

Fourth Quarter 2011

City of New York – Stable Income Fund

The Stable Income Fund is managed to protect principal while providing the potential for higher rates of return than other conservative investments, such as money market funds. To achieve this, the Fund invests in instruments which are not expected to experience price fluctuation in most economic or interest rate environments. Examples of these assets include guaranteed investment contracts (GICs), bank investment contracts (BICs), and security backed contracts.

Glossary

Blended Yield

- The weighted average yield of the portfolio's holdings, net of all fees.

Book Value Contracts

- Bank Investment Contract (BIC):

A contract in which a bank guarantees to return the principal amount deposited by the contract holder on a specified date and at a specified rate of interest.

- Guaranteed Investment Contract (GIC):

A contract in which an insurance company guarantees to return the principal amount to the contract holder on a specified date and at a specified rate of interest.

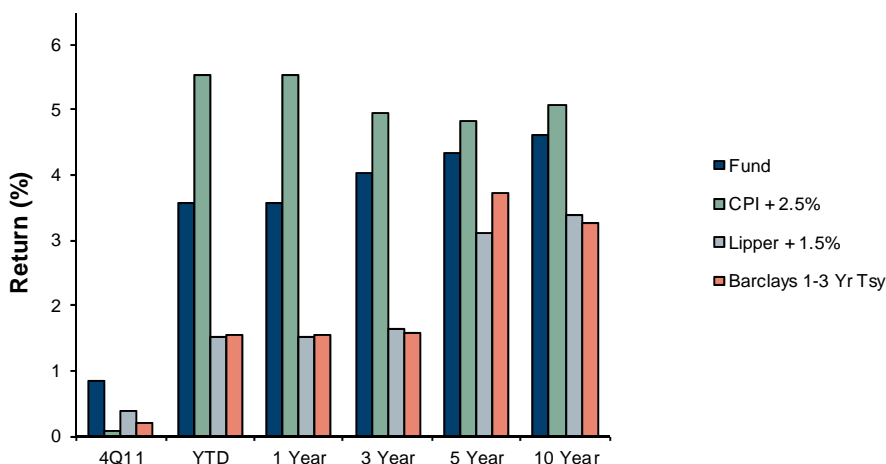
- Security Backed Contracts:

A contract issued by a bank or insurance company in which an underlying portfolio of fixed income securities back the contract. Security backed contracts guarantee a minimum rate of return.

Investment Objectives

- Safety of principal
- Consistency of returns with minimal volatility

Annualized Performance (%)*



As of 12/31/11	4Q11	YTD	1 Year	3 Year	5 Year	10 Year
Fund	0.84	3.56	3.56	4.02	4.34	4.62
CPI + 2.5%	0.09	5.54	5.54	4.95	4.83	5.06
Lipper + 1.5%	0.38	1.53	1.53	1.63	3.10	3.37
Barclays 1-3 Yr Tsy	0.19	1.55	1.55	1.58	3.71	3.27

* Fund benchmarks are the Consumer Price Index (CPI) + 2.5%, Lipper Institutional Money Market Average + 1.5% and Barclays Capital 1-3 Year Treasury Index. The fund returns reflected above are net of all fees. The Stable Income Fund is not FDIC insured. Past performance is no guarantee of future returns.

Investment Strategy

The Fund invests in a diversified pool of investment contracts issued by high quality financial institutions. The fixed income portfolios within the security backed contracts are managed by several nationally known fixed income managers in order to provide diversification by investment style. This Fund is appropriate for investors seeking more income than a money market fund without the price fluctuation experienced in many other funds.

Fund Management

As of 12/31/11, the fixed income portfolios within the Fund were managed by BlackRock, ICMA-RC, NISA Investment Advisors, L.L.C, PIMCO, JPMorgan and Prudential Fixed Income.

For More Information, contact:
City of New York Deferred
Compensation Plan
Phone: (212) 306-7760
Website: www.nyc.gov/deferredcomp

City of New York – Stable Income Fund

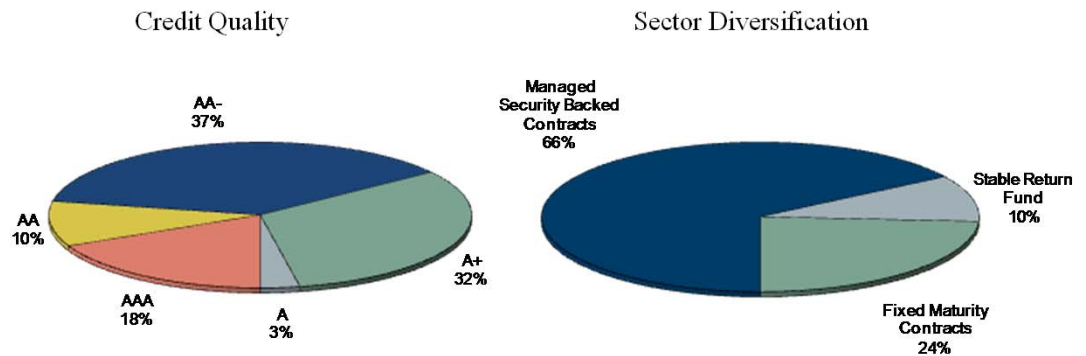
Fund Facts

Inception Date.....1/1/1990
 Trustee.....City of New York Deferred Compensation Plan Board
 Valuation Frequency.....Daily

Fund Characteristics

Stable Income Fund Characteristics As of December 31, 2011	
Total Assets	\$4,340,186,639
Overall Weighted Average Quality	AA-
Weighted Average Maturity (Duration)	2.94 Years
4 th Quarter 2011 Yield (net of fees)	3.40%
1 st Quarter 2012 Yield (net of fees)	3.20%

Fund Diversification



Top Five Contract Issuers

1. Metlife Insurance Company Separate Account (Aa3/AA-/AA-)
2. United of Omaha (A1/A+/NR)
3. Monumental Life (AEGON) (A1/AA-/AA-)
4. Prudential (A2-/AA-/A+)
5. New York Life (AAA/AA+/Aaa)

Fund Guidelines

Investment Guidelines

- 100% of fund invested in book value investment instruments: GIC's, security backed contracts and stable value funds
- Weighted Average Quality: AA- or better
- Weighted Average Maturity (Duration): maximum 4.0 years
- Liquidity: 5% minimum invested in cash equivalents

Disclosure:

The estimated yield is provided to help participants make choices concerning their investment options. The yield for the Stable Income Fund for the period January 1, 2012 to March 31, 2012 will be 3.20%. The yield is an annual rate that changes each calendar quarter. Participants earn approximately 1/4th of the yield each quarter. Total assets equals the sum of all participant balances.