | - | - | - | - | - |
| Short-term: | | | | | | | | | | |
| Commercial paper | - | - | - | - | - | - | - | 10.48 | - | 10.48 |
| Pooled fund | - | - | - | - | - | - | - | 7.27 | - | 7.27 |
| U.S. Treasuries & Agencies | - | - | - | - | - | - | - | 11.01 | - | 11.01 |
| Discount Notes | - | - | - | - | - | - | - | 0.02 | - | 0.02 |
| Percent of rated portfolio | <u>1.96 %</u> | <u>3.20 %</u> | <u>10.95 %</u> | <u>27.97 %</u> | <u>6.58 %</u> | <u>7.90 %</u> | <u>1.92 %</u> | <u>28.78 %</u> | <u>10.74 %</u> | <u>100.00 %</u> |

| Investment Type* | S&P Quality Ratings | | | | | | | | | |
|----------------------------|---------------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|-----------------|
| | AAA | AA | A | BBB | BB | B | CCC & Below | Short term | Not Rated | Total |
| June 30, 2013 | | | | | | | | | | |
| U.S. Government | - % | - % | - % | - % | - % | - % | - % | - % | - % | - % |
| Corporate bonds | 0.71 | 3.08 | 14.12 | 27.92 | 5.95 | 8.98 | 2.43 | - | 8.73 | 71.92 |
| Yankee bonds | 0.18 | 0.13 | - | 0.34 | 0.03 | - | - | - | - | 0.68 |
| Short-term: | | | | | | | | | | |
| Commercial paper | - | - | - | - | - | - | - | 10.12 | - | 10.12 |
| Pooled fund | - | - | - | - | - | - | - | 11.02 | - | 11.02 |
| U.S. Treasuries | - | - | - | - | - | - | - | 3.67 | - | 3.67 |
| U.S. Agencies | - | - | - | - | - | - | - | 2.59 | - | 2.59 |
| Percent of rated portfolio | <u>0.89 %</u> | <u>3.21 %</u> | <u>14.12 %</u> | <u>28.26 %</u> | <u>5.98 %</u> | <u>8.98 %</u> | <u>2.43 %</u> | <u>27.40 %</u> | <u>8.73 %</u> | <u>100.00 %</u> |

*U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have credit risk and are not included above.

Custodial Credit Risk— Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Funds will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Funds and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Funds.

Consistent with the Funds' investment policy, the investments are held by the Funds' custodian and registered in the name of the Funds.

All of the Funds' deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities held by a financial institution separate from the Funds' depository financial institution.

Interest Rate Risk— Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to

interest rate changes. In the investment grade core Fixed Income portfolios duration is limited to a range of one year shorter than the benchmark duration to 0.75 years longer than the duration of the benchmark indices. Duration range is a measure of the overall portfolio, while statements of the stated maturity reflect the specific maturities of the individual securities held. The Funds have no formal risk policy. The lengths of investment maturities (in years) of the Funds' investments, as shown by the percent of the rated portfolio, at June 30, 2014 and 2013 are as follows:

| Years to Maturity June 30, 2014 | Investment Maturities | | | | |
|------------------------------------|-----------------------|--------------------|-------------------|------------------|---------------------|
| | Fair Value | Less Than One Year | One to Five Years | Six to Ten Years | More Than Ten Years |
| U.S. Government | 36.10 % | 0.27 % | 2.06 % | 7.32 % | 26.45 % |
| Corporate bonds | 45.51 | 3.80 | 12.26 | 16.80 | 12.65 |
| Yankee bonds | - | - | - | - | - |
| Short-term: | | | | | |
| Commercial paper | 6.70 | 6.70 | - | - | - |
| Pooled fund | 4.65 | 4.65 | - | - | - |
| U.S. Agencies | 7.02 | 7.02 | - | - | - |
| Discount notes | 0.02 | 0.02 | - | - | - |
| Percent of rated portfolio | <u>100.00 %</u> | <u>22.46 %</u> | <u>14.32 %</u> | <u>24.12 %</u> | <u>39.10 %</u> |

| Years to Maturity June 30, 2013 | Investment Maturities | | | | |
|------------------------------------|-----------------------|--------------------|-------------------|------------------|---------------------|
| | Fair Value | Less Than One Year | One to Five Years | Six to Ten Years | More Than Ten Years |
| U.S. Government | 44.64 % | 0.42 % | 1.76 % | 5.85 % | 36.61 % |
| Corporate bonds | 39.81 | 2.21 | 10.97 | 16.76 | 9.87 |
| Yankee bonds | 0.39 | - | 0.27 | 0.05 | 0.07 |
| Short-term: | | | | | |
| Commercial paper | 5.60 | 5.60 | - | - | - |
| Pooled fund | 6.10 | 6.10 | - | - | - |
| U.S. Agencies | 2.03 | 2.03 | - | - | - |
| U.S. Treasuries | 1.43 | 1.43 | - | - | - |
| Percent of rated portfolio | <u>100.00 %</u> | <u>17.79 %</u> | <u>13.00 %</u> | <u>22.66 %</u> | <u>46.55 %</u> |

Foreign Currency Risk — Foreign currency risk is the risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign stocks and/or bonds. The currency markets have proven to be good diversifiers in a total portfolio context; therefore, the Funds have numerous managers that invest globally. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio. The Funds have no formal risk policy.

In addition, the Funds have investments in foreign stocks and/or bonds and the Funds invest in foreign currencies. The Funds' foreign currency holdings as of June 30, 2014 and 2013 are as follows (amounts in U.S. dollars, in thousands):

Securities Lending Transactions

Credit Risk — The quality ratings of investments held as collateral for securities lending by the Funds' at June 30, 2014 and 2013 are as follows:

Investment Type and Fair Value
of Securities Lending Transactions
(In Thousands)

| June 30, 2014 | S&P Quality Ratings | | | | | | | | | |
|---|---------------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------|
| | AAA | AA | A | BBB | BB | B | CCC & Below | Short Term | Not Rated | Total |
| U.S. Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Corporate bonds | - | - | - | - | - | - | - | - | - | - |
| Yankee bonds | - | - | - | - | - | - | - | - | - | - |
| Short-term: | | | | | | | | | | |
| Reverse repurchase agreements | - | - | - | - | - | - | - | - | 436,944 | 436,944 |
| Money market | 280,341 | - | - | - | - | - | - | - | - | 280,341 |
| Bank notes | - | - | - | - | - | - | - | - | 228,067 | 228,067 |
| Cash | - | - | 103,679 | - | - | - | - | - | - | 103,679 |
| Uninvested | - | - | - | - | - | - | - | - | 705 | 705 |
| Total | \$ 280,341 | \$ - | \$ 103,679 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 665,716 | \$ 1,049,736 |
| Percent of securities lending portfolio | 26.71 % | - % | 9.88 % | - % | - % | - % | - % | - % | 63.42 % | 100.00 % |

| June 30, 2013 | S&P Quality Ratings | | | | | | | | | |
|---|---------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------|
| | AAA | AA | A | BBB | BB | B | CCC & Below | Short Term | Not Rated | Total |
| U.S. Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Corporate bonds | 126,136 | 291,504 | 155,768 | - | - | - | - | - | 7,895 | 581,303 |
| Yankee bonds | - | - | - | - | - | - | - | - | - | - |
| Short-term: | | | | | | | | | | |
| Reverse repurchase agreements | - | - | - | - | - | - | - | - | 222,028 | 222,028 |
| Certificate of deposits | - | - | 79,830 | - | - | - | - | - | - | 79,830 |
| Commercial paper | - | - | 79,232 | - | - | - | - | - | - | 79,232 |
| Uninvested | - | - | - | - | - | - | - | - | (7,663) | (7,663) |
| U.S. Agency | - | - | - | - | - | - | - | - | 56,334 | 56,334 |
| Total | \$ 126,136 | \$ 291,504 | \$ 314,830 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 278,594 | \$ 1,011,064 |
| Percent of securities lending portfolio | 12.48 % | 28.83 % | 31.14 % | - % | - % | - % | - % | - % | 27.55 % | 100.00 % |

| Trade Currency | June 30, 2014 | June 30, 2013 |
|-----------------------|----------------------|----------------------|
| | Market Value | Market Value |
| Argentina Peso | \$ 69 | \$ 9 |
| Australian Dollar | 41,911 | 39,657 |
| Austrian Shilling | 120 | - |
| Botswana Pula | 220 | 202 |
| Brazilian Real | 57,840 | 46,839 |
| British Pnd Sterling | 225,750 | 153,510 |
| Canadian Dollar | 22,424 | 21,635 |
| Chilean Peso | 5,899 | 6,390 |
| Colombian Peso | 3,594 | 3,292 |
| Croatian Dinar | 2,665 | 816 |
| Czech Koruna | 2,595 | 2,048 |
| Danish Krone | 20,433 | 13,378 |
| Egyptian Pound | 4,727 | 2,913 |
| Euro Currency | 385,813 | 184,186 |
| Greek Drachma | 285 | - |
| Hong Kong Dollar | 187,608 | 154,873 |
| Hungarian Forint | 3,521 | 3,446 |
| Indian Rupee | 73,067 | 51,617 |
| Indonesian Rupiah | 14,250 | 16,779 |
| Israeli Shekel | (1,766) | 723 |
| Japanese Yen | 195,349 | 140,728 |
| Jordanian Dinar | 867 | 748 |
| Kazakhstan Tenge | 0.00 | 87 |
| Kenyan Shilling | 806 | 763 |
| Kuwait Dinar | 1,784 | 1,501 |
| Latvian Lats | 10 | 103 |
| Lithuanian Litas | 21,599 | 112 |
| Malaysian Ringgit | 1,379 | 23,715 |
| Mauritius Rupee | - | 441 |
| Mexican Peso | 26,638 | 24,269 |
| Moroccan Dirham | 882 | 700 |
| New Zealand Dollar | 479 | 119 |
| Nigerian Naira | 853 | 662 |
| Norwegian Krone | 10,116 | 4,920 |
| Omani Rial | 886 | 757 |
| Pakistan Rupee | 887 | 834 |
| Peruvian Nuevo Sol | 797 | 624 |
| Philippines Peso | 5,310 | 5,087 |
| Polish Zloty | 12,515 | 9,438 |
| Qatar Riyal | 2,322 | 1,579 |
| Renminbi Yuan | 2,637 | 540 |
| Romanian Leu | 834 | - |
| Russian Ruble | 982 | 174 |
| Singapore Dollar | 24,658 | 19,547 |
| South African Rand | 49,557 | 35,905 |
| South Korean Won | 132,402 | 93,074 |
| Swedish Krona | 40,104 | 29,398 |
| Swiss Franc | 113,129 | 76,655 |
| Taiwan New Dollar | 99,678 | 69,632 |
| Thai Baht | 16,744 | 19,084 |
| Tunisian Dinar | 281 | 293 |
| Turkish Lira | 5,886 | 3,467 |
| UAE Dirham | 2,022 | 1,493 |
| Totals | \$ 1,823,418 | \$ 1,268,762 |

Interest Rate Risk — The lengths of investment maturities (in years) of the collateral for securities lending held by the Funds' are as follows:

**Investment Type
(In Thousands)**

| | Investment Maturities (in years) | | | | |
|---|-----------------------------------|--------------------|-------------------|------------------|---------------------|
| | Fair Value | Less Than One Year | One to Five Years | Six to Ten Years | More Than Ten Years |
| June 30, 2014 | | | | | |
| U.S. Government | \$ - | \$ - | \$ - | \$ - | \$ - |
| Corporate bonds | - | - | - | - | - |
| Yankee bonds | - | - | - | - | - |
| Short-term: | | | | | |
| Reverse repurchase agreements | 436,944 | 436,944 | - | - | - |
| Money market | 280,341 | 280,341 | - | - | - |
| Bank notes | 228,067 | 138,505 | 89,562 | - | - |
| Cash | 103,679 | 103,679 | - | - | - |
| Uninvested | 705 | 705 | - | - | - |
| Total | \$ 1,049,736 | \$ 960,174 | \$ 89,562 | \$ - | \$ - |
| Percent of securities lending portfolio | 100.00 % | 91.47 % | 8.53 % | - % | - % |

| | Investment Maturities (in years) | | | | |
|---|----------------------------------|--------------------|-------------------|------------------|---------------------|
| | Fair Value | Less Than One Year | One to Five Years | Six to Ten Years | More Than Ten Years |
| (In Thousands) June 30, 2013 | | | | | |
| U.S. Government | \$ - | \$ - | \$ - | \$ - | \$ - |
| Corporate bonds | 581,303 | 308,133 | 273,170 | - | - |
| Yankee bonds | - | - | - | - | - |
| Short-term: | | | | | |
| Reverse repurchase agreements | 222,028 | 222,028 | - | - | - |
| Certificate of deposits | 79,830 | 79,830 | - | - | - |
| Commercial paper | 79,232 | 79,232 | - | - | - |
| U.S. Agency | 56,334 | 41,470 | 14,864 | - | - |
| Uninvested | (7,663) | (7,663) | - | - | - |
| Total | \$ 1,011,064 | \$ 723,030 | \$ 288,034 | \$ - | \$ - |
| Percent of securities lending portfolio | 100.00 % | 71.51 % | 28.49 % | - % | - % |

Rate of return—For the years ended June 30, 2014 and 2013, the annual money weighted rate of return on investments, net of investment expense, for the Funds was as follows:

| | 2014 | 2013 |
|-------|-------------|-------------|
| QPP | 17.511% | 11.652% |
| FFVSF | 18.027% | 12.845% |
| FOVSF | 19.565% | 13.006% |

The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

4. TRANSFER TO VARIABLE SUPPLEMENTS FUNDS

The ACNY provides that the QPP transfer to the VSFs an amount equal to certain excess earnings on equity investments limited to the unfunded Accumulated Benefit Obligation (“ABO”) of the VSF. Excess earnings are defined as the amount by which earnings on equity investments of the QPP exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed-income securities (“Hypothetical Fixed Income Security Earnings”), less any cumulative deficiencies. The VSFs also receives credit for investment earnings on their respective assets.

The calculation of the Hypothetical Fixed Income Security Earnings requires the determination of the Hypothetical Interest Rate (“HIR”), which is computed by the Comptroller.

For Fiscal Year 2014, the excess earnings of the QPP, inclusive of prior year’s cumulative deficiencies, are estimated to be equal to \$120 million and, therefore, a liability and transfer of \$110 million to FFVSF and a liability and transfer of \$10 million to FOVSF has been reported by the QPP as of and for the year ended June 30, 2014, respectively.

For Fiscal Year 2013, the excess earnings of the QPP, inclusive of prior year’s cumulative deficiencies, are estimated to be equal to zero and, therefore, no transfer is expected to be due from the QPP to the VSFs as of June 30, 2013.

In addition, Chapter 583 of the Laws of 1989 states that if the assets of the FFVSF or FOVSF are less than the amount required to pay the retirees’ guaranteed scheduled annual supplemental benefit payments, then The City is required by law to fund the difference. Such funding is provided through The City’s annual required contributions to the QPP, which services as the initial source of funding of VSF benefits in this circumstance.

The amount shown below as the ABO is the measure of the present value of scheduled supplemental benefits estimated to be payable in the future as a result of employee service-to-date. The ABO is calculated as the actuarial present value of credited projected benefits, prorated on service and is intended to help users assess the funded status of the VSFs on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among variable supplements funds.

Actuarial valuations of the VSFs are performed annually as of June 30.

A comparison of the ABO as calculated by the Funds' Chief Actuary of the Office of the Actuary (the "Actuary") with the net position restricted for benefits for the FFVSF and the FOVSF as calculated by the Actuary as of June 30, 2013 and June 30, 2012, follows:

| | FFVSF | | FOVSF | |
|---|-----------------------|-----------------|----------------|-----------------------|
| | 2013 (In millions) | 2012 | 2013 | 2012 (In millions) |
| Accumulated benefit obligation ¹ for: | | | | |
| Retirees currently receiving benefits | \$ 370.2 | \$ 383.9 | \$ 157.8 | \$ 163.7 |
| Active employees | <u>161.6</u> | <u>150.3</u> | <u>157.7</u> | <u>150.3</u> |
| Total accumulated benefit obligation ^{2,3} | 531.8 | 534.2 | 315.5 | 314.0 |
| Plan net position held in trust for benefits ⁴ | <u>395.4</u> | <u>397.4</u> | <u>267.4</u> | <u>255.6</u> |
| Unfunded accumulated benefit obligation | <u>\$ 136.4</u> | <u>\$ 136.8</u> | <u>\$ 48.1</u> | <u>\$ 58.4</u> |

¹ Based on actuarial assumptions adopted by the Board of Trustees of QPP during Fiscal Year 2012.

² The June 30, 2013 and the June 30, 2012 ABOs for FFVSF decreased by approximately \$2.4 million and \$4.6 million, respectively, and the June 30, 2013 and the June 30, 2012 ABOs for FOVSF decreased by approximately \$0.8 million and \$1.1 million, respectively, compared to those projected prior to the enactment of Chapters 119/95, 390/98 and 125/00.

³ These total ABOs have been reduced by accrued benefits payable. This basis of reporting the total ABO is consistent with that used to report net position restricted for benefits in these financial statements, but may differ from the bases used for other purposes.

⁴ See Note 2 for valuation of investments in the calculation of net position restricted for benefits.

For purposes of the June 30, 2013 and the June 30, 2012 actuarial valuations of the VSFs, Chapter 125/00 has been taken into account in the determination of the unfunded ABO relative to the Supplementation benefit increases that began Fiscal Year 2001 and to the automatic COLA benefits provided for Fiscal Year 2002 and each future year.

Sections 13-384 and 13-394 of the ACNY provide that the Boards of Trustees of the FFVSF and the FOVSF shall adopt, upon the recommendation of the Actuary, actuarial assumptions as to interest rate, mortality of retirees and estimated number of active members of the QPP in service as of each June 30 who will retire for service with 20 or more years of service as Firefighters and Fire Officers, for use in making annual valuations of liabilities.

The following actuarial assumptions represent the recommendations of the Actuary and were used in the actuarial calculations to determine the preceding ABOs as of June 30, 2013 and June 30, 2012, respectively:

| | June 30, 2013 | June 30, 2012 |
|--|--|--|
| Investment rate of return | 7.0% per annum. ^{1, 2} | 7.0% per annum. ^{1, 2} |
| Post-retirement mortality | Tables adopted by the Board of Trustees during Fiscal Year 2012. | Tables adopted by the Board of Trustees during Fiscal Year 2012. |
| Active service: withdrawal, death, disability | Tables adopted by the Board of Trustees during Fiscal Year 2012. | Tables adopted by the Board of Trustees during Fiscal Year 2012. |
| Service retirement | Tables adopted by the Board of Trustees during Fiscal Year 2012. | Tables adopted by Board of Trustees during Fiscal Year 2012. |
| Percentage of all active FIRE members estimated to retire for service with 20 or more years of service as Firefighters | 68% | 68% |
| Percentage of all active Fire Officers estimated to retire for service with 20 or more years of service as Fire Officers | 100% | 100% |
| Cost-of-Living Adjustments ¹ | 1.5% per annum for Tier I and Tier II, 2.5% per | 1.5% per annum for Tier I and Tier II, 2.5% per |

¹ Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

² Net of Investment Expenses.

5. QPP CONTRIBUTIONS

The financial objective of the QPP is to fund members' retirement benefits during their active service and to establish Employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. The Employer contributes amounts that, together with member contributions and investment income, are intended to ultimately be sufficient to accumulate assets to pay benefits when due.

Member Contributions — Tier 1 and Tier 2 members contribute by salary deductions on the basis of a normal rate of contribution which is assigned by the QPP at membership. A member's normal rate is dependent upon age and actuarial tables in effect at the time of membership. These member contributions are reduced by 5.0% under the ITHP program.

Members may voluntarily increase their rates of contribution by 50% for the purpose of purchasing an additional annuity. Members are permitted to borrow up to 90% of their own contributions including accumulated interest.

Tier 3 and Tier 3 Modified members contribute 3.0% of salary until they have 25 years of credited service.

Employer Contributions— Statutory Contributions to the QPP, determined by the Actuary in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year. The Statutory Contribution for the year ended June 30, 2014, based on an actuarial valuation as of June 30, 2012 was \$969,956,000 and the Statutory Contribution for the year ended June 30, 2013, based on an actuarial valuation as of June 30, 2011 was \$962,173,000. The Statutory Contributions for Fiscal Years 2014 and 2013 were equal to the Actuarial Contributions. Refer to the Schedule of Employer Contributions in the accompanying required supplementary information for more information on the actuarial methods and assumptions applied by the Actuary to determine the Statutory Contributions.

6. NET PENSION LIABILITY

The components of net pension liability of the Employer at June 30, 2014 and 2013 for the Funds were as follows:

| | (in thousands) | |
|--|----------------|---------------|
| | 2014 | 2013 |
| Total pension liability | \$ 17,980,492 | \$ 17,524,303 |
| Funds' fiduciary net position * | 11,458,638 | 9,822,356 |
| Employer's net pension liability | 6,521,854 | 7,701,947 |
| Funds' net position as a percentage of the total pension liability | 63.73% | 56.05% |

*Such amounts represent the preliminary Funds' fiduciary net position and may differ from the final Funds' fiduciary net position.

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2014 and 2013 were determined by an actuarial valuation as of June 30, 2012 that was updated to roll forward the total pension liability to the respective fiscal year end. The following actuarial assumptions were applied to all periods included in the measurement.

| | |
|----------------------------|--|
| Projected Salary Increases | In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per annum. |
| Investment Rate of Return | 7.0% per annum, net of Investment Expenses |
| COLAs | 1.5% per annum for Tier I and Tier II, 2.5% per annum for Tier III |

The above assumptions were developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

The mortality tables for Service and Disability pensioners were developed from an experience study of the QPP's and the predecessor QPP's pensioners. The mortality tables for beneficiaries were also developed from an experience review.

Pursuant to Section 96 of the New York City Charter, a study of the actuarial assumptions used to value liabilities of the Funds is conducted every two years.

The most recently completed study was published by The Hay Group (“Hay”) dated December 2011 and analyzed experience for Fiscal Years 2006 through 2009. Segal made recommendations with respect to the actuarial assumptions and methods based on their analysis.

The previously completed study was published by The Segal Company (“Segal”), dated November 2006 and analyzed experience for Fiscal Years 2002 through 2005. Segal made recommendations with respect to the actuarial assumptions and methods based on their analysis.

Currently, Gabriel Roeder Smith & Company (“GRS”) has been retained to study the actuarial assumptions for Fiscal Years 2010 through 2013.

The obligations of the QPP to the FFVSF and the FOVSF are recognized through the Liability Valuation Method. Under this method the actuarial present value (“APV”) of Future SKIM from the QPP to the FFVSF and FOVSF is included directly as an actuarial liability to the QPP. SKIM is all or a portion of the excess earnings on equity securities of the QPP which are transferable to the FFVSF and FOVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the FFVSF and FOVSF offset by the AAV of the FFVSF and FOVSF, respectively.

Expected Rate of Return on Investments

The long-term expected rate of return on the Funds’ investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation, best estimates of arithmetic real rates of return for each major asset class, portfolio component arithmetic real rates of return, and portfolio long-term average arithmetic real rate of return as of the June 30, 2012 actuarial valuation is summarized in the following table:

| Asset Class | Target Allocation | Real Return Arithmetic Basis | Portfolio Component Arithmetic Real Rate of Return |
|---|--------------------------|-------------------------------------|---|
| U.S. Public Market Equities | 32.0% | 6.60% | 2.11% |
| International Public Market Equities | 10.0% | 7.00% | 0.70% |
| Emerging Public Market Equities | 6.5% | 7.90% | 0.51% |
| Private Market Equities | 7.0% | 9.90% | 0.69% |
| Fixed Income | 34.5% | 2.70% | 0.93% |
| Alternative Investments | <u>10.0%</u> | 4.00% | <u>0.40%</u> |
| Portfolio Long-term Average Arithmetic Rate of Return | <u>100.0%</u> | | <u>5.34%</u> |

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2014 and 2013 was 7.0%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the rates applicable to the current tier for each member and that Employer contributions will be made at rates as determined by the Actuary. Based on those assumptions, the Funds' fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Funds' investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the Employer for the Funds as of June 30, 2014, calculated using the discount rate of 7.0%, as well as what the Employer's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

| | (in thousands) | | |
|---|-----------------------|---------------------------------|-----------------------|
| | 1% Decrease (6.0%) | Current discount rate (7.0%) | 1% Increase (8.0%) |
| Employer net pension liability-- June 30, 2014 | \$ 8,449,299 | \$ 6,521,854 | \$ 4,884,515 |

7. MEMBER LOANS

Tier 1 and Tier 2 members are permitted to borrow up to 90% of their own accumulated contributions including accumulated interest. The balance of QPP member loans receivable at June 30, 2014 and 2013 is \$28.4 million and \$29.7 million, respectively. Members repay their loans at the statutory rate of 4% per annum. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions including, for new program members, accumulated interest less any loans outstanding. Certain prior year loans to retirees were removed from member loans receivables. Such balances should be reduced at the effective date of retirement as a result of payoff or future benefit reductions.

8. RELATED PARTIES

The Comptroller has been appointed by law as custodian for Fixed Annuity Program assets with revocable discretionary authority. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller also provides cash receipt and cash disbursement services to the Funds. Actuarial services are provided to the Funds by the Office of the Actuary employed by the Boards of Trustees of The City's main pension systems. The City's Corporation Counsel provides legal services to the Funds. Other administrative services are also provided by The City. The cost of providing such services amounted to \$1.9 million and \$2.1 million in Fiscal Years 2014 and 2013, respectively.

9. ADMINISTRATIVE AND INVESTMENT EXPENSES

There are no administrative expenses paid out of the Funds. Services, as set out in the note on "Related Parties" are provided by various City Agencies. The City of New York defrays the cost associated with these services. Investment expenses charged to the investment earnings of the QPP, exclusive of

expenses relating to securities-lending transactions amounted to approximately \$42.8 million and \$38.5 million in 2014 and 2013, respectively.

10. CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities — The Funds have a number of claims pending against it and has been named as a defendant in a number of lawsuits. The Funds also have certain other contingent liabilities. Management of FIRE, on the advice of legal counsel, believes that such proceedings will not have a material effect on the Funds' net position or changes in Funds' net position. Under the existing State statutes and City laws that govern the functioning of the Funds, increases in the obligations of the Funds to members and beneficiaries ordinarily result in increases in the obligations of The City to the Funds.

Other Matters — During Fiscal Years 2014 and 2013, certain events described below took place which, in the opinion of FIRE management, could have the effect of increasing benefits to members and/or their beneficiaries. The effect of such events has not been fully quantified. However, it is the opinion of FIRE management that such developments would not have a material effect on the Funds' net position restricted for benefits or cause changes in Funds' net position restricted for benefits.

Actuarial Audit — Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems ("NYCRS") are conducted every two years. Refer to Note 6 for the results of the most recent actuarial studies for FIRE.

Revised Actuarial Assumptions and Methods — In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Based in part upon a review of the Segal and Hay studies, the Actuary issued a February 10, 2012 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2011 for the New York City Fire Department Pension Fund" ("February 2012 Report").

The Board of Trustees of the Funds adopted those changes to actuarial assumptions that require Board approval. The State Legislature and the Governor enacted Chapter 3/13 to provide for those changes to the actuarial assumptions and methods that require legislation, including the AIR assumption of 7.0% per annum, net of investment expenses.

New York State Legislation (only significant laws included) — Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, created a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

Chapter 105 of the Laws of 2005 states that a member killed in the US Armed Forces on and after June 14, 2005 is deemed a Line-of-Duty death while on active payroll.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial ("Accrued") Liability ("UAL"). In addition, Chapter 152/06 provides for elimination of the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00.

Chapter 445 of the Laws of 2006 (“Chapter 445/06”) created a presumptive eligibility for accidental death benefits in connection with the World Trade Center attack on September 11, 2001.

Chapter 654 of the Laws of 2006 expanded presumptive eligibility for Line-of-Duty accidental disability and accidental death benefits to include strokes effective from January 1, 2002.

Chapter 713 of the Laws of 2006 provides that FIRE members retired from the Fire Marshall title who are appointed to the Office of NYC Marshall will have no reduction or suspension of retirement allowance.

Chapter 5 of the Laws of 2007 amended Chapter 445/06 to clarify the World Trade Center accidental disability benefits payable to retirees who die in the first 25 years of retirement. It also amended Chapter 445/06 to include World Trade Center deaths as presumptive accidental death benefits in the Line-of-Duty.

Chapter 637 of the Laws of 2007 deems prior EMT service and service in certain other job titles as qualifying time for all pension purposes.

Chapter 489 of the Laws of 2008 expanded and redefined the eligibility provisions of the accidental disability and accidental death benefits that arise in connection with the World Trade Center attack on September 11, 2001.

Chapter 211 of the Laws of 2009 continued the valuation and other interest rates for one year to June 30, 2010 from June 30, 2009.

Chapter 265 of the Laws of 2010 continued the valuation and other interest rates for one year to June 30, 2011 from June 30, 2010.

Chapter 180 of the Laws of 2011 continued the valuation and other interest rates for one year to June 30, 2012 from June 30, 2011.

Tier 3 – During June 2009 the Governor vetoed legislation that would have extended Tier 2 to members hired after June 30, 2009. As a result of the Governor’s veto, FIRE members hired on and after July 1, 2009 are covered under Tier 3.

Chapter 18 of the Laws of 2012 placed certain limitations on the Tier 3 and Tier 4 benefits available to participants hired on and after April 1, 2012 in most New York State PERS, including FIRE.

Chapter 3 of the Laws of 2013 (“Chapter 3/13”) implemented changes in the actuarial procedures for determining Employer Contributions beginning Fiscal Year 2012. In particular, Chapter 3/13 continued the OYLM, employed the Entry Age Actuarial Cost Method (“EAACM”), an Actuarial Interest Rate (“AIR”) assumption of 7.0% per annum, net of investment expenses and defined the amortization of Unfunded Actuarial Accrued Liabilities (“UAAL”).

Chapter 489 of the Laws of 2013 extended the WTC Disability Laws to vested members.

* * * * *

NEW YORK FIRE DEPARTMENT PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

(In Thousands)

| | 2014 | 2013 |
|--|---------------------|--------------------|
| Total pension liability: | | |
| Service cost | \$ 412,911 | 400,885 |
| Interest | 1,215,277 | 1,184,217 |
| Changes of benefit terms | — | — |
| Differences between expected and actual experience | — | — |
| Changes of assumptions | — | — |
| Benefit payments and withdrawals | <u>(1,171,998)</u> | <u>(1,135,469)</u> |
| Net change in total pension liability | 456,190 | 449,633 |
| Total pension liability – beginning | <u>17,524,303</u> | <u>17,074,670</u> |
| Total pension liability – ending (a) | <u>17,980,493</u> | <u>17,524,303</u> |
| Plan fiduciary net position: | | |
| Employer contributions | 969,956 | 962,173 |
| Member contributions | 108,859 | 104,816 |
| Net investment income | 1,689,485 | 1,042,431 |
| Benefit payments and withdrawals | <u>(1,171,998)</u> | <u>(1,135,469)</u> |
| Other | <u>39,980</u> | <u>38,965</u> |
| Net change in plan fiduciary net position | 1,636,282 | 1,012,916 |
| Plan fiduciary net position – beginning | <u>9,822,356</u> | <u>8,809,440</u> |
| Plan fiduciary net position – ending (b) * | <u>11,458,638</u> | <u>9,822,356</u> |
| Employer's net pension liability – ending (a)-(b) | <u>\$ 6,521,855</u> | <u>7,701,947</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>63.73%</u> | <u>56.05%</u> |
| Covered-employee payroll | \$ 1,102,398 | 1,129,921 |
| Employer's net pension liability as a percentage of covered-employee payroll | <u>591.61%</u> | <u>681.64%</u> |

Note: Any factors that significantly affect trends in the amounts reported (e.g. changes in benefit terms, changes in size or composition of member population, or use of different assumptions) should be disclosed with this schedule.

Additionally, in accordance with GASB No. 67, paragraph 50, such information was not readily available for periods prior to 2013.

* Such amounts represent the preliminary Funds' fiduciary net position and may differ from the Funds' fiduciary net position.

SCHEDULE 2

NEW YORK FIRE DEPARTMENT PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(In thousands)

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|--------------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|
| Actuarially determined contribution | \$ 969,956 | 962,173 | 976,895 | 890,706 | 874,331 | 843,751 | 780,202 | 683,193 | 608,771 | 518,398 |
| Contributions in relation to the actuarially determined contribution | 969,956 | 962,173 | 976,895 | 890,706 | 874,331 | 843,751 | 780,202 | 683,193 | 608,771 | 489,508 |
| Contribution deficiency (excess) | \$ — | — | — | — | — | — | — | — | — | 28,890 |
| Covered-employee payroll | \$ 1,102,398 | 1,129,921 | 1,149,423 | 1,057,243 | 1,059,911 | 1,013,661 | 944,463 | 916,582 | 872,490 | 804,979 |
| Contributions as a percentage of covered-employee payroll | 87.986% | 85.154% | 84.990% | 84.248% | 82.491% | 83.238% | 82.608% | 74.537% | 69.774% | 60.810% |

NEW YORK FIRE DEPARTMENT PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Notes to Schedule:

With the exception of fiscal year 2005, the above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the employer contribution for the second following fiscal year (e.g. Fiscal Year 2014 contributions were determined using an actuarial valuation as of June 30, 2012). The Fiscal Year 2005 employer contribution was determined using an actuarial valuation as of the immediate prior fiscal year (June 30, 2004). This change in methodology caused two actuarial valuations to be performed as of June 30, 2004. The methods and assumptions used to determine the actuarially determined contributions are as follows:

| Valuation Dates | June 30, 2012 | June 30, 2011 | June 30, 2010 | June 30, 2009- June 30, 2004 (lag) | June 30, 2004 |
|---|---|---|---|---|---|
| Actuarial cost method | Entry Age | Entry Age | Entry Age | Frozen Initial Liability ¹ | Frozen Initial Liability ¹ |
| Amortization method for Unfunded Actuarial Accrued Liabilities: | | | | | |
| Pre-2010 Unfunded | | NA | NA | Increasing dollar ² | Increasing dollar ² |
| 2010 Initial Unfunded | | Increasing Dollar | Increasing Dollar | NA | NA |
| Post-2010 Unfunded | | Level Dollar | Level Dollar | NA | NA |
| Remaining amortization period: | | | | All outstanding components of reestablished UAAL are being amortized over an 11-year closed period beginning in Fiscal Year | All outstanding components of reestablished UAAL are being amortized over an 11-year closed period beginning in Fiscal Year |
| Pre-2010 Unfunded | | NA | NA | 2000 ² | 2000 ² |
| 2010 Initial Unfunded | | 21 years (closed) | 22 years (closed) | NA | NA |
| Post-2010 Unfunded | | 15 years (closed) | NA | NA | NA |
| Actuarial Asset Valuation (AAV) Method | Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AAV is defined to recognize Fiscal Year 2011 investment performance. | Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AAV is defined to recognize Fiscal Year 2011 investment performance. | Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AAV is defined to recognize Fiscal Year 2011 investment performance. | Modified six-year moving average of market values with "Market Value Restart" as of June 30, 1999. | Modified five-year moving average of market values with "Market Value Restart" as of June 30, 1999. |
| Actuarial assumptions: | | | | | |
| Assumed rate of return | 7.0% per annum, net of investment expenses ³ | 7.0% per annum, net of investment expenses ³ | 7.0% per annum, net of investment expenses ³ | 8.0% per annum ³ | 8.0% per annum ³ |
| Post-retirement mortality | Tables adopted by Board of Trustees during Fiscal Year 2012 | Tables adopted by Board of Trustees during Fiscal Year 2012 | Tables adopted by Board of Trustees during Fiscal Year 2012 | Tables adopted by Board of Trustees during Fiscal Year 2006 | Tables adopted by Board of Trustees during Fiscal Year 2000 |
| Active service: withdrawal, death, disability, service retirement | Tables adopted by Board of Trustees during Fiscal Year 2012 | Tables adopted by Board of Trustees during Fiscal Year 2012 | Tables adopted by Board of Trustees during Fiscal Year 2012 | Tables adopted by Board of Trustees during Fiscal Year 2006 | Tables adopted by Board of Trustees during Fiscal Year 2000 |
| Salary increases | In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year. ³ | In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year. ³ | In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year. ³ | In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year. ³ | In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year. ³ |
| Cost-of-Living Adjustments ² | 1.5% per annum for Tiers I and II, 2.5% per annum for Tier III. ³ | 1.5% per annum for Tiers I and II, 2.5% per annum for Tier III. ³ | 1.5% per annum for Tiers I and II, 2.5% per annum for Tier III. ³ | 1.3% per annum ³ | 1.3% per annum ³ |

Under this actuarial cost method, the Initial Liability was reestablished as of June 30, 1999, by the Entry Age Actuarial Cost Method but with the unfunded actuarial accrued liability (UAAL) not less than \$0. The financial results using this Frozen Initial Liability Actuarial Cost Method are the same as those that would be produced using the Frozen Entry Age Cost Method.

¹ In conjunction with Chapter 85 of the Laws of 2000, there is an amortization method. It reestablished UAAL and eliminated BSL as of June 30, 1999. The schedule of payments toward the reestablished UAAL (referred to in the ACNY as the Fire Pension Fund ("FPF") 1999 UAAL and elsewhere as the UAAL) provides that the UAAL be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

³ Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

Note: Any factors that significantly affect trends in the amounts reported (e.g. changes in benefit terms, changes in size or composition of member population, or use of different assumptions) also should be disclosed with this schedule.

NEW YORK FIRE DEPARTMENT PENSION FUNDS**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS**

The following table displays annual money-weighted rate of return, net of investment expense, for the Funds for each of the past two fiscal years:

| Fiscal year ended | QPP | FFVSF | FOVSF |
|--------------------------|------------|--------------|--------------|
| June 30, 2014 | 17.511% | 18.027% | 19.565% |
| June 30, 2013 | 11.652% | 12.845% | 13.006% |

Note: In accordance with GASB No. 67, paragraph 50, such information was not readily available for periods prior to 2013.

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Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--|--|---------------------|
| U.S. Equities | | |
| Brown AM | 35.48 | 315,258.19 |
| Ceredex | 78.31 | 379,086.38 |
| Dalton Greiner | 51.82 | 263,842.02 |
| Wellington | - | - |
| Timesquare Capital SMDG | - | 864,156.02 |
| Security Global Inv SMDV | 80.82 | 428,493.49 |
| Timesquare Capital MCG | 166.37 | 864,156.02 |
| Iridian Asset MCV | 101.80 | 496,207.16 |
| Wellington Mgmt MCC | 104.51 | 534,164.94 |
| State Street GA S&P 400 | 177.05 | 9,832.48 |
| Profit Investment Mgmt | 54.14 | 199,377.73 |
| Zevenbergen | 208.48 | 425,963.07 |
| Seizert Cap Ptrns | 56.50 | 152,273.95 |
| Attucks | 25.76 | 163,578.53 |
| Capital Prospects | 39.45 | 285,082.69 |
| Total Progress Trust | 100.96 | 352,609.13 |
| BlackRock R 3 k | - | 38,852.06 |
| State Street R 3 k | 1,092.43 | 68,453.59 |
| TOTAL U.S. EQUITIES | 2,373.88 | 5,841,387.45 |
| Real Estate Equity Securities | | |
| Adelante Capital Management | 67.89 | 213,744.08 |
| TOTAL REAL ESTATE EQUITY SECURITIES | 67.89 | 213,744.08 |
| TOTAL U.S. EQUITIES ADVISORS | 2,441.77 | 6,055,131.53 |
| NYC INTERNATIONAL ADVISORS | | |
| EAFE Markets Equities | | |
| Active/Growth | | |
| Baillie Gifford | 206.51 | 484,091.86 |
| Walter Scott EAFE Large Cap MTA | 115.71 | 305,850.99 |
| Causeway EAFE Large Cap MTA | 130.24 | 403,208.35 |
| Sprucegrove | 216.44 | 405,326.51 |
| Thornburg | 120.23 | 510,209.38 |
| Acadian EAFE Small Cap MTA | 77.25 | 222,210.49 |
| Pyramis EAFE Small Cap MTA | 70.07 | 402,255.95 |
| SSGA | 89.74 | 20,475.99 |
| SSGA EAFE Small Cap | 27.28 | - |
| Total EAFE Markets Equities | 1,053.47 | 2,753,629.52 |
| Emerging Markets | | |
| Acadian | 118.63 | 383,236.00 |
| Baillie Gifford | 182.78 | 925,569.09 |
| DFA | 86.52 | - |
| Eaton Vance | 87 | 103.18 |
| | | 487,017.64 |

(Continued)

Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--|--|---------------------|
| Blackrock Account EM | 191.22 | - |
| Total Emerging Markets | 682.33 | 1,795,822.73 |
| | | |
| Real Estate Equity Securities | | |
| European REI MIA | 119.03 | 479,025.78 |
| MS REI MIA | 185.38 | 608,451.22 |
| Total Real Estate Equity Securities | 304.41 | 1,087,477.00 |
| Global Fixed Income | | |
| LM CAPITAL -MIA | 11.02 | 16,896.48 |
| Total Global Fixed Income | 11.02 | 16,896.48 |
| TOTAL INTERNATIONAL EQUITIES ADVISORS | 2,051.23 | 5,653,825.73 |
| | | |
| NYC HEDGE FUNDS ADVISORS | | |
| Hedge Funds | | |
| Permal Hedge Fund of Funds | 56.39 | 345,409.56 |
| Blue Trend Fd | 21.40 | 399,689.00 |
| Brevan Howard | 19.75 | 407,130.25 |
| Brevan Howard Opp | 20.08 | 102,266.36 |
| Brigade Lev Cap Str | 25.70 | 324,512.00 |
| Carlson Blk DIA Fd | 29.70 | 419,799.00 |
| Caspian Select CF | 22.91 | 219,441.00 |
| CCP Quant Fd | 15.45 | 224,700.00 |
| D.E. Shaw | 57.08 | 1,162,610.08 |
| Fir Tree Val Fd | 29.58 | 386,881.00 |
| Luxor Capital | 27.54 | - |
| Perry Capital | 24.10 | 242,568.00 |
| Pharo Macro Fd Ltd | 19.21 | 347,482.00 |
| Standard General | 6.16 | - |
| TOTAL HEDGE FUNDS ADVISORS | 375.05 | 4,582,488.25 |
| | | |
| NYC ALTERNATIVE INVESTMENTS - EQUITY ADVISORS | | |
| Private Equity Investments | | |
| ACON Equity Ptnrs III | 0.40 | 12,572.00 |
| Aisling Capital II | 0.72 | 10,927.00 |
| Aisling Capital III | 2.74 | 39,004.00 |
| Aldus New York Fire Fund | - | 434,485.00 |
| Altaris Health Partners III | - | 13,020.00 |
| American Sec Ptnrs VI | 12.66 | 246,480.00 |
| Ampersand 2009 | 5.61 | 74,962.00 |
| Apollo Investment Fd V | 1.55 | 9,373.00 |
| Apollo Investment Fd VI | 14.98 | - |
| Apollo Investment Fd VII | 15.66 | 34,013.57 |
| Apollo Investment Fd VIII | 1.39 | 334,776.00 |
| Ardian Capital | 3.48 | 300,000.00 |

Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--------------------------------------|--|---------------|
| Ares Corp Opp | 0.82 | 1,292.00 |
| Ares Corp Opp Fd II | 1.43 | 16,317.00 |
| Ares Corp Opp Fd III | 8.34 | 47,548.00 |
| Ares Corp Opp Fd IV | 4.60 | 299,445.00 |
| Aurora Equity Capital Partners III | 0.36 | 1,819.00 |
| Avista Capital Partners | 3.66 | 29,865.00 |
| Avista Capital Partners II | 11.17 | - |
| AXA Secondary Fd V | 28.55 | 400,000.00 |
| BC EUR Cap IX | 13.66 | 623,124.00 |
| BDCM Opportunity Fd III | 7.93 | 137,202.00 |
| Blackstone Capital Ptnrs IV | 7.43 | 9,240.00 |
| Blackstone Capital Ptnrs V | 8.41 | 17,104.00 |
| Blackstone Capital Ptnrs VI | 5.25 | 101,418.00 |
| Blackstone Mezz Ptnrs II | 0.30 | 5,560.00 |
| Bridgepoint Europe III | 3.06 | 30,551.00 |
| Bridgepoint Europe IV | 6.06 | 48,848.00 |
| Capital Ptnrs II | 0.24 | 20,455.00 |
| Carlyle Ptnrs III | 0.02 | 823.00 |
| Carlyle Ptnrs IV | 1.88 | 6,247.00 |
| Carlyle Ptnrs V | 8.81 | 8,285.00 |
| Carlyle Ptnrs VI | 3.85 | 145,096.00 |
| Catterton Partners VI | 3.95 | 68,899.00 |
| CCMP Capital Investors II | 3.70 | 34,132.00 |
| Clayton, Dubilier and Rice Fund VII | - | - |
| Clayton, Dubilier and Rice Fund VIII | - | - |
| Celtic Pharm Hldgs, LP | 3.84 | - |
| Coller International Ptnrs V | 2.31 | 92,481.00 |
| Comvest Investment Ptnrs IV | 13.13 | 282,786.00 |
| Constellation Ventures III | 2.92 | 69,602.00 |
| Credit Suisse EM Fd | 1.00 | 124,380.01 |
| Credit Suisse EM Co/Inv Fd | 5.63 | 28,679.86 |
| Crestview Ptnrs II | 6.99 | (4,263.00) |
| CVC Capital Ptnrs VI | 0.14 | 271,055.00 |
| CVC Euro Eq Ptnrs III | 0.40 | 430.00 |
| CVC Euro Eq Ptnrs V | 10.34 | 45,468.00 |
| Cypress Merch Bk Ptnrs II | 3.05 | 11,280.00 |
| EQT VI | 9.36 | 285,450.00 |
| Erasmus NYC Growth FD | 30.54 | - |
| Erasmus NYC Growth FD A | 0.39 | - |

Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|-----------------------------------|--|---------------|
| Fairview Emerging Mgrs Fd | 4.60 | 36,689.00 |
| FdG Capl Ptnrs | 5.67 | - |
| FdG Capl Ptnrs II | 0.71 | 2,366.00 |
| Fenway Ptnrs Capital III | 2.63 | 11,020.00 |
| First Mark Fd IV | 4.83 | 22,166.00 |
| First Reserve Fd XI | 2.98 | 33,265.00 |
| First Reserve Fd XII | 4.03 | 60,016.00 |
| Fourth CINVEN Fd | 2.21 | 22,559.00 |
| FS Equity Ptnrs V | 3.10 | 9,279.00 |
| FS Equity Ptnrs VI | 13.80 | 187,500.00 |
| FT Ventures Fd III | 2.96 | 94,935.00 |
| FTV Capital IV | 0.82 | 32,744.00 |
| GCM Grosvenor Co-Invest Fd | - | 4,976.00 |
| GCM Grosvenor Emerging Manager Fd | - | 85,982.00 |
| GI Ptnrs Fd II | 0.96 | 4,750.00 |
| GI Partners Fund III | 4.82 | 55,641.00 |
| Green Eq Inv VI | 8.44 | 281,426.00 |
| Grey Mountain Partners III | - | 16,602.00 |
| GSO Capital Opportunities Fd | 2.69 | 43,059.00 |
| Highland Consumer Fd I | 1.52 | 45,185.00 |
| ICV Ptnrs III | 0.40 | 34,245.00 |
| Incline Eq Ptnrs III | 0.30 | 14,642.00 |
| Intermedia Ptnrs VII | 3.77 | 24,213.00 |
| JP Morgan Investment Mgmt | 2.26 | 9,498.00 |
| Landmark Equity Ptnrs XI | 0.79 | 9,683.00 |
| Landmark Equity Ptnrs XIV | 9.43 | 136,300.00 |
| Landmark Equity Ptnrs XV | 4.04 | 260,000.00 |
| Lee Equity Ptnrs | 5.82 | 24,175.00 |
| Levine Leichtman Cap Ptnrs IV | 3.56 | 41,625.00 |
| Lexington Capital Ptnrs VII | 6.77 | 87,251.00 |
| Lexington Capital Ptnrs VIII | - | 180,000.00 |
| Lincolnshire Eq Fd II | 0.44 | - |
| Lincolnshire Eq Fd III | 3.13 | 28,087.00 |
| Lincolnshire Eq Fd IV | 1.86 | 38,204.00 |
| LODH Euro Choice II | 3.48 | 58,320.00 |
| LODH Euro Choice III | 4.02 | 49,297.00 |
| LODH Euro Choice IV | 4.65 | 68,313.00 |
| Markstone Capital Ptnrs | 2.62 | 5,961.00 |

**Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014**

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--------------------------------|--|---------------|
| Midocean Eq Ptnrs III | 9.04 | 52,549.00 |
| Montreux Eq Ptnrs IV | 4.88 | 89,876.00 |
| Neuberger Berman Emg Mgr | 3.21 | 42,500.00 |
| New Mountain Ptnrs | 0.95 | - |
| New Mountain Ptnrs II | 0.35 | 34,863.00 |
| New Mountain Ptnrs III | 9.72 | - |
| Newspring Venture II | 2.39 | - |
| NGN Biomed Opportunity II | 2.64 | 52,438.00 |
| Olympus Capital Asia III | 4.43 | 63,998.00 |
| Olympus Growth Fund VI | 0.84 | 146,772.00 |
| Onex Ptnrs III | 4.90 | 53,047.00 |
| Paladin Homeland Security Fd | 2.85 | 69,116.00 |
| Paladin Fund III | 5.41 | 150,000.00 |
| Palladium Eq Ptnrs III | 11.09 | 17,535.00 |
| Palladium Eq Ptnrs IV | 1.56 | 136,866.00 |
| PCGAM Clean Energy & Tech Fund | 5.01 | 14,239.00 |
| Pegasus Partners IV | 5.68 | 78,384.00 |
| Pegasus Partners V | 4.64 | 19,491.00 |
| Permira Fd IV | 4.12 | 26,677.00 |
| Perseus Ptnrs VII | 1.21 | 20,695.00 |
| Pine Brook Capital Ptnrs | 6.76 | 107,803.00 |
| Platinum Eq Cap Ptnrs III | 5.78 | - |
| Prism Venture Ptnrs IV | - | - |
| Prism Venture Ptnrs V-A | 2.95 | 128,919.00 |
| Psilos Group Partners III | 2.11 | 44,853.00 |
| Riverstone/Carlyle GLB EP IV | 5.18 | 24,666.00 |
| RRE Ventures IV | 3.53 | 42,830.00 |
| Scale Venture Ptnrs III | 7.63 | 90,516.00 |
| SCP Priv Eq Ptnrs II | 5.63 | 62,840.00 |
| SCP Vitalife Partners II | 3.90 | 67,422.00 |
| Snow Phipps Group | 3.19 | 60,140.00 |
| Snow Phipps II | 4.64 | 72,408.00 |
| Summit Partners Gr EQ VIII | 0.31 | - |
| Tailwind Capital Partners | 3.34 | 47,725.00 |
| Terra Firma Cap III | 13.21 | 222,911.00 |
| Trident V | 1.61 | 70,392.00 |
| Trilantic Capital Ptnrs V | 0.21 | 1,231.00 |
| Trilantic Capital Ptnrs III | 6.86 | 33,179.00 |
| Trilantic Capital Ptnrs IV | 4.26 | 71,532.00 |

**Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014**

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|---|--|----------------------|
| US Power Fund II | 3.82 | 65,932.00 |
| US Power Fund III | 5.29 | 56,745.00 |
| Vista Equity Ptnrs III | 29.08 | 172,251.00 |
| Vista Equity Ptnrs IV | 0.48 | 50,000.00 |
| Vista Foundation II FIS | 2.29 | |
| Vitruvian Ptnrs | 0.31 | 1,950.00 |
| VS&A Comm Ptnrs III | 1.47 | 4,147.00 |
| VSS Comm Ptnrs IV | 15.82 | 288,626.00 |
| Warburg Pincus XI | 2.36 | 117,386.00 |
| Wellspring Capital Ptnrs V | 6.62 | 109,409.00 |
| Welsh, Carson, Anderson & Stowe XI | 4.10 | 36,077.00 |
| Yucaipa American Alliance Fd | 21.00 | 243,397.00 |
| Yucaipa American Alliance Fd II | 3.14 | 24,632.00 |
| Yucaipa Corp Initiative II | | |
| TOTAL ALTNATIVE INVESTMENTS EQUITY | 683.92 | 10,603,487.44 |
| NYC ALTERNATIVE INVESTMENTS - REAL ESTATE ADVISORS | | |
| Private Equity Investments | 6.94 | |
| DivCo West IV | 6.94 | |
| Total Private Equity Investments | | |
| PRIVATE REAL ESTATE | 6.89 | 75,985.00 |
| AG Realty Fd VII | 2.34 | 35,060.00 |
| Amer Value Ptnrs I | 12.17 | |
| Apollo Europe III | 4.73 | |
| ARA Asia Dragon Fd | 1.10 | |
| Blackrock Carbon III | 5.01 | 65,434.00 |
| Blackstone Real Estate Ptnrs EU III | 5.98 | 46,527.78 |
| Blackstone Real Estate Ptnrs EU IV | 3.00 | |
| Blackstone Real Estate Ptnrs IV | 14.42 | 117,385.00 |
| Blackstone Real Estate Ptnrs VI | 25.27 | 371,485.00 |
| Blackstone Real Estate Ptnrs VII | 7.50 | 142,500.00 |
| Brookfield Strategic RE Ptnrs | - | |
| Canyon Johnson Urban Fd | 2.99 | (81,125.91) |
| Canyon Johnson Urban Fd II | 3.43 | 46,801.73 |
| Canyon Johnson Urban Fd III | 1.65 | 45,608.00 |
| Carlyle R.P. Fd V | 13.02 | 214,140.00 |
| Carlyle Realty VI | 7.58 | |
| Colony Investors VIII | 1.98 | |
| Colony Realty Ptnrs II | 36.69 | 210,617.00 |
| Divco West Fd III | 92 1.81 | 20,822.21 |

(Continued)

**Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014**

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--|--|---------------|
| Emmes Asset Mgmt Co | 9.76 | 82,800.00 |
| H/2 Spec Opportunity Fd II | 12.73 | 48,653.00 |
| Heitman America Fd | 0.45 | 2,618.00 |
| Hudson (Separate Account) | 33.39 | 309,189.07 |
| JPM Strategic Prop Fd | 4.92 | 68,647.26 |
| JPM Special Sit Fd | 3.58 | 31,250.00 |
| KTR Ind Fd III | 30.45 | 165,942.15 |
| Lasalle US Property Fd | 6.15 | (49,366.66) |
| Lone Star RE Fd III | 3.17 | - |
| Metro Workforce Housing Fd | 7.55 | 54,645.98 |
| PRISA | 21.57 | 171,711.15 |
| PRISA II | - | - |
| PRISA III | 4.58 | 30,850.00 |
| Prologis Targeted US Logistics Fd | 3.58 | 5,806.00 |
| RFM NYCERS Sand LLC | 7.57 | 63,295.00 |
| RREEF Amer. II | 1.49 | 66,367.05 |
| RREEF Amer. III | 0.90 | 21,420.00 |
| Silverpeak RE Ptnrs Fd III | 16.21 | 136,720.00 |
| Stockbridge Real Estate Fd | 6.47 | 61,139.00 |
| Taconic NY Inv Fd | 15.44 | - |
| The City Investment Fd | 4.64 | 62,990.00 |
| Thor Urban Property Fd II | 34.77 | 310,254.56 |
| UBS Trumbull Property Fd | 4.81 | - |
| Walton St RE Fd VI | 4.06 | 58,153.00 |
| Westbrook RE Fd VIII | 397.80 | 3,034,324.37 |
| Total Private Equity - Real Estate | | |
| Infrastructure | 3.97 | 161,687.38 |
| Brookfield infr Fd II | 3.97 | 161,687.38 |
| TOTAL INFRASTRUCTURE | | |
| TOTAL ALTERNATIVE INVES. REAL ESTATE ADVISORS | | |
| NYC ALTERNATIVE INVESTMENTS - FIXED INCOME ADVISORS | | |
| Investment Grade Credit Sector | 41.93 | 103,042.00 |
| Prudential Privest | 41.93 | 103,042.00 |
| Total Sector | | |
| Opportunistic Fixed Income Strategies | 0.24 | |
| Ave Euro Special Situations Fd | 0.06 | |
| Ave Special Situations Fd V | 16.65 | 128,202.00 |
| Ave Special Situations Fd VI | 13.40 | 126,019.00 |
| Fortress Ptnrs LP | - | - |
| Lone Star Fd VIII | 20.11 | (64,528.00) |
| Oaktree Opp Fd IX LP | 1.17 | - |
| Torchlight Investors | - | - |

Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--|--|---------------|
| AG GECC LP | 51.63 | 189,693.00 |
| Total Fund Strategies | | |
| Angelo Gordon Ptnrs LP | 27.64 | 156,272.37 |
| Apollo Ptnrshp LP | 6.55 | (56,879.55) |
| Contrarian C A LLC | 35.44 | 221,494.13 |
| Goldentree OD MTA | 49.33 | 315,011.00 |
| Marathon OD | 33.55 | |
| Oak Hill Ptnrs LP | 178.44 | 635,897.95 |
| Total Strategic Mandates | 272.00 | 928,632.95 |
| TOTAL ALTERNATIVE INVESTMENTS - FIXED | | |
| GRAND TOTAL ALT INVESTMENTS - EQUITY/REAL ESTATE/FIXED INCOME | | |
| NYC FIXED INCOME ADVISORS | | |
| Fixed Income | | |
| Structured Program | | |
| Government Treas/Agency Sector | 59.55 | 50,815.15 |
| Fischer Francis | 102.23 | 56,726.43 |
| Pimco | 58.26 | 27,584.66 |
| State Street | 220.04 | 135,126.24 |
| Total Sector | | |
| Mortgage Sector | 232.02 | 159,763.50 |
| Blackrock | 91.33 | 26,990.00 |
| Goldman Sachs | 115.51 | 62,395.90 |
| Neuberger Berman | 236.04 | 149,312.03 |
| Pimco | 674.90 | 398,461.43 |
| Total Mortgage Sector | | |
| Investment Grade Credit Sector | 158.95 | |
| Blackrock | 156.06 | 101,615.70 |
| Prudential | 267.20 | 196,369.52 |
| Taplin Canida | 247.93 | 555,144.51 |
| T. Rowe Price | 830.14 | 853,129.73 |
| Total Investment Grade Sector | | |
| Enhanced Yield | 115.43 | 388,257.85 |
| Penn | 113.69 | 358,051.76 |
| Loomis Sayles | 182.44 | 596,724.57 |
| T. Rowe Price | 411.56 | 1,343,034.18 |
| Total Enhanced Yield | | |
| Convertible Bonds | 53.56 | 254,319.30 |
| Advent | 53.56 | 254,319.30 |
| Total Convertible Bonds | 2,190.20 | 2,984,070.88 |
| TOTAL FIXED INCOME ADVISORS | | |
| NYC MUTUAL FUND - EQUITY ADVISORS | | |
| U.S. Equities | 25.04 | - |
| Blackrock R2000 Growth | 15.37 | - |
| Blackrock R2000 Value | 698.30 | - |
| Blackrock R1000 Growth | 778.26 | - |
| Blackrock R1000 Value | 1,516.97 | - |
| TOTAL MUTUAL FUND EQUITY ADVISORS | | |
| NYC MUTUAL FUND - FIXED INCOME ADVISORS | | |
| Enhanced Yield | - | - |
| T. Rowe MTA | - | - |
| Total Enhanced Yield | | |

**Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014**

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|--|--|-------------------|
| Enhanced Yield | - | - |
| T. Rowe MTA | - | - |
| Total Enhanced Yield | | |
| Bank Loans | 87.80 | 267,694.16 |
| Babson BL MTA | 88.12 | 330,146.97 |
| Guggenheim BL MTA | 175.92 | 597,841.13 |
| Total Bank Loans | | |
| Progress Fixed Emerging Managers | 6.80 | - |
| Ambassador -Core Plus | 5.70 | - |
| GIA | 2.70 | - |
| Hillswick | 6.95 | - |
| New Century Advisors -Core Plus | 5.50 | - |
| Pugh Capital Mgmt -Core | 27.65 | - |
| Total Progress Fixed Emerging Managers | 203.57 | 597,841.13 |
| TOTAL MUTUAL FUND FIXED INCOME ADVISORS | | |
| NYC MUTUAL FUND MORTGAGES ADVISORS | 19.35 | 30,528.70 |
| Internal Management | 41.45 | 177,907.80 |
| AFL-CIO Housing Inv Trust | - | - |
| BOA-PPAR | 0.24 | - |
| BOA-PPAR 2013 | 0.41 | - |
| CFSB-PPAR | 1.03 | - |
| CCD-PPAR | 0.38 | - |
| CCD-PPAR 2013 | 0.49 | - |
| CPC-PPAR 2013 | 0.40 | - |
| JPMC-PPAR | 0.53 | - |
| LIIF-PPAR | 0.33 | - |
| LIIF-PPAR 2013 | 0.27 | - |
| NCBCI-PPAR | 0.02 | - |
| NCBCI-PPAR 2013 | - | - |
| NHS-PPAR | 64.90 | 208,436.50 |
| Total PPAR | | |
| Targeted Investment | - | - |
| FNMA | - | - |
| GNMA | - | - |
| CPC-PPAR | - | - |
| JPM Chase-CDC-PPAR | - | - |
| Short Term Investments | - | - |
| CPC - Term Loan | - | - |
| | 64.90 | 208,436.50 |
| TOTAL MUTUAL FUND MORTGAGES ADVISORS | | |
| NYC MUTUAL FUND TIPS ADVISORS | | |
| TIPS Managers | 115.08 | 62,413.98 |
| Blackrock | 114.12 | 64,373.32 |
| Pimco | 76.13 | 2,990.39 |
| State Street | 305.33 | 129,777.69 |
| TOTAL MUTUAL FUND TIPS ADVISORS | | |
| CONSULTANT FEES | | 70,037.75 |
| Aksia | | 38,576.72 |
| Courtlandt Partners | | 3,250.80 |
| Ernst & Young (SR Batliboi & Co) | | 560.00 |
| Nat'l Instit on Retirement Sec | | 352,341.72 |
| New England Pension Con | | 192.06 |
| Rodriguez Velazquez | | 122.67 |
| Russin & Vecchi | | 533,300.00 |
| Stepstone Group | | 72,869.00 |

Additional Supplementary Information
Schedule of Investment Expenses
For fiscal year ended June 30, 2014

Schedule 4

| | Average assets under management (\$MMS) | Total Fees |
|---------------------------------------|--|----------------------|
| PriceWaterhouseCoopers | \$ | 104,532.53 |
| Total Advisor Fees | | 1,175,783.25 |
| TOTAL CONSULTANT/ ADVISOR FEES | | |
| LEGAL FEES | | |
| Legal Fees | | 31,159.45 |
| Cox, Castle & Nicholson | | 6,503.97 |
| Foster Pepper | | 2,743.75 |
| Kirkland & Ellis | | 35,804.19 |
| Morgan Lewis & Backius | | 26,523.57 |
| Nixon Peabody | | 1,500.00 |
| Orrick, Herrinton & Sutcliffe | | 8,260.41 |
| Pillsbury Winthrop Shaw Pittman | | 5,828.50 |
| Reinhart Boerner VanDeuren | | 937.00 |
| Rivera & Colon | | 1,005.60 |
| Sadis & Goldberg | | 11,481.55 |
| Seward & Kissel | | 6,320.10 |
| Winston & Strawn | | 138,068.09 |
| TOTAL LEGAL FEES | | 2,238,682.85 |
| MISCELLANEOUS EXPENSES/FEES | | |
| Misc . exp International Equity | | 5,497.03 |
| Misc. exp Bonds | | 8,047.95 |
| Misc. exp Mutual funds fxed | | 1,609.10 |
| Misc . exp Mutual funds equity | | 3,461,655.01 |
| Operating exp pvt equity | | 822,034.91 |
| Org . Exp Alt fixed | | 11,962.84 |
| Misc. chgs Pvt equity | | 300.00 |
| Misc. chgs Global safekeeping fees | | 43.71 |
| TOTAL MISC. EXPENSES/CHGS/FEES | | 6,549,833.40 |
| TOTAL INVESTMENT EXPENSES | \$ | 10,513.65 |
| | | \$ |
| | | 42,803,388.59 |

New York City Fire Pension Funds

Comprehensive Annual Financial Report

A Pension Trust Fund of The City of New York



Investment Section

Part III

Fiscal Year Ended June 30, 2014

about 1960s and 1970s

in the 1960s and 1970s, the
and the 1960s and 1970s



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UNIVERSITY OF CALIFORNIA

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INVESTMENT REPORT

This report is prepared by management on the basis of information provided by the investment managers of the New York Fire Department Pension Funds and the Comptroller of the City of New York. The Comptroller administers the Funds' investment portfolio subject to the direction and control of the Board of Trustees of each Fund. The assets of the Funds are managed efficiently and prudently, in full compliance with the Administrative code of the City of New York (ACNY) and the State Retirement and Social Security Laws, for the benefit of the Funds' membership.

Investment Policy

The Qualified Pension Plan's (QPP) primary purpose is to provide retirement benefits for members and their beneficiaries, while the Variable Supplements' Funds provide supplemental payments other than pension benefits for eligible members. These benefits and payments are financed through the accumulation of employer and member contributions and investment earnings. The Boards of Trustees therefore set investment objectives to assure adequate accumulation of reserves and to protect the long term value of the assets. The Boards overall philosophy on strategic factors, i.e. risk tolerance, returns, diversification and liquidity requirements determines the objectives of the investment policy adopted. Listed below is a brief outline of key objectives and philosophy:

- To assure that members and beneficiaries receive benefits now and in the future, the level of investment risk in the portfolio will be prudent and not exceed levels that may jeopardize objectives.
- To enhance portfolio returns moderate risk levels are assumed, since over the long term there is a relationship between the level of risk taken and the rate of return realized.
- Diversification through investing in a broad array of investments reduces portfolio risk. This is achieved by allocating funds among many asset categories, industries and geographic locations.
- Liquidity requirements are maintained through the structuring of cash flows from contributions, investment income and short term investments; this assures timely payment of benefits.

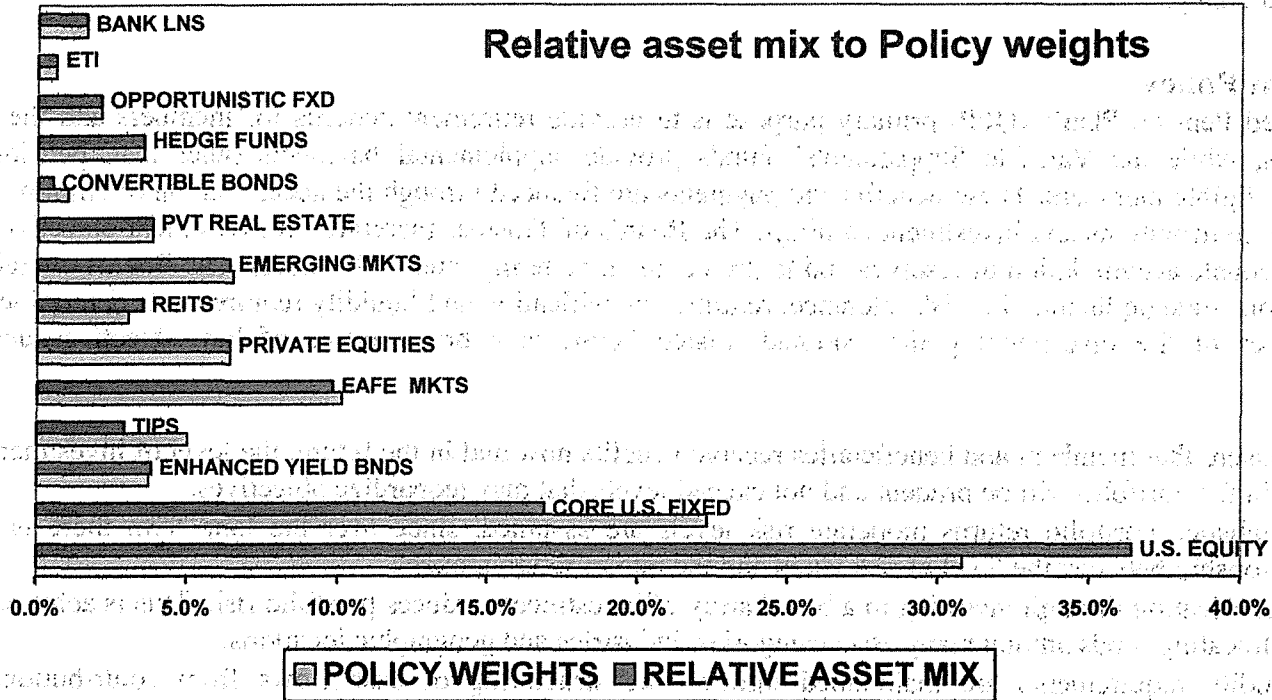
The Board of Trustees of each Fund, in consultation with the Comptroller's Office and independent consultants, manage the assets of the Fund in accordance with investment policy statements adopted periodically. In addition, all the Funds' assets, except for certain private equity and real estate investments where registration is not required, are managed by registered investment advisors pursuant to guidelines issued by the Comptroller's Office. The Funds' managers are periodically reviewed for ongoing performance and adherence to investment guidelines.

Investment Criteria and Asset Allocation

The Boards' investment policies are implemented using a strategic allocation of assets that meet the objectives of the Funds, while working within the confines of the legislative guidelines. The guidelines dictate that Fixed income, equity and other investments may be made as permitted by The New York State Retirement and Social Security Laws (RSSL) §§ 176-178(a) and State Banking Law § 235, the New York City Administrative Code, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department, subject to Note 3.

Additionally, up to 25% of the Funds' assets may be invested in instruments not specifically covered by RSSL. The largest share of each portfolio is invested in equities, since equity investments provide superior returns over the long term, despite historical volatility.

Each fund's asset allocation policy is constructed to meet both short-term funding requirements and long-term benefit obligations. Investments are therefore made in a broad array of financial instruments including domestic stocks, bonds and international securities through a collective fund investment vehicle. The percentages assigned each category of assets held in the Funds are determined based on the results of a study, which indicates the expected rates of return and levels of risk for various asset allocations. These allocations are reviewed periodically to address fluctuating market events and new investment opportunities.



The current policy mix implemented is comprised of items in the following major categories: U.S equity, Core U.S. fixed income, Enhanced yield bonds, Treasury inflation protected securities (TIPS), International equity(EAFE Markets), Private equity, Real estate investments trusts (REITS), Emerging markets, Private Real Estate investments, Convertible Bonds, Hedge Funds, Opportunistic Fixed, Economically Targeted Investments(ETI) and Bank Loans. The chart above shows a comparison of relative asset mix to policy weights for the QPP as at June 30, 2014.

Although the Funds' assets are periodically re-balanced to keep in line with long term asset allocation objectives, actual allocation may vary from policy weights as market values shift and investments are added or terminated. As indicated in the chart, the Fund exceeded targeted allocations of U.S. equity, Enhanced Yield bonds and Real Estate Investments Trusts by 5.6, .1 and .5 percentage points respectively. While Core U.S Fixed, TIPS, EAFE Markets, Emerging Markets and Convertible bonds investments fell below the current targeted allocations by approximately 5.4, 2.2, .3, .1 and .5 percentage points respectively. Investments in Bank loans and ETI, Opportunistic fixed, Hedge Funds, Private Real Estate and Private Equities closely matched targeted allocations.

Actual asset allocation in effect on 6/30/2014 for QPP and the VSF's is presented in the chart titled "Asset Allocation" (Exhibit 1a -1c). Changes in actual asset allocation for QPP over a period of ten years covering June 2005 through June 2014 are presented in an area graph showing the major categories and amount of assets held at the end of each fiscal period (Exhibit 1a).

Summary of Investment Results for fiscal year 2014

The Qualified Pension Fund's investment portfolio posted an overall return of 17.4 %¹ during fiscal year ended June 2014. This return far exceeded the actuarial assumed rate of return at 7.0% and was modestly ahead of the 16.2% gain posted by the Fund's policy benchmark for the period. The Fund closed fiscal year 2014 with net position restricted for pension benefits totaling \$10.6 billion, due to the strong return posted by the portfolio.

The portfolio's gain for fiscal year ended June 30, 2014 was boosted by strong performances in the equity markets during the period. For the quarter ended June 30, 2014, portfolio returns posted across asset classes averaged 4.1% gain. U.S. equities, the largest segment in the portfolio, were among the top performers, posting overall gains of 26.2%. This result was well above the Russell 3000 index, a broad measure of the U.S stock market, which posted gains of 25.2%.

International equities as a group were also among the better performers, all categories posted gains for the fiscal period. Investments from the developed international markets in the portfolio grew by 22.8%, underperforming the benchmark, the MSCI Europe, Australia and Far East (EAFE) Index which grew by 23.6%. While active emerging markets equities grew by 18.9%. This result was well ahead of its benchmark, the MSCI Emerging Markets Free index which grew by 14.3% over the same period. For the quarter ended June 30, 2014 the group posted gains of approximately 5%.

Overall, the domestic fixed income composite portfolio was among the worst performers of the asset classes, closing fiscal year 2014 with modest gains of 7.3%. The largest segment within this category, the structured or core investment grade fixed income group was among the lowest performers, posting gains of 6.6%. This return was ahead of the 5.5% gain posted by its benchmark the New York City core plus 5 index. Treasury Inflation Protected securities, among the worst performers in this category gained 4.6%, slightly ahead of its benchmark the Barclays Capital US TIPS index which posted gains of 4.4% for the period. The Opportunistic Fixed Income group was among the best performers in this category, posting gains of 13.6%, outperforming its benchmark the New York City 10% Annual return, at 10%.

For the five-year period ended June 30, 2014, the QPP's annualized returns stood at 13.4 %, compared to the portfolio policy benchmark return at 14.4%.

Investment returns for the Variable supplements funds' were generally in line with results posted by the QPP. The Fire Fighters' Variable Supplements Fund, with assets under management of \$424.2 million posted overall gains of 17.7% for the period; this gain was below the policy benchmark at 18.5%. The Fire Officers Variable Supplements Fund with assets under management of \$306.2 million posted overall returns of 19.6% for the period, ahead of the policy benchmark with gains of 18.5%.

For the five year period ended June 30, 2014, the FFVSF's and the FOVSF 's annualized returns stood at 14.2% and 14.5% respectively, while the corresponding policy benchmarks returned 14.6%.

Schedule 1A-1C presents our Consolidated Performance Reports, displaying the percentage of portfolio market values and returns for the QPP and the Variable Supplements Funds'. The schedules include returns for each major investment asset class along with the returns for corresponding benchmarks through June 30, 2014.

The Funds' total investments including Collateral from securities lending rose from \$11,229.2 million to \$12,760.3 million, during fiscal year 2014. This change is depicted in **Exhibit 2**, a chart showing changes in total investment at market value over the ten fiscal periods between 2005 and 2014.

¹ Calculations on the rate of return for investments were prepared using a time -weighted rate of return, based on the market rate of return consistent with Global Investment Performance Standards (GIPS).

4995 1007 10000 100 100000 1000000 10000000 100000000 1000000000

The Funds' Portfolio assets invested during fiscal year 2014 returned net gains of \$1,689.5 million. The overall gain was due mainly to the net appreciation in fair value of investments. Exhibit 3 shows a summary of the changes in investment income over the ten-year period 2005 through 2014.

Listings of the Fund's largest bonds, stocks and Alternative Investment holdings are presented in Schedule 2A, 3A & 4A respectively.

Fees and Brokers' commissions are calculated based on total assets under management for the period. Summaries of Brokers' commissions for investments traded are presented in schedule 5A.

The Summary of investments presented in Schedule 6A shows the overall market values of each major investment asset class in the Funds' portfolio, including short-term holdings and collateral from securities lending. The schedule also shows the percentage value of each category in relation to total investments in the Funds for fiscal year 2014.

4995 1007 10000 100 100000 1000000 10000000 100000000 1000000000

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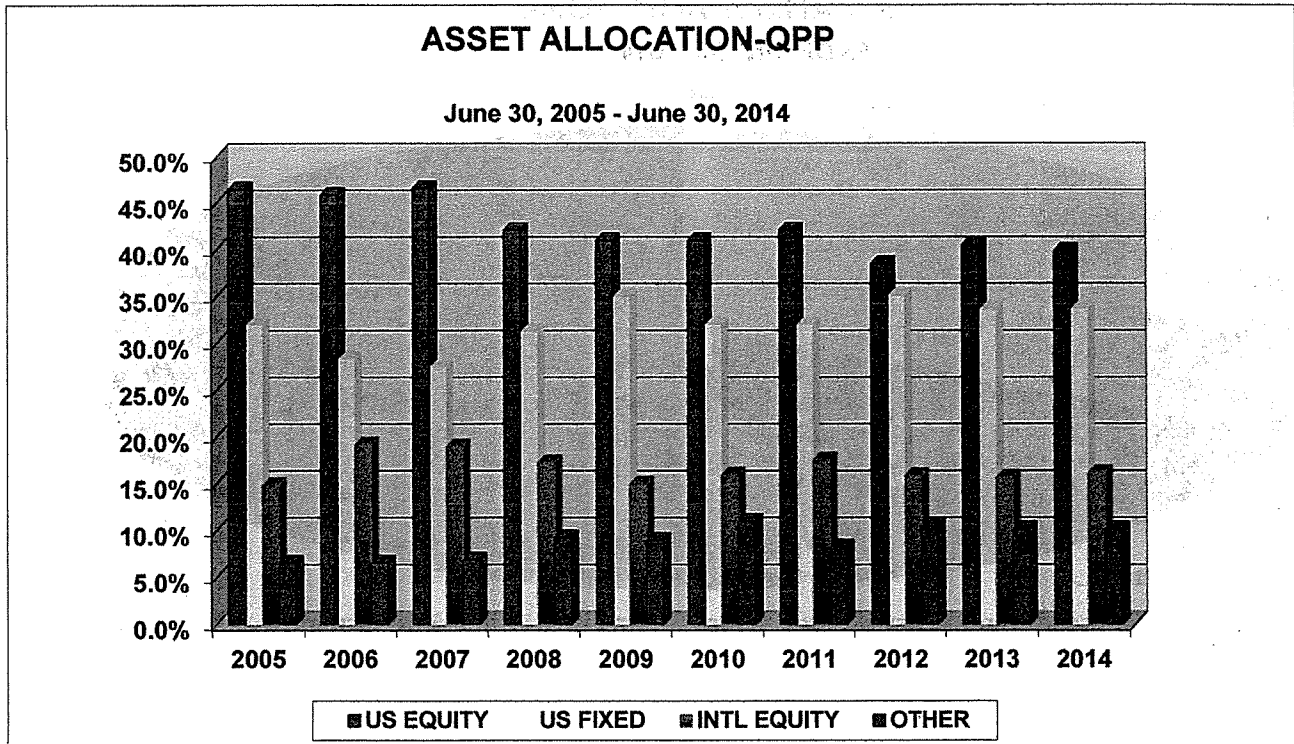
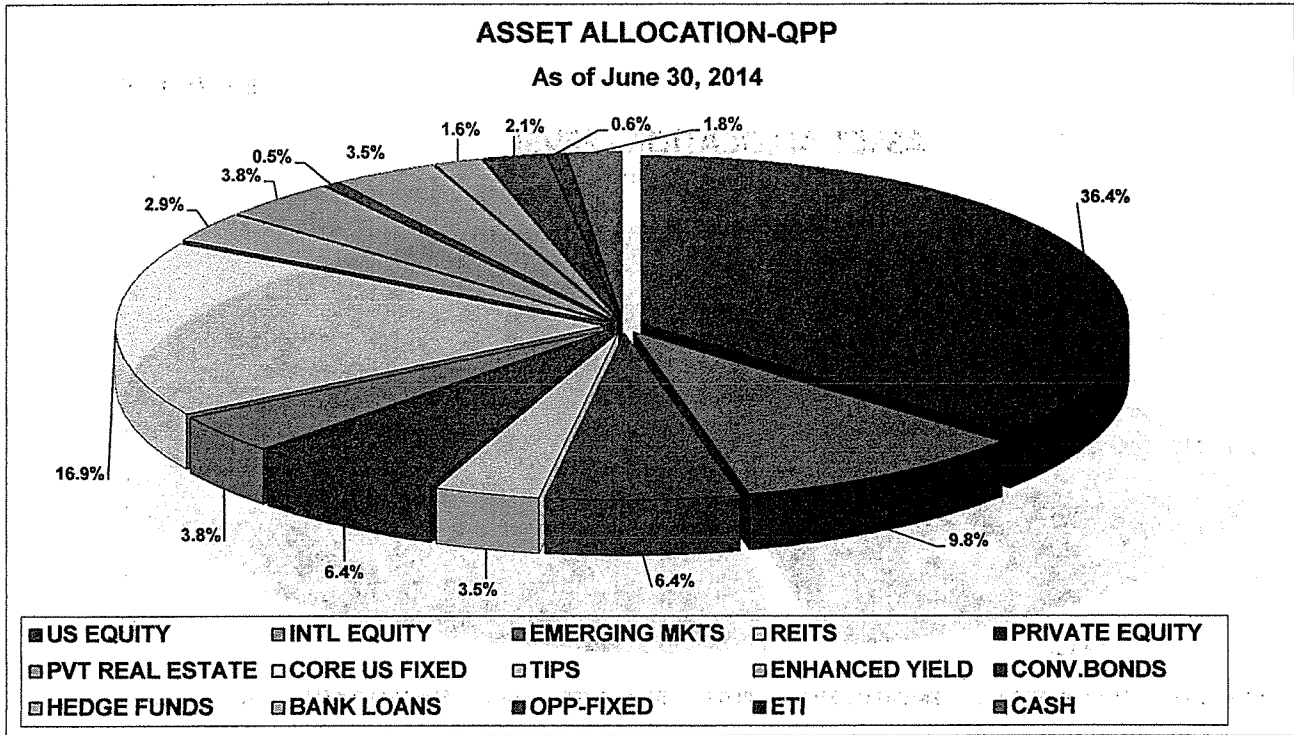
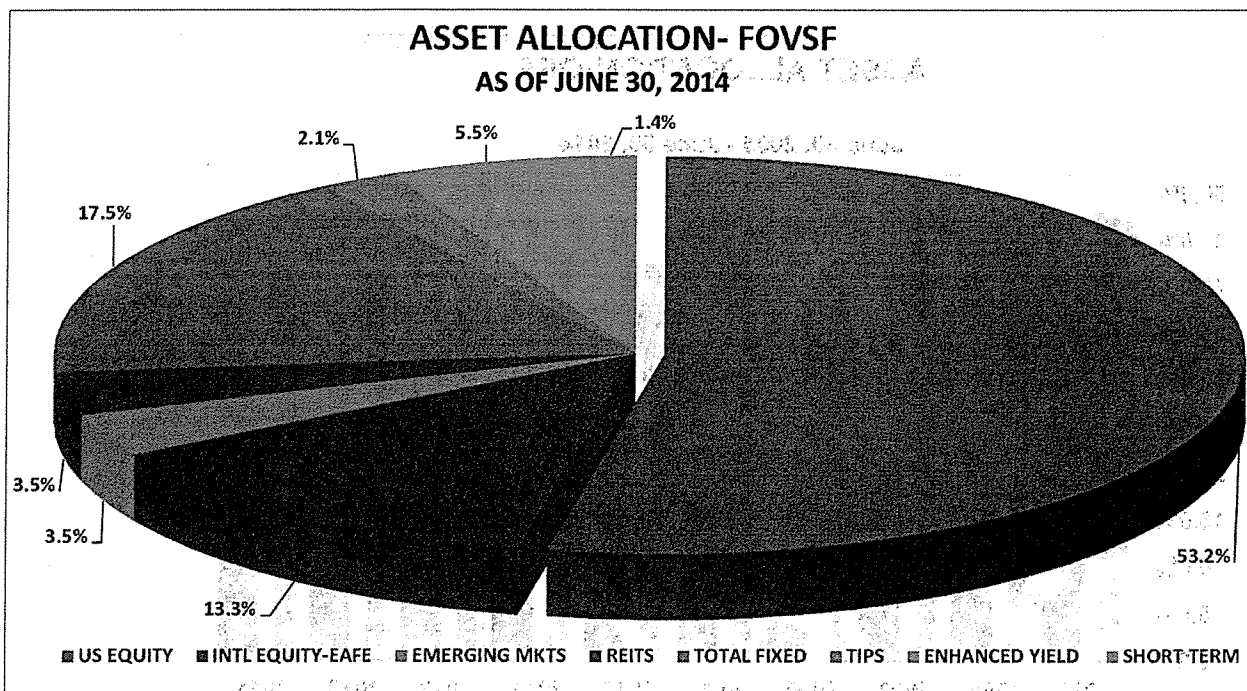
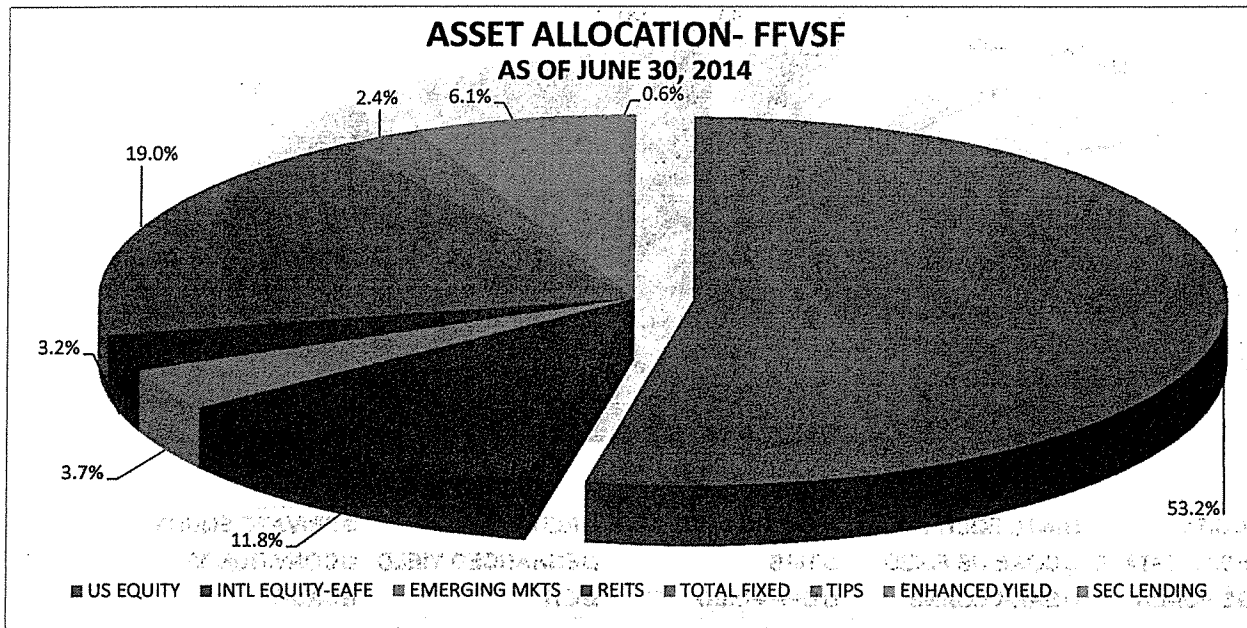


EXHIBIT 1B

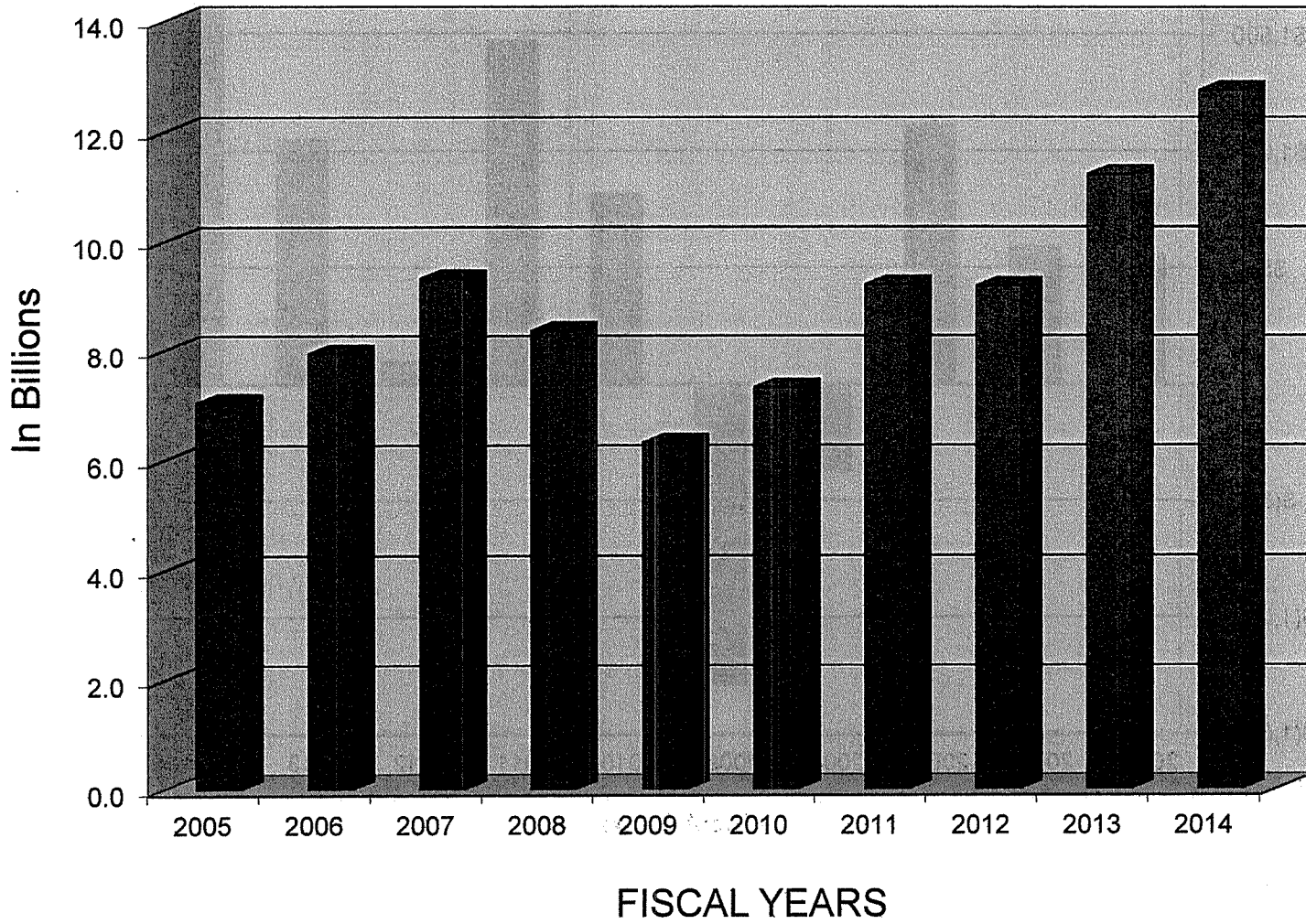


TOTAL INVESTMENTS

Fire Funds Combined

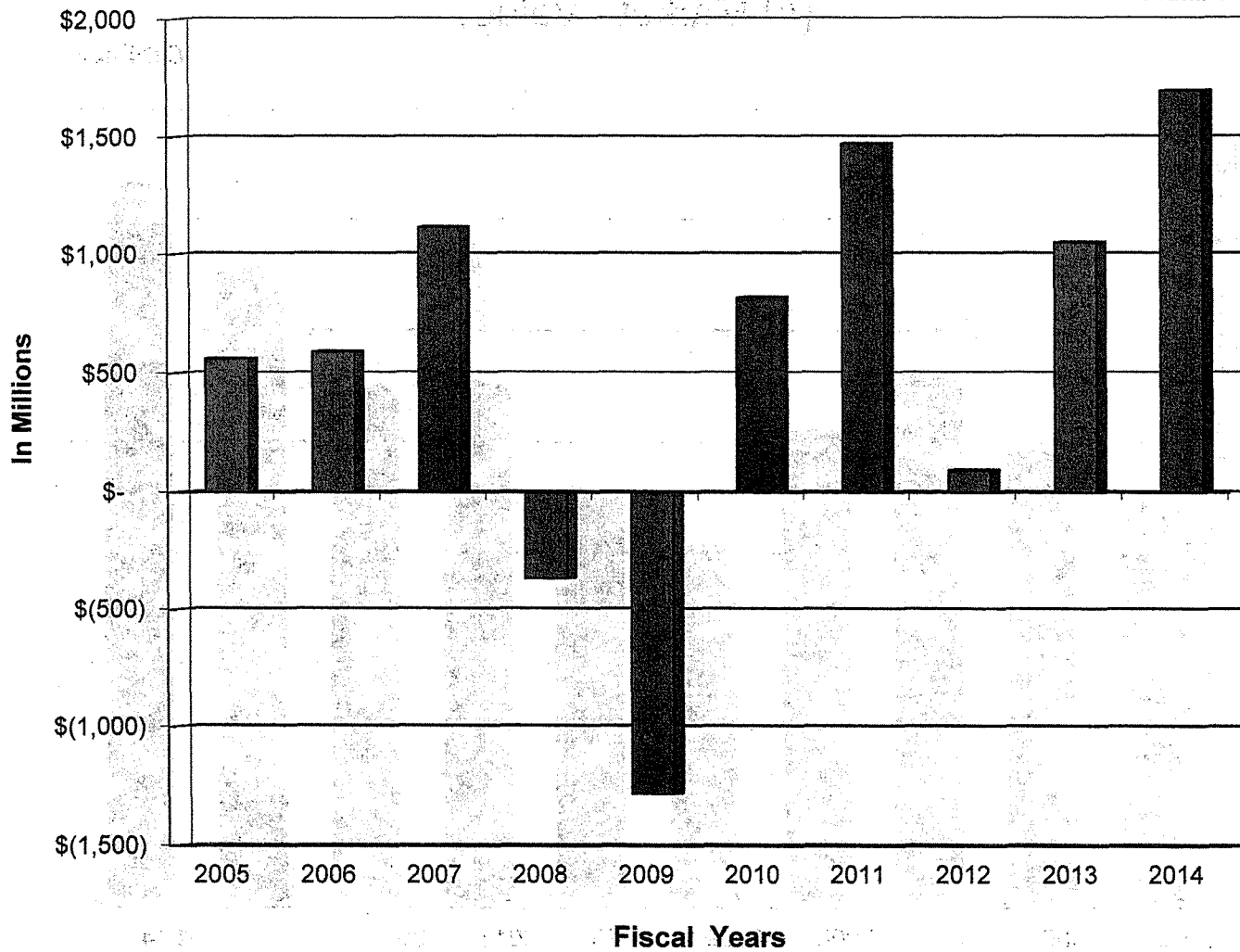
(At Market - Value)

Exhibit 2



INVESTMENT INCOME Fire Funds Combined

Exhibit 3



**Schedule of Portfolio Returns* Fire QPP
June 30, 2014**

Schedule 1A

| Assets (\$MM) | % Total | Asset Class | 3 Mos | YTD | 1 YR | 3 YRS | 5 YRS | 10 YRS |
|------------------|---------------|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Apr-14 Jun-14 | Jan-14 Jun-14 | Jul-13 Jun-14 | Jul-11 Jun-14 | Jul-09 Jun-14 | Jul-04 Jun-14 |
| 3,890.80 | 36.36 | U.S. Equities | 4.70 | 6.71 | 26.18 | 16.34 | 19.38 | 8.19 |
| 206.00 | 1.92 | Total Small Cap Russell 2000 | 2.93 2.05 | 3.77 3.19 | 26.63 23.64 | 13.90 14.57 | 19.02 20.21 | 6.83 8.70 |
| 80.80 | 0.76 | Total Small/Mid Cap Russell 2500 Value | 3.75 4.20 | 6.94 7.87 | 23.16 24.94 | 14.57 16.02 | n/a n/a | n/a n/a |
| 549.70 | 5.14 | Total Mid Cap Russell Mid Cap | 4.68 4.97 | 7.79 8.67 | 27.86 26.85 | 16.98 16.09 | 21.79 22.07 | 8.84 10.43 |
| 1,795.70 | 16.78 | Total Large Cap Russell 1000 | 5.08 5.12 | 6.94 7.27 | 35.36 25.35 | 18.26 16.63 | 20.28 19.25 | 8.68 8.19 |
| 166.20 | 1.55 | Total Emerging Managers Russell 2000 | 2.77 2.05 | 3.33 3.19 | 24.53 23.64 | - - | - - | - - |
| 1,092.40 | 10.21 | Total Russell 3000 Passive Russell 3000 | 4.81 4.87 | 6.87 6.94 | 25.28 25.22 | 16.49 16.46 | 19.34 19.33 | 8.30 8.23 |
| 1,736.20 | 16.23 | Total International Equity | 4.97 | 4.98 | 20.73 | 4.77 | 11.16 | 8.13 |
| 1,053.90 | 9.85 | Total Developed Markets MSCI EAFE(Net dividend) Benchmark | 3.20 4.09 | 3.33 4.78 | 22.80 23.57 | 7.31 8.10 | 12.33 11.77 | 7.37 6.93 |
| 491.10 | 4.59 | Total Active Emerging Markets MSCI Emerging Markets | 8.30 6.60 | 8.29 6.14 | 18.89 14.31 | 1.72 -0.39 | 10.77 9.24 | 13.07 11.94 |
| 191.20 | 1.79 | Total Passive Emerging Markets MSCI Emerging Markets | 6.61 6.60 | 5.98 6.14 | 14.56 14.31 | -0.4 -0.39 | n/a n/a | n/a n/a |
| 375.10 | 3.50 | Total Hedge Funds | 2.23 | 3.24 | 6.48 | 4.26 | n/a | n/a |
| | | 1 Year Treasury Bill Yield + 4% | 1.06 | 2.11 | 4.32 | 4.30 | n/a | n/a |
| 372.30 | 3.48 | Total Real Estate Equity Sec.(REITS) | 7.13 | 15.44 | 14.70 | 11.72 | 23.84 | 10.47 |
| | | DJ US Select Real Estate Securities Index | 7.13 | 18.14 | 13.25 | 11.20 | 23.76 | 9.32 |
| 684.20 | 6.39 | Private Equity | n/a | n/a | n/a | n/a | n/a | n/a |
| 408.70 | 3.82 | Private Real Estate | n/a | n/a | n/a | n/a | n/a | n/a |
| 3,221.30 | 30.09 | Total Fixed Income | 2.59 | 5.13 | 7.32 | 5.56 | 7.51 | 6.18 |
| 1,767.00 | 16.51 | Total Structured Program NYC Core Plus Five Index | 2.80 2.60 | 5.54 5.08 | 6.55 5.54 | 5.32 4.56 | 6.68 5.64 | 5.93 5.61 |
| 411.50 | 3.84 | Enhanced Yield Citigroup BB & B | 2.40 2.27 | 5.63 5.31 | 12.03 10.91 | 9.02 9.15 | 12.46 12.21 | 8.50 7.50 |
| 11.00 | 0.10 | Total Core plus Fixed income Barclays Capital Aggregate bond index | 2.26 2.04 | 4.13 3.93 | 5.39 4.37 | 4.49 3.66 | 6.10 4.85 | n/a n/a |
| 27.70 | 0.26 | Total Progress Fixed income Barclays Capital Aggregate | 2.28 2.04 | 4.66 3.93 | 5.42 4.37 | n/a n/a | n/a n/a | n/a n/a |
| 305.30 | 2.85 | Total Tips Managers Barclays Capital US Tips index | 3.72 3.81 | 5.83 5.83 | 4.64 4.44 | 3.81 3.55 | 5.67 5.55 | n/a n/a |
| 175.90 | 1.64 | Total Bank Loans Credit Suisse Leveraged Loan index | 1.13 1.45 | 2.53 2.77 | 6.78 6.11 | n/a n/a | n/a n/a | n/a n/a |
| 53.60 | 0.50 | Total Convertible Bonds BofA ML All Conv. Ex mandatory index | 2.41 5.08 | 6.28 9.70 | 13.76 24.91 | 7.86 13.00 | 12.50 16.66 | n/a n/a |
| 230.10 | 2.15 | Total Opportunistic Fixed NYC 10% Annual return | 3.01 2.41 | 6.21 4.88 | 13.55 10.00 | 8.44 10.00 | 19.02 10.00 | n/a n/a |
| 65.00 | 0.61 | Total Targeted- ETI (w/o cash) Fire custom Benchmark | 2.61 2.05 | 3.50 3.76 | 3.91 4.21 | 3.48 3.4 | 4.39 4.48 | 4.96 4.80 |
| 174.20 | 1.63 | State Street Short Term | 0.03 | 0.07 | 0.18 | 0.30 | 0.43 | 2.14 |
| 13.00 | 0.12 | Securities Lending | n/a | n/a | n/a | n/a | n/a | n/a |
| 0.70 | 0.01 | CD Fail Float earnings | 0.01 | 0.01 | 0.31 | 0.17 | 0.17 | 2.59 |
| 10,702.30 | 100.00 | Total Portfolio | 4.08 | 6.36 | 17.39 | 9.92 | 13.42 | 7.66 |
| | | Policy Benchmark | 3.93 | 6.76 | 16.24 | 10.31 | 14.39 | 8.12 |

*Calculations on the rate of return for investments were prepared using a time weighted rate of return, based on the market rate of return consistent with Global Investment Performance Standards (GIPS).

Investment Section

New York City Fire Pension Funds

Schedule of Portfolio Returns FFVSF*
June 30, 2014

Schedule 1A

| Assets (\$MM) | % Total | Asset Class | 3 Mos Apr-14 Jun-14 | YTD Jan-14 Jun-14 | 1 YR Jul-13 Jun-14 | 3 YRS Jul-11 Jun-14 | 5 YRS Jul-09 Jun-14 | 10 YRS Jul-04 Jun-14 |
|------------------|---------------|---|---------------------------|-------------------------|--------------------------|---------------------------|---------------------------|----------------------------|
| 226.10 | 53.29 | U.S. Equities | 4.84 | 6.87 | 25.19 | 16.43 | 19.25 | 8.25 |
| 9.60 | 2.25 | Blackrock R 2000 Growth | 1.73 | 2.23 | n/a | n/a | n/a | n/a |
| | | Russell 2000 Growth | 1.72 | 2.22 | n/a | n/a | n/a | n/a |
| 9.20 | 2.18 | Blackrock R 2000 Value | 2.40 | 4.23 | n/a | n/a | n/a | n/a |
| | | Russell 2000 Value | 2.38 | 4.20 | n/a | n/a | n/a | n/a |
| 105.00 | 24.74 | Blackrock R 1000 Growth | 5.11 | 6.25 | n/a | n/a | n/a | n/a |
| | | Russell 1000 Growth | 5.13 | 6.31 | n/a | n/a | n/a | n/a |
| 102.30 | 24.12 | Blackrock R 1000 Value | 5.09 | 8.26 | n/a | n/a | n/a | n/a |
| | | Russell 1000 Value | 5.10 | 8.28 | n/a | n/a | n/a | n/a |
| 65.40 | 15.42 | Total International Equity | 3.59 | 0.22 | 13.67 | 2.61 | 10.15 | 7.19 |
| 49.90 | 11.76 | Total Developed Markets | 2.79 | -1.14 | 14.17 | 4.01 | 10.67 | 6.40 |
| | | MSCI EAFE Benchmark | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 |
| 15.50 | 3.66 | Total Emerging Markets | 6.26 | 4.86 | 12.10 | -1.43 | 8.85 | n/a |
| | | MSCI Emerging Markets | 6.60 | 6.14 | 14.31 | -0.39 | 9.24 | n/a |
| 13.50 | 3.18 | Total Real Estate Equity Sec.(REITS) | 7.31 | 17.75 | 14.76 | 11.32 | 23.96 | n/a |
| | | DJ US Select Real Estate Securities Index | 7.13 | 18.14 | 13.25 | 11.20 | 23.76 | n/a |
| 116.50 | 27.48 | Total Fixed Income | 2.87 | 5.78 | 7.27 | 5.43 | 7.23 | 6.11 |
| 15.60 | 3.68 | Total Government | 3.45 | 7.25 | 4.31 | 5.86 | 6.24 | 6.38 |
| | | NYC Treasury Agency Plus Five Index | 2.94 | 6.51 | 3.79 | 5.57 | 5.87 | 6.20 |
| 32.00 | 7.54 | Total Mortgage | 2.35 | 4.26 | 4.33 | 2.69 | n/a | n/a |
| | | Citigroup Mortgage Index | 2.41 | 4.06 | 4.59 | 2.79 | n/a | n/a |
| 32.80 | 7.74 | Total Investment Grade | 3.33 | 7.12 | 9.55 | 7.23 | 8.77 | 6.31 |
| | | NYC Investment Grade | 2.62 | 5.40 | 7.17 | 5.78 | 7.44 | 5.68 |
| 26.00 | 6.14 | Total Enhanced yield | 2.31 | 5.39 | 11.42 | 8.43 | 11.77 | 7.68 |
| | | Citigroup B&B | 2.27 | 5.31 | 10.91 | 9.15 | 12.21 | 7.5 |
| 10.10 | 2.38 | Total ActiveTips Managers | 3.65 | 5.83 | 4.44 | 3.94 | 5.75 | n/a |
| | | Barclays Capital US Tips index | 3.81 | 5.83 | 4.44 | 3.55 | 5.55 | n/a |
| 2.70 | 0.63 | Securities Lending | n/a | n/a | n/a | n/a | n/a | n/a |
| 424.20 | 100.00 | Total Portfolio | 4.15 | 5.77 | 17.66 | 10.80 | 14.23 | 7.87 |
| | | Policy Benchmark | 4.24 | 6.49 | 18.48 | 11.38 | 14.56 | 7.81 |

*Calculations on the rate of return for investments were prepared using a time weighted rate of return, based on the market rate of return consistent with Global Investment Performance Standards (GIPS).

Schedule of Portfolio Returns FOVSF*
June 30, 2014

Schedule 1A

| Assets (\$MM) | % Total | Asset Class | 3 Mos | YTD | 1 YR | 3 YRS | 5 YRS | 10 YRS |
|------------------|---------------|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Apr-14 Jun-14 | Jan-14 Jun-14 | Jul-13 Jun-14 | Jul-11 Jun-14 | Jul-09 Jun-14 | Jul-04 Jun-14 |
| 162.50 | 53.07 | U.S. Equities | 4.96 | 7.05 | 25.39 | 16.51 | 19.37 | 8.05 |
| 3.80 | 1.26 | Blackrock R 2000 Growth | 1.73 | 2.21 | n/a | n/a | n/a | n/a |
| | | Russell 2000 Growth | 1.72 | 2.22 | n/a | n/a | n/a | n/a |
| 3.50 | 1.13 | Blackrock R 2000 Value | 2.40 | 4.23 | n/a | n/a | n/a | n/a |
| | | Russell 2000 Value | 2.38 | 4.20 | n/a | n/a | n/a | n/a |
| 77.40 | 25.26 | Blackrock R 1000 Growth | 5.11 | 6.24 | n/a | n/a | n/a | n/a |
| | | Russell 1000 Growth | 5.13 | 6.31 | n/a | n/a | n/a | n/a |
| 77.80 | 25.42 | Blackrock R 1000 Value | 5.09 | 8.24 | n/a | n/a | n/a | n/a |
| | | Russell 1000 Value | 5.10 | 8.28 | n/a | n/a | n/a | n/a |
| 51.50 | 16.81 | Total International Equity | 2.53 | 1.47 | 23.10 | 3.26 | 10.15 | 6.49 |
| 40.80 | 13.31 | Total Developed Markets | 1.60 | 0.61 | 26.36 | 4.65 | 10.50 | 5.46 |
| | | MSCI EAFE Benchmark | 4.09 | 4.78 | 23.57 | 8.10 | 11.77 | 6.93 |
| 10.70 | 3.50 | Total Emerging Markets | 6.26 | 4.86 | 12.10 | -1.43 | 8.85 | n/a |
| | | MSCI Emerging Markets | 6.60 | 6.14 | 14.31 | -0.39 | 9.24 | n/a |
| 10.70 | 3.50 | Total Real Estate Equity Sec.(REITS) | 7.31 | 17.75 | 14.76 | 11.27 | 23.88 | n/a |
| | | DJ US Select Real Estate Securities Index | 7.13 | 18.14 | 13.25 | 11.20 | 23.76 | n/a |
| 81.40 | 26.58 | Total Fixed Income | 2.73 | 5.54 | 7.21 | 5.75 | 7.63 | 6.36 |
| 9.90 | 3.25 | Total Government | 3.49 | 7.49 | 4.89 | 5.88 | 6.25 | 6.42 |
| | | NYC Treasury Agency Plus Five Index | 2.94 | 6.51 | 3.79 | 5.57 | 5.87 | 6.20 |
| 23.60 | 7.71 | Total Mortgage | 2.54 | 4.53 | 5.25 | 4.39 | 5.98 | 5.67 |
| | | Citigroup Mortgage Index | 2.41 | 4.06 | 4.59 | 2.79 | 3.97 | 5.00 |
| 20.10 | 6.54 | Total Investment Grade | 3.26 | 6.68 | 9.17 | 6.98 | 8.69 | 6.75 |
| | | NYC Investment Grade | 2.62 | 5.40 | 7.17 | 5.78 | 7.44 | 5.68 |
| 17.00 | 5.55 | Total Enhanced yield | 2.31 | 5.39 | 11.42 | 8.49 | 11.84 | 7.71 |
| | | Citigroup BB&B | 2.27 | 5.31 | 10.91 | 9.15 | 12.21 | 7.5 |
| 6.40 | 2.09 | Total ActiveTips Managers | 3.65 | 5.83 | 4.44 | 3.94 | 5.74 | n/a |
| | | Barclays Capital US Tips index | 3.81 | 5.83 | 4.44 | 3.55 | 5.55 | n/a |
| 4.40 | 1.44 | Fire Officers short term | 0.04 | 0.07 | 0.16 | | | |
| 0.10 | 0.04 | Securities Lending | n/a | n/a | n/a | n/a | n/a | n/a |
| 306.20 | 100.00 | Total Portfolio | 4.03 | 5.87 | 19.59 | 11.16 | 14.49 | 7.79 |
| | | Policy Benchmark | 4.24 | 6.49 | 18.48 | 11.38 | 14.56 | 7.69 |

*Calculations on the rate of return for investments were prepared using a time weighted rate of return, based on the market rate of return-consistent with Global Investment Performance Standards (GIPS).

List of 50 largest Bond Holdings as of June 30, 2014

Schedule 2A

| Cusip Number | Security Description | Interest Rate | Maturity Date | Par Value | Market Value |
|--------------|--------------------------------|---------------|---------------|------------------|------------------|
| '912796DH9 | TREASURY BILL | 0.01% | 7/10/2014 | \$ 44,000,000.00 | \$ 43,999,890.00 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 39,673,166.41 | 39,673,166.41 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 30,852,199.84 | 30,852,199.84 |
| '912796DJ5 | UNITED STATES TREASURY SEC | 0.01% | 7/17/2014 | 28,000,000.00 | 27,999,784.40 |
| '01F032674 | FNMA TBA 30YR SINGLE FAMILY JU | 3.50% | 12/1/2099 | 27,100,000.00 | 27,896,198.00 |
| '3128MMSC8 | FED HM LN PC POOL G18514 | 3.00% | 6/1/2029 | 26,000,000.00 | 26,982,540.00 |
| '36179QGD7 | GNMA II POOL MA1996 | 4.00% | 6/20/2044 | 21,400,000.00 | 22,940,372.00 |
| '313589D34 | FANNIE DISCOUNT NOTE | 0.01% | 8/25/2014 | 19,200,000.00 | 19,199,040.00 |
| '313385B21 | FED HOME LN DISCOUNT NT | 0.01% | 8/8/2014 | 17,900,000.00 | 17,899,463.00 |
| '01F042673 | FNMA TBA JUL 30 SINGLE FAM | 4.50% | 12/1/2099 | 14,900,000.00 | 16,136,253.00 |
| '313385ZX7 | FED HOME LN DISCOUNT NT | 0.01% | 7/28/2014 | 14,400,000.00 | 14,399,712.00 |
| '31417EWJ6 | FNMA POOL AB7848 | 3.00% | 2/1/2043 | 13,672,418.97 | 13,522,705.98 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 12,996,743.88 | 12,996,743.88 |
| '21H032670 | GNMA II TBA JUL 30YR JUMBOS | 3.50% | 12/1/2099 | 11,900,000.00 | 12,395,516.00 |
| '01F022477 | FNMA TBA JUL 15YR | 2.50% | 12/1/2099 | 11,500,000.00 | 11,681,470.00 |
| '912828WG1 | US TREASURY N/B | 2.25% | 4/30/2021 | 10,900,000.00 | 11,007,256.00 |
| '313397Q87 | FREDDIE MAC DISCOUNT NT | 0.01% | 11/26/2014 | 11,000,000.00 | 10,997,250.00 |
| '01F030470 | FNMA TBA JUL 15YR SINGLE FAMIL | 3.00% | 12/1/2099 | 10,500,000.00 | 10,906,875.00 |
| '21H040673 | GNMA II TBA JUL 30 4.0PCT | 4.00% | 12/1/2099 | 9,000,000.00 | 9,631,440.00 |
| '21H032688 | GNMA II TBA AUG 30 JUMBOS | 3.50% | 12/1/2099 | 9,000,000.00 | 9,349,470.00 |
| '912828NT3 | US TREASURY N/B | 2.63% | 8/15/2020 | 8,760,000.00 | 9,115,918.80 |
| '01F040677 | FNMA TBA JUL 30YR SINGLE FAM | 4.00% | 12/1/2099 | 8,415,000.00 | 8,930,418.75 |
| '02R030673 | FHLMC GOLD CONV | 3.00% | 12/1/2099 | 8,900,000.00 | 8,779,672.00 |
| '01F050676 | FNMA TBA JUL 30 SINGLE FAM | 5.00% | 7/1/2099 | 7,480,000.00 | 8,306,315.60 |
| '01F032674 | FNMA TBA 30YR SINGLE FAMILY JU | 3.50% | 12/1/2099 | 8,000,000.00 | 8,235,040.00 |
| '02R042678 | FHLMC TBA JUL 30 GOLD SINGLE | 4.50% | 12/1/2099 | 7,500,000.00 | 8,117,100.00 |
| '912828VB3 | US TREASURY N/B | 1.75% | 5/15/2023 | 8,200,000.00 | 7,766,958.00 |
| '912828VS6 | US TREASURY N/B | 2.50% | 8/15/2023 | 7,700,000.00 | 7,745,738.00 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 7,705,350.40 | 7,705,350.40 |
| '01F030470 | FNMA TBA JUL 15YR SINGLE FAMIL | 3.00% | 12/1/2099 | 7,400,000.00 | 7,686,750.00 |
| '01F042673 | FNMA TBA JUL 30 SINGLE FAM | 4.50% | 12/1/2099 | 7,000,000.00 | 7,580,790.00 |
| '01F032674 | FNMA TBA 30YR SINGLE FAMILY JU | 3.50% | 12/1/2099 | 7,295,000.00 | 7,509,327.10 |
| '912810RD2 | US TREASURY N/B | 3.75% | 11/15/2043 | 6,800,000.00 | 7,344,000.00 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 7,338,129.88 | 7,338,129.88 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 7,294,013.59 | 7,294,013.59 |
| '922URLI16 | NYC CUSTOM STIF | 0.02% | 12/31/2030 | 7,282,629.74 | 7,282,629.74 |
| '912810FG8 | US TREASURY N/B | 5.25% | 2/15/2029 | 5,600,000.00 | 7,178,528.00 |
| '21H030674 | GNMA II SINGLE FAMILY TBA | 3.00% | 12/1/2099 | 7,000,000.00 | 7,065,660.00 |
| '313589D34 | FANNIE DISCOUNT NOTE | 0.01% | 8/25/2014 | 7,000,000.00 | 6,999,650.00 |
| '36297DE37 | GNMA POOL 708554 | 5.00% | 4/15/2039 | 6,213,104.52 | 6,832,985.96 |
| '21H042679 | GNMA II TBA JUL 30 4.5PCT | 4.50% | 12/1/2099 | 6,000,000.00 | 6,551,460.00 |
| '912828WC0 | US TREASURY N/B | 1.75% | 10/31/2020 | 6,490,000.00 | 6,398,231.40 |
| '01F040677 | FNMA TBA JUL 30YR SINGLE FAM | 4.00% | 12/1/2099 | 6,000,000.00 | 6,367,500.00 |
| '02R040672 | FHLMC GOLD TBA 30 YR TBA | 4.00% | 12/1/2099 | 5,900,000.00 | 6,250,342.00 |
| '313397ZU8 | FREDDIE MAC DISCOUNT NT | 0.01% | 7/25/2014 | 6,200,000.00 | 6,199,876.00 |
| '912828WR7 | US TREASURY N/B | 2.13% | 6/30/2021 | 6,200,000.00 | 6,199,008.00 |
| '3137EADB2 | FREDDIE MAC | 2.38% | 1/13/2022 | 6,160,000.00 | 6,147,864.80 |
| '912828VS6 | US TREASURY N/B | 2.50% | 8/15/2023 | 5,850,000.00 | 5,884,749.00 |
| '912828B66 | US TREASURY N/B | 2.75% | 2/15/2024 | 5,710,000.00 | 5,839,788.30 |
| 01F030678 | FNMA TBA | 3.00% | 12/1/2099 | 4,330,000.00 | 5,364,242.70 |

A complete listing of our portfolio holdings is available from our office upon request

List of 50 largest Stock Holdings as of June 30, 2014

Schedule 3A

| Cusip Number | Security Description | Number of shares | Market Value |
|-----------------|--------------------------------|---------------------|------------------|
| '94599F981 | UBS TRUMBULL PROPERTY FUND | 31,181,097 | \$ 34,765,925.64 |
| 'ACI06VJX8 | OAK HILL CTR ST PARTNERSHIP | 1,490,617 | 33,623,201.02 |
| 'ACI006PI5 | JP MORGAN STR PROPERTY FD | 14,522 | 33,391,138.90 |
| '979FYU902 | ERASMUS NYC GROWTH FUND ALDUS | 34,921,699 | 30,543,949.57 |
| '518992995 | LASALLE US REALTY | 26,232,061 | 30,445,822.43 |
| '911FAX903 | DOUBLE BLACK DIAMOND LTD LIMIT | 27,000 | 29,697,540.92 |
| '922VQH903 | FIR TREE INTL VALUE FD | 25,754 | 29,584,081.75 |
| '975EFB902 | VISTA EQUITY PARTNERS FUND IV, | 26,053,552 | 29,081,105.01 |
| 'ACI00HX50 | AXA SECONDARY FUND V, PL | 18,513,618 | 28,403,740.84 |
| '037833100 | APPLE INC | 298,449 | 27,734,865.57 |
| 'ACI06VHR3 | APOLLO CENTRE ST PARTNERSHIP | 4,570,468 | 27,640,295.11 |
| 'ACI08C7T0 | LUXOR CAPITAL | 28,000 | 27,535,200.00 |
| 'ACI06VK08 | AG CENTRE ST PARTNERSHIP | 19,097 | 25,931,819.00 |
| '922VQD902 | BRIGADE LEVERAGED CAPITAL | 22,000 | 25,697,458.64 |
| 'ACI01BY28 | BLACKSTONE RE PARTNERS VII | 19,442,530 | 25,272,275.41 |
| '70399H922 | PERRY PARTNERS LP | 22,000 | 24,099,365.11 |
| '922VQE900 | CASPIAN SELECT CREDIT FUND | 18,638 | 22,914,363.45 |
| '74199B911 | PRUDENTIALS PRISA II | 22,247,318 | 21,422,364.91 |
| '09699E916 | BLUE TREND FUND | 21,973 | 21,401,015.85 |
| '30231G102 | EXXON MOBIL CORP | 212,537 | 21,398,225.16 |
| '98899C937 | YUCAIPA AMERICAN ALLIANCE II | 12,133,713 | 21,000,848.21 |
| 'ACI05JGB7 | OAKTREE OPPORTUNITIES FUND IX, | 8,410,506 | 20,105,053.13 |
| '922VQB906 | BREVAN HOWARD SERIES L | 21,000 | 20,083,690.56 |
| '922VQC904 | BREVAN HOWARD / DIRECT, LP | 19,446 | 19,748,044.20 |
| 'ACI05W1K4 | PHARO MACRO FUND, LTD | 6,179 | 19,212,469.38 |
| '594918104 | MICROSOFT CORP | 408,795 | 17,046,751.50 |
| '979GFV909 | STOCKBRIDGE REAL ESTATE FUND I | 13,142,674 | 16,212,815.79 |
| 'ACI01YEJ3 | WARBURG PINCUS XI, LP | 14,803,894 | 15,816,184.27 |
| '03899N958 | APOLLO INVESTMENT FUND VII LP | 11,761,665 | 15,656,399.25 |
| '922VQM902 | CCP QUANTITATIVE FUND, LP | 22,000 | 15,449,662.47 |
| '979FYK904 | CITY INVESTMENT FUND | 19,585,983 | 15,435,439.00 |
| 'ACI00PZ50 | SUMMIT PTN GROWTH EQTY FD VIII | 15,566,868 | 15,147,543.28 |
| 'ACI00AOF3 | AVENUE SPECIAL SITUATIONS VI | 12,696 | 15,033,327.79 |
| '03799N918 | APOLLO INVESTMENT FUND VI | 13,997,876 | 14,729,307.11 |
| '478160104 | JOHNSON + JOHNSON | 140,334 | 14,681,743.08 |
| '988UKG904 | BLACKSTONE RE VI | 7,842,584 | 14,418,135.81 |
| '88160R101 | TESLA MOTORS INC | 59,100 | 14,187,546.00 |
| '30299C993 | FS EQUITY PARTNERS IV | 9,935,969 | 13,799,958.05 |
| 'ACI00WK02 | BC EUROPEAN CAPITAL IX, L.P | 9,212,739 | 13,656,707.41 |
| 'ACI06VJ42 | FORTRESS CNTRE ST PARTNERSHIP | 10,963 | 13,402,175.00 |
| '89699L946 | TRIDENT V | 12,166,110 | 13,208,235.16 |
| '988PLK905 | COMVEST INVESTMENT PRTRNRS IV | 9,680,911 | 13,128,941.71 |
| '369604103 | GENERAL ELECTRIC CO | 496,279 | 13,042,212.12 |
| 949746101' | WELLS FARGO & CO | 236,314 | 12,420,663.84 |
| 166764100 | CHEVRONTXACO CORP | 94,210 | 12,999,115.50 |
| 084670702 | BERKSHIRE HATHAWAY INC B | 90,611 | 11,467,728.16 |
| 46625H100 | JP MORGAN CHASE & Co | 187,327 | 10,793,781.74 |
| 742718109 | PROCTER & GAMBLE CO /THE | 133,940 | 10,526,344.60 |
| 92343V104 | VERIZON COMMUNICATIONS INC | 205,756 | 10,067,641.08 |
| 64110L106 | NETFLIX INC | 22,600 | 9,957,560.00 |

A complete listing of our portfolio holdings is available from our office upon request

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

Schedule 4A

| Brokerage Firm | Number of Shares Traded | Commissions | | Average Cost Per Share |
|---|----------------------------|-------------|--------|---------------------------|
| | | | Paid | |
| ABEL NOSER CORPORATION Total | 77,632 | \$ | 1,589 | 0.02 |
| ABG SECURITIES LIMITED Total | 7,841 | | 460 | 0.06 |
| ABG SECURITIES, OSLO Total | 4,094 | | 90 | 0.02 |
| ABN-AMRO CLEARING BANK N.V. Total | 8,444 | | 877 | 0.10 |
| ACADEMY SECURITIES INC Total | 9,122 | | 315 | 0.03 |
| AGORA COR DE TITUL E VAL MOB Total | 188,392 | | 1,471 | 0.01 |
| ALBERT FRIED & COMPANY LLC Total | 13,700 | | 411 | 0.03 |
| AMERICAN PORTFOLIOS FINANIAL Total | 92 | | 4 | 0.04 |
| ANCORA SECURITIES INC Total | 5,640 | | 282 | 0.05 |
| AQUA SECURITIES L.P. Total | 21,058 | | 421 | 0.02 |
| AROS SECURITIES AB Total | 7,177 | | 175 | 0.02 |
| ARQAAM SECURITIES LLC Total | 318,032 | | 1,280 | 0.00 |
| AS LHV PANK Total | 35,744 | | 36 | 0.00 |
| AVONDALE PARTNERS, LLC Total | 15,841 | | 608 | 0.04 |
| B.RILEY & CO., LLC Total | 13,511 | | 423 | 0.03 |
| BAIRD ROBERT W & CO INC Total | 165,972 | | 6,117 | 0.04 |
| BANCO PACTUAL S.A. Total | 66,491 | | 1,492 | 0.02 |
| BANCO SANTANDER CENTRAL HISPANO Total | 18,804 | | 343 | 0.02 |
| BANK OF AMERICA SECURITIES LLC Total | 4,600 | | 92 | 0.02 |
| BANK OF NEW YORK BRUSSELS Total | 3,135 | | 330 | 0.11 |
| BARCLAYS BANK PLC Total | 61,912 | | 320 | 0.01 |
| BARCLAYS CAPITAL INC Total | 2,445 | | 35 | 0.01 |
| BARCLAYS CAPITAL INC./LE Total | 59,624 | | 1,785 | 0.03 |
| BARCLAYS CAPITAL LE Total | 1,390,869 | | 23,974 | 0.02 |
| BARCLAYS CAPITAL SECS LONDON Total | 1,425,419 | | 3,212 | 0.00 |
| BARCLAYS CAPITAL Total | 1,316,501 | | 9,806 | 0.01 |
| BARRINGTON RESEARCH ASSOCIATES INC. Total | 6,000 | | 297 | 0.05 |
| BAY CRESTPARTNERS LLC Total | 800 | | 28 | 0.04 |
| BAYPOINT TRADING LLC Total | 106,205 | | 4,598 | 0.04 |
| BB&T SECURITIES, LLC Total | 132,311 | | 4,489 | 0.03 |
| BELL POTTER SECURITIES LIMITED Total | 6,384 | | 29 | 0.00 |
| BERENBERG BANK, HAMBURG Total | 18,689 | | 568 | 0.03 |
| BLAIR WILLIAM & COMPANY LLC Total | 74,172 | | 2,778 | 0.04 |
| BLAYLOCK & CO INC Total | 84,752 | | 1,695 | 0.02 |
| BLAYLOCK ROBERT VAN LLC Total | 302,291 | | 6,080 | 0.02 |
| BLOOMBERG TRADEBOOK LLC Total | 50,470 | | 579 | 0.01 |
| BLOOMBERG TRADEBOOK Total | 28,990 | | 290 | 0.01 |
| BMO CAPITAL MARKETS Total | 38,442 | | 1,641 | 0.04 |
| BMO NESBITT BURNS CORP Total | 12,625 | | 503 | 0.04 |
| BNP PARIBAS PEREGRINE SECS HK Total | 2,105,272 | | 3,957 | 0.00 |
| BNP PARIBAS PEREGRINE SECURITIES Total | 1,925 | | 309 | 0.16 |
| BNP PARIBAS PRIME BROKERAGE, INC. Total | 4,861 | | 194 | 0.04 |
| BNP PARIBAS SECS SERVICES, LDN Total | 4,110 | | 710 | 0.17 |
| BNP PARIBAS SECURITIES (ASIA) LTD. Total | 554,440 | | 1,865 | 0.00 |
| BNP PARIBAS SECURITIES CORP Total | 4,330 | | 152 | 0.04 |
| BNP PARIBAS SECURITIES SERVICES Total | 66,735 | | 4,047 | 0.06 |
| BNY CONVERGEX EXEC SOLUTION Total | 34,268 | | 1,445 | 0.04 |
| BNY CONVERGEX LJR Total | 106,929 | | 3,158 | 0.03 |
| BNY DAVY SEC LTD Total | 23,703 | | 948 | 0.04 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|---|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| BRADESCO S.A CTVM Total | 9,691 | \$ 342 | 0.04 |
| BREAN CAPITAL LLC Total | 56,798 | 873 | 0.02 |
| BREAN MURRAY, CARRET& CO., LLC Total | 17,539 | 282 | 0.02 |
| BROADCORT CAPITAL CORP-SUB OF Total | 1,921 | 63 | 0.03 |
| BROCHHOUSE COOPER Total | 26,804 | 146 | 0.01 |
| BROCKHOUSE AND COOPER MONTREAL CANA Tot | 221,575 | 822 | 0.00 |
| BTIG, LLC Total | 328,781 | 11,112 | 0.03 |
| BUCKINGHAM RESEARCH GROUP INC Total | 58,145 | 2,854 | 0.05 |
| CABRERA CAPITAL MARKETS LLC Total | 209,619 | 723 | 0.00 |
| CABRERA CAPITAL MARKETS Total | 194,459 | 5,743 | 0.03 |
| CALYON SECURITIES Total | 755,133 | 6,681 | 0.01 |
| CANACCORD GENUITY INC Total | 19,821 | 763 | 0.04 |
| CANACCORD GENUITY INC Total | 15,027 | 455 | 0.03 |
| CANACCORD NOMINEES LIMITED Total | 659 | 5 | 0.01 |
| CANADIAN DEPOSITORY FOR SEC TORONTO Total | 922 | 35 | 0.04 |
| CANADIAN DEPOSITORY FOR SECURITIES Total | 17,488 | 658 | 0.04 |
| CANADIAN IMPERIAL BANK OF COMMERCE Total | 19,297 | 78 | 0.00 |
| CANTOR FITZGERALD & CO / CASTLEOAK SEC Tot | 27,107 | 821 | 0.03 |
| CANTOR FITZGERALD & CO Total | 304,615 | 8,811 | 0.03 |
| CANTOR FITZGERALD AND CO INC Total | 5,308 | 186 | 0.04 |
| CANTOR FITZGERALD EUROPE Total | 12,696 | 40 | 0.00 |
| CANTOR FITZGERALD MIS BROKERS Total | 35 | 1 | 0.02 |
| CANTOR FITZGERALD/CASTLEOAK Total | 19,087 | 573 | 0.03 |
| CANTOR FITZGERALD/CLEARING SVC Total | 414,886 | 5,118 | 0.01 |
| CAPITAL INSTITUTIONAL SVCS INC EQUITIES Total | 169,144 | 2,843 | 0.02 |
| CAPITAL MARKETS BROKERS LIMITED Total | 1,566,151 | 1,385 | 0.00 |
| CARNEGIE BANK A S COPENHAGEN Total | 22,778 | 155 | 0.01 |
| CELFIN CAPITAL SA CORREDORES DE BOLSA Total | 67,633 | 302 | 0.00 |
| CENTRAL SECURITIES CLEARING SYSTEM Total | 127,997 | 180 | 0.00 |
| CHEEVERS & CO. INC. Total | 1,134,920 | 29,691 | 0.03 |
| CHINA FORTUNE SECURITIES.,LTD Total | 200,907 | 144 | 0.00 |
| CHINA INTERNATIONAL CAPITAL CO Total | 6,381,299 | 12,304 | 0.00 |
| CHINA INTL CAP CORP LIMITED Total | 323,080 | 201 | 0.00 |
| CIBC LONDON Total | 81,202 | 3,126 | 0.04 |
| CIBC WORLD MARKETS - TORONTO Total | 4,755 | 114 | 0.02 |
| CIBC WORLD MARKETS INC Total | 4,963 | 199 | 0.04 |
| CICC US SECURITIES, INC. Total | 185,225 | 1,221 | 0.01 |
| CIMB-GK SECURITIES PTE.LTD. Total | 9,498 | 23 | 0.00 |
| CITATION GROUP BCC CLRG NY Total | 6,564 | 131 | 0.02 |
| CITATION GROUP Total | 102,570 | 3,893 | 0.04 |
| CITATION GROUP/BCC CLRG Total | 54,519 | 2,147 | 0.04 |
| CITIBANK N.A. NEW YORK Total | 21,652 | 111 | 0.01 |
| CITIBANK NA, LONDON Total | 3,974 | 60 | 0.02 |
| CITIGROUP GLOBAL MARKETS AUSTRALIA Total | 690 | 10 | 0.01 |
| CITIGROUP GLOBAL MARKETS INC Total | 7,490,064 | 26,258 | 0.00 |
| CITIGROUP GLOBAL MARKETS INDIA PRV Total | 106,502 | 131 | 0.00 |
| CITIGROUP GLOBAL MARKETS KOREA SEC Total | 1,480 | 152 | 0.10 |
| CITIGROUP GLOBAL MARKETS LTD, LDN Total | 404,359 | 3,362 | 0.01 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|---|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| CITIGROUP GLOBAL MKTS INC, TAIPEI Total | 9,838 | \$ 20 | 0.00 |
| CITIGROUPGLBL MARKET KOERA SECS LTD Total | 5,449 | 290 | 0.05 |
| CITIGROUPGLOBAL MARKETS INDIA Total | 41,512 | 60 | 0.00 |
| CITIGROUPGLOBAL MARKETS LIMITED Total | 3,403,772 | 12,735 | 0.00 |
| CJS SECURITIES INC. Total | 15,680 | 784 | 0.05 |
| CLSA AUSTRALIA PTY LTD Total | 1,616 | 6 | 0.00 |
| CLSA LTD, HONG KONG Total | 479,536 | 1,656 | 0.00 |
| CLSA SECURITIES KOREA LTD. Total | 384 | 65 | 0.17 |
| CLSA SECURITIES KOREA Total | 7,494 | 3,934 | 0.52 |
| CLSA SINGAPORE PTE LTD. Total | 1,495,343 | 3,856 | 0.00 |
| COLLINS STEWART EUROPE LTD Total | 3,316 | 23 | 0.01 |
| COMMERZBANK AG, FRANKFURT Total | 4,903 | 177 | 0.04 |
| COMPASS POINT RESEARCH + TRADING, LLC Total | 111,685 | 3,952 | 0.04 |
| CONCEPT CAPITAL MARKETS,LLC Total | 1,792 | 54 | 0.03 |
| CONVERGEX EXECUTION SOLUTIONS Total | 325,464 | 11,242 | 0.03 |
| CONVERGEXEXECUTION SOLUTIONS LLC Total | 999,716 | 31,951 | 0.03 |
| COWEN & CO LLC Total | 15,856 | 666 | 0.04 |
| COWEN AND COMPANY, LLC Total | 129,598 | 5,220 | 0.04 |
| CRAIG - HALLUM Total | 115,688 | 3,494 | 0.03 |
| CREDIBOLSA SOCIEDAD AGENTE Total | 25,856 | 211 | 0.01 |
| CREDIT AGRICOLE SEC USA Total | 7,776 | 272 | 0.04 |
| CREDIT AGRICOLE SECURITIES USA INC Total | 305,934 | 3,059 | 0.01 |
| CREDIT AGRICOLE Total | 382,812 | 7,327 | 0.02 |
| CREDIT LYON SECS ASIA LTD, TAIPEI Total | 1,174,957 | 5,190 | 0.00 |
| CREDIT LYONNAIS SECURITIES (ASIA) Total | 3,509,631 | 4,537 | 0.00 |
| CREDIT LYONNAIS SECURITIES (USA) INC Total | 1,076 | 3 | 0.00 |
| CREDIT LYONNAIS SECURITIES INDIA Total | 316,373 | 10,772 | 0.03 |
| CREDIT RESEARCH + TRADING LLC Total | 69,890 | 2,244 | 0.03 |
| CREDIT SUIS FST BOSTON (EUR), SEOUL Total | 2,134 | 164 | 0.08 |
| CREDIT SUISSE 1ST BOSTON CORP, NY Total | 2,546,592 | 3,206 | 0.00 |
| CREDIT SUISSE FIRST BOSTON (EUROPE) Total | 26,021 | 3,470 | 0.13 |
| CREDIT SUISSE FIRST BOSTON HK Total | 2,981,565 | 1,681 | 0.00 |
| CREDIT SUISSE FIRST BOSTON SA CTVM Total | 1,360 | 0 | 0.00 |
| CREDIT SUISSE FIRST BOSTON Total | 512,821 | 6,452 | 0.01 |
| CREDIT SUISSE FIRST BOSTON, LDN Total | 25,698 | 121 | 0.00 |
| CREDIT SUISSE SECS (MALAYSIA) Total | 36,401 | 18 | 0.00 |
| CREDIT SUISSE SECS INDIA PRIVATE LTD Total | 658,231 | 1,599 | 0.00 |
| CREDIT SUISSE SECURITIES (EUROPE) LTD Total | 2,413,507 | 8,965 | 0.00 |
| CREDIT SUISSE SECURITIES (USA) LLC Total | 16,382,744 | 30,738 | 0.00 |
| CS FIRST BOSTON (HONG KONG) LIMITED Total | 1,006,082 | 2,353 | 0.00 |
| CS FIRST BOSTON INDIA SEC PTE LTD Total | 302,743 | 708 | 0.00 |
| CSFB (EUROPE) LTD, LONDON Total | 1,287 | 11 | 0.01 |
| CSFB AUSTRALIA EQUITIES LTD Total | 18,421 | 87 | 0.00 |
| CSFB AUSTRALIA SECURITIES LTD, MEL Total | 26,070 | 157 | 0.01 |
| CSI US INSTITUTIONAL DESK Total | 12,364 | 416 | 0.03 |
| CUTTONE & CO. INC Total | 9,328 | 208 | 0.02 |
| CUTTONE &CO. Total | 6,244 | 125 | 0.02 |
| DAEWOO SECURITIES CO LTD Total | 1,119 | 98 | 0.09 |
| DAIN RAUSCHER INC Total | 475 | 10 | 0.02 |
| DAIWA SECURITIES (HK) LTD. Total | 296,121 | 914 | 0.00 |

Schedule of Broker's Commissions
For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A Average Cost Per Share |
|--|----------------------------|---------------------|--|
| DAIWA SECURITIES AMERICA INC Total | 299,342 | \$ 2,821 | 0.01 |
| DAIWA SECURITIES AMERICA Total | 56,669 | 1,698 | 0.03 |
| DAIWA SECURITIES SMBC HK LTD Total | 205,445 | 695 | 0.00 |
| DAIWA SECURITIES SMBC INDIA PR Total | 20,103 | 106 | 0.01 |
| Daiwa Total | 2,551 | 107 | 0.04 |
| DANSKE BANK A.S. Total | 3,864 | 149 | 0.04 |
| DANSKE BANK AS COPENHAGEN Total | 1,019 | 12 | 0.01 |
| DAVENPORT AND COMPANY LLC Total | 2,000 | 80 | 0.04 |
| DAVIDSON D.A & CO INC NSCC Total | 8,085 | 343 | 0.04 |
| DAVIDSON D.A. + COMPANY INC. Total | 37,768 | 1,641 | 0.04 |
| DAVY STOCKBROKERS Total | 42,276 | 657 | 0.02 |
| DAVY STOCKBROKERS, DUBLIN Total | 39,867 | 441 | 0.01 |
| DBS VICKERS SECURITIES (S) PTE LTD Total | 80,900 | 1,028 | 0.01 |
| DBS VICKERS SECURITIES (SINGAPORE) Total | 9,756 | 488 | 0.05 |
| DEUTSCHE BANC SECURITIES INC. Total | 2,209,148 | 35,073 | 0.02 |
| DEUTSCHE BANK AG Total | 2,700 | 12 | 0.00 |
| DEUTSCHE BANK AG, LONDON Total | 289,780 | 1,862 | 0.01 |
| DEUTSCHE BANK ALEX BROWN Total | 3,400 | 170 | 0.05 |
| DEUTSCHE EQ IN PRVT LIM DB Total | 47,431 | 4,632 | 0.10 |
| DEUTSCHE SECURITIES ASIA LTD TAIPEI Total | 30,748 | 930 | 0.03 |
| DEUTSCHE SECURITIES ASIA LTD Total | 2,353,292 | 5,185 | 0.00 |
| DEUTSCHE SECURITIES ASIA LTD, HK Total | 47,272 | 37 | 0.00 |
| DEUTSCHE SECURITIES KOREA CO, SEOUL Total | 2,511 | 1,307 | 0.52 |
| DNB NOR MARKETS CUSTODY DNB NORBANK ASA | 3,276 | 187 | 0.06 |
| DNB NOR MARKETS CUSTODY Total | 4,023 | 61 | 0.02 |
| DONGWON SECURITIES Total | 3,928 | 170 | 0.04 |
| DOUGHERTY COMPANY Total | 143,514 | 4,959 | 0.03 |
| DOWLING & PARTNERS Total | 8,200 | 410 | 0.05 |
| DREXEL HAMILTON LLC Total | 29,441 | 936 | 0.03 |
| DSP MERRILL LYNCH LTD Total | 375,451 | 2,656 | 0.01 |
| DZ BANK AG DEUTSCHE ZENTRAL GENOSSE PLAT Total | 2,152 | 144 | 0.07 |
| EUROCLEARBANK SA NV Total | 2,077 | 39 | 0.02 |
| EVERCORE GROUP LLC Total | 18,861 | 868 | 0.05 |
| EXANE S.A. Total | 203,816 | 4,485 | 0.02 |
| EXANE, PARIS Total | 6,897 | 365 | 0.05 |
| EXECUTION LIMITED Total | 8,721 | 45 | 0.01 |
| FATOR - DORIA ATHERINO S.A CV Total | 241,718 | 2,634 | 0.01 |
| FIDELITY CAPITAL MARKETS Total | 146,621 | 2,044 | 0.01 |
| FIDELITY CLEARING CANADA Total | 5,174 | 198 | 0.04 |
| FIDELITY CLEARING CANADA ULC Total | 7,874 | 170 | 0.02 |
| FIG PARTNERS LLC Total | 34,549 | 691 | 0.02 |
| FINANCIALBROKERAGE GROUP (FBG) Total | 18,097 | 1,388 | 0.08 |
| FIRST ANALYSIS SECURITIES CORP Total | 8,274 | 388 | 0.05 |
| FRED, ALBERT & CO LLC Total | 9,050 | 272 | 0.03 |
| FRIEDMAN, BILLINGS & RAMSEY Total | 157,958 | 6,432 | 0.04 |
| FRIEDMAN, BILLINGS AND RAMSEY, NY Total | 5,530 | 276 | 0.05 |
| G TRADE SERVICES LTD Total | 5,321,568 | 7,675 | 0.00 |
| GFI SECURITIES LLC Total | 560 | 20 | 0.04 |
| GLOBAL HUNTER SECURITIES Total | 43,073 | 1,203 | 0.03 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|--|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| GOLDMAN SACHS (INDIA) SECURITIES Total | 63,718 | \$ 3,099 | 0.05 |
| GOLDMAN SACHS (INDIA) Total | 243,936 | 1,672 | 0.01 |
| GOLDMAN SACHS + CO Total | 5,019,040 | 35,906 | 0.01 |
| GOLDMAN SACHS CO CUST ISCC PO, NY Total | 3,176 | 60 | 0.02 |
| GOLDMAN SACHS CO, NY Total | 1,760,772 | 3,999 | 0.00 |
| GOLDMAN SACHS EXECUTION AND CLEAR Total | 41,581 | 807 | 0.02 |
| GOLDMAN SACHS INTERNATIONAL Total | 511,553 | 5,022 | 0.01 |
| GOLDMAN SACHS INTL LONDON Total | 1,896,093 | 4,089 | 0.00 |
| GOLDMAN SACHS INTL LTD Total | 31,317 | 474 | 0.02 |
| GOODBODY STOCKBROKERS DUBLIN Total | 14,119 | 133 | 0.01 |
| GOODBODY STOCKBROKERS Total | 2,575 | 34 | 0.01 |
| GREEN STREET ADVISORS (UK) LTD Total | 89,293 | 2,749 | 0.03 |
| GREEN STREET ADVISORS Total | 165,332 | 6,645 | 0.04 |
| GREENTREE BROKERAGE SERVICES Total | 6,500 | 130 | 0.02 |
| GREENTREEBROKERAGE SERVICES INC Total | 14,952 | 299 | 0.02 |
| G-TRADE SERVICES LTD Total | 250,525 | 1,890 | 0.01 |
| GUGGENHEIM CAPITAL MARKETS LLC Total | 44,080 | 1,740 | 0.04 |
| HEIGHT SECURITIES, LLC Total | 3,425 | 120 | 0.04 |
| HIBERNIA SOUTHCOAST CAPITAL INC Total | 8,610 | 431 | 0.05 |
| HONGKONG AND SHANGHAI BANKING CORP Total | 2,150,350 | 1,876 | 0.00 |
| HSBC BANK BRASIL, SAO PAULO Total | 11,599 | 65 | 0.01 |
| HSBC BANK PLC (ALL U.K. OFFICES) Total | 11,173 | 165 | 0.01 |
| HSBC BANK PLC (JC HIB SETTLEMENT) Total | 1,649,465 | 6,081 | 0.00 |
| HSBC BANKBRASIL SA BANCO MULTIPLO Total | 133,842 | 717 | 0.01 |
| HSBC BANKPLC Total | 4,011,086 | 15,012 | 0.00 |
| HSBC BROKERAGE USA Total | 15,828 | 395 | 0.02 |
| HSBC BROKERAGE (USA) INC Total | 2,083 | 26 | 0.01 |
| HSBC LTD SEOUL SECURITIES BRANCH Total | 20,663 | 637 | 0.03 |
| HSBC MEXICO S A INSTITUCION DE BANCA MLT Tot | 50,100 | 133 | 0.00 |
| HSBC MEXICO S A INSTITUCION Total | 38,955 | 155 | 0.00 |
| HSBC SEC INC NY USA Total | 242,653 | 2,263 | 0.01 |
| HSBC SECS BROKERS(ASIA) LTD Total | 217,399 | 388 | 0.00 |
| HSBC SECURITIES (USA), INC. Total | 3,167,408 | 1,816 | 0.00 |
| HSBC SECURITIES ASIA LTD, TAIPEI Total | 972,163 | 817 | 0.00 |
| HSBC SECURITIES INDIA HLDGS, MUMBAI Total | 27,923 | 430 | 0.02 |
| HSBC SECURITIES INDIA HOLDINGS Total | 58,921 | 2,487 | 0.04 |
| HSBC SECURITIES Total | 1,465,542 | 831 | 0.00 |
| ICAP DO BRASIL DTVM LTDA Total | 232,913 | 756 | 0.00 |
| ICICI BROKERAGE SERVICES Total | 250,135 | 1,090 | 0.00 |
| IM TRUST S.A. CORREDORES DE BOLSA Total | 41,335 | 16 | 0.00 |
| ING BANK N V Total | 795 | 32 | 0.04 |
| INSTINET AUSTRALIA CLEARING SRVC PTY LTD Tot | 4,304 | 15 | 0.00 |
| INSTINET CLEARING SER, INC. Total | 291,471 | 4,043 | 0.01 |
| Instinet Europe Limited Londo Total | 800,482 | 5,069 | 0.01 |
| INSTINET PACIFIC LTD Total | 15,568,878 | 3,493 | 0.00 |
| INSTINET SINGAPORE SERVICES PT Total | 101,609 | 428 | 0.00 |
| INSTINET SINGAPORE SERVICES PTE LTD Total | 79,618 | 411 | 0.01 |
| INSTINET Total | 506,700 | 7,052 | 0.01 |
| INSTINET U.K. LTD Total | 1,417,090 | 8,894 | 0.01 |

Schedule of Broker's Commissions
For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A Average Cost Per Share |
|--|----------------------------|---------------------|--|
| INSTINET US EUROPE Total | 586 | \$ 102 | 0.17 |
| INSTINET, LLC Total | 404,564 | 3,866 | 0.01 |
| INTERACCIONES CASA DE BOLSA MEXICO Total | 13,105 | 103 | 0.01 |
| INVESTEC BANK PLC Total | 4,537 | 52 | 0.01 |
| INVESTEC SECURITIES, LONDON (331) Total | 14,163 | 134 | 0.01 |
| INVESTMENT TECHN GROUP, DUBLIN Total | 85,029 | 1,659 | 0.02 |
| INVESTMENT TECHNOLOGY GROUP INC. Total | 395,322 | 7,239 | 0.02 |
| INVESTMENT TECHNOLOGY GROUP LTD Total | 437,373 | 4,099 | 0.01 |
| INVESTMENT TECHNOLOGY GROUP Total | 137,838 | 3,761 | 0.03 |
| ISI GROUP, INC. Total | 278,708 | 10,873 | 0.04 |
| ISLAND TRADER SECURITIES INC Total | 109,842 | 4,352 | 0.04 |
| ITAU UNIBANCO SA Total | 2,909 | 144 | 0.05 |
| ITG AUSTRALIA LTD. Total | 54,330 | 95 | 0.00 |
| ITG CANADA CORP, TORONTO Total | 5,639 | 68 | 0.01 |
| ITG CANADA Total | 16,294 | 93 | 0.01 |
| ITG HOENIG LIMITED, HONG KONG Total | 1,824,757 | 2,308 | 0.00 |
| ITG INC. Total | 335,489 | 2,402 | 0.01 |
| ITG SECURITIES (HK) LTD Total | 2,066,012 | 1,306 | 0.00 |
| IVY SECURITIES, INC. Total | 448,305 | 16,083 | 0.04 |
| J P MORGAN CORREDORES DE BOLSA SPA Total | 14,091 | 35 | 0.00 |
| J P MORGAN INDIA PRIVATE LTD Total | 208,426 | 2,755 | 0.01 |
| J.P. MORGAN CLEARING CORP. Total | 778,276 | 10,925 | 0.01 |
| J.P. MORGAN SECURITIES SINGAP PV LTD Total | 59,340 | 159 | 0.00 |
| J.P. MORGAN SECURITIES (TAIWAN) LTD Total | 323,426 | 262 | 0.00 |
| J.P. MORGAN SECURITIES INC. Total | 690,667 | 17,056 | 0.02 |
| J.P. MORGAN SECURITIES LIMITED Total | 1,763 | 3 | 0.00 |
| J.P.MORGAN SECURITIES (FAR EAST) LT Total | 17,952 | 537 | 0.03 |
| J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL To | 12,710 | 943 | 0.07 |
| JANNEY MONTGOMERY SCOTT INC. Total | 25,015 | 1,100 | 0.04 |
| JEFFERIES AND COMPANIES INC JERSEY Total | 184,957 | 1,356 | 0.01 |
| JEFFERIES LLC Total | 453,435 | 16,470 | 0.04 |
| JEFFERIES+ COMPANY INC Total | 822,472 | 24,546 | 0.03 |
| JEFFERIESINTERNATIONAL LTD Total | 2,164,524 | 3,130 | 0.00 |
| JEFFRIES INTERNATIONAL LTD LONDON Total | 158,131 | 736 | 0.00 |
| JMP SECURITIES Total | 71,167 | 3,285 | 0.05 |
| JNK SECURITIES INC Total | 3,300 | 165 | 0.05 |
| JOH BERENBERG GOSSLER AND CO Total | 22,671 | 1,029 | 0.05 |
| JOHNSON RICE & CO Total | 8,485 | 321 | 0.04 |
| JONESTRADING INSTITUTIONAL SERVICES LLC Tot: | 332,374 | 6,904 | 0.02 |
| JP MORGAN CHASE BANK Total | 193,715 | 3,495 | 0.02 |
| JP MORGAN INDIA PRIVATE LTD, MUMBAI Total | 78,874 | 3,090 | 0.04 |
| JP MORGAN SECS AUST LTD PID 2972 Total | 16,068 | 1,024 | 0.06 |
| JP MORGAN SECS INC NEW YORK Total | 161,960 | 724 | 0.00 |
| JP MORGAN SECS LTD (EQUITIES), LDN Total | 6,274 | 114 | 0.02 |
| JP MORGAN SECS LTD LONDON Total | 246,542 | 2,970 | 0.01 |
| JP MORGAN SECURITIES (TAIWAN) LTD Total | 524,591 | 503 | 0.00 |
| JP Morgan Securities Inc Total | 268,537 | 3,608 | 0.01 |
| JP MORGANSECURITIES AUSTRALIA LTD Total | 1,254 | 18 | 0.01 |
| JP MORGANSECURITIES PLC Total | 779,886 | 9,036 | 0.01 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|--|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| JPMORGAN CHASE BANK NA LONDON Total | 1,344 | \$ 2 | 0.00 |
| JPMORGAN CHASE BANK NA Total | 19,939 | 94 | 0.00 |
| JPMORGAN SECURIT (ASIA PACIFIC), HK Total | 2,293,868 | 1,089 | 0.00 |
| JPMORGAN SECURITIES(ASIA PACIFIC)LTD Total | 963,317 | 1,470 | 0.00 |
| KAS-ASSOCIATIE N.V. Total | 6,810 | 226 | 0.03 |
| KEEFE BRUYETTE & WOODS INC. Total | 204,421 | 7,953 | 0.04 |
| KEEFE BRUYETTE AND WOOD LIMITED Total | 9,273 | 273 | 0.03 |
| KEMPEN + CO N.V. Total | 2,948 | 405 | 0.14 |
| KEPLER EQUITIES, PARIS Total | 133,098 | 3,631 | 0.03 |
| KEYBANC CAPITAL MARKETS INC. Total | 350,352 | 13,637 | 0.04 |
| KIM ENG SECS (THAILAND) PCL Total | 176,372 | 2,774 | 0.02 |
| KIM ENG SECURITIES (HK) LTD. Total | 263,697 | 1,509 | 0.01 |
| KING, CL, & ASSOCIATES Total | 103,422 | 3,428 | 0.03 |
| KING, CL, & ASSOCIATES, INC Total | 403,865 | 13,993 | 0.03 |
| KINGSWAY FINANCIAL SERVICES GP LTD Total | 550,436 | 422 | 0.00 |
| Knight Capital Americas LLC Total | 940 | 12 | 0.01 |
| KNIGHT CLEARING SERVICES LLC Total | 14,527 | 77 | 0.01 |
| KNIGHT DIRECT LLC Total | 12,147 | 61 | 0.01 |
| KNIGHT EQUITY MARKETS L.P. Total | 194,974 | 8,931 | 0.05 |
| KOTAK SECURITIES LTD Total | 19,828 | 846 | 0.04 |
| KOTAK SECURITIES MUMBAI Total | 32,222 | 1,255 | 0.04 |
| LADENBURG THALMAN & CO Total | 621 | 12 | 0.02 |
| LARRAIN VIAL Total | 1,274 | 10 | 0.01 |
| LAZARD FRERES & COMPANY Total | 22,991 | 1,092 | 0.05 |
| LEERINK SWANN AND COMPANY Total | 47,044 | 1,996 | 0.04 |
| LIBERUM CAPITAL LIMITED Total | 11,150 | 47 | 0.00 |
| LIQUIDNET ASIA LIMITED Total | 20,816 | 73 | 0.00 |
| LIQUIDNET INC Total | 958,766 | 30,765 | 0.03 |
| LOOP CAPITAL MARKETS LLC Total | 81,551 | 637 | 0.01 |
| LOOP CAPITAL MARKETS Total | 2,226,997 | 60,592 | 0.03 |
| LYNCH JONES & RYAN INC Total | 68,358 | 1,976 | 0.03 |
| M M WARBURG Total | 1,865 | 243 | 0.13 |
| M RAMSEY KING SECURITIES, INC. Total | 108,189 | 1,853 | 0.02 |
| M. RAMSEY KING SECURITIES Total | 2,014 | 60 | 0.03 |
| MACQUARIE BANK LIMITED Total | 3,609,198 | 5,821 | 0.00 |
| MACQUARIE CAPITAL USA INC Total | 10,139 | 165 | 0.02 |
| MACQUARIE SECS USA INC Total | 42,384 | 1,710 | 0.04 |
| MACQUARIE SECURITIES AUSTRALIA LTD Total | 84,744 | 508 | 0.01 |
| MACQUARIE SECURITIES LTD - SEOUL Total | 15,365 | 866 | 0.06 |
| MACQUARIEBANK LIMITED Total | 1,458,855 | 7,673 | 0.01 |
| MACQUARIECAPITAL (EUROPE) LTD Total | 34,806 | 581 | 0.02 |
| MACQUARIESEC NZ LTD Total | 17,955 | 31 | 0.00 |
| MACQUARIESECURITIES (INDIA) PVT LTD Total | 53,613 | 2,060 | 0.04 |
| MAINFIRST BANK AG Total | 1,703 | 387 | 0.23 |
| MAINFIRSTBANK DE Total | 31,701 | 795 | 0.03 |
| MAXIM GROUP Total | 46,413 | 1,994 | 0.04 |
| MERRILL LYNCH AND CO INC NEW YORK Total | 62,096 | 582 | 0.01 |
| MERRILL LYNCH AND CO INC Total | 37,530 | 103 | 0.00 |
| MERRILL LYNCH CO INC (AGS), NY Total | 91,830 | 310 | 0.00 |

Schedule of Broker's Commissions
For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A Average Cost Per Share |
|---|----------------------------|---------------------|--|
| MERRILL LYNCH CORREDORES DE BOLSA S Total | 2,176 | \$ 22 | 0.01 |
| MERRILL LYNCH FINANCE SA Total | 10,882 | 31 | 0.00 |
| MERRILL LYNCH INTERNATIONAL Total | 8,547,152 | 26,396 | 0.00 |
| MERRILL LYNCH INTL LTD EQUIT SETTLE Total | 1,669,269 | 9,209 | 0.01 |
| MERRILL LYNCH PIERCE FENNER + SMITH INC Total | 390,178 | 12,767 | 0.03 |
| MERRILL LYNCH PIERCE FENNER AND S Total | 1,720,149 | 11,387 | 0.01 |
| MERRILL LYNCH PIERCE FENNER Smith I Total | 124,607 | 1,938 | 0.02 |
| MERRILL LYNCH PIERCE FENNER Total | 244,723 | 9,108 | 0.04 |
| MERRILL LYNCH PROFESSIONAL CLEARING CORP | 145,035 | 6,510 | 0.04 |
| MERRILL LYNCH PROFESSIONAL Total | 5,540 | 256 | 0.05 |
| MERRILL LYNCH SA CTVM, SAO PAULO Total | 11,935 | 39 | 0.00 |
| MERRILL LYNCH Total | 33,041 | 581 | 0.02 |
| MERRILL LYNCH,PIERCE, FENNER, SMITH Total | 362,717 | 2,686 | 0.01 |
| MIDWOOD SECURITIES Total | 30,531 | 1,221 | 0.04 |
| MILLER TABAK + COMPANY, LLC Total | 972 | 19 | 0.02 |
| MILLER,TABAK, HIRSCH & CO Total | 103 | 2 | 0.02 |
| MIRABAUD SECURITIES LLP Total | 11,892 | 223 | 0.02 |
| MIRAE ASSET SECURITIES Total | 50,253 | 6,616 | 0.13 |
| MISCHLER FINANCIAL GROUP, INC Total | 11,936 | 408 | 0.03 |
| MISCHLER FINANCIAL GROUP, INC-EQUITIES Total | 36,121 | 1,181 | 0.03 |
| MITSUBISHI UFJ SECURITIES (USA) IN Total | 954 | 71 | 0.07 |
| MIZUHO INTERNATIONAL PLC Total | 11,083 | 241 | 0.02 |
| MIZUHO INTERNATIONAL PLC, LDN Total | 2,507 | 106 | 0.04 |
| MIZUHO SECURITIES ASIA LIMITED Total | 7,223 | 87 | 0.01 |
| MIZUHO SECURITIES USA INC, NY Total | 7,517 | 157 | 0.02 |
| MIZUHO SECURITIES USA INC. Total | 38,506 | 1,508 | 0.04 |
| MKM PARTNERS LLC Total | 57,626 | 2,268 | 0.04 |
| MLV Total | 59 | 1 | 0.02 |
| MONNESS, CRESPI, HARDT & CO. INC Total | 41,650 | 2,083 | 0.05 |
| MONTROSE SECURITIES EQUITIES Total | 269,396 | 5,478 | 0.02 |
| MORGAN STANLEY & CO LLC Total | 306,947 | 8,694 | 0.03 |
| MORGAN STANLEY AND CO INTL LTD,LDN Total | 249,717 | 644 | 0.00 |
| MORGAN STANLEY AND CO INTL TAIPEI METRO Tot | 1,252,073 | 3,135 | 0.00 |
| MORGAN STANLEY AND CO INTL, SEOUL Total | 110,093 | 6,019 | 0.05 |
| MORGAN STANLEY AND CO. INTERNATIONAL Total | 1,081,757 | 7,967 | 0.01 |
| MORGAN STANLEY CO INC NEW YORK Total | 5,192,634 | 16,923 | 0.00 |
| MORGAN STANLEY CO INCORPORATED Total | 5,724,239 | 36,948 | 0.01 |
| MORGAN STANLEY CO INTL LTD TAIPEI Total | 458,068 | 534 | 0.00 |
| MORGAN STANLEY DW ASIA HONG KONG Total | 120,524 | 302 | 0.00 |
| MORGAN STANLEY H.K. SECURITIES LTD Total | 113,912 | 46 | 0.00 |
| MORGAN STANLEY INDIA COMPANY PVT LTD Total | 83,090 | 184 | 0.00 |
| MORGAN STANLEY SECURITIES LIMITED Total | 215,746 | 269 | 0.00 |
| MORGAN STANLEY SECURITIES, LONDON Total | 34,479 | 165 | 0.00 |
| MORGAN STANLEY Total | 462,168 | 2,610 | 0.01 |
| MR BEAL & COMPANY Total | 122,464 | 3,491 | 0.03 |
| NATIONAL FINANCIAL SERVICES CORP. Total | 170,538 | 4,394 | 0.03 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|--|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| NATIONAL FINANCIAL SERVICES LLC Total | 137,903 | \$ 2,992 | 0.02 |
| NATIXIS SECURITIES Total | 545 | 106 | 0.20 |
| NEEDHAM & CO Total | 88,292 | 3,264 | 0.04 |
| NESBITT BURNS INC TORONTO Total | 76,869 | 1,378 | 0.02 |
| NESBITT BURNS Total | 191,120 | 3,673 | 0.02 |
| NOBLE INTERNATIONAL INVESTMENTS INC. Total | 857 | 17 | 0.02 |
| NOMURA FINANCIAL AND INVESTMENT KOR Total | 12,044 | 56 | 0.00 |
| NOMURA FINANCIAL AND INVESTMENT Total | 36,031 | 166 | 0.00 |
| NOMURA SECURITIES CO LTD Total | 225,263 | 80 | 0.00 |
| NOMURA SECURITIES INTERNATIONAL INC Total | 63,475 | 1,197 | 0.02 |
| NOMURA SECURITIES INTL INC NY Total | 4,617 | 151 | 0.03 |
| NORTHLAND SECURITIES INC. Total | 10,603 | 428 | 0.04 |
| ODDO ET CIE Total | 5,769 | 78 | 0.01 |
| OPPENHEIMER + CO. INC. Total | 228,875 | 10,184 | 0.04 |
| PACIFIC CREST SECURITIES Total | 208,027 | 9,027 | 0.04 |
| PAREL Total | 58,702 | 1,565 | 0.03 |
| PAREL, PARIS Total | 3,205 | 404 | 0.13 |
| PATERSONSSECURITIES LTD Total | 40,177 | 14 | 0.00 |
| PAVILION GLOBAL MARKETS LTD Total | 115,236 | 635 | 0.01 |
| PENSERRA SECURITIES Total | 268,997 | 8,924 | 0.03 |
| PERSHING LLC Total | 580,929 | 20,765 | 0.04 |
| PERSHING SECURITIES LIMITED Total | 661,492 | 2,381 | 0.00 |
| PERSHING SECURITIES LONDON Total | 34,223 | 133 | 0.00 |
| PICKERING ENERGY PARTNERS INC Total | 370 | 13 | 0.04 |
| PIPER JAFFRAY & CO Total | 34,773 | 1,318 | 0.04 |
| PIPER JAFFRAY Total | 172,059 | 6,372 | 0.04 |
| PULSE TRADING LLC Total | 132,664 | 2,766 | 0.02 |
| RAYMOND, JAMES & ASSOC., INC. Total | 456,756 | 18,219 | 0.04 |
| RBC CAPITAL MARKETS CORP Total | 23,498 | 1,040 | 0.04 |
| RBC CAPITAL MARKETS LLC Total | 182,171 | 5,538 | 0.03 |
| RBC CAPITAL MARKETS Total | 339,041 | 12,405 | 0.04 |
| RBC DOMINION SECURITIES INC. Total | 8,464 | 317 | 0.04 |
| RBC DOMINION SECURITIES TORONTO Total | 4,645 | 177 | 0.04 |
| RBS Asia Limited Total | 2,434 | 4 | 0.00 |
| REDBURN PARTNERS LLP Total | 262,724 | 2,210 | 0.01 |
| RENAISSANCE MACRO SECURITIES, LLC Total | 5,920 | 296 | 0.05 |
| RESULT OF DEMERGER Total | 2 | 1 | 0.62 |
| ROBERT W.BAIRD CO.INCORPORATE Total | 302,888 | 11,748 | 0.04 |
| ROSENBLATT SECURITIES LLC Total | 800 | 36 | 0.05 |
| ROTH CAPITAL PARTNERS, LLC Total | 11,735 | 508 | 0.04 |
| ROYAL BANK OF CANADA (AUSTRALIA) Total | 16,011 | 52 | 0.00 |
| ROYAL BANK OF CANADA EUROPE LTD Total | 126,869 | 1,773 | 0.01 |
| ROYAL BANK OF CANADA EUROPE LTD,LDN Total | 41,090 | 756 | 0.02 |
| SAMSUNG SECURITIES CO LTD SEOUL Total | 131,778 | 13,716 | 0.10 |
| SAMSUNG SECURITIES CO LTD Total | 44,822 | 5,611 | 0.13 |
| SANDLER O'NEILL & PARTNERS LP Total | 36,538 | 1,237 | 0.03 |
| SANFORD C BERNSTEIN & CO.,LLC Total | 1,427,362 | 13,528 | 0.01 |
| SANFORD C BERNSTEIN AND CO INC Total | 993 | 21 | 0.02 |
| SANFORD C. BERNSTEIN LONDON Total | 622,704 | 2,687 | 0.00 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|--|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| SANFORD C. BERNSTEIN LTD Total | 363,667 | \$ 6,816 | 0.02 |
| SANTANDER CENTRAL HISPANO BOLSA Total | 127,075 | 571 | 0.00 |
| SCOTIA CAPITAL (USA) INC Total | 50,000 | 1,752 | 0.04 |
| SG AMERICAS SECURITIES LLC Total | 119,616 | 1,048 | 0.01 |
| SG ASIA SECURITIES (INDIA) PVT LTD Total | 532,806 | 1,371 | 0.00 |
| SG COWEN SECURITIES CORP, NEW YORK Total | 71,334 | 296 | 0.00 |
| SG SECURITIES (HK) LIMITED Total | 2,746,264 | 1,989 | 0.00 |
| SG SECURITIES (LONDON) LTD, TAIPEI Total | 2,273,871 | 877 | 0.00 |
| SG SECURITIES (LONDON) LTD. Total | 507,917 | 272 | 0.00 |
| SG SECURITIES HK Total | 4,704,334 | 5,657 | 0.00 |
| SHENYIN AND WANGUO SECURITIES CO. LTD Total | 281,939 | 188 | 0.00 |
| SIDOTI & COMPANY, LLC Total | 156,718 | 5,745 | 0.04 |
| SIMMONS & CO Total | 2,130 | 75 | 0.04 |
| SIMMONS +COMPANY INTERNATIONAL Total | 20,355 | 985 | 0.05 |
| SKANDINAVISKA ENSKILDA BANKEN Total | 886 | 7 | 0.01 |
| SMBC NIKKO SECURITIES (HONK KONG) LTD Total | 29,935 | 290 | 0.01 |
| SOCIETE GENERALE BANK AND TRUST Total | 1,379 | 582 | 0.42 |
| SOCIETE GENERALE LONDON BRANCH Total | 1,060,710 | 6,480 | 0.01 |
| SOCIETE GENERALE LONDON BRANCH, LDN Total | 512,769 | 2,256 | 0.00 |
| SOCIETE GENERALE PARIS, ZURICH Total | 28,175 | 2,249 | 0.08 |
| STANDARD BANK LONDON LIMITED Total | 1,999 | 14 | 0.01 |
| STANDARD CHARTERED BANK (HONG KONG) LIM1 | 245,927 | 1,813 | 0.01 |
| STATE STREET BANK AND TRUST COMPANY Total | 136 | 1 | 0.01 |
| STATE STREET GLOBAL MARKETS, LLC Total | 19,351 | 460 | 0.02 |
| STEPHEN M. FERRETTI INC. Total | 4,700 | 141 | 0.03 |
| STEPHENS, INC. Total | 143,854 | 6,555 | 0.05 |
| STERNE AGEE & LEACH INC. Total | 198,455 | 8,741 | 0.04 |
| STIFEL NICHOLAUS & CO, INC Total | 460,793 | 18,757 | 0.04 |
| STOCKBROKERS BOTSWANA LTD, GABORONE Total | 16,716 | 187 | 0.01 |
| STRATEGAS SECURITIES LLC Total | 4,490 | 209 | 0.05 |
| STUART FRANKEL & CO INC Total | 16,628 | 665 | 0.04 |
| STURDIVANT AND CO., INC. Total | 195,725 | 9,610 | 0.05 |
| SUNTRUST CAPITAL MARKETS, INC. Total | 87,340 | 3,512 | 0.04 |
| SVENSKA HANDELSBANKEN Total | 2,933 | 194 | 0.07 |
| TAIWAN DEPOSITORY AND CLEARING CORP. Total | 571,087 | 14,944 | 0.03 |
| TELSEY ADVISORY GROUP LLC Total | 246,725 | 10,775 | 0.04 |
| TERA MENKUL DEGERLER A.S. Total | 72,298 | 93 | 0.00 |
| THE BENCHMARK CO LLC Total | 6,908 | 270 | 0.04 |
| THE HONGKONG AND SHANGHAI BANK Total | 63,064 | 2,486 | 0.04 |
| THE WILLIAMS CAPITAL GROUP LP Total | 222,764 | 4,987 | 0.02 |
| TOPEKA CAPITAL MARKETS INC. Total | 53,030 | 1,589 | 0.03 |
| TROIKA DIALOG UK LIMITED Total | 33,074 | 1,525 | 0.05 |
| U S BANCORP PIPER JAFFRAY INC Total | 390 | 12 | 0.03 |
| UBS AG LONDON EQUITIES Total | 2,736,787 | 8,494 | 0.00 |
| UBS AG Total | 4,334,274 | 22,626 | 0.01 |
| UBS SECURITIES ASIA LTD Total | 3,052,066 | 9,649 | 0.00 |

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2014

| Brokerage Firm | Number of Shares Traded | Commissions Paid | Schedule 4A |
|---|----------------------------|---------------------|---------------------------|
| | | | Average Cost Per Share |
| UBS SECURITIES AUSTRALIA LTD Total | 1,770 | \$ 107 | 0.06 |
| UBS SECURITIES CANADA INC Total | 23,506 | 128 | 0.01 |
| UBS SECURITIES INDIA PVT Total | 14,484 | 196 | 0.01 |
| UBS SECURITIES LLC Total | 682,868 | 13,966 | 0.02 |
| UBS WARBURG AUSTRALIA EQUITIES Total | 12,338 | 26 | 0.00 |
| UBS WARBURG LLC Total | 126,628 | 933 | 0.01 |
| UBS WARBURG LTD Total | 64,416 | 2,255 | 0.04 |
| WARBURG DILLON READ SECURITIES CO Total | 26,939 | 8 | 0.00 |
| WEDBUSH MORGAN SECURITIES INC Total | 71,902 | 2,902 | 0.04 |
| WEDBUSH SECURITIES INC Total | 22,421 | 981 | 0.04 |
| WEEDEN & CO Total | 532,655 | 18,677 | 0.04 |
| WELLS FARGO SECS LLC Total | 177,410 | 6,427 | 0.04 |
| WELLS FARGO SECURITIES, LLC Total | 292,209 | 10,732 | 0.04 |
| WILLIAM BLAIR & COMPANY L.L.C Total | 193,467 | 7,328 | 0.04 |
| WILLIAMS CAPITAL GROUP LP (THE) Total | 622,993 | 12,272 | 0.02 |
| WINTERFLOOD SECURITIES LTD Total | 6,995 | 65 | 0.01 |
| WOOD AND COMPANY Total | 718,748 | 1,672 | 0.00 |
| WOORI INVESTMENT SECURITIES Total | 2,127 | 49 | 0.02 |
| WUNDERLICH SECURITIES INC. Total | 36,415 | 1,601 | 0.04 |
| YAMNER & CO INC (CLS THRU 443) Total | 35,098 | 345 | 0.01 |
| YAMNER & COMPANY, INC. Total | 19,874 | 199 | 0.01 |
| GRAND TOTAL | 223,998,468 | \$ 1,613,670 | 0.01 |

Investment Summary**Fire Funds Combined**

Year Ended June 30, 2014

(Dollar amount in thousands)

| | <u>Market Value</u> | <u>Percent of Total Market Value</u> |
|---|----------------------|--|
| Type of Investment: | | |
| Short Term Investments: | | |
| Commercial paper | \$ 173,094 | 1.36% |
| Short Term Investments | 166,833 | 1.31% |
| U.S. Treasury Bills | 182,160 | 1.43% |
| Total Short-Term | 522,087 | 4.09% |
| Debt securities: | | |
| U.S. Govt Securities and Agency | 933,112 | 7.31% |
| Corporate and Other | 1,176,115 | 9.22% |
| Promissory notes | - | 0.00% |
| Total debt securities | 2,109,227 | 16.53% |
| Equities Securities: | 2,403,634 | 18.84% |
| Alternative investments | 1,761,800 | 13.81% |
| Mutual funds-international equity | 26,254 | 0.21% |
| Collective trust funds: | | |
| International Equity | 2,166,209 | 16.98% |
| Fixed income | 429,045 | 3.36% |
| Domestic equity | 1,905,476 | 14.93% |
| Mortgage debt security | 64,999 | 0.51% |
| Treasury Inflation -protected securities | 321,797 | 2.52% |
| Total collective trust funds: | 4,887,526 | 38.30% |
| Collateral from Securities Lending | 1,049,736 | 8.23% |
| Total Market Value | \$ 12,760,264 | 100.00% |

As of 12/31/08

Statement of Assets and Liabilities

For the year ended December 31, 2008

The accompanying notes are an integral part of these financial statements.

| Assets | Liabilities | Net Assets |
|---|--|---|
| <p>Accounts receivable</p> <p>Investments</p> <p>Other assets</p> | <p>Accounts payable</p> <p>Deferred contributions</p> <p>Other liabilities</p> | <p>Net assets</p> |
| <p>2008</p> <p>2007</p> <p>2006</p> <p>2005</p> | <p>2008</p> <p>2007</p> <p>2006</p> <p>2005</p> | <p>2008</p> <p>2007</p> <p>2006</p> <p>2005</p> |
| <p>[THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]</p> | | |
| <p>2004</p> <p>2003</p> <p>2002</p> <p>2001</p> <p>2000</p> | <p>2004</p> <p>2003</p> <p>2002</p> <p>2001</p> <p>2000</p> | <p>2004</p> <p>2003</p> <p>2002</p> <p>2001</p> <p>2000</p> |

New York City Fire Pension Funds

Comprehensive Annual Financial Report

A Pension Trust Fund of The City of New York



Actuarial Section

Part IV

Fiscal Year Ended June 30, 2014

about which will be discussed

in the following pages.

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of the following pages.



OFFICE OF THE ACTUARY

255 GREENWICH STREET • 9TH FLOOR
NEW YORK, NY 10007
(212) 442-5775 • FAX: (212) 442-5777

ROBERT C. NORTH, JR.
ACTING CHIEF ACTUARY

December 12, 2014

Board of Trustees
New York Fire Department
Pension Fund
9 Metrotech Center
Brooklyn, NY 11201-3857

Re: Actuarial Information for the Comprehensive Annual Financial Report (“CAFR”) for the Fiscal Year
Ended June 30, 2014

Dear Members:

The financial objective of the New York Fire Department Pension Fund (“FIRE” or the “Plan”) is to fund members’ retirement benefits during their active service and to establish employer normal contribution rates that, expressed as a percentage of active member annualized covered payroll, would remain approximately level over the future working lifetimes of those active members and, together with member contributions and investment income, are intended to ultimately be sufficient to accumulate assets to pay benefits when due.

An actuarial valuation of the Plan is performed annually as of the second June 30 preceding each fiscal year to determine the Employer Contributions to be paid for that fiscal year (i.e., June 30, 2012 (Lag) actuarial valuation to determine Fiscal Year 2014 Employer Contributions) (the “Actuarial Contributions”).

The funding policy of The City of New York (the “City”) is to contribute statutorily-required contributions (“Statutory Contributions”) and these contributions are generally funded by the City within the appropriate fiscal year.

For Fiscal Year 2014, the Actuarial Contributions to FIRE, based on the June 30, 2012 (Lag) actuarial valuation, are equal to those recommended by the Actuary for the New York City Retirement Systems (the “Actuary”) and represent the Statutory Contributions.

During June 2012 the Governmental Accounting Standards Board (“GASB”) released two new accounting standards for public pension plans, Statement No. 67 (“GASB67”) and Statement No. 68 (“GASB68”), collectively “GASB67/68”.

GASB67, *Financial Reporting for Pension Plans*, amends GASB Statement No. 25 (“GASB25”) and is effective for financial statements for fiscal years beginning after June 15, 2013 (i.e., Fiscal Year 2014 for FIRE).

GASB68, *Accounting and Financial Reporting for Pensions*, amends GASB Statement No. 27 (“GASB27”) and is effective for financial statements for fiscal years beginning after June 15, 2014 (i.e., Fiscal Year 2015 for the City of New York (the “City”)).

The City decided to “early implement” and presented its Fiscal Year 2014 financial statements under the provisions of GASB68.

On October 16, 2014 the Actuary published the, “First Annual GASB 67/68 Report for the City of New York and the New York City Retirement Systems For Fiscal Year Ended June 30, 2014” (the “First GASB67/68 Report”). Appendix E of the First GASB67/68 Report contains information developed in accordance with GASB67 for FIRE.

Actuarial Assumptions and Methods

Provided in this Actuarial Section of the CAFR is a “Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2012 (Lag) Actuarial Valuation.” These actuarial assumptions and methods (the “2012 A&M”) were first employed in the June 30, 2010 (Lag) actuarial valuation that was used to determine Fiscal Year 2012 Employer Contributions to the Plan.

These actuarial assumptions and methods are generally unchanged from those employed in the June 30, 2011 (Lag) actuarial valuation that was used to determine Fiscal Year 2013 Employer Contributions to the Plan.

Those 2012 A&M were developed after reviewing the results of independent actuarial studies dated December 2011 by The Hay Group (“Hay”) and November 2006 by The Segal Company (“Segal”) in accordance with Section 96 of the New York City Charter, after which the Actuary issued a February 10, 2012 Report entitled “Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2011 for the New York City Fire Department Pension Fund” (“February 2012 Report”).

The Board of Trustees of the Plan adopted those changes in actuarial assumptions that require Board approval. The State Legislature and the Governor enacted Chapter 3 of the Laws of 2013 (“Chapter 3/13”) to provide for those changes to the actuarial assumptions and methods that require legislation, including the Actuarial Interest Rate (“AIR”) assumption of 7.0% per annum, net of investment expenses.

Note: Tier III assumptions are applied to members hired on and after April 1, 2012, (i.e., “Tier III Modified” members).

Benefits and Census Data

A summary of the benefits applicable to Plan members included in the June 30, 2012 (Lag) actuarial valuation is shown earlier in the Introductory Section of the CAFR.

Census data are submitted by the Plan's administrative staff and by the employer's payroll facilities and are reviewed by the Office of the Actuary ("OA") for consistency and reasonability.

A summary of the census data used in the June 30, 2012 (Lag) actuarial valuation is included in this CAFR. A summary of the census data used in the June 30, 2011 (Lag) actuarial valuation of the Plan is available in the June 30, 2013 CAFR.

Funded Status

The Funded Status of the Plan is usually expressed in various relationships of Assets to Liabilities.

With respect to the Funded Status of the Plan, included in the Financial Section of the CAFR is a Schedule of Funding Progress.

Included in the Actuarial Section of the CAFR is a Solvency Test (i.e., Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets) as prescribed by the Government Finance Officers Association ("GFOA"). This Solvency Test represents an alternative approach to describing progress toward funding objectives.

In addition to the Schedule of Funding Progress and the Solvency Test, included for informational purposes in the Actuarial Section of the CAFR (following the Solvency Test) is an Additional Discussion of Plan Funding and Other Measures of Funded Status that provides different comparisons between the Assets and Liabilities of the Plan.

Presentation Style and Sources of Information

The actuarial information herein is being presented in a manner believed to be consistent with the requirements of the GFOA and, where applicable, with GASB67.

The Additional Discussion of Plan Funding and Other Measures of Funded Status represents information provided by the Actuary to assist those users who desire additional disclosures.

The following schedules in the Actuarial Section of the CAFR were prepared by the OA:

- Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2012 (Lag) Actuarial Valuation.
- Active Member Valuation Data.
- Summary of Plan Membership.
- Retirants and Beneficiaries Added to and Removed from Rolls.
- Statutory vs. Annual Required Contributions.
- Funded Status Based on Entry Age Actuarial Cost Method.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets – Solvency Test.
- Additional Discussion of Plan Funding and Other Measures of Funded Status.

In addition, the following schedules were prepared by the OA:

- Schedule of Funding Progress.
- Schedule of Employer Contributions.
- Schedule of Actuarial Assumptions and Methods.

The Summary of Plan Membership in the Financial Section of the CAFR was also prepared by the OA.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information elsewhere presented in this CAFR, please do not hesitate to contact Mr. John R. Gibney, Jr., Mr. Edward Hue or me.

Board of Trustees
New York Fire Department
Pension Fund
December 12, 2014
Page 5

Acknowledgement of Qualification

A Statement of Actuarial Opinion ("SAO"), acknowledging the qualification of the Actuary to render the actuarial opinion contained herein, appears at the end of this Actuarial Section.

Respectfully submitted,



Robert C. North, Jr., FSA, MAAA
Acting Chief Actuary

RCN/srh

Att.

cc: Ms. M.E. Basso
Mr. A.G. Garcia
Mr. J.R. Gibney
Mr. E. Hue
Mr. S.H. Rumley
Ms. L. Tian

405L&R:srh

1. The first part of the report
describes the general situation
of the country.
It is a very interesting
study.

2. The second part of the report

describes the situation of the country
in the year 1950. It is a very
interesting study.

3. The third part of the report

describes the situation of the country
in the year 1955. It is a very
interesting study.

4. The fourth part of the report
describes the situation of the country
in the year 1960. It is a very
interesting study.

5. The fifth part of the report

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6. The sixth part of the report

describes the situation of the country
in the year 1965. It is a very
interesting study.
It is a very interesting
study.

7. The seventh part of the report

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION

- (1) Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems ("NYCRS") are conducted every two years.

The most recently completed study was published by The Hay Group ("Hay"), dated December 2011 and analyzed experience for Fiscal Years 2006 through 2009. Hay made recommendations with respect to the actuarial assumptions and methods based on their analysis.

The previously completed study was published by The Segal Company ("Segal") dated November 2006, and analyzed experience for Fiscal Years 2002 through 2005. Segal made recommendations with respect to the actuarial assumptions and methods based on their analysis.

In accordance with the Administrative Code of the City of New York ("ACNY") and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Based, in part, upon a review of the Segal and Hay studies, the Actuary issued a February 10, 2012 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2011 for the New York City Fire Department Pension Fund" ("February 2012 Report").

The Board of Trustees of the Plan adopted those changes to actuarial assumptions that require Board approval. The State Legislature and the Governor enacted Chapter 3 of the Laws of 2013 ("Chapter 3/13") to provide for those changes to the actuarial assumptions and methods that require legislation, including the Actuarial Interest Rate ("AIR") assumption of 7.0% per annum, net of investment expenses, the Entry Age Actuarial Cost Method and the amortization of Unfunded Actuarial Accrued Liabilities.

- (2) The investment rate of return assumption is 7.0% per annum, net of investment expenses.
- (3) The mortality tables for service and disability pensioners were developed from an experience study of the Plan's and the predecessor Plan's pensioners. Sample probabilities are shown in Table 1a. The mortality tables for beneficiaries were developed from experience review. Sample probabilities are shown in Table 1b.
- (4) Active Service tables are used to estimate various withdrawals from Active Service. Sample probabilities are shown in Tables 2a, 2b and 2c for members withdrawing from active service due to Death or Disability, in Table 3 for members withdrawing from Active Service without employer-provided benefits or with Vested Benefits and in Tables 4a and 4b for members withdrawing from Active Service for Service Retirement.
- (5) A Salary Scale is used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 5. The Salary Scale includes a General Wage Increase ("GWI") assumption of 3.0% per annum.

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION (Cont'd)

- (6) Overtime earnings are also used to estimate salaries at termination, retirement or death. A Dual Overtime assumption (i.e., a Baseline Overtime assumption for most years and a separate overtime assumption for the years included in the calculation of Final Salary or Final Average Salary) was introduced as of the June 30, 1995 actuarial valuation. Sample percentage increases in the Baseline Overtime assumptions and the Dual Overtime assumptions effective beginning with the June 30, 2010 (Lag) actuarial valuation are shown in Table 6.
- (7) The economic assumptions (i.e., the assumed investment return rate, GWI rate and Cost-of-Living Adjustments ("COLA")) were developed assuming a long-term Consumer Price Inflation ("CPI") assumption of 2.5% per annum. The COLA assumption is 1.5% per annum for Tier I and Tier II members and 2.5% per annum for Tier III members.
- (8) The valuation assumes a closed group of members. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scale.
- (9) Beginning with the June 30, 2010 (Lag) actuarial valuation, the Entry Age Actuarial Cost Method ("EAACM") of funding is utilized by the Plan's Actuary to calculate the contribution required of the Employer.

Under this method, the Actuarial Present Value ("APV") of Benefits ("APVB") of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit age(s). The employer portion of this APV allocated to a valuation year is the Employer Normal Cost. The portion of this APV not provided for at a valuation date by the APV of Future Employer Normal Costs or future member contributions is the Actuarial Accrued Liability ("AAL").

The excess, if any, of the AAL over the Actuarial Asset Value (AAV) is the Unfunded Actuarial Accrued Liability ("UAAL").

Under this method, actuarial gains (losses), as they occur, reduce (increase) the UAAL and are explicitly identified and amortized.

Increases (decreases) in obligations due to benefit changes, actuarial assumption changes and/or actuarial method changes are also explicitly identified and amortized.

NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

- (10) One-Year Lag Methodology (“Lag” or “OYLM”) uses a June 30, 2012 valuation date to determine Fiscal Year 2014 Employer Contributions.

This methodology requires technical adjustments to certain components used to determine Fiscal Year 2014 Employer Contributions as follows:

- Present Value of Future Salary (“PVFS”)

The PVFS at June 30, 2012 is reduced by the value of salary projected to be paid during Fiscal Year 2014.

- Salary for Determining Employer Contributions.

Salary used to determine the employer normal contribution is the salary projected to be paid during Fiscal Year 2014 to members on payroll at June 30, 2012.

- UAAL Payments

For determining the UAAL payments for Fiscal Year 2014, and to be consistent with the OYLM, the UAAL as of June 30, 2012 is adjusted by the discounted value of employer normal contributions paid during Fiscal Year 2013.

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION (Cont'd)

- (11) Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method that reset the Actuarial Asset Value ("AAV") to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter, the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

The revised AAVM was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contributions in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions.

The AAVM in effect for the June 30, 2009 (Lag) actuarial valuation was unchanged from the AAVM used in the June 30, 2008 (Lag) actuarial valuation.

The concept in use for the AAVM for actuarial valuations on and after June 30, 2012 is the same as that in use for the June 30, 2009 (Lag) actuarial valuation.

In accordance with this AAVM, actual Unexpected Investment Returns ("UIR") for Fiscal Years 2012, 2013, etc. are phased into the Actuarial Asset Value ("AAV") beginning June 30, 2012, 2013, etc. at rates of 15%, 15%, 15%, 15%, 20% and 20% per year (i.e., cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

The Actuary reset the Actuarial Asset Value to the Market Value of Assets ("MVA") as of June 30, 2011 (i.e., "Market Value Restart").

For the June 30, 2010 (Lag) actuarial valuation, the AAV is defined to recognize Fiscal Year 2011 investment performance. The June 30, 2010 AAV is derived as equal to the June 30, 2011 MVA, discounted by the AIR assumption (adjusted for cash flow) to June 30, 2010.

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION (Cont'd)

- (12) The obligations of the Plan to the Firefighters' Variable Supplements Fund ("FFVSF") and the Fire Officers' Variable Supplements Fund ("FOVSF") are recognized through the Liability Valuation Method.

Under this method, the APV of Future SKIM from the Plan to the FFVSF and FOVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the FFVSF and FOVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the FFVSF and FOVSF offset by the AAV of the FFVSF and FOVSF, respectively. Under the EAACM, a portion of the APV of Future SKIM is reflected in the APV of Future Normal Costs and a portion is reflected in the AAL.

- (13) Distinct male and female probabilities for mortality are used effective June 30, 1995.
- (14) The Actuarial Present Value of Future Benefits ("APVB") as of June 30, 2012, used to determine the Fiscal Year 2014 Employer Contributions, includes estimates of liabilities for:
- World Trade Center Post-Retirement Reclassifications.
- (15) As discussed herein, the actuarial assumptions and methods are generally unchanged from those of the June 30, 2011 (Lag) actuarial valuation.

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 1a

Deaths among Service and Disability Pensioners

Percentage of Pensioners Dying within Next Year

| <u>Age</u> | <u>Service Pensioners</u> | | <u>Disability Pensioners</u> | |
|-------------------|----------------------------------|-----------------------|-------------------------------------|-----------------------|
| | <u>Males</u> | <u>Females</u> | <u>Males</u> | <u>Females</u> |
| 40 | .1167% | .0532% | .1997% | .0595% |
| 45 | .1555 | .0747 | .2427 | .1101 |
| 50 | .1851 | .1112 | .2907 | .1945 |
| 55 | .3410 | .1815 | .4170 | .3832 |
| 60 | .5096 | .4081 | .6538 | .5537 |
| 65 | .8721 | .6640 | 1.0885 | .9165 |
| 70 | 1.2401 | .9654 | 1.6834 | 1.5179 |
| 75 | 2.1980 | 1.4017 | 2.5814 | 2.5123 |
| 80 | 4.0910 | 2.5675 | 4.6502 | 4.4692 |
| 85 | 8.2212 | 4.4439 | 8.9563 | 7.8883 |
| 90 | 13.6044 | 8.3918 | 13.7694 | 13.5234 |
| 95 | 25.0224 | 15.9320 | 25.7915 | 20.1960 |
| 100 | 33.6045 | 23.1601 | 33.6045 | 23.4195 |
| 105 | 39.7886 | 29.3116 | 39.7886 | 29.3116 |
| 110 | 100.0000 | 100.0000 | 100.0000 | 100.0000 |

NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

Table 1b

Deaths among Beneficiaries

Percentage of Beneficiaries Dying within Next Year

| <u>Age</u> | <u>Males</u> | <u>Females</u> |
|-------------------|---------------------|-----------------------|
| 20 | .0214% | .0124% |
| 25 | .0292 | .0146 |
| 30 | .0392 | .0205 |
| 35 | .0719 | .0411 |
| 40 | .1021 | .0591 |
| 45 | .2684 | .1014 |
| 50 | .3401 | .1846 |
| 55 | .5880 | .3893 |
| 60 | .8400 | .7716 |
| 65 | 1.3072 | 1.1533 |
| 70 | 1.8086 | 1.5676 |
| 75 | 2.7100 | 2.2479 |
| 80 | 5.3016 | 3.7819 |
| 85 | 8.4627 | 6.3549 |
| 90 | 15.2335 | 11.5224 |
| 95 | 24.6664 | 19.5152 |
| 100 | 33.6045 | 23.1881 |
| 105 | 39.7886 | 29.3116 |
| 110 | 100.0000 | 100.0000 |

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 2a

Withdrawals from Active Service (Due to Death or Disability)

Tier I and Tier II Members Not Eligible for WTC Benefits

Percentage of Active Members Separating within Next Year

| <u>Age</u> | <u>Accidental Disability</u> | <u>Ordinary Disability</u> | <u>Ordinary Death</u> | | <u>Accidental Death</u> |
|------------|----------------------------------|--------------------------------|-----------------------|----------------|-----------------------------|
| | | | <u>Males</u> | <u>Females</u> | |
| 20 | 0.03% | 0.01% | 0.04% | 0.03% | 0.02% |
| 25 | 0.03 | 0.01 | 0.04 | 0.03 | 0.02 |
| 30 | 0.15 | 0.05 | 0.04 | 0.03 | 0.02 |
| 35 | 0.60 | 0.10 | 0.04 | 0.03 | 0.02 |
| 40 | 1.30 | 0.15 | 0.05 | 0.04 | 0.02 |
| 45 | 2.00 | 0.20 | 0.10 | 0.07 | 0.05 |
| 50 | 3.50 | 0.30 | 0.15 | 0.10 | 0.10 |
| 55 | 5.00 | 1.00 | 0.20 | 0.15 | 0.20 |
| 60 | 15.00 | 6.00 | 0.30 | 0.20 | 0.30 |
| 63 | NA | NA | NA | NA | NA |

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 2b

Withdrawals from Active Service (Due to Death or Disability)

Tier I and Tier II Members Eligible for WTC Benefits

Percentage of Active Members Separating within Next Year

| <u>Age</u> | <u>Accidental Disability</u> | <u>Ordinary Disability</u> | <u>Ordinary Death</u> | | <u>Accidental Death</u> |
|-------------------|---|---------------------------------------|------------------------------|-----------------------|------------------------------------|
| | | | <u>Males</u> | <u>Females</u> | |
| 20 | 0.05% | 0.01% | 0.04% | 0.03% | 0.02% |
| 25 | 0.05 | 0.01 | 0.04 | 0.03 | 0.02 |
| 30 | 0.25 | 0.05 | 0.04 | 0.03 | 0.02 |
| 35 | 1.00 | 0.10 | 0.04 | 0.03 | 0.02 |
| 40 | 2.00 | 0.15 | 0.05 | 0.04 | 0.02 |
| 45 | 3.00 | 0.20 | 0.10 | 0.07 | 0.05 |
| 50 | 5.00 | 0.30 | 0.15 | 0.10 | 0.10 |
| 55 | 8.00 | 1.00 | 0.20 | 0.15 | 0.20 |
| 60 | 21.00 | 6.00 | 0.30 | 0.20 | 0.30 |
| 63 | NA | NA | NA | NA | NA |

NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

Table 2c

Withdrawals from Active Service (Due to Death or Disability)

Tier III Members

Percentage of Active Members Separating within Next Year

| <u>Age</u> | <u>Accidental Disability</u> | <u>Ordinary Disability</u> | <u>Ordinary Death</u> | | <u>Accidental Death</u> |
|-------------------|---|---------------------------------------|------------------------------|-----------------------|------------------------------------|
| | | | <u>Males</u> | <u>Females</u> | |
| 20 | 0.03% | 0.01% | 0.04% | 0.03% | 0.02% |
| 25 | 0.03 | 0.01 | 0.04 | 0.03 | 0.02 |
| 30 | 0.15 | 0.05 | 0.04 | 0.03 | 0.02 |
| 35 | 0.60 | 0.10 | 0.04 | 0.03 | 0.02 |
| 40 | 1.20 | 0.15 | 0.05 | 0.04 | 0.02 |
| 45 | 1.80 | 0.20 | 0.10 | 0.07 | 0.05 |
| 50 | 2.40 | 0.30 | 0.15 | 0.10 | 0.10 |
| 55 | 3.00 | 1.00 | 0.20 | 0.15 | 0.20 |
| 60 | 8.00 | 6.00 | 0.30 | 0.20 | 0.30 |
| 63 | NA | NA | NA | NA | NA |

NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

Table 3

Withdrawals from Active Service

Percentage of Active Members Withdrawing within Next Year

| <u>Years of Service</u> | <u>All Tiers Withdrawal</u> | <u>Tier III Early Service Retirement</u> | |
|--------------------------------|------------------------------------|---|--|
| | | <u>Reduced Retirement</u> | <u>Unreduced Before Full COLA</u> |
| 0 | 2.00% | NA | NA |
| 5 | 0.40 | NA | NA |
| 10 | 0.20 | NA | NA |
| 15 | 0.10 | NA | NA |
| 20 | NA | 5.00% | NA |
| 21 | NA | 2.00 | NA |
| 22 | NA | NA | 5.00% |
| 23 | NA | NA | 2.00 |
| 24 | NA | NA | 2.00 |

NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

Table 4a

Withdrawals from Active Service (for Service Retirement)

Tier I and Tier II Members

Percentage of Eligible Active Members Retiring within Next Year

Years of Service Since First Eligible

| <u>Age</u> | <u>0-1</u> | <u>1-2</u> | <u>2+</u> |
|-------------------|-------------------|-------------------|------------------|
| 40 | 10.00% | 2.00% | 2.00% |
| 45 | 10.00 | 2.00 | 2.00 |
| 50 | 15.00 | 2.00 | 2.00 |
| 55 | 20.00 | 6.00 | 6.00 |
| 60 | 20.00 | 12.00 | 12.00 |
| 63 | 100.00 | 100.00 | 100.00 |

Table 4b

Withdrawals from Active Service (for Service Retirement)

Tier III Members - Unreduced with Full COLA

Percentage of Eligible Active Members Retiring within Next Year

Years of Service Since First Eligible

| <u>Age</u> | <u>0-1</u> | <u>1-2</u> | <u>2+</u> |
|-------------------|-------------------|-------------------|------------------|
| 40 | 10.00% | 2.00% | 2.00% |
| 45 | 10.00 | 2.00 | 2.00 |
| 50 | 15.00 | 2.00 | 2.00 |
| 55 | 20.00 | 6.00 | 6.00 |
| 60 | 20.00 | 12.00 | 12.00 |
| 63 | 100.00 | 100.00 | 100.00 |

NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

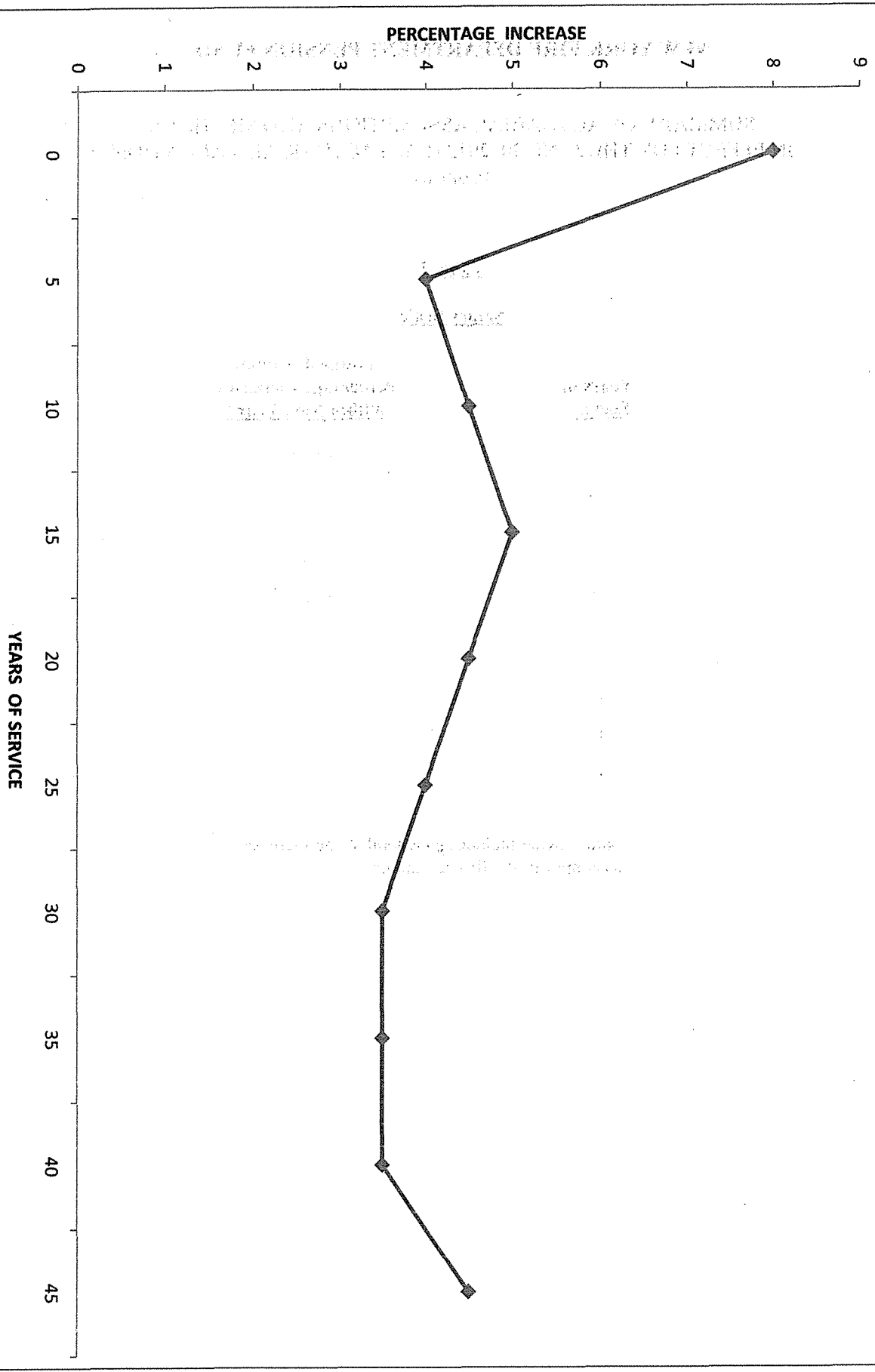
Table 5

Salary Scale

| <u>Years of Service</u> | <u>Assumed Annual Percentage Increases Within Next Year*</u> |
|--------------------------------|---|
| 0 | 8.00% |
| 5 | 4.00 |
| 10 | 4.50 |
| 15 | 5.00 |
| 20 | 4.50 |
| 25 | 4.00 |
| 30 | 3.50 |
| 35 | 3.50 |
| 40 | 3.50 |
| 45 | 3.50 |

* Salary Scale includes a General Wage Increase assumption of 3.0% per annum.

SALARY SCALE
 (From Table 5 Data)



NEW YORK FIRE DEPARTMENT PENSION FUND

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
(Cont'd)**

Table 6

Overtime

| <u>Years of Service</u> | <u>All Tiers Baseline</u> | <u>Tier I/II Dual Service</u> | <u>Tier I/II Dual Disability</u> | <u>Tier III Dual Service</u> | <u>Tier III Dual Disability</u> |
|--------------------------------|----------------------------------|--------------------------------------|---|-------------------------------------|--|
| 0 | 15.00% | 16.00% | 15.00% | 16.00% | 15.00% |
| 5 | 15.00 | 16.00 | 15.00 | 16.00 | 15.00 |
| 10 | 15.00 | 16.00 | 15.00 | 16.00 | 15.00 |
| 15 | 15.00 | 18.00 | 15.00 | 16.00 | 15.00 |
| 20 | 18.00 | 23.00 | 20.00 | 21.00 | 20.00 |
| 25 | 13.00 | 18.00 | 15.00 | 16.00 | 15.00 |
| 30 | 8.00 | 10.00 | 8.00 | 9.00 | 8.00 |
| 35 | 5.00 | 6.00 | 5.00 | 6.00 | 5.00 |
| 40 | 5.00 | 6.00 | 5.00 | 6.00 | 5.00 |
| 45 | 5.00 | 6.00 | 5.00 | 6.00 | 5.00 |

NEW YORK FIRE DEPARTMENT PENSION FUND

ACTIVE MEMBER VALUATION DATA

| <u>Valuation Date</u> | <u>Number</u> | <u>Annual Payroll⁽¹⁾</u> | <u>Annual Average Pay</u> | <u>Percentage Increase (Decrease) in Average Pay</u> |
|------------------------------|---------------|-------------------------------------|---------------------------|--|
| 6/30/99 | 11,477 | \$729,726,243 | \$63,582 | 5.6% |
| 6/30/00 | 11,492 | 741,486,584 | 64,522 | 1.5 |
| 6/30/01 | 11,333 | 799,232,008 | 70,523 | 9.3 |
| 6/30/02 | 11,271 | 789,694,432 | 70,064 | (0.7) |
| 6/30/03 | 10,860 | 748,763,008 | 68,947 | (1.6) |
| 6/30/04 | 11,239 | 804,974,081 | 71,623 | 3.9 |
| 6/30/04 (Lag) | 11,239 | 864,824,737 ⁽²⁾ | 76,948 | 11.6 ⁽³⁾ |
| 6/30/05 (Lag) | 11,470 | 908,261,197 | 79,186 | 2.9 |
| 6/30/06 (Lag) | 11,641 | 932,730,174 | 80,125 | 1.2 |
| 6/30/07 (Lag) | 11,528 | 1,000,383,326 | 86,779 | 8.3 |
| 6/30/08 (Lag) | 11,574 | 1,051,591,517 | 90,858 | 4.7 |
| 6/30/09 (Lag) | 11,460 | 1,079,682,340 | 94,213 | 3.7 |
| 6/30/10 (Lag) ⁽⁴⁾ | 11,080 | 1,138,187,795 | 102,725 | 9.0 |
| 6/30/11 (Lag) | 10,650 | 1,125,459,668 | 105,677 | 2.9 |
| 6/30/12 (Lag) | 10,267 | 1,106,113,386 | 107,735 | 1.9 |
| 6/30/13 (Lag) ⁽⁵⁾ | 10,182 | 1,099,785,552 | 108,013 | 0.3 |

⁽¹⁾ Annual Payroll was increased by a percentage to reflect overtime earnings, and, where applicable, adjusted to be consistent with collective bargaining agreements estimated to be achieved.

⁽²⁾ The annualized covered payroll under the One-Year Lag Methodology as of June 30, 2004 used for the Fiscal Year 2006 Employer Contributions differs from that used to compute Fiscal Year 2005 Employer Contributions due to changes in actuarial assumptions and updated information on labor contract settlements.

⁽³⁾ Increase from June 30, 2003.

⁽⁴⁾ Beginning with the June 30, 2010 (Lag) actuarial valuation, the annualized covered payroll is based on revised actuarial assumptions.

⁽⁵⁾ Preliminary.

NEW YORK FIRE DEPARTMENT PENSION FUND

SUMMARY OF PLAN MEMBERSHIP

As of the June 30, 2012 (Lag) and June 30, 2011 (Lag) actuarial valuations, the Plan's Membership consisted of:

| <u>Group</u> | <u>2012 (Lag)</u> | <u>2011 (Lag)</u> |
|--|-------------------|-------------------|
| Retirees and beneficiaries currently receiving benefits | 16,917 | 17,017 |
| Terminated vested members not yet receiving benefits | 30 | 30 |
| Other Inactives* | 12 | 16 |
| Active members | <u>10,267</u> | <u>10,650</u> |
| Total | <u>27,226</u> | <u>27,713</u> |

* Represents members who are no longer on payroll but not otherwise classified.

NEW YORK FIRE DEPARTMENT PENSION FUND

RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

(Dollar Amounts in Thousands)

| Year Ended | Added to Rolls | | Removed from Rolls | | Rolls End of Year | | % Increase In Annual Allowances |
|------------|----------------|----------------------------------|--------------------|-------------------|-------------------|----------------------------------|---------------------------------|
| | Number | Annual Allowances ⁽²⁾ | Number | Annual Allowances | Number | Annual Allowances ⁽¹⁾ | |
| 6/30/99 | 524 | \$40,336 | 558 | \$9,525 | 16,146 | \$457,102 | 7.2% |
| 6/30/00 | 576 | 31,757 | 559 | 10,724 | 16,163 | 478,136 | 4.6 |
| 6/30/01 | 599 | 81,850 | 607 | 11,301 | 16,155 | 548,685 | 14.8 |
| 6/30/02 | 1,123 | 56,005 | 563 | 13,109 | 16,715 | 591,581 | 7.8 |
| 6/30/03 | 1,310 | 79,286 | 616 | 15,236 | 17,409 | 655,631 | 10.8 |
| 6/30/04 | 619 | 47,404 | 569 | 15,596 | 17,459 | 687,439 | 4.9 |
| 6/30/05 | 725 | 51,588 | 741 | 23,571 | 17,443 | 715,456 | 4.1 |
| 6/30/06 | 756 | 55,146 | 714 | 21,538 | 17,485 | 749,064 | 4.7 |
| 6/30/07 | 777 | 71,664 | 783 | 26,221 | 17,479 | 794,507 | 6.1 |
| 6/30/08 | 616 | 62,100 | 691 | 23,260 | 17,404 | 833,347 | 4.9 |
| 6/30/09 | 476 | 49,098 | 617 | 20,248 | 17,263 | 862,197 | 3.5 |
| 6/30/10 | 556 | 54,884 | 679 | 25,161 | 17,140 | 891,920 | 3.4 |
| 6/30/11 | 653 | 64,844 | 776 | 35,553 | 17,017 | 921,210 | 3.3 |
| 6/30/12 | 538 | 58,289 | 638 | 26,380 | 16,917 | 953,119 | 3.5 |

(1) Allowances shown in table are those used in the actuarial valuation as of the Year Ended date and are not adjusted for anticipated changes due to finalization of benefit calculation or contract settlements.

(2) Balancing Item – Amounts shown include changes due to benefit finalization, changes in benefit type (e.g., Service to Accidental Disability), COLA increases and other changes.

NEW YORK FIRE DEPARTMENT PENSION FUND

STATUTORY VS. ACTUARIAL CONTRIBUTIONS

(Dollar Amounts in Thousands)

| <u>Fiscal Year Ended</u> | <u>Statutory Contribution</u> ⁽¹⁾ | <u>Actuarial Contribution</u> | <u>Employer Rate of Contribution</u> ⁽²⁾ |
|------------------------------|--|-----------------------------------|---|
| 6/30/00 | \$182,854 | \$182,854 | 25.058% |
| 6/30/01 | 241,311 | 298,897 | 32.544 |
| 6/30/02 | 302,318 | 346,220 | 37.826 |
| 6/30/03 | 316,967 | 389,502 | 40.138 |
| 6/30/04 | 392,693 | 427,660 | 52.446 |
| 6/30/05 | 489,508 | 518,398 | 60.810 |
| 6/30/06 | 608,771 | 608,771 | 69.774 |
| 6/30/07 | 683,193 | 683,193 | 74.537 |
| 6/30/08 | 780,202 | 780,202 | 82.608 |
| 6/30/09 | 843,751 | 843,751 | 83.238 |
| 6/30/10 | 874,331 | 874,331 | 82.491 |
| 6/30/11 | 890,706 | 890,706 | 82.248 |
| 6/30/12 | 976,895 | 976,895 | 84.990 |
| 6/30/13 | 962,173 | 962,173 | 85.154 |
| 6/30/14 | 969,956 | 969,956 | 87.986 |

⁽¹⁾ Represents total employer contributions accrued for fiscal year.

The Statutory Contributions for Fiscal Years 2001 and 2002 were computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

The Statutory Contributions for Fiscal Years 2003 through 2005 were computed in accordance with Chapter 278/02 which extended from five to ten years the phase-in period for the funding of the additional actuarial liabilities attributable to Chapter 125/00.

Beginning Fiscal Year 2006, the Statutory Contributions were computed using a One-Year Lag Methodology in accordance with Chapter 152/06 which also eliminated the use of ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities attributable to Chapter 125/00.

Beginning Fiscal Year 2012, the Statutory Contributions were computed in accordance with Chapter 3/13.

⁽²⁾ The Employer Rate of Contribution equals the Statutory Contributions as a percentage of the salaries of members who were on payroll or projected to be on payroll (under One-Year Lag Methodology) as of the preceding June 30 increased to reflect overtime earnings and adjusted, where applicable, to be consistent with collective bargaining agreements estimated to be achieved.

NEW YORK FIRE DEPARTMENT PENSION FUND

FUNDED STATUS BASED ON ENTRY AGE ACTUARIAL COST METHOD

(Dollar Amounts in Thousands)

This Schedule is being provided by the Actuary for the Plan to improve the transparency and decision usefulness of this financial report.

Prior to the June 30, 2010 (Lag) Actuarial Valuation, the Actuarial Cost Method (“ACM”) used to develop the funding requirements for the Plan was the Frozen Initial Liability (“FIL”) ACM. Under this ACM, following establishment of any Initial Unfunded Actuarial Accrued Liabilities (“UAAL”), actuarial gains and losses are financed over the working lifetimes of active participants and are not identified as separate UAAL.

The funding status and funding progress information provided in this Schedule has been prepared using the Entry Age ACM where the Actuarial Present Value (“APV”) of any obligations of the Plan not provided by the APV of Future Contributions (Employer and Employee), as determined under the Entry Age ACM, equals the Actuarial Accrued Liability (“AAL”). Under the Entry Age ACM, the UAAL equals the AAL minus the Actuarial Value of Assets.

| <u>Valuation Date</u> | <u>Actuarial Value of Assets</u> (a) | <u>Actuarial Accrued Liability (AAL)⁽¹⁾ – Entry Age</u> (b) | <u>Unfunded AAL (UAAL) – Entry Age</u> (b-a) | <u>Funded Ratio</u> (a/b) | <u>Covered Payroll</u> (c) | <u>UAAL as a Percentage of Covered Payroll</u> ((b-a)/c) |
|--|---|---|---|------------------------------|-------------------------------|---|
| June 30, 2013 (Lag) ^{(2),(3)} | \$9,144,587 | \$16,839,325 | \$7,694,738 | 54.3% | \$1,099,786 | 699.7% |
| June 30, 2012 (Lag) ⁽²⁾ | 8,520,769 | 16,358,108 | 7,837,339 | 52.1 | 1,106,113 | 708.5 |
| June 30, 2011 (Lag) ⁽²⁾ | 7,955,668 | 15,808,930 | 7,853,262 | 50.3 | 1,125,460 | 697.8 |
| June 30, 2010 (Lag) ⁽²⁾ | 7,392,656 | 15,349,598 | 7,956,942 | 48.2 | 1,138,188 | 699.1 |
| June 30, 2009 (Lag) | 7,304,758 | 12,864,974 | 5,560,216 | 56.8 | 1,079,682 | 515.0 |
| June 30, 2008 (Lag) | 6,942,992 | 12,313,206 | 5,370,214 | 56.4 | 1,051,592 | 510.7 |
| June 30, 2007 (Lag) | 6,459,130 | 11,731,140 | 5,272,010 | 55.1 | 1,000,383 | 527.0 |
| June 30, 2006 (Lag) | 6,174,111 | 11,061,482 | 4,887,371 | 55.8 | 932,730 | 524.0 |

Note: This schedule is based on actuarial assumptions used for determining Employer Contributions.

- (1) AAL includes the accrued liabilities attributable to the Variable Supplements Funds, net of their Actuarial Asset Values, if any.
- (2) Reflects revised actuarial assumptions and methods based on experience review, including an AIR assumption of 7.0% per annum, net of investment expenses.
- (3) Preliminary.

NEW YORK FIRE DEPARTMENT PENSION FUND
COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES
COVERED BY ACTUARIAL VALUE OF ASSETS
SOLVENCY TEST
(Dollar Amounts in Thousands)

Aggregate Accrued Liabilities for

| As of June 30 | Accumulated Member Contributions (A) | Current Retirants and Beneficiaries (B) | Active Members' Employer Financed Portion (C) | Actuarial Value of Assets (D) | Percentage of Actuarial Values Covered by Actuarial Value of Assets | | |
|------------------|---|--|--|-------------------------------------|---|------|-----|
| | | | | | (A) | (B) | (C) |
| 1999 | \$370,092 | \$4,005,134 | \$2,117,282 | \$6,179,799 | 100% | 100% | 85% |
| 2000 | 396,418 | 4,773,314 | 2,267,706 | 6,388,132 | 100 | 100 | 54 |
| 2001 | 446,921 | 4,939,847 | 2,467,328 | 6,525,746 | 100 | 100 | 46 |
| 2002 | 496,972 | 5,457,660 | 2,357,209 | 6,612,273 | 100 | 100 | 28 |
| 2003 | 537,841 | 6,159,223 | 2,026,273 | 6,441,534 | 100 | 96 | 0 |
| 2004 | 582,691 | 6,474,286 | 2,115,777 | 6,185,754 | 100 | 87 | 0 |
| 2004 (Lag) | 582,691 | 6,534,286 | 2,667,287 | 6,277,298 | 100 | 87 | 0 |
| 2005 (Lag) | 582,259 | 6,740,143 | 2,832,468 | 6,169,209 | 100 | 83 | 0 |
| 2006 (Lag) | 661,712 | 7,319,033 | 2,915,997 | 6,174,111 | 100 | 75 | 0 |
| 2007 (Lag) | 724,622 | 7,672,323 | 3,145,238 | 6,459,130 | 100 | 75 | 0 |
| 2008 (Lag) | 784,897 | 7,961,318 | 3,352,573 | 6,942,992 | 100 | 77 | 0 |
| 2009 (Lag) | 864,004 | 8,188,720 | 3,525,921 | 7,304,758 | 100 | 79 | 0 |
| 2010 (Lag) | 948,223 | 9,695,971 | 4,831,637 | 7,392,656 | 100 | 66 | 0 |
| 2011 (Lag) | 1,037,070 | 9,949,809 | 4,872,536 | 7,955,668 | 100 | 70 | 0 |
| 2012 (Lag) | 1,106,357 | 10,270,585 | 4,972,364 | 8,520,769 | 100 | 72 | 0 |

Also, see following "SOLVENCY TEST - NOTES."

NEW YORK FIRE DEPARTMENT PENSION FUND

COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES COVERED BY ACTUARIAL VALUE OF ASSETS

SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the Actuarial Value of Assets of the retirement system with the Aggregate Accrued Liabilities for:

- (A) Accumulated Member Contributions;
- (B) Current Retirants and Beneficiaries; and
- (C) Active Members' Employer Financed Portion.

The Aggregate Accrued Liabilities are the APV of projected benefits produced by the projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5 ("GASB 5").

This comparative summary allocated assets as if they were priority groups, somewhat similar to (but not identical to) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The values in the table are dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. The two most recent changes in assumptions and methods occurred in the June 30, 2004 (Lag) valuation used to compute the Employer Contributions for Fiscal Year 2006 and in the June 30, 2010 (Lag) valuation used to compute the Employer Contributions for Fiscal Year 2012. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. For the valuation dates shown in the table, the Actuarial Interest Rate and General Wage Increase assumptions were equal to 8.0% per annum, gross of expenses and 3.0% per annum, respectively, from the June 30, 1999 actuarial valuation through the June 30, 2009 (Lag) actuarial valuation. Beginning with the June 30, 2010 (Lag) actuarial valuation, the Actuarial Interest Rate assumption equals 7.0% per annum, net of investment expenses and the General Wage Increase assumption equals 3.0% per annum.

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

On-Going Funding of the Plan

Under the basic equation of pension funding, Contributions plus Investment Earnings pay for Benefits plus Expenses.

There are three major sources for financing those Benefits and Expenses paid from the Plan.

First, Member Contributions are established by statute and paid as percentages of member salaries.

Second, Investment Earnings reflect the rates of return achieved on the amounts of assets held in different asset classes in the Trust.

Third, Employer Contributions are determined by actuarial methodology to finance the Benefits payable by the Plan that are not provided by either Member Contributions or Investment Earnings and for the Administrative and Investment Expenses of the Plan.

This actuarial methodology includes demographic and certain tabular assumptions proposed by the Actuary and adopted by the Board of Trustees, and certain economic assumptions and financing methods proposed by the Actuary, supported by the Board of Trustees and, where required, enacted into law by the New York State Legislature and Governor.

Employer Contributions are particularly responsive to Investment Earnings and increase (decrease) on a smoothed basis whenever Investment Earnings are less (more) than expected.

For example, during Fiscal Years 2001 to 2003, the Assets of the Plan decreased because they earned less than expected. Consequently, over the following several years, the actuarial methodology responded by increasing Employer Contributions in order to bring the overall financial status of the Plan back into balance.

The New York City Charter requires an independent actuary to conduct an experience review of the Plan every two years. The Actuary utilizes this information and regularly proposes changes in actuarial assumptions and methods, most recently during Fiscal Year 2012.

The most recent changes, approved by the Board of Trustees and implemented during Fiscal Year 2012, include: (1) updated demographic assumptions, (2) updated economic assumptions, (3) employing the Entry Age Actuarial Cost Method, (4) establishing Unfunded Actuarial Accrued Liabilities, their payment periods and payment methods, (5) resetting of the Actuarial Asset Value to Market Value (i.e., "Market Value Restart") as of June 30, 2011 and (6) defining the AAV as of June 30, 2010 to recognize Fiscal Year 2011 investment performance.

The ongoing process of actuarial rebalancing and periodic reviews of actuarial assumptions and methods by the Actuary and the Board of Trustees, coupled with a financially responsible, long-duration employer like the City of New York (the "City") that can afford some variability of Employer Contributions, help provide financial security for the Plan and its participants and reasonable intergenerational budget equity for taxpayers.

With the City that has always paid and is expected to continue to pay the statutorily-required Employer Contributions as calculated by the Actuary and approved by the Board of Trustees, changes in Employer Contributions represent the source for rebalancing the basic equation of pension funding.

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Other Measures of Funded Status

Measures of Funded Status of the Plan are determined at specific points in time and are usually expressed in various relationships of Assets to Obligations. Assets as percentages of Obligations are referred to as Funded Ratios.

Comparisons of Funded Status over time provide insight into the evolving financial condition of the Plan.

The Other Measures of Funded Status presented herein provide different perspectives of the financial condition of the Plan and comparisons amongst these Other Measures of Funded Status can prove insightful.

As noted, there are multiple, possible definitions of the Plan's Assets and Obligations. Some of these definitions of and comments on Assets and Obligations are set forth immediately hereafter. Additional observations about the meanings and usefulness of and the relationships amongst certain of the Funded Ratios are provided following the Table of Funded Ratios.

Definition of and Comments on Assets

With respect to Assets, both the Market Value of Assets ("MVA") and the Actuarial Value of Assets (or Actuarial Asset Value ("AAV")) are used to determine Funded Ratios.

In the case of the Plan, the AAVM currently in use provides for smoothing of the MVA by phasing any Unexpected Investment Returns (i.e., Investment Earnings greater or less than those expected under the actuarial interest rate assumption used each year) into the AAV over a period of six years.

The advantage of using MVA is that it represents the fair value of the Assets of the Plan at any point in time.

The advantage of using AAV is that it is smoothed to remove the volatility of MVA. The disadvantage of AAV is that it is not the fair value of Assets in the marketplace and, therefore, does not show the volatility of the Assets.

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

Definition of and Comments on Obligations

With respect to Obligations, the Actuarial Accrued Liability ("AAL") under any particular Actuarial Cost Method ("ACM") is that portion of the APV of projected benefits which is not provided by future normal costs (employer and employee).

With respect to the Plan, where, prior to Fiscal Year 2012, the ACM was the Frozen Initial Liability ("FIL") ACM, the AAL mathematically can be recast as the Unfunded AAL ("UAAL") plus the AAV. To the extent that the UAAL does not change much year to year, then the related AAL remains relatively consistent in value with the AAV each year.

With respect to the ongoing funding of the Plan, the use of the FIL ACM provided for amortizing actuarial gains and losses over the future working lifetimes of active employees. As used by the Plan, the FIL ACM generally resulted in funding that was more conservative (i.e., greater Employer Contributions) than that of most other Public Pension Plans.

The Entry Age Accrued Liability ("EAAL") is defined as the APV of projected benefits less the sum of the APV of future employee contributions and the APV of future employer Entry Age Normal Costs and is a required disclosure under Governmental Accounting Standards Board ("GASB") Statement Number 67 ("GASB67") and GASB Statement Number 68 ("GASB68").

The EAAL is also a required disclosure in accordance with GASB Statement Number 43 ("GASB 43") and GASB Statement Number 45 ("GASB 45") for Other Post-Employment Benefits ("OPEB") whose UAAL are determined under the Aggregate ACM.

In accordance with GASB Statement Number 50 ("GASB 50"), beginning with Fiscal Year 2009, the EAAL is a required disclosure for Public Pension Plans that determine employer contributions using the Aggregate ACM.

The Entry Age ACM is the most-commonly utilized ACM for funding Public Pension Plans.

Beginning with the June 30, 2010 (Lag) actuarial valuation (i.e., Fiscal Year 2012 Employer Contributions), the Entry Age ACM is being used for the on-going funding of the Plan.

The Projected Benefit Obligation ("PBO") is defined as the proportion of APV of all benefits attributed by the Plan's benefit formula to employee service rendered prior to the valuation date. The PBO was required reporting under GASB Statement Number 5 ("GASB 5") prior to its replacement by GASB 25 and GASB 27.

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

The Accumulated Benefit Obligation (“ABO”) is determined in a manner somewhat comparable to the PBO but using only salaries prior to the valuation date (i.e. assuming no future salaries or future salary increases).

The Market Value Accumulated Benefit Obligation (“MVABO”) is determined in the same manner as an ABO using the same actuarial assumptions except that projected benefit payments are discounted using annual yields on U.S. Treasury securities of like duration. The MVABO is sometimes described as a Mark-to-Market measure of Obligations or a Market Value of Liabilities (“MVL”).

NEW YORK FIRE DEPARTMENT PENSION FUND

**ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)**

Table of Asset and Obligation Values

The following table presents the values of Assets and Obligations used to calculate alternative Funded Ratios.

| Component Measures of Funded Status | | | | | | | | | |
|-------------------------------------|---------------------------------|---|---|--|--|--|---|---------------------------------------|---|
| (Dollar Amounts in Millions) | | | | | | | | | |
| Valuation Date June 30, | Market Value of Assets (MVA) | Actuarial Asset Value (AAV) ⁽¹⁾ | Actuarial Accrued Liability (AAL) ⁽²⁾ | Entry Age Accrued Liability (EAAL) ⁽³⁾ | Projected Benefit Obligation (PBO) ⁽⁴⁾ | Accumulated Benefit Obligation (ABO) ⁽⁵⁾ | Market Value Accumulated Benefit Obligation (MVABO) ⁽⁶⁾ | MVABO Equiv. Discount Yield Per Annum | MVABO Weighted Average Duration (Years) |
| 1999 | \$6,179.8 | \$6,179.8 | \$6,328.7 | \$6,321.5 | \$6,492.5 | \$5,938.1 | \$7,248.6 | 6.0% | 10.6 |
| 2000 | 6,419.6 | 6,388.1 | 6,530.6 | 7,284.3 | 7,437.4 | 6,961.3 | 8,482.9 | 6.0 | 11.0 |
| 2001 | 5,690.8 | 6,525.7 | 6,660.8 | 7,707.3 | 7,854.1 | 7,213.2 | 9,111.2 | 5.7 | 10.8 |
| 2002 | 4,878.4 | 6,612.3 | 6,738.7 | 8,218.5 | 8,311.8 | 7,791.7 | 9,821.4 | 5.7 | 10.3 |
| 2003 | 4,859.6 | 6,441.5 | 6,558.0 | 8,697.9 | 8,723.3 | 8,306.4 | 11,902.2 | 4.6 | 11.2 |
| 2004 | 5,351.2 | 6,185.8 | 6,290.9 | 9,200.4 | 9,172.8 | 8,687.5 | 11,180.4 | 5.5 | 10.6 |
| 2004 (Lag) ⁽⁵⁾ | 5,351.2 | 6,277.3 | 6,382.5 | 9,817.1 | 9,784.3 | 9,109.5 | 11,660.7 | 5.5 | 10.6 |
| 2005 (Lag) | 5,661.6 | 6,169.2 | 6,261.6 | 10,236.4 | 10,154.9 | 9,480.5 | 14,156.3 | 4.2 | 12.4 |
| 2006 (Lag) | 6,165.3 | 6,174.1 | 6,252.0 | 11,061.5 | 10,896.7 | 10,381.4 | 13,477.5 | 5.4 | 11.5 |
| 2007 (Lag) | 7,202.7 | 6,459.1 | 6,520.7 | 11,731.1 | 11,542.2 | 10,900.9 | 14,429.6 | 5.2 | 11.6 |
| 2008 (Lag) | 6,817.3 | 6,943.0 | 6,986.2 | 12,313.2 | 12,098.8 | 11,493.4 | 16,649.7 | 4.5 | 11.9 |
| 2009 (Lag) | 5,576.8 | 7,304.8 | 7,327.6 | 12,865.0 | 12,578.6 | 12,011.9 | 18,140.4 | 4.1 | 12.1 |
| 2010 (Lag) ⁽⁶⁾ | 6,438.8 | 7,392.7 | 15,349.6 | 15,349.6 | 15,475.8 | 14,576.3 | 22,243.5 | 3.7 | 13.2 |
| 2011 (Lag) | 7,955.7 | 7,955.7 | 15,808.9 | 15,808.9 | 15,859.4 | 15,164.9 | 21,910.6 | 4.1 | 12.5 |
| 2012 (Lag) | 8,124.7 | 8,520.8 | 16,358.1 | 16,358.1 | 16,349.3 | 15,714.9 | 28,829.7 | 2.4 | 14.6 |
| 2013 (Lag) ⁽⁷⁾ | 9,127.2 | 9,144.6 | 16,839.3 | 16,839.3 | 16,777.5 | 16,203.9 | 26,197.1 | 3.2 | 13.5 |

See footnotes on next page.

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

- ⁽¹⁾ The AAV used for the June 30, 1999 to June 30, 2009 actuarial valuations assumes the AAV was reset to MVA as of June 30, 1999. As of each June 30 thereafter, the AAV recognizes Investment Returns greater or less than expected over a period of five years (six years beginning with the June 30, 2004 (Lag) actuarial valuation). The AAV used for June 30, 2010 and after assumes the AAV was reset to MVA as of June 30, 2011 with the June 30, 2010 AAV defined to recognize Fiscal Year 2011 investment performance and the June 30, 2012 and after AAV recognizing Investment Returns greater or less than expected over a period of six years.
- ⁽²⁾ Calculated in accordance with the Actuarial Cost Method and actuarial assumptions used for determining Employer Contributions.
- ⁽³⁾ Calculated based on actuarial assumptions used for determining Employer Contributions. Prior to the June 30, 2010 (Lag) actuarial valuation, the ABO and PBO do not include accrued liabilities attributable to the Variable Supplements Funds, net of the AAV, if any.
- ⁽⁴⁾ Calculated based on actuarial assumptions used for determining Employer Contributions except that projected benefit payments are discounted using annual yields derived from U.S. Treasury Spot Rates as published by the U.S. Department of the Treasury Office of Thrift Supervision ("OTS") in its Selected Asset and Liability Price Tables. For June 30, 2012 and after, these Spot Yields are based on OTS methodology as provided by the U.S. Department of Treasury. Also shown are the related MVABO Equivalent Discount Yield and the MVABO Weighted Average Duration. Prior to the June 30, 2010 (Lag) actuarial valuation, the MVABO does not include accrued liabilities attributable to the Variable Supplements Funds, net of their AAV, if any.
- ⁽⁵⁾ Beginning with the June 30, 2004 (Lag) actuarial valuation, figures are based on the revised actuarial assumptions and methods used to develop Fiscal Year 2006 employer contributions.
- ⁽⁶⁾ Beginning with the June 30, 2010 (Lag) actuarial valuation, figures are based on the revised actuarial assumptions and methods used to develop Fiscal Year 2012 employer contributions, including the EAACM and an AIR assumption of 7.0% per annum, net of investment expenses.
- ⁽⁷⁾ Preliminary.

NEW YORK FIRE DEPARTMENT PENSION FUND

**ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)**

Table of Funded Ratios

The following table presents alternative Funded Ratios comparing Assets to Obligations, including: (1) AAV divided by AAL, (2) AAV divided by EAAL, (3) MVA divided by EAAL, (4) AAV divided by PBO, (5) MVA divided by PBO, (6) AAV divided by ABO, (7) MVA divided by ABO and (8) MVA divided by MVABO.

| Funded Ratios | | | | | | | | |
|----------------|---------|----------|----------|---------|---------|---------|---------|-----------|
| Valuation Date | AAV/AAL | AAV/EAAL | MVA/EAAL | AAV/PBO | MVA/PBO | AAV/ABO | MVA/ABO | MVA/MVABO |
| 6/30/99 | 98% | 98% | 98% | 95% | 95% | 104% | 104% | 85% |
| 6/30/00 | 98 | 88 | 88 | 86 | 86 | 92 | 92 | 76 |
| 6/30/01 | 98 | 85 | 74 | 83 | 72 | 90 | 79 | 62 |
| 6/30/02 | 98 | 80 | 59 | 80 | 59 | 85 | 63 | 50 |
| 6/30/03 | 98 | 74 | 56 | 74 | 56 | 78 | 59 | 41 |
| 6/30/04 | 98 | 67 | 58 | 67 | 58 | 71 | 62 | 48 |
| 6/30/04 (Lag) | 98 | 64 | 55 | 64 | 55 | 69 | 59 | 46 |
| 6/30/05 (Lag) | 99 | 60 | 55 | 61 | 56 | 65 | 60 | 40 |
| 6/30/06 (Lag) | 99 | 56 | 56 | 57 | 57 | 59 | 59 | 46 |
| 6/30/07 (Lag) | 99 | 55 | 61 | 56 | 62 | 59 | 66 | 50 |
| 6/30/08 (Lag) | 99 | 56 | 55 | 57 | 56 | 60 | 59 | 41 |
| 6/30/09 (Lag) | 100 | 57 | 43 | 58 | 44 | 61 | 46 | 31 |
| 6/30/10 (Lag) | 48 | 48 | 42 | 48 | 42 | 51 | 44 | 29 |
| 6/30/11 (Lag) | 50 | 50 | 50 | 50 | 50 | 52 | 52 | 36 |
| 6/30/12 (Lag) | 52 | 52 | 50 | 52 | 50 | 54 | 52 | 28 |
| 6/30/13 (Lag) | 54 | 54 | 54 | 55 | 54 | 56 | 56 | 35 |

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Comments on Funded Ratios and Funding Methodology

With respect to the different Funded Ratios shown in the preceding table, the ratio of AAV/AAL is from the Schedule of Funding Progress (Schedule 1) presented in the Financial Section of this CAFR.

Due to the mathematics of the FIL ACM where AAL equals AAV plus UAAL, the AAV/AAL Funded Ratios prior to Fiscal Year 2012 tended to remain relatively constant from year to year and provided limited insight into the ongoing financial performance of the Plan.

The Other Measures of Funded Status shown in the preceding table provide different relationships between the Assets and Obligations of the Plan and are designed to offer additional insight into the Funded Status of the Plan that the Actuary believes useful to some users.

The ratios of AAV/EAAL reflect information that is now a required disclosure for certain Public Pension Plans that utilize the Aggregate ACM. This requirement also exists for certain OPEB plans under GASB 43 and GASB 45.

The ratio of MVA/EAAL is a required disclosure for certain Public Pension Plans under GASB67 and GASB68.

The ratios of AAV/PBO present information that was previously required under GASB 5 and is a comparable but somewhat different representation of the information shown in the Solvency Test presented earlier in this Section of the CAFR.

The ratios of MVA/MVABO provide information on Funded Status that is (1) independent of the asset allocation of the Plan, (2) exclusive of any advance recognition of expected asset risk premia (e.g., equity risk premium) and (3) absent any smoothing of asset values.

Inherent in its design, the MVA/MVABO Funded Ratio is expected to be volatile due to the impact of asset gains and losses without smoothing and the impact of changes in interest rates in the economy. Such volatility is a reflection of markets and can provide useful disclosure information. However, such volatility is not consistent with the needs of budgeting. Those budgeting needs are met by the actuarial assumptions and ACM in use to determine Employer Contributions.

Comparing the MVA/EAAL to AAV/EAAL, MVA/PBO to AAV/PBO or MVA/ABO to AAV/ABO provides an opportunity to evaluate the degree of smoothing provided by the Actuarial Asset Valuation Method.

NEW YORK FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

(Cont'd)

Comparing Funded Ratios based on the same Assets (i.e., MVA or AAV) but different definitions of Obligations (e.g., EAAL versus PBO versus ABO) provides an opportunity to evaluate the differences in those different definitions of Obligations.

Comparing AAV/PBO with AAV/ABO provides insight into the impact of expected salary growth on the value of benefits earned to date.

Comparing MVA/ABO with MVA/MVABO provides an opportunity to compare the impact of alternative interest rates on discounting the ABO.

Note: While the EAAL includes the AAL (net of AAV) for the Variable Supplements Funds where the ABO, PBO and MVABO do not, the difference due to this inconsistency is minor.

It should also be noted that Measures of Funded Status are best examined with more consideration of their trends over time than their values at any given point in time.

Finally, over time, it should be noted that as the City pays into the Plan the actuarially-determined Employer Contributions, all Funded Ratios can be expected to increase from their current levels.

NEW YORK FIRE DEPARTMENT PENSION FUND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014

ACKNOWLEDGEMENT OF QUALIFICATION

I, Robert C. North, Jr., am the Acting Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Robert C. North, Jr., FSA, FSPA, FCA, MAAA, EA
Acting Chief Actuary
New York City Retirement Systems
December 12, 2014

New York City Fire Pension Funds
Comprehensive Annual Financial Report
A Pension Trust Fund of The City of New York



Appendix A

Census Data for Active Members

As of June 30, 2014

about 1900 with the first year

of the first year of the first year

of the first year of the first year



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1900

1900

1900

**NEW YORK FIRE DEPARTMENT PENSION FUND
DATA USED IN THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
FOR DETERMINING FINAL FISCAL YEAR 2014 EMPLOYER CONTRIBUTIONS**

MALES

| AGE \ SVC | UNDER 5 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & UP | ALL YEARS |
|----------------|------------|--------------|--------------|--------------|--------------|------------|------------|-----------|----------|---------------|
| NUMBER: | | | | | | | | | | |
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 264 | 498 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 763 |
| 30 TO 34 | 288 | 1,438 | 406 | 6 | 0 | 0 | 0 | 0 | 0 | 2,138 |
| 35 TO 39 | 91 | 1,006 | 885 | 233 | 2 | 0 | 0 | 0 | 0 | 2,217 |
| 40 TO 44 | 3 | 239 | 788 | 698 | 198 | 1 | 0 | 0 | 0 | 1,927 |
| 45 TO 49 | 0 | 4 | 314 | 610 | 484 | 215 | 1 | 0 | 0 | 1,628 |
| 50 TO 54 | 0 | 1 | 5 | 158 | 310 | 363 | 158 | 0 | 0 | 995 |
| 55 TO 59 | 0 | 0 | 2 | 2 | 67 | 145 | 236 | 12 | 0 | 464 |
| 60 TO 64 | 0 | 1 | 0 | 3 | 2 | 13 | 47 | 17 | 7 | 90 |
| 65 TO 69 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 |
| 70 & UP | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 646 | 3,187 | 2,401 | 1,711 | 1,063 | 738 | 442 | 29 | 8 | 10,225 |

| | | | | | | | | | | |
|---------------------------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|--------------|--------------|------------------|
| SALARIES (IN THOUSANDS): | | | | | | | | | | |
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 16,879 | 48,256 | 101 | 0 | 0 | 0 | 0 | 0 | 0 | 65,236 |
| 30 TO 34 | 18,421 | 141,949 | 42,373 | 637 | 0 | 0 | 0 | 0 | 0 | 203,381 |
| 35 TO 39 | 6,010 | 101,299 | 93,707 | 26,429 | 205 | 0 | 0 | 0 | 0 | 227,651 |
| 40 TO 44 | 232 | 24,217 | 83,931 | 82,119 | 24,994 | 127 | 0 | 0 | 0 | 215,620 |
| 45 TO 49 | 0 | 447 | 33,229 | 70,953 | 60,690 | 28,169 | 125 | 0 | 0 | 193,614 |
| 50 TO 54 | 0 | 144 | 575 | 18,154 | 37,417 | 45,514 | 21,923 | 0 | 0 | 123,727 |
| 55 TO 59 | 0 | 0 | 276 | 250 | 7,726 | 17,368 | 32,400 | 1,789 | 0 | 59,808 |
| 60 TO 64 | 0 | 144 | 0 | 438 | 294 | 1,503 | 6,401 | 2,443 | 980 | 12,203 |
| 65 TO 69 | 0 | 0 | 0 | 0 | 0 | 148 | 0 | 0 | 205 | 353 |
| 70 & UP | 0 | 0 | 0 | 147 | 0 | 0 | 0 | 0 | 0 | 147 |
| TOTAL * | 41,543 | 316,457 | 254,192 | 199,127 | 131,326 | 92,829 | 60,849 | 4,232 | 1,185 | 1,101,740 |

| | | | | | | | | | | |
|-----------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| AVERAGE SALARIES: ** | | | | | | | | | | |
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 63,937 | 96,900 | 100,600 | 0 | 0 | 0 | 0 | 0 | 0 | 85,500 |
| 30 TO 34 | 63,963 | 98,713 | 104,367 | 106,243 | 0 | 0 | 0 | 0 | 0 | 95,127 |
| 35 TO 39 | 66,049 | 100,695 | 105,884 | 113,431 | 102,497 | 0 | 0 | 0 | 0 | 102,684 |
| 40 TO 44 | 77,361 | 101,326 | 106,511 | 117,649 | 126,232 | 126,974 | 0 | 0 | 0 | 111,894 |
| 45 TO 49 | 0 | 111,649 | 105,826 | 116,317 | 125,393 | 131,020 | 124,692 | 0 | 0 | 118,927 |
| 50 TO 54 | 0 | 144,470 | 114,973 | 114,897 | 120,699 | 125,383 | 138,755 | 0 | 0 | 124,349 |
| 55 TO 59 | 0 | 0 | 137,961 | 125,247 | 115,307 | 119,777 | 137,289 | 149,048 | 0 | 128,897 |
| 60 TO 64 | 0 | 144,470 | 0 | 145,861 | 147,079 | 115,642 | 136,188 | 143,724 | 139,938 | 135,592 |
| 65 TO 69 | 0 | 0 | 0 | 0 | 0 | 147,600 | 0 | 0 | 205,180 | 176,390 |
| 70 & UP | 0 | 0 | 0 | 146,557 | 0 | 0 | 0 | 0 | 0 | 146,557 |
| TOTAL | 64,309 | 99,296 | 105,869 | 116,381 | 123,543 | 125,784 | 137,667 | 145,927 | 148,093 | 107,750 |

Note: Age is last birthday. Service is completed years.
* Total may not add up due to rounding.
** Average based on unrounded salary.

**NEW YORK FIRE DEPARTMENT PENSION FUND
DATA USED IN THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
FOR DETERMINING FINAL FISCAL YEAR 2014 EMPLOYER CONTRIBUTIONS**

FEMALES

| AGE \ SVC | UNDER 5 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & UP | ALL YEARS |
|----------------|----------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|
| NUMBER: | | | | | | | | | | |
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 30 TO 34 | 3 | 7 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| 35 TO 39 | 3 | 6 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| 40 TO 44 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 5 |
| 45 TO 49 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| 50 TO 54 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| 55 TO 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 TO 64 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 2 |
| 65 TO 69 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 70 & UP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL: | 7 | 16 | 13 | 3 | 1 | 0 | 2 | 0 | 0 | 42 |

| SALARIES (IN THOUSANDS): | | | | | | | | | | |
|---------------------------------|------------|--------------|--------------|------------|------------|----------|------------|----------|----------|--------------|
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 0 | 202 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 202 |
| 30 TO 34 | 191 | 623 | 515 | 0 | 0 | 0 | 0 | 0 | 0 | 1,328 |
| 35 TO 39 | 191 | 614 | 402 | 0 | 0 | 0 | 0 | 0 | 0 | 1,206 |
| 40 TO 44 | 0 | 101 | 378 | 132 | 0 | 0 | 0 | 0 | 0 | 610 |
| 45 TO 49 | 0 | 0 | 0 | 264 | 0 | 0 | 0 | 0 | 0 | 264 |
| 50 TO 54 | 119 | 0 | 0 | 0 | 166 | 0 | 0 | 0 | 0 | 285 |
| 55 TO 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 TO 64 | 0 | 0 | 0 | 0 | 0 | 0 | 331 | 0 | 0 | 331 |
| 65 TO 69 | 0 | 0 | 146 | 0 | 0 | 0 | 0 | 0 | 0 | 146 |
| 70 & UP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL: | 501 | 1,539 | 1,440 | 396 | 166 | 0 | 331 | 0 | 0 | 4,374 |

| AVERAGE SALARIES: ** | | | | | | | | | | |
|-----------------------------|---------------|---------------|----------------|----------------|----------------|----------|----------------|----------|----------|----------------|
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 0 | 100,904 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100,904 |
| 30 TO 34 | 63,679 | 88,930 | 102,964 | 0 | 0 | 0 | 0 | 0 | 0 | 88,558 |
| 35 TO 39 | 63,530 | 102,296 | 100,529 | 0 | 0 | 0 | 0 | 0 | 0 | 92,806 |
| 40 TO 44 | 0 | 100,918 | 125,898 | 131,555 | 0 | 0 | 0 | 0 | 0 | 122,033 |
| 45 TO 49 | 0 | 0 | 0 | 132,190 | 0 | 0 | 0 | 0 | 0 | 132,190 |
| 50 TO 54 | 119,091 | 0 | 0 | 0 | 166,317 | 0 | 0 | 0 | 0 | 142,704 |
| 55 TO 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 TO 64 | 0 | 0 | 0 | 0 | 0 | 0 | 165,736 | 0 | 0 | 165,736 |
| 65 TO 69 | 0 | 0 | 145,513 | 0 | 0 | 0 | 0 | 0 | 0 | 145,513 |
| 70 & UP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL: | 71,531 | 96,188 | 110,780 | 131,978 | 166,317 | 0 | 165,736 | 0 | 0 | 104,133 |

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on unrounded salary.

**NEW YORK FIRE DEPARTMENT PENSION FUND
DATA USED IN THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
FOR DETERMINING FINAL FISCAL YEAR 2014 EMPLOYER CONTRIBUTIONS**

MALES AND FEMALES

| AGE \ SVC | UNDER 5 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & UP | ALL YEARS |
|----------------|------------|--------------|--------------|--------------|--------------|------------|------------|-----------|----------|---------------|
| NUMBER: | | | | | | | | | | |
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 264 | 500 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 765 |
| 30 TO 34 | 291 | 1,445 | 411 | 6 | 0 | 0 | 0 | 0 | 0 | 2,153 |
| 35 TO 39 | 94 | 1,012 | 889 | 233 | 2 | 0 | 0 | 0 | 0 | 2,230 |
| 40 TO 44 | 3 | 240 | 791 | 699 | 198 | 1 | 0 | 0 | 0 | 1,932 |
| 45 TO 49 | 0 | 4 | 314 | 612 | 484 | 215 | 1 | 0 | 0 | 1,630 |
| 50 TO 54 | 1 | 1 | 5 | 158 | 311 | 363 | 158 | 0 | 0 | 997 |
| 55 TO 59 | 0 | 0 | 2 | 2 | 67 | 145 | 236 | 12 | 0 | 464 |
| 60 TO 64 | 0 | 1 | 0 | 3 | 2 | 13 | 49 | 17 | 7 | 92 |
| 65 TO 69 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 3 |
| 70 & UP | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 653 | 3,203 | 2,414 | 1,714 | 1,064 | 738 | 444 | 29 | 8 | 10,267 |

SALARIES (IN THOUSANDS):

| | | | | | | | | | | |
|----------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|--------------|--------------|------------------|
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 16,879 | 48,458 | 101 | 0 | 0 | 0 | 0 | 0 | 0 | 65,438 |
| 30 TO 34 | 18,612 | 142,572 | 42,888 | 637 | 0 | 0 | 0 | 0 | 0 | 204,710 |
| 35 TO 39 | 6,201 | 101,913 | 94,109 | 26,429 | 205 | 0 | 0 | 0 | 0 | 228,858 |
| 40 TO 44 | 232 | 24,318 | 84,309 | 82,250 | 24,994 | 127 | 0 | 0 | 0 | 216,230 |
| 45 TO 49 | 0 | 447 | 33,229 | 71,218 | 60,690 | 28,169 | 125 | 0 | 0 | 193,878 |
| 50 TO 54 | 119 | 144 | 575 | 18,154 | 37,583 | 45,514 | 21,923 | 0 | 0 | 124,012 |
| 55 TO 59 | 0 | 0 | 276 | 250 | 7,726 | 17,368 | 32,400 | 1,789 | 0 | 59,808 |
| 60 TO 64 | 0 | 144 | 0 | 438 | 294 | 1,503 | 6,732 | 2,443 | 980 | 12,535 |
| 65 TO 69 | 0 | 0 | 146 | 0 | 0 | 148 | 0 | 0 | 205 | 498 |
| 70 & UP | 0 | 0 | 0 | 147 | 0 | 0 | 0 | 0 | 0 | 147 |
| TOTAL * | 42,044 | 317,996 | 255,632 | 199,523 | 131,492 | 92,829 | 61,180 | 4,232 | 1,185 | 1,106,113 |

AVERAGE SALARIES: **

| | | | | | | | | | | |
|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| UNDER 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 TO 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 TO 29 | 63,937 | 96,916 | 100,600 | 0 | 0 | 0 | 0 | 0 | 0 | 85,540 |
| 30 TO 34 | 63,960 | 98,666 | 104,350 | 106,243 | 0 | 0 | 0 | 0 | 0 | 95,081 |
| 35 TO 39 | 65,969 | 100,704 | 105,860 | 113,431 | 102,497 | 0 | 0 | 0 | 0 | 102,627 |
| 40 TO 44 | 77,361 | 101,324 | 106,585 | 117,669 | 126,232 | 126,974 | 0 | 0 | 0 | 111,920 |
| 45 TO 49 | 0 | 111,649 | 105,826 | 116,369 | 125,393 | 131,020 | 124,692 | 0 | 0 | 118,944 |
| 50 TO 54 | 119,091 | 144,470 | 114,973 | 114,897 | 120,846 | 125,383 | 138,755 | 0 | 0 | 124,386 |
| 55 TO 59 | 0 | 0 | 137,961 | 125,247 | 115,307 | 119,777 | 137,289 | 149,048 | 0 | 128,897 |
| 60 TO 64 | 0 | 144,470 | 0 | 145,861 | 147,079 | 115,642 | 137,394 | 143,724 | 139,938 | 136,247 |
| 65 TO 69 | 0 | 0 | 145,513 | 0 | 0 | 147,600 | 0 | 0 | 205,180 | 166,098 |
| 70 & UP | 0 | 0 | 0 | 146,557 | 0 | 0 | 0 | 0 | 0 | 146,557 |
| TOTAL | 64,386 | 99,281 | 105,896 | 116,408 | 123,583 | 125,784 | 137,794 | 145,927 | 148,093 | 107,735 |

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on unrounded salary.

MEMORANDUM FOR THE RECORD

SUBJECT: [Illegible]

[Illegible]

| DATE | TIME | LOCATION | PERSONS | DESCRIPTION | REMARKS | INITIALS | SIGNATURE | TITLE | AGENCY | REFERENCE |
|----------|-------|-----------|---------|-------------|---------|----------|-----------|-------|--------|-----------|
| 10/15/50 | 10:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 11:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 12:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 13:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 14:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 15:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 16:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 17:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 18:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 19:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 20:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 21:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 22:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 23:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 00:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |

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| DATE | TIME | LOCATION | PERSONS | DESCRIPTION | REMARKS | INITIALS | SIGNATURE | TITLE | AGENCY | REFERENCE |
|----------|-------|-----------|---------|-------------|---------|----------|-----------|-------|--------|-----------|
| 10/15/50 | 01:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 02:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 03:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 04:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 05:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 06:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 07:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 08:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 09:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 10:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 11:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 12:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 13:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 14:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 15:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 16:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 17:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 18:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 19:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 20:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 21:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 22:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 23:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |
| 10/15/50 | 00:00 | Room 5630 | ... | ... | ... | ... | ... | ... | ... | ... |

New York City Fire Pension Funds
Comprehensive Annual Financial Report
A Pension Trust Fund of The City of New York



Appendix B
Census Data for Pensioners
As of June 30, 2014

...the ...
...
...

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NEW YORK FIRE DEPARTMENT PENSION FUND
DATA USED IN THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
FOR DETERMINING FINAL FISCAL YEAR 2014 EMPLOYER CONTRIBUTIONS
SUMMARY OF PENSIONERS BY CAUSE AND GENDER

| AGE | MALE | | | FEMALE | | | BOTH MALE & FEMALE | | |
|-------------------------------|--------------|--------------------|---------------|-----------|------------------|---------------|--------------------|--------------------|---------------|
| | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE |
| ACCIDENTAL DISABILITY: | | | | | | | | | |
| UNDER 30 | 1 | 68,430 | 68,430 | 1 | 70,266 | 70,266 | 2 | 138,696 | 69,348 |
| 30 TO 34 | 22 | 1,578,249 | 71,739 | 0 | 0 | 0 | 22 | 1,578,249 | 71,739 |
| 35 TO 39 | 116 | 8,615,714 | 74,273 | 0 | 0 | 0 | 116 | 8,615,714 | 74,273 |
| 40 TO 44 | 418 | 32,234,718 | 77,117 | 2 | 150,527 | 75,264 | 420 | 32,385,245 | 77,108 |
| 45 TO 49 | 888 | 71,434,373 | 80,444 | 1 | 102,960 | 102,960 | 889 | 71,537,333 | 80,469 |
| 50 TO 54 | 1,432 | 121,164,070 | 84,612 | 4 | 358,775 | 89,694 | 1,436 | 121,522,845 | 84,626 |
| 55 TO 59 | 1,588 | 131,294,562 | 82,679 | 6 | 425,870 | 70,978 | 1,594 | 131,720,432 | 82,635 |
| 60 TO 64 | 936 | 72,336,473 | 77,283 | 6 | 447,024 | 74,504 | 942 | 72,783,497 | 77,265 |
| 65 TO 69 | 892 | 59,557,461 | 66,768 | 0 | 0 | 0 | 892 | 59,557,461 | 66,768 |
| 70 TO 74 | 1,001 | 56,713,449 | 56,657 | 0 | 0 | 0 | 1,001 | 56,713,449 | 56,657 |
| 75 TO 79 | 867 | 41,178,195 | 47,495 | 1 | 65,722 | 65,722 | 868 | 41,243,917 | 47,516 |
| 80 TO 84 | 447 | 20,534,348 | 45,938 | 0 | 0 | 0 | 447 | 20,534,348 | 45,938 |
| 85 TO 89 | 234 | 10,204,198 | 43,608 | 0 | 0 | 0 | 234 | 10,204,198 | 43,608 |
| 90 & UP | 80 | 3,316,785 | 41,460 | 0 | 0 | 0 | 80 | 3,316,785 | 41,460 |
| TOTAL | 8,922 | 630,231,025 | 70,638 | 21 | 1,621,144 | 77,197 | 8,943 | 631,852,169 | 70,653 |
| ORDINARY DISABILITY: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 TO 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 TO 39 | 3 | 71,212 | 23,737 | 0 | 0 | 0 | 3 | 71,212 | 23,737 |
| 40 TO 44 | 4 | 121,226 | 30,307 | 0 | 0 | 0 | 4 | 121,226 | 30,307 |
| 45 TO 49 | 14 | 429,819 | 30,701 | 0 | 0 | 0 | 14 | 429,819 | 30,701 |
| 50 TO 54 | 35 | 931,310 | 26,609 | 0 | 0 | 0 | 35 | 931,310 | 26,609 |
| 55 TO 59 | 46 | 1,125,003 | 24,457 | 1 | 28,176 | 28,176 | 47 | 1,153,179 | 24,536 |
| 60 TO 64 | 49 | 1,990,845 | 40,629 | 0 | 0 | 0 | 49 | 1,990,845 | 40,629 |
| 65 TO 69 | 80 | 5,315,848 | 66,448 | 0 | 0 | 0 | 80 | 5,315,848 | 66,448 |
| 70 TO 74 | 214 | 12,652,798 | 59,125 | 0 | 0 | 0 | 214 | 12,652,798 | 59,125 |
| 75 TO 79 | 233 | 12,390,710 | 53,179 | 0 | 0 | 0 | 233 | 12,390,710 | 53,179 |
| 80 TO 84 | 201 | 9,518,077 | 47,354 | 0 | 0 | 0 | 201 | 9,518,077 | 47,354 |
| 85 TO 89 | 117 | 5,383,638 | 46,014 | 0 | 0 | 0 | 117 | 5,383,638 | 46,014 |
| 90 & UP | 60 | 2,374,065 | 39,568 | 0 | 0 | 0 | 60 | 2,374,065 | 39,568 |
| TOTAL | 1,056 | 52,304,551 | 49,531 | 1 | 28,176 | 28,176 | 1,057 | 52,332,727 | 49,511 |
| SERVICE RETIREMENT: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 TO 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 TO 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 TO 44 | 11 | 635,007 | 57,728 | 0 | 0 | 0 | 11 | 635,007 | 57,728 |
| 45 TO 49 | 86 | 4,748,135 | 55,211 | 0 | 0 | 0 | 86 | 4,748,135 | 55,211 |
| 50 TO 54 | 370 | 19,412,059 | 52,465 | 1 | 46,241 | 46,241 | 371 | 19,458,300 | 52,448 |
| 55 TO 59 | 633 | 33,347,922 | 52,682 | 4 | 181,570 | 45,393 | 637 | 33,529,492 | 52,637 |
| 60 TO 64 | 568 | 27,921,586 | 49,158 | 2 | 65,339 | 32,670 | 570 | 27,986,925 | 49,100 |
| 65 TO 69 | 814 | 37,681,039 | 46,291 | 0 | 0 | 0 | 814 | 37,681,039 | 46,291 |
| 70 TO 74 | 1,062 | 42,825,521 | 40,325 | 1 | 33,968 | 33,968 | 1,063 | 42,859,489 | 40,319 |
| 75 TO 79 | 967 | 34,346,373 | 35,518 | 0 | 0 | 0 | 967 | 34,346,373 | 35,518 |
| 80 TO 84 | 587 | 19,714,744 | 33,586 | 0 | 0 | 0 | 587 | 19,714,744 | 33,586 |
| 85 TO 89 | 351 | 11,276,845 | 32,128 | 0 | 0 | 0 | 351 | 11,276,845 | 32,128 |
| 90 & UP | 189 | 5,552,065 | 29,376 | 0 | 0 | 0 | 189 | 5,552,065 | 29,376 |
| TOTAL | 5,638 | 237,461,296 | 42,118 | 8 | 327,118 | 40,890 | 5,646 | 237,788,414 | 42,116 |

NEW YORK FIRE DEPARTMENT PENSION FUND
DATA USED IN THE JUNE 30, 2012 (LAG) ACTUARIAL VALUATION
FOR DETERMINING FINAL FISCAL YEAR 2014 EMPLOYER CONTRIBUTIONS
SUMMARY OF PENSIONERS BY CAUSE AND GENDER

| AGE | MALE | | | FEMALE | | | BOTH MALE & FEMALE | | |
|--|---------------|--------------------|---------------|--------------|-------------------|---------------|--------------------|--------------------|---------------|
| | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE |
| ACCIDENTAL DEATH: | | | | | | | | | |
| UNDER 30 | 2 | 58,282 | 29,141 | 3 | 142,523 | 47,508 | 5 | 200,805 | 40,161 |
| 30 TO 34 | 0 | 0 | 0 | 4 | 133,750 | 33,438 | 4 | 133,750 | 33,438 |
| 35 TO 39 | 0 | 0 | 0 | 34 | 1,208,453 | 35,543 | 34 | 1,208,453 | 35,543 |
| 40 TO 44 | 0 | 0 | 0 | 71 | 2,627,704 | 37,010 | 71 | 2,627,704 | 37,010 |
| 45 TO 49 | 0 | 0 | 0 | 98 | 3,815,603 | 38,935 | 98 | 3,815,603 | 38,935 |
| 50 TO 54 | 0 | 0 | 0 | 102 | 4,145,114 | 40,638 | 102 | 4,145,114 | 40,638 |
| 55 TO 59 | 0 | 0 | 0 | 73 | 3,016,864 | 41,327 | 73 | 3,016,864 | 41,327 |
| 60 TO 64 | 1 | 47,589 | 47,589 | 54 | 2,099,031 | 38,871 | 55 | 2,146,620 | 39,029 |
| 65 TO 69 | 0 | 0 | 0 | 41 | 1,417,485 | 34,573 | 41 | 1,417,485 | 34,573 |
| 70 TO 74 | 0 | 0 | 0 | 49 | 1,471,889 | 30,039 | 49 | 1,471,889 | 30,039 |
| 75 TO 79 | 0 | 0 | 0 | 46 | 1,247,976 | 27,130 | 46 | 1,247,976 | 27,130 |
| 80 TO 84 | 0 | 0 | 0 | 18 | 440,146 | 24,453 | 18 | 440,146 | 24,453 |
| 85 TO 89 | 0 | 0 | 0 | 15 | 402,173 | 26,812 | 15 | 402,173 | 26,812 |
| 90 & UP | 0 | 0 | 0 | 20 | 476,828 | 23,841 | 20 | 476,828 | 23,841 |
| TOTAL | 3 | 105,871 | 35,290 | 628 | 22,645,539 | 36,060 | 631 | 22,751,410 | 36,056 |
| OTHER BENEFICIARIES: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 3 | 181,209 | 60,403 | 3 | 181,209 | 60,403 |
| 30 TO 34 | 1 | 58,517 | 58,517 | 1 | 25,423 | 25,423 | 2 | 83,940 | 41,970 |
| 35 TO 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 TO 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 TO 49 | 0 | 0 | 0 | 5 | 236,407 | 47,281 | 5 | 236,407 | 47,281 |
| 50 TO 54 | 1 | 62,516 | 62,516 | 10 | 437,734 | 43,773 | 11 | 500,250 | 45,477 |
| 55 TO 59 | 0 | 0 | 0 | 15 | 506,713 | 33,781 | 15 | 506,713 | 33,781 |
| 60 TO 64 | 0 | 0 | 0 | 17 | 687,438 | 40,438 | 17 | 687,438 | 40,438 |
| 65 TO 69 | 0 | 0 | 0 | 34 | 1,147,807 | 33,759 | 34 | 1,147,807 | 33,759 |
| 70 TO 74 | 0 | 0 | 0 | 34 | 960,518 | 28,251 | 34 | 960,518 | 28,251 |
| 75 TO 79 | 0 | 0 | 0 | 47 | 931,016 | 19,809 | 47 | 931,016 | 19,809 |
| 80 TO 84 | 0 | 0 | 0 | 49 | 636,594 | 12,992 | 49 | 636,594 | 12,992 |
| 85 TO 89 | 0 | 0 | 0 | 111 | 1,033,564 | 9,311 | 111 | 1,033,564 | 9,311 |
| 90 & UP | 0 | 0 | 0 | 312 | 1,489,069 | 4,773 | 312 | 1,489,069 | 4,773 |
| TOTAL | 2 | 121,033 | 60,517 | 638 | 8,273,492 | 12,968 | 640 | 8,394,525 | 13,116 |
| ALL PENSIONERS AND BENEFICIARIES: | | | | | | | | | |
| UNDER 30 | 3 | 126,712 | 42,237 | 7 | 393,998 | 56,285 | 10 | 520,710 | 52,071 |
| 30 TO 34 | 23 | 1,636,766 | 71,164 | 5 | 159,173 | 31,835 | 28 | 1,795,939 | 64,141 |
| 35 TO 39 | 119 | 8,686,926 | 72,999 | 34 | 1,208,453 | 35,543 | 153 | 9,895,379 | 64,676 |
| 40 TO 44 | 433 | 32,990,951 | 76,192 | 73 | 2,778,231 | 38,058 | 506 | 35,769,182 | 70,690 |
| 45 TO 49 | 988 | 76,612,327 | 77,543 | 104 | 4,154,970 | 39,952 | 1,092 | 80,767,297 | 73,963 |
| 50 TO 54 | 1,838 | 141,569,955 | 77,024 | 117 | 4,987,864 | 42,631 | 1,955 | 146,557,819 | 74,966 |
| 55 TO 59 | 2,267 | 165,767,487 | 73,122 | 99 | 4,159,193 | 42,012 | 2,366 | 169,926,680 | 71,820 |
| 60 TO 64 | 1,554 | 102,296,493 | 65,828 | 79 | 3,298,832 | 41,757 | 1,633 | 105,595,325 | 64,663 |
| 65 TO 69 | 1,786 | 102,554,348 | 57,421 | 75 | 2,565,292 | 34,204 | 1,861 | 105,119,640 | 56,486 |
| 70 TO 74 | 2,277 | 112,191,768 | 49,272 | 84 | 2,466,375 | 29,362 | 2,361 | 114,658,143 | 48,563 |
| 75 TO 79 | 2,067 | 87,915,278 | 42,533 | 94 | 2,244,714 | 23,880 | 2,161 | 90,159,992 | 41,721 |
| 80 TO 84 | 1,235 | 49,767,169 | 40,297 | 67 | 1,076,740 | 16,071 | 1,302 | 50,843,909 | 39,051 |
| 85 TO 89 | 702 | 26,864,681 | 38,269 | 126 | 1,435,737 | 11,395 | 828 | 28,300,418 | 34,179 |
| 90 & UP | 329 | 11,242,915 | 34,173 | 332 | 1,965,897 | 5,921 | 661 | 13,208,812 | 19,983 |
| TOTAL | 15,621 | 920,223,776 | 58,909 | 1,296 | 32,895,469 | 25,382 | 16,917 | 953,119,245 | 56,341 |

New York City Fire Pension Funds

Comprehensive Annual Financial Report

A Pension Trust Fund of The City of New York



Statistical Section

Part V

Fiscal Year Ended June 30, 2014

New York City The Pension Funds

Administrative Annual Report

of the City of New York



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Administrative

Report

of the City of New York

The Statistical Section Narrative

The Statistical section of the New York City Fire Pension Fund's Comprehensive Annual Financial Report presents detailed information related to the financial statements, as well as highlights of the actuarial valuations. The data provided is a useful source in determining the fund's economic condition. The schedules are organized into four categories: Operating information, Demographic and economic information, Financial trends and Revenue capacity.

Operating information

The operating information gives users an indication of how the information in the financial statements relate to the activities of the fund. The schedules show data on benefit ranges, years of credited service, types of retirement and options selected and the amount of monthly, annual or average benefit paid to each group of retirees and beneficiaries. The data is presented for the fiscal period or over a ten year period.

Demographic and economic information

The demographic and economic categories present data to give users an understanding of the environment in which the pension plan operates. This is done mainly through the breakdown of the population groups in the plan membership. The schedules present the number of members and beneficiaries grouped according to several indicators including average monthly or annual salaries or age participating in the pension the plan, for the fiscal period or over a ten-year period.

Financial Trends

The schedules of trend data provide financial and actuarial data for the most current ten-year period. This data shows the changes in benefit types and changes in the plan's performance over time, as relates to revenues received benefits and expenses paid and net assets.

Revenue Capacity

Revenue capacity information helps users evaluate the different sources of revenues for the plan. The schedules show the sources and the changes in the level of revenues over time. The main sources of revenues for the plan are investment income and employer contributions.

TABLE OF BENEFIT EXPENSES BY TYPE

(In thousands)

| <u>FISCAL YEAR</u> | <u>Service Retirement Payments</u> | <u>Ordinary Disability Payments</u> | <u>Accidental Disability Payments</u> | <u>Payments for Death in Duty</u> | <u>Payments of Deceased Service and Disability</u> | <u>Death Benefits Lump Sum Payments</u> | <u>Other Benefits *</u> | <u>Total</u> |
|--------------------|------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|--|---|-------------------------|--------------|
| 2004 | \$ 256,676 | \$ 63,868 | \$ 338,051 | \$ 20,267 | \$ 8,578 | \$ 4,672 | \$ 58,847 | \$ 750,959 |
| 2005 | 253,706 | 63,615 | 369,126 | 20,374 | 8,635 | 3,138 | 123,634 | 842,228 |
| 2006 | 254,777 | 62,603 | 402,335 | 20,639 | 8,707 | 4,944 | 46,970 | 800,975 |
| 2007 | 253,902 | 61,397 | 449,918 | 20,727 | 8,563 | 3,539 | 73,431 | 871,477 |
| 2008 | 248,262 | 59,685 | 495,662 | 21,174 | 8,564 | 2,339 | 79,539 | 915,225 |
| 2009 | 249,084 | 58,392 | 524,425 | 51,974 | 14,353 | 4,219 | 26,006 | 928,453 |
| 2010 | 244,502 | 56,905 | 552,814 | 54,069 | 14,426 | 3,454 | 28,603 | 954,773 |
| 2011 | 240,312 | 55,019 | 587,885 | 55,488 | 13,723 | 1,279 | 29,768 | 983,474 |
| 2012 | 239,786 | 53,002 | 621,698 | 57,614 | 13,923 | 1,353 | 50,213 | 1,037,589 |
| 2013 | 237,294 | 51,273 | 659,243 | 59,888 | 14,646 | 1,371 | 112,289 | 1,136,004 |
| 2014 | 239,234 | 49,456 | 681,196 | 61,951 | 5,592 | 11,354 | 122,546 | 1,171,329 |

* This represents City Supplements and payments to firefighter fireofficers variable supplements fund.

TABLE OF RETIRED MEMBERS AND BENEFICIARIES BY TYPE OF BENEFIT

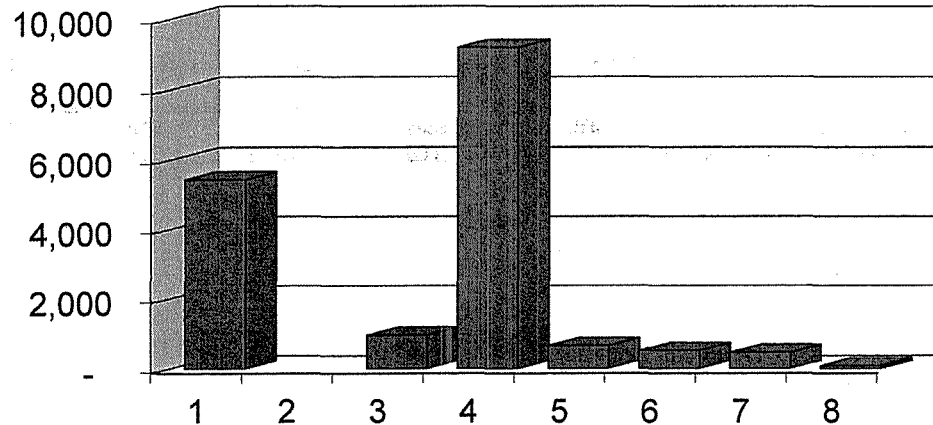
FISCAL YEAR 2014

| TOTAL NUMBERS RETIREES AND BENEFICIARIES | SERVICE RETIREES (1) | ORDINARY DISABILITY RETIREES (1) | ACCIDENTAL DISABILITY RETIREES (1) | LINE OF DUTY BENEFITS | SERVICE BENEFICIARIES | ACCIDENTAL BENEFICIARIES | ORDINARY BENEFICIARIES | OTHER BENEFITS (2) |
|---|-------------------------|--|--|-----------------------------|--------------------------|-----------------------------|---------------------------|-----------------------|
| 17,280 | 5,433 | 958 | 9,194 | 651 | 511 | 456 | 77 | - |

ANNUAL PAYROLL AMOUNT
(in thousands)

| | | | | | | | | |
|-----------|------------|-----------|------------|-----------|----------|----------|----------|------------|
| 1,171,329 | \$ 239,234 | \$ 49,456 | \$ 681,196 | \$ 61,951 | \$ 5,592 | \$ 9,638 | \$ 1,716 | \$ 122,546 |
|-----------|------------|-----------|------------|-----------|----------|----------|----------|------------|

RETIRED MEMBERS BY TYPE OF BENEFIT



SEE RETIREMENT BENEFIT BELOW

Type of Retirement

- 1 - Service retirement (20 yrs or over)
- 2 - Ordinary Disability (Non - Line of Duty)
- 3 - Accidental Disability (Line of Duty)
- 4 - Line of Duty benefits for surviving spouse
- 5 - Survivors of Service Retirees
- 6 - Survivors of Accidental Disability retirees
- 7 - Survivors of Ordinary Disability retirees

(1) Includes Maximum Allowance and Options.

(2) Includes City Supplements, Return of Contributions Vouchers and payments to FF, FO Variable Supplements Funds.

TABLE OF RETIRED MEMBERS AND BENEFICIARIES BY TYPE OF OPTION SELECTED *

FISCAL YEAR 2014

180

| TOTAL NUMBER OF RETIREES AND BENEFICIARIES | MAXIMUM ALLOWANCE (1) | OPTION ONE | OPTION TWO | OPTION THREE | OPTION FOUR | POP - UP OPTION | LINE OF DUTY BENEFICIARIES (1) | BENEFICIARIES | OTHER BENEFITS (2) |
|---|--------------------------|---------------|---------------|-----------------|----------------|--------------------|-----------------------------------|---------------|-----------------------|
| 17280 | 14,556 | 10 | 253 | 318 | 678 | 14 | 651 | 800 | - |

ANNUAL PAYROLL AMOUNT

| | | | | | | | | | |
|--------------|------------|--------|-----------|-----------|-----------|--------|-----------|----------|------------|
| \$ 1,171,329 | \$ 895,774 | \$ 420 | \$ 13,327 | \$ 17,627 | \$ 49,319 | \$ 853 | \$ 61,951 | \$ 9,512 | \$ 122,546 |
|--------------|------------|--------|-----------|-----------|-----------|--------|-----------|----------|------------|

(1) Includes Subchapter I and II.

(2) Includes City Supplements, Return of Contributions Vouchers and payments to FF, FO Variable Supplement Funds.

Note: Option figures include Retirees and Beneficiaries.

New York City Fire Pension Funds
Retired Members by Type of Benefit
As of June 30, 2014

Exhibit 4

| Amount of Monthly Benefits | Number of Retired Members | Type of Retirement ^a | | | | | Option Selected ^b | | | | POP - UPS | | |
|----------------------------|---------------------------|---------------------------------|------------|--------------|------------|--------------|------------------------------|-----------|------------|------------|------------|-----------|---|
| | | 1 | 2 | 3 | 4 | 5 | Unmodified | 1 | 2 | 3 | | 4 | |
| \$ 43,393 | 10 | - | - | 2 | 5 | 3 | 10 | - | - | - | - | - | - |
| 149,662 | 28 | - | - | 22 | 4 | 2 | (311) | - | - | - | - | 339 | - |
| 824,615 | 153 | - | 3 | 116 | 34 | - | 128 | - | 1 | - | - | 24 | - |
| 2,980,765 | 506 | 11 | 4 | 420 | 71 | - | 190 | 3 | 79 | 112 | 118 | - | 4 |
| 6,730,608 | 1,092 | 86 | 14 | 889 | 98 | 5 | 1,037 | 5 | 3 | 43 | 3 | - | 1 |
| 12,213,152 | 1,975 | 371 | 35 | 1,436 | 122 | 11 | 1,937 | 2 | 2 | 21 | 11 | - | 2 |
| 14,160,557 | 2,366 | 637 | 47 | 1,594 | 73 | 15 | 2,296 | - | 42 | 17 | 9 | - | 2 |
| 8,799,610 | 1,633 | 570 | 49 | 942 | 55 | 17 | 1,428 | - | 19 | 26 | 159 | - | 1 |
| 8,759,970 | 1,861 | 814 | 80 | 892 | 41 | 34 | 1,776 | - | 6 | 61 | 14 | - | 4 |
| 9,554,845 | 2,148 | 850 | 214 | 1,001 | 49 | 34 | 2,045 | - | 64 | 38 | 1 | - | - |
| 7,513,333 | 2,062 | 967 | 134 | 868 | 46 | 47 | 2,038 | - | 24 | - | - | - | - |
| 4,236,992 | 1,553 | 567 | 201 | 698 | 18 | 49 | 1,541 | - | 12 | - | - | - | - |
| 2,358,368 | 828 | 351 | 117 | 234 | 15 | 111 | 827 | - | 1 | - | - | - | - |
| 1,100,734 | 1,065 | 189 | 60 | 80 | 20 | 716 | 1,065 | - | - | - | - | - | - |
| Total | 17,280 | 6,433 | 958 | 8,194 | 651 | 1,044 | 18,007 | 10 | 253 | 318 | 678 | 14 | |

^a **Type of retirement:**

- 1 - Service retirement
- 2 - Ordinary Disability
- 3 - Accidental Disability
- 4 - Line of Duty (Accidental Death)
- 5 - Beneficiaries (All)

^b **Option selected:**

The following options reduce the retired member's monthly benefits

- Option 1** - Provides a member with a retirement allowance payable for life which is less than the Maximum Allowance.
- Option 2** - Provides a member with a reduced retirement allowance with the provision that upon his or her death the same allowance will continue to be paid to his or her beneficiary for life.
- Option 3** - Provides a member with a retirement allowance reduce from the Maximum Allowance, with the provision that one half of the allowance will continue to be paid to the member's beneficiary for life.
- Option 4** - This option provides, upon the member's death, payment of a specified benefit or benefits actuarially-sound and approved by the Actuary and the Board of Trustees.
- POP - UP OPTIONS** (refer to Option 4-2 and Option 4-3) These are called the "POP - UPS" because they are variations of Option 2 and 3 and provide that if the beneficiary predeceases the retiree, then the retirement allowance will "Pop - Up to the level of the Maximum Retirement Allowance.

New York City Fire Pension Funds
Average Benefit Payments
Last Ten Years

Exhibit 5

| Retirement Effective Dates | Age Credited Service | | | | | | | | | | | | | |
|---------------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Under 30 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75-79 | 80-84 | 85-89 | 90 & Up |
| Period 7/1/04 to 6/30/06 | | | | | | | | | | | | | | |
| Average monthly benefit | \$ 2,897 | \$ 3,213 | \$ 3,822 | \$ 4,157 | \$ 4,201 | \$ 4,282 | \$ 4,285 | \$ 4,066 | \$ 3,627 | \$ 3,191 | \$ 2,928 | \$ 2,476 | \$ 1,625 | \$ 1,274 |
| Average final salary | 34,760 | 38,561 | 45,858 | 49,888 | 50,409 | 51,385 | 51,425 | 48,787 | 43,522 | 38,289 | 35,130 | 29,709 | 19,497 | 15,286 |
| Number of retired members | 6 | 63 | 187 | 537 | 1,504 | 1,570 | 1,593 | 2,019 | 2,774 | 2,393 | 1,618 | 1,256 | 1,101 | 822 |
| Period 7/1/06 to 6/30/06 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,421 | 3,264 | 3,995 | 4,394 | 4,423 | 4,505 | 4,414 | 4,266 | 3,762 | 3,270 | 3,052 | 2,604 | 1,827 | 1,260 |
| Average final salary | 41,054 | 39,165 | 47,945 | 52,733 | 53,081 | 54,059 | 52,973 | 51,187 | 45,143 | 39,244 | 36,619 | 31,250 | 21,920 | 15,120 |
| Number of retired members | 7 | 59 | 208 | 584 | 1,401 | 1,814 | 1,524 | 1,959 | 2,612 | 2,515 | 1,649 | 1,290 | 998 | 865 |
| Period 7/1/06 to 6/30/07 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,375 | 3,611 | 4,284 | 4,716 | 4,862 | 4,895 | 4,715 | 4,424 | 3,879 | 3,341 | 3,117 | 2,689 | 1,971 | 1,210 |
| Average final salary | 40,499 | 43,327 | 51,409 | 56,588 | 58,345 | 58,735 | 56,579 | 53,083 | 46,553 | 40,093 | 37,402 | 32,267 | 23,651 | 14,524 |
| Number of retired members | 8 | 59 | 229 | 638 | 1,420 | 1,981 | 1,570 | 1,900 | 2,570 | 2,482 | 1,643 | 1,283 | 902 | 794 |
| Period 7/1/07 to 6/30/08 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,843 | 3,608 | 4,527 | 5,144 | 5,257 | 5,232 | 4,987 | 4,633 | 4,005 | 3,500 | 3,179 | 2,786 | 2,166 | 1,276 |
| Average final salary | 46,116 | 43,273 | 54,323 | 61,725 | 63,079 | 62,786 | 59,844 | 55,591 | 48,061 | 42,002 | 38,143 | 33,432 | 25,993 | 15,308 |
| Number of retired members | 7 | 45 | 232 | 618 | 1,304 | 2,154 | 1,639 | 1,749 | 2,388 | 2,590 | 1,745 | 1,290 | 854 | 789 |
| Period 7/1/08 to 6/30/09 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,881 | 3,642 | 4,572 | 5,195 | 5,309 | 5,284 | 5,037 | 4,679 | 4,045 | 3,535 | 3,210 | 2,814 | 2,188 | 1,288 |
| Average final salary | 46,577 | 43,706 | 54,866 | 62,342 | 63,710 | 63,414 | 60,442 | 56,147 | 48,542 | 42,422 | 38,524 | 33,766 | 26,253 | 15,461 |
| Number of retired members | 7 | 43 | 234 | 629 | 1,306 | 2,230 | 1,734 | 1,823 | 2,270 | 2,585 | 1,739 | 1,266 | 816 | 764 |
| Period 7/1/09 to 6/30/10 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,843 | 3,606 | 4,527 | 5,144 | 5,257 | 5,231 | 4,985 | 4,633 | 4,005 | 3,500 | 3,179 | 2,786 | 2,166 | 1,272 |
| Average final salary | 46,116 | 43,273 | 54,323 | 61,725 | 63,079 | 62,774 | 59,823 | 55,591 | 48,061 | 42,002 | 38,143 | 33,432 | 25,993 | 15,262 |
| Number of retired members | 7 | 45 | 232 | 618 | 1,304 | 2,155 | 1,640 | 1,749 | 2,268 | 2,466 | 1,745 | 1,290 | 854 | 787 |
| Period 7/1/10 to 6/30/11 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,570 | 4,613 | 4,923 | 5,415 | 5,764 | 5,663 | 5,576 | 4,958 | 4,355 | 3,754 | 3,316 | 3,003 | 2,562 | 1,424 |
| Average final salary | 42,838 | 55,350 | 59,071 | 64,974 | 69,172 | 67,956 | 66,907 | 59,497 | 52,262 | 45,042 | 39,791 | 36,036 | 30,744 | 17,090 |
| Number of retired members | 11 | 32 | 197 | 517 | 1,162 | 2,254 | 1,916 | 1,674 | 2,014 | 2,602 | 1,994 | 1,220 | 799 | 748 |
| Period 7/1/11 to 6/30/12 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,570 | 4,613 | 4,923 | 5,415 | 5,764 | 5,663 | 5,576 | 4,958 | 4,355 | 3,754 | 3,316 | 3,003 | 2,562 | 1,424 |
| Average final salary | 42,838 | 55,350 | 59,071 | 64,974 | 69,172 | 67,956 | 66,907 | 59,497 | 52,262 | 45,042 | 39,791 | 36,036 | 30,744 | 17,090 |
| Number of retired members | 11 | 52 | 206 | 527 | 1,180 | 2,002 | 2,315 | 1,694 | 2,033 | 2,448 | 2,001 | 1,364 | 854 | 717 |
| Period 7/1/12 to 6/30/13 | | | | | | | | | | | | | | |
| Average monthly benefit | 3,880 | 5,217 | 5,070 | 5,597 | 5,949 | 5,922 | 5,798 | 5,120 | 4,547 | 3,868 | 3,393 | 3,136 | 2,677 | 1,554 |
| Average final salary | 46,557 | 62,607 | 60,835 | 67,165 | 71,384 | 71,061 | 69,575 | 61,443 | 54,564 | 46,410 | 40,720 | 37,635 | 32,129 | 18,647 |
| Number of retired members | 17 | 50 | 187 | 522 | 1,291 | 2,167 | 2,074 | 1,750 | 1,908 | 2,361 | 2,085 | 1,369 | 763 | 720 |
| Period 7/1/13 to 6/30/14 | | | | | | | | | | | | | | |
| Average monthly benefit | 4,339 | 5,345 | 5,390 | 5,891 | 6,164 | 6,247 | 5,985 | 5,389 | 4,707 | 4,047 | 3,477 | 2,504 | 2,848 | 1,665 |
| Average final salary | 52,071 | 64,141 | 64,676 | 70,690 | 73,963 | 74,966 | 71,820 | 64,663 | 56,485 | 48,563 | 41,721 | 30,051 | 34,179 | 19,983 |
| Number of retired members | 10 | 28 | 153 | 506 | 1,092 | 1,955 | 2,366 | 1,633 | 1,861 | 2,361 | 2,161 | 1,302 | 828 | 661 |

Source: Office of the Actuary City of New York.
Lag 2012 for determining Final Fiscal Year 2014 Employer Contributions

New York City Fire Pension Funds
Benefit and Refund Deductions from Net Assets by Type
Last Ten Fiscal Years
(In thousands)

Exhibit 6

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Type of Benefit: | | | | | | | | | | |
| Age and service benefits: | | | | | | | | | | |
| Retirees | 253,706 | 254,777 | 253,902 | 248,262 | 249,084 | 244,502 | 240,312 | 239,786 | 308,667 | 239,234 |
| Survivors | 5,363 | 5,290 | 4,926 | 4,666 | 10,212 | 10,040 | 5,990 | 5,847 | 5,776 | 5,592 |
| Death in service benefits | 20,374 | 20,639 | 20,727 | 21,174 | 51,974 | 54,069 | 55,488 | 57,614 | 59,888 | 61,951 |
| Disability benefits: | | | | | | | | | | |
| Retirees - duty | 369,126 | 402,335 | 449,918 | 495,662 | 524,425 | 552,814 | 587,885 | 621,698 | 659,243 | 681,196 |
| Retirees - nonduty | 63,615 | 62,603 | 61,397 | 59,685 | 58,392 | 56,905 | 55,019 | 53,002 | 51,273 | 49,456 |
| Survivors | 3,272 | 3,417 | 3,637 | 3,898 | 4,141 | 4,386 | 1,279 | 1,353 | 1,371 | 1,716 |
| Total benefits | \$ 715,456 | \$ 749,061 | \$ 794,507 | \$ 833,347 | \$ 898,228 | \$ 922,716 | \$ 945,973 | \$ 979,300 | \$ 1,086,218 | \$ 1,039,145 |
| Type of Refunds | | | | | | | | | | |
| Death | 3,138 | 4,944 | 3,539 | 2,339 | 4,219 | 3,454 | 7,733 | 8,076 | 8,870 | 9,638 |
| Other benefits | 123,634 | 46,970 | 73,431 | 79,539 | 26,006 | 28,603 | 29,768 | 50,213 | 40,916 | 122,546 |
| Total refunds | \$ 126,772 | \$ 51,914 | \$ 76,970 | \$ 81,878 | \$ 30,225 | \$ 32,057 | \$ 37,501 | \$ 58,289 | \$ 49,786 | \$ 132,184 |
| Total Benefits and Refunds | \$ 842,228 | \$ 800,975 | \$ 871,477 | \$ 915,225 | \$ 928,453 | \$ 954,773 | \$ 983,474 | \$ 1,037,589 | \$ 1,136,004 | \$ 1,171,329 |

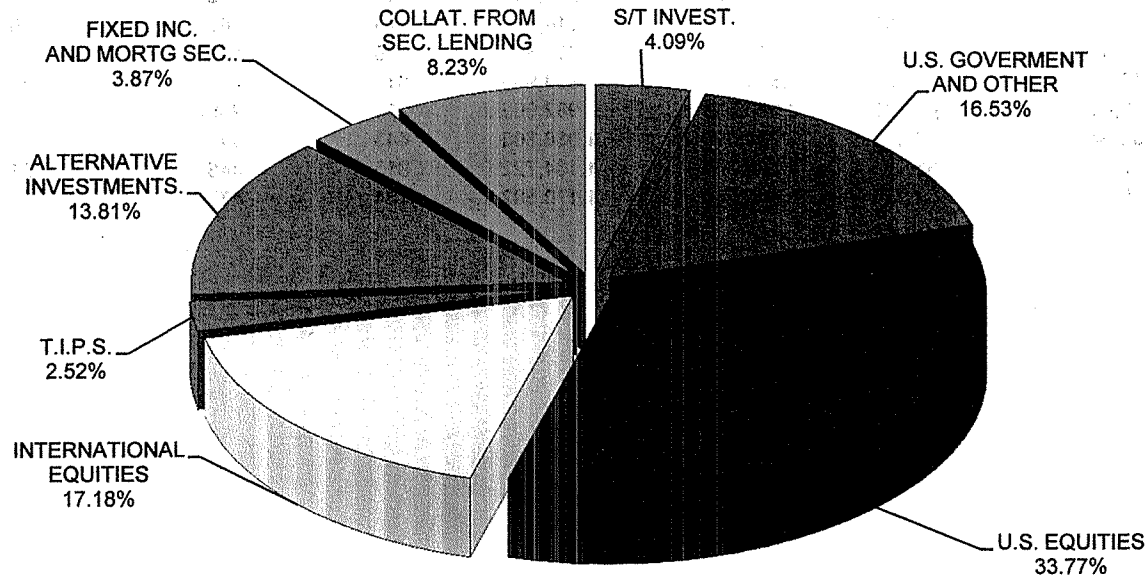
Source Fire Department New York.

SCHEDULE OF AVERAGE ANNUAL BENEFIT PAYMENT AMOUNTS

| <u>Fiscal Year</u> | <u>Service Retirement Benefits</u> | | <u>Accidental (Duty) Disability Benefits</u> | | <u>Ordinary (Non Duty) Disability Benefits</u> | | <u>Survivor's Benefits *</u> | |
|--------------------|------------------------------------|---------------------------------|---|---------------------------------|--|---------------------------------|------------------------------|---------------------------------|
| | <u>Numbers</u> | <u>Average Annual Allowance</u> | <u>Number</u> | <u>Average Annual Allowance</u> | <u>Number</u> | <u>Average Annual Allowance</u> | <u>Number</u> | <u>Average Annual Allowance</u> |
| 2004 (Lag) | 7,148 | \$ 35,909 | 6,780 | \$ 49,860 | 1,488 | \$ 42,922 | 2,043 | \$ 14,119 |
| 2005 (Lag) | 6,965 | 36,426 | 7,103 | 51,968 | 1,448 | 43,933 | 1,927 | 19,316 |
| 2006 (Lag) | 6,839 | 37,254 | 7,420 | 54,223 | 1,398 | 44,780 | 1,828 | 19,767 |
| 2007 (Lag) | 6,606 | 38,435 | 7,816 | 57,564 | 1,339 | 45,853 | 1,718 | 17,208 |
| 2008 (Lag) | 6,353 | 39,078 | 8,149 | 60,825 | 1,284 | 46,484 | 1,618 | 20,942 |
| 2009 (Lag) | 6,194 | 39,908 | 8,331 | 63,286 | 1,217 | 47,398 | 1,521 | 19,782 |
| 2010 (Lag) | 5,957 | 40,447 | 8,593 | 65,741 | 1,167 | 48,219 | 1,423 | 21,354 |
| 2011 | 5,837 | 41,170 | 8,712 | 67,480 | 1,110 | 49,557 | 1,414 | 49,144 |
| 2012 | 5,667 | 41,080 | 8,912 | 69,760 | 1,058 | 50,096 | 1,767 | 41,251 |
| 2013 | 5,487 | 43,247 | 9,064 | 72,723 | 1,010 | 50,765 | 1,703 | 44,571 |
| 2014 | 5,433 | 44,033 | 9,194 | 63,215 | 958 | 51,624 | 1,695 | 46,370 |

* Includes World Trade Center Benefits

TOTAL INVESTMENTS FISCAL YEAR 2014 Fire Funds Combined (At Market Value)



NEW YORK CITY FIRE PENSION FUNDS

Schedule of Changes in Net Positions

(In thousands)

| Year Ended | Additions to Funds Net Position | | | | | Deductions from Funds Net Position | | | | | Change in Net Position |
|------------|---------------------------------|------------------------|------------------------------|--------------|-----------------|------------------------------------|---------|-------------------------|----------------------------|------------------|------------------------|
| | Member Contributions | Employer Contributions | Net Investment Income/(Loss) | Other Income | Total Additions | Benefit Payments | Refunds | Administrative Expenses | City Supplement and Parity | Total Deductions | |
| 2004 | 42,529 | 392,693 | 774,109 | 33,257 | 1,242,588 | 750,742 | 217 | - | - | 750,959 | 491,629 |
| 2005 | 52,680 | 489,508 | 560,821 | 49,662 | 1,152,671 | 841,648 | 319 | - | 261 | 842,228 | 310,443 |
| 2006 | 76,548 | 608,771 | 590,395 | 28,971 | 1,304,685 | 800,552 | - | 413 | 10 | 800,975 | 503,710 |
| 2007 | 71,614 | 683,193 | 1,117,227 | 36,770 | 1,908,804 | 870,841 | 444 | 172 | 20 | 871,477 | 1,037,327 |
| 2008 | 75,974 | 780,202 | (366,390) | 40,103 | 529,889 | 914,569 | 418 | 200 | 38 | 915,225 | (385,336) |
| 2009 | 84,357 | 843,751 | (1,282,917) | 42,729 | (312,080) | 927,819 | 325 | 248 | 61 | 928,453 | (1,240,533) |
| 2010 | 89,223 | 874,331 | 818,201 | 34,990 | 1,816,745 | 953,990 | 510 | 237 | 36 | 954,773 | 861,972 |
| 2011 | 94,893 | 890,706 | 1,472,892 | 41,887 | 2,500,378 | 982,962 | 276 | 236 | - | 983,474 | 1,516,904 |
| 2012 | 98,494 | 976,895 | 93,548 | 37,661 | 1,206,598 | 1,036,806 | 443 | 340 | - | 1,037,589 | 169,009 |
| 2013 | 104,816 | 962,173 | 1,042,431 | 38,965 | 2,148,385 | 1,134,722 | 816 | 445 | 21 * | 1,136,004 | 1,012,381 |
| 2014 | 108,859 | 969,956 | 1,689,485 | 39,980 | 2,808,280 | 1,170,582 | 184 | 477 | 86 | 1,171,329 | 1,636,951 |

106

NEW YORK CITY FIRE PENSION FUNDS

SCHEDULE OF REVENUES BY SOURCE

(in thousands)

| Fiscal Year Ended June 30 | Member Contributions | Employer Contributions | Other Income/(Loss) | Interest and Dividends | Appreciation (Depreciation) In fair value of investments | Total | % of Annual Covered Payroll |
|---------------------------|----------------------|------------------------|---------------------|------------------------|--|--------------|-----------------------------|
| 2004 | \$ 42,529 | \$ 392,693 | \$ 22,673 | \$ 124,437 | \$ 660,256 | \$ 1,242,588 | N/A |
| 2005 | 52,680 | 489,508 | 40,443 | 147,184 | 422,856 | 1,152,671 | N/A |
| 2006 | 76,548 | 608,771 | 17,450 | 164,325 | 437,591 | 1,304,685 | N/A |
| 2007 | 71,614 | 683,193 | 21,868 | 185,836 | 946,293 | 1,908,804 | N/A |
| 2008 | 75,974 | 780,202 | 28,393 | 210,151 | (564,831) | 529,889 | N/A |
| 2009 | 84,357 | 843,751 | 30,545 | 187,040 | (1,457,773) | (312,080) | N/A |
| 2010 | 89,223 | 874,331 | 10,319 | 176,097 | 666,775 | 1,816,745 | N/A |
| 2011 | 94,893 | 890,706 | 17,668 | 192,667 | 1,304,444 | 2,500,378 | N/A |
| 2012 | 98,494 | 976,895 | 9,756 | 220,373 | (98,920) | 1,206,598 | N/A |
| 2013 | 104,816 | 962,173 | 6,469 | 255,805 | 819,122 | 2,148,385 | N/A |
| 2014 | 108,859 | 969,956 | (3,557) * | 277,940 | 1,455,082 | 2,808,280 | N/A |

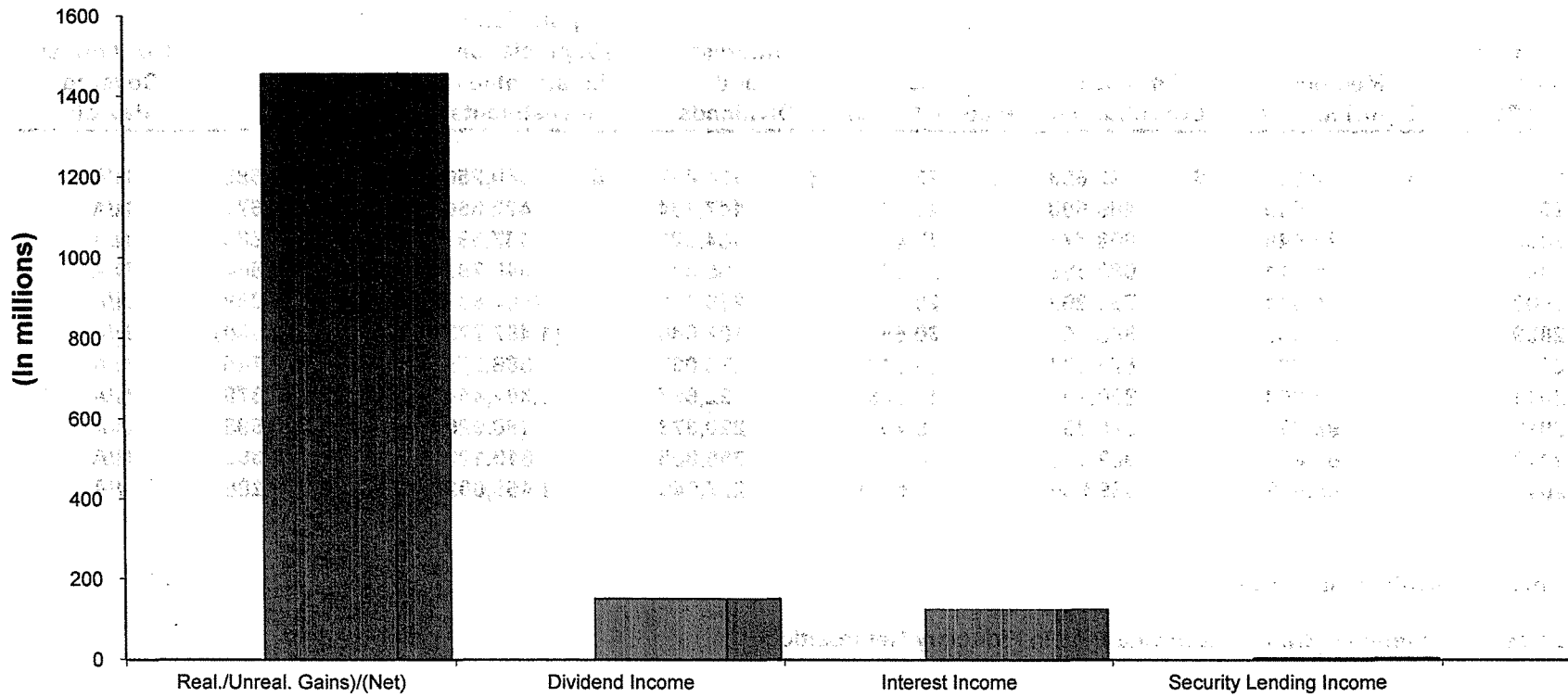
* Other Income/(loss) Includes.

Source: Combined Statement of Changes in Fiduciary Net Position

INVESTMENT INCOME

Fire Funds Combined

Fiscal Year 2014



NEW YORK CITY FIRE PENSION FUNDS

SCHEDULE OF EXPENSES BY TYPE

(in thousands)

| Fiscal Year Ended June 30 | Benefit Payments | Refunds | Administrative Expenses | Other Payments | Total |
|--|-----------------------------|----------------|------------------------------------|---------------------------|--------------|
| 2004 | \$ 750,742 | \$ 217 | \$ - | \$ - | \$ 750,959 |
| 2005 | 841,648 | 319 | - | 261 | 842,228 |
| 2006 | 800,552 | - | 413 | 10 | 800,975 |
| 2007 | 870,841 | 444 | 172 | 20 | 871,477 |
| 2008 | 914,569 | 418 | 200 | 38 | 915,225 |
| 2009 | 927,819 | 325 | 248 | 61 | 928,453 |
| 2010 | 953,990 | 510 | 237 | 36 | 954,773 |
| 2011 | 982,962 | 276 | 236 | - | 983,474 |
| 2012 | 1,036,806 | 443 | 340 | - | 1,037,589 |
| 2013 | 1,134,722 | 816 | 445 | 21 | 1,136,004 |
| 2014 | 1,170,582 | 184 | 477 | 86 | 1,171,329 |

**Table of Compensation to
Administrative Officials and Commissions & Payments
To Brokers and Consultants
Fiscal Year Ended June 30, 2014**

| <u>Official Plan Position</u> | <u>Salary or Allowance Paid</u> |
|--|-------------------------------------|
| Pension Fund Administrative Personnel | \$ 2,044,586 |
| Comptroller's Office Executive Management Costs | 13,529 |
| First Deputy Personal Service Cost | 105,951 |
| Financial Information Service Agency (FISA) | 506,339 |
| Office of Payroll Administration (OPA) | 112,392 |
| Deputy Comptroller Asset Management (Personal Service Cost) | 749,167 |
| Deputy Comptroller Asset Management (Outside Service Costs) | 182,393 |
| Administrative Support Cost | 946 |
| Office of Management and Budget | 152,812 |
| Legal Advisor | 56,556 |
| Investments Advisor | 42,803,389 * |
| Securities Lending Fees | 684,458 * |
| Total | <u>\$ 47,412,518</u> |

* Except for investment advisor and Securities Lending fees these expenses were charged to other City Agencies on behalf of the New York Fire Pension Fund.